

Ad hoc announcement pursuant to Art. 53 LR

ORIOR posts organic growth; challenging environment weighs on profitability

- Net sales up by 1.0% (organic 2.1%) to CHF 643.1 million, driven by the very good performance of the International segment, and the Culinor Food Group in particular.
- EBITDA amounted at CHF 59.2 million (previous year: 64.1 million), with an EBITDA margin of 9.2%.
- Decrease in the debt ratio (net debt/EBITDA) from 2.06x to 1.97x thanks to solid free cash flow.
- Comprehensive short-, medium- and long-term measures introduced to increase efficiency and improve profitability.
- ESG: on track to achieve sustainability goals.
- Proposed dividend of CHF 2.51 per share, continuation of an attractive dividend policy with at least a constant absolute dividend for the coming years.
- Board of Directors: Felix Burkhard and Dr Patrick M. Müller are proposed as new members of the Board of Directors. Walter Lüthi is not standing for re-election after eight years.
- Outlook for 2024: further organic growth and improvement of the EBITDA margin.

The internationally active Swiss food & beverage group ORIOR once again records growth for the 2023 financial year, although the challenging environment is weighing on profitability. Net sales grew by 1.0% compared with the previous year to CHF 643.1 million (at constant exchange rates: CHF 650.0 million). EBITDA fell to CHF 59.2 million, corresponding to an EBITDA margin of 9.2%. CEO Daniel Lutz on the current result: “We were able to realise organic growth of 2.1% despite challenging conditions. This highlights the fact that many areas performed very well. In terms of margins, however, we were unable to compensate for the accumulation of adverse events. Over the past few years, we have shown that we are able to react with agility to constantly changing market conditions. That’s why I’m convinced that we’ll increase profitability again.”

In the 2023 financial year, the ORIOR Group generated net sales of CHF 643.1 million, representing an increase of 1.0% over the previous year (previous year: CHF 636.7 million). The net sales consisted of organic growth of 2.1% and an exchange rate effect of –1.1%.

The International segment, particularly the Culinor Food Group and Casualfood, posted a pleasing performance and it was a solid year too for Rapelli and Biotta in Switzerland. The accumulation of adverse factors meant that the high growth expectations of 4 to 6% and a stable profitability trend could not be achieved. The main reasons for this were the ongoing inflationary environment with rising input costs leading to higher selling prices, which in turn caused consumers to increasingly choose more affordable ORIOR products. This resulted in a product mix with lower margins. Additionally, pork prices rose significantly and created strong pressure on margins in the fourth quarter. The Group’s gross margin increased from an already good 45.9% to 48.0%. Rising input costs could be partially passed on in the form of higher prices. Although we succeeded in increasing efficiency again, this was not enough to compensate for the overall pressure on profitability. The aforementioned effects then had an impact on EBITDA, which amounted at CHF 59.2 million (previous year: CHF 64.1 million), corresponding to an EBITDA margin of 9.2% (previous year: 10.1%).

EBIT fell to CHF 32.1 million due to the lower EBITDA and higher depreciation (previous year: CHF 37.9 million). As a result, net profit attributable to ORIOR AG shareholders amounted to CHF 24.8 million (previous year: CHF 30.2 million). Free cash flow increased to CHF 35.0 million, primarily due to lower investment (previous year: CHF 18.8 million). This enabled the debt ratio (net debt/EBITDA) to be further reduced from 2.06x to 1.97x.

ORIOR segments

The ORIOR Convenience segment with its Fredag, Le Patron, Pastinella and Biotta competence centres, generated –0.2% lower net sales of CHF 219.8 million (previous year: CHF 220.2 million). If the volumes transferred to the Refinement segment in connection with site development projects were taken into account, there would have been a slight increase in sales. Pastinella recorded growth compared with the previous year, with sales in the gastronomy sector in particular showing a satisfying increase. Le Patron also slightly surpassed the previous year's level despite modest Christmas sales, thanks primarily to growth within its retail range. Biotta performed very well in Switzerland, although exports suffered from consumer behaviour due to the strong Swiss franc and the associated higher prices of its products. Fredag further expanded its core poultry business, whereas its food service channel and above all the export of plant-based specialities to the UK did not perform in line with expectations.

