

Interim report Q3 2016

9 November 2016

Highlights

Decline in volumes partly offset by efficiency gains

- Lower revenue and projects impacted profitability
- Ongoing expansion in all markets

Improved efficiency on unchanged volumes in Europe

- Strong profitability from efficiency and lower costs
- Full utilisation and acceleration of capacity expansion

External effects impacted volumes in Americas

- Volatility in North America following 2015 bird flu
- Macroeconomic developments in South America affected fruit exports and packaging volumes

Outlook for 2016 maintained

- CAPEX expected at DKK 300-325 against former expectation of DKK 350 million

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: 200 million (-8%)

Profit margin: 14.4% (2015: 15.2%)

Market volatility in North America

Macro economics entailed lower fruit exports

Europe

Revenue: DKK 282 million (-4%)

Profit margin: 10.6% (2015: 8.5%)

Full utilisation and growing demand

Strong profitability from efficiency gains

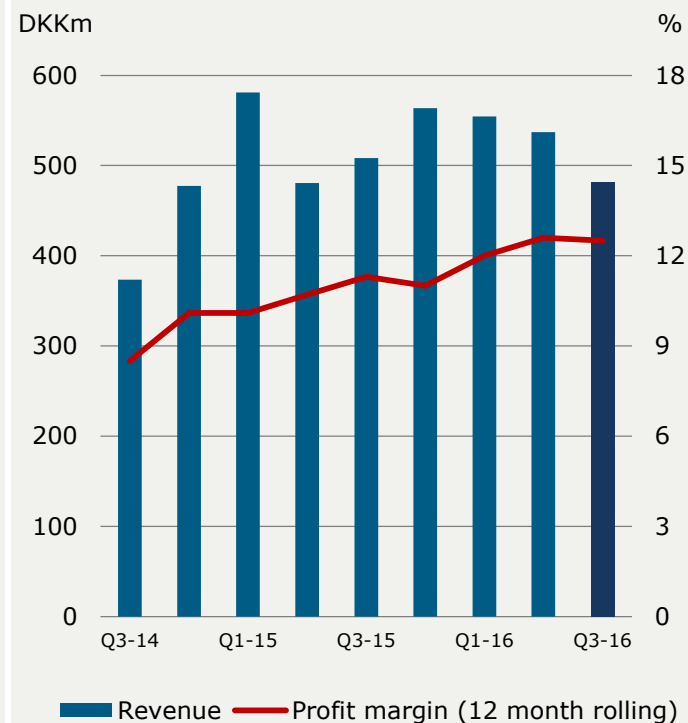


Financials Q3 2016

- Decline in revenue impacted profitability
 - Lower sales price in Europe and volumes in Americas
 - Profitability declined slightly despite improvement in Europe
- Currency effects countered by inflation in South America
- Higher profit due to DKK 84m special costs in Q3 2015
- Costs for German factory closure and increased investments impacted free cash flows

DKKm	Q3 2016	Q3 2015	Change (%)
Revenue	482	508	(5)
Operating profit	47	52	(10)
Profit	35	(35)	198
Free cash flows (operating and investing)	(53)	(1)	-
Invested capital	1,252	1,020	23
Profit margin, %	9.7	10.2	-
ROIC, %	23.7	23.2	-

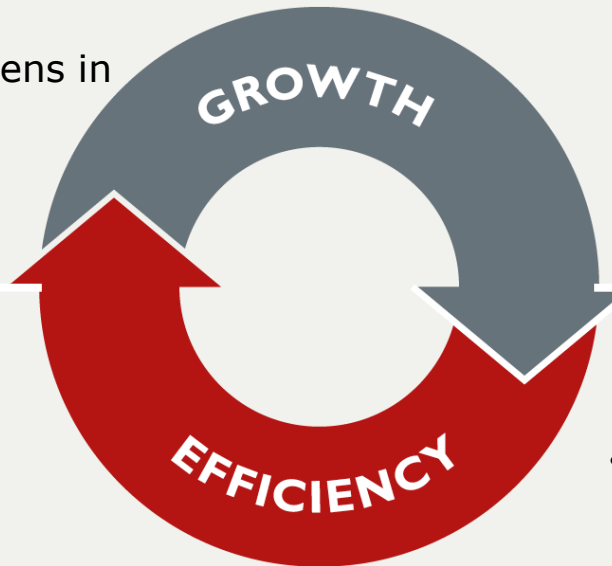
Group revenue and profit margin



Unpacking our potential – selected initiatives

- Expansion in Americas
 - 2 factories in South America open in 2016
 - 1 factory in the US opens in early 2017

- Expansion in Europe
 - Capacity expansion accelerated after Q3



- Initiatives in Americas
 - Higher production efficiency
 - Good results of energy savings programme

- Initiatives in Europe
 - New local agreement with employees at Danish factory
 - Continued automation work

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
 - Operating costs for new test center in Europe
- Expected CAPEX of DKK 300-325 against former expectation of DKK 350 million:
 - Efficiency measures in Europe
 - Expansion of production network
- 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

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

Upcoming events

Økonomisk Ugebrev Small and Mid Cap seminar	23 November 2016
Annual report 2016	8 March 2017
Annual general meeting	4 April 2017
Q1 interim report	23 May 2017

Appendix: Key figures and financial ratios

DKKm	Q3 2016	Q3 2015	Change (%)
Revenue	482	508	(5)
- Europe	282	292	(4)
- Americas	200	216	(8)
Operating profit	47	52	(10)
- Europe	30	25	20
- Americas	29	33	(12)
Net financials	(1)	(13)	(95)
Profit	35	(35)	198
Free cash flows	(53)	(1)	-
Profit margin, %	9.7	10.2	-

Appendix: Balance sheet

DKKm	30.09.16	30.09.15	31.12.15
Assets	1,842	1,683	1,720
Net working capital (NWC)	259	279	257
Invested capital (IC)	1,252	1,020	1,055
Net interest-bearing debt	612	497	495
Equity	707	548	598
ROIC, %	23.7	23.2	21.7
Equity ratio, %	38.4	32.6	34.7
Gearing, %	86.6	90.7	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.