



GROUP

18 AUGUST 2023

Emmi half-year results 2023

A good first half of the year in a challenging environment

Disclaimer

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Welcome

“Thanks to the extremely focused work and tremendous commitment demonstrated by our teams, we are pleased to show the improvement we were striving for after a challenging year in 2022 and report a good half-year result in 2023.

Despite a persistently difficult market environment, we were able to inspire with our innovations, differentiated concepts and strong brands such as Emmi Caffè Latte, consistently develop our portfolio in line with our strategy, and continue our long-standing sustainability work with focus and discipline.”

Ricarda Demarmels, CEO of the Emmi Group

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



Welcome



Ricarda Demarmels
CEO



Sacha D. Gerber
CFO



Oliver Wasem
Head of Investor Relations

Agenda

1. Strategy implementation & highlights

Ricarda Demarmels, CEO

2. Half-year performance 2023

Sacha D. Gerber, CFO

3. Outlook

Ricarda Demarmels, CEO

4. Q&A

Ricarda Demarmels, CEO | Sacha D. Gerber, CFO



A photograph of three people standing in front of a white truck with blue and red Emmi branding. On the left is a man with a beard wearing a blue t-shirt. In the center is a woman with a braid wearing a red polo shirt with an Emmi logo and a grey skirt. On the right is a man wearing a white t-shirt. All three have their arms crossed and are smiling. The truck behind them has the Emmi logo and a Swiss cross on its side.

HALF-YEAR RESULTS 2023

Strategy implementation & highlights

Ricarda Demarmels, CEO



A good half-year and strategic progress

Growth in line with strategic priorities

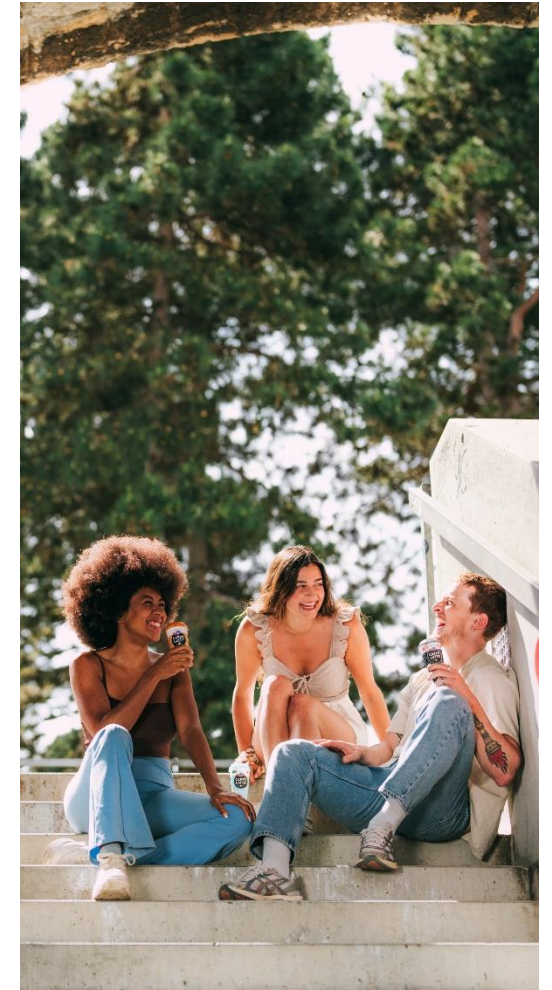
- Broad-based, price-driven organic growth of 6.5%
Sales growth driven by operational progress in key markets, momentum in the food service business and price effects
Conscious acceptance of negative volume effects
- Brand concepts and strategic niche businesses continue to grow
- Improved profitability thanks to operational progress and efficiency programmes
Margin losses from 1HY/22 largely offset, EBIT of CHF 138.5 million, EBIT margin of 6.6% (1HY/22: CHF 108.6 million or 5.4%)

Ongoing strategy implementation and portfolio transformation

- Consistent implementation of Emmi's proven strategy
Continuous integration of the strategy with a focus on sustainable, profitable growth
- Consistent portfolio transformation and focus on profitable, strategic markets and niches
Disposal of Gläserne Molkerei and Ambrosi closed in 2HY/23
- Seventh Sustainability Report published and further progress made with Emmi's sustainability goals
Catalogue of criteria for sustainable milk, successful first project year for "KlimaStaR Milch", decarbonisation, employee development

Confirmation of 2023 outlook adjusted for disposal of Gläserne Molkerei

- Declining purchasing power and cautious consumer sentiment in a volatile market environment
Strong brand concepts and innovations are of particular importance, focus on profitable volume development
- Confirmation of 2023 outlook adjusted for the disposal of Gläserne Molkerei and medium-term targets
Organic growth of 3% to 4%, adjusted EBIT of CHF 275 million to CHF 295 million, adjusted net profit margin of 4.5% to 5.0%.



Continuity in supervision and management

as a reliable foundation for future success



Board of Directors

- Urs Riedener, elected as Chairman of the Board of Directors
- Nadja Lang, elected as a member of the Board of Directors

Departure of Konrad Graber and Alexandra Post Quillet at the GM 2023.



Group Management

- Ricarda Demarmels, CEO
since 1 January 2023
- Sacha D. Gerber, CFO
since 1 June 2023
- Raffael Payer, CMO
effective 1 October 2023

Former CFO Ricarda Demarmels succeeded Urs Riedener from within the company's own ranks as CEO of the Emmi Group. Sacha D. Gerber and Raffael Payer complete Group Management as the new CFO and new CMO, respectively.

