

ORIOR

EXCELLENCE IN FOOD



2020 **ORIOR Group**

HALF YEAR REPORT

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 delightful world of ORIOR consists of well-established companies and brands with leadership positions in growing niche markets in Switzerland and abroad.

ORIOR's goal is to steadily create value for all stakeholders. Market intimacy, strong partnerships, and a lean, agile group structure and the intradisciplinary ORIOR Champion Model 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**.

Contents

Letter to Shareholders	2
Interim Consolidated Financial Statements 2020	7
Notes to the Interim Consolidated Financial Statements	12
Share Information	16

Dear Shareholders

We are pleased to present you a good first half of 2020 against the backdrop of Covid-19 – thanks to its broader operational footprint, flexible and agile structure, and market centricity as well as its good business development during the first two-and-a-half months of the fiscal year. Business was materially impacted by government guidelines and restrictions and the ensuing measures ORIOR implemented to protect the health of its employees and maintain its supply capabilities. The consequent changes in ORIOR's product and channel mix led to a surge in the retail business and a near-standstill in business at travel catering specialist Casualfood as well as sharp declines in other areas of the food service business.

ORIOR Group generated revenues of CHF 287.4 million in the first half of 2020, which corresponds to an increase of 2.8% from the prior-year period. Organic revenues increased 0.2%, which is notable considering the difficult situation. Organic growth was driven by the ORIOR Refinement and ORIOR International segments. Sharply higher demand in the retail sector due to changes in consumption needs as a result of government policy responses to the pandemic was the key factor for their growth. In addition, business with food service customers after the easing of lockdown restrictions in May was better than expected, albeit still at low levels. On the whole, the significant declines in food service revenues (restaurants, wholesale, take-away, event catering, canteens, schools, children's lunch services) were more than offset by the organic growth. Acquisitions had a positive effect of 4.0% on Group revenues, which reflects the purchase of the second tranche of Casualfood shares in the autumn of 2019 and the consequent full consolidation of the subsidiary. Currency translation had a negative effect of –1.4% on Group revenues.

EBITDA declined by CHF 4.9 million to CHF 23.5 million and the resulting EBITDA margin stood at 8.2%. This contraction is attributed on the one hand to non-recurring costs related to the many measures taken to safeguard the health of ORIOR employees and the company's supply capabilities. The implementation of these measures, ranging from additional safeguards in production areas and break rooms to structural and other changes at points of entry or in locker/changing rooms, entailed considerable – mostly non-recurring – additional costs. They also resulted in temporarily higher absentee rates (vulnerable workers) and slowed down certain operating processes. Public policy responses restricting the right to travel and freedom of movement led to shifts in consumption patterns that impacted both the product and the sales channel mix. There was a general increase in demand from retailers, especially for branded and core products in the refinement, fresh pasta and veggie categories and for Biotta juices. Promotional activities and certain product lines were temporarily scaled back or halted. Meanwhile sales of ready meals declined, in part because of more homeoffice working and consumers had more time to cook their own meals. On the other hand, restaurants and other food establishments were forced to close during the lockdown and that led to the production stoppage of entire product groups. Thanks to its flexible and agile structure, ORIOR managed to realign its production activities in response to the changes in the product mix as well as the surge in demand from food retailers within a very short period of time, which, however, entailed additional costs during this phase of transition. The relatively lower-margin Refinement segment showed very good organic growth during this extraordinary crisis, while sales at the generally higher-margin Convenience segment declined due to the aforementioned changes in consumption needs and the sudden plunge in the food service business. These changes in the product and channel mix had an impact on the Group's profitability as well. Moreover, the near standstill at Casualfood, integrated into ORIOR Group as of the autumn of 2019, had an additional and material impact on all key figures of the income statement.

Quickly initiated cost-cutting measures, temporary measures such as short-time work, and the one-time insurance benefits received were unable to completely offset the above-mentioned negative factors. Operating profit (EBIT) was additionally impacted by acquisition-related depreciation. First-half EBIT amounted to CHF 10.0 million, a decline of CHF 7.4 million compared to the prior-year period. Net profit declined by CHF 5.7 million to CHF 8.3 million, which also reflects the absence of the positive non-recurring income tax effects from the prior-year period.

