



2 MARCH 2021

Emmi annual results 2020

Disclaimer

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Potential risks and uncertainties include such factors as general economic conditions, foreign exchange and commodity price fluctuations, competitive product and pricing pressure and regulatory developments.

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ANNUAL RESULTS 2020

Setting the course for the long term

Konrad Graber, Chairman of the Board of Directors

Strategy on track

Strong corporate culture

- Outstanding commitment and agility of our employees
- Consistent supply capacity

Proven strategy

- Strategic progress translated into a strong annual result
- Long-term succession solutions at the level of the Board of Directors and Group Management

Pleasing result

- Group sales top CHF 3.7 billion for the first time
- Proposal to increase dividend to CHF 13.00 (*PY: CHF 12.00*)



Forward-looking succession arrangements



Board of Directors

- Thomas Grüter *nominated*
- Dominik Bürgy *nominated*

*Christian Arnold and Niklaus Meier
step down at AGM 2021*



Group Management

- Matthias Kunz, *EVP Americas*
handover beginning 2022 to
- Jonas Leu, *Deputy EVP Americas*

THE BEST
DAIRY MOMENTS
— ARE EMMI —
MOMENTS

Strategy implementation

Urs Riedener, CEO



Agenda

1. Welcome

Konrad Graber, Chairman of the Board of Directors

2. Strategy implementation

Urs Riedener, CEO

3. Performance 2020

Ricarda Demarmels, CFO

4. Outlook

Urs Riedener, CEO

5. Q&A

Urs Riedener, CEO | Ricarda Demarmels, CFO



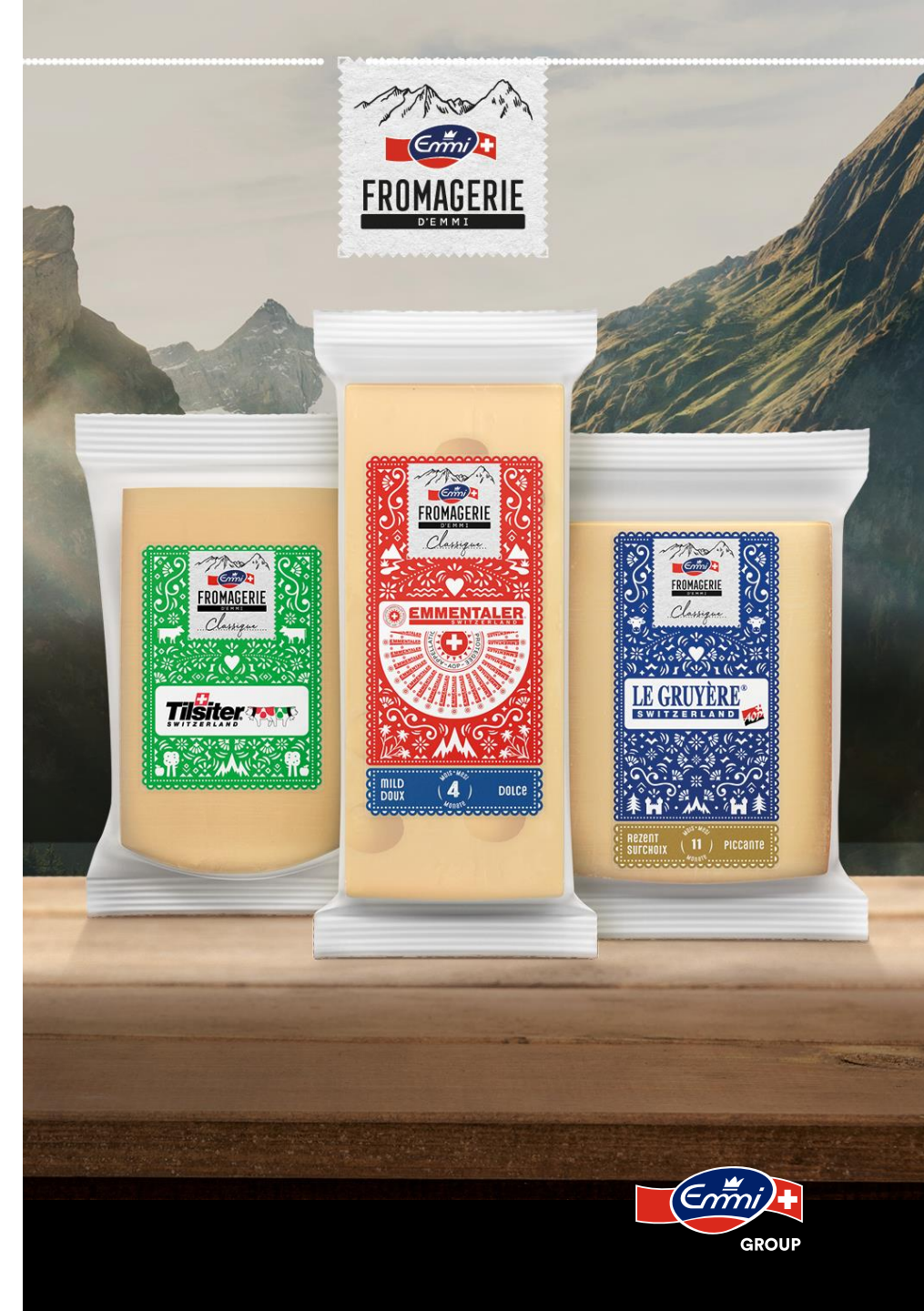
WELCOME

“The pleasing results are a vindication of our choice to rigorously pursue our strategic course and further build on our proven business model with a diversified product and country portfolio and crisis-resistant brand concepts.

Our success in continuing to grow profitably during this extraordinary year also bears testament to the tremendous dedication of our employees and the resilience of our organisation.

What is more, because our long-term success is closely bound up with nature, we have committed not just to keep lowering our own carbon footprint further but also to extend this ambition to our entire value chain and aim for net-zero emissions.”

Urs Riedener, CEO Emmi



Track record in a difficult environment

Diversified business model stands the test

- Employees & business protected: in Switzerland and internationally
- Portfolio, category & channel mix pass COVID-19 stress test
- Local integration in the value chain and agility of the organisation as a competitive advantage

Strong performance

- Broad-based sales growth of 6.1 %, 1.9 % in organic terms
- Adjusted EBIT of CHF 271.2 million, adjusted EBIT margin rises to 7.3 %
- Key brands, strategic niches and emerging markets as growth drivers

Strategy delivery on track

- Strategic growth path confirmed
- Further expansion of sustainability targets – netZERO 2050 vision
- Cautiously optimistic outlook for 2021



Good organic sales growth of 1.9 %

CHF 3,706 million

Net sales

Total growth: +6.1 %

Organic growth: +1.9 %

Growth from acquisitions: +8.7 %

Currency effect: -4.5 %

CHF 256.6 million

EBIT

(adjusted CHF 271.2 million)

EBIT margin 6.9 % (adjusted: 7.3 %)

Previous year (restated): 7.0 %

Financial strength

0.42x net debt/EBITDA

31 December 2019: 0.25x

Proposed dividend of CHF 13

CHF 188.4 million

Net profit

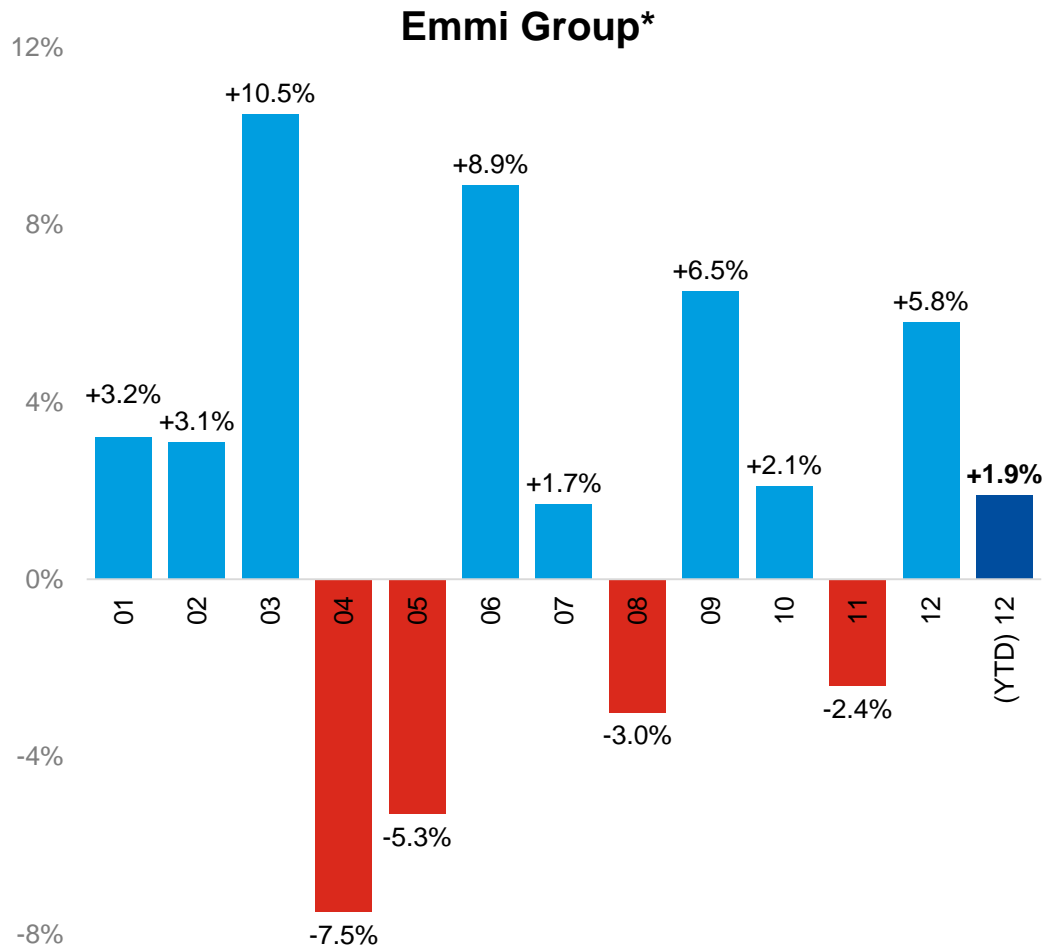
(adjusted CHF 202.6 million)

