



**LINDT & SPRÜNGLI**

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**INVESTOR PRESENTATION  
HALF YEAR 2013**

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# 1 PERFORMANCE HIGHLIGHTS HY 2013

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# PERFORMANCE HIGHLIGHTS HY 2013

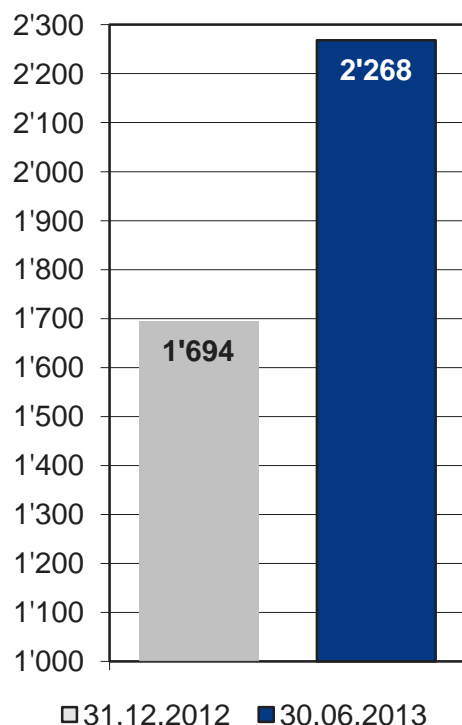
	<u>CHF Mio</u>		
<b>Net Net Trade Sales</b>	1'132	<ul style="list-style-type: none"> <li>▪ Organic + 8.7%</li> <li>▪ Swiss Francs + 9.6%</li> </ul>	
<b>EBITDA</b>	114.0	CHF +21.7 Mio vs. p.y.*	+ 23.5%*
<b>EBIT</b>	65.5	CHF +19.4 Mio vs. p.y.*	+ 42.1%*
<b>NET INCOME</b>	48.8	CHF +14.0 Mio vs. p.y.*	+ 40.2%*
<b>NET LIQUIDITY</b>	628.1	CHF +85.1 Mio	vs. 31.12.2012

\* Increase vs. 2012 "restated" comparatives (see Slide 24)

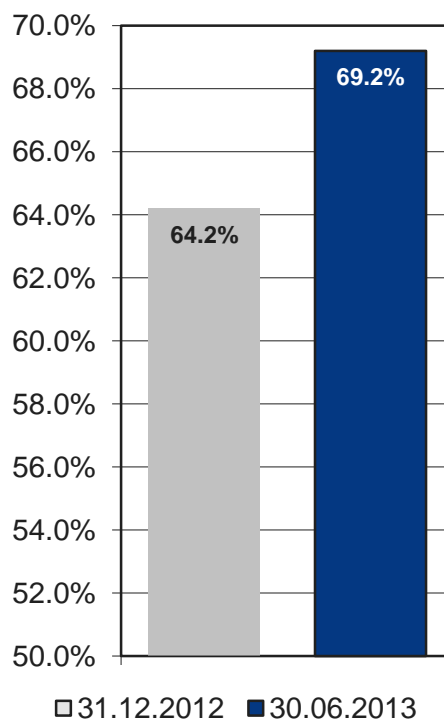
# KEY FIGURES

## STRONG INCREASE OF EQUITY SUPPORTED BY IMPLEMENTATION OF IAS19 REVISED / IFRIC 14

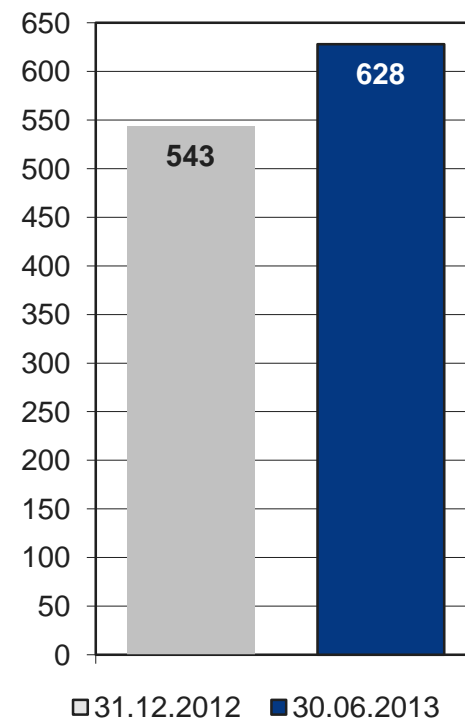
Equity CHF Mio



Equity B/S ratio in %



Net Cash CHF Mio



# REORGANISATION OF FOUNDATIONS / IMPACT OF IFRIC 14

## REORGANISATION OF FOUNDATIONS

- \_ Establishment of three new foundations
  - \_ Employer Fund
  - \_ Chocolate Centre
  - \_ Cocoa Foundation
- \_ Transfer of assets from “Fonds für Pensionsergänzungen” to new foundations in March 2013
- \_ Chocolate Centre and Cocoa Foundation, two “non-for-profit” funds, not in the scope of IAS 19

## IMPACT ON IFRIC 14

- \_ Net assets of the new employer fund have to be recognized as an economic benefit in the consolidated balance sheet (against equity)
- \_ Pension assets per 30.6.2013 increased by CHF 763 Mio compared to 31.12.2012, Equity increased by CHF 534 Mio (after deduction of deferred taxes)

## **2 ENVIRONMENT HY 2013**

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# ENVIRONMENT

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## ECONOMIES

- \_ General reduction of economic uncertainties
- \_ Positive economic signals in North America

## CONSUMERS

- \_ Signs of recovery of consumer spending in NAFTA
- \_ Generally positive consumer sentiment in Northern Europe
- \_ Continued weaker environment in Southern Europe
- \_ Consumers ready to spend for quality & innovation

## CHOCOLATE MARKETS

- \_ Signs of growth in in some markets, spearheaded by Lindt

## FX & MATERIAL

- \_ Generally stabilized FX environment but AU\$ and CA\$ loosing some ground
- \_ Raw Materials cocoa products, milk & nuts trading upwards



## 3 P&L & B/S DETAILS HY 2013

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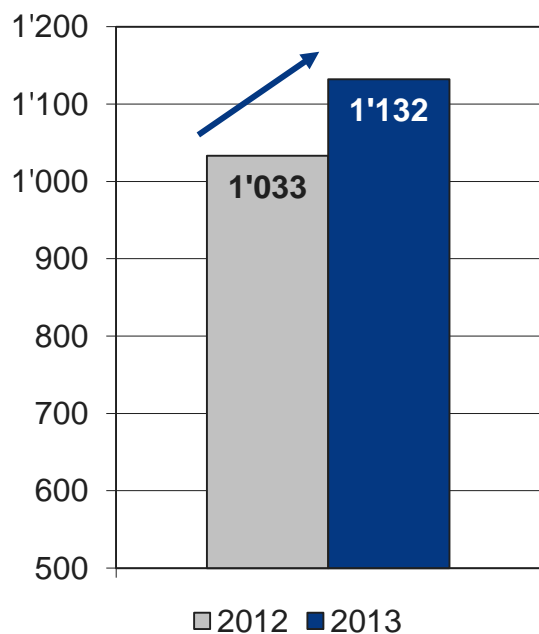
# OVERVIEW – P&L & B/S DETAILS HY 2013

## STRONG PROFIT IMPROVEMENT FOLLOWING GOOD SALES GROWTH

Net Net Trade Sales

CHF 1'132 Mio

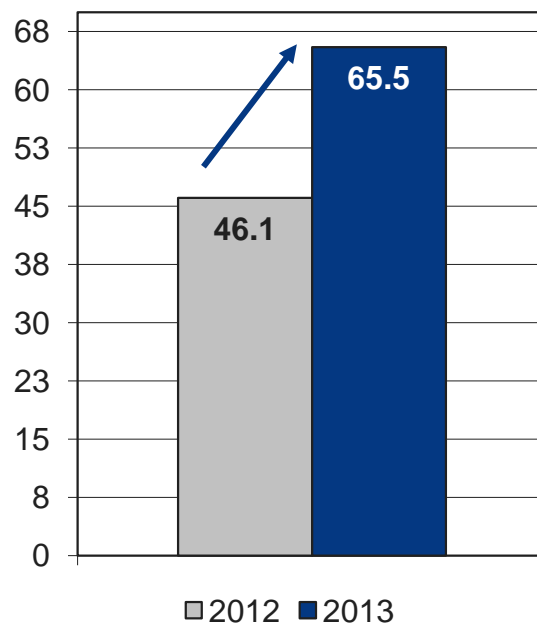
**+9.6% in CHF**  
**+8.7% in local curr.**



