



valora

**VALORA 2025:
A CASE FOR GROWTH**

26 June 2019

Investors' Day

2019: A YEAR TO CELEBRATE ICONIC BRANDS



Ditsch celebrates 100 years...



... k kiosk 85 years

2019: A YEAR TO CELEBRATE ICONIC BRANDS



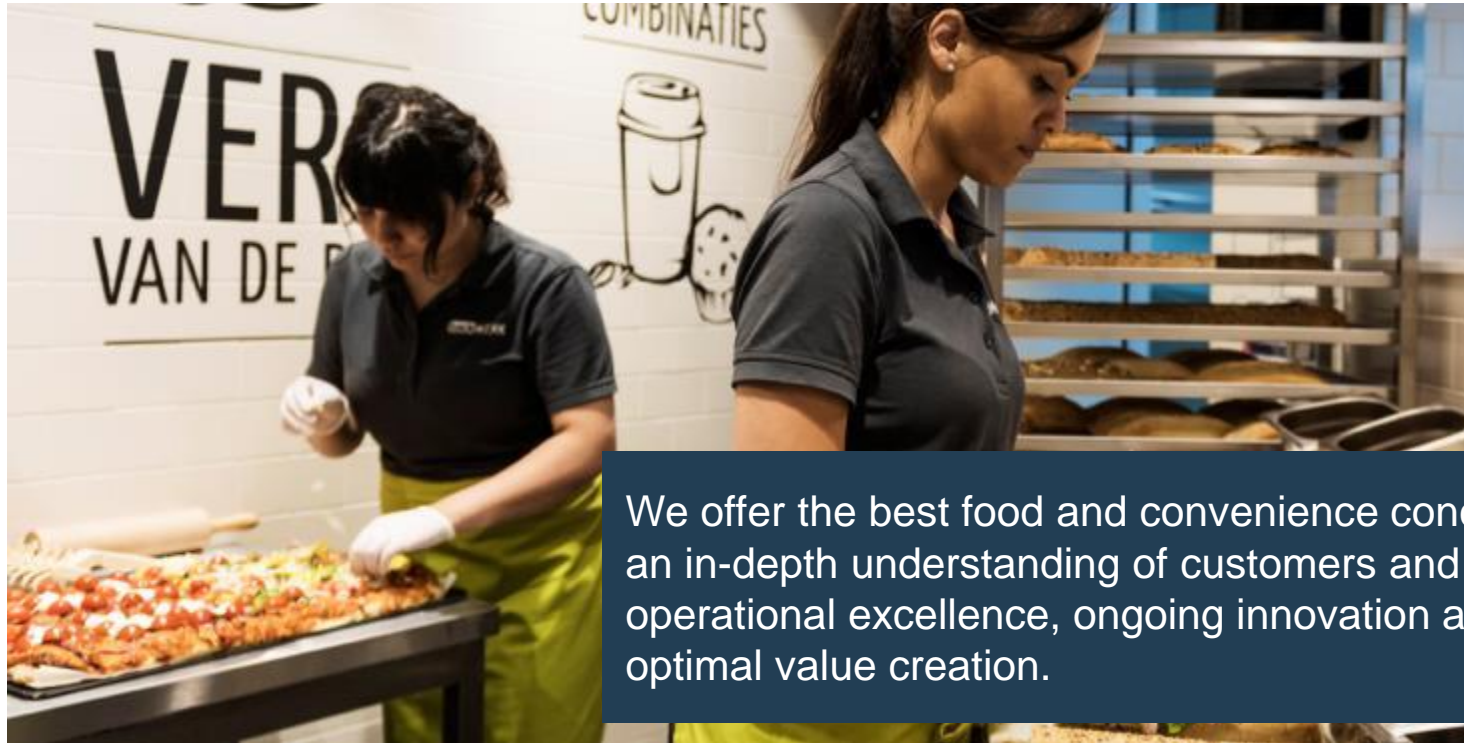
GRAZIE
PER
VENTI
ANNI

... Caffè Spettacolo 20 years



... and ok.– celebrates 10 years.

OUR VISION: BEST FOOD & CONVENIENCE CONCEPTS



We offer the best food and convenience concepts based on: an in-depth understanding of customers and formats, operational excellence, ongoing innovation and agility and optimal value creation.

KEY INVESTMENT HIGHLIGHTS

FOODVENIENCE FOCUS

Most promising retail cluster

- Positive macro trends: mobility and on-the-go shopping/snacking
- Dense network at high-frequency locations
- Preferred partner of landlords and preferred destination of customers through attractive brands, innovations & own brands

PREDICTABILITY

High reliability of planned development

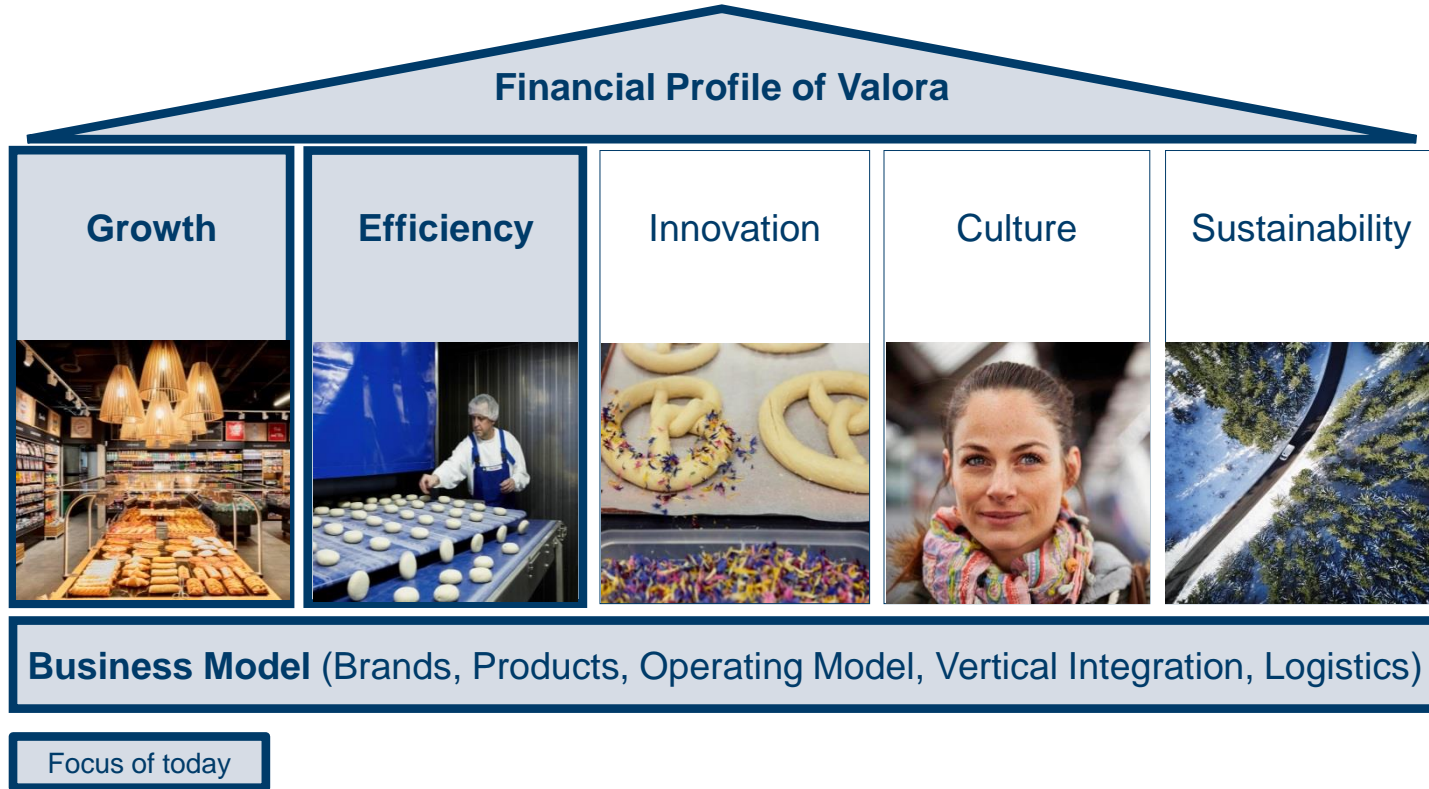
- High resilience to economic cycles, low disintermediation risks (especially from e-commerce)
- Long term contracts (especially through win of SBB tender)

GROWTH

Potential in top- and bottom-line

- Core business initiatives with over proportional bottom line effect
- Various promising growth initiatives expanding core business

Attractive dividend ensured through resilience, reliability, steady growth and sound balance sheet



TODAY'S AGENDA AND SPEAKERS



Welcome / Introduction	Franz Julen	09:00 – 09:15
Recap SBB tender offer	Roger Vogt	09:15 – 09:30
Valora business model	Michael Mueller	09:30 – 10:15
<i>Coffee break</i>		10:15 – 10:30
Valora strategy	Mueller, Eisele, Knechtle	10:30 – 11:30
Targets, Initiatives, Guidance	Tobias Knechtle	11:30 – 12:15
Closing remarks and Q&A	All	12:15 – 12:45
<i>Lunch</i>		12:45 – 13:30



Franz Julen, Chairman



Michael Mueller, CEO



Tobias Knechtle, CFO



Roger Vogt, CEO Retail



Th. Eisele, CEO Food Service



ES	10.42 Allmend/Messe Mattenhof Alpnachstad Samen Giswil	14
ES	10.44 Emmenbrücke Gersag Rothenburg Dorf Sursee	9 B
ES	10.51 Ebikon Buchrain Root D4 Gläkon-R. Rotkreuz Zug Baar	3
/Fre	10.54 Olten Basel SBB	7
ES	10.57 Malters Wolhusen Entlebuch Langnau Konolfingen Bern	4
ES	10.57 Allmend/Messe Mattenhof Horw Hergiswil Stansstad Stans	14
/Fre	11.00 Sursee Zofingen Bern Lausanne Genève-Adiroport +	8
ES	11.02 Emmenbrücke Gersag Wädlibrücke Eschenbach Lenzburg	10
/Fre	11.05 Samen Sachseln Brüning-H. Meiringen Brienz Interlaken Ost	12
ES	11.05 Emmenbrücke Sempach-N. Sursee Wauwil Nebikon Olten	9
ES	11.06 Verkehrshaus Meggen Zentrum Meggen Schwyz Brunnen	5

Am nächsten Sonntag ist Fahrplanwechsel - beachten Sie bitte den neuen Fahrplan. Weitere Informationen: www.sbb.ch/fahrplanwechsel und www.bls.ch/fahrplanwechsel.

sbb.ch/geschenkkarten
sbb.ch/geschenkkarte

Recap SBB tender offer

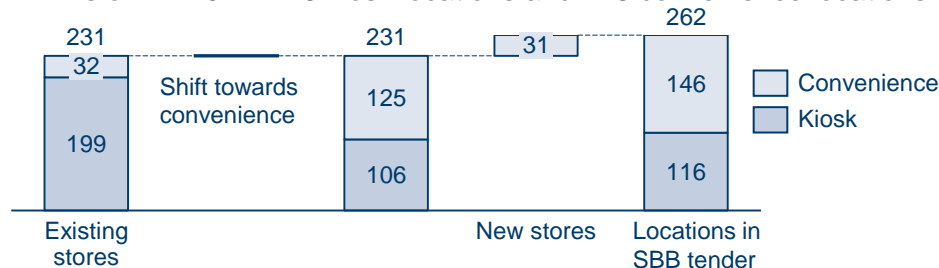


SUCCESSFUL CONCLUSION OF SBB TENDER



Valora wins all existing (231) and attractive new locations (31) in highly competitive SBB tender against international and local competition.

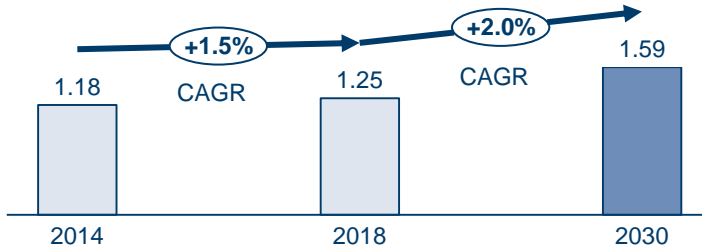
- Secured market leading position in kiosk business and significantly enhanced network in convenience market
- Best positioned for all new kiosk and convenience locations
- Longer average lease duration with SBB leases secured until 2030
- Shift towards convenience with attractive growth rates
 - Conversion of around 90 kiosk into convenience stores
 - As of 1.1.2021: 116 kiosk locations and 146 convenience locations



STRATEGIC RELEVANCE OF WINNING SBB TENDER

Positive market fundamentals at Swiss railway stations

Average number of passengers per day (in million)



Source: Data from SBB

- 15% of Swiss population passes by daily
- Only locations with growing footfall in past and predicted
- Benefitting from macro trends:
 - Higher mobility / commuting
 - On-the-go and convenience food consumptions

Retail turnover on railway stations increased and expected to increase above footfall development

Benefits for Valora

- Largest provider of kiosk type of offerings for next 11 years:
 - Tobacco
 - Games of chance
 - Press
 - Most convenient locations for beverages and snacks
- Leading convenience format
 - Food, with focus on fresh and on-the-go
- 31 new stores at attractive locations & potential for more in next years
- Unique positioning of our revamped brands
- Valora a must-go destination for promotions and new product introductions

Valora as key destination for customers and key retailer for certain product ranges

FINANCIAL IMPACT OF SBB TENDER



- Unique footfall at SBB locations as well as overall higher focus on convenience and higher-margin food products justify new unique rent
 - Rents for convenience locations correspond to recent comparable rental contracts
 - Rents for kiosk locations significantly increased
 - Higher rent effective after refurbishment
- EBIT impact on existing Retail Switzerland of ~ -15 mCHF in 2021 versus 2018 based on rent increase and including:
 - Sales increase up to 5% based on conversion of formats and new kiosk concept
 - Gross profit margin improvement through improved product mix
 - Cost efficiency improvements
- EBIT improvement on average of +2 mCHF p.a. expected thereafter

ROLL-OUT PLAN



Roll-out plan

- Investment starting in H2 2019
 - Kiosks stores refurbished by Q1 2020
 - Convenience stores rolled-out by Q4 2020
- 2-3 weeks closure time during renovation; ramp-up after opening

Capex investment (latest update)

- 2019: 11 mCHF for renovation / conversion (~ 55 locations)
- 2020: 53 mCHF for renovation / conversion (~ 183 locations)
- 2021: 7 mCHF for greenfields (~ 24 new locations)

Potential execution risks

- Delayed building permits
- Delayed delivery periods for coolers, furniture etc.

