LINDT & SPRÜNGLI

Half-Year Report
January–June
2022

MAÎTRE CHOCOLATIER SUISSE DEPUIS 1845

Letter to Shareholders 2022

Group-wide double-digit organic sales growth

+12.3% to CHF 1.99 billion (+10.7% in CHF)

Increase of operating profit (EBIT) to

CHF 185.2 million (EBIT margin 9.3%)

Net income increased by

+36.2% to CHF 138.4 million

Good organic growth and market share gains in all regions

+9.1%	+15.2%	+16.9%
"Europe"	"North America"	"Rest of the World"

Dear Shareholders

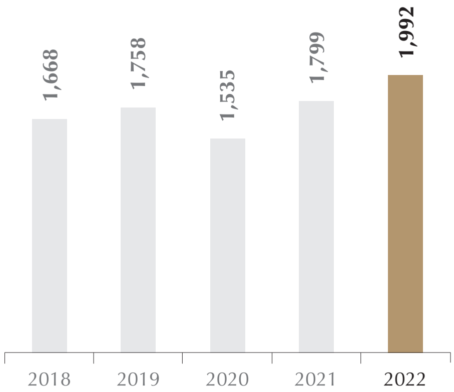
Lindt & Sprüngli generated in the first half of 2022 an organic sales increase in comparison to the previous year of +12.3% to CHF 1.99 billion and an increase in operating profit of +33.4% to CHF 185.2 million. Net income improved by +36.2% to CHF 138.4 million, reflecting thus once again a very good company performance. These results were achieved in a challenging economic environment, characterized by continued supply chain bottlenecks for raw and packaging materials, increasing inflationary pressure, cost increases for energy and logistics and the effects of the war in Ukraine. The cornerstones of our success were once again the strong commitment of our more than 14,000 employees, our clear focus on premium quality and consumer needs, the launch of innovative products and further expansion of geographic distribution. Given the ongoing high free cash flow and the strong balance sheet, Lindt & Sprüngli initiates a new buyback program for registered shares and participation certificates of CHF 1 billion.

The positive growth trend of the global chocolate markets progressed unchanged in the first half of 2022. The main drivers were volume growth and price increases in roughly equal measure. The above-average increase of the premium segment continued unabated. Lindt & Sprüngli as leading company in this segment benefitted from this. As a result, Lindt & Sprüngli further expanded its market shares in all three geographic segments.

The seasonal business in the first half of the year, such as Valentine's Day, especially Easter, followed by Mother's Day, is very important for Lindt & Sprüngli and developed very well. These gift-giving occasions could once again be celebrated without restrictions among family and friends in most countries. As a result of these developments, the product mix shifted in the last six months in favor of the higher-priced pralines gifting products. Our Lindor products in particular benefited from this. In contrast, sales of products for personal consumption, such as Excellence bars, grew less strongly. As a result of the sharp cost increases in the first half of the year, particularly for packaging materials, logistics, energy, and some raw materials, Lindt & Sprüngli had to raise sales prices to our trading partners in most countries – despite our substantial efforts to improve efficiency.

Group Sales

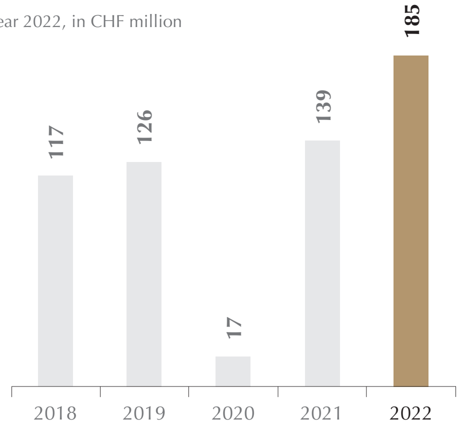
1. Half-Year 2022, in CHF million



organic growth	5.1%	6.2%	–8.1%	17.4%	**12.3%**

Operating Profit (EBIT)

1. Half-Year 2022, in CHF million



in % of sales	7.0%	7.2%	1.1%	7.7%	**9.3%**

In the segment "Europe", Lindt & Sprüngli achieved organic sales growth of +9.1% to CHF 980.1 million. Our core markets Germany and Italy reached double-digit growth thanks to the good Easter business. The Swiss market also recorded good sales growth, particularly on gift-giving occasions. In the Italian market, the integration of Caffarel as well as the acquired retail operations of S.T. S.p.A. was successfully completed, thus laying the foundation for accelerated growth in the future. The smaller subsidiaries in Austria, Central Eastern Europe, Poland, and Benelux continue their successful track record and all show double-digit growth.

