



Bell Food Group

Well positioned for the future in spite of a challenging 2018 financial year

Annual results media conference/financial analysts' presentation
2018 financial year

13 February 2019 | Bell Food Group Ltd

Key facts at a glance.

Results for the 2018 financial year

Sales revenue
in CHF million

4,143.2

+ 15.4 %

Sales volume
in million kg

543

+ 19.6 %

EBITDA
in CHF million

305.4

+ 8,8 %

EBIT
in CHF million

140.6

- 6.1 %

Annual profit
in CHF million

89.3

- 16.1 %

Adjusted for foreign
currency effects
- 2.8 %

Production plants

54



Number of
employees
FTE on 31/12

12,442

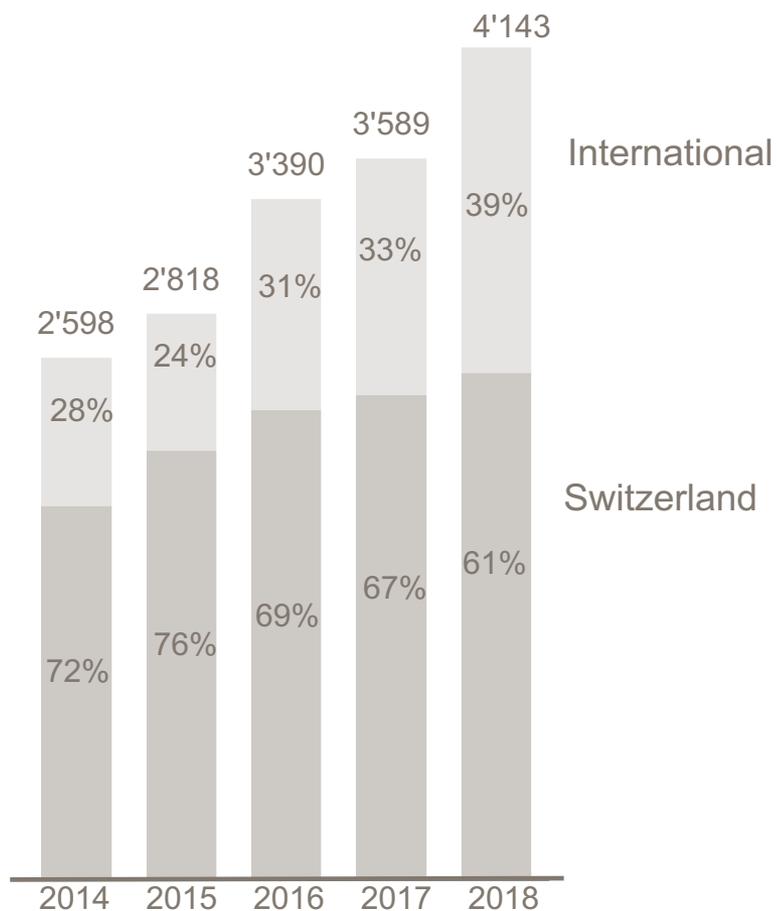
+ 17.6 %



Distribution of sales

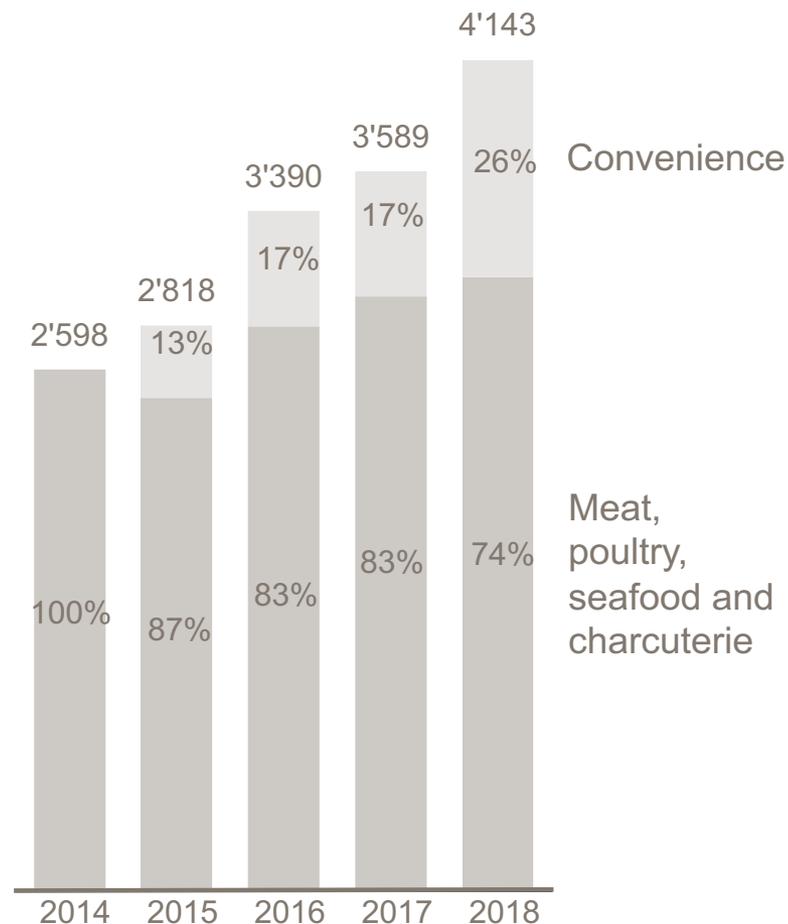
Sales revenue by country

in CHF million



Sales revenue by main products

in CHF million



Share capital increase
in CHF million

603.0

Beginning of June 2018

Hügli joins the
Bell Food Group

Substantial expansion of
position in the European
convenience food market



Takeover of
Sylvain & CO



Strengthening of position in
French-speaking Switzerland

Expansion of production
capacity and product range

Investment in
Mosa Meat

Dutch start-up Mosa Meat is
the global leader in the
production of cultured meat



Higher distribution
CHF per share

5,5

Increase in distribution amount
by some CHF 2.5 million

Result for 2018



Sales revenue increased by
15.4 % to CHF 4.1 billion

The measures implemented
after a weak first half only
partially compensated for the
contraction in earnings in the
second half

Strategic directions of the Bell Food Group.

Systematic implementation of Group strategy

1

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

2

Expansion of share of high-growth and high-margin convenience market

3

