

ORIOR

EXCELLENCE IN FOOD



ORIOR 2025 Strategy

Investor Event, 9 November 2020

Agenda

- **Review / evaluation**

- Review ORIOR 2020 Strategy
- Statement on the Guidance 2020

ORIOR 2025 Strategy

- Our vision – our mission
- Overarching goals
- Strategic pillars
- Key strategic initiatives
- M&A priorities
- Governance
- Our ambition

The ORIOR world

Review ORIOR 2020 Strategy
The 2020 goals in overview























ORIOR in 2020

- 1 ORIOR remains a stable and financially strong food group. ✓
- 2 ORIOR has achieved solid growth in Switzerland including bolt-on acquisitions. ✓
- 3 ORIOR has steadily improved its operating results, supported by high cost efficiency. ✓
- 4 ORIOR remains the market leader in existing and new product niches. ✓
- 5 ORIOR is the most innovative food group in Switzerland, and owns strong and unique brands. ✓
- 6 ORIOR is European. ✓
- 7 ORIOR offers shareholders an attractive dividend yield and has steadily increased its dividend payout. ✓

**Successful ORIOR
2020 Strategy;
substantial corona
impact as of
March 2020**

Organisational development → Resilience thanks to diversified business model

- Our competence centre structure makes speed and agility possible thanks to individuality across a diversified range of product worlds, strong regional roots and enduring market closeness.
- Executive Committee is supported by the Extended Executive Committee; new leadership teams and the Champion Model strengthen the ORIOR network, driving value and creating new sales potential.
- Strengthened International (Culinor, Gesa, Casualfood), fresh convenience (Culinor), organic in general and organic beverages (Biotta), food service / direct-to-consumer sales (Casualfood) and innovative power (Culinor, Biotta, Casualfood); established new sales channels (health food stores, airports, railway stations).
- Efficiency gains and lower costs thanks to production site development and supply chain excellence.

Convenience Category pioneers				Refinement Strong traditional brands			International			
Fredag	Le Patron	Pastinella	Biotta	Rapelli	Albert Spiess	Möfag	Culinor	Casualfood	Gesa	Spiess Europe
										
										

Lessons Learned

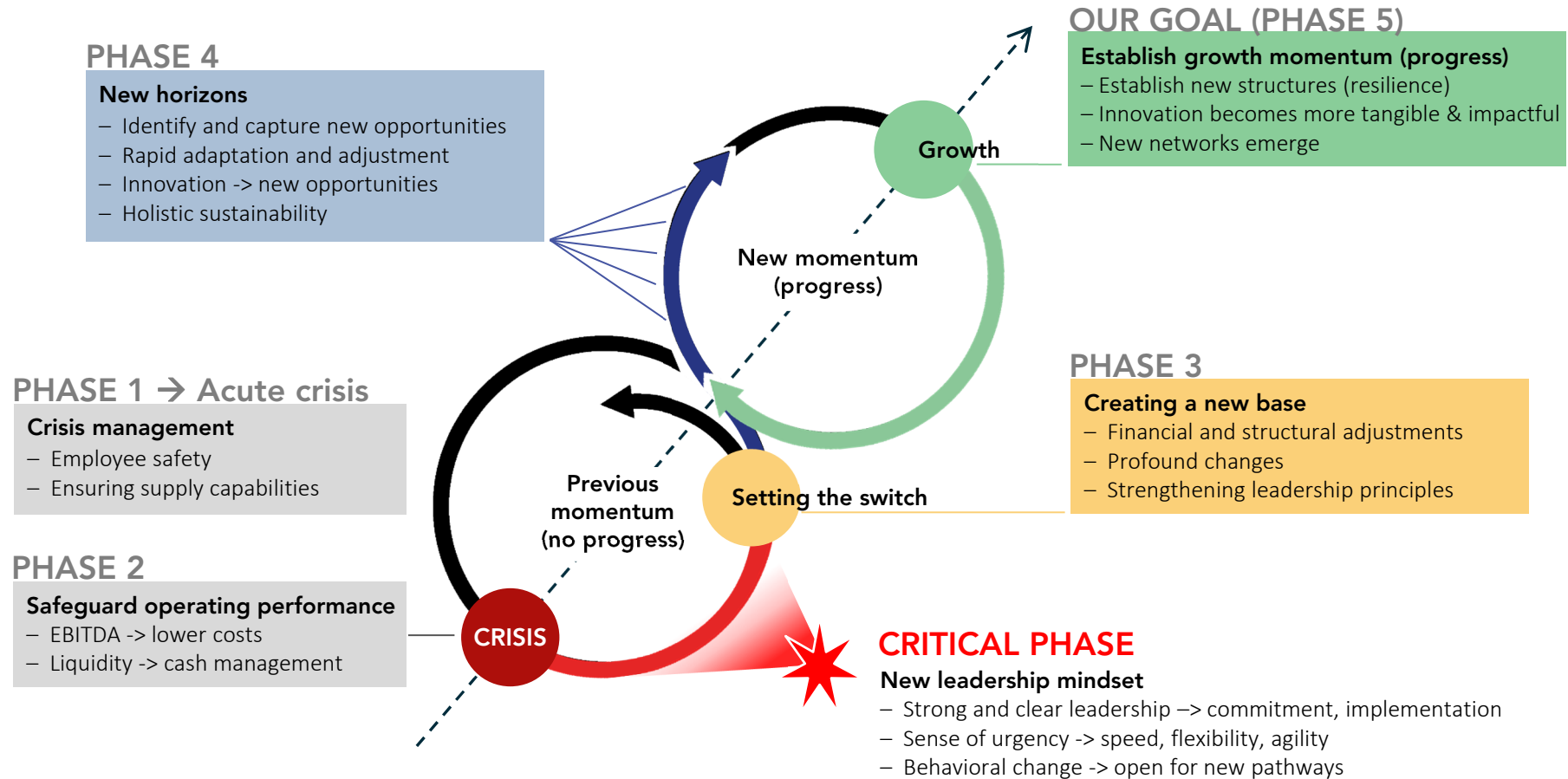
ORIOR 2025 Strategy represents an evolution

