
Short Annual Report 2019

Editorial

Dear shareholder,

Security and education are key cornerstones of our modern society. They are important preconditions for progress and for preserving core values, including freedom and economic, social and personal development. The security and protection of personal values and data are an essential element in this context. In a rapidly changing world in which misuse of data, currencies or security documents is continually increasing, the need for security and solutions that can be trusted is also growing.

NET REVENUE

in CHF million

237.4

Our comprehensive expertise in serving the security of governments and citizens enables us to offer solutions for protecting values and identities of government and the public. As long-standing partners of government and leading specialists in security technologies and the individualisation of security documents, we set standards and guarantee technologically secure solutions for banknotes, security documents and individual identity documents. We combine technologically highly complex security features with unique expertise in security printing. In the field of education, we are leaders in Switzerland in the world of books. Our range of programmes encompasses a wide assortment of books, educational media and legal specialist media. With forward-looking shopping experiences in our own bookshops and on our digital channels, we provide our customers with access to the world of relaxation, knowledge and education.

The market for banknotes and security documents remained stable in 2019, but pressure on margins increased further due to existing excess capacities in banknote printing. Encouragingly, book retailing in Switzerland grew slightly in 2019. Books therefore held their own well – despite changing leisure habits and media consumption – compared to other classical media such as newspapers, music or the cinema.

At the operating level, Orell Füssli can look back on a solid financial year in 2019. It was characterised by a number of structural changes. The course of business was in line with expectations and we generated net revenue of CHF 237.4 million and operating earnings (EBIT) of CHF 18.2 million (CHF 19.7 million from operations). Against the backdrop of a challenging market, the Orell Füssli Group maintained its operating profitability and continued to reinforce its position of technological leadership. The equity ratio is a comfortable 66.8%.

In the security printing sector the successful presentation of the jubilee note at the Intergraf Conference in Copenhagen and the completion of printing the 9th banknote series for the Swiss National Bank (SNB), together with the acquisition of new orders in the export business, were among the highlights of the year under review. The export business now accounts for 58% of total volume. The current series of Swiss banknotes is now complete with the new 1000-Swiss franc note and 100-Swiss franc note, which were issued in March and September 2019, respectively. The acquisition of various new customers abroad could only partially compensate for the resulting decline in the volume of printing for the SNB. With the objective of being able to offset future fluctuations in printing volumes more efficiently, the Security Printing Division has decided to make further adjustments to its operational and organisational structure while at the same time intensifying its efforts in the field of innovation in order to be able to respond to market demand more flexibly and with new products.

EBIT BEFORE SPECIAL ITEMS

in CHF million

19.7

At the Zeiser Division, the reorientation and the associated structural changes have proved to be correct. The steps taken in this context already had an impact in 2019. Following the sale of parts of the business in 2018, operating processes were also optimised and simplified, foreign subsidiaries were closed and work on a new corporate culture was undertaken with employees. Now, as a clearly focused division with a strong brand identity and a large market share in the field of serialising security documents such as banknotes and passports, Zeiser was able to report very good profitability in the past financial year. Orders on hand at year-end were at a high level and Zeiser can look forward with confidence to the year 2020. As to the future, strategic options for the further development of banknote serialisation and the individualisation of security documents are also being examined.

The trend in book retailing was again encouraging in 2019. The business is profitable and growing. Now with 36 sales outlets in 23 towns and cities, Orell Füssli is the largest operator in bricks-and-mortar book retailing in Switzerland. Its market share was further expanded and its position as market leader in Switzerland reinforced by the opening of new branches on Europaallee near Zurich's main railway station and in the Seedamm-Center in Pfäffikon, as well as a strong presence in e-commerce channels. Orell Füssli Book Retailing has established itself successfully and continues to develop positively on the basis of its multi-channel strategy.

In contrast, Orell Füssli Publishing did not fulfil expectations in the past financial year. After a change in management in August, a transformation programme was drawn up in autumn aimed at giving publishing activities a clearer focus and streamlining the organisation. This programme is currently being implemented.

Another major feature of the past year was the celebration of Orell Füssli's 500th anniversary. As one of Switzerland's oldest companies, the book and card-printing house laid the foundation for an enterprise, which is known up to the present day as a leading specialist in complex and high-quality printing processes. The jubilee year featured many activities in which customers, employees, shareholders and guests took part.

Daniel Link took over operational management of Orell Füssli Holding from Martin Buyle on November 1. Our new CEO has many years of extensive management experience with Swiss industrial companies operating on an international scale.

The Board of Directors and the Executive Board continued to pursue the process of strategic analysis in the past financial year. Here it became apparent from the analysis of the «Security and Government» business sector that the demand for online services among the population as well as from companies is high and only partially covered by the existing offering. This was also confirmed by the national e-government survey conducted in 2019 by the State Secretariat for Economic Affairs. In Switzerland only few government agencies, cantons and local authorities provide information and services electronically. Orell Füssli sees potential here for becoming involved. Successful digitisation in the public domain presupposes a secure and widely accepted digital identity. Trustworthiness is the highest priority in this business. For Orell Füssli such involvement represents a logical further development of its expertise in the field of security solutions for government and the public, such as Orell Füssli has provided for almost 100 years in Switzerland as a partner of the SNB in the field of banknotes or of the federal government for Swiss passports and driving licences.

