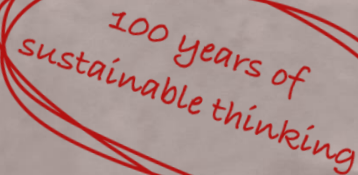


Annual Report 2016

Conference call, 8 March 2017

CEO Ulrik Kolding Hartvig

CFO Marianne Rørslev Bock



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Highlights

Profitability improvement on slightly lower revenue

- Positive earnings development and significant investments
- Significant investments in future growth
- Proposed dividend of DKK 9.5 per share (2015: DKK 9.5)

Strong performance in Europe

- Competition countered by efficiency and lower costs
- High activity level in Hartmann Technology
- Closure in Germany and expansion at other factories

Americas impacted by market conditions and expansion

- Temporary market volatility and macroeconomic impact
- Higher relative costs during ramp up at new factories

Strategy extended and financial targets postponed to 2018

Guidance 2017

Revenue	DKK 2.2-2.3bn
Profit margin	11.0-12.5%

Targets 2018

Revenue	DKK 2.2-2.4bn
Profit margin	12-14%

References to operating profit and profit margin are before special items, unless otherwise stated.

Business overview

Americas

Revenue: DKK 838m (-5%)

Profit margin: 13.8% (2015: 16.5%)

Market volatility entailed lower volumes

Impact from macroeconomic developments

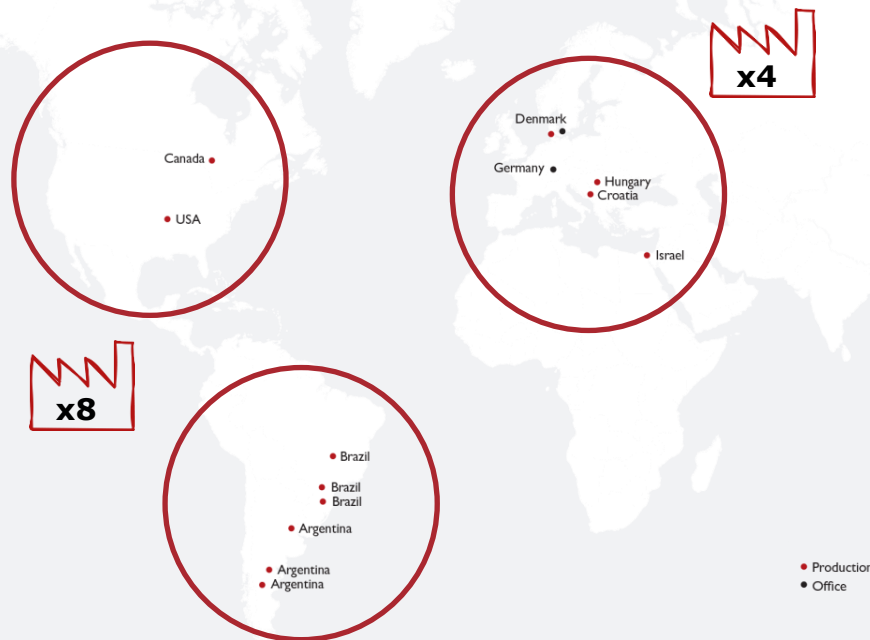
Europe

Revenue: DKK 1,258m (1%)

Profit margin: 13.1% (2015: 9.0%)

