



Invitation to the General Meeting of Emmi AG

Thursday, 15 April 2021 at 2 p.m.
Attendance in person is not possible
(COVID-19 Ordinance 3 of the Federal Council).

Key figures Emmi Group

Amounts in CHF million	2020	2020 adjusted ¹⁾	2019 (restated) ²⁾
Net sales	3,706		3,494
Sales development in %	6.1		1.1
Net sales increase in organic terms in %	1.9		2.2
Acquisition effect in %	8.7		0.4
Currency effect in %	-4.5		-1.5
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	376.3	390.9	352.9
as % of net sales	10.2	10.5	10.1
Earnings before interest and taxes (EBIT)	256.6	271.2	243.2
as % of net sales	6.9	7.3	7.0
Net profit	188.4	202.6	195.0
as % of net sales	5.1	5.5	5.6
Investment in fixed assets (excl. acquisitions)	131.4		106.0
as % of net sales	3.5		3.0
Headcount (full-time equivalents) as at 31.12.	8,664		7,826
Headcount (full-time equivalents) at yearly average	8,303		6,435
Net sales per employee in CHF 000s (average)	446		543
	31.12.2020		31.12.2019
Total assets	2,337		2,382
of which shareholders' equity incl. minority interests	1,233		1,301
as % of total assets	52.8		54.6
Market capitalisation	4,876		4,507

¹⁾ Adjusted for non-recurring effects of CHF 14.6 million on EBITDA and EBIT, and CHF 14.2 million on net profit. In the period under review, these effects resulted from the sale of the majority stake in Lácteos Caprinos S.A. There were no significant non-recurring effects in the previous year.

²⁾ Previous year figures restated based on the changes to the consolidation and valuation principles with respect to goodwill.

Invitation to the General Meeting of Emmi AG 2021

Dear Shareholders

Emmi can look back on a successful year financially. Group sales passed the CHF 3.7 billion mark for the first time. Encouragingly, this was due to organic growth of 1.9%, which was above our expectations.

To ensure sustainable success for Emmi, we practised very strict cost management last year. We also made targeted value-enhancing investments to boost innovation and growth plans over the long term.

Our results for financial year 2020 were within the range announced in March 2020. Adjusted for the one-time loss from the sale of Lácteos Caprinos, EBIT totalled CHF 271.2 million. The adjusted EBIT margin of 7.3% marks a pleasing improvement. Net profit was CHF 188.4 million, or CHF 202.6 million on an adjusted basis. The adjusted net profit margin was higher than we had forecast, at 5.5%. Based on the good earnings, the Board of Directors is proposing a dividend of CHF 13.00 per registered share to the General Meeting, which represents an increase of CHF 1.00 on the previous year.

Sustainable progress

In this crisis year, we not only worked on our economic success but also forged ahead with our sustainability activities and set ambitious new targets.

For example, we are expanding our commitment to sustainable milk to our worldwide activities. We have also set specific reduction targets for water consumption for the first time and set a target of closed packaging cycles. One pioneering step we are taking is to reduce our carbon footprint further by expanding it to our entire value chain and targeting net zero emissions.

Return to normality not expected until 2022

The uncertainties triggered by the coronavirus coupled with fears about economic growth in the key markets where Emmi operates will shape the outlook for the current year. It is likely to be 2022 before we see a return to normality. Under these circumstances, organic sales growth at Group level should continue at a similar rate in 2021 (1% to 2%). However, we at Emmi anticipate a drop in sales of between 1% and 2% and strong fluctuations over the course of the year for the Swiss domestic market. Organic sales growth is also expected to slow in the business division Europe (1% to 3%). By contrast,

there is reason to think that the business division Americas, which has been hard hit by the coronavirus crisis, will again become a growth driver (4% to 6%). Continuity is also expected regarding EBIT performance (CHF 275 million to 290 million) and the net profit margin (5.2% to 5.7%).

Nobody yet knows exactly what everyday private and working life will look like going forward. But we can already state one thing with certainty: as Emmi, we will also aim to take advantage of changing opportunities in 2021!

General Meeting of Emmi AG 2021

Two long-standing members of the Board of Directors, Christian Arnold-Fässler and Niklaus Meier, have decided not to stand for re-election. The Board would like to thank both gentlemen for the vital work they have done for Emmi, which has always been greatly appreciated. I am pleased to announce that I am able to propose two outstanding candidates for election to join the remaining members of the Board, namely Dominik Bürgy and Thomas Grüter. Both have many years of experience, in tax and legal affairs and in agriculture respectively.

We would like to thank you for the trust you have placed in us. In order to protect our shareholders and employees, the Board of Directors has decided, in accordance with COVID-19 Ordinance 3 of the Federal Council, not to hold a physical General Meeting. Shareholders are asked to submit their votes in writing to the independent proxy, Mr Pascal Engelberger, lawyer LL. M., Burger & Müller, Murbacherstrasse 3, 6003 Lucerne.

We thank you for your understanding in voting by mail this year and very much hope to be able to welcome you back to the Messe Luzern in 2022.



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 2020

Proposal by the Board of Directors

Approval of the Management Report, Consolidated Financial Statements and Financial Statements of Emmi AG for 2020.

Note

The information in the Management Report can be found in the Annual Report in the “The year at Emmi” section and, in some cases, in the Financial 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 activities in financial year 2020.