A good six months thanks to recovery and operational progress in key markets

CHF 2,103.4 million

Net sales *(previous year: CHF 2,016.5 million)*
Total growth: 4.3%
Acquisitive: 0.0%; FX: -2.2%; Organic: 6.5%

CHF 138.5 million

EBIT *(previous year: CHF 108.6 million)*
EBIT margin: 6.6% *(previous year: 5.4%)*

Financial strength

1.09x net debt/EBITDA
(31 December 2022: 1.25x)

CHF 97.8 million

Net profit *(previous year: CHF 78.1 million)*
Net profit margin: 4.6% *(previous year: 3.9%)*



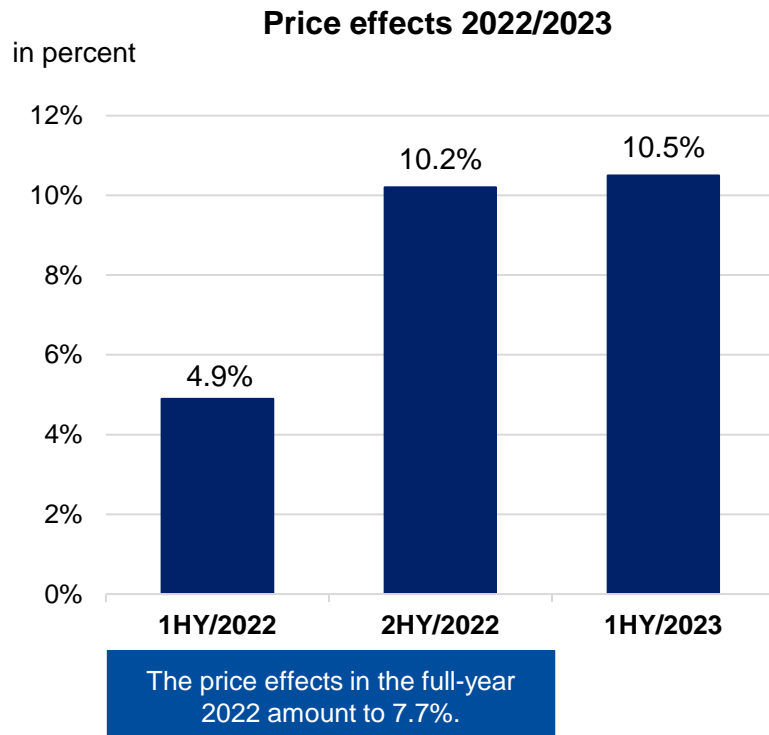
Recovery in terms of performance

Partial compensation of margin losses from the previous year

in CHF million	1HY/23	1HY/22	1HY/21	1HY/20	1HY/19
Net sales	2,103.4	2,016.5	1,883.6	1,773.5	1,663.3
increase in organic terms in %	6.5	5.4	3.7	2.0	1.6
EBITDA	194.9	163.7	186.4	168.1	159.6
as % of net sales	9.3	8.1	9.9	9.5	9.6
EBIT	138.5	108.6	129.4	112.0	105.3
as % of net sales	6.6	5.4	6.9	6.3	6.3
Net profit	97.8	78.1	98.7	81.3	87.0
as % of net sales	4.6	3.9	5.2	4.6	5.2
Headcount (full-time equivalents) as at 30.06.	9,333	9,281	8,862	8,173	6,045



Focused work in a challenging market environment



Highlights 1HY/2023



Cheese innovations

Cypress Grove celebrates success in California with innovative speciality cheeses, such as cheddar made from goat's milk.



Less sugar

We are continuing to press ahead with our efforts to reduce sugar by signing the extended Milan Declaration.



Fun Latte

The new Emmi Caffè Latte varieties, created by and for Gen Z, are intended to convey a fun and carefree vibe for young people.



Team spirit in Holland

Our goat's milk powder business now operates under the name Emmi Nutritional Solutions (ENS). In addition, the teams were brought closer together.



Dessert power in Italy

Strengthening our position in the strategic mainstay with chilled premium desserts and investing in an innovation centre.



Sustainability in focus

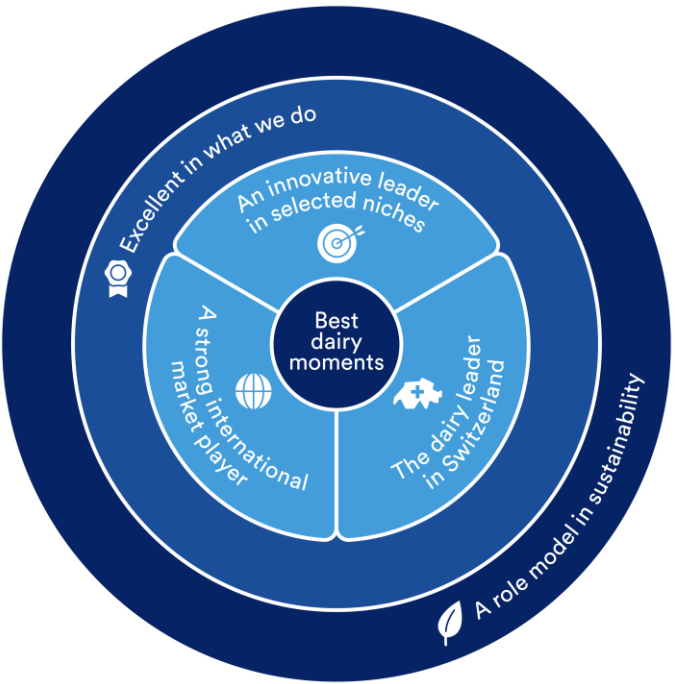
In its seventh Sustainability Report, Emmi reports on its long-standing commitment and continues to successfully implement its sustainability model.



