



HOCHDORF

Swiss Nutrition Solutions

Full year results 2023

Media and Investor Relations Call, 10am CET, 21.3.2024



Agenda

2023 in brief

Ralph Siegl
CEO and Delegate of the Board

Financials

Thomas Freiburghaus
CFO

Non-financial topics & outlook

Ralph Siegl
CEO and Delegate of the Board

Questions

Via operator and/or chat

Interview requests, questions

Marlène Betschart
Head of Corporate Communications and IR

Transformation plan 2023 – 2027

RECOVERY 2022-2023

Operational "recovery"
of the current customer
and product portfolio

CONVERSION 2023-2024

Strategic expansion of
the product portfolio into
high-margin areas
2023-2025

DEVELOPMENT 2025-2027

Expanded sustainable
product portfolio with
high gross margin

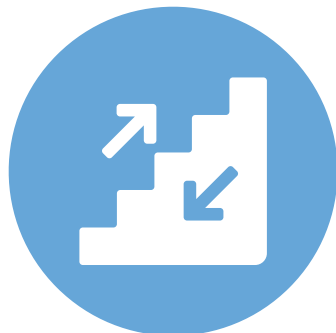
2023: EBITDA BREAK EVEN

2024: EBIT BREAK EVEN

2023 in brief



307.8m
Net sales



7.8m
EBITDA



13.8m
Cashflow from
operating activities



18.5%
Innovation rate



Category results

Significant growth in Infant Nutrition

Food Solutions (CHF 204.7m)

66.5%

307.8 m

33.5%

Infant Nutrition (CHF 103.1m)

Net sales Infant Nutrition (CHFm)



Net sales Food Solutions (CHFm)



Financials

Key figures at a glance

Cash positive business model



	31.12.2023 *	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Net sales from deliveries and services (in CHF 1,000)	307'840	292'141	303'515	306'199	456'797
Thereof net sales Food Solutions (in CHF 1,000)	204'721	212'647	218'596	206'708	383'961
Thereof net sales Infant Nutrition (in CHF 1,000)	103'120	79'494	84'918	99'490	72'836
Gross operating profit (in CHF 1,000)	93'008	75'409	111'210	94'332	61'802
EBITDA (in CHF 1,000)	7'831	-10'056	24'715	13'869	-74'709
EBIT (in CHF 1,000)	-3'864	-20'105	6'503	-67'872	-265'309
Net result (in CHF 1,000)	-10'211	-15'791	2'552	-70'274	-271'378
Total assets (in CHF 1,000)	271'714	283'352	293'340	323'838	455'572
Equity ratio	58.1 %	59.2 %	62.5 %	55.8 %	56.60 %
Cash flow from operating activities (in CHF 1,000)	13'801	-19'648	-17'937	-11'325	-15'430
Staffing level at 31.12.	369	361	387	391	618

*Comparisons with previous years are limited due to the restructuring and value adjustments in 2019, 2020 and 2021 (such as one time effects like the sale of real estate in 2021)

Profit and Loss – YTD 2023

Operational result positive



in CHFm	FY/2022	FY/2023	Change Y/Y	%
Net sales	292.1	307.8	15.7	5.4%
Gross profit	75.4	93.0	17.6	23.3%
Gross profit margin (in % of production revenue)	25.3%	30.8%	5.5%	21.7%
Operational expenses	85.5	85.2	-0.3	-0.4%
EBITDA	-10.1	7.8	17.9	177.2%
EBIT	-20.1	-3.9	16.2	80.6%
Financial expenses net	3.3	6.1	2.8	84.8%
Income taxes (cost)	-8.5	0	8.5	-100%
Net profit	-15.8	-10.2	5.6	35.4%

- Total net sales increased: Less in Food Solutions. Growth in Infant Nutrition.
- Gross margin has further increased to 30.8%.
- Good cost control. OPEX remains constant.
- Positive EBITDA in 2023 reflects the positive trend in business.
- Despite an EBIT loss of CHF -3.9 Mio., we are CHF 6.2 Mio ahead of transformation plan.
- Financial expenses: paid interest (without bond interest)

