

Ad hoc announcement pursuant to Art. 53 LR

ORIOR continues its growth path

- Net sales increase by 0.9% (organic 2.4%) to CHF 312.1 million.
- Very good performance of the International segment and the Food Service channel.
- EBITDA rises 0.8% to CHF 30.5 million; solid EBITDA-margin of 9.8% at previous year's level.
- ESG: SBTi Commitment Letter signed; formulation of the science-based targets has started.
- Outlook: continued organic growth expected. Guidance is confirmed.

The internationally active Swiss food & beverage group ORIOR has reported a pleasing first half of 2023. Its results, which are in line with expectations, were influenced by the ongoing geopolitical tensions and the resulting disruption and associated increased input costs. High inflation has created uncertainty and limited purchasing power in the sales markets. The Group successfully tackled the various challenges it faced once again through its broad diversification into different product categories, a segmented client portfolio, and its competence centres with strong local networks. The International segment and the entire Food Service channel performed particularly impressive.

The ORIOR Group's net sales in the first half of 2023 increased by 0.9% to CHF 312.1 million (previous year: CHF 309.2 million). This was based on solid organic growth of 2.4% and a negative exchange rate effect of -1.4% (sales at constant exchange rates: CHF 316.5 million). The main drivers for this positive performance were the International segment with outstanding growth of its product and concept ranges, as well as the continued favourable progress made by the Food Service channel. When compared with the same period of the previous year, growth was primarily driven by responsible and appropriate price adjustments.

The Group's gross margin rose by 314 basis points to 48.8% due mainly to sales growth in the International segment, including travel gastronomy with its higher gross margins based on its business model.

The ongoing disruption caused by the challenging geopolitical situation in Europe continued to influence performance. Input costs remained high, while inflation rates in European sales markets barely edged downwards. A part of the increased costs were offset by improved efficiency and responsible price adjustments. Forward-looking purchasing management also had a positive impact on profitability. Furthermore, the previous year's results included one-off effects from pandemic-related aid and relief provided by the German government of CHF 2.5 million. Despite these factors, this year's EBITDA rose by 0.8% to CHF 30.5 million, leading to an unchanged EBITDA margin of 9.8%. EBIT decreased by -4.0% to CHF 16.8 million compared with the first half of 2022, corresponding to an EBIT margin of 5.4% (previous year: 5.6%). The main reasons were higher depreciation and amortisation related to investments in future, high-margin and innovative product categories. The Group's net profit of CHF 12.9 million remained virtually unchanged (first-half 2022: CHF 13.0 million). The profit margin was 4.1% compared with 4.2% in the previous year. The financial result improved by CHF 0.6 million thanks to lower foreign currency losses.

Cash flow from operating activities amounted to CHF 18.8 million (first-half 2022: CHF 27.3 million). The primary reason for this decrease was the change in net current assets due to lower stock in the previous year as a result of the pandemic, coupled with the partially intentional build-up of inventory. The net debt ratio increased minimally to 2.18x due to dividend payment but remains well below the ORIOR target level of <2.5x. The equity ratio after goodwill offsetting rose to 21.4% (first-half 2022: 20.2%).

ORIOR segments

ORIOR's Convenience segment, with its Fredag, Le Patron, Pastinella and Biotta competence centres, generated net sales of CHF 109.8 million, matching the previous year (first-half 2022: CHF 109.8 million), and did not completely fulfil expectations. Excluding the one-off effect from the volume transfer of CHF –1.7 million to the Refinement segment (impacted period: May 2022 to April 2023), the Convenience segment would have recorded growth of 1.5%. Fresh pasta manufacturer Pastinella performed particularly well thanks to the successful growth of its product range and sales channel in the Food Service sector. The retail business grew slightly compared with the same period of the previous year. Product-wise there was particularly higher demand for fresh pasta and poultry specialities. The turnover from plant-based products was not satisfactory, mainly due to poor sales in the UK. However, the structural trend towards "flexitarian" diets remains intact and is reflected, among other things, in new listings, both in retail and various food service channels.

