



HAARSLEV™

PRESS RELEASE 2Q-2022



**POULTRY
RENDERING**



**MEAT
RENDERING**



**FISH
PROCESSING**



**INDUSTRIAL
PROCESSING**

STRONG POSITION IN A DYNAMIC MARKET

As we write this a new CEO has taken over at Haarslev. The new CEO Kim Christensen officially took over as of July 1st 2022. Kim has an extensive industrial background with senior leadership positions from Danfoss and latest as CEO of Logstor.

“I look forward to continuing the work to ensure that Haarslev is the preferred choice of our customers when animal by-products has to be processed into valuable proteins. It is a very interesting and attractive industry that plays a key role in the circular economy.”

“Even though I was not able to participate in person, it is my clear feeling that after years of lockdown due to covid-19, being back and meeting customers at exhibitions was a very valuable experience. Our sales team attended a.o. IFFA, IFAT and VIV Europe, and we would like to thanks all customers and business partners for the fruitful discussions during the exhibitions. “

On the revenue side we had a slow start of the year a.o. impacted by sanctions against Belarus and Russia which made us rethink production schedules in our supply chain. Despite of this setback, revenues gradually ramped up throughout the quarter. Operations was also impacted by disrupted flows in the value chain as a result of the global material availability challenges especially on stainless steel. To offset the supply disruptions and ensure timely deliveries to our customers, we continued to our strategic inventory buildup throughout the quarter. While we were targeting higher revenue levels, our operation model proved its robustness and continued to deliver a strong cash conversion, supporting continued investments in innovation, infrastructure, project management and manufacturing capabilities.

Our focus on innovation continues with a large number of project in the pipeline. The new Digital Solutions team established in 1Q continues to break ground in the development of software driven solutions to help our customers gain improved insights and more efficient operations.

The third quarter looks promising despite the continued market volatility. The strong order book will continue to drive revenue throughout the rest of 2022.

KIM CHRISTENSEN, CEO



2Q 2022 HIGHLIGHTS

- After a record level order intake in 1Q-22 the intake reached more normal levels in 2Q-22, but continued to look strong over a 12 months period
- Revenue ramped up and reached highest quarterly level in several quarters, mainly as a result of the strong order backlog
- Operating margins continued to be impacted by supply challenges, geopolitical events and rapidly increasing inflation, however a slight increase since last quarter, which we expect to continue to increase going forward

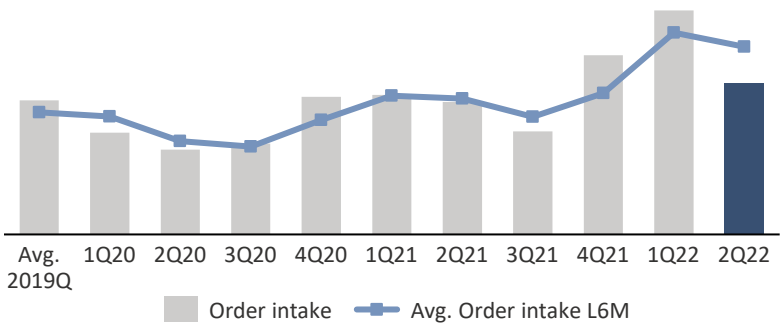
ORDERS RECEIVED

- The second quarter of 2022 saw the order intake coming back to more normal levels. However, LTM order intake remains at an all-time high level for the company
- Haarslev is continuously positioned as the leading supplier for greenfield projects. During the second quarter we received orders for greenfield project in Latin America and the Middle East as well as a large ship-based fish meal plant
- Our pipeline remains strong, and outlook for 3Q-22 remains positive despite the challenging geopolitical situation
- Our relentless focus on delivering world class aftermarket offerings are being recognized by the market, illustrated by a YoY volume increase of 13% in 1H-2022 compared to 1H-2021

