



Best dairy moments

Half-year Report

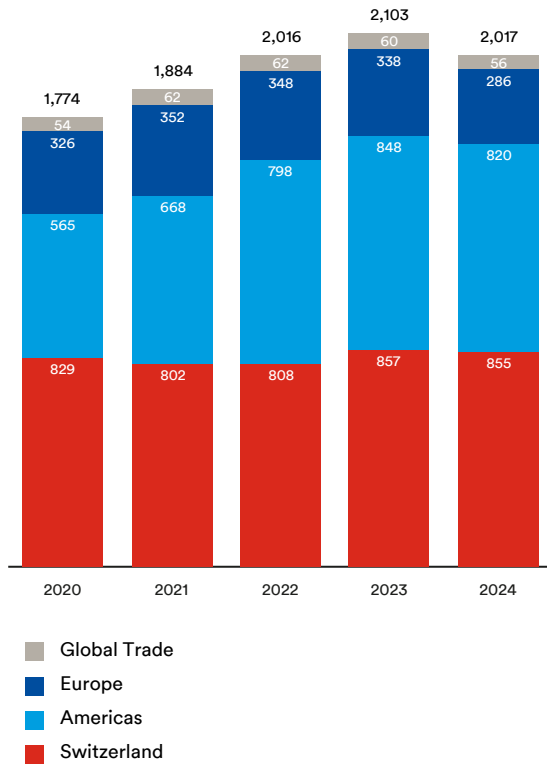
2024

Key figures Emmi Group

in CHF million	1st half-year 2024	1st half-year 2023
Net sales	2,017	2,103
Sales development in %	-4.1	4.3
Net sales increase in organic terms in %	0.0	6.5
Acquisition effect in %	-2.2	–
Currency effect in %	-1.9	-2.2
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	197.8	194.9
as % of net sales	9.8	9.3
Earnings before interest and taxes (EBIT)	140.3	138.5
as % of net sales	7.0	6.6
Net profit	104.4	97.8
as % of net sales	5.2	4.6
Investment in fixed assets (excl. acquisitions)	46.7	62.6
as % of net sales	2.3	3.0
Headcount (full-time equivalents) as at 30.6.	9,977	9,333
Headcount (full-time equivalents) at half-year average	9,489	9,329
	30.6.2024	31.12.2023
Total assets	2,822	2,715
of which shareholders' equity incl. minority interests	1,461	1,415
as % of total assets	51.8	52.1
Market capitalisation	4,751	4,874

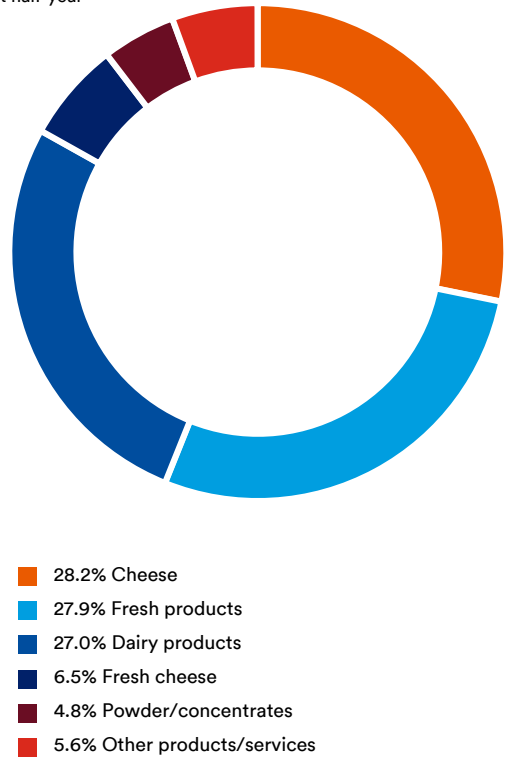
Net sales

in CHF million, 1st half-year



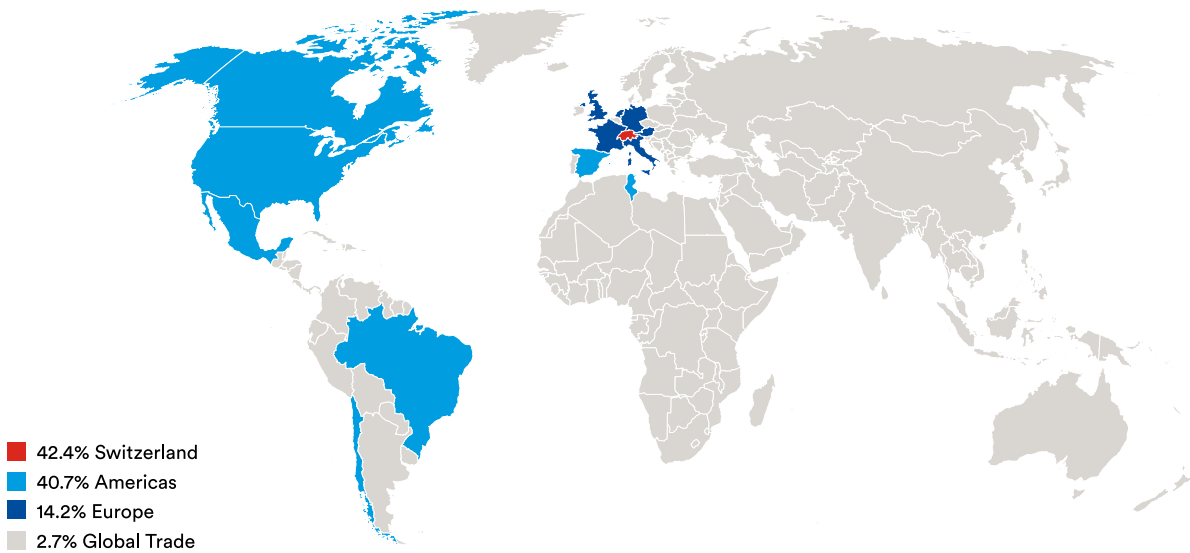
Net sales by product group

1st half-year



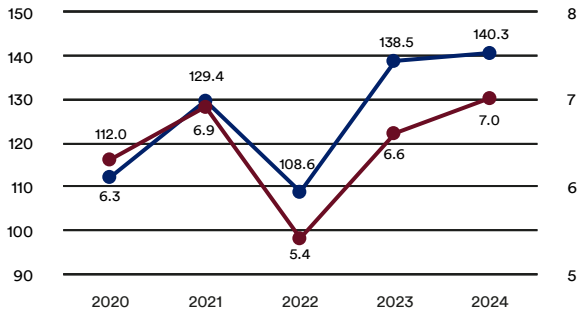
Net sales by division

1st half-year



EBIT

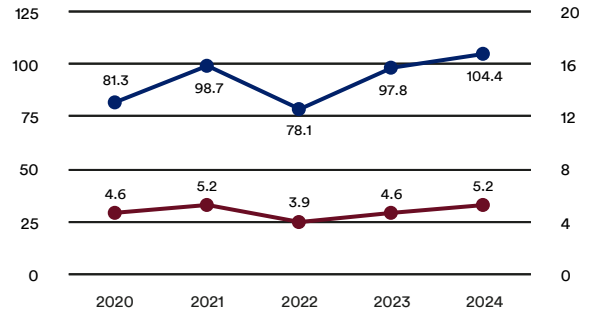
in CHF million, 1st half-year as % of net sales



● EBIT
● EBIT as % of net sales

Net profit

in CHF million, 1st half-year as % of net sales



● Net profit
● Net profit as % of net sales

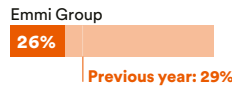
Emmi sustainability targets with a 2027 time horizon

Developing employees

100% of employees have a development plan in place



50% of all vacancies are filled by internal candidates



Reducing water use²⁾

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



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



Reducing emissions²⁾

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



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



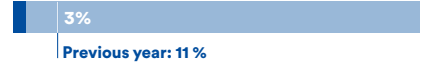
Vision netZERO 2050

Reducing waste²⁾

50% reduction in waste (vs. 2017)



Zero waste disposal in landfills (vs. 2017)



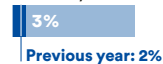
50% reduction in waste (vs. 2017)⁰⁾



100% recyclable packaging⁰⁾



30% recycled materials in plastic packaging⁰⁾



Sustainable dairy

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



Emmi Group



Further development of the Swiss industry standard

Target achievement levels as at 31.12.2023

¹⁾ Currently only Switzerland considered.

