



**LINDT & SPRÜNGLI**

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**FINANCIAL ANALYSTS CONFERENCE**

**MARCH 11, 2014**

**ANNUAL RESULTS 2013**

# AGENDA

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1. Key Figures 2013
2. Financial Details 2013
3. Outlook 2014
4. Swiss News 2014



# FINANCIAL YEAR 2013

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## KEY FIGURES

# KEY FIGURES – P&L Statement *(BEFORE IAS19/IFRIC 14 ADJUSTMENT 2012 FIGURES )*

## ➔ Achievement of Strategic Growth- and Profit Targets

	CHF Mio.	Growth in CHF	Organic Growth	Margin Improvement
<b>SALES</b>	<b>2'883</b>	<b>+8.0%</b>	<b>+8.6%</b>	
<b>EBITDA</b> Margin: 17.5%	<b>503.3</b>	<b>+7.5%</b>		<b>—</b>
<b>EBIT</b> Margin: 14.0%	<b>404.1</b>	<b>+11.5%</b>		<b>+40 BP</b>
<b>NET INCOME</b> Marge: 10.5%	<b>303.0</b>	<b>+11.4%</b>		<b>+30 BP</b>

# KEY FIGURES – P&L Statement *(AFTER IAS19/IFRIC 14 ADJUSTMENT 2012 FIGURES)*

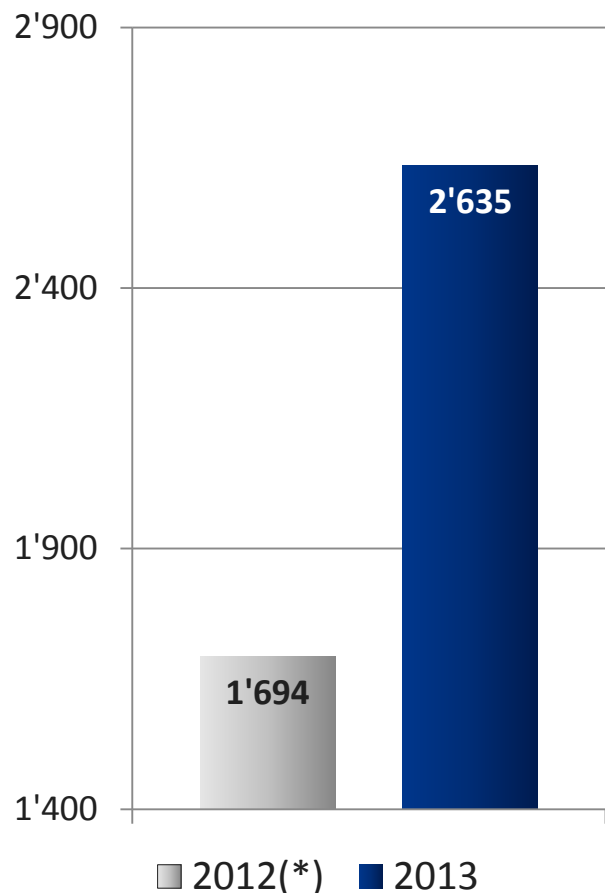
## ➔ Achievement of Strategic Growth- and Profit Targets

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<b>EBITDA</b> Margin: 17.5%	<b>503.3</b>	<b>+15.4%</b>		<b>+120 BP</b>
<b>EBIT</b> Margin: 14.0%	<b>404.1</b>	<b>+22.4%</b>		<b>+160 BP</b>
<b>NET INCOME</b> Margin: 10.5%	<b>303.0</b>	<b>+23.7%</b>		<b>+130 BP</b>

# KEY FIGURES – Balance Sheet *(FIGURES 2012 ADJUSTED IAS19/IFRIC14)*

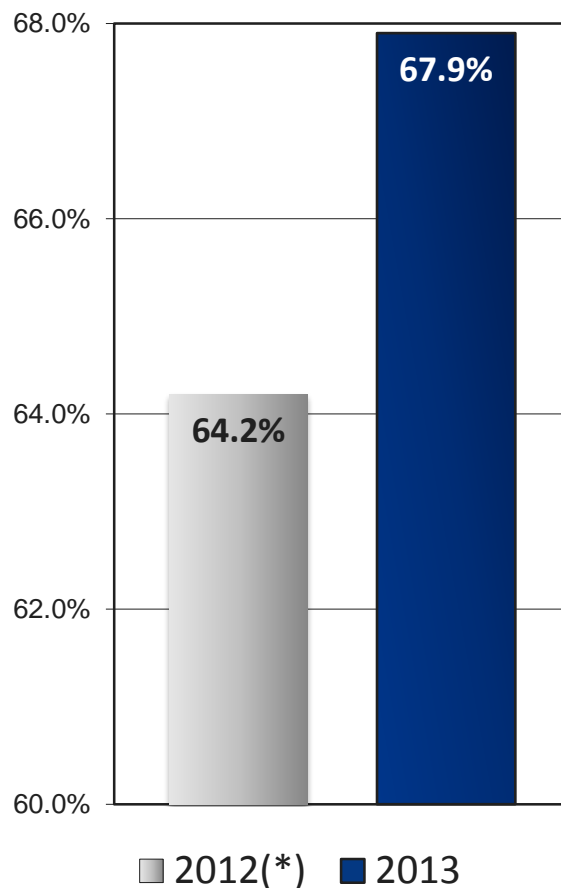
➔ Continuous substantial improvement of Equity and Net Liquidity

### Equity in CHF Mio.



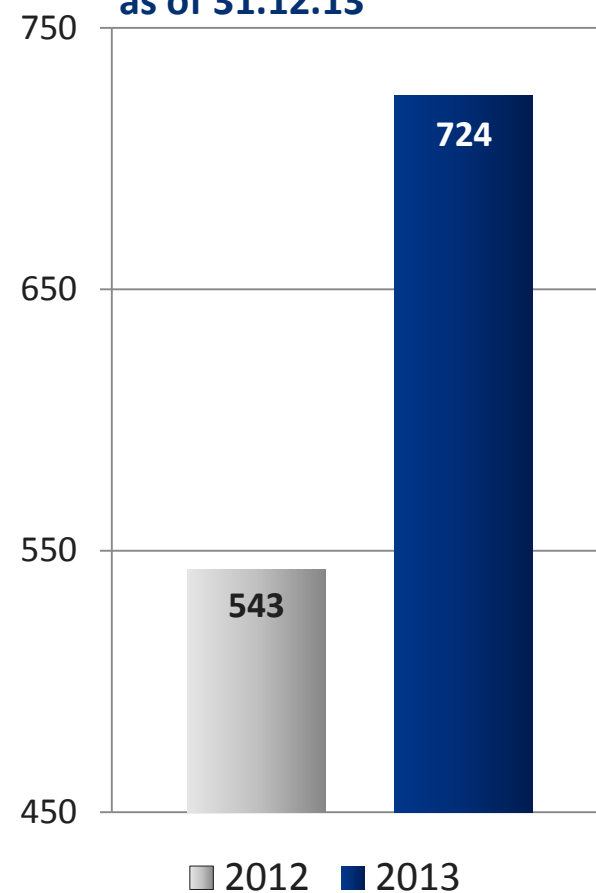
(\*) adjusted IAS19/IFRIC14

### Equity B/S Ratio in %



(\*) adjusted IAS19/IFRIC14

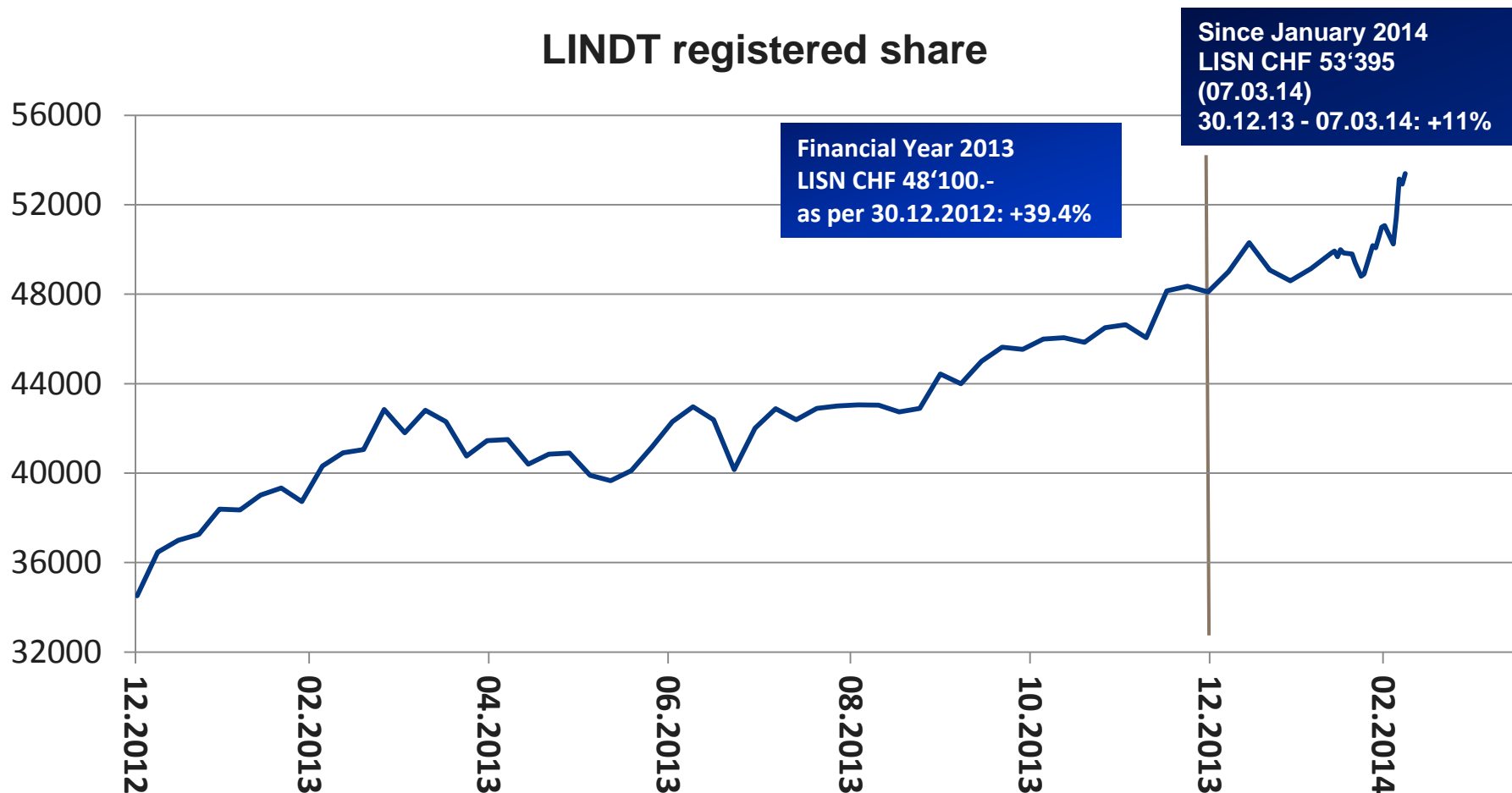
### Net Liquidity in CHF Mio. as of 31.12.13



