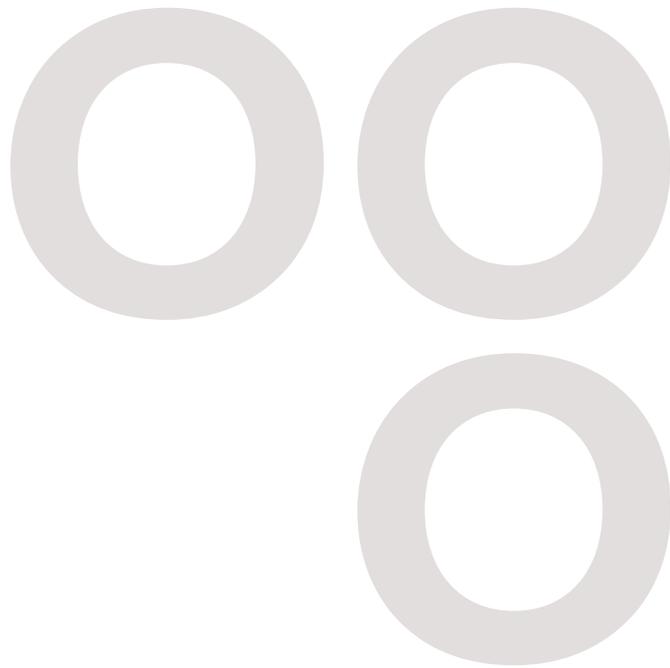

Half-Year Report 2021



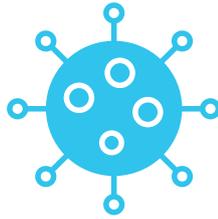
**BELL
FOOD
GROUP**



LEADING IN FOOD

Important events in the first half of 2021

Coronavirus pandemic shapes first half of 2021



In the first half of 2021, the coronavirus pandemic continued to exert a strong influence on the business of the Bell Food Group. The countries of Europe were overrun by the third wave of the pandemic at the beginning of the year. The measures to stop the spread of the pandemic led to more or less severe restrictions to public life in all countries. As in the previous year, this had a material impact on the sales channels of the Bell Food Group. The closure of restaurants and the ban on public events had a negative impact on the food service sales channel and the business with to-go convenience products. In Switzerland, the retail sales channel and in particular the core business with meat and meat products benefited from the restricted mobility and, above all, the restrictions on shopping tourism.

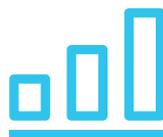
Progressive opening

The progressive easing of measures from April 2021 gave birth to the first signs of normalisation, which strengthened in the course of the second quarter. The increased mobility and opening of restaurants meant that customer and product range mixes returned to pre-pandemic times. The food service sales channel and the to-go segment showed clear signs of recovery, while the retail segment remained at a very high level. The return of shopping tourism to the core market Switzerland from May 2021 finally led to a trend reversal in the retail market. It is not yet clear how strongly or how quickly shopping tourism will return to its previous levels. It remains to be seen to what extent the new shopping and eating habits of the population developed during the pandemic will change again.

The prior-year coronavirus effect

The coronavirus pandemic makes it very difficult to compare the results for the first halves of 2020 and 2021. While business was mostly normal during the first three months of 2020, the onset of the pandemic and in particular the first lockdown caused enormous distortions. Panic buying was seen for certain product groups in April 2020, such as tinned goods and non-perishable products. The food service market collapsed in May and June 2020. The retail sales channel on the other hand improved substantially and was also fuelled by the disappearance of shopping tourism. The Bell Food Group adapted to the changed conditions by changing production processes and internal procedures as well as safety concepts.

Strong performance by Bell Switzerland



The business area Bell Switzerland continued the strong performance of the 2020 financial year in the first half of 2021. Growth was once again driven by the retail business, which did particularly well in the first four months before the resurgence of shopping tourism.

Further progress for Bell International



The positive effects of the focusing strategy continue to support the business area Bell International. The poultry business in Germany and Austria posted strong growth in the organic segment in particular. The air-dried ham market remained stable in spite of a weak asparagus season. The good news is that the Serrano ham and diced ham business outstripped the already strong performance of the previous year.



Recovery for the business area Convenience

The business area Convenience benefited from the easing of the coronavirus measures in the first half of 2021. There was no repeat of the panic buying of the previous year and the important fresh convenience segment saw a noticeable recovery. Sales of vegan meat alternatives under “The Green Mountain” brand grew strongly in the first half of 2021. The business with cut salads and vegetables also did well in Switzerland.

Focus on ultra-fresh convenience products

Although the coronavirus put a temporary brake on the ultra-fresh convenience business, the Bell Food Group remains convinced of the growth potential of ultra-fresh food for out-of-home consumption. The ultra-fresh business in Switzerland has been expanded with the takeover of the sandwich production activities of Aryzta. The planned product range programme has now been completed with the commissioning of the new production hall for poultry and vegetable convenience products in Marchtrenk in Austria.

