

Successful financial year for the Bell Food Group

- **The Bell Food Group grew in 2020: adjusted sales revenue rose by 2.7% to CHF 4.1 billion, EBIT grew by 7.6% to CHF 160.4 million and annual profit improved by 12.1% to CHF 117.7 million compared to the previous year.**
- **Although the coronavirus pandemic has sharply affected business performance, the Bell Food Group has proven its extreme resilience against crisis. The health of the employees could be protected while delivery readiness could be guaranteed at all times.**
- **The retail channel did very well, in particular the core business with meat and meat products in the home market Switzerland. Thanks to a consistent focus on core competences, air-dried ham and poultry contributed to the international success posted for the financial year.**
- **The coronavirus pandemic had a negative effect on the food service and fresh convenience segments.**
- **In view of the good results, the Annual General Meeting will be requested to approve a dividend increase from CHF 5.50 to CHF 6.50 per share.**
- **The Bell Food Group has defined three strategic thrusts for the coming years: first, to strengthen the core business with meat products; second, to grow with convenience and veggies; and third, to invest in efficiency and productive capacity.**

The adjusted sales revenue for 2020 of the Bell Food Group is CHF 4.1 billion, which is up CHF 112.1 million (+2.7 percent) on the previous year. This increase was achieved in spite of the coronavirus-driven losses experienced in the food service channel. The reason, according to CEO Lorenz Wyss, "is the encouraging growth seen for practically all product groups in the retail channel." This development brought about a change in the product mix in favour of products with higher added value. The coronavirus-related decline in the fresh convenience segment, on the other hand, had a negative impact on business development.

Annual profit improved considerably year-on-year

The adjusted annual profit is CHF 117.7 million, up CHF 12.7 million or 12.1 percent on the previous year. "We're very pleased about the course of business and the results for the financial year," concluded Lorenz Wyss, "and a look at the balance sheet tells us that the Bell Food Group has a very solid financial foundation." In figures: the equity ratio increased to 49.7 percent. At CHF 688.1 million, net financial liabilities rose slightly year-on-year by CHF 14.5 million or 2.2 percent. Thanks to a substantial increase in EBITDA, the net debt ratio dropped by 0.2 to 2.2. As depreciation included the new production facilities in Marchtrenk (AT), Fuensalida (ES) and Bad Wünnenberg (DE) for the first time, it rose year-on-year as expected. At CHF 160.4 million, adjusted EBIT increased 7.6 percent on the previous year (+CHF 11.3 million). The Bell Food Group thus made considerable operational

progress compared to the previous year.

In order to improve the comparability of the results, the adjusted figures do not include exceptionals and once-off effects. As reported, sales revenue amounted to CHF 4 074.3 million (-CHF 3.9 million), EBIT to CHF 155.6 million (+CHF 60.3 million) and annual profit to CHF 118.6 million (+CHF 69.1 million). For the detailed results and notes about the 2020 financial year, please consult the 2020 Annual Report and the alternative performance indicators at www.bellfoodgroup.com.

Coronavirus challenge mastered

The Bell Food Group's financial year was overshadowed by the fallout of the coronavirus pandemic, which led to material changes in consumer habits. After the outbreak of the pandemic, comprehensive protection and hygiene measures were implemented at all locations. Lorenz Wyss about these challenging times: "The Bell Food Group has successfully prevented the spread of the virus in its facilities and protected the health of the employees as best as possible. We can also be proud of the fact that we managed to maintain delivery readiness at all times. Our employees deserve a huge thank you, as this wouldn't have been possible without their extraordinary commitment." The protection and hygiene measures that were implemented naturally led to higher costs, but cost levels were immediately adjusted to new sales conditions in all divisions and a number of temporary measures were implemented, so that the rise in personnel and overhead costs was lower than average.

Growth in retail channel

Looking at business performance, it is clear that the retail channel posted gains in almost all product groups. The traditional meat and meat products business posted the strongest growth, in particular in Switzerland where the temporary decline in shopping tourism during the lockdown boosted business further. In the **business area Bell Switzerland**, the encouraging growth in the retail market more than compensated for the decline in the food service segment. The **business area Bell International** also saw an improvement in its results thanks to its consistent pursuit of the strategy adopted after the sale of the German sausage business of focusing on its core competence in air-dried ham and further expanding poultry programmes that meet higher animal welfare standards. Because of its strong focus on out-of-home consumption as well as to-go in the retail segment, the **business area Convenience** was most strongly hit by the negative effects of the coronavirus pandemic. In contrast to the other business areas, the decline in sales could only be partially compensated via the retail channel.

Dividend to be increased

In view of the good results, the Annual General Meeting of the Bell Food Group will be requested to approve a dividend increase from CHF 5.50 to CHF 6.50 per share. This represents a distribution ratio of 34.4 percent of the result, which is in line with the current dividend policy. Fifty percent of the distribution will be paid from the annual profit of Bell Food Group Ltd and 50 percent from the reserves from capital contributions.

Given the ongoing coronavirus problem, the Annual General Meeting of Bell Food Group Ltd on 23 March 2021 will again be held without the personal attendance of the shareholders. As in the previous year, voting rights can only be exercised by giving power of attorney and instructions to the independent proxy.

Well equipped for the future

In addition to the special efforts invested in the operating business last year, the Bell Food Group has revised its strategic focus and adjusted it to the coming challenges. CEO Lorenz Wyss describes the company's approach to future challenges: "Joyful, competent and responsible – our objective is to be one of the leading food companies in Europe." Three strategic thrusts were defined for the implementation:

Strengthen the core business

The Bell Food Group wants to sustainably expand its leading position in its core business with meat, poultry, charcuterie and seafood in the Swiss retail and food service market by further differentiating its product ranges and services. In the international business, the focus will continue to fall on strengthening the market position and profitability of air-dried ham and expanding the range of sustainable poultry products.

Grow with convenience and veggies

The Bell Food Group wants to strengthen its position in the convenience market in the DACH region by fully exploiting the capacities offered by the new production facilities in Marchtrenk (AT) and Bad Wünnenberg (DE). The focus falls on developing new product solutions, increasing the degree of convenience and adding new products to the vegetarian and poultry convenience product ranges. The development of new food solutions for the food service sector as part of the "Smart Cuisine" project in Europe will be another focal topic.

Invest in efficiency and productive capacity

To ensure its long-term performance capacity in the core business with meat products in Switzerland, the Bell Food Group has launched a comprehensive investment programme at the Oensingen (CH) site. The planned new facilities for the cutting, packaging and picking of products will bring improvements in process automation, increase the efficiency of logistics services and improve sustainability with regard to resource consumption and food waste. The planned investments at Hilcona's headquarters in Schaan (LI) will take a similar course with the focus also falling on the modernisation of the production and logistics processes.

Outlook for 2021: continue mastering the coronavirus challenge

The coronavirus pandemic will continue to leave its mark on the current financial year and will have a significant impact on the performance of the Bell Food Group. "I'm convinced that we will continue to successfully manage the difficult-to-forecast effects while time consistently pursuing our long-term strategic objectives at the same," says Lorenz Wyss with confidence.

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.