



GROUP

2 MARCH 2020

# Emmi results presentation

# Agenda

## 1. Welcome

Konrad Graber, Chairman of the Board of Directors

## 2. Overview of financial year 2019

Urs Riedener, CEO

## 3. Annual results 2019

Ricarda Demarmels, CFO

## 4. Success factors

Urs Riedener, CEO

## 5. Outlook

Urs Riedener, CEO

WELCOME

# Konrad Graber, Chairman of the Board of Directors





**“ Hands reflect  
our life ”**

# Systematic implementation of the strategy

## Strategic progress

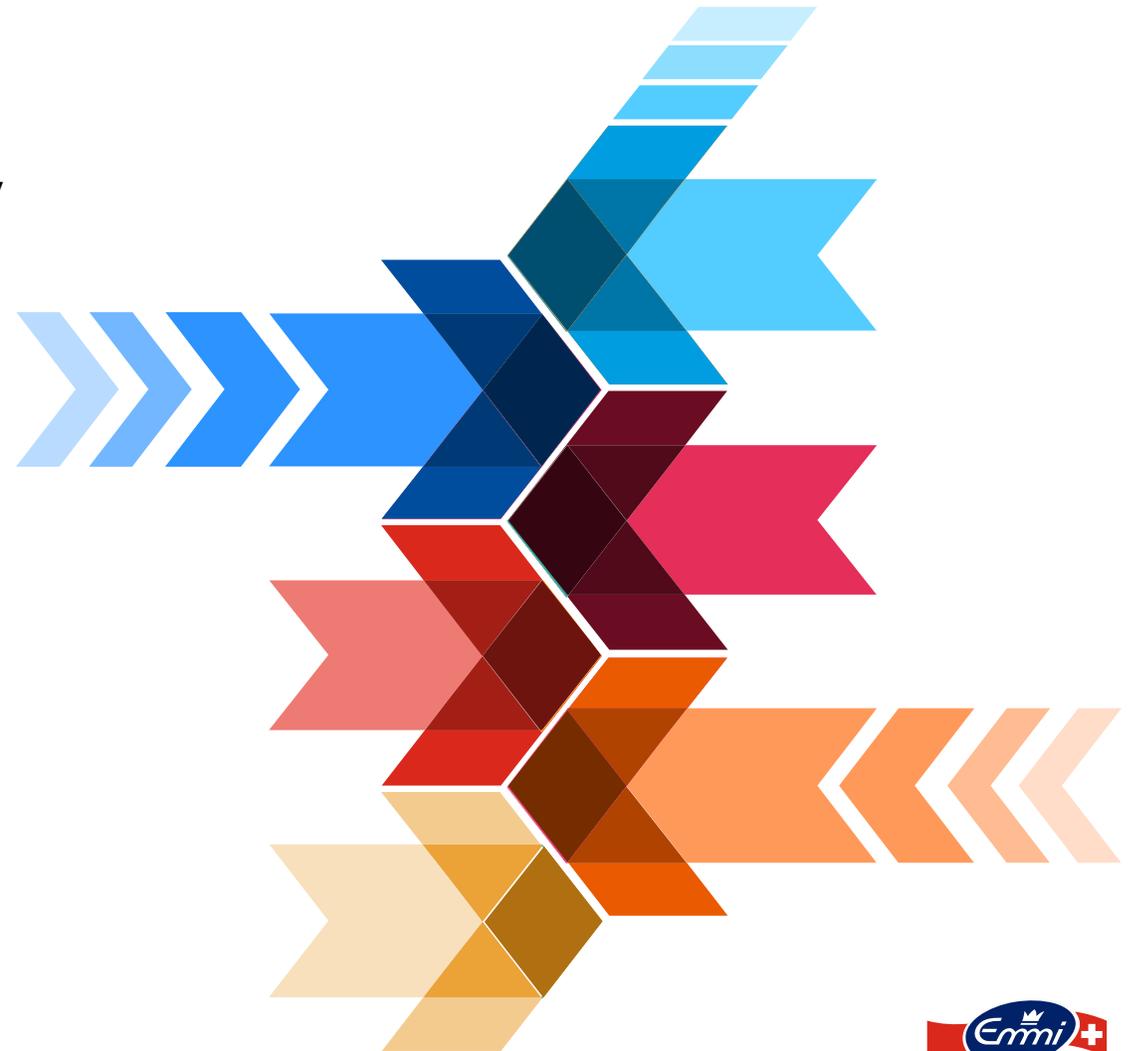
- Strengthening of growth markets, brand business, speciality cheeses and strategic niches
- Targeted acquisitions support the strategy

## Solid result in line with expectations

- Pleasing organic sales growth
- Solid result in line with own expectations
- Resilient product and company portfolio

## Adjustment of dividend policy

- The dividend will be increased thanks to Emmi's successful development and solid capital base.



OVERVIEW OF FINANCIAL YEAR 2019

# Urs Riedener, CEO

# The year in review 1/2



Acquisition of Seymour (USA)



Sale of Emmi Frisch-Service AG



Launch of Emmi Moments



Launch of Emmi Caffè Latte Colombia Edition, Emmi Caffè Latte Cold Brew



Launch of the brand Toni's (Swiss alternative to imported cream cheese)



Increased stake in Laticínios Porto Alegre (40 % to 70 %)

JAN

FEB

MAR

APR

MAY

JUN

# The year in review 2/2



Acquisition of Pasticceria Quadrifoglio



Main sponsor of three-time world champion and Olympic champion Wendy Holdener



Merger of Surlat and Quillayes (Chile)



Launch of further protein products (Switzerland, Austria)



World Cheese Awards: 26 awards for Emmi cheese specialities



Record milk volume at Landquart cheese dairy (raclette, large-holed cheese)



# Strategic pillars...



**Strong domestic  
market**

**1**



**International  
growth**

**2**



**Cost  
management**

**3**

# ...and strategic niches

**Goat's milk**



**Organic**



**Desserts**



# Organic sales growth of 2.2 %

CHF mio. **3,494**

Net sales  
Growth: +1.1 %  
Organic: +2.2 %

CHF mio. **217.8**

EBIT  
Increase: 0.5 %  
EBIT margin: 6.2 % (2018: 6.3 %)