# KEY FIGURES – Share Price

➔ L&S creating shareholder value: +39.4% in 2013, +11% since 01.01.2014

## LINDT registered share



## KEY FIGURES – Shareholder Return

➔ Dividend Payment + 13 % vs. 2012

➔ Payout Ratio 49%

	1992	2010	2011	2012	2013
Dividend Reg. (CHF)	39	450	500	575	<b>650*</b>
➤ From Agio			500	535	<b>555</b>
➤ From Retained Earnings				40	<b>95</b>
→ Increase (CHF)	2	50	50	75	<b>75</b>
Dividend Yield Reg.	1.4%	1.5%	1.6%	1.7%	<b>1.4%</b>
Payout Ratio Reg.	16.9%	42.8%	47.2%	53.1% <sup>(1)</sup>	<b>49.0%</b>
Registered Share (at year-end)	2'800	30'100	31'390	34'515	<b>48'100</b>
Market Cap. (Mio. CHF)	492	6'763	6'982	7'384	<b>10'268</b>

\*subject to approval by the AGM

(1) Adjusted IAS19/IFRIC14



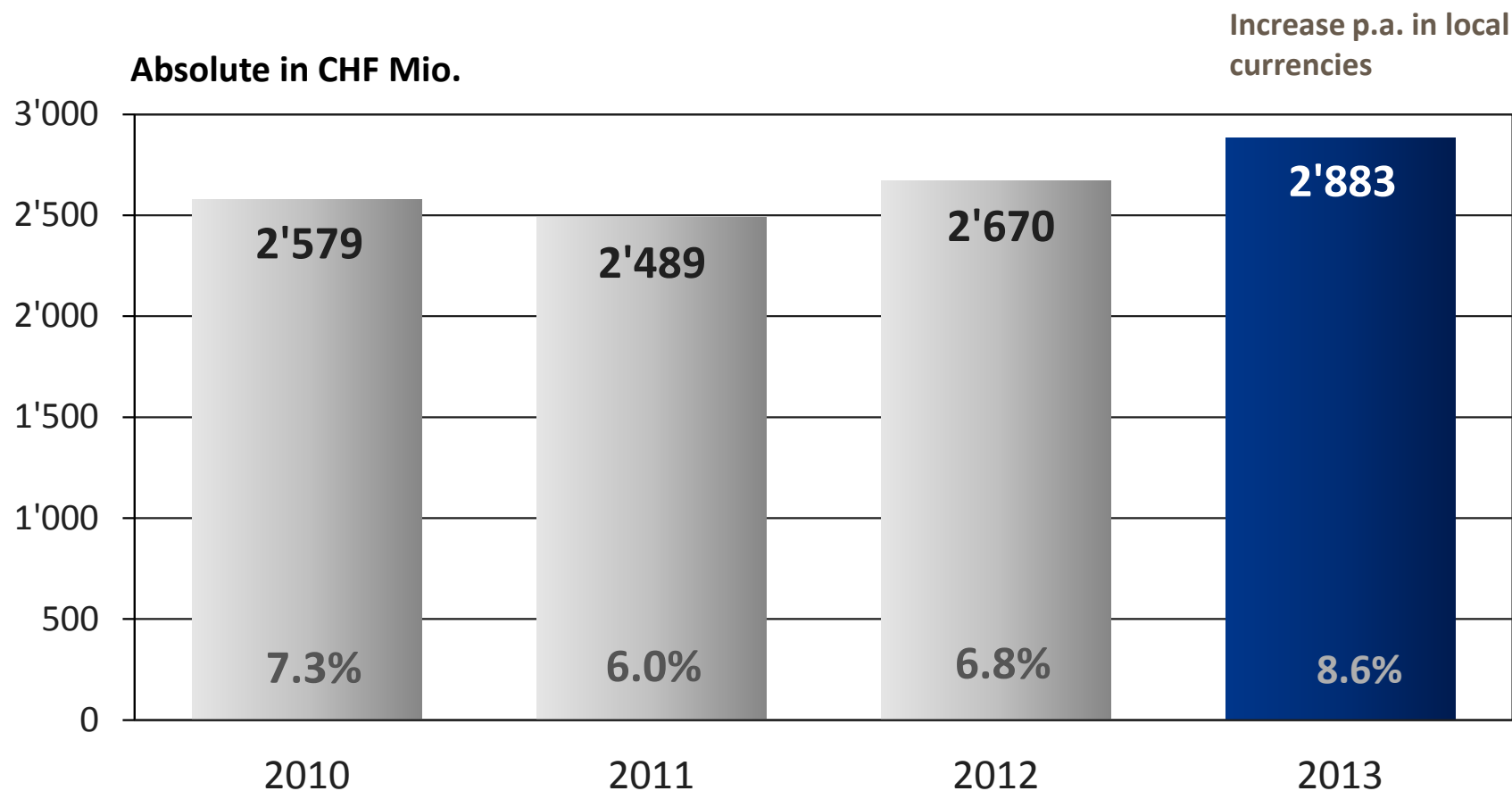
**FINANCIAL YEAR 2013**

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**DETAILS OF FINANCIAL FIGURES**

