



# ORIOR GROUP

## Investor Event Belgium



June 2018

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

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# Agenda

## The ORIOR 2020 strategy

- I. Mission, business model and ambition
- II. Steady value creation model and strategic pillars
- III. M&A strategy
- IV. Strong and dynamic people

## ORIOR's rigorous execution of the ORIOR 2020 strategy

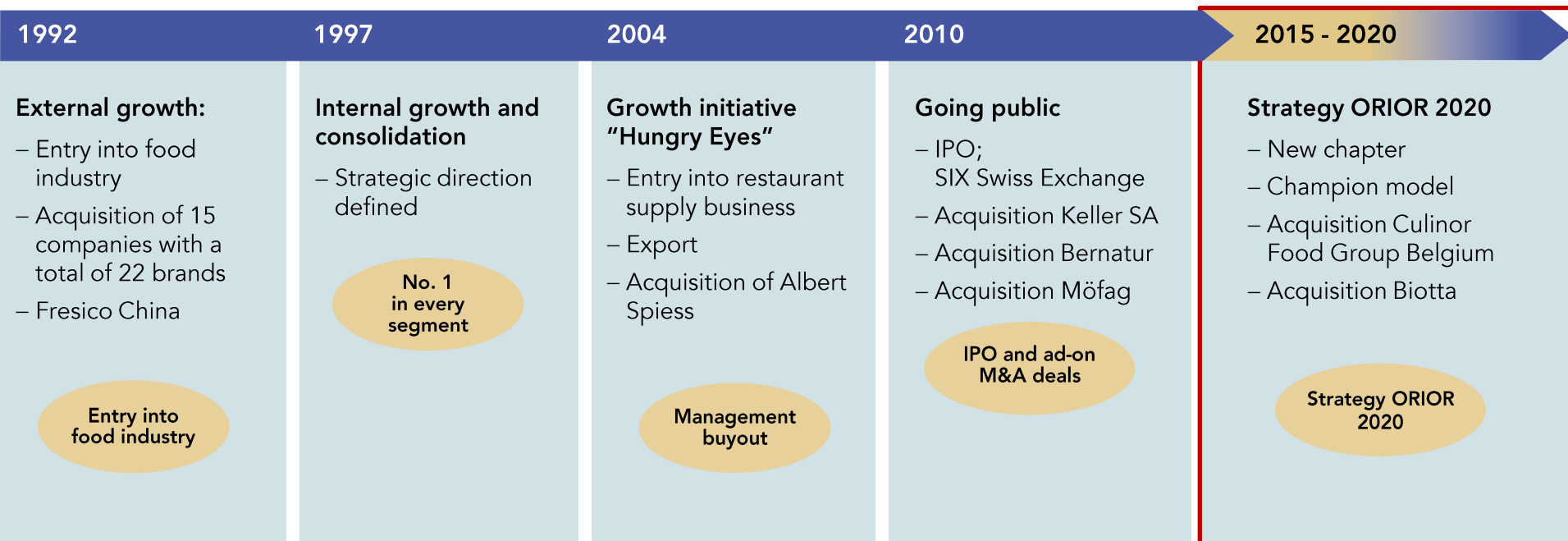
- I. The ORIOR responsibility
- II. Performance review ORIOR 2020 strategy

## Outlook on ORIOR 2020 strategy

- I. Goal: steady value creation
- II. Capturing and developing on all main food trends
- III. Further execution of ORIOR 2020 initiatives and measures as well as group wide projects

# ORIOR 2020 – our mission

- Begin a new chapter.
- Increase margins.
- Grow core Swiss business.
- Pursue M&A to strengthen the core business.
- Position ORIOR as a modern Group.





# ORIOR business model




ORIOR is an **internationally operating Swiss food and beverage group** that combines craftsmanship with a pioneering spirit and is thriving on entrepreneurship and strong values.

ORIOR claims leading positions in attractive and growing **niche markets** with attractive **value creation potential**.

ORIOR **decentralised** and **agile structure** allows to drive the market at the forefront with **innovative products, concepts** and **services**.

ORIOR has a **strong presence** in all **retail and food service** channels underpinned by long-standing **partnerships with customers**.

ORIOR's goal is to **steadily create value** for all stakeholders.

Convenience <i>Category pioneer</i>				Refinement <i>Strong traditional brands</i>			International	
Fredag	Le Patron	Pastinella	Biotta	Rapelli	Spieß	Möfag	Culinor	Spieß Europe
								
								 

Our ambition:  
**Excellence in Food**

ORIOR

EXCELLENCE IN FOOD

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

ORIOR



EXCELLENCE IN FOOD

# ORIOR 2020: steady value creation



We want to steadily **create sustainable value** for our employees, our customers, our business partners, the local communities and our shareholders.

# ORIOR 2020 – strategic pillars

## ORIOR 2020 - OUR STRATEGIC PILLARS

HOUSE OF  
INNOVATION



BRAND  
STRENGTHENING  
AND EXPANSION



AGILITY AND  
COST EFFICIENCY



THE ORIOR  
RESPONSIBILITY



WE ARE  
ORIOR



# ORIOR in the context of ORIOR M&A strategy

*Consistent implementation of M&A strategy*

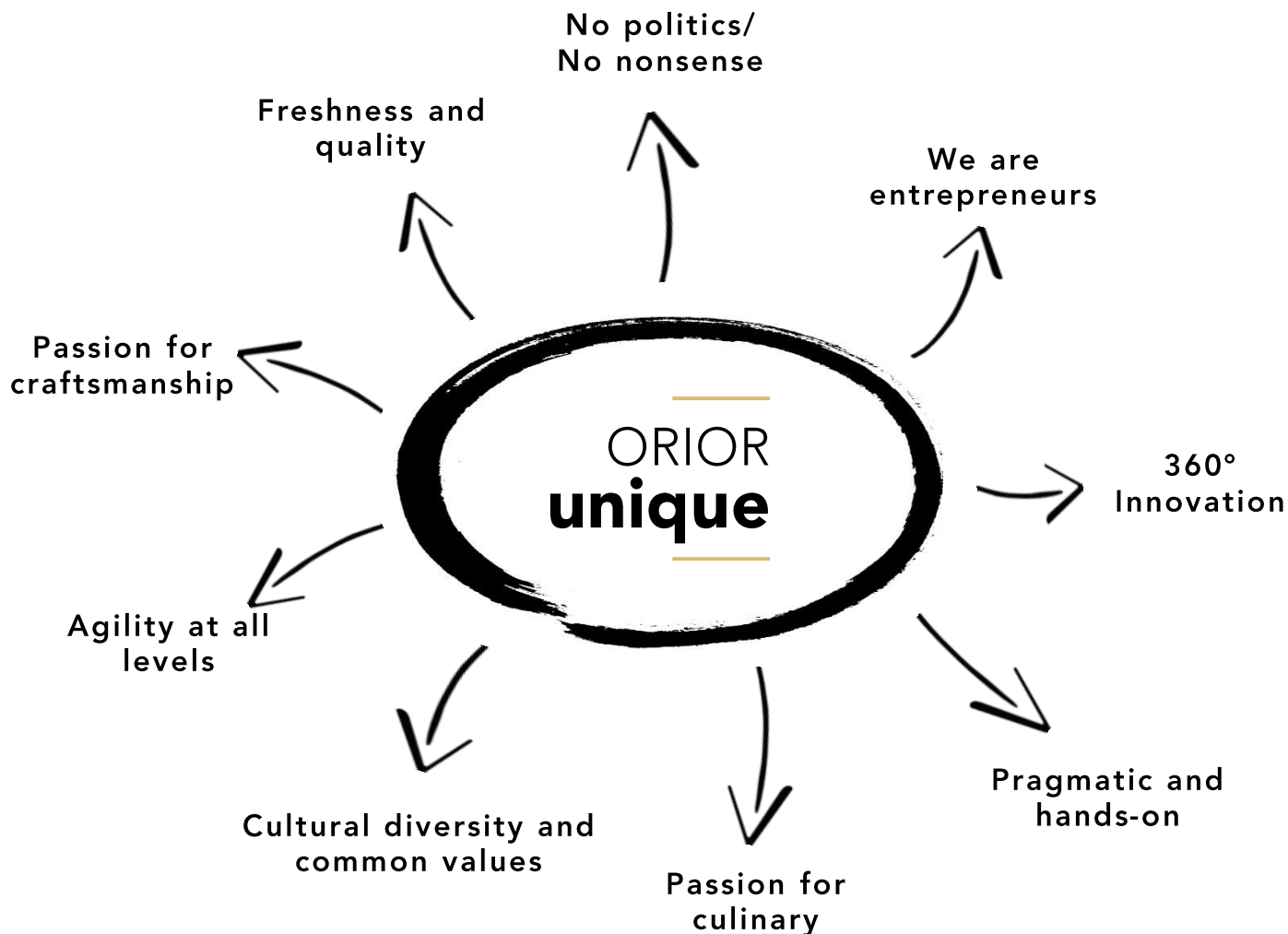
- M&A strengthens the core business:  
Expand market position, strengthen innovation power, capture cost/efficiency gains.
- No change in dividend policy.

