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Half-Year 2020 Results

22 JULY 2020

Michael Mueller, CEO
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AGENDA

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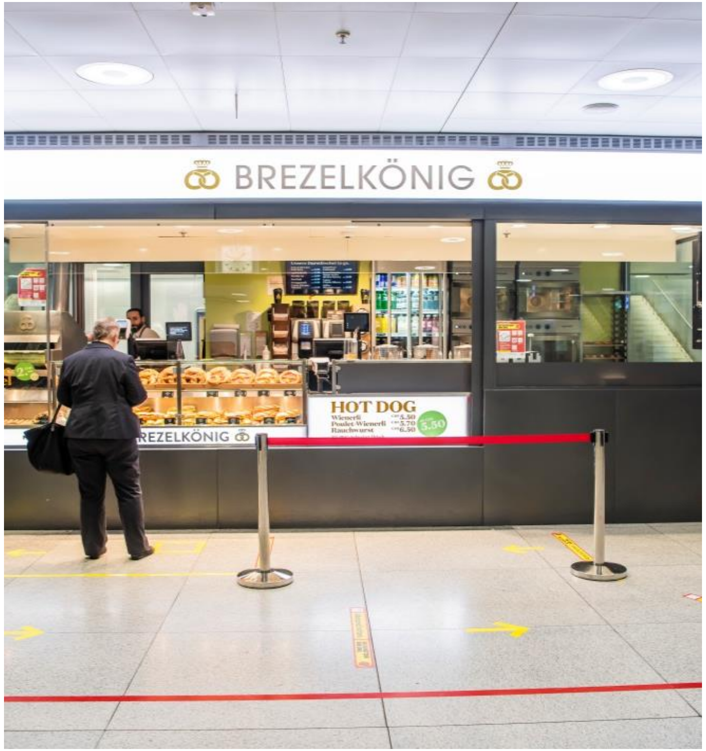
Half-Year 2020 Results

HY 2020 DOMINATED BY GLOBAL COVID-19 CRISIS – LONG-TERM STRATEGY CONFIRMED



- Until February all units with a **strong start into the year**
- Unprecedented worldwide COVID-19 crisis impacted as of March our out-of-home consumption core business at high frequency locations strongly
  - **During lockdown** public transport & city centre **footfall collapsed**
  - Post lockdown stay home / home-office policies, international travel restrictions and health & safety measures in public space reduce footfall in our network significantly
- Since beginning of March main focus has been on implementing health & safety measure, securing business operations & long-term stability of our network and **adjusting cost base** including postponement of major investments
- **Breakeven of operating business in June** and we expect customer frequencies and sales to continue to recover in H2 - however long-term impact of trend towards home-office and impact of dynamic market environment prevails and **positive FY 2020 EBIT expected**
- Despite the significant impact the COVID-19 crisis has on consumer behaviour and footfall during the crisis we **strongly believe in the long-term attractiveness** of the out-of-home consumption and foodvenience market

COVID-19 IMPACTS HY 2020 SIGNIFICANTLY

HY 2020 figures vs. HY 2019 figures

GROUP*

External Sales	1,085 mCHF	-18%
GP Margin	43.6%	-1.3%pt
EBITDA**	21.7 mCHF	-52.8 mCHF
EBIT	-10.9 mCHF	-53.7 mCHF
Free Cash Flow	11.5 mCHF	-4.1 mCHF
Leverage Ratio	2.9 x	+0.9x vs. FY 2019

RETAIL

External Sales	904 mCHF	-13%
EBITDA**	19.0 mCHF	-26.0 mCHF
EBIT	1.4 mCHF	-26.1 mCHF

FOOD SERVICE

External Sales	175 mCHF	-36%
EBITDA**	2.1 mCHF	-28.8 mCHF
EBIT	-11.3 mCHF	-29.2 mCHF

* Including other for Corporate

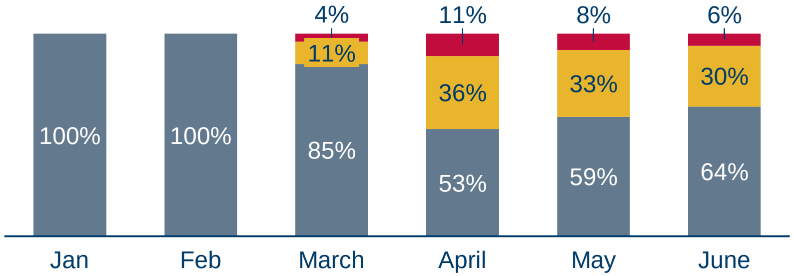
** EBITDA not considering depreciation on right-of-use assets arising from lease agreements (IFRS 16 effect)

WEAK FOOTFALL RESULTS IN STORE CLOSURES AND ADJUSTED OPENING HOURS

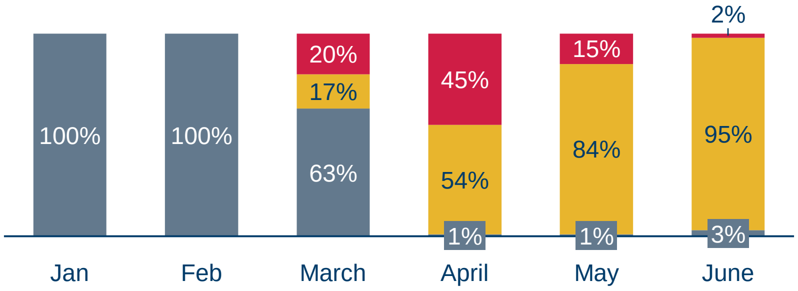
Official orders to contain the virus with significant impact on customer behaviour and frequency:

- Recommendation to avoid public transportation and to work from home
- Full lockdown of selected formats in CH, NL and AT
- Safety and protective measures and social distancing regulations lead to weak consumption in public space

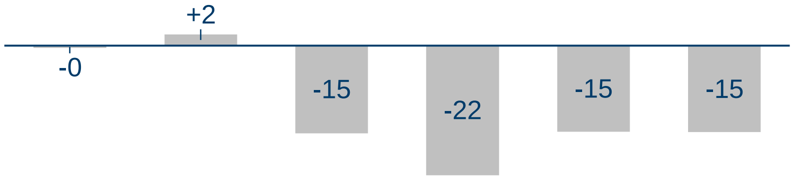
Retail – POS (2,068 as per June 2020)



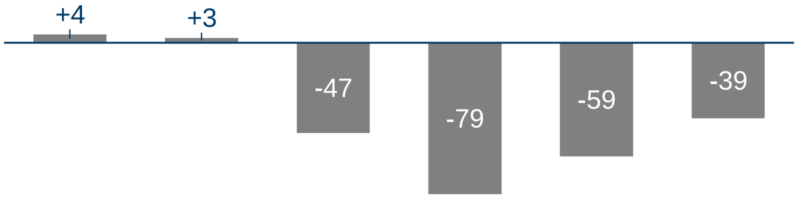
Food Service (B2C) – POS (644 as per June 2020)



Retail – External sales in HY 2020 (in % vs. HY 2019, in LC)



Food Service (B2C) – External sales in HY 2020 (in % vs. HY 2019, in LC)



