

Emmi Investor Day

Welcome to the Hotel California

Pamela Dressler
Managing Director Cypress Grove
and Meyenberg

Lucerne, 7 November 2018



Welcome to the Hotel California

- Cheese in America

The California Collection

Cypress Grove & Emmi

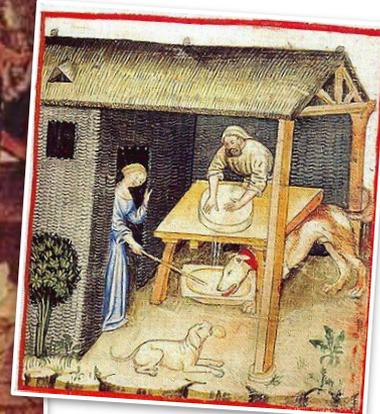
What is behind Cypress Grove's success?

State of the Industry

Future Opportunities



Dark Ages in Europe



— × —

Fermented Sisters in Europe



Barley



Grapes

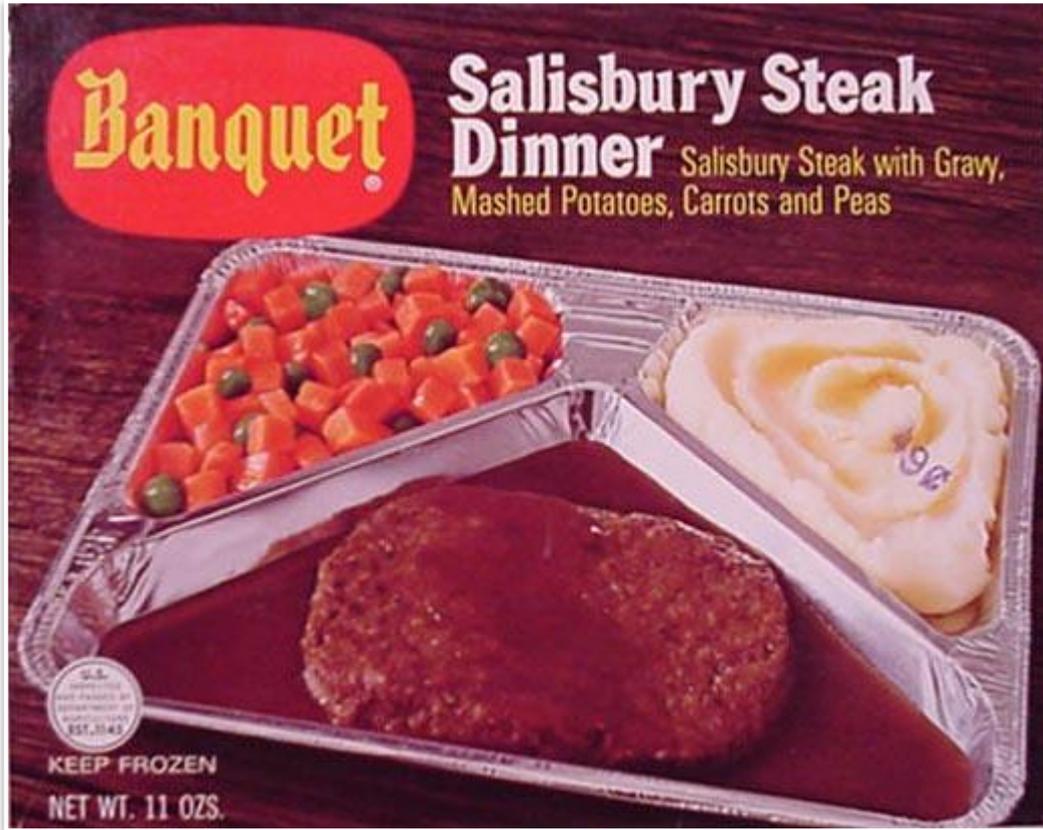


Wheat



Milk

Dark Ages in America



Fermented Sisters in the United States



Barley



Grapes



Wheat



Milk

—x—
Help was on the way!



— × —
American style.





Not surprisingly, California fostered new food trends.