Margin: 5.1 % (adjusted: 5.5 %)

Previous year (restated): 5.6 %



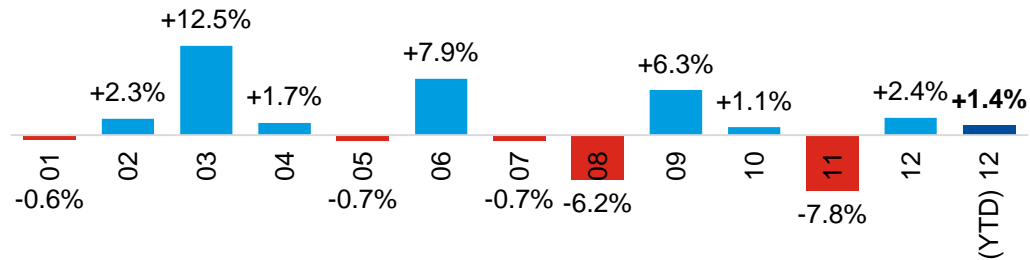
High monthly volatility (1/2)



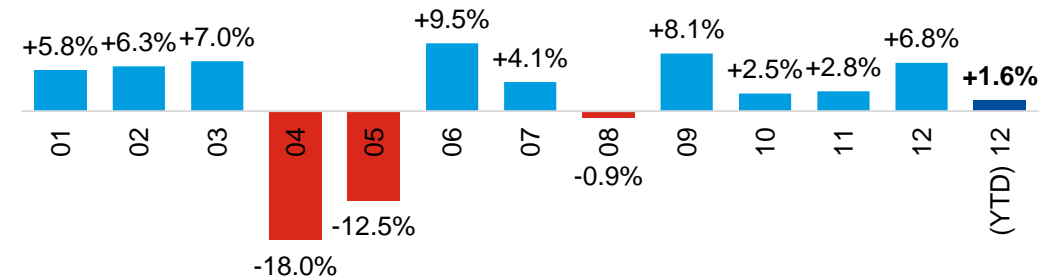
- Good start to 2020
- Unusually high volatility throughout the year with organic sales losses in 4 out of 12 months
- Sales peak in March (+10.5 %), chiefly due to a one-time stockpiling effect
- Sales collapse in April (-7.5 %) and May (-5.3 %), due to companies with a high food service share
- Good organic growth overall of +1.9 % for full-year 2020
- High volatility and planning uncertainty will persist in the first half of 2021 at least

High monthly volatility (2/2)

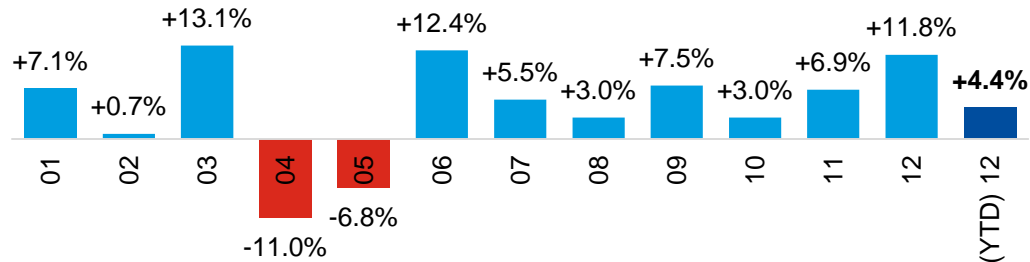
Switzerland*



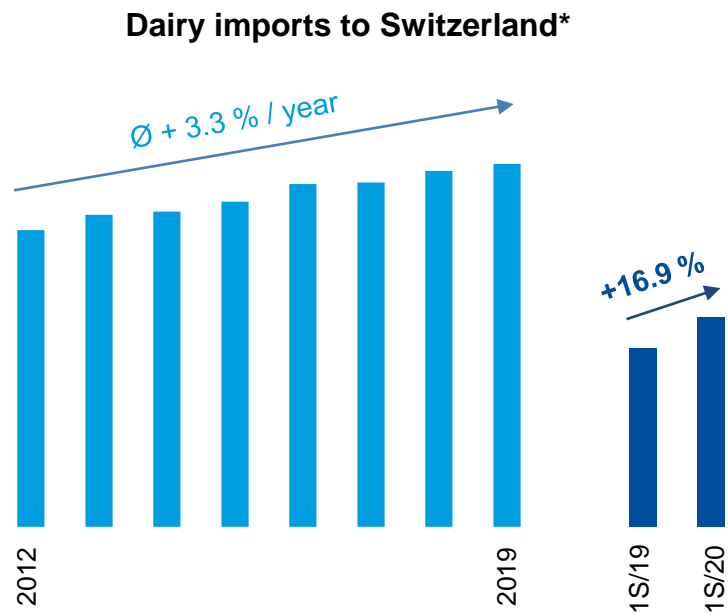
Americas*



Europe*



Import growth of dairy products in Switzerland



*in million whole milk equivalent, incl. processed products



Our response to COVID-19

Focus on opportunities

Protect health of employees and business

Care: Protect the health of our employees

Continuity: Maintain operations & delivery capacity

Cash: Secure liquidity, strong balance sheet & synergies

Chances: Seize market opportunities,
value-creating investments



Highlights 2020



IV award as an inclusive employer and recognising inclusion of people with disabilities



Expansion of the Kaltbach range with a third renowned Swiss cheese speciality



Launch of the "beleaf" vegan brand in Switzerland and the UK & Germany in June



Emmi Dessert Italia with relaunch of its core range in glass cups for special occasions



Expansion and co-branding of the protein range



First Emmi Sustainability Day raises awareness & reinforces commitment Group-wide and externally

JAN

FEB

MAR

APR

MAY

JUN

Highlights 2020



Growth in goat's milk business in the US with butter and new formats



Emmi Caffè Latte: natural ingredients, freshly brewed coffee and Swiss milk.



Go-live of the Emmi Kaltbach online boutique



Own presence in the US dessert market, renaming of Indulge Desserts as Emmi Dessert USA



Investment of CHF 50 million in Emmen, the birthplace of our company, and the future of Swiss cheesemaking



Commissioning of the world's first H₂-powered zero-emission lorries*

JUL

AUG

SEP

OCT

NOV

DEC

Strategic focus is paying off



Consistent and agile implementation

Strategic pillars

Strong domestic market



International growth



Cost management



Inner happiness comes from within

(Within this pot)