# SALES GROWTH – Group

➔ Accelerated Organic Growth



# SALES GROWTH 2013 – Main Markets

➔ 2013: Above-average Organic Growth in main markets

Switzerland (incl. Exports) + 7.6%

Germany +7.5%

France +6.6%

Great Britain +16.0%

Italy -0.6%

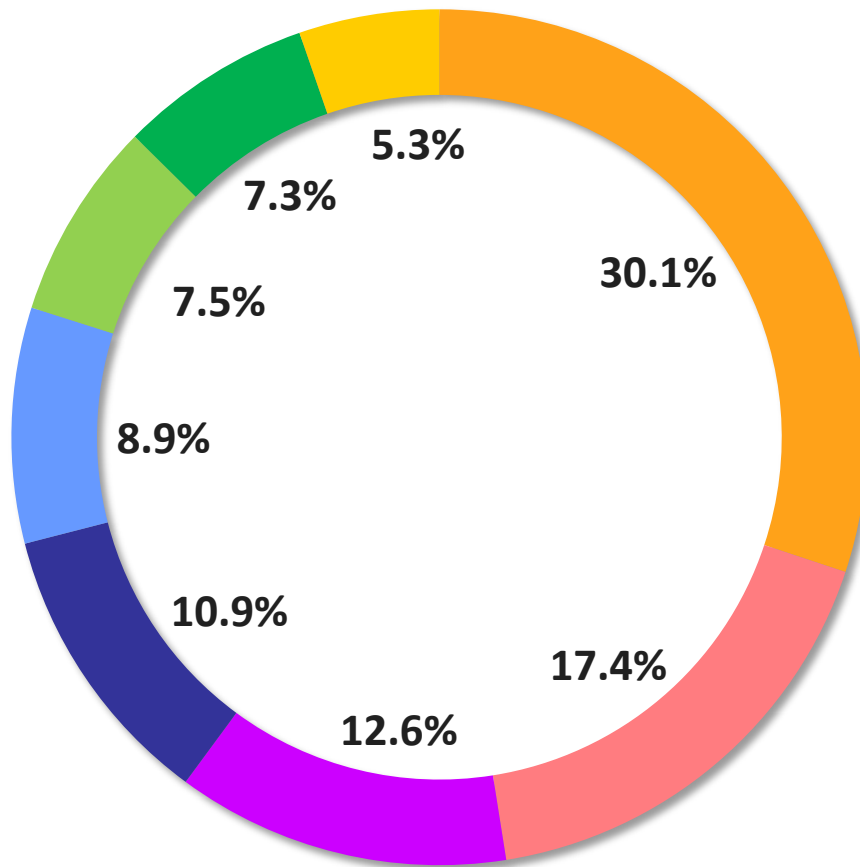
North America +11.4%

Strong Growth of Key Brands  
LINDOR, EXCELLENCE, SAISON



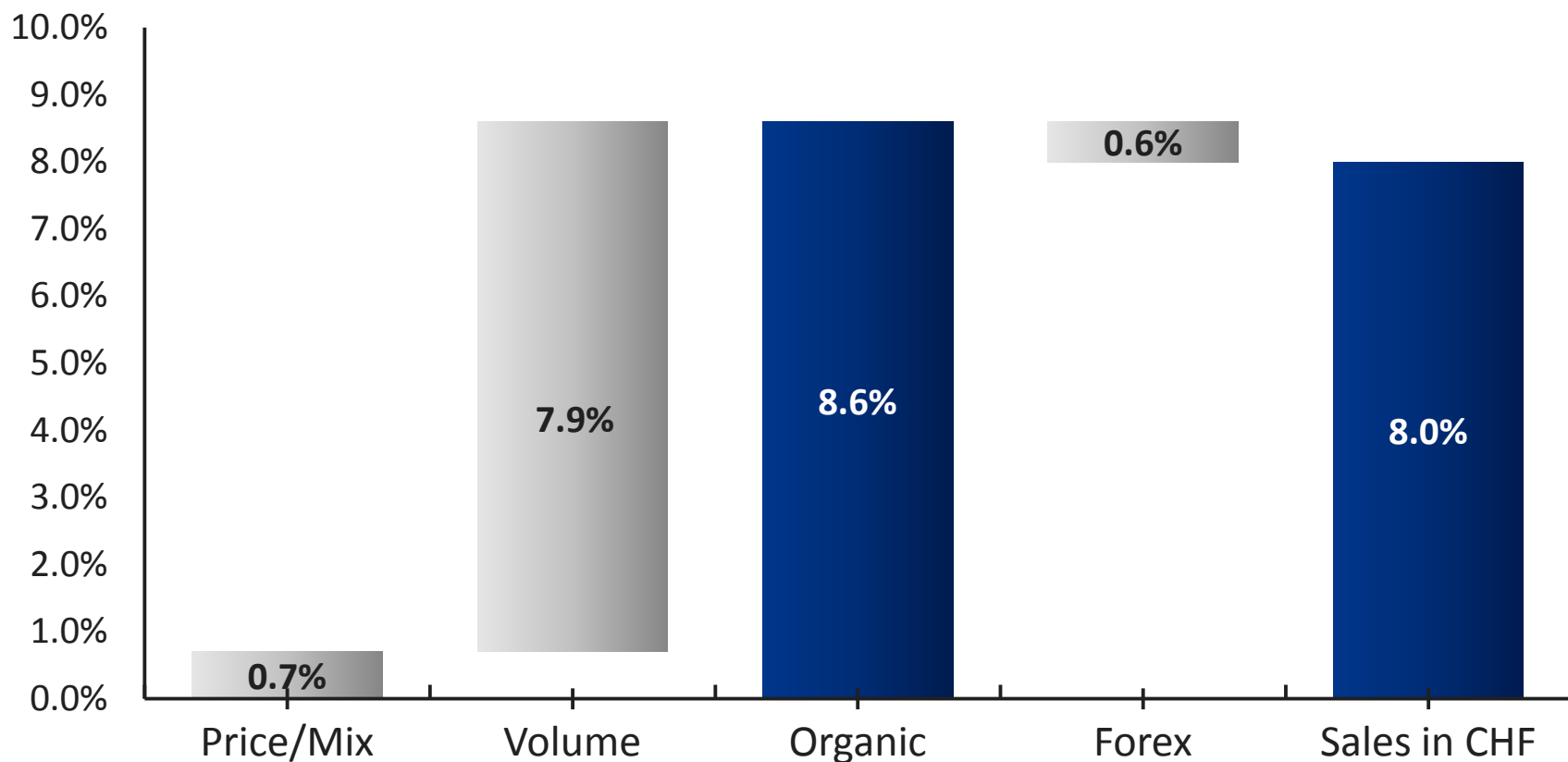
