



*100 years of
sustainable thinking*

Interim report Q3 2018

13 November 2018

Highlights

Volume growth across Europe and Americas

- Technology sales lower in Q3 as expected after delivered in H1
- Significant hyperinflation restatement* and currency effects

Energy costs offset volume growth in Europe

- Volume growth drove revenue increase in core business
- Lower profitability due to energy costs and subsidy repayment

Continued volume growth in Americas

- Restatement for hyperinflation in Argentina entailed lower revenue
- Higher raw material prices impacted profitability

2018 outlook maintained

- Continued slow capacity utilisation in North America
- Positive impact of 'Perform 2018'
- CAPEX of DKK ~125m (DKK ~150m)

Guidance 2018

Revenue	DKK 2.1-2.2bn
Profit margin*	~10%
ROIC*	~17%
CAPEX*	~DKK 125m

**Before restatement for hyperinflation*

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 163m (-25%)

Profit margin: 8.5% (2017: 10.5%)

Hyperinflation restatement and currency impacted revenue
Volume growth offset by higher raw material costs

Europe

Revenue: DKK 290m (-15%)

Profit margin: 4.1% (2017: 15.2%)

Volume growth in core business despite effect of warm summer
Lower technology sales and higher energy costs

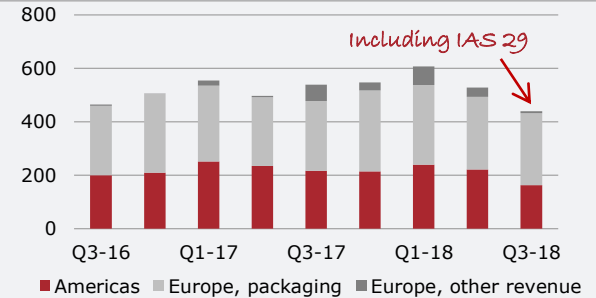


Financials Q3 2018

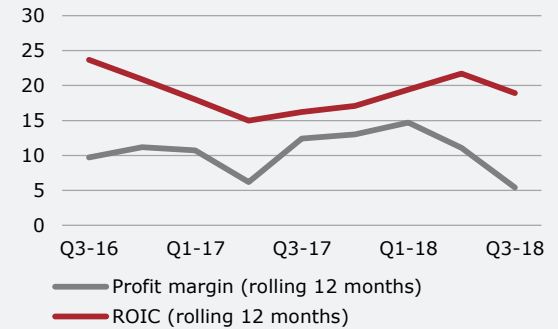
- Revenue declined due to lower technology sales and hyperinflation restatement
 - Growth in packaging volumes across markets
 - Technology sales lower following numerous deliveries in H1
 - Negative hyperinflation restatement of DKK 39 million
- Profitability impacted by lower revenue and higher energy costs
 - Lower contribution from technology sales as expected
 - Costs impacted by energy prices and repayment of energy subsidy
- Currency impacted revenue by DKK -100m and operating profit by DKK -6m

DKKm	Q3 2018	Q3 2018 excl. IAS 29	Q3 2017
Revenue	453	492	557
Operating profit	13	26	69
Special items	(9)	(9)	0
Profit	(5)	(1)	48
Free cash flows (operating and investing)	(9)	(9)	4
Invested capital	1,309	1,286	1,413
Profit margin, %	2.9	5.4	12.4
ROIC, %	17.7	18.9	16.2

Revenue Q3 2018 (DKKm)



Profit margin and ROIC excl. IAS 29 (%)



Attractive market drivers

Population growth

2 billion

more people in the world in 2050



More people
More eggs and fruit

Urbanisation

2/3

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



More supermarkets
More eggs in packs

Sustainability

1/3

of consumers buy from brands that do good



More green
More fibre

Our potential converts trends to value



Strong market positions

allowing us to capture market growth



Proven technological competencies

ensuring best-in-class quality and performance



Well-established production platform

that can be expanded and optimised



Versatile product portfolio

tailored to local markets



Guidance 2018 and financial ambitions

	Guidance 2018
Revenue	DKK 2.1-2.2bn
Profit margin before special items*	~10%
ROIC*	~17%
CAPEX*	DKK ~125m

**Before restatement for hyperinflation*

- Hartmann maintains revised guidance for 2018
 - Continued slow capacity utilisation in North America
 - Positive impact of 'Perform 2018' initiatives
 - Special items of up to DKK -35 million
 - CAPEX now expected around DKK 125 million (DKK ~150 million)
- Financial ambitions unchanged
 - 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%

Contact information

Brødrene Hartmann A/S
Ørnegårdsvej 18
DK-2820 Gentofte
Tel. (+45) 45 97 00 00
investor@hartmann-packaging.com

Upcoming events

Annual report 2018	26 February 2019
Annual general meeting	9 April 2019
ABG Small and Mid Cap seminar	24 April 2019
Q1 interim report	7 May 2019
Q2 interim report	13 August 2019
Q3 interim report	14 November 2019



Torben Rosenkrantz-Theil
CEO



Flemming Steen
CFO

Appendix: Key figures and financial ratios

DKKm	Q3			9M		
	2018	2018 excl. IAS 29	2017	2018	2018 excl. IAS 29	2017
Revenue	453	492	557	1,619	1,658	1,643
Europe	290	290	340	995	995	941
Americas	163	202	217	624	663	702
Operating profit	13	26	69	165	178	162
Europe	12	12	52	114	114	106
Americas	4	17	23	68	81	78
Special items	(9)	(9)	0	(30)	(30)	0
Net financials	(7)	(20)	(12)	(46)	(59)	(45)
Profit	(5)	(1)	48	63	66	93
Free cash flows	(9)	(9)	4	89	89	(40)
Profit margin, %	2.9	5.4	12.4	10.2	10.8	9.8

Appendix: Balance sheet

DKKm	30.09.18	30.09.18 excl. IAS 29	30.09.17	31.12.17
Assets	1,770	1,750	1,987	1,865
Net working capital (NWC)	336	336	351	312
Invested capital (IC)	1,309	1,286	1,413	1,339
Net interest-bearing debt	620	620	737	641
Equity	704	689	747	746
ROIC, %	17.7	18.9	16.2	17.1
Equity ratio, %	39.8	39.4	37.6	40.0
Gearing, %	88.1	90.0	98.8	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.