

ORIOR AG

ALTERNATIVE PERFORMANCE
MEASURES FULL YEAR 2023

Alternative Performance Measures

ORIOR uses financial performance measures in its Annual Reports, Half Year Reports and additional communication with investors that are not defined by Swiss GAAP FER (Alternative Performance Measures). According to the management they provide useful and relevant information regarding the operative and financial performance of the group.

Below the most important performance measures are explained and reconciled to Swiss GAAP FER figures. The Alternative Performance Measures in use may not correspond to performance measures with similar names of other companies. Every Alternative Performance Measure shown in the financial report is related to the performance of the current and the previous year.

Performance

Net sales development

Due to its international profile and frequent acquisitions the ORIOR Group classifies net sales deviations to the previous year in three effects:

- Organic growth
- Currency translation effect
- Acquisition effect

Organic growth

Organic growth is defined as the net sales deviations after removal of acquisition/disinvestment effects and currency fluctuations. This allows a comparison with the previous year assuming a steady consolidation scope and constant currencies. The calculated organic growth corresponds to the residual value after calculation of the currency translation effect and the acquisition effect.

Currency translation effect

The currency translation effect shows the impact of currency fluctuations on net sales. It is calculated as difference between net sales of the current year and net sales of the current year in constant currency (constant currency means the translation of foreign subsidiaries with the average currency rate of the previous year).

Acquisition effect

The acquisition effect presents the net sales gained by acquisitions. As long as the corresponding previous period has not been consolidated these net sales are defined as acquisition effect. This means acquisition's net sales of the first 12 months are considered acquisition effect.

The resulting effects are then shown in relation to the net sales of the previous year.

Net sales development 2023	Jan – Dec 23	Org	FX	Acq	Jan – Dec 22
Net sales from goods and services in kCHF	643 094	13 328	-6 925	0	636 691
Net sales development by effect	1.0%	2.1%	-1.1%	0.0%	
<i>∅ currency rate CHF/EUR</i>			0.9716		

Net sales development 2022	Jan – Dec 22	Org	FX	Acq	Jan – Dec 21
Net sales from goods and services in kCHF	636 691	36 767	-14 185	0	614 109
Net sales development by effect	3.7%	6.0%	-2.3%	0.0%	
<i>∅ currency rate CHF/EUR</i>			1.0053		

Gross profit and gross margin

Gross profit and gross margin are not defined in the total cost method structure by Swiss GAAP FER. ORIOR uses gross profit and gross margin to explain the development of cost of goods sold. Gross profit consists of the net sales reduced by raw materials, goods and services purchased adjusted by the changes in inventories. Gross margin is calculated as gross profit divided by net sales.

in kCHF	Jan – Dec 23	Jan – Dec 22
Net sales from goods and services	643 094	636 691
Raw materials / goods and services purchased	-333 536	-343 005
Changes in inventories	-610	-1 165
Gross profit	308 948	292 520
<i>Gross margin</i>	<i>48.0%</i>	<i>45.9%</i>

EBITDA and EBITDA margin

EBITDA equals earnings before interest, taxes, depreciation and amortisation. EBITDA margin is calculated as EBITDA divided by net sales.

in kCHF	Jan – Dec 23	Jan – Dec 22
Earnings before Interest and Tax (EBIT)	32 088	37 892
+ Depreciation – property, plant and equipment	18 827	18 082
+ Amortisation – intangible assets	8 294	8 141
EBITDA	59 209	64 115
Net sales from goods and services	643 094	636 691
EBITDA	59 209	64 115
EBITDA margin	9.2%	10.1%

Adjusted EBITDA

ORIOR uses an adjusted EBITDA in order to disclose the development of operative performance without profit-related impacts from acquisitions. Acquisition impacts mainly include transaction and integration costs with effect on profit and loss. This ensures comparability as these are one-off transaction and integration effects related to acquisitions. These adjustments on EBITDA are disclosed as Adjusted EBITDA. There were no material transaction and integration costs, neither in the reporting period nor in the previous year. Therefore, no reconciliation is needed.

Liquidity/capital structure

Equity ratio

Equity ratio is the ratio of total equity, including non-controlling interests, to total assets or total liabilities.

in kCHF	31.12.2023	31.12.2022
Total assets	368 378	383 145
Equity attributable to owners of the parent	86 512	81 581
Non-controlling interests	0	0
Total equity	86 512	81 581
Equity ratio	23.5%	21.3%

ORIOR applies the method of goodwill offset against equity which is allowed according to Swiss GAAP FER. The theoretical capitalisation and amortisation of goodwill is shown in the notes to the annual report. The equity ratio would be calculated as follows under the assumption that ORIOR would apply the method of capitalising and amortising goodwill:

in kCHF	31.12.2023	31.12.2022
Theoretical total assets incl. goodwill	459 449	484 345
Theoretical equity incl. goodwill	177 583	182 781
Non-controlling interests	0	0
Total theoretical equity incl. goodwill	177 583	182 781
Equity ratio incl. goodwill	38.7%	37.7%

Cash conversion

ORIOR defines cash conversion as relation of cash flow from operating activities to EBITDA. This performance measure shows how much of the operating result before depreciation and amortisation has been translated to cash flow from operating activities.

in kCHF	Jan – Dec 23	Jan – Dec 22
EBITDA	59 209	64 115
Cash flow from operating activities	53 011	59 421
Cash conversion	89.5%	92.7%

Net debt/EBITDA ratio

ORIOR uses this performance measure to demonstrate the relation between debt and profitability. Net debt, which is calculated below, is divided by EBITDA.

in kCHF	Jan – Dec 23	Jan – Dec 22
EBITDA	59 209	64 115
+ Current financial liabilities	30 118	150 227
+ Non-current financial liabilities	102 738	3 932
– Cash and cash equivalents	–15 937	–21 819
Net debt	116 919	132 340
Net debt/EBITDA ratio	1.97	2.06

ROCE

Return on Capital Employed [ROCE] shows the profitability of the capital employed. EBIT of the last twelve months is divided by the capital employed as at reporting date. As the entire capital of an acquisition/disinvestment is included in capital employed, an acquisition's/disinvestment's EBIT of the months before/after the transaction is added/subtracted to show last twelve months.

in kCHF	Jan – Dec 23	Jan – Dec 22
+ Current assets	188 697	192 173
- Current liabilities	-151 445	-266 101
- Cash and cash equivalents	-15 937	-21 819
- Current financial assets	-708	-1 231
+ Current financial liabilities	30 118	150 227
+ Property, plant and equipment	126 455	129 381
+ Intangible assets	47 109	55 779
+ Financial assets	6 117	5 812
Capital employed	230 406	244 221
EBIT – LTM*	32 088	37 892
EBIT – acquisitions	0	0
EBIT – LTM* adjusted	32 088	37 892
ROCE	13.9%	15.5%

*LTM= Last Twelve Months