



Bell Food Group, first half of 2021

Strategically in good shape, operationally successful

Financial analysts' presentation

Overview of the first half of 2021.

"The present half-year results are very encouraging and confirm that we are on the right track with our strategic thrusts."



Key facts at a glance and important events
Results for the first half of 2021

2 054

+ 2.7 %

Sales revenue*
in CHF million

65.7

+ 10.5 %

EBIT*
in CHF million

51.0

+ 46.1 %

Half-year profit*
in CHF million

63

=

Locations

12 045

- 0.8 %

Headcount
FTE as of 30.06

35 %

Percentage of
labels/organic
in meat production

*Adjusted key figures according to the publication "Alternative performance indicators"

Good result in the first half of 2021

- The Bell Food Group repeated its successes of the 2020 financial year and once again posted a substantial improvement in results for the first half of 2021.
- The main driver was the strong core business with meat and meat products in the Swiss retail market; all business areas did well and contributed to the successful result.
- The food service and convenience segments started to recover from the very low levels reported for the prior-year period in the first quarter, also as a result of the progressive easing measures introduced from May 2021.
- The broadly supported business model and high productive capacity have made it possible to master the fallout of the coronavirus pandemic and the difficult framework conditions.
- The current half-year results confirm that the Bell Food Group is on the right track with its strategic thrusts.

