

ORIOR GROUP MEDIA RELEASE

Zurich, 22 August 2018

ORIOR growing in every segment

- Group sales up 5.6% to CHF 273.7 million
- Organic growth of 2.1% supported by every segment
- Adjusted EBITDA increased 3.7% to CHF 28.7 million (excluding transaction and other non-recurring costs related to the Biotta acquisition)
- Successful acquisition of Biotta

ORIOR, the internationally active Swiss food and beverage Group that combines craftsmanship with a pioneering spirit underpinned by entrepreneurship and strong values, achieved good results in the first half of 2018. The ORIOR 2020 strategy is clearly gaining traction and progress is being made towards all the given goals.

ORIOR Group generated revenues of CHF 273.7 million during the first half of 2018, up from CHF 259.1 million in the first half of the previous year. This revenue growth of 5.6% stemmed from good organic growth of 2.1%, acquisition-led growth of 1.6% and a positive currency effect of 2.0%. The good organic growth rate was fuelled by numerous initiatives and a steady focus on innovation, brands and customer relationship management. EBITDA receded to CHF 27.2 million from CHF 27.7 million in the first half of 2017, which is attributed to acquisition-related transaction and extraordinary costs; excluding these non-recurring costs, EBITDA rose by 3.7% year-on-year to CHF 28.7 million and the EBITDA margin declined slightly by 19 basis points to 10.5%. This primarily reflects the gross profit margin, which was impacted during the period under review by high meat prices, higher commodity and packaging materials costs, and the weakening of the Swiss franc. A strict focus on efficiency gains made a positive contribution to operating performance. Adjusted net profit for the period rose by 3.2% year-on-year to CHF 15.3 million and the corresponding profit margin declined slightly by 13 basis points.

The strategically important acquisition of Biotta is part of the Convenience and International segments for reporting purposes. The related acquisition costs are therefore also allocated to these two segments.

The new shares issued in early March to finance part of the Biotta acquisition, equivalent to nearly 10% of total share capital, were successfully absorbed by the market.

The mandatory adoption of the new IFRS 15 standard regarding the recognition of revenue led to a reduction in recognised revenue of CHF 22.8 million for the period under review and a concurrent reduction in cost of goods and materials. Neither adjustment had an impact on net profit, the consolidated balance sheet or the cash flow statement. The figures for the prior-year period were accordingly restated with CHF 22.2 million.

ORIOR Switzerland

The challenging environment in Switzerland, especially in the retail sector, is slowly stabilising. Minor ongoing consolidation in the market and persisting intense competitive pressure were offset by strong innovation and positive brand as well as customer relationship developments. This led to a good, broadly based growth.

The ORIOR Convenience segment performed very well during the period under review. It reported strong revenues of 94.1 million, up 9.2% from CHF 86.2 million in the prior-year period. This growth reflects high organic growth of 5.7% and an acquisition effect of 3.6%. Innovative new ultra-fresh meals and meal components, vegetarian specialities and positive customer relationship trends were the primary drivers of this good performance. Segment EBITDA was impacted by the allocation of transaction and extraordinary costs. Adjusted EBITDA rose from CHF 12.1 million in the first half of 2017 to CHF 13.4 million in the period under review and the corresponding margin improved by 23 basis points.

The ORIOR Refinement segment performed well during the first half of 2018. Attention is drawn to innovations such as “My Energy Beef”, which was rolled out nationwide, and the ongoing pleasing developments at the “Rapelli” and “Ticinella” brands. The Refinement segment increased its revenues in the first half of 2018 by 3.6% to CHF 125.9 million. Market developments – continued high meat prices due to tight supply, which only heightened competition on the procurement front – continued to affect this segment. Its EBITDA declined by 7.3% to CHF 9.8 million (1H 2017: CHF 10.6 million) and the EBITDA margin came in at 7.8%, 92 basis points below the level reported for the prior-year period.

ORIOR International

The ORIOR International segment performed well in line with expectations. Segment revenues totalled CHF 65.5 million compared to CHF 58.6 million in the prior-year period, an increase of 11.7%. This revenue growth stemmed from organic growth of 0.8%, an acquisition effect of 2.2% from Biotta subsidiary Gesa in Germany, and a currency translation effect of 8.7%. Culinor Food Group experienced strong demand for its “Lovely Meals” line of ultra-fresh meals, its new “Pure” product line and its meal home delivery services. Exports of Bündnerfleisch showed strong growth thanks to new customers. Factoring out the allocated transaction costs, EBITDA amounted to CHF 5.6 million and the corresponding margin declined slightly by 11 basis points due to changes in the product mix.

ORIOR Group's key figures for the first half of 2018

In CHF thousand	Jan – Jun 2018	Δ in %	Jan – Jun 2017 Restated
Net revenues	273,742	+5.6%	259,110
EBITDA	27,224	-1.8%	27,712
as a % of revenues	9.9%		10.7%
Adjusted EBITDA¹	28,749	+3.7%	27,712
as a % of revenues	10.5%		10.7%
Adjusted profit before tax¹	18,699	+11.3%	16,796
as a % of revenues	6.8%		6.5%
Adjusted net profit¹	15,308	+3.2%	14,833
as a % of revenues	5.6%		5.7%

¹ Excludes acquisition-related transaction and extraordinary costs

Outlook

The ORIOR 2020 strategy confirmed in June of 2018 will continue to be steadfastly implemented. A variety of measures and projects within ORIOR’s strategic goals and its group-wide Champion Model are the key elements of this strategy. ORIOR reiterates the targets it has set out to achieve with the strategy and will continue to steadily create value for all stakeholders. We expect a good second half year.

Accounting standard switched to Swiss GAAP FER

At its meeting on 21 August 2018 the Board of Directors decided to switch the Group's accounting standard from IFRS to Swiss GAAP FER as of the 31 December 2018 reporting date. The formal request will be submitted to the SIX Swiss Exchange in the coming days. The methods used for balance sheet purposes will remain the same. The most significant changes concern the reporting of pension-fund liabilities and the treatment of intangible assets and goodwill. Under the new accounting standard, total assets in the balance sheet as of 31.12.2017 amount to approximately CHF 343 million and the equity ratio to approximately 25%; equity is lower primarily due to the retroactive write-off of intangible assets and the offsetting of goodwill against equity. A detailed reconciliation will be included with the financial statements for the 2018 fiscal year.

The reasons for the adoption of Swiss GAAP FER are the increasing complexity of IFRS and the ensuing substantial administrative costs. With this decision, ORIOR remains firmly committed to financial reporting transparency in accord with the principle of "true and fair".

Invitation to teleconference

Today, 22 August 2018 at 3.00 p.m. (CEST), Daniel Lutz (CEO) and Ricarda Demarmels (CFO) are holding a conference call to discuss the first half of 2018. We cordially invite you to take part.

Please dial the following number to participate: Telephone: + 41 58 262 07 22
Please state your full name and the name of your organisation. The PIN code is: 991222

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Contact

Milena Mathiuet, Head of Corporate Communications & IR
Telephone +41 44 308 65 13, email: investors@orior.ch

Investor Calendar

4 March 2019: Publication of annual results 2018

11 April 2019: Annual General Meeting

ORIOR – Excellence in Food

ORIOR is an internationally active Swiss food and beverage group that combines craftsmanship with a pioneering spirit and thrives on entrepreneurship and strong values. The centres of competence have established leading positions in fast-growing niches in Switzerland and abroad. With Rapelli, Biotta, 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 539.4 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.