We have therefore decided to invest as a strategic partner in Procivis AG, a Zurich-based company. Procivis provides us with an entry into a steadily growing ecosystem of digital services based on a secure digital identity solution. Interesting synergies with the Security Printing Division also arise, and Procivis can benefit from Orell Füssli's experience with government agencies and its strong brand. The e-government technology of Procivis provides the public with direct and trustworthy access to official and private services. The Procivis system is already successfully in use in Canton Schaffhausen, which is the first Swiss canton to have officially introduced a digital identity for its inhabitants.

EBIT*in CHF million***18.2**

**NET INCOME
FOR THE PERIOD***in CHF million***10.9**

For the 2020 financial year, we foresee results at a comparable level with 2019 at Zeiser and Book Retailing. At Security Printing, we expect – based on the current product mix in the order backlog – a good first half and markedly weaker earnings in the second half of 2020. For the Orell Füssli Group as a whole we therefore expect net revenue in the current year to be slightly lower than in 2019, with an EBIT margin in the mid-single-digit range. We shall provide information on medium-term planning and targets in the second half of 2020.

Based on the good result for 2019 we shall recommend to the Annual General Meeting on May 20, 2020, that our shareholders approve a dividend amounting to CHF 6.00 per share. We seek to offer our shareholders a regular share in company profits. We are therefore planning to distribute about 75% of free cash flow in the form of dividends also in the future.

In order to simplify the group structure and for the purpose of operational optimization in the administrative area, as well as due to the new legal framework, Orell Füssli Holding Ltd and its wholly owned subsidiaries in Switzerland will merge to form the new Orell Füssli Ltd. Subject to the approval of this year's Annual General Meeting regarding the amendments to the Articles of Association, this change will come into effect retrospectively on January 1, 2020. The management team of the Orell Füssli Group will be restructured and complemented by the divisional heads of security printing and Zeiser.

We wish to thank our employees in all companies most sincerely for their day-to-day commitment, our customers and partners for their continued loyalty and you, our valued shareholders, for your confidence in the Orell Füssli Group and us.

Zurich, March 2020



DR. ANTON BLEIKOLM
Chairman of the Board of Directors



DANIEL LINK
CEO

Key figures 2019

INCOME STATEMENT

<i>in CHF million</i>	2019	2018	2017	2016	2015
Net revenue	237.4	264.9	288.5	298.9	279.4
Thereof Security Printing	101.2	112.3	129.8	121.2	117.4
Thereof Zeiser	29.2	50.7	55.9	72.2	52.7
Thereof Book Retailing	97.4	92.2	91.7	94.8	98.8
Thereof Publishing	9.8	10.1	11.1	10.8	10.3
EBITDA (EBIT + Depreciation / Impairment)	29.2	26.5	28.5	33.1	37.4
<i>in % Net revenue</i>	12.3%	10.0%	9.9%	11.1%	13.4%
Depreciation and Impairment	-11.0	-14.5	-15.9	-14.6	-19.8
EBIT	18.2	12.0	12.6	18.5	17.6
Thereof Security Printing	9.2	18.0	20.1	17.4	17.5
Thereof Zeiser	6.4	-8.5	-6.7	2.0	0.4
Thereof Book Retailing	6.5	5.0	1.6	2.0	1.8
Thereof Publishing	-1.2	-0.3	-0.1	-0.9	-0.4
<i>in % Net revenue</i>	7.7%	4.5%	4.4%	6.2%	6.3%
Special items	-1.5	-8.1	-5.3	-1.8	-3.9
Thereof Security Printing	-2.1	-0.8	-	-	-0.9
<i>Cost for restructuring</i>	-1.4	-	-	-	-
<i>Impairment</i>	-0.7	-	-	-	-0.9
<i>Strategy consulting</i>	-	-0.8	-	-	-
Thereof Zeiser	1.6	-7.3	-4.6	-1.9	-3.0
<i>Cost for restructuring</i>	2.8	-7.3	-	-	-
<i>Impairment</i>	-1.2	-	-4.6	-1.9	-3.0
Thereof Book Retailing	-	-	-0.2	0.5	-
<i>Cost for restructuring</i>	-	-	-0.7	0.5	-
<i>Impairment</i>	-	-	0.5	-	-
Thereof Publishing	-1.0	-	-	-0.3	-
<i>Cost for restructuring</i>	-0.4	-	-	-	-
<i>Impairment</i>	-0.6	-	-	-0.3	-
Thereof Holding	-	-	-0.5	-0.1	-
<i>Cost for restructuring</i>	-	-	-0.5	-0.1	-
EBIT before special items	19.7	20.1	17.9	20.3	21.5
Thereof Security Printing	11.3	18.8	20.1	17.4	18.4
Thereof Zeiser	4.8	-1.2	-2.1	3.9	3.4
Thereof Book Retailing	6.5	5.0	1.8	1.5	1.8
Thereof Publishing	-0.1	-0.3	-0.1	-0.6	-0.4
Net income for the period	10.9	-47.2	6.4	12.3	12.8
<i>Net income in % Net revenue</i>	4.6%	-17.8%	2.2%	4.1%	4.6%
Net income for the period before extraordinary result	10.9	6.9	6.4	12.3	12.8
<i>Net income before extraordinary result in % Net revenue</i>	4.6%	2.6%	2.2%	4.1%	4.6%
Minority interests of net income for the periode	2.4	2.9	1.6	1.5	1.8
Net income for the period after minority interests before extraordinary result	8.5	4.0	4.8	10.8	11.0
Net income for the period after minority interests	8.5	-50.1	4.8	10.8	11.0

