

**ORIOR**  
PREMIUM FOOD

**ORIOR GROUP  
HALF-YEAR RESULTS  
2015**



20.8.2015

**Daniel Lutz, CEO  
Ricarda Demarmels, CFO**

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# ORIOR's new Management Team



**Daniel Lutz**  
CEO ORIOR Group



**Ricarda Demarmels**  
CFO ORIOR Group



**Bruno de Gennaro**  
CEO Convenience  
Segment



**Glauco  
Martinetti**  
CEO Rapelli SA



**Bruno Bürki**  
CEO Albert  
Spiess AG



**Urs Möсли**  
CEO Möfag AG



**Michel Nick**  
CEO Le Patron



**Bernhard Pfulg**  
COO  
Convenience  
Segment



**Joachim Huber**  
CIO ORIOR Group

# CEO statement on the first 6 months

## Tasks

- Write a new chapter – refresh the company
- Address the margin decline
- Drive Swiss market; special focus on Migros/Coop and food service channel
- Drive M&A; both in Switzerland and abroad
- Position ORIOR as a modern group

## CEO's assessment after 6 months

- Competent and passionate employees
- Strong innovation culture
- Well-known brands and unique concepts
- Valued partner for customers; strong service focus
- Solid results and strong balance sheet

## "Challenges are always also opportunities"

- Become even more innovative – increased focus on customers and consumers
- Sharpen and strengthen our key brands – invest more
- Leverage the Group's strength and size to realise more synergies



# ORIOR increases operating income

Volumes	Revenues	EBIT Margin	Profit Margin	Cash flow	Equity ratio
- 0.3%	- 4.6%	+ 6.9% + 66 bps	+ 6.4% <sup>1</sup> + 49 bps	+ 11.6 m + 509.5%	54.7% + 4.6%-points

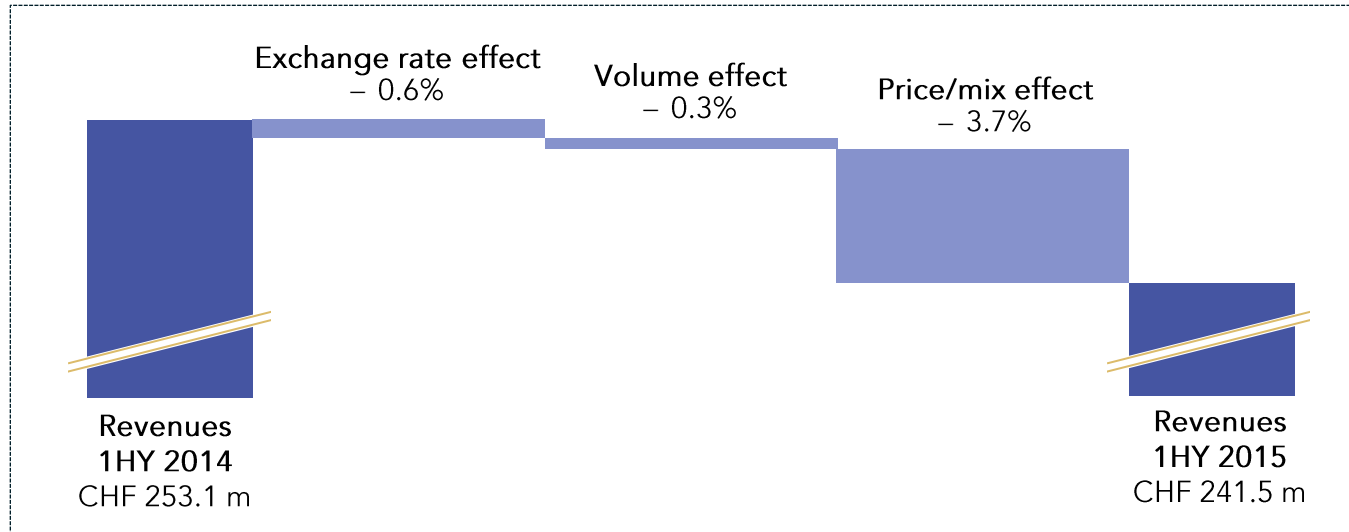
- Good result in a demanding environment dominated by strong Swiss franc (shopping tourism/food service, economic situation)
- Broadly stable volumes and some gains in market share in a declining overall market
- Increase in operating income and improved operating margins
- Steep increase in operating cash flow and equity ratio

Note: All figures show change on prior-year period (1HY 2015 vs 1HY 2014) except equity ratio, which is the absolute figure.

