
Investor Day 2022

We shape the future

Leading in Food

19.05.2022 | Bell Food Group Investor Day 2022

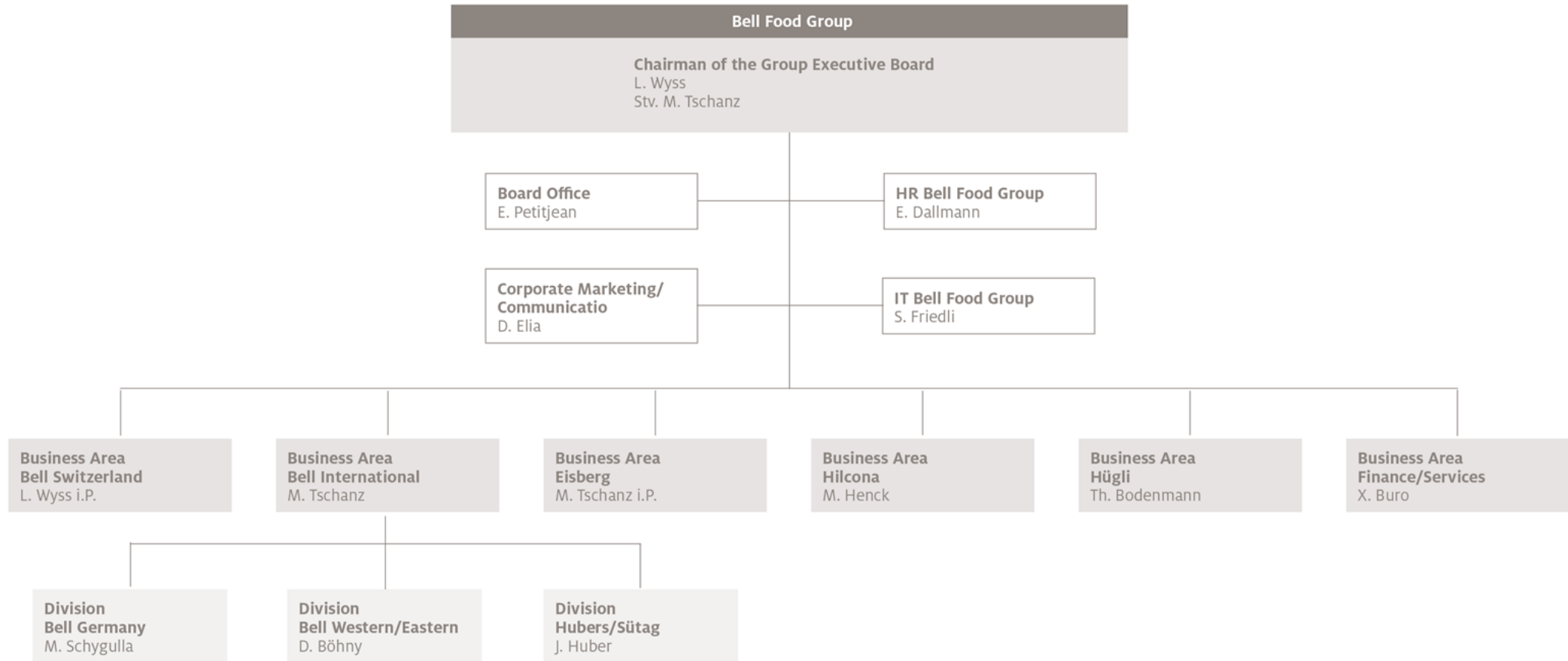


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New organisation as of 1 May 2022



Strategy 2021–2025

Leading in food –

Strategically expanding our leading position.

Vision and missions – Strategically expanding our leading position



Our objective is, through pleasure, competence and a sense of responsibility, to be one of the leading food companies in Europe.

Vision and missions – Strategically expanding our leading position



We love the good things.

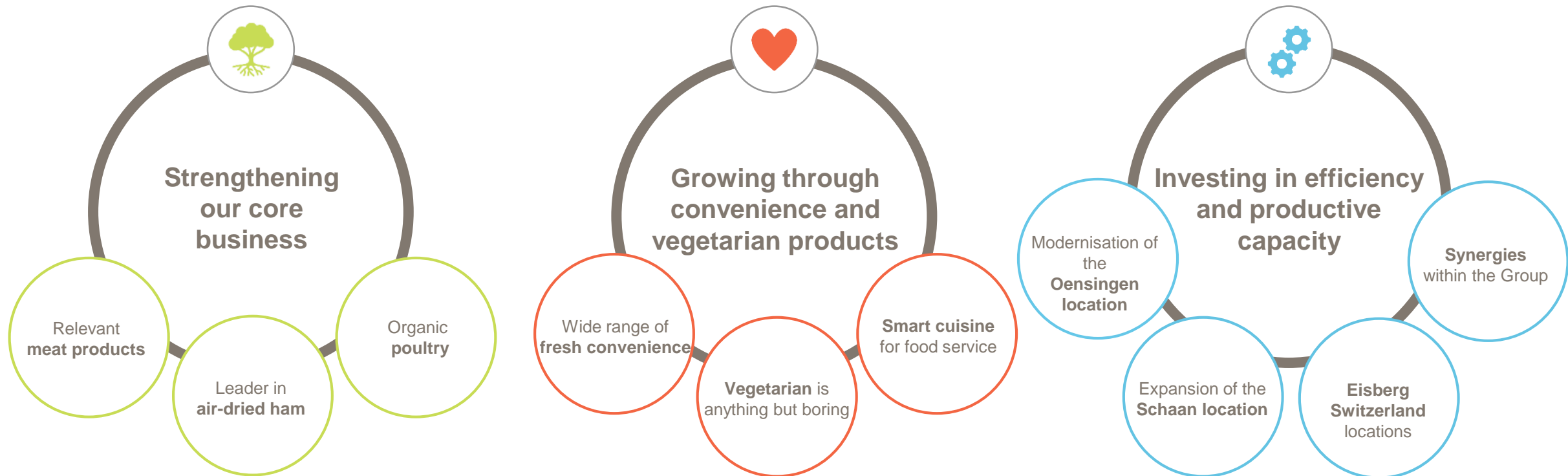


We shape the future.



We take responsibility.

We shape the future.



> Secure long-term earning power and productive capacity

ESG and commitment to sustainability

We take responsibility.

We take responsibility – the new ESG strategy 2026+

Generally higher ambition level defined towards orientation on scientifically based objectives and international agreements and frameworks



**We take
responsibility.**

Significant
topics

Water

Disposal and recycling

Ecosystems

Animal welfare

Safety and health at the workplace

Employment conditions

Governance

Greenhouse gas emissions and energy

0

Climate neutrality

GHG-neutral by 2035 for scope 1–2
and by 2050 for scope 1–3

< 1%

Food waste

Operational food waste by 2026

> 50%

Packaging

Recyclable packaging by 2026

-10%

Water consumption

Reduction of water consumption in
non-risk areas by 2026

> 60%

Animal welfare labels

Animal raw materials from
Switzerland to be certified with an
animal welfare label by 2026