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

USA

BRAZIL

CHILE

An innovative leader in selected niches

READY TO DRINK COFFEE

SPECIALTY CHEESE

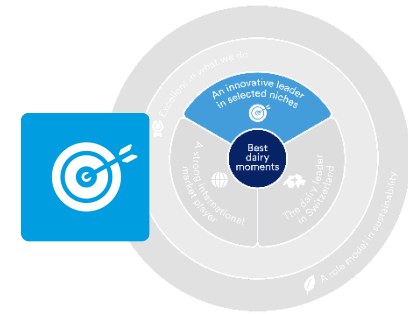
PREMIUM CHILLED DESSERTS

PLANT-BASED

Excellent in what we do

A role model in sustainability

Leading positions provide a firm footing in strategic, attractive niches



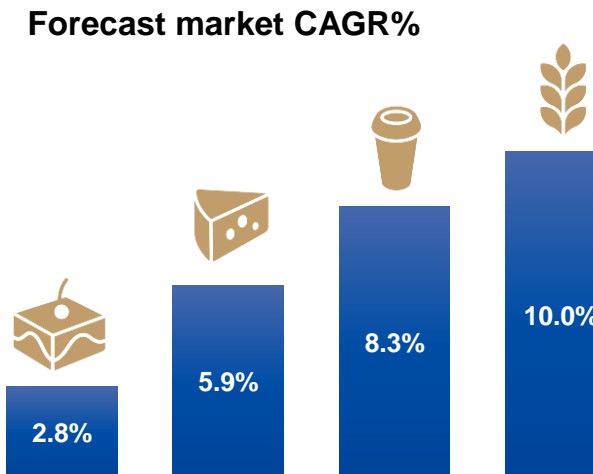
Emmi growth areas

Aligned with relevant trends



Attractive niche markets

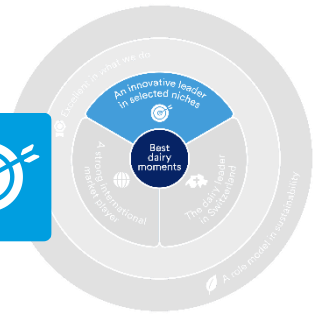
Focus on growing categories



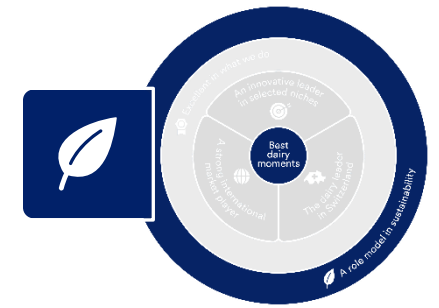
Source: Euromonitor forecast, 2022–2027 retail price volumes in markets relevant for Emmi

Growth through innovation

aligned with relevant trends and growing categories



Progress on our targets by 2027



100% of employees have a development plan in place.

Emmi Group¹⁾

46%

Switzerland

75%

Previous year: 58%

50% of all vacancies are filled by internal candidates.

Emmi Group¹⁾

29%

Switzerland

37%

Previous year: 45%



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

Emmi Group¹⁾

initiated

Switzerland

87%

Previous year: 85%

Further development of the Swiss industry standard



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

28%

Previous year: 20%



50% reduction in waste (vs 2017)

22%

Previous year: 19%

Zero waste disposal in landfills

11%

Previous year: 4%



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

1%

Previous year: 3%

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

-3%

Previous year: -2%³⁾

50% less food waste (vs 2017)²⁾

18%

Previous year: 13%

100% recyclable packaging^{1) 2)}

45%

30% recycled materials in plastic packaging^{1) 2)}

4%

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

-7%

Previous year: -2%

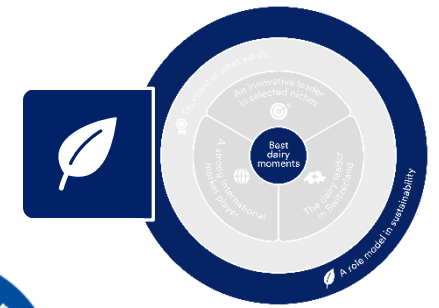


reduction in water consumption along the value chain

UN SUSTAINABLE DEVELOPMENT GOALS



Driving positive change



Developing employees

Record number of apprentices

50 young people started their apprenticeship at Emmi Switzerland in 2022 (+21% vs PY).

Enhanced promotion of junior staff

Expansion of the Future Leaders programme for young talents – now also in Chile.

More development plans

3 out of 4 employees in Switzerland have a development plan in place (+17% vs PY).



Sustainable dairy

Making sustainable milk the norm

Successful first project year for the co-initiated initiative "KlimaStaR Milch" in Switzerland.

Catalogue of criteria for sustainable milk

Together with HAFL and WWF, Emmi has established a science-based catalogue of criteria for sustainable milk outside of Switzerland.

Emmi Code of Conduct for Suppliers

as the basis for sustainable procurement with our partners and suppliers.



Reducing greenhouse gases

Decarbonising the energy supply

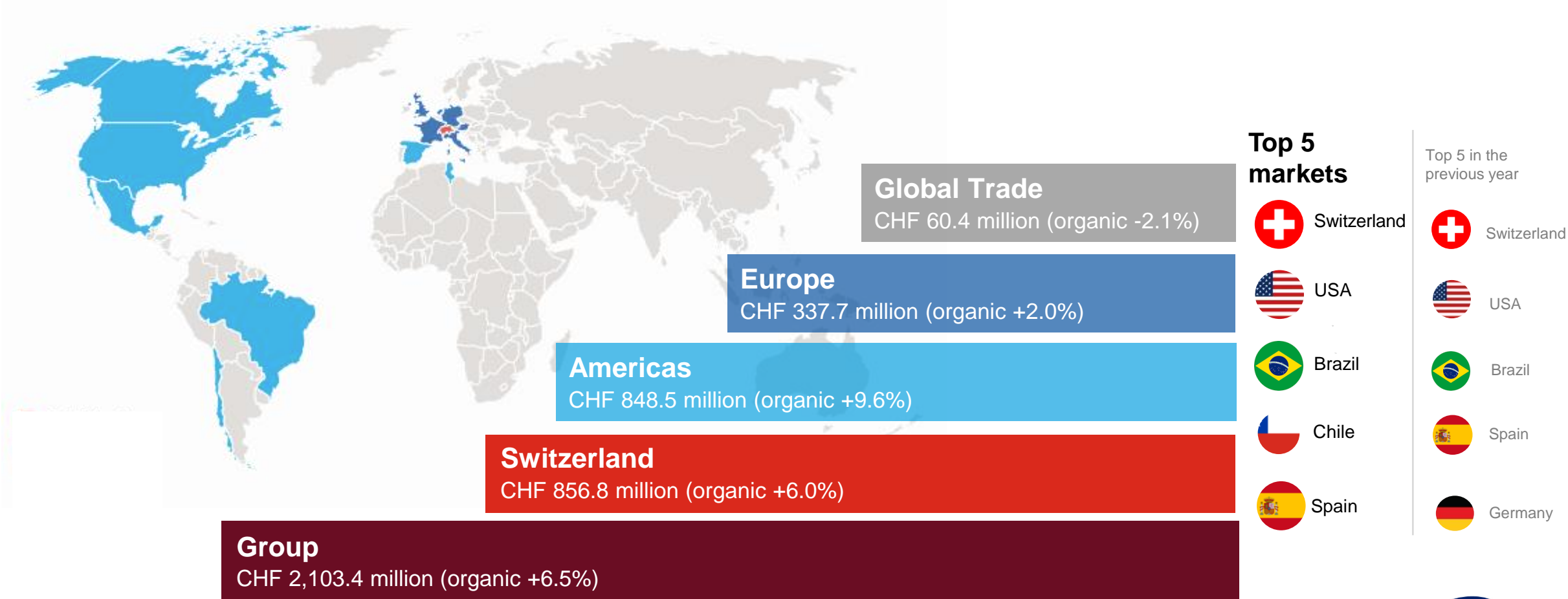
New PV systems in Cypress Grove (USA) and Quillayes Surlat (Chile) – 35% more solar power production than previous year.

