
First half of 2023

A very good result in a challenging environment

Financial analysts presentation

10/08/2023 | Bell Food Group, first half of 2023



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Overview of the first half of 2023

2 249

+6.9 %

Sales revenue
in CHF million

64

+1.0 %

EBIT
in CHF million

Organic sales growth

+6.9 %

47

+15.9 %

Net profit
in CHF million

12 618

-1.9 %

Headcount
FTE as of 30/06



Important factors affecting the first half of 2023

Persistent inflation and volatile market circumstances

Success for all business areas

Inflation mostly compensated by cost management, efficiency improvements and price increases

Persistent inflation leads to growing demand for less expensive product ranges

Adverse weather conditions in part

First half of 2023

Persistent inflation in all sales markets

	Inflation rate as at the end of 2022	Inflation rate as at 30/06/2023
Switzerland	2.8 %	1.8 %
Germany	6.9 %	6.8 %
France	6.9 %	5.3 %
Austria	8.6 %	7.8 %
Poland	16.6 %	11.0 %
Spain	5.4 %	1.6 %
Hungary	24.4 %	19.9 %
Romania	13.8 %	9.3 %

Development of sales revenue – strong organic growth

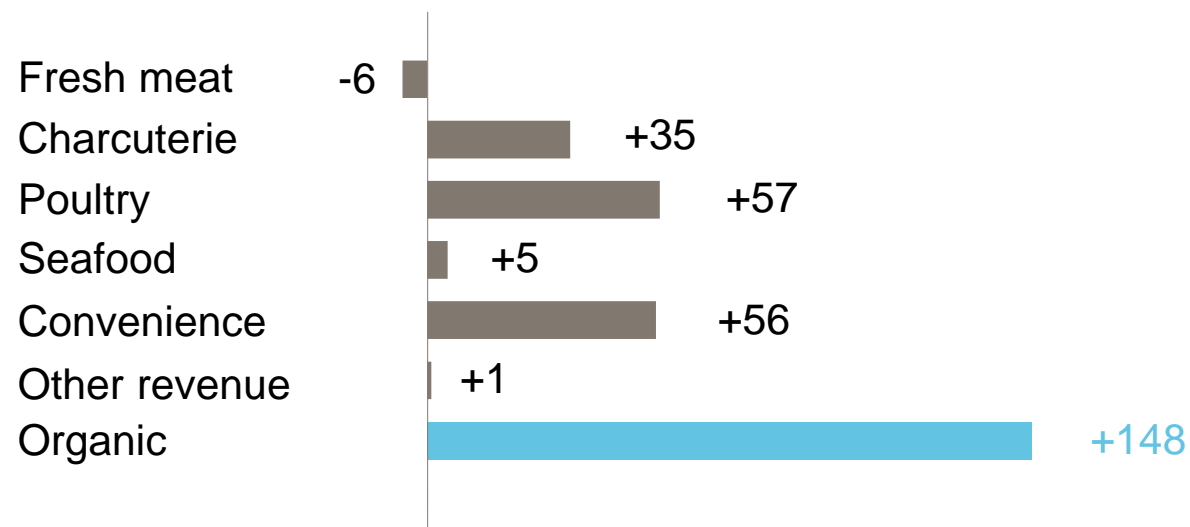
Sales revenue

in CHF million

Sales revenue 2022	2 133	
FX	-33	-1.5 %
Inorganic	-	-
Organic	148	+6.9 %
Sales revenue 2023	2 249	

