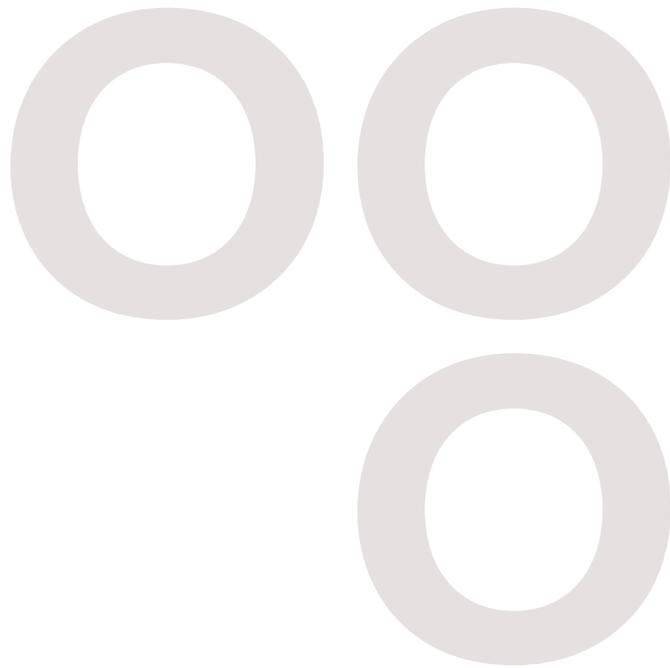

Half-Year Report 2019



Report by the Chairman of the Board of Directors
and the Chairman of the Group Executive Board

Strategic direction set mainly by exit from German sausage business

Dear Shareholders

For the Bell Food Group, the first half of 2019 was dominated by the very sharp increase in raw material prices for meat in Europe, the organisational restructuring of Bell Germany, and the commissioning of the most modern convenience facility in Europe in Marchtrenk, Austria.

The Bell Food Group announced its exit from the German sausage market at the end of June 2019. The German plants in Suhl and Börger were sold by way of a business transfer. The mostly non-cash one-off costs for this restructuring of CHF 35.0 million were recognised in the income statement in the first half of 2019. With this sale, the restructuring of overheads and the conversion of the Bad Wünnenberg production facility into a convenience plant, the Group has laid the foundations for the successful future of Bell Germany. Bell Germany will therefore focus on and continue to expand its strong position in the market for air-dried ham.

Adjusted for the one-off costs of the withdrawal from the German sausage market, EBIT for the first half of 2019 amounted to CHF 46.0 million, which is down CHF 9.2 million on the previous year. This includes exceptional costs of CHF 12.0 million relating to the development of raw material prices for pork and start-up and conversion costs. The result was also affected negatively by the late start to the barbecue season and the associated decline in sales compared to the previous year. In spite of the very late arrival of the barbecue season, the Bell Food Group's operating performance improved by some CHF 3 million over the prior-year period.

Forward-looking and maintenance-driven investments in plant, property and equipment totalled CHF 90.3 million in the first half of the year. The Bell Food Group has a very solid balance sheet with an equity ratio of 46.4 percent. Equity less goodwill amounts to more than CHF 1 billion.

Overview of first half of 2019

At CHF 2.0 billion, the Bell Food Group's sales revenue adjusted for foreign currency, acquisition and restructuring effects for the first half of 2019 was on a par with the prior-year period. At 266.7 million kilograms, adjusted sales volume was up 2.2 percent on the previous year. The share of convenience products of the Bell Food Group's total sales revenue improved by around one percentage point to an encouraging 27 percent, making the convenience business a strong pillar for the Bell Food Group.

Because of the African swine fever, the related decline in raw-material availability and the trade disputes between the US and China, prices for pork raw materials in Europe rose by more than 30 percent in the first half of 2019. In spite of the speedy launch of negotiations regarding the implementation of price increases, this development depressed the result for Bell Germany and Bell International by around CHF 6.0 million.

Gross profit dropped by CHF 3.4 million to CHF 768.2 million. This includes the substantial increase in raw-material prices for Bell Germany and Bell International, which depressed the gross profit by some CHF 6.0 million. Thanks to efficient cost management, personnel and overhead cost remained stable in operational terms year-on-year. The sometimes considerable increases in energy and logistics costs were cushioned without affecting the result. At CHF 116.8 million, EBITDA for the first half of 2019 was down CHF 19.8 million on the same period in 2018. This includes pro rata one-off costs of CHF 10 million for the withdrawal from the German sausage market.

Adjusted for acquisition effects and including write-downs of CHF 25.0 million for the German sausage business, depreciation and amortisation were up slightly on the prior-year period. EBIT therefore amounted to CHF 46.0 million excluding the adjustment for the restructuring costs for the sale of the German sausage business of CHF 35.0 million. When the latter is taken into account, reported EBIT amounted to CHF 11.0 million. Given the weaker euro exchange rate, the financial result of CHF -7.5 million was CHF 0.9 million less than in the previous year.

The effects of the Swiss voters' acceptance of the corporate tax initiative and changes to the rates for corporate income tax in several cantons are included in the "Taxes" item. The change in deferred taxes resulted in a one-off increase in tax expenses of CHF 2.0 million. Adjusted by the costs for the withdrawal from the German sausage business and one-off tax expenses, the half-year result of CHF 27.4 million is down CHF 5.1 million on the prior-year period. Without the withdrawal costs and one-off tax expenses, the half-year result is CHF -9.6 million.

The balance sheet as at 30 June 2019 does not contain any material changes compared to the end of 2018. The equity ratio is 46.4 percent and the net financial liabilities amount to CHF 696.9 million. The Bell Food Group's balance sheet structure is thus very solid.

