

Half-Year Financial Report

H1 2026



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CFO message

Dr Karsten Boyens

Chief Financial Officer message

Hero

Hero delivers strong growth in Better Snacking and continued Gross Margin progress in first half 2026

During the first half of 2026, Hero continued to progress towards its strategic ambition of becoming a leader in Better Snacking.

Our Better Snacking platforms remained the Group's primary growth driver, delivering strong organic growth of 9.3% during the first six months of the year. In April 2026, Hero acquired the UK-based snacking and gut health company The Gut Stuff, expanding the existing snacking platforms with an offering in our Health & Wellbeing platform.

Improving commercial momentum and delivering resilient profitability

The financial performance during the first six months ending June 2026 is characterized by accelerating organic growth, gross margin expansion and a robust profitability:

- Organic Net Sales growth reached 3.4% (H1 2025: 2.8%)
- Gross Margin improved to 30.1% (H1 2025: 29.7%)
- EBIT amounted to CHF 35.9 million (H1 2025: CHF 36.3 million)
- Net income for the period increased to CHF 25.6 million (H1 2025: CHF 23.9 million).



Dr Karsten Boyens
Chief Financial Officer

Revenue growth is driven by snacking business in line with our strategic focus

The main growth drivers during the first six months of 2026 were:

- Continued strong momentum in Better Snacking, which grew by 9.3%. All Snacking platforms are growing, particularly strong growth comes from Wholesome Goodness (under the Deliciously Ella brand) with +26.7% and from Early Life with +11.4%.
- Exceptional growth in Baby & Toddler Milk (BTM) with +24.8% driven by Egypt and the Nordics.
- North America with a growth of +14.1%. The business in the United States continues to perform very strongly with consistent market share gains across multiple segments.

Reported Net Sales amounted to CHF 585.2 million, compared to CHF 588.0 million in the prior-year period. The flat nominal development was entirely attributable to adverse foreign exchange translation effects of -4.2%, reflecting the continued strength of the Swiss franc against our key operating currencies.

Profitability remains robust

Hero's Gross Margin increased to 30.1% compared with 29.7% in the first half of 2025. This improvement reflects the benefits of a more streamlined manufacturing footprint following the completion of major transformation projects in recent years, disciplined pricing actions, and an ongoing shift towards higher-margin businesses, especially Snacking.

Our EBIT, which stood at CHF 35.9 million at the end of H1 2026, remained broadly in line with the prior-year level despite foreign exchange headwinds and increased investments in Advertising and Promotion. Supported by lower net financing costs, Net Income increased from CHF 23.9 million to CHF 25.6 million.

Cash flow and Net Debt reflect seasonal Net Working Capital build up

Operating cash flow before Net Working Capital (NWC) changes amounted to CHF 54.9 million, an increase compared with CHF 51.5 million in the prior-year period.

As in previous years, the first half of 2026 was characterised by a seasonal investment in Net Working Capital of CHF 54.2 million related to production and payment phasings, broadly unchanged from the prior year. Capital expenditure totalled CHF 14.7 million, reflecting our strategic investment in Better Snacking manufacturing capacity in Spain and Germany.

As a result, the Net Debt development reflects the normal seasonal working capital cycle. Net Debt landed below the level of H1 2025 and is expected to further decrease during the second half of the year.

In the period under review, Hero continued to invest in its digitalization roadmap, including the roll-out of our harmonized ERP system with go-lives in Spain and Portugal at the beginning of 2026, and its AI capabilities to enable value creation across business functions.

Outlook for 2026

The positive momentum achieved during the first half year provides a solid foundation for the remainder of the year. Supported by strong market positions, continued investments in our brands, growing consumer demand for our Better Snacking platforms, and the benefits from our streamlined production footprint, Hero is well positioned to further accelerate growth, continue its profitability expansion, and strengthen its financial position in 2026.

