

# ORIOR

EXCELLENCE IN FOOD



2019 ORIOR Group  
HALF-YEAR REPORT



# **ORIOR – Excellence in Food**

ORIOR is an internationally active Swiss food and beverage group that combines craftsmanship with a pioneering spirit and thrives on entrepreneurship and strong values. The delightful world of ORIOR consists of well-established companies and brands with leadership positions in growing niche markets in Switzerland and abroad.

ORIOR's goal is to steadily create value for all stakeholders. Market intimacy, strong partnerships, and a lean, agile group structure and the intradisciplinary ORIOR Champion Model provide the framework from which ORIOR is shaping and driving the market landscape with innovative products, concepts and services. Motivated employees who take pride in their work and who assume responsibility for themselves and for what they do are the key for creating the extraordinary.

We are striving for uniqueness and offer best quality in order to surprise our consumers time and again with enjoyable food moments. Our ambition is nothing less than **Excellence in Food**.

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## Dear Shareholders

We are pleased to present you a good set of results for the first half of 2019. Its enlarged operational footprint with new business models and a steady focus on sustainable margins, cost discipline and continuous process optimisation and productivity gains contributed to the good results. Business in the Group's domestic Swiss market was satisfying despite the challenging environment. The International segment held its revenues at the level reported in the prior-year period and was a strong driver of Group profitability – thanks in particular to Culinor Food Group.

ORIOR Group generated revenues of CHF 279.6 million in the first half of 2019, which corresponds to an increase of 2.2% from the prior-year period. The top line was buoyed by an acquisition effect of 4.8% stemming from the acquisition of Biotta in May 2018 and by organic growth at the Refinement and International segments. Currency translation had a negative effect of 0.8% on reported revenues. Furthermore ORIOR terminated a contract in the Convenience segment with insufficient margins that had generated CHF 8.2 million in annual revenues, which led to a 1.8% y-o-y decline in organic revenues for the first-half period.

The benefits of the Group's broader strategic positioning are becoming more apparent and making it more resilient. Despite challenging conditions in the Swiss market, high raw material prices and stiff competition, gross profit increased 2.0% to CHF 124.1 million and the gross profit margin was held at the good year-ago level of 44.4%. EBITDA rose 3.7% to CHF 28.4 million and the corresponding margin rose by 16 basis points to 10.2%. Even compared to adjusted EBITDA for the first half of 2018 (CHF 27.9 million), which excludes the one-time costs related to the Biotta acquisition in May 2018, absolute EBITDA for the first half 2019 was still higher y-o-y and the corresponding margin was held at the year-ago level. Operating profit (EBIT) amounted to CHF 17.4 million, an increase of 7.1% from the prior-year period. This growth reflects the operating performance and the end of amortisation periods of intangibles. Net profit rose 7.4% to CHF 14.0 million and the net profit margin widened 24 basis points to 5.0%. Net profit was impacted by positive non-recurring income tax effects as well as higher interest expense and unfavourable exchange-rate movements.

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Operating cash flow for the period amounted to CHF 20.8 million, which does not quite reach the figure reported for the prior-year period of CHF 21.3 million. The cash conversion ratio was a good 73.3%.

### **ORIOR Convenience segment**

The ORIOR Convenience segment with the Fredag, Le Patron, Pastinella and Biotta competence centres was unable to achieve organic growth despite a steady stream of new products and investments in sales and marketing teams. The main reason for this lack of organic growth is ORIOR's decision to terminate a contract with an annual revenue volume of CHF 8.2 million in favour of a healthier level of profitability.

Segment revenues rose by 5.2% to CHF 99.0 million. Reported revenue growth reflects an acquisition effect of 10.3% and a 5.1% decline in organic growth. Biotta, which joined ORIOR Group in mid-May 2018, performed well thanks to revised branding strategies, a methodical prioritisation process, a clear focus on costs and investments in marketing and operations. Overall segment performance was diminished by the aforementioned decision to terminate the low-margin contract; approximately half of the total revenues lost from this contract were reflected in the revenues reported for the first half. That decision, a weak Easter season and high poultry prices led to the decline in organic revenues. These negative factors aside, the Convenience segment launched great innovations and continued to grow and strengthen its customer base.

On the sourcing front, high poultry prices and domestic supply constraints are the main challenges. Competition and general market conditions remain demanding, which to some extent is attributable to efforts by retailers and wholesale distributors to streamline their product offerings and scale back their sales promotion activity.