The ORIOR Refinement segment, with the Rapelli, Albert Spiess and Möfag competence centres, recorded a decline in net sales from CHF 124.7 million to CHF 119.3 million, corresponding to –4.3%. The primary reasons for this were low pork prices and inflation-related weaker demand, leading to fewer exports to France (intercompany sales with Spiess Europe). In the retail channel, the reduction of sale promotions by retailers made itself felt. Nevertheless, the retail channel did slightly better than expected. Especially noteworthy are the good sales of the Rapelli terroir specialities, from June 2023, the grill specialities and generally organic products and assortments with sustainability labels. Sales from the aforementioned volume transfer from the Convenience segment were posted at Rapelli during the first four months of the year, while the discontinued sales to Russia had a minimal negative impact on net sales. If these two effects, amounting to CHF 1.1 million, were excluded, the Refinement segment would have reported negative organic growth of –5.2%.

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 6.0% to CHF 94.2 million compared with the previous year (first-half 2022: CHF 88.9 million). Organic growth reached a very good 11.0%, while the exchange rate effect was –5.0%. The main driver was outstanding double-digit growth by Casualfood with the opening of additional outlets as well as very good growth by the Culinor Food Group thanks to customer growth and the necessary pass-through of increased input costs. Due to inflation Spiess Europe had to absorb a significant drop in turnover, while Gesa was also unable to match the previous year's level and, driven by the weak US dollar, experienced a reduction in sales, primarily in the exports sector.

The ORIOR Responsibility

In April 2023, ORIOR published its fifth sustainability report in accordance with the GRI (Global Reporting Initiative), providing a comprehensive description of its measures, progress and challenges in the area of sustainability. After joining the Science Based Target Initiative, it has started working on the development of science-based targets (SBTs). The starting point is determining the current emissions (corporate carbon footprint, including Scopes 1, 2 and 3) of the entire ORIOR Group. The significance of ESG (Environmental Social Governance) is also demonstrated by the rapidly increasing number of new ratings, analyses and reporting standards coming onto the market. ORIOR focuses on what it considers to be the seven most important ratings for its stakeholders right now. With regard to standards, the GRI will be adhered to for the time being and, as the new legal requirements are being implemented, decisions will be made on how to proceed further. In addition to the new requirements under Swiss law, the implementation of the TCFD (Task Force on Climate-Related Financial Disclosures) and, after a certain period, the Corporate Sustainability Reporting Directive (CSRD) are particularly relevant for ORIOR in this context. An initial gap analysis has been completed. We are currently working on the double materiality, which will be addressed in several workshops attended by key people in the company. The resulting topics will be the basis for our approach to all new requirements.

ORIOR Group key figures – First-half 2023

in kCHF	Jan – Jun 2023	Δ in %	Jan – Jun 2022
Net sales	312 124	+0.9%	309 194
EBITDA	30 493	+0.8%	30 241
<i>as % net sales</i>	<i>9.8%</i>		<i>9.8%</i>
EBIT	16 774	-4.0%	17 469
<i>as % net sales</i>	<i>5.4%</i>		<i>5.6%</i>
Net profit for the period attributable to owners of the parent	12 901	-0.4%	12 959
<i>as % net sales</i>	<i>4.1%</i>		<i>4.2%</i>
Cash flow from operating activities	18 832	-30.9%	27 263¹
Net debt / EBITDA ratio	2.18x		2.14x
Equity ratio	21.4%		20.2%
ROCE	15.0%		14.6%
Stock market capitalisation as at 30.06	500 494		522 083
Average number of employees (FTE)	2 086		1 992

¹ Restatement, see Note 2 in Half Year Report 2023.