Energy ecosystem as a pioneer project

Project launch of a renewable energy ecosystem in Central Switzerland, and unique in the country – centred around a wood-fired power plant with 100 GWh of electricity and 130 GWh of heat.



Sales growth by division



Net sales by product group

Cheese 27.7% (PY: 28.7%)
CHF 583.4 million (organic +2.7%)

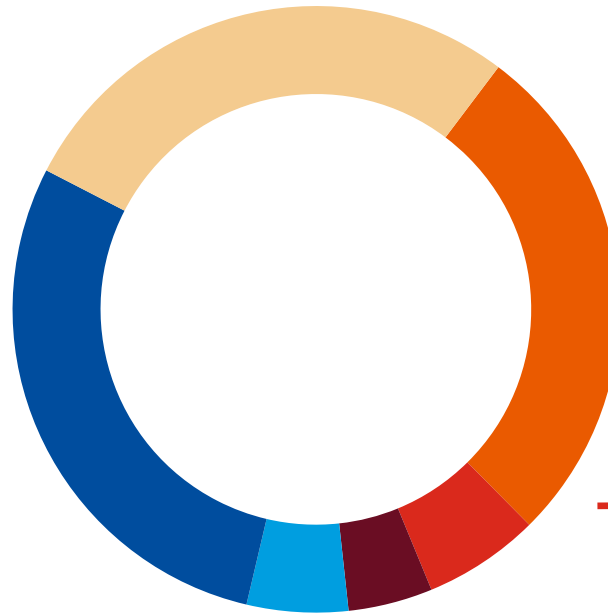
Dairy products 28.9% (PY: 29.1%)
CHF 609.0 million (organic +5.8%)

Other products/services 5.4% (PY: 5.4%)
CHF 113.3 million (organic +4.7%)

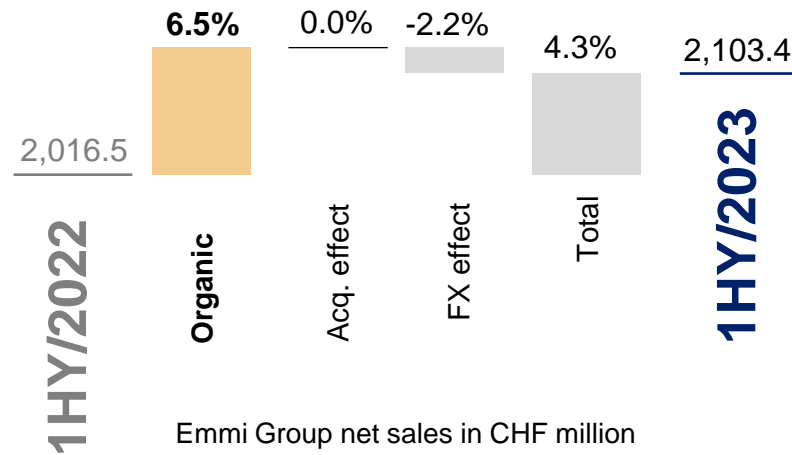
Fresh products 27.3% (PY: 26.4%)
CHF 573.3 million (organic +10.9%)

Fresh cheese 6.2% (PY: 6.0%)
CHF 130.6 million (organic +9.9%)

Powder/concentrates 4.5% (PY: 4.4%)
CHF 93.8 million (organic +7.4%)



Price-driven organic growth

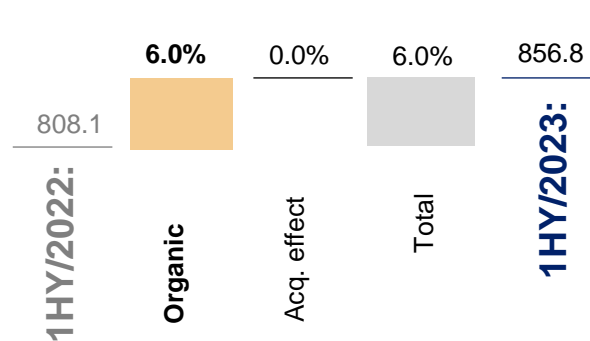


Emmi Group highlights

- Growth in line with strategic priorities in strategic niches, such as ready-to-drink coffee or chilled premium desserts, and in markets such as Switzerland, Chile, the USA, Spain, Brazil and Mexico.
- Price effects driven by inflation and higher input costs of 10.5% imply a negative volume development of -4.1%.
- The volume losses mainly affected Tunisia (milk shortage), Gläserne Molkerei and the goat's milk powder business in the Netherlands.
- Switzerland is continuing to grow thanks to strong brand concepts and ongoing recovery in the food service business.
- Americas is recording strong growth in the US dessert business and in key markets such as Chile, Mexico, Brazil and Spain.
- Europe is seeing growth driven by Emmi Caffè Latte and fresh goat's milk cheese, while cheese exports from Switzerland and the goat's milk powder business hampered sales performance.



Broad-based, organic growth



Division Switzerland net sales in CHF million

Dairy products

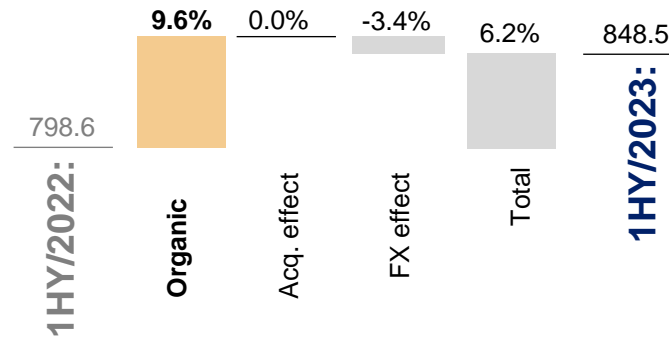
Sales of CHF 337.7 million, +4.5% (org. +4.5%)

Fresh products

Sales of CHF 190.9 million, +7.9% (org. +7.9%)

Cheese

Sales of CHF 190.4 million, +4.5% (org. +4.5%)



