

orell füssli

Short Annual Report 2023

Key Figures



232.2

Revenue
in CHF m
Previous year: 217.3



29.8

EBITDA
in CHF m
Previous year: 25.8



18.1

EBIT
in CHF m
Previous year: 14.9



665

Number of
employees (FTE)
Previous year: 650



14.6

Net income
in CHF m
Previous year: 11.7



26.1

Cash flow from
operating activities
in CHF m
Previous year: 19.5

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 2023 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 Chairman 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 2023 Annual Report, published on 8 March 2024. 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 strategy and the reporting on non-financial matters – the ESG report – in accordance with GRI standards. The reports on sustainability, corporate governance and the remuneration of the Board of Directors and management form integral components of ESG reporting.

The two focal issues in this year's annual report are an interview with Bernhard Deufel, who reports on the Swiss passport and driving licence lighthouse projects. In the second article, Stefan Rowinski presents the potential of Zeiser's Track & Trace solution.

The 2023 Annual Report can be downloaded as a pdf file from the Orell Füssli website at (www.orellfuessli.com/en/investors). Printed copies can be requested by email at investors@orellfuessli.com or by telephone on +41 44 466 72 73.

Dear shareholder,

Orell Füssli had a very good year in 2023. The Group's result exceeds the forecast set a year earlier, with significant increases in both revenue, which rose by 6.9% to CHF 232.2 million, and the operating result, which increased by 21.4% to reach CHF 18.1 million. Among the many achievements in the year, we would like to highlight the good order volume in security printing and the very high quality of the products produced. We are also pleased with the good results in book retailing and publishing as well as the operational improvements at Zeiser.

In an environment characterised by uncertainty, inflation and subdued consumer sentiment, this is not at all a given. It is evident that Orell Füssli set the right strategic course three years ago. The fact that we focussed on costs at an early stage has also paid off.

Alongside positive business performance in the core business, all divisions further refined and advanced their defined strategic measures in the reporting year, with the result that we exceeded our annual growth target of 4–6% in 2023. At the beginning of the reporting year, the Board of Directors also approved additional funds for Procvivis and the expansion of the new business area, a decision partly influenced by greater clarity around eID laws and upcoming tenders in Europe and Switzerland.

More about the current state of play in strategy implementation can be found in the Annual Report on pages 12 and 13.

Orell Füssli's balance sheet remains solid with a high equity ratio of 74%. Cash flow from operations financed investment in machinery, technology and the areas of the company that will be key to future growth.

Orell Füssli Security Printing recorded a gratifying volume of foreign orders for printing of banknotes. Our long-term anchor customers also placed major print orders in 2023. In the identification document business area, focus was placed on the Swiss driving license – a new version was issued in April. In international business, Orell Füssli presented a range of innovations at specialist conferences around the world in 2023. For example, in Mexico City, a method for digital 3D design that gives banknotes an unbeatable realism was presented under Project Escher®.

Zeiser booked a good result in the last financial year and was increasingly able to recover from the difficult previous year. There was a good order volume at the end of the year. Inflation in the eurozone had fallen significantly by the end of the year, which eased pressure on the cost side. However, there is still considerable pressure on personnel costs. Zeiser's track & trace system has plenty of potential. As numerous sales conversations have shown,



Daniel Link
Dr Martin Folini

“Our growth strategy is bearing fruit and contributed greatly to the positive developments in the year 2023.”

Dr Martin Folini, Chairman of the Board of Directors

there is great interest among customers in real-time tracking and traceability. Zeiser believes it can successfully place the system on the market over the next few years.

In book retailing, five new branches opened in 2023 – one in Bern railway station and others in shopping centres. Orell Füssli Thalia continued to focus on selected locations with high customer footfall. This resulted in revenues from in-store sales that exceeded pre-pandemic levels for the first time. Sales from online

trading even surpassed the record-breaking figures in the pandemic years. By contrast, the overall market in Switzerland stagnated and consumer sentiment was well below the long-term average.

Orell Füssli publishers can look back on a particularly pleasing year. The integration of hep Verlag was a complete success, a fact reflected in the financial statements. The expansion of the publisher portfolio in the field of teaching and learning materials proved the right strategic step,

and has opened up attractive development opportunities. With the products launched in 2023, the Orell Füssli range now covers the teaching materials needs of a quarter of all apprentices in vocational training in German-speaking Switzerland.