Profitable growth in niches

Strategic niches

Desserts



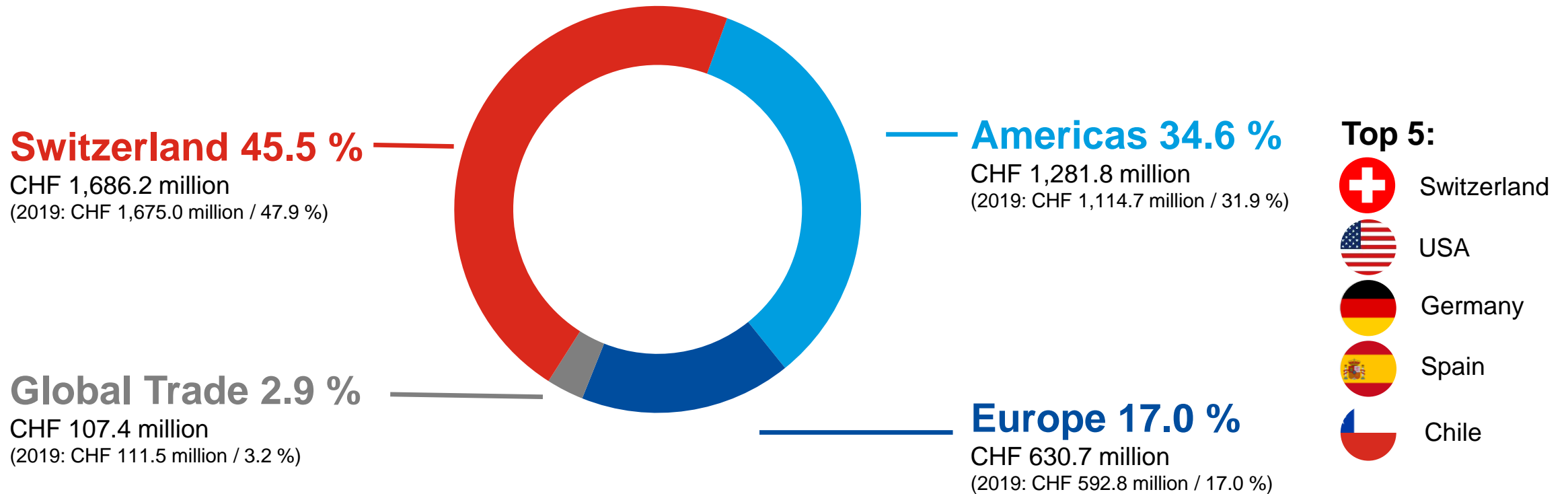
Goat's milk products



Organic products



Net sales by business division (1/2)



Net sales by business division (2/2)



Switzerland

Net sales CHF 1,686.2 million

Organic growth +1.4 %, food service -33 % (FS share 16 % in 2019)

Americas

Net sales CHF 1,281.8 million

Organic growth +1.6 %, food service -28 % (FS share 26 % in 2019)

Europe

Net sales CHF 630.7 million

Organic growth +4.4 %, food service -26 % (FS share 8 % in 2019)

Group

Net sales CHF 3,706.1 million

Organic growth +1.9 %, food service -30 % (FS share 18 % in 2019)

Global Trade

Net sales CHF 107.4 million

Organic growth -1.9 %

Net sales by product group

Cheese 30.8 %

CHF 1,139.3 million
(2019: CHF 1,092.9 million / 31.3 %)

Dairy products 30.7 %

CHF 1,137.9 million
(2019: CHF 1,066.2 million / 30.5 %)

Other products/services 4.8 %

CHF 179.4 million
(2019: CHF 177.0 million / 5.1 %)

Fresh products 24.1 %

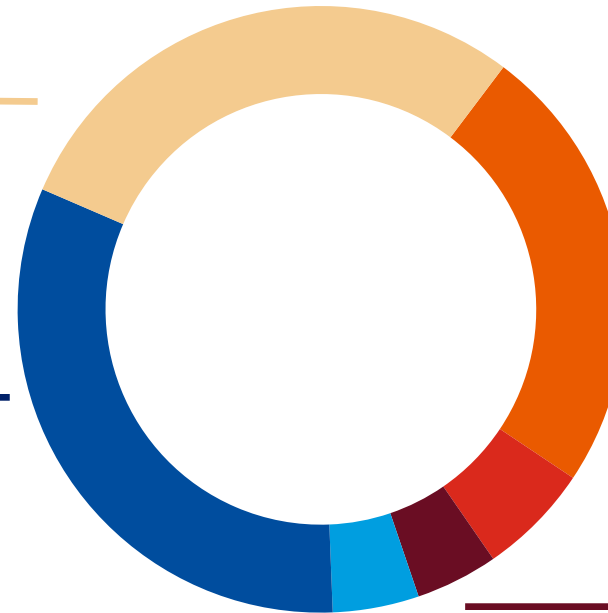
CHF 892.9 million
(2019: CHF 848.7 million / 24.3 %)

Fresh cheese 5.6 %

CHF 209.4 million
(2019: CHF 181.9 million / 5.2 %)

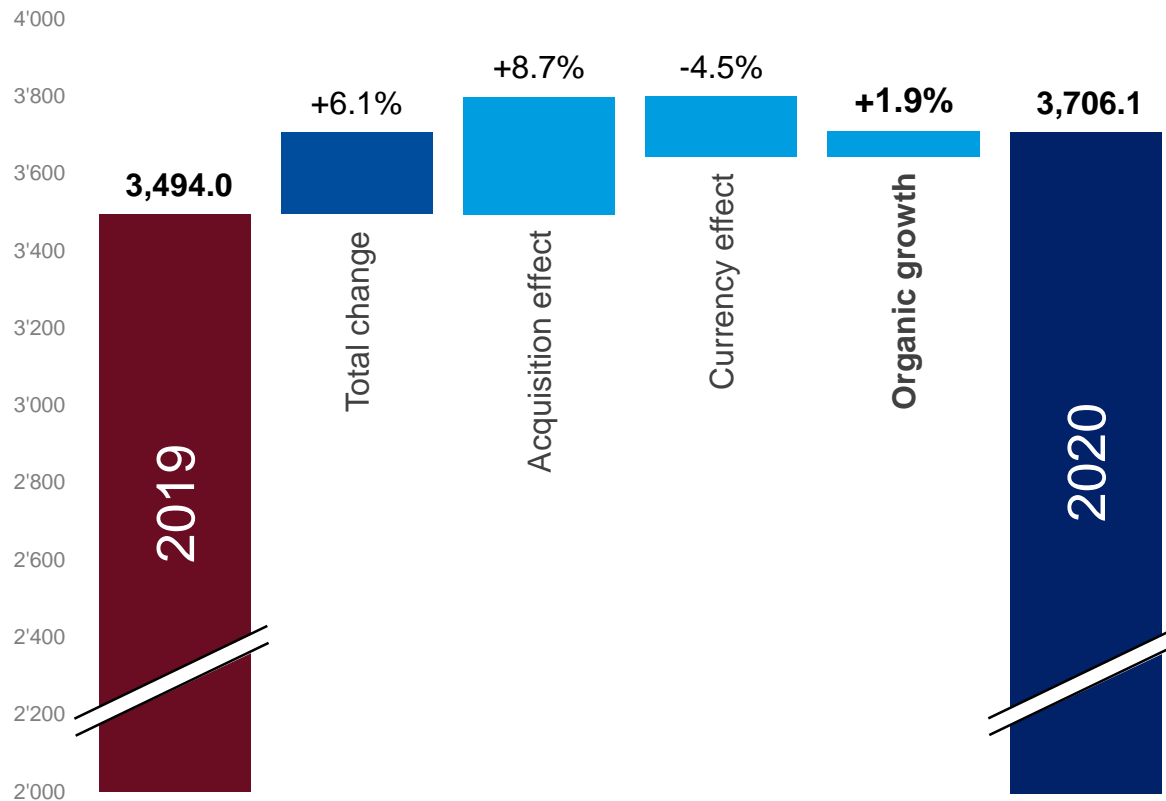
Powder/concentrates 4.0 %

CHF 147.2 million
(2019: CHF 127.3 million / 3.6 %)