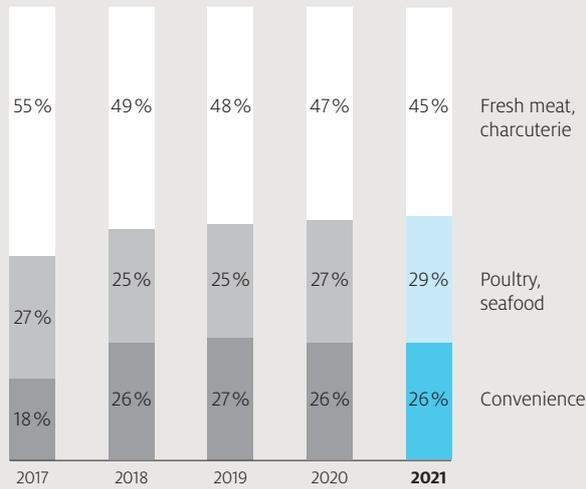
Investments in the future

The Bell Food Group is investing in a productive and sustainable future in Switzerland and Liechtenstein. In Oensingen, Bell Switzerland is building three ultra-modern, forward-looking industrial plants on the Holinden site. Construction of the deep-freeze warehouse has already started, and the foundation stones have been laid for the slicer centre and the Centro logistics platform. The application for a building permit for a new cattle slaughterhouse at the neighbouring Dünnerstrasse has also been submitted. At its headquarters in Schaan (FL), Hilcona is investing in improving the productive strength and resource efficiency of its production infrastructure as part of a master plan. A new production plant is currently being built. Eisberg Switzerland is modernising its sites in Dällikon and Essert-sous-Champvent, while the sites in Villigen and Dänikon will be progressively closed by 2026.

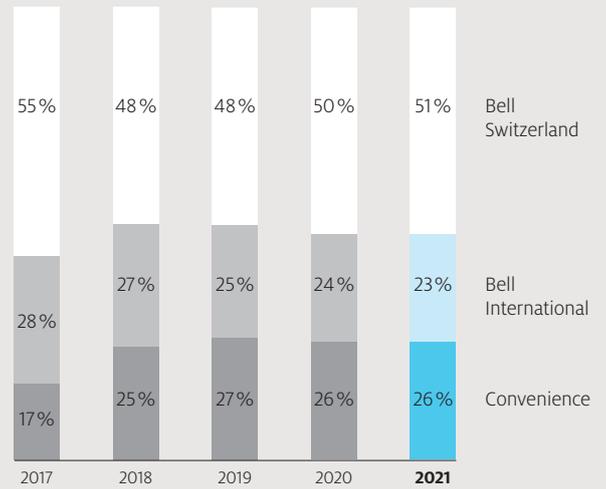
Key figures and share information

First half-year

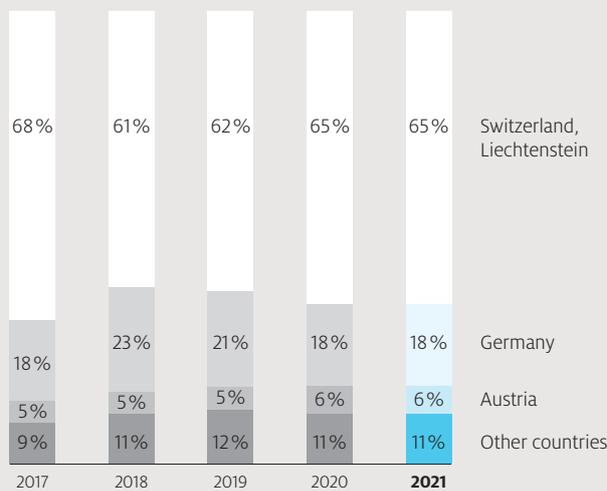
Breakdown of sales by product group
in %



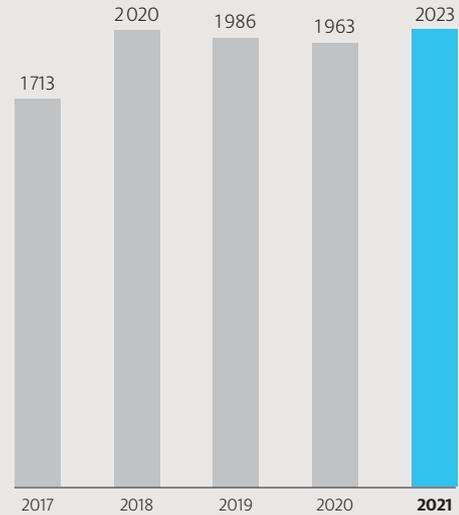
Breakdown of sales by business area
in %