Procivis One, the new software solution for digital identities and verifiable digital credentials, which was presented in late 2023, is a groundbreaking development that has attracted great interest on the market. The software meets all known requirements for technical implementation of a future Swiss eID solution. Orell Füssli/Procivis took part in tender processes both in Switzerland and internationally and presented the new software to potential customers.

For decades, Orell Füssli has proven itself to be a trusted partner in the production of banknotes, Swiss passports and driving licences. It produces these documents as a service provider to the state. Procivis' current activities show that Orell Füssli can maintain the same role in a world shaped by digitalisation.

Our sustainability reporting was prepared according to GRI (Global Reporting Initiative) standards as of this year. Orell Füssli thus meets the tighter requirements in transparency and standardised reporting.

Throughout the year we worked on our shared corporate values, our conduct guidelines and the corporate purpose of Orell Füssli, refining and deepening them in dialogue with management and employees. They provide orientation and security in a time when much in our environment is changing and moving. This spirit also guided Orell Füssli's company event in September, which drew all employees to Zurich. About 700 colleagues from all over Switzerland and Germany took part in this great event.

At the Annual General Meeting on 7 May 2024, the Board of Directors will propose a dividend of CHF 3.90 per share, which represents a dividend payout ratio of 63.5%. The proposal is consistent with Orell Füssli's long-term policy of distributing 60–80% of its net income attributable to the shareholders of Orell Füssli AG.

After 13 years on the Board of Directors, Dieter Widmer, Vice Chairman and Head of the Audit Committee, will not stand for re-election at the next Annual General Meeting. The Board of Directors will propose Pascale Bruderer to be elected as new Member of the Board. The former president of the National Council is now an independent entrepreneur and brings experience gained in board mandates for Galenica and the TX Group/Tamedia and in her work on digital issues.

“The publishing houses excellent results confirms that we made the right decision in taking over hep Verlag.”

Daniel Link, CEO

In December 2023, we learned that the Sanctions Commission of SIX Swiss Exchange had imposed a fine against Orell Füssli. This was due to incomplete implementation of publication guidelines in early 2022 and a technical error at an external IT service provider related to publication of the 2021 Annual Report. The Sanctions Commission published the legally binding decision in February 2024. Orell Füssli regrets these incidents and has already introduced corresponding measures in the area of processes and monitoring.

Orell Füssli is planning to grow further in 2024. The first revenues are expected from Procivis One and a reference plant for Zeiser track & trace systems. However, higher salary, energy and rental costs are

presenting Orell Füssli with greater challenges. It is also becoming apparent that the international security printing contracts secured for 2024 will result in lower value creation than last year. Due to these factors, as well as investment in new business areas, the EBIT margin will be a little lower in 2024. We expect revenues to reflect seasonal effects, with the first half of the year set to be significantly weaker than the second.

We extend warm thanks to our employees for the achievements of the past financial year. We would also like to thank our customers and business partners for their valued cooperation. And finally we would like to thank you, our shareholders, for your trust in our company.

Zurich, March 2024



DR MARTIN FOLINI
Chairman of the Board of Directors



DANIEL LINK
CEO

Course of business

Following a good result last year, the Orell Füssli Group improved further in 2023. Both revenue and EBIT increased.

The Group's financial statements for 2023 closed with revenue of CHF 232.2 million (previous year: CHF 217.3 million). The operating result (EBIT) amounted to CHF 18.1 million (previous year: CHF 14.9 million). Net profit totalled CHF 14.6 million (previous year: CHF 11.7 million). The EBIT margin was 7.8% (previous year: 6.9%). The financial result of CHF 0.3 million (previous year: CHF -0.7 million) improved due to the euro and US dollar exchange rate to the Swiss franc and interest on cash positions.

At CHF 132.1 million (previous year: CHF 133.7 million), the Group's balance sheet continues to boast a comfortable equity (including minority interests). The equity ratio as at 31 December 2023 decreased slightly to 74.0% (previous year: 74.5%). Investments were financed from the operating cash flow. The freely available liquidity after deduction of minority interests increased by CHF 0.7 million to CHF 31.3 million.