Substantial strengthening of food services channel

4

Expansion of presence in Europe

1 Leading position

Investment programme for Switzerland

Neudorfstrasse, Basel site

- New car park has been finished; concentration of decentralised parking spaces
- Seafood and charcuterie to remain in current premises; planning of new buildings expected to start in 2026
- Cutting plant to remain in current premises in the medium term

Oensingen site

- Car park will be finished by end of 2020; deep-freeze store scheduled for completion by end of 2021
- Plans for renovation of cattle slaughterhouse submitted for approval; implementation 2020-2023
- Planning of Holinden site (packaging/consignment) has started; implementation from 2021



Car park, Basel



Plans for cattle slaughterhouse,
Oensingen



Plans for deep-freeze store, Oensingen

Integration of Hügli

- Strategic direction shifted from direct sales only to mix of direct sales/intermediate trade; opening of new markets and countries
- First listings for cash and carry sales in November 2018 (approx. 90 products in 30 C&C markets in Switzerland and approx. 35 products in 13 C&C markets in Austria)
- Supply of food ingredients to other companies of the Bell Food Group; potential approx. 4,500 tonnes, of which 60% is already in development
- Expansion of position in production of own brands for retail and food service
- Consolidation of own brand business



New concept for Bad Wünnenberg plant

- Change in focus to fresh convenience planned; future focus on production of fresh muesli, ready-made salads, ready-to-serve meals and sandwiches
- Exploitation of growth potential in an attractive and high-added-value segment
- Part of the current production programme will be transferred to the new plant in Marchtrenk



