



Bell Food Group, first half of 2020

Broadly supported business model and high productive capacity ensure a good operating result

Financial analysts' presentation

Overview of first half of 2020.

Key facts at a glance and important events
Results for first half of 2020

Sales revenue
in CHF million

1,995
+ 2.9 % adjusted*

Half-year profit
in CHF million

34.9
Previous year reported
- 9.6

Number of
employees
FTEs as at 30.06

12,141
- 3.1 %



EBIT
in CHF million

59.4
+ 2.4 %



65 locations in 15 countries

*Adjusted for currency effects and acquisitions/divestments

Operating growth in first half of 2020

- Broadly supported business model and high productive capacity ensured attractive operating sales growth
- In Switzerland, large increases in meat and charcuterie retail sales made up for the sharp decline in food service sales; changes to the product range/channel mix had a positive effect
- Excellent performance by Bell International: concentration of international business on air-dried ham and poultry had a positive effect on earnings
- Development of the Convenience business area was curbed by the coronavirus pandemic; decline in sales and profit could not be prevented

Operating sales growth

+2.9%



Coronavirus pandemic – effects on markets

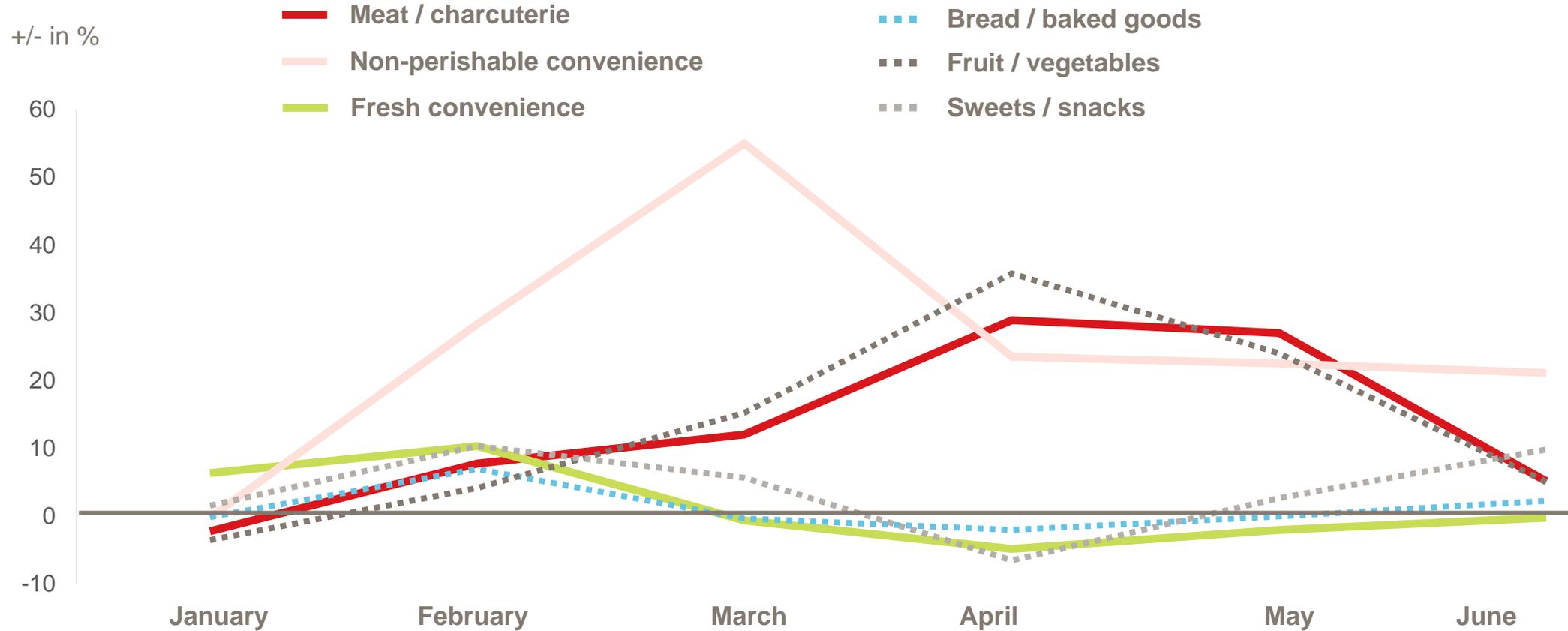
- **Effects of the pandemic on work processes**
 - > Implementation of protective measures such as social distancing, remote working, travel restrictions and meetings generated additional expenses
 - > Restrictions to travelling/border crossings complicated the commute to work for employees
- **Multi-week lockdown and restricted mobility had a severe impact on consumers' shopping and eating habits**
 - > Substantially increased consumption by private households as consumers prepared more meals at home
 - > Strong decline in demand for to-go products and meals to eat at the office
- **Closure of many catering establishments led to the collapse of the food service market during lockdown**
- **In Switzerland, retailers benefited from the complete standstill of shopping tourism**



