
2021 financial year

Excellent result and strategically well positioned

Financial analysts' presentation

11.02.2022 | Bell Food Group 2021 financial year



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Overview of the 2021 financial year.

"The strong core business with meat and convenience products in the Swiss retail market was the most important driver for the excellent financial year."



4 152

+ 3.4 %

Operating
income
in CHF million

164.5

+ 2.5 %

EBIT
in CHF million

129.5

+ 10.0 %

Annual profit
in CHF million

7.00*

+ CHF 0.50

Dividend
in CHF per share / *2022 proposal AGM

64

=

Locations

12 333

+ 2.4 %

Headcount
FTE as of 31/12

0

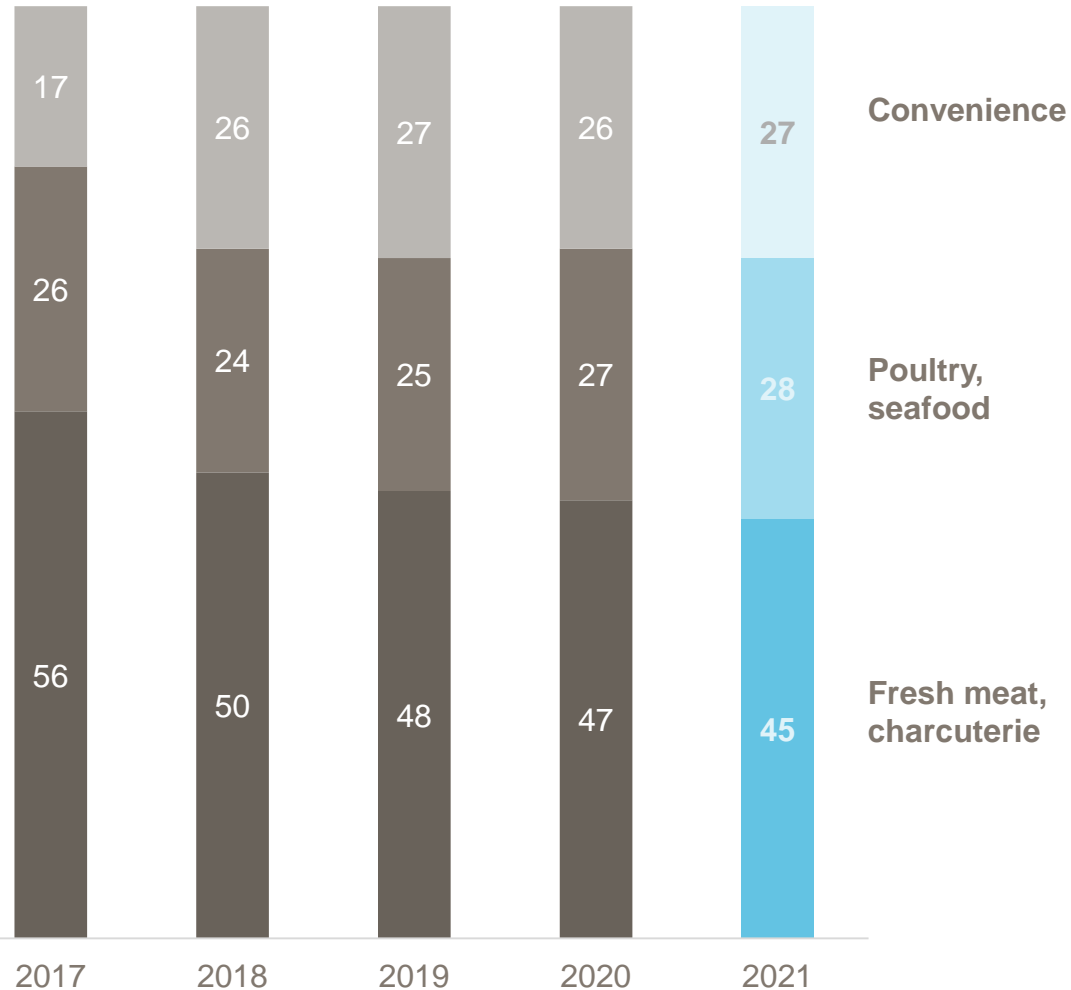
Climate neutrality
GHG-neutral by 2035 for scope 1–2
and by 2050 for scope 1–3

> 2 000

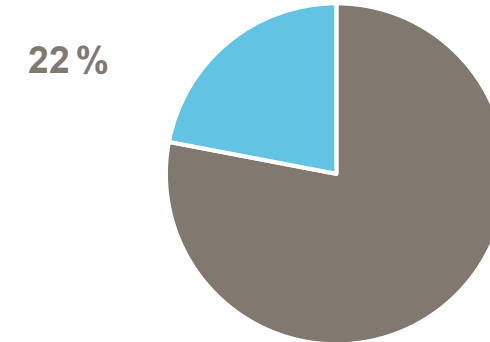
Innovations
New products per year

Organic sales growth in growth areas

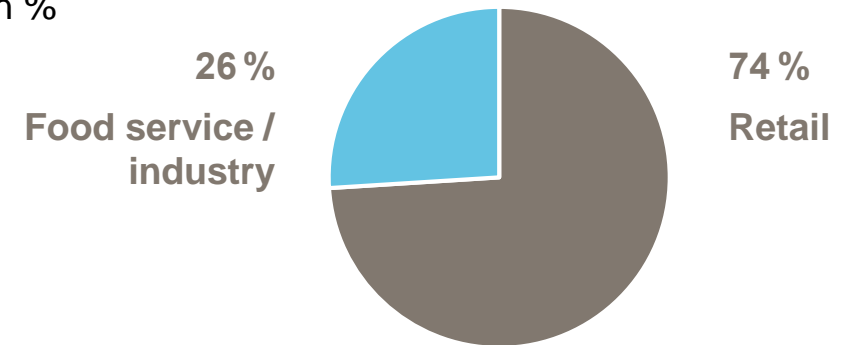
Breakdown of sales by product group in %



