

ORIOR

★★★★★
EXCELLENCE IN FOOD

ORIOR Group

Half-year results 2016



23 August 2016

Daniel Lutz, CEO
Ricarda Demarmels, CFO

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CEO Statement

Another ORIOR 2020 goal is reached

- ORIOR remains a stable and financially strong food group.
- ORIOR has achieved solid growth in Switzerland including bolt-on acquisitions.
- ORIOR has steadily improved its operating results, supported by high cost efficiency.
- ORIOR remains the market leader in existing and new product niches.
- ORIOR is the most innovative food group in Switzerland, and owns strong and unique brands.
- **ORIOR is European.**
- ORIOR offers shareholders an attractive dividend yield and has steadily increased its dividend payout.

Statement on the first half of 2016

- Good first half in 2016, despite persisting challenging conditions.
- Measures and initiatives introduced under the ORIOR 2020 strategy are having a positive effect on operating performance.
- Higher volumes in the Swiss business.

Agenda

Good first half 2016

- I. ORIOR Group's key figures: Operating results increased across the board
- II. Key figures by segment
- III. Consolidated income statement and balance sheet
- IV. Update on ORIOR 2020 strategy

ORIOR 2020 – ORIOR is European

- I. ORIOR 2020 – ORIOR expands in Europe
- II. Perfect strategic and cultural fit
- III. Core business in attractive premium fresh convenience market strengthened
- IV. Autonomous ORIOR competence center in Europe
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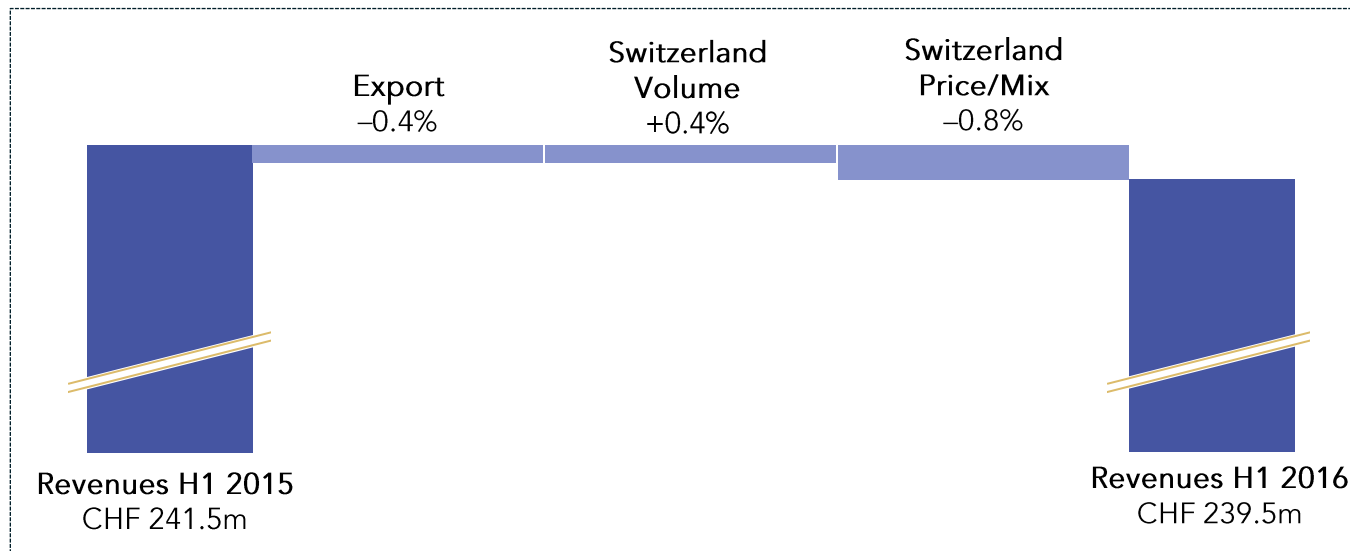
Outlook for the second half of 2016