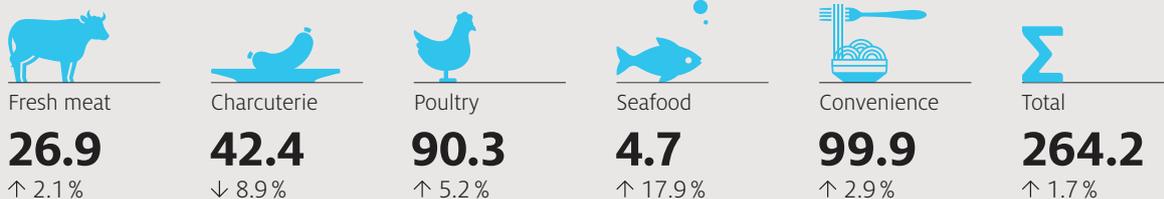
Breakdown of sales by country
in %



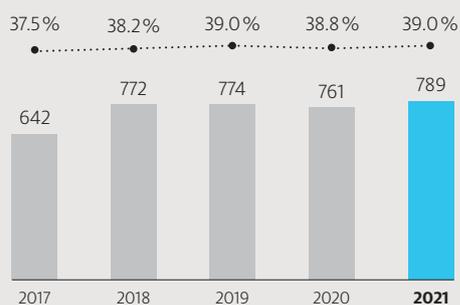
Net revenue
in CHF million



Sales volume by product group
in million kg



Gross operating income adjusted¹
in CHF million and in % of net revenue



EBITDA adjusted¹
in CHF million and in % of net revenue



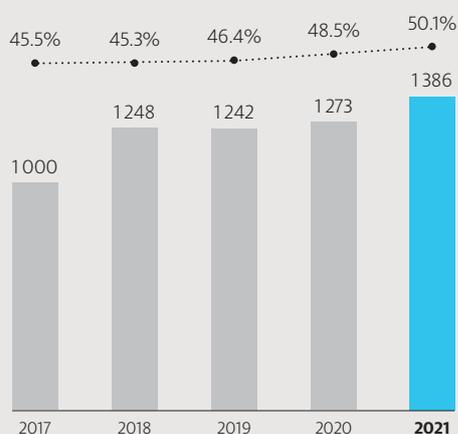
EBIT adjusted¹
in CHF million and in % of net revenue



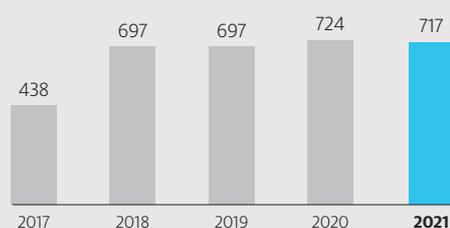
Half-year profit adjusted¹
in CHF million and in % of net revenue



Equity
in CHF million and in % of total assets



Net financial liabilities¹
in CHF million



Share information

Capital structure as of 30.06		2020	2021
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	9 006	14 603
Shares recorded in share register	Number	5 613 645	5 662 263
Registered shareholders	Number	6 478	6 460

¹ Adjusted figures according to separate publication "Alternative performance measures".

Share details

Securities number	31 596 632
ISIN	CH0315966322
Legal entity identifier (LEI)	50670090YSFJ2732TD58
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

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

Editorial

Dear Shareholders

The Bell Food Group repeated the success of the 2020 financial year and once again posted a substantial improvement in results for the first half of 2021. All business areas contributed to the good result. The main driver of this positive development was the strong core business with meat and meat products in the Swiss retail market. Thanks to our broadly supported business model and high productive capacity, we once again mastered the difficult framework conditions.

The coronavirus pandemic also impacted the business results of the Bell Food Group in the first half of 2021. The retail business in Switzerland, which was very strong once again, managed to cushion the losses suffered in the food service and to-go convenience segments. The easing of measures during the course of the second quarter slowly but surely indicated a return to the normal situation. This in particular helps the business area Convenience that was severely affected by the negative fallout of the coronavirus pandemic due to its comparatively high component of food services. The retail business, on the other hand, returned to pre-pandemic levels, in particular due to the resurgence of shopping tourism.

Overview of first half of 2021¹

Substantial growth in profit

The Bell Food Group improved its adjusted half-year profit for 2021 by CHF 16.1 million (+46.1%) to CHF 51.0 million. This growth in profit is supported on the one hand by the higher added value created by changes to the mix of customers and product ranges, and on the other by positive foreign currency effects. The exceptional of CHF 1.0 million refers to additional valuation adjustments for tangible assets that were included in the consolidated accounts for reasons of risk management. The current half-year results are very encouraging and confirm that the Bell Food Group is on the right track with its strategic thrusts. The broadly supported business model also proved to be very sound during the coronavirus pandemic.

Half-year results in CHF million	2020	2021	Δ	%
Reported	34.9	50.0	+15.1	+43.2%
Exceptionals	-	1.0		
Adjusted	34.9	51.0	+16.1	+46.1%
included therein:				
EBIT growth			+6.2	
Foreign currency result			+9.4	
Other effects			+0.5	

¹ To provide the best overview of current business performance, the Bell Food Group is focusing on the operational development of the key figures. The reported figures have therefore been adjusted for foreign currency and inorganic effects. The previous year's foreign currency effects have been recalculated using current exchange rates. The inorganic effects include the sale of the Perbál production facility in Hungary at the end of October 2020. The separate publication "Alternative performance indicators" provides a detailed reconciliation of the key figures.

