

# Profile 20 22

ok.  
**valora**

We brighten up  
our customers' day.  
Wherever people  
are on the move.

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MICHAEL MUELLER  
CEO VALORA GROUP

*“With EBIT of over CHF 30 million, we are well in line with our guidance.”*

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*“Our foodvenience strategy also has high value creation potential in the future.”*

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*“We no longer need 100% of the pre-crisis frequency at public transport locations to achieve the same level of profit.”*

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*“We were able to significantly increase the number of sales outlets with a strong food focus.”*

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*“We have opened up further attractive locations at service stations and in city centres.”*

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*“We are expanding our customer reach and adding convenience through 24/7 shopping solutions.”*

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*“We are perfectly equipped to make the most of the imminent upswing.”*

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# 2021 in a nutshell

COVID-19 pandemic:  
Towards recovery

**30.3** EBIT  
million CHF (+ 116 %)  
– within the communicated  
guidance

**2 230** external sales  
million CHF (– 0 %)  
– Recovery from March to October with  
increasing leverage on profitability

**25.1** free cash flow  
million CHF (– 34 %)  
– plus a solid balance sheet and a high degree  
of financial stability and flexibility

**2 724** sales outlets

**~ 15 000** employees  
in the network

**~ 730** bakery products  
million pieces

## Shop around the clock

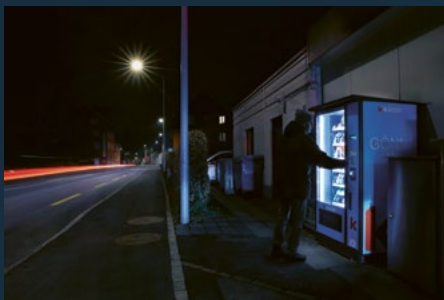
Foodvenience even when other shops are closed: In addition to the cashier-free avec box, conventional avec stores now also operate 24/7 – with staff during the day and autonomously at night. And with k kiosk, Valora is entering the vending machine business.



## Welcome to Back-Factory

The snack expert Back-Factory has been part of Valora since November 2021. This means Valora is now one of the top five German catering companies\*, penetrating further into city centres and benefiting from synergies. In addition, Valora's new franchise partnership with HMSHost International brings BackWerk to the largest railway stations in the Netherlands.

\* previously top ten according to foodservice 4/2020 magazine



## Refurbished sales outlets perform well

The sales performance of the already refurbished sales outlets within the context of the SBB tender is significantly stronger than the rest of the SBB portfolio, especially in the food category.



## Full throttle to the service station

From January 2022, Valora is also operating Moveri service station shops with avec, doubling its network and net revenue in this business and strengthening its presence at service stations in German-speaking Switzerland.



## ok.– with rPET

Valora now offers mineral water, iced tea and fruit juices from its own brand ok.– in weight-optimised bottles with rPET. As a result, it saves around 200 tonnes of CO<sub>2</sub> per year.

S	Wasser	S	Gas
1,01	,	0,31	,
1,6		2,1	















## VISION

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

avec

ServiceStore DB



k kiosk

Press **P&B** Books

ok.-

bobfinance



Ditsch



BACK-FACTORY

back  
WERK

# Food- venience\*

*Convenience as the shopping experience and as a product range combined with an ever growing fresh food selection – that is foodvenience at Valora.*

[\* = Food + Convenience]

# Market environment will remain attractive in the future

There is great demand for foodvenience in society. This is demonstrated by the substantial growth rates posted by the Swiss and German convenience markets, as well as those of the Valora Group in the foodvenience categories food, non-food (excluding press, books, tobacco) and services. Food accounts for the biggest share of Valora's foodvenience external sales.

Although the COVID-19 pandemic has had a massive impact on customer decisions and perception, convenience remains a promising segment, both at points of sale and increasingly online. Young, urban customers in particular have the greatest potential. Health and quality aspects are playing an increasingly important role here (Oliver Wyman, 2021). Besides highly frequented locations in the inner city and agglomerations, shopping centres and service stations, transport hubs are particularly ideal foodvenience locations.

Valora is convinced: The future prospects for the foodvenience business remain attractive. This is true despite the fact that official restrictions to contain the virus are temporarily causing demand to decline in all Valora markets – particularly for out-of-home catering, at normally highly frequented public transport locations and in city centres, where Valora generated around two-thirds of its revenue before the crisis.

The easing of restrictions and vaccination campaigns in the second year of the crisis had a visibly positive

impact on the mobility of the population and thus on customer footfall.

Above all, vaccination success boosted consumer confidence and positively stimulated buying behaviour. As a result, the recovery of the foodvenience business increasingly gained traction from March 2021 onwards after the tough lockdown at the beginning of the year. This allowed Valora to increase the EBIT margin to 2.4% in the second half of 2021. At the same time, Valora saw a first clear catch-up effect in its food category. While growth of Group external sales was +6% for March to December 2021, food sales were up +18%.

These developments underline Valora's conviction that out-of-home consumption at highly frequented locations will recover once the crisis has been overcome and as soon as far-reaching restrictions are no longer necessary. The most significant operational leverage will be in the food service business, which suffered the most during the crisis.

# Trends

*Three social macro-trends determine what Valora customers need: Increasing mobility, the changing lifestyles as well as the rapidly growing influence of digitalisation, which has been facilitated by the COVID-19 pandemic in all areas of life. As a clearly positioned foodvenience provider, Valora systematically aligns its business and offering with these trends. Valora is where its customers want it to be, providing them with what they want whenever they want it.*

However, the pandemic has suddenly slowed down the development of mobility. As a result, more people work and learn from home and also use public transport less in their leisure time. Government guidelines for working from home and distance learning also resulted in a noticeable decline in customer flows, particularly at highly frequented public transport hubs such as train stations. However, the experience of the past two years has shown that mobility returns rapidly when the measures are eased.