The "North America" region recorded a double-digit organic sales increase of +15.2% to CHF 739.1 million. The Lindt companies in the USA and Canada as well as Ghirardelli are standing out, as they grew at an above-average rate. Russell Stover, on the other hand, was able to keep sales around previous year's levels. Thanks to improvements related to the recruitment of employees as well as in the supply chain, the basis for future growth was laid. The North American market thus became the absolute strongest growth driver for the company, and Lindt & Sprüngli further expanded its leading position as premium manufacturer in the world's largest chocolate market. Thanks to our activities, demand for premium chocolate generally accelerated in this market. As a result, the Lindt & Sprüngli companies recorded particularly strong seasonal sales increases on the gift occasions of Valentine's Day and Easter. In addition, prices in North America were adjusted in the reporting period to reflect the sharp rise in costs due to inflation.

The segment "Rest of the World" increased sales organically by +16.9% to CHF 272.5 million. Noteworthy are the companies in Japan, China, Brazil, and the duty-free business, all of which posted good double-digit sales growth. The duty-free business benefited from the renewed rise in worldwide passenger traffic at airports and was able to increase sales accordingly with an attractive range of products.

In terms of operating costs, Lindt & Sprüngli was impacted by rising global inflation primarily in the areas of production and logistics. In the case of raw materials, this mainly affected milk powder and sugar prices. In the packaging materials sector, the generally high demand led not only to increased prices but also to delivery delays and longer delivery times. Last but not least, the rise of the energy costs also led to higher logistics expenses. Thanks to long-standing relationships with our suppliers, a forward-looking procurement strategy, and great efforts on the part of our employees at our production sites, Lindt & Sprüngli succeeded in maintaining its ability to deliver to our customers at all times. Despite efficiency improvements in production, inflationary cost pressure will ultimately lead to further price increases for our products.

To secure future growth targets, the Lindt & Sprüngli Group is continuing to invest in the expansion of its group-wide infrastructure. Our most important major project – the expansion of our world's largest cocoa liquor plant in Olten – is proceeding according to plan and will be available for the sustainable supply of all European production sites from 2024 on. At the same time, the capacity expansion of our Lindt production site in Stratham in the USA for the North American market is also continuing with high priority.

Lindt & Sprüngli increased its operating result (EBIT) in the first half of 2022 by +33.4% to CHF 185.2 million (previous year: CHF 138.8 million). This corresponds to an EBIT margin of 9.3% (previous year: 7.7%). After deducting essentially unchanged interest expenses and tax rates, net income increased by +36.2% to CHF 138.4 million (previous year: CHF 101.6 million). Free cash flow reached CHF 204.0 million (previous year: CHF 227.9 million) and a margin of 10.2% (previous year: 12.7%). Free cash flow lies slightly behind the previous year's figures, as volatile supply chains require a temporary increase in inventories. The balance sheet total decreased seasonally to CHF 7.70 billion as of June 30, 2022 (December 31, 2021: CHF 8.96 billion) and the equity ratio was reduced slightly to 57.0% (December 31, 2021: 58.3%).

The buyback program for registered shares and participation certificates in the amount of CHF 750 million, which started approximately one year ago, was successfully completed as of June 21, 2022. A total of 629 registered shares and 65,014 participation certificates were repurchased, the cancellation of which was resolved as part of a capital reduction at the Annual General Meeting in April 2022 respectively will be proposed at the Annual General Meeting in April 2023.

