



2019

ORIOR Group

FULL YEAR RESULTS

Disclaimer

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Note to performance measures

ORIOR uses alternative performance measures in this presentation 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 Full Year 2019", which is available on <https://orior.ch/en/financial-reports>, defines these alternative performance measures.

Agenda

Opening remarks by CEO

- CEO Statement

Full year 2019

- Key figures ORIOR group and segments
- Consolidated income statement and balance sheet
- Dividend

ORIOR 2020 strategy

- Value creation model
- Strategic pillars and overview of projects and measures

Outlook

- ORIOR Group
- ORIOR segments

CEO Statement

Stability thanks to the broader operational footprint

- Fiscal 2019 results in line with expectations.
- Casualfood a standalone centre of competence since September, successfully integrated into the International segment. Its momentum is still strong, operating results slightly better than expected.
- Good trends at Biotta and Gesa: new strategy worked out, brand modernisation initiated, full pipeline of innovation, significant efficiency gains.
- Growth in line with expectations: Refinement and International segments with good results, Convenience segment fell short of expectations.
- EBITDA margin held at the good level of 10.2% as forecast, despite high meat prices.
- Important Group initiatives:
 - *We published our first Sustainability Report → related strategy wheel and goals implemented across the Company*
 - *Extended Executive Committee established → focus on elaboration of ORIOR 2025 strategy.*

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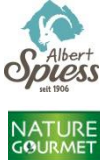
Outlook

- ORIOR Group
- ORIOR segments

Decentralised business model

Based on strong, autonomous competence centres

- Competence centre philosophy encourages individuality, strong regional identification and market intimacy.
- Group-wide initiatives and Champion Model enhance our efficiency and agility.

Convenience Category pioneer				Refinement Strong traditional brands			International			
Fredag	Le Patron	Pastinella	Biotta	Rapelli	Albert Spiess	Möfag	Culinor	Casualfood	Gesa	Spiess Europe
										
										

- Casualfood fully consolidated since September 2019;
 - *Equity interest increased to 70%.*
 - *Integration as a standalone competence centre in the International segment.*
 - *Third stage of acquisition scheduled in autumn 2020.*

Strong and stable profile

Thanks to diversification and broad operational footprint

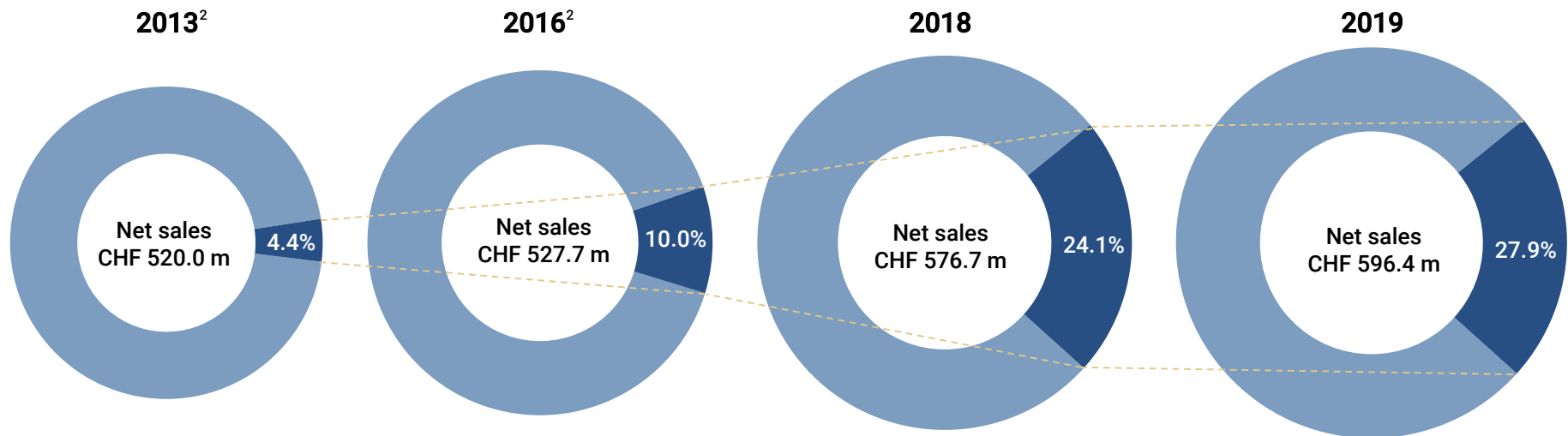
Categories: leading positions in growing niches within our domestic and foreign markets.

Channels: from traditional retailers to discounters and food-to-go sector.

Customers and countries: broad portfolio of local, regional, national and international customers.

Switzerland¹

Abroad¹



¹ Revenue data is based on customer domicile.

