



PRESS RELEASE 4Q-2021



POULTRY
RENDERING



MEAT
RENDERING



FISH
PROCESSING



INDUSTRIAL
PROCESSING

STRONG POSITION IN A DYNAMIC MARKET

"The fourth quarter was another strong quarter for Haarslev with orders received being among the highest in the history of the company. We received orders for five new greenfields while maintaining the positive momentum in the aftermarket space.

The recent 12 months have been highly dynamic period. Though our operating margins were impacted, we have been navigating relatively well through the pandemic and its aftermath of challenges relating to material availability, substantial price increases in steel and logistics.

Our focus has been on continued innovation, strengthening and scaling our operating model while ensuring customer deliveries. In the fourth quarter we finalized the acquisition of CORE, the leading supplier of process optimization for the rendering industry. This strategic investment will allow us to help customers overcome some of the most prevailing challenges in the industry while simultaneously strengthening our capacity and capability in the digital space.

We are entering 2022 on a strong note, especially in North America where investment appetite is clearly stepping up as we received several greenfield orders through the year and expect more to in 2022. Overall, our pipeline is solid with a healthy distribution across segment and geographies, and we are targeting a step-up in volume in 2022.

Scaling for the growth ahead, we expanded our supplier network and made another strategic investment in our manufacturing infrastructure during the year with the construction of a new state-of-the-art production site in Germany. As we ramp up production, we expect that revenues and operational results will gradually improve over the course of the next 12 months.

All in all, 2021 was an eventful year where we strengthened the foundation with strategic moves and investments. We believe that we are better positioned than ever to helping our customers become even more successful."

HAN DEFAUWES, CEO



4Q 2021 HIGHLIGHTS⁽¹⁾

- Record level 4Q order intake secured a full year order intake above budgeted level
- Revenues continued a steady growth trajectory in line with expectations
- Margins improved towards normal levels in the fourth quarter despite the impact of continuously increasing component and material cost and global mobility and logistical challenges
- Strong cash generation and conversion

ORDERS RECEIVED

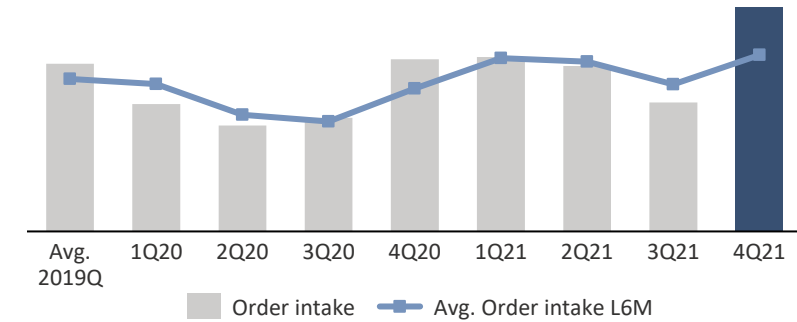
- While we saw several projects being postponed during the third quarter, all expected projects materialized in the fourth quarter. We received orders for five greenfield projects in quarter while maintaining a healthy volume of small to mid-sized projects. Worldwide the vast majority of greenfield projects are built by Haarslev.
- Our relentless focus on delivering world class aftermarket offerings are being recognized by the market, illustrated by a YoY volume increase of 14% compared to 2021
- Order intake for the year ended well above the comparable intake in 2019 despite immense risk and uncertainty arising from additional waves of COVID-19 and global material pricing and available challenges
- We exit the year with a solid pipeline and expect to continue the positive trajectory in 2022 as the market is returning to normal levels

