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DOSSIER

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Our guide to investing
in the thriving pet economy

TRUMP, PART 2
The impact on
Swiss companies

SCHINDLER
Interview
with CEO
Silvio Napoli

PEPPA PIG
The piggy that
keeps giving

→ FRESHPET → ZOETIS → TRUPANION → IDEXX → CHEWY → VIRBAC → ELANCO →

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OMEGA





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Chopard

THE ARTISAN OF EMOTIONS – SINCE 1860

Anything for my cat

Let me start by saying I didn't want to have a cat. I was absolutely categorical about it. I didn't want to deal with cat food, cat litter or cat hair, and I didn't want my sofa to be used as a scratching post. And then, a twist of fate brought Snowflake into my life. What happened next? Well, I'm sure you can imagine. Just like Saint-Exupéry's little prince tamed his fox, Snowflake tamed me. In no time at all, this little cat – who until then was only a little cat just like a hundred thousand others – became the only cat in the world for me. And I'll do anything for him: buy him the best cat biscuits, find him with his tracker when he gets lost, or take him to the vet when I see his nose run.

I'm not alone in that respect. In Switzerland, there are currently around two million cats and about 550,000 dogs, equivalent to one pet for every four people. In the future, there will be even more. As our feature shows, both here and around the world, the number of pets is constantly growing. And more and more often, their owners see them as family members in their own right. In other words, they're willing to spend their money on their feline friends and canine companions: buying the most well-balanced

food and the latest smart toys, but also taking them to the vet several times a year and even obtaining pet health insurance.

According to a study by Morgan Stanley, published in July 2024, American households will spend \$1,445 per pet per year in 2026, compared to \$980 in 2020. And this figure is set to reach \$1,733 in 2030. While inflation plays a role, it doesn't account for all of the increase, which is driven by our increasing humanisation of our pets. It's no surprise that some businesses are making the most of this trend. For example, the world's leading pet food company, Nestlé, saw its pet products division's revenue rise from CHF 11.2 billion in 2013 to CHF 18.9 billion in 2023, an increase of almost 70% in 10 years.

And do we do too much for our pets? The question is valid, especially in light of the harm our cats cause to biodiversity. But it's the time I've invested in Snowflake that makes him so dear to me. Saint-Exupéry's fox purrs like Snowflake in my ear: "One sees clearly only with the heart. Anything essential is invisible to the eyes."

Happy reading!


BY MARC BÜRKI,
CEO OF SWISSQUOTE



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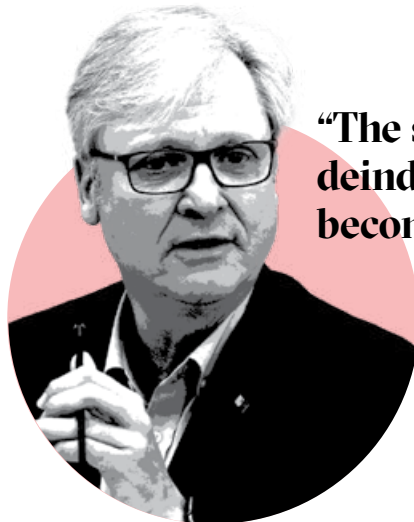
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“The signs of deindustrialization are becoming more evident”

Martin Wansleben, chief executive of the German Chamber of Industry and Commerce, in response to redundancies announced by several German major corporations, including Volkswagen and Miele.

\$209
BN

Amount of investment in artificial intelligence that the four tech giants – Microsoft, Meta, Amazon and Alphabet – could collectively reach in 2024, i.e., 42% more than the previous year, as estimated by Ciklum. These investments have mostly been used to finance data centres and AI tools.



An image from the EA Sports FC 25 game, formerly known as FIFA. The name change of this blockbuster video game has not affected its sales.

G A M I N G

FIFA pulls off its transformation

The FIFA video game, which revolves around the world of professional football, is one of the video game industry's biggest blockbusters. The 30 million copies sold each year generate more than \$3 billion for its developer Electronic Arts, according to the equity research publisher MoffettNathanson. But the company was recently forced to rename the game to EA Sports FC, following a dispute with the

Fédération Internationale de Football Association (FIFA), which wanted to increase the \$150 million paid annually in licensing fees. The loss of this iconic name does not seem to have affected Electronic Arts, which can now work with more sponsors and has reinvested the cash in improving its game. To raise its profile, the US group has also started sponsoring the Spanish league. → EA

RANKING

Five best dividend stocks

(as at 31 October 2024)

1. **TOURMALINE BIO, HEALTH TECHNOLOGY, UNITED STATES**
57.1%
2. **BW LPG, TRANSPORTATION, SINGAPORE**
25.2%
3. **DIVERSIFIED ENERGY COMPANY, ENERGY MINERALS, UNITED STATES**
24.9%
4. **TORM, TRANSPORTATION, DENMARK**
23.3%
5. **ECOPETROL, ENERGY MINERALS, COLOMBIA**
20.1%

Source: Investopedia

Five biggest renewable energy companies

(based on their TTM revenue in July 2024)

1. IBERDROLA, SPAIN
\$50.7 billion
2. GE VERNOVA, UNITED STATES
\$33.7 billion
3. NEXTERA ENERGY, UNITED STATES
\$27.1 billion
4. CONSTELLATION ENERGY,
UNITED STATES
\$23.5 billion
5. VESTAS WIND SYSTEMS, DENMARK
\$16.6 billion

Source: Morningstar



THE IMAGE

China, in stealth mode

Its resemblance to the Lockheed Martin F-35 is almost uncanny. On Tuesday 12 November, the Shenyang J-35A made its public debut at the Zhuhai Airshow in China. Developed by the AVIC consortium, which is listed on the Hong Kong stock exchange,

this fifth-generation stealth fighter is intended to bolster China's military fleets and compete with the F-35 in export markets. But the J-35 remains a prototype, and no official commissioning date has been announced as yet. → 0232

WASHROOMS

Washlets gain popularity

Featuring jet sprays, heated seats and deodorisers, Japanese-style toilets are at the cutting edge of technology. But Toto, the company that leads sales of these “washlets”, has long struggled to sell its products outside its home country. China, which appreciates Japanese products, represented an initial target market, and in

2022, the country generated 17% of Toto's sales. This share has since fallen to 10%, according to *The Economist*, due to the Chinese property crisis. The firm is now focusing on Southeast Asia, India and the Americas. In the Americas, washlet sales rose 34% in the first six months of the current financial year. →4042



“Hyperscalers are driving crazy demand into natural gas”

Murray Auchincloss, CEO of BP, about data centres used to power AI computing.



A museum for Japanese toilet manufacturer Toto in the town of Kitakyushu, Fukuoka prefecture (15 February 2024).

TARIFFS

Chinese cars: the EU imposes its rules

It started with the United States in May, but now the European Union is imposing tariffs on Chinese electric cars. Ranging from 17.8% to 45.3%, these customs duties were introduced to counteract the subsidies granted by Beijing to its car manufacturers, such as preferential financing, land, batteries and raw materials below market prices. The measure will hit Chinese giants such as BYD and SAIC hardest, as well as Tesla, which produces a large proportion of its vehicles in the country. However, some of these sales have shifted to two non-EU countries: the United Kingdom, where Chinese brands have 10% of the market, and Norway, where they have 23%.

+50%

Increase in sales of hybrid vehicles over the first seven months of the year, while sales of electric cars rose by just 8%, according to *The Economist*. These vehicles are popular with customers because they are less expensive and can still be driven without recharging.



“We have to try to safeguard the goose that lays for us the golden egg”

Duma Boko, Botswana's new President, referring to the tense relationship between his country and diamond producer De Beers.

CHOCOLATE

Lindt & Sprüngli downplays its excellence

Lindt & Sprüngli is the target of a class action lawsuit in the United States, following an investigation by a consumer protection organisation that revealed in 2022 that its Excellence dark chocolate bars contained high levels of lead and cadmium. In an attempt to have the proceedings dismissed, the Swiss chocolate-maker argued in September before a New York court that the messages on its packag-

ing – in particular those referring to its products being “expertly crafted with the finest ingredients” – amounted to puffery. In commercial law, this term is used to describe a vague and exaggerated statement about a product without resulting in legal liability. The court was not convinced and refused to grant the Zurich-based group's request. The proceedings, launched in 2023, are moving forward. → LISP



Chocolate bars from the Lindt Excellence range.

© STADLER RAIL / SHUTTERSTOCK / DR



On 29 August, Stadler presented its new RS Zero train, the successor to the RS1 regional shuttle.

TRANSPORTATION

Non-electrified trains

In Europe, 43% of train lines are not electrified. More and more abandoned railway lines are being reactivated in the hopes of speeding up the transition from road to rail, but it is too expensive to power them with electricity. To use these old trains without resorting to polluting energy sources, the Swiss company Stadler Rail has developed a prototype train that can run on hydrogen or an electric battery when it is not connected to a power line. The wagons have a seating capacity of 70 to 150 passengers and an axle load of less than 18 tonnes, maximising their energy efficiency.

→ SRAIL

€25 BN

Ireland's budget surplus in 2024. The figure was revised upwards from an April forecast of €8.6 billion after the EU Court of Justice ordered Apple to pay the country €14 billion in back taxes.

INDUSTRY

British steel: the end of an era

The old-style British steel industry is living out its final hours. The Chinese company Jingye, which bought British Steel four years ago, is planning to shut down the country's last two blast furnaces. In their place, it will install electric arc furnaces, which are more environmentally friendly but require fewer people to operate. Unions speculate that this will lead to 2,000 redundancies. This autumn, Indian giant Tata closed its Port Talbot site in Wales, resulting in the loss of 3,000 jobs. Both groups



benefit from subsidies from the British government and have pledged to invest £1.25 billion each to upgrade their facilities.

→ STGN

THE QUESTION

The liquefied natural gas market is being completely reconfigured – what impact will this have on prices?

A significant increase in supply is expected by 2027, which will push prices down. The Plaquemines LNG production facility in Louisiana (US) is getting ready to be commissioned and Senegal and Mauritania have just begun exports. Plus, the Trump administration looks set to lift the moratorium on LNG exports from the US, while Qatar is planning a huge expansion of its production capacity. These increases are coupled with weaker demand in Europe. The war in Ukraine has made Europeans aware that gas prices could suddenly jump, and this realisation has accelerated the transition to renewable energy. As a result, gas consumption fell by 20% across the continent between 2022 and 2024. But there are also a number of factors that could mitigate falling gas prices. Traffic in the Red Sea is disrupted, affecting LNG imports from Qatar. Russia is still subject to sanctions stopping it from exporting its hydrocarbon resources. And demand from Asia, and particularly from China, has recovered significantly in recent months.

Sergio Ascari, professor at the European University Institute's Robert Schuman Centre in Italy, and an energy market specialist.



“I think [...] what Space X has done is amazing. [...] But] its launchers, satellites, manufacturing, operating the constellation, [...] that’s a super-concentrated model that actually in Europe we are not allowed to think of, for anti-trust rules”

Guillaume Faury, Airbus CEO, at an aviation industry event in Frankfurt.

THE IPO



A hanging sign for Żabka (Old Town, Wrocław, Lower Silesia, Poland).

The “little frog” leaps into the limelight

Żabka, a Polish chain of convenience stores, was floated on the Warsaw Stock Exchange, with a valuation of 21.5 billion zlotys (4.6 billion Swiss francs). The company, whose name means “little frog” in Polish, has 10,500 stores and plans to open another 4,500 by 2028, mainly in secondary towns. In May, the company also opened its first stores abroad, in Romania.

Żabka’s revenue has shot up in recent years, rising from 12.5 billion to 19.6 billion zlotys between 2021 and 2023. Its key benefit is the ingenious design of its stores. Stocks are regularly adjusted to match local customers’ tastes. Some stores are even automated, meaning they are open 24 hours a day, 7 days a week – a rarity in Poland, where most shops are closed on Sundays. → ZAB

STOCK EXCHANGE

SIX acquires London-based Aquis Exchange

Swiss stock exchange SIX announced that it has acquired Aquis Exchange, based in London, for £207 million. Founded in 2012, this alternative platform operates across several sectors, providing fast-growing small and mid-caps with rapid access to capital markets. Companies listed on Aquis include brewers Adnams and Shepherd Neame, Arbutnot Latham Banking Group, and the mining group Wishbone Gold. SIX, which already owns the Spanish stock exchanges, hopes to gain exposure to other European markets and take advantage of Aquis’s infrastructure services.

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The Swiss Stock Exchange headquarters, operated by SIX Group, in Zurich.

ENERGY

Gurit restructures in response to wind power crisis

The Swiss composite materials supplier has generated 10.6% less revenue over the last nine months, compared with the same period in 2023, and expects to lose 5.4% of its net revenue over 2024 as a whole. The company, which operates out of St. Gallen, has been hit hard by the slow-down in wind power, a market it supplies. Businesses involved in producing this clean energy are struggling against rising costs, primarily due to high interest rates and supply issues, amid plummeting wind power prices. In response to these headwinds, Gurit is scaling back its wind power segment to focus on more profitable sectors such as mid-tier and industrial markets. The group has also separated from its CEO Mitja Schulz.

→ GURN

-21.6%

Fall in exports of Swiss watches to mainland China over the first six months of 2024. Shipments of Swiss timepieces imported by Hong Kong, a key market for the watchmaking industry, decreased 20%. These figures reflect the poor health of the luxury sector in the country, where the economy has slowed.



Huawei CEO Richard Yu Chengdong unveils the HarmonyOS NEXT operating system at an event in Shenzhen on 22 October 2024.

SMARTPHONES

China takes on Android and iOS

Some 98% of smartphones sold worldwide run Google’s Android or Apple iOS. But the Chinese company Huawei has decided to join in the race with its own operating system, HarmonyOS NEXT. It will be installed for the first time on the firm’s new Mate 70 series smartphones. This initiative

will enable China, which has been hard hit by US sanctions restricting sales of semiconductors and IT services, to be less dependent on US tech giants. HarmonyOS NEXT is aimed primarily at the Chinese market, integrating specific features such as access to digital yuan.

“President Trump promised to take a fresh look at [...] the level of overreach that we have seen over the last four years within our industry. I think that will be a breath of fresh air”



Delta Air Lines CEO **Ed Bastian** at a meeting with investors in Atlanta.



Passengers on board an IndiGo plane, in April 2024.

AVIATION

Merger in the Indian sky

A transformation is under way in India's airline industry. The full-service carrier Vistara, owned by Singapore Airlines, has merged with Air India, the national airline acquired by Tata Group in 2021. The new entity will cover 25% of the market. The deal is expected to balance out Air India's losses and improve its image, which has tarnished due to pilot strikes and delays. Meanwhile, Indian low-cost airline IndiGo, which has a market share of 62.5%, has recently launched a business class and plans to introduce long-haul flights by 2027.

\$2,700

Price of an ounce of gold at the beginning of November, meaning that prices have soared by more than 30% since the start of the year. Central banks, particularly in emerging countries, and investors are using the precious metal as a safe-haven to compensate for instability caused by the war in the Middle East and the global economic slowdown. At the same time, gold mines are struggling to produce more of the precious metal.



“Quote me when I say it’s a gift from God. I want to repeat it here today, in front of this audience”

At the opening of COP29, held in Baku from 11 to 22 November 2024, the President of Azerbaijan, **Ilham Aliyev**, once again described oil and gas as a “gift from God”.

© NURPHOTO, AFP

BUST

Bumble's stumble

The new advertising campaign for Bumble, an online dating app, took a stab at humour. “A vow of celibacy is not the answer,” one billboard read. “Thou shalt not give up on dating and become a nun,” another commanded. Founded in 2014, the company also chose to allow users to delete one of its most popular features in the settings, which requires men to wait for a woman to contact them before they can send her a message. The backlash was immediate. The app's users criticised the campaign, saying it was misogynistic and shamed women for choosing celibacy. Listed in 2021, the company has lost more than 40% of its value since the start of the year and cut 350 jobs, representing 30% of its workforce. → BMBL



Upgrade to Audi's business class

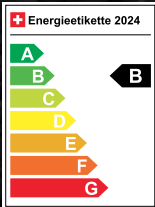
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Audi Q6 SUV e-tron Performance

Gross price	79 900.–
3,3% compensation	– 2630.–
11% EnterprisePlus*	– 8780.–
Your special price	68 490.–
Your discount	11 410.–
Annual interest for leasing	1,99%
Leasing rate per month	439.–



Audi Q6 e-tron performance, 225 kW, 16.7 kWh/100 km, 0 g CO₂/km, category A. Leasing offer: see table above for price calculations, down payment: CHF 17 125. 48 months, 10 000 km/year, annual percentage rate for leasing 2,01%, excluding compulsory comprehensive insurance. Displayed model: Audi Q6 e-tron performance, 225 kW, 18.7 kWh/100 km, 0 g CO₂/km, category B. Plasma Blue metallic finish, full paint, exterior S line, black exterior package, Audi Sport wheels, 5-Y-spoke dynamics, black metallic finish, high-gloss turned finish, 9.0 J | 10.0 J x 21, 255/45 | 285/40 R21 tyres, panoramic glass roof, regular price CHF 90 310, premium bonus CHF 2980, EnterprisePlus discount CHF 9930, cash purchase price CHF 77 400, down payment CHF 19 350. Leasing rate CHF 489/month. Lending is prohibited if it leads to over-indebtedness of the consumer. Financing provided by AMAG Leasing AG. Offer valid for contracts concluded from 1 October to 31 December 2024 or until further notice. Subject to change. Applies to all vehicles imported by AMAG Import AG. Suggested list prices of importer AMAG Import AG. *EnterprisePlus: commercial offer, only available for vehicles registered to companies with an entry in the commercial register.

Further attractive offers for SMEs



Donald Trump shakes up the SEC

The powerful American financial watchdog is getting a new chair at its head. Likely someone who's keen on crypto.

