Universidade do Minho
Escola de Economia, Gestão e Ciência Política

Manuel José Barbosa Nogueira

Equity Research Report
Lotus Bakeries NV

April 2026

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Equity Research Report
Lotus Bakeries NV

Master's Project
Master in Finance

Supervised by
Professora Doutora Florinda Silva

April 2026

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RESUMO

Nos mercados financeiros, é essencial distinguir os conceitos de preço e valor. Enquanto o preço é o montante de um instrumento financeiro observável no mercado, o valor representa uma estimativa do seu valor fundamental. Estes dois conceitos divergem frequentemente, especialmente no curto prazo, impulsionado pelo sentimento do mercado, pela dinâmica da oferta e da procura e por fatores macroeconómicos externos.

O objetivo deste *Equity Research Project* é estimar o valor da Lotus Bakeries NV (LOTB), uma empresa de capital aberto cotada na Bolsa de Valores Euronext Bruxelas. Com sede na Bélgica, a LOTB opera no setor alimentar, principalmente na produção e comercialização de bolachas e bolos de marcas próprias. A empresa está estruturada em três segmentos estratégicos: *Biscoff, Natural Foods* e *Local Heroes*, e mantém presença em 74 países.

Em conformidade com as orientações do Instituto CFA, o relatório inicia-se com um Resumo Executivo, que apresenta uma visão concisa da análise e das principais conclusões. De seguida, é feita uma avaliação da dinâmica da empresa e do setor, da posição financeira e da solidez do balanço da LOTB. Com base nestas informações, foram projetadas demonstrações financeiras para suportar a estrutura de avaliação. Os modelos utilizados para determinar o valor intrínseco foram o Fluxo de Caixa Descontado (FCD), a Avaliação Relativa, o Modelo de Desconto de Dividendos e a Avaliação por Opções. Foram conduzidas análises de sensibilidade, de cenários e a Simulação de Monte Carlo para testar as principais premissas e avaliar a robustez da avaliação. O relatório conclui com uma avaliação de risco abrangente.

Utilizando o FCD como principal método de avaliação, emitimos uma recomendação de COMPRA com um preço-alvo de € 11 423,23 para o final de 2026. Este valor representa um potencial de valorização de 17,2% face ao preço de mercado observado a 20 de março de 2026. A nossa tese de investimento é sustentada principalmente pela contínua penetração no mercado, crescimento impulsionado pelo volume e eficiência operacional.

Palavras-chave: *Equity Research*, Ação, Valor Intrínseco, Bolachas, Lotus Bakeries NV

ABSTRACT

In financial markets, it is essential to distinguish between the concepts of price and value. While price is the observable amount at which a security is traded in the market, value represents an estimate of the security's fundamental worth. These two concepts often diverge, especially in the short-term, driven by market sentiment, supply and demand dynamics and external macroeconomic factors.

The purpose of this Equity Research Project is to estimate the value of Lotus Bakeries NV (LOTB), a publicly traded company listed on Euronext Brussels Stock Exchange. Headquartered in Belgium, LOTB operates in the food industry, mainly producing and selling branded cookies and cakes. The company is structured across three strategic segments: Biscoff, Natural Foods and Local Heroes, and maintains a presence in 74 countries.

In line with the CFA Institute guidelines, the report begins with an Executive Summary providing a concise overview of the analysis and key conclusions. This is followed by an assessment of the company and industry dynamics, leading into an evaluation of LOTB's financial position and balance sheet strength. Based on this information, forecasted financial statements were developed to support valuation framework. Discounted Cash Flow (DCF), Relative Valuation, Dividend Discount Model and Option valuation were the models used to estimate intrinsic value. Sensitivity analysis, Scenario analysis and Monte Carlo Simulation were conducted to stress-test key assumptions and assess valuation robustness. The report concludes with a comprehensive assessment of the main risks.

Using the DCF as the principal valuation method, we issue a BUY recommendation with a target price of € 11,423.23 for year-end 2026. This estimates a potential upside of 17.2% relative to the market price observed on March 20, 2026. Our investment thesis is primarily supported by continued market penetration, volume driven growth and sustained operational efficiency.

Keywords: Equity Research, Stock, Intrinsic Value, Cookies, Lotus Bakeries NV

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Lotus Bakeries NV

Euronext Brussels Exchange

Last price:
9,750.00€
March 20, 2026

Yummy Returns:
The Recipe for Outperformance

Fair Value Estimate
11,423.23€
31 December 2026

Potential Upside
17.2%

BUY

Figure 1: LOTB stock information as of March 20, 2026

Ticker	LOTB
Headquarters	Lembeke, Belgium
Founded	1934
Sector	Consumer non-durables
Industry	Food: specialty / candy
Market cap. (in millions)	€ 7,919
Dividend yield	0.78%
52 week high	€ 10,820
52 week low	€ 7,230
Shares outstanding	812,657
Free float	49.57%

Figure 2: 2025 CEO message, Jan Boone



"Despite geopolitical uncertainties (...), we remain firmly committed to our growth strategies for Lotus® Biscoff® and Lotus™ Natural Foods. The sustained strength of consumer demand across our portfolio, the successful start-up of the Thailand facility, and the Mondelēz partnerships reaching full momentum, all reinforce my confidence that Lotus Bakeries is well positioned for the future. This confidence is further supported by the strong cash flow consistently generated over the past several years and the resulting solid balance sheet."

Source: Company press release

Ingredient:

- Become number 3 global cookie player;
- Leader in the better-for-you snacking;
- Continuous product innovation;
- Market penetration;
- Disciplined and smart capital allocation;
- Consistent dividend growth;
- Resilient balance sheet;
- Strategic partnerships;
- Strong and experienced management team.

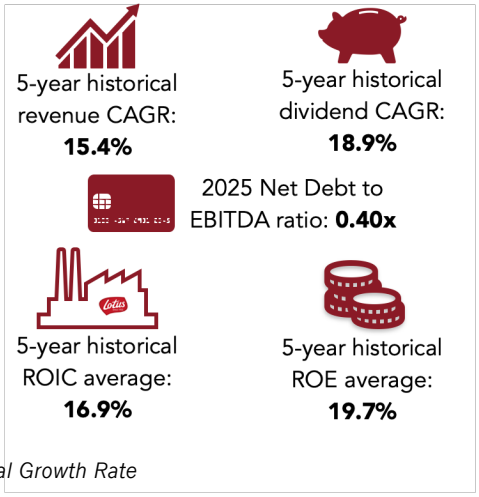
Preparation:

1. Lotus Bakeries NV (LOTB) is a **family-owned** snacking company with a unique taste-driven competitive advantage, a **global presence**, an innovation-led mindset and strong local dominance across its core segments;
2. In 2025, revenue reached **1,355 million euros** (+10.0% year over year (YoY)), with a stable EBITDA margin of **20.5%;**
3. Over the past 5 years, the company delivered an average return on invested capital **(ROIC) of 16.9%** and return on equity **(ROE) of 19.7%,** alongside a strong dividend track record, reinforcing its **dividend aristocrat profile** (Figure 4);
4. The opening of a **new factory** in Thailand and the capacity expansions at existing sites positions the group to support sustained volume growth and rising global demand;
5. Ongoing volume momentum, strategic partnerships and consistent shareholder returns underpin our **Buy recommendation**, with a **target price of € 11,423** by year-end 2026.

Figure 3: Company stock price evolution
Source: Yahoo Finance



Figure 4: Historical performance



Note: ***EBITDA:*** *Earnings Before Interest, Taxes, Depreciation and Amortization;* ***CAGR:*** *Compound Annual Growth Rate*

Business Description

Figure 5: The sky cookie



Figure 6: The company's revenue over time *(in millions)*

Source: Author, Company data

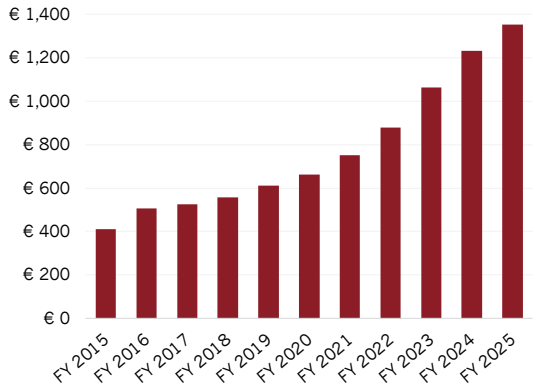


Figure 7: LOTB's 2025 revenue by region

Source: Author, Company data

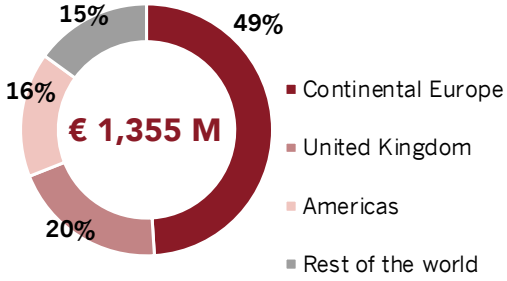


Figure 8: Lotus Biscoff segment

Source: Author, Company data



LOTB is a Belgian company operating in the food industry, mainly producing and selling cookies and cakes. Founded in 1932, Jan Boone Sr. created a caramelized cookie using natural ingredients and named it Lotus, a name chosen to symbolize purity. Its unique taste and texture quickly gained popularity in Belgium, as well as in neighboring markets such as France and the Netherlands. The product was later rebranded as Biscoff to emphasize its perfect pairing with coffee and to support expansion into the United States (U.S.) during the 1980's. In Chicago, the biscuit attracted the attention of Delta Air Lines, which began serving it on its flights (Figure 5), significantly increasing its visibility and helping build a loyal following. To meet rising demand, the company initially took mail-order requests before expanding into retail stores, leveraging consumer familiarity with the "**sky cookie**". Over time, LOTB expanded significantly through strategic partnerships, mergers and acquisitions, diversifying its portfolio and capitalizing on emerging market trends (Appendix 1).

Today, LOTB is one of the leading players in the snack industry, employing 4,164 people and operating **13 production sites** across Belgium, France, the Netherlands, Sweden, the U.S., South Africa and Thailand (Appendix 2). The newest facility in Thailand began production in the final week of 2025, ahead of schedule, marking a significant step in meeting growing global demand. The company generates value through **three main strategic segments** (Appendix 3) and achieved a record **revenue of € 1,355 million** in 2025 (Figure 6). Continental Europe accounted for the largest share (Figure 7), while the Americas emerged as the fastest growing region with 19.0% YoY growth compared to 9.0% in Continental Europe.

Lotus Biscoff:

This segment contains the unique caramelized biscuits, spreads, chocolates and ice cream, and accounts for **57.0% of 2025 revenue** (Figure 8). **Present in 74 countries**, Biscoff currently **ranks 5th in the global cookie rank**, with an ambition to climb to 3rd place, competing directly with Oreo (1st) and Chips Ahoy! (2nd) (Lotus Bakeries NB, 2025b). Over

Figure 9: Lotus Natural Foods segment
Source: Author, Company data



Figure 10: Lotus Local Heroes segment
Source: Author, Company data



the last 10 years, this segment has seen its revenue grow rapidly at a CAGR of 15.0%. **Strategic partnerships** with major players such as McDonald's, Burger King, Five Guys, Hungry Jack's, Krispy Kreme and most recently Mondelēz International Inc (MDLZ) have strengthened global scale, brand visibility and consumer awareness (Appendix 4).

Lotus™ Natural Foods:

Launched in 2015, this segment has rapidly increased its contribution to overall revenue. With a **CAGR of 17.0% over the past decade**, it accounted for 19.9% of total revenue in 2022 and rose to **25.0% by 2025.** The portfolio includes brands such as nākd®, BEAR®, TREK®, Kiddylicious® and Peter's Yard® (Figure 9), all positioned within the growing "**better-for-you**" snacking segment. These brands benefit from sustained consumer demand for healthier and premium snack alternatives. While the United Kingdom (UK) remains the primary market, international expansion beyond the UK is seen as a key growth driver moving forward.

LOTUS® LOCAL HEROES:

This segment complements the portfolio of brands with a wide range of **locally cherished products** like waffles, cakes, gingerbread and cookies. It includes names like Annas Pepparkakor, Dinosaurs, Peijnenburg, Snelle Jelle and Suzy (Figure 10). These brands strengthen LOTB's presence in core markets like Belgium, France, the Netherlands and Sweden, reflecting its strategy of **acquiring brands** with strong local roots and consumer loyalty. While many of these brands remain well-loved, some are in the later stages of their life cycle, leading to a more limited contribution to growth. Overall, the Local Heroes segment **represented 18.0% of 2025 overall revenue**.

LOTB operates a **vertically integrated business model** focused on production and distribution, which allows the company to deliver consistently high-quality products and efficiency across its value chain (Appendix 5). LOTB's strong commitment to innovation, product quality, branding, safety and sustainability has earned recognition, including inclusion in the **ESG BEL® Index** following Euronext's 2026

Figure 11: LOTB's inclusion in BEL 20 and BEL ESG indices

Source: Author, Euronext

Since 2024:

PART OF BEL 20 by EURONEXT

Effective in 2026:

PART OF BEL ESG by EURONEXT

annual review, alongside its continued presence in the **BEL 20®** (Figure 11).

Industry overview and Competitive positioning

Industry overview

Figure 12: Global cookie industry market value *(in thousands of millions)*

Source: Author, Straits Research

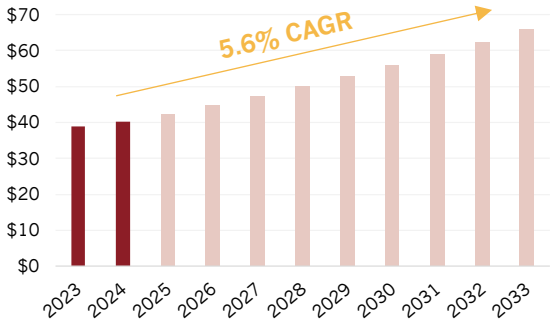


Figure 13: World population and GPD *(in thousands of millions)*

Source: Author, World Bank Group

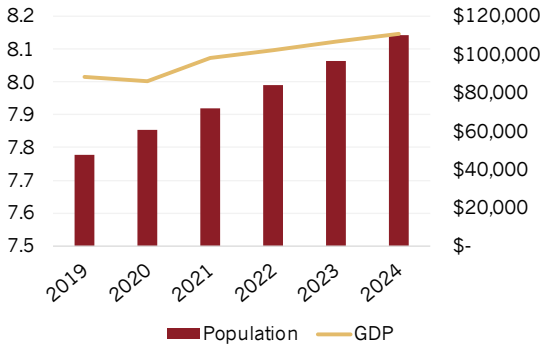
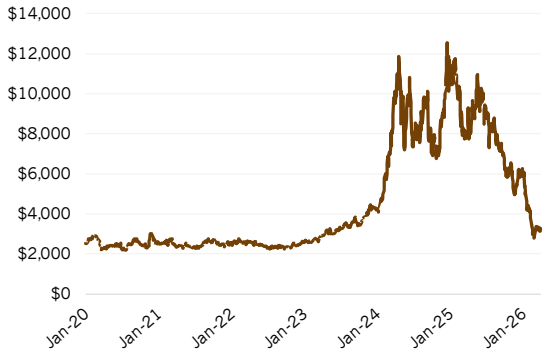


Figure 14: Cocoa price

Source: Author, Yahoo Finance



Today, food and beverages represent the second largest household expenditure. As of 2024, the global cookie industry was valued at approximately **$ 40.45 thousand million** (Straits Research, 2025), emphasizing its importance within consumer spending habits (Figure 12). This industry is characterized by strong consumer loyalty, but it is also subject to shifts such as changing lifestyles, rising health awareness and increasing regulatory scrutiny. In response, innovation in flavors, textures and ingredients has become a key area of investment, not only to comply with regulatory standards, but also to reflect consumers' values. Today's shoppers are more actively searching for products that are not only enjoyable, responsible and sustainable, leading companies to reformulate their recipes and production lines to offer healthier and more eco-friendly options.

With a global rising population and gross domestic product (GDP) (Figure 13), the cookie industry is positioned to benefit, as snacks are highly convenient, have an extended shelf life and can potentially serve as a source of nutrients, even though they are not an essential food item.

Recently, the industry has been affected by volatile raw material prices (Figure 14), inflation and geopolitical uncertainty. While these factors have weighed on margins, they have also created opportunities in the market for acquisitions. In 2025, mergers and acquisitions were around $ 4.39 billions, representing a 45.0% increase in deal value YoY, but deal volume grew only 7.0% (Primack, 2025). The food industry did not escape this trend, with a lot of uncertainty and geopolitical tension, several companies have struggled and seen their prices fall, creating opportunities for

Figure 15: Mars and Ferrero acquisitions in 2025

Source: CNBC website

FOOD & BEVERAGE

Mars to acquire snack maker Kellanova in $36 billion deal

PUBLISHED WED, AUG 14 2024•9:59 AM EDT | UPDATED WED, AUG 14 2024•5:42 PM EDT

FOOD & BEVERAGE

Ferrero to buy cereal maker WK Kellogg for $3.1 billion; Kellogg shares jump 30%

PUBLISHED WED, JUL 9 2025•4:13 PM EDT | UPDATED THU, JUL 10 2025•9:41 AM EDT

Figure 16: LOTB acquisitions in the Local Heroes segment

Source: Author, Company data



Figure 17: "You gotta love Biscoff" campaign

Source: Author, Company data



big players to consolidate their position with other big players. Mars completed the acquisition of Kellanova for $36,000 million (Mars, 2025), while Ferrero acquired Kellogg for $3,100 million (Ferrero, 2025) (Figure 15). Even with some consolidations over time, the cookie industry is highly fragmented. While multinational competitors like MDLZ, Nestle SA (NESN), Hershey Co (HSY), Chocoladefabriken Lindt & Spruengli AG (LISP), Mars, Ferrero and LOTB hold substantial share of retail shelf space, they face competition from regional brands, local bakeries and even independent online entrepreneurs who have gained visibility in online platforms. During the COVID-19 pandemic, a shift towards home baking (KPMG, 2020) and increased support for online/local small businesses became noticeable, demonstrating consumers' willingness to pay a premium for authentic and personalized experiences.

For multinational companies, optimizing production lines is crucial to achieving economies of scale and remaining competitive with these more personalized consumer offers. LOTB has mitigated this risk of fragmentation through its Local Heroes segment, which focuses on acquiring and developing regionally beloved brands that resonate with local consumers and tap into their preferences, histories and traditions (Figure 16).

In this industry, branding plays a central role in shaping the competitive landscape. Strong brand recognition, presence and consumer loyalty significantly influence both sales performance and company value (Paranque & Cova, 2011). In 2024, Biscoff launched its first-ever media investment in the U.S. (Figure 17). Following strong gains in household penetration, LOTB continues to invest in marketing and brand awareness, recognizing brand equity as a critical point to sustain momentum and support growth. In a highly competitive sector where buyers face a wide range of choices and substitutes, these intangibles can provide a durable competitive advantage.

