

**ORIOR**  
★★★★★  
EXCELLENCE IN FOOD

**ORIOR GROUP**  
Full Year Results  
**2015**



Wednesday, 24 February 2016

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

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# Agenda

- I. CEO statement
- II. Full year results 2015
- III. Our model for value creation
- IV. Outlook
- V. Appendix



# CEO statement

## Trading environment

- Strong Swiss franc led to negative inflation and significant revenue decline, especially in tourist areas and along the border.
- Raw materials prices: Pork prices fell sharply; beef prices remained high due to tight supply.
- Market environment: Negative growth in the retail industry; sharp contraction in certain parts of the food services sector.
- Competitive environment: Foreign producers are elbowing their way into the Swiss market for commodity product groups.
- Seasonal effects: very hot summer, warm autumn, mild winter with little snowfall.

## Highlights 2015

Solid results despite significant change in the market environment and volatile raw material prices:

- Product portfolio optimization with focus on growth and margin potential.
- Market shares in core segments either held or increased.

ORIOR 2020 strategy – first important steps taken:

- Innovation power strengthened with appointment of Group Innovation Manager as of 1.1.2016.
- Brand positioning and marketing investments – Rapelli relaunch Q1 2016.
- Group-wide efficiency projects underway: Procurement and operational footprint optimisation.



# Solid results in challenging environment

Revenues	EBITDA	Profit before tax	Cash flow	Dividend
CHF 500.1 m -3.6%*	CHF 48.7 m +1.3%	CHF 31.3 m +6.8%**	CHF 41.7 m +45.6%	Proposal CHF 2.03

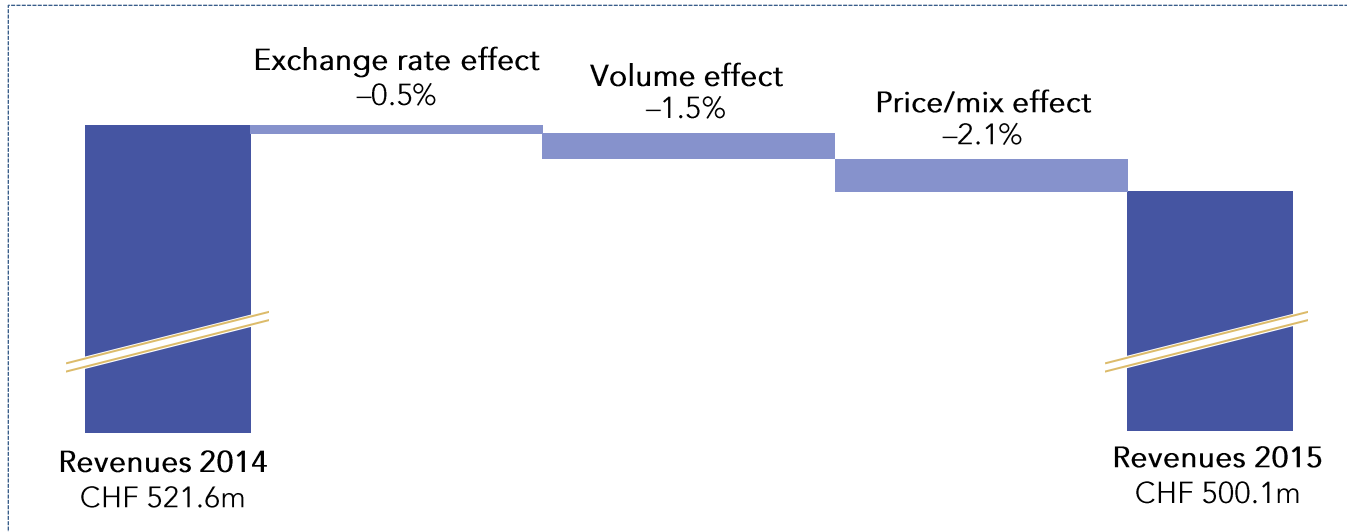
- Discontinuation of the minimum EUR / CHF exchange rate led to an increase in pricing/import pressure and cross-border shopping, negative inflation and subdued consumer sentiment.
- Decline in revenues to CHF 500.1m, -4.1% or -3.6% at constant exchange rates vs. previous year.
- EBITDA increased to CHF 48.7m and corresponding margin improved by 52 basis points to 9.7%.
- Profit before tax excluding exchange rate effects increased by 6.8% to CHF 31.3m and corresponding margin improved by 66 basis points to 6.4%.
- Operating cash flow up 45.6% to CHF 41.7m, cash conversion of 86% of EBITDA.
- Dividend of CHF 2.03 per share proposed; payout ratio of 47.0%; fifth consecutive increase in the dividend.