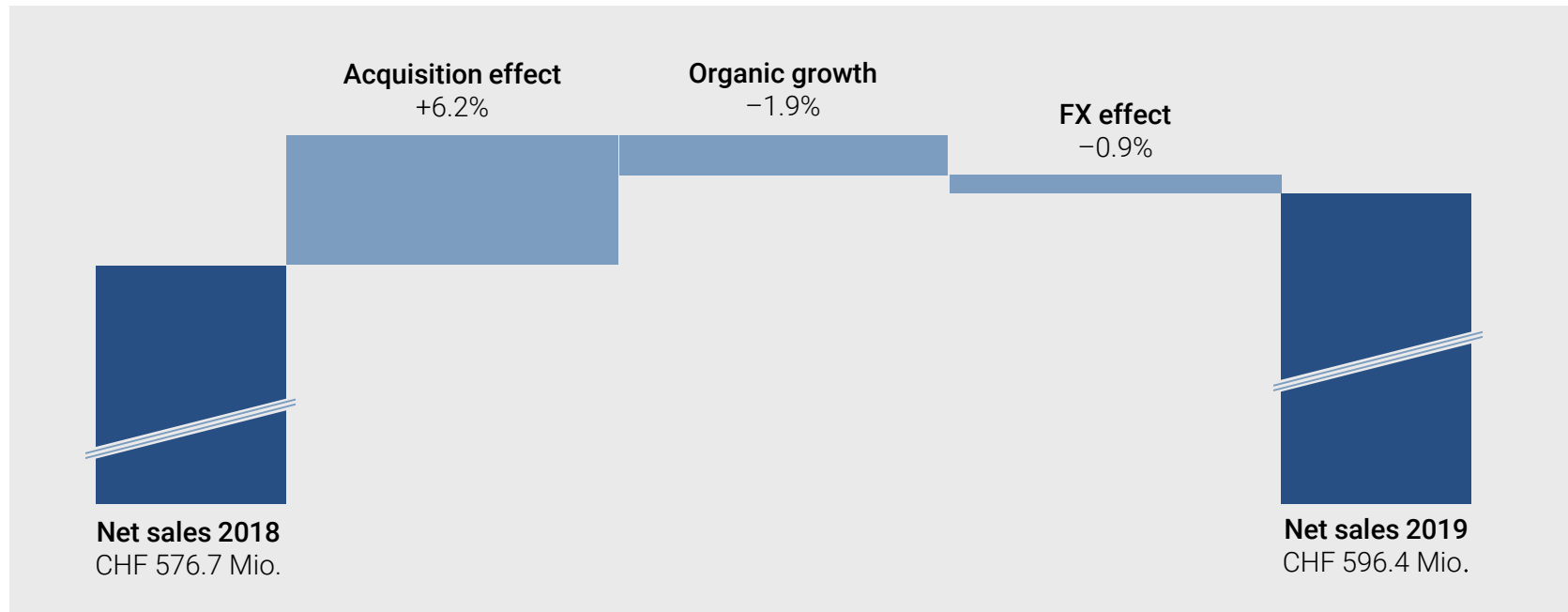
² Reported revenues, i.e., excluding the effects of IFRS 15.

Key figures for 2019 fiscal year

Net sales CHF 596.4 Mio. +3.4%	Gross profit CHF 267.6 Mio. +5.3%	EBITDA CHF 61.0 Mio. +4.2%	Net profit CHF 31.5 Mio. -1.0%
Acquisitive +6.2% Organic -1.9% FX effect -0.9%	Gross margin 44.9% +82 Bps	EBITDA margin 10.2% +8 Bps	Net profit margin 5.3% -24 Bps

- Operating performance in line with expectations; organic growth in Refinement and International segments unable to fully offset negative performance of Convenience segment.
- Operating cash flow increased +8.3% y-o-y to CHF 57.1 m, exceptionally high cash conversion ratio of 93.5%.
- Gross margin strengthened thanks to new business areas; margin expansion at EBITDA line slightly diluted by higher labor intensity.
- Net profit impacted by negative exchange rate and tax effects.

Organic growth in line with expectations



- Acquisition effect: Casualfood since September 2019; Biotta/Gesa since mid-May 2018
- Organic growth of -1.9%
 - *At the lower end of the expected and communicated range*
- **Significant currency translation** effect
 - *Exchange rate has a greater impact due to the Group's greater international footprint*

Convenience segment

Performance below expectations

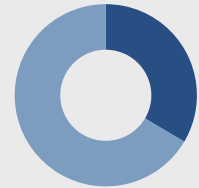
Net sales

Net sales –1.8 % to CHF 202.0 m

- Acquisitive: +4.7%
- Organic: –6.5%
- FX effect: 0.0%

Group share

Segment Convenience
as % of ORIOR Group:
33.5%



- Acquisitive growth reflects takeover of Biotta in mid-May 2018.
- Decrease in organic growth attributed to our decision to terminate a contract with an annual volume of CHF 8.2 m with insufficient margins, and to changes in sales promotion activities.
- Very good performance from certain concepts and brands.
- Biotta is developing well.
- General business environment: high poultry prices and tight domestic supply of raw materials.
- Channels: more pleasing developments in the food service business.



Refinement segment

Growth thanks to strong innovation, good brand performance and price increases

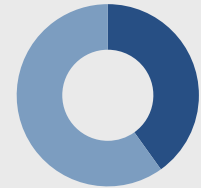
Net sales

Revenue growth of +1.3% to CHF 258.2 m

- Acquisitive: 0.0%
- Organic: +1.3%
- FX effect: 0.0%

Group share

Segment Refinement
as % of ORIOR Group:
40.1%



- A good year with organic growth from all centres of competence.
- Strong brand performance, also from Albert Spiess after its rebranding.
- Convincing innovation, such as product launches by the “myEnergy” brand and core product extensions at Rapelli and Möfag.
- Customer relationships further strengthened at all competence centres.
- General environment for raw materials procurement challenging: high meat prices put gross margin under pressure, cost pass-through partially.



Segment International

Slight growth and significant contribution to Group profitability

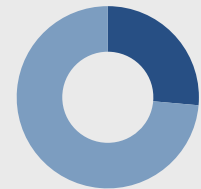
Net sales

Revenue growth of +15.9% to CHF 159.6 m

- Acquisitive: +19.4%
- Organic: +0.2%
- FX effect: –3.7%

Group share

Segment International
as % of ORIOR Group:
26.4%



- Acquisitive growth from Casualfood, fully consolidated since September 2019, from Biotta's sister company Gesa, fully consolidated as of mid-May 2018.
- Major contribution to Group profitability thanks to steadfast focus on healthy growth.
- Pleasing course of business in home market Belgium; Holland business affected by product streamlining in retail channel.
- Spiess Europe shows positive developments thanks in part to successful launch of myEnergy in France.
- Casualfood successfully integrated into the International segment; slightly better-than-expected results.



