



18 AUGUST 2022

Emmi half-year results 2022

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Welcome

«The strong, broad-based growth in an increasingly challenging environment confirms our strategic focus on a diversified country and product portfolio as well as the targeted expansion of profitable niches. With differentiated brand concepts and a range of innovations, we again succeeded in getting people excited about our brands and products.

Our locally anchored organisation has also taken targeted action to counter skyrocketing purchasing costs and ongoing supply chains disruptions, and the sales price increases we have introduced are starting having an impact. I am confident that we will be able to achieve our revised full-year targets thanks to the commitment of our more than 9,000 employees, our clear strategic direction as well as operational efficiency and further responsible price adjustments.

In addition, we will continue to invest in the sustainable design of our products and processes in the conviction that only a concerted approach can mitigate the negative effects of climate change. This remains an integral part of Emmi's strategy and strengthens our ability to create the best dairy moments and shared value over the long term.»

Urs Riedener, CEO Emmi Gruppe

**GEMEINSAM SCHAFFEN WIR
— DIE BESTEN —
MILCHMOMENTE
HEUTE UND FÜR KOMMENDE
GENERATIONEN**



Agenda

1. Strategy implementation

Urs Riedener, CEO

2. Half-year performance 2022

Ricarda Demarmels, CFO

3. Outlook

Urs Riedener, CEO

4. Q&A

Urs Riedener, CEO | Ricarda Demarmels, CFO



Strong growth in the half-year

Growth in line with strategic priorities

- Strong and broad-based organic growth of 5.4%
Sales grow to CHF 2,016.5 million driven by international business and recovery in food service segment
- Brand concepts and strategic niche businesses continue to grow
Emmi Caffè Latte, dessert business and growth markets report double-digit growth
- Massively higher purchasing, logistics and energy costs dampen results
Delayed price effect, EBIT CHF 108.6 million, EBIT margin 5.4% (1HY/2021: CHF 129.4 million, 6.9%)

Strategy and portfolio transformation on track

- Successful rollout of honed corporate strategy
Consolidation of strategy processes at Group, division and country level
- Targeted strengthening of portfolio and established market positions
Integration of Athenos business (specialty cheese USA), reinforced focus through sale of stake in Ambrosi (ITA, July 2022)
- Emmi sustainability model with continued dynamic
Start of resource project "KlimaStaR Milch", conversion of further sites to renewable energy

Outlook for 2022 slightly adjusted

- Continuing adverse economic and geopolitical environment
Efficiency and sales price measures take effect at an accelerated pace
- Adjustment of annual forecast, medium-term targets confirmed
2022: Organic growth 5% to 6%, EBIT CHF 265 million to 280 million, net profit margin 4.5% to 5.0%.



Input cost explosion burdens margins

CHF 2,016.5 million

Net sales *(previous year: CHF 1,883.6 million)*

Total growth: 7.1%

Acquisitive: 2.3%; FX: -0.6%; Organic: 5.4%

CHF 108.6 million (-16.0%)

EBIT *(previous year: CHF 129.4 million)*

EBIT margin: 5.4% *(previous year: 6.9%)*

Financial strength

1.37x net debt/EBITDA

(31 December 2021: 0.99x)

CHF 78.1 million (-20.8%)

Net profit *(previous year: CHF 98.7 million)*

Net profit margin: 3.9% *(previous year: 5.2%)*

Impact on margins from massively higher purchasing, logistics and energy costs as well as supply chain disruptions and sales price increases with delayed effect.



Unprecedented dislocations affect performance in the short term

in CHF million	1HY/22	1HY/21	1HY/20	1HY/19	1HY/18 ¹⁾
Net sales	2,016.5	1,883.6	1,773.5	1,663.3	1,674.8
Net sales increase in organic terms in %	5.4	3.7	2.0	1.6	2.4
EBITDA	163.7	186.4	168.1	159.6	162.7
as % of net sales	8.1	9.9	9.5	9.6	9.7
EBIT	108.6	129.4	112.0	105.3	106.8
as % of net sales	5.4	6.9	6.3	6.3	6.4
Net profit	78.1	98.7	81.3	87.0	86.3 ¹⁾
as % of net sales	3.9	5.2	4.6	5.2	5.2
Headcount (full-time equivalents) as at 30.06.	9,281	8,862	8,173	6,045	6,146

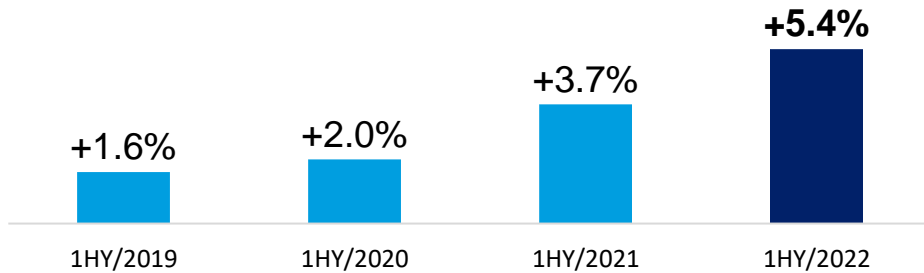
1) Adjusted for the gain from the sale of the minority interest in Icelandic Milk and Skyr Corporation "siggi's"

Focus on strategic priorities, acceleration of ongoing excellence and efficiency programmes, and further responsible sales price adjustments with accelerated impact and positive effect on profitability in 2HY/2022.

