valora

Full-Year 2020 Results

24 FEBRUARY 2021

Michael Mueller, CEO

Beat Fellmann, CFO

AGENDA

valora

IMPACT OF COVID-19 CRISIS

COVID-19 CRISIS TESTED RESILIENCE

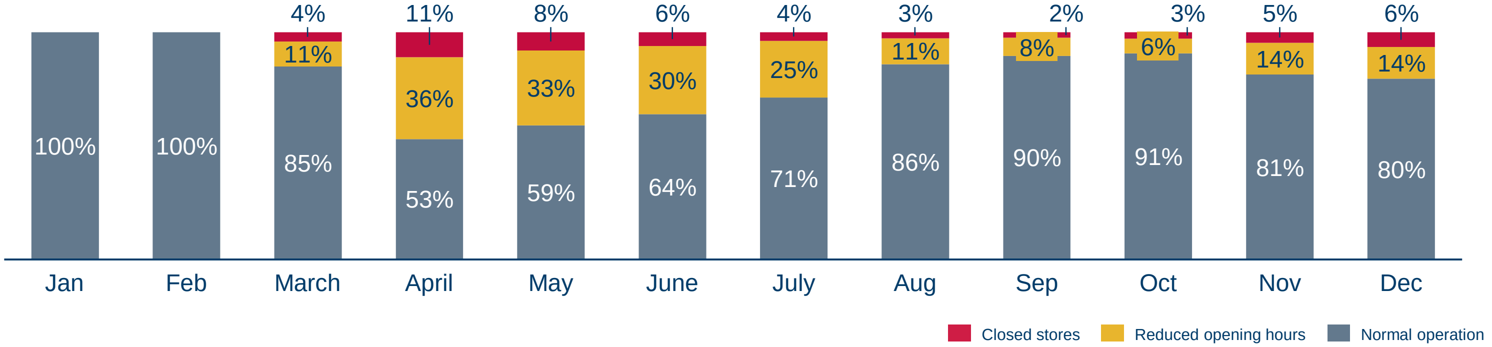
COLLAPSE OF FOOTFALL AND INCREMENTAL EFFORTS TO SECURE NETWORK

- After a strong start in January/February, from March onwards COVID-19 impacted Valora's financial performance in its core markets in the DACH region
  - Government restrictions started in March 2020 and led to a collapse in mobility including massive drop in footfall, especially at high-frequency public transportation locations where Valora is present
  - The lower footfall resulted in a sharp decline in the out-of-home consumption and impacted specifically food category/take-away sales
- Although Valora's network and partners secured uninterrupted service to its customers throughout the crisis, the company was forced to significantly reduce its opening hours or to close locations temporarily
- During the crisis, Valora supported its employees and partners financially and with health and safety measures
- With the ease of the governmental measures after the first lockdown, mobility and footfall increased particularly during the third quarter
- However, the second wave with strict governmental restrictions & lockdowns impacted the fourth quarter significantly again

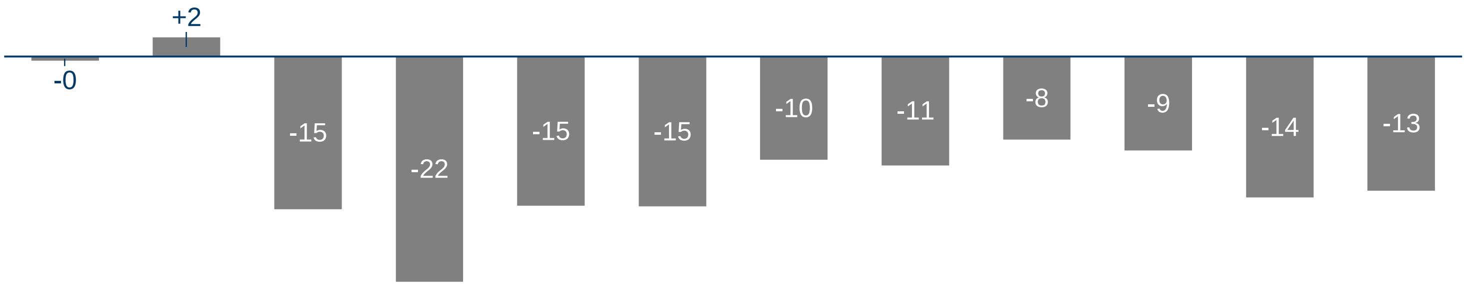
RETAIL: OPENING HOURS AND SALES

THROUGHOUT 2020 IN AVERAGE ONLY 80% OF POS WITH NORMAL OPERATION

Retail – POS (2,041 as per Dec. 2020)



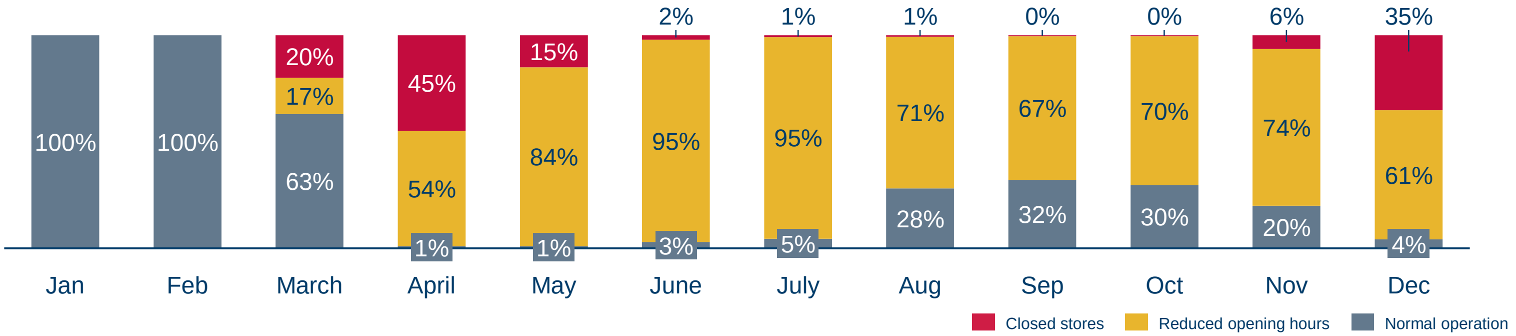
Retail – External sales in FY 2020 (in % vs. FY 2019, in Local Currency)



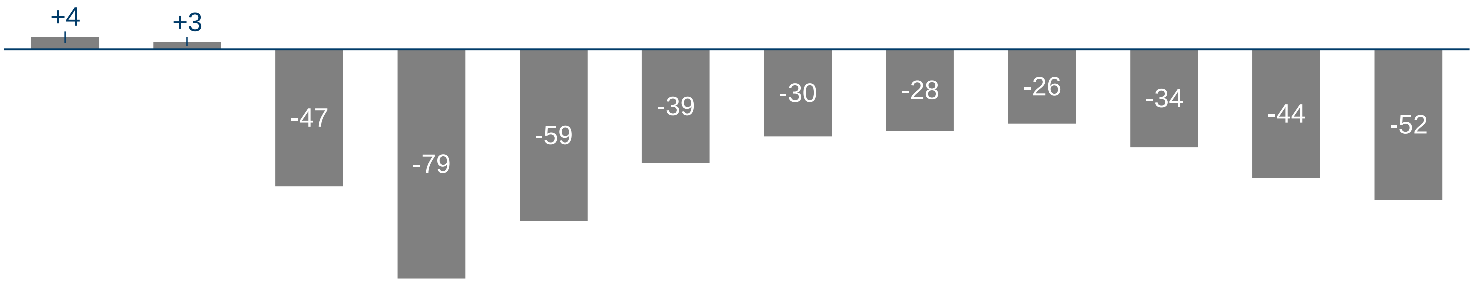
FOOD SERVICE: OPENING HOURS AND SALES

THROUGHOUT 2020 IN AVERAGE ONLY 32% OF POS WITH NORMAL OPERATION

Food Service (B2C) – POS (639 as per Dec.2020)



Food Service (B2C) – External sales in FY 2020 (in % vs. FY 2019, in Local Currency)



BUSINESS CONTINUITY & NETWORK SECURED

VALORA PROVIDED FINANCIAL SUPPORT AT OWN EXPENSE ON TOP OF GOVERNMENT AID

Effective health & safety measures implemented

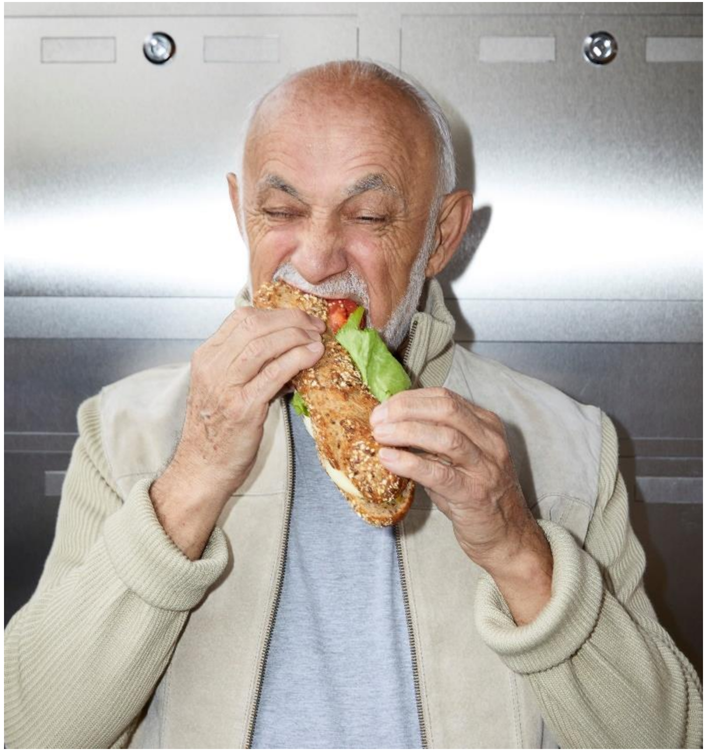
- Protecting customers and employees with health & safety measures in POS and offices
- No significant changes in sick-rate and fluctuations compared to pre-crisis years