# SALES ANALYSIS – Markets

➔ Total NNTS: CHF 2.883 bn



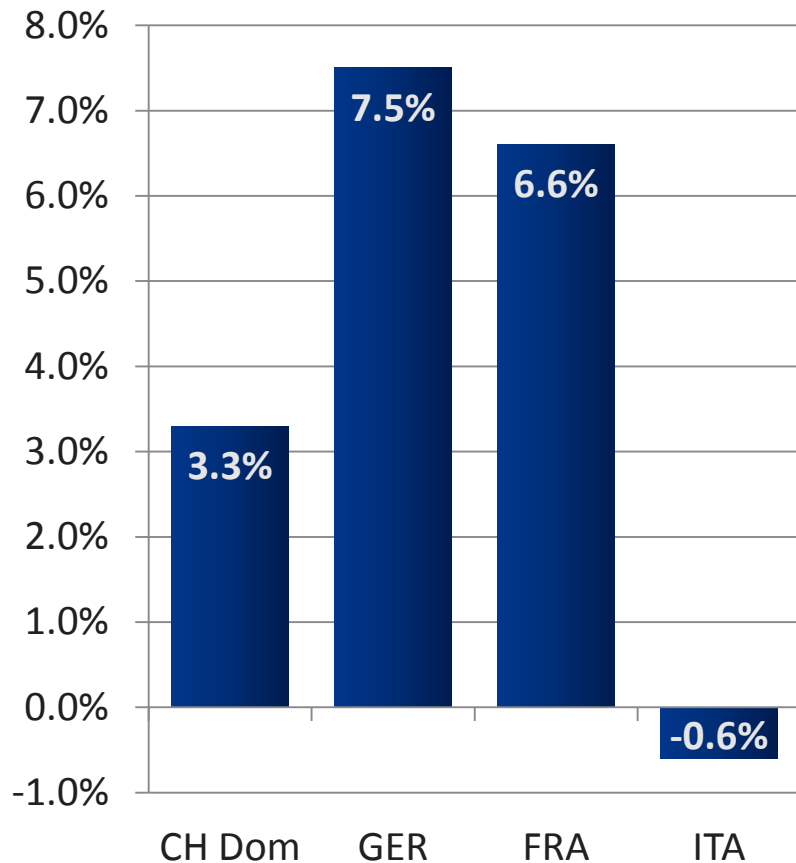
# SALES – Growth Factors

➔ Sales Growth mainly driven by Volume



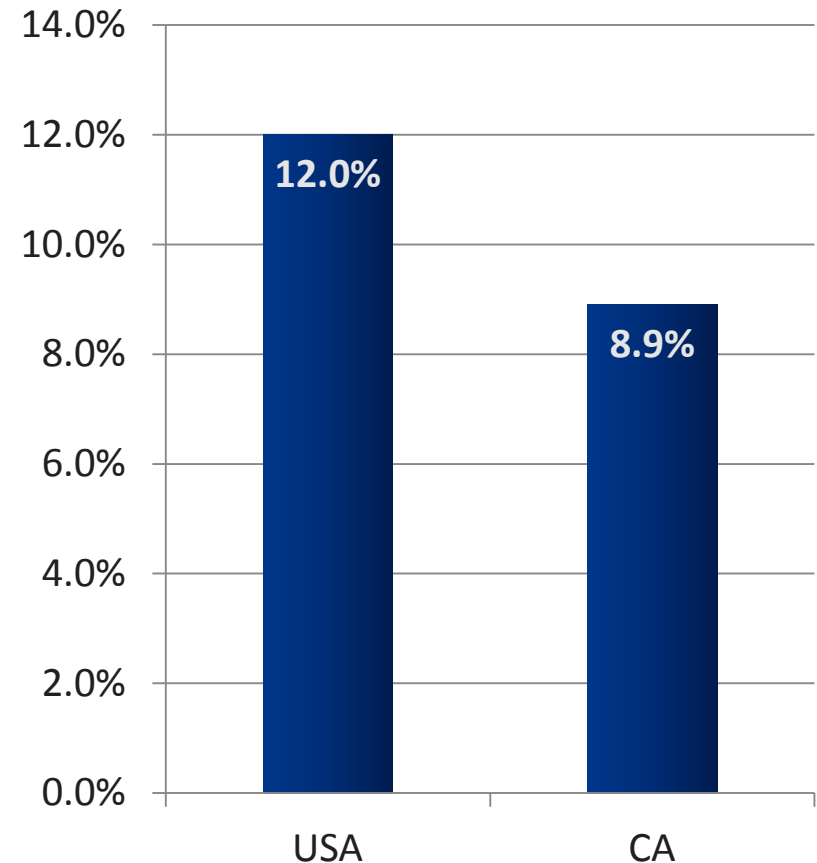
# ORGANIC GROWTH BY REGION

## L&S in Europe: +6.1%



Lindt IT: +0.6%  
Caffarel: -3.8%

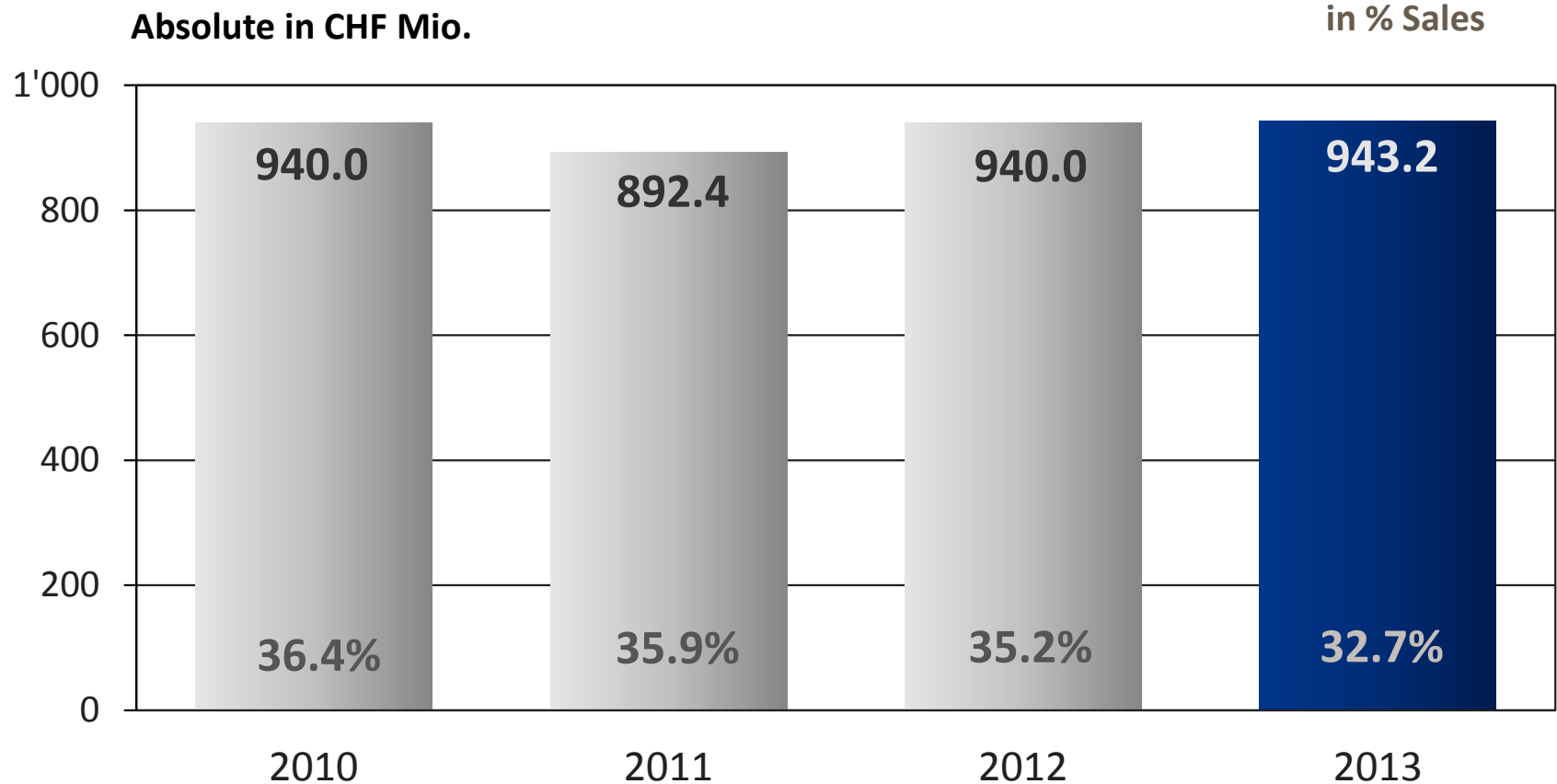
## L&S in North America: +11.4%



Lindt USA: +15.4%  
Ghirardelli: +9.2%