BY LUDOVIC CHAPPEX

One of Donald Trump's campaign promises was to "fire" Gary Gensler, the chair of the Securities and Exchange Commission (SEC), the American financial regulatory authority. Gensler is known for his distrust of cryptocurrencies. Under his reign, the SEC has stepped up fines and lawsuits against multiple sector stakeholders. His actions have often been justified, but in the eyes of the crypto-sphere's proponents, they have sometimes bordered on overzeal-

ous. The case of Ripple, the issuer of the XRP token, remains the most iconic of Gensler's crusade. The Californian firm has spent many long years in a legal battle with the SEC. It ultimately won its case in the summer, but the American financial watchdog subsequently appealed. In short, XRP's supporters are pleased to see Gary Gensler's decision to step down, which will take effect on 20 January, when the Trump administration comes to power.

Among the contenders for the SEC chair, one name was consistently being mentioned at the time of writing at the end of November: Teresa Goody Guillén. According to news website Coindesk, which is often well informed, the blockchain specialist attorney and partner at

BakerHostetler tops the shortlist for Trump's transition team.

"Make the SEC Great Again, Make Crypto Great Again"

Guillén has not hidden her enthusiasm at the idea of taking the SEC's reins: writing on X, she shared the press release announcing Gary Gensler's departure along with a crystal-clear slogan: "Make the SEC Great Again, Make Crypto Great Again." She also added that it was time for the SEC to restore trust and engage with the cryptocurrency industry by eliminating "needless obstacles" that stifle innovation. Another factor in Guillén's favour



© ALAMY

is her experience as an SEC attorney between 2009 and 2011, giving her excellent insight into the institution's workings. Additionally, she's used to taking on the regulator on behalf of blockchain companies and traditional businesses.

Is a new era dawning for the cryptocurrency market in the US? In any case, Donald Trump appears to be taking the sector seriously. According to the *Wall Street Journal*, after his election, he held discussions with the CEO of the Coinbase exchange platform, Brian

Armstrong, at a meeting intended to help him select his future government. The news has left crypto-investors smiling. Meanwhile, the XRP token, which had been stagnating below the 60-cent mark for years, had surged to over \$2.60 by early December. ▲

↑ Gary Gensler, the current chair of the Security and Exchange Commission (SEC), is in his final weeks at the helm of the US agency.

crypto express

Businesses stock up on Bitcoin

The trend is gaining momentum. More and more companies, often operating in the tech sector, are choosing to invest in Bitcoin. The latest example is the Canadian firm Rumble, a YouTube competitor with a stock market capitalisation of almost \$2 billion. At the end of November, Rumble said it would invest \$20 million

of its cash in BTC. At the same time, US computer software company MicroStrategy, a pioneer in Bitcoin purchases, announced that it had bought a record \$21.9 billion (!) in BTC. In early November, Californian healthcare company Semler Scientific purchased an additional 47 BTC for a total of \$72 million in BTC. Outside the United States, the Singapore-based artificial intelligence company Genius Group

announced in mid-November that it had purchased 110 BTC for cash, equivalent to around \$10 million at the current price.

Shattering the 3 trillion mark

The record has been broken. According to CoinGecko data, the total crypto market capitalisation broke through its all-time high in mid-Novem-

ber, passing \$3.1 trillion. That means it will have taken three years, almost to the day, for the market to crush the previous record, which stood at \$3.069 trillion on 9 November 2021 (also based on CoinGecko estimates). A notable difference, however, is that most Altcoins are currently well below their all-time highs (ATH), and BTC alone is driving market capitalisation higher. This has been used as an argument suggest-

ing to enthusiastic YouTubers that there is still plenty of potential to ride the bull cycle.

Charles Schwab in the starting-blocks

As a sign of the times, the US financial services giant is preparing to offer cryptocurrency trading. Through its current President and future CEO Rick Wurster – who will take on his

new duties on 1 January 2025, Charles Schwab announced its plans to offer direct crypto trading to its clients. For now, the bank only offers clients the option of investing in crypto via financial vehicles such as Bitcoin spot ETFs or Bitcoin Futures. Rick Wurster said they had been waiting for a "change in the regulatory environment" in the United States and are "confident... that will come in short order".

TRUMP, PART 2

How will it affect Swiss companies?

The incoming American president wants to introduce import tariffs on foreign goods, heavily impacting certain sectors of Switzerland's economy. Find out more in this interview. BY JULIE ZAUGG

Donald Trump's return to power will have painful consequences for Swiss businesses, particularly those that are dependent on the American market to export their goods. We spoke to Simon Evenett, professor of geopolitics and strategy and a specialist in international trade at the International Institute for Management Development (IMD) in Lausanne.

American president-elect, Donald Trump, wants to introduce import tariffs on foreign goods. What impact will this have on Swiss businesses?

The United States is the top destination for Swiss exports (ed. note: by single-country exports). In 2023, it purchased 17.8% of Swiss goods sold abroad, excluding gold and precious metals. These import tariffs will be painful for the Swiss economy. However, exports to the rest of the world are growing at an annual rate of 1.74%. Even if President Trump's customs tariffs halve sales of Swiss goods to the United States, it would take just five years to compensate for the resulting shortfall. It's also

important to remember that these taxes will only apply to goods, not to services – and services account for a significant proportion of Switzerland's US exports.

Which sectors will be worst affected?

The pharmaceutical industry and manufacturers of machines, electrical equipment, precision instruments and plastics will suffer most. To protect themselves against the new tariffs, they'll have to either turn to less protectionist markets or move their production to the US.

Is moving a realistic option?

The problem isn't so much opening a new plant in the United States. The main challenge will come from recruiting specialist staff locally.

It won't be easy for a manufacturer of precision machines, for example, to find the qualified workers and the engineers it needs in the US. Building that kind of labour force takes years.



“The Swiss pharmaceutical industry is particularly exposed”

Simon Evenett, professor at the IMD in Lausanne

What about the pharma sector? Don't its patents protect it against tariffs?

No, patents have no impact on the import tariffs that President Trump wants to introduce. The pharmaceutical industry is particularly exposed. It produces a significant proportion of its goods in China. If it exports them to the

US, they'll be subject to particularly high customs tariffs. What's more, the US Congress is about to pass the Biosecure Act, which will restrict the percentage of Chinese-sourced active ingredients that can be used in medicines. This new law also establishes limits on the research and clinical trials that can take place in China.

Switzerland's luxury sector derives a significant proportion of its income from the American market. Will it be affected by President Trump's import tariffs?

These customs tariffs will create inflationary pressure on the price of foreign goods sold in the United States, including Swiss luxury products. But the luxury sector is less sensitive to price increases than other sectors. Its customer base is wealthy and can absorb the higher prices.

Will there be an impact on interest rates, either in the US or in Switzerland?

It's expected that interest rates in the United States will fall more slowly than forecast. This will make the dollar a prized investment, increasing its value. The SNB will, however, have to accelerate its interest rate cuts if its exports suffer under new American tariffs, following the EU's →

example, which will decrease the value of the Swiss franc.

Some countries have already indicated that they will introduce their own tariffs in retaliation. Will Switzerland suffer?

Of course! The impact of American import tariffs would be further increased, because Swiss exports would feel the effects on several fronts at the same time. They would struggle to recover.

“Switzerland only has a few strings to its bow”

Simon Evenett, professor at the IMD in Lausanne

Could the Federal Council also decide to introduce customs tariffs on foreign goods?

Switzerland only has a few strings to its bow. Introducing its own tariffs would be futile, because it buys just 2% of American exports. To put it bluntly, no-one in Washington is losing sleep over potential Swiss customs tariffs.

And the free trade agreement between Switzerland and the US? Will it finally see the light of day?

The Swiss side will definitely put it back on the table. But the same stumbling blocks will come back up, in particular Swiss farmers' reluctance to give up their agricultural subsidies. Bern has relatively little negotiating power. I don't expect any such agreement to be concluded during the next Trump administration. ▲



The nominations that count

We take a closer look at the Trump administration's picks to lead the country's economic institutions.

Treasury Secretary

SCOTT BESSENT

Scott Bessent, the founder of the hedge fund Key Square Capital Management, supports the tax cuts and tariff increases that the incoming president wants to introduce.



Business Secretary

HOWARD LUTNICK

Howard Lutnick, the billionaire who manages the financial services company Cantor Fitzgerald, wants to give priority to domestic workers by bringing jobs back to American soil.



United States Trade Representative

JAMIESON GREER

Jamieson Greer is an attorney who, in the first Trump administration, played a key role in implementing tariffs against China and replacing the free trade agreements with Mexico and Canada.



Director of the National Economic Council

KEVIN HASSETT

Kevin Hassett, who has worked for the American Enterprise Institute, a right-wing think tank, wants to cut taxes to help middle-class households cope with inflation.



Co-chair of the future Department of Government Efficiency (DOGE)

ELON MUSK

Alongside Vivek Ramaswamy, Tesla founder Elon Musk is set to lead this new entity whose aim is to reduce the size of the federal administration by eliminating jobs and cutting almost a third of the budget, which stands at \$6,750 billion.

ORNAMENTA

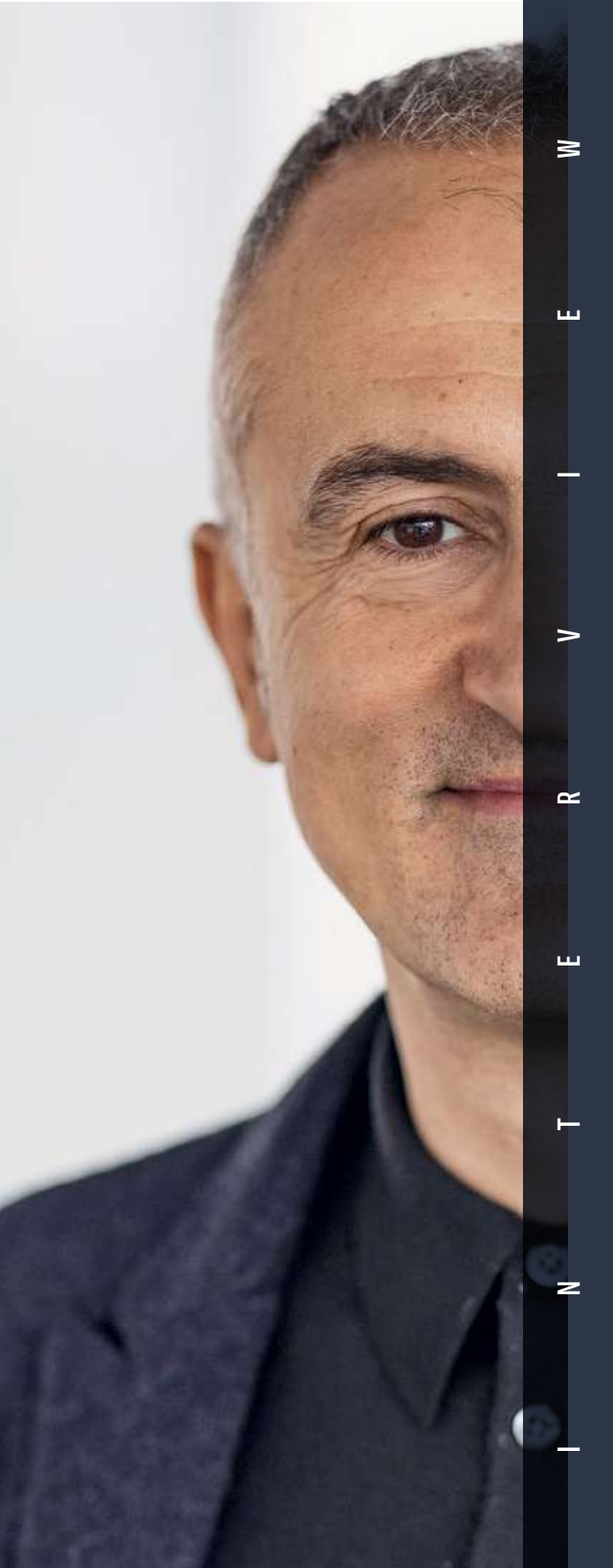
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“INDIA’S GROWTH POTENTIAL IS ENORMOUS”

SILVIO NAPOLI
CEO of Schindler

© SCHINDLER

Schindler, based in Lucerne, is one of the four giants that dominate the elevator industry worldwide. But the firm faces many challenges given China’s economic slowdown and waning profitability. Find out more in this interview.

BY JULIE ZAUGG

Schindler is bearing the full brunt of the property crisis that has been wreaking havoc in China for the past three years. Now, the Swiss company is setting its sights on India, another growth market, and on technological innovation, such as the Internet of Things and artificial intelligence. Income from elevator maintenance also accounts for a growing share of its revenue. Interview with CEO Silvio Napoli.

To what extent has China’s property crisis affected you?

This crisis is unlike any other. China alone accounts for more than 60% of elevator demand, so it is a key market for our industry. New elevator installations in the country have fallen by 35% since 2021. It is also an essential link in our value chain, since many of our component suppliers operate out of China. However, the effect on our revenue is marginal, as China represents less than 15% of our income. That proportion is smaller than the industry average. We’re still gaining market share there, because we operate in resilient sectors. For example, in large cities, developers continue to invest.

Have you noted any signs of recovery in China?

I visit the country four times a year, and I have to say that unfortunately I don’t see any signs that the crisis is abating. The government has adopted measures to support the property market but we are still waiting for the effects to be felt. Forecasts for 2025 remain negative for new installations, but the maintenance market continues to grow.

Let’s talk about markets where growth remains high...

India has a population similar to China’s, around 1.5 billion, but six times fewer lifts installed. The growth potential is enormous, and it is finally beginning to materialise. Its driving force is urbanisation, i.e. new towns are being built and existing urban centres are growing. This has led to a lack of space, which is encouraging construction to go vertical and therefore the need for elevators. Growth in this market is currently between 8% and 9%. We are in a good position to capture this opportunity. We have been present in India, with our own company, for 26 years and operate several factories there.

What about other growth markets?

Brazil is a cyclical market, which has experienced several years of decline. But it’s starting to pick up again, especially with the government-funded programme to build low-income housing. And we’re the leaders in that market. The Middle East represents another opportunity. Several pockets of growth, including Egypt and Turkey, are undergoing rapid urbanisation. The United Arab Emirates are also entering a growth phase, and Saudi Arabia is emerging as a destination with huge potential, even if it’s not yet operating at full capacity. →

IN NUMBERS

CHF 11.5 BN

Schindler’s revenue in 2023, up 1.3%

CHF 935 M

Net profit in 2023, up 41.9%

70,406

Number of employees as at 31 December, 2023

BIOGRAPHY

A TRUE VETERAN

Silvio Napoli joined Schindler in 1994 and has held various positions in Switzerland, Spain, India and China. From 2008 to 2013, he was responsible for the Asia-Pacific region before heading up the division. In March 2016, he left the position to serve as Schindler Group's Chairman of the Board of Directors. In 2022, he became CEO, holding the two roles simultaneously. Silvio Napoli spent his early years in Italy but grew up in Belgium. He holds an engineering degree in materials science from the École Polytechnique Fédérale de Lausanne (EPFL) and an MBA from Harvard Business School in the United States.

You were saying that the maintenance market is seeing strong growth. Can you explain its importance for Schindler?

It's a crucial part of our business model. We're first and foremost a service company. We only install elevators if we have the possibility to provide maintenance for them. The more elevators we install, the more our maintenance and upgrade services grow. They now account for more than 60% of our sales. By providing us with a stable source of income, this business model gives us a way to survive the cyclical trends in the construction industry.

What services do you sell to your clients?

Our goal is to monitor our products over the course of their lifespan. That is why we include a maintenance and upgrade contract when a new lift is installed. This contract lasts for several years and covers regular quarterly or annual servicing, depending on the country's regulations. An elevator's average lifespan is 20 years. At the end of that period, we offer to upgrade it, which extends its lifespan by another 20 years. We sometimes carry out this type of service up to three times. Some of our lifts are over 50 years old.

“We are first and foremost a service company. We only install elevators if we have the possibility to provide maintenance for them”

Is there a specific innovation that sets Schindler apart from its competitors?

We are at the cutting edge in the way we use cloud services to harness data collected from our elevators. We have 27 centres worldwide that centralise and analyse this information in real time. Any anomaly is detected and investigated, allowing us to prevent breakdowns and potentially avoid costly repairs. For example, if our systems detect that an elevator door

has taken half a second too long to close, our technicians receive an alert on their smartphone and immediately go on site with the right tools.

What about artificial intelligence? How does it apply to your industry?

We mainly use AI to automate billing and customer services. AI also accelerates our research and development, especially in software. In addition, elevator data analysis is helping to maximise efficiency. For example, we can leverage AI to understand how certain parts are affected by high humidity or temperatures, and how to improve our manufacturing to prevent these parts from becoming damaged. Our startup BuildingMinds, based in Berlin, uses these tools to study a building's carbon footprint and find solutions to improve it.

What role do escalator sales play in your business model?

We're the world leader in this segment, which accounts for 10% of our revenue. For major projects, such as skyscrapers and airports, we often offer a package combining elevators and escalators. That way, we can offer competitive prices and benefit from synergies in maintenance.



Silvio Napoli, CEO of Schindler, in front of an escalator – a market segment in which the Swiss company is world leader.

Buildings are getting taller all the time. Is there a limit to how high a lift can go?

There are certain limitations in terms of cables and materials, but they can be overcome. However, what we can't overcome is financial viability. The higher you go, the more space elevator infrastructure takes up. Space is needed both above and below. The machine room can be the size of a living room. And if there are a lot of people in the building, you need more lifts to get them to the top.

In a skyscraper the size of the Burj Khalifa in Dubai, the top floors are occupied entirely by the elevator shaft. And this space cannot be monetised. People are not going to pay to take the lift. Estimates say that buildings are no longer financially viable beyond a height of 500 metres. Optimum viability is around 200 to 300 metres tall. Speed limitations also apply. The fastest lifts travel at 15 to 20 metres per second, but pressurisation problems arise at speeds any faster than 14 metres per →

second. Pressurised elevator cabins do exist, but they are expensive.

The elevator industry is highly concentrated, essentially dominated by four players. Will that continue to be the case?