Bell Switzerland

At CHF 982.0 million, Bell Switzerland's sales revenue contracted slightly year-on-year (CHF -13.5 million, -1.4 %). This decline is mainly due to the retail sales channel, which suffered a general contraction in 2019. Bad weather also meant a slow start to the barbecue season. At 61.7 million kilograms, sales volume was down 2.1 million kilograms (-3.3 %) on the prior-year period.

The measures implemented in the previous year led to substantial improvements in the result for the first half of 2019. In spite of the contraction in the retail segment, gross profit improved, not least because of a further increase in domestic meat production. Combined with efficient cost management, Bell Switzerland managed to considerably improve its overall result on the previous year.

Bell Germany

Because of the conversion of the Bad Wünnenberg facility and a contracting retail market, Bell Germany's sales revenue of CHF 197.3 million was 22.0 percent less than in the previous year. Sales volume dropped by 11.4 million kilograms (-30.5 %) to 25.9 million kilograms. This includes the loss of the Bad Wünnenberg volume as well as the deliberate exclusion of low-margin air-dried ham products.

The Bell Food Group announced its decision to sell Bell Germany's sausage business on 24 June 2019. The Zur Mühlen Group proved to be the ideal buyer to take over the plants in Suhl and Börger together with all employees. In future, business in Germany will focus on expanding the Group's position in the segment for top-quality German and international air-dried ham products. As one of the leading providers, Bell Germany has better prospects in this segment and will continue to expand this business.

The new production plant for Serrano ham in Fuensalida near Madrid was commissioned as planned in the first half of 2019. Together with the existing plant in Casarrubios del Monte, Bell now has the capacity to produce more than one million Serrano hams per year. The Spanish product range is rounded off by Iberian specialities from the Extremadura facility. The Bell Food Group has thereby strengthened its air-dried ham expertise and can build on it further in future.

The production facility in Bad Wünnenberg is being converted into a plant for fresh convenience products during the course of 2019. The conversion is going according to plan. Compared to the previous year, the conversion required planned additional expenses in the first half of the year of CHF 2.0 million. We expect additional costs of some CHF 8.0 million in total for the full financial year, which is slightly less than previously communicated.

Bell International

Bell International generated sales revenue of CHF 329.0 million, which is 3.8 percent or CHF 12.1 million more in currency-adjusted terms than in the previous year. Sales volume increased by 2.6 million kilograms (+3.2%) to 83.5 million kilograms in the first half of 2019.

All the country organisations of Bell International made progress in terms of sales revenue and sales volume compared to the previous year. High raw material prices for pork, however, led to a substantial increase in procurement costs. The measures to improve the results for Hubers' poultry business that were announced at the time of publication of the 2018 financial statements have also demonstrated their effects. After a successful start to the year, bad weather translated into weaker sales for the high-margin barbecue ranges.

Convenience

In the first half of 2019, sales revenue for the Convenience business area increased by CHF 33.2 million to CHF 548.9 million in currency-adjusted terms. Sales volume improved by 7.7 million kilograms to 99.4 million kilograms, partly because of the full-year effect of Sylvain & Co., which was taken over in May 2018. The Eisberg, Hilcona and Hügli divisions also continued to post organic growth. All three divisions benefited from the growth in retail and food service sales to their most important customers.

Eisberg's new facility in Marchtrenk (AT) took up production in the first half of 2019. Europe's most modern convenience plant has since been producing fresh convenience products for the Austrian and German markets every day. By the end of June, around half of the planned production lines were in operation. The launch went as expected. The start-up costs depressed the operating result by some CHF 3.0 million compared to the previous year.

Hügli has integrated well into the Bell Food Group since its takeover in January 2018. Business development in the first half met our ambitious expectations. The consistent exploitation of synergy potential within the Group is part of this encouraging development.

Outlook

As the Bell Food Group expects raw material prices for pork to remain high in 2019, we aim to increase prices further in the second half of 2019.

With the commissioning of the new production plants, the conversion of the Bad Wünnenberg facility and the sale of the German sausage business, the Bell Food Group is engaged in the implementation of a number of forward-looking projects that will continue to pose a challenge in the second half of 2019.

Although the Bad Wünnenberg conversion will put pressure on the result by another CHF 6 million in the second half of the year, the total burden will be less than the CHF 10 million communicated previously.

To master these challenges, the Bell Food Group's organisational structure was adjusted as of 1 July 2018. The company now consists of the four business areas Bell Switzerland, Bell International, Convenience and Finance/Services. The Group Executive Board is made up of CEO Lorenz Wyss, Marco Tschanz, now head of the Bell International business area as well as central IT, and new members Xavier Buro as CFO and Volker Baltes as head of the Convenience business area.

To summarise, we can tell you that the Bell Food Group has taken a significant strategic step towards successful development with the construction of the new plants, its exit from the German sausage market and the organic growth experienced in the convenience segment in particular, and will continue to benefit from this step in future.