Figure 18: Cookie world ranking
Source: Author, Company data

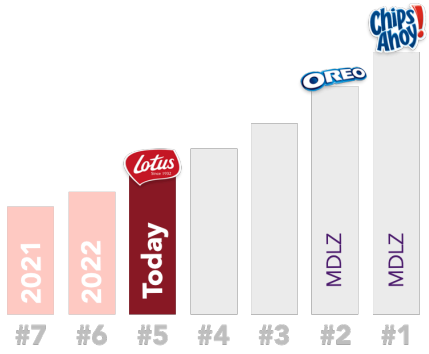
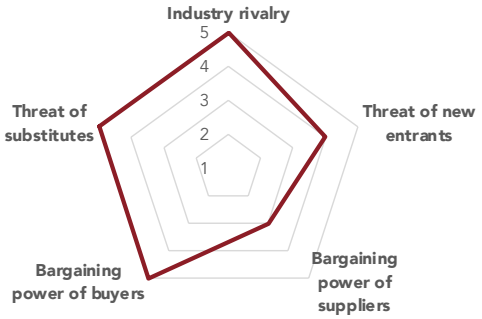


Figure 19: LOTB's and listed competitors' revenue *(2025)*
Source: Author, Companies data

Name	FY25 Revenue (thousand million €)
Lotus Bakeries NV	1.4
Chocoladefabriken Lindt & Spruengli AG	7.7
Nestle S.A. *	9.3
The Hershey Company	10.0
Barry Callebaut AG	17.3
Mondelez International, Inc.	32.8

** only considering the confectionary segment*

Figure 20: LOTB Porter's Five Forces
Source: Author



Competitive positioning

LOTB holds a competitive advantage over other players due to its signature Biscoff cookie, which offers a unique experience and distinctive flavor. This differentiation allows Biscoff to compete directly with other well established indulgent brands such as Oreo and Chips Ahoy!, both under the MDLZ umbrella (Figure 18). Despite its smaller scale in terms of total revenue (Figure 19), LOTB has successfully positioned itself in a premium niche, supported by a strong brand equity and continuous product innovation.

The broader competitive landscape is characterized by players leveraging distinct brand portfolios and product strategies to capture consumer demand. Large scale companies such as HSY, NESN and MDLZ rely on broad, diversified confectionery and snacking brands targeting mass-market consumption, supported by globally recognized brands such as Hershey's (HSY), KitKat (NESN) and Oreo (MDLZ). In contrast, premium focused players such as LISP and Barry Callebaut AG (BARN) emphasize product quality, craftsmanship and gifting through brands like Lindt (LISP) and Mona Lisa (BARN) (Appendix 6).

Within this context, LOTB follows a concentrated brand oriented strategy, with Biscoff as its core revenue driver. The company continues to expand across biscuits, spreads and chocolates, while gradually diversifying its revenue dependence on one product through its Natural Foods segment and Local Heroes portfolio.

To assess LOTB's current position within the industry, a **Porter's Five Forces** analysis (Figure 20) was conducted, complemented by a SWOT analysis summarized in Figure 21 (more detailed analysis presented in Appendix 7).

Industry Rivalry: Very High

The cookie industry is highly competitive, fragmented and price sensitive. LOTB navigates this environment by leveraging its premium positioning, product quality and diverse brand portfolio, aiming to create "small moments of joy and happiness to every consumer, for every occasion, in every country" (Lotus Bakeries NB, 2025a).

Figure 21: LOTB SWOT analysis
Source: Author



Threat of New entrants: High

Entry barriers are relatively low due to accessible digital platforms and anyone can bake at home. However, scaling production and complying with food regulations require significant investments, areas in which LOTB already has a robust position. In 2024, performance benefited from ongoing line optimization and volume expansion initiatives. Additionally, the new factory in Thailand is expected to account for approximately 10.0%-15.0% of all cookies sold.

Bargaining Power of Suppliers: Medium

Suppliers hold power when they are scarce or offer more exclusive products. LOTB relies on high quality natural ingredients and long-term agreements that benefit both sides. These partnerships are essential to maintain product consistency and mitigate risks tied to flavor and texture changes.

Bargaining Power of Buyers: Very high

Consumers have many choices, including offers from local bakeries and online sellers. In this context, brand loyalty and a differentiated experience are key to reducing buyer sensitivity. LOTB mitigates this by investing in brand awareness and customer experience, fostering strong loyalty that reduces price sensitivity among its consumers.

Threat of Substitutes: Very high

The threat of substitutes is substantial, as consumers have a wide range of products available. LOTB has addressed this by reinforcing its brand presence, investing in a unique experience for customers that distinguishes its offerings from competitors and demonstrating the ability to respond to shifting market demands.

Environmental, Social & Governance

In recent years, LOTB has significantly improved its ESG performance. While the influence of ESG factors on stock performance remains a subject of ongoing debate, some studies suggest that high ESG scores are linked to weaker stock performance, as these commitments lead to lower returns, and shareholders still demand sustainability and equitable progress (Cheng & Huang, 2024).

Figure 22: LOTB ESG rating
Source: Author, LSEG data

	2021	2022	2023	2024
ESG Score	**49**	**52**	**58**	**68**
Environmental	35	53	58	72
Social	50	49	56	64
Governance	63	56	63	69

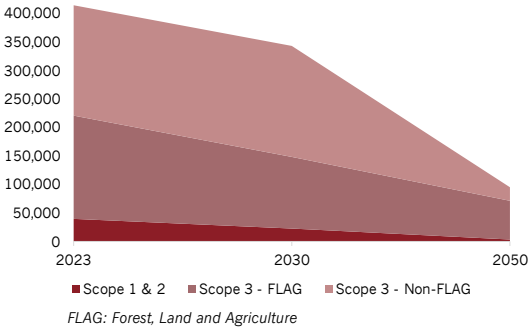
Figure 23: Relative ESG performance
Source: Author, Morningstar, S&P Global, EcoVadis, CDP

	Morningstar	S&P Global	EcoVadis	CDP
LOTB	**25**	**44**	**Bronze**	**B**
LISP	20	41	Silver	B
MDLZ	20	62	n.a.	B
NESN	17	55	Bronze	A-
BARN	31	39	n.a.	A

Figure 24: ESG commitment: Road to Net Zero
Source: Author, Company data



Figure 25: Scopes 1-3 emissions targets
(in tonnes of CO2)
Source: Author, Company data



FLAG: Forest, Land and Agriculture

Figure 26: Greenhouse gas emission
Source: Author, Company data

GHG INDICATORS	*UNIT OF MEASURE*	2024	2025
SCOPE 1	*tCO2e*	26,033	27,882
SCOPE 2	*tCO2e*	11,869	15,502
SCOPE 3	*tCO2e*	569,021	597,579
Total GHG emissions	***tCO2e***	**606,923**	**640,963**
Consolidated revenue	*in thousands of EUR*	1,231,914	1,355,061
GHG intensity	***tCO2e/mio EUR***	**494**	**473**

Under the umbrella of the **"Care for Today, Respect for Tomorrow"** program, the company has mapped the five main standards (Appendix 8) and reported over 600 non-financial Key Performance Indicators (KPIs). Over time, LOTB has improved its ESG score across all pillars, jumping from 58 to 68 in LSEG's ESG rating in 2024 (Figure 22).

In June 2024, LOTB was awarded an **EcoVadis Bronze Medal**, placing the company among the top 16.0% of assessed firms. In addition, LOTB received a **B score from CDP Climate** (Figure 23) and a score of **27.6 from Sustainalytics**, positioning it in the middle of its peer group (Lotus Bakeries NB, 2026b). By contrast, BARN has been recognized by Morningstar and CDP Climate as a pioneer in ESG performance, particularly in corporate transparency, forestry excellence and leadership (Barry Callebaut, 2025).

Environmental

LOTB is making progress on its environmental goals, focusing on **circularity, resource efficiency and climate change mitigation**. The roadmap to net zero focuses on reducing its carbon footprint, improving energy efficiency and redesigning packaging to enhance sustainability (Figure 24). For Scope 1 and 2 emissions (Figure 25), linked to LOTB's own operations, the company aims to achieve a 90.0% reduction using 2023 as the baseline. This will be achieved through the electrification of production processes, the transition from fossil fuels to renewable energy and the adoption of refrigerants with low global warming potential. For Scope 3 emissions, which include raw materials, transportation and packaging, the target is to reduce emissions by 76.0%. Achieving this will require the identification of substitute low-carbon raw materials, optimization of transport and site productions and a strong focus on packaging design. Since 2019, the company has expanded its production footprint across continents to reduce the distance to consumers, with manufacturing facilities in Europe, the U.S., South Africa and Asia.

In 2025, total greenhouse gas emissions amounted to 640,963 tonnes of CO2 equivalents, representing an increase of 5.6% compared to 2024 (Lotus Bakeries NB, 2026a).

Figure 27: ESG commitment: Sustainable Sourcing
Source: Author, Company data



Figure 28: ESG Commitment: One Lotus Family
Source: Author, Company data



Figure 29: Number of employees
Source: Author, Company data

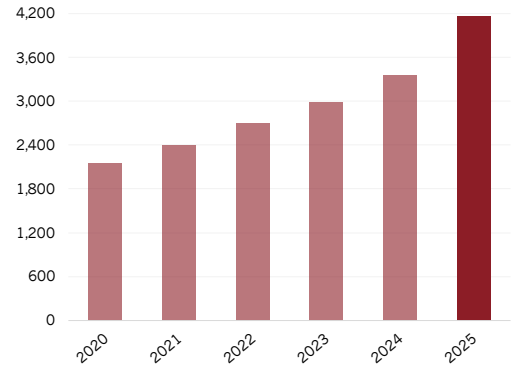
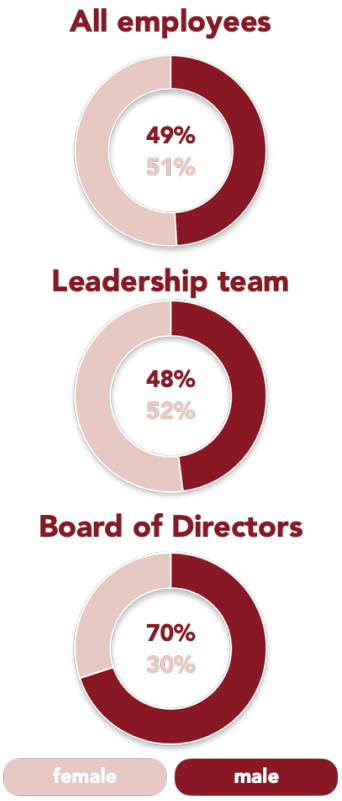


Figure 30: Gender diversity by level
Source: Author, Company data



While absolute emissions increased, this was largely driven by a 10.0% increase in revenue. On a relative basis, emission intensity decreased by 4.3% (Figure 26).

In addition, sustainable sourcing is a critical element as it directly influences the quality and resilience of the company's final product (Figure 27). The sourcing of high-quality raw ingredients and packaging materials is associated with deforestation risks, particularly for commodities such as palm oil, cocoa, soy and wood (paper & pulp). Failure to address these risks could, in the medium to long-term, jeopardize raw material availability, quality and the stability of the global food system. While most raw materials are sourced from the same continent as the production sites, certain tropical commodities are produced in regions that may be associated with less favorable labor conditions.

Social

On the social front, the company's commitment centers on its workforce under the **"One Lotus Family"** approach, alongside the objective of **building a balanced portfolio of great-tasting snacks** (Figure 28). LOTB focuses on fostering a strong Top-Down culture centered on health and safety, with the ambition of achieving zero accidents through the implementation of preventive management systems. Team spirit, open dialogue and passion are core elements of the company's culture, while long-term employment represents a key pillar of its social strategy. This long-term focus includes the goal to employ 90.0% of the workforce on permanent contracts, ensure equal representation of men and women in leadership roles and maintain the gender pay gap below 5.0%. By the end of 2025, LOTB employed 4,164 employees (Figure 29), with almost an equal gender distribution across the workforce (49.0% men and 51.0% women). However, this balance is less evident at the Board of Directors level, where men account for 70.0% of positions and women for 30.0% (Figure 30) (Lotus Bakeries NB, 2026a). In terms of age distribution, the workforce is predominantly concentrated in the 30–49 years group (Figure 31).

Complementing its social pillar, the company seeks to provide consumers with reliable, high-quality brands that

Figure 31: Age profile of the workforce
Source: Author, Company data

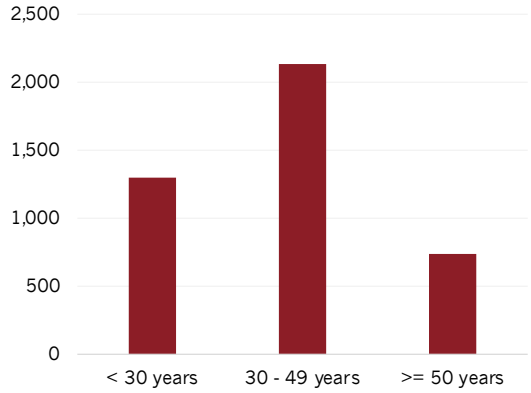


Figure 32: ESG commitment: Balanced Portfolio of Great Taste
Source: Author, Company data

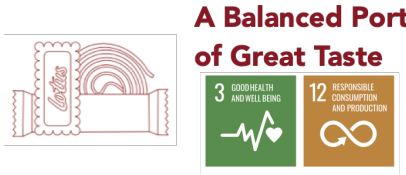


Figure 33: Governance structure
Source: Author, Company data

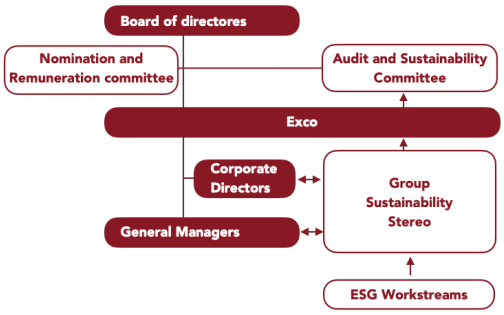


Figure 34: LOTB Code of Conduct
Source: Author, Company data



combine great taste with indulgent and "better-for-you" snack options (Figure 32). LOTB aspires to set the benchmark in food safety and quality standards across its portfolio, delivering diverse and appealing products while promoting healthier choices and fostering an inspiring workplace. This ambition supports the company's social pillar, emphasizing consumer well-being and employee engagement.

Governance

From a governance perspective, the company **prioritizes ethical business conduct and sustainable sourcing**. Its governance structure is based on a single-tier Board of Directors model, in which responsibilities related to day-to-day management and oversight are clearly defined (Figure 33). The Board of Directors is composed of 10 members, including the Managing Director (CEO), 4 Independent Directors and 5 Non-Executive Directors. Notably, 50.0% of the Board is affiliated with the founding family, which holds 50.0% of the shares outstanding and 63.4% of the voting rights. The average board tenure stands at 13.1 years (Appendix 9).

LOTB is committed to acting lawfully, ethically and with integrity towards all stakeholders, while promoting respect for human rights throughout its value chain. With continuous engagement with these issues, the company has developed a Code of Conduct (Figure 34) and has set a target for 100% of employees to acknowledge and sign it. LOTB integrates sustainability considerations into its partnerships by conducting due diligence across its value chain and implementing a Supplier Code of Conduct to promote responsible sourcing practices.

Reaching these targets will demand strong engagement from both internal teams and external stakeholders. The company's continued ability to meet its ESG objectives will directly influence operational costs, investment decisions and profit margins. On the other hand, failure to adhere to these commitments could result in reputational damage and erosion of brand value, representing a material risk for stakeholders.

Investment Summary

Figure 35: LOTB revenue evolution *(in millions)*

Source: Author, Company data

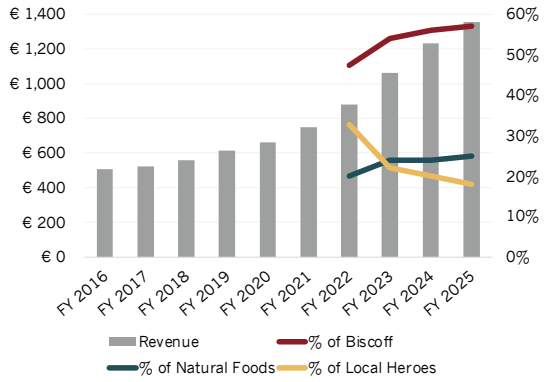


Figure 36: Investment in Capital Expenditures *(in thousands of millions)*

Source: Author, Company data

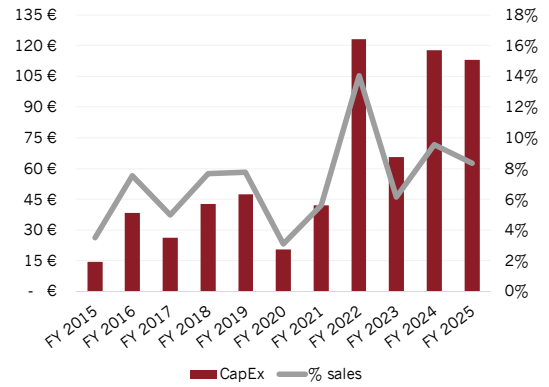


Figure 37: Biscoff & Cadbury co-branding

Source: Author, Company data



Thesis 1: The race to the Top 3

1.1 Volume-led growth supported by capacity expansion: LOTB has delivered strong revenue growth over the past decade, primarily driven by volume growth rather than pricing. Following the 2022 reporting reorganization into 3 key segments, the company's revenue mix has structurally evolved. The **Biscoff segment** remained as the primary growth engine, increasing its contribution to total revenue, while **Local Heroes**, comprising more mature and, in some cases, declining brands, has continued to lose relative weight. Meanwhile, **Natural Foods** represents a developing growth vector with increasing strategic importance (Figure 35). In 2024 and 2025, revenue growth was primarily supported by volume increase, which was made possible by an increase and optimization of line production. The next phase of growth is therefore capacity-driven, secured by the new manufacturing facility in Thailand, which is in full operation and the available option for expansion in existing sites (Figure 36). **1.2 Market penetration:** The new greenfield production facility will not only help to meet growing demand, but also supply the Asia-Pacific region, a key market for LOTB's growth path. **1.3 Key partnerships** are an important strategy level for LOTB, allowing it to enter a market without significant upfront investment. The most recent partnership with MDLZ leverages its established local channels to produce, market, distribute and sell Biscoff cookies in India. In addition, chocolate co-branding initiatives with Cadbury (Figure 37) and Milka, both part of MDLZ's portfolio, allow LOTB to accelerate innovation, collaborate with leading industry players and benefit from shared know-how (Appendix 4). Further key partnerships are expected to happen as this seems to be a current choice of the management as an entry mechanism.