Coronavirus pandemic – significant changes in demand, depending on product group

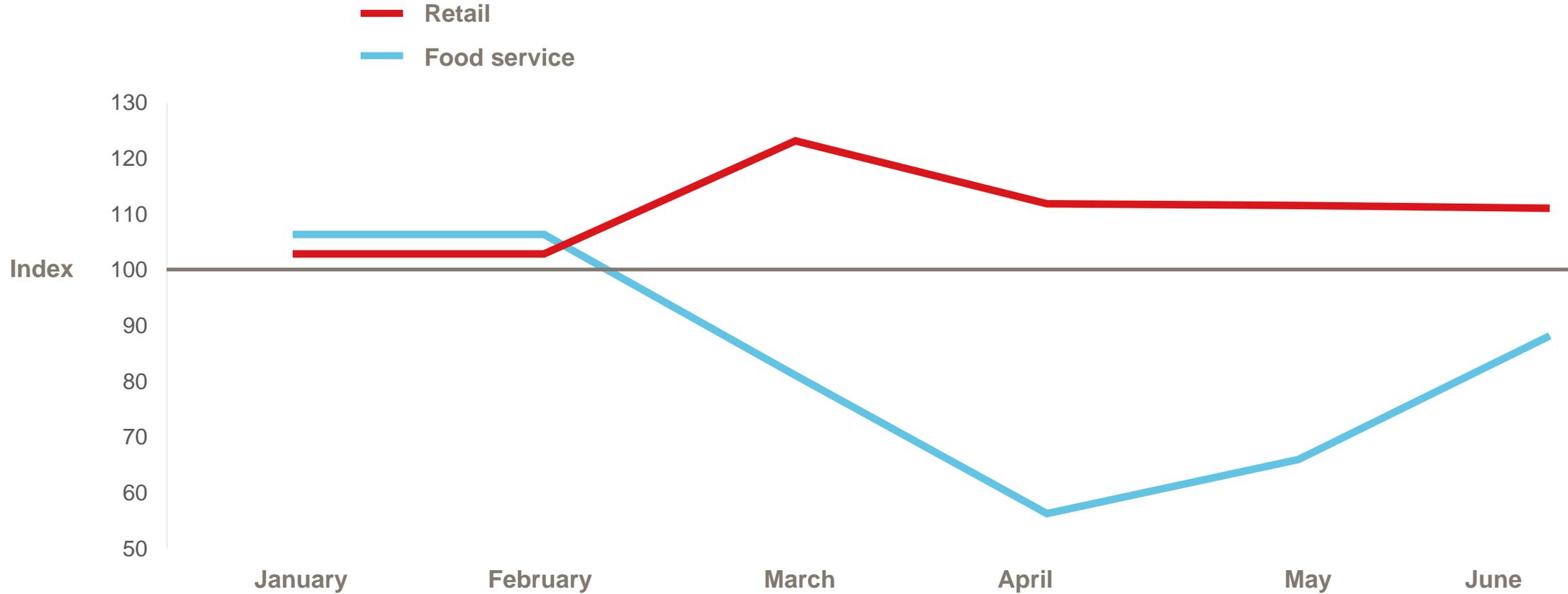


Development of retail product groups in Switzerland



Coronavirus pandemic – great distortions in the retail and food service markets

Index of retail and food service markets



Coronavirus pandemic – effective reaction by the Bell Food Group

- **Timely and efficient implementation of protective measures – the health of employees has the highest priority**
 - > Consistent implementation of protective measures such as social distancing has prevented the spread of the virus in facilities to date
 - > Additional relief and benefits for employees in recognition of their great commitment
- **Production and delivery readiness could be guaranteed at all times – delivery and supply mandate fulfilled**
 - > Strong fluctuations in order volumes mastered thanks to the high productive capacity and great commitment of employees
 - > Product ranges adjusted to market needs at short notice; e.g. limited to one core product range
- **Retail market posts substantial increase in all product groups except fresh convenience**
 - > Slump in food service sales compensated by meat and charcuterie thanks to guaranteed delivery readiness at all times
 - > Cost levels immediately adjusted to new sales conditions



Strategic directions.

Systematic implementation of the Group strategy

1

Strengthening of the leading position in the traditional meat, poultry, seafood and charcuterie segment

- **Construction of a new deep-freeze store started; state-of-the-art store in Oensingen to be finished by the beginning of 2023**
- **It will allow the concentration of current internal and external storage facilities in a single location while substantially expanding productive capacity and halving resource requirements**



Systematic implementation of the Group strategy

1

Strengthening of the leading position in the traditional meat, poultry, seafood and charcuterie segment

- **Internationally, focus on segments with intact perspectives that can achieve critical mass**
- **Clear focus on air-dried ham specialities and poultry**
- **In this context, two production locations in Hungary and France and the logistics centre in Belgium were sold**



Systematic implementation of the Group strategy

1

Strengthening of the leading position in the traditional meat, poultry, seafood and charcuterie segment

- **Bell Food Group is to increase its investment in the Dutch start-up Mosa Meat, which is the world's leading company for cultured beef with some 40 employees**
- **Mosa Meat wants to be the first to launch a cultured meat product on the European market**
- **Bell Food Group highlights its commitment to sustainability and publishes a complete Sustainability Report in accordance with the GRI standard for the first time**

www.bellfoodgroup.com



2

Expansion of our market share in the high-growth and high-margin convenience market