Operating cash flow for the period under review amounted to CHF 9.6 million (H1 2019: CHF 20.8 million). This contraction reflects the lower earnings and insured benefits that will not be paid out until July 2020. The cash conversion ratio of 40.9% for the period was therefore also well below the multi-year average (H1 2019: 73.3%).

ORIOR Convenience segment

The Convenience segment, which consists of the Fredag, Le Patron, Pastinella and Biotta competence centres, reported revenues of CHF 95.2 million, which represents a decline of –3.9% from the prior-year period. All four competence centres began the year on a positive note and the outlook for the months to follow was promising. That abruptly changed with the restrictions and guidelines issued by government officials in response to the coronavirus outbreak, which led to significant declines in food service sales as well as shifts in consumption patterns as people had more time to cook. Fredag and Le Patron, the two competence centres that generate a large share of their total revenues in the food service business, were materially impacted by these developments. Fredag nevertheless experienced good growth in the retail channel and its business with customers in the restaurant industry was better than expected as restrictions were eased, whereas Le Patron's revenues from ready meals plunged due to the shifts in consumption needs, in addition to the absence of event-related catering revenues and the slow resumption of business with canteens and schools late in the reporting period. Pastinella and Biotta juices generated very good revenues – thanks in part to their low exposure to the food service business. Ultimately, the additional revenues with the retail industry were unable to completely offset the significant drop in this segment's revenues from food service and ready-made products.

As for raw materials, the segment was challenged by high prices for Swiss poultry and the tight supply of special raw materials (e.g. organically grown raw materials) – partly attributable to the increase in demand from retailers.

ORIOR Refinement segment

The ORIOR Refinement segment with the Rapelli, Albert Spiess and Möfag competence centres achieved very good organic growth of 3.7% to CHF 131.9 million in the first half of 2020, to which all three competence centres contributed. The key driver was sharply higher demand in the retail and discounter channels, even though promotional activities and product lines were occasionally scaled back at short notice. The very good performance of branded and core product groups and general trends distinguished by a preference for regional and organic products – which have gained even more momentum because of the coronavirus – could more than offset these reductions in promotional activities and product lines. Thanks to their strong regional appeal and "terroir specialities", Rapelli and Albert Spiess additionally profited from the greater numbers of Swiss who vacationed or made short trips in Switzerland. Möfag generates a much smaller share of its over-all revenues with food service customers and demand for its products from discounters was also sharply higher, so it likewise performed very well in the first half.

As for raw materials, the expected high prices in view of the significantly higher levels of demand – especially for organic and regional products – were pushed even higher by the tight supply of Swiss raw materials.

ORIOR International segment

The ORIOR International segment with the Culinor and Casualfood competence centres, Biotta's sister company Gesa, and Spiess Europe, a distribution platform, increased its revenues to CHF 74.8 million compared to CHF 67.3 million in the prior-year period. This growth of +11.1% consists of an acquisition effect of +16.6% from the acquisition of Casualfood as of the autumn of 2019, good organic growth of +0.3% considering the extraordinary situation, and a clearly negative currency effect of –5.8%. The reporting period started off very well; afterwards, the rapid global outbreak of the coronavirus and subsequent lockdowns with an almost complete standstill of the airline industry hit Casualfood, a company specialising in travel catering, hard. Almost all of its sales outlets had to be closed. Rail and air traffic has slowly resumed since June 2020 and Casualfood's points of sale are also gradually being reopened. In the Benelux food service and retail markets, the situation was similar to that in Switzerland. The Culinor Food Group, ORIOR's specialist for freshly prepared meals and meal components, generated strong growth with home delivery solutions and specialty products for the retail channel developed in collaboration with

renowned chefs. At the same time, food service revenues in the Benelux (including schools and system gastronomy) plunged, and sales of ready meals declined due to the restrictions imposed on freedom of movement and travel and the ensuing shift in consumption patterns (employees working from home, more time to cook). Gesa, Biotta's sister company specialised in organic vegetable juices for the B2B market, and Spiess Europe delivered very good results for the period under review.