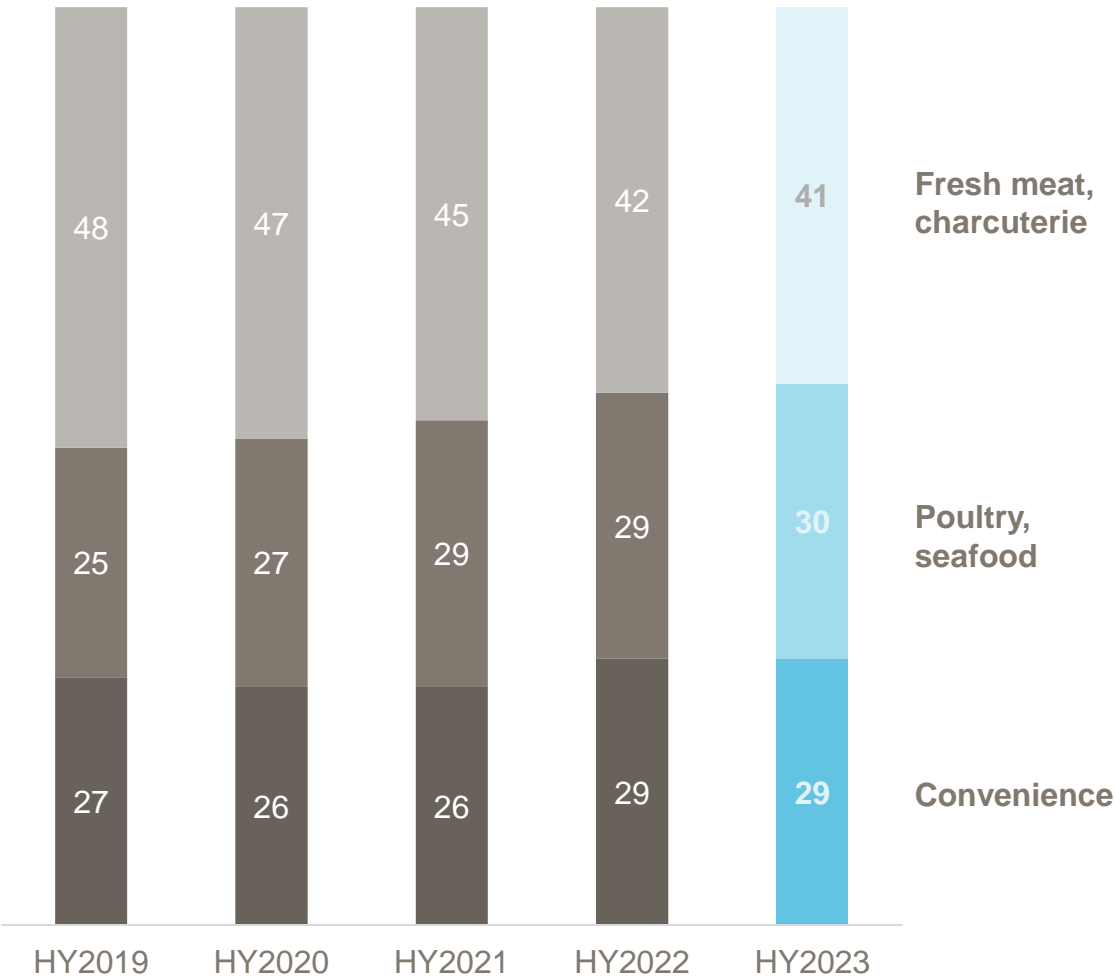
Sales by product group

in CHF million

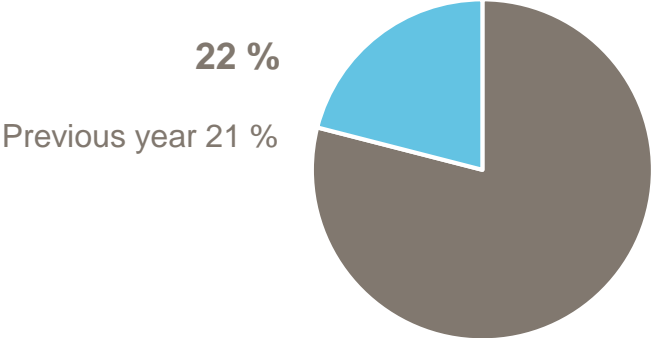


Development of sales revenue – growth segments charcuterie, poultry and convenience

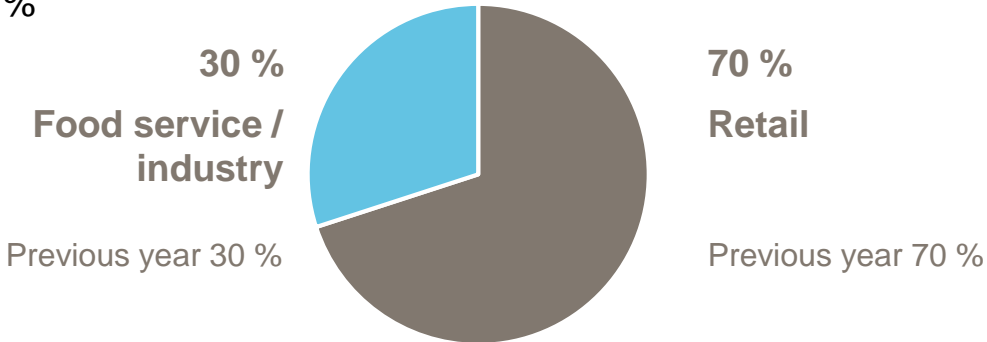
Breakdown of sales by product group
in %