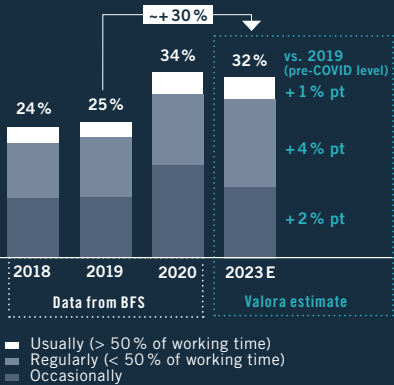
But what role does remote working play once the pandemic is over? Half of people who used trains before the crisis in Valora's core market of Switzerland were leisure travellers (Swiss Federal Statistical Office). Valora expects the situation in this area to recover very quickly once the pandemic situation eases. In fact, the passenger volume is likely to increase even further thanks to new offers for leisure train travel. Training centres and schools are also switching back to predominantly physical operation, so that train journeys by apprentices and students should increase to the usual level of around 12% of commuters.



## The effects of working-from-home are limited

Consequently, the ongoing home office trend can only capture the remaining 38% of travellers who took the train to work before the crisis. However, not all of them are able to work from home for various reasons. In Switzerland, around a quarter of the working population was already working entirely or partially from home in 2019, and this increased to 34% in 2020 due to official requirements (Swiss Federal Statistical Office). Valora expects the proportion of people working from home to stabilise at around 32% by 2023, when day-to-day working life is likely to have largely returned to normal. However, the proportion of those who spend more than half their working time at home should remain stable. At the same time, this will increase the importance of shopping locations in the area, e.g. in the agglomeration and in nearby shopping centres where Valora also has sales outlets.

### Split of workforce working from home



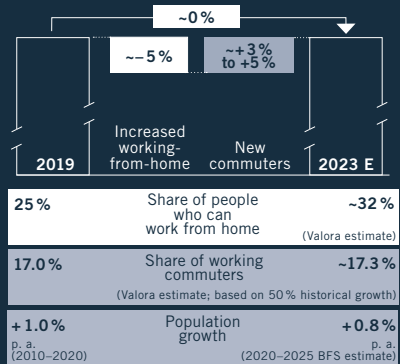
Source: Swiss Federal Statistical Office (Bundesamt für Statistik, BFS); Valora

## New commuters compensate for the working-from-home trend

Before the crisis, people in Switzerland commuted 6.4 times a week on average. Even though more people will be working from home in the future, Valora estimates that customer footfall at public transport hubs will only fall by around -5% in the medium term. However, this decline is likely to be offset by population growth and the associated increase in public transport passenger numbers. The Swiss Federal Statistical Office expects an annual increase of +0.8% in Switzerland's population between 2020 and 2025 (+1.0% between 2010 and 2020). The proportion of the population travelling to work by train is also likely to increase by around +0.3 percentage points by 2023. Additional support can be expected from the planned expansion of the public railway infrastructure, which will also help reduce the high traffic volume on the roads.

### Train commuters

Illustrative example for Switzerland



Source: Swiss Federal Statistical Office (Bundesamt für Statistik, BFS); Valora

# Strategy

## Positioning

Each and every day, around 15 000 employees in the Valora network work to brighten up their customers' journey with a comprehensive foodvenience offering – nearby, quick, convenient and fresh.

Valora applies a multiformat strategy with twelve sales formats and about 2 700 outlets at highly frequented locations in Switzerland, Germany, Austria, Luxembourg and the Netherlands. The company recruits committed entrepreneurs to manage its outlets, builds on strong brands, benefits from a vertically integrated value chain as one of the world's leading pretzel producers and is committed to a sustainable corporate policy.

# Five strategic pillars

In 2019, Valora communicated its strategy until 2025, which it is consistently pursuing, for the entire Group and its Retail and Food Service divisions in order to move closer to its vision of having the best food and convenience concepts. The strategy is based on five strategic pillars:

- Growth
- Efficiency
- Innovation
- Performance-oriented culture
- Sustainability

## ● Growth

### Expansion of the sales outlet network

Valora wants to further expand its network of sales outlets. The main focus in Retail will be on the convenience formats such as *avec* and *ServiceStore DB*, as well as *k kiosk* and *cigo* where Valora also sees growth potential. Growth in Food Service will be principally through *BackWerk*, especially with new locations in the Netherlands plus shop-in-shop presence (*clip-ins*). Selective expansion is planned for the other formats. In addition, Valora is open to suitable acquisition opportunities in its core business of foodvenience.

### Increasing the offering's attractiveness

The expansion of the higher-margin food category, especially fresh products, will play a major part in optimising the current range. Regional, vegetarian and vegan or also fair trade and organic offerings are growing in importance. In addition, Valora aims to further expand its range of digital and other services. Tobacco is still a major frequency and profit contributor, whereby alternative products are also promising.

### Stronger position as a promotion platform

In addition to expanding its own product range, Valora aims to further consolidate its position as a preferred marketing platform. The direct customer contact in the Valora formats allows partner companies to present their products and strengthen their brand value, notable examples being promotions for food, tobacco products and press articles.

### Expansion of market position with pretzels

In its B2B business, Valora aims to exploit the integrated value chain for pretzel production and build on its strong market position. The Food Service division's main expansion focus is on the two biggest global pretzel markets, i.e. Germany and the US.

## ● Efficiency

### Strengthening vertical integration

Thanks to own brands such as ok.– or Caffè Spettacolo and Valora's in-house pretzel production, vertical integration is a key competitive advantage. Valora wants to exploit this strength even more and increase the proportion of own brands in its overall product mix. At the same time, Valora aims to establish an even stronger market position when marketing its own brands.

### More efficiency to improve profitability

Valora does not rely solely on growth, profitability is also essential to ensure the sustainability of its business model. Processes are improved through automation, retail analytics and efficient working procedures. Enhanced cooperation within the Group enables know-how transfer across borders, formats and topics.

## ● Innovation

### New food and technology concepts

Valora aims to access new income sources through innovation in order to remain competitive. The Group's objective is to launch fresh food and further new concepts and products. Valora also uses new technologies to develop software-based solutions for customers, its own operations and the organisation. In so doing, Valora aims to offer its customers convenience not only in terms of its products, but also in terms of the shopping experience. It takes more than courage to pursue this innovative course, speed and agility are also very important. Valora relies on internal expertise and is expanding its in-house skill set for food and technological development. It also welcomes innovation from industrial partners and offers them, through its sales outlet network, a platform so it can work with them to pioneer new foodvenience market models.

