

ORIOR performs well in domestic Swiss market; coronavirus-related factors leave a deep mark on fiscal year 2020

- Revenues increased by 0.7% to CHF 600.3 million (+1.6% in local currency); guidance given in August for the second half of 2020 was exceeded.
- Fiscal year strongly affected by corona-related impacts: shifts in the product and channel mix, implementation of regulatory measures and the near-total shutdown of the food travel and food services business.
- EBITDA declined by 13.5% to CHF 52.8 million, resulting in an EBITDA margin of 8.8% for the entire year; second-half margin clearly higher at 9.4%.
- New and more flexible financial basis for Casualfood.
- ORIOR 2025 Strategy presented, implementation in progress, ESG goals more firmly anchored.
- Commitment to an attractive dividend policy and a steady increase in the absolute dividend confirmed: dividend of CHF 2.33 per share proposed.
- Increase in revenues and significant profitability improvement expected for 2021 despite ongoing pandemic.
- Rolf U. Sutter, Chairman of the Board of Directors, will serve a maximum of two more terms.

ORIOR, the internationally active Swiss food & beverage group, was impacted by the coronavirus pandemic during the past fiscal year. The implementation of the government measures and the additional, largely non-recurring costs to protect employee health and maintain supply capabilities as well as the near standstill of the travel food business and intermittent large-scale shutdowns in the food service business (restaurants, wholesale channel, take-away, event catering, canteens, schools and school lunch programmes) had a material impact on results. Revenues in the domestic Swiss market were very good despite significant shifts in the product and channel mix. Group profitability improved strongly in the second half compared to the first half of the year thanks to the flexibilisation of cost structures and processes and the Group margin at year-end – excluding Casualfood – was back at the level from the second half of 2019.

ORIOR Group generated revenues of CHF 600.3 million in the 2020 fiscal year, which corresponds to an increase of 0.7% from the previous year (2019: CHF 596.4 million). Reported revenues for the year reflected negative organic growth of –0.9%, a currency translation effect of –0.9% and a positive acquisition effect of 2.5% arising from the full consolidation of Casualfood since September 2019. The guidance given in August for the second half of 2020 was slightly exceeded thanks to good December sales – buoyed in part by border closures and the resulting increase in domestic consumption – and thanks to the generally good performance of the Swiss centres of competence. Pleasing home-delivery business in Belgium and growing demand in Switzerland and abroad for the organic juices produced by Biotta's sister company Gesa were also positive factors. Reported revenues were adversely impacted by Casualfood, the travel food specialist that has been fully consolidated since the autumn of 2019 and whose sales dropped to nearly zero due to the near standstill of travel activities. Other significant factors impacting the top line were the sharp declines in the food service business, especially in the classic restaurant sector and the entire event catering, in the hotel industry, school lunch programmes and canteen facilities.

In summary, the Refinement segment showed strong growth, the Convenience segment held its revenues at the prior-year level, and the International segment reported lower revenues as expected, due to Casualfood, whose business was hit very hard by the pandemic.

Gross profit declined by 2.7%, largely due to the International segment. The consolidated gross profit margin receded from 44.9 to 43.4%, which reflects destocking in response to strong holiday sales as well as product and channel mix shifts and persisting high meat prices. Moreover, due to the abrupt standstill of the food

service business in March when the first lockdown was imposed, many products that had already left the production lines could no longer be sold through the normal sales channels, which likewise had a negative impact on the gross margin. EBITDA amounted to CHF 52.8 million (previous year CHF 61.0 million). Operating profitability (EBITDA margin) improved significantly from 8.2% in the first half of 2020 to 9.4% in the second half, resulting in a full-year EBITDA margin of 8.8%. Factoring out Casualfood, which was virtually shut down by the pandemic, group profitability – despite the growth in the generally low-margin Refinement segment, high meat prices and the aforementioned coronavirus-related impacts – almost reached the previous year's level. This good profit performance was clearly supported by "ORIOR New Normal", a key initiative launched in April that has led to significant cross-unit efficiency gains thanks, for example, to the establishment of new shared services centres for the HR and Finance units. EBIT declined by 30.8% to CHF 25.8 million (previous year CHF 37.3 million), which largely reflects amortisation and depreciation in connection with the acquisition of a majority interest in Casualfood in September 2019. Profit for the year amounted to CHF 21.8 million (previous year CHF 31.5 million).