Broad-based sales growth

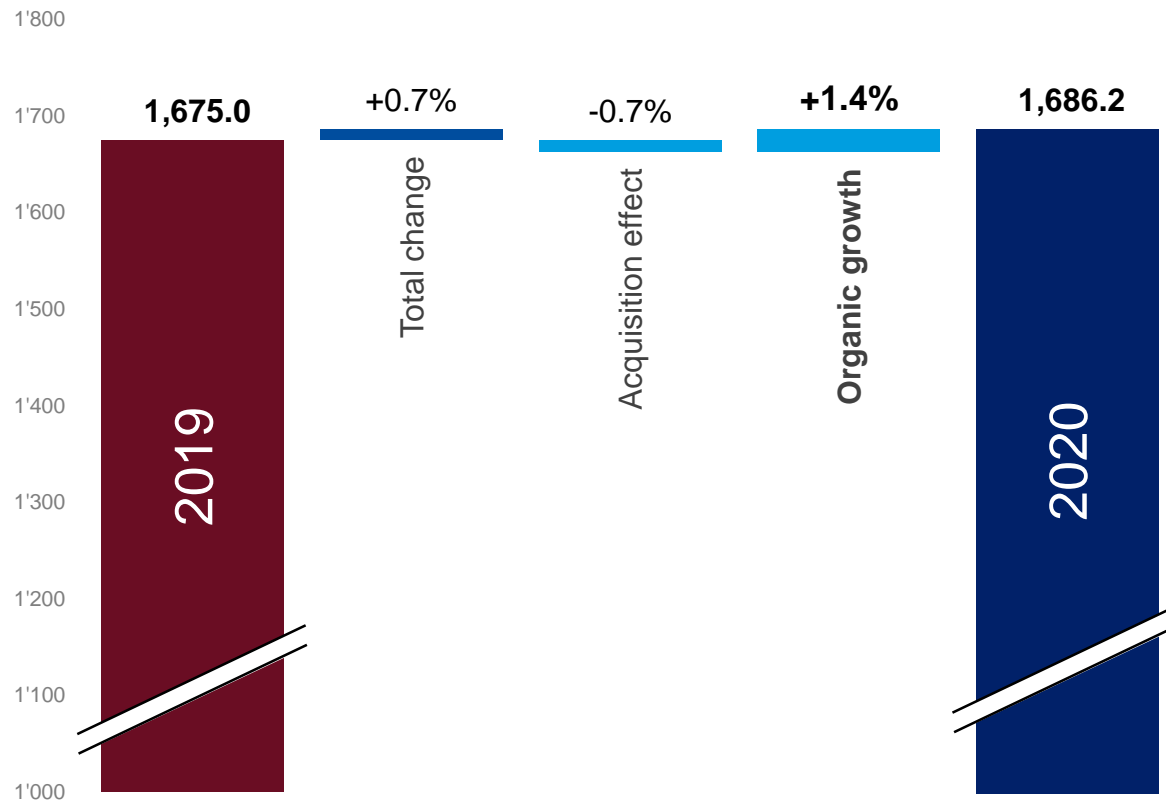
Net sales Group in CHF million



- Solid growth in Switzerland, despite a below-average market development of Swiss dairy products
- Growth markets of Chile, Brazil and Tunisia made up for the COVID-19-related slowdown in the North American business; government measures to prop up consumption helped
- Strong growth in key European markets thanks to well-positioned brand concepts and high demand for organic dairy products
- Ongoing growth of Emmi Caffè Latte, especially in Switzerland, the UK, Austria, Germany and Spain
- Significant shift in channels and consumption due to coronavirus

Strong growth in spite of pressure on imports

Net sales business division Switzerland in CHF million



Dairy products

Sales CHF 682.9 million, -0.5 % (-0.1 % org.)

- Strong growth in the first half year on the back of high retail demand and milk price effect
- Marked slowdown in the second half year following normalisation in retail and exacerbation of COVID-related effects in food service and industrial customers businesses

Cheese

Sales CHF 434.2 million, +1.7 % (+2.4 % org.)

- Pleasing growth thanks to Le Gruyère AOP and strong brand concepts such as Kaltbach, Luzerner Rahmkäse, Der Scharfe Maxx and Le Petit Chevrier
- Sizeable increase in cheese imports acted as a drag on sales growth

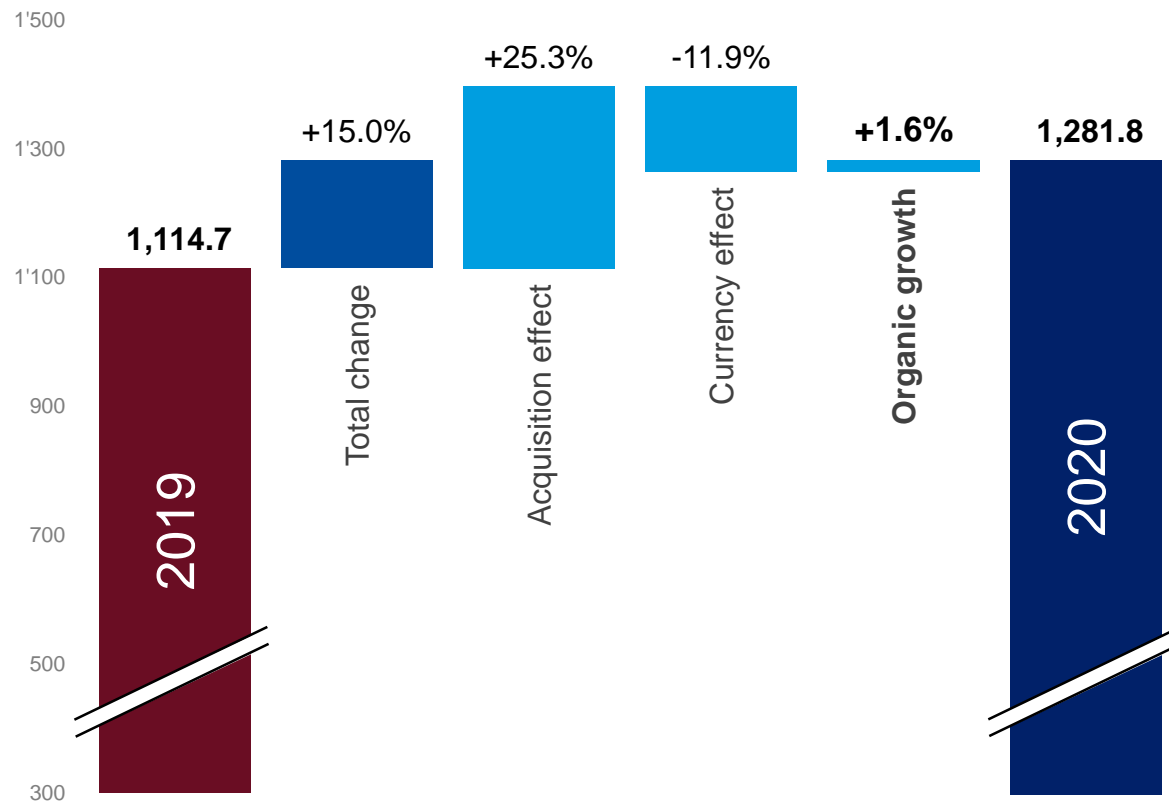
Fresh products

Sales CHF 341.3 million, +1.6 % (+2.0 % org.)

- Growth driven by Emmi Caffè Latte and Emmi Energy Milk
- Convenience products saw weaker growth in the second half as a result of restricted mobility due to coronavirus
- Increased demand for yogurts and ice-cream in retail

Slump in food service business dents growth

Net sales business division Americas in CHF million



Cheese

Sales CHF 527.1 million, +6.8 % (-0.9 % org.)

- Dip in sales due to COVID-related restrictions such as closures of sales outlets, cheese counters and restaurants
- Rise in cheese imports from Switzerland (incl. Kaltbach) to the US

Dairy products

Sales CHF 353.4 million, +24.8 % (+12.3 % org.)

- Higher demand owing to coronavirus for basic products in Tunisia and Chile as main driver of high organic growth

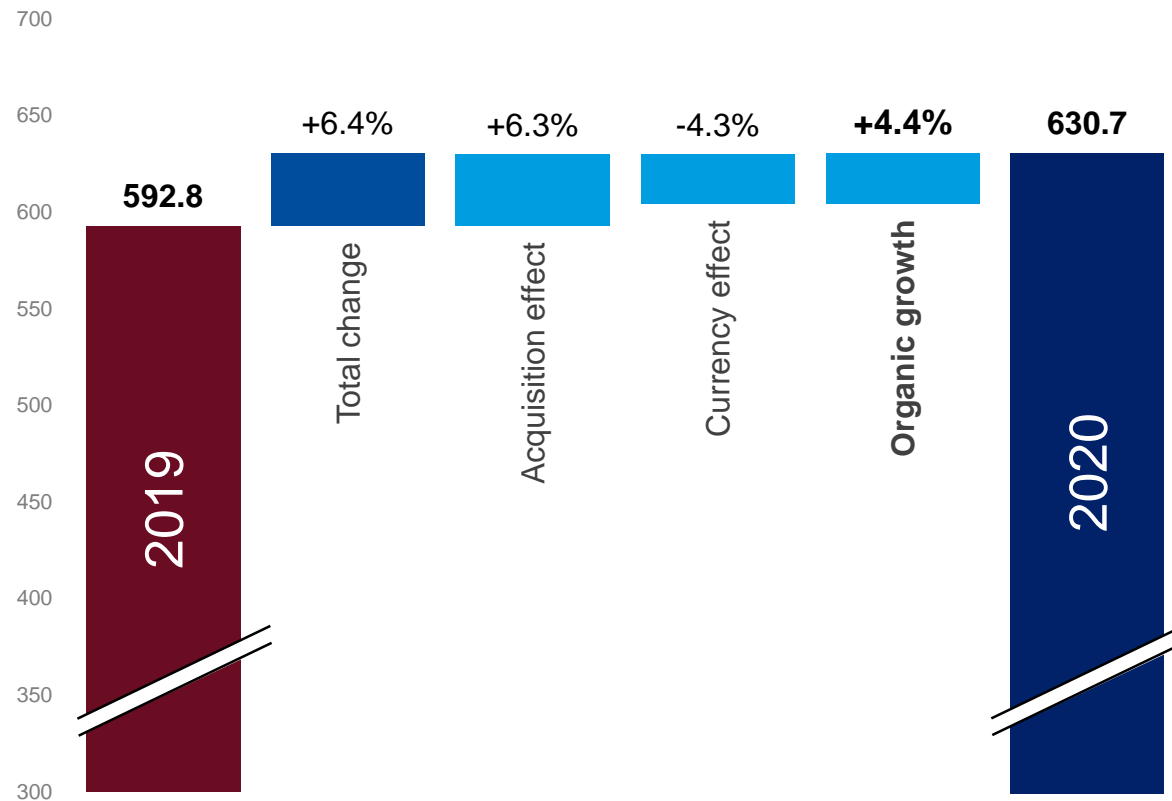
Fresh products

Sales CHF 226.1 million, +11.5 % (-2.7 % org.)