SBB TENDER CONFIRMS HIGH PREDICTABILITY AND RESILIENCE OF VALORA BUSINESS MODEL



- Average contract duration now at >5 years, with most attractive locations secured long time
- No large (>30 POS) contract expirations for the next 5 years, except for marginally attractive Migros framework agreement (due in 2024)
 - No more «rental shocks» expected
 - Most rental agreements are individual contracts with different terms
- **Benefiting from positive macro trends in physical retailing**
 - No disintermediation – e-commerce not a direct threat
 - Increasing demand from impulse-driven on-the-go consumption
 - Raising awareness for quality
- **Little exposure to economic cycles – High resilience**
 - Daily need products: Little impact on consumption during economic downturns
 - Vast majority with value for money position
 - Raw material price increases can largely be passed on
 - High and increasing share of internal value creation



VALORA BUSINESS MODEL

VALORA BUSINESS MODEL FOUNDATION



FOODVENIENCE FOCUS

Format strategy & product categories

CONSUMER ENGAGEMENT

High value of promotions

PREFERRED PARTNER

Entrepreneurial POS operations and landlords

OPTIMISED SUPPLY CHAIN

Vertical integration strategy and logistics

Valora business model founded on unique mixture of components

FOODVENIENCE FOCUS



FORMAT STRATEGY

CHARACTERISTICS OF FOODVENIENCE ECONOMICS

SMALL LOCATIONS, HIGH FREQUENCY AND FAST TRANSACTIONS



FOODVENIENCE OPPORTUNITIES & CHALLENGES

Opportunities

- Resilience and growth of on-the-go demand and footfall
- Impulse-driven business with little direct e-commerce intermediation risk
- Fresh food & beverages (cold/warm) and technology-enabled services
- Product promotions
- Own brands
- Technology to drive efficiency, in-store experience and customer engagement



Challenges

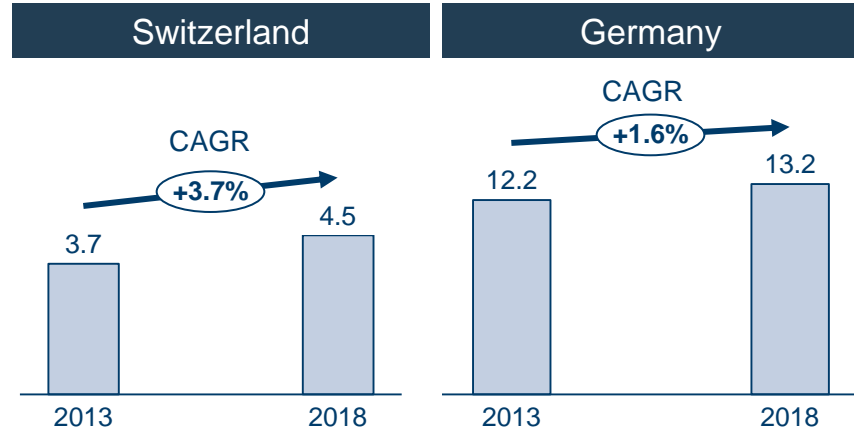
- Increasing competition
- Print & tobacco deterioration
- Limited shelf space
- Price sensitivity
- Speed of transaction is crucial
- Fresher, better-for-you food products with higher operational complexity
- Acceptance of new formats

STRONG GROWTH IN CONVENIENCE CATEGORIES



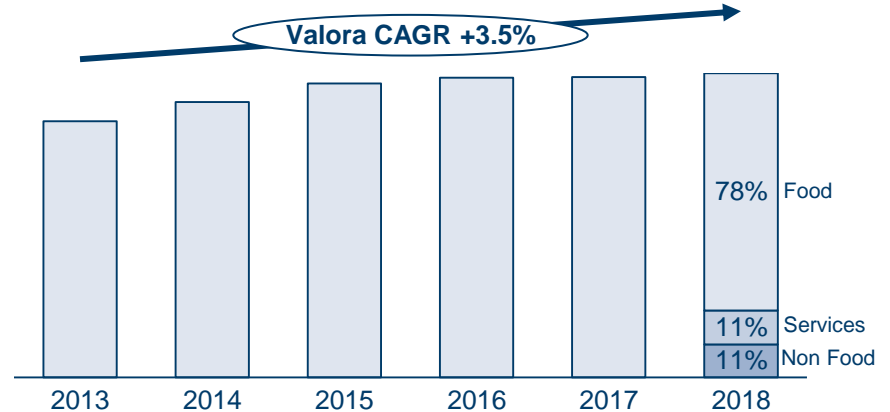
AVERAGE SALES GROWTH OF +3.5%

Development of convenience store industry
in EUR bn



Source: AlixPartners analysis, Planet Retail, convenience stores including forecourt retails, sales data excludes petrol (gas) sales

Valora: External sales development of convenience categories*
@ constant currency, excluding BackWerk



Note: Only Retail Core (Retail CH and Retail DE/LU/AT) and Food Service included, no Trade or Services division included

- The Swiss/German convenience are growing industries with attractive selling space productivity.
- Location, price, and merchandise selection are the key drivers for convenience stores to attract consumers.
- Convenience stores are the preferred place to purchase high potential product ranges like food and services.

- Between 2013-2018 +3.5% average growth p.a. of convenience-related categories*, in line with convenience market data.
- Positive growth 2013-2018 in all convenience categories:
 - Food +3.0% (incl. BackWerk: +9.3%)
 - Non Food +6.8%
 - Services +3.9%

CONSUMER TRENDS AND OUR BELIEFS IN FORMATS

Customer expectations

Implications for Valora

Immediate consumption

- Dense network of strong brands at attractive high traffic locations
- Customer loyalty & engagement
- Nearby, quick, convenient, fresh

Broad and fresh offering

- Flexible & wide product ranges in non-specialised formats / brands
- Offer range of specialised brands for high turnover categories: food and in certain locations tobacco and press/books

Value for money and special deals

- Pricing adapted to brand and location
 - Price premium where possible: super convenient locations or single provider
 - Competitive pricing otherwise
- Preferred partner for promotions and new product introductions

FORMAT STRATEGY & POSITIONING

Multiple format strategy to maximise customer benefits



DIFFERENTIATION OF OUR FORMATS WITH BROAD OFFERING

Category	avec	kiosk	back WERK
Fresh food	****	**	****
Food	***	**	****
Beverages	****	***	****
Non-Food	*	**	-
Tobacco	**	***	-
Press	*	**	-
Book	-	*	-
Services	*(*)	**	-
Games of luck	*	***	-

avec focuses on convenience products and a growing range of fresh and regional products.

k kiosk focuses on future oriented subcategories such as own brands (ok.-), e-smoke/ANP, healthy snacks / bars and services.

BackWerk focuses on a broad and flexible assortment of snacks and food for on-the-go.

**** High focus of offering; * Low focus of offering; - no offering

Best product mix for customers, individually customised to the location

ATTRACTIVE NETWORK AT HIGH-FREQUENCY LOCATIONS **valora**

CORE COMPETENCE IN IMPULSE-DRIVEN RETAIL AND FOOD SERVICE BUSINESS



~50% of external sales
~0.6m customers per day (52%)

Transportation hubs



~10% of external sales
~0.2m customers per day (16%)

City centres



~30% of external sales
~0.3m customers per day (25%)

Shopping malls



~10% of external sales
~0.1m customers per day (7%)

Other (agglomeration, hospitals, gas stations etc.)

% as per 2018

NEW AVEC



Fresh products
«handmade with love»
with foodvenience
innovations

Regional focus
with own certified label
«Von hier. Regional für
dich»



Modern store design
with customer-centric
and modular layout

**Convenience as our
core competence**
with long opening hours
at high-traffic locations



NEW K KIOSK



Fresh and clearly arranged design with «fast-lane» layout
Redesigned checkout area to make it easy for the customer to find everything they need and to further speed up the purchase process.



Strong brand with perfectly tailored assortment
Our well known k kiosk assortment is tailored to the customers' needs on-the-go and is constantly evolving with exclusive partnerships and unique innovative modules.

Note: Illustrative pictures, final layout & rendering may deviate

NEW PRESS & BOOKS



Stylish and popular

Our timeless and high quality design emphasizes our premium channel offering. Our new P&B concept is already a great success not only in Germany but also in Switzerland.

Broad assortment and multi-channel offering

We offer a variety of books and more than 11,000 newspapers and magazines from over 30 countries in store and online at www.pressbooks.ch.



NEW CAFFÈ SPETTACOLO



Italian Caffè-Bar
concept combining true
«Italianità» with quick-
service standards

Leader in coffee
driven by highest quality
Fairtrade organic beans
and constant innovation



Fresh food offer
bringing forward the
most loved Italian
products and recipes

Trained Baristas
creating a warm and
welcoming atmosphere



DITSCH & BREZELKÖNIG



«Pretzels since 1919»

«A passion for petzels»

High-quality
pretzel products and snacks



Strong outlet network
at railway stations and
airports in Switzerland

Franchise format
Brand established for
international expansion

Dense network in
Germany at high
frequency locations





Quality, warm, cosy
the city stores

Quick & small
the express stores



Fresh, surprising,
value for money
and instore prepared

Homemade juices
100% fresh fruit



BACKWERK – ACHIEVEMENTS SO FAR

TWO LEVERS TO ACCELERATE PROFITABILITY

Expansion

- Gross expansion well on track, with +26 openings in 2018 and approx. 30 planned for 2019
- Net expansion of +8 stores in 2018 and expected +4 in 2019 leads to profitability strengthening as weaker locations are being closed, especially at currently pressured city cluster (decreasing frequency)
- Continuous support for franchisees in order to enhance efficiency and process improvements
- Main expansion focus on DE / NL / AT markets («network density»)



Synergies

- Group wide sourcing initiated & delivering benefits (volume pooling)
- Implementation of new organisational structure – combining Ditsch & BackWerk organisation (Valora Food Service Germany)
- Combined logistic platform for Valora Food Service Germany concepts
- Vertical integration: offering of Ditsch products and ok.– drinks

BackWerk bottom-line on track thanks to stronger network and realisation of synergies



Further develop brand to increase same-store growth

- Further develop product offering to increase footfall
- Continue to roll-out latest concept to strengthen brand
- Increase capture rate for new customers with marketing initiatives

Strengthen network

- Focus network expansion at high-frequency locations and continue closures of locations in city cluster (as a result slower net growth until 2021 expected)
- Focus on mix of single, multi and institutional franchisees for a robust and diversified partner network
- Planned net growth of around 10 p.a. in existing geographies
- New location clusters to fuel growth:
 - Petrol stations (Pilots in planning)
 - Shop-in-shop concept: BackWerk modules & clip-ins within convenience and retail channel

Improve operational excellence

- Increase franchisee profitability by efficient franchisor support (i.e. personnel planning and in store operations improvements)
- Streamline assortment and simplify ordering process

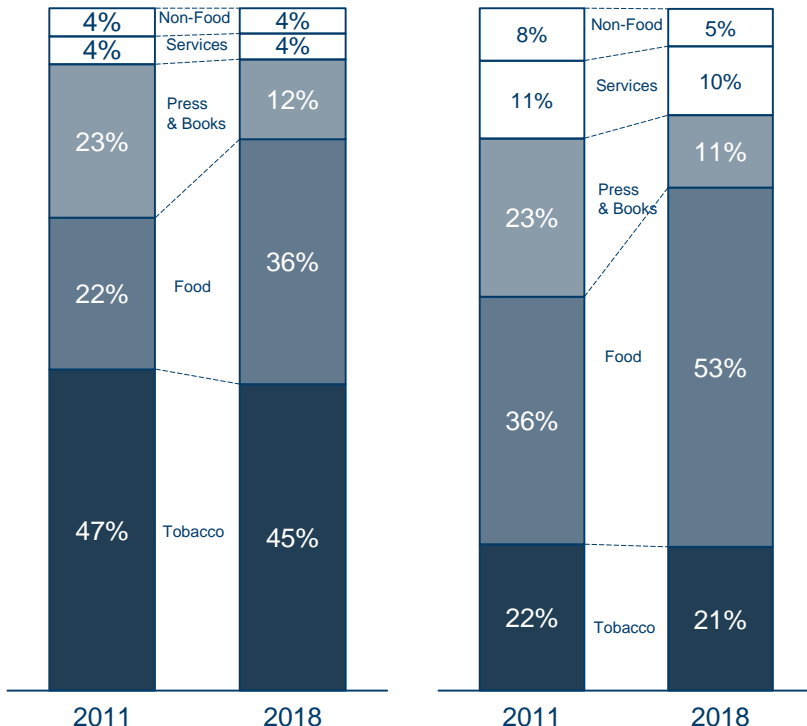


PRODUCT CATEGORIES

FOOD AS MAJOR GROSS PROFIT DRIVER

External Sales Split

Gross Profit Split



Expansion of food share organically and with acquisitions

- Focus and enlargement of (fresh) food offering in retail & convenience stores (higher «foodprint») to compensate for declining press
- Leverage on mega-trends of convenience and of out-of-home consumption with a large array of concepts
- Investments in capacity expansion to meet strong B2B growth
- Acquisition of Ditsch & Brezelkönig in 2012 and BackWerk in 2017