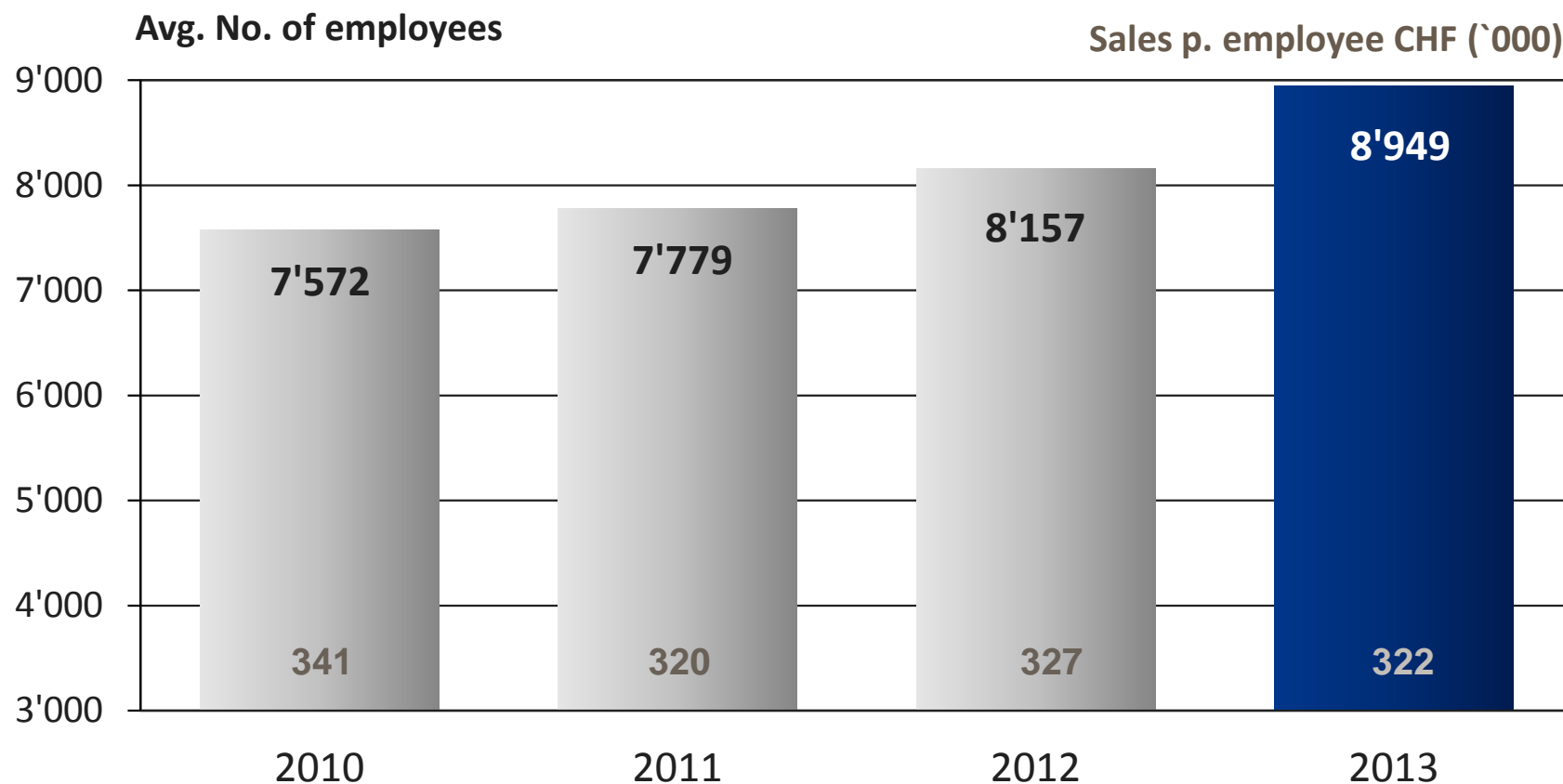
# MATERIAL COSTS

➔ Reduction by 250 BP – tailwinds from raw material prices



# NUMBER OF EMPLOYEES & SALES PER EMPLOYEE

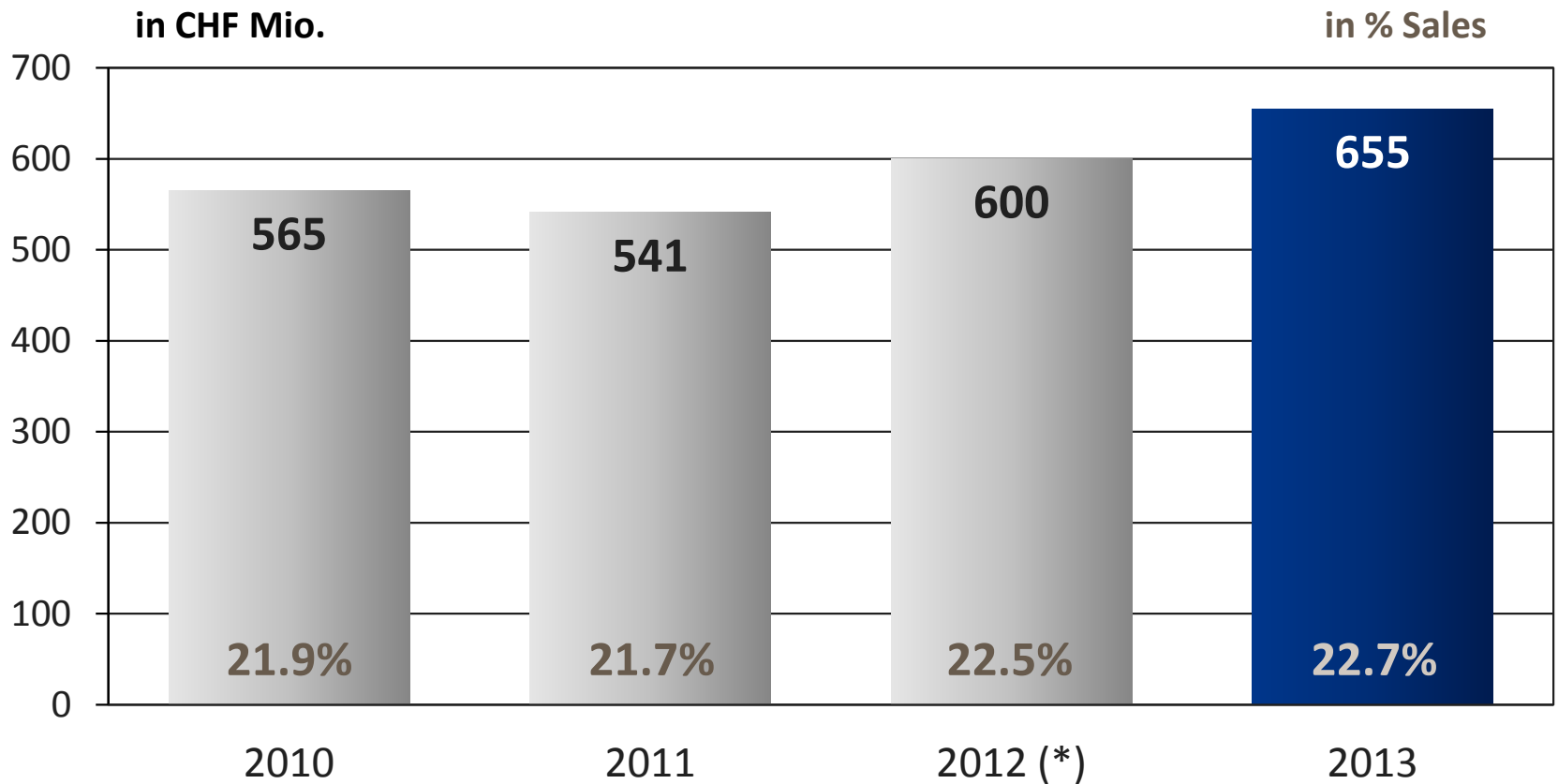
➔ Increase by 792 Employees driven by expansion in Production & Retail





# PERSONNEL EXPENSES

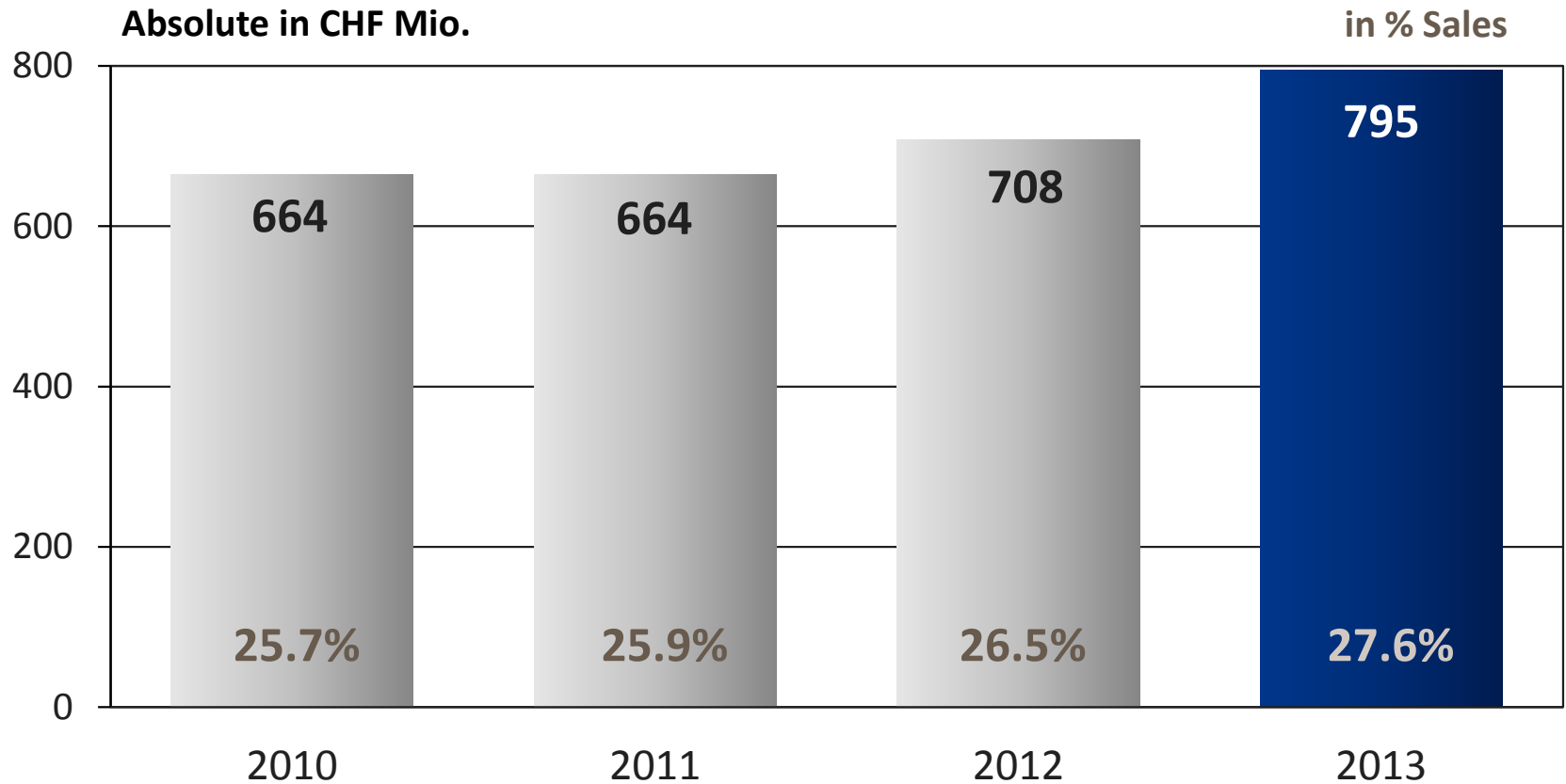
➔ Slight increase in the expense ratio due to strong volume growth