\* at constant exchange rates

\*\* excluding exchange rate effects, revaluation of balance sheet items denominated in foreign currency had a negative net impact of CHF 0.8 million



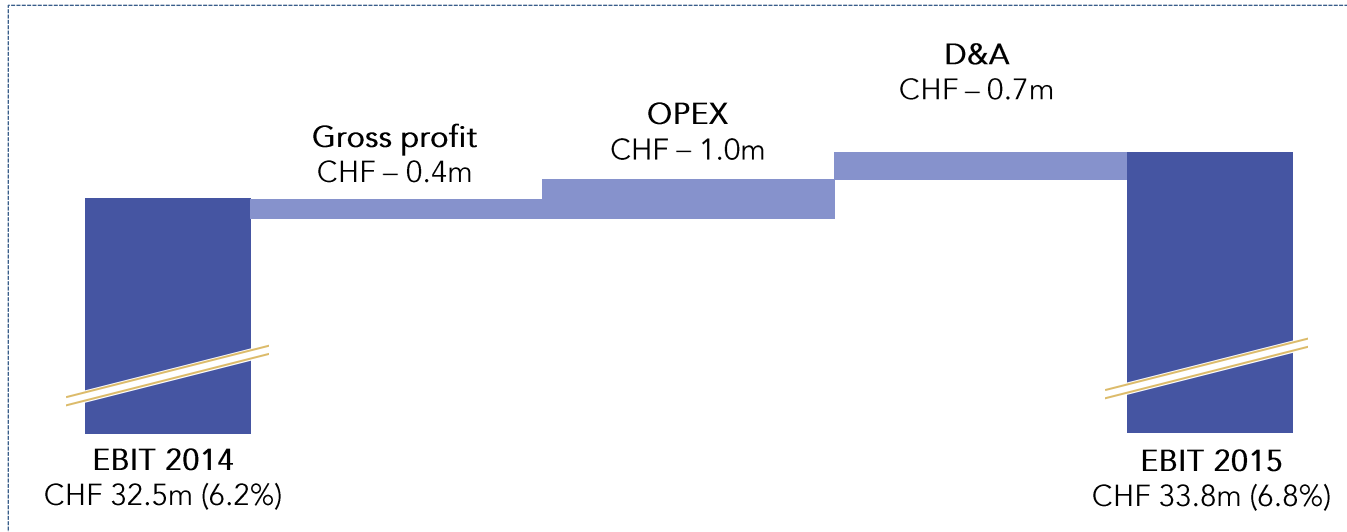
# Lower revenues in declining markets



- Decline in revenues to CHF 500.1m, -4.1% or -3.6% at constant exchange rates vs. previous year.
  - Contraction in retail and food services markets; lower raw material prices.
  - Streamlining of product portfolio as an investment in future growth and margins.
- Positive sales growth from vegetarian and vegan specialities, fresh convenience segment and limited edition and snacking concepts.
- Positive sales growth from “Rapelli”, “Ticinella” and “Albert Spiess” brands.



# Operating profits and margins increased



- Gross margin improved by 156 basis points to 39.5%, largely attributable to lower raw materials prices and focus on margins and product mix.
- EBITDA increased by 1.3% to CHF 48.7m and EBITDA margin widened 52 basis points to 9.7%.
  - Higher gross margin attributable to lower raw material prices and better product mix.
  - Strict cost discipline and high operational efficiency.
- EBIT increased by 4.1% to CHF 33.8m and EBIT margin widened 54 basis points to 6.8%.