<sup>1</sup> Adjusted for currency effects; revaluation of balance sheet items bring financial result down by CHF 1.1 million



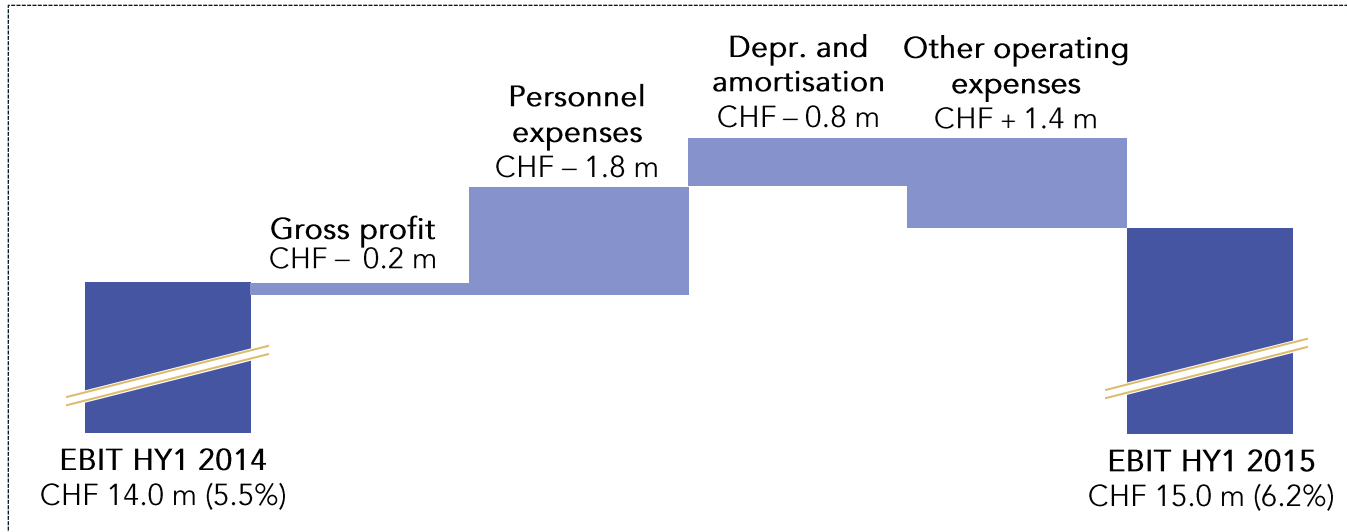
# Stable volumes and some market share gains in a declining market



- Lower nominal export revenues owing to currency effects
- Broadly stable volumes and some gains in market share in a declining overall market thanks to leading positions in attractive niches
  - Sales growth in vegetarian and vegan products, fresh convenience/ready meals, "free from" and snacking / Meat Chips range
  - Decline in sales in the food service and fresh pasta sector
- Negative price/mix effect reflects the negative inflation caused by lower raw materials prices and the price concessions required in a challenging retail and food service market, plus mix effects



# Increase in operating income and margins



- Improved operating income thanks to
  - lower price of raw materials
  - focus on core business and operating efficiency
  - lower depreciation
- Operating income up by 6.9% to CHF 15.0 million and margin up by 66 basis points to 6.2%