Innovation highlights: Pastinella, the Group's pasta competence centre, was very pleasing. Long-established product lines as well as a new "Signature Suisse" line of pasta products inspired by traditional Swiss recipes featur-

ing regional ingredients contributed to this pleasing development. Fredag launched an innovative range of snacks under the "myEnergy" brand, such as veggie balls with a curry sauce and chicken balls with a sweet & sour dip. Biotta's convinced with innovations like the organic cold brew iced tea within the "Vivitz" brand family. Cold brewed in a gentle process for 12 hours, this refreshing beverage has a wonderfully smooth black tea flavour but without any bitterness.

### **ORIOR Refinement segment**

The ORIOR Refinement segment with the Rapelli, Albert Spiess and Möfag competence centres performed well during the first half of 2019 and generated revenues of CHF 127.2 million compared to CHF 125.9 million from the prior-year period, which corresponds to an organic growth rate of 1.1%. This revenue growth was driven by the pleasing development of existing and new customers, the good performance of branded products – especially "Rapelli", "Ticinella" and "myEnergy" – and by price markups in response to high raw material prices. The market and the general business environment remained difficult. Stiff competition and the changes retail customers are making to their sales promotion activities and product offerings are likewise important issues for the Refinement segment.

Meat procurement operations remain challenging because of high price volatility and availabilities. Although ORIOR was not and is not directly affected by price markups in the wake of recent outbreaks of swine fever, the prices it is paying for pork meat in its domestic market are very high – this can be traced to Switzerland's new animal husbandry regulations that came into effect in 2018. A slight reduction in pork prices is expected at the earliest in the autumn of 2019. Beef prices remained high, largely because of insufficient availabilities.

Innovation highlights: In early May Rapelli opened its first shop-in-shop in Zurich – a scaled-down version of its Bottega Rapelli – to the delight of all shoppers who appreciate premium deli charcuterie specialities. The charming and authentic bottega atmosphere and freshly prepared specialities offer aficionados a completely new shopping experience. Shortly after opening this mini-bottega, Rapelli was able to install further bottega displays at numerous other points of sale. The "myEnergy" brand added another chapter to its success story. Its brand profile was enlarged with new products created by Albert Spiess as well as in collaboration with other competence centres, namely the veggie balls from Fredag. Albert Spiess also launched a new line of products that embody the magnificent mountains of the Grisons Alps, such as spicy salsiz sausages with chili cultivated by Swiss mountain farmers. Möfag launched a variety of successful new bacon and ham products under its Fürstenländer Specialities brand and expanded into new sales channels.

### **ORIOR International segment**

The ORIOR International segment consisting of the competence centre Culinor Food Group, the export business from Switzerland to neighbouring countries, and Biotta's subsidiary Gesa, generated first-half revenues of CHF 67.3 million compared to CHF 65.5 million in the prior-year period. Reported revenue growth reflected organic growth of 0.1%, a highly negative currency translation effect of 3.4% and an acquisition-led effect of 6.1% from the takeover of Gesa in May 2018. Thanks to innovation and steady efforts to improve efficiency, lower costs and optimise organisational structures, the International segment – Culinor Food Group in particular – was a key driver of Group profitability. Attention is drawn to the impressive and highly flexible flow of innovation at Culinor, Albert Spiess' Bündnerfleisch exports to France, which have been on a positive trend thanks in part to the French economy's stabilisation over the past several years, and to the Biotta subsidiary Gesa, which increased its revenues. Gesa was thoroughly restructured during the first half of 2019, both structurally and organisationally, and an initial payback in terms of higher revenues and efficiency was seen during the first half.

The market environment for the International segment is also very competitive and prices have been under pressure. On the sourcing front, positive and negative effects were fairly evenly balanced in the first half of the year.

Innovation highlights: Culinor continued to launch trendy fresh ready-meal products, enlarging its line of ready meal options in collaboration with Pascale Naessens, Belgium's popular proponent of healthy food, introducing entirely new concepts such as fresh fajitas and a new range of fully-prepared meals under the "Le Patron" brand for the Belgian market. Another Culinor success story is its "Pan for One" product, a combination of pre-cooked and fresh ingredients that can be conveniently prepared in a pan and is ready to eat within minutes.

**ORIOR 2025 Strategy**

The ORIOR 2020 Strategy launched in the fall of 2015 has produced the desired results. Management has now initiated the strategy formulation process for the ORIOR 2025 Strategy, which will be unveiled at an investor day in the spring of 2020. The core elements of the current ORIOR strategy – "House of innovation", "Brand strengthening and expansion", "Agility and cost efficiency", "The ORIOR Responsibility" and "We are ORIOR" – will also be part of the 2025 Strategy as will the overriding aim of steady value creation to the benefit of all stakeholders.