Financial support to secure business operations & network

- Use of governments' financial support for short-time working
- Top-up of governmental short-time working compensation at Valora's expense:
  - March & April to 100%
  - May & June to 90%
  - Thereafter to 80% in all countries
- Valora provided financial support to franchise and agency partners to bridge liquidity shortages
- Franchise and agency partner fluctuation only slightly above pre-crisis years

RENT CONCESSIONS

GRANTED CONCESSIONS OF ~11% DO NOT NEARLY COMPENSATE FOR IMPACT ON PROFITABILITY OF NEGATIVE SALES DEVELOPMENT



- High level of minimum rent (depending on format and country) resulted in a disproportioned risk allocation at the expense of Valora
- Despite prolonged unprecedented deterioration of footfall and sales, landlords reduced rent expenses by only -11% across Group, compared to contractual rents for 2020, mostly exclusively related to lockdown periods and disproportional to footfall performance
- Valora experienced significant differences in the level of rent concession and solidarity of landlords
- ~2/3 of rental expenses are owed to top 10 landlords with significant differences in footfall performance between public transportation and shopping centers
- Discussion on rent concessions and legal obligations are ongoing, however focus shifted towards the impact of the second pandemic wave in recent weeks

FULL-YEAR 2020 RESULTS

FINANCIAL REVIEW 2020

valora

- All divisions with a strong start into the year until end of February 2020
- Positive EBIT of 14.1 mCHF at upper end of guidance, despite sales deterioration throughout the year and drastic governmental restrictions during spring and towards the end of the year
- Strong free cash flow of 38.1 mCHF thanks to solid EBITDA (83.4 mCHF), consistent and sustainable management of net working capital and focused investment decisions
- Retail business realised 1.9% EBIT margin despite externals sales decline of -12.5% supported by resilience of classical categories (tobacco and press) and resilient promotional income
- Food Service generated EBITDA margin of 7.6%, showing a solid level of profitability before D&A – however unit far more severe impacted by collapse in out-of-home food consumption
- Significant cost measures implemented across the Group resulting in the mitigation of 55.5% of gross profit decline
- Financial stability and flexibility secured through renewed and increased syndicated loan in April 2020 and share capital increase in November 2020
- Management strengthened and benefited from strong collaboration across all units – as of 1 July 2020, Beat Fellmann joined Valora as new CFO; as of June three new board members joined the board

KEY FIGURES 2020

EBIT AT UPPER END OF GUIDANCE AND STRONG CASH GENERATION

FY 2020 figures vs. FY 2019 figures

GROUP*

External Sales	2,233 mCHF	-16.7%
GP Margin	43.8%	-1.4%pt
EBITDA**	83.4 mCHF	-74.0 mCHF
EBIT	14.1 mCHF	-77.4 mCHF
Free Cash Flow	38.1 mCHF	-38.0 mCHF
Leverage Ratio	2.5x	+0.5 vs. FY 2019

RETAIL

External Sales	1,846 mCHF	-12.5%
EBITDA**	66.3 mCHF	-25.1 mCHF
EBIT	27.6 mCHF	-26.5 mCHF

FOOD SERVICE

External Sales	375 mCHF	-33.2%
EBITDA**	18.7 mCHF	-50.4 mCHF
EBIT	-8.5 mCHF	-51.6 mCHF

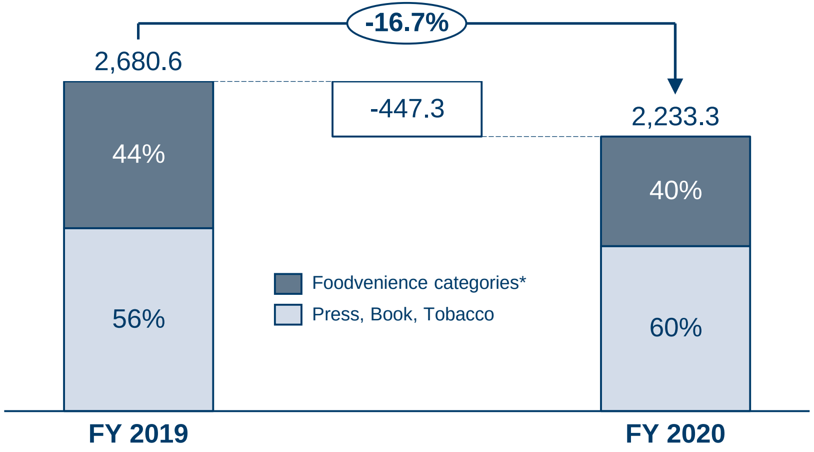
* Including other for Corporate

** EBITDA is EBIT plus amortization of intangibles assets and the depreciation of PPE. EBITDA is not considering depreciation on right-of-use assets arising from lease agreements (IFRS 16 effect).

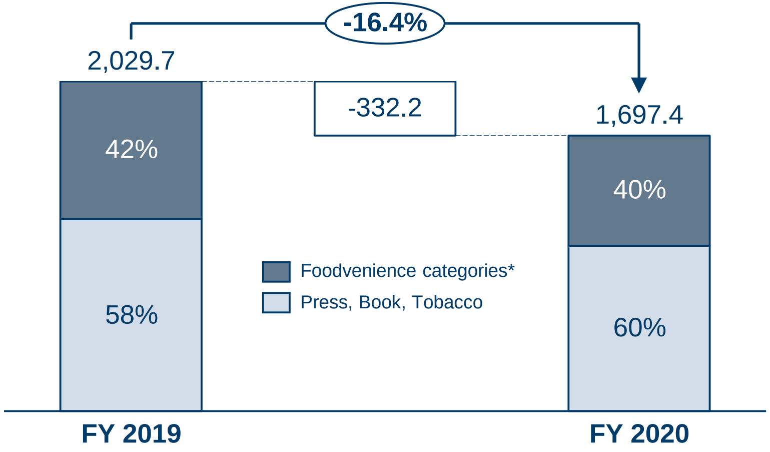
EXTERNAL SALES / NET REVENUE

SIGNIFICANTLY IMPACTED BY MASSIVE DROP IN 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

- Share of foodvenience category in external sales dropped by -4.6%pt compared to -2.2%pt in net revenues, as franchise operated stores in Food Service suffered especially from the food sales decline
- External sales in the food category for the Valora Group decreased by -27.9% in local currency vs. FY 2019 and has been more severely impacted than classical categories (Press, Book, Tobacco; -8.1% in LC)

SALES DEVELOPMENT BY POS CLUSTER

~50% OF PRE-CRISIS SALES IN TRANSPORTATION HUBS HAVE BEEN MOST SEVERLY IMPACTED

		Transportation hubs (incl. airports)	City centres	Shopping malls	Other (Agglomeration, gas stations, etc.)
RETAIL	External sales development 2020 vs. 2019 (H1 vs. H2)	-20% (H1) -20% (H2)	-16% (H1) -13% (H2)	-0% (H1) +8% (H2)	-7% (H1) -2% (H2)
	Sales share FY 2019:	~50%	~10%	~30%	~10%
FOOD SERVICE (B2C)	External sales development 2020 vs. 2019 (H1 vs. H2)	-38% (H1) -40% (H2)	-35% (H1) -32% (H2)	-35% (H1) -33% (H2)	+11% (H1) -5% (H2)
	Sales share FY 2019:	~50%	~40%	~10%	<1%

- Collapse in mobility and massive drops in footfall following COVID-19 outbreak with negative impact throughout the year
- First half-year (H1) and second half-year (H2) with same decline in sales as both periods were hit by low frequencies and lockdown regulations
- Overall, Retail formats were less affected by the sales decline than the Food Service B2C formats
  - Retail benefiting from broad product offering and footprint in shopping malls and gas stations less impacted by collapse in footfall
  - Food Service with full impact of collapse in out-of-home food consumption mostly in transportation hubs and city centres

NET REVENUE

RETAIL HOLDING UP STRONGER THAN FOOD SERVICE

Division | Country in mCHF	FY 2019	FY 2020	Δ in %	Δ % in LC
Retail	**1’669.1**	**1’440.0**	**-13.7%**	**-12.7%**
CH	1’160.9	1’066.6	-8.1%	-8.1%
DE/LU/AT	508.2	373.5	-26.5%	-23.6%
Food Service	**353.2**	**245.7**	**-30.4%**	**-28.5%**
Other	7.4	11.8	+59.4%	59.4%
Valora Group	**2’029.7**	**1’697.4**	**-16.4%**	**-15.2%**

LC = Local Currency

Same-store index (B2C)* in %	FY 2020	Δ Same-store
Retail	**95.4**	**-4.6%**
CH	95.5	-4.5%
DE/LU/AT	95.3	-4.7%
Food Service	**65.3**	**-34.7%**
Other	n/a	n/a
Valora Group	**91.5**	**-8.5%**

