

ORIOR GROUP PRESS RELEASE

ORIOR sees profits rise in 2014

- Revenues up 0.3% to CHF 521.6 million; increase of 1.4% in Switzerland
- EBITDA margin rises to 9.2%
- Profit for the year improves 5.1% to CHF 26.5 million
- Convenience business enhances market position again
- Refinement segment (meat refinement) results held back by high price of raw materials
- Another dividend increase proposed to CHF 2.00 per share

Zurich, 26 February 2015

Leading Swiss food group ORIOR AG, which specialises in fresh convenience foods and meat refinement, can look back on a good 2014. Revenue was up slightly, while margins increased at group level. The main growth driver was the Convenience business which did particularly well with vegetarian specialities, poultry products and gluten and lactose-free products. Based on its leading position in targeted markets and its high level of innovation, ORIOR Group can look forward with confidence.

The ORIOR Group generated revenues of CHF 521.6 million in 2014, thus exceeding the prior-year figure despite significantly lower export sales. In the main Swiss market there was revenue growth of 1.4%. Thanks to a strong second half, EBITDA rose 2.2% to CHF 48.0 million, giving a margin of 9.2% compared to 9.0% in the previous year. Profit for the year was 5.1% higher than in 2013 at CHF 26.5 million. This translates into earnings per share of CHF 4.48 (2013: CHF 4.26 per share).

As expected, operating cash flow fell from CHF 40.5 million in 2013 to CHF 28.6 million. The main reasons for the decline were changes in payment conditions and the payment of taxes from previous years. The equity ratio rose again to 53.5%.

Dividend increases slightly again

The Board of Directors is again proposing a higher dividend of CHF 2.00 per share to the Annual General Meeting of 26 March 2015. This gives a distribution ratio of 44.6% of the net profit, which conforms to ORIOR's dividend policy. The payment will be made from capital contribution reserves and so is not subject to Swiss withholding tax.

Segments operating at a good level

For 2014 ORIOR's Convenience segment, which specialises in fresh convenience food with its three competence centres – Fredag, Pastinella and Le Patron, reported sales growth and a margin at around the prior-year level. Revenues rose from CHF 199.1 million in the previous year to CHF 207.0 million. Ultra-fresh menus, poultry products and vegetarian specialities performed particularly well again. The vegetarian line was boosted by the acquisition of organic tofu specialist Noppa AG. The EBITDA margin remained the same as in the previous year at 14.3%.

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The Refinement segment, with its competence centres Rapelli, Albert Spiess and Möfag, came in just below the 2013 performance with revenues of CHF 316.3 million. High raw materials prices once again had a negative impact on the gross margin, resulting in a reduction in the EBITDA margin from 7.4% in the previous year to 7.1%. Thanks to the good product mix during the year under review, the segment did increase its volume of sales, but EBIT was still down on the previous year at CHF 14.5 million (2013: CHF 15.8 million). The main drivers of growth throughout the year were the Rapelli and Möfag competence centres, with Möfag once again achieving record sales. The Albert Spiess competence centre was unable in the second six months of the year to compensate fully for its first-half results, which were slightly below expectations.

The Corporate and Export segment was restructured during the year under review. ORIOR sold its logistics company Lineafresca to a longstanding transportation partner, and formed a strategic alliance with this partner. Export business fell short of expectations in 2014. Sales fell from CHF 22.3 million in the previous year to CHF 19.5 million as the main export market, France, continued to suffer under difficult economic conditions. Added to this, one of the main distributors used by ORIOR went bankrupt. The vegetarian and vegan products sold under the "Nature Gourmet" brand enjoyed healthy growth. Sales increased in Germany in particular.

Outlook

The Convenience segment is likely to perform well this year too. Fresh convenience and ultra-fresh convenience will remain fast-growing markets going forward. More and more consumers are looking for quick and easy meals that offer top quality, health and variety. The market for vegetarian and vegan products will also see strong growth. The acquisition of Noppa AG to round out our portfolio is delivering additional impetus in the ongoing development of this product portfolio. There is also growing consumer demand for a wider range of products catering for specific nutritional requirements – e.g. diets and food intolerances. Thanks to its leading position, ORIOR will benefit from this growth.

The Refinement segment also expects slight growth for 2015. Lower pork prices should have a positive effect on profitability in the first few months of the year, but prices are then likely to be adjusted in the spring. For products that require maturing, like cured hams, the positive price effect is delayed by the relevant maturing time, i.e. by up to 18 months. Supplies of Swiss beef are likely to remain low this year, which will keep beef prices up.

ORIOR expects export business to either hold steady or decline slightly this year. The strong Swiss franc is the main negative factor here, though the relatively modest level of export sales will only have a minimal impact on the profitability of the group as a whole.

From the current perspective, the strength of the Swiss currency is not expected to have a substantial influence. There is no doubt that border regions and tourism will see revenues decline, and this could affect ORIOR indirectly. The response of the market and market players to the strong Swiss franc could increase competition if, for example, imports increase. ORIOR's core businesses are ideally focused, and together with a strong culture of innovation and a focus on quality and freshness, ORIOR's product and brand portfolio is very well positioned.

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ORIOR Group's key figures for the 2014 financial year

in CHF 000	2014	Δ in %	2013 <i>Restated¹</i>
Revenues	521'630	+0.3%	520'033
EBITDA	48'032	+2.2%	46'979
as % of revenues	9.2%		9.0%
EBIT	32'508	+3.5%	31'423
as % of revenues	6.2%		6.0%
Profit for the year	26'495	+5.1%	25'202
as % of revenues	5.1%		4.8%
Net debt, third parties	69'959	-6.5%	74'854
Shareholders' equity	226'657	+8.0%	209'940
Equity ratio	53.5%		50.3%

¹ See note 2 in the Financial Report

Invitation to conference call (in German only)

Today, Thursday 26 February 2015, 8.00 a.m., Management will hold a conference call to talk about the 2014 annual results. We cordially invite you to take part.

Please just dial in using the following number: Tel.: +41 58 262 07 11

Please state your full name and the name of your organisation. The PIN code is: 144197

Between 2.00 and 4.00 p.m. (CET) Management is pleased to answer all your questions in English. Please call: +41 44 308 65 00.

Download Links:

Annual report 2014: <http://en.investor.orior.ch/Finanzberichte>

Presentation on the annual results <http://en.investor.orior.ch/Praesentationen>

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Investors' diary

26 March 2015: General Meeting

20 August 2015: Publication of 2015 half-year results

20 August 2015: Publication of 2015 half-year report

ORIOR – Excellence in Food

ORIOR is a Swiss food group with a long tradition. It specializes in fresh convenience foods and refined meats. With its innovative products and its brands "Rapelli", "Ticinella", "Albert Spiess", "Fürstenländer Spezialitäten", "Le Patron", "Fredag", "Pastinella" and "Nature Gourmet", it occupies leading positions in fast-growing niches within the Swiss retail and food service markets, as well as in selected sales channels in neighbouring countries. In the 2014 financial year, ORIOR Group achieved sales of CHF 521.6 million with approximately 1260 employees. ORIOR is listed on the SIX Swiss Exchange (ORON, ISIN CH011 1677 362). Further information at www.orior.ch