Retail with strong backbone of POS network at high-frequency locations

- Classical categories as tobacco, press and games of luck still drivers for footfall
- Tobacco still a strong and profit-contributing category; strengthen competence and partnership with industry to introduce new products

Shift towards more food with positive impact on Gross Profit / Margin

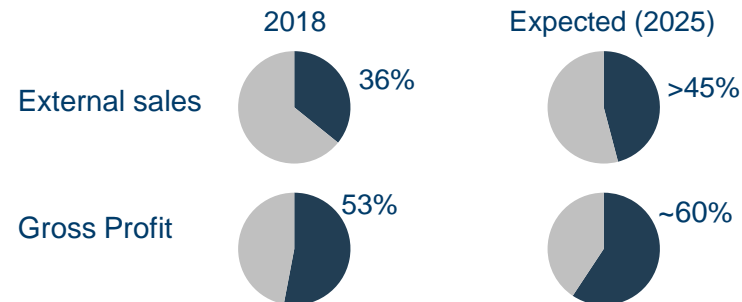
- Change of product mix within categories to improve margins
- Leverage network of attractive locations with new services and cross-selling

Note: Only Retail Core (Retail CH/AT and Retail DE/LU) and Food Service (as of 2012) included, no Trade or Services division included
Investors' Day – 26 June 2019

TRENDS BY CATEGORY: FOOD

Description	% share within Retail external food sales	GP margin	Trend / SST
- Confectionary	CH: 22%; DE:15%	***	→
- Beverages	CH: 48%; DE:70%	***	→
- Fresh Food & Snacking	CH: 30%; DE:15%	** (*)	→
Total Retail Food	44%	} Split within external food sales	***
Total Food Service B2C	45%		***
B2B / Production	11%		***
			>+1.5% p.a.
			>+1.5% p.a.
			>+10% p.a.

Exposure Valora Group



Note: ~40% of ticket items purchased are food in Retail CH and ~20% in Retail DE
 GP margin: *** high (> 50%); ** medium (20%-50%); * low (<20%); excluding promotions

Note: Gross Profit in pie chart incl. promotions and incl. store expansion in 2025



Market trends (risks & opportunities)

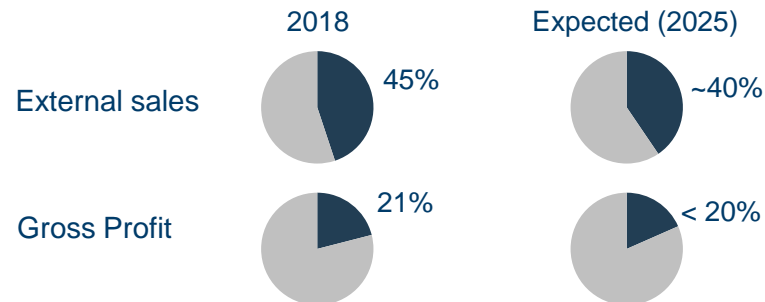
- Stable confectionary
 - New and healthy product launches (cereal bars) compensate for declining trend in chewing gums
- Increasing demand and competition for beverages
 - Demand for cold and hot beverages depending on weather
 - Coffee as strong footfall driver but also with high competition
- Growing demand for fresh food and snacking for on-the-go in food retail and quick-service convenience food
 - Growing demand for innovative, healthy and regional products
- Strong demand for pretzel products in B2B channel
 - Trend for high quality and specialised products such as pretzels

TRENDS BY CATEGORY: TOBACCO

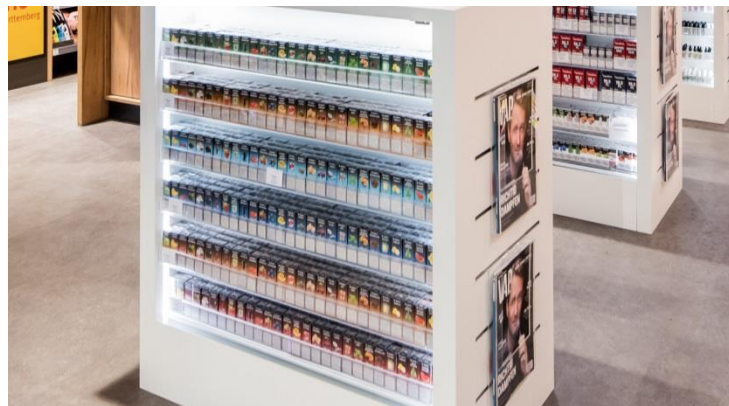
Description	% share within Retail external tobacco sales	GP margin	Trend / SST
Classical nicotine (cigarettes & cigarillos)	CH: 91%; DE:79%	*	→
Roll-your-own	CH: 5%; DE: 19%	*	→
ANP* / E-Smoke	CH: 4%; DE: 2%	**(*)	→
Total Tobacco		*	0% p.a.

Note: ~25% of ticket items purchased are tobacco in Retail CH and in Retail DE
 GP margin: *** high (> 50%); ** medium (20%-50%); * low (<20%); excluding promotions

Exposure Valora Group



Note: Gross Profit in pie chart incl. promotions and incl. store expansion in 2025



* Alternative nicotine products

Market trends (risks & opportunities)

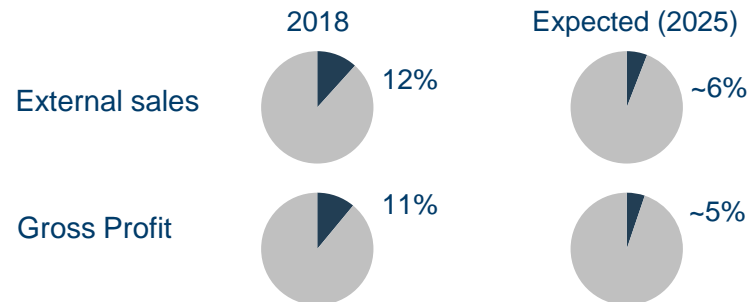
- Classical nicotine products with stable to slight declining trend
 - Declining volume to be compensated with price increases
- Roll-your Own / Make-your Own
 - Growing market niche, as less expensive than classical nicotine products
- ANP* / E-Smoke
 - Increasing demand for alternative nicotine products with reduced health risk
 - New innovative alternative nicotine products evolving (e.g. JUUL, CBD)
 - New tobacco regulation expected in 2022 (earliest) for alternative / e-smoke products
- Promotions gaining further in importance

TRENDS BY CATEGORY: PRESS AND BOOKS

Description	% share within Retail external Press/Book sales	GP margin	Trend / SST
Press	CH: 89%; DE: 83%	**	-7% p.a.
Books	CH: 11%; DE: 17%	**	+/-0% p.a.

Note: ~10% of ticket items purchased are Press & Books in Retail CH and ~25% in Retail DE
 GP margin: *** high (> 50%); ** medium (20%-50%); * low (<20%); excluding promotions

Exposure Valora Group



Note: Gross Profit in pie chart incl. promotions and incl. store expansion in 2025



Market trends (risks & opportunities)

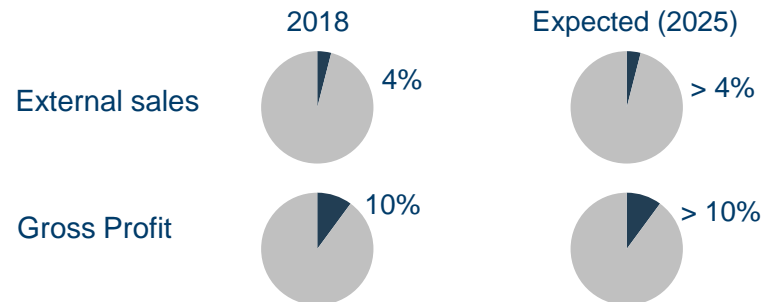
- Press
 - Continued decline of press market, especially for newspaper
 - Market consolidation: accelerated closure rate of press selling retail stores leading to a larger market share for Valora formats
- Books
 - Lately lower conversion rate towards e-reader market
 - Assortment and new bestsellers make a difference
 - Market consolidation: Closure of book selling stores
 - A flat development seems therefore possible

TRENDS BY CATEGORY: SERVICES

Description	% share within Retail external Services sales	GP margin ¹⁾	Trend / SST
Lottery & Games of chance	CH: 79%; DE:59%	***	→
Other Services	CH: 21%; DE:41%	***	↘
Total Services		***	+0.5% p.a.

Note: ~20% of ticket items purchased are Services in Retail CH and ~15% in Retail DE
 GP margin: *** high (> 50%); ** medium (20%-50%); * low (<20%); excluding promotions
 1) Only commission is recorded; hence 100% GP margin

Exposure Valora Group



Note: Gross Profit in pie chart incl. promotions and incl. store expansion in 2025



Market trends (risks & opportunities)

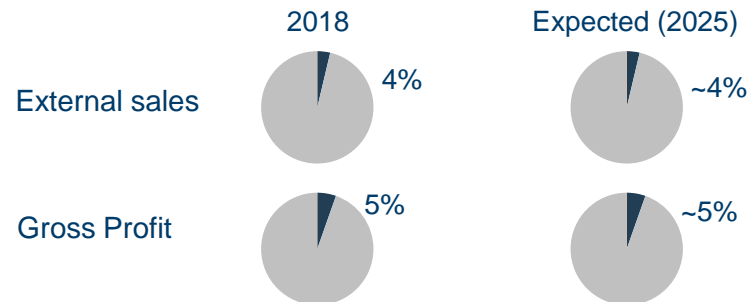
- Lottery stable
 - Lottery depending on jackpot
 - Online lottery is increasing but at low pace; consolidation in offline / retail channel; potential introduction of sports betting
- Other services increasing
 - Increasing volume on financial services (credit card loading, bill payment)
 - Personalised logistics fast growing (combination of pick up, customer verification and personalisation at the POS)
 - Top-up business for phone cards (prepaid value products) decreasing as change from pre-paid to post-paid or credit cards
 - New offerings from bob (e.g. bob pay: online services paid at kiosk)

TRENDS BY CATEGORY: NON-FOOD

Description	% share within Retail external Non-Food sales	GP margin	Trend / SST
Toys / Souvenirs	CH: 33%; DE:6%	***	➔
Electronics	CH: 7%; DE:5%	**(*)	➔
Total Non-Food			+2% p.a.

Note: ~5% of ticket items purchased are Non-Food in Retail CH and ~10% in Retail DE
 GP margin: *** high (> 50%); ** medium (20%-50%); * low (<20%); excluding promotions

Exposure Valora Group



Note: Gross Profit in pie chart incl. promotions and incl. store expansion in 2025



Market trends (risks & opportunities)

- Segmented range of products, reaching from plush toys for children to consumer electronics
- Growing importance of own brands
- Location specific assortment like souvenirs
- High frequency locations are ideal for top sellers in all segments of the non-food category
- Growing importance for wide assortment for electronics



VALUABLE CUSTOMER CONTACT

VALORA: AN EXCELLENT PARTNER TO BUILD AND DEFEND BRAND EQUITY (PROMOTIONAL INCOME)

Retail



Food Service



Own products, in % of external sales

Branded products / FMCG, in % of external sales

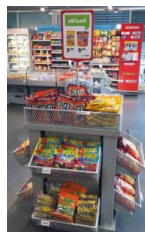
Increasing importance of customer engagement

- Valora Retail formats best placed for product promotions
 - Operator of many of best convenience locations with over 1 million customers per day
- Significant market share for certain product categories in Switzerland
 - Tobacco (esp. single packages)
 - Press
 - Lottery / Game of chance
- High expertise in product launches and promotions
- Food Service format less suitable for promotional activities due to specialised product portfolio

Promotional income is a resilient and integrated part of our business model

EXAMPLES OF CUSTOMER ENGAGEMENT

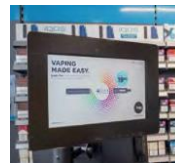
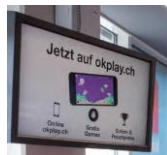
Display / Position



Couponing, FLYING & Sampling



Digital Signage



Promoter



k kiosk App





**ENTREPRENEURIAL
POS OPERATIONS**

VALORA: A TRUSTFUL PARTNER



Entrepreneurial models

Focus on agent & franchise

- Higher business aspiration with increased store sales and higher efficiency
- Decentral decisions and agile organisation
- Successful formats and brands attract good agents and franchisees

Valora as strong partner

Proven expertise in operations

- Valora as partner for landlords with longstanding relationship
 - Ensures access to new and attractive locations
- Valora as partner for entrepreneurial models (agents & franchisees)
 - Training and support in operational matters
 - Leveraging size for attractive purchasing conditions