Efficiency measures showed results

High capacity utilisation and lower costs

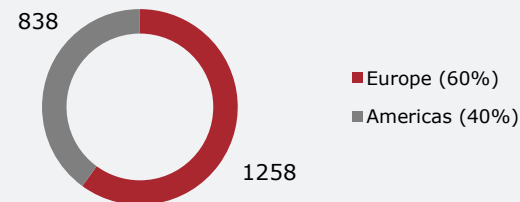


Financials 2016

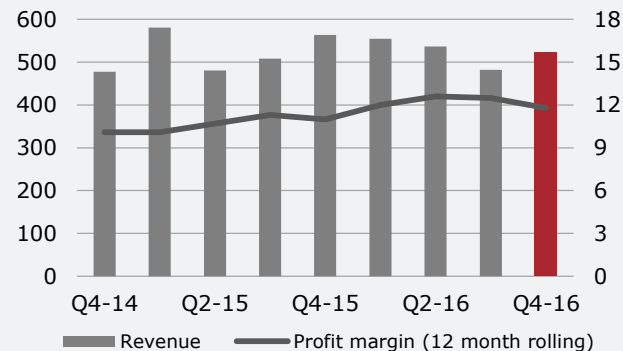
- Strong profitability on slightly lower revenue
 - Lower packaging sales in Americas and lower sales price in Europe
 - Strong sales activity in Hartmann Technology
 - Profit margin of 11.8% from efficiency measures and lower costs
- Currency affected revenue by DKK -125m and operating profit by DKK -15m
 - Impact was offset to some extent by inflation
- CAPEX of DKK 340m from increased investments in Americas

DKKm	2016	2015	Change (%)
Revenue	2,096	2,133	(2)
Operating profit	248	234	6
Special items	0	(101)	-
Profit	175	111	57
Free cash flows (operating and investing)	(88)	(291)	70
Invested capital	1,323	1,055	26
Profit margin, %	11.8	11.0	-
ROIC, %	20.9	21.7	-

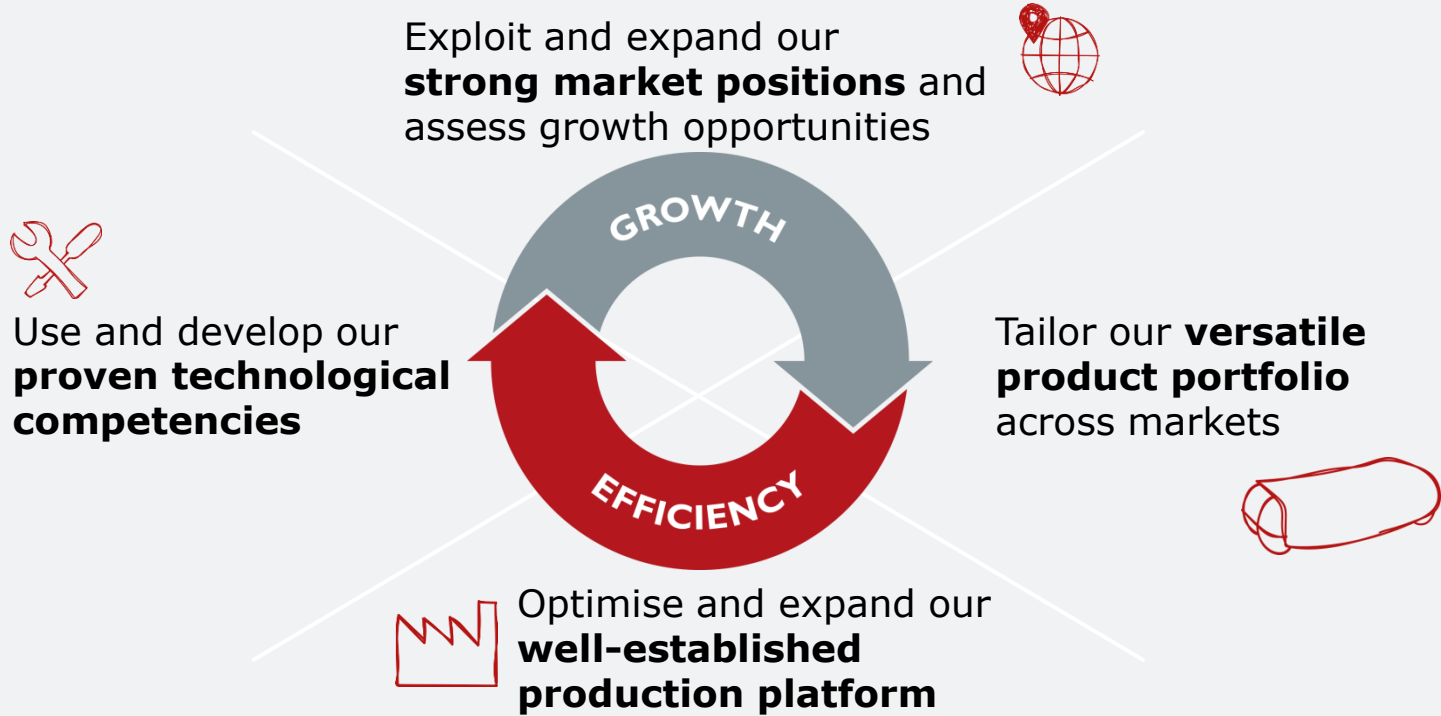
Revenue split 2016 (mDKK)