(\*) adjusted IAS19/IFRIC14

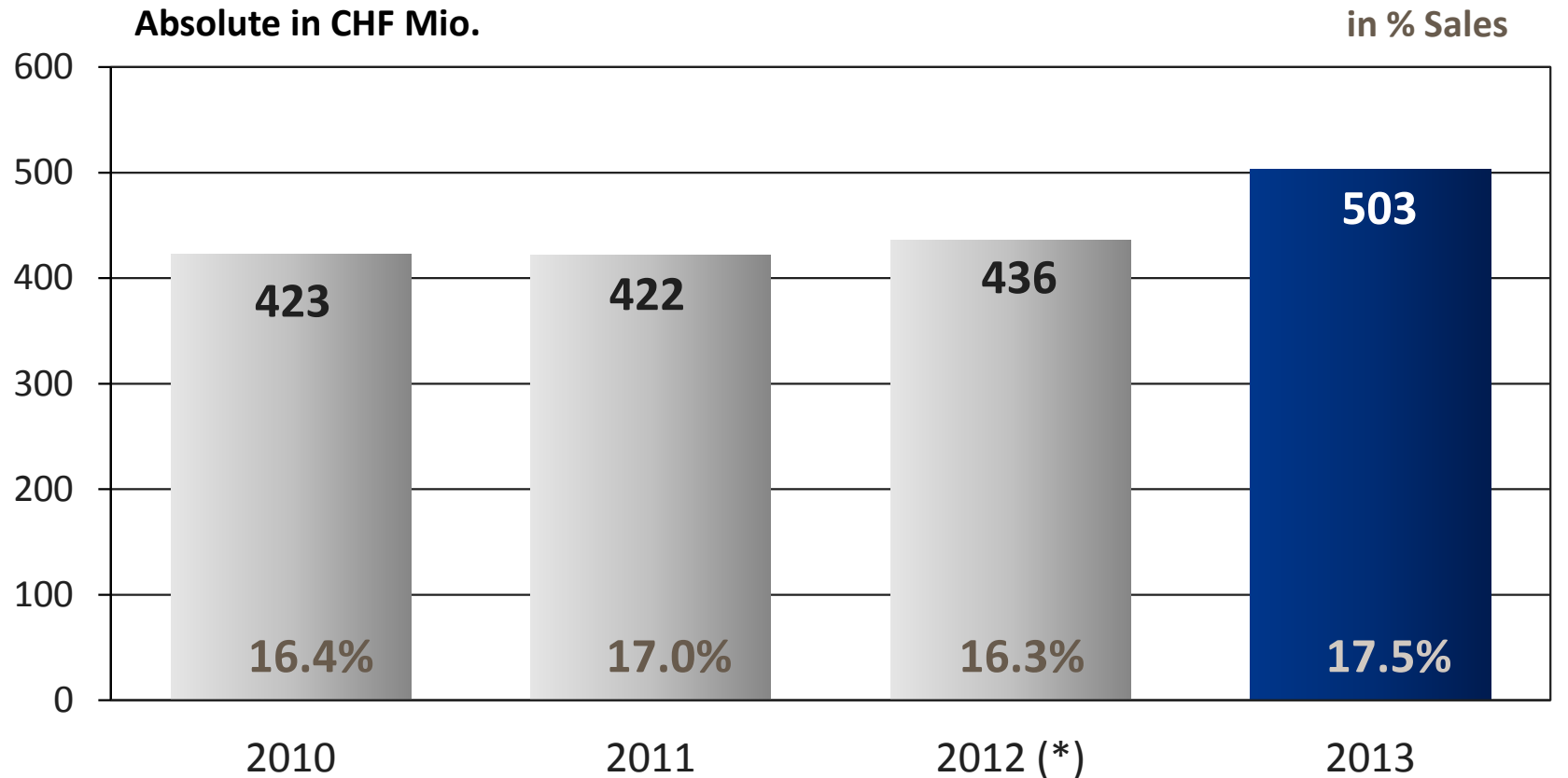
# OPERATING EXPENSES

➔ Continuous increase of marketing investments



# EBITDA

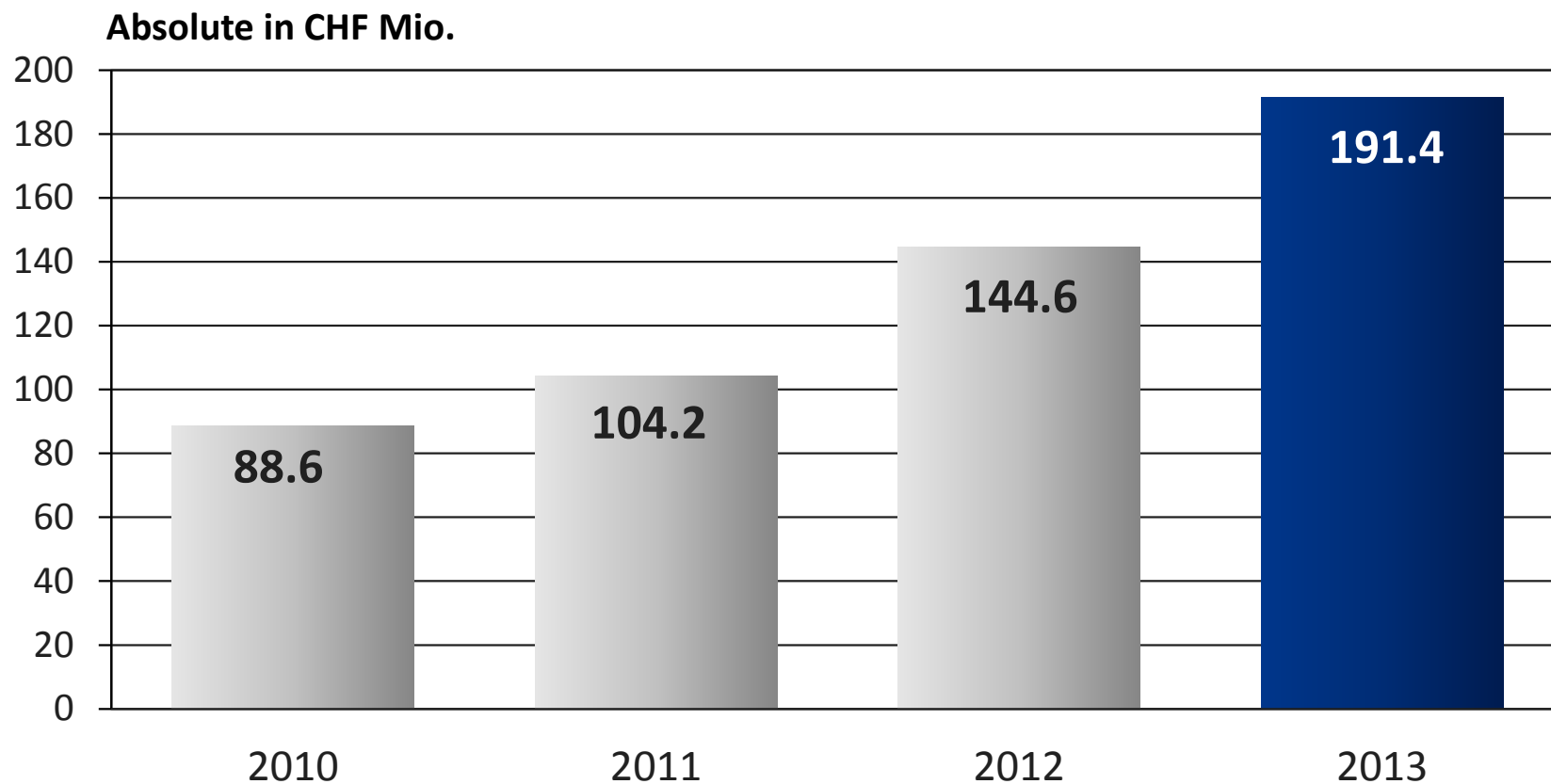
➔ Absolute Increase by +15.3% / Margin +120BP