# Significant increase in operating cash flow




CHF million	2015	2014
<b>Profit</b>	<b>25.6</b>	<b>26.5</b>
Depreciation/amortisation	14.8	15.5
Change in net working capital	3.2	-8.8
Other	-1.9	-4.6
<b>Cash flow from operating activities</b>	<b>41.7</b>	<b>28.6</b>
Net investment in plant and equipment	-10.5	-13.9
Acquisitions and sales	0.1	-0.4
<b>Free cash flow</b>	<b>31.3</b>	<b>14.3</b>

- Operating cash flow sharply higher, up 45.6% to CHF 41.7m, thanks to greater focus on working capital.
- Cash conversion 86%; average cash conversion since IPO in 2010 at 69%.





# 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

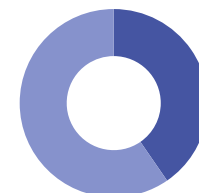
CHF million	2015	2014	Δ in %
<b>Revenues</b>	<b>202.7</b>	<b>207.0</b>	-2.1%
<b>EBITDA</b> as % of revenues	<b>27.7</b> 13.7%	<b>29.7</b> 14.3%	-6.8%
<b>EBIT</b> as % of revenues	<b>22.4</b> 11.1%	<b>24.6</b> 11.9%	-8.8%
<b>Investments</b>	<b>4.4</b>	<b>5.6</b>	

- Decline in revenues to CHF 202.7m, or -2.1% vs. previous year.
- Primarily attributable to the general development in the food service sector and competitive pressure from foreign fresh pasta manufacturers as well as ongoing portfolio optimisation.
- Further growth from vegetarian and vegan specialities and from fresh ready-made dishes; terrine specialities and new innovative products from the "Le Patron" brand continued to sell well.

## CONVENIENCE

as % of whole group

**39.9%**



# Refinement segment

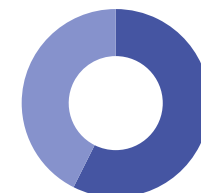
CHF million	2015	2014	Δ in %
<b>Revenues</b>	<b>298.5</b>	<b>316.3</b>	-5.6%
<b>EBITDA</b> as % of revenues	<b>23.5</b> 7.9%	<b>22.4</b> 7.1%	+4.9%
<b>EBIT</b> as % of revenues	<b>15.7</b> 5.2%	<b>14.5</b> 4.6%	+8.3%
<b>Investments</b>	<b>4.6</b>	<b>6.8</b>	

- Decline in revenues to CHF 298.5m or -5.6% vs. previous year.
- Primarily attributable to negative inflation in the wake of low meat prices and our steady focus on margins and product mix.
- Growth drivers were the "Rapelli" and "Ticinella" brands and the successful relaunch of the "Albert Spiess" brand; a strong line of meat chip products, BBQ specialties and Limited Edition concepts also contributed to growth.

## REFINEMENT

as % of whole group

**56.4%**



# Corporate and Export segment

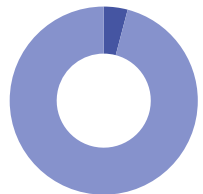
CHF million	2015	2014	Δ in %
<b>Revenues</b>	<b>21.3</b>	<b>26.0</b>	-17.8%
<b>EBITDA</b>	<b>-2.6</b>	<b>-4.0</b>	

- Decline in revenues to CHF 21.3m or -17.8% vs. previous year.
- Lower revenues can be traced to the strong Swiss franc and the absence of revenues from logistics specialist Lineafresca (sold in 2014).
- At constant exchange rates and excluding the deconsolidation of Lineafresca, revenues were up by 2.9%.
- Licensing and cooperation agreement with Tofutown signed.

## CORPORATE AND EXPORT

as % of whole group

**3.7%**



# Consolidated income statement (1/2)

CHF million	2015	2014	Δ in %
<b>Revenues</b>	<b>500.1</b>	<b>521.6</b>	-4.1%
Cost of sales	-302.3	-323.5	
<b>Gross profit</b>	<b>197.8</b>	<b>198.1</b>	-0.2%
as % of revenues	39.5%	38.0%	
OPEX	-149.1	-150.1	
<b>EBITDA</b>	<b>48.7</b>	<b>48.0</b>	+1.3%
as % of revenues	9.7%	9.2%	
<b>Depreciation + amortisation</b>	<b>-14.8</b>	<b>-15.5</b>	
<b>EBIT</b>	<b>33.8</b>	<b>32.5</b>	+4.1%
as % of revenues	6.8%	6.2%	

- Gross margin rises to 39.5% thanks to lower raw material costs and focus on margins and product mix.
- EBITDA increased thanks to the gross margin expansion, focus on core business, cost discipline and operational efficiency projects.