OPERATIONAL EFFICIENCY

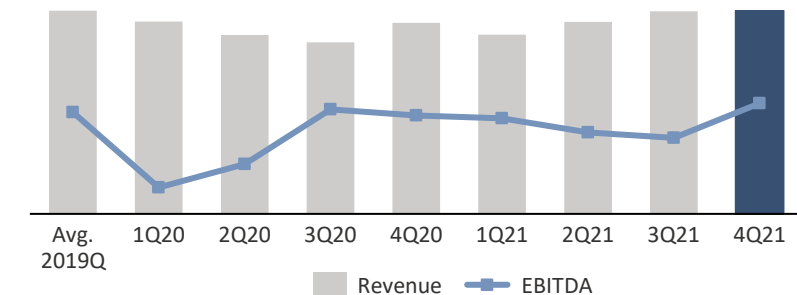
- The global material shortage continued to impact our operations in 4Q-21, while we continued to see a strong delivery performance on equipment and large projects. Lead times on certain non-stock spare parts are increasing as a result of longer lead times and delays from our suppliers
- As our order intake is growing, we are carefully monitoring our production load to ensure timely delivery of goods to our customers
- During the second half of 2021 we have grown our supplier network in selected areas and made strategic investments in our own production facilities, and we are now in a comfortable position to manage the increasing workload

1: Preliminary numbers

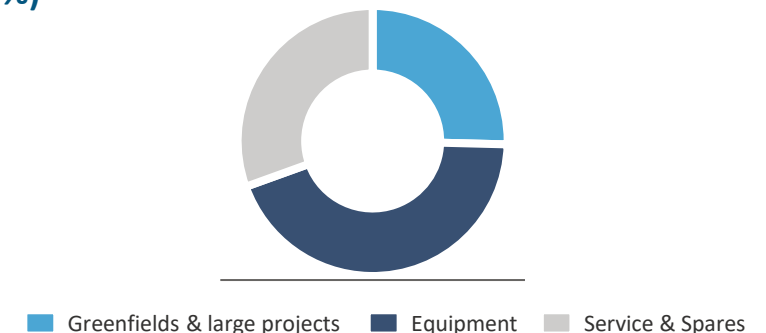
ORDER INTAKE (EUR MLN)



Revenue and EBITDA margin (EUR MLN, %)



Intake by business mix (%)



HAARSLEV ACQUIRES THE LEADING PROVIDER OF PROCESS OPTIMIZATION SOLUTIONS TO THE RENDERING INDUSTRY

"We are proud to inform that Haarslev Industries has fully acquired CORE with an effective date January 1st, 2022.

CORE's provides Advanced Process Control solutions to customers in the rendering and process industry. The solution provides customers an automated system to optimize performance of their processes, in turn delivering measurable results in form of energy savings and CO2 reductions as well as improved production throughput and yield.

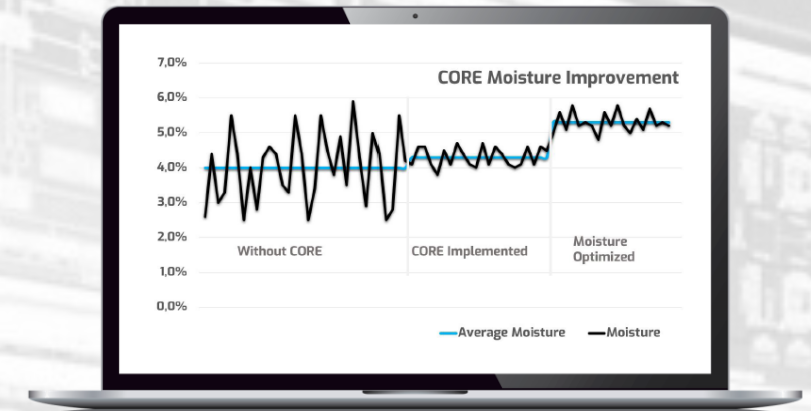
The patented technology is based on an adaptive control method that continually takes interrelationships and process history into account. The adaptive controller predicts process variations and delivers reliable adjustments accordingly. As the process conditions are changed, the controller adapts to these changes, ensuring that the process is running optimally at any time.

CORE's solutions have proven to be robust across applications and process types and are truly at the forefront of process optimization technology. By acquiring and integrating CORE, Haarslev will take a decisive step forward to help our customers deal with some of the most urgent topics in rendering, including:

- *The continuously increasing energy cost in most parts of the world*
- *Government and customer requirements to reduce CO2 emissions*
- *Intensified end-customer focus on high-quality rendered products*
- *Increased need to maximize utilization of input materials*

We are pleased that management and all employees will continue their work with CORE, and we will work closely together in the coming month to integrate and strengthen the offerings, in turn making them more easily available for our customers"

HENNING HAUGAARD, CCO



"Every year, the CORE controllers at Advanced Proteins save us more than 6000 MWh in energy and the environment from 1500 tonnes of CO2!"

