

Ad hoc announcement pursuant to Art. 53 LR

Orell Füssli AG boosts profitability and increases dividend

- **Revenue in line with expectations**
- **Group's operating profitability rises**
- **Business model strengthened through innovation and acquisitions**
- **Decline in euro affects net profit**
- **Higher dividend of CHF 3.40 per share proposed**

Zurich, 10 March 2022 – The Orell Füssli Group generated revenue of CHF 210.4 million in the 2021 financial year (previous year: CHF 218.6 million). The slight decrease in revenue is due in particular to constricted new client investments, postponements in the project business at Zeiser and increased competitive intensity in security printing. Both the order backlog and incoming orders were at a good level at year-end. Profitability was boosted thanks to efficiency improvements and an advantageous product mix, with a higher proportion of ID business. The operating result (EBIT) rose to CHF 15.4 million in 2021 (previous year: CHF 14.4 million), which corresponds to a margin of 7.3%. The Orell Füssli Group's annual result amounted to CHF 12.1 million, slightly lower than the previous year (CHF 15.0 million) as a result of higher taxes, negative currency effects (CHF/EUR) and therefore a lower financial result. Equity including minority interests amounted to CHF 138.8 million (previous year: CHF 144.5 million). The equity ratio rose significantly to 74.7% (previous year: 66.4%).

Orell Füssli's strategy focuses on business areas that build on the security and education growth markets. The central elements are its expertise in security technology and important relationships with governmental institutions. The Group's focus is on the increased connection between physical and digital value documents, IDs and certificates, and their protection against misuse and forgery. With the acquisition of a majority stake in Procivis AG and the acquisition of Inspectron, in 2021 Orell Füssli further strengthened its technology portfolio and its market position in the area of e-government, identification systems and serialisation solutions for the security printing industry. The investment by Orell Füssli Thalia AG in the Evrlearn AG education platform has allowed the Book Retailing business segment to consolidate its expertise and leading market position in the strategically important segment of digital education. With the acquisition of Lehmanns Media AG, Delivros Orell Füssli AG, which focuses on the procurement, distribution and use of print and electronic media for business customers, further expanded its position in the Swiss B2B market.

Due to the strong digital focus of the Group's future structure, in 2021 the Board of Directors created a Digital Committee to support the Executive Board with acquisitions and the development of new digital business models. The Digital Committee is led by Dr Luka Müller, a member of the Board of Directors.

Security Printing

Security Printing generated revenue of CHF 73.8 million in 2021 (previous year: CHF 87.3 million), a decline of 15.4% compared with the previous year. The decrease in revenue is due in particular to the high proportion of export business with less complex banknotes that generate less added value. The operating result (EBIT) climbed to CHF 6.1 million (previous year: CHF 5.5 million). The improved EBIT margin reflects general efficiency improvement measures and a higher share of revenue in the high-margin ID document business.

Despite the difficult conditions in 2021, Security Printing managed to gain several new clients. These include an important project order for visa documents in Africa. Major investment (CHF 5.1 million) in new production systems was made in the year under review. Security Printing put a new generation of modern printing machines into operation that will enable it to further solidify its position as a leading and innovative

quality supplier. The order backlog as of the end of 2021 ensures good capacity utilisation in 2022. Consequently, Orell Füssli expects a slight increase in revenue and a further increase in operating profit in Security Printing in 2022.

Industrial Systems

At CHF 25.3 million, the business segment generated revenue in 2021 slightly above the previous year and increased its operating result (EBIT) to CHF 5.5 million (previous year: CHF 5.3 million). This includes profit from the sale of a building in the UK of CHF 0.6 million. This corresponds to an EBIT margin of 21.9%. Thus, the business was stabilised at a high level.

Zeiser defended its position as the world's leading provider of serialisation solutions in the security printing industry in 2021. A significant individual order for numbering systems placed by one of Asia's biggest banknote printers ensured high capacity utilisation in the year under review. Nevertheless, Zeiser sensed a certain reluctance in terms of new client investments. In particular, the business with systems for digitally printed security documents suffered from supply bottlenecks at semiconductor manufacturers. Sales of passport printing systems, on the other hand, showed satisfactory development thanks to system upgrades and orders for spare parts. In addition, in 2021 Zeiser acquired leading technology in the area of document inspection and track & trace solutions for security printing from the UK's Inspectron and its US subsidiary. In addition, a service business with long-standing clients in the US was also acquired. The construction and on-time move at the end of 2021 to a new building in Emmingen, Germany, built in accordance with the latest environmental standards, represented a milestone for Zeiser. Zeiser is confident that revenue will grow in the current year due to the good order backlog and the expansion of the portfolio to include new technologies and service agreements, as well as the increasing number of enquiries.