²⁾ See this document for the definition ›emmi.com ›Sustainability ›ESG expert corner ›Scope of report and methodology for Emmi environmental figures.

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Ricarda Demarmels
CEO

Urs Riedener
Chairman of the
Board of Directors

Dear Shareholders

The Emmi Group continued to perform well in the first half of 2024 in a market environment that remains challenging and is continuing to pursue its proven corporate strategy with a focus on systematic transformation of the portfolio.

Through their passion, expertise and craftsmanship, our employees impressively demonstrate the innovative power that lies in processing the natural product milk and what makes us who we are as Emmi: producing high-quality dairy products with the utmost care and respect for people and nature, in order to create the best dairy moments for our consumers. This is entirely in line with our long-term responsibility as a company – both today and for future generations.

We are committed to the focused implementation of our strategy and our robust business model to guarantee the continued economic success of the Emmi Group and ensure its ongoing development in line with our strategy. By means of our unique, innovative brand concepts

and our diversified country portfolios, our agile, deeply rooted local organisations inspire our consumers around the world.

Broad-based profitable volume growth

Emmi posted sales of CHF 2,017.2 million in the first half of 2024, which, as expected, was below the previous year's figure. As expected, negative acquisition effects of 2.2% in the reporting year and negative currency effects of 1.9% weighed on sales performance. The encouraging, broad-based and profitable volume growth offset the negative price effects, driven largely by milk prices, resulting in flat organic sales growth.

The **Swiss** home market posted a slight organic decline in sales of 0.2%, which was attributable to the lower milk prices set by the dairy industry organisation (Branchenorganisation Milch) during the reporting period. The overall positive volume growth partially made up for the decline in sales driven by milk prices. Leading innovative brand concepts such

“Thanks to our teams’ great performance, Emmi has maintained its focused development and set a strategic course for the future.”

Ricarda Demarmels

as Emmi Caffè Latte, Emmi Energy Milk, Aktifit and Luzerner Rahmkäse performed particularly well. The iconic Emmi Caffè Latte brand is delighting its fans during its 20th anniversary year with creative marketing campaigns throughout Switzerland.

The division **Americas** experienced a subdued growth trend, with the result that organic growth amounted to 0.1%, which was below expectations for the year as a whole. This was primarily due to the ongoing milk shortage in Tunisia and the anticipated reduction in volumes in the US dessert business. Although overall sales in the cheese segment were slightly down, exports of Swiss cheese specialities and Athenos, the number one in the US feta market, continued to grow. The primary growth drivers in the division Americas include the key markets of Brazil and Chile, Darey Brands in the US and the trading company Mexideli.

The division **Europe** recorded organic growth of 2.0%, which exceeded its expectations for the year as a whole. Emmi UK, which achieved strong volume-driven growth, in particular for Emmi Caffè Latte, was a positive highlight in this regard. In the strategic niche of premium desserts, the product portfolios of Emmi Dessert Italia and Pasticceria

Quadrifoglio are characterised by high quality and a clear customer focus. Swiss speciality cheese from Kaltbach once again saw substantial year-on-year growth, particularly in the German and Dutch markets, thanks to its premium quality. Finally, the goat’s milk powder business in the Netherlands also posted stronger sales despite the persistently challenging environment in the Asian market, and offers the potential for further growth.

Better results thanks to portfolio transformation and progress in foreign markets

Profitable volume growth, continuous portfolio transformation and efficiency programmes were systematically pursued in the first half of 2024, along with a high degree of cost discipline, resulting in steadily improving operating results and margins. The progress made can be seen first and foremost in a significantly higher gross profit margin of 38.9% (previous year: 36.9%), particularly in the international business of the dessert companies in Italy and the USA, companies from the Kaiku Group in Spain, Chile and Tunisia, and in Brazil. The significant increase in personnel costs, which is a side-effect of the high inflation of recent years, reduced this growth at the gross profit margin level, but nonetheless resulted in encouraging margin improvements at the EBIT and net profit levels.

Operating result at the EBIT level increased to CHF 140.3 million in the first half of 2024 (previous year: CHF 138.5 million), which corresponds to an EBIT margin of 7.0% (previous year: 6.6%). Net profit increased to CHF 104.4 million (previous year: CHF 97.8 million), with a net profit margin of 5.2% (previous year: 4.6%).

Acquisitions in strategic niches and markets

In the first half of the year, the Emmi Group continued with the systematic expansion of its portfolio through strategic acquisitions in Brazil, its Swiss home market and Europe. All acquisitions are characterised by a high strategic and cultural fit, enabling the Emmi Group to serve relevant consumer needs in categories that are growing profitably. This approach not only strengthens the Emmi Group, but also secures its economic success over the long term. In the key market Brazil, Emmi reinforced its market position through the acquisition of Verde Campo in May 2024. The strong and well-established brand is regarded as a pioneer in the high-quality protein segment, offering innovative and functional premium dairy products. In June 2024, Emmi announced the acquisition of its long-standing partner, the Lucerne-based coffee roaster Hochstrasser, in order to strengthen its coffee expertise. This will ensure Emmi's outstanding barista quality and innovative development of the iconic Emmi Caffè Latte in the long term.

After the balance sheet date, the Emmi Group also concluded a put option agreement for the acquisition of the French Mademoiselle Desserts Group. The contemplated acquisition will strengthen the strategic category of premium desserts and add French desserts to the portfolio. This would make Emmi a "category captain" with the ability to offer a comprehensive range of high-quality, innovative products. Concurrently, the classic retail channels will be augmented to encompass the in-store bakery segment, and the food service channel will be significantly strengthened. The contemplated acquisition will open up new market opportunities for Emmi, enabling the company to assume a leading global role in the constantly growing and profitable premium dessert category as a "Desserts Powerhouse".

Strong local ties and a long-standing commitment to responsibility since 1907

Ever since its beginnings in 1907, the Emmi Group has stood for a commitment to sustainability that is deeply rooted in its business model and strategy. We firmly believe that, as a company, we must seek to reconcile economic, social and ecological aspects in order to achieve sustainable and profitable growth. It is a belief that we live out on a daily basis. In collaboration with Coop, Emmi took an important step at the start of the year towards achieving the sustainability goals of both companies by launching a recyclable PET bottle for milk and dairy products. This environmentally friendly packaging innovation is currently the only one in Switzerland that can be recycled and reprocessed in a closed-loop system.

In line with its sustainability objectives, Emmi is dedicated to promoting a more sustainable dairy industry. In Switzerland, Emmi co-initiated the industry initiative "KlimaStaR Milk" with Nestlé, aaremilch AG, ZMP and AgroCleanTech in 2022. At the end of May 2024, all of the partners carried out the first comprehensive assessment of the pioneering project, with uniformly positive results. The calculation

“We are pursuing our ambitious strategy with a focus on responsibility and treating all stakeholders with respect.”

Urs Riedener

of the greenhouse gas emissions of the companies was significantly lower than expected and the most important levers to further reduce them were identified. Furthermore, the objectives set for reducing food competition were met. The challenge is to combine both objectives, which is something that all participating companies are striving to accomplish.

Efforts to promote sustainability have also been stepped up internationally. 80% of the milk volume purchased by the subsidiary Quillayes Surlat in Chile is certified with the AENOR animal welfare label, which makes Quillayes Surlat the first South American company to buy milk certified with this animal welfare label.

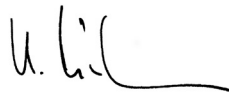
Confirmation of 2024 outlook excluding acquisition effects

Emmi is maintaining its sales and earnings outlook, excluding the potential effects of the contemplated acquisition of the Mademoiselle Desserts Group, and continues to expect an EBIT of between CHF 295 million and CHF 315 million as well as a net profit margin of between 5.0% and 5.5% for 2024. It is not yet possible to reliably estimate the impact of the contemplated acquisition of the Mademoiselle Desserts Group on full year 2024 due to the fact that the closing date has not yet been determined and the effects of the purchase price allocation cannot currently be determined with sufficient accuracy. Emmi expects sales growth to be slightly higher in the second half of the year than in the first, despite the persistence of volatile market conditions. For 2024 as a whole, Emmi continues to anticipate organic sales growth of 1% to 2% at Group level.