On the commodity front, there were no changes or notable extraordinary effects.

Key Group initiatives

The presentation of the ORIOR 2025 strategy has been postponed due to the extraordinary situation in the wake of the corona pandemic. The ongoing strategy process is being interactively developed with the Top50, key executives and specialists from throughout ORIOR Group, and approved in stages by the Board of Directors, which is closely involved in the process. The ORIOR 2025 strategy will be presented to investors on 9 November 2020. It will also cover the increasingly important issue of sustainability and the somewhat broader ESG issues (Environmental, Social and Governance). Both are the focus of key Group initiatives that are being vigorously pursued. The current focus is on firmly anchoring sustainability issues in the company's planning and implementation processes as well as in the daily operations and the general mindsets of its employees. Talent management, clean label, energy strategy and packaging optimisation are other projects that we are working on. ORIOR intends to provide a detailed overview concerning ESG when it publishes its 2020 annual report. A key element of management strategy as well as the ORIOR 2025 strategy is "New Normal," a key strategic initiative that was launched in the spring of 2020. Besides taking measures to sustain if not improve the company's operating performance levels and cost-efficiency, we are also conducting a detailed analysis of our financial and organisational structures under this initiative and will make the necessary changes to ensure their future-readiness and create fresh momentum for sustainable growth beyond today's horizons.

Thank you

This crisis is broad and challenging. The society we live in, the economy and the entire world have been affected in unprecedented ways and this crisis will challenge us for some time to come. Daniel Lutz, CEO of ORIOR Group: "I thank all ORIOR employees for the remarkable achievements and for ensuring compliance with all the emergency orders and measures that were imposed during this extraordinary time. The general operating environment and working conditions were and are anything but normal. This has required perseverance, strength, and identification. So far, we have mastered this crisis well. You have earned my admiration and respect."

Outlook

Considering the volatile situation surrounding the coronavirus, it is very difficult to give reliable outlook for the 2020 fiscal year. Based on our realistic expectations, we anticipate a good course of business in the second half of the year are good under the given circumstances. Assuming the general situation with respect to the corona pandemic is stable, the extraordinary effects the pandemic has had on our business activities should continue to subside. The food service business should continue to recover, given the travel restrictions that are still in place and the resulting greater number of domestic tourists in Switzerland's holiday regions. Nevertheless, the situation is still far from normal. We expect a substantial recovery in many channels of the food service business by the end of the year, but hardly any improvement in other areas of the food service industry, event catering for example. In view of the extraordinary situation facing the world today, the travel industry is likely to recover at a much slower pace. Casualfood, thanks to its agile and flexible business model specialising in small and micro outlets as well as mobile food vending stands, is ideally positioned to benefit from the resumption of travel activity. From today's perspective, we expect Casualfood to have at least half of its outlets up and running again by the end of 2020. The retail business is expected to be a strong performer in the second half too, but growth is likely to level off somewhat. On the product front, we expect the trends towards organic and regional products to continue and that sales of ready-made meals will remain sluggish in the second half (as employees continue to work from home). We are working on specifically

defined measures and initiatives to improve the company's efficiency and cost base. At the same time, the costs incurred to protect our employees and ensure our supply capability, factoring out the non-recurring expenses, will be lower. Despite the ongoing situation with the coronavirus, we expect operating profitability (EBITDA margin) to rise above the level of 8.2% reported for the first half of the year. Looking beyond the current year, we are very optimistic regarding 2021 and expect good growth rates and a further improvement in the EBITDA margin.



