

## Alternative Performance Measures

The Annual Report, the Half-Year Report and other communication to investors and analysts contain alternative performance measures (APM), which 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 APM used by Emmi are explained and/or reconciled to Swiss GAAP FER performance measures in this document.

### Foreword

This edition is published together with the Annual Report 2025.

### 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 twelve months following the business combination. Net sales of a divested business are removed from comparatives (previous year) for the twelve months prior to the divestment. Supply agreements related to the divested business are included in acquisitions and divestments during twelve 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 growth for the financial year 2025 is as follows:

	<b>2025</b>	<b>2024</b>
<b>Organic growth</b>	<b>4.3%</b>	<b>2.4%</b>
Acquisition effects	7.9%	2.5%
Currency effects	-3.1%	-2.4%
<b>Sales growth</b>	<b>9.1%</b>	<b>2.5%</b>
Net sales in CHF million	4,745.7	4,348.8

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

#### **Earnings before interest and taxes (EBIT)**

#### **Earnings before interest, taxes, depreciation and amortisation (EBITDA)**

EBIT is commonly defined as Earnings before interest and taxes and EBITDA as Earnings before interest, taxes, depreciation and amortisation.

Emmi uses EBIT and EBITDA as important financial measures, where EBIT is defined as the operating profit and EBITDA is used as an operating cash flow indicator.

EBIT is defined as net profit before:

- Minority interests
- Income taxes
- Financial result
- Income from associates and joint ventures

EBITDA is defined as EBIT before:

- Depreciation (including impairment charges) of property plant and equipment
- Amortisation (including impairment charges) of intangible assets

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A reconciliation table between net profit and EBITDA is presented below:

in thousand CHF	2025	2024
<b>Net profit</b>	<b>227,056</b>	<b>220,288</b>
Minority interests	20,467	17,835
Income taxes	48,597	42,566
Financial result	38,319	21,420
Income from associates and joint ventures	183	580
<b>EBIT</b>	<b>334,622</b>	<b>302,689</b>
Amortisation of intangible assets	30,938	16,663
Depreciation of property, plant and equipment	126,691	111,272
<b>EBITDA</b>	<b>492,251</b>	<b>430,624</b>

**EBIT margin** is when EBIT is calculated as percentage of net sales:

in thousand CHF	2025	2024
EBIT	334,622	302,689
Net sales	4,745,690	4,348,812
<b>EBIT margin</b>	<b>7.1%</b>	<b>7.0%</b>

**EBITDA margin** is when EBITDA is calculated as percentage of net sales:

in thousand CHF	2025	2024
EBITDA	492,251	430,624
Net sales	4,745,690	4,348,812
<b>EBITDA margin</b>	<b>10.4%</b>	<b>9.9%</b>

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## Net debt

Net debt is a measure to show the level of financial debt with external parties after considering cash and cash equivalents, current securities readily convertible into cash and interest-bearing loans and other receivables.

in thousand CHF	2025	2024
Bank overdrafts	57,389	63,118
Finance lease liabilities	1,217	2,102
Loans	32	-
Bonds	150,000	-
<b>Current financial liabilities</b>	<b>208,638</b>	<b>65,220</b>
Bank overdrafts	114,759	129,693
Finance lease liabilities	8,786	10,187
Loans	601	710
Bonds	974,520	1,124,520
<b>Non-current financial liabilities</b>	<b>1,098,666</b>	<b>1,265,110</b>
<b>Financial liabilities</b>	<b>1,307,304</b>	<b>1,330,330</b>
Cash and cash equivalents	-376,535	-303,661
Current securities	-29,028	-3,088
Non-current loans and other receivables	-19,153	-19,855
<b>Cash and cash equivalents, current securities and interest-bearing loans and other receivables</b>	<b>-424,718</b>	<b>-326,604</b>
<b>Net debt</b>	<b>882,588</b>	<b>1,003,726</b>

**Net debt ratio** is defined as net debt divided by EBITDA.

in thousand CHF	2025	2024
Net debt	885,588	1,003,726
EBITDA	492,251	471,109*
<b>Net debt ratio</b>	<b>1.79</b>	<b>2.13</b>

\* Includes annualized EBITDA of the Mademoiselle Desserts Group acquired during the year (KCHF 40,485 for January to September 2024).

### Cash flow before changes in net working capital, interest and taxes

This is a subtotal used in the determination of the cash flow from operating activities and is defined as cash flow from operating activities before changes in net working capital, interest paid and taxes paid. The positions included in this subtotal are visible directly in the consolidated cash flow statement.

### Free cash flow

Free cash flow represents the cash generating capability of the Emmi Group to acquire companies, acquire stakes in associates and joint ventures, pay dividends or repay providers of capital.

As per the table below, Free Cash Flow therefore equals Cash Flow from operating activities plus Cash Flow from investing activities, adding back the cash outflows and inflows from the acquisition activity (consolidated companies, associates, joint ventures):

in thousand CHF	2025	2024
Cash flow from operating activities	397,009	406,877
Cash flow from investing activities	-202,870	-962,934
<i>Adding back:</i>		
Acquisition of consolidated investments/businesses	18,094	841,944
Acquisition of minority interests	31,554	2,933
<b>Free cash flow</b>	<b>243,787</b>	<b>288,820</b>

### Operating net working capital

Emmi Group monitors its operating net working capital in order to assess how efficient it is managing its operating cash conversion cycle. Operating net working capital is the sum of trade receivables and inventories minus trade payables.

in thousand CHF	2025	2024
Trade receivables	542,006	539,793
Inventories	599,915	562,299
Trade payables	-419,644	-393,235
<b>Operating net working capital</b>	<b>722,277</b>	<b>708,857</b>

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### Return on invested capital (ROIC)

The return on invested capital (ROIC) measures the efficiency of the invested capital. ROIC is defined as net operating profit after taxes (NOPAT) as a percentage of the average invested capital:

in thousand CHF	2025	2024
Net operating profit after taxes (NOPAT)	274,037	247,725
Average invested capital	3,593,910	2,885,178
<b>ROIC</b>	<b>7.6%</b>	<b>8.6%</b>

The reconciliation from EBIT to net operating profit after taxes is shown in the following table:

in thousand CHF	2025	2024
EBIT	334,622	302,689
Result from sales of non-current assets	-431	-585
<b>Net operating profit before taxes</b>	<b>334,191</b>	<b>302,104</b>
Income tax (calculatory tax rate 18%)	60,154	-54,379
<b>Net operating profit after taxes (NOPAT)</b>	<b>274,037</b>	<b>247,725</b>

The average invested capital is calculated based on the average of the preceding 13 months. It is composed as follows:

in thousand CHF	2025	2024
Trade receivables	505,307	466,223
Other receivables	73,832	68,865
Inventories	617,256	541,118
Prepayments and accrued income	97,831	79,554
Employer contribution reserves	2,120	1,718
Property, plant and equipment	1,268,462	1,150,644
Intangible assets	437,834	188,801
Goodwill at cost	1,324,990	1,016,410
Trade payables	-348,377	-314,105
Other payables	-76,471	-52,952
Accrued liabilities and deferred income	-278,885	-234,418
Provisions	-29,990	-26,681
<b>Average invested capital</b>	<b>3,593,909</b>	<b>2,885,177</b>