Thesis 2: Counting Calories, Compounding Value

2.1 Proven resilience across economic cycles: LOTB has demonstrated a strong ability to navigate adverse market conditions in the past, supported by a conservative balance sheet, strong cash generation and disciplined capital allocation. Since its IPO, the company has successfully

Figure 38: LOTB performance during Financial Crises and COVID-19

Source: Author, Company data, Yahoo Finance

Period	Revenue Growth yoy	Price movement	Dividend increase yoy	CAPEX as % of Rev.
2007 - 2008 *Financial crises*	14.3%	4.3%	25.9%	3.7%
2008 - 2009 *Financial crises*	1.7%	35.9%	14.7%	3.9%
2020 - 2021 *Covid - 19*	13.1%	53.1%	10.9%	4.4%
2021 - 2022 *Covid - 19*	17.0%	14.0%	12.7%	9.8%

Figure 39: LOTB historical dividend policy

Source: Author, Company data

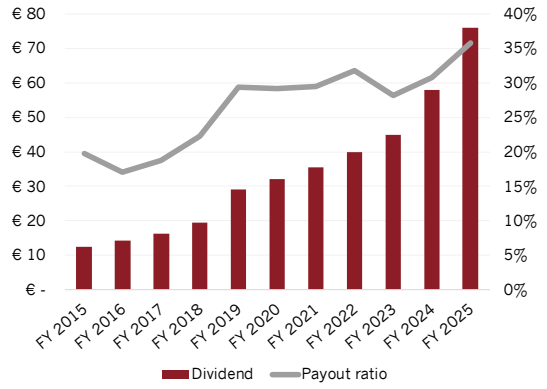


Figure 40: LOTB Natural Food revenue evolution *(in millions)*

Source: Author, Company data

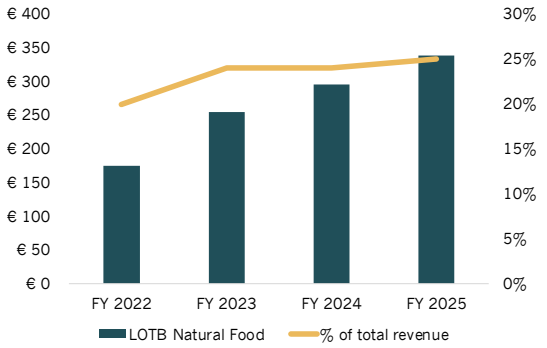


Figure 41: Comparative price positioning of Biscoff

Source: Author

Product	Brand	Company	Price per 100 g
	Chips Ahoy!	Mondelēz International	**1.79 €**
	Oreo	Mondelēz International	**1.29 €**
	Milka choco & Cookies	Mondelēz International	**1.84 €**
	Shortcake cacau	Sonae	**0.64 €**
	Biscoff	Lotus Biscoff	**1.16 €**

weathered multiple macroeconomic downturns, including the 2008-2010 Global Financial Crisis and the Covid-19 pandemic, while continuing to strengthen its competitive positioning and generate attractive shareholder returns (Figure 38). We believe that with the current executive team (Appendix 10) and the strong balance position, LOTB is well placed to take advantage of market opportunities, support its expansion naturally and remain resilient in possible headwinds ahead. **2.2 Sustainable dividend policy supported by growth and cash generation:** The company currently offers a dividend yield of 0.8%, representing a 35.9% payout ratio of its Net Income (Figure 39). Over the past decade, the dividend has grown at a CAGR of 19.9%, increasing from 12.4€ per share in 2015 to 76.0€ in 2025. The payout ratio has fluctuated between 19.8% to 35.9%, reflecting the disciplined capital allocation. A double-digit growth is expected for the forecasted period, supported by the expansion growth and reinforcing the stock's defensive and long-term investment appeal to a more income generating investor target.

Thesis 3: Not all Eggs in One Basket

3.1 Structural growth opportunity in the Natural Foods segment: LOBT is well positioned to become a leading player in the fast-growing better-for-you snack portfolio. This is a growing opportunity in the market that allows LOTB to diversify from its dependence on one cookie revenue generation. The Lotus Natural Foods portfolio has grown at a fast pace (Figure 40) and we assume the growth to continue in the double-digit numbers as the market preference trends towards healthier and more environmentally aware products. **3.2 Premium products and brand loyalty support resilience:** Beyond its defensive characteristics, LOTB operates with a clear premium positioning in terms of brand, but it does not utilize a pricing power strategy to grow (Figure 41). A combination of future moderate price increases and volume growth could drive consistent revenue growth, highlighting strong brand loyalty. These factors, observed in the past, typically support margin resilience and long-term brand value, particularly during macroeconomic stress.

Financial Analysis

Figure 42: DuPont Analysis

Source: Author, Company data

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026E	FY 2027E	FY 2028E	FY 2029E	...	FY 2036E
Gross Margin	40%	39%	39%	40%	40%	40%	40%	40%	...	40%
EBITDA Margin	20%	20%	20%	20%	20%	20%	20%	20%	...	20%
Net Income Margin	12%	12%	12%	13%	13%	13%	13%	13%	...	13%
Net operating asset turnover	1.2x	1.3x	1.3x	1.3x	1.4x	1.4x	1.4x	1.5x	...	1.3x
Net Financial Leverage	0.3x	0.2x	0.2x	0.1x	0.1x	0.1x	0.1x	0.1x	...	0.1x
ROE	20%	21%	19%	19%	20%	20%	20%	20%	...	19%
ROIC	15%	17%	17%	19%	18%	19%	19%	19%	...	17%
Liquidity									...	
Current ratio	1.1x	1.6x	1.2x	1.5x	1.4x	1.4x	1.4x	1.5x	...	1.3x
Quick ratio	0.8x	1.2x	0.9x	1.2x	1.1x	1.1x	1.1x	1.2x	...	1.0x
Debt ratios									...	
Interest Coverage Ratio	47.8x	44.3x	47.0x	72.0x	50.9x	41.8x	37.2x	30.0x	...	28.5x
Net Debt / EBITDA	1.1x	0.8x	0.6x	0.4x	0.4x	0.3x	0.3x	0.2x	...	0.5x

Figure 43: Revenue forecast for the period 2026 – 2036*(in millions)*

Source: Author, Company data

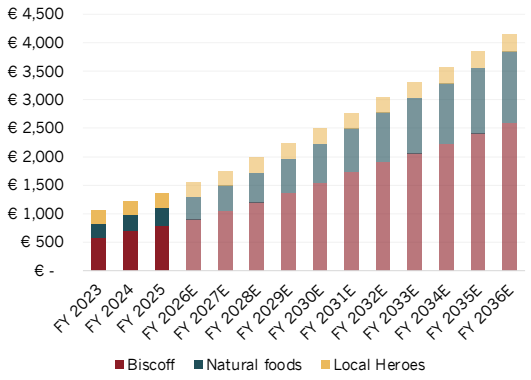
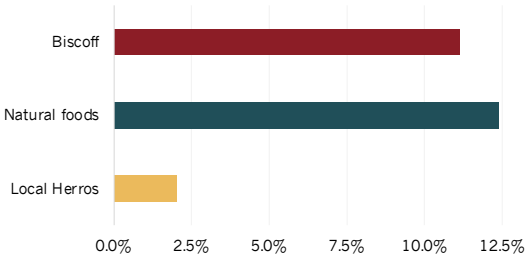


Figure 44: Forecasted segment revenue CAGR over the period 2026 - 2036

Source: Author



More Cookies, More Value

Over the past 5 years**, LOTB has delivered double digit revenue growth**, highlighting the resilience of its portfolio and the strength of its execution capabilities. In 2025, revenue was € 1.36 thousand million, representing 10.0% YoY growth, mainly justified by volume increase. EBITDA amounted to €278 million, with a **net income margin of 12.7%** (Figure 42). Operating cash flow totaled € 206 million, equivalent to **1.2x net income**. Looking ahead, company revenue is projected to grow at an 10.4% CAGR during the forecasted period (2026-2036) (Figure 43). This growth is supported by a selective price increase, however most of the incremental growth is expected to come from volume expansion, driven by capacity additions and geographic expansion as mentioned in Thesis #1.

By segment (Figure 44): we expect **Biscoff** to continue growing at low double digits (11.1%) supported by strong brand equity, pricing power and market penetrations; **Natural Foods** is projected to deliver a 12.4% CAGR over the forecasted period, reinforcing portfolio diversification and sustaining international expansion beyond UK, in line with LOTB's ambition to become a leading player in the "better-for-you" snacking; and **Local Heroes** is expected to have a modest growth aligned with the European inflation target of 2.0% (European Central Bank, 2026), reflecting a portfolio of mature and, in some cases, declining brands. As a result, total revenue is expected to reach € 4.15 thousand million by

Figure 45: Segment contribution forecasted in 2036

Source: Author

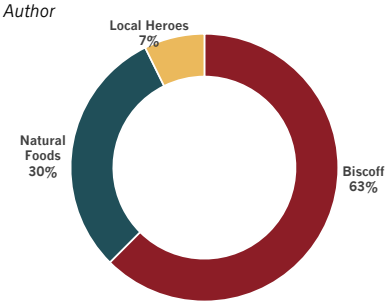


Figure 46: Forecasted operating expenses

Source: Author, Company data

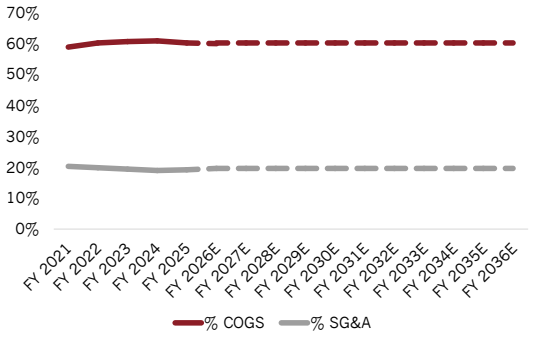


Figure 47: LOTB EBITDA margin vs competitors' margin

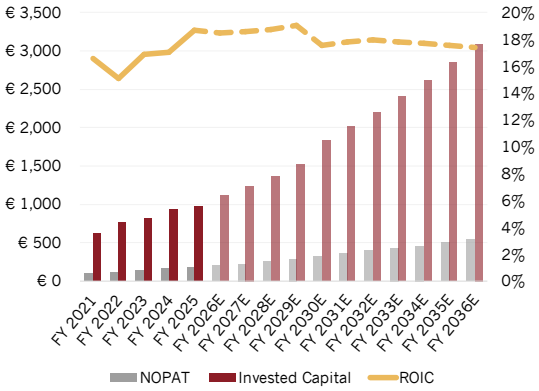
Source: Author, Company data

Company	Last 5y. avg.	Forecasted
LOTB	20.2%	20.2%
LISP	20.9%	
NESN	20.6%	
HSY	25.3%	
MDLZ	19.3%	
BARN	10.0%	
Group avg.*	19.2%	

* LOTB not included

Figure 48: ROIC evolution *(in millions)*

Source: Author, Company data



2036, with Natural Foods accounting for 30.2% of the mix and Biscoff representing 62.5% (Figure 45) (Appendix 11).

A Recipe for Resilient Profitability

LOTB has consistently delivered strong profitability alongside sustained growth. Over the past 5 years, Cost of Goods Sold (COGS) and Selling, General and Administrative (SG&A) expenses have remained broadly stable as a percentage of revenue, reflecting strong management execution, operational discipline and steadiness across production facilities (Figure 46). Despite significant increases in raw materials costs, LOTB has been able to preserve margins. **EBITDA margins** have remained stable at **20.2%,** modestly below the competitor group average of 21.5% (Figure 47) (Appendix 12). This operational efficiency and strength have contributed to **LOTB's high double-digit ROIC** (Figure 48). From our perspective, while margins may experience short-term volatility due to fluctuations in input costs, pricing power is expected to offset these pressures over the long-term. Ongoing plant-level efficiency improvements support margin resilience, while the company's strong and well-integrated value chain enhances supply reliability, quality control and responsiveness to demand.

Sweet Profits, Steady Slices

LOTB's robust financial performance and improving earnings per share have supported a disciplined dividend policy while allowing for ongoing reinvestment in the business. Looking ahead, we expect a gradual increase in the payout ratio as the company matures to a 54.5% in 2036 (dividends only), representing a dividend CAGR of 14.7% over the forecasted period (Figure 49). While the current share repurchase program is primarily aimed at offsetting dilution from employee share-based compensation, we assume that from 2028 onwards, approximately 6.0% of net income will be allocated annually to share buybacks, bringing the total payout ratio to 60.5%.

Thanks to strong operational efficiency, complemented by a positive financial leverage effect, LOTB delivered a **ROE of 19.4%** in 2025, which is assumed to remain stable over the forecasted period (Figure 50).

Figure 49: Capital distribution strategy

Source: Author, Company data

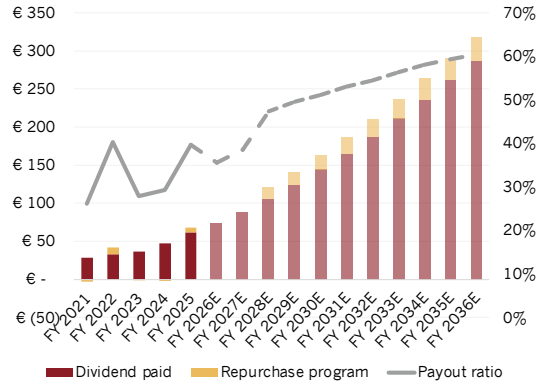


Figure 50: Breakdown of ROE

Source: Author, Company data

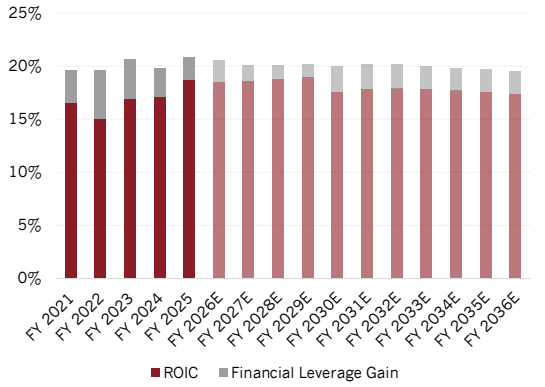


Figure 51: 5-year average working capital management

Source: Author, Companies data

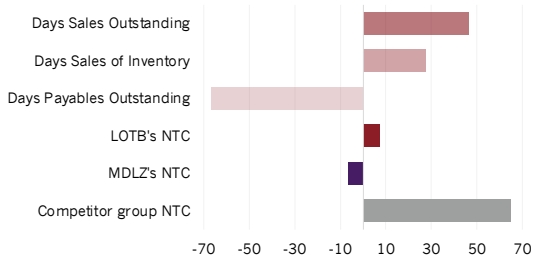
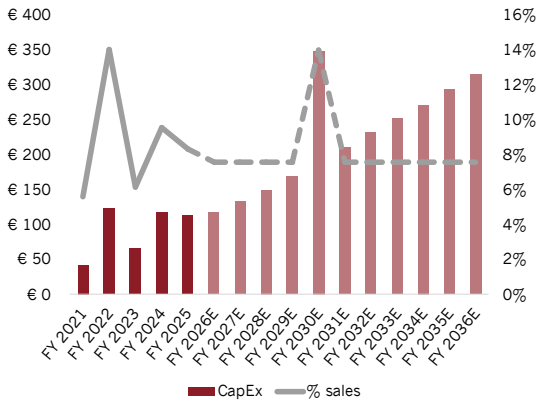


Figure 52: Forecasted investment in CAPEX *(in millions)*

Source: Author, Company data



**Liability ratio = Total liabilities/ Total assets*

Mixing Resources for Future Growth

We forecast working capital assets to grow at a CAGR of 10.4%, representing trade receivables and inventories to be offset by a working capital liabilities, which includes trade payables. Our assumption is based on a normalization of Net Trade Cycle (NTC) to 7.3 days, representing the last 5-year average. In recent years, the company has improved this metric, demonstrating stronger working capital management relative to peers. Additionally, the partnership with MDLZ is expected to facilitate the transfer of capital management expertise, supporting the maintenance of these efficiency levels going forward (Figure 51).

Capital expenditure (CapEx) remains a key growth enabler for LOTB, primarily allocated toward capacity expansion across existing and new facilities. In 2022, CapEx represented 14.0% of the revenue, reflecting the initial investment in the new greenfield factory. Looking further ahead, the company plans to invest € 250 million between 2026 and 2027 to maintain existing assets and expand the Mebane factory in the U.S., including capacity additions in both the spread and bottling segments (Lotus Bakeries NB, 2026a). We also anticipate a potential new manufacturing facility in the U.S. around 2030 to support regional growth, enhance proximity to demand and mitigate tariff exposure. After 2031, CapEx is expected to represent 7.6% of revenue, broadly in line with the previous 5-year average of 7.4%, excluding the 2022 outlier (Figure 52) (Appendix 13).

Built on a Strong Base, Not on Borrowed Sugar

LOTB has financed its expansion through a **balanced mix of organic cash generation and limited debt**, rather than relying excessively on leverage (Appendix 14). This reflects the characteristics of a family-controlled company, with a clear preference for conservative financial policies and long-term resilience over short-term leverage-driven results. Compared with its competitors, the company is conservatively positioned with a **Net debt to EBITDA ratio of 0.40x** in 2025, well below the peer group average of 2.86x and more closely aligned with LISP (Figure 53). This cautious leverage profile is further reflected in a **strong liability ratio* of 0.44x** in 2025, enabling the company to continue investing

Figure 53: Net debt to EBITDA performance

Source: Author, Companies data

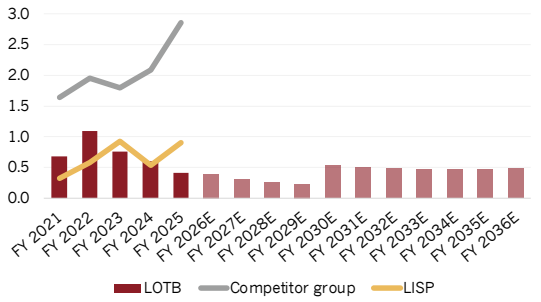
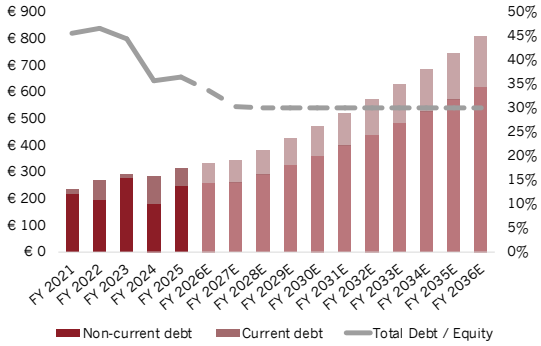


Figure 54: Forecasted Debt *(in millions)*

Source: Author, Company data



through downturns without compromising growth or financial stability. LOTB's **interest coverage ratio of 72x** in 2025 underlines its robust ability to service debt (Figure 42). As of fiscal year 2025, **total debt represents 36.3% of equity**, split between short-term (7.2%) and long-term (29.1%) (Figure 54). Cash and cash equivalents remained stable at 13.0% of total assets, providing ample liquidity (Appendix 15). Looking ahead, we do not expect a material deterioration in leverage metrics over the forecast period. Debt is expected to remain stable, with a modest improvement from 2025 levels to around **30.0% of equity from 2028 onwards**, in line with recent trends (Figure 54). Supported by increasing free cash flow generation, reflecting the successful execution of expansion initiatives, we view these levels as consistent with LOTB's ongoing operations and growth trajectory.

Valuation

Figure 55: Estimated valuation range

Source: Author

approach	target prices	
DCF	**€ 11,423**	+17.2%
DDM	**€ 9,353**	-4.1%
Relative valuation	**€ 8,453**	-13.3%
Option valuation	**€ 10,618**	+8.9%

We issue a **Buy recommendation** based on the Discounted Cash Flow (DCF) method. This methodology is assigned a 100% weighting in deriving our target price, reflecting its superior ability to capture the company's specific operating characteristics, long-term profile and value creation potential (Fernández, 2001). Relative Valuation, Dividend Discount Model (DDM) and Option Valuation approaches are used as supporting frameworks, capturing shorter-term market sentiment and dividend policy-driven perspectives (Figure 55). Additional details about key financial ratio are presented in Appendix 16, while Appendix 17 outlines the core assumption that supports our valuation and investment recommendation.