Operational progress
at EBIT level

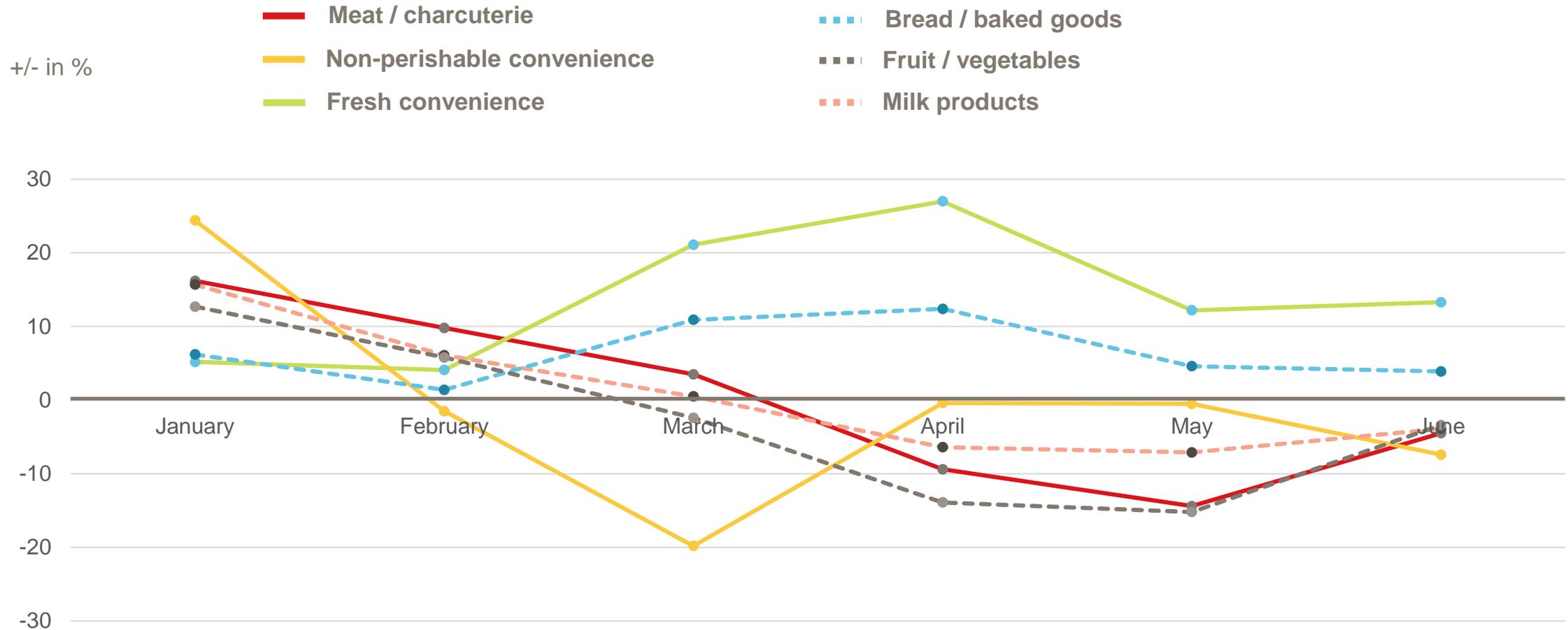
+10.5 %



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

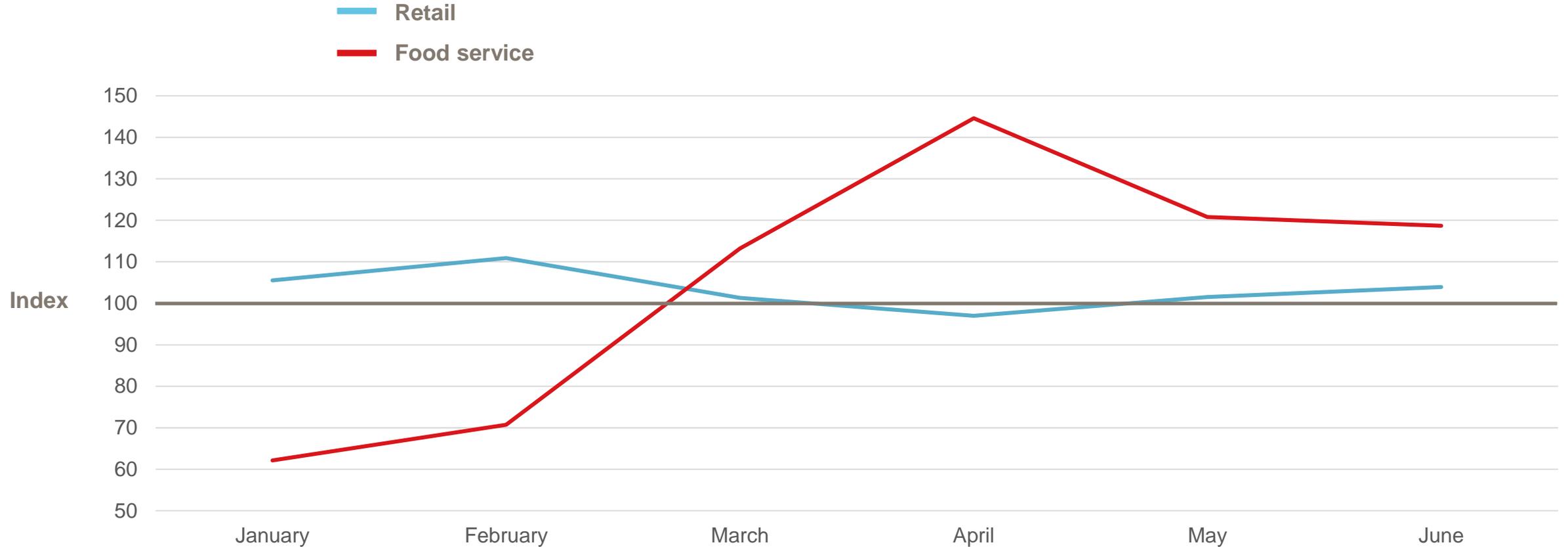


Year-on-year development: retail product groups in Switzerland



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

Year-on-year development: retail and food service sales markets



Explanations regarding the first half of 2021.

"Our operating performance for the first half of 2021 was strong and exceeded the previous year's performance at all levels.

External influences further boosted the business, such as currency developments in our favour.

Seen overall, the Bell Food Group is in supreme health and can use this solid base to tackle the challenges of the future."

