LINDT & SPRÜNGLI

Half-Year Report January–June 2023

MAÎTRE CHOCOLATIER SUISSE DEPUIS 1845

Letter to Shareholders 2023

Double-digit organic sales growth across the Group

+10.1% to CHF 2.09 billion

Operating profit (EBIT) increased to

CHF 255.0 million (EBIT margin 12.2%)

Net income increased to

CHF 204.5 million

Good organic growth and market share gains in all regions

+8.9%	+11.2%	+11.1%
"Europe"	"North America"	"Rest of the World"

Dear Shareholders,

The first half of the financial year 2023 was a very successful one for the Lindt & Sprüngli Group. Sales rose year-on-year by +10.1% (in organic terms) to CHF 2.09 billion; this organic growth rate reflects the exit from Russia. Based on an EBIT of CHF 255.0 million, the EBIT margin rose to +12.2%. This resulted in net income of CHF 204.5 million, which corresponds to an increase of 47.8% compared to the first half of the previous year.

These results show that, thanks to our strong brand positioning, high quality standards and committed employees, we were able to achieve very good results even in a volatile market environment. Raw material and energy costs were volatile in light of the persistently tense global political situation, although the Group was able to partially offset these effects through long-term contracts and efficiency improvements. However, we had to pass on some of the cost increases to trade partners through price adjustments. High inflation also dampened consumer sentiment, which resulted in subdued demand, particularly in Europe and the US.

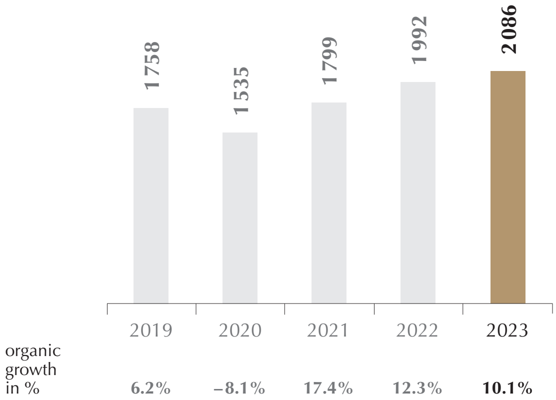
Strong development in own retail

Overall, sales in the global chocolate market continue to develop positively. Due to inflationary effects and the resulting subdued consumer sentiment, volumes stagnated or declined slightly depending on the product group and market. While there is a slight trend toward retailers' cheaper private label in some particularly price-sensitive markets in Europe, we are also seeing consumers continue to savour premium chocolate products. The trend toward premium products is particularly evident around seasonal gift-giving occasions, such as Easter and Christmas, which are important for us.

Purchases in our own retail shops are particularly attractive thanks to the exclusive shopping experience and our high-quality gifts. That is confirmed by the above-average increases in sales generated at our own approximately 500 shops. Tourism is also back on the rise, making our own retail channel a key driver of our global growth. Sales in our shops grew in the double-digit range in all market regions. This was also attributable in part to positive mix effects, as consumers selected high-quality products with correspond-

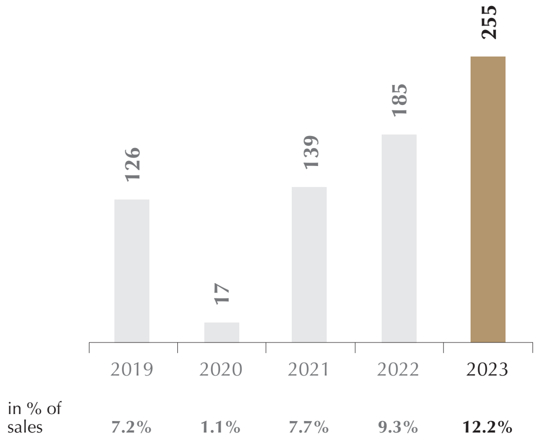
Group Sales

1. Half-Year 2023, in CHF million



Operating Profit (EBIT)

1. Half-Year 2023, in CHF million



ingly higher added value even more frequently than in the previous year. The travel retail business performed very positively once again due to the global growth in passenger numbers at airports.