Group revenue and profit margin (DKKm)



Our potential



Our initiatives – 2015-2018

Potential	Initiatives	Timing
	Addition of South American activities Strengthened global position via presence in attractive South American markets	2015
	Expansion of production network in South America Increased capacity to meet long-term demand in demographically attractive markets	2015-2018
	Expansion of production network in North America Production established in the US to exploit demography and conversion from foam packaging	2015-2018
	Expansion of capacity in Europe Accelerated expansion to utilise existing infrastructure and meet customers' demand, increase profitability and take part in market growth	2015-2018

Potential	Initiatives	Timing
	Closure of factory in German and operational optimisation Strengthened competitiveness and profitability through efficiency measures and optimisation	2015-2016
	Establishment of test centre in Germany Strengthening of development of production methods and products	2016
	Intensified marketing of premium products in Europe Highlighting benefits of premium products and introducing new product types to strengthen market position	-
	Intensified marketing of premium products in North America Driving the move from standard to premium products to the benefit of customers and Hartmann	-
	Sales of technology and assessment of opportunities Assignments on Hartmann projects and with customers as well as ongoing assessment of new markets	-

Guidance 2017 and financial targets

	Guidance 2017	Targets 2018
Revenue	DKK 2.2-2.3bn	DKK 2.2-2.4
Profit margin before special items	11.0-12.5%	12-14%

- 2017 guidance based on:
 - Lower packaging sales in Americas
 - Delayed completion of US factory and ramp-up in South America
- Communicated long-term targets for 2017 postponed to 2018:
 - Utilisation of added capacity in Americas
 - Improved market conditions in North and South America
- CAPEX expected at around DKK 250m in 2017
- ROIC expected around 18% in 2017 and around 20% in 2018



Q&A session

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Upcoming events

Annual general meeting	4 April 2017
Q1 interim report	23 May 2017
Q2 interim report	29 August 2017
Q3 interim report	14 November 2017



Ulrik Kolding Hartvig, CEO



Marianne Rørslev Bock, CFO

Appendix: Key figures and financial ratios

DKKm	Q4 2016	Q4 2015	Change (%)	2016	2015	Change (%)
Revenue	523	564	(7)	2,096	2,133	(2)
Europe	313	348	(10)	1,258	1,248	1
Americas	210	216	(3)	838	886	(5)
Operating profit	59	78	(25)	248	234	6
Europe	50	43	17	164	112	47
Americas	13	41	(68)	116	146	(21)
Special items	0	(3)	-	0	(101)	-
Net financials	(12)	1	-	(27)	(23)	20
Profit	44	81	(46)	175	111	57
Free cash flows	(29)	(21)	(37)	(88)	(291)	70
Profit margin, %	11.2	13.9	-	11.8	11.0	-

Appendix: Balance sheet

DKKm	31.12.16	31.12.15
Assets	1,942	1,720
Net working capital (NWC)	275	308
Invested capital (IC)	1,323	1,055
Net interest-bearing debt	644	495
Equity	771	598
ROIC, %	20.9	21.7
Equity ratio, %	39.7	34.7
Gearing, %	83.6	82.8

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.