



100 years of
sustainable thinking

Annual report 2017

Conference call, 1 March 2018

CFO and interim CEO
Marianne Rørslev Bock

Highlights

Revenue growth of 5% and profit margin of 10.7%

- Higher packaging sales across Europe and Americas
- Running-in of capacity and market challenges
- Proposed dividend of DKK 9.50 per share (2016: DKK 9.50)

European progress dampened by sales price and currency

- Higher sales and production efficiency
- Lower sales price and negative effects of fipronil and GBP

American topline growth offset by costs and depreciations

- Capacity utilisation increased at new factories
- Higher production costs and depreciations

Guidance 2018

Revenue	DKK 2.2-2.3bn
Profit margin	11.5-13.0%
ROIC	≥18%

Ambitions

Packaging sales	↗
Revenue	↗
Profit margin	≥14%

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

Business overview

Americas

Revenue: DKK 917m (9%)

Profit margin: 11.2% (2016: 13.8%)

Utilisation beginning to pick up in the US

Strong performance in South America

Europe

Revenue: DKK 1,290m (3%)

Profit margin: 12.2% (2016: 13.1%)

Sales and efficiency counter price decline

Continued capacity expansion

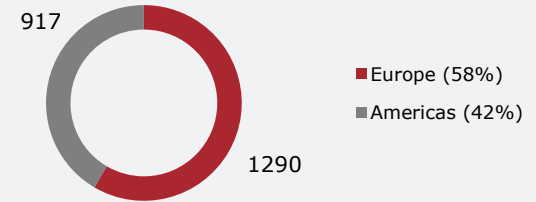


Financials 2017

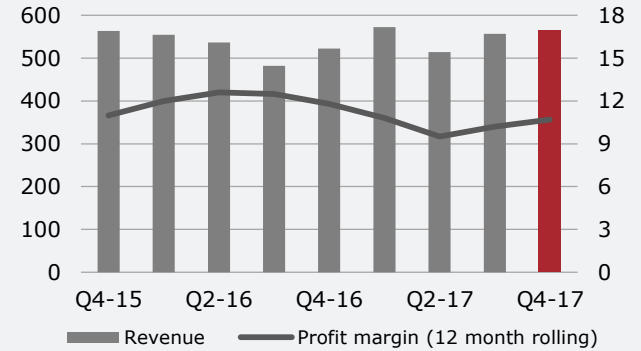
- Increase in packaging sales and revenue
 - American capacity being run in – but not completed
 - Growth in Europe and from Hartmann Technology
- Profitability impacted by production costs and depreciations
 - Improved utilisation did not fully compensate
- CAPEX of DKK 208m and ROIC of 17.1% in line with guidance

DKKm	2017	2016	Change (%)
Revenue	2,207	2,096	5
Operating profit	235	248	(5)
Special items	(14)	0	-
Profit	122	175	(30)
Free cash flows (operating and investing)	52	(88)	159
Invested capital	1,339	1,323	1
Profit margin, %	10.7	11.8	-
ROIC, %	17.1	20.9	-

