

## Alternative Performance Measures

The Annual Report, the Half-Year Report and other communication to investors and analysts contain alternative performance measures (APM), which management uses to assess the financial performance of the Group and which are not defined by Swiss GAAP FER, the recognized accounting standard Emmi applies. Such APM can be income statement, balance sheet or cash flow figures. Management believes that these non-Swiss GAAP FER performance measures provide useful information regarding the Group's financial performance. Such measures may not be comparable to similar measures presented by other companies. The APM used by Emmi are explained and/or reconciled to Swiss GAAP FER performance measures in this document.

### Foreword

This edition is published together with the Annual Report 2024.

### Organic growth

Organic growth represents the net sales growth after excluding the impacts of (a) acquisitions and divestments of businesses (referred to as «acquisition effects» in Emmi's communication) and (b) movements in foreign currency exchange rates (referred to as «currency effects» in Emmi's communication).

**(a) Acquisition effects:** For calculating organic growth, the net sales of an acquired business are excluded for the twelve months following the business combination. Net sales of a divested business are removed from comparatives (previous year) for the twelve months prior to the divestment. Supply agreements related to the divested business are included in acquisitions and divestments during twelve months following the divestment.

**(b) Currency effects:** The effects of changes in foreign currency exchange rates are calculated as the difference between the current year net sales (including effects of acquired and divested businesses) converted into Swiss Francs at the current year's average exchange rates and the current year's net sales (including effects of acquired and divested businesses) converted at the prior year's average exchange rates.

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For Emmi Group, the reconciliation of organic growth to the sales development (in %) for the financial year 2024 is as follows:

	<b>2024</b>	<b>2023</b>
<b>Organic growth</b>	<b>2.4%</b>	<b>3.5%</b>
Acquisition effects	2.5%	-1.0%
Currency effects	-2.4%	-2.2%
<b>Sales development</b>	<b>2.5%</b>	<b>0.3%</b>
Net sales in CHF Mio.	4,348.8	4,242.4

Similar reconciliations can be found in the media release for the business divisions Switzerland, Americas, Europe and Global Trade.

#### **Earnings before interest and taxes (EBIT)**

#### **Earnings before interest, taxes, depreciation and amortisation (EBITDA)**

EBIT is commonly defined as Earnings before interest and taxes and EBITDA as Earnings before interest, taxes, depreciation and amortisation.

Emmi uses EBIT and EBITDA as important financial measures, where EBIT is defined as the operating profit and EBITDA is used as an operating cash flow indicator.

EBIT is defined as net profit before:

- Minority interests
- Income taxes
- Financial result
- Income from associates and joint ventures

EBITDA is defined as EBIT before:

- Depreciation (including impairment charges) of property plant and equipment
- Amortisation (including impairment charges) of intangible assets

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A reconciliation table between net profit and EBITDA is presented below:

in KCHF	2024	2023
<b>Net profit</b>	<b>220,288</b>	<b>186,273</b>
Minority interests	17,835	19,209
Income taxes	42,566	32,625
Financial result	21,420	24,021
Income from associates and joint ventures	580	-3,880
<b>EBIT</b>	<b>302,689</b>	<b>258,248</b>
Amortisation of intangible assets	16,663	12,867
Depreciation of property, plant and equipment	111,272	104,707
<b>EBITDA</b>	<b>430,624</b>	<b>375,822</b>

**EBIT margin** is when EBIT is calculated as percentage of net sales:

in KCHF	2024	2023
EBIT	302,689	258,248
Net sales	4,348,812	4,242,407
<b>EBIT margin</b>	<b>7.0%</b>	<b>6.1%</b>

**EBITDA margin** is when EBITDA is calculated as percentage of net sales:

in KCHF	2024	2023
EBITDA	430,624	375,822
Net sales	4,348,812	4,242,407
<b>EBITDA margin</b>	<b>9.9%</b>	<b>8.9%</b>

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**Adjusted EBITDA, adjusted EBIT, adjusted profit incl. minority interests and adjusted net profit**

EBITDA, EBIT, profit incl. minority interests and net profit are adjusted for material non-recurring effects. Examples for non-recurring effects are gains or losses made on the sale of non-current assets such as stakes in group companies, associates, joint ventures or on property, plant and equipment or material impairments of non-current assets.

In 2024, no such effects were noted. In 2023, the loss from the disposal of Gläserne Molkerei and the gain from the disposal of the minority interest in Ambrosi S.p.A. are considered as non-recurring effect. The income statement positions affected by these non-recurring effects are presented in the following tables:

in KCHF	2024	2023
EBITDA	430,624	375,822
Pre-tax loss from the disposal of Gläserne Molkerei (included in the position "Other operating expenses" in the income statement and in Note 3 respectively)	-	37,161
<b>Adjusted EBITDA</b>	<b>430,624</b>	<b>412,983</b>

in KCHF	2024	2023
EBIT	302,689	258,248
Pre-tax loss from the disposal of Gläserne Molkerei (included in the position "Other operating expenses" in the income statement and in Note 3 respectively)	-	37,161
<b>Adjusted EBIT</b>	<b>302,689</b>	<b>295,409</b>