Lindor and Gold Bunny continue to grow

In our product mix, the trend toward gift packaging, pralines and hollow figures continues, meaning that the Group continues to benefit from their higher added value. While double-digit growth was seen in particular in sales of Lindor, Lindt's Gold Bunny for Easter is also gaining more and more fans around the world.

Sales increase in all three segments

The "Europe" segment achieved a significant organic increase in sales of +8.9% to CHF 1.0 billion in the first half of the year. The German and French markets continued to achieve impressive growth despite price-sensitive consumers and a high like-for-like basis. Italy and the UK, also important established core markets, even achieved double-digit growth. Things were also particularly positive for Lindt & Sprüngli Switzerland in terms of its domestic business, the export business with distributors as well as our Global Travel Retail business.

The "North America" segment once again confirmed its strategic focus on this market region, which saw double-digit organic sales growth of +11.2% to CHF 798.1 million. Our five companies in North America grew, particularly Lindt & Sprüngli USA, which is defending its position as the leading chocolate company in the premium segment in the world's largest chocolate market. It became clear once again that consumers not only want to personally enjoy premium chocolate products made according to a Swiss recipe but have also rediscovered the pleasure of gift-giving in the form of Lindt Gold Bunnies and Lindor pralines for Christmas, Easter, and Valentine's Day. Additionally, inflation – although not negligible in North America either – had a less negative impact on consumer sentiment in these markets than in Europe.

The markets in the "Rest of the World" segment also achieved strong organic growth of +11.1% to CHF 281.7 million. Particular mention should be made of the companies in Japan and Brazil, which posted double-digit growth rates.

Proactive cost management

The picture for the first half of 2023 is mixed on the cost side. While energy prices and the security of supply had still been a major concern for us at the start of the year, this tense situation has calmed down in the meantime. Subject to price developments in the coming winter, we are currently seeing the situation ease. However, the prices of raw materials and intermediate products, such as sugar and packaging materials, remain high.

At the same time, the world market price for cocoa has been rising continuously since the end of 2022 and has reached a long-term high. In fact, this increase is so significant that it outstrips the slight easing seen in some other raw materials. That is mainly due to the fact that Lindt & Sprüngli's high-quality chocolate recipes contain very large amounts of cocoa and cocoa butter in particular. We are preparing to monitor the situation on the commodity markets closely for the rest of the year and will adhere strictly to our ongoing cost management approach.

The Lindt & Sprüngli Group continues to invest in the expansion of its infrastructure. Our most important major project – the expansion of the cocoa mass plant in Olten, our largest worldwide – continues to proceed according to plan; it will be operating from 2024 onward to sustainably supply all European production sites. At the same time, the capacity expansion of our Lindt production site in Stratham (USA) is also progressing well.

Financial results

In the first half of 2023, Lindt & Sprüngli grew sales organically by +10.1% to CHF 2.09 billion, with this growth rate also reflecting the exit from Russia. Its operating profit (EBIT) increased by 37.7% to CHF 255.0 million (previous year: CHF 185.2 million). This corresponds to an EBIT margin of 12.2% (previous year: 9.3%) for the first half of the year. However, due to further increases in raw material costs and larger investments in marketing activities, we do not expect this trend to continue to the same extent in the second half of 2023.

Following the deduction of interest and tax expenses, which remained virtually unchanged, net income increased by +47.8% to CHF 204.5 million (previous year: CHF 138.4 million). Free cash flow amounted to CHF 137.3 million (previous year: CHF 204.0 million) with a margin of 6.6% (previous year: 10.2%). The balance-sheet total declined to CHF 7.61 billion as at June 30, 2023, due to seasonal factors (December 31, 2022: CHF 7.95 billion) and the equity ratio increased slightly to 57.2% (December 31, 2022: 55.4%).