- Successful launch of "The Green Mountain" plant-based burger in the Swiss retail channel further expanded our leading position in vegetarian and vegan products in Switzerland
- Further expansion of vegetarian ranges is ongoing



SWISS MADE, PLANT-BASED BURGER



Systematic implementation of the Group strategy

2

Expansion of our market share in the high-growth and high-margin **convenience** market

- **Expansion and modernisation of the production infrastructure progressed further – construction of the new Hilcona building in Schaan on schedule**
- **Various innovations to further enhance the attractiveness of the product range and gain market share**
- **Growth momentum curbed by the coronavirus pandemic, but fresh convenience and to-go segments remain medium- and long-term drivers of the convenience business**



Systematic implementation of the Group strategy

3

Substantial
strengthening of
the food service
channel

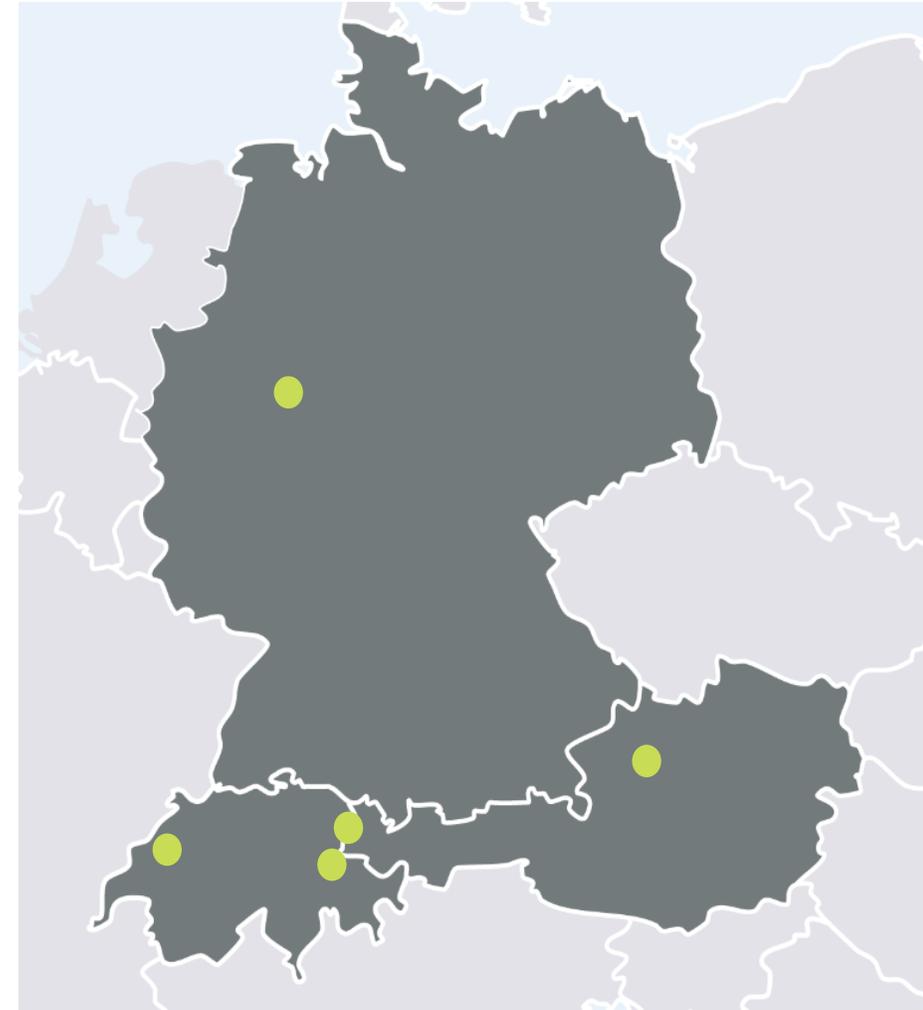
- **Strengthening of the food service channel with tailored "Smart Cuisine" product and concept solutions**
- **From the end of June 2020, a path-breaking cooperation with the University Hospital of Basel (UHB) for the marketing of nutritional solutions based on the promising MicroPast technology for hospitals and frail care centres**
- **UHB is a pioneer in this field and boasts a wealth of expertise in the challenging nutritional aspects of frail care nursing**
- **Hilcona division will in future market menus produced by UHB and will thus considerably expand its service portfolio for this growing segment**



4

Expansion of geographic presence

- Foray into the DACH region with fresh convenience thanks to new production capacities
- Restructured export organisation made further progress; exports to China and other world regions picked up speed



Sites Convenience DACH-Länder (CH/DE/AT)

