

## Ad hoc announcement pursuant to Art. 53 KR

### Orell Füssli Ltd with revenue growth in 2022

- **Back on growth track, increase in revenue by 3.3%**
- **Expansion of market positions in education through organic growth and acquisition**
- **Profitability impacted by higher costs and one-time effects**
- **Growth strategy 2028 communicated**
- **Unchanged dividend of CHF 3.40 per share proposed**

**Zurich, March 10, 2023** - Orell Füssli confirmed the strategic course it has adopted and increased revenue by 3.3% to CHF 217.3 million (previous year CHF 210.4 million) in the 2022 financial year in a challenging environment. The increase in revenue is due in particular to strong demand in the book retailing business and the acquisition of hep Verlag. However, cost increases and a provision for a foreseeable payment default by a customer in the Industrial Systems segment (Zeiser) weighed on the operating result (EBIT), which at CHF 14.9 million was slightly below the previous year's level (CHF 15.4 million). The EBIT margin declined by 0.4 percentage points to 6.9%. Net profit amounted to CHF 11.7 million (CHF 12.1 million in the previous year). The group's equity remains high and solid at CHF 133.7 million. The equity ratio at the end of the year was 74.5% (previous year 74.7%).

The social trends of security and education are the starting points of Orell Füssli's Growth Strategy 2028, which was presented at a Capital Markets Day last November. The group aims to achieve a leading market position in analogue and digital trust services: as a system provider of security technology and identification systems, as a market leader in book retailing - both stationary and online - and as a major publisher of Swiss learning media. Verifiable digital certificates represent a new, relevant business field with great international potential, which is to be developed in the coming years. Orell Füssli is targeting a revenue of CHF 300 million and an EBIT margin of 8% by 2028.

#### **Security Printing**

The Security Printing Division achieved a revenue of CHF 70.4 million in 2022 (previous year CHF 73.8 million), which is in line with expectations. Order intake in security printing was significantly above the previous year and the production facilities were well utilized. The business was characterized by a high proportion of exports (91.7% of total volume). Despite higher costs for energy and raw materials, the operating result (EBIT) increased by 59% to CHF 9.7 million (previous year CHF 6.1 million).

Various new customer orders were won in security printing last year. For example, Orell Füssli is involved in the development of the new Swiss driver's license, and in the case of the new Swiss passport the division was responsible for the design, the production of the cover as well as the printing of the content pages. International business was further expanded and new consulting services were successfully launched. In 2022 Security Printing made major investments in new production systems and continued to drive forward innovations. Among other things, Orell Füssli presented an internationally awarded prototype of a "hybrid" banknote, which is provided with a QR code.

For 2023, the Security Printing Division anticipates good capacity utilization, but a slight decrease in revenue due to the product mix in the order backlog and an EBIT margin at the level of 2021.

#### **Industrial Systems**

In the financial year 2022, the business unit generated a revenue of CHF 20.9 million (previous year CHF 25.3 million) and an operating result (EBIT) of CHF 0.9 million (previous year CHF 5.5 million). The result 2022 is burdened by provisions in the amount of CHF 1.7 million, which were formed due to a foreseeable customer default.

The division suffered in 2022 from project postponements due to low investment activities as a late consequence of the Corona pandemic. Order intake for new projects was also significantly below expectations. However, the number of inquiries increased significantly again in the second half of the year. The software solutions for track & trace systems acquired in 2021 were successfully integrated into the Zeiser product portfolio. The first significant customer contracts were concluded.

The market for the serialization of banknotes, passports, and security documents remains intact. Thanks to the expansion of the portfolio with new technologies and the realization of deferred projects, the division expects a growth in revenue and significantly higher profitability again in 2023.

### **Book Retailing**

Orell Füssli Thalia Ltd increased its revenue by 8.6% to CHF 224.4 million in 2022 (CHF 206.6 million in the previous year). The revenue of the Book Retailing segment, which is proportionately consolidated by Orell Füssli Ltd, amounted to CHF 112.2 million, while the operating result (EBIT) was CHF 9.3 million (previous year CHF 7.5 million).

