



# Food for Life

**Ralph Siegl, CEO & Delegate of the Board**  
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# **HOCHDORF**

**+** Swiss Nutrition Solutions

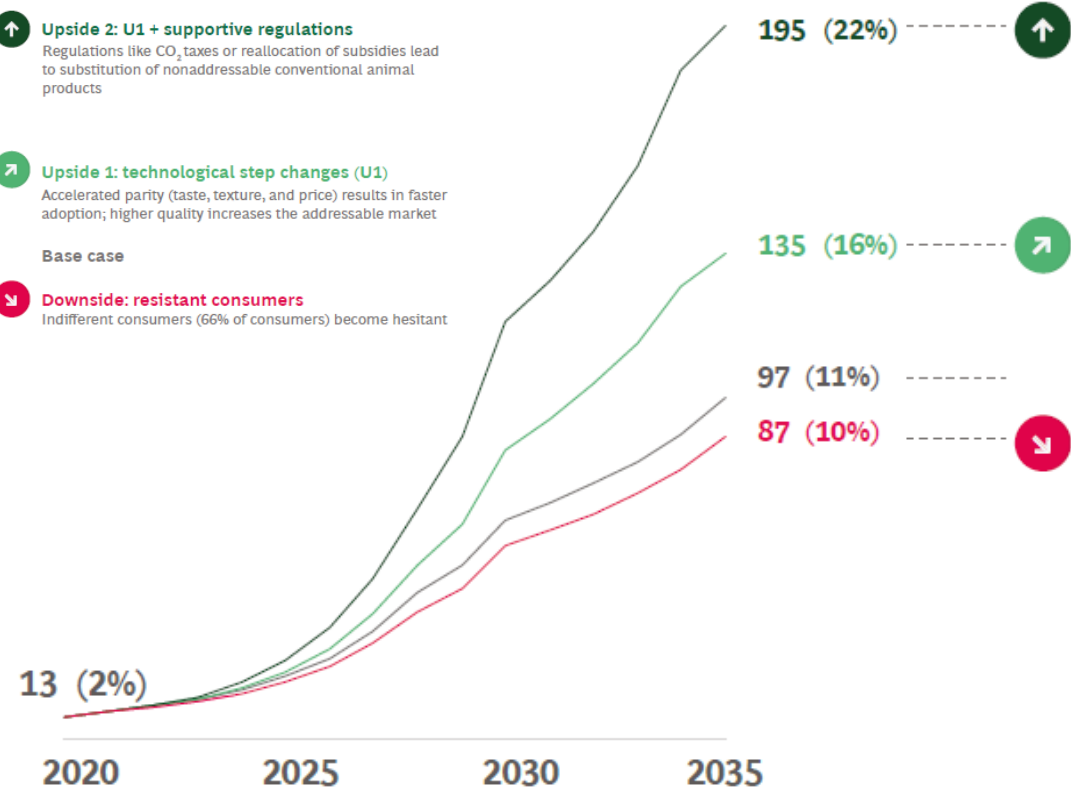
# Driving the milk protein shift as opportunity