EBIT

CHF 65.5 Mio

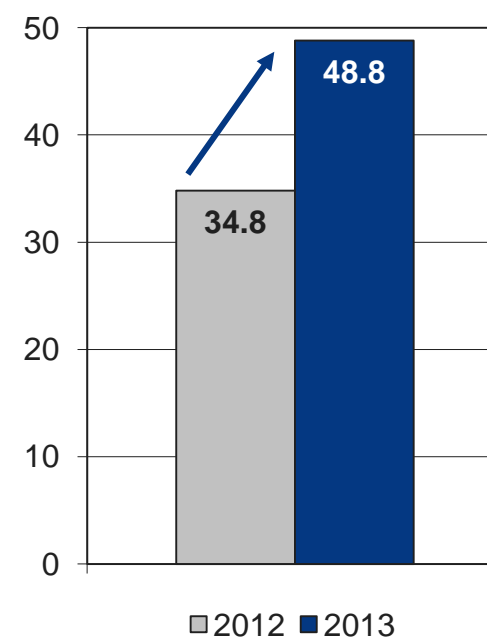
**+ 42.1 %**



Net Income

CHF 48.8 Mio

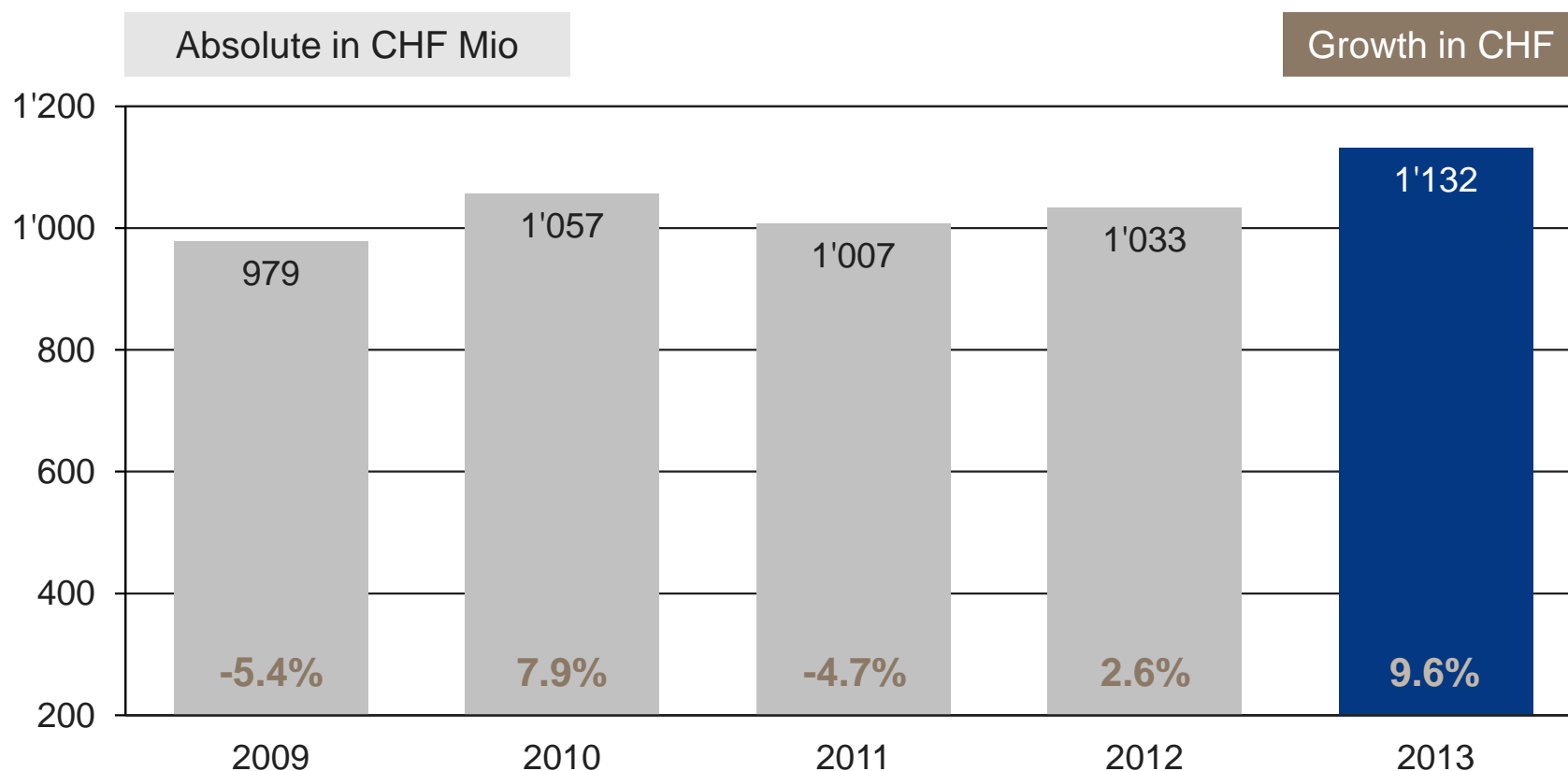
**+ 40.2 %**



2012 comparatives restated (see Slide 34)

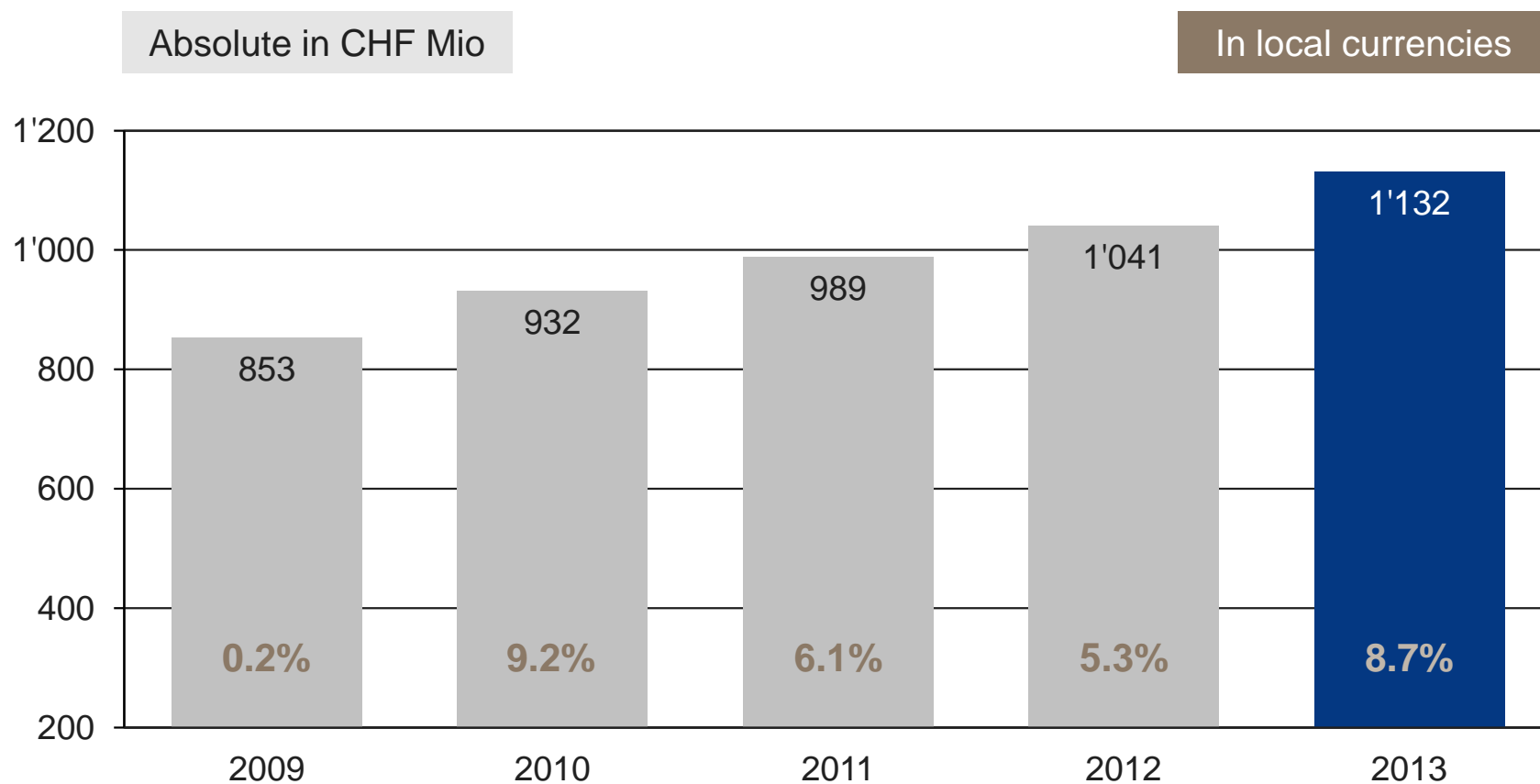
# SALES ANALYSIS – 5 YEARS IN SWISS FRANCS

EXCELLENT GROWTH IN SWISS FRANCS - FIRST TIME IN 5 YEARS POSITIVE FX EFFECT



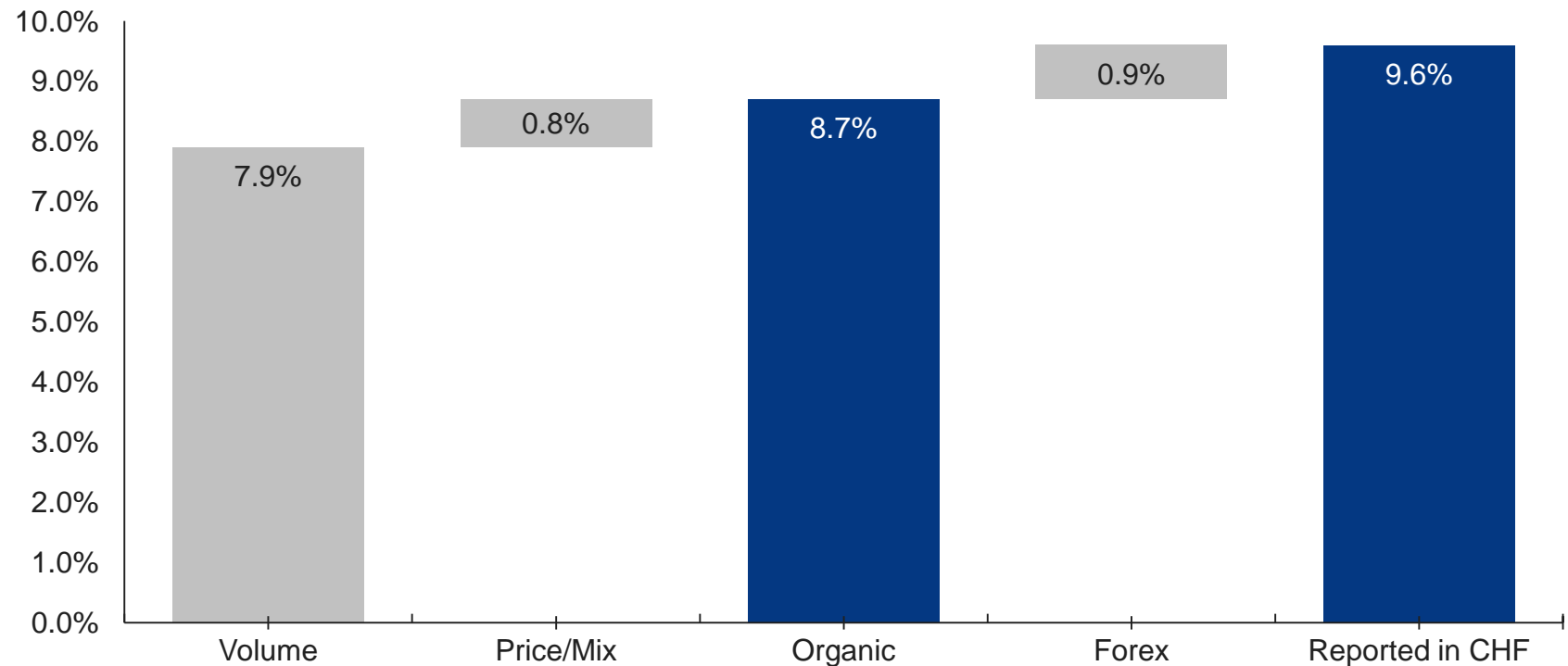
# SALES ANALYSIS – 5 YEARS IN LOCAL CURRENCIES

