press

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Muttenz, 30 April 2020

Media release

Beat Fellmann will be the new Valora Group CFO – successful renewal and increase of the syndicated loan facility to CHF 150 million

The Valora Group has a new CFO: on 1 July 2020, Beat Fellmann will take over the position that has been vacant since November 2019 and will become a member of the Group Executive Management. In addition, Valora has successfully renegotiated a syndicated loan facility and increased it to CHF 150 million. The effects of the coronavirus and the accompanying official orders are having a major impact on revenue within the Valora Group, even though sales have stabilised at a low level. The Annual General Meeting has been rescheduled for 11 June 2020.

Beat Fellmann will take up the position of CFO and become a member of the Valora Group Executive Management on 1 July 2020. He will succeed Tobias Knechtle who left the company at the end of November 2019. Since then, the role of CFO has been filled by CEO Michael Mueller and Christian Tümmler, Director of Corporate Group Accounting & Tax.

Beat Fellmann (55) is a financial expert with many years of international experience as CFO at various companies. He was CFO and Head Corporate Center at Implenia and a member of the Group Executive Board from 2008-2019. During the past few months he was a member of the Executive Board of Exyte AG in Stuttgart, a company specialised in the high-tech construction of complex production facilities. Beat Fellmann graduated with a lic. oec. HSG from the University of St. Gallen and is a certified accountant. He began his career at the international industrial company Bühler, and in 1998 he switched to the former Holcim Group (now LafargeHolcim). There he was responsible for all the finance and holding companies worldwide. In 2005, he was appointed deputy Group CFO, in which capacity he was also responsible for corporate tax as well as IT and finance & controlling for the management company. Beat Fellmann has been a member of the Board of Directors of Vitra Holding AG since 1 January 2016 and a member of the Board of Directors of Helvetia Holding AG since 20 April 2018.

“I am excited to welcome Beat Fellmann to the Valora Group. With his long-standing and broad-based experience as a CFO, he will be an ideal addition to our management team,” explains Michael Mueller, CEO of Valora Group.

Successful renegotiation of the syndicated loan facility
On 9 April 2020, Valora renewed the current syndicated loan facility of CHF 50 million that was set to mature on 29 June 2020 ahead of schedule with more attractive conditions, including additional corona-related headroom for the leverage ratio covenant, and increased it to CHF 150 million. The new syndicated loan facility has a term of five years with two extension options of one year each. The renewal of the “Multi Currency Revolving Credit Facility” safeguards the financing and liquidity of Valora and increases the company’s strategic flexibility overall. Commerzbank Aktiengesellschaft, Credit Suisse (Schweiz) AG and UBS Switzerland AG are acting as bookrunners under the lead of the coordinator and agent Credit Suisse (Schweiz) AG.

The coronavirus crisis puts strain on business
The dynamic of developments associated with the spread of the coronavirus (COVID-19) has significantly affected business performance at Valora Group. In spite of the official orders issued to contain the virus, the foodvenience provider has been able to keep some 80% of its sales outlets open to provide basic supplies and maintain operations in all its markets with the exception of the Netherlands and parts of Austria, albeit with significantly amended opening hours. The B2B business

with pretzel products has experienced a downturn in orders due to a lack of demand in the out-of-home market, which only set in after a time delay.

The developments of the last few weeks therefore continue to have a major negative impact on revenue, although it has stabilised at a low level. The retail network in the affected markets has posted a fall in same-store revenue for the current month of April of around -20% over the previous year, while the decline in the food service network stands at about -70%. Sales for the B2B business are -60% down compared to the previous year. The way in which this development will change in future depends on how and when the easing of the respective lockdowns decreed by the various national authorities will impact customer frequency. It is therefore still too early to make reliable forecasts about future revenue and earnings development.

Package of measures implemented – salary compensation for Valora employees on short-time working

As communicated on 26 March 2020, the Executive Management of the Valora Group has implemented numerous measures to reduce the cost base and to proactively safeguard liquidity. These measures include suspending all investments in expansion and conversions and the agreement with key lessors to defer rental payments. Valora has also made use of the government financial support for the Group and employees. Almost half of the Valora employees have been on short-time working since 1 April 2020. Valora is covering the resulting salary shortfalls incurred by its employees up to the end of April in full, lost earnings for the month of May will be compensated to 90%. Furthermore, Valora is pursuing solutions with its agency and franchise partners to secure economic viability for these self-employed entrepreneurs and their staff. The 100% compensation for loss of earnings in April and 90% in May also applies to retail agencies in Switzerland.

Despite cost-saving measures, Valora expects a pronounced negative effect on EBIT and net profit both for the first half-year and full-year 2020. In free cash flow, the negative effects can be largely offset by the investment stops and by waiving the dividend, meaning that net debt is expected to only increase slightly.

Annual General Meeting rescheduled for 11 June 2020

The Ordinary General Meeting of Valora Holding AG scheduled for 24 March 2020 and postponed as a result of the Swiss Federal Council issuing the "Ordinance 2 on the measures for combating the coronavirus (COVID-19)" ("Verordnung 2 über die Massnahmen zur Bekämpfung des Coronavirus (COVID-19)") due to the current situation will now take place on 11 June 2020. Although this year's Ordinary General Meeting will take place within the stipulated six months after the close of the financial year, it cannot be held in its usual format because of the government measures. To protect shareholders and employees, the Board of Directors has decided, based on Art. 6b of Ordinance 2, that shareholders may not attend the Annual General Meeting and may exercise their rights exclusively via the independent proxy. The Board of Directors still proposes to the 2020 Annual General Meeting a waiver of the dividend for the 2019 financial year in view of the coronavirus crisis. This decision is based on adopting a prudent approach to the company's financial resources in the interests of Valora and all its stakeholders.

Valora assumes responsibility towards its stakeholders

Michael Mueller says: "This crisis demands that all stakeholders and partners embrace a spirit of solidarity, as part of which the focus must be on the long-term and sustainable management of the financial consequences. Valora is assuming its responsibility as an employer, partner and tenant and is actively helping provide its customers with basic supplies."

Looking to the future, Michael Mueller adds: "We have prepared ourselves for a process that will challenge us throughout 2020. We would like to thank all the staff for their tireless commitment in the sales outlets, as well as those in production, logistics and administration."

This media release is available online at www.valora.com/newsroom.

If you have any questions, please do not hesitate to contact:

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About Valora
Each and every day, around 15,000 employees in the Valora network work to brighten up their customers' journey with a comprehensive foodvenience offering – nearby, quick, convenient and fresh. The more than 2,700 small-scale points of sale of Valora are located at highly frequented locations in Switzerland, Germany, Austria, Luxembourg and the Netherlands. The company includes, among others, k kiosk, Brezelkönig, BackWerk, Ditsch, Press & Books, avec, Caffè Spettacolo and the popular own brand ok.– as well as a continuously growing range of digital services. Valora is also one of the world's leading producers of pretzels and benefits from a well-integrated value chain in the area of baked goods. Valora generates annual external sales of CHF 2.7 billion. The Group's registered office is in Muttenz, Switzerland. The registered shares of Valora Holding AG (VALN) are traded on SIX Swiss Exchange AG.

More information is available at www.valora.com.

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