The ORIOR Refinement segment, with the Rapelli, Albert Spiess and Möfag competence centres, reported a –1.4% decline in net sales to CHF 245.7 million (previous year: CHF 249.1 million). The main factors were the inflationary environment with rising input costs and, as a result, higher sales prices. This led to shifts in the product mix, as consumers increasingly switched to more affordable products. Supported by the volumes transferred from the Convenience segment, Rapelli delivered a solid performance and made gains in both the retail and, above all, the food service sector. Albert Spiess performed less satisfactorily. The cancellation of a major order coupled with the lack of intercompany sales with Spiess Europe in the weakening French market resulted in negative growth. Möfag again increased its sales. The rapid rise in pork prices in the second half of the year had a negative effect across all the competence centres. In combination with the time-limited bulk contracts at fixed prices, this put significant pressure on Group profitability.

The ORIOR International segment, comprising the Culinor Food Group and Casualfood competence centres and Biotta's sister company Gesa, as well as the slicing, packaging and distribution platform Spiess Europe, grew its net sales by 4.8% to CHF 198.8 million in the reporting year (previous year: CHF 189.7 million). The segment achieved very good organic growth of 8.5% with an exchange rate effect of –3.7%. The Culinor Food Group recorded an exceptionally good performance. In addition to continued customer and channel development, positive drivers included the launch of innovative product lines and the pass-through of increased input costs. Casualfood also achieved impressive growth thanks to high passenger frequencies at all of its key locations, as well as its new concepts and outlets at existing and new sites. Gesa continued to benefit from a strong position in its highly specialised niche market and also enjoyed very gratifying growth. Only Spiess Europe failed to impress in the International segment, losing a significant amount of sales compared with the previous year for the reasons mentioned above.

The ORIOR Responsibility

ORIOR is on track to achieve four out of five of its quantitative targets. This is good news, especially given that all of the sustainability targets also have a positive impact on business performance. Water consumption, greenhouse gases, food waste and accident rates were on target at the end of 2023 in terms of linear progress, while the sickness rate did not achieve the targeted reduction. The 2023 report also addresses for the first time the requirements of the Swiss Code of Obligations with regard to non-financial reporting, and preparations to comply with this extended over the entire reporting year. For example, the double materiality analysis was carried out, and the entire reporting concept was adapted to meet the new requirements. In

summer 2023, ORIOR also officially committed itself to science-based climate targets by joining the SBTi (Science Based Target initiative). The new baseline was then calculated, and the short and long-term targets are now being developed on this basis.

Dividend

The Board of Directors will be submitting a motion to the Annual General Meeting on 23 May 2024 to distribute a slightly higher ordinary dividend of CHF 2.51 per share (previous year: CHF 2.50).

ORIOR Group key figures – 2023 financial year

in kCHF	2023	Δ in %	2022
Net sales	643 094	+ 1.0%	636 691
EBITDA	59 209	-7.7%	64 115
<i>as % net sales</i>	9.2%		10.1%
EBIT	32 088	-15.3%	37 892
<i>as % net sales</i>	5.0%		6.0%
Net profit attributable to owners of the parent	24 798	-17.8%	30 170
<i>as % net sales</i>	3.9%		4.7%
Operating cash flow	53 011	-10.8%	59 421
Free cash flow	35 025		18 789
Net debt/EBITDA ratio	1.97		2.06
Equity ratio	23.5%		21.3%
ROCE	13.9%		15.5%
Dividend per share in CHF	2.51		2.50
Stock market capitalisation as at 31.12	471 707		479 558
Average number of employees (FTE)	2 135		2 041