FOOD SERVICE POS MORE AFFECTED BY LOWER FOOTFALL

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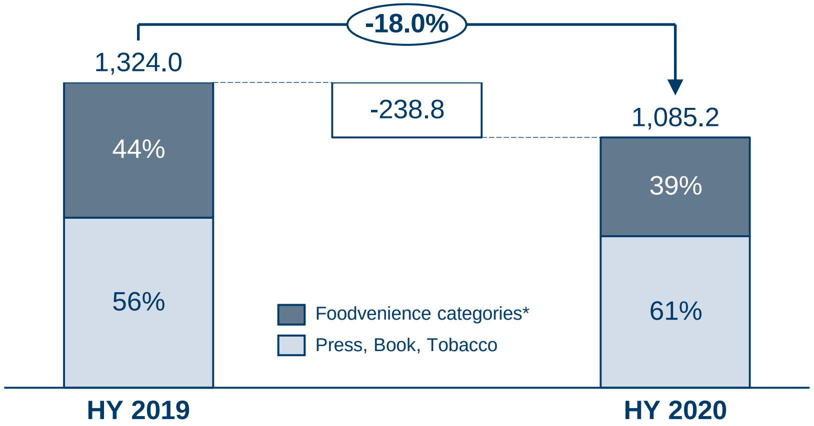
		Transportation hubs (incl. airports)	City centres	Shopping malls	Other (Agglomeration, gas stations, etc.)
RETAIL	External sales development 2020 vs. 2019 (March – June)	-28%	-23%	-1%	-11%
RETAIL	Sales share FY 2019:	~50%	10%	30%	10%
FOOD SERVICE (B2C)	External sales development 2020 vs. 2019 (March – June)	-59%	-53%	-54%	-0%
FOOD SERVICE (B2C)	Sales share FY 2019:	~50%	40%	10%	<1%

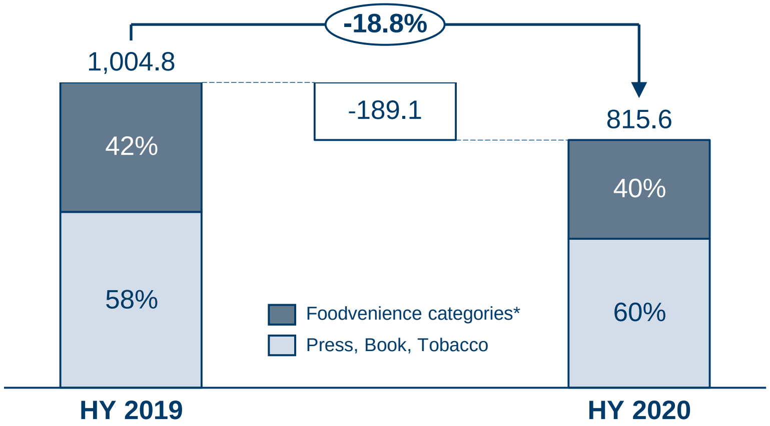
EXTERNAL SALES / NET REVENUE

SIGNIFICANTLY IMPACTED BY COLLAPSED FOOTFALL

External sales – Valora Group
in mCHF



Net revenue – Valora Group
in mCHF



* Foodvenience categories include Food, Services, Non-Food and exclude Press, Books and Tobacco

- External sales YTD February with solid growth of +1.3% in LC and +2.7% in foodvenience categories
- Full half-year external sales decreased by -18.0% and net revenue by -18.8% due to a decline in customer frequency as well as store closures and reduced opening hours
- Overall Food Service more affected than Retail formats resulting in a decrease of foodvenience categories on Group level
  - Food Service more exposed to out-of-home market and impacted by decreased customer frequency at train stations and city centres
  - Retail formats performed relatively better driven by strong tobacco and press categories and shopping centres

NET REVENUE

RETAIL HOLDING UP STRONGER THAN FOOD SERVICE

Division | Country in mCHF	HY 2019	HY 2020	∆ in %	∆ % in LC
Retail	**828.9**	**697.4**	**-15.9%**	**-14.3%**
CH	572.0	516.0	-9.8%	-9.8%
DE/LU/AT	256.9	181.4	-29.4%	-25.0%
Food Service	**172.3**	**112.3**	**-34.8%**	**-32.2%**
CH	53.9	32.7	-39.3%	-39.3%
DE* (B2C & B2B)	118.4	79.6	-32.8%	-28.7%
Other	3.5	5.9	+68.5%	68.5%
Valora Group	**1,004.8**	**815.6**	**-18.8%**	**-17.0%**

* Food Service DE: Including B2C (in Germany, Netherland, Austria) and B2B (DE & US)

LC = Local Currency

Retail CH

- Significant sales drop (-9.8%) as a result of lower frequency, store closures and reduced opening hours as well as weak consumption in public space
- Agglomeration, shopping malls and small retail gas stations performed significantly better compared to high-frequency locations
- Ticket size increase during lockdown, especially in tobacco and press

Retail DE/LU/AT

- Net revenue declines (-25.0% in LC) accelerated by a shift from own stores to franchise (+40 POS)
- Stores in shopping centres with better performance than at high-frequency locations

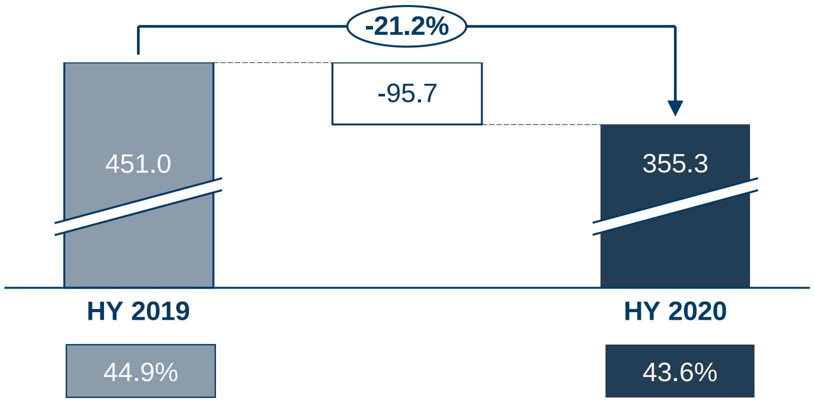
Food Service

- High exposure to out-of-home market, public transportation and city centre locations with strong decline in customer frequency and reduced consumption
- Food Service CH and Food Service DE (B2C) sales dropped by -39.3% and -37.3% in LC respectively and B2B sales by -20.4% in LC

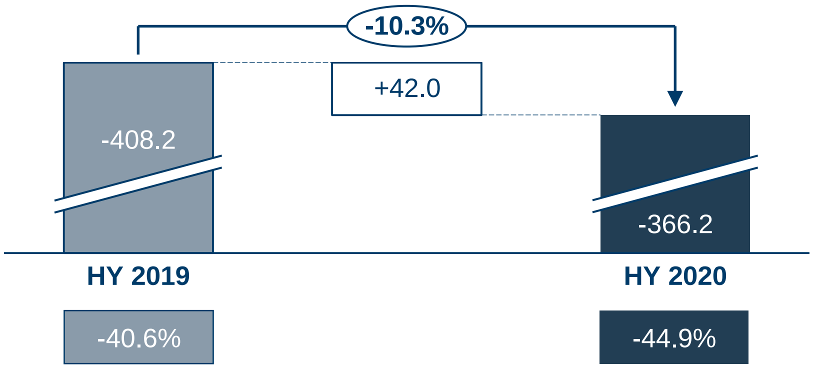
GROSS PROFIT VS. OPERATING COSTS

ALMOST 50% OF GROSS PROFIT DECREASE MITIGATED BY COST REDUCTION

Gross profit – Valora Group
in mCHF; GP margin in %



Operating costs – Valora Group
in mCHF; Cost ratio in %



- Gross profit decrease of -95.7 mCHF (-21.2%) mainly resulting from sales decrease
- Gross profit margin down by -1.3%pt to 43.6%, driven by lower food sales

- Mitigating almost 50% of GP decrease by cost reduction
- Cost reductions of +42.0 mCHF related to:
  - + 25 mCHF reduced personnel costs / support for short-time work
  - + 8 mCHF reduced rent (incl. 7 mCHF rent concessions on Group level but more than off-set by higher rent from SBB contract)
  - + 9 mCHF other operating expenses (shipping, admin, etc.)