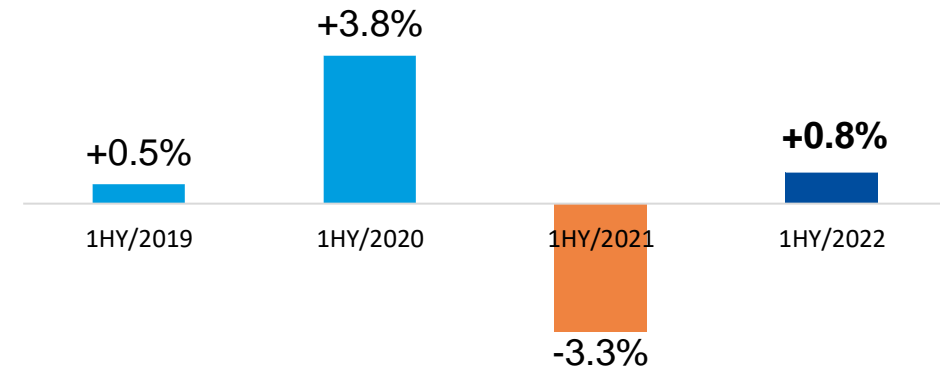


Broad-based, price-driven growth

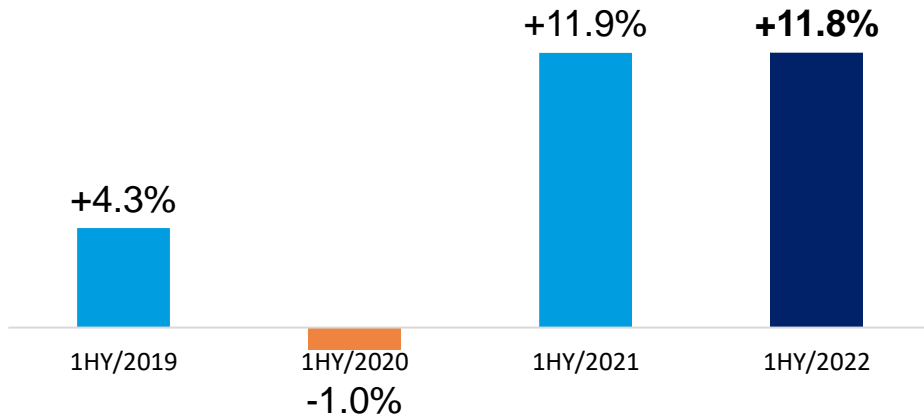
Group*



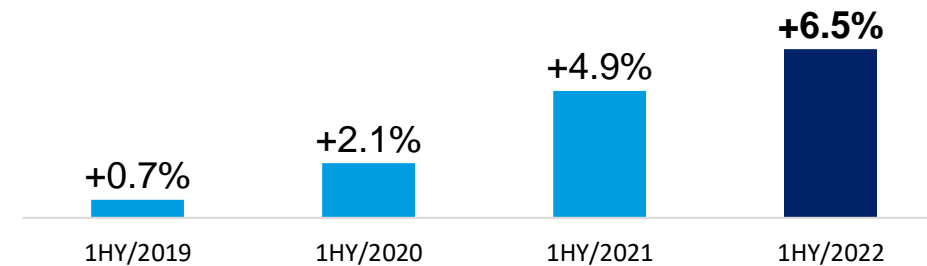
Switzerland*



Americas*



Europe*



Levers to compensate for high input costs

"The Perfect Storm"
adverse environment 1HY/2022



Geopolitical
situation



Inflationary
pressure



Explosion of
input costs



Disruption to supply
chains & energy supply



Labour
market



Currency &
financing situation

#1

Adjustment of sales prices
Rapid and transparent cost pass-through

#2

Intensification of efficiency and cost-saving programmes
incl. procurement - integration of the entire value chain

#3

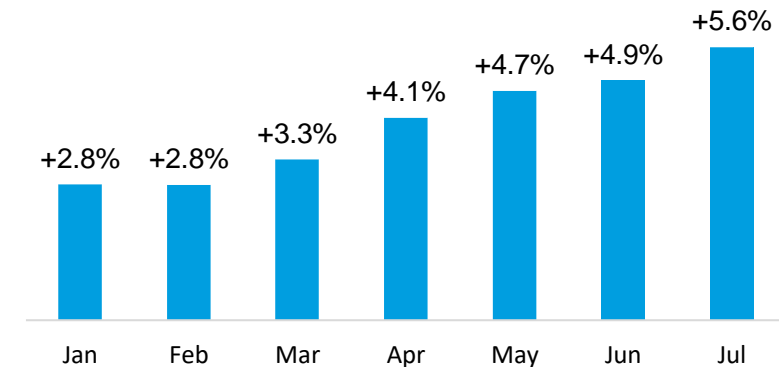
Structural and organisational adjustments
Exploiting synergies, simplifying structures

#4

Consistent strategy implementation
Focused portfolio transformation

Sales price increases having an effect

1HY/2022: Indicative price effects YTD per month Emmi Group



Highlights 1HY/2022



TOGETHER, WE CREATE
— THE BEST —
DAIRY MOMENTS
TODAY AND FOR
GENERATIONS
TO COME



40 yrs pioneering spirit

Started with 2 goats, Bettinehoeve now processes 65 million kg of goat's milk into unique treats.

Shaping the future

Launch of the Emmi **Purpose** and further development of the Emmi **Strategy** along proven strengths.

“KlimaStaR Milch”

Cross-industry initiative to make the Swiss dairy industry more sustainable and more competitive.

Winning desserts

Three FABI awards testify to the innovative strength of Emmi Dessert USA and Pasticceria Quadrifoglio.

Emmi talent programme

Middle management talents work in international teams on strategic group projects.

Innovation honoured

Whole Foods names goat cheese manufacturer Cypress Grove in the USA the Supplier of the Year in the category "Innovation".