Share of sales of vegetarian products in %



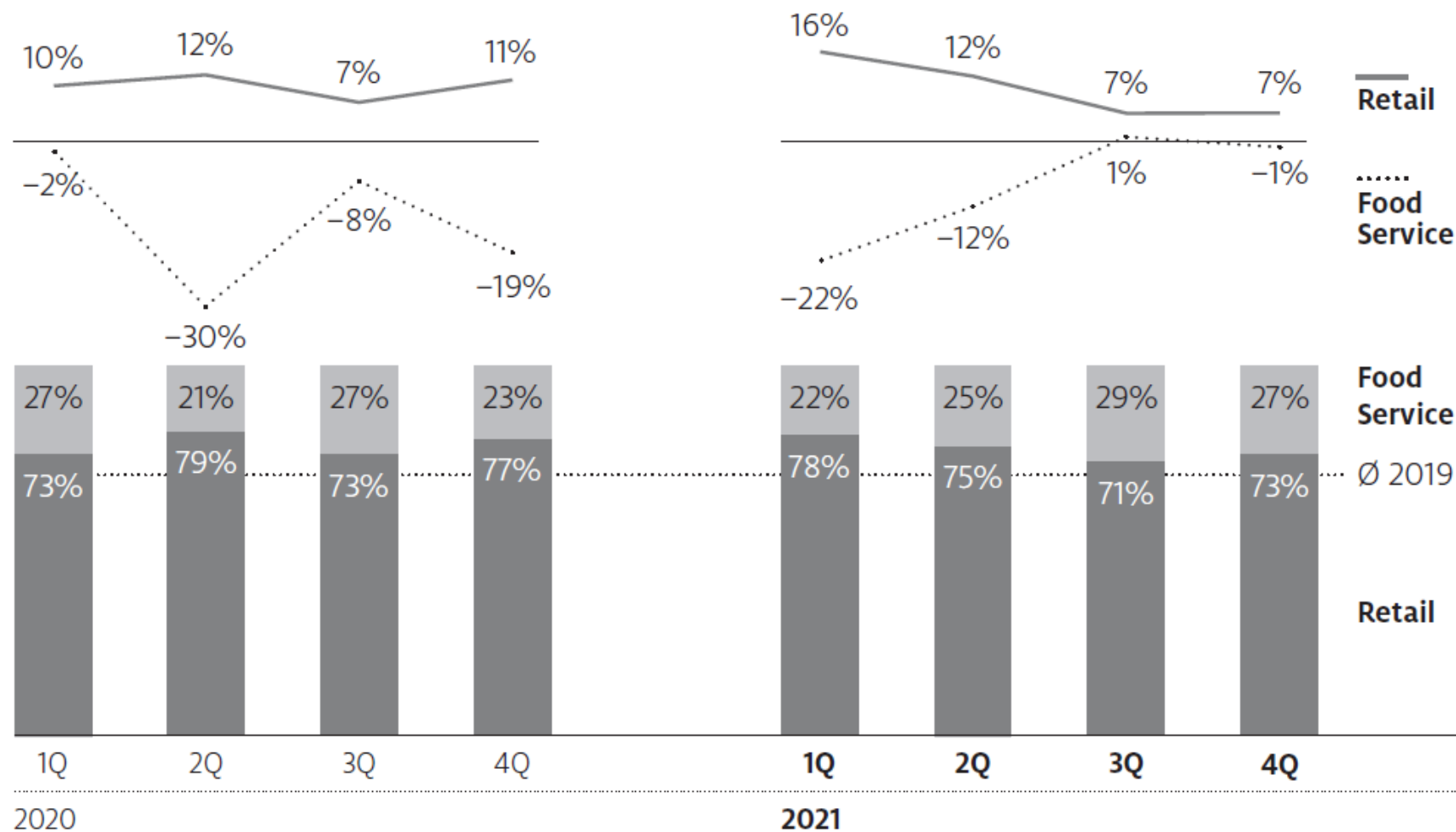
Share of sales for retail and food service / industry in %



Coronavirus pandemic – sales market distortions mastered well

Development of the channel mix

Retail and food service sales; change from 2019



Operationally in good shape and strategically well positioned

Very good result for 2021

- Substantial improvement in result: strong organic sales growth of 3.2 % and operational progress at EBIT level of 2.5 %.
- The main driver was the strong core business with meat and convenience products in Switzerland. All business areas contributed to the successful result.
- Coronavirus distortions remain noticeable; volatile framework conditions during the financial year; challenges were mastered well thanks to the strong business model and high productive capacity of the employees, the infrastructure and the processes.

Operational progress
at EBIT level

+2.5 %

Strong business model

- The broad diversification of product categories and sales channels once again proved to be a strategic advantage that will continue to be of great importance going forward.
- Well-considered product range, modern infrastructure, balanced customer mix, strong core business, international focus as well as good subject expertise and innovation skills of employees.
- Increased commitment to sustainability; more developed and ambitious sustainability engagement.



Business areas – update.

Business area Bell Switzerland – success story for seafood

General

- Excellent performance once again, driven by strong retail business and progressive improvement in food service.

Fresh meat / charcuterie

- On a par with high prior-year volume in spite of the weak barbecue season.

Poultry

- Strong performance once again thanks to the focus on fresh domestic poultry and strong seasonal business.