Cash flow (CF) statement – YTD 2023

Positive free CF and strategic CAPEX paid



in CHF million	2022	2023	Change in %
CF from operating activities before changes in working capital	-15.7	5.5	135.0%
Changes in net working capital	-3.9	8.3	312.8%
CF from operating activities	-19.6	13.8	170.4%
CF from investing activities	-2.0	-5.9	-195.0%
Free cash flow	-21.6	7.9	136.6%
CF from financing activities	7.5	-3.4	-145.3%
Net change in cash and cash equivalents	-14.1	4.4	131.2%
Cash and cash equivalents at Jan. 1	24.3	10.2	-58.0%
Cash and cash equivalents	10.2	14.6	43.1%

- Solid CF from operating activities, improvement of CHF 33.4 Mio. vs 2022.
- Reduction in networking capital driven by improved inventory and debt management.
- Modernization investments in Sulgen to reduce energy costs and to introduce new technologies in the drying process; investments in market access (FDA; US market access).
- Net change in cash and cash equivalents improved by CHF 4.4 Mio. on Y/Y basis.

Balance sheet (assets) – YTD 2023

Lower level of inventories

in CHF million	31.12.2022	%	31.12.2023	%	Deviation in %
Cash & cash equivalents	10.4	3.7%	14.6	5.4%	40.4%
Accounts receivable	52.2	18.4%	49.6	18.3%	-5.0%
Inventory	35.2	12.4%	25.4	9.4%	-27.8%
Current assets	107.5	37.9%	96.1	35.4%	-10.6%
Property plant & equipment	137.7	48.6%	132.1	48.6%	-4.1%
Financial fixed assets	36.0	12.7%	42.0	15.5%	16.7%
Total fixed assets	175.9	62.1%	175.6	64.6%	-0.2%
Total assets	283.4		271.7		-4.1%

Comments

- Cash positions improve by CHF 4.2 Mio.
- The reduction in current assets is mainly driven by lower inventory levels.
- Increase in financial fixed assets due the reallocation of accounts payable from Pharmalys Laboratories SA.