Strong agent & franchise base

Almost 50% operate more than 1 store

- Valora working with strong agent / franchise partners
 - 53% of agents / franchisee operate only 1 store
 - 45% of agents / franchisee operate 2-4 stores
 - Only 2% operate 5 or more stores

OVERVIEW OF OPERATING MODELS

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

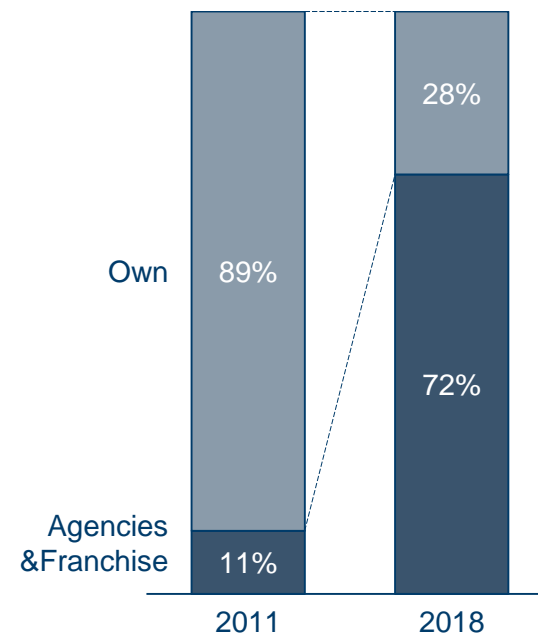


Simplified illustration

	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 2018*	763 ; 28%	1,105 ; 40%	881 ; 32%

*Without partner (#12)

R = Retail; DE = Germany; BW = BackWerk



Goal to have >90% agency or franchise model by 2025



VERTICAL INTEGRATION AND LOGISTICS

VERTICAL INTEGRATION

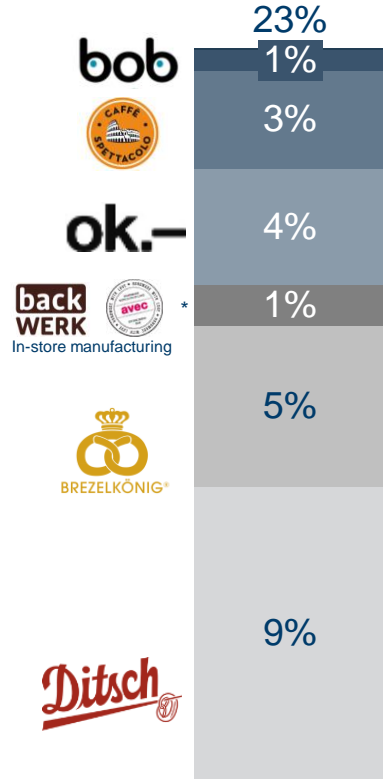


- Create and establish own brands in order to:
 - Increase Valora internal value creation and profit potential
 - Distinguish ourselves from the competition
 - Create an alternative to classical branded products
- Three levers used:
 - Continue to promote own manufactured products (esp. lye bread based)
 - Offer best quality, capture higher part of value pie
 - Promote own brands (esp. ok.– and Caffè Spettacolo)
 - Distinct positioning
 - Increase production of fresh products on site
 - Benefit from trend towards higher freshness and higher margins

Opportunity to grow share of own products continuously

OWN BRANDS

GENERATION OF 23% OF GROSS PROFIT WITH OWN BRANDS



2018

- Ditsch & Brezelkönig products represent the strongest share of own brands comprising all bakery products sold under the Ditsch & Brezelkönig label in own B2C formats and in B2B business.
- Own private label ok.- represents with its 85 SKUs in snacking, drinks and non-food the third largest own brand category. The classic *black* energy drink being the top seller.
- Spettacolo coffee is sold in 30 own stores and in 700 Spettacolo modules in own network.
- In BackWerk (40% in-store manufacturing) and in the new avec format with its «handmade with love» label, fresh products are prepared or finished in-store.



* Due to the franchise model of BackWerk only a fraction of in-store sales go to Valora

OUR OK.– PRIVATE LABEL

Characteristics

- Trendy and smart companion for young mobile people with dynamic, urban, and independent lifestyle
- Offering brilliant value for money
- Broad product range from convenience to services
- Available exclusively in Valora formats



Goals

- Attract new target groups for Valora formats (especially young people between 13-24).
- Creation of customer loyalty through an exclusive brand and differentiation from the competitors.
- Alternative to branded products in the entry-level price segment.

OK.- PRODUCT PORTFOLIO

BEVERAGES

Energy Drinks (SKU 6)



Soft&Juice Drinks (SKU 15)



Milky (SKU 3)



Beer (SKU 2)



FOOD

Snacks (SKU 17)



Sweets&Chewing Gum (SKU 21)



NON-FOOD

For any weather (SKU 12)



Styling (SKU 6)



SERVICES

Prepaid Cards (SKU 2)



Prepaid Mobile (SKU 1)



VALORA RELIES LARGELY ON 3RD PARTY LOGISTICS

Simplified illustration

Own logistics



Food Service Switzerland



Third-party logistics

Pure Logistics

Logistics / Wholesaler



Retail Switzerland

Retail Germany

Pot. earliest as of 2022ff



Ramp-up combined logistics platform starting 2HY 2019



Logistics by suppliers



Logistics only - Preferred option Valora:

- Enables separate negotiation of logistics fee and product supplies
- Better transparency on prices
- Lower dependency

Alternative model where:

- No alternative (yet) exist
- Cheaper options to POS

Overall challenges

- High number of stops
- Low drop sizes (no pallet sizes)
- Frequent delivery due to freshness
- Partially difficult access to POS

STRATEGY



THE WORLD IS CHANGING FAST AND FOODVENIENCE IS AN INCREASING TREND



Changing lifestyles,
smaller households and
economic development will drive
out-of-home and impulse
consumption



Increasing mobility
make high-traffic locations and
convenience hubs more and
more important



Digitalisation
will continue to be important for
a new and comprehensive
customer engagement & loyalty
and process efficiency



FOODVENIENCE

WELL POSITIONED TO EXPLOIT FULL RETAIL POTENTIAL

STRONG NETWORK AT HIGH FREQUENCY LOCATIONS

Consumer focus

Consumer engagement
Nearby, quick, convenient, fresh
Loyalty programs
Ease of transaction

Offering

Transformation of category mix
New services
Multi-channel offering
Own brands
Promotions
Fresh in-store food production

Operations

Vertically integrated
Retail analytics
Strong financial performance
Efficiency improvements



FOOTFALL

X



CONVERSION

X



TICKET SIZE

X

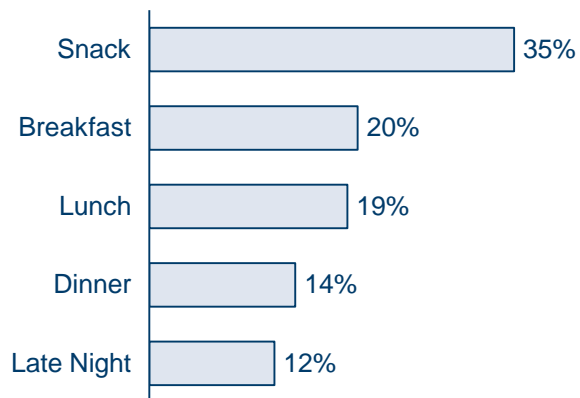


MARGIN

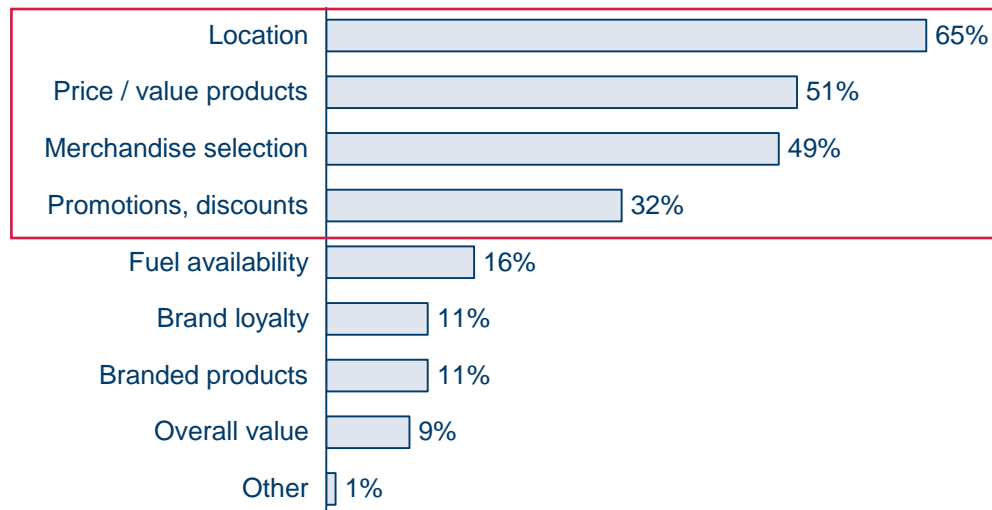
VALORA WITH ITS HIGH-FREQUENCY LOCATIONS WELL POSITIONED IN CONVENIENCE MARKET



Share of total occasions to eat food at a convenience store*



Most important factors, considering to select a convenience store*



We see further potential to «trade-up» consumers to other day parts than snacking

Valora with its high-frequency locations and product assortment well positioned in convenience market

Source: Based on Alix Partners 2019 Convenience Store Consumer Study

*Note: Weighted results of Alix survey for Germany and Switzerland

FRESH FOOD OFFERING HAS BECOME A KEY SALES DRIVER IN THE CONVENIENCE INDUSTRY

Key trends in food & beverages



- Price, location, food variety and healthy food options are important factors to stand out from the competition and to experience positive sales increase
- Snacking is the primary occasion for consumers to buy food at convenience stores



- Convenience stores with upgrade potential to better compete with fast food restaurants in terms of prices and food options



- Bakery products, «serve yourself beverages» and pre-packaged food (e.g. salads, sandwiches) are the offerings consumers are most interested to purchase in a convenience store



- 90% of consumers are interested in healthy food options
- Freshly made food and environmental friendly packaging are important health attributes

Source: Alix Partners 2019 Convenience Store Consumer Study

STRATEGIC GROWTH INITIATIVES



GROWTH IN RETAIL (B2C)

SAME-STORE GROWTH UNTIL 2025

MARGIN UPLIFT EXPECTED THROUGH DIVERGING TRENDS

Product category	SST Trend	GP Margin (average)
Food	>+1.5%	***
Tobacco	+/-0%	*
Press & Books	-7%	**
Non-Food	+2%	***
Lottery & Games of Luck	+0%	***
Services & Other	+0.5%	***
TOTAL	+0.5% p.a.	+0.5%pt p.a.

Solid samestore development

- Food, non-food and services as key drivers of past & future samestore growth
- Tobacco expected flat overall
- Press and books with continued decline but at lower rate
- Overall a positive samestore (+0.5% p.a.) can be expected

Samestore trends with significant positive margin impact

- Growth of high margin categories and stagnation/decline of lower margin offerings increase margin profile of company
- On top, same effect can be observed within categories:
 - Within food expected shift from lower margin confectionary to higher margin products
 - Tobacco with positive changes within the category (alternative nicotine products with higher margin; no potential mid-term changes in regulation considered)
- As a result, GP margin improvement of +0.5%pt p.a. can be expected






GP margin: *** high (> 50%); ** medium (20%-50%); * low (<20%)

NETWORK EXPANSION

	2018	Status quo	Opportunities	Aspiration level 2025*	
RETAIL		1,203	<ul style="list-style-type: none"> Market leader in kiosk business at high-frequency locations in CH, DE and LUX 	<ul style="list-style-type: none"> Conversions to avec in CH Modest growth possibilities in CH/DE 	~1,200
		206	<ul style="list-style-type: none"> POS at the best high-frequency locations 	<ul style="list-style-type: none"> Limited availability of appropriate locations 	~200
		421	<ul style="list-style-type: none"> Biggest tobacco network in Germany 	<ul style="list-style-type: none"> Modest network expansion 	~480
		128	<ul style="list-style-type: none"> Broad POS network at best high-frequency locations 	<ul style="list-style-type: none"> Growth dependent on partners (esp. DB) 	} >400
		146	<ul style="list-style-type: none"> Convenience as largest growth area in food retail sector 	<ul style="list-style-type: none"> Network expansion with SBB Roll-out of avec in new locations 	
→ High growth opportunities in Convenience					
FOOD SERVICE		210	<ul style="list-style-type: none"> Market leader in pretzel products in DE 	<ul style="list-style-type: none"> Selective growth opportunities in DE (incl. clip-ins / shop-in shop) 	~230
		64	<ul style="list-style-type: none"> Market leader in pretzel products in CH 3 franchise locations outside CH 	<ul style="list-style-type: none"> Already strong market presence in CH Growth through franchise outside CH 	~70 ~40
		30	<ul style="list-style-type: none"> One of the largest coffee chains in CH 	<ul style="list-style-type: none"> Limited growth potential 	~40
		353	<ul style="list-style-type: none"> Market leader in self-service bakery 	<ul style="list-style-type: none"> Growth opportunities in DE, NL and AT Opportunities in new clusters (i.e. shop-in-shop) Expansion of BackWerk in CH 	~425- 450
	Total	2,761	Network expansion (net) of >50 stores p.a.		>3,100 *

* Network targets for each format are indications. Network target size only on Group level.