## The four areas of M&A strategy

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

# We are ORIOR

*Successful thanks to a unique and entrepreneurial spirit*





# Dynamic organisation

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



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## The ORIOR responsibility (sustainability)

- Sustainability is part of our core business and 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.

### A snapshot of projects and measures under way

- Sustainability Reporting with monthly measures, incl. food and packaging waste.
- Strengthening organic food competence thanks to Biotta.
- Realisation of GRI sustainability report started.
- Ongoing recipe management: e.g. Clean Label, etc.
- 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.
- Health management project incl. courses for supervisors.
- ORIOR Campus: new courses.

### Steady value creation



# The ORIOR responsibility (sustainability)

## Quality down to the last detail



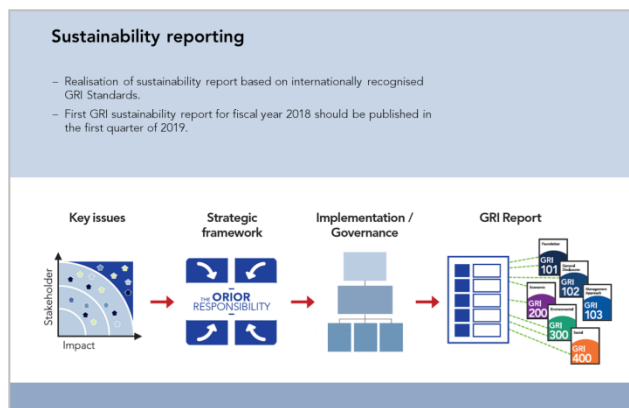
## ORIOR Campus



## Food Waste



## GRI report



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# ORIOR in the context of ORIOR 2020 strategy goals

## ORIOR in the year 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.

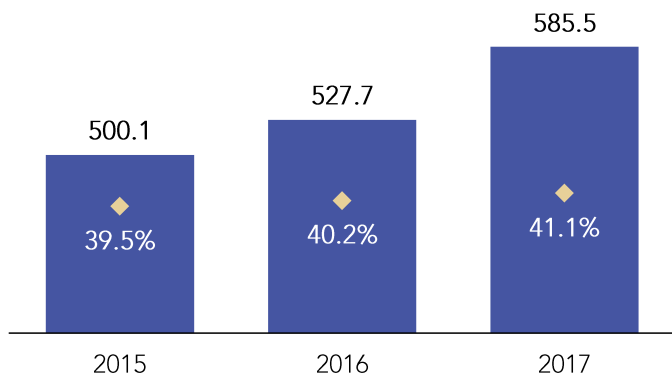
# Resilient and defensive profile

*thanks to its agility, cost management, high cash conversion and ultimately discipline*

## Resilient gross margin despite top-line challenges

Revenues in CHFm

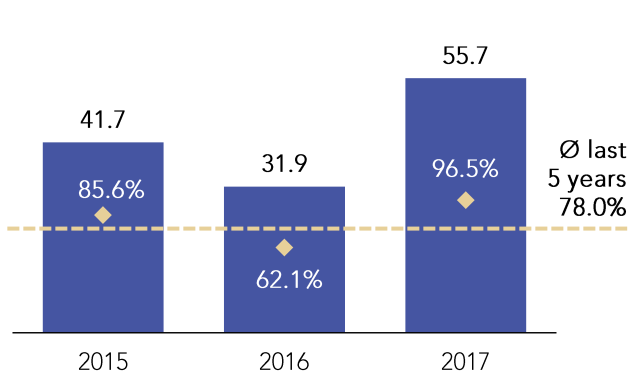
◆ Gross profit margin



## Strong cash flow generation

Operating cash flow in CHFm

◆ Cash Conversion (in % of EBITDA)

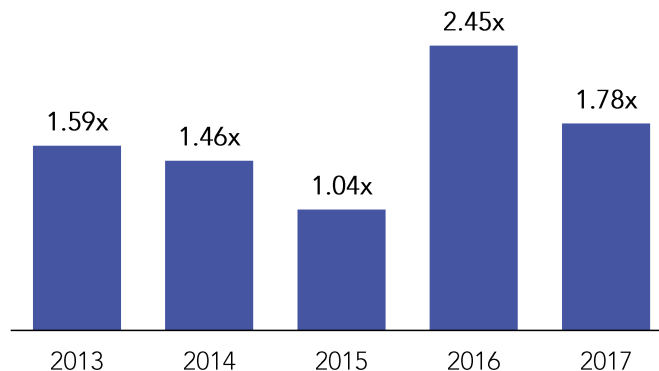


1

ORIOR remains a stable and financially strong food group.

## Systematic deleveraging despite acquisition

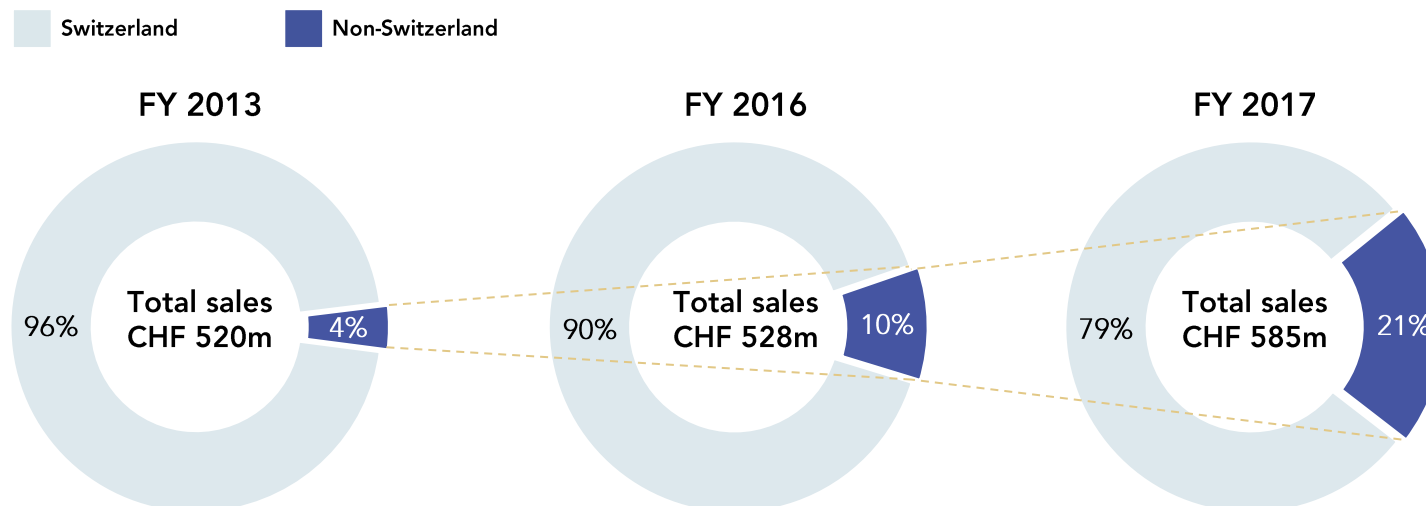
Net debt / EBITDA



# Resilient and defensive profile

*also thanks to a well-diversified revenue base*

## Increasing geographical diversification of sales ...



1

ORIOR remains a stable and financially strong food group.