Currently, the top four companies hold around 50% of the market. It's hard to imagine any of them being taken over by a competitor, because that would infringe on competition laws. Thirty years ago, the industry was more fragmented, but a handful of major players have gradually emerged, mainly through acquisitions in mature markets such as the United States and Europe. However, many acquisition targets remain among regional companies. Some, especially in Asia, have strong positions in their initial markets. At Schindler, we spend between 100 million and 150 million Swiss francs per year on acquisitions like that.

What are the main challenges you face?

We need to close the profitability gap with our competitors. We've made progress, but we still have a long way to go. Our EBIT margin is expected to reach 11% this year from 7.5% in 2022. In the medium term, we would like it to be at 13%. To make that possible, we have improved our efficiency, simplified our organisation, and adopted a strict pricing policy. We also introduced a new modular elevator range with interchangeable components and systems. Another challenge involves our workforce. It's not always easy to find skilled workers to install and maintain our elevators. In some countries, such as India and Brazil, we have had to set up dedicated training courses. We start from scratch: technicians

“It’s not always easy to find skilled workers to install and maintain our elevators”

learn how to handle tools or drill holes, before being trained to perform specialised tasks.

Environmental standards for buildings are becoming increasingly strict. How is that affecting your business?

We view these changes as an opportunity that allows us to stand out from the competition, rather than a challenge. Our clients need to improve the sustainability of their buildings, out of ethical duty but also because the new environmental standards adopted in several countries require them to do so, and a failure to comply could lower their property values. We have a central role to play in helping them to achieve this goal.

A Schindler employee repairs an escalator. Services and maintenance account for 60% of the company's revenue.

© SCHINDLER



ANALYST OPINION

HEALTHY BALANCE SHEET BUT MEAGRE MARGINS

For the current year, the overall number of new installations will fall due to the slowdown in China, but the elevator maintenance and upgrade market will continue to grow. “Schindler enjoys a large installed base of lifts, which sustains business for its maintenance department,” says Martin Hüsler, an analyst at Zurich Cantonal Bank. The Lucerne-based firm is also less exposed to China than its competitors Otis and Kone. And its healthy balance sheet gives it a competitive advantage when it comes to making acquisitions. “In the future, growth will be flat for new installations, but is predicted to rise to 3% to 5% in the maintenance division and even hit double figures in upgrade services,” says the analyst. The main challenge for Schindler concerns its margins. They remain low for new elevator installations, due to pressure on prices caused by the shrinking market and the strong Swiss franc. To remedy the situation, the group is trying to improve its profitability, “particularly by developing modular products that achieve economies of scale,” Martin Hüsler adds. He has issued an outperform recommendation. → SCHN

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D O S S I E R

The splendid pet market

© CAROLINE FISCHER, MIDJOURNEY

The number of pets and the amount of money their owners spend on them have increased steadily over the past several years. Business is therefore looking good for companies around the world specialised in the pet industry.

BY BERTRAND BEAUTÉ

With almost two million cats, 550,000 dogs, 500,000 rodents, 300,000 birds and schools-worth of fish... there's no doubt about it, the Swiss love their pets. The latest figures from the Swiss Society for Pet Nutrition (VHN) show that almost one in two households now has a pet. This proportion has risen sharply in recent years, particularly for felines and canines. "For investors, the pet market boils down to dogs and cats," says Jack Neele, portfolio manager at Robeco. "Other animals are insignificant." Identitas, which operates the Swiss animal database, estimates that the number of cats registered in the country rose by nearly 150% between 2016 and 2024 and the number of dogs by more than 13% over the same period (see inset on p. 37 and infographic on p. 39). →

In the United States, 81% admitted that they love their pet more than a family member

And it covers more than just food, which already only accounted for less than half of the market in 2023 (44%), according to estimates from the American Pet Products Association (APPA). This diversified sector is flooded with increasingly high-tech toys and accessories: connected cat flap doors, microchip implants, smart feeders to control food portions, and collars equipped with webcams and GPS trackers. Animal healthcare has also grown into a lucrative sector, as demand increases for veterinary care, pharmaceutical products and pet insurance.

Another notable aspect is that the pet market is proving to be particularly resilient. "Even during the economic crisis of 2008–2009, this sector continued to grow," Jack Neele points out. "You might think that in a recession people would cut back on spending on pets, but that's not the case. They'd rather go out to restaurants less, for example."

"Switzerland merely reflects a global trend: the number of pets is increasing worldwide," says Christoph Wirtz, portfolio manager at Rothschild & Co Wealth Management. Over the last 20 years, the pet industry has grown at an average of more than 5% a year, and the trend is likely to continue. Bloomberg Intelligence predicts that the global market will increase from \$320 billion currently to about \$500 billion by 2030.

Then came the COVID crisis, which was a boon for the industry. Throughout the pandemic, more people wanted to adopt animals, leading to a massive surge in prices. Allianz Global Investors reported that, in the UK, prices of the most popular breeds of puppies rose by more than 100% between July 2019 and July 2020. "With the lockdowns, people spent a lot more time at home, sometimes alone, which boosted pet industry sales," Christoph Wirtz says. Apart from this epiphenomenon, several demographic factors explain the sector's longevity and robustness. First, younger generations are less inclined than their elders to have children and therefore own more pets than older age groups. According to the APPA, 32% of millennials in the United States (Generation Y) have a pet, compared with 27% for Generation X and 24% of baby boomers. Millennials are not only more often pet owners but are also more attached to their pets: in the United States, 81% admitted that they love their pet more than a family member, compared with 76% of Generation X and 77% of baby boomers.

"Pets are becoming more and more humanised by their owners, who consider them family members. They would therefore do anything for them: look after them as if they were their own children, give them the best food so that they stay healthy and live longer, and give them toys," Wirtz explains. An Ipsos

poll published in 2023 reported that 97% of French people say they feel deeply attached to their pet, with 68% going so far as to consider it a full-on family member. Annual household spending on four-legged companions has therefore gone sky-high. A Morgan Stanley study published in July 2024 predicts that, in the United States, annual spending per animal could reach \$1,445 by 2026 and \$1,733 by 2030.

© IFEELSTOCK, ALAMY

The phenomenon is boosted by the ageing population. Older people may own fewer pets than younger people, but they spend much more on them. Allianz Global Investors found that, in the United States, older generations with grown-up children and therefore higher disposable incomes, spend almost 60% more than other age groups on their pets.

Sales of organic food, which have the highest margins, are growing fast

THE CHINESE LOVE THEIR PETS TOO

While the United States remains the world's largest pet market, with forecast revenue of \$150.6 billion in 2024 according to the APPA, up from \$90.5 billion in 2018, new emerging markets, particularly China, are also driving →

→ In February 2015, Karl Lagerfeld told CNN that he had "fallen in love" with his cherished feline, Choupette, and had made the necessary arrangements in his will to provide for her after his death (in 2019).



Costs of owning a pet

Between food, vet visits, medication, insurance, toys, accessories, etc., owning a pet in Switzerland is not cheap. Comparis estimates that a dog costs at least 1,580 Swiss francs in its first year and 1,690 to 4,100 Swiss francs a year afterwards. That does not include the cost of having the animal neutered (250 to 500 Swiss francs) or spayed (500 to 800 Swiss francs). Cats are a bit cheaper, around 435 Swiss francs for a male and 530 Swiss francs for a female in the first year, then at least 40 Swiss francs a month thereafter, not including veterinary costs. Note: for the two favourite animals in Switzerland, the cost can vary greatly depending on the choice of food and veterinarian. Vets are free to set their own prices.



“We are focusing our attention on animal health, which we think is a very good investment”

Jack Neele, portfolio manager at Robeco

For investors, the pet market is therefore attractive in many ways. “It has a good background; it is not very sensitive to economic cycles, and all indicators show that it will continue to grow over the next few years,”

says Jack Neele, portfolio manager at Robeco.

In October, the 9th edition of the China Pet Expo was held in Lanzhou City.

For Switzerland, home to one of the industry giants in Vevey on the shores of Lake Geneva, these forecasts give reason to rejoice. With its many pet food brands (including Purina and its Gourmet, Friskies and Felix lines), Nestlé is the world’s number one dog and cat food company, ahead of such behemoths as General Mills, Mars Inc., Archer Daniels Midland (ADM), The J.M. Smucker Company and Colgate-Palmolive. For the Swiss company, pets are hardly a side business. In 2023, its PetCare division generated \$18.9 billion, or 20.3% of the company’s total revenue, compared with 12.3% in 2013. Pet food companies across the board are benefiting from premiumisation. Sales of organic, no-sugar-added or even vegan food, which have the highest margins, are growing fast, while the market share of more traditional products is shrinking.

However, the best way for investors that want to gain

exposure to the pet food market is not necessarily by investing in these giants. “Pet food is a vast growth market. But the industry leaders are companies that are also active in other sectors, such as Nestlé. The pet business represents only about 20% of their revenue and so their share price is mainly influenced by other factors” says Jack Neele. “To capture growth in pet care, it’s better to invest in pure players.” And these companies are mainly in the animal healthcare sector, especially pharma and medtechs.

GOOD TIME TO INVEST

“We are focusing our attention on animal health, which we think is a very good investment,” Jack Neele continues. Some relatively unknown stars, such as US companies Zoetis and Idexx Laboratories, seem particularly attractive (see company profiles on pages 42 to 49). “The animal health sector is too small to attract big pharma like Novartis



or Roche, but it’s also too complex for new players to emerge easily,” Christoph Wirtz says. As a result, a few players like Idexx, which has almost 60% of the animal diagnostics market, dominate their sector, with excellent growth prospects and little likelihood of competitors eroding their market share.”

Another advantage is that veterinary drugs are faster and cheaper to develop than medication for humans, due to less stringent regulations. “It takes three to five years and an investment of around \$100 million to launch a drug for animals, compared with around 10 years and several billion dollars for a product for humans,” Wirtz explains. “The failure rate of clinical trials is also lower.”

As Jack Neele points out, “The competitive environment is right for investing in animal health. During the pandemic and the explosion in pet sales, shares in these companies soared. Since then, the market has now found a

new equilibrium and the valuations have normalised,” he says, making it a good entry point. At its peak in July 2021, Idexx Laboratories, for example, was trading at around \$685, compared with \$425 today. Most analysts who follow the stock are now expecting it to rise again. This view is supported by the continuing growth in the pet insurance sector, with penetration

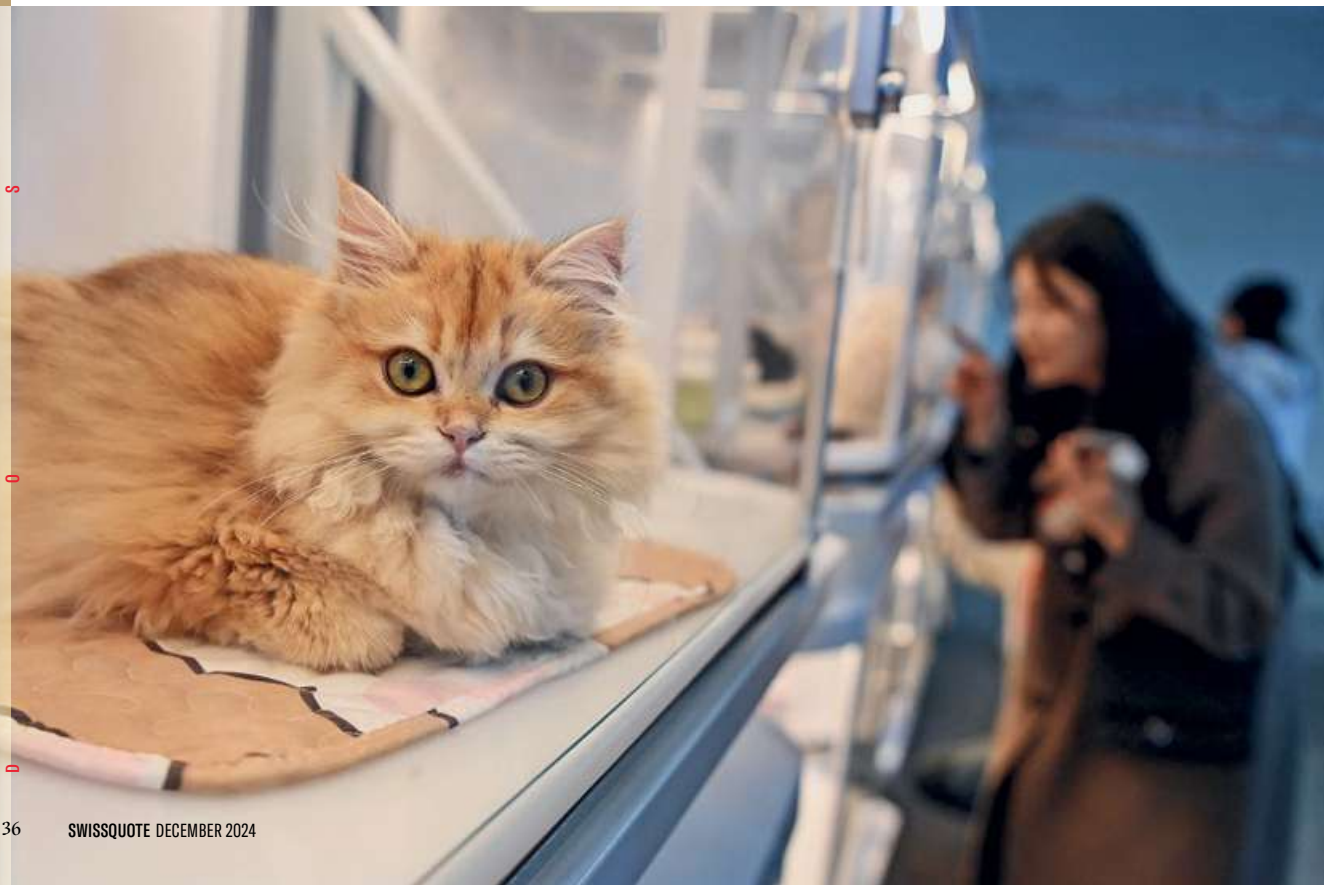
↑ On 25 October, 2024, Louise Mirrer, director of the New-York Historical Society, opened the *Pets and the City* exhibition dedicated to animal companions.

rates now exceeding 50% in countries such as Sweden (see interview on p. 40). “The more people take out pet health insurance, the more likely they are to take their pets to the vet,” Jack Neele says. “The strong growth in the sector will therefore help to boost the sales of animal health specialists.” →

The complex task of counting cats and dogs

In the hearts of the Swiss, as in many Western countries, cats have replaced dogs. But how many four-legged animals are there? The latest figures from Identitas show that 770,384 felines and 553,013 canines were registered in Switzerland in October 2024. But these figures do not tell all. In Switzerland, only dogs are required to be registered. That means that many cats live in our homes without

being officially declared to the authorities. In 2022, the Swiss Society for Pet Nutrition (VHN) estimated 1,853 million felines in Switzerland. That figure has probably exceeded two million by now, given the sharp rise in cat adoption in recent years. Alongside these two stars, there are an estimated 300,000 birds, 493,000 rodents, 413,000 reptiles and 848,000 fish living in our homes.



© JIUMEI DANZENG, AFP/ KEYSTONE

However, a threat may be looming. Dogs and cats are harmful to biodiversity and the environment (see p. 50). Several regions worldwide have decided to restrict the freedom of these animals and, by extension, that of their owners. For example, several municipalities in Australia have introduced curfews and other limitations for cats. Other countries are considering introducing taxes on pets. Similar restrictions are being brought

to the table in the United States and Europe. Is that enough to affect the pet market? “Nowadays sustainability is a major issue, so it’s a complex question,” Jack Neele says. “Maybe pet ownership has a negative impact on the environment, but it also has positive effects. Scientific studies show, for example, that pet owners are healthier than non-pet owners, as they on average spend more time outside walking their dogs for instance.” ▲

An installation in Brighton, paying tribute to pets, photographed on 21 November 2024. Brighton is regarded as the UK’s most pet-friendly city, with 94% of owners planning to involve their four-legged friend in the Christmas festivities.



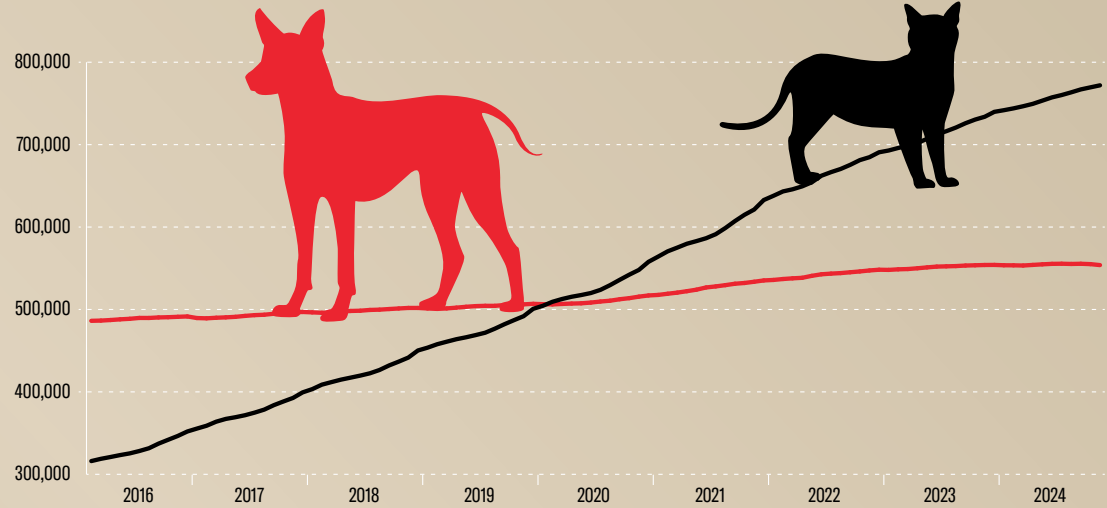
© KEYSTON

Switzerland: a nation of pet lovers

Nearly half of Swiss households have a pet. And this figure is constantly rising, driven by sales of pet cats.

