

ORIOR GROUP MEDIA RELEASE

Zurich, 22 August 2017

ORIOR with successful first half

- Successful first half thanks to the steadfast implementation of the ORIOR 2020 strategy.
- Strategically important step abroad has been met with success. ORIOR International beats revenue and profit expectations, thanks to Culinor Food Group.
- ORIOR Switzerland in line with expectations as environment remains challenging; market consolidation, delayed sales promotion campaigns, and intense competition weigh on revenues.
- Increase in revenues, operating results and profitability: Revenues +17.4% to CHF 281.3 million, EBITDA +22.0% to CHF 27.7 million; net profit +22.3 % to CHF 14.8 million.
- Thanks to these promising initiatives, an overall good second half expected.

ORIOR, the Swiss leader for fresh convenience food and refined meat products, looks back on a successful first half of 2017. The steadfast implementation of the ORIOR 2020 strategy is yielding the anticipated results. Scores of initiatives and action plans are providing positive inputs across the value chain. Moreover, the strategically important step into foreign markets has been successful. The market environment in Switzerland remains challenging; in addition delayed sales promotions and market consolidation have reduced domestic sales. ORIOR International is growing thanks to the Culinor Food Group, which tapped new sales channels and introduced marvellous innovations to deliver faster-than-expected growth.

ORIOR recorded total revenues of CHF 281.3 million during the first half of 2017, up from CHF 239.5 million in the first half of the previous year. This revenue growth of 17.4% is largely attributed to the acquisition of Culinor Food Group at the end of August 2016 and its full consolidation as of 1 September 2016. EBITDA increased by 22.0% to CHF 27.7 million and the EBITDA margin improved 37 basis points to 9.9%. Net profit for the period rose by 22.3% from the prior-year period to CHF 14.8 million, which corresponds to a margin improvement of 21 basis points to 5.3%.

ORIOR managed to increase its already high cash flow as well, which amounted to CHF 28.5 million for the period. Its strong balance sheet was strengthened further; the equity ratio at the mid-year mark stood at a solid 47.1%.

ORIOR Switzerland

Business in Switzerland was in line with expectations. The first half of 2017 was marked by continuing market headwinds stemming from market consolidation, postponed sales promotion campaigns and stiff competition, including, increasingly, from foreign suppliers. ORIOR's total revenues in Switzerland declined by -3.8% from the same period a year ago. Thanks to measures taken in connection with the ORIOR 2020 strategy – first and foremost, synergies realised working across the autonomous competence centres within the Champion Model – profitability in the Convenience and Refinement segments improved despite the adverse business environment.

The ORIOR Convenience segment did not meet all expectations. This is mainly attributed to ongoing stiff competition and insourcing by retail customers. Consequently, revenues in the Convenience segment declined by CHF 5.5 million or 5.8% y-o-y to CHF 89.9 million. Structural and process improvements, adjustments to the product mix and, not least, determined cost-optimisation efforts had a positive impact on segment profitability: The EBITDA margin widened by 70 basis points to 13.5%. Special mention is made of the Convenience segment's pasta business, which was stabilised thanks to innovative new concepts and products. Together with the strong focus on efficiency, this development provides a sound basis for the segment's future performance. Furthermore, Le Patron introduced high-protein meals for sports enthusiasts.

The ORIOR Refinement segment delivered a satisfactory performance in the first half of 2017. Several sales promotions were pushed back into the second half of the year, which had a temporarily negative impact on sales, but the segment was nevertheless able to outperform the general market in most product categories. ORIOR Refinement's revenues declined by CHF 5.0 million to CHF 139.9 million, or by 3.4% compared to the year-ago period. The Refinement segment was likewise able to improve its profitability during the period under review: Its EBITDA margin rose by 35 basis points to 7.6%. The Rapelli brand was a major driver for the segment, sustaining its good growth trend thanks to a constant high level of investment in innovation, marketing and branding. Albert Spiess' latest innovation also deserves special mention: My Energy Beef Sticks, top-quality Swiss beef sticks high in protein and low in fat.

ORIOR International

The ORIOR International segment performed very well. It largely consists of the Culinor Food Group, which has been a part of ORIOR Group since 1 September 2016. Total revenues at the International segment amounted to CHF 58.6 million and EBITDA amounted to CHF 5.1 million, which resulted in an EBITDA margin of 8.6%.