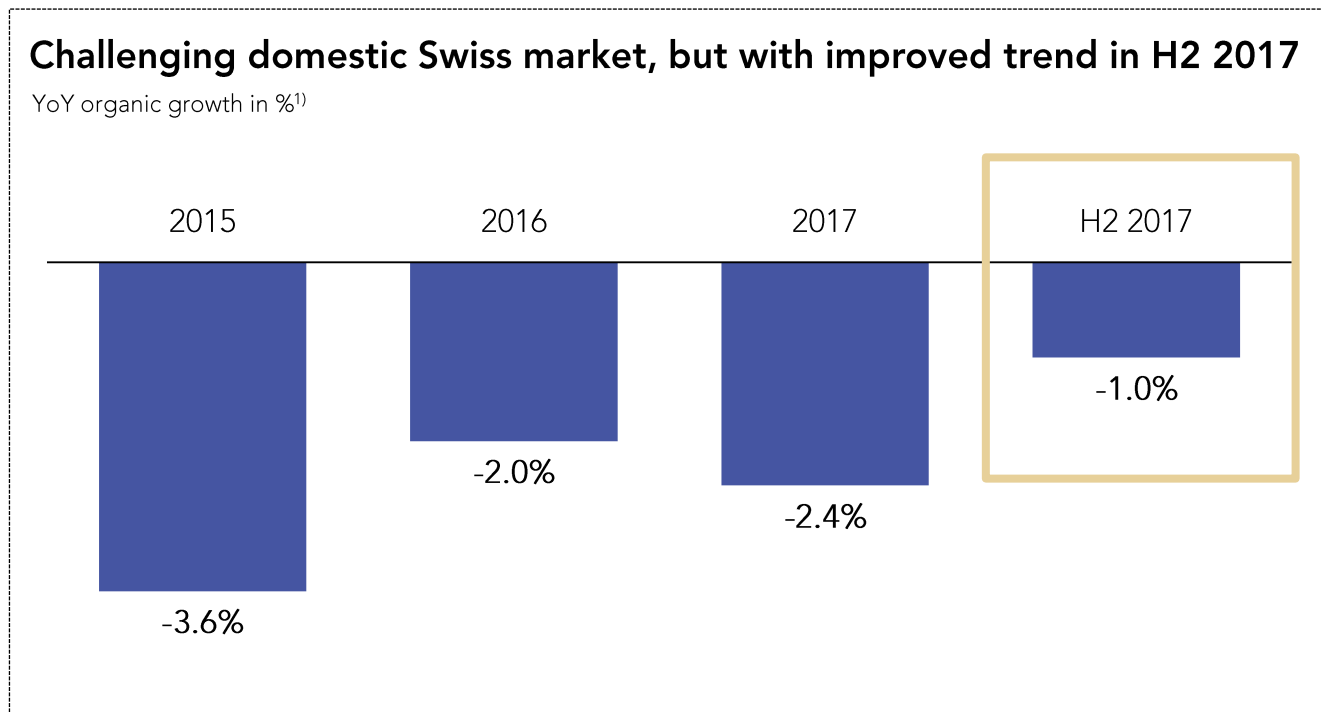
## ... coupled with diversification across categories, channels and customers

- **Categories:** market leader in a variety of niches.
- **Channels:** catering to traditional retail, discounters and food service, e.g. HoReCa's, Quick serve restaurants (e.g. Burger King), schools, Cash & Carries, Care, etc.
- **Clients:** broad client base of local, regional, national and international customers.

# Recovering organic topline trend

2

ORIOR has achieved solid growth in Switzerland including bolt-on acquisitions.



1) Change in revenues excluding Culiner Food Group and FX effect

# Biotta in the context of ORIOR M&A strategy

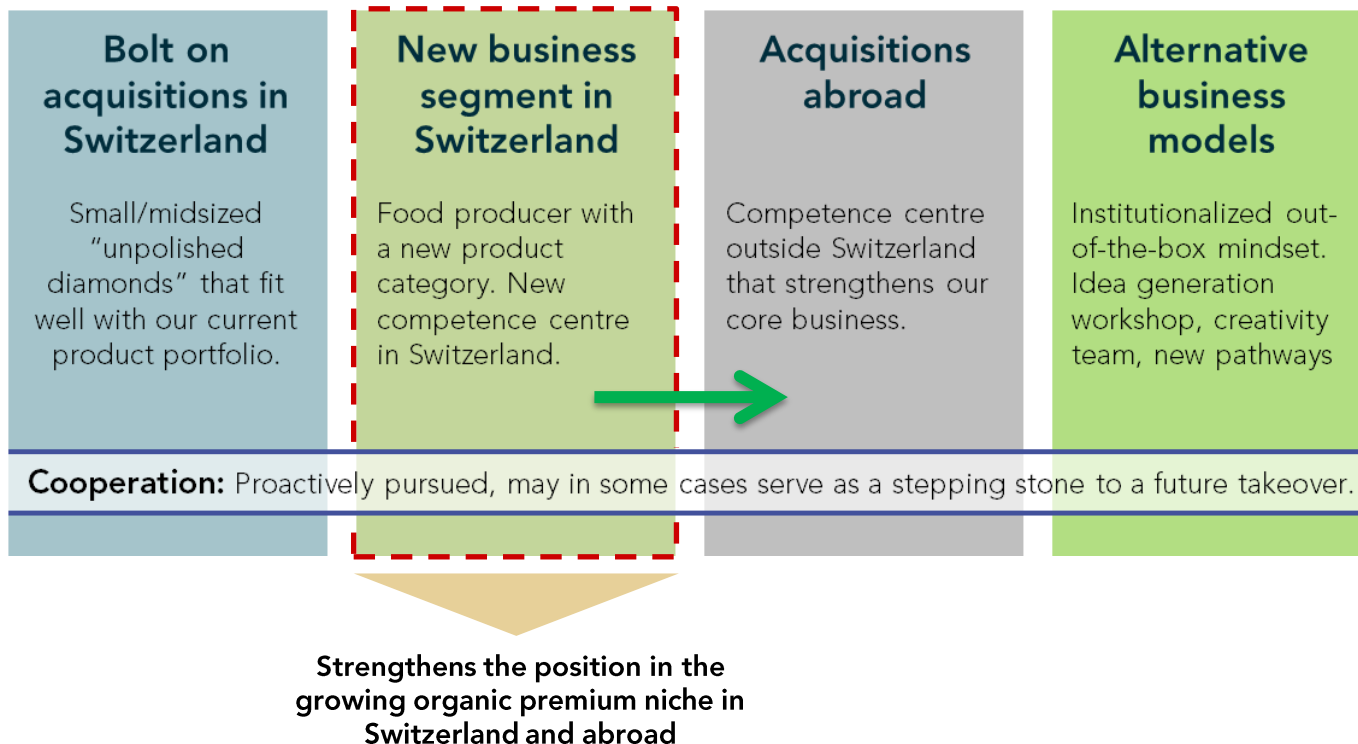
*Consistent implementation of M&A strategy*

- New business segment: ORIOR becomes a "Food & Beverage" company.
- Strengthens the core business within the growing organic beverages market.
- Expands market position and strengthens innovation power.
- Positive impact on growth and synergy potential.

