

Annual report 2014

Conference call, 10 March 2015
CEO Ulrik Kolding Hartvig
CFO Marianne Rørslev Bock

Highlights

- Revenue growth and strengthened profitability
 - Positive developments across all business areas
- 2014 key milestones
 - North American expansion completed
 - Historically strong Q4
 - Agreement to acquire Sanovo Greenpack
 - Double-digit profit margin
- Updated strategy: 'Unpacking our potential'
 - Accelerated growth
 - Efficiency improvements
 - Opportunistic M&A

Outlook 2015

Revenue	2.0-2.1bn
Profit margin	10-11.5%

Targets 2017

Revenue	2.2-2.4bn
Profit margin	12-14%

References to operating profit and profit margin are before special items.

North America

Revenue: DKK 319m (2013: 9%)

Profit margin: 18.7% (21.6%)

Higher sales and share of premium products

Capacity expansion contributed from Q4

Europe

Revenue: DKK 1,296m (2013: 1%)

Profit margin: 9.9% (8.5%)

Progress in retail sales and premium share

Strong development in Hartmann Technology



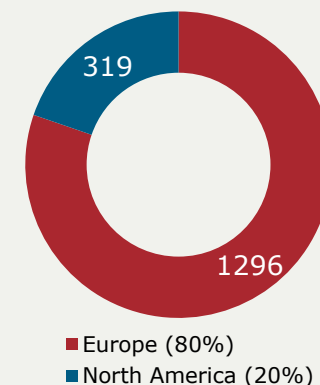
South American activities added to the group in January 2015

Financials 2014

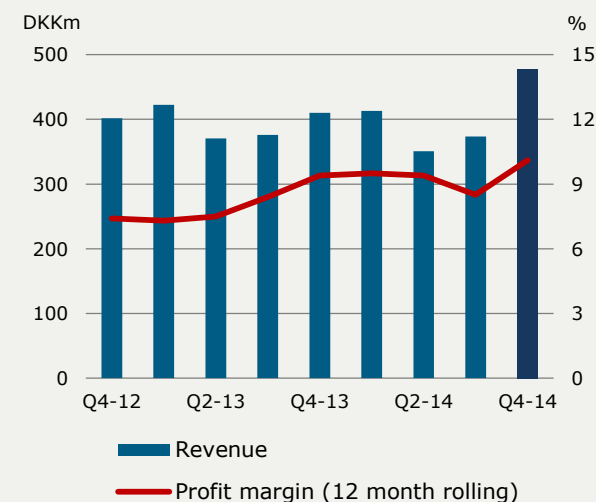
- Revenue growth due to higher retail sales
- Record profit margin of 10.1%
 - Higher retail sales and increased capacity contributed
 - Exceptionally strong Q4
 - Temporarily higher cost level from capacity expansion

DKKm	2014	2013	Change (%)
Revenue	1,615	1,579	2
Operating profit	163	148	10
Special items	(7)	(39)	(82)
Profit	119	86	38
Free cash flows (operating and investing)	43	66	(35)
Invested capital	736	689	7
Profit margin, %	10.1	9.4	-
ROIC, %	22.3	23.0	-