- Performance-oriented culture

### More entrepreneurship, customer focus and employer appeal

Valora relies on entrepreneurial operators and motivated staff to implement its strategy. It plans to further expand the agency or franchise model. Valora wants to offer its staff an open and dynamic working environment in which they can progress consistently. Valora's objective is to build on employees' strengths, nurture their talent and enable them to take the initiative and implement ideas with vigour. Valora will not just recruit people with the necessary professional skills, but also those who are compatible with the company's culture. As a result, Valora will sustainably enhance its appeal as an employer.

- Sustainability

### For people and the environment

As a responsible company, stakeholders expect Valora to contribute to sustainable development and to limiting global warming to 1.5°C. As part of its ESG commitment, Valora therefore pursues a comprehensive approach to sustainability based on the three action areas of People, Planet and Products. The company wants to use its resources sparingly. The priority is fair employment conditions for all employees in the network. Valora wants to offer good opportunities to employees and to become an attractive place to work for everyone. Valora is also setting out to become climate-neutral by 2050. To this end, Valora is implementing measures to avoid food waste, reduce energy consumption and protect the climate. Finally, Valora aspires to offer environmentally friendly, fair products and healthy alternatives while also paying attention to the issue of sustainable packaging.

# Operational financial targets

In 2019, the Valora Group adopted a new corporate strategy and long-term operating targets until 2025 on the basis of the 2018 results:

- External sales:  
on average  
+2–3 % per year
- Gross profit margin:  
on average  
+0.5 % percentage  
points per year
- EBIT margin:  
on average  
+0.2 percentage  
points per year
- Earnings per share:  
on average  
+7 % per year

These targets remain valid. Nonetheless, Valora is expecting that the COVID-19 crisis which started in February and March 2020 will lead to the targets being reached 18 to 24 months later than originally planned.

With governments' ongoing vaccination campaigns and the associated easing of restrictions, the pandemic situation eased noticeably from March 2021. As a result, the performance of Valora's operating units was already close to pre-crisis levels in October 2021. The Omicron wave brought renewed restrictions to Valora's business at the end of 2021 and start of 2022. As regards future business development, Valora nonetheless sees a continuation of the rapid recovery from March to October 2021 with the lifting of major restrictions.

Valora still expects EBIT of CHF 70 million (+/- ~10 %) for 2022 based on the 2021 results and outlook for a continued recovery. That implies a return to pre-crisis levels during the second half of 2022.







# Sustainability

*Valora assumes responsibility along its entire value chain and pursues a comprehensive approach to sustainability based on the three action areas of People, Planet and Products. Valora is thus working towards climate neutrality by 2050.*

In its 2021 commitment to sustainability, the Valora Group placed particular emphasis on job security, further training and financial support. For example, it topped up salaries during short-time working and provided relief to operating partners during pandemic-induced liquidity shortages. Valora also trained 50 professionals as part of its dual vocational training and dual study programme and expanded its further training and education offering: around 21 000 courses were held through the new Group-wide e-learning platform Valora Academy alone.

Valora continued to invest in an attractive sustainable offering in 2021 with new vegan and organic products. At the same time, it pushed ahead with innovations such as the umbrella-to-rent, which can be borrowed and returned from kiosk, Press & Books and avec in Switzerland. In the fight against food waste, Valora was able to sell around

169 000 food portions at reduced prices through its partnership with Too Good To Go – around 19 000 more than in the previous year. The company also achieved further successes in climate protection through its packaging: the switch to weight-optimised bottles with recycled PET (rPET) for mineral water, iced tea and fruit juice from the ok.– own brand saves around 200 tonnes of CO<sub>2</sub> per year.

## 100 % renewable electricity – Group-wide

Together with its suppliers and partners, the Valora Group wants to play its part in limiting global warming to 1.5 °C. It is therefore working towards climate neutrality by 2050. As part of that, Valora aims to halve CO<sub>2</sub> emissions in Scope 1 and 2 by 2025. The conversion of the entire Group to 100 % renewable electricity during 2022 will be a milestone. It also involves a significant reduction in Valora's Scope 2 emissions.



# Digitalisation

*Convenience at Valora is not restricted to the selection available, but is also part of the entire shopping experience. That is why Valora works on modern digital solutions related to the following strategic thrusts: Autonomous Stores, Loyalty & Payment, E-Commerce & Delivery and Process Improvement. The aim is to make the customers' purchases more practical, quicker and more flexible.*

The most promising consequence of the COVID-19 pandemic is likely to be the enormous increase in online grocery shopping and other virtual activities. Consumers have increasingly taken advantage of digital and low-contact opportunities during the crisis: They have groceries, snacks and meals delivered to their homes and use the self-checkout service in the shop. Many of them expect to maintain these habits after the crisis (McKinsey, 2020). Valora aims to monitor, develop and test the opportunities offered by digitalisation. Valora also wants to anticipate trends and actively shape the digital transformation with innovative concepts.

## Autonomous Stores

In April 2019, Valora became the first company in Switzerland to launch an autonomous cashier-free convenience store in the form of avec box. Valora is convinced that such self-checkout solutions have a future because they meet customers' need for autonomy when shopping. Access, shopping and payment are made using the avec 24/7 app. Valora currently operates an avec box at three locations in Switzerland. At one of them, it is a smaller wooden version to test locations that do not have any other convenience offering.

Valora has developed further forms of self-checkout based on the avec 24/7 app. In 2021, for example, avec 24/7 stores that function as a hybrid model were opened at four locations in Switzerland. While staff are still present at the store during the day from Monday to Saturday, the shop works autonomously at night and on Sunday via the avec 24/7 app. There is great potential for the further rollout here, as existing avec stores in particular only need to be equipped with the corresponding technology to be integrated into the program.

The team is now working on the scaling of these solutions. Valora also intends to promote the autonomous store initiative in the form of smaller formats, such as the avec mini smart fridge.

These solutions, which are based on the avec 24/7 app, not only bring more convenience to the customer



the apps, customers benefit from personalised offers in combination with coupons, collection points and other reward systems. The digital brand experience is rounded off by a product overview, store finder and pre-order functions. Increasing personalisation also benefits suppliers and industry partners: They can focus attention on their products and reduce the wastage of their marketing activities. Following the already established apps from k kiosk and Caffè Spettacolo, a loyalty program for customers of Brezelkönig was added in June 2021. Data privacy is very important to Valora. All personal data are only processed in accordance with data protection requirements.



experience, but also give Valora the opportunity to expand the availability of its bricks-and-mortar foodvenience offering beyond the usual opening hours, similar to online retail. Against this background, around 300 k kiosk vending machines will also be placed in Switzerland by the end of 2022.

