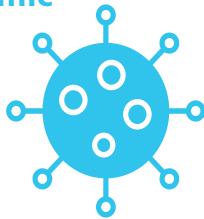


**Half-Year Report
2020**



Important events in the first half of 2020

First half overshadowed by coronavirus pandemic



The coronavirus pandemic affected the Bell Food Group in many different areas in the first half of 2020. Through the consistent implementation of protection and hygiene measures at all locations, we have been able to prevent the spread of the coronavirus in our facilities to date. At the same time, the Bell Food Group successfully fulfilled its mandate to provide food to the people. Thanks to our high productive capacity, the broad diversification of our product portfolio and the unflagging commitment of our employees, the Bell Food Group has thoroughly mastered this great challenge.

Many thanks!

A global challenge such as the coronavirus pandemic can only be mastered if everybody pulls together. Our employees therefore deserve a huge thank you. The Bell Food Group would never have been able to manage this extraordinary situation as well as it has without their commitment, flexibility and mutual solidarity.

Acid test passed

The implementation of measures to protect our employees and uncertainty about the future development of the pandemic demanded a great deal of us in the first half of 2020. We nevertheless managed to make sure that we were always ready to produce and deliver, even in the face of rapidly changing framework conditions.

Opposite effects



The coronavirus pandemic had a material impact on the development of the Bell Food Group's sales channels. For many weeks, the food service sales channel was almost completely paralysed by the closure of all catering establishments and the changes in eating patterns caused by the restricted mobility of the population. In contrast, the retail sales channel did substantially better year-on-year in almost all product groups. The core business with meat and meat products proved to be particularly resilient in times of crisis, especially in our home market Switzerland.

Leading position earned in Swiss market

With its ambition to actively help shape new trends in the area of convenience foods, the Bell Food Group earned a leading position in the booming market for vegetarian and vegan meat alternatives. «The Green Mountain Burger» launched in the first half of 2020 is one of the best-selling vegan burgers in the Swiss retail segment. The Bell Food Group also participated in another financing round of the Dutch start-up Mosa Meat, the world's foremost specialist for cultivated beef.

Suppressed convenience market



Growth in the international convenience market was suppressed by the outbreak of the coronavirus pandemic. The previous growth drivers, the food service segment, and the to-go and fresh convenience product groups in the retail segment, were particularly harshly affected. In contrast to meat and charcuterie, the loss of earnings in these areas were not compensated to an equal extent via the retail channel. The negative impact of the pandemic made it impossible to avoid a decline in sales revenue and profits.

Focus on air-dried ham and sustainable poultry products

With the sale of two production locations in Hungary and France in the first half of 2020, Bell International continued the concentration on air-dried ham and sustainable poultry products initiated in 2019. This particularly benefitted the Bell Germany and Hubers/Sütag divisions, who recorded pronounced progress in spite of the coronavirus pandemic.

Bell Switzerland posts substantial growth

The Bell Switzerland business area increased its sales revenue by 3.8 percent and sales volume by 1.6 percent on the prior-year period. The significant slump in sales in the food service market was compensated by considerably higher retail sales. The closing of the borders during the lockdown and thus the elimination of shopping tourism played an important role in this development.

Operating growth in the first half of 2020

At CHF 2.0 billion for the first half of 2020, the Bell Food Group's adjusted sales revenue was up CHF 59.3 million on the previous year. This translates into operating growth of 2.9 percent. The Bell Switzerland and Bell International divisions made a particular contribution to this growth. The Convenience business area on the other hand was affected most severely by the negative fallout of the coronavirus pandemic.

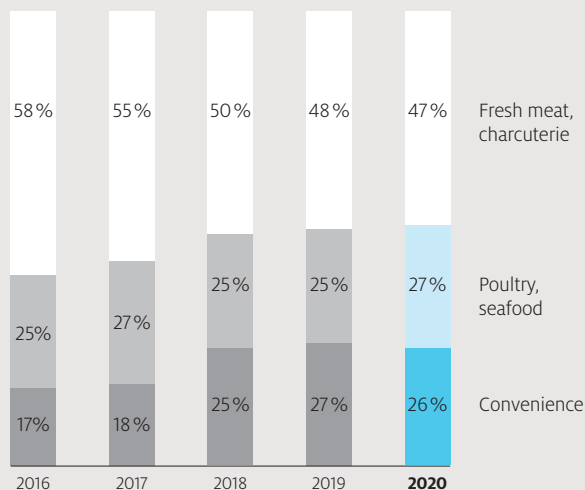
Operating sales growth

+2.9%

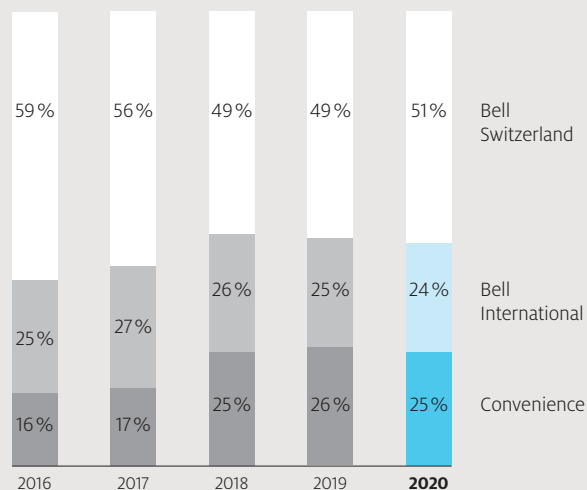
Key figures and share information

First half

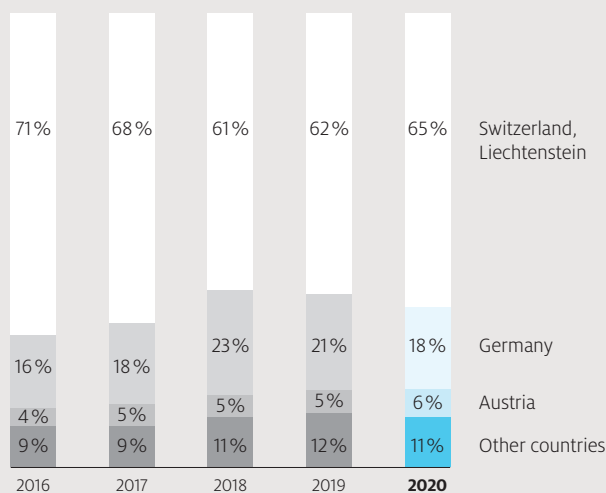
Breakdown of sales by product group
in %



