
The Bell Food Group continues its strategic growth

Annual results media conference/financial analysts' presentation
2017 financial year

13 February 2018 | Bell Food Group Ltd

Key facts at a glance.

Results for the 2017 financial year

Sales revenue
in CHF million

3'589,0

+ 5,9 %

Sales volume
in million kg

453,8

+ 9,6 %

Annual profit
in CHF million

106,5

+ 5,9 %

Number of
employees
FTEs

10'578

+ 1,4 %



Renewed
growth posted
for sales
revenue and
volume

Good annual
performance
in a difficult
environment

Strategic
development
of convenience
segment
continues

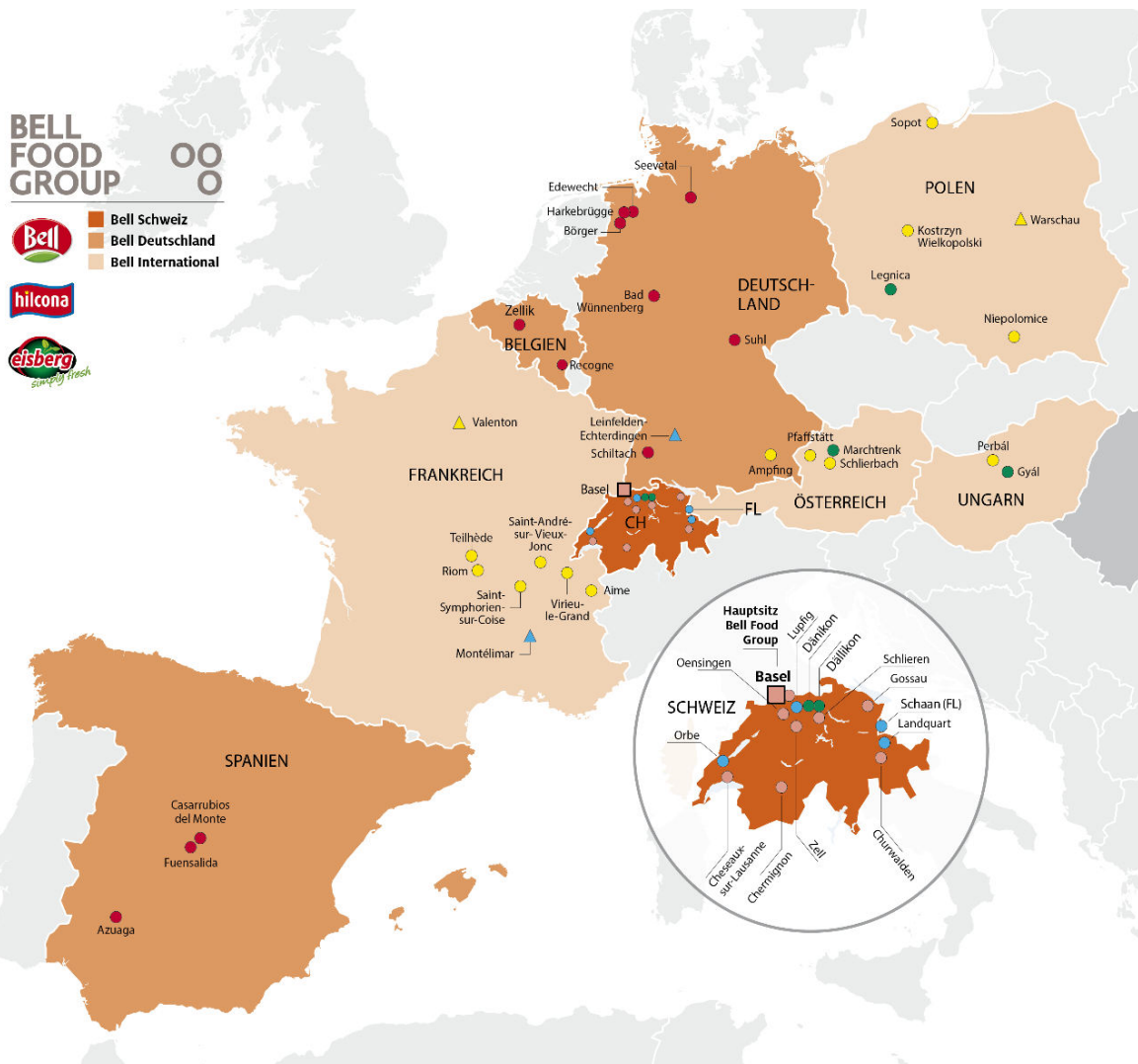
Production plants

43

+ 2



Sales revenue by country

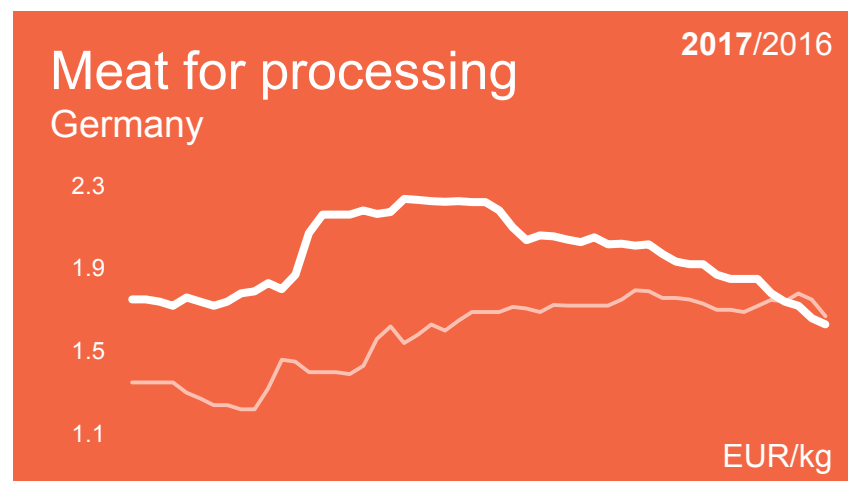
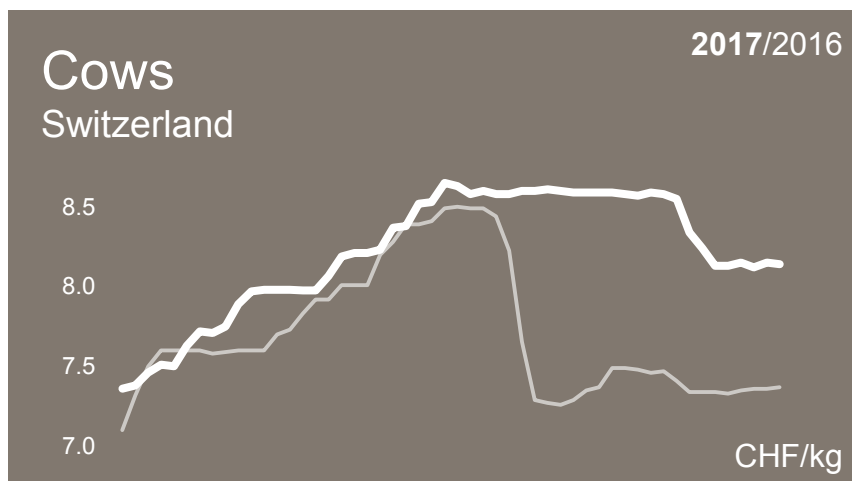
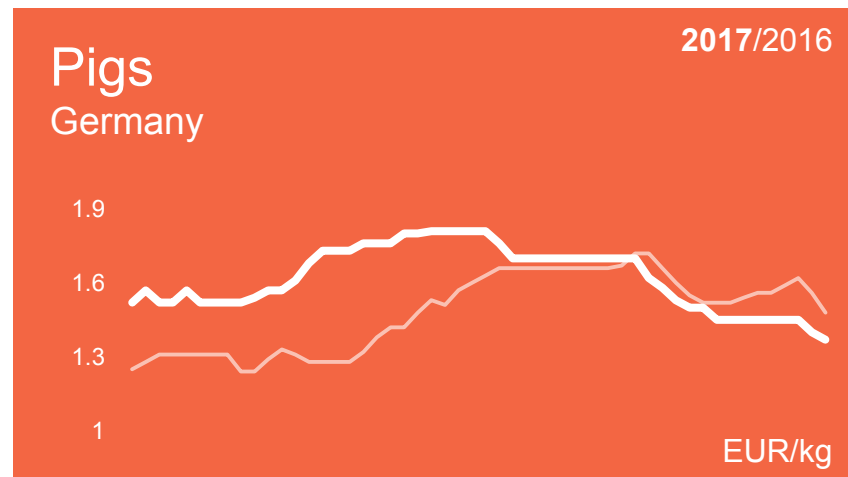


Region	Sales (CHF Mrd.)
Asia	67
Europe	19
North America	5
Latin America	4
Middle East	3
Africa	2



Most important influences on the results.