Share of sales of vegetarian products
in %





Share of sales for retail and food service/
industry
in %



Explanations regarding the first half of 2023

Success for all business areas

	 Revenue in CHF million	Change, organic in %	 Growth drivers
Bell Switzerland	1 064	+2.0 %	Barbecue season: sunshine followed rain / strong for fresh meat and poultry / food service grew / trend towards less expensive product ranges
Bell International	570	+14.7 %	Higher prices for pork / strong for sustainable poultry / market share gained / inflation mostly buffered by price increases
Eisberg	171	+7.0 %	Weather conditions affected procurement / Marchtrenk drove growth / rainy weather dampened consumption / inflation burdened food service
Hilcona	276	+5.7 %	Tense raw materials markets / high innovation capacity / product range adjustments due to changes in consumer behaviour
Hügli	211	+14.3 %	Market share gained / food service recovered further / inflation dampened demand for organic products

Innovations and market performance

- Broad range expanded with new products
- Trendy special cuts
- Cooperation with market leader



- Dessert product range completely overhauled
- New market presence for the Vogeley brand
- All chocolate desserts were switched to fairtrade cacao



- Market activities intensified in Austria
- Capacities expanded in Switzerland
- Product range updated and new market presence



- To-go vegetarian product range expanded
- Trendy formats and recipes, e.g. Asian dishes



Salad bowls



- Ongoing expansion of product range, most recently with plant-based ham and chicken chunks
- Cooperation with retail and restaurant chains



Explanations regarding the first half of 2023

Explanations regarding the first half of 2023

Income statement (1/2)

in CHF million

	HY2023	HY2022	+/-	%
Net revenue	2 226.8	2 111.2	+115.7	+5.5 %
Gross profit	865.5	812.2	+53.3	+6.6 %
in % of net revenue	38.9 %	38.5 %		
EBITDA	147.9	143.7	+4.3	+3.0 %
in % of net revenue	6.6 %	6.8 %		
EBIT	63.6	63	+0.6	+1.0 %
in % of net revenue	2.9 %	3.0 %		

- **Organic growth for net revenue**
CHF 148 million
Good performance in all business areas
- **Increase in gross profit and higher margin**
Higher costs were mostly compensated by higher prices.
- **Prior-year EBIT exceeded**
Inflation-driven cost increases could be compensated with price hikes, operational progress and good cost discipline.