ORGANIC GROWTH LEADING TO MARKET SHARE GAINS IN ALL MARKETS



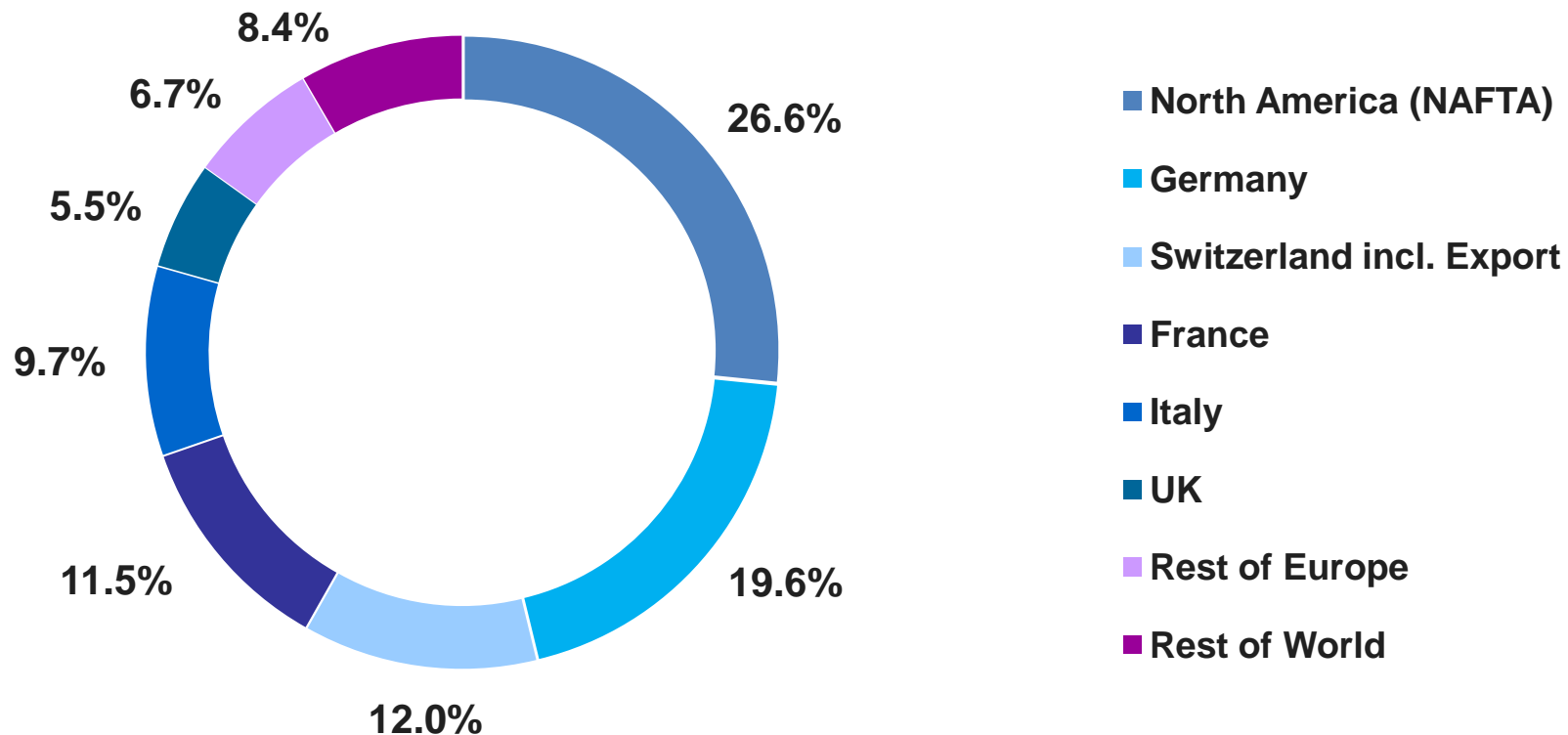
# SALES ANALYSIS – DRIVERS

## 1H2013 SALES GROWTH DRIVEN BY VOLUME – LOW PRICE/MIX EFFECTS



# SALES ANALYSIS – SPLIT OF MARKETS

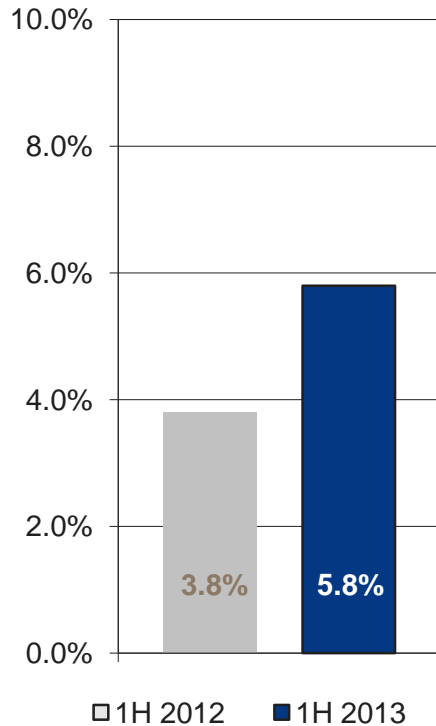
TOTAL NNTS 2013: CHF 1'132 Mio – BIGGEST MARKET “NAFTA”