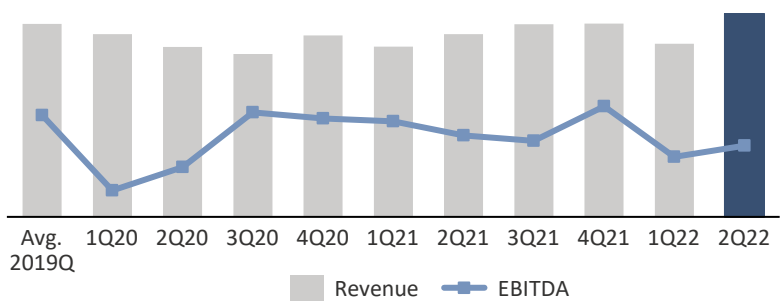
OPERATIONAL EFFICIENCY

- Our operations was impacted by disrupted flows in the value chain as a result of the global material availability challenges. We have taken decisive steps to build up state of the art manufacturing capabilities and are working closely with our trusted suppliers to ensure a steady flow of material and components
- As our order book is growing, we are carefully monitoring production load across our production sites to ensure timely delivery of goods to our customers
- On the back of a series of strategic investments in our production facilities and an extension of our outsourcing network, we can see that we are able to handle the higher production volumes planned for the rest of 2022

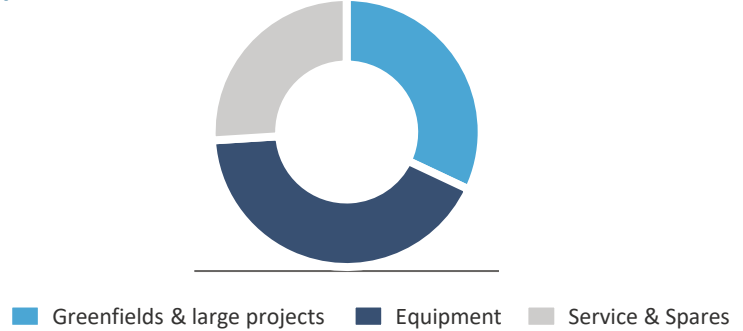
ORDER INTAKE (EUR MLN)



Revenue and EBITDA margin (EUR MLN, %)



Intake by business mix (%)



SELECTED PROJECTS

Ship based Fishmeal plant, Spain

In April, we concluded a sales contract to supply a Spanish based fishing company with a large ship-based fishmeal plant. The plant is based on the Advanced Haarslev technology with recovery of proteins from stick water and utilization of waste heat from the dryer in the cooking and Concentration step

Refurbishments and upgrades, UK & Eire

In May we were successful in winning substantial orders from long term customers in UK and Ireland. The orders are for replacing old continuous cookers with the latest Disc Dryer based cooking technology. Haarslev delivers the cookers, the integration into the existing processes as well as Advanced process controllers from CORE

Taking care of the Environment

During Q2, Haarslev received several orders from companies striving to protect the environment.

First, we won the contract to supply a so-called Brine evaporator to one of the largest beef processors in North America. The Evaporator will recover salt from the hide curing process and thereby significantly reduce the wastewater load traditionally associated with hide curing.

Another significant order was for a Disc drying system for a Dutch based wastewater treatment plant. The drying system will be supplied through a German main contractor as a part of an Incineration plant which will convert wastewater treatment sludge into green energy. Haarslev has over 40 years experience in this field and is widely recognized for the specialized, efficient and durable solutions we provide

Greenfields

Also in this Quarter we found projects for greenfield rendering plants:

- Batch cooker based rendering plant for a poultry operator in Iraq
- Continuous poultry rendering plant for a customer in Brazil
- Continuous rendering plant for a customer in Mexico
- Continuous Feather processing plant for a customer in Brazil



ARA Symposium
Brisbane, Australia
September 27-30, 2022

Poultry & Fat Seminar
Nashville, USA
October 5-6, 2022

NARA Annual
Dana Point, USA
October 23-28, 2022

Ildex Indonesia
Jakarta, Indonesia
November 9-11, 2022

IPPE
Atlanta, USA
January 24-26, 2023

Annual ESG 2021 report available

We take our responsibility serious and are now proud to have released our first annual ESG report.

This is the first big step on our journey to continue to enable the circular economy. In this report we highlight our current performance and future focus areas within the areas of Environmental, Social and Governance.

The world is rapidly changing, and we need to understand our role in the global ecosystem and work actively towards becoming an even more sustainable business.

You can find the report here: www.Haarslev.com/ESG