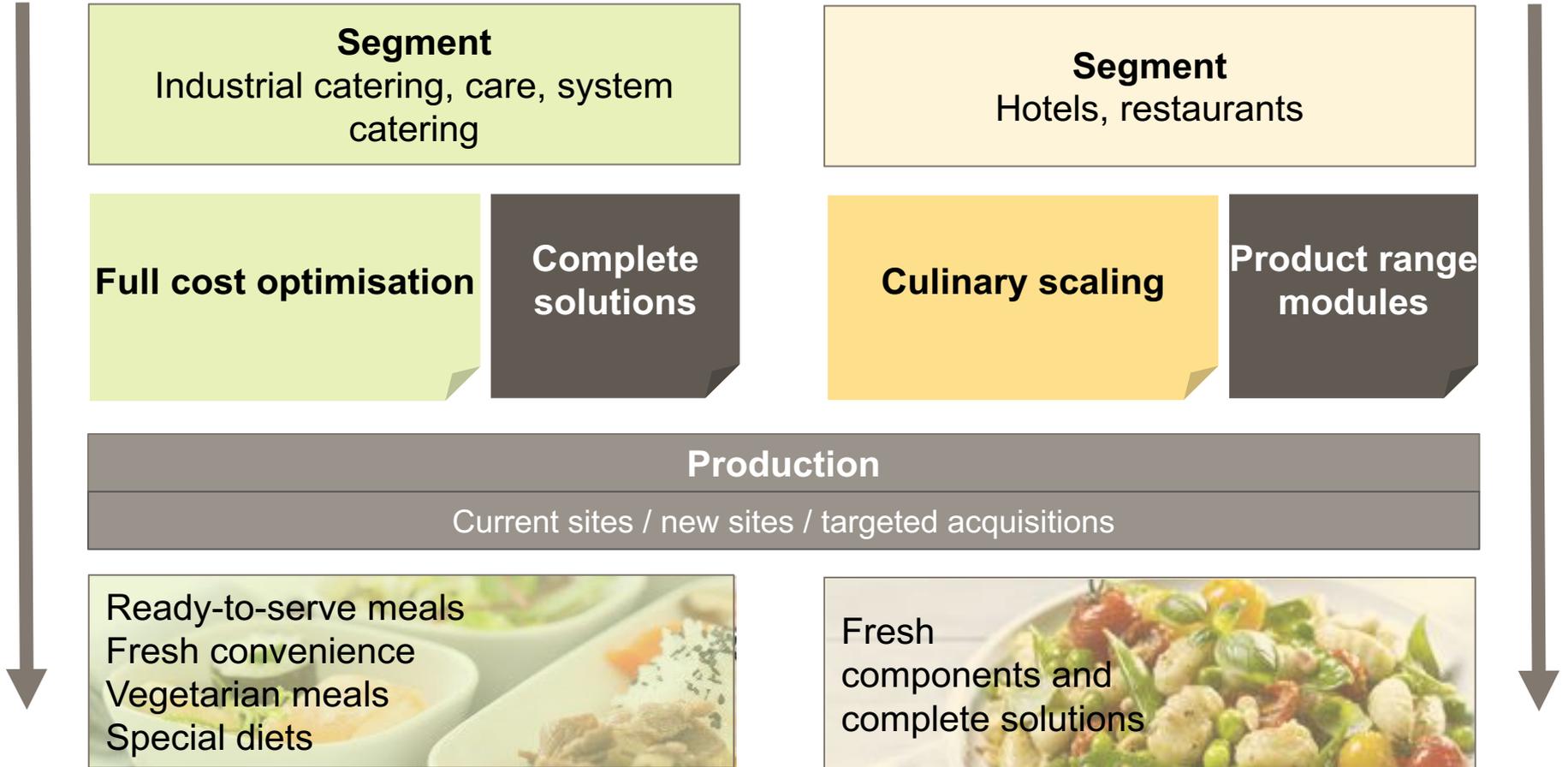
Expansion of BRESC product range

- Consolidation of smaller sites in new building in Werkedamm (NL) and doubling of capacities
- Expansion of novel range of chilled garlic and herb pastes for the food service sector
- Product range expansion and entry into various country markets planned for 2019



3 Food Service

Smart cuisine



4 Expansion of presence in

Expansion of Hilcona/Eisberg in DACH countries (CH/DE/AT)



- 1 Marchtrenk**
 - Fresh and ultra-fresh convenience
 - Meat convenience products

Austrian and Southern German markets

- 2 Schaan/Landquart**
 - Fresh convenience
 - Ready-to-serve meals
 - Vegetarian and vegan meals

Swiss and German markets

- 3 Bad Wünnenberg**
 - Fresh convenience
 - Ready-to-serve meals

German market

- 4 Essert-sous-Champvent / Orbe**
 - Fresh and ultra-fresh convenience

Swiss market

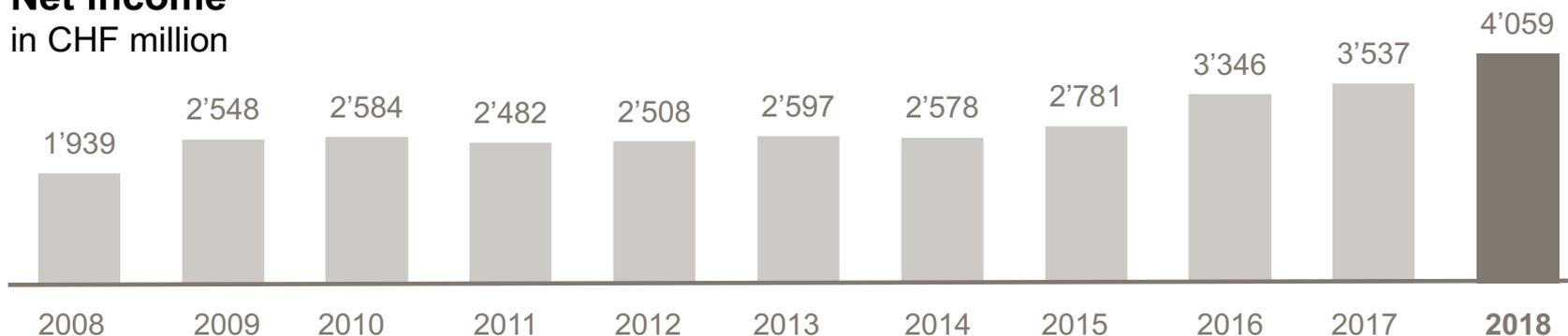
Comments on the most important results.