Disruption of 3.3% of the milk bottle

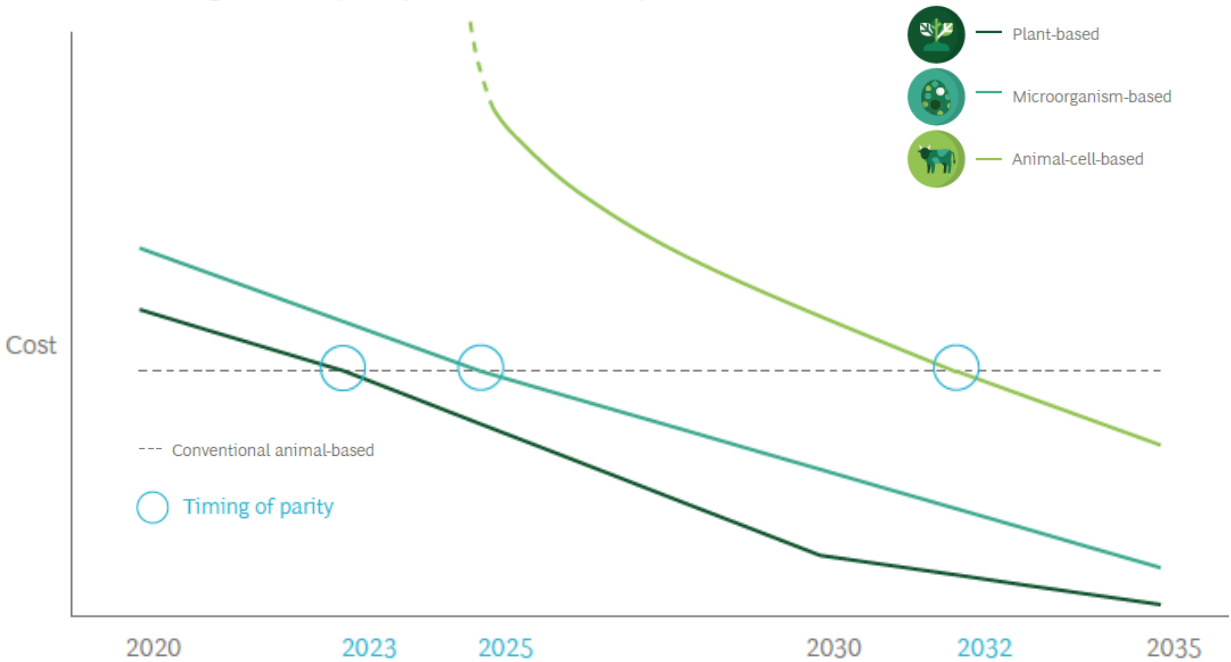


# Alternative proteins 2035: potential of 22% market share – can reach parity between the early 2020s & early 2030s

Global consumption of alternative proteins  
(million metric tons and penetration of conventional protein in %)



Relative timing of cost parity for alternative proteins with realistic taste and texture<sup>1</sup>



Sources: Expert interviews; industry reports; Blue Horizon and BCG analysis.

<sup>1</sup>Illustrative data for US and EU; variations by product group and geographic area are omitted for clarity.



**Market positioning:** Unique know-how in powder drying & mixing technology for dairy & non-dairy proteins



HOCHDORF is a Swiss functional foods powerhouse offering state-of-the-art «smart nutrition» competencies to industrial customers and end-consumers across the globe. Our specialty foods know-how in powder drying technology, development and production addresses the dietary needs of babies and humans of all ages.

HOCHDORF provides innovative solutions for the shifts in modern, milk protein and alternative protein specialty nutrition.

«Food for Life» is our purpose.



# At a glance

## Facts & figures

**387 employees  
(2022)**



**2 production plants  
in Switzerland**



**48 export countries  
> 500 customers**



**ultra-modern  
production  
technology**



**> 300 MCHF  
net sales**



**various filling and  
packing lines**





# B2B and B2C portfolio

Worldwide exports of private label products



**Private label products (Infant nutrition)**



**Private label products (Smart nutrition)**

Packaging, design & export consulting

**B2C Switzerland (Infant & smart nutrition)**



**Ingredients for leading food industry labels**



# Products

## **Food Solutions:**

standard (commodity) dairy milk powders, cream

## **Food Specialities:**

dairy-based whey powder, lactose free milk powders, goat, organic, all plant-based (non-dairy) innovations

## **Baby Care:**

all dairy-based Baby Care / follow-up formulae, other baby food products like cereals, Mueslis, snacks. Innovations 2022: goat, soya and rice based

## **Human Care (new):**

functional dairy and non-dairy products for adults and elderly people

Grow naturally.