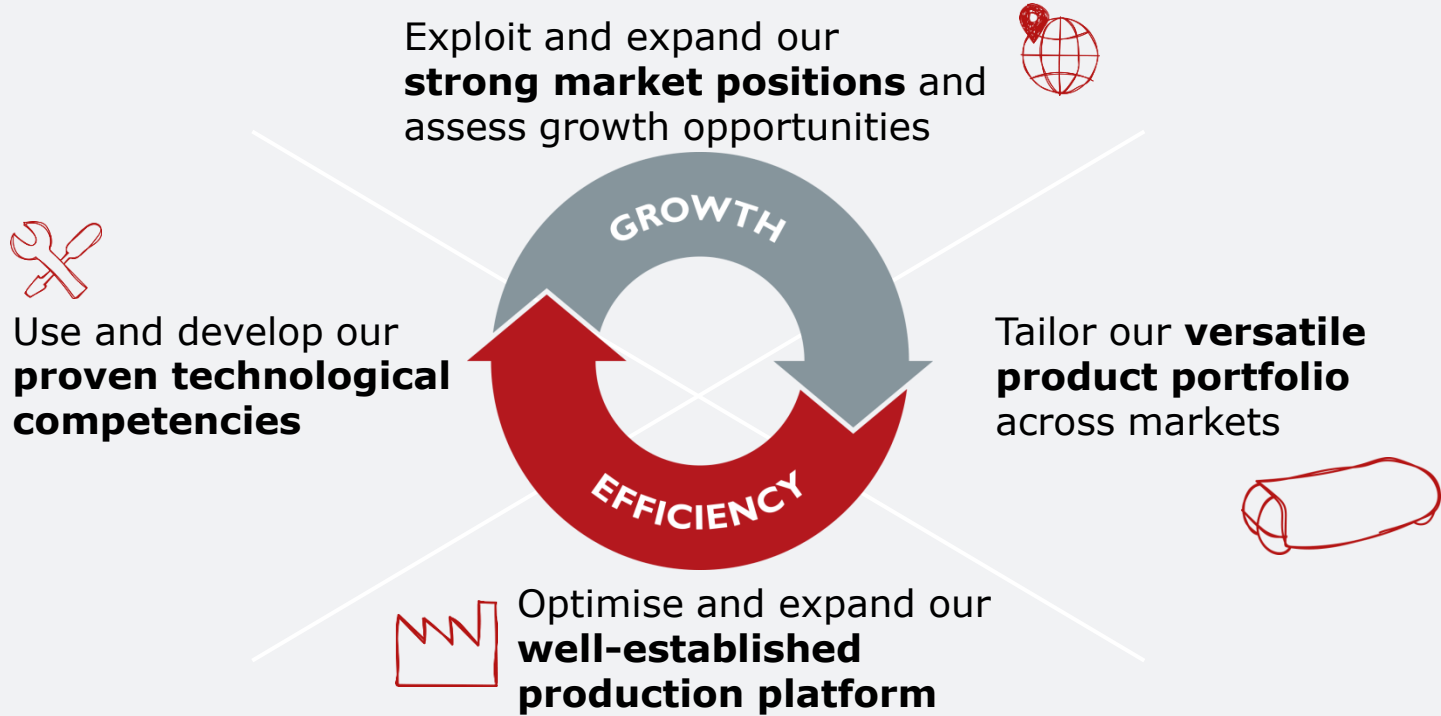
Revenue split 2017 (DKKm)



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

Guidance 2018 and financial ambitions

	Guidance 2018
Revenue	DKK 2.2-2.3bn
Profit margin before special items	11.5-13%
ROIC	≥18%

- 2018 guidance based on:
 - Dampened growth in North America and Europe in H1
 - Continued running-in of capacity in H1
 - Higher utilisation and continued cost adjustments in H2
- Financial ambitions
 - Increase sales at or above market growth and grow revenue
 - Reach profit margin of at least 14% before special items

Ambitions

Continual growth in packaging sales



Year-on-year revenue growth



Profit margin of at least

14%

Q&A

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Upcoming events

Deadline for submission of AGM business	6 March 2018
Annual general meeting	18 April 2018
Q1 interim report	24 May 2018
Q2 interim report	21 August 2018
Q3 interim report	13 November 2018



Marianne Rørslev Bock
CFO and interim CEO

Appendix: Key figures and financial ratios

DKKm	Q4 2017	Q4 2016	Change (%)	2017	2016	Change (%)
Revenue	564	523	8	2,207	2,096	5
Europe	349	313	12	1,290	1,258	3
Americas	215	210	2	917	838	9
Operating profit	74	59	25	235	248	(5)
Europe	52	50	2	158	164	(4)
Americas	25	13	86	103	116	(11)
Special items	(14)	0	-	(14)	0	-
Net financials	(9)	(12)	22	(54)	(27)	(99)
Profit	29	44	(33)	122	175	(30)
Free cash flows	92	(29)	423	52	(88)	159
Profit margin, %	13.0	11.2	-	10.7	11.8	-

Appendix: Balance sheet

DKKm	31.12.17	31.12.16
Assets	1,865	1,942
Net working capital (NWC)	312	275
Invested capital (IC)	1,339	1,323
Net interest-bearing debt	641	644
Equity	746	771
ROIC, %	17.1	20.9
Equity ratio, %	40.0	39.7
Gearing, %	85.9	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.