Operating cash flow amounted to CHF 52.3 million, a good figure considering the overall context (previous year CHF 57.1 million). The net debt ratio (Net debt / EBITDA) came in at 2.87x and was negatively impacted by the third stage of the Casualfood acquisition, executed as scheduled in the autumn of 2020 based on previously agreed terms, and by coronavirus-related EBITDA losses, while cash and working capital management had a positive impact.

CEO Daniel Lutz on ORIOR Group's results for 2020: "Compared to our initial expectations and goals for 2020, the actual result for the year is of course sobering. Nevertheless, considering the pandemic and the extraordinary circumstances we were confronted with during the past fiscal year, I'm satisfied with the Company's overall performance. We managed to keep our employees safe and maintain our supply capabilities and overall sales were stable despite all the turmoil. Within the scope of ORIOR New Normal we also turned our cost base and our operating processes more flexible. This led to a significant improvement in our operating results during the second half and will continue to support our performance in the future."

ORIOR Convenience segment

The ORIOR Convenience segment consisting of the Fredag, Le Patron, Pastinella and Biotta competence centres reported revenues of CHF 201.8 million, which nearly matches the figure of CHF 202.0 million reported for the previous year. Overall sales were distinguished by a strong performance in the retail channel on the one hand and sharp declines in the product lines for food services customers on the other hand. The closures of businesses and schools ordered by governments and restrictions on personal mobility and the ensuing changes in consumption had a significant impact on sales of ready-made meals and meal components. The food service industry (restaurants, wholesale channel, take-away, event catering, canteens, schools and school lunch programmes) accounts for a large share of the Convenience segment's revenues and it experienced sharp drops in business over several months due to the pandemic. Sales in the gastronomy sector showed a slight improvement during the summer months before plunging again during the autumn months as a second wave of the virus struck. Thanks to the flexibilisation of its operating processes and its strong partnerships with customers, the Convenience segment managed to hold revenues at the previous year's level despite numerous changes to its product portfolio in response to shifts in the channel mix.

ORIOR Refinement segment

The ORIOR Refinement segment consisting of the Rapelli, Albert Spiess and Möfag competence centres delivered a very good top-line performance with organic revenue growth of 3.3% to CHF 266.7 million, distinguished by high meat prices and major product and channel shifts. This growth was fuelled by the strong sales of core product lines at all three competence centres in the retail trade channel, especially at Rapelli and Möfag. Food service customers account for a lower share of the Refinement segment's total revenues compared to the Convenience segment. Meanwhile the changes in consumer habits had a generally positive effect on the Refinement segment's product range. Surging demand from the retail channel consequently more than offset the occasional sharp contraction in the segment's food service business.

An additional highlight – although still in an early stage of development – was the launch of the Albert Spiess online shop in November 2020. This marks the successful opening of a direct sales channel for the Group's Bündner delicacies. In summary, the Refinement segment's revenue growth for the year under review impressively demonstrated the importance of this segment and its strong brands, traditions, craftsmanship and stability within the overall context of ORIOR Group's resilience and broad market positioning.

ORIOR International segment

The ORIOR International segment with the Culinor Food Group and Casualfood competence centres, Biotta's sister company Gesa, and Spiess Europe, a platform for the final processing and distribution of Group products, reported a 3.0% decline in revenues to CHF 154.8 million. Organic revenue growth stood at -8.7%, which can largely be traced to the Casualfood competence centre, the travel food specialist whose business came to a near-standstill at times due to the collapse in air travel and the restrictions on travel and mobility. In addition, currency translation had a clearly negative effect of -3.5% on reported revenues. The acquisition effect arising from the acquisition of a majority interest in Casualfood and its subsequent full consolidation as of September 2019 amounted to 9.2%. The coronavirus-related effects on Culinor Food Group in Belgium were very similar to those experienced in Switzerland: a surge in sales through retail channels on the one hand and a steep drop in sales through food service channels on the other. A significantly better course of business during the second half of 2020 and good growth in the home delivery business were positive factors. With its range of fresh meal innovations Culinor succeeded in expanding the customer base during the second half of 2020. Ultimately, however, the corona effects – especially the generally weaker demand for ready-made meals and meal components – could not be completely offset. Gesa, Biotta's sister company in Germany specialised in organic vegetable juices for the B2B market, benefited from the growing demand for organic beverages as well as for regional products and reported pleasing revenue growth. Spiess Europe, the Group's platform in Haguenau, France, for final processing and distribution of Group products across Europe, generated good growth in the wake of the shifts in product and channel mix and associated consumer needs, which transcended national borders.