Explanations regarding the first half of 2023

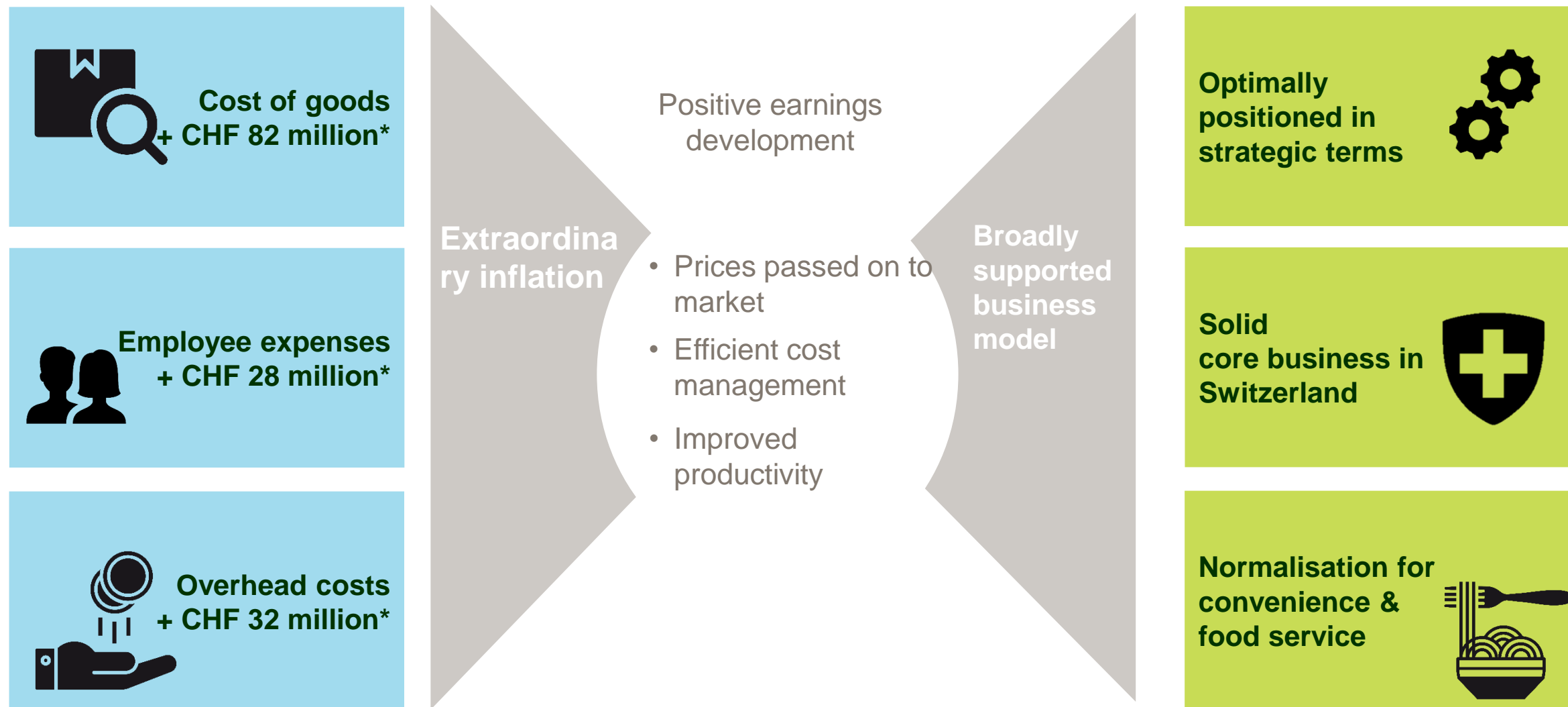
Income statement (2/2)

in CHF million

	HY2023	HY2022	+/-	%
EBIT	63.6	63.0	+0.6	+1.0 %
in % of net revenue	2.9 %	3.0 %		
Financial result	-3.8	-9.9	+6.1	
Net income from associated companies	0.8	1.0	-0.2	
Taxes	-14.0	-13.9	-0.1	
After-tax profit	46.6	40.2	+6.4	+15.9 %
in % of net revenue	2.1 %	1.9 %		

- **Good operating performance of the Bell Food Group**
- **Currency gains greatly impacted the financial result**
Currency gains were up in 2023 by CHF +6.1 million.
Other interest rates were stable.
- **Tax expenses were slightly lower than in the previous year**
Change in EBT resulted in constant tax expenses in spite of higher Group EBT
- **Result improved by 15.9 %**

Strong business model – able to respond quickly to market changes



Equity ratio

48.5 %

Previous year: 48.3 %

- Shift from non-current to current financial liabilities owing to bond (CHF 200 million) maturing in February 2024
- Bell Food Group has a very solid balance sheet – equity ratio well above own target of > 40 %
- Goodwill is capitalised and amortised. If it were to be set off against equity, the equity ratio would be very solid at 46 %