## Loyalty & Payment

Loyalty should be rewarded at Valora. That is why Valora is systematically continuing its customer loyalty programs and is transferring the traditional physical customer cards of its formats to the smartphone. Thanks to

## E-Commerce & Delivery

The pandemic caused a veritable boom in delivery services in particular, as people cooked at home more often or had their ready-to-serve meals delivered to their homes. Valora introduced the pilot version of the delivery service [www.avecnow.ch](http://www.avecnow.ch) in the middle of the first lockdown. It now takes just 30 minutes to service its customers by e-bike in the city of Zurich. The convenience range is geared towards smaller in-between purchases, i.e. things that you suddenly need or feel like having. The k kiosk online tobacco



shop launched in April 2021 also represents an additional sales channel and a complementary promotional platform. This not only underscores Valora's expertise in tobacco, but also takes account of the growing popularity of online tobacco purchases. The selection includes more than 1 000 products such as cigarettes, cigars and alternative nicotine products, which reach customers by post the day after they place their order.

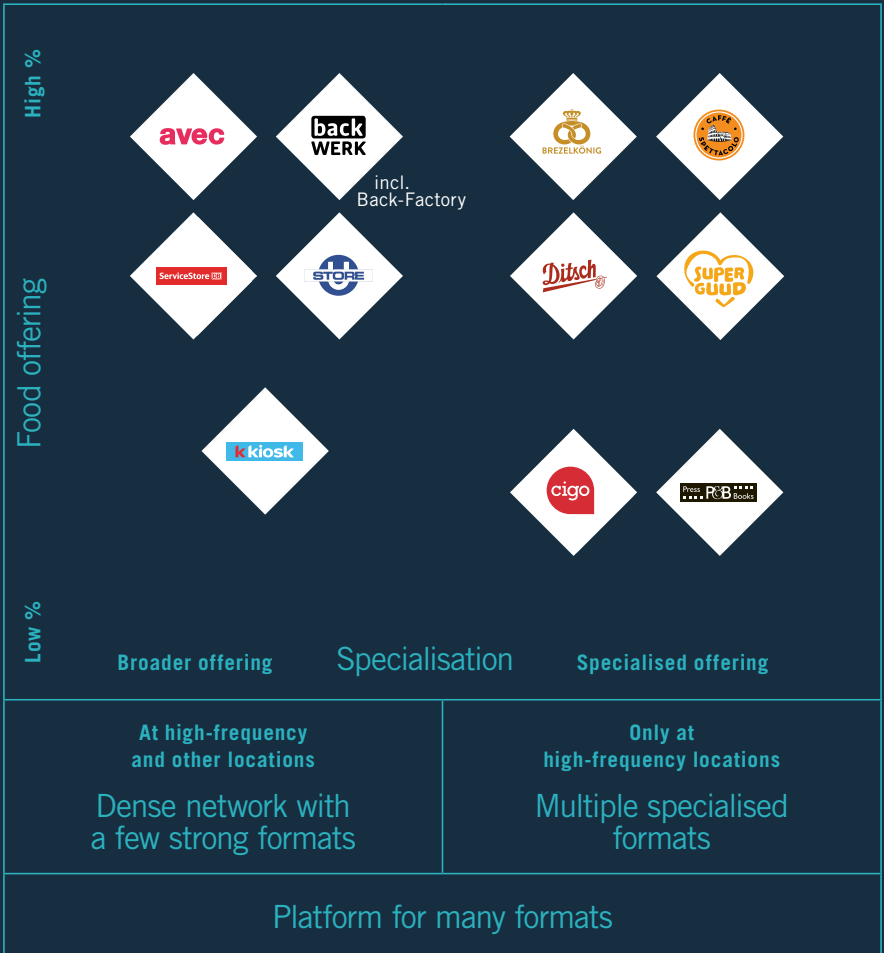
## Process Improvement

Profitability is essential for Valora to ensure the sustainability of its business model. Processes are increasingly being improved through automation, retail analytics and efficient workflows. The Process Improvement team plays a key role, providing support across countries, topics and formats. Important progress has been made here with regard to the cockpit for written-off goods, the recruitment process, personnel planning, goods delivery at night and voice-activated business intelligence.

# Sales formats

Valora adopts a multiformat approach to maximise customer benefit with concepts tailored to the retail space and customer footfall. The established formats include varying levels of food offerings and degrees of specialisation.

## MULTIFORMAT APPROACH





## *“Treat yourself”*

Market leader in the kiosk business, mainly supplying tobacco, lottery products, snacks and press. A growing share of food, fresh products and drinks plus a varied digital services offering.

k kiosk provides a personal guarantee of immediate gratification located close by, providing small everyday treats quickly and simply. As market leader in the kiosk business, k kiosk wins customers over through its compact transparency, efficient process flow and long opening hours. The k kiosk app allows customers to benefit from a digital loyalty program.

With about 300 new k kiosk vending machines to be placed in Switzerland by the end of 2022, Valora is again increasing the availability of its foodvenience offering.





**kiosk**

k kiosk began in 1934 with the founding of Kiosk AG. It was acquired in the 1990s together with Schmidt-Agence by Merkur AG, which is now known as Valora Group. In 2004, the kiosks were re-designed under the k kiosk brand. The k kiosk sales outlets at the SBB locations are currently being fully modernised with a new shopping concept with a still larger food component. The first service station shops with the k kiosk brand were opened in Germany in 2021.

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Number of sales outlets  
own outlets, agencies, franchise stores

Switzerland	850
Germany	200
Luxembourg	67

**avec**



## *“Handmade with Love”*

Modern convenience format at highly frequented locations, for example train or service stations, with an extensive offering of fresh food, other comestibles and regional products.

The avec convenience stores add to the offering at highly frequented locations such as train and service stations. With its extensive range, the convenience format offers fresh products for immediate consumption, from early until late or also round-the-clock in some places, 365 days a year. The offering is adjusted to customers' needs depending on the time of day. Valora operates avec express at locations with smaller sales areas.