Hansueli Loosli
Chairman of the Board of Directors



Lorenz Wyss
Chairman of the Group Executive Board

Consolidated balance sheet

in CHF million	Note	30.06.2019	Share	31.12.2018	Share	30.06.2018	Share
Cash and cash equivalents		204.5		242.8		265.8	
Securities		1.8		1.1		2.0	
Trade accounts receivables		389.3		424.4		392.8	
Other receivables		66.3		50.5		64.4	
Inventories		441.5		412.6		455.1	
Accrued income and prepaid expenses		24.8		17.8		36.2	
Current assets		1 128.3	42.1 %	1 149.1	42.3 %	1 216.3	44.2 %
Financial assets		53.5		53.4		52.3	
Intangible assets		261.6		272.1		284.8	
Tangible assets		1 234.9		1 243.5		1 200.3	
Non-current assets		1 550.1	57.9 %	1 569.0	57.7 %	1 537.3	55.8 %
Assets		2 678.4	100.0 %	2 718.2	100.0 %	2 753.6	100.0 %
Current financial liabilities		37.8		3.7		54.2	
Trade accounts payable		204.9		243.7		234.0	
Other current liabilities		38.9		22.2		38.1	
Current provisions		15.0		5.0		3.9	
Accrued expenses and deferred income		167.3		142.0		153.9	
Current liabilities		463.9	17.3 %	416.6	15.3 %	484.1	17.6 %
Non-current financial liabilities		865.4		899.8		910.2	
Non-current provisions		107.7		111.8		111.9	
Non-current liabilities		973.1	36.3 %	1 011.6	37.2 %	1 022.1	37.1 %
Liabilities		1 437.0	53.6 %	1 428.2	52.5 %	1 506.1	54.7 %
Share capital		3.1		3.1		3.1	
Capital reserves		216.5		251.0		255.0	
Retained earnings		1 144.6		1 055.3		1 055.3	
Translation differences		-111.1		-107.0		-97.1	
Treasury shares	3	-2.3		-2.3		-3.8	
Half-year result		-9.6		89.3		32.5	
Equity excl. minority interests		1 241.3	46.3 %	1 289.4	47.4 %	1 245.1	45.2 %
Minority interests		0.2		0.5		2.3	
Equity		1 241.5	46.4 %	1 290.0	47.5 %	1 247.5	45.3 %
Liabilities and equity		2 678.4	100.0 %	2 718.2	100.0 %	2 753.6	100.0 %

Consolidated income statement

in CHF million	Note	1 st HY 2019	Share	1 st HY 2018	Share
Net revenue	1/2	1 985.7	100.0 %	2 020.0	100.0 %
Cost of goods sold		1 217.5	61.3 %	1 248.4	61.8 %
Gross operating income		768.2	38.7 %	771.6	38.2 %
Personnel expenses		416.1	21.0 %	407.4	20.2 %
Rents		21.2		20.6	
Energy, auxiliary materials		38.1		39.6	
Repair and maintenance		49.3		49.1	
Transport		65.1		63.9	
Advertising		20.7		22.2	
Other operating expenses	7	40.9		32.3	
Total operating expenses		651.4	32.8 %	635.1	31.4 %
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		116.8	5.9 %	136.6	6.8 %
Amortisation of intangible assets		4.1		4.3	
Amortisation of goodwill		13.9		16.3	
Depreciation of tangible assets	7	87.8		60.8	
Earnings before interest and taxes (EBIT)		11.0	0.6 %	55.2	2.7 %
Financial result		-7.5		-6.6	
Net income from associated companies		1.1		1.1	
Net profit before taxes (EBT)		4.6	0.2 %	49.7	2.5 %
Taxes	7	14.3		13.4	
Net result after taxes		-9.6	-0.5 %	36.3	1.8 %
Third-party interest in result		-0.1		3.8	
Half-year result		-9.6	-0.5 %	32.5	1.6 %
Earnings per share (in CHF, diluted and undiluted)	4	-1.52		7.58	

Adjusted values

Due to the sale of the German sausage business, other operating expenses were impacted by CHF 10.0 million and depreciation of tangible assets by CHF 25.0 million. As a result of a tax reform in Switzerland, deferred taxes were increased by CHF 2.0 million on a one-off basis. Adjusted for these items, the following adjusted key figures result for the first half of 2019. The previous year's figures have not been adjusted for any special effects.

EBITDA adjusted	126.8	6.4 %	136.6	6.8 %
EBIT adjusted	46.0	2.3 %	55.2	2.7 %
Half-year result adjusted	27.4	1.4 %	32.5	1.6 %
Earnings per share adjusted	4.36		7.58	

Cash flow statement

in CHF million	Note	1 st HY 2019	1 st HY 2018
Net result after taxes		-9.6	36.3
Depreciation of tangible assets		62.8	60.8
Amortisation of intangible assets		18.0	20.6
Extraordinary depreciation	7	25.0	-
Other non-cash income (-)/expenses (+)		5.1	1.6
Income (-)/loss (+) from sale of tangible assets		-0.1	-0.2
Dividends from associated companies		0.4	0.4
Net income from associated companies		-1.1	-1.1
Income (-)/loss (+) from sale of investments		-	-
Increase (+)/decrease (-) in provisions		11.6	1.6
Increase (-)/decrease (+) in receivables		16.3	31.3
Increase (-)/decrease (+) in inventory		-33.1	-31.8
Increase (-)/decrease (+) in accrued income and prepaid expenses		-7.1	-15.4
Increase (+)/decrease (-) in current liabilities		-20.9	41.8
Increase (+)/decrease (-) in accrued liabilities		26.8	15.3
Operating cash flow		94.0	160.9
Investment (-)/divestment (+) of securities		-0.7	-0.0
Investment in other companies and financial assets		-3.1	-235.7
Acquisition (+)/sale (-) of cash and cash equivalents		-	16.3
Divestment of other companies and financial assets		0.4	0.2
Investment in intangible assets		-3.3	-1.6
Divestment of intangible assets		-	-
Investment in tangible assets		-90.3	-94.0
Divestment of tangible assets		1.1	0.6
Cash flow from investing activities		-95.9	-314.1
Proceeds from (+)/repayment of (-) current financial liabilities		-0.3	-31.7
Proceeds from (+)/repayment of (-) non-current financial liabilities		-	-
Proceeds from (+) bonds		-	350.0
Repayment of (-) bonds		-	-175.0
Proceeds from (+) capital increases		-	603.4
Acquisition (-)/sale (+) of minorities		-0.2	-376.4
Investment in (-)/divestment of (+) treasury shares		-	-1.5
Dividend		-34.7	-32.1
Cash flow from financing activities		-35.1	336.7
Cash flow balance		-37.1	183.5
Cash and cash equivalents as of 01.01.		242.8	83.0
Effect of currency translation on cash and cash equivalents		-1.2	-0.8
Changes in cash and cash equivalents		-37.1	183.5
Cash and cash equivalents as of 30.06.		204.5	265.8