Figure 56: DCF estimation
(in millions, except price per share)

Source: Author

At the end of	2026
Total company value	€ 9,400,193
Total debt forecasted	€ 330,296
Cash & Cash equivalents	€ 213,267
Non-controlling interest	€ 0
Value of equity	**€ 9,283,164**
# shares out	813
Price per share	**€ 11,423**

Discount Cash Flow – Target Price: €11,423 (+17.2%)

Based on our Free Cash Flow (FCF) to the Firm approach, we derive a **target price of € 11,423,** implying a 17.2% upside to the current share price by end-2026 (Figure 56) (Appendix

Figure 57: FCF to the firm estimates *(in millions)*

Source: Author

FY 2026E	€ 143
FY 2027E	€ 107
FY 2028E	€ 130
FY 2029E	€ 148
FY 2030E	€ 9
FY 2031E	€ 186
FY 2032E	€ 209
FY 2033E	€ 237
FY 2034E	€ 258
FY 2035E	€ 280
FY 2036E	€ 303
Terminal value	**€ 13,484**

Figure 58: Forecasted COGS

Source: Author, Company data

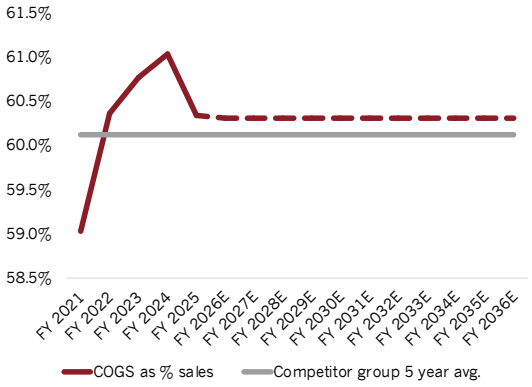


Figure 59: Market indices used for beta estimation

Source: Author, LSEG data

Company	Index	r^2
LOTB	MSCI Euro	17.9%
MDLZ	MSCI Euro	29.8%
NESN	MSCI Euro	43.1%
LISP	Europe 600	35.4%
BARN	Europe 600	7.4%
HSY	Europe 600	3.7%

18). The valuation is reinforced by a strong balance sheet, resilient operating margins and sustained top-line growth supported by a favorable combination of pricing power and volume expansion.

The FCF to the firm (Figure 57) is primarily driven by: **a) revenue growth potential**, supported by continued geographic expansion and entry into new markets; **b) capacity expansion,** enabling the company to meet rising demand without diluting margins; **c) operational resilience** with management demonstrating a strong ability to preserve margins and absorb downside risk during periods of macroeconomics stress.

Revenue is expected to grow at a CAGR of 10.4% over the next 10 years, supported by a CAGR of 11.1% and of 12.4% for the Biscoff and the Natural Foods segments, respectively.

Costs are assumed to remain stable based on a steady relationship with suppliers and disciplined cost management, allowing baseline cost inflation to remain contained. COGS are assumed to be stable at 60.3% of revenue and continuous efficiency gains and process optimization are assumed to remain key contributors to profitability margins stability (Figure 58).

EBITDA margin is projected to stabilize around 20.2% in line with the historical 5-year average and close to its peer LISP. Despite rising raw material costs, we expect LOTB to partially offset cost pressures through organic volume growth, hedging strategies and pricing power. Also, management's focus on cost visibility, supplier diversification and operational efficiency is expected to support EBITDA margin resilience over the forecast period.

Beta & Weighted Average Cost of Capital

A **Beta estimate of 0.50** was derived using a bottom-up approach based on a selected peer group. Each peer beta was estimated through regression analysis against a universe of 4 benchmark indices using monthly returns over the last 5 years obtained from the LSEG database (Figure 59). The peer average beta, excluding LOTB, was subsequently levered to reflect the company's target capital structure. The **cost of equity of 5.4%** was calculated through the Capital Asset

Figure 60: WACC estimation

Source: Author

Risk free Rate	2.97%
Equity Risk Premium	4.94%
Levereged Beta	0.50
Cost of Equity	**5.42%**
Credit Spread	0.40%
Cost of debt pre tax	3.37%
Belgium Marginal Tax Rate	25.00%
Cost of debt after tax	**2.53%**
Market Value	€ 6,382,128,500
Book value of debt	€ 312,250,000
WACC	**5.28%**

Figure 61: ROIC vs. WACC estimate

Source: Author, Company data

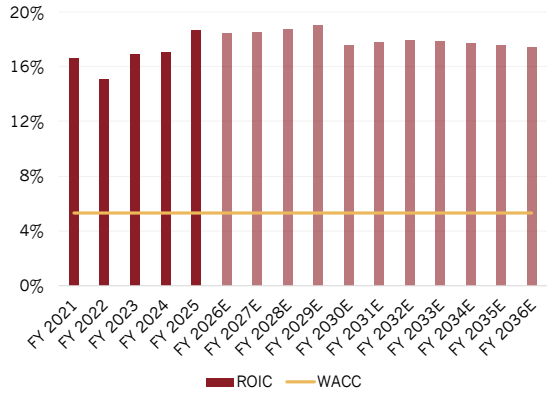


Figure 62: Comparative analysis

Source: Author, LSEG data

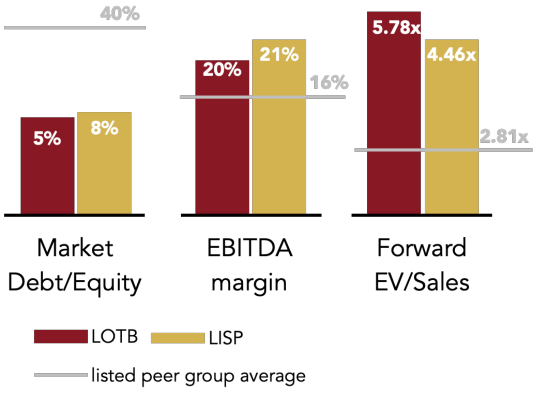


Figure 63: Relative Valuation: EV/EBITDA *(in millions, except target price)*

Source: Author, LSEG data

LISP EV / EBITDA	**19.73**
LOTB EBITDA	€ 311
EV	€ 6,129
Net Debt	€ 119
Equity	€ 6,010
Shares out.	0.813
Target Price	**€ 7,396**
downside	*-24%*

Pricing Model (CAPM). Germany's 10-year Bond yield was used as the proxy for the risk-free rate (observed on March 20, 2026), while the equity risk premium was adjusted based on the geographic distribution of revenues. The **cost of debt of 2.5%** was estimated using the credit spreads of 0.4%, which corresponds to the interest coverage ratio of 72x sourced from Damodaran, combined with a marginal tax rate of 25.0% to reflect the tax shield on interest expenses. The Weighted Average Cost of Capital (WACC) **estimate of 5.3%** reflects these assumptions and the company's capital structure at the end of 2025 (Figure 60) (Appendix 19).

Relative to its ROIC, the company's WACC remains lower, highlighting its disciplined capital allocation and the value creating nature of its growth strategy (Figure 61).

Terminal Growth

We apply a 10-year explicit forecast horizon to estimate the intrinsic value of LOTB, as we consider it appropriate given the company's current growth profile. This time horizon allows LOTB to transition toward a more mature and stable growth phase. Beyond this period, we assume a terminal growth rate of 3.0%, in line with Germany's 10-year bond yield observed on March 20, 2026.

Relative Valuation – Target Price: €8,453 (-13.3%)

For relative valuation, we analyzed the set of peers initially considered in the WACC estimation. Based on differences in company size, geographic exposure and business maturity, we identify LISP as the most relevant peer for LOTB's current growth profile and business structure (Figure 62) (Appendix 20). In contrast to larger brands that try to cover multiple categories, LOTB focuses on a niche market with more repeatable growth characteristics, closely in line with LISP's business model (Appendix 6).

Relative valuation was conducted using forward-looking data sourced from LSEG, based on forecast metrics for 2026. We applied three multiples: **EV/EBITDA, EV/Revenues** and **P/E** (Figure 63 to 65) and derived the target price as the average across these metrics. This methodology is intended to mitigate dependence on potential managed earnings, given

Figure 64: Relative Valuation: EV/Revenue
(in millions, except target price)

Source: Author, LSEG data

LISP EV / Revenue	**4.46**
LOTB Revenue	€ 1,541
EV	€ 6,873
Net Debt	€ 119
Equity	€ 6,754
Shares out.	0.813
Target Price	**€ 8,311**
downside	*-15%*

Figure 65: Relative Valuation: P/E
(in millions, except target price)

Source: Author, LSEG data

LISP P / E	**38.13**
LOTB Net income	€ 206
Equity	€ 7,845
Shares out.	0.813
Target Price	**€ 9,653**
downside	*-1%*

Figure 66: DDM estimate
(in millions, except target price)

Source: Author

	Dividends	**Buybacks**
FY 2027E	€ 88	€ 0
FY 2028E	€ 105	€ 15
FY 2029E	€ 124	€ 17
FY 2030E	€ 144	€ 19
FY 2031E	€ 165	€ 21
FY 2032E	€ 188	€ 23
FY 2033E	€ 212	€ 25
FY 2034E	€ 236	€ 27
FY 2035E	€ 262	€ 29
FY 2036E	€ 287	€ 32
Terminal Value in 2036		**€ 13,403**
Cost of Equity		**5.4%**
Perpetual growth		**3.0%**
Target Price		**€ 9,353**

Figure 67: Option valuation
(in millions, except d1, d2 and target price)

Source: Author

Enterprise value	€ 9,400
Face value of outstanding debt	€ 333
Life time of the option	7 years
Standard deviation (daily)	2.1%
Risk free rate	2.9%
Dividend yield	0.8%
d1	26.63
d2	26.57
Equity Value	€ 8,629
Share outstanding	0.813
Target Price	**€ 10,618**

LOTB's earnings quality score of 52/100 from LSEG. Therefore, the inclusion of revenue based multiple provides an additional valuation anchor given their lower susceptibility to earnings management. Overall, this approach yields a target price of €8,453, implying a potential downside of -13.3%.

Dividend Discount Model – Target Price: €9,353 (-4.1%)

With an impressive CAGR of 21.6% during the last 24 years, LOTB has consistently increased its dividend, from €0.70 in 2001 to €76.00 in 2025. For FY26, the company plans to distribute a dividend of €96.00, a 18.4% YoY growth. This strong track record backs the relevance of the DDM as a complementary valuation approach. However, we acknowledge that this model is sensitive to dividend and buyback policies assumptions and may understate or overstate shareholder value when the amount distributed diverges from free cash flow to equity. We assume a CAGR of 14.7% during 2026-2036, implying a gradual normalization from the historical 5-year average growth of 19.3% to a more conservative 9.7% by the end of the forecast period. With respect to share repurchases, we incorporate buybacks from 2028 onwards at 6.0% of net income, reflecting a more flexible mechanism for returning excess cash, without the signing commitment typically associated with dividend policies. With a terminal growth of 3.0% and a cost of equity of 5.4% as previously presented, the DDM implies a target price of 9,353€ (Figure 66) (Appendix 21).

Option Valuation – Target Price: €10,618 € (+8.9%)

Based on the concept that equity represents a residual claim on a firm's assets, we also assess LOTB's equity value using an option-based valuation framework (Figure 67), treating LOTB equity as a call option. This approach returns an implied value per share of 10,618€, an upside of 8.9%, thereby providing additional support for our buy recommendation (Appendix 22).

Sensitivity & Scenario Analysis

A Sensitivity and Scenario analysis was conducted to assess how the implied equity value responds to changes in key valuation drivers and to evaluate the robustness of our investment recommendation.

Sensitivity analysis

a) WACC vs. Terminal growth: a 0.5 percentage point (pp) increase in WACC, all else equal, would change our recommendation to a sell, highlighting some valuation sensitivity to discount rate assumptions. Combined shifts in WACC and terminal growth rate generate a wide range of valuation outcomes (Figure 68); **b) Revenue vs WACC:** a 0.75 pp reduction in forecasted revenue growth across all years for Biscoff and Natural Foods segment, would reduce the target price to € 10,820, supporting our buy recommendation, with a WACC constant of 5.3%. To see how price behaves if WACC also changes, Figure 69 reflects that; **c) Cost efficiency vs. CapEx intensity:** if efficiency gains fail to maintain overall expansion, this may affect our recommendation. If COGS increase by 1 pp above the forecasted percentage of 60.3 due to some difficulty of know-how pass through across facilities, the share price would decline to € 9,902. Combined with the increase of CapEx in 0.75 pp without efficiency, our recommendation would change to sell (Figure 70).

Scenario analysis

We further developed bull and bear case scenarios using alternative sets of assumptions (Figure 71) to capture potential deviations from the DCF base case. Each scenario incorporates changes in segment revenue growth, COGS and SG&A evolution. These variables reflect potential macroeconomic headwinds as well as execution risk related to management's ability to maintain operational discipline. The resulting scenarios generate a range of valuation outcomes and corresponding recommendations.

Figure 68: WACC vs. Terminal growth

Source: Author

	4.3%	4.8%	5.3%	5.8%	6.3%
2.2%	€ 13,749	€ 10,874	€ 8,941	€ 7,555	€ 6,514
2.5%	€ 15,457	€ 11,906	€ 9,622	€ 8,031	€ 6,861
2.7%	€ 17,711	€ 13,188	€ 10,435	€ 8,585	€ 7,257
3.0%	€ 20,822	€ 14,823	**€ 11,423**	€ 9,236	€ 7,713
3.2%	€ 25,397	€ 16,982	€ 12,651	€ 10,015	€ 8,244
3.5%	€ 32,784	€ 19,962	€ 14,218	€ 10,963	€ 8,869
3.7%	€ 46,730	€ 24,344	€ 16,286	€ 12,140	€ 9,615

Figure 69: WACC vs. Revenue growth changes

Source: Author

	4.3%	4.8%	5.3%	5.8%	6.3%
-2.25 pp	€ 17,587	€ 12,551	€ 9,695	€ 7,858	€ 6,578
-1.50 pp	€ 18,615	€ 13,273	€ 10,245	€ 8,297	€ 6,939
-0.75 pp	€ 19,693	€ 14,030	€ 10,820	€ 8,756	€ 7,317
0.00 pp	€ 20,822	€ 14,823	**€ 11,423**	€ 9,236	€ 7,713
0.75 pp	€ 22,005	€ 15,653	€ 12,054	€ 9,740	€ 8,128
1.50 pp	€ 23,242	€ 16,522	€ 12,714	€ 10,266	€ 8,561
2.25 pp	€ 24,537	€ 17,431	€ 13,404	€ 10,816	€ 9,014

Figure 70: COGS vs CAPEX changes

Source: Author

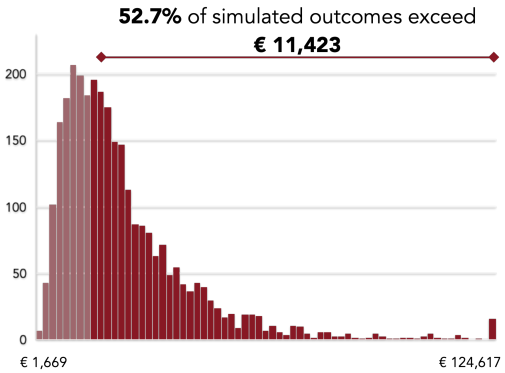
	-1.00 pp	-0.50 pp	0.00 pp	0.50 pp	1.00 pp
-2.25 pp	€ 17,227	€ 16,467	€ 15,706	€ 14,946	€ 14,185
-1.50 pp	€ 15,800	€ 15,039	€ 14,279	€ 13,518	€ 12,757
-0.75 pp	€ 14,372	€ 13,611	€ 12,851	€ 12,090	€ 11,330
0.00 pp	€ 12,944	€ 12,184	**€ 11,423**	€ 10,663	€ 9,902
0.75 pp	€ 11,517	€ 10,756	€ 9,996	€ 9,235	€ 8,475
1.50 pp	€ 10,089	€ 9,328	€ 8,568	€ 7,807	€ 7,047
2.25 pp	€ 8,661	€ 7,901	€ 7,140	€ 6,380	€ 5,619

Figure 71: Scenario analysis

Source: Author

Criteria	Bear	Base	Bull
Revenue CAGR:			
Biscoff	**6.1%**	**11.1%**	**13.1%**
Natural Foods	**9.4%**	**12.4%**	**15.4%**
Local Heroes	**0.0%**	**2.0%**	**3.0%**
COGS as % of rev.	**61.0%** last 10y max.	**60.3%** last 5y avr.	**58.3%** last 10y min.
SGA as % of rev.	**21.5%** last 10y max.	**19.5%** last 5y avr.	**19%** last 10y min.
Target price	**€ 5,239**	**€ 11,423**	**€ 18,231**
	-46.8%	+17.2%	+87.0%
	Sell	Buy	Buy

Figure 72: Monte Carlo Simulation outcome
Source: Author



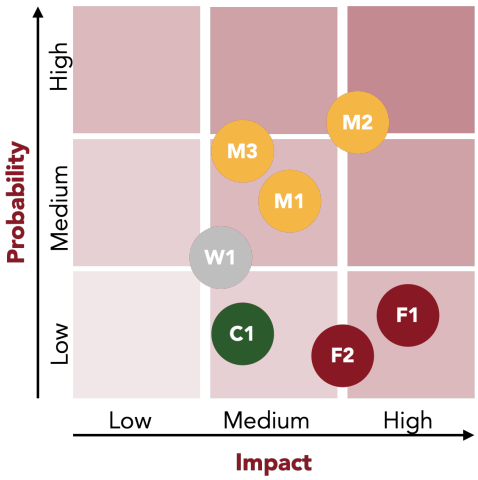
Monte Carlo Simulation

A Monte Carlo Simulation with 5,000 iterations was conducted to stress-test key DCF base scenario inputs, including segmented revenue growth, margins, WACC, terminal growth and CapEx investment (Appendix 23). Using a triangular distribution, the results indicate that 52.7% of simulated outcomes are higher than our recommendation target price, while 63.6% exceed the current market price. This strengthens our buy recommendation (Figure 72).

Investment risks

As a global operator, LOTB is exposed to a broad spectrum of risks, including operational, strategic, macroeconomic and environmental factors. Among these, **product quality** and **food safety** rank as critical concerns, given their potential to damage brand reputation and disrupt production flow. From a macroeconomic standpoint, **inflationary pressure** and **volatility in raw material prices** represent key margin risks. In addition, **labor market** constraints and workforce related challenges could hinder operational efficiency and delay expansion plans. Figure 73 maps risk factors within a probability vs. impact matrix, highlighting their relative significance to the business. The following subsections provide a more detailed assessment of LOTB's current positioning and mitigation strategies.

Figure 73: Investment risk matrix
Source: Author



[F1] Firm risk: Inability to expand

Probability: Low Impact: High

Throughout 2024, LOTB operated its production lines at full capacity, facilitating a 20.0% increase in output and supporting the revenue growth. The fact that maximum capacity was reached may raise investor concerns if the company is unable to maximize operational efficiency across its existing factories and successfully build additional infrastructure to preserve the current demand momentum.

Mitigation: Consistent processes across all production sites allow efficiency improvements and support capacity expansion. Moreover, the 13th production facility (Figure 74) started production in the last week of 2025 ahead of

Figure 74: New production facility in Chonburi, Thailand
Source: Company data



Figure 75: Group's main currency exposure
Source: Author, Company data

Currency	Zone
EUR	Euro zone
USD	United States of America
GBP	United Kingdom
THB	Thailand
ZAR	South Africa
CNY	China
KRW	South Korea
SEK	Sweden
CHF	Switzerland
CZK	Czech Republic

Figure 76: How changes in COGS/Revenue affect target price
Source: Author

	target price	% change
-1.00 pp	€ 12,944	**13.3%**
-0.50 pp	€ 12,184	**6.7%**
0.00 pp	**€ 11,423**	**0.0%**
0.50 pp	€ 10,663	**-6.7%**
1.00 pp	€ 9,902	**-13.3%**

schedule and it will support the rising demand in the Asia-Pacific region. LOTB also has expansion capacity in some of the other main sites. **Valuation:** This risk is not only reflected in the scenario analysis with the best and worst scenarios where growth varies from the base case, as well as in the Monte Carlo Simulation, where revenue growth, margins and CapEx investment are the main key inputs.

[F2] Firm risk: Safety and Quality of product

Probability: Low Impact: High

LOTB holds a competitive advantage through its unique consumer experience and distinctive cookie flavor. Quality control starts from the raw material, by selecting the supplier and extends to the final product. If the company were unable to keep its quality and meet food safety standards, it could face production disruption and additional costs related to product losses and recalls. **Mitigation:** The implementation of both internal and external quality auditors aims to mitigate this risk. In addition, detailed standard operating methods are in place, covering the full value chain. **Valuation:** While this risk could significantly damage brand reputation, the probability of occurrence is considered low given the robust control systems currently in place.

