

Media release

Basel, 24 June 2019

Ad hoc publicity

The Bell Food Group in Germany to focus on its strong position for air-dried ham and part company with its German sausage business

The Bell Food Group will focus on and further expand its strong position in the air-dried ham segment. To this end it is parting company with its German sausage business, which it is selling to the Zur Mühlen Group. The Zur Mühlen Group is the ideal buyer and will take over the plants in Suhl and Börger together with all employees. The sale of the sausage business will bring some changes for the Administration and Central Services departments.

The retail market for meat and sausages in Germany is declining. Due to an oversupply to the market it is difficult to pass on the sharp rise in the price of pork to sales prices. As its market share is less than one percent, the Bell Food Group has a subordinate market position and consequently the outlook is poor. The Bell Food Group has therefore decided to sell its German sausage business. In future, business in Germany will focus on expanding the Group's position in the segment for top-quality German and international air-dried ham products.

The Zur Mühlen Group is the ideal partner as it has the required position in the market. The around 400 employees at the facilities in Suhl and Börger will all be taken on by the Zur Mühlen Group. The transaction is subject to the approval of the relevant competition authorities. The parties have agreed to keep the details of the transaction confidential.

The sale of the sausage business will affect jobs in the Administration and Central Services departments of Bell Germany. Negotiations with the employee representatives regarding a social compensation plan will be initiated in good time and the statutory participation rights will be respected in full.

The sale will reduce net revenue by some CHF 85 million. The sale of the German sausage business will have a positive impact on the Bell Food Group's cash flow and EBIT of some CHF 10 million per year from 2020. Dependence on fluctuations in the prices for raw materials will also decrease. The sale will incur mostly non-cash one-off costs of around CHF 35 million in the 2019 financial year.

About the Bell Food Group

The Bell Food Group is one of the leading meat processors and convenience 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 diversity 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 around CHF 4 billion. The Bell Food Group is listed on the Swiss stock exchange.