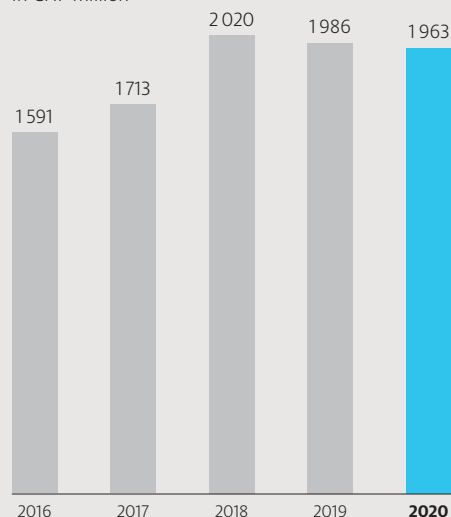
Breakdown of sales by business area
in %



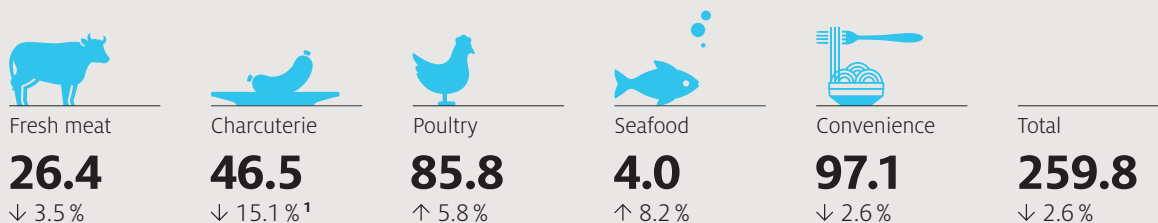
Breakdown of sales by country
in %



Net revenue
in CHF million



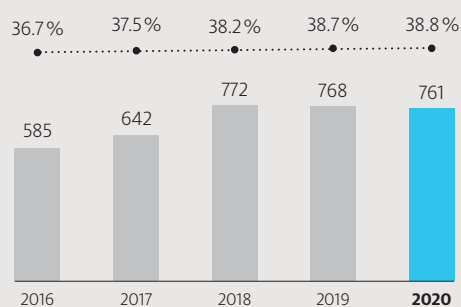
Sales volume by product group
in million kg



¹ The decline in sales volume is mainly due to the sale of the sausage business of Bell Germany at the end of the first half of 2019.

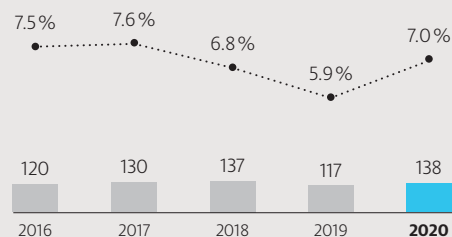
Gross operating income

in CHF million and in % of net revenue



EBITDA ²

in CHF million and in % of net revenue



EBIT ²

in CHF million and in % of net revenue



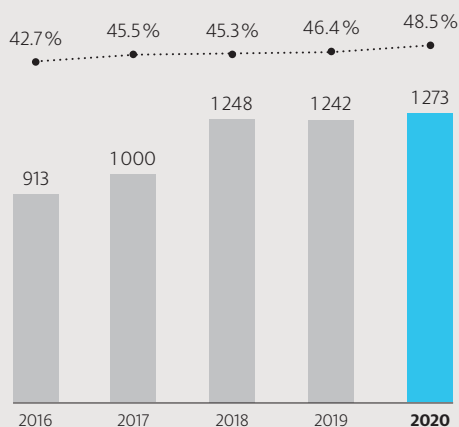
Half-year result ²

in CHF million and in % of net revenue



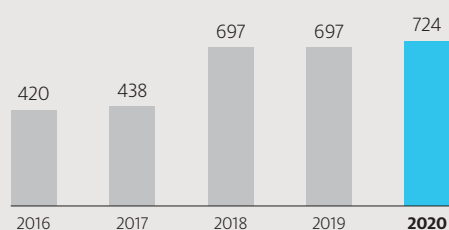
Equity

in CHF million and in % of total assets



Net financial liabilities

in CHF million
Financial liabilities minus cash and securities



Share information

Capital structure as of 30.06

		2019	2020
Share capital	CHF million	3.1	3.1
Divided into number of registered shares	Number	6 285 712	6 285 712
Nominal value per registered share	CHF	0.50	0.50
Treasury shares	Number	6 424	9 006
Shares recorded in share register	Number	5 633 303	5 613 645
Registered shareholders	Number	6 429	6 478

Share details

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 percent No further shareholders with over 3 percent of the shares

² Please refer to note 6 for an explanation of the exceptional effects in 2019.

Report by the Chairman of the Board of Directors
and the CEO of Bell Food Group Ltd.