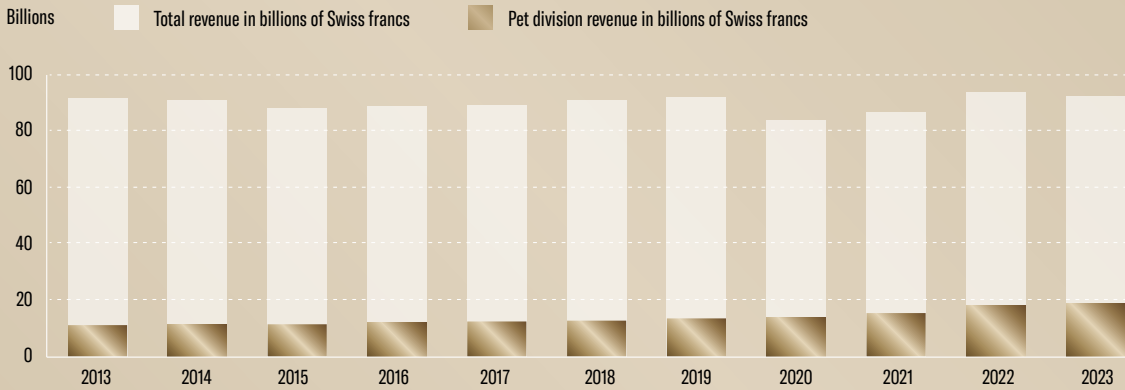
The cat population is soaring

Switzerland is home to almost two million pet cats, 771,963 of which are registered,* compared to 553,833 dogs.



Nestlé, an increasingly pet-focused giant

Twenty years ago, the pet products division accounted for 11% of Nestlé’s revenue, compared to more than 20% today.



SOURCES: NESTLÉ, STATISTA, PROTECTION SUISSE DES ANIMAUX (PSA), ANIMALIA, IDENTITAS

In figures

1,500
to 3,000

In Swiss francs, the annual cost of dog ownership in Switzerland (excluding buying the dog and first-year costs).

1,000
to 1,500

In Swiss francs, the annual cost of cat ownership in Switzerland (excluding buying the cat and first-year costs).

31,500

The number of animals taken in by shelters affiliated with the Protection Suisse des animaux (PSA) in 2023, of which 25,097 were given up by their owners.

\$725 M

The value of the Swiss pet food market in 2024.

“Healthcare costs are rising all the time”

Despite higher vet bills, pet health insurance – while commonplace in Nordic countries – is relatively rare in Switzerland. Charles Perraudin, CEO of pet insurance provider Epona, explains. BY BERTRAND BEAUTÉ

We love them. We pamper them. But we don't insure them. In Switzerland, only a small fraction of cats and dogs are insured, while the majority of pet owners in Sweden have health insurance for their animals. Charles Perraudin, CEO of Epona, owned by Vaudoise Assurances, discusses the bright future ahead for pet insurance in Switzerland.

In Switzerland, barely 10% of pets are covered by health insurance, compared with over 50% in Nordic countries. How do you explain such a huge difference?

In Switzerland, only 17% of dogs and 2.5% of cats are insured. Although these percentages are comparable to those in countries such as Italy, France and Germany, they're still a long way from rates in Nordic countries and the United Kingdom. For example, in Sweden 91% of dogs

and 56% of cats have health insurance. This difference is mainly due to a lack of information. Our research shows that only 50% of Swiss pet owners are aware that animal insurance even exists. If we could inform all owners, the rate of coverage would inevitably rise.

Are there any other hurdles to taking out insurance?

Veterinary care is still relatively cheap in Switzerland, and the population's purchasing power

is high. As a result, many owners simply cover the outlay for veterinary care without getting insurance. On average, a mutual insurance policy costs around 450 Swiss francs a year for a dog and around 300 Swiss francs for a cat, depending on the excess. But as vet bills tend to rise, more and more households are turning to pet insurance. Nobody questions their fire insurance because if your house burns down, you can't afford to cover the costs on your own.

On that basis, you believe that the rate of coverage will definitely increase...

The pet insurance market is already showing strong growth. Ten years ago, less than 5% of cats and dogs were covered in Switzerland, compared to more than 10% today. This trend is likely to continue, even though pet insurance is not mandatory. It's an emotional purchase. As owners become more attached to their pets, they're more susceptible to take them to the vet.



“We believe that by achieving critical mass, we'll eventually be able to generate profits”

In turn, their spending increases, and they may be encouraged to take out insurance. Meanwhile, veterinary care is becoming more specialised and technologically advanced, which means higher costs. These factors make it worthwhile to consider a mutual health insurance policy for pets.

Is this business profitable for Vaudoise Assurances?

Not yet. Pet insurance is not profitable for now, because we're in an investment phase. With its

Animalia and Epona brands, Vaudoise Assurances already dominates the sector in Switzerland, with almost 60% market share. We believe that by achieving critical mass, we'll eventually be able to generate profits. However, certain challenges remain. Our costs are rising, as owners consult us more frequently, and veterinary medicine becomes more expensive. But adjusting our prices accordingly is tricky, because customers may not appreciate it every time premiums rise. Striking the right balance is a challenge.

Does the lack of regulation in the animal health sector also complicate your business?

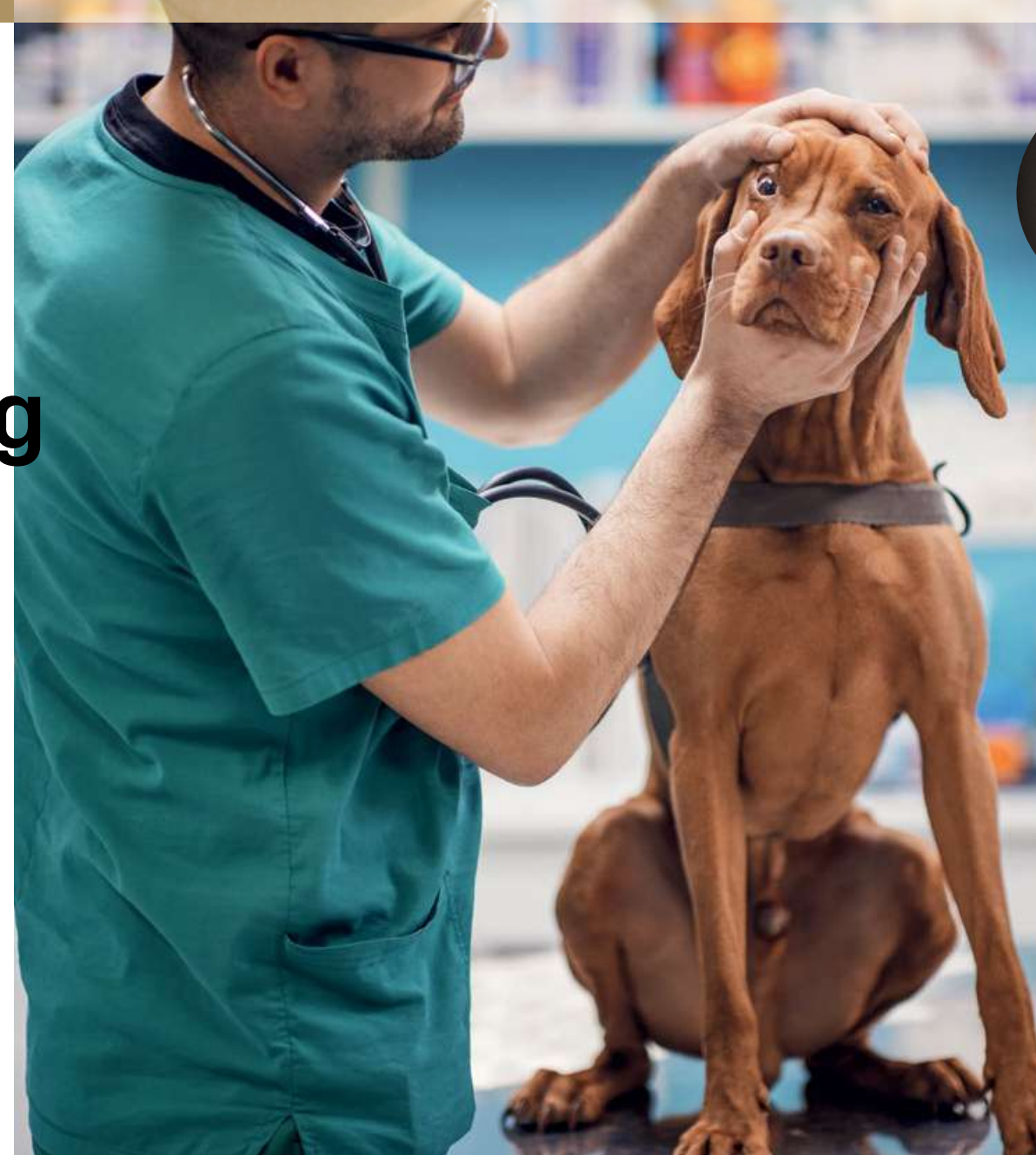
Absolutely. Unlike human healthcare, the animal healthcare industry is not regulated. No standard rate applies for veterinary procedures, and practitioners are free to set their own prices. That leads to major disparities across Switzerland for similar medical services. This unpredictability makes our business more difficult to manage than in human healthcare. ▲

ANALYST OPINION

“The potential is huge”

Expect growth to take off. The consultancy firm Grand Vieux Research predicts that the global pet insurance market, currently valued at \$18.32 billion, is set to grow at a staggering annual rate of 17.97% from 2025 to 2030. “In the long term, the animal insurance sector is highly attractive, with very strong growth expected,” says Christoph Wirtz, portfolio manager Rothschild & Co Wealth Management. “The potential is huge, because more than 90% of pets in most Western countries are not insured.” For the mo-

ment, this is a niche market that is bound to grow fast. “The way we perceive pets has changed,” Wirtz continues. “Their owners increasingly see them as family members in their own right and are therefore more likely to insure them.” This could be a great opportunity for investors. In most countries, the market is covered by large general insurers, such as Vaudoise Assurances, Axa and Allianz in Switzerland. But there are a few pure players around the world, including the US company Trupanion (see company profiles on pages 42 to 49).





13 companies that are baring their teeth

A small number of companies worldwide operates solely in the animal market. We have hand-picked a few of them for you.

BY BERTRAND BEAUTÉ

© ISTOCK / ANGUS MORDANT, BLOOMBERG, GETTY IMAGES



Chewy The Amazon of pet products

In the shadow of generalist marketplaces such as Amazon, Alibaba and Temu, the US company Chewy has managed to carve out a spot for itself amid the fiercely competitive world of e-commerce by concentrating all its strength on a fast-growing market: pet products. With nearly 115,000 items for sale on its mobile app and website, including food, beds,

↑ A delivery box from e-commerce company Chewy, photographed in February 2024 in New York.

litter, clothes, toys and vitamins, Chewy expects its revenue to increase from \$11.15 billion in 2023 to between \$11.6 billion and \$11.8 billion in 2024, representing year-on-year growth of 4% to 5.8%.

The company says it has 20 million active customers who spend an average of \$565 a year

The company says it has 20 million active customers who spend

an average of \$565 a year. Most analysts recommend buying the stock, which has already risen by more than 50% over the first 11 months of 2024. In its market, Chewy competes with Amazon and Etsy, which also sell pet products online, as well as with Petco Health and Wellness Company, which operates over 1,500 stores in the United States.

FOUNDED: 2013 **HEADQUARTERS:** BOSTON (US)
EMPLOYEES: 18,000 **2023 REVENUE:** \$11.15 BN
→ CHWY



© JAVIER TORRES, AP

Zoetis The pet health leader	its animal health business unit Zoetis in an IPO on the New York Stock Exchange (NYSE) for \$26 per share. Barely over a decade later, the stock is trading just under \$180, resulting in a significant increase of almost 4.75%	over the period. And it's not over: most analysts recommend buying the stock. As they should. Zoetis is the world leader in pet health, offering a fairly comprehensive suite of veterinary solutions (vaccines, anti-infective	As generics are uncommon in animal health, Zoetis benefits from a comfortable margin	consider a good momentum for investment.	
	It pays to be independent. In February 2013, US pharmaceutical group Pfizer spun off				↑ A vet at Buin Zoo in Chile fills a syringe with an experimental vaccine against COVID developed by the firm Zoetis, in January 2022.
			FOUNDED: 2013 HEADQUARTERS: PARSIPPANY (US) EMPLOYEES: 14,000 2023 REVENUE: \$8.54 BN → ZTS		
			FOUNDED: 1968 HEADQUARTERS: CARROS (FR) EMPLOYEES: 5,100 2023 REVENUE: € 1.247 BN → VIRP		

PETS AT HOME
The British retailer

Founded in 1991, British retailer Pets at Home sells a wide range of pet products (medication, food, toys, litter, acces-

sories) in its 450 stores and via its app. With 7.8 million active customers, who spend an average of £178 a year,

the company generated sales of £1.4 billion in the 2024 financial year, for year-on-year growth of 5.2%. Most analysts

recommend buying shares, expecting the stock to rebound after the 10% decline over the first 11 months of 2024.

FOUNDED: 1991
HEADQUARTERS: HANDFORTH (UK)
EMPLOYEES: 8,000
2024 REVENUE: £ 1.4 BN
→ PETS

VETOQUINOL
The little French lab

Dedicated entirely to animal health (farm animals and pets), the French laboratory Vetoquinol develops veterinary

medicines. In the first nine months of 2024, the company posted revenue of €398 million, up 1.8% compared with the same

period in 2023. Analysts are divided whether to hold or buy shares.

FOUNDED: 1933
HEADQUARTERS: MAGNY-VERNOIS (FR)
EMPLOYEES: 2,500
2023 REVENUE: € 529 M
→ VETO



← Pet insurance specialist Trupanion allows its employees to bring their four-legged friends into the office. Here, dogs photographed at the company's headquarters in Seattle.

Trupanion

The comprehensive risk insurer

1,688,903. That's the total number of pets insured by US pet health insurance specialist Trupanion in September 2024. The figure may sound high, but it represents only a tiny fraction of the actual number of cats and dogs. North America – Trupanion's main market – has over 200 million pet felines and canines. Of those, 120 million visit the veterinarian every year, but only 4% have health insurance. Considering that more than 50%

of pets are insured in other countries (e.g., in Northern Europe), the pet health insurance market looks set for strong growth in the United States.

Most analysts recommend buying shares, which have already climbed by 75% since the beginning of the year

According to Grand View Research, the global pet insurance market, currently worth \$18.32 billion, is forecast to grow 17.97% a year between 2025 and 2030.

This is good news for Trupanion. In the first nine months of 2024, the US firm generated revenue of \$948.4 million, up almost 17% compared with the first nine months of 2023. In light of this growth, most analysts recommend buying shares, which have already climbed by 75% since the beginning of the year. The only downside is that Trupanion, while growing fast, is losing money. In 2023, the company posted a loss of \$44.7 million.

FOUNDED: 1999 HEADQUARTERS: SEATTLE (US)
EMPLOYEES: 1,000 2023 REVENUE: \$1.1 BN → TRUP

© TRUPANION/CHRISTIAN BEUTLER, KEYSTONE

Idexx

The diagnostics giant

Go to any doctor's surgery and you'll understand. From simple blood tests to biopsies to urine analyses, diagnostic testing has become an essential part of human healthcare. It has taken a few years to catch up, but the same phenomenon is developing in animal healthcare. Idexx Laboratories is the global leader in this sector, developing both the diagnostic machines it sells to veterinary clinics and the software needed to analyse the results. This fast-growing market has enabled Idexx to post annual growth of 7.5% between 2019 and 2024.

As with humans, ageing means more diagnostics and veterinary care

Several factors are likely to ensure that the company's revenue will increase over the next few years. First, the addressable market for veterinary diagnostics is estimated at \$45 billion a year, but only 15% of animals undergo this type of testing. That leaves plenty of room for growth. This potential is amplified by the fact that the

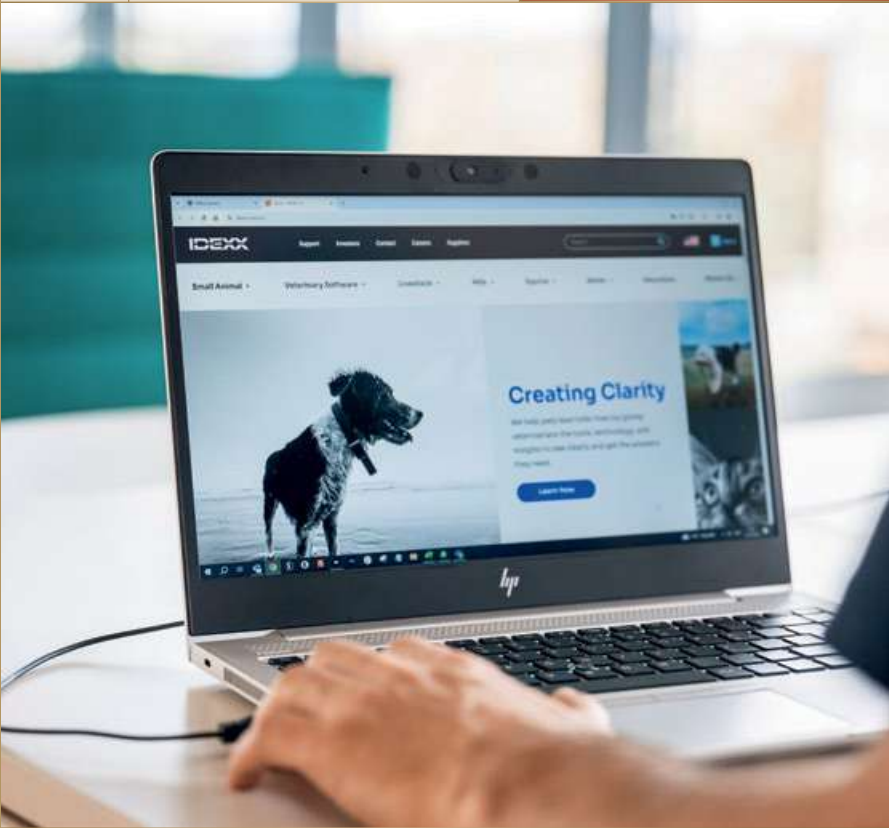
The Idexx Laboratories website, as photographed in Bern in October 2024.

number of pets worldwide is on the rise and that their owners spend more and more on veterinary care. What's more, pets are living longer. Between 2010 and 2023, the life expectancy of dogs in the United States rose by 1.4 years to 13 years, and that of cats by 1.9 years to 14.2 years. However, as with humans, ageing means more diagnostics and veterinary care.

