

JBT Marel: Where Should Integration Attention Go?

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Audience: MBA students and working professionals

The decision

On 18 August 2026, JBT Marel's leadership team faced a resource-allocation problem that the headline synergy target could not answer by itself. The company had combined JBT and Marel to offer customers a wider set of food-processing technologies and to capture cost savings. It was reporting strong orders and progress against integration targets, while also disclosing operational inefficiencies in one segment, continuing control weaknesses inherited from Marel, and a balance sheet still carrying acquisition-related debt.

For the coming planning cycle, where should senior leaders put their limited attention and discretionary resources?

1. **Finish integration and control work:** prioritize systems, internal controls, supply chain, manufacturing optimization and shared support functions.
2. **Accelerate commercial growth:** direct resources toward cross-selling, integrated solutions, service capabilities and customer-facing execution.
3. **Protect financial capacity:** prioritize debt reduction and disciplined capital returns, pacing other initiatives to fit available cash and execution capacity.

The options compete for leadership attention and near-term resources, though some investments may support more than one goal. This is an author-created decision exercise. The company had not publicly presented these three alternatives as an approved choice set. Recommend a priority and sequence, including what evidence would cause you to change course. Use information available by the cutoff only.

A combination built around a broader customer offer

JBT and Marel had overlapping positions in food and beverage processing but different product histories and strong brands. JBT described its offering across food production and beverage systems; Marel supplied processing equipment, systems, software and services, particularly in poultry, meat and fish, as well as pet food, plant-based proteins and aqua feed. The acquisition closed on 2 January 2025, and the combined company began trading as JBT Marel under ticker JBTM. The company later acquired the remaining minority interest by squeeze-out. [S1, pp. 38-40 and Note 2, pp. 70-72; S5]

At announcement, management described the two portfolios as complementary and expected customers to benefit from a wider set of technologies. Its 2024 investor call identified integrated poultry solutions and equipment pull-through as revenue opportunities. Those were management's strategic claims and projections; the public filings do not report account-level conversion, customer retention or the contribution margin on cross-sold products. [S4]

Progress and pressure at the cutoff

The second quarter of 2026 brought evidence for continued growth investment. Orders were \$1.03 billion, book-to-bill was 1.05x and quarter-end backlog stood at \$1.54 billion. Management cited strong demand in poultry, meat and beverage, and said cross-selling capabilities contributed to its confidence. Backlog and orders indicate sales opportunities, but they are not realized revenue or profit. [S3]

Revenue was \$981 million, up \$46 million, or 4.9%, from the prior-year quarter. JBT Marel attributed \$27 million of the increase to organic growth and \$19 million to favorable foreign exchange. **Derived from company-reported rounded amounts:** foreign exchange represented about 41% of the \$46 million increase and organic growth about 59%. The company said organic growth included both recurring and non-recurring revenue. Adjusted EBITDA was \$168 million, a 17.1% margin; GAAP net income was \$28 million. [S2, pp. 31-33; S3]

Performance varied across the two reported segments. Protein Solutions generated \$467 million of Q2 revenue and \$112 million of adjusted EBITDA, or a 24.0% margin. Prepared Food and Beverage Solutions generated \$514 million of revenue and \$90 million of adjusted EBITDA, or a 17.5% margin. **Derived check:** segment revenue sums to \$981 million, matching consolidated revenue; reported segment margins are rounded. Management attributed part of Protein Solutions' margin improvement to volume, synergies and tariffs. It attributed PF&B's performance below expectations partly to logistics constraints and productivity inefficiencies linked to supply-chain and manufacturing optimization. These explanations are management's, not independent causal findings. [S2, pp. 36-37; S3]

The company reported two different views of integration savings. At the transaction's announcement, management projected more than \$125 million of annual run-rate cost synergies within three years, including more than \$55 million in cost of goods sold and more than \$70 million in operating expenses. It separately projected more than \$75 million of revenue uplift by the end of year three, at "normal contribution margins." [S4]