Division Americas net sales in CHF million

Cheese

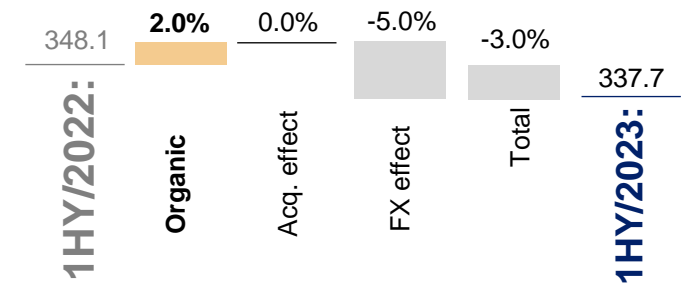
Sales of CHF 310.5 million, +1.1% (org. +3.9%)

Dairy products

Sales of CHF 223.6 million, +5.3% (org. +9.8%)

Fresh products

Sales of CHF 187.0 million, +17.6% (org. +22.5%)



Division Europe net sales in CHF million

Fresh products

Sales of CHF 178.0 million, -0.4% (org. +5.0%)

Cheese

Sales of CHF 54.2 million, -8.7% (org. -4.2%)

Dairy products

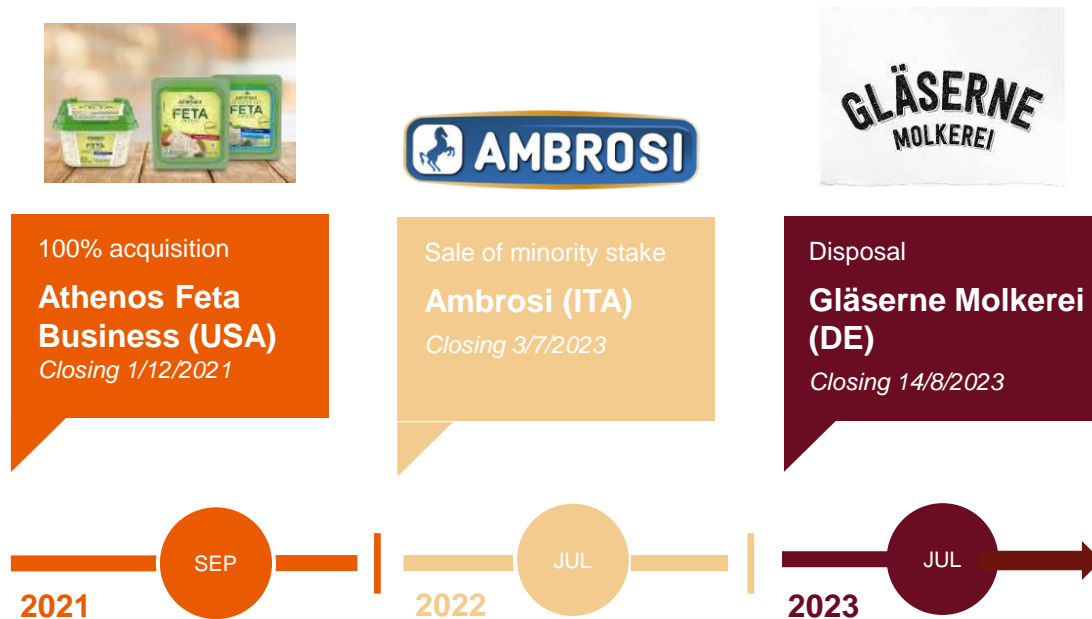
Sales of CHF 47.2 million, -6.5% (org. -2.1%)

Portfolio transformation



Continuous portfolio optimisation

Strengthening leading market positions and strategic niches



Programmatic M&A with clear focus & discipline

- 42 acquisitions and 14 divestments since IPO
- Continuous portfolio shift and streamlining
- Strengthening existing market positions and niches
- Driver for organic growth, profitability, and differentiation or premiumisation

HALF-YEAR RESULTS 2023

Performance 1HY/2023

Sacha D. Gerber, CFO



Operational progress is taking effect

in CHF million

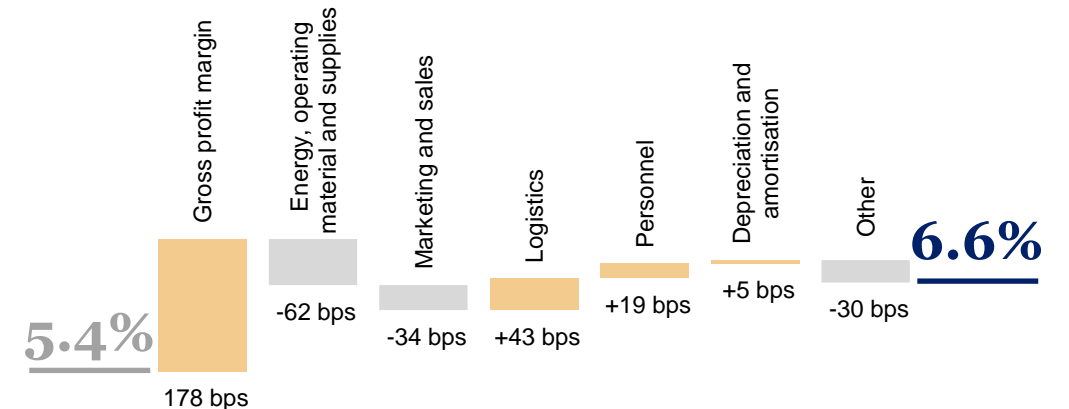
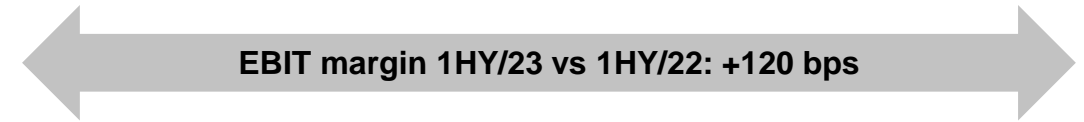
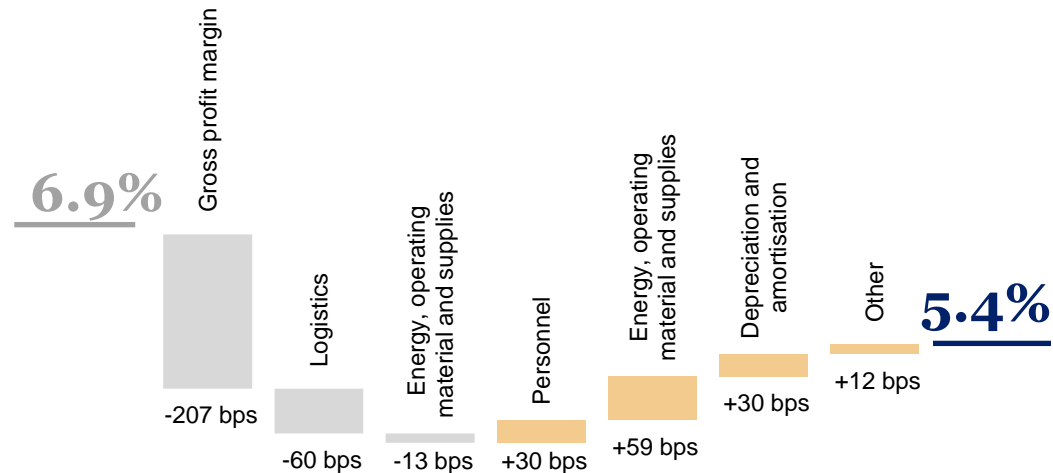
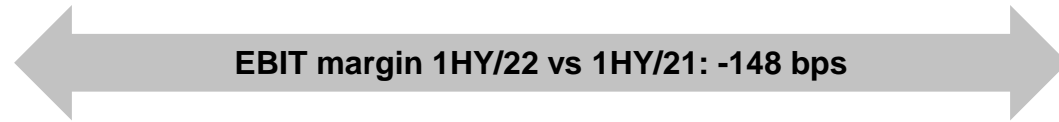
	1HY/2023:	1HY/2022:	Δ in % / bps
Net sales	2,103.4	2,016.5	+4.3%
Gross profit	775.4	707.4	+9.6%
as % of net sales	36.9	35.1	+178 bps
Total operating expenses	-583.6	-545.8	+6.9%
as % of net sales	27.7	27.1	+67 bps
EBITDA	194.9	163.7	+19.1%
as % of net sales	9.3	8.1	+115 bps
Depreciation and amortisation	-56.4	-55.1	+2.4%
EBIT	138.5	108.6	+27.5%
as % of net sales	6.6	5.4	+120 bps