Rolf U. Sutter
Chairman of the Board of Directors



Daniel Lutz
CEO ORIOR Group

ORIOR Group locations

ORIOR Switzerland



Rapelli SA, Stabio
Ticino charcuterie specialties



Albert Spiess, Schiers
Graubünden specialties



Möfag, Zuzwil
Fürstentümer specialties



Fredag, Root
Poultry / meat specialties, vegetarian



Le Patron, Böckten
Pâtés and terrines, ready meals



Pastinella, Oberentfelden
Fresh, filled and unfilled pasta



Biotta, Tägerwilen
Organic vegetable and fruit juices

ORIOR International



Culinor Food Group, Destelbergen (BE)
Ready meals and meal components



Vaco's Kitchen, Olen (BE)
Chef meals and meal components



Gesa, Neuenstadt-Stein (DE)
Organic vegetable juices



Casualfood, Frankfurt am Main (DE)
To-Go food islands



ORIOR / Spiess Europe, Haguenau (FR)
Picking, packing and delivery



Facts & figures

Number of employees (FTE): approx. 2 000

Headquarters: Zurich, Switzerland

Year founded: 1992

Products: premium food and beverages

Production sites: ORIOR operates 9 competence centres with 17 sites and approx. 60 To-Go food islands in various regions of Switzerland, in Belgium and in Germany.

January to June 2020

- Revenues increased 2.8% to CHF 287.4 million; +0.2% organic, +4.0% acquisition-driven and –1.4% currency translation effect
- Food service revenues sharply lower; travel catering specialist Casualfood shut down almost completely during the lockdown.
- Business with food retailers and discounters with significant overperformance.
- Corona-related shifts in product and sales channel mix and non-recurring costs pressure profitability. EBITDA declined by CHF 4.9 million to CHF 23.5 million; EBITDA margin 8.2%.
- Net profit declined by CHF 5.7 million to CHF 8.3 million, additionally attributed to acquisition-related depreciation and positive income tax effects from the prior-year period.
- Outlook for the second half of 2020: Retail business should remain strong, stepwise recovery in food service, clear improvement in Group operating profit (EBITDA margin) compared to the first half of 2020.

Key figures

in CHF thousand	Jan – Jun 2020	Jan – Jun 2019	Δ in kCHF	Δ in %
Net sales	287 414	279 640	+7 774	+2.8%
EBITDA	23 474	28 419	–4 945	–17.4%
<i>as % of net sales</i>	8.2%	10.2%		
EBIT	10 031	17 423	–7 392	–42.4%
<i>as % of net sales</i>	3.5%	6.2%		
Profit for the period	8 310	13 967	–5 657	–40.5%
<i>as % of net sales</i>	2.9%	5.0%		
Cash flow from operating activities	9 602	20 827	–11 225	–53.9%
<i>Cash conversion</i>	40.9%	73.3%		
Net debt / EBITDA ratio	2.87x	2.45x		
Equity ratio	19.3 %	23.2 %		
ROCE	11.4 %	13.8 %		
Earnings per share in CHF	1.28	2.15		
Dividend per share in CHF	2.32	2.24		
Market capitalisation at 30.06.	507 713	537 694	–29 980	–5.6%
Avg. number of employees (FTE)	2 050	1 601	+449	+28.0%

Consolidated Income Statement

in CHF thousand	Note	Jan - Jun 2020	Jan - Jun 2019	Δ in kCHF	Δ in %
Net sales from goods and services	■ 5	287 414	279 640	+7 774	+2.8%
Raw materials/goods and services purchased		-160 319	-157 421	-2 897	
Changes in inventories		-1 583	1 848	-3 431	
Gross profit		125 512	124 067	+1 445	+1.2%
<i>as % of net sales</i>		43.7%	44.4%		
Personnel expense		-64 372	-58 894	-5 479	
Other operating income	■ 8	4 732	377	+4 354	
Other operating expense		-42 397	-37 131	-5 266	
EBITDA					
Earnings before interest, taxes, depreciation and amortisation		23 474	28 419	-4 945	-17.4%
<i>as % of net sales</i>		8.2%	10.2%		
Depreciation - tangible assets		-9 507	-8 673	-834	
Amortisation - intangible assets		-3 936	-2 324	-1 612	
EBIT					
Earnings before interest and taxes		10 031	17 423	-7 392	-42.4%
<i>as % of net sales</i>		3.5%	6.2%		
Result of associated organisations and joint ventures		0	308	-308	
Financial income	■ 2	567	708	-141	
Financial expense		-1 911	-2 315	+404	
Profit before taxes		8 687	16 124	-7 437	-46.1%
<i>as % of net sales</i>		3.0%	5.8%		
Income tax expense	■ 7	-1 891	-2 157	+266	
Profit for the period incl. non-controlling interests		6 797	13 967	-7 171	-51.3%
<i>as % of net sales</i>		2.4%	5.0%		
Non-controlling interests		1 514	0	+1 514	
Profit for the period		8 310	13 967	-5 657	-40.5%
<i>as % net sales</i>		2.9%	5.0%		
Earnings per share in CHF		1.28	2.15		
Weighted $\bar{\varnothing}$ number of shares outstanding in '000		6 512	6 500		