[M1] Market risk: Raw material and FX volatility

Probability: Medium Impact: Medium

Wheat flour, sugar, palm oil, eggs and chocolate are core inputs in LOTB's products. Beyond quality consideration, fluctuation in raw material prices affects the company's margins and returns directly. In addition, LOTB's presence across several countries exposes it to foreign exchange (FX) volatility (Figure 75), which may impact reported results, as the functional currency is the Euro. **Mitigation:** LOTB used hedging strategies to reduce exposure to both raw material prices and FX risks. For its most important products, the company uses forward contracts with fixed prices and annual agreements for less significant materials. FX is assessed and mitigated through natural hedging. **Valuation:** This risk is measured through sensitivity analysis, where an increase of 1 pp in the COGS/Revenue ratio leads to a reduction in the target price by -13.3% to € 9,902 (Figure 76). This ratio is further tested in a Monte Carlo Simulation as a key input.

Figure 77: Change in Natural Food segment growth
Source: Author

	target price	% change
-3.00 pp	€ 10,618	**-7.1%**
-1.50 pp	€ 10,998	**-3.7%**
0.00 pp	**€ 11,423**	**0.0%**
1.50 pp	€ 11,899	**4.2%**
3.00 pp	€ 12,430	**8.8%**

[M2] Market risk: Consumer preference

Probability: High *Impact: High*

Today, we observe a shift in consumer preferences toward healthier choices (Navarro et al., 2025). To respond to these preferences, brands must adapt by offering more sustainable and natural choices and new products to meet this growing demand as consumers become more aware and informed about their purchasing decisions. In addition, the introduction of weight-loss drugs has increased pressure on the sector, as these products may reduce consumers' appetites. **Mitigation:** The company aims to maintain a balanced portfolio that includes indulgent, nostalgic and healthy snacks. LOTB's better-for-you brands include products that can catch the attention of more health-conscious consumers, partially mitigating this risk. **Valuation:** We consider LOTB to be well positioned to take advantage of this trend. Yet, a 3 pp slowdown in growth within the Natural Foods segment could lead to a target price decrease of -7.1% to € 10,618 (Figure 77).

[M3] Market risk: External environment

Probability: Medium *Impact: Medium*

As a global company, LOTB is exposed to geopolitical tensions and global pandemic crisis, which can disrupt supply chains, increase inflationary pressures and raise financing costs. Furthermore, **legislation** represents a significant risk for the company, as the food industry is highly regulated. European rules are becoming increasingly restrictive in areas such as sugar content and product labeling (European Commission, 2026). Moreover, regulatory developments such as the European Packaging & Packaging Waste Regulation (PPWR), sugar taxes and HFSS (High Fat, Sugar and Salt) marketing restrictions, may increase costs and tax burden paid by LOTB. **Mitigation:** LOTB benefits from a robust global supply chain and dedicated crisis management teams that actively monitor and anticipate regulatory developments, enabling the company to prepare and respond strategically to new requirements. LOTB's existing local production facilities, particularly in the US, allow the company to ease its exposure to geopolitical pressure and "Trump tariffs". **Valuation:** These risks are

reflected in the scenario analysis and Monte Carlo Simulation, in which several inputs are varied simultaneously.

[C1] Climate risk: Climate change and ESG

Probability: Low Impact: medium

Climate change can impact the food industry negatively, by disrupting production, limiting access to raw materials and affecting quality. Increased climate awareness and sustainable sourcing may also influence market demand, as there is an increasing population that chooses sustainable products. Packaging remains a key issue in the food industry, as most of the wrapping is single-use and does not contribute to a circular economy. This challenge is further intensified by increasing regulatory and tax pressure related to carbon emissions and plastic packaging. **Mitigation:** LOTB actively assesses its priorities through a double materiality matrix (Appendix 24). Its focus on sustainable sourcing reflects a proactive approach to managing upstream value chain responsibilities. Furthermore, the "Care for Today, Respect for Tomorrow" program clearly defines how LOTB aims to approach sustainability and corporate responsibility. **Valuation:** The implementation of these standards and initiatives may require short-term investments with uncertain immediate returns. Scenarios with worst margins are considered in the Monte Carlo Simulation and scenario analysis.

[W1] Workforce Risk: Increasing wages and Talent retention

Probability: Medium Impact: Medium

A competitive labor market, rising wage costs and employee turnover represent a risk in the industry, as they may impact productivity and long-term growth if not moderated. If employees perceive unfair treatment, they may choose to leave the company, which could also harm LOTB's reputation as an employer. **Mitigation:** "One Lotus Family" reflects how the company views its employees. By promoting work-life balance, continuous training and an inclusive and diverse culture, LOTB aims to offer an attractive workplace where employees can develop, grow and actively contribute to the company's culture. **Valuation:** An increase of 1.5 pp in SG&A

Figure 78: How SG&A expenses influence target price
Source: Author

	target price	% change
-3.00 pp	€ 15,986	**39.9%**
-1.50 pp	€ 13,705	**20.0%**
0.00 pp	**€ 11,423**	**0.0%**
1.50 pp	€ 9,142	**-20.0%**
3.00 pp	€ 6,860	**-39.9%**

would result in a decrease of the target price by -20.0% to a value of € 9,142 in line with the current price observed in the market (Figure 78).

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Appendix 1. **LOTB History**

The beginning

Jan Boone demonstrated his craftsmanship by developing a caramelized biscuit with natural ingredients, which ultimately became the core value driver of Boone's family empire.



1932

1956

Coffee + Lotus

The first Lotus biscuit was introduced to the food industry as a complementary treat specially designed to be served with coffee.





Dinosaurus

The addition of Dinosaurus to the LOTB portfolio reinforced the gruop's positioning among children and young consumers.

2012

2011

Jan Boone

In 2011, Jan Boone became the new CEO of LOTB.



BEAR

In 2015, LOTB acquired BEAR showing the further commitment of LOTB in the Natural Food segment.

2015

Ventures in healthy snacking

LOBT initiated a partnership with Natural Balance Foods (NBF), a pioneering UK-based wholefood company with products marketed under the Nakd and TREK brands.

2025

Expansion

2025 was marked with key partnerships, a rebranding initiative and continued product innovation. In addition, the opening of the new factory in Thailand.

1974

Corona

LOTB merged with Corona, a Belgian bakery owned by the Stevens family, to include cakes and pastries within its product range.

1980

Asia expansion

Moving beyond geographical frontiers, LOTB expanded into Asia, introducing its unique biscuit.



Peijnenburg

LOTB acquires Peijnenburg integrating gingerbread to its portfolio.

2008

2006

Annas

With a presence in over 20 countries, LOTB strengthened its portfolio through the acquisition of Annas, adding the world's best Pepparkakor to its brands.



Kiddylicious

Acquisition of kiddylicious, a British baby brand.

2018

2019



New sites

Acquisition and opening of the new BEAR site production in South of Africa. In parallel, LOTB inaugurated also the US facility to supply the North America market.



BEL20 - Index

In March 2024, LOTB joined the Euronext BEL-20 Index.

1988

IPO

Listing LOTB on the Brussels Stock Exchange, with the Boone & Stevens family as shareholders.



1990's

Cookie of the skies

In the 1990's Biscoff is first exported to the U.S. via Airlines, slowly wining presence in the American market.



1999

Suzy Waffles

Acquisiotn of Suzy, a company producer of waffles and other breakfast biscuit products.



2020

100% of NBF

LOTB acquires the remaining stake at NBF from funders.

2022



Peter's Yard

Acquisition of 100% of Peter's Yard, a British artisanal sourdough company.

2024

Appendix 2. Global production footprint



Belgium
- **Lembeke:** Lotus Biscoff, Lotus Biscoff spread and Lotus Dinosaurs
- **Courcelles:** Lotus waffle plant
- **Oostakker:** Lotus cakes specialities
- **Eeklo:** Caramelized biscuits, caramelized biscuit spread

The Netherlands
- **Enkhuizen:** Enkhuizer biscuits and cake specialities
- **Geldrop:** Peijnenburg gingerbread
- **Sintjohannesga:** Peijnenburg gingerbread, Snelle Jelle gingerbread

France
- **Comines:** Lotus cake specialities and filled waffles
- **Briec-de-L'Odét:** Breton butter specialities

Sweden
- **Tyresö:** Production of Annas pepparkakor biscuits

United States
- **Mebane:** Production of Biscoff & BEAR

South Africa
- **Wolseley:** Production of BEAR and nakd.bars

Thailand
- **Chonburi:** Production of Biscoff

Appendix 3. Brands and Products by segment

Lotus Biscoff
share of revenue: **57%**
last 10y. CAGR: **15%**



Lotus Natural Foods
share of revenue: **25%**
last 10y. CAGR: **17%**



Lotus Local Heroes
share of revenue: **18%**
last 10y. CAGR: 2%



Appendix 4. LOTB key partnerships

Biscoff & Mondelez International — June 2024

Goal — **Penetration in India** and **innovation in chocolate products**

Key points
- **Biscoff License in India**: LOTB will expand its presence in India by leveraging MDLZ's existing channels;
- **Chocolate innovation:** development of new products through co-branding with iconic brands of MDLZ portfolio;
- Support LOTB's ambition to become a **Top 3 cookie brand**.

Lotus Biscoff x Mondelēz International SNACKING MADE RIGHT









Biscoff & Froneri — March 2025

Goal — **Scale and Globalize the ice cream segment**

Key points
- Need for an ice-cream **partner with international reach;**
- **Innovation.**

Lotus Biscoff x FRONERI



Other partnerships











Appendix 5. Value chain

Upstream

Sourcing
- **Key raw materials** (flour, sugar, palm oil, chocolate, packaging) sourced **from process industry suppliers**, which they source from traders or farmers.
- **Services sourcing** such as distribution, logistics production equipments.
- **Upstream value chain includes both direct and indirect suppliers**.

Transport
- **Most raw materials are sourced locally (in the same continent)**, reducing transport distances to production sites.

Lotus Bakeries' Operations

Production
- **Raw materials are transformed** into unique and great-tasting snacks.
- **12 owned global productions sites**, with selected brands produced via co-manufactures.
- **More than 3.300 employees**.

Transport
- Finished goods are shipped from production sites to warehouses and then distributed to customers.

Downstream

Retail and Away-From-Home
- Aim to **make products accessible** to everyone.
- The **products are sold through retail, away-from-home channels and wholesalers and distributors**.

Consumption
- Products address multiple age groups, including **babies, toddlers, children and adults**.
- Products are offered in **packaging formats designed for different household sizes**.

End of life
- **Committed to contributing to a circular economy.**

Appendix 6. Listed competitor companies' description

Mondelez International, Inc. (MDLZ) — **$ 55.78/share** — **Market Cap: $ 73,270 M**

Mondelēz International — **FY25:** **Revenue: $ 38,537 M** — **EBITDA: $ 5,511 M** — **Net Income: $ 2,451 M** — **Total Debt: $ 21,205 M**

MDLZ is one of the world's largest snack companies, **operating a B2C model** reaching over **150 countries**. The group is organized into four geographic segments: Latin America, AMEA (Asia, Middle East and Africa), Europe and North America. The company's mission is to lead the future of snacking through a focused portfolio of scalable brands. Under its "snacking made right" framework, MDLZ emphasizes brand equity, innovation and premiumization. Top-line growth is primarily driven by **pricing, expansion in emerging markets** and disciplined bolt-on acquisitions that enhance category expansion and geographic reach.

Some brands:

Chips Ahoy! · OREO · Philadelphia · Côte d'Or · Milka · Mikado · Halls · Royal Baking Powder · TUC · belVita · Toblerone

Nestle S.A. (NESN) CHF 75.86/share Market Cap: CHF 207,939 M

Nestlé FY25: Revenue: CHF 108,038 M EBITDA: CHF 21,265 M Net Income: CHF 10,905 M Total Debt: CHF 73,018 M

NESN is the **"Good food, Good life" company**, serving as a global leader in **nutrition, health and wellness** for both **people and pets** throughout all stages of life. The company operates a **highly diversified FMCG portfolio** targeting PetCare, Beverages and Nutrition/Health science. The group employs a decentralized structure to maintain deep local expertise across diverse product categories. It operates under the "Nestlé Virtuous Circle", a process of achieving operational efficiencies to fund continuous investment in its brands and drive profitable growth.

Some brands:

Chocoladefabriken Lindt & Spruengli AG Partizipsch. (LISP) CHF 10,520/share Market Cap: CHF 25,678 M

Lindt FY25: Revenue: CHF 7,141 M EBITDA: CHF 1,533 M Net Income: CHF 878 M Total Debt: CHF 2,28 M

LISP is a global leader in the **premium quality chocolate** market. It is **active in every stage of the process**, from the development and production of chocolate to its final sale. The company reports across three geographic segments: Europe, North America and the Rest of the World, with a strategic focus on **developed markets.** Its growth model is anchored in **premiumization** (allowing a higher gross margin), **gifting and seasonal products**. It employs a multi-channel strategy, leveraging wholesale distribution alongside an expanding global retail network of **568 proprietary chocolate stores and 21 e-shops.**

Brands:

Barry Callebaut AG (BARN) CHF 1,305/share Market Cap: CHF 7,774 M

BARRY CALLEBAUT FY25: Revenue: CHF 17,343 M EBITDA: CHF 1,147 M Net Income: CHF 218 M Total Debt: CHF 7,757 M

BARN is the world's leading **manufacturer of high-quality chocolate and cocoa products,** operating the full value chain, from sourcing and processing cocoa beans to crafting premium chocolates, fillings and decorations. The group primarily utilizes a **B2B model**, supplying industrial food manufacturers and gourmet professional users. It manages cocoa price volatility through a "cost-plus" pricing model, which passes raw material price fluctuations on to its customers. Growth is predominantly volume-driven, with stable margins but lower relative to branded premium chocolates, reflecting its ingredient-focused positioning.

Some brands:

The Hershey Company (HSY) $ 210.14/share Market Cap: $ 45,614 M

HERSHEY'S FY25: Revenue: $ 11,693 M EBITDA: $ 2,004 M Net Income: $ 883 M Total Debt: $ 5,403 M

HSY is a global snacking leader and the **largest producer of quality chocolate in North America**. It is known for its wide branded portfolio that includes chocolates, sweets, mints and salty snacks like popcorn and pretzels. It operates through three reportable segments: North America Confectionery, North America Salty Snacks and International. While the business remains **heavily concentrated in North America,** the company has been actively diversifying its revenue base. Strategically, HSY focuses on driving the core confectionery business while aggressively scaling its salty snacks presence through acquisitions and expanding its international footprint.

Some brands:

Appendix 7. LOTB SWOT analysis

Strengths

In 2025, LOTB achieved a **new revenue record of € 1,355 million**, supported by its presence in **74 countries** and a portfolio of high-quality and beloved brands. Biscoff currently ranks as the **world's 5th best-selling cookie brand**, operating with a team of 4,164 workers who contribute to a strong and cohesive corporate culture. Consistent with a family own company, **LOTB maintains robust financial health**, enabling it to reinvest in the business without excessive leverage while retaining the flexibility to capture strategic opportunities as they arise.

Opportunities

The **ambition to become a Top 3 cookie** player continues to shape the company's strategic mindset and long-term direction. The opening ahead of schedule of the new factory in Thailand strengthens LOTB's ability to expand its presence in the **Asia-Pacific region**, a key engine for future revenue growth. **Strategic partnerships** remain a central pillar of the growth strategy, enabling deeper market penetration, accelerating brand visibility and facilitating the transfer of operational know-how, thereby supporting ongoing innovation. Importantly, the s**tructural shift in consumer preferences toward healthier snacking** aligns well with LOTB's portfolio, particularly the Natural Foods segment.

Weakness

The **original cookie** that founded the business continues to account for a **significant share of the group revenue (57%)**. While the company has diversified its portfolio through mergers and acquisitions and innovation, the **Local Heroes segment may present scalability challenges**, as these brands are often deeply rooted, nostalgic concepts with specific geographic or demographic appeal. In addition, certain brands within the segment may be approaching a more mature or declining stage of their product life cycle. Across the industry, operational consistency remains a key area of focus, particularly in **ensuring standardized quality and efficiency** across manufacturing sites.

Threats

Ongoing market uncertainty has led to heightened volatility in key raw material inputs, placing pressure on industry margins. On top of this, **labor constraints and regulations** could affect the ability of LOTB to keep production levels, particularly given the central role of its workforce in maintaining operational excellence. **Climate change** also presents risks, potentially affecting the availability and quality of inputs and leading to production disruptions. Furthermore, **increasing automation and reliance on advanced technologies** to optimize factory efficiency may raise cybersecurity risks and dependence on electricity.