**The ORIOR Responsibility: ORIOR's first Sustainability Report published**

At the end of 2017, ORIOR management decided to publish a sustainability report based on the internationally recognised Global Reporting Initiative GRI. With the release of its interim results for 2019, ORIOR publishes its first sustainability report in accordance with the GRI Standards: a significant and important step forward in the name of sustainability. Many projects are now underway in the designated priority areas of activity and they will help ORIOR to achieve its sustainability goals.

**Outlook**

We expect the second half of the year to be strong with innovative new products, continued good brand sales and the purchase of an additional 35% stake in Casualfood. We intend to complete the second stage of the Casualfood acquisition in September 2019, after which Casualfood will be fully consolidated by ORIOR Group within the International segment.

In the Swiss business, we expect the general market environment and the raw materials procurement situation to remain challenging. Our decision to withdraw from a contract in the Convenience segment that accounted for CHF 8.2 million in revenues will continue to have a negative impact on organic revenue growth in the second half. However, that decision along with the launch of many new products, further portfolio optimisation and a steadfast focus on margins, costs and efficiency will lead to a slight improvement in profitability. Moreover, all centres of competence in the Swiss market are expected to show a strong performance in terms of innovation and new product launches. ORIOR International segment should deliver a positive performance, fuelled by its business with existing and new customers and its full innovation pipeline. Moreover, we will follow through with the second purchase of an interest in Casualfood and integrate the company as an independent competence centre, which will create new opportunities for the entire Group. The market and the general operating environment are likely to remain more or less unchanged.

In summary, we are confident the second half of the year will be a good one. We expect negative organic growth of 1 to 2% due to the aforementioned effect mentioned above. However, we will also be making great strides towards future growth, examples of which are the full consolidation of Casualfood, innovative new veggie products and ready-made meals, novel snack products and the relaunch of the "Albert Spiess" brand. High raw materials prices – especially for meat and poultry – and a most likely negative currency translation effect are expected to pressure profit margins. Nevertheless, thanks to the Group's enlarged portfolio of activities and steady focus on healthy margins, operating profitability should be held at the healthy level achieved in the previous year.

**Thank you**

We look back on a good first half and are already diligently working towards our goals for the second half of the year. Each and every employee contributes to the success of our company through their actions. We thank them all for their commitment, their passion and their loyalty. Strong partnerships with our suppliers, business partners and customers are essential. We truly appreciate the open, honest and respectful nature of our interaction with them. We are equally grateful to our shareholders and our consumers – without your trust and support, the success of our company would likewise be inconceivable.

**Rolf U. Sutter**  
Chairman of the Board of Directors

**Daniel Lutz**  
CEO ORIOR Group

## ORIOR Group locations

### ORIOR Switzerland


**Rapelli SA, Stabio**

Ticino charcuterie specialities


**Albert Spiess, Schiers**

Graubünden specialities


**Möfag, Zuzwil**

Fürstenländer specialities


**Fredag, Root**

Poultry / meat specialities, vegetarian


**Le Patron, Böckten**

Pâtés and terrines, ready meals


**Pastinella, Oberentfelden**

Fresh, filled and unfilled pasta


**Biotta, Tägerwilen**

Organic vegetable and fruit juices

### ORIOR International


**Culinor Food Group, Destelbergen (BE)**

Ready meals and meal components


**Vaco's Kitchen, Olen (BE)**

Chef meals and meal components


**Gesa, Neuendettelsau (DE)**

Organic vegetable juices


**ORIOR / Spiess Europe, Haguenau (FR)**

Picking, packing and delivery

## January to June 2019

- Revenues increased by 2.2% to CHF 279.6 million
- EBITDA increased by 3.7% to CHF 28.4 million; margin improved by 16 basis points
- EBIT increased by 7.1% to CHF 17.4 million; margin improved by 29 basis points
- Challenging Swiss market; good performance abroad
- The ORIOR Responsibility: ORIOR's first Sustainability Report published
- Good outlook for the second half of 2019