Consolidated Balance Sheet

in CHF thousand	Note	30.06.2020	in %	31.12.2019	in %
Cash and cash equivalents		22 696		19 442	
Current financial assets		504		504	
Trade accounts receivable		56 054		68 817	
Other current receivables		11 042		4 411	
Inventories and work in progress		92 748		94 723	
Prepaid expenses/accrued income		6 160		2 947	
Current assets		189 205	48.0%	190 845	47.2%
Property, plant and equipment		128 238		133 013	
Intangible assets		74 577		78 887	
Financial assets		1 952		1 556	
Non-current assets		204 767	52.0%	213 456	52.8%
Total assets		393 972	100.0%	404 301	100.0%
Current financial liabilities		8 412		6 921	
Trade accounts payable		60 477		76 151	
Other current payables		12 694		9 107	
Accrued liabilities		22 144		21 430	
Current portion of provisions		1 306		1 332	
Current liabilities		105 033	26.7%	114 942	28.4%
Non-current financial liabilities		175 218		163 263	
Provisions		4 330		4 363	
Deferred tax liabilities		33 179		35 280	
Non-current liabilities		212 727	54.0%	202 906	50.2%
Total liabilities		317 760	80.7%	317 848	78.6%
Share capital		26 070		26 070	
Additional paid-in capital		19 091		26 642	
Treasury shares		-673		-122	
Retained earnings		25 207		25 671	
Equity before non-controlling interests		69 695	17.7%	78 261	19.4%
Non-controlling interests		6 517		8 192	
Equity after non-controlling interests		76 212	19.3%	86 453	21.4%
Total liabilities and equity		393 972	100.0%	404 301	100.0%

Consolidated Statement of Equity

in CHF thousand	Note	Share capital	Additional paid-in capital	Treasury shares	Retained profits	Foreign currency translation	Total Retained earnings	Equity before non-controlling interests	Non-controlling interests	Equity after non-controlling interests
Balance as at 01.01.2019		26 070	41 045	-843	21 626	1 829	23 455	89 727	0	89 727
Profit for the period		0	0	0	13 967	0	13 967	13 967	0	13 967
Foreign currency translation		0	0	0	0	-807	-807	-807	0	-807
Dividends	■ 6	0	-14 550	0	0	0	0	-14 550	0	-14 550
Share-based payments		0	0	0	78	0	78	78	0	78
Movement in treasury shares		0	20	-199	0	0	0	-180	0	-180
Balance as at 30.06.2019		26 070	26 514	-1 042	35 671	1 022	36 693	88 235	0	88 235
Balance as at 01.01.2020		26 070	26 642	-122	25 432	239	25 671	78 261	8 192	86 453
Profit for the period		0	0	0	8 310	0	8 310	8 310	-1 514	6 797
Foreign currency translation		0	0	0	0	-1 216	-1 216	-1 216	-162	-1 378
Change in scope of consolidation	■ 2	0	0	0	-92	0	-92	-92	0	-92
Dividends	■ 6	0	-7 550	0	-7 550	0	-7 550	-15 100	0	-15 100
Share-based payments		0	0	0	85	0	85	85	0	85
Movement in treasury shares		0	0	-551	0	0	0	-551	0	-551
Balance as at 30.06.2020		26 070	19 091	-673	26 184	-977	25 207	69 695	6 517	76 212