Appendix

Good H1 2016, operating results improved

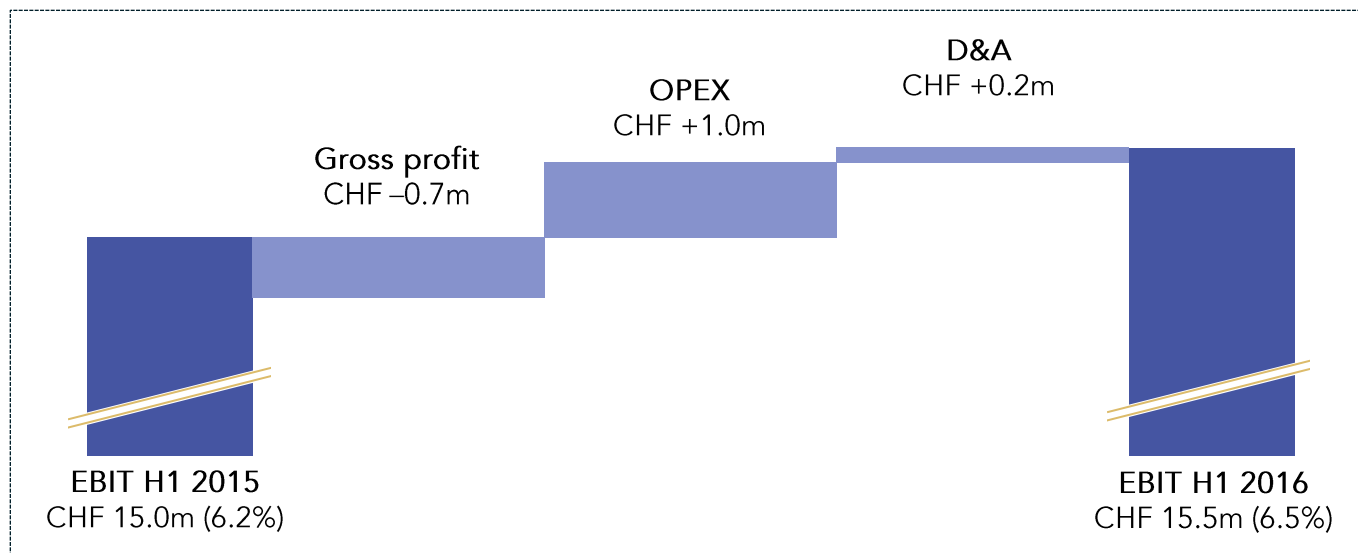
Revenues	EBITDA	EBIT	Net profit
CHF 239.5m -0.8%	CHF 22.7m +1.3%	CHF 15.5m +3.0%	CHF 12.1m +17.4%
Volume growth Switzerland	EBITDA margin 9.5% +20 bps	EBIT margin 6.5% +24 bps	Net profit margin 5.1% +78 bps

Switzerland with positive volume growth






















- Sales declined to CHF 239.5m, or –0.8% vs. prior-year period:
 - Export business declined due to change in the business model for the export of vegetarian and vegan specialities under the “Nature Gourmet” brand and market pressured Bündnerfleisch exports.
 - Switzerland with positive volume growth and pricing pressure.
- Growth drivers are vegetarian and vegan specialities, snacking concepts, seafood and BBQ as well as the “Rapelli” and “Albert Spiess” brands.

Operating results and margins improved



- Good gross profit margin of 39.7% (+3 bps) thanks to cost efficiency and continuous strengthening of portfolio mix and focus on core product groups.
- EBITDA up 1.3% to CHF 22.7m; margin +20 bps to 9.5% thanks to high cost discipline and operational efficiency gains.
- Increase in marketing spending.
- EBIT up 3% to CHF 15.5m; margin +24 bp to 6.5%.

ORIOR segments

Convenience <i>Category pioneer</i>			Refinement <i>Strong, well-known brands</i>			Corporate and Export
Fredag	Le Patron	Pastinella	Rapelli	Spiess	Möfag	Export
						
						
						
						
						

Convenience Segment

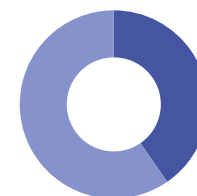
CHF million	Jan – Jun 2016	Jan – Jun 2015	Δ in %
Revenues	95.4	97.6	-2.2%
EBITDA as a % of revenues	13.3 14.0%	13.7 14.1%	-3.0%
EBIT as a % of revenues	10.6 11.2%	11.1 11.4%	-4.1%
Capex	1.1	1.5	

- Revenues and operating results primarily marked by change in business model for the export of the vegetarian and vegan specialities (inter-segment sales) and challenging fresh pasta business due to competitive pressure from foreign suppliers.
- Vegetarian and vegan concepts, seafood and innovative snacking concepts – increasingly in grab-and-go formats – are the growth drivers, underscoring the segment's strong innovation skills.