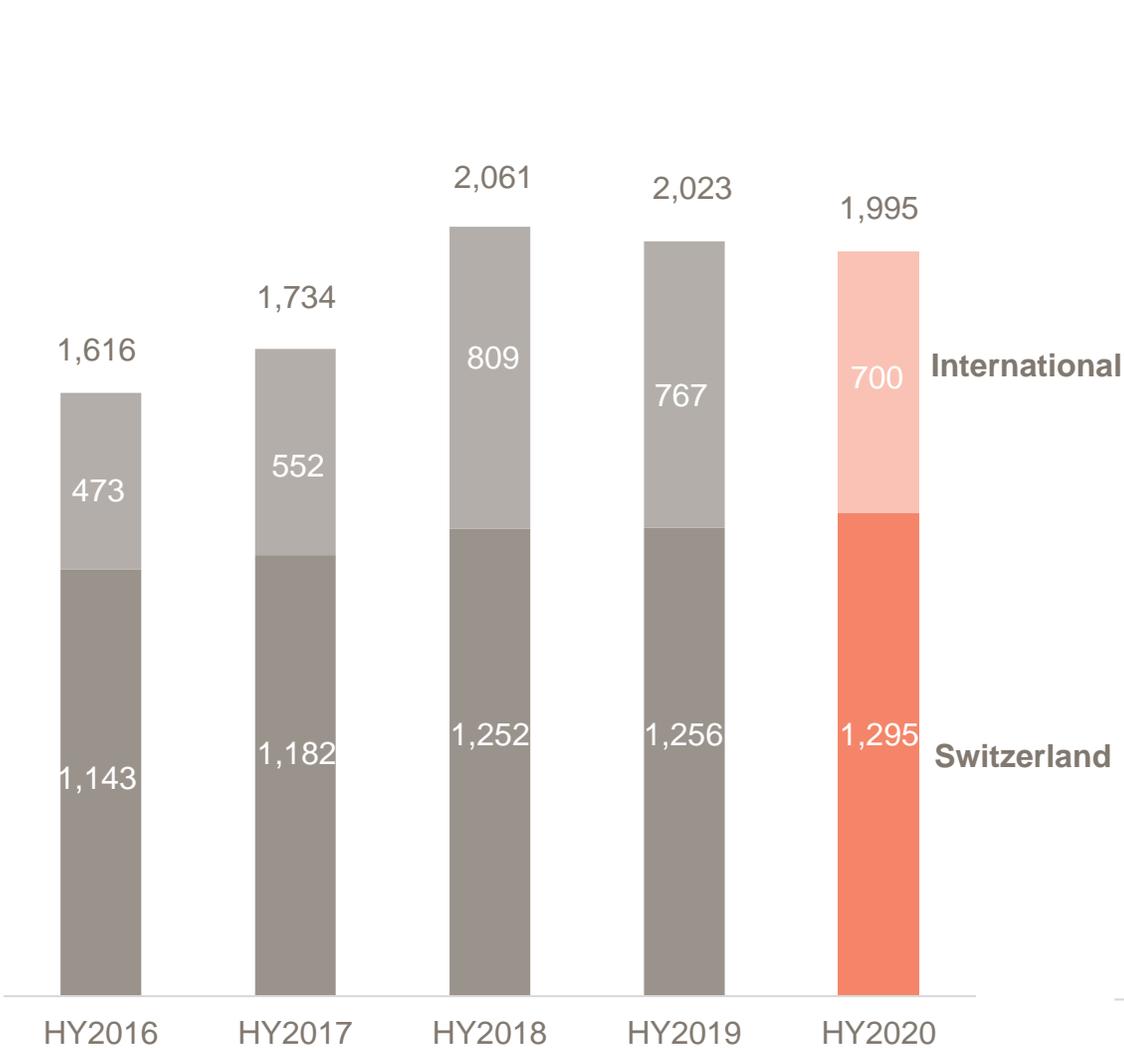


Comments about financial reporting.