Barney Williams

Technical & Operations Director, Advanced Protein

"We are encouraged by the results we are seeing due to the CORE system. I got nothing but positive feedback from our operators, they all love it. The system made the operation easier with better results."

Jeff Gay

Owner, Protein Products Inc.

"With CORE we have seen great stability with cooking temperatures, along with increased moistures in finished meal and we have seen an increase in production with excellent weekly numbers. We have built a good working relationship with CORE in which we hope to continue."

Ian Warnock

Proteins Plant Manager, JBS Pilgrim's, Moy Park

OUTLOOK

- Market conditions remain challenging due to global logistical challenges as well as radical price increases in commodities and container shipping.
- Outlook is positive with significant growth expectations for both top and bottom line, supported by a strong pipeline and improved financial and operational performance.

SELECTED PROJECTS

- In October, we secured the second greenfield order for a US medium sized beef processor. Haarslev will provide a full mechanical turnkey plant based on our rugged and well proven Disc cooker technology with CORE advanced process control. Another significant aspect of this order is the inclusion of the Haarslev Regenerative Thermal Oxidiser (RTO). “This order is a testament to the trust and hard work our sales team and strategic partners are putting into the US market” says Haarslev Inc. Director of Sales Ken LeFaive.
- In November, we managed to secure another large turnkey order – this time in Russia. Our client is Russia’s largest Turkey producer “Damate”. They already had rendering experience from another European equipment supplier but for their largest rendering investment ever they chose to go with Haarslev. “This project was underway for a long time, and we were happy and grateful to be selected by Damate as partners for this major investment” says Maxim Kaslauskas - Director Haarslev Russia.
- Also in November, we were awarded the contract to build a new rendering plant for one of Mexico’s largest renderers. This contract was won in close competition with a US competitor and helped bring Mexico into the top five countries served by Haarslev in 2021. An achievement we are very proud of.
- Finally, in November We secured another order from our long-term customer Patense in Brazil. This time for a complete pork rendering line for their plant in the state of Santa Catarina.
- December yielded another two large green field orders for Haarslev: First, our largest ever order in Japan where we together with our partner Itochu Machine Technos were awarded the contract for a dual line rendering plant for Japans largest protein producer. The plant will be located in Aomori prefecture on the northern part of Honshu Island. Second, a greenfield turnkey fish meal plant for one of the major Russian seafood companies – JSC Kurilskiy Rybak. This land-based plant will be built in the Sakhalin Region on the Island of Iturup, Kurilskiy district.



NEW HAARSLEV FAT SCREW PRESS

Haarslev has an installed base of more than 400 presses in the global rendering industry

We are now proud to announce our new Fat Screw Press, FSP3500. A total of more than 20 improvements to the well known HM3000 press have been made

The FSP3500 Press is built on decades of industry relevant experiences in designing, manufacturing and installing presses. It comes in a new hygienic design with several features making installation and service safer and easier.