Consolidated income statement

in CHF million	2019	2018	Δ in %
Net sales	596.4	576.7	+3.4%
Cost of sales	-328.8	-322.7	
Gross profit	267.6	254.0	+5.3%
as % of net sales	44.9%	44.0%	+82 Bps
EBITDA¹	61.0	58.6	+4.2%
as % of net sales	10.2%	10.2%	+8 Bps
Depreciation and amortisation	-23.7	-23.0	
EBIT	37.3	35.6	+4.9%
as % of net sales	6.3%	6.2%	+9 Bps

- Gross margin strengthened thanks to new business units.
- At the EBITDA line, this margin expansion was slightly diluted by the higher labor intensity of the new business units.
- Increase in absolute EBITDA, high margin held.

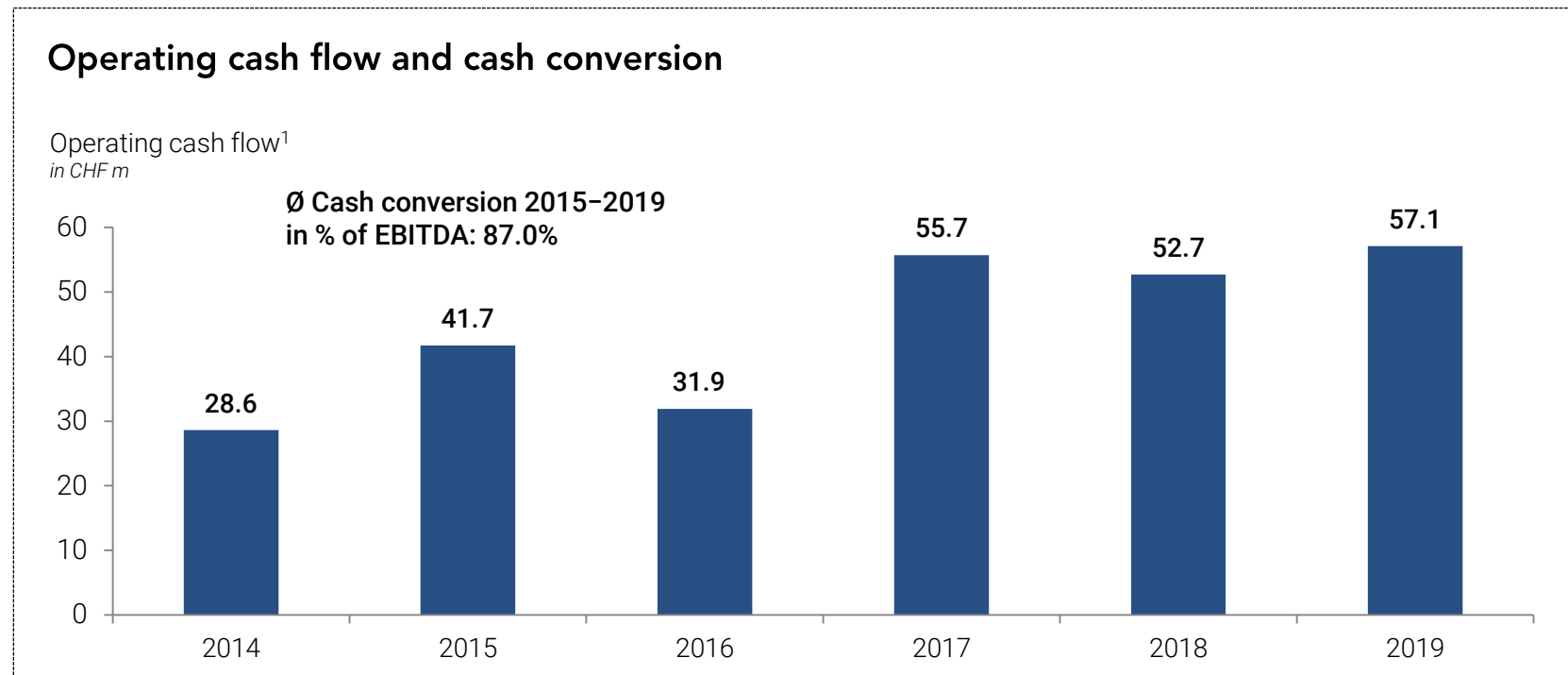
¹ EBITDA adjusted increased by 2.9% to CHF 61.0 m (2018: excluding non-recurring transaction and extraordinary costs)

Consolidated income statement | EBIT – profit

in CHF million	2019	2018	Δ in %
EBIT as % of net sales	37.3 6.3%	35.6 6.2%	+4.9% +9 Bps
Financial income/financial expense	–2.6	–1.8	
Pre-tax profit as % of net sales	34.7 5.8%	33.8 5.9%	+2.6%
Income taxes	–2.9	–2.0	
Minority interests	–0.3	0.0	
Net profit as % of net sales	31.5 5.3%	31.8 5.5%	–1.0%

- Higher financial expense due to negative exchange-rate movements.
- Higher tax expense due to acquisitions and absence of non-recurring positive effects from the previous year.