The autonomous, cashier-free avec box stores and a number of avec 24/7 stores provide added convenience. The 24/7 stores are staffed during the day and operate autonomously at night and on



Sundays. They enable the customer to enjoy a comfortable shopping experience at their own pace – including outside regular business hours. Valora also intends to operate the autonomous store initiative in smaller formats, such as the smart fridge avec mini.

Orders can even be delivered to the home within 30 minutes in Zurich through the online store [www.avecnow.ch](http://www.avecnow.ch).

The avec story goes back to the joint-venture of Migros, SBB and Valora in 2000. In 2005, Valora acquired some of the stores. The brand and shopping concept were fully revised in 2018. Following conversions of kiosk sales outlets at

SBB locations, the cooperation with service station operator Moveri and the expansion to further new sites, avec will become one of Switzerland's largest convenience formats by the end of 2022 with around 300 stores.

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Number of sales outlets  
own outlets, agencies, franchise stores

Switzerland  
Germany

177  
3



## *“Read & experience”*

Market leader in German railway station bookstores with an extensive press offering complemented by selected book titles and a range of services for people on the move. Webshop with collection service in sales outlets.

Press & Books is a focal point for information and stories to accompany people on the move as well as many other interested customers. The sales outlets are open 365 days a year from early until late. Besides books, the offering includes 11 000 newspapers and magazines from over 30 countries in 21 languages. Press & Books offers over a million books and products, such as audio books, e-books, calendars,

films and games in its online store including delivery to numerous Valora sales outlets along the way.

In 2009, Valora in Switzerland opened its first stores according to this independently developed concept. One year later, the first shops were opened in Germany. Press & Books is now market leader in German railway station bookstores, after Valora entered the segment with the acquisition of Fa. Stilke GmbH in 1997.

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Number of sales outlets  
own outlets, agencies

Switzerland	22
Germany	154
Luxembourg	5
Austria	9



## *“My moment”*

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

cigo specialises in tobacco products. It enables freedom-loving creatures of habit to enjoy stress-free moments and self-determined pleasure every day in a relaxed atmosphere. The stores are located mainly in shopping centres or before the checkout at grocery retailers.

Besides the usual cigarette brands, cigo offers cigars, cigarillos, rarities and smoking accessories. Its range also covers alternative tobacco products, for example e-cigarettes, tobacco heating systems and chewing tobacco. The customer also has an extensive offering of press products plus the usual peripheral assortment to

browse through. Some stores also have service points for lottery or postal services.

Valora acquired the cigo format when it purchased Convenience Concept in 2012 and has continued to develop it ever since.

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Number of sales outlets  
(incl. sub-formats)  
own outlets, franchise stores

Germany

395



*“For now. For later. For me.”*

Convenience format in Deutsche Bahn locations for commuters’ everyday needs.

Through its operation of ServiceStore DB, Valora is adapting to a growing market segment and rising demand for unplanned and convenient purchases of products for immediate consumption. The locations at smaller and average-sized Deutsche Bahn stations thus observe long and flexible opening hours. The classic ServiceStore DB convenience offering targets commuters, travellers, students, school-age pupils and residents.

The convenience stores keep an extensive selection of oven-fresh baked goods, sandwiches and small snacks. In addition, the stores offer coffee speciali-

ties, cool drinks, sweets, tobacco and press products as well as services, for example tickets for sale.

ServiceStore DB is a Deutsche Bahn brand and concept. Valora has been an operating partner since 2012. The first 24/7 Service Store was opened in Ahrensburg near Hamburg in 2021, which is operated autonomously around the clock.

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Number of sales outlets  
franchise stores

Germany

104



*“Supplies for on the move”*

Classic convenience store at the U-Bahn (underground) and major bus stations in Germany.

The concept developed in cooperation with the Hamburger Hochbahn targets commuters, travellers, students, school-age pupils and residents. It includes fresh snacks, baked products and hot beverages to take away as well as refreshing drinks, press and tobacco products, ice cream, services and tickets.

U-Store was launched in 2003. The format has been part of Valora Group since the acquisition of the Lekkerland subsidiary Convenience Concept in 2012.

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Number of sales outlets  
franchise stores

Germany

25



## *“Fresh & tasty”*

Germany’s largest food service bakery with a broad and flexible range of snacks and a growing offering of fresh products.

BackWerk is the inventor of the self-service bakery and has since been consistently and successfully developing into a modern bakery gastronomy concept. With its varied snack and catering range, BackWerk is the European market leader in this area.

The assortment is consistently adjusted to customers’ regional and seasonal requirements and produced fresh in BackWerk’s premises. It comprises sandwiches, hot snacks, pastries and baked items. A growing number of BackWerk stores have a juice bar with fresh smoothies and fruit juices as well as a soup bar.

Many independent tests and studies confirm the high quality and extensive variety of the products: the food service bakery has repeatedly been voted best retailer for bread and baked items by its customers and was also nominated as their favourite place “Kundenliebling” in 2018.





The first BackWerk opened in 2001. Valora Group acquired the company in 2017. Following the acquisition of German-based snack specialist Back-Factory and its approximately 80 sales outlets in November 2021, Valora is now among the top five German catering businesses and systems measured by pre-crisis levels (previously among the top ten according to foodservice 4/2020 magazine).

Back-Factory will be transformed into BackWerk over time. BackWerk also works as a clip-in for other Valora formats and at third-party locations.

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Number of sales outlets  
(incl. Back-Factory)  
franchise stores (majority)

Switzerland	1
Germany	365
Austria	24
Netherlands	37



## *“Pretzels since 1919”*

Expert in providing tasty pretzels and other snacks at highly frequented locations in Germany.

Ditsch can look back on a long tradition in the baking business: Ditsch has been providing pretzel-induced enjoyment to customers since it was founded in 1919. The aroma of warm Ditsch pretzels is a staple feature of stations and other highly-frequented locations in Germany.

In addition to classic pretzels, the shops offer other lye bread specialties, pizza snacks and croissants both as a snack or in more substantial form as well as hot and cold drinks.

Moreover, Ditsch is always on the lookout for new varieties and seasonal products. The lye bread products are

produced in Germany in the company’s own facilities and are freshly warmed up on location.