In view of the continuously high free cash flow, an expected positive net liquidity at the end of 2022 and the strong balance sheet, the Board of Directors of Chocoladefabriken Lindt & Sprüngli AG decided in its meeting on July 25, 2022, to start a new buyback program for Lindt & Sprüngli registered shares (RS) and participation certificates (PC) in the amount of up to CHF 1 billion. The buyback will start on August 2, 2022, and last until July 31, 2024, at the latest. For the buyback, a separate trading line will be opened on the SIX Swiss Exchange AG for each of the registered shares and the participation certificates. The Board of Directors intends to propose the capital reduction by cancellation of the repurchased registered shares and participation certificates at future Annual General Meetings.

As a premium chocolate manufacturer, we are committed to our company purpose: "We enchant the world with chocolate". This is inseparably linked to our quality standards as well as sustainable and socially responsible business practices. Already in 2020, Lindt & Sprüngli has reached its important milestone of sourcing 100% of its cocoa beans fully traceable and externally verified under its own Farming Program.

Our Lindt & Sprüngli Farming Program involved at the end of 2021 more than 91,000 cocoa farmers (2020: 80,000) in seven countries of origin. We are working to achieve our goal of improving the livelihoods of cocoa farmers, their families, and communities in a complex environment through our efforts and continuously increasing financial investments. As part of our sustainability efforts, we give the highest priority to combating child labor. This includes, in particular, training and awareness-raising measures for the cocoa farmers and their communities.

Lindt & Sprüngli has committed to reducing the greenhouse gas emissions of its business activities in accordance with the Science Based Targets (SBT) Initiative. With this in mind, we have partnered with external experts and in line with official standards to develop our first complete carbon footprint for the base year of 2020 (Scope 1, Scope 2 and Scope 3 emissions). Based on this footprint a concrete plan of measures and a roadmap for the reduction of greenhouse gas emissions will be announced in Spring 2023.

Detailed information on our sustainability strategy, commitments, progress and results can be found in the recently published Sustainability Report 2021 at:

https://www.lindt-spruengli.com/amfile/file/download/id/6775/file/Lindt-Spruengli-Sustainability-Report-2021.pdf

Outlook

For the full year 2022, Lindt & Sprüngli expects organic sales growth in the range of 8–10% (previously 6–8%) with an operating profit margin of around 15%. These assumptions are based on expectations that the present geopolitical tensions will not increase further and that the existing supply chain bottlenecks will improve slightly in the second half of the year. For the coming years, the company confirms its medium- to long-term organic sales growth target of 6–8% with an improvement in the operating profit margin of 20–40 basis points per year.

Ernst Tanner
Executive Chairman of the Board of Directors

Dr Dieter Weisskopf
CEO Lindt & Sprüngli Group

Consolidated Balance Sheet
(unaudited)

CHF million	Note	June 30, 2022		December 31, 2021	
Assets					
Property, plant and equipment		1,352.7		1,347.2	
Right-of-use assets		417.9		436.1	
Intangible assets		1,352.8		1,308.8	
Financial assets		2,041.7		2,653.6	
Deferred tax assets		178.1		185.6	
Total non-current assets		**5,343.2**	**69.4%**	**5,931.3**	**66.2%**
Inventories		987.6		761.6	
Accounts receivable		383.7		895.3	
Other receivables		124.3		109.5	
Accrued income and prepayments		52.3		47.1	
Derivative assets		19.2		23.8	
Marketable securities and current financial assets		0.3		250.3	
Cash and cash equivalents		794.0		937.2	
Total current assets		**2,361.4**	**30.6%**	**3,024.8**	**33.8%**
Total assets		**7,704.6**	**100.0%**	**8,956.1**	**100.0%**
Liabilities					
Share and participation capital	5	24.3		24.2	
Treasury stock	5	–765.7		–460.6	
Retained earnings and other reserves		5,132.0		5,660.0	
Equity attributable to shareholders of the parent		**4,390.6**		**5,223.6**	
Total equity		**4,390.6**	**57.0%**	**5,223.6**	**58.3%**
Bonds		998.1		997.8	
Lease liabilities		384.9		398.9	
Deferred tax liabilities		522.1		669.8	
Pension liabilities		101.6		136.7	
Other liabilities		5.7		6.0	
Provisions		38.7		37.6	
Total non-current liabilities		**2,051.1**	**26.6%**	**2,246.8**	**25.1%**
Accounts payable to suppliers		198.6		237.9	
Other accounts payable		69.4		103.8	
Lease liabilities		70.1		70.1	
Current tax liabilities		94.0		120.2	
Accrued liabilities and deferred income		779.6		908.6	
Derivative liabilities		28.2		13.7	
Provisions		14.4		16.0	
Bank and other borrowings		8.6		15.4	
Total current liabilities		**1,262.9**	**16.4%**	**1,485.7**	**16.6%**
Total liabilities		**3,314.0**	**43.0%**	**3,732.5**	**41.7%**
Total liabilities and equity		**7,704.6**	**100.0%**	**8,956.1**	**100.0%**