CONVENIENCE

as % of total group

39.4%



Refinement Segment

CHF million	Jan – Jun 2016	Jan – Jun 2015	Δ in %
Revenues	144.8	144.8	0.0%
EBITDA as a % of revenues	11.7 8.1%	11.0 7.6%	+5.7%
EBIT as a % of revenues	7.9 5.4%	7.1 4.9%	+11.4%
Capex	1.4	3.1	

- Positive sales growth with third parties; growth drivers are the heritage brands “Rapelli” and “Albert Spiess” with rebranding and product concepts as well as with the BBQ and snacking product lines. Möfag delivered another good performance with its innovative regional specialties.
- Relevant improvement in profitability thanks to continuous efforts on portfolio mix optimisation, strict cost management and operational efficiency gains.

REFINEMENT

as % of total group

57.4%



Corporate and Export Segment

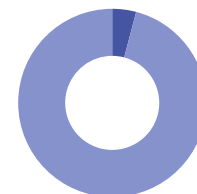
CHF million	Jan – Jun 2016	Jan – Jun 2015	Δ in %
Revenues	9.6	10.0	-4.0%
EBITDA	-2.3	-2.4	

- Revenues declined due to the change in the business model for the export of vegetarian and vegan specialities and adverse market environment for Bündnerfleisch exports.

CORPORATE AND EXPORT

as % of total group

3.2%



Consolidated income statement (1/2)

CHF million	Jan – Jun 2016	Jan – Jun 2015	Δ in %
Revenues	239.5	241.5	–0.8%
Cost of sales	–144.5	–145.8	
Gross profit	95.0	95.8	–0.8%
as a % of revenues	39.7%	39.7%	
OPEX	–72.3	–73.3	
EBITDA	22.7	22.4	+1.3%
as a % of revenues	9.5%	9.3%	
Depreciation + amortisation	–7.3	–7.4	
EBIT	15.5	15.0	+3.0%
as a % of revenues	6.5%	6.2%	

Consolidated income statement (2/2)

CHF million	Jan – Jun 2016	Jan – Jun 2015	Δ in %
EBIT as a % of revenues	15.5 6.5%	15.0 6.2%	+3.0%
Net financial income/expense	–0.8	–2.1	
Pre-tax profit as a % of revenues	14.6 6.1%	13.0 5.4%	+13.1%
Income taxes	–2.5	–2.6	
Net profit as a % of revenues	12.1 5.1 %	10.3 4.3%	+17.4%

- Net profit up 17.4% to CHF 12.1m; margin +78 bps to 5.1%.
- Last year, due to the removal of the EUR/CHF floor on 15 January 2015, negative currency translation effects arising from the revaluation of balance sheet items denominated in foreign currency had a net negative effect of CHF 1.1m on the financial result.

Consolidated balance sheet

CHF million	30.06.2016		30.06.2015	
Current assets	146.0	36.2%	143.1	35.1%
Property, plant and equipment	77.2		82.5	
Intangible assets	179.1		180.4	
Deferred tax assets	0.8		1.5	
Total assets	403.1	100.0%	407.5	100.0%

CHF million	30.06.2016		30.06.2015	
Total liabilities	179.5	44.5%	184.4	45.3%
Equity	223.6	55.5%	223.1	54.7%
Total liabilities and equity	403.1	100.0 %	407.5	100.0%

- Further strengthening of the balance sheet:
 - Net debt position reduced from CHF 73.4m to CHF 47.8m.
 - Improvement in Net debt/EBITDA ratio from 1.52 to 0.98.
 - Improvement in equity ratio from 54.7% to 55.5%.
- Solid balance sheet is the foundation for a continued attractive dividend policy and the financing of future growth.

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Outlook for the second half of 2016

Appendix

ORIOR 2020 – Goal: steady value creation



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.

