

Interim report Q2 2014

Conference call, 22 August 2014
CEO Ulrik Kolding Hartvig
CFO Marianne Rørslev Bock

Q2 highlights

- Stable development in Europe and progress in North America countered by currency impact
- Higher share of premium products and increased average sales price
- Expected costs related to expansion in North America
- Capacity for growth in Europe and North America
- 2014 outlook maintained
 - Revenue of DKK 1.6-1.7bn
 - Profit margin of 9.0-10.5%
- Strategy update and new financial targets to be presented in annual report 2014 at the latest

Sustainable and profitable long-term growth:

- Customers
- Efficiency
- Capacity

**COMPETITIVE EDGE.
DRIVING GROWTH.**

Customers



Successful promotion of premium products

Strong and steady uptake of new products

Efficiency



Expected costs related to expansion in North America

Energy efficiency improvements in Europe

Capacity



Europe and North America prepared for growth

On-going optimisation of manufacturing

North America

Revenue: DKK 69m (-7%)

Profit margin: 16.6% (24.0%)

Progress countered by currency

Expansion on track for H2 2014

Europe

Revenue: DKK 281m (-5%)

Profit margin: 4.1% (3.5%)

Increased premium share

Capacity for growth

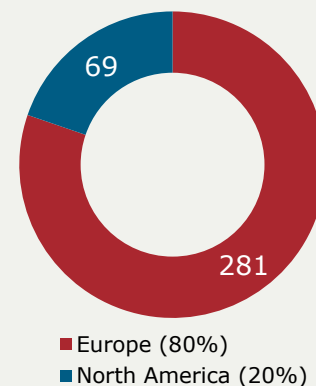


Financials Q2 2014

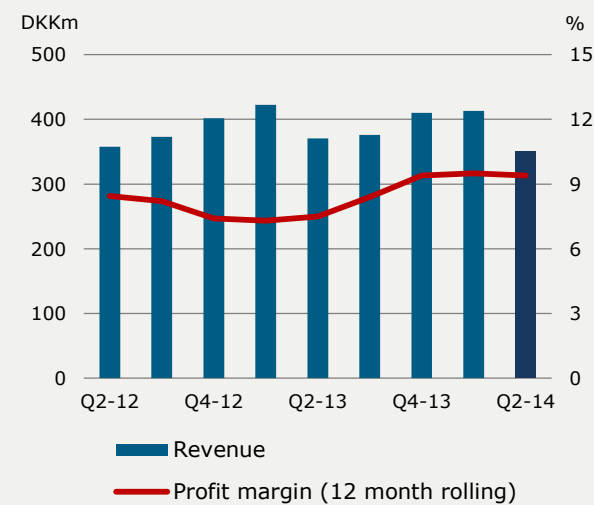
- Stable development in underlying business
- Profit margin at 4.9% despite negative currencies
 - Impact on revenue DKK -15m
 - Impact on operating profit DKK -6m

DKKm	Q2 2014	Q2 2013	Change (%)
Revenue	351	370	(5)
Operating profit	17	21	(18)
Special items	0	(6)	(100)
Profit	11	13	(13)
Free cash flows (operating and investing)	20	30	(34)
Invested capital	736	626	18
Profit margin, %	4.9	5.7	-
ROIC, % (12 month rolling)	21.2	17.7	-

Revenue Q2 2014 (DKKm)



Group revenue and profit margin



Outlook 2014

Guidance for 2014 maintained

	Guidance 2014	Targets 2015
Revenue	DKK 1.6-1.7bn	DKK 1.7-1.8bn
Profit margin before special items	9.0-10.5%	9.5-11%

- Continued progress based on:
 - Customers – build relations and increase share of premium products
 - Efficiency – continued optimisation and use of robotic technology
 - Capacity – leverage expansion in North America and utilisation in Europe
- CAPEX expected to come to DKK 90-110m
 - Increased focus on utilisation and efficiency in Europe
 - Expansion of existing capacity in North America

Contact information

Brødrene Hartmann A/S
Ørnegårdsvej 18
DK-2820 Gentofte
Tel. (+45) 45 97 00 00
investor.hartmann-packaging.com



Ulrik Kolding
Hartvig, CEO



Marianne Rørslev
Bock, CFO

Events 2014

Presentation at Danish Shareholders Association's Investor Day	17 September
Presentation at ABG Sundal Collier's Small and Mid Cap Seminar	25 September
Q3 interim report	13 November

Appendix: Key figures and financial ratios

DKKm	Q2 2014	Q2 2013	Change (%)	H1 2014	H1 2013
Revenue	351	370	(5)	764	793
- Europe	281	296	(5)	622	647
- North America	69	74	(7)	142	146
Operating profit	17	21	(18)	62	65
- Europe	12	10	11	50	44
- North America	12	18	(36)	24	33
Special items	0	(6)	(100)	0	(39)
Net financials	(4)	(7)	(40)	(9)	(8)
Profit	11	13	(13)	45	17
Free cash flows	20	30	(34)	(4)	66
Profit margin, %	4.9	5.7	-	8.1	8.2

Appendix: Balance sheet

DKKm	30.06.14	30.06.13	31.12.13
Assets	1,143	1,126	1,126
Net working capital (NWC)	185	131	155
Invested capital (IC)	736	626	689
Net interest-bearing debt	207	138	138
Equity	596	549	612
ROIC, % (12 month rolling)	21.2	17.7	23.0
Equity ratio, %	52.1	48.8	54.4
Gearing, %	34.8	25.2	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.