Most analysts recommend buying Idexx Laboratories stock, which has lost nearly 25% of its

value over the first 11 months of 2024. Experts attribute this decline to Idexx's slowing growth post-pandemic. Due to the surge in pet adoptions during lockdowns, the company's revenue took off. Now that daily life has returned to normal, the company has posted guidance on 2024 revenue of between \$3.865 billion and \$3.890 billion, for an increase of 5.5% to 6.2% on the previous year.

FOUNDED: 1983 HEADQUARTERS: WESBROOK (US)
EMPLOYEES: 11,000 2023 REVENUE: \$3.66 BN
→ IDXX



PET VALU

The all-Canadian chain

Canadians' favourite retailer when it comes to shopping for their pets, and with a market share

of 18%, Pet Valu operates 805 stores in Canada and an e-commerce site. The rapidly growing com-

pany planned to open 40 new stores in 2024, for a total of 822 physical retail sites by the end of

December. Most analysts recommend buying Pet Valu shares.

FOUNDED: 1976 HEADQUARTERS: MARKHAM (CA)
EMPLOYEES: 2,500 2023 REVENUE: \$1.4197 BN
→ PET

VIMIAN

The Swedish laboratory

The animal health expert Vimian is active in four areas: specialty pharma, veterinary

equipment (med-tech), diagnostics and veterinary services. In September 2024, the

company finalised the deal to acquire iM3 Dental, to strengthen its position in animal

dental care. Most analysts recommend buying shares.

FOUNDED: 2015 HEADQUARTERS: STOCKHOLM (SE)
EMPLOYEES: 1,100 2023 REVENUE: € 331.7 M
→ VIMIAN

Elanco
No. 2 in animal health

In a shift to refocus on human health, most big pharmaceutical companies have sold off their veterinary divisions in recent years, such as the US group Pfizer (Zoetis IPO in 2013) and the French firm Sanofi (sale of Merial to Boehringer Ingelheim in 2017).

Until 2019, Elanco was the
veterinary division of US
giant Eli Lilly

The American company Elanco Animal Health emerged from this divestment spree. Until 2019 and its IPO as an independent company, Elanco was the veterinary division of US giant Eli Lilly. Since then, the company has forged its own path, acquiring Bayer’s Animal Health business unit in August 2020 for \$7.6 billion to become the world’s second-largest animal healthcare player behind Zoetis. Most analysts approve of this strategy and recommend buying the stock, which has lost almost 10% of its value over the first 11 months of the year. This opinion is based on the company’s positive outlook: Elanco expects to generate revenue of between \$4.42 billion and \$4.45 billion in 2024, up 3% from 2023.

FOUNDED: 1954 HEADQUARTERS: GREENFIELD (US)
EMPLOYEES: 10,000 2023 REVENUE: \$4.417 BN → ELAN

Freshpet
The top chef

In Switzerland, there are almost two million cats and over 550,000 dogs. That’s a lot of mouths to feed. In 2024, Fortune Business Insights values the global pet food market at \$126.66 billion. And between now and 2032, the segment is expected to grow at an annual rate of 5.45% to \$193.65 billion.

The pet food industry is dominated by a few multinationals (Nestlé, Mars and General Mills), but a handful of newcomers are also vying for a chunk of this juicy market. For example, the US company Freshpet, founded in 2006, focuses on healthy, fresh food. The idea is to keep the palates of our four-legged companions happy... or rather, their owners’ wallets. “Pet owners increasingly see their pets as full-on family members. That means they’re willing to spend lavishly to make sure they get a healthy diet,” says Christoph Wirtz, portfolio manager and equity analyst at Rothschild & Co Bank.

This change in mindset has sent Freshpet’s sales soaring. In November 2024, the company posted its 25th consecutive quarter with year-on-year sales growth of over 25%. Its 2024 guidance shows total revenue

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The US
company
focuses on
healthy,
fresh food

of \$975 million, i.e., growth of 27% from 2023. These figures rank Freshpet far behind food giants like Nestlé, whose pet food division generated 18.9 billion Swiss francs in 2023. But with its foods labelled as healthy (no added sugar, artificial flavours, GMOs, additives or preservatives), the small company posted a margin of 46.5%

American singer-songwriter Meghan Trainor, pictured here in November 2024, is a brand ambassador for Freshpet.
↓

in Q3 2024, outperforming the 20% margin of Nestlé’s petcare division. Most analysts recommend buying Freshpet shares, which have already climbed 80% since the start of 2024.

FOUNDED: 2006 HEADQUARTERS: SECAUCUS (US)
EMPLOYEES: 1,000 2023 REVENUE: \$766.9 M
→ FRPT



CENTRAL GARDEN & PET
Leader in its industries

A market leader in the worlds of gardens and pets in the United States, Central Garden & Pet

sells a wide range of specialised products to both private and business customers. In the 2024

financial year ended 30 September, the company generated revenue of \$3.2 billion, of which \$1.8

billion (56%) came from its pet division. Most analysts recommend buying the stock.

FOUNDED: 1980 HEADQUARTERS: WALNUT CREEK (US)
EMPLOYEES: 6,700 2024 REVENUE: \$3.2 BN
→ CENT

PETCO HEALTH & WELLNESS
The animal wellness expert

Founded in 1965, Petco Health & Wellness operates more than 1,500 sites in the United

States, Mexico and Puerto Rico, including over 100 veterinary clinics that also sell food

and medicines. Most analysts recommend holding shares.

FOUNDED: 1965 HEADQUARTERS: SAN DIEGO (US)
EMPLOYEES: 29,000 2023 REVENUE: \$6.3 BN
→ WOOF

Cats: serial killers on the loose!

Found on every continent, domestic cats hunt anything they can get their sharp little claws on. In total, that's 2,000 species, of which about 100 are endangered. Basically, our furry felines are a real threat to biodiversity. BERTRAND BEAUTÉ

“Cats don't just hunt mice. They go after all sorts of prey. They are opportunists”

Nathalie de Lacoste, ecologist

So adorable, with their small, rounded paws and soothing purrs. Their sweet-looking faces make owners sometimes forget it, but our beloved cats are actually bloodthirsty killers. “Cats are super predators,” says Nathalie de Lacoste, an ecologist who has conducted research on how these pets impact biodiversity. “For about 30 years, we've known about their harmful impact on biodiversity across the globe.” In 2000, the International Union for Conservation of Nature (IUCN) ranked cats among the 100 of the world's worst invasive alien species (plants and animals).

The figures are indeed staggering. In 2013, research published in the journal *Nature Communications* alerted people to the problem, estimating that cats kill between one and four billion birds and between six and 22 billion small mammals in the United States every year. While the authors pointed out that unowned cats – not feline pets – were the main cause of all the slaughter, they also emphasised that owned animals are generally free-ranging. Since that study, the world's cat population has grown steadily, now at about 600 million, of which two million are in Switzerland.

“The explosion in the number of domestic cats worldwide poses

a problem, because it increases predation,” Nathalie de Lacoste says. “Especially because cats don't just hunt mice. They go after all sorts of prey. They're opportunists.” A summary published in December 2023 in the *Nature Communications* journal reported that cats eat 2,084 different species, of which 347 (16.65%) are “of conservation concern”. The authors continue, “Our study sheds light on the predatory habits of one of the world's most successful and widely distributed invasive predators.”

In her study conducted in France, Nathalie de Lacoste listed the species most hunted by domestic cats. Of the prey

brought home, 68% were small mammals (mice, voles and other rodents); 21% birds – namely blackbirds, robins, chickadees, finches and sparrows; 8% reptiles; followed by amphibians and insects. “Many domestic cats never go outside,” the scientist says. “But those that do devour millions of animals every year, with one advantage over their prey and other predators – they are fed and cared for by their owners.” No exhaustive study has been carried out in Switzerland to precisely count all the tiny victims of felines, but estimates put them in the tens of millions every year.

A study published in 2011 in the journal *Global Change Biology*

reported that the introduction of invasive cats to 120 islands is responsible for at least 14% of bird, mammal and reptile extinctions and is the top threat to almost 8% of critically endangered birds, mammals and reptiles. As a result, several island countries have set restrictions on cats. For example, in New Zealand, hunting contests have been organised to kill stray cats, and in Australia, several municipalities are considering cat curfews or requiring them to be kept on a lead. Closer to home, the German town of Walldorf introduced a special lockdown in 2022. In an effort to protect the endangered crested lark, from April to August cats were →

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only allowed out on a lead. In the long term, this new awareness could threaten economic activities relating to cats, as some governments are considering limiting their numbers.

Even Switzerland has begun looking at the issue. In 2024, the Swiss Climate Protection Association worked on an initiative to curb the proliferation of domestic cats, before giving up. One idea was a 10-year moratorium on importing and breeding cats. Another was mandatory registration for cats and for a fee, as is already the case for dogs. In the short term, this will not happen, as cats are such a sensitive and politically charged subject.

Despite this, the City of Bern's biodiversity guide says it flatly: "Don't get a house cat." That said, no canton is currently planning to take any restrictive measures against cats, because the people would not accept it. "It's a cultural issue," says ecologist Nathalie de Lacoste. "In

Australia and New Zealand, cats have done a lot of damage, and the public is ready to agree to coercive measures against them in order to protect biodiversity. However, in Europe that is socially impossible. People are very attached to cats' freedom." Thomas Hofstetter, a Bern City Council member (Liberal-Radical Party), agrees. "It's fascinating," he told the Swiss newspaper *NZZ*. "Nobody wants to get mixed up in this issue. Cats are simply too popular."

The City of Bern's biodiversity guide says it flatly: "Don't get a house cat"

Nathalie de Lacoste says, "We shouldn't make cat owners feel bad or set restrictive measures that they won't agree to. Instead, we need to raise their awareness to the biodiversity issues and offer advice about

how to limit the impact of their pets." Measures include sterilisation, because abandoned or lost cats then reproduce; putting bells or coloured collars on cats, because this makes them less effective hunters; preventing them from going out at dawn and dusk, when their prey is most vulnerable; or playing with them. Yes, that's right. A study published in 2021 by the journal *Current Biology* showed that playing with your cat for a few minutes each day and feeding it a meat-rich diet significantly reduce its hunting instinct.

In the City of Bern, Thomas Hofstetter tabled the idea of a tax on outdoor cats, similar to the one in place for dogs. "A fee would be the most effective," he told *NZZ*. "On the one hand, it would raise the barriers to owning a cat, and on the other, the revenue generated could be used to protect biodiversity in accordance with the polluter-pays principle." ▲

A taboo subject

"Cats are a disaster for biodiversity. Dogs are a disaster for the climate." That remark, stated on the French television channel LCI in December 2023 by François Gemenne, a member of the Intergovernmental Panel on Climate Change (IPCC), triggered an outcry. In the days that followed, the scientist received death threats, not to mention all the fury-driven reactions on social media from "animal lovers". However, there is little debate in the scientific literature on the subject: yes, dogs and

cats – our beloved pets – have a significant environmental impact. Cats, the most popular animal in Switzerland with almost two million, pose a serious threat to biodiversity. But when it comes to the climate, our four-legged friends indeed make a paw print. In 2009, the book *Time to Eat the Dog?* caused ire among dog lovers by claiming that the meat eaten annually by an average dog had twice the environmental impact as driving an SUV 10,000 km. While the measure itself is largely

debatable, especially because most pet food is derived from by-products of the human food industry, the food we give our pets is definitely not without impact. In a 2022 study published in *Scientific Reports*, researchers showed that a 10 kg dog (about the size of a dachshund) on a wet diet in Brazil would be responsible for 6,541 kg of CO₂eq per year, or 98% of the total emissions of an average Brazilian citizen. In contrast, the same dog on a dry diet would be responsible for 828 kg of CO₂eq.

Abandoned pets

It's a sad reality: in 2023, shelters affiliated with the Protection Suisse des animaux (PSA) took in more than 31,507 animals. Of these, 25,097 had been given up by their owners (up 16% on 2022), 5,237 had been found by others, and 1,173 came from official seizures.

Fish are the most commonly abandoned pet, with 18,614 taken in by the PSA in 2023 (up 26% on

2022), followed by cats (7,606, up 6%) and dogs (1,838, down 10%). In Switzerland, owners can legally give up ownership of a pet if they find a shelter that can take the animal. However, simply abandoning them is punishable by up to three years' imprisonment and/or a fine. Cats in particular are often abandoned in the wild, leading to impacts on biodiversity. "When cats are abandoned, they become feral and, if they're not

neutered, breed very quickly," says Nathalie de Lacoste, an ecologist.

Julika Fitzi-Rathgen from the PSA recommends that those looking for a pet should contact animal shelters: "It eases the pressure on shelters and helps protect animals. It's a much better approach than buying pets from online sellers who don't always take their responsibilities seriously."

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“We’re turning cats into dogs”

Dogs, long known as “man’s best friend”, are losing their place in people’s hearts – and being replaced by cats. Eric Baratay, a professor at Université Lyon 3 and a historian specialising in human-animal relations, explains. BY BERTRAND BEAUTÉ

T

he story of the domestic cat is a true epic. Before lolcat memes and other cute cats made them into social media stars, our feline friends had a long shared history with humans. According to a 2017 study published in the journal *Nature Ecology and Evolution*, the first signs of the domestication of cats date back to 7500 BC in Cyprus, where a cat’s skeleton was found in a child’s tomb. Since then, cats and people have been inseparable, from Ancient Egypt, where they were worshipped as gods, to today, where they have become the Western world’s favourite pet. Let’s not forget that just 30 years ago, dogs were the most common household pet in Switzerland – but today, cats outnumber dogs almost four to one. Eric Baratay, a specialist in human-animal relations and the author of the book *Cultures félines (XVIII^e–XXI^e siècle)* [*Cat cultures (18th–21st century)*], shares his insights into this phenomenon and its consequences.

The Swiss pet market is constantly growing. How do you explain this phenomenon?

Switzerland is in line with a global trend dating back to the 1950s and 60s. Having an ever-increasing number of pets is a long-term trend linked to our changing society. In the past, animals had a role – dogs protected property, cats chased mice – and letting them come into the house or sleep on their owner’s bed was unthinkable. In the 19th century, for example, having a dog on a lead was extremely unusual. In Honoré de Balzac’s novel *Béatrix*, an elderly aristocrat walks his dog on an elegant lead and becomes the laughing stock of the entire town. And then, gradually, our pets became more and more integrated into the family, eventually becoming members

in their own right. People look after them more, talk to them, and spend more money on them. It’s interesting to note that the same revolution has taken place with children: in the early 20th century, parents – and fathers in particular – didn’t talk to their offspring much. But today, they play with their children and will do anything for them, including getting them a pet. And as pet ownership is strongly correlated with having children in a household, the number of pets is increasing.

And yet people often link the increase in the pet population with falling birth rates. Is that not true?

There’s long been this idea that animal lovers are misanthropes or single and childless, filling the void of loneliness with a cat or

a dog. In September, Pope Francis referred to this trope, saying that “in some countries, people prefer to have a cat or a small dog” rather than have children. But in reality, that’s not the case. When you live on your own, having a pet isn’t always easy because of the obligations they bring. Statistically, households with children are most likely to have pets.

In recent years, cats have overtaken dogs as the pet of choice. What’s behind this phenomenon?

Thirty years ago, dogs significantly outnumbered cats, and then, from the end of the 20th century, the curves start inverting to the point that cats are now greatly in the majority. The main reason for this change is that dogs appear to require more from their owners. For example, they have to take them on daily walks and pick up their waste. Cats, on the other hand, are seen as more independent and their owners think they can be left alone for longer.

Is that not true?

Less and less. We’re doing to cats what we did to dogs a century ago. In the 19th century, owners didn’t play with their dogs. They were functional animals. In his 1918 novel *A Man and His Dog*, Thomas Mann describes this relationship very clearly: he walks his dog, but the arrangement doesn’t go much further. For example, the dog never comes into the house. And then, gradually, we began playing with dogs and bringing them into the home.



“Since the 2000s, vets have been seeing an increase in separation anxiety among cats”

So much so that, for a long time, there was a huge divide between cat owners and dog owners. Cats were seen as non-conformists, as anarchists, while dogs were caricatured as faithful companions. But for around 20 years, we’ve been asking cats to be more and more like dogs. We want them to be friendlier, more playful, more interactive, more affectionate, more sociable. Breeders then select litters and crosses with these traits to meet demand, and so this trend has created a new type of cat: “dog-like cats”, which enjoy attention, are playful and affectionate, and can even be walked on a lead, just

like dogs. As a result, since the 2000s, vets have been seeing an increase in separation anxiety among cats – a disorder that has been known in dogs since the 1970s. But there are also cats that refuse to adapt or to behave like dogs. Such “failures” sometimes end up in animal shelters.

Has the increase in the number of pets led to a rise in abandonment?

That’s the consequence of this trend. A lot of people succumb to the temptation of getting a pet without thinking about the associated obligations and costs, but they also have high expectations in terms of behaviour. And as a result, owners sometimes find the reality of pet ownership disappointing, which leads to pet abandonment. For cats, this phenomenon has long been hidden within society, because while a cat would leave and never return after being locked out for a few days, a dog would remain at the door, barking. As dog-like cats become more common, this could change because of their much greater attachments to people.

When cats are abandoned, they become feral, which has consequences on biodiversity.

