



Invitation to the General Meeting of Emmi AG

Thursday, 11 April 2019 at 4 p.m. (doors open at 3 p.m.)
Messe Luzern



Key figures Emmi Group

Amounts in CHF million	2018	2018 adjusted ¹⁾	2017
Net sales	3,457		3,364
Sales development in %	2.8		3.2
Acquisition effect in %	0.1		2.8
Currency effect in %	0.4		-0.1
Net sales increase in organic terms (in local currency) in %	2.3		0.5
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	352.8		340.7
as % of net sales	10.2		10.1
Earnings before interest and taxes (EBIT)	216.7		205.8
as % of net sales	6.3		6.1
Net profit	233.3	175.5	161.6
as % of net sales	6.7	5.1	4.8
Investment in fixed assets (excl. acquisitions)	88.0		99.1
as % of net sales	2.5		2.9
Headcount (full-time equivalents) as at 31.12.	6,151		6,147
Headcount (full-time equivalents) at yearly average	6,140		5,965
Net sales per employee CHF 000s (average)	563		564
	31.12.2018		31.12.2017
Total assets	2,820		2,697
of which shareholders' equity incl. minority interests	1,657		1,521
as % of total assets	58.7		56.4
Market capitalisation	3,646		3,753

¹⁾ Adjusted for non-recurring effects. Non-recurring effects had an impact of CHF 57.8 million on net profit in the period under review and resulted from the sale of the minority stake in The Icelandic Milk and Skyr Corporation ("siggi's"). There were no significant non-recurring effects in the previous year.



The decisions we make today on sustainability will first and foremost affect the future generations. Emmi therefore asked them what they found particularly important. The young generation is represented by six children whose fathers or mothers work for Emmi. You can find their comments at www.emmi.com/annual-report.

Invitation to the General Meeting of Emmi AG 2019

Dear Shareholders

Emmi can look back on a successful year. After a pleasing second half of 2017, we were able to continue the momentum in 2018. One of the reasons are our employees, who are highly motivated and initiative. The Emmi spirit is one of the company's strengths.

International sales higher than in Switzerland

Emmi generated net sales of CHF 3,457.4 million in 2018, corresponding to an increase of 2.8%. Adjusted for currency and acquisition effects, this resulted in organic growth of 2.3%. Group sales thus grew in line with our forecasts from August 2018, with the business divisions Switzerland and Europe even exceeding them. Further support came from markets such as Tunisia, the US and Chile, which generated significantly higher sales. On the product side, the significant growth posted by Emmi Caffè Latte and Italian speciality desserts is particularly worth mentioning. International business accounted for 50.4% of sales.

Earnings also grew at a pleasing rate, slightly exceeding the forecast values. It is remarkable that we were able to do this given the strong competitive pressure. This was made possible, among other things, by continued cost-cutting and efficiency-enhancing measures. EBIT amounted to CHF 216.7 million, up 5.3% from the previous year. The EBIT margin increased from 6.1% in 2017 to 6.3%.

Net profit was CHF 233.3 million compared with CHF 161.6 million in the previous year, a marked increase due mainly to the sale of the minority stake in American yogurt producer "siggi's". Adjusted net profit came in at CHF 175.5 million (2017: CHF 161.6 million), up 8.6%. The adjusted net profit margin rose from 4.8% to 5.1%.

Encouraging development thanks to various mainstays

The 50.4% share of sales in international business is the consequence of Emmi's strategy of increasingly focusing on international business in addition to its national activities. Emmi is continuously strengthening this second pillar with additional investments in existing participations and smaller acquisitions in niche segments. Nevertheless, the majority of investments continue to be made in Switzerland.

Today, the company is very well diversified and looks to the future with confidence despite a volatile environment and global events beyond our control.