"Even in challenging times characterized by inflation and cost pressure, the Lindt & Sprüngli Group is very well positioned and continues to write its success story. Global diversification and the continuous strengthening of the brand are proving to be strategic decisions with foresight. In particular, the expansion into the largest chocolate market in the world – the USA – is clearly paying off."

Ernst Tanner, Executive Chairman of the Board of Directors

Share buyback program well received

The CHF 1 billion share buyback program launched a year ago has been well received by investors. To date, a total of 348 registered shares and 44,160 participation certificates have been repurchased. The cancellation of these assets within the scope of a capital reduction was already resolved at the Shareholders' Meeting of April 20, 2023; a proposal will be submitted to the Shareholders' Meeting of April 18, 2024, regarding any repurchased on or after January 1, 2023.

"We are making progress on our journey toward becoming a sustainable Group: We have intensified our efforts to responsibly source cocoa and other key raw materials and expanded the Lindt & Sprüngli Farming Program. We have also stepped up our commitment to respecting human rights and submitted our climate targets for validation."

Adalbert Lechner, CEO Lindt & Sprüngli Group

Progress in the area of sustainability

The Lindt & Sprüngli Group's sustainable and socially responsible corporate governance is reflected not only in its economic success, but also in important advances in the area of sustainability: Lindt & Sprüngli has expanded its responsible sourcing activities even further. Since 2020, Lindt & Sprüngli has sourced 100% of its cocoa beans on a fully traceable and externally verified basis from its own Lindt & Sprüngli Farming Program. By 2025, we aim to source 100% of our cocoa products, including cocoa butter and powder, through sustainability programs. More than 112,000 farmers in seven cocoa countries now benefit from the investments of the Lindt & Sprüngli Farming Program. The Group is working on expanding these programs further in the current year. In addition, the Group strengthened its efforts to address and prevent child labor in the cocoa bean supply chain by developing and implementing its own Community Child Protection System.

We are working continuously to implement our roadmap for the responsible sourcing of our raw materials. Last year, we defined standards for sugar, paper, and vanilla. That brings Lindt & Sprüngli closer to its goal of covering 80% of its raw materials and packaging materials through a sustainable procurement program by 2025.

The Group is also committed to reducing greenhouse gas emissions in the value chain (Scope 1, 2, and 3) and to setting science-based reduction targets in line with the Paris Agreement. Lindt & Sprüngli has submitted its climate targets to the Science Based Targets initiative (SBTi) for validation and expects these to be published in the second half of 2023.

Detailed information on our sustainability strategy can be found in the recently published Sustainability Report 2022 at:

www.lindt-spruengli.com/sustainability

Outlook

In light of the positive business trend in the first half of the year, Lindt & Sprüngli is adjusting the outlook for 2023 as a whole. The Group now expects sales growth in the 7–9% range (previously 6–8%) and a year-on-year increase in the profit margin of 30–50 basis points (previously 20–40). This forecast is based on the assumption that geopolitical tensions will not worsen, and that consumer sentiment will at least remain at the current level. For the coming years, the Group continues to reiterate its medium- to long-term sales growth targets of 6–8% with an improvement in the operating profit margin of 20–40 basis points per annum.

Ernst Tanner
Executive Chairman of the Board of Directors

Adalbert Lechner
CEO Lindt & Sprüngli Group

Consolidated Balance Sheet
(unaudited)

