

*Ad hoc announcement pursuant to Art. 53 LR*

## **ORIOR reports significantly better first-half results; expansion of production capacity for plant-based products initiated**

- Revenues increased 1.6% to CHF 291.9 million, primarily driven by the strong performance of the Convenience segment.
- EBITDA increased by 32.3% to CHF 31.1 million, corresponding to an EBITDA margin of 10.6%.
- Corona-related factors continued to have an impact; steady recovery in the food service and food travel business since June.
- Implementation of a strategic investment project expanding production capacity for plant-based products initiated.
- ESG: third Sustainability Report published, adoption of green hydropower, comprehensive revision of Code of Conduct, data for CDP reporting submitted.
- Good outlook for the second half of the year.
- Max Dreussi, Head of Fredag, to join ORIOR AG's Executive Committee.

**ORIOR, the internationally active Swiss food & beverage group, maintained the recovery path that began in the second half of 2020 and delivered a good set of results for the first half of 2021. The strong performance of the Convenience segment – primarily attributed to very good sales of plant-based specialities – and the measures implemented through the ORIOR New Normal initiative were the key factors behind the sales growth and the strong EBITDA. They were able to more than compensate for the to a certain extent anticipated weakness of the Refinement segment. As expected, the slow recovery of the food service (restaurants, wholesale channel, take-away, event catering, canteens, schools and school lunch programmes) and food travel business (Casualfood) has steadily gained momentum since June. This gradual recovery and the ongoing good performance of the Convenience segment should lead to good operating results in the second half of the year as well.**

ORIOR Group generated revenues of CHF 291.9 million in the first half of 2021, an increase of 1.6% from the prior-year period (CHF 287.4 million). Organic growth accounted for 0.9% of the overall increase and currency translation had an effect of 0.7%. Primary drivers were the Convenience segment thanks to the growth of product specialities in the trending categories of organic, veggie/vegan, fresh pasta and regionality, Culiner Food Group and, from June 2021 onward, Casualfood and the food service business. These positive drivers were stronger than expected. Meanwhile business in the Refinement segment was weaker than anticipated. This is attributed to the ongoing volatility in commodity prices, the tight supply of high-quality raw materials and unforeseen difficulties in an IT system migration project.

The Group's gross profit margin increased 84 basis points to 44.5%, which reflects first and foremost the good performance of the Convenience segment with its higher gross margins. EBITDA rose sharply from CHF 23.5 million in the prior-year period to CHF 31.1 million for the first half of 2021. As a result, the EBITDA margin also expanded significantly from 8.2% to a good 10.6%. The primary drivers of this strong improvement in profitability are the fast sales growth of high-margin product lines – above all veggie/vegan – enduring higher levels of cost and process flexibility, Casualfood's new financial basis and corona-related aid and support payments. This good result is also reflected at the EBIT line, which amounted to CHF 17.1 million (H1 2020: CHF 10.0 million), and the bottom line, which amounted to CHF 13.5 million compared to CHF 8.3 million in the prior-year period.

Cash flow from operating activities showed a significant improvement to CHF 27.0 million (H1 2020: CHF 9.6 million) thanks in particular to the significant improvement in operating results and due to insurance claims that were booked in the first half of 2020 but not paid out until the second half of 2020. Consequently, the cash conversion ratio rose to a very solid 86.9%. This development was a key factor behind the reduction in the debt ratio to 2.44x, bringing it back into line with ORIOR's target of < 2.5x.

#### **ORIOR segments**

The ORIOR Convenience segment with the Fredag, Le Patron, Pastinella and Biotta competence centres achieved revenues of CHF 108.1 million, which represents an above-average organic growth rate of 13.5%, to which all competence centres contributed. While food service operations enjoyed a good start to the first half of 2020 before coming to a near complete standstill from March on, their weakness during the period under review extended over the entire first half. Consequently, food service revenues fell short of the prior-year level but have clearly rebounded since June 2021. Attention is drawn to the exceptional growth with plant-based specialities and the pleasing increase in revenues generated with fresh pasta, Biotta, organic and regional products in general as well as with poultry products. Special mention is also made of the partnerships initiated by Pastinella and Le Patron with high-profile Swiss chefs to apply their pooled talent and know-how towards the development of new products and concepts.

The ORIOR Refinement segment with the Rapelli, Albert Spiess and Möfag centres of competence reported a -5.1% decline in revenues to CHF 125.1 million. The main reasons for this year-on-year decline are a high comparison base (H120: +3.7%, FY20: +3.3% organic growth), the tight supply of raw materials, product line adjustments, and unforeseen difficulties in implementing a new IT system that temporarily slowed down certain processes and led to some logistical challenges. Food service accounts for a smaller percentage of overall Refinement revenues, so developments in this market do not have the same impact on Refinement as they do in the Convenience segment. One segment highlight of the first half – besides Möfag's solid performance – was the Albert Spiess online shop, which continued to generate pleasing sales after the Christmas and New Year's season thanks to its attractive gift arrangements featuring Bündner specialities.

