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## 2022 financial year

Satisfactory result in a challenging environment

Financial analysts presentation

10/02/2023 | Bell Food Group, 2022 financial year



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# Overview of the 2022 financial year.

4 352

+ 6.1 %

Sales

in CHF million, currency adjusted

163

+ 0.4 %

EBIT

in CHF million

Operating sales growth

+6.1 %

128

+ 0.4 %

Net profit

in CHF million

7.00\*

=

Dividend

in CHF per share / \*2023 proposal  
to AGM



## Important factors affecting the 2022 financial year



Satisfactory result  
in spite of the  
challenging  
market  
environment



Normalization of  
the Corona  
situation;  
beginning of the  
Ukraine crisis



Higher production  
costs mostly  
compensated by  
price increases

Solid performance  
in all business  
areas



Production facility  
in Marchtrenk  
posts strong sales  
growth

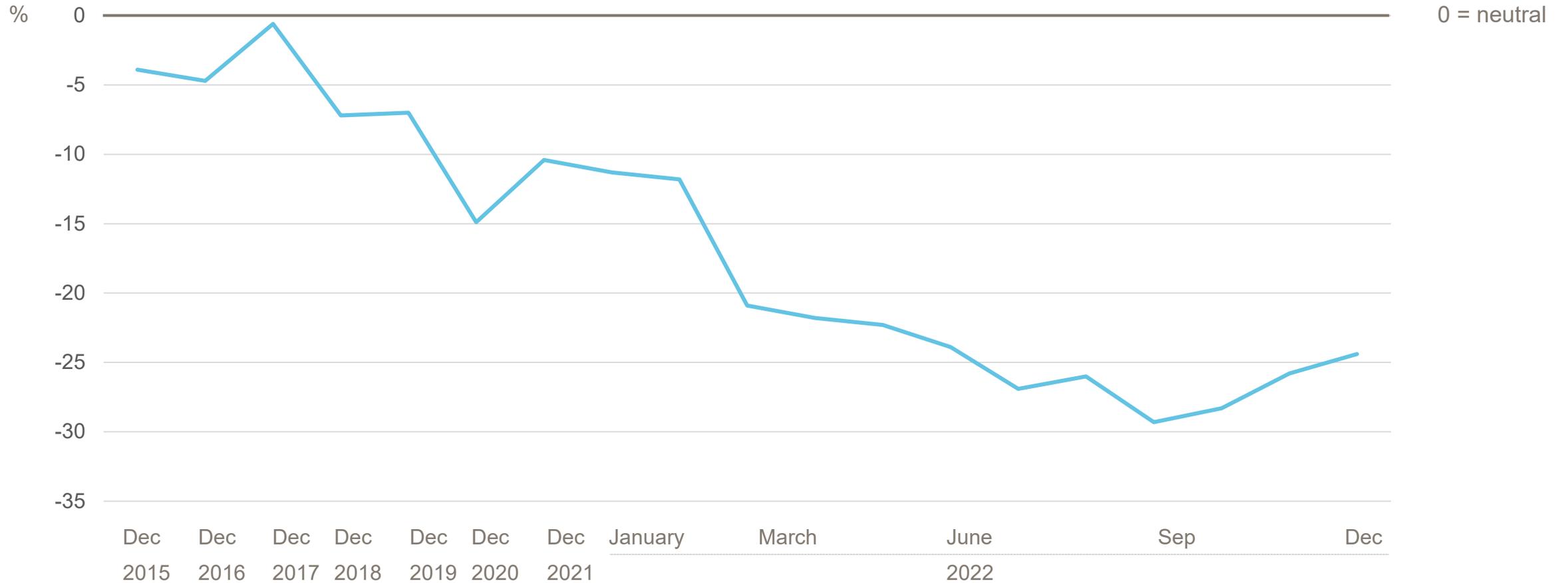


High inflation  
affected consumer  
behaviour



## Inflation affected consumer behaviour

### EU's consumer confidence index from December 2015 to December 2022



## Sales development – gratifying organic growth

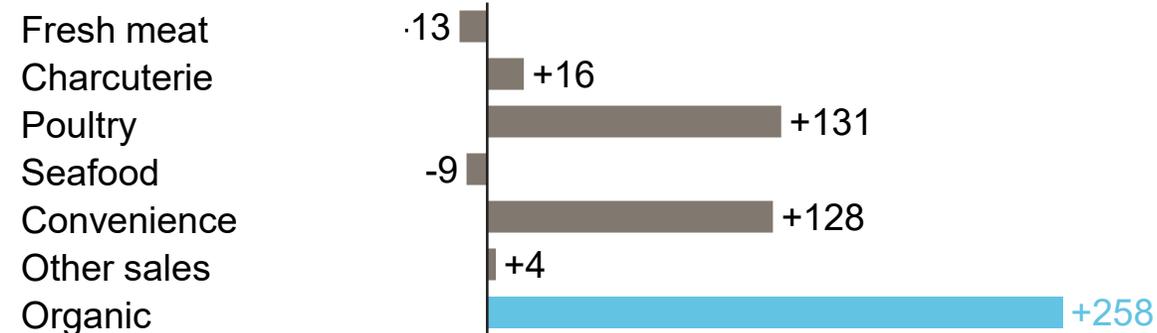
### Sales

in CHF million

Sales revenue 2021	4 201	
Currency effect	-107	- 2.5 %
Inorganic	-	-
<b>Organic</b>	<b>258</b>	<b>+ 6.1 %</b>
Sales revenue 2022	4 352	