Appendix 8. ESG program

	Care For Today			Respect For Tomorrow	
ESG Guiding Principles	**A Balanced Portfolio of Great Taste**	**One Lotus Family**	**Ethical Business Conduct**	**Road to Net Zero**	**Sustainable Sourcing**
	• Food safety and quality; • Provide a wide range of mostly plant-based snacks; • Be part of the consumers' balanced diet; • Offer a unique taste and experience; • Meet consumers' requests and evolve with their preferences.	• Provide and ensure a healthy, safe, inspiring and rewarding working environment; • Offer long-term employment where everyone feels engaged; • Aim for zero accidents; • All with one goal: making branded snacks with unique tastes accessible to everyone.	• Act lawfully, ethically, and with integrity to all stakeholders; • Promote human rights throughout the value chain; • Building a culture of trust, integrity and accountability; • Commitment to uphold the 10 Principles of the United Nations.	• Achieve net zero greenhouse gas emission across our value chain by 2050; • Increase renewable electricity and energy efficiency; • Limit packaging impact.	• Prioritized partnerships with suppliers that share Lotus vision; • Conduct proper due diligence of suppliers, making the value chains more sustainable; • Participate in sustainable sourcing programs for key raw materials.
	Social	Social	Governance	Environmental	Environmental & Governance

Appendix 9. Board of directors

Name	Position	Member since	Tenure	Total remuneration (2025)	Independent
Benedikte Boone	Non-Executive Director	2012	14	€ 20,000	✗
Jan Boone	CEO, Managing Director	2005	21	€ 20,000	✗
Emanuel Boone	Non-Executive Director	2022	4	€ 20,000	✗
Sofie Boone	Non-Executive Director	2016	10	€ 20,000	✗
Peter Bossaert	Independent Director	2017	9	€ 25,000	✓
Noelle Goris	Independent Director	2023	3	€ 20,000	✓
Benoit Graulich	Independent Director	2009	17	€ 30,000	✓
Michel Moortgat	Independent Director	2018	8	€ 30,000	✓
Anton Stevens	Non-Executive Director	2002	24	€ 20,000	✗
Jan Vander Stichele	Chairman of the Board of Directors	2005	21	€ 45,000	✗

Appendix 10. Executive committee

	Name	Postions	Background
	**Jan Boone**	**CEO**	- Auditor at PwC; - Corporate controlling, reporting and M&A at Omega Pharma; - Joined LOTB in 2005 as General Manager and Member of the Board of Directors; **- CEO since 2011.**
	**Isabelle Maes**	**CMO Lotus Bakeries & CEO Natural Foods**	- Auditor at PwC; - Worked on Fiance and SAP projects at Barry Callebaut; - CFO at LOBT from 2014 to 2017; - Appointed CEO of Natural Foods in 2017; **- Named CMO of LOTB in 2023.**
	**Mike Cuvelier**	**CFO**	- Auditor at PwC; - Held varirous controlling rolest at Bekaert worldwide; - CFO of the Unilin group; **- In 2017 became a CFO of LOTB.**
	**Ignace Heyman**	**COO**	- Marketing experience at Procter & Gamble, PAB Benelux and Reckitt Benckiser; - Joined LOTB as Marketing Director in 2008; - Appointed Corporate Director Marking in 2011, then General Manager France; **- COO since 2016.**
	**John Van De Par**	**Chief Procurement Officer**	- Finance experience at Smurfit Westrock and Friesland Campina; - Joined LOTB in 2008 as Finance Director of Koninklijke Peijnenburg; - Appointed General Manager of area Belguim in 2023; **- In his current role since 2024.**

Appendix 11. Income statement

(In thousands €)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E	FY 2031E	FY 2032E	FY 2033E	FY 2034E	FY 2035E	FY 2036E
Biscoff	415,000	574,000	689,872	772,385	902,153	1,044,702	1,199,327	1,364,846	1,539,559	1,721,242	1,907,153	2,059,725	2,224,503	2,402,463	2,594,660
Natural foods	175,000	255,111	295,659	338,765	390,383	449,866	518,412	597,402	682,454	772,791	867,357	964,823	1,063,592	1,161,836	1,254,782
Local Herros	287,451	233,852	246,383	243,911	248,789	253,765	258,840	264,017	269,297	274,683	280,177	285,781	291,496	297,326	303,273
Revenue	**877,451**	**1,062,962**	**1,231,914**	**1,355,061**	**1,541,325**	**1,748,332**	**1,976,579**	**2,226,265**	**2,491,311**	**2,768,717**	**3,054,687**	**3,310,328**	**3,579,591**	**3,861,625**	**4,152,715**
Cost of Sales	529,587	645,927	751,844	817,570	929,461	1,054,292	1,191,931	1,342,499	1,502,329	1,669,612	1,842,060	1,996,218	2,158,591	2,328,665	2,504,201
Gross Profit	**347,864**	**417,035**	**480,070**	**537,491**	**611,864**	**694,040**	**784,648**	**883,767**	**988,983**	**1,099,105**	**1,212,628**	**1,314,110**	**1,421,000**	**1,532,960**	**1,648,515**
SG&A	173,618	205,310	234,633	259,920	301,185	341,636	386,237	435,027	486,819	541,025	596,906	646,860	699,476	754,587	811,468
EBITDA	**174,246**	**211,725**	**245,437**	**277,571**	**310,679**	**352,405**	**398,412**	**448,740**	**502,164**	**558,080**	**615,722**	**667,250**	**721,524**	**778,373**	**837,047**
Depreciation and Amortization	25,245	32,857	36,593	40,199	44,720	50,726	57,348	64,593	72,283	80,331	88,629	96,046	103,858	112,041	120,487
EBIT	**149,001**	**178,868**	**208,844**	**237,372**	**265,959**	**301,679**	**341,063**	**384,147**	**429,881**	**477,748**	**527,093**	**571,204**	**617,666**	**666,332**	**716,560**
Interest Expense	3,116	4,035	4,448	3,299	5,223	7,225	9,162	12,818	14,272	15,848	17,514	19,300	21,154	23,084	25,099
Interest Income	551	2,475	3,506	3,064	5,947	6,337	7,121	8,307	9,508	5,991	7,097	8,213	9,391	10,418	11,310
EBT operating	**146,436**	**177,308**	**207,902**	**237,137**	**266,683**	**300,791**	**339,022**	**379,636**	**425,117**	**467,892**	**516,676**	**560,118**	**605,903**	**653,666**	**702,772**
Other Non-Recurring Income (Expense)	(12,409)	(9,411)	(8,652)	(11,941)	0	0	0	0	0	0	0	0	0	0	0
EBT	**134,027**	**167,897**	**199,250**	**225,196**	**266,683**	**300,791**	**339,022**	**379,636**	**425,117**	**467,892**	**516,676**	**560,118**	**605,903**	**653,666**	**702,772**
Tax Expense	30,744	38,565	46,769	52,928	60,930	71,730	84,237	94,909	106,279	116,973	129,169	140,029	151,476	163,417	175,693
tax rate (%)	22.9%	23.0%	23.5%	23.5%	22.8%	23.8%	24.8%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Net Income	**103,283**	**129,332**	**152,481**	**172,268**	**205,753**	**229,061**	**254,784**	**284,727**	**318,837**	**350,919**	**387,507**	**420,088**	**454,428**	**490,250**	**527,079**
Profit/Loss to Non-Controlling Interest	43	72	(95)	11	11	11	11	11	11	11	11	11	11	11	11
Profit/Loss to Ordinary Shareholders	**103,240**	**129,260**	**152,576**	**172,257**	**205,764**	**229,072**	**254,795**	**284,738**	**318,848**	**350,930**	**387,518**	**420,099**	**454,439**	**490,261**	**527,090**
Diluted shares outstanding	812	812	813	813	813	813	813	813	813	813	813	813	813	813	813
Dividends per share	40	45	58	76	90	109	129	152	177	203	231	260	291	322	353

Appendix 12. Common size income statement

% of revenue	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E	FY 2031E	FY 2032E	FY 2033E	FY 2034E	FY 2035E	FY 2036E
Biscoff	47%	54%	56%	57%	59%	60%	61%	61%	62%	62%	62%	62%	62%	62%	62%
Natural foods	20%	24%	24%	25%	25%	26%	26%	27%	27%	28%	28%	29%	30%	30%	30%
Local Herros	33%	22%	20%	18%	16%	15%	13%	12%	11%	10%	9%	9%	8%	8%	7%
Revenue	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Cost of Sales	60%	61%	61%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
Gross Profit	**40%**	**39%**	**39%**	**40%**	**40%**	**40%**	**40%**	**40%**	**40%**	**40%**	**40%**	**40%**	**40%**	**40%**	**40%**
SG&A	20%	19%	19%	19%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
EBITDA	**20%**	**20%**	**20%**	**20%**	**20%**	**20%**	**20%**	**20%**	**20%**	**20%**	**20%**	**20%**	**20%**	**20%**	**20%**
Depreciation and Amortization	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
EBIT	**17%**	**17%**	**17%**	**18%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**
Interest Expense	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%	1%	1%	1%	1%	1%
Interest Income	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
EBT operating	**17%**	**17%**	**17%**	**18%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**
Other Non-Recurring Income (Expense)	-1%	-1%	-1%	-1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
EBT	**15%**	**16%**	**16%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**
Tax Expense	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Net Income	**12%**	**12%**	**12.4%**	**12.7%**	**13%**	**13%**	**13%**	**13%**	**13%**	**13%**	**13%**	**13%**	**13%**	**13%**	**13%**
Profit/Loss to Non-Controlling Interest	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Profit/Loss to Ordinary Shareholders	**12%**	**12%**	**12%**	**13%**	**13%**	**13%**	**13%**	**13%**	**13%**	**13%**	**13%**	**13%**	**13%**	**13%**	**13%**

Appendix 13. Cash flow statement

(In thousands €)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E	FY 2031E	FY 2032E	FY 2033E	FY 2034E	FY 2035E	FY 2036E
Net income	103,283	129,333	152,482	172,269	205,753	229,061	254,784	284,727	318,837	350,919	387,507	420,088	454,428	490,250	527,079
Depreciation and Apreciation	25,245	32,857	36,593	40,199	44,720	50,726	57,348	64,593	72,283	80,331	88,629	96,046	103,858	112,041	120,487
Income taxes presented	30,744	38,565	46,769	52,928	60,930	71,730	84,237	94,909	106,279	116,973	129,169	140,029	151,476	163,417	175,693
Decrease/(Increase) in inventories	(11,596)	(6,544)	(13,568)	(13,359)	(13,240)	(15,723)	(17,337)	(18,965)	(20,132)	(21,071)	(21,721)	(19,418)	(20,452)	(21,422)	(22,110)
Decrease/(Increase) in trade and other receivabl	(15,675)	(31,266)	(11,975)	(26,808)	(22,405)	(26,343)	(29,046)	(31,774)	(33,729)	(35,302)	(36,392)	(32,532)	(34,266)	(35,891)	(37,043)
Decrease/(Increase) in other assets	141	367	(713)	(321)	(3,942)	(4,086)	(4,506)	(4,929)	(5,232)	(5,476)	(5,645)	(5,046)	(5,315)	(5,567)	(5,746)
Increase/(Decrease) in trade and other payables	1,880	18,896	6,340	18,212	34,623	37,898	41,787	45,712	48,524	50,786	52,355	46,802	49,296	51,634	53,292
Increase/(Decrease) in other liabilities	1,430	1,015	570	(58)	14,025	2,429	2,679	2,930	3,110	3,256	3,356	3,000	3,160	3,310	3,416
Income taxes paid	(27,707)	(31,352)	(37,546)	(41,488)	(60,930)	(71,730)	(84,237)	(94,909)	(106,279)	(116,973)	(129,169)	(140,029)	(151,476)	(163,417)	(175,693)
Financial expenses	2,354	2,533	2,213	2,399	(724)	887	2,041	4,511	4,765	9,857	10,417	11,087	11,763	12,666	13,789
Other cfo, net	713	(29)	927	1,997	852	624	927	1,581	1,849	1,438	1,418	1,404	1,599	1,628	1,569
Cash Flow from Operations	**110,812**	**154,375**	**182,092**	**205,970**	**259,663**	**275,472**	**308,678**	**348,385**	**390,275**	**434,738**	**479,923**	**521,430**	**564,070**	**608,648**	**654,731**
Acquisitions of businesses, net of cash acquired	(9,205)	0	0	0	0	(7,117)	0	0	0	0	0	0	0	0	0
Capital expenditures	(123,112)	(65,457)	(117,605)	(92,598)	(117,134)	(132,866)	(150,212)	(169,187)	(348,784)	(210,411)	(232,143)	(251,571)	(272,034)	(293,467)	(315,589)
Proceeds from divestitures of businesses and ot	141	0	20	2	2	2	2	2	2	2	2	2	2	2	2
investments paid for financial assets	(9,190)	(10,737)	(37,155)	(46,482)	78,249	0	0	0	0	0	0	0	0	0	0
Interest received	421	2,110	3,093	2,914	5,947	6,337	7,121	8,307	9,508	5,991	7,097	8,213	9,391	10,418	11,310
Other cfi, net	0	(151)	53	(4)	(77,250)	(30,245)	(33,348)	(36,480)	(38,724)	(40,530)	(41,782)	(37,350)	(39,340)	(41,206)	(42,530)
Cash Flow From Investing	**(140,945)**	**(74,235)**	**(151,594)**	**(136,168)**	**(110,186)**	**(163,888)**	**(176,437)**	**(197,358)**	**(377,998)**	**(244,948)**	**(266,826)**	**(280,706)**	**(301,981)**	**(324,253)**	**(346,806)**
Issue / Repayment of debt	59,813	104,510	(16,331)	22,342	20,268	10,285	37,374	43,133	46,731	49,428	52,958	54,991	57,246	59,759	62,527
Common stock (repurchase) program/ disposal	(8,841)	324	2,392	(5,905)	0	0	(15,287)	(17,084)	(19,130)	(21,055)	(23,250)	(25,205)	(27,266)	(29,415)	(31,625)
Cash dividends	(32,805)	(36,470)	(47,014)	(61,735)	(73,139)	(88,282)	(105,236)	(123,867)	(143,938)	(165,103)	(187,729)	(211,578)	(236,341)	(261,640)	(287,029)
Interest expense, net	(2,642)	(3,819)	(3,772)	(4,257)	(5,223)	(7,225)	(9,162)	(12,818)	(14,272)	(15,848)	(17,514)	(19,300)	(21,154)	(23,084)	(25,099)
Other cff, net	0	0	0	0											
Cash Flow From Financing	**15,525**	**64,545**	**(64,725)**	**(49,555)**	**(58,094)**	**(85,221)**	**(92,311)**	**(110,635)**	**(130,610)**	**(152,578)**	**(175,535)**	**(201,092)**	**(227,515)**	**(254,380)**	**(281,226)**
Cash generated					**91,382**	**26,363**	**39,930**	**40,393**	**(118,333)**	**37,213**	**37,562**	**39,633**	**34,574**	**30,014**	**26,699**

Appendix 14. Balance sheet

(In thousands €)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E	FY 2031E	FY 2032E	FY 2033E	FY 2034E	FY 2035E	FY 2036E
Cash and Cash Equivalents	76,435	131,231	134,228	200,134	213,267	239,630	279,560	319,952	201,619	238,832	276,394	316,027	350,600	380,615	407,314
Trade Receivables, net	110,755	141,468	151,200	173,740	196,145	222,488	251,534	283,309	317,038	352,340	388,731	421,264	455,529	491,420	528,464
Inventories	70,361	76,906	90,473	103,833	117,073	132,797	150,134	169,099	189,231	210,301	232,023	251,440	271,892	293,315	315,425
Current Tax Asset	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Assets	17,484	18,315	23,233	26,485	30,426	34,513	39,018	43,947	49,180	54,656	60,301	65,347	70,663	76,230	81,976
Current Assets	**351,470**	**499,151**	**533,362**	**704,326**	**770,178**	**869,057**	**999,805**	**1,136,259**	**958,686**	**1,094,961**	**1,233,843**	**1,370,104**	**1,499,285**	**1,622,194**	**1,740,493**
PP&E - Net	428,244	474,311	580,404	648,059	720,473	802,613	895,476	1,000,070	1,276,571	1,406,650	1,550,165	1,705,690	1,873,866	2,055,292	2,250,394
Goodwill	225,246	222,915	230,070	222,841	222,841	229,958	229,958	229,958	229,958	229,958	229,958	229,958	229,958	229,958	229,958
Non-Current Intangible Assets	146,735	147,825	150,437	147,944	225,194	255,439	288,787	325,267	363,991	404,522	446,303	483,653	522,994	564,200	606,730
Investments in other companies	16,806	27,504	28,798	8,668	8,668	8,668	8,668	8,668	8,668	8,668	8,668	8,668	8,668	8,668	8,668
Deferred Tax Assets	2,212	2,120	2,485	3,957	3,957	3,957	3,957	3,957	3,957	3,957	3,957	3,957	3,957	3,957	3,957
Other Non-Current Assets	757	908	855	860	1,295	1,469	1,661	1,871	2,093	2,326	2,567	2,782	3,008	3,245	3,489
Non Current Assets	**820,000**	**875,583**	**993,049**	**1,032,329**	**1,182,429**	**1,302,104**	**1,428,507**	**1,569,791**	**1,885,239**	**2,056,082**	**2,241,618**	**2,434,708**	**2,642,451**	**2,865,320**	**3,103,197**
Total Assets	**1,171,470**	**1,374,734**	**1,526,411**	**1,736,655**	**1,952,607**	**2,171,161**	**2,428,313**	**2,706,050**	**2,843,925**	**3,151,043**	**3,475,461**	**3,804,813**	**4,141,736**	**4,487,514**	**4,843,689**
Trade Payables	172,995	205,110	216,256	247,558	282,181	320,079	361,866	407,578	456,101	506,888	559,242	606,044	655,340	706,974	760,266
Current Debt	70,178	14,657	100,810	62,376	75,120	82,214	88,708	98,772	109,676	121,209	133,566	146,398	159,755	173,699	188,288
Current Tax Liablity	10,367	14,173	18,446	25,519	25,519	25,519	25,519	25,519	25,519	25,519	25,519	25,519	25,519	25,519	25,519
Other Current Liabilities	3,169	3,412	3,530	4,063	18,088	20,518	23,196	26,127	29,237	32,493	35,849	38,849	42,009	45,318	48,735
Current Liabilities	**256,709**	**237,352**	**339,042**	**339,516**	**400,908**	**448,330**	**499,289**	**557,995**	**620,533**	**686,109**	**754,176**	**816,810**	**882,623**	**951,510**	**1,022,808**
Non-Current Debt	196,066	275,834	180,501	249,874	257,398	260,589	291,469	324,538	360,364	398,259	438,861	481,021	524,910	570,724	618,662
Deferred Tax Liabilities	63,716	68,024	74,624	78,388	78,388	78,388	78,388	78,388	78,388	78,388	78,388	78,388	78,388	78,388	78,388
Other Non-Current Liabilities (non interest bear	6,404	6,086	6,861	9,142	10,429	11,226	12,345	14,136	16,208	17,880	19,538	21,156	22,981	24,846	26,660
Non Current Liabilities	**266,186**	**349,944**	**261,986**	**337,404**	**346,215**	**350,203**	**382,202**	**417,062**	**454,961**	**494,527**	**536,787**	**580,565**	**626,279**	**673,959**	**723,710**
Total Liabilities	**522,895**	**587,296**	**601,028**	**676,920**	**747,123**	**798,533**	**881,491**	**975,057**	**1,075,494**	**1,180,636**	**1,290,963**	**1,397,375**	**1,508,902**	**1,625,469**	**1,746,518**
Share capital	16,388	16,388	16,388	16,388	16,388	16,388	16,388	16,388	16,388	16,388	16,388	16,388	16,388	16,388	16,388
Treasury Shares	(18,976)	(18,797)	(16,882)	(23,488)	(23,488)	(23,488)	(38,775)	(55,859)	(74,989)	(96,044)	(119,294)	(144,500)	(171,765)	(201,180)	(232,805)
Retained Earnings	611,180	704,401	810,954	924,803	1,057,417	1,198,196	1,347,745	1,508,606	1,683,505	1,869,321	2,069,099	2,277,609	2,495,695	2,724,305	2,964,354
Other Reserves	(36,452)	(45,785)	(19,305)	(58,102)	(58,102)	(58,102)	(58,102)	(58,102)	(58,102)	(58,102)	(58,102)	(58,102)	(58,102)	(58,102)	(58,102)
Non-Controling Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity	**572,140**	**656,207**	**791,155**	**859,601**	**992,215**	**1,132,994**	**1,267,256**	**1,411,033**	**1,566,802**	**1,731,563**	**1,908,090**	**2,091,395**	**2,282,216**	**2,481,411**	**2,689,835**
Total Liabilities & Equity	**1,095,035**	**1,243,503**	**1,392,183**	**1,536,521**	**1,739,338**	**1,931,528**	**2,148,747**	**2,386,090**	**2,642,296**	**2,912,198**	**3,199,053**	**3,488,770**	**3,791,117**	**4,106,880**	**4,436,353**