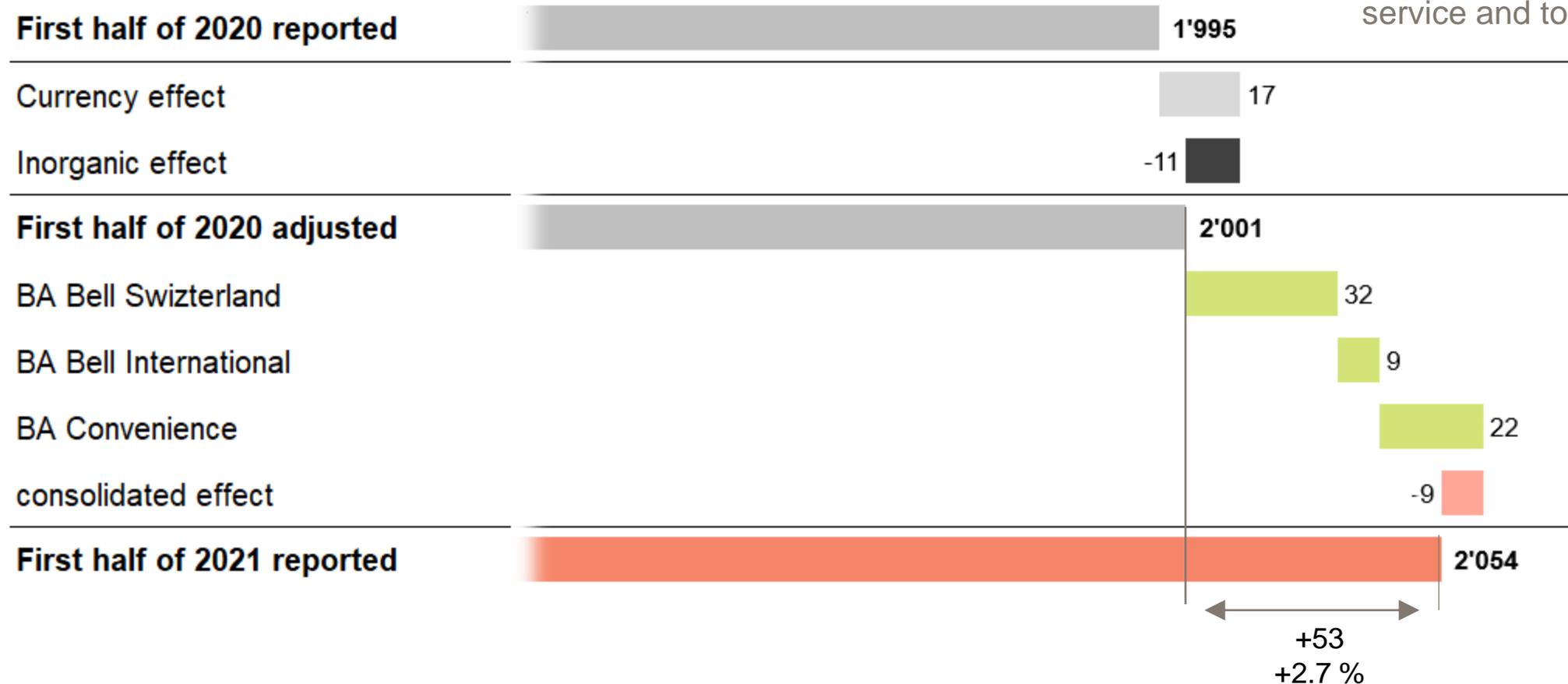


Sales development

Sales revenue

in CHF million

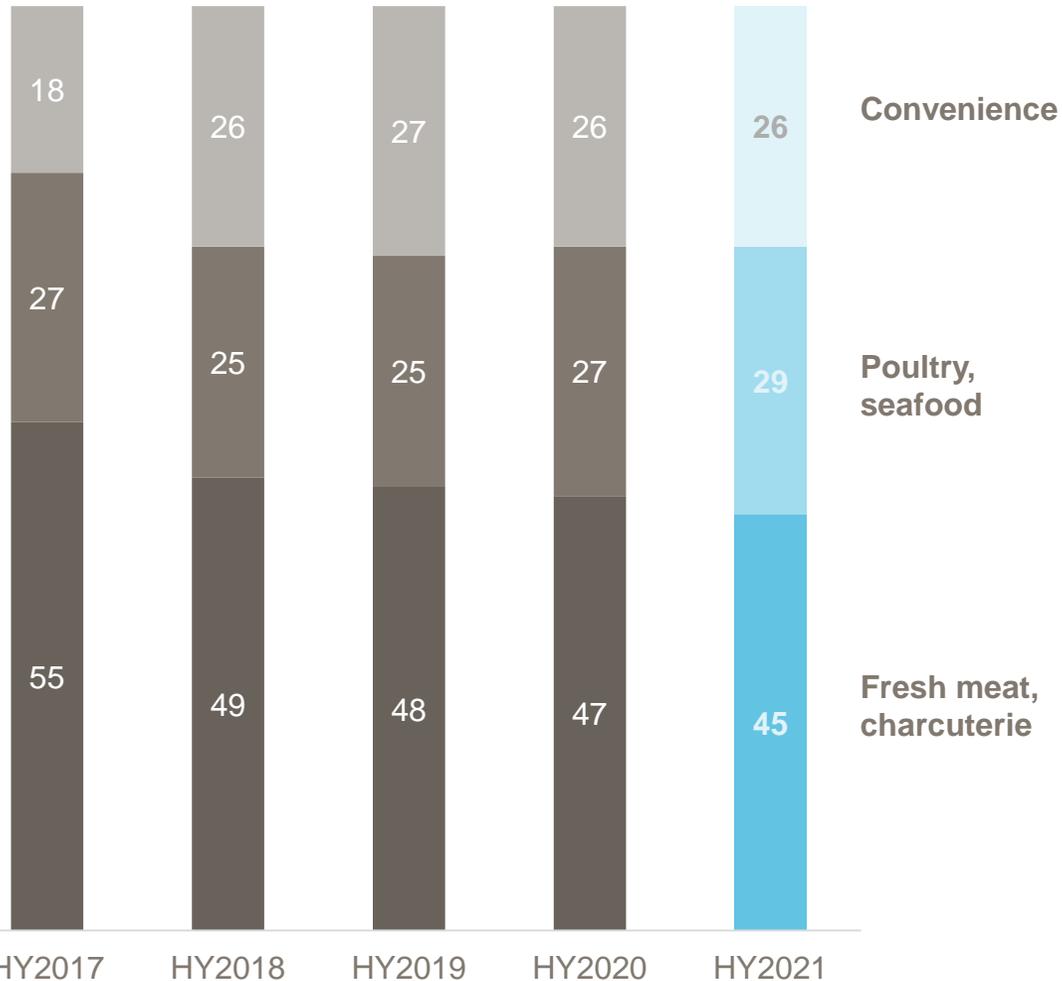
- Strong retail market for meat and meat products in Switzerland
- From April, recovery of the food service and to-go product ranges