Statement of changes in equity

in CHF million	Share capital	Capital reserves	Retained earnings	Translation differences	Treasury shares	Net result	Equity excl. minority interests	Minority interests	Equity
Equity as of 01.01.2019	3.1	251.0	1 055.3	-107.0	-2.3	89.3	1 289.4	0.5	1 290.0
Changes in scope of consolidation	-	-	-	-	-	-	-	-	-
Capital increase	-	-	-	-	-	-	-	-	-
Acquisition minorities	-	-	-	-	-	-	-	-0.2	-0.2
Appropriation of annual profit	-	-	89.3	-	-	-89.3	-	-	-
Dividend	-	-34.5	-	-	-	-	-34.5	-0.1	-34.7
Additions/disposals of treasury shares	-	-	-	-	-	-	-	-	-
Half-year result	-	-	-	-	-	-9.6	-9.6	-0.1	-9.6
Currency translation differences ¹	-	-	-	-4.1	-	-	-4.1	-0.0	-4.1
Equity as of 30.06.2019	3.1	216.5	1 144.6	-111.1	-2.3	-9.6	1 241.3	0.2	1 241.5
Equity as of 01.01.2018	2.0	-217.0	980.7	-85.9	-2.2	106.5	784.1	0.2	784.3
Changes in scope of consolidation	-	-	-	-	-	-	-	84.7	84.7
Capital increase	1.1	602.3	-	-	-	-	603.4	-	603.4
Acquisition minorities	-	-130.2	-	-	-	-	-130.2	-86.1	-216.4
Appropriation of annual profit	-	-	106.5	-	-	-106.5	-	-	-
Dividend	-	-	-31.9	-	-	-	-31.9	-0.2	-32.1
Additions/disposals of treasury shares	-	-0.0	-	-	-1.5	-	-1.5	-	-1.5
Half-year result	-	-	-	-	-	32.5	32.5	3.8	36.3
Currency translation differences ¹	-	-	-	-11.2	-	-	-11.2	-0.0	-11.2
Equity as of 30.06.2018	3.1	255.0	1 055.3	-97.1	-3.8	32.5	1 245.1	2.3	1 247.5

¹ As of 31.12.2018 the cumulative tax effects on currency differences of CHF 9.1 million on group loans with equity character were reclassified to translation differences. The comparability as at 30.06.2018 is not given.

Comments on the half-year report 2019 of the Bell Food Group

Principles

The principles governing consolidation, valuation, structure and presentation comply in entirety with the Accounting and Reporting Regulations (Swiss GAAP FER). They apply to all companies included in the scope of consolidation. The consolidation and valuation principles are the same as for the 2018 annual report as set out in pages 60–63 of the Annual Report 2018.

The half-year financial statements were prepared in compliance with the guidelines on interim financial reporting according to Swiss GAAP FER 31.

Scope of consolidation

Please refer to pages 16 and 17 of the half-year report for an overview of the important participations of the Bell Food Group.

Foreign currency translation

All company balance sheets in foreign currency are translated into Swiss francs at the exchange rate as per 30 June. The income statements of these companies are translated at the average exchange rate for the first six months. Translation differences between the opening and closing balance sheets and differences arising from the use of different exchange rates in the balance sheet and the income statement are recognised without affecting profit and loss.

Exchange rates

		1 st HY 2019	1 st HY 2018
Balance sheet	EUR 1	= CHF 1.1105	= CHF 1.1569
	CZK 1	= CHF 0.0436	= CHF 0.0446
	HUF 100	= CHF 0.3434	= CHF 0.3508
	PLN 1	= CHF 0.2613	= CHF 0.2645
	RON 1	= CHF 0.2346	= CHF 0.2481
	GBP 1	= CHF 1.2386	= CHF 1.3057
	USD 1	= CHF 0.9758	= CHF 0.9924
Income statement	EUR 1	= CHF 1.1299	= CHF 1.1699
	CZK 1	= CHF 0.0440	= CHF 0.0459
	HUF 100	= CHF 0.3527	= CHF 0.3730
	PLN 1	= CHF 0.2632	= CHF 0.2775
	RON 1	= CHF 0.2383	= CHF 0.2513
	GBP 1	= CHF 1.2940	= CHF 1.3255
	USD 1	= CHF 1.0001	= CHF 0.9669

Events occurring after the balance sheet date

The Bell Food Group announced the sale of Bell Germany's sausage business to the Zur Mühlen Group on 24 June 2019. With the approval of the responsible competition authorities as at 24 July 2019, all conditions for the closing of the sale have now been fulfilled.

The sale of the German sausage business means that the two production facilities in Börger and Suhl and all their employees will transfer to the Zur Mühlen Group. In future, Bell Germany will focus on expanding its strong position in the segment for top-quality German and international air-dried ham products.

No other events occurred before the approval of the half-year report of Bell Food Group Ltd by the Board of Directors on 7 August 2019.

All amounts have been rounded individually.

Notes to the consolidated financial statements

1. Net revenue

in CHF million	1 st HY 2019	Change	1 st HY 2018
Sales by country			
Switzerland, Liechtenstein	1 255.9		1 252.8
Germany	423.7		470.7
Austria	107.9		102.4
France	65.0		66.3
Benelux	30.8		35.1
Poland	38.7		35.6
Hungary	26.2		25.0
Spain	14.2		15.4
Great Britain	17.0		16.8
Czech Republic	11.2		11.4
Romania	8.6		7.7
Italy	5.9		5.6
Other countries	17.8		17.3
Sales by country	2 023.0	-1.9%	2 062.1
Sales by product group			
Fresh meat	443.2		449.1
Charcuterie	506.6		566.2
Poultry	422.2		419.0
Meat specialities	2.6		2.7
Seafood	90.2		89.7
Convenience	548.5		527.4
Other sales	9.7		8.0
Sales by product group	2 023.0	-1.9%	2 062.1
Reconciliation to net revenue			
Other operating income	28.9		36.8
Sales deductions	-66.2		-78.9
Net revenue	1 985.7	-1.7%	2 020.0

Seasonality

The activities of the group are not subject to regular, half-yearly seasonal influences. However, major changes in raw-material prices and exchange rates can have a certain impact on sales of a half-year.

