



PRESS RELEASE 2Q-2021



POULTRY
RENDERING



MEAT
RENDERING



FISH
PROCESSING



INDUSTRIAL
PROCESSING



POSITIVE TRAJECTORY CONTINUES AND OUTLOOK REMAINS POSITIVE

"In the second quarter we continued the positive trajectory on both operational and financial performance. Order intake remained strong in the second quarter, leading to a 1H-21 order intake increase of 46% year-on-year. The solid intake in 2Q-21 delivered a book-to-bill ratio of 1.15, further improving our already healthy order book which provides a favorable position to grow our revenues in the second half of 2021. The pipeline continues to build up across industries and segments, offering a positive outlook for the rest of the year."

COVID-19 continued to have an impact on 2Q21 results. Ensuring timely delivery and installation for customers during a period of significant challenges in global logistics and increasing commodity prices, led to higher costs in manufacturing, aftermarket and transportation. However, I am very pleased to see the positive impact of operational improvements, which contributed significantly to offset the majority of cost increases."

Our reinforced operating model has proven to deliver improved cash flow generation and a good cash conversion, which supports continued focus on innovation, sustainability and operational efficiency improvements."

In addition to upgrades of existing equipment, we brought yet another completely new product to the market in Q2 – the Compact Bagging Unit. A tough, durable and compact bagging unit with highly accurate weighting, circulation of the meal inside the unit and frequency control for each feed screw for increased accuracy."

Our financial and operational performance is improving, offering a fertile ground to continue progressing our strategic initiatives. We will continue to scale our efforts in innovation, to form new strategic partnerships, to reduce lead times and to contribute to a sustainable future."

HAN DEFAUWES, CEO

2Q 2021 HIGHLIGHTS

- Order intake at high levels, slightly ahead of expectations, up 56% compared to same period last year
- Revenue in line with expectations, up 7% quarter-over-quarter and 7% year-on-year
- Order book growing to target levels offering favourable position to grow in 2H-21
- Margins impacted by increased costs due to increasing commodity prices and global mobility and logistical challenges

ORDERS RECEIVED AT HIGH LEVELS

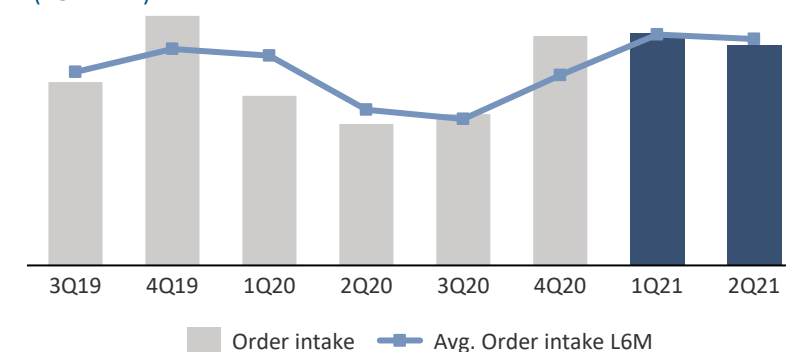
- Order intake remained at solids levels throughout the second quarter. Intake in the first six months of the year is up 46% compared to the same period last year and up 5% compared to second half of 2019.
- Our relentless focus on improving our aftermarket offerings, services and delivery times are being recognized by the market, illustrated by a volume increase of 7% compared to full year 2020 levels
- Order book continued to grow with a book-to-bill ratio of 1.15 in the second quarter. Order book at the end of June represents 54% of 12-months trailing revenues, putting us in favourable position grow revenues in 2H-21
- Pipeline is strong and we continue to see new projects coming in across all industry segments. Pipeline for large greenfield and modernization projects is building up with multiple projects expected to materialize in 2H-21

OPERATIONAL EFFICIENCY

- COVID-19 continued to have an impact on 2Q21 results. Ensuring timely delivery and installation for customers during a period of significant challenges in global logistics and increasing commodity prices, led to higher costs in manufacturing, aftermarket and transportation
- The negative impact of increased cost was partly offset by strategic sourcing, shifts in operating model and efficiency improvements across our global supply chain
- Our relentless pursuit to improve the end-to-end spare parts handling continued throughout 2Q-21 with decisive steps in strategic inventory buildup and digitization of processes to support shorter leads times to our customers