Continuity in supervision and management

At the 2024 Annual General Meeting, the shareholders of Emmi AG re-elected all members of the Board of Directors for a new term of office by a substantial majority and also confirmed Urs Riedener as Chairman by a sizeable majority. The Board of Directors has appointed Oliver Wasem as CFO and a new member of Group Management as of 1 July 2024, succeeding Sacha D. Gerber. Oliver Wasem has played a key role in shaping the transformation of the Emmi Group's finance function since 2013 as Head of Group Controlling and Deputy CFO, and has also been responsible for Investor Relations since 2023.

Together with its almost 10,000 employees, the Board of Directors and Group Management are dedicated to ensuring Emmi's sustainable economic success on a daily basis through passion, expertise and innovation. We would like to thank everyone for their hard work.



Urs Riedener
Chairman of the
Board of Directors



Ricarda Demarmels
CEO

The best dairy moments – dear to our hearts

Emmi is shaped by its responsible approach and passion for carefully produced, high-quality dairy products. And our purpose expresses this. Day in, day out, our around 10,000 MAKERS of the best dairy moments do their bit to ensure that things stay this way – for our consumers, for customers and partners, and for society as a whole.

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



Our vision

We want to turn the best experiences with dairy products into Emmi moments – this is something we are wholeheartedly committed to and to which we devote all our expertise. This ideal for the future is expressed in our vision: the best dairy moments are Emmi moments!

Driving economic success

Our responsible business model, geared towards long-term profitable growth, and our focused strategy help us to do the right thing and remain economically successful. Our approach is based on unique, innovative brand concepts, a diversified portfolio and a highly agile, locally anchored organisation.



The dairy leader in Switzerland

Our roots are in Switzerland, where we are number 1. We want to consolidate this strategically central position in the long term. We will achieve this through innovative concepts, excellent customer service and, when reasonable, new business areas.



A strong international market player

All companies of the Emmi family play their part in achieving our common goals. We are now focusing on strengthening our position in those markets where we have established a stronghold or have seen solid growth in recent years.



An innovative leader in selected niches

We aim to get even closer to our consumers and stand out from our competitors with sophisticated innovations. Our particular focus is on niches where we already have leading market positions or are striving to achieve these.



Excellent in what we do

Through excellent cross-functional action and leadership, we are developing into the benchmark for our industry in selected areas.



A role model in sustainability

Building on our tradition, sustainability is an integral part of our business model and our strategy. We strive to achieve long-term profitable growth and to create added value for all our stakeholders.

Our ambition for the future

Together, we create the best dairy moments – today and for generations to come.

Our long-term success depends on sustainable and profitable growth and an intact planet. As a key player in the dairy industry, our aim is to continue to positively influence our industry by balancing economic, social and environmental aspects and promoting sustainable practices beyond our direct sphere of influence. We are committed to science-based targets (SBTi) and our **netZERO 2050 vision** to limit global warming in line with the goals of the UN Paris Agreement.



Support for the UN Sustainable Development Goals



Working together towards a sustainable future



Caring for our people

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



Caring for our communities

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



Caring for our planet

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

Information on the Emmi sustainability model, our goals and the progress we have made to date, along with the Emmi Sustainability Report, can be found at emmi.com/sustainability

Sustainability and responsibility

Code of Conduct

The Emmi Code of Conduct sets out the values and principles according to which we assume our responsibility towards our stakeholders.

Corporate Governance

Committed to the principle of good and transparent governance and based on the requirements of the SIX Swiss Exchange as well as national and international best practice, we have a clear framework of values, principles, rules and regulations in place. These specify how Emmi is managed and developed as a company.

UK Modern Slavery Act

We also fulfil our responsibility with regard to fundamental human rights.

Sustainability Report (GRI)

Since 2011, we have been providing transparent information about our sustainability commitments and progress by reporting in accordance with the Global Reporting Initiative (GRI) guidelines.

Emmi sustainability model

Our long-standing commitment and our ambitious targets are reflected in a comprehensive framework.

Environmental key performance indicators (KPIs)

Emmi reports key figures relating to greenhouse gas emissions, energy and water consumption as well as waste.

Materiality matrix

Our sustainability model focuses on topics that are of particular relevance to us and our stakeholders and where we can achieve the greatest positive impact.

Stakeholdermatrix

We take account of the diversity as well as the differing needs and demands of our stakeholders using a differentiated approach: from active engagement with social groups to regular dialogue and institutionalised exchanges.

netZERO 2050 roadmap

We pursue science-based reduction targets (SBTi) along the entire value chain aligned with our netZERO 2050 vision. A CO₂-reduction path with clear interim targets serves as a binding guideline.

Emmi Supplier Code of Conduct

The Emmi Supplier Code of Conduct is evidence of our commitment to managing the company with integrity, and reinforces our efforts to achieve sustainable procurement together with our partners and suppliers. In this way, we can minimise risks together and build trust among our stakeholders.

Whistleblowing hotline

An open culture of dialogue in line with our corporate values coupled with a high level of professionalism and integrity is of central importance for Emmi. The Emmi whistleblower hotline enables grievances and rule violations to be reported anonymously from anywhere in the world.

This and further information can be found at
 › emmi.com/sust-expert or downloaded from
 › emmi.com/download-center

Breakdown of the half-year results

Sales

Emmi generated sales of CHF 2,017.2 million in the first half of 2024, which, as expected, was below the previous year's figure (CHF 2,103.4 million). The decline in sales amounted to CHF 86.2 million or 4.1%. The net negative acquisition effects of 2.2% relate first and foremost to the disposal of Gläserne Molkerei last August and, to a lesser extent, the acquisition of Verde Campo in Brazil, which was completed at the end of May this year and therefore had a slightly positive effect on sales. Sales performance was also negatively impacted by currency effects of 1.9%, which were largely due to the devaluation of the Chilean peso, the euro and the US dollar against the Swiss franc. After adjusting for acquisition and currency effects, organic sales growth was flat (0.0%), which, as expected, was below our forecast for the year as a whole (1% to 2%).

The division Switzerland saw an organic decline in sales of 0.2%, which was largely attributable to the milk price reduction during the first half of 2024. It is anticipated that the increase in milk prices in the second half of the year will provide a positive dynamic to growth in the division Switzerland. The fresh products segment performed well, despite the negative milk price effect in the first half of the year. Proven brand concepts such as Emmi Caffè Latte, Emmi Energy Milk and Aktifit continued to be growth drivers. By contrast, organic sales were down in the other major segments – dairy products due to the reduction in milk prices and cheese in part due to a renewed increase in cheese imports. The division Americas generated modest organic growth of just 0.1%. However, the slightly negative price effects, which were primarily driven by milk prices, a decline in sales in Tunisia due to a milk shortage, and the expected decline in volume in the US dessert business in the first half of the year, slowed down the division's sales growth considerably. Brazil, Chile, California-based Darey Brands and the Mexideli trading business were, however, able to drive growth. At 2.0%, organic growth in the division Europe exceeded expectations for the year as a whole. Positive factors included sales of Emmi Caffè Latte in the UK, the dessert business in Italy, the export business with cheese from Switzerland and the goat's milk powder business in the Netherlands.

The acquisition effects were attributable to the following factors:

Positive impact:

- Acquisition of Trop Frutas do Brasil Ltda. (Brazil, 31 May 2024), which produces functional premium dairy products under the innovative Verde Campo brand

Negative impact:

- Sale of Gläserne Molkerei (Germany, 14 August 2023)

Internal shifts in the distribution channels of certain customers also resulted in acquisition or divestment effects in the divisions Global Trade and Europe. However, these shifts between individual divisions did not have any impact on the Group.

Sales development in the divisions Switzerland, Americas, Europe and Global Trade are explained below.

