ORIOR AG

ALTERNATIVE PERFORMANCE
MEASURES HALF-YEAR 2023

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 or 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 after calculation 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 2023	**Jan – Jun 22**	**Org**	**FX**	**Akq**	**Jan – Jun 21**
Net sales *in kCHF*	312 124	7 342	– 4 412	0	309 194
Net sales development by effect	**0.9%**	**2.4%**	**–1.4%**	**0.0%**	
Ø currency rate CHF/EUR			0.9858		

Net sales development 2022	**Jan – Jun 21**	**Org**	**FX**	**Akq**	**Jan – Jun 20**
Net sales *in kCHF*	309 194	22 552	–5 269	0	291 910
Net sales development by effect	**5.9%**	**7.7%**	**–1.8%**	**0.0%**	
Ø currency rate CHF/EUR			1.0321		

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 – Jun 23**	**Jan – Jun 22**
Net sales	312 124	309 194
Raw materials / goods purchased	–164 857	–171 031
Changes in inventory	5 119	3 092
Gross profit	**152 386**	**141 255**
Gross margin	*48.8%*	*45.7%*

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 – Jun 23**	**Jan – Jun 22**
Earnings before Interest and Tax (EBIT)	16 774	17 469
+ Depreciation – property, plant and equipment	9 531	8 639
+ Amortisation – intangible assets	4 188	4 133
EBITDA	**30 493**	**30 241**

Net sales	312 124	309 194
EBITDA	30 493	30 241
EBITDA margin	**9.8%**	**9.8%**

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	30.06.2023	30.06.2022
Total assets	364 602	378 114
Equity attributable to owners of the parent	77 860	74 532
Non-controlling interests	0	1 892
Total equity	77 860	76 424
Equity ratio	**21.4%**	**20.2%**

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 not shown in the notes to the half year report. Therefore, the calculation of the equity ratio under the assumption that ORIOR would apply the method of capitalising and depreciating goodwill is excluded.

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 – Jun 23	Jan – Jun 22
EBITDA	30 493	30 241
Cash flow from operating activities	18 832	27 263[1]
Cash conversion	**61.8%**	**90.2%**

[1] Restatement, see note 2 in the Half-Year Report 2023

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 of the last twelve months.

in kCHF	Jan – Jun 23	Jan – Jun 22
EBITDA 2nd half of previous year	33 874	33 023
EBITDA 1st half of reporting period	30 493	30 241
EBITDA LTM*	**64 367**	**63 264**
+ Current financial liabilities	147 261	14 317
+ Non-current financial liabilities	3 258	146 637
– Cash and cash equivalents	– 9 938	–25 296
Net debt	**140 581**	**135 658**
Net debt / EBITDA ratio	**2.18**	**2.14**

* LTM = Last Twelve Months

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 – Jun 23**	**Jan – Jun 22**
+ Current assets	180 616	191 050
– Current liabilities	–253 381	–122 467
– Cash and cash equivalents	– 9 938	–25 296
– Current financial assets	–1 204	– 633
+ Current financial liabilities	147 261	14 317
+ Property, plant and equipment	125 201	123 694
+ Intangible assets	52 896	59 165
+ Financial assets	5 889	4 205
Capital employed	**247 340**	**244 035**
EBIT – LTM *	37 197	35 695
EBIT – Acquisitions	0	0
EBIT – LTM * adjusted	**37 197**	**35 695**
ROCE	**15.0%**	**14.6%**

* LTM = Last Twelve Months