> 370 million

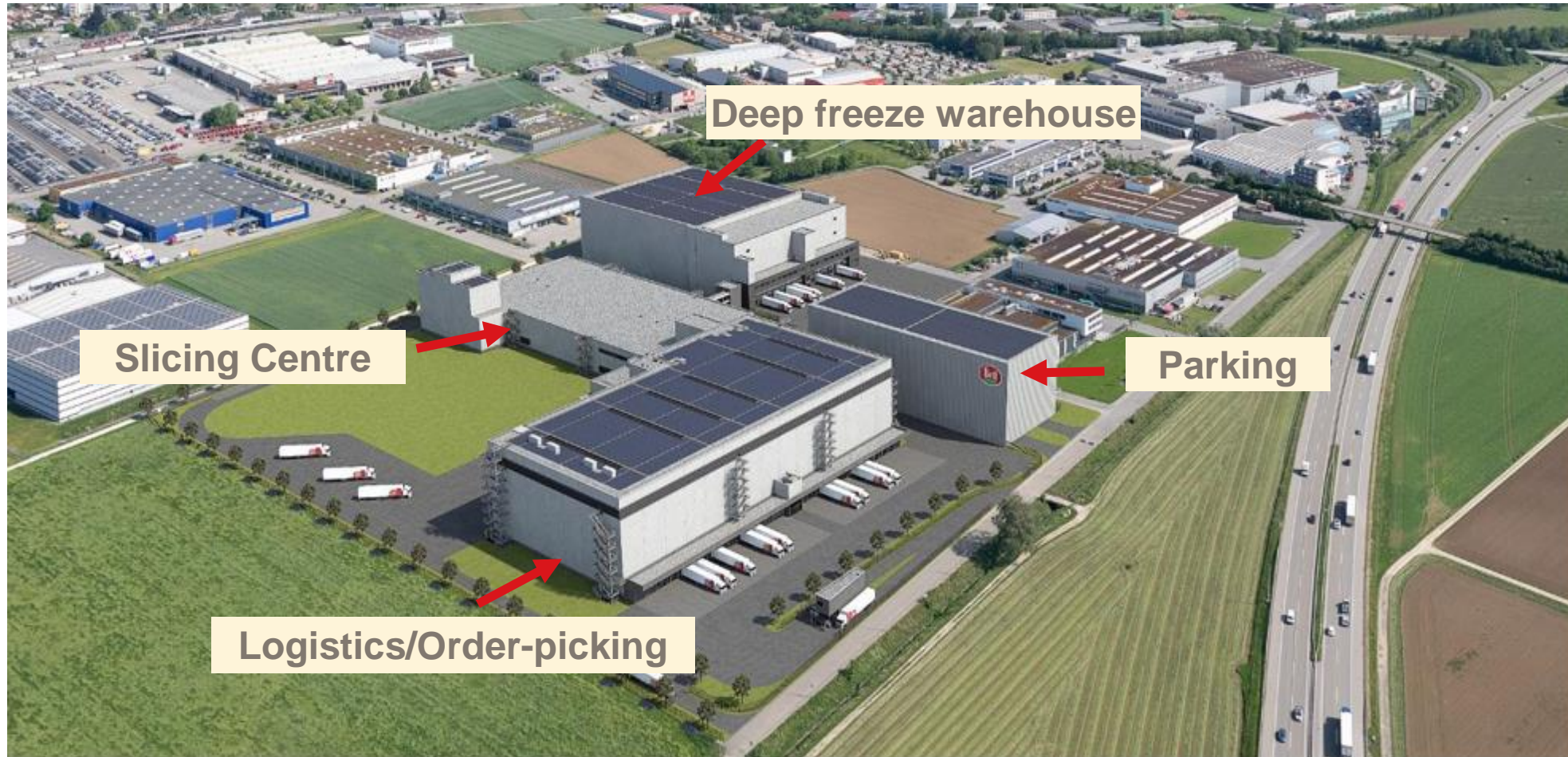
Organic sales

Sales of organic products
in CHF million by 2026

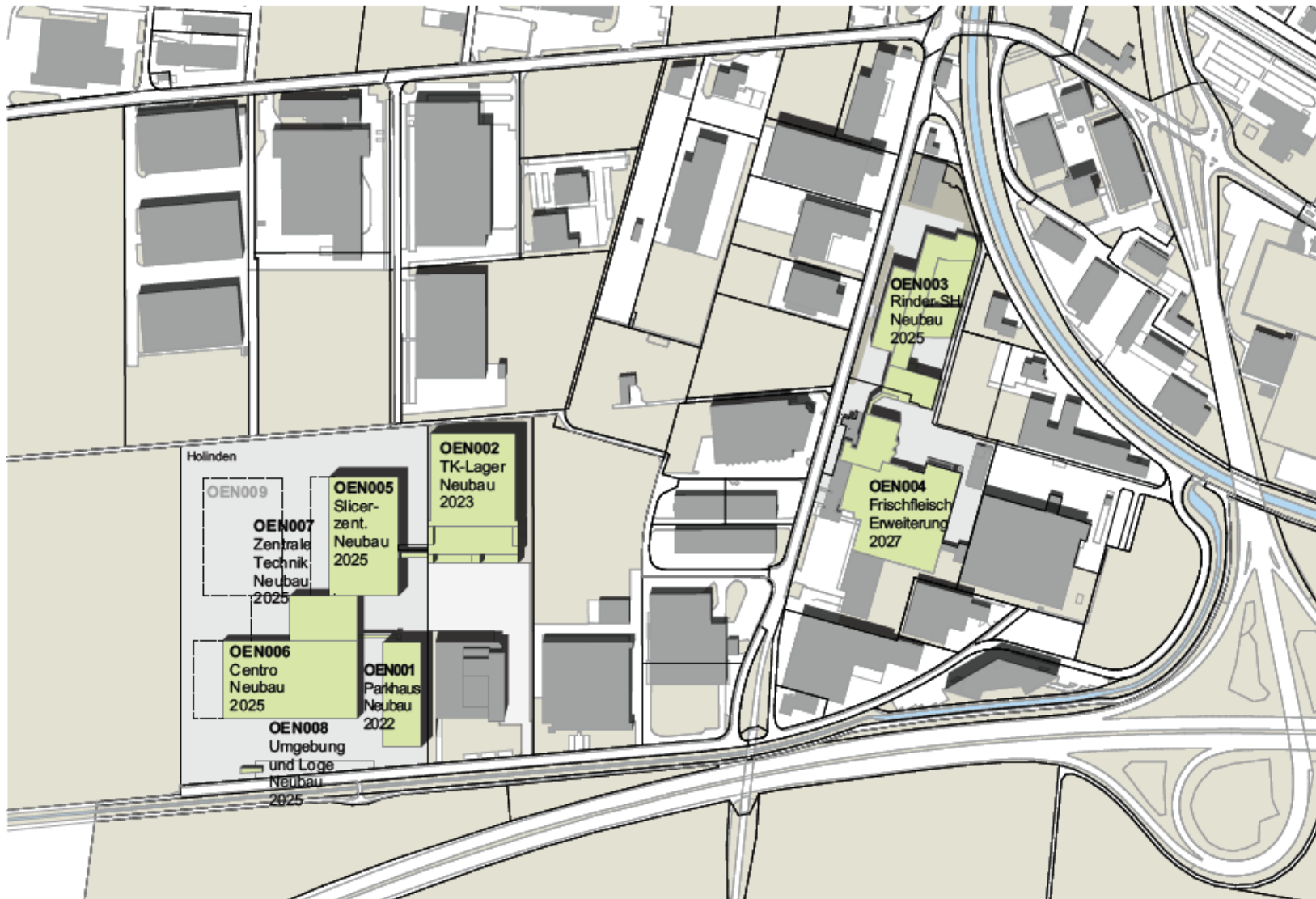
Bell Switzerland business area

Securing core business and profitability.