Orell Füssli Thalia further consolidated its position as market leader in book retailing last year. The over-the-counter business posted strong growth (+15.4%) and almost reached its pre-pandemic level. This growth is largely attributable to the expansion of the store portfolio and the strategy pursued of focusing on locations in highly frequented locations such as train stations, shopping and city centers. In 2022, three new stores were opened and four stores were modernized. A contract was concluded with ETH Store AG, and its shops at the two ETH sites in Zurich will be operated by Orell Füssli as of 2023. The broad-based omnichannel strategy also proved its worth in 2022. The e-commerce business was able to almost maintain the level of 2021 and is thus still very significantly above the pre-Corona level. In order to meet the increased demand for eBooks and the trend towards hybrid reading habits, Orell Füssli entered into a partnership with Skoobe, the most established provider of eBook subscriptions in the German-speaking market, in 2022. Sales to business customers increased strongly by +10.2% in the year under review. The successful integration of Lehmanns Media AG in October 2021 contributed significantly to this.

In 2023, further stores have already been opened, and there are currently 50 stores in German-speaking Switzerland. This will lead to a further revenue growth in 2023. The operating result will be slightly lower than in 2022 due to inflation-related higher operating costs.

### **Publishers Division**

The Orell Füssli publishing houses learning media, legal media and books for children achieved and in some cases exceeded their revenue targets in the year under review. In mid-2022 Orell Füssli acquired the hep Verlag in Bern, a leading supplier of Swiss educational media. As a result of the merger, Orell Füssli was able to expand its publishing offering significantly and became the largest private Swiss publisher of learning media. In future, hybrid and purely digital learning media will increasingly be developed and offered jointly. hep Verlag made a substantial contribution to the operating result in 2022. Last year, the two children's books Globi and Papa Moll also celebrated their 90th respectively 70th anniversaries. Both anniversaries were accompanied by various activities such as the Globi Tram in Zurich. In the specialist legal media, sales figures for the French edition of the ZGB/OR commercial edition were significantly increased thanks to intensified sales and marketing activities. The division is planning a number of new publications for 2023. This, together with the full-year consolidation of hep, will lead to a further revenue growth in 2023.

### **Digital Certificates**

The subsidiary Procvivis continued to drive the digital identity solutions business by winning new projects at cantonal, national, and European level and expanding its product portfolio. A strategic partnership in the area of verifiable digital certificates was launched with Swisscom, and initial pilot projects were implemented with well-known Swiss organizations.

### **Dividend**

The Board of Directors will propose to the Annual General Meeting on May 10, 2023, a constant dividend payment of CHF 3.40 per share for approval. The dividend proposal is in line with Orell Füssli's long-term policy of paying out 60 - 80% of the net profit attributable to shareholders. The dividend will be paid after the approval by shareholders at the Annual General Meeting.

## Outlook 2023

In view of the progress made in implementing the strategy, the order situation in security printing, and the planned expansion of the shop network in book retailing, the Board of Directors and Management anticipate a further revenue growth in 2023. However, higher costs due to inflation and investments in the expansion of the digital business areas will burden the result, so that a lower EBIT margin is expected for 2023 than in the previous year. Due to seasonal business in book retailing business and the publishing houses, the result in the second half of the year will be significantly better than in the first half.

## Key figures Orell Füssli Group in CHF million

<i>In CHF million</i>	2022	2021
Revenue from goods and services provided	217.3	210.4
Operating income (EBITDA)	25.8	25.4
Operating result (EBIT)	14.9	15.4
Annual result	11.7	12.1
Annual result after minority interests	8.5	9.4
Equity	133.7	138.8
Minority interest in equity	11.5	12.8
Dividend (in CHF per share) <sup>1)</sup>	3.40	3.40
Number of employees (FTE) as of 31.12.	650	615

<sup>1)</sup> Proposal of the Board of Directors to the Annual General Meeting on May 10, 2023

## Annual Report 2022

The Annual Report 2022 is available on our website at [www.orellfuessli.com/en/investors](http://www.orellfuessli.com/en/investors). A print copy can be requested by sending an email to [investors@orellfuessli.com](mailto:investors@orellfuessli.com).

## Agenda

General Assembly 2023	May 10, 2023
Publication Half-Year Results 2023	July 31, 2023

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*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 as a leading Swiss player in the book retailing sector, Orell Füssli supports its clients with a unique and customised 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 for both analogue and digital applications. 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.*

*Verifiable digital certificates represent a new, relevant business field with great international potential for Orell Füssli, which is to be developed in the coming years.*

*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 50 branches located in German-speaking Switzerland and various e-commerce services. Orell Füssli provides logistics and other services for libraries and the corporate sector. With its publishing houses, Orell Füssli focusses on learning and legal media as well as on books for children.*

*Orell Füssli was established more than 500 years ago and generates revenue of some CHF 220 million with about 650 employees at locations in five countries. Orell Füssli is listed on the SIX Swiss Exchange.*