Appendix 15. Common size balance sheet

% of total assets	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E	FY 2031E	FY 2032E	FY 2033E	FY 2034E	FY 2035E	FY 2036E
Cash and Cash Equivalents	7%	11%	10%	13%	12%	12%	13%	13%	8%	8%	9%	9%	9%	9%	9%
Trade Receivables, net	10%	11%	11%	11%	11%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Inventories	6%	6%	6%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Current Tax Asset	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Current Assets	2%	1%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Current Assets	**25%**	**30%**	**29%**	**33%**	**32%**	**33%**	**34%**	**34%**	**29%**	**29%**	**30%**	**30%**	**30%**	**30%**	**30%**
PP&E - Net	39%	38%	42%	42%	41%	42%	42%	42%	48%	48%	48%	49%	49%	50%	51%
Goodwill	21%	18%	17%	15%	13%	12%	11%	10%	9%	8%	7%	7%	6%	6%	5%
Non-Current Intangible Assets	13%	12%	11%	10%	13%	13%	13%	14%	14%	14%	14%	14%	14%	14%	14%
Investments in other companies	2%	2%	2%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Deferred Tax Assets	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Non-Current Assets	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Non Current Assets	**75%**	**70%**	**71%**	**67%**	**68%**	**67%**	**66%**	**66%**	**71%**	**71%**	**70%**	**70%**	**70%**	**70%**	**70%**
Total Assets	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Trade Payables	16%	16%	16%	16%	16%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%
Current Debt	6%	1%	7%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Current Tax Liablity	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Other Current Liabilities	0%	0%	0%	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Current Liabilities	**23%**	**19%**	**24%**	**22%**	**23%**	**23%**	**23%**	**23%**	**23%**	**24%**	**24%**	**23%**	**23%**	**23%**	**23%**
Non-Current Debt	18%	22%	13%	16%	15%	13%	14%	14%	14%	14%	14%	14%	14%	14%	14%
Deferred Tax Liabilities	6%	5%	5%	5%	5%	4%	4%	3%	3%	3%	2%	2%	2%	2%	2%
Other Non-Current Liabilities (non interest	1%	0%	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Non Current Liabilities	**24%**	**28%**	**19%**	**22%**	**20%**	**18%**	**18%**	**17%**	**17%**	**17%**	**17%**	**17%**	**17%**	**16%**	**16%**
Total Liabilities	**48%**	**47%**	**43%**	**44%**	**43%**	**41%**	**41%**	**41%**	**41%**	**41%**	**40%**	**40%**	**40%**	**40%**	**39%**
Share capital	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	0%	0%	0%	0%
Treasury Shares	-2%	-2%	-1%	-2%	-1%	-1%	-2%	-2%	-3%	-3%	-4%	-4%	-5%	-5%	-5%
Retained Earnings	56%	57%	58%	60%	61%	62%	63%	63%	64%	64%	65%	65%	66%	66%	67%
Other Reserves	-3%	-4%	-1%	-4%	-3%	-3%	-3%	-2%	-2%	-2%	-2%	-2%	-2%	-1%	-1%
Non-Controling Interest	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Equity	**52%**	**53%**	**57%**	**56%**	**57%**	**59%**	**59%**	**59%**	**59%**	**59%**	**60%**	**60%**	**60%**	**60%**	**61%**
Total Liabilities & Equity	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Appendix 16. Relevant ratios

(in thousands €)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E	FY 2031E	FY 2032E	FY 2033E	FY 2034E	FY 2035E	FY 2036E
Management Effectiveness															
Depretiation rate *(D&A/PP&E)*	5.9%	6.9%	6.3%	6.2%	6.2%	6.3%	6.4%	6.5%	5.7%	5.7%	5.7%	5.6%	5.5%	5.5%	5.4%
Tax Rate	22.9%	23.0%	23.5%	23.5%	22.8%	23.8%	24.8%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
NOPAT	114,822	137,783	159,823	181,582	205,195	229,737	256,318	288,110	322,411	358,311	395,320	428,403	463,250	499,749	537,420
Operating Working Capital	12,069	13,994	26,674	26,918	17,856	23,682	30,105	37,132	44,591	52,397	60,445	67,639	75,216	83,153	91,345
Total debt	266,244	290,491	281,311	312,250	332,518	342,803	380,177	423,310	470,041	519,469	572,427	627,419	684,665	744,423	806,951
Net debt	189,809	159,260	147,083	112,116	119,251	103,174	100,617	103,358	268,421	280,637	296,033	311,392	334,064	363,809	399,637
Invested Capital	761,949	815,467	938,238	971,717	1,111,466	1,236,168	1,367,873	1,514,391	1,835,224	2,012,199	2,204,123	2,402,787	2,616,280	2,845,219	3,089,472
ROIC	**15.1%**	**16.9%**	**17.0%**	**18.7%**	**18.5%**	**18.6%**	**18.7%**	**19.0%**	**17.6%**	**17.8%**	**17.9%**	**17.8%**	**17.7%**	**17.6%**	**17.4%**
Interest rate	1.3%	1.5%	1.5%	1.2%	1.7%	2.2%	2.7%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Net Asset	761,949	815,467	974,152	1,049,966	1,111,468	1,236,172	1,367,879	1,514,399	1,835,234	2,012,211	2,204,137	2,402,803	2,616,298	2,845,239	3,089,494
Net operating asset turnover	1.2	1.3	1.3	1.3	1.4	1.4	1.4	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.3
Net operating ROA	15.1%	16.9%	16.4%	17.3%	18.5%	18.6%	18.7%	19.0%	17.6%	17.8%	17.9%	17.8%	17.7%	17.6%	17.4%
Spread	13.8%	15.4%	14.9%	16.1%	16.8%	16.4%	16.1%	15.7%	14.2%	14.4%	14.6%	14.5%	14.3%	14.2%	14.0%
Effect on ROE	Positive	Positive	Positive	Positive	Positive	Positive	Positive	Positive	Positive	Positive	Positive	Positive	Positive	Positive	Positive
Net Financial Leverage	0.33	0.24	0.19	0.13	0.12	0.09	0.08	0.07	0.17	0.16	0.16	0.15	0.15	0.15	0.15
Financial Leverage Gain	4.6%	3.7%	2.8%	2.1%	2.0%	1.5%	1.3%	1.1%	2.4%	2.3%	2.3%	2.2%	2.1%	2.1%	2.1%
ROE	**19.6%**	**20.6%**	**19.2%**	**19.4%**	**20.5%**	**20.1%**	**20.0%**	**20.2%**	**20.0%**	**20.1%**	**20.2%**	**20.0%**	**19.8%**	**19.6%**	**19.5%**
Payout ratio	31.8%	28.2%	30.8%	35.8%	35.5%	38.5%	41.3%	43.5%	45.1%	47.0%	48.4%	50.4%	52.0%	53.4%	54.5%
Retention ratio	68.2%	71.8%	69.2%	64.2%	64.5%	61.5%	58.7%	56.5%	54.9%	53.0%	51.6%	49.6%	48.0%	46.6%	45.5%
Sustainable Growth Rate	**13.4%**	**14.8%**	**13.3%**	**12.4%**	**13.2%**	**12.3%**	**11.7%**	**11.4%**	**11.0%**	**10.7%**	**10.4%**	**9.9%**	**9.5%**	**9.2%**	**8.9%**
Profitability															
Gross Margin	39.6%	39.2%	39.0%	39.7%	39.7%	39.7%	39.7%	39.7%	39.7%	39.7%	39.7%	39.7%	39.7%	39.7%	39.7%
Net Profit Margin	11.8%	12.2%	12.4%	12.7%	13.3%	13.1%	12.9%	12.8%	12.8%	12.7%	12.7%	12.7%	12.7%	12.7%	12.7%
EBT operating margin	16.7%	16.7%	16.9%	17.5%	17.3%	17.2%	17.2%	17.1%	17.1%	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%
Pretax margin	15.3%	15.8%	16.2%	16.6%	17.3%	17.2%	17.2%	17.1%	17.1%	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%
EBITDA margin	19.9%	19.9%	19.9%	20.5%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%
SG&A expenses / Revenue	19.8%	19.3%	19.0%	19.2%	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%
NOPAT margin	13.1%	13.0%	13.0%	13.4%	13.3%	13.1%	13.0%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%
Efficiency															
Inventory Turnover	12.47	13.82	13.62	13.05	13.17	13.17	13.17	13.17	13.17	13.17	13.17	13.17	13.17	13.17	13.17
Account Receivables Turnover	7.92	7.51	8.15	7.80	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86
Account Payables Turnover	5.07	5.18	5.70	5.47	5.46	5.46	5.46	5.46	5.46	5.46	5.46	5.46	5.46	5.46	5.46
Operating WC Turnover	72.70	75.96	46.18	50.34	86.32	73.83	65.66	59.96	55.87	52.84	50.54	48.94	47.59	46.44	45.46
Total Asset Turnover	0.80	0.85	0.88	0.88	0.89	0.91	0.92	0.93	0.94	0.95	0.95	0.95	0.94	0.94	0.94

(in thousands €)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E	FY 2031E	FY 2032E	FY 2033E	FY 2034E	FY 2035E	FY 2036E
Financial Strength															
Debt ratio	0.24	0.23	0.20	0.20	0.19	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Current Liabilities / Total assets	0.23	0.19	0.24	0.22	0.23	0.23	0.23	0.23	0.23	0.24	0.24	0.23	0.23	0.23	0.23
NonCurrent Liabilities / Total Ass	0.24	0.28	0.19	0.22	0.20	0.18	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.16	0.16
Interest coverage ratio	47.82	44.33	46.95	71.95	50.92	41.76	37.23	29.97	30.12	30.15	30.09	29.60	29.20	28.87	28.55
Total debt / Equity	0.47	0.44	0.36	0.36	0.34	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Total debt / Total assets	0.24	0.23	0.20	0.20	0.19	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Total debt / EBITDA	1.53	1.37	1.15	1.12	1.07	0.97	0.95	0.94	0.94	0.93	0.93	0.94	0.95	0.96	0.96
Net debt / Equity	0.33	0.24	0.19	0.13	0.12	0.09	0.08	0.07	0.17	0.16	0.16	0.15	0.15	0.15	0.15
Net debt / Total assets	0.17	0.13	0.11	0.07	0.07	0.05	0.05	0.04	0.10	0.10	0.09	0.09	0.09	0.09	0.09
Net debt / EBITDA	1.09	0.75	0.60	0.40	0.38	0.29	0.25	0.23	0.53	0.50	0.48	0.47	0.46	0.47	0.48
Liability ratio	0.48	0.47	0.43	0.44	0.43	0.41	0.41	0.41	0.41	0.41	0.40	0.40	0.40	0.40	0.39
Quick ratio	0.80	1.23	0.91	1.18	1.10	1.11	1.14	1.16	0.92	0.94	0.96	0.98	0.99	1.00	1.00
Current ratio	1.07	1.55	1.18	1.49	1.39	1.40	1.44	1.46	1.22	1.25	1.27	1.29	1.30	1.30	1.30
Liquidity (cash) ratio	0.30	0.55	0.29	0.36	0.53	0.53	0.56	0.57	0.32	0.35	0.37	0.39	0.40	0.40	0.40
Days Sales Outstanding	46.07	48.58	44.80	46.80	46.45	46.45	46.45	46.45	46.45	46.45	46.45	46.45	46.45	46.45	46.45
Days Sales of Inventory	29.27	26.41	26.81	27.97	27.72	27.72	27.72	27.72	27.72	27.72	27.72	27.72	27.72	27.72	27.72
Days Payables Outstanding	(71.96)	(70.43)	(64.07)	(66.68)	(66.82)	(66.82)	(66.82)	(66.82)	(66.82)	(66.82)	(66.82)	(66.82)	(66.82)	(66.82)	(66.82)
Net Trade Cycle	**3.38**	**4.55**	**7.53**	**8.08**	**7.35**	**7.35**	**7.35**	**7.35**	**7.35**	**7.35**	**7.35**	**7.35**	**7.35**	**7.35**	**7.35**
Growth rate															
Dividend Per share growth YoY	12.7%	12.5%	28.9%	31.0%	18.4%	20.7%	19.2%	17.7%	16.2%	14.7%	13.7%	12.7%	11.7%	10.7%	9.7%
Div. CAGR 5Y	15.5%	9.2%	12.6%	16.4%	17.6%	19.3%	17.4%	14.9%	14.5%	13.3%	12.3%	11.3%	10.4%	9.6%	8.9%
EPS growth YoY	5.8%	25.2%	17.8%	13.0%	19.4%	11.3%	11.2%	11.8%	12.0%	10.1%	10.4%	8.4%	8.2%	7.9%	7.5%
EPS CAGR 5y	7.2%	9.5%	11.4%	12.0%	14.8%	12.1%	10.8%	10.6%	9.2%	8.9%	8.7%	8.1%	7.3%	6.9%	6.3%
Revenue growth	17.0%	21.1%	15.9%	10.0%	13.7%	13.4%	13.1%	12.6%	11.9%	11.1%	10.3%	8.4%	8.1%	7.9%	7.5%
Revenue CAGR 5y	9.5%	11.6%	13.2%	12.6%	11.9%	10.5%	9.9%	10.4%	10.1%	9.6%	9.1%	8.3%	7.5%	6.9%	6.3%
Capital Expenditures growth (Yo`	192.8%	-46.8%	79.7%	-21.3%	26.5%	13.4%	13.1%	12.6%	106.2%	-39.7%	10.3%	8.4%	8.1%	7.9%	7.5%
Capex CAGR 5y	23.7%	6.6%	41.7%	17.1%	-1.0%	15.2%	5.0%	12.8%	24.4%	9.6%	9.1%	8.3%	-4.8%	6.9%	6.3%
EBITDA growth	12.7%	21.5%	15.9%	13.1%	11.9%	13.4%	13.1%	12.6%	11.9%	11.1%	10.3%	8.4%	8.1%	7.9%	7.5%
EBITDA CAGR 5Y	9.9%	11.6%	13.0%	12.4%	12.3%	10.7%	10.2%	10.1%	10.1%	9.6%	9.1%	8.3%	7.5%	6.9%	6.3%
NOPAT growth	11.1%	20.0%	16.0%	13.6%	13.0%	12.0%	11.6%	12.4%	11.9%	11.1%	10.3%	8.4%	8.1%	7.9%	7.5%
NOPAT CAGR 5Y	9.0%	10.9%	12.0%	11.9%	12.3%	10.8%	9.9%	9.7%	9.5%	9.3%	9.1%	8.3%	7.5%	6.9%	6.3%
Operating WC growth	191.5%	15.9%	90.6%	0.9%	-33.7%	32.6%	27.1%	23.3%	20.1%	17.5%	15.4%	11.9%	11.2%	10.6%	9.9%
Operating WC CAGR 5y	-204.6%	-240.3%	45.9%	45.4%	8.1%	11.1%	2.4%	6.6%	20.1%	17.2%	15.0%	12.7%	11.0%	9.7%	8.6%
Net PP&E growth YoY	39.2%	10.8%	22.4%	11.7%	11.2%	11.4%	11.6%	11.7%	27.6%	10.2%	10.2%	10.0%	9.9%	9.7%	9.5%
Net PP&E CAGR 5Y	14.3%	12.5%	17.6%	16.1%	11.0%	11.1%	9.1%	9.1%	12.1%	11.9%	11.6%	11.3%	8.0%	7.9%	7.7%
Equity growth YoY	10.1%	14.7%	20.6%	8.7%	15.4%	14.2%	11.9%	11.3%	11.0%	10.5%	10.2%	9.6%	9.1%	8.7%	8.4%
Equity CAGR 5Y	10.5%	10.3%	12.8%	10.6%	11.6%	11.5%	9.9%	10.4%	9.6%	8.9%	8.5%	8.2%	7.8%	7.5%	7.1%
Cash Flow *(in thousands €)*															
CFO	110,812	154,375	182,092	205,970	259,663	275,472	308,678	348,385	390,275	434,738	479,923	521,430	564,070	608,648	654,731
CFI	(140,945)	(74,235)	(151,594)	(136,168)	(110,186)	(163,888)	(176,437)	(197,358)	(377,998)	(244,948)	(266,826)	(280,706)	(301,981)	(324,253)	(346,806)
CFF	15,525	64,545	(64,725)	(49,555)	(58,094)	(85,221)	(92,311)	(110,635)	(130,610)	(152,578)	(175,535)	(201,092)	(227,515)	(254,380)	(281,226)
Net cash	**(14,608)**	**144,685**	**(34,227)**	**20,247**	**91,382**	**26,363**	**39,930**	**40,393**	**(118,333)**	**37,213**	**37,562**	**39,633**	**34,574**	**30,014**	**26,699**

Formulas used

Management effectiveness

NOPAT	*EBIT * (1 – Tax rate)*	**Net operating ROA**	*Net operating asset turnover * NOPAT margin*
Invested capital	*Net debt + Equity*	**Spread**	*Net operating ROA – Interest rate*
Net assets	*Total assets – (Total liabilities – Net debt)*	**Net financial leverage**	*Net debt / Equity*
Net operating asset turnover	*Net assets / Revenue*	**Financial leverage gain**	*Spread * Net financial leverage*

Efficiency

Inventory turnover	*Revenue / Inventories*	**Account receivables turnover**	*Revenue / Trade receivables, net*
Account payables turnover	*Revenue / Trade payables, net*	**Operating WC turnover**	*Revenue / Operating WC*
Total assets turnover	*Revenue / Total assets*		

Financial strength

Debt ratio	*Total debt / Total assets*	**Interest coverage ratio**	*EBIT / Interest expense*
Liability ratio	*Total liabilities / Total assets*	**Quick ratio**	*(Current assets – Cash and cash equivalents) / Current Liabilities*
Current ratio	*Current assets / Current liabilities*	**Liquidity ratio**	*Cash and cash equivalents / Current liabilities*
Days Sales Outstanding (DSO)	*(Trade receivables / Revenue) *365*	**Days Sales of Inventory (DSI)**	*(Inventories / Revenue) *365*
Days Payables Outstanding (DPO)	*- (Trade payables / Revenue) *365*	**Net Trade Cycle**	*DSO + DSI + DPO*

Appendix 17. Key financial assumptions

Revenue	Total revenue is projected to grow at a CAGR of 10.4% over the forecasted period (FY26 – FY36). This reflects a normalization relative to the historical CAGR of 12.7% achieved between FY15 – FY25, as the business transitions towards a more mature growth profile. Segment level projections indicate differentiated growth dynamics: **Biscoff:** forecasted of 11.1%, driven by continued geographic expansion, product innovation and brand recognition; **Natural Foods:** forecasted CAGR of 12.4%, supported by structural consumer trends and expansion beyond UK; **Local Heroes**: forecasted CAGR of 2.0%, broadly aligned with the Eurozone inflation target, as this segment has more nostalgic brands.
COGS & SG&A	Historically, both COGS and SG&A expenses have shown low volatility as a percentage of revenue, reflecting stable operating efficiency and disciplined cost management. Given this consistency, these metrics are assumed to remain constant through the forecasted period in line with the last 5-year average: COGS: 60.3% of sales *(aligned with the competitor's average of 60.1%)*; SG&A: 19.5% of sales *(lower than the competitor's average of 24.9%, reflecting a more controlled cost structure)*.
EBITDA margin *(implied assumption)*	As a direct consequence of the cost assumptions, EBITDA margins are projected to remain stable around 20.2%.
CapEx	For FY26 and FY27, management has guided toward a CapEx of approximately € 250 million. This corresponds to 7.6% of projected revenue, which is close to the 5-year historical average of 7.3% (excluding FY22, which reflected elevated investment associated with the beginning of the Thailand facility). Over the forecast horizon, CapEx is therefore modeled at 7.6% of annual revenue. An exception is incorporated in FY30, where CapEx is projected to increase to 14.0%, reflecting a potential new production facility opening.
D&A	Depreciation and Amortization is modeled as a percentage of total revenue and is projected at 2.9%, in line with the 5-year historical average.
- Other current assets & liabilities; **- Non-current intangible assets;** **- Other non-current assets & liabilities**	These items are projected as a percentage of revenue, with the applied ratios set equal to the historical 5-year average.
Goodwill	In FY27, we assumed a 7.1 million euros allocated to acquisitions. For all other forecast periods, investment in acquisitions are assumed to be zero.
Investments in other companies	As this line does not represent a core component of LOTB's operating activities, it is assumed to remain constant at the level reported in FY25.