Bell Switzerland investment programme – Modernisation oensingen site

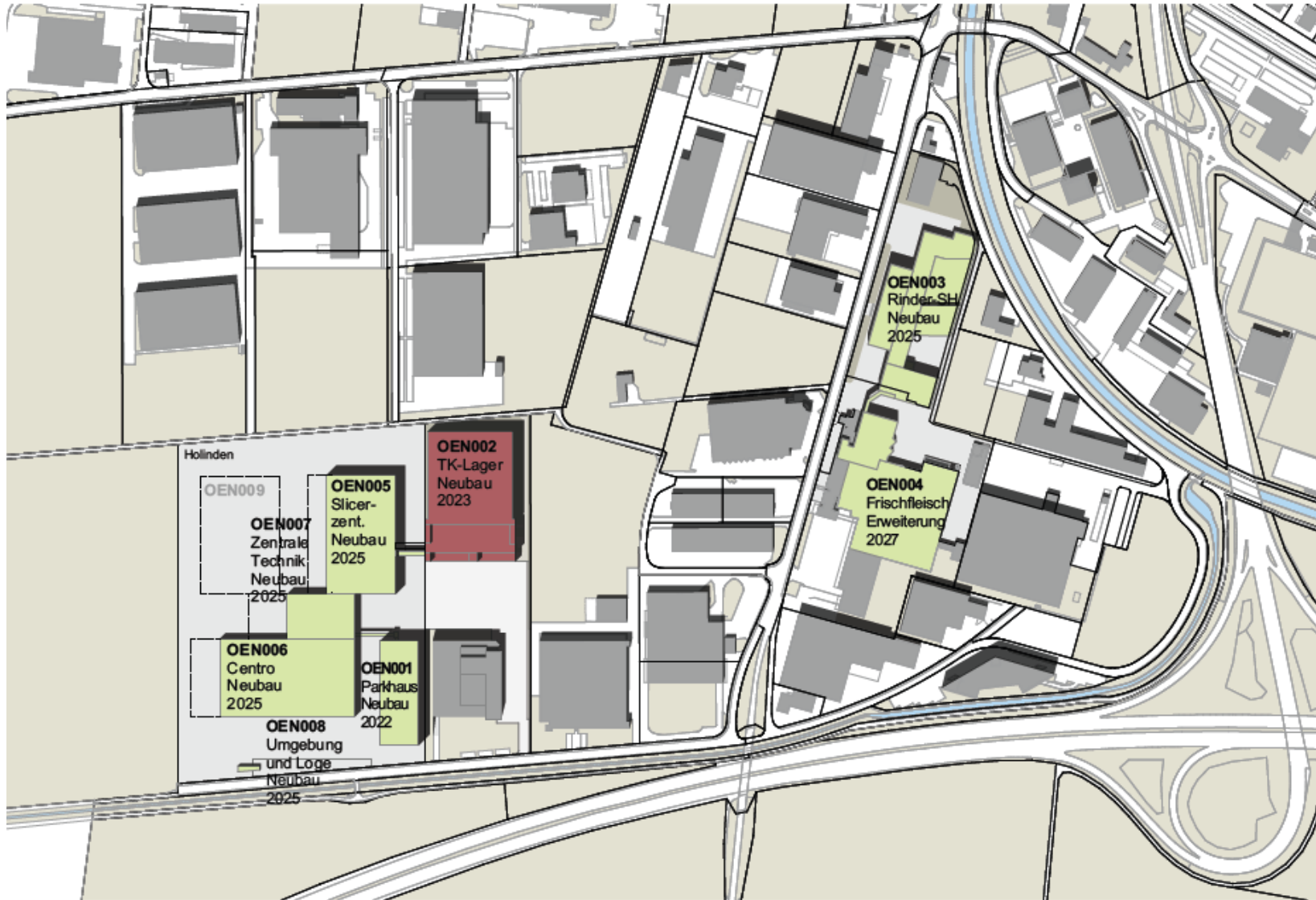


Bell Switzerland investment programme – Modernisation oensingen site



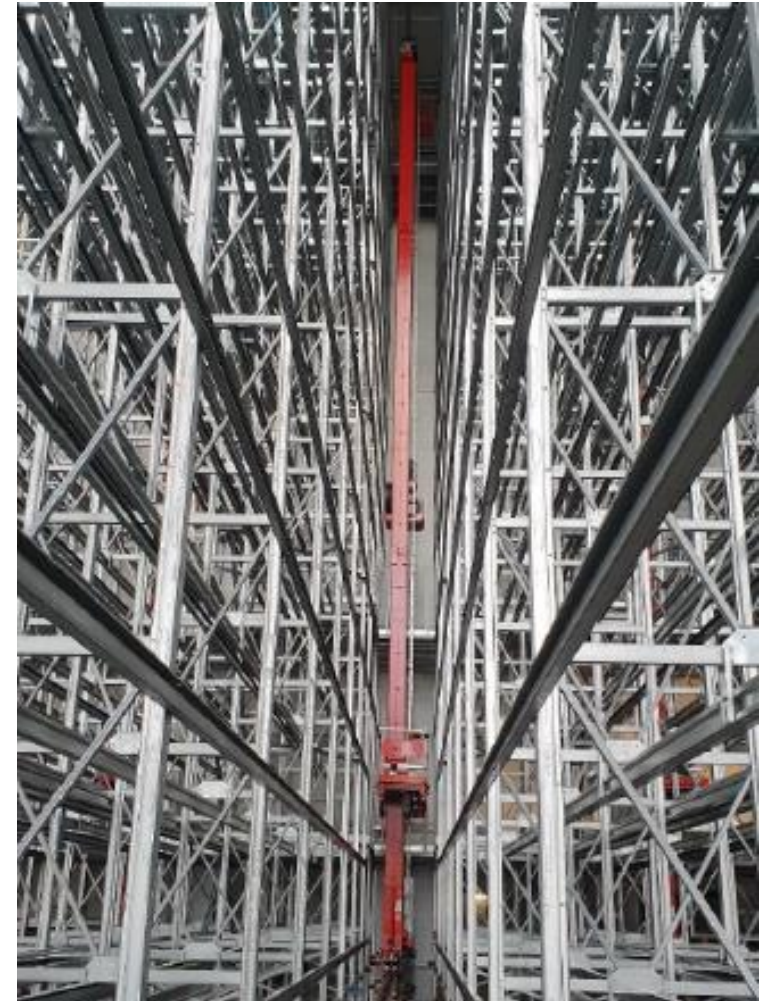
© ZSB ARCHITEKTEN SA AG, Oensingen | Stand: 18.05.2022 | vms

Bell Switzerland investment programme – Deep freeze warehouse



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Bell Switzerland investment programme – Deep freeze warehouse



Bell Switzerland investment programme – Deep freeze warehouse

Modernisation of
Oensingen
location

New
deep-freeze
warehouse

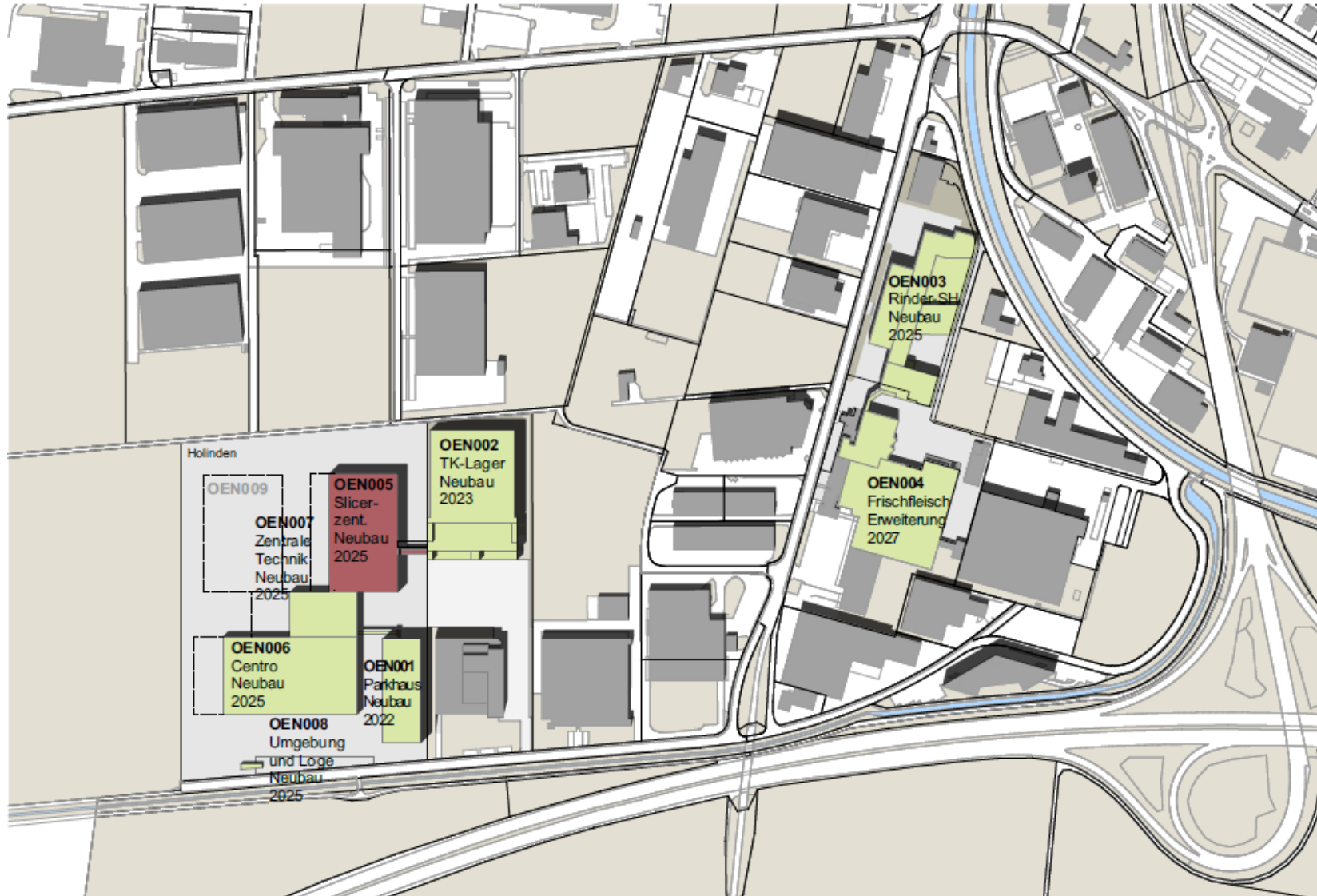
- New deep-freeze warehouse with around 34 000 pallet bays. Air conditioning to -24°
- Already utilized; around 60 % by Bell and around 40 % by external customers
- Construction largely completed
Programming and tests as of May 2022
Start cooling Q1/2023 and storage commencement as of Q2/2023

Important benefits:

- Reduction of decentralised, external and internal warehouses from 8 to one central warehouse
- Full automated materials handling enables faster goods handling
- Acclimatisation with radio-wave technology for defrosting within 40 minutes instead of the previous 2 days
- Overall reduction in energy consumption of around 50%
- Double the volume with the same number of employees