Coronavirus shapes operating business

The operating business was also impacted strongly by the coronavirus pandemic in the first half of 2021. Driven by the lockdown of the food service segment and the restrictions on shopping tourism, the retail channel in the home market of Switzerland continued to grow far into the second quarter. In contrast, the food service sales channel and to-go product ranges suffered from the fallout of the pandemic in Switzerland as well as in Europe. Towards the end of the first half, the easing of the coronavirus measures helped the food service and to-go convenience markets to recover and made it possible for the business area Convenience in particular to start growing again. Seen overall, net revenue rose by CHF 54.6 million (+2.8%) to CHF 2.0 billion.

in CHF million				of which:		
	1 st HY 2020	1 st HY 2021	Δ	Exchange rate effect	Inorganic	Organic
Sales revenue	1 995.3	2 054.1	58.8	16.9	-11.3	53.1
in % to 1 st HY 2020			2.9 %			2.7 %
Net revenue	1 963.0	2 023.2	60.3	16.4	-10.7	54.6
in % to 1 st HY 2020			3.1 %			2.8 %

The coronavirus-related shifts in the customer and product range mix in the Swiss retail market affected the gross profit margin. This margin increased from 38.8 to 39.0 percent in spite of losses in the convenience segment and higher procurement costs for raw materials and packaging, which equals a margin-driven increase of CHF 4.6 million. In terms of volume, the gross profit rose by another CHF 17.0 million, which led to a currency-adjusted increase in gross profit of CHF 21.6 million.

Gross profit in CHF million	as % of net revenue	
2020	760.8	38.8 %
Currency-related	+6.4	
Volume-related	+17.0	} +21.6
Margin-related	+4.6	
2021	788.8	39.0 %

Currency-adjusted personnel and overhead costs rose year-on-year in terms of volume and inflation by CHF 14.4 million. At the same time, cost increases were dampened by improvements in productivity and strict cost management. After the deduction of depreciation of CHF 80.1 million, adjusted EBIT amounted to CHF 65.7 million, equalling operating growth of CHF 6.2 million.

In addition to the increase in the operating profit, the Bell Food Group also benefited from a better financial performance than in 2020. While a book loss of CHF 5.7 million had to be reported in the previous year, rising exchange rates resulted in a gain of CHF 3.7 million in the first half of 2021. The adjusted after-tax half-year profit is CHF 51.0 million, which is up CHF 16.1 million on the previous year.

Balance sheet

The balance sheet as at 30 June 2021 reports an equity ratio of 50.1 percent. The net financial liabilities amounted to CHF 717.2 million. Compared to the end of 2020, the shift from non-current to current financial liabilities amounted to some CHF 180 million. This shift is primarily related to a bond of CHF 175 million that will fall due in May 2022. The Bell Food Group is planning to refloat this bond in order to finance the planned investments to enhance efficiency and productive capacity.

Business area Bell Switzerland

Although the opening of the country's borders and the food service segment towards the end of the first half gave rise to signs of normalisation regarding the impact of the coronavirus pandemic, the business area Bell Switzerland could still continue the good performance of the previous financial year. Sales revenue amounted to CHF 1.1 billion, which was CHF 31.5 million or 3.1 percent more than in the previous year. Sales volume equalled 63.6 million kilograms and was up 0.9 million kilograms (+1.5%) on the prior-year period. Growth was once again driven by the retail business, which did particularly well in the first four months before the resurgence of shopping tourism.

Bell Switzerland				of which:		
	2020	2021	Δ	Exchange rate effect	Inorganic	Organic
Sales volume in million kg	62.6	63.6	0.9	–	–	0.9
in % to 2020			1.5%			1.5%
Sales revenue in CHF million	1 019.7	1 051.2	31.5	–	–	31.5
in % to 2020			3.1%			3.1%

Business area Bell International

The business area Bell International continued its upwards trend. At CHF 491.8 million, sales revenue was up CHF 8.9 million year-on-year. Sales volume increased by 5.0 million kilograms or 4.9 percent on 2020. The successful poultry business in Austria and Germany made an important contribution to this performance. The Serrano ham and diced ham business once again outstripped the already strong previous year. 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				of which:		
	2020	2021	Δ	Exchange rate effect	Inorganic	Organic
Sales volume in million kg	102.4	103.9	1.5	–	–3.5	5.0
in % to 2020			1.5%			4.9%
Sales revenue in CHF million	481.9	491.8	9.9	12.3	–11.3	8.9
in % to 2020			2.1%			1.8%

Business area Convenience

The business area Convenience made progress compared to the prior-year period. Sales revenue totalled CHF 541.6 million and was up 4.2 percent on the previous year. The pandemic had a noticeably greater effect on business performance in the previous year than in 2021. In 2020, the hard lockdowns more or less paralysed business operations for a number of product groups and sales channels. There was no repeat of the panic buying of the previous year and the important fresh convenience segment saw a noticeable recovery. The progressive opening of the food service segment and growing mobility towards the end of the first half also improved the situation. In June, sales revenue almost reached its pre-pandemic level.

