

Media release

Basel, 7 February 2024
Ad hoc release pursuant to Art. 53
Listing Regulations

The Bell Food Group grows by 5.5 percent and continues to gain market share

- **The Bell Food Group posted a satisfactory result in 2023: net revenue amounted to CHF 4.5 billion (+5.5 % in currency-adjusted terms), EBIT came to CHF 164.7 million (+1.1 %) and the annual profit was CHF 129.6 million (+1.4 %).**
- **All business units contributed to the positive outcome.**
- **The environment was challenging, and the entire financial year was overshadowed by inflation, volatile market conditions and geopolitical tensions. Business in the first half suffered from unfavourable weather conditions. These factors all resulted in dampening of consumer sentiment.**
- **The inflation-driven rise in costs was mostly compensated by consistent cost management, efficiency enhancements and the prompt implementation of price adjustments.**
- **Operating cash flow grew strongly.**
- **The Annual General Meeting will be requested to approve a dividend of CHF 7 per share.**

In spite of market distortions, the Bell Food Group again posted a good result in the 2023 financial year. «Our business model has once again proved its worth and ability to guarantee our stability,» says CEO Lorenz Wyss. All business units contributed to the positive outcome. «I'm particularly pleased that the convenience areas strengthened substantially and regained their earlier growth momentum,» emphasises Wyss.

Success for the Bell Food Group

The Bell Food Group posted EBIT of CHF 164.7 million for the 2023 financial year, which is CHF 1.7 million (+1.1 %) better than in the previous year. The base effect triggered by the implementation of the price increases resulted in a slight reduction in the EBIT margin of 0.1 basis points to 3.6 percent. «This confirms that we implemented the price increases with good reason and in an appropriate manner,» explains Lorenz Wyss. At CHF 129.6 million, the annual profit was up on the previous year by CHF 1.8 million (+1.4 %). The strong operating performance is also reflected in the increase in the operating cash flow of CHF 23 million.

At 46 percent, the equity ratio is slightly below the previous year. The balance sheet of the Bell Food Group shows bond issues for CHF 270 million and the repayment of current liabilities for CHF 100 million. The bond proceeds will be used to repay a maturing bond at the beginning of 2024 and for the strategic investment projects in Switzerland.

➔ *More details and explanations can be found in the Annual Report 2023 and in the separate publication «Alternative performance measures».*

Many factors contributed to the challenging market environment

2023 was a challenging financial year. The fitful weather led to an increase in purchase costs and made it more difficult to plan the procurement processes. It was also a demanding task to procure raw materials in the required quality, in particular fruit and vegetables. The situation remained tense on the energy market with the price of electricity rising further. The loss in purchasing power was accompanied by uncertainty caused by the geopolitical situation. These factors caused consumers to shift their preference to less expensive product ranges. The changes in shopping behaviour had an impact on the product ranges and sales figures of the business areas. Shopping tourism in our neighbouring countries increased again in our core market Switzerland, albeit not to the same level as before the corona pandemic.

All business areas are successful

In spite of all these challenges, the business area **Bell Schweiz** posted a very good result. As has been the case for many years, poultry and seafood were the main drivers, joined in the reporting year by the fresh meat business. «Bell Switzerland further expanded its market share as the leader in the barbecue segment,» says Wyss. This is also true for the food service sales channel, where the company quickly reacted to the needs of the food service segment. The retail sales channel managed to outstrip the performance of the excellent prior year.

The business area **Bell International** also posted a very good result. The increase in pork prices in Europe was countered by the strategic focus on the air-dried ham segment, and the higher procurement prices were able to be successfully passed on to the market. The focus on air-dried ham and sustainable poultry products that was implemented some years ago proved itself again in the reporting year. Market share was gained in the home markets in both segments.

Thanks to further operational progress at the new plant in Marchtrenk (AT) and gains of market share in Romania and Hungary, the business area **Eisberg** experienced growth in 2023. However, high inflation in Eastern Europe burdened food service sales. Given the inflation and limited availability of plant raw materials, the procurement market was challenging.

In spite of inflation-driven shifts towards less expensive product ranges, the business area **Hilcona** once again outstripped the prior year's record sales. Strong growth was reported for ultra-fresh products such as Bircher muesli, meals and sandwiches of a manufacturing quality. The food service and industrial customer business also developed very well. Food service and industrial caterer sales are well above pre-coronavirus levels again. After years of intensive growth, the market for meat alternatives is currently stable. The Green Mountain start-up managed to gain market share in this challenging environment, both in the food service and retail segments.

Hügli further expanded its market position in 2023 too, thus confirming that this business area with its strong focus on the food service segment has recovered from the losses suffered during the pandemic years. In addition to market share gains, volume growth was also achieved in Switzerland, Austria, the Netherlands and Eastern Europe. Because company catering is a large part of the business activities in Germany, sales volumes in this market are still slightly below the pre-pandemic levels of 2019 despite the gains in market share.

Consistent dividend distribution: CHF 7 per share

The Bell Food Group will ask the Annual General Meeting to approve the same dividend distribution of CHF 7 per share. Half of this distribution will be paid from the capital contribution reserves and the other half from the Bell Food Group's annual profit.

Investment programme Switzerland: well on course

The Bell Food Group's forward-looking investment programme has reached further milestones. The new state-of-the-art deep-freeze warehouse was commissioned in the reporting year, and all other modernisation and expansion projects are on schedule and within the budget. In Schaan (LI), construction work on the second phase of the facility development plan has started. The objective is to optimise the use of space and increase efficiency and capacity. «The new infrastructure is of strategic importance because it strengthens our position as a technological

leader and secures both the core business in Switzerland and our future earning power,» says CEO Wyss.

Outlook: further expansion of successful model

In the past financial year, the Bell Food Group once again demonstrated that it has an excellent market position with its unique business model and achieves outstanding results even when framework conditions are difficult. «With its broad product and country portfolio, the Bell Food Group is well equipped to master the challenges of the future,» says CEO Lorenz Wyss. «Even in difficult times plagued by many challenges, our group of companies will be able to draw on its strengths, thus continuing the performance of the past years to achieve sustainable results and succeed in the market.» We are very well prepared for the future – many important strategic decisions have been taken. We will therefore be able to operate successfully on the market in spite of ongoing geopolitical uncertainties, inflation and growing cost pressure. «With our clear strategy and wide range of products, we'll continue to meet the needs and requirements of our customers throughout Europe and thus generate sustainably good results for our group of companies going forward.»

About 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 and 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 requirements. Its customers include retail as well as food service companies and the food processing industry. Around 13 000 employees generate annual revenues of over CHF 4.5 billion. The Bell Food Group is listed on the Swiss stock exchange.