Bell Switzerland investment programme – Slicing Centre



Bell Switzerland investment programme – Slicing Centre



Bell Switzerland investment programme – Slicing Centre

Modernisation of
Oensingen
location

Slicing Centre

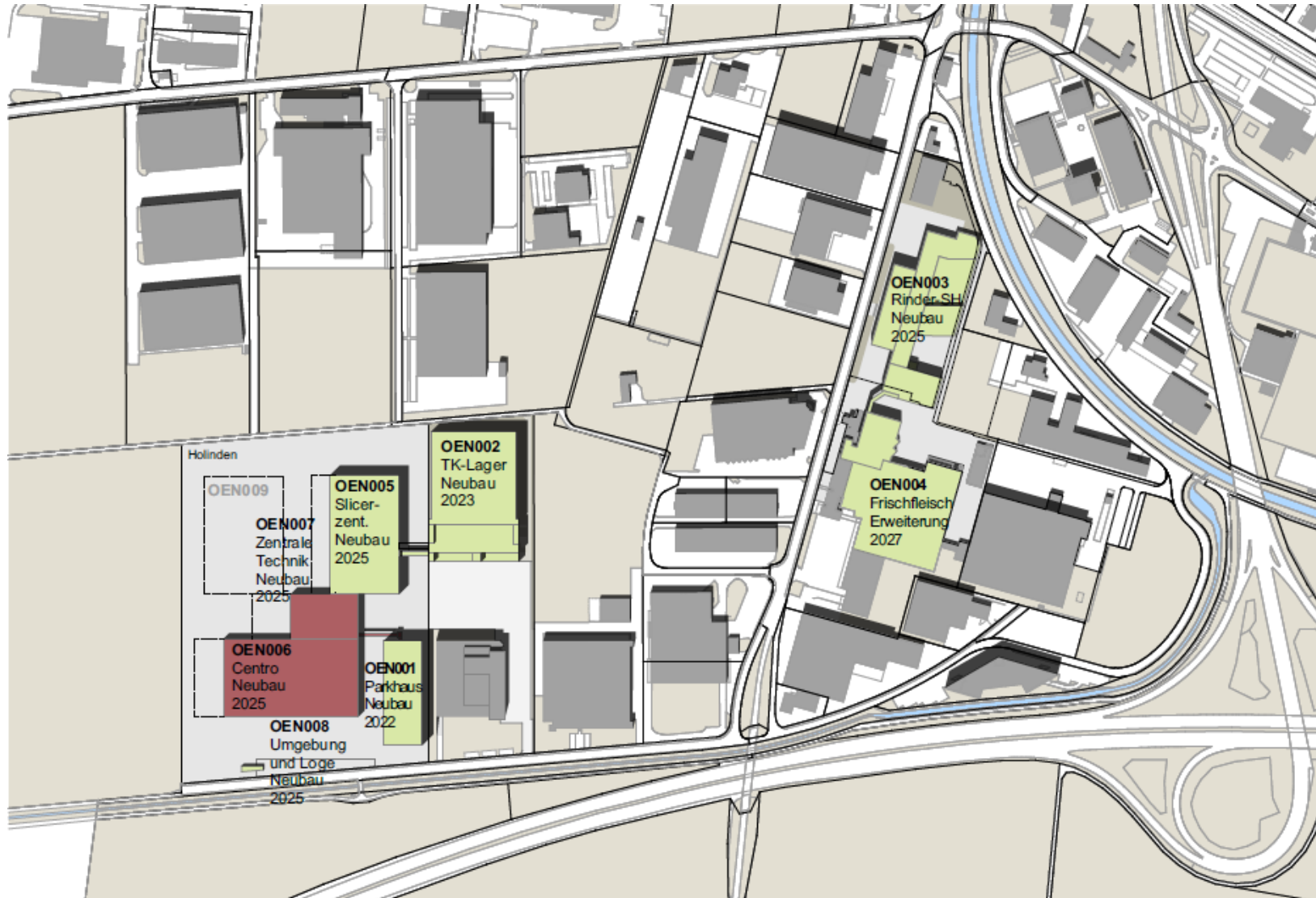
- Concentration of work for cut charcuterie from Basel and Cheseaux in the new Oensingen slicing centre
- Construction started;
planned commissioning 2025

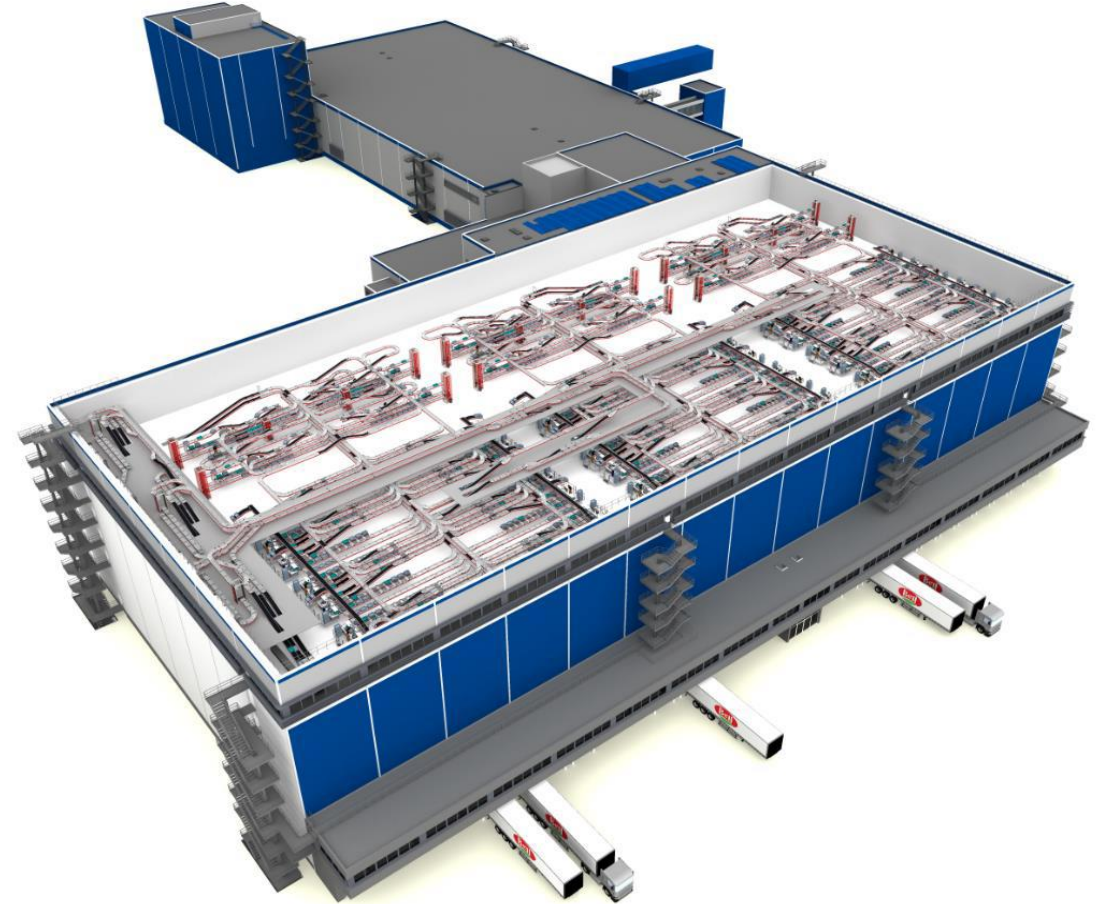
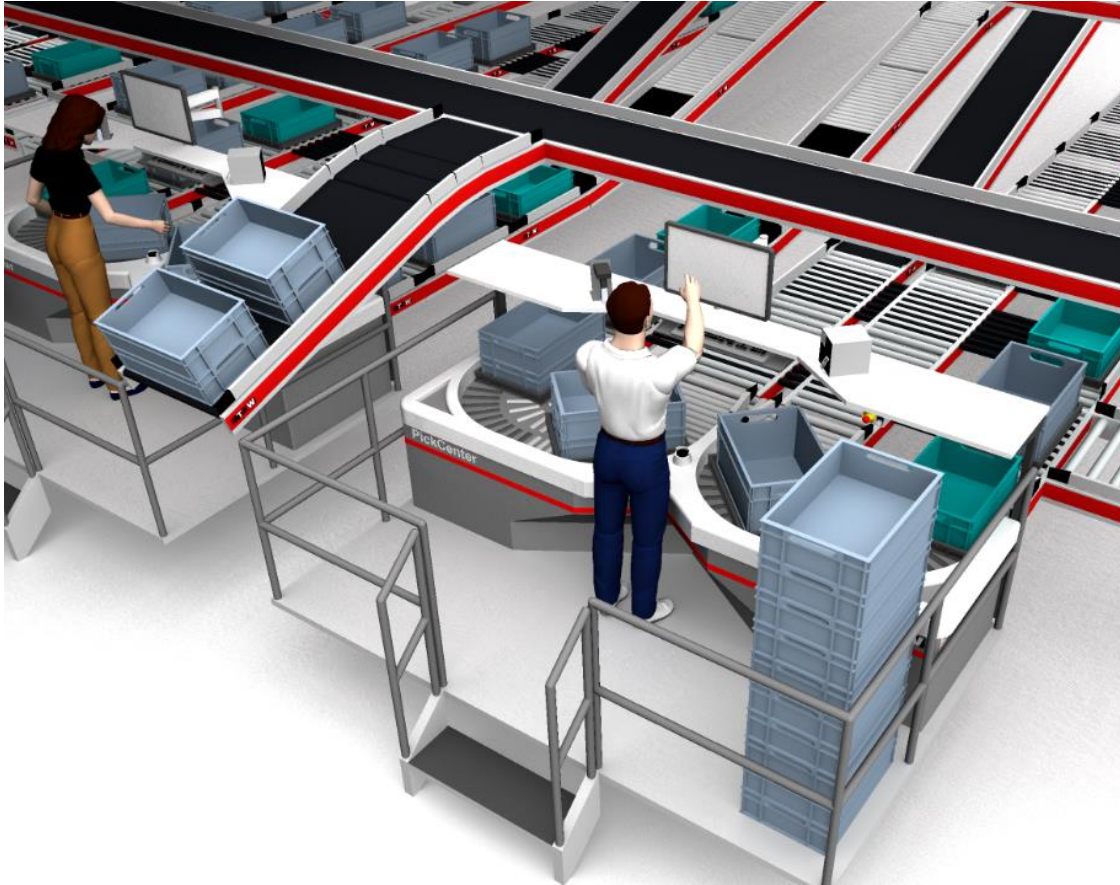
Important benefits:

- Reduction of slicing plants from 16 to 8 high-performance lines, making management of lines more efficient
- Automated materials handling and intralogistics reduce previous manual work tasks
- Ideal space conditions for longer lines, permitting use of new quality assurance and packaging robot technologies