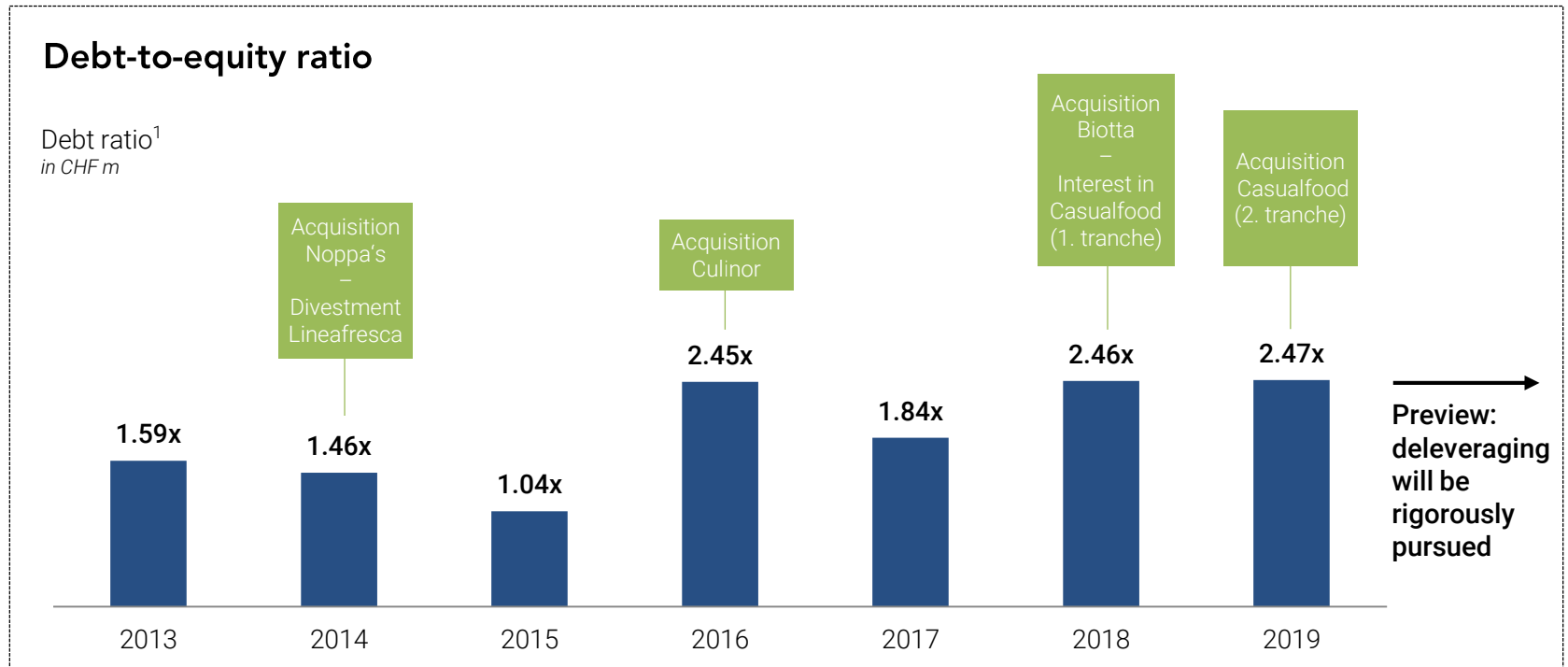
Strong cash conversion



- Cash flow of CHF 57.1 m; cash conversion of 93.5%.

¹ 2013–2016 basis IFRS.

Committed to deleveraging



– Committed to deleveraging.

¹ 2013–2016 auf Basis IFRS.

Consolidated balance sheet

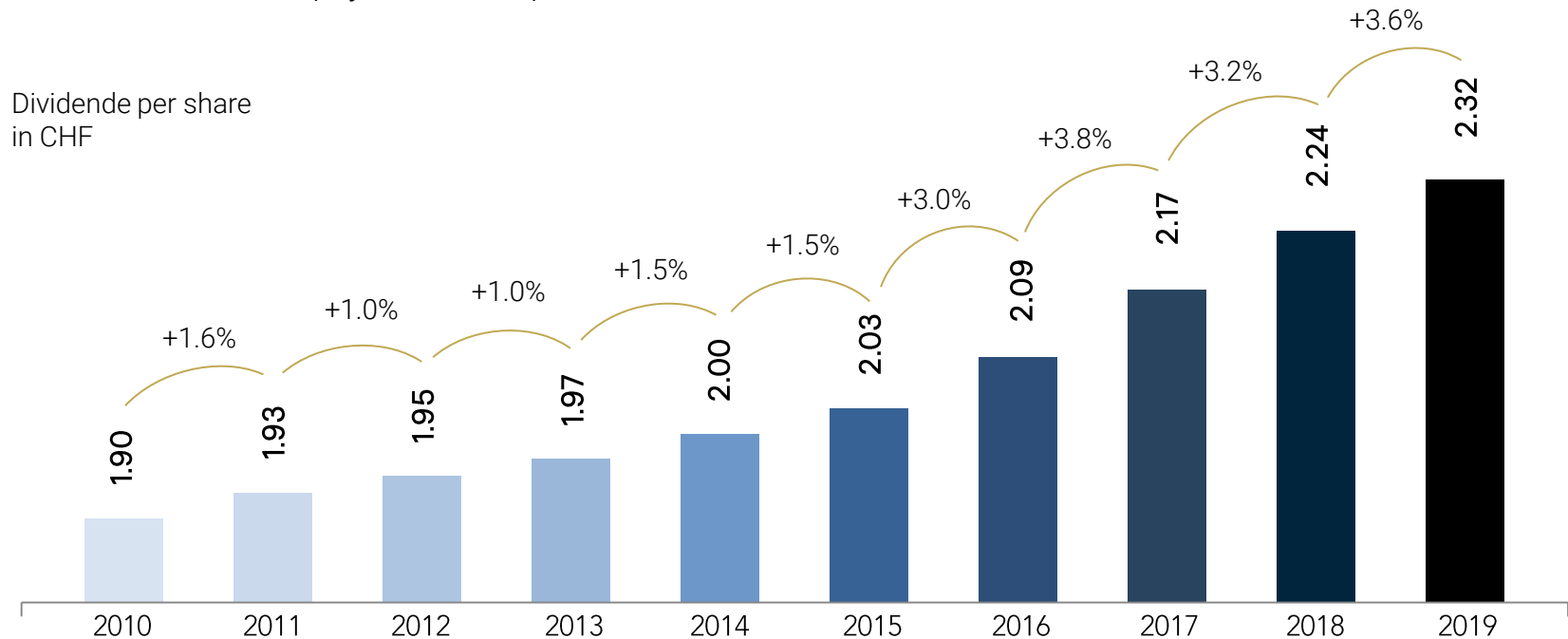
in CHF million	31.12.2019		31.12.2018	
Net working assets	190.8	47.2%	204.4	51.2%
Property, plant and equipment	133.0		133.0	
Intangible assets	78.9		51.4	
Deferred tax assets	1.6		10.6	
Total assets	404.3	100.0%	399.4	100.0%