# Consolidated income statement (2/2)

CHF million	2015	2014	Δ in %
<b>EBIT</b> as % of revenues	<b>33.8</b> 6.8%	<b>32.5</b> 6.2%	+4.1%
<b>Financial income/financial expense</b>	<b>-2.5</b>	<b>-2.7</b>	
<b>Pre-tax profit</b> as % of revenues	<b>31.3</b> 6.3%	<b>29.9</b> 5.7%	+5.0%
<b>Currency-adjusted Pre-tax profit</b> as % of revenues	<b>32.1</b> 6.4%	<b>30.1</b> 5.7%	+6.8%
<b>Income taxes</b>	<b>-5.8</b>	<b>-3.4</b>	
<b>Profit</b> as % of revenues	<b>25.6</b> 5.1 %	<b>26.5</b> 5.1%	-3.5%
<b>Currency-adjusted profit for the year</b> as % of revenues	<b>26.3</b> 5.3%	<b>26.7</b> 5.1%	-1.4%

- Negative currency effects arising from revaluation of balance sheet items denominated in foreign currency had a negative net impact of CHF 0.8 million on the financial result.
- Higher income taxes following the positive, non-recurring tax effect in the previous year.



# Consolidated balance sheet

CHF million	31.12.2015		31.12.2014	
<b>Net working assets</b>	<b>136.6</b>	34.3%	<b>156.3</b>	36.9%
<b>Property plant and equipment</b>	<b>80.5</b>		<b>84.2</b>	
<b>Intangible assets</b>	<b>180.0</b>		<b>181.2</b>	
<b>Deferred tax assets</b>	<b>1.4</b>		<b>1.9</b>	
<b>Total assets</b>	<b>398.4</b>	100.0%	<b>423.6</b>	100.0%

CHF million	31.12.2015		31.12.2014	
<b>Total liabilities</b>	<b>164.8</b>	41.4%	<b>197.0</b>	46.5%
<b>Equity</b>	<b>233.6</b>	58.6%	<b>226.7</b>	53.5%
<b>Total liabilities and equity</b>	<b>398.4</b>	100.0 %	<b>423.6</b>	100.0%

- Further strengthening of balance sheet.
  - Net debt position reduced by CHF 19.6m to CHF 50.4m.
  - Improvement in Net debt/EBITDA ratio from 1.46 to 1.04.
  - Improvement in equity ratio from 53.5% to 58.6%.
- Solid balance sheet structure underlines continuation of attractive dividend policy and financing of future growth.



Our ambition:  
**Excellence in Food**

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

**Fast-growing niches within the retail and food service markets**

**Entrepreneurship and strong values**

**Craftsmanship and pioneering spirit**

**Motivated employees**

**Strong brands**

Our ambition is nothing less than:  
**Excellence in Food**





# ORIOR 2020: steady value creation



# Strategic pillars



**Steady value creation**



# House of Innovation

- Consumer insights: Identify new needs/trends at an earlier stage, gain a better understanding of hybrid consumers, food scouting.
- Concept innovations: New formats for established and new market niches, existing retail floor space and new sales channels, including new services.
- Category innovator thanks to competence centre model: Focus, flexibility and speed (concept 30 days).
- Strengthen our innovation competence through the new organisation.

Steady value  
creation

## Overview of initiated projects and measures

- Group Innovation Manager (Champion Model); Oscar Marini since 1 January 2016
- 360° Innovation throughout the whole value chain
- Additional investment into Innovation and Marketing



# Brand strengthening and expansion

- Better differentiation of core brands and increase brand awareness.
- Take advantage of modern communication tools to reach out to consumers more effectively and efficiently (Facebook, digital communications, etc.).
- Greater focus on in-store concepts that enable direct interaction with consumers at point-of-sale (Impulse purchase).
- Selectively build and expand Group marketing capabilities (Champion Model).