Sales development

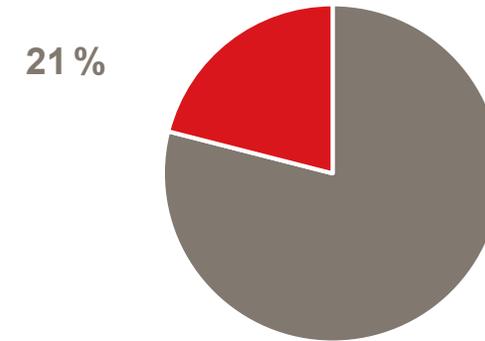
Breakdown of sales by product group

in %



Share of sales of vegetarian products

in %



Share of sales for retail and food service / industry

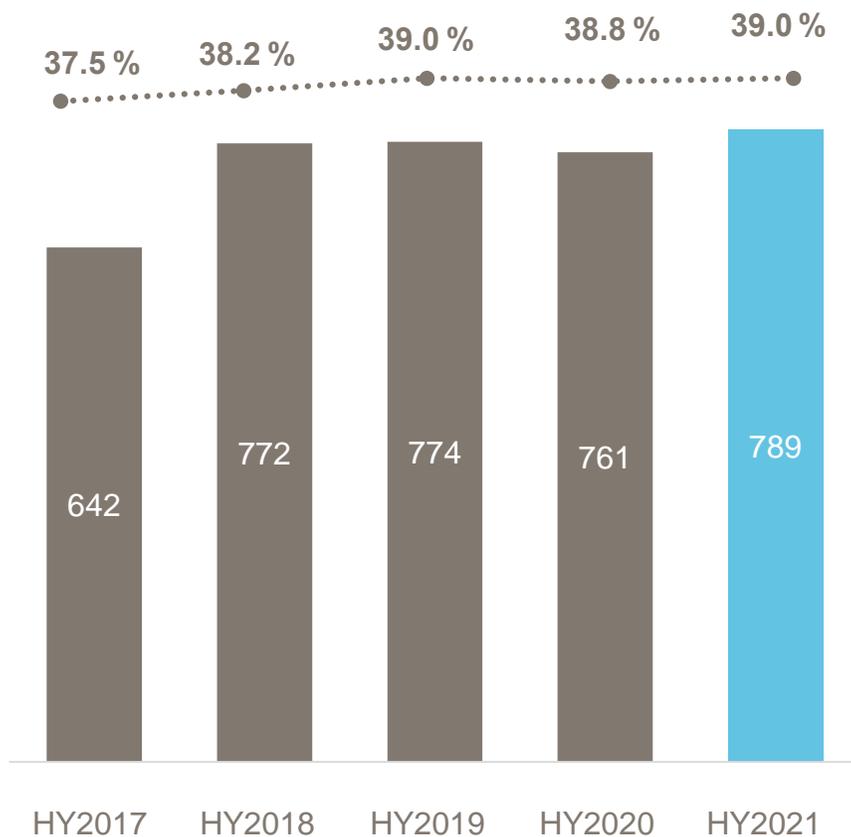
in %



Development of gross income and EBIT

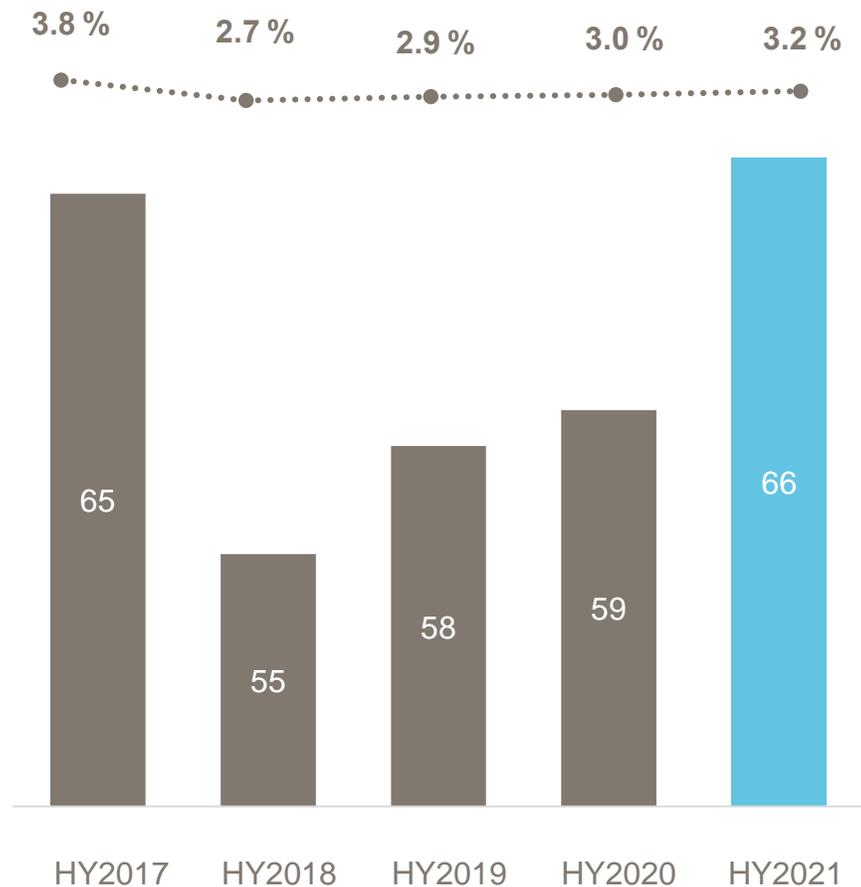
Gross operating income

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 indicators"

Income statement

	2020	2021			
	reported	reported	adjusted	Δ	%
Gross profit	760.8	788.8	788.8	+28.0	+3.7%
EBITDA	137.8	145.7	145.7	+7.9	+5.8%
EBIT	59.4	64.7	65.7	+6.2	+10.5%
Financial result	-9.9	-0.3	-0.3		
<i>of which interest</i>	-4.2	-4.0	-4.0		
<i>of which foreign currency losses</i>	-5.7	3.7	3.7	+9.4	
Result from associates	1.0	1.2	1.2		
Taxes	-15.6	-15.5	-15.5		
Third-part interest in profit	-0.0	-0.0	-0.0		
Half-year result	34.9	50.0	51.0	+16.1	+46.1%

148.4

Share of
total assets 5.4 %

Cash and cash
equivalents

in CHF million

717.2

- 0.9 %

Net financial
liabilities*

in CHF million

1 385.6

Share of
total assets 50.1 %

Equity*

in CHF million

16.3

- 22.7 %

Operating free
cash flow*

in CHF million

92.7

+ 12.6 %

Investments in
tangible assets /
software

in CHF million

- Net financial liabilities on a par with the previous year
- At >50 %, the equity ratio is above the internal target of >40 %
- The Bell Food Group has a very solid financial foundation and is ready for the future

Performance of the business areas.

Business area Bell Switzerland

- Good performance by Bell Switzerland; cumulated revenue and volume growth above the strong previous year
- Opening of borders and restaurants towards the end of the first half gave rise to signs of normalisation regarding the impact of the coronavirus pandemic
- Fresh meat and seafood product groups made a particular contribution to the growth posted in the first quarter
- Seasonal business was mixed; Easter was very encouraging but the barbecue season has been unsatisfactory to date due to bad weather

Bell Switzerland

Locations

13

Employees

3 640

Product ranges

**Meat, poultry,
charcuterie, seafood**

1 051

+ 3.1 %

Sales revenue