## Key figures

in CHF thousand	Jan – Jun 2019	Δ in %	Jan – Jun 2018 <sup>1</sup> Restated <sup>2</sup>
<b>Revenues</b>	<b>279 640</b>	<b>+2.2%</b>	<b>273 742</b>
<b>EBITDA</b>	<b>28 419</b>	<b>+3.7%</b>	<b>27 393</b>
as % of revenues	10.2 %		10.0 %
<b>EBIT</b>	<b>17 423</b>	<b>+7.1%</b>	<b>16 265</b>
as % of revenues	6.2 %		5.9 %
<b>Profit for the period</b>	<b>13 967</b>	<b>+7.4%</b>	<b>13 008</b>
as % of revenues	5.0 %		4.8 %
<b>Operating cash flow</b>	<b>20 827</b>	<b>-2.3%</b>	<b>21 327</b>
<b>Shareholders' equity</b>	<b>88 235</b>	<b>-11.7%</b>	<b>99 889</b>
<b>Equity ratio</b>	<b>23.2 %</b>		<b>27.1 %</b>
<b>Net debt, third parties</b>	<b>146 213</b>	<b>+12.5%</b>	<b>129 949</b>
<b>Net debt / EBITDA ratio</b>	<b>2.45x</b>		<b>2.30x</b>
<b>ROCE</b>	<b>13.8 %</b>		<b>12.7 %</b>
<b>Net income per share in CHF</b>	<b>2.15</b>		<b>2.07</b>
<b>Dividend per share in CHF</b>	<b>2.24</b>		<b>2.17</b>
<b>Market capitalisation at 30.06.</b>	<b>537 694</b>	<b>-3.2%</b>	<b>555 291</b>
<b>Avg. number of employees (FTE)</b>	<b>1 601</b>	<b>+0.2%</b>	<b>1 598</b>

<sup>1</sup> Restated prior year figures due to change from IFRS to Swiss GAAP FER (See note 2).

<sup>2</sup> Restatement (See note 2).

## Consolidated Income Statement

in CHF thousand	Note	Jan – Jun 2019	Jan – Jun 2018 <sup>1</sup>	Restated <sup>2</sup>
		Δ in %		
<b>Net sales from goods and services</b>	4	<b>279 640</b>	+2.2 %	<b>273 742</b>
Raw materials / goods and services purchased		-157 421		-154 734
Changes in inventories		1 848		2 634
Personnel expense		-58 894		-57 681
Other operating income		377		548
Other operating expense		-37 131		-37 116
<b>EBITDA</b>				
<b>Earnings before interest, taxes, depreciation and amortisation</b>		<b>28 419</b>	+3.7 %	<b>27 393</b>
as % of revenues		10.2 %		10.0 %
Depreciation – tangible assets		-8 673		-7 566
Amortisation – intangible assets		-2 324		-3 562
<b>EBIT</b>				
<b>Earnings before interest and taxes</b>		<b>17 423</b>	+7.1 %	<b>16 265</b>
as % of revenues		6.2 %		5.9 %
Result of associated organisations and joint ventures		308		0
Financial income	10	708		1 325
Financial expense		-2 315		-1 849
<b>Profit before taxes</b>		<b>16 124</b>	+2.4 %	<b>15 742</b>
as % of revenues		5.8 %		5.8 %
Income tax expense	7	-2 157		-2 734
<b>Profit for the period</b>		<b>13 967</b>	+7.4 %	<b>13 008</b>
as % of revenues		5.0 %		4.8 %
<b>Earnings per share in CHF</b>		<b>2.15</b>		<b>2.07</b>
Weighted Ø number of shares outstanding in '000		6 500		6 273

<sup>1</sup> Restated prior year figures due to change from IFRS to Swiss GAAP FER (See note 2).

<sup>2</sup> Restatement (See note 2).