SEGMENT DATA

in CHF thousand	2023	2022	2021	2020	2019
Security Printing					
Revenue from sales to customers	77'152	70'439	73'824	87'301	101'175
Operating earnings (EBIT)	10'587	9'669	6'119	5'511	9'209
EBIT margin	13.7%	13.7%	8.3%	6.3%	9.1%
Industrial Systems					
Revenue from sales to customers	21'589	20'948	25'317	24'790	29'186
Operating earnings (EBIT)	3'553	925	5'540	5'291	6'416
EBIT margin	16.5%	4.4%	21.9%	21.3%	22.0%
Book Retailing					
Revenue from sales to customers	117'480	112'174	103'300	96'213	97'353
Operating earnings (EBIT)	7'950	9'254	7'452	5'505	6'508
EBIT margin	6.8%	8.2%	7.2%	5.7%	6.7%
Other business areas					
Revenue from sales to customers	16'461	13'702	7'741	10'283	9'845
Operating earnings (EBIT)	-902	-868	-33	1'017	-1'219
EBIT margin	-5.5%	-6.3%	-0.4%	9.9%	-12.4%
Not assigned					
Revenue from sales to customers	-	14	193	-31	-136
Operating earnings (EBIT)	-3'076	-4'057	-3'649	-2'945	-2'749
Total Group					
Revenue from sales to customers	232'682	217'277	210'375	218'556	237'423
Operating earnings (EBIT)	18'112	14'923	15'429	14'379	18'165
EBIT margin	7.8%	6.9%	7.3%	6.6%	7.7%

Security Printing

Earnings

Both revenue and profit in the Security Printing Division increased significantly compared with the previous year. At the end of the reporting year, revenue totalled CHF 77.2 million (2022: CHF 70.4 million). The operating profit EBIT amounted to CHF 10.6 million (2022: CHF 9.7 million). The result significantly exceeded the expectations at the beginning of the year.

Production was fully used thanks to the good order volume. The share of printed banknotes for export was again very high. International orders came from countries including Paraguay and Madagascar.

New driving licence

In the identification documents business area, the Swiss driving licence took centre stage in 2023. From 15 April 2023, anyone

ordering a driving licence in their canton of residence received the document in the latest generation credit card format a few days later. The project, managed by Orell Füssli as general contractor, went according to plan. The new design developed in-house conforms to the relevant ISO standards for driving licences and meets the European guidelines for polycarbonate driving licences. With this order, Orell Füssli broadened its range of solutions in the ID sector. Every year, about 600,000 driving licences are personalised at a central location in Switzerland and then sent to the applicants with an accompanying letter.

New passport

The initial print runs of the new passport, which was launched at the end of 2022, were printed on schedule and supplies have been secured. Orell Füssli was entrusted with the design and printing,





and today produces the cover, endpapers and inside pages for the Swiss passport on behalf of the general contractor Thales DIS Schweiz AG. The Swiss passport received the coveted 'Best New Passport' award at the High Security Printing (HSP) conference in Abu Dhabi in March.

Market

The market for security printing continues to be characterised by overcapacity and price pressure, which was further intensified by the strong Swiss franc. Orell Füssli is successfully asserting itself in this environment by increasing efficiency. Scrap rates were further reduced significantly in the year under review by optimising production, but substrates for banknotes and security documents remain very expensive to purchase.

Sustainability

From 2023, Orell Füssli will use a new process to treat the ink waste generated in printing processes. Thanks to ultra-filtration, water and energy consumption and the use of chemicals have been reduced to a minimum. This example shows how greater economic efficiency and environmental protection can go hand in hand.

At the beginning of the year, Orell Füssli presented a study on the longevity of banknote substrates and their impact on sustainability at the African Currency Forum in Luxor. Following this presentation, Orell Füssli organised several webinars on the topic.

Innovation

At the Currency Conference in Mexico City in May, Orell Füssli presented the Escher® innovation project, during which various digital 3D design methods for intaglio printing were tested. These methods give the banknote design an unrivalled level of

realism. The project was met with great interest from central banks and issuing authorities worldwide.

At the CBDC conference in Istanbul, Orell Füssli discussed the concept of the DUAL® hybrid banknote, which provides a bridge between physical and digital currencies. DUAL® also attracted interest in Switzerland and made it on to the front page of the *Neue Zürcher Zeitung*. The CBDC conference focuses on digital central bank money.

