

Ad hoc announcement pursuant to Art. 53 LR

Orell Füssli significantly increased sales and earnings in 2023

- **Increase in revenue by 7% and EBIT by 21%**
- **Substantial increase of 25% in net profit**
- **All divisions contributed to growth**
- **Successful implementation of strategic projects**
- **Board of Directors proposes to AGM to increase the dividend to CHF 3.90 per share**

Zurich, March 8, 2024 - Orell Füssli reported pleasing results in 2023 which were significantly higher than in the previous year. The group increased sales to CHF 232.2 million (previous year CHF 217.3 million) and operating result (EBIT) to CHF 18.1 million (previous year CHF 14.9 million). All divisions contributed to the higher revenue. EBIT margin improved by 0.9 percentage points to 7.8%. Net profit rose by 25% to CHF 14.6 million (previous year: CHF 11.7 million). Orell Füssli's shareholders' equity is solid at CHF 132.1 million. The equity ratio remained nearly unchanged at 74.0% (previous year 74.5%).

The implementation of the growth strategy in the areas of security and education is well under way and the results show that the Orell Füssli Group is strategically and operationally well positioned to strengthen and further expand its leading market position in analog and digital trust services.

Security printing

The Security Printing Division increased sales to CHF 77.2 million in 2023 (previous year: CHF 70.4 million), which was higher than forecasted. Capacity utilisation in the division was high throughout the year thanks to a good order backlog. The operating result (EBIT) improved by 9% to CHF 10.6 million (previous year: CHF 9.7 million) due to higher sales, operating efficiency and despite increased costs for raw materials.

Security Printing was able to win various new international customer projects last year. Orders were concluded from Paraguay and Madagascar, for example. The new Swiss driving licence was introduced in 2023, for which Orell Füssli acted as a general contractor. The division also presented new innovative concepts at various international conferences, such as a new design method for digital 3D design of banknotes.

For the first half of 2024 capacity utilisation in the Security Printing Division is at a good level, but the visibility for the second semester is currently low due to customer orders still under discussion. However, the division anticipates a further increase in sales and an EBIT margin slightly below the previous year's level due to the product mix in the current backlog.

Industrial Systems (Zeiser)

The Zeiser Division was able to increase sales and EBIT in the 2023 financial year. Sales rose to CHF 21.6 million (previous year CHF 20.9 million) and the operating result (EBIT) to CHF 3.6 million (previous year CHF 0.9 million). Various efficiency and cost-saving measures helped to increase the EBIT margin again to well above 15% after a previous year characterised by low earnings and one-off effects.

In 2023, the division recorded higher investments in new production equipment by customers, following a noticeable slowdown as a result of the pandemic and a lack of customer contacts. Incoming orders for new projects picked up, particularly in the second half of the year, and led to good capacity utilisation. For example, Zeiser received a significant order for a digital printing press for tax stamps from a state printer in Africa. The market launch of the new software solutions for Track & Trace systems is progressing well and the offering is attracting considerable customer interest.

The division expects a further increase in demand and good business development in 2024. In particular, rising customer interest in track & trace systems should contribute to a positive sales trend in the second half of the year.

Book Retailing

Orell Füssli Thalia Ltd continued to grow in 2023 and increased sales by 4.7% to CHF 235.0 million (previous year CHF 224.4 million). The proportionately consolidated sales of the Book Retailing Division of Orell Füssli Ltd increased to CHF 117.5 million (previous year CHF 112.2 million), corresponding operating earnings (EBIT) declined to CHF 8.0 million (previous year CHF 9.3 million) due to higher costs for salaries, rents and marketing.

In a stagnating Swiss book market, Orell Füssli Thalia expanded its position as market leader and gained further market share. In 2023 the book retailing company opened five new shops in attractive locations with high customer footfall, such as shopping centres, railway stations and central city locations. As a result, sales in the bricks-and-mortar business significantly exceeded the previous year's figure. Revenue from online business even surpassed the record figures from years during the pandemic. Sales with business customers increased again in the past financial year.

A further expansion of the branch network is planned for 2024 with new locations in Aarau, Chur and Zug; the Rapunzel bookshop in Liestal was already acquired in January 2024. The larger footprint will lead to growing sales in 2024, however the profitability will be slightly lower than in 2023 due to higher operating costs.