in CHF million	31.12.2019		31.12.2018	
Total liabilities	317.8	78.6%	309.7	77.5%
Equity	86.5	21.4%	89.7	22.5%
Total liabilities and equity	404.3	100.0%	399.4	100.0%

- Equity ratio of 21.4%
- Changes in connection with the acquisition of Biotta and Casualfood
- Intangible assets increased by CHF 27.5 m due to consolidation of Casualfood (brands, concessions)

Dividend history

- Long-term oriented, stable and attractive dividend policy: steady increase in the absolute dividend per share.
- Ninth consecutive increase in the dividend since the IPO in 2010: gross dividend of CHF 2.32 per share declared; 50% ordinary payout and 50% tax-free payout from capital contribution reserves¹.



¹ Under the Federal Act on Tax Reform and AHV Financing (STAF/TRAF) that went into effect on 1 January 2020, tax-exempt capital contribution reserves may not exceed 50% of the total dividend that listed companies distribute to shareholders.

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ORIOR 2020 strategy

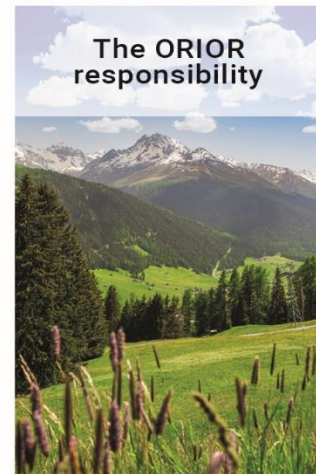
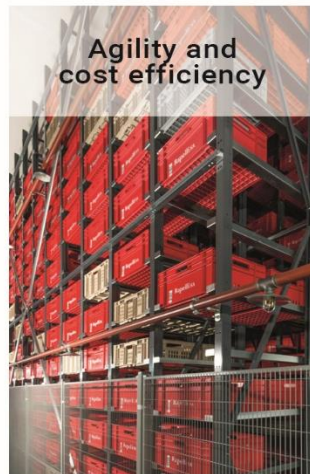
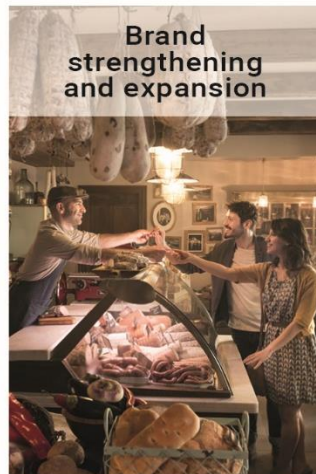
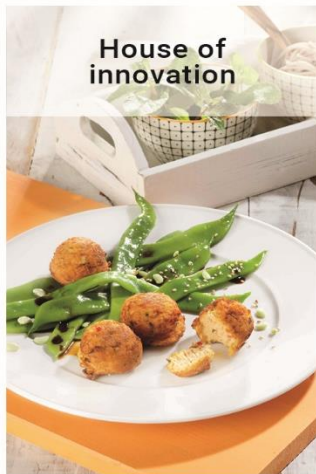
- Value creation model
- Strategic pillars and overview of projects and measures

Outlook

- ORIOR Group
- ORIOR segments

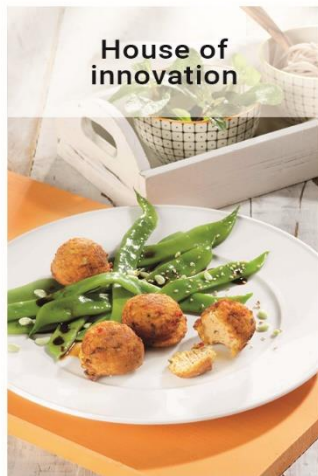
ORIOR 2020 – strategic pillars

ORIOR 2020 – our strategic pillars



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.



A snapshot of projects and measures 2019

- *"Happy Vegi Butcher" with vegan nuggets, stripes, bacon and burgers.*
- *Line extension: "myEnergy" jerky in "Original" and "Spicy" flavours.*
- *"Pan for One"; combination of fresh and pre-cooked ingredients cooked to perfection at home.*
- *"Biotta" Winterfit -> Sommerfit ready for launch.*
- *Line extension: "Le Patron" in Belgium with new products for the winter season.*
- *"Vivitz" Cold Brew; natural, organic, vegan.*
- *Line extension: "myEnergy" balls with curry, chicken with sweet and sour, etc.*
- *New packaging for Pastinella's retail products: less waste, more sustainable.*
- *Food is local: Albert Spiess line of Bündner Alpine products, triondo filled with Eringer beef.*
- *Pastinella's Signature Suisse receives "Superior Taste Award".*

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 (social media, 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).