Bell Switzerland investment programme – central logistics and order-picking





Bell Switzerland investment programme – central logistics and order-picking

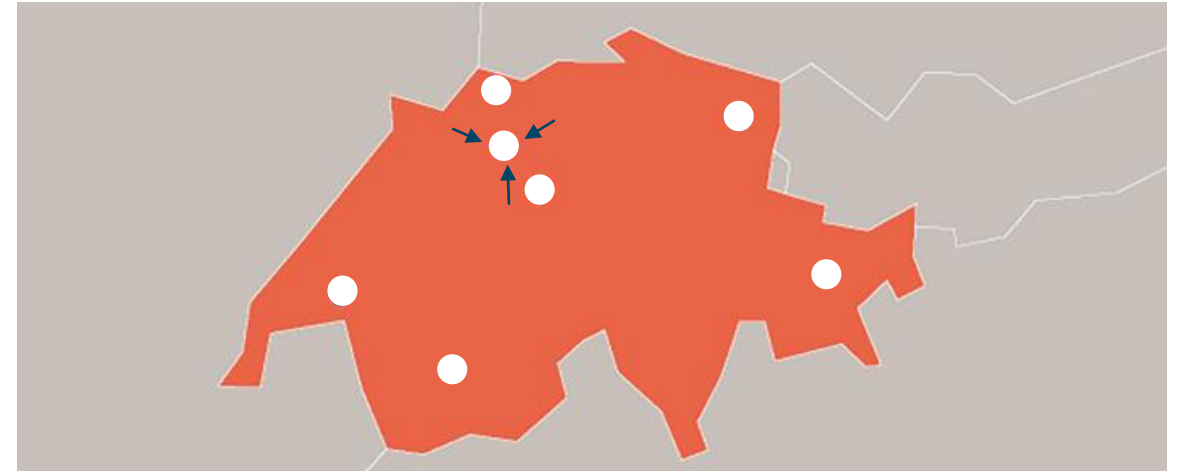
Modernisation of
Oensingen
location

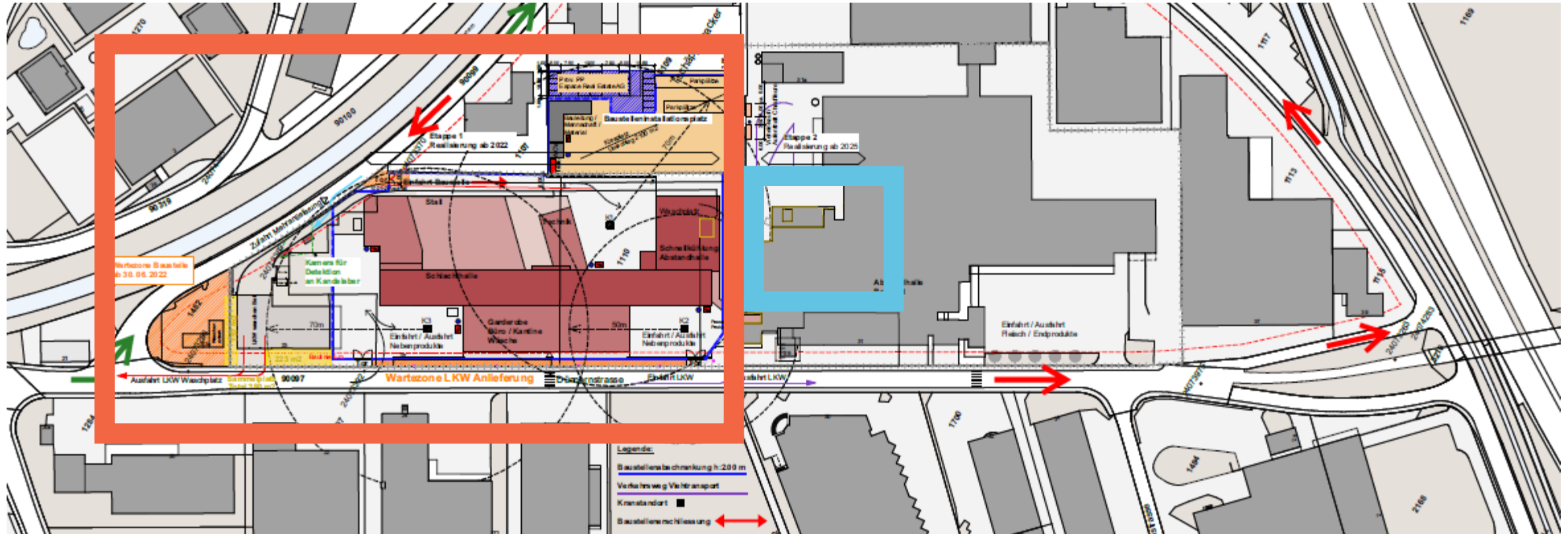
Central
logistics
and picking

- New facility for centralised logistics and picking at the Oensingen location
- Picking systems of 6 locations are concentrated in the new facility in Oensingen
- Construction started; planned commissioning 2025

Important benefits:

- Only branch picking logistics in Switzerland covering several product groups
- Concentration at one location facilitates a greater throughput and more efficient maintenance
- Shorter order-delivery service – shops have a half day longer until the order, reducing liquidation/food waste at the customer
- Standardisation of production planning for the optimising of warehouse stocks and production batches





New slaughterhouse

Existing operation

Modernisation of
Oensingen
location

New
slaughterhouse

- Renovation of beef abattoir
- Capacity increase from 650 to 1 000 animals per day; considerable optimising of processes
- Construction started; planned commissioning 2025

Important benefits:

- Improved animal welfare during unloading and herding through structural measures, reduced noise and optimum air and light conditions
- Reduced energy consumption and use of rainwater for cleaning transport vehicles and stalls
- Gentle cooling of slaughter animal bodies through three climate zones for better meat quality
- Increase in productivity from 60 animals/h to 120 animals/h (international standard)



Bell International business area

Air-dried ham and organic poultry leader.

Bell International reorganisation – greater profitability through focusing



2019

Sale of German sausage business to the Mühlen Group



2020

Sale of production location in Hungary to Spar Hungary



2021

Sale of minority share in System Lonch, leading Spanish slicer



2020

Sale of the production plant in Saint-André in France to French manufacturer Isla Délice



2020

Sale of logistics activities in Belgium to Kivits-Drunen, the Dutch logistician



2020

Sale of ham facility in Belgium to De Keyser, the Belgian meat product manufacturer



2022

Sale of Zimbo Romania company to a local trading company

Bell Germany

- No.1 for air-dried ham in Germany
- Leader in innovation and packaging technologies
- Strong position with three plants in Spain

Hubers/Süttag

- Largest organic producer in Europe
- Only complete range supplier in southern Germany and Austria
- Pioneer role in animal welfare

Bell Eastern/Western Europe

- Speciality plants in France and Poland
- Focusing on profitable ranges and customer channels
- Growing export share

Bell International business area

Bell Germany – the ham specialist



Umsatzentwicklung Serrano

MAT Dezember 2021 vs. Vorjahr

Bei Serrano-Schinken wächst die Marke Abraham unverändert stärker als der Markt.

Umsatz SB-Serrano Gesamt	+3,8%
Umsatz SB-Serrano Abraham	+9,8%

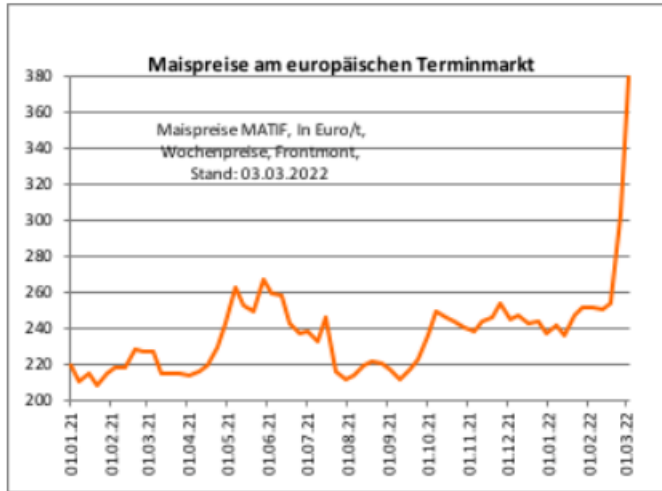


Umsatzentwicklung Schwarzwälder Schinken

MAT Dezember 2021 vs. Vorjahr

200g-Packungen sind unverändert das größte Einzelsegment, während die kleineren Packungsgrößen, insbesondere 80g-Faltpackungen, deutlich gewinnen.





Source: www.agrarheute.com



Sales increase in 2021 with organic poultry of **13.3 %** when compared to previous year

Chicken-fattening facilities considerably increased compared to previous year:

- conventional +4 %
- organic +13 %



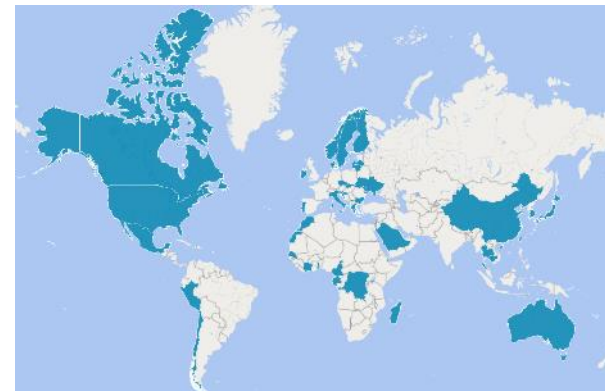
2021: Sütag sales increase in retail of **18%** when compared to previous year



Preference for decentralised locations for manufacture of **local products**; strengthening of regional brands



Continuous increase in export share; **exporting today to over 50 countries** all over the world



Approx. 30% market share for sliced salami in Poland

Eisberg business area

Growing with fresh convenience.