Orell Füssli was also represented at conferences in 2023 that focused on identification documents and systems; for example, at ID4Africa in Nairobi, together with Zeiser at the Identity Week conference in Amsterdam, and at Intergraf Currency+ Identity, which took place in Bilbao in the reporting year.

Outlook

Capacity utilisation in security printing is secured for the first half of 2024. The order situation for the second half of the year is less clear and depends on various orders that are still being negotiated.

Industrial Systems

Result

In 2023, Zeiser achieved revenues of CHF 21,6 million (2022: CHF 20,9 million) and an operating profit of CHF 3,6 million (2022: CHF 0,9 million). However, these favourable results are still slightly behind target, as new projects have been slower to materialise than expected.

Zeiser implemented an efficiency programme in the first half of the year to save costs. Various processes have been adapted



to the current market situation. The effects of this will become apparent in 2024, although some savings will be offset by inflation-related cost increases.

Demand for banknotes has continued to rise slightly in recent years, while purchases were simultaneously very restrained during the pandemic. This situation is now gradually prompting print shops to invest in machinery. An important order in the reporting year was the replacement of the digital printing press at a state printing works in northern Africa. The system is used to print tax stamps (e.g. alcohol bottles). The tax stamps contain a unique and re-identifiable number or bar code.

Market

Incoming orders accelerated in the second half of 2023 and led to good capacity utilisation in production.

Zeiser delivered its MicroPerf system manufactured entirely in-house for the first time in 2023. MicroPerf is a security element developed by Orell Füssli specifically for banknotes, for which Zeiser can now supply the corresponding equipment.

The spare parts business for all product groups remained constant. Demand rose slightly compared with the previous year. The same applies to the software and services business with Zeiser's existing customers.

Major projects for track & trace in security printing are in the pipeline and are about to be awarded. In addition, a reference system was installed in the security printing plant of Orell Füssli AG in Zurich. The real-time tracking, reporting and audit system, which can be used in a machine, a production line or in the entire production process, affects many different areas of the

company. Accordingly, the sales cycle for new business takes between one and two years.

Zeiser recorded good demand for numbering boxes in 2023. The constantly evolving products are becoming more and more simple to maintain and are equipped with increasingly sophisticated quality assurance systems.

As a result of digitalisation in all areas, Zeiser is hiring more software programmers. However, recruitment of these workers proved to be very challenging in the reporting year.

Innovation

The high-precision scanbar camera with contact image sensor (CIS) for quality inspection has been very well received by end customers and security printers, and is gradually being established as the global standard. The data from the camera can be integrated into Zeiser's track & trace solution and analyse the printing process in real time according to customer-specific requirements. The track & trace systems are now marketed under the Harmony product brand.

Zeiser registered an innovation for numbering boxes with the patent office. This technical innovation extends the scope of the design by allowing the labelling for identification of a security document to be printed vertically instead of horizontally. Since 2023, Zeiser has also had new electronic tools for setting the mechanical numbering boxes.

As mentioned above, the Industrial Systems division introduced additional measures to optimise processes and inventory management in 2023. Four CNC-controlled machines are now in use,

which work autonomously for up to 60 hours. To prevent interruptions in the supply chain, other suppliers were examined and new sources tapped into.

In September, Zeiser presented promising concepts for the development of new products and services to the Board of Directors of Orell Füssli with a view to the group-wide strategic objectives for 2028.

Outlook

The current order situation suggests good business development and capacity utilisation in 2024. Rising demand for Zeiser's Track & Trace solution should lead to increased revenue in the second half of the year.

Book Retailing

Result

In 2023, the proportionate consolidated revenue of Orell Füssli Thalia AG totalled CHF 117.5 million, representing growth of 4.7% compared with the previous year (CHF 112.2 million). The operating result (EBIT) amounted to CHF 8.0 million (previous year: CHF 9.3 million).

Market situation

Orell Füssli Thalia further expanded its position as market leader in the Swiss book market in the reporting year.