Fermented Sisters got some love in the '70s & '80s

Rank	Grade	Wine	Vintage	Origin			
1.	17	Heitz Wine Cellars Martha's Vineyard	1970	USA			
2.	16	Ridge Vineyards Monte Bello	1971	USA			
3.	14	Ridge Vineyards Monte Bello	1971	USA			
5.	2.	Heitz Wine Cellars Martha's Vineyard	1970	USA			
5.	3.	14					
5.	3.	14	1.	15	Stag's Leap Wine Cellars	1973	USA
9.	3.	14	2.	13	Mayacamas Vineyards	1971	USA
8.	6.	13	3.	12	Château Mouton-Rothschild	1970	France
10.	6.	13	3.	12	Château Montrose	1970	France
8.	8.	12	3.	12	Château Leoville Las Cases	1971	France
8.	8.	12	3.	12	Château Haut-Brion	1970	France
10.	7.	7	7.	7	Ridge Vineyards Monte Bello	1971	USA
	8.	5	8.	5	Freemark Abbey Winery	1969	USA
	9.	2	9.	2	Heitz Wine Cellars Martha's Vineyard	1970	USA
	9.	2	9.	2	Clos Du Val Winery	1972	USA

1976 Judgement of Paris



Sierra Nevada Brewery: founded in 1979



Acme Bread: founded in 1983

—x—
...and cheese





Food Heroes: Our Founders

Meyenberg: Carol & Robert



Cowgirl Creamery: Peg & Sue



Cypress Grove: Mary



Redwood Hill: Jennifer



Welcome to the Hotel California

Cheese in America

- The California Collection

Cypress Grove & Emmi

What is behind Cypress Grove's success?

State of the Industry

Future Opportunities



Arcata, CA
August 2010



Sebastopol, CA
January 2016



Petaluma, CA
June 2016



San Francisco, CA



Turlock, CA
January 2017



Map of Switzerland
(California is 10X bigger than Switzerland)





#1 GOAT MILK
YOGURT
PRODUCER IN
THE UNITED
STATES





SEBASTOPOL, CA

LACTOSE FREE

GreenValley
· CREAMERY ·

~ 30-50 MILLION
AMERICAN
ADULTS ARE
LACTOSE
INTOLERANT





PETALUMA, CA



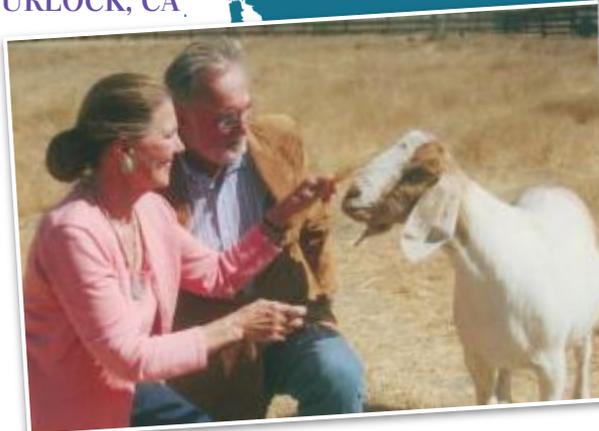
**SUPPORTING THE
VIABILITY OF LOCAL
AGRICULTURE
THROUGH
CHEESEMAKING**



TURLOCK, CA

Meyenberg™
Goat Milk Goodness

CONTROLS
MAJORITY OF
GOAT MILK IN
THE UNITED
STATES



Emmi Investor Day, Pam Dressler, Managing Director Cypress Grove and Meyenberg

ARCATA, CA



CYPRESS GROVE®

FINE CHEESE ALCHEMY



**MOST WIDELY
DISTRIBUTED
ARTISAN
CHEESE IN THE
UNITED STATES**





Welcome to the Hotel California

Cheese in America

The California Collection

- Cypress Grove & Emmi

What is behind Cypress Grove's success?

State of the Industry

Future Opportunities

Cypress Grove in 2010 (Prior to Emmi Acquisition)



**HIGH
QUALITY MILK
WAS SCARCE**



**CHEESEMAKING
CAPACITY WAS
SMALL**



**LEAN TEAM
IN NEED OF
TALENT**





Emmi helped us build a goat dairy to supply milk and educate and foster the fledgling industry.







A state-of-the-art new creamery increased our cheesemaking capacity.