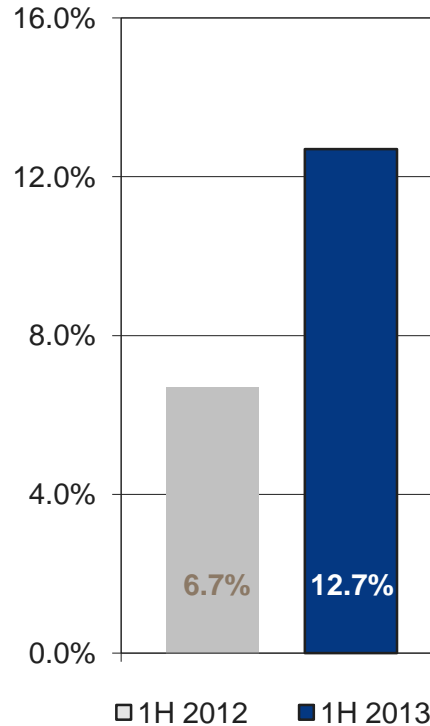
# SALES ANALYSIS – MARKETS

## ACCELERATING ORGANIC GROWTH ACCROSS ALL REGIONS

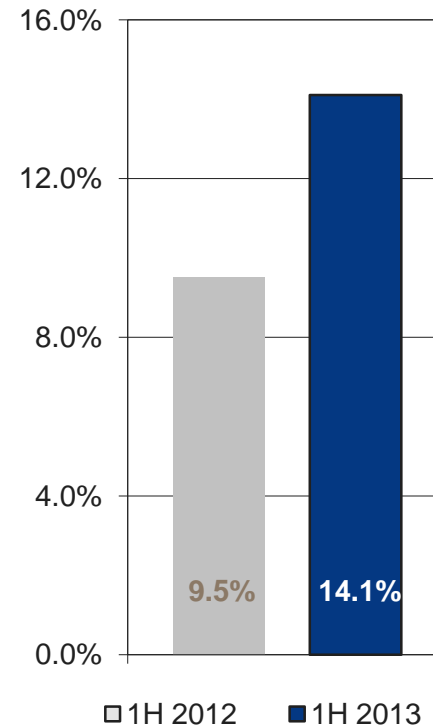
Europe



NAFTA

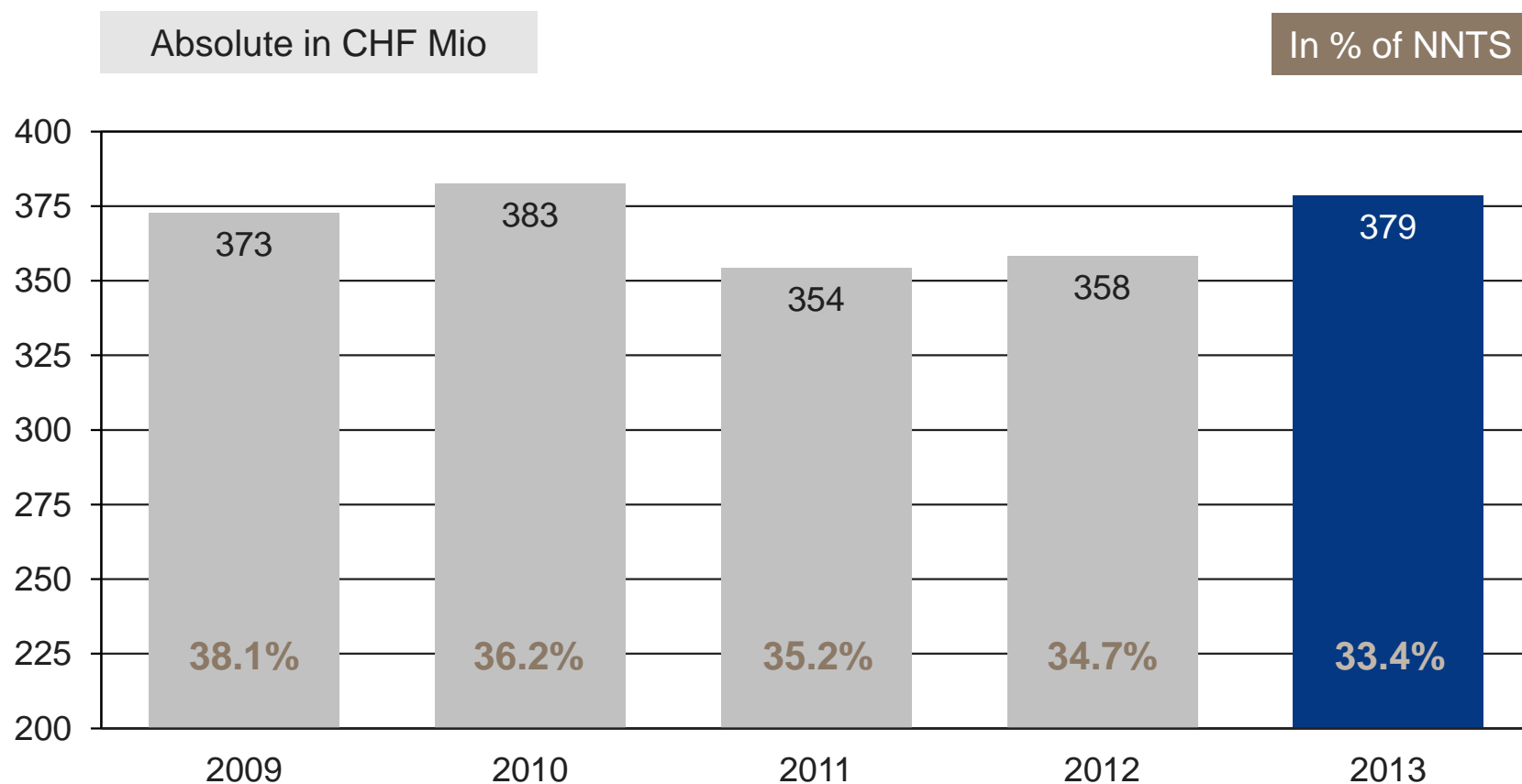


Rest of World



# MATERIAL COSTS INCLUDING +/- CHANGE IN INVENTORY

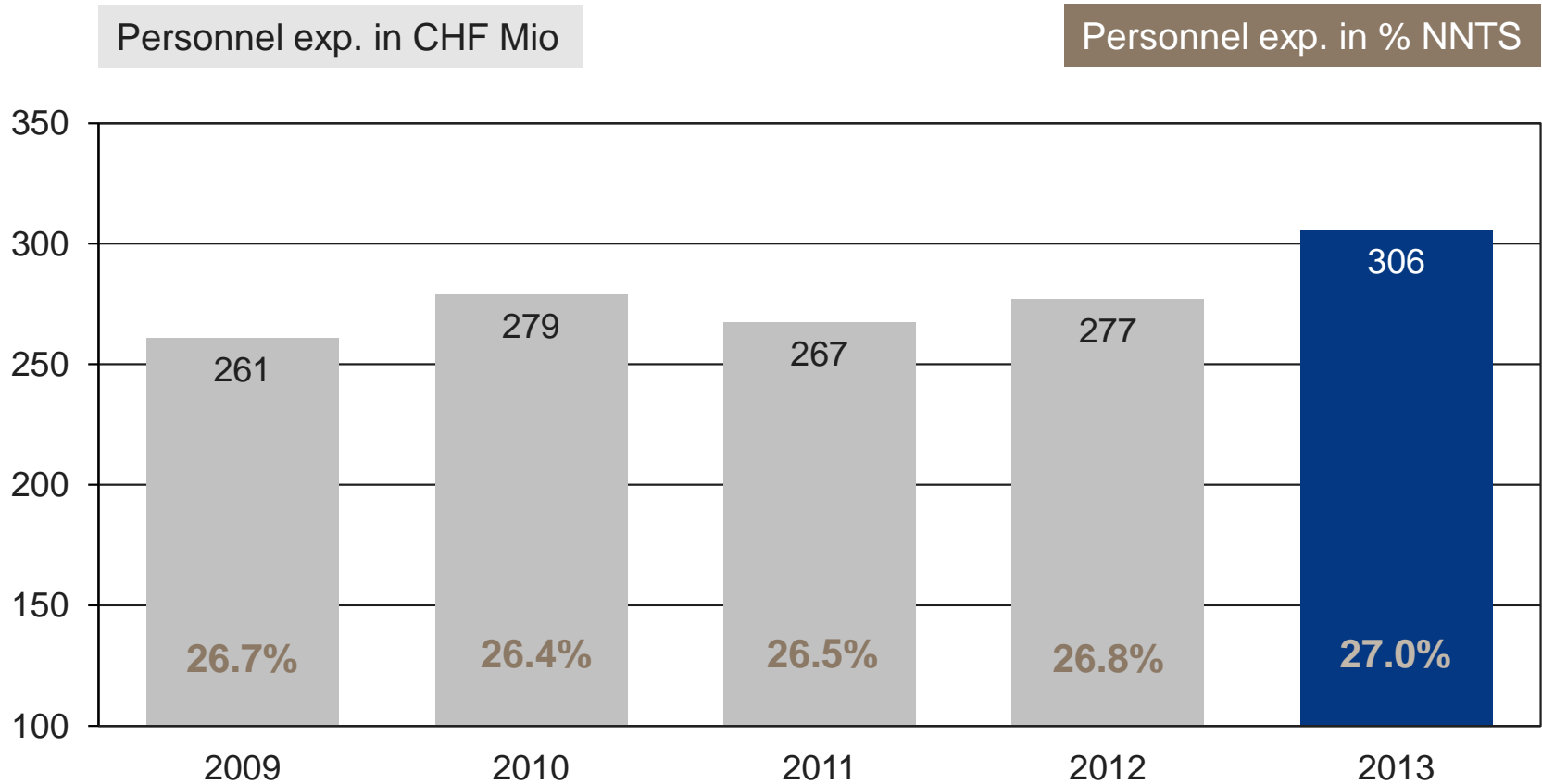
CONTINUED DECREASE OF COST MARGIN – DUE TO LOWER COCOA PRODUCT COSTS





# PERSONNEL EXPENDITURE

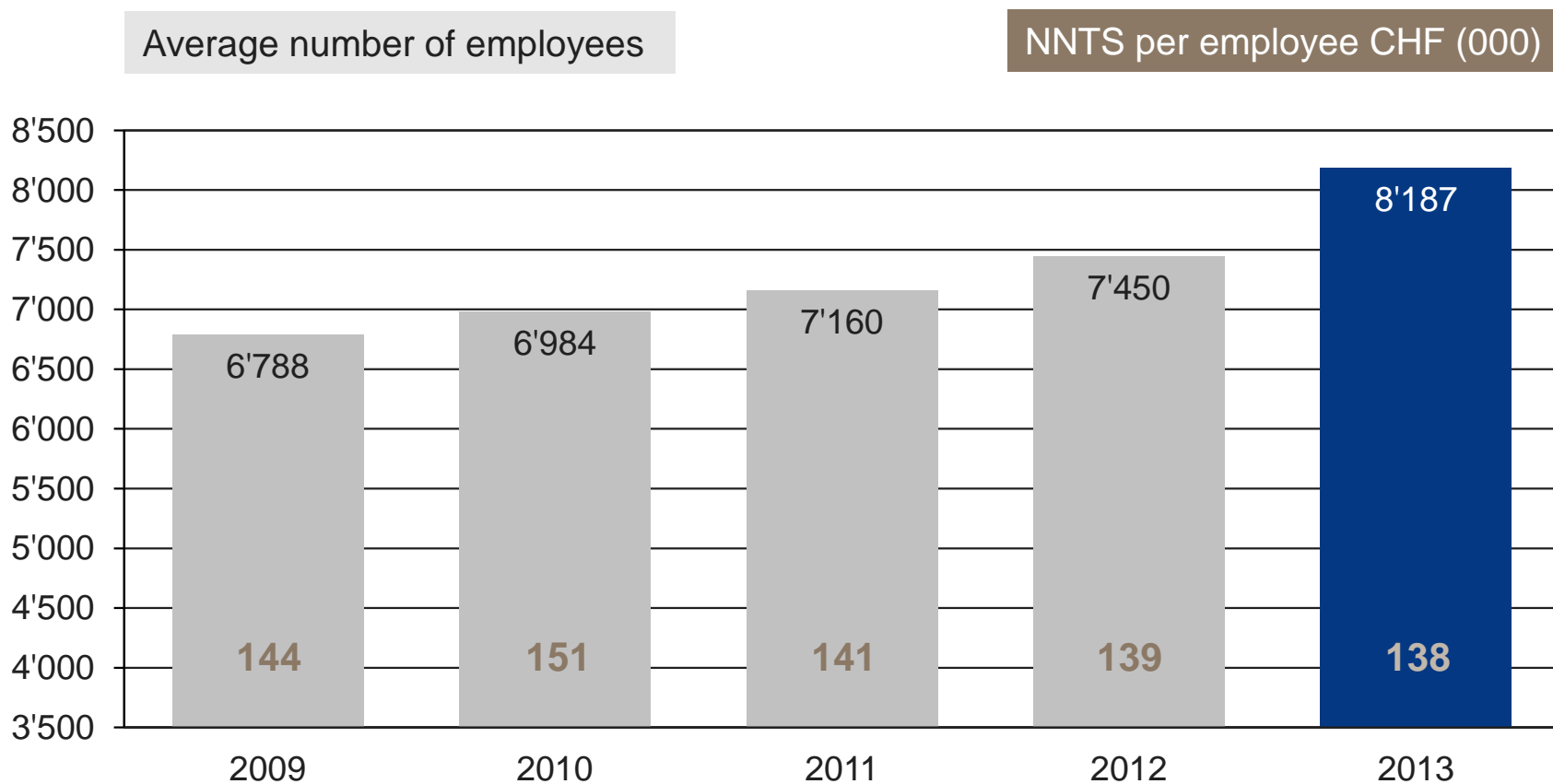
COST MARGIN STABILIZING AT AROUND 27.0%



2012 comparatives restated (see Slide 34)