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in KCHF	2024	2023
Profit incl. minority interests	238,123	205,482
Net profit	220,288	186,273
Pre-tax loss from the disposal of Gläserne Molkerei (included in the position "Other operating expenses" in the income statement and in Note 3 respectively)	-	37,161
Income tax effect related to the disposal of Gläserne Molkerei	-	-8,235
Pre-tax profit form the disposal of the minority interest in Ambrosi S.p.A. (included in the position "Income from associates and joint ventures")	-	-3,008
Income tax effect related to the disposal of the minority interest in Ambrosi S.p.A.	-	190
<b>Adjusted profit incl. minority interests</b>	<b>238,123</b>	<b>231,590</b>
<b>Adjusted net profit</b>	<b>220,288</b>	<b>212,381</b>

**Adjusted EBITDA margin, EBIT margin and net profit margin** is when adjusted EBITDA, EBIT and net profit is calculated as percentage of net sales:

in KCHF	2024	2023
Adjusted EBITDA	430,624	412,983
Adjusted EBIT	302,689	295,409
Adjusted net profit	220,288	212,381
Net sales	4,348,812	4,242,407
<b>Adjusted EBITDA margin</b>	<b>9.9%</b>	<b>9.7%</b>
<b>Adjusted EBIT margin</b>	<b>7.0%</b>	<b>7.0%</b>
<b>Adjusted net profit margin</b>	<b>5.1%</b>	<b>5.0%</b>

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### Adjusted average tax rate

The reported average tax rate is adjusted for material non-recurring effects (for examples as well as non-recurring effects defined for the reporting year, please refer to the information above).

In KCHF	2024	2023
Earnings before taxes (EBT)	280,689	238,107
Pre-tax loss from the disposal of Gläserne Molkerei (included in the position "Other operating expenses" in the income statement and in Note 3 respectively)	-	37,161
Pre-tax profit from the disposal of the minority interest in Ambrosi S.p.A. (included in the position "Income from associates and joint ventures")	-	-3,008
<b>Adjusted earnings before taxes (EBT)</b>	<b>280,689</b>	<b>272,260</b>

in KCHF	2024	2023
Income taxes	-42,566	-32,625
Income tax effect related to the disposal of Gläserne Molkerei	-	-8,235
Income tax effect related to the disposal of the minority interest in Ambrosi S.p.A.	-	190
<b>Adjusted income taxes</b>	<b>-42,566</b>	<b>-40,670</b>

in KCHF	2024	2023
Adjusted earnings before taxes (EBT)	280,689	272,260
Adjusted income taxes	-42,566	-40,670
<b>Adjusted average tax rate</b>	<b>15.2%</b>	<b>14.9%</b>

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## Net debt

Net debt is a measure to show the level of financial debt with external parties after considering cash and cash equivalents, current securities readily convertible into cash and interest bearing loans and other receivables.

in KCHF	2024	2023
Bank overdrafts	63,118	68,475
Finance lease liabilities	2,102	430
Loans	-	500
<b>Current financial liabilities</b>	<b>65,220</b>	<b>69,405</b>
Bank overdrafts	129,693	112,610
Finance lease liabilities	10,187	305
Loans	710	457
Bonds	1,124,520	499,520
<b>Non-current financial liabilities</b>	<b>1,265,110</b>	<b>612,892</b>
<b>Financial liabilities</b>	<b>1,330,330</b>	<b>682,297</b>
Cash and cash equivalents	-303,661	-349,115
Current securities	-3,088	-22,210
Non-current loans and other receivables	-19,855	-12,715
<b>Cash and cash equivalents, current securities and interest bearing loans and other receivables</b>	<b>-326,604</b>	<b>-384,040</b>
<b>Net debt</b>	<b>1,003,726</b>	<b>298,257</b>

### Cash flow before changes in net working capital, interest and taxes

This is a subtotal used in the determination of the cash flow from operating activities and is defined as cash flow from operating activities before changes in net working capital, interest paid and taxes paid. The positions included in this subtotal are visible directly in the consolidated cash flow statement.

### Free cash flow

Free cash flow represents the cash generating capability of the Emmi Group to acquire companies, acquire stakes in associates and joint ventures, pay dividends or repay providers of capital.

As per the table below, Free Cash Flow therefore equals Cash Flow from operating activities plus Cash Flow from investing activities, adding back the cash outflows and inflows from the acquisition activity (consolidated companies, associates, joint ventures):

in KCHF	2024	2023
Cash flow from operating activities	406,877	370,145
Cash flow from investing activities	-962,934	-135,828
<i>Adding back:</i>		
Acquisition of consolidated investments/businesses	841,944	1,892
Acquisition of minority interests	2,933	2,855
Proceeds from sale of investments/businesses	-	11,607
Proceeds from sale of shares in associates	-	-27,147
<b>Free cash flow</b>	<b>288,820</b>	<b>223,524</b>

### Operating net working capital

Emmi Group monitors its operating net working capital in order to assess how efficient it is managing its operating cash conversion cycle. Operating net working capital is the sum of trade receivables and inventories minus trade payables.

in KCHF	2024	2023
Trade receivables	539,793	473,665
Inventories	562,299	481,311
Trade payables	-393,235	-301,841
<b>Operating net working capital</b>	<b>708,857</b>	<b>653,135</b>