Growing our Talent



Digital Transformation & Collaboration

First AcadEmmi
#AllThingsDigital this autumn



Emmi Operational Excellence

Implementation = greater efficiency and cost savings



Human Resources

Elevating our talent

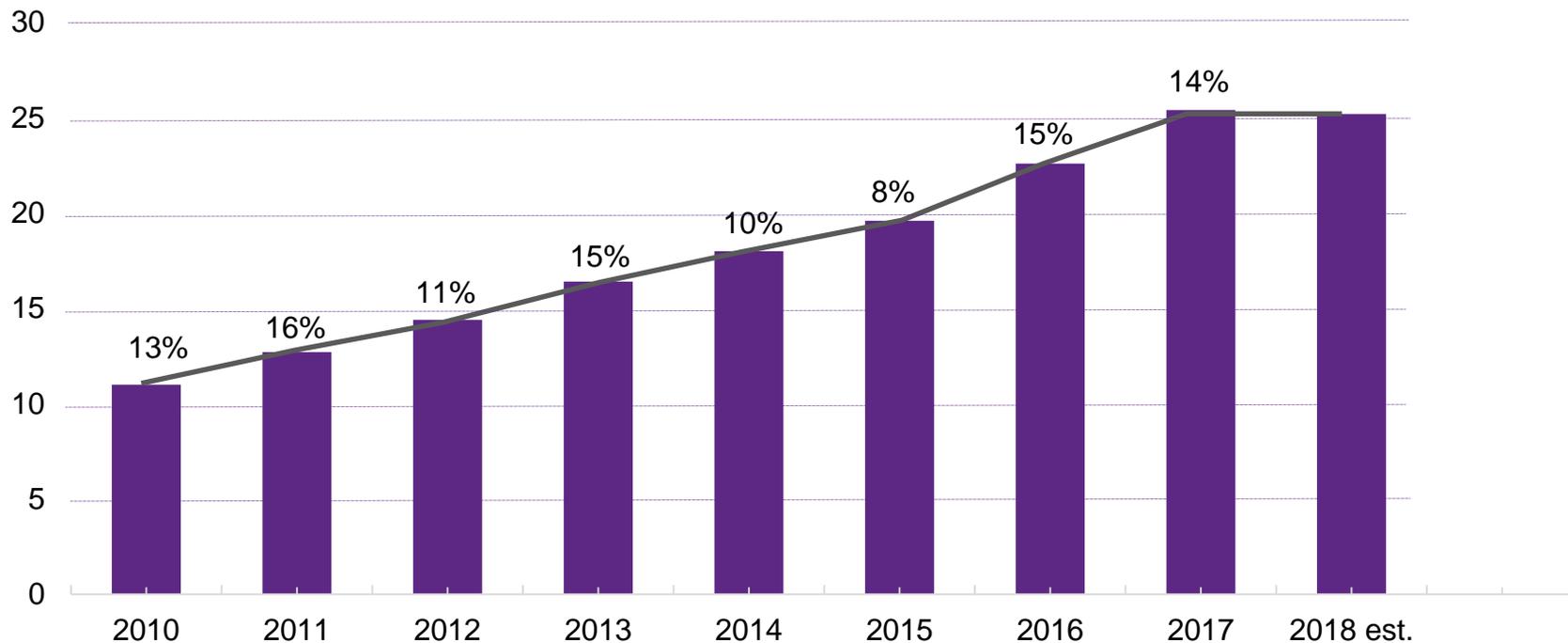
What Remained the Same?

Entrepreneurial spirit. Strong company culture & allegiance. Brand loyalty.