Eisberg Austria – new convenience facility in Marchtrenk drives growth



460

Mitarbeiter/innen
am Standort Marchtrenk

24.000m²

Produktionsfläche

19

teil- und
vollautomatisierte Linien

400 m²

Forschungs- und
Entwicklungszentrum

Zertifikate



4 → 2

Consolidation of production locations



Increased hygiene requirements



Automation / Expansion of capacities



Development of innovation centre in western Switzerland



Hilcona business area

Driving growth with vegetarian products.

Product ranges



Sandwiches



Salads/Muesli



Meals



Plant-based



Pasta



Non-perishable
convenience

Brands and own brands



Betty Bossi



REWE

SPAR

MIGROS

DENNER

Customers



Retail

Discounters
Full-range providers
Convenience shops



Food service

System catering
Food service sector
Communal catering



Industry



Impulse markets

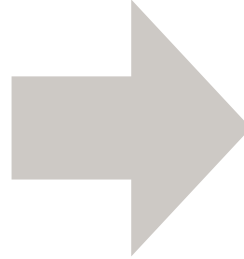
Schaan plant development plan – a favourable outlook for the future



Situation prior to construction begin 2019

Location has grown organically over decades

- No available reserve areas for ranges
- Major restructuring requirement
- Poor use of single-storey areas
- Inefficient intralogistics
- Large external warehouses with major outlay
- Long-term development of site not assured



Situation following plant development completion 2026

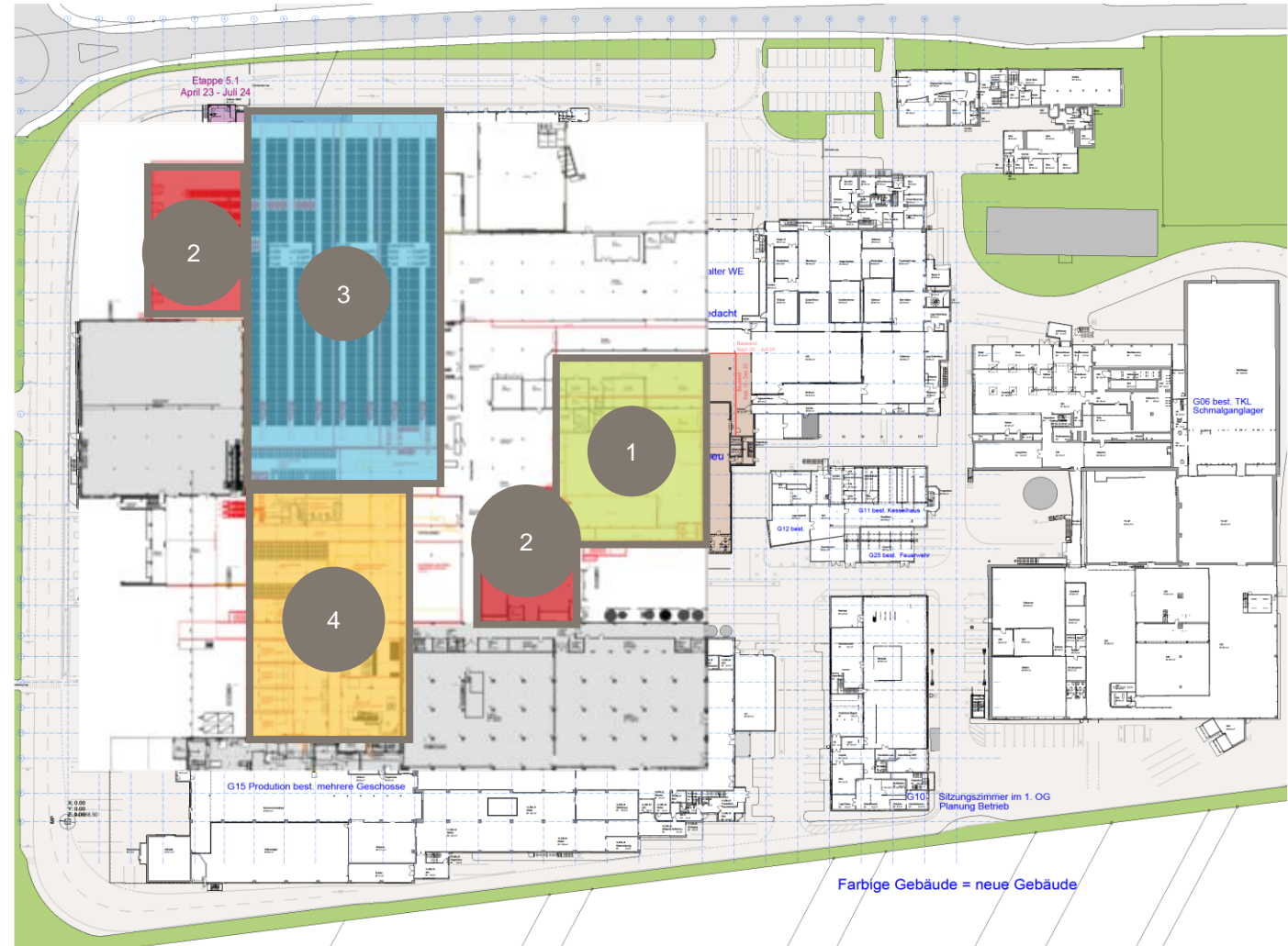
Master plan with new infrastructure designed for the long term

- Increasing of production efficiency through optimised flow of goods and central high-bay warehouse
- Expansion options created to realise forecast market growth
- Production capacity secured at location on a sustainable level and replacement investments avoided

Schaan plant development plan – a favourable outlook for the future

Status of construction phases

- | | |
|--|------|
| ① Pilot project / Building application | ✓ |
| ① Preservation of pasta and fresh convenience | ✓ |
| ② Infrastructure | 2023 |
| ② Outbound logistics | 2022 |
| ③ Deep frozen, cooled and ambient high-bay warehouse | 2023 |
| ④ G50: production building | 2026 |



Schaan plant development plan – phase 1 implemented



Schaan plant development plan – very well positioned for the future



Commissioning of Schlieren sandwich-manufacturing facility – unique market performance

- 2019 Market test of daily fresh sandwiches
- 2020 Test production of daily fresh sandwiches
- 2021 Development of Orbe manufacturing production
Takeover of Aryzta sandwich business
- 2022 Commissioning of Schlieren sandwich-manufacturing facility
Further expansion potential



Hügli business area

Ready for a fresh start.

PRE-coronavirus vs. POST-coronavirus

B2C:
Retail

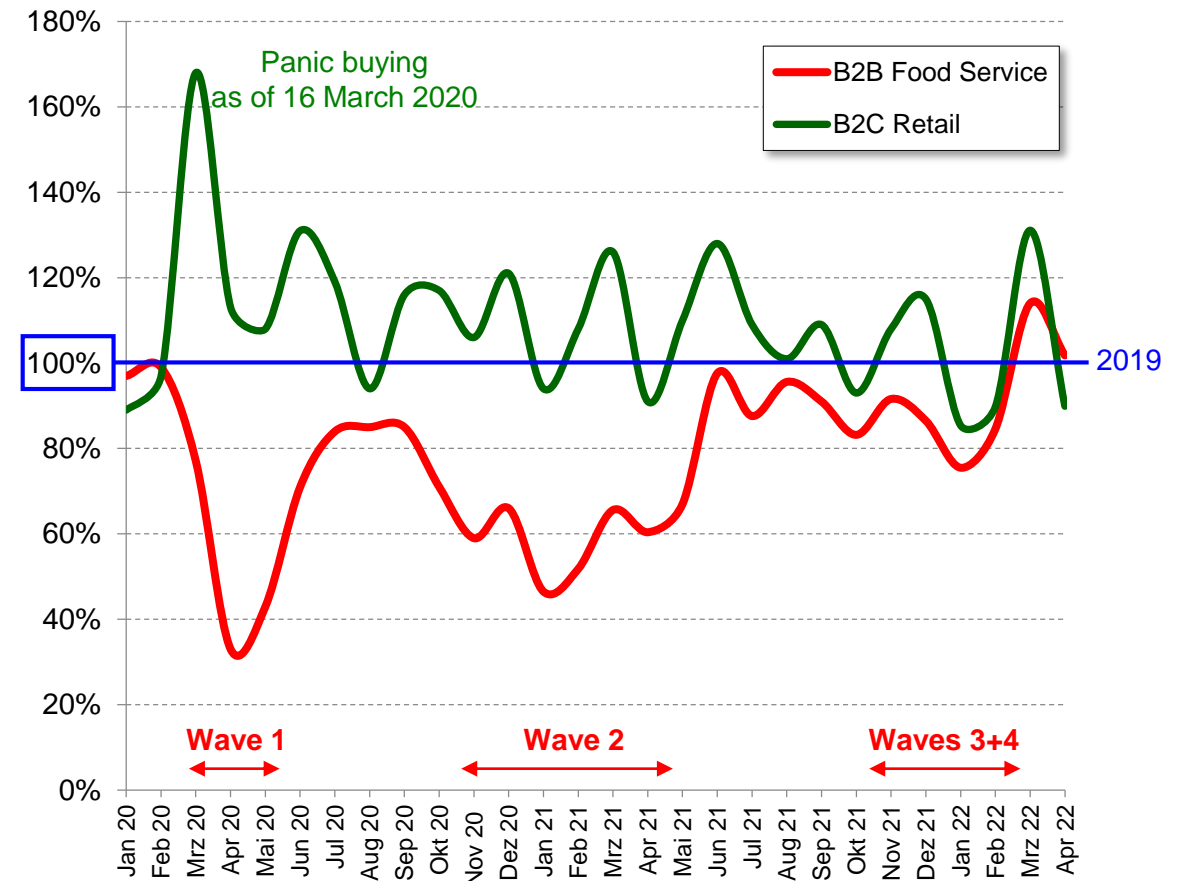
2020 } Our retail customers profited from
2021 } multiple lockdowns

