

Strong core business: the Bell Food Group had another excellent financial year

- In 2021, the Bell Food Group achieved its best ever result. In adjusted terms, sales revenue improved by 3.2 % to CHF 4.2 billion, EBIT by 2.5 % to CHF 164.5 million and the annual profit by 10.0 % to CHF 129.5 million. The dividend should be increased by CHF 0.50 to CHF 7.00 per share.
- The strong core business with meat and convenience products in the Swiss retail market was the most important driver for the good financial year. The broad diversification of product categories and sales channels once again proved to be a strategic advantage that will continue to be of great importance going forward.
- All business areas contributed to the good result: Bell Switzerland substantially expanded its market leadership in seafood. Bell International reported gains overall, in particular for organic poultry. In the business area Bell Convenience, vegetarian products and fresh pasta posted the strongest growth.
- Until 2025, the Bell Food Group will invest strongly in the expansion and modernisation of its production infrastructure in Switzerland. In this way, the company will strengthen its production capacity and its position as a leader in its home market Switzerland for many years to come.

The Bell Food Group repeated the previous year's good performance in 2021 and improved its adjusted sales revenue by 3.2 percent to CHF 4.2 billion (+CHF 132.3 million). CEO Lorenz Wyss is very satisfied: «I am very happy that we were able to exceed the excellent previous year's performance under these challenging conditions.» All business areas of the Bell Food Group contributed to the successful performance. The strong retail business with meat and convenience products in the home market Switzerland made an important contribution. Following the coronavirus-driven decline in the previous year, the to-go convenience business and food service sales channel showed signs of recovery.

Best result in the company's history

At CHF 129.5 million, the adjusted annual profit is up CHF 11.8 million (+10.0 %) year-on-year. Adjusted EBIT before exceptionals was CHF 164.5 million. In operational terms, the Bell Food Group is up CHF 4.1 million or 2.5 percent on the previous year. The reported figures were adjusted by exceptionals of CHF 2.1 million relating to the restructuring of the Eisberg location in Villigen.

The Bell Food Group's strong foundation is also reflected in the balance sheet. The equity ratio is 50.5 percent, up 0.8 percentage points on the previous year. Compared to 2020, there was a shift from non-current to current financial liabilities of some CHF 190 million. This 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 planned strategic investments. Net financial liabilities amount to CHF 681 million (previous year CHF 688 million) and the net debt ratio of 2.1 is below the target of 2.5.

→ *For detailed results and notes about the 2021 financial year, please consult the 2021 Annual Report and the separate publication "Alternative performance measures".*

Coronavirus effect remains noticeable

After the easing of the coronavirus measures in spring and summer, food service sales started to slowly recover while retail sales contracted, albeit less than expected. Markets exhibited some uncertainty and caution. In the second half of the year, rising prices for plant raw materials, auxiliary and packaging materials as well as energy made an impact. Seen overall, demand was volatile throughout the reporting year, and this situation was exacerbated by the outbreak of the Omicron variant in the last quarter of 2021. The Bell Food Group's broad-based business model with regard to product categories and sales channels showed results and proved to be a strategic advantage.

Encouraging business area development

In spite of the recovery in the food service sales channel, retail sales remained high, in particular during the first half of the year. This applied in particular to the home market Switzerland, allowing business area **Bell Switzerland** to repeat the success of the good previous year in the reporting year. The product groups poultry and in particular seafood, which grew by more than 10 percent, did very well and noticeably expanded their leadership in the Swiss market. Both poultry and seafood have enjoyed solid growth for many years and make a sizeable contribution to the profitability of the business area. In the business area **Bell International**, the strategic focus on the core competencies air-dried ham and organic poultry products continued to pay off. At more than 15 percent, organic poultry posted the strongest growth. Thanks to the good performance of all divisions, Bell International further improved its profitability. With an increase in food service and to-go convenience sales, the business area **Convenience** saw signs of recovery after the coronavirus-driven decline in the previous year. The Bell Food Group also played a decisive role in the trend towards vegetarian and vegan products, among others with its own The Green Mountain brand: the segment for plant-based meat alternatives enjoyed excellent growth of 25 percent.