Ditsch has been part of Valora Group since 2012.

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Number of sales outlets  
agencies

Germany

192



*“The finest”*

Sale of high-end lye bread products, such as pretzels, baguettes, croissants, hot dogs or selected sandwich snacks when on the move.

The pretzel specialist applies the highest standards of quality and freshness. The pretzels are made by hand in Emmenbrücke near Lucerne with Swiss ingredients and then freshly warmed up at the Brezelkönig shops and partly made into delicious sandwiches and hot dogs. Customers also benefit from a digital loyalty program through the new Brezelkönig app.

Brezelkönig goes back to the “Brezeli-Beck” which opened its first outlet in Zurich in 1985. In 2000, the company (since renamed Brezelkönig)

was acquired by Brezelbäckerei Ditsch, which was bought by Valora Group in 2012.

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Number of sales outlets  
agencies

Switzerland  
Austria

56  
3



*“dal 1999”*

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

Caffè Spettacolo is Switzerland's largest Italian coffee bar chain. It combines exclusive roasts with Barista skills and Italian flair.

Only high-quality Fairtrade and organic coffee beans are used in the unique roasts. Besides coffee, there is a select range of cornetti, warm focaccia and sweet bakery products. Caffè Spettacolo coffee is also available through the more than 600 coffee machines installed at kiosk, Press & Books and avec.

Valora founded the format in 1999 and conducted a complete brand relaunch in 2016.

---

Number of sales outlets  
own outlets

Switzerland  
Luxembourg

30  
2



## *“Superlicious Food & Drinks”*

Small, trendsetting snacking concept. The Valora format with a difference for the adventurous, urban commuter.

The offer includes high-quality and fairly priced snacks. SuperGuud combines fun catering and good humour true to the motto “Superlicious Food & Drinks... made with love... always”.

The three SuperGuud sales outlets at Zurich and Basel stations are new, bold and trendy as well as an oasis of contented enjoyment. A perennially fresh assortment of sandwiches, salads, hot dogs plus warm and cold drinks has something for everyone.

SuperGuud has been part of Valora Group since February 2019 when the format was acquired from fangene GmbH.

---

Number of sales outlets  
own outlets














Switzerland




3

~ 2 700 sales outlets  
 ~ 1 / 4 own outlets  
 ~ 3 / 4 agencies and franchise stores

## OUTLET NETWORK

31.12.2021

			 Switzerland	 Germany
RETAIL	 kiosk	k kiosk	850	200
	 avec	avec	177	3
	 Press & Books	Press & Books	22	154
	 cigo	cigo & sub-formats		395
	 ServiceStore	ServiceStore DB		104
	 U-Store	U-Store		25
FOOD SERVICE	 back WERK	BackWerk incl. Back-Factory	1	365
	 Ditsch	Ditsch		192
	 BREZELKÖNIG	Brezelkönig	56	
	 CAFFÈ SPETTACOLO	Caffè Spettacolo	30	
	 SUPER GUUD	SuperGuud	3	
TOTAL			1 139	1 438

 Luxembourg	 Austria	 Netherlands	TOTAL
67			1 117
			180
5	9		190
			395
			104
			25
	24	37	427
			192
	3		59
2			32
			3
74	36	37	2 724

# Own brands

Valora sees vertical integration as a unique competitive advantage in the emerging foodvenience market. Own brands are a big part of that. Not only are they a distinguishing feature in their segment, they also increase internal added value and earnings potential.



## *“It’s ok.–”*

The Valora own brand with the best price/performance ratio is the trend-setting companion of young, mobile people and synonymous with a dynamic, urban lifestyle.

ok.– products stand out through their good quality and fair pricing, they also come in modern and appealing packaging. The range includes drinks, snacks and non-food articles, such as umbrellas and is on offer at k kiosk, cigo, Press & Books, avec, U-Store, ServiceStore DB and some

BackWerk stores. The own brand constitutes an important differentiation factor for Valora sales outlets, as they are the exclusive retailers of the brand.

The own brand first appeared in 2009 with the ok.– energy drink classic, which is still its most popular product. The range now comprises about 60 food and non-food articles for daily consumption and use.



# bob Finance



## *“Financial flexibility for consumers”*

The bank-independent financial services provider offers practical financial services tailored to modern and digital requirements at fair conditions.

bob Finance is a branch of Valora Switzerland AG and combines reliability with modern technical convenience to make the customer's life easier. The committed bob team comprising finance and technology experts, develops innovative and simple ways of allowing clients to pay conveniently and remain financially flexible.

The portfolio includes several financing solutions for trade besides the private

credit options bob credit and PostFinance Privatkredit: customers can shop online with bob pay partners and pay offline at Valora sales outlets. bob invoice enables purchases on account. bob zero offers a digital 0% financing solution for e-commerce and stationary retailing.

The fintech company was founded by Valora in 2015 with the aim of expanding the convenience aspect to payment and financing solutions.

# Production

*Valora is one of the world's leading producers of pretzels and benefits from a highly integrated value chain. In 2021, Valora produced around 730 million baked goods with its 16 production lines in Germany, the US and Switzerland.*

The company primarily supplies a growing number of food service customers as well as the retail and wholesale markets – in addition to its own Ditsch, BackWerk and Back-Factory sales outlets in Germany, Brezelkönig branches in Switzerland and other Valora formats. Ditsch products are also exported to more than 30 countries.

Total B2B sales in the pretzel business recovered completely in 2021. Valora grew significantly in the US with Ditsch – made possible by the second production line that became operational in 2020. The US in particular offers further growth opportunities.

Existing products from the Oranienbaum production site in Germany were placed and marketed in those channels (bakeries, service stations and general international customers) that were significantly less affected by COVID-19 restrictions than food service channels at trans-

port hubs. Relations with existing customers in the B2B markets in Germany, Switzerland and Austria in particular were strengthened, leading to an increase in market share in the DACH region in addition to the US.

During the crisis, the two new production lines in Oranienbaum enabled the automated filling of pre-baked pretzels, which can also be packaged individually at the customer's request. Oranienbaum was also able to automate the looping of lye braids.

The two new production lines also enable the creation of innovative products such as organic pretzels, vegan pizzas and other bakery snacks. They ensured successful additional business. In 2021, the trade magazine tk-Report minus 18 even named the pretzels filled with herb and garlic butter as the most innovative product launch in the bread and baked goods category.

