

**orell füssli**

# Short Annual Report 2022



# Key Figures

Key Figures



**217.3**

Revenue  
in CHF m

Previous year: 210.4



**25.9**

EBITDA  
in CHF m

Previous year: 25.4



**14.9**

EBIT  
in CHF m

Previous year: 15.4



**650**

Number of  
employees (FTE)

Previous year: 615



**11.7**

Annual result  
in CHF m

Previous year: 12.1



**19.5**

Cash flow from  
operating activities  
in CHF m

Previous year: 26.4

# About this short Annual Report

This short Annual report is intended to provide a quick overview of the results achieved by the Orell Füssli Group in the 2022 financial year and a brief outlook for the coming financial year. For this reason, in addition to the key figures and the letter from the Chair of the Board of Directors and the CEO to shareholders, which is presented as an editorial, the summary report contains only a heavily abridged financial report. However, the statements on the course of business for the business segments are printed in full, as they are in the annual report.

For a more detailed review of the Orell Füssli Group, please refer to the 2022 Annual Report, published on 10 March 2023. In addition to the detailed financial report with all information included in the notes in accordance with Swiss GAAP FER and the disclosure of various key figures in a five-year comparison, this also includes a section on Orell Füssli's 2028 growth strategy and, for the first time, an ESG report in accordance with the GRI Standards. Reports on sustainability, corporate governance and the remuneration of the Board of Directors and management form integral parts of ESG reporting.

One of the two focal points in this year's Annual Report includes an interview with Désirée Heutschi, Head of Corporate Development at Orell Füssli, in which she explains the importance of digital verification and comments on the potential of digital business areas for Orell Füssli. The second is an article that gives some background on hep Verlag and discusses the significance of the merger with Orell Füssli.

The 2022 Annual Report can be downloaded as a pdf file from the Orell Füssli website at ([www.orellfuessli.com/investors](http://www.orellfuessli.com/investors)). Printed copies can be requested from the Investor Relations department by email at [investors@orellfuessli.com](mailto:investors@orellfuessli.com) or by telephone on +41 44 466 72 73

# Dear shareholder,

The year we are looking back on was very eventful. Although the COVID-19 pandemic did not have the same impact on us as a company as it did in previous years, we had little time to stop for a breather. The outbreak of war in the heart of Europe and the resulting economic uncertainties, such as supply problems in the global value chain and rising energy prices, dominated 2022. As a company with a robust business model, we mastered these challenges well, thanks to the considerable commitment shown by our employees and our loyal clients.

We would like to mention the good level of incoming orders in Security Printing, the gratifying business development in book retailing as well as the takeover of hep Verlag as highlights of the past financial year. Another highlight was the well-attended Capital Markets Day in November, which we took as an opportunity to unveil the Orell Füssli Group's new strategy and financial targets.

The social trends of security and education form the basis for our growth strategy. The Orell Füssli Group aims to achieve a leading position in analogue and digital Trust Services: as a systems supplier of security solutions and identification systems, as a market leader in book retailing – both bricks-and-mortar and online – and as a major publisher of Swiss learning media. The Group is targeting revenue of CHF 300 million and an EBIT margin of 8% by 2028. The Group's core business in the

areas of education and security is being developed further in a targeted manner in order to achieve these objectives. Read the chapter on our strategy on page 12 and the interview with the Head of Corporate Development on page 14 in the Annual Report.

Revenue increased slightly in a challenging environment, but various cost increases and special items meant that profitability is down slightly in a year-on-year comparison.

Orell Füssli's balance sheet remains solid with its high equity ratio. The continuous cash flow from the operating business allowed us to finance the investments in machinery, technology and participating interests that will play a crucial role in maintaining our competitive edge.

Incoming orders in Security Printing were up significantly on the previous year, which translated into good capacity utilisation levels in our production facilities. At the same time, Orell Füssli forged ahead with innovations. Experts showed considerable interest in the DUAL® study in 2022. This study involves a prototype for a digital banknote. The concept subsequently won the "Advancement of Digital Currency Award" in the US. The DUAL® combines conventional security elements with QR codes to transfer the value of a banknote to a digital wallet. With this innovation, Orell Füssli is establishing itself in the promising field of hybrid value documents and consolidating the company's reputation



Daniel Link  
Dr. Martin Folini

as an innovation leader. Another highlight in 2022 was the launch of the new Swiss passport. Orell Füssli was entrusted with production and printing, and the design process.