Sales development Switzerland

in CHF million	Sales 1HY 2024	Sales 1HY 2023	Difference 2024/2023	Acquisition effect	Organic growth
Dairy products	334.1	337.7	-1.1%	–	-1.1%
Fresh products	191.4	190.9	0.3%	–	0.3%
Cheese	188.4	190.4	-1.0%	–	-1.0%
Fresh cheese	56.1	59.1	-5.1%	–	-5.1%
Powder/concentrates	46.9	41.1	14.2%	–	14.2%
Other products/services	37.9	37.6	0.9%	–	0.9%
Total Switzerland	854.8	856.8	-0.2%	–	-0.2%

The division **Switzerland** generated net sales of CHF 854.8 million compared with CHF 856.8 million during the same period in the previous year. While the resulting organic decline in sales of 0.2% in the first half of the year fell below our own forecast for the full year (0% to 1%), the decline in sales was largely attributable to the reduction in milk prices during the first half of 2024; higher milk prices will, however, apply again from July of this year. Higher sales to industrial customers in the powder/concentrates segment and increased sales in the fresh products segment, which includes Emmi Caffè Latte, had a positive compensatory effect in the first half of the year. The division Switzerland accounted for 42.4% of Group sales (previous year: 40.7%).

In the largest segment, **dairy products** (milk, cream, butter), sales declined to CHF 334.1 in the first half of 2024, compared with CHF 337.7 million in the same period in the previous year. The organic decline in sales of 1.1% primarily reflects the negative impact of milk prices. While sales of milk increased overall thanks to positive momentum in the retail sector, lower butter sales exerted a negative impact on this segment's performance.

Sales in the **fresh products** segment increased from CHF 190.9 million to CHF 191.4 million, representing organic growth of 0.3%. Proven brand concepts such as Emmi Caffè Latte, Emmi Energy Milk and Aktifit continued to perform robustly and more than compensated for certain price-related losses with higher volumes and sales. Innovative new products such as Emmi Caffè Latte in environmentally friendly PET bottles and the Emmi "I'm your meal" drinkable meal also contributed to this. The moderate summer temperatures during recent months have likely had a negative effect on sales, as evidenced by the decline in ice cream sales, among other things.

The **cheese** segment saw a 1.0% decline in sales to CHF 188.4 million, compared with CHF 190.4 million during the same period in the previous year. This development reflects not only the negative effect of milk prices, but also the further increase in cheese imports compared to the same period last year. Sales of Luzerner Rahmkäse increased, despite the challenging conditions.

Sales of **fresh cheese** fell from CHF 59.1 million to CHF 56.1 million, which corresponds to a decline in sales of 5.1%. This was mainly due to lower sales of mozzarella in the retail and food service sectors as a result of the weather.

The **powder/concentrates** segment posted sales of CHF 46.9 million compared with CHF 41.1 million during the same period in the previous year. The organic growth of 14.2% reflects higher sales of milk powder and concentrates to industrial customers.

Other **products/services** saw organic sales growth of 0.9%, up from CHF 37.6 million to CHF 37.9 million. This primarily relates to the increased turnover from services.

Sales development Americas

in CHF million	Sales 1HY 2024	Sales 1HY 2023	Difference 2024/2023	Acquisition effect	Currency effect	Organic growth
Cheese	300.2	310.5	-3.3%	0.4%	-3.1%	-0.6%
Dairy products	208.0	223.6	-7.0%	0.2%	-6.8%	-0.4%
Fresh products	180.3	187.0	-3.5%	1.2%	-3.6%	-1.1%
Fresh cheese	49.7	47.9	3.8%	1.0%	-1.5%	4.3%
Powder/concentrates	24.0	22.6	6.3%	–	-3.3%	9.6%
Other products/services	58.3	56.9	2.6%	0.3%	-1.1%	3.4%
Total Americas	820.5	848.5	-3.3%	0.5%	-3.9%	0.1%

The division **Americas** includes the Emmi Group companies in the USA, Brazil, Spain, Chile, Tunisia, Mexico and Canada.

Sales in the division Americas fell by 3.3% in the first half of 2024, from CHF 848.5 million to CHF 820.5 million. After adjusting for net negative currency effects and the slightly positive acquisition effect from the purchase of Verde Campo in Brazil, organic growth amounted to only 0.1%. In the first half of 2024, this is therefore below our forecast for the year as a whole (2% to 4%). The slightly negative price effects, which were primarily driven by milk prices, a decline in sales in Tunisia due to a milk shortage, and the expected decline in volume in the US dessert business in the first half of the year slowed down the division's sales growth considerably. Brazil, Chile, California-based Darey Brands and the Mexideli trading business were, however, able to drive growth. The division Americas accounted for 40.7% of Group sales (previous year: 40.3%).

Sales in the **cheese** segment amounted to CHF 300.2 million, compared with CHF 310.5 million in the same period last year. After adjusting for negative currency and slightly positive acquisition effects, organic sales declined by 0.6%. Lower sales of locally produced cheese in Chile and the USA hampered sales performance in this segment. Conversely, sales of cheese imported from Switzerland in the USA and Canada and locally produced cheese in Brazil developed positively.

Sales of **dairy products** declined by 7.0% from CHF 223.6 million to CHF 208.0 million, primarily due to negative currency effects. In organic terms, the decline in sales only amounted to 0.4% and was first and foremost the result of the ongoing raw milk shortage in Tunisia. Lower milk prices in Spain also had an adverse impact on sales growth in this segment, while positive growth drivers were Surlat brand cow's milk in Chile and Darey Brands in California with Meyenberg brand goat's milk.

Sales of **fresh products** fell from CHF 187.0 million in the same period in the previous year to CHF 180.3 million, corresponding to a decline in sales of 3.5%. The organic decline in sales of 1.1% is largely attributable to a reduction in volume within the dessert business in the USA. This was in line with expectations due to portfolio decisions and will have no further impact on sales performance in the second half of the year. Positive contributions in this segment were made by Brazil with yogurts, Tunisia with yogurts and desserts, and Darey Brands in California with goat's milk yogurts. Spain also recorded significant growth with Emmi Caffè Latte.

While the other segments are of less significance to the division in terms of sales, each made a contribution to the division's overall organic sales growth. The organic growth of 4.3% in the **fresh cheese** segment is attributable to higher sales of mozzarella in Brazil, Green Valley brand fresh cheese in California and the trading business in Mexico. In the **powder/concentrates** segment, increased sales of milk powder in Brazil were responsible for the organic growth of 9.6%. In **other products/services**, the trading business in Mexico was once again the primary growth engine.

Sales development Europe

in CHF million	Sales 1HY 2024	Sales 1HY 2023	Difference 2024/2023	Acquisition effect	Currency effect	Organic growth
Fresh products	171.6	178.0	-3.6%	-3.4%	-2.0%	1.8%
Cheese	52.7	54.2	-2.9%	-1.4%	-2.3%	0.8%
Fresh cheese	24.3	23.6	3.4%	-0.6%	-2.5%	6.5%
Powder/concentrates	18.6	16.2	14.5%	-0.4%	-2.9%	17.8%
Dairy products	3.2	47.2	-93.3%	-92.1%	-0.2%	-1.0%
Other products/services	15.7	18.5	-15.5%	-8.8%	-2.1%	-4.6%
Total Europe	286.1	337.7	-15.3%	-15.4%	-1.9%	2.0%

The division **Europe** includes the Emmi Group companies in Italy, the Netherlands, the UK, France, Germany and Austria.

Sales in the division Europe amounted to CHF 286.1 million in the first half of 2024. Compared to CHF 337.7 million during the same period in the previous year, this represents a decline in sales of 15.3%, which is entirely due to the divestment effect of the sale of Gläserne Molkerei. Growth thus came out at 2.0% in organic terms excluding negative currency effects, which exceeded our expectations for the year as a whole (0% to 1%). Pleasingly, Emmi Caffè Latte has been able to maintain its growth trajectory despite the challenging market conditions. In addition, the dessert business in Italy, the export business with cheese from Switzerland and the goat's milk powder business in the Netherlands also recorded positive growth momentum. The division Europe accounted for 14.2% of Group sales (previous year: 16.1%).