Gross Revenue Growth

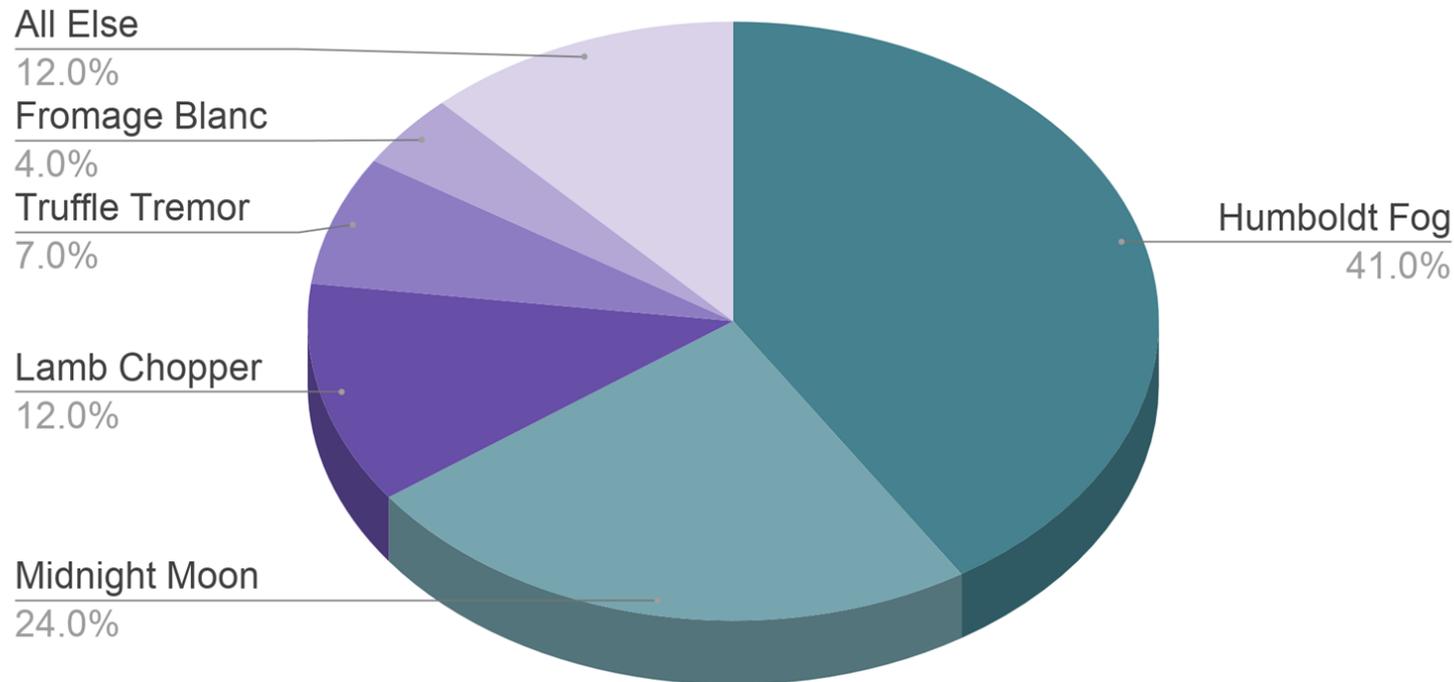
Sales
In USD million

2010-2018

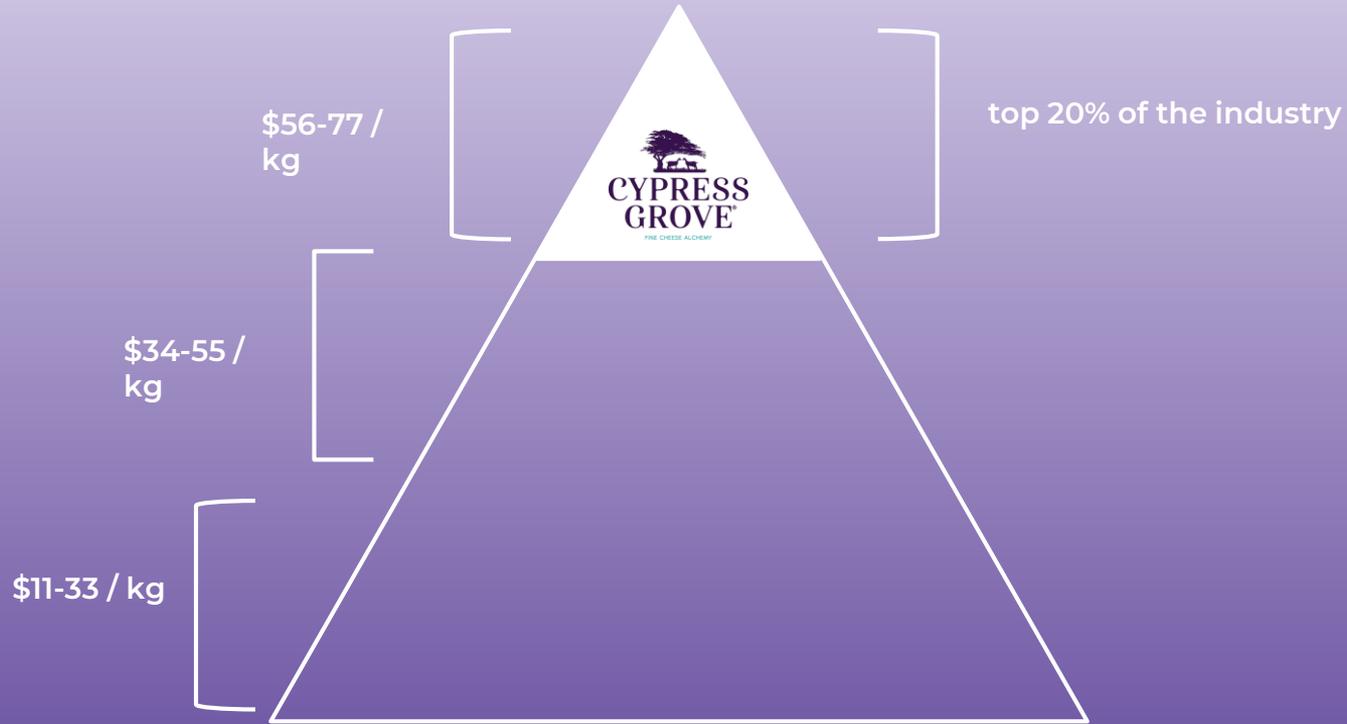


— Growth over previous year, in %

2017 Sales by Product



Premium Pricing





Welcome to the Hotel California

Cheese in America

The California Collection

Cypress Grove & Emmi

- What is behind Cypress Grove's success?

State of the Industry

Future Opportunities

Emotional Connection with Raving Fans



Cypress Grove
 Tuesday at 9:48 AM · 🌐

Midnight Moon: nutty and brown b...
 finish and satisfying crunch from ty...
 someone who (gasp!) doesn't like g...
 converts the non-believers and keep...
 more (and more and more!).



**Cypress Grove's
 Facebook
 engagement rate:
 12.5% —52x the food
 and beverage industry
 average of 0.24%**



Cheesemonger Education & Love



Tireless Commitment to Quality

Still winning awards, year after year



- 50 gold awards since 2010
- 13 awards in 2018



Welcome to the Hotel California

Cheese in America