NET REVENUE

in CHF million

237.4

EBIT BEFORE SPECIAL ITEMS

in CHF million

19.7

EQUITY FINANCING RATIO

66.8%

BALANCE SHEET

<i>in CHF million</i>	2019	2018	2017	2016	2015
Tangible assets	50.8	58.6	75.2	77.0	86.9
Total assets	221.1	223.5	229.5	235.9	240.1
Total equity	147.8	148.5	156.2	160.4	159.1
Thereof minority interests	9.6	6.9	10.8	13.8	15.2
Equity financing ratio	66.8%	66.5%	68.1%	68.0%	66.3%

ROCE

10.4%

ADDITIONAL KEY FIGURES

	2019	2018	2017	2016	2015
Cash flow from operating activities	20.8	16.5	39.4	15.7	27.7
Change in net working capital	2.4	9.7	-16.3	11.6	6.9
Minority interests of net income for the periode	-2.4	-2.9	-1.6	-1.5	-1.8
Cash flow from operating activities adjusted	20.8	23.3	21.4	25.8	32.8
Investment	5.4	10.0	9.5	8.2	12.0
in tangible assets	4.6	9.0	8.2	7.4	11.3
in intangible assets	0.8	1.0	1.2	0.7	0.6
in other non-current assets	-	-	0.1	0.1	0.1
Free Cash flow adjusted	15.4	13.3	11.9	17.6	20.8
Full time equivalents FTE (annual average)	639.0	807.0	867.0	881.0	897.0
Full time equivalents FTE (at 31.12.)	627.0	691.0	884.0	910.0	893.0
ROCE (NOPAT/Capital Employed)¹⁾	10.4%	4.9%	3.5%	7.1%	8.1%

EARNINGS PER SHARE

in CHF

4.33

SHARE FIGURES

<i>in CHF</i>	2019	2018	2017	2016	2015
Year-end share price	99.50	87.50	112.80	125.00	112.10
Profit/Loss per share	4.33	-25.56	2.44	5.51	5.63
Profit/Loss per share before extraordinary result	4.33	2.03	2.44	5.51	5.63
Dividend per share	6.00	6.00	4.00	4.00	4.00
Yield on shares	6.0%	6.9%	3.5%	3.2%	3.6%
Dividend payout ratio before extraordinary result	138.6%	296.2%	164.3%	72.6%	71.1%
Price earnings ratio before extraordinary result	23.0	43.2	46.3	22.7	19.9

¹⁾ NOPAT: EBIT minus Income tax expenses

Capital Employed: Average equity plus average interest-bearing liabilities plus average pension fund liabilities

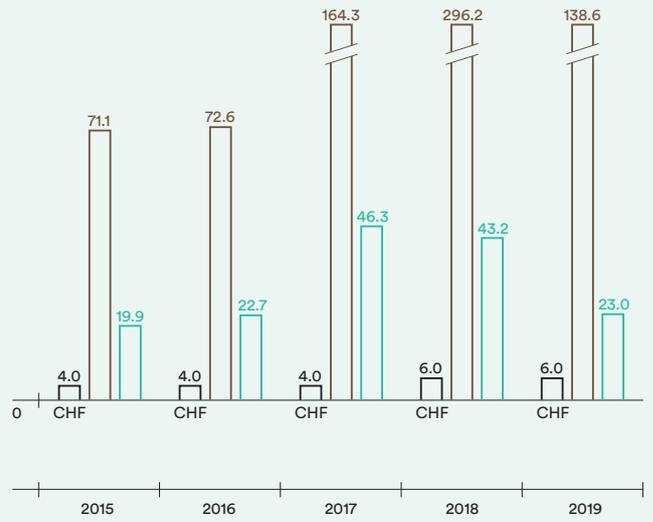
SHARE PRICE DEVELOPMENT

in %



Swiss Performance Index OFN 342 080

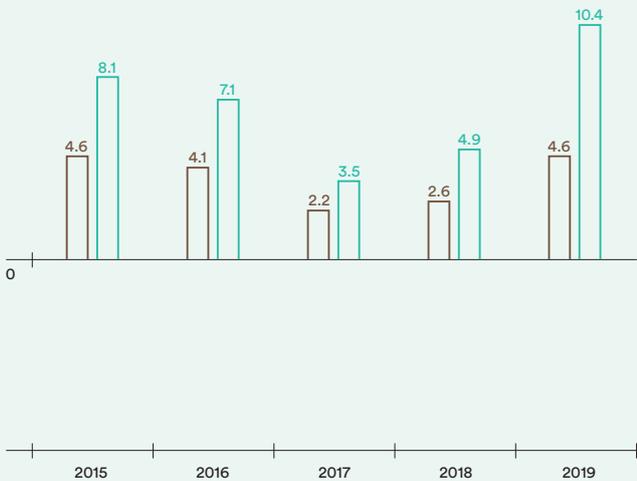
INFORMATION ABOUT DIVIDEND ¹⁾



Dividend per share in CHF Dividend payout ratio in % P/E ratio

RETURN ON SALES (ROS) ¹⁾
RETURN ON CAPITAL EMPLOYED (ROCE)

