

ORIOR AG

ALTERNATIVE PERFORMANCE
MEASURES HALF-YEAR 2024

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 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 after calculation 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 2024	Jan–Jun 24	Org	FX	Acq	Jan–Jun 23
Net sales from goods and services in kCHF	313 987	4 311	-2 448	0	312 124
Net sales development by effect	0.6%	1.4%	-0.8%	0.0%	
<i>∅ currency rate CHF/EUR</i>			0.9615		

Net sales development 2023	Jan–Jun 23	Org	FX	Acq	Jan–Dez 22
Net sales from goods and services in kCHF	312 124	7 342	-4 412	0	309 194
Net sales development by effect	0.9%	2.4%	-1.4%	0.0%	
<i>∅ currency rate CHF/EUR</i>			0.9858		

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 24	Jan–Jun 23
Net sales from goods and services	313 987	312 124
Raw materials/goods and services purchased	–170 844	–164 857
Changes in inventories	7 132	5 119
Gross profit	150 276	152 386
<i>Gross margin</i>	47.9%	48.8%

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 24	Jan–Jun 23
Earnings before interest and tax (EBIT)	12 795	16 774
+ Depreciation - property, plant and equipment	9 609	9 531
+ Amortisation - intangible assets	4 190	4 188
EBITDA	26 594	30 493
Net sales from goods and services	313 987	312 124
EBITDA	26 594	30 493
EBITDA margin	8.5%	9.8%

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	30.06.2024	30.06.2023
Total assets	386 335	364 602
Equity attributable to owners of the parent	81 322	77 860
Equity ratio	21.0%	21.4%

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 24	Jan–Jun 23
EBITDA	26 594	30 493
Cash flow from operating activities	15 718	18 832
Cash Conversion	59.1%	61.8%

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	30.06.2024	30.06.2023
EBITDA 2nd half of previous year	28 716	33 874
EBITDA 1st half of reporting period	26 594	30 493
EBITDA LTM*	55 310	64 367
+ Current financial liabilities	57 014	147 261
+ Non-current financial liabilities	102 555	3 258
– Cash and cash equivalents	–10 551	–9 938
Net debt	149 018	140 581
Net debt/EBITDA ratio	2.69	2.18

*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	30.06.2024	30.06.2023
+ Current assets	188 244	180 616
- Current liabilities	-174 857	-253 381
- Cash and cash equivalents	-10 551	-9 938
- Current financial assets	-938	-1 204
+ Current financial liabilities	57 014	147 261
+ Property, plant and equipment	147 009	125 201
+ Intangible assets	44 837	52 896
+ Financial assets	6 244	5 889
Capital employed	257 002	247 340
EBIT - LTM*	28 109	37 197
EBIT - Acquisitions	0	0
EBIT - LTM* adjusted	28 109	37 197
ROCE	10.9%	15.0%

*LTM= Last Twelve Months