Although revenue in the Swiss market as a whole stagnated, Orell Füssli's bricks-and-mortar business grew once again, exceeding pre-pandemic levels for the first time. This growth is largely due to the expansion of the branch portfolio and the strategy of





focusing on locations with high customer footfall, such as railway stations, shopping centres and city centres. In 2023, Orell Füssli opened five new shops in Langendorf (SO), Altstetten (ZH), Thun, Weinfelden and Bern railway station. As part of the cooperation with ETH Store AG, Orell Füssli has also operated the bookstores at the two ETH Zurich sites since January 2023. In the last quarter of 2023, the three Buchparadies branches in Rapperswil, Wädenswil and Ebikon were taken over as part of a succession solution.

The omni-channel strategy, which combines the advantages of bricks-and-mortar shops with those of online retail, also proved effective in 2023. Revenue in e-commerce increased compared with the previous year, and even exceeded the record sales posted in the years during the

pandemic. The partnership agreed in 2022 with Skoobe, the popular provider of e-book subscriptions in German-speaking countries, got off to a successful start. The highly competitive book retailing with business customers also grew again in the reporting year. Digital teaching materials and customised customer solutions made a significant contribution to this success.

Strategy and growth prospects

In order to anchor Orell Füssli in customers' minds as the first port of call for education, for some years book retailing has been involved in a variety of programmes aimed at a young audience. This is how the kids' club for children up to the age of 12 and the young circle for teenagers came to fruition. The Education Card was launched in the reporting year as a continuation of the previous Student Card. In May, the 'Kinder im Fokus' campaign highlighted children's and young people's literature, with free

readings offered as part of the campaign

More than 25,000 book fans exchange ideas online every month as part of Orell Füssli's Book Circle reading community. They chat, rate books and discuss selected books in reading groups.

Orell Füssli stores throughout German-speaking Switzerland provide local members of the #booktok fan community with inviting venues for readings and panel discussions free of charge. #booktok is the book corner of the video portal TikTok, which currently has 2.5 million users across Switzerland. The 'über den Bücherrand' podcast launched by Orell Füssli in autumn 2022 has been established as one of the most popular book podcasts in Switzerland. In 2023, a total of 330 readings with numerous Swiss authors and other events for book fans took place in our shops.

The strategy of involvement in literary projects and promoting enthusiasm for reading has also led to a collaboration with the Swiss Book Prize, for which Orell Füssli has been the main sponsor since 2021. This year, the reading tour associated with the prize started at the Orell Füssli bookshop in the Affenkasten in Aarau's old town and ended at the Marktgasse branch in Winterthur with a reading by the 2023 prizewinner Christian Haller.

Outlook

Further shop openings are planned for 2024; for example, in Aarau, Chur and Zug railway stations. Orell Füssli Thalia is driving further sales growth with the planned expansion of the branch network. Higher operating costs as a result of inflation will have a slight negative impact on the operating result. We expect consumer sentiment to remain subdued in 2024.

Other business areas

Orell Füssli Publishers

Result

The publishing houses look back on a very successful financial year 2023. Revenue exceeded the budgeted target. EBIT and the EBIT margin increased significantly compared with the previous year, partly because production costs rose less sharply than expected.

The learning media programme, where activities have been bundled in hep Verlag in Bern since mid-2022, stood out in terms of revenue. The children's books came close to achieving the targets set. Orell Füssli was able to maintain its ambitious growth course in legal media.

Learning media

When the reform of vocational commercial training came into force in the summer, hep Verlag launched a digital commercial training and learning platform. hep also launched a new digital offering for trainees in the retail industry.

The third major new development at hep was the hybrid series of teaching materials for training healthcare professionals. Each of the three volumes covers the areas of competence set out in the Swiss education ordinance and a supplementary volume covers anatomy and physiology. The publisher thus successfully entered a new sector in the teaching materials market.

Orell Füssli's range of teaching and learning materials for vocational training for business people, for basic training in the retail industry and in the care sector covers a quarter of all Swiss-German apprentices in vocational training. All new programmes were very well received by the market.

Legal media

The new Orell Füssli commentary on the completely revised Swiss Federal Act on Data Protection was published in September. The specialist journal *Plädoyer* praised the publication as "an outstanding work with great benefits for everyday working life". Updates of successful existing works in the form of reprints make up a large part of the work of legal media.