## Consolidated Balance Sheet

in CHF thousand	30.06.2019	in %	31.12.2018	in %	30.06.2018 <sup>1</sup> Restated <sup>2</sup>	in %
Cash and cash equivalents	30 366		35 533		20 291	
Current financial assets	276		284		287	
Trade accounts receivable	55 772		72 601		58 259	
Other current receivables	4 586		4 220		4 823	
Inventories and work in progress	92 191		89 380		89 597	
Prepaid expenses / accrued income	6 192		2 423		5 527	
<b>Current assets</b>	<b>189 384</b>	49.9 %	<b>204 441</b>	51.2 %	<b>178 783</b>	48.5 %
Property, plant and equipment	130 575		133 006		134 988	
Intangible assets	48 873		51 351		54 305	
Financial assets	11 057		10 595		651	
<b>Non-current assets</b>	<b>190 505</b>	50.1 %	<b>194 952</b>	48.8 %	<b>189 944</b>	51.5 %
<b>Total assets</b>	<b>379 889</b>	100.0 %	<b>399 393</b>	100.0 %	<b>368 727</b>	100.0 %
Current financial liabilities	1 371		632		997	
Trade accounts payable	57 805		66 462		53 308	
Other current payables	5 467		8 356		7 954	
Accrued liabilities	18 835		21 731		22 580	
Current portion of provisions	1 622		1 605		1 138	
<b>Current liabilities</b>	<b>85 099</b>	22.4 %	<b>98 787</b>	24.7 %	<b>85 976</b>	23.3 %
Non-current financial liabilities	175 208		178 974		149 244	
Provisions	4 172		4 519		4 667	
Deferred tax liabilities	27 175		27 386		28 951	
<b>Non-current liabilities</b>	<b>206 554</b>	54.3 %	<b>210 879</b>	52.8 %	<b>182 862</b>	49.6 %
<b>Total liabilities</b>	<b>291 654</b>	76.8 %	<b>309 666</b>	77.5 %	<b>268 838</b>	72.9 %
Share capital	26 070		26 070		26 070	
Additional paid-in capital	26 514		41 045		41 372	
Treasury shares	-1 042		-843		-2 348	
Retained earnings	36 693		23 455		34 794	
<b>Total equity</b>	<b>88 235</b>	23.2 %	<b>89 727</b>	22.5 %	<b>99 889</b>	27.1 %
<b>Total liabilities and equity</b>	<b>379 889</b>	100.0 %	<b>399 393</b>	100.0 %	<b>368 727</b>	100.0 %

<sup>1</sup> Restated prior year figures due to change from IFRS to Swiss GAAP FER (See note 2).

<sup>2</sup> Restatement (See note 2).

## Consolidated Statement of Equity

in CHF thousand	Note	Share capital	Additional paid-in capital	Treasury shares	Retained profits	Foreign currency translation	Total Retained earnings	Total equity
<b>Balance as at</b>								
<b>01.01.2018<sup>1</sup> Restated<sup>2</sup></b>		<b>23 700</b>	<b>0</b>	<b>-2 063</b>	59 385	4 310	<b>63 696</b>	<b>85 333</b>
Profit for the period					13 008		13 008	13 008
Foreign currency translation						-752	-752	-752
Goodwill offset with equity					-27 110		-27 110	-27 110
Share capital increase	2 370	41 287					0	43 657
Dividends	■ 6				-14 083		-14 083	-14 083
Share-based payments					36		36	36
Movement in treasury shares		85	-285				0	-199
<b>Balance as at</b>								
<b>30.06.2018<sup>1</sup> Restated<sup>2</sup></b>		<b>26 070</b>	<b>41 372</b>	<b>-2 348</b>	31 236	3 558	<b>34 794</b>	<b>99 889</b>
<b>Balance as at</b>								
<b>01.01.2019</b>		<b>26 070</b>	<b>41 045</b>	<b>-843</b>	21 626	1 829	<b>23 455</b>	<b>89 727</b>
Profit for the period					13 967		13 967	13 967
Foreign currency translation						-807	-807	-807
Dividends	■ 6			-14 550			0	-14 550
Share-based payments					78		78	78
Movement in treasury shares		20	-199				0	-180
<b>Balance as at</b>								
<b>30.06.2019</b>		<b>26 070</b>	<b>26 514</b>	<b>-1 042</b>	35 671	1 022	<b>36 693</b>	<b>88 235</b>

<sup>1</sup> Restated prior year figures due to change from IFRS to Swiss GAAP FER (See note 2).

<sup>2</sup> Restatement (See note 2).