Higher distribution

In view of the good performance, the Annual General Meeting of the Bell Food Group will be asked to approve a dividend increase of CHF 0.50 to 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.

→ *As in the previous year, the coronavirus situation means that the Annual General Meeting of the Bell Food Group on 22 March 2022 will again be held without the personal attendance of the shareholders. Voting rights can only be exercised by giving instructions to the independent proxy.*

Investments in the future

The core business in Switzerland is the foundation for the Bell Food Group's business activities. The central strategic focal point is therefore to adjust production capacity in Switzerland with foresight to the future needs of customers and market conditions. With a planning horizon until 2025, the company is therefore investing some CHF 800 million in the expansion and modernisation of the production infrastructure in Switzerland. CEO Lorenz Wyss says: «In this way, we are securing our production capacity and value creation for many years to come.» The investment programme for Switzerland comprises:

Modernisation of Oensingen – securing of production capacity in the Swiss meat market

Production is being renovated and further developed at the Oensingen location. Construction of a new, fully automated deep-freeze warehouse using state-of-the-art freezing and defrosting technology is at an advanced stage. This represents a centralisation of the current mostly external storage facilities, which will make it possible to reduce energy requirements by 50%. A central logistics platform and a slicing centre are also being built. These new buildings will facilitate a considerably faster and more efficient order-delivery service for fresh products and bring an important competitive advantage going forward. Construction of the new cattle slaughterhouse will start in March 2022. This slaughterhouse will have the highest standards available on the market today for animal welfare, hygiene and productivity. It will replace the current abattoir, which has been running at full capacity for many years and has reached its estimated useful life.

Expansion of Schaan and concentration of production capacities of Eisberg – securing of the convenience market in Switzerland

The Bell Food Group wants to further strengthen its foothold in the Swiss convenience market. In addition to the modernisation of the infrastructure, new capacities are being created for promising product ranges, such as vegetarian and vegan products. Hilcona's headquarters in Schaan is being modernised as part of a multi-year development plan. The first phase was completed in the reporting year with a new extension for chilled pasta. The expansion takes account of future growth and increases production capacity. At Eisberg, the production capacity in Switzerland is being concentrated in the two plants in Dällikon and Essert-sous-Champvent. The two facilities in Villigen and Dänikon will be closed in the medium term.

The Bell Food Group strives for climate neutrality

The revision of the sustainability strategy was an important priority for the Bell Food Group in the reporting year. The new strategy was approved in January 2022 and spans eight topics with specific objectives. When it comes to greenhouse gas emissions and energy, the Bell Food Group aims to be climate neutral (scope 1-2) by 2035.

-> More detailed information about the new strategy and the sustainability commitment of the Bell Food Group will be provided in the 2021 Sustainability Report, which will be published in early summer 2022.

Outlook

The effects of the coronavirus pandemic mean that markets will remain volatile and unpredictable for the foreseeable future. The Bell Food Group is expecting the effects of the coronavirus pandemic to lessen during 2022 and that the situation will slowly return to normal. It cannot yet be said, however, what this new normal will look like. CEO Lorenz Wyss says: «It is possible that certain changes triggered by the pandemic will remain and will have a sustained impact on our business performance.»

Growing normalisation will have a positive impact on the business area Bell Convenience, which will thus resume its role as the Group's driver of growth. The business area Bell Switzerland will be unable to sustain the strong performance of the past two years to the same extent, in particular if shopping tourism, which returned in part in the reporting year, should continue. This core business, however, will continue to make a substantial contribution to the Group's success. The business area Bell International will support this development by making further progress and rationally enhancing the strategic focus of the Bell Food Group.

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.