CHF **12.00**

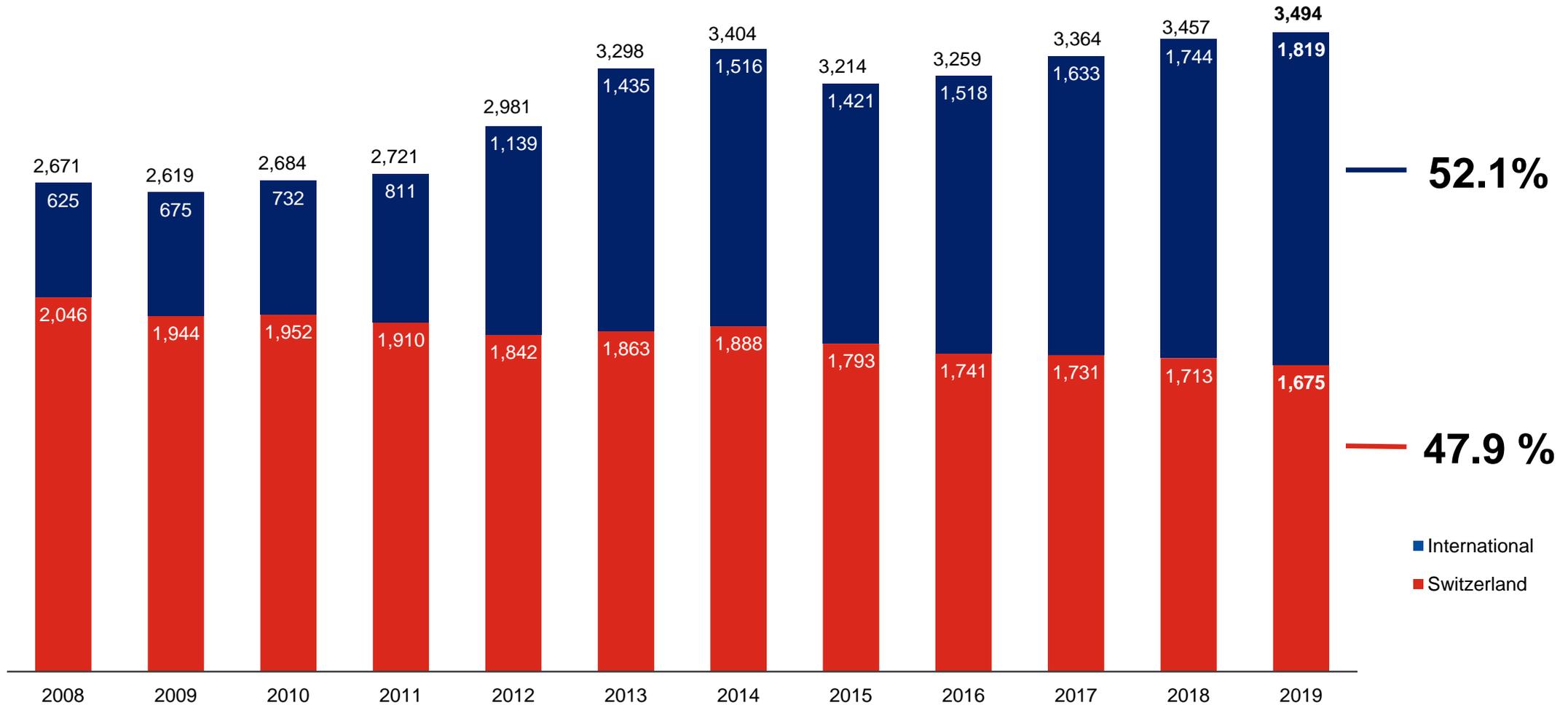
Dividend

CHF mio. **166.2**

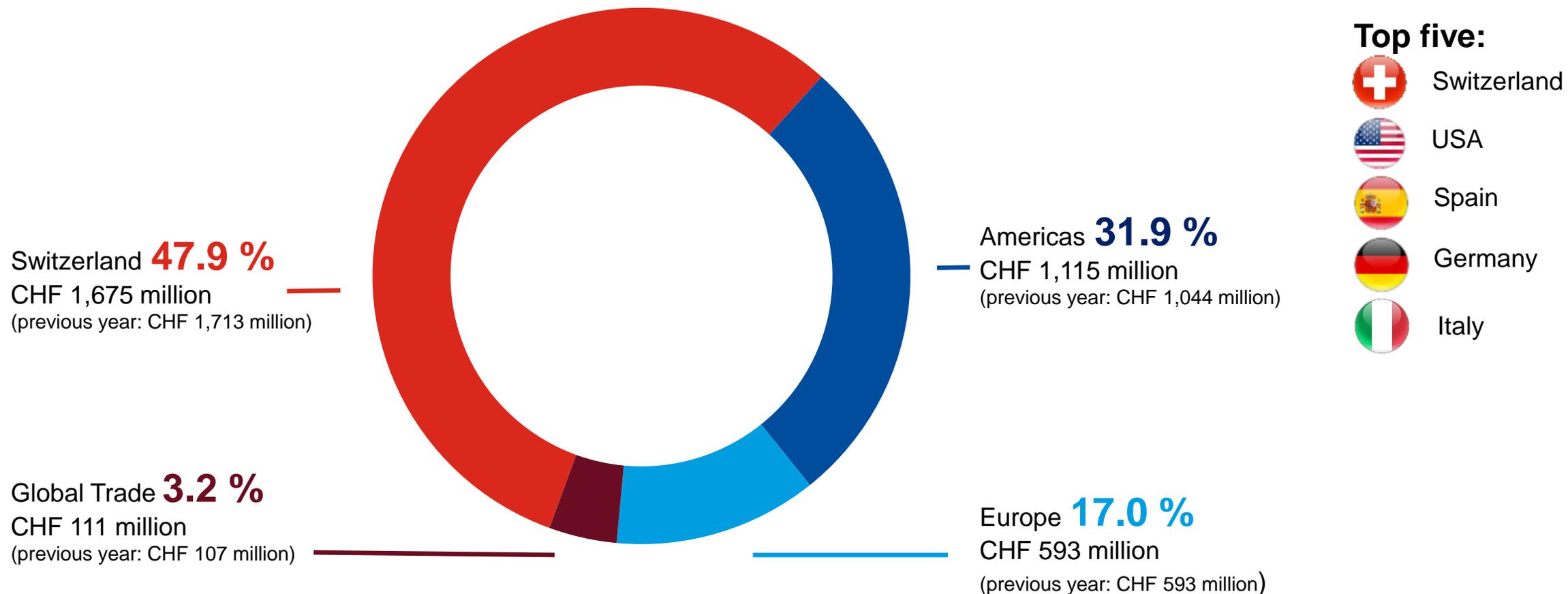
Net profit  
Decrease: 5.3 %  
Net profit margin: 4.8 %  
(2018 adjusted: 5.1 %)



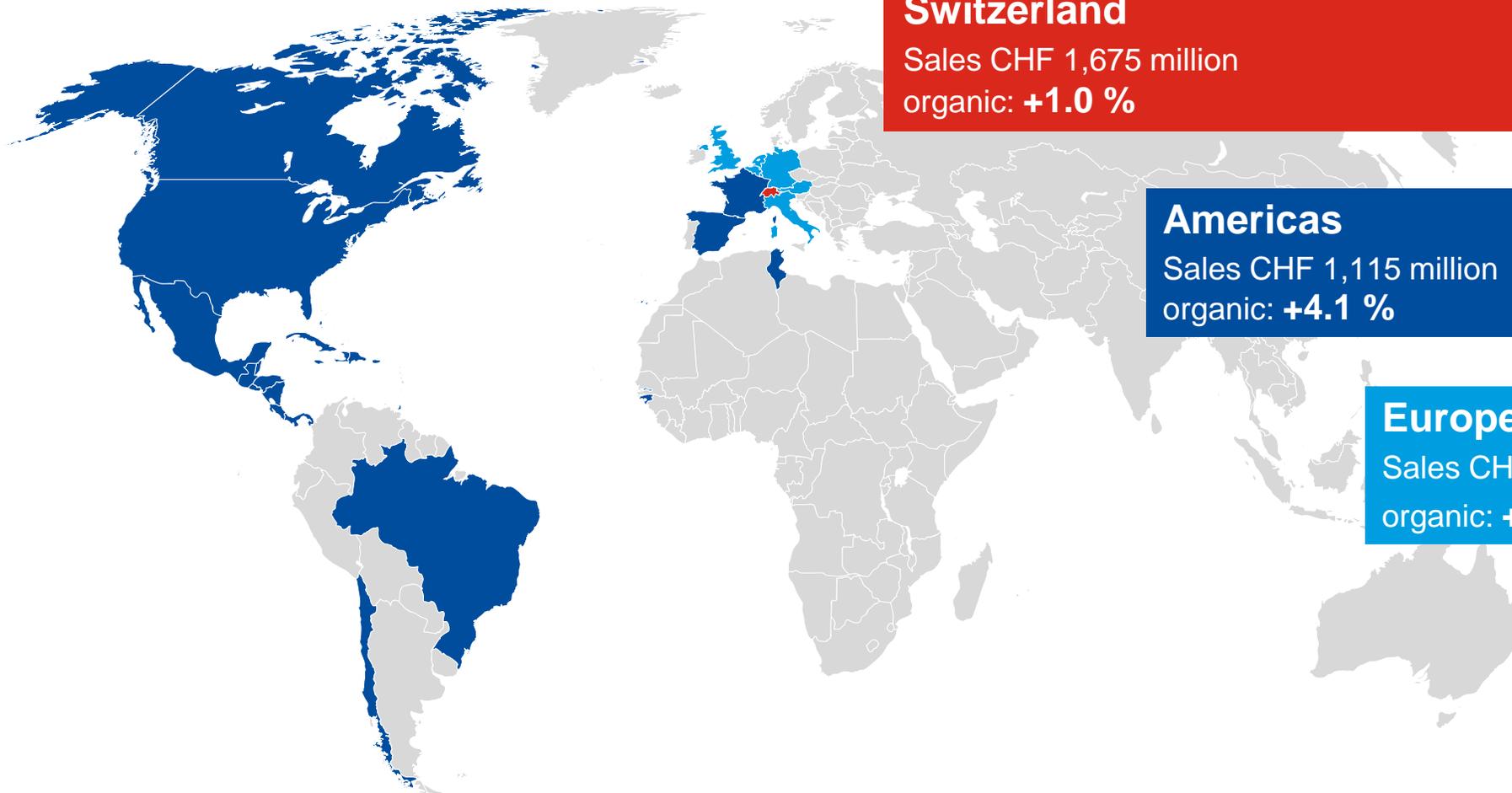
# Successful internationalisation



# Sales by business division



# Sales split by business division



## Switzerland

Sales CHF 1,675 million  
organic: **+1.0 %**

## Americas

Sales CHF 1,115 million  
organic: **+4.1 %**

## Europe

Sales CHF 593 million  
organic: **+1.6 %**

## Global Trade

Sales CHF 111 million  
organic: **+5.8 %**

# Sales by product group

Cheese **31.3 %**

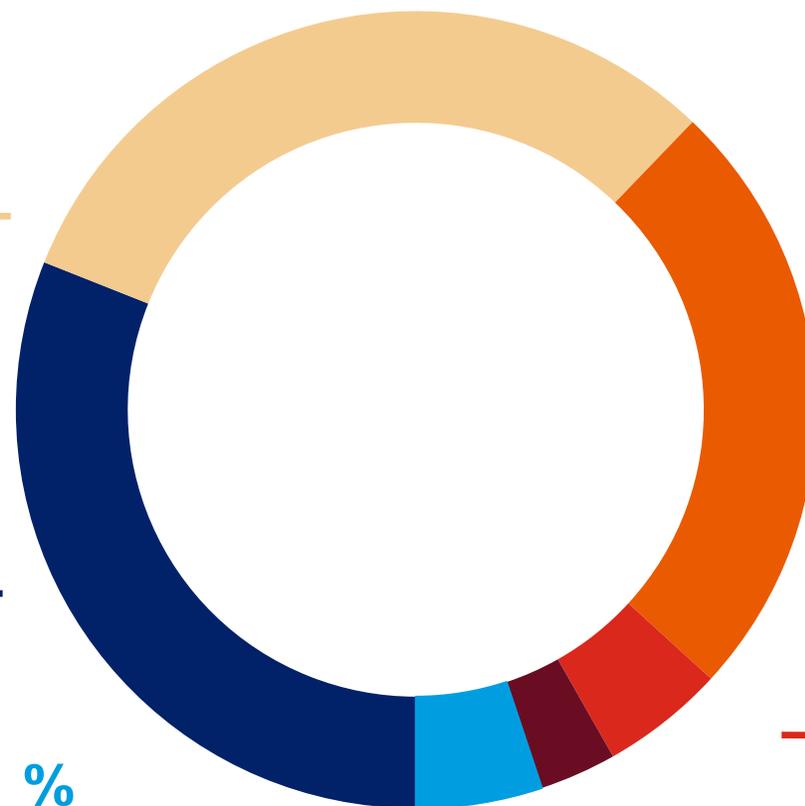
CHF 1,093 million  
(previous year: CHF 1,074 million)