Development of cost of raw materials

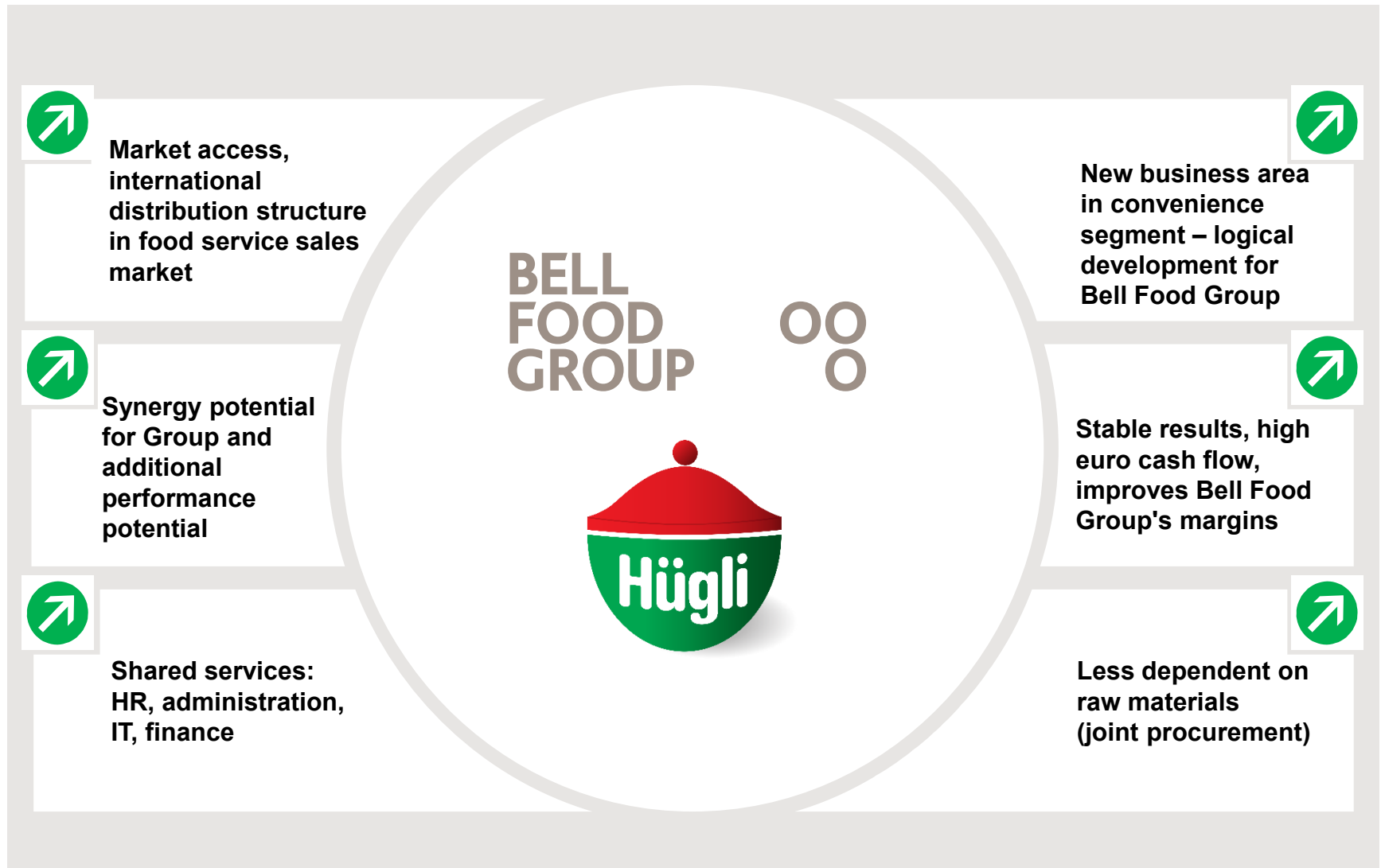


Strategic directions of the Bell Food Group.