By August 2026, management expected \$60 million of **in-year realized** integration and cost-synergy savings during 2026. The separately disclosed 2026 Integration Restructuring Plan showed \$43 million of cumulative annualized savings through June 30 and expected cumulative cost savings of \$65-75 million; cumulative plan charges were \$41 million against estimated total costs of \$55-60 million. These are not interchangeable measures: the transaction targets, in-year savings, annualized run rate and a defined restructuring plan use different scopes and time bases. The public disclosure does not give initiative-level savings, cash costs, overlap or a reconciliation to the original targets. [S1, pp. 45-49; S2, pp. 40-42; S3]

Integration is also a control and customer issue

JBT Marel's filings identified integration risks involving systems, culture, management capacity, retention of personnel, customers and suppliers, and the possibility that integration costs could exceed expectations. By June 30, 2026, Marel's IT general-control and journal-entry weaknesses remained unremediated. The company reported that its disclosure controls were ineffective, while stating that the financial statements fairly presented results in all material respects. The weakness disclosure makes systems and controls part of the integration decision; it is not evidence of a financial-statement misstatement or a quantified customer loss. [S1, pp. 24-25; S2, Item 4, pp. 43-44]

Commercial capabilities also require attention. JBT Marel said that its large installed base, regional service capabilities and data-driven service model could improve parts delivery, reduce unplanned downtime and support customer operations. The filing does not show service profitability or whether cross-selling has improved retention. Leaders therefore have to decide what to standardize and coordinate while protecting customer-facing responsiveness and product expertise. [S2, MD&A, p. 30]

The financial boundary

At June 30, JBT Marel reported net debt of \$1.586 billion and net debt / trailing-twelve-month adjusted EBITDA of 2.47x. Its stated long-term target range was 2.0-2.5x. Year-to-date operating cash flow was \$221 million and company-defined free cash flow was \$179 million. The free-cash-flow measure is non-GAAP and is not the same as cash available for discretionary projects after every commitment. [S3, non-GAAP schedules; S2, pp. 40-43]

The board had authorized up to \$200 million of common-stock repurchases from May 18, 2026 through May 31, 2029; JBT Marel repurchased about \$26 million in Q2. On August 6, it declared a quarterly dividend of \$0.10 per share. Authorization sets capacity, not a requirement to spend the full amount. Debt reduction, repurchases, dividends, control remediation, integration and growth investment have different risk, timing and strategic effects. [S3; S6; S7]

Exhibit 1. Q2 2026 operating snapshot

Company-reported measure	Q2 2026	Comparator / context
Revenue	\$981m	\$935m in Q2 2025; increase \$46m / 4.9%
Revenue bridge	\$27m organic; \$19m favorable FX	Company-reported components of \$46m increase
Adjusted EBITDA	\$168m; 17.1% margin	Non-GAAP; company-defined
GAAP net income	\$28m	Includes \$33m non-cash impairment related to a 2021 acquisition
Orders / book-to-bill	\$1.03bn / 1.05x	Orders include about \$16m FX benefit
Ending backlog	\$1.54bn	Not equivalent to realized revenue
Protein Solutions	\$467m revenue; \$112m adjusted EBITDA; 24.0% margin	Segment figures; company-reported rounded margin
Prepared Food and Beverage Solutions	\$514m revenue; \$90m adjusted EBITDA; 17.5% margin	Segment figures; company-reported rounded margin

Derived values: $\$27m + \$19m = \$46m$; $\$19m / \$46m \approx 41\%$; $\$27m / \$46m \approx 59\%$; $\$467m + \$514m = \$981m$. Amounts are rounded in the source, so shares and segment totals are approximate. [S2, pp. 31-37; S3]

Exhibit 2. Three different integration measures

Measure	Company disclosure	Time basis and limitation
Original cost-synergy target	More than \$125m annual run-rate within three years	2024 management projection; included >\$55m COGS and >\$70m OpEx categories; not an achieved result
Original revenue-synergy target	More than \$75m revenue uplift by end of year three at “normal contribution margins”	2024 management projection; no defined contribution margin or public realization bridge
2026 savings outlook	\$60m expected in-year realized integration/cost-synergy savings	2026 management expectation; no initiative-level breakdown
2026 Integration Restructuring Plan	\$43m cumulative annualized savings through June 30; \$65-75m cumulative cost savings expected; \$41m charges against \$55-60m estimated costs	Defined-plan figures; annualized savings, cumulative savings and restructuring charges are distinct metrics