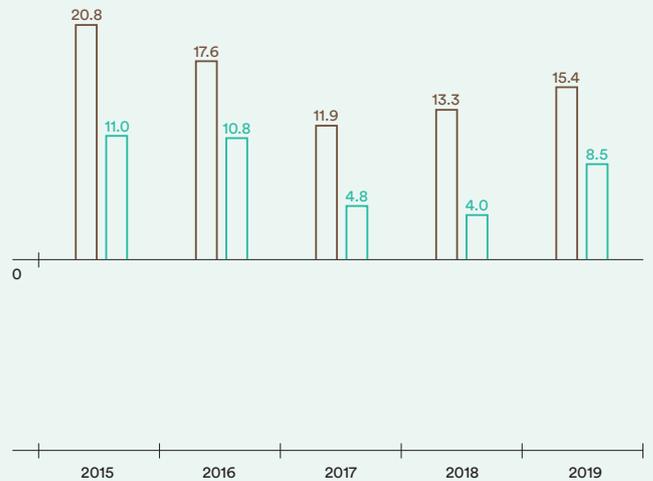
in %



ROS ROCE

FREE CASH FLOW (FCF)
NET INCOME FOR THE PERIOD AFTER MINORITY INTERESTS ¹⁾

in CHF million



FCF Net income for the period after minority interests

¹⁾ In 2018 before extraordinary result

Business in 2019

Net revenue posted by the Orell Füssli Group in 2019 was some 10% lower than the previous year's figure. The majority of this decline was attributable to the sale of parts of Atlantic Zeiser's operations in 2018 as well as lower volumes at Security Printing. The operating result (EBIT) before special items was maintained at the previous year's level despite the reduction in revenue. Both, EBIT and net income were well above the previous year's figures.

Orell Füssli reported net revenue of CHF 237.4 million in the 2019 financial year (CHF 264.9 million in 2018). Earnings from operations (EBIT) before special items amounted to CHF 19.7 million in 2019, a minimal reduction compared to the previous year (CHF 20.1 million). Operating earnings (EBIT) were CHF 18.1 million (CHF 12.0 million in 2018). This figure includes special items amounting to CHF -1.5 Mio. (CHF -8.1 million in 2018), which originate mainly from diverse expenditure and income in the Security Printing, Zeiser and Publishing divisions. Net income at Orell Füssli amounted to CHF 10.8 million. In 2018 this figure was depressed by non-recurring, non-cash expenditure in the amount of CHF 54.0 million relating to the sale of parts of Atlantic Zeiser's business and amounted to CHF -47.2 million.

Shareholders' equity including minority interests remained stable at CHF 147.8 million (CHF 148.5 million in 2018). The equity ratio was practically unchanged at 66.8%.

SEGMENTAL RESULTS

<i>in CHF thousand</i>	2019	2018	2017	2016	2015
Division Security Printing					
Net revenue from sales to customers	101,175	112,318	129,845	121,183	117,446
Operating earnings before special items	11,275	18,767	20,145	17,432	18,427
Operating earnings (EBIT)	9,209	18,020	20,145	17,432	17,514
Division Zeiser (until 2017 Atlantic Zeiser)					
Net revenue from sales to customers	29,186	50,708	55,850	72,198	52,670
Operating earnings before special items	4,804	-1,162	-2,062	3,892	3,369
Operating earnings (EBIT)	6,416	-8,524	-6,723	1,958	369
Division Book Retailing					
Net revenue from sales to customers	97,353	92,171	91,673	94,776	98,832
Operating earnings before special items	6,508	4,970	1,971	1,550	1,820
Operating earnings (EBIT)	6,508	4,970	1,587	2,022	1,820

Security Printing Division

The Security Printing Division posted net revenue of CHF 101.2 million in 2019, equivalent to a reduction of 10% compared to the previous year (CHF 112.3 million). The decline in net revenue was attributable to the conclusion of orders from anchor customers and changes in the product mix with an increase in export business (58% of total sales volume). The operating result (EBIT) before special costs for action taken to make banknote production more flexible amounting to CHF -1.4 million and the value adjustment of a minority interest totalling CHF -2.1 million amounted to CHF 11.3 million (CHF 18.8 million in 2018). As expected, a significant reduction in fixed costs compared to the previous year was insufficient to offset the decline in gross profit. Operating earnings (EBIT) were CHF 9.2 million (CHF 18.0 million in 2018).