- Decline in California, Tunisia and Chile again chiefly attributable to coronavirus (food service business coupled with restricted mobility generally)
- Positive contribution by Emmi Caffè Latte in Spain and entry into the yogurt business in Brazil

Branded and organic products doing well

Net sales business division Europe in CHF million



Fresh products

Sales CHF 289.6 million, +6.7 % (+3.5 % org.)

- Pleasing growth of Emmi Caffè Latte in the UK, Austria and Germany
- Positive development of Onken yogurts in the UK
- Italian speciality desserts continued to be a driver of growth; performance differed according to sales channel

Cheese

Sales CHF 129.2 million, +6.7 % (+9.0 % org.)

- Positive development with Kaltbach, fondue and Swiss cheese varieties in the Netherlands, Germany and the UK

Dairy products

Sales CHF 99.0 million, +6.6 % (+8.0 % org.)

- Strong organic growth at Gläserne Molkerei in Germany thanks to increased demand for organic dairy products

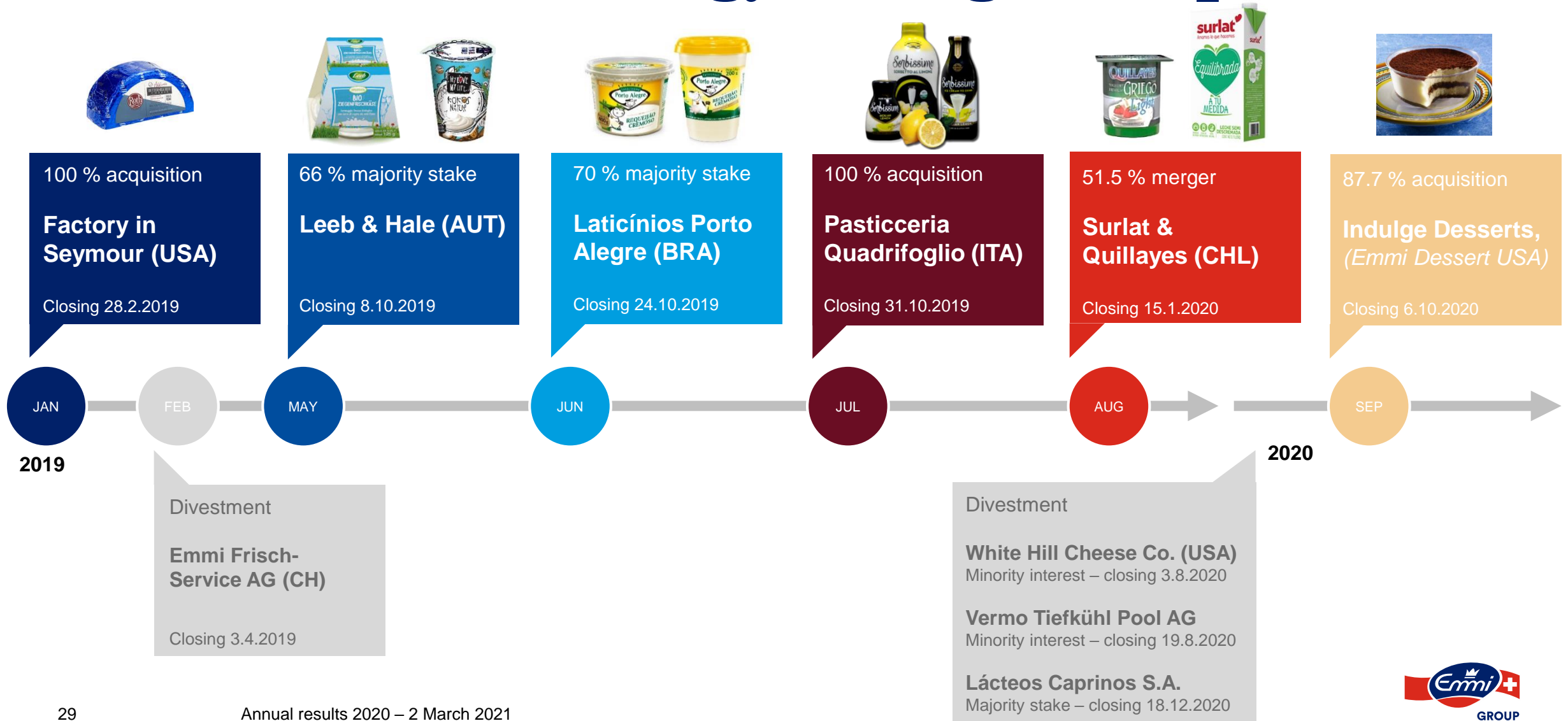
Focused portfolio expansion



Successful transformation



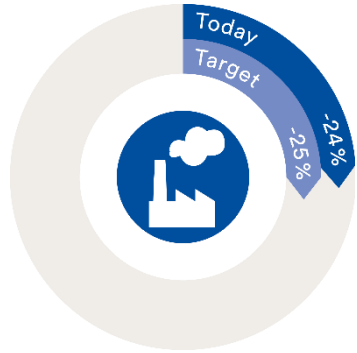
Focused M&A strategy strengthens portfolio



ANNUAL RESULTS 2020

Preserving for the next generation

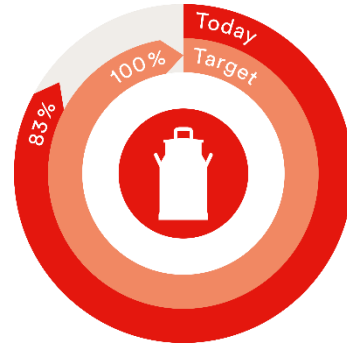
Good progress on 2020 targets



Reducing greenhouse gases

CO₂ emissions cut by **24 %***
(vs. 2014)

- Hydrogen-powered lorries in Switzerland
- Climate-neutral cooling system in Mexico



Sustainable milk

83 % of our suppliers in Switzerland meet the swissmilk green standard
(= 93 % in terms of volume)

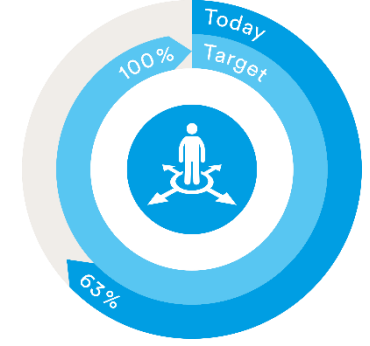
- Charitable foundation for dairy farmers in Tunisia
- 6,000 Emmi dairy farmers in Switzerland



Waste reduction

Food losses reduced by **11 %***,
Waste by **10 %*** (vs. 2017)

- Elimination of snap-on lid
- Sleeve of Emmi Caffè Latte changed from polystyrene to PET



Employee development

63 %* of our employees have a development plan

- 82 % of key positions filled internally
- International "Management Practice" programme
- International trainee programme



New ambitions with horizon of 2027



Increase further



100 % of Emmi's milk suppliers worldwide produce according to an above-average local standard

Further development of Swiss industry standard



100 % of employees have a development plan in place

50 % of all vacancies filled by internal candidates



60 % reduction in emissions at own site (*Scope 1 & 2 vs. 2014*)

25 % reduction in emissions in the supply chain (*Scope 3 vs. 2019*)

Vision netZERO 2050



50 % reduction in rubbish and food waste (*vs. 2017*)

0 % waste to landfill

100 % recyclable packaging



50 % reduction in own water consumption in risk areas (*vs. 2019*)

15 % reduction in own water consumption in non-risk areas (*vs. 2019*)

Reduced water consumption in the value chain

Decrease further



Preserving for the next generation



Farm-to-fork – We take responsibility along the entire value chain.



Reduction of Scope 3 emissions, together with suppliers



Water reduction in cultivation of relevant raw materials, together with suppliers



More sustainable milk production worldwide, together with suppliers



Vision netZERO 2050 – Validation of our emission reduction targets by the Science Based Targets initiative.