### Sales by product group

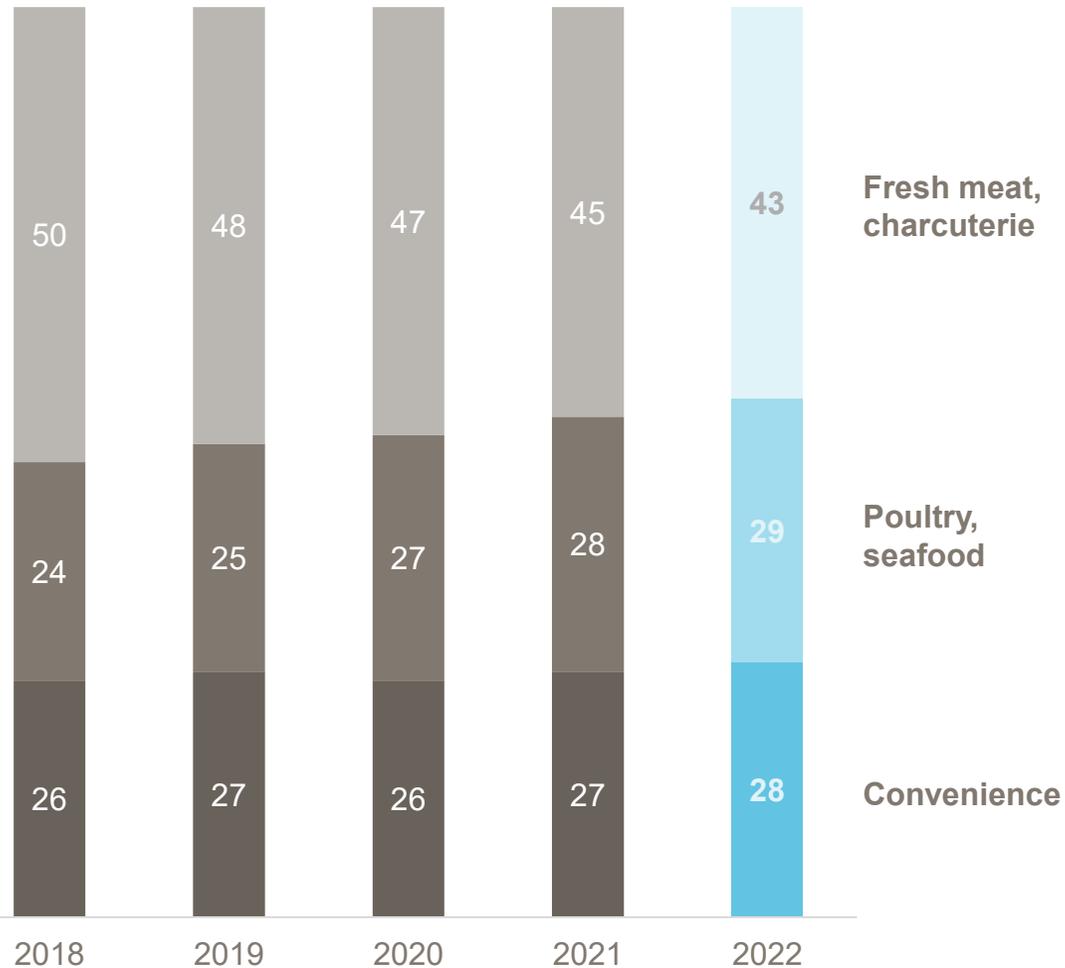
in CHF million



## Sales development - growth areas poultry, seafood and convenience

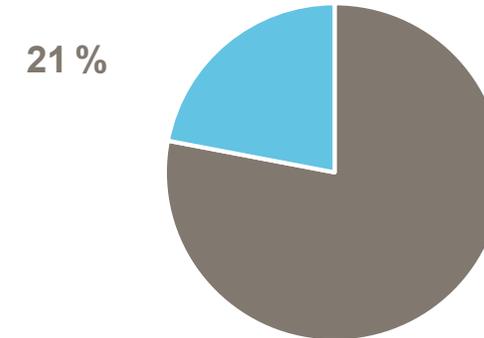
### Sales by product group

in %