Notes to the consolidated financial statements

2. Segment reporting

Half-year 2019		Bell Switzerland	Bell Germany	Bell International	Convenience	Consolidation	Bell Food Group
Volume	in million kg	61.7	25.9	83.5	99.4	-3.8	266.7
Sales	in CHF million	982.0	197.3	329.0	548.9	-34.3	2 023.0
Net investments in tangible assets	in CHF million	16.3	16.7	13.1	43.2	-	89.3
Headcount	FTE	3 468	1 379	2 657	4 659	-	12 163
Half-year 2018							
Volume	in million kg	63.8	37.3	80.8	91.7	-5.4	268.3
Sales	in CHF million	995.5	253.1	328.9	523.2	-38.6	2 062.1
Net investments in tangible assets	in CHF million	22.2	18.6	13.1	39.7	-	93.6
Headcount	FTE	3 597	1 375	2 486	4 420	-	11 878

In the financial year 2018, the segment "Hilcona/Eisberg" was renamed to "Convenience". The acquired companies of Hügli and the Sylvain & CO SA were assigned to this segment.

Notwithstanding the additional recommendations for listed companies (Swiss GAAP FER 31), the Board of Directors of Bell Food Group Ltd will not publish any detailed segment results in the interest of the shareholders for the following reasons:

1. Conclusions about price structure

The product range of the Bell Food Group is differentiated according to segment. Whilst in the Bell Switzerland segment a broad range of fresh meat, poultry, seafood and charcuterie is marketed, the range in the other segments is restricted to the following specific groups of goods: charcuterie, poultry and convenience. It would be easy to draw conclusions about the price structure in these groups of goods if segment results were published. This would be a considerable competitive disadvantage for the Bell Food Group.

2. Damage to negotiating position

The European market is characterised by a small number of market players in the procurement and sales market. At the same time, there are a number of processors/producers. The Bell Food Group is one of the few companies in the sector that publishes its results and financial figures. The disclosure of detailed segment results would result in a clear weakening of the Bell Food Group's negotiating position with buyers and suppliers in comparison with the competitors.

3. Treasury shares

in CHF million	2019		2018	
	Number in pieces	Value	Number in pieces	Value
Balance as of 01.01.	6 424	2.3	5 778	2.2
Acquisitions	–	–	4 230	1.7
Disposals	–	–	–413	–0.1
Balance as of 30.06.	6 424	2.3	9 595	3.8

4. Earnings per share

	2019	2019 R	2018
Number of shares as of 30.06.	6 285 712	6 285 712	6 285 712
Average time-weighted number of outstanding shares	6 279 288	6 279 288	4 283 836
Half-year result	in CHF thousands –9 562	27 407	32 476
Earnings per share	in CHF, diluted and undiluted –1.52	4.36	7.58

For the calculation of the earnings per share the treasury shares are not considered. No options, convertible bonds or similar are outstanding. Therefore there is no difference between the diluted and undiluted ratio.

The 2019 R column shows adjusted earnings per share. The special effects listed in note 7 are not included in the half-year result.

As of 7 June 2018, the Bell Food Group Ltd performed a capital increase. 2,285,712 registered shares were issued.

Notes to the consolidated financial statements

5. Company acquisitions/sales

The companies acquired by the Bell Food Group in the current financial year or in the previous year had the following significant balance sheet items at the time of acquisition:

in CHF million			
Half-year 2019			
	MicroPast International AG		
Type of transaction	Takeover		
Effective date of transaction	05.2019		
Participation quota	100.0%		
Cash and cash equivalents	–		
Trade accounts receivables	0.1		
Inventories	–		
Patents	3.3		
Tangible assets	–		
Trade accounts payable	–		
Financial liabilities	–		
Half-year 2018			
	Hügli	Molard	Sylvain & CO SA
Type of transaction	Takeover	Asset deal	Takeover
Effective date of transaction	01.2018	04.2018	05.2018
Participation quota	50.2%	n/a	100.0%
Cash and cash equivalents	10.8	–	5.5
Trade accounts receivables	61.1	–	9.3
Inventories	72.1	0.5	0.9
Patents	–	–	–
Tangible assets	160.1	0.6	8.8
Trade accounts payable	45.6	–	6.5
Financial liabilities	83.7	–	5.1

During 2018 the remaining minority share of 49.78 percent of Hügli Holding Aktiengesellschaft has been taken over without change of consolidation method. Since December 2018, Bell Food Group holds 100 percent of the shares of Hügli Holding Aktiengesellschaft.

6. Sale of German sausage business

On 24 June 2019, Bell Food Group announced the sale of its German sausage business to Zur Mühlen Group. The Zur Mühlen Group will take over the plants in Suhl and Börger, including the approximately 400 employees. As a result of the discontinuation of the sausage business, adjustments are necessary in the areas of administration and central services. The parties have agreed not to disclose any details of the deal.