The increase in the cat population in general has a considerable impact on biodiversity. Countries like New Zealand and Australia have implemented strong measures to protect their local environment. It’s an issue that’s starting to be discussed in the United States too. In Europe, however, it hasn’t received much attention and it’s confined to scientific circles. Society isn’t ready for it. And yet prevention is better than cure. If we wait too long, one day, we’ll need to take drastic measures against cats. ▲

ENTERTAINMENT

How a little pink pig conquered the world

When it acquired the “Peppa Pig” brand in 2019, Hasbro got its hands on a goose that lays golden eggs. This colourful universe has spun off into countless products, while providing the company with a profitable, risk-free franchise model.

BY JULIE ZAUGG IN LONDON

T

he red double-decker bus begins to rumble. Inside, a dozen families are seated at tables with colourful patterns, under a ceiling painted light blue and decorated with fluffy clouds. “Welcome to Peppa Pig’s afternoon tea!” the host trumpets into his microphone, before launching into one of the songs that have made the show such a hit. As the bus pulls away, guests are served a tray of biscuits in the shape of Peppa’s head, along with strawberry

macaroons, mini sandwiches and scones. They nibble away as they enjoy a sightseeing tour of London’s top attractions. In parallel, a tablet plays clips from episodes showing Peppa and her friends in Trafalgar Square or on Tower Bridge. The children burst out laughing when the Queen tries to drive her bus across the drawbridge while it is raised.

The tour is just one of the many ways the show has been adapted, becoming one of the most profitable franchises for children. In 2022, the most recent year for which figures are available, the *Peppa Pig* franchise generated \$1.7 billion worldwide in merchandise sales and licensing deals in 180 countries, *Fortune* magazine reports. The series has been translated into more than 40 languages, and was the fourth most watched show worldwide last year, following Masha

and the Bear, *SpongeBob SquarePants* and *PAW Patrol*, estimates Parrot Analytics.

Peppa Pig was created in the early 2000s by illustrators Neville Astley and Mark Baker, and producer Phil Davies, whose previous animated series broadcast on the BBC had just been cancelled. They felt that children’s programming was lacking in stories centred on the everyday family life, so they created a cartoon featuring a little pink pig who lives in a house on a hill with her little brother and her parents.

The trailer was sent to all British television channels and initially met with a wave of rejections. They feared that the 2D characters, whose two eyes are on the visible side of their faces to make them more expressive, would be difficult to make into toys. Channel 5 finally gave them a chance, and the first episodes were broadcast in 2004. Success quickly ensued, especially after the show hit the Nick Jr. channel in the United States in 2011, making it a global phenomenon.

“*Peppa Pig* is aimed primarily at pre-school children aged 2 to 5,” says Amy Lu, a specialist in children’s communication at Northeastern University in the United States. “At this age, they have difficulty understanding narratives or emotions that are too complex,” she explains. “By staying focused on the experiences they have in their day-to-day lives, with their friends at daycare or with their families at home, *Peppa Pig* allows them to identify with the characters in the show.”

The storylines covered in the episodes include events as ordinary as a dentist visit, a birthday party, a walk in the woods or a holiday in Italy. “There are no villains or major conflicts, and the graphics consist of simple lines and bright colours, as well as funny sound effects – e.g. oinks – that are sure to appeal to its young audience,” the professor says. →

This London City Tour bus for families is entirely decorated in *Peppa Pig* colours, with entertainment to match. ↓





But the show also had to appeal to parents. “At age two or three, a child is too young to choose which programme to watch,” says Benjamin Burroughs, an expert in emerging media at the University of Nevada. “So it’s up to their parents to decide, and they’re going to opt for healthy, educational content.” In Burroughs’ view, *Peppa Pig* has risen to that challenge by promoting values such as friendship, sharing, empathy and problem-solving.

Peppa Pig also filled a gap in the market. “Apart from Bluey and CoComelon, two other programmes for toddlers, there isn’t much available in the segment,” Amy Lu says.

↑
A children’s ride at Paultons Park in Romsey, England, inspired by the world of *Peppa Pig*, like countless others around the world (21 April 2024).

In 2015, Entertainment One, a distributor whose library of films includes *Twilight* and *The Hunger Games*, as well as children’s series *PJ Masks* and *Ricky Zoom*, acquired 70% of the studio founded by the three creators of *Peppa Pig* for £140 million. The show then went international, appearing on the Netflix, Amazon Prime and YouTube streaming platforms.

This exposure brought with it its share of controversy. The show was denounced for the family of pigs not wearing seatbelts in the car or helmets on their bikes, and

also for frequently calling their GP Dr Brown Bear for minor ailments and therefore wasting healthcare system resources, and so forth.

In the United States, some parents complained that their children had started using British expressions after watching *Peppa Pig*

The absence of alternative family models, especially same-sex parents, was also criticised, as were the frequent jokes about Daddy Pig being overweight.

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In the United States, some parents complained that their children had started using British expressions after watching *Peppa Pig*. In China, the show was censored in 2018 by the Douyin platform after internet users stole the pink pig’s image to create pornographic memes, making it a subversive symbol against the government.

“If Peppa wears a mermaid costume in an episode, it will just as soon go on sale in the real world”

Amy Lu, specialist in children’s communication at Northeastern University in the United States

This has not stopped *Peppa Pig*, which now has over 400 episodes, from gaining in popularity, even in China, a traditionally tough market to tap into for foreign children’s content. The sweet little piglet has even been given her own film, released in 2019, the Year of the Pig.

That same year, *Peppa Pig* truly entered the big leagues, when Entertainment One (eOne) was taken over by toy giant Hasbro for £3.3 billion. The US group “needed to buy a studio to get its hands on intellectual property that it could monetise,” says Arpine Kocharyan, a UBS analyst who covers Hasbro. The eOne Family & Brands division was the key target, with its little pink pig and other bankable stars. This became obvious as Hasbro sold off all the other eOne divisions within just four years.

Until this acquisition, the US toy and game giant had only been active in the pre-school segment through the Play-Doh brand. And it immediately set about plucking its new golden goose. “The *Peppa Pig* brand was

already well-known and loved, but Hasbro turned it into a truly global phenomenon, mostly thanks to its extensive distribution network,” Arpine Kocharyan says. The result has been an almost infinite range of toys and related products.

“Inspired by what has been done for other brands such as *Transformers* and *My Little Pony*, Hasbro has started to sell its toys through mass retailers such as Walmart,” Benjamin Burroughs says. And with deft agility. “If Peppa wears a mermaid costume in an episode, it will just as soon go on sale in the real world,” Amy Lu adds.

In its latest merchandising initiative, Hasbro is preparing to open a store dedicated entirely to Peppa and her universe.

Covering 260 square metres in the Battersea shopping centre, it will be located in a former power station in South London. Wedged between a *Transformers* shop and a games room with colourful wooden houses that look as if they come straight from an episode of *Peppa Pig*, the store will sell toys, clothes, books, suitcases and sweets featuring the characters from the show.

The location will also host events where people can meet Peppa Pig and her friends, an interactive area with fake muddy puddles for jumping – a recurring theme in the series – and a big screen playing episodes of the cartoon. “My daughter loves *Peppa Pig*,” Sian says enthusiastically, as she walks past the new shop with a pushchair. “She asks for every toy and I’ve even had to buy her *Peppa Pig* strawberry yoghurt.” →

Chinese police officers walk past a drawing of Peppa outside Yu Yuan Garden in Shanghai. After being censored by the regime for a period, the pink pig has continued to gain popularity in the country.



In addition to selling its own merchandise, Hasbro has introduced an astute licensing programme that allows other companies to pay to use the image of the little pink pig. You can now find yoghurt, vitamins, pasta, trainers, pyjamas, a podcast and music albums donning the *Peppa Pig* mark. Partners include big names, such as Reebok, Heinz, Lego, Yoplait and Audible.

AN UNSTOPPABLE MACHINE
“The machine is unstoppable,” says Arpine Kocharyan of UBS. “Hasbro receives 18% to 20% of the value of the goods sold, in the form of royalties, without having to bear the costs or risks associated with rolling the products out.” The most ambitious iteration of the model is the brainchild of Merlin Entertainments, which plans to build at least four *Peppa Pig* theme parks worldwide. Two of them are already open.

The first opened in 2022 in Florida, followed by a second in May this year in Günzburg, Germany. The Group is preparing to open another in Texas in 2025 and

plans to open one in Shanghai by 2027. “The aim was to translate the cartoon’s universe into the real world,” says Josh Tilley, strategy director at Initials CX, an agency responsible for developing the identity of the *Peppa Pig* parks. “We imagined ourselves as a three-year-old child, to understand how they would experience the attractions.”

The result is a park where there are hardly any queues, the decor is toddler-friendly, the food and drink available caters to the tastes of the age group, and you can see everything in just a few hours. Mini rollercoasters had to be designed, inspired by the red car in *Peppa Pig*, with a maximum speed of 26 km/h and a maximum height of 4.4 metres.

“*Peppa Pig* theme parks allow the brand to reach new audiences, while solidifying the allegiance of those who are already fans,” says Benjamin Burroughs, who sees a parallel with the strategy adopted by LEGO Group and its LEGOLAND parks. He believes that by giving visitors an “immer-

sive experience”, they can form an emotional bond with the characters in this colourful universe. And that means more *Peppa Pig* plush toys and yoghurt. ▲

ANALYST OPINION

“An extremely lucrative brand”

In 2023, Hasbro’s revenue fell by 15% to \$5.01 billion, reporting a net loss of \$1.49 billion. Its revenue continued to fall over the first six months of 2024, but the firm returned to the black in the third quarter. That performance was thanks to an ambitious savings programme, which materialised as 1,100 redundancies and reduced inventory. The group plans to save an additional \$750 million through to the end of 2025. Amid all the gloom, *Peppa Pig* is a rare success story, alongside the *Transformers*, *Dungeons & Dragons* and *Magic: The Gathering* franchises. “It’s an extremely lucrative brand,” says UBS analyst Arpine Kocharyan. “Its margins are up to 20%, which is high in the toy world.”

Additionally, she believes that *Peppa Pig* licensing will continue to generate attractive returns for Hasbro. “There is also untapped potential outside the Western markets,” the analyst adds. “Growth is expected to reach 3% to 4% in these regions, compared with 1% to 2% in Europe and the United States.” However, in the medium term, the brand will suffer from falling birth rates in most developed countries and “age contraction”, a phenomenon in which children are growing up faster – in other words, reducing the toddler-age pool of consumers – the analyst says. Despite this, she considers Hasbro to be undervalued and recommends buying shares.

→ HAS

← The creators of *Peppa Pig* won the Independent Production of the Year award at the BAFTA British Academy Children’s Awards in 2009.



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STOCK MARKET

Women investors taking power in Europe

A major survey by the US investment group BlackRock reports that the number of investors in Europe has surged by 11% since 2022. This growth is mainly driven by women and younger generations. BY BERTRAND BEAUTÉ

113

million. That is the number of investors in Europe, according to the latest BlackRock People & Money Survey in 2024, published in October and conducted with 36,730 people from 14 European countries. That shows strong growth. Since 2022, 11 million more Europeans have made the move (up 11%), increasing the share of investors in the adult European population to 34%. “The number of investors in Europe has grown spectacularly since 2020,” says Laura Jalabert, director of Private Markets, Funds, ETFs & Solutions Sales at BlackRock in Geneva. “It’s a tidal wave.” And it continues to unfurl. Carried out in collaboration with the international online research data and analytics group YouGov, the BlackRock survey reports that European consumers are likely to start investing, or invest more, in the next 12 months.

Why are so many people joining the ranks of investor? “Historically low interest rates have lessened the appeal of savings accounts and encouraged millions of Europeans to turn to financial markets,” Jalabert says.

In Switzerland, the number of women investors has soared by 19% since 2022

At the same time, the myriad of online platforms have made it easier for everyday people to access investment markets. “The development of neo-banks and new platforms emerging within traditional banks have played a key role in breaking down barriers to investment,” Jalabert adds.

The expert goes on to say that new investment tools and instruments – such as ETFs, cryptocurrencies, robo-advisors, savings plans and fractional shares – have also contributed to the growth in the number of investors.

While stocks and shares remain the most common investment vehicle (55%) ahead of investment funds (40%), cryptocurrencies (22%) and ETFs (20%) have risen sharply as well. “ETFs are the investment vehicle that has seen the largest increase since 2022, with 19% growth in Europe. And that’s not the end of it,” Jalabert says. “We expect ETFs to attract 2.6 million new investors in the next 12 months, with the number of ETF investors set to increase 110% in France and 21% in Germany.”



“Financial education should be taught at school”

Laura Jalabert, director of Private Markets, Funds, ETFs and Solutions Sales at BlackRock in Geneva

Another key finding from the BlackRock survey is that the surge in the number of investors in Europe is being driven by women, especially younger generations. The number of women investors in Europe has grown 11% since

2022, while the increase in men investing has been a much more modest 4% over the same period. European men, however, are more likely to go all in than European women. BlackRock figures show that 47% of men invest in markets, compared with 29% of women. In Switzerland as well, the number of women investors has soared (up 19% since 2022), while the population of young investors has risen 36% for the 18–24 age group and 19% for the 25–34 age group.

“Historically, investing in financial markets was the preserve of men, while women suffered from imposter syndrome. They felt they didn’t have enough of a background in finance to take the leap,” Laura Jalabert adds. “These days, more and more women, especially younger women, are beginning to invest. I think it’s very positive, because they’re finally taking control of

their future by managing their personal finances. I find it really encouraging that the next wave of investors in Switzerland and Europe could be led by young women.”

While more and more European women are investing in markets, several obstacles continue to hold them back. BlackRock reports that the number one barrier holding Europeans back is “financial constraints” (65% of European non-investors), followed by inadequate knowledge about investing (33%), a fear of losing money (25%), a lack of time to invest (6%), and difficulty controlling their spending (6%).

“The main problem is financial education,” BlackRock’s Jalabert explains, “because when people say they don’t have enough money, they’re actually unaware that they can start investing even with small amounts, such as through ETF savings plans. I believe that financial education should be taught at school. It’s an issue that goes beyond finance and is more a matter of philosophy.” ▲

Significant disparities between countries

Country	Number of adult investors (women and men)	Share of the population	Growth since 2022
Sweden	5 million	58%	↗ +5%
Norway	2 million	50%	↗ +8%
Finland	2 million	45%	↘ -6%
Switzerland	3 million	45%	↗ +11%
Austria	3 million	39%	↗ +12%
Germany	26 million	38%	↗ +14%
UK	19 million	36%	↗ +21%
Belgium	3 million	33%	↗ +3%
Netherlands	4 million	30%	↗ +10%
France	15 million	29%	↗ +16%
Italy	15 million	29%	↘ -1%
Spain	11 million	28%	↗ +6%
Portugal	2 million	28%	↘ -12%

Burberry

A B R A N D
A S T O R Y

The king of checks

A must-have of British high society when it was launched in 1970, the Burberry scarf and its check pattern are now back in the spotlight. The London-listed group is banking on its timeless classic to boost sales.

BY BLANDINE GUIGNIER

Olivia Colman is driving an old blue Range Rover through the English countryside when she suddenly stops, a flock of sheep blocking the road. She gets out to count them, fully decked in iconic Burberry pieces. Streamed in October, the advertisement makes the obvious connection between the actress and Queen Elizabeth II, which she played in the series *The Crown*. This is the company's way of sending out a signal. The days of avant-garde fashion shows are over. The London-based brand is returning to its old-fashioned aura. It showcases its classic garments, built to withstand the

elements, just as the British sovereign did at Balmoral Castle. And the strategy could work, if we are to believe Liana Satenstein. The *Vogue* journalist has seen Burberry scarves cropping up everywhere this year, from New York to London, around the necks of ordinary people, as well as British designer John Galliano.

The scarf seems to have some sort of “elevation effect”, and “automatic feeling of refinement”. In fact, the accessory's success stems from its history, the New York journalist writes on her website NeverWorns. The birth of the camel, black and white check pattern she wears dates back to the 1920s. Founded in 1856 by Thomas Burberry, the company was inspired by tartans, the traditional check fabrics associated with Scottish clans. This particular pattern was first used in the lining of its famous trench coats. In 1967,

a customer at the brand's Paris shop came up with the idea of using the lining to wrap accessories for the British ambassador to France. The company was so taken with the idea that it decided to use the check pattern to cover

suitcases, umbrellas and the famous scarf. “Because of this story, the Foreign Office has a special connection with the brand,” says James Squire, the UK ambassador in Bern. He also points out that, on three occasions, the Windsors have granted Burberry a “Royal Warrant of Appointment”. “This recognition from the Royal Family highlights British innovation, know-how and craftsmanship. In my opinion, Burberry's efforts in recent years to improve its environmental impact must have played a part in King Charles III's decision to confirm the brand's status.” The cashmere garments are woven by hand in an 18th century Scottish mill. The brand has also started to make some of its scarves from a

lab-grown fibre produced by fermenting plant-based, renewable ingredients.

Early in its history, in the 1970s and 1980s, the scarf was popular with bourgeois outdoor types and mainly worn in the UK. Then, the clientele diversified in the 1990s beyond British borders. Owned since 1955 by GUS retail group, Burberry opened stores in Europe, the United States and even China. Its new American director, Rose Marie Bravo, devised global campaigns centred around supermodel Kate Moss. Within a few years, between 2000 and 2002, the company doubled its sales, reaching £710 million in 2002. It was listed on the London Stock Exchange that same year.

These days, a new cashmere scarf will set you back around 400 Swiss francs

KEY DATES

1856
Thomas Burberry established his rainwear shop in Basingstoke, Hampshire (England).

1967
The Burberry check pattern, initially used for lining, was extended to scarves, umbrellas and luggage.

2002
Burberry goes public on the London Stock Exchange.

What's more, the brand was no longer the exclusive domain of British high society. Scarves and caps brandishing the check pattern moved into stadiums and onto streets, worn by young people labelled by the British media as “Chavs”. The term carried negative connotations to refer to people of low social status, stereotyped with anti-social, uneducated behaviour, wearing designer sportswear and flashy jewellery. To shake off the association, Burberry reduced its use of the check pattern in its collections and began to combat counterfeiting.