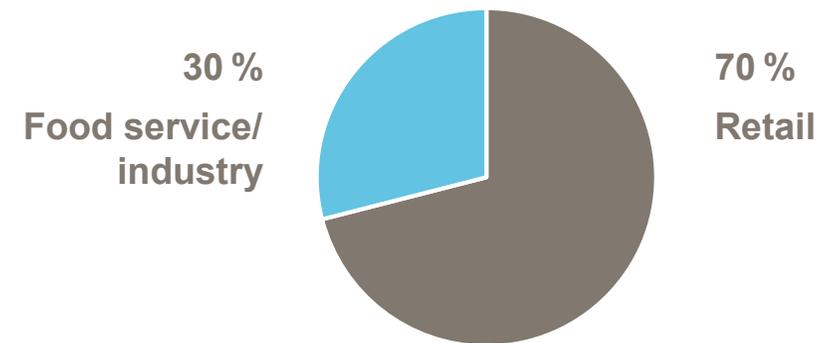
### Share of sales of vegetarian products

in %



### Share of sales for retail and food service/industry

in %



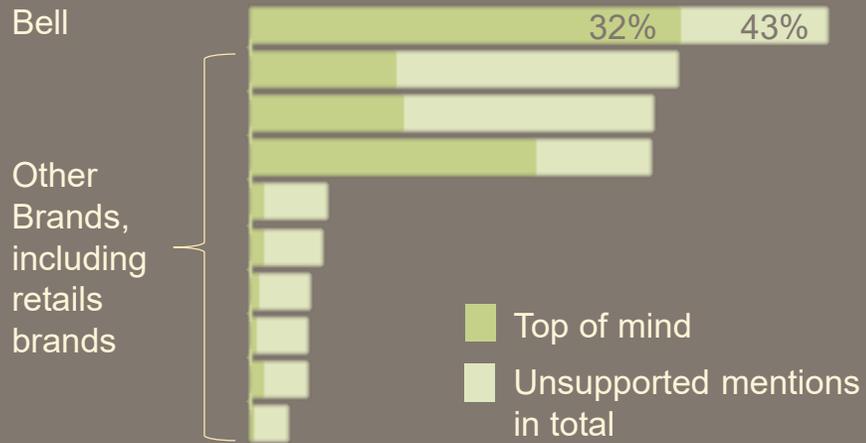
## Business areas – solid performance in all business areas