POTENTIAL ADDITIONAL GROWTH ACCELERATORS

		Likelihood
Add-on acquisitions	<ul style="list-style-type: none">▪ Acquisition & integration of small (retail) POS network▪ Acquisition & growth internationally of new formats	
Pricing	<ul style="list-style-type: none">▪ Optimise pricing on price elasticity▪ Increase of prices above factor costs	
Entry in new markets	<ul style="list-style-type: none">▪ Entry in new geographical markets with existing formats▪ Acquisition of competitors in new markets	
Develop new formats	<ul style="list-style-type: none">▪ Identify interesting foodvenience offerings▪ Develop and roll-out new concepts	
International roll-out	<ul style="list-style-type: none">▪ Roll-out of Brezelkönig or BackWerk internationally with partner	

GROWTH IN B2B DRIVEN BY CAPACITY EXPANSION



GROWTH IN B2B / PRODUCTION

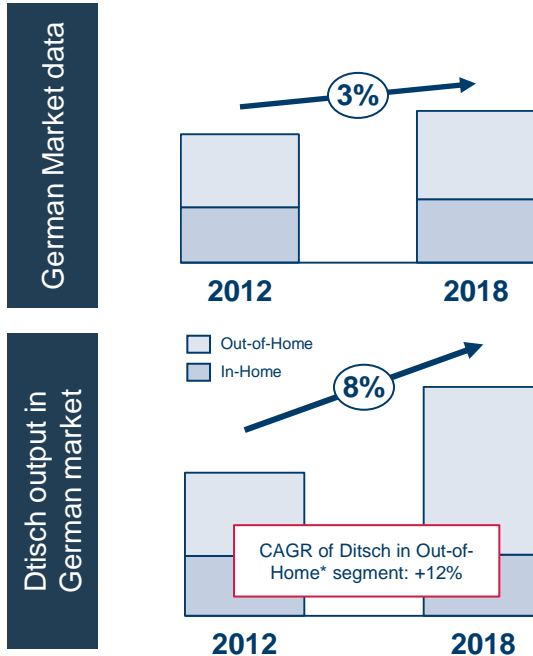
- **Leading international pretzel wholesale business of Ditsch based in Germany and the US**
 - Key sales markets Europe and the US; 22% revenue outside DACH region
 - Leading and highly focused pretzel producer in Germany with market share of ~20%
 - Developing small to medium size US business with significant growth potential
- **4 modern production facilities in 3 countries**
 - Germany: 11 production lines + 2 lines in construction
 - US: 1 production line + 1 line under construction
 - Switzerland: 1 production line (mainly for own Brezelkönig POS)
 - All current line capacities currently running at almost full utilisation
- **Combined yearly output of ~650 million pretzel products**
- **Strong management and sales team**
 - Unit lead by Seb Gooding* since Jan. 2019
 - Strong sales team with high market penetration
- **Resilient and well balanced customer portfolio**
 - More than 270 clients
 - Top 10% clients with less than 50% revenues in 2018
- **Successful vertical integration strategy**
 - About 20% of sales go to Valora own formats



* formerly CEO Central & Eastern Europe at Aryzta

DITSCH OUTPERFORMED GERMAN PRETZEL MARKET DEVELOPMENT

Pretzel market data (Germany in volume), CAGR



Solid & resilient market development

- Market growth driven by increasing demand for out-of-home consumption
- Pretzel products as speciality within bread market with strong demand

Positive market outlook with growth of +3-5% p.a. expected

- Increasing demand for on-the-go and out-of-home eating
- Pretzel products as growing «speciality» category and with broad customer base (young and old)
- Latest market growth 2017/2018 of 4.8% emphasises positive momentum

Ditsch outperformed market driven by:

- Market consolidation
- Trend to outsource pretzel production (niche segment); not reflected in fundamental market growth numbers
- Slow investment (cycles) of peers
- Ditsch market share in Germany of ~20% in 2018

Source: GFK, NPD, company data

* Out-Of-Home: Buying products at bakeries, restaurants, hotels and consumption of on-the-go and at work.
In-Home: Buying products at food retailers, discount and instore bakeries and consumption at home.



Successful entry in US market with the acquisition of Pretzel Baron

- US second largest pretzel market behind Germany with almost same size
 - Penetration of pretzel products in US still small but positive market momentum shows an increasing demand especially in higher quality («traditional») pretzels
- Ditsch USA fully operational:
 - Integration of Pretzel Baron into Ditsch organisation with subsequent renaming as Ditsch USA
 - Strengthening management and sales team
 - Doubling capacity of existing production line (accomplished Q1 2019)
- Focus / Initiatives going forward:
 - Capacity expansion: install 2nd production line in Q4 2019
 - Business governance: strengthen management structure
 - Implementation of sales & pricing strategy
 - Operational excellence: process optimisations

CAPACITY EXPANSION IN ORANIENBAUM (DE) ON TRACK

Capex investment of ~ 40 mEUR enlarging capacity by ~ +20% in DE

Scope:

- New production building (2 lines)
- Deep-freezer warehouse
- 2 production lines

Timing:

- Start in Q2 2018
- Go live expected in Q3 2019 & Q1 2020

May 2019



CAPACITY EXPANSION IN CINCINNATI (USA) WELL ON THE WAY

Capex investment of ~ 11 mEUR

Scope:

- New production line
- Installation of flour & oil silos
- Optimisation of bakery footprint

Timing:

- Go live expected in Q4 2019

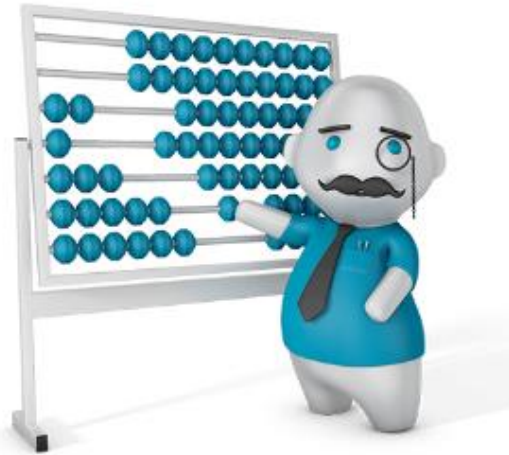


POTENTIAL NEW GROWTH PROGRAMME AS OF 2021

INVESTMENTS PAY OFF OVER TIME AND INCREASE ROCE

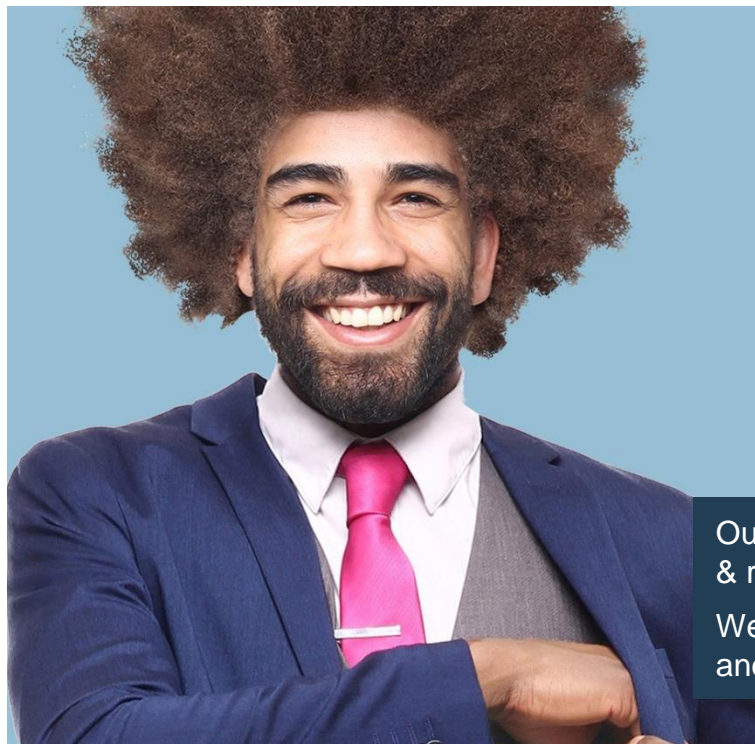
	2012	2017	2018 – 2020	2021 – 2025
BUY	<p>Leading manufacturer and retailer of pretzels</p>	<p>US-based pretzel producer</p>	<p>1st capacity expansion programme</p>	<p>2nd capacity expansion programme (depending on expected market demand)</p>
OPTIMISE / GROW	<ul style="list-style-type: none"> B2B Sales CAGR (2013-2018): +9% Production for own growing network (B2C) and acceleration of B2B business 	<ul style="list-style-type: none"> B2B Sales CAGR (2017-2018): +77% starting with mid single digit USD million rev. Establish a US footprint to access the US pretzel market (2cd largest pretzel market after Germany). 	<ul style="list-style-type: none"> Positive pretzel market outlook driven by consumer demand especially in out-of-home market Market share gains: high product quality, sufficient capacities, great sales & marketing team Strengthen local management team / new business unit lead (Seb Gooding) 	
BUILD	<ul style="list-style-type: none"> ~45 mCHF capex in Ditsch production 2013-2018: <ul style="list-style-type: none"> Capacity increase Improve efficiency/automation Secure customer demand 	<ul style="list-style-type: none"> >2.5 mCHF capex in Ditsch USA production 2017-2018: <ul style="list-style-type: none"> Efficiency gains by doubling existing capacity 	<ul style="list-style-type: none"> Capex of 50 mEUR <ul style="list-style-type: none"> Enlarge capacity in DE by 2 production lines or +20% Enlarge capacity in US to cope with strong demand (+1 line) 	<ul style="list-style-type: none"> Capex of ~80 mEUR <ul style="list-style-type: none"> Enlarge capacity in DE by 2 production lines or ~+20% New building and enlarge capacity in US by 3 lines

GROWTH WITH BOB FINANCE



BOB FINANCE AT A GLANCE

SUCCESSFUL START AS CORPORATE VENTURE



- **Established consumer finance specialist** in Switzerland in the field of B2C and B2B2C
- **Proven business model** based on highly digitalised processes with superior customer experience
- **Good customer access** and high customer retention due to transparency and fair pricing
- **Successful partnerships**, particularly with refinancing partner GLKB
- **Experienced management team** with in-depth market knowledge and proven track record in executing a profitable growth strategy
- **14,000 loans paid out**

Our goal is to be the market leader in Switzerland for digital & retail-related financing solutions.

We offer our customers simple products with fast processes and a unique customer experience.

DIVERSIFIED PRODUCT PORTFOLIO

BOB CREDIT SUPPLEMENTED BY FINANCING SOLUTIONS FOR B2B PARTNERS



B2C

bobcredit

Unsecured cash loan

Online credit of up to CHF 80,000 and for a maximum of 120 months.

SCORE|me

Free solvency check

Online check of personal credit score. Joint offer with CRIF.



B2B2C

bobpay 

Offline payment

Buy online and pay offline at one of Valora's ~1,100 POS in Switzerland.

bobinvoice

Pay by invoice

Amount can be paid in three instalments within three months.

bobzero

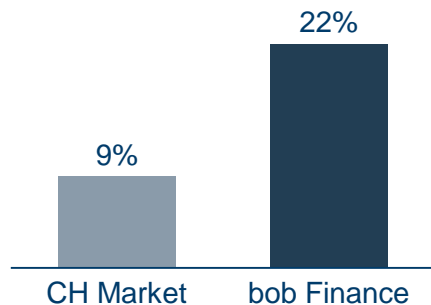
0% financing

Easy and secure payment in up to 48 instalments at no additional cost.

