



valora

SWISS EQUITIES CONFERENCE

11th January 2019

Tobias Knechtle, CFO
Annette Martin, Head of Investor Relations

VALORA: KEY INVESTMENT HIGHLIGHTS



Clear strategy: Focused convenience and food service player

Focused on global mega trends: Convenience & out-of-home consumption

c. 2,800 point of sales at high traffic locations and transportation hubs

A portfolio of strong brands and formats including own brands

Significant market presence in German-speaking Europe

One of the worldwide leading pretzel manufacturers with 4 production hubs

Headquarter:
Muttenz, Switzerland

People working in
network: > 15,000

Swiss Stock Exchange

OUR VISION: BEST FOOD & CONVENIENCE CONCEPTS



Best food and convenience concepts:

- Comprehensive customer knowledge
- Operational excellence
- Constant innovation and agility
- Optimal value added

OUR PURPOSE

We brighten up our customers' day.
Wherever people are on the move:

- Nearby
- Quick
- Convenient
- Fresh





HIGHLIGHTS 2018

ESPRESSO/KAFFEETEE	2.90
DOPP. ESPRESSO/KAFFEE	3.00
MILCHKAFFEE	3.20
CAFFOLACCINO	3.80
SHAKE/MACCARONATO	3.80
DESSERT/CAFFEE	3.80

VALORA HIGHLIGHTS 2018



- BackWerk integration completed with positive results on contribution & synergies
- New organisation as of 1.1.2019 with strong management team
- Launch of new avec concept in Switzerland
- Production expansion in Oranienbaum/DE and Cincinnati/US on track
- Successful refinancing of existing capital market instruments
- Submission of SBB Tender Offer
- Confirmation of EBIT Guidance 2018

BACKWERK INTEGRATION COMPLETED



- Successful first year of BackWerk within Valora organisation
- Efficiency of BackWerk franchisees increased
- Expansion of gross new openings on track (+26 in 2018)
- Planned process of closure of unprofitable franchise locations started with positive effect on profitability but slowing down net new openings (+8 in 2018)
- Realisation of synergies (cross-selling of Ditsch and ok.-products, coffee tender, organisation) to be continued
- New organisation within Food Service division as of 1.1.2019

NEW DYNAMIC ORGANISATION WITH SUCCESSFUL LONG-TERM RETAIL & FOOD SERVICE EXPERIENCE

GROUP EXECUTIVE MANAGEMENT



Michael Mueller
CEO

RETAIL



Roger Vogt
CEO Retail

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FOOD SERVICE



Thomas Eisele
CEO Food Service

BUSINESS UNITS

Retail CH	Retail DE (incl. LU/AT)	Food Service CH	Food Service DE (B2C) (incl. NL/AT)	B2B / Production
Roger Vogt	Roger Vogt a.i.	T. Eisele a.i.	K. Brauckmann	Seb Gooding

2

3

4 SHARED SERVICES



Tobias Knechtle
CFO

- Roger Vogt:** Head of Retail Switzerland since January 2018 and since 1.1. 2019 also CEO of Retail division and part of executive board
- Karl Brauckmann:** CEO of BackWerk and since 1.1.2019 also Head of Food Service DE (B2C)
- Seb Gooding:** Formerly CEO Central & Eastern Europe at Aryzta; as of 1.1.2019 Head of Ditsch B2B / Production
- Concentration in group-wide shared services:** Accounting, IT, Digital, Group HR, Legal & Compliance
with strong & new 2nd level management
 - Barbara Becker: Head of Group HR (11/2018)
 - Philipp Angehrn: Head of Transformation & Project Mgmt. (12/2017)
 - Christian Tümmeler: Head of Group Accounting & Tax (03/2018)
 - Christina Wahlstrand: Head of Corp. Comm. & Strategic Branding (05/2017)

NEW MARKET ORIENTED ORGANISATION WITH STRONG FORMATS

RETAIL



RETAIL CH



Muttenz



RETAIL DE
(incl. LU / AT)



Hamburg

FOOD SERVICE



FOOD SERVICE CH



Emmenbrücke



FOOD SERVICE DE
(inkl. NL/AT)



Essen



DITSCH
B2B / PRODUKTION



Mainz

LAUNCH OF NEW AVEC CONCEPT...