Sales of **fresh products** amounted to CHF 171.6 million, which corresponds to a decline of 3.6%. Adjusted for negative acquisition and currency effects, however, organic growth was 1.8%. The largest contribution to the company's growth came from the UK; Emmi Caffè Latte recorded a significant increase in sales, while sales of Onken brand yogurt also rose. Dessert specialities from Italy also made a positive contribution to the division's growth in this segment.

Sales in the **cheese** segment amounted to CHF 52.7 million, compared with CHF 54.2 million in the same period last year. After adjusting for negative acquisition and currency effects, the 2.9% decline in sales corresponds to organic growth of 0.8%. The cheese specialities of the Kaltbach brand saw an encouraging increase in sales, with substantial growth in Germany in particular, but also in the Netherlands. Conversely, sales of traditional cheese varieties in these countries had a negative impact on sales.

Sales in the **fresh cheese** segment were CHF 24.3 million, compared with CHF 23.6 million during the same period in the previous year. The growth of 3.4% – or 6.5% in organic terms – is due to the positive performance of fresh goat's cheese sales in the Netherlands.

Sales of **powder/concentrates** increased by 14.5% to CHF 18.6 million, compared with CHF 16.2 million during the same period in the previous year. The organic growth of 17.8% relates to the increase in sales of goat's milk powder in the Netherlands.

Sales in the **dairy products** segment fell due to the divestment effect of the sale of Gläserne Molkerei and are no longer of material significance for the division Europe. In the **other products/services** segment, the division Europe generated sales of CHF 15.7 million, compared with CHF 18.5 million in the same period in the previous year. The organic decline in sales of 4.6% is largely attributable to the business with organic plant-based milk alternatives, which suffered losses in a highly competitive market.

Sales development Global Trade

in CHF million	Sales 1HY 2024	Sales 1HY 2023	Difference 2024/2023	Acquisition effect	Organic growth
Cheese	26.8	28.2	-5.1%	-	-5.1%
Fresh products	20.3	17.5	15.6%	4.8%	10.8%
Powder/concentrates	7.6	13.9	-45.3%	-	-45.3%
Dairy products	0.4	0.5	-28.5%	9.6%	-38.1%
Fresh cheese	0.2	-	n/a	n/a	n/a
Other products/services	0.5	0.3	109.7%	382.5%	-272.8%
Total Global Trade	55.8	60.4	-7.7%	3.3%	-11.0%

The division **Global Trade** primarily comprises direct sales from Switzerland to customers in countries where Emmi has no subsidiaries. These include the Asian and Eastern European markets, most South American countries and the Arabian Peninsula. The division Global Trade accounted for 2.7% of Group sales (previous year: 2.9%).

Sales in the division Global Trade amounted to CHF 55.8 million in the first half of 2024. Compared to the CHF 60.4 million recorded in the same period in the previous year, this represents a decline of 7.7%. Adjusted for the acquisition effect from the shift in distribution channels, the organic decline in sales was 11.0%. However, since this primarily concerns exports of surplus milk powder and cheese, it is of secondary importance from a margin perspective.

The organic decline in sales of 5.1% in the **cheese** segment was largely the result of lower exports of surplus Emmentaler AOP in Europe. Cheese exports to Asia, on the other hand, saw an overall increase. The **fresh products** segment posted organic growth of 10.8%, due primarily to the positive development of yogurt drinks in Northern Europe and yogurts in Asia. The decline of 45.3% in the **powder/concentrates** segment reflects lower sales of surplus skimmed milk powder from Switzerland.

Gross profit

Despite the lower sales, **gross profit** increased by CHF 8.8 million or 1.1% to CHF 784.2 million in the first half of 2024 (previous year: CHF 775.4 million). This increase is due to the significantly higher **gross profit margin**, which rose from 36.9% to 38.9% compared to the previous year. This encouraging development is primarily the result of further operational progress at various foreign companies, such as the dessert companies in Italy and the USA, the Kaiku Group companies in Spain, Chile and Tunisia, as well as in Brazil. The divestment of Gläserne Molkerei and the continued productivity and procurement measures also had a contributory effect.

Operating result

Operating expenses rose by CHF 5.1 million or 0.9% compared to the previous year to CHF 588.7 million (previous year: CHF 583.6 million). Due to the overall lower sales, operating expenses as a percentage of sales increased to 29.2% (previous year: 27.7%). The main reason for the increase was a significant rise in personnel costs, which accounted for approximately two thirds of the increase relative to sales, negatively offsetting approximately half of the increase in the gross profit margin.

Personnel expenses increased to CHF 297.5 million from CHF 289.7 million in the same period in the previous year. The increase of CHF 7.8 million is a secondary effect of the high inflation rates during recent years, which have resulted in higher wage costs in many places due to wage increases. As a percentage of sales, personnel costs increased to 14.8% from 13.7% in the same period in the previous year, which was lower due to strong price-driven sales growth.

Other operating expenses amounted to CHF 291.2 million (previous year: CHF 293.9 million), a decrease of CHF 2.7 million compared to the previous year. As a percentage of revenue, however, they rose from 14.0% in the previous year to 14.4%. This increase is largely due to higher costs for marketing and sales, as well as maintenance and repair costs. Energy costs remain high. However, lower logistics costs compared to the previous year had a compensating effect.

Other operating income amounted to CHF 2.3 million in the first half of the year, compared to CHF 3.1 million in the same period in the previous year.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) recorded a slight increase of CHF 2.9 million to CHF 197.8 million in the reporting period (previous year: CHF 194.9 million). The **EBITDA margin** consequently amounted to 9.8%, compared with 9.3% in the same period last year. Driven by an encouraging increase in the gross profit margin, the EBITDA margin increased significantly despite a disproportionate increase in operating expenses.

Depreciation of property, plant and equipment increased by CHF 1.6 million in the reporting period, from CHF 50.2 million to CHF 51.8 million. However, **amortisation of intangible assets** decreased slightly from CHF 6.1 million to CHF 5.7 million.

Earnings before interest and taxes (EBIT) were CHF 140.3 million in the period under review, up CHF 1.8 million or 1.3% on the previous year (CHF 138.5 million). As a result of the margin trend described above, the **EBIT margin** also saw an encouraging increase to 7.0% in the first half of 2024 (previous year: 6.6%).

Non-recurring effects in the half-year results 2024

No non-recurring effects were recorded in the period under review or in the same period in the previous year. For this reason, Emmi has opted not to disclose adjusted results.

Income from associates, financial result and income taxes

Income from associates and joint ventures recorded a loss of CHF 0.8 million in the first half of 2024 compared with a gain of CHF 0.9 million during the same period in the previous year.

The **financial result** (net financial expenses) fell by CHF 4.6 million to CHF 7.4 million (previous year: CHF 12.0 million). The improvement reflects both higher interest income and a better foreign currency result.

Income taxes amounted to CHF 19.8 million during the reporting period versus CHF 21.0 million in the previous year. The expected tax rate for the full year 2024 is therefore 15.0%.

Net profit

Net profit including minority interests was CHF 112.2 million, compared with CHF 106.4 million in the same period in the previous year.

Minority interests in net profit amounted to CHF 7.9 million, a decrease of CHF 0.7 million compared to the previous year.

After deducting minority interests, **net profit** was CHF 104.4 million (previous year: CHF 97.8 million). Accordingly, net profit rose by CHF 6.6 million or 6.7%. The **net profit margin** was an encouraging 5.2% (previous year: 4.6%) and **earnings per share** for the first half of 2024 amounted to CHF 19.51 (previous year: CHF 18.28).

Assets, financing and cash flow

Total assets as at 30 June 2024 were up 3.9% or CHF 107.1 million compared with 31 December 2023 to CHF 2,821.6 million. **Operating net working capital** was CHF 681.3 million, an increase of CHF 28.2 million or 4.3% versus 31 December 2023. Non-current assets increased slightly to CHF 32.8 million, which was mainly due to the acquisition effect from the purchase of Verde Campo and a positive foreign currency effect. On the liabilities side, current and non-current financial liabilities saw a slight overall decrease. In combination with the higher level of cash and cash equivalents, this resulted in **net debt** of CHF 281.8 million as at 30 June 2024 versus CHF 298.3 million as at 31 December 2023. The **equity ratio** of 51.8% as at 30 June 2024 was slightly lower than the 52.1% recorded on 31 December 2023.