The accompanying notes form an integral part of the consolidated semi-annual statements.

Consolidated Income Statement
(unaudited)

CHF million	Note	January–June 2022		January–June 2021	
Income					
Sales		1,991.7	100.0%	1,799.2	100.0%
Other income		11.2		15.3	
Total income		**2,002.9**	**100.6%**	**1,814.5**	**100.9%**
Expenses					
Material expenses		–776.1	–39.0%	–667.2	–37.1%
Changes in inventories		148.6	7.5%	72.8	4.0%
Personnel expenses		–483.9	–24.3%	–458.2	–25.5%
Operating expenses		–573.2	–28.8%	–495.1	–27.5%
Depreciation, amortization and impairment		–133.1	–6.7%	–128.0	–7.1%
Total expenses		**–1,817.7**	**–91.3%**	**–1,675.7**	**–93.2%**
Operating profit (EBIT)		**185.2**	**9.3%**	**138.8**	**7.7%**
Financial income		4.9		3.4	
Financial expense		–12.7		–11.9	
Income before taxes		**177.4**	**8.9%**	**130.3**	**7.2%**
Taxes		–39.0		–28.7	
Net income		**138.4**	**6.9%**	**101.6**	**5.6%**
of which attributable to shareholders of the parent		138.4		101.6	
Non-diluted earnings per share / 10 PC (in CHF)		584.7		423.4	
Diluted earnings per share / 10 PC (in CHF)		577.1		419.2	

The accompanying notes form an integral part of the consolidated semi-annual statements.

Statement of Comprehensive Income
(unaudited)

CHF million	Note	January–June 2022	January–June 2021
Net income		**138.4**	**101.6**
Other comprehensive income after taxes		**–432.4**	**229.4**
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		–444.4	143.3
Items that may be reclassified subsequently to profit or loss			
Hedge accounting		–23.4	3.6
Currency translation		35.4	82.5
Total comprehensive (loss) / income		**–294.0**	**331.0**
of which attributable to non-controlling interests	1	–	–0.3
of which attributable to shareholders of the parent		–294.0	331.3

The accompanying notes form an integral part of the consolidated semi-annual statements.

Items in the statement above are disclosed net of tax.

Consolidated Statement of Changes in Equity
(unaudited)