Balance sheet (liabilities) – YTD 2023

No additional credit lines used



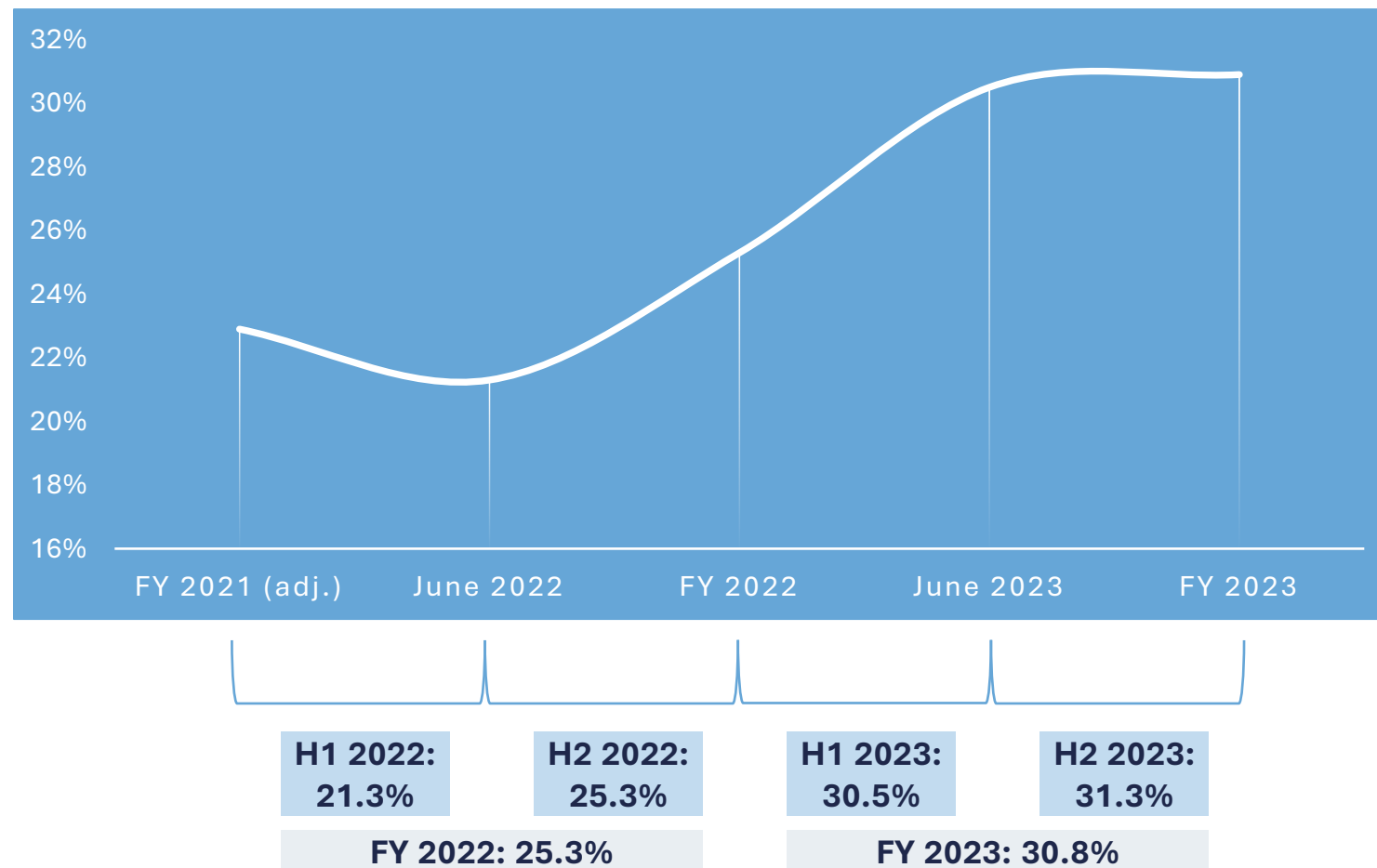
in CHF million	31.12.22	%	31.12.23	%	Deviation in %
Accounts payable	26.8	9.5%	21.2	7.8%	-20.9%
Short-term financial liabilities	67.1	23.7%	0.1	0.0%	-99.9%
Total short-term liabilities	108.3	38.2%	39.2	14.4%	-63.8%
Long-term financial liabilities	0.1	0.0%	67.0	24.7%	>100%
Long-term provisions	7.2	2.5%	7.6	2.8%	5.6%
Deferred tax accruals	0.0	0.0%	0.0	0.0%	0.0%
Total long-term liabilities	7.3	2.6%	74.6	27.5%	>100%
Total equity	167.7	59.2%	157.9	58.1%	-5.8%
Total liabilities	283.4		271.7		-4.1%

Comment

- Decrease of short-term liabilities and increase of long-term financial liabilities du to the reallocation of syndicated bank loan from short to long-term (extension of 2 years until September 2025)
- Current accounts payable dropped CHF 5.6 Mio.