Dr Karsten Boyens
Chief Financial Officer

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Financial key figures

H1 2026

Financial key figures

For the half year ending 30 June 2026

Hero



Categories

Better Snacking
42%

Platforms

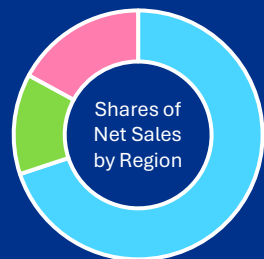
Early Life 23%
Better Confectionary 17%
Wholesome Goodness 2%
Health & Wellbeing 0%

Naturally Good Food
36%

Baby & Toddler Food 18%
Natural Spreads 18%

Others
22%

Baby & Toddler Milk 10%
Specialities 8%
Non Branded 4%



Europe
70%

North America
17%

Emerging Markets
13%

In CHF million

2026

2025

Net Sales

585.2 **588.0**

Organic Growth

+3.4% **+2.8%**

(Adjusted for currency and acquisition effects)

Gross Profit

176.2 **174.5**

In % Net Sales

30.1% **29.7%**

EBIT

35.9 **36.3**

In % Net Sales

6.1% **6.2%**

Net Income

25.6 **23.9**

In % Net Sales

4.4% **4.1%**

EBITDA

107.1 **103.2**

(Last 12 months)

Net Debt

244.1 **254.6**

Net Debt / EBITDA

2.3 **2.5**

Net Sales by regional segments



For the half year ending 30 June 2026 · Hero Group in CHF million

	Net Sales 2026	Net Sales 2025	2026 vs 2025 in %	Organic Growth*
Europe	407.8	426.4	-4.4%	-2.4%
North America	100.0	95.0	+5.2%	+14.1%
Emerging Markets	77.4	66.6	+16.3%	+24.5%
HERO GROUP	585.2	588.0	-0.5%	+3.4%

**Figures adjusted for currency and acquisition effects (organic growth).*

Net Sales by product categories and platforms

Hero

For the half year ending 30 June 2026 · Hero Group in CHF million

	Net Sales 2026	Net Sales 2025	2026 vs 2025 in %	Organic Growth
Early Life	132.4	124.7	+6.2%	+11.4%
Better Confectionary	102.7	98.3	+4.4%	+5.0%
Wholesome Goodness	11.6	9.7	+19.8%	+26.7%
Health & Wellbeing	0.3	0.0	n/a	n/a
Better Snacking	247.0	232.7	+6.1%	+9.3%
Natural Spreads	105.1	113.2	-7.2%	-4.6%
Baby & Toddler food	102.4	108.0	-5.2%	+1.4%
Naturally Good Food	207.5	221.2	-6.2%	-1.6%
Baby & Toddler Milk	57.7	49.4	+16.9%	+24.8%
Specialties	47.7	52.8	-9.6%	-8.2%
Non Branded	25.3	31.9	-20.8%	-18.8%
Others	130.7	134.1	-2.5%	+1.8%
HERO GROUP	585.2	588.0	-0.5%	+3.4%

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Consolidated financial statements

H1 2026

Consolidated income statement

Hero

For the half year ending 30 June 2026 · Hero Group in CHF 1 000

	Note	2026	2025
Net Sales	5	585 173	588 041
Cost of sales		(382 789)	(386 289)
Distribution expense		(26 172)	(27 246)
Gross Profit		176 212	174 506
Advertising and promotion		(34 639)	(33 430)
Marketing, sales, R&D and administrative expense		(99 632)	(98 319)
Other income		946	6 544
Other expense		(7 027)	(13 020)
Operating Profit	5	35 860	36 281
Finance income		5 033	6 660
Finance expense		(6 551)	(10 089)
Share in result of associated companies		-	(226)
Net monetary loss arising from hyperinflationary economies		(250)	(500)
Income before Tax		34 092	32 126
Income tax expense		(8 461)	(8 247)
INCOME FOR THE PERIOD		25 631	23 879
Attributable to:			
Equity holders of the parent		25 164	23 476
Non-controlling interests		467	403
INCOME FOR THE PERIOD		25 631	23 879