Dividend payment

Emmi's performance in 2018 was impressive. You, our valued shareholders, should also benefit from this pleasing result in your capacity as investors. The Board of Directors therefore proposes that the General Meeting approve the distribution of a dividend of CHF 9.00 per registered share, which represents an increase of CHF 2.00 per registered share compared to the previous year's regular dividend. The special dividend of CHF 3.00 paid out in the previous year will not be paid out in 2018.

General Meeting of Emmi AG 2019

All members of the Board of Directors are standing for re-election. As announced, our CFO, Jörg Riboni, will step down at the General Meeting 2019 and leave the company. Ricarda Demarmels will succeed him in June 2019.

We would like to thank you for the trust you have placed in us. We look forward to welcoming you in the Messe Luzern on 11 April 2019, where the CEO, CFO and I will be happy to provide further information on financial year 2018.



Konrad Graber
Chairman of the Board of Directors

Agenda and proposals by the Board of Directors

1. Approval of the Management Report, Consolidated Financial Statements and Financial Statements of Emmi AG for 2018

Proposal by the Board of Directors

Approval of the Management Report, Consolidated Financial Statements and Financial Statement of Emmi AG for 2018.

Note

The information in the Management Report, if not already included in the Consolidated Financial Statements and Financial Statements, can be found in the “Key figures”, “Editorial”, “Our highlights” and “Financial Commentary” sections of the Annual Report. The Corporate Governance Report and the Compensation Report are not part of the Management Report.

2. Discharge of the members of the Board of Directors

Proposal by the Board of Directors

Granting of discharge to the members of the Board of Directors for their services during financial year 2018.

3. Resolution on the appropriation of available earnings; setting of the distribution from the capital contribution reserves and retained earnings

in KCHF

Retained earnings carried forward	2,861
Net profit Emmi AG	86,606
Earnings available for distribution by the GM	89,467

Proposal by the Board of Directors for the appropriation of available earnings

Distribution of a gross dividend of CHF 9.00 (previous year CHF 10.00) per registered share for financial year 2018 on 5,349,810 shares entitled to dividends, as follows:

– from the recognised capital contribution reserves	CHF 1.00
– from retained earnings	CHF 8.00

in KCHF

Earnings available for distribution by the GM	89,467
Allocation from capital contribution reserves	5,350
Dividend	-48,148
Allocation to free reserves	-40,000
Carried forward to new account	6,669

Note

The Board of Directors proposes to distribute part of the dividend in the amount of CHF 1.00 per registered share from the recognised capital contribution reserves. This part of the total dividend will be paid without deduction of Swiss withholding tax. For individuals who are resident in Switzerland and hold their stocks as private assets, the distribution from the recognised capital contribution reserves is also generally not subject to income tax. Subject to the approval of this proposal, the dividend will be paid out on 17 April 2019 in accordance with the dividend instruction to all those holding shares in Emmi AG on 16 April 2019.

4. Approval of the total amount of remuneration

Note

The total amount of remuneration shall be approved in accordance with Art. 29e of the Association of Emmi AG, as well as in line with the Ordinance against Excessive Compensation in Listed Companies. The principles for remuneration are set out in Art. 29b of the Articles of Association and in the Compensation Report. Remuneration is determined fairly, competitively and on a performance basis, as well as in accordance with the strategic objectives and the success of the Emmi Group. There are currently no share or option plans or other share ownership programmes for members of the Board of Directors, the Agricultural Council or Group Management. The remuneration paid to the Board of Directors and the Agricultural Council is not related to performance and therefore comprises a fixed amount only.

The maximum total amounts to be determined below allow for the necessary freedom to act in order to respond flexibly to change (such as additional members being added to the Board of Directors or Agricultural Council, committee deferrals, specific events or general reserves). There is no intention to exhaust the total amounts of fixed remuneration; instead they ensure the required entrepreneurial flexibility. In the Compensation Report and hereinafter, information is provided by the Board of Directors on the actual amounts used.

All amounts mentioned in agenda item 4 are in KCHF.

