ORIOR AG

ALTERNATIVE PERFORMANCE MEASURES HALF-YEAR 2021

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 or the previous year.

Performance

Net sales development

Due to its international profile and frequent acquisitions, the ORIOR Group compares net sales deviations to the previous year by looking at three effects:

- Organic growth
- Currency translation effect
- Acquisition effect

Organic growth

Organic growth is defined as the net sales deviations after removing acquisition/disinvestment effects and currency fluctuations. This allows a comparison to be made with the previous year, assuming that there is a steady consolidation scope and constant currencies. The organic growth calculated corresponds to the residual value after calculating 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 the difference between the net sales of the current year and the net sales of the current year in constant currency (constant currency means the translation of foreign subsidiaries' net sales at 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 presented as an acquisition effect. This means that each acquisition's net sales of the first 12 months are considered part of the acquisition effect.

The resulting effects are then shown as a percentage of the net sales of the previous year.

Net sales development 2021	**Jan – Jun 21**	**Org**	**FX**	**Acq**	**Jan – Jun 20**
Net sales *in kCHF*	291 910	2 474	2 022	0	287 414
Net sales development by effect	**1.6%**	**0.9%**	**0.7%**	**0.0%**	
Ø currency rate CHF/EUR			1.0942		

Net sales development 2020	**Jan – Jun 20**	**Org**	**FX**	**Acq**	**Jan – Jun 19**
Net sales *in kCHF*	287 414	465	– 3 854	11 163	279 640
Net sales development by effect	**2.8%**	**0.2%**	**–1.4%**	**4.0%**	
Ø currency rate CHF/EUR			1.0641		

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 – Jun 21**	**Jan – Jun 20**
Net sales	291 910	287 414
Raw materials / goods purchased	– 166 924	– 160 319
Changes in inventory	4 928	– 1 583
Gross profit	**129 914**	**125 512**
Gross margin	*44.5%*	*43.7%*

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 – Jun 21**	**Jan – Jun 20**
Earnings before Interest and Tax (EBIT)	17 125	10 031
+ depreciation – tangible assets	9 820	9 507
+ amortisation – intangible assets	4 122	3 936
EBITDA	**31 067**	**23 474**

Net sales	291 910	287 414
EBITDA	31 067	23 474
EBITDA margin	**10.6%**	**8.2%**

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 first half year of 2021 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	30.06.2021	30.06.2020
Total assets	373 600	393 972
Equity before non-controlling interests	65 690	69 695
Non-controlling interests	2 183	6 517
Equity after non-controlling interests	67 874	76 212
Equity ratio	**18.2%**	**19.3%**

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 not shown in the notes to the half year report. Therefore, the calculation of the equity ratio under the assumption that ORIOR would apply the method of capitalising and depreciating goodwill is excluded.

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 – Jun 21	Jan – Jun 20
EBITDA	31 067	23 474
Cash flow from operating activities	26 987	9 602
Cash conversion	**86.9%**	**40.9%**

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 of the last twelve months.

in kCHF	Jan – Jun 21	Jan – Jun 20
EBITDA 2nd half of previous year	29 329	32 613
EBITDA 1st half of reporting period	31 067	23 474
EBITDA LTM*	**60 396**	**56 087**
+ Current financial liabilities	10 529	8 412
+ Non-current financial liabilities	155 389	175 218
– Cash and cash equivalents	– 18 845	– 22 696
Net debt	**147 073**	**160 934**
Net debt / EBITDA ratio	**2.44**	**2.87**

*LTM = Last Twelve Months

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 – Jun 21	Jan – Jun 20
+ Current assets	177 290	189 205
– Current liabilities	– 112 781	– 105 033
– Cash and cash equivalents	– 18 845	– 22 696
– Current financial assets	– 565	– 504
+ Current financial liabilities	10 529	8 412
+ Tangible assets	121 885	128 238
+ Intangible assets	71 346	74 577
+ Financial assets	3 079	1 952
Capital employed	**251 939**	**274 151**
EBIT – LTM*	32 908	29 930
EBIT – acquisitions	0	1 356
EBIT – LTM* adjusted	**32 908**	**31 287**
ROCE	**13.1%**	**11.4%**

*LTM = Last Twelve Months