2022 → Despite high degree of volatility,
sales stabilise again at pre-coronavirus level

B2B:
Food
Service

- ✓ High adaptability of takeaway catering market
→ Sales slumps reduced from wave to wave
(e.g. takeaway)
- ✓ Perceptible backlog demand among restaurant
guests as of March 2022
- ✓ Further adaptation pressure due to staff
shortage → Use of intelligent kitchen
appliances, shorter menus, more basic
products, prepared vegetables/meat, internal
training

Indexed sales development compared to 2019 (PRE-coronavirus):



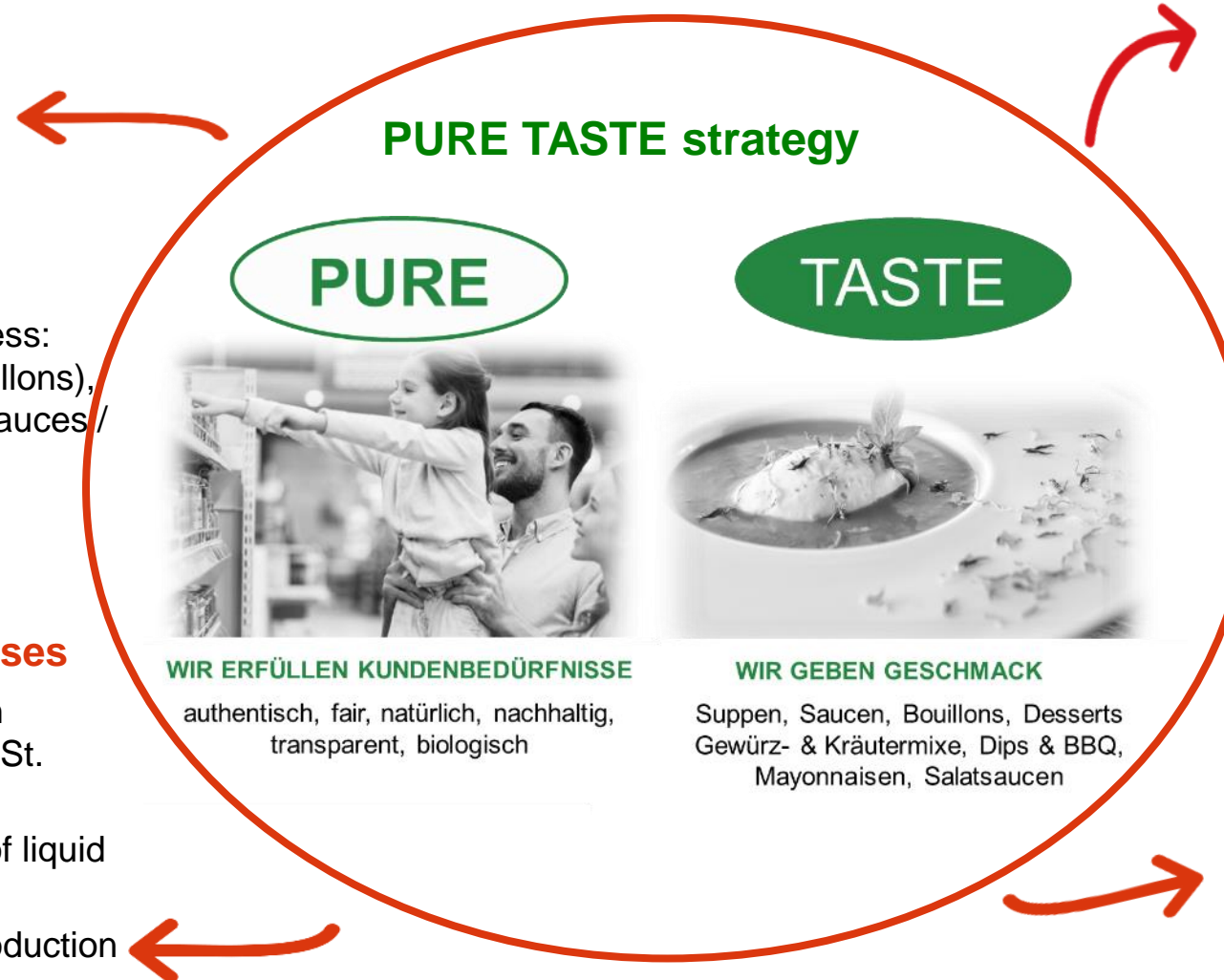
PURE TASTE strategic focal points – future-oriented strategic positioning

Markets

- ✓ B2B: Development of Italy, development of UK
- ✓ Examination of strategic consolidation in core business: soups, sauces, broths (bouillons), dry & liquid / salad & cold sauces / spice & herb mixes

Production & processes

- ✓ Steinach: New delicatessen production facility (formerly St. Gallen)
- ✓ Italy: 2021–2022 doubling of liquid sauce capacity
- ✓ Increased productivity: Introduction of SAP S4/HANA



Customers

- ✓ B2C: Convenience, organic and sustainability: Good for me, and good for the environment!
- ✓ B2B cost and staffing pressure:
 - Easy implementation on menus
 - Simple and profitable solutions with major impact
 - Concepts that contribute to greater preparations (work-life balance)



Products

- ✓ Trusted ingredients according to model: Invest, protect, manage & eliminate
- ✓ Best flavour
- ✓ Sustainability



Together we are
sharing your
culinary day.



Inspire your
passion with our
love for taste.



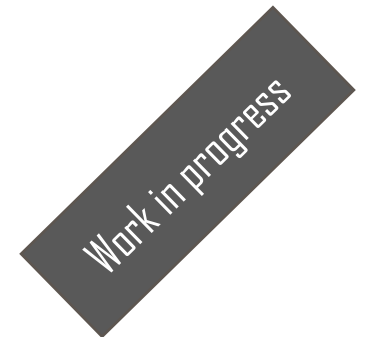
Your companion
bringing Italian
taste to the plate.



Bringing back
patisserie to the
kitchen.



Reinventing
authentic
taste.



Investment in Swiss delicatessen growth market – enhancing added value

Development of Swiss delicatessen production

Product range: Salad sauces, mayonnaises, dip sauces

Packaging: Portions, bottles, tubes, bag-in-box, buckets, containers

Customers: Swiss retail & Swiss food service

Portions:



Retail:



Food service:



Industry:



Investment in Swiss delicatessen growth market – seizing growth opportunities

Market: Swiss market growth: +2%–3% p.a.

Hügli: Hügli Switzerland production:
→ 2018: 3 100 tonnes
→ 2022: 8 000 tonnes (+250%)

Investment: 2022–2024: CHF 7.5 million

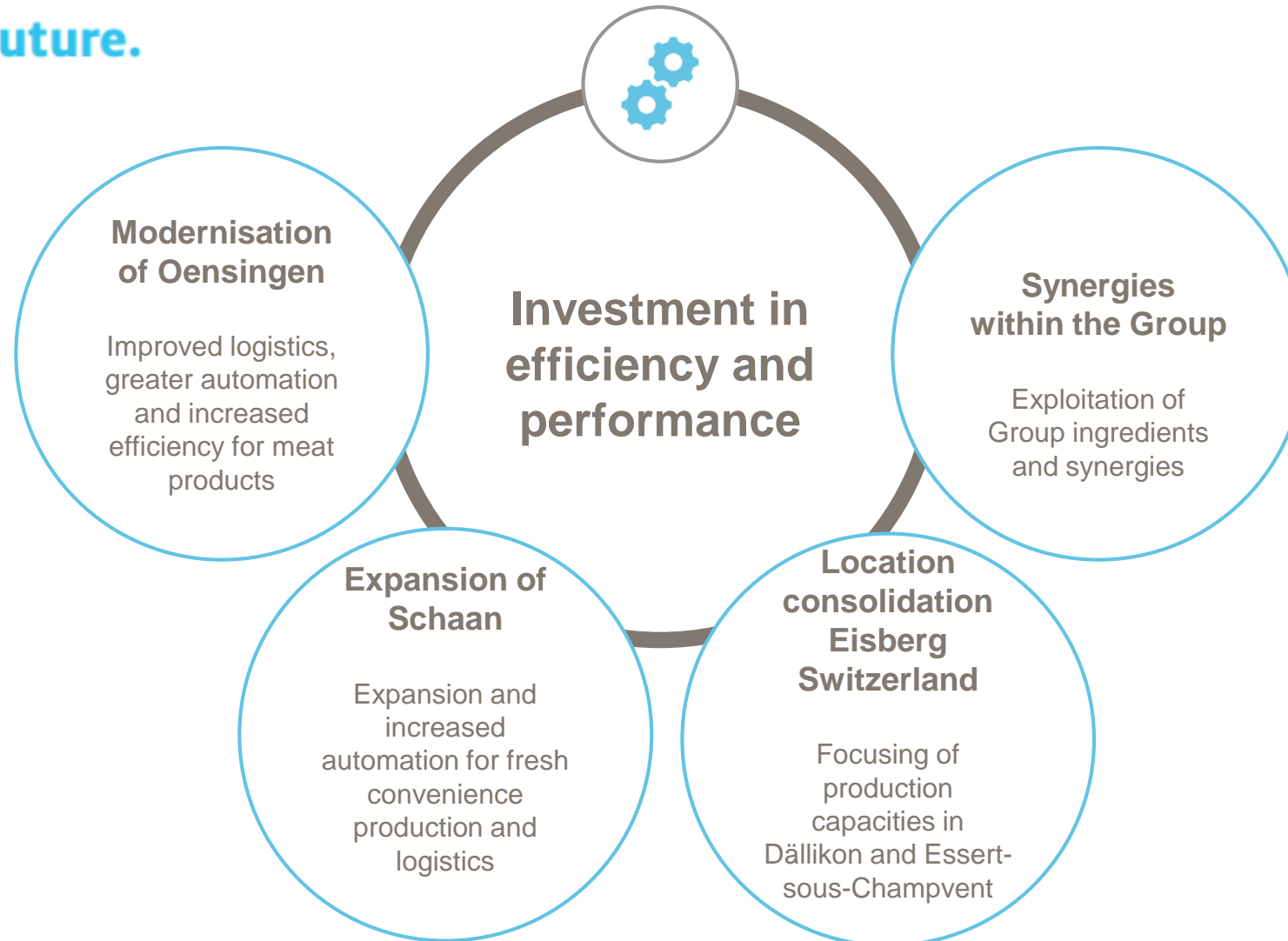
Benefits:
→ State-of-the-art production
→ Expansion of capacities and profitability