Steady value
creation

A snapshot of projects and measures under way

- Group Innovation Manager (Champion Model); Oscar Marini since 1 January 2016
- Innovation Champions: 3-year pipeline 2016-2018 per competence centre
- 360° innovation across the entire value chain
- Additional resources allocated for R&D and innovation



House of Innovation

New products



Vegetarian pâtés



Euro Cup specials



Zucchini ravioli a la Provençale



Pie crust aha!
Gluten-, lactose- and wheat-free



Salametti with fresh wild garlic



Poultry sausage

House of Innovation

New products



Cornatur grill mix



Crusted perch fillets



Bündner Euro Cup snacks



Noppa's tofu burger



Naturaplan cubed pork



Veggie-Counter

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

Steady value creation

A snapshot of projects and measures under way

- Rapelli's new visual identity; successfully launched in February 2016
- Repositioning of all core brands; currently Noppa's and Le Patron
- Additional investments in marketing; increased again in H1 2016



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.

Steady value creation

A snapshot of projects and measures under way

- Champion Model; innovation, Sales Retail, Sales Food Service
- Procurement project; ongoing implementation
- Plant development planning; thorough analysis with 5-year plan per site and Group-wide; Rüti site integrated into Root site, transfer of production in Hildisrieden to site in Oberentfelden
- Portfolio analysis: Focus of 2020 strategy updates



The ORIOR responsibility (sustainability)

- Sustainability is part of our core business and the 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.

**Steady value
creation**

A snapshot of projects and measures under way

- Sustainability reporting with monthly reviews/measures
- ORIOR Campus: Leadership training



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ORIOR expands in Europe

Acquisition of Culiner Food Group



23 August 2016

Daniel Lutz, CEO
Ricarda Demarmels, CFO

Another ORIOR 2020 goal is reached

ORIOR in the year 2020

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Acquisition of Culinor Food Group – an overview