Systematic implementation of the Group strategy

- **Strengthening of leading position in traditional meat, poultry and charcuterie segment**
 - > Focus on efficiency and productivity improvements
 - > Added-value product ranges and sustainability
- **Expansion of market share in high-growth and high-margin convenience segment**
 - > Strengthening of leading position in European convenience food segment
 - > Organic growth as well as growth through acquisitions
- **Significant strengthening of food service channel**
 - > Strategically important expansion of reach in convenience food segment and international markets
 - > Increased attraction as point of contact for many customers
- **Expansion of presence in Europe**
 - > Second geographic foothold in addition to home market Switzerland

Hügli acquisition.





Meat

- Fresh meat
- Poultry
- Seafood
- Charcuterie



Super fresh convenience

- Prepared salads
- Ready-cut salads, fruit and vegetables



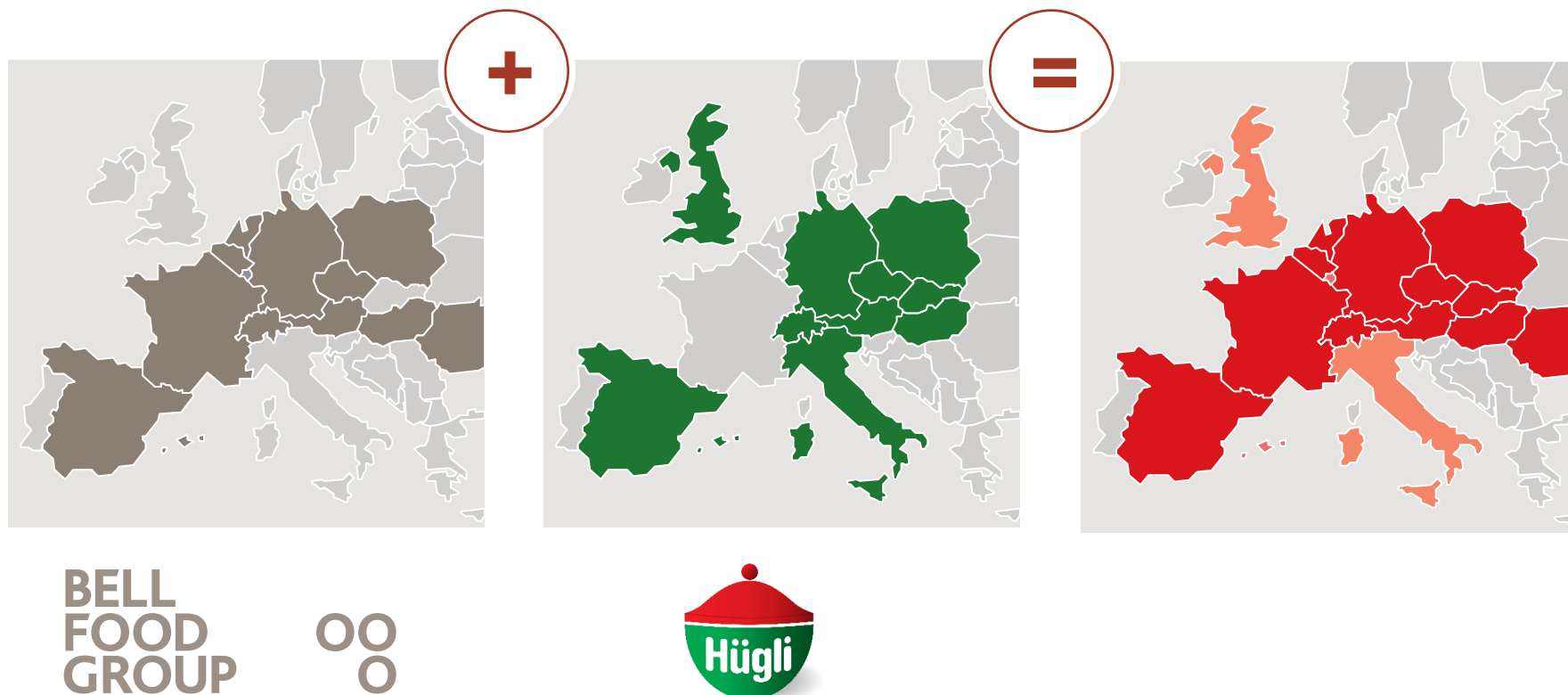
Fresh convenience

- Pasta
- Sandwiches
- Ready-to-serve meals
- Pizzas



Long-life convenience

- Soups
- Sauces & dressings
- Desserts
- Ingredients



Expansion of European presence and access to new markets
in Italy and UK

Investment programme for Switzerland.

