



HAARSLEV™

PRESS RELEASE Q3 2019



**POULTRY
RENDERING**



**MEAT
RENDERING**



**FISH
PROCESSING**



**INDUSTRIAL
PROCESSING**



A STRONG QUARTER WITH SOLID REVENUE AND EBITDA GROWTH

“The third quarter was a very busy quarter for Haarslev. Revenues reached EUR 53 million, an increase of 9% compared to 2Q-19. Our EBITDA¹ was up by 53% QoQ and the margin was 10% for the third quarter

Orders received were EUR 43 mln despite the timing of some larger projects shifting slightly. These projects have materialized and been booked in October.

In the last 5 years Haarslev has won more than 75% of all greenfield projects and in 2019 we have won all projects considered as strategic.

We are very pleased with the level of trust our customers have in us, but we are also aware that we must improve on delivery performance and reduce delivery times.

Haarslev’s new ERP system launched in 1Q19 created some challenges, but most are now resolved or under control. Focus on liquidity continued in the quarter.

Our focus remains on leading performance. We want to drive growth through our global market presence, solutions, innovations and servicing our installed base.”

HAN DEFAUWES, CEO

Q3 2019 HIGHLIGHTS

- Revenue of EUR 52.9 mln and EBITDA¹ of EUR 5.3 mln (10% margin)
- Strong order book level of EUR 113 mln
- Order intake of EUR 43 mln in 3Q19 and LTM² of EUR 192 mln
- Significant decrease in leverage during the quarter, net debt/EBITDA improved with ~3.5x
- Increased capacity in engineering & factories and improved efficiency

ORDERS RECEIVED AT GOOD LEVELS

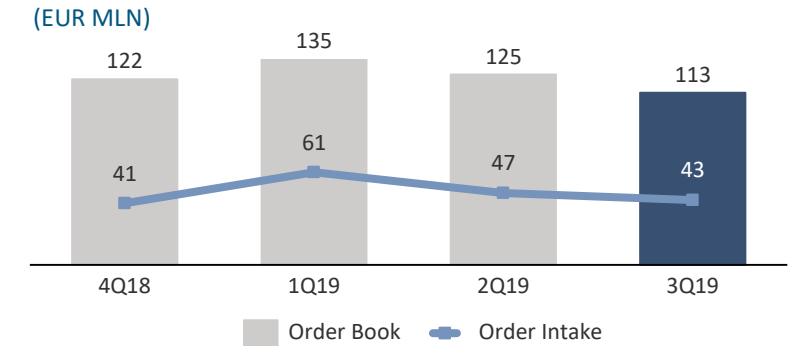
- Strong order intake throughout the year. We are confident that we will meet and exceed expectations for 2019
- Markets continue to be strong with some shifts in demand between markets within industries and geographies. We see more orders coming from Asia Pacific and Latin America
- African Swine Fever still has an impact on the pork industry, but also accelerates investments in DATC³ facilities and other protein sources like poultry
- The third quarter order book (EUR 113 mln) decreased EUR 12 mln compared to 3Q18, reflecting the improved output in our supply chain

DELIVERING STRONG GROWTH

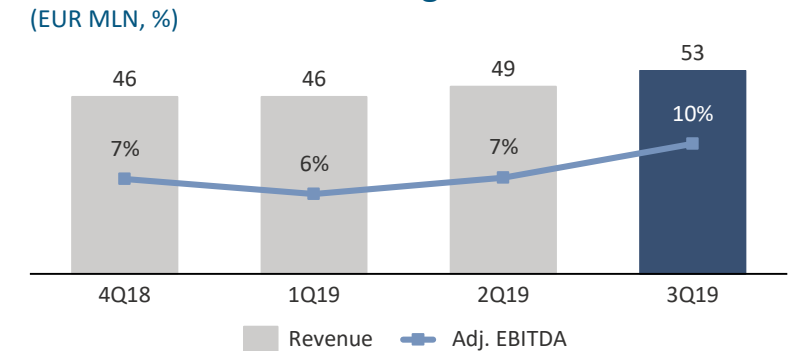
- Revenue for the quarter grew EUR 4.2 mln (8.6%) compared to 2Q19 while EBITDA¹ grew by EUR 1.6 mln in the same period
- With the largest installed base in our industry an important part of our revenue is from recurring service and spare parts. By the end of third quarter 2019, Services & Spares account for 27% of revenue year to date. In particular, our Pump program is taking off very well
- Our installed base is growing following high greenfield sales in the past years. Inventories of fast moving and critical spare parts are being replenished in order to shorten lead times and better serve our customers

1: Adjusted EBITDA excludes special non-recurring items and non-core activities being discontinued / divested;; 2: LTM = Last twelve months 3: Dead Animal Treatment Center

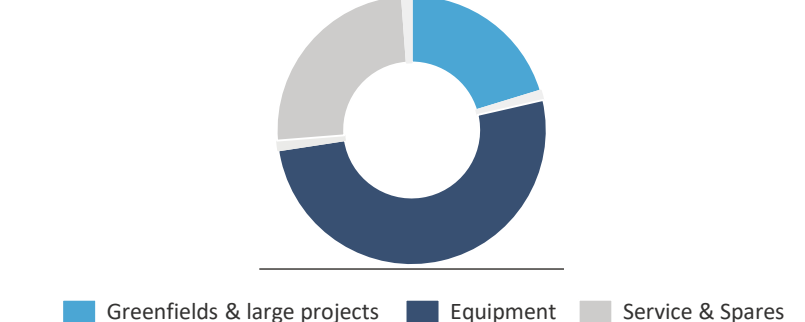
ORDER BOOK AND ORDER INTAKE



Revenue and EBITDA margin¹



Revenue by business mix (LTM)



Greenfields & large projects Equipment Service & Spares

HAARSLEV PROFILE

- Market share of almost 3x the runner up
- Only global provider with customers in >120 countries
- Global installed base with over EUR 1.1 bn in value
- ~1,050 FTEs of which >115 are certified engineers
- Track record of innovation in the industry
- Unmatched service capabilities, with >120 service engineers & technicians and 8 spare part hubs
- In-house Health, Safety and Environment (HSE) organization and strong focus on compliance
- Vision to support and improve efficient use of the world's scarce resources



OUTLOOK

- Market conditions have been favorable in the last years and are now more challenging in light of geopolitical uncertainties
- Haarslev is targeting 5-7% annual growth but our main focus is on 'leading performance', which means in the short-term improving delivery performance, reducing delivery times and launching new products
- Leading performance also means a solid operational performance and strong cash flow
- We are reviewing a further integration of CORE, a software solution to reduce downtime, increase throughput, improve quality and lower energy consumption

SELECTED PROJECTS

- 25th October is the date of the launching ceremony of the first of 7 ultra modern fishing vessels commissioned by a large Russian fishery, all with Haarslev Industries fish meal plants installed on board to ensure that no valuable resources are wasted
- Early November, we will start up 3 large fish meal dryers at the Pelagia plant in Bodø, Norway
- Before year end we will start up a new state of the art poultry rendering plant at Cedrob in Poland

For questions please contact Lene Bennett at lben@haarslev.com

UPCOMING TRADESHOWS

Saudi Agriculture

Riyadh, Saudi Arabia
October 21-24, 2019

NRA Annual Convention

Carlsbad, USA
Oct. 28 - Nov. 1, 2019

IFFO

Shanghai, China
November 4-6, 2019

Expo Pesca

Lima, Peru
November 6-8, 2019

STN Jahrestagung

Weimar, Germany
November 14-15, 2019