Broadly supported business model and high productive capacity ensure a good operating result for the first half of 2020

Dear Shareholders,

At the Bell Food Group, the first half of 2020 was hugely dominated by the coronavirus pandemic. The fallout has affected the Bell Food Group in many different areas and had a material impact on business performance in the first six months.

As a key food manufacturer, the Bell Food Group found itself in a special situation. From the outset, the health of the employees was given the utmost priority. By consistently implementing the required hygiene and protection measures at all locations, we have thus far been able to prevent the spread of the coronavirus in our facilities. At the same time, the Bell Food Group was tasked with providing the people with high-quality food during the coronavirus pandemic.

Established routines and working models had to be reviewed and adapted at short notice. Thanks to the commitment and flexibility of our employees, we managed to rise to this challenge so that production and delivery readiness was guaranteed at all times. The production facilities had to cope with strong fluctuations in daily production volumes and new official requirements. At the same time, the coronavirus pandemic made it clear that an unprecedented global crisis can only be overcome with mutual solidarity and cooperativeness.

Due to the lockdown and many weeks of closure of large numbers of catering establishments, the food service sales channel was confronted with a huge slump in sales. Severe restrictions to mobility also significantly affected consumers' shopping and eating habits. These repercussions mainly affected the Convenience business area with its to-go product ranges and big reliance on food service sales.

In contrast, the Bell Food Group's important retail sales market posted a pronounced increase for all product groups except fresh convenience. This was noticeable in the core business with meat and meat products in all countries, but in particular in our home market of Switzerland. Here, the missing food service sales could be compensated by the growth posted for the retail channel. Border closures during the lockdown also completely eliminated shopping tourism. However, business performance was not only determined by external factors. The concentration on air-dried ham initiated last year and the consistent implementation of measures to enhance efficiency helped the Bell International business area to stand strong against the headwind and make substantial progress year-on-year.

Overview of the first half of 2020

In 2019, the Bell Food Group's result was strongly affected by a number of exceptional factors. To provide the best overview of current business performance, we are focusing on the operational development of the key figures. The reported figures have therefore been adjusted for foreign currency, acquisition and divestment effects. The previous year's foreign currency effects have been recalculated using current exchange rates. The acquisition and divestment effects include the sale of the German sausage business in 2019 and the exceptional factors affecting prior-year performance (start-up costs and development of prices for raw materials).

Performance Bell Food Group	2019	2020	+/-	%	of which:			
					Currency	Acquisition/ divestment	Operational	%
Sales volume in million kg	266.7	259.8	-6.9	-2.6%	-	-7.5	0.6	0.2%
Sales revenue in CHF m	2 023.0	1 995.3	-27.7	-1.4%	-45.1	-41.9	59.3	2.9%

Exceptional effects 2019	in CHF million
Reorganisation of Bell Germany	
One-off costs	35.0
Cost of idleness Bad Wünnenberg	2.0
Raw material prices	6.0
Start-up costs	4.0
Exceptional effects 2019	47.0

Operational progress

EBIT 2019 reported	11.0
Exceptional effects 2019	47.0
EBIT 2019 adjusted	58.0
EBIT 2020 reported	59.4

At CHF 2.0 billion in the first half of 2020, adjusted sales revenue for the Bell Food Group was up CHF 59.3 million on the previous year. At 259.8 million kilograms, sales volume was also up 0.2 percent year-on-year. The revenue that was lost through the sale of the German sausage business could therefore be compensated. Adjusted gross profit rose by CHF 18.5 million to CHF 760.8 million. Adjusted personnel and overhead costs were higher than in the previous year due to the growth in sales revenue and volume as well as the higher costs incurred during the coronavirus pandemic (e.g. protective and hygiene measures, process adjustments). However, the increase in costs was disproportionate to the development of sales, partly because of ongoing and active cost management by all divisions.

At CHF 137.8 million, reported EBITDA is higher than the adjusted prior-year figure. EBIT after deduction of depreciation and amortisation is CHF 59.4 million. Adjusted for exceptional costs, operational progress was CHF 1.4 million on the first half of 2019.

This result includes the coronavirus-related effects on revenues and costs. Positive developments in the retail channel made up for the difficulties faced by the food service channel, and cost measures neutralised the additional costs incurred in production. The coronavirus pandemic therefore had only a marginal effect on EBIT, and we are very satisfied with the result achieved in these difficult circumstances.

While the interest expenses of around CHF -4.2 million were down CHF 0.4 million on the previous year, exchange rate losses (CHF -5.7 million) burdened the financial result by CHF -2.8 million more than in 2019. As 2019 tax expenses were affected by a tax reform in Switzerland, adjusted tax expenses are CHF 3.3 million higher in the first half of 2020 as a result of the improvement in earnings. The reported half-year result is CHF 34.9 million.

The balance sheet as at 30 June 2020 does not contain any material changes compared to the end of 2019. The equity ratio is 48.5 percent and net financial liabilities amount to CHF 723.7 million. In the first half, the focus fell on securing the liquidity situation for all Group companies. A curb on investments in the current financial year was an important measure here. Various projects were postponed to a later date where this could be done without a negative fallout. Nevertheless, investments in property, plant and equipment as well as software amounted to CHF 82.3 million in the first half of 2020. Measures were also initiated to equip the Bell Food Group to respond to the further effects of the coronavirus pandemic. We are convinced that the Bell Food Group has a very solid financial foundation and is well equipped for the future.

The pandemic-dominated first half of 2020 has shown that the Bell Food Group's robust and sustainable business model and its commitment to performance can stand firm in unusual situations. Thanks to its very solid core business with meat and meat products and its innovative and growth-driving convenience business, the Group is ideally equipped to weather extraordinary circumstances.