2

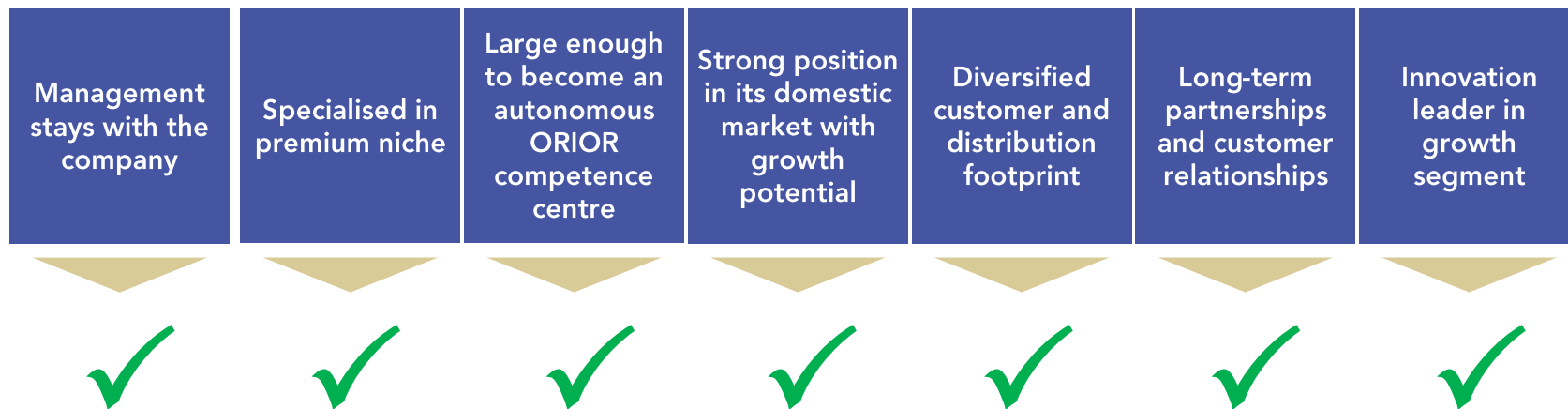
ORIOR has achieved solid growth in Switzerland including bolt-on acquisitions.

## The four areas of M&A strategy



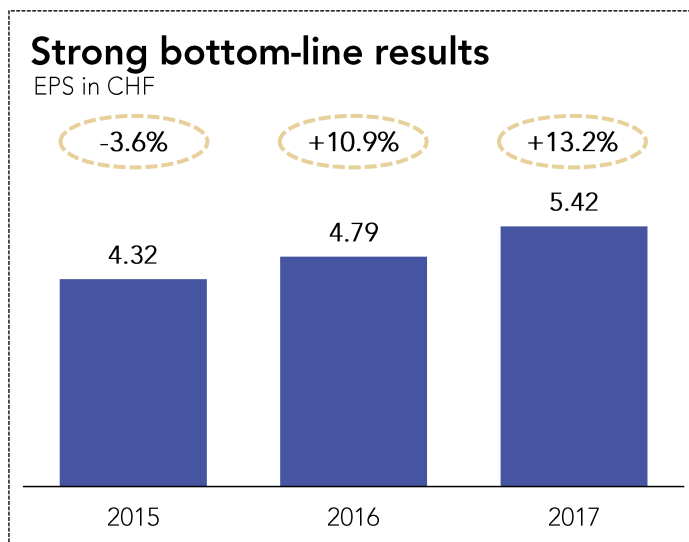
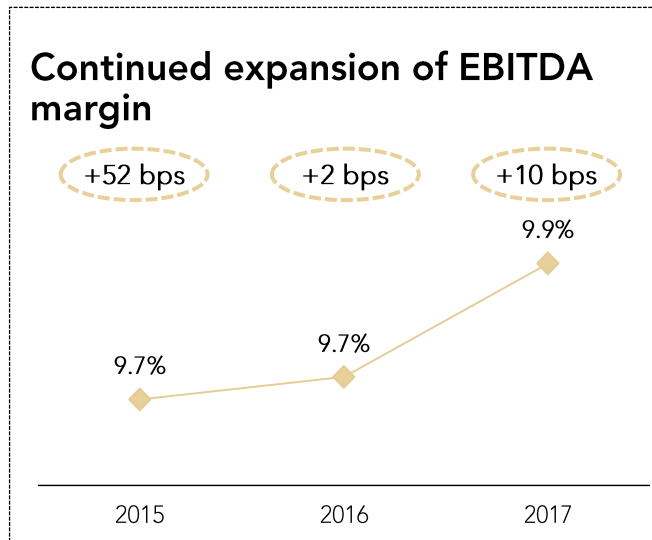
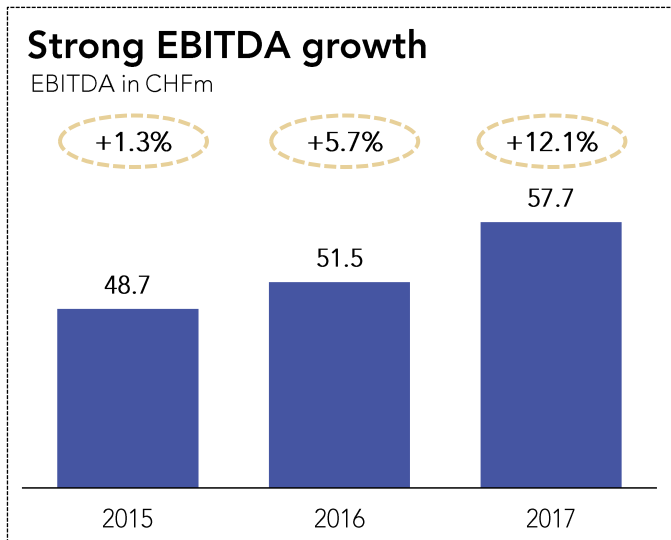


# Biotta acquisition: in line with all M&A criteria



# Strong operating results

*thanks to portfolio management and efficiency gains*



**3** ORIOR has steadily improved its operating results, supported by high cost efficiency.

## 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.

**3** ORIOR has steadily improved its operating results, supported by high cost efficiency.

### A snapshot of projects and measures under way

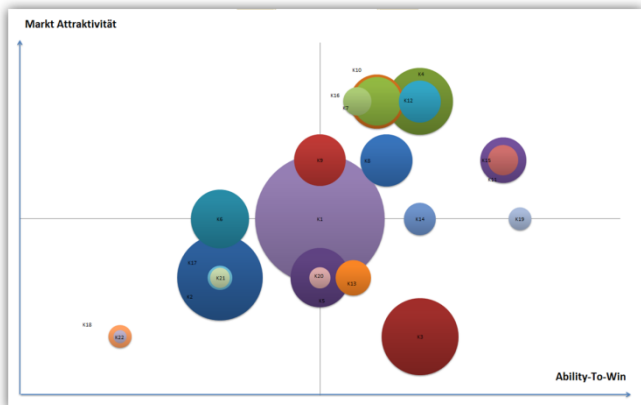
- Champion Model; Innovation, procurement, sales retail, sales food service, quality management, Web.
- Head of Supply Chain Excellence since Q2 2017.
- Digitalisation designated a priority topic for 2020: IT roadmap for every centre of competence.
- Operational footprint; closure of Churwalden plant; Rüti site integrated into Root site, transfer of production from Hildisrieden to site in Oberentfelden.
- Ongoing rollout of automated payment transaction system.
- Successful refinancing and issue of debut bond.