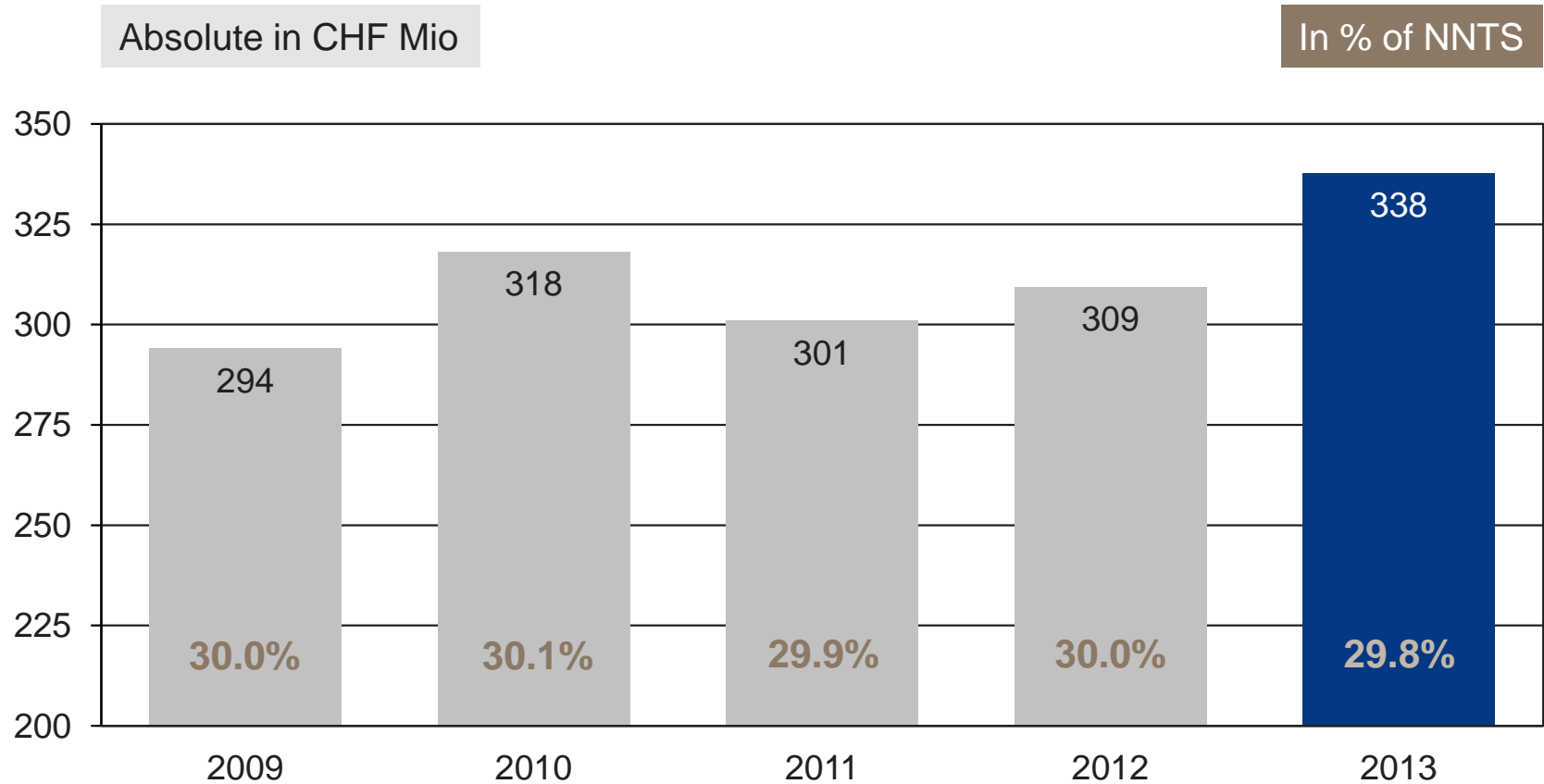
# HEADCOUNT & NNTS / EMPLOYEE

NUMBER OF EMPLOYEES +9.9% – VOLUME + 7.9%



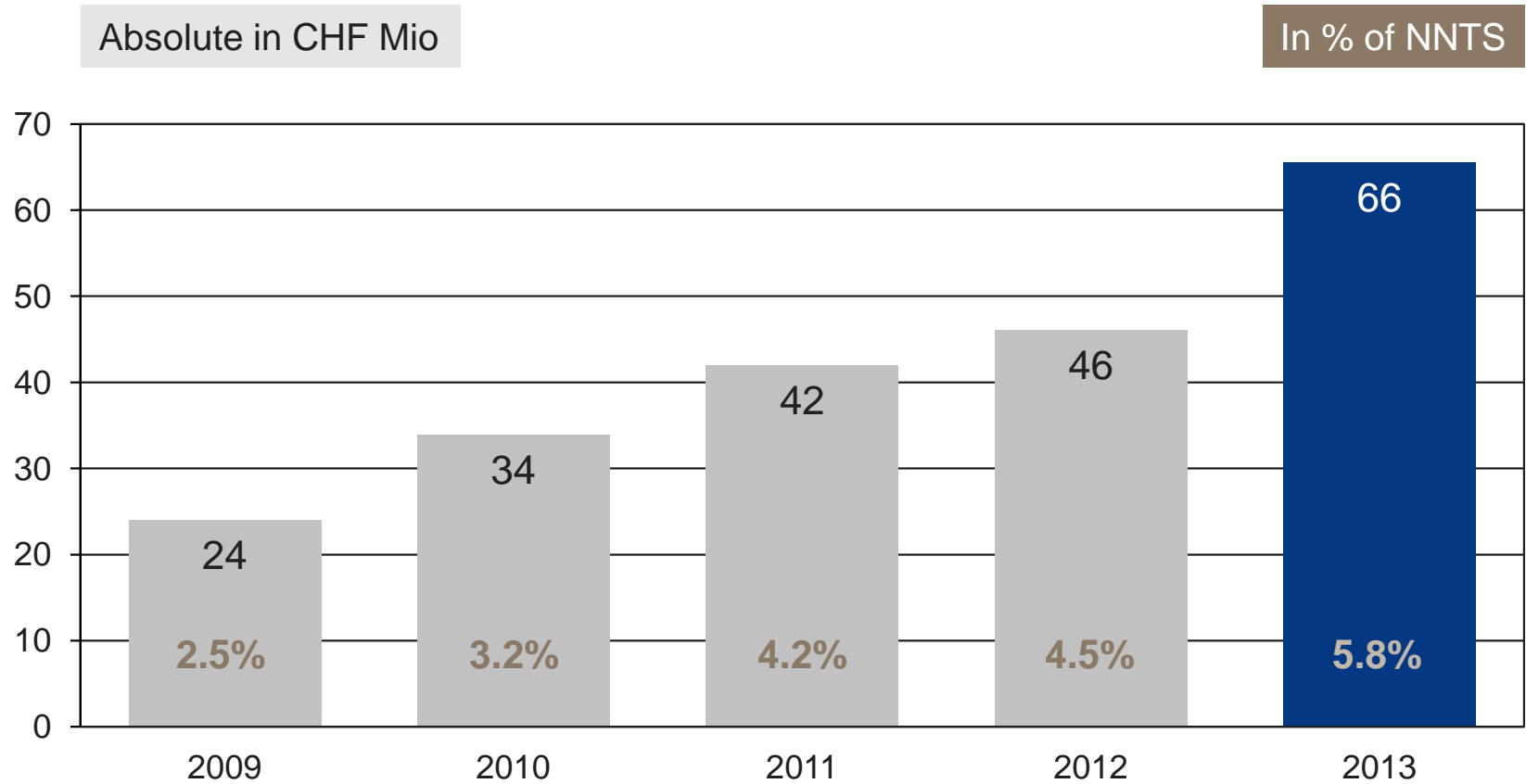
# OPERATING / MARKETING EXPENSES

## CONTINUED INVESTMENT IN BRAND



# OPERATING PROFIT (EBIT)

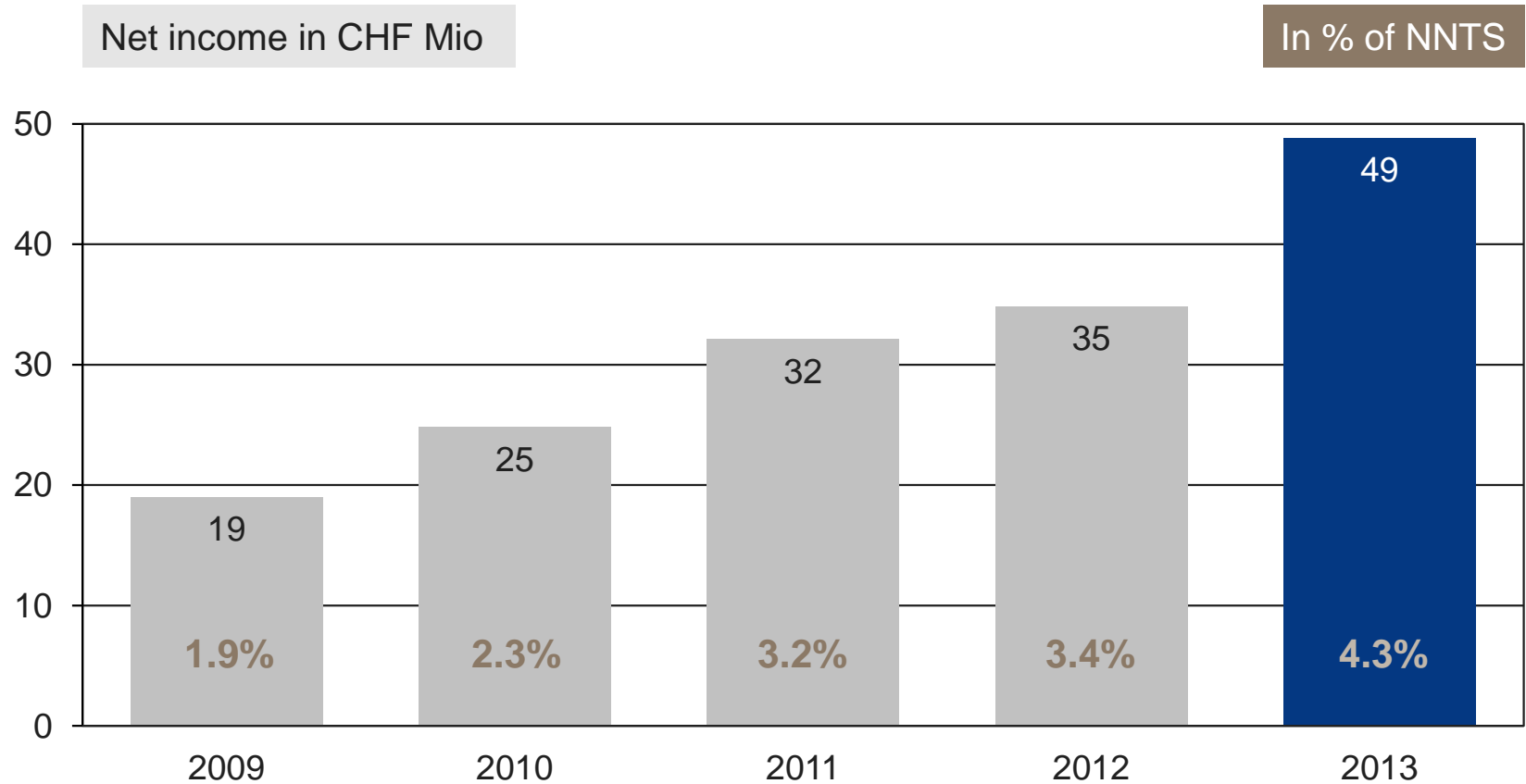
EBIT DEVELOPMENT DRIVEN BY OPERATING EFFICIENCY GAINS AND VOLUME GROWTH



2012 comparatives restated (see Slide 34)

# NET INCOME

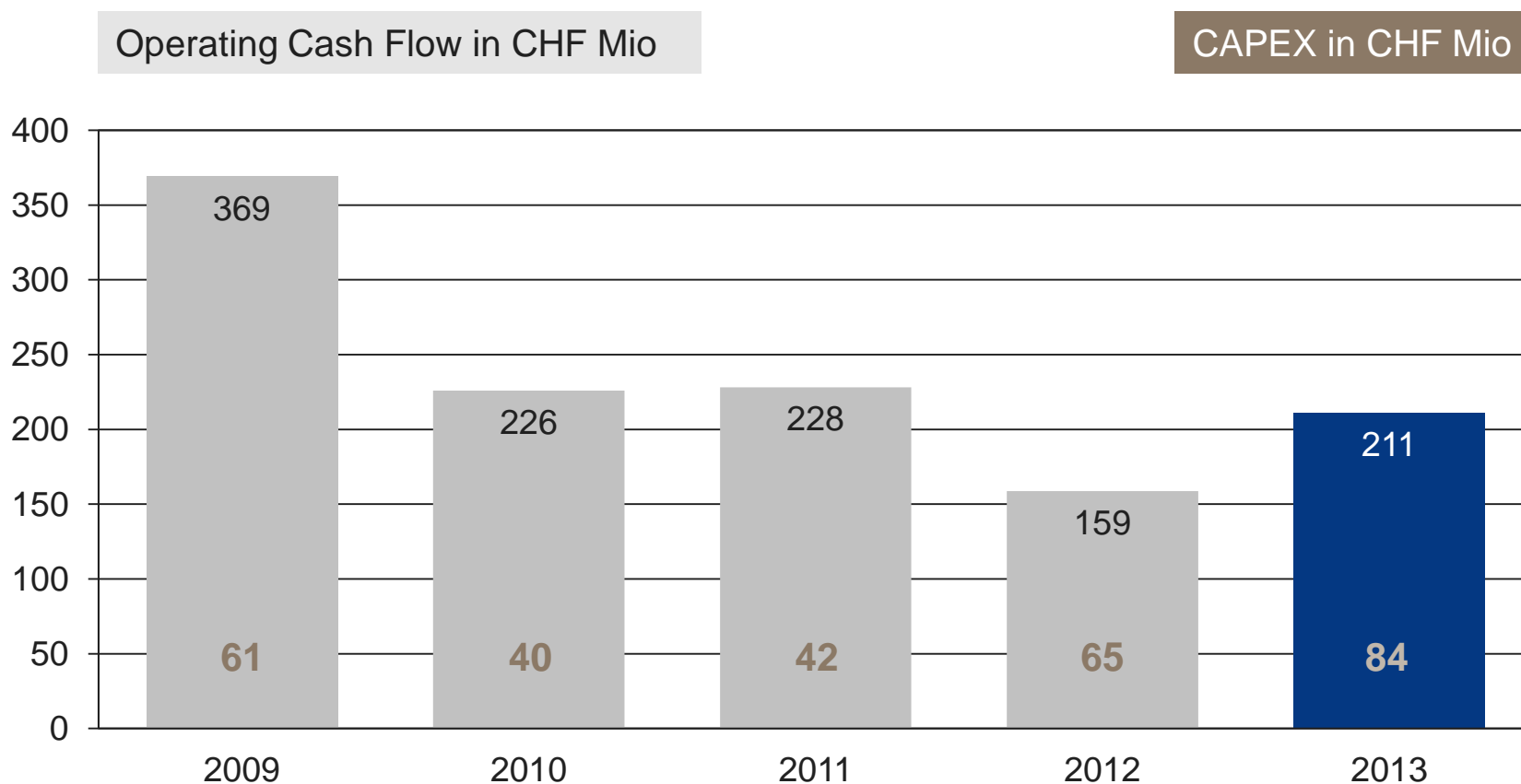
## SOUND PROFITABILITY IN FIRST HALF 2013



2012 comparatives restated (see Slide 34)

# OPERATING CASH FLOW & CAPEX

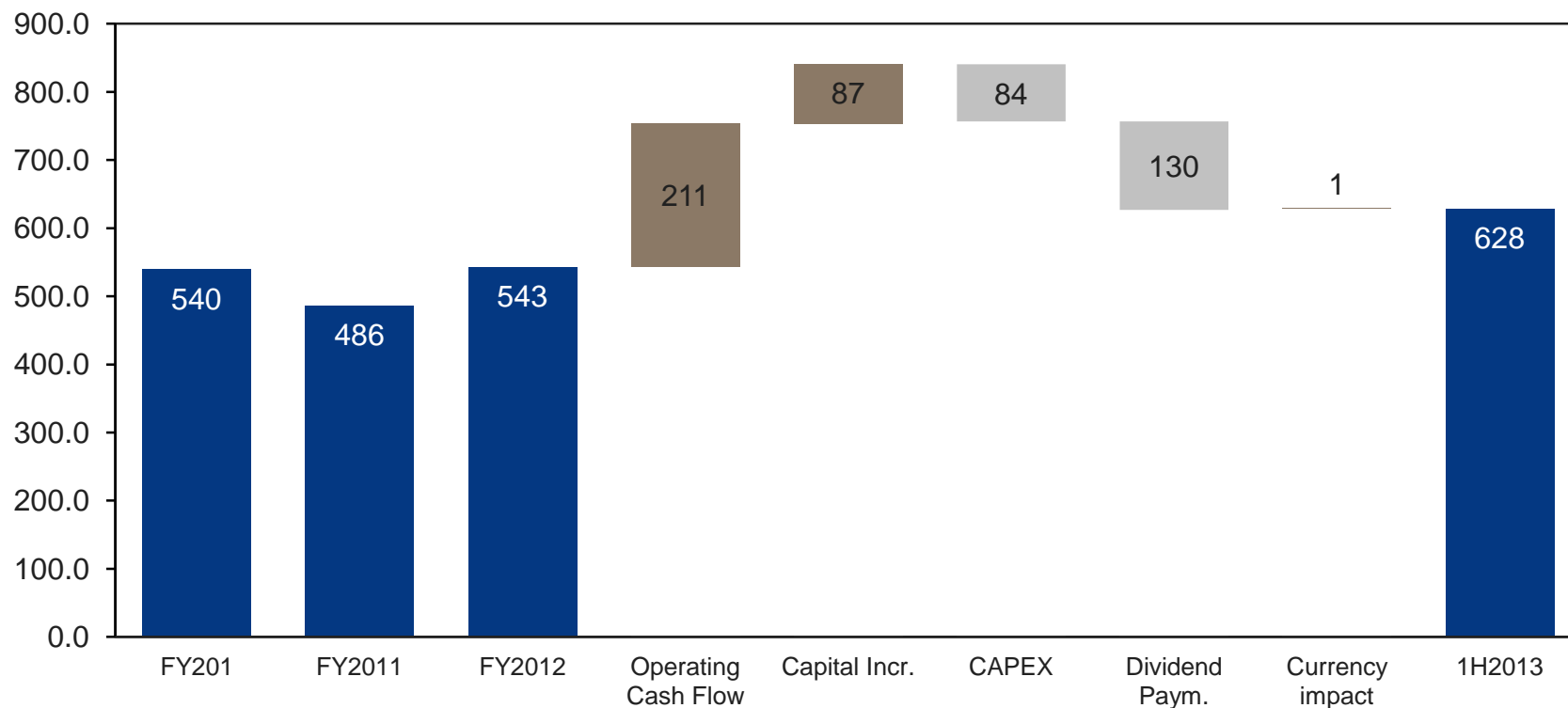
OPERATING CASH FLOW IMPACTED BY HIGHER RAW MATERIAL INVENTORY / CAPEX REFLECTING CAPACITY BUILD-UP



# NET CASH POSITION – DEVELOPMENT

NET CASH POSITION INCREASED VS. YEAR END BY 85 MIO DESPITE DIVIDEND PAYMENT & HIGH CAPEX

Net cash and net cash movement in CHF Mio



# IAS 19 REVISED

## IMPACT ON RESTATEMENT ACTUAL 2012

### BALANCE SHEET (in CHF Mio)

	1.1.2012	31.12.2012
Net Pension Liability <sup>1)</sup>	+39.2	+41.8
Deferred tax assets	+7.3	+9.1
<b>Equity</b>	<b>-31.9</b>	<b>-32.7</b>

1) Abolition of corridor method

### INCOME STATEMENT (in CHF Mio)

	HY 2012	FY 2012
Personnel expenses	-2.6	-32.4
Taxes	0.8	+5.4
<b>Net income</b>	<b>-1.8</b>	<b>-27.0</b>

