



LINDT & SPRÜNGLI

We Enchant
the World with
Chocolate ✦

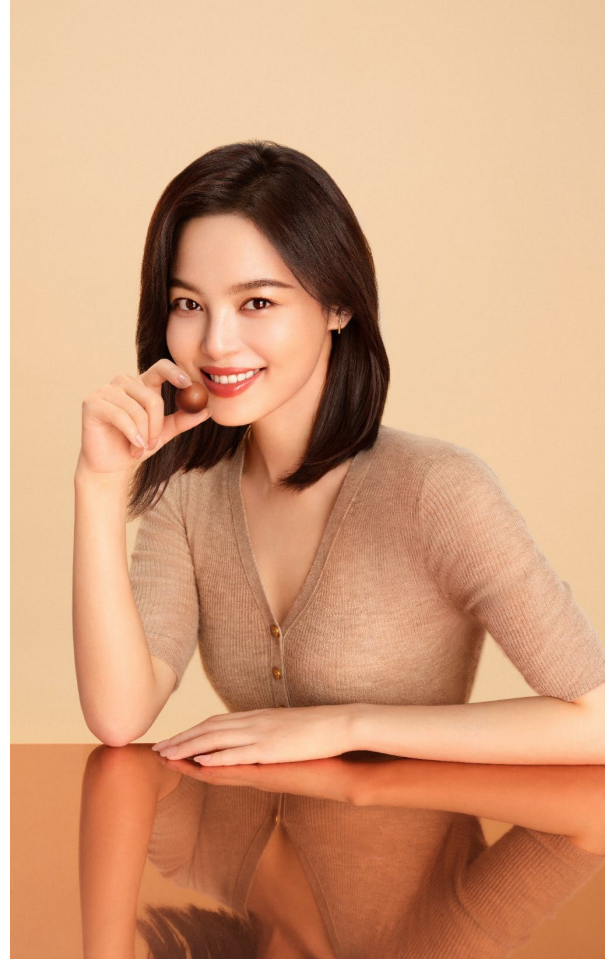




Financial Year 2022

Adalbert Lechner
Group CEO

March 7, 2023





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Key Figures

Lindt & Sprüngli
achieved double-digit
growth in FY 2022

+10.8%

Organic sales growth
+8.4% in CHF



+17.9%

Increase in earnings
per share to CHF 2,416



4.97 bn

Group sales (CHF)



15.0%

EBIT margin
CHF 745 mn



1,300 CHF

Dividend +8.3% vs. PY



10.6%

Free Cash Flow margin
CHF 526 mn



Global Chocolate Markets and Trends in 2022



Global chocolate markets continue to grow

Consumers longing for the comfort of a premium treat: Quality over Quantity

Gift-giving continues to develop strongly

On festive occasions, consumers prefer premium chocolate for self consumption

+



Geopolitical situation, Energy Crisis & Inflation

Regional differences impacting European markets: consumers spending discretionary income more consciously

North America and most parts of Rest of the World remained more resilient

+

Trends

Premium chocolate

Lifestyle trends (vegan, sugar-reduced, “free-from”)

Sustainability awareness

Emotional shopping experiences (offline & online)



LINDT & SPRÜNGLI

02

Market Insights
& Highlights



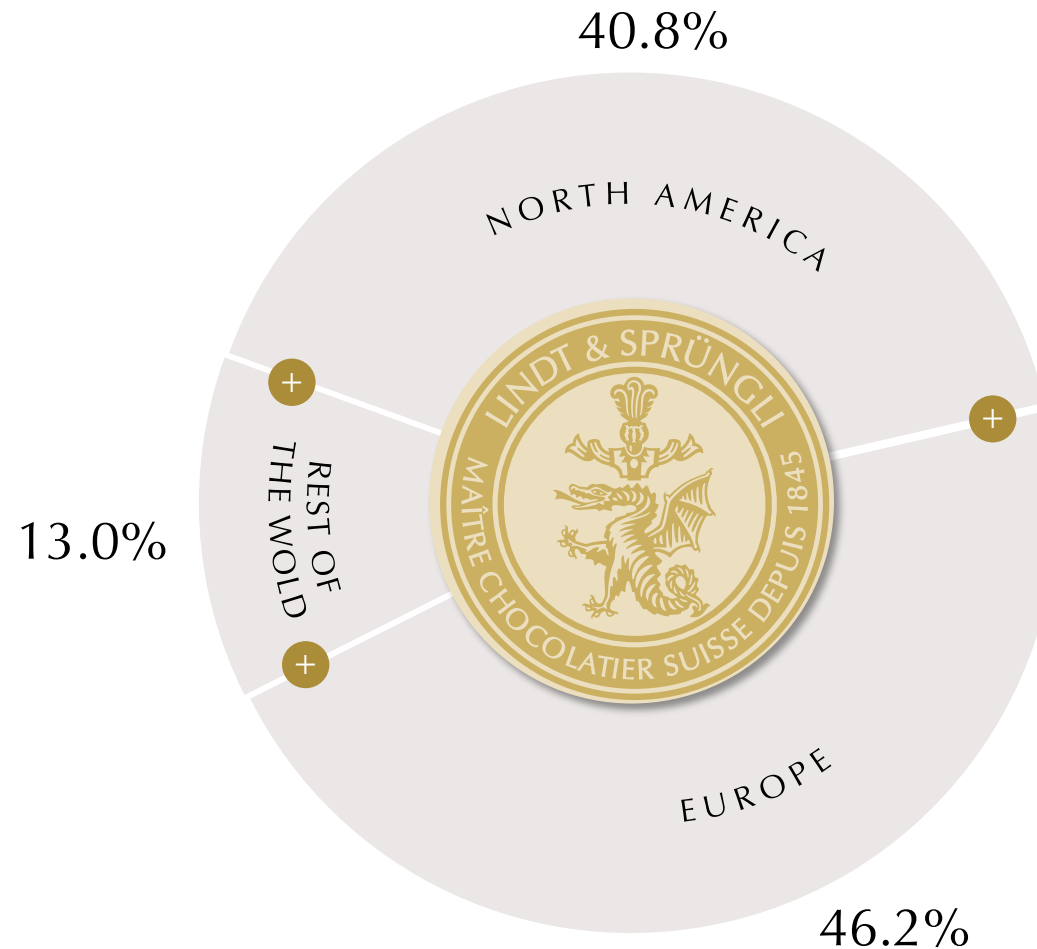
4.97 bn

TOTAL GROUP SALES CHF
+10.8% organic growth



Sales Analysis Markets

Lindt & Sprüngli achieves
strong double-digit growth
to CHF 4.97 bn, an increase of
8.4% in CHF



EUROPE

NORTH AMERICA

REST OF THE WORLD



LINDT & SPRÜNGLI

Market Split Europe

EUROPE

46.2%

Largest region
in the Group

2.30 bn

Total sales in CHF

+5.3%

organic growth

14.8%
Germany

8.2%
France

6.3%
UK

5.6%
Italy

3.7%
CH (excl. DIS and GTR)

7.6%
Rest of Europe



NORTH AMERICA


REST OF THE WORLD

Key Facts Europe

EUROPE

Sales Growth in all markets (organic)

Switzerland (+7.1%)	Germany (+6.1%)	Italy (+6.4%)	UK (+5.5%)
France (+2.6%)	Iberia (+9.3%)	Austria (+7.2%)	Nordics (+11.7%)

- 1 Strong seasonal performance of Lindor
- 2 Post-Covid changes: increase in gifting products, normalization in self consumption
- 3 Recovery of tourism
- 4 Full closure of business in Russia affecting organic growth in Europe by 110 bp (6.4% vs. 5.3% effectively) and 60 bp on Group level (11.4% vs. 10.8% effectively)
- 5 70-year anniversary of Gold Bunny 

NORTH AMERICA

REST OF THE WORLD



LINDT & SPRÜNGLI

Market Split

North America

EUROPE
NORTH AMERICA

40.8%

2nd largest region
in the Group

2.03 bn

Total sales in CHF

+15.7%

organic growth





REST OF THE WORLD

Highlights North America

EUROPE
NORTH AMERICA

Strong double-digit growth across all subsidiaries

Lindt USA (+21.4%)	Ghirardelli (+13.9%)	Russell Stover (+10.2%)
Canada (+14.4%)	Mexico (+19.3%)	

- 1 Significant increase on EBIT-Level:
7.7% to 10.9% EBIT-Margin (rise by 320 bp)
- 2 Significant investment in Lindt production facility
in Stratham
- 3 Lindt USA: Lindor the key growth driver with product launch Almond Butter and new emotional Christmas TVC 
- 4 Ghirardelli: growth driver Ghirardelli Squares;
strong rebound of retail business
- 5 Ghirardelli Chocolate Experience Store: brand equity investment at historic location in San Francisco 
- 6 Russell Stover: supply chain problems resolved

REST OF THE WORLD



LINDT & SPRÜNGLI

Market Split

Rest of the world

EUROPE
NORTH AMERICA
REST OF THE WORLD

13%

3rd largest region
in the Group

0.65 bn

Total sales in CHF

+16.6%

organic growth

REST OF
THE WORLD




NORTH AMERICA

Highlights Rest of the World

EUROPE
NORTH AMERICA
REST OF THE WORLD

High-potential markets with strong growth

Global Travel Retail (+109%)	Brazil (+41.4%)	China (+18.3%)	Japan (+10.0%)
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- 1 Global Travel Retail: Strong rebound following return of global tourism; quick reaction by supply chain
- 2 China: Above market average; strong share of online sales channels 
- 3 Brazil: New route to market, substantial increase of distribution network
- 4 Japan: Further expansion of retail network and strong development of online marketplaces; Product innovation Lindor Sakura



Global Retail

(NTS reported in countries)



+21.6%

Sales growth



500

Physical shops in
19 countries



24

E-Shops connected in
a global network

Lindt shops provide unique brand building opportunity

Providing seamless shopping experience to consumers across all channels

New e-shop platform optimizing user experience

Trend for personalization and gifting

Access to first party data for smart data analysis due to new loyalty program "MyLindt" connecting online and offline



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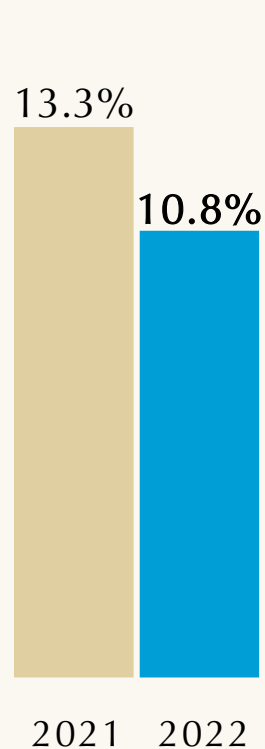
03

