


Interim report Q3 2017

14 November 2017



*100 years of
sustainable thinking*

Highlights

Q3 2017

Positive developments in core business and Hartmann Technology

- Revenue grew due to technology sales and higher volumes
- Profitability impacted by higher costs and depreciations

Continued progress in European business

- Progress driven by volumes, efficiency and technology sales
- Expansion and ramp-up of new capacity on track

Growth in Americas supported by new capacity

- Volumes higher in North America and flat in South America
- Prices affected by higher share of standard packs and trays

Outlook

Guidance revised on 25 October

- Temporarily slower growth in North America and Europe
- Prolonged ramp-up in North America

Guidance 2017

Revenue	~DKK 2.2bn
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Profit margin	~11%
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Guidance 2018

Revenue	DKK 2.2-2.3bn
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Profit margin	11.5-13%
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Operating profit/(loss) refers to EBIT.

Business overview

Americas

Revenue: DKK 217m (+8%)

Profit margin: 10.5% (2016: 14.4%)

Revenue growth driven by volumes

Margin down due to price decline and costs

Europe

Revenue: DKK 340m (+21%)

Profit margin: 15.2% (2016: 10.6%)

Strong contribution from technology sales

Positive impact from higher volumes

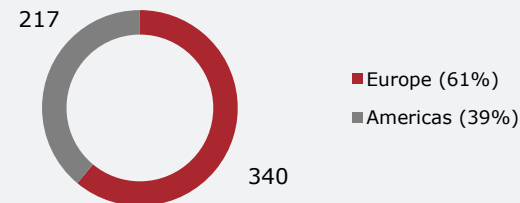


Financials Q3 2017

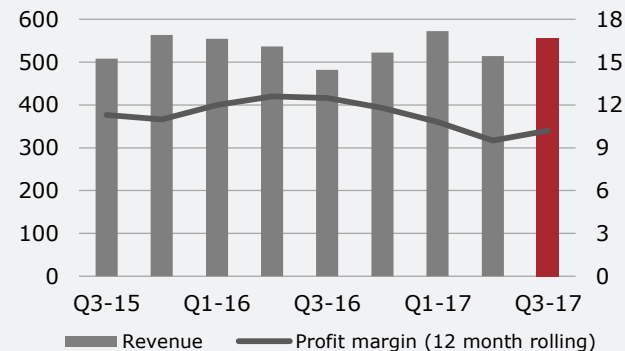
- Revenue and earnings grew in Q3 2017
 - Higher packaging sales and ramp-up of new production capacity
 - Increased contribution from Hartmann Technology
- Lower profitability due to ramp-up and market developments
 - New capacity in Europe and Americas increased costs and depreciations
 - Low egg prices in North America dampened sales of premium packaging
- Free cash flows increased significantly after lower investments in Q3 2017

DKKm	Q3 2017	Q3 2016	Change (%)
Revenue	557	482	16
Operating profit	69	47	48
Profit	48	35	39
Free cash flows (operating and investing)	4	(53)	107
Invested capital	1,413	1,252	13
Profit margin, %	12.4	9.7	-
ROIC, %	16.2	23.7	-

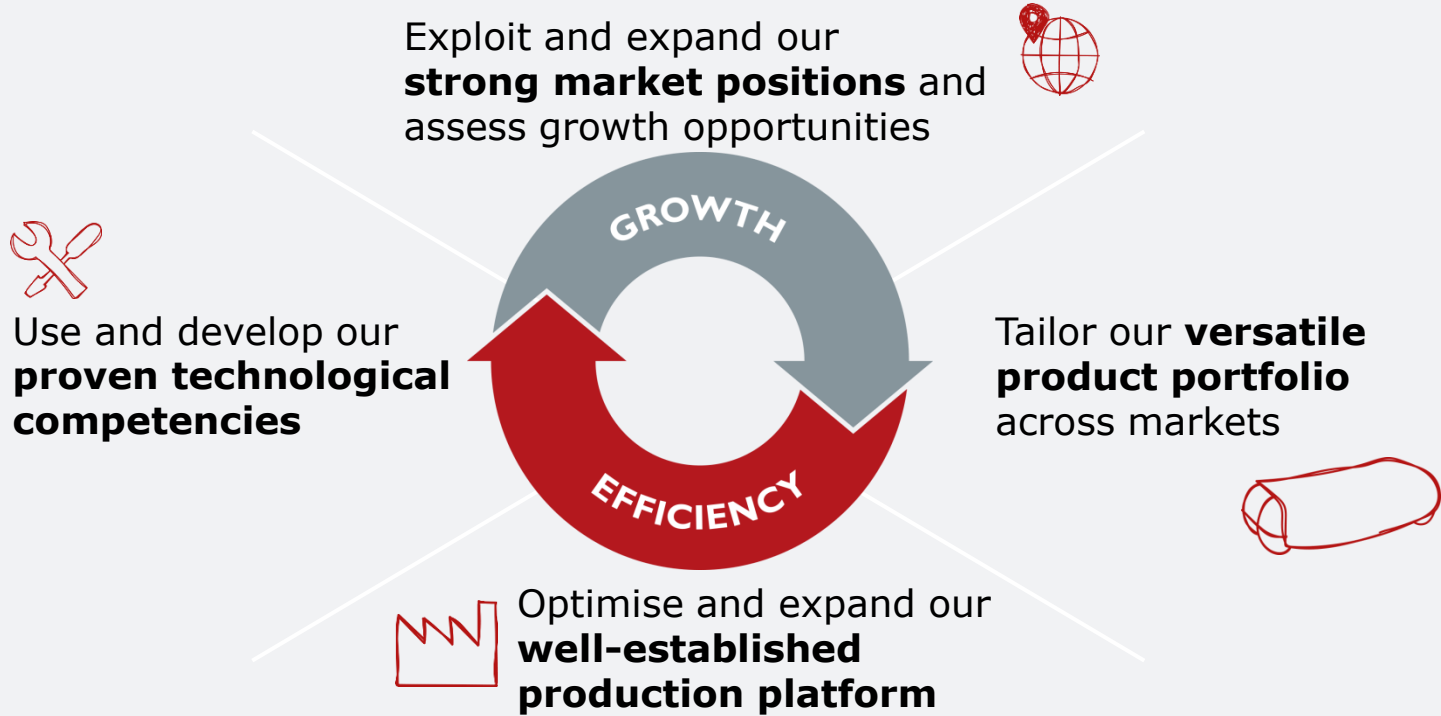
Revenue split Q3 2017 (mDKK)



