



LINDT & SPRÜNGLI

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Alternative Performance Measures

Half-Year 2022

## 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. The Lindt & Sprüngli Group 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	January–June 2022	January–June 2021
Sales in CHF million	1,991.7	1,799.2
<b>Growth in CHF in %</b>	<b>10.7%</b>	<b>17.2%</b>
Currency translation impact in % <sup>1</sup>	1.6%	0.7%
Acquisition impact in %	–	–0.5%
<b>Organic Growth in %</b>	<b>12.3%</b>	<b>17.4%</b>

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

The acquisition impact for half-year 2021 stems from the purchase of the Lindt & Sprüngli related retail operations of S.T. S.p.A., which has been made in December 2020.

## Operating Profit EBIT before one-off Effects

Neither in the first half of 2022 nor of 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	January–June 2022	January–June 2021
Operating cash flow	325.4	361.6
CAPEX in property, plant and equipment	-104.8	-128.6
CAPEX in intangible assets	-16.6	-5.1
<b>Total free cash flow</b>	<b>204.0</b>	<b>227.9</b>
in % of sales	10.2%	12.7%

## Net Debt (Net Financial Position)

Net debt, also referred to as net financial position, consists of financial debt against 3rd parties (for example bonds, loans, bank borrowings or other financial debt), under consideration of cash and cash equivalents, marketable securities and current financial assets. The below table illustrates how net debt is derived from the consolidated balance sheet:

CHF million	June 30, 2022	December 31, 2021
Marketable securities and current financial assets	0.3	250.3
Cash and cash equivalents	794.0	937.2
Bonds non-current	-998.1	-997.8
Lease liabilities non-current	-384.9	-398.9
Lease liabilities current	-70.1	-70.1
Bank and other borrowings	-8.6	-15.4
<b>Total net debt</b>	<b>-667.4</b>	<b>-294.7</b>

Net debt shows the amount of additional current or non-current assets needed besides cash and cash equivalent, marketable securities and other current financial assets to settle financial debt.



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