The California Collection

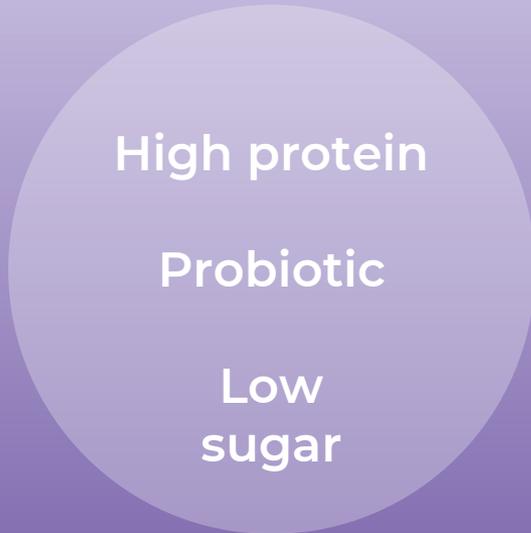
Cypress Grove & Emmi

What is behind Cypress Grove's success?

- State of the Industry

Future Opportunities

Food Trends are in Our Favor



Power of Suppliers



Power of Consumers



—*—
We Face Some Strong Headwinds



Power of Customers

Retail Trade

- Distributor consolidation
- Retailer consolidation
- Discounters gaining ground
- SKU rationalization



Competition in the Industry



Saputo

Lactalis to Acquire siggi's to Further Grow the Unique Yogurt Brand

Saputo completes acquisition of Montchevre Goat Cheese



BRIEF

Nestle launches incubator to help upstart food and agriculture companies

New Entrants into the Industry



Threat of Substitutes

Plant-based threat

- Yogurt and milk are two biggest concerns





Welcome to the Hotel California

Cheese in America

The California Collection

Cypress Grove & Emmi

What is Cypress Grove's success?

State of the Industry

- Future Opportunities

What do we want to achieve?