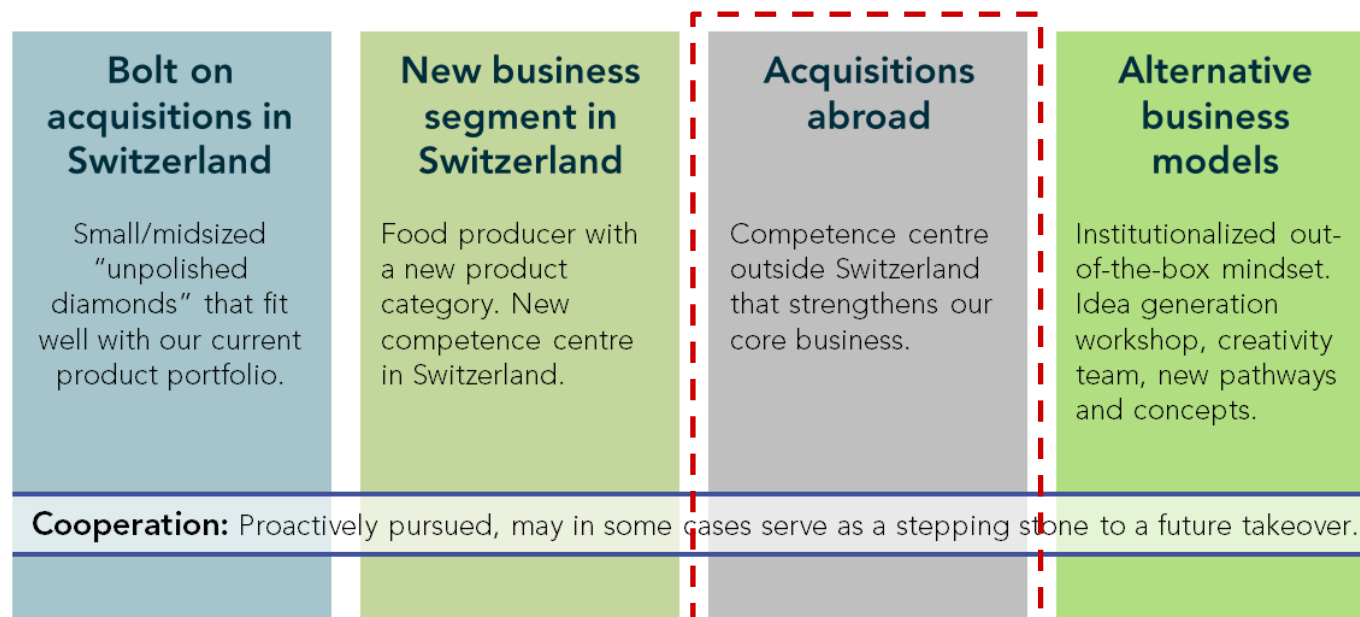


- 1 **ORIOR 2020 – ORIOR is European.** ORIOR is acquiring Culinor Food Group, a company with annual sales of about EUR 88m; Filip De Spiegeleire, CEO Culinor, appointed to Management Board of ORIOR.
- 2 **Strategic fit:** Strengthening of core competence in the attractive premium fresh convenience market in retail and food service markets.
- 3 **Cultural fit:** The Culinor team lives the same values as ORIOR: Pioneer spirit, entrepreneurship and the constant pursuit of Excellence.
- 4 **Attractive market:** Premium fresh convenience food is growing as daily routines and eating patterns become less and less standardised.
- 5 **Benelux countries:** Attractive fresh convenience food market with strong innovation skills.
- 6 **Market leadership:** Thanks to long-standing partnerships and customer relationships and thanks to the extensive range of top-quality products.
- 7 **Innovation competence:** Close to customers and the market; passion for culinary delights and indulgence; agile structure the basis for launching new product and service concepts.
- 8 **Technology:** Modern systems and processes with a variety of technologies for producing premium fresh convenience food.
- 9 **ORIOR Europe:** Culinor is the new European ORIOR centre of competence.

Culinor in the context of ORIOR 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



“Diversification of market presence → Sustainable internationalisation”

In line with all M&A criterias

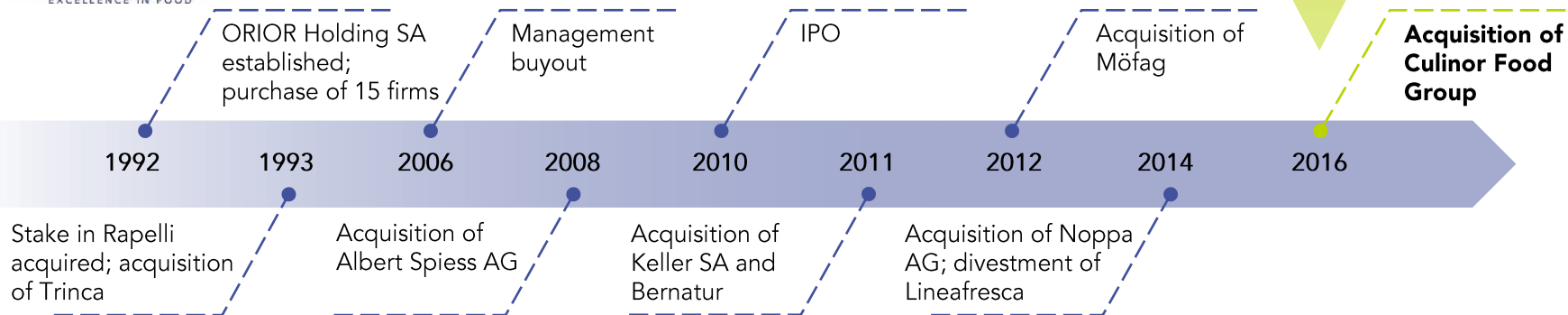
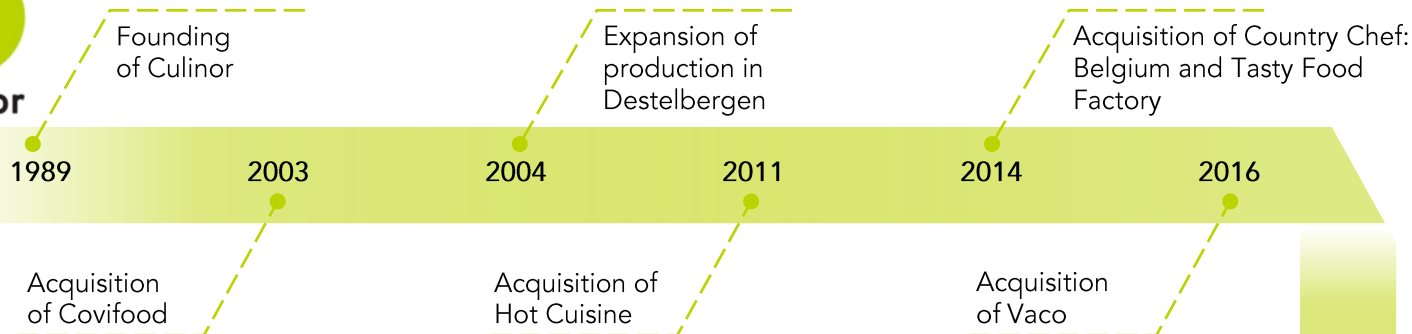