* Based on external sales, excluding closed POS

Retail

- Due to the conversion of franchise into agency stores, the decline in net revenue in Retail CH (-8.1%) was less pronounced than in Retail DE/LU/AT (-23.6% in LC)
- Comparing the two units on external sales level, both units recorded a similar decline with Retail CH of -11.1% and Retail DE/LU/AT with -11.2% in LC

Food Service

- Only marginal differences in POS sales performance between geographies; Food Service CH and Food Service DE (B2C) net revenue dropped by -36.2% and -38.3% in LC respectively
- B2B slightly less impacted despite strong foodvenience exposure and with strong growth in the US; overall net revenue dropped by -17.4% in LC, whereby Ditsch USA recorded net revenue growth of +26.5% in LC

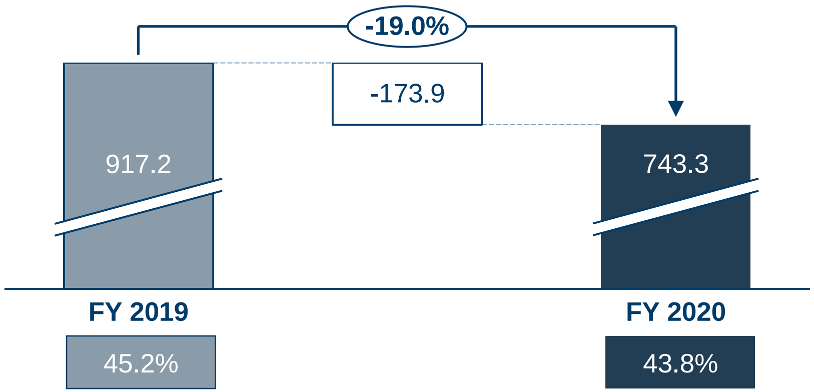
Other

- Net revenue increased thanks to strong performance of bob Finance

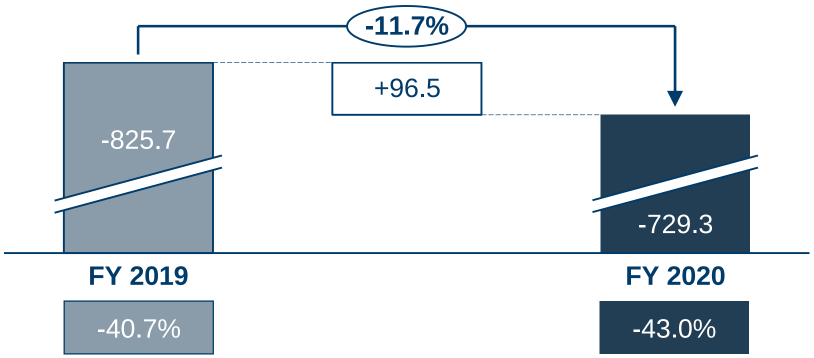
GROSS PROFIT VS. OPERATING COSTS

55.5% OF GROSS PROFIT DECREASE MITIGATED BY COST REDUCTIONS

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



Net operating costs – Valora Group
in mCHF; Cost ratio in %



- Gross profit margin down by -1.4%pt to 43.8%, particularly due to lower share of high-margin food sales but supported by resilient promotional income in Retail division

- Mitigating 55.5% of gross profit decrease by cost reductions
- Cost reductions of +96.5 mCHF related to:

  + 52 mCHF reduced personnel costs (-12% vs. 2019)
  >> POS closure & reduced opening hours, lower agency costs, capacity management in support functions, gov. support for short-time working

  + 24 mCHF lower rent (-13% vs. 2019)
  >> incl. 23 mCHF rent concessions

  + 20 mCHF other operating expenses (-9% vs. 2019)
  >> Reduced shipping and admin cost, etc.

GROSS PROFIT

GROSS PROFIT MARGIN IN RETAIL IMPROVED BY +0.4%PT DESPITE COVID-19 CRISIS

Division | Country in mCHF	FY 2019	FY 2020	Δ in %	Δ % in LC	Gross Profit Margin	Δ GP Margin
Retail	**631.7**	**550.8**	**-12.8%**	**-11.9%**	**38.2%**	**+0.4%pt**
CH	460.7	423.7	-8.0%	-8.0%	39.7%	+0.0%pt
DE/LU/AT	171.0	127.1	-25.7%	-22.7%	34.0%	+0.4%pt
Food Service	**278.1**	**184.1**	**-33.8%**	**-32.0%**	**74.9%**	**-3.8%pt**
Other	7.4	8.5	+15.4%	+15.4%	72.3%	n.a.
Valora Group	**917.2**	**743.3**	**-19.0%**	**-17.7%**	**43.8%**	**-1.4%pt**

LC = Local Currency

Retail

- Gross profit of Retail CH declined in line with net revenue (-8.0%), resulting in a stable GP margin of 39.7%, supported by resilient promotional income and higher share of lottery revenues
- Gross profit margin in Retail DE/LU/A increased by +0.4%pt to 34.0% mainly thanks to the temporarily reduced VAT rates in Germany

Food Service

- Gross profit margin decreased by -3.8%pt to 74.9% driven by portfolio and product mix effects as well as increased write-offs on fresh food
- Compared to Retail, the Food Service division was more impacted by the higher share of decreased food sales

Other

- Gross profit at 8.5 mCHF (+15.4%) thanks to higher income from bob Finance

NET OPERATING COSTS (INCL. D&A)

COMPREHENSIVE COST MEASURES RESULTING IN COST REDUCTION OF CHF 96.5 MILLION

Division | Country in mCHF	FY 2019	FY 2020	Δ in %	Δ % in LC	Cost Ratio*	Δ Cost Ratio
Retail	**-577.6**	**-523.2**	**-9.4%**	**-8.6%**	**-36.3%**	**-1.7%pt**
CH	-425.0	-406.6	-4.3%	-4.3%	-38.1%	-1.5%pt
DE/LU/AT	-152.6	-116.5	-23.6%	-20.8%	-31.2%	-1.2%pt
Food Service	**-235.0**	**-192.6**	**-18.1%**	**-15.9%**	**-78.4%**	**-11.8%pt**
Corporate / Other	-13.1	-13.5	+3.6%	+5.8%	n.a.	n.a.
Valora Group	**-825.7**	**-729.3**	**-11.7%**	**-10.4%**	**-43.0%**	**-2.3%pt**

* Cost Ratio defined as Net Operating Costs (incl. D&A) in % of Net Revenue

LC = Local Currency

Retail

- Retail CH with lower operating costs of -4.3%; cost ratio below previous year by -1.5%pt, as lower variable expenses and COVID-19 crisis related cost measures (incl. rent concessions) are partially offset by higher amortisation of right-of-use assets after the SBB tender
- Retail DE/LU/AT with cost reductions of -20.8% in LC resulting from decreased personnel expenses and rent reductions (volume driven and rent concessions); cost ratio -1.2%pt below previous year
- Overall, Retail division compensates 67.3% of GP decline

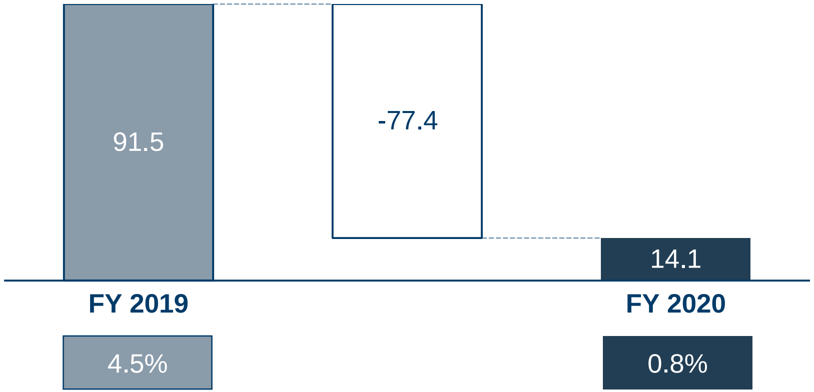
Food Service

- High fix operating cost base (mainly from depreciation on production capacity investments in B2B and amortisation of intangible assets from acquisitions) and temporary support provided to individual partners in B2C offset part of the realised cost savings, resulting in a decreased cost level of -15.9% in LC and a cost ratio of -11.8%pt below previous year
- In view of the much stronger sales and GP deterioration compared to the Retail division, the Food Service division compensates 45.1% of the GP decline

EBIT

POSITIVE EBIT OF CHF 14.1 MILLION AT UPPER END OF GUIDANCE

EBIT – Valora Group
in mCHF; EBIT margin in %



- EBITDA of 83.4 mCHF (-74.0 mCHF) and EBITDA margin of 4.9% (-2.8%pt), with all business units realising positive EBITDA contribution

EBIT

DIFFERENCES IN SALES DECLINE BETWEEN DIVISIONS REFLECTED IN EBIT CONTRIBUTION

Division | Country in mCHF	FY 2019	FY 2020	Δ in %	Δ % in LC	EBIT Margin	Δ EBIT Margin
Retail	**54.1**	**27.6**	**-48.9%**	**-47.9%**	**1.9%**	**-1.3%pt**
CH	35.7	17.1	-52.2%	-52.2%	1.6%	-1.5%pt
DE/LU/AT	18.4	10.6	-42.6%	-39.2%	2.8%	-0.8%pt
Food Service	**43.1**	**-8.5**	n.a.	n.a.	**-3.5%**	n.a.
Corporate / Other	-5.7	-5.0	n.a.	n.a.	n.a.	n.a.
Valora Group	**91.5**	**14.1**	**-84.6%**	**-84.3%**	**0.8%**	**-3.7%pt**