The ORIOR International segment consisting of the Culinor Food Group and Casualfood competence centres, Biotta's Gesa subsidiary and Spiess Europe, a picking, packing and distribution platform for Group products, reported a marginal decline in revenues of 0.1% to CHF 74.7 million and thus held its revenues at the level from the first half of 2020 despite persisting challenging corona-related impacts. A direct comparison between the two periods is distorted by the very good course of business during the first three months of the prior-year period, before the coronavirus pandemic brought the food travel industry to a standstill. Organic growth for the period under review stood at -2.9% and exchange-rate fluctuations had a positive effect of +2.7%. Attention is drawn to positive developments at the Culinor Food Group, driven by its expanded customer portfolio since autumn 2020, the good performance of its home-delivery business and the new listing of fresh meal concepts. Gesa and Spiess Europe showed very pleasing developments during the period under review. Both are active in steadily growing trendy categories and not only benefited from the underlying growth, but also clearly outgrew the overall market. Casualfood has been severely impacted by the pandemic and business activity remained at sharply lower levels during the first half of 2021, but an increasingly positive trend has been observed since June. The new Smartseller store (an integrated food & beverage, convenience store and duty free concept developed in a joint venture with Heinemann) in Ljubljana was inaugurated on 1 July 2021. Thanks to its new financial basis, Casualfood is on track for a sustained improvement in profitability. Moreover, German government corona-related aid and support payments cushioned the months-long shutdown of its business in the wake of the pandemic.

#### **Expansion of production capacity for plant-based specialities started**

ORIOR has a more than 25-year track record of craftsmanship and pioneering achievements in vegetarian and vegan specialities – namely at its Fredag competence centre – beginning with the introduction of the possibly first alternative meat product to the Swiss market in 1995. Since then Fredag has steadily expanded its skills and abilities in step with steadily growing demand and it now markets a vast range

of products through all channels. Today Fredag is one of the largest producers of vegetarian and vegan specialities in Switzerland with its portfolio of proprietary brands such as Noppa's®, Nature Gourmet® and Happy Vegi Butcher® as well as private labels. It is now exporting a small but rapidly growing share of its products to Europe. In order to ensure its supply capabilities for plant-based products going forward, ORIOR is investing in the expansion of its production capacity for vegetarian and vegan specialities in Switzerland. Planning and preparatory work for integrating the additional full-scale production lines for plant-based specialities has begun. The gradual commissioning of the new capacity is planned for early 2022.

### ESG – 3rd Sustainability Report, climate goal achieved, revised Code of Conduct, CDP disclosure

ORIOR published its third Sustainability Report in accordance with GRI Standards. In addition to the numerous small and large projects and action plans pertaining to ESG/sustainability at ORIOR detailed in the Sustainability Report, the following topics are highlighted: The decision to source environmentally friendly hydroelectric power at all Swiss centres of competence enabled ORIOR to achieve its initial climate goal earlier than expected, and actually exceed it by a significant margin. The development and formulation of a new climate goal – taking into consideration global and national climate action – is already under way. ORIOR's compensation policies and shareholding requirements – introducing a Long-Term Incentive Plan for top management and ensuring even greater alignment with long-term Company goals – were revised and implemented through amendments to the Articles of Association and through the corresponding enumeration and publication of the Organisational Regulations. ORIOR thereby acknowledged the importance of ESG and achieving the given goals. The Code of Conduct was also comprehensively revised, taking into consideration the evolving ESG requirements. In this context, an independent Group-wide whistle-blower system is now under development and is scheduled to go live in the fall of 2021. Furthermore, ORIOR's first-time participation in the CDP programme during the current year addresses investor demands for more detailed information on the Company's climate action plans. The results are likely to be available through the CDP platform in the late fall.

### Key figures for ORIOR Group – first half 2021

in CHF thousand	Jan – Jun 2021	Δ in %	Jan – Jun 2020
<b>Net sales</b>	<b>291 910</b>	+1.6%	<b>287 414</b>
<b>EBITDA</b>	<b>31 067</b>	+32.3%	<b>23 474</b>
<i>EBITDA as % of net sales</i>	<i>10.6%</i>		<i>8.2%</i>
<b>EBIT</b>	<b>17 125</b>	+70.7%	<b>10 031</b>
<i>EBIT as % of net sales</i>	<i>5.9%</i>		<i>3.5%</i>
<b>Profit for the period</b>	<b>13 484</b>	+62.3%	<b>8 310</b>
<i>Profit for the period as % of net sales</i>	<i>4.6%</i>		<i>2.9%</i>
<b>Cash flow from operating activities</b>	<b>26 987</b>	+181.1%	<b>9 602</b>
<i>Cash Conversion</i>	<i>86.9%</i>		<i>40.9%</i>
<b>Net debt / EBITDA ratio</b>	<b>2.44 x</b>		<b>2.87 x</b>
<i>Equity ratio</i>	<i>18.2%</i>		<i>19.3%</i>
<b>ROCE</b>	<b>13.1%</b>		<b>11.4%</b>
Stock market capitalisation 30.06.	544 863		507 713
<b>Av. number of employees (FTE)</b>	<b>1 969</b>		<b>2 050</b>

### Outlook

From today's standpoint, we expect a good course of business in the second half of 2021. Revenues with food service customers (restaurants, wholesale channel, take-away, event catering, canteens, schools and school lunch programmes) and in the food travel business (Casualfood) have noticeably improved since June 2021. The Convenience segment should continue to perform well in the second half of the year thanks to strong demand for its core product groups. We also expect Culinor to maintain its positive performance.

