



Investors' presentation – Ditsch/Brezelkönig

Mai 13, 2013 | Thomas Eisele (CEO Ditsch/BK) | Mladen Tomic (IR)

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Key financial metrics Ditsch/Brezelkönig | Performance 2012

2

Overview area of operations

3

Synergies and growth initiatives

4

Q&A | open discussion

Ditsch/Brezelkönig, key financial metrics

Exceptional profitability and attractive business model for outlet operators

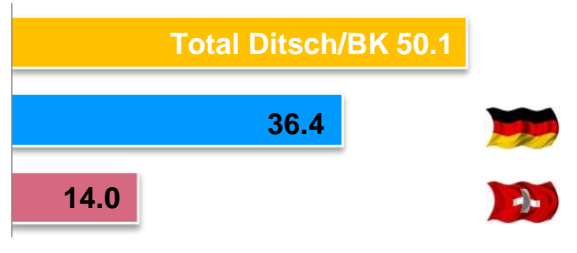


* Expectation 2012 in Swiss Francs | Germany CHF ~ 140 Mio., Switzerland CHF ~ 50 Mio.

Ditsch/Brezelkönig performance 2012

Successful integration | results confirm initial projections

Net revenues* by country (in CHF million)



Further Ditsch/BK key metrics* (in CHF million)

Gross profit	38.4
Gross-profit margin	76.6%
Operating costs (net)	-31.3
EBITDA	10.6
EBITDA margin	21.1%
EBIT	7.1



Comments

- Ditsch/Brezelkönig **integration** progressing successfully
- Results confirm **net revenue** and **profitability** projections
- Existing outlet-network and product-range **synergies to be exploited in 2013 – 2015**

* Ditsch/Brezelkönig results consolidated from October 1, 2012

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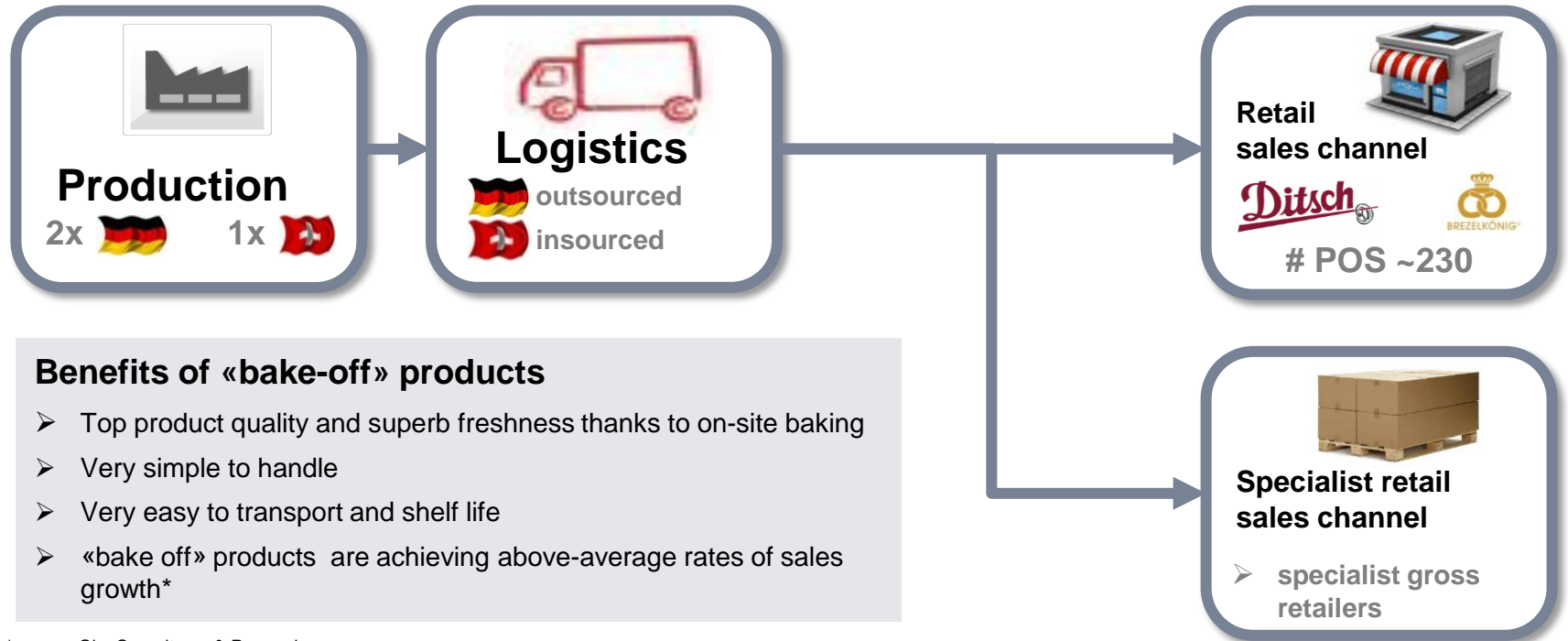
Synergies and growth initiatives

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Q&A | open discussion

Production and distribution «bake off» products

Simple business modell of Ditsch/Brezelkönig



* source: Gira Consultancy & Research

Vertical integration

Significant advantage over competition



Production



Retail

Benefits of vertical integration

- 1 Control of entire value chain**
 - enables firm to secure entire margin
 - high quality and production capabilities are all in house
- 2 Co-ordinating production with the firm's own needs**
 - development of exclusive products for distribution by firm
 - allows great flexibility in reacting to consumer behaviour and volume requirements
- 3 High barriers to entry for competitors**
 - Pretzel and lye-bread baking know how is protected
 - Lowest-cost producer
- 4 Insourced production ensures high profitability levels in retail channel**
 - Retail market share in Germany 44%, Switzerland 5%
 - Profitability of sales to 3rd party specialist retail in line with firm's own retail sales