Zeiser's business performance in 2022 was hit by the consequences of postponed projects due to low investment activity as a knock-on effect of the COVID-19 pandemic. Demand for spare parts and consumables, on the other hand, ensured constant revenue. In the second half of the year, the number of enquiries increased considerably, resulting in favourable forecasts for the year ahead. A new camera system that monitors production in Security Printing at

high speed was successfully commissioned by clients on all continents. The activities of Inspectron that were acquired back in 2021 were successfully transitioned to the Zeiser product portfolio.

The book retailing business showed excellent development, a trend that was unexpected after two years dominated by the pandemic. Revenue in bricks-and-mortar stores rose almost to the level seen before the pandemic. Three new stores were added in the year under review: in Lucerne, Wil and Kriens. Thanks to an agreement with ETH Store AG, the latter's sales branches will be managed by Orell Füssli at the two ETH Zurich locations from 2023. Sales via

online channels also bucked expectations by barely slowing down after two years of a boom fuelled by the COVID-19 pandemic. The omnichannel strategy continues to bear fruit and Orell Füssli is growing at a faster rate than the market as a whole.

In response to the increased demand for e-books and the trend towards hybrid reading habits, Orell Füssli has been collaborating with Skoobe since 2022. Skoobe is the most established provider of e-book subscriptions on the German-speaking market. Orell Füssli clients now have the opportunity to borrow their reading material at a fixed monthly price and enjoy access to more than 400,000 e-books and tens of thousands of audio books.

All in all, the Publishers Division can also report very positive performance. It achieved the revenue targets set for 2022. The acquisition of hep Verlag in 2022 marked a key milestone in the implementation of Orell Füssli's forward strategy in the area of education. The merger made a significant contribution to revenue and operating profit in the year under review. Hybrid and purely digital learning media are now being developed increasingly with hep Verlag, with the aim of promoting the students' skills in line with the trend. In the article on hep Verlag on page 16, member of the management team provides an in-depth insight into the successful publisher of learning materials.

The activities to mark the birthdays of Papa Moll and Globi made big waves in the media in 2022. More than 6,000 guests gathered at the Papa-Moll-Land theme park in Zurzach for a celebration. Events featuring the two popular characters were

held across the country, boosting unit sales of books, audio books and non-books.

The subsidiary Procivis further enhanced the established products within its client base in 2022. In addition, solutions for the issuance and verification of digital trust services were developed together with Swisscom. They increase the efficiency of business processes and enable fast, legally watertight checks without any manual effort. In 2022, initial tests were conducted together with SBB, the city of St. Gallen and the University of Zurich. Read more in the interview on page 14 in the Annual Report.

For the first time in many years, Orell Füssli extended an invitation to investors, analysts and media representatives in November and provided them with an in-depth insight into its business segments and strategic priorities. The event was well attended and generated a positive response.

Sustainability reporting (from page 32 in the Annual Report) was expanded further. The Board of Directors and the Executive Board identified relevant ESG topics that are firmly established in the company's strategy and set up the process for a report in line with the GRI Standards.

The bonus system for the group management team was revamped as of the financial year 2022 and more weight was attached to bonus components based on Orell Füssli's long-term business success (see Compensation Report on page 60 in the Annual Report).

Given the progress made in implementation of the strategy, the order situation in Security Printing and the planned expansion

of the branch network in book retailing, the Board of Directors and the Executive Board expect to see revenue increase further in 2023. Higher costs due to inflation and the expansion of the digital business areas will put pressure on the result, and 2023 is expected to bring a somewhat lower EBIT margin than in the previous year. Due to the seasonal business in the book retailing business and at the publishing houses, the result in the second half of the year will be significantly better than in the first half.

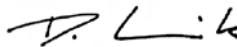
The Board of Directors proposes that the shareholders at the Annual General Meeting on 10 May 2023 approve an unchanged dividend of CHF 3.40 per share. The proposal is consistent with Orell Füssli's long-term policy of distributing 60-80% of the share of its net profit to which the shareholders are entitled.

We would like to thank all our employees for their dedicated work over the past year. We would like to thank our clients and business partners for their appreciation and loyalty, and you, our shareholders, for your loyalty to our company.

Zurich, March 2023



**DR. MARTIN FOLINI**  
Chairman of the Board of Directors



**DANIEL LINK**  
CEO

# Course of business

The Orell Füssli Group achieved good results in 2022. Consolidated revenue was up by 3.3% year-on-year, while profitability at EBIT level could not quite be maintained at the prior-year level due to price increases and special items. The market developments and overall conditions are explained in detail in the editorial and divisional reports below.