Comments on the most important results

Income statement 2018

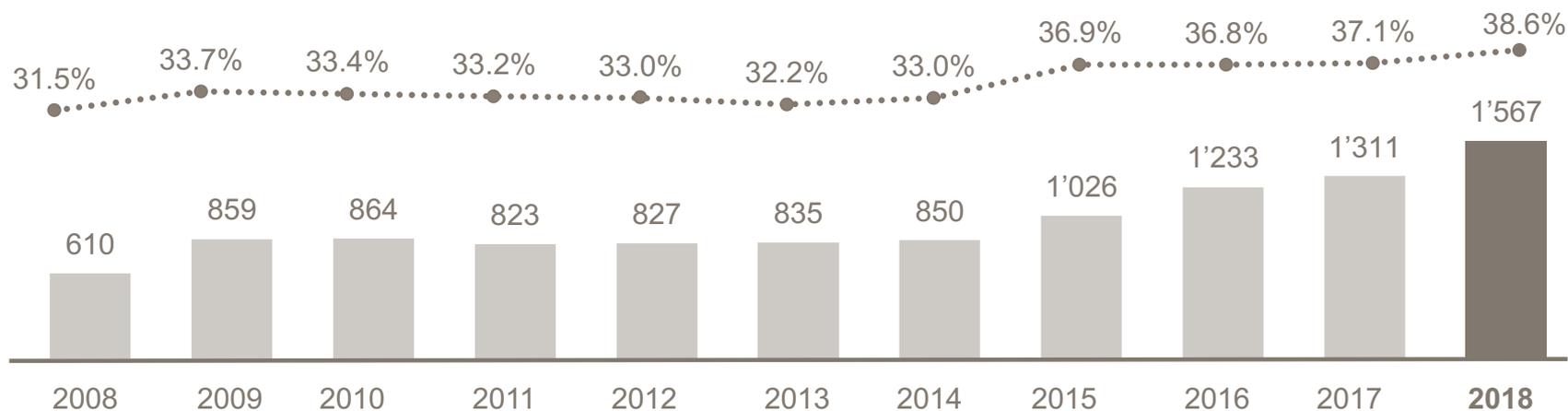
Net income

in CHF million



Gross profit

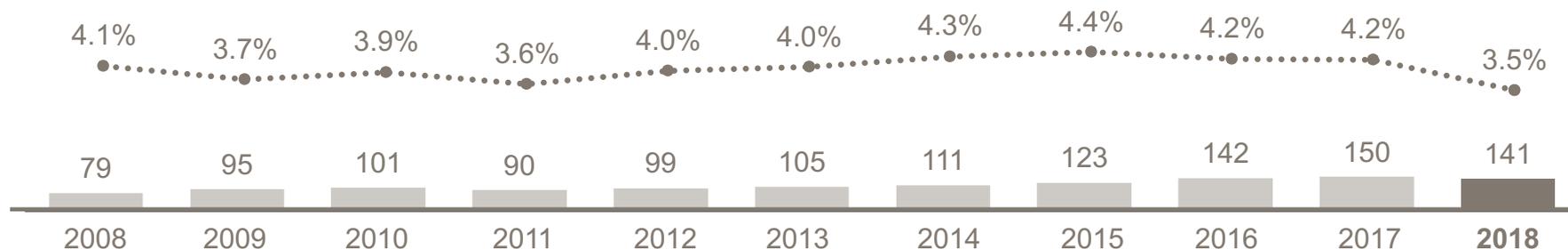
in CHF million & as % of net income



Comments on the most important results
Income statement 2018

EBIT

in CHF million & as % of net income



Important influences

First half

-  Contribution by Bell Switzerland
-  Contribution by Poultry International
-  Hügli consolidation

Sum of effects CHF -10 million

Second half

-  Contribution by Bell Switzerland
-  Contribution by Poultry International
-  Hügli consolidation
-  Christmas sales

Sum of effects CHF +1 million

Income statement 2018

**Depreciation and
amortisation**
CHF +33.8 million

Depreciation and amortisation increased because of the integration of Hügli and Sylvain & CO. The resulting effect amounted to CHF +28.6 million, of which CHF 12 million relates to goodwill.