	 Sales in CHF million	Change in %	 Growth drivers
Bell Switzerland	2 118	-0.3 %	Good seasonal business / strong result for poultry / recovery of food service / inflation cushioned by price increases
Bell International	1 079	+15.3 %	Very successful financial year / strong poultry business / strategically good market position / gained market share
Eisberg	320	+14.4 %	Normalisation of the coronavirus situation / Marchtrenk makes progress / guaranteed delivery readiness / inflation a great challenge
Hilcona	540	+10.8 %	Successful pasta and sandwiches / growing vegetarian ranges / upswing for out-of-home food products / inflation affects consumer behaviour
Hügli	381	+7.6 %	Normalisation of the coronavirus situation / recovery of food service / normalisation of retail / new brand concepts

# Innovations and market performance.

- **Bell is the strongest Swiss meat brand**

Spontaneous naming of the brand in the Swiss meat market



- Regional specialties
- Organic products
- Innovative packaging



Prosciutto di Parma now  
in a folding packaging



- Value-added concepts
- Convenience
- Service



+ 143 %

- Range extensions
- Distribution expanded
- Market share gained



+ 235 %



# Explanations regarding the 2022 financial year.

Explanations regarding the 2022 financial year  
**Income statement (1/2)**

in CHF million

	2022	2021	+/-	%
<b>Net revenue</b>	<b>4 315</b>	<b>4 152</b>	+163	+3.9 %
<b>Gross profit</b>	<b>1 666</b>	<b>1 616</b>	+50	+3.1 %
as % of net revenue	<b>38.6 %</b>	<b>38.9 %</b>		
<b>EBITDA</b>	<b>326</b>	<b>326</b>	0	+0.0 %
as % of net revenue	<b>7.5 %</b>	<b>7.8 %</b>		
<b>EBIT</b>	<b>163</b>	<b>162</b>	+1	+0.4 %
as % of net revenue	<b>3.8 %</b>	<b>3.9 %</b>		

- **Organic growth net revenue CHF 267 million**  
Good performance of all business units; currency adjustment CHF 103 million
- **Increase in gross profit**  
Higher procurement prices absorbed, but with time gap for price adjustments
- **EBITDA and EBIT at the level of the record previous year**  
Inflation-driven cost increases were offset by price increases, operational progress and good cost discipline