Consolidated statement of comprehensive income Hero

For the half year ending 30 June 2026 · Hero Group in CHF 1 000

	2026	2025
INCOME FOR THE PERIOD	25 631	23 879
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translating foreign operations and hyperinflation adjustments	(1 767)	(41 048)
Income tax effects	-	356
	(1 767)	(40 692)
Net gain / (loss) on cash flow hedges	521	(708)
Income tax effects	-	31
	521	(677)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(1 246)	(41 369)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	(1 246)	(41 369)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	24 385	(17 490)
<i>Total comprehensive income attributable to:</i>		
Equity holders of the parent	23 139	(17 868)
Non-controlling interests	1 246	378
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	24 385	(17 490)

Consolidated balance sheet



As at 30 June 2026 · Hero Group in CHF 1 000

Assets	30 June 2026	31 December 2025
Non-current assets		
Property, plant and equipment	255 430	253 405
Intangible assets	514 143	506 776
Right-of-use-assets	21 154	23 190
Non-current receivables	4 178	6 527
Deferred tax assets	35 426	36 281
Net defined benefit assets	7 076	7 136
TOTAL NON-CURRENT ASSETS	837 407	833 315
Current assets		
Inventories	211 638	202 980
Derivative financial assets	1 469	643
Income tax receivables	8 810	6 970
Trade receivables, prepayments and other receivables	178 631	160 829
Cash and cash equivalents	75 715	68 400
TOTAL CURRENT ASSETS	476 263	439 822
TOTAL ASSETS	1 313 670	1 273 137

Consolidated balance sheet (cont'd)

Hero

As at 30 June 2026 · Hero Group in CHF 1 000

	30 June 2026	31 December 2025
Equity and liabilities		
Shareholders' equity		
Share capital	62 133	62 133
Share premium	63 632	63 632
Hybrid capital	139 060	139 060
Treasury shares	(4 249)	(4 249)
Other reserves	(402 936)	(400 911)
Retained earnings	732 441	724 194
Equity attributable to equity holders of the parent	590 081	583 859
Non-controlling interests	9 572	8 326
TOTAL EQUITY	599 653	592 185
Non-current liabilities		
Borrowings	106 628	97 456
Lease liabilities	17 804	17 511
Deferred tax liabilities	53 836	55 596
Net defined benefit liabilities	24 257	24 539
Provisions	17 908	18 207
Other liabilities	13 566	8 299
Total non-current liabilities	233 999	221 608
Current liabilities		
Trade and other payables	264 756	293 717
Borrowings	56 160	9 155
Debentures	135 000	135 000
Lease liabilities	4 197	6 633
Derivative financial liabilities	362	1 724
Provisions	4 603	3 786
Income tax payables	14 940	9 329
Total current liabilities	480 018	459 344
TOTAL LIABILITIES	714 017	680 952
TOTAL EQUITY AND LIABILITIES	1 313 670	1 273 137

Consolidated statement of cash flows

Hero

For the half year ending 30 June 2026 · Hero Group in CHF 1 000

	2026	2025
Cash flows from operating activities		
Income for the period	25 631	23 879
Adjustments for:		
Income tax expense	8 461	8 247
Depreciation and amortization	17 289	17 162
Other non-cash items of income and expenses	3 548	2 248
Cash flows before changes in net working capital	54 929	51 536
Changes in net working capital	(54 204)	(53 110)
Interest paid	(3 841)	(2 922)
Income tax paid	(4 469)	(7 132)
NET CASH FROM OPERATING ACTIVITIES	(7 585)	(11 628)
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	(4 924)	(904)
Purchase of property, plant & equipment	(14 704)	(8 812)
Purchase of intangible assets	(3 993)	(5 744)
Disposal of intangible assets	29	9
Disposal of property, plant & equipment	1 576	1 067
Interest received	580	662
NET CASH FROM INVESTING ACTIVITIES	(21 436)	(13 722)

