

Media releaseBasel, 13 August 2020
Ad hoc publicity**Good operating result in the first half of 2020**

Thanks to its broadly supported business model and high productive capacity, the Bell Food Group made operational progress in the first half of 2020 in spite of the coronavirus pandemic. Organic revenue growth was 2.9 percent. The operating result at EBIT level rose by 2.4 percent. The Bell Switzerland and Bell International business areas made a particular contribution to this growth, while the Convenience business area was affected strongly by the fallout of the coronavirus pandemic. The Bell Food Group is highlighting its commitment to sustainability and is publishing a complete Sustainability Report in accordance with the GRI standard for the first time.

At CHF 2.0 billion in the first half of 2020, the Bell Food Group's sales revenue adjusted for currency effects and divestments improved by CHF 59.3 million or 2.9 percent year-on-year. The revenue that was lost through the sale of the German sausage business in 2019 could be compensated.

The many weeks of lockdown in the various countries led to a strong decline in food service sales. Restrictions to mobility also affected consumers' shopping and eating habits. These repercussions mainly affected the Convenience business area with its to-go product ranges and reliance on food service sales.

In contrast, the Bell Food Group posted a substantial increase in retail sales in its core business with meat and meat products that compensated for the decline in the food service segment. This was the case in particular in the home market of Switzerland, where shopping tourism was also halted by the closure of the borders. The Group also stood strong against the headwind internationally. The concentration on air-dried ham initiated last year and the consistent implementation of measures to enhance efficiency helped the Bell International business area make substantial progress year-on-year, irrespective of external factors.

At CHF 59.4 million, reported EBIT is CHF 1.4 million or 2.4 percent higher than the adjusted prior-year figure. The reported half-year result is CHF 34.9 million, up CHF 44.5 million on the previous year which was burdened by exceptional factors.

Business area development

With sales revenue of CHF 1.0 billion, the **Bell Switzerland** business area improved by CHF 37.7 million (+3.8 %) year-on-year. Sales volume grew by 1.6 percent to 62.6 million kilograms. Bell Switzerland compensated for the slump in food service sales with substantially higher retail sales. This business area proved its extreme resilience to crisis during the coronavirus pandemic. To strengthen the leading position in Switzerland, construction of a new deep-freeze store started in June. A state-of-the-art store allowing Bell 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 **Bell International** business area posted sales revenue of CHF 481.9 million, 8.1 percent better than the adjusted prior-year result. Sales volume grew organically by 2.0 percent to 102.4 million kilograms. The situation of sharply increasing raw material prices for pork in 2019 relaxed a little in the first half of 2020. All three of the business area's divisions contributed to the operating progress. The results situation also improved further, and the efficiency enhancement measures led to a substantially better result for the poultry business. Bell Germany's concentration on air-dried ham that was phased in during 2019 also had a good outcome. Internationally, the Bell Food Group's focus continues to fall on segments with intact perspectives that can achieve critical mass. In this context, the international business was further concentrated with the sale of two production locations in Hungary and France and the sale of the logistics centre in Belgium.

At CHF 515.2 million, adjusted sales revenue for the **Convenience** business area declined by CHF 19.7 million (-3.6 %) year-on-year. The Convenience business area was affected most severely by the fallout of the coronavirus pandemic. This in particular left its mark on the food service segment and the to-go ranges in the retail segment. In contrast to the other two business areas, the loss of earnings could not be compensated to an equal extent via the retail channel, which made it impossible to avoid a decline in the results. To strengthen the food service channel, the Group is further expanding its range with tailored product and concept solutions. At the end of June 2020, the Hilcona division entered into a path-breaking cooperation 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.

Focus on sustainability

The Bell Food Group is highlighting its commitment to sustainability and is publishing a complete Sustainability Report in accordance with the GRI standard for the first time. With this report, the Bell Food Group is laying the foundation for detailed and transparent sustainability reporting in compliance with the criteria of the Global Reporting Initiative (GRI). The aim of this yearly report is to provide more in-depth information on the Bell Food Group's sustainability engagement.

A good example of its 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 smell emissions.

Outlook

The coronavirus pandemic affected the Bell Food Group in many different areas. Ensuring the health of the employees and countering the effects of the lockdown on the retail and food service channels posed a huge challenge. Thanks to the consistent implementation of protection and hygiene measures at all locations, the health of the employees has been protected and the spread of the coronavirus in the facilities prevented to date. At the same time, the Bell Food Group was able to guarantee delivery readiness at all times.

Given the uncertainties surrounding the further development of the coronavirus pandemic, the formulation of an outlook for the second half is challenging. 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. Retail sales on the other hand are likely to be more or less the same as before the pandemic. Thanks to its reaction and production capacity, the Bell Switzerland business area is well equipped to respond to these developments. With its concentration on high-quality air-dried ham and sustainable poultry products and the implementation of measures to enhance efficiency, the positive development of the Bell International business area is set to continue. The Convenience business area will recover after the lifting of the coronavirus measures and make pronounced progress in the second half of 2020 on the strength of its strategic direction and high powers of innovation.

Key figures Bell Food Group

First half 2020

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	2023.0	1995.3	-27.7	-1.4 %	-45.1	-41.9	59.3	2.9 %

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	1019.7	37.7	3.8 %	-	-	37.7	3.8 %

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 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 %

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

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 products. With the brands 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.