### OPERATING CASH FLOW

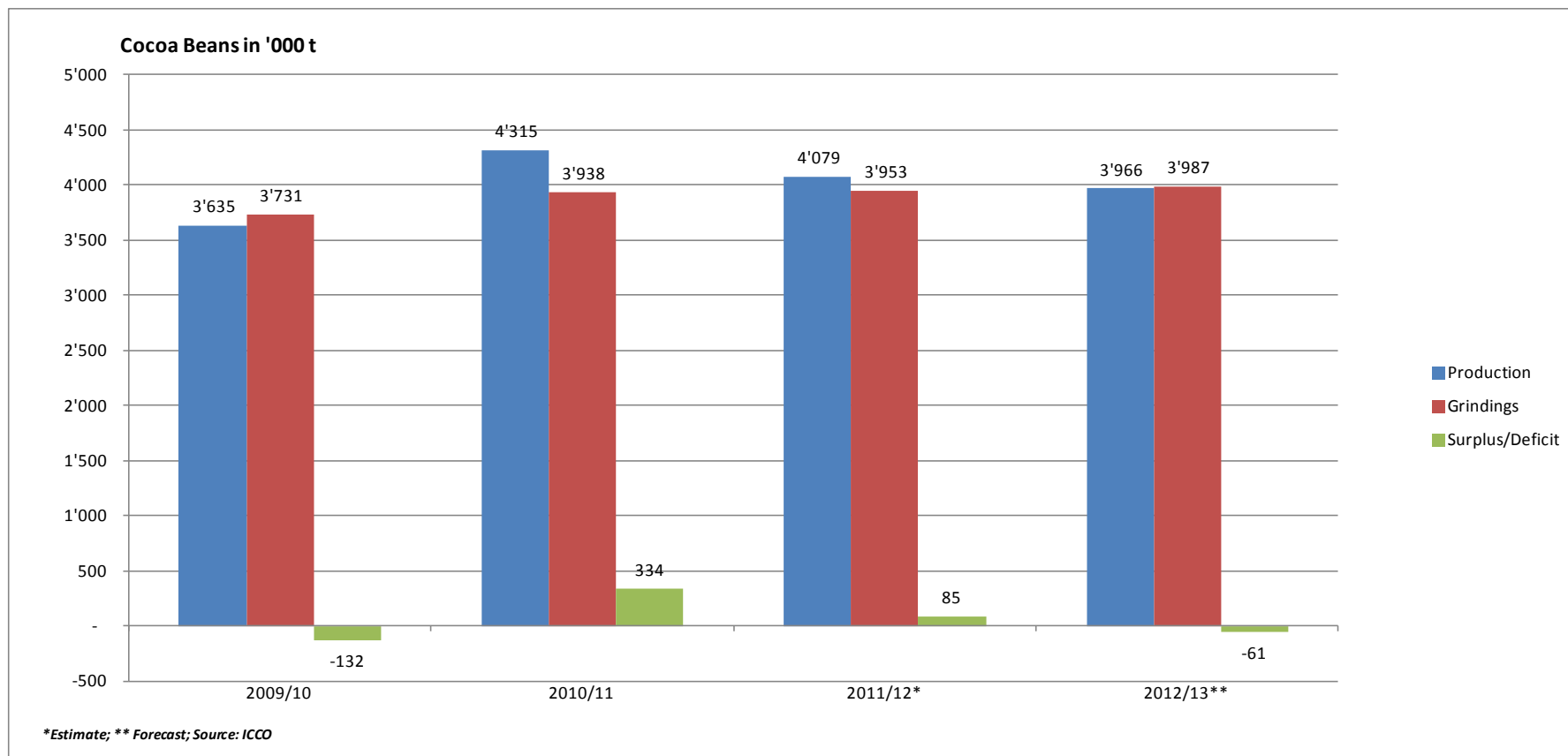
→ NO IMPACT



## **4 RAW MATERIAL & PACKAGING**

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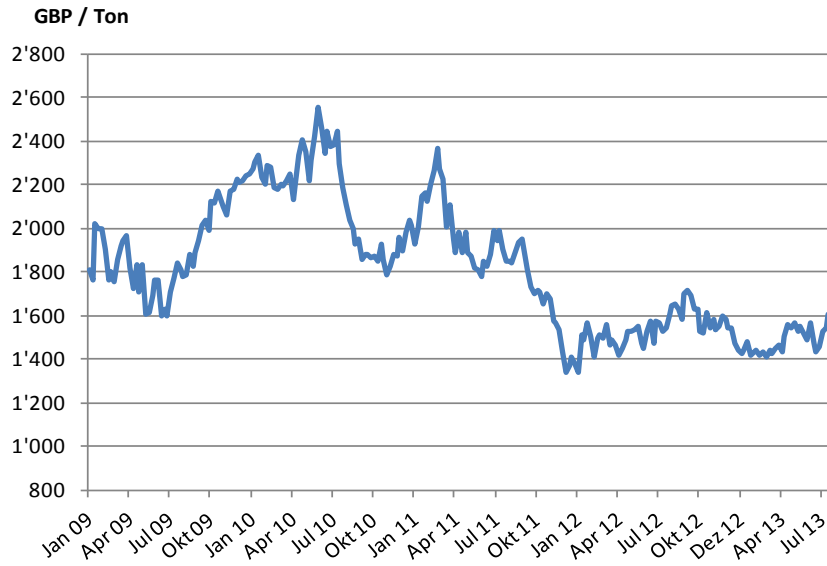
# COCOA CROP / GRINDING BALANCE