Clear positioning as fresh convenience player with focus on customer needs:

- Handmade and freshness as new USP
- Production of over 60 new fresh products featuring handmade sandwiches, salads, smoothies, fruit bowls, etc.
- Flexible modules to fit small outlets and big convenience stores
- <https://handmade.avec.ch/de/#start>



... WITH INNOVATIVE OPERATIVE FEATURES



Strengthening customer engagements with innovative services and concepts:

- Ultimate shopping experience based on digital innovations
 - Fast (mobile) checkout
 - Automated & personalised products & services
 - Personalised advertising
- Development of future store and concept modernisation of kiosk and Press & Books

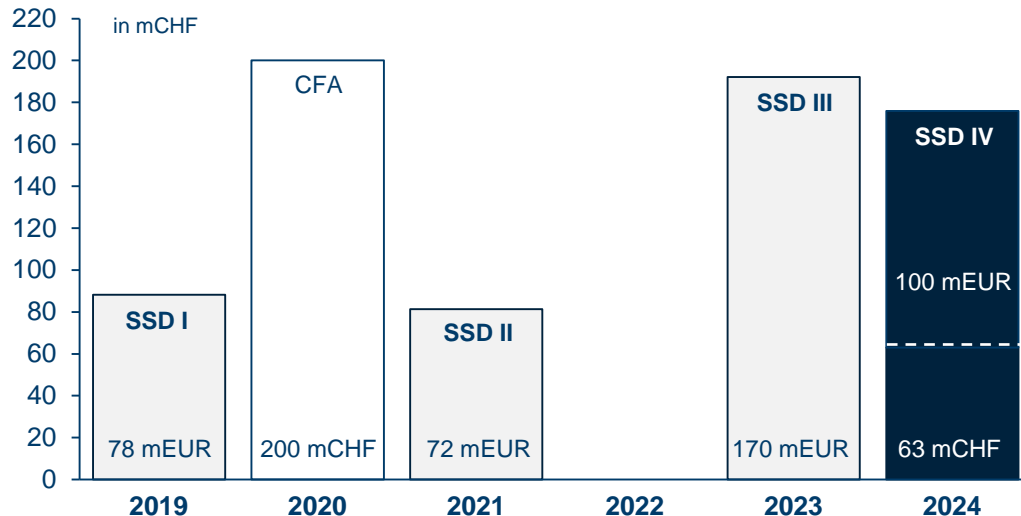
CAPACITY EXPANSION TO DRIVE FURTHER GROWTH IN FOOD SERVICE BEYOND 2020

- Capacity expansion with Ditsch in Oranienbaum/DE on track and expected to go live end of 2019
 - Two additional production lines
 - One new building
- Doubling of capacity in Cincinnati/US successfully completed
- Additional production line expansion in Cincinnati/US on track
- Line expansions will drive top-line growth in B2B



OPTIMISED FINANCING STRUCTURE

DEBT MATURITY PROFILE POST TRANSACTION AND REFINANCING



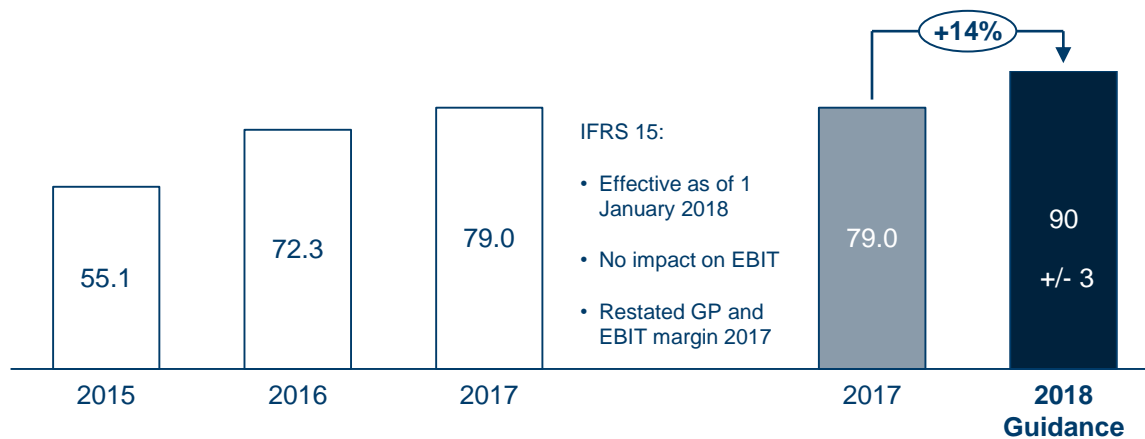
Note: SSD = Schuldscheindarlehen (Schuldschein Loan); Assumption: EUR/CHF 1.13

Optimized long-term financing structure by taking advantage of the currently attractive market conditions and to further reduce financing costs:

- New Schuldschein Loan (SSD IV) with a five-year term issued on 11th January 2019
- The EUR-tranche of 100 mEUR is used to refinance early the Schuldschein issue of 78 mEUR (maturity in April 2019) at significant better financing conditions
- The CHF-Tranche of 63 mCHF is used to partly refinance the hybrid bond of 120 mCHF, redeemed in October 2018
- Liquidity reserve ensured: unused 200 mCHF Syndicated Loan (CFA)

EBIT GUIDANCE 2018 CONFIRMED

EBIT Guidance 2018 in mCHF



GP margin	40.7%	41.5%	42.0%	43.6%	>45%
EBIT margin	2.7%	3.4%	3.8%	3.9%	>4%

SMOOTHIES
EN SAPPEN
BOMVOL VERS FRUIT



Outlook 2019

OUTLOOK 2019 ALONG STRATEGIC INITIATIVES



Growth & Innovation

- Network expansion driven by BackWerk and roll-out of new avec concept
- Same-store & margin improvement driven by product mix: increased offering of fresh food, alternative tobacco products (e-smoke), new services and own label / ok.-
- B2B production expansion
- SBB Tender Offer

Efficiency

- New organisation as of 1.1.2019
- Realisation of further synergy potential

Culture

- Accelerate conversion into franchise & agency model
- Further strengthening of Valora culture and leadership development

Other / New

- IFRS 16 implementation as of 1.1.2019

APPENDIX

An aerial photograph of a multi-lane highway. A white truck is driving on the right side of the road. Long, dark shadows of structures, possibly bridges or overpasses, stretch across the road from the top left towards the bottom right. The road surface is light-colored with visible lane markings. A dark blue rectangular box is overlaid on the left side of the image, containing the word 'APPENDIX' in white, bold, sans-serif capital letters.

VALORA STRUCTURE: TWO DIVISIONS ALONG TWO AXIS

CONVENIENCE &
FOOD SERVICE
NETWORK

RETAIL

Small retail outlets, selling convenience products through a network of standard format sales points, located at high traffic locations and transportation hubs.



Own brands as well as financial services.



FOOD SERVICE

Focused on out-of-home food consumption offering, modern outlet networks and a broad customer base.



Worldwide leader in the production of pretzel products.



KEY FINANCIALS 2017



Figures in mCHF

RETAIL	GROUP*	FOOD SERVICE
2,242	External Sales: 2,562	316
1,785	Net Revenues: 2,075	287
647	Gross Profit 872	222
36.2%	GP Margin** 42.0%	77.4%
70	EBIT 79	26
3.9%	EBIT Margin** 3.8%	9.1%
31	Capex 53	20
19.8%	ROCE 8.6%	5.9%
33.3% w/o Goodwill	15.5% w/o Goodwill	14.7% w/o Goodwill

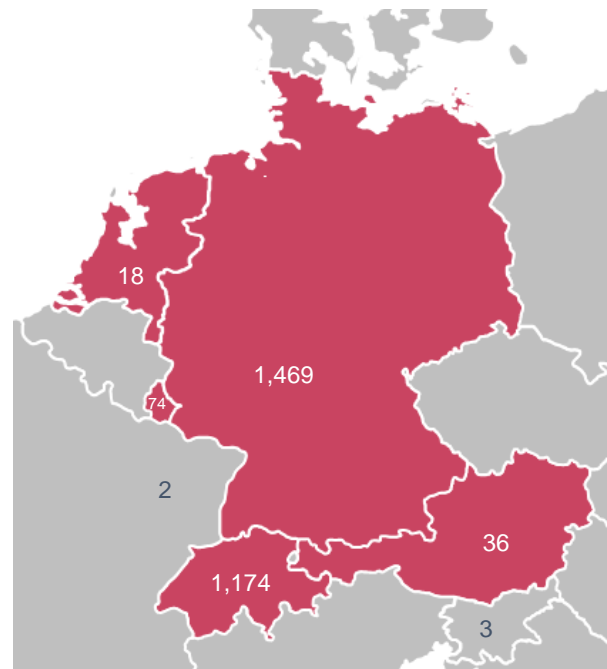


* Including other for corporate
 ** Margins in % of net revenues

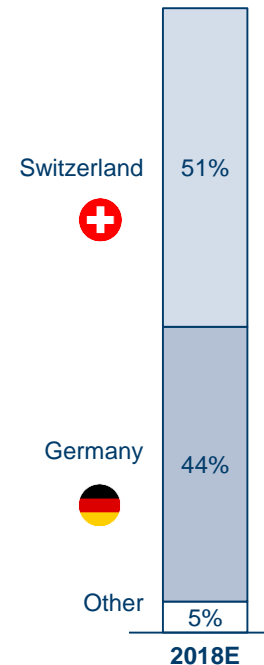
Note: BackWerk, included only for two months in Group and Food Service segment