Sales development

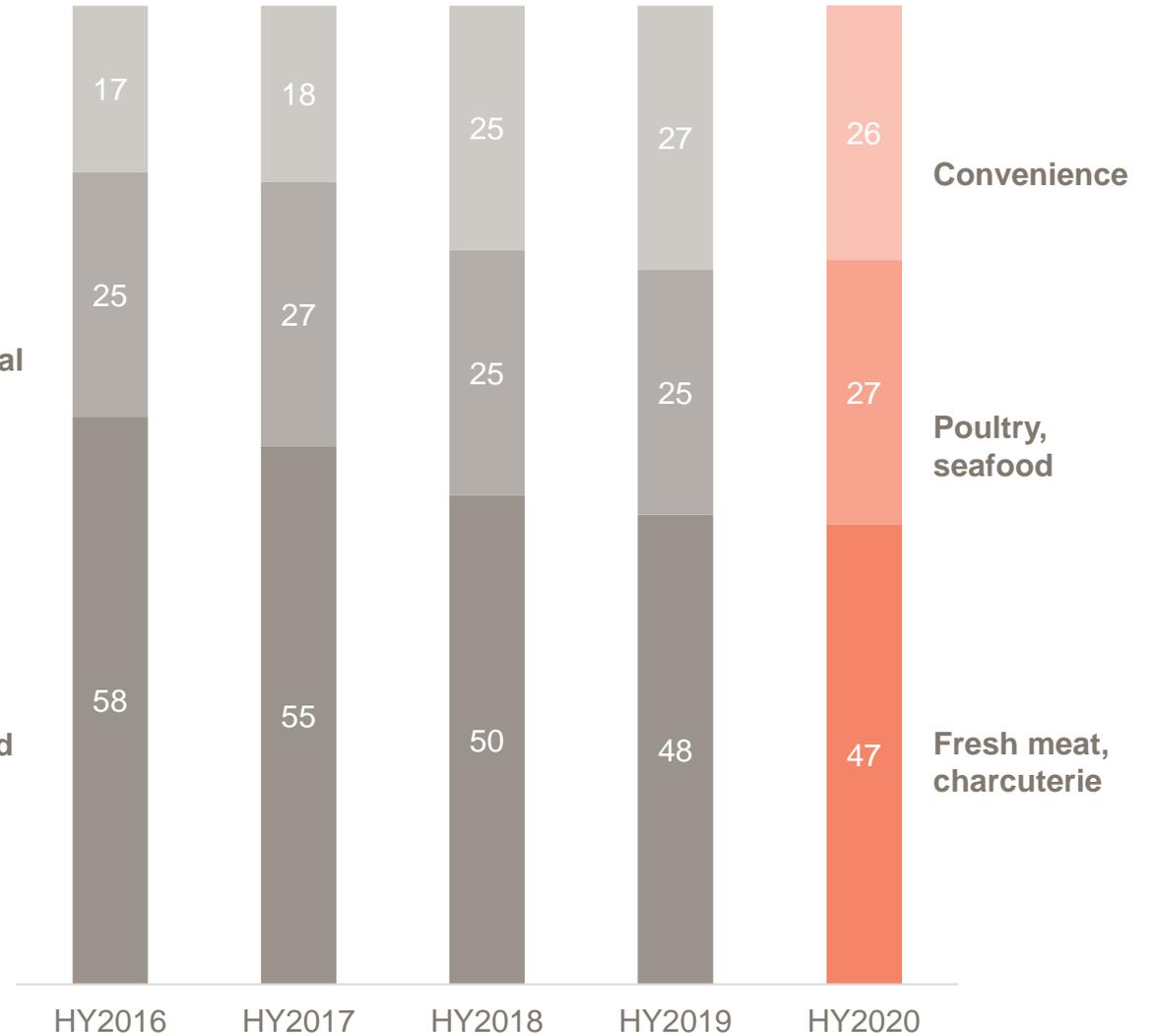
Sales revenue

in CHF million



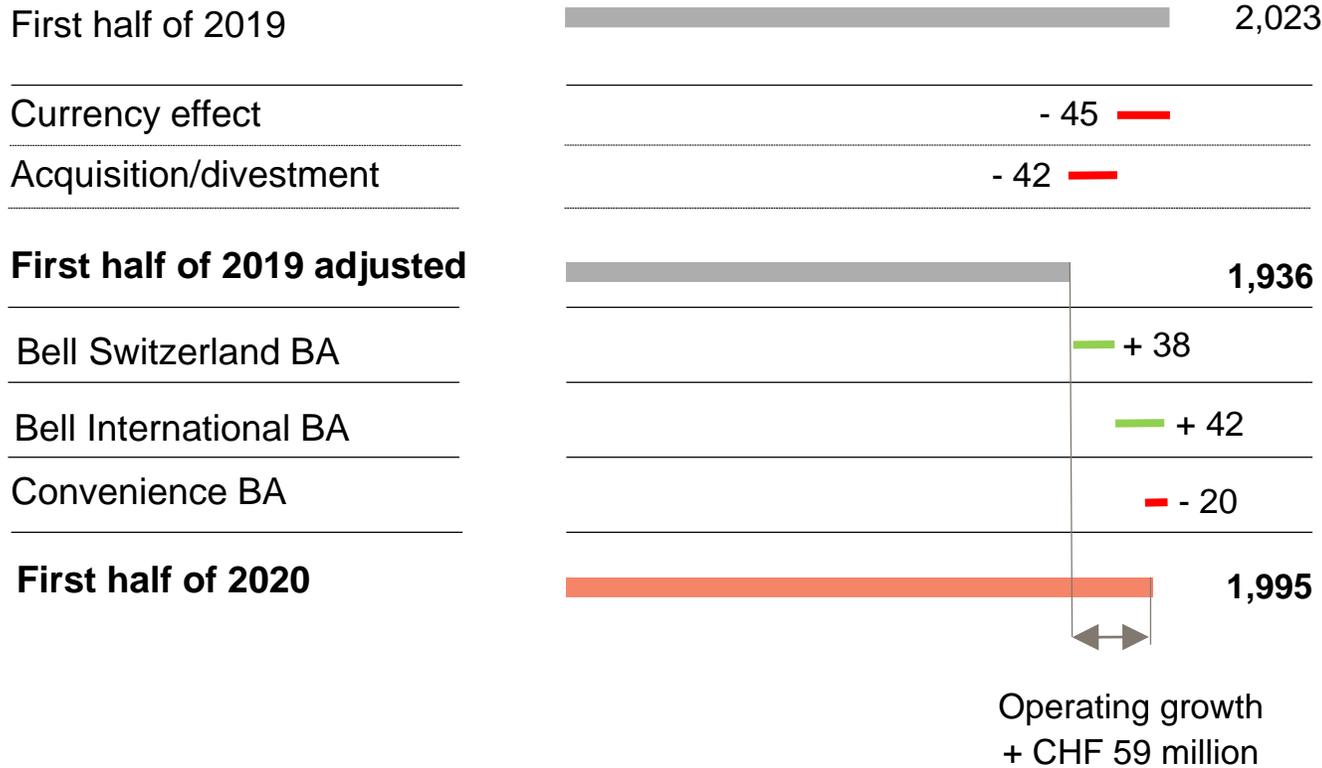
Breakdown of sales by product group

in %



Details and explanations for first half
Influences on sales

Sales revenue
 in CHF million