Bell Switzerland

At CHF 1.0 billion, sales revenue for the Bell Switzerland business area improved by CHF 37.7 million or 3.8 percent year-on-year. At 62.6 million kilograms, sales volume was up 1.0 million kilograms (+1.6 %) on the prior-year period. Food service sales for Bell Switzerland collapsed in the wake of the coronavirus-driven closure of catering establishments. This loss in sales, however, was compensated by considerably higher retail sales, boosted not least by the closure of the borders to shopping tourists for some three months. This border closure clearly demonstrated the huge volume-related impact of cross-border shopping activities. Bell Switzerland responded well to short-term and substantial changes in product ranges and customer groups, and posted a better operating performance than in the previous year.

Bell Switzerland business area	2019	2020	+/-	%	of which:			
					Currency	Acquisition/ divestment	Operational	%
Sales volume in million kg	61.7	62.6	1.0	1.6%	–	–	1.0	1.6%
Sales revenue in CHF m	982.0	1 019.7	37.7	3.8%	–	–	37.7	3.8%

Bell International

The Bell International business area generated sales revenue of CHF 481.9 million in the first half of 2020. Adjusted sales revenue was CHF 42.1 million or 8.1 percent more than in 2019. At 102.4 million kilograms, adjusted sales volume is 2.2 million kilograms or 2.0 percent above the previous year. All three of the business area's divisions contributed to this progress. The results situation also improved further, partly because of the concentration on air-dried ham introduced by the Bell Germany division in 2019 and partly by the ongoing and consistent application of the efficiency enhancement measures initiated by the Hubers/Süttag division. The sale of the German sausage business considerably reduced Bell Germany's exposure to the food service sales channel and thus weakened the impact of the coronavirus pandemic. Raw material prices for pork in Europe rose sharply in 2019, but stabilised slightly in the first half of 2020. At the same time, it was possible to implement the required and long-overdue price increases. The coronavirus measures in Spain slowed down operations at the Serrano ham production plant in Fuensalida in the vicinity of Madrid that was commissioned in 2019.

On 1 July 2020, the Bell Food Group announced that it was selling its production plant in Perbál in Hungary to the Hungarian company Spar and its facility in Saint-André in France to the French company Isla Délice in the form of an asset deal. All employees will be taken on by the new owners. The Bell Food Group has thus continued its concentration on air-dried ham and sustainable poultry products in the Bell International business area. These two transactions will not have any material impact on the Group's operational result.

Bell International business area	2019	2020	+/-	%	of which:			
					Currency	Acquisition/ divestment	Operational	%
Sales volume in million kg	107.7	102.4	-5.3	-4.9%	-	-7.5	2.2	2.0%
Sales revenue in CHF m	513.7	481.9	-31.8	-6.2%	-31.5	-42.1	41.8	8.1%

Convenience

Within the Bell Food Group, the Convenience business area is affected most strongly by the fallout of the coronavirus pandemic. The previous growth drivers of the Hilcona, Eisberg and Hügli divisions – the food service segment and the to-go and fresh convenience product groups in the retail segment – were affected particularly harshly by the various lockdown measures implemented throughout Europe. In contrast to meat and charcuterie, the loss of earnings in the Convenience business area could not be compensated to an equal extent via the retail channel. Mobility restrictions and rapidly adjusted forms of working (e.g. remote working) have also triggered changes in eating habits. This is reflected in sales developments in the first half of 2020. At CHF 515.2 million, adjusted sales revenue for the Convenience business area declined by CHF 19.7 million or -3.6 percent year-on-year. The negative impact of the coronavirus pandemic made it impossible to avoid a decline in the results. The Convenience divisions immediately adjusted their costs to the new sales structures and implemented temporary measures wherever possible (e.g. short-time work). The new production plants for convenience products commissioned in 2019 in Marchtrenk in Austria and Bad Wünnenberg in Germany also laboured under the effects of the pandemic. We are convinced that the Convenience business area will regain its position as one of the Bell Food Group's drivers of sales and profit growth once the coronavirus measures are relaxed.

Convenience business area	2019	2020	+/-	%	of which:			
					Currency	Acquisition/ divestment	Operational	%
Sales volume in million kg	99.4	96.9	-2.4	-2.5%	-	-	2.4	-2.5%
Sales revenue in CHF m	548.9	515.2	-33.7	-6.1%	-14.0	-	-19.7	-3.6%

The Bell Food Group took important steps in the implementation of its four strategic directions in the first half of 2020.

To strengthen our leading position in our core business with meat, poultry, charcuterie and seafood, we started with the construction of our new deep-freeze store in Switzerland. A state-of-the-art store allowing us to concentrate all current internal and external storage facilities in a single location in Oensingen will be finished by the beginning of 2023. Productive capacity will also be substantially expanded while resource requirements will be halved. The successful «Operative Excellence» initiative introduced in Switzerland has proved to be so effective that it will now be rolled out in the other divisions of the Bell Food Group. With this programme, the employees are actively involved in the improvement of efficiency and productivity. Internationally, we are focusing on segments with intact perspectives that can achieve critical mass. In this context, we have further concentrated our international business by selling two facilities in Hungary and France.

The coronavirus pandemic put the brakes on short-term growth in the convenience area. We launched a number of innovations to further enhance the attractiveness of the convenience product range and managed to gain market share. The launch of «The Green Mountain» plant-based burger in the Swiss retail channel further expanded our leading position in vegetarian and vegan products in Switzerland. Within a short time, our meat alternatives produced in Switzerland became best sellers in this increasingly competitive segment, supporting our decision to further develop this product range. In this context, the Bell Food Group is taking part in another financing round for Mosa Meat, a company specialising in the production of cultured beef. This financing round is intended to support the commercial production and marketing of cultured beef.