Reduce our energy consumption even further

Increase share of renewable energy to **100 %**



Annual results 2020

“Playing to win”

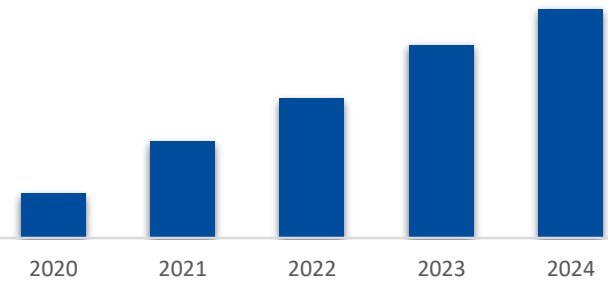
Converting innovations & trends into growth



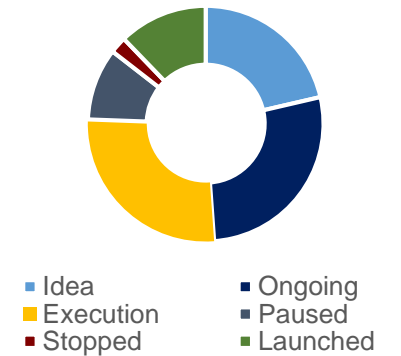
Dynamism & growth with innovations



Long-term potential of innovations



Innovation pipeline



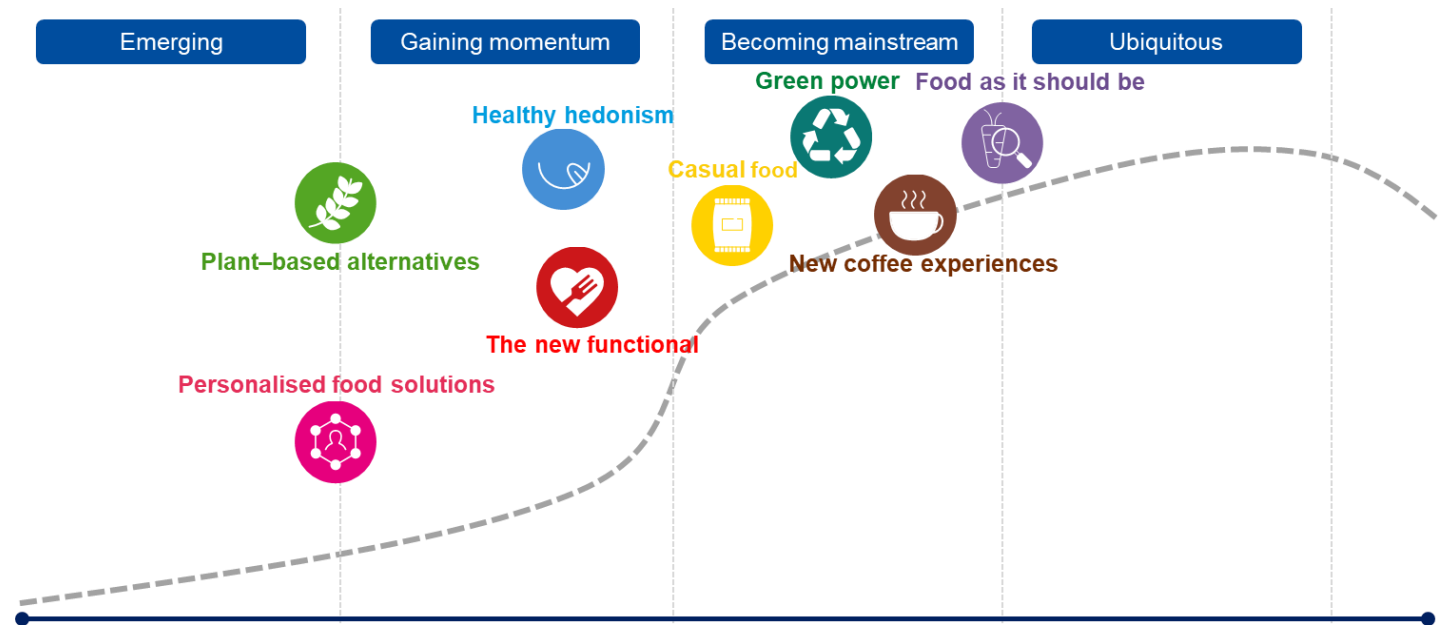
Emmi innovation funnel

Innovation process & pipeline aligned to strategic growth fields

Global innovation pipeline

Global tracking of potential and status of all innovations

Convert megatrends into growth fields



“PLAYING TO WIN”

The new coffee experience



No. 1 in Europe*

Further growth via marketing mix renewal



The new coffee experience



Expansion of product portfolio

Special Editions for superb taste experiences

“Double Zero”: Bestseller with no sugar or sweeteners

Expansion of plant-based range with Swiss oat milk



“PLAYING TO WIN”

Plant-based



Know-how

20 years of experience in the production of plant-based alternatives to milk, yogurt, drinks, cheese and desserts



“PLAYING TO WIN”

Plant-based



Expansion of portfolio

Launch of beleaf in Switzerland

First listings in the UK and Germany



“PLAYING TO WIN”

Food as it should be



Pur(e) yogurts

Pure Natural, without additives

New: Sweetened only with fruit and dates



“PLAYING TO WIN”

Food as it should be



100 % natural

Emmi Caffè Latte is made of just 2 to 3 ingredients: Milk, coffee and in some cases sugar, manufactured in an internally developed, patented process

“Clean Label” for our entire fondue brand range (unique worldwide)



“PLAYING TO WIN”

Food as it should be



Organic

Uptick in our organic range in all of our markets



“PLAYING TO WIN”

Healthy hedonism

Growth story of a category

Category growth with existing customers

New markets, new channels, new types of offerings
Synergies



ANNUAL RESULTS 2020

Performance 2020

Ricarda Demarmels, CFO

Strong EBIT development

in CHF million	2020	2020 (adjusted) ¹⁾	2019 (adjusted) ²⁾	Δ in %/ bps
Net sales	3,706.1	3,706.1	3,494.0	6.1
Gross operating profit	1,349.7	1,349.7	1,266.6	6.6
as % of net sales	36.4	36.4	36.3	+17 bps
Operating expenses	-977.9	-963.3	-920.6	4.6
as % of net sales	26.3	26.0	26.4	-36 bps
EBITDA	376.3	390.9	352.9	10.8
as % of net sales	10.2	10.5	10.1	+45 bps
Depreciation and amortisation	-119.7	-119.7	-110.0	8.8
EBIT	256.6	271.2	243.2	11.5
as % of net sales	6.9	7.3	7.0	+36 bps

1) Adjusted for loss from sale of Lácteos Caprinos S.A.

2) Previous year restated due to a change in the consolidation and accounting principles for goodwill

- Non-recurring effect of CHF 14.6 million from the sale of Lácteos Caprinos in 2020
- Good margin development in spite of the COVID-19-related trend towards basic products on the back of measures to increase cost savings and productivity, coupled with enhanced focus and strengthening of the product and company portfolio
- Marked rise in (adjusted) EBIT, thanks not least to ramped-up cost management in light of the many uncertainties in 2020; return to “normalised” investment level 2021 onwards

Effective cost management

in CHF million	2020	2020 (adjusted) ¹⁾	2019 (adjusted) ²⁾	Δ in % / bps
Personnel expenses	493.8	493.8	462.4	6.8
as % of net sales	13.3	13.3	13.3	+9 bps
Marketing and sales-related expenses	127.0	127.0	129.9	-2.2
as % of net sales	3.4	3.4	3.7	-29 bps
Occupancy expense, maintenance and repair, leasing	76.8	76.8	68.2	12.6
as % of net sales	2.1	2.1	1.9	+12 bps
Energy, operating material and supplies	75.4	75.4	71.9	4.9
as % of net sales	2.0	2.0	2.1	-2 bps
Logistic expenses	115.5	115.5	112.8	2.4
as % of net sales	3.1	3.1	3.2	-11 bps
Other operating expenses	89.4	74.8	75.4	-0.8
as % of net sales	2.4	2.1	2.2	-14 bps
Operating expenses	977.9	963.3	920.6	6.2
as % of net sales	26.3	26.0	26.4	-36 bps

1) Adjusted for loss from sale of Lácteos Caprinos S.A.

2) Previous year restated due to a change in the consolidation and accounting principles for goodwill

- Previous-year comparison influenced by significant acquisition effects as well as the loss from the sale of Lácteos Caprinos
- Lower marketing and sales-related expenses due to a more focused approach and shifts in timing, both primarily attributable to COVID-19 effects
- Disproportionate increase in occupancy expense, maintenance and repair, leasing due in large part to maintenance projects in Switzerland that had been planned for a long time