in CHF million

63.6

+ 1.5 %

Sales volume
in million kg

34.2

+ 54.5 %

Investments in tangible
assets / software
in CHF million



Business area Bell International

- All three divisions of the business area contributed to the improved result
- Good poultry business in Austria and Germany
- Rising trend for procurement prices for raw and packaging materials
- Charcuterie market in Germany contracted due to the excellent prior-year results; the air-dried ham segment that is relevant for Bell held its own in this environment, in particular our core ranges of Serrano and diced ham
- We gained market shares in air-dried ham and poultry in our core markets
- The production site adjustment launched in 2020 by the Western/Eastern Europe division had the expected effect and also contributed to the stability of the business area

Bell International

Locations

23

Employees

3 465

Product ranges

Poultry, charcuterie

492

+ 1.8 % adjusted*

Sales revenue
in CHF million

103.9

+ 4.9 % adjusted*

Sales volume
in million kg

11.5

- 33.6 %

Investments in tangible
assets / software
in CHF million

*adjusted for foreign exchange and acquisition effects



Business area Convenience

- Good development of the fresh convenience and vegetarian segments in the core retail market of Switzerland; market shares gained in both product groups
- Anniversary of the coronavirus fallout and progressive easing of coronavirus measures from May 2021 improved the earnings situation
- Fallout of the pandemic meant that the new plant in Marchtrenk (AT) has not yet been able to exhaust its revenue potential
- Encouraging development for vegetarian product ranges (meat alternatives, tofu and spreads/hummus)

Convenience

Locations

27

Employees

4 940

Product ranges

Ultra-fresh, fresh and non-perishable convenience products

542

+ 4.2 % adjusted*

Sales revenue
in CHF million

99.8

+ 3.0 % adjusted*

Sales volume
in million kg

47.0

+ 9.7 %

Investments in tangible
assets / software
in CHF million

*adjusted for foreign exchange and acquisition effects



Strategy 2021–2025

Leading in food – strategically expand our leading position.