Financial Results 2022

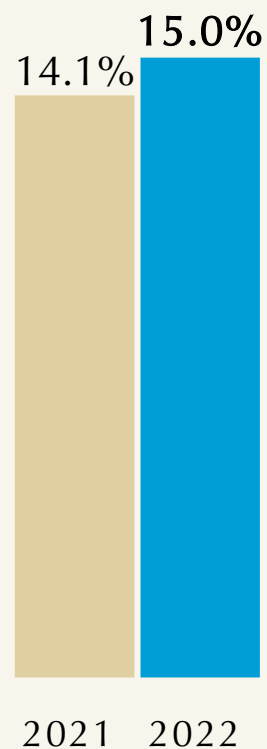
Martin Hug
Group CFO

Overview – Year 2022

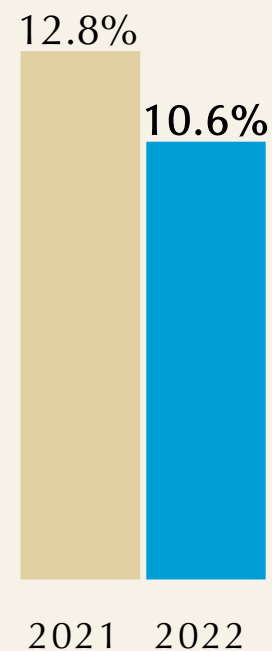
Key performance
indicators continue to
develop positively



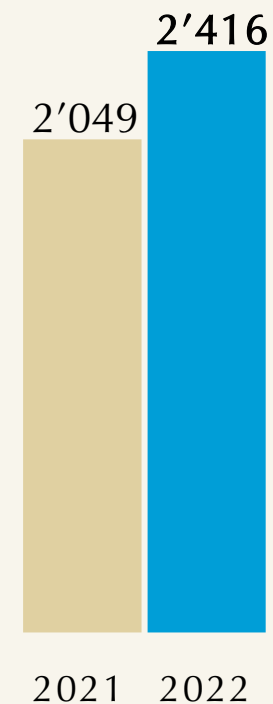
Organic
growth



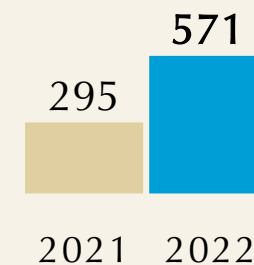
EBIT
margin



Free CF
margin



Earnings
per share
(CHF)








Net debt
position
(CHF million)



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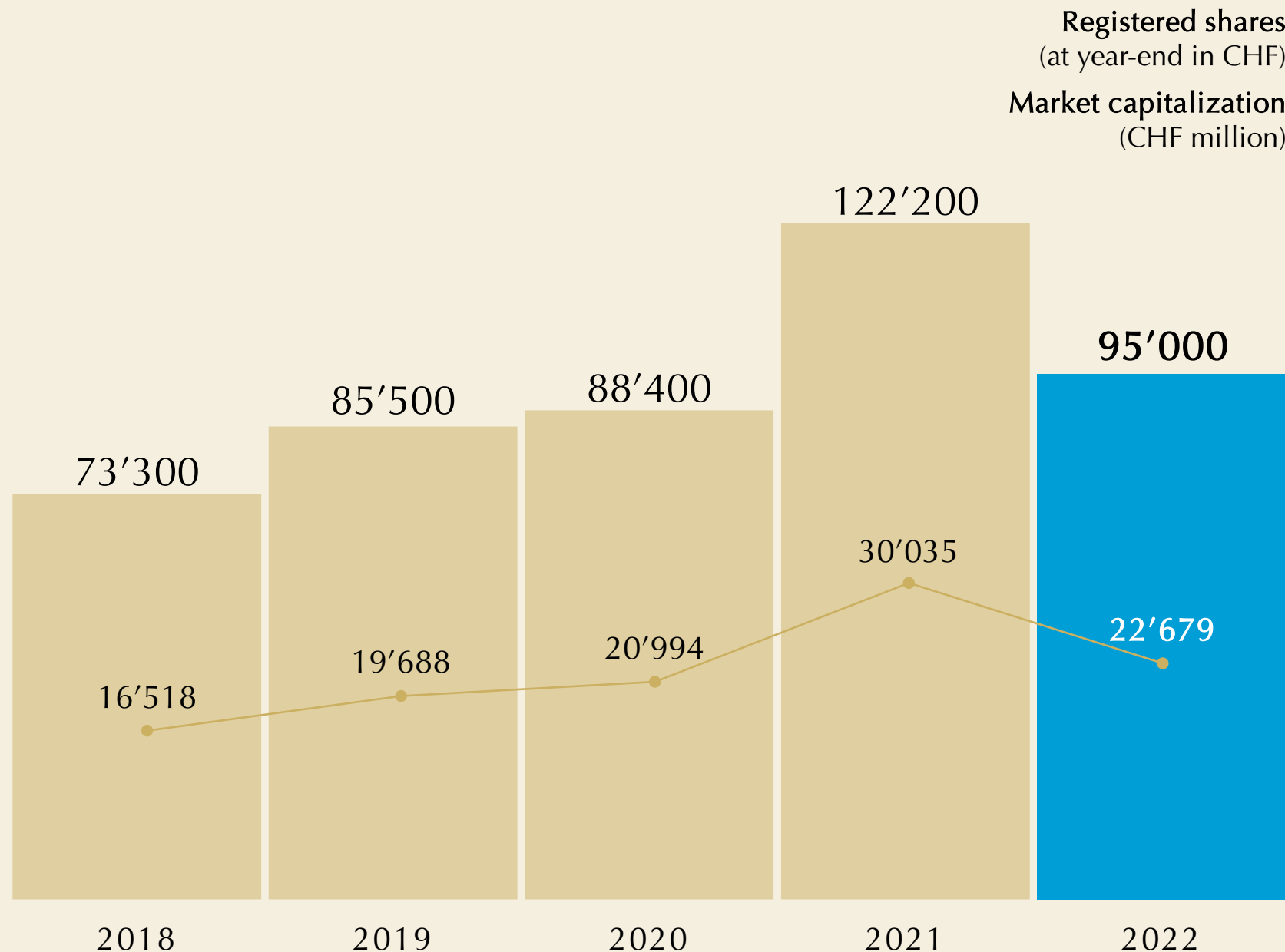
Shareholder Return

Increase in shareholder
return continues

	2018	2019	2020	2021	2022
 Ordinary dividend reg. (CHF)	1,000	1,050	1,100	1,200	1,300*
 Special dividend (CHF)	-	700	-	-	-
 Dividend yield reg.	1.4%	2.0%	1.2%	1.0%	1.4%
 Payout ratio	50.0%	83.2%	82.5%	59.3%	54.6%
 Share buyback (CHF million)	120	337	-	445	551