The German sausage business is organisationally part of the Bell Germany segment and contributed to the net sales of this segment as follows:

in CHF million	06.2019	12.2018	06.2018
Net revenue	42.9	85.8	44.8

7. Non-recurring and infrequent expenses (+) and income (-)

Non-recurring and infrequent expenses/income included in the operating expenses:

in CHF million	Position	1 st HY 2019	1 st HY 2018
Special effects			
Exit costs	Other operating expenses	10.0	-
Extraordinary depreciation of tangible assets	Depreciation	25.0	-
Tax reform and AHV financing in Switzerland	Taxes	2.0	-

Sale of German sausage business

The items "Exit costs" and "Extraordinary depreciation of tangible assets" are related to the sale of the German sausage business and burden the half-year financial statements of the Bell Food Group with CHF 35.0 million. This amount includes extraordinary depreciation of tangible assets in the amount of CHF 25.0 million and contractual exit costs in the amount of CHF 10.0 million.

Tax reform and AHV financing in Switzerland

The position "Tax Reform and AHV Financing" (STAF) refers to the Swiss referendum adopted on 19 May 2019. As a result of this vote, various tax privileges (e.g. taxation as a holding, mixed or domiciliary company) will be abolished from 1 January 2020. At the same time, various cantons provide compensatory measures and income tax rate reductions for all companies in order to soften the loss of tax privileges.

The Bell Food Group has valued the deferred taxes of all concerned companies with the future income tax rates as at the end of the first half-year 2019. Only those cantons have been taken into account which have already decided to adjust the income tax rates. This revaluation led to an increase of tax provisions affecting the net income with CHF 2.0 million.

Notes to the consolidated financial statements

8. Significant shareholdings of the Bell Food Group

Below, all significant shareholdings of the Bell Food Group are listed. Inactive companies or certain companies with insignificant impact on the consolidated balance sheet (share of the assets smaller than 1%) or consolidated income statement (share of the annual profit smaller than 1%) are not listed.

in million						Group share in % as of 30.06.	
Company	Domicile	Sphere of activity		Capital stock as of 30.06.2019		2019	2018
Bell Switzerland							
Bell Food Group Ltd ¹	Basel (CH)	Management	■	CHF 3.1		100.0%	100.0%
Bell Schweiz AG	Basel (CH)	Fresh meat, charcuterie, poultry, seafood	■	CHF 20.0		100.0%	100.0%
Geiser AG	Schlieren (CH)	Fresh meat, charcuterie	■	CHF 0.5		100.0%	100.0%
Bell Germany							
Bell Deutschland Holding GmbH	Seevetal (DE)	Management	■	EUR 0.0		100.0%	100.0%
Bell Deutschland GmbH & Co. KG	Seevetal (DE)	Charcuterie	■	EUR 1.0		100.0%	100.0%
Bell Production Services GmbH & Co. KG	Seevetal (DE)	Charcuterie	■	EUR 0.5		100.0%	100.0%
Bell Schwarzwälder Schinken GmbH	Schiltach (DE)	Charcuterie	■	EUR 0.0		100.0%	100.0%
Bell España Alimentación S.L.U.	Casarrubios del Monte (ES)	Charcuterie	■	EUR 0.6		100.0%	100.0%
Abraham Benelux S.A.	Libramont-Chevigny (BE)	Charcuterie	■	EUR 1.3		100.0%	100.0%
Bell Verwaltungs GmbH	Seevetal (DE)	Management	■	EUR 0.0		100.0%	100.0%
Interfresh Food GmbH	Seevetal (DE)	Management	■	EUR 0.1		100.0%	100.0%
Bell Benelux Holding N.V.	Zellik (BE)	Management	■	EUR 5.3		100.0%	100.0%
Bell Benelux N.V.	Zellik (BE)	Trade	■	EUR 0.6		100.0%	100.0%
Bell Nederland B.V.	Houten (NL)	Trade	■	EUR 2.7		100.0%	100.0%
Bell Logistics N.V.	Zellik (BE)	Logistics	■	EUR 2.4		100.0%	100.0%
Bell International							
Bell France Holding SAS	Teilhède (FR)	Management	■	EUR 20.0		100.0%	100.0%
Bell France SAS	St-André-sur-Vieux-Jonc (FR)	Charcuterie	■	EUR 1.2		100.0%	100.0%
Salaison Polette & Cie SAS	Teilhède (FR)	Charcuterie	■	EUR 2.6		100.0%	100.0%
Maïson de Savoie SAS	Aime (FR)	Charcuterie	■	EUR 1.6		100.0%	100.0%
Saloir de Mirabel SARL	Riom (FR)	Charcuterie	■	EUR 0.2		100.0%	100.0%
Saloir de Virieu SAS	Virieu-le-Grand (FR)	Charcuterie	■	EUR 1.2		100.0%	100.0%
Val de Lyon SAS	St-Symphorien-sur-Coise (FR)	Charcuterie	■	EUR 1.0		100.0%	100.0%
H.L. Verwaltungs-GmbH	Pfaffstätt (AT)	Management	■	EUR 0.3		100.0%	100.0%
Hubers Landhendl GmbH	Pfaffstätt (AT)	Poultry	■	EUR 0.1		100.0%	100.0%
Süddeutsche Truthahn AG	Ampfing (DE)	Poultry	■	EUR 6.2		100.0%	100.0%
Brütereï Schlierbach GmbH	Pettenbach (AT)	Poultry	■	EUR 0.6		95.0%	95.0%
Frisch Express GmbH	Pfaffstätt (AT)	Logistics	■	EUR 0.0		100.0%	100.0%
VTE-Beteiligungs GmbH + Co. KG	Ampfing (DE)	Management	■	EUR 3.3		100.0%	100.0%
Bell Polska Sp. z o.o.	Niepołomice (PL)	Charcuterie	■	PLN 10.0		100.0%	100.0%
ZIMBO Perbal Húsipari Termelő Kft.	Perbál (HU)	Charcuterie	■	HUF 400.0		99.8%	99.8%

¹ As of 7 June 2018, the Bell Food Group Ltd performed a capital increase. The share capital has been increased by CHF 1.1 million.