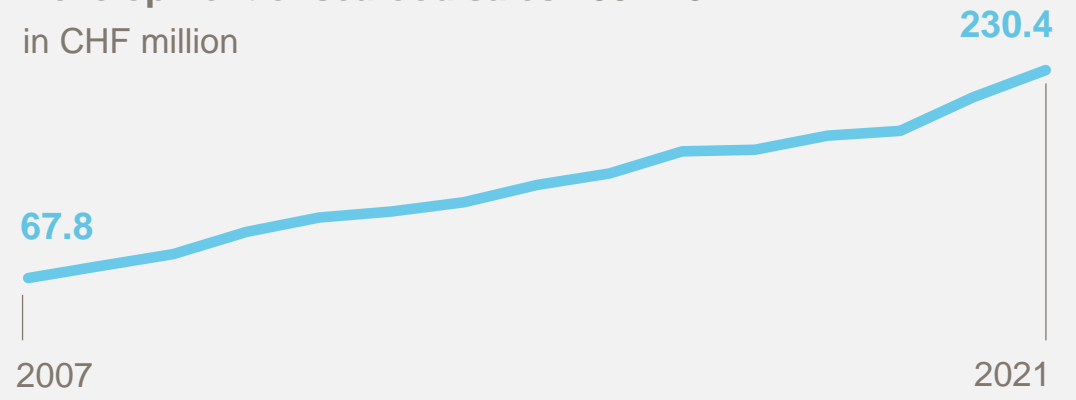
Seafood

- Continued strong growth and clear market leader in Switzerland.
- Has established itself as a strong pillar for Bell Switzerland.
- Particularly productive in sourcing from sustainable sources.
- Successful product range development.



Development of seafood sales 2007-2021.

in CHF million



Business area Bell International – organic is gaining further ground

General

- Bell International has confirmed the upswing and has now reached a stable level of profitability; all divisions made progress and contributed to the good result.

Poultry

- Above-average growth with products offering sustainable added value; sales growth of +15.4 % for organic products in 2021.
- Relevance of animal welfare and sustainable meat production has increased in general; the Bell Food Group is very well positioned as the biggest producer of organic poultry in Europe.
- Strong increase in prices for feed raw materials as well as for energy, packaging and consumables.



Air-dried ham / charcuterie

- Gains in market share thanks to innovative product ranges and packaging solutions; strategic consolidation of locations has paid off.
- Strong foothold in Germany was expanded further.
- Gains in market share also in the home market Spain with air-dried ham and Iberico specialities.
- Bell France and Bell Poland made pleasing results.



Business area Convenience – boom in vegetarian products

General

- Following a substantial coronavirus-driven decline in food service and fresh convenience sales, the business area Convenience saw signs of a recovery in the reporting year; the most important driver was the strong retail business in Switzerland.

Hilcona

- Excellent performance by the Hilcona division; pasta and vegetarian products posted the highest growth.

Eisberg

- Very successful activities in Switzerland and Eastern Europe.
- Market development in Austria and Germany has not yet reached the ambitious level that was planned before the pandemic.

Hügli

- As the food service segment accounts for a high percentage of sales, Hügli suffered most from the coronavirus fallout.
- The organisational structure was made more agile and processes were simplified; cost structures were made more flexible in reaction to the changed framework conditions.



SWISS 20
VEGAN
AWARDS 21

NEWCOMER

Explanations for the 2021 financial year.

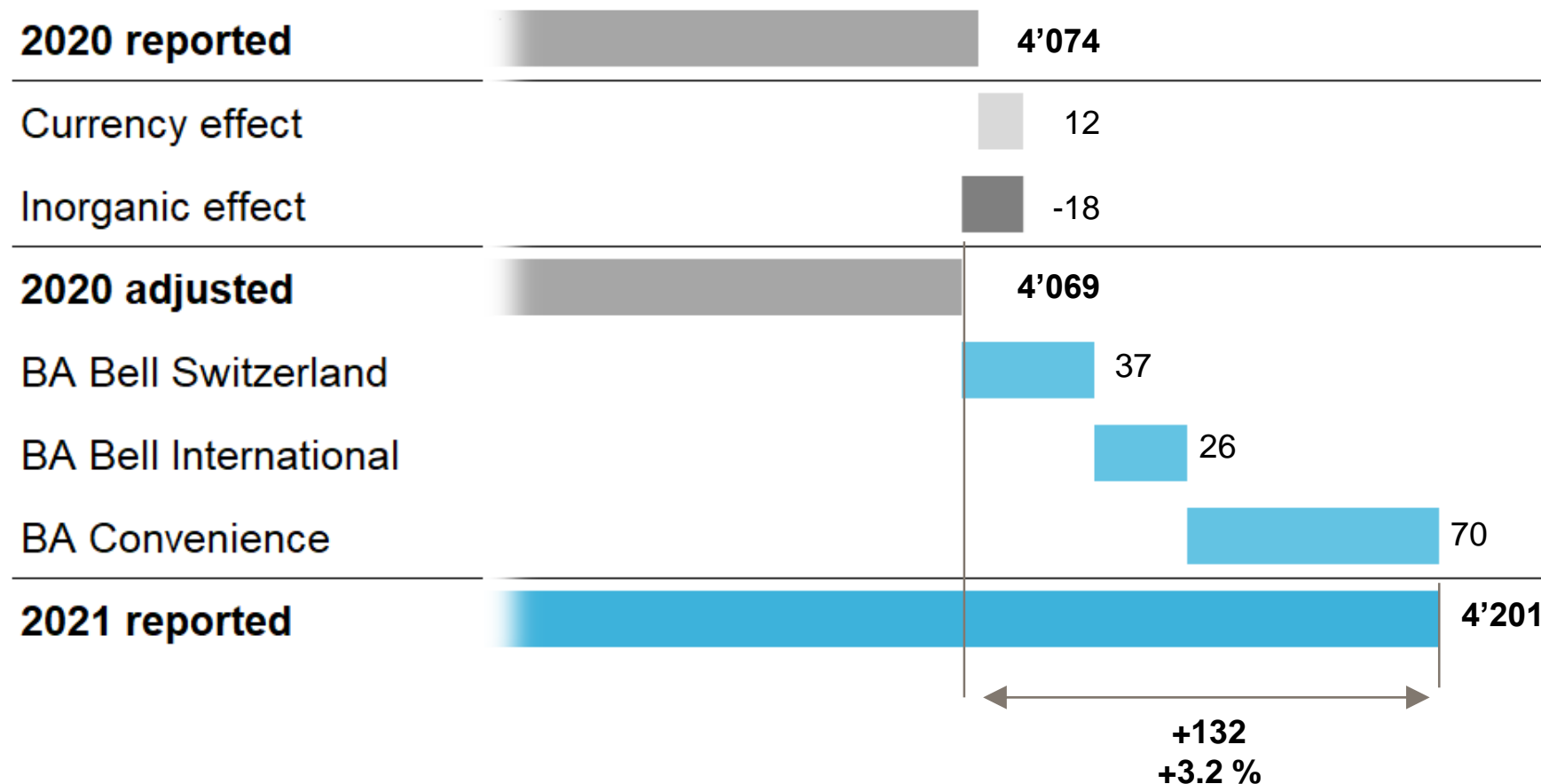
"In spite of the volatile framework conditions, the adjusted profit improved substantially – we posted the highest ever annual profit in the history of the Bell Food Group in 2021."



