

Muttenz, 23 February 2022

**Ad hoc announcement pursuant to article 53 LR**

**Valora Group on its way to recovery: EBIT 2021 of CHF 30.3 million, a return to positive Group net profit, proposed distribution of CHF 3 per share and confidence for 2022**

- Valora’s foodvenience strategy has high value creation potential. Valora thus confirms its guidance with EBIT of CHF 70 million (+/- ~10%) for 2022 as well as its longer-term targets, despite the Omicron constraints in the beginning of the year.
- In the 2021 financial year, the Group generated EBIT of CHF 30.3 million, well in line with its guidance and corresponding to a year-on-year increase of +115.5%. At the same time, Valora returned to a positive Group net profit of CHF 8.3 million (FY 2020: CHF -6.2 million).
- Overall, the Group’s net revenue increased by +3.1% while external sales remained stable compared to 2020. As of March 2021, the recovery increasingly gained traction thanks to the easing of governmental COVID-19 orders and vaccination progress, with food net revenue rebounding almost to its pre-crisis level of 2019 (-5%) in the second half of 2021.
- Valora generated free cash flow of CHF 25.1 million and reconfirmed its strong balance sheet with an improved equity ratio of 51.0% (2020: 47.3%) and leverage ratio of 2.2x EBITDA (2020: 2.5x).
- Valora realised major steps in the implementation of its foodvenience strategy, the most notable being the acquisition of Back-Factory, the doubling of the Swiss service station business, the expansion of its 24/7 offering and the growth in the B2B pretzel business, particularly in the US.
- As part of its ESG initiatives, Valora wants to halve CO<sub>2</sub> emissions in its Scope 1 and 2 by 2025 and will therefore convert to 100% renewable electricity in 2022.
- As a sign of confidence, proposal to the General Meeting of Valora Holding AG to distribute a total of CHF 3 gross per dividend-bearing share. The current Vice-Chairman Sascha Zahnd stands for election as the new Chairman of the Board of Directors succeeding Franz Julen.

Valora is strongly positioned in terms of its balance sheet and business even after two years of pandemic. Based on the business performance in the second half of 2021, the Group is confident about the high value creation potential of its foodvenience strategy and continues to invest in its implementation.

**On the way to recovery – EBIT 2021 well in line with guidance despite Omicron**

With EBIT of CHF 30.3 million, the Valora Group concluded the 2021 financial year well in line with its guidance which it had communicated before the Omicron wave. This corresponds to a year-on-year increase of +115.5% or CHF +16.2 million. Although Valora’s business was still impacted by the pandemic in 2021, the recovery increasingly gained traction as of March thanks to the easing of governmental orders and vaccination progress. During the second half of the year, the recovery progressed further, most notably in the food category, peaking in September and October, respectively.

While food net revenue had remained -26% below its pre-crisis level of 2019 in the first half of the year, it rebounded to -5% in the second half of 2021. The most pronounced catch-up effect was in the Food Service division with a substantial operating leverage effect on profitability and EBIT clearly above break even again. As a result, in the second half of 2021, the EBITDA margin of Food Service rebounded to 76% of its pre-crisis level.

Michael Mueller, CEO of Valora Group, says: “While the Retail division has shown high resilience throughout the whole COVID-19 crisis, Food Service demonstrated in the second half of 2021 its ability to translate incremental sales recovery into significant leverage on profitability – even though frequencies still were negatively impacted by COVID-19-related constraints. At the same time, there is still potential to be exploited, both from growth in the B2B and B2C businesses and from synergies related to the Back-Factory acquisition completed in November 2021.”

### **Higher gross profit margin in 2021 with accelerated food sales increase**

In the 2021 financial year as a whole, including the two additional COVID-19-affected months of January and February, Valora’s net revenue increased by +3.1% to CHF 1,749.6 million (FY 2020: CHF 1,697.4 million) while external sales remained fairly stable at CHF 2,230.1 million (FY 2020: CHF 2,233.3 million). For March to December – the comparable period that was impacted by the COVID-19 crisis in both years – year-on-year growth was +8.9% and +6.0%, respectively, while food sales even showed an accelerated increase during that period of +22.7% and +18.1%, respectively.

Thanks in particular to the increased share of food sales, the gross profit margin rose by +0.8 percentage points from 43.8% to 44.6% in the 2021 financial year. Gross profit increased from CHF 743.3 million to CHF 780.2 million.