### Steady value creation

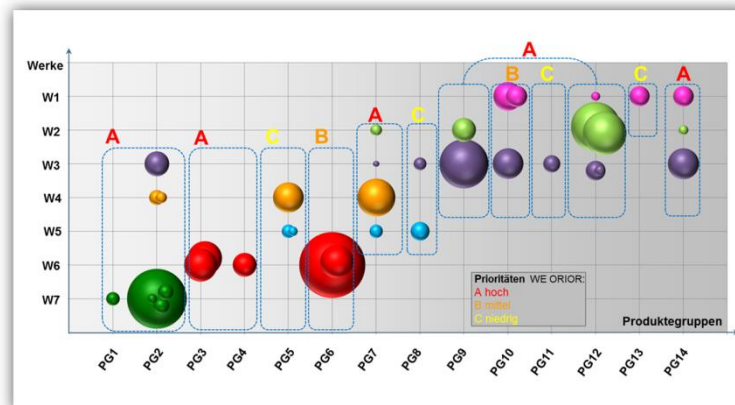


# Agility and cost efficiency

## Portfolio analysis



## Operational footprint



## Champion model



## Cost and lean management



## 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 purchases).
- Selectively build and expand Group marketing capabilities (Champion Model).

4

ORIOR remains the market leader in existing and new product niches.

### A snapshot of projects and measures under way

- Ticinella's new visual identity; high brand and marketing investments.
- Redesign Pastinella brand.
- New Le Patron design as of summer 2018.
- La Bottega di Mario opened in Zurich.
- Successful new Rapelli brand identity; brand awareness and brand sales improved.
- Successful repositioning of the core brand Noppa's .
- Additional investments in marketing; consistently increased since 2015.
- Acquisition of the Swiss organic vegetable beverage pioneer Biotta.

### Steady value creation











Ticinella  
with a brand  
new look





noppa's<sup>®</sup>  
SWISS+TOFU

Redesign noppa's

Unadulterated Swiss tofu bliss

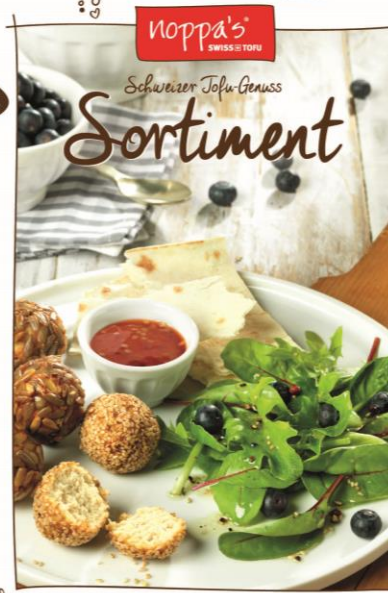
### Font

Represents the craftsmanship and creativity behind the vegetarian and vegan recipes.



### Logo

The Swissness of the products is reflected in the colour scheme



### Communication

All communication tools and the packaging are designed in German and French. All the product range flyers, exhibition stands and advertisements have been adapted to the new style.





NEUES DESIGN  
AB MITTE 2018

## Craftsmanship and Swissness



Le Patron Orior Menu AG

Rohrmattstrasse 1 | CH-4461 Böckten | T +41 61 985 85 00 | info@lepatron.ch | www.lepatron.ch



# Pioneer in growing premium niche of organic beverages

# Biotta®

Der Schweizer Bio-Pionier



Biotta classic range

Biotta PUR and Essenz



Organic food stores



Fresh

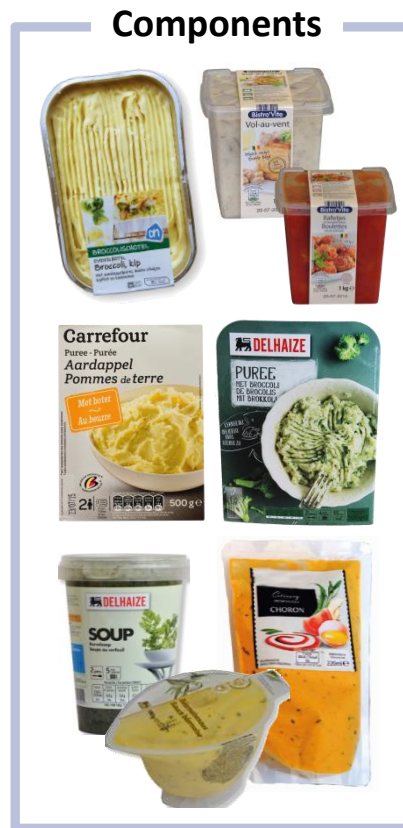


Biotta wellness packages for juice weeks



# Leading producer in the Benelux

- Broad product portfolio and strong positioning in the attractive premium fresh convenience market.
- Operates four production sites and one logistics centre in Belgium.
- Outstanding portfolio of food service and retail clients.





# 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.

**5** ORIOR is the most innovative food group in Switzerland, and owns strong and unique brands.

## A snapshot of projects and measures under way

- Innovation Controlling set up.
- New concepts and seasonal specialities successfully introduced.
- New to-go products and concepts developed.
- Innovation Champions: 3-year pipeline 2016-2018 per competence centre.
- Group Innovation Manager (Champion Model); Oscar Marini since 1 January 2016.
- Additional investment into Innovation and Marketing.
- 360° Innovation throughout the whole value chain.

### Steady value creation





# POWER SALAD



Rich in protein – 25% vegetables – low in fat





Condividere il buono della vita  
Gutes im Leben teilen  
Partager le bon côté de la vie



# Creative and surprising: Fredag's new veggie burger





# Albert® Spiess

SEIT 1906



Die Bündner Trockenfleisch Spezialitäten  
handgelegt in der Frischeschale.

**NEU**

Bündner  
Spezialitäten –  
sichtbar frisch







# my ENERGY

100% Switzerland

100% Beef

36% Proteins

3% Fat

my ENERGY  
Reich an Protein  
Riche en protéines

my ENERGY

Reich an Protein  
Riche en protéines

ORIGINAL BEEF

100%	36%	3%
Rindfleisch	Elweiss	Fett
Viande de	Protéines	de mat.