PERFORMANCE OVERVIEW

CLEAR PATH TO MID-TERM PROFITABILITY – FOCUS ON GROWTH AND DIGITAL INNOVATIONS

New loans growth 2018*



Status

- Increased market share in the cash loan segment
- Recurring business with existing customers
- Low ratio of non-performing loans proves risk policy
- Monthly break-even achieved leading to a positive second half-year result 2018

Strategic roadmap

- Continue strong growth, existing products and B2B partnerships
- Scale and improve profitability
- Advance customer retention
- Accelerate innovation cycles and digital initiatives
- Develop new business opportunities
- Expand and diversify partner network

EBIT in mCHF



* Source: ZEK (cash loans only)

EFFICIENCY ROADMAP IMPROVEMENT

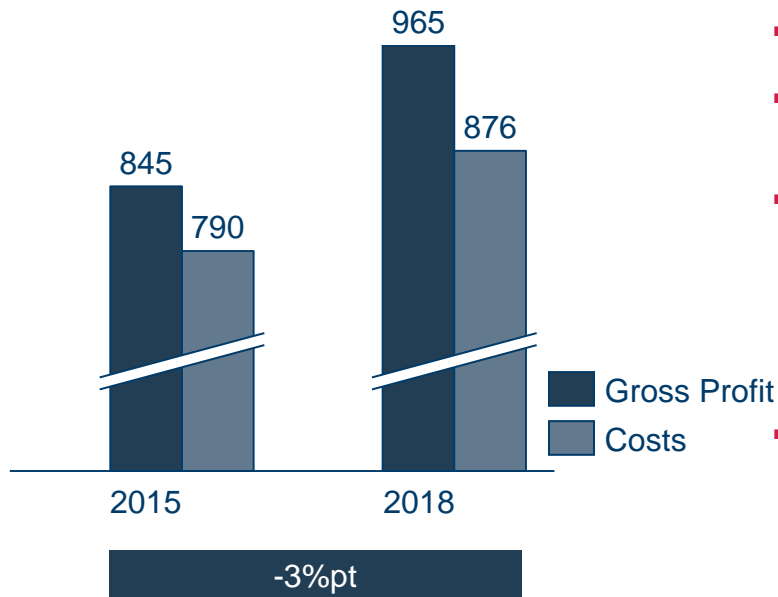


**EFFICIENCY
REMAINS IN FOCUS**

COST RATIO IMPROVEMENT DESPITE HEADWIND FROM INCREASED FACTOR COSTS

Cost income ratio*

in mCHF



* Cost income ratio and other cost ratios defined in % of gross profit

Achievements

- Cost income ratio improved by -3%pt in challenging environment
- Rent ratio increased by +1.2%pt due to increased competition for attractive locations
- Efficiency improvements and adapted operating models lead to decreased personnel costs ratio by -4.2%pt despite headwind of:
 - Minimum wage in POS network
 - Investment in capabilities in the organisation
- Other costs ratio kept flat despite investments in the IT platform and production

VALORA'S LEVERS FOR EFFICIENCY INCREASES

Phase 1: 2015-2018

- Acquisition of Naville and leveraging synergies across Retail CH
- Acquisition of BackWerk and start leveraging synergies across Food Service
- Optimising operational models for POS network
- Strengthening management team and operations
- Sale of non core activities e.g. Naville Distribution

Set the core

Phase 2: 2019-2021

- Leveraging synergies across Food Service Germany
- Efficiency program Retail DE
- Focus on joint sourcing and technology developments
- Establishing Shared Service Organisation for support functions
- Strengthening B2B platform

Fit for future

Phase 3: 2021-2025

- Further digitalisation and efficiency improvements of shared service platform
- Partial automation of store operations
- Fully integrated digital and data strategy across all formats
- Create scalable shared services platforms to integrate further concepts

Leverage platforms



Targets, Initiatives, Guidance



TARGETS ACHIEVED

STRATEGIC TRANSFORMATION 2012-2018 DELIVERED

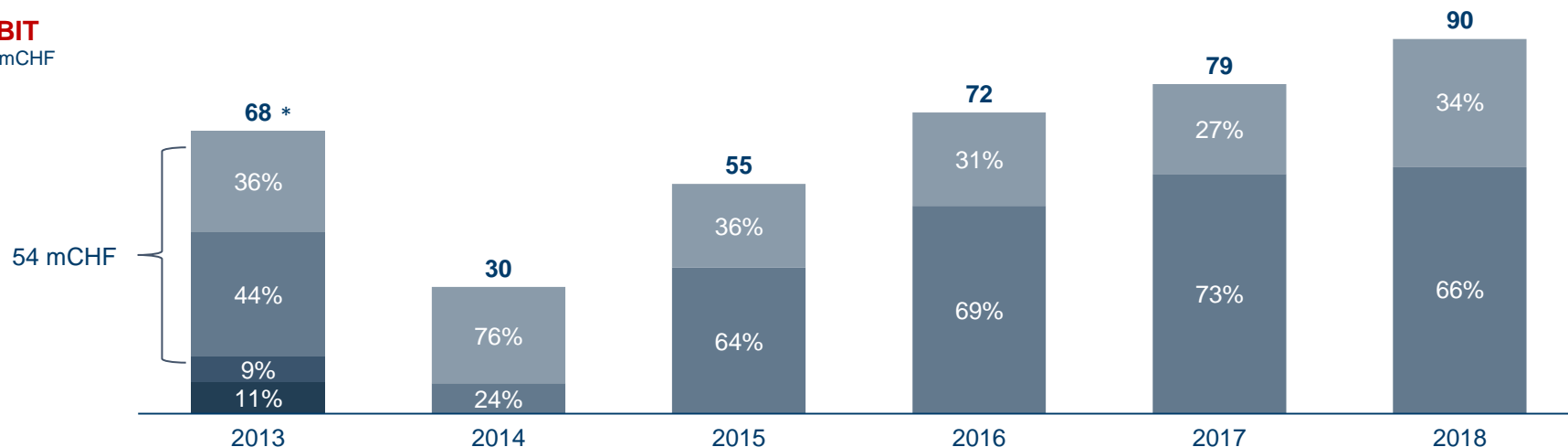


2012-2018

- **Focus group on core** business «foodvenience»
- Implemented **buy and build expansion** strategy
- Significantly **improved efficiency** of support services
- Remodelling and **repositioning of main formats** well under way
- **Digital capabilities established** with focus on consumer engagement, new services and productivity improvements
- **Management team strengthened** and re-organisation completed to accelerate growth and synergies
- **Corporate Social Responsibility (CSR) beyond compliance** initiated as a new strategic pillar

TRANSFORMATION WITH A SIGNIFICANT IMPACT ON EBIT & MARGINS

EBIT in mCHF



EBIT margin	2.4%	1.6%	2.7%	3.4%	3.9%**	4.2%
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ROCE	6.5%	3.3%	6.1%	8.2%	9.3%***	9.7%***
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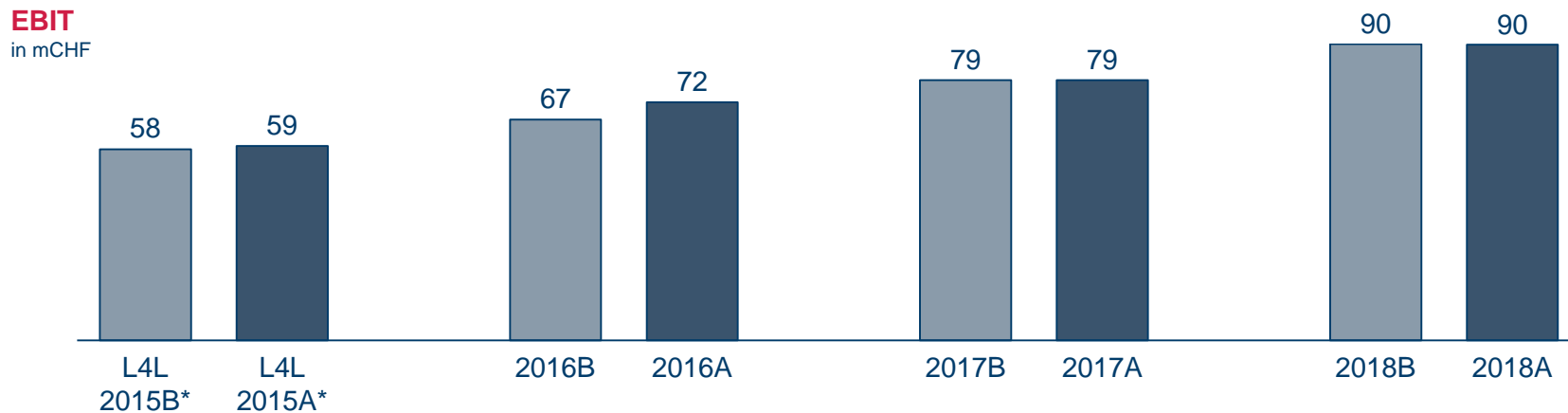
Note: Corporate cost have been allocated to divisions based on EBIT contribution
 * Adjusted for IAS 19 effect (7.8 mCHF) and book gain on sale of sales & services Switzerland (1.3 mCHF)
 ** EBIT margin 2017 restated according to IFRS 15
 *** ROCE without BackWerk and corresponding transaction costs



Sold

REGAINING THE TRUST OF THE MARKET

- Always achieved or overachieved guidance
- Almost all operational targets also achieved
- Radical transparency in communication
- Walk the talk

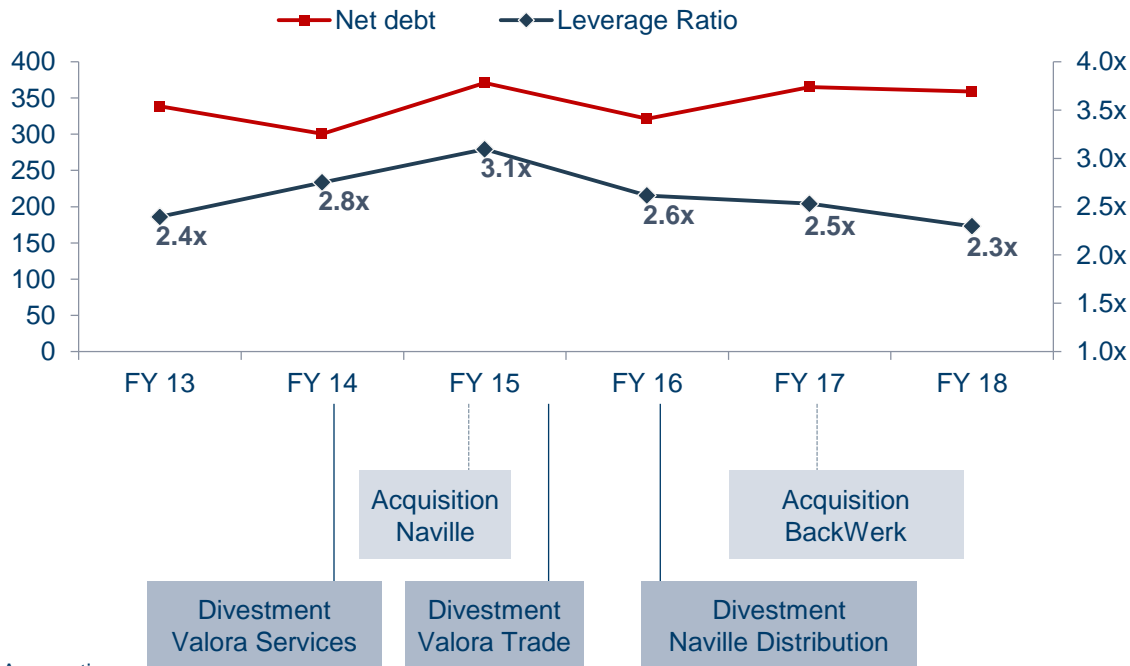


* L4L figures are stated figures adjusted mainly for FX, restructuring costs related to the Naville integration and turn-around plan Retail Germany

■ Guidance ■ Actual

LEVERAGE RATIO 2012-2018

Net debt and leverage ratio



Comments

- Target to stay < 2.5x EBITDA leverage ratio
 - Maintain strategic flexibility
 - Account for seasonality and NWC fluctuations
- Quick de-leveraging post new acquisitions due to strong cash flow generation
- Continuous improvement of the financing costs over the last 5 years
- Optimised long-term financing structure goes hand in hand with better financing terms over the cycle

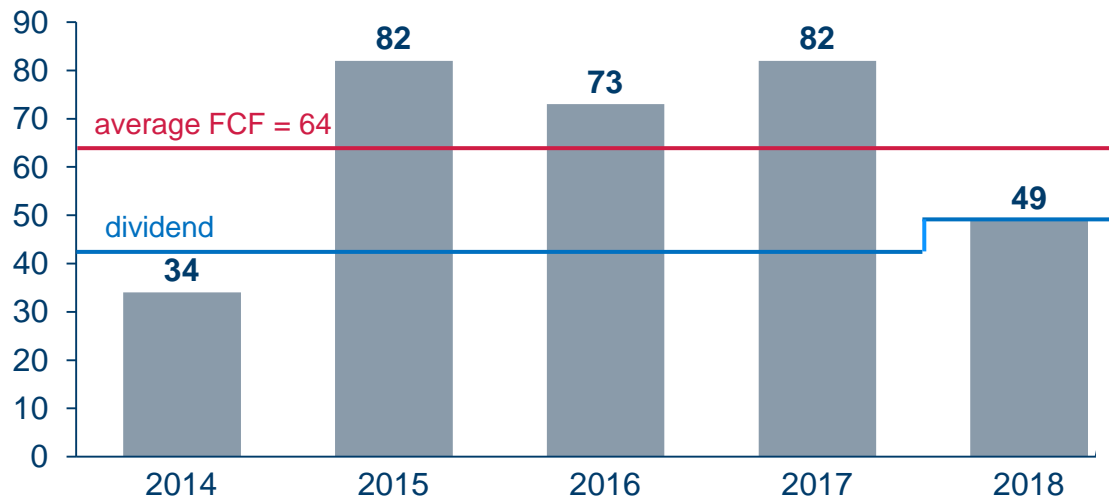
Assumptions:

- Hybrid Bond 100% debt
- LTM EBITDA adjusted for acquisitions and divestments

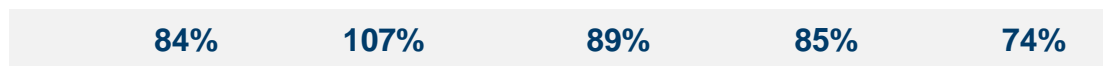
VALORA WITH ATTRACTIVE FREE CASH FLOW GENERATION

Free Cash Flow

in mCHF



Operating Cash Flow in % EBITDA



Comments

- In average 64 mCHF Free Cash Flow in the last 5 years
- Average dividend until 2017 approx. 42 mCHF and as of 2018 approx. 49 mCHF
- 2018 influenced by higher change in NWC and higher capex for capacity investments in B2B
- Higher change in NWC mainly resulting from ordinary business fluctuations and expansion activities
- Cash Conversion Cycle of 17 days demonstrates potential for future cash generation