Dairy products **30.5 %**

CHF 1,066 million  
(previous year: CHF 1,072 million)

Other products/services **5.1 %**

CHF 177 million  
(previous year: CHF 179 million)



Fresh products **24.3 %**

CHF 849 million  
(previous year: CHF 851 million)

Fresh cheese **5.2 %**

CHF 182 million  
(previous year: CHF 172 million)

Powder/concentrates **3.6 %**

CHF 127 million  
(previous year: CHF 109 million)

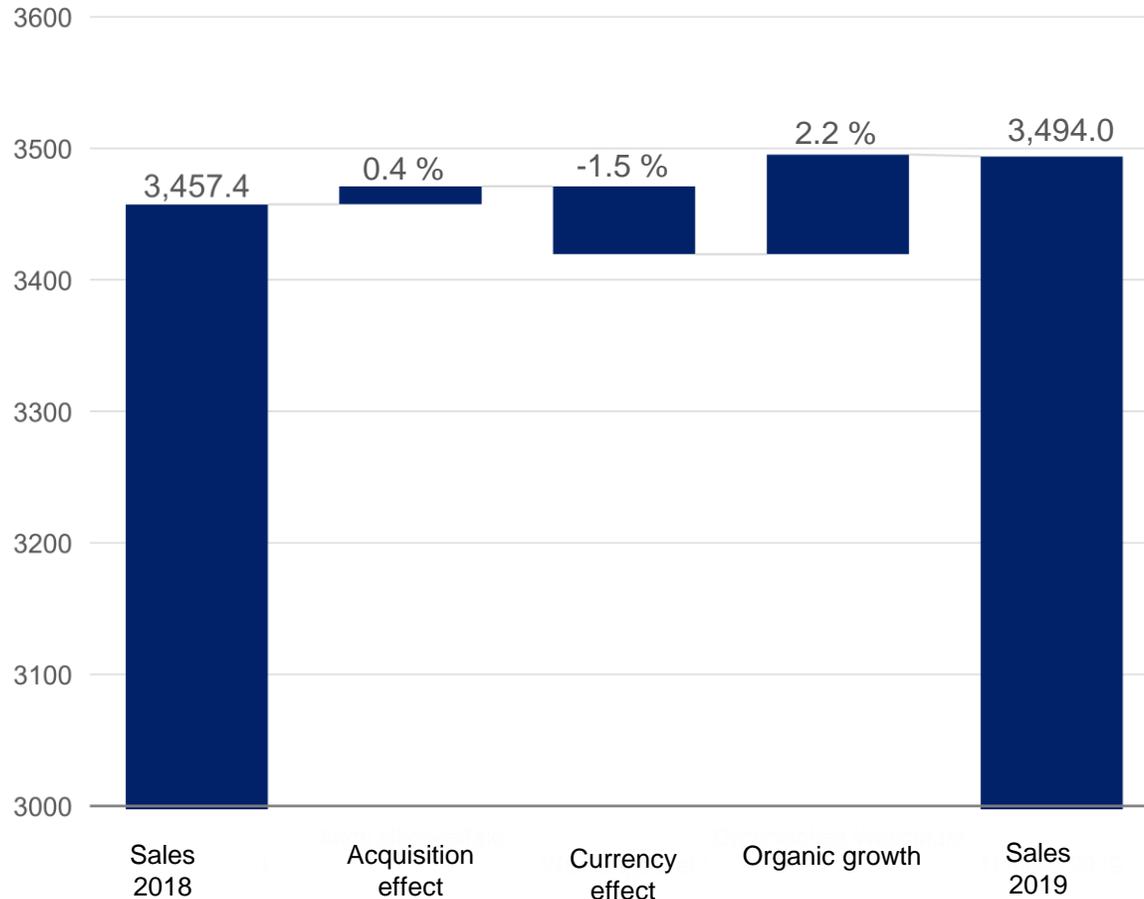
# More than 2 % organic growth for over two years

in CHF million	2019	2018	2017	2016	2015	2014*
Net sales	3,494	3,457	3,364	3,259	3,214	3,404
organic growth	2.2 %	2.3 %	0.5 %	-1.0 %	-3.0 %	3.0 %
Earnings before interest and taxes (EBIT)	217.8	216.7	205.8	202.7	188.9	170.7
as % of net sales	6.2	6.3	6.1	6.2	5.9	5.0
Headcount (full-time equivalents) as at year-end	7,826	6,151	6,147	5,779	5,405	5,305

\*adjusted for non-recurring effects in the respective financial year

# Pleasing organic growth

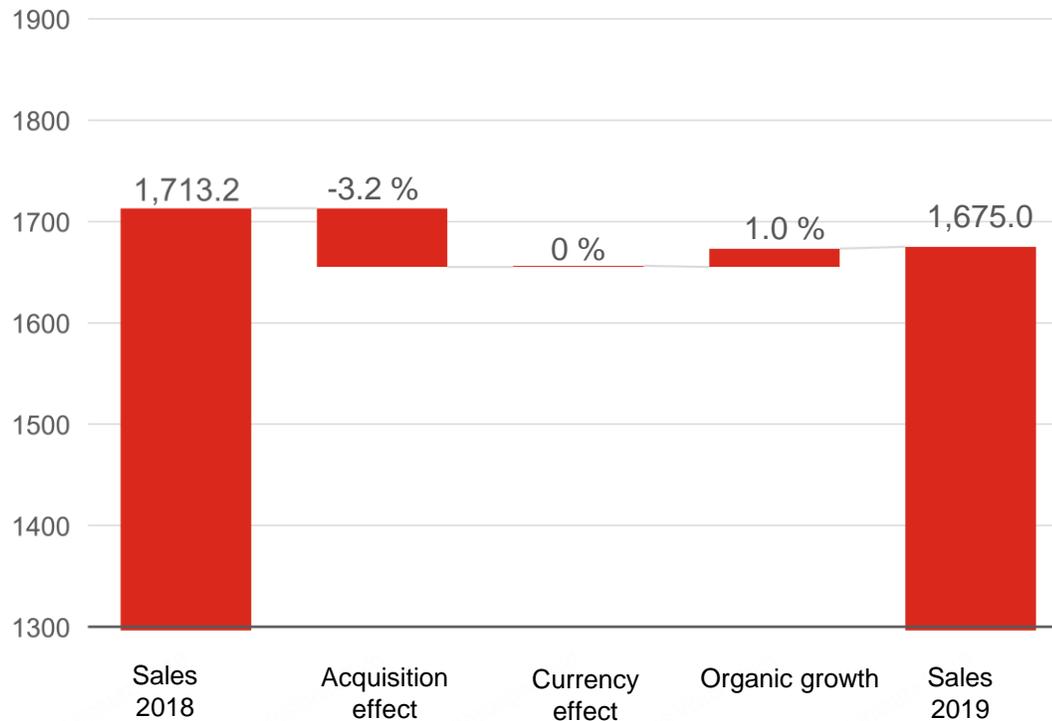
Group sales in CHF million



- Strategic niche markets such as Italian speciality desserts and goat's milk products as growth drivers
- Pleasing growth of Emmi Caffè Latte in various European markets
- Growth markets of Latin America and North Africa making a significant contribution to organic growth

# Domestic market with good organic growth

Sales business division Switzerland in CHF million



## Dairy products

**Sales CHF 686.6 million, +1.5 % (org. +2.7 %)**

- Higher milk prices effective 1 October 2019
- Higher sales volumes of milk and cream despite ongoing significant price pressure

## Fresh products

**Sales CHF 336.0 million, -1.7 % (org. -0.1 %)**

- Growth drivers: Emmi Caffè Latte and Emmi Energy Milk
- Unsatisfactory or strong previous year: yogurt and ice cream