In the 2010s, prices rose and the brand became a pioneer in online luxury. Times were good for the company. Between 2011 and 2015, sales rose from £1.5 billion to £2.5 billion. The London-based brand soon had more than 9,000 employees and 400 shops. These days, a new cashmere scarf will set you back around 400 Swiss francs. However, the current luxury crisis affecting giants such as Kering and LVMH has not spared the House of Burberry. With sales of £2.97 billion in 2023–2024, the firm is now struggling in its former growth markets of Asia and the Americas (down 23% between April and June 2024). To counter this loss of momentum, Joshua Schulman was dispatched over the summer from the United States, where he revived the US brand Coach, to become Burberry's new CEO. The duo he forms with British designer Daniel Lee could help to lift the company out of its funk. Their strategy is to capitalise on the check pattern, now a registered trademark, by developing new variations of it, and to highlight Burberry's reputation as a supplier of outerwear. They hope that, even in times of crisis, affluent customers will be prepared to spend more on coats and scarves marked with the seal of approval from the British crown. ➤➔BRBY

↑
The pattern on Burberry's iconic cashmere scarf is inspired by traditional Scottish tartans.



Lightium

Chips to power data centres

NUMBER OF
EMPLOYEES
15

HEAD OFFICE
SCHLIEREN
(ZH)

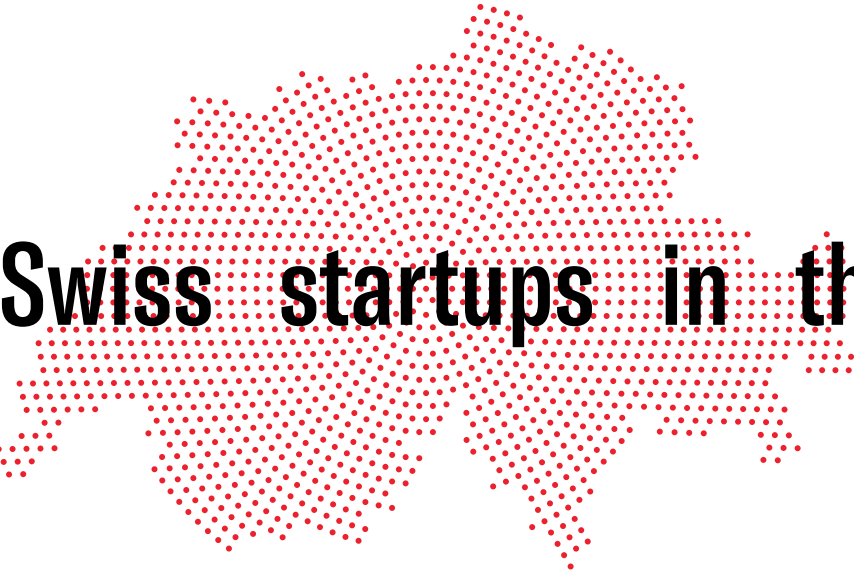
FOUNDED
2023

Founded by EPFL alumni, Lightium is one of the first companies in the world to manufacture thin-film lithium niobate (TFLN) photonic chips on an industrial scale. With data centres struggling to keep pace with the exponential energy and transmission speed requirements of applications such as ChatGPT, the timing of this innovation is perfect. Lithium niobate can double or

even quadruple the bandwidth of current photonic chips (around 200 gigabits per second) and, more importantly, reduce power consumption by 75%. The material's unique electro-optical properties make this possible, as it is capable of manipulating light at very high frequencies, depending on the electrical voltage applied.

With the TFLN market predicted to reach \$3 billion by 2028 at an annual growth rate of 49% (2025-2029), according to figures provided by Lightium, the startup has wrapped up a seed funding

round that brought in 6 million Swiss francs, thus raising a total of 11.5 million Swiss francs in the space of a year. CEO and co-founder Amir Ghadimi is also happy to have already found a production partner: "This foundry, based in the West to secure supply chains, has a capacity of 10,000 wafers per month, which gives our customers rapid access to the market." Its fabless model will enable Lightium to launch its first chips to market by summer 2025, mainly for the telecommunications, satellite and quantum computing sectors.



Swiss startups in this edition

BY GRÉGOIRE NICOLET



Swiss-Mile Robotics

The AI-fed robodog

NUMBER OF
EMPLOYEES
15

HEAD OFFICE
ZURICH

FOUNDED
2023

Just one year after it was founded, autonomous robotics startup Swiss-Mile raised \$22 million in seed funding, for a total of \$27 million since its inception. The company has attracted big-name investors – including Amazon boss Jeff Bezos – through its advances

in integrating AI-controlled artificial neural networks into robots with legs and wheels. Milo, their current model, is a quadruped that can roll (max. speed 22 km/h), walk (the wheels lock) and even stand. With an operational duration of five hours and payload capability of up to 60 kg, the robot is primarily designed to perform tasks in security and logistics.

This spin-off from the Robotic Systems Lab at ETH Zurich can also rapidly optimise the imple-

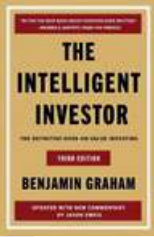
mentation of its robots, as they learn autonomously and adapt to real-world deployments. Swiss-Mile says that it can train a new neural network for a different robot in one week. How does the company plan to use the recent influx of cash? CEO and co-founder Marko Bjelonic says that the plan is to remain at the cutting edge of embodied AI: "We are hiring more AI engineers to stay ahead with our technology. We are further integrating embodied AI with our clients in logistics and security."

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R E A D

The Intelligent Investor, 3rd ed.

The Definitive Book on Value Investing

BY BENJAMIN GRAHAM AND JASON ZWEIG
HARPER BUSINESS, 2024

This seminal work by Benjamin Graham remains a must-read for anyone looking to understand investment basics. This third edition marks the 75th anniversary of the book, which still ranks number one on *Forbes*’ list of the “25 greatest investment books ever written”. The revised version includes an introduction and appendix by Warren Buffet, one of the author’s students. Each chapter now has commentaries by renowned Wall Street Journal columnist Jason Zweig, who provides modern insight into the author’s sometimes dated ideas and helps us understand how to apply them in today’s more volatile and technology-driven markets.

Benjamin Graham suggests a prudent and rigorous approach, insisting on fundamental values such as discipline and a long-term view. His concepts of “value investing” and “margin of safety” encourage investors to assess risk carefully in order to protect them from common mistakes.

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L I S T E N

Chat With Traders

As its name suggests, this podcast features interviews with traders, often famous ones like Nick Radge and Steve Burns. Founded in 2015 by Australian Aaron Fifield, the show is now hosted by two former listeners who themselves became traders, Tessa Dao and Ian Cox. It now has more than 290 episodes to date. Every week, the hosts spend over an hour interviewing traders who discuss their experience in trading, methods and resources. Of course, no one reveals their exact formula, but the discussions provide loads of information and valuable ideas. Start listening as of episode 1.

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F O L L O W

Genevieve Roch-Decter, CFA

@GRDECTER
Former \$100MM+ Money Manager | Seen on Bloomberg, FOX & VICE | CEO @grit_capital | A Top Finance newsletter on Beehiiv

X (TWITTER) 1,205 FOLLOWING 433.8K FOLLOWERS

Genevieve Roch-Decter is in the top eight most influential financial accounts on X, according to *Forbes*. In financial communication, she started out publishing a newsletter for 5,000 subscribers at an investor relations company. After enjoying success on X during the pandemic, she set up her own financial media company, Grit Capital. Her firm counts paid subscriptions and advertising among its multiple sources of revenue. Now, Grit Capital is on other social networks with over a million followers on platforms such as Instagram and TikTok.



D O W N L O A D

Untappd

Find Beer You'll Love

Drink in moderation

This app is for beer lovers, letting them explore nearby beer havens, bars and breweries worldwide and find local special events. Users can also keep track of the beers they have tasted and create lists for later. With 5 million downloads on Google Play alone, the app also works like a social network, where amateur zythologists can share their favourite beers and breweries with their friends.

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INTERVIEW

"There has been real growth in the knowledge and sophistication of individual traders"

Richard Stoker, Head of Retail EMEA at CME Group, discusses the latest market trends.



What is CME Group's role, and how do you work with firms such as Swissquote?

CME Group is the world's leading derivatives marketplace, with the widest range of global benchmark products across financial and commodity markets. Retail traders have access to CME Group markets through highly regulated brokers such as Swissquote. We don't take end-user customer funds directly. Instead, we work with brokers to offer the end-user direct market access.

Options and Futures seem to be buzzwords in the trading space. Why do you think that is?

There has been real growth in the knowledge and sophistication of individual traders in recent years. It has never been easier to access content, data and charts to make the most informed trading decisions. As retail traders become more educated in the markets and how trades are carried out, they are

increasingly interested in accessing the primary source of liquidity, and seeing the same order book as institutions such as hedge funds and asset managers. Futures and Options offer almost round the clock deep liquidity and transparent execution.

What are the current trends in terms of products?

Retail trading is a huge focus for us, and we've launched many products over the past few years to serve this growing community. In 2019, we launched our first ever Micro products, which are generally one-tenth of the size of standard contracts. So, a standard \$10 minimum price increment comes out to \$1. We first rolled these products out on the S&P, Nasdaq, Dow and Russell 2000 equity indexes, but now offer them across many of our other asset classes: Energy, Metals, FX, Interest Rates and Cryptocurrencies. The Micro S&P 500 future is our fastest growing contract of

all time. As of May 2024, 2.6 billion cumulative contracts had been traded, demonstrating the demand for these smaller, more granular products.

What role does education play in the client journey?

Education is key. With the proliferation of trading opportunities for individual traders, having the knowledge to make the most informed decision before a trade is critical. We spend a significant amount of time and resources making sure our educational content at CMEGroup.com caters for the needs of traders at all levels. Whether it's discovering the benefits of Futures over ETFs, or understanding complex Options strategy, it's all available at the click of a button. Anyone can access our education offering at cmegroup.com/activetrader. ▲

Richard Stoker
Head of retail EMEA
CME Group

T R A V E L

Five ski resorts that will treat you (and your kids) like royalty

Is it possible to enjoy a ski holiday with kids? These premium hotels say it is, rolling out the red carpet for the little ones. We have hand-picked a few of them for you. BY GAËLLE SINNASSAMY



© MÄRCHENHOTEL



BRAUNWALD (GLARUS), SWITZERLAND

Living a fairy tale

Literally meaning “fairytale hotel”, Märchenhotel is based in the pedestrian village of Braunwald in the heart of the Glarus Alps.

A six-minute cable car ride kicks off the adventure. The Märchenhotel offers an atypical arrival that immediately plunges visitors into the enchanted world of Braunwald, a car-free village located at an elevation of 1,300 metres. This family resort features 30 km of ski runs, snow-shoe hiking and cross-country skiing, as well as a learners' area with a 150 metre conveyor belt for the little ones.

At the hotel, the magic continues, with a villa for hens, a castle for rabbits, a lift with a built-in aquarium, and a giant slide connecting the first floor to the reception area. The highlight of the show is an enormous tree, 5 metres in diameter, in the middle of the hotel's kids club, which is open and supervised 24 hours a day from 9 a.m. to 9 p.m. Designed by the team behind Europa Park, the Märlibaum's sprawling branches hold numerous play areas linked by hanging bridges.

Every evening at 6 p.m., children are invited to sit on animal skins and listen to a story, while their parents can enjoy a complimentary wine tasting. “Our customers are no longer focusing solely on the practical side of things,” say Nadja and Patric Vogel, the hotel's owners. “They now want experiences for and with their children. Activities such as llama trekking in the village and family outings (children's roller disco, indoor climbing, etc.) are particularly popular.”

The gorgeous rooms are another attraction. The luckiest guests will stay in the two-level Infini suite, with an in-house slide, secret passages, a magic ceiling where fairy tales are projected, a jacuzzi, a private sauna and a panoramic terrace.

Märchenhotel

maerchenhotel.ch | +41 55 653 71 71
From 660 Swiss francs
for the Alpaka suite for 4 guests
with half-board



DAVOS, SWITZERLAND

Mini-golf on ice and private cinema

Famous for its annual World Economic Forum, Davos is also stepping up its efforts to charm its younger guests.

The Swiss town does not typically make the headlines for family ski holidays, but maybe it should. When it comes to children's facilities, Davos has plenty to offer, with eight toboggan runs, a fun cross-country skiing course, a 4,500 sq. metre ice rink, practice lifts for children at Bünda and Bolgen, and children's snowparks, such as Rinerhorn and Madrisa.

Another must is playing ice minigolf with a hockey stick and puck at the course set up on Arkadenplatz. In terms of accommodation, privileged tribes opt for the AlpenGold Hotel, with its striking architecture and organic design inspired by the pine cones from the nearby



forests. The Kids' Club, designed by the ultra chic concept store My Little Room, caters to children under 12 and is brimming with activities: painting, arts and crafts, cooking, music, theatre, storytelling, etc. Meanwhile, teens will be heading straight to the Sixteenhundred Teens Club, which has its own cinema with seating for 25, game consoles and a billiard table. To top it all off, free sledges and ice rink tickets are available from the reception.

AlpenGold hotel

alpengoldhotel.com | +41 81 414 04 00
From 855 Swiss francs for the Family Alpine Executive Suite for 4 people

MEGÈVE, FRANCE

The land of elves

Whether indoors or outdoors, the Four Seasons Hotel Megève dazzles both children and teenagers.

No sooner have they arrived than the adventure begins: a gourmet area on the forecourt of the 5-star hotel serves crêpes and hot drinks. In the rooms, a plush Bernese Mountain Dog toy awaits children as a welcome gift. The resort's ice rink and the Village des Lutins (Elves Village), with its fun-filled activities, make for a kids' paradise.

The Four Seasons in Megève organises a wide range of family activities. One of the highlights of the 2024-2025 season is a gourmet candlelit dinner in a real igloo decorated with blankets to keep warm. The experience begins with a snowshoe excursion on foot through the heights of

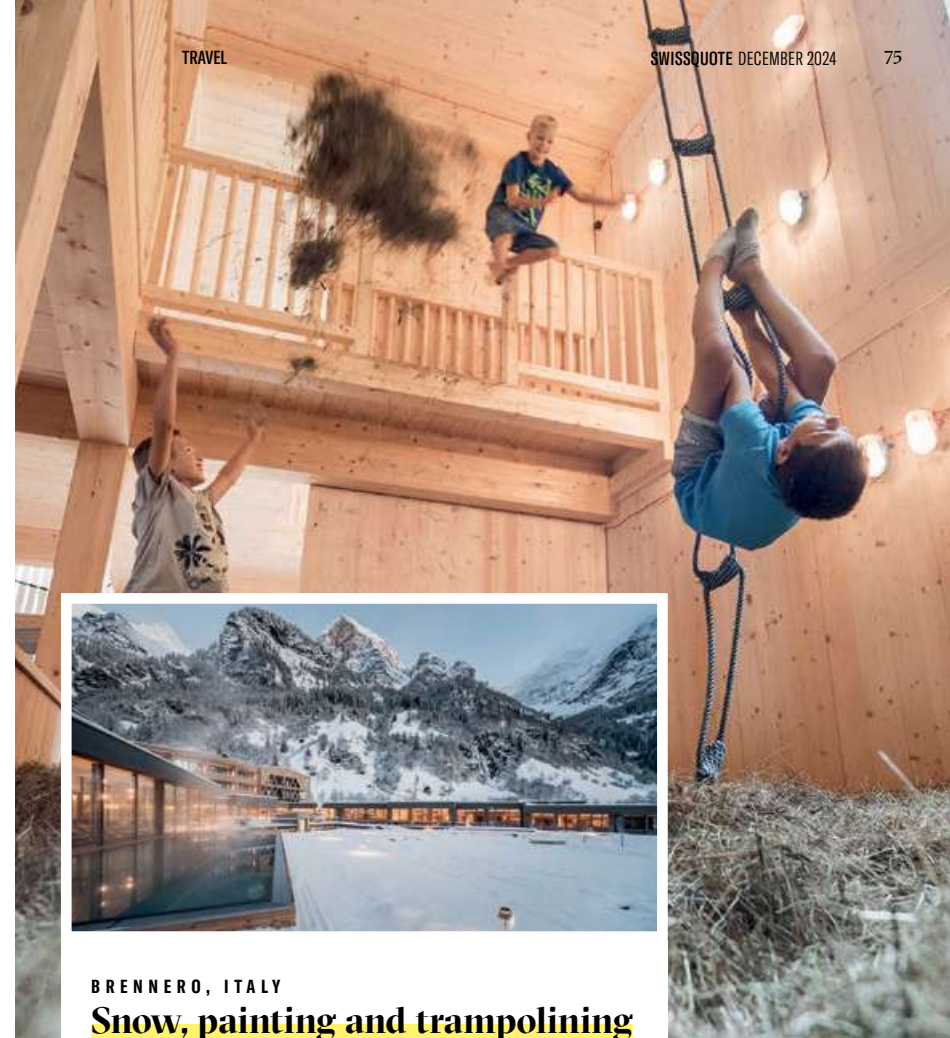
© ALPENGOLD HOTEL / FOUR SEASONS MEGÈVE / FEUERSTEIN NATURE FAMILY RESORT

Megève to reach the ice shelter nestled in a forest of fir trees and then returning at nightfall.

The hotel also has a kids club where 3-11 year-olds can take part in creative workshops and outdoor activities, such as making a snowman. Teens will love the Teen Zone. This area for 11-17 year-olds has table football, a jukebox, game consoles, a multimedia corner and a cinema.

Four Seasons Megève

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From 1,830 Swiss francs per night for the family room



BRENNERO, ITALY

Snow, painting and trampolining

A cocoon in the heart of nature, with plenty of opportunities for sporting and artistic fun.