Convenience				of which:		
	2020	2021	Δ	Exchange rate effect	Inorganic	Organic
Sales volume in million kg	96.9	99.8	2.9	–	–	2.9
in % to 2020			3.0%			3.0%
Sales revenue in CHF million	515.2	541.6	26.4	4.8	–	21.6
in % to 2020			5.1%			4.2%

Strategic thrusts

Strengthen the core business

The Bell Food Group has established a leading position in its core business with meat, charcuterie, poultry and seafood in the Swiss retail and food service market. This position should be strengthened and sustainably expanded in the coming years. Internationally, the focus falls on the expansion of market position and profitability in the air-dried ham market as well as growth in the poultry business in Austria and Germany, in particular for sustainable product ranges. In Switzerland, innovative new products have already been added to the barbecue range, and this expansion is supported by a new marketing campaign. The very successful international air-dried ham specialities sold in an environmentally friendly folding box in Germany were also launched in Switzerland and in France. In the international poultry business, the percentage of product ranges complying with higher animal welfare standards could be increased further.

Grow with convenience and veggies

The Bell Food Group wants to expand its leading position in vegetarian products and the convenience market. The main focus falls on the DACH region, where we want to further strengthen our position as category leader. The planned product range programme has now been completed with the commissioning of the new production hall for cooked poultry and vegetable convenience products in Marchtrenk in Austria. Together with the production facility in Bad Wünnenberg in Germany, the potential for growth in the fresh convenience market in Germany and Austria can be exploited further. The ultra-fresh business in Switzerland has been expanded with the takeover of the sandwich production activities of Aryzta. The range of plant-based meat alternatives was expanded by vegan barbecue sausages and a vegan steak in good time for the barbecue season.

Invest in efficiency and productive capacity

The Bell Food Group places a high priority on securing its long-term performance capacity in its core market Switzerland by way of investing in logistics and efficient production processes. Synergy exploitation within the Group should also be improved further. The investment projects relating to the modernisation and expansion of the infrastructure in Oensingen and Schaan are on course. The application for a building permit for the new cattle slaughtering facility in Oensingen has been submitted. This innovation project strengthens our substance and our 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 move sees Eisberg strengthen its leading position as a convenience provider in Switzerland.

Sustainability report of the Bell Food Group

In tandem with the half-year report, the Bell Food Group is publishing its second sustainability report prepared in accordance with the GRI standard. The sustainability report of the Bell Food Group follows the standards of the Global Reporting Initiative (GRI) and contains comprehensive information about the objectives, measures and projects relating to the three pillars "products and procurement", "environment and resources" and "employees and society". By publishing a separate sustainability report, the Bell Food Group is laying the foundation for open and transparent sustainability reporting.

Outlook

It can be expected that the trend towards normalisation in the coronavirus pandemic that emerged in the second quarter of 2021 will continue. This means a move away from retail and towards food services and industry again on the part of customers and product ranges. It can also be expected that Swiss shopping tourism will increase again to pre-pandemic levels in the second half of the year. These effects will dampen the retail business. The main beneficiaries of the gradual opening of the economy will be the food service and fresh convenience segments, which already showed clear signs of a recovery in summer.

In this context, the business area Bell Switzerland will be unable to continue its current exceedingly strong performance. The effects of shopping tourism in particular are very difficult to predict. Provided that procurement prices for raw and other materials return to normal levels, the business area Bell International is expecting the current positive development to continue in the second half of 2021. We are optimistic that the imminent opening measures will further boost the performance of the business area Convenience.

The good half-year results give us reason to be confident about the rest of the year. It is difficult to predict the speed and scope of normalisation in society and the business world. If the framework conditions are stable, we expect to maintain the current head start in the second half of the year and to report a successful 2021 financial year.