 See Compensation Report

4.1 Approval of the maximum fixed remuneration of the Board of Directors for financial year 2019

Proposal by the Board of Directors

Approval of the total amount of fixed remuneration of the Board of Directors up to a maximum of KCHF 970 for financial year 2019.

Note

The proposed maximum amount also includes remuneration for tasks performed as part of the three committees, the council and the two foundations. The Board of Directors currently comprises nine members.

Proposal to GM 2019 for FY 2019	Remuneration paid 2018	Proposal to GM 2018 for FY 2018
970 (ceiling amount)	917	940 (ceiling amount)

4.2 Approval of the maximum fixed remuneration of the Agricultural Council for financial year 2019

Proposal by the Board of Directors

Approval of the total amount of fixed remuneration of the Agricultural Council up to a maximum of KCHF 40 for financial year 2019.

Note

The Agricultural Council comprises members of the Board of Directors, employees and external experts. The proposed total amount corresponds to the remuneration paid to the five external experts. Members of the Agricultural Council who are also members of the Board of Directors receive compensation for their work on the Agricultural Council as part of the remuneration of the Board of Directors. Employees who are members of the Agricultural Council do not receive any compensation for this role.

Proposal to GM 2019 for FY 2019	Remuneration paid 2018	Proposal to GM 2018 for FY 2018
40 (ceiling amount)	25	36 (ceiling amount)

4.3 Approval of the maximum fixed remuneration of Group Management for financial year 2020

Proposal by the Board of Directors

Approval of the total amount of fixed remuneration of Group Management up to a maximum of KCHF 5,420 for financial year 2020.

Note

The fixed salary component is determined according to function-specific benchmarks, individual abilities, ongoing performance and experience. Adjustments are made in due consideration of prevailing market conditions, individual performance and the company's overall economic situation. Group Management currently comprises eight members.

Proposal to GM 2019 for FY 2020	Proposal to GM 2018 for FY 2019	Remuneration paid 2018	Proposal to GM 2017 for FY 2018
5,420 (ceiling amount)	5,400 (ceiling amount)	4,661	4,980 (ceiling amount)

4.4 Approval of the variable remuneration of Group Management for financial year 2018

Proposal by the Board of Directors

Approval of the total amount of variable remuneration of Group Management of KCHF 1,040 for financial year 2018.

Note

According to Art. 29b of the Articles of Association, the variable remuneration paid to a member of Group Management may not exceed 50% of their fixed remuneration. The amount of variable remuneration is exclusively oriented towards the short term and is determined by qualitative and quantitative objectives, in particular the overall success of the Group and the business division, and the individual contribution of each member.

Proposal to GM 2019 for FY 2018	Remuneration paid 2017	Proposal to GM 2018 for FY 2017
1,040	930	930

5. Elections to the Board of Directors

Note

All members of the Board of Directors are standing for re-election.

5.1 Re-election of the members of the Board of Directors and the Chairman

5.1.1 Konrad Graber

Proposal by the Board of Directors: Re-election of Konrad Graber as member of the Board of Directors and Chairman of the Board of Directors for a term of office until the next General Meeting (same vote).

5.1.2 Thomas Oehen-Bühlmann

Proposal by the Board of Directors: Re-election of Thomas Oehen-Bühlmann as member of the Board of Directors for a term of office until the next General Meeting.

5.1.3 Christian Arnold-Fässler

Proposal by the Board of Directors: Re-election of Christian Arnold-Fässler as member of the Board of Directors for a term of office until the next General Meeting.

5.1.4 Monique Bourquin

Proposal by the Board of Directors: Re-election of Monique Bourquin as member of the Board of Directors for a term of office until the next General Meeting.

5.1.5 Christina Johansson

Proposal by the Board of Directors: Re-election of Christina Johansson as member of the Board of Directors for a term of office until the next General Meeting.

5.1.6 Niklaus Meier

Proposal by the Board of Directors: Re-election of Niklaus Meier as member of the Board of Directors for a term of office until the next General Meeting.