The Security Printing Division reported a slight increase in sales volumes (+5%) in 2019 compared to the previous year. Production volumes for the export market were higher than for long-standing anchor customers for the first time since 2013. The final denomination of the Swiss National Bank's 9th banknote series was issued in September 2019 in the shape of the 100-Swiss franc note. The division's successful positioning as a supplier of high-quality and at the same time economically attractive banknotes was maintained in an intensely competitive market environment in 2019, but remains a challenging task in the medium term.

No major investments were made in production systems in the year under review. The focus in 2019 was on selective updating and the implementation of improvements in security, installations, infrastructure and buildings.

For the Security Printing Division 2020 will feature increased investment activity, intensified innovation efforts, a further increase in orders from the international market as well as the economically optimal orientation of the division towards shifting the product mix further in the direction of less complex notes. Security Printing therefore foresees substantially lower earnings in the current financial year.

Zeiser Division

In the past financial year the Zeiser Division exceeded expectations in respect of both net revenue and operating earnings. Net revenue amounted to CHF 29.2 million, representing an increase of 41% compared to the previous year on a comparable basis. The operating result (EBIT) before special items amounted to CHF 4.8 million (EBIT margin of 16%) compared to an outcome of CHF -1.2 million in 2018. The realignment of the Zeiser Division was optimally realised, so that it was possible to release several provisions for possible special effects at year-end. Operating earnings (EBIT) were CHF 6.4 million (CHF -8.5 million in 2018).

When comparing the financial statistics with the previous year's figures it should be borne in mind that the Zeiser Division's business activities underwent fundamental changes in the previous year due to the sale of parts of the business. At the end of May 2019 the production site in Paderborn (DE) was sold to the CMH Group, i.e. its majority shareholder Silver Investment Partners GmbH & Co. KG, based in Königstein (DE).

The restructuring launched in 2018 was thus completed successfully in the year under review. Focusing on the selected segment in the field of security printing was successfully implemented. In products for the serialisation of banknotes, passports and security documents, such as revenue stamps or lottery tickets, Zeiser was thus able to expand its leading market position further. Alongside the adjustment of all business processes, a new management group was established and the responsibilities redefined.

In the course of 2019 an exceptionally large number of new orders for banknote serialisation were acquired. Zeiser was also awarded more projects than forecast in the field of passport personalisation, both for the supply of new machines and for the overhaul of systems already installed. This resulted in a constantly large order backlog in 2019, which contributed to the good annual results, but also ensured solid capacity utilisation for the first half of 2020.

NET REVENUE SECURITY PRINTING

in CHF million

101.2

NET REVENUE ZEISER

in CHF million

29.2

The focus in the current year will be on the consolidation and expansion of the division's leading market position as well as the development of new opportunities in and related to existing business sectors. The closure of the production site in Andover (UK) and the resulting centralisation of manufacturing at headquarters in Emmingen (DE) will lead to further optimisation in production. Preparations for merging the two production facilities in Emmingen are also being pursued.

Sales potential is expected to be slightly reduced in 2020 due to the disposal of the Paderborn production site and the elimination of its share of sales. The optimised cost structure is again expected to result in an outcome in line with that reported in 2019.

Book Retailing Division

In 2019 pro-rata net revenue posted by the Book Retailing Division amounted to CHF 97.4 million, an increase of some 6% compared to the previous year (CHF 92.2 million). Operating earnings (EBIT) increased in the year under review to CHF 6.5 million (CHF 5.0 million in 2018), primarily as a result of the encouraging sales trend.

NET REVENUE BOOK RETAILING

in CHF million

97.4

Net revenue increased despite no less challenging market conditions. The Swiss book trade recorded an increase in sales revenues of 1.5%. Orell Füssli expanded its market share further due to numerous initiatives. On the basis of comparable selling space sales volumes increased by 3.4% and net revenue by as much as 3.8% (2.1% in 2018). Digital and online mail order business again grew in the double-digit percentage range in the past year. In the business customer segment the merger of the activities of Orell Füssli and Delivros resulted in significant sales growth.

The pleasing trend in net revenue and operating earnings shows that the transformation programme launched in 2015 and resolutely implemented since then is taking effect and bearing lasting fruit. Various steps, such as ongoing work on the bricks-and-mortar product range and the expansion of customer loyalty programmes such as the «Young Circle», a community for young readership, contributed to the sustained positive trend relative to the market environment. With regard to expenditure the main focus of attention was on increasing productivity per unit of space and optimising indirect costs.

The bricks-and-mortar branch portfolio was further reinforced by new openings in the popular Seedamm Center in Pfäffikon and on Europaallee in Zurich. Cooperation with successful outdoor equipment supplier Transa was expanded via a new branch in Berne. Orell Füssli was also able to secure attractive sites for new branches in the Volkiland shopping centre in Volketswil and the Regensdorf Centre which will open in 2020. New, very central and attractive selling space was found in Berne to replace the outlet in the LOEB department store, which will be vacated at the beginning of 2021.

The emphasis for the Book Retailing Division in 2020 will be on the profitable expansion of market share across all sales channels.