The Group closed 2022 with revenue of CHF 217.3 million (previous year: CHF 210.4 million). The operating result (EBIT) came to CHF 14.9 million (previous year: CHF 15.4 million). Net profit came to CHF 11.7 million (previous year: CHF 12.1 million). The EBIT margin fell slightly to 6.9% (previous year: 7.3%). Higher prices and a provision of CHF 1.7 million for an impending client default at Zeiser had a negative impact on EBIT. The financial result of CHF –0.7 million (previous year: CHF –1.5 million) is due primarily to the depreciation of the euro and the US dollar against the Swiss franc.

At CHF 133.7 million (previous year: CHF 138.8 million), including minority interests, the Group continues to report substantial equity in its balance sheet. The equity ratio had dipped slightly to 74.5% (previous year: 74.7%) as at 31 December 2022. The sustained high investment volume and the acquisitions made were financed using the Group's operating cash flow. Freely available liquidity after deductions for minority interests fell by CHF 6.7 million to CHF 30.6 million.

Since 1 July 2022, the scope of consolidation has included hep Verlag AG. The results of hep Verlag AG are allocated to the "Other business areas" segment.



## SEGMENT DATA

The business activities of the Orell Füssli Group involve mainly the sub-areas Security Printing, Industrial Systems and Book Retailing. The activities of the smaller business units are grouped together as “Other business areas”.

Activities from Group functions not directly attributable to core businesses are not allocated to the sub-areas.

in CHF thousand	2022	2021	2020	2019	2018
<b>Security Printing</b>					
Revenue from sales to customers	70'439	73'824	87'301	101'175	112'318
Operating earnings (EBIT)	9'669	6'119	5'511	9'209	18'020
EBIT margin	13.7%	8.3%	6.3%	9.1%	16.0%
<b>Industrial Systems</b>					
Revenue from sales to customers	20'948	25'317	24'790	29'186	50'708
Operating earnings (EBIT)	925	5'540	5'291	6'416	-8'524
EBIT margin	4.4%	21.9%	21.3%	22.0%	-16.8%
<b>Book Retailing</b>					
Revenue from sales to customers	112'174	103'300	96'213	97'353	92'171
Operating earnings (EBIT)	9'254	7'452	5'505	6'508	4'970
EBIT margin	8.2%	7.2%	5.7%	6.7%	5.4%
<b>Other business areas</b>					
Revenue from sales to customers	13'702	7'741	10'283	9'845	10'122
Operating earnings (EBIT)	-868	-33	1'017	-1'219	-311
EBIT margin	-6.3%	-0.4%	9.9%	-12.4%	-3.1%
<b>Not assigned</b>					
Revenue from sales to customers	14	193	-31	-136	-452
Operating earnings (EBIT)	-4'057	-3'649	-2'945	-2'749	-2'165
<b>Total Group</b>					
Revenue from sales to customers	217'277	210'375	218'556	237'423	264'867
Operating earnings (EBIT)	14'923	15'429	14'379	18'165	11'990
EBIT margin	6.9%	7.3%	6.6%	7.7%	4.5%

## Security Printing

### Result

In 2022, the Security Printing Division generated revenue of CHF 70.4 million (2021: CHF 73.8 million), in line with expectations.

Numberous international orders resulted in good capacity utilisation in production in 2022. The share of exports in the total amount from printed banknotes increased from 76.6% in the previous year to 91.7% in 2022. The product mix has hardly changed compared with the previous year.

Operating profit (EBIT) increased again and was up significantly on a year-on-year comparison to CHF 9.7 million (previous year CHF 6.1 million). This was achieved despite higher costs for energy and for the procurement of materials, such as paper, polymer substrates and products containing cotton.

Increased profitability resulted from good capacity utilisation, successful cost management, organisational optimisation measures, technical production efficiency gains and a number of high value-added orders. For example, a new painting system with a much higher throughput was put into operation, reducing production time. Orell Füssli Security Printing invested a total of CHF 4.0 million in production facilities in 2022.

### New Swiss passport

At the end of October 2022, the Federal Office of Police, fedpol, launched the new Swiss passport. Orell Füssli was commissioned to design the new passport, produce the cover page and print the content pages. Orell Füssli has also been entrusted with the technical printing. The new passport characterises Switzerland as having strong roots and also open to the world. The document meets the very highest quality standards and is





equipped with state-of-the-art security features.