Since autumn, legal books have been produced entirely in an XML-first workflow. The typesetting is created largely automatically. The Orell Füssli legal media team is also working on setting up its own platform for legal research, which will be based on proven software technology from Switzerland obtained under licence. The new research platform will be put into use in 2024. The cooperation with justement.ch has therefore been terminated. A series of specialist conferences for legal practitioners is also being organised with which Orell Füssli legal media will tap into additional sources of revenue.

Children's books

Globi and the other children's book characters' new titles made it on to the Swiss book trade's best-seller list in 2023. The characters not only inspire children, but also many Swiss institutions and partners. The science book 'Globi im Weltall' was launched at the Zurich science festival Scientifica together with ETH Zurich. At the festival, Globi met the former scientific director of NASA, Thomas Zurbuchen. Globine will also be the mascot for ETH Science City in 2024. 'Globi's indische Küche' is an unusual but special children's cookbook to hit the shelves, and a Globi picture book was published for the first time in August. A total of more than 260 events were organised.

Outlook

Ten new legal media commentaries are in the pipeline for 2024, and hep Verlag is developing modular products following the introduction of a content management system (CMS). Feedback functions will also be increasingly used in digital learning materials. The strong Globi children's book brand is approaching volume 100 in 2026. Orell Füssli Publishers have ambitious growth targets for 2024 and are planning to keep costs stable.

Procivis

In November 2023, the subsidiary Procivis AG launched its new software solution Procivis One – a pioneering and comprehensive technology for digital identities and verifiable digital credentials. This solution fulfils the high demands of companies and state institutions for digital identities. Orell Füssli is thus in a position to offer its technology for digital identity solutions and verifiable digital credentials to customers in Switzerland and worldwide. With the launch of this software

solution, Orell Füssli is systematically implementing its digital strategy in the digital identities and credentials business area.

This high quality Swiss product was developed from scratch and fulfils all requirements for productive use by authorities and companies. The solution enables the implementation of the e-ID, the mobile driving licence and other digital credentials, such as ID cards, diplomas, confirmations and certificates.

In order to also demonstrate the potential of verifiable digital credentials in the private sector, Orell Füssli conducted the first cross-company proof of concept (PoC) for self-sovereign identity (SSI) in the Swiss private sector together with Swisscom, AXA and SBB in the year under review. The PoC presented the ecosystem for the federal government's future e-ID trust infrastructure as an example and delivered promising results.

Procivis won further new projects in various areas in 2023 and expanded its market coverage. In 2023, it also argued for the standardisation of digital certificates, particularly for both public and private sector certificates.

The Procivis management team has been reorganised for its current scaling phase. Management has been entrusted to Désirée Heutschi and Andreas Freitag as co-CEOs. Daniel Link has taken over as Chair of the Board of Directors. Daniel Gasteiger, founder and long-standing CEO of Procivis, will remain a member of the Board of Directors.

Outlook

The market launch of Procivis One is on the agenda for 2024. The first projects with various well-known customers have already been planned or implemented, both in Switzerland and worldwide. Moreover, the development of Procivis One is driving forward.

Non-financial reporting

The report on non-financial matters pursuant to Art. 964b OR (pages 32 to 56 of the Annual Report 2023) contains information about environmental matters, social issues, employee-related issues, respect for human rights and combating corruption. This information is needed to understand the business performance, the business result, the state of the undertaking and the effects of its activity on these non-financial matters. The report is being presented to the Annual General Meeting due to new legal requirements (Art. 964c OR). The ESG Report can be viewed either in the Annual Report or on the Orell Füssli investors page directly (www.orellfuessli.com/en/investors).

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

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	2023	2022
Revenue from sales to customers	232'227	217'277
Other operating income	5'260	4'425
Changes in inventories of semi-finished and finished products, capitalised costs	4'773	1'423
Operating income	242'260	223'125
Cost of materials	-89'413	-82'212
External production costs	-12'181	-9'612
Personnel expenses	-64'980	-61'500
Other operating expenses	-45'855	-43'939
Depreciation and impairment on tangible assets	-10'401	-10'086
Depreciation and impairment on intangible assets	-1'318	-853
Earnings before interest and taxes (EBIT)	18'112	14'923
Financial income	746	257
Financial expenses	-446	-923
Financial result	300	-666
Ordinary result	18'412	14'257
Income tax expenses	-3'820	-2'588
Net income for the period	14'592	11'669
Attributable to the shareholders of Orell Füssli AG	12'042	8'490
Attributable to minority interests	2'550	3'179
in CHF	2023	2'022
Undiluted earnings per share	6.14	4.33
Diluted earnings per share	6.14	4.33