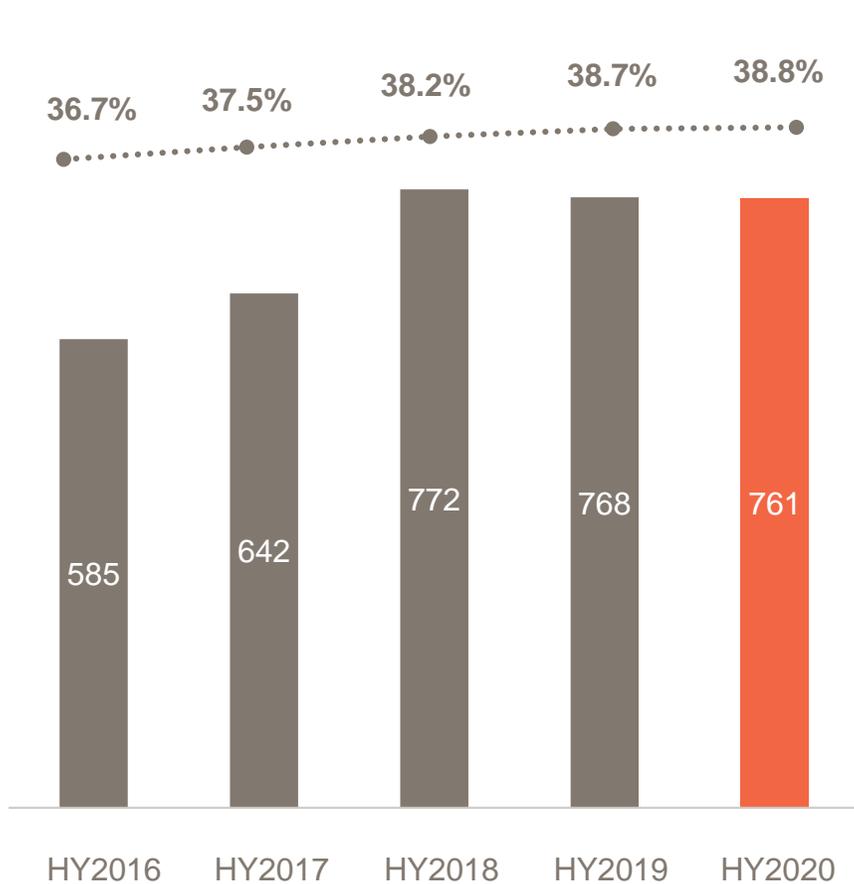


- **Organic sales growth of 2.9 %**
- **Encouraging performance by Bell International; revenue lost through the sale of the German sausage business in 2019 could be compensated**
- **Coronavirus fallout burdens the development of Convenience sales**

