

ORIOR GROUP MEDIA RELEASE

Zurich, 1 March 2018

A strategically and operationally good year for ORIOR; expansion into the organic beverages business

- Revenues increased by 10.9% to CHF 585.5 million.
- European business (Culinor Food Group) beats expectations.
- EBITDA up 12.1% to CHF 57.7 million on improving margins and net profit up 12.8% to CHF 32.0 million.
- ORIOR enters the growing niche of premium organic beverages with the acquisition of a majority interest in Swiss organic pioneer “Biotta”; international business strengthened. Acquisition of a 65% interest and concurrent takeover bid for the remaining outstanding shares.
- Renewed increase in the dividend to CHF 2.17 per share proposed.
- Change in the Board of Directors: Josef Ming will be proposed as a new member of the Board of Directors of ORIOR AG; Christoph Clavadetscher is stepping down after more than ten years of service.

Fiscal 2017 a good year, strategically and operationally

ORIOR, the Swiss leader for fresh convenience food and premium meat products, looks back on a good fiscal year, both strategically and operationally, thanks in particular to the successful acquisition of the Culinor Food Group in September 2016 and to the steadfast implementation of the ORIOR 2020 strategy.

ORIOR Group recorded revenues of CHF 585.5 million in 2017, up from CHF 527.7 million in the previous year, which corresponds to an increase of 10.9%. Positive effects from the initiatives and measures introduced under the ORIOR 2020 strategy fed through to all key financial metrics and further strengthened the Group’s already sound financial base. However, it was still not possible to grow the Swiss business during the past year. Excluding the effects of the Culinor Food Group acquisition and exchange-rate movements, Group revenues in 2017 declined by –2.4% from the previous year. The main reasons for this contraction were the challenging environment in Switzerland and the associated pricing and competitive pressure. A shift in the portfolio mix, together with optimised procurement costs, continual productivity-enhancing efforts and a further reduction in waste, helped to raise the gross profit margin by 88 basis points to 41.1% of revenues. EBITDA increased by 12.1% to CHF 57.7 million (2016: CHF 51.5 million), raising the corresponding margin by 10 basis points to 9.9%. Investments in brands, innovation, and sales and distribution were maintained at high levels. Net profit increased by 12.8% to CHF 32.0 million (2016: CHF 28.4 million), which corresponds to a 9 basis point improvement in the net profit margin to 5.5%. Operating cash flow amounted to a pleasing CHF 55.7 million. Deleveraging efforts lifted the equity ratio from 44.3% in 2016 to a likewise pleasing level of 50.8%.

At the end of August ORIOR issued its debut bond in the Swiss capital market, raising CHF 110 million with a coupon of 0.625% and a maturity of 6 years. This bond issuance marked a further diversification of the company's funding sources and strengthened its prospects for future growth.

Renewed increase in the dividend

A constant and reliable dividend payout is one of ORIOR's stated goals. The Board of Directors will propose another increase in the dividend to CHF 2.17 per share at the Annual General Meeting on 12 April 2018. This represents the seventh consecutive increase in the dividend since the IPO in April 2010.

ORIOR segments

ORIOR Convenience, the specialist for fresh convenience food with its three competence centres Fredag, Le Patron and Pastinella, generated revenues of CHF 187.7 million in 2017, which is -3.3% less than in the previous fiscal year (2016: 194.2 million). Despite a significant improvement in business during the second half of the year, the Convenience segment did not fully meet our expectations. This was mainly due to tough competition and a challenging market environment. Segment EBITDA, however, showed pleasing growth of 4.2% to CHF 26.3 million thanks to unrelenting efforts to strengthen the portfolio mix with a strong focus on efficiency and costs, bringing the EBITDA to 14.0% (13.0% in 2016). The Convenience segment's new concepts and innovation in the regional and ultra-fresh, vegetarian speciality and pasta product categories deserve special mention.

The Refinement segment, ORIOR's specialist for refined meat products with the three competence centres Rapelli, Albert Spiess and Möfag, did not meet overall expectations during the year under review. Revenues amounted to CHF 290.2 million, which is -2.9% less than in the previous year (2016: CHF 298.8 million). Segment EBITDA declined by -8.4% to CHF 20.6 million (2016: CHF 22.5 million), which resulted in a margin of 7.1%. Despite compelling innovation and the good growth of its branded products and new concepts, Refinement was unable to offset promotional and price pressures, higher raw material costs and the effects of market consolidation. Highlights for the segment are the good performance of its "Rapelli" brand, thanks in part to a further increase in marketing spending, and the successful launch of various snack specialities, such as My Energy Beef Sticks from Albert Spiess.

