



LINDT & SPRÜNGLI

**Alternative Performance Measures
2021**

Preface

Group Management communicates certain performance measures, be it in the annual report, the semi-annual report or other announcements, which they believe provide meaningful insights about the financial and operational performance of the Lindt & Sprüngli Group. These performance measures are not always defined by IFRS and are potentially not calculated the same way by other companies. The most relevant performance measures for the Lindt & Sprüngli Group are defined within this manual and derived based on the consolidated results.

Sales Development

Sales development is an important performance measure for the Lindt & Sprüngli Group. Lindt & Sprüngli monitors the sales development through two key measures: sales growth in Swiss francs and organic growth.

Both growth measures include volume and price impacts. However, in contrast to sales growth in Swiss francs, organic growth adjusts for foreign currency impacts. Therefore, to calculate organic growth figures both current and prior year sales numbers are translated with current year exchange rates into group currency (CHF). Furthermore, organic growth is also corrected for changes in the consolidation scope, such as disposals or acquisitions. The two sales growth measures are derived as follows:

Sales development	2021	2020
Sales in CHF million	4,585.5	4,016.8
Growth in CHF in %	14.2%	-10.9%
Currency translation impact in % ¹	-0.4%	4.8%
Acquisition impact in %	-0.5%	-
Organic Growth in %	13.3%	-6.1%

¹ To translate into group currency (CHF), exchange rates of the current reporting period were used.

Operating Profit EBIT before one-off Effects

Neither in 2021 nor in prior year there were any one-off costs, therefore the derivation of the recurring operating profit based on the disclosed operating profit is dispensed.

Free Cash Flow

Free cash flow allows drawing a conclusion about the company's ability to generate free funds from its operating activities after its CAPEX in fixed assets (property, plant and equipment, intangible assets as well as right-of-use assets). Free cash flow is derived as follows from the consolidated cash flow statement:

CHF million	2021	2020
Operating cash flow	826.8	787.6
CAPEX in property, plant and equipment	-217.1	-225.9
CAPEX in intangible assets	-23.5	-23.2
CAPEX in right-of-use assets ¹	-0.2	-
Total free cash flow	586.0	538.5
in % of sales	12.8%	13.4%

¹ This position consists of payments made before lease inception, which are disclosed within the cash flow from investment activities.

To improve comparability with peers, repayments of lease liabilities are no longer considered in the calculation of free cash flow. For consistency reasons, the free cash flow for 2020 has been derived by applying this updated calculation method. This has led to an increase in the free cash flow of CHF 65.3 million for 2020.

Net Debt (Net Financial Position)

Net debt, also referred to as net financial position, is directly disclosed within the notes to the consolidated financial statements.



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