CHF million	Note	Share- / PC-capital	Treasury stock	Share premium	Hedge accounting	Retained earnings	Currency translation	Equity attributable to share-holders	Non-controlling interests[1]	Total equity
Balance as at January 1, 2021		**24.0**	**–26.8**	**334.4**	**12.0**	**4,696.1**	**–438.9**	**4,600.8**	**5.5**	**4,606.3**
Net income		–	–	–	–	101.6	–	101.6	–	101.6
Other comprehensive income		–	–	–	3.6	143.3	82.8	229.7	–0.3	229.4
Capital increase	5	0.1	–	49.1	–	–	–	49.2	–	49.2
Purchase of own shares and participation certificates	5	–	–57.1	–	–	–	–	–57.1	–	–57.1
Sale of own shares	5	–	11.0	–	–	2.9	–	13.9	–	13.9
Share-based payment[2]		–	–	–	–	8.2	–	8.2	–	8.2
Transactions with minorities	1	–	–	–	–	5.2	–	5.2	–5.2	–
Reclass into retained earnings		–	–	–88.6	–	88.6	–	–	–	–
Distribution of profit		–	–	–	–	–264.1	–	–264.1	–	–264.1
Balance as at June 30, 2021		**24.1**	**–72.9**	**294.9**	**15.6**	**4,781.8**	**–356.1**	**4,687.4**	**–**	**4,687.4**
Balance as at January 1, 2022		**24.2**	**–460.6**	**364.8**	**10.9**	**5,708.8**	**–424.5**	**5,223.6**	**–**	**5,223.6**
Net income		–	–	–	–	138.4	–	138.4	–	138.4
Other comprehensive income		–	–	–	–23.4	–444.4	35.4	–432.4	–	–432.4
Capital increase	5	0.1	–	52.8	–	–	–	52.9	–	52.9
Purchase of own shares and participation certificates	5	–	–305.1	–	–	–	–	–305.1	–	–305.1
Sale of own shares	5	–	–	–	–	–	–	–	–	–
Share-based payment[2]		–	–	–	–	–2.7	–	–2.7	–	–2.7
Reclass into retained earnings		–	–	–	–	–	–	–	–	–
Distribution of profit		–	–	–	–	–284.1	–	–284.1	–	–284.1
Balance as at June 30, 2022		**24.3**	**–765.7**	**417.6**	**–12.5**	**5,116.0**	**–389.1**	**4,390.6**	**–**	**4,390.6**

The accompanying notes form an integral part of the consolidated semi-annual statements.

1 See note 1 for the changes in non-controlling interests.

2 The recorded expenses for share based payments amount to CHF 8.5 million (CHF 8.2 million in prior year). Moreover, CHF 11.2 million (CHF 0.0 million in prior year) deferred tax expenses on employee stock options in the USA were recorded directly in equity.

Consolidated Cash Flow Statement (unaudited)

CHF million	Note	**January–June 2022**		January–June 2021	
Net income		138.4		101.6	
Taxes		39.0		28.7	
Interest expense		12.6		11.9	
Interest income		–1.0		–1.0	
Depreciation, amortization and impairment		133.1		128.0	
Decrease (–) / Increase (+) of provisions		–0.4		–36.0	
Decrease (–) / Increase (+) of allowances from current assets		–2.5		–2.4	
Decrease (+) / Increase (–) of pension plans		–4.9		2.4	
Profit (–) / Loss (+) from disposals of fixed assets		–0.2		–5.5	
Decrease (+) / Increase (–) of accounts receivables		520.7		465.7	
Decrease (+) / Increase (–) of inventories		–223.1		–137.6	
Decrease (+) / Increase (–) of other receivables		–0.9		–3.5	
Decrease (+) / Increase (–) of accrued income, prepayments, derivative assets and liabilities		–8.9		–9.2	
Decrease (–) / Increase (+) of accounts payable		–38.4		–21.1	
Decrease (–) / Increase (+) of other payables and accrued liabilities		–144.8		–85.1	
Interest received from third parties		0.9		1.0	
Interest paid to third parties		–9.9		–9.1	
Taxes paid		–61.9		–59.0	
Non-cash effective items [1]		–22.4		–8.2	
Cash flow from operating activities (operating cash flow)			**325.4**		**361.6**
CAPEX in property, plant and equipment		–104.8		–128.6	
Disposal proceeds property, plant and equipment		0.9		6.1	
CAPEX in intangible assets		–16.6		–5.1	
Disposal proceeds intangible assets		0.1		–	
Disposal proceeds (+) / Investing expenditures (–) in financial assets (excluding pension assets)		–		–0.3	
Disposal proceeds (+) / Investing expenditures (–) in marketable securities and short-term financial assets		250.0		151.4	
Cash flow from investment activities			**129.6**		**23.5**
Proceeds from borrowings [2]		7.7		26.3	
Repayments of borrowings [2]		–15.2		–2.2	
Repayments of lease liabilities		–37.0		–33.3	
Capital increase (including premium)		52.9		49.2	
Purchase of treasury stock		–316.7		–57.1	
Sale of treasury stock		–		14.5	
Distribution of profit		–284.1		–264.1	
Cash flow with non-controlling interests	1	–		–30.4	
Cash flow from financing activities			**–592.4**		**–297.1**
Net increase (+) / decrease (–) in cash and cash equivalents			**–137.4**		**88.0**
Cash and cash equivalents as at January 1		937.2		848.4	
Exchange gains (+) / losses (–) on cash and cash equivalents		**–5.8**	**931.4**	**9.9**	**858.3**
Cash and cash equivalents as at June 30			**794.0**		**946.3**