Entrepreneur and management stay in the company	Specialised in premium fresh convenience food	Large enough to become an independent ORIOR competence centre	Strong position in its domestic market with growth potential	Diversified customer and distribution footprint	Long-term partnerships and customer relationships	Innovation leader in growth segment
✓	✓	✓	✓	✓	✓	✓



culinor

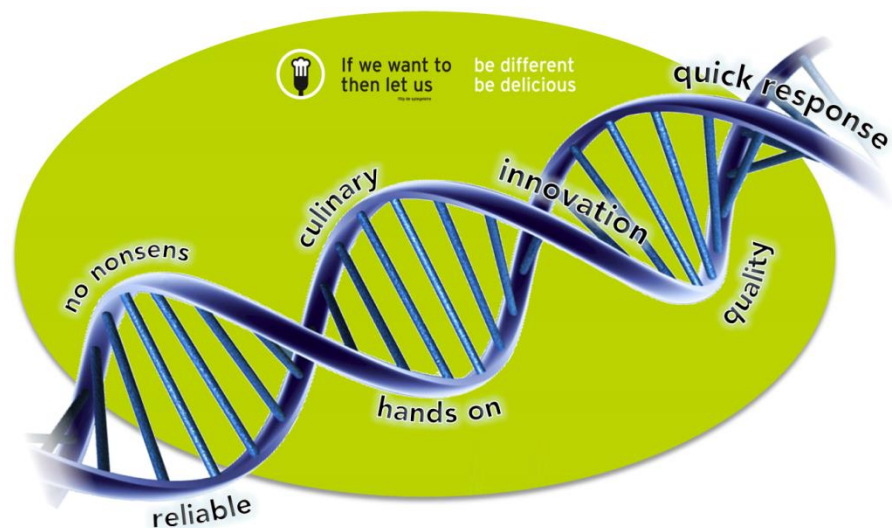
Together we continue the two success stories



Common values unite

- Pioneer spirit, entrepreneurship and the constant pursuit of Excellence.
- Culiner CEO, Filip De Spiegeleire, will become CEO of ORIOR Europe and a Management Board member of ORIOR AG.
- The entire management team at Culiner Food Group will remain with the company.

DNA of Culiner Food Group



Management team of Culiner Food Group



Entrepreneurial team, powering into the future

Culinor CEO, Filip De Spiegeleire, will become a new member of the Management Board of ORIOR AG



Daniel Lutz
CEO ORIOR Group



Ricarda Demarmels
CFO ORIOR Group



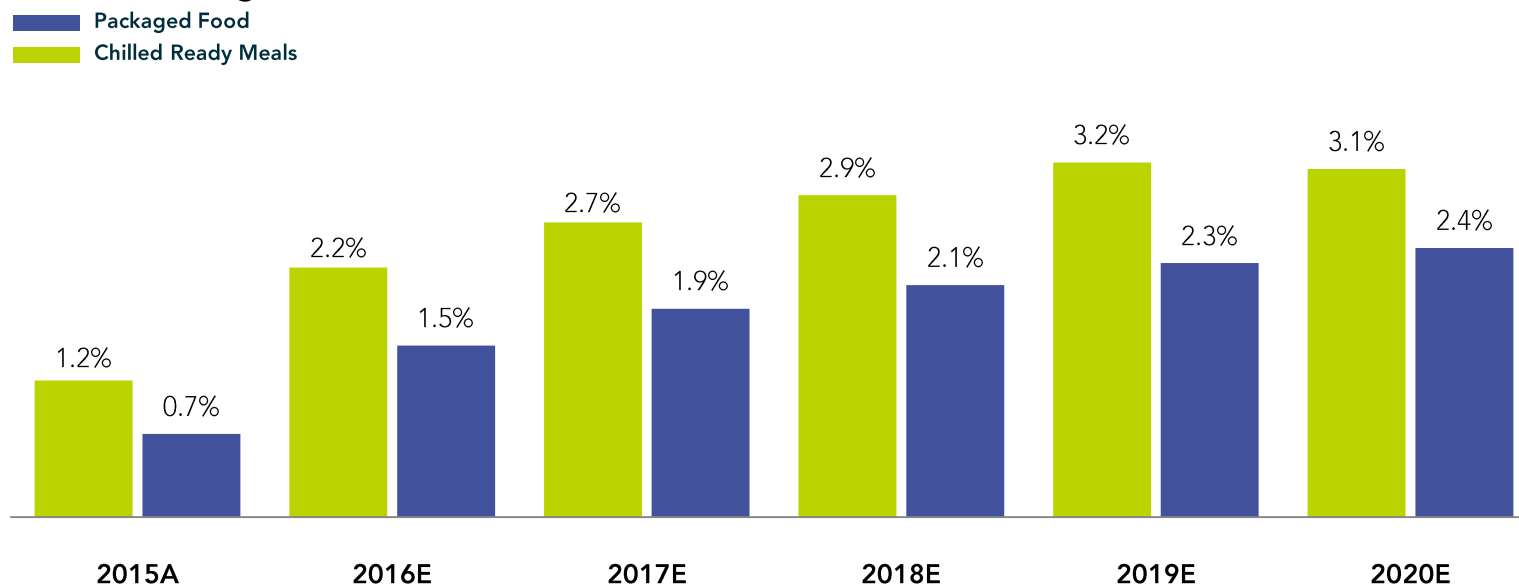
Bruno de Gennaro
CEO ORIOR Segment
Convenience (CH)