## Consolidated Cash Flow Statement

in CHF thousand	Note	Jan – Jun 2019	Jan – Jun 2018 <sup>1</sup> Restated <sup>2</sup>
Profit for the period		13 967	13 008
Income tax expense	■ 7	2 157	2 734
Depreciation / amortisation		10 996	11 128
Share-based payments		78	36
Result of associated organisations and joint ventures		-308	0
Other non liquidity-related transactions	■ 8	0	-335
Change in value adjustments and provisions		-531	-1 263
Gain from disposal of fixed assets		-33	-136
Interest income / Dividend income		-13	-23
Interest expense		1 047	601
Change in trade accounts receivable		16 543	12 808
Change in other current receivables		331	-248
Change in inventories and work in progress		-2 641	-4 900
Change in trade accounts payable		-8 293	-1 976
Change in other current payables		-1 481	-1 055
Change in prepaid expenses		-4 079	-3 619
Change in accrued liabilities		-2 803	-530
Interest paid		-649	-225
Taxes paid		-3 461	-4 676
<b>Cash flow from operating activities</b>		<b>20 827</b>	<b>21 327</b>
Purchase of property, plant and equipment		-6 052	-7 097
Proceeds from sale of property, plant and equipment		53	211
Purchase of intangible assets		-292	-431
Acquisition of companies, net of cash acquired		0	-59 176
Purchase of investment in associated organisations and joint ventures	■ 9	-1 576	0
Grant of loan		-1 340	-265
Interest received / Dividends received		1 043	23
<b>Cash flow from investing activities</b>		<b>-8 165</b>	<b>-66 736</b>
Increase in financial liabilities		24 458	68 824
Repayment of financial liabilities		-27 457	-70 623
Repayment of finance lease liabilities		-6	-15
Issue of share capital		0	44 734
Payment of transaction costs from issue of share capital		0	-1 077
Dividends		-14 550	-14 083
Sale of treasury shares		3 404	1 588
Purchase of treasury shares		-3 584	-1 787
<b>Cash flow from financing activities</b>		<b>-17 734</b>	<b>27 561</b>
<b>Net increase (+) / decrease (-) in cash and cash equivalents</b>		<b>-5 073</b>	<b>-17 848</b>
Foreign exchange differences on cash and cash equivalents		-94	-52
Cash and cash equivalents as at 01.01.		35 533	38 191
<b>Cash and cash equivalents as at 30.06.</b>		<b>30 366</b>	<b>20 291</b>

<sup>1</sup> Restated prior year figures due to change from IFRS to Swiss GAAP FER (See note 2).

<sup>2</sup> Restatement (See note 2).

# Notes to the Interim Consolidated Financial Statements

## 1 Basis of presentation

This interim report comprises the consolidated financial statements of ORIOR AG and its subsidiaries for the interim period ended 30 June 2019. The interim consolidated financial statements have been prepared in accordance with the entire Swiss GAAP FER (Accounting and Reporting Recommendations). The accounting principles also comply with the provisions of the listing rules of the SIX Swiss Exchange and with Swiss company law.

The interim consolidated financial statements 2019 were prepared in compliance with Swiss GAAP FER 31 – Complementary recommendation for listed companies and should be read in conjunction with the annual financial statements 2018 as the interim consolidated financial statements do not contain all disclosures required in the year-end financial statements.

The Board of Directors approved the interim consolidated report on 18 August 2019.

In preparing the interim financial statements, management is required to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities as well as the reported contingent liabilities at the close of the interim reporting period. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the interim financial statements, deviate from the actual circumstances, the estimates and assumptions for the period in which the circumstances change will be modified as appropriate.

The figures shown in the interim consolidated financial statements are rounded up or down. The actual calculations are made with greater precision, so small rounding differences can appear.

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## 2 Change from IFRS to Swiss GAAP FER

In its media release dated 22 August 2018, ORIOR announced the change of the Group's accounting principles from IFRS to Swiss GAAP FER. The main valuation differences between the IFRS and Swiss GAAP FER accounting standards are disclosed in the transitional reconciliations below. These were explained in detail in the annual report 2018.

in CHF thousand	30.06.2018	01.01.2018
<b>Consolidated equity according to IFRS</b>	<b>323 761</b>	<b>280 253</b>
Restatement	-894	-857
Consolidated equity according to IFRS Restated	322 867	279 396
<b>Adjustments according to Swiss GAAP FER:</b>		
Offset of goodwill with equity	-162 450	-135 632
Amortisation of intangible assets	-74 238	-72 529
Activation of employer contribution reserves	16	16
Adjustment of transaction costs	405	0
Adjustment unrealised effect on derivatives	88	0
Adjustment pension accounting	1 060	2 187
Adjustment of deferred tax assets and liabilities	12 141	11 894
<b>Total adjustments</b>	<b>-222 977</b>	<b>-194 064</b>
<b>Consolidated equity according to Swiss GAAP FER</b>	<b>99 889</b>	<b>85 333</b>

in CHF thousand	Jan – Jun 2018
<b>Net profit according to IFRS</b>	<b>14 087</b>
<b>Adjustments according to Swiss GAAP FER:</b>	
Adjustment amortisation of intangible assets	-1 709
Adjustment pension accounting	-831
Adjustment transaction costs from acquisitions	1 000
Adjustment finance result hedges, interest expense pension accounting and borrowing transaction costs	107
Adjustment of deferred taxes regarding above mentioned effects	444
Adjustment due to non-recognition of deferred tax assets regarding tax losses	-90
<b>Total adjustments</b>	<b>-1 079</b>
<b>Net profit according to Swiss GAAP FER</b>	<b>13 008</b>

## Restated Consolidated Financial Statements

During the previous period it was discovered that provisions for long-service awards had not been correctly recognised. In the income statement for the interim period 2018, this had a negative effect of kCHF 60 on total personnel expenses. Net of tax, this results in a negative effect of kCHF 45 on net income.