Oensingen site

- Car park for Bell plants in Oensingen
- Deep-freeze store
- Renovation of cattle slaughterhouse
- Project for Holinden site in preparation



Basel site

- Car park for Bell site at Neudorfstrasse
- Seafood activities



Comments on the most important results.

Comments on the most important results

Income statement 2017

Operating income
in CHF million

3'537,3

+ 5,7 %

Sales volume
in million kg

453,8

+ 9,6 %

Gross profit
in CHF million

1'310,7

+ 6,3 %

EBITDA
in CHF million

280,6

+ 0,9 %

EBIT
in CHF million

149,7

+ 5,3 %

Annual profit
in CHF million

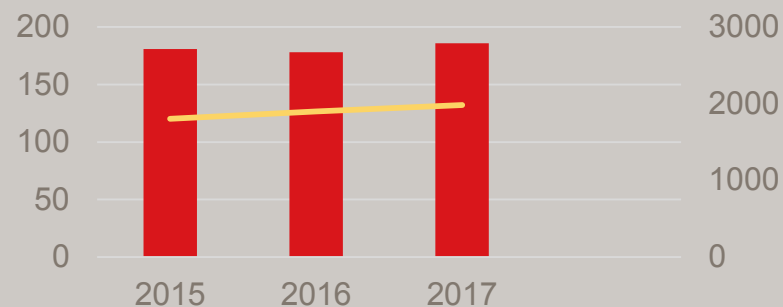
106,5

+ 5,9 %

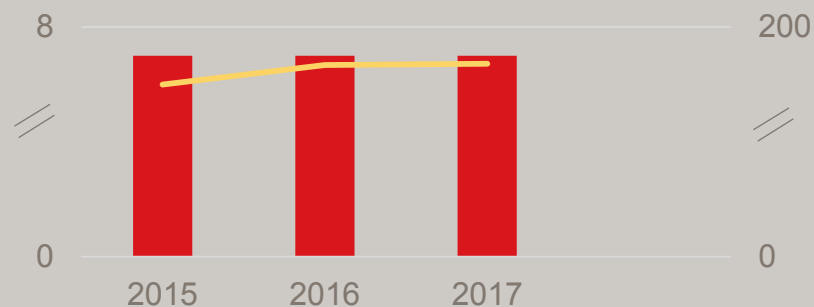
Sales development by product group

■ Sales volume
in million kg — Sales revenue
in CHF million

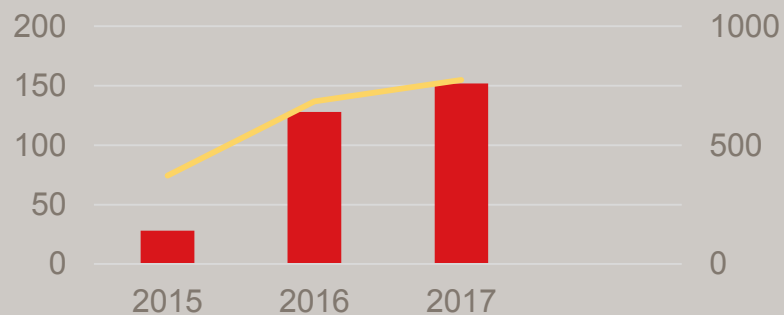
Meat/charcuterie



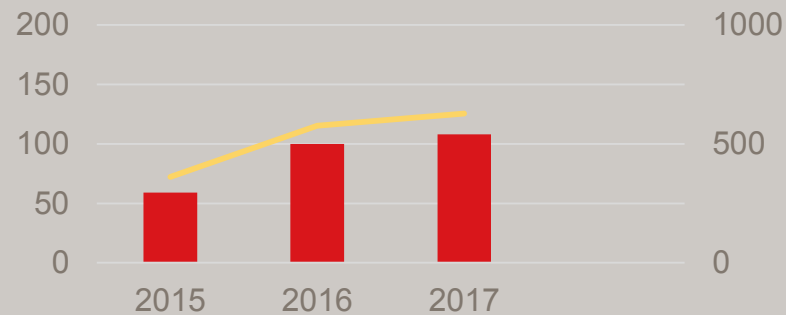
Seafood



Poultry



Convenience



Balance sheet and cash flow 2017

Cash and cash
equivalents
in CHF million

83

Share of total assets
4 %

Non-current assets
in CHF million

1'212,7

Share of total assets
57,9 %

Net financial
liabilities
in CHF million

637,4

Debt-to-equity ratio
2,3

Equity
in CHF million

784,3

Share of total assets
37,5 %
(previous year 45,7 %)