Investments and financing

Major substance in the enterprise.

We shape the future.



Investment compilation – for a productive future

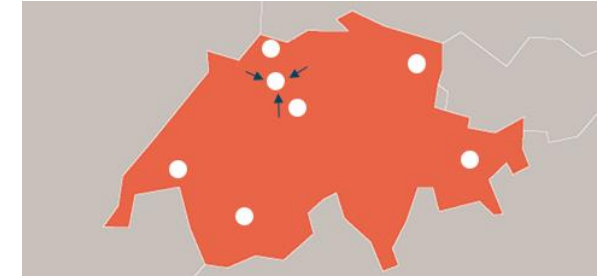
Investment volume 2021-2025

in CHF million

Description	2021-2025	from 2022 p.a.
Modernisation of Oensingen	600-680	
Expansion of Schaan	120-130	
Consolidation of locations for Eisberg Switzerland	30-40	
Investment programme for Switzerland	750-850	120-200
Modernisation and replacement	650-750	140-160
Investment volume	1 500	
of which already invested in 2021	241	

Modernisation of
Oensingen
location

Planned investment volume CHF 600-680 million



Financial impact

Central slicing and
picking platform

Positive medium- and long-term effects through securing or enhancing of operational cash flow; short-term negative effects due to initial costs and greater depreciations in the medium term

Deep-freeze warehouse

Slight short-term positive effects that increase further over time (e.g. due to process efficiency and revenue from external customers)

Cattle slaughterhouse

Slight short-term negative effects due to initial costs and depreciation of new plant; slight medium-term positive effects that increase over time due to process efficiency and additional revenues

Expansion of
Schaan

Planned investment volume CHF 120-130 million

Financial impact

Plant development plan for
Schaan

Short-term neutral effects due to higher depreciations, but greater capacity and efficiency; major medium-term potential due to profitable growth with new products/ranges



Consolidation of
Eisberg
Switzerland
locations

Planned investment volume CHF 30-40 million

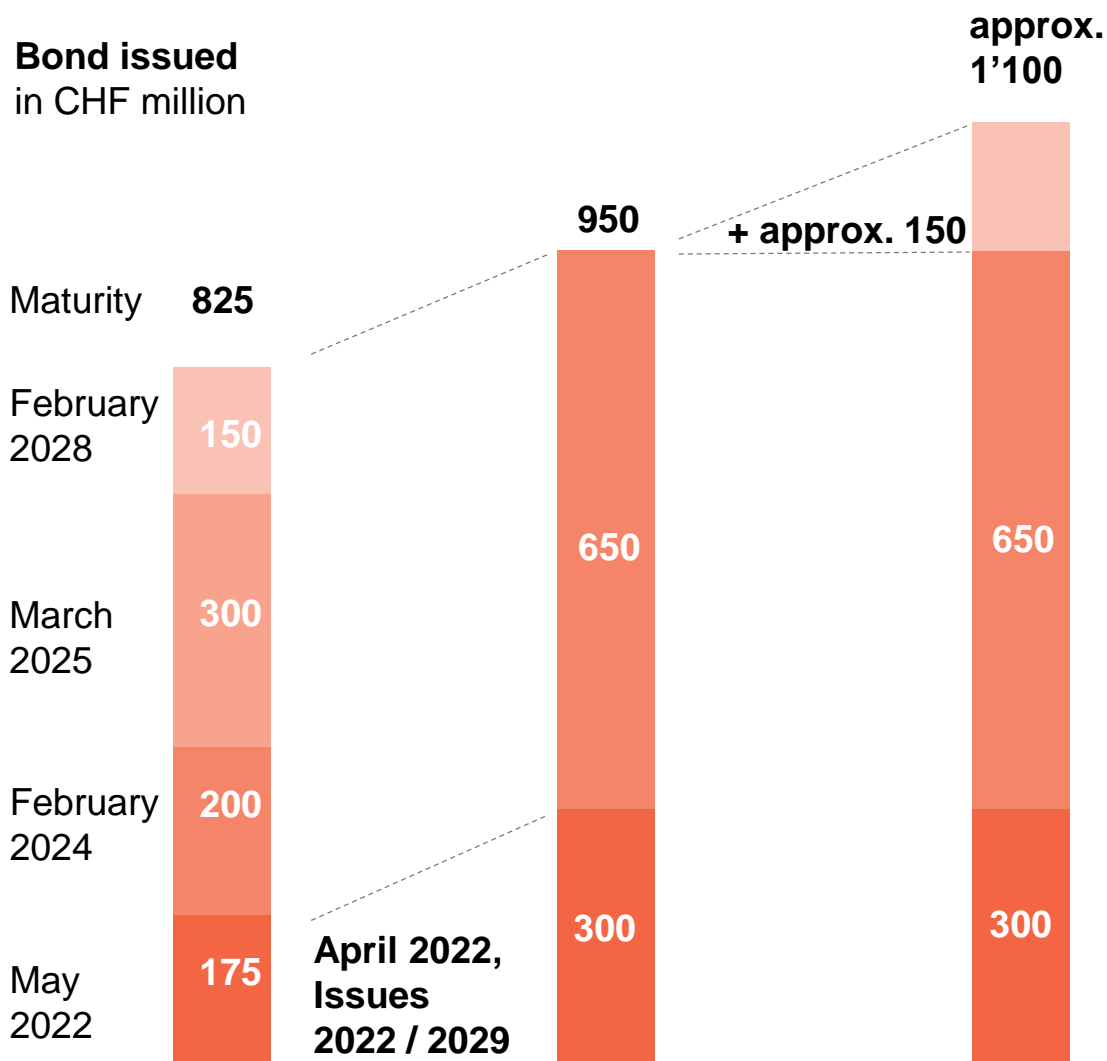
Financial impact

Consolidation of Eisberg
Switzerland locations

Slight short-term negative effects; major medium-term opportunities thanks to greater efficiency, greater volume and products/ranges achieving greater added value

From 4 to 2 locations

Financing and distribution to shareholders



Financing through bonds

- Affordable thanks to the stable cash flow outlook and very solid equity base
- Increase in bonds to over CHF 1 billion
- Net debt ratio of maximum 2.5x, but short-term exceeding is possible
- Expected equity ratio is constantly > 45% until 2025
- No equity transactions planned
- Consideration is being given to the issuing of a green bond

Objective: long-term debt financing with a diversified maturity profile

Refinancing April – Payment bond May 2022

- 300 million raised in April due to interest rate rise assumptions
- Surplus cash can be deposited without negative impacts

Distribution to shareholders

- Previous dividend policy will be maintained
- Pay-out ratio of around 30%
- Distribution from reserves from capital contributions if possible and permissible

Investor story

Leading in food

Leading position in core business in Switzerland and Europe	<ul style="list-style-type: none">– Number 1 in Switzerland and leading positions in Europe in charcuterie, fresh meat, poultry and seafood
Attractive growth driver in convenience area	<ul style="list-style-type: none">– Category leader in fresh convenience– High level of competence and innovativeness in vegetarian products– Investments in production infrastructure
Strong sales capacity in retail and food service	<ul style="list-style-type: none">– Access to leading Swiss and international retailers– Strong presence in food service channel
Investment programme in efficiency and production capacity	<ul style="list-style-type: none">– Long-term securing of profitability and production capacity
International scope and presence throughout Europe	<ul style="list-style-type: none">– Strong presence in Switzerland, Germany, Austria and on 12 further European markets
Strategic support through anchor shareholder co-op	<ul style="list-style-type: none">– Access to co-op network via distribution channels and food service (Transgourmet)
Proven diversified business model	<ul style="list-style-type: none">– Broad range diversity, balanced customer portfolio, efficient logistics and production, and a high level of innovativeness