Filip De Spiegeleire
CEO ORIOR Europe

Attractive market environment

Annual market growth in BE+NL¹⁾

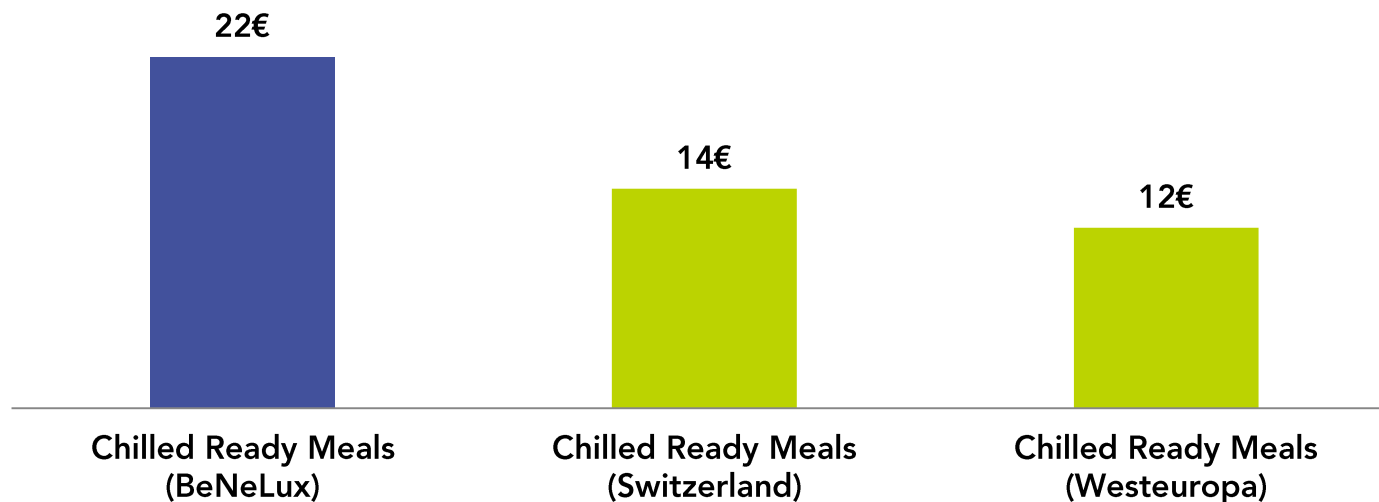


- Convenience Food addresses new consumer needs; shifting structure of daily routines in today's modern age calls for quick, smaller meals.
- The trend towards fresh and healthy nutrition will continue: agile and modern production technology makes it possible to address this trend.

¹⁾ Basierend auf Euromonitor (2015) für «Chilled Ready Meals» und «Packaged Food»

Highly popular in the Benelux

Per capita spending on Chilled Ready Meals¹⁾



- **Life style** and **consumer preferences** with **high affinity for quality and enjoyment** mirror the **highly developed premium fresh convenience market** in the **Benelux**.
- **Obvious preference** for traditional cuisine in the Benelux market, international competitors have a limited influence.
- Successful development and expansion of **new niches** in the **premium fresh convenience market** in Europe offers business potential.