The International segment comprises all Group activities outside Switzerland, and largely consists of the Belgian-based Culinor Food Group. ORIOR International achieved revenues of CHF 124.7 million in 2017, which represents an increase of 134.4% from the level achieved in the previous year (2016: CHF 53.2 million). The company's strategically significant expansion into the European market has been a success: Culinor Food Group beat expectations for the entire year, as had already been observed at the mid-year mark. Excluding the effect of the Culinor Food Group acquisition and currency movements, the International segment achieved organic growth of 1.6% on the back of its Bündnerfleisch exports. Revenues from the export business edged slightly higher in 2017 thanks to new sales channels and the subsequent increase in Bündnerfleisch exports.

More progress toward ORIOR 2020 strategic goals

Implementation of the ORIOR 2020 strategy was steadfastly pursued during the year under review. A Supply Chain Excellence Officer was appointed at the beginning of the year to ensure continual optimisation of group-wide workflows and operating processes as well as of new plant investment projects. At the same time, cross-departmental knowledge sharing and interaction is being institutionalised, promoted and exploited. The omnipresent theme of digitization is also an ongoing process at ORIOR and related projects are under way in various areas. Fiscal year 2017 marked the beginning of a migration to an automated payment processing system; SAP interfaces were optimised and further investments made to standardise IT infrastructure group-wide. Another important step was taken towards the publication of a corporate sustainability report. At the end of 2017, management decided to develop a sustainability report in accordance with the internationally recognised Global Reporting Initiative (GRI) Standards.

Key figures for ORIOR Group – financial year 2017

| in TCHF | 2017 | Δ in % | 2016 |
|-----------------------------|----------------|--------|----------------|
| Net revenues | 585'485 | +10.9% | 527'738 |
| EBITDA | 57'687 | +12.1% | 51'450 |
| EBITDA in % of revenues | 9.9% | | 9.7% |
| EBIT | 39'195 | +11.5% | 35'157 |
| EBIT in % of revenues | 6.7% | | 6.7% |
| Net profit | 32'008 | +12.8% | 28'377 |
| Net profit in % of revenues | 5.5% | | 5.4% |
| Dividend per share in CHF | 2.17 | | 2.09 |

ORIOR enters the organic beverages market

ORIOR is acquiring a majority interest of 65% in Thurella AG, a pioneering producer of organic, all-natural vegetable and fruit juices. Thurella's product and brand portfolio is built on strong concepts with well-known brands: "Biotta" – Switzerland's leading organic juice brand; "Traktor" organic smoothies; "Vivitz" organic ice teas and "C-ICE". With this acquisition, ORIOR is strengthening its position beyond the traditional food market and entering the premium niche of organic beverages, a growing market both in Switzerland and abroad.

The share purchase agreements between ORIOR and the main shareholders of Thurella AG pursuant to which a majority of the company's shares will be acquired were signed on 28 February 2018. At the same time, ORIOR is issuing a takeover offer to acquire all shares held by the remaining shareholders. The offer price of CHF 150 per share, less the dividend of CHF 2.00 per share for the 2017 financial year that will likely be approved at the ordinary general meeting of Thurella AG on 26 April 2018, corresponds to the same price that ORIOR offered to Thurella AG's main shareholders to acquire the majority interest.

For the Board of Directors and the Management of Thurella AG, ORIOR is the preferred partner. The two companies share a traditional entrepreneurial mindset and cultural values that are deeply embedded in their Swiss heritage; both are pioneers in their fields and strong in innovation, attach great importance to culinary and quality, and display high levels of expertise in their niches as well as a unique entrepreneurial spirit. ORIOR will expedite the innovative organic beverages group's successful growth in its domestic and foreign markets while operating as an independent centre of competence. The Board of Directors of Thurella AG unanimously supports the proposed acquisition and the takeover offer and recommends all shareholders to tender their shares.