GROSS PROFIT

GROUP GROSS PROFIT MARGIN WIDELY MAINTAINED – AFFECTED BY HIGHER SHARE OF RETAIL

Division | Country in mCHF	HY 2019	HY 2020	Δ in %	Δ % in LC	Gross Profit Margin	Δ GP Margin
Retail	**312.5**	**264.9**	**-15.2%**	**-13.9%**	**38.0%**	**+0.3%pt**
CH	226.3	202.7	-10.4%	-10.4%	39.3%	-0.3%pt
DE/LU/AT	86.2	62.2	-27.8%	-23.3%	34.3%	+0.8%pt
Food Service	**135.0**	**86.4**	**-36.0%**	**-33.5%**	**76.9%**	**-1.5%pt**
Other	3.5	4.1	+15.5%	+15.5%	68.4%	n.a.
Valora Group	**451.0**	**355.3**	**-21.2%**	**-19.4%**	**43.6%**	**-1.3%pt**

LC = Local Currency

Retail CH

- GP of 202.7 mCHF (-10.4%) driven by lower net revenue
- GP margin fairly stable at 39.3% (-0.3%pt), despite increasing share of lower margin products (e.g. tobacco), supported by resilient promotional income

Retail DE/LU/AT

- GP at 62.2 mCHF (-23.3% in LC) driven by lower net revenue, resulting from lower top-line growth and less own stores (-59)
- GP margin at 34.3% (+0.8%pt) attributable to an increased tobacco margin, higher promotional income and a higher share of franchise outlets

Food Service

- Gross profit of 86.4 mCHF (-33.5% in LC), caused by strong sales decrease driven by low customer frequency and reduced consumption
- GP margin decrease by -1.5%pt to 76.9% driven by higher share of B2B sales

Other

- Gross profit at 4.1 mCHF (+15.5%) thanks to higher income from bob Finance

OPERATING COSTS (INCL. D&A)

SIGNIFICANT REDUCTION OF BUDGETED OPERATING EXPENSES OF ALMOST ~15%

Division | Country in mCHF	HY 2019	HY 2020	Δ in %	Δ % in LC	Cost Ratio	Δ Cost Ratio
Retail	**-285.0**	**-263.5**	**-7.5%**	**-6.1%**	**-37.8%**	**-3.4%pt**
CH	-205.2	-202.6	-1.3%	-1.3%	-39.3%	-3.4%pt
DE/LU/AT	-79.7	-60.8	-23.7%	-19.2%	-33.5%	-2.5%pt
Food Service	**-117.1**	**-97.7**	**-16.6%**	**-13.3%**	**-86.9%**	**-19.0%pt**
Corporate / Other	-6.2	-5.1	-18.3%	-16.4%	n.a.	n.a.
Valora Group	**-408.2**	**-366.2**	**-10.3%**	**-8.3%**	**-44.9%**	**-4.3%pt**

LC = Local Currency

Retail CH
- Costs only slightly below HY 2019 (-1.3%) driven by conversion from 51 franchise stores into agencies/own stores and by partial compensation of higher rent expenses by rent reliefs
- Significant cost savings in variable costs (e.g. shipping & freight)

Retail DE/LU/AT
- Lower costs (-19.2% in LC) mostly resulting from lower sales and initiated cost measures in H2 2019; a lower number of own POS (-59, thereof 40 converted into franchise stores) also led to decreased costs

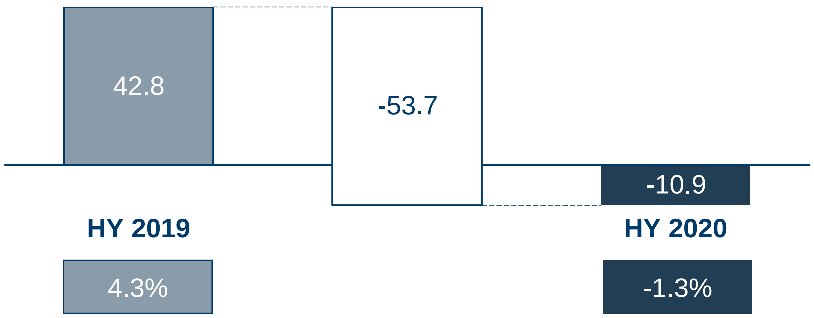
Food Service
- Decreased cost level (-13.3% in LC) related to adjustment of variable costs and reduced fix costs

Other
- Lower costs (-18.3%) thanks to cost measures including short-time work, reduced central functions and project costs

HY 2020 EBIT OF -10.9 mCHF

SIGNIFICANT SALES DECREASE BURDENS EBIT

EBIT – Valora Group
in mCHF; EBIT margin in %



- EBIT at -10.9 mCHF (-53.7 mCHF) due to negative sales development
- Cost savings compensate almost 50% of gross profit decrease based on:
  - Reduced personnel expense (incl. governmental support for short-time work)
  - Lower rent
  - Other expenses (incl. reduced admin costs, shipping & freight)
- All units with positive EBITDA contribution in HY 2020 with increasing upward trend since end of lockdown

EBIT

RETAIL DIVISION WITH POSITIVE EBIT CONTRIBUTION

Division | Country in mCHF	HY 2019	HY 2020	Δ in %	Δ % in LC	EBIT Margin	Δ EBIT Margin
Retail	**27.6**	**1.4**	**-94.8%**	**-94.6%**	**0.2%**	**-3.1%pt**
CH	21.1	0.0	-99.8%	-99.8%	0.0%	-3.7%pt
DE/LU/AT	6.5	1.4	-78.5%	-76.2%	0.8%	-1.8%pt
Food Service	**17.9**	**-11.3**	n.a.	n.a.	-10.1%	-20.5%pt
Corporate / Other	-2.7	-1.0	n.a.	n.a.	n.a.	n.a.
Valora Group	**42.8**	**-10.9**	n.a.	n.a.	-1.3%	-5.6%pt

LC = Local Currency

Retail CH
- EBIT breakeven at 0.0 mCHF
- EBITDA contribution of 11.2 mCHF

Retail DE/LU/AT
- EBIT of 1.4 mCHF thanks to initiated cost savings last year with positive impact
- EBITDA contribution of 7.8 mCHF

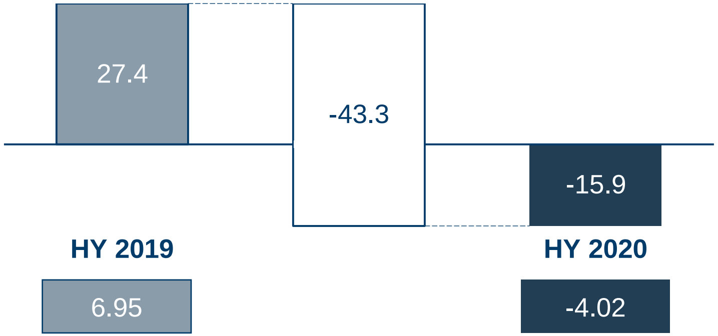
Food Service
- Negative EBIT of -11.3 mCHF driven by:
  - Weak food consumption in public space and low footfall at high-frequency locations affecting B2C and B2B sales
  - Higher capital intensity / D&A of B2B business
  - Amortisation of intangible assets from acquisitions
- EBITDA contribution of 2.1 mCHF

Other
- Improved EBIT thanks to higher revenues from bob Finance and central function cost measures

NET PROFIT / EPS

FOREX AND IFRS 16 EFFECT WITH ADDITIONAL NEGATIVE IMPACT

Group net profit in mCHF
EPS in CHF



Net Profit / EPS in mCHF		**HY 2019**	**HY 2020**	**Δ in %**
EBIT		**42.8**	**-10.9**	**n.a.**
Financing activities, net		-9.0	-13.0	+45.2%
Earnings before taxes		**33.8**	**-23.9**	**n.a.**
Income taxes		-6.4	8.0	n.a.
Group net profit		**27.4**	**-15.9**	**n.a.**
EPS Group	in CHF	**6.95**	**-4.02**	**n.a.**
Average number of outstanding shares	in # (thousand)	3,940	3,942	+0.1%