As was already the case in fiscal 2016, Culinor Food Group topped expectations for the first half of 2017. Its integration into ORIOR was successfully completed as planned. Special attention is drawn to the cultural fit that has already been highlighted on several occasions: The team has an entrepreneurial mindset, displays its pioneering spirit by launching a steady stream of innovative products and its premium quality culinary delights underscore its strong commitment to excellence. The Benelux countries are known throughout Europe as a highly developed food market with a penchant for premium fresh convenience food. Culinor Food Group is the leading pioneer in precisely this market. Thanks to innovative product ideas such as the new ultra-fresh "Lovely Meals" combining pre-cooked and fresh ingredients, or low-sodium "All natural" soups made with their own distinctive, classic broth, Culinor Food Group was able to generate above-average growth. Culinor Food Group has been equally successful in developing new sales channels, such as school cafeterias or the "Home Cuisine" concept, a special home delivery meal service for elderly people who do not want to cook their own meals, or are unable to.

The Swiss-based export business did not meet expectations and struggled with the demanding market environment. Consumer confidence in France remains muted, which acted as a drag on exports. This was compounded by intense pricing competition that pushed margins to very low, if not negative, levels. All in all, the export business remains challenging, especially for products whose value chain is largely located in Switzerland. ORIOR remains convinced that unique premium products from Switzerland offer good export potential and management is evaluating new export concepts and markets.

Outlook

The business environment and general operating conditions in Switzerland remain challenging. ORIOR International's target markets offer further growth potential. We will vigorously press ahead with the implementation of the ORIOR 2020 strategy. Our substantial investments in innovation and branding underscore our commitment to our vision today and in the future. The second half of the year will be distinguished by attractive new products, concepts, packaging designs and by innovation throughout the value chain. Progress will also be made on projects involving ORIOR Campus, sustainability and digitisation. For example, we are currently migrating to an automated payment processing system.

Thanks to these promising initiatives, we expect an overall good second half.

ORIOR Group's key figures for the first half

in CHF 000	Jan – Jun 2017	Δ in %	Jan – Jun 2016
Revenues	281,303	+17.4%	239,549
EBITDA	27,712	+22.0%	22,710
as a % of revenues	9.9%		9.5%
EBIT	18,530	+19.9%	15,455
as a % of revenues	6.6%		6.5%
Profit for the year	14,833	+22.3%	12,124
as a % of revenues	5.3%		5.1%
Net debt, third parties	118,745	+148.6%	47,772
Shareholders' equity	253,489		223,626
Equity ratio	47.1%		55.5%

Invitation to teleconference

Today, Tuesday, 22 August 2017 at 3.00 p.m. (CEST), Daniel Lutz (CEO) and Ricarda Demarmels (CFO) are holding a conference call to discuss the first half of 2017. We cordially invite you to take part.

Please dial the following number to participate: Telephone: + 41 58 262 07 22

Please state your full name and the name of your organisation. The PIN code is: 502508

Download Links:

Half Year Report 2017: <http://www.orior.ch/en/investor-relations/financial-publications/>

Presentation on the first half: <http://www.orior.ch/en/investor-relations/presentations/>

Contact

Milena Mathiuet, Head of Corporate Communication & IR

Telephone +41 44 308 65 13, email: investors@orior.ch

Investor Calendar

1 March 2018: Publication of annual results 2017

12 April 2018: Annual General Meeting

ORIOR – Excellence in Food

ORIOR is an internationally operating Swiss food company that combines craftsmanship with a pioneering spirit and is thriving on entrepreneurship and strong values. A specialist for fresh convenience foods and refined meats, the Group claims leading positions in fast-growing niches in Switzerland and abroad. With Rapelli, Ticinella, Albert Spiess, Fürstenländer Spezialitäten, Fredag, Pastinella and Le Patron, Culinor and Vaco's Kitchen, ORIOR has built an impressive portfolio of brands and companies.

ORIOR's goal is to steadily create value for all stakeholders. Market intimacy, strong partnerships and a lean, agile structure 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**.

In the 2016 financial year ORIOR Group achieved revenues of CHF 527.7 million with approximately 1700 employees. ORIOR is listed on the SIX Swiss Exchange (ORON, ISIN CH011 1677 362). Further information can be found at www.orior.ch