Operating free cash flow

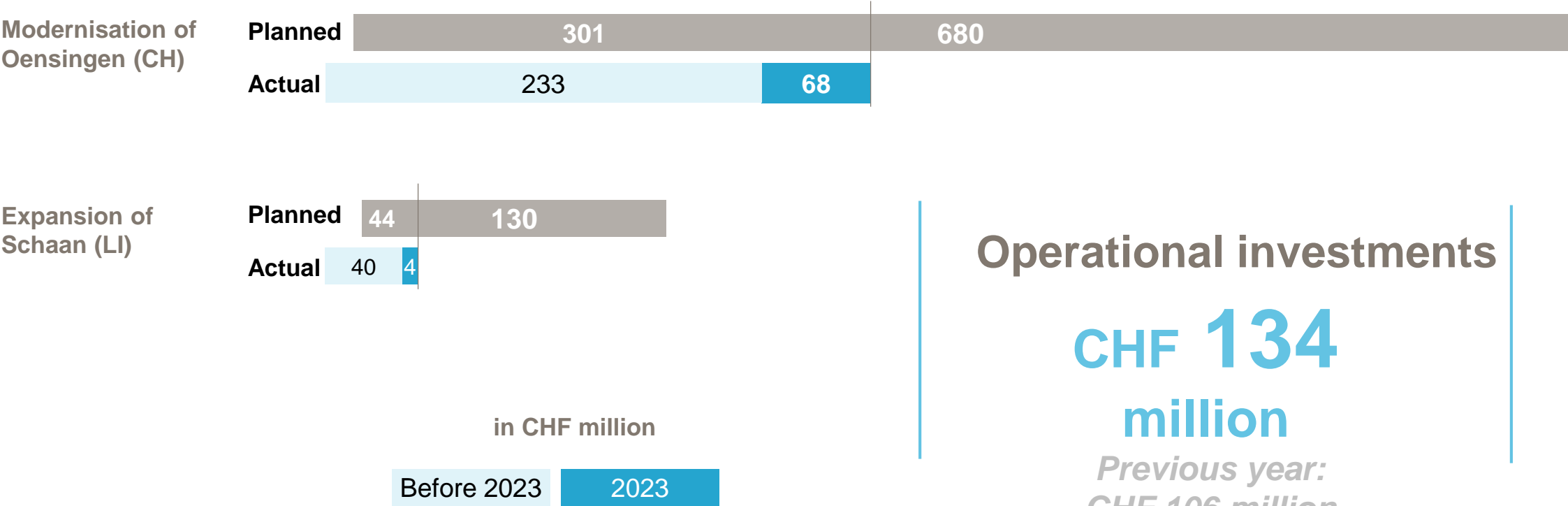
CHF -36 million

Previous year: CHF 2 million

- Profit increase had a positive effect on the operating cash flow, which increased by +14 % to CHF 141 million
- After deduction of the expected high operational investments of CHF 177 million, the operating cash flow was CHF -36 million.

Investment programme 2021 - 2025 – projects are proceeding according to plan

in CHF million



Operational investments

CHF 134
million

Previous year:
CHF 106 million

2021 – 2025 strategy

Leading in food – strategically expand our leading position

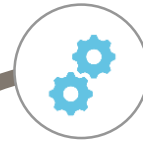
Strategic directions at a glance



**Strengthen
our core
business**



**Grow with
convenience and
vegetarian
products**



**Invest in efficiency
and productive
capacity**

Expand Hubers infrastructure in Pfaffstätt (AT)

- New access road
- Extensions
 - > Crate washing facility
 - > Cold rooms and warehouse
 - > Slicing centre
- Refurbishment of administration building



New facility in Marchtrenk (AT) is a driver of growth

Growth with
convenience
and
vegetarian
products

BELL
FOOD
GROUP



- Sales volumes continuously increased
- Further operational progress
- Good prospects



Commissioning of deep-freeze warehouse in Oensingen (CH)

Invest in
efficiency and
productive
capacity

BELL
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- Successful commissioning as planned
- Central warehouse
- Reduction of energy and personnel costs

ESG and sustainability engagement

We take responsibility.

99 %

of our beef came from
deforestation and
conversion-free sources in
2022.

< 1 %

operational food losses in
2022.

61 %

of the animals slaughtered in
our own abattoirs in
Switzerland have an animal
welfare label/certification.

99 %

of all raw materials came
from Europe in 2022.



- Photovoltaic plants are in use at 13 locations of the Bell Food Group, and another 10 are being planned
- Own production of electricity increased from 715 to 6 500 megawatt hours in one year

- 73 % of the fruit and vegetables procured meet or exceed a minimum standard for sustainable agriculture.
- 100 % of our palm oil comes from deforestation and conversion-free sources



Outlook

Outlook for the second half of 2023 – continue to cushion inflation

Inflation will continue to affect the performance of all business areas in the second half of 2023.

The development of inflation and its impact on people's purchasing power will continue to affect consumer behaviour and demand for our product ranges.

The shift in consumer demand towards cheaper product ranges will affect value creation.

The speed at which price changes can be implemented in the market will be a decisive factor for the Bell Food Group.

In summary, the outlook remains intact for a good annual performance.

Second half of 2023

Results for 2023

Analysts' Presentation, Basel

7 February 2024

Annual General Meeting 2024

Basel

16 April 2024

Results for the first half of 2024

Analysts' Presentation, Basel

13 August 2024