■ Fully consolidated
○ Consolidation at equity

8. Significant shareholdings of the Bell Food Group (continuation)

in million						Group share in % as of 30.06.	
Company	Domicile	Sphere of activity		Capital stock as of 30.06.2019	2019	2018	
Convenience							
Hilcona AG	Schaan (FL)	Convenience	■	CHF 1.0	100.0%	100.0%	
Hilcona Gourmet SA	Orbe (CH)	Convenience	■	CHF 0.6	100.0%	100.0%	
Hilcona Feinkost GmbH	Leinfelden-Echterdingen (DE)	Convenience	■	EUR 0.0	100.0%	100.0%	
Frostag Food-Centrum AG ²	Landquart (CH)	Convenience	■			100.0%	
Eisberg Holding AG	Dänikon (CH)	Management	■	CHF 0.7	100.0%	100.0%	
Eisberg AG ³	Dällikon (CH)	Convenience	■	CHF 0.1	100.0%	100.0%	
Eisberg Hungary Kft.	Gyál (HU)	Convenience	■	HUF 167.0	100.0%	100.0%	
Eisberg Spolka z o.o.	Legnica (PL)	Convenience	■	PLN 3.5	100.0%	100.0%	
Eisberg srl	Pantelimon (RO)	Convenience	■	RON 0.4	100.0%	100.0%	
E.S.S.P. España 2000 SL	Águilas (ES)	Convenience	■	EUR 0.0	100.0%	100.0%	
Sylvain & CO SA ⁴	Champvent (CH)	Convenience	■	CHF 0.1	100.0%	100.0%	
Dr. A. Stoffel Holding AG ⁵	Steinach (CH)	Management	■			100.0%	
Hügli Holding AG ⁵	Steinach (CH)	Management	■	CHF 0.5	100.0%	99.0%	
Hügli Nahrungsmittel AG ⁵	Steinach (CH)	Convenience	■	CHF 1.1	100.0%	99.0%	
Hügli Nahrungsmittel-Erzeugung GmbH ⁵	Hard (AT)	Convenience	■	EUR 0.8	100.0%	99.0%	
Hügli Nahrungsmittel GmbH ⁵	Radolfzell (DE)	Convenience	■	EUR 25.5	100.0%	99.0%	
Granovita S.A. ⁵	La Vall d'Uixó (ES)	Convenience	■	EUR 0.5	100.0%	99.0%	
Hügli UK Ltd. ⁵	Redditch (UK)	Convenience	■	GBP 0.0	100.0%	99.0%	
Bresc B.V. ⁵	Sleeuwijk (NL)	Convenience	■	EUR 0.0	100.0%	88.1%	
Ali-Big Industria Alimentare s.r.l. ⁵	Brivio (IT)	Convenience	■	EUR 0.1	100.0%	99.0%	
Hügli Food s.r.o. ⁵	Zásmuky u Kolína (CZ)	Convenience	■	CZK 80.0	100.0%	99.0%	
Hügli Food Élelmiszeripari Kft. ⁵	Budapest (HU)	Convenience	■	HUF 3.0	100.0%	99.0%	
Hügli Food Polska sp. z o.o. ⁵	Lódz (PL)	Convenience	■	PLN 0.1	100.0%	99.0%	
Hügli Food Slovakia s.r.o. ⁵	Trnava (SK)	Convenience	■	EUR 0.0	100.0%	99.0%	
Equity investments							
Centravo Holding AG	Zürich (CH)	By-products	○	CHF 2.0	29.7%	29.7%	
GVFI International AG	Basel (CH)	Meat trade	○	CHF 3.0	24.8%	24.8%	
Baltic Vianco OÜ	Rõuge Vald (EE)	Livestock trading	○	EUR 0.8	33.3%	33.3%	

2 Merger of Frostag Food-Centrum AG in Hilcona AG retroactively as of 1st January 2019.

3 Name change from Gastro Star AG to Eisberg AG as of 1st January 2019.

4 Acquisition of Sylvain & CO SA in May 2018.

5 Acquisition of 50.22 percent of Hügli in January 2018. Takeover of minority share until December 2018.

As of balance sheet date, Bell Food Group holds 100 percent of Hügli. As of 1 January 2019, Dr. A. Stoffel Holding AG was merged with Hügli Holding AG.

■ Fully consolidated

○ Consolidation at equity

5-year overview as at 30.06.

in CHF million	2019	2018	2017	2016	2015
Income statement					
Sales	2 023.0	2 062.1	1 734.5	1 616.3	1 280.2
Growth in % vs. prior year	-1.9%	18.9%	7.3%	26.2%	0.2%
Net revenue	1 985.7	2 020.0	1 712.5	1 591.5	1 264.3
Gross operating income	768.2	771.6	641.8	584.7	447.5
in % of Net revenue	38.7%	38.2%	37.5%	36.7%	35.4%
EBITDA	116.8	136.6	130.0	119.8	90.5
in % of Net revenue	5.9%	6.8%	7.6%	7.5%	7.2%
EBIT	11.0	55.2	65.4	61.0	45.5
in % of Net revenue	0.6%	2.7%	3.8%	3.8%	3.6%
Net result after taxes	-9.6	36.3	45.7	42.6	33.6
in % of Net revenue	-0.5%	1.8%	2.7%	2.7%	2.7%
Balance sheet					
Current assets	1 128.3	1 216.3	1 027.0	996.6	775.7
Non-current assets	1 550.1	1 537.3	1 171.7	1 141.2	925.4
Liabilities	1 437.0	1 506.1	1 199.0	1 224.9	874.0
Equity	1 241.5	1 247.5	999.8	912.9	827.1
Balance sheet total	2 678.4	2 753.6	2 198.7	2 137.8	1 701.1
Equity ratio	46.4%	45.3%	45.5%	42.7 %	48.6%
Financial liabilities					
Financial liabilities	903.2	964.5	730.7	726.0	482.5
./. Cash and cash equivalents	-204.5	-265.8	-285.8	-300.5	-172.9
./. Securities	-1.8	-2.0	-6.8	-5.2	-6.0
Net financial liabilities	696.9	696.7	438.1	420.3	303.6
Employees					
Headcount	FTE 12 163	11 878	10 275	10 043	8 262