CONSOLIDATED BALANCE SHEET

in CHF thousand	31.12.2023	31.12.2022
Assets		
Cash and cash equivalents	61'692	62'538
Marketable securities and derivative financial instruments	22	105
Trade accounts receivable	13'221	11'331
Other receivables	8'750	8'897
Inventories	25'180	24'384
Accrued income and deferred expenses	4'135	4'455
Total current assets	113'000	111'710
Tangible assets	56'490	55'648
Intangible assets	3'012	2'589
Non-current financial assets	4'314	7'698
Deferred tax assets	1'802	1'729
Total non-current assets	65'618	67'664
Total assets	178'618	179'374
Liabilities and equity		
Trade payables	5'908	7'957
Other current liabilities	15'631	14'095
Accrued expenses and deferred income	19'955	16'796
Current financial liabilities	76	1'862
Current provisions	848	926
Total current liabilities	42'418	41'636
Other non-current liabilities	118	1'030
Non-current financial liabilities	1'774	1'864
Non-current provisions	869	309
Deferred tax liabilities	1'314	831
Total non-current liabilities	4'075	4'034
Share capital	1'960	1'960
Capital reserves	4'115	4'183
Own shares	–	–60
Retained earnings	126'097	122'301
Exchange differences	–8'376	–6'192
Total equity before minority interests	123'796	122'192
Minority interests	8'329	11'512
Total equity	132'125	133'704
Total liabilities and equity	178'618	179'374

CONSOLIDATED CASH FLOW STATEMENT

in CHF thousand	2023	2022
Net income for the period	14'592	11'669
Change in employee equity incentive plans	8	16
Depreciation	11'293	10'518
Impairment and amortisation	426	421
Share of loss applicable to equity method	724	–
Other non-cash related income and expenses	–161	–291
Change in trade accounts receivable	–2'183	6'150
Change in inventories	–1'237	–6'809
Change in other receivables	114	–2'820
Change in accrued income and deferred expenses	269	–866
Change in trade payables	–2'006	2'312
Change in other liabilities	133	–385
Change in accrued expenses and deferred income	3'297	1'971
Change in provisions and deferred income tax	831	–2'345
Cash flow from operating activities	26'100	19'541
Purchase of tangible assets	–11'912	–8'545
Proceeds from disposals of tangible assets	180	1'917
Purchase of intangible assets	–1'782	–1'301
Investments in financial assets	–1'007	–11'434
Disposal of financial assets	2'138	42
Cash flow from investing activities	–12'383	–19'321
Repayment of financial liabilities	–1'828	–2'293
Dividends paid to minorities	–5'606	–3'869
Dividends paid	–6'664	–6'662
Cash flow from financing activities	–14'098	–12'824
Exchange differences	–465	–564
Change in cash and cash equivalents	–846	–13'168
Cash and cash equivalents at 1 January	62'538	75'706
Cash and cash equivalents at 31 December	61'692	62'538

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
Equity at 1 January 2022	1'960	4'167	-60	119'984	126'051	12'797	138'848
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
Total equity at 31 December 2022	1'960	4'183	-60	116'109	122'192	11'512	133'704
Equity at 1 January 2023	1'960	4'183	-60	116'109	122'192	11'512	133'704
Change in scope of consolidation	-	-	-	-	-	-75	-75
Dividends paid	-	-	-	-6'664	-6'664	-5'607	-12'271
Offsetting goodwill against equity	-	-	-	-1'582	-1'582	-51	-1'633
Employee equity incentive plans	-	-68	60	-	-8	-	-8
Currency translation effects	-	-	-	-2'184	-2'184	-	-2'184
Net income for the period	-	-	-	12'042	12'042	2'550	14'592
Total equity at 31 December 2023	1'960	4'115	-	117'721	123'796	8'329	132'125

The share capital as at 31 December 2023 and 31 December 2022 consisted of 1,960,000 registered shares with a par value of CHF 1.00 each.

The amount of accumulated non-distributable reserves is CHF 4,263k (2022: CHF 4,122k).

INVESTOR RELATIONS

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