**CONTINUED
STRONG
GROWTH**



**PREMIUM
PRICES**



**GREATER
AWARENESS**



**LOYAL
FANS**

Strong Branding



Strong Branding



Innovation



Available non-organic



New Yogurt Flavors!



Growing Online Communities



 **makidoolittle** • Follow
Cottage Grove Lake

makidoolittle Happiness is being on the lake with your bestie...some @cypressgroves and @unionwinecompany @heart4wine_ #perfection #lakeday #kayakoregon #oregon

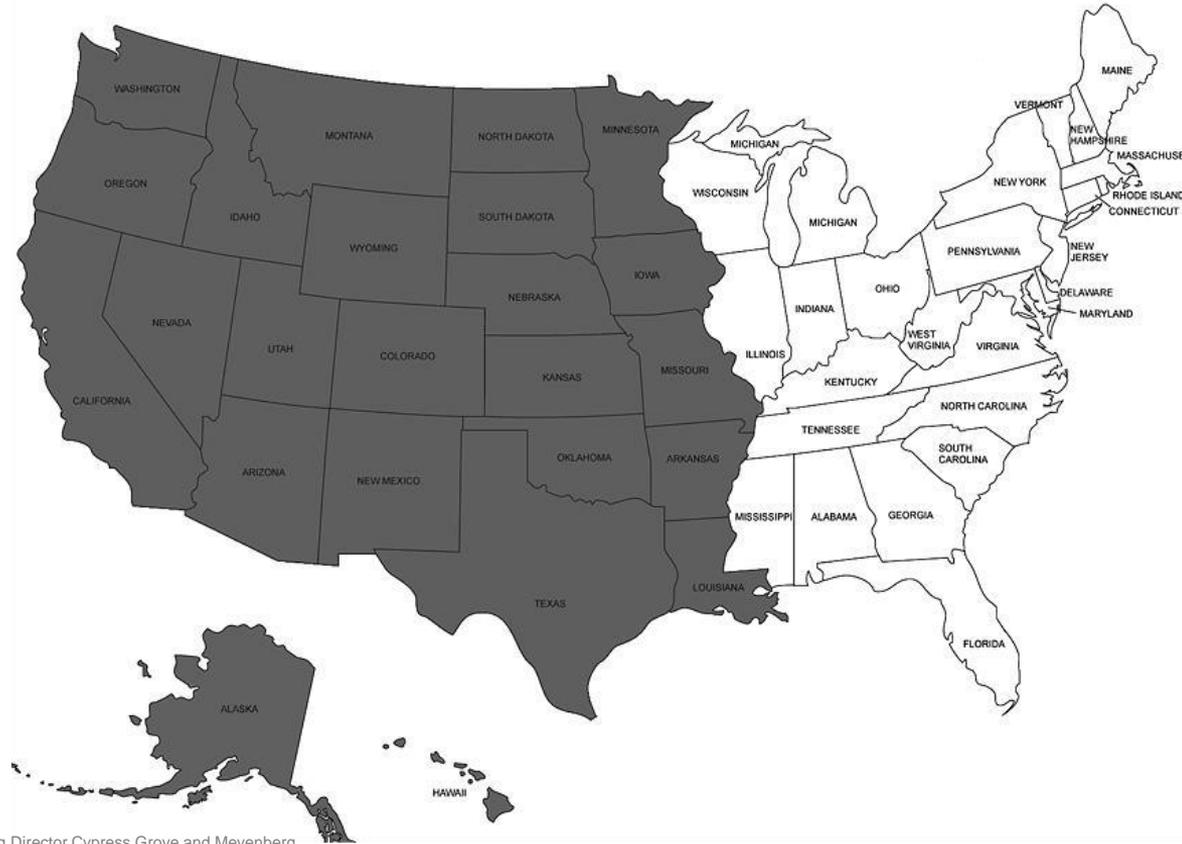
“

“My gut and taste buds thank you!”

“After trying all the formulas on the market all without success, the goat milk worked the best! Thank you so much for helping my son to become the healthy child he is today.”

“...It worked and now I am a very healthy adult that still uses your goat milk regularly!”

Emmi owns the goat business west of the Mississippi.