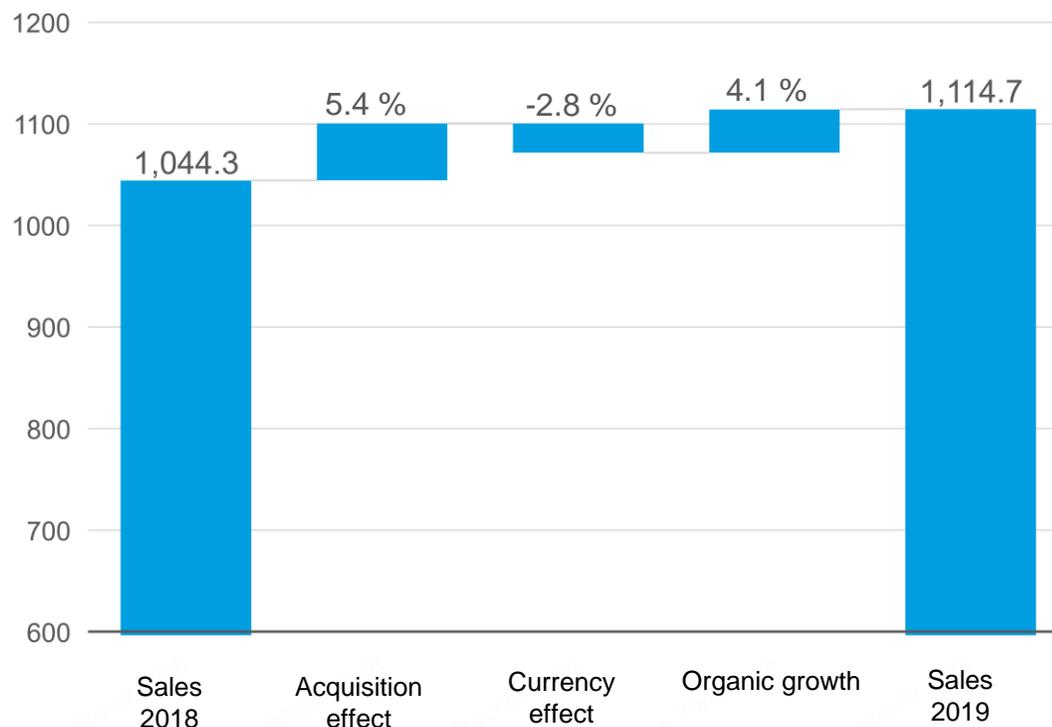
## Cheese

**Sales CHF 427.1 million, -5.2 % (org. -0.1 %)**

- Positive development: brand concepts such as Luzerner Rahmkäse, Der Scharfe Maxx or Le Petit Chevrier
- Negative development: various AOP cheeses

# Challenges in emerging markets

Sales business division Americas in CHF million



## Cheese

**Sales CHF 493.7 million, +11.0 % (org. +5.1 %)**

- Growth at Emmi Roth in the USA and Chile with locally produced cow's milk cheese
- Positive development of the goat's cheese business in the USA

## Dairy products

**Sales CHF 283.3 million, 0.0 % (org. +1.4 %)**

- Inhibiting: social unrest in Chile, milk shortage in Tunisia
- Lactose-free products under strong competitive pressure in Spain

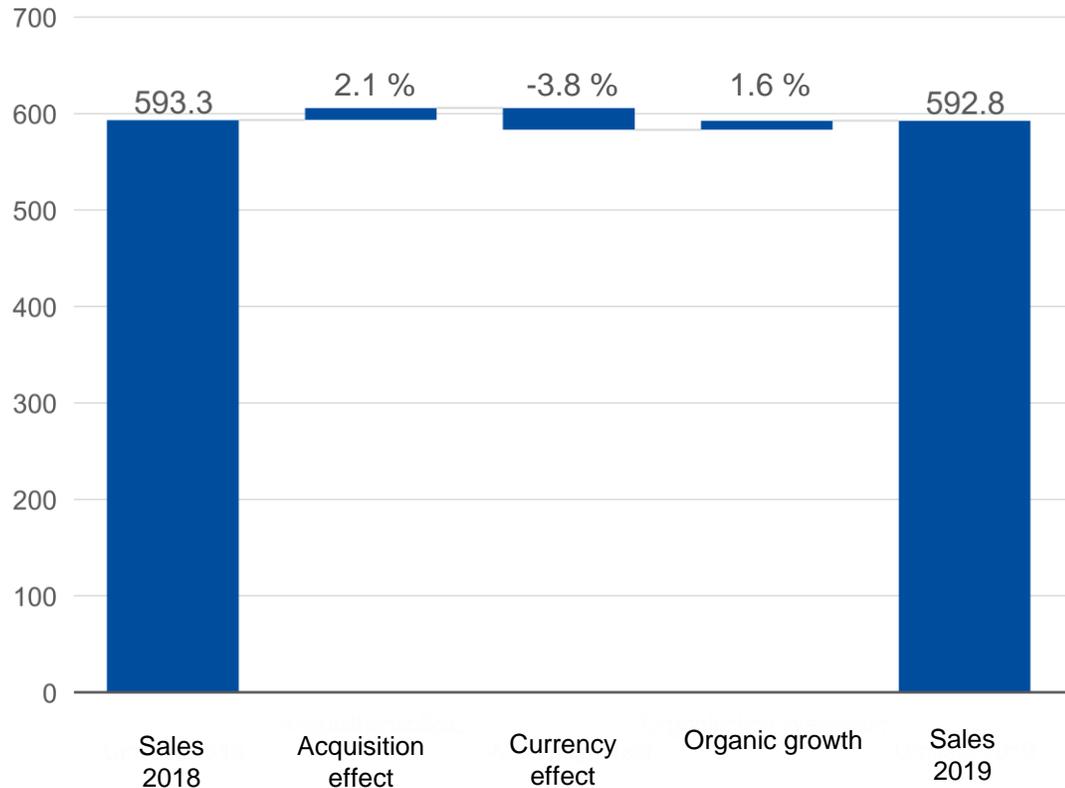
## Fresh products

**Sales CHF 202.9 million, -1.6 % (org. +3.0 %)**

- Growth with Italian speciality desserts in France and locally produced desserts in Tunisia
- Emmi Caffè Latte with strong growth in Spain

# Strategic niches and strong brands as driving forces

Sales business division Europe in CHF million



## Fresh products

**Sales CHF 271.5 million, +2.6 % (org. +3.5 %)**

- Pleasing growth for Emmi Caffè Latte in all European markets (strongest in the UK)
- Positive development of Italian speciality desserts

## Cheese

**Sales CHF 121.0 million, -5.3 % (org. -2.7 %)**

- Positive development of speciality cheeses (e.g. Kaltbach in Germany)
- Declining cheese exports to Italy (especially Emmentaler AOP)

## Dairy products

**Sales CHF 92.9 million, -14.8 % (org. -12.3 %)**

- Sharp decline in sales at Gläserne Molkerei



OVERVIEW OF FINANCIAL YEAR 2019

# Acquisitions

# We are working on our portfolio



100 % acquisition

**Factory in Seymour (USA)**

Closing 28.02.2019

70 % majority stake

**Laticínios Porto Alegre (BRA)**

Closing 24.10.2019

66 % majority interest

**Leeb and Hale (AUT)**

Closing 08.10.2019

100 % acquisition

**Pasticceria Quadrifoglio (ITA)**

Closing 31.10.2019

37.8 % merger

**Surlat and Quillayes (CHL)**

Closing 15.01.2020

JAN

JUN

MAY

JUL

AUG

- + Increase in blue cheese production know-how
- + Extension of the value chain
- + Access to new customers (retail and food service)

- + Strengthening of presence in large growth market
- + Geographic expansion
- + Expansion of product range

- + Strengthening of the product portfolio with organic goat's and sheep's milk
- + Access to new customers (especially Eastern Europe)
- + Increase in know-how and range of vegan dairy alternatives (Hale)

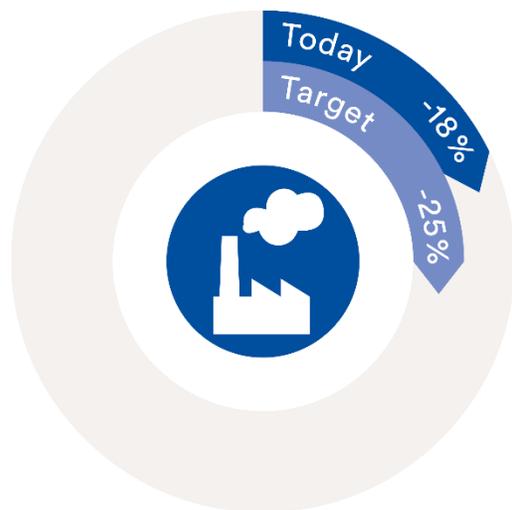
- + Expansion of the speciality desserts product portfolio
- + Efforts to exploit synergies in international sales
- + Access to new customers in food service thanks to broad artisanal manufacturing expertise