## Steady value creation

### Overview of initiated projects and measures

- Rapelli: new brand positioning in 2016
- Repositioning of all core brands
- Additional investments into Marketing



# Relaunch Rapelli brand

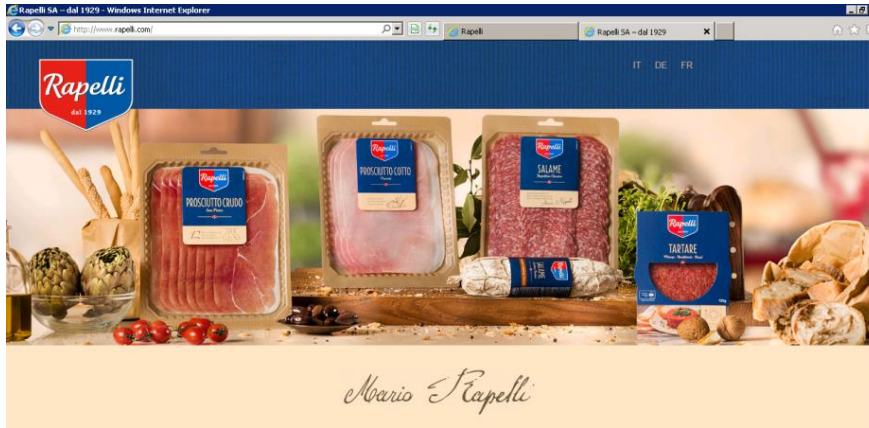




# Strong marketing activities



## TV and Website



## Point of Sale



## Online and Facebook



# Brand strengthening and expansion

- Better differentiation of core brands and increase brand awareness.
- Take advantage of modern communication tools to reach out to consumers more effectively and efficiently (Facebook, digital communications, etc.).
- Greater focus on in-store concepts that enable direct interaction with consumers at point-of-sale (Impulse purchase).
- Selectively build and expand Group marketing capabilities (Champion Model).

## Steady value creation

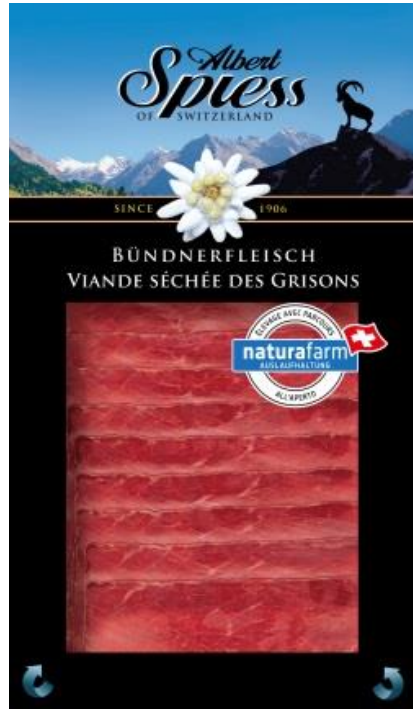
### Overview of initiated projects and measures

- Rapelli: new brand positioning in 2016
- Repositioning of all core brands
- Additional investments into Marketing





# Successful relaunch Albert Spiess



# Albert Spiess

SEIT 1906



# Agility and cost efficiency

- Strengthen competence centre model: flat hierarchies shorten decision-making processes and bring the organisation closer to customers and consumers.
- Take advantage of the Group's strengths:
  - ✓ Create efficiency advantages through common systems and processes and joint optimisation projects
  - ✓ Create know-how advantages with the functional Champion Model
- Continuous optimisation of production and process workflows.
- Continuous optimisation of product portfolios.