JAN

FEB

MAR

APR

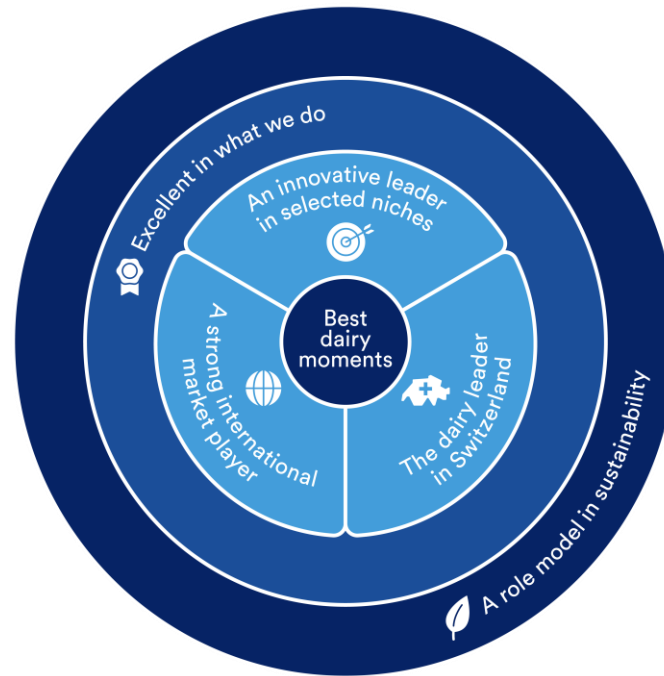
MAY

JUN

Shaping a successful future

TOGETHER, WE CREATE
— THE BEST —
DAIRY MOMENTS
TODAY AND FOR
GENERATIONS
TO COME

Emmi Purpose



Emmi Strategy



The dairy leader in Switzerland



A strong international market player



An innovative leader in selected niches

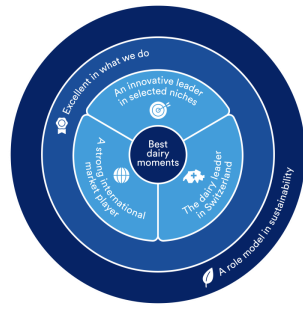


Excellent in what we do



A role model in sustainability

Systematic strategy implementation



The dairy leader in Switzerland



A strong international market player



An innovative leader in selected niches



Excellence

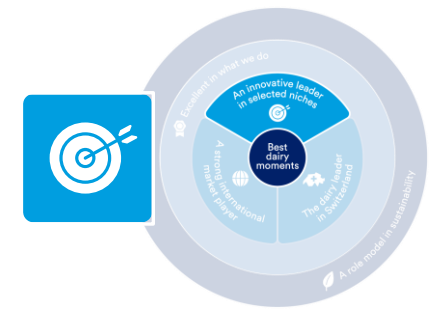


Sustainability



QUILLAYES surlat

Innovations in growth fields



Holistic Health



Casual food



Plant-based alternatives



New coffee experiences



Food as it should be



Balanced Indulgence



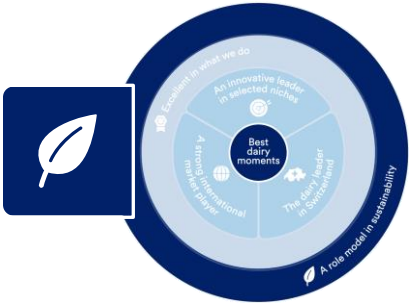
New Channels & Business Models



Green power



Emmi sustainability model



We provide a place where everyone feels welcome, valued and inspired and offer growth opportunities for all our employees.



100% of Emmi employees have a development plan in place
58%*

50% of all vacancies are filled by internal candidates
45%*



We create positive social impact and shared value while making sustainable dairy the norm.



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

International
initiated

Switzerland
85%

Further development of the Swiss industry standard



We aim to achieve netZERO by 2050 while driving circularity across our operations.



60% reduction in our emissions (Scope 1 & 2 vs. 2014)

20%

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

-7%



50% reduction in waste (vs. 2017)

19%

ZERO waste disposal in landfills

4%

50% less food waste (vs. 2017)

13%

100% recyclable packaging

initiated



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

3%

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

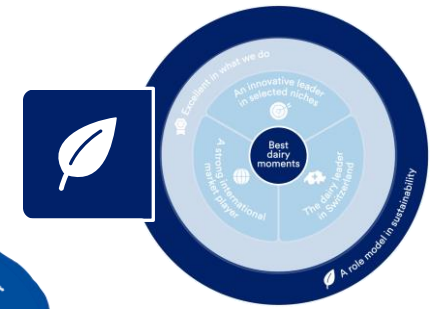
-2%

reduction in water consumption along the value chain

UN SUSTAINABLE DEVELOPMENT GOALS



Driving positive change



Employee development

- **Competence model extended**
Harmonisation of job and competence profiles and development models
- **Career models 2.0**
Expansion to further occupational categories and to development paths at Group level
- **Future Leaders programme**
Key initiative to develop talent and leaders at middle management level



Sustainable dairy

- **"KlimaStaR Milch"**
Pilot project for a climate-friendly, resource-efficient and sustainable Swiss dairy industry
*Goals: 20% less GHG emissions
20% less competition for food & land*



- **"Dairy Sustainability Alliance"**
Emmi Roth joins initiative for a sustainable dairy industry in Wisconsin.



Reducing greenhouse gases

- **Climate-neutral production**
The first sites, such as Käserei Studer and Mexideli, produce climate-neutrally thanks to renewable energy and innovative cooling systems
- **Next milestones in renewable energy**
Biomass heating in Chile and heat pumps at the powder plant in Holland and at Pasticceria Quadrifoglio in Italy



Net sales by division

Group net sales CHF 2,016.5 million

1HY/2021: CHF 1,883.6 million

Switzerland 40.1%

Net sales CHF 808.1 million

1HY/2021: CHF 801.8 million / 42.5%

Americas 39.6%

Net sales CHF 798.6 million

1HY/2021: CHF 668.0 million / 35.5%

Global Trade 3.0%

Net sales CHF 61.7 million

1HY/2021: CHF 61.9 million / 3.3%

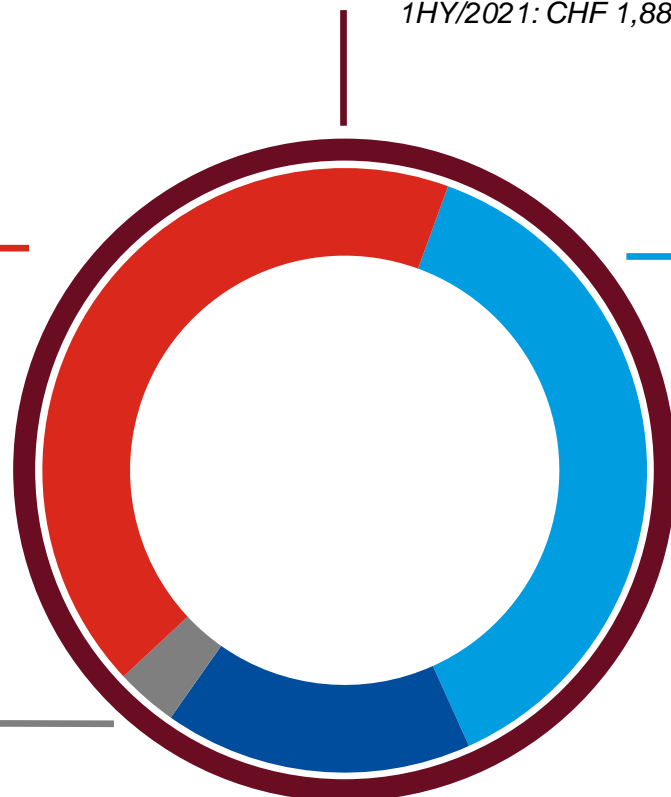
Europe 17.3%

Net sales CHF 348.1 million

1HY/2021: CHF 351.9 million / 18.7%

Top 5 markets:

-  Switzerland
-  USA
-  Brazil
-  Spain
-  Germany



Sales growth by division



Switzerland

Organic +0.8% 1HY/2021: -3.3%

Food service share (org. +34% vs. 1HY/2021; -13% vs. 1HY/2019)

Americas

Organic +11.8% 1HY/2021: +11.9%

Food service share 20% (org. +20% vs. 1HY/2021; +8% vs. 1HY/2019)

Europe

Organic +6.5% 1HY/2021: +4.9%

Food service share 6% (org. +34% vs. 1HY/2021; +33% vs. 1HY/2019)

Group

Organic +5.4% 1HY/2021: +3.7%

Food service share 14% (org +26% vs. 1HY/2021; +1% vs. 1HY/2019)

Global Trade

Organic -11.0% 1HY/2021: +14.3%

Food service share 17% (org. +42% vs. 1HY/2021; +48% vs. 1HY/2019)

Net sales by product group

Cheese 28.7%

CHF 579.1 million

1HY/2021: CHF 542.2 million / 28.8%

Dairy products 29.1%

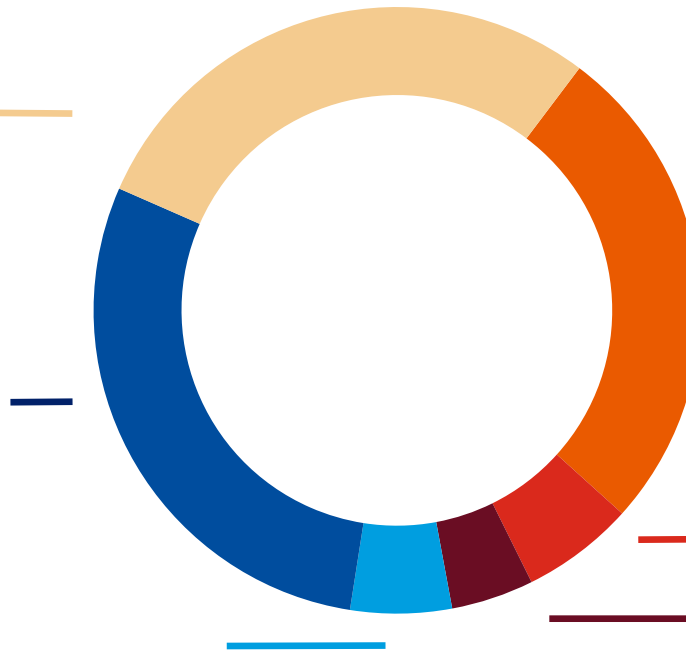
CHF 586.6 million

1HY/2021: CHF 566.5 million / 30.1%

Other products/services 5.4%

CHF 108.6 million

1HY/2021: CHF 93.5 million / 5.0%



Fresh products 26.4%

CHF 532.9 million

1HY/2021: CHF 501.5 million / 26.6%

Fresh cheese 6.0%

CHF 120.5 million

1HY/2021: CHF 104.0 million / 5.5%

Powder/concentrates 4.4%

CHF 88.8 million

1HY/2021: CHF 75.9 million / 4.0%

Strong organic growth



Net sales Emmi Group in CHF million

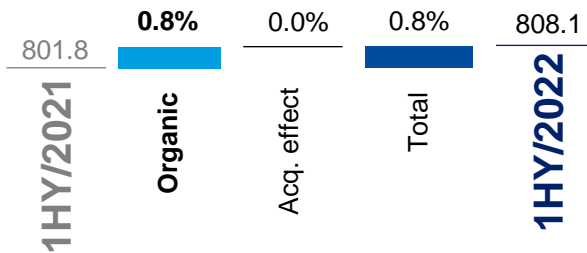
Emmi Group sales performance highlights

- High inflation, especially in the international environment, drives organic growth
- Sustained positive momentum for Emmi Caffè Lattè as well as in the strategic niche business with desserts
- Food service business with growth in all divisions; in Switzerland, however, still below pre-pandemic level
- **Switzerland:** Expected decline in retail as a result of normalisation of purchasing volumes to pre-pandemic levels; growth in food service and industrial customer business
- **Americas:** Continued momentum in growth markets BRA, MEX and TUN; high growth also in USA and ESP
- **Europe:** Innovative desserts from ITA continue to drive growth; sustained momentum at Emmi Caffè Latte



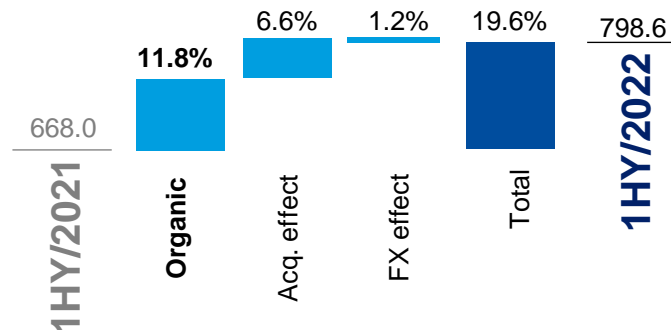
High momentum in international business

Switzerland: Normalisation in retail



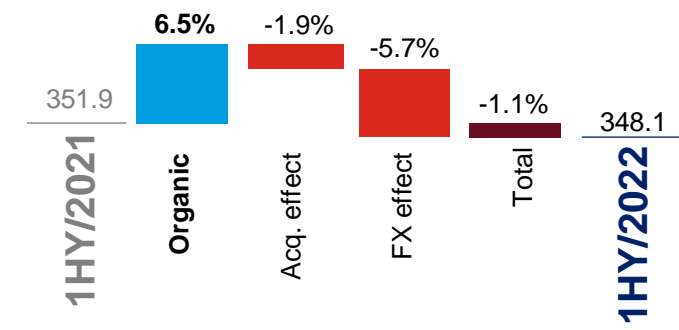
Net sales division Switzerland in CHF million