Financial statement
Without currency loss
CHF -1.6 million

Higher interest statement, mainly because of new bond and the assumption of Hügli's external loans.

Currency loss
CHF -14.5 million

Because of EUR/CHF exchange rate developments, the 2018 result is encumbered by a book-entry currency loss of CHF -4.6 million. The currency gain in 2017 was CHF +9.9 million.

Balance sheet and cash flow 2018



Cash and cash
equivalents
in CHF million

242.8

Share of total assets
8.9%

Net financial
liabilities
in CHF million

660.0

Net debt ratio
2.2 x

Equity
in CHF million

1,290.0

Share of total assets
47.5 %

Operating cash flow
in CHF million

323.7

+ 100.7 %

Net investments
in property, plant and
equipment in CHF million

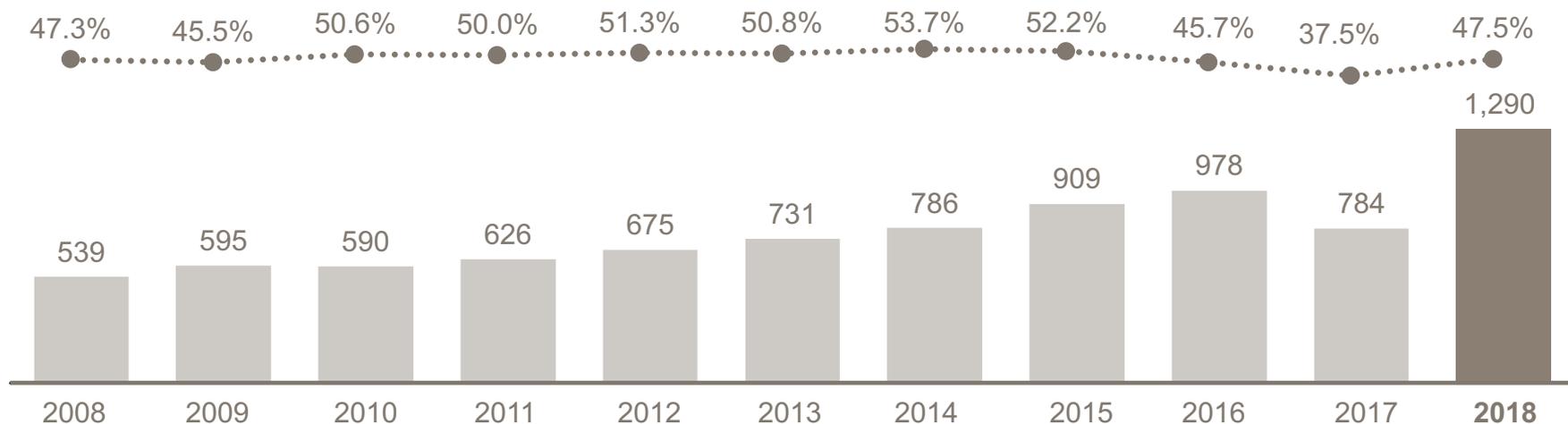
216.9

+ 91.0 %

Balance sheet

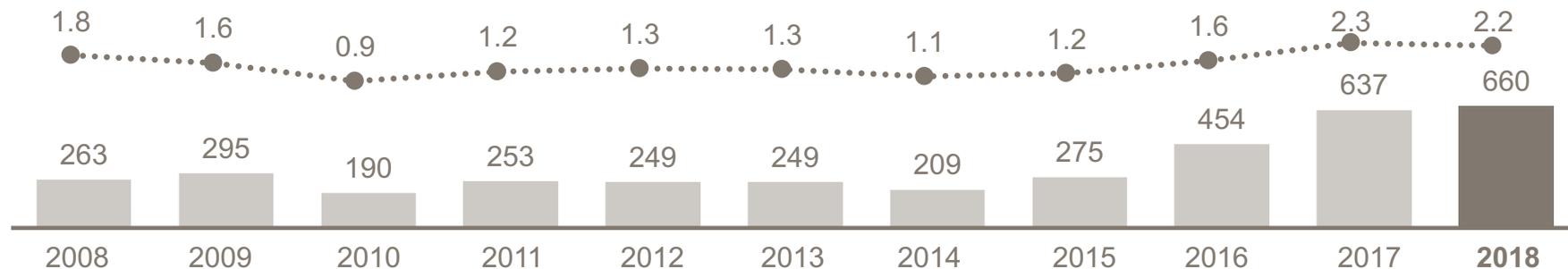
Equity

in CHF million and as % of total assets



Net debt ratio/net financial liabilities

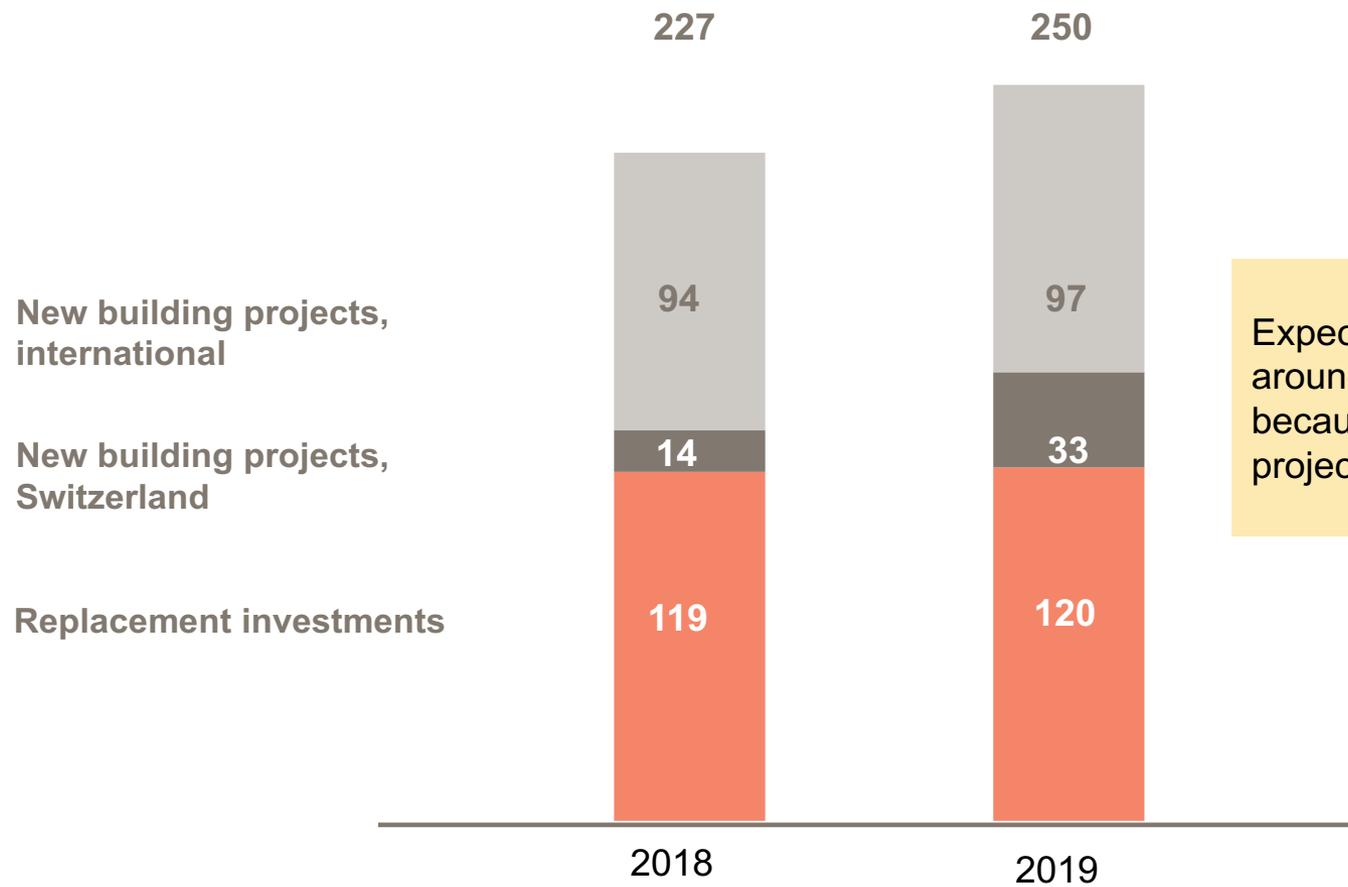
Net financial liabilities/EBITDA & in CHF million



Investments

Capex for property, plant and equipment

in CHF million



Expected CAPEX from 2020 around CHF 250-300 million because of various building projects

Segment details for 2018 financial year.