To strengthen the food service channel, we are further expanding our range with tailored product and concept solutions. At the end of June 2020, the Bell Food Group's Hilcona division entered into a path-breaking collaboration with the University Hospital of Basel (UHB) for the marketing of nutritional solutions applying the promising MicroPast technology for hospitals and frail care centres. The UHB is a pioneer in this field and also boasts a wealth of expertise in the challenging nutritional aspects of frail care nursing. As Hilcona will, in future, market the menus produced by the UHB, it will be able to considerably expand its service portfolio for this growing segment.

Our new export organisation achieved further progress in the strengthening of our international presence. Exports to China and other world regions have picked up speed.

Focus on sustainability – new Sustainability Report of the Bell Food Group

As one of the three corporate missions, sustainability – in addition to quality and taste – plays a key role in the Bell Food Group's corporate conduct. The sustainability strategy applies to the whole Bell Food Group and is based on three pillars: «products and procurement», «environment and resources» and «employees and society». On 31 July 2020, the Bell Food Group published its first Sustainability Report for the 2019 financial year, thereby laying the foundation for detailed and transparent sustainability reporting in compliance with the criteria of the Global Reporting Initiative (GRI). The aim is to issue an in-depth annual report on the Bell Food Group's sustainability engagement in the future.

A good example of our commitment to sustainability is the PASplus poultry house, an epoch-making pilot project for the energy-neutral raising of broilers in accordance with the Swiss PAS standard (particularly animal-friendly stabling systems) launched by Bell Switzerland in 2020. The pilot house meets its energy requirements from its own renewable sources, does not generate any CO₂ and causes less dust and odour emissions. It also boasts its own heat recovery system and two fully air-conditioned outside areas.

Events after the reporting date

On 9 July 2020, the Bell Food Group sold the logistics activities of Bell Benelux to Kivits-Drunen. The Dutch logistics company took on ten of the employees at the Zelik location in Belgium and will, in future, function as the logistics partner of Bell Benelux. This transaction will not have any material impact on the Group's operational result.

In July, the French authorities published a report about violations of competition rules in the pork sector in France between 2010 and 2013. The allegations target a number of producers and trading companies, including companies that now belong to Bell France. The Bell Food Group is studying the report and reserves the right to take legal steps.

Outlook

As the effects of the coronavirus pandemic will surely continue to be felt in the second half of 2020, it is difficult to formulate an outlook for the rest of the year. The Bell Food Group expects the partial lifting of coronavirus restrictions to lead to a step-by-step recovery in sales for the food service channel. It will take some time, however, for business to return to previous levels. Retail sales on the other hand are likely to be more or less the same as before the pandemic. For the Swiss market, it can also be assumed that shopping tourism will return to its previous levels after a transition period. Thanks to its reaction and production capacity, the Bell Switzerland business area is well equipped to respond to these developments.

The Bell International business area is expecting tensions to remain high in price negotiations with customers in view of the volatile development of raw material prices for pork. Given the clear focus on high-quality air-dried ham and sustainable poultry products as well as successful initiatives to improve efficiency and productivity, we are genuinely confident that we can continue the pronounced upwards trend. When it comes to the Convenience business area, we are convinced that its strategic direction and remarkable capability for innovation will allow it to benefit from the expected recovery of the food service and out-of-home eating markets in the second half of 2020.

On behalf of the Board of Directors and the Group Executive Board, we would like to thank our employees for their great and impressive commitment in these special times. Thanks to the unflagging efforts of all employees, production and delivery readiness could be guaranteed at all times. We also owe a thank you to our customers and business partners for their respectful cooperation and the institutions and authorities for their constructive support. All of them have played a decisive role in making it possible for the Bell Food Group to cope so well with this extraordinary challenge to date.

We thank you, our valued shareholders, for the trust you have placed in the Bell Group. We will continue to do our utmost in future to develop the company sustainably and in the best interests of all our stakeholders.



Hansueli Loosli
Chairman of the Board of Directors



Lorenz Wyss
Chairman of the Group Executive Board

Consolidated balance sheet

in CHF million	Note	30.06.2020	Share	31.12.2019	Share	30.06.2019	Share
Cash and cash equivalents		142.7		202.0		204.5	
Securities		1.9		1.9		1.8	
Trade accounts receivables		356.1		403.1		389.3	
Other receivables		53.1		55.0		66.3	
Inventories		453.0		426.3		441.5	
Accrued income and prepaid expenses		23.9		15.6		24.8	
Current assets		1 030.7	39.2 %	1 103.9	40.7 %	1 128.3	42.1 %
Financial assets		57.3		57.0		53.5	
Intangible assets		235.7		248.5		261.6	
Tangible assets		1 303.4		1 302.6		1 234.9	
Non-current assets		1 596.4	60.8 %	1 608.2	59.3 %	1 550.1	57.9 %
Assets		2 627.0	100.0 %	2 712.0	100.0 %	2 678.4	100.0 %
Current financial liabilities		4.4		13.3		37.8	
Trade accounts payable		167.8		264.2		204.9	
Other current liabilities		31.0		18.4		38.9	
Current provisions		6.2		6.4		15.0	
Accrued expenses and deferred income		176.0		153.9		167.3	
Current liabilities		385.5	14.7 %	456.2	16.8 %	463.9	17.3 %
Non-current financial liabilities		863.9		864.2		865.4	
Non-current provisions		104.7		104.4		107.7	
Non-current liabilities		968.6	36.9 %	968.6	35.7 %	973.1	36.3 %
Liabilities		1 354.1	51.5 %	1 424.7	52.5 %	1 437.0	53.6 %
Share capital		3.1		3.1		3.1	
Capital reserves		198.6		216.0		216.5	
Retained earnings		1 177.0		1 144.6		1 144.6	
Translation differences		-138.1		-123.0		-111.1	
Treasury shares	3	-2.8		-3.3		-2.3	
Half-year result		34.9		49.6		-9.6	
Equity excl. minority interests		1 272.8	48.4 %	1 287.1	47.5 %	1 241.3	46.3 %
Minority interests		0.2		0.2		0.2	
Equity		1 272.9	48.5 %	1 287.3	47.5 %	1 241.5	46.4 %
Liabilities and equity		2 627.0	100.0 %	2 712.0	100.0 %	2 678.4	100.0 %