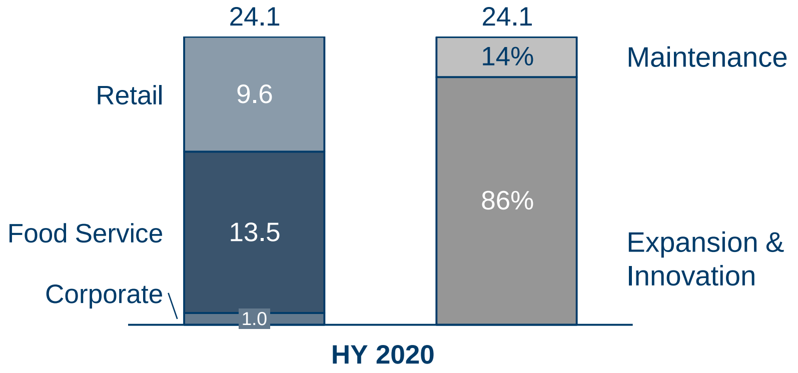
Group net profit

- Group net profit and EPS driven by EBIT
- Net financing activities higher (-4.1mCHF), resulting from:
  - Increased interest expenses (-4.3 mCHF) due to IFRS 16 accounting (higher lease liabilities after the extension of the SBB rental agreements)
  - Higher FX losses due to EUR exposure (-0.6 mCHF)
  - Net interest expense (excl. IFRS 16 effect) below HY 2019 (+0.8 mCHF), thanks to better financing conditions of new SSD IV and CFA
- Tax credits based on no longer needed provisions and capitalisation of tax losses

CAPEX

CONTINUED INVESTMENTS IN EXPANSION AND INNOVATION

Capex – Valora Group
in mCHF

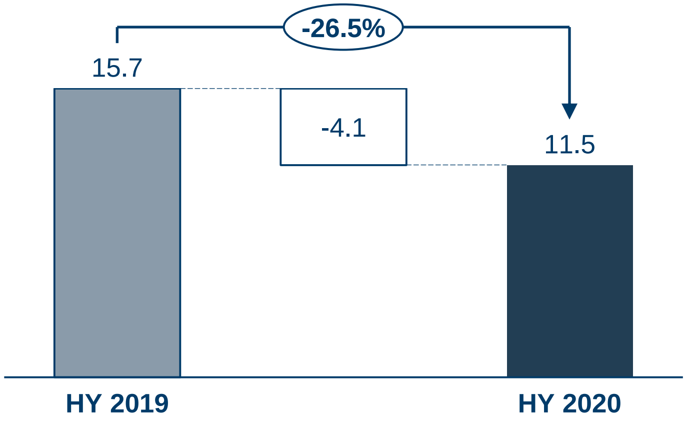


- Capex of 24.1 mCHF including:
  - Completion of B2B capacity expansion in Q1 2020 (~10 mCHF)
  - SBB refurbishment (~4 mCHF, # 22 POS until March) temporary stopped due to COVID-19 crisis
- ~70% of last year's HY capex, driven by priorisation and postponement of investments & continued investments in expansion and innovation

FREE CASH FLOW

BENEFIT FROM EXTRAORDINARY NET WORKING CAPITAL MANAGEMENT

Free cash flow
in mCHF



Free Cash Flow in mCHF	HY 2019	HY 2020	Δ in %
EBIT	**42.8**	**-10.9**	n.a.
D&A (excluding depreciation of right-of-use asset)	31.7	32.6	+2.8%
Depreciation of RoU - IFRS 16 effect	65.7	75.6	+15.1%
Payments rents / leasing (net) - IFRS 16 effect	-64.0	-68.3	+6.7%
Interest - IFRS 16 effect	-4.8	-9.1	+90.1%
Elimination of other non-cash items	2.9	2.4	-17.2%
NWC and current assets & liabilities	-12.5	29.2	n.a.
Interest, tax expense (net)	-5.4	-4.9	-9.7%
CF from operating activities	**56.3**	**46.6**	**-17.3%**
CF from investing activities (net)	**-40.7**	**-35.1**	**-13.7%**
Free Cash Flow (before M&A)	**15.7**	**11.5**	**-26.5%**

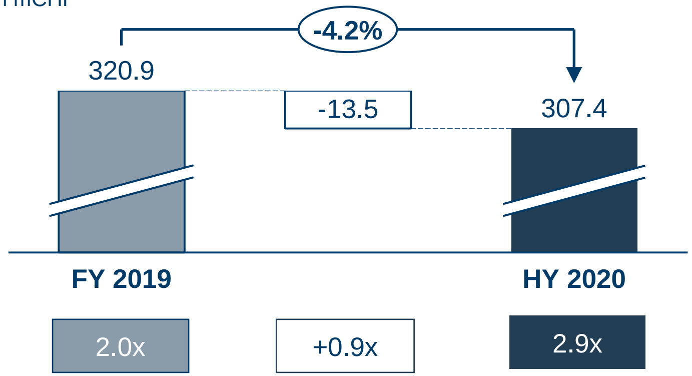
Free Cash Flow

- Cash Flow from operating activities down by -17.3% to 46.6 mCHF but clearly supported through very strict net working capital management such as delayed payment of accounts payables, rent deferrals, etc.
- Cash Flow from investing activities down by -13.7% to -35.1 mCHF based on focused capex despite of completion of new B2B pretzel manufacturing line

BALANCE SHEET

NO MAJOR CHANGES WITH STRONG EQUITY RATIO OF 45.0%

Net debt
in mCHF



Balance Sheet in mCHF	**FY 2019**	**HY 2020**	**Δ** **in %**
Total assets	**2,392.8**	**2,350.4**	**-1.8%**
thereof right-of-use asset & sublease net investment	*1,031.5*	*1,005.3*	*-2.5%*
Cash, cash equivalents	122.7	127.5	+4.0%
Goodwill and intangible assets	657.2	641.8	-2.3%
Other assets (incl. right-of-use asset & sublease net investment)	1,613.0	1,581.2	*-2.0%*
Interest bearing debt	443.5	434.9	-1.9%
Other debt	1,323.2	1,310.0	-1.0%
Shareholders' equity	626.1	605.5	-3.3%
Equity ratio	**46.0%**	**45.0%**	**-1.0%pt**
Equity ratio incl. lease liability	26.2%	25.8%	-0.4%pt
EBITDA (LTM)	**157.4**	**104.6**	**-33.5%**
Net debt	**320.9**	**307.4**	-4.2%
Net debt incl. lease liability	1,369.1	1,335.6	-2.4%
Leverage ratio	**2.0x**	**2.9x**	**0.9x**
Leverage ratio incl. lease liability	4.6x	5.2x	+0.6x
ROCE	**8.4%**	**3.5%**	**-4.9%pt**

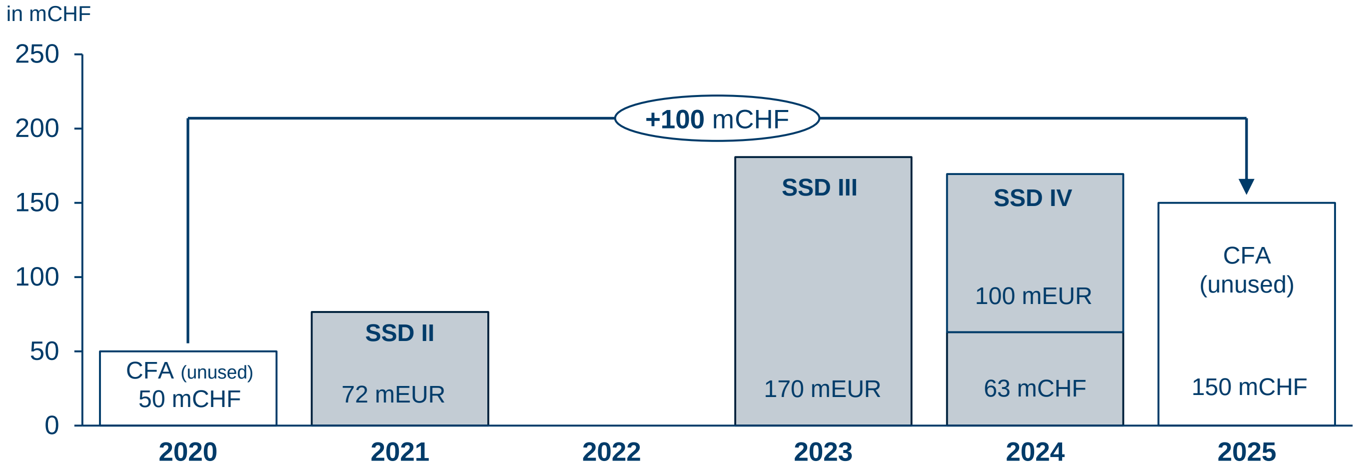
Please refer to appendix for more details on alternative performance measures