Steady value creation

## Overview of initiated projects and measures

- Champion Model
- Procurement
- Operational footprint; closure of Churwalden plant
- Accelerated IT harmonisation and digitalisation
- Portfolio analysis



# The ORIOR responsibility (sustainability)

- Sustainability is part of our core business and the foundation of Excellence in Food.
- We embrace responsibility throughout the value chain.
- Sustainable procurement of raw materials, environmental responsibility and humane treatment of farm animals (animal welfare).
- Further reduction of food & non-food waste, energy consumption and wastewater at our production plants. Reduction of packaging for consumers.
- Continuous renewal of product range with products that have natural ingredients and no artificial additives, and recipes with reduced levels of sodium and sugar.
- Competent employees who constantly receive training and development.

## Overview of initiated projects and measures

- Procurement: Swiss raw materials, project “animal welfare without borders”
- Responsible use of natural resources: Energy recovery projects, exemption received from Swiss carbon tax
- Product range: reduce sodium and additives

Steady value  
creation



# WWF Award for Rapelli

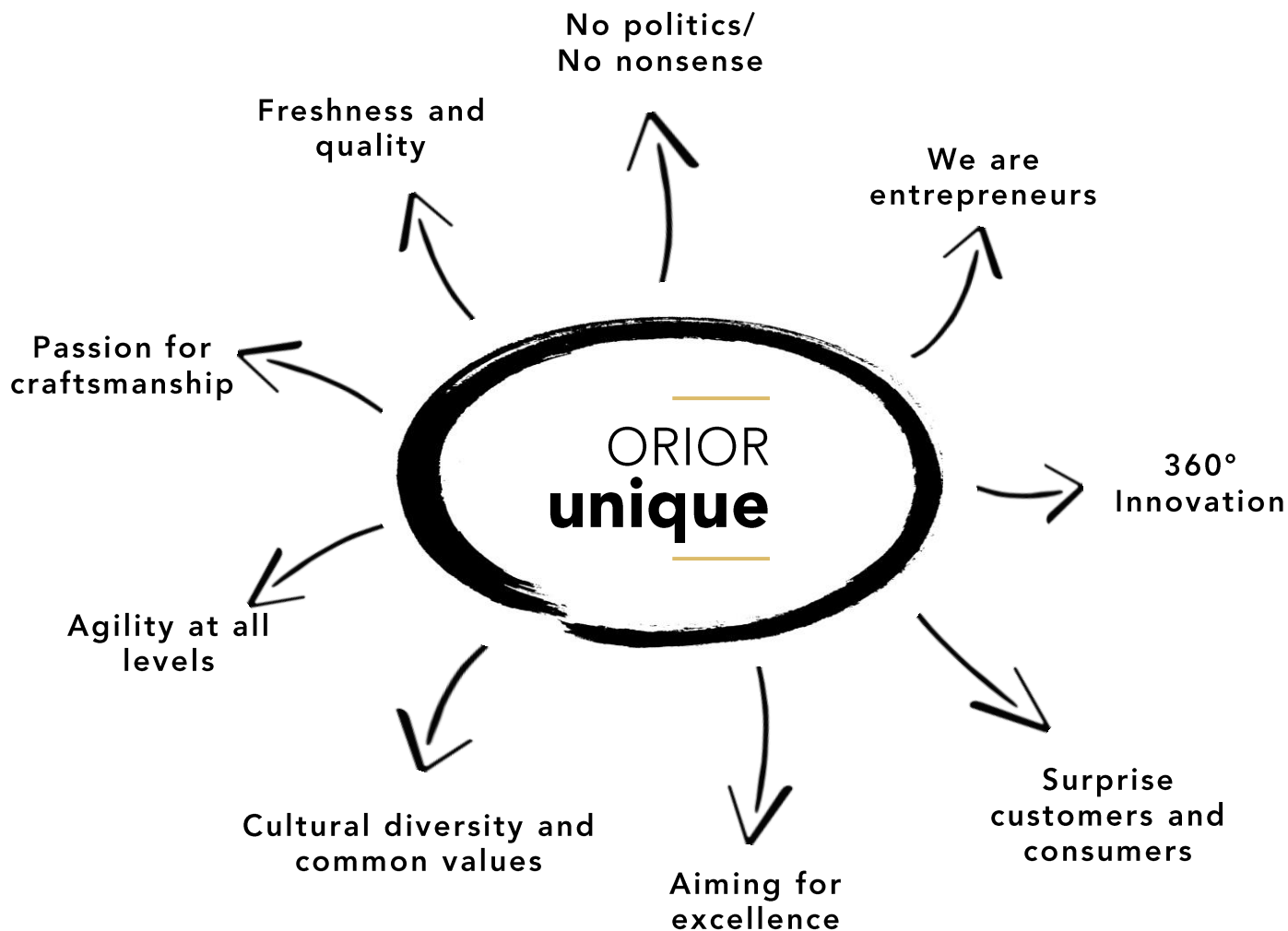


Steady value creation



# We are ORIOR

*Successful thanks to a unique and entrepreneurial spirit*



Steady value creation



# ORIOR 2020 – M&A strategy

- M&A to strengthen our core business:
  - Improve market positioning
  - Improve innovation
  - Capitalise on cost efficiency gains
- No change in dividend policy.

## The four areas of M&A strategy

<p><b>Bolt on acquisitions in Switzerland</b></p> <p>Small/midsized “unpolished diamonds” that fit well with our current product portfolio.</p>	<p><b>New business segment in Switzerland</b></p> <p>Food producer with a new product category. New competence centre in Switzerland.</p>	<p><b>Acquisitions abroad</b></p> <p>Competence centre outside Switzerland that strengthens our core business.</p>	<p><b>Alternative business models</b></p> <p>Institutionalized out-of-the-box mindset. Idea generation workshop, creativity team, new pathways and concepts.</p>