- The successful ORIOR 2020 Strategy serves as the basis and starting point for the new strategy period
- Key elements of the 2020 strategy have been refined and perfected.
- Strategy development and execution broadly supported:
 - *Extended Executive Committee in the lead.*
 - *Formation of specialist teams for specific topics → know-how, quality, commitment.*
 - *ORIOR Top50 are the ambassadors of the ORIOR Strategy 2025 → involved in the development of sub-elements of the new strategy.*

Anchoring and common understanding as a success factor

- Strategy and strategy execution placed on a broader base; rolling action plans to integrate core elements more deeply into the daily business and into existing management tools.
 - *Encouraging and demanding common understanding even more than before. Intensification through constant repetition, training/interaction and through involvement.*
 - *Reduction of strategy to simple and understandable terms/graphics/messages that can be cascaded across all levels of the Group.*
 - *Consistency of wording, thereby strengthening internal identification with the strategy and external understanding of the strategy.*

The New Normal -> Our path towards the new growth momentum



Statement on the guidance 2020

Outlook for ORIOR Group

H2 and FY excl. materially impacted Casualfood stable to slightly positive

in CHF million	H1 2020	Guidance H2 2020	Guidance FY 2020	FY 2019
ORIOR Group revenues	287.4	298 to 308¹	585 to 595¹	596.4

- Organic FY 2020 –3.0 to –1.5%; Organic excl. Casualfood at prior-year levels or slightly positive growth expected.
- Food service recovery continues, but not back at pre-corona levels.
- Stronger demand in retail begins to flatten out; resumption of innovative new product launches with good potential.

	H1 2020	Guidance H2 2020	Guidance FY 2020	FY 2019
Group EBITDA margin	8.2%	9.0 to 9.5%	8.6 to 8.8%	10.2%

- Significant improvement in operating profitability in H2 vs H1. Drivers are one-off and extraordinary corona-related costs, costs management, short-time work (one-time insurance benefits in H1).
- Operating profitability excl. Casualfood in H2 back at prior-year level.
- Casualfood with material negative impact.
- Change in product and channel mix: Shift in consumption patterns will continue (working from home, more time to cook, etc.).

¹ At constant exchange rates (H1/2020 average EUR/CHF exchange rate: 1.0641).

Extract from the presentation of the half-year results 2020, 19 August 19

Outlook for ORIOR Group

H2 and FY excl. materially impacted Casualfood stable to slightly positive

	Guidance FY 2020	FY 2019
Tax rate	18 to 21%	8.4%

- Casualfood (non-utilisation of loss carryforwards)
- Positive effects from STAF 2019.

in CHF million	Guidance FY 2020	FY 2019
CapEx	14 to 16	14.1

- Opening of new Berlin airport in late October 2020 will entail one-off increase in expenditures (but less than originally budgeted due to the staggered opening of terminals in the age of corona).

Other core Group initiatives

- ORIOR «New Normal»: new opportunities.
- Sustainability further embedded across the company.
- ORIOR 2025 Strategy presentation 9 November 2020.

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● ORIOR 2025 Strategy

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The ORIOR world

Our vision:



Our mission:

*We are striving for uniqueness and offering
best quality in order to surprise our consumers
time and again with enjoyable
food moments.*

ORIOR 2025 Strategy

Overarching goals

Goal 1 ORIOR generates sustainable and profitable growth, sustained by its unique business model and broad footprint.

Goal 2 ORIOR embraces management clarity and responsibility, entrepreneurship and strong common values.

Goal 3 ORIOR celebrates its innovative skills in its brand, concept and product worlds, fascinating its consumers time and again.