Balance Sheet

- Net debt decreases by -13.5 mCHF vs. year-end, impacted by lower interest bearing debt (-8.6 mCHF) and higher cash (+4.9 mCHF)
- Strong equity ratio at 45.0 % (-1.0%pt vs. year-end 2019)
- As a result of lower EBITDA, leverage ratio (net debt / EBITDA) increases to 2.9x (+0.9x vs. year-end 2019)
- Group ROCE at 3.5% heavily impacted by EBIT decline; Group ROCE without goodwill at ~7% despite COVID-19 crisis

FAVOURABLE MATURITY PROFILE

RENEWED CREDIT FACILITY STRENGTHENS FINANCING STRUCTURE



Note: FX rate for chart (30/06/2020): 1 EUR = 1.063 CHF   SSD = Schuldscheindarlehen (Bonded Loan)   CFA = Credit Facility Agreement

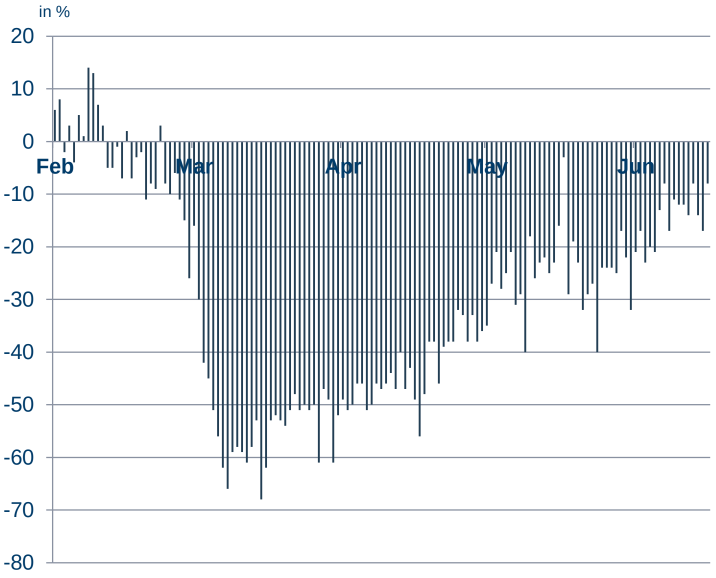
Multi Currency Revolving Credit Facility (CFA)

- Renewed CFA to 150 mCHF with attractive conditions, a five-years term and two extension options of one year each
- COVID-19 related headroom for leverage ratio covenant until HY 2021

Financial Outlook

WORK AND MOBILITY BEHAVIOUR WILL DRIVE RECOVERY IN FOODVENIENCE MARKET

Mobility trend (transit stations) in Switzerland during COVID-19 crisis:



Source: Google   Note: Baseline = Median of 5-week period (Jan 3 – Feb 6, 2020)

Potential lasting changes

Home-office and schooling development
- Home-office and distance learning changes footfall

Temporary changes

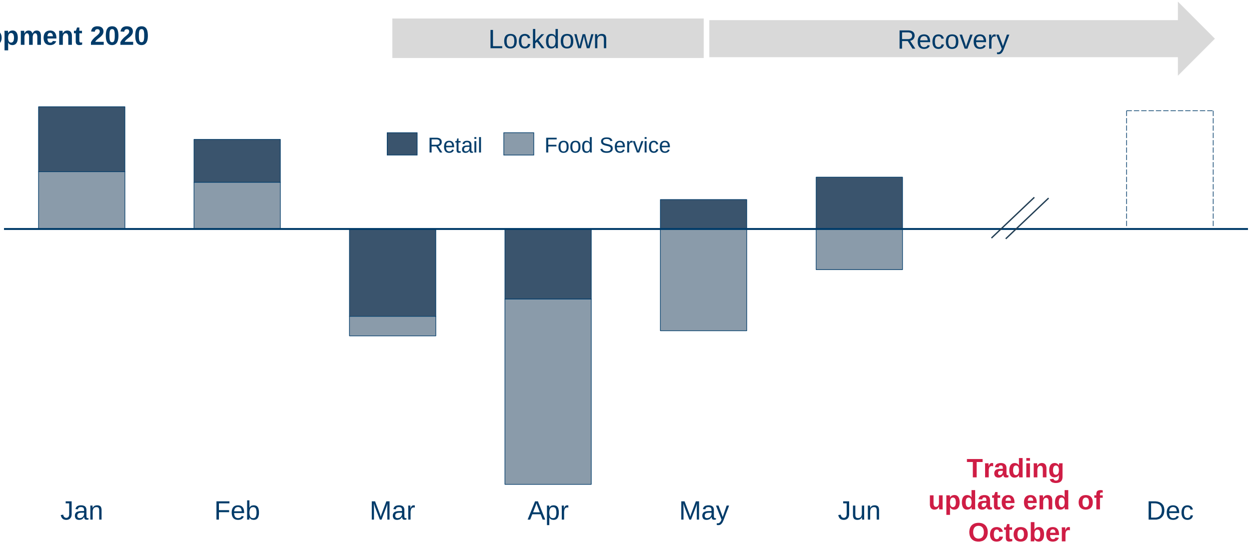
Individual vs. public transportation
- Changed travelling behaviour: Short-term shift from public transportation to individual driving expected to reverse again

Safety and protective measures
- Social distancing and hygiene measures (incl. masks) prevent the capture of large commuter flows

Economic development
- Uncertainty about unemployment
- Expected increase of vacancies with pressure on rent
- Pressure on prices as a result of lower buying power

AFTER LOCKDOWN STEADY IMPROVEMENTS

Monthly EBIT development 2020



External sales indices in LC (Valora Group):	**100.6**	**102.0**	**80.3**	**67.0**	**77.2**	**81.8**		**< 100**

Positive sales and EBIT development since ease of lockdown in May

POSITIVE FY 2020 EBIT EXPECTED

Net revenue	▪ Further recovery of customer frequency and sales ▪ Uncertainty remains high
Gross profit	▪ Improvement of gross profit margin vs. HY 2020, thanks to positive mix effects ▪ Leverage of B2B capacity
Operating costs	▪ Accelerated cost savings ▪ Including increase in selected support for agency and franchise partners
EBIT	▪ EBIT FY 2020 positive based on the current development

Valora plans a trading update end of October 2020 based on better visibility

COVID-19 Related Measures

BUSINESS CONTINUITY SECURED DURING COVID-19

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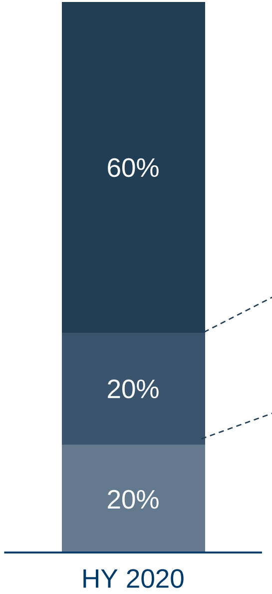
Health & Safety	Protecting employees & customers
	Financial support for employees & partners
Supply Chain & Operations	Network securing basic supply («Grundversorgung»)
	Ensuring that operations and supply chain runs smoothly
	Continued investments in digital solutions
Liquidity & Profitability	Cutting costs, stopping projects and suspending various activities within our daily business for a limited period
	Strengthened financing structure through renewed credit facility