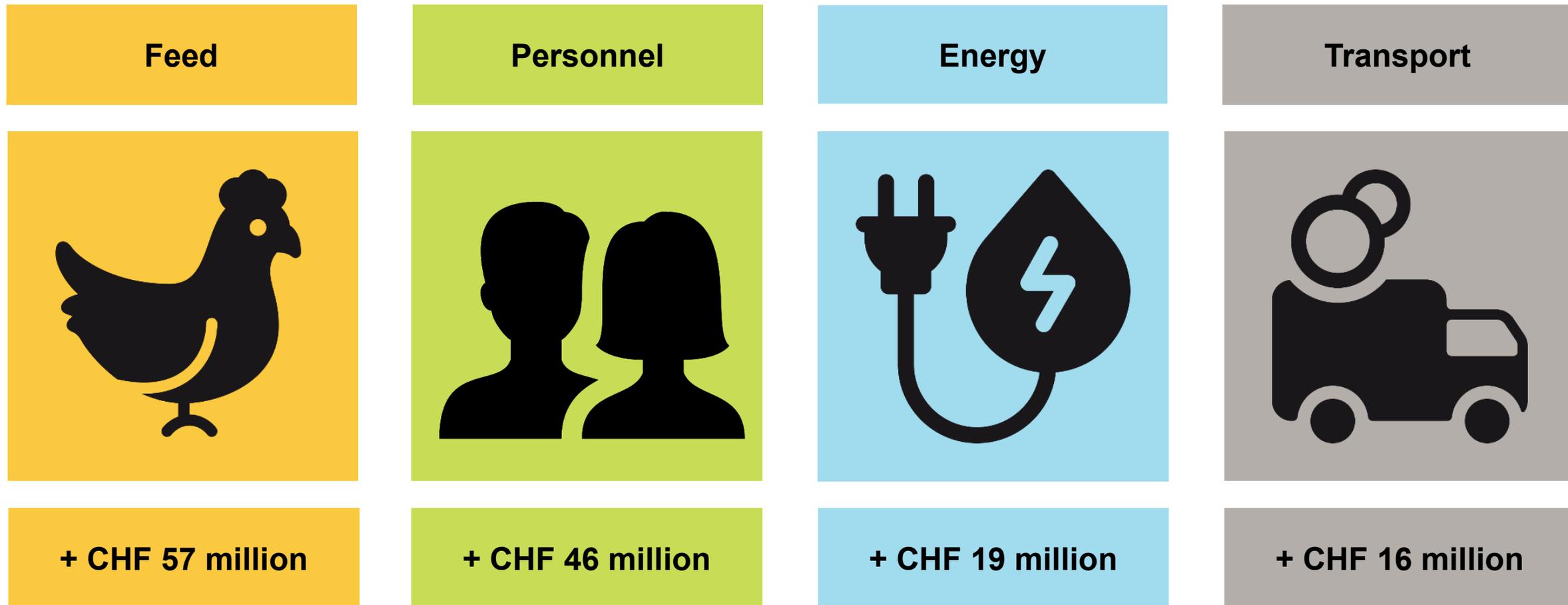
Explanations regarding the 2022 financial year  
**Income statement (2/2)**

in Mio. CHF

	2022	2021	+/-	%
<b>EBIT</b>	<b>163</b>	<b>162</b>	+1	+0.4 %
as % of net revenue	<b>3.8 %</b>	<b>3.9 %</b>		
Financial result	-15	-12	-3	
Net income from associated companies	5	3	+1	
Taxes	-25	-27	+2	
<b>Consolidated profit after tax</b>	<b>128</b>	<b>127</b>	+0	+0.4 %
as % of net revenue	<b>3.0 %</b>	<b>3.1 %</b>		

- **Good operating performance of the Bell Food Group**
- **Currencies burden financial result**  
 Currency effect of unrealised currency losses CHF -5.6 million (+1.6 m);  
 interest expenses CHF 8.5 million (+1.1 m)
- **Tax expenses slightly lower than in the previous year**  
 Due to lower EBT and changes in allocation of the results to units with different tax rates
- **Result on a par with the previous year**

## Income statement – geopolitical distortions cause heavy inflation



Amounts = absolute change from previous year

## Equity ratio

**47.5%**

*Previous year: 50.5%*

- Balance sheet extension due to bond issue and overpayment of a business partner
- Very solid balance sheet of Bell Food Group - equity ratio well above own target of > 40%
- Goodwill activated and amortized. If offset against equity, the equity ratio would be a very solid 45%

## Net debt ratio

**2.3x**

*Previous year: 2.1x*

- Successful placement of a CHF 300 million bond with a maturity of 7 years and an interest rate of 1.55 %
- Repayment of a maturing bond in the amount of CHF 175 million
- Refinancing in spring 2022 leads to an increase in financial liabilities
- Net debt ratio within own range of < 2.5x