Bell Food Group Leading in food



We love the good things.



We shape the future.



We take responsibility.

The strategic thrusts for expanding our leading position



The three focal topics for the "Strengthen our core business" strategic thrust



Relevant meat products

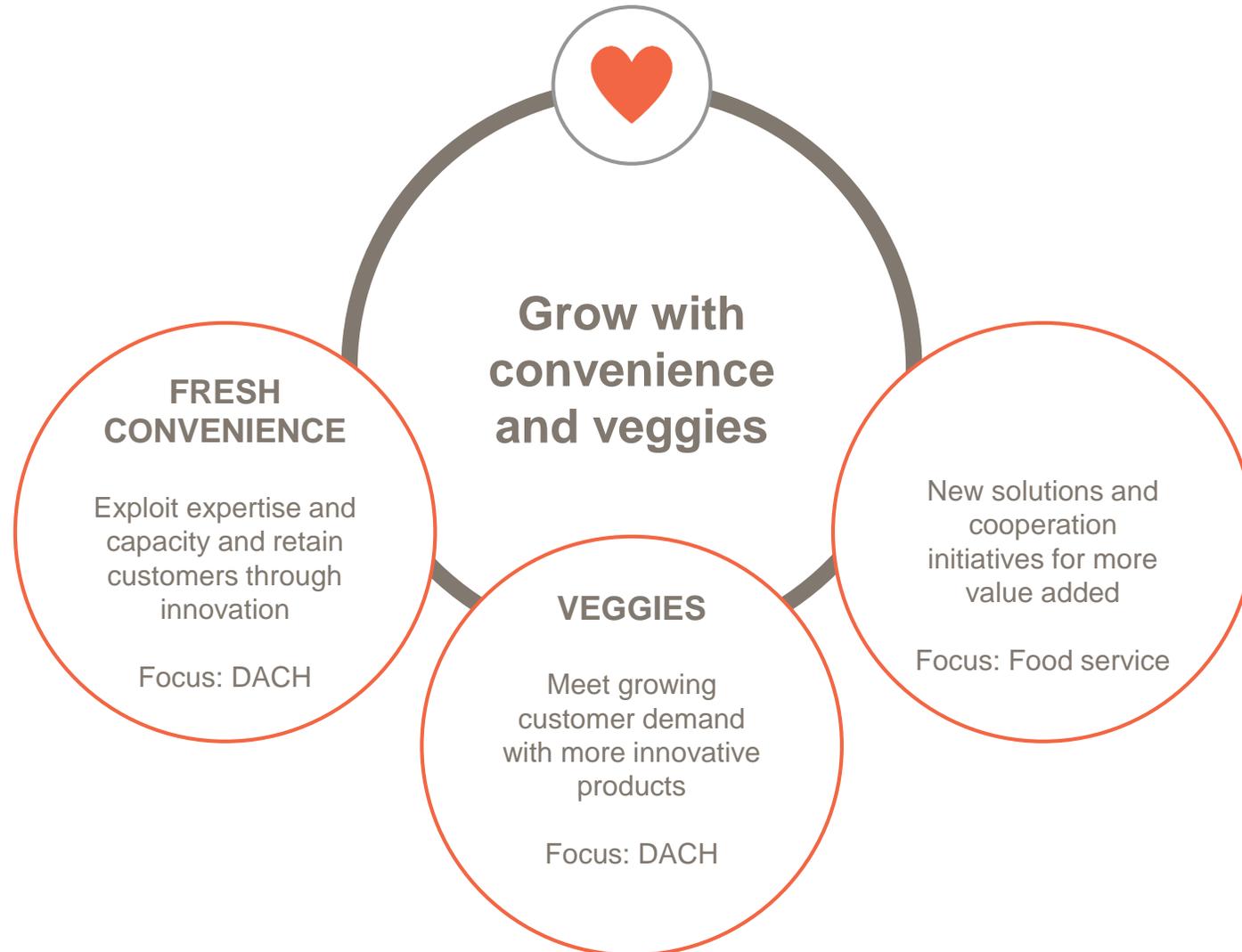
Strengthen our core business

Relevant offer

- In Switzerland, innovative new products were added to the barbecue range, with this expansion supported by a new marketing campaign
- The successful German concept of the environmentally friendly folding box was introduced in Switzerland and France, with promising results
- New technology for sous-vide meat convenience products implemented; expansion of retail and food service product ranges in the pipeline



The three focal topics for the "Grow with convenience and veggies" strategic thrust