* Subject to approval by the AGM

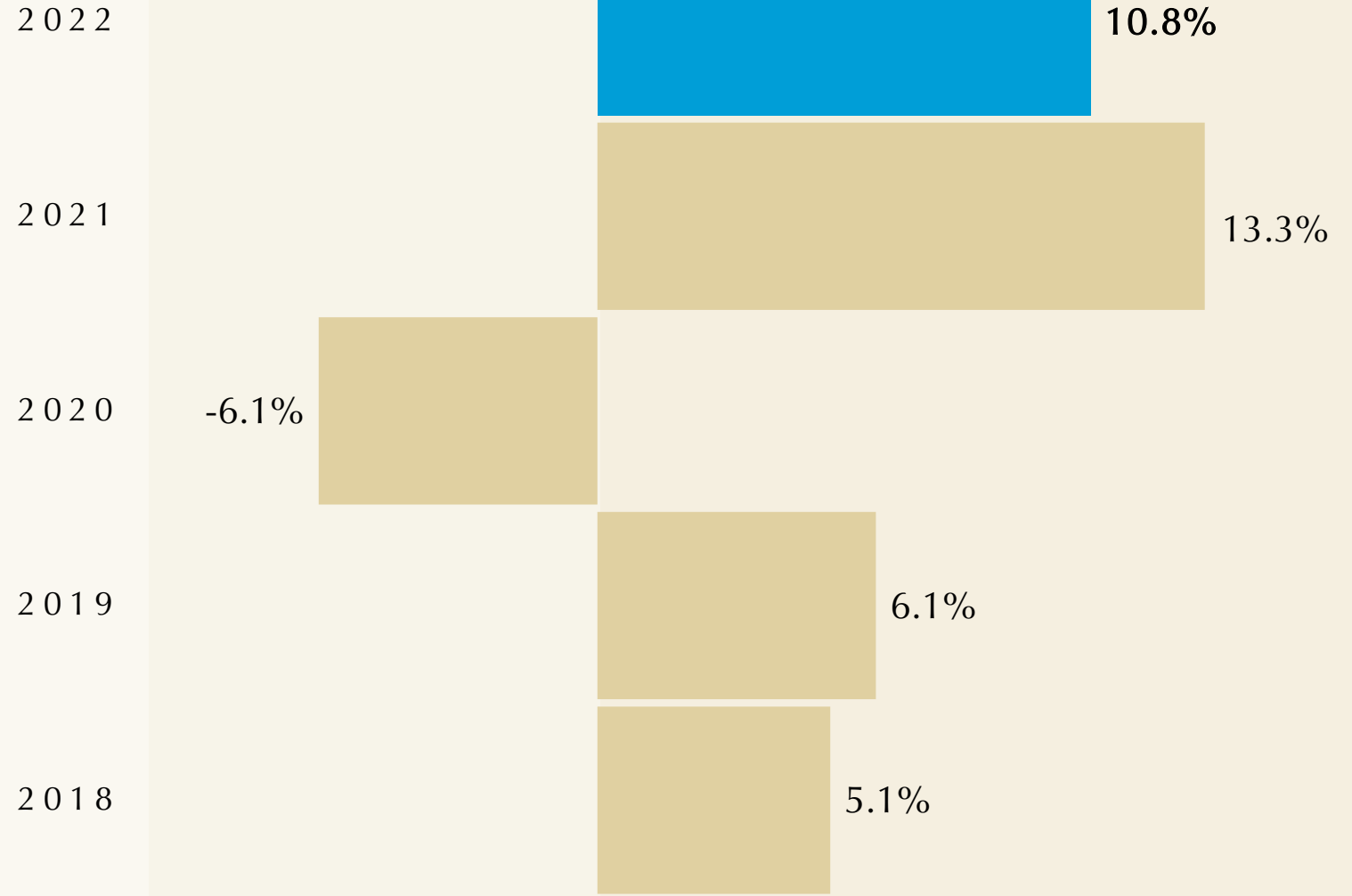
Share Price & Market Capitalization





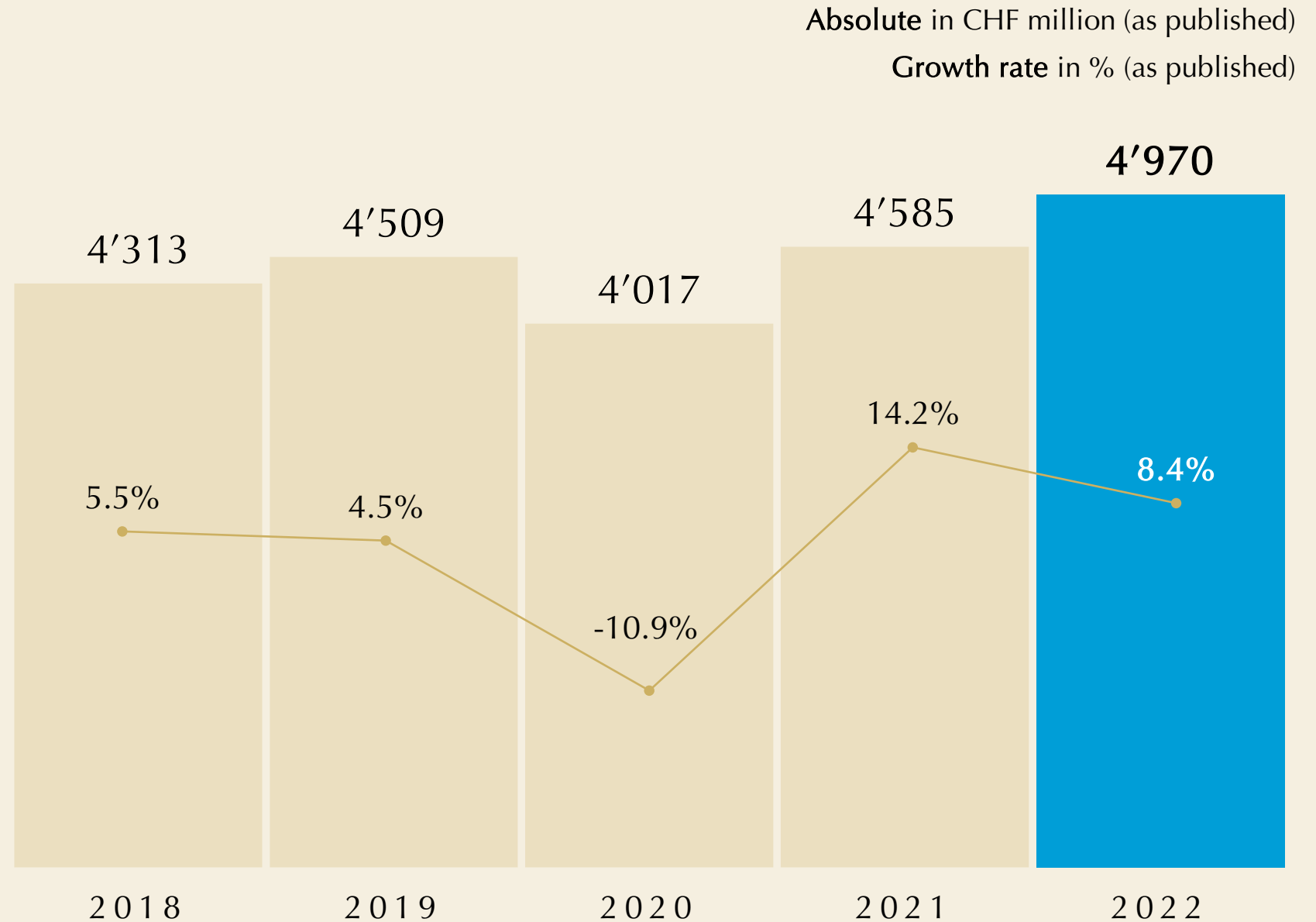
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Organic Sales Growth (in %)



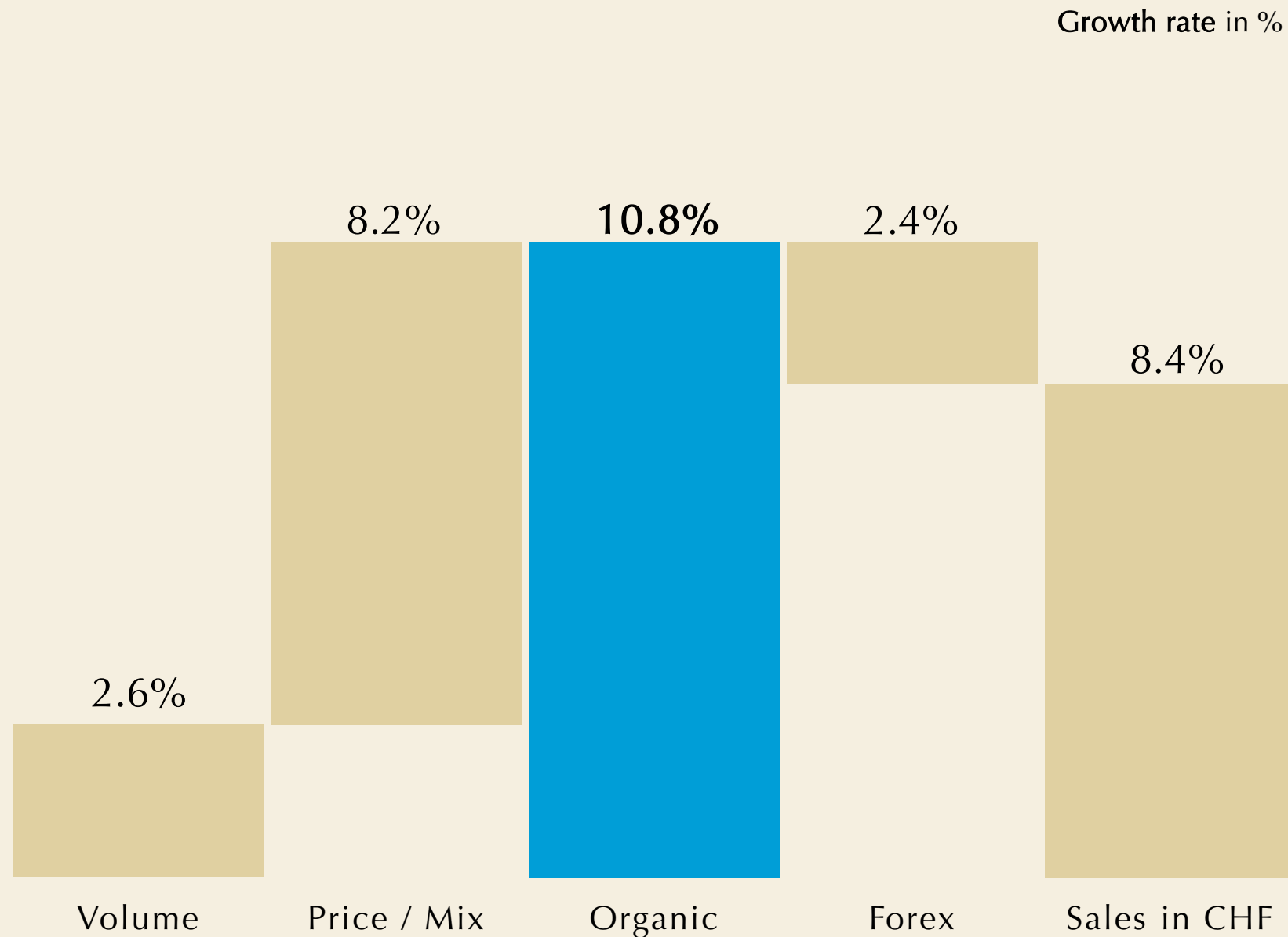
Sales Growth in CHF

Sales reaching a
new record high
close to CHF 5 billion



Sales: Growth Factors

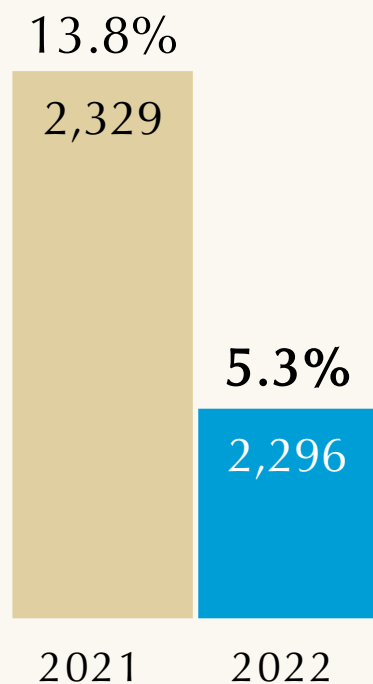
Organic growth of 10.8%
driven by Price / Mix



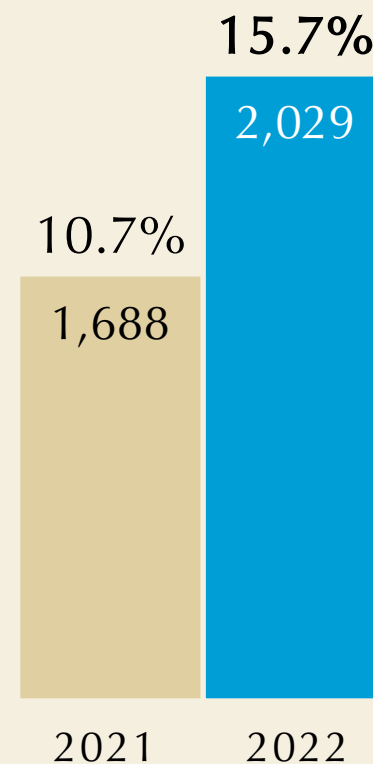
Sales Analysis: Segment Information

Growth rate in % (organic)
Absolute in CHF million
(as published)

