

A very good result in a challenging environment

- **The Bell Food Group posted a very good result in the first half of 2023. Net revenue rose organically by 7.0 percent to CHF 2.2 billion year-on-year. EBIT came in at CHF 63.6 million (CHF +0.6 million, +1.0 %), and the half-year profit was CHF 46.6 million (CHF +6.4 million, +15.9 %).**
- **This excellent result was achieved in a challenging environment that was dominated by inflation, volatile market circumstances and difficult weather conditions.**
- **The impact of the persistently high inflation was buffered by a broad product range, consistent cost management, efficiency improvements and the prompt implementation of price increases.**
- **The food service sales channel continued to recover as expected, and the retail sales channel saw a pleasing increase in volumes compared to the previous year.**
- **All business areas contributed to the excellent result.**

In spite of inflation, volatile market circumstances and difficult weather conditions, the Bell Food Group posted a very good result for the first half of 2023. At CHF 2.2 billion, net revenue was up CHF 147.5 million (+7.0 %) in currency-adjusted terms year-on-year. «Higher prices and consumers who opted for less expensive products: we've managed the challenges caused by persistently high inflation in particular very well,» says a satisfied Lorenz Wyss, CEO of the Bell Food Group. And he identifies the reason for the good result: «This was only made possible by consistent cost management, efficiency enhancements and the prompt implementation of price increases.» The result is an EBIT of CHF 63.6 million, which is up CHF 0.6 million (+1.0 %) on the prior-year period. At CHF 46.6 million, the half-year profit is higher by CHF 6.4 million (+15.9 %). This reflects the fact that exchange rates were stable in the first half of 2023: while a currency loss of CHF 5.1 million was reported in the previous year, a currency gain of CHF 1.0 million was generated in the first half of 2023.

Changes in consumer habits

Inflation had an impact on the costs of employees, energy, raw materials and transport and also noticeably affected consumer behaviour: demand increased for less expensive articles, which led to changes in the product ranges. The easing of the coronavirus measures led to the return of shopping tourism in Switzerland, albeit not quite at pre-pandemic levels. The food service market recovered further and went up year-on-year, and the retail channel saw a pleasing increase in volumes compared to the previous year.

After the rain came sunshine ...

Weather conditions in the first half of the year had a severe impact on consumer behaviour and the procurement of raw materials. In spring, heavy rains cast a cloud over the start of the Swiss barbecue season, but plenty of sunshine from mid-May made up for this and ensured a good season for barbecuing. The fitful weather made it difficult to procure the right volumes and quality of fruit and vegetables.

Success in all business areas

The performance of the **Bell Switzerland business area** was once again stable at a high level. The retail market has normalised since the previous year, and the food service market grew slightly in spite of the capricious weather and the inflation-driven shift in consumer demand towards cheaper product ranges. The **Bell International business area** also matched the previous year's good result. The important element was that the inflation-driven rise in operating costs was compensated by price increases. The good news is that the company gained market share in the German and Spanish markets. Remarkably, sales of sustainable poultry increased. Positive sales growth enabled the **Eisberg business area** to post a good result. The plant in Marchtrenk (AT) made further operational progress and proved itself to be a driver of growth. Drought in the procurement regions here also had an effect on the volumes and quality of the harvested raw materials. The rainy weather in spring affected demand for convenience products too. In Eastern Europe, very high Inflation had a negative impact on Eisberg sales, particularly in the food service sales channel. The **Hilcona business area** reported a satisfactory result. The loss of purchasing power caused a shift in consumer demand towards less expensive products. The effects of these market movements could mostly be countered with strong innovative power, constant adjustments to the product ranges and a stronger focus on efficiency improvements. The **Hügli business area** grew slightly and further expanded its market share in the first half of the year. Hügli experienced an inflation-driven shift in demand from organic dry convenience products to cheaper, more conventional products.

Investments in future performance capacity

The investment programme in Switzerland is on course. At the Oensingen site, construction and installation of the deep-freeze warehouse was finalised, and it was commissioned successfully in April. The facility development plan at Hilcona's headquarters in Schaan (LI) is now in its second phase, and construction has started on the new, fully automated high-bay warehouse with 17 000 pallet spaces.

Progress with the sustainability strategy

The Bell Food Group made further progress with the implementation of its sustainability strategy. The total CO₂ footprint, including all upstream and downstream processes, was calculated for the first time. This was an important step in the process of defining a CO₂ target for the supply chain in the context of the Science Based Targets initiative (SBTi). The supply chain was also analysed comprehensively with regard to social and ecological risks. All progress is described in the new Sustainability Report, which was published at the end of June:

<https://www.bellfoodgroup.com/en/downloads/#sustainabilityreport>

Outlook: cushioning inflation

«Inflation will continue to affect the performance of all business areas in the second half of 2023,» says CEO Lorenz Wyss. The Bell Food Group has initiated the steps required to buffer the impact of this development. Inflation and its impact on people's purchasing power will continue to affect consumer behaviour and thus demand for our product ranges. With its broad range of products, the Bell Food Group covers all the different price categories, enabling it to respond to changing consumer needs. «In summary, the outlook remains intact for a solid annual performance,» says CEO Lorenz Wyss.

About Bell Food Group

Bell Food Group is one of the leading meat and convenience food processors in Europe. Its range of products includes meat, poultry, charcuterie, seafood as well as convenience and vegetarian products. With different 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 12,500

employees generate annual revenues of over CHF 4.3 billion. The Bell Food Group is listed on the Swiss stock exchange.