Significant improvement in gross profit margin thanks to operational progress by foreign companies such as Quillayes Surlat in Chile or Emmi Dessert USA, as well as sales price increases with a delayed effect

Above-average increase in operating expenses primarily due to higher energy costs

The recovery in the EBIT margin is driven by the positive development of the gross profit margin

Compensation of the previous year's losses



Mainly compensation of the margin loss suffered in 1HY/22, driven by the positive development of the gross profit margin

High energy costs weigh heavily on operating expenses

in CHF million	1HY/2023:	1HY/2022:	Δ in % / bps
Personnel expenses	289.7	281.6	+2.9%
as % of net sales	13.8	14.0	-19 bps
Marketing and sales-related expenses	70.2	60.6	+16.0%
as % of net sales	3.3	3.0	+34 bps
Occupancy expense, maintenance & repair, leasing	47.3	42.5	+11.5%
as % of net sales	2.3	2.1	+14 bps
Energy, operating material and supplies	61.2	46.2	+32.5%
as % of net sales	2.9	2.3	+62 bps
Logistics expenses	72.5	78.2	-7.3%
as % of net sales	3.4	3.9	-43 bps
Other operating expenses	42.7	36.7	+15.6%
as % of net sales	2.0	1.8	+20 bps
Total operating expenses	583.6	545.8	+6.9%
as % of net sales	27.7	27.1	+67 bps

Persistently high energy costs as a major driver behind the rise in operating expenses

Increase in marketing and sales expenses compared to a low prior-year basis

Slightly higher costs for maintenance and repair as well as other operating expenses

Personnel expenses are continuing to rise in absolute terms but, as expected, are disproportionately low when compared with sales

Lower logistics expenses partially offset the additional costs in operating expenses

Higher net profit margin

in CHF million

	1HY/2023:	1HY/2022:	Δ in % / bps
EBIT	138.5	108.6	+27.5%
Income from associates and joint ventures	0.9	0.1	+790.8%
Financial result	-12.0	-10.5	+14.6%
Earnings before taxes (EBT)	127.4	98.2	+29.7%
Income taxes	-21.0	-17.2	+22.3%
Average tax rate as % of EBT	16.5	17.5	-99 bps
Profit including minority interests	106.4	81.0	+31.3%
as % of net sales	5.1	4.0	+104 bps
Minority interests	-8.6	-2.9	+195.1%
Net profit	97.8	78.1	+25.2%
as % of net sales	4.6	3.9	+78 bps

Refinancing of euro notes effective mid-last year as well as higher interest rates for local financing in growth markets drag down the financial result

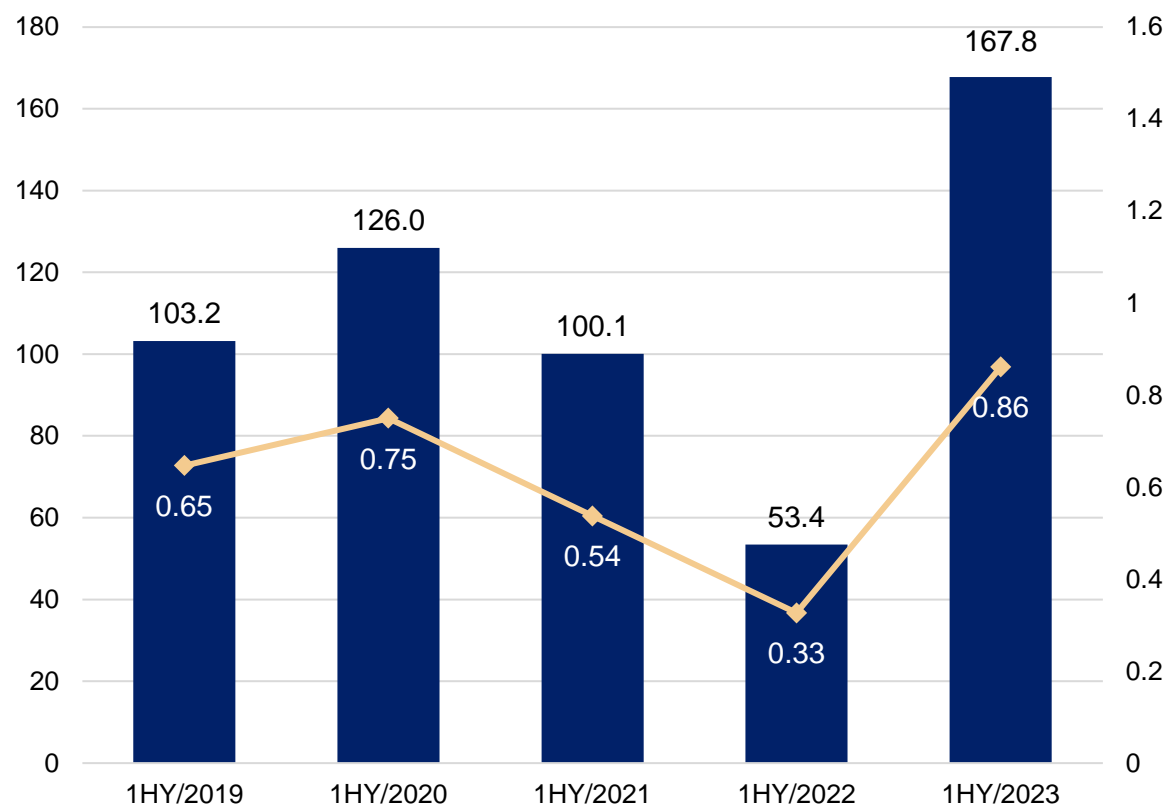
Lower anticipated tax rate versus 1HY/22, but in line with 2022 as a whole (adjusted: 16.6%)