### Market

Central bank forecasts predict a further increase in the number of banknotes put into circulation worldwide over the coming years. A reason for this trend, apart from population growth in the emerging markets, is the Clean Note Policy, where old notes are continuously replaced by new ones.

Restrictions on travel almost vanished in 2022. Clients could be visited on site and acceptance tests and audits with clients were held in Zurich. Orell Füssli Security Printing had its own stand at the Banknote & Currency Conference in the US, and at the Global Currency Forum in Spain and at the Intergraf Currency + Identity in France. Representatives of Orell Füssli Security Printing also gave talks at various conferences.

### Hybrid banknote and digital verification

The conceptual banknote study launched in 2021, which combines conventional security elements with QR codes for transfer of the value to a digital wallet, was unveiled to the public in 2022 under the name DUAL<sup>®</sup>, which is filed in the trademark register. This concept met with keen interest among experts and was awarded the innovation prize “Advancement of Digital Currency Award” at the Digital Currency Conference in Washington, DC. Orell Füssli will continue to drive the development of the product until it is ready for industrial production.

In 2022, Ghana introduced a new system for issue of visas at the country’s diplomatic missions developed by Orell Füssli Security Printing and a Swiss partner company and which is being rolled out worldwide. The system records the personal data of visa applicants, personalises the visa stickers and then signs them digitally in accordance with the standard for

machine-readable travel documents set by the International Civil Aviation Organization (ICAO).

The system also features a central database and integrated control mechanisms that simplify administration and enable client-specific queries.

In future, driving licences issued by the Swiss cantons will be produced centrally. As part of the switch, a new and secure driving licence in credit card format made of polycarbonate will come into circulation in 2023. Orell Füssli is involved in this project launched by the Swiss Association of Road Traffic Offices (asa) and will be able to further expand its range of ID solutions thanks to the use of the new technology.

### Outlook

Orell Füssli expects to see a slight decline in revenue from Security Printing in 2023

due to the product mix in the order backlog, and predicts an EBIT margin on a par with 2021.

## Industrial Systems

### Result

At CHF 20.9 million in 2022, the division generated lower revenue than in the previous year (CHF 25.3 million). The operating result (EBIT) amounted to CHF 0.9 million (previous year: CHF 5.5 million).

The result 2022 was hit by provisions in the amount of CHF 1.7 million set up to reflect an impending client default.

The backlog of new investments in Security Printing as a result of the COVID-19 crisis, the war in Ukraine and the turbulence on the energy markets was not cleared in



2022. Projects were cancelled or postponed, and incoming orders for new projects were also much lower than expected. The systems installed at Zeiser's existing clients ensured constant revenue from spare parts and consumables. It was encouraging to see that the targets set for the software and service business were also achieved.

The new facility in Emmingen, Baden-Württemberg, which was occupied in January 2022, passed its baptism of fire with flying colours. State-of-the-art building technology, a photovoltaic system and heating energy from the local heating network make production more cost-effective and environmentally friendly. The short distances that have to be covered save time and boost internal communication. The property in Emmingen, which was no longer needed after the move, was sold. The sale profits of CHF 1.1 million are included in the EBIT for the 2022 financial year.

### **Market**

Market cultivation measures based on face-to-face contact and visits resumed in the second half of 2022 after a two-year hiatus due to COVID-19. The spirit of optimism was reflected in a marked increase in interest in Zeiser's products.

In particular, the new track & trace solutions in Security Printing acquired in 2021 with the acquisition of Inspectron. However, it became apparent that initiating business takes more time than, for example, numbering machines, since the monitoring systems for quality assurance tend to affect the entire production operations of all lines across different locations and require the involvement of companies' IT departments.

The delivery times for individual parts and components – mainly related to semiconductor brands – doubled or even tripled in 2022. As Zeiser managed to identify alternative sources for numerous products in the year under review, there were no significant delivery delays.

### **Innovation**

Zeiser found a pilot client for a new numbering box with newly patented functions within a short space of time. The product is characterised by a significant reduction in machine downtime for cleaning or maintenance work, and can be used in a flexible manner for different font sizes.

With its new DataScan VS, Zeiser has successfully introduced the second generation of the CIS scan bar (line sensor camera system) within the Security Printing sector. Within only a few months of its launch, it has already been installed successfully on all continents. The camera system checks the print quality, numbering and other security features during the printing process.