Group revenue and profit margin (DKKm)



Our potential



Attractive market drivers

Population growth



- More people
- Growing middle class
- Eating more eggs and fruit

2 billion

more people in the world
in 2050 compared with 2014

Urbanisation



- More people in urban areas
- Increasing egg and fruit sales at
(structured) retail outlets – in packaging

2/3

of the world's population will be
urban in 2050 (2014: 54%)

Sustainability



- More people concerned with sustainability
- With the means to choose moulded-fibre
over plastic packaging

1/3

of consumers buy from
brands that do good

South America



Population and economy



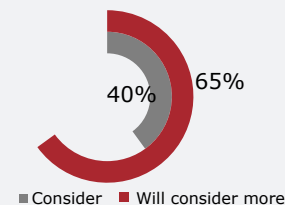
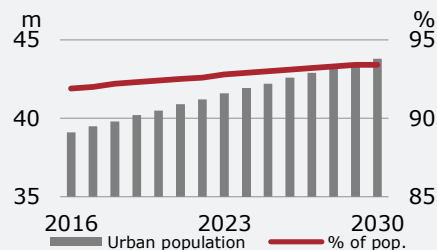
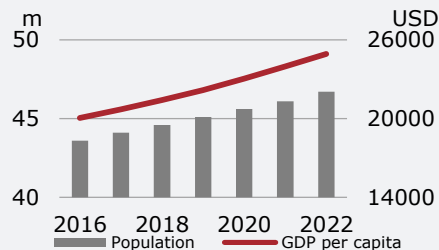
Urbanisation



Sustainability

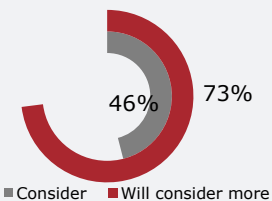
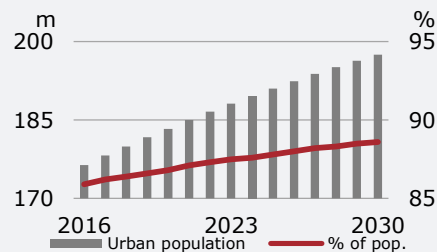
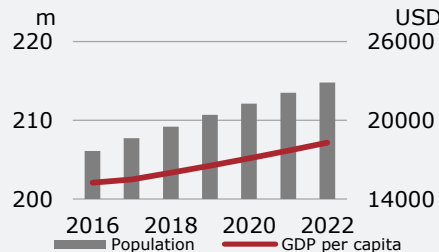
Argentina

- 3 factories
- Ramp up in progress
- Egg and fruit packaging
- Foundation for growth



Brazil

- 3 factories
- Ramp up in progress
- Egg and fruit packaging
- Foundation for growth



North America



Population and economy



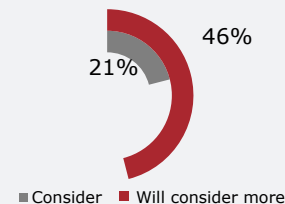
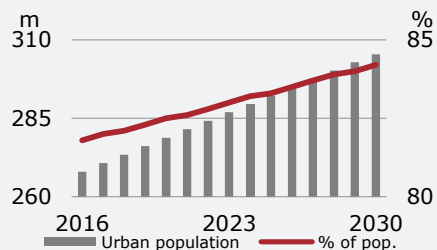
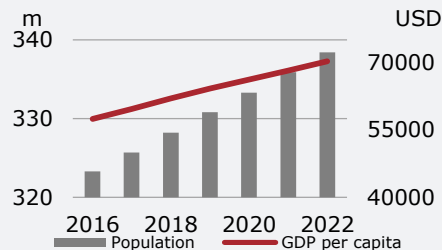
Urbanisation