Cash inflow from operating activities amounted to CHF 179.3 million, CHF 11.5 million higher than the previous year's figure of CHF 167.8 million. The change in net working capital had a positive effect, totalling CHF 2.6 million in the first half of 2024, compared to a positive effect of CHF 4.1 million in the same period in the previous year. Investments in operating net working capital were CHF 27.4 million lower than in the previous year, but this was offset by an increase in other net working capital. While interest paid was in line with the previous year, taxes paid were CHF 12.4 million lower than in the previous year, which had a positive impact on cash flow from operating activities. Cash outflow from investing activities was CHF 68.3 million, CHF 2.5 million lower than the previous year's figure of CHF 70.8 million. Investments in property, plant and equipment fell by CHF 10.9 million and amounted to CHF 53.4 million in the reporting period. **Cash outflow from acquisition activities** recorded a slight increase and totalled CHF 11.0 million from a low of CHF 3.3 million in the same period last year. Excluding cash flow from acquisition activities, this resulted in a **free cash flow** of CHF 122.0 million, compared to CHF 100.3 million in the previous year. **Cash outflow from financing activities** amounted to CHF 91.4 million. This was the result of dividend payments to shareholders and minority shareholders totalling CHF 84.2 million and the cash outflow of CHF 7.2 million from the reduction in financial liabilities. In the previous year, cash outflow from financing activities amounted to CHF 65.6 million, with a net cash inflow of CHF 13.8 million resulting from the change in financial liabilities. Owing to the cash flows described above, **cash and cash equivalents** rose by CHF 23.2 million versus 31 December 2023, from CHF 349.1 million to CHF 372.3 million.

Outlook for full year 2024

The outlook for the full year 2024 continues to be defined by an uncertain and challenging economic environment. Although the high inflation rates of recent years have levelled off or stabilised for the most part, consumer sentiment has only recovered tentatively in many of the markets relevant for Emmi, which can be explained to some extent by the decrease in real wages in many countries over recent years. Pressure on personnel costs will therefore remain high. The high volatility in global supply chains and sourcing markets is also likely to continue, not least due to ongoing and new geopolitical uncertainties.

At Emmi, we will therefore continue to exercise our usual discipline and prudence, and counter the pressure on margins with further efficiency and cost-saving initiatives as well as continuous portfolio transformation in line with the strategic priorities. The Emmi Group is convinced that the highest quality, strong brands and innovative concepts are more important than ever during times of restrained consumer sentiment.

Emmi expects sales growth to be slightly higher in the second half of the year than in the first, despite the persistence of volatile market conditions. As a result, Emmi therefore continues to expect organic sales growth at Group level of 1% to 2% for the year as a whole. The division Switzerland continues to operate in a highly competitive market, with import and price pressure exacerbated by the strength of the Swiss franc. Following the decline in sales driven by milk prices during the first half of the year, the increase in milk prices as of July of this year will support the division's growth in the second half of the year. Emmi therefore continues to forecast organic sales growth of between 0% and 1% for the division Switzerland. In its international business, Emmi expects slightly lower organic growth of 1% to 3% (previously 2% to 4%) in the division Americas and slightly higher organic growth of 2% to 3% (previously 0% to 1%) in the division Europe.

Emmi confirms its earnings forecasts, excluding the possible effects of the contemplated acquisition of the Mademoiselle Desserts Group, and expects EBIT of between CHF 295 million and CHF 315 million and a net profit margin of between 5.0% and 5.5% for 2024. It is not yet possible to reliably estimate the impact of the contemplated acquisition of the Mademoiselle Desserts Group on full year 2024 due to the fact that the closing date has not yet been determined and the effects of the purchase price allocation cannot currently be determined with sufficient accuracy.

Emmi is confirming its medium-term forecast.

Consolidated income statement

in CHF 000s

	1st half-year 2024	%	1st half-year 2023	%
Sales of products	2,001,119		2,087,764	
Sales of services	16,067		15,613	
Net sales	2,017,186	100.0	2,103,377	100.0
Change in inventories of semi-finished and finished products	1,610	-0.1	-23,354	1.1
Cost of materials and services	-1,234,609	61.2	-1,304,609	62.0
Gross profit	784,187	38.9	775,414	36.9
Other operating income	2,309	0.1	3,067	0.1
Personnel expenses	-297,544	14.8	-289,679	13.7
Other operating expenses	-291,157	14.4	-293,888	14.0
Operating expenses	-588,701	29.2	-583,567	27.7
Earnings before interest¹⁾, taxes, depreciation and amortisation (EBITDA)	197,795	9.8	194,914	9.3
Depreciation of property, plant and equipment	-51,783	2.5	-50,246	2.4
Amortisation of intangible assets	-5,737	0.3	-6,124	0.3
Earnings before interest¹⁾ and taxes (EBIT)	140,275	7.0	138,544	6.6
Income from associates and joint ventures	-827		932	
Financial result	-7,380		-12,044	
Earnings before taxes (EBT)	132,068	6.5	127,432	6.1
Income taxes	-19,830		-21,032	
Profit incl. minority interests	112,238	5.6	106,400	5.1
Minority interests	-7,861		-8,594	
Net profit	104,377	5.2	97,806	4.6
Earnings per share (diluted/basic in CHF)	19.51		18.28	

¹⁾ Incl. income from associates and joint ventures and other financial positions that are reported in the financial result.

Consolidated balance sheet

in CHF 000s

Assets	30.6.2024	%	31.12.2023	%
Cash and cash equivalents	372,359		349,115	
Securities	7,640		22,210	
Trade receivables	442,914		473,665	
Other receivables	74,984		60,869	
Inventories	558,185		481,311	
Prepayments and accrued income	68,565		63,220	
Current assets	1,524,647	54.0	1,450,390	53.4
Investments in associates and joint ventures	11,253		12,012	
Loans and other receivables	18,049		12,715	
Securities	10,430		9,907	
Employer contribution reserves	1,580		1,610	
Deferred tax assets	10,003		11,954	
Total financial assets	51,315		48,198	
Prepayments and accrued income	6,180		4,864	
Property, plant and equipment	1,127,363		1,105,405	
Intangible assets	112,106		105,650	
Non-current assets	1,296,964	46.0	1,264,117	46.6
Total assets	2,821,611	100.0	2,714,507	100.0
Liabilities and shareholders' equity				
Bank overdrafts	75,642		68,475	
Finance lease liabilities	359		430	
Loans	500		500	
Trade payables	319,832		301,841	
Other payables	52,471		43,957	
Accrued liabilities and deferred income	227,455		193,200	
Provisions	9,233		8,221	
Current liabilities	685,492	24.3	616,624	22.7
Bank overdrafts	103,294		112,610	
Finance lease liabilities	201		305	
Loans	345		457	
Bonds	499,520		499,520	
Accrued liabilities and deferred income	3,812		4,198	
Provisions	68,355		65,909	
Non-current liabilities	675,527	23.9	682,999	25.2
Liabilities	1,361,019	48.2	1,299,623	47.9
Share capital	53,498		53,498	
Capital reserves	2,088		2,088	
Retained earnings	1,269,109		1,237,377	
Shareholders' equity excl. minority interests	1,324,695	47.0	1,292,963	47.6
Minority interests	135,897	4.8	121,921	4.5
Shareholders' equity incl. minority interests	1,460,592	51.8	1,414,884	52.1
Total liabilities and shareholders' equity	2,821,611	100.0	2,714,507	100.0