### **Outlook**

The expansion of Zeiser's portfolio to include new technology will generate revenue growth subject to a time lag. The market for serialisation of banknotes, passports and security documents is intact. The implementation of postponed projects is expected to lead to revenue growth and higher profitability in 2023.

## Book Retailing

### Result

In 2022, revenues generated by the proportionately consolidated Book Retailing division came to CHF 112.2 million up by 8.6% compared with the previous year (CHF 103.3 million). The operating result (EBIT) at the end of the year came in at CHF 9.3 million (previous year: CHF 7.5 million).

### Market situation

The COVID-19 pandemic had resulted in temporary shop closures, restrictions and the mandatory use of masks on the sales floor in 2020 and 2021, as well as revenue losses in the bricks-and-mortar business on a huge scale. On the other hand, the e-commerce business saw extraordinarily high revenue growth, in some cases pushing the sector to its capacity limits.

In 2022, the bricks-and-mortar business made a return to strong growth (+ 15.4%) and almost reached the pre-pandemic level. This performance is particularly noteworthy in light of the pronounced drop in consumer sentiment at the end of February 2022. According to surveys conducted among Swiss households by the State Secretariat for Economic Affairs SECO, assessment of their financial situation has fallen to a new all-time low. The fact that the Book Retailing division was able to grow nonetheless is largely due to the successful further development of the branch portfolio and the strategy pursued within this context. Orell Füssli focuses on locations with high footfall, such as railway stations, shopping centres and city centres.

E-commerce, which experienced a growth spurt of around 60% of revenue in the two





years dominated by the pandemic, was able to almost maintain this level in 2022 (–1.4% against 2021), even though clients focused more on activities such as travel, meeting up with friends or attending cultural and sporting events. The established omnichannel strategy has once again proven its worth and is highly valued by clients.

Revenue generated with business customers – which accounts for more than 10% of Orell Füssli’s book retailing business – rose by a significant +10.2% in the reporting year. The successful integration of Lehmanns Media AG, which was acquired in October 2021, made a significant contribution to this trend. The range of digital teaching material on offer, as well as customised client solutions for professional buyers in libraries or schools, contributed to the success story.

### **Strategy and growth outlook**

The bricks-and-mortar branch portfolio was once again systematically renovated and expanded in the reporting year. A total of four branches were refurbished in Zurich, Winterthur, Emmenbrücke and Schönbühl, with some modification work also performed. New branches were opened at Lucerne railway station, in Wil city centre, and at Pilatusmarkt shopping centre in Kriens, expanding the network. The Barth bookstore was also acquired in the middle of the year, consolidating Orell Füssli’s position at Zurich railway station. Towards the end of the reporting year, a partnership was entered into with ETH Store AG. As of January 2023, the two ETH sales branches on the central and Höggerberg campuses will be operated by Orell Füssli. The ETH Store is the first port of call for campus services relating to books, stationery and ETH merchandise.

Orell Füssli entered into a partnership with Skoobe in 2022 in response to the mounting demand for e-books. The service allows users to borrow and consume an unlimited number of e-books and audio books in return for a monthly flat rate.

The Swiss Book Prize, the premier accolade for Swiss literature, has been supported by Orell Füssli as the main sponsor since 2022. The event is one of the most prominent platforms used to present new works to a wide audience.

### **Outlook**

Further branches will be opened in 2023; for example, in Langendorf Solothurn and at Aarau railway station. This will translate into further revenue growth. Higher operating costs due to inflation will have a slightly negative impact on the result.

## **Other business areas**

### **Publishers Division**

#### **Result**

Orell Füssli Publishers not only achieved the revenue targets set for 2022, but outstripped them in all segments. Bern-based hep Verlag AG, which was acquired on 1 July 2022, made a substantial contribution to the operating result. A one-off effect arose from the fact that the company was fully consolidated in the third quarter, which brought strong performance in terms of revenue and earnings, whereas it was not in the first half of the year. Rising energy and paper costs in 2022 were absorbed thanks to newly negotiated business margins. This will also have a positive effect in subsequent periods.

### **Takeover of hep Verlag AG**

Orell Füssli acquired hep Verlag in Bern, a leading supplier of Swiss learning media, in mid-2022. This will allow Orell Füssli to significantly expand its publishing portfolio in this segment, particularly in the areas of teaching and learning media for upper-secondary education, tertiary education and private continuing professional development. In line with the state educational mandate, hybrid and purely digital learning media that focus more on promoting competence will be developed together with hep and offered starting in the 2023 school year. The takeover will involve the concentration of activities relating to learning media at the Bern site. More information on hep Verlag AG and the merger of the learning media publishing houses can be found in the article on page 16 of the annual report.