3. Resolution on the appropriation of available earnings; setting of the distribution from retained earnings

in KCHF

Retained earnings carried forward	2,237
Net profit Emmi AG	101,048
Earnings available for distribution by the GM	103,285

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

Distribution of a gross dividend of CHF 13.00 (previous year: CHF 12.00) per registered share from retained earnings for financial year 2020 on 5,349,810 shares entitled to dividends.

in KCHF

Earnings available for distribution by the GM	103,285
Dividend	-69,548
Allocation to free reserves	-30,000
Carried forward to new account	3,737

Note

Subject to the approval of this proposal, the dividend will be paid out to all shareholders in accordance with the dividend instruction on 21 April 2021. The ex-dividend date for the shares is 19 April 2021.

4. Approval of the total amount of remuneration

Note

The total amount of remuneration shall be approved in accordance with Art. 29e of the Articles of Association of Emmi AG and 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 adequately, competitively and on the basis of performance, 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 ensure the necessary freedom to be able to respond flexibly to changes (additional members being added to the Board of Directors or Agricultural Council, changes in the composition of committees, additional meetings due to business developments, specific events or general reserves). There is no intention to exhaust the total amounts of fixed remuneration; instead they ensure the required entrepreneurial flexibility. The Board of Directors provides information on the actual amounts used in the Compensation Report and in the next section of this invitation.

All amounts mentioned in agenda item 4 are in KCHF.

☞¹ See Compensation Report

4.1 Approval of the maximum fixed remuneration of the Board of Directors for financial year 2021

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 1,100 for financial year 2021.

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 2021 for FY 2021	Remuneration paid 2020	Proposal to GM 2020 for FY 2020
1,100 (ceiling amount)	987	1,030 (ceiling amount)

4.2 Approval of the maximum fixed remuneration of the Agricultural Council for financial year 2021

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 2021.

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 do not receive any separate compensation for their work on the Agricultural Council.

Proposal to GM 2021 for FY 2021	Remuneration paid 2020	Proposal to GM 2020 for FY 2020
40 (ceiling amount)	34	40 (ceiling amount)

4.3 Approval of the maximum fixed remuneration of Group Management for financial year 2022

Proposal by the Board of Directors

Approval of the total amount of fixed remuneration of Group Management up to a maximum of KCHF 5,500 for financial year 2022.

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 2021 for FY 2022	Proposal to GM 2020 for FY 2021	Fixed remuneration paid 2020	Proposal to GM 2019 for FY 2020
5,500 (ceiling amount)	5,480 (ceiling amount)	4,386	5,420 (ceiling amount)

4.4 Approval of the variable remuneration of Group Management for financial year 2020

Proposal by the Board of Directors

Approval of the total amount of variable remuneration of Group Management of KCHF 1,081 for financial year 2020.

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 and parameters, in particular the overall success of the Group and the business division, and the individual contribution of each member.

Proposal to GM 2021 for FY 2020	Variable remuneration for 2019 paid in 2020	Proposal to GM 2020 for FY 2019
1,081	1,030	1,030

5. Elections to the Board of Directors

Note

Seven members of the Board of Directors are standing for re-election. Christian Arnold-Fässler and Niklaus Meier are not standing again. The Board of Directors would like to extend its sincere thanks to both departing members for their many years of service and the contribution they have made to the company's success.

The Board of Directors is proposing as their replacements Dominik Bürgy, from Stäfa, a long-standing manager in tax and legal affairs, and Thomas Grüter, from St. Urban, a long-standing manager in the agricultural field. The Board of Directors firmly believes that Dominik Bürgy and Thomas Grüter will be able to make a key contribution to the company's ongoing strategic development and to its prospects.

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 end of 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 end of the next General Meeting.

5.1.3 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 end of the next General Meeting.

5.1.4 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 end of the next General Meeting.

5.1.5 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 end of the next General Meeting.

5.1.6 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 end of the next General Meeting.

5.1.7 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 end of the next General Meeting.

5.2 Election of two new members to the Board of Directors

5.2.1 Dominik Bürgy

Proposal by the Board of Directors: Election of Dominik Bürgy, from Stäfa, as member of the Board of Directors for a term of office until the end of the next General Meeting.

5.2.2 Thomas Grüter

Proposal by the Board of Directors: Election of Thomas Grüter, from St. Urban, as member of the Board of Directors for a term of office until the end of the next General Meeting.

5.3 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 end of the next General Meeting:

5.3.1 Konrad Graber

5.3.2 Monique Bourquin

5.3.3 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 2021.

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 end of the next General Meeting.

Organisational information

Documentation

The Annual Report 2020 (including the Management Report, Consolidated Financial Statements, Financial Statements of Emmi AG, Auditor's Reports, Corporate Governance Report and Compensation Report) is available for inspection at the company's headquarters at Landenbergstrasse 1, 6005 Lucerne. The Annual Report 2020 is available – broken down into the various sections – on the Emmi website at report.emmi.com or via QR code below.

Entitlement to vote

All shareholders with their voting rights registered in the share register on 7 April 2021 shall be entitled to vote. Shareholders can submit their votes solely via the independent proxy, **Mr Pascal Engelberger, lawyer LL. M., Burger & Müller, Murbacherstrasse 3, 6003 Lucerne**. Please use the attached power of attorney and instruction.

You can also 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.

Sale of shares

In the event of a sale of shares, the shareholder shall no longer be entitled to vote in respect of the shares sold.

Changes of address

Please report changes of address directly to the share register: Computershare Schweiz AG, Team Aktienregister (Share Register team), +41 62 205 77 00, share.register@computershare.ch



Online report

The full version of the Emmi annual report 2020 is also available online: report.emmi.com



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