Publishers

The Orell Füssli publishing houses with educational media, legal media and children's books look back on very a positive financial year 2023. Both sales and EBIT increased significantly compared to the previous year. The main driver of sales and earnings was the hep Verlag, a leading provider of Swiss educational media, which Orell Füssli acquired in mid-2022. The children's book programme with the two well-known children's book series Globi and Papa Moll had a solid year and almost achieved the objectives. Orell Füssli legal media continued it's growth trajectory. Among others, a new commentary on the completely revised Swiss Data Protection Act was published in the second half of the year.

Digital Credentials

Verifiable digital credentials represent a new and attractive business area with large international potential for Orell Füssli. At the end of 2023, the subsidiary Procivis launched the new, decentralised e-ID software solution Procivis One, which meets the high requirements of companies and government institutions for digital identities. It was developed in-house and fulfils the available technical specifications in Switzerland and the EU (eIDAS2). Procivis One is a pioneering and comprehensive technology for digital identities and verifiable digital credentials. It enables the implementation of an e-ID or a mobile driver's licence, but also allows other digital proofs such as ID cards, diplomas or confirmations to be issued and verified. With several proof-of-concept projects, various use cases with well-known companies were successfully tested last year. In 2024, Procivis One will be actively marketed to authorities and companies in Switzerland and abroad.

Dividend

Considering the good results, the Board of Directors will propose a dividend increase from CHF 3.40 to CHF 3.90 per share to the Annual General Meeting on 7th May 2024. The proposal is in line with Orell Füssli's long-term dividend policy, which foresees to distribute 60 - 80% of the net profit attributable to shareholders. The dividend will be paid out following the approval by the shareholders at the Annual General Meeting.

Outlook 2024

The Orell Füssli Group is aiming for further growth in 2024. In view of the progress made in the strategy implementation, all divisions plan to grow. However, increases in costs for salaries, energy and rents as well as investments in the expansion of the digital business fields will have a negative impact on profitability. Therefore the EBIT margin is expected to be slightly lower than in 2023. Due to the seasonal business in book retailing and publishing as well as to the product mix in the Security Printing Division's order backlog, earnings in the second half of 2024 will be significantly better than in the first half of the year.

Key figures Orell Füssli Group in CHF million

<i>In CHF million</i>	2023	2022
Revenue from goods and services provided	232.3	217.3
Operating income (EBITDA)	29.8	25.8
Operating result (EBIT)	18.1	14.9
Annual result	14.6	11.7
Annual result after minority interests	12.0	8.5
Equity	132.1	133.7
Minority interest in equity	8.3	11.5
Dividend (in CHF per share) ¹⁾	3.90	3.40
Number of employees (FTE) as of 31.12.	665	650

¹⁾ Proposal of the Board of Directors to the Annual General Meeting on 7th May 2024

Annual Report 2023

The Annual Report 2023 is available on our website at www.orellfuessli.com/en/investors. A print copy can be requested by sending an email to investors@orellfuessli.com.

Agenda

General Assembly 2024	7 th May 2024
Publication Half-Year Results 2024	26 th July 2024

Contact

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Orell Füssli is a pioneer in the fields of security and education. With its expertise in security solutions for the state and citizens 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 systems supplier of security technology and identification systems and a long-standing partner to governments, Orell Füssli sets technological standards in both analog and digital applications. In the area of security printing and serialisation, the company offers innovative printing processes, equipment and services for the production and effective protection of banknotes, value documents and identity documents.

Verifiable digital credentials represent a relevant new business area with huge international potential and will be developed in the coming years by Procivis a subsidiary of Orell Füssli.

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, an omnichannel company that provides an extensive offering with 54 branches located in the German-speaking part of Switzerland and various e-commerce services. Orell Füssli Thalia provides also logistics and others services for libraries and the corporate sector.

With its publishing houses, Orell Füssli focusses on learning and legal media as well as books for children.

Orell Füssli was established more than 500 years ago and generates revenue of some CHF 230 million, with about 660 employees and locations in five countries. Orell Füssli is listed on the SIX Swiss Exchange (Security number 342 080; ISIN number CH0003420806).