Sales development – further organic growth posted

Sales revenue

in CHF million



- Growth was driven by the strong retail business with meat and convenience products in the home market Switzerland
- Food service and to-go convenience sales recovered during the course of the year
- Growth momentum was highest for organic poultry, seafood, fresh pasta and vegetarian products
- **Average annual organic growth of 2.9 % from 2018 to 2021**

Business areas – all business areas contributed to the good result

Bell Switzerland

Bell International

Convenience

Sales revenue
in CHF million

2 125

1 002

1 137

Operating growth

+2.2 %

+3.5 %

+6.6 %

Growth drivers
2021

Poultry and
seafood

Organic poultry and
air-dried ham

Fresh pasta and
vegetarian products

Employees
FTEs as of 31/12

3 571

3 529

5 233

Locations

13

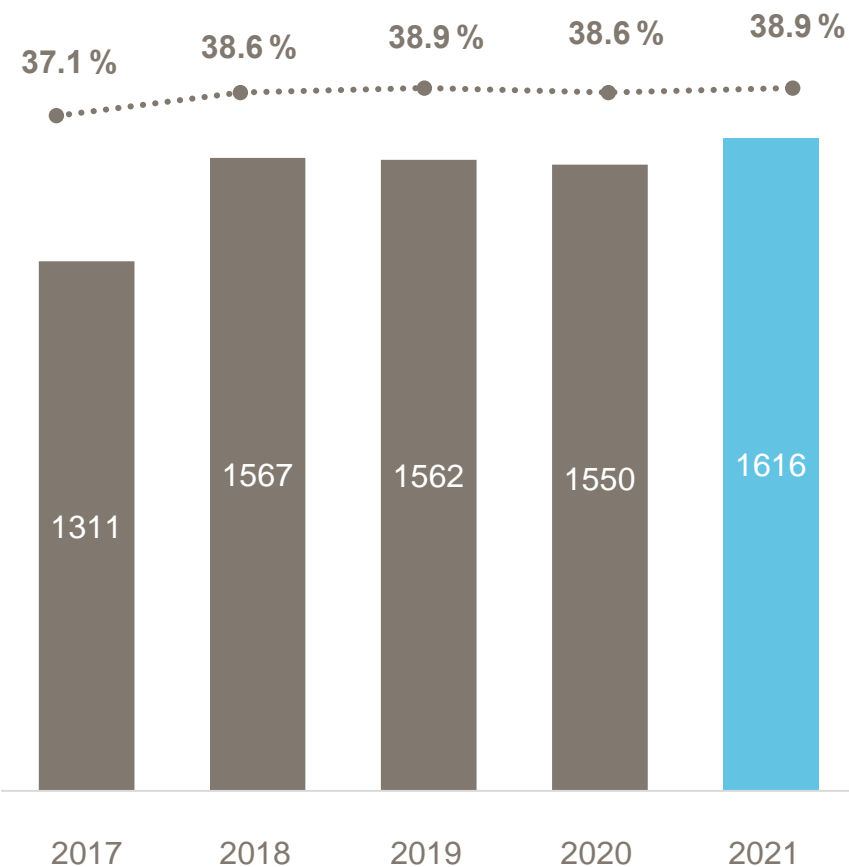
23

28



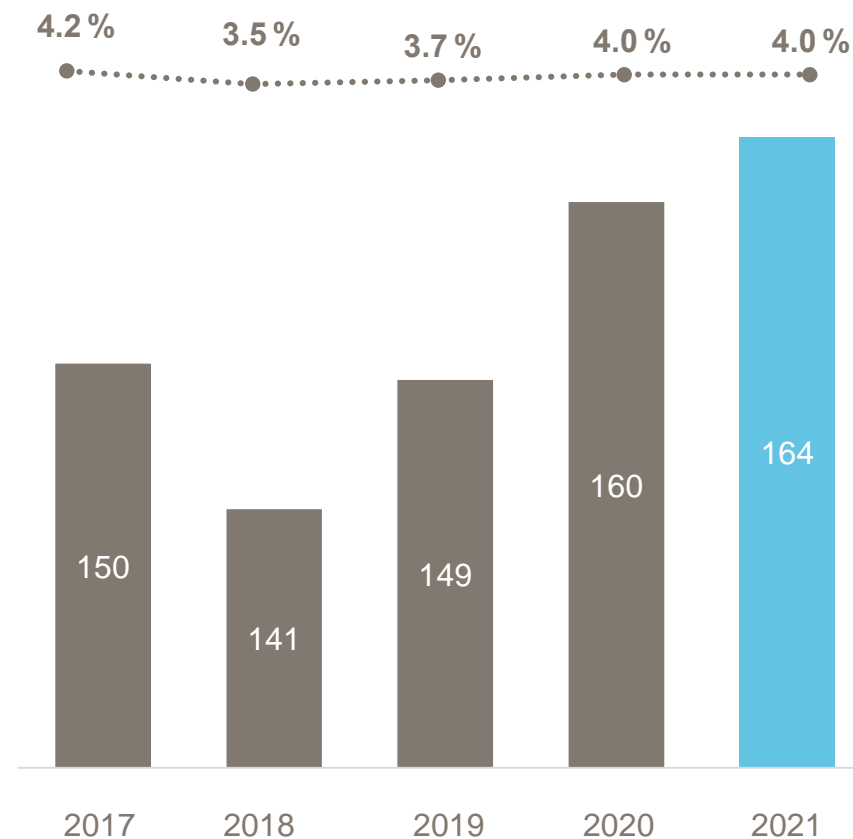
Gross operating income

in CHF million and in % of net income



EBIT

in CHF million and in % of net income



Adjusted key figures according to the publication "Alternative performance measures"