CHF million	Note	June 30, 2023		December 31, 2022	
Assets					
Property, plant and equipment		1,380.7		1,371.4	
Right-of-use assets		382.4		397.0	
Intangible assets		1,296.5		1,321.2	
Financial assets		2,152.6		1,810.8	
Deferred tax assets		170.2		154.9	
Total non-current assets		**5,382.4**	**70.7%**	**5,055.3**	**63.6%**
Inventories		1,140.2		875.6	
Accounts receivable		392.1		953.1	
Other receivables		130.8		116.9	
Accrued income and prepayments		39.3		40.2	
Derivative assets		42.4		39.1	
Marketable securities and current financial assets		0.3		0.3	
Cash and cash equivalents		483.5		864.6	
Total current assets		**2,228.6**	**29.3%**	**2,889.8**	**36.4%**
Total assets		**7,611.0**	**100.0%**	**7,945.1**	**100.0%**
Liabilities					
Share and participation capital	5	23.5		23.9	
Own shares	5	–253.8		–570.3	
Retained earnings and other reserves		4,587.5		4,947.0	
Equity attributable to shareholders of the parent		**4,357.2**		**4,400.6**	
Total equity		**4,357.2**	**57.2%**	**4,400.6**	**55.4%**
Pension liabilities		104.8		95.3	
Bonds		998.5		998.3	
Lease liabilities		346.2		362.1	
Deferred tax liabilities		545.4		459.9	
Provisions		39.4		41.4	
Other liabilities		6.0		10.2	
Total non-current liabilities		**2,040.3**	**26.8%**	**1,967.2**	**24.8%**
Accounts payable to suppliers		211.8		290.5	
Other accounts payable		83.2		108.3	
Lease liabilities		69.9		68.0	
Current tax liabilities		76.9		129.1	
Accrued liabilities and deferred income		748.6		942.5	
Derivative liabilities		4.7		15.7	
Provisions		10.1		15.4	
Bank and other borrowings		8.3		7.8	
Total current liabilities		**1,213.5**	**16.0%**	**1,577.3**	**19.8%**
Total liabilities		**3,253.8**	**42.8%**	**3,544.5**	**44.6%**
Total liabilities and equity		**7,611.0**	**100.0%**	**7,945.1**	**100.0%**

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

Consolidated Income Statement
(unaudited)

CHF million	Note	January–June 2023		January–June 2022	
Income					
Sales		2,085.5	100.0%	1,991.7	100.0%
Other income		11.6		11.2	
Total income		**2,097.1**	**100.5%**	**2,002.9**	**100.6%**
Expenses					
Changes in inventories		145.4	7.0%	148.6	7.5%
Cost of materials		–772.3	–37.0%	–776.1	–39.0%
Personnel expenses		–493.2	–23.7%	–483.9	–24.3%
Operating expenses		–594.0	–28.5%	–573.2	–28.8%
Depreciation, amortization and impairment		–128.0	–6.1%	–133.1	–6.7%
Total expenses		**–1,842.1**	**–88.3%**	**–1,817.7**	**–91.3%**
Operating profit (EBIT)		**255.0**	**12.2%**	**185.2**	**9.3%**
Financial income		7.2		4.9	
Financial expenses		–11.8		–12.7	
Income before taxes (EBT)		**250.4**	**12.0%**	**177.4**	**8.9%**
Taxes		–45.9		–39.0	
Net income		**204.5**	**9.8%**	**138.4**	**6.9%**
of which attributable to shareholders of the parent		204.5		138.4	
Non-diluted earnings per share / 10 PC (in CHF)		872.6		584.7	
Diluted earnings per share / 10 PC (in CHF)		863.2		577.1	

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

Statement of Comprehensive Income
(unaudited)

CHF million	Note	January–June 2023	January–June 2022
Net income		**204.5**	**138.4**
Other comprehensive income after taxes		**193.9**	**–432.4**
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		233.1	–444.4
Items that may be reclassified subsequently to profit or loss			
Hedge accounting		14.2	–23.4
Currency translation		–53.4	35.4
Total comprehensive income		**398.4**	**–294.0**
of which attributable to shareholders of the parent		398.4	–294.0