Share information

		2019	2018	2017	2016	2015
Capital structure as of 30.06.						
Share capital	CHF million	3.1	3.1	2.0	2.0	2.0
Divided into number of registered shares	Number	6 285 712	6 285 712	4 000 000	4 000 000	400 000
Nominal value per registered share	CHF	0.50	0.50	0.50	0.50	5.00
Treasury shares	Number	6 424	9 595	7 148	5 130	8 630
Shares recorded in share register	Number	5 633 303	5 532 330	3 495 363	3 557 982	3 550 790
Registered shareholders		6 429	5 615	4 742	4 111	4 039

Share specification

Securities number	31 596 632
ISIN	CH0315966322
Trade	SIX Swiss Exchange
Symbol SIX	BELL; Bell N; Bell.SW
Current share price	www.bellfoodgroup.com
Principal shareholders	Coop Group Cooperative, Basel: 66.29 % No other shareholder owns more than 3 % of the shares

Contacts and publishing details



Online
www.bellfoodgroup.com/report-en

Latest news

Additional up-to-date information on the Bell Food Group is available on the Internet at www.bellfoodgroup.com.

Contacts

Headquarters

Bell Food Group Ltd • Elsässerstrasse 174 •
4056 Basel • Switzerland
Tel. +41 58 326 2000 • Fax +41 58 326 2100
info@bellfoodgroup.com • www.bellfoodgroup.com

Share Register

Bell Food Group Ltd • Elsässerstrasse 174 •
4056 Basel • Switzerland
Tel. +41 58 326 2020 • Fax +41 58 326 2119
share.registry@bellfoodgroup.com

Compliance

Michael Gloor • Chief Compliance Officer •
Bell Food Group Ltd • Elsässerstrasse 174 •
4056 Basel • Switzerland
Tel. +41 58 326 2754 • Fax +41 58 326 2100
michael.gloor@bellfoodgroup.com
www.bellfoodgroup.com

Corporate Communication

Bell Food Group Ltd • Elsässerstrasse 174 •
4056 Basel • Switzerland
Tel. +41 58 326 3030 • Fax +41 58 326 2114
media@bellfoodgroup.com

Brand websites

www.bell.ch
www.bell1869.com
www.abraham.de
www.monsieurpolette.fr
www.eisberg.com
www.hilcona.com
www.huegli.com

Bell Switzerland

Bell Schweiz AG • Elsässerstrasse 174 •
4056 Basel • Switzerland
Tel. +41 58 326 2626 • Fax +41 58 326 2100
info@bellfoodgroup.com • www.bellfoodgroup.com

Bell Germany

Bell Deutschland Holding GmbH
Brookdamm 21 • 21217 Seevetal • Germany
Tel. +49 40 768005 0 • Fax +49 40 768005 301
info.de@bellfoodgroup.com • www.bellfoodgroup.com

Bell International

Bell France Holding SAS
Champ Saint-Pierre • 63460 Teilhède • France
Tel. +33 473 64 3131 • Fax +33 473 64 3140
info.fr@bellfoodgroup.com • www.bellfoodgroup.com

Bell Polska Sp. z o.o.
Ul. Mokra 11 • 32-005 Niepolomice • Poland
Tel. +48 12 28100 34 • Fax +48 12 28100 38
info.pl@bellfoodgroup.com • www.bellfoodgroup.com

ZIMBO Perbál Húsipari Termelő Kft.
Ipari Park 5 • 2074 Perbál • Hungary
Tel. +36 26 570 500 • Fax +36 26 570 021
info.hu@bellfoodgroup.com • www.bellfoodgroup.com

Hubers Landhendl GmbH
Hauptstrasse 80 • 5223 Pfaffstätt • Austria
Tel. +43 7742 3208 0 • Fax +43 7742 3208 44
office@huberslandhendl.at • www.huberslandhendl.at

Eisberg

Eisberg Holding AG
Feldstrasse 12 • 8114 Dänikon • Switzerland
Tel. +41 44 847 2000 • Fax +41 44 847 3420
holding@eisberg.com • www.eisberg.com

Hilcona

Hilcona AG
Bendererstrasse 21 • 9494 Schaan •
Principality of Liechtenstein
Tel. +41 58 895 9595 • Fax +423 232 0285
info@hilcona.com • www.hilcona.com

Hügli

Hügli Holding AG
Bleichstrasse 31 • 9323 Steinach • Switzerland
Tel. +41 71 447 2211 • Fax +41 71 447 2998
info@huegli.com • www.huegli.com

Publishing details

General information

The language in this report is as far as possible gender neutral, but in the interest of readability only the masculine form may have been used. All terms used refer to people of both genders.

All amounts have been rounded individually.

Forward-looking statements

The half-year report includes certain forward-looking statements. These statements are based on assumptions and estimates as well as information available to the Bell Food Group at the editorial deadline, which means that actual results and events could deviate substantially from the expectations included or implied in the forward-looking statements.

Our half-year report is published in German, together with French and English translations. The printed German version shall prevail at all times. Additional printed copies of the half-year report are available at our head office or can be ordered via the Internet. The half-year report can also be downloaded at www.bellfoodgroup.com/report-en.

Published by

Bell Food Group Ltd
Elsässerstrasse 174
4056 Basel
Switzerland

Realisation

Davide Elia, Bell Food Group Ltd,
Head of Corporate Marketing/Communication

Fabian Vetsch, Bell Food Group Ltd,
Manager Corporate Communication

Concept, design

Phorbis Communications AG

Printing

Werner Druck & Medien AG, Basel