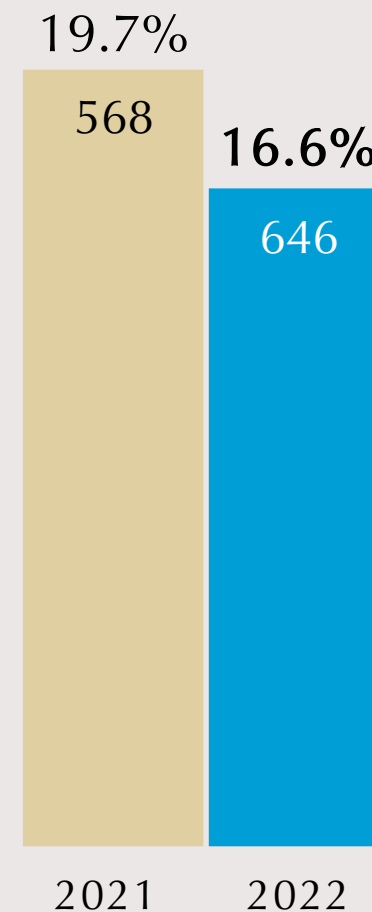
Europe



North America

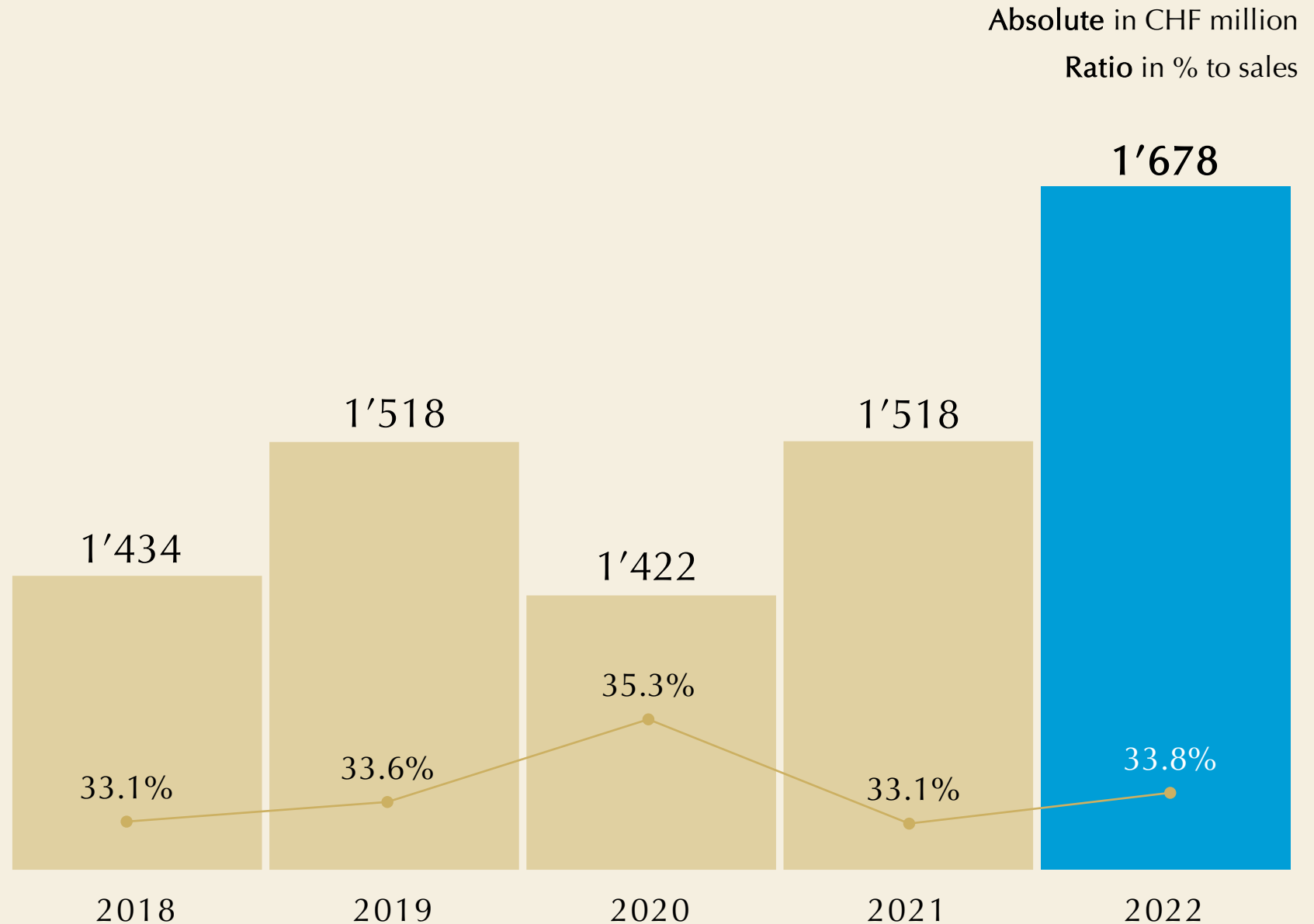


Rest of the World



Material Costs incl. Change in Inventories

Higher milk, sugar
and packaging prices
driving material costs



Cocoa Price

Price of cocoa bean futures have been experiencing an increase in recent months

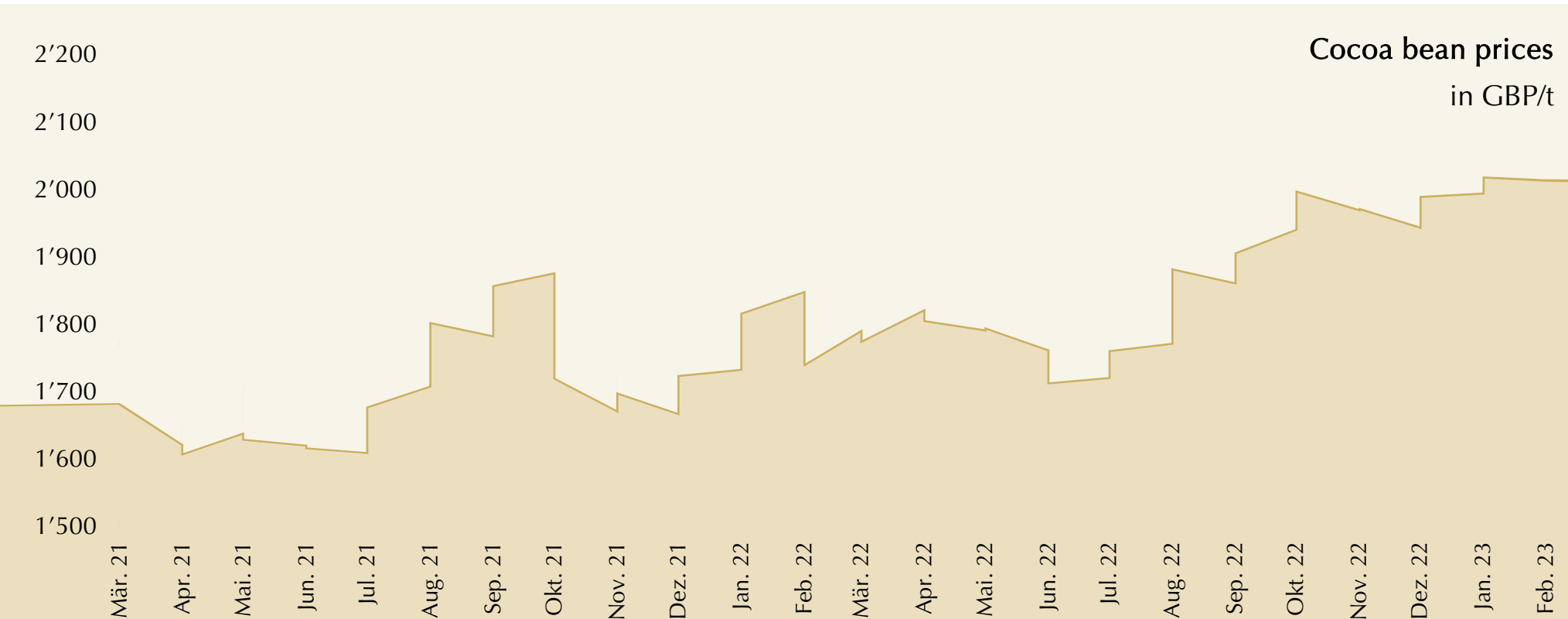
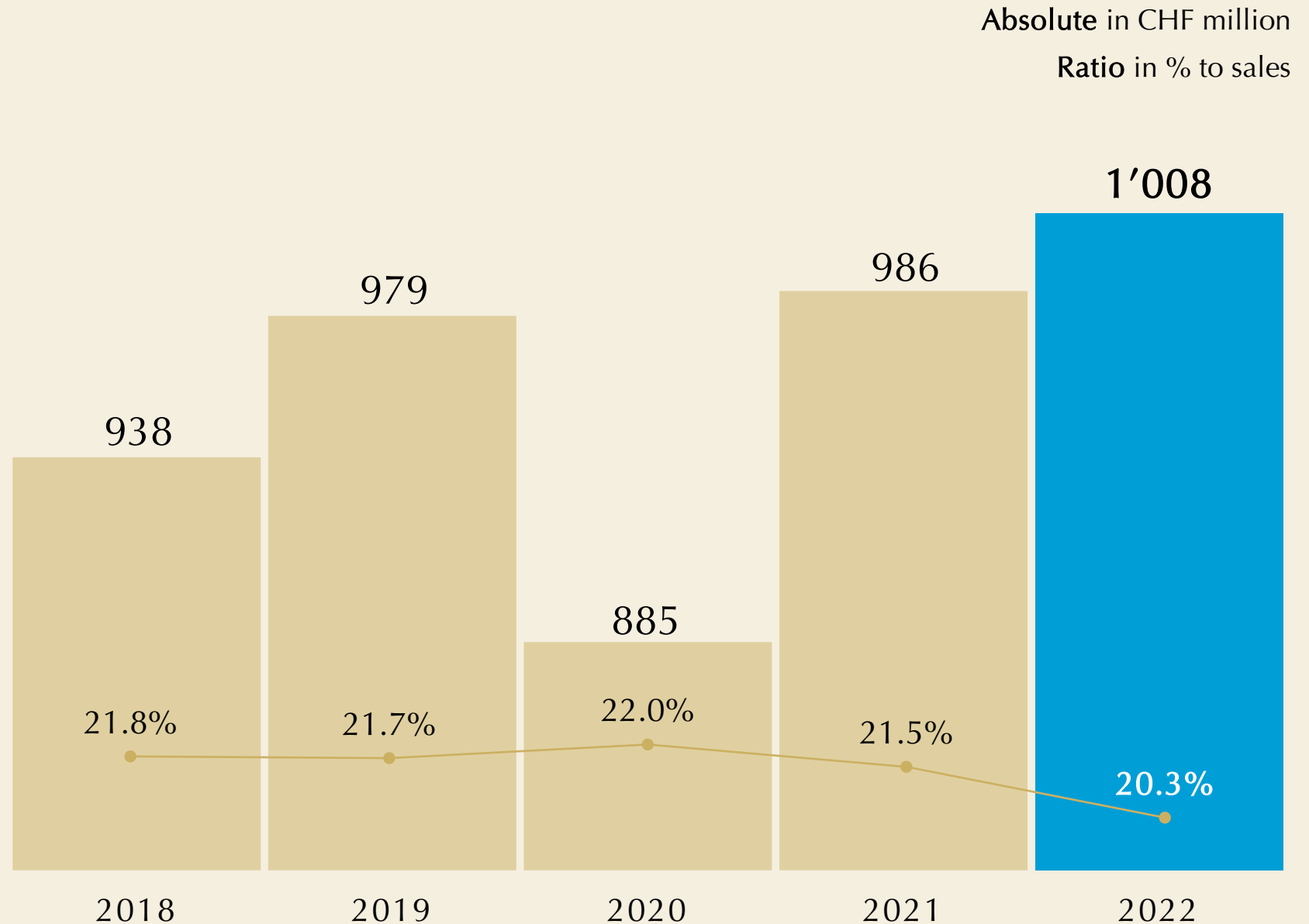


Chart does not include LID (USD 400/mt) which the Lindt & Sprüngli Group has paid since its introduction in October 2020



