

HOCHDORF Group Press Release: Financing extended

HOCHDORF Group extends syndicated loan and agrees an additional CHF 30 million credit facility

Hochdorf, 23 October 2019 – **The banking consortium has extended and adjusted the syndicated loan for HOCHDORF Holding Ltd. The loan has a term until the end of September 2023 and now amounts to a maximum of CHF 178 million.**

The Interim Report published by HOCHDORF Holding Ltd described the extension of the company's syndicated loan as of October 31, 2019 and the successful implementation of restructuring measures as significant uncertainties for the continued existence of the company. This financing has now been secured.

Syndicated loan to 30 September 2023

The HOCHDORF Group has been able to secure its financing from today's date. The existing syndicated loan was adjusted and extended with an additional loan tranche. The adjusted loan agreement now includes a maximum amount of CHF 178 million and runs until the end of September 2023 – with the option of a two-year extension.

Implementation of restructuring measures

Work is continuing on focusing the HOCHDORF Group on its Baby Care and Dairy Ingredients divisions. Among other developments, negotiations are currently ongoing regarding the sale of the foreign subsidiaries and individual business units. HOCHDORF will communicate details of any agreements as they are finalised.

Outlook

The Baby Care business in emerging markets continues to perform below expectations and business has fallen dramatically at subsidiary Pharmalys Laboratories SA. In addition, further technical challenges have arisen in the operation of the new spray tower line. As a result of this and as previously detailed in the Interim Report, significantly higher value adjustments must be expected at the end of the year with a corresponding negative impact on the company result.

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The HOCHDORF Group, based in Hochdorf, achieved a consolidated gross sales revenue of CHF 561.0 million in 2018. It is one of the leading foodstuff companies in Switzerland, employing 694 staff as of 31.12.2018. Made from natural ingredients such as milk, wheat germ and oil seeds, HOCHDORF products have been contributing to our health and wellbeing since 1895 – from babies to senior citizens. Its customers include the food industry and the wholesale and retail sectors. Its products are sold in over 90 countries. The shares are traded on the SIX Swiss Exchange in Zurich (ISIN CH0024666528).

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