Higher minority interests due to improved profitability in companies with minority interests, especially in Chile, Mexico and the USA

Strong cash flow from operating activities

in CHF million



as % EBITDA



Significant recovery in cash flow from operating activities due to improved profitability at EBITDA level and positive development of net working capital

A lower year-on-year increase in operating net working capital reflects the expected decline after exceptionally high NWC in the previous year

Reduction in other net working capital versus an increase in 1HY/22, largely due to cash flows in connection with a margin call for long-term hedging of interest rate and currency risks in USD

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

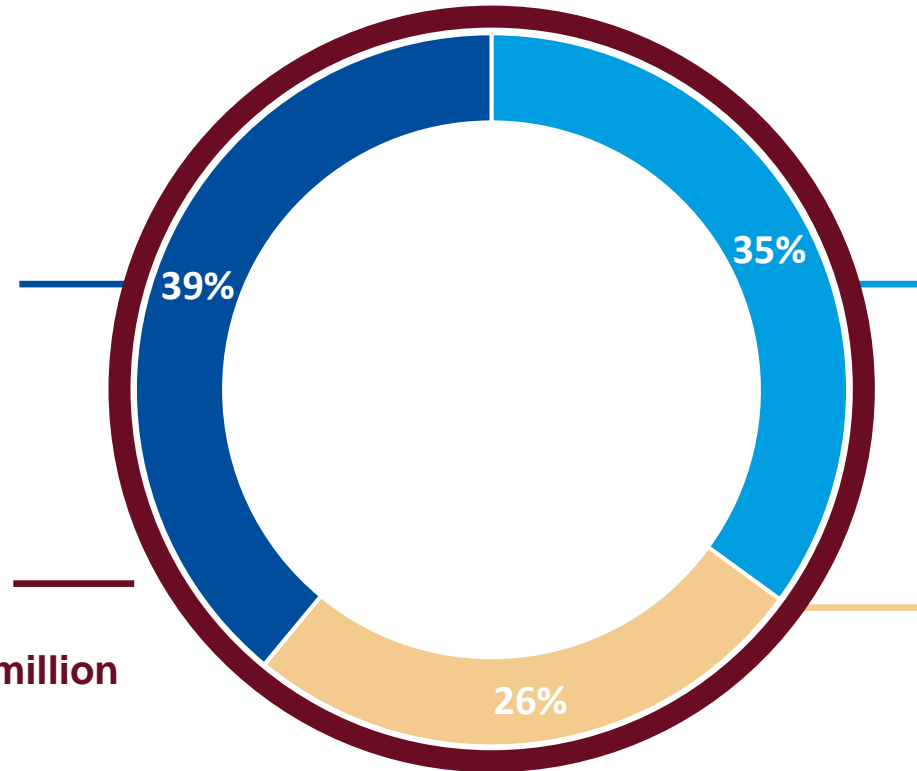
Value-creating and strategic investments

Growth investments (PY: 52%)

- Packaging & logistics centre (USA)
- Goat's milk powder production (NL)
- Filling line for Emmi Caffè Latte (Ostermundigen, CH)

Investments 1HY/23: CHF 65.7 million

1HY/2022: CHF 79.9 million



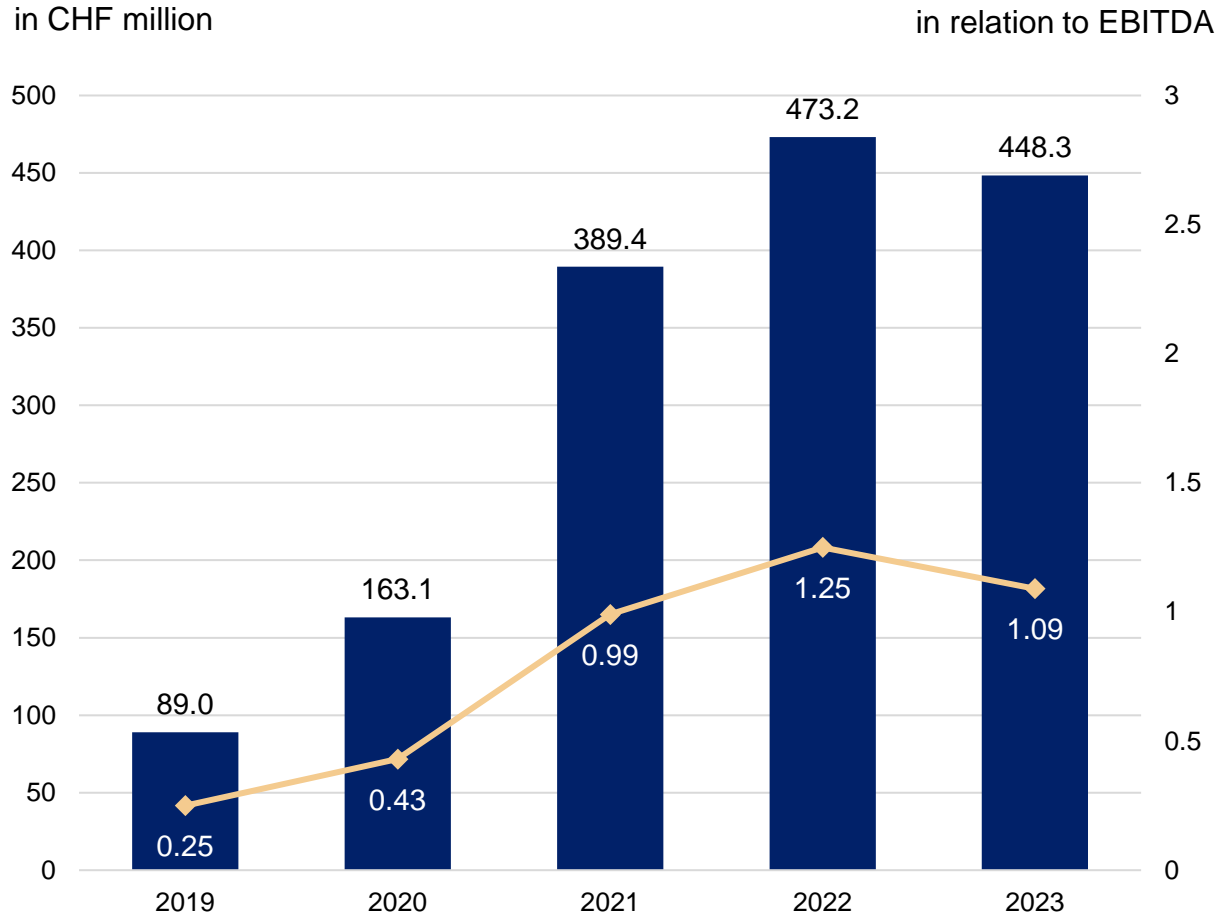
Replacement investments (PY: 28%)