Gross operating margin

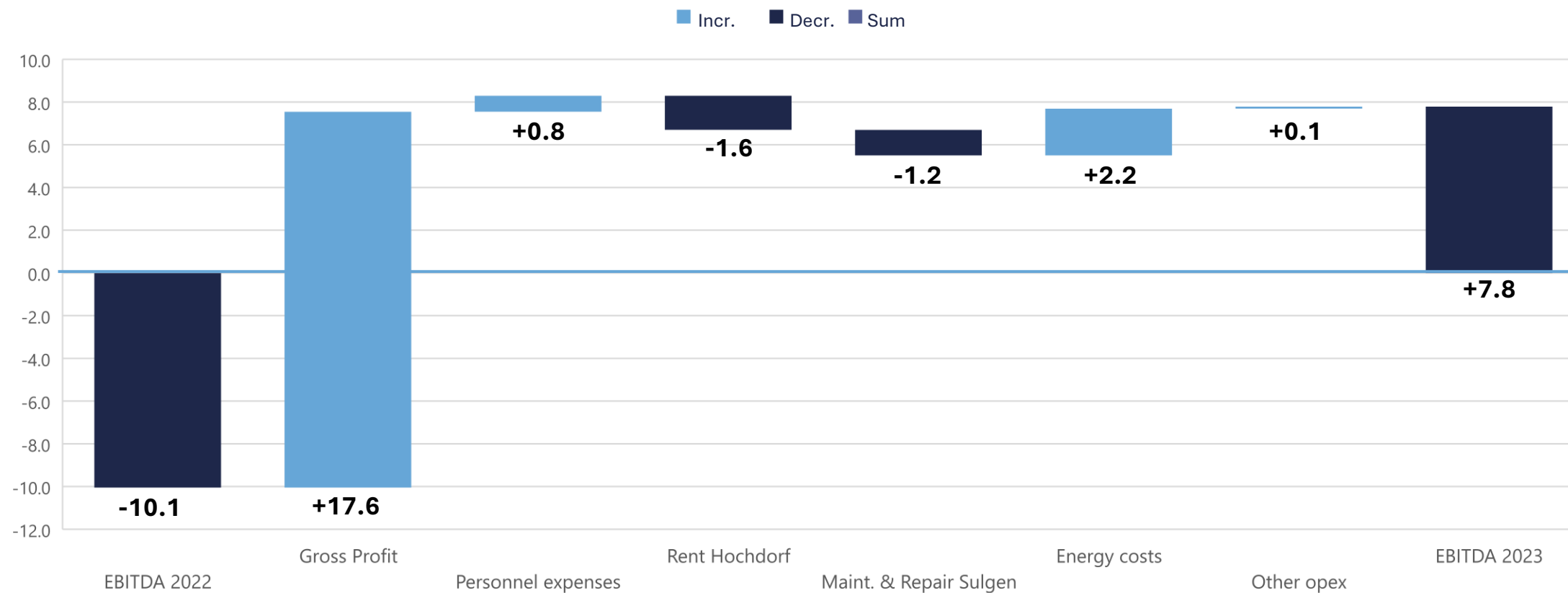
Up from 25.3% (2022) to 30.8% (2023)



Main drivers:

- Fading out of unprofitable business in 2022 & 2023 (transformation strategy)
- Selected price increases 2023 vs 2022
- Higher profit margin thanks to favorable product mix, confirming execution of business strategy (margin focus)

EBITDA bridge 2022 vs. 2023 (MCHF)