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 shareholders	Non-controlling interest	Total equity
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
Share-based payment [1]		–	–	–	–	–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**
Balance as at January 1, 2023		**23.9**	**–570.3**	**353.0**	**22.8**	**5,029.2**	**–458.0**	**4,400.6**	**–**	**4,400.6**
Net income		–	–	–	–	204.5	–	204.5	–	204.5
Other comprehensive income		–	–	–	14.2	233.1	–53.4	193.9	–	193.9
Capital increase	5	0.1	–	82.9	–	–	–	83.0	–	83.0
Purchase of own shares and participation certificates	5	–	–238.7	–	–	–	–	–238.7	–	–238.7
Capital decrease (destruction)	5	–0.5	555.2	–46.8	–	–507.9	–	–	–	–
Share-based payment [1]		–	–	–	–	17.5	–	17.5	–	17.5
Reclass into retained earnings		–	–	–	–	–	–	–	–	–
Distribution of profit		–	–	–	–	–303.6	–	–303.6	–	–303.6
Balance as at June 30, 2023		**23.5**	**–253.8**	**389.1**	**37.0**	**4,672.8**	**–511.4**	**4,357.2**	**–**	**4,357.2**

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

1 The recorded expenses for share based payments amount to CHF 10.6 million (CHF 8.5 million in prior year). Moreover, CHF 6.9 million deferred tax benefits (CHF 11.2 million deferred tax expenses in prior year) on employee stock options in the USA were recorded directly in equity.

Consolidated Cash Flow Statement (unaudited)

CHF million	Note	January – June 2023		January – June 2022	
Net income		204.5		138.4	
Taxes		45.9		39.0	
Interest expenses		11.2		12.6	
Interest income		–5.2		–1.0	
Depreciation, amortization and impairment		128.0		133.1	
Decrease (–) / Increase (+) of provisions		–6.0		–0.4	
Decrease (–) / Increase (+) of allowances from current assets		–8.5		–2.5	
Decrease (+) / Increase (–) of pension plans		–21.0		–4.9	
Profit (–) / Loss (+) from disposals of fixed assets		0.5		–0.2	
Decrease (+) / Increase (–) of accounts receivables		559.4		520.7	
Decrease (+) / Increase (–) of inventories		–278.4		–223.1	
Decrease (+) / Increase (–) of other receivables		6.7		–0.9	
Decrease (+) / Increase (–) of accrued income, prepayments, derivative assets and liabilities		0.7		–8.9	
Decrease (–) / Increase (+) of accounts payable		–76.4		–38.4	
Decrease (–) / Increase (+) of other payables and accrued liabilities		–168.8		–144.8	
Interest received		5.1		0.9	
Interest paid		–8.2		–9.9	
Taxes paid		–96.8		–61.9	
Non-cash effective items [1]		–7.2		–22.4	
Cash flow from operating activities (operating cash flow)			**285.5**		**325.4**
CAPEX in property, plant and equipment		–140.1		–104.8	
Disposal proceeds property, plant and equipment		0.7		0.9	
CAPEX in intangible assets		–8.1		–16.6	
Disposal proceeds intangible assets		–		0.1	
Disposal proceeds (+) / Investing expenditures (–) in marketable securities and current financial assets		–		250.0	
Cash flow from investment activities			**–147.5**		**129.6**
Proceeds from borrowings		4.7		7.7	
Repayments of borrowings		–4.3		–15.2	
Repayments of lease liabilities		–34.8		–37.0	
Capital increase (including premium)		83.0		52.9	
Purchase of treasury stock		–254.1		–316.7	
Distribution of profit		–303.6		–284.1	
Cash flow from financing activities			**–509.1**		**–592.4**
Net increase (+) / decrease (–) in cash and cash equivalents			**–371.1**		**–137.4**
Cash and cash equivalents as at January 1		864.6		937.2	
Exchange gains (+) / losses (–) on cash and cash equivalents		**–10.0**	**854.6**	**–5.8**	**931.4**
Cash and cash equivalents as at June 30			**483.5**		**794.0**

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

1 In the first half-year 2023, movements of CHF 5.3 million result from translation of foreign exchange balances (CHF –1.3 million in prior year) and CHF 10.6 million from share based compensation (8.5 million in prior year).

Notes to the Half-Year Report
(unaudited)

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

In the first half-year 2023, the consolidation scope and non-controlling interests remain unchanged. The liquidation of the subsidiary Lindt & Sprüngli Russia LLC has been started, but is not completed yet.