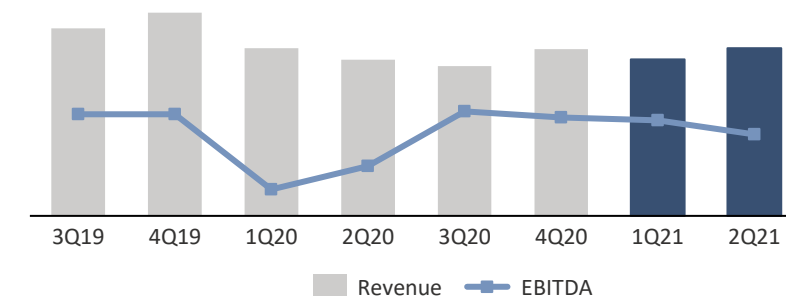
ORDER INTAKE

(EUR MLN)



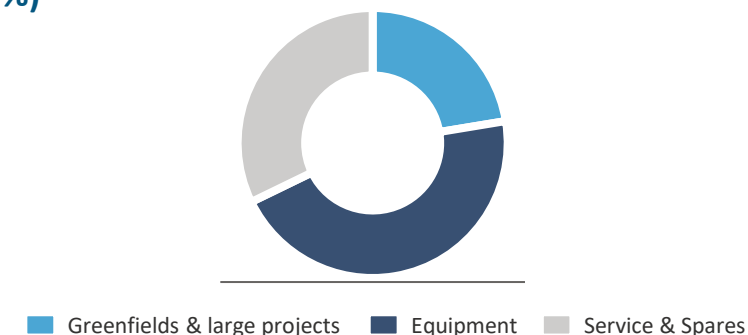
Revenue and EBITDA margin

(EUR MLN, %)



Revenue by business mix

(%)



A NEW HOME IN THE US

- In June Haarslev succeed in securing a new U.S. Headquarters building in Lenexa, Kansas
- The move is part of our strategy and ambition to advance and expand manufacturing, fabrication and repair services in North America
- The new site will facilitate Haarslev North America's head offices including functions of equipment manufacturing, repair and services, customer engagement facility and central warehousing for parts
- Our new location will consolidate what has previously been three buildings in Kansas City and, at the same time, add overall space and capacity to our Kansas City area operations
- Haarslev will maintain its facilities in Perham, Minnesota and Belleville, Kansas

"Making our customers successful is our number one goal, and the move is part of our strategy to realize that goal"

Han Defauwes, CEO



NEW COMPACT BAGGING UNIT

A Haarslev compact bagging unit designed to deliver homogenization and distribution to bags with a uniform and accurate weight. The compact bagging unit receives meal via screw conveyor or pneumatic transport. While the product is circulated by screws through the bin, it is possible to fill meal to the bags by the distributing feed screws.

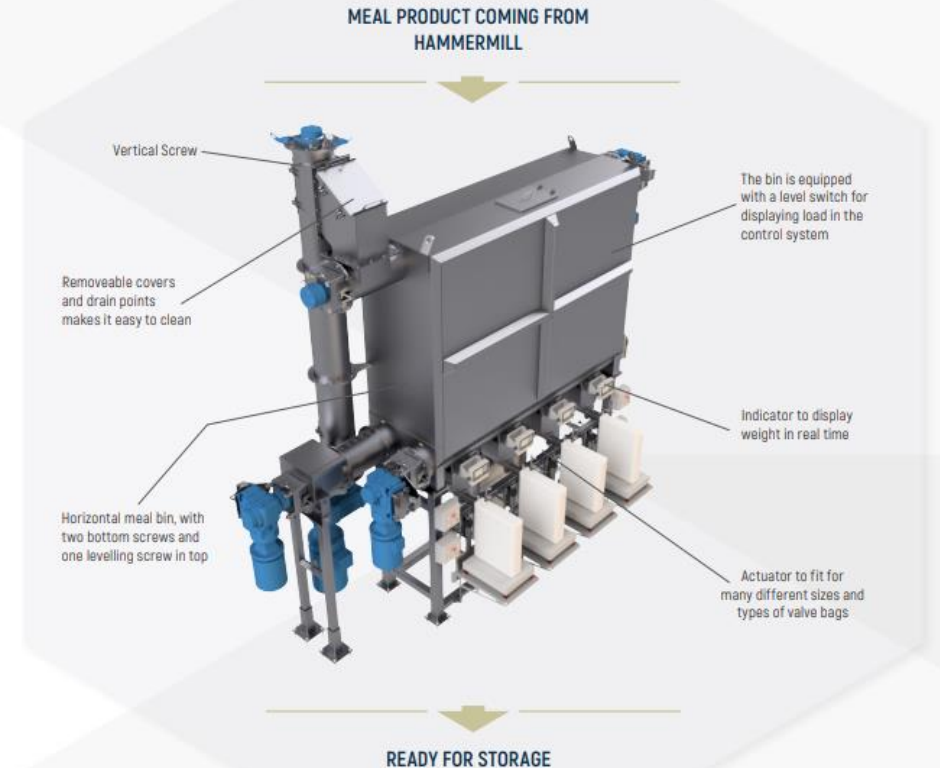
The indicator has set load-points that automatically stop filling bags when the load is reached. An operator presses a start button when a new bag is ready to fill. The bagging unit can fill bags varying from 20-40 kg with an accuracy of +/- 100 g. The compact bagging unit is designed both for land-based and ship-based fish meal plants. The compact bagging unit is especially applicable with sea vessels because of very accurate weighing achieved with weight compensation in correlation with the vessel movements.