Wide range of fresh convenience

Grow
with
conve-
nience
and
veggies

Wide range of
fresh
convenience

- Commissioning of the new production hall for cooked poultry and vegetable convenience products in Marchtrenk in Austria
- Planned production infrastructure at the new plant in Marchtrenk is now fully operational
- Ultra-fresh business in Switzerland was considerably expanded by the takeover of Arysza's sandwich production activities and the expansion of the range of ready-made salads



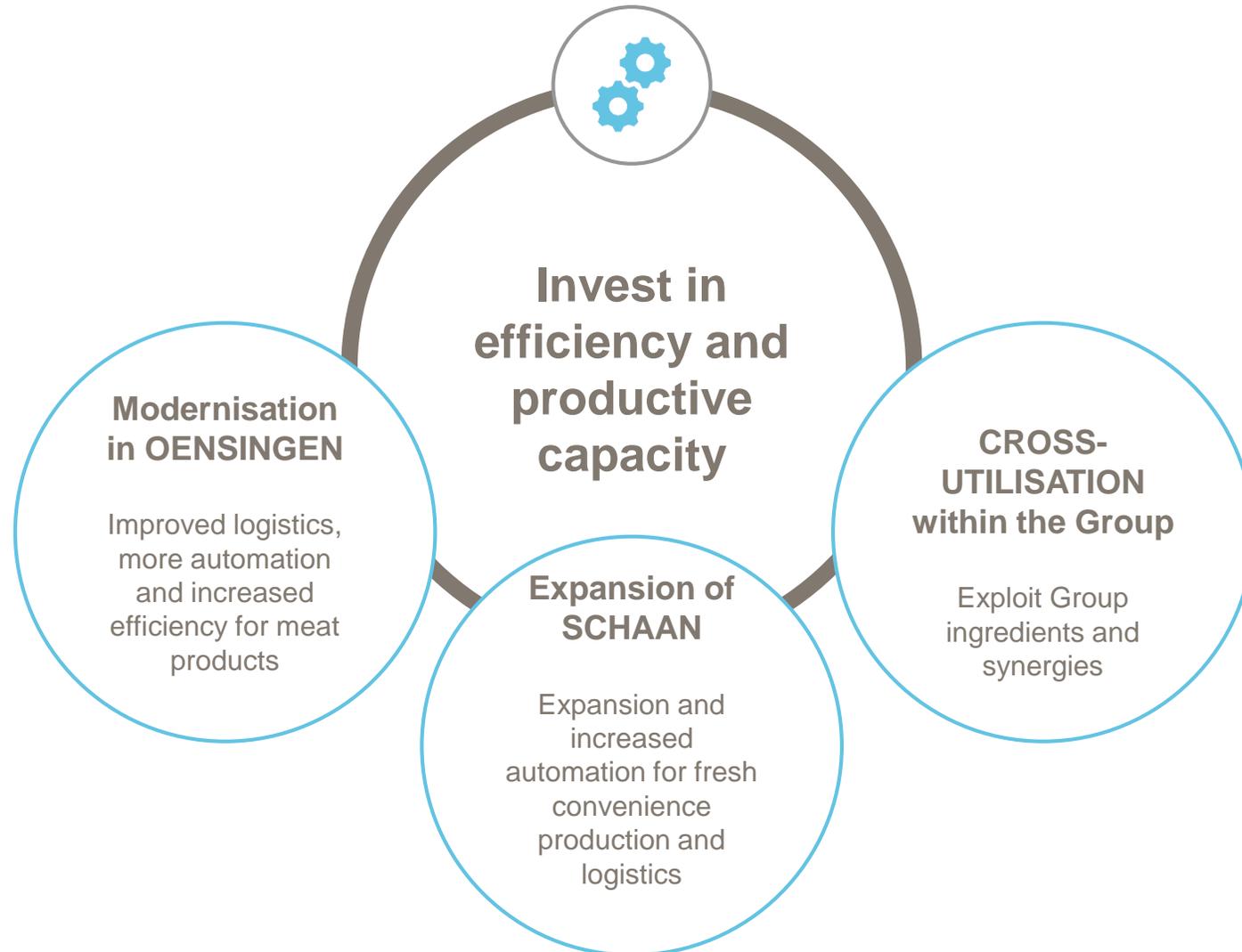
Grow
with
conve-
nience
and
veggies

Anything
but boring
veggies

- The range of plant-based meat alternatives in Switzerland was expanded by vegan barbecue sausages and a vegan steak in good time for the barbecue season
- Distribution expanded to Germany; first trial listings have been finalised successfully
- Integration of successful food service operations as pioneers and pacesetters
- Further product range expansions are imminent (e.g. vegan Viennese schnitzel)
- Implementation of additional technology for the production of chicken alternatives and market entry in this segment



The three focal topics for the "Invest in efficiency and productive capacity" strategic thrust