¹⁾Basierend auf Euromonitor (2015) für «Chilled Ready Meals», Kaufkraft-adjustiert.

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.

Ultra Fresh



Ready Meal



Components



Ovendish



Multiple technologies

Ultra fresh



Sous vide



Hotfill



Oven



Traditional local cuisine and innovative specialities

- Leading producer of traditional local cuisine and trendsetter of innovative specialities.

Traditional local cuisine



Innovative specialities



Culinor as an autonomous competence centre within ORIOR Group



ORIOR sites

- Modern and scalable production and logistics centres enable direct market access



Destelbergen

Production of oven and fresh prepared meals



Gent

Production of cuisson sous-vide, chef meals, menu components



Destelbergen

Logistics center for packaging, transport, raw materials receiving



Olen

Production of ultrafresh menus and sous-vide products



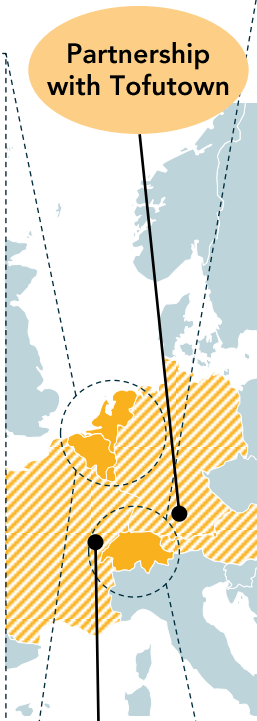
Herselt

Production of ready meals and oven dishes



Partnership with Tofutown

ORIOR/Spiess Europe



Rapelli SA, Stabio

Deli specialties such as salami, cured ham and coppa



Albert Spiess, Schiers

Bündner specialties such as Bündnerfleisch and Salsiz



Möfag, Zuzwil

Fürstenländer specialties such as Mostbröckli and ham products



Fredag AG, Root

Chicken specialties, meat convenience, veggie/vegan



Le Patron, Böckten

Pâtes and terrines, prepared meals and ready-made meal components



Pastinella, Oberentfelden

Fresh, Italian-style pasta with and without fillings



Note: Countries shaded with diagonal lines represent ORIOR's current export markets.

Transaction parameters

- In line with ORIOR 2020 strategy and ORIOR's M&A priorities.
- 100% of Culiner Food Group's shares will be acquired.
- The transaction is expected to close at the end of August 2016.
- The purchase price is financed with borrowed capital; existing credit lines are being tapped.



ORIOR Group

Outlook



Outlook for the second half of 2016

- Very challenging market and pricing environment.
- The raw material market remain challenging.
- We expect more positive impacts on our operating performance from the measures and initiatives that we have introduced.
- The vigorous implementation of the ORIOR 2020 strategy will remain a priority with a special emphasis on innovation and our well-established and well-known brands.
- ORIOR expands into the European market: Successful integration of Culinor Food Gourp as an autonomous ORIOR competence center in Europe.
- The goals with respect to steady value creation laid out in the ORIOR 2020 strategy are unchanged.

Appendix



Our ambition:
Excellence in Food

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



Share information

Listing SIX Swiss Exchange
Security number 11167736
ISIN code CH011 1677 362
Ticker ORON

Share price on 30.06.2016 CHF 65.90

Dividend	2015	2014	2013	2012	2011
Payout ratio in %	47.0	44.6	45.2	42.3	40.5
Dividend per share in CHF	2.03	2.00	1.97	1.95	1.93

→ 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		30.06.16	30.06.15
Share price on 30.06.	in CHF	65.90	56.80
YTD high	in CHF	68.00	61.70
YTD low	in CHF	52.00	49.25
Market cap	CHF million	390.5	336.54
Earnings per share	in CHF	2.05	1.75
Operating cash flow per share	in CHF	3.17	2.35
Shareholders' equity per share	in CHF	37.77	37.75

Shareholders who own more than 3 % of ORIOR AG share capital (08.08.16)

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)	3.11 %

Calendar

28.02.17	Publication of 2016 annual results
28.02.17	Publication of 2016 annual report
28.03.17	7th Annual General Meeting
22.08.17	Publication of 2017 interim results