Publishing

Net revenue at Orell Füssli Publishing in 2019 was 3% lower than the previous year's figure. While sales of legal media, educational media and children's books were on the order of the previous year's outcome, non-fiction posted a decline due to a reduced autumn publishing programme. An extensive transformation programme in the context of the development of publishing activities was launched and will be implemented in 2020. This resulted in special items in the 2019 financial statements.

Important publications in 2019 were the jubilee volume entitled «500 Years of Printing» and the jubilee volume «150 Years – Zurich Cantonal Bank». Among the numerous new children's book titles, the sales figures of «Globi in Rom» and «Papa Moll in der Werkstatt» in autumn were outstanding. The picture books «Wer schnarcht im 13. Stock?» and «Eine Sternschnuppe im Schnee» also met with a good response. The programme range in educational media was worked on especially in the subject of geometry, with books on problems and solutions with commentaries. Legal media supplemented and updated their «Repetitorien», «Übungsbücher» and «Kommentare» series, such as in the fields of the Swiss civil and obligations codes, migration law and tenancy law.

**NET REVENUE
PUBLISHING**

in CHF million

9.8

Personnel

Martin Buyle, CEO of Orell Füssli Holding Ltd, handed over his operating responsibilities on October 31, 2019, and left the company on December 31, 2019. Daniel Link was appointed as his successor and assumed his duties as CEO on November 1, 2019.

Dr Michael Kasch, Head of the Security Printing Division, assumed his duties on January 1, 2019. Karen Heidl, Head of Publishing, left the company on November 30, 2019. Beat Müller, CFO of Orell Füssli Holding, is heading Publishing activities ad interim.

Condensed Financial Report 2019

Financial statements of the Orell Füssli Group

Consolidated income statement

<i>in CHF thousand</i>	2019	2018
Net revenues from sales to customers	237,423	264,867
Other operating income	4,121	3,930
Changes in inventories of semi-finished and finished products, capitalised costs	-134	5,540
Total operating income	241,410	274,337
Cost of materials	-94,626	-106,648
External production costs	-14,209	-10,781
Personnel expenditure	-61,711	-82,198
Other operating expenses	-41,692	-48,165
Depreciation and impairment on tangible assets	-10,299	-13,677
Depreciation and impairment on intangible assets	-708	-878
Earnings before interest and taxes (EBIT)	18,165	11,990
Financial income	214	1,341
Financial expenses	-4,880	-2,014
Financial result	-4,666	-673
Extraordinary result	13,499	11,317
Extraordinary result	-	-54,035
Earnings before income taxes (EBT)	13,499	-42,718
Income tax expenses	-2,618	-4,447
Net income for the period	10,881	-47,165
Attributable to the shareholders of Orell Füssli Holding Ltd.	8,479	-50,067
Attributable to minority interests	2,402	2,902

<i>in CHF</i>	2019	2018
Earnings per share	4.33	-25.56
Diluted earnings per share	4.33	-25.56

Consolidated balance sheet

<i>in CHF thousand</i>	31.12.2019	31.12.2018
Assets		
Cash and cash equivalents	102,738	99,994
Trade accounts receivable	13,309	22,573
Other receivables	26,971	17,518
Inventories	21,827	21,089
Current income tax receivables	2,596	291
Accrued income and deferred expenses	2,829	3,368
Total current assets	170,270	164,833
Tangible assets	43,252	49,114
Intangible assets	2,492	2,391
Financial assets	150	2,535
Deferred tax assets	782	16
Other non-current financial assets	4,157	4,567
Total non-current assets	50,833	58,623
Total assets	221,103	223,456
Liabilities		
Trade payables	11,454	7,261
Other current liabilities	41,245	42,030
Current income tax liabilities	1,884	4,224
Accrued expenses and deferred income	10,974	11,369
Current provisions	3,074	4,306
Total current liabilities	68,631	69,190
Non-current financial liabilities	1,635	1,635
Pension fund liabilities	29	99
Non-current provisions	1,667	2,703
Deferred tax liabilities	1,367	1,326
Total non-current liabilities	4,698	5,763
Share capital	1,960	1,960
Capital reserves	4,215	4,176
./. Own shares	-142	-162
Retained earnings	136,096	139,575
Translations differences	-3,921	-3,955
Total equity before minority interests	138,208	141,594
Minority interests	9,566	6,909
Total equity	147,774	148,503
Total liabilities	221,103	223,456