Casualfood hit hard by the collapse in air traffic

Casualfood had a clearly negative impact on ORIOR Group's results in 2020. The nearly complete standstill of the 60 small-scale outlets serving food and refreshments to travellers forced us to make fundamental changes to the subsidiary's financial framework. A new basis for its fixed costs and leasing contracts as well as for its spatial arrangements and retailing concepts emerged. As a result of this makeover – which was only possible to this degree and extent in the first place because travel activity had dropped to such low levels – the operational profitability of Casualfood is now expected to return to pre-Corona levels significantly sooner, even if passenger traffic increases slowly. A direct comparison of Casualfood's performance and the IATA's forecasts of air passenger numbers is therefore not possible. The sharp contraction in business during the next few months due to the pandemic will be partially offset by federal aid from the German government.

ORIOR 2025 Strategy

In November 2020 ORIOR presented its strategic road map for the next five years. The heart of the ORIOR 2025 Strategy are the strategic pillars "House of Innovation", "Brand Experience!", "Strong Foundation and Operational Agility", "The ORIOR Responsibility" and "We are ORIOR". Group-wide strategic key initiatives are the intradisciplinary "ORIOR Champion Model", the cross-unit "ORIOR Bridge-building" and the forward-looking "ORIOR New Normal".

Daniel Lutz, CEO of ORIOR Group, comments on the objectives of the strategy: "The overarching goal of the ORIOR 2025 Strategy remains steady value creation for all stakeholders. Our specific understanding of steady value creation has been translated into quantifiable targets in our ambitions. Sales growth is important. Growing our EBITDA and reducing our debt are just as important though. We are working hard every day, with a strong sense of identification and a high level of motivation, to make progress toward these goals."

The ORIOR Responsibility – ESG goals more strongly anchored, also in compensation model

ORIOR published its second Sustainability Report in accordance with GRI Standards in July 2020. For the first time, it also included a section on ORIOR's efforts to achieve the UN's Sustainable Development Goals (SDGs). The report provided detailed information on the degree of achievement of the goals set and on action plans currently in progress throughout ORIOR. In the wake of the coronavirus pandemic, certain sustainability-related issues became even more important, workplace safety, for example, and employee health. ORIOR provided an optimal level of protection for all employees thanks to the early and swift implementation of the government measures. However, this was not without some drawbacks. For example, safeguarding employee health also slowed certain operating processes, which in turn increased our electricity consumption. Due to the abrupt lockdown of the hospitality industry, numerous products could not be sold through normal sales channels, which had a negative impact on our food waste metrics. Important steps were taken during the year under review to anchor sustainability more firmly throughout the Company. A revision of ORIOR Group's stock ownership and compensation policies integrated further Group-wide ESG objectives into the variable compensation awarded to top management more prominently and with a higher weighting.

ORIOR acknowledges the importance of sustainable business practices (non-financial performance) and it takes an active, integrative approach here, true to its holistic model of corporate governance. Information on the localisation of individual issues within ORIOR Group and how these issues are addressed within the scope of the ESG concept can be found in the 2020 Annual Report. The publication of the Sustainability Report for 2020 with detailed information regarding the Company's goals and goal achievement is scheduled for May 2021.

Attractive dividend policy with steady increase in the absolute dividend confirmed

ORIOR's long-standing commitment to an attractive, stable dividend policy was confirmed in its 2025 Strategy. The Board of Directors will propose a slightly higher absolute dividend of CHF 2.33 per share at the Annual General Meeting on 26 April 2021 (previous year CHF 2.32). The dividend proposal consists of an ordinary dividend in the amount of CHF 1.17 to be paid from retained earnings (subject to withholding tax) and a dividend of CHF 1.16 to be paid from capital contribution reserves (exempt from withholding tax).

Key figures for ORIOR Group – financial year 2020

in kCHF	2020	Δ in %	2019
Net sales	600 313	+0.7%	596 350
EBITDA	52 803	-13.5%	61 031
<i>EBITDA as % of net sales</i>	<i>8.8%</i>		<i>10.2%</i>
EBIT	25 814	-30.8%	37 322
<i>EBIT as % of net sales</i>	<i>4.3%</i>		<i>6.3%</i>
Profit for the year	21 805	-30.8%	31 494
<i>Profit for the year as % of net sales</i>	<i>3.6%</i>		<i>5.3%</i>
Cash flow from operating activities	52 290	-8.4%	57 093
Net debt / EBITDA ratio	2.87		2.47
<i>Equity ratio</i>	<i>18.1%</i>		<i>21.4%</i>
Dividend per share in CHF	2.33		2.32
Stock market capitalisation	491 419		583 316
Av. number of employees (FTE)	2 028		2 295