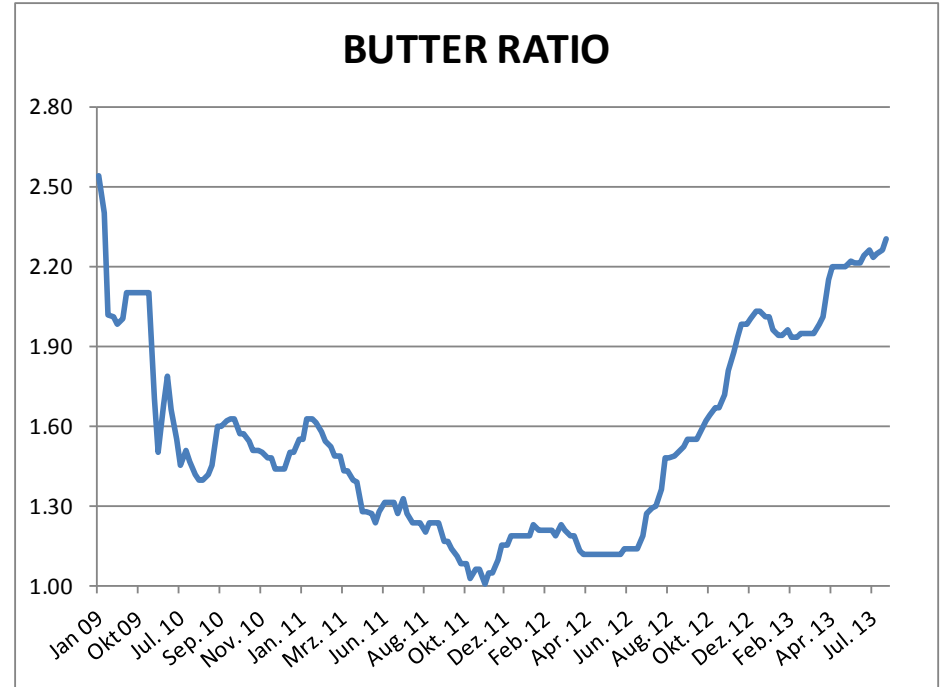
Data as per July 2013

# COCOA PRODUCT PRICES 2009 – 2013

## LONDON TERMINAL



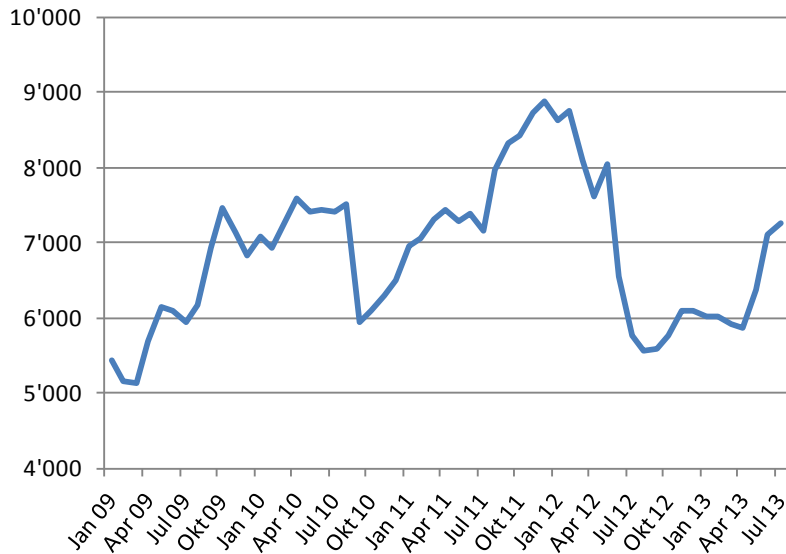
## BUTTER RATIO



# NUT & ALMOND PRICES 2009 - 2013

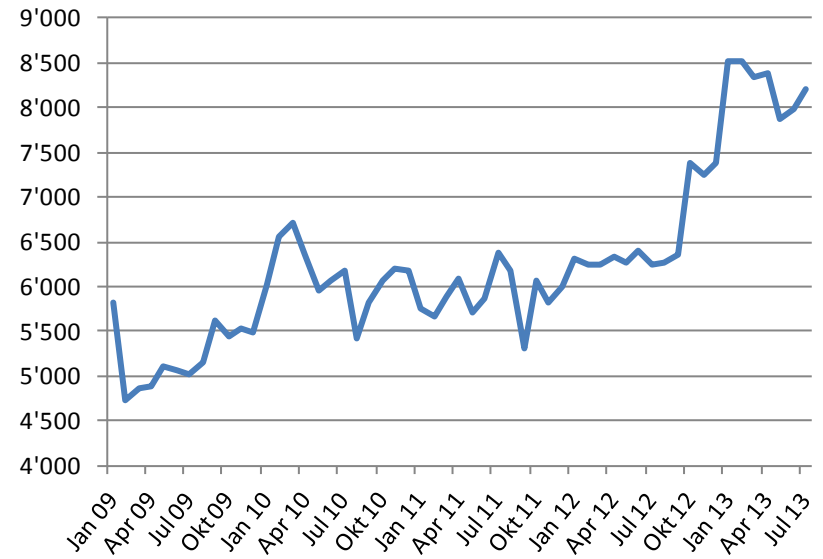
## Hazelnuts

USD / Ton

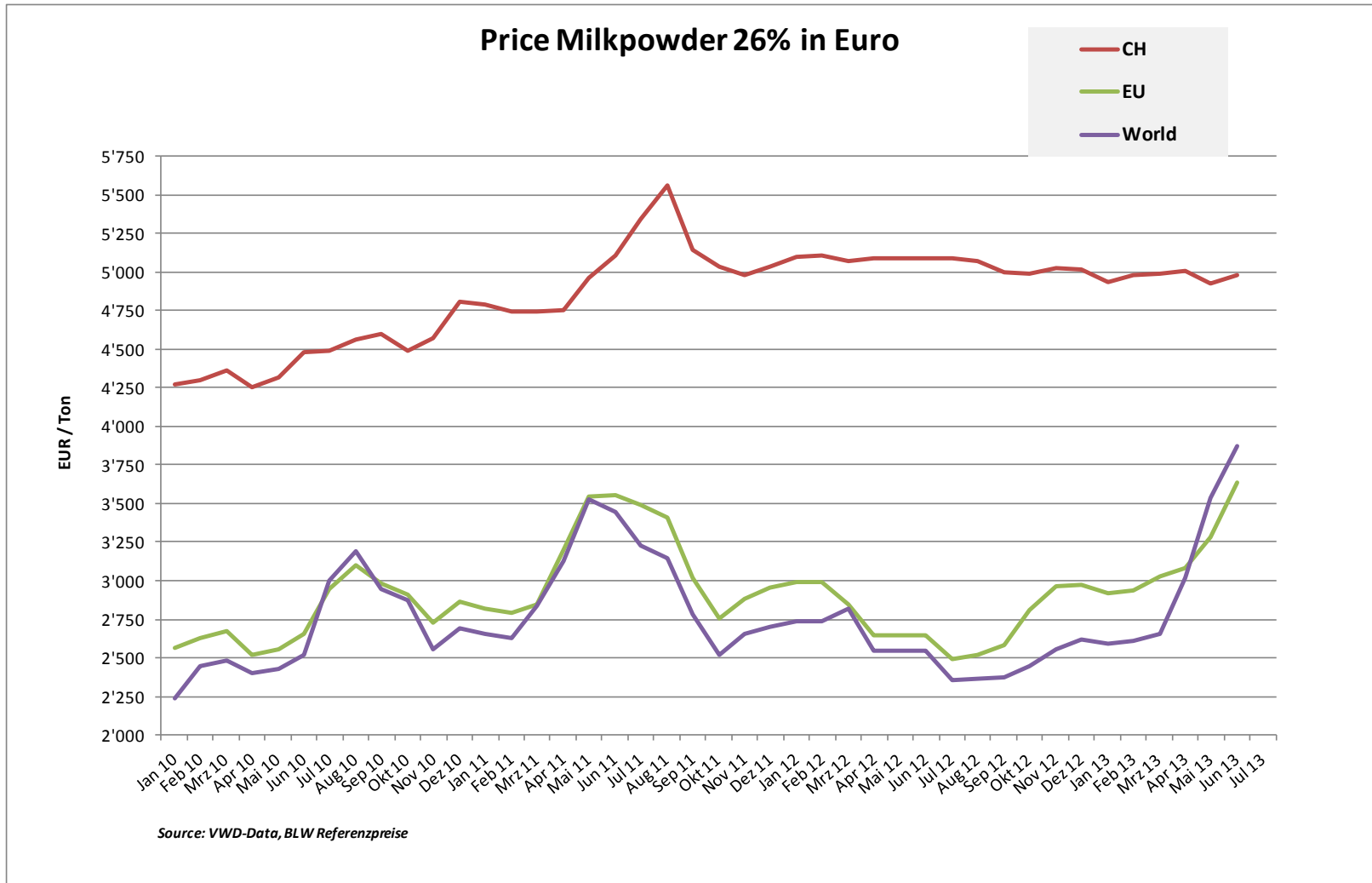


## Almonds

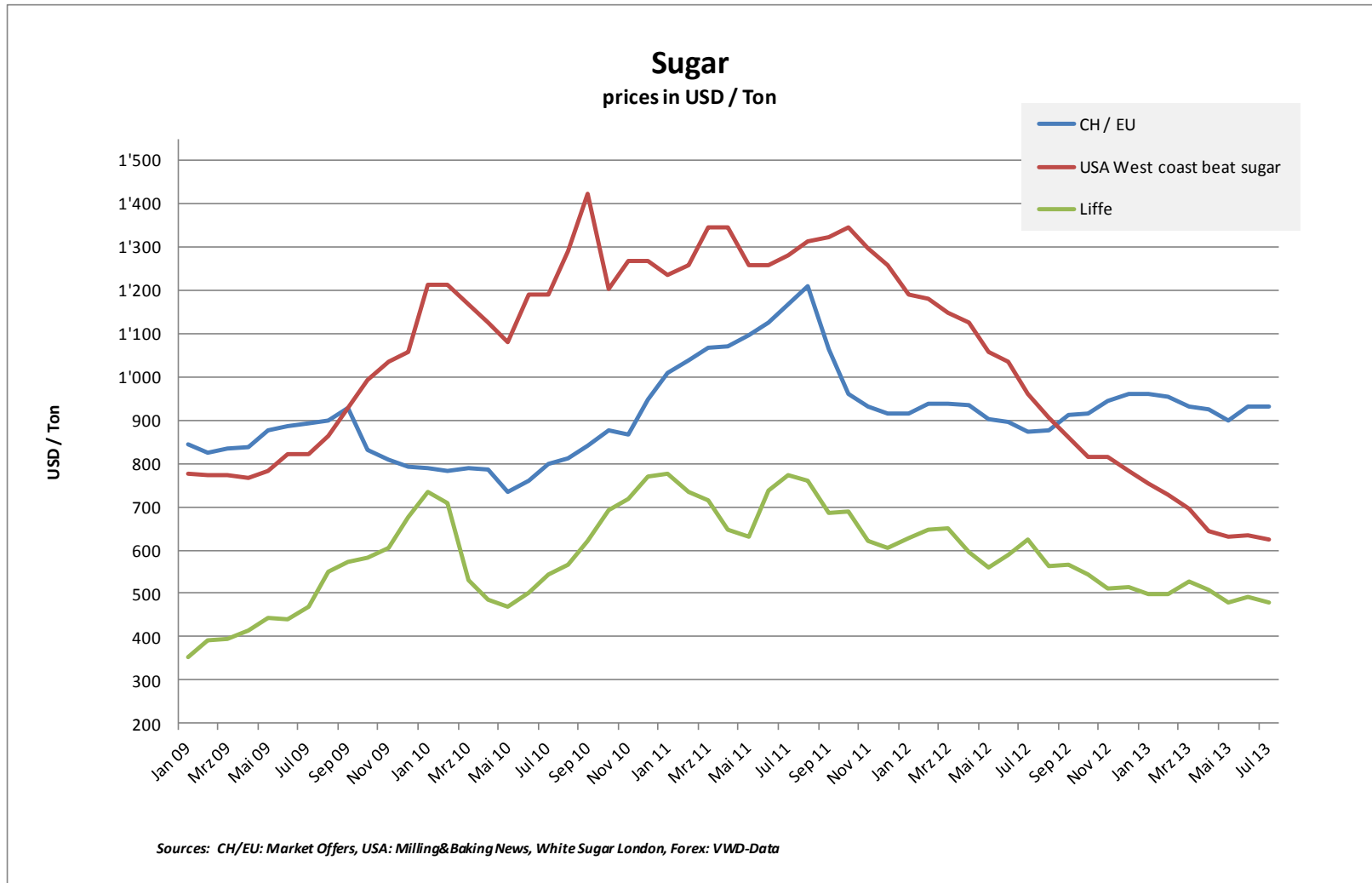
USD / Ton



# MILK PRICES EUROPE, SWITZERLAND & WORLD 2010 – 2013



# SUGAR PRICES 2009 – 2013



## 5 OUTLOOK 2013

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# OUTLOOK 2013 – FINANCIAL GUIDANCE

## INVESTING FOR FUTURE GROWTH

### MARKET FOCUS 2013

- \_ Strong market share gains accross all countries
- \_ Build on good growth trend in all markets
- \_ Launch of innovative product range „Hello“ and new seasonal product
- \_ Focus behind Key Franchises Lindor, Excellence & Seasonal
- \_ Continue strong support of newly opened markets Russia, China, SA, Japan
- \_ Dynamic growth and strong expansion of „Global Retail“

### CONTINUATION OF MARKET INVESTMENTS IN 2013

- \_ Marketing spending: Strengthen brand and positioning globally via further increase of advertising spending

### INTERNAL

- \_ Continued cost saving measures via process- and efficiency improvements



# MID TO LONG TERM FINANCIAL GUIDANCE

## UNCHANGED MID- TO LONG TERM FULL YEAR SALES AND PROFIT TARGETS

Organic Growth	6 – 8 % p.a.
EBIT margin	+ 20 to 40 basis points (*)
CAPEX 2013	CHF > 200 Mio

Continued high cash generation

*(\*) based on constant currencies and reported p.y. figures e.g. before re-statement*

## DISCLAIMER

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This presentation contains forward looking statements which reflect management's current views and estimates. The forward looking statements involve risks and uncertainties that could cause actual results to differ from those expressed in the forward looking statements. Potential risks and uncertainties include among others factors as general economic conditions, foreign exchange and commodity price fluctuations, competitive product and pricing pressures and regulatory developments.

## 6 QUESTIONS & ANSWERS

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