Joos Sutter
Chairman of the Board of Directors



Lorenz Wyss
Chairman of the Group Executive Board

Consolidated balance sheet

in CHF million	Note	30.06.2021	Share	31.12.2020	Share	30.06.2020	Share
Cash and cash equivalents		148.4		178.5		142.7	
Securities		2.1		2.0		1.9	
Trade accounts receivable		367.2		383.9		356.1	
Other current receivables		61.9		63.0		53.1	
Inventories		456.0		425.2		453.0	
Accrued income and prepaid expenses		32.3		19.4		23.9	
Current assets		1 068.0	38.6 %	1 072.0	39.1 %	1 030.7	39.2 %
Financial assets		68.0		66.6		57.3	
Intangible assets		226.9		233.5		235.7	
Tangible assets		1 402.0		1 372.8		1 303.4	
Non-current assets		1 696.9	61.4 %	1 672.9	60.9 %	1 596.4	60.8 %
Assets		2 764.9	100.0 %	2 744.9	100.0 %	2 627.0	100.0 %
Current financial liabilities		185.0		5.8		4.4	
Trade accounts payable		179.0		214.8		167.8	
Other current liabilities		40.0		30.9		31.0	
Current provisions	1	6.2		17.2		6.2	
Accrued expenses and deferred income		196.4		158.2		176.0	
Current liabilities		606.5	21.9 %	426.9	15.6 %	385.5	14.7 %
Non-current financial liabilities		682.7		862.8		863.9	
Non-current provisions		90.0		90.1		104.7	
Non-current liabilities		772.8	27.9 %	952.9	34.7 %	968.6	36.9 %
Liabilities		1 379.3	49.9 %	1 379.8	50.3 %	1 354.1	51.5 %
Share capital		3.1		3.1		3.1	
Capital reserves		177.3		197.8		198.6	
Retained earnings		1 275.3		1 177.0		1 177.0	
Translation differences		-116.6		-129.5		-138.1	
Treasury shares	4	-3.8		-2.2		-2.8	
Half-year profit		50.0		118.6		34.9	
Equity excl. minority interests		1 385.4	50.1 %	1 364.9	49.7 %	1 272.8	48.4 %
Minority interests		0.2		0.2		0.2	
Equity		1 385.6	50.1 %	1 365.1	49.7 %	1 272.9	48.5 %
Liabilities and equity		2 764.9	100.0 %	2 744.9	100.0 %	2 627.0	100.0 %

Consolidated income statement

in CHF million	Note	1 st HY 2021	Share	1 st HY 2020	Share
Net revenue	2/3	2 023.2	100.0 %	1 963.0	100.0 %
Cost of goods sold		1 234.4	61.0 %	1 202.2	61.2 %
Gross operating income		788.8	39.0 %	760.8	38.8 %
Personnel expenses		417.0		405.6	
Rents		22.6		20.3	
Energy, auxiliary materials		41.0		37.6	
Repair and maintenance		52.2		49.8	
Transport		61.5		59.4	
Advertising		16.4		16.0	
Other operating expenses		32.4		34.2	
Total operating expenses		643.1	31.8 %	623.0	31.7 %
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		145.7	7.2 %	137.8	7.0 %
Amortisation of intangible assets		4.0		4.4	
Amortisation of goodwill		12.7		13.4	
Depreciation of tangible assets		64.4		60.6	
Earnings before interest and taxes (EBIT)		64.7	3.2 %	59.4	3.0 %
Financial result	1	-0.3		-9.9	
Net income from associated companies		1.2		1.0	
Net profit before taxes (EBT)		65.6	3.2 %	50.5	2.6 %
Taxes		15.5		15.6	
Net profit after taxes		50.0	2.5 %	35.0	1.8 %
Third-party interest in profit		0.0		0.0	
Half-year profit		50.0	2.5 %	34.9	1.8 %
Earnings per share (in CHF, diluted and undiluted)	5	7.98		5.57	

Consolidated cash flow statement

in CHF million	Note	1 st HY 2021	1 st HY 2020
Net profit after taxes		50.0	35.0
Depreciation of tangible assets		63.4	60.6
Amortisation of intangible assets		16.7	17.8
Extraordinary depreciation	1	1.0	–
Other non-cash income (-)/expenses (+)		-2.9	6.6
Income (-)/loss (+) from sale of tangible assets		-0.1	0.3
Dividends from associated companies		0.4	0.4
Net income from associated companies		-1.2	-1.0
Income (-)/loss (+) from sale of investments		–	–
Increase (+)/decrease (-) in provisions		-1.4	2.7
Increase (-)/decrease (+) in receivables		22.1	42.6
Increase (-)/decrease (+) in inventory		-28.4	-32.8
Increase (-)/decrease (+) in accrued income and prepaid expenses		-15.1	-8.4
Increase (+)/decrease (-) in liabilities		-10.9	-78.2
Increase (+)/decrease (-) in accrued expenses and deferred income		37.3	40.6
Operating cash flow		131.0	86.1
Investment (-)/divestment (+) of securities		–	-0.1
Investment in other companies and financial assets	1	-11.1	0.0
Acquisition (+)/sale (-) of cash and cash equivalents		–	–
Divestment of other companies and financial assets		0.2	0.2
Investment in intangible assets		-7.0	-5.1
Divestment of intangible assets		–	0.0
Investment in tangible assets		-103.0	-97.6
Divestment of tangible assets		0.4	1.5
Cash flow from investing activities		-120.5	-101.0
Proceeds from (+)/repayment of (-) current financial liabilities		-1.0	-9.2
Proceeds from (+)/repayment of (-) non-current financial liabilities		–	–
Proceeds from (+) bonds		–	–
Repayment of (-) bonds		–	–
Proceeds from (+) capital increases		–	–
Acquisition (-)/sale (+) of minorities		–	-0.2
Investment in (-)/divestment of (+) treasury shares		0.5	0.5
Dividend		-40.7	-34.5
Cash flow from financing activities		-41.2	-43.4
Cash flow balance		-30.8	-58.3
Cash and cash equivalents as of 01.01.		178.5	202.0
Effect of currency translation on cash and cash equivalents		0.6	-1.0
Changes in cash and cash equivalents		-30.8	-58.3
Cash and cash equivalents as of 30.06.		148.4	142.7