Slightly lower adjusted net profit margin

in CHF million

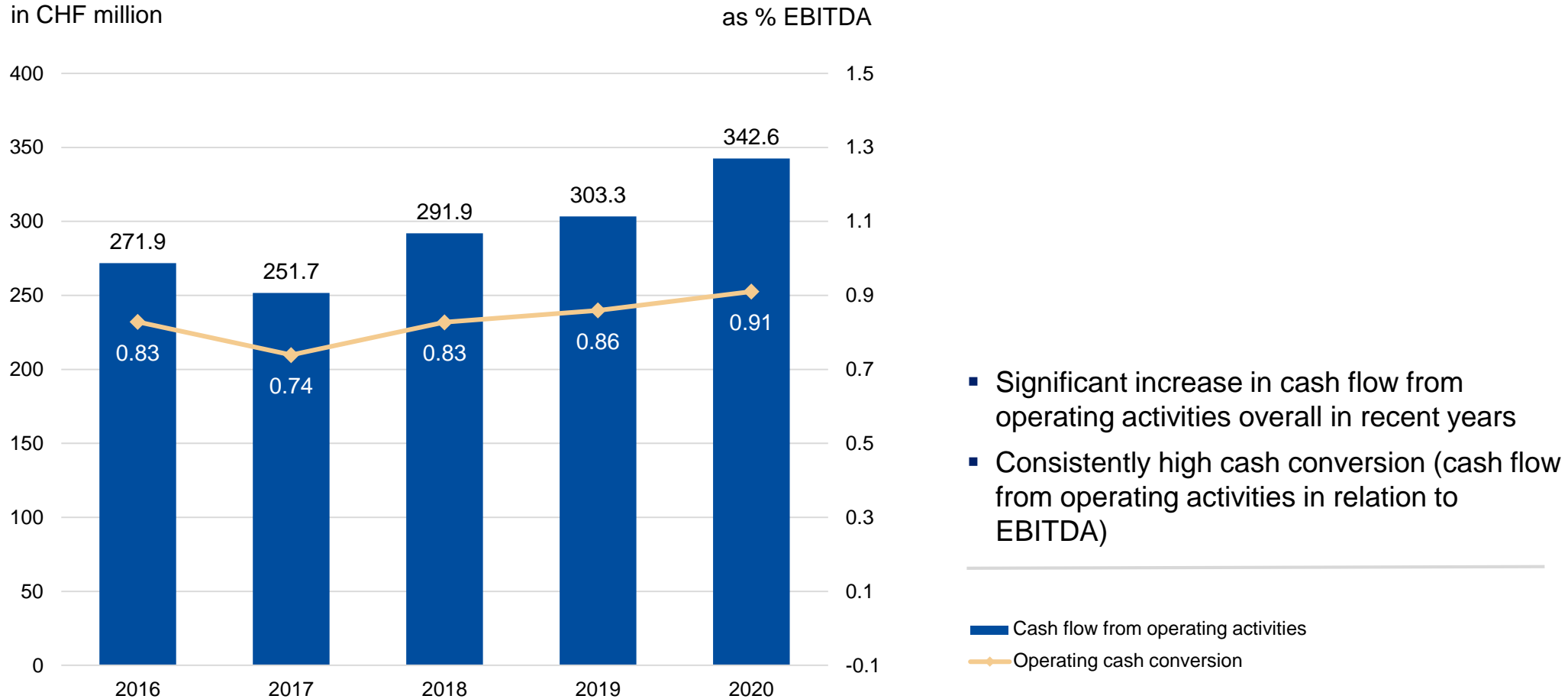
	2020	2020 (adjusted) ¹⁾	2019 (adjusted) ²⁾	Δ in % / bps
EBIT	256.6	271.2	243.2	28.0
Income from associates and joint ventures	-1.0	-1.0	2.3	-3.3
Financial result	-13.4	-13.4	-6.8	-6.6
Earnings before taxes (EBT)	242.3	256.9	238.8	18.1
Income taxes	-40.6	-41.0	-34.8	-6.2
Average tax rate in % of EBT	16.8	16.0	14.6	+140 bps
Profit incl. minority interests	201.6	215.8	204.0	11.8
as % of net sales	5.4	5.8	5.8	-2 bps
Minority interests	-13.2	-13.2	-9.0	-4.2
Net profit	188.4	202.6	195.0	7.6
as % of net sales	5.1	5.5	5.6	-11 bps

- Lower income from associates mainly due to the increased stake acquired in Brazil in October 2019 and the impact this had on the scope of consolidation
- Lower financial result in line with expectations due to a lower currency result, lower interest and other financial income, as well as higher bank charges and borrowing costs
- Slightly higher tax rate in line with expectations, primarily due to positive one-time effects in the previous year
- Higher minority interests on the back of successful development of companies with minority interests

1) Adjusted for loss from sale of Lácteos Caprinos S.A.

2) Previous year restated due to a change in the consolidation and accounting principles for goodwill

Consistently high cash conversion



Investing in our future to create value

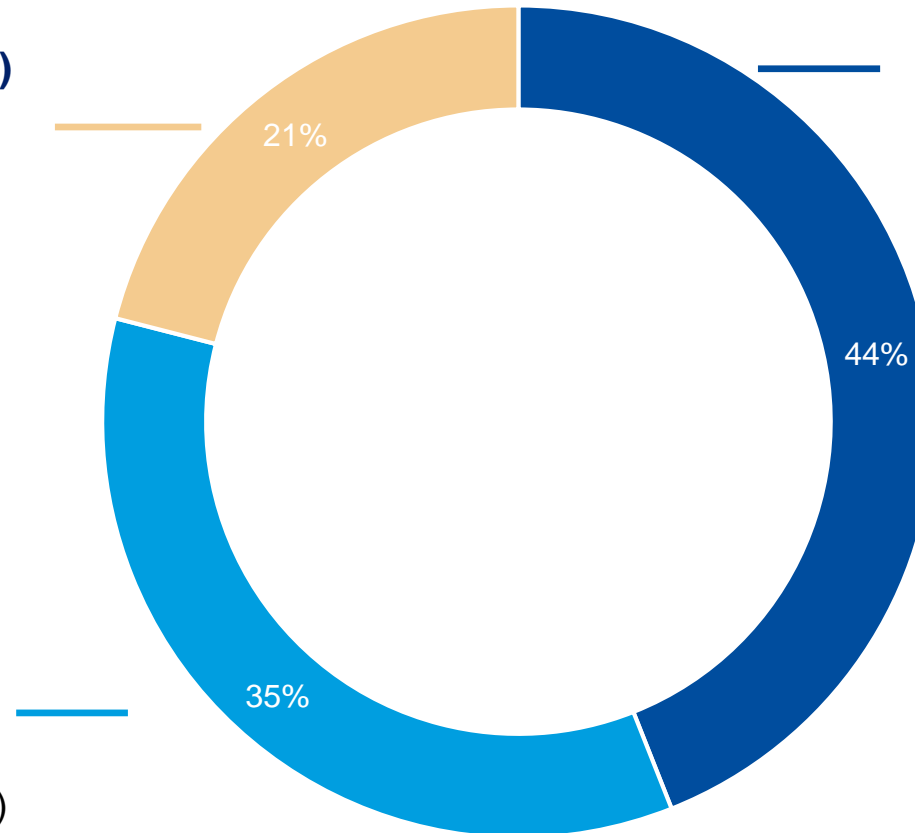
Rationalisation investments (PY 18 %)

- New cheese dairy (Emmen, CH)
- Valve clusters and control room (Dagmersellen, CH)
- Automation of warehousing processes (Moudon, CH)
- Production line for curds (Cypress Grove, USA)

Replacement investments (PY 47 %)

- New cheese dairy (Emmen, CH)
- Renovation of ice water installation (Emmen, CH)
- UHT filling system (Suhr, CH)
- Renovation of production roof (Suhr, CH)

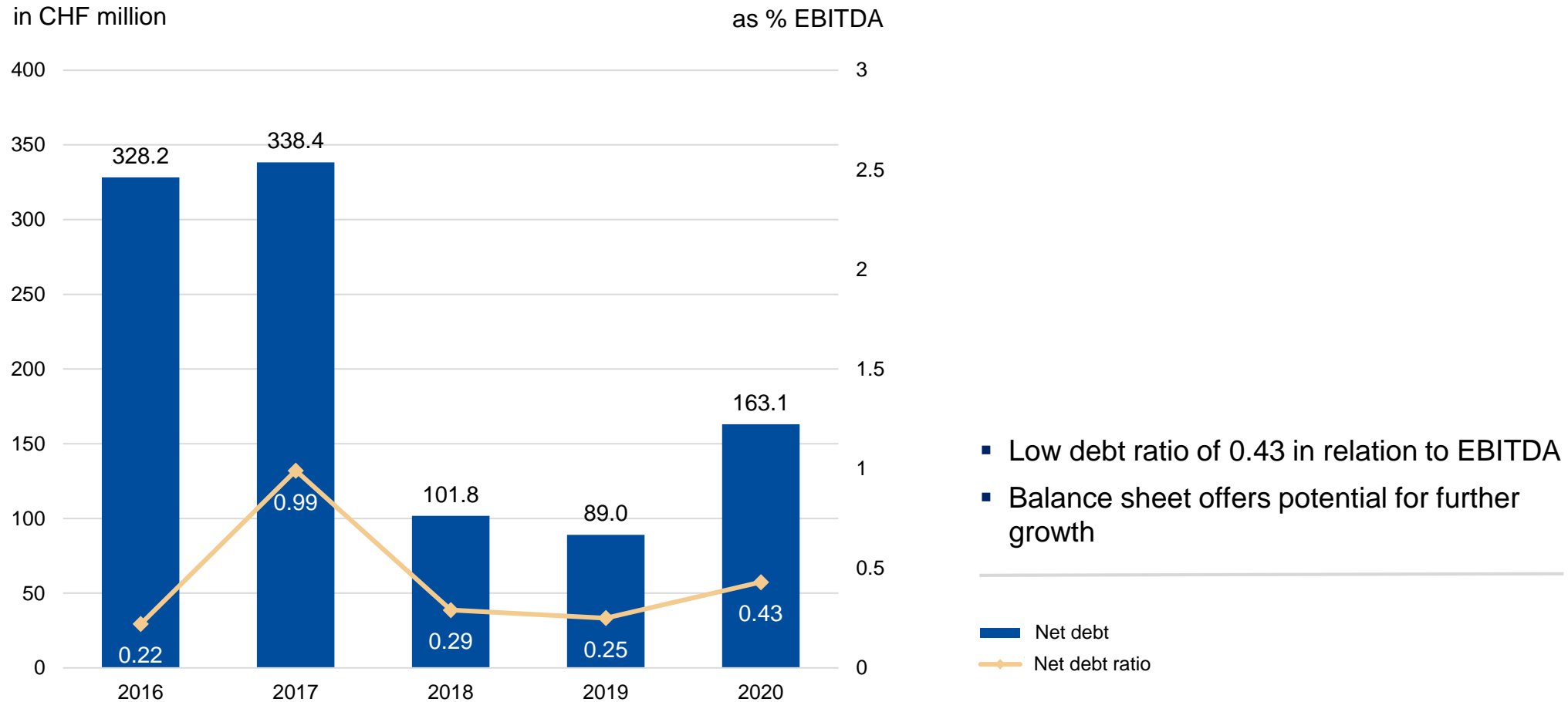
Total investments 2020: CHF 131.4 million



