ORIOR AG

ALTERNATIVE PERFORMANCE MEASURES FULL YEAR 2022

Alternative Performance Measures

ORIOR uses financial performance measures in its Annual Reports, Half Year Reports and additional communication with investors that are not defined by Swiss GAAP FER (Alternative Performance Measures). According to the management they provide useful and relevant information regarding the operative and financial performance of the group.

Below the most important performance measures are explained and reconciled to Swiss GAAP FER figures. The Alternative Performance Measures in use may not correspond to performance measures with similar names of other companies. Every Alternative Performance Measure shown in the financial report is related to the performance of the current and the previous year.

Performance

Net sales development

Due to its international profile and frequent acquisitions the ORIOR Group classifies net sales deviations to the previous year in three effects:

– Organic growth
– Currency translation effect
– Acquisition effect

Organic growth

Organic growth is defined as the net sales deviations after removal of acquisition / disinvestment effects and currency fluctuations. This allows a comparison with the previous year assuming a steady consolidation scope and constant currencies. The calculated organic growth corresponds to the residual value after calculation of the currency translation effect and the acquisition effect.

Currency translation effect

The currency translation effect shows the impact of currency fluctuations on net sales. It is calculated as difference between net sales of the current year and net sales of the current year in constant currency (constant currency means the translation of foreign subsidiaries with the average currency rate of the previous year).

Acquisition effect

The acquisition effect presents the net sales gained by acquisitions. As long as the corresponding previous period has not been consolidated these net sales are defined as acquisition effect. This means acquisition's net sales of the first 12 months are considered acquisition effect.

The resulting effects are then shown in relation to the net sales of the previous year.

Net sales development 2022	**Jan – Dec 22**	**Org**	**FX**	**Acq**	**Jan – Dec 21**
Net sales from goods and services *in kCHF*	636 691	36 767	– 14 185	0	614 109
Net sales development by effect	**3.7%**	**6.0%**	**– 2.3%**	**0.0%**	
Ø currency rate CHF/EUR			1.0053		

Net sales development 2021	**Jan – Dec 21**	**Org**	**FX**	**Akq**	**Jan – Dec 20**
Net sales from goods and services *in kCHF*	614 109	12 131	1 665	0	600 313
Net sales development by effect	**2.3%**	**2.0%**	**0.3%**	**0.0%**	
Ø currency rate CHF/EUR			1.0812		

Gross profit and gross margin

Gross profit and gross margin are not defined in the total cost method structure by Swiss GAAP FER. ORIOR uses gross profit and gross margin to explain the development of cost of goods sold. Gross profit consists of the net sales reduced by raw materials, goods and services purchased adjusted by the changes in inventories. Gross margin is calculated as gross profit divided by net sales.

in kCHF	**Jan – Dec 22**	**Jan – Dec 21**
Net sales from goods and services	636 691	614 109
Raw materials / goods and services purchased	– 343 005	– 345 737
Changes in inventories	– 1 165	6 654
Gross profit	**292 520**	**275 026**
Gross margin	*45.9%*	*44.8%*

EBITDA and EBITDA margin

EBITDA equals earnings before interest, taxes, depreciation and amortisation. EBITDA margin is calculated as EBITDA divided by net sales.

in kCHF	**Jan – Dec 22**	**Jan – Dec 21**
Earnings before Interest and Tax (EBIT)	37 892	35 351
+ Depreciation – property, plant and equipment	18 082	20 457
+ Amortisation – intangible assets	8 141	8 282
EBITDA	**64 115**	**64 090**

Net sales from goods and services	636 691	614 109
EBITDA	64 115	64 090
EBITDA margin	**10.1 %**	**10.4%**

Adjusted EBITDA

ORIOR uses an adjusted EBITDA in order to disclose the development of operative performance without profit-related impacts from acquisitions. Acquisition impacts mainly include transaction and integration costs with effect on profit and loss. This ensures comparability as these are one-off transaction and integration effects related to acquisitions. These adjustments on EBITDA are disclosed as Adjusted EBITDA. There were no material transaction and integration costs, neither in the reporting period nor in the previous year. Therefore, no reconciliation is needed.

Liquidity/capital structure

Equity ratio

Equity ratio is the ratio of total equity, including non-controlling interests, to total assets or total liabilities.

in kCHF	31.12.2022	31.12.2021
Total assets	383 145	377 124
Equity attributable to owners of the parent	81 581	78 381
Non-controlling interests	0	1 894
Total equity	81 581	80 275
Equity ratio	**21.3%**	**21.3%**

ORIOR applies the method of goodwill offset against equity which is allowed according to Swiss GAAP FER. The theoretical capitalisation and amortisation of goodwill is shown in the notes to the annual report. The equity ratio would be calculated as follows under the assumption that ORIOR would apply the method of capitalising and amortising goodwill:

in kCHF	31.12.2022	31.12.2021
Theoretical total assets incl. goodwill	484 345	480 803
Theoretical equity incl. goodwill	182 781	182 059
Non-controlling interests	0	1 894
Total theoretical equity incl. goodwill	182 781	183 954
Equity ratio incl. goodwill	**37.7%**	**38.3%**

Cash conversion

ORIOR defines cash conversion as relation of cash flow from operating activities to EBITDA. This performance measure shows how much of the operating result before depreciation and amortisation has been translated to cash flow from operating activities.

in kCHF	Jan – Dec 22	Jan – Dec 21
EBITDA	64 115	64 090
Cash flow from operating activities	59 421	51 335
Cash conversion	**92.7%**	**80.1%**

Net debt/EBITDA ratio

ORIOR uses this performance measure to demonstrate the relation between debt and profitability. Net debt, which is calculated below, is divided by EBITDA.

in kCHF	Jan – Dec 22	Jan – Dec 21
EBITDA	64 115	64 090
+ Current financial liabilities	150 227	11 999
+ Non-current financial liabilities	3 932	139 431
– Cash and cash equivalents	– 21 819	– 17 583
Net debt	**132 340**	**133 847**
Net debt / EBITDA ratio	**2.06**	**2.09**

RoCE

Return on Capital Employed [ROCE] shows the profitability of the capital employed. EBIT of the last twelve months is divided by the capital employed as at reporting date. As the entire capital of an acquisition / disinvestment is included in capital employed, an acquisition's / disinvestment's EBIT of the months before / after the transaction is added / subtracted to show last twelve months.

in kCHF	Jan – Dec 22	Jan – Dec 21
+ Current assets	192 173	185 337
– Current liabilities	– 266 101	– 122 695
– Cash and cash equivalents	– 21 819	– 17 583
– Current financial assets	– 1 231	– 618
+ Current financial liabilities	150 227	11 999
+ Property, plant and equipment	129 381	122 742
+ Intangible assets	55 779	64 804
+ Financial assets	5 812	4 242
Capital employed	**244 221**	**248 228**
EBIT – LTM*	37 892	35 351
EBIT – acquisitions	0	0
EBIT – LTM* adjusted	**37 892**	**35 351**
ROCE	**15.5 %**	**14.2 %**

* LTM = Last Twelve Months