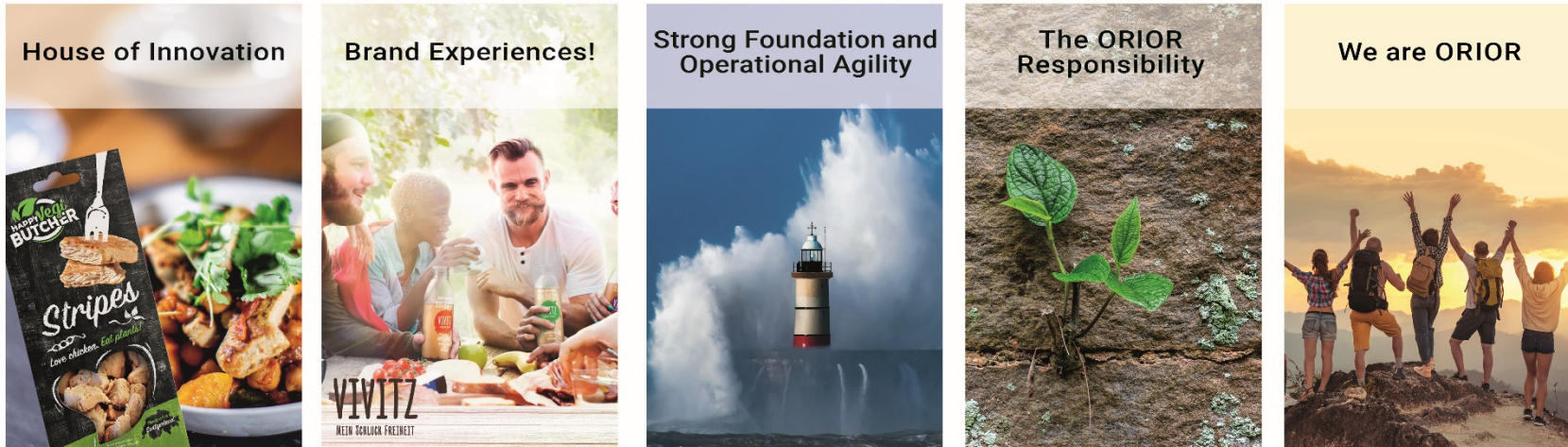
Goal 4 ORIOR is an attractive, financially sound and resilient Food & Beverage Group.

Goal 5 ORIOR steadily increases the absolute dividend.

Goal 6 ORIOR invests in sustainable organisational development and is establishing the ORIOR Campus as its central platform for employee training and development.

Goal 7 ORIOR takes responsibility and promotes sustainability steadfastly, proactively and purposefully.

ORIOR 2025 Strategy Strategic pillars



ORIOR 2025 Strategy

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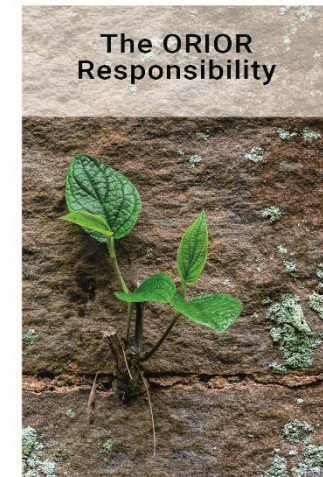
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House of Innovation



Strategic pillar

“House of innovation”

By embedding innovation deeply into our corporate culture, we will be able to generate sustainable value on our products, concepts, services and processes alongside the entire value chain.

We aim at creating differentiating consumer and customer experiences as well as empowering our people to stay a step ahead in our business.

Strategic pillar “House of Innovation”

Areas of focus

- Innovation at ORIOR is built on **our core competences** focusing on developing existing and **new niches** even beyond our products.
- Innovation at ORIOR is **breathhtaking simple** but specific and focused.
- Innovation at ORIOR is made for today’s business and tomorrow’s consumer’s needs.
- Innovation at ORIOR is based on **strong category management** expertise and validated by adequate market research, executed by a clear innovation development process.

Goal 1 *We will be perceived as absolute **leaders in innovation** along our categories by our customers and therefore continuously confirm our partnerships.*

Goal 2 *Our innovations will generate **accretive contribution margins** to our business.*

Goal 3 *Our innovations will not be risk proof but with the “first time right” principle, we aim at **successful market launches** of at least **50%** in the first year.*

Goal 4 *Our innovations should further **strengthen our pride** and are driven by and for all our stakeholders.*

Brand Experiences!



Strategic pillar

“Brand experiences!”

We view ourselves as **a creative workshop** focused on our brands, products and services **and aiming to win over consumers** with our stories and our passion for what we do.

We are constantly developing new **culinary delights** for **our heritage brands** as well as the brands of our customers. In doing so, we always communicate **empathetically** paired with closeness to the consumer, primarily using our **innovative product and packaging concepts**. This combination fosters relevance among consumers and our business partners, enhances our independence and **ensures the sustainable growth of** our business.

“Brand Experiences!”

Areas of focus

- We are broadening and refining our **marketing skills**.
- We constantly focus on the consumers and **their needs**.
- The primary objective is to distinctly **position** our company and our brands and **to differentiate ourselves** from the competition.
- We create unique **brand experiences** !
- As a motivating and inspiring employer, we exemplify what we stand for as a company every day. In doing so, our employees serve as **proud** company **and brand ambassadors** in the regions where they work and in their dealings with customers.

Goal 1 *We will tell a distinct story for **every brand** that people on the inside and outside can experience.*

Goal 2 *In addition to new products, we will create innovative and sustainable **product and packaging concepts**.*

Goal 3 *We aim to steadily increase the share of **our own brands** in our portfolio.*

Goal 4 *Every unit will have **a motivating and inspiring employer brand**, which makes us unique.*

Strong Foundation and Operational Agility



Strategic pillar

“Strong Foundation and Operational Agility”

We are working hand in hand to **further strengthen the financial and operational foundations of the company**, each employee in their particular area and across **the entire value chain**.

Our decentralised business model keeps us **close to the market** and reinforces **the** entire Group’s resilience. At the same time, the company’s broad portfolio of activities enables us to capture value creation synergies between the competence centers, share know-how and continuously harmonise and improve process workflows.

Our constant efforts and increasing **agility** as well as **digitisation** help us to make progress towards Operational Excellence every day.