LC = Local Currency

Retail

- Solid 1.9% EBIT margin supported by comprehensive cost measures and resilience of promotional income, despite COVID-19 crisis related net revenue deterioration of -13.7%
- EBITDA margin of 4.6% decreased by -0.9%pt vs. EBIT margin decrease (-1.3%pt) as higher D&A partially offset cost measures in the division

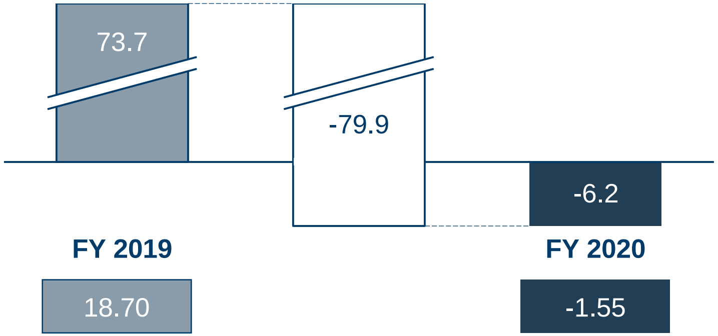
Food Service

- While EBITDA margin of 7.6% is higher compared to Retail division, more significant net revenue deterioration of -30.4% and a higher share of fixed costs related to operations and D&A of B2B business results in a negative EBIT of -8.5 mCHF

NET PROFIT / EPS

NEGATIVE GROUP NET PROFIT AT CHF -6.2 MILLION

Group net profit in mCHF
EPS in CHF



Net Profit / EPS in mCHF		FY 2019	FY 2020	Δ in %
EBIT		**91.5**	**14.1**	**-84.6%**
Financing activities, net		-21.3	-24.3	+14.3%
Earnings before taxes		**70.2**	**-10.3**	**n.a.**
Income taxes		3.4	4.1	+18.8%
Group net profit		**73.7**	**-6.2**	**n.a.**
EPS Group	in CHF	**18.70**	**-1.55**	**n.a.**
Average number of outstanding sh in # (thousand)		3'940	3'993	+1.3%

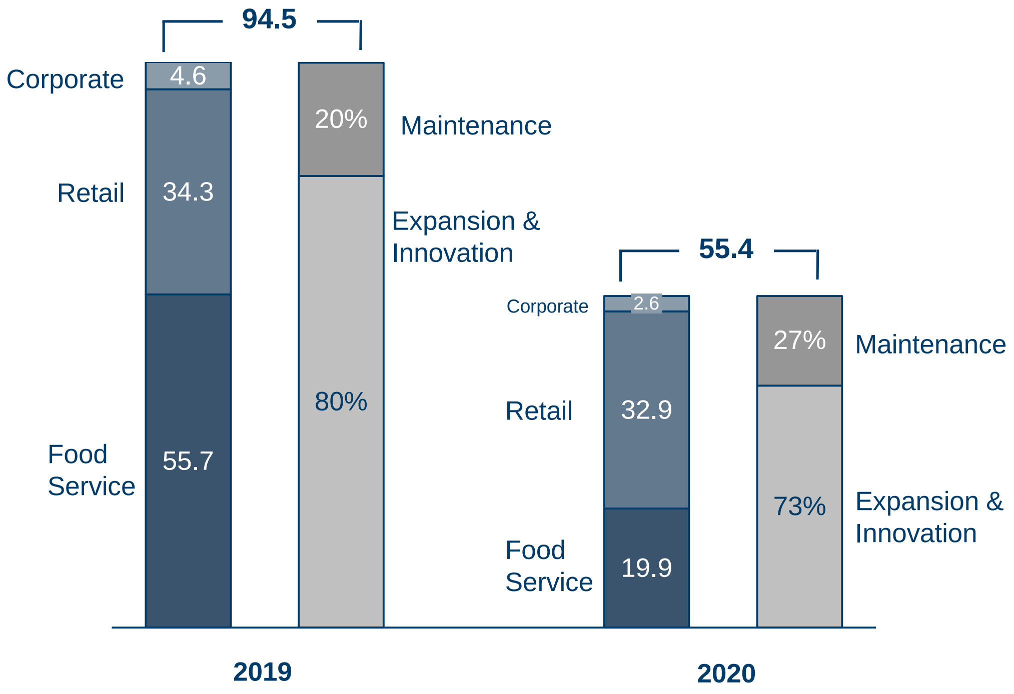
Group net profit

- Net financing activities higher (-3.0 mCHF), resulting from:
  - IFRS 16 effect of -5.1 mCHF mainly due to the higher lease liabilities resulting from the extension of the SBB rental agreements
  - Net interest expense excl. IFRS 16 effect +0.7 mCHF, thanks to better financing conditions of new SSD IV and CFA
  - Positive FX rate impact (+1.2 mCHF)
- Tax income in 2020 is based on no longer needed tax provisions and capitalisation of tax losses

CAPEX

INVESTMENTS ONLY ~40% BELOW PRE-CRISIS 2019

Capex – Valora Group
in mCHF

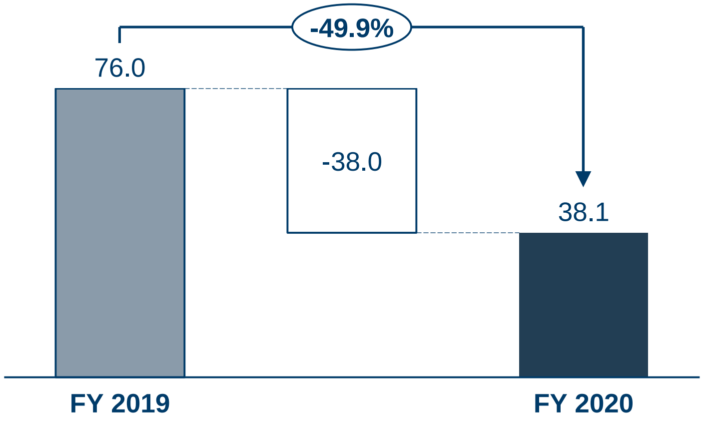


- Capex 55.4 mCHF, in maintenance 15 mCHF (-4 mCHF vs. 2019) and in expansion & innovation 40 mCHF (-35 mCHF vs. 2019), thereof:
  - Completion of B2B capacity expansion (~12 mCHF)
  - SBB refurbishment (~13 mCHF, # 55 POS)
- Capex in 2021 expected to be around 60 mCHF, with a significant share allocated to further SBB roll-out

FREE CASH FLOW

SUSTAINABLE AND CONSISTENT NWC MANAGEMENT AND FOCUSED INVESTMENT APPROACH SUPPORT FCF

Free cash flow
in mCHF



Free Cash Flow in mCHF	FY 2019	FY 2020	Δ in %
EBIT	**91.5**	**14.1**	**-84.6%**
D&A (excluding depreciation of right-of-use asset)	66.0	69.4	+5.2%
Depreciation of RoU - IFRS 16 effect	141.2	156.2	+10.7%
Payments rents / leasing (net) - IFRS 16 effect	-128.2	-143.7	+12.2%
Interest - IFRS 16 effect	-13.4	-18.5	+38.0%
Elimination of other non-cash items	1.7	2.6	+47.5%
NWC and current assets & liabilities	12.7	26.0	+104.5%
Interest, tax expense (net)	-9.4	-8.5	-9.7%
CF from operating activities	**162.1**	**97.5**	**-39.8%**
CF from investing activities (net)	**-86.1**	**-59.5**	**-30.9%**
Free Cash Flow (before M&A)	**76.0**	**38.1**	**-49.9%**

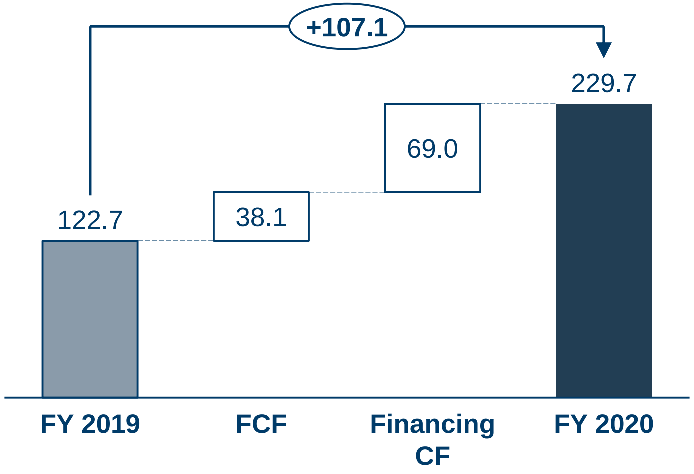
Free Cash Flow

- Cash flow from operating activities at 97.5 mCHF (-39.8%) supported by sustainable and consistent NWC management
- Cash flow from investing activities at -59.5 mCHF (+26.6 mCHF) based on focused approach to investment decisions
- Strong free cash flow of 38.1 mCHF resulting in cash generation ratio of 45.6% EBITDA (2019: 48.3%) comparable to pre-crisis level