(\*) adjusted IAS 19/IFRIC14

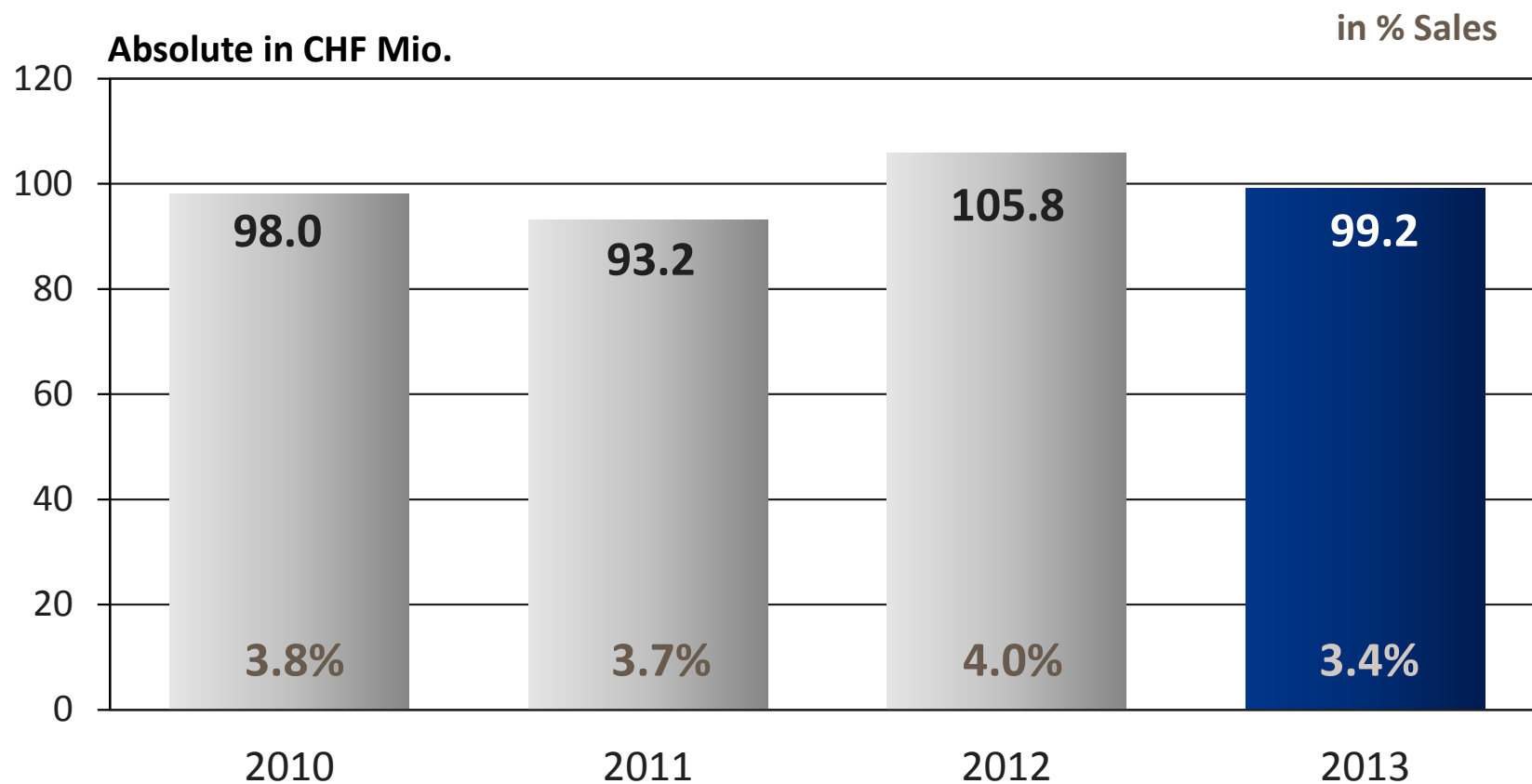
# CAPITAL INVESTMENTS

➔ Increase to keep pace with high volume growth



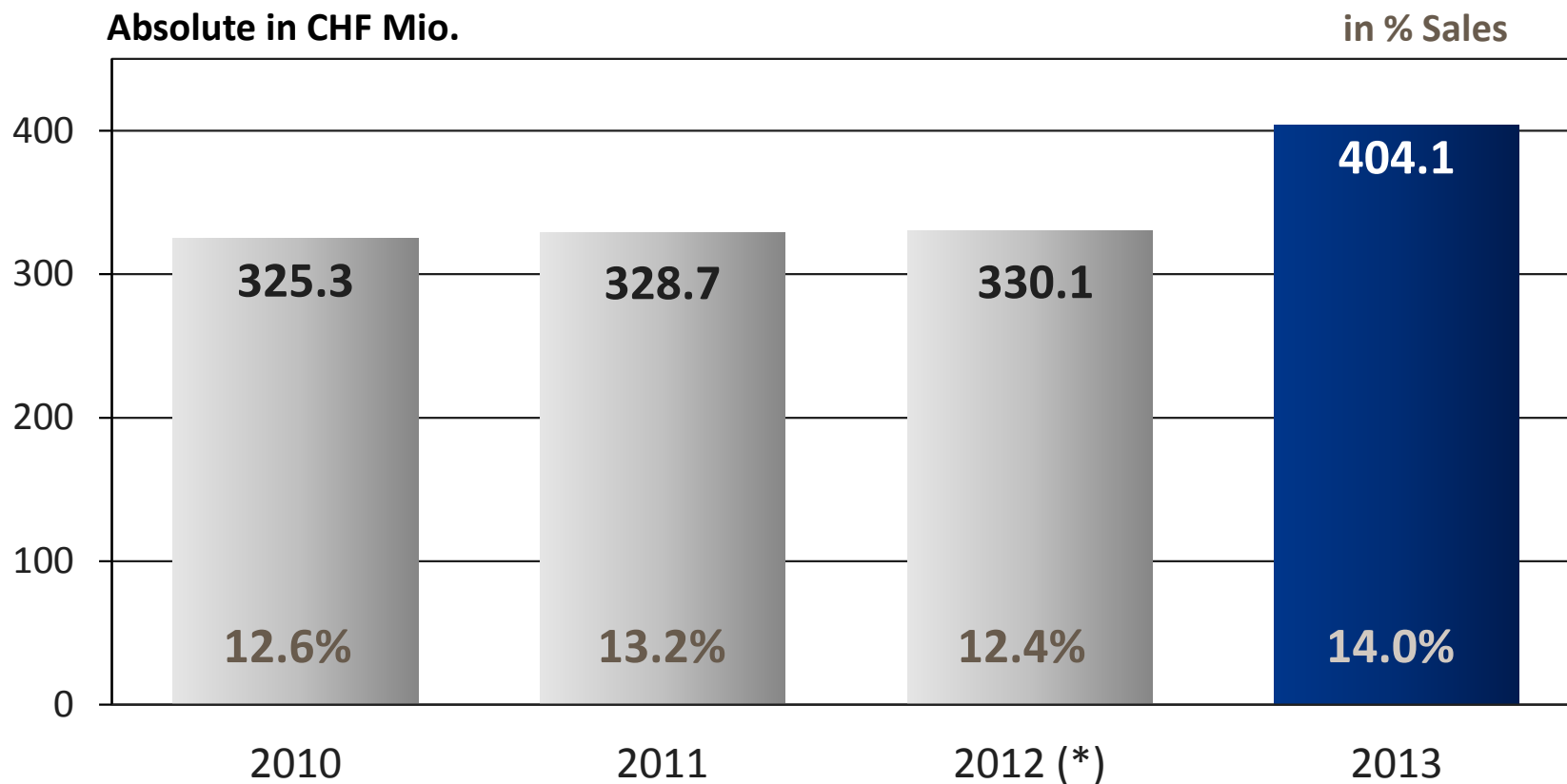
# DEPRECIATION & IMPAIRMENTS

➔ No material impairments in 2013



# OPERATING PROFIT (EBIT)

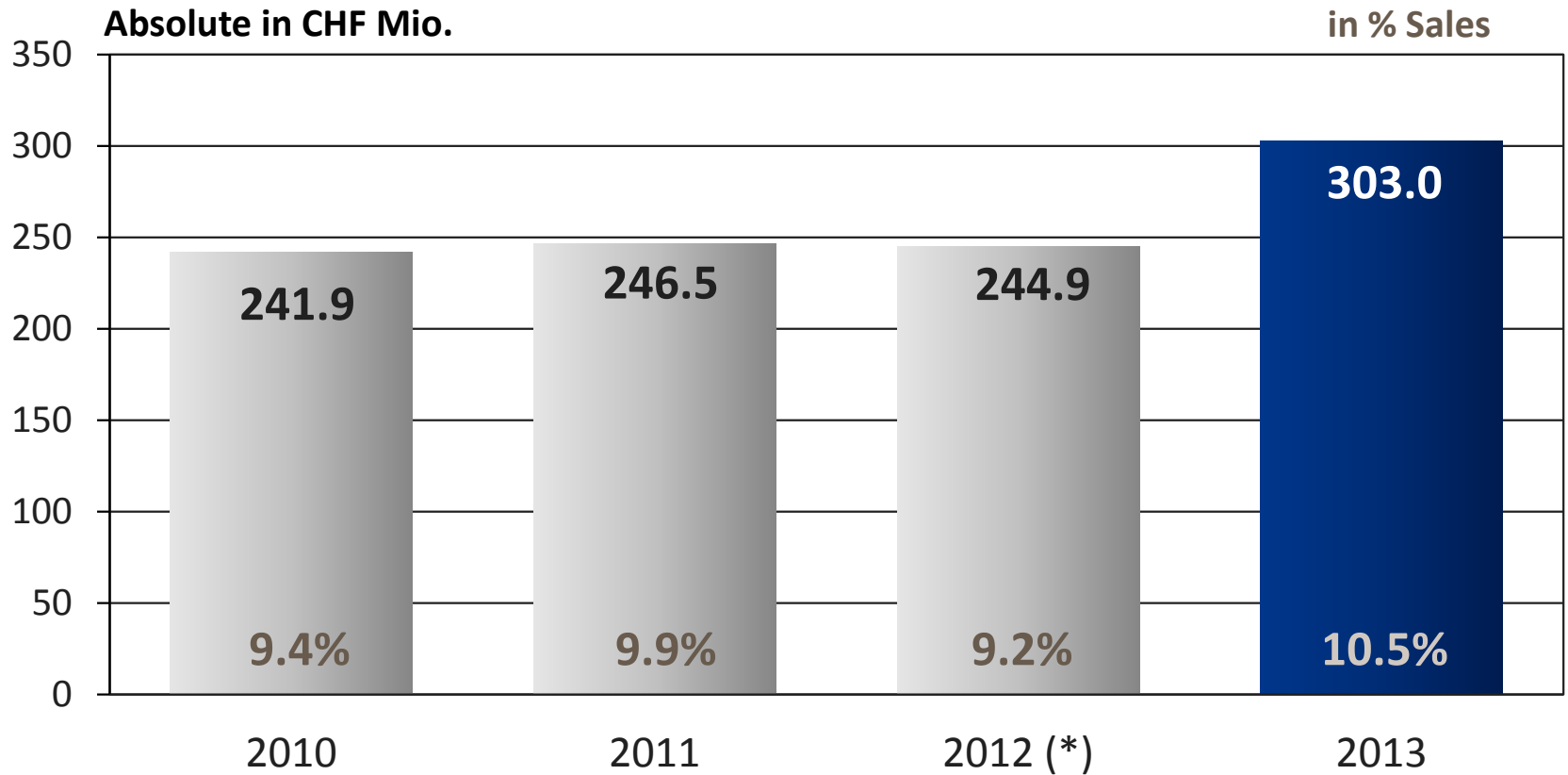
➔ Increase in Profit Margin + 160 BP - driven by strong sales and lower expenses