Consolidated statement of changes in equity

in CHF million	Share capital	Capital reserves	Retained earnings	Translation differences	Treasury shares	Result	Equity excl. minority interests	Minority interests	Equity
Equity as of 01.01.2021	3.1	197.8	1 177.0	-129.5	-2.2	118.6	1 364.9	0.2	1 365.1
Changes in scope of consolidation	-	-	-	-	-	-	-	-	-
Acquisition minorities	-	-	-	-	-	-	-	-	-
Appropriation of earnings	-	-	118.6	-	-	-118.6	-	-	-
Dividend	-	-20.4	-20.4	-	-	-	-40.7	-	-40.7
Additions/disposals of treasury shares	-	-0.1	-	-	-1.6	-	-1.7	-	-1.7
Half-year profit	-	-	-	-	-	50.0	50.0	0.0	50.0
Currency translation differences	-	-	-	13.0	-	-	13.0	0.0	13.0
Equity as of 30.06.2021	3.1	177.3	1 275.3	-116.6	-3.8	50.0	1 385.4	0.2	1 385.6
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 earnings	-	-	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 profit	-	-	-	-	-	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

Notes to the consolidated financial statements

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 2020 as set out in pages 66–69 of the 2020 Annual Report. There have been no changes in the consolidation and valuation principles compared to the 2020 Annual Report.

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

Scope of consolidation

There are no material changes in the scope of consolidation compared with the 2020 Annual Report. Please refer to pages 20 and 21 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 2021	1 st HY 2020
Balance sheet	EUR 1	1.0965	= CHF 1.0651
	CZK 1	0.0430	= CHF 0.0398
	HUF 100	0.3123	= CHF 0.2987
	PLN 1	0.2426	= CHF 0.2390
	USD 1	0.9224	= CHF 0.9512
	GBP 1	1.2758	= CHF 1.1673
	RON 1	0.2225	= CHF 0.2201
	Income statement	EUR 1	1.0942
CZK 1		0.0423	= CHF 0.0404
HUF 100		0.3056	= CHF 0.3083
PLN 1		0.2411	= CHF 0.2412
USD 1		0.9076	= CHF 0.9658
GBP 1		1.2597	= CHF 1.2173
RON 1		0.2232	= CHF 0.2209

Events occurring after the balance sheet date

There were no events after the balance sheet date requiring disclosures.

1. Explanatory notes to the half-year report 2021

Financial result (Consolidated income statement)

The financial result improved by CHF 9.6 million compared to the previous year. The main driver was a positive development in foreign currency rates, which accounted for CHF 9.4 million of the improvement. A large part of the foreign currency result of CHF 3.7 million is to be considered unrealised.

Extraordinary depreciation (Consolidated cash flow statement)

The extraordinary depreciation of CHF 1.0 million was recognised on tangible assets due to risk considerations.

Investment in other companies and financial assets (Consolidated cash flow statement)

Investment in other companies and financial assets shows an amount of CHF 11.1 million. The amount is mainly related to a contingent purchase price payment for the Hügli Group. The matter also led to a decrease in current provisions.

2. Net revenue

in CHF million	1 st HY 2021	Share	1 st HY 2020	Share
Sales by country				
Switzerland, Liechtenstein	1 336.0	65 %	1 294.8	65 %
Germany	373.5	18 %	367.6	18 %
Austria	126.2	6 %	112.6	6 %
France	63.3	3 %	63.9	3 %
Poland	38.9	2 %	35.5	2 %
Benelux	30.5	1 %	29.2	1 %
Spain	15.9	1 %	13.4	1 %
Great Britain	15.2	1 %	16.5	1 %
Hungary	15.0	1 %	24.0	1 %
Romania	10.3	0 %	7.8	0 %
Czech Republic	8.7	0 %	9.5	0 %
Italy	3.6	0 %	3.3	0 %
Other countries	16.9	1 %	17.3	1 %
Sales by country	2 054.1	100 %	1 995.3	100 %
Sales by product group				
Fresh meat	446.5	22 %	431.3	22 %
Charcuterie	470.2	23 %	487.8	24 %
Poultry	467.2	23 %	446.9	22 %
Seafood	117.2	6 %	101.6	5 %
Convenience	542.9	26 %	517.7	26 %
Other sales	10.0	0 %	10.0	1 %
Sales by product group	2 054.1	100 %	1 995.3	100 %
Reconciliation to net revenue				
Other revenue	25.9		26.1	
Sales deductions	-56.8		-58.4	
Net revenue	2 023.2		1 963.0	

Seasonality

The activities of the Bell Food 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

3. Segment reporting

Half-year 2021		Bell Switzerland	Bell International	Convenience	Consolidation	Bell Food Group
Volume	in million kg	63.6	103.9	99.8	-3.2	264.2
Sales	in CHF million	1 051.2	491.8	541.6	-30.5	2 054.1
Operating investments ¹	in CHF million	34.2	11.5	47.0	-	92.7
Headcount	FTE	3 640	3 465	4 940	-	12 045
Half-year 2020						
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
Operating investments ¹	in CHF million	22.1	17.4	42.8	-	82.3
Headcount	FTE	3 522	3 716	4 904	-	12 141

¹ Investments in tangible assets/software

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 interest of the company. The reasons are explained on page 79 of the 2020 annual report (note 15 Segment reporting).