Bell Switzerland division

Sales revenue
in CHF million

1,981.5

+ 1.1 %

Sales volume
in million kg

125.7

+ 0,2 %

Employees
FTE

3,492

- 4.2 %

Production plants
Number

12

Segment details for 2018 financial year
Bell Germany division

Sales revenue
in CHF million

501.1

+ 5.0 %

Sales volume
in million kg

72.6

+ 0,2 %

Employees
FTE

1,690

+ 1,4 %

Production plants
Number

11



Segment details for 2018 financial year
Bell International division

Sales revenue
in CHF million

662.4

+ 8.5 %

Sales volume
in million kg

164.2

+ 3.1 %

Employees
FTE

2,684

- 0.8 %

Production plants
Number

10



Convenience

Sales revenue
in CHF million

1,074.1

+ 73.7 %

Sales volume
in million kg

190.4

+ 76.5 %

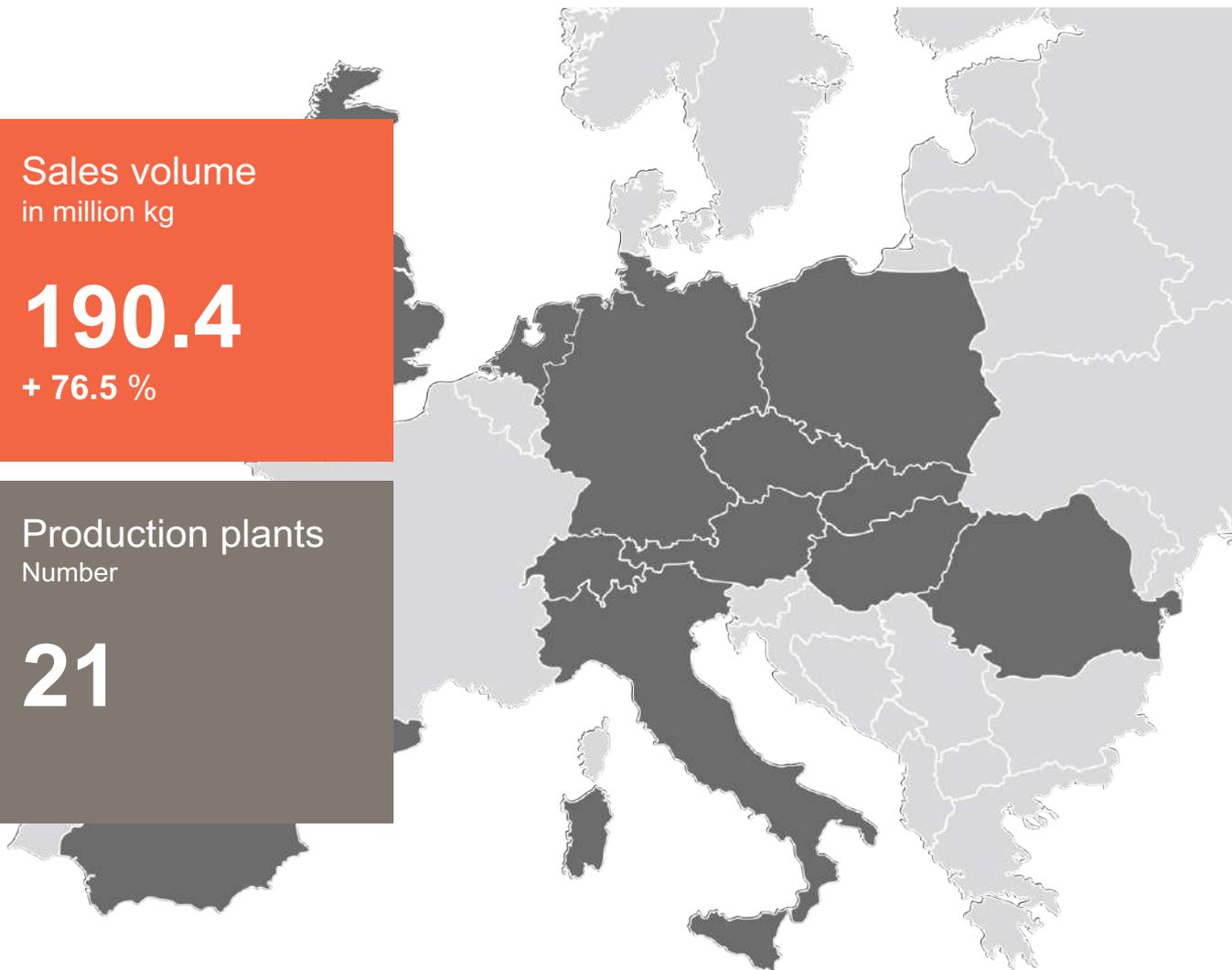
Employees
FTE

4,576

+ 72.9 %

Production plants
Number

21



Outlook 2019.