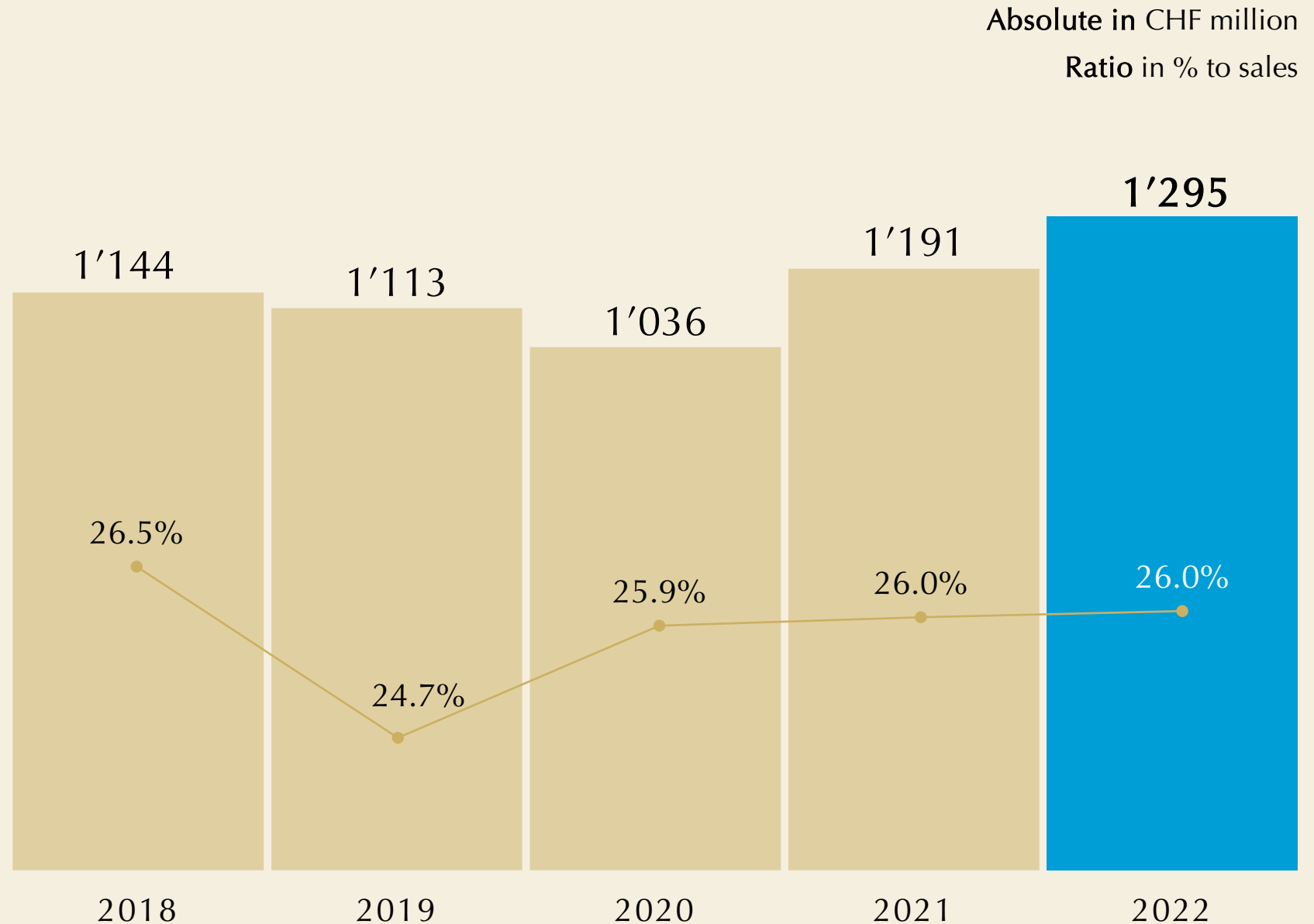
Personnel Expenses

Economies of scale leading
to improved cost ratio



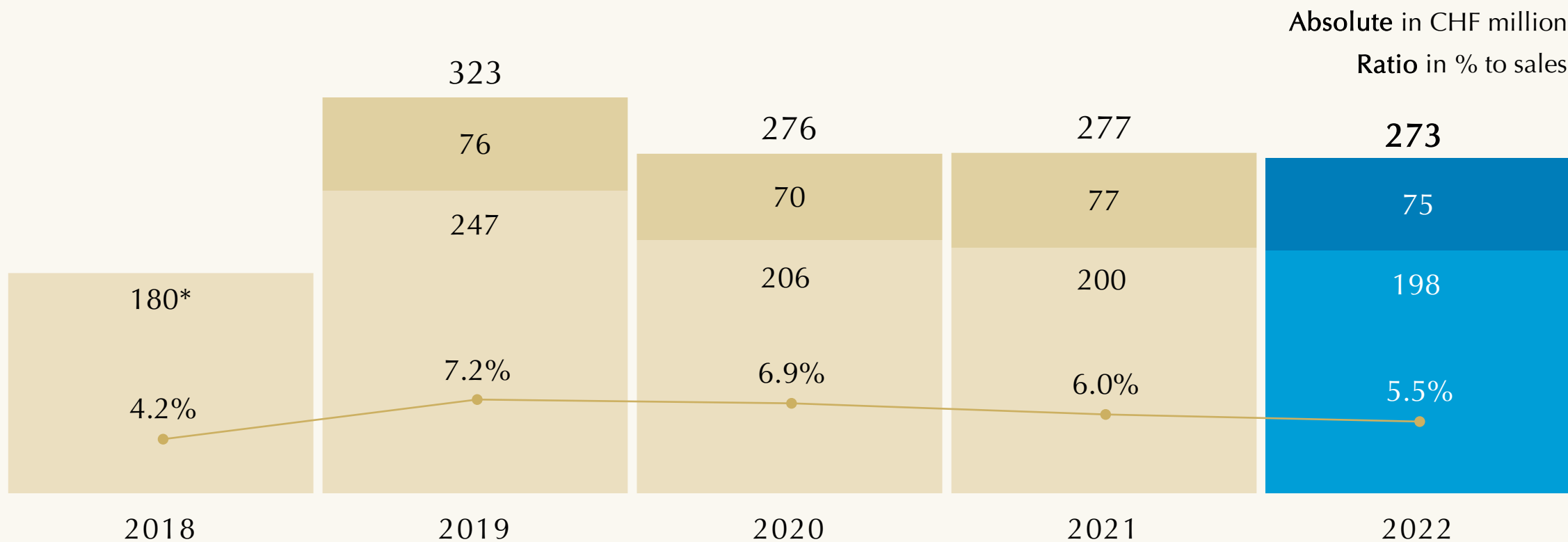
Operating Expenses

Maintaining high advertising investments despite increasing supply chain costs



Depreciation and Impairments

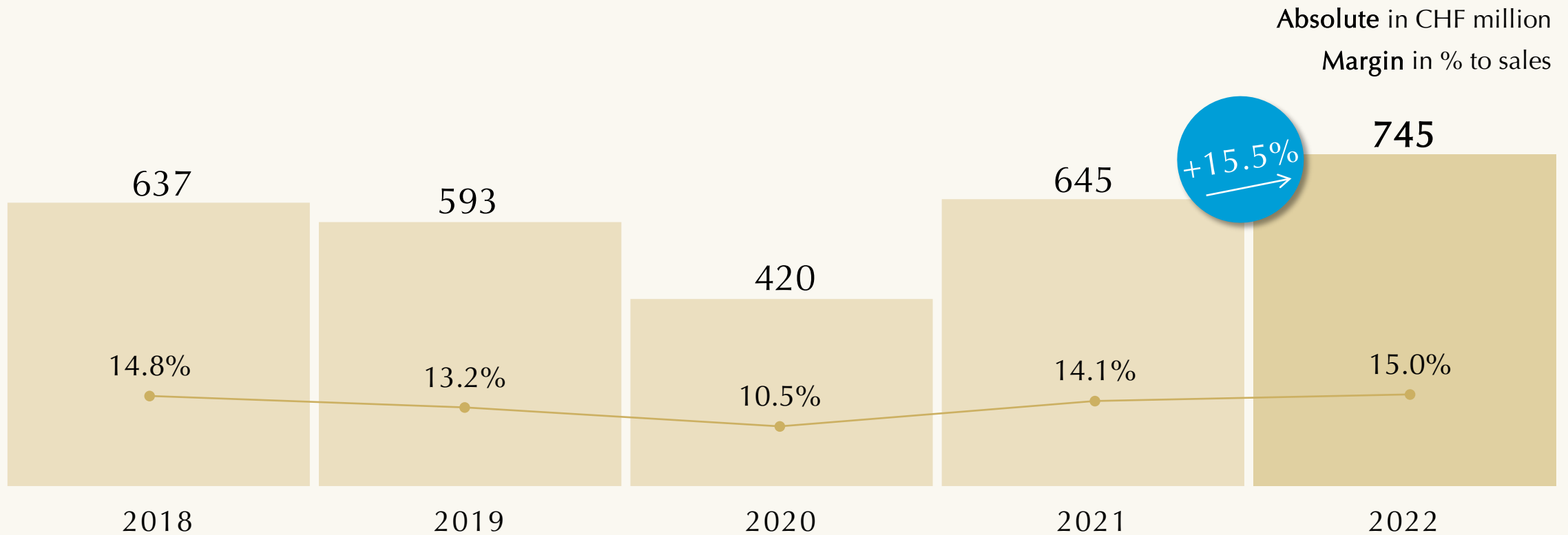
Slight decrease in percentage of sales driven by economies of scale



*2018 disclosed at old leasing standard

Operating Profit (EBIT)

EBIT-margin improved by 90 bp despite significant headwinds





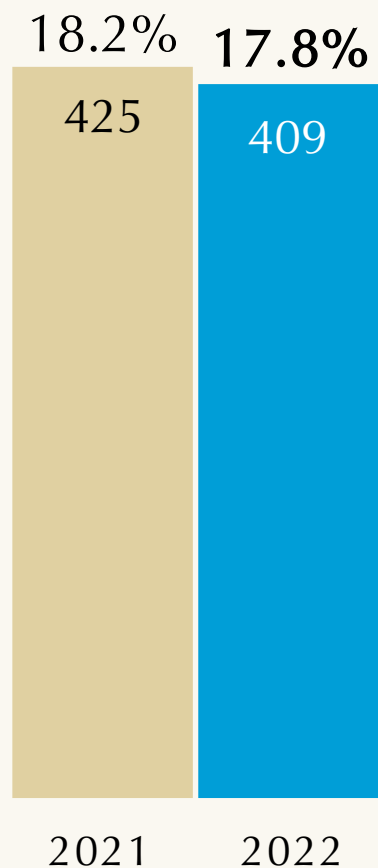
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EBIT by Segment

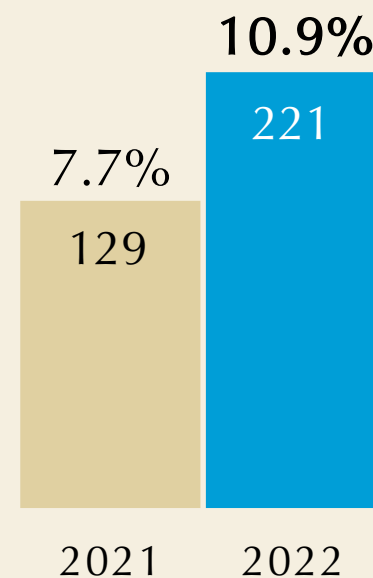
Strong increase of
profitability in North America