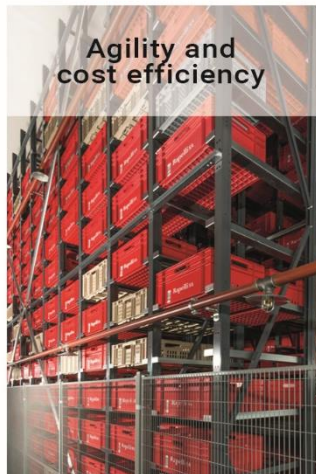


A snapshot of projects and measures 2019

- *New brand concept for "Albert Spiess"; greater presence and recognition, dedicated brand shop opened in Landquart.*
- *Vegan brand "Happy Vegi Butcher" launched.*
- *New websites going live: Albert Spiess, Möfag, Fredag, Pastinella, Le Patron, ORIOR.*
- *Sharper strategic focus for Biotta and its brand portfolio.*
- *"myEnergy" communication in new media: more than 1 million clicks.*
- *Successful Rapelli shop-in-shop, multiplication by using other product displays, greater visibility and recognition.*
- *New packaging for "Ticinella" with much greener paper composition*
- *"Le Patron" expands to Belgium.*

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.



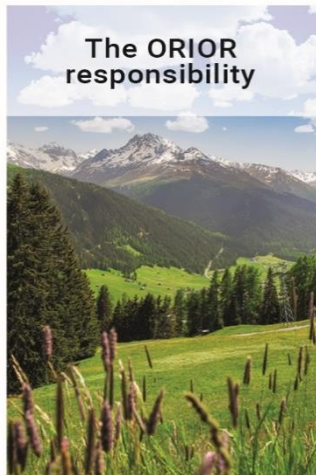
A snapshot of projects and measures 2019

- *New CRM rolled out at 4 Business Units, half-way mark reached in "Sales Performance" project.*
- *Basics for new ORIOR safety manual formulated; to be introduced from Q1/2020 on.*
- *Ongoing Champion Model activities: elaboration of Champion responsibilities and rotation schedule.*
- *Value-based maintenance project: now in process at 4 competence centres.*
- *"Lean"/"5S": introduced or already fully implemented at all competence centres.*
- *Digitalisation: preparation for S/4 Hana live rollout at the first Business Unit.*
- *Ongoing execution of IT roadmap at the various competence centres.*

The ORIOR Responsibility (sustainability)

Sustainability is part of our core business and a precondition for Excellence in Food

- **Product responsibility:**
Key issues: animal welfare, sustainable raw materials, healthy and safe foods
- **Environmental responsibility:**
Key issues: packaging and food waste, climate and energy, water
- **Social responsibility:**
Key issues: employee training and development, occupational health and safety, economic performance

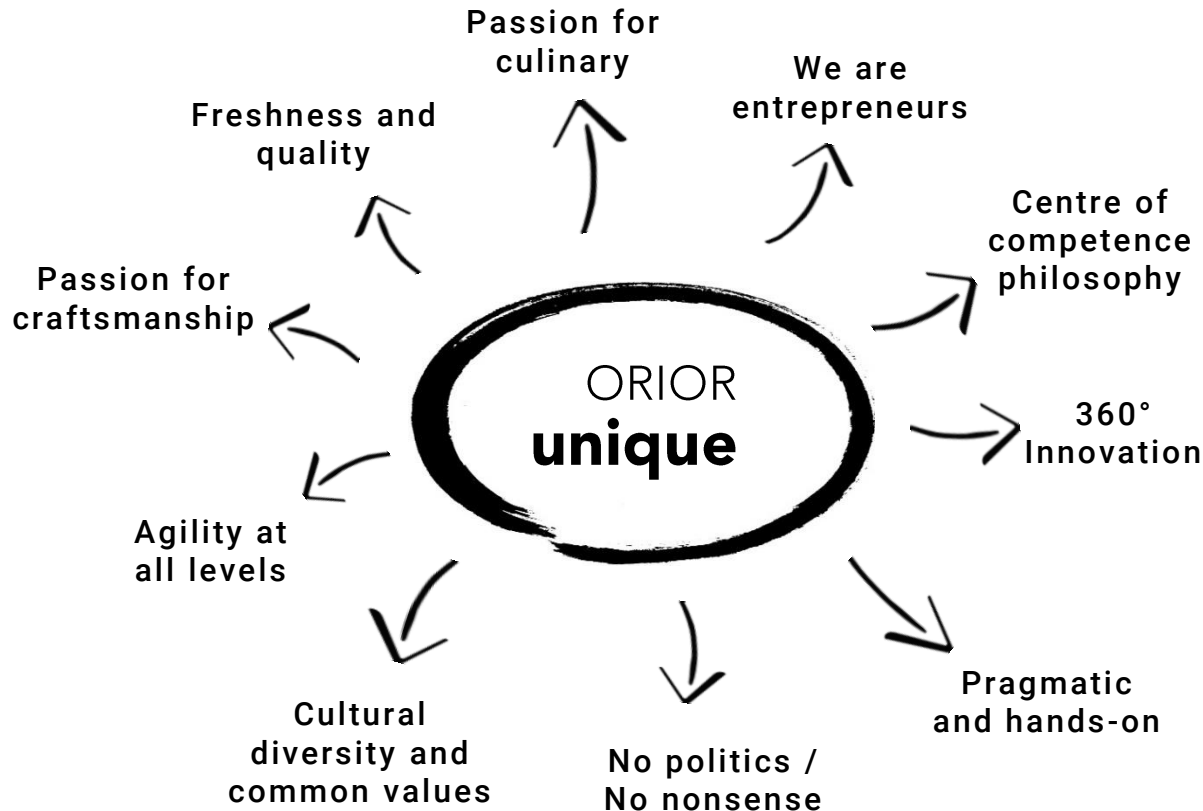


A snapshot of projects and measures 2019

- *Elaboration of a comprehensive sustainability strategy for ORIOR Switzerland.*
- *2019: very first ORIOR Sustainability Report published in accordance with GRI.*
- *Topic-oriented management of sustainability issues, firmly anchored across the organisation.*
- *Sustainability goals and milestones defined.*
- *Rolling introduction of ORIOR's responsible sourcing policy.*
- *Recipe management: reduction of sodium content and additives, clean labels, etc.*
- *Energy: participation in EnAw programme → all Swiss centres of competence are already exempt from Swiss federal carbon tax.*
- *Implementation of Swiss Safety Center model solution has begun.*