5.1.7 Alexandra Post Quillet

Proposal by the Board of Directors: Re-election of Alexandra Post Quillet as member of the Board of Directors for a term of office until the next General Meeting.

5.1.8 Franz Steiger

Proposal by the Board of Directors: Re-election of Franz Steiger as member of the Board of Directors for a term of office until the next General Meeting.

5.1.9 Diana Strebel

Proposal by the Board of Directors: Re-election of Diana Strebel as member of the Board of Directors for a term of office until the next General Meeting.

5.2 Re-election of the members of the Personnel and Compensation Committee

Proposal by the Board of Directors

Re-election of each individual member of the Personnel and Compensation Committee for a term of office until the next General Meeting:

5.2.1 Konrad Graber

5.2.2 Monique Bourquin

5.2.3 Thomas Oehen-Bühlmann

6. Re-appointment of the auditor

Proposal by the Board of Directors

Re-appointment of KPMG AG, Lucerne, as auditor for financial year 2019.

7. Re-election of the independent proxy

Proposal by the Board of Directors

Re-election of **Pascal Engelberger, lawyer, Burger & Müller, Lucerne**, as independent proxy for a term of office until the next General Meeting.

Organisational information

Documentation

The Annual Report 2018 (including the Management Report, Consolidated Financial Statements, Financial Statements of Emmi AG, Auditor's Reports, Corporate Governance Report and Compensation Report) will be available for inspection at the company's headquarters at Landenbergstrasse 1, 6005 Lucerne. The Annual Report 2018 is available – broken down into the various sections – on the Emmi website at www.emmi.com/annual-report.

By choosing not to receive a printed version of the Annual Report 2018 you are making a contribution to sustainability. If this is not possible, you can order one by sending an e-mail to emmiereport@computershare.ch.

Entitlement to vote and admission ticket

All shareholders with their voting rights registered in the share register on 5 March 2019 shall be entitled to vote. Distribution of the registration and power of attorney form for admission ticket will begin on 8 March 2019. The shareholders are requested to sign and return the registration form by 3 April 2019 at the latest to ensure that the admission ticket and voting material can be distributed on time. **Admission ticket for guests cannot be provided.**

Representation and power of attorney

Shareholders who would like to be represented are requested to return the signed power of attorney on the enclosed registration and power of attorney form. The following can be designated as a representative:

- a) The independent proxy:
Pascal Engelberger, lawyer LL. M, Burger & Müller, Murbacherstrasse 3, 6003 Lucerne. Alternatively, you can issue your power of attorney and instructions to the independent proxy electronically. In the event of electronic authorisation and instruction, please read the instructions on the separate form regarding electronic authorisation of power of attorney and issuance of instructions
- b) Another registered shareholder

With regard to the instructions, please read the information on the form carefully regarding electronic authorisation of power of attorney and issuance of instructions.

Sale of shares

In the event of a sale of shares from the portfolio indicated on the admission ticket, the shareholder shall no longer be entitled to vote in respect of the shares sold. The admission ticket issued to the shareholder and the voting material must therefore be corrected at the counter before the start of the General Meeting.

How to get to the Emmi General Meeting 2019



By public transport

Take the bus no. 20 from Lucerne railway station (departure every 15 minutes at 00, 15, 30 and 45 minutes past the hour). It is a ten-minute journey. The S-Bahn from Lucerne to Alpnachstad will be suspended from 18 March to 14 April 2019 due to construction work and therefore not serve the "Lucerne Allmend/Messe" station during this time. Replacement busses will be available. Please check zentralbahn.ch for details.

By car

There are plenty of parking spaces available at the Messe. These are subject to a charge and cost CHF 10 per ticket. We recommend travelling by public transport, however.

Address changes

We ask you to report changes of address directly to the share register: Computershare Schweiz AG, Maria-Enza Puglisi, Baslerstrasse 90, 4600 Olten, share.register@computershare.ch, +41 62 205 77 08.



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