



100 years of
sustainable thinking

Q2 2018

Conference call, 22 August 2018
CEO Torben Rosenkrantz-Theil
CFO Marianne Rørslev Bock

Highlights

Profitable growth from technology and packaging sales

- High technology sales lifted revenue and earnings
- Good momentum in egg and fruit packaging volumes
- First results from 'Perform 2018' on sales and efficiency

Higher revenue and earnings in Europe

- Strong volume growth and higher technology sales
- Continued focus on sales efforts, efficiency and capacity

Improved volumes and profitability in Americas

- Revenue impeded by currency and slow sales in North America
- Higher earnings based on volumes and efficiency

2018 results expected to reach lower end of current guidance

- Currency impact and hyperinflation adjustment in Argentina
- Slower pickup in total utilisation in North America

Guidance 2018

Revenue	DKK 2.2-2.3bn
Profit margin	11.5-13.0%
ROIC	≥18%
CAPEX	~DKK 150m

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 222m (-5%)

Profit margin: 13.2% (2017: 10.4%)

Volume growth offset by currency fluctuations

Higher volumes and efficiency lifted profitability

Europe

Revenue: DKK 321m (+15%)

Profit margin: 12.6% (2017: 4.9%)

Higher volume and growth from technology sales

Strong profitability despite negative currency effects

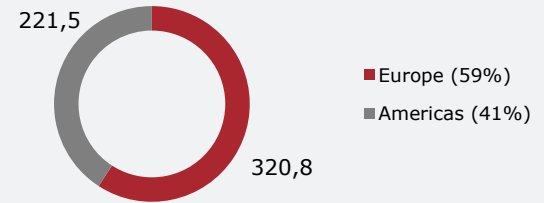


Financials Q2 2018

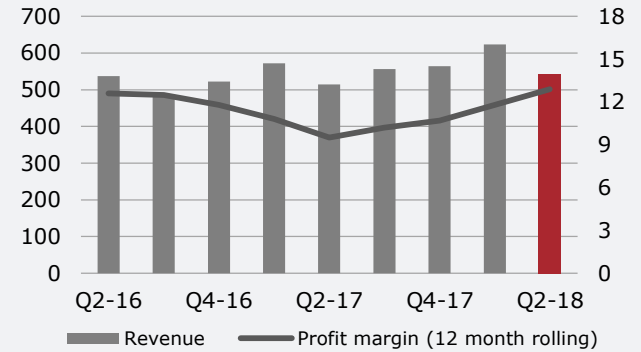
- Growth driven by technology sales
 - Higher packaging volumes outweighed by currency
 - Slower sales growth in North America
- Strong profitability driven by growth and efficiency gains
 - ‘Perform 2018’ contributed to sales and efficiency improvements
 - Special items of DKK -16m in Q2 and still expected around DKK -25m in 2018
- Currency impacted revenue by DKK -52m and operating profit by DKK -16m

DKKm	Q2 2018	Q2 2017	Change (%)
Revenue	542	514	5
Operating profit	60	32	90
Special items	(16)	0	-
Profit	10	1	685
Free cash flows (operating and investing)	38	(8)	604
Invested capital	1,289	1,372	(6)
Profit margin, %	11.1	6.2	-
ROIC, %	21.7	15.0	-

Revenue split Q2 2018 (DKKm)



Group revenue and profit margin (DKKm)