### **Disciplined and flexible cost management continued**

Valora further pursued its disciplined and flexible cost management across all units while at the same time continuing to support its franchise and agency partners in securing their economic viability. The Group also made use of short-time-working programs and received additional government COVID-19-related support funds. However, in a year-on-year view, the overall support received was lower than in 2020. Especially COVID-19-related rent concessions decreased in 2021. The cost ratio remained fairly stable at -42.9% (FY 2020: -43.0%) in spite of higher expenses related to digital innovations and merger & acquisitions projects, as a result of operational efficiency gains. Compared to pre-crisis levels of 2019, 55% of the gross profit decline was offset by lower costs.

### **Back to positive Group net profit**

Group EBIT for the 2021 financial year amounted to CHF 30.3 million (FY 2020: CHF 14.1 million), a year-on-year increase of +115.5%. Valora returned to positive Group net profit of CHF 8.3 million after a negative CHF -6.2 million in the prior year. Based on solid EBITDA and focused cash management regarding net working capital and capital expenditure, free cash flow amounted to CHF 25.1 million (FY 2020: CHF 38.1 million).

### **Strong balance sheet and solid leverage ratio**

The Group again confirmed its strong balance sheet with an improved equity ratio before lease liabilities of 51.0% (31 December 2020: 47.3%) and fairly stable net debt of CHF 209.3 million (31 December 2020: CHF 211.8 million), also supported by the waiver of the dividend for the 2020 financial year. As a result, the leverage ratio amounted to 2.2x EBITDA and remained below its previous year’s level (2020: 2.5x) and well below the covenant ceiling of its syndicated loan facility. The incremental debt capacity from the Group’s CHF 70 million capital increase in November 2020 continues to be available in full for strategic projects.

### **Foodvenience business with more food, more convenience and greater customer reach**

Beyond its business performance, Valora progressed considerably with the implementation of its foodvenience strategy in 2021. The most notable achievement was the acquisition of the German-based snack specialist Back-Factory. By adding the around 80 Back-Factory sales outlets to its network, Valora was able to make further inroads into the inner cities and to expand the purchasing power of its German food service platform. In addition, Valora is now one of the five largest German catering companies compared to pre-crisis levels (previously top 10 according to foodservice

magazine 4/2020). First consolidated to the Group's results in November 2021, Back-Factory already contributed with slightly positive EBIT, offset by related transaction costs.

A further milestone was reached with the partnership with the service station operator Moveri in Switzerland which along with the Back-Factory acquisition creates significant synergy potential in operations, provides Valora with further access to attractive convenience locations and increases the higher-margin food share in the Group's category mix. From 1 January 2022 Valora will take over 39 Moveri service station stores, thereby almost doubling its Swiss service station network size in terms of stores and related net revenue. As the stores will be converted into the avec format, the avec network as a whole will grow to around 300 outlets (after the complete SBB roll-out).

SBB conversion work is being pushed forward and is expected to be as good as completed by the end of 2022. As at the end of 2021, around 50% in total of the sales outlets were refurbished or newly opened across the SBB network. In March to December 2021, the refurbished SBB stores achieved year-on-year growth of +19.8% in food sales, while the not yet refurbished stores recorded fairly stable sales during that period (+1.8%). Furthermore, total sales across all categories were higher in refurbished stores (+7.4% vs. -2.5%). The rental increase in the context of the successful SBB tender is already included in the financial results 2021 almost in its entirety.

Moreover, Valora continued to bring more convenience to the customer experience by expanding the availability of its bricks-and-mortar foodvenience offering beyond the usual opening hours, similar to online retail. In this context, Valora has entered the vending machine business with kiosk and plans, as a first step, to roll out 300 machines in Switzerland by the end of 2022. In the digital area, Valora follows a 24/7 approach in different variations all based on self-checkout via app as part of its Autonomous Stores initiative. This includes the cashier-less avec box, which is now also being tested in a smaller format. The hybrid avec 24/7 stores are also part of it. Equipped with the same technology, they have so far been implemented at four locations, operating partly with staff and partly autonomously. The team is now scaling the 24/7 solutions further.

#### **Attractive market perspectives for the B2B business**

Looking at the B2B pretzel business, the topline fully recovered in 2021 and shows strong growth particularly in the US. After the successful ramp-up of the second line at Ditsch USA in 2020, further production capacity expansion of around CHF 10 million is planned for 2022 to keep up with the expected US market growth of around +2 to +3% per annum. Looking at current inflation development, the B2B pretzel business has been most exposed among Valora's business units. In addition to raw and packaging material as well as logistics and labour costs were heavily affected in 2021. In the US, however, the effects of inflation have already been successfully passed on to customers to a large extent, while price increases in Germany are expected to take full effect with a time lag in 2022.