# Increase in operating cash-flow



CHF million	Jan – Jun 2015	Jan – Jun 2014
<b>Profit</b>	<b>10.3</b>	<b>10.6</b>
Depreciation/amortisation	7.4	8.2
Change in net working capital	– 1.8	– 11.2
Other	– 2.0	– 5.3
<b>Cash flow from operating activities</b>	<b>13.9</b>	<b>2.3</b>
Net investment in plant and equipment	– 5.3	– 4.9
Acquisitions and sales	0	– 1.9
<b>Free cash flow</b>	<b>+8.6</b>	<b>– 4.5</b>

- Strong CHF 11.6 million improvement in operating cash flow thanks to sharper focus on working capital





# ORIOR segments

Convenience <i>Category pioneer</i>			Refinement <i>Strong traditional brands</i>			Corporate and Export
Fredag	Le Patron	Pastinella	Rapelli	Spieß	Möfag	Export
						
						
						
						
						



# Convenience Segment

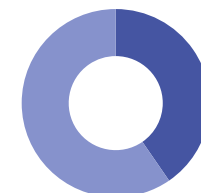
CHF million	Jan – Jun 2015	Jan – Jun 2014	Δ in %
<b>Revenues</b>	<b>97.6</b>	<b>99.1</b>	– 1.5%
<b>EBITDA</b> as % of revenues	<b>13.7</b> 14.1%	<b>14.4</b> 14.5%	– 4.4%
<b>EBIT</b> as % of revenues	<b>11.1</b> 11.4%	<b>11.6</b> 11.7%	– 4.4%
<b>Investments</b>	<b>1.5</b>	<b>1.8</b>	

- Vegetarian and vegan concepts, fresh convenience/ready meals, as well as gluten and lactose-free products remain the segment's growth drivers with their strong market positions and great innovative strength
- Revenue trend affected by overall performance of food service market and of the still challenging fresh pasta segment, which is under competitive pressure from foreign providers
- Results affected by development of product mix (fresh pasta) and greater complexity owing to wider and deeper range

## CONVENIENCE

as % of whole group

**39.7%**



# Refinement Segment

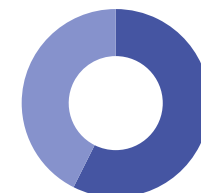
CHF million	Jan – Jun 2015	Jan – Jun 2014	Δ in %
<b>Revenues</b>	<b>144.8</b>	<b>154.3</b>	– 6.2%
<b>EBITDA</b> as % of revenues	<b>11.0</b> 7.6%	<b>9.2</b> 6.0%	+20.2%
<b>EBIT</b> as % of revenues	<b>7.1</b> 4.9%	<b>5.3</b> 3.4%	+34.1%
<b>Investments</b>	<b>3.1</b>	<b>2.4</b>	

- Rapelli and Möfag remain the segment's growth drivers thanks to their market and brand positions; Albert Spiess below expectations, but with positive LTM trend
- Negative inflation caused by lower raw materials prices push down revenues; growth impulses from snacking / Meat Chips range, BBQ range and limited edition concepts
- Improvement in operating income thanks to lower raw materials prices and continuous work on operational efficiency

## REFINEMENT

as % of whole group

**56.6%**



# Corporate and Export Segment

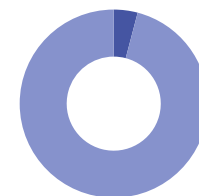
CHF million	Jan – Jun 2015	Jan – Jun 2014	Δ in %
<b>Revenues</b>	<b>10.0</b>	<b>14.3</b>	- 30.0%
<b>EBITDA</b>	<b>- 2.4</b>	<b>- 1.2</b>	

- Export volumes up slightly despite challenging export environment
- Revenues down on year-back figure owing to lower nominal export revenues and deconsolidation of Lineafresca
- EBITDA influenced by proceeds of Lineafresca sale