Consolidated income statement

in CHF million	Note	1 st HY 2020	Share	1 st HY 2019	Share
Net revenue	1/2	1 963.0	100.0 %	1 985.7	100.0 %
Cost of goods sold		1 202.2	61.2 %	1 217.5	61.3 %
Gross operating income		760.8	38.8 %	768.2	38.7 %
Personnel expenses		405.6		416.1	
Rents		20.3		21.2	
Energy, auxiliary materials		37.6		38.1	
Repair and maintenance		49.8		49.3	
Transport		59.4		65.1	
Advertising		16.0		20.7	
Other operating expenses	6	34.2		40.9	
Total operating expenses		623.0	31.7 %	651.4	32.8 %
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		137.8	7.0 %	116.8	5.9 %
Amortisation of intangible assets		4.4		4.1	
Amortisation of goodwill		13.4		13.9	
Depreciation of tangible assets	6	60.6		87.8	
Earnings before interest and taxes (EBIT)		59.4	3.0 %	11.0	0.6 %
Financial result		-9.9		-7.5	
Net income from associated companies		1.0		1.1	
Net profit before taxes (EBT)		50.5	2.6 %	4.6	0.2 %
Taxes	6	15.6		14.3	
Net result after taxes		35.0	1.8 %	-9.6	-0.5 %
Third-party interest in net result		0.0		-0.1	
Half-year result		34.9	1.8 %	-9.6	-0.5 %
Earnings per share (in CHF, diluted and undiluted)	4	5.57		-1.52	

With regard to exceptional effects, refer to note 6.

Consolidated cash flow statement

in CHF million	Note	1 st HY 2020	1 st HY 2019
Net result after taxes		35.0	-9.6
Depreciation of tangible assets		60.6	62.8
Amortisation of intangible assets		17.8	18.0
Extraordinary depreciation	6	-	25.0
Other non-cash income (-)/expenses (+)		6.6	5.1
Income (-)/loss (+) from sale of tangible assets		0.3	-0.1
Dividends from associated companies		0.4	0.4
Net income from associated companies		-1.0	-1.1
Income (-)/loss (+) from sale of investments		-	-
Increase (+)/decrease (-) in provisions		2.7	11.6
Increase (-)/decrease (+) in receivables		42.6	16.3
Increase (-)/decrease (+) in inventory		-32.8	-33.1
Increase (-)/decrease (+) in accrued income and prepaid expenses		-8.4	-7.1
Increase (+)/decrease (-) in current liabilities		-78.2	-20.9
Increase (+)/decrease (-) in accrued expenses and deferred income		40.6	26.8
Operating cash flow		86.1	94.0
Investment (-)/divestment (+) of securities		-0.1	-0.7
Investment in other companies and financial assets		0.0	-3.1
Acquisition (+)/sale (-) of cash and cash equivalents		-	-
Divestment of other companies and financial assets		0.2	0.4
Investment in intangible assets		-5.1	-3.3
Divestment of intangible assets		0.0	-
Investment in tangible assets		-97.6	-90.3
Divestment of tangible assets		1.5	1.1
Cash flow from investing activities		-101.0	-95.9
Proceeds from (+)/repayment of (-) current financial liabilities		-9.2	-0.3
Proceeds from (+)/repayment of (-) non-current financial liabilities		-	-
Proceeds from (+) capital increases		-	-
Acquisition (-)/sale (+) of minorities		-0.2	-0.2
Investment in (-)/divestment of (+) treasury shares		0.5	-
Dividend		-34.5	-34.7
Cash flow from financing activities		-43.4	-35.1
Cash flow balance		-58.3	-37.1
Cash and cash equivalents as of 01.01.		202.0	242.8
Effect of currency translation on cash and cash equivalents		-1.0	-1.2
Changes in cash and cash equivalents		-58.3	-37.1
Cash and cash equivalents as of 30.06.		142.7	204.5

Consolidated 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 01.01.2020	3.1	216.0	1 144.6	-123.0	-3.3	49.6	1 287.1	0.2	1 287.3
Changes in scope of consolidation	-	-	-	-	-	-	-	-	-
Acquisition minorities	-	-0.2	-	-	-	-	-0.2	0.0	-0.2
Appropriation of annual profit	-	-	49.6	-	-	-49.6	-	-	-
Dividend	-	-17.3	-17.3	-	-	-	-34.5	-	-34.5
Additions/disposals of treasury shares	-	-	-	-	0.5	-	0.5	-	0.5
Half-year result	-	-	-	-	-	34.9	34.9	0.0	35.0
Currency translation differences	-	-	-	-15.1	-	-	-15.1	-0.0	-15.1
Equity as of 30.06.2020	3.1	198.6	1 177.0	-138.1	-2.8	34.9	1 272.8	0.2	1 272.9
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	-	-	-	-	-	-	-	-	-
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	-	-	-	-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

Comments to the half-year report 2020 of the Bell Food Group

Basis of accounting

The principles governing consolidation, valuation, structure and presentation comply in entirety with the entire Accounting and Reporting Recommendations (Swiss GAAP ARR). They apply to all companies included in the scope of consolidation. The consolidation and valuation principles are the same as for the consolidated financial statements 2019 as set out in pages 62–65 of the 2019 Annual Report. There have been no changes in the consolidation and valuation principles compared to the 2019 Annual Report.