Net investments in
property, plant and
equipment
in CHF million

113,7

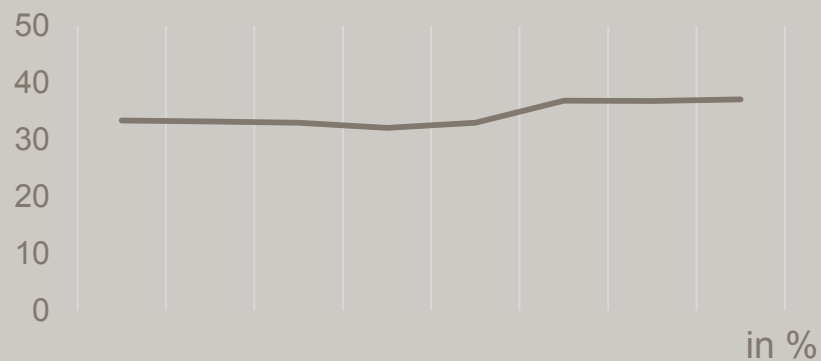
Operating cash flow
in CHF million

161,3

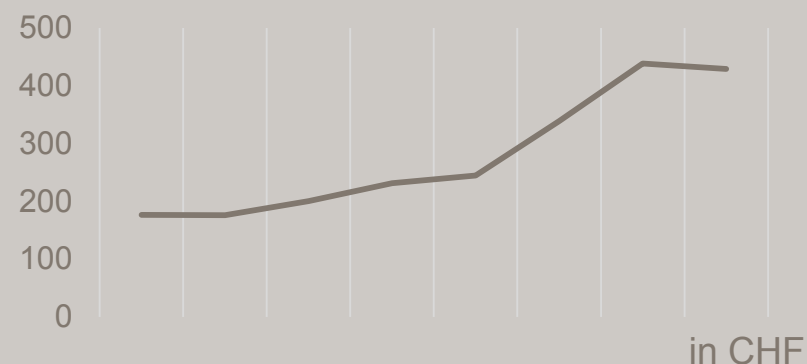
- 34,3 %

Long-term view

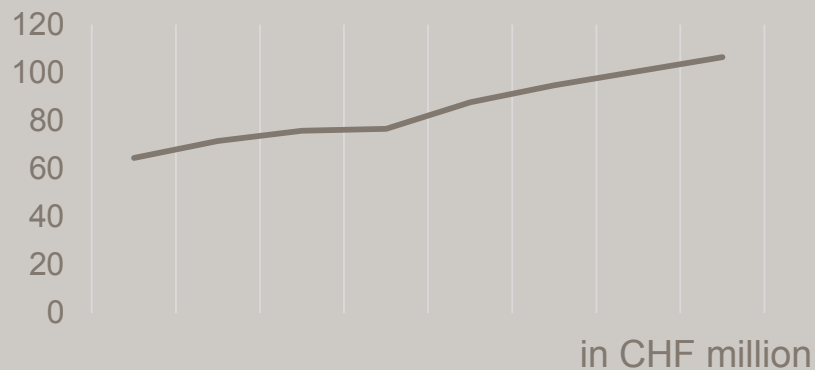
Gross profit margin 2010-2017



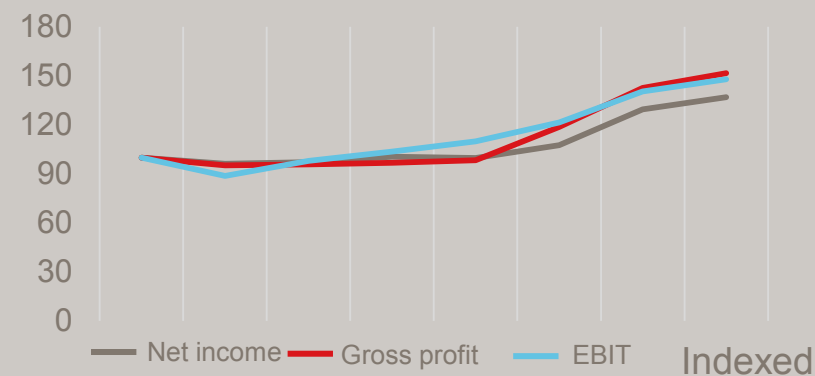
Share price 2010-2017



Net profit 2010-2017



NI / GP / EBIT 2010-2017



Key figures for shares 2017

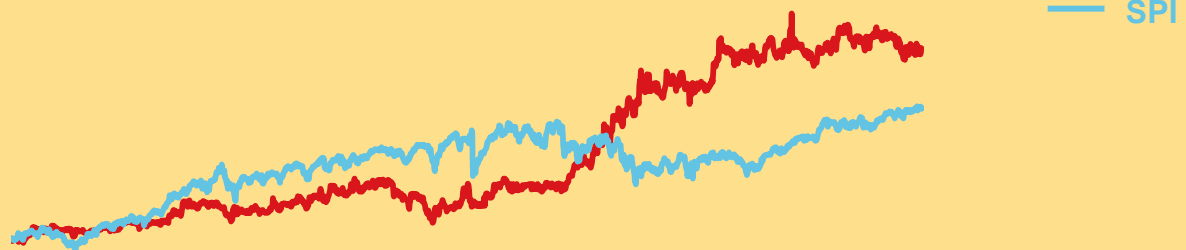
Share price
in CHF on 31.12.

429,50

- 2,1 % (since 1.1.2017)
+ 26,7 % (since 1.1.2016)
+ 75,4 % (since 1.1.2015)

Share price performance 2012-2017

31.12.2017



01.01.2012

Ø Average daily
trading volume
in number of shares
per day

1'647

+ 67

Dividend*
in CHF per share

8

+ 1

*2017 proposal

Registered
shareholders

4'807

+ 382

Market capitalisation
in CHF million as of
31.12.

1'718

- 2,1 %

Details on the segments.