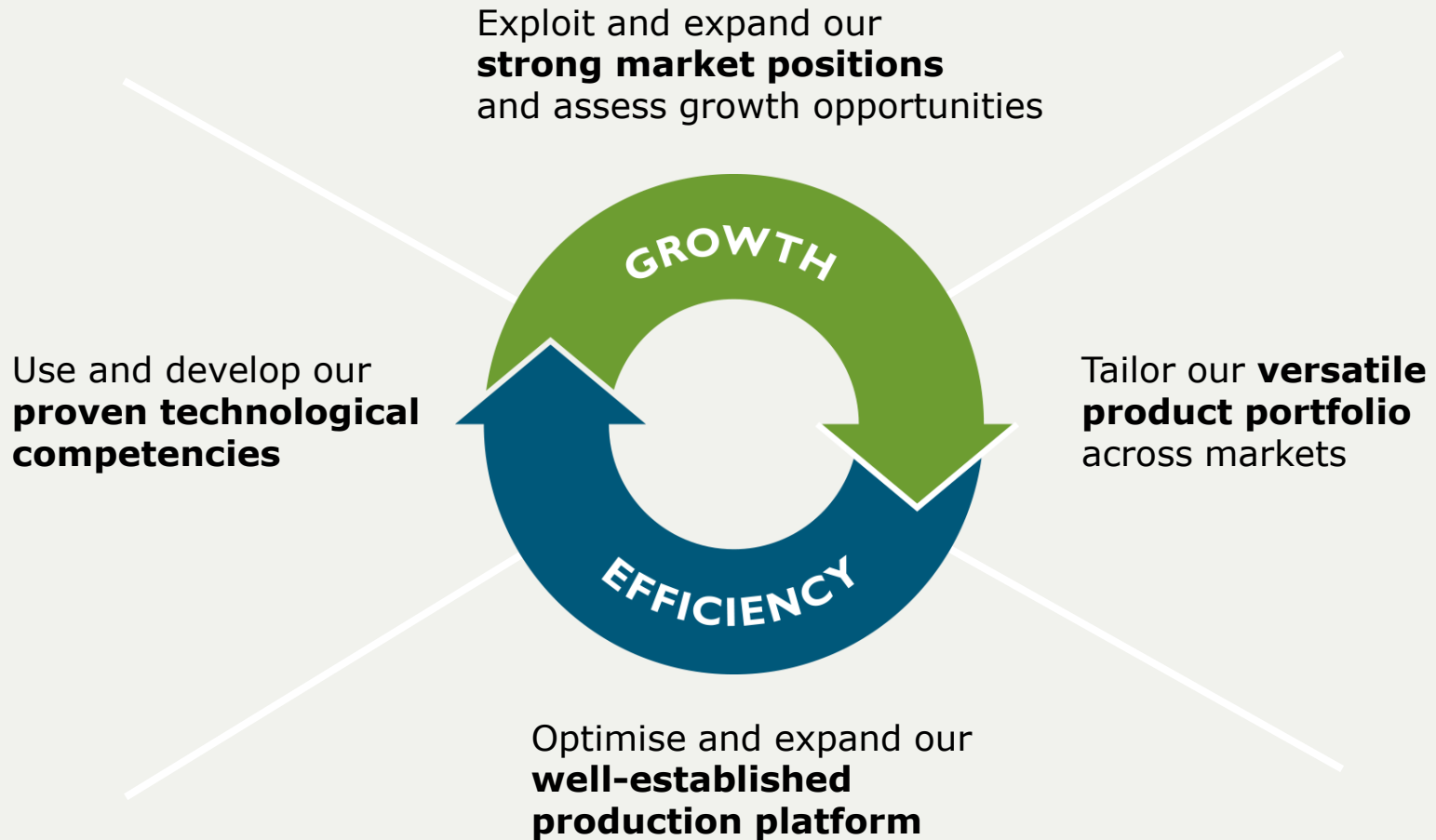
Revenue 2014 (DKKm)



Group revenue and profit margin



Unpacking our potential – 2015-2017



Varying markets and approaches

Goals

Means

Actions

Europe



Improve profitability

- Higher retail and tray sales
- Optimise production platform
- Tailor product portfolio
- Reduce costs

Americas



Accelerate growth

- Accomodate increasing demand
- Expand production platform
- Exploit market positions
- Integrate South American activities
- Sell-out North American capacity

Technology



Maintain partnerships

- Profitable technology sales
- Build and explore partnerships
- Exploit market position
- Leverage technological competencies
- Maintain and develop common technological platform

Outlook and financial targets

Guidance for 2015 and new long-term targets

	Guidance 2015	Targets 2017
Revenue	DKK 2.0-2.1bn	DKK 2.2-2.4bn
Profit margin before special items	10-11.5%	12-14%

- 2015 guidance based on:
 - Addition of South American activities
 - Cost reductions
 - Improved capacity utilisation across all business units
- 2017 targets based on:
 - Efficiency improvements
 - Organic growth through improved utilisation and expansion of production network
- ROIC of 22% in 2017
- Impact of potential acquisitions is not included in Hartmann's targets

Q&A session

Questions?

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Upcoming events

Annual General Meeting	8 April 2015
Q1 interim report	19 May 2015
Q2 interim report	20 August 2015

Appendix: Key figures and financial ratios

DKKm	Q4 2014	Q4 2013	Change (%)	2014	2013	Change (%)
Revenue	478	410	16	1,615	1,579	2
- Europe	377	337	12	1,296	1,287	1
- North America	100	73	38	319	292	9
Operating profit	75	44	70	163	148	10
- Europe	57	37	56	128	109	17
- North America	25	14	83	60	63	(5)
Special items	(7)	0	-	(7)	(39)	(82)
Net financials	(6)	(3)	128	(17)	(15)	17
Profit	53	38	42	119	86	38
Free cash flows	25	(16)	-	43	66	(35)
Profit margin, %	15.8	10.8	-	10.1	9.4	-

Appendix: Balance sheet

DKKm	30.12.14	31.12.13
Assets	1,244	1,126
Net working capital (NWC)	175	155
Invested capital (IC)	736	689
Net interest-bearing debt	161	138
Equity	663	612
ROIC, %	22.3	23.0
Equity ratio, %	53.3	54.4
Gearing, %	24.2	22.6

Forward-looking statements

Disclaimer

This presentation contains forward-looking statements reflecting management's expectations of future events and must be viewed in the context of among other things the business environments and currency markets, which may cause actual results to deviate materially from those projected by Hartmann.