Modernisation of the Oensingen site

Invest in
efficiency
and productive
capacity

Modernisation of
the Oensingen
site

Expansion
Schaan

- Modernisation and expansion of the infrastructure at the Oensingen site; long-term performance capacity in the core business with meat products in the main market Switzerland
- Construction of the highly automated deep-freeze store using 50 % less energy is on course
- Construction of the first extension in Schaan is on course
- This creates new capacity for the production of fresh stuffed pasta
- Installation almost complete and commissioning planned for Q3 2021



Modernisation of the Oensingen site

Invest in
efficiency
and productive
capacity

Modernisation of
the Oensingen
site

Adjustment of the
production sites

- Application for the building permit for the new cattle slaughtering facility in Oensingen submitted
- Strengthening of our substance and position as leader in the Swiss beef market

- The next few years will see Eisberg Switzerland invest in the expansion and modernisation of its locations in Dällikon and Essert-sous-Champvent
- The two locations in Villigen and Dänikon will be closed gradually by 2026
- This strengthens Eisberg's leading position as a convenience provider in Switzerland



Expertise

Systematic and best quality
and constant improvement

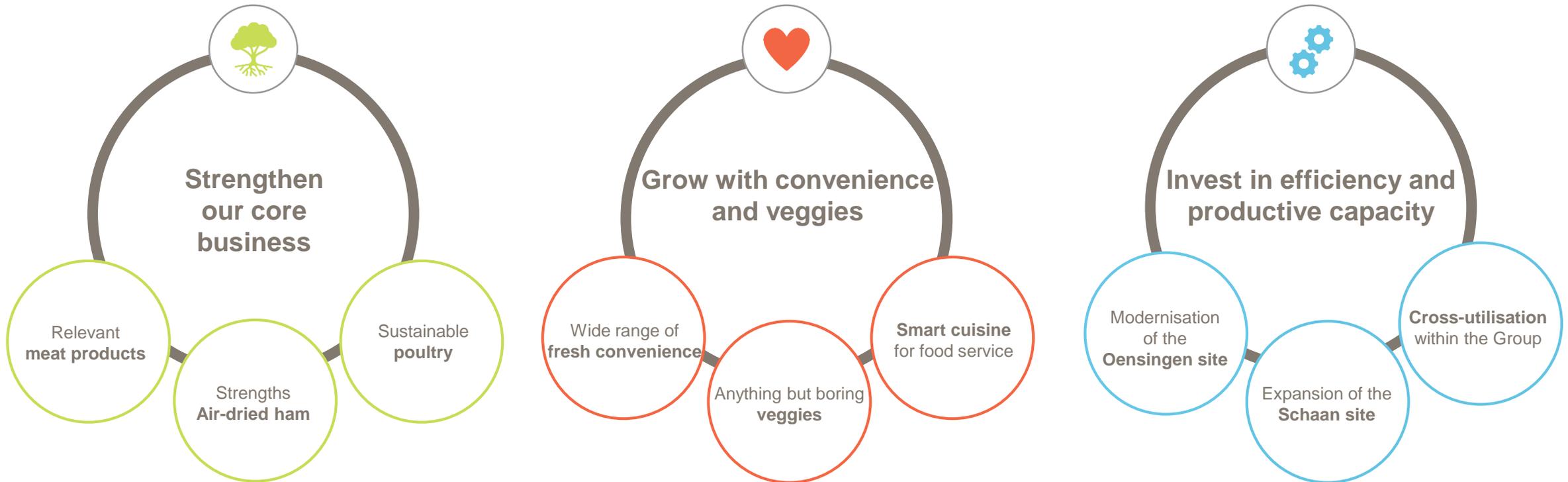
Sense of responsibility

Accept responsibility for the environment
and society

Joy

Committed employer and
satisfied employees

- 98 % of all animal and 89 % of all plant-based raw materials **come from Europe**
- 35 % of the animals slaughtered by Bell Food Group come from **organic** programmes and programmes with **higher animal welfare standards**
- 97 % of fish and seafood come from **sustainable sources**
- 86 % of waste is **recycled**
- 77 % of employees are covered by a **collective bargaining agreement**
- Bell Food Group offers **basic training** in 20 professions



> Secure long-term earning power and productive capacity

Outlook.

Outlook for the second half of 2021

Bell Food Group

- Expectation that the trend towards normalisation in the coronavirus pandemic that emerged in the second quarter of 2021 will continue
- Move away from retail and towards food services and industry again on the part of customers and product ranges
- Swiss shopping tourism will grow further in second half and return to its previous levels
- Gradual opening of the economy benefits the food service and fresh convenience segments
- Good half-year results give reason to be optimistic about the rest of the year; pace and scope of normalisation difficult to predict

Business area Bell Switzerland

- Strong performance in 2020 and the first half of 2021 cannot be sustained to the same extent; impact of shopping tourism is hard to predict

Business area Bell International

- Continuation of positive development in the second half of 2021, provided that procurement prices for raw and other materials return to normal levels

Business area Convenience

- Optimistic that the upcoming opening measures will give further positive impetus to business performance



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