Consolidated Cash Flow Statement

in CHF thousand	Note	Jan - Jun 2020	Jan - Jun 2019
Profit for the period		8 310	13 967
Non-controlling interests		-1 514	0
Income tax expense	■ 7	1 891	2 157
Depreciation/amortisation		13 443	10 996
Share-based payments		85	78
Result of associated organisations and joint ventures		0	-308
Other non liquidity-related transactions	■ 2	-214	0
Change in value adjustments and provisions		-355	-531
Gain from disposal of fixed assets		-37	-33
Interest income / Dividend income		-31	-13
Interest expense		1 120	1 047
Change in trade accounts receivable		12 287	16 543
Change in other current receivables		-6 245	331
Change in inventories and work in progress		2 070	-2 641
Change in trade accounts payable		-15 177	-8 293
Change in other current payables		-910	-1 481
Change in prepaid expenses		-3 687	-4 079
Change in accrued liabilities		861	-2 803
Interest paid		-656	-649
Taxes paid		-1 639	-3 461
Cash flow from operating activities		9 602	20 827
Purchase of property, plant and equipment		-5 680	-6 052
Proceeds from sale of property, plant and equipment		80	53
Purchase of intangible assets		-962	-292
Purchase of investment in associated organisations and joint ventures		0	-1 576
Establishment of associated organisations and joint ventures	■ 2	-206	0
Grant of loan		-190	-1 340
Interest received / Dividends received		33	1 043
Cash flow from investing activities		-6 925	-8 165
Increase in financial liabilities		45 810	24 458
Repayment of financial liabilities		-32 237	-27 457
Repayment of finance lease liabilities		-30	-6
Dividends	■ 6	-12 458	-14 550
Sale of treasury shares		0	3 404
Purchase of treasury shares		-551	-3 584
Cash flow from financing activities		534	-17 734
Net increase (+) / decrease (-) in cash and cash equivalents		3 211	-5 073
Foreign exchange differences on cash and cash equivalents		43	-94
Cash and cash equivalents as at 01.01.		19 442	35 533
Cash and cash equivalents as at 30.06.		22 696	30 366

Notes to the Interim Consolidated Financial Statements

1 Basis of presentation

This interim report comprises the consolidated financial statements of ORIOR AG and its subsidiaries for the interim period ended 30 June 2020. The interim consolidated financial statements have been prepared in accordance with the entire Swiss GAAP FER (Accounting and Reporting Recommendations). The accounting principles also comply with the provisions of the listing rules of the SIX Swiss Exchange and with Swiss company law.

The interim consolidated financial statements 2020 were prepared in compliance with Swiss GAAP FER 31 – Complementary recommendation for listed companies and should be read in conjunction with the annual financial statements 2019 as the interim consolidated financial statements do not contain all disclosures required in the year-end financial statements.

The Board of Directors approved the interim consolidated report on 18 August 2020.

In preparing the interim financial statements, management is required to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities as well as the reported contingent liabilities at the close of the interim reporting period. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the interim financial statements, deviate from the actual circumstances, the estimates and assumptions for the period in which the circumstances change will be modified as appropriate.

Related to the coronavirus an impairment test was conducted for the intangible assets of Casualfood as of the first half year. The result shows that no impairment is necessary.

The figures shown in the interim consolidated financial statements are rounded up or down. The actual calculations are made with greater precision, so small rounding differences can appear.

2 Change in scope of consolidation

In the reporting period

During the reporting period Orior Deutschland GmbH in Liq. with registered office in Frankfurt was liquidated and is no longer in the scope of consolidation. A liquidation surplus of kCHF 92 was realized. At the time of the liquidation the cumulated translation differences amounted to kCHF 122, which were recycled through financial income.

On 22 January 2020 the establishment of the joint venture "Smartseller" with duty free retail and distribution company Gebr. Heinemann SE & Co. KG was announced. The joint venture was founded on 01 June 2020 and will start operating in the second half of 2020. The investment of kCHF 206 are payments for share capital and other deposits from Casualfood GmbH to Smartseller GmbH & Co. KG. This company will be recognized as associated organisation and joint venture and accounted for using the equity method.