LIQUIDITY

STRENGTHENED LIQUIDITY BY WAIVED DIVIDEND AND CAPITAL INCREASE

Cash & cash equivalents
in mCHF



- Cash & cash equivalents increased by +107 mCHF driven by positive Free Cash Flow of 38 mCHF and share placement (69 mCHF)
- Share capital increase strengthens balance sheet
  - Increased financial flexibility and protection against planning uncertainty in persistently dynamic environment
  - Flexibility for investments along strategic priorities including active role in market consolidation
  - In view of upcoming maturity of 72 mEUR bonded loan in April 2021
- Valora shareholders contributed ~113 mCHF along two measures
  - ~50 mCHF via suspended dividend
  - ~63 mCHF via capital increase (in November 2020)*

* Additional ~6 mCHF proceeds by placing 40,000 treasury shares

BALANCE SHEET

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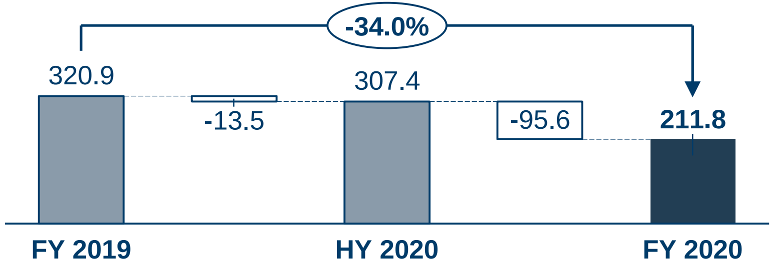
NET DEBT SIGNIFICANTLY BELOW PRE COVID-19 CRISIS FY 2019

Net debt
in mCHF



Leverage Ratio

FY 2019	HY 2020	FY 2020
2.0x	2.7x*	2.5x

* restated

Balance Sheet in mCHF	FY 2019	FY 2020	Δ in %
Total assets	**2'392.8**	**2'445.9**	**+2.2%**
thereof right-of-use asset & sublease net investment	*1'031.5*	*999.3*	*-3.1%*
Cash, cash equivalents	122.7	229.7	+87.3%
Goodwill and intangible assets	657.2	643.6	-2.1%
Other assets (incl. right-of-use asset & sublease net investment)	1'613.0	1'572.5	-2.5%
Interest bearing debt	443.5	441.5	-0.5%
Other debt	1'323.2	1'319.3	-0.3%
Shareholders' equity	626.1	685.0	+9.4%
Equity ratio	**46.0%**	**47.3%**	**+1.4%pt**
Equity ratio incl. lease liability	26.2%	28.0%	+1.8%pt
EBITDA	**157.4**	**83.4**	**-47.0%**
Net debt	**320.9**	**211.8**	-34.0%
Net debt incl. lease liability	1'369.1	1'239.5	-9.5%
Leverage ratio	**2.0x**	**2.5x**	**0.5x**
Leverage ratio incl. lease liability	4.6x	5.2x	+0.6x
ROCE	**8.4%**	**1.3%**	**-7.0%pt**

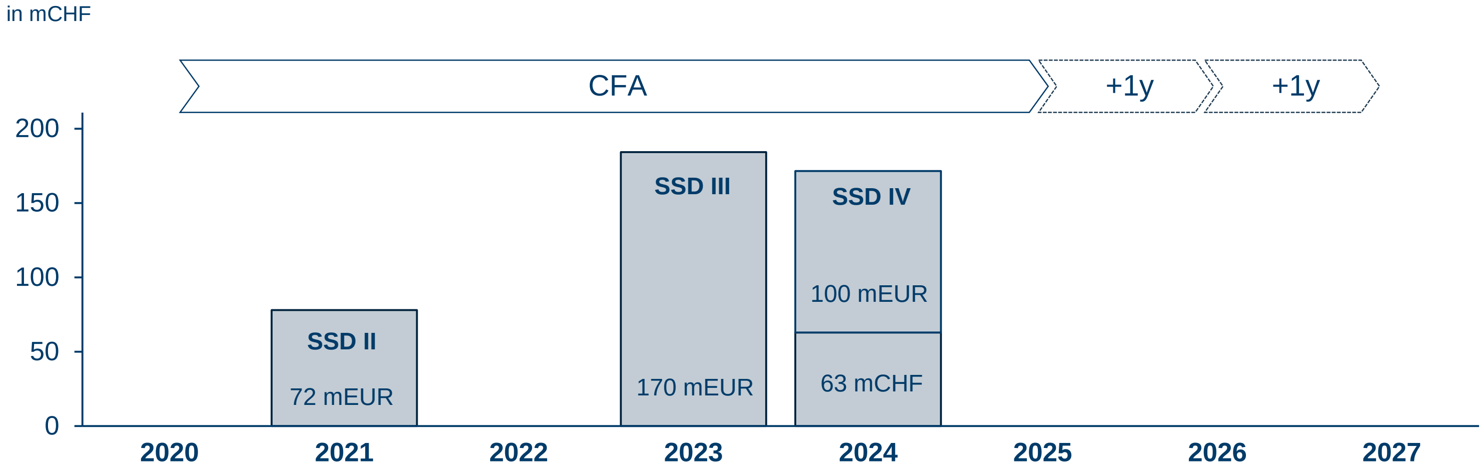
Please refer to appendix for more details on alternative performance measures

Balance Sheet

- Net debt of 211.8 mCHF significantly below last year's level (320.9 mCHF), driven by the proceeds of the share capital placement (69 mCHF), the Group's free cash flow and also supported by the suspension of the dividend for the 2019 financial year
- Strong equity ratio (before lease liabilities) at 47.3 % (+1.4%pt)
- Leverage ratio (net debt / EBITDA) decreases by -0.2x to 2.5x vs. HY 2020
- Group ROCE at 1.3% including goodwill and at 2.7% without goodwill (Retail at 16.9% w/o Goodwill, FS with negative EBIT)

FAVOURABLE MATURITY PROFILE

CFA RENEWED FROM CHF 50 MILLION TO CHF 150 MILLION IN Q2 2020 – UNUSED PER YEAR-END 2020



Note: FX rate for chart (31/12/2020): 1 EUR = 1.084 CHF

SSD = Schuldscheindarlehen (Bonded Loan)

CFA = Credit Facility Agreement

Multi Currency Revolving Credit Facility (CFA)

- Renewed CFA from 50 mCHF to 150 mCHF in April 2020 with attractive conditions, a five-year term and two extension options of one year each
- Additional and prolonged COVID-19 related headroom for leverage ratio covenant up and including HY 2022

FINANCIAL OUTLOOK

FOCUS ON FOODVENIENCE UNCHANGED

SUPPORTING MACROTRENDS FOR OUR FOODVENIENCE STRATEGY UNCHANGED

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

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

Digitalisation
will be even more important for a new and comprehensive customer engagement & loyalty and process efficiency

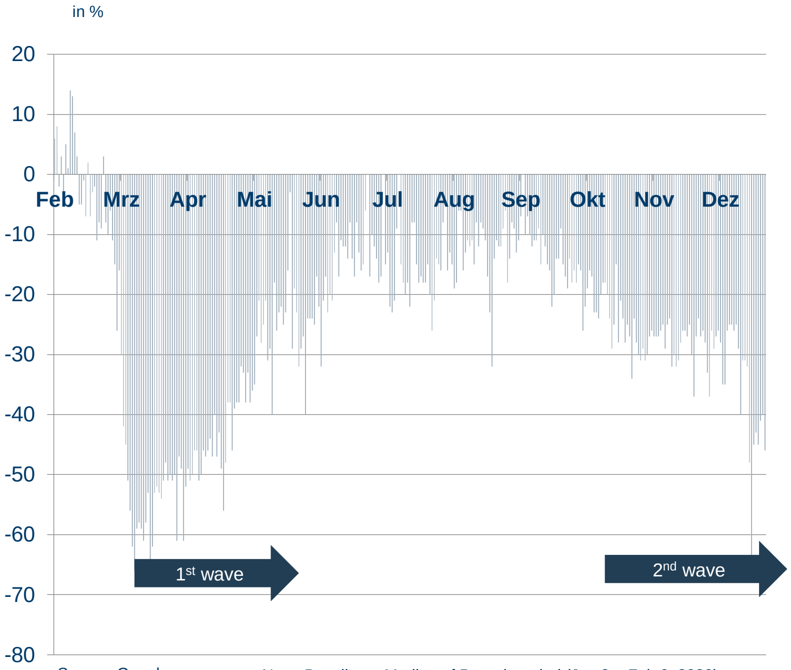
FOODVENIENCE

EXPECTED DURATION OF COVID-19 IMPACT

valora

EASING OF WORK AND MOBILITY RESTRICTIONS EXPECTED TO DRIVE RECOVERY IN FOODVENIENCE

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



Source: Google

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

Expected duration impact

short/medium-term

Mobility / public transportation

- Mobility is expected to increase again as soon as epidemiological situation eases as seen after the first lockdown

Safety and protective measures

- Negative impact of restrictions related to social distancing/capacity, selected categories & POS opening hours

Working from home development

- Short-term impact as long as regulatory restrictions continue

medium/long-term

- In the medium term, working from home expected to have only a limited impact on mobility, as we expect that office time remains relevant and >50%* of workforce cannot work from home. In addition, a growing population and increasing importance of agglomeration are compensating effects

