

Alternative Performance Measures

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

Foreword

This first edition is published together with the net sales 2019 media release. A second, more comprehensive edition will be published on 2 March 2020, together with the Annual Report 2019.

Organic Growth

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

(a) Acquisition effects: For calculating organic growth, the net sales of an acquired business are excluded for the 12 months following the business combination. Net sales of a divested business are removed from comparatives (previous year) for the 12 months prior to the divestment. Supply agreements related to the divested business are included in acquisitions and divestments during 12 months following the divestment.

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

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For Emmi Group, the reconciliation of organic growth to the sales development (in %) for the financial year 2019 is as follows:

	2019	2018
Organic Growth	2.2%	2.3%
Acquisition effects	0.4%	0.1%
Currency effects	-1.5%	0.4%
Sales development in %	1.1%	2.8%
Net Sales in CHF Mio.	3'494.0	3'457.4

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