The Haarslev compact bagging unit is tough and durable, designed to prevent leaks and with focus on cleanability. It is engineered to order from standard components, and can be delivered flat-packed for easy, inexpensive transport.

BENEFITS

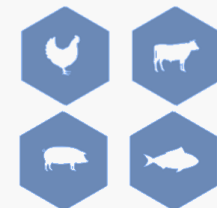
- Circulates the meal inside the bin
- Very accurate weighing achieved with weight compensation in correlation with vessel movement
- Frequency control for each feed screw for accuracy
- Air blow system for bags
- Good control of load level inside the bin
- Compact design

"A Haarselv compact bagging unit is an ideal solution to effectively discharge finished product to bags, whilst keeping the meal homogeneously circulated inside the bin."



APPLICABLE FOR:

- Fish meal bagging
- Meat and bone meal bagging
- Petfood production
- Organic product such as corn



OUTLOOK

- Market conditions are expected to remain challenging due to the global logistical challenges and radical price increases in commodities and container shipping. Haarslev benefits from a balanced exposure to global economies and local markets through its global footprint and diversified business mix, in turn partly mitigating these challenges
- Outlook is positive with significant growth expectations for both top and bottom line, supported by a strong pipeline and improved financial and operational performance throughout the last three quarters
- Growth is not expected to be linear but based on opportunities and economic fluctuations. Operational results may vary from quarter to quarter due to general economic developments, fluctuations in orders received and timing of deliveries of larger projects

SELECTED PROJECTS

- In April, we closed an order for a state-of-the-art continuous feather meal plant in Thailand. The project was won in close competition with two other European suppliers but at the end Haarslev was evaluated as the most competent provider
- Also in April we secured a contract for a greenfield rendering plant for our customer Fadel in Argentina. *“We are happy to see our position in Argentina growing stronger with every project”* says Carlos Pace – Director Haarslev Brazil
- Finally in April, Haarslev was awarded a contract for two large dryers for the company Green Create. The dryers will be used for the production of solid fertilizer in Green Create’s new plant in Wijster, NL. Read more on <http://greencreatewijster.nl/>
- In May, Haarslev was awarded the contracts for the design and supply of two rendering plant extensions for our long-term customer Miratorg in Russia. The extensions are based on well known and proven Haarslev technology. *“We are very proud to again be the preferred supplier for Miratorg”* says Maxim Kaslauskas – Director Haarslev Russia
- In Q2, Haarslev added another two ship-based fish meal plants to its order book. The plants are for two different Russian fishing companies. They will be delivered at the end of 2021 and further strengthens Haarslev’s position as the world’s leading supplier of ship-based krill and fish meal plants
- In the early part of Q2, we successfully commissioned the first blood meal plant in Korea using Haarslev hot air-drying technology. *“This client has worked exclusively with Haarslev for more than 20 years and we are proud to continue the relationship and to be given the opportunity to bring the latest technology to this dynamic and competitive market”* says Haarslev CCO Henning Haugaard
- At the end of the Quarter, we successfully completed the Factory Acceptance Test of a frozen meat handling system for one of the major pet food producers in the US. This was a significant achievement, and we are already executing the next project in the pipeline for this customer

UPCOMING TRADESHOWS

Cimie/Viv Qingdao
Qingdao, China
September 15-17, 2021

AgroProdMash
Moscow, Russia
September 15-17, 2021

VIV Asia
Bangkok, Thailand
January 12-14, 2022

IPPE
Atlanta, USA
January 25-27, 2022