The accompanying notes form an integral part of the consolidated statements.
1 In the first half-year 2022, movements of CHF –1.3 million result from translation of foreign exchange balances (CHF –8.8 million in prior year) and CHF 8.5 million from share based compensation (8.2 million in prior year).
2 To increase transparency, the changes in borrowings are newly shown gross.

Notes to the Semi-Annual Report
(unaudited)

1. Changes in the Consolidation Scope and Non-Controlling Interests

In January 2022, the following group-internal mergers took place:

Lindt & Sprüngli S.p.A. absorbed its two fully-owned subsidiaries Lindt & Sprüngli Retail S.r.l. and Caffarel S.p.A. This represents an upstream merger. Moreover, Lindt & Sprüngli (Brazil) Comércio de Alimentos S.A. absorbed its 100% parent company Lindt & Sprüngli (Brazil) Holding Ltda. This represents a downstream merger. In both cases, all business operations are continued with. Since both transactions are group-internal mergers, the impact on the consolidated financial statements is limited.

The minority shares in Lindt & Sprüngli (Brazil) Comércio de Alimentos S.A. have been purchased previously on January 27, 2021, for a purchase price of BRL 180.0 million (CHF 30.4 million). Since the Lindt & Sprüngli Group already possessed the majority share before the purchase and Lindt & Sprüngli (Brazil) Comércio de Alimentos S.A. thus was accounted for using the purchase method, the transaction has been accounted for as a pure capital transaction and hence resulted in an elimination of the remaining non-controlling interests.

2. Accounting Principles

The unaudited consolidated semi-annual report as at June 30, 2022, has been prepared in accordance with the requirements of IAS 34 – "Interim Financial Reporting". Except for the changes described hereafter, the accounting principles outlined in the annual financial statements for the year ended December 31, 2021, have been applied consistently. The condensed form of the financial statements has been applied to this report.

New IFRS and interpretations

The new or amended IFRS and interpretations, which must be applied for the reporting period starting on January 1, 2022, had no significant impact on this semi-annual report.

Foreign exchange rates

The Lindt & Sprüngli Group applied the following exchange rates:

		Balance sheet as-of rates		Income statement average rates	
CHF		**June 30, 2022**	December 31, 2021	**January–June 2022**	January–June 2021
Euro zone	1 EUR	1.00	1.03	1.03	1.09
USA	1 USD	0.96	0.91	0.94	0.91
United Kingdom	1 GBP	1.16	1.23	1.23	1.26
Canada	1 CAD	0.74	0.72	0.74	0.72
Australia	1 AUD	0.66	0.66	0.68	0.70
Poland	100 PLN	21.24	22.51	22.23	24.08
Mexico	100 MXN	4.74	4.47	4.66	4.50
Sweden	100 SEK	9.28	10.09	9.86	10.80
Czech Republic	100 CZK	4.02	4.16	4.19	4.22
Japan	100 JPY	0.70	0.79	0.78	0.85
South Africa	100 ZAR	5.85	5.75	6.12	6.23
Hong Kong	100 HKD	12.20	11.71	12.06	11.69
China	100 CNY	14.28	14.36	14.52	13.89
Russia	100 RUB	1.76	1.22	1.21	1.21
Brazil	100 BRL	18.47	16.39	18.93	16.91

Estimates and assumptions

When preparing the semi-annual report, Management makes estimates and assumptions that have an impact on the disclosed assets and liabilities at the balance sheet date, as well as the disclosed expenses and income in the reporting period. The actual results may differ from these estimates.