#### **Aiming to halve CO<sub>2</sub> emissions in Scope 1 and 2 by 2025**

In 2021, Valora also advanced its ESG initiatives along three strategic directions: People, Planet, Products. Valora started by analysing its CO<sub>2</sub> footprint along the entire value chain (Scope 1 to 3). As CO<sub>2</sub> emissions have the highest ecological impact at Valora, the company is taking measures to decarbonise its value chain. Valora is thus working towards climate neutrality by 2050. In so doing, it aims to halve CO<sub>2</sub> emissions in Scope 1 and 2 by 2025. That includes a 100% conversion to renewable energy Group-wide in 2022. Valora will also work closely with its supply partners to reduce Scope 3 emissions, focusing mainly on own brands.

#### **Guidance for 2022 and longer-term targets confirmed**

The Omicron wave brought renewed restrictions to Valora's business at the end of 2021 and start of 2022. As regards future business development, Valora sees a continuation of the rapid recovery from March to October 2021 with the lifting of major restrictions. Valora still expects EBIT of CHF 70 million (+/- ~10%) for 2022 based on the 2021 results and outlook for a continued recovery. That

implies a return to the pre-crisis levels during the second half of 2022. The longer-term targets originally communicated for 2025 are still valid. However, the pandemic may well lead to Valora reaching these goals 18 to 24 months later.

### Proposals to the General Meeting

As a clear sign of confidence in the future business development, the Board of Directors of Valora Holding AG will propose to shareholders at the Annual General Meeting on 6 April 2022 to distribute CHF 3 gross per dividend-bearing share. Half of the distribution is made each from available earnings and the reserve from capital contributions, whereby the latter is withholding-tax-exempt. If both motions are approved the distribution will be made on 14 April 2022. As communicated, the Board of Directors will propose its current Vice-Chairman Sascha Zahnd for election as the new Chairman of the Board of Directors. Sascha Zahnd is to succeed Franz Julen, who will not stand for re-election after 15 years on the Board of Directors, five of which as Chairman. All other members of the Board of Directors will stand for re-election. The 2022 Annual General Meeting will be held without the attendance in person of shareholders in accordance with the COVID-19-Ordinance 3 issued by the Federal Council.

Valora Group	2021		2020		Change	
		%		%		in local currency
in CHF million						
External sales	2'230.1	127.5%	2'233.3	131.6%	-0.1%	-0.6%
Net revenue	1'749.6	100.0%	1'697.4	100.0%	+3.1%	+2.8%
<b>Gross profit</b>	<b>780.2</b>	<b>44.6%</b>	<b>743.3</b>	<b>43.8%</b>	<b>+5.0%</b>	<b>+4.6%</b>
- Operating costs, net	-749.9	-42.9%	-729.3	-43.0%	+2.8%	+2.5%
<b>Operating profit/(loss) (EBIT)</b>	<b>30.3</b>	<b>1.7%</b>	<b>14.1</b>	<b>0.8%</b>	<b>+115.5%</b>	<b>+115.6%</b>
EBITDA	95.5	5.5%	83.4	4.9%	+14.4%	+14.0%
Group net profit/(loss)	8.3	0.5%	-6.2	-0.4%	n.a.	n.a.

The documents are available online at [www.valora.com](http://www.valora.com):

- [Ad hoc announcement pursuant to article 53 LR](#)
- [Presentation of the Financial Full-Year Results 2021](#)
- [Online Annual Report 2021](#)
- [Valora Stories – The Annual Report Selection](#)

**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 around 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, 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. In 2021, Valora generated annual external sales of CHF 2.2 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](http://www.valora.com).

**Media Breakfast  
Valora Financial Full-Year Results 2021**

**Date:** Wednesday, 23 February 2022  
**Time:** 08:30 am (CET)  
**Location:** Folium – Alte Sihlpapierfabrik, Kalanderplatz 6, 8045 Zurich, Switzerland  
**Language:** German  
**Speakers:** Michael Mueller, CEO Valora Group  
 Beat Fellmann, CFO Valora Group

For attendance, a valid 2G+ COVID certificate and ID with photo are required.

**Live Conference incl. Call for Analysts & Investors  
Valora Financial Full-Year Results 2021**

**Date:** Wednesday, 23 February 2022  
**Time:** 11:00 am (CET)  
**Language:** English  
**Program:** 10:45 am Registration  
 11:00 am Presentation with Michael Mueller, CEO Valora Group, and  
 Beat Fellmann, CFO Valora Group  
 Questions & Answers  
 12:15 pm Flying Lunch

**Location:** Folium – Alte Sihlpapierfabrik, Kalanderplatz 6, 8045 Zurich, Switzerland

For live attendance, a valid 2G+ COVID certificate and ID with photo are required.

**Telephone conference:**

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

**Webcast:** [Link](#) (only presentation without sound;  
 for audio, please dial in to the telephone conference)

The recorded telephone conference will be available by 04:00 pm (CET) latest on [www.valora.com](http://www.valora.com).

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