## Operating Free Cashflow

**CHF 43 Mio.**

*Previous year : CHF 56 Mio.*

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- At CHF 294 million, operating cash flow is at the level of the previous year.
- Net of cash-effective net capital expenditures, operating free cash flow amounts to CHF 43 million, which is only slightly below the previous year's level

## Operational Investments

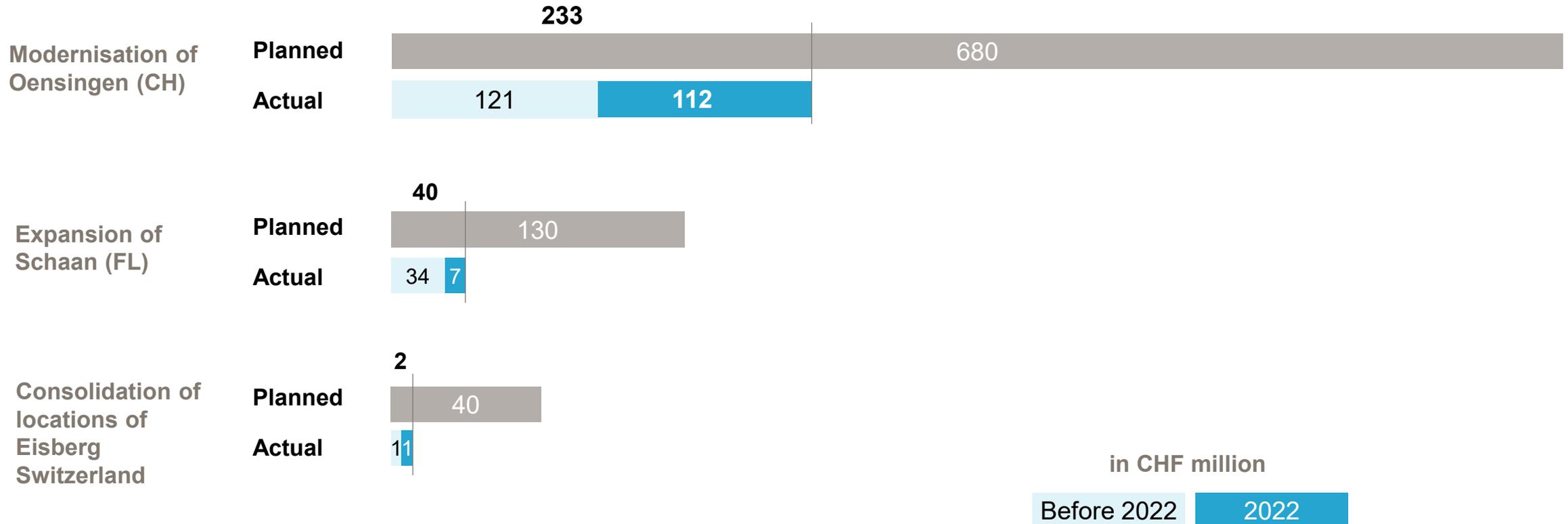
**CHF 280 Mio.**

*Previous year : CHF 241 Mio.*

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- Operational investments amount to CHF 280 million, of which CHF 255 million are cash-effective
- Investment volume in line with guidance of CHF 300 million on average in the years 2021 to 2025
- Investment program in Switzerland gathers momentum; investments for this purpose amount to CHF 120 million in the year under review
- CHF 160 million invested in replacement and modernization projects in the reporting year