Ditsch/Brezelkönig in Switzerland

Ideally positioned retailer with superb outlet network

Production facility in Emmenbrücke

Production lines 1

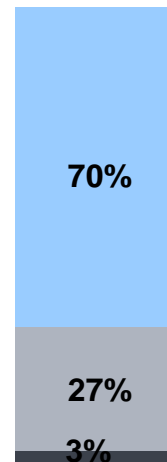
Major product prezels and baguettes



35 sites in Switzerland



~ 35 outlets



Public transport hubs

- Increasing number of passengers since years at Swiss railway stations
- Further tests at railway tracks (potential)
- Smallest size outlets

City-centre locations

- Prime sites
- Small and medium-sized outlets

Shopping centres (less relevant in CH)

Ditsch/Brezelkönig in Germany

Perfect vertical integration creates highly profitable retailer

2 production facilities (Mainz/Oranienbaum)

Productions lines 11

Major product pretzels and snack products



195 sites in Germany



~ 195 outlets

38%

22%

40%

Public transport hubs

- Railway stations of Deutsche Bahn (high investments in infrastructure expected)
- Smallest size outlets

City-centre locations

- Collaboration with department stores both possible and welcomed
- Small and medium-sized outlets

Shopping centres

- Focus on Germany's top shopping centres
- Medium-sized and large outlets

Brezelkönig outlet in Luzern

Above average location with high frequency

Store specifications



Operating model	agency
Open since	October 2003
Opening hours	04.00 – 24.00
Frequency 2012	560'000 customers

Sales split per product group



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Ditsch/Brezelkönig – synergies

Substantial potential synergies identified at outlet and product-range level

Potential outlet synergies in Switzerland

Requirements for a Brezelkönig outlet

1 High volumes

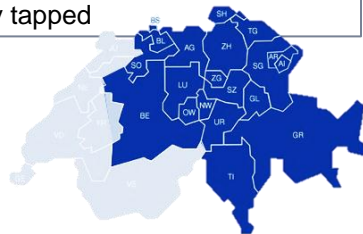
- Rapid inventory rotation
- Maximum product freshness
- High degree of specialisation (focus on lye-bread products)
- 3 peak sales periods

2 Prime small-outlet sites

- Optimal product presentation
- Appropriate construction (ventilation)
- High visibility
- Take-away sales

3 Strong spending power effectively tapped

→ Synergy effect on EBIT approx. CHF 4 – 5 million by 2017



Product synergy examples

Krasse Kombi – voll ok!



- **k kiosk** product ranges to be enhanced with (packaged) lye-bread offering
 - **avec./SSDB** to offer lye-bread/pizza/snack products
 - **Ditsch** product ranges to be enhanced with ok.- drinks
- Synergy effect on EBIT approx. CHF 2 – 3 million by 2017

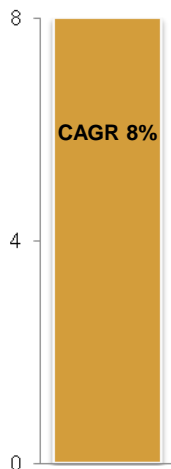
Ditsch/Brezelkönig – growth initiatives

Format on sustainable growth trajectory

Ditsch/Brezelkönig growth trajectory

2012 – 2017 sales growth

(in %)



Retail

→ 10% p.a.



Wholesale

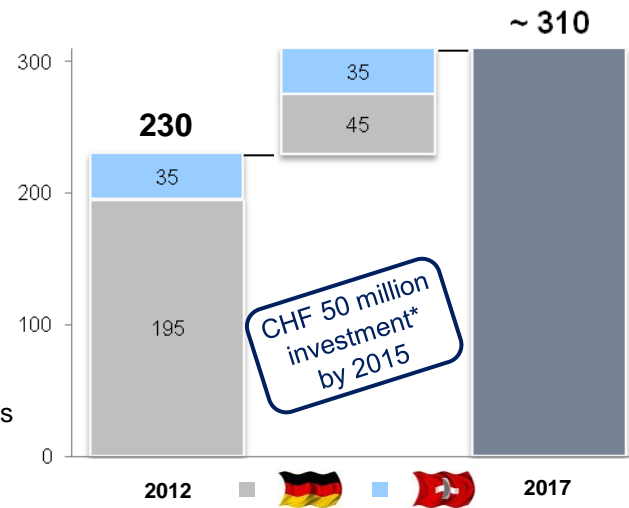
→ 4% p.a.



Comments

- Given plant locations, requisite volumes will be largely produced in Germany
- **Retail growth of ~10% p.a.**
→ 3% organic
→ 7% from new outlets
- Both country units to expand their networks
→ Switzerland +100%
→ Germany + 25%
- **Switzerland**
→ 50% new sites
→ 50% transformed Valora sites
- **Germany**
→ 100% new sites

Planned outlet expansion in Germany / Switzerland



* incl. production facilities and maintenance

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valora

Contacts



Corporate calendar

Contacts

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Corporate calendar

2013 half-year results presentation

August 29, 2013

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