Consolidated cash flow statement

<i>in CHF thousand</i>	2019	2018
Net income for the period	10,881	-47,165
Change in employee equity incentive plans	39	-36
Depreciation	10,888	14,237
Impairment and amortisation	2,906	318
Non-cash related result from disposals of part of the Atlantic Zeiser Group	-	52,981
Other non-fund related income and expenses	1,304	1,313
Change in trade accounts receivable	9,161	-11,996
Change in inventories	-739	9
Change in other receivables	-11,806	-6,978
Change in trade payables	4,179	-66
Change in other liabilities	-3,172	9,335
Change in net working capital	-2,377	-9,696
Change in accrued income and deferred expenses	533	-343
Change in accrued expenses and deferred income	-362	-294
Change in provisions and deferred income tax	-3,006	5,176
Cash flow from operating activities	20,806	16,491
Purchase of tangible assets	-4,655	-9,029
Proceeds from disposals of tangible assets	83	20
Purchase of intangible assets	-786	-921
Takeover Delivros Orell Füssli Ltd	20	-
Disposals of part of the Atlantic Zeiser Group	-	18,715
Purchase of other non-current assets	-	-3
Proceeds from disposals of other non-current assets	9	235
Cash flow from investing activities	-5,329	9,017
Repayment of financial liabilities	-	-1,155
Purchase of company's own shares	-	-38
Dividends paid to minorities (Delvros Orell Füssli Ltd, Orell Füssli Buchhandlungs Ltd, Tritron GmbH)	-62	-1,591
Dividends paid	-11,753	-7,835
Cash flow from financing activities	-11,815	-10,619
Translations differences	-918	-856
Increase in cash and cash equivalents	2,744	14,033
Cash and cash equivalents at 1 January	99,994	85,961
Cash and cash equivalents at 31 December	102,738	99,994

Consolidated statement of changes in equity*in CHF thousand*

	Share capital	Capital reserves	Own shares	Retained earnings and net income	Goodwill offset with equity	Translation differences	Equity before minority interests	Minority interests	Total equity
Equity at 1 January 2018	1,960	4,212	-124	225,409	-70,183	-15,842	145,432	10,766	156,198
Disposals of Tritron GmbH and Tritron USA	-	-	-	-	-	-	-	-5,169	-5,169
Dividends paid	-	-	-	-7,835	-	-	-7,835	-1,591	-9,426
Disposal of goodwill in equity	-	-	-	-	42,251	-	42,251	-	42,251
Disposal of foreign exchange in equity	-	-	-	-	-	12,255	12,255	-	12,255
Employee equity incentive plans	-	-36	-38	-	-	-	-74	-	-74
Currency translation effects	-	-	-	-	-	-368	-368	1	-367
Net income for the period	-	-	-	-50,067	-	-	-50,067	2,902	-47,165
Total Equity at 31 December 2018	1,960	4,176	-162	167,507	-27,932	-3,955	141,594	6,909	148,503
Equity at 1 January 2019	1,960	4,176	-162	167,507	-27,932	-3,955	141,594	6,909	148,503
Change in scope of consolidation	-	-	-	-143	-	129	-14	376	362
Dividends paid	-	-	-	-11,753	-	-	-11,753	-62	-11,815
Offsetting goodwill against equity	-	-	-	-	-62	-	-62	-59	-121
Employee equity incentive plans	-	39	20	-	-	-	59	-	59
Currency translation effects	-	-	-	-	-	-95	-95	-	-95
Net income for the period	-	-	-	8,479	-	-	8,479	2,402	10,881
Total Equity at 31 December 2019	1,960	4,215	-142	164,090	-27,994	-3,921	138,208	9,566	147,774

At At the ordinary general meeting held on 20 May 2020, a dividend of CHF 11,760,000 (CHF 6.00 per share) will be proposed.

Available liquidity as of the balance sheet date was as follows:

Liquidity reserves and credit facilities*in CHF thousand*

	31.12.2019	31.12.2018
Cash in bank accounts and in hand	102,738	99,994
Prepayments PoC / from customers	-39,187	-37,741
Other financial assets / liabilities	-1,635	-1,635
Cash and cash equivalents net	61,916	60,618
Thereof assigned to other shareholders	12,469	8,562
Disposable cash and cash equivalents	49,447	52,056
Available lines of credit	66,011	66,825
./. Secured guarantees by banks (without prepayment guarantees)	-6,091	-1,018
./. utilised credit facilities	-	-
Total disposable cash and cash equivalents and unused lines of credit	109,367	117,863

As well as the committed credit facilities in local currencies, sufficient funds should also be available to conduct ordinary business activities in the future.

Financial statements of Orell Füssli Holding Ltd

Income statement

in CHF thousand

	2019	2018
Income from investments	–	11,510
Other operating income	3,617	4,827
Total operating income	3,617	16,337
Personnel expenditure	–2,836	–2,756
Operating lease expenses	–65	–66
Marketing	–371	–894
Administration expenses	–2,073	–2,341
Other operating expenses	–52	–49
Depreciation and impairment	–40	–24
Earnings before interest and taxes	–1,820	10,207
Financial income	677	1,033
Financial expenses	–797	–133
Financial result	–120	900
Net operating income before extraordinary income and expenses	–1,940	11,107
Extraordinary expenses	–2,150	–2,700
Earning before taxes (EBT)	–4,090	8,407
Income tax expenses	–	–
Net income for the period	–4,090	8,407