Non-financial topics & outlook

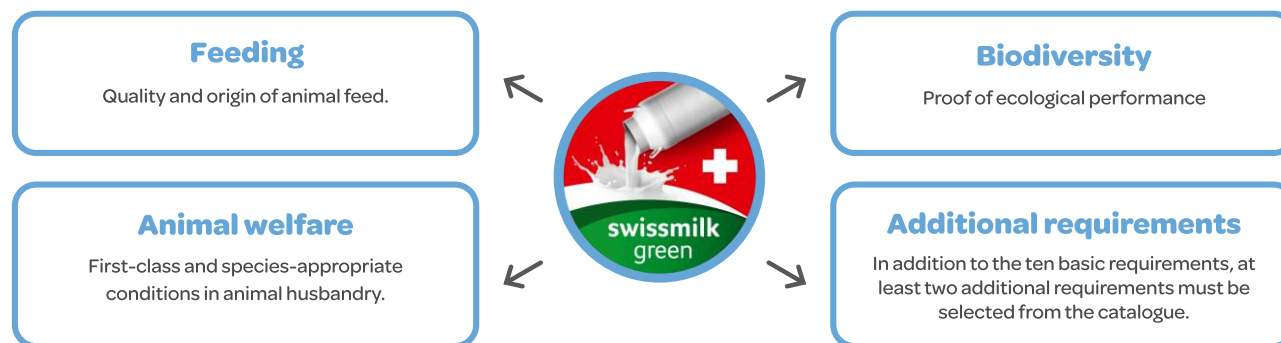
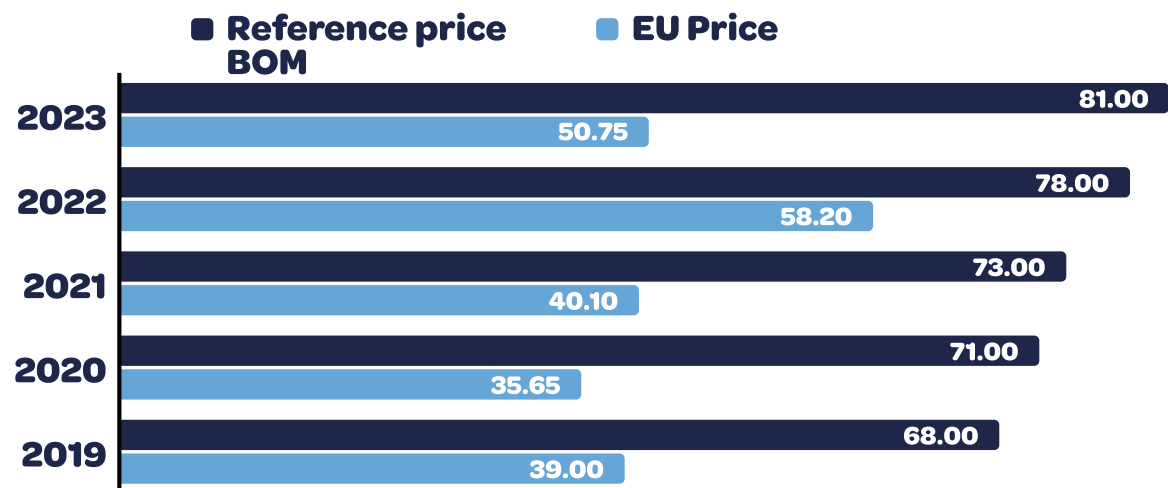
Infant nutrition: International markets

- Private label brands in MENA & various other emerging markets in line with expectations and plans
- Significantly better in Central America
- Pharmalys Laboratories SA achieved remarkable growth in Algeria, Jordan and the Ivory Coast
- US market entry: initial test procedure completed, market entry measures scheduled for 2025

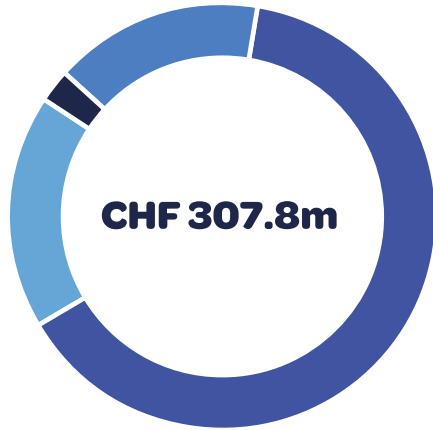


Milk market Switzerland

100% «Swissmilk green» - from 2024

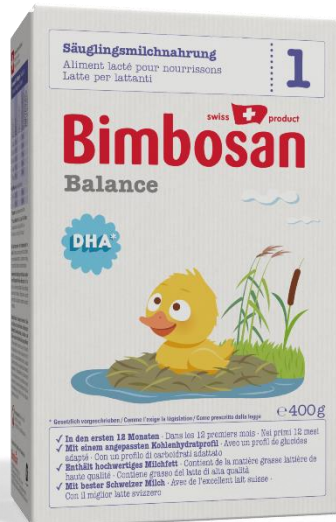


Innovation rate 2023: 18.5%



- New products
Food Solutions
CHF 8.2m (4.0%)
- Existing products
Food Solutions
CHF 196.5m (96.0%)

- New products
Infant Nutrition
CHF 48.6m (47.2%)
- Existing products
Infant Nutrition
CHF 54.5m (52.3%)



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