# TO GO



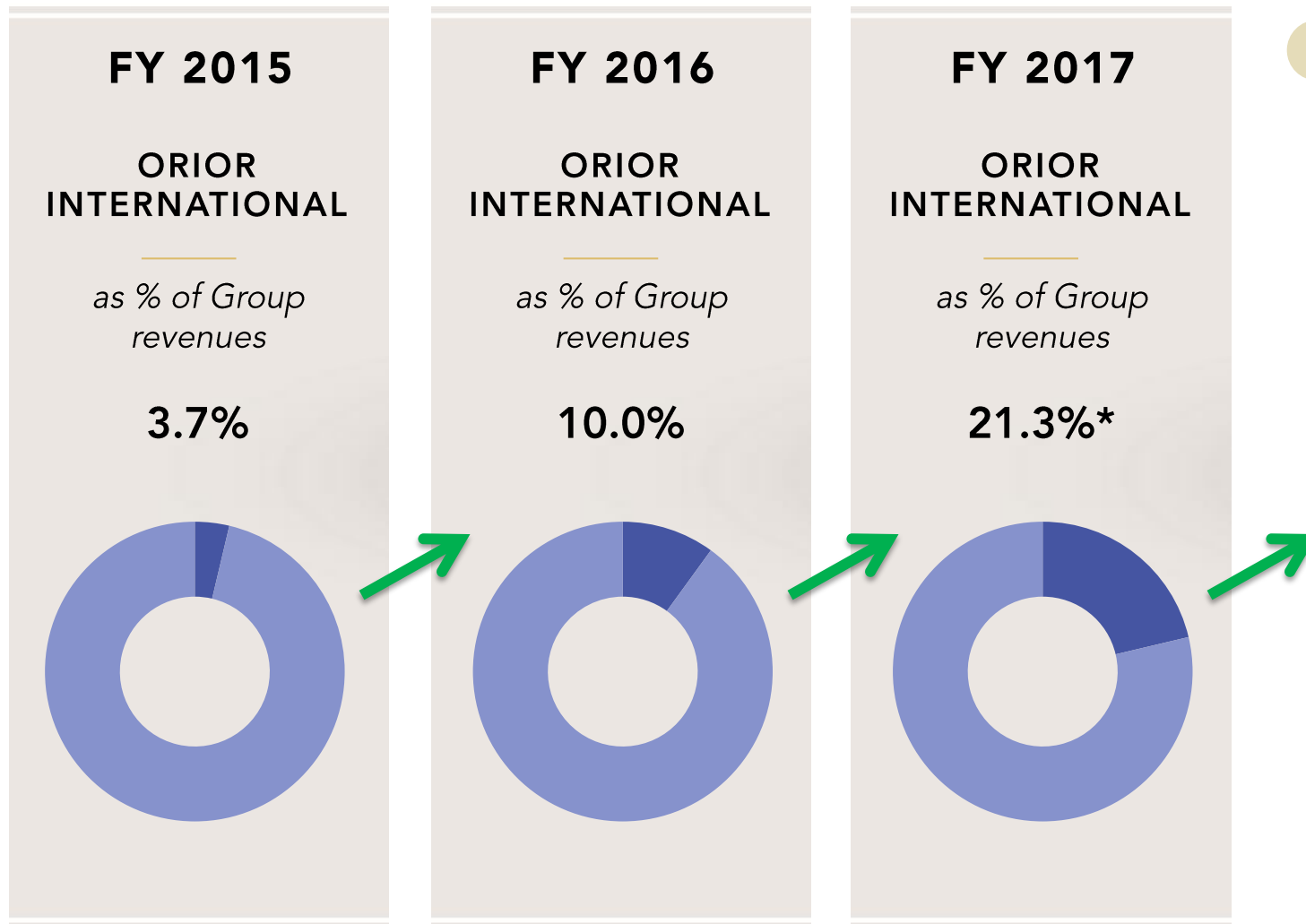
Mediterranean antipasti  
in convenient  
to-go portions.



# Growing international share

6

ORIOR is European.



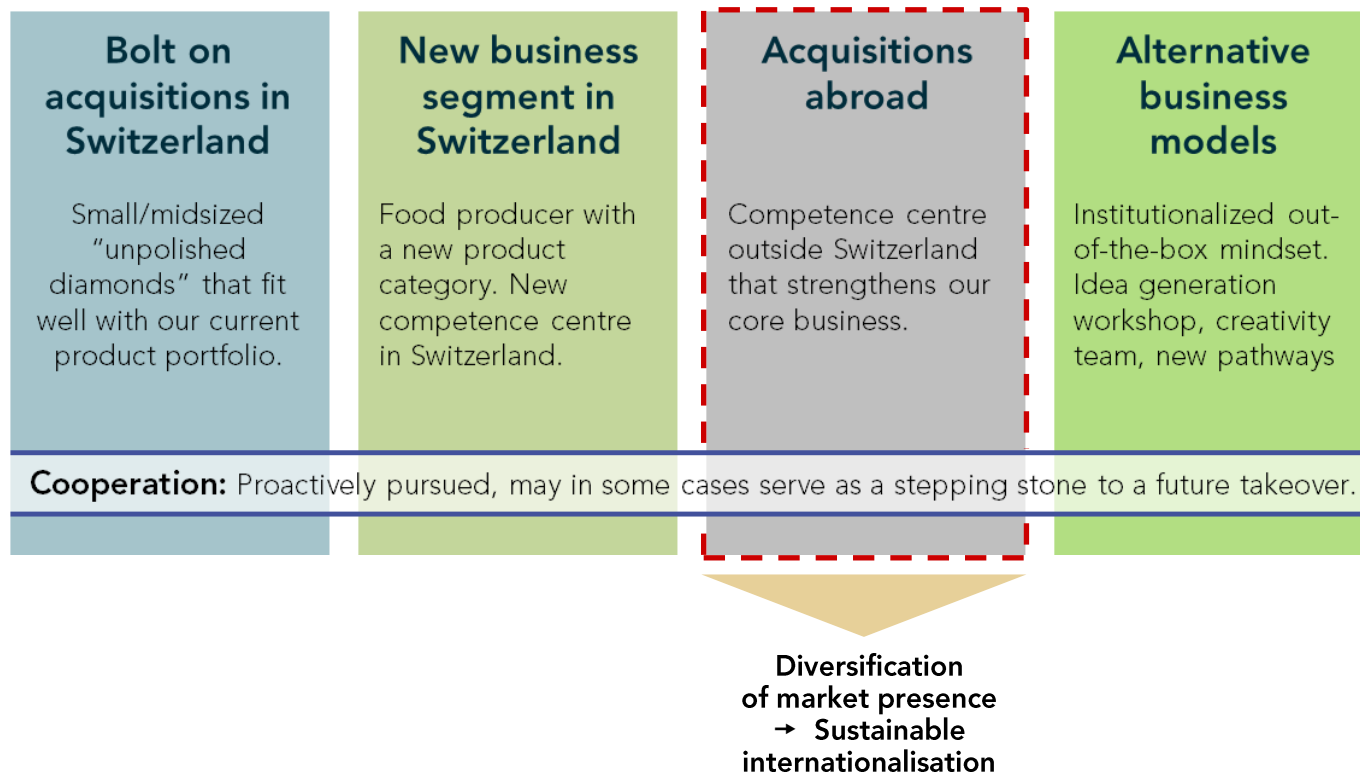
\* excl. Biotta

# Culinor in the context of ORIOR M&A strategy

*Consistent implementation of M&A strategy*

- M&A strengthens the core business:  
Expand market position, strengthen innovation power, capture cost/efficiency gains.
- No change in dividend policy.