# Technology portfolio & expertise



## **Milk, whey & plant-based:**

- Ultrafiltration
- Demineralization
- Wet mixing
- Heat treatment / Homogenization

## **Drying & mixing:**

- 4 Multistage dryers (600kg/h – 6'000 kg/h), 1 FILTERMAT® spray dryer (1'500 kg/h), 5 Roller dryers (each with 500 kg/h)
- Various dry mixing capabilities
- Various lines fulfil infant grade manufacturing standards

## **Filling & Storage:**

- 2 Tin-Filling Lines (3'500 kg/h – 8'000 kg/h)
- Bag & Bag-in-Box filling line (1'500 kg/h)
- 25 kg bags and big-bags
- High-bay warehouse (> 9 900 pallets), fully automated

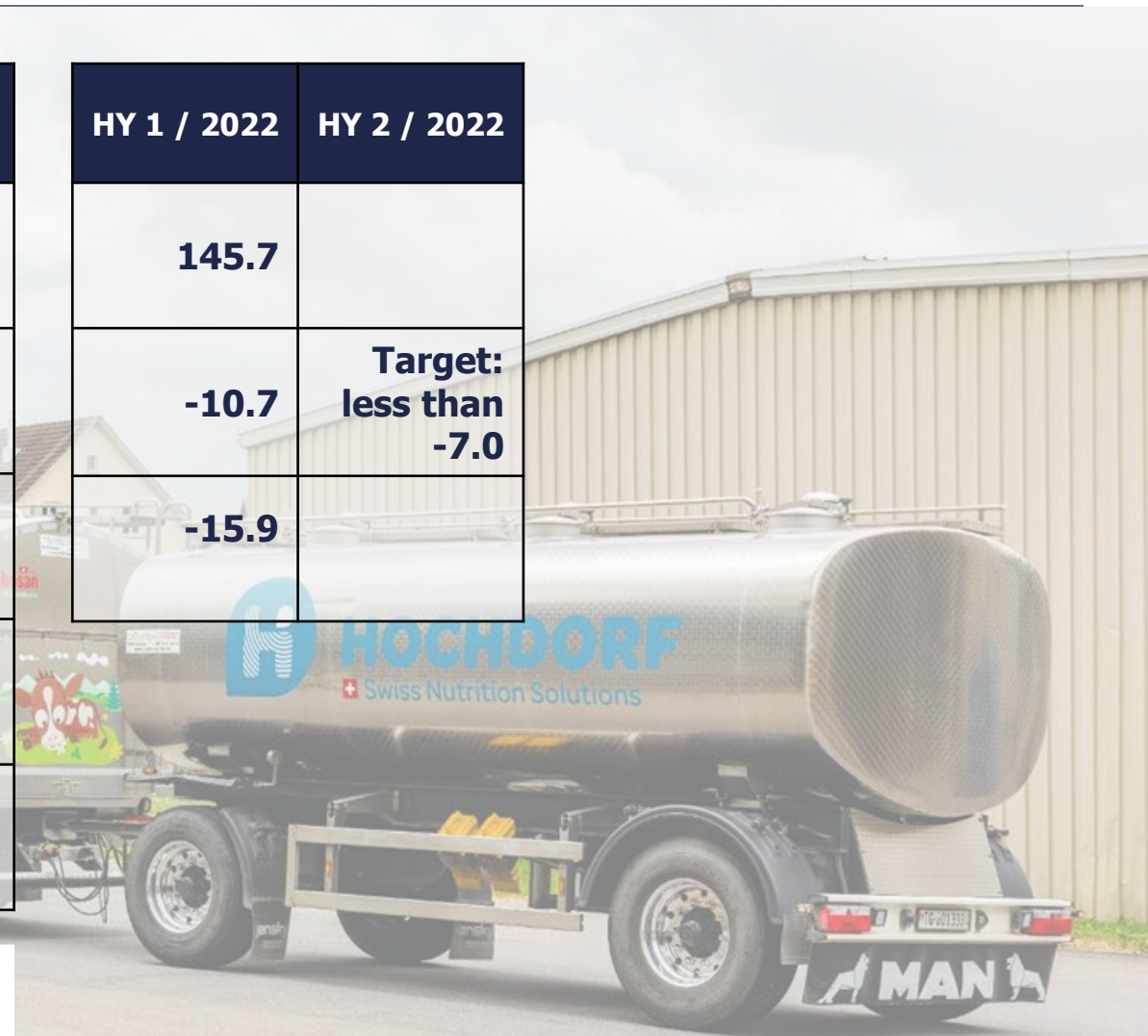
Production plants with FSSC 22000 certification