EBIT-margin in %
Absolute in CHF million

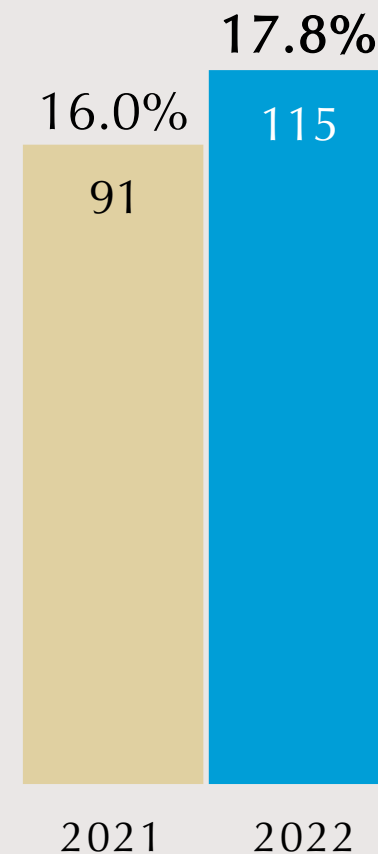
Europe



North America

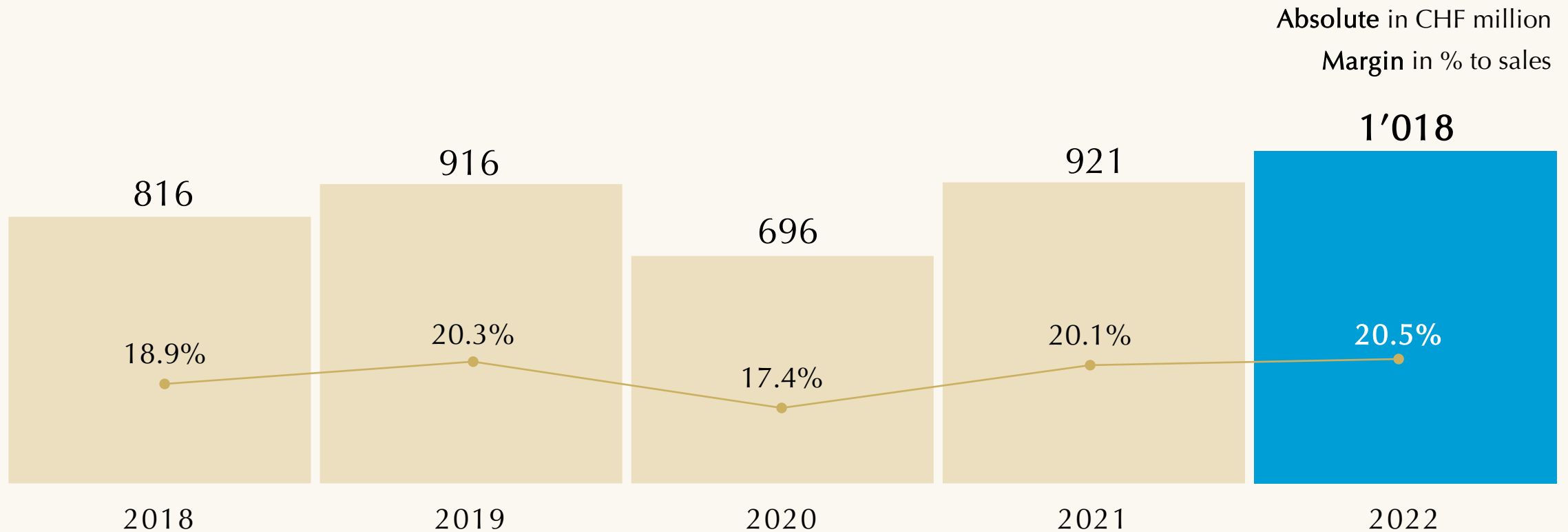


Rest of the World



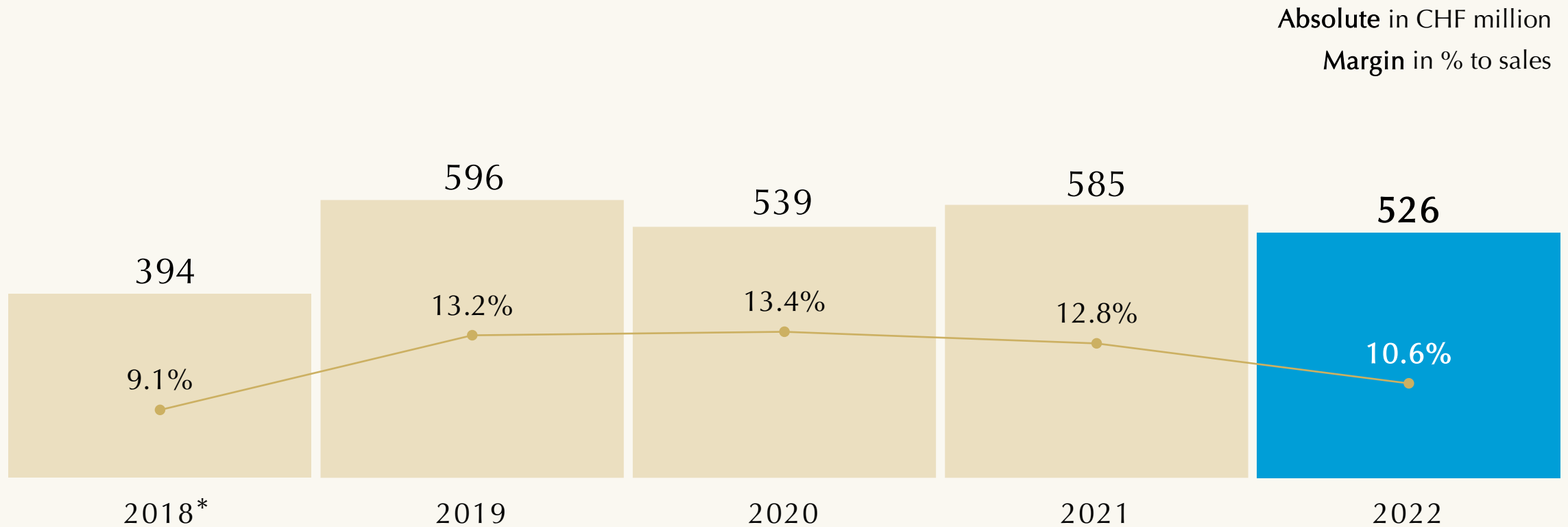
EBITDA

Achieving record levels, exceeding CHF 1 billion for the first time



Free Cash Flow

Strong Free Cash Flow despite higher inventories

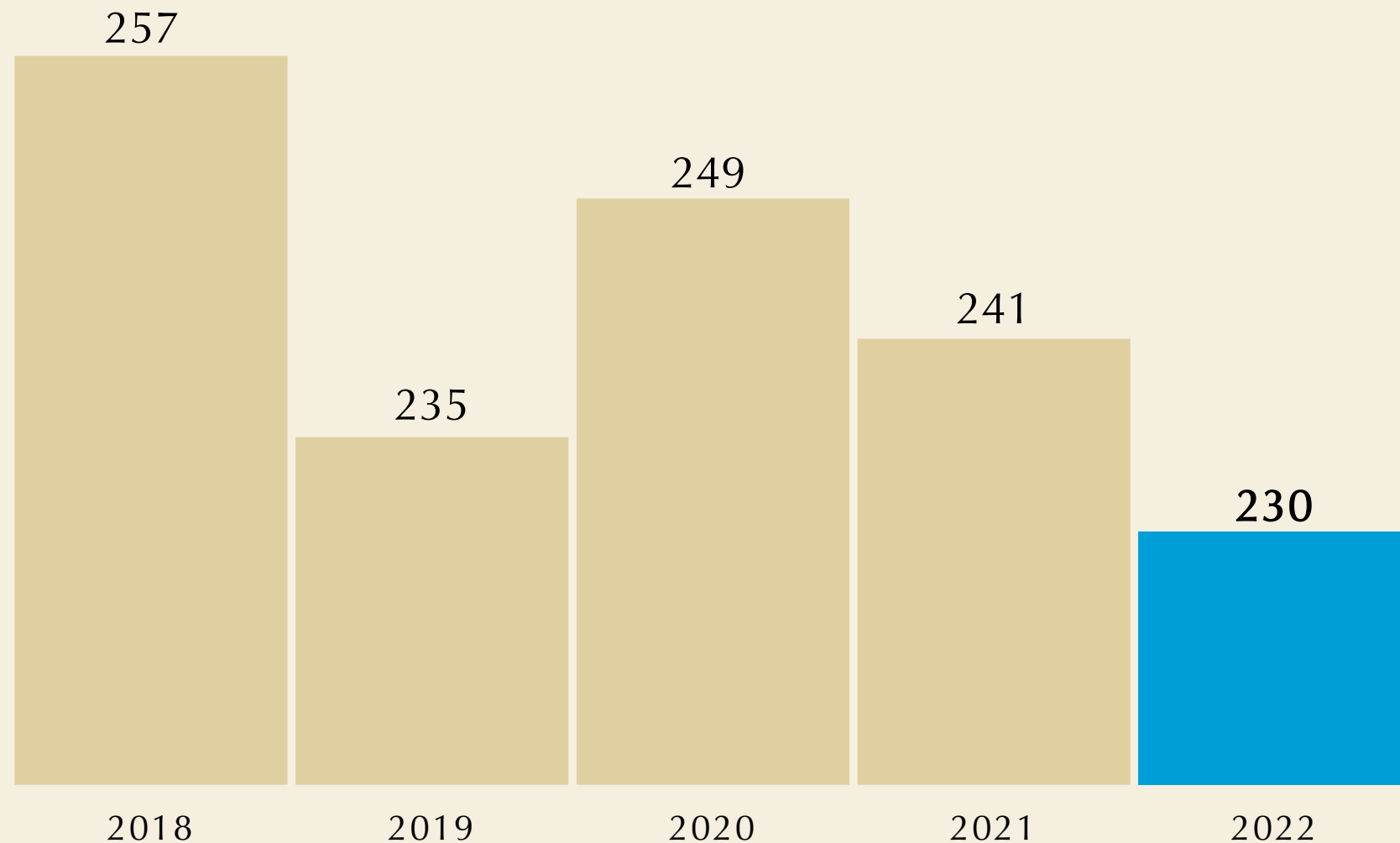


*2018 free Cash Flow before changes due to new leasing reporting

Capital Expenditure

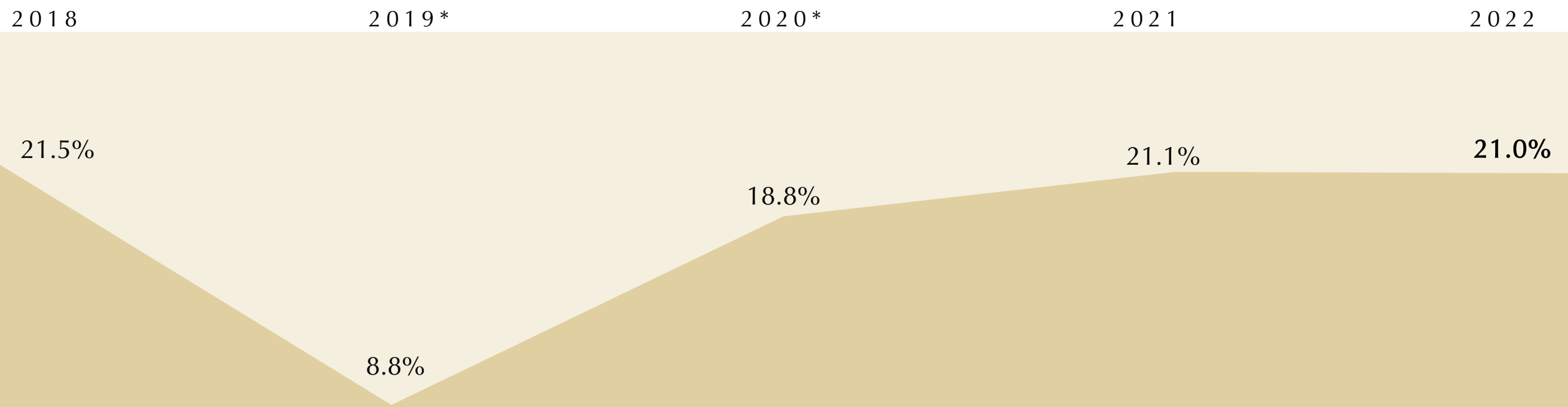
Continued investments into
growth and efficiency