We are ORIOR

Successful thanks to a unique and entrepreneurial spirit



Employee App «ORIORinside»



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Outlook

ORIOR Group fiscal year 2020

- **Group sales:** CHF 645 m – CHF 655 m¹
 - Organic Group growth fueled by all segments: 0.5% – 2.0%
 - Intensification of bridge-building efforts at all competence centres.

- **EBITDA:** 10.1% – 10.3%
 - Cost efficiency thanks to determined efforts of intra-disciplinary Champion Groups and other initiatives
 - Continued work on healthy product portfolio; steadfast focus on sustainable margins
 - Positive effect from diversification arising from broader operational footprint; pressure from high meat prices and competition
 - First half weaker than second half, as expected

- **Tax rate:** 13% – 16%
 - Positive effect from STAF/TRAF; negative effect from full consolidation of Casualfood and higher DE tax rate

- **Capex:** CHF 21 m – CHF 22 m
 - Opening of Berlin's new international airport leads to higher one-off costs

- **Other major topics for the Group in 2020**
 - ORIOR 2025 Strategy to be presented in June 2020
 - 2nd ORIOR Sustainability Report: to be published with half-year results on 19 August 2020

¹ At constant exchange rates from prior year (annual average EUR/CHF exchange rate 2019: 1.1126)

Outlook

Positive drivers and challenges

ORIOR Convenience segment

Positive drivers:

- Fast pace of innovation: concepts, Swissness, organic, veggie/vegan, fresh
- Happy Vegi Butcher
- Further customer development, esp. in food service
- Steadfast work on portfolio mix

Challenges:

- Stiff competition and pricing pressure
- Volatile raw materials supply with tight domestic supply (esp. meat and poultry)
- Further product range optimisation and structural shifts in retail business



Outlook

Positive drivers and challenges

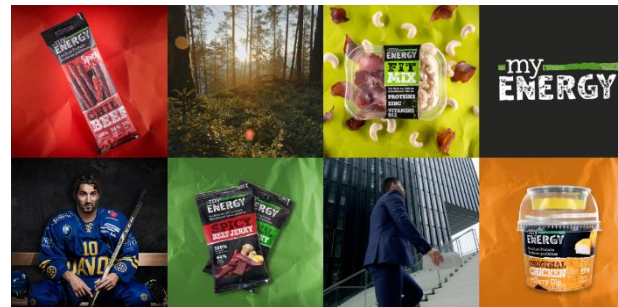
ORIOR Refinement segment

Positive drivers:

- Strong brands with high credibility
- Rebranding of Albert Spiess
- High meat prices (cost pass-through)
- Further customer development, esp. in food service
- Strong innovation pipeline: to-go/snacking, prepared dishes, meat convenience products
- Brand and product concepts, incl. myEnergy, Terroir, Mr. Bacon

Challenges:

- Stiff competition and pricing pressure
- High meat prices (pressure on margins)
- Availability of raw materials
- Further retail range optimisation



Outlook

Positive drivers and challenges

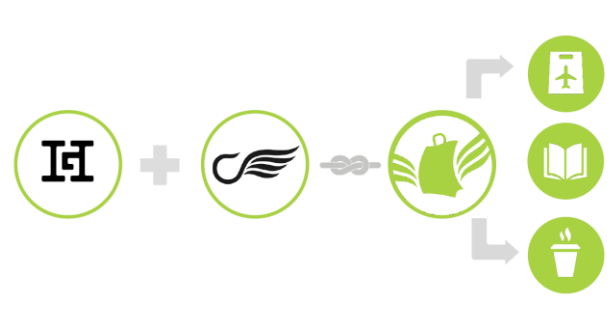
ORIOR International segment

Positive drivers:

- Fast pace of innovation: e.g. Chef-menus, fresh and ultra-fresh menus, to-go concepts
- Third stage of Casualfood acquisition planned for September 2020
- "Smartseller" Joint Venture
- Opening of Berlin's new international airport (Q4 2020)
- Strengthening myEnergy's products in France

Challenges:

- Opening of Berlin's new international airport (higher investment outlays and resource-intensive transition; upside potential from 2021)
- Dutch market facing structural challenges and retail range optimisation



ORIOR





















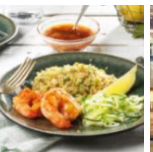



EXCELLENCE IN FOOD

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**. The **delightful world** of ORIOR consists of **well-established companies** and **brands** with **leadership positions** in **growing niche markets** in **Switzerland** and **abroad**.

ORIOR's **decentralised** and **agile structure** combined with the unique and intradisciplinary **Champion Model** allows to shape the market 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 Category pioneer				Refinement Strong traditional brands			International			
Fredag	Le Patron	Pastinella	Biotta	Rapelli	Albert Spiess	Möfag	Culinor	Casualfood	Gesa	Spiess Europe
										
										

ORIOR locations

ORIOR International



Culinor, Destelbergen (BE)

Chilled premium ready meals and meal components.