- New cheese dairy (Emmen, CH)
- Filling line for medium formats (Suhr, CH)
- Logistics optimisations (Kirchberg, CH)

Rationalisation investments (PY: 20%)

- New cheese dairy (Emmen, CH)
- Logistics optimisations (Kirchberg, CH)
- Washing system for Gruyère (Kirchberg, CH)

Strong balance sheet and lower debt



Decrease in net debt ratio to robust 1.09x primarily due to higher cash flow in the first half of the year

Stability through continued solid equity ratio of 48.5%
(end of 2022: 48.7%)

■ Net debt
 ◆ Net debt ratio
(Net debt in relation to EBITDA)

2019 to 2022: Figures as at 31 December and for each full-year
 2023: Balance sheet as at 30 June and EBITDA for the last 12 months

Successful first half of 2023

CHF **2,103.4** million

Net sales *PY: CHF 2,016.5 million.*

Organic **+6.5%**

PY: +5.4%

CHF **775.4** million

Gross profit *PY: CHF 707.4 million*

Gross profit margin 36.9%

PY: 35.1%

CHF **138.5** million

EBIT *PY: CHF 108.6 million*

EBIT margin 6.6%

PY: 5.4%

CHF **167.8** million
Cash flow from operating activities

PY: CHF 53.4 million

Cash conversion 86%

PY: 33%

(Cash flow from operating activities
in relation to EBITDA)

CHF **62.6** million

Capex *PY: CHF 79.9 million*

(Investment in non-current assets,
excl. acquisitions)


1.09x

Net debt ratio *End of PY: 1.25x*

(Net debt/EBITDA)

Equity ratio 48.5%

End of PY: 48.7%



HALF-YEAR RESULTS 2023

Outlook

Ricarda Demarmels, CEO

Outlook



Switzerland

- Continue to lead the way with new, trend-led products and innovations that add value
- Continue to systematically expand our presence and product range
- Maintain cost discipline, invest in differentiation

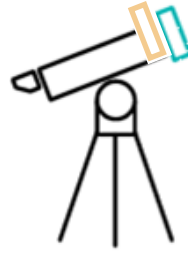
Challenges: persistently high input costs, price & import pressure, shopping tourism, economic risks



International

- Further strengthen differentiated brand concepts, innovative strength and distribution network
- Generate profitable organic growth, continue to drive forward portfolio transformation
- Maintain momentum in strategic niches

Challenges: macroeconomic uncertainties, cyclical downturn and risks of slackening economy, inflation and rising input costs, tense labour market and logistic bottlenecks in North America, sales price increases for exports from Switzerland



Focal points for Emmi



- Cushion cost increases, secure volumes
- Respond to changes in the environment in a forward-looking, agile and consistent manner
- Maintain innovative strength and systematically develop our portfolio
- Further strengthen culture and Emmi network
- Shore up Emmi Purpose and strategy
- Make further demonstrable progress in implementing the Emmi sustainability model

Assumptions: geopolitical crises without a substantial and lasting negative impact



Confirmation of earnings outlook adjusted for disposal of Gläserne Molkerei

Sales Group	3% to 4% (unchanged)
Sales Switzerland	2% to 3% (to date: 1% to 2%)
Sales Americas	6% to 8% (unchanged)
Sales Europe	0% to 1% (to date: 3% to 5%)
EBIT in CHF million ¹⁾	275 to 295 (unchanged)
Net profit margin ²⁾	4.5% to 5.0% (unchanged)

The figures assume constant exchange rates and raw milk prices.

- 1) Adjusted for the non-recurring effect from the disposal of Gläserne Molkerei (around CHF 38 million at EBIT level)
- 2) Adjusted for the non-recurring effects from the disposal of Gläserne Molkerei (around CHF 30 million at net profit level) and the minority stake in Ambrosi (around CHF 3 million at net profit level).



Unchanged medium-term guidance

Medium-term forecasts

Organic sales growth	+2% to +3%
of which: Switzerland	±0% to +1%
Americas	+4% to +6%
Europe	+1% to +3%
Net profit margin	5.5% to 6.0%
Return on invested capital (ROIC)	Trend towards improvement
Distribution rate	35% to 45%





HALF-YEAR RESULTS 2023

Q&A

Ricarda Demarmels, CEO | Sacha D. Gerber, CFO | Oliver Wasem,
Head of Investor Relations

Emmi investor events 2024

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



Sales result 2023 Thursday, 25 January 2024
Media release

Annual results 2023 Thursday, 29 February 2024
Media release and analyst meeting

Emmi General Meeting 2024 Thursday, 11 April 2024
Media release

Emmi half-year results 2024 Wednesday, 14 August 2024
Media release and analyst call



9,333 Emmi makers

inspire customers, consumers
and work colleagues

9,333 full-time employees (FTE) as at 30 June 2023





TOGETHER, WE CREATE
— THE BEST —
DAIRY MOMENTS

TODAY AND FOR
GENERATIONS
TO COME

Thank you
for your attention!