Consolidated statement of cash flows (cont'd)

Hero

For the half year ending 30 June 2026 · Hero Group in CHF 1 000

	2026	2025
Cash flows from financing activities		
Proceeds from bank loans & other liabilities	56 519	40 069
Repayment of bank loans & other liabilities	(775)	-
Lease payments	(3 205)	(3 015)
Payment of dividends to shareholders	(16 917)	(11 996)
NET CASH FROM FINANCING ACTIVITIES	35 622	25 058
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	6 601	(292)
Movement in cash and cash equivalents		
At start of year	68 400	66 367
Increase / (decrease) in cash	6 601	(292)
Effects of exchange rate changes	714	(8 631)
AT END OF PERIOD	75 715	57 444

Consolidated statement of changes in equity

Hero

For the half year ending 30 June 2026 · Hero Group in CHF 1 000

	Attributable to equity holders of the company						Non-controlling interests	Total equity
	Share capital	Share premium	Hybrid capital	Treasury shares	Other reserves	Retained earnings		
BALANCE AT 1 January 2025	62 133	63 632	139 060	(4 249)	(358 086)	696 684	7 619	606 793
Income for the period	-	-	-	-	-	23 476	403	23 879
Other comprehensive income	-	-	-	-	(41 344)	-	(25)	(41 369)
Total comprehensive income	-	-	-	-	(41 344)	23 476	378	(17 490)
Dividend payments to shareholders	-	-	-	-	-	(11 996)	-	(11 996)
BALANCE AT 30 June 2025	62 133	63 632	139 060	(4 249)	(399 430)	708 164	7 997	577 307
BALANCE AT 1 January 2026	62 133	63 632	139 060	(4 249)	(400 911)	724 194	8 326	592 185
Income for the period	-	-	-	-	-	25 164	467	25 631
Other comprehensive income	-	-	-	-	(2 025)	-	779	(1 246)
Total comprehensive income	-	-	-	-	(2 025)	25 164	1 246	24 385
Dividend payments to shareholders						(16 917)	-	(16 917)
BALANCE AT 30 JUNE 2026	62 133	63 632	139 060	(4 249)	(402 936)	732 441	9 572	599 653

1. Corporate information

Hero AG (Hero) is a limited company headquartered in Lenzburg, Switzerland. Schwartau International GmbH, Bad Schwartau, Germany, a subsidiary of AOH Nahrungsmittel GmbH & Co. KG, Germany, holds 99.0% of the share capital of Hero, 1.0% are held by executive board members in relation with the long-term incentive plan. The Group's primary activities are the production and selling of consumer food products in the product areas of better snacking, natural spreads, baby and toddler food, baby and toddler milk and specialties which are sold in Europe, North America and Emerging Markets. All figures in the financial statements are presented in thousands of Swiss francs (TCHF) except where otherwise indicated.

2. Basis for Preparation

The interim consolidated financial statements for the period ended 30 June 2026 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Hero's annual consolidated financial statements.

There have been no significant changes in estimates. In April 2026, Hero acquired The Gut Stuff (refer to note 3). Otherwise there have been no changes in the scope of consolidation compared to 31 December 2025. These interim consolidated financial statements have been prepared on a going concern basis.

New standards, interpretations and amendments adopted

The following amendments became effective in 2026: Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7, Annual Improvements to IFRS Accounting Standards – Volume 11, Contracts Referencing Naturedependent Electricity – Amendments to IFRS 9 and IFRS 7. The initial application of these amendments did not have a material impact on the Condensed Interim Financial Statements.