STRONG FORMATS AND DISTINCT PRESENCE IN GERMAN-SPEAKING EUROPE

Format and number of stores		Jun. 2018
RETAIL	k kiosk	1,212
	Press & Books	210
	cigo & subformats	428
	avec	139
	SSDB	99
	U-Store	25
FOOD SERVICE	Ditsch	214
	Brezelkönig CH	59
	Brezelkönig International	6
	Caffè Spettacolo	33
	BackWerk	351
Total		2,776



External sales split 2018E by country



RETAIL



- Leading kiosk & convenience operator at heavily frequented sites in CH, DE and LU
- Market leader in tobacco, print and lottery products with expanding take-away and food offering



- Broad press and book offering
- Complemented by a range of classical categories (tobacco, lottery, confectionary) as well as F&B



- Convenience format with growing range of fresh and regional products



- Convenience stores sited at German railway stations providing commuters with a range of daily staples



- Specialised tobacco retailer with complementary offering of press titles and relevant services

FOOD SERVICE



- Leading manufacturer of pretzel specialties and fast food snacks in Germany for the B2B and B2C markets and operator of own B2C network



- Dedicated outlet network selling unique range of high-quality pretzel products in Switzerland



- Brand established for international expansion of Brezelkönig format through franchise network



- Italian-themed coffee-bar concept operating dedicated outlets plus modules within other Valora formats

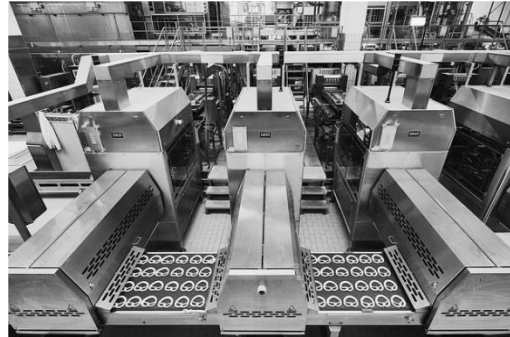


- Germany's biggest self-service bakery with a broad and flexible food assortment in snacking and «feel good food»

RETAIL – IMPRESSIONS



FOOD SERVICE – IMPRESSIONS



VALORA STRATEGY



GROWTH

Same-store growth	Ticket size
	Footfall
	Pricing
Expand	Existing geographies
	New geographies



INNOVATION

Digital opportunities	Loyalty app
	Retail analytics
	Digital signage
New concepts	Strengthen own products and new services
	Develop new concepts

EFFICIENCY

Increase profitability	Process improvements
	Leverage international platform
	Realize cost synergies
	Purchasing conditions & promotions



PERFORMANCE CULTURE

Enter-preneurial spirit	Joint vision, values and social responsibility
	Agency & franchise business model
Organi-sation	Development of employees
	Lean & agile organisation

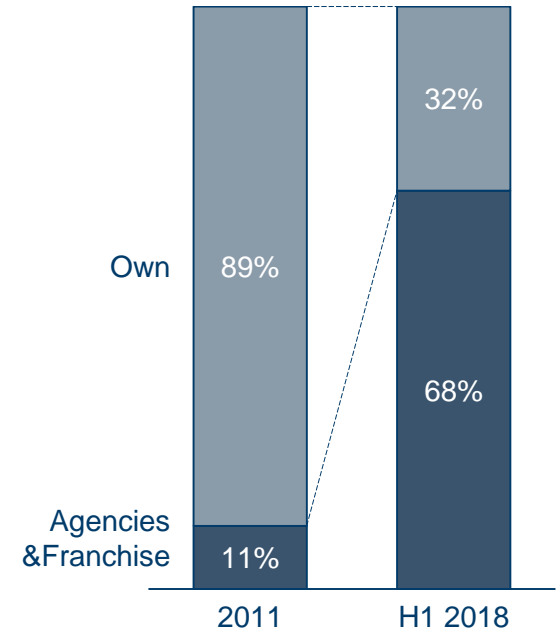
TRANSFORMATION FROM AN OWN SALES NETWORK TO AN AGENCY / FRANCHISE MODEL



	Own stores	Agency	Franchise
Operations	Valora	Agent	Franchisee
Inventory	Valora	Valora	Franchisee
Lease agreement	Valora	Valora	Valora
Store investment	Valora	Valora	Franchisee (BW) Valora (R DE)
Fee	None	Valora pays commission to agent	Valora receives franchise fee
# number of stores H1 2018*	876 ; 32%	1,010 ; 36%	875 ; 32%

*Without partner (#15)

R = Retail; DE = Germany; BW = BackWerk



Brightens up
your journey.



valora