Like the market environment as a whole, the B2B business currently faces inflation. Prices for raw materials such as flour, but also for packaging, energy, logistics and personnel costs are particularly impacted. The management has taken comprehensive measures in the areas of production efficiency, procurement and pricing to successfully manage the situation.





SPORT GYM

BOYFRIEND

SPORT GYM



# stories.valora.com



## *The different types of expansion*

Valora is continuing the expansion of its network and offering and strengthening its core business in the existing regions.



## *“We are testing various innovations with regard to reusable cups”*

Coffee is still mostly consumed from disposable cups. How does Valora meet this challenge as part of its sustainability strategy?



## *Digital loyalty programs: loyalty pays off*

Valora is developing its own digital loyalty programs. This benefits not only the Valora formats, but also the customers and partners.



## *avec: the flexible convenience concept for any location*

Valora completely revised the avec concept in 2018. Since then, various other avec formats have been developed and launched.



## *The right drink for every taste*

Valora is consistently expanding the share of food and fresh products in its retail sales outlets. Hot and cold drinks play a key role here.



## *Self-employed but not alone*

Valora trains its franchisees and agency partners to become successful, self-employed business people.



## *Innovation in production of baked goods*

The Ditsch pretzel bakery has developed innovative solutions and products in the B2B market, defying the COVID-19-driven decline in demand in the food service market.



## *Danke! Merci! Thank you! Dankjewel!*

People in the Valora network performed outstandingly again in 2021. Employees and partners report on their day-to-day work.

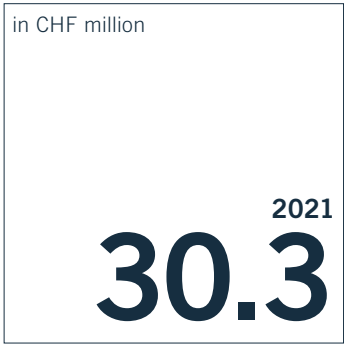




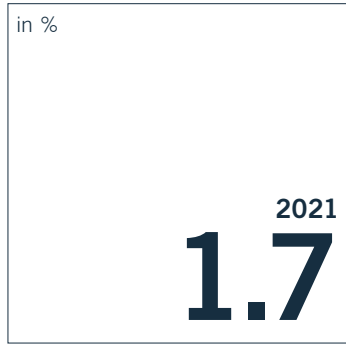


# Key Figures

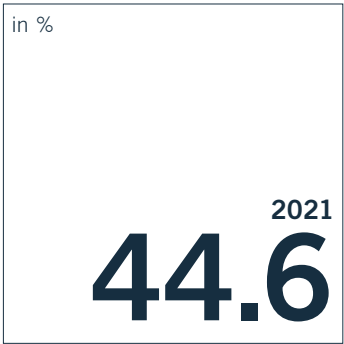
EBIT



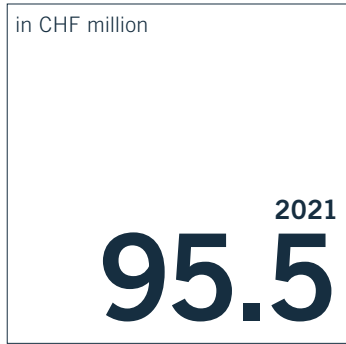
EBIT margin



Gross profit margin



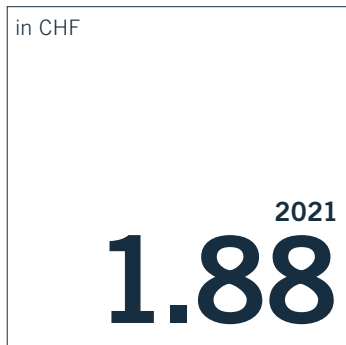
EBITDA



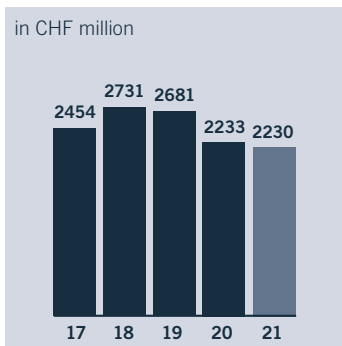
Free cash flow



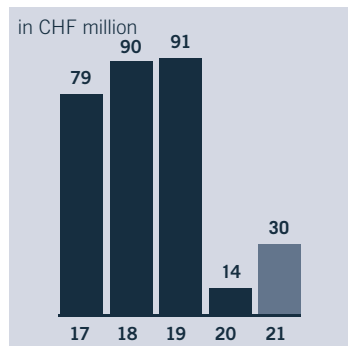
Earnings per share



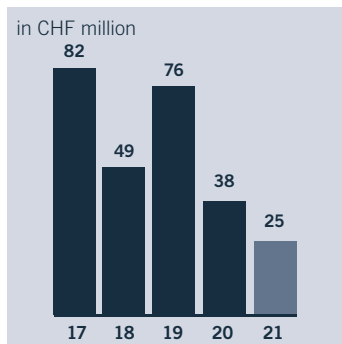
## External sales



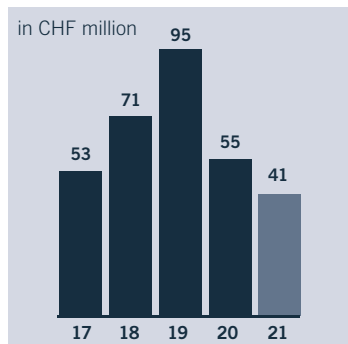
## EBIT



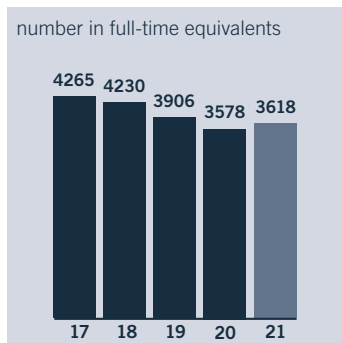
## Free cash flow



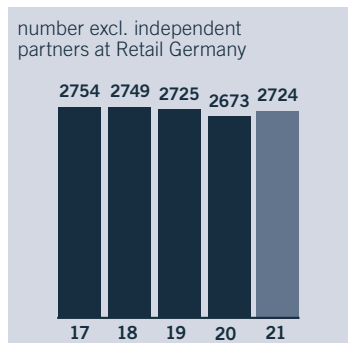
## Investments



## Valora employees



## Outlets









Löschwas

# Organisation



Board of Directors: Franz Julen, Sascha Zahnd, Michael Kliger, Insa Klasing, Felix Stinson, Dr Karin Schwab, Markus Bernhard