### 3 Change in scope of consolidation

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#### In the reporting period

There were no changes in the scope of consolidation during the reporting period.

#### In the prior year period

The ORIOR Group acquired 98.4 % of the shares of Thurella AG as per 17 May 2018. Thurella's product and brand portfolio is built on concepts with well-known brands: "Biotta", "Traktor", "Vivitz" and "C-ICE". With this acquisition, ORIOR is strengthening its position beyond the traditional food market and entering the premium niche of organic beverages, a growing market both in Switzerland and abroad. The remaining 1.6 % of the shares were purchased during the second half of 2018 under the squeeze-out procedure.

in CHF thousand	Fair value recognised on acquisition
Inventories and work in progress	12 738
Other current assets	5 352
Property, plant and equipment	23 825
Intangible assets	9 628
Other long-term assets	50
<b>Assets</b>	<b>51 593</b>
Trade accounts payable	-2 753
Other current liabilities	-3 146
Long-term financial liabilities	-11 165
Other long-term liabilities	-1 916
<b>Liabilities</b>	<b>-18 980</b>
<b>Net assets</b>	<b>32 613</b>
<b>Goodwill</b>	<b>27 170</b>

## 4 Segment information

For management purposes, the Group is structured along product categories into the three following operating segments:

- ORIOR Convenience and its competence centres Fredag, Pastinella, Le Patron and Biotta operate five processing facilities in the German-speaking part of Switzerland. Besides fresh convenience products such as ready-made meals, patés and terrines, fresh pasta, vegetarian and vegan specialities as well as cooked poultry and meat products, the Convenience segment also produces all-natural organic vegetable and fruit juices. Its products are mainly sold through retail, food service channels and specialised retailers in Switzerland. The Convenience segment consists of four operating segments. These operating segments have been aggregated because their long-term financial performance is similar. The type of product and the way these products are made as well as the client groups are also similar, and in some cases identical.
- ORIOR Refinement and its three competence centres Rapelli, Albert Spiess and Möfag operate five processing and refining facilities in the cantons of Grisons, Ticino and St. Gallen. The segment is characterised by a clear focus on refined and processed meat products and produces traditional premium meat products from Bünderfleisch and ham to salami and Mostbröckli. The products are mainly sold through retail and food service channels in Switzerland. The Refinement segment includes three main operating segments. These operating segments have been aggregated because their long-term financial performance is similar. The type of product and the way these products are made as well as the client groups are also similar, and in some cases identical.
- ORIOR International consists of the operating units of the Culinor Food Group, which has five production plants in Belgium, the activities of Gesa, a subsidiary of Biotta that operates a production plant in Germany, and the export activities from Switzerland to neighbouring countries – and thus represents all business conducted by ORIOR beyond the Swiss borders. The Culinor Food Group centre of competence produces high-quality ready-made meals and meal components, most of which are supplied to retailers and food services companies. Gesa specialises in producing organic vegetable juices for beverage and food processors.

## Revenues by segment

in CHF thousand	Jan – Jun 2019	Jan – Jun 2018
<b>ORIOR Convenience (CH)</b>	<b>99 047</b>	<b>94 136</b>
<b>ORIOR Refinement (CH)</b>	<b>127 229</b>	<b>125 856</b>
<b>ORIOR International (Abroad)</b>	<b>67 288</b>	<b>65 471</b>
Intercompany eliminations	-13 924	-11 720
<b>Revenues</b>	<b>279 640</b>	<b>273 742</b>

ORIOR foregoes reporting detailed segment results due to the following reason (Swiss GAAP FER 31): There are only a few major players on the sourcing and sales sides of the market in which ORIOR Group operates but there are many food and beverage producers. ORIOR Group is one of the few companies in its industry that publishes financial statements. The publication of detailed segment results created significant problems for ORIOR Group in recent years.

## 5 Seasonality of operations

Due to its broad product portfolio and high degree of product diversification, the ORIOR Group experiences a generally stable course of business with little seasonal variation. The only exception is the increase in revenues in the month of December, which is attributable to greater demand in the run-up to Christmas and New Year's Eve.