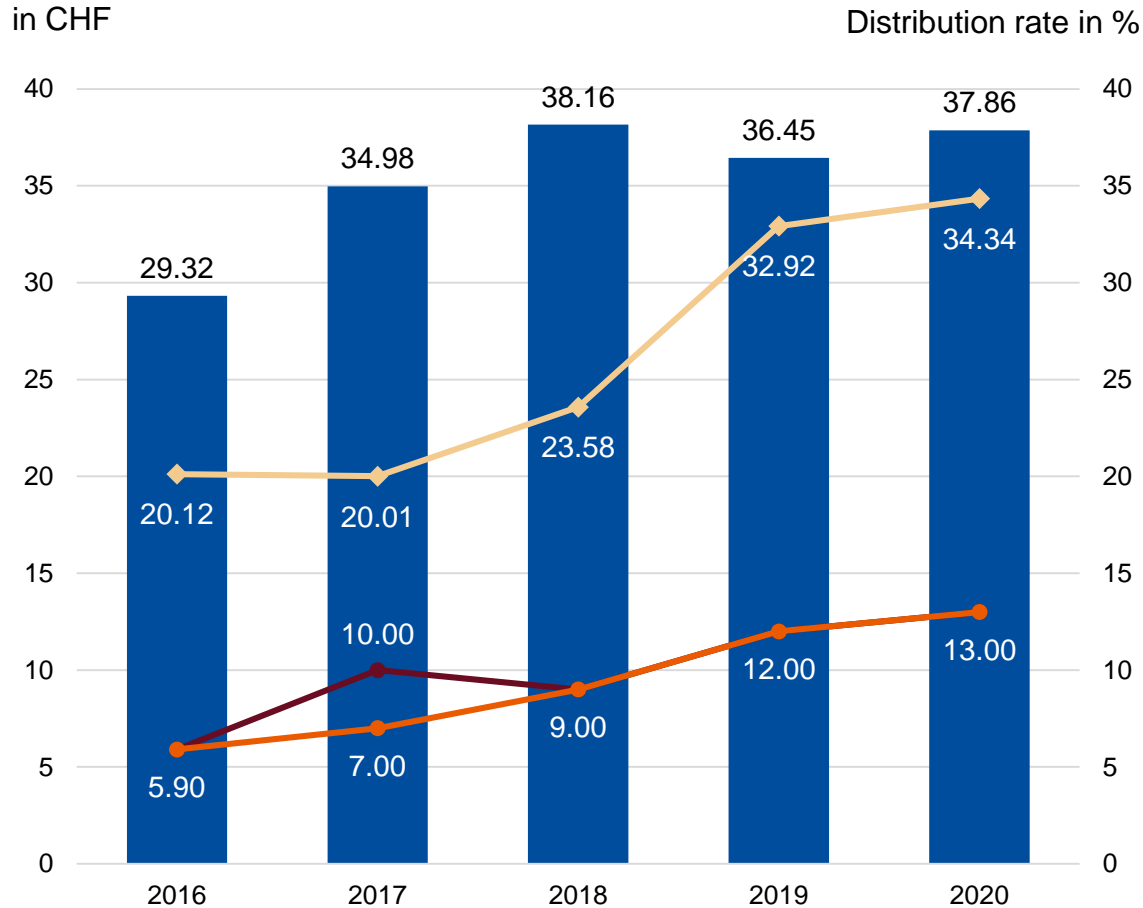
Growth investments (PY 35 %)

- Goat's milk powder production (Netherlands)
- Yogurt production facilities (Brazil)
- Warehouse (Mexico)
- Filling systems for speciality desserts (Italy)
- Milk acceptance centre (Tunisia)
- Yogurt filling system (Tunisia)

Strong balance sheet and low net debt level



Continuous increase in dividends



Proposed dividend FY 2020

Proposal to the General Meeting:

Dividend of CHF 13.00

(previous year: CHF 12.00; increase of 8.3 %)

Continuous increase in dividends

Since 2009, the dividend has risen from CHF 3.00 to CHF 13.00.

- Adjusted EPS (previous years restated)
- Including special dividend
- Dividend
- ◆— Adjusted distribution rate in %

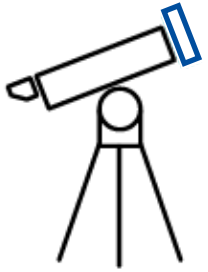
A person with a backpack is kneeling on a wooden dock, taking a photo of a lake and mountains. The scene is a beautiful mountain landscape with a calm lake reflecting the surrounding greenery and rocky peaks. The person is seen from behind, wearing a blue jacket and a backpack, and is holding a camera up to their eye. The dock is made of wooden planks and extends from the bottom center towards the middle of the lake. The water is a deep green color, and the mountains in the background are covered in dense forests and have some snow patches. The sky is blue with some white clouds.

ANNUAL RESULTS 2020

Outlook

Urs Riedener, CEO

Outlook



Switzerland

- Full range and broad channel mix to offset volatility
- Innovation, differentiation and strong brand concepts remain crucial
- Emmi Operational Excellence
- Delayed recovery in food service
- High volatility, revival of consumer tourism and pressure on prices
- High Swiss milk price accompanied by declining volumes continues to favour imports

International

- Growth with trend concepts
Desserts, Emmi Caffé Latte or at Emmi Roth
- Expand strong presence in emerging markets organically
BRA, CHI, MEX, TUN
- Sustained potential for niche products
Desserts, goat's milk and organic products
- Take advantage of partial recovery in food service
- Volatile markets and adverse macroeconomic conditions
- Exports from Switzerland with significant price increases



Focus areas for Emmi

- Protect employees & business
- Differentiate from competitors through innovations
- Strengthen and expand the Emmi network with targeted measures
- Face external uncertainties with cost discipline and agility
- Step & scale-up sustainability ambitions

Stable organic growth accompanied by a slight increase in EBIT

Organic growth, earnings targets

Sales Group	1.0 % to 2.0 %
Sales Switzerland	-1 % to -2 %
Sales Americas	4 % to 6 %
Sales Europe	1 % to 3 %
EBIT in CHF million	275 to 290
Net profit margin	5.2 % to 5.7 %

(Figures are based on the assumption of a rapid recovery from the COVID-19 situation as well as constant exchange rates and raw milk prices.)



Unchanged medium-term forecasts

Organic growth, earnings targets

Sales Group	2 % to 3 %
Sales Switzerland	0 % to 1 %
Sales Americas	4 % to 6 %
Sales Europe	1 % to 3 %
Net profit margin	5.5 % to 6.0 %



A man with a beard is drinking from a red Emmi Latte Caffe cup. The cup has the Emmi logo and text: "LATTE CAFE", "ESPREZZO", "INTENS", "ARABICA COME", "CAFFÈ", "MILK", "CHOCOLATE", "FLAVOR", "WITH", "NATURAL", "FLAVORS", "NO", "ARTIFICIAL", "FLAVORS", "NO", "SUGAR", "ADDED", "100% NATURAL", "ARABICA COFFEE", "MILK", "CHOCOLATE", "FLAVOR", "WITH", "NATURAL", "FLAVORS", "NO", "ARTIFICIAL", "FLAVORS", "NO", "SUGAR", "ADDED", "100% NATURAL".

ANNUAL RESULTS 2020

Q&A

Konrad Graber, COB | Urs Riedener, CEO | Ricarda Demarmels, CFO



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Thank you for your attention!