Perched at an altitude of 1,250 metres in the Pflersch Valley, the Feuerstein Nature Family Resort offers an enchanting setting just near Brenner Pass, with its peaceful atmosphere and private lake nestled deep in the mountains. The programme includes alpine herbal massages, yoga and wine tasting. Children have loads to keep them entertained with the giant trampoline, hay play barn, painting studio, costume room and indoor sandy beach. Or they might try their hand in the wood workshop, where they can make a unique wood creation guided by a master craftsman.

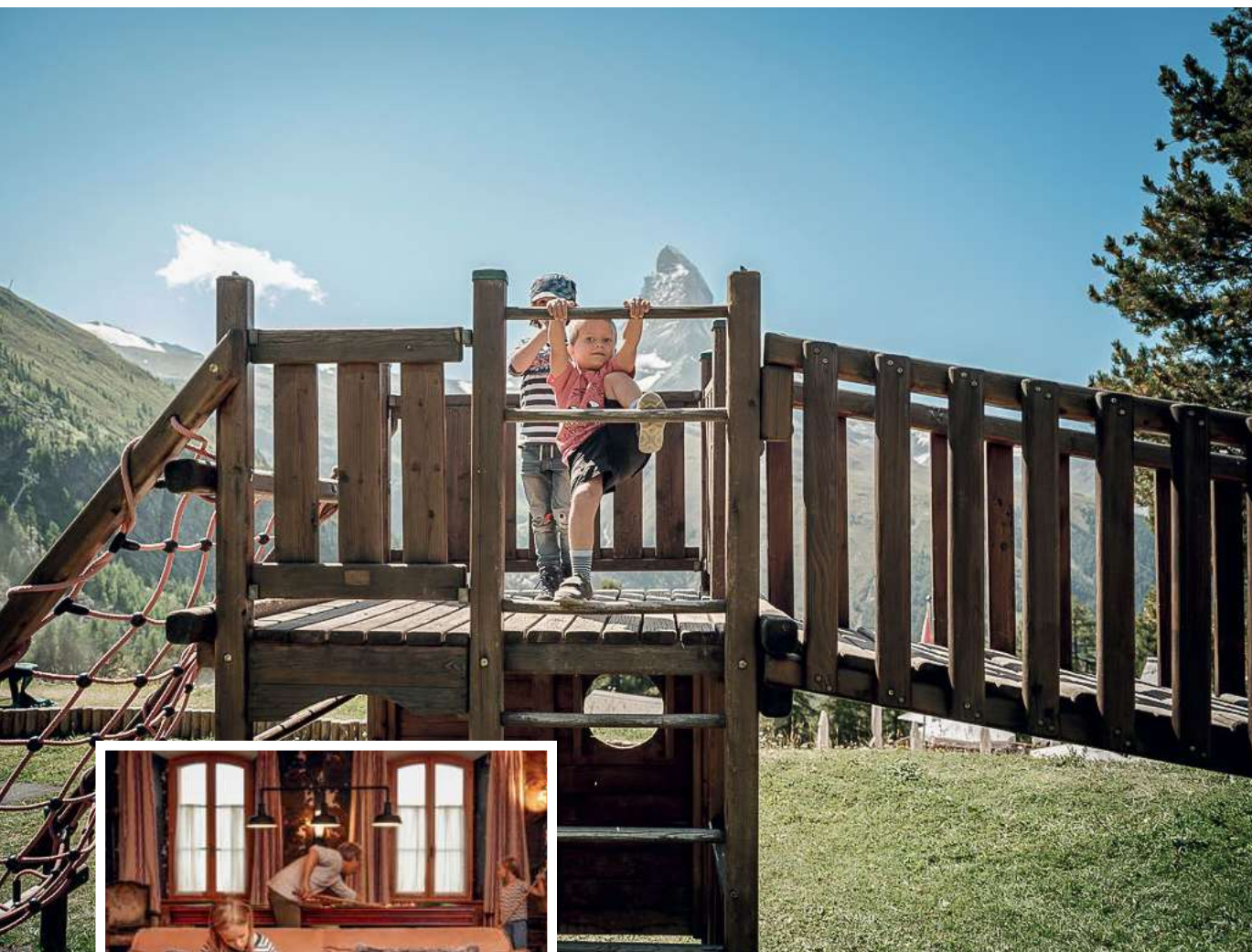
In the fresh air, bold youngsters can venture up the climbing wall, take horseback riding lessons,

feed the animals at the mini-farm, or go for some aquatic fun at the spa, which has a pool with slides as well as a special baby pool.

There's so much to do you might almost forget about snow sports! A private bus makes it easy to get to and from the ski slopes at the neighbouring resort and Fichti's Kinderland, the local ski school. As a must, the youngest guests can practice on a snow slope equipped with a conveyor belt in the hotel's own gardens, which also have a toboggan run and an ice rink.

Feuerstein Nature Family Resort

feuerstein.info | +39 0472 770126
From 610 Swiss francs for a double room for 4 people



ZERMATT (VALAIS), SWITZERLAND

Sledding and bowling

One of Switzerland's most elegant mountain villages, where you can divide your time between the ski slopes and the bowling alley.

Destination: Zermatt, the ultimate family resort. Children can learn to ski at Club Snowli, with its friendly bunny mascot, and have a blast on the highest toboggan run in the Alps, with its descent covering 234 vertical metres between Rotenboden and Riffelberg. Surrounded by 29

peaks over 4,000 metres high, sledding enthusiasts can zip down run after run with the day pass, which provides unlimited train rides up the mountain.

As regards hotels, the Riffelalp Resort is the most popular choice for guests under 18. A children's area with creative activities, including painting, arts and crafts, is available for children age 2 to 8, while older kids can enjoy a game room equipped with table football, a billiard table, table tennis and games consoles. The best part is the hotel's private bowling alley, where you can work on your strikes.

The evening is time for relaxing in the outdoor pool heated to 35°C while taking in the breathtaking views, or in the indoor pool with a whirlpool. At dinnertime, a special table is reserved for little ones at 6.15 p.m. in the Alexandre restaurant, which caters to the tastes of young gourmets: spaghetti with meat and tomato sauce, fish and vegetable sticks, as well as the chef's home-made nuggets.

Riffelalp Resort 2222 m

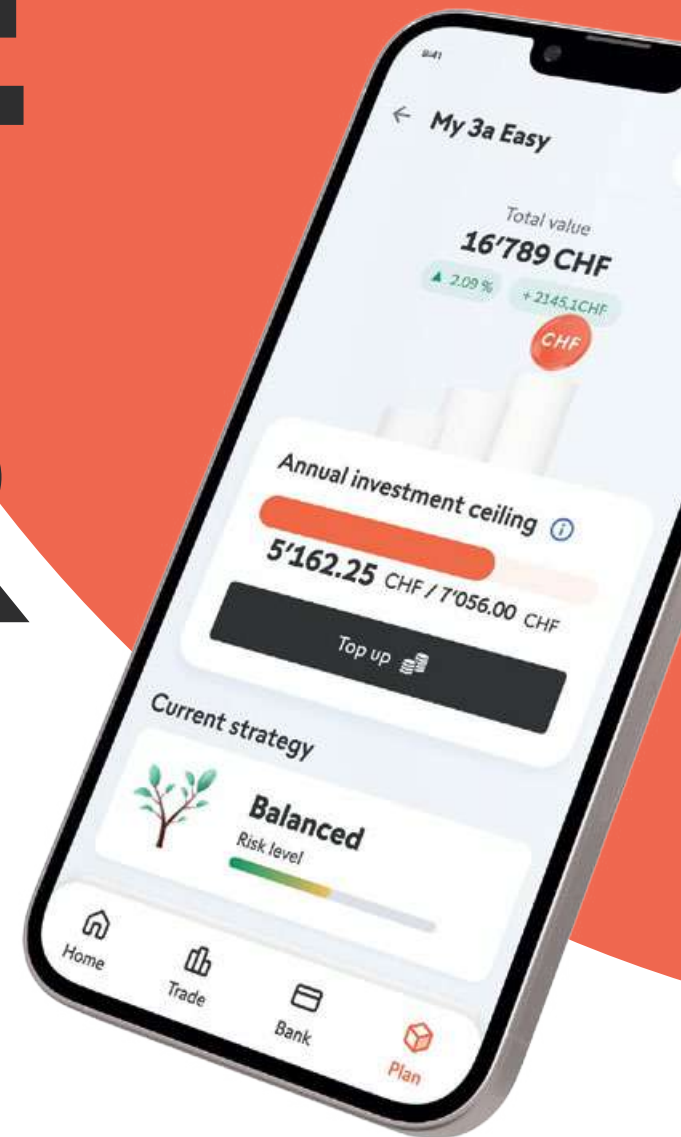
riffelalp.com | +41 27 966 05 55
From 580 Swiss francs per night for a junior suite

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Intelligent hair drying

More than just funky bold colours and a clear end cap to show the technology packed inside, the Supersonic Nural is revolutionising the very concept of a hair dryer. Dyson's latest launch measures the distance from your hair using an infrared beam and heat control with LEDs to adjust the temperature automatically and avoid damaging your scalp. Its attachments memorise user preferences to simplify your hair styling routine. As a bonus, its motion sensor automatically shuts off the heat during pauses in styling.

dyson.ch
CHF 499.–

Taking notes with AI

Say goodbye to your pen and notepad. Worn on your wrist, around your neck or clipped onto your jacket, NotePin from the Chinese startup Plaud AI is a voice recorder that transcribes meetings, interviews and other conversations. AI then summarises the recordings. With a battery life for up to 20 hours of recording time and unlimited secure cloud storage, the miniature device covers 59 languages, identifies the different speakers and breaks texts up into paragraphs for easier reading.

plaud.ai
CHF 150.–



Fondue on the go

Fancy an after-ski snack? Designed and made in the Canton of Vaud from recycled raw materials, the fondue kit fits easily into your rucksack so that you can enjoy a *moitié-moitié* (half-and-half) while out and about. Compact and lightweight (approximately 1.6 kg), it can be assembled in no time and comes with all the utensils you need, including a 1,500 ml fondue pot, a burner and even a hot plate. Ready, steady, tuck in!

kitfondue.ch
CHF 99.–

Virtual coach

Halfway between a regular mirror and a giant smartphone, the VAHA X Fitness Mirror acts as a home gym instructor with its XXL touchscreen. Exercises led by qualified coaches are displayed on the screen, from a choice of over 2,000 programmes. The wide range of disciplines includes cardio, strength training, flexibility training, yoga and meditation. Featuring a camera, microphone, speakers and sensors, the Red Dot Award-winning design provides access to live interactive workouts, integrated with Spotify playlists for the full-on experience. Finally, a real fitness room in the comfort of your own home.

vaha.com
From CHF 2,500.–



Nite nite

Heard of sleep-maxxing? Already with its own hashtag and more than 40 million views, the trend has led to a proliferation of sleep tech tools to help people get a better night's sleep. For example, the Sleep A20 earbuds by Soundcore combine passive noise blocking and noise masking features while offering customisable content, including white noise. The discreet alarm is inaudible for those around you and gives you full control over how you wake up. Ideal for people who sleep on their side, the A20s are embedded with a sensor that analyses sleep habits to provide insight into your sleep quality.

soundcore.com
CHF 219.–

Pocket drone

Industry leader DJI, a Chinese company, is launching Neo, its most compact and lightweight drone to date. At 135 grams, the ultra lightweight drone fits in your pocket and can take off and land right in your hand. No remote control is required. Featuring intelligent subject tracking and QuickShots modes, the device captures 4K ultra-stabilised video over its flight time of up to 18 minutes. The DJI Neo's full propeller guards make its design compatible with both indoor and outdoor use. Now you have the perfect companion for capturing all of your everyday adventures.

store.dji.com
CHF 199.95



b o u t i q u e

A LOOK
INSIDE
THE
LAB

The plant that imitates breast milk

A researcher in California has produced nutrients present in breast milk from a genetically modified plant. The innovation should make it possible to create more nutritious baby formula. BY JULIE ZAUGG

Breast milk is a unique cocktail of human proteins, sugars and fats, all of which are good for the baby's immune system and overall health. Until now, formula-fed infants did not have access to these nutrients. Patrick Shih, a University of California Berkeley professor of plant and microbial biology, made a paradigm-shifting breakthrough that could revolutionise infant nutrition.

"We genetically modified a close relative of the tobacco plant (ed. note: *Nicotiana benthamiana*) to produce human milk oligosaccharides (HMOs), one of the essential components found in breast milk," the researcher explained. The plant had to be "reprogrammed" to produce HMOs, which are complex sugars, instead of the simple sugars normally produced in photosynthesis. The research team achieved that by inserting the genes that produce the enzymes needed to assemble these complex sugars.

Breast milk contains around 200 HMOs.

"They serve as food for the beneficial gut bacteria that make up the baby's microbiome, so that these bacteria can compete with and eliminate the bad bacteria," Shih says. "This protects against infections and improves digestion, especially by preventing diarrhoea."

We already know how to produce HMOs. The first baby formulas containing HMOs hit the market in 2016. But the current production method involves fermentation in vats, during which lactose is converted into an HMO using genetically engineered *E. coli* bacteria. "This process cannot be used on a large scale," the researcher says, "and only

a handful of these complex sugars – four to date – can be produced using this system."

On the other hand, his plant has been used to generate a dozen HMOs, belonging to the three main groups making up this form of carbohydrate. "What's more," he adds, "we can grow it in an outdoor field, with no restrictions on how much we produce." HMOs are harvested by grinding the plant's leaves and then purifying the crushed plant material. "We tested the process as part of a pilot study," Patrick Shih explains. "The HMOs produced were used as food for bacteria from an infant's microbiome. This demonstrated their viability."

While Shih has already held exploratory discussions with several major companies that produce infant formula, he has no timetable for bringing his plant-based HMOs to market. "We first need to prove that our plants can produce a wider variety of these complex sugars and find a way of extracting them that is economically viable," he says.

Ultimately, however, demand for HMOs could extend beyond the infant formula market. "Very little is known about the benefits of HMOs because it's not easy to get breast milk for conducting large-scale clinical trials," he points out. "Our breakthrough could change all that by making vast quantities of HMOs available to researchers."

If these compounds are found to have new benefits, additional applications could emerge. "We could even make adult milk containing HMOs," the biologist says. These complex sugars could also be incorporated into plant-based milks to make them more nutritious, or into medicines. ▲

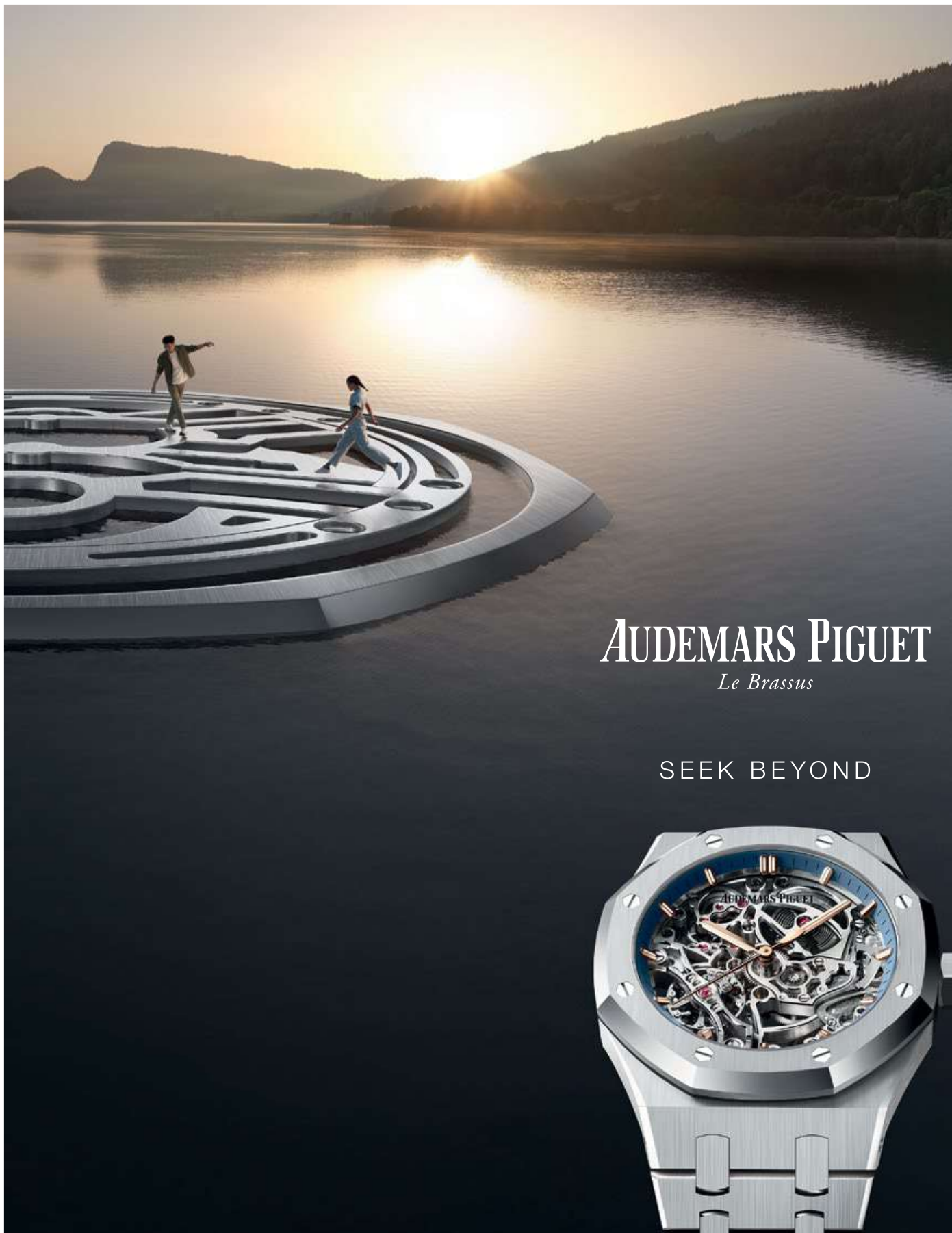
↑
Nicotiana benthamiana, the plant from which breast milk components have been produced.

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