Absolute in CHF million



Tax Rate

Tax rate in line with 2021

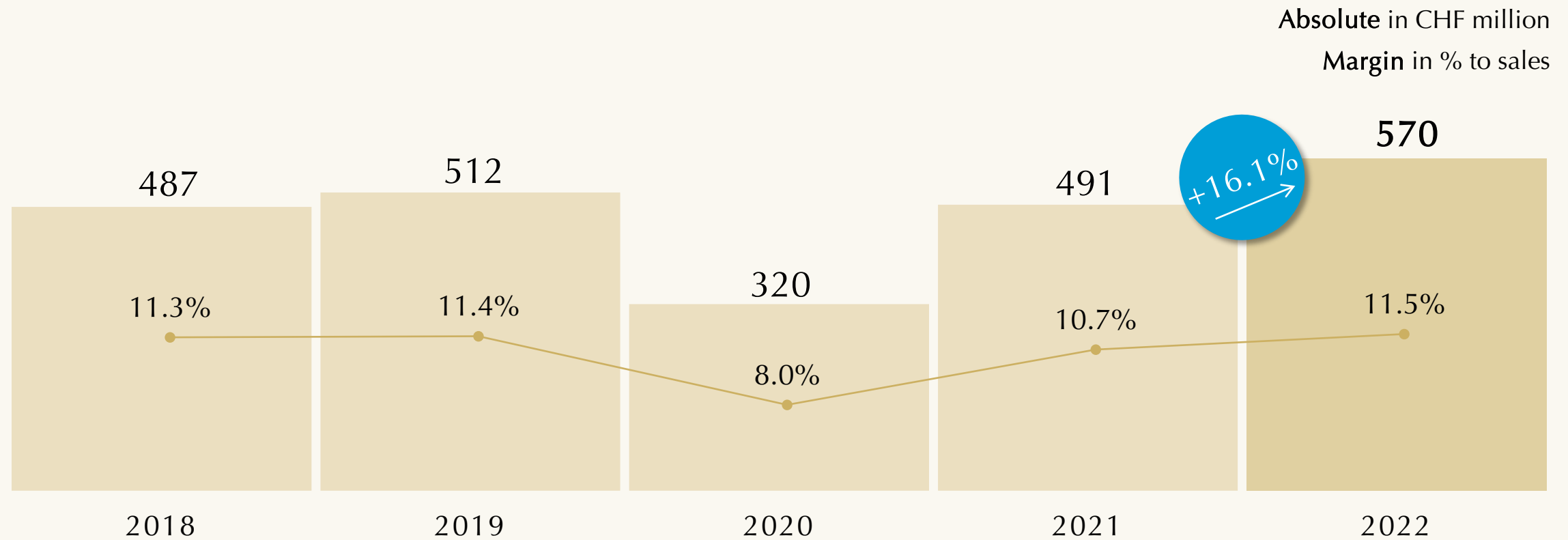


In % of income before taxes

* extraordinary positive effects

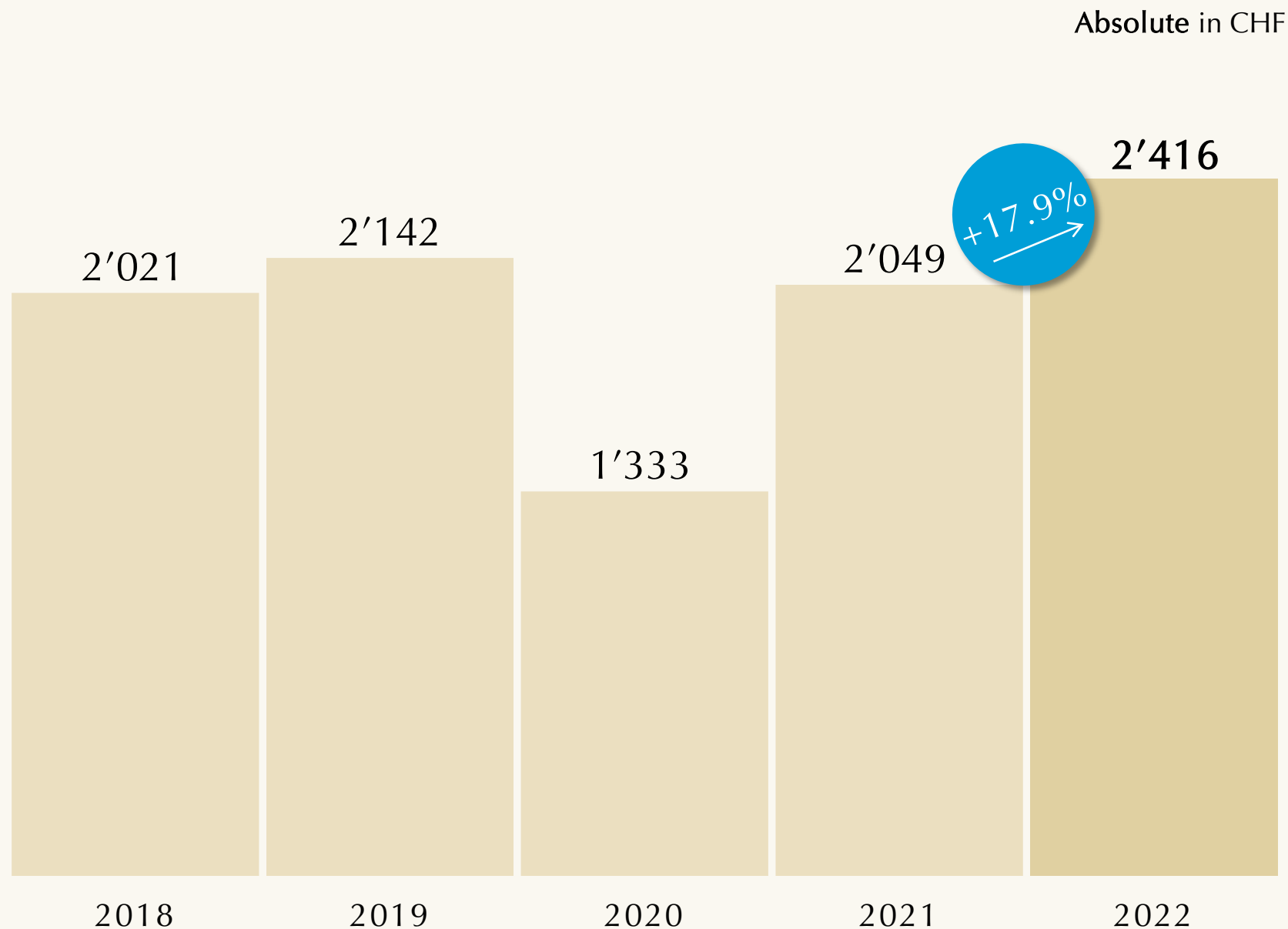
Net Income

Back to pre-Covid levels



Non-diluted Earnings per Share*

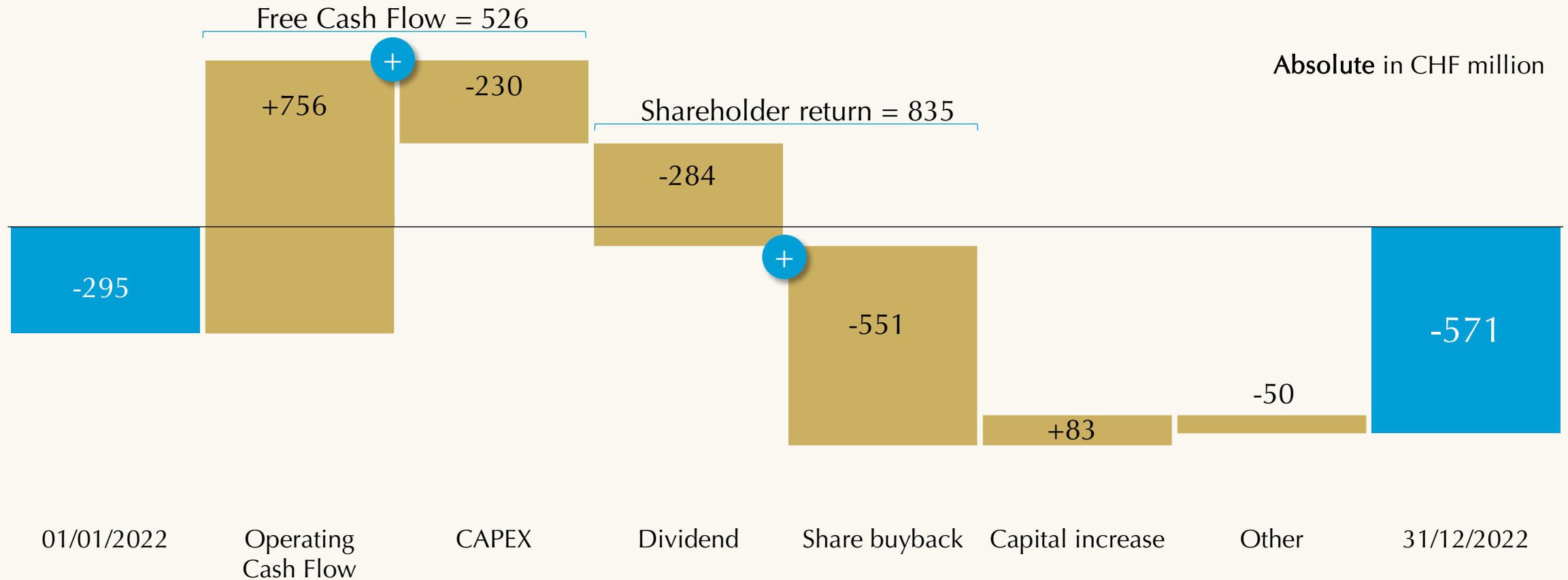
Substantial increase of EPS



* equivalent to 10 Participation Certificates

Net Financial Position

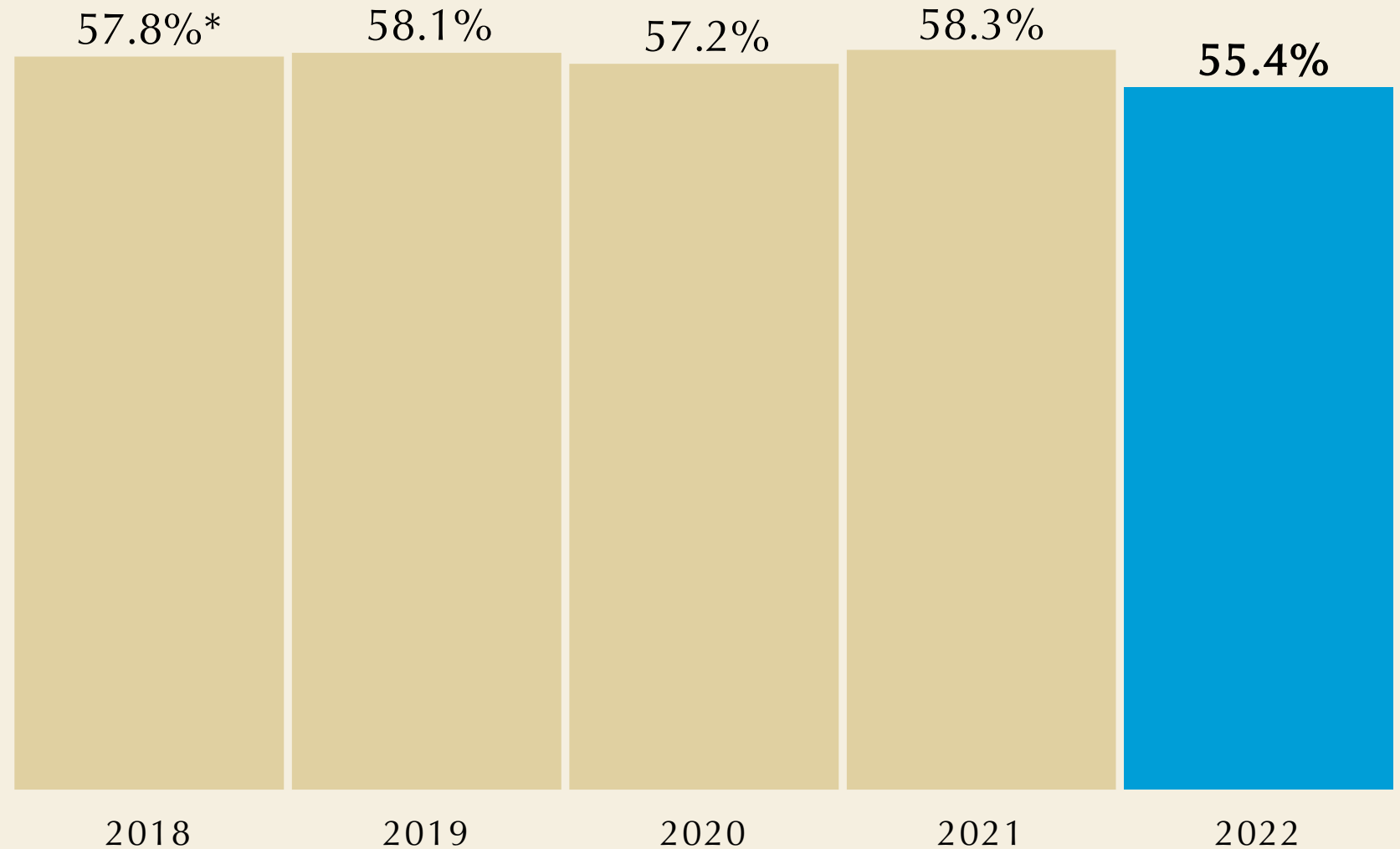
Slight increase in net debt despite share buyback - mainly driven by strong Free Cash Flow generation



Equity Ratio

Strong balance sheet

In % of total assets



*2018 adjusted for leasing impact for comparability reasons



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04

Sustainability



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The Lindt & Sprüngli Sustainability Plan

Our commitment for a better tomorrow

Our Sustainability Plan centers around Lindt & Sprüngli's focus areas grouped under four pillars and objectives:

- improve the livelihoods of people in our supply chain
- contribute to an intact environment
- foster successful collaboration within the company and delight our consumers

Lindt & Sprüngli considers **business integrity** and **human rights** as cross-cutting issues throughout our Sustainability Plan and our way of doing business.

Delighting Consumers

Transparent and responsible communication
Product quality/Product safety

Improving Livelihoods

Rural development
Responsible Sourcing

Contributing to an Intact Environment

Water and waste
Packaging
Climate
Bio-diversity and ecosystems

Performing Together

Enabling and motivating working environment
Occupational health and safety



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Sustainability Highlights



~ 91'000

Farmers in Ghana, Ecuador, Madagascar, Papua New Guinea, Dominican Republic, Peru, and Côte d'Ivoire

Supported through the Lindt & Sprüngli Farming Program

Complete

Carbon Footprint

calculated (Scopes 1, 2, and 3) and our science-based targets (SBT) developed with roadmap

SBT validation and announcement in 2023

> 2.8 million

Shade trees distributed through cocoa sustainability programs between 2008 and 2021

100% of cocoa sourced from farming households covered by Child Labor Monitoring and Remediation System (CLMRS) by 2025

Tackling child labor risk

New member of Child Learning and Education Facility (CLEF), improving access to quality education

New Group-wide

Human Rights Policy

formalizing our commitment to respecting human rights and establishing a commitment to conduct due diligence

100%

of our cocoa beans and 64% of cocoa bean equivalents, sourced through sustainability programs in 2021

by 2025

Expand our Responsible Sourcing Roadmap which will include 12 raw and packaging materials



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Lindt & Sprüngli Farming Program