- + Strengthening of growth markets
- + Strengthening of brands

OVERVIEW OF FINANCIAL YEAR 2019

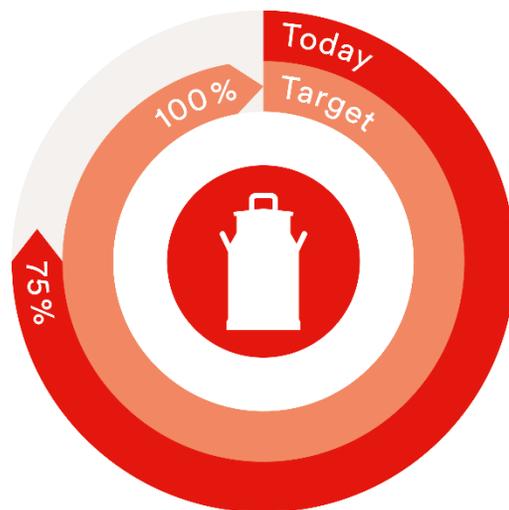
# Sustainability

# Status of sustainability efforts



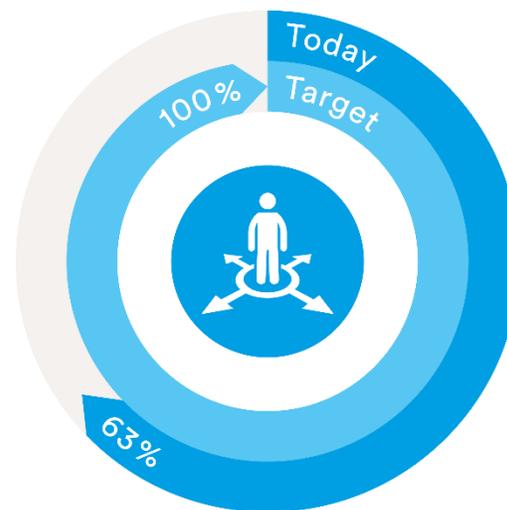
## Reducing greenhouse gases

“We are committed to reducing our global CO<sub>2</sub>-emissions by 25 % by 2020.”



## Sustainable milk

“By 2020 all suppliers of Swiss cow's milk will meet a catalogue of sustainability criteria.”



## Employee development

“By 2020, all employees will be integrated in our development planning.”



## Waste reduction

“By 2020, we will reduce food and packaging waste by 20 percent worldwide.”

# Sustainability targets 2021 - 2027

## Sustainable milk

Further development of the Swiss industry standard

100 % of Emmi's milk suppliers worldwide produce to a standard with above-average local requirements

## Reducing waste

Reduce own rubbish and food waste by 50 %

No general waste in landfill sites

100 % recyclable packaging



## Reducing water consumption

Reducing our own water consumption in risk areas by 50 % (other sites -15 %)

Reducing water consumption in the value chain

## Reducing greenhouse gases

60 % reduction in scope 1 & 2

25 % reduction in scope 3

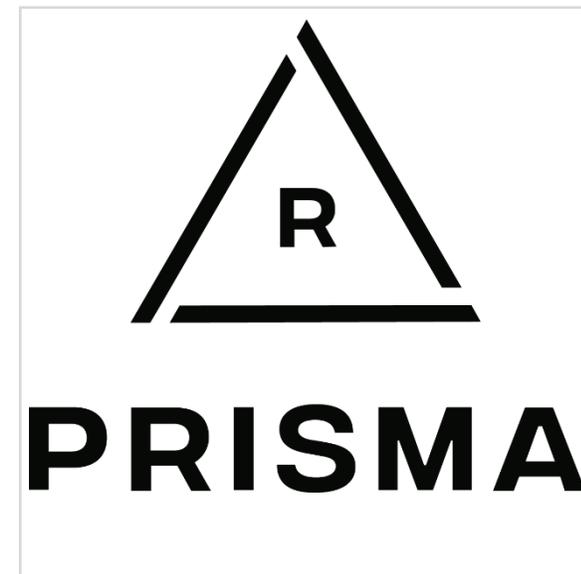
Vision "Net zero 2050"

## Developing employees

100 % of employees making an active contribution to their own continuous development

50 % of all vacancies filled by internal candidates

# Packaging



## Avoid

Omit resealable lid

## Reduce

Biedermann Organic Lassi thin foil instead of massive lid

## Right plastics

Switch Emmi Caffè Latte sleeve from PS to PET

## Circular economy

Use of recyclable packaging & recycled materials

Innovation platform PRISMA

OVERVIEW OF FINANCIAL YEAR 2019

# Translating current trends into concepts



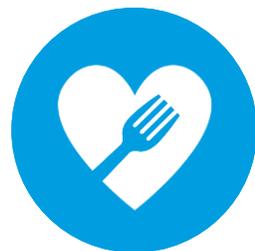
# Consistent innovation in line with seven megatrends



THE NEW  
COFFEE  
EXPERIENCE



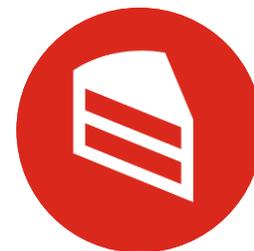
CASUAL  
FOOD



NEW  
FUNCTIONAL



FOOD AS IT  
SHOULD BE



INDULGENT  
ME TIME



PLANT  
BASED



PERSONALISED  
FOOD  
SOLUTIONS



# Three of seven megatrends



THE NEW  
COFFEE  
EXPERIENCE



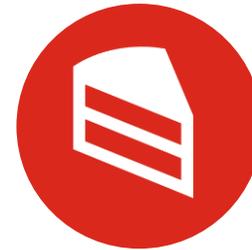
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FOOD  
SOLUTIONS



# The new coffee experience



## No. 1 in Europe

- Further expansion into new markets



## Expansion of product portfolio

- Emmi Caffè Drink Almond Macchiato 230 mL
- Emmi Caffè Latte High Protein Mr. Big 370 mL



## Product optimisations

- Reduced packaging weight
- Optimisation of materials

# Dessert Italia



## Innovations

- Relaunch of the Bontà Divina brand
- "Barista" coffee dessert



## Growth

- Strengthening strategic markets
- Entry into food service (acquisition of Quadrifoglio)



## Supply chain

- Increasing efficiency of logistics
- Strengthening sustainability aspects (optimising packaging, CO<sub>2</sub>)

# Developing the market for vegan dairy alternatives



## Almond based

- Begetal from Kaiku
- beleaf from Emmi



## Coconut based

- My love my life from Hale



## Oat based

- beleaf drink



ANNUAL RESULTS 2019

# Ricarda Demarmels, CFO

# Solid result

in CHF million	2019	2018	Δ in %
Net sales	<b>3,494.0</b>	3,457.4	1.1
Gross profit	<b>1,266.6</b>	1,252.9	1.1
as % of net sales	<b>36.3</b>	36.2	
Total operating expenses	<b>-920.6</b>	-905.4	1.7
as % of net sales	<b>26.4</b>	26.2	
EBITDA	<b>352.9</b>	352.8	0.2
as % of net sales	<b>10.1</b>	10.2	
Depreciation and amortisation	<b>-135.4</b>	-136.4	-0.8
<b>EBIT</b>	<b>217.8</b>	<b>216.7</b>	<b>0.5</b>
as % of net sales	<b>6.2</b>	<b>6.3</b>	

- Solid gross margin of +0.1 percentage points despite high price pressure and negative currency effect thanks to consistent work on the portfolio:
  - Strong brand concepts
  - Attractive niches
  - Consistent rationalisation and productivity measures
- Solid EBIT in line with expectations; EBITDA and EBIT margin of -0.1 percentage points primarily due to higher expenses for logistics, energy and operating materials

# Higher logistics costs and expenditure for energy and operating materials

in CHF million	2019	2018	Δ in %
Personnel expenses	462.4	458.5	0.8
as % of net sales	13.3	13.3	
Marketing and sales-related expenses	129.9	127.9	1.5
as % of net sales	3.7	3.7	
Occupancy expense, maintenance & repair, leasing	68.2	69.5	-1.9
as % of net sales	2.0	2.0	
Energy, operating material and supplies	71.9	66.2	8.6
as % of net sales	2.1	1.9	
Logistics expenses	112.8	108.0	4.5
as % of net sales	3.2	3.1	
Other operating expenses	75.4	75.3	0.2
as % of net sales	2.2	2.2	
<b>Total operating expenses</b>	<b>920.6</b>	<b>905.4</b>	<b>1.7</b>
as % of net sales	26.4	26.2	

- Energy, operating material and supplies (+8.6 %) and logistics expenses (+4.5 %) are mainly responsible for the disproportionately high increase in operating expenses in relation to sales.
  - Acquisitions as well as higher procurement volumes and energy prices
  - Rising production volumes and transport costs in individual countries

# Lower (adjusted) net profit margin

in CHF million	2019	2018 reported	2018 adjusted*	Δ
EBIT	217.8	216.7	216.7	1.1
Gains from associated companies	-1.1	78.3	-1.1	-
Financial result	-6.8	-6.5	-6.5	-0.3
Earnings before taxes (EBT)	210.0	288.6	209.1	0.9
Income taxes	-34.8	-50.2	-28.6	-6.2
Average tax rate in %	16.6	17.4	13.7	
Minority interests	-9.0	-5.0	-5.0	-4.0
<b>Net profit</b>	<b>166.2</b>	<b>233.3</b>	<b>175.5</b>	<b>-9.3</b>
as % of net sales	4.8	6.7	5.1	

- Net profit decreased by CHF 9.3 million or -0.3 percentage points compared to the adjusted previous year
- Slightly higher net financial expenses (foreign currency result)
- Tax rate of 16.6 % above the adjusted previous year (13.7 %)
- Higher share of minority interests

\*Adjusted for the one-off effect from the sale of the minority interest in "siggi's".