Trade receivables	This account is estimated based on the 5-year historical average of Days Sales Outstanding of 46.4 days, using the respective revenue as the baseline.
Inventories	Inventories are projected using the 5-year historical average of Days Sales of Inventory of 27.7 days (with sales as baseline).
Trade Payables	Payables are estimated using the last 5-year historical average of 66.8 days for Days Payable Outstanding (using sales as baseline).
Debt	Over the historical period, total debt has increased in nominal terms, however, relative to the book value of equity, leverage has declined. For FY26, the current debt to equity and non-current debt to equity ratios are assumed to remain in line with the last 5-year average. Beyond this year, a gradual reduction of its debt burden is incorporated into the model, with the ratios converging toward stable levels of 7.0% (current debt to equity) and 23.0% (non-current debt to equity).
Interest Expenses & Income	Expenses and income observed in FY25 were, respectively, 1.8% and 3.5%. We consider this divergence to be unlikely to persist. So, for the forecasted period, we assume that expenses will converge to 3.4%, as the cost of debt is calculated in the WACC before tax benefits. Regarding income, we expect a reduction to the risk-free rate of 3.0%, equivalent to the German 10-Year bond observed on March 20 of 2026.
Dividends per share	For FY26, the company has published its intention to distribute a dividend of 90.0€ per share, subject to formal Board approval. We use this amount as the starting dividend for the forecast period. Over the projection horizon, we assume a CAGR of 14.7%, which represents a moderation relative to the historical CAGR of 19.9% achieved between FY15 and FY25.
Repurchase of shares	Currently, the company maintains a share repurchase program aligned with its existing remuneration policy and incentive plan. For the purposes of our forecast, we assume no share buybacks in FY26 and FY27. Beyond FY27, we model a 6.0% of annual net income to be allocated to share repurchases. This policy is consistent with peer group companies' practices.

Appendix 18. Discounted cash flow model

Figure 18.a: DCF model

(In thousands €)	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E	FY 2031E	FY 2032E	FY 2033E	FY 2034E	FY 2035E	FY 2036E
EBIT	265,959	301,679	341,063	384,147	429,881	477,748	527,093	571,204	617,666	666,332	716,560
Tax Expense	(66,490)	(75,420)	(85,266)	(96,037)	(107,470)	(119,437)	(131,773)	(142,801)	(154,417)	(166,583)	(179,140)
NOPAT	**199,469**	**226,259**	**255,797**	**288,110**	**322,411**	**358,311**	**395,320**	**428,403**	**463,250**	**499,749**	**537,420**
Investement in Working Capital	9,062	(5,826)	(6,423)	(7,027)	(7,459)	(7,807)	(8,048)	(7,194)	(7,577)	(7,937)	(8,192)
Investment in Net Capital	(65,466)	(113,162)	(119,088)	(132,765)	(305,715)	(164,616)	(178,197)	(184,660)	(198,123)	(212,212)	(226,319)
Free Cash Flow to firm	**143,065**	**107,271**	**130,286**	**148,319**	**9,237**	**185,888**	**209,075**	**236,549**	**257,549**	**279,600**	**302,909**
Terminal Value	0	0	0	0	0	0	0	0	0	0	13,483,680
Discounted Cash Flow		**101,886**	**117,534**	**127,086**	**7,517**	**143,689**	**153,499**	**164,953**	**170,582**	**175,891**	**8,237,554**

Figure 18.b: Implied target price from DCF model *(in thousands, except price per share)*

At the end of	**2026**
Total company value	€ 9,400,193
Total debt forecasted	€ 330,296
Cash & Cash equivalents	€ 213,267
Non-controlling interest	€ 0
Value of equity	**€ 9,283,164**
# shares out	813
Price per share	**€ 11,423**

After forecasting the main drivers of the business, we derived FCF for the firm by adjusting NOPAT for investment required to sustain and grow operations (Figure 18.a). Specifically, FCF to the firm was calculated as **NOPAT** less (i) **incremental working capital** required to support operations and (ii) **net capital expenditures**, defined as the cash used in investments net of D&A. **Terminal value** was calculated using a perpetual growth model, assuming a long-term growth rate of 3.0%, broadly aligned with the current German 10-year Bond Yield observed on March 20, 2026 and a WACC of 5.3%, estimated as detailed in the next appendix. Both the projected FCF to the firm (excluding 2026) and the terminal value were discounted to the year-end 2026 using a constant WACC of 5.3%. Summing these components results in an **Enterprise Value (EV) for LOTB of € 9,400 million**. To derive equity value, we subtract the **Book value of debt** and add projected **Cash**, both as of year-end 2026. **Non-controlled interests** were forecasted to remain immaterial; therefore, no further adjustments were required. This approach results in an **equity value of € 9,283 million.** Assuming no share buybacks during 2026, the implied **target price is € 11,423€** per share, representing approximately **17.2% upside** relative to the current market price observed on March 20, 2026 (Figure 18.b).

Appendix 19. Beta and WACC estimation

The levered beta for each listed peer group company was estimated using a regression analysis against a relevant broad market index. Total Return data for both peer companies and 4 major benchmark indices were sourced from LSEG on March 20, 2026, comprising 5 years of monthly observations. For each company, separate regressions were performed against each of the selected benchmarks: **S&P 500, MSCI World, Europe 600 and MSCI Euro** (Figure 19.a), with the selected beta corresponding to the regression with the highest coefficient of determination (r^2). These levered betas were subsequently adjusted for capital structure as of December 31, 2025. The resulting unlevered betas were then averaged across the peer group, excluding LOTB, to determine a representative beta (Figure 19.b).

Figure 19.a: Levered betas

	Lotus Bakeries NV	Hershey Co	Mondelez International Inc	Nestle SA	Chocoladefabriken Lindt & Spruengli AG	Barry Callebaut AG
S&P 500 Index	0.53	0.17	0.38	0.45	0.62	0.43
r^2	*7.5%*	*1.8%*	*9.7%*	*11.5%*	*20.3%*	*4.9%*
MSCI World Index	0.67	0.17	0.46	0.59	0.73	0.47
r^2	*10.6%*	*1.6%*	*12.9%*	*17.5%*	*25.3%*	*5.2%*
Europe 600 Index	0.79	**0.24**	0.63	0.83	**0.78**	**0.51**
r^2	*17.9%*	***3.7%***	*29.2%*	*42.2%*	***35.4%***	***7.4%***
MSCI Euro Index	**0.80**	0.24	**0.65**	**0.85**	0.79	0.52
r^2	***17.9%***	*3.7%*	***29.8%***	***43.1%***	*34.9%*	*7.3%*

Figure 19.b: Unlevered betas

Company Name	Company Market Cap. *December 31, 2025*	Country	Levered Beta	Total Debt *(Book value)* *December 31, 2025*	D/E	Marginal Tax Rates *(by country)*	Unlevered betas
Lotus Bakeries NV	**€ 6,382,128,500**	**Belgium**	**0.80**	**€ 312,250,000**	**0.05**	**25%**	**0.77**
Hershey Co	€ 31,512,354,402	United States of America	0.24	€ 4,598,357,447	0.15	25%	0.21
Mondelez International Inc	€ 59,307,225,109	United States of America	0.65	€ 18,046,808,511	0.30	25%	0.53
Nestle SA	€ 217,718,076,699	Switzerland	0.85	€ 78,395,748,336	0.36	15%	0.65
Chocoladefabriken Lindt & Spruengli AG	€ 28,646,433,813	Switzerland	0.78	€ 2,391,765,085	0.08	15%	0.73
Barry Callebaut AG	€ 7,511,259,609	Switzerland	0.51	€ 8,327,839,811	1.11	15%	0.26
						avg.	**0.48**

Figure 19.c: Equity Risk Premium estimation

Region	Revenue (FY 2025) *(in thousands)*	%	Country Risk Premium
United Kingdom	€ 284,562.81	21.0%	5.01%
U.S.	€ 243,910.98	18.0%	4.46%
France	€ 162,607.32	12.0%	5.01%
Belgium	€ 135,506.10	10.0%	5.01%
Netherlands	€ 94,854.27	7.0%	4.23%
Spain	€ 40,651.83	3.0%	5.78%
Germany	€ 40,651.83	3.0%	4.23%
China	€ 40,651.83	3.0%	5.14%
Canada	€ 27,101.22	2.0%	4.23%
Australia	€ 27,101.22	2.0%	4.23%
Other	€ 257,461.59	19.0%	5.63%
	€ 1,355,061.00		**4.94%**

The **equity risk premium (ERP)** was derived using the country risk premiums published by Damodaran (January 2026) and further adjusted to reflect LOTB's geographic revenue distribution (Figure 19.c). The **credit spread** input applied in the cost of debt calculation was also sourced from the Damodaran database (January 2026).

Figure 19.d: WACC

Risk free Rate	2.97%
Equity Risk Premium	4.94%
Levered Beta	0.50
Cost of Equity	**5.42%**
Credit Spread	0.40%
Cost of debt pre tax	3.37%
Belgium Marginal Tax R	25.00%
Cost of debt after tax	**2.53%**
Market Value	€ 6,382,128,500
Book value of debt	€ 312,250,000
WACC	**5.28%**

The company's **market value** corresponds to its market capitalization as of December 31, 2025, while **debt** is measured using the book value reported in FY25. Based on these inputs, we estimate a **WACC of 5.3%** (Figure 19.d).

Appendix 20. Relative valuation

Peers' selection: For relative valuation, the initial peer universe was the same as that used for the WACC estimation. All those selected companies are active in the same industry, however meaningful differences exist in terms of size, business model and portfolio scope.

From these peers (described in Appendix 6), **BARN was excluded** due to its predominantly B2C oriented business model, which differs from LOTB's positioning. Similarly**, MDLZ** and **NESN were excluded** primarily on the basis of scale and strategic diversification. Both companies operate larger and more complex business models, spanning multiple sub-categories and broader product portfolios, whereas LOTB maintains a comparatively narrower portfolio focus. **HSY was also excluded** due to its geographic concentration in North America. This regional exposure does not adequately reflect LOTB's current international positioning, nor the different cultural drivers behind value creation in their respective markets. Following these exclusions, **LIPS was selected as the closest comparable** company for the relative valuation analysis. LIPS demonstrates strong alignment with LOTB in terms of business model, portfolio focus and strategic positioning within the premium segment. Additionally, the capital structure profiles are closely comparable, as debt represents approximately 7.0% of LIPS' market capitalization, compared to 3.9% for LOTB (Figure 20.a).

Figure 20.a: Companies metrics overview
Source: LSEG as of March20, 2026

Forward metric

Company Name	Country	Market Cap *(in millions)*	Debt - Total *(in millions)*	Debt / Equity	Forward EV / EBITDA	Forward EV / S	Forward P/E	EV / EBITDA	EV / S	P/E	Dividend Yield %
Lotus Bakeries NV	**Belgium**	**€ 7,919**	**€ 312**	**0.04**	**26**	**6**	**44**	**29**	**6**	**45**	**1%**
Chocoladefabriken Lindt & Spruengli AG	Switzerland	€ 26,960	€ 1,897	0.07	20	4	38	20	5	40	2%
Barry Callebaut AG	Switzerland	€ 7,836	€ 6,639	0.85	12	1	25	12	1	29	2%
Hershey Co	United States of America	€ 36,833	€ 4,600	0.12	16	4	27	23	4	27	3%
Mondelez International Inc	United States of America	€ 62,488	€ 18,055	0.29	14	2	20	17	2	20	4%
Nestle SA	Switzerland	€ 213,691	€ 62,170	0.29	14	3	19	14	3	19	4%

Computation: The relative valuation was conducted using three forward looking multiples collected from LSEG on March 20, 2026. The analysis relied on forecasted financial metrics for FY26, ensuring alignment between the peer multiple and LOTB's projected performance. This approach allowed for the derivation of an implied equity value and, subsequently, an implied price per share under each valuation methodology.

The following figure summarizes the applied forward multiples, the corresponding 2026 projected financial metrics and the resulting implied target price per share.

Figure 20.b: Relative valuation summary *(in millions, except multiples and target price)*

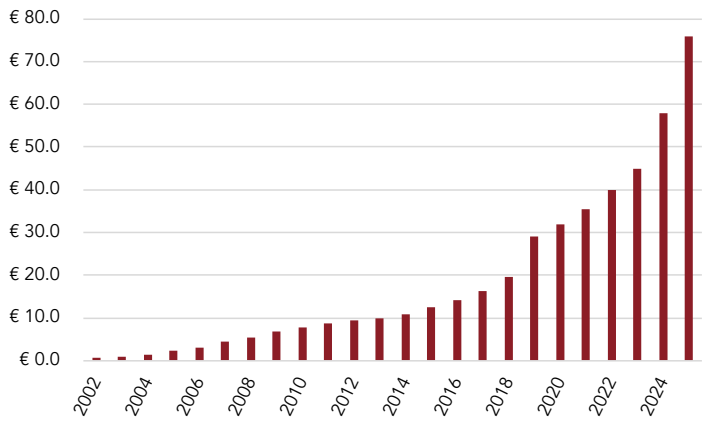
LISP EV / EBITDA	**19.73**
LOTB EBITDA	€ 311
EV	€ 6,129
Net Debt	€ 119
Equity	€ 6,010
Shares out.	0.813
Target Price	**€ 7,396**
downside	*-24%*

LISP EV / Revenue	**4.46**
LOTB Revenue	€ 1,541
EV	€ 6,873
Net Debt	€ 119
Equity	€ 6,754
Shares out.	0.813
Target Price	**€ 8,311**
downside	*-15%*

LISP P / E	**38.13**
LOTB Net income	€ 206
Equity	€ 7,845
Shares out.	0.813
Target Price	**€ 9,653**
downside	*-1%*

Appendix 21. Dividend discount model

Figure 21.a: LOTB historical dividend per share



LOTB has demonstrated a strong and consistent dividend track record, **increasing its dividend at a CAGR of 22.6%** from 2002 to 2025 (Figure 21.a). With the release of the preliminary financial information of FY25, management announced its intention to raise the dividend to 90€ per share, to be paid in 2026. This marks the 25th consecutive year of dividend increases, effectively positioning LOTB as a dividend aristocrat.

Figure 21.b: Dividend discount model

(in thousand €)	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E	FY 2031E	FY 2032E	FY 2033E	FY 2034E	FY 2035E	FY 2036E
Dividends paid	73,139	88,282	105,236	123,867	143,938	165,103	187,729	211,578	236,341	261,640	287,029
%growth	*18.4%*	*20.7%*	*19.2%*	*17.7%*	*16.2%*	*14.7%*	*13.7%*	*12.7%*	*11.7%*	*10.7%*	*9.7%*
Share Repurchase	0	0	15,287	17,084	19,130	21,055	23,250	25,205	27,266	29,415	31,625
% of NI	*0.0%*	*0.0%*	*-6.0%*	*-6.0%*	*-6.0%*	*-6.0%*	*-6.0%*	*-6.0%*	*-6.0%*	*-6.0%*	*-6.0%*
Terminal value	0	0	0	0	0	0	0	0	0	0	13,403,234
Discounted		**83,743**	**108,449**	**120,310**	**132,033**	**142,979**	**153,713**	**163,644**	**172,816**	**181,000**	**8,094,621**

Given this historical discipline, we assume continued dividend growth supported by future expansion initiatives and strengthening brand recognition. Over the explicit forecast period, dividends are projected to grow at a CAGR of 14.7%. In addition, from FY27 onwards, we assume an additional shareholder return policy in the form of share repurchases equivalent to 6.0% of net income, a policy consistent with peer practices (Figure 21.b). A cost of equity of 5.4% is used as the discount rate, while

Figure 21.c: Target price estimation *(in millions, except target price)*

	Dividends	Buybacks
FY 2027E	€ 88	€ 0
FY 2028E	€ 105	€ 15
FY 2029E	€ 124	€ 17
FY 2030E	€ 144	€ 19
FY 2031E	€ 165	€ 21
FY 2032E	€ 188	€ 23
FY 2033E	€ 212	€ 25
FY 2034E	€ 236	€ 27
FY 2035E	€ 262	€ 29
FY 2036E	€ 287	€ 32
Terminal Value in 2036		**€ 13,403**
Cost of Equity		**5.4%**
Perpetual growth		**3.0%**
Target Price		**€ 9,353**
downside		*-4.07%*

terminal growth is set in line with the German 10-year Bond Yield. Based on this assumption, the DDM yields an implied equity value corresponding to a t**arget price per share of 9,353 € at the end of 2026** (Figure 21.c).

Appendix 22. Option valuation

Figure 22.a: Option valuation
(in millions, except target price)

Enterprise value	€ 9,400
Face value of outstanding debt	€ 333
Life time of the option	7 years
Standard deviation *(daily)*	2.1%
Risk free rate	2.9%
Dividend yield	0.8%
d1	26.63
d2	26.57
Equity Value	€ 8,629
Share outstanding	0.813
Target Price	**€ 10,618**
upside	*8.90%*

From a valuation standpoint, equity can be viewed as a residual claim on the firm's assets after all contractual obligations to debt holders have been satisfied. Consistent with structural credit risk theory (Aswath Damodaran), we model equity as a call option, where the strike price is the face value of debt and the underlying asset is the equity value of a company. To estimate equity value at the year-end 2026, we applied the **Black-Scholes model framework** using the following inputs:

Enterprise Value: derived from the DCF model as of end 2026;

Face value of outstanding debt: forecasted book value of debt for LOTB in FY26;

Life time of the option: proxied by the maximum maturity of the second-half FY24 refinancing agreement, which extends up to 7 years. This maturity assumption was consistently applied both to estimate the current market value of debt and to model forecasted market value of debt within the DCF framework;

Variance in the firm: estimated using industry variance data for the Food Processing sector from Damodaran (Jan/2026);

Riskless rate: the German 7-Year Bond Yield as of March 20, 2026, sourced from Trading Economics, selected to align with the assumed maturity profile;

Dividend yield: based on the observed dividend yield as of March 20, 2026.

Based upon this input, **Equity is valued in € 8,629 million** at the end of 2026, corresponding to a target price of € **10,618 per share** (Figure 22.a).

Appendix 23. Monte Carlo simulation

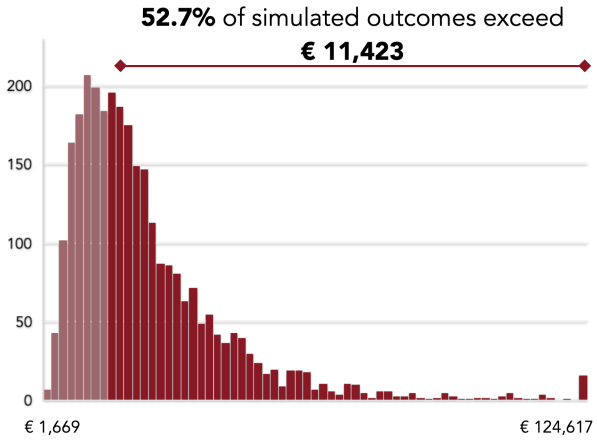
We conducted a Monte Carlo simulation using a triangular method with 5,000 iterations and adjusting key fundamental assumptions of value creation of LOTB. For the most likely values in every variable was assumed the value used in the base case scenario of the DCF model. After that, standard deviation, minimum and maximum were assumed as the Figure 23.a summarizes:

Figure 23.a: Monte Carlo key assumptions

	Most Likely	Standard deviation	Minimum	Maximum
Terminal growth	2.97%	0.50%	2.0%	4.0%
WACC	5.28%	1.00%	4.28%	6%
Biscoff revenue growth	16.80%	6.00%	7.00%	18%
Natural Foods revenue growth	15.24%	6.00%	8.00%	20%
COGS	59.92%	0.8%	58.3%	61.0%
SG&A	20.03%	0.7%	19.0%	21.5%
CapEX	7.11%	3.1%	3.1%	9.5%

This analysis yields an average valuation above both the current share price (observed on March 20, 2026) and the target price. Approximately 52.7% of the 5,000 simulated outcomes exceed the € 11,423 target price, while 63.6% are above the current market price (Figure 23.b).

Figure 23.a: Monte Carlo Simulation results



Max	124,617 €
Min	1,669 €
Mean	14,746 €
Std	11,215 €

Appendix 24. Double materiality matrix