Strategic pillar “Strong Foundation and Operational Agility”

Areas of focus

- The operational and financial foundation of our company will be strengthened through the **continuous** process **optimisation** and efficiency gains and **by making our fix cost base more flexible**.
- We aim at creating **value** in all operational and functional areas of the company, supported by the Group-wide ORIOR **Champion Model** (internal know-how networks).
- We are striving for **simplification** and **improvement** at all process and system levels. Active portfolio management is essential to these efforts.
- We **are selectively investing** in ongoing **digitisation** to increase efficiency and capture new opportunities throughout the value chain.

- 
- Goal 1 We are implementing a comprehensive, **Group-wide roadmap supply chain excellence 2025** containing improvement measures throughout the value chain.
 - Goal 2 We are increasing **our productivity** and **efficiency**, and thus constantly improving our operational cost base.
 - Goal 3 We are gradually increasing **the level of digitisation and automation** in the company.

The ORIOR Responsibility



Strategic pillar

“The ORIOR Responsibility”

Sustainable business practices form **the basis for Excellence in Food**. Every day we strive to improve our performance across **the entire value chain** in keeping with our clearly formulated **sustainability strategy** and the objectives contained therein.

Strategic pillar “The ORIOR Responsibility”

Areas of focus

- **Product responsibility:**
Animal welfare,
Sustainable raw materials,
Safe and healthy food
- **Environmental responsibility:**
Food waste and packaging,
Climate and energy,
Water
- **Social responsibility:**
Employee development,
Occupational safety and health,
Economic performance

Goal Ongoing **efforts and progress measuring** in all sustainability areas; achievement of the goals set in ORIOR’s Sustainability Strategy.



We are ORIOR



Strategic pillar


“We are ORIOR”

“We are ORIOR” is based on common **corporate values** and **empowerment** of employees at all levels in regard to **self-responsibility**, open and direct communication, and **ethical and respectful business conduct**. We support and promote **the cultural diversity** of the decentralised competence centres and are firmly committed to **occupational health and safety**. At the same time, we provide our dedicated **employees** with opportunities for growth and development in their day-to-day work. We want to celebrate our **craftmanship** with **passion and pride**.

Strategic pillar “We are ORIOR”

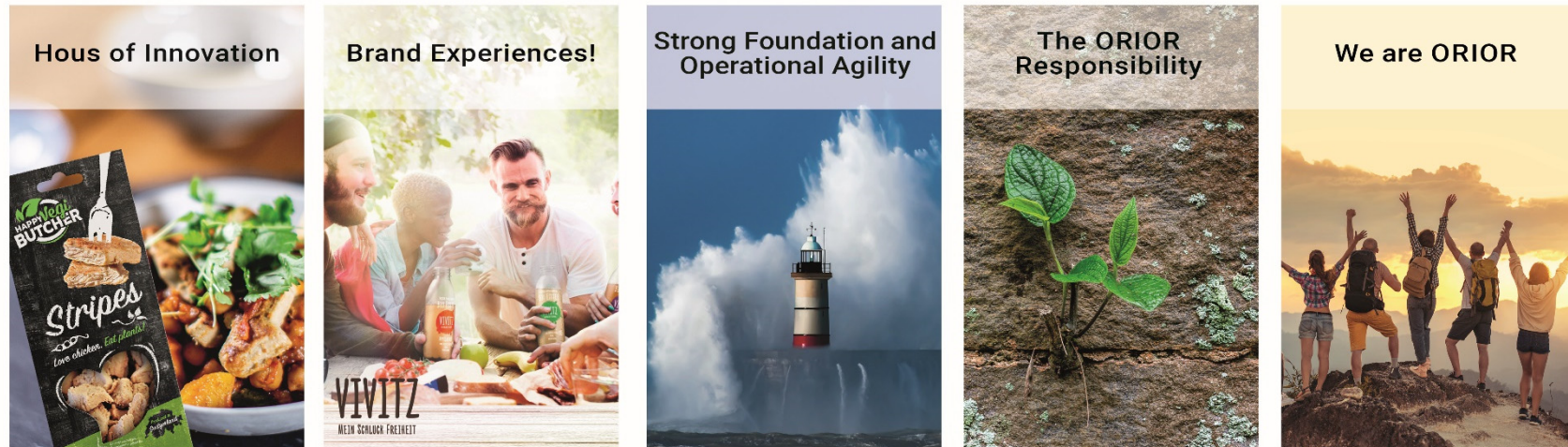
Areas of focus

- We celebrate, expect and encourage an **entrepreneurial mindset** at every level of the organisation.
- We are establishing **our ORIOR Campus** as a central platform for employee training and development, with the objective of expanding the skill sets of our employees and strengthening our organisation.
- We see a direct correlation between **employee health and safety** and workforce **motivation** and **performance**.