STRATEGIC ROADMAP

OUR 5 STRATEGIC PILLARS WITH 4 PROGRAMS TO TRANSFORM VALORA

Strategic Pillars	Growth	Efficiency	Innovation	Culture	Sustainability
Programs	Organic and small non-organic growth	Fit for future	Digital transformation	One Valora	
Initiatives	<ul style="list-style-type: none"> ▪ Roll-out / implement SBB locations in Retail CH ▪ Expand network with all Retail and Food Service formats ▪ Leverage new capacity in B2B pretzel production ▪ Continue to pursue opportunistic add-on acquisitions 	<ul style="list-style-type: none"> ▪ Further push agency model in Retail CH ▪ Further push franchise model in Retail DE ▪ Cost savings in Retail DE ▪ Implement new organisation in Food Service DE ▪ Digitalisation of core processes 	<ul style="list-style-type: none"> ▪ Digital initiatives to be scaled with focus on <ul style="list-style-type: none"> – Customer data/engagement (loyalty programs) – Store automation & experience (e.g. avec box / avec X) – Services (e.g. PUDO, delivery) – Retail analytics 	<ul style="list-style-type: none"> ▪ Accelerate Corporate Social Responsibility (CSR) measures beyond compliance to further reduce ecological footprint, improve quality of workplace and meet growing consumer's expectations ▪ Reinforce cultural aspects in all major initiatives 	



HIGH PREDICTABILITY AND RESILIENCE OF VALORA BUSINESS MODEL

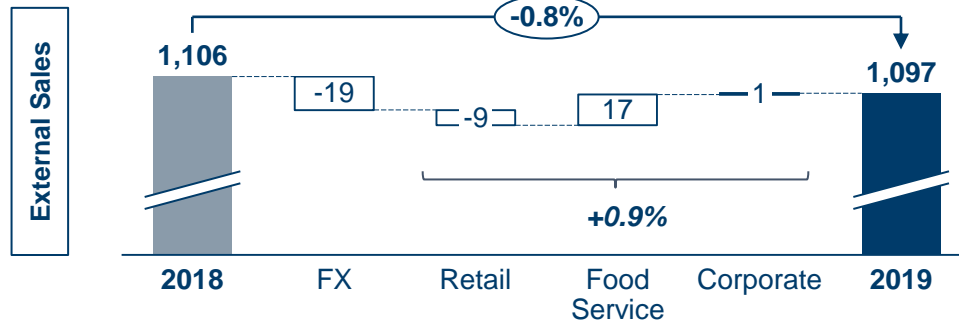


- High frequency locations - secured long term contracts
- Position in most attractive (growing & highly profitable) market segments in B2C and B2B business models
- Resilient - no direct disintermediation through e-commerce
- Little exposure to economic cycles
 - Daily need products, little impact on consumption during economic downturns
 - Vast majority with value for money position
 - Raw material price increases can largely be passed on through to end consumers
 - High and increasing share of internal value creation reduces reliability on suppliers
- High cash conversion
- Solid financing
- High dividend payout

STRONG START INTO 2019

YTD May 2019

in mCHF



Comments

- Retail's top line within expectations
 - Growth in food and tobacco almost compensate for decline in press business, despite YoY weather impact
 - Trend to higher margin new products at tobacco (e-smoke, IQOS, Juul etc.)
- Food Service with strong momentum at B2B and samestore sales
- Retail CH's performance affected by forward-looking investments into new concepts
- Cost initiatives at Retail DE successfully implemented
- Food Service with strong B2B result and solid POS performance
- Corporate with higher contribution from bob Finance and lower project costs
- Outlook June: Strong previous year and special cost expected this year (e.g. SBB)

BRIGHT OUTLOOK - TRANSITION YEARS 2019 & 2020



COMBINATION OF SEVERAL FACTORS IN 2019 AND 2020

SBB rollout

- Higher rent but not yet target footfall
- Higher D&A due to POS refurbish
- Store closure and roll-out costs
- IFRS16 effect (phasing only)

Invest in processes & digitalisation

- Merger FS DE organisations
- Set-up of shared services processes
- Establish one IT platform
- Sourcing & logistics cooperation

Capacity expansion

- Producing at maximum capacity
- Start-up cost of new lines in DE & US
- Higher depreciation from capacity expansion

PRESSURE ON RESULTS IN 2019, ESPECIALLY DUE TO NON-CASH SBB EFFECTS BUT ALREADY EXPECTED STABLE AS OF 2020 DESPITE SBB RENT INCREASES

INVESTMENTS PAY OFF AS OF 2021 – SIGNIFICANT EBIT INCREASE EXPECTED

Stronger POS portfolio

- Growing sales via higher share of food and enlarged foot-print in high frequency locations (SBB)
- Growing margins from new assortment

International platform & services

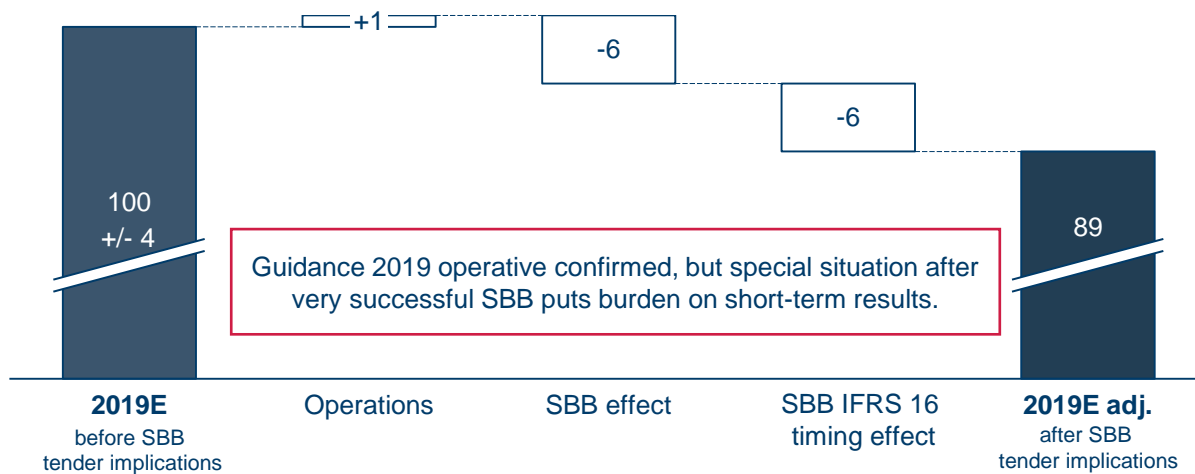
- Synergies from combined organisations
- Efficiency gains from automation and process excellence
- Scale benefits in sourcing & logistics

Next level of B2B business

- Capacity for predicted sales growth
- Gain in production efficiency
- Solid footprint in US market

EBIT GUIDANCE FOR 2019 ADJUSTED FOR SBB TENDER: **valora** AROUND CHF 90 MILLION

EBIT
in mCHF



GP margin

> 45%

>45%

EBIT margin

~ 5%

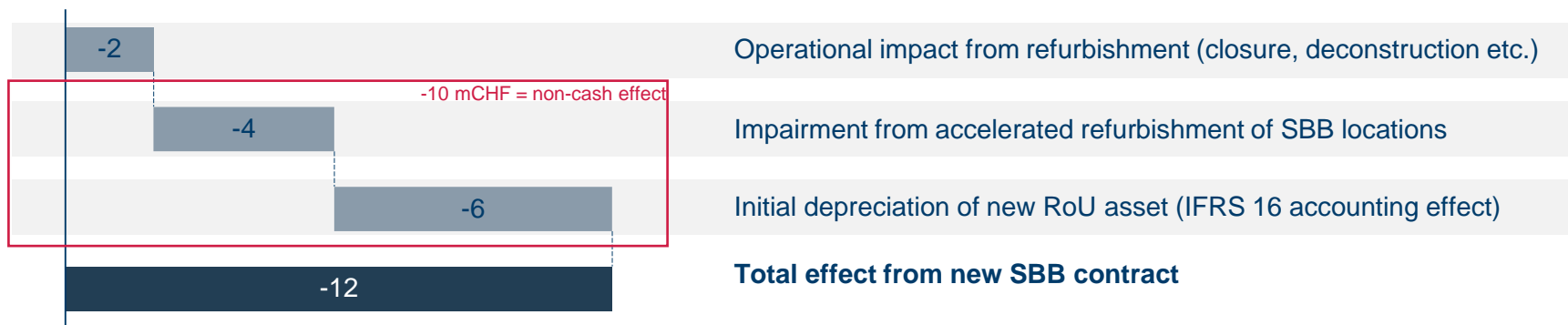
~ 4.3%

**6 mCHF IFRS 16 impact from SBB contract is merely a shift in period – future years will be relieved accordingly.
Cash flow 2019 in order of magnitude of the dividend, despite significant extraordinary investments.**

NEW SBB CONTRACTS PUT STRAIN ON 2019 RESULT

EBIT effect from new SBB contract on Guidance 2019

in mCHF



Special impact on D&A from accelerated refurbishment of SBB locations

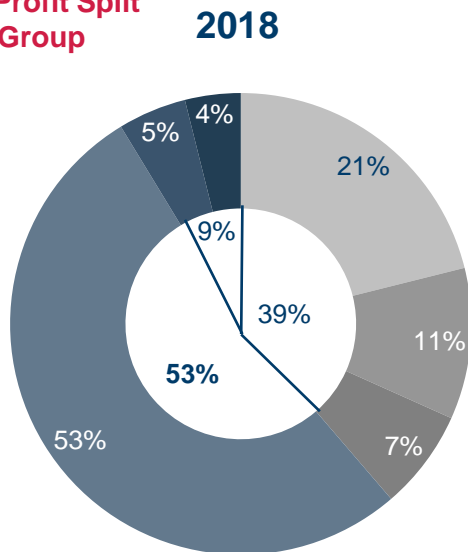
- SBB roll-out / refurbishment planned ahead of end of old rental framework agreement with SBB (ending 12/2020)
- Accelerated refurbishment shortens depreciation periods and results in higher non-cash costs (impairment) in 2019 and 2020

Treatment of new SBB contracts under IFRS 16

- Contrary to our assessment in April 2019, auditors now classify contracts as modification and not as new contracts
- New information on accounting:
 - Depreciation of new right-of-use (RoU) asset impacting already 2019, although new rental terms only apply from 2020 onwards, depending on finalisation of refurbishment of lots
 - Merely shift in periods – earlier depreciation of RoU will ease burden as of 2021 by of ~1 mCHF p.a.
 - Cash impact only as of effective termination of refurbishments

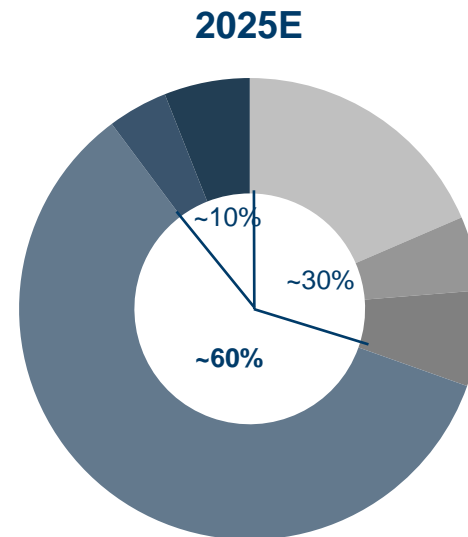
2025: TOP LINE GROWTH WITH IMPACT ON EVOLUTION OF PRODUCT MIX AND GP MARGIN

Gross Profit Split
Valora Group



GP Margin 2018:
44.1%*

External Sales +2% to +3% p.a.



GP Margin 2025 expected:
~50%

GP margin +0.5%pt p.a.

* Pro-forma adjusted incl. IFRS 16.