(\*) adjusted IAS19/IFRIC14

# NET INCOME

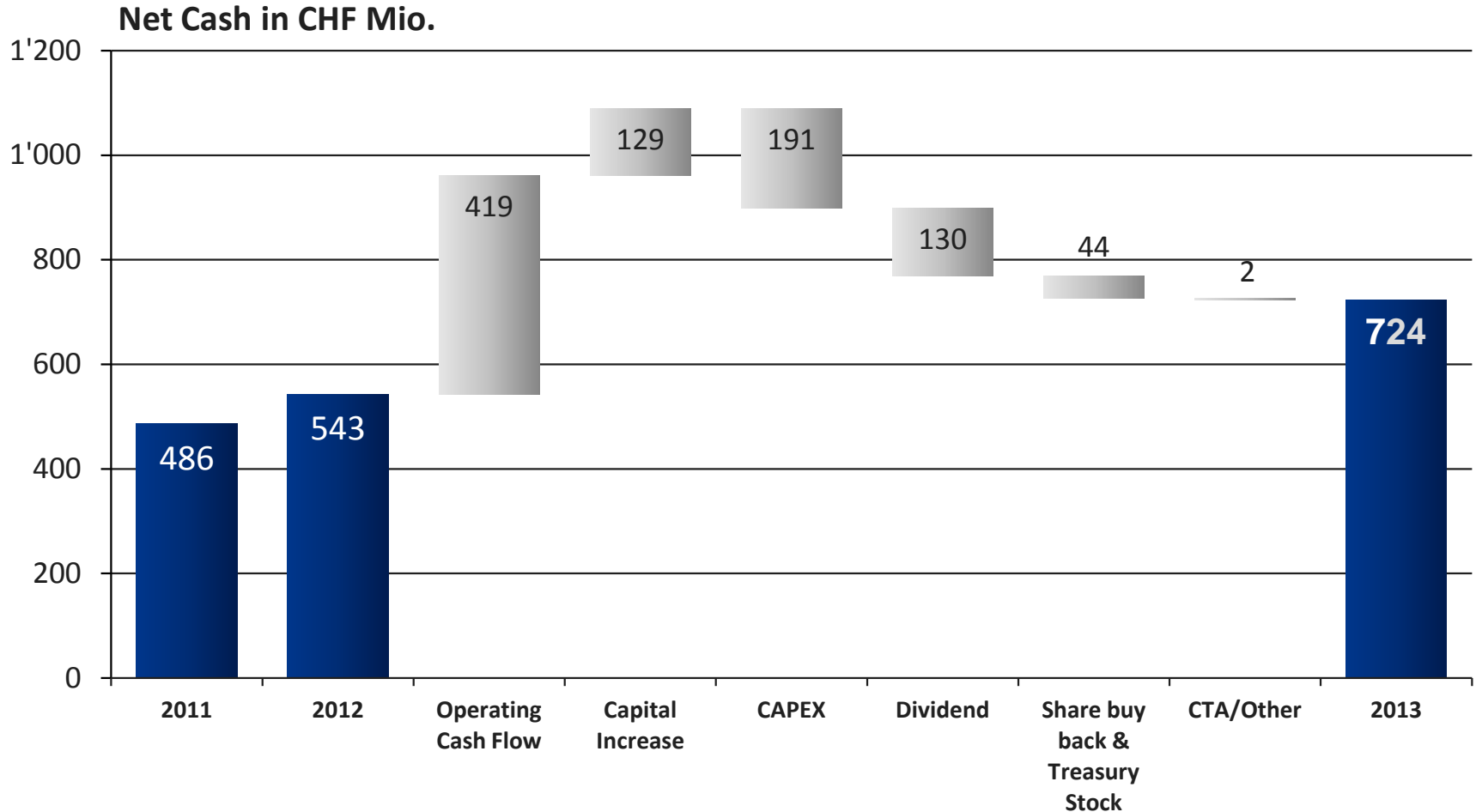
➔ Increase of Net Income Margin +130 BP



(\*) adjusted IAS19/IFRIC14

# NET LIQUIDITY – Development

➔ Record High Net-Liquidity

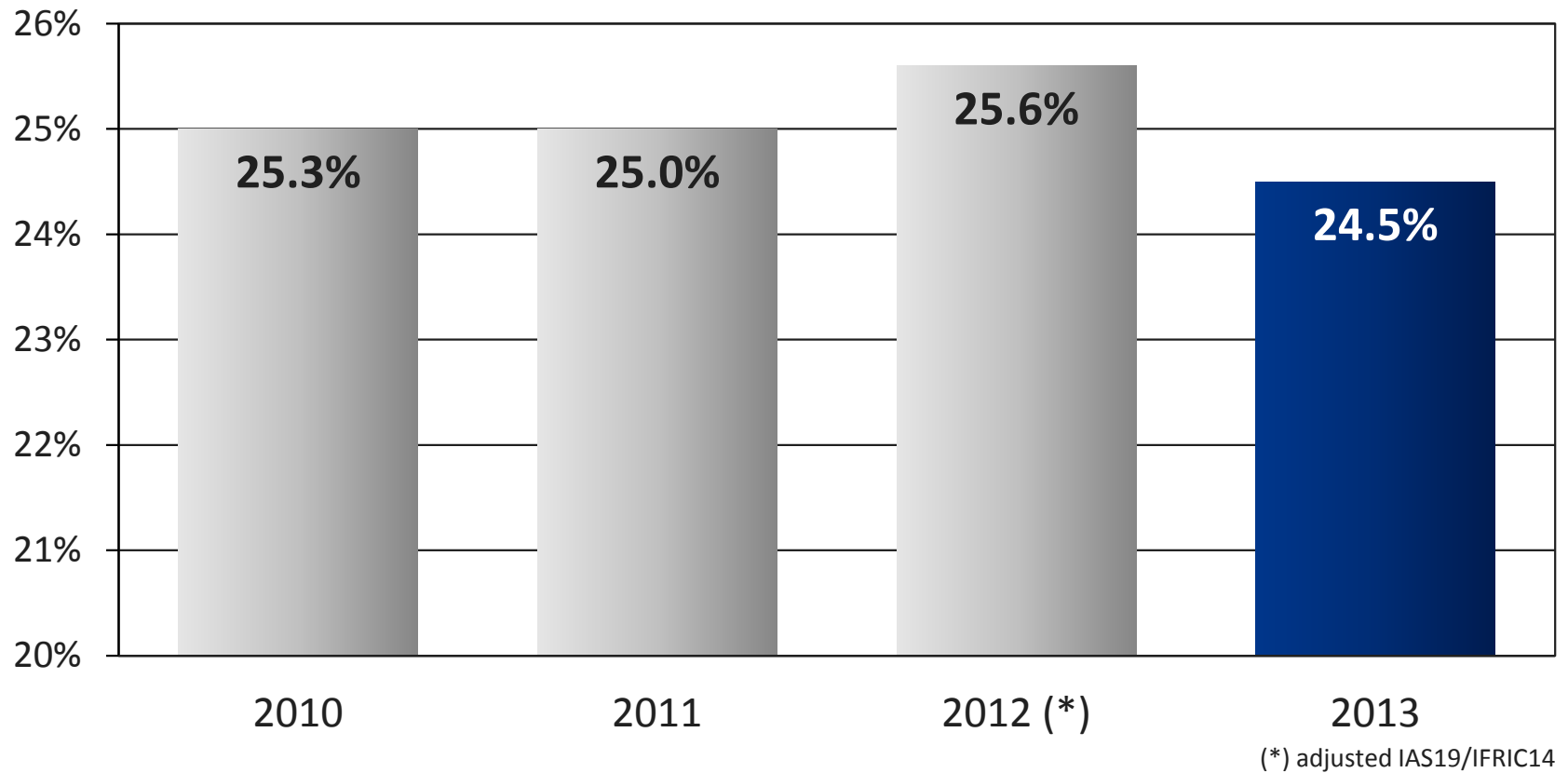




# TAX RATE

➔ Record low – Future increases to be expected

in % of income before taxes



# SUSTAINABLE SOURCING

## → Lindt & Sprüngli Farming Program

- Thanks to the traceability of cocoa beans, we can positively influence the local farming practices and community development
- By 2016, more than 45'000 cocoa farmers in Ghana will receive support in improving their agricultural, social and environmental farming practices
- In total more than USD 15 Mio. special premiums by 2016 (including initial set-up costs of the program)
- Commitment to buy 100% of Ghana beans traceable and verified by 2016 confirmed



**FINANCIAL YEAR 2013**

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**OUTLOOK**

# OUTLOOK 2014 – Markets

## ➔ Ongoing challenging general conditions

- Signs of a further stabilization of the economy
- Volatile development in the important main currencies
- Raw material prices to increase substantially
- Continuous price pressure in the trade leading to moderate price adjustments

## ➔ Lindt & Sprüngli – Strengthening of the Brand, ongoing increase of Market Shares, Expansion into New Markets

- Innovation and intensified marketing communication
- Continuous expansion into new growth markets
- Strong focus on the world wide implementation of own sales channel (Global Retail)
- Ongoing optimization via efficiency increases and cost management
- Confirming long-term strategic growth- and profit targets
- New election of an additional female member of the Board

# OUTLOOK 2014 – Annual General Meeting 24.04.2014

➔ Proposed election to the Board of Directors: Petra Schadeberg-Hermann

## Petra Schadeberg-Hermann (Dipl. Betriebswirtin)



Proposed election of Ms. Petra Schadeberg-Hermann as a new member of the Board of Directors, in succession of Dr. Kurt Widmer

- Managing Partner of Krombacher Finance GmbH in Kreuzthal Krombach, Germany
- Specialist and expert in the consumer goods industry and the retail
- Member of the Board of Directors of Krones AG (Neutraubling) and Commerzbank AG (Frankfurt)

# OUTLOOK 2014 – Joint Venture L&S (BRAZIL) SA

➔ Lindt & Sprüngli expanding its successful retail concept into the Brazilian market

Lindt & Sprüngli (Brazil ) Holding Ltd.

Joint Venture

Lindt & Sprüngli (Brazil) SA

Lindt & Sprüngli  
51%

CRM  
49%



LINDT & SPRÜNGLI

GRUPO CRM

- Partner: CRM Gruppe with premium chocolate shops, Kopenhagen and Chocolates Brazil Cacau
- Goal: expansion in the Brazilian market with the successful LINDT retail concept
- Start in 2014 in Sao Paulo in at least three shops
- Rollout in shopping malls and premium center-city locations as from 2015



# OUTLOOK 2014

➔ Confirmation of Mid-/Long Term Growth and Profit Goals

**Organic Growth**

**+6 – 8%**

**Operating Margin (EBIT)**

**+20 – 40  
Basis Points**

**Continued High Cash Generation**

# SWISS NEWS 2014

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# Opening Swiss Chocolate Adventure – June 18, 2014

## Partnership between LINDT Chocolate Competence Foundation and „Verkehrshaus der Schweiz“

- Swiss Chocolate Adventure: Latest chocolate attraction of Switzerland as a multimedia experience in „Verkehrshaus “
- Visitors can discover everything about the origin, the production and the transportation of chocolate
- Unique platform to promote Switzerland as the country of chocolate
- Up to 400'000 visitors expected every year
- LINDT represented with a boutique in „Verkehrshaus“



# LINDT Swiss Chocolate Heaven – July 2014



## Top of Europe, Jungfrauojoch

- Highest point of sale of chocolate in the world at 3'500 meters above sea level
- LINDT Shop & multimedia LINDT Maître Chocolatier kitchen
- Nearly 1 Mio. visitors per year (mainly from Asia)
- Opening of the „Swiss Chocolate Heaven“ by Roger Federer



# DISCLAIMER

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



Financial Analysts' Meeting March 11, 2014