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

There are no material changes in the scope of consolidation compared with the 2019 Annual Report. Please refer to pages 22 and 23 of the half-year report for an overview of the significant shareholdings 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 at 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 2020	1 st HY 2019
Balance sheet	EUR 1	= CHF 1.0651	= CHF 1.1105
	CZK 1	= CHF 0.0398	= CHF 0.0436
	HUF 100	= CHF 0.2987	= CHF 0.3534
	PLN 1	= CHF 0.2390	= CHF 0.2613
	USD 1	= CHF 0.9512	= CHF 0.9758
	GBP 1	= CHF 1.1673	= CHF 1.2386
	RON 1	= CHF 0.2201	= CHF 0.2346
Income statement	EUR 1	= CHF 1.0641	= CHF 1.1299
	CZK 1	= CHF 0.0404	= CHF 0.0440
	HUF 100	= CHF 0.3083	= CHF 0.3527
	PLN 1	= CHF 0.2412	= CHF 0.2632
	USD 1	= CHF 0.9658	= CHF 1.0001
	GBP 1	= CHF 1.2173	= CHF 1.2940
	RON 1	= CHF 0.2209	= CHF 0.2383

Events occurring after the balance sheet date

On 9 July 2020, the Bell Food Group sold the logistics activities of Bell Benelux to Kivits-Drunen. The transaction will not have any material impact on the Group's operational result.

On 16 July 2020, the French competition authority imposed a fine of EUR 6 million on companies that now belong to Bell France. Bell Food Group is reviewing the ruling and reserves the right to take legal action.

All amounts have been rounded individually.

Notes to the consolidated financial statements

1. Net revenue

in CHF million	1 st HY 2020	Share	1 st HY 2019	Share
Sales by country				
Switzerland, Liechtenstein	1 294.8	65 %	1 255.9	62 %
Germany	367.6	18 %	423.7	21 %
Austria	112.6	6 %	107.9	5 %
France	63.9	3 %	65.0	3 %
Poland	35.5	2 %	38.7	2 %
Benelux	29.2	1 %	30.8	2 %
Hungary	24.0	1 %	26.2	1 %
Great Britain	16.5	1 %	17.0	1 %
Spain	13.4	1 %	14.2	1 %
Czech Republic	9.5	0 %	11.2	1 %
Romania	7.8	0 %	8.6	0 %
Italy	3.3	0 %	5.9	0 %
Other countries	17.3	1 %	17.8	1 %
Sales by country	1 995.3	100 %	2 023.0	100 %
Sales by product group				
Fresh meat	431.3	22 %	443.2	22 %
Charcuterie	487.8	24 %	506.6	25 %
Poultry	446.9	22 %	422.2	21 %
Seafood	101.6	5 %	90.2	4 %
Convenience	517.7	26 %	548.5	27 %
Other sales	10.0	1 %	12.3	1 %
Sales by product group	1 995.3	100 %	2 023.0	100 %
Reconciliation to net revenue				
Other revenue	26.1		28.9	
Sales deductions	-58.4		-66.2	
Net revenue	1 963.0		1 985.7	

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 an impact on half-year sales.

Notes to the consolidated financial statements

2. Segment reporting

Half-year 2020		Bell Switzerland	Bell International	Convenience	Consolidation	Bell Food Group
Volume	in million kg	62.6	102.4	96.9	-2.2	259.8
Sales	in CHF million	1 019.7	481.9	515.2	-21.5	1 995.3
Investment in PP&E/Software	in CHF million	22.1	17.4	42.8	-	82.3
Headcount	FTE	3 522	3 716	4 904	-	12 141
Half-year 2019						
Volume	in million kg	61.7	107.7	99.4	-2.1	266.7
Sales	in CHF million	982.0	513.7	548.9	-21.6	2 023.0
Investment in PP&E/Software	in CHF million	18.0	30.7	44.7	-	93.4
Headcount	FTE	3 532	4 269	4 733	-	12 534

As of 1 July 2019, the business areas were reorganised into Bell Switzerland, Bell International and Convenience. The new organisational structure has since been reflected accordingly in the segment reporting. The previous year's figures have been adjusted.

Notwithstanding the complementary recommendations for listed companies (Swiss GAAP ARR 31), the Board of Directors of Bell Food Group Ltd. will not publish any detailed segment results in the interests of the company. The reasons are explained on page 75 of the 2019 Annual Report (note 16 Segment reporting).

3. Treasury shares

in CHF million	2020		2019	
	Number of items	Value	Number of items	Value
Balance as of 01.01.	11 037	3.3	6 424	2.3
Acquisitions	–	–	–	–
Disposals	–2 031	–0.5	–	–
Balance as of 30.06.	9 006	2.8	6 424	2.3

The average transaction price of the disposals of treasury shares amounted to CHF 234.60. No disposals of treasury shares were made in the first half of 2019.

4. Earnings per share

	2020	2019
Number of shares as of 30.06.	6 285 712	6 285 712
Average time-weighted number of outstanding shares	6 274 872	6 279 288
Half-year result	in CHF thousands 34 942	–9 562
Earnings per share	in CHF, diluted and undiluted 5.57	–1.52

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.