Sustainability

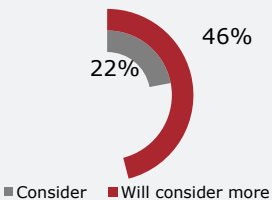
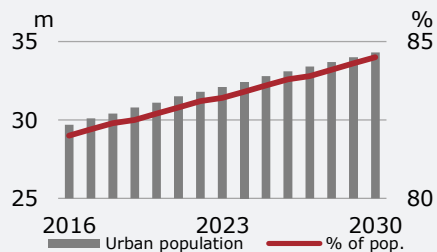
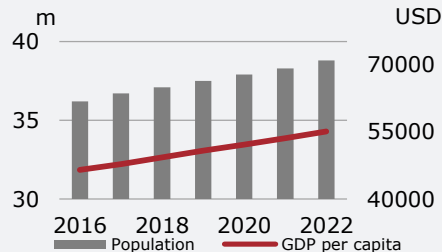
US

- 1 factory in Rolla, MO
- Ramp up from Q3 2017
- Foundation for growth
- Security of supply



Canada

- 1 factory in Brantford
- Since 2002
- High capacity utilisation



Europe



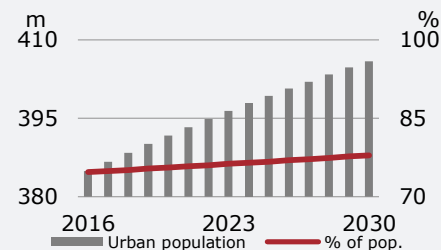
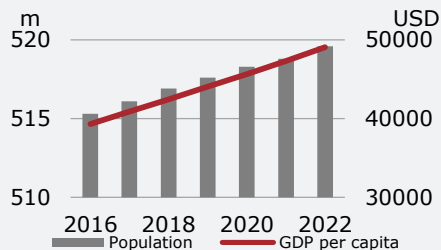
Population and economy



Urbanisation

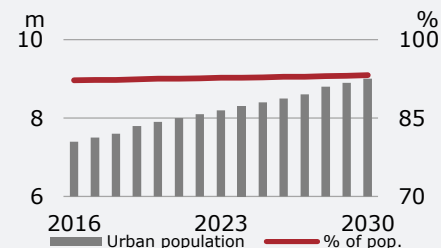
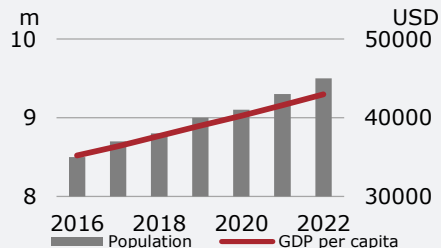
Europe (EU 28)

- 3 factories
- High capacity utilisation
- Ongoing capacity expansion



Israel

- 1 factory
- Since 1999
- Stable performance and outlook



Guidance 2017 and 2018

	2017	2018
Revenue	~DKK 2.2bn	DKK 2.2-2.3
Profit margin before special items	~11%	11.5-13%

- Hartmann maintains revised guidance for 2017
 - Temporarily slower growth in North America and Europe
 - Positive effect of higher volumes and technology sales in Q4
- CAPEX expectations maintained at around DKK 200m in 2017
- ROIC expected around 16% in 2017 and around 18% in 2018



Q&A session

100 years of
sustainable thinking

Contact information

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Upcoming events

Annual report 2017	28 February 2018
Q1 report 2018	24 May 2018
Q2 report 2018	21 August 2018
Q3 report 2018	13 November 2018



Ulrik Kolding Hartvig, CEO



Marianne Rørslev Bock, CFO

Appendix: Key figures and financial ratios

DKKm	Q3 2017	Q3 2016	Change (%)	9M 2017	9M 2016	Change (%)
Revenue	557	482	16	1,643	1,573	4
Europe	340	282	21	941	945	0
Americas	217	200	8	702	629	12
Operating profit	69	47	48	162	190	(15)
Europe	52	30	73	106	114	(7)
Americas	23	29	(20)	78	103	(24)
Net financials	(12)	(1)	-	(45)	(15)	192
Profit	48	35	39	93	131	(29)
Free cash flows	4	(53)	107	(40)	(60)	(34)
Profit margin, %	12.4	9.7	-	9.8	12.0	-

Appendix: Balance sheet

DKKm	30.09.17	30.09.16	31.12.16
Assets	1,987	1,842	1,942
Net working capital (NWC)	351	307	275
Invested capital (IC)	1,413	1,252	1,323
Net interest-bearing debt	737	612	644
Equity	747	707	771
ROIC, %	16.2	23.7	20.9
Equity ratio, %	37.6	38.4	39.7
Gearing, %	98.8	86.6	83.6

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.