3. Seasonality

When analyzing the Lindt & Sprüngli Group's results in the first half of the year, it is important to bear in mind the seasonal and gift-oriented nature of the premium chocolate business. Experience shows that the Lindt & Sprüngli Group makes less than 40% of its annual sales during the first half of each year, but at the end of June, these sales are confronted with approximately half of the fixed costs of production, administration, and marketing. Therefore, for the first half-year, the profitability in relation to sales of the Lindt & Sprüngli Group cannot be equated with its profitability over the year as a whole. Likewise, the balance of accounts receivable is substantially lower at the end of the first half of the year than at the end of the year (declining orders during the summer season compared to the Christmas business).

4. Segment Information

The Lindt & Sprüngli Group is organized and managed by means of individual countries. For the definition of business segments to be disclosed, the Lindt & Sprüngli Group has aggregated subsidiaries of individual countries on the basis of similar economic structures (foreign exchange risks, growth perspectives, members of same economic area), products and trading environment, as well as economic attributes (gross profit margins).

The Lindt & Sprüngli Group's business segments to be disclosed are:

- "Europe", consisting of the European companies and business units including Russia
- "North America", consisting of the companies in the USA, Canada, and Mexico
- "Rest of the World", consisting of the companies in Australia, Japan, South Africa, Hong Kong, China, and Brazil as well as the business units Distributors and Duty Free.

The Lindt & Sprüngli Group considers the operating result as the segment result. Transactions between segments are valued and recorded at arm's length ("Cost Plus"-Method).

Segment result

	Segment Europe		Segment North America		Rest of the World		**Total**	
CHF million	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Sales	1,115.7	1,052.4	784.8	624.5	272.5	237.0	2,173.0	1,913.9
Whereof sales between segments	–135.6	–111.1	–45.7	–3.6	–	–	–181.3	–114.7
Third party sales	**980.1**	**941.3**	**739.1**	**620.9**	**272.5**	**237.0**	**1,991.7**	**1,799.2**
Operating profit	122.1	106.5	24.4	–0.4	38.7	32.7	185.2	138.8
Net financial result							–7.8	–8.5
Income before taxes							**177.4**	**130.3**
Taxes							–39.0	–28.7
Net income							**138.4**	**101.6**

5. Share and Participation Capital

	Number of registered shares[1]	Number of participation certificates[2]	Registered shares (CHF million)	Participation certificates (CHF million)	**Total** (CHF million)
At January 1, 2021	**135,552**	**1,044,146**	**13.6**	**10.4**	**24.0**
Capital increase	–	9,443	–	0.1	0.1
At June 30, 2021	**135,552**	**1,053,589**	**13.6**	**10.5**	**24.1**
At January 1, 2022	**135,552**	**1,066,564**	**13.6**	**10.6**	**24.2**
Capital increase	–	9,541	–	0.1	0.1
At June 30, 2022	**135,552**	**1,076,105**	**13.6**	**10.7**	**24.3**

1 At par value of CHF 100.–
2 At par value of CHF 10.–

The conditional capital as at June 30, 2022, has a total of 331,366 (353,882 as at June 30, 2021) participation certificates with a par value of CHF 10. Of this total, 176,916 (199,432 as at June 30, 2021) are reserved for employee stock option programs; the remaining 154,450 (154,450 as at June 30, 2021) participation certificates are reserved for capital market transactions. In the six-month period ended June 30, 2022, a total of 9,541 employee options were exercised at an average exercise price of CHF 5,606 (for the six-month period ended June 30, 2021, 9,443 employee options were exercised at an average exercise price of CHF 5,316).

The number of own registered shares and participation certificates (treasury stock) is as follows:

	2022		2021	
Inventory of treasury stock	Registered shares	Participation certificates	Registered shares	Participation certificates
Inventory as at January 1	**667**	**37,570**	**377**	**–**
Retirements	–	–	–163	–
Buy-back program	176	27,444	52	5,720
Inventory as at June 30	**843**	**65,014**	**266**	**5,720**
Average sales price of retirements (in CHF)	–	–	89,054	–
Average cost of buy-back program (in CHF)	109,490	10,414	96,348	8,976

Since the buy-back program started on June 1, 2021, the Lindt & Sprüngli Group acquired registered shares and participation certificates worth CHF 748.0 million. The program has been completed ahead of schedule on June 21, 2022.