**6 Dividends**

The dividend for 2018 was paid in April 2019 in conformity with the decision taken at the Annual General Meeting on 11 April 2019. Shareholders approved the proposed dividend of CHF 2.24 per share, resulting in a total dividend of kCHF 14 550 (2018: kCHF 14 083).

**7 Income taxes**

The major components of income tax expense are:

in CHF thousand	Jan – Jun 2019	Jan – Jun 2018
Current income taxes	-2 146	-3 969
Movements of deferred taxes	-11	1 235
<b>Total</b>	<b>-2 157</b>	<b>-2 734</b>

Tax-loss carryforwards were offset against profits in the reporting period. This resulted in lower income taxes in comparison to the previous year.

**8 Other non-liquidity transactions**

The other non-liquidity transactions in the cash flow statement are related to unrealised exchange effects on bank loans in foreign currencies. In the current period there are no such bank loans outstanding.

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**9 Purchase of investment in associated organisations and joint ventures**

The disclosed amount of kCHF 1 576 mainly comprises a part of the purchase price for Casualfood which was outstanding per 31 December 2018 and was paid in the reporting period.

**10 Financial income**

Unrealised foreign exchange gains on bank loans (see also note 8) were included in the previous year's financial income. This resulted in a lower financial income in the reporting period.

**11 Events after the balance sheet date**

There were no significant events after the balance sheet date of 30 June 2019.

## Share information

Listing	SIX Swiss Exchange
Security number	11167736
ISIN code	CH0111677362
Ticker symbol	ORON
LEI (Legal Entity Identifier)	50670020I84ZA17K9522
Shares entitled to dividend	All, except for treasury shares.
Voting rights	All registered shares have full voting rights.

### Major shareholders

According to notifications received, as of 15 August 2019 the following shareholders each own more than 3% of ORIOR AG's share capital:

Shareholder	Number of shares	%	Source
UBS Fund Management (Switzerland) AG (CH)	684 978	10.51 <sup>1</sup>	Notification 20.11.2018
Swisscanto Fondsleitung AG (CH)	353 965	5.431	Notification 15.11.2018
Credit Suisse Funds AG (CH)	345 903	5.31	Notification 15.11.2018
Schroders Plc (GB)	288 856	4.875 <sup>2</sup>	Notification 05.02.2015
Rolf U. Sutter / Group (CH)	200 150 <sup>3</sup>	3.07	Notification 25.09.2015

<sup>1</sup> Includes RoPas (CH) Institutional Fund – Equities Switzerland, which holds an interest of 6.29%.

<sup>2</sup> Corresponds to the information in the disclosure notification dated 5 February 2015 and is consequently based on the total outstanding share capital of ORIOR AG at that time.

<sup>3</sup> This includes the 500 ORIOR shares without any holding-period requirements or that are no longer subject to such restrictions that were purchased by Rolf U. Sutter at preferential terms in October 2015 within the framework of the stock ownership plan and the 350 ORIOR shares that Rolf U. Sutter purchased at preferential terms in May 2015 within the framework of the stock ownership plan and that are subject to a holding period expiring 31 July 2021. The corresponding notifications of management transactions were published on 30 October 2015 and 30 May 2018.

### Market information / key data

		30.06.2019	30.06.2018 <sup>1,2</sup>
Share price on 30.06.	in CHF	82.50	85.20
Year high (July – June)	in CHF	87.00	88.40
Year low (July – June)	in CHF	74.00	71.40
Market capitalisation on 30.06.	in CHF million	537.7	555.3
Earnings per share	in CHF	2.15	2.07
Earnings per share (diluted)	in CHF	2.15	2.07
Operating cash flow per share	in CHF	3.20	3.40
Equity per share	in CHF	13.58	15.92
Weighted Ø number of shares outstanding	in '000	6 500	6 273

<sup>1</sup> Restated prior year figures due to change from IFRS to Swiss GAAP FER (See note 2).

<sup>2</sup> Restatement (See note 2).

The "per share" benchmark figures are calculated on the basis of the weighted average number of shares outstanding.

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## Key dates

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26 February 2020	Publication full year results and annual report 2019
31 March 2020	10th Annual General Meeting

**Disclaimer**

This half-year report may contain forward-looking statements based on the currently held beliefs and assumptions of the management of ORIOR AG, which it believes are reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance, or achievements of ORIOR AG, or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements.

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