Outlook

2024 financial year

For the current year, we expect further organic growth and an improvement of the EBITDA margin. The environment and markets are likely to remain challenging and the geopolitical situation tense, which means that the overall conditions for ORIOR's business activities are unlikely to improve much. In terms of sales, we nevertheless expect organic growth to be generated across all the segments and to reach 1.5 to 2.5% (at constant exchange rates). The positive drivers on the topline will once again be our established core product ranges and innovations, broad diversification – on the customer, channel and product side – and further cost pass-throughs. The International segment is forecast to again make the strongest contribution to the Group's organic growth. Additional focal points are improving profitability and increasing efficiency, to which comprehensive measures have already been initiated, as well as the implementation of further site development projects. Given the context of the challenging environment, we anticipate a gradual improvement in the EBITDA margin of 9.3 to 9.5% in the 2024 financial year.

ORIOR 2025 Strategy ambitions

The ambitions for organic growth (2 to 4% p.a. on average), the equity ratio (>25%), the debt ratio (<2.5x), and the improvement index for sustainability targets (>80%) remain the same. We are also maintaining the ambition of a >10% EBITDA margin. In view of the anticipated ongoing challenging environment, a recovery to the targeted level could take 2 to 3 years. The ambition of increasing absolute EBITDA annually can no longer be realised owing to the 2023 result. The Board of Directors envisages at least an unchanged absolute dividend in the coming years.

Measures for stabilising and increasing profitability and efficiency

All of the ORIOR Group's Swiss competence centres have been involved in a comprehensive business and product portfolio analysis to more consistently promote and position innovations as well as high-margin product ranges on the market. Optimisation potential on the cost side will continue to be systematically leveraged. Based on the current starting position and the adjustments to the portfolio, the structures in individual competence centres are also being reassessed and adapted.

Given the ongoing challenging conditions, the Board of Directors and Executive Committee have decided to initiate the new five-year plan. ORIOR site development plays a central role in this by helping to increase profitability and improve efficiency. With this goal in mind, ORIOR has acquired an neighbouring building with additional land at its strategically important site in Oberentfelden. The intention is to invest in this site, and planning is currently underway. Additional information on the project will be communicated as soon as it has been finalised.

Guidance 2024

	2023	Guidance 2024*
Net sales	CHF 643.1 m	CHF 652.7 to 659.2 m
EBITDA margin	9.2%	9.3 to 9.5%
Tax ratio	16.8%	15 to 19%
Operational CapEx	CHF 19.9 m	CHF 18 to 22 m
Strategic CapEx (site development)		CHF 30 to 34 m

** at constant exchange rates*

Changes to the Board of Directors

Walter Lüthi, a long-standing member of the Board of Directors, will not be standing for re-election at the upcoming Annual General Meeting on 23 May 2024. We are very grateful to Mr Lüthi for the way in which he has supported and helped to shape the ORIOR Group over the past eight years.

At the Annual General Meeting on 23 May 2024, the Board of Directors of ORIOR AG will propose that Felix Burkhard and Dr Patrick M. Müller be elected as new members of the Board of Directors. Felix Burkhard (born in 1966) is CFO and member of the Executive Committee of the Galenica Group, Bern. The proven financial expert has many years of management experience in various positions at the Galenica Group, which is highly specialised in the healthcare market. Among his other responsibilities, he was in charge of the group's retail business for several years, including Amavita, Sun Store and the Coop Vitality joint venture. Dr Patrick M. Müller (born 1980) until recently headed the British home delivery company Milk & More as CEO. He possesses in-depth knowledge of the European food market and is characterised by his many years of successful entrepreneurship. He previously held a variety of management positions in the UK, Eastern Europe and Luxembourg with the Theo Müller Group.

The invitation to the Annual General Meeting will include a presentation of both candidates along with a brief CV and their most important qualifications and skills.