Americas: Inflation drives growth



Net sales division Americas in CHF million

Europe: Momentum in Desserts and Emmi Caffè Latte



Net sales division Europe in CHF million

Dairy products

Sales CHF 323.0 million, -2.2% (org. -2.2%)

Cheese

Sales CHF 182.2 million, -3.7% (org. -3.7%)

Fresh products

Sales CHF 177.0 million, +2.7% (org. +2.7%)

Cheese

Sales CHF 307.1 million, +23.3% (org. +2.4%)

Dairy products

Sales CHF 212.3 million, +12.6% (org. +15.1%)

Fresh products

Sales CHF 159.0 million, +13.4% (org. +13.9%)

Fresh products

Sales CHF 178.7 million, +4.3% (org. +10.0%)

Cheese

Sales CHF 59.5 million, -24.3% (org. -11.4%)

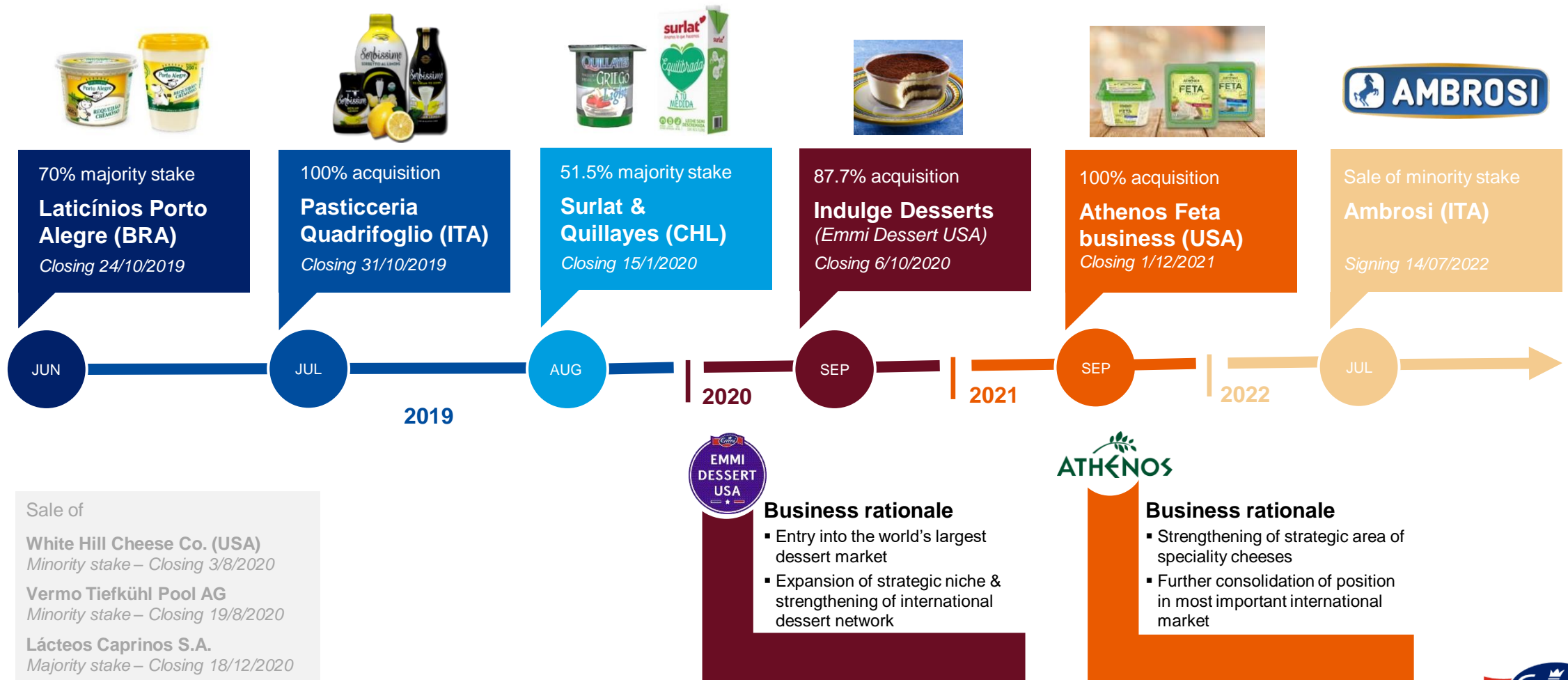
Dairy products

Sales CHF 50.5 million, +8.7% (org. +15.3%)

Continuous strengthening and successful internationalisation



Strengthening in profitable, strategic niches





HALF-YEAR RESULTS 2022

Performance 1HY/2022

Ricarda Demarmels, CFO

Massively higher input costs dampen margins

in CHF million	1HY/2022	1HY/2021	Δ in % / bps
Net sales	2,016.5	1,883.6	+7.1%
Gross profit	707.4	699.8	+1.1%
as % of net sales	35.1	37.2	-207 bps
Total operating expenses	-545.8	-515.3	+5.9%
as % of net sales	27.1	27.4	-29 bps
EBITDA	163.7	186.4	-12.2%
as % of net sales	8.1	9.9	-178 bps
Depreciation and amortisation	-55.1	-57.0	-3.4%
EBIT	108.6	129.4	-16.0%
as % of net sales	5.4	6.9	-148 bps

Unprecedented input cost increases and global supply chain constraints weigh on gross profit margin

Increase in sales prices have a delayed effect

Savings in operating expenses, organisational adjustments and strategic advances in the product portfolio only partially offset cost effect

Negative effects

Sales price increases with delayed effect (further increases in 2HY) in all divisions; dessert business particularly hard hit due to input cost mix and high logistics ratios (global distribution); challenges at Gläserne Molkerei and in Chile; strong CHF proves additional drag

Positive effects

Growth along strategic priorities; Emmi Caffè Latte; integration of Athenos business; strong execution in Brazil, Mexico and Spain; recovery of food service business

Significantly higher logistics and energy costs

in CHF million

	1HY/2022	1HY/2021	Δ in % / bps
Personnel expenses	281.6	268.8	+4.8%
as % of net sales	14.0	14.3	-30 bps
Marketing and sales-related expenses	60.6	67.7	-10.5%
as % of net sales	3.0	3.6	-59 bps
Occupancy expense, maintenance & repair, leasing	42.5	38.6	+10.1%
as % of net sales	2.1	2.0	+6 bps
Energy, operating material and supplies	46.2	40.8	+13.2%
as % of net sales	2.3	2.2	+13 bps
Logistics expenses	78.2	61.7	+26.6%
as % of net sales	3.9	3.3	+60 bps
Other operating expenses	36.7	37.7	-2.5%
as % of net sales	1.8	2.0	-18 bps
Total operating expenses	545.8	515.3	+5.9%
as % of net sales	27.1	27.4	-29 bps