In the prior year period

There were no changes in the scope of consolidation during the prior year period.

3 Segment information

For management purposes, the Group is structured along product categories into the three following operating segments:

- ORIOR Convenience and its competence centres Fredag, Pastinella, Le Patron and Biotta operate five processing facilities in the German-speaking part of Switzerland. Besides fresh convenience products such as ready-made meals, patés and terrines, fresh pasta, vegetarian and vegan specialities as well as cooked poultry and meat products, the Convenience segment also produces all-natural organic vegetable and fruit juices. Its products are mainly sold through retail, food service channels and specialised retailers in Switzerland. The Convenience segment consists of four operating segments. These operating segments have been aggregated because their long-term financial performance is similar. The type of product and the way these products are made as well as the client groups are also similar, and in some cases identical.
- ORIOR Refinement and its three competence centres Rapelli, Albert Spiess and Möfag operate five processing and refining facilities in the cantons of Grisons, Ticino and St. Gallen. The segment is characterised by a clear focus on refined and processed meat products and produces traditional premium meat products from Bündnerfleisch and ham to salami and Mostbröckli. The products are mainly sold through retail and food service channels in Switzerland. The Refinement segment includes three main operating segments. These operating segments have been aggregated because their long-term financial performance is similar. The type of product and the way these products are made as well as the client groups are also similar, and in some cases identical.
- ORIOR International consists of the two operating competence centres Culinor Food Group and Casualfood, the operating activities of Biotta's sister company Gesa, and Spiess Europe, a platform for the final slicing, packaging and distribution of the Group's products. The Culinor Food Group centre of competence has five sites in Belgium where it produces high-quality ready-made meals and meal components, most of which are supplied to retailers and food services companies. Gesa is based in Germany and specialises in producing organic vegetable juices for the food and beverage industry. Casualfood operates approximately 60 small food to go islands at hightraffic locations in airports.

Net sales by segment

in CHF thousand	Jan - Jun 2020	Jan - Jun 2019
ORIOR Convenience	95 222	99 047
ORIOR Refinement	131 874	127 229
ORIOR International	74 776	67 288
Intercompany eliminations	-14 459	-13 924
Net sales	287 414	279 640

ORIOR foregoes reporting detailed segment results due to the following reason (Swiss GAAP FER 31): There are only a few major players on the sourcing and sales sides of the market in which ORIOR Group operates but there are many food and beverage producers. ORIOR Group is one of the few companies in its industry that publishes financial statements. The publication of detailed segment results created significant problems for ORIOR Group in recent years.

4 Seasonality of operations

Due to its broad product portfolio and high degree of product diversification, the ORIOR Group experiences a generally stable course of business with little seasonal variation. The only exception is the increase in revenues in the month of December, which is attributable to greater demand in the run-up to Christmas and New Year's Eve.

5 Net sales

The measures imposed by government officials to contain the coronavirus pandemic, including widespread travel restrictions, and the ensuing shifts in consumer needs led to in some cases sharp declines in revenues from food service channels and Casualfood. The surge in demand from retail customers and the good performance of the export business compensated these declines.

Net sales by country group

in CHF thousand	2020	in % total	2019	in % total	Δ in % Local Currency
Switzerland	208 696	72.6%	211 511	75.6%	-1.3%
BeNeLux ¹	44 723	15.6%	50 708	18.1%	-6.4%
Germany	13 709	4.8%	2 583	0.9%	436.5%
Others	20 286	7.1%	14 838	5.3%	43.2%
Total	287 414	100.0%	279 640	100.0%	

¹ Belgium, Netherlands, Luxembourg

The allocation to country groups is based on the domicile of the customers.

The significant increase in net sales in Germany is due to the Casualfood acquisition. Good export business is driving the net sales in the country group Others.