Sales in retail channels are likely to weaken somewhat as the food service industry continues to recover, and cross-border shopping is likely to pick up again. The latter factor does not strongly affect ORIOR's product categories, but both factors are nevertheless likely to exert somewhat more pressure on the Refinement segment. We are on track revenue-wise; key drivers for the second half are Casualfood, the Convenience segment and the holiday season; management confirms its previous revenue guidance of CHF 605 to 615 million for 2021. Second-half EBITDA will likely be boosted again by the good performance of the higher-margin Convenience segment, the new financial base that has been established for Casualfood and the more flexible cost structures. Given the many positive effects and the good numbers from the first half, management is raising its EBITDA margin guidance for the full year to 10.2 to 10.5% (previously 9.8 to 10.2%). The forecast tax rate and capital expenditure for the year remain unchanged.

	Guidance 2021*	2020
<b>Net sales</b>	605 to 615 million	600.3 million
<b>EBITDA margin (NEW)</b>	10.2 to 10.5%	8.8%
<b>Tax rate</b>	15 to 19%	14%
<b>CapEx</b>	19 to 21 million	14.6 million

\* at constant exchange rates

#### Change in ORIOR Group's Executive Committee

Max Dreussi, Head of Fredag, has been appointed a member of ORIOR Group's Executive Committee effective 1 September 2021. He will concurrently assume the role of CEO of the Convenience segment, focusing in particular on the development of cross-segment strategic growth potential. Going forward, he will gradually assume responsibility for key business development projects in support of the Group CEO.

#### Thank you

The past half year was again dominated by corona. Although numerous restrictions were eased, the general situation is still quite demanding for all of us. Effective collaboration and progress towards common goals are thus all the more important. We sincerely thank our employees for making our company's performance possible. We also thank our business partners and suppliers, without whom our performance would not have been possible either. We would furthermore like to thank our shareholders for the trust they have placed in us and for their loyalty.

#### Invitation to video conference

This Tuesday, 17 August 2021, at 2.00 p.m. CEST, CEO Daniel Lutz, CFO Andreas Lindner and Milena Mathiuet, Head of Corporate Communications & Investor Relations, will hold a Teams video conference to present the 2021 half-year results.

Join via Teams: >> [Click here to participate in the video conference](#) <<

Join via phone: +41 43 430 76 25, conference-ID: 352 267 77#

If you have any organisational questions regarding the video conference or problems with the link, please contact: Judith Zobrist, judith.zobrist@orior.ch, direct line +41 44 308 65 02

#### Download links:

- >> [Half Year Report 2021](#)
- >> [Alternative Performance Measures first half 2021](#)
- >> [Presentation on 2021 interim results](#)
- >> [GRI Sustainability Report 2020](#)
- >> [Revised Code of Conduct ORIOR AG](#)
- >> [Media Image gallery](#)

**Contact**

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**Investor Calendar**

2 March 2022: Publication Full Year Results and Annual Report 2021

5 April 2022: Annual General Meeting ORIOR AG

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**ORIOR – Excellence in Food**

*ORIOR is an internationally active Swiss food and beverage group. ORIOR Group represents a family of companies with a strong regional footing and popular brands and products that claim leadership positions in flourishing niche markets at home and abroad. ORIOR's decentralised business model allows every company in the Group to maintain their specific culture and identity, tailored to their workers and customers, and to create unique product, brand and concept worlds. They are joined together by a passion for culinary delights and true craftsmanship, a spirit of innovation directed towards market trends and needs, workforce entrepreneurship and strong common values.*

*Our management approach combines strategic thought and action at Group level with a high degree of autonomy at each centre of competence. The ORIOR 2025 Strategy with its strategic pillars and the Group-wide key strategic initiatives – the ground-breaking "ORIOR New Normal", the intradisciplinary "ORIOR Champion Model" and the synergistic "ORIOR Bridge-building" initiative – are critical success factors that will ensure steady value creation for all stakeholders.*

*Motivated employees who enjoy what they do and who assume responsibility for themselves and their work are the catalyst for unlocking the extraordinary. We embrace uniqueness and premium quality in our quest to surprise and thrill our consumers time and again with delightful and delicious creations. Our vision is nothing less than **Excellence in Food.***

*ORIOR is listed on the SIX Swiss Exchange (ORON, ISIN CH011 1677 362, LEI 5067 0020 I84Z A17K 9522). Further information is available at [www.orior.ch](http://www.orior.ch).*

**Note to performance measures**

*ORIOR uses alternative performance measures in this media release which are not defined by Swiss GAAP FER. These alternative performance measures provide useful and relevant information regarding the operative and financial performance of the Group. The document "Alternative Performance Measures first half 2021", which is available on <https://orior.ch/en/financial-reports>, defines these alternative performance measures.*