Thurella AG is based in eastern Switzerland and owns the Swiss speciality beverage producer Biotta AG in Tägerwilen and the German Gesa Gemüsesaft GmbH in Neuenstadt-Stein. "Biotta" is a long-established brand that stands for premium organic vegetable and fruit juices made from 100% natural raw materials – without any added sugar or artificial colourings or preservatives. Besides its classic products launched 60 years ago – "Biotta Classic" and "Biotta Pur" – there are about 30 other natural juice products in the company's portfolio, including trendy creations such as "Biotta Smoo'tea", "Biotta Veggies" and "Biotta Bio-Energy". "All the goodness of nature in a bottle" says Biotta's slogan; they are well-known in all addressed markets. It processes vegetables and fruits at its factory on the shores of Lake Constance into surprising and delightful drink creations that are then distributed to about 30 countries around the globe. The product portfolio also includes the light and refreshing "Vivitz" iced tea, the distinctly different "C-Ice" iced tea and "Tractor", the unconventional Swiss cult organic smoothie. At Gesa in Neuenstadt-Stein, high quality vegetable juices made from organic raw materials are produced for the food and beverage industry and distributed throughout Europe.



Thurella's product and brand portfolio, with its strong brands and innovative concepts, as well as its strongly anchored pioneering spirit and unique corporate culture fit perfectly with ORIOR's strategic profile. This acquisition strengthens ORIOR's position beyond the traditional food market and gives it a strong foothold in the premium niche of organic beverages, a growing market both in Switzerland and abroad.

The acquisition will be financed with available cash as well as an existing credit line. In addition, ORIOR intends to increase its share capital by utilising its authorised share capital as part of this transaction.

Within the course of the acquisition transaction, non-operating assets owned by Thurella AG will be spun off into a new real estate company and these shares will be issued to the shareholders of Thurella AG as a dividend in kind prior to the closing of the transaction. This newly established real estate company is not part of the takeover bid. The takeover offer will presumably be issued on 26 March 2018 with the publication of the offer prospectus. The offer period is expected to commence on 26 March 2018 and end on 24 April 2018. The subsequent extension period will presumably commence on 26 April 2018 and end on 11 May 2018. The transaction is expected to close in mid-May 2018. Detailed information about the offer will be published in the offer prospectus.

Change in the Board of Directors

Christoph Clavadetscher, a long-standing member of the Board of Directors of ORIOR AG, will not be standing for re-election at the Annual General Meeting on 12 April 2018. During his more than ten years of service, Christoph Clavadetscher helped to make ORIOR what it is today. All of us at ORIOR thank him for his valued guidance and leadership.

The Board of Directors of ORIOR AG will propose the election of Josef Ming (Swiss national, born 1958) as a new director at the Annual General Meeting of shareholders on 12 April 2018. Josef Ming is a Senior Partner with Bain & Company, a global consulting firm, and has extensive experience in consumer goods, the retail industry and industrial goods and services.

Outlook

General market conditions in Switzerland are still challenging. While there may be some relief in terms of sales volumes, pricing and competitive pressure is expected to remain high. ORIOR International's target markets offer further growth potential. The initiatives and measures being introduced in connection with the ORIOR 2020 strategy remain a priority. Further innovation, new concepts and services and branding activities are at the top of the agenda. Group-wide projects to enhance our agility, productivity and efficiency will be pursued as well. In summary, we are confident that we can continue to create sustainable value for all our stakeholders in the coming fiscal year.

Invitation to teleconference (in English)

This Thursday, March 1, 2018 at 3:00 p.m. CET, ORIOR management will host a conference call to discuss ORIOR's 2017 results. We cordially invite you to participate in the conference call.

To access the conference call, dial the following number: Telephone: +41 58 262 07 22.
Please state your name and your company name. PIN: 802946.

Download Links:

2017 Annual Report: [Financial publications](#)

Presentation on 2017 results: [Presentations](#)

Contact

Milena Mathiuet, Head Corporate Communication & IR

Telephone +41 44 308 65 13, E-Mail: investors@orior.ch

Investor Calendar

12 April 2018: Annual General Meeting

22 August 2018: Publication of half-year results for 2018

ORIOR – Excellence in Food

ORIOR is an internationally active Swiss food company that combines craftsmanship with a pioneering spirit and thrives 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, Le Patron, Pastinella, 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 group 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 2017 financial year ORIOR Group achieved sales of CHF 585.5 million with approximately 1600 employees. 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