# Income statement 2019 – 2022\*

HJ 2022: gross margin improved – massive cost increase (energy, raw materials)

in CHF million	2019 (adjusted)	2020	2021	HY 1 / 2022	HY 2 / 2022
<b>Net sales</b>	<b>456.8</b>	<b>306.2</b>	<b>303.5</b>	<b>145.7</b>	
<b>EBITDA</b>	<b>-74.7</b>	<b>13.9</b>	<b>24.7</b>	<b>-10.7</b>	<b>Target: less than -7.0</b>
<b>EBIT</b> *«Operating» EBIT	<b>-265.3</b>	<b>-67.9</b>	<b>6.5</b> -16.9	<b>-15.9</b>	
<b>Net profit</b>	<b>-271.4</b>	<b>-70.3</b>	<b>2.6</b>		
<b>Net debt</b>	<b>104.7</b>	<b>87.6</b>	<b>32.8</b>		

\*2021: one-off effect improved the results (sale of property in Hochdorf: CHF 50.2 mio.)





# Balance sheet as of 31.12.2021

In detail: [hochdorf.com](https://hochdorf.com) – Investors – reports – financial reporting

CHF million	31.12.2020		31.12.2021	
Current assets	<b>144.9</b>	44.7%	<b>134.9</b>	46.0%
Fixed assets	<b>179.0</b>	55.3%	<b>158.4</b>	54.0%
<b>Total assets</b>	<b>323.9</b>	100.0%	<b>293.3</b>	100.0%
Current liabilities	<b>31.5</b>	9.7%	<b>35.3</b>	12.0%
Non-current liabilities	<b>111.9</b>	34.5%	<b>74.7</b>	25.5%
<b>Total liabilities</b>	<b>143.4</b>	44.2%	<b>110.0</b>	37.5%
Equity	<b>180.5</b>	55.8%	<b>183.3</b>	62.5%
<b>Total liabilities and equity</b>	<b>323.9</b>	100.0%	<b>293.3</b>	100.0%





Ensure **supply of raw materials & energy**

**Strategic partnerships in FS**

**Business development**  
MENA, USA, China, LATAM



**Continued portfolio streamlining** (strategic fit)

Focus: significant increase of **gross margin** & ensure **liquidity**



**Reduction of legacy issues**

Ongoing culture change

Align innovation funnel / **new product launches** (dairy / non-dairy) 2023

## Transformation: short and mid-term plan

### **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

# Transformation: next steps



**“Transform from a volume-driven milk processor to a margin-oriented milk refiner”**



**“Strengthen sales generation and earning power”**



**“Boost our value-added proposition”**

- Implement turnaround
- Improve revenue model in line with strategy
- Maintain operations
- Kick start change and growth plans (growth funding)
- Reduce debt to adequate levels
- Remain & gain back independency (freedom to operate)



# Strategic conclusion

HOCHDORF as Smart Nutrition competence centre

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- Well positioned to successfully address the shifts in modern special foods
  - With unique technology and know-how as the Swiss innovator, developer and manufacturer of smart nutrition
  - Combining former Food solutions and Baby care businesses to become one Smart Nutrition competence centre
  - Focus on market driven added-value and profitability
  - More independency from Swiss / EU agricultural and industrial policies and milk supply
  - New market potential offers interesting profitable revenue streams in the mid-term
  - Interesting also for incremental / new investors once legacy issues are fixed and revenue model adapted

# Join the HOCHDORF transformation

Visit us on [www.hochdorf.com](http://www.hochdorf.com) (subscription IR newsletter: /newsletter)



## Contact IR & Media relations

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