6. Dividends

The proposed dividend of CHF 1,200 (CHF 1,100 in prior year) per registered share, and CHF 120 (CHF 110 in prior year) per participation certificate, was approved at the annual shareholders' meeting held on April 28, 2022. The dividends were paid out starting May 5, 2022.

7. Financial Instruments, Fair Value and Hierarchy Levels

The following table shows the carrying amounts and fair values of financial instruments recognized in the consolidated balance sheet, analyzed by categories and hierarchy levels:

		June 30, 2022		December 31, 2021	
CHF million	Level[1]	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets					
Fair value through profit or loss					
Derivative assets	2	3.7	3.7	0.9	0.9
Investments third parties	3	0.3	0.3	0.3	0.3
Total		**4.0**		**1.2**	
Derivatives used for hedging					
Derivative assets	1	4.5	4.5	9.2	9.2
Derivative assets	2	11.0	11.0	13.7	13.7
Total		**15.5**		**22.9**	
Other financial assets at amortized cost					
Cash and cash equivalents		794.0	–[1]	937.2	–[1]
Accounts receivable		383.7	–[1]	895.3	–[1]
Other receivables[2]		85.8	–[1]	86.5	–[1]
Marketable securities and current financial assets		0.3	–[1]	250.3	–[1]
Total		**1,263.8**		**2,169.3**	
Total financial assets		**1,283.3**		**2,193.4**	
Financial liabilities					
Fair value through profit or loss					
Derivative liabilities	2	0.2	0.2	0.1	0.1
Total		**0.2**		**0.1**	
Derivatives used for hedging					
Derivative liabilities	1	4.5	4.5	1.6	1.6
Derivative liabilities	2	23.5	23.5	12.0	12.0
Total		**28.0**		**13.6**	
Other financial liabilities at amortized costs					
Bonds	1	998.1	914.4	997.8	1,012.9
Other non-current liabilities		5.7	–[1]	6.0	–[1]
Accounts payable		198.6	–[1]	237.9	–[1]
Other accounts payable		69.4	–[1]	103.8	–[1]
Bank and other borrowings		8.6	–[1]	15.4	–[1]
Total		**1,280.4**		**1,360.9**	
Total financial liabilities		**1,308.6**		**1,374.6**	

1 Level 1 – The fair value measurement of same financial instruments is based on quoted prices in active markets.
Level 2 – The fair value measurement of same financial instruments is based on observable market data, other than quoted prices in Level 1.
Level 3 – Valuation technique using non-observable data.
For the categories at amortized costs it is expected that the carrying amounts are a reasonable approximation of the respective fair values, except for the position bonds.
2 Excluding prepayments and current tax assets.

8. Events after the Balance Sheet Date

The unaudited consolidated semi-annual financial statements were approved for publication by the Audit Committee of the Board of Directors on July 25, 2022.

The buy-back program started on June 1, 2021, has been completed ahead of schedule on June 21, 2022. The registered shares and participation certificates (453 own registered shares with a par value of CHF 100 and 37,570 own participation certificates with a par value of CHF 10), which have been bought back during 2021 within the scope of this program, have been destroyed in July, 2022. Moreover, the Board of Directors of Chocoladefabriken Lindt & Sprüngli AG decided in their meeting on July 25, 2022, to launch a new buy-back program for Lindt & Sprüngli registered shares and participation certificates in the amount of up to CHF 1 billion.

No other events have occurred up to July 25, 2022, which would necessitate adjustments to the carrying values of the Lindt & Sprüngli Group's assets or liabilities, or which require additional disclosure.

Information

Agenda

January 17, 2023	Net-sales 2022
March 7, 2023	Full-Year Results 2022
April 20, 2023	125th Shareholders' Meeting
July 25, 2023	Half-Year Results 2023

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Forward-looking statements

Some of the statements expressed in the semi-annual report are based on forward-looking assumptions. The actual results may vary from these for a variety of reasons, including among others factors such as general economic conditions, fluctuations within the currency and raw materials sector, and changes to the regulatory landscape. Forward-looking statements made in this report are neither updated nor revised. The semi-annual report is published in German and English, with the German version being binding.

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