Balance sheet

<i>in CHF thousand</i>	31.12.2019	31.12.2018
Assets		
Cash and cash equivalents	14,485	14,539
Trade receivables from consolidated companies	1,818	2,912
Other current receivables from third parties	–	13
Other current receivables from consolidated companies	26,260	38,157
Accrued income and deferred expenses	25	489
Total current assets	42,588	56,110
Loans to consolidated companies	28,692	28,692
Other financial assets	–	2,150
Participations in related companies	50	50
Participations in consolidated companies	58,368	58,368
Tangible assets	6	27
Intangible assets	95	67
Total non-current assets	87,211	89,354
Total assets	129,799	145,464
Liabilities		
Trade payables to third parties	289	178
Trade payables to consolidated companies	7	7
Other current liabilities	117	53
Accrued expenses and deferred income	1,197	1,210
Total current liabilities	1,610	1,448
Provisions for restructuring	130	130
Total non-current liabilities	130	130
Share capital	1,960	1,960
./. Own shares	–141	–162
Legal profit reserve	11,137	11,142
Retained earnings	119,193	122,539
Net income for the period	–4,090	8,407
Total equity	128,059	143,886
Total liabilities	129,799	145,464

Sustainability and Social Responsibility

Banknote Ethics Initiative (BnEI): Code of Ethical Business Practice

Corporate Social Responsibility pursues a wide range of different objectives. A core aspect for companies operating internationally with governments or government-related organisations as customers is the battle against bribery and corruption. Systemic risks have to be borne in mind here especially in banknote printing. These include: a small number of suppliers, international customers, direct or indirect access to government representatives and a valuable, high-quality product.

The «Banknote Ethics Initiative» (BnEI) is committed to this important theme. The BnEI was established in Brussels in 2013 as a non-profit organisation with the objective to combat bribery and corruption together with representatives of the industry. For this purpose the BnEI has defined binding rules and requirements which can be verified by independent audit organisations – above all the BnEI «Code of Ethical Business Practices». Accredited members of the BnEI are subject to regular independent audits. These audits review the functional features and effectiveness of in-house processes to prevent bribery and corruption. 40 central banks are currently among the supporters of the initiative, which to date has 13 members – and growing.

Orell Füssli Security Printing (OFS) joined the BnEI as a member in 2017. After the completion of 11 interviews, the study of almost 100 documents, reviews of all relevant directives and a detailed reconciliation with BnEI requirements, OFS was awarded the sought-after accreditation. OFH's long-standing tradition of purposeful and sustainable corporate management is reflected in the fact that a large proportion of the required monitoring processes and basic conditions had already been implemented. The resulting transparency in business processes significantly facilitated the external verification that is now required.

The BnEI is being continuously further developed by its members. The market is also developing, however: the number of international contracts awarded via competitive tender and thus subject to audit and transparency predominates in comparison to direct procurement, which is more difficult to monitor.

Environment

The responsible and sustainable use of natural resources and the preservation of our environment are part of every company's responsibility.

Since 2006, Orell Füssli Security Printing has operated an environmental management system certified under ISO 14001 which is continuously reviewed and further developed. Upstream, in-house and downstream processes are included in this.

When selecting suppliers and service providers OFS attaches great importance to working with companies which also operate certified environmental management systems and submit themselves to appropriate annual external audits. OFS is also a member of the energy model group of the Energie-Agentur für Wirtschaft (EnAW)*. This entity specifies a clear target path and tightens the requirements for saving energy and reducing CO₂ emissions annually. In this way, OFS systematically makes an annually increasing contribution to environmental protection. This has enabled the Group to save over 820 tonnes of CO₂ emissions since 2013, while improving energy efficiency by 15%.

Occupational safety

Despite extensive precautionary measures, occupational accidents cannot be completely eliminated even at OFS. For this reason and with the objective of systematically reducing the associated risks, OFS decided to incorporate the theme «Occupational Safety and Health Protection» (AS-GS) in its integrated management system.

The new «ISO 45001 – Occupational Safety and Health Protection» standard was issued in May 2018. OFS obtained certification three months after its publication. The results are a modern system for the continuous reduction of occupational accidents and specific action to preserve and expand health protection – also outside of working hours and Orell Füssli Security Printing premises.

As with all management systems, the «Occupational Safety and Health Protection» (AS-GS) topic is being continuously further developed and adapted to changing requirements. Personnel are closely integrated in the process through risk assessment and the definition of action to be taken.

Orell Füssli is a pioneer in the fields of security and education. With its expertise in security solutions for governments and citizens and as a leading Swiss book retailer, Orell Füssli supports its customers with a unique and customer-specific offering.

As a leading systems supplier for security technologies and identification systems and a long-standing partner of governments, Orell Füssli sets technological standards. In the fields of security printing and serialisation Orell Füssli provides innovative printing processes, systems and services for the successful creation and protection of banknotes, securities and identity documents.

With its attractive large-format and specialist bookstores Orell Füssli offers a wide-ranging book-related shopping experience. In book retailing Orell Füssli has a 50% interest in Orell Füssli Thalia AG, a company that provides an extensive offering by means of 36 branches within the German-speaking part of Switzerland and various e-commerce services. Orell Füssli provides logistical and service facilities for libraries and companies.

Orell Füssli was founded more than 500 years ago. Today, it generates revenues of some CHF 250 million with around 600 employees at locations in five countries. Orell Füssli is listed on the SIX Swiss Exchange.

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