Development of gross profit and EBIT

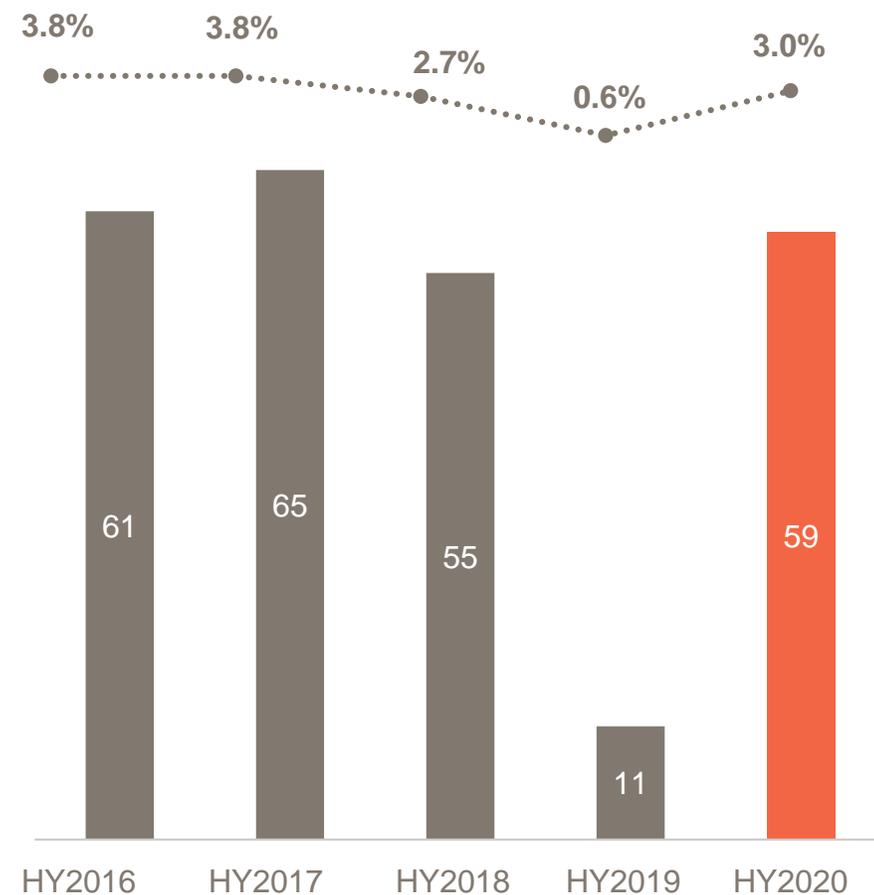
Gross operating profit

in CHF million and in % of net income



EBIT

in CHF million and in % of net income



Details and explanations for first half

Operational progress

EBIT

in CHF million



- Encouraging organic EBIT growth of 2.4 %
- Positive development of the retail channel compensated for the decline in food service
- Additional cost measures implemented

Reconciliation of half-year profit

	2019		2020	
	reported	adjusted	reported	
EBIT	11.0	58.0	59.4	
Result from associates	1.1	1.1	1.0	
Financial result	-7.5	-7.5	-9.9	
<i>of which foreign currency losses</i>	-2.8	-2.8	-5.7	
<i>of which other financial result</i>	-4.6	-4.6	-4.2	
Taxes	-14.3	-12.3	-15.6	
Third-party interest in profit	0.1	0.1	0.0	
Half-year result	-9.6	39.4	34.9	

- Financial result down on the prior year due to higher foreign currency losses
- Improved earnings lead to higher tax expenses
- Prior year impacted negatively by the tax reform in Switzerland