4. Treasury shares

in CHF million	2021		2020	
	Number in pieces	Value	Number in pieces	Value
Balance as of 01.01.	7 637	2.2	11 037	3.3
Acquisitions	9 150	2.2	-	-
Disposals	-2 184	-0.6	-2 031	-0.5
Balance as of 30.06.	14 603	3.8	9 006	2.8

The purchases of treasury shares were settled at an average transaction price of CHF 237.50 (previous year: no purchases of treasury shares). The average transaction price of the disposals amounted to CHF 258.88 (previous year: CHF 234.60).

5. Earnings per share

	2021	2020	
Number of shares as of 30.06.	6 285 712	6 285 712	
Average time-weighted number of outstanding shares	6 271 874	6 274 872	
Half-year profit	in CHF thousands	50 045	34 942
Earnings per share	in CHF, diluted and undiluted	7.98	5.57

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.

6. Acquisition/disposal of companies and parts of companies

Half-year 2021

The following transactions were carried out in the first half of 2021:

Takeover of sandwich production from Aryzta Switzerland

On 30 March 2021, Bell Food Group announced the takeover (asset deal) of Aryzta Switzerland's sandwich production as of 1 August 2021. The production capacities in Schlieren (CH) and 25 employees will be integrated into the Hilcona division.

Half-year 2020

The following transactions were carried out in the first half of 2020:

Sale of production plant in Saint-André in France

As of 30 June 2020, Bell Food Group sold its production facility in Saint-André (FR) to Isla Délice. The disposal of assets was recognised in the half-year report 2020. The transfer of the 70 employees took place at the end of February 2021. In the meantime, the Bell Food Group has integrated the activities of Saint-André at the main site in Teilhède (FR). The sale of the production plant had no impact on the net revenue of the Bell International business area.

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 insignificant impact on the consolidated balance sheet (share of the assets smaller than 2%) or consolidated income statement (share of the annual profit smaller than 2%) are not listed.

in million						Group share in % as of 30.06.	
Company	Domicile	Sphere of activity		Capital stock as of 30.06.2021		2021	2020
Bell Switzerland							
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. ¹	Zellik (BE)	Management	■			merged	100.0%
Bell Benelux N.V.	Zellik (BE)	Trade	■	EUR 0.6		100.0%	100.0%
Bell Nederland B.V.	Breda (NL)	Trade	■	EUR 2.7		100.0%	100.0%
Bell Logistics N.V. ²	Zellik (BE)	Logistics	■			merged	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 ³	Teilhède (FR)	Charcuterie	■			merged	100.0%
Maison de Savoie SAS ³	Aime (FR)	Charcuterie	■			merged	100.0%
Le Saloir de Mirabel SARL ³	Riom (FR)	Charcuterie	■			merged	100.0%
Le Saloir de Virieu SAS ³	Virieu-le-Grand (FR)	Charcuterie	■			merged	100.0%
Val de Lyon SAS ³	St-Symphorien-sur-Coise (FR)	Charcuterie	■			merged	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.	Niepołomice (PL)	Charcuterie	■	PLN 10.0		100.0%	100.0%
ZIMBO Perbal Húsipari Termelő Kft.	Perbál (HU)	Charcuterie	■	HUF 400.0		100.0%	100.0%

1 Merger of Bell Benelux Holding N.V. into Abraham Benelux S.A. as of 1 January 2021.

2 Merger of Bell Logistics N.V. into Abraham Benelux S.A. as of 1 January 2021.

3 Merger of the operating Bell France companies into Bell France SAS as of 1 January 2021.

■ 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 30.06.2021	2021	2020	
Convenience							
Hilcona Aktiengesellschaft	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%	
Hilcona Holding AG ⁴	Zug (CH)	Management	■		merged	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 Aktiengesellschaft	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 Ges.mbH	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	26.0%	24.8%	
Baltic Vianco OÜ	Sänna, Rõuge vald (EE)	Livestock trading	○	EUR 0.8	33.3%	33.3%	

4 Merger of Hilcona Holding AG into Eisberg Holding AG as of 1 January 2021.

■ Fully consolidated
○ Consolidation at equity

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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.

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Publishing details

General information

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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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Alternative performance measures

In its annual reports, interim reports and notices to investors and analysts, the Bell Food Group uses alternative performance measures that are not defined by the Accounting and Reporting Recommendations (Swiss GAAP ARR). The alternative performance measures used by the Bell Food Group are explained in the separate publication "Alternative Performance Measures" and reconciled to Swiss GAAP ARR measures.

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