Outlook

Despite the persistently challenging environment, we expect further organic growth for the second half of the year. In terms of our channels, the Food Service sector, including travel gastronomy, looks set to perform particularly strongly. We also expect the retail business to grow at the previous year's level in Switzerland and to keep expanding in Belgium. Profitability will continue to be affected by international disruption. The wide-ranging measures taken to increase efficiency and our sales mix with growth in higher-margin product and customer groups will support profitability. Overall, we anticipate a solid second half-year and confirm the guidance for the 2023 financial year.

	Guidance 2023*	2022
Net sales	CHF 662 to 678 million	CHF 614.1 million
EBITDA margin	Absolute rise with margin from 9.8 to 10.2%	10.1%
Tax ratio	14.0 to 18.0%	16.6%
CapEx	CHF 18 bis 20 million	CHF 28 million

* at constant exchange rates.

Our thanks

Our employees constantly face high demands. International upheavals and the shortage of skilled workers are placing additional strain on the existing teams. Our employees carry out their work with enormous commitment, genuine passion and joy. We would like to express our gratitude for this. It is impressive and a source of pride to see what we can overcome and achieve together. We would also like to take this opportunity to thank our customers and business partners for their reliable collaboration, and our investors and shareholders for their trust and loyalty.

Invitation to video conference

Today, Wednesday 23 August 2023, CEO Daniel Lutz and CFO Andreas Lindner will take us through the 2023 half-year results in team video conferences.

Telephone conference in English: Wednesday, 23 August 2023, 3:00pm (CEST)

- > Taking part via Teams: [>> Click here to participate in the conference <<](#)
Conference ID: 392 306 688 101, Passcode: sqAgEB
- > Taking part by telephone: +41 43 216 97 36, conference ID: 861 061 388#

Telephone conference in German: Wednesday, 23 August 2023, 10:00am (CEST)

- > Taking part via Teams: [>> Click here to participate in the conference <<](#)
Conference ID: 353 776 629 977, Passcode: A5F5wG
- > Taking part by telephone: +41 43 216 97 36, conference ID: 759 055 343#

If you have any organisational questions about the video conference or problems with the link, please contact: Ursula Weder, ursula.weder@orior.ch, direct line +41 44 308 65 10.

Download links:

- [>> Half Year Report 2023](#)
- [>> Alternative Performance Measures Half Year 2023](#)
- [>> Presentation of 2023 half-year results](#)
- [>> GRI Sustainability Report 2022](#)
- [>> Photo gallery for the media](#)

Contact

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Investor agenda

- 13 March 2024: Publication of 2023 financial results and Annual Report
- 23 May 2024: Annual General Meeting of ORIOR AG

ORIOR – Excellence in Food

ORIOR is an internationally active Swiss food and beverage group. ORIOR Group represents a family of companies with a strong regional footing and popular brands and products that claim leadership positions in flourishing niche markets at home and abroad. ORIOR's decentralised business model allows every company in the Group to maintain their specific culture and identity, tailored to their workers and customers, and to create unique product, brand and concept worlds. They are joined together by a passion for culinary delights and true craftsmanship, a spirit of innovation directed towards market trends and needs, workforce entrepreneurship and strong common values.

Our management approach combines strategic thought and action at Group level with a high degree of autonomy at each centre of competence. The ORIOR 2025 Strategy with its strategic pillars and the Group-wide key strategic initiatives – the ground-breaking "ORIOR New Normal", the intradisciplinary "ORIOR Champion Model" and the synergistic "ORIOR Bridge-building" initiative – are critical success factors that will ensure steady value creation for all stakeholders.

*Motivated employees who enjoy what they do and who assume responsibility for themselves and their work are the catalyst for unlocking the extraordinary. We embrace uniqueness and premium quality in our quest to surprise and thrill our consumers time and again with delightful and delicious creations. Our vision is nothing less than **Excellence in Food**.*

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

Note to performance measures

ORIOR uses alternative performance measures in this media release 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 2023", which is available on <https://orior.ch/en/financial-reports>, defines these alternative performance measures.