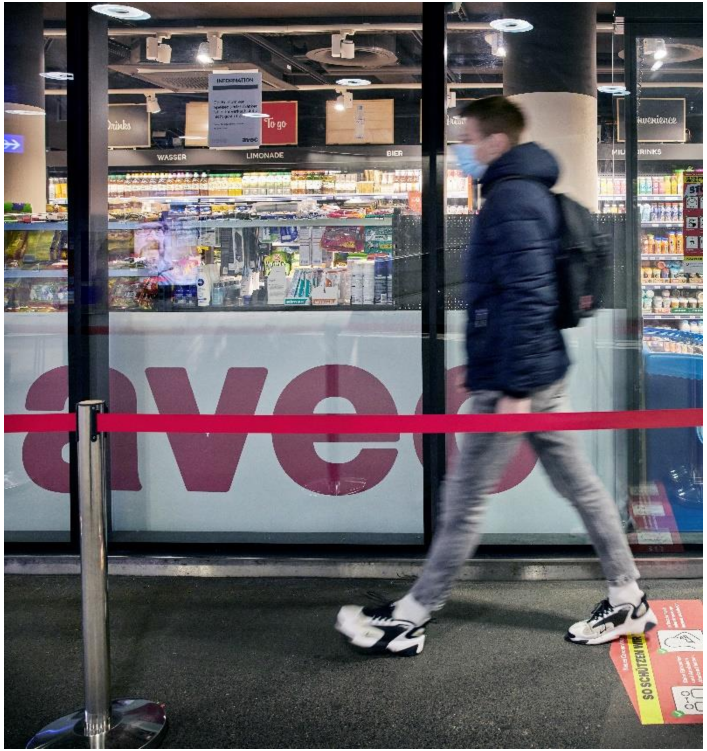
Economic environment

- Potential uncertainty from economic development / unemployment may affect consumption and consumer price development
- Potential upside from market consolidation and expected demand driven favourable developments of rent conditions

* According to a study of Morgan Stanley / Handelsblatt, 2020

EXPECTED DEVELOPMENT IN 2021

HIGHEST UNCERTAINTY REGARDING THE END OF THE CORONA PANDEMIC – HOW AND WHEN?



- Tough start into 2021
- Step by step ease of restrictions – process will take longer than anticipated with a material recovery of footfall not before June 21
- Easing of restrictions is going to stimulate mobility and out-of-home consumption comparable to development between waves in 2020
- Food category sales expected to recover significantly above average with an especially strong positive impact on sales and gross margin in foodvenience
- H1 result will be heavily impacted but H2 should be substantially better than H2 2020
- Full recovery of monthly profitability expected to be reached by end of H2
- Tight cost management is maintained, benefiting from experience and measures already implemented in 2020
- Refurbishment of SBB locations shall continue as fast as meaningful and expansion of digital competence and solutions shall not be jeopardised

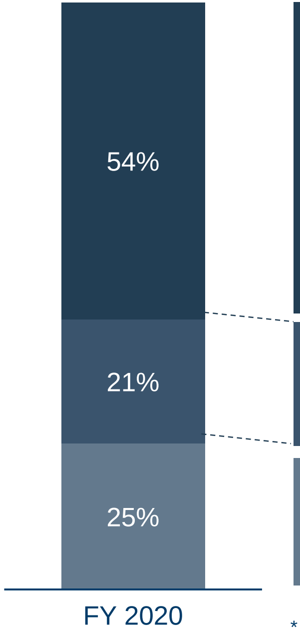
Turnaround will occur in 2021 – as of today, timing not credibly predictable – better view to be presented at H1 press conference

OPERATIONAL HIGHLIGHTS 2020

CHF 96.5 MILLION COST REDUCTION REALISED IN 2020

COMPREHENSIVE COST-CUTTING MEASURES REQUIRED EXTRA EFFORT AND DISCIPLINE

Cost reduction
(11.7% of costs, 96.5 mCHF)



Key cost measures

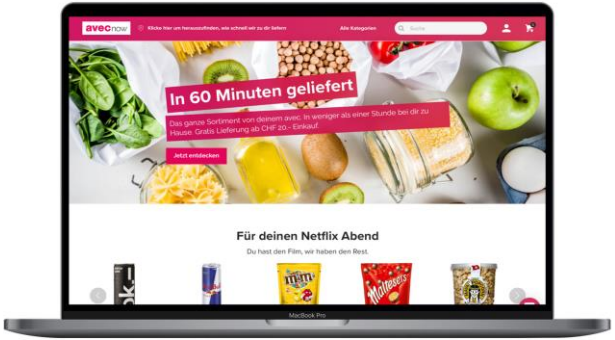
Personnel (incl. agency & franchise)	▪ Short-time working for Valora employees in: – POS (closed or reduced opening hours) – Administration / overhead functions – Production & logistics ▪ Lower agency fees (reflecting lower sales) ▪ Temporary partner support to ensure economic viability ▪ Thanks to short-time working and hiring freeze only limited lay-offs have been necessary
Other operating expenses*	▪ Variable operating expenses (e.g. logistics) ▪ Reduced administration costs (e.g. marketing and central functions)
Rent**	▪ Lower variable rent compensates for higher rent after SBB tender ▪ Rent concessions mainly for lockdown phase

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

** Including sublease, rent concessions and amortisation of the right-of-use asset related to rental costs

RETAIL HIGHLIGHTS IN 2020

ROLL-OUT OF 60 NEW GENERATION K KIOSK AND AVEC AT SBB AND GAS STATIONS



Retail CH

- 55 new k kiosk and avec stores refurbished at SBB locations and 5 at gas stations outperformed existing stores on all metrics and received very positive customer feedback
- Launch of online delivery service «avec now»
- Improvement of avec self-scanning technology and k kiosk loyalty app
- Introduction of additional fresh vegetarian and vegan products
- Food waste prevention with forecast analytics and with sale on the following day «2nd chance»

Retail DE/LU/AT

- Successful implementation of new ERP system
- First k kiosk at gas station – further expansion at gas stations planned
- Roll-out of food gondolas, thus strengthening food competence

FOOD SERVICE HIGHLIGHTS IN 2020

STRENGTHENING BRAND CONCEPTS AND ENLARGING PRODUCT RANGE

B2C – Food Service Formats

- Proof of concept «BackWerk Next Level» with new assortment (fresher & healthier)
- Accelerated product/concept development through strengthening product management competence in DE
- Introduction of centralised uniform logistics in DE for BackWerk and Ditsch format
- Strong network and active support of franchise & agency partners ensured robustness with almost no partner insolvencies
- Roll-out delivery (eat.ch & smood.ch) in all CH formats
- Successful launch of vegan products

B2B – Production

- Capacity expansion in DE (2 new lines) and US (1 new line) successfully completed
- Developing new product offerings, increased engagement with food service channels less affected by restrictions (i.e. neighbourhood bakery stores), new routes to market (e.g. e-commerce partners) and innovation using new line / equipment opportunities
- Strong development of the US business (+26.5% sales growth in LC)

KEY STRATEGIC PRIORITIES 2021 ONWARDS

KEY STRATEGIC PRIORITIES FOR RETAIL 2021

EXPAND FOOD WITHIN RETAIL AND EXPANSION OF CONVENIENCE NETWORK

- Continue SBB refurbished POS roll-out
  - SBB refurbishment has been delayed during lockdown but will be continued in 2021
  - Full refurbishment expected to be completed by the end of 2022
  - Recently refurbished POS confirm expectations with above average performance even during COVID-19 crisis
- Continue expansion of avec at gas stations in CH and with k kiosk in DE
- Enlarged assortment with higher quality & bundling of food products (cross-selling & up-selling)
- Supply chain streamlining in Switzerland with new supply chain platform as of 1.1.2022
- Roll-out of new promotional tools (e.g. side panels, digital signage)
- Continuous evaluation and expansion of assortment modules in food (e.g. more cooling surfaces for beverages)

KEY STRATEGIC PRIORITIES FOR FOOD SERVICE 2021

LEVERAGE CAPACITY EXPANSION WITH INNOVATIVE PRODUCTS AND NEW CUSTOMERS

B2C

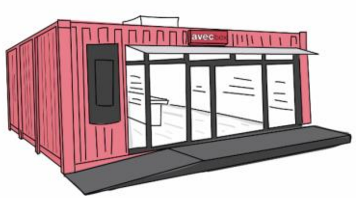
- Pushing ahead digital footprint with the launch of the Brezelkönig loyalty app
- Roll-out of new «BackWerk Next Level» concept
- Active participation in market consolidation

B2B

- Continue strong growth in US with the acquisition of new customers and the expansion of existing customers
- Leverage new B2B pretzel capacities in DE & US with clear focus on product innovation and establishing new routes to markets

KEY STRATEGIC PRIORITIES FOR DIGITAL INNOVATIONS

CURRENTLY > 30 ENGINEERS WORKING ON THE MAIN 4 PILLARS TO DIGITALLY TRANSFORM VALORA



AUTONOMOUS STORES

Bring the store to the customer.

Self-Checkout: Improvement of self-checkout technology and autonomous store platform

- With avec box, avec 24/7 hybrid model and avec shelf, Valora has a portfolio of autonomous store formats for every location and traffic level
  - avec box: Pilot at ETH Zürich Hönggerberg extended, new pilot in Arlesheim/BL
  - 24/7 hybrid model: Allowing autonomous shopping on Sundays (and soon also during the night); pilot store at Zurich Hardplatz
  - Avec shelf: Office setting; pilot at ETH Zürich Hönggerberg

ECOMMERCE & DELIVERY

Bring the product to the customer.