2. Accounting Principles

The unaudited consolidated half-year report as at June 30, 2023, 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, 2022, 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, 2023, had no significant impact on this half-year report.

In June 2023, the Swiss Public voted in favor of an amendment of the constitution regarding minimum taxation in Switzerland. With acceptance from the public vote, the Swiss Federal Council can now go ahead and implement BEPS 2.0 Pillar II in Switzerland, which foresees a global minimum tax rate for qualifying companies of 15%. The new rules are expected to be introduced in Switzerland for financial years beginning on or after January 1, 2024. The Lindt & Sprüngli Group is currently assessing the impacts of the amendment. In relation to this, the Lindt & Sprüngli Group is applying the amendments to IAS 12 that were published in May 2023, which provide an exception with regards to recognising and disclosing deferred taxes related to OECD Pillar II.

Foreign exchange rates

The Lindt & Sprüngli Group applied the following exchange rates:

		Balance sheet as-of rates		Income statement average rates	
CHF		**June 30, 2023**	December 31, 2022	**January–June 2023**	January–June 2022
Euro zone	1 EUR	0.98	0.99	0.99	1.03
USA	1 USD	0.90	0.92	0.92	0.94
United Kingdom	1 GBP	1.14	1.11	1.13	1.23
Canada	1 CAD	0.68	0.68	0.68	0.74
Australia	1 AUD	0.60	0.63	0.62	0.68
Poland	100 PLN	22.04	21.08	21.20	22.23
Mexico	100 MXN	5.28	4.74	5.02	4.66
Sweden	100 SEK	8.28	8.86	8.75	9.86
Czech Republic	100 CZK	4.12	4.09	4.17	4.19
Japan	100 JPY	0.62	0.70	0.69	0.78
South Africa	100 ZAR	4.75	5.44	5.02	6.12
Hong Kong	100 HKD	11.50	11.86	11.64	12.06
China	100 CNY	12.40	13.31	13.36	14.52
Russia	100 RUB	1.02	1.27	1.09	1.21
Brazil	100 BRL	18.56	17.49	17.97	18.93

Estimates and assumptions

When preparing the half-year 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), similar products and trading landscapes, 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
- "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 Global Travel Retail (formerly 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		Segment Rest of the World		**Total**	
CHF million	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Sales	1,160.6	1,115.7	801.0	784.8	281.7	272.5	2,243.3	2,173.0
Whereof sales between segments	–154.9	–135.6	–2.9	–45.7	–	–	–157.8	–181.3
Third party sales	**1,005.7**	**980.1**	**798.1**	**739.1**	**281.7**	**272.5**	**2,085.5**	**1,991.7**
Operating profit (EBIT)	172.5	122.1	42.5	24.4	40.0	38.7	255.0	185.2
Net financial result							–4.6	–7.8
Income before taxes (EBT)							**250.4**	**177.4**
Taxes							–45.9	–39.0
Net income							**204.5**	**138.4**

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, 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**
At January 1, 2023	**135,099**	**1,043,956**	**13.5**	**10.4**	**23.9**
Capital increase	–	14,160	–	0.1	0.1
Capital decrease (destruction)	–376	–50,544	–0.0	–0.5	–0.5
At June 30, 2023	**134,723**	**1,007,572**	**13.5**	**10.0**	**23.5**

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

The conditional capital as at June 30, 2023, has a total of 311,785 (331,366 as at June 30, 2022) participation certificates with a par value of CHF 10. Of this total, 157,335 (176,916 as at June 30, 2022) are reserved for employee stock option programs; the remaining 154,450 (154,450 as at June 30, 2022) participation certificates are reserved for capital market transactions. In the six-month period ended June 30, 2023, a total of 14,160 employee options were exercised at an average exercise price of CHF 5,917 (for the six-month period ended June 30, 2022, 9,541 employee options were exercised at an average exercise price of CHF 5,606).