<p><b>Cooperation:</b> Proactively pursued, may in some cases serve as a stepping stone to a future takeover.</p>			

Steady value creation



# Strategic partnership with Tofutown



- Licensing and cooperation agreement with Tofutown – the leading producer and distributor of organic products in Germany.
- NATURE GOURMET products will be exclusively produced and marketed by Tofutown – for the German, Austrian and Luxembourg markets.
- The NATURE GOURMET brand will be pan-Europeanized and strengthened through the collaboration with Tofutown.

**“We are delighted to have the opportunity to produce, market and continually develop NATURE GOURMET’s top quality products within the scope of this strategic partnership with ORIOR. I am also looking forward to building a long-lasting, successful business relationship with my Swiss colleagues.”**

*Bernd Drosihn, CEO of Tofutown*



**“ORIOR is the veggie pioneer in Switzerland; Tofutown is the veggie pioneer in Germany – this partnership offers unique potential.”**

*Daniel Lutz, CEO of ORIOR*

**Steady value creation**





# Business 2016

## Trading environment

- Economic environment remains difficult
- Increasingly subdued consumer sentiment
- Swiss retailers and food services providers remain under pressure (cross-border shopping, pricing/import pressure)
- Pork prices are expected to edge higher; prices for beef remain high

## ORIOR focus

- Execute our ORIOR 2020 strategy
- Product and concept innovations
- Brand strengthening: relaunch Rapelli and repositioning of core brands
- Portfolio management
- Cost efficiency
- Sustainability

## Outlook

- Performance better than the market
- Growth and Increase of market shares in core product groups
- Improvement of absolute EBITDA



## APPENDIX



# ORIOR business model

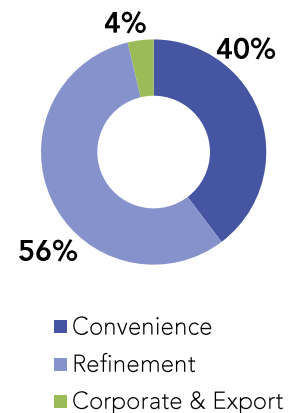
ORIOR is a Swiss food group with six competence centres and specialised in producing **fresh convenience food** and **refined meats**.

ORIOR is the **market leader** in attractive and growing **niche markets** and has a presence in **all Swiss retail and food service channels** underpinned by long-standing partnerships with customers.

ORIOR is an **innovation leader** with respect to its own **brands** and **private labels** and is at the forefront of market developments.