OPERATIONAL TARGETS 2025

AMBITIOUS BUT REALISTIC MID TERM TARGETS TO BE ACHIEVED ON AVERAGE IN COMING YEARS*

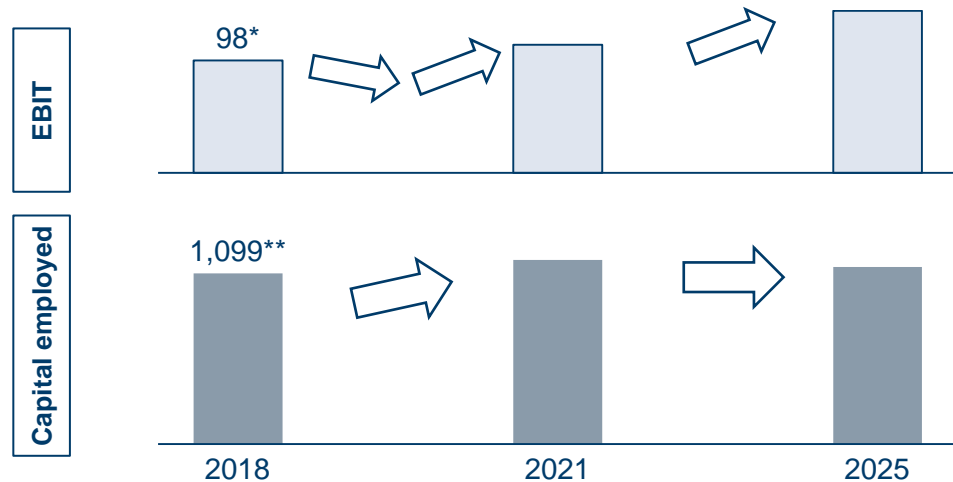
External sales growth	+2-3% p.a.	<ul style="list-style-type: none">▪ Samestore growth of ~+0.5%<ul style="list-style-type: none">- Retail CH expected to contribute positively- Retail DE holds back in first years, driven by press decline- Food Service on very high level of sales per stores and expecting positive samestore▪ Group-wide network expansion of net ~50 shops p.a.<ul style="list-style-type: none">- Retail CH network with slight growth driven by avec- Retail DE development offering mid-term potential- Food Service with growth potential esp. in AT and NL▪ B2B / Production driven by capacity expansion
GP margin increase	on average +0.5%pt p.a.	<ul style="list-style-type: none">▪ Positive product category shift and assortment development▪ Increase from transformation of business mix
EBIT margin	on average +0.2%pt p.a.	<ul style="list-style-type: none">▪ Supported by GP margin improvement▪ Cost ratio to worsen driven by franchise growth and investments
EPS	on average + 7% p.a.	<ul style="list-style-type: none">▪ Will not be achieved in 2019-2020 due to early impact of SBB renewal▪ Stronger growth in later years

* Margin/profit targets will not be achieved in 2019/2020 but remain valid in average until 2025

INVESTMENTS IN SBB ROLL-OUT AND B2B TO PAY-OFF AFTER 3 YEARS

Illustrative example of development of EBIT and capital employed

in mCHF



	2018	2021	2025
ROCE (incl. Goodwill)	8.9%*	~9%	~ 12%
ROCE (excl. Goodwill)	17.9%*	~18%	~ 24%

* Adjusted for IFRS 16 effect; ** Capital employed without goodwill

ROCE calculation basis: EBIT for the last 12 months / average capital employed over the last 13 months

Comments

- EBIT impacted by:
 - higher rent and B2B start up cost in 2019 and 2020
 - corresponding positive EBIT impact comes with a time delay after ramp-up phase
- Capital employed (CE) development driven by higher capex for SBB roll-out and B2B expansion
 - Growth of CE esp. in 2019 and 2020
 - CE roughly stable thereafter
- ROCE
 - Expected to reach level of 2018 by 2021
 - ROCE after 2022 to increase driven by stable capital employed and higher EBIT

CAPEX: AROUND 65 MCHF NORMAL RATE PER ANNUM



CAPEX in mCHF

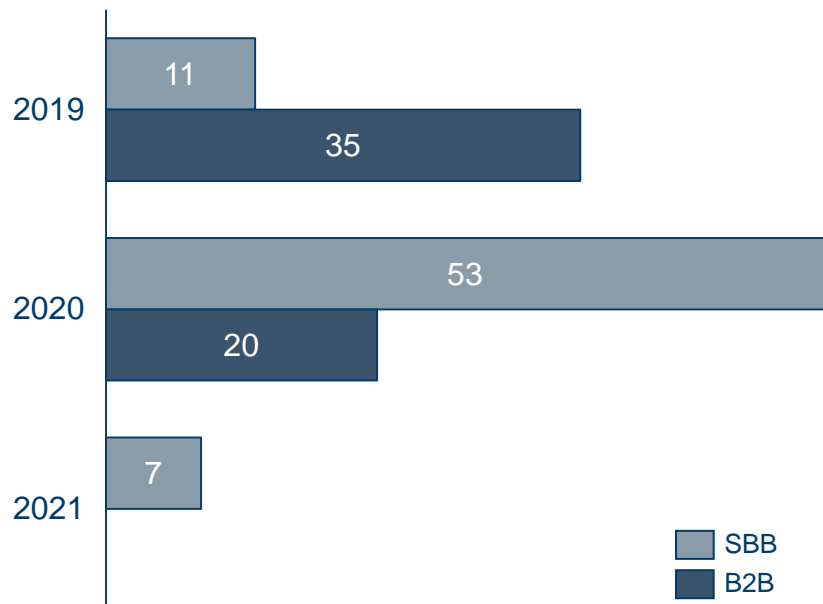
Comments



HIGHER CAPEX IN 2019 AND 2020 DRIVEN BY SBB AND PRODUCTION LINE EXPANSION

Higher CAPEX for SBB and production expansion

in mCHF



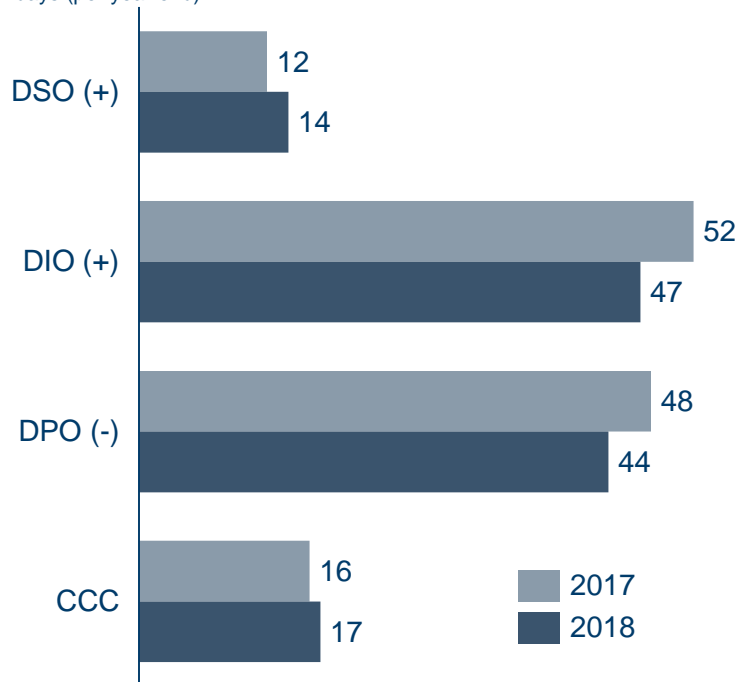
Comments

- Focus on SBB rollout and refurbish from H2 2019 to 2021
- In parallel, above long term normal expansion investments in Food Service production
 - Announced building and production lines in Germany and USA of ~50 mEUR
- Total capex inflated in 2019-2020
 - 2019: Capex of ~115 mCHF
 - 2020: Capex of ~130 mCHF
- Depending on expected market demand, potential investment in 2022 and 2023 for new production buildings (part of 2nd capacity expansion programme) in Germany and US (each ~20 mCHF)
- Potential partial SBB refurbish in 2025

NET WORKING CAPITAL OFFERING IMPROVEMENT POTENTIAL

Cash Conversion Cycle

in #days (per year end)



Comments

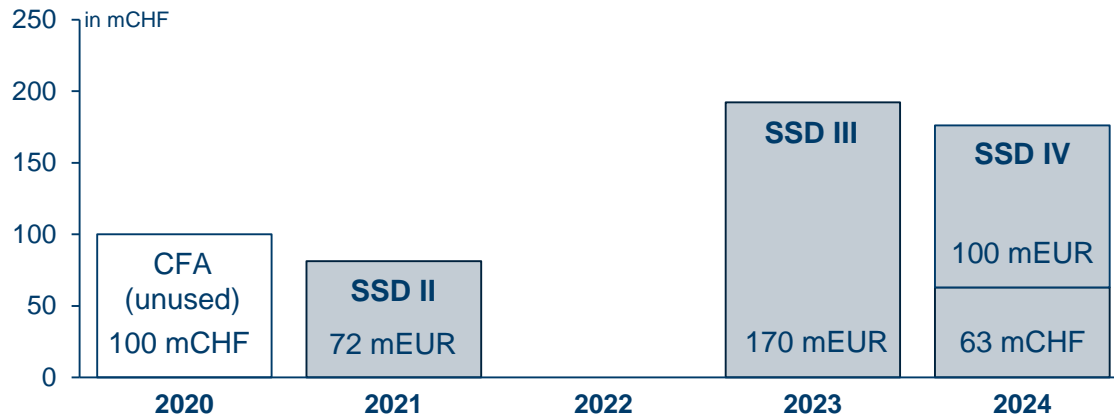
- Cash Conversion Cycle stable at around 17 days
- NWC growing with expansion
 - ~0.06 mCHF for a Retail shop
 - ~0.01 mCHF for a Food Service shop
 - ~1.00 mCHF per additional production line
- Various levers being activated in order to mitigate expansion effect
 - Goal to lower cash conversion cycle (CCC)
 - Focus on sustainable reduction, not year end optimisation
 - Bonus of management also linked to NWC

Notes:

- DSO = Days payable outstanding (per end of year)
- DIO = Days inventory outstanding (per end of year)
- DPO = Days payables outstanding (per end of year)
- CCC = Cash conversion cycle = DSO + DIO - DPO

CURRENT FINANCING STRUCTURE

Well-balanced debt maturity profile after SSD IV closing in Jan. 2019



Financing strategy

- Very favourable market conditions secured for the mid term
- No major refinancing need until 2023
- Undrawn syndicated loan (CFA) reduced from 200 to 100 mCHF to further optimise interest spent
- Financing of smaller add-on acquisitions ensured by CFA and cash on balance sheet

EUR		Maturity		CHF		Maturity	
SSD II: 72	29-04-2021	SSD III: 170	11-01-2023	CFA:100 (unused)	29-06-2020		
SSD IV: 100	11-01-2024			SSD IV: 63	11-01-2024		

SSD = Schuldscheindarlehen (Schuldschein issue)

CFA = Credit Facility Agreement

KEY POTENTIAL OUTPERFORMANCE LEVERS AND RISKS

Key risks

- Growth of factor costs above selling prices, e.g. minimal wages in Germany
- Tobacco / alcohol regulations
- Stronger reduction of smoking population
- Lottery stronger move online
- Even stronger competitive situation (e.g. higher rent, lower selling prices)

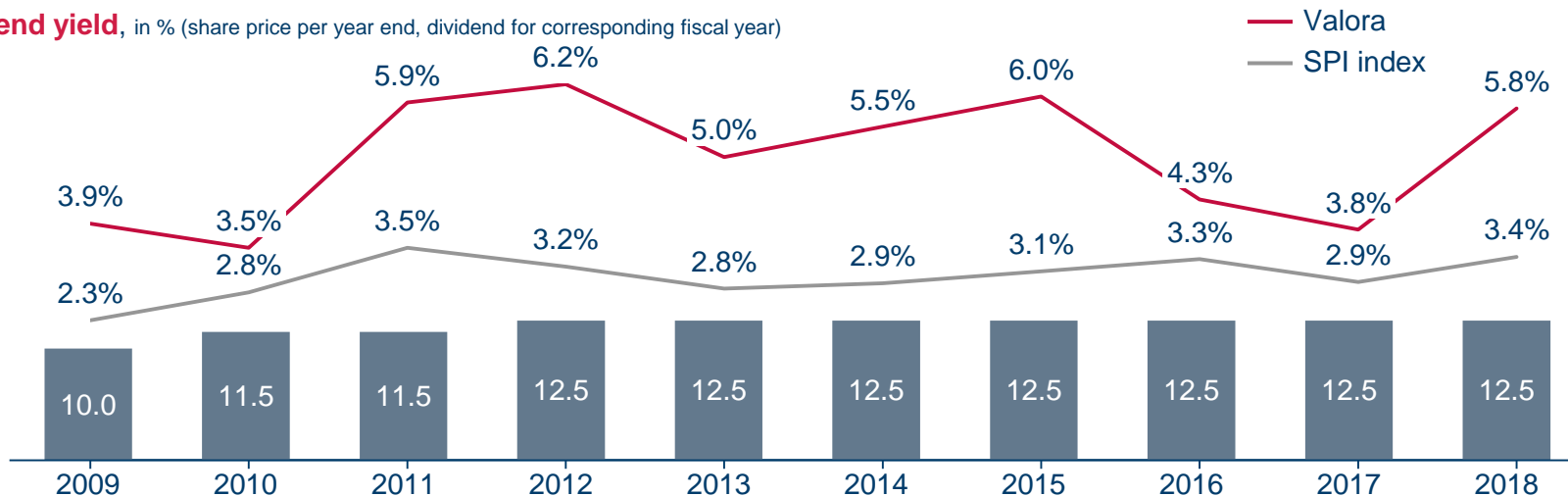
Outperformance levers

- Retail growth drivers supported by avec box & kiosk box
- Growth of bob and B2B
- Acceleration of efficiency initiatives & faster development of digital business models
- Acceleration of transformation at SBB
- Increase promotional severance
- Reduced press decline in Germany
- Smaller acquisitions
- Digital business models

ATTRACTIVE DIVIDEND POLICY

Dividend per share, in CHF

Dividend yield, in % (share price per year end, dividend for corresponding fiscal year)



Source: Bloomberg, own company data

- Constantly high dividend in the last 10 years
- Attractive dividend yield of Valora clearly above dividend yield of SPI index
- High cash conversion and FCF outlook through the current investment cycle
- Going forward: EPS clearly above dividend in all plan years; dividend not planned to be above 85% of EPS

Dividend of CHF 12.50 per share confirmed – earliest upward revision as of AGM 2022



RECAP & KEY INVESTMENT HIGHLIGHTS

KEY INVESTMENT HIGHLIGHTS

FOODVENIENCE FOCUS

Most promising retail cluster

- Positive macro trends: mobility and on-the-go shopping/snacking
- Dense network at high-frequency locations
- Preferred partner of landlords and preferred destination of customers through attractive brands, innovations & own brands

PREDICTABILITY

High reliability of planned development

- High resilience to economic cycles, low disintermediation risks (especially from e-commerce)
- Long term contracts (especially through win of SBB tender)

GROWTH

Potential in top- and bottom-line

- Core business initiatives with over proportional bottom line effect
- Various promising growth initiatives expanding core business

Attractive dividend ensured through resilience, reliability, steady growth and sound balance sheet

Q&A



Brightens up
your journey.



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