UC Davis Research



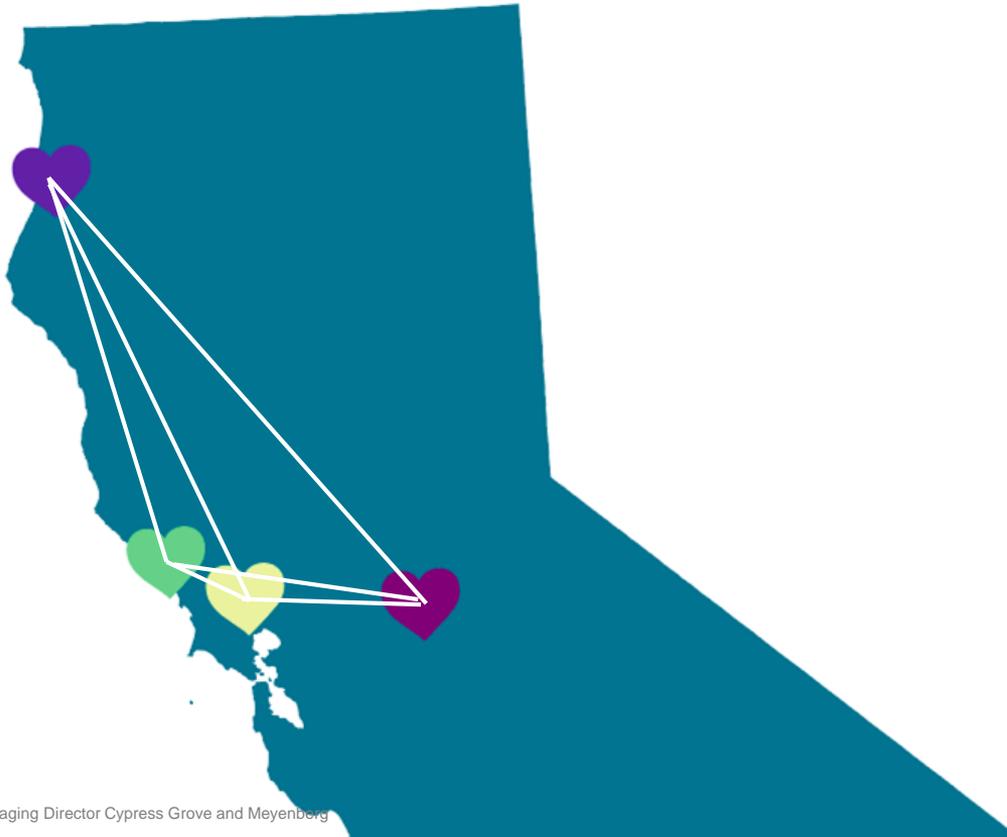
Educating Consumers: New Usage Occasions



Educating Consumers: Cowgirl Creamery's Retail Store



Driving Efficiencies & Sharing Resources



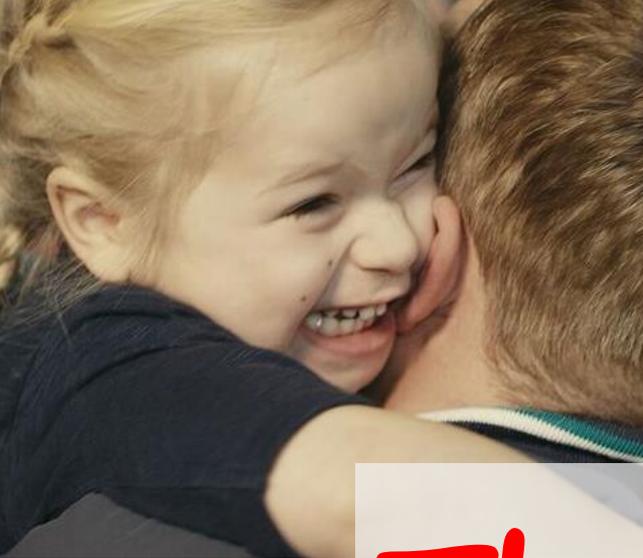
Upgrading Capabilities





Summary

- Strong brands = premium market positioning
- Investment in facilities & infrastructure – platform for growth
- Innovation & new product development to strengthen portfolio for long-term growth
- Safeguard company culture



**THE BEST
DAIRY MOMENTS
— ARE EMMI —
MOMENTS**

Thank you