## The four areas of M&A strategy



# Culinor acquisition: in line with all M&A criterias



**culinor**



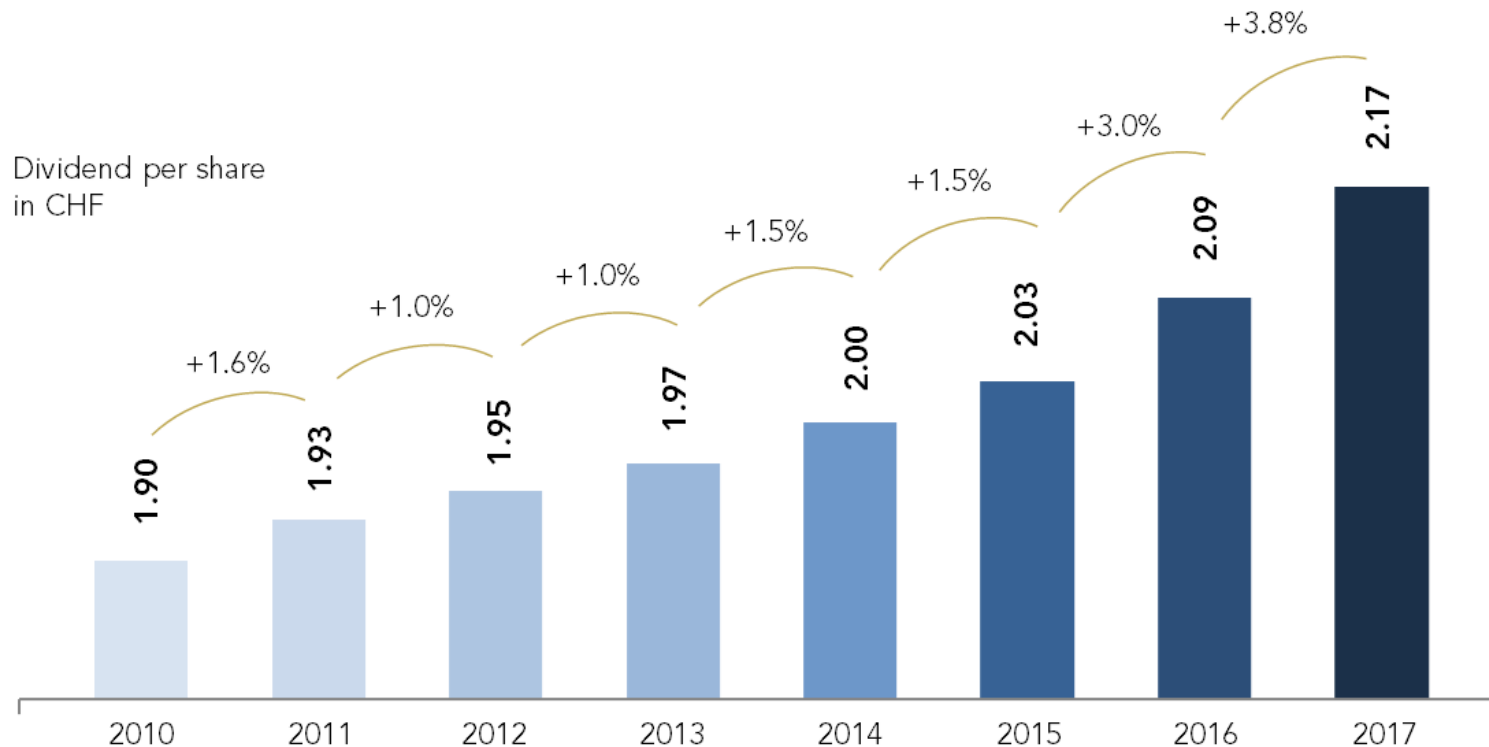


# Dividend history

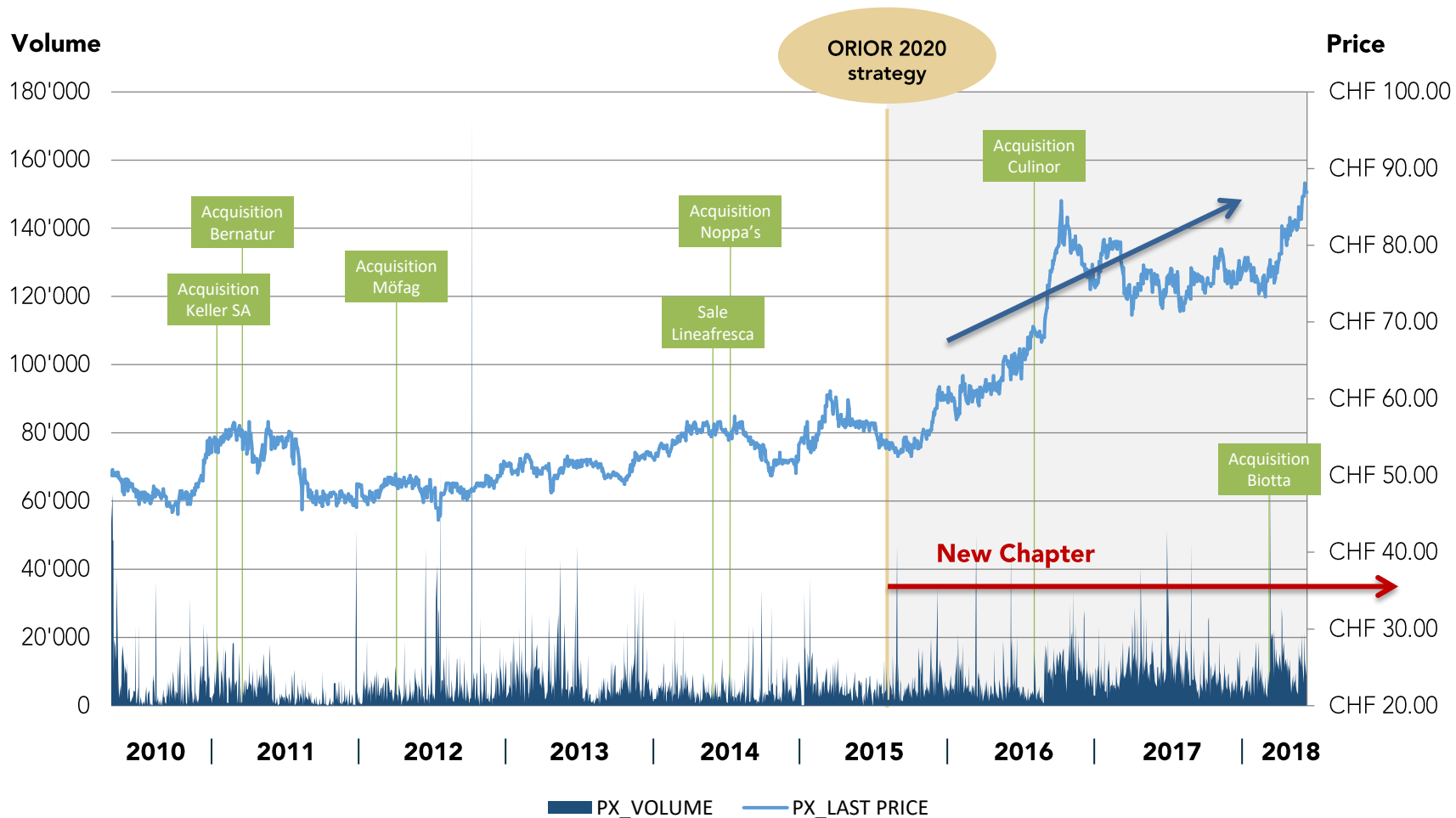
- Long-term oriented, stable and attractive dividend policy: steady increase in the absolute dividend per share
- Seventh consecutive increase in the dividend since the IPO

7

ORIOR offers shareholders an attractive dividend yield and has steadily increased its dividend payout.