### **Children's books**

Two milestone birthdays were celebrated in 2022. In the first half of the year, 90-Globi's anniversary was celebrated in style. In the second half, Papa Moll turned 70. The coverage of the activities in newspapers, television, radio and on Orell Füssli's social media channels led to numerous catalogue orders and the positive impact was also reflected in Christmas sales.

Over the course of 2022, several new titles published by Orell Füssli Publishers featured simultaneously in the top 10 order list for children's and young people's books released by the Swiss Publishers' Association SBVV. From March to July, Globi und die Ozeane and Globi und die Mikroben occupied the top two spots, and in the summer, no fewer than five Orell Füssli Publishers' children's books were in the



top 10. At the end of the reporting year, the children's non-fiction book *Globi und das Klima* was published in time for the UN Climate Summit on the Red Sea.

In November 2022, the spectacular interactive knowledge show on the topic of energy featuring *Globi* celebrated its première in Zurich. Author Atlant Bieri and *Globi* familiarised young and old alike on the energy theme and provided exciting facts in a sensational show. The educational format of the interactive knowledge show for children of primary school age is new and complements the *Globi* non-fiction books.

### Legal media

In legal media, unit sales of the standard work *CC/CO Edition Commerciale*, the French edition of the Swiss Civil Code/*Code of Obligations (ZGB/OR)* commercial edition, increased by 35% thanks to increased sales and marketing activities in French-speaking Switzerland.

Orell Füssli also signed a new 30-strong team for the legal commentary *revDGS* in view of the forthcoming entry into force of the revised Federal Act on Data Protection in 2023. The new work is to be published in time for the Act's introduction in September 2023.

For the first time, Orell Füssli also held introductory legal literature events for law students in their first semester. At the universities in Zurich, Basel and Lucerne, Orell Füssli lecturers explained how to work with the books and answered students' questions.

All available Orell Füssli commentaries are now available for subscribers on [justement.ch](https://justement.ch), the new smart search engine for legal research. Orell Füssli Publishers have been working with the start-up *Justement* since the spring of 2022.

### Outlook

The publishing houses are planning a series of new publications in all programmes and on all channels. This, coupled with the full-year consolidation of hep, will lead to revenue growth in 2023. Due to the positive one-off effect resulting from the consolidation of hep Verlag AG following its acquisition, the EBIT will decrease in 2023 compared with 2022.

### Procivis

#### Expanded product portfolio

Procivis' digital identity solution, which has been in use for many years now at long-standing Procivis clients, canton Schaffhausen and the city of Zug, was enhanced to include new functions and additional application services and was distributed further. The city of Zug won several awards at the Best of Swiss Apps Awards in 2022 with its mobile government solution developed by Procivis.

Procivis was also awarded its first contract from the Swiss Confederation. The inter-cantonal e-ID standard commissioned by the Swiss association for IT in cities and municipalities (SSGI) and financed by Digital Public Services Switzerland (DPSS) was awarded to Procivis.

In January 2022, SSI+, a new product that systematically implements the concept of Self-Sovereign Identity (SSI), was launched on the market and met with a positive

response. As part of the strategic partnership between Orell Füssli and Swisscom, various pilot projects based on SSI have been implemented, including with SBB and the University of Zurich. For example, the proof of concept for a seamless ordering process for an SBB partner season ticket (GA) was provided using digital confirmation of residence with the city of St. Gallen. The project received a great deal of attention at national level.

### International potential

With the solution for an ISO-certified mobile driving licence (mDL), and the proven experience with SSI, Procivis established itself as an interoperability expert on an international level, enabling it to secure a contract as a partner company in a European consortium for the “EU Digital Identity Wallet Large Scale Pilots” project.

Procivis played an active role in several international and national standardisation and working groups in 2022; for example,

in the Swiss Confederation’s SSI-based e-ID, allowing it to make a name for itself in the field of digital identities.

The successful fintech entrepreneur Christian Pirkner was recruited as a new member of the Board of Directors. He will actively contribute his experience in scaling start-ups. Procivis moved to Orell Füssli’s headquarters in Zurich Wiedikon at the beginning of September.