# Strong cash conversion

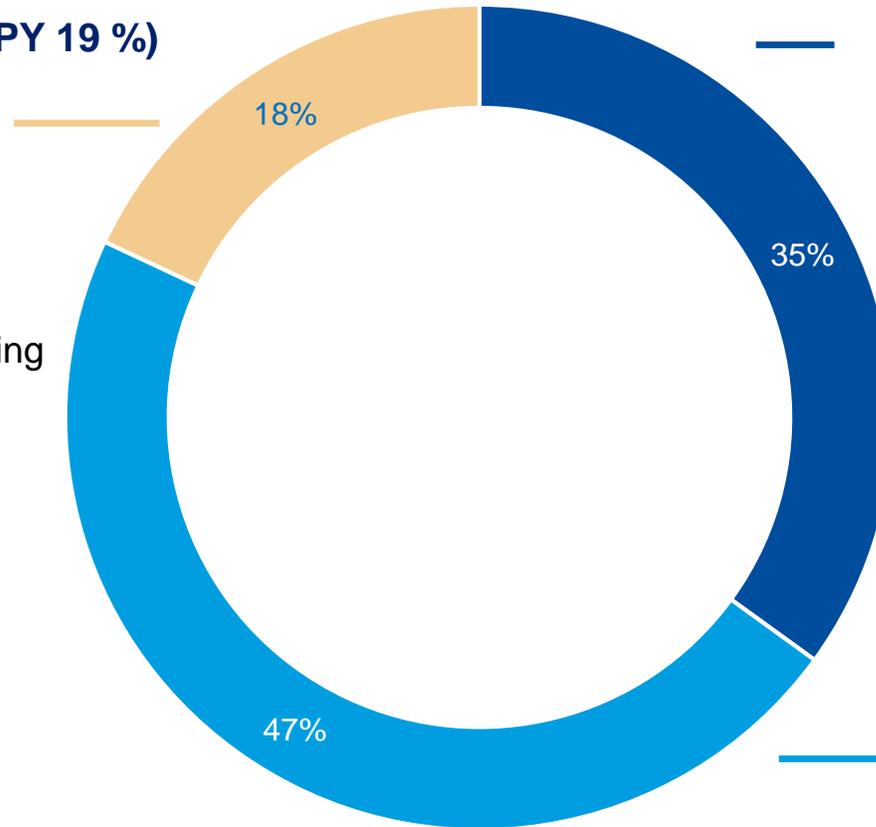
in CHF million

	2019	2018	Δ
<b>Cash flow from operating activities</b>	<b>303.3</b>	<b>291.9</b>	11.4
Investments in property, plant and equipment	-104.0	-80.3	-23.7
Investments in intangible assets	-3.3	-4.5	1.2
Other investing activities	13.8	16.5	-2.7
<b>Free cash flow</b>	<b>209.8</b>	<b>223.6</b>	-13.8
Cash flow from acquisition activities	-132.8	62.6	-195.4
Cash flow from financing activities and impact of currency translation	-150.3	-47.4	-102.9
<b>Net change in cash and cash equivalents</b>	<b>-73.3</b>	<b>238.8</b>	<b>-312.1</b>

# Investments 2019

## Rationalisation investments (PY 19 %)

- 12" cheese format (Emmi Roth, USA)
- Aktifit line (Emmen, CH)
- Palletisation centre (Langnau, CH)
- Optimisation of freight forwarding (Emmen, CH)



## Expansion investments (PY 36 %)

- New warehouse (Mexideli, Mexico)
- Modernisation of the production of Emmi Caffè Latte (Ostermundigen, CH)
- New warehouse (Surlat, Chile)
- Yogurt production expansion (Redwood Hill, USA)

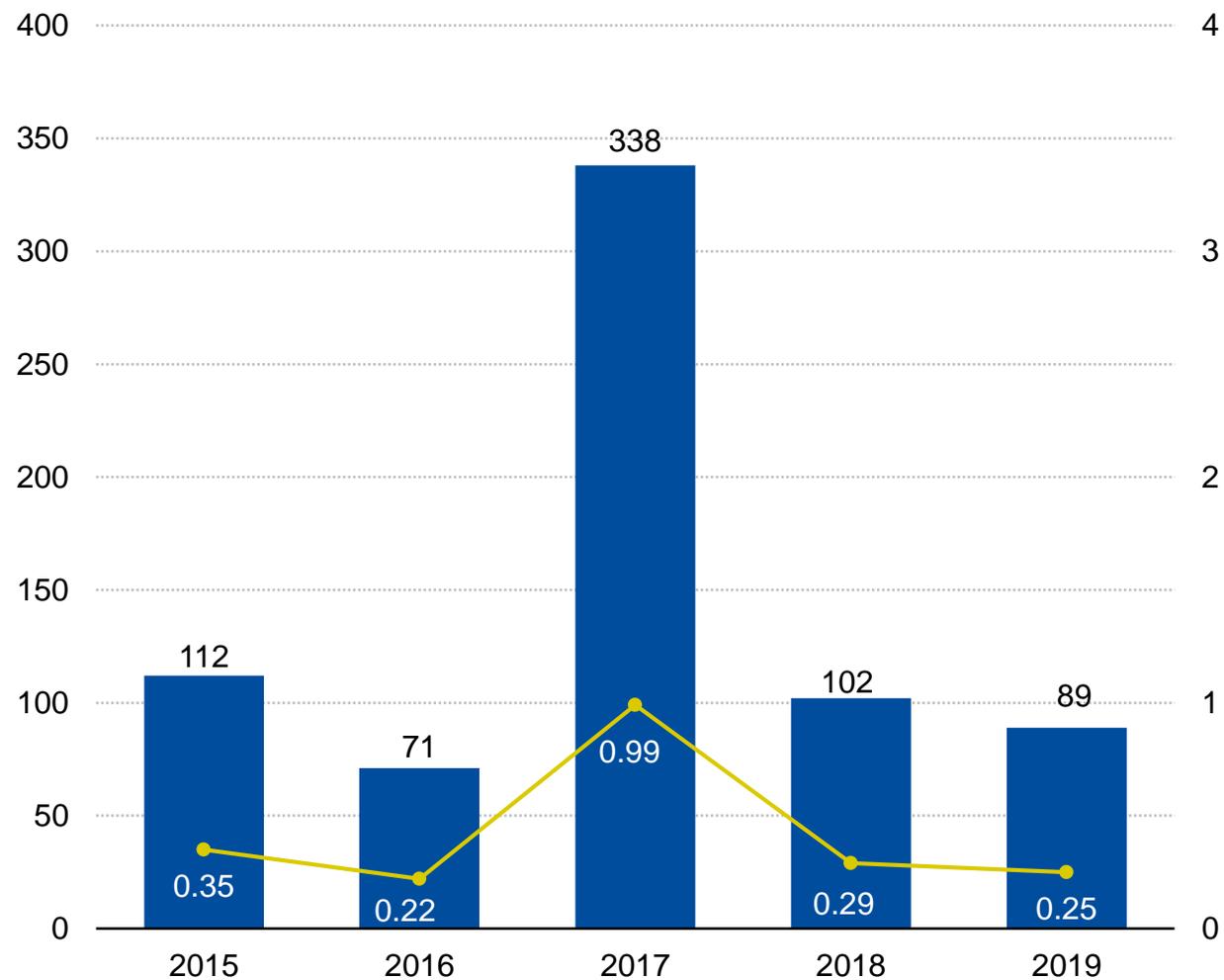
## Replacement investments (PY 45 %)

- Modernisation of refrigeration system (Kirchberg, CH)
- Renovation/expansion of tank facility (Dagmersellen, CH)
- Replacement of UHT processing plant (Suhr, CH)
- Quark filling line (Emmen, CH)

**Total investments 2019: CHF 106.0 million**

# Strong balance sheet

in CHF million



- Further reduction of debt to 0.25x net debt/EBITDA
- Financing potential for further growth

Net Debt Net debt/EBITDA ratio

# New goodwill policy from FY 2020

- Swiss GAAP FER offers two alternatives for goodwill accounting:
  - capitalisation and amortisation over the useful life
  - direct offsetting against equity at the time of acquisition
- Emmi previously capitalised goodwill and amortised it over its useful life via the income statement
- However, the vast majority of listed companies that apply Swiss GAAP FER offset goodwill against equity at the time of acquisition. This trend has clearly intensified in recent years. Offsetting against equity has thus become the “usual standard” in practice.
- In order to facilitate comparability with other companies, Emmi has decided to change its goodwill accounting policy to “offsetting against equity” with retroactive effect from 1 January 2020 and thus for the 2020 financial year.
- This will require a restatement of the previous year's figures in financial year 2020.