Changes to the Executive Committee

Andreas Lindner, CFO of the ORIOR Group, has informed the Board of Directors and the Executive Committee that he intends to step down from his position at the beginning of 2025 in order to pursue private/sporting commitments and to concentrate more on board of directors' activities in the future. ORIOR very much regrets his decision and would like to take this opportunity to thank him for his valuable contribution. The search for a suitable replacement candidate is underway. An announcement will be made as soon as a successor to Mr Lindner has been appointed.

Our thanks

Dedication, identification and mutual commitment to ensuring the successful development of ORIOR are decisive elements for our success – and even more so when dealing with harsh overall conditions and a volatile environment. In this respect, all of our employees deserve our sincere gratitude for their valued contributions. We also thank our customers and partners for their sincere and trusting cooperation. Likewise we would like to thank our shareholders for their trust in us and our work.

Invitation to video conference

Today, Wednesday 13 March 2024, CEO Daniel Lutz and CFO Andreas Lindner will take us through the 2023 financial results in a Teams video conference.

Telephone conference in German: Wednesday, 13 March 2024, 10:00 am (CET)

> Join via Teams: [>> Click here to participate in the conference <<](#)

> Participation by telephone: +41 43 216 97 36, conference ID: 377 242 615#

Telephone conference in English: Wednesday, 13 March 2024, 3:00 pm (CET)

> Join via Teams: [>> Click here to participate in the conference <<](#)

> Participation by telephone: +41 43 216 97 36, conference ID: 836 628 15#

If you have any organisational questions about the video conference or problems with the link, please contact: Mara Bachmann, mara.bachmann@orior.ch, direct line +41 44 308 65 02.

Download links:

[>> Annual Report 2023](#)

[>> Alternative Performance Measures Full Year 2023](#)

[>> Presentation on Full Year results 2023](#)

[>> Media image gallery](#)

Contact

Milena Mathiuet, Chief Corporate Affairs Officer, Telephone +41 44 308 65 13, email: milena.mathiuet@orior.ch

Investor agenda

23 April 2024: Publication of Sustainability Report 2023

29 April 2024: Planned mailing of the invitation to the Annual General Meeting

16 May 2024: Share register closes

23 May 2024: Annual General Meeting

27 May 2024: Ex date

29 May 2024: Pay date

21 August 2024: Publication of 2024 Half-Year Results and Half-Year Report

ORIOR – Excellence in Food

ORIOR is an internationally active Swiss food & beverage group. It comprises companies with strong regional roots, well-known brands and product ranges that maintain leading positions in growing niche markets in Switzerland and abroad. This decentralised business model allows ORIOR's individual companies to live out their own culture and identity tailored to their employees and customers, as well as to create original product, brand and concept worlds. What unites them all is their passion for culinary arts and craftsmanship, a spirit of innovation that is attuned to trends and customer needs, bold entrepreneurship, and strong, shared values.

Our leadership concept combines the ORIOR Group's strategic outlook and actions with the competence centres' high degree of autonomy. The "ORIOR 2025 Strategy" with its strategic pillars and Group-wide key policy initiatives (such as the forward-looking "ORIOR New Normal", the intradisciplinary "ORIOR Champion Model" and the interdivisional "ORIOR Bridge-building") are central success factors for continuously creating value for all of our stakeholders.

*Motivated employees who enjoy their work and take responsibility for themselves and their tasks are our key to achieving extraordinary things. We strive to be unique and offer the utmost in quality so that we can continue to offer enjoyable experiences that surprise and delight our consumers. This is why our vision is: **Excellence in Food.***

ORIOR is listed on the SIX Swiss Exchange (ORON, ISIN CH011 1677 362, LEI 5067 0020 I84Z A17K 9522). Additional information available at www.orior.ch.

Note to performance measures

ORIOR uses alternative performance measures in this Annual Report which are not defined by Swiss GAAP FER. These measures provide useful and relevant information regarding the operative and financial performance of the Group. The document "Alternative Performance Measures Full Year 2023", which is available at <https://orior.ch/en/financial-reports>, defines these alternative performance measures.