### Outlook

In 2023, Procivis expects further details to be released on the national e-ID and the first tenders. Procivis intends to continue to play an active role in this area. New projects are also planned at cantonal level to build on the successful technology model of existing clients. Internationally, Procivis is pursuing the expansion of its activities in connection with strategic partnerships; in particular, for digital driving licence solutions and other applications in the public sector.

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## Orell Füssli AG, Board of Directors

Dr. Martin Folini  
Chairman of the Board

Dieter Widmer  
Vice Chairman of the Board

Mirjana Blume  
Board of Directors

Dr. Thomas Moser  
Board of Directors

Dr. Luka Müller  
Board of Directors

Johannes Schaede  
Board of Directors

## Orell Füssli AG, Group Executive Board

Daniel Link  
CEO Orell Füssli AG

Reto Janser  
CFO Orell Füssli AG

Désirée Heutschi  
Head of Corporate Development

Dr. Michael Kasch  
Managing Director Sicherheitsdruck

Thorsten Tritschler  
Managing Director Zeiser GmbH



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#### NOTE ON FORWARD-LOOKING STATEMENTS

No statement in this annual report that refers to the future constitutes a guarantee of future performance. They involve risks and uncertainty, including but not limited to future global economic conditions, foreign exchange rates, regulatory requirements, market conditions, activities of competitors and other factors beyond the company's control that may cause actual developments and results to differ significantly from the statements made in this document. Orell Füssli is under no obligation to adapt or modify forward-looking statements based on new information, future events or other reasons.

This Short Annual Report is translated from its German original.

# Condensed Financial Report

## Financial statements of the Orell Füssli Group

### CONSOLIDATED INCOME STATEMENT

in CHF thousand	2022	2'021
Revenue from sales to customers	217'277	210'375
Other operating income	4'425	3'941
Changes in inventories of semi-finished and finished products, capitalised costs	1'423	-1'995
<b>Operating income</b>	<b>223'125</b>	<b>212'321</b>
Cost of materials	-82'212	-78'609
External production costs	-9'612	-12'066
Personnel expenses	-61'500	-55'877
Other operating expenses	-43'939	-40'330
Depreciation and impairment on tangible assets	-10'086	-9'191
Depreciation and impairment on intangible assets	-853	-819
<b>Earnings before interest and taxes (EBIT)</b>	<b>14'923</b>	<b>15'429</b>
Financial income	257	15
Financial expenses	-923	-1'546
<b>Financial result</b>	<b>-666</b>	<b>-1'531</b>
<b>Ordinary result</b>	<b>14'257</b>	<b>13'898</b>
Income tax expenses	-2'588	-1'800
<b>Net income for the period</b>	<b>11'669</b>	<b>12'098</b>
<b>Attributable to the shareholders of Orell Füssli AG</b>	<b>8'490</b>	<b>9'388</b>
<b>Attributable to minority interests</b>	<b>3'179</b>	<b>2'710</b>
in CHF	2022	2'021
<b>Undiluted earnings per share</b>	<b>4.33</b>	<b>4.79</b>
<b>Diluted earnings per share</b>	<b>4.33</b>	<b>4.79</b>

## CONSOLIDATED BALANCE SHEET

in CHF thousand	31.12.2022	31.12.2021
<b>Assets</b>		
Cash and cash equivalents	62'538	75'706
Marketable securities and derivative financial instruments	105	12
Trade accounts receivable	11'331	16'090
Other receivables	8'897	6'008
Inventories	24'384	14'971
Accrued income and deferred expenses	4'455	2'919
<b>Total current assets</b>	<b>111'710</b>	<b>115'706</b>
Tangible assets	55'648	58'303
Intangible assets	2'589	2'320
Non-current financial assets	7'698	7'419
Deferred tax assets	1'729	2'169
<b>Total non-current assets</b>	<b>67'664</b>	<b>70'211</b>
<b>Total assets</b>	<b>179'374</b>	<b>185'917</b>
<b>Liabilities and equity</b>		
Trade payables	7'957	5'369
Other current liabilities	14'095	13'638
Accrued expenses and deferred income	16'796	14'175
Current financial liabilities	1'862	2'156
Current provisions	926	2'865
<b>Total current liabilities</b>	<b>41'636</b>	<b>38'203</b>
Other non-current liabilities	1'030	3'516
Non-current financial liabilities	1'864	4'030
Non-current provisions	309	248
Deferred tax liabilities	831	1'072
<b>Total non-current liabilities</b>	<b>4'034</b>	<b>8'866</b>
Share capital	1'960	1'960
Capital reserves	4'183	4'167
Own shares	-60	-60
Retained earnings	122'301	125'216
Exchange differences	-6'192	-5'232
<b>Total equity before minority interests</b>	<b>122'192</b>	<b>126'051</b>
<b>Minority interests</b>	<b>11'512</b>	<b>12'797</b>
<b>Total equity</b>	<b>133'704</b>	<b>138'848</b>
<b>Total liabilities and equity</b>	<b>179'374</b>	<b>185'917</b>