# Share performance since IPO; impact ORIOR 2020 strategy



# ORIOR in the context of ORIOR 2020 strategy goals

## ORIOR in the year 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. ✓

**All implemented initiatives and measures with positive impact on all ORIOR 2020 targets**

THE **ORIOR**  
RESPONSIBILITY

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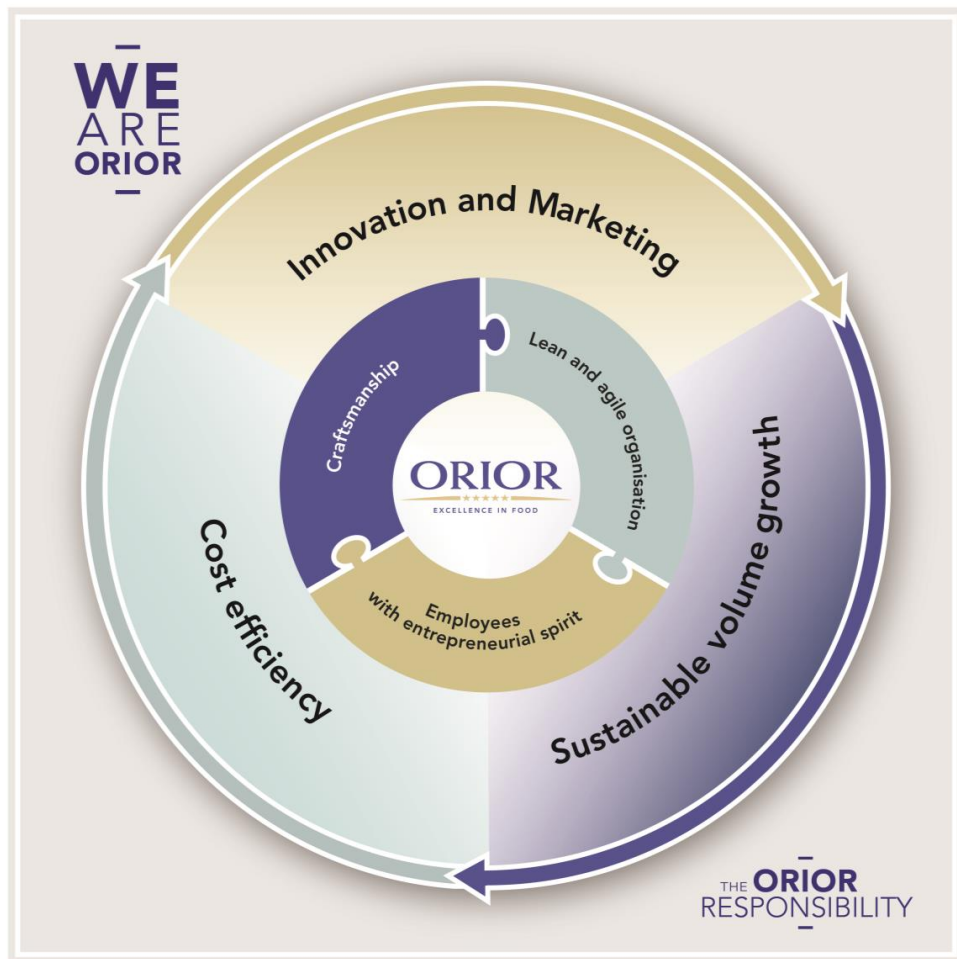
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# ORIOR 2020 strategy – goal: steady value creation



## Strategic pillars

House of Innovation

Brand strengthening and expansion

Agility and cost efficiency

The ORIOR responsibility

We are ORIOR



# ORIOR sites

## ORIOR International



**Culinor Food Group, Destelbergen**  
Chilled premium ready meals and meal components.



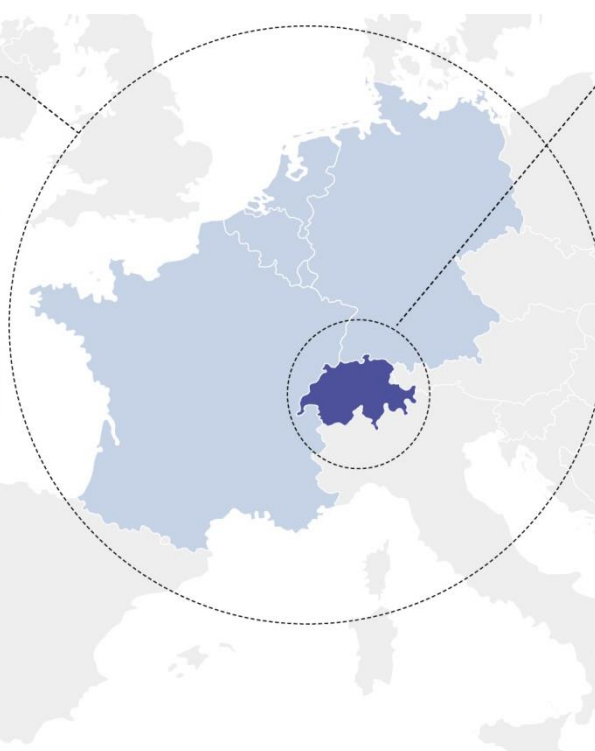
**Vaco's Kitchen, Olen (BE)**  
Production of sous-vide products, chef meals and meal components.



**GESA, Neuenstadt-Stein (DE)**  
Organic vegetable juices for food and beverage industry.



**ORIOR / Spiess Europe**  
Distribution centre in Haguenu.



## ORIOR Switzerland



**Fredag, Root**  
Poultry specialities, convenience meat dishes and vegetarian/vegan.



**Rapelli SA, Stabio**  
Charcuterie specialities like salami, prosciutto and coppa.



**Le Patron, Böckten**  
Pâtés and terrines, ready meals, meal components.



**Albert Spiess, Schiers**  
Grisons specialities like Bündnerfleisch, Salsiz and cured ham.



**Pastinella, Oberentfelden**  
Fresh, filled and unfilled Italian-style pasta.



**Möfag, Zuzwil**  
Fürstenländer specialities such as Mostbröckli and hams.



**Biotta, Tägerwilen**  
Organic juices made from naturally grown fruits and vegetables.

# ORIOR business model




















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# Food trends

**Convenience 3.0**

**360°  
Innovation**

**Snacking**

**Multi-channel /  
In and Out of Home**

**Hybrid consumption**

**Close to the market  
and the consumer**

**Out of home**

**New  
concepts**

**Regionalism, freshness & quality**

**Uncompromising  
focus on freshness**

**Organic**

**Increase number of organic  
products and concepts**

**Health and Balance**

**Individualised  
offers**

**Vegetarian / Vegan**

**New reality**

# Clear financial targets underpin our strategy

*Rigorous execution of our financial target system – together we deliver*



## Growth

Attractive niche markets

Portfolio mix

## Margins

Performance improvement, operating efficiency and Group synergies

## Cash flow

Capital efficiency

Performance controls and financial performance indicators cockpit

Organisation, leadership, performance management

- **Average long-term sales growth of 1-2%.**
- **Steady increase in absolute EBITDA.**
- **Steady increase in absolute dividend.**





# Share information

**Listing** SIX Swiss Exchange  
**Security number** 11167736  
**ISIN code** CH011 1677 362  
**Ticker** ORON  
**LEI** 50670020184ZA17K9522  
**UID** CHE-113.034.902

**Share price on 08.06.2018** CHF 84.50

Dividend	2017	2016	2015	2014	2013	2012	2011
Dividend per share in CHF	2.17	2.09	2.03	2.00	1.97	1.95	1.93
Dividend increase vs. previous year in %	3.8	3.0	1.5	1.5	1.0	1.0	1.6

→ ORIOR's attractive dividend policy was confirmed in the ORIOR 2020 strategy and a steady increase in the absolute dividend in coming years is targeted

Stock information / data		30.12.17	30.12.16
Share price on 31.12.	in CHF	77.15	74.75
High	in CHF	82.00	86.00
Low	in CHF	71.15	57.00
Market cap	CHF million	457.1	442.9
Earnings per share	in CHF	5.42	4.79
Operating cash flow per share	in CHF	9.42	5.39
Shareholders' equity per share	in CHF	47.49	41.13

## Major shareholders (04.06.2018)

Ernst Göhner Stiftung (CH)	10.46 %
UBS Fund Management AG (CH)	6.21 %
Schroders Plc (GB)	4.88 %
Rolf U. Sutter / Gruppe (CH)	3.37 %
Swisscanto Fondsleitung (CH)	3.28 %
Credit Suisse Funds AG (CH)	3.16 %

## Calendar

22.08.18	Publication of 2018 interim results
04.03.19	Publikation of full year results 2018
11.04.19	Annual General Meeting 2019