Sales revenue
in CHF million

1'960

+ 2,8 %

Sales volume
in million kg

125,5

+ 1,2 %

Employees
FTEs

3'587

+ 1,7 %

Production plants
Number

12

=

Sales revenue
in CHF million

477

+ 6,9 %

Sales volume
in million kg

72,4

+ 6,8 %

Employees
FTEs

1'663

+ 14,9 %

Production plants
Number

11

+ 1



Sales revenue
in CHF million

610

+ 16,4 %

Sales volume
in million kg

159,3

+ 21,1 %

Employees
FTEs

2'667

- 10,7 %

Production plants
Number

10

=



Details on the segments Hilcona/Eisberg

BELL
FOOD
GROUP



Sales revenue
in CHF million

618

+ 7,2 %

Sales volume
in million kg

107,9

+ 7,6 %

Employees
FTEs

2'662

+ 7,6 %

Production plants
Number

10

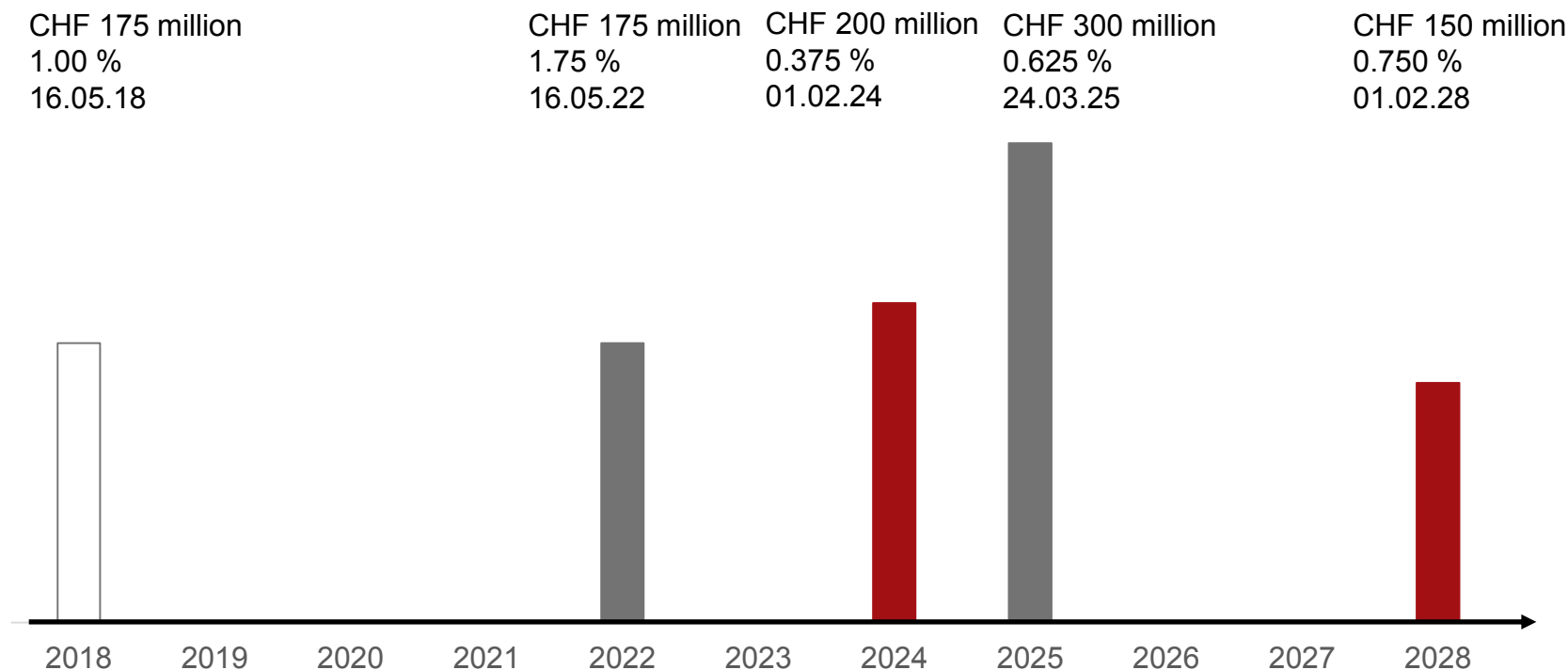
+ 1



Financial strategy and outlook.

- **Goodwill from acquisitions is amortised over 8 to 15 years.**
- **Goodwill from acquisitions of controlling interests in other companies is recognised in equity.**
 - > 2017 Goodwill from takeover of remaining 49 % in Hilcona
 - > 2018 Goodwill from takeover of remaining Hügli shares
- **Strategic target for equity ratio > 40 %**

Maturity profile for bonds



On 1 February 2018, Bell will have outstanding bonds of CHF 1,000 million. After repayment of the bond maturing on 16 May 2018, this amount will be reduced to CHF 825 million.

- Maturing in May 2018
- Current bond
- New bond in two tranches on 01.02.2018

Financial strategy and dividends to shareholders

Capital structure

- **Sensible combination of equity and borrowed capital** to finance the Group's future growth
- Strengthening of **equity base** and credit metrics of the Bell Food Group
- **Net debt / EBITDA** (pro forma) of **< 2 ×** after capital increase

Long-term financing strategy for the Bell Food Group

- **Balanced capital structure** with solid equity base and bonds with long-term, diversified maturity profile
- **Equity ratio > 40 %**
- **Net debt / EBITDA ~2,5 ×**

Dividend policy

- **Increase in dividend by CHF 1 to CHF 8 per share** will be proposed to AGM
- Target: **payout ratio of approx. 30 %**

Summary and outlook for 2018.

- In a difficult environment, growth was posted again for sales revenue, sales volume and annual profit; increased dividend payment.
- Strategic further development of convenience business area with full takeover of Hilcona/Eisberg and construction of new convenience plant in Austria.
- Investments in Switzerland and Spain to improve efficiency and productivity and to strengthen meat product ranges with added value.
- For 2018, we expect conditions for raw material prices to be better, but competition will remain fierce in the European retail market.
- Fast integration of Hügli in order to exploit market and cost synergies.