Income statement – increase in profitability

Mio. CHF	reported				adjusted			
	2020	2021	Δ	%	2020	2021	Δ	%
Gross profit	1'550.0	1'616.0	+65.9	+4.3%	1'550.0	1'616.0	+65.9	+4.3%
EBITDA	315.7	325.7	+10.0	+3.2%	318.7	326.8	+8.1	+2.5%
EBIT	155.6	162.4	+6.8	+4.4%	160.4	164.5	+4.1	+2.5%
Financial result	-11.6	-12.1			-11.6	-12.1		
<i>of which interest</i>	-8.2	-8.1			-8.2	-8.1		
<i>of which foreign currency losses</i>	-3.4	-4.0			-3.4	-4.0		
Result from associates	3.0	3.8			3.0	3.8		
Taxes	-28.3	-26.7			-34.1	-26.7		
<i>of which ordinary taxes</i>	-31.8	-29.4			-31.8	-29.4		
<i>of which non-recurring and relating to other periods</i>	3.5	2.7			-2.3	2.7		
Third-part interest in profit	-0.0	-0.0			-0.0	-0.0		
Annual result	118.6	127.4	+8.7	+7.3%	117.7	129.5	+11.8	+10.0%

2.1×

CHF 680.5 million

Net debt ratio

Net financial liabilities

1 414

Share of total capital 50.5 %

Equity

in CHF million

12.6 %

Previous year 2.4 %

Return on equity

after goodwill offsetting

- Equity ratio increased from 49.7 % to 50.5 %
- Net debt ratio of 2.1× is within the target range of <2.5×
- Positive operating free cash flow in spite of high investments
- Dividend increase thanks to good business performance

55.7

- 0.7

Operating free cash flow

in CHF million

241

+ 11.6

Operating investments

in CHF million

7.00*

+ CHF 0.50

Dividend

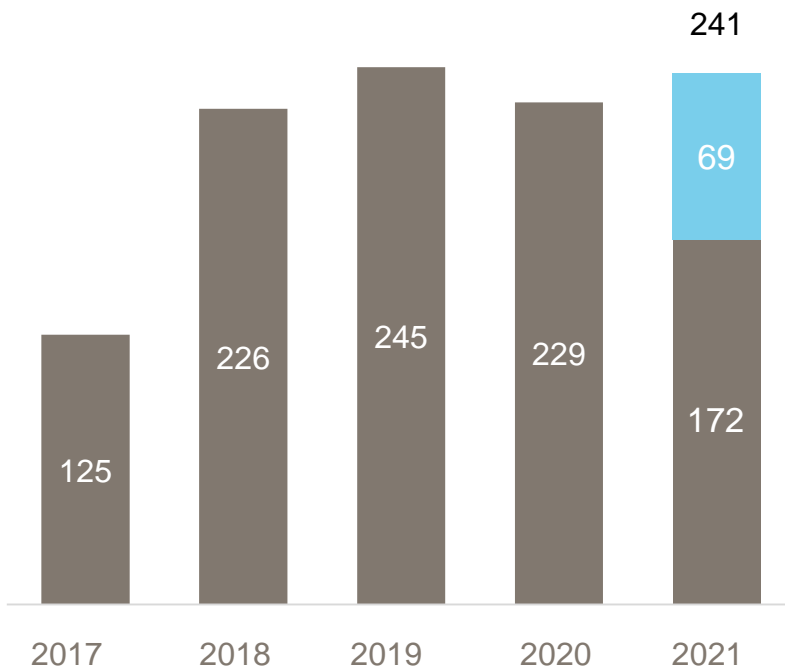
in CHF per share

*2022 proposal AGM

- **Bell Food Group has a very solid financial foundation and is ready for the future**

Operational investments

in CHF million



Development 2017 – 2020

- Investments in modernisation and replacements increased since the Hügli acquisition in 2018
- New facility in Marchtrenk 2018 – 2021
- New facility in Fuensalida 2018 – 2020
- Planning phase for the investment programme Switzerland

Details for 2021

Investment programme Switzerland around CHF 69 million

Investments in modernisation and replacements of around CHF 172 million

- Bell Switzerland CHF 58 million
- Bell International CHF 26 million
- Convenience CHF 88 million

Investments – for a productive future

Investment volumes 2021–2025

in CHF million

Description	2021-2025	from 2022 p.a.
Modernisation of Oensingen	600-680	
Expansion of Schaan	120-130	
Consolidation of Swiss locations for Eisberg	30-40	
Investment programme Switzerland	750-850	120-200
Modernisation & replacement	650-750	140-160
Investment volumes	1 500	
of which already invested in 2021	241	

- Because of the size of the projects, shifts between the years can occur
- The total investment volume for the planning horizon 2021–2025 is CHF 1 500 million
- Financing of investment volume by bonds
- **Investments in our infrastructure to fortify the core business in Switzerland and to sustainably secure the important drivers of revenue in the long term**

Strategy 2021–2025

Leading in food – strategically expanding our leading position.

"The Bell Food Group is investing strongly in the expansion and modernisation of its production infrastructure in Switzerland.

In this way, we are strengthening our productive capacity and securing our leading position for many years to come."



