Media release

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Bell Food Group posts pleasing result under demanding general conditions

- **In a challenging financial year, the Bell Food Group built on the success of the previous record year and posted a pleasing result: net sales were CHF 4.3 billion (+6.4 % in currency-adjusted terms), EBIT came to CHF 162.9 million (+0.4 %) and the annual profit was CHF 127.8 million (+0.4 %).**
- **The Bell International business area in particular had a very successful year and was an important driver of the good result.**
- **The financial year was dominated by the normalisation of the corona situation, high inflation, rising costs and restrained consumer sentiment.**
- **The Annual General Meeting will be requested to approve a dividend of CHF 7 per share.**

Bell Food Group held its own in a challenging market environment and posted a result for 2022 that is in line with the record previous year. CEO Lorenz Wyss is very satisfied in view of this: "It has been confirmed once again that the Bell Food Group is well positioned in strategic terms and can react quickly to volatile general conditions." The good result was driven by the Bell Switzerland and Bell International business areas, which once again clearly outstripped the previous year's strong performance. This pleasing result is all the more remarkable as the Bell Food Group's performance was affected by several external factors in the reporting year. These include the normalisation of the corona situation, sharply rising costs, reduced product availability at times and a growing downturn in consumer sentiment due to inflation towards the end of the year.

Result on a par with previous record year
At CHF 162.9 million, EBIT was higher than in the previous record year. Currency-adjusted net revenue rose by CHF 266.6 million to CHF 4.3 billion. CEO Lorenz Wyss knows why: "This was due to our good market positioning, the volume increases in Marchtrenk (AT) and operational progress. However, the rise in costs caused by inflation and base effects affected our result too." In spite of the volatile general conditions, the annual profit of CHF 127.8 million is slightly higher than in the previous year.

The Bell Food Group has a solid equity ratio of 47.5 percent. The balance sheet of the Bell Food Group shows the issuing of a bond for CHF 300 million and the repayment of a maturing bond for CHF 175 million. The additional funds will be used, among other things, to finance the strategic investment programme in Switzerland.

➔ *Details of the results and explanations regarding the 2022 financial year are provided in the 2022 Annual Report and in the separate publication "Alternative performance measures".*

Challenging market environment in the reporting year

The easing of the coronavirus measures at the beginning of 2022 signalled the start of the normalisation process. The food service channel strengthened noticeably while retail sales declined again to pre-pandemic levels. The normalisation of the corona situation also brought new challenges in the reporting year. After substantial cost increases for energy, animal and plant raw materials, feed as well as auxiliary and packaging materials already had to be absorbed in the previous year, geopolitical tensions pushed up the costs of goods and operations further in 2022. Inflation rates rose substantially. This inflation was passed on to consumers in the form of price increases, and led towards the end of the year to a shift in demand from higher-value to rather simpler product ranges.

Solid progression in the divisions

The **Bell Switzerland business area** had a good financial year in 2022. Because of its strong base in the retail business, it was unable to fully duplicate the pandemic-driven high volumes of the previous years. Food service sales on the other hand increased substantially. The strong seasonal business also contributed to the good result. The **Bell International business area** is continuing its success, once again clearly surpassing what was already a very good previous year. Operational progress was made and market share gained in the strategic focus segments of raw ham and sustainable poultry. Thanks to the good market position, the inflation-driven increase in costs could be passed on to consumers by way of price increases. Higher costs and a shift in demand to products with less added value affected the convenience divisions. The **Eisberg business area** was very successful in food service and the trendy to-go product ranges. However, sales of traditional cut salads suffered from the difficult general conditions. The quality and availability of plant raw materials from Europe posed a serious challenge. Viewed overall, volumes improved substantially, which is mostly due to the increased utilisation of the new production facility in Marchtrenk (AT). The **Hilcona business area** posted sales of more than CHF 500 million for the first time in the reporting year. The pasta and sandwiches segments enjoyed particular success. Although growth in the market for vegetarian and vegan products slowed a little, "The Green Mountain" unit, specialising in this segment, managed to gain market share and continued to grow. The **Hügli business area**, which is very focused on food service, recovered with the normalisation of the corona situation. However, higher prices and the reduced availability of raw materials and supplies led to rising production costs, which could only be passed on to the non-perishable convenience segment with some delay. Efficiency and performance were substantially improved by way of an effective optimisation programme.

Consistent dividend distribution

The Bell Food Group will ask the Annual General Meeting to approve the same dividend distribution of CHF 7.00 per share. Fifty percent of the distribution will be paid from the capital reserves and 50 percent from the annual profit of the Bell Food Group.

Investment programme in Switzerland

The investment programme in Switzerland remains on course. All construction projects in Oensingen (CH) are on schedule. Construction of the deep-freeze warehouse has been finished. Following an installation and test phase, it is scheduled to start up in the second quarter of 2023. The first phase of the expansion of Hilcona's headquarters in Schaan (LI) was finalised in the reporting year. As part of the consolidation of its locations, Eisberg closed its Villigen plant and relocated its activities to other facilities.

Outlook

The geopolitical situation will have a decisive effect on the economic general conditions in Europe this year. CEO Lorenz Wyss: "For as long as the crisis persists, the situation will remain tense with regard to procurement costs as well as the quality and availability of raw materials." It will therefore be crucial for the Bell Food Group to be able to pass on higher production costs to consumers in a timely manner. The decline in purchasing power caused by inflation is likely to continue affecting consumer demand. With regard to demand, the trend in favour of simpler products can be expected to continue.

About Bell Food Group

Bell Food Group is one of the leading meat and convenience food processors in Europe. Its range of products includes meat, poultry, charcuterie, seafood as well as convenience and vegetarian products. With different brands such as Bell, Eisberg, Hilcona and Hügli, the Group meets a range of customer needs. Its customers include the retail trade as well as the food service sector and the food processing industry. Around 12,500 employees generate annual revenues of over CHF 4.3 billion. The Bell Food Group is listed on the Swiss stock exchange.