~50% OF GP REDUCTION MITIGATED BY LOWER COST

COST REDUCTION SUPPORTED THROUGH OPERATING LEVERAGE AND COST MEASURES

Cost reduction
(10% of costs, ~42 mCHF)



Key cost measures

Personnel (incl. agency & franchise)	▪ Short-time work ▪ Optimised working hours ▪ Temporary partner support
Other operating expenses*	▪ Variable operating expenses ▪ Reduced administration costs
Rent**	▪ Lower variable rent compensate higher rent after SBB tender ▪ Rent concessions for lockdown phase

Focus H2: Further adjustments targeted

* Including D&A w/o amortisation of the right-of-use asset

** Including amortisation of the right-of-use asset related to rental costs

COST REDUCTION: PERSONNEL & OTHER

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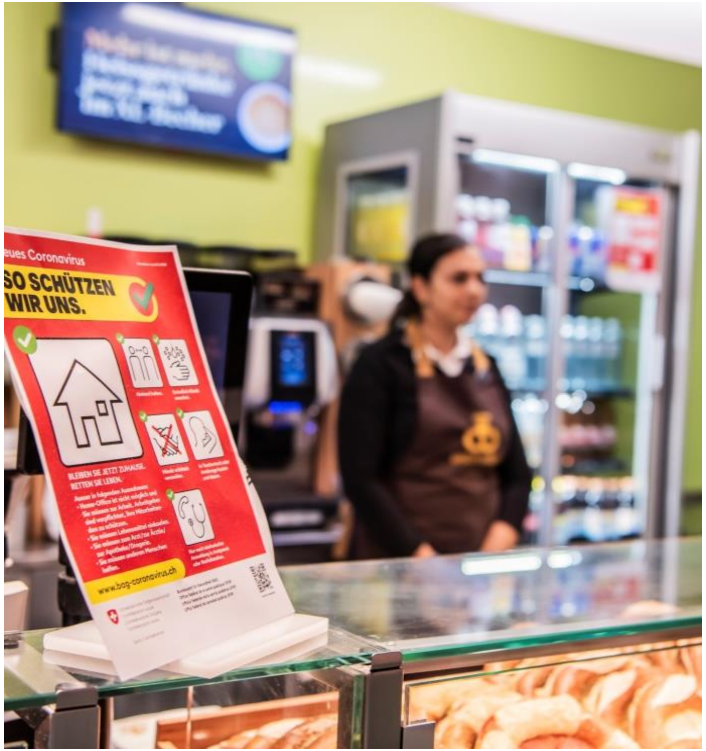

Personnel costs

- Short-time work for almost ~50% of Valora employees in:
  - POS (closed or reduced opening hours)
  - Administration / overhead functions
  - Production & logistics
- Optimised working hours
- Lower agency fees (w/o partner support)
- Open vacancies not filled (hiring freeze)

Temporary financial support

- Temporarily compensation payments for employee salary shortfalls due to short-time
- Investment in selected agency and franchise partner to support economic viability

Other operating expenses

- Over proportional cost reductions in shipping & freight thanks to optimisation of supply chain
- Reduced administration costs
  - Savings in marketing and central functions
  - Prioritisation of investment projects

COST REDUCTIONS: RENT NEGOTIATION ONGOING

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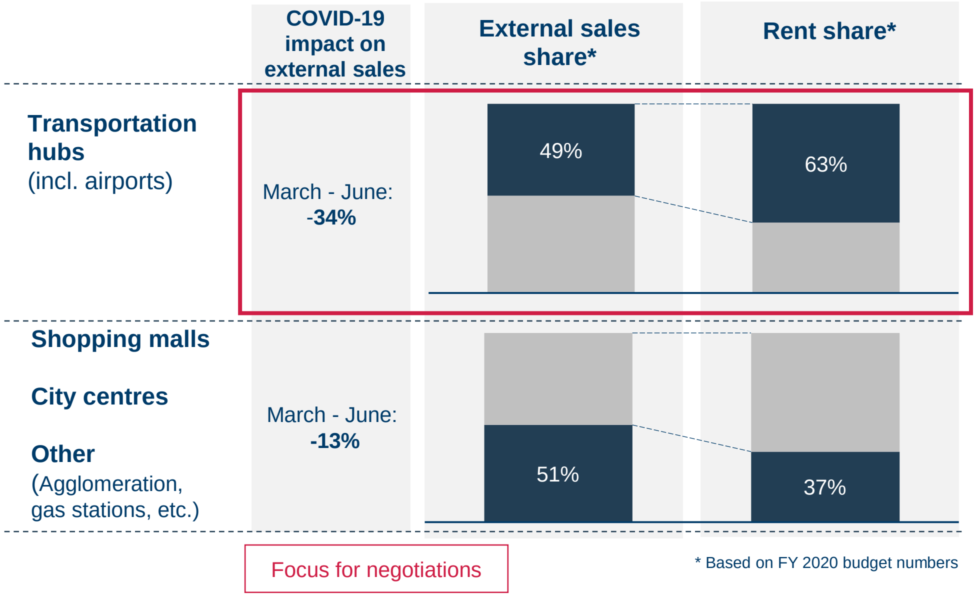

* Based on FY 2020 budget numbers

Current situation

- Focus of negotiations in HY on lockdown phase
- Most rent agreements without adjustments post lockdown 2020 so far
- In «new normal», limited adequate variability of rent due to high minimum rents
- Many rents deferred during lockdown, some rent payments still suspended
- HY 2020 reflects agreed rent adjustments only

Target Onwards

- Adjust rent to sales and customer frequency development with focus on reduction of minimum rent
- Additional adjustments of opening hours and network portfolio adjustments necessary
- Ongoing discussion with key landlords (incl. SBB)

Seeking further rent adjustments to reflect changed basis of initial rent agreements in locations with sustained lower footfall

Strategic Priorities

PUSHING AHEAD WITH STRATEGIC PRIORITIES: MORE FOOD & MORE CONVENIENCE

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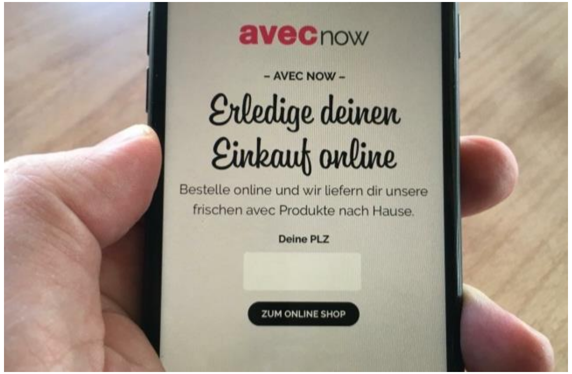
Grow B2B pretzel business

- Leverage new B2B pretzel capacity, develop new product range and pursue new routes to market

Expand foodvenience

- Continue SBB refurbishment with expansion of the convenience network in Switzerland and continue to implement food initiatives

Continue investment in digital innovations



- Further develop new convenience solutions in response to changing consumer behaviour (automated stores, loyalty & delivery)

Existing strategy confirmed despite COVID-19 crisis with investments along all strategic priorities to be continued

B2B CAPACITY EXPANSION TO BE FURTHER LEVERAGED

CONTINUE TO LEAD THE PRETZEL MARKET WITH INNOVATIVE PRODUCTS AND NEW ROUTES TO MARKET

- B2B capacity expansion successfully completed in DE and US in Q1 2020
  - 20% overall capacity increase in Germany
  - Doubling capacity in US from 1 to 2 production lines
- Significant downturn in DE sales especially in Q2 due to a lack of demand in the out-of-home market and Retail channel reshuffling assortment
  - Sales development in Q1 remained positive for B2B
  - COVID-19 with significant impact on sales throughout April-June
  - Rebuilding on first indication of upward trend in July
- US sales remained EBIT positive due to changing customer portfolio
- Focus on establishing new routes to market
  - New channels like e-commerce offering new sales opportunities
- Expand retail (branded) presence with new forms, flavours and concepts in DACH region
- Efficiency gains continue in H2 as furloughed staff return to work