The strategic thrusts for expanding our leading position

Bell Food Group Leading in food



**Strengthen
our core
business**



More added value



**Grow with
convenience and
vegetarian products**



More growth and added
value



**Invest in efficiency
and productive
capacity**



Better performance and
productivity

Focal topics for "Strengthen our core business" strategic thrust



We shape the future



Strengthen our core business

Relevant
offer

Strengths
Air-dried ham

Sustainable
poultry

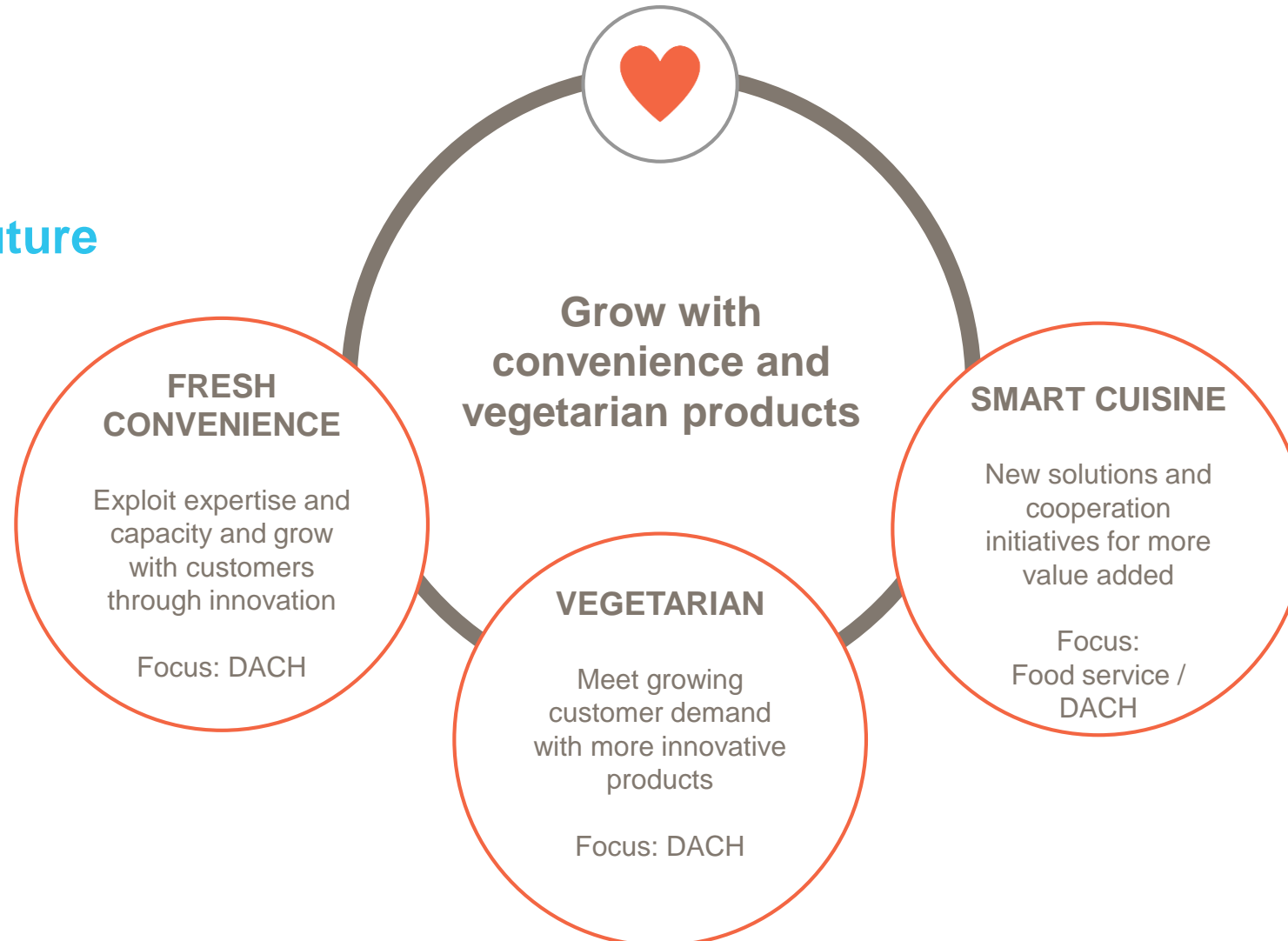
- In Switzerland, innovative new products were added to the barbecue range and supported by a new marketing campaign.
- New technology for sous-vide meat convenience products implemented; expansion of retail and food service product ranges in the pipeline.
- For poultry, expansion of capacities for programmes with higher animal welfare standards.
- Gains in market share for air-dried ham thanks to new production capacities and intensified distribution activities.
- With more than 60 million units sold in 2021, the concept of the environmentally friendly folding box is a best seller; was also launched in Switzerland and France in the reporting year.