Book Retailing

With total revenue in 2021 of CHF 206.6 million (previous year: CHF 192.4 million), Orell Füssli Thalia AG performed well in 2021 and posted a good financial year, despite the closure for several weeks of all its branches. Its broad-based omnichannel strategy thus proved itself in yet another year of the pandemic. Revenue in the Book Retailing business segment, which is proportionately consolidated by Orell Füssli AG, amounted to CHF 103.3 million in 2021, an increase of 7.4% over the previous year (CHF 96.2 million). The proportionately consolidated operating result (EBIT) also improved year-on-year to CHF 7.5 million (previous year: CHF 5.5 million).

Book Retailing saw revenue growth in its brick-and-mortar and digital and online mail order businesses of 8.0% and 4.7%, respectively. The business customer segment, which provides schools, companies, government agencies and libraries with specialist literature, saw the most growth in 2021, with an increase of about 14.8%. Its offerings expanded further with the acquisition of Lehmanns Media AG in October 2021. Orell Füssli Thalia AG's shop development activities continue to focus on sites in places with high footfall, such as railway stations, shopping centres and city centres in German-speaking Switzerland. Various locations were opened or refurbished in 2021, including Einkaufs-Allee Metalli in Zug and at Zurich, Basel and St. Gallen railway stations. Additional branch openings in central Switzerland are planned in 2022, including in Pilatusmarkt in Kriens (canton Lucerne) and Lucerne railway station. A moderate increase in revenue and operating result is expected for the current year.

Publishers Division

The publishing house performed very well and managed to post a positive EBIT once again in 2021. This confirms the path it has embarked on in which the business segment focuses in future on three pillars: legal media, learning and educational media and the well-known children's book brands Globi and Gari-giet. In the area of legal media, the 18th edition of the Swiss Civil Code/Code of Obligations (ZGB/OR) was one of the best-sellers last year. Sales of revision books, workbooks and in particular the accompanying commentaries were also good. In the children's books market, Globi and Roger was particularly popular in 2021 and it became a best-seller. To ensure further development in this area, the publisher is pursuing a strategy based on e-learning and hybrid offerings, particularly in the learning media programme.

Dividend

At the Annual General Meeting on 11 May 2022, the Board of Directors will propose an increase in the dividend and the approval of a distribution of CHF 3.40 (previous year: CHF 3.00) per Orell Füssli share. Orell Füssli intends to distribute a substantial 60%-80% of net profit to shareholders in future. The dividend will be paid out after approval by the shareholders at the Annual General Meeting.

Outlook for 2022

On the basis of the information contained in this report, the Board of Directors and the Executive Board expect to see a slight increase in revenue for 2022. However, the EBIT margin will be slightly below the previous year due to advance payments in the digital business, higher depreciation on tangible fixed assets and increased travel to client meetings.

Key figures for the Orell Füssli Group in CHF m

<i>in CHF m</i>	2021	2020
Revenue from goods and services provided	210.4	218.6
Operating income (EBITDA)	25.4	24.1
Operating result (EBIT)	15.4	14.4
Annual result	12.1	15.0
Annual result after minority interests	9.4	12.9
Equity	138.8	144.5
Minority interests in equity	12.8	9.0
Dividend (in CHF per share) ¹⁾	3.40	3.00
Number of employees (FTE) as at 31/12	615	581

¹⁾ Proposal by the Board of Directors at the Annual General Meeting on 11 May 2022

Annual Report 2021

The Annual Report 2021 is available online at https://www.orellfuessli.com/fileadmin/user_upload/Geschäftsbericht_2021_en_Final.pdf. A print copy can be requested by sending an email to investors@orellfuessli.com.

Agenda

Annual General Meeting 2022	11 May 2022
Publication of half-year results for 2022	5 August 2022

Contact

Orell Füssli AG
Tel. +41 44 466 72 73
media@orellfuessli.com

Orell Füssli is a pioneer in the field of security and education. As an expert in security solutions for the state and citizens alike and a leading Swiss player in the book retailing sector, Orell Füssli supports its clients with a unique and customer-specific offering.

As a leading system provider of security technology and identification systems and a long-standing partner to governments, Orell Füssli is a technological standard-setter. In the areas of security printing and serialisation, Orell Füssli offers innovative printing processes and services for the production and successful protection of banknotes, value documents and identity documents.

With its attractive large-format and specialist bookstores, Orell Füssli offers a true book shopping experience. In the Book Retailing segment, Orell Füssli holds a 50% stake in Orell Füssli Thalia AG, which offers a comprehensive range of products and services via 36 branches located in German-speaking Switzerland and various e-commerce services. Orell Füssli provides logistics and other services for libraries and the corporate sector. Orell Füssli's publishing houses focus on learning and educational media, and children's books that impart knowledge.

Orell Füssli was established more than 500 years ago and generates revenue of some CHF 210 million with about 600 employees in five countries. Orell Füssli is listed on SIX Swiss Exchange.