SBB LOCATIONS TO BE FURTHER REFURBISHED

SBB refurbishment roll-out halted in March 2020 due to COVID-19 outbreak

- 48 locations already renovated with a strong focus on k kiosk formats
- ~50 of locations (mostly k kiosk formats, ~20% of total refurbishment) delayed / behind initial plan

Continue SBB roll-out

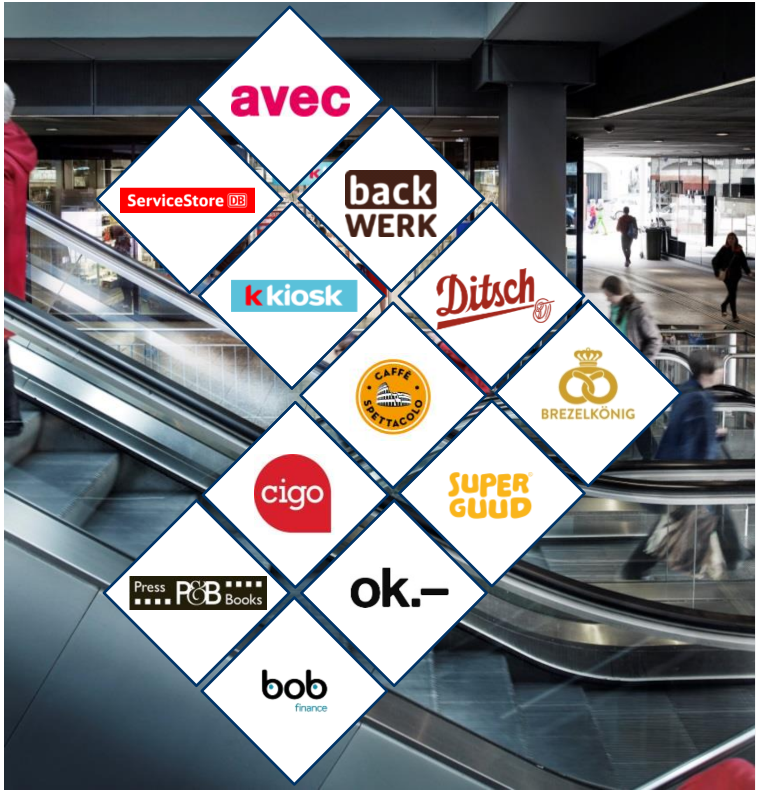
- July / August: Conversion of 8 former Migrolino at excellent locations
- Q4: Expected full swing of refurbishments catching-up delay
- Roll-out plan and speed depending on new execution plan agreed with SBB
- Refurbishment to be largely completed by the end of 2021

INVESTMENTS ALONG STRATEGIC INITIATIVES

DIGITAL INNOVATIONS AS RESPONSE TO CHANGING CONSUMER TRENDS

- **Automated stores / avec box:** Convenient assortment and shopping experience
  - Growing consumer need, also in light of COVID-19, for alternative shopping opportunities
  - Term of avec box at ETH Hönggerberg 2 times extended thanks to strong customer response
  - Opening of avec box Wetzikon in February 2020
  - Global innovation award from SAP for «Creating the Convenience store of the future with SAP cloud platform»
- **Loyalty**
  - Relaunch of Caffè Spettacolo pre-ordering app
- **Delivery**
  - **avec now**: Convenient online delivery service with same-day delivery
    - Launched during COVID-19 crisis
    - Fulfilled directly from the store
  - Ongoing on-boarding of Food Service formats onto delivery platforms in Switzerland
- **Build-out digital team with currently ~20 employees**

KEY TAKEAWAYS HY 2020



- **Good start into the year** of all business units until February
- Significant impact of **COVID-19 crisis** on financials in HY 2020:
  - Net revenue decreased by -18.8%
  - Almost 50% of gross profit decrease mitigated by cost reductions
  - Positive EBITDA of 21.7 mCHF and FCF of 11.5 mCHF
  - EBIT of -10.9 mCHF
- Successful **renewal of syndicated credit facility** contributing to the Group's financial flexibility
- Sales and earnings **recovery started post lockdown** in a still very dynamic environment with breakeven of operating business in June
- **Further cost mitigation in progress** with a focus on rent adjustments post-lockdown at locations with sustained negative COVID-19 impact on footfall
- Based on current development, **positive FY 2020 EBIT expected**
- **Attractiveness of out-of-home consumption and outlook for the foodvenience market remain unchanged, continuous investments along strategic priorities**

APPENDIX

Half-Year 2020

STRONG FORMATS AND DISTINCT PRESENCE IN GERMAN-SPEAKING EUROPE

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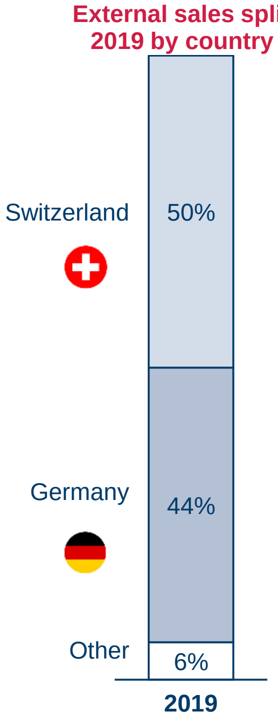
	Format and number of stores		June 2020	Change vs. Dec. 2019
RETAIL	k kiosk	k kiosk	1,183	-10
	Press & Books	Press & Books	195	-5
	cigo	cigo & subformats	406	-5
	avec	avec	157	+5
	ServiceStore DB	ServiceStore DB	101	-1
	U-Store	U-Store	24	-
FOOD SERVICE	Ditsch	Ditsch	198	-2
	Brezelkönig	Brezelkönig CH	62	+2
	Brezelkönig	Brezelkönig Internat.	4	-
	Caffè Spettacolo	Caffè Spettacolo*	33	+1
	back WERK	BackWerk**	349	-6
		Total	2,712	-21

* Thereof 2 POS in Retail Luxembourg
** Including 3 SuperGuud locations in Switzerland



OUR MAIN RETAIL & CONVENIENCE FORMATS

k kiosk

Market leader in the kiosk business, mainly supplying tobacco, press and lottery products. A growing share of food as well as fresh products and expanding digital services offering.

Stores: 1,183

cigo

Tobacco retailer also offering press products and a range of services for people on the move.

Stores: 406

Press P&B Books

Specialist in delivering a wealth of reading material. Extensive press offering complemented by selected book titles and a range of services for people on the move.

Stores: 195

avec

Modern convenience format at highly frequented locations, for example train stations or service stations, with an extensive offering of fresh food, other comestibles and regional products.

Stores: 157

Number of stores as per June 2020

OUR MAIN FOOD SERVICE FORMATS

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back WERK

Germany's largest self-service bakery with a broad and flexible range of snacks and feel-good food.

Stores: 346

BREZELKÖNIG

Sale of high-end pretzel dough products, such as pretzels, baguettes, croissants, hot dogs or selected sandwich snacks when on the move. Internat. franchise system.

Stores: 66

Ditsch

Leading producer and provider of pretzels and products for immediate consumption for the retail and wholesale market with its own branch network.

Stores: 198

Number of stores as per June 2020

CAFFÈ SPETTACOLO

Italian-themed coffee bar concept with its own locations and an integrated coffee module concept for other Valora formats.