**WORLDSTAR
WINNER 2022**



We shape the future



Wide range of
fresh
convenience

Vegetarian
is anything but
boring

Smart cuisine
for food service

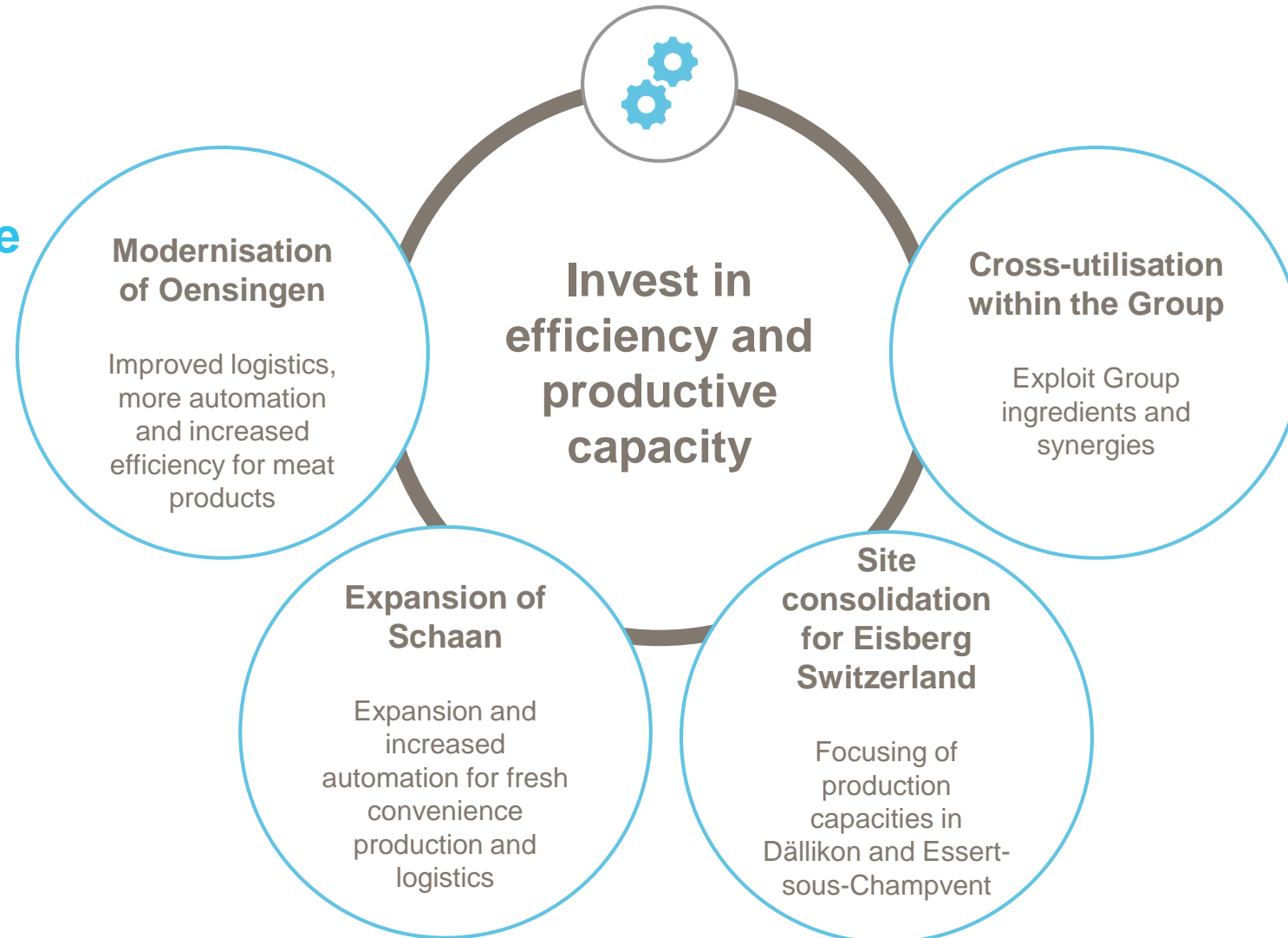
- Commissioning of the new production hall for cooked poultry and vegetable convenience products in Marchtrenk (AT); planned production infrastructure is now fully operational.
- Expansion of production capacities for vegetarian ranges initiated with the installation of a new wet extruder in Landquart (CH) in autumn 2021 and as part of a new facility development plan in Schaan (LI).
- Further sales markets opened up; vegetarian product ranges are now sold in Switzerland, Austria, Germany and France.
- Smart cuisine concept expanded with new sous vide products.



Focal topics for "Invest in efficiency and productive capacity" strategic thrust



We shape the future



Invest in efficiency and productive capacity

Modernisation of
Oensingen

Expansion of
Schaan

Locations
Eisberg
Switzerland

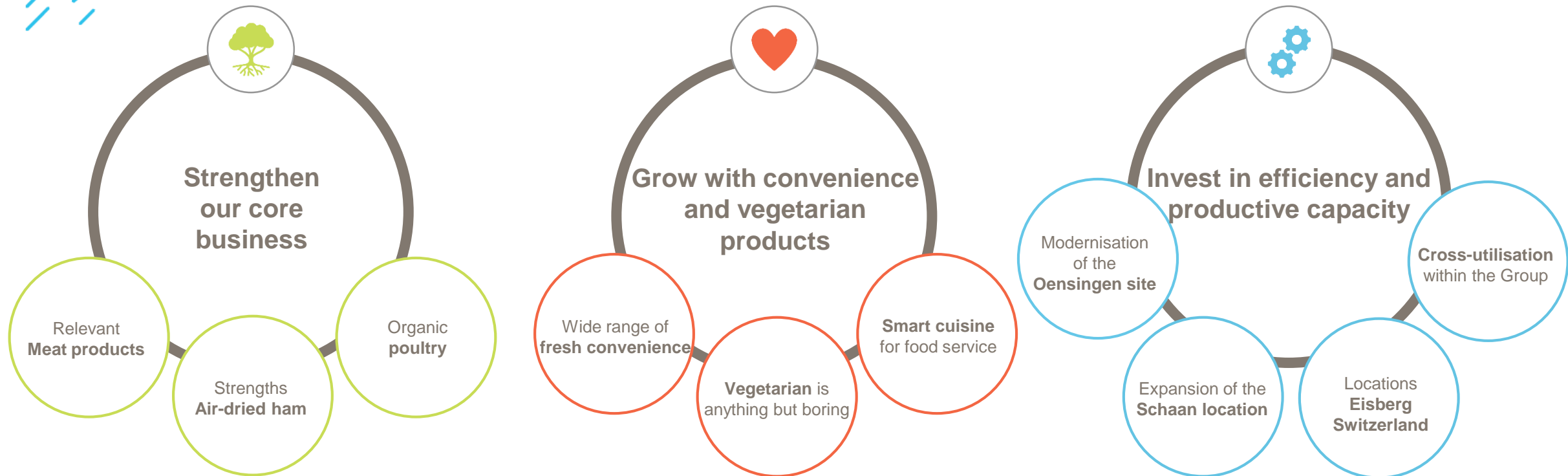
Cross-utilisation
within the Group

- Construction of the highly automated deep-freeze store using 50 % less energy is on course; commissioning from Q4/2022 / construction of central slicing and order-picking platform started in the reporting year / building permit received for the new cattle slaughterhouse.
- In Schaan, phase 1 of the modernisation of the production of fresh pasta was concluded in autumn 2021. Phase 2 is expected to start in mid-2022 and will focus on the expansion of the operational logistics.
- Eisberg Switzerland is on course with preparations to close down the Villigen location and transfer the activities to other locations.
- Hügli is concentrating the production of salad dressings, mayonnaise and dips at its headquarters in Steinach (CH) and is expanding the production infrastructure.