Executive Management: Roger Vogt, Michael Mueller, Thomas Eisele, Beat Fellmann

Watch  
the video



## Board of Directors

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### Chair

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**Franz Julen**  
Chairman

**Sascha Zahnd**  
Vice-Chairman

### Audit Committee

---

**Markus Bernhard**  
Chairman

**Dr Karin Schwab**  
Member

**Felix Stinson**  
Member

## Executive Management

---

**Michael Mueller**  
Group CEO

**Beat Fellmann**  
Group CFO

## Group of Leaders

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### Corporate

---

**Adriano Margiotta**  
Group General Counsel,  
Corporate Secretary and  
Head Sustainability

**Michael Wirth**  
Head Digital Product  
Development

**Michael Paulsen**  
Head Group Controlling

**Hilmar Scheel**  
Managing Director  
bob Finance

**Christina Wahlstrand**  
Head Corporate Communica-  
tions & Branding



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**Nomination/  
Compensation Committee**

**Michael Kliger**

Chairman

**Insa Klasing**

Member

**Sascha Zahnd**

Member

---

**Governance  
Board Sustainability**

**Franz Julen**

**Felix Stinson**

---

**Thomas Eisele**

CEO Food Service

---

**Roger Vogt**

CEO Retail

---

**Food Service**

**Karl Brauckmann**

Managing Director

Food Service Germany

**Sebastian Gooding**

Managing Director

Ditsch Production / B2B

**Monika Zander**

Managing Director

Food Service Switzerland

---

**Retail**

**Philipp Angehrn**

Head Retail Operations

**Lars Bauer**

Head Retail Sales DE / AT / LUX

**Dirk Mühlhäuser**

Head Retail IT

**Matthias Müller**

Head Category Management

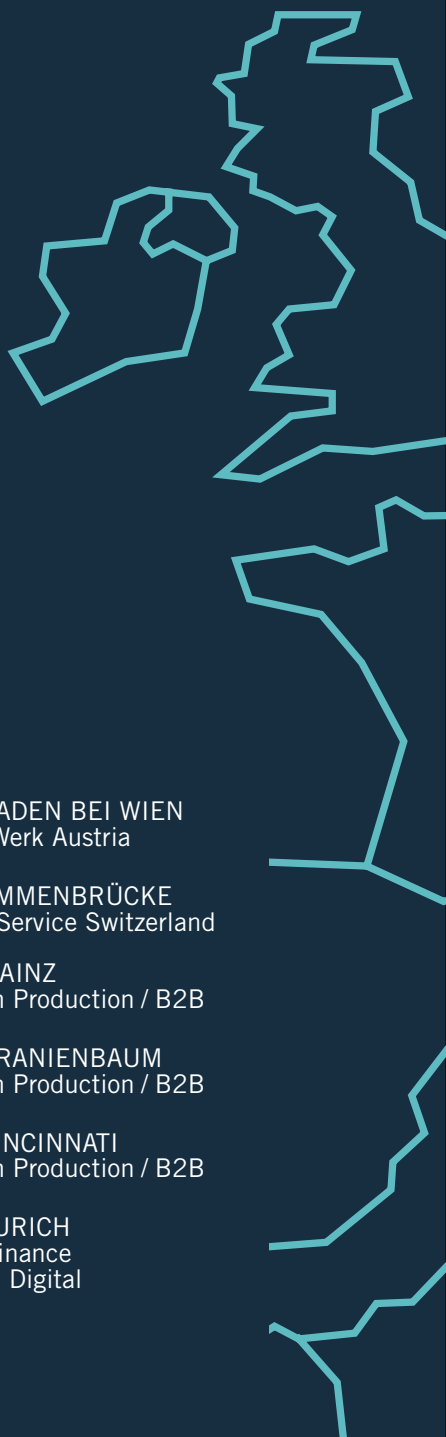
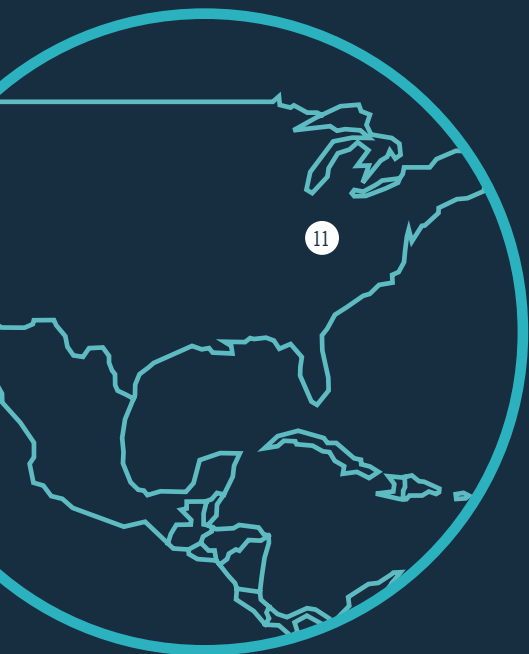
Food & Convenience

**René Trapp**

Head Category

Management Non-Food

# Locations



- 1 MUTTENZ  
Valora Group  
Retail Switzerland
- 2 LUXEMBOURG  
Retail Luxembourg
- 3 HAMBURG  
Retail Germany
- 4 ST. PÖLTEN  
Retail Austria
- 5 ESSEN  
Food Service Germany
- 6 BAARN  
BackWerk Netherlands

- 7 BADEN BEI WIEN  
BackWerk Austria
- 8 EMMENBRÜCKE  
Food Service Switzerland
- 9 MAINZ  
Ditsch Production / B2B
- 10 ORANIENBAUM  
Ditsch Production / B2B
- 11 CINCINNATI  
Ditsch Production / B2B
- 12 ZURICH  
bob Finance  
Valora Digital



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