Outlook

We expect to achieve organic revenue growth of 0.8 to 2.4% with a significant increase in the EBITDA margin in the current fiscal year. This guidance is based on the assumption that the general situation concerning the pandemic and the associated consequences will be unchanged for several more months and that a gradual recovery will begin in the summer. Higher revenues are expected from the International

and Convenience segments, in particular from the Culinor Food Group competence centre in Belgium, driven primarily by successful new listings, from the Fredag and Biotta competence centres in Switzerland and, beginning in the second half of 2021, from the Casualfood competence centre in Germany as well. The forecast improvement in operating profitability will largely be fuelled by revenue growth from higher-margin product segments, the new financial framework set for Casualfood and its gradual recovery, and from the lasting flexibilisation of costs and processes. Here we expect a steady improvement over the entire year.

	Guidance 2021*	2020
Net sales	605 to 615 million	600 million
EBITDA margin	9.8 to 10.2%	8.8%
Tax rate	15 to 19%	14%
CapEx	19 to 21 million	14.5 million

* at constant exchange rates

Rolf U. Sutter will serve a maximum of two more terms of office

Rolf U. Sutter, Chairman of the Board of Directors of ORIOR AG, has announced that he will serve a maximum of two more terms of office. The search for a successor has been initiated.

Annual General Meeting 2021

In view of the current situation with the coronavirus and in accordance with the COVID-19 Ordinance, the Board of Directors has decided that the Annual General Meeting on 26 April 2021 will not take place within the usual framework, as was the case already last year. This means it will not be possible to attend this year's Annual General Meeting in person. Voting rights can be exercised via the independent proxy. Further details will be provided when the official invitation to the Annual General Meeting is sent out.

Thank you

We thank our employees for steadfastly implementing and complying with the stricter health protection measures and for their tremendous dedication and hard work throughout the year. We also value the good cooperation with our business partners and suppliers during a most extraordinary year and thank our shareholders for their enduring trust in ORIOR.

Invitation to video conference

Today, Wednesday, 10 March 2021, at 2.00 p.m. CET, CEO Daniel Lutz, CFO Andreas Lindner and Milena Mathiuet, Head of Corporate Communications & Investor Relations, will hold a video conference to present the 2020 result.

Join via Teams: [>>> Click here to join the conference <<](#)

Join via phone: +41 43 430 76 25, conference-ID: 474 378 33#

If you have any organisational questions regarding the video conference or problems with the link, please contact: Judith Zobrist, judith.zobrist@orior.ch, direct line +41 44 308 65 04.

Download links:

[>>> Annual Report 2020](#)

[>>> Alternative Performance Measures Full Year 2020](#)

[>>> Presentation on 2020 results](#)

[>>> Image gallery](#)

Contact

Milena Mathiuet, Head of Corporate Communications & Investor Relations
Telephone +41 44 308 65 13; e-mail investors@orior.ch

Investor Calendar

26 April 2021: Annual General Meeting 2021

17 August 2021: Publication Half Year Results and Half Year Report 2021

ORIOR – Excellence in Food

ORIOR is an internationally active Swiss food and beverage group. ORIOR Group represents a family of companies with a strong regional footing and popular brands and products that claim leadership positions in flourishing niche markets at home and abroad. ORIOR's decentralised business model allows every company in the Group to maintain their specific culture and identity, tailored to their workers and customers, and to create unique product, brand and concept worlds. They are joined together by a passion for culinary delights and true craftsmanship, a spirit of innovation directed towards market trends and needs, workforce entrepreneurship and strong common values.

Our management approach combines strategic thought and action at Group level with a high degree of autonomy at each centre of competence. The ORIOR 2025 Strategy with its strategic pillars and the Group-wide key strategic initiatives – the ground-breaking "ORIOR New Normal", the intradisciplinary "ORIOR Champion Model" and the synergistic "ORIOR Bridge-building" initiative – are critical success factors that will ensure steady value creation for all stakeholders.

*Motivated employees who enjoy what they do and who assume responsibility for themselves and their work are the catalyst for unlocking the extraordinary. We embrace uniqueness and premium quality in our quest to surprise and thrill our consumers time and again with delightful and delicious creations. Our vision is nothing less than **Excellence in Food.***

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.

Note to performance measures

ORIOR uses alternative performance measures in this media release which are not defined by Swiss GAAP FER. These alternative performance measures provide useful and relevant information regarding the operative and financial performance of the Group. The document "Alternative Performance Measures Full Year 2020", which is available on <https://orior.ch/en/financial-reports>, defines these alternative performance measures.