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

Breakdown of Group sales



# Locations



● Landquart hub

Our ambition:  
**Excellence in Food**

ORIOR is an independent Swiss food producer that combines craftsmanship with a pioneering spirit and is thriving on entrepreneurship and strong values. A specialist for fresh convenience foods and refined meats, the Group claims leading positions in fast-growing niches within the retail and food service markets. With Rapelli, Ticinella, Albert Spiess, Fürstenländer Spezialitäten, Fredag, Pastinella and Le Patron, ORIOR has built an impressive portfolio of brands and companies.

ORIOR's goal is to steadily create value for all stakeholders. Market intimacy, strong partnerships and a lean, agile structure provide the framework from which ORIOR is shaping and driving the market landscape with innovative products, concepts and services. Motivated employees who take pride in their work and who assume responsibility for themselves and for what they do are the key for creating the extraordinary. We are striving for uniqueness and offering best quality in order to surprise our consumers time and again with inimitable food moments.

Our ambition is nothing less than: **Excellence in Food.**



# Dynamic organisation

*Competence centre philosophy, new Champion Model & lean holding structure*



**Daniel Lutz**  
CEO ORIOR Group



**Ricarda Demarmels**  
CFO ORIOR Group



**Bruno de Gennaro**  
CEO Segment  
Convenience



**Glauco Martinetti**  
CEO Rapelli SA



**Bruno Bürki**  
CEO Albert  
Spiess AG



**Urs Möсли**  
CEO Möfag AG



**Michel Nick**  
CEO Le Patron



**Oscar Marini**  
CEO Pastinella



**Bernhard Pfulg**  
COO Segment  
Convenience



**Joachim Huber**  
CIO ORIOR Group

# Board of Directors

Name	Year	Position	First term of office	Elected until AGM
Rolf U. Sutter	1955	Chairman of the Board of Directors, Member of Nomination and Compensation Committee	2006	2016
Rolf Friedli	1961	Vice Chairman of the Board of Directors, Member of Nomination and Compensation Committee	2006	2016
Christoph Clavadetscher	1961	Member of the Board of Directors, Chairman of Nomination and Compensation Committee	2007	2016
Edgar Fluri	1947	Member of the Board of Directors, Chairman of Audit Committee	2010	2016
Dominik Sauter	1963	Member of the Board of Directors, Member of Audit Committee	2013	2016
Monika Walser	1965	Member of the Board of Directors, Member of Audit Committee	2013	2016

## Change in the Board of Directors

Rolf Friedli will not be standing for re-election at the next Annual General Meeting. He has been on the board for more than ten years and helped ORIOR to set important milestones along the way.

The Board of Directors of ORIOR AG is proposing the entrepreneur Walter Lüthi for election to the Board of Directors as a new member at the Annual General Meeting on 12 April 2016.



# Share information

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

<b>Dividend</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Payout ratio <i>in %</i>	47.0	44.6	45.2	42.3	40.5
Dividend per share <i>in CHF</i>	2.03*	2.00	1.97	1.95	1.93

→ ORIOR's attractive dividend policy was confirmed in the ORIOR 2020 strategy; a further steady increase in the absolute dividend is targeted.

<b>Share price information / key data</b>		<b>31.12.15</b>	<b>31.12.14</b>
Share price on 30.06.	in CHF	60.90	54.90
YTD High	in CHF	62.00	57.75
YTD Low	in CHF	52.00	49.25
Market cap	CHF million	360.8	325.3
Earnings per share	in CHF	4.32	4.48
Operating cash flow per share	in CHF	7.05	4.84
Shareholders' equity per share	in CHF	39.52	38.33

## Shareholders who own more than 3 % of ORIOR AG share capital (20.02.16)

Ernst Göhner Stiftung (CH)	10.46 %
UBS Fund Management AG (CH)	6.21 %
Schroders Plc (GB)	4.88 %
Rolf U. Sutter / Gruppe (CH)	3.36 %
Swisscanto Fondsleitung (CH)	3.28 %
Credit Suisse Funds AG (CH)	3.11 %
Schroders (CH)	3.08 %

## Calendar

24.02.16	Publication Full Year results 2015
24.02.16	Publication Annual report 2015
12.04.16	6th Annual General Meeting
23.08.16	Publication Interim results 2016



\* Proposal to the Annual General Meeting of 12 April 2016.