Delivery: First mover in highly competitive segment of convenience delivery within 1 hour

- Launch of avec now in April 2020 with successful relaunch in December 2020
- High growth and great market potential in segment of top-ups & cravings

LOYALTY & PAYMENTS

Know the customer to make data driven decisions.

Loyalty: Further development and roll-out of Group-wide loyalty platform

- Imminent launch of Brezelkönig app
- Personalised offers in the form of individual coupons and stamp cards or the opportunity to preorder your coffee when on the move

PROCESS IMPROVEMENT

Reduce costs and errors to stay competitive.

Forecast analytics: In-house developed cockpit to manage write-offs especially for fresh food

SUSTAINABILITY MEASURES GAINING TRACTION

THE FUTURE DOESN'T WAIT

PEOPLE

Becoming a great place to work for everybody

Fair Working Conditions
Talents & Careers

- Top-up the short-time working compensation for Valora employees
- Subsidies for franchise & agency partners and help with liquidity with a sum in the low double-digit millions

PLANET

Reducing our own environmental footprint

Food Waste
Energy & Climate

- Upstream food waste prevention: forecast analytics & order proposals
- Downstream food waste prevention: 2nd chance, Too-Good-To-Go
- Modernisation of POS-coolers

PRODUCTS

Becoming the go-to place for sustainable foodvenience

Ecofriendly & Fair Products
Healthy Choices
Packaging

- Switch to 100% Fairtrade coffee for all own brands
- Launch of «umbrella-to-rent» based on own sharing-platform
- Incentives for use of reusable cups and bags

BOB FINANCE

STRONG GROWTH AND BREAK-EVEN IN 2020

- bob Finance is an **established consumer finance specialist** in Switzerland in the field of B2C and B2B2C
- With a **loan portfolio of 240 mCHF,** bob Finance has grown more than 10% vs. 2019 despite a challenging market environment and a more restrictive risk policy
- In FY 2020, bob Finance first time with a **positive EBIT contribution**
- COVID-19 crisis **accelerated demand for digital financing solutions** to support both instore and eCommerce sales
  - Strong momentum with «buy now, pay later»-product bob zero
  - New partners include Breitling, art computer, etc.
- **Strategic partnership with Glarner Kantonalbank has been strengthened** through additional financing agreement for bob's B2B2C-business
- **Well positioned** for future growth with new technology platform implemented in 2020

KEY TAKEAWAYS 2020 RESULTS

KEY TAKEAWAYS 2020

valora

RESILIENCE OF BUSINESS MODEL PROVEN AND STRATEGIC PRIORITIES REMAIN UNCHANGED

- Good start into the year of all business units until February confirming positive momentum along all our strategic priorities
- Significant impact of unprecedented COVID-19 crisis on financial results 2020:
  - Net revenue decreased by -16.4%
  - 55.5% of gross profit decrease mitigated by cost reductions
  - EBITDA of 83.4 mCHF (-47.0%) and EBIT of 14.1 mCHF (-84.6%)
  - Net profit at -6.2 mCHF (-79.9 mCHF)
- Strong cash generation of 38.1 mCHF FCF despite significant investments in POS network and production facilities with CAPEX ~40% below 2019 at 55.4 mCHF
- Financial stability and flexibility secured through renewed and increased syndicated loan in April 2020, suspension of dividend and share capital increase in November 2020
- The Group proved the resilience of its business and we are convinced that Valora's foodvenience business model will remain attractive in the future
- Turnaround will occur in 2021 – as of today, timing not credibly predictable – better view to be presented at H1 press conference

NEXT EVENTS

NEXT EVENTS

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Annual General Meeting 2021

Date	▪ Wednesday, March 31, 2021
Dividend	▪ The Board of Directors propose to carry forward the 2020 net profit in full to the new financial year and suspend the dividend
Board	▪ Felix Stinson stands for election as new member ▪ Suzanne Thoma is not standing for re-election

Half-Year Results 2021

Date	▪ Wednesday, July 21, 2021

APPENDIX

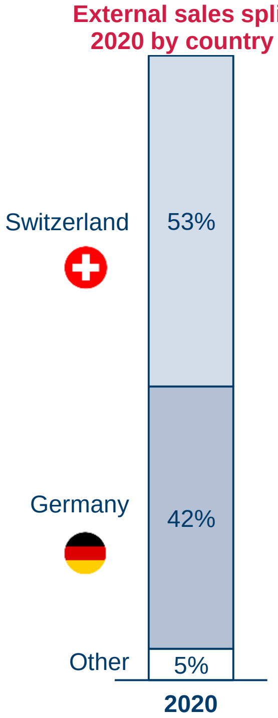
Details Group

STRONG FORMATS AND PRESENCE IN DACH REGION

valora

	Format and number of stores	Dec. 2020	Change vs. Dec. 2019
RETAIL	k kiosk	1,147	-46
	Press & Books	191	-9
	cigo & subformats	402	-9
	avec	168	+16
	ServiceStore DB	105	+3
	U-Store	24	-
FOOD SERVICE	Ditsch	198	-2
	Brezelkönig CH	61	+1
	Brezelkönig Internat.	4	-
	Caffè Spettacolo*	35	+3
	BackWerk**	345	-10
	Total	**2,680**	**-53**

* Thereof 4 POS in Retail Luxembourg
** Including 3 SuperGuud locations in Switzerland



OUR MAIN RETAIL & CONVENIENCE FORMATS

valora

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: 1,147

cigo

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

Stores: 402

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: 191

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: 168

Number of stores as per Dec. 2020

OUR MAIN FOOD SERVICE FORMATS

valora

backWERK

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

Stores: 345

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: 65

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

CAFFÈ SPETTACOLO

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

Stores: 35

Number of stores as per Dec. 2020

RETAIL SWITZERLAND

valora

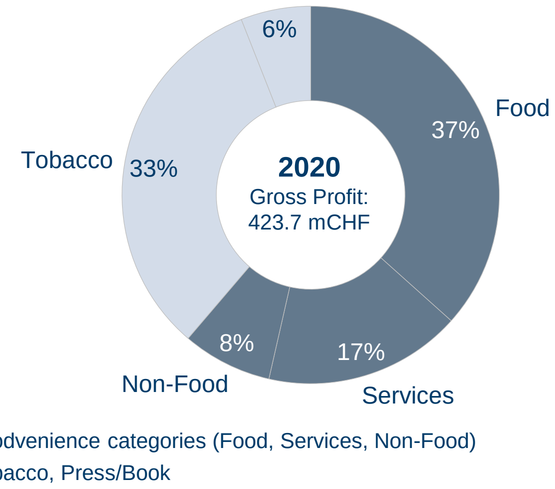
Key Financials

Retail CH in mCHF	FY 2019	FY 2020	Δ in %
External sales	1’229.5	1’093.0	-11.1%
Net revenues	1’160.9	1’066.6	-8.1%
Gross profit	460.7	423.7	-8.0%
Gross profit margin (in %)	39.7%	39.7%	+0.0%pt
EBIT	35.7	17.1	-52.2%
EBIT margin (in %)	3.1%	1.6%	-1.5%pt
ROCE (in %)	19.3%	11.2%	-8.1%pt

Network (as per Dec. 2020)

Format	Own	Agency	Franchise	Total
k kiosk	146	722	-	**868**
Press & Books	4	20	-	**24**
avec	82	77	5	**164**
Total (vs. 2019)	**232** (+8)	**819** (+12)	**5** (-54)	**1,056** (-34)

Gross Profit Split 2020



- Foodvenience categories account for 61% of total gross profit
- Positive increase in new categories and gross profit margin expected, as food on-the-go is an increasing trend

RETAIL GERMANY (INCLUDING LUXEMBOURG AND AVSTRIA)

Key Financials

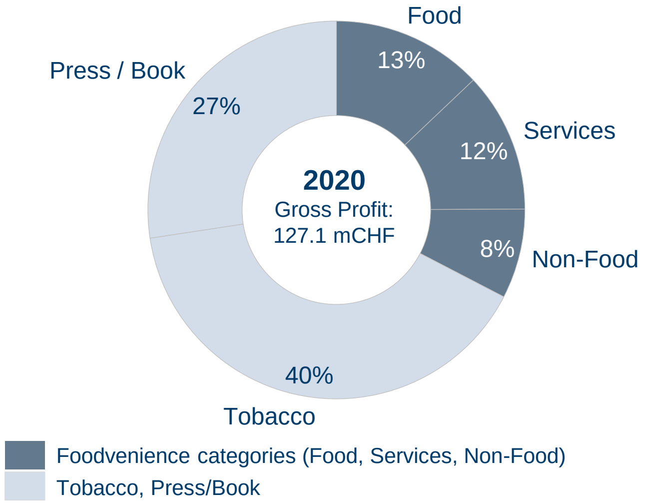
Retail DE/LU/AT in mCHF (DE = Germany, LU = Luxembourg, AT = Austria)	FY 2019	FY 2020	∆ in %
External sales	881.3	753.1	-14.6%
Net revenues	508.2	373.5	-26.5%
Gross profit	171.0	127.1	-25.7%
Gross profit margin (in %)	33.7%	34.0%	+0.4%pt
EBIT	18.4	10.6	-42.6%
EBIT margin (in %)	3.6%	2.8%	-0.8%pt
ROCE (in %)	11.0%	6.9%	-4.0%pt