Gesa, Neuenstadt-Stein (DE)

Organic vegetable juices for food and beverage industry.



Casualfood, Frankfurt (DE)

"The taste of travelling". Gourmet islands for travellers on the go.



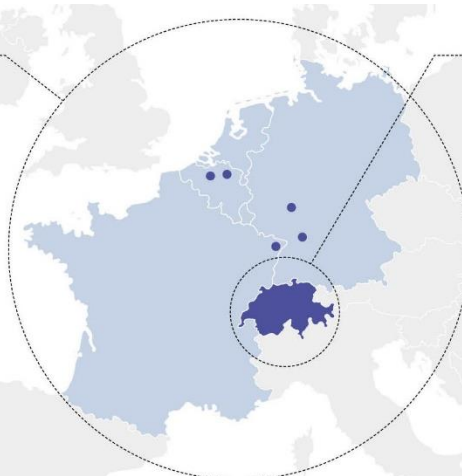
Vaco's Kitchen, Olen (BE)

Production of sous-vide products, chef meals and meal components.



ORIOR / Spiess Europe (FR)

Distribution centre in Haguenau.



ORIOR Switzerland



Fredag, Root

Poultry specialities, convenience meat dishes and vegetarian/vegan.



Le Patron, Bockten

Pâtés and terrines, ready meals, meal components.



Pastinella, Oberentfelden

Fresh, filled and unfilled Italian-style pasta.



Biotta, Tägerwilen

Organic juices made from naturally grown fruits and vegetables.



Rapelli, Stabio

Ticino charcuterie specialities like salami, prosciutto and coppa.



Albert Spiess, Schiers

Grisons specialities like Bündnerfleisch, Salsiz and cured ham.



Möfag, Zuzwil

Fürstenländer specialities such as Mostbröckli and hams.

Convenience (CH) – category pioneers

Fredag



- Pioneer and leader for vegan and vegetarian products
- Inventor and leader of tofu specialities
- Strong competence in meat and poultry convenience for retail and food service

Le Patron



- Inventor and innovation driver of ultra-fresh ready to eat meals
- High premium ultra-fresh pasta sold in shop-in-shop concepts
- Pioneer and leader of pâtés and terrines

Pastinella



- Strong competence in filled and unfilled pasta production
- Leader in premium chilled pasta creations
- Inventor of gluten/lactose free chilled pasta and pasta ranges for dieters and people with food intolerances

Biotta



- THE Swiss organic pioneer
- All-natural organic vegetable and fruit juices and beverage specialities
- Strong concepts with well-known and highly trusted brands: Biotta, Vivitz, Traktor and C-ICE
- Very high culinary and quality standards



Refinement (CH) – strong heritage brands

Rapelli



- Modern character with a hint of history
- Mastri Salumieri
- Ticino specialties
- Top-level brand awareness in Switzerland
- Since 1929

Albert Spiess



- The finest raw ingredients
- Bündnerfleisch = GGA brand article
- Pure mountain air and time-honoured tradition
- Highest-lying meat-curing facility in Europe
- Since 1906

Möfag

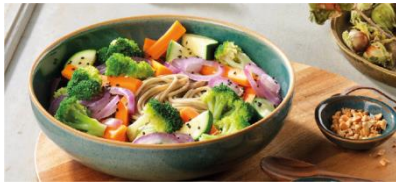


- Traditional Swiss recipes
- Cleanroom technology
- Innovative, flexible, customer oriented
- Handles small volumes very efficiently
- Time to market
- Since 1978



ORIOR International

Culinor Food Group



- ORIOR Europe platform targets the entire European region
- Premium fresh ready-made meals and meal components for retailers and food service companies in the Benelux
- Ultra modern facilities and a wide range of technologies

Gesa



- Premium vegetable juices and concentrates, pressed from freshly harvested vegetables
- Natural processing methods only
- Broad distribution network across Europe

Spiess Europe



- Sales office ORIOR/Spiess Europe in Haguenau (F) serves as the export platform for distribution outside Switzerland
- Bündnerfleisch “Albert Spiess of Switzerland” is our most popular export product

Casualfood



- A pioneer in travel food service, focused on small-format outlets in high-frequency locations
- Food islands offering freshly prepared specialities
- Strong brand worlds with flexible formats for travellers on the go



Share information

Listing	SIX Swiss Exchange
Security number	11167736
ISIN code	CH011 1677 362
Ticker	ORON
LEI	50670020I84ZA17K9522
UID	CHE-113.034.902

Share price on 20.02.2020 CHF 91.40

Dividend	2019	2018	2017	2016	2015	2014	2013	2012	2011
Dividend per share in CHF	2.32 ¹	2.24	2.17	2.09	2.03	2.00	1.97	1.95	1.93
Dividend increase vs. previous year in %	3.6	3.2	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		31.12.19	31.12.18
Share price on 30.12.	in CHF	89.50	79.70
High	in CHF	92.00	92.70
Low	in CHF	74.00	72.50
Market cap	CHF million	583.3	519.4
Earnings per share	in CHF	4.84	4.98
Operating cash flow per share	in CHF	8.78	8.25
Shareholders' equity per share	in CHF	13.29	14.04

Major shareholders (20.02.2020)¹

UBS Fund Management AG (CH)	10.51%
Swisscanto Fondsleitung (CH)	5.43%
Credit Suisse Funds AG (CH)	5.31%
Schroders Plc (GB)	4.88%

Company calendar

31.03.20	Annual General Meeting 2020
15.06.20	Investors' Day ORIOR 2025 strategy
19.08.20	Publication of full year results 2020

¹ Proposal to the AGM of 31 March 2020.

² Information on major shareholders is given on page 14 ff. in the 2019 annual report.