Stores: 33

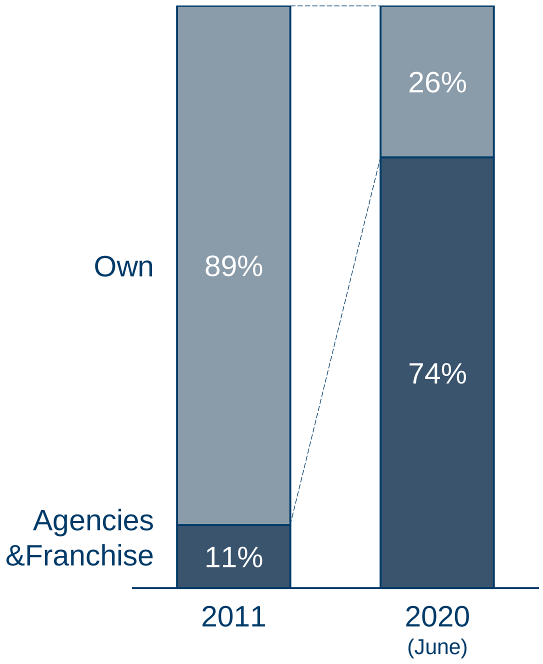
OVERVIEW OF BUSINESS MODELS

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 June 2020*	**688**; 26%	**1,146**; 42%	**871**; 32%

*Without partner (#7)

R = Retail; DE = Germany; BW = BackWerk



ALTERNATIVE PERFORMANCE MEASURES

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Balance sheet

Net debt: Interest bearing debt (excluding lease liability) minus cash & cash equivalents

Capital employed: Capital employed excl. right-of-use asset & sublease net investment

Assets: Assets excl. right-of-use asset and sublease net investment

P&L

EBITDA:

+ EBIT (according to new IFRS 16 standard)
+ Depreciation (excluding depreciation of right-of-use asset)
+ Amortisation

Cash Flow

Free Cash Flow:

+ EBITDA
+ Non-cash items

+/- Net working capital

- Interest and taxes

Eliminating IFRS 16 effect in cash flow:

+ Depreciation of right-of-use asset
- Payments rent / leasing (net)
- Interest expenses

New KPIs / Ratios

ROCE: EBIT / Capital employed

Leverage Ratio: Net debt / EBITDA

Equity Ratio: Equity / Assets

APPENDIX

Full-Year 2019

OUR BUSINESS: FOODVENIENCE

Focused convenience and food service specialist with > 2,700 outlets in German-speaking Europe and with a vertically integrated pretzel production.

- Dense network in German-speaking Europe
- > 2,700 outlets at high-frequency sites
- Leading kiosk and convenience player
- Leading snack-food provider in Germany
- More than 10 brands and own label products
- Vertically integrated pretzel manufacturer
- Strong financial and return profile

Our brands: k kiosk, Press & Books, avec, cigo, ServiceStore DB, Store, Ditsch, Brezelkönig, Caffè Spettacolo, back WERK, SUPER GUUD, ok.–, bob finance

Sales split (FY 2019): 50% | 44% | Other: 6%

KEY FIGURES 2019

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EBIT	91.5 mCHF	-5.0%*
EBIT Margin	4.5%	-0.2%pt*
GP Margin	45.2%	+1.0%pt*
ROCE	8.4%	-0.5%pt*
EBITDA	157.4 mCHF	-2.3%*
Free Cash Flow	76.0 mCHF	+55.1%
External Sales	2,681 mCHF	-0.0%*
Leverage Ratio	2.0x	-0.1x*

* For reasons of comparability, FY 2018 figures are pro-forma adjusted for IFRS 16 impact and at constant FX. ROCE and Leverage Ratio adjusted for IFRS 16 impact only.

KEY FINANCIALS 2019

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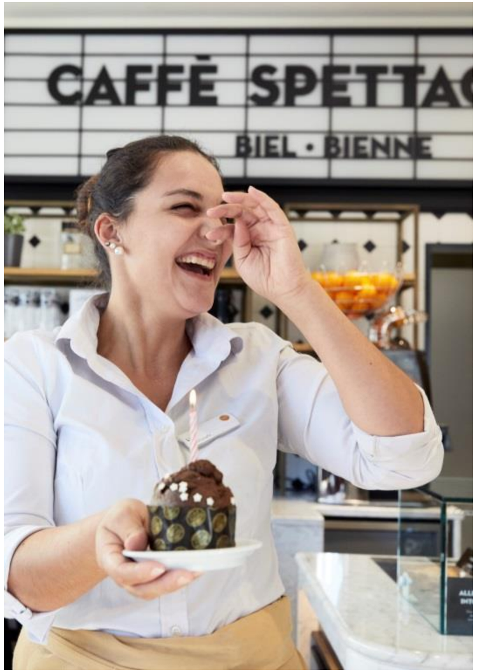
Figures in mCHF

RETAIL	GROUP*	FOOD SERVICE
2,111	External Sales: 2,681	562
1,669	Net Revenue: 2,030	353
632	Gross Profit 917	278
37.8%	GP Margin** 45.2%	78.7%
54	EBIT 91	43
3.2%	EBIT Margin** 4.5%	12.2%
35	Capex 95	56
15.4% 25.9% w/o Goodwill	ROCE 8.4% 16.5% w/o Goodwill	6.5% 16.3% w/o Goodwill



* Including other for Corporate
** Margins in % of net revenue

GROUP

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Key Financials

Group in mCHF	FY 2018*	FY 2019	Δ in %
External sales	2,681.8	2,680.6	-0.0%
Net revenues	2,046.8	2,029.7	-0.8%
Gross Profit	905.2	917.2	+1.3%
Gross Profit margin (in %)	44.2%	45.2%	+1.0%pt
EBIT	96.3	91.5	-5.0%
EBIT margin (in %)	4.7%	4.5%	-0.2%pt
ROCE (in %)	8.9%	8.4%	-0.5%pt

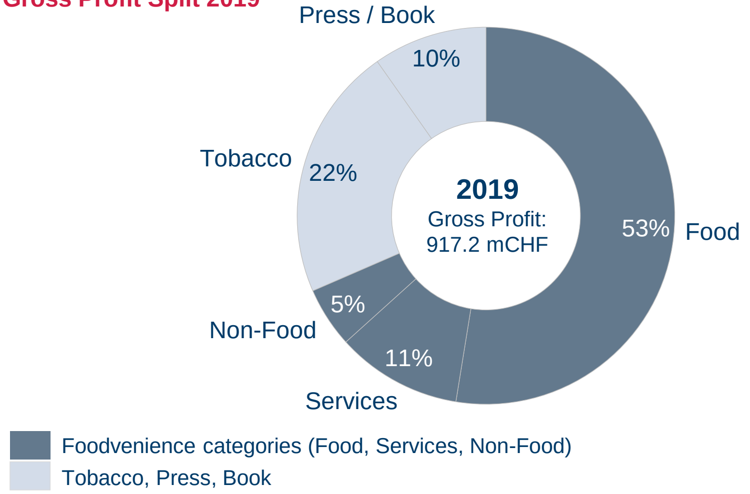
* 2018 pro-forma adjusted according to IFRS 16 and at constant FX rates

Network (as per Dec. 2019)

Country	Own	Agency	Franchise	Total
Retail CH	21%	74%	5%	**1,090**
Retail DE/LU/AT	40%	7%	53%	**993***
Food Service	7%	39%	54%	**650**
Total (in %)	**663** (24%)	**1,133** (42%)	**929** (34%)	**2,733***

* Including 8 Partner business model

Gross Profit Split 2019



- Foodvenience categories account for > 2/3 of Group gross profit:
  - Food & Beverages account for more than half of gross profit contribution
  - Games of Luck (e.g. lottery) as important service offering
  - New services (e.g. pick-up/drop-off) with evolving importance
- Classical categories account for < 1/3:
  - Strong competence in tobacco driving footfall and profit-contribution; new alternative tobacco & e-smoke products with increasing demand
  - Press / Books still important category but with declining contribution

THE 5 PILLARS OF VALORA'S STRATEGY

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GROWTH	**EFFICIENCY**	**INNOVATION**	**PERFORMANCE CULTURE**	**SUSTAINABILITY**
Expand network and grow in food	Improve profitability & processes	Create new offerings focused on fresh food & and new technologies	Drive entrepreneurship, customer focus & employer attractiveness	Care for people & the planet

Next Event & Contacts

NEXT EVENT & CONTACTS

NEXT EVENT

Trading Update	End of October 2020

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