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

	2023		2022	
Inventory of treasury stock	Registered shares	Participation certificates	Registered shares	Participation certificates
Inventory as at January 1	**581**	**50,544**	**667**	**37,570**
Buy-back program	148	21,060	176	27,444
Capital decrease (destruction)	–376	–50,544	–	–
Inventory as at June 30	**353**	**21,060**	**843**	**65,014**
Average cost of buy-back program (in CHF)	108,081	10,576	109,490	10,414
Average cost of capital decrease (in CHF)	104,752	10,204	–	–

In August 2022, the Lindt & Sprüngli Group has again launched a buyback program for registered shares and participation certificates in the amount of up to CHF 1 billion. The buyback started on August 2, 2022, and will last until July 31, 2024, at the latest. As part of this buy-back program, the Lindt & Sprüngli Group acquired registered shares and participation certificates worth CHF 488.8 million up to June 30, 2023. The buyback program that started in June 2021 in the amount of CHF 750 million has been successfully completed as of June 21, 2022.
At the annual general meeting, the shareholders approved a capital reduction through the cancellation of 376 registered shares and 50,544 participation certificates. 176 registered shares and 27,444 participation certificates are related to the buy-back program completed in June 2022, the remainder of 200 registered shares and 23,100 participation certificates relates to the new buy-back program that started in August, 2022.

6. Dividends

The proposed dividend of CHF 1,300 (CHF 1,200 in prior year) per registered share, and CHF 130 (CHF 120 in prior year) per participation certificate, was approved at the annual shareholders' meeting held on April 20, 2023. The dividends were paid out starting April 27, 2023.

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, 2023		December 31, 2022	
CHF million	Level [1]	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets					
Fair value through profit or loss					
Derivative assets (level 2)	2	0.4	0.4	0.8	0.8
Investments third parties	3	0.3	0.3	0.3	0.3
Total		**0.7**		**1.1**	
Derivatives used for hedging					
Derivative assets (level 1)	1	32.2	32.2	25.6	25.6
Derivative assets (level 2)	2	9.8	9.8	12.7	12.7
Total		**42.0**		**38.3**	
Other financial assets at amortized cost					
Cash and cash equivalents		483.5	–[1]	864.6	–[1]
Accounts receivable		392.1	–[1]	953.1	–[1]
Other receivables [2]		87.4	–[1]	94.7	–[1]
Marketable securities and current financial assets		0.3	–[1]	0.3	–[1]
Total		**963.3**		**1,912.7**	
Total financial assets		**1,006.0**		**1,952.1**	
Financial liabilities					
Fair value through profit or loss					
Derivative liabilities (level 2)	2	0.6	0.6	0.1	0.1
Total		**0.6**		**0.1**	
Derivatives used for hedging					
Derivative liabilities (level 2)	2	4.1	4.1	15.6	15.6
Total		**4.1**		**15.6**	
Other financial liabilities at amortized costs					
Bonds	1	998.5	924.4	998.3	907.9
Other non-current liabilities		6.0	–[1]	10.2	–[1]
Accounts payable		211.8	–[1]	290.5	–[1]
Other accounts payable		83.2	–[1]	108.3	–[1]
Bank and other borrowings		8.3	–[1]	7.8	–[1]
Total		**1,307.8**		**1,415.1**	
Total financial liabilities		**1,312.5**		**1,430.8**	

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 Board of Directors on July 24, 2023.

No events have occurred up to July 24, 2023, 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 16, 2024	Net-sales 2023
March 5, 2024	Full-Year Results 2023
April 18, 2024	126th Shareholders' Meeting
July 23, 2024	Half-Year Results 2024

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Forward-looking statements

Some of the statements expressed in the half-year 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 half-year report is published in German and English, with the German version being binding.

Imprint

Project lead: Chocoladefabriken Lindt & Sprüngli AG, Gisela Heel, Kilchberg
Design, production, print: NeidhartSchön AG, Zurich

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