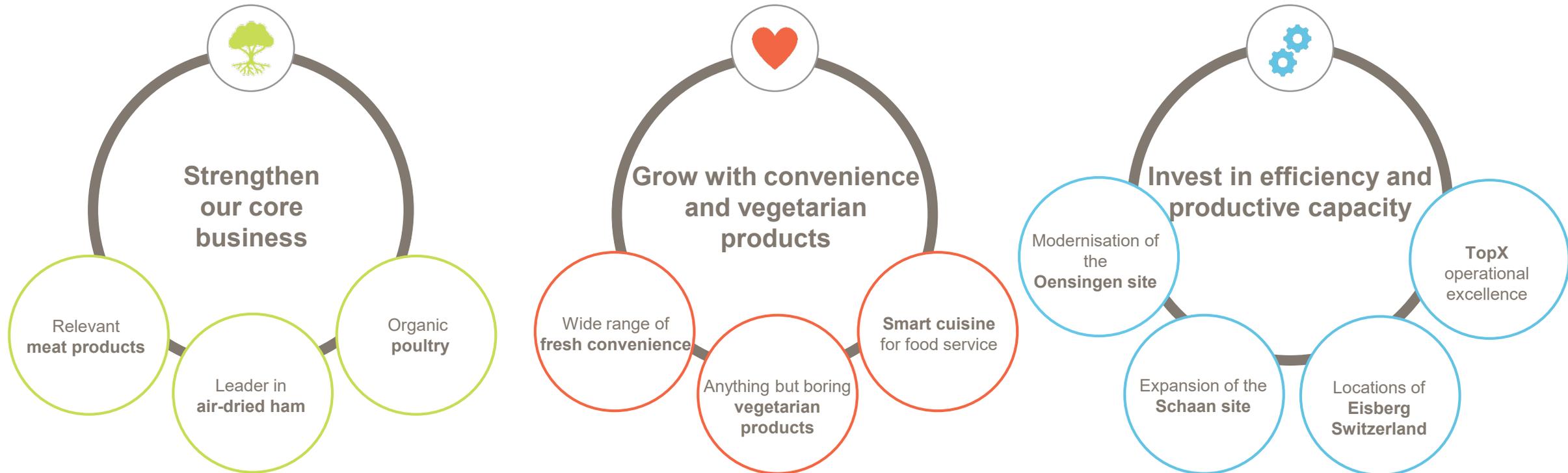
## Investment programme 2021 – 2025 – projects progressing according to plan



# Strategy 2021 – 2025

Leading in food – strategically expand our leading position.

We shape the future.





- **Bell Food Group is the largest organic poultry producer in Europe**
- **Profitable growth in the poultry sector in Switzerland, Austria and Germany**
- **Market share gained**
- **Growing market**





- Strong growth
- High innovative strength; over 35 innovations in the reporting year
- New generation of frozen pasta
- We set new standards in indulgence





- Construction completed on budget
- Central storage location
- Reduction in energy and personnel costs
- Commissioning April 2023



- Construction work on track
- Automation and efficiency
- Central logistics and order picking
- Commissioning scheduled for 2025



## Invest in efficiency and productive capacity – new slaughter plant

Modernisation  
of the  
Oensingen  
site

BELL  
FOOD  
GROUP



- Increase capacity
- Optimization processes
- Highest standard
- High efficiency
- Commissioning scheduled for 2025

- Start of phase 2
- New high-bay warehouse with over 17,000 pallet spaces
- Capacity expansion
- Process optimization
- Commissioning scheduled for 2025





- 32 production sites active so far
- CHF 16 million savings in 2 years
- Around 4,500 employees involved so far
- Over 560 employee suggestions implemented in 2022



# ESG and sustainability engagement

## We take responsibility.

Yasai builds smart and highly automated vertical farms for a more sustainable future



Mosa Meat aims to be the first company in the world to submit an EU Novel Food application in 2023 (fat and muscle cells)



# Outlook.

## Outlook for the 2023 financial year – volatile framework conditions

- Geopolitical developments will have a decisive effect on the cost situation on the procurement market
- Quality and availability of raw materials will remain volatile
- Lack of purchasing power and general concerns about recession among consumers will continue to affect demand
- It will be crucial for the Bell Food Group to be able to pass on higher production costs to consumers in a timely manner
- With regard to demand, the trend in favour of simpler products is likely to continue – this will particularly affect revenues in the convenience business areas