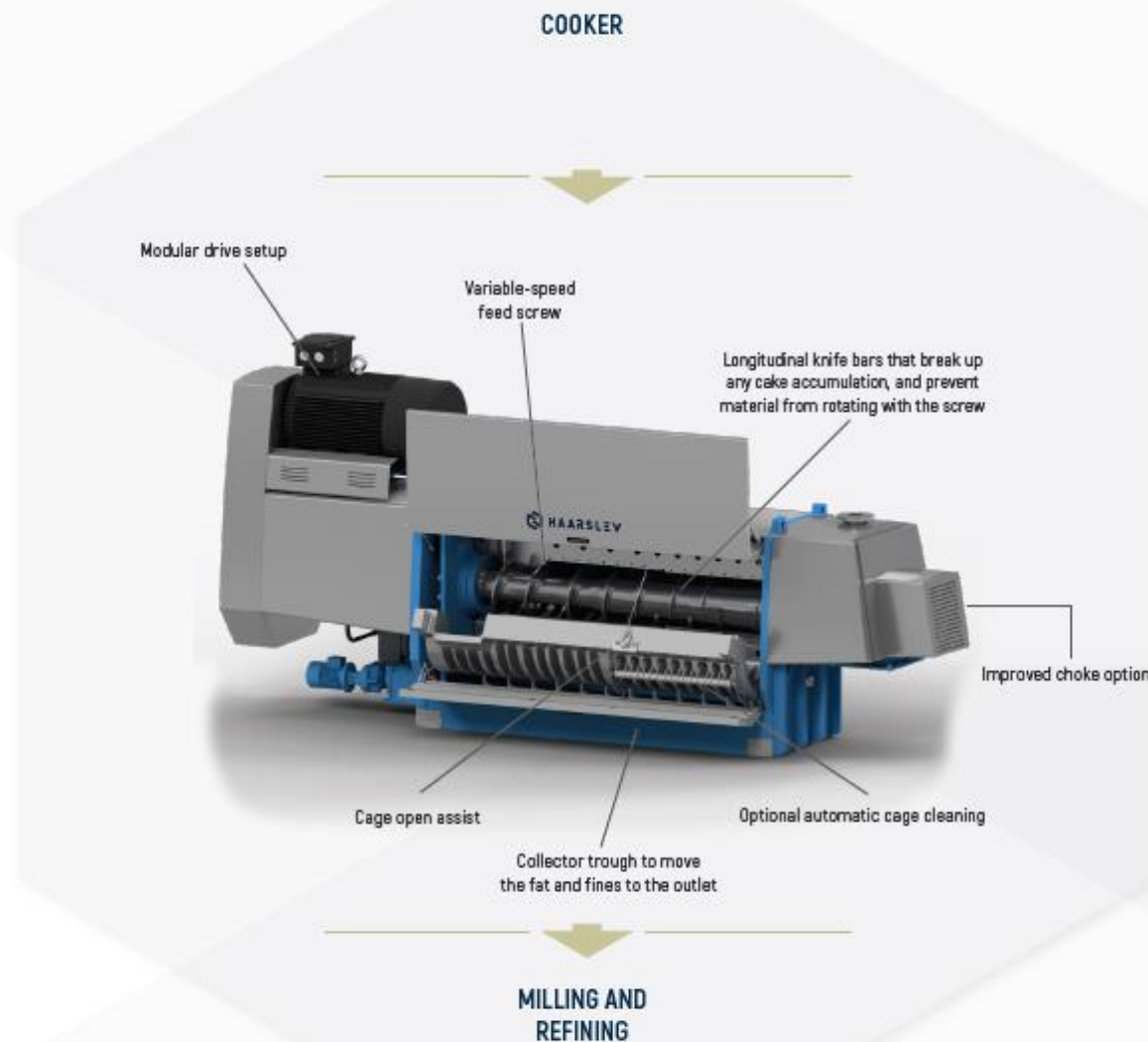
Among the major improvements are the newly developed pat. pending cage open assist as well as the optional pat. pending automatic cage cleaning system.

The FSP3500 Press is available both with or without a hydraulic choke. It also has a modular drive setup where the main motor can be fitted on either side.

Contact your local Haarslev representative for more information

SELECTED IMPROVEMENTS

- New hygienic design with improved service access
- Optimized footprint
- New cage open assist system
- New optional automatic cage cleaning system
- Hydraulic choke option
- Modular drive setup



BEST PRACTISE GUIDE FOR MANUFACTURING HIGH-QUALITY PET FOOD INGREDIENTS

In collaboration with ROYAL CANIN a division of Mars Petcare, we have written this best practice guide for manufacturing high-quality pet food ingredients.

This guidebook combines the fruits of many years of ROYAL CANIN® scientific and commercial experience about animal protein and fat, product quality and food safety management, and Haarslev's unparalleled technical and engineering know-how about high-quality rendering and other processing equipment, and the most effective and energy-efficient ways to use it.

Pet food manufacturers are all different, and have different requirements, pressures and preferences. Nevertheless, this guidebook can serve as a practical help by focusing on the most important considerations that must be taken into account when planning, designing, modifying or updating a rendering line for pet food ingredients.

If you are interested in a copy, then send a mail to marketing@haarslev.com