Do not add these measures or treat them as one reconciled series. The filings do not disclose the overlap or bridge between the 2024 transaction targets and 2026 plan figures. [S2, pp. 40-42; S3; S4]

Exhibit 3. Resource-allocation context

Company-reported item	Amount / range	Decision relevance
Net debt at June 30, 2026	\$1.586bn	Company-reported net debt calculation
Net debt / TTM adjusted EBITDA	2.47x	Company-reported; stated long-term target 2.0-2.5x
YTD operating cash flow / free cash flow	\$221m / \$179m	FCF is non-GAAP and company-defined
Repurchase authorization	Up to \$200m, May 2026-May 2029	Authorization, not commitment; about \$26m repurchased in Q2
Quarterly dividend declared Aug. 6	\$0.10/share	Payable Aug. 31 to holders of record Aug. 17

Sources: [S2], [S3], [S6], [S7]. The board could revisit priorities, but public disclosures do not give project-level cash needs, after-tax returns, a minimum liquidity policy or a complete capital-commitment schedule.

Exhibit 4. Competitor context, with comparability limits

JBT Marel identifies GEA Group and Krones among its international food-processing equipment competitors. GEA's 2025 Pharma & Food Applications division reported €1.058 billion of revenue, combining food and pharmaceutical operations. Midera Food Processing's first post-spin quarter (ended July 4, 2026) reported \$245.4 million of sales, up 13.2%; it attributed 11.0 percentage points to acquisitions and 1.0 point to FX, with 1.2% growth excluding both. Midera's results were presented on a carve-out basis and include acquisition effects. Neither figure is a direct margin, growth or scale benchmark for JBT Marel. [S1, Item 1, Competition; S8; S9, pp. 6-7, 19-21]

Assignment

Prepare a recommendation to JBT Marel's leadership team for the next planning cycle. State which priority should lead and how the company should sequence the other two. Address:

- which costs, systems, sites or processes warrant common integration and why;
- which customer-facing, product or service capabilities need more investment or protection;
- how the company should handle debt reduction and capital returns while funding the first two priorities;
- what milestones and customer/financial measures should govern continuation, expansion or pause;
- the strongest argument against your recommendation and evidence that would make you change it.

Do not treat management targets or company explanations as verified results. Do not infer the answer from the figures alone. No internal project return data are provided.

Case assumptions and source key

Author-created teaching assumptions: the company leadership team must set a priority and sequencing plan for the coming planning cycle; the three choices above are an analytical framing rather than a documented board agenda; no private deliberations or project budgets are represented. All student analysis is limited to the information publicly available by 18 August 2026, 11:59 p.m. ET.

Company-reported facts and claims: [S1] JBT Marel FY2025 Form 10-K, filed Mar. 2, 2026, SEC accession 0001433660-26-000053, [filing](#). Relevant printed pages cited above.
[S2] JBT Marel Q2 2026 Form 10-Q, filed Aug. 5, 2026, accession 0001628280-26-053548, [filing](#).
[S3] JBT Marel Q2 2026 earnings release, dated Aug. 3, 2026, accession 0001628280-26-051894, [Exhibit 99.1](#).
[S4] JBT/Marel 2024 investor-call transcript under Rule 425, June 21, 2024, [transcript](#).
[S5] JBT Marel acquisition-close Form 8-K, filed Jan. 7, 2025, accession 0001193125-25-002636, [filing](#).
[S6] JBT Marel repurchase authorization, 8-K/A filed May 15, 2026, accession 0001628280-26-035320, [Exhibit 99.1](#).
[S7] JBT Marel dividend declaration, Aug. 6, 2026, [issuer release](#).
[S8] GEA Group, 2025 Annual Report, [official report portal](#), overview/divisional fact panel, printed p. 7.
[S9] Midera Food Processing Q2 2026 Form 10-Q, filed Aug. 18, 2026, accession 0001193125-26-354735, [filing](#).

Derived figures are labelled as derived and use company-reported rounded inputs. Financial terms follow the source definitions; adjusted EBITDA and free cash flow are non-GAAP measures. No post-cutoff information or subsequent outcomes are included.