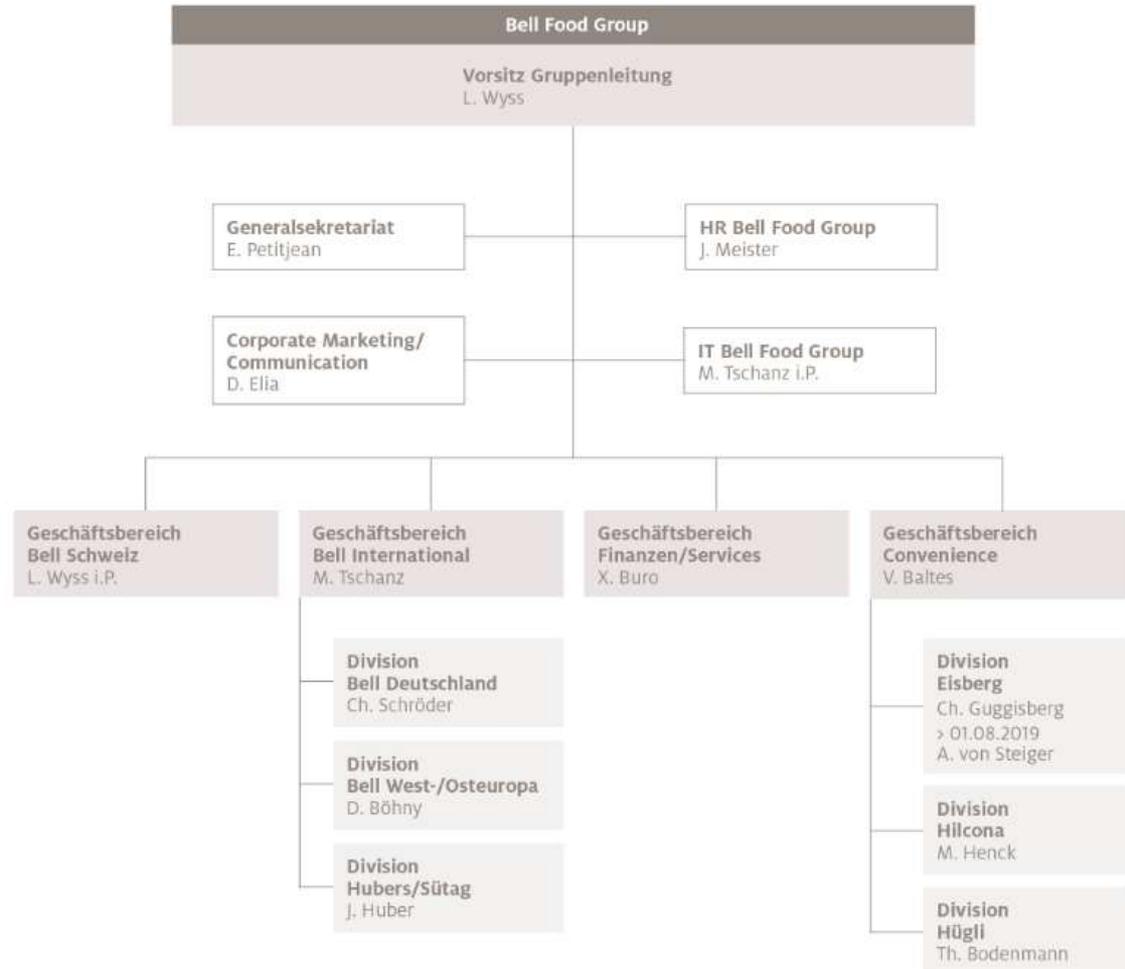
Most important effects

- Further exploitation of synergy potential by Hügli and within the Group
- Measures implemented to improve the results for Bell Switzerland and the international poultry business will demonstrate their effect throughout the year
- Strong growth in the convenience market
- Expansion of marketing activities in the food service sector
- Expansion of marketing activities in Switzerland in celebration of Bell's 150th anniversary
- Commissioning of the new production plant for Serrano ham in Spain



Strengthening of organisational structure

Organisational structure from 01/07/2019



Opening of convenience plant in Marchtrenk

Most modern convenience plant of this kind in Europe

- Wide-ranging production programme for ultra-fresh, fresh and thermally treated food products
- Use of the latest technologies
- Highest standards of hygiene
- Culinary research centre for all Eisberg units