Massive price increases for logistics and energy costs have a negative impact on margins

Personnel expenses decrease in relation to sales due to Athenos business in the USA (acquisition effect)

Streamlining of marketing and sales expenses offsets some of the higher input, logistics and energy costs

Lower net profit margin

in CHF million	1HY/2022	1HY/2021	Δ in % / bps
EBIT	108.6	129.4	-16.0%
Income from associates and joint ventures	0.1	3.1	-96.6%
Financial result	-10.5	-4.2	+147.9%
Earnings before taxes (EBT)	98.2	128.2	-23.4%
Income taxes	-17.2	-21.2	-18.8%
average tax rate as % of EBT	17.5	16.5	+100 bps
Profit including minority interests	81.0	107.1	-24.3%
as % of net sales	4.0	5.7	-167 bps
Minority interests	-2.9	-8.4	-65.3%
Net profit	78.1	98.7	-20.8%
as % of net sales	3.9	5.2	-136 bps

Increasing interest expenses due to the CHF 200 million bond issued in December 2021 and higher interest rates for local financing. In addition, higher FX hedging costs burdened the currency result

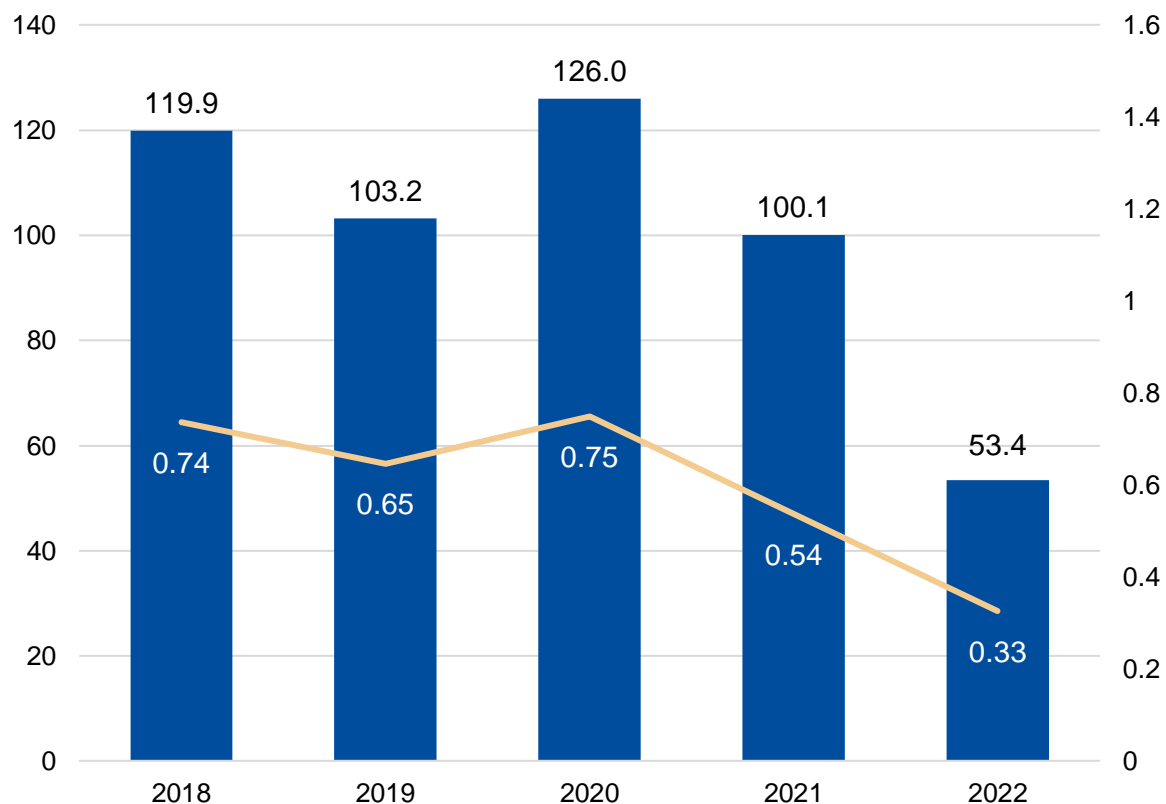
Higher expected tax rate reflects growing share of international business

Lower minority interests due to lower earnings (mainly in Chile) and buyouts of minorities in the Netherlands and Austria

Temporarily lower cash flow

in CHF million

as % EBITDA



Temporarily lower cash flow from operating activities due to profitability at EBITDA level, the integration of the Athenos business and a slight increase in net working capital to build up security stocks in light of global supply chain disruptions

Net working capital to sales ratio increases by +48 bps year on year. The higher increase in other net working capital compared with the previous year relates largely to a margin call paid to hedge long-term interest rate and currency risks in USD

■ Cash flow from operating activities
— Operating cash conversion
 (cash flow from operating activities in relation to EBITDA)

Value-creating and strategic investments

Growth investments (PY 45%)