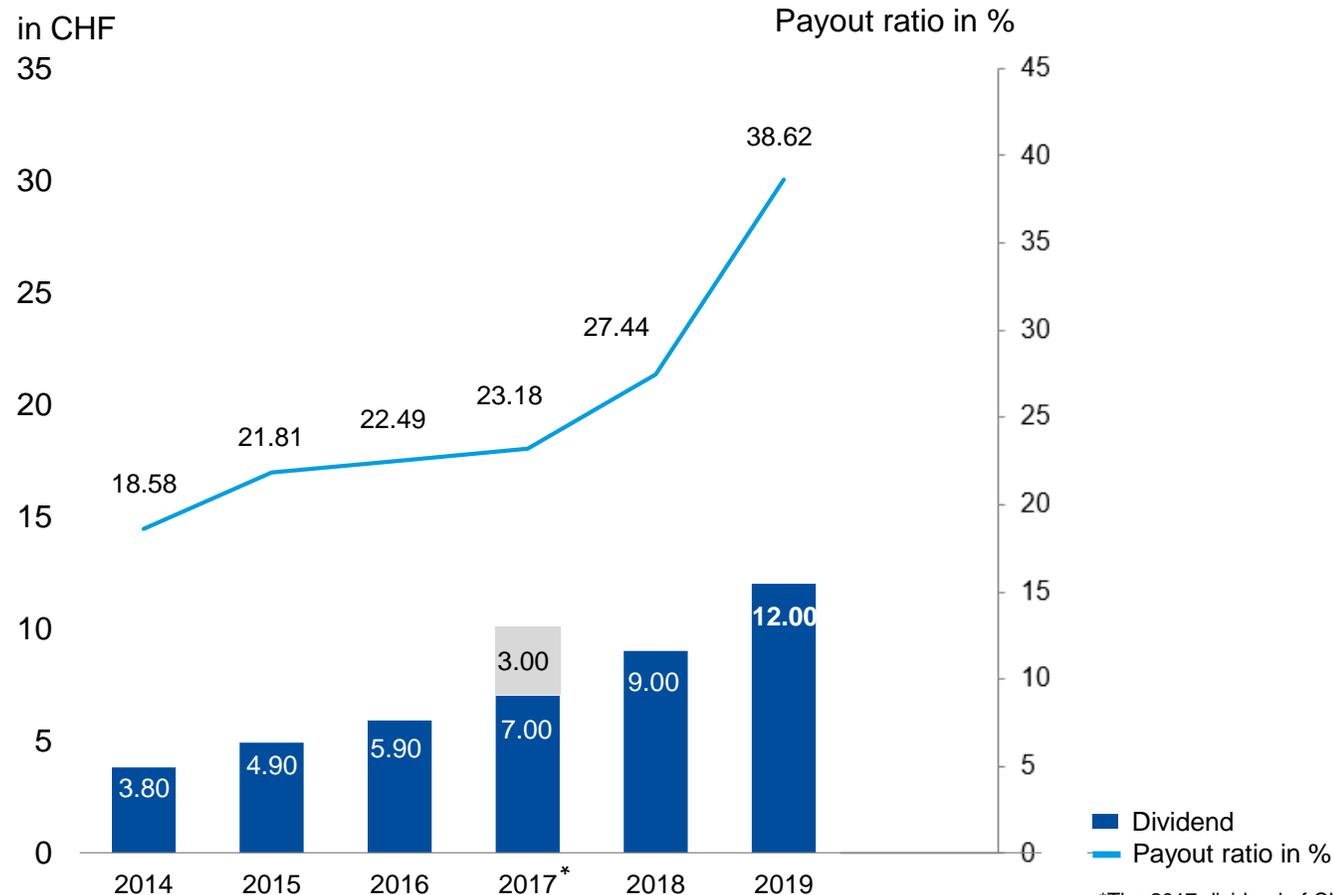
# Income statement - goodwill restatement (unaudited)

In CHF million	Financial year 2019 published	Financial year 2019 restated	Δ	First half 2019 published	First half 2019 restated	Δ
<b>Net sales</b>	<b>3,494.0</b>	<b>3,494.0</b>	-	<b>1,663.3</b>	<b>1,663.3</b>	-
<b>EBITDA</b>	<b>352.9</b>	<b>352.9</b>	-	<b>159.6</b>	<b>159.6</b>	-
EBITDA margin	10.1 %	10.1 %		9.6 %	9.6 %	
Depreciation on property, plant and equipment	-96.6	-96.6	-	-47.1	-47.1	-
<b>Amortisation on intangible assets</b>	<b>-38.8</b>	<b>-13.4</b>	<b>25.4</b>	-19.1	-7.3	<b>11.8</b>
Write-back of negative goodwill	0.3	0.3	-	0.1	0.1	-
<b>EBIT</b>	<b>217.9</b>	<b>243.3</b>	<b>25.4</b>	<b>93.5</b>	<b>105.3</b>	<b>0.0</b>
EBIT margin	6.2 %	7.0 %	0.8 pp	5.6 %	6.3 %	0.7 pp
<b>Income from associates and joint ventures</b>	<b>-1.1</b>	<b>2.3</b>	<b>3.4</b>	-	2.2	<b>2.2</b>
Financial result	-6.7	-6.7	-	-3.1	-3.1	-
<b>EBT</b>	<b>210.2</b>	<b>239.0</b>	<b>28.8</b>	<b>90.5</b>	<b>104.5</b>	<b>14.0</b>
<b>Income taxes</b>	<b>-34.8</b>	<b>-35.5</b>	<b>-0.7</b>	-14.5	-14.8	<b>-0.3</b>
Tax rate	16.6 %	14.9 %	-1.7 pp	16.0 %	14.2 %	-1.8 pp
<b>Profit including minority interests</b>	<b>175.4</b>	<b>203.5</b>	<b>28.1</b>	<b>76.0</b>	<b>89.7</b>	<b>13.7</b>
Minority interests	-9.0	-9.0	-	-3.1	-3.1	-
<b>Net profit</b>	<b>166.4</b>	<b>194.5</b>	<b>28.1</b>	<b>72.9</b>	<b>86.6</b>	<b>13.7</b>
Net profit margin	4.8 %	5.6 %	0.8 pp	4.4 %	5.2 %	0.8 pp
Earnings per share	31.10	36.35	5.25	13.63	16.19	2.56

# Balance sheet - goodwill restatement (unaudited)

in CHF million	Financial year 2019 published	Financial year 2019 restated	Δ	First half 2019 published	First half 2019 restated	Δ
<b>Current assets</b>	1,293.2	1,293.2	-	1,257.9	1,257.9	-
<b>Deferred tax assets</b>	10.6	10.6	-	10.3	10.7	0.4
Other financial assets	34.5	34.5	-	88.5	88.5	-
Prepayments and accrued income	6.7	6.7	-	3.1	3.1	-
Property, plant and equipment	976.5	976.5	-	884.9	884.9	-
<b>Intangible assets</b>	543.8	60.8	-483.0	466.4	64.7	-401.7
<b>Non-current assets</b>	1,572.1	1,089.1	-483.0	1,453.2	1,051.9	-401.3
<b>Total assets</b>	2,865.3	2,382.3	-483.0	2,711.1	2,309.8	-401.3
<b>Current liabilities</b>	560.1	560.1	-	524.0	524.0	-
<b>Provisions</b>	76.8	69.2	-7.6	72.1	64.5	-7.6
Other non-current liabilities	444.7	444.7	-	436.6	436.6	-
<b>Non-current liabilities</b>	521.5	513.9	-7.6	508.7	501.1	-7.6
<b>Liabilities</b>	1,081.6	1,074.0	-7.6	1,032.7	1,025.1	-7.6
Share capital	53.5	53.5	-	53.5	53.5	-
Capital reserves	2.1	2.1	-	2.1	2.1	-
<b>Retained earnings</b>	1,634.3	1,158.9	-475.4	1,562.1	1,168.4	-393.7
Minority interests	93.8	93.8	-	60.7	60.7	-
<b>Shareholders' equity</b>	1,783.7	1,308.3	-475.4	1,678.4	1,284.7	-393.7
Equity ratio	62.3 %	54.9 %	-7.4 pp	61.9 %	55.6 %	-6.3 pp
<b>Total liabilities and shareholders' equity</b>	2,865.3	2,382.3	-483.0	2,711.1	2,309.8	-401.3

