ORIOR AG

ALTERNATIVE PERFORMANCE MEASURES FULL YEAR 2021

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 2021	**Jan – Dec 21**	**Org**	**FX**	**Acq**	**Jan – Dec 20**
Net sales from goods and services *in kCHF*	614 109	12 131	1 665	0	600 313
Net sales development by effect	**2.3%**	**2.0%**	**0.3%**	**0.0%**	
Ø currency rate CHF/EUR			1.0703		

Net sales development 2020	**Jan – Dec 20**	**Org**	**FX**	**Akq**	**Jan – Dec 19**
Net sales from goods and services *in kCHF*	600 313	– 5 225	– 5 474	14 662	596 350
Net sales development by effect	**0.7%**	**– 0.9%**	**– 0.9%**	**2.5%**	
Ø currency rate CHF/EUR			1.0703		

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 – Dec 21	Jan – Dec 20
Net sales from goods and services	614 109	600 313
Raw materials / goods and services purchased	– 345 737	– 336 133
Changes in inventories	6 654	– 3 794
Gross profit	**275 026**	**260 386**
Gross margin	*44.8%*	*43.4%*

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 – Dec 21	Jan – Dec 20
Earnings before Interest and Tax (EBIT)	35 351	25 814
+ Depreciation – property, plant and equipment	20 457	19 047
+ Amortisation – intangible assets	8 282	7 942
EBITDA	**64 090**	**52 803**
Net sales from goods and services	614 109	600 313
EBITDA	64 090	52 803
EBITDA margin	**10.4 %**	**8.8%**

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	31.12.2021	31.12.2020
Total assets	377 124	379 430
Equity attributable to owners of the parent	78 381	66 380
Non-controlling interests	1 894	2 133
Total equity	80 275	68 513
Equity ratio	**21.3%**	**18.1%**

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 shown in the notes to the annual report. The equity ratio would be calculated as follows under the assumption that ORIOR would apply the method of capitalising and amortising goodwill:

in kCHF	31.12.2021	31.12.2020
Theoretical total assets incl. goodwill	480 803	495 315
Theoretical equity incl. goodwill	182 059	182 265
Non-controlling interests	1 894	2 133
Total theoretical equity incl. goodwill	183 954	184 398
Equity ratio incl. goodwill	**38.3%**	**37.2%**

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 – Dec 21	Jan – Dec 20
EBITDA	64 090	52 803
Cash flow from operating activities	49 322	52 290
Cash conversion	**77.0%**	**99.0%**

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.

in kCHF	Jan – Dec 20	Jan – Dec 19
EBITDA	64 090	52 803
+ Current financial liabilities	11 999	2 529
+ Non-current financial liabilities	139 431	166 599
– Cash and cash equivalents	– 17 583	– 17 760
Net debt	**133 847**	**151 368**
Net debt / EBITDA ratio	**2.09**	**2.87**

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 – Dec 21	Jan – Dec 20
+ Current assets	185 337	178 408
– Current liabilities	– 122 695	– 106 021
– Cash and cash equivalents	– 17 583	– 17 760
– Current financial assets	– 618	– 565
+ Current financial liabilities	11 999	2 529
+ Property, plant and equipment	122 742	126 145
+ Intangible assets	64 804	72 616
+ Financial assets	4 242	2 261
Capital employed	**248 228**	**257 613**

EBIT – LTM*	35 351	25 814
EBIT – acquisitions	0	0
EBIT – LTM* adjusted	**35 351**	**25 814**
ROCE	**14.2 %**	**10.0 %**

*LTM = Last Twelve Months