

Encouraging performance in the first half of 2021

- The Bell Food Group posted an encouraging improvement in performance in the first half of 2021: year-on-year, adjusted sales revenue rose to CHF 2.1 billion (+2.7 %) and EBIT to CHF 65.7 million (+10.5 %). The adjusted half-year profit amounts to CHF 51.0 million (+46.1 %).
- Although the situation has become increasingly normal since May 2021, the coronavirus pandemic had a material impact on the half-year results.
- The retail channel in Switzerland continued to do well, with the gradual easing of the coronavirus measures and the return of shopping tourism exerting a growing influence.
- Following the coronavirus-related slowdown, the food service and fresh convenience segments have been showing clear signs of recovery since May 2021.
- The vegan meat alternative range “The Green Mountain” is still growing strongly.
- In tandem with the half-year report, the Bell Food Group is publishing its second sustainability report compiled in accordance with the GRI standard.

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. Adjusted sales revenue rose by 2.7 percent to CHF 2.1 billion. “Our broadly supported business model also proved to be very robust during the coronavirus pandemic. The present half-year results are very encouraging and confirm that we are on the right track with our strategic thrusts,” says Lorenz Wyss, CEO of the Bell Food Group.

He identifies the “strong core business with meat and meat products in the Swiss retail market” as the main driver of this positive development. Wyss is also pleased that success is not limited to single segments, but that all business areas performed well and contributed to the successful half-year results.

Bell Food Group reports profit growth

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 the positive foreign currency performance posted by the Bell Food Group.

The operating business was also impacted strongly by the coronavirus pandemic in the first half of 2021. The retail channel in the home market of Switzerland continued to grow far into the second quarter, driven by the effects of the lockdown on the food service sector and the restrictions imposed on shopping tourism. In contrast, the food service sales channel and to-go product ranges suffered 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 convenience ranges to recover and made it possible for the business area Convenience in particular to start growing again.

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. The Bell Food Group also benefited from a better currency performance than in 2020. While a loss of CHF 5.7 million had to be reported in the previous year, better currency developments resulted in a gain of CHF 3.7 million in the first half of 2021.

Good performance by business areas

In spite of the emerging trend towards normalisation seen in the second quarter of 2021, the coronavirus pandemic still had a material impact on business development. The **business area Bell Switzerland** continued the good performance of the previous financial year. Growth was once again driven by the retail business, which did particularly well in the first four months before the resurgence of shopping tourism. The **business area Bell International** also continued its positive development thanks to the contributions of the successful poultry business in Austria and Germany and the Serrano ham and diced ham business. The **business area Convenience** has recovered from the setback suffered in the prior-year period. The pandemic had a noticeably greater effect on business performance in the first four months of 2020 than in this year. The important fresh convenience segment showed clear signs of recovery. The progressive opening of the food service segment and growing mobility since May 2021 also improved the situation. When talking about the coronavirus, CEO Lorenz Wyss does not only look at the figures: "Last year already, I had cause to thank our 12,000 employees for the commitment shown under difficult circumstances. Not only does this spirit of togetherness and solidarity make me proud, it also makes me thankful."

Plant-based meat alternatives report encouraging growth

The Bell Food Group successfully takes up social trends. Business with plant-based meat alternatives once again grew strongly in Switzerland and Germany in the first half of 2021. The range of "The Green Mountain" products produced in Switzerland was expanded. In addition to burgers, mince and meatloaf, it now also includes sausages and the first plant-based steaks in Switzerland. In September, a new product group will be added in the form of vegan chicken breast fillets.

Outlook

The Bell Food Group is expecting the trend towards normalisation in the coronavirus pandemic that emerged in the second quarter of 2021 to continue. CEO Lorenz Wyss is looking to the immediate future: "This means a move away from retail and towards food services and industry again on the part of customers and product ranges." He also expects Swiss shopping tourism to increase again to pre-pandemic levels in the second half of the year. The main beneficiaries of the 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," says Lorenz Wyss. The impact of shopping tourism in particular is very difficult to predict. Wyss expects the business area Bell International to continue its positive development in the second half of 2021, provided that procurement prices for raw and other materials return to normal

levels again. The Bell Food Group is optimistic that the imminent opening measures will boost the performance of the business area Convenience again.

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 sustainability report, the Bell Food Group is laying the foundation for open and transparent sustainability reporting. The sustainability report of the Bell Food Group can be downloaded at www.bellfoodgroup.com/downloads.

Strategic thrusts

The business development of the Bell Food Group continues to rest on the following strategic pillars:

Strengthen the core business

The Bell Food Group wants to expand the leading position in its core business with meat, charcuterie, poultry and seafood in the Swiss retail and food service market in the coming years. To this end, 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. 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 the international poultry business, the percentage of product ranges complying with even higher animal welfare standards could be increased.

Grow with convenience and veggies

The Bell Food Group wants to expand its leading position in vegetarian products and the convenience market. 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. In Switzerland, the ultra-fresh business was expanded by taking over Aryzta's sandwich production activities.

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. 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.

About the Bell Food Group

The Bell Food Group is one of the leading meat processors and convenience food specialists in Europe. Its range of products includes meat, poultry, charcuterie, seafood and convenience and vegetarian products. With 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 12 000 employees generate annual revenues of over CHF 4 billion. The Bell Food Group is listed on the Swiss stock exchange.