Consolidated cash flow statement

in CHF 000s

	1st half-year 2024	1st half-year 2023
Profit incl. minority interests	112,238	106,400
Net interest expense	6,324	8,585
Income taxes	19,830	21,032
Result from sale of fixed assets	-377	-197
Depreciation and amortisation	56,648	56,317
Impairment charges	872	53
Change in provisions	1,812	315
Income from associates and joint ventures	827	-932
Other non-cash adjustments	-5,727	431
Cash flow before changes in net working capital, interest and taxes	192,447	192,004
Change in inventories	-65,356	-57,956
Change in trade receivables	44,067	62,335
Change in other receivables, prepayments and accrued income	-13,427	-18,683
Change in trade payables	14,346	-38,757
Change in other payables, accrued liabilities and deferred income	23,003	57,208
Interest paid	-4,010	-4,239
Taxes paid	-11,747	-24,110
Cash flow from operating activities	179,323	167,802
Investments in property, plant and equipment	-53,371	-64,285
Asset related government grants	578	-
Proceeds from disposal of property, plant and equipment	815	854
Investments in intangible assets	-2,987	-1,386
Acquisition of consolidated investments/businesses	-9,216	-1,636
Acquisition of minority interests	-1,750	-1,659
Change in loans receivable	-5,109	-3,222
Dividend received	28	51
Interest received	2,706	515
Cash flow from investing activities	-68,306	-70,768
Change in other current financial liabilities	-6,184	7,575
Change in other non-current financial liabilities	-968	6,220
Dividend payments to shareholders	-82,922	-77,572
Dividend payments to minority shareholders	-1,321	-1,812
Cash flow from financing activities	-91,395	-65,589
Currency translation	3,622	-749
Net change in cash and cash equivalents	23,244	30,696
Cash and cash equivalents at beginning of period	349,115	202,195
Cash and cash equivalents at end of period	372,359	232,891

Consolidated statement of changes in equity

in CHF 000s

	Share capital	Capital reserves (premium)	Retained earnings	Goodwill offset	Accumulated translation differences	Total profit reserves	Total excl. minority interests	Minority interests	Total incl. minority interests
Shareholders' equity at 1 January 2023 (published)	53,498	2,088	1,239,193	–	-125,403	1,113,790	1,169,376	114,530	1,283,906
Restatement goodwill ¹⁾	–	–	1,049,634	-1,049,634	–	–	–	–	–
Shareholders' equity at 1 January 2023 (restated)	53,498	2,088	2,288,827	-1,049,634	-125,403	1,113,790	1,169,376	114,530	1,283,906
Offset goodwill	–	–	–	-862	–	-862	-862	–	-862
Acquisition of minority interests	–	–	–	–	–	–	–	-832	-832
Profit incl. minority interests	–	–	97,806	–	–	97,806	97,806	8,594	106,400
Currency translation differences	–	–	–	–	4,634	4,634	4,634	3,978	8,612
Dividend	–	–	-77,572	–	–	-77,572	-77,572	-1,812	-79,384
Shareholders' equity at 30 June 2023	53,498	2,088	2,309,061	-1,050,496	-120,769	1,137,796	1,193,382	124,458	1,317,840
Shareholders' equity at 1 January 2024 (published)	53,498	2,088	1,378,989	–	-141,612	1,237,377	1,292,963	121,921	1,414,884
Restatement goodwill ¹⁾	–	–	1,018,539	-1,018,539	–	–	–	–	–
Restatement translation differences ¹⁾	–	–	-141,612	–	141,612	–	–	–	–
Shareholders' equity at 1 January 2024 (restated)	53,498	2,088	2,255,916	-1,018,539	–	1,237,377	1,292,963	121,921	1,414,884
Change in scope of consolidation	–	–	–	–	–	–	–	10,638	10,638
Offset goodwill/negative goodwill	–	–	–	7,301	–	7,301	7,301	–	7,301
Acquisition of minority interests	–	–	–	–	–	–	–	-1,034	-1,034
Profit incl. minority interests	–	–	104,377	–	–	104,377	104,377	7,861	112,238
Currency translation differences	–	–	–	–	2,976	2,976	2,976	-2,168	808
Dividend	–	–	-82,922	–	–	-82,922	-82,922	-1,321	-84,243
Shareholders' equity at 30 June 2024	53,498	2,088	2,277,371	-1,011,238	2,976	1,269,109	1,324,695	135,897	1,460,592

¹⁾ Adjustment of the presentation due to the first-time application of the revised Swiss GAAP FER 30, see Notes, Accounting principles.

Segment reporting

in CHF 000s

Net sales by product group and division	Switzerland		Americas		Europe		Global Trade		Group	
	1HY 2024	1HY 2023	1HY 2024	1HY 2023	1HY 2024	1HY 2023	1HY 2024	1HY 2023	1HY 2024	1HY 2023
Cheese	188,414	190,411	300,195	310,543	52,668	54,246	26,795	28,239	568,072	583,439
as % of net sales	22.0	22.2	36.6	36.6	18.4	16.0	48.0	46.7	28.2	27.7
Fresh products	191,438	190,940	180,334	186,957	171,601	177,960	20,238	17,466	563,611	573,323
as % of net sales	22.4	22.3	22.0	22.0	60.0	52.7	36.3	28.9	27.9	27.3
Dairy products	334,095	337,650	207,943	223,607	3,157	47,173	388	543	545,583	608,973
as % of net sales	39.1	39.4	25.3	26.4	1.1	14.0	0.7	0.9	27.0	28.9
Fresh cheese	56,067	59,087	49,693	47,889	24,383	23,591	205	–	130,348	130,567
as % of net sales	6.6	6.9	6.1	5.6	8.5	7.0	0.4	–	6.5	6.2
Powder/ concentrates	46,914	41,088	24,012	22,580	18,590	16,235	7,623	13,929	97,139	93,832
as % of net sales	5.5	4.8	2.9	2.7	6.5	4.8	13.7	23.1	4.8	4.5
Other products/ services	37,924	37,583	58,333	56,877	15,657	18,536	519	247	112,433	113,243
as % of net sales	4.4	4.4	7.1	6.7	5.5	5.5	0.9	0.4	5.6	5.4
Net sales	854,852	856,759	820,510	848,453	286,056	337,741	55,768	60,424	2,017,186	2,103,377
as % of Group	42.4	40.7	40.7	40.3	14.2	16.1	2.7	2.9	100.0	100.0

Net sales by country group	1HY 2024	in %	1HY 2023	in %
Switzerland	854,852	42.4	856,759	40.7
North and South America	664,366	32.9	679,358	32.3
Europe excl. Switzerland	394,808	19.6	456,477	21.7
Africa	69,954	3.5	80,908	3.9
Asia/Pacific	33,206	1.6	29,875	1.4
Total	2,017,186	100.0	2,103,377	100.0

Emmi does not publish segment results since this would cause significant competitive disadvantages towards customers as well as towards non-listed and larger listed competitors both in Switzerland and abroad.

The divisions are not defined strictly according to geographical considerations. The division Americas includes the Emmi Group companies in the USA, Brazil, Chile, Spain, Tunisia, Mexico and Canada. The division Europe comprises those in Germany, Italy, the Netherlands, France, the UK and Austria. The division Global Trade primarily comprises direct sales and exports of surpluses from Switzerland to customers in countries where Emmi has no subsidiaries. These include the Asian and Eastern European markets, most South American countries and the Arabian Peninsula.

Notes to the half-year results

Principles of consolidation

Accounting principles

These consolidated interim financial statements comprise the unaudited half-year results of Emmi AG and its subsidiaries for the period ending 30 June 2024. The interim consolidated financial statements for 2024 have been prepared in compliance with Swiss GAAP FER 31 “Complementary recommendation for listed companies” and the consolidation and accounting principles described in the 2023 consolidated financial statements, with the exception of the adjustments described below.

Income taxes are calculated based on an estimate of the expected income tax rate for the full year 2024. The consolidated half-year results should be read in conjunction with the consolidated financial statements compiled for the financial year ended 31 December 2023, as they represent an update of the last complete financial statements and therefore do not contain all information and disclosures required in the year-end consolidated financial statements. The consolidated half-year results are presented in Swiss francs (CHF). Except where stated otherwise, all amounts are presented in thousands of Swiss francs.

The consolidated interim financial statements were approved by the Board of Directors of Emmi AG on 13 August 2024.

First-time application of new Swiss GAAP FER 28 “Government Grants”

The new Swiss GAAP FER 28 “Government Grants” came into force on 1 January 2024. The standard primarily entails additional disclosures, but has no material impact on Emmi’s financial position or earnings.