## CORPORATE AND EXPORT

as % of whole group

**3.7%**



# Consolidated income statement (1/2)

CHF million	Jan – Jun 2015	Jan – Jun 2014	Δ in %
<b>Revenues</b>	<b>241.5</b>	<b>253.1</b>	– 4.6%
Cost of sales	– 145.8	– 157.1	
<b>Gross profit</b>	<b>95.8</b>	<b>96.0</b>	– 0.2%
as % of revenues	39.6%	37.9%	
Personnel expenses	– 45.5	– 47.3	
Other operating income	0.2	2.0	
Other operating expenses	– 28.0	– 28.4	
<b>EBITDA</b>	<b>22.4</b>	<b>22.3</b>	+ 0.7%
as % of revenues	9.3%	8.8%	
<b>Depreciation + amortisation</b>	<b>– 7.4</b>	<b>– 8.3</b>	
<b>EBIT</b>	<b>15.0</b>	<b>14.0</b>	+ 6.9%
as % of revenues	6.2%	5.5%	

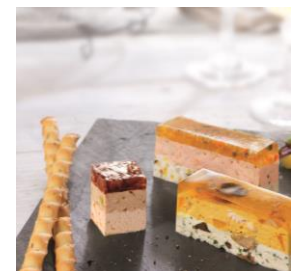
- Gross margin up by 173 bps to 39.6%, mainly due to lower raw material prices
- EBITDA margin up by 48 bps to 9.3% thanks to lower raw material prices, and focus on core businesses and operational efficiency
- Operating income up by 6.9% to CHF 15.0 million and margin up by 66 basis points to 6.2%



# Consolidated income statement (2/2)

CHF million	Jan – Jun 2015	Jan – Jun 2014	Δ in %
<b>EBIT</b> as % of revenues	<b>15.0</b> 6.2%	<b>14.0</b> 5.5%	- 8.6%
<b>Financial income/financial expense</b>	<b>- 2.1</b>	<b>- 1.3</b>	
<b>Pre-tax profit</b> as % of revenues	<b>13.0</b> 5.4%	<b>12.7</b> 5.0%	+ 1.6%
<b>Income taxes</b>	<b>- 2.6</b>	<b>- 2.1</b>	
<b>Profit</b> as % of revenues	<b>10.3</b> 4.3%	<b>10.6</b> 4.2%	- 2.7%
<b>Currency-adjusted profit for the year</b> as % of revenues	<b>11.5</b> 4.8%	<b>10.8</b> 4.3%	+ 6.4%

- Financial result reduced by CHF 1.1 million as a result of currency effects from revaluation of balance sheet items denominated in foreign currencies
- Currency-adjusted profit for the year up by 6.4% to CHF 11.5 million and margin up by 49 bps to 4.8%



# Consolidated balance sheet

CHF million	30.6.15		30.6.14	
<b>Net working assets</b>	<b>143.1</b>	35.1%	<b>150.4</b>	36.3%
<b>Property plant and equipment</b>	<b>82.5</b>		<b>82.6</b>	
<b>Intangible assets</b>	<b>180.4</b>		<b>181.7</b>	
<b>Deferred tax assets</b>	<b>1.5</b>		<b>0.2</b>	
<b>Total assets</b>	<b>407.5</b>	100.0%	<b>414.9</b>	100.0%

CHF million	30.6.15		30.6.14	
<b>Total liabilities</b>	<b>184.4</b>	45.3%	<b>207.2</b>	49.9%
<b>Equity</b>	<b>223.1</b>	54.7%	<b>207.7</b>	50.1%
<b>Total liabilities and equity</b>	<b>407.5</b>	100.0 %	<b>414.9</b>	100.0%

- Balance sheet even stronger
  - CHF 15.2 million reduction in net debt to CHF 73.4 million
  - Net debt/EBITDA ratio improves from 1.92x to 1.52x
  - Improvement in equity ratio from 50.1% to 54.7%
- Solid balance sheet structure underlines continuation of attractive dividend policy and financing of future growth



# CEO's agenda | Four key themes

- House of Innovation
- Strengthen and develop brands
- Agility and cost efficiency
- Sustainability





# House of Innovation

- Recognise/anticipate potential growth trends at an early stage and lead the market
- Pioneer role: create new product segments and concepts in attractive niches
- Innovation skills thanks to market proximity and strong partnerships (House of Innovation)