## CONSOLIDATED CASH FLOW STATEMENT

in CHF thousand	2022	2021
Net income for the period	11'669	12'098
Change in employee equity incentive plans	16	17
Depreciation	10'518	9'833
Impairment and amortisation	421	177
Share of loss applicable to equity method	–	381
Other non-cash related income and expenses	–291	349
Change in trade accounts receivable	6'150	2'528
Change in inventories	–6'809	4'840
Change in other receivables	–2'820	18'119
Change in accrued income and deferred expenses	–866	6'050
Change in trade payables	2'312	–6'153
Change in other liabilities	–385	–14'278
Change in accrued expenses and deferred income	1'971	–1'267
Change in provisions and deferred income tax	–2'345	–6'323
<b>Cash flow from operating activities</b>	<b>19'541</b>	<b>26'371</b>
Purchase of tangible assets	–8'545	–14'554
Proceeds from disposals of tangible assets	1'917	766
Purchase of intangible assets	–1'301	–897
Investments in financial assets	–11'434	–10'531
Disposal of financial assets	42	83
<b>Cash flow from investing activities</b>	<b>–19'321</b>	<b>–25'133</b>
Increase of financial liabilities	–	4'326
Repayment of financial liabilities	–2'293	–338
Dividends paid to minorities	–3'869	–
Dividends paid	–6'662	–5'879
<b>Cash flow from financing activities</b>	<b>–12'824</b>	<b>–1'891</b>
Exchange differences	–564	–639
<b>Change in cash and cash equivalents</b>	<b>–13'168</b>	<b>–1'292</b>
<b>Cash and cash equivalents at 1 January</b>	<b>75'706</b>	<b>76'998</b>
<b>Cash and cash equivalents at 30 June</b>	<b>62'538</b>	<b>75'706</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in CHF thousand	Share capital	Capital reserves	Own shares	Retained earnings and net income	Equity before minority interests	Minority interests	Total equity
<b>Equity at 1 January 2021</b>	<b>1'960</b>	<b>4'150</b>	<b>-60</b>	<b>129'450</b>	<b>135'500</b>	<b>8'995</b>	<b>144'495</b>
Change in scope of consolidation	-	-	-	-	-	1'245	1'245
Dividends paid	-	-	-	-5'878	-5'878	-	-5'878
Offsetting goodwill against equity	-	-	-	-12'226	-12'226	-153	-12'379
Employee equity incentive plans	-	17	-	-	17	-	17
Currency translation effects	-	-	-	-750	-750	-	-750
Net income for the period	-	-	-	9'388	9'388	2'710	12'098
<b>Total equity at 31 December 2021</b>	<b>1'960</b>	<b>4'167</b>	<b>-60</b>	<b>119'984</b>	<b>126'051</b>	<b>12'797</b>	<b>138'848</b>
<b>Equity at 1 January 2022</b>	<b>1'960</b>	<b>4'167</b>	<b>-60</b>	<b>119'984</b>	<b>126'051</b>	<b>12'797</b>	<b>138'848</b>
Change in scope of consolidation	-	-	-	-	-	-138	-138
Dividends paid	-	-	-	-6'662	-6'662	-3'869	-10'531
Offsetting goodwill against equity	-	-	-	-4'743	-4'743	-457	-5'200
Employee equity incentive plans	-	16	-	-	16	-	16
Currency translation effects	-	-	-	-960	-960	-	-960
Net income for the period	-	-	-	8'490	8'490	3'179	11'669
<b>Total equity at 31 December 2022</b>	<b>1'960</b>	<b>4'183</b>	<b>-60</b>	<b>116'109</b>	<b>122'192</b>	<b>11'512</b>	<b>133'704</b>

The share capital as at 31 December 2022 and 31 December 2021 consisted of 1,960,000 registered shares with a par value of CHF 1.00 each.

Retained earnings include currency translation differences of CHF 6,192K (as of 31.12.2021: CHF 5,232K) and goodwill of CHF 48,315K (as of CHF 43,572K).

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