The Lindt & Sprüngli Farming Program aims to create decent and resilient livelihoods for cocoa farmers and their families and encourage more sustainable farming practices.

For further information see: Lindt & Sprüngli Farming Program Homepage: www.farming-program.com



Four pillars of the Program based on a Theory of Change

- 1 Tracing our beans
- 2 Training the farmers
- 3 Investments for farmers and communities
- 4 Independently verifying our Program

+

Objectives

- Increased income of farming households
- Reduced risk of child labor
- Conservation of biodiversity and natural ecosystems



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Our pathway to Science Based Targets (SBT)

Committed to defining science-based targets (including Scopes 1, 2, and 3)

Goal of reaching net-zero emissions by 2050, to be announced in the second half of 2023.



MAY
2021

21

- ✓ Committed to define an SBT with long-term goal to reach net-zero emissions

2021

21

- ✓ Carbon footprint assessment (Scopes 1, 2, and 3)
- ✓ Continue emissions reduction actions
- ✓ Progress 2021: 20% reduction of emissions in production process per ton produced

2022

22

- ✓ Build roadmap of potential emissions reduction actions
- ✓ Assess potential impact of actions

2023

23

- Verification of proposed targets by SBT initiative
- Announcement of SBTs in H2 of 2023

2023+

23

- Implement full SBT roadmap and action plan



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5

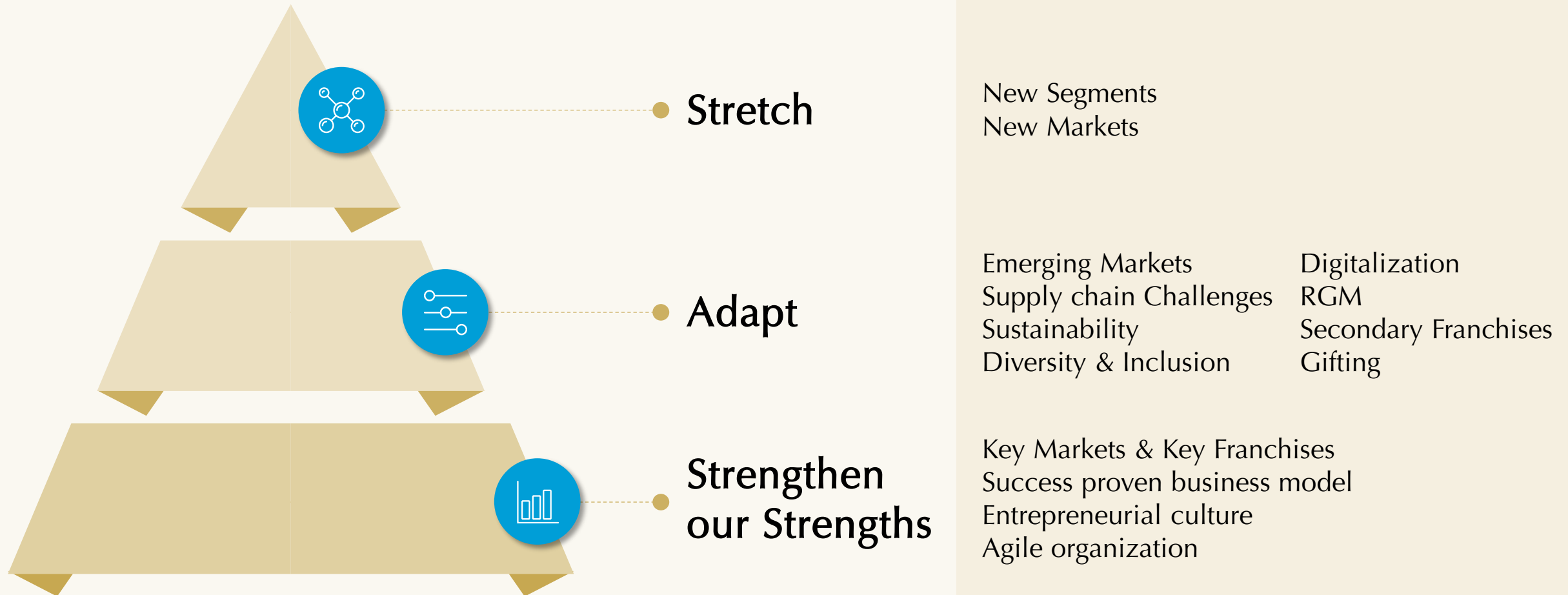
Growth Agenda & Outlook

Adalbert Lechner
Group CEO



Building on our Strengths

We have a proven recipe for success. By adapting to changing market requirements we will continue our growth story





LINDT & SPRÜNGLI

The Lindt & Sprüngli Way to Growth



1

Growth

Optimize brand support
Free up funds via RGM / efficiency increase
Capitalize potential of secondary franchises
Strong focus behind gifting

2

Premium

Nurture brand equity
Invest in quality and reputation
Secure margins

3

Innovation

Enchant consumers
Increase penetration
Cover new demand moments

4

Sustainability

Live up to our ESG commitment

5

Agile Culture

Lean organization – Empowerment – Ownership
Accountability – Consumer centricity –
Speed to market



Outlook

Lindt & Sprüngli will continue to grow stronger than the market



Financial Year
2023



Medium to
long term

6-8%

Organic sales growth

20-40

Operating profit margin
20-40 basis points
above 2022

6-8%

Expected sales growth

20-40

Continuous improvement of
operating profit margin of
20-40 basis points per year



Q & A



LINDT & SPRÜNGLI



Disclaimer

This presentation contains forward-looking statements which reflect the management's current views and estimates.

The forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements.

Potential risks and uncertainties include such factors as general economic conditions, foreign exchange and commodity price fluctuations, competitive product and pricing pressures, regulatory developments, global health issues, and geopolitical crises.