Net sales by customer

in CHF thousand	2020	in % total	2019	in % total	Δ in % Local Currency
#1 Customer	80 612	28.0%	76 259	27.3%	5.7%
#2 Customer	33 135	11.5%	30 638	11.0%	8.2%
#3 Customer	16 565	5.8%	17 496	6.3%	0.5%
#4 Customer	12 776	4.4%	15 962	5.7%	-15.0%
#5 Customer	12 262	4.3%	10 991	3.9%	11.6%
Others	132 064	45.9%	128 295	45.9%	4.7%
Total	287 414	100.0%	279 640	100.0%	

6 Dividends

The dividend for 2019 was paid in June 2020 in conformity with the decision taken at the Annual General Meeting on 04 June 2020. Shareholders approved the proposed dividend of CHF 2.32 per share, resulting in a total dividend of kCHF 15 100 (2019: kCHF 14 550). 50% of the dividend is paid out of retained earnings (subject to withholding tax) and 50% is paid out of the contribution reserve (exempt from withholding tax). The payment of the withholding tax in the amount of kCHF 2 643 was outstanding as of 30 June 2020.

7 Income taxes

The major components of income tax expense are:

in CHF thousand	Jan - Jun 2020	Jan - Jun 2019
Current income taxes	-3 493	-2 146
Movements of deferred taxes	1 603	-11
Total	-1 891	-2 157

During the prior year period tax-loss carryforwards were offset against profits. This resulted in lower income taxes in the previous year. The positive movements of deferred taxes can be partly attributed to amortisations of intangibles resulting from the Casualfood acquisition.

8 Income from insurance payment

The ORIOR group is covered by a property and business interruption insurance which covers epidemic risks. The insurance coverage for these epidemic risks amounts to up to kCHF 4 400. The claim for the entire coverage of kCHF 4 400 was completed in the first half of 2020 and is recognized in the consolidated income statement in the other operating income. The corresponding payment took place at the beginning of July, thus after the reporting period.

9 Events after the balance sheet date

There were no significant events after the balance sheet date of 30 June 2020.

Share information

Listing	SIX Swiss Exchange
Security number	11167736
ISIN code	CH0111677362
Ticker symbol	ORON
LEI (Legal Entity Identifier)	50670020I84ZA17K9522
Shares entitled to dividend	All, except for treasury shares.
Voting rights	All registered shares have full voting rights.

Major shareholders

According to notifications received, as of 15 August 2020 the following shareholders each own more than 3% of ORIOR AG's share capital:

Shareholder	Number of shares	%	Source
UBS Fund Management (Switzerland) AG (CH)	684 978	10.51 ¹	Notification 20.11.2018
Swisscanto Fondsleitung AG (CH)	353 965	5.431	Notification 15.11.2018
Credit Suisse Funds AG (CH)	345 903	5.31	Notification 15.11.2018
Schroders Plc (GB)	288 856	4.875 ²	Notification 05.02.2015

¹ Includes RoPas (CH) Institutional Fund – Equities Switzerland, which holds an interest of 6.29%.

² Corresponds to the information in the disclosure notification dated 5 February 2015 and is consequently based on the total outstanding share capital of ORIOR AG at that time.

Market information / key data

		30.06.2020	30.06.2019
Share price on 30.06.	in CHF	77.90	82.50
Year high (July – June)	in CHF	94.70	87.00
Year low (July – June)	in CHF	71.00	74.00
Market capitalisation on 30.06.	in CHF million	507.7	537.7
Earnings per share	in CHF	1.28	2.15
Operating cash flow per share	in CHF	1.47	3.20
Equity per share	in CHF	11.70	13.58
Weighted Ø number of shares outstanding	in '000	6 512	6 500

The "per share" benchmark figures are calculated on the basis of the weighted average number of shares outstanding.

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Key dates

10 March 2021	Publication full year results and annual report 2020
26 April 2021	11th Annual General Meeting

Note to performance measures

ORIOR uses alternative performance measures in this Half Year Report 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 Half Year 2020", which is available on <https://orior.ch/en/financial-reports>, defines these alternative performance measures.

Disclaimer

This Half Year Report may contain forward-looking statements based on the currently held beliefs and assumptions of the management of ORIOR AG, which it believes are reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance, or achievements of ORIOR AG, or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements.

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