

Interim report Q1 2016

24 May 2016

Highlights

Stable business and improved profitability

- Positive contributions from Europe and Americas
- Strengthening of competitiveness and expansions on track

Continued focus on efficiency in Europe

- Efficiency measures offset effect of price competition
- Closure in Germany and expansion of other production capacity progressing to plan

Positive contribution from Americas

- Increased average sales price and share of premium products in North America
- Stable business in South America despite macroeconomic developments in the region

Outlook 2016

Revenue	2.1-2.2bn
Profit margin	11-12.5%

Targets 2017

Revenue	2.2-2.4bn
Profit margin	12-14%

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

Americas

Revenue: 221 million (-7%)

Profit margin: 19.5% (2015: 14.9%)

High utilisation and improved sales price

Stable business and negative currency effect

Europe

Revenue: DKK 333 million (-3%)

Profit margin: 13.2% (2015: 9.6%)

Lower revenue due to price competition

Positive impact of efficiency

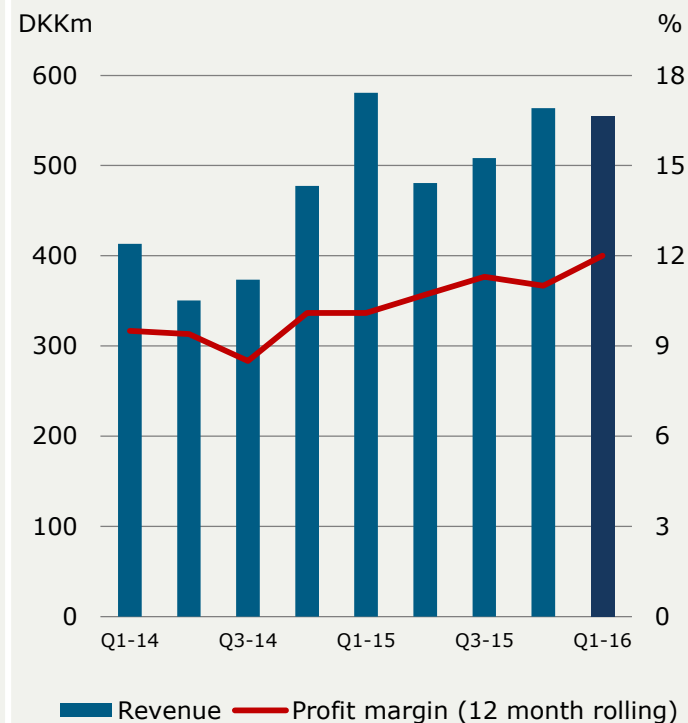


Financials Q1 2016

- Stable business and improved profitability
 - Revenue declined 5% due to currency loss of DKK 51 million
 - Efficiency in Europe and contribution from Americas lifted profitability to 14.5% including currency loss of DKK 5 million
- No significant impact on Hartmann's business from macroeconomic developments in South America
- Free cash flows improved significantly compared to Q1 2015 which was impacted by South American acquisition

DKKm	Q1 2016	Q1 2015	Change (%)
Revenue	554	581	(5)
Operating profit	80	62	30
Profit	53	56	(6)
Free cash flows (operating and investing)	26	(330)	108
Invested capital	1,095	1,119	(2)
Profit margin, %	14.5	10.6	-
ROIC, %	23.8	21.7	-

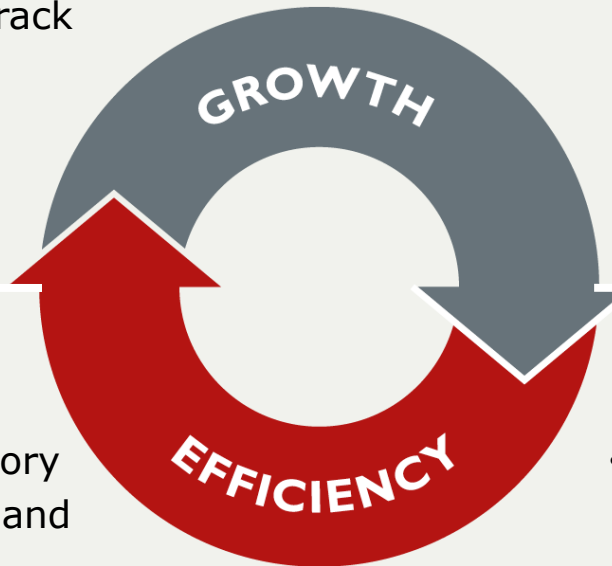
Group revenue and profit margin



Unpacking our potential – selected initiatives

- Expansion in Europe
 - Capacity expansion at existing factories on track

- New factories in Americas
 - 2 factories in South America on track for 2016 opening
 - 1 factory in the US on track for 2017 opening



- Closure of German factory
 - Streamlined footprint and reduced costs
 - Planned for Q2 2016

- New initiatives in Europe
 - Improve customer service and internal coordination
 - Ensure swifter adjustment of capacity and costs

Outlook 2016

Guidance for 2016 maintained

	Guidance 2016	Targets 2017
Revenue	DKK 2.1-2.2bn	DKK 2.2-2.4bn
Profit margin before special items	11.0-12.5%	12-14%

- 2016 guidance based on:
 - Increased efficiency in Europe
 - Expansion of production network in South America
- Expected CAPEX of around DKK 350 million includes 2016 investments in:
 - Efficiency measures in Europe
 - Expansion of production network in South America and the US
- 2017 targets based on:
 - Efficiency improvements
 - Organic growth through improved utilisation of expanded capacity
- ROIC at a level of at least 22% in 2017
- Impact of potential acquisitions is not included in Hartmann's targets

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Upcoming events

Q2 interim report

18 August 2016

Q3 interim report

9 November 2016

Appendix: Key figures and financial ratios

DKKm	Q1 2016	Q1 2015	Change (%)
Revenue	554	581	(5)
- Europe	333	342	(3)
- Americas	221	239	(7)
Operating profit	80	62	30
- Europe	44	33	35
- Americas	43	36	21
Net financials	(10)	7	(248)
Profit	53	56	(6)
Free cash flows	26	(330)	108
Profit margin, %	14.5	10.6	-

Appendix: Balance sheet

DKKm	31.03.16	31.03.15	31.12.15
Assets	1,811	1,743	1,720
Net working capital (NWC)	246	312	257
Invested capital (IC)	1,095	1,119	1,055
Net interest-bearing debt	462	487	495
Equity	668	728	598
ROIC, %	23.8	21.7	21.7
Equity ratio, %	36.9	41.8	34.7
Gearing, %	69.1	66.9	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.