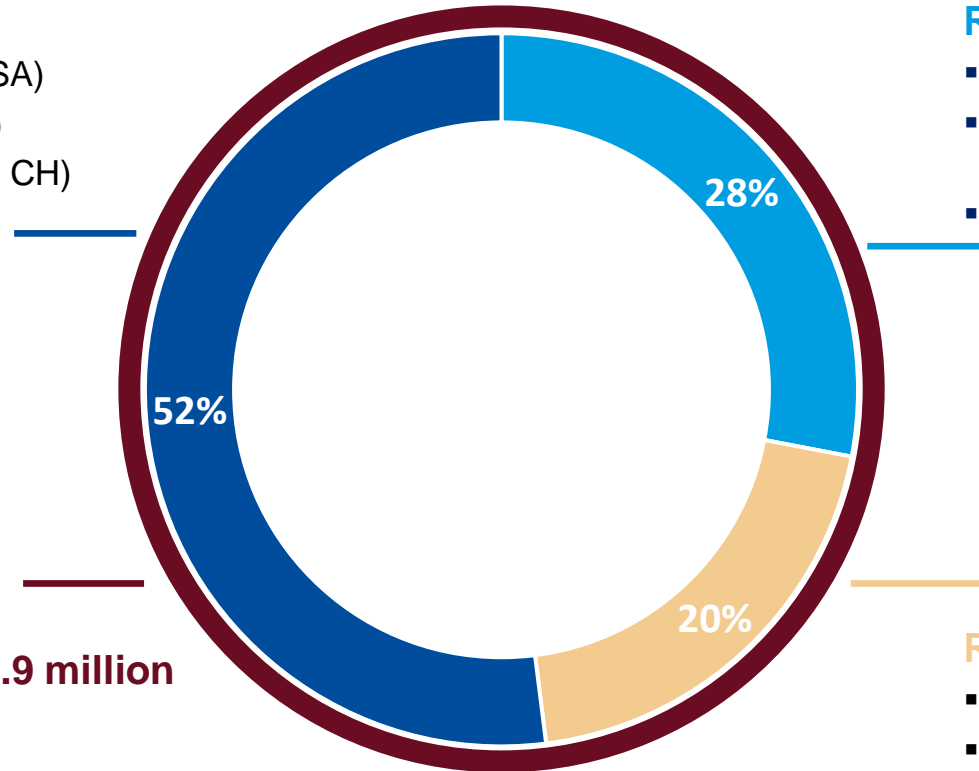
- Conversion and logistics centre (USA)
- Goat's milk powder production (NL)
- PET bottling plant (Ostermundigen, CH)

Replacement investments (PY 30%)

- New cheese dairy (Emmen, CH)
- Refurbishment of access ramp (Ostermundigen, CH)
- Replacement of evaporator (Dagmersellen, CH)

Investments 1HY/2022: CHF 79.9 million

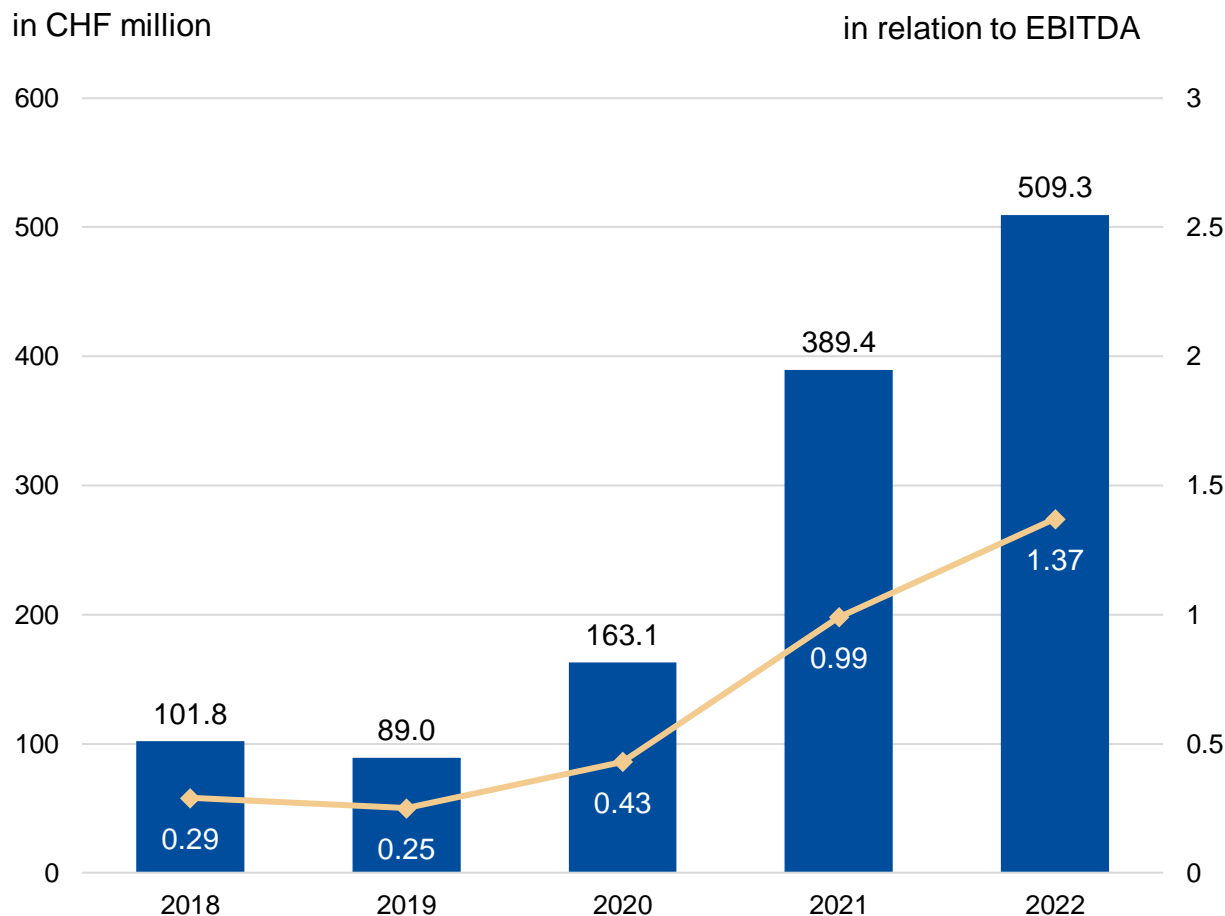
1HY/2021: CHF 60.1 million



Rationalisation investments (PY 25%)

- New cheese dairy (Emmen, CH)
- Logistics infrastructure (ITA)
- Automation of post-packaging (Ostermundigen, CH)

Strong balance sheet and slightly higher net debt primarily due to lower cash flow



Increase of net debt ratio to still robust 1.37x primarily due to lower cash flow in the first half of the year

Net debt
Net debt ratio
(net debt in relation to EBITDA)

2018 to 2021: Figures as at 31 December and for each full-year
2022: Balance sheet as at 30 June and EBITDA for the last 12 months

HALF-YEAR RESULTS 2022

Outlook

Urs Riedener, CEO



Outlook



Switzerland

- Responsible sales price increases
- Impetus with trend-oriented, margin-boosting innovations
- Targeted expansion of product range & distribution
- Operational excellence, sustained cost discipline

