

Muttenz, 25 July 2018

Media release

Valora increases turnover and operating profit in first half of 2018

- **Business performance in first half of 2018 confirms earnings expectations for the year:**
 - **External sales increased by +15.0% to CHF 1,347.2 million and net revenues grew by +7.6% to CHF 1,042.6 million**
 - **EBITDA improved to CHF 67.6 million (+11.6%) due to the contribution of the BackWerk acquisition, organic growth and positive exchange rate effects; EBIT was at CHF 36.0 million**
 - **Free cash flow rose by +13% to CHF 10.0 million**
 - **Net profit from continuing operations increased to CHF 24.7 million (+3.4%); at CHF 21.0 million, Group net profit was down on the previous year due to a value adjustment for discontinued operations**
- **Further development of the Swiss retail concepts, expansion of pretzel production capacities in the US and in Germany on track**

The Valora Group posted a positive performance for the past six months. The external sales of the focused convenience and food service company increased by +15.0% to CHF 1,347.2 million in the first half of 2018 relative to the first half of 2017. Net revenues grew +7.6% to CHF 1,042.6 million. Growth in local currency was +10.9% and +4.5% respectively. The improvement was supported by the contribution of the franchise business BackWerk acquired in autumn 2017, higher Food Service sales, more own stores in Retail DE/LU/AT, and positive exchange rate effects.

Valora achieved EBITDA growth of +11.6% on the prior-year period to CHF 67.6 million, stemming from the results contribution of BackWerk, organic growth and positive exchange rate effects. These positive factors far outweigh the one-off book gain from the sale of the Naville property in Geneva in the previous year. Valora posted EBIT growth of +3.8% to CHF 36.0 million and an EBIT margin of 3.5% in the first half of 2018.

Retail CH confirms high profitability – EBIT growth in Food Service

Retail CH maintained profitability at last year's high level. Profitability for Retail DE/LU/AT remained below expectations. Lagging behind Switzerland, Germany is now also experiencing a pronounced decline in the sale of press products. Positive earnings effects from cost-cutting initiatives and projects, such as the accelerated promotion of alternative tobacco products (e-smoke), food and services are anticipated in the second half of 2018. Food Service is growing organically and through the addition of BackWerk.

Increase in net profit from continuing operations and free cash flow

These developments led to a +3.4% increase in net profit from continuing operations to CHF 24.7 million. Group net profit at CHF 21.0 million is below the prior-year level of CHF 24.1 million due to a value adjustment in the earn-out component related to the sale of the former Trade Division. Free cash flow, on the other hand, rose by +13.0% to CHF 10.0 million.

New avec launched in Switzerland – expansion of pretzel production

Valora is also making progress in the implementation of its strategic initiatives. Under its new CEO Roger Vogt, Retail CH is working full steam on the further development of the concepts of its store formats. On 13 July 2018, the first realigned avec convenience store opened in Bern, in which Valora

adopts the latest foodvenience trends and focuses on handmade, fresh products – ‘Handmade with Love’. The plan is to open ten stores in Switzerland in 2018 using the new concept, including five in new locations.

In the Food Service division, the integration of BackWerk is proceeding well. Moreover, initial steps were taken in the further expansion of pretzel production capacity: In the first half of 2018, Pretzel Baron, now operating as Ditsch USA, doubled the capacity of its current line. At the same time, the project to expand production capacity at Ditsch in Oranienbaum (Germany) by adding two more production lines in a new, separate building has started. It is scheduled for completion in 2019.

Outlook: objectives for 2018 confirmed

“We are satisfied with our performance in the first half of the year and are confident that we are well on the way to achieving our goals for the year”, says Michael Mueller, CEO of Valora. “A crucial success factor is the further development of the Swiss retail business. Here, the new CEO of Retail CH has already left his mark, launching for example the new foodvenience concept for avec.” Valora therefore confirms its communicated objectives for the 2018 financial year with an operating profit of CHF 90 million (+/- CHF 3 million).

Valora Group	2018		2017 *		Change	
in CHF million		%	restated*	%		in local currency
External Sales	1'347.2	129.2%	1'171.8	120.9%	+15.0%	+10.9%
Net revenues	1'042.6	100.0%	969.4	100.0%	+7.6%	+4.5%
Gross profit	474.0	45.5%	416.4	43.0%	+13.8%	+10.4%
- Operating costs, net	-438.0	-42.0%	-381.7	-39.4%	+14.7%	+11.4%
Operating profit (EBIT)	36.0	3.5%	34.7	3.6%	+3.8%	+0.3%
EBITDA	67.6	6.5%	60.6	6.3%	+11.6%	+7.7%
Net profit from continuing operations	24.7	2.4%	23.9	2.5%	+3.4%	n.a.
Group net profit	21.0	2.0%	24.1	2.5%	-12.7%	n.a.

* restated according to IFRS15.

All documents are available at www.valora.com/newsroom.

- [Press release](#)
- [Presentation on the Half-Year Results 2018](#)
- [Half-Year Report 2018](#)

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 put a smile on the faces of their customers with a comprehensive convenience and food offering – nearby, quick, convenient and fresh. The about 2,800 small-scale points of sale of Valora are located at highly frequented sites in Switzerland, Germany, Austria, Luxembourg, the Netherlands and France. 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 over CHF 2.6 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.

Medienfrühstück: Valora Halbjahresergebnisse 2018

Datum: Mittwoch, 25. Juli 2018
Zeit: 08:15 Uhr (MEZ)
Ort: PURO – THE SOCIAL CLUB, Fraumünsterstrasse 25, 8001 Zürich, Schweiz
Referenten: Michael Mueller, CEO
Tobias Knechtle, CFO
Sprache: Deutsch

Call and Audio Webcast for Analysts and Investors: Valora Financial Half-Year Results 2018

Date: Wednesday, 25 July 2018
Time: 11:00 am (CET)
Speakers: Michael Mueller, CEO
Tobias Knechtle, CFO

Audio-webcast: [Open webcast](#)

Dial-in number for phone conference:

Switzerland / Europe: +41 (0) 58 310 50 00
United Kingdom: +44 (0) 207 107 0613
United States: +1 (1) 631 570 56 13

Language: English

The recorded webcast will be available by 04:00 pm (CET) latest on www.valora.com.

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