First-time application of revised Swiss GAAP FER 30 “Consolidated Financial Statements”

The revised Swiss GAAP FER 30 “Consolidated Financial Statements” came into force on 1 January 2024. Since it is practically impossible to determine the cumulative foreign currency translation differences for each subsidiary, associate and intercompany loan comprising part of the net investment in a subsidiary, Emmi has used the option of a one-time exemption in this regard. All cumulative foreign currency translation differences were set to zero at the time of the first-time application of the revised standard by offsetting the foreign currency translation differences recognised as at 1 January 2024 against retained earnings.

In addition, the goodwill offset against equity at the time of acquisition is reported as a separate component (column) of retained earnings in the statement of changes in equity in accordance with the requirements of the revised Swiss GAAP FER 30, paragraph 37. This adjustment was made retrospectively. The revised consolidation and accounting principles are set out below.

Apart from these adjustments to the statement of changes in equity, the first-time application of the revised Swiss GAAP FER 30 has no material impact on Emmi’s financial position or earnings.

Adjustment of consolidation and accounting principles

Due to the first-time application of the new Swiss GAAP FER 28 “Government Grants” and the revised Swiss GAAP FER 30 “Consolidated Financial Statements” as of 1 January 2024, the consolidation and valuation principles have been adjusted and are described below.

Consolidation method

Capital is consolidated using the purchase method. Assets and liabilities as well as expenses and income of the fully consolidated companies are included in their entirety. Minority interests in consolidated shareholders' equity and in net profit are shown separately. All intercompany transactions and relations between the consolidated companies are offset against each other and eliminated. Profits on such intercompany transactions are eliminated.

Companies and businesses acquired during the course of the year are consolidated as from the date of acquisition. Net assets acquired are revalued on the acquisition date at fair value. Non-current assets acquired are recognised on a gross basis.

Goodwill from the acquisition of companies and businesses is equivalent to the difference between the purchase price and the interest in revalued net assets of the acquired company. This is offset against retained earnings at the date of acquisition. The impact of a theoretical capitalisation and amortisation of goodwill or a theoretical recognition and reversal of negative goodwill are disclosed in the Notes to the consolidated financial statements. In the event of a step acquisition, the positive or negative goodwill is determined separately for each individual acquisition step.

When acquiring minority interests, the difference between the purchase price and the proportionate carrying amount of the minority interests is recognised as goodwill or negative goodwill and offset against retained earnings.

When acquiring investments in associates or joint ventures, the net assets acquired are revalued at fair value at the date of acquisition. The difference between the purchase price and the revalued proportionate equity is recognised as goodwill or negative goodwill and offset against retained earnings.

Companies and businesses sold during the year are excluded from the consolidated financial statements from the date of sale. Where interests in fully consolidated companies or companies accounted for using the equity method are sold, goodwill acquired at an earlier date and offset against retained earnings is recognised in the income statement at original cost for the purpose of calculating the gain or loss resulting from the sale.

Translation of foreign currencies

Foreign currency transactions in Group companies

The foreign currency transactions and items contained in the individual financial statements of the consolidated companies are translated as follows: foreign currency transactions are translated into the functional currency at the exchange rate valid on the transaction date (current rate). At year-end, monetary assets and liabilities in foreign currency are measured using the exchange rate valid at the balance sheet date, with any profit or loss from such valuation taken to the income statement. Foreign exchange gains and losses resulting from the measurement of intercompany loans that are part of the net investment in a subsidiary are recognised in equity.

Exchange differences resulting from the revaluation of shares in associates are recognised in equity.

Translation of financial statements to be consolidated

Group financial statements are presented in Swiss francs. Assets and liabilities of Group companies with a functional currency other than the Swiss franc are translated at year-end rates (rates on balance sheet date); equity is translated at historical rates, while the income statement and cash flow statement are translated using average rates for the year. Any resulting exchange differences are recognised in shareholders' equity.

Accumulated exchange differences of foreign companies recognised in equity resulting from the translation of annual statements and loans between Group companies that are part of the net investment in a subsidiary are derecognised upon sale of the company or in the event of a loss of control or significant influence and repatriated in the income statement as part of the gain or loss resulting from the sale.

Principles of valuation

Government grants

Asset-related government grants are deducted from the carrying amount of the assets as soon as there is reasonable certainty that the conditions attached to them will be met and their value can be reliably estimated. Consequently, government grants are released to the income statement on a straight-line basis over the expected useful life of the related assets. Income-related grants are recognised in the same period as a reduction in the corresponding expenses for which they are granted.

Changes to the scope of consolidation or capital share

Trop Frutas do Brasil Ltda., Brazil

On 31 May 2024, Laticínios Porto Alegre Indústria e Comércio S.A. (LPA), an Emmi subsidiary based in Ponte Nova, Brazil, acquired 70% of the shares in Trop Frutas do Brasil Ltda. (Verde Campo), Brazil. Emmi, which holds 70% of the shares in LPA, consequently now holds a 49% stake in Verde Campo. Verde Campo is well established in Brazil, offering innovative and healthy dairy products such as yogurts and milk drinks with top-quality protein from natural whey. In 2023, Verde Campo generated net sales of BRL 301 million (approx. CHF 54 million) and employs around 550 people. The purchase price allocation recognised in the present half-year financial statements is currently provisional. The acquired company generated net sales of BRL 128 million (approx. CHF 23 million) in the 2024 financial year up to the acquisition date and has contributed BRL 25 million (approx. CHF 4 million) to Group sales since it became part of the Group on 31 May 2024.

Comalca 2000, S.A. de C.V. and Comalca Gourmet, S.A. de C.V., Mexico

On 11 June 2024, Mexideli 2000 Holding S.A. de C.V., in which Emmi holds a 51% stake, increased its holdings in Comalca 2000, S.A. de C.V. and Comalca Gourmet, S.A. de C.V. from 90% to 100%, respectively. This also increased Emmi's share of Alimentos Finos del Sureste, S.A. de C.V., which is wholly owned by Comalca Gourmet, S.A. de C.V.

Indulgent Moments SAS, France

Indulgent Moments SAS was founded on 27 June 2024.

Changes in financial year 2023

We refer to the consolidated financial statements for 2023 for changes to the scope of consolidation in financial year 2023.

Contingent liabilities

Emmi is involved in legal disputes in connection with ordinary operating activities. Although the outcome of the lawsuits currently cannot be predicted with certainty, Emmi believes that none of the disputes will have any significant negative impact on the operating activities or on the Group's financial situation. Suitable provisions for expected outgoing payments have therefore been made.

Subsequent events

Mademoiselle Desserts Group, France

On 5 July 2024, Emmi entered into a put option agreement for the contemplated acquisition of the leading French Mademoiselle Desserts Group, which specialises in innovative premium patisserie. This transaction would enable the Emmi Group to continue to expand its market presence in the premium desserts category, as part of its proven strategy and focused internationalisation. Mademoiselle Desserts generated annual sales of around EUR 420 million in 2023 with a workforce of approximately 2,000 employees.

Consultation with the relevant employee representatives at Mademoiselle Desserts was successfully concluded in July and the share purchase agreement was signed on 25 July 2024. Implementation of the transaction is conditional upon approval by the relevant competition authorities and regulatory authorities.

Hale GmbH and Leeb Biomilch GmbH, Austria

Emmi increased its stakes in both Hale GmbH and Leeb Biomilch GmbH from 92% to 100% on 31 July 2024.

From the balance sheet date until the consolidated financial statements were approved by the Board of Directors of Emmi AG on 13 August 2024, no other major events occurred which could adversely affect the validity of the interim financial statements for 2024.

Currency exchange rates in CHF

	1st half-year average rates		End rates	
	2024	2023	30.6.2024	31.12.2023
1 BRL	0.17	0.18	0.16	0.17
1 CAD	0.65	0.67	0.66	0.63
1 EUR	0.96	0.97	0.96	0.93
1 GBP	1.12	1.12	1.14	1.07
1 MXN	0.05	0.05	0.05	0.05
1 TND	0.29	0.29	0.29	0.27
1 USD	0.89	0.90	0.90	0.84
100 CLP	0.09	0.11	0.10	0.10

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The Emmi Half-year Report is available in German and English. The German version is binding.

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Emmi provides the information in this report as at the dates specified and does not undertake any obligation to update any forward-looking statements as a result of new information, future events or otherwise.



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