Balance sheet and cash flow for first half of 2020

Cash and cash
equivalents
in CHF million

143

Share of total assets
5.4 %

Net financial
liabilities
in CHF million

724

Equity
in CHF million

1,273

Share of total assets
48.5 %

Operating cash flow
in CHF million

86

Investments in
property, plant and
equipment/software
in CHF million

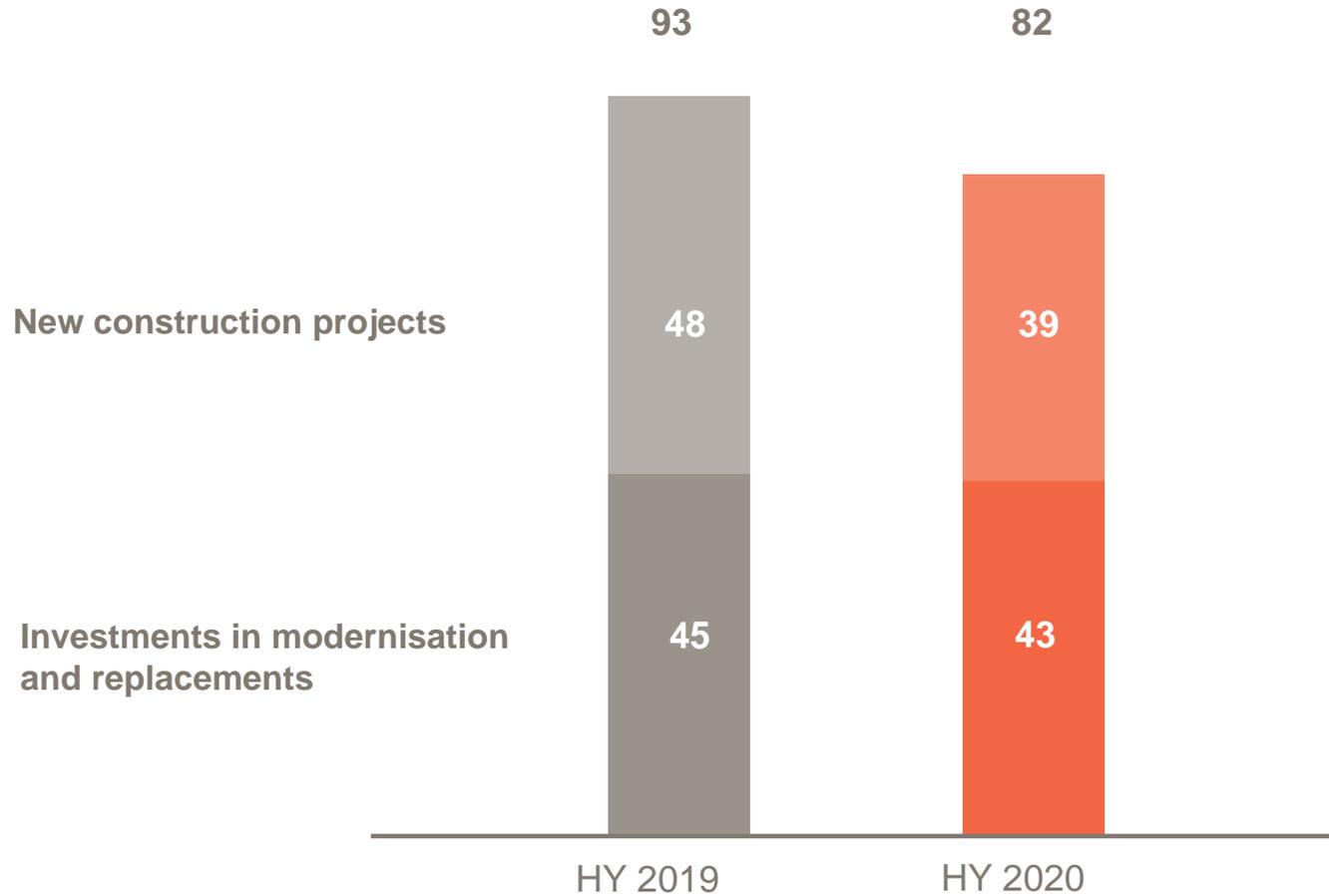
82

-11.9 %

- **No material changes to the balance sheet compared to the end of 2019**
- **Focus on securing the liquidity situation for all Group companies**
- **Very steady equity ratio of 48.5 % and stable net financial liabilities**
- **Bell Food Group has a very solid financial foundation and is ready for the future**

Details and explanations for first half
Investments

Capex for property, plant and equipment/software in CHF million



- **Curtailed investments due to the coronavirus where this is possible without negative fallout**
- **Expected capex in property, plant and equipment for 2020 in the lower range of the announced bandwidth of CHF 200 to 250 million**

Performance of business areas.

Bell Switzerland business area

- Substantially higher retail sales compensated for the slump in food service sales
- High productive capacity in spite of short-term changes in the mix of product ranges and channels
- Delivery readiness guaranteed at all times
- Very solid core business and better operating result than previous year

Bell Switzerland



Locations

13

Employees

3,400



Product ranges

**Fresh meat, poultry,
charcuterie, seafood**

Sales revenue
in CHF million

1,020
+ 3.8 %

Sales volume
in million kg

62.6
+ 1.6 %

Net investments
in property, plant and
equipment/software
in CHF million

22.1
+ 22.8 %



Bell International business area

- All three divisions of this business area made operational progress and contributed to the improvement in results
- Strong organic growth in the poultry business, driven by the retail market for Bell Germany
- Sale of the German sausage business considerably reduced exposure to the food service sales channel and thus weakened the impact of the coronavirus pandemic
- Situation for raw material prices relaxed a little and the required and long overdue price increases could be realised
- Measures to enhance efficiency in the poultry business initiated last year have taken effect

Bell International



Locations

25

Employees

3,800



Product ranges

Poultry, charcuterie

Sales revenue
in CHF million

482
+ 8.1 % adjusted*

Sales volume
in million kg

102.4
+ 2.0 % adjusted*

Net investments
in property, plant and
equipment/software
in CHF million

17.4
- 43.3 %

*Adjusted for currency effects and acquisitions/divestments



Convenience business area

- Hitherto growth drivers in the food service segment and to-go and fresh convenience in the retail segment harshly affected by the coronavirus fallout
- In contrast to Bell Switzerland and Bell International, the loss of earnings in food service could not be compensated to the same extent
- New production plants in Marchtrenk and Bad Wünnenberg laboured under the effects of the pandemic and have not yet achieved their planned volumes
- Product ranges and cost levels were immediately adjusted to the new sales conditions but a decline in earnings could not be prevented

Convenience



Locations

27

Employees

5,000



Product ranges

Ultra-fresh, fresh and non-perishable convenience products

Sales revenue
in CHF million

515

- 3.6 % adjusted*

Sales volume
in million kg

96.9

- 2.5 % adjusted*

Net investments
in property, plant and
equipment/software
in CHF million

42.8

- 4.3 %

*Adjusted for currency effects and acquisitions/divestments



Outlook.

Outlook for second half of 2020

Bell Food Group

- Further effects of the coronavirus pandemic are difficult to gauge; careful crisis management to continue in order to limit the fallout
- Step-by-step improvement in food service expected while retail is expected to return to more or less the same levels as before the pandemic
- Further operational progress has to be achieved for all business areas

Bell Switzerland business area

- Securing of the earnings situation thanks to reaction and production capacity
- Implementation of strategic projects

Bell International business area

- Tension will remain high with regard to raw material prices due to volatile developments
- Focus still falls on air-dried ham and poultry as well as successful initiatives to improve efficiency and performance

Convenience business area

- On the strength of its strategic direction and high powers of innovation, it will benefit from the expected recovery of food service and out-of-home eating
- Will offer more added value to customers with innovative product ranges and food solutions



Outlook for second half of 2020

Bell Food Group

The pandemic-dominated first half of 2020 has shown that the Bell Food Group's robust and sustainable business model and its commitment to performance can stand firm in unusual situations. Thanks to its very solid core business with meat and meat products and its innovative and growth-driving convenience business, the Group is ideally equipped to weather extraordinary circumstances.





Bell Food Group, first half of 2020

Broadly supported business model and high productive capacity ensure a good operating result

Financial analysts' presentation