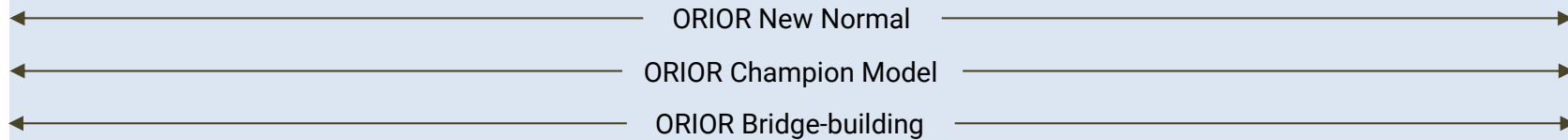
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- Goal 1 *We will invest in sustainable **organisational development**.*
 - Goal 2 *We will continuously improve **employee safety and health** by introducing a comprehensive and Group-wide occupational safety and health (OSH) program.*
 - Goal 3 *We will establish our **ORIOR Campus** as a central platform for employee training and development.*
 - Goal 4 *We will introduce Group-wide **talent management** program.*
 - Goal 5 *We will promote **vocational training** and **internship** programmes.*

ORIOR 2025 Strategy

Key strategic initiative

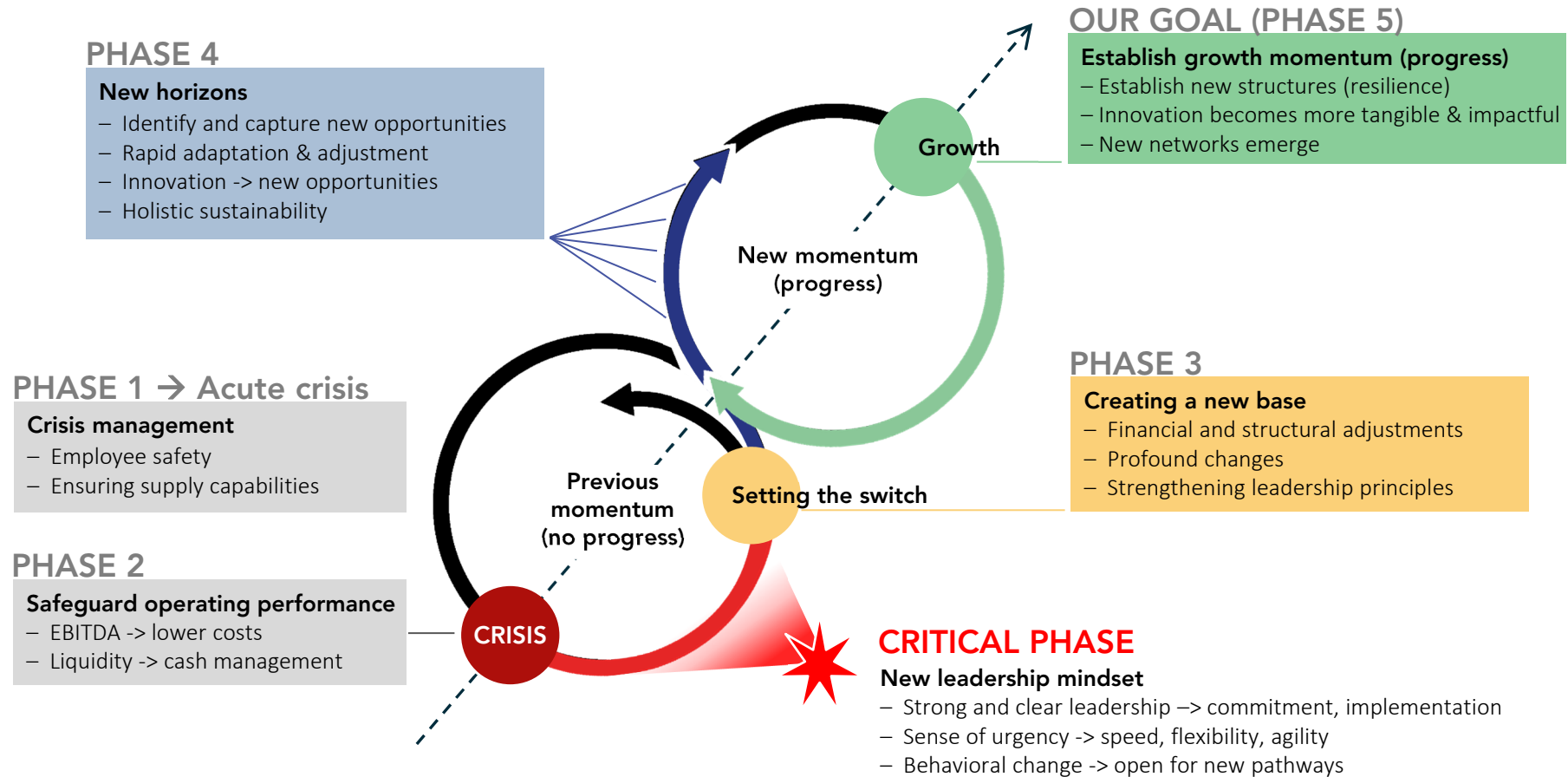


Key strategic initiatives



Key strategic initiative

The New Normal -> Our path towards the new growth momentum