# Emmi stands for a reliable dividend policy

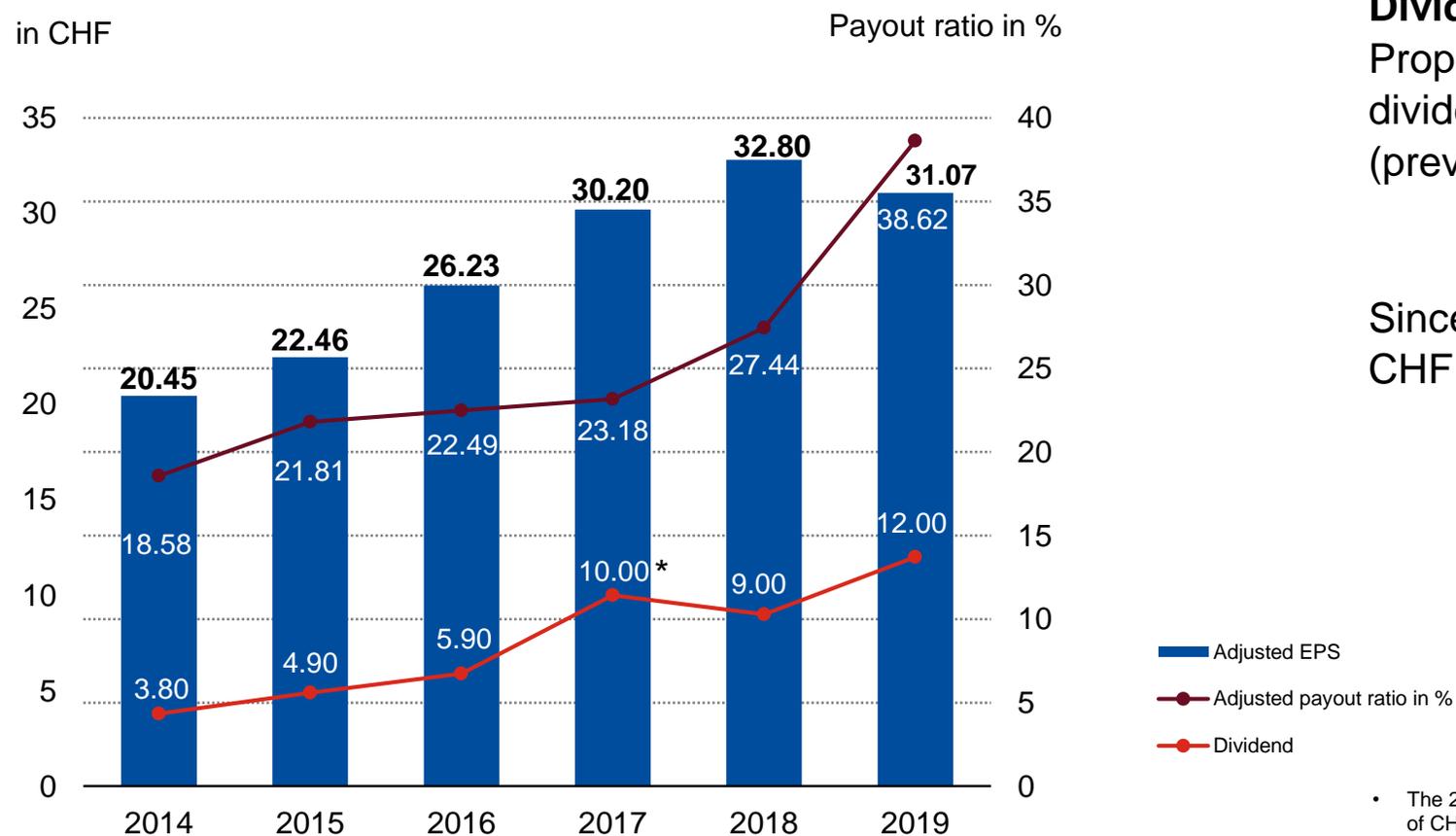


- **Steady increase** in ordinary dividend per share since 2014
- **New increase in payout ratio** to 40 % - 50 % (previously 25 % - 30 %); or 35 % - 45 % under new goodwill policy

■ Dividend  
 — Payout ratio in %

\*The 2017 dividend of CHF 10.00 included a regular dividend of CHF 7.00 and an anniversary dividend of CHF 3.00.

# Dividend / dividend payout



## Dividend proposal FY 2019

Proposal submitted to the General Meeting:  
dividend of CHF 12.00  
(previous year: CHF 9.00)

Since 2009, the dividend has increased from CHF 3.00 to CHF 12.00.

• The 2017 dividend of CHF 10.00 included a regular dividend of CHF 7.00 and an anniversary dividend of CHF 3.00.

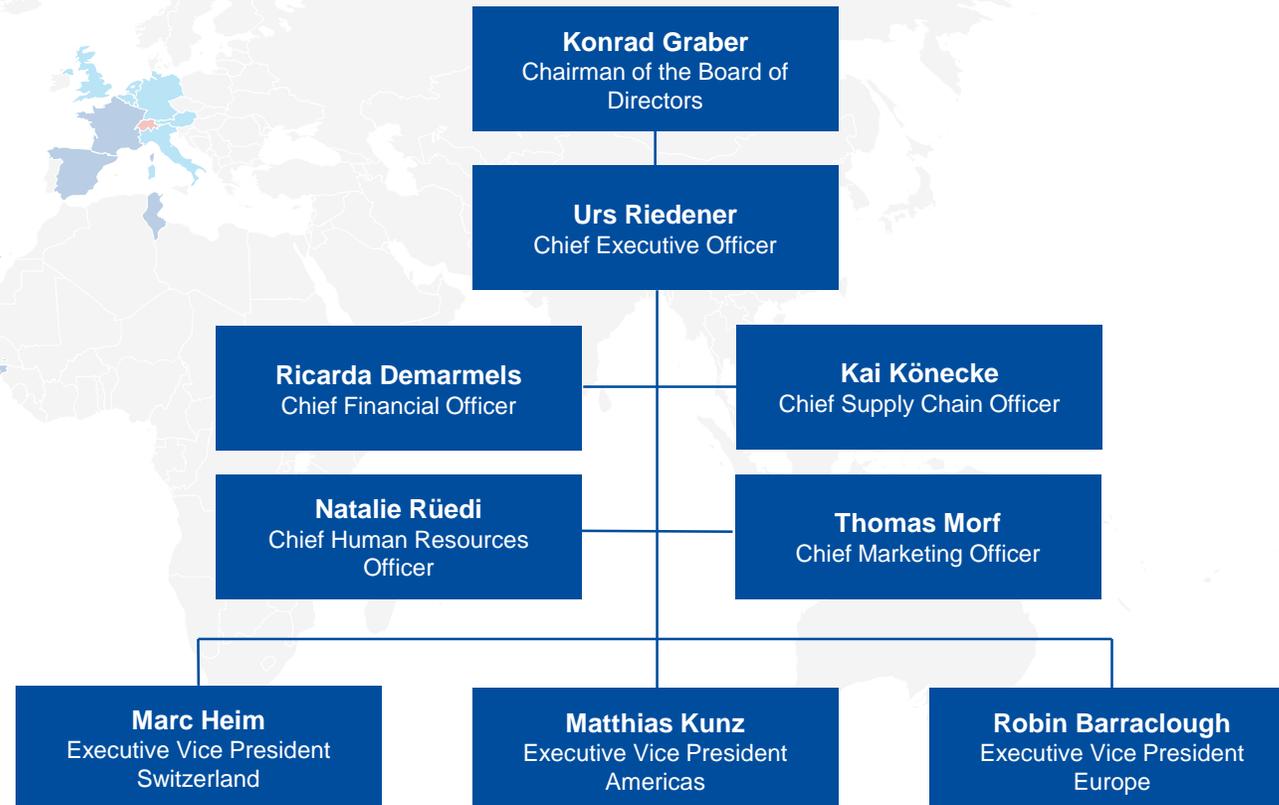
SUCCESS FACTORS

# Urs Riedener, CEO

# Robust thanks to well diversified portfolio with strong market positions



# Strong implementation thanks to market-oriented organisation and expertise within the Group



# Proven concepts



Expansion of the product range



Focus on niches



Acquisitions with growth and profit potential



Establishment of premium specialities

# Key initiatives



**Digital marketing**



**Cost efficiency**



**Sustainability**



**Talent and succession management / Leadership**

# Influential factors

<b>Positive</b>	<b>Switzerland</b> <ul style="list-style-type: none"><li>• Innovation successes</li><li>• Brand development</li><li>• Trend-oriented product concepts</li><li>• Emmi Operational Excellence</li><li>• Strong customer focus</li></ul>	<b>International</b> <ul style="list-style-type: none"><li>• Org. growth via trend concepts e.g. Roth, Kaltbach, Emmi Caffè Latte</li><li>• Markets: USA, Tunisia, Chile, Mexico, Brazil</li><li>• Growth in niches</li><li>• Emmi Operational Excellence (Tunisia, Spain, USA, Chile, Italy)</li><li>• Management of synergy potential</li></ul>
<b>Limiting</b>	<ul style="list-style-type: none"><li>• Significant price pressure</li><li>• Capacity utilisation and profitability problems with customers and competitors</li><li>• New production capacities are constantly being created</li><li>• Strong franc is advantageous for imports</li></ul>	<ul style="list-style-type: none"><li>• Organic milk situation in Germany with major influence on Gläserne Molkerei</li><li>• Cost development of raw materials, energy, logistics, personnel</li><li>• Milk shortage in Tunisia</li><li>• Macroeconomic upheaval</li><li>• Political risks in Chile</li><li>• Market volatility in Brazil</li></ul>



OUTLOOK

# Urs Riedener, CEO

EXPECTATIONS FOR 2020 AS A WHOLE

# Slight increase in operating result at EBIT level

## Organic growth, earnings targets

Growth Group	2 % to 3 %
Growth Switzerland	0 % to 1 %
Growth Americas	4 % to 6 %
Growth Europe	1 % to 3 %
EBIT in CHF million	255 to 265
Net profit margin	4.8 % to 5.3 %

(Figures assume constant exchange rates and raw milk prices)

Under the previous goodwill policy, the EBIT forecast would have been CHF 225 to 235 million and the net profit margin would have been forecast at 4.0 % to 4.5 %.



# Realistic organic growth



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

(Figures assume constant exchange rates and raw milk prices)

Under the previous goodwill policy, the medium-term forecast for the net profit margin would have been maintained at 4.7 % to 5.2 %.



**Thank you for your attention.**

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