We shape the future

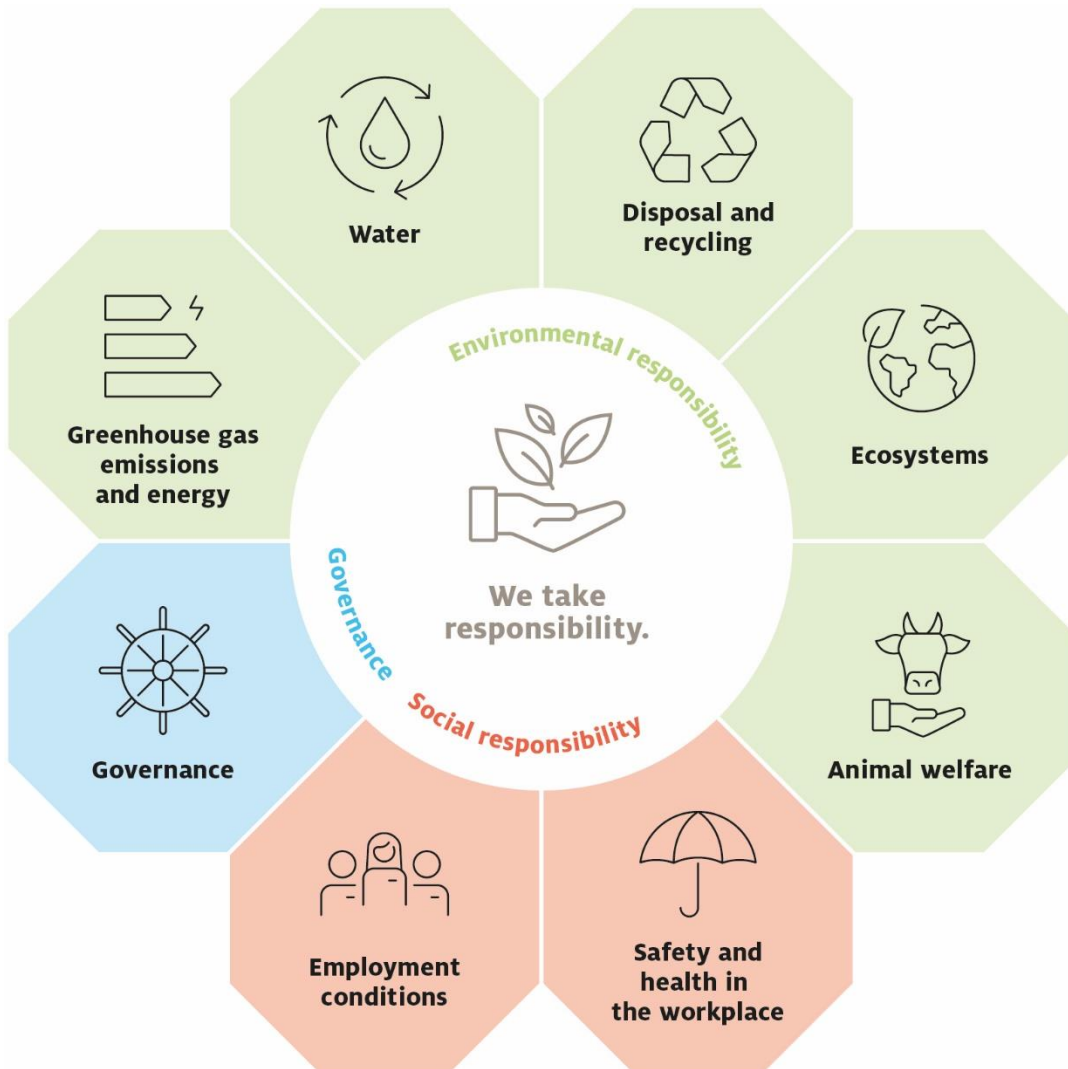


> Secure long-term earning power and productive capacity

ESG and commitment to sustainability.

ESG and commitment to sustainability

We take responsibility



0

Climate neutrality

GHG-neutral by 2035 for scope 1–2
and by 2050 for scope 1–3

< 1 %

Food waste

Operational food waste by 2026

-10 %

Water consumption

Reduction of water consumption in
non-risk areas by 2026

> 60 %

Animal welfare labels

Animal raw materials from Switzerland to
be certified with an animal welfare label by
2026

Outlook.

Outlook for 2022 – we are stronger going forward

Bell Food Group

- The fallout of the pandemic was very noticeable to date, for example in short-term and unpredictable fluctuations in demand or partly also in higher costs for feed, plant raw materials and energy.
- The Bell Food Group is expecting the effects of the coronavirus pandemic to lessen during 2022 and that the situation will slowly return to normal. It cannot yet be foreseen, however, what form this normalisation will take. It is possible that certain changes in consumer behaviour will remain in the long term and will have a sustained impact on the business performance.
- The Bell Food Group is well positioned with its broadly supported business model and is on the right track with its strategic thrusts. The core business with meat and convenience products in the Swiss retail market has proved to be crucial for the Group's earning power. Therefore substantial investments are strengthening the Swiss production locations and securing the leading position going forward.

Business area Bell Switzerland

- Bell Switzerland will be unable to sustain the excellent performance of the past two years to the same extent; shopping tourism is expected to increase further, causing a slight contraction in retail sales.

Business area Bell International

- Bell International is continuing to focus on its strategic core competencies in air-dried ham and poultry and on further improving its profitability; additional growth potential, particular for poultry products with sustainable added value. This area was expanded further in the reporting year.

Business area Convenience

- Convenience showed signs of recovery in the reporting year after the coronavirus-driven slump, especially in Food Service and To-go Convenience. The Bell Food Group is convinced of the growth potential and quality of its products and services, and expects the business area Convenience to become an important driver of growth again in the coming years.