Challenges: Rising purchasing costs, energy supply, price & competitive pressure, shopping tourism, inflation and consumer sentiment



International

- Responsible sales price increases
- Further strengthen differentiating brand concepts, innovation power and distribution network
- Focus on profitable organic growth, consistent portfolio transformation
- Maintain momentum in strategic niches, optimise channel mix

Challenges: Economic & geopolitical developments, inflation, consumer sentiment, supply chain bottlenecks, labour market situation in North America, sales price and currency trends for exports from Switzerland



Focal points for Emmi

- Strengthen profitability and efficiency
- Maintain commitment and innovative strength
- Live Emmi Purpose, deliver on Emmi Strategy
- Driving the Emmi sustainability model

Assumptions

- Geopolitical tensions without further escalation and/or substantial negative impact on macroeconomic path
- No fundamental setbacks in course of pandemic in our core markets
- Flattening of input cost increases
- Monetary policy decisions within signalled range



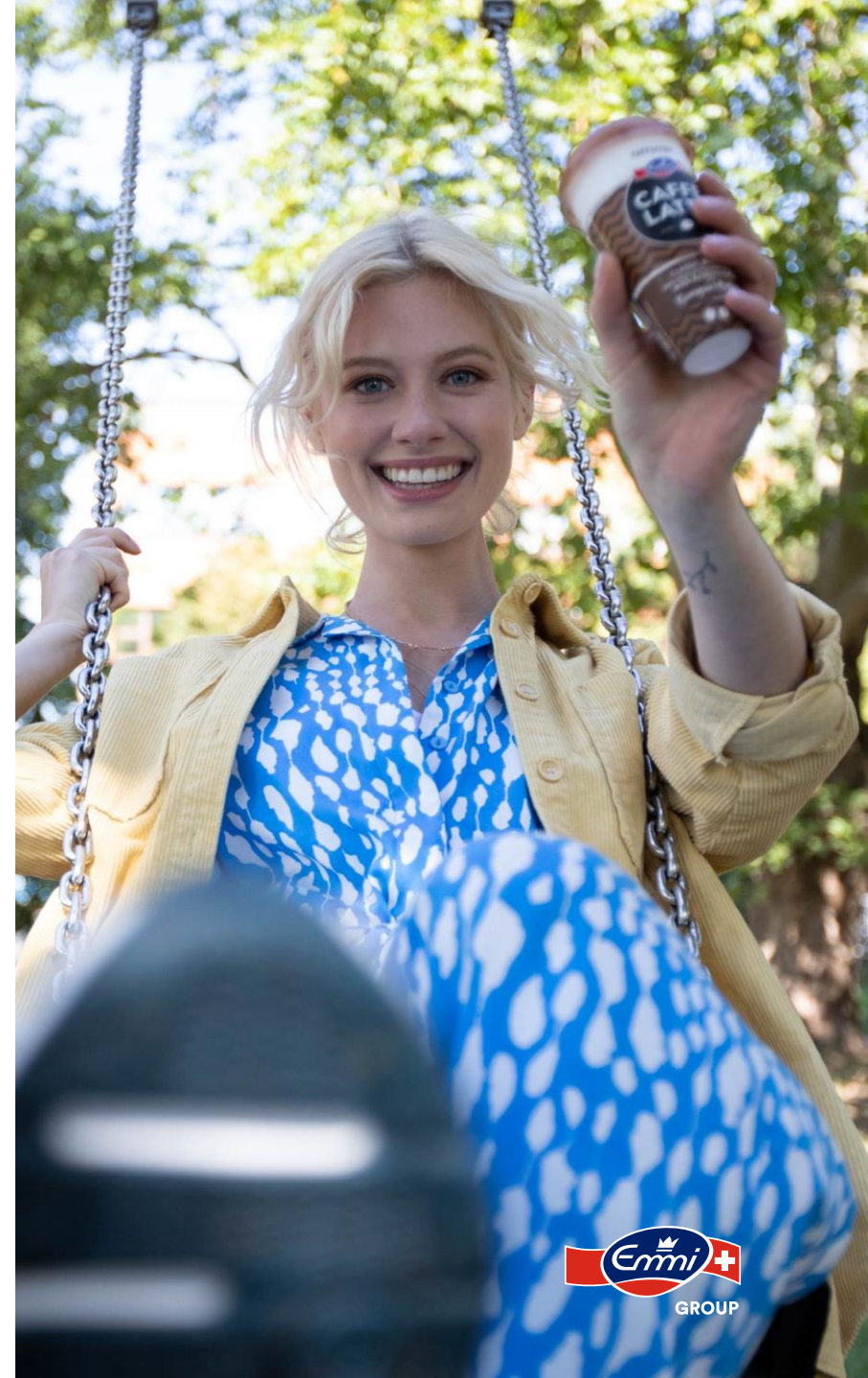
Higher organic growth, slightly lower earnings

Organic growth, earnings targets

	New	To date
Sales Group	5% to 6%	2.5% to 3.5%
Sales Switzerland	0.5% to 1.5%	-1% to 0%
Sales Americas ¹⁾	10% to 12%	6% to 8%
Sales Europe ¹⁾	6% to 8%	3% to 5%
EBIT in CHF million	265 to 280	290 to 305
Net profit margin	4.5% to 5.0%	5.0% to 5.5%

The figures assume a further recovery in the pandemic situation and constant exchange rates and raw milk prices.

1) Including the transfer of the companies in France from division Americas to division Europe effective 1 January 2022.



Unchanged medium-term forecast

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%



Il gusto vero della natura.

by Gildo Rachelli



HALF-YEAR RESULTS 2022

Q&A

Urs Riedener, CEO | Ricarda Demarmels, CFO



Emmi analyst and investor meetings

2022

Emmi Capital Markets Day 2022

Monday, 19 September 2022

10:00 a.m. – 5 p.m.

2023

Sales results 2022

Wednesday, 25 January 2023

Media Release – 7 a.m.

Annual results 2022

Wednesday, 1 March 2023

Analyst Conference / Call – TBD

General Meeting 2023

Thursday, 13 April 2023

TBD

Half-year results 2023

Friday, 18 August 2023

Analyst Call – TBD



TOGETHER, WE CREATE
— THE BEST —
DAIRY MOMENTS

TODAY AND FOR
GENERATIONS
TO COME



Thank you
for your attention!