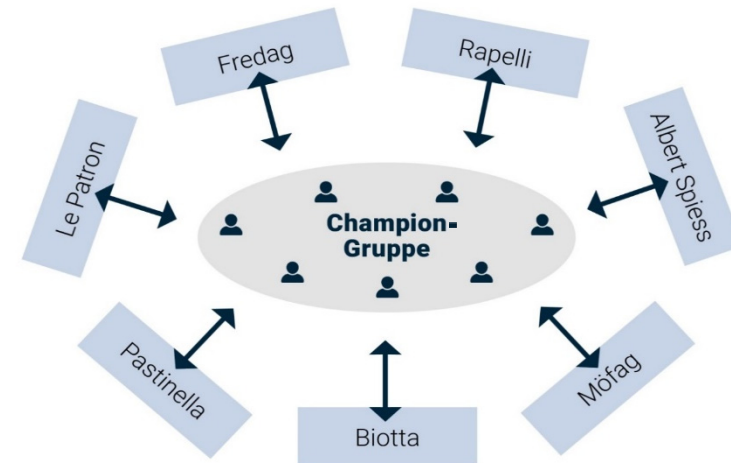


Key strategic initiative

ORIOR Champion Model

Fundamental to ORIOR's decentralised organisational structure

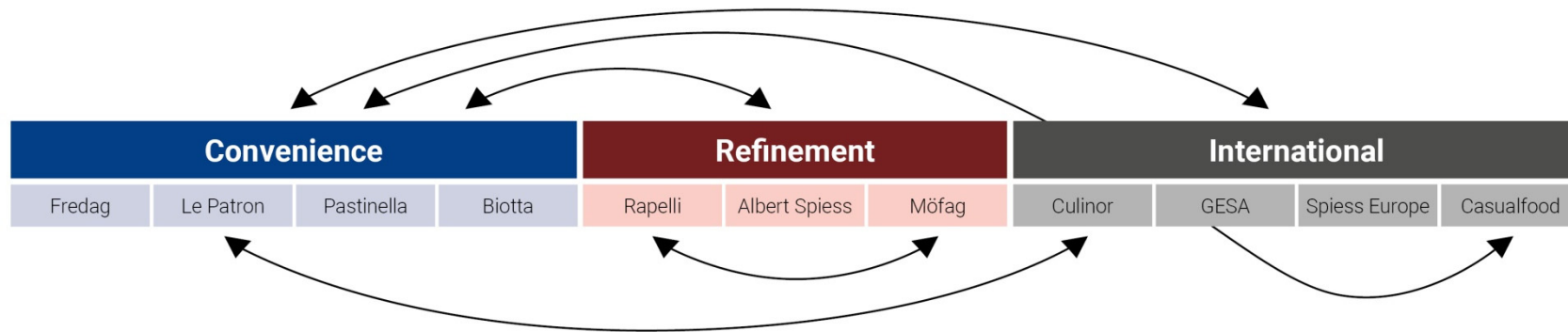
1. **Encourage responsibility, identification and motivation.**
2. **Substantial value creation** for the business units and the ORIOR Group.
3. **Strengthen** competence centres through **intra-disciplinary, functional** collaboration and the **sharing/exchange** of know-how. Focus is on potential cost-efficiency gains and knowledge transfer.
4. **Ongoing development of key employees:** ORIOR Campus, "on the job"



Key strategic initiative

ORIOR Bridge-building

Generate incremental revenues through increased collaboration



Goals

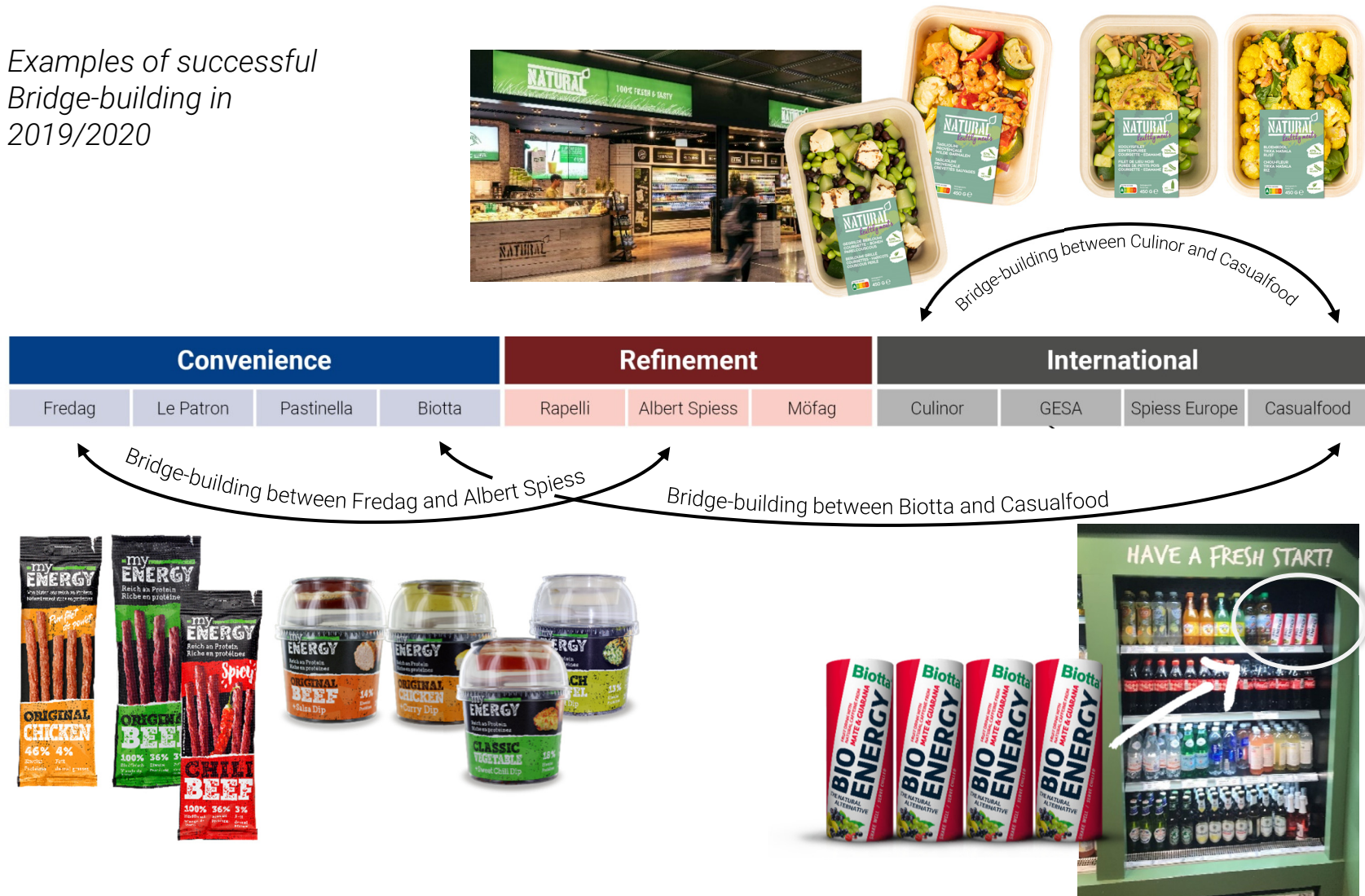
- Building bridges will generate **new growth**.