## Vegi/Vegan

Soya-based  
okara balls

## New creations

«Terrine» in glas cup  
Armagnac  
Truffel  
Champagne

## Special recipes and care products

Gluten-free Spätzli

## Traditional specialities and new interpretations

Prosciutto in herb  
and orange crust

## Food service concepts

beSMART  
go LARGE

## Snacking

Meat Chips

# Strengthen and develop brands

- Sharpen our brands' positioning and create differentiated brand worlds
- Continue to develop brand awareness; increased Marketing investments
- Focus on traditional brands with strong heritage, regional roots and uniqueness



# Agility and cost efficiency

- Continuously optimise structures, product portfolios and processes; improve the value chain
- Use the Group's size in order to realize more synergies (purchasing/production blue print)
- Lean and agile organisation (competence centres)



**Product portfolio**



**Processes**



**Value chain**



**System landscape**



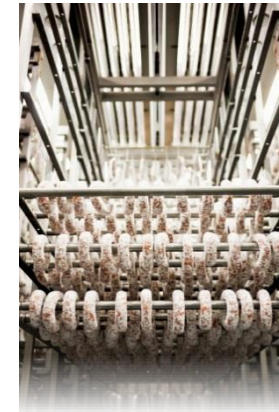
**Synergies**



**Facility development**

# Sustainability

- Train and develop our employees
- Continuous renovation of the product portfolio towards sustainable raw materials, recipes with no artificial additives and permanently reduce salt and sugar
- Procurement of sustainable raw materials
- Further reduction of food waste, energy and waste water



**Resources/  
procurement**

**Animal  
welfare**

**Employees**

**Nutrition and health**

**Production**

**Quality  
management**

# Outlook for 2nd half of 2015

- Overall market environment remains challenging
- Additional investments in innovation and marketing in order to strengthen market positions in selected niches
- Sharpen product portfolio and strong focus on sustainable, profitable growth
- Focus on continuous work on cost structures, efficiency and agility
- Continue to drive the initiated operational activities to realise group-wide production and purchasing synergies:
  - Manufacturing blue print
  - Purchasing project
- Continue "House of Innovation" initiative
- Drive M&A based on renewed M&A strategy (CEO agenda)
- Finalise ORIOR 2020 strategy with involvement of all key stakeholders
- Continue dividend policy



# Share information

<b>Listing</b>	<b>SIX Swiss Exchange</b>
<b>Security number</b>	<b>11167736</b>
<b>ISIN code</b>	<b>CH011 1677 362</b>
<b>Ticker symbol</b>	<b>ORON</b>

<b>Dividend policy</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Distribution ratio	44.6%	45.2%	42.3%	40.5%
Dividend per share in CHF	2.00	1.97	1.95	1.93

- Dividend ratio > 40%
- Withholding tax-free distribution
- Dividend yield of over 3.5%

<b>Stock exchange information / Key figures</b>		<b>30.06.15</b>	<b>30.06.14</b>
Share price at 31.12.	in CHF	56.80	55.50
Year high	in CHF	61.70	57.50
Year low	in CHF	49.25	48.85
Market capitalisation	in CHF m	336.54	328.84
Earnings per share	in CHF	1.75	1.80
Operating cash flow per share	in CHF	2.35	0.38
Equity per share	in CHF	37.75	35.12

## Shareholders with more than 3% of ORIOR AG's share capital (15.08.15)

Ernst Göhner Foundation (CH)	10.46 %
Capital Group Companies (USA)	6.50 %
UBS Fund Management AG (CH)	6.21 %
Schroders Plc (GB)	4.88 %
Rolf U. Sutter (CH)	3.36 %
Swisscanto Fondsleitung (CH)	3.28 %
Credit Suisse Funds AG (CH)	3.11 %
Schroders (CH)	3.08 %

## Corporate calendar

30.09.15	Investora 2015
16.11.15	ORIOR Investors' Lunch
24.02.16	Publication of Full Year Results 15
24.02.16	Publication of Annual Report 15
12.04.15	6th Annual General Meeting



ORIOR  
PREMIUM FOOD

## Q&A



Thank you very much  
for your attention