Notes to the consolidated financial statements

5. Acquisition/disposal of companies and parts of companies

Half-year 2020

No company acquisitions or sales took place in the first half of 2020. On 1 July 2020, the following sales of production plants were announced:

Sale of production plant in Saint-André in France

The Bell Food Group has sold its production facility in Saint-André to the French Isla Délice. The transfer of the 70 employees is scheduled for the end of February 2021. The property, plant and equipment have already been sold as of 30 June 2020. The Bell Food Group plans to integrate the activities of Saint-André into its main site in Teillhède. The sale of the production plant will therefore have no impact on the net revenue of the Bell International business area.

Sale of production plant in Perbál in Hungary

On 26 June 2020 Bell Food Group signed the sales contract for the production plant in Hungary. The Hungarian company Spar will take over the property, plant and equipment of the Perbál production plant, including the approximately 200 employees, probably as of 31 October 2020. It was agreed not to disclose the purchase terms. Due to the fact that the approval of the national competition authorities is still pending, no effects resulting from the sale transaction were taken into account in the half-year financial statements. The production plant in Hungary, which specialises in the manufacture of charcuterie, is organisationally part of the Bell International business area and generated net revenue of CHF 12.1 million in the first half of 2020 and CHF 25.0 million in the 2019 financial year.

The two transactions lead to insignificant one-off effects and therefore have no significant impact on the results of the Bell Food Group.

Half-year 2019

The following transactions were carried out in the first half of 2019:

in CHF million	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	–

Sale of the German sausage business

On 24 June 2019, Bell Food Group announced the sale of its German sausage business. The German plants in Suhl and Börger were sold to the Zur Mühlen Group at the end of July 2019 in the form of a transfer of operations following approval by the relevant competition authorities. The parties have agreed not to disclose the purchase terms. With regard to exceptional effects, refer to note 6.

In organisational terms, the German sausage business belonged to the Bell International business area and contributed CHF 39.4 million to the net revenue of this segment in the first half of 2019 and CHF 46.4 million in the 2019 financial year.

6. Exceptional effects

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

Half-year 2020

The ordinary result for the first half of 2020 of the Bell Food Group does not include any significant exceptional effects.

Half-year 2019

Sale of German sausage business

The sale of the German sausage business had a negative impact of CHF 35.0 million on the 2019 half-year financial statements of Bell Food Group. This amount included extraordinary depreciation on tangible assets in the amount of CHF 25.0 million and contractual exit costs of CHF 10.0 million.

Tax reform and AHV financing in Switzerland

The implementation of the «Tax Reform and AHV Financing» (STAF) had a negative impact on income taxes of CHF 2.0 million in 2019.

in CHF million	1 st HY 2020	1 st HY 2019
Non-recurring expenses included in:		
Other operating expenses	–	10.0
Impact on EBITDA	–	–10.0
Depreciation of tangible assets	–	25.0
Impact on EBIT	–	–35.0
Income taxes	–	2.0
Impact on half-year result	–	–37.0

Notes to the consolidated financial statements

7. Significant shareholdings of the Bell Food Group

Below, all significant shareholdings of the Bell Food Group are listed. Inactive companies or certain companies with an 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 30.06.2020		2020	2019
Bell Switzerland							
Bell Food Group Ltd.	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 International							
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 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%
Maison 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%
Brütere 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.	Niepolomice (PL)	Charcuterie	■	PLN 10.0		100.0%	100.0%
ZIMBO Perbal Húsipari Termelő Kft. ¹	Perbál (HU)	Charcuterie	■	HUF 400.0		100.0%	99.8%

¹ In March 2020, the Bell Food Group acquired the remaining 0.25 % minority interest in ZIMBO Perbal Húsipari Termelő Kft.

■ Fully consolidated
○ Consolidation at equity

7. 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 30.06.2020	2020	2019
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%
Eisberg Holding AG	Dänikon (CH)	Management	■	CHF 0.7	100.0%	100.0%
Eisberg AG	Dällikon (CH)	Convenience	■	CHF 0.1	100.0%	100.0%
Eisberg Österreich GmbH	Marchtrenk (AT)	Convenience	■	EUR 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	Aguilas (ES)	Convenience	■	EUR 0.0	100.0%	100.0%
Sylvain & CO SA	Champvent (CH)	Convenience	■	CHF 0.1	100.0%	100.0%
Hügli Holding AG	Steinach (CH)	Management	■	CHF 0.5	100.0%	100.0%
Hügli Nahrungsmittel AG	Steinach (CH)	Convenience	■	CHF 1.1	100.0%	100.0%
Hügli Nahrungsmittel-Erzeugung GmbH	Hard (AT)	Convenience	■	EUR 0.8	100.0%	100.0%
Hügli Nahrungsmittel GmbH	Radolfzell (DE)	Convenience	■	EUR 25.5	100.0%	100.0%
Granovita S.A.	La Vall d'Uixó (ES)	Convenience	■	EUR 0.5	100.0%	100.0%
Hügli UK Ltd.	Redditch (UK)	Convenience	■	GBP 0.0	100.0%	100.0%
Bresc B.V.	Sleeuwijk (NL)	Convenience	■	EUR 0.0	100.0%	100.0%
Ali-Big Industria Alimentare s.r.l.	Brivio (IT)	Convenience	■	EUR 0.1	100.0%	100.0%
Hügli Food s.r.o.	Zásmuky u Kolína (CZ)	Convenience	■	CZK 80.0	100.0%	100.0%
Hügli Food Élelmiszeripari Kft.	Budapest (HU)	Convenience	■	HUF 3.0	100.0%	100.0%
Hügli Food Polska sp. z o.o.	Lódz (PL)	Convenience	■	PLN 0.1	100.0%	100.0%
Hügli Food Slovakia s.r.o.	Trnava (SK)	Convenience	■	EUR 0.0	100.0%	100.0%
Investments in associated companies						
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%

- Fully consolidated
 ○ Consolidation at equity

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Online
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Latest news

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

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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.

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