Ideas

- Proactive and situational **cooperation** on **value-creating projects** involving multiple segments and/or business units to:
 - **capture new sales potential:** e.g. by expanding existing successful brands, products, concepts or ideas in new channels or markets.
 - **develop new sales potential:** e.g. through know-how and knowledge transfer within the Group.

Key strategic initiative
ORIOR Bridge-building

Examples of successful
Bridge-building in
2019/2020

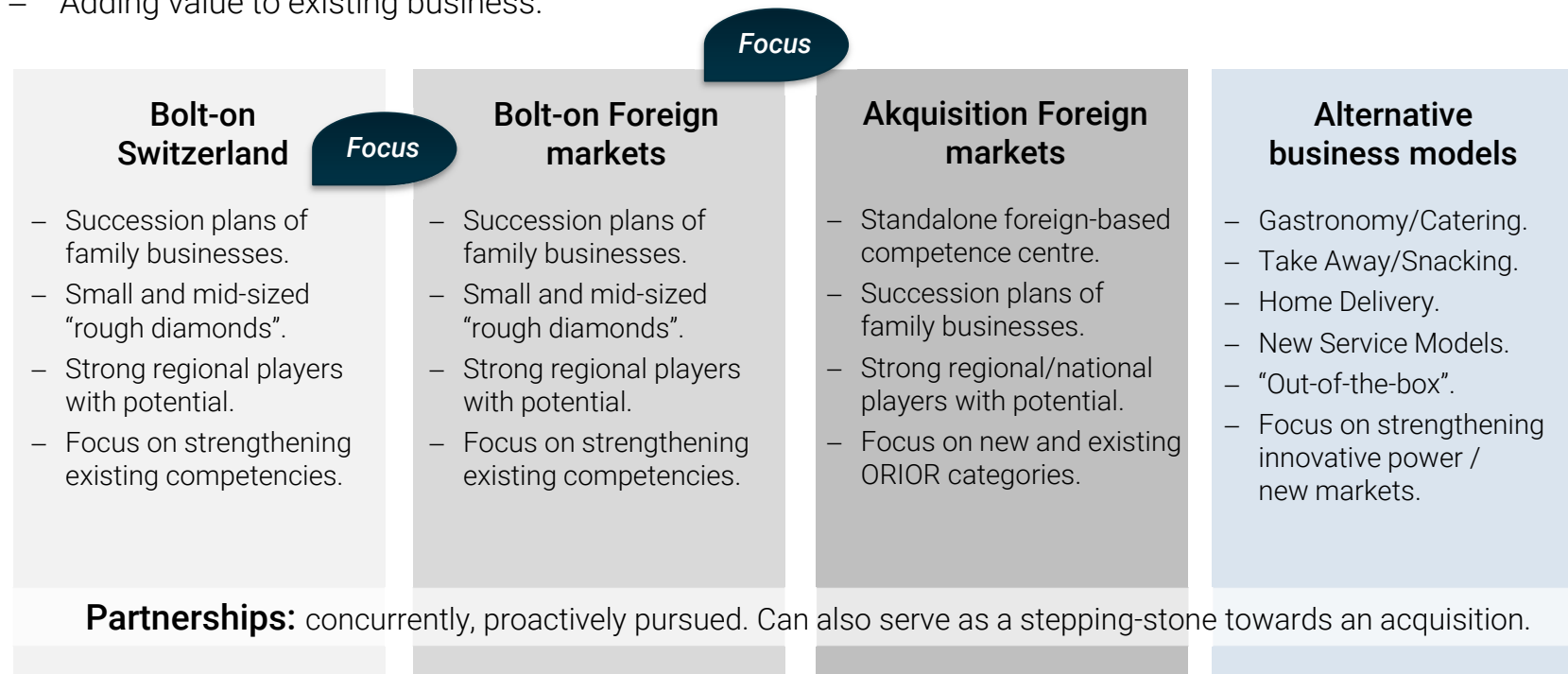


ORIOR 2025 Strategy

M&A priorities

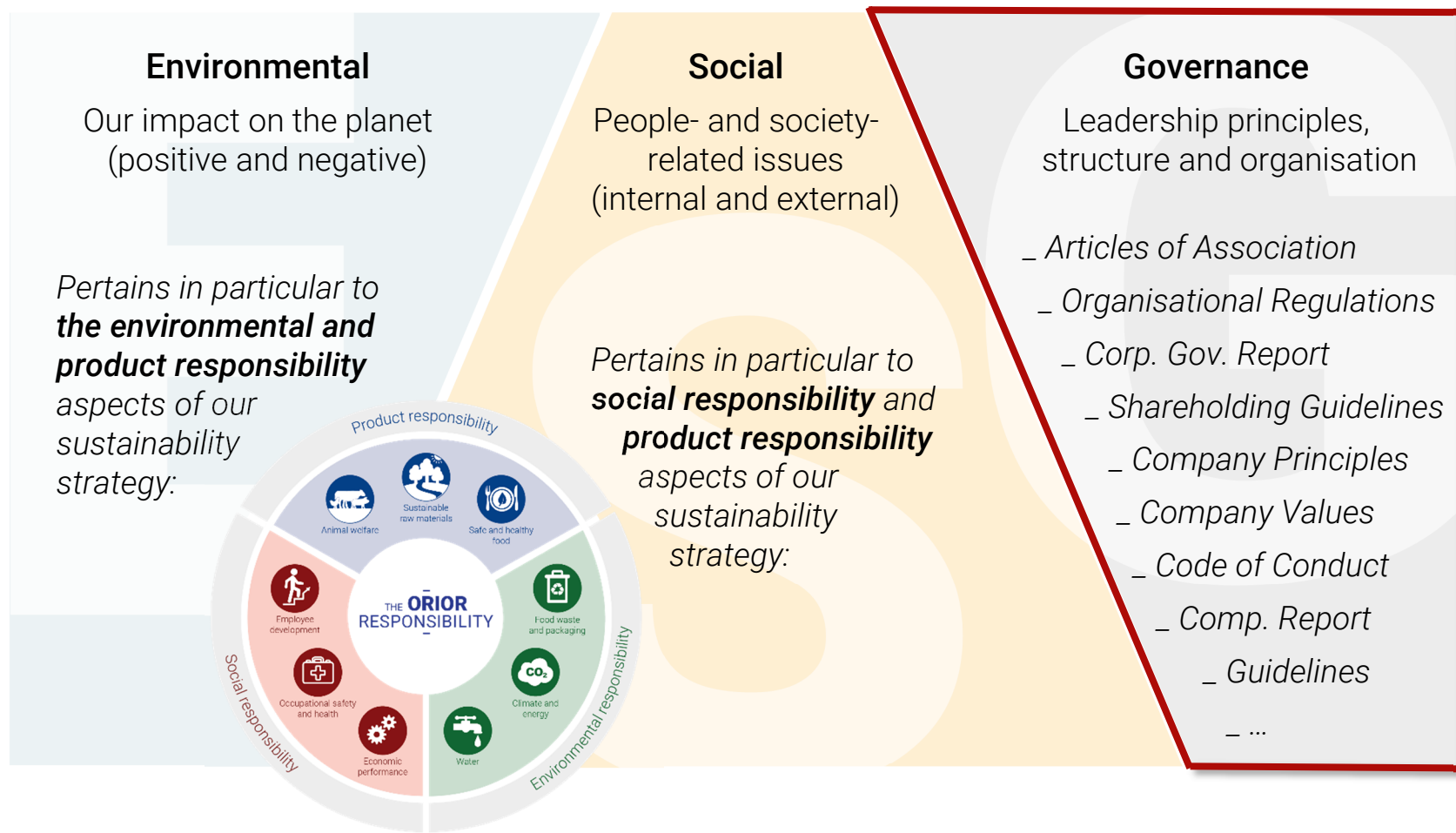
M&A strategy basics

- In accordance with the primary goals of the ORIOR 2025 Strategy.
 - *Particularly with regard to the long-term strengthening of balance sheet quality and dividend policy.*
- Expand, strengthen or round off existing core competencies.
- 3 fits: Strategic fit, cultural fit, financial fit
- Adding value to existing business.



ORIOR 2025 Strategy Governance

Governance is an increasingly important issue; also in the context of ESG



Governance

Strengthening leadership principles (governance)

Many governance-related issues are integral parts of the strategic pillar “We are ORIOR”.

- Review/sharpening of our guiding principles (gradual implementation)
 - *People Empowering Programme (e.g. establishment of Group-wide talent management program)*
 - *Code of Conduct (e.g. addressing social requests such as human rights, equality of opportunity)*
- Organisational development
 - *Investment in sustainable employee development (-> goal of “We are ORIOR”)*
- Gradual further refinement of the remuneration and shareholding policy (2021)
 - *Shareholding guidelines: includes minimum shareholding requirements for BoD and top management*
 - *Introduction of LTI plan for top management (ESG)*
 - *Revision and publication of an employee stock ownership plan “ORIOR 2025 Strategy”*
 - *Sharpening performance criteria for top management and implementation of ESG goals*
- Information policy
 - *Further transparency in the Corporate Governance Report and Compensation Report*
 - *ESG at ORIOR: overview and presentation (Q1 2021, along with Annual Report 2020)*

Overarching goals and our ambition

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Our ambition

Organic growth

2% to 4% on average

Operating profitability

Annual absolute EBITDA growth

EBITDA margin > 10%

Debt ratio

Continuous deleveraging

Net debt/EBITDA of < 2.5x

Strengthening balance sheet quality:

Equity ratio of > 25%

Increasing capital efficiency (ROCE)

Dividend

Steady increase in absolute dividend

Responsibility

Improvement index > 80 % along all our sustainability goals