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

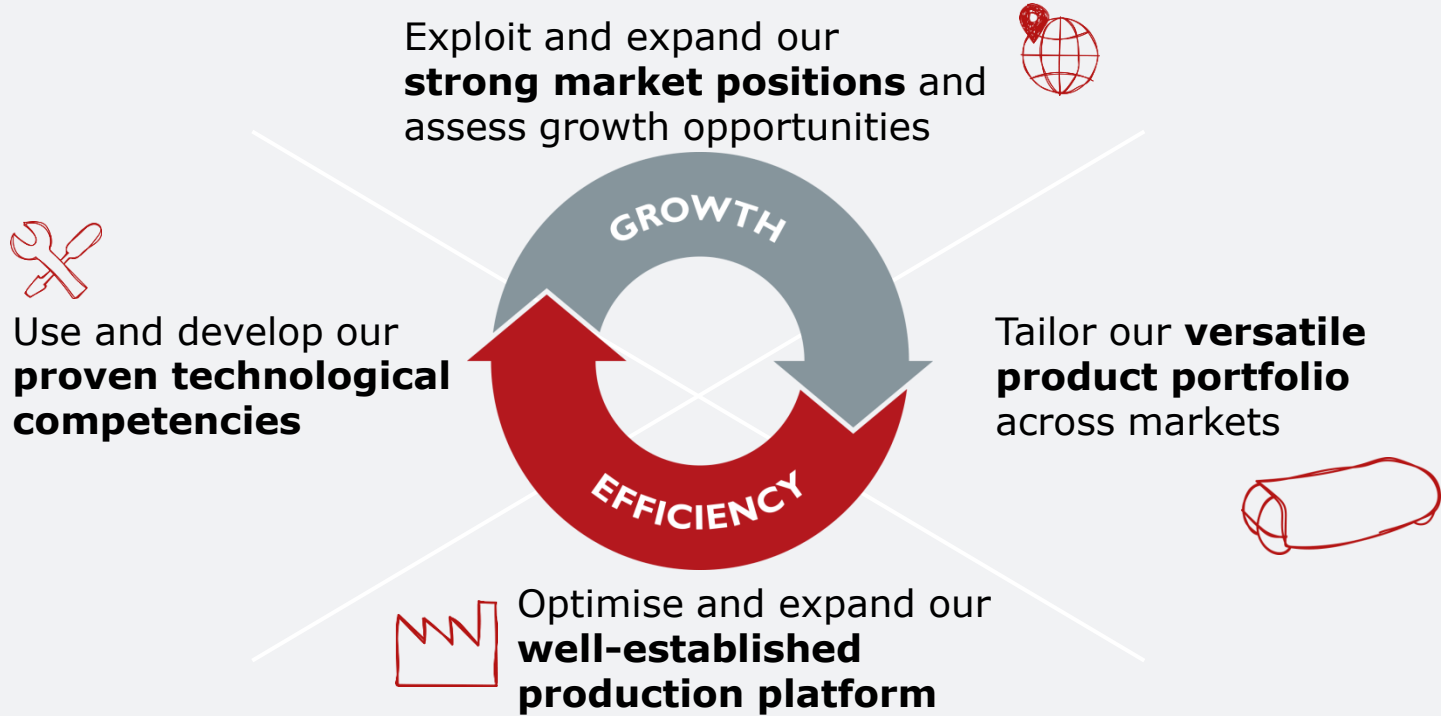


- More people concerned with sustainability
- With the means to choose moulded-fibre over plastic packaging

1/3

of consumers buy from
brands that do good

Our potential



Guidance 2018 and financial ambitions

	Guidance 2018
Revenue	DKK 2.2-2.3bn
Profit margin before special items	11.5-13%
ROIC	≥18%
CAPEX	~DKK 150m

- 2018 revenue and operating profit expected to reach lower range
 - Negative currency effects
 - Expected hyperinflation adjustments in Argentina
 - Slower sales growth in North America continues
 - Positive effect of 'Perform 2018'
- 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

SEB SmallCap seminar, Stockholm	20 September 2018
ABG Small/MidCap seminar, Copenhagen	26 September 2018
Q3 interim report	13 November 2018



Torben Rosenkrantz-Theil
CEO



Marianne Rørslev Bock
CFO

Appendix: Key figures and financial ratios

DKKm	Q2 2018	Q2 2017	Change (%)	H1 2018	H1 2017	Change (%)
Revenue	542	514	5	1,166	1,087	7
Europe	321	280	15	705	601	17
Americas	222	234	(5)	461	486	(5)
Operating profit	60	32	90	152	93	64
Europe	40	14	193	102	55	87
Americas	29	25	19	64	55	16
Special items	(16)	0	-	(21)	0	-
Net financials	(30)	(30)	(1)	(40)	(33)	(20)
Profit	10	1	685	68	44	53
Free cash flows	38	(8)	604	99	(43)	328
Profit margin, %	11.1	6.2	-	13.0	8.5	-

Appendix: Balance sheet

DKKm	30.06.18	30.06.17	31.12.17
Assets	1,756	1,976	1,865
Net working capital (NWC)	332	302	312
Invested capital (IC)	1,289	1,372	1,339
Net interest-bearing debt	614	745	641
Equity	697	709	746
ROIC, %	21.7	15.0	17.1
Equity ratio, %	39.7	35.9	40.0
Gearing, %	88.0	105.1	85.9

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.