New and amended standards issued but not yet effective

The Group has not early adopted any of the amendments and new standards that have been issued but are not yet effective. The Group does not expect that these will have a material impact from a qualitative and quantitative perspective, except IFRS 18. IFRS 18 replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements in IAS 1. IFRS 18 will require changes to the presentation of Hero's Group Consolidated Financial Statements but will not impact accounting for specific transactions and underlying results will not be affected.

The Group will apply IFRS 18 retrospectively from 2027 onwards.

3. Change in Scope of Consolidation

Acquisitions

As per 22 April 2026 Hero acquired 100% of the snacking and gut health company The Gut Stuff. The Gut Stuff, based in London, UK, sells snacks and soft drinks under the brand "The Gut Stuff" mainly in the UK market. The net sales of the products of The Gut Stuff are disclosed under the newly created product platform "Health & Wellbeing" (refer to note 5).

Disposals

There were no disposals during the 2026 interim period, nor during the 2025 comparative period.

4. Seasonality

The business of the Group is not highly seasonal. However, consistent with prior years, net working capital increased during the first half of the year due to general business patterns different at mid-year compared to year-end, including the timing of inventory purchases, production activities, customer collections and accruals. As in prior years, the Group expects the net working capital to decrease towards year end.

For the half year ending 30 June 2026 · Hero Group in CHF 1 000

5. Segment disclosures

Information about operating segments	Europe	North America	Emerging Markets	Unallocated	Total
Net Sales	407 765	100 010	77 398	-	585 173
Operating Profit	39 207	13 906	12 211	(29 464)	35 860

Information about categories / platforms

Categories	Better Snacking				Naturally Good Food		Others			Total
Net Sales	246 991				207 482		130 700			585 173
Platforms	Early Life	Better Confectionary	Wholesome Goodness	Health & Wellbeing	Natural Spreads	Baby & Toddler Food	Baby & Toddler Milk	Specialties	Non Branded	Total
Net Sales	132 406	102 707	11 583	295	105 119	102 363	57 698	47 708	25 294	585 173

For the half year ending 30 June 2025 · Hero Group in CHF 1 000

5. Segment disclosures (cont'd)

Information about operating segments	Europe	North America	Emerging Markets	Unallocated	Total
Net Sales	426 396	95 071	66 574	-	588 041
Operating Profit	42 789	11 446	10 531	(28 485)	36 281

Information about categories / platforms

Categories	Better Snacking				Naturally Good Food		Others			Total
Net Sales	232 715				221 245		134 081			588 041
Platforms	Early Life	Better Confectionary	Wholesome Goodness	Health & Wellbeing	Natural Spreads	Baby & Toddler Food	Baby & Toddler Milk	Specialties	Non Branded	Total
Net Sales	124 687	98 357	9 671	-	113 271	107 974	49 355	52 780	31 946	588 041

6. Dividend

The dividend related to 2025 was paid on 19 March 2026, in accordance with the decision taken at the Annual General Meeting on 17 March 2026. Shareholders approved the proposed dividend of CHF 2.75 per share, resulting in a total dividend of CHF 16.9 million.

7. Principal exchange rates

	Average rates		Closing rates		
	Jan-Jun 2026	Jan-Jun 2025	30 Jun 2026	30 Jun 2025	31 Dec 2025
EUR/CHF	0.9189	0.9418	0.9222	0.9359	0.9314
USD/CHF	0.7879	0.8566	0.8085	0.7996	0.7927
GBP/CHF	1.0600	1.1219	1.0697	1.0973	1.0674
SEK/CHF	0.0850	0.0851	0.0832	0.0842	0.0861

8. Events after the balance sheet date

On 6 July 2026, the annual coupon of 5.00% on the hybrid capital of nominal CHF 140 million (which is CHF 7.0 million) was paid. Otherwise, no significant events occurred after 30 June 2026 up to 28 September 2026 that would have a material impact on these financial statements.

Hero AG
Karl Roth-Strasse 8
5600 Lenzburg
Switzerland
+41 (0)62 885 5111

www.hero-group.ch
investor@hero.ch