Network (as per Dec. 2020)

Format	Own	Agency	Franchise	Partner**	Total
k kiosk	77	68 (LU)	134	-	**279**
cigo + sub formats	127	-	268	7	**402**
ServiceStore avec	37	-	96	-	**133**
Press P&B Books	155 10 (AT)	6 (LU) incl. 4 Caffè Spettacolo	-	-	**171**
Total (vs. 2019)	**406** (+13)	**74** (+2)	**498** (-22)	**7** (-1)	**985** (-8)

** Partner: Business model without Valora branding and 100% purchase obligations; orders on one's own account

Gross Profit Split 2020



- Foodvenience core categories account for ~1/3 of gross profit with increasing contribution
- Tobacco, Press and Book account for ~2/3 of gross profit as a result of strong competence in this categories:
  - Tobacco with strong momentum especially increasing e-smoke competence (professionalisation and share gains)
  - Press / Books with high contribution from own stores

FOOD SERVICE

valora

Key Financials

Food Service in mCHF	FY 2019	FY 2020	Δ in %
External sales	562.4	375.5	-33.2%
Net revenues	353.2	245.7	-30.4%
Gross profit	278.1	184.1	-33.8%
Gross profit margin (in %)	78.7%	74.9%	-3.8%pt
EBIT	43.1	-8.5	n.a.
EBIT margin (in %)	12.2%	-3.5%	-15.7%pt
ROCE (in %)	6.5%	n.a.	n.a.

Network (as per Dec. 2020)

Format	Own	Agency	Franchise	Total
Ditsch	-	195	3	**198**
BREZELKÖNIG	1	60	4 International	**65**
CAFFÈ SPETTACOLO	31	-	-	**31**
backWERK	6	-	336	**342**
SUPER GUUD	3	-	-	**3**
Total (vs. 2019)	**41** (-5)	**255** (+1)	**343** (-7)	**639** (-11)

GROUP

valora

Key Financials

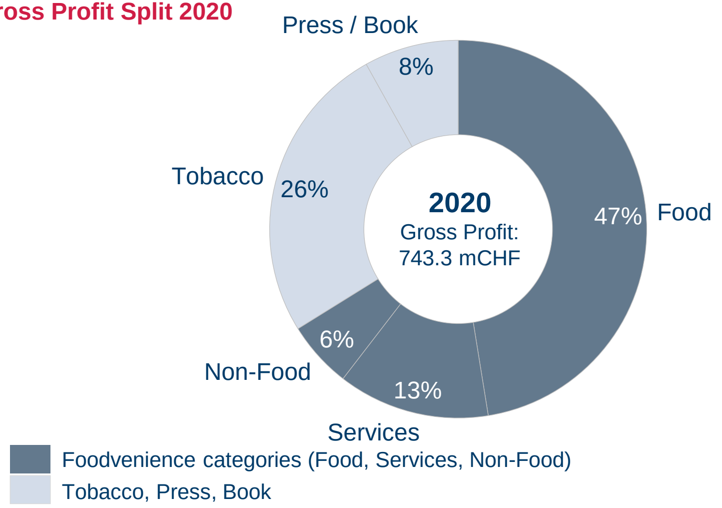
Group in mCHF	FY 2019	FY 2020	Δ in %
External sales	2'680.6	2'233.3	-16.7%
Net revenues	2'029.7	1'697.4	-16.4%
Gross Profit	917.2	743.3	-19.0%
Gross Profit margin (in %)	45.2%	43.8%	-1.4%pt
EBIT	91.5	14.1	-84.6%
EBIT margin (in %)	4.5%	0.8%	-3.7%pt
ROCE (in %)	8.4%	1.3%	-7.0%pt

Network (as per Dec. 2020)

Country	Own	Agency	Franchise	Total
Retail CH	22%	78%	0%	**1,056**
Retail DE/LU/AT	41%	8%	51%	**985***
Food Service	6%	40%	54%	**639**
Total (in %)	**679** (25%)	**1,148** (43%)	**846** (32%)	**2,680***

* Including 7 Partner business model

Gross Profit Split 2020



- Foodvenience categories account for ~2/3 of Group gross profit:
  - Food & Beverages account for 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

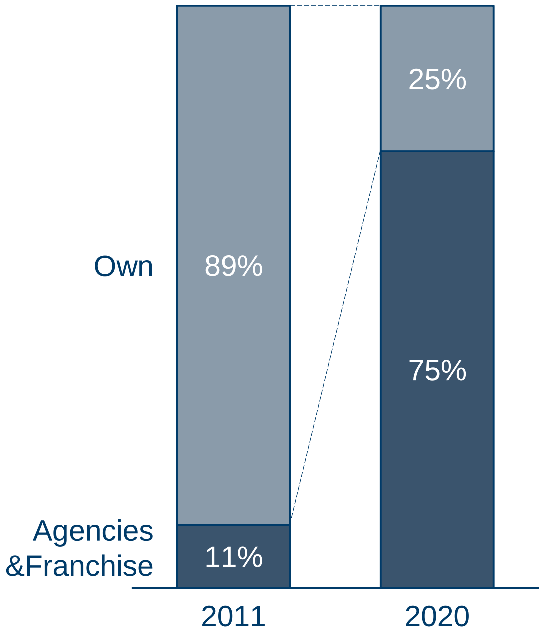
OVERVIEW OF BUSINESS MODELS

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 Dec. 2020*	**679**; 25%	**1,148**; 43%	**846**; 32%

*Without partner (#7)

R = Retail; DE = Germany; BW = BackWerk



ALTERNATIVE PERFORMANCE MEASURES

valora

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

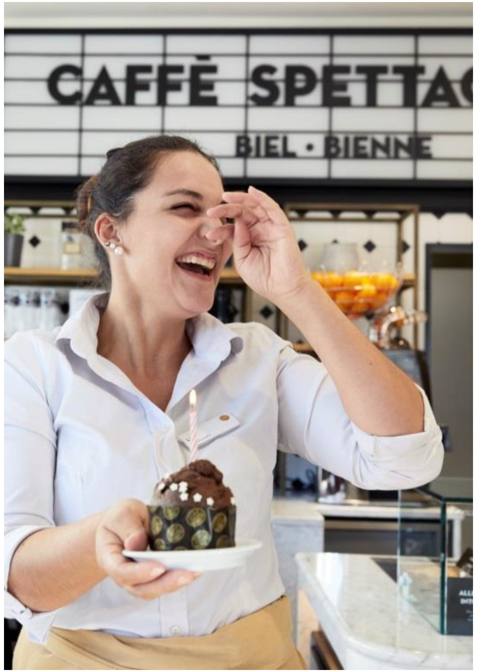
EBIT	91.5 mCHF	-5.0%*
EBIT Margin	4.5%	-0.2%pt*
GP Margin	45.2%	+1.0%pt*
ROCE	8.4%	-0.5%pt*
EBITDA	157.4 mCHF	-2.3%*
Free Cash Flow	76.0 mCHF	+55.1%
External Sales	2,681 mCHF	-0.0%*
Leverage Ratio	2.0x	-0.1x*

* 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

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

Key Financials

Group in mCHF	FY 2018*	FY 2019	∆ 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

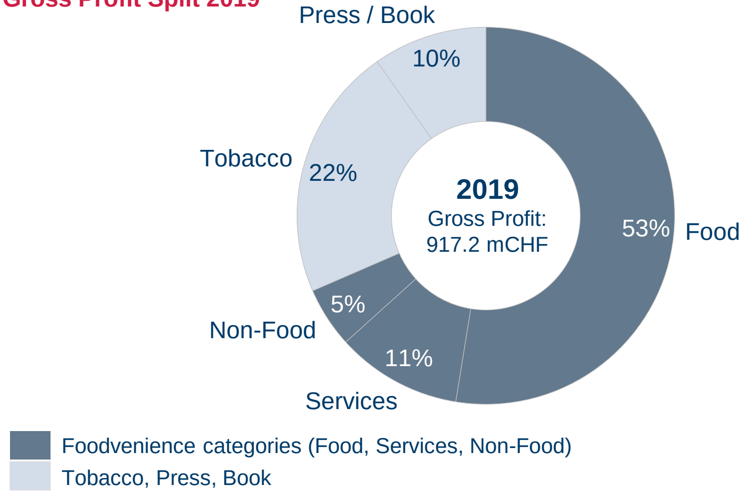
* 2018 pro-forma adjusted according to IFRS 16 and at constant FX rates

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

GROWTH

Expand network and grow in food

EFFICIENCY

Improve profitability & processes

INNOVATION

Create new offerings focused on fresh food & and new technologies

PERFORMANCE CULTURE

Drive entrepreneurship, customer focus & employer attractiveness

SUSTAINABILITY

Care for people & the planet

CONTACTS

NEXT EVENTS & CONTACTS

valora

NEXT EVENT

Annual General Meeting	31 March 2021
Half-Year 2021	21 July 2021

CONTACTS

Christina Wahlstrand Head of Corporate Communications & Branding	Phone: E-mail:	+41 61 467 24 53 media@valora.com
Annette Carrer-Martin Head of Corporate Investor Relations	Phone: E-mail:	+41 61 467 21 23 annette.carrer@valora.com

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