**Sales 2023** 

North America
CHF 2.11 billion

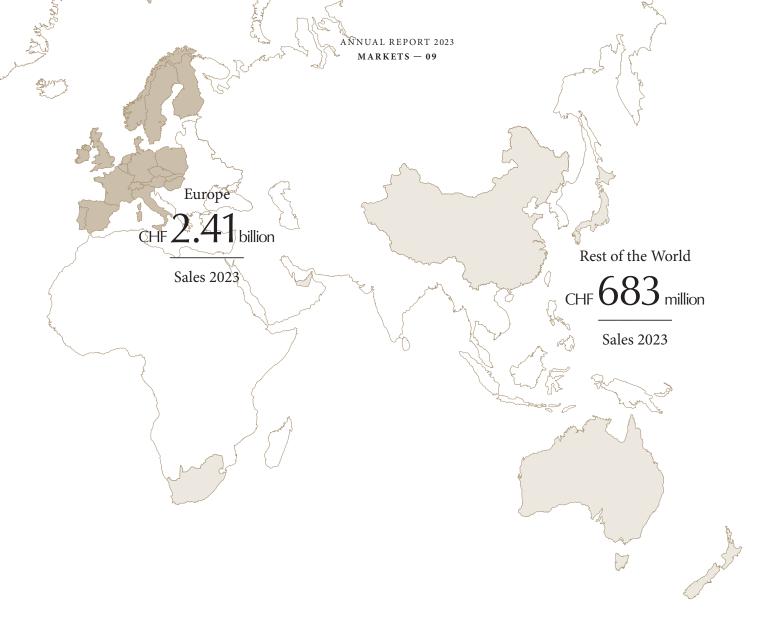
Sales 2023

The Lindt & Sprüngli Group once again recorded pleasing double-digit organic growth to CHF 5.20 billion. All geographical segments had significant growth, with Europe maintaining its position as the largest region by sales value. Once again, North America showed strong development across all subsidiaries – including Russell Stover, which celebrated its 100<sup>th</sup> anniversary in 2023. The "Rest of the World" growth markets segment also confirmed its substantial future potential. The success is particularly noteworthy in the Global Retail organization, where significant growth was achieved in both physical and digital Lindt Shops.

The financial year 2023 was – once again – very challenging. While the effects of the Covid crisis have largely faded into the background, the ongoing war in Ukraine and the new geopolitical trouble spots have led to stubborn inflation, coupled with persistently depressed consumer sentiment in many countries. The Swiss franc also strengthened further against important currencies, which was reflected in the annual financial statements. On top of this, cocoa prices also rose to historic highs due to the global shortage of cocoa beans. Weather conditions and plant diseases played a major role here. The procurement measures introduced in the previous year had a positive impact. Despite this challenging

environment, we achieved Group sales of CHF 5.20 billion, which corresponds to organic growth of 10.3%.

In all regions, the key franchise Lindor, the largest brand in our range, continues to record impressive sales figures and double-digit organic growth. A visit from friends, family celebrations at important seasonal events such as Easter and Christmas, or the personal presentation of a small thank-you gift are all occasions on which our exquisite Lindor pralines in their exclusive gift packaging are frequently favored. We have thus succeeded a thousand times over in adding a unique, sweet touch to a special moment and bringing a little joy into the day-to-day lives of many consumers.



Compared with the strong growth of previous years, the Excellence line developed solidly with an already strong market share in the category. We continue to see the trend in several markets in consumption of dark chocolate with a high cocoa content.

Seasonal sales increased significantly. These have been a driving force behind sales growth. Both at Easter and at Christmas, our products – from the Lindt Gold Bunny to the Lindor Truffle – were in demand to delight friends and family with something special. Sales across all distribution channels developed very well. Sales in the Global Retail area show that consumers value the personal contact, the wide selection of gifting options,

and the brand experience in the exclusive Lindt Shops. At the same time, the online channels are also doing well.

Employees in procurement, production and logistics made a significant contribution to the success of the past year. Rising raw material prices and inflation-related cost increases were partially offset by gains in efficiency. The market prices for cocoa beans have risen massively, meaning that sales prices have had to be adapted. Our results show that consumers have accepted price increases for their favorite chocolate and have remained loyal to our brands.





Lindt & Sprüngli (Schweiz) AG

462

million CHF
Sales including exports
(Global Travel Retail
& Distributors)

+13.6% growth

The Swiss market, which also includes business with travel retail customers and distributors, increased its sales in 2023 by a strong 13.6% to CHF 462 million. This year-on-year growth is attributable to price increases and the recovery of tourism in Switzerland. We are especially pleased about the continued interest in our world's largest Lindt Shop at the Lindt Home of Chocolate in Kilchberg. We maintain the attractiveness of the shop with exclusive and personalized, handmade products. Our Swiss Premium Minis, the Napolitains, reported the largest increase in sales of all product groups. We see tourism as a driver of growth and have drawn up a comprehensive action plan with specific product development for tourists, collaborations with key tourism partners and physical availability in regions and shops heavily frequented by tourIn the Lindor key franchise, which continues to grow rapidly, the limited edition Cheesecake flavor was launched in and became the most successful special edition in the financial year. During the Christmas business, we focused on Lindor with the Lindt Christmas tree activation at the Christmas market in Zurich main station. The latest addition to our Swiss portfolio, Lindt Squares, was successfully showcased throughout the entire year. A particular highlight was the sponsored partnership at the Zurich festival Züri Fäscht in July, which had a direct positive impact on sales. To develop the Excellence variant vanilla, we used an innovative flavor simulation in the Lindt Home of Chocolate in Kilchberg. With four different flavor combinations, we engaged more than 1,500 international visitors in the development process at an early stage.



# **Germany**

Chocoladefabriken Lindt & Sprüngli GmbH

786 million EUR sales

The German market achieved organic sales growth of 7.0% to EUR 786 million. Lindor Pralines once again made the largest contribution to growth. Lindt remains one of the most popular suppliers in the praline segment in Germany. The trend continued consumers bought less for themselves and more as gifts. This is particularly noticeable in the retail channel, which recorded dynamic growth. The Group's own shops have performed even better. Consumers were once again increasingly seeking a personal shopping experience, resulting in an increase in footfall. The new loyalty program "MyLindt Rewards Club" helped to strengthen customer loyalty to the brand through attractive promotions. The implementation was very success-

ful in the German market, with close to 400,000 members signing up for our loyalty program in the first year. Once again, the chocolate market was accelerated by limited editions. There was a growing trend towards white chocolate and flavors such as Cheesecake, Double Chocolate and Strawberry, to which we cater well with our Lindor editions. Mobile commerce and purchases through social media are gaining in significance. We have increased our presence on these channels and launched new 15-second and 6-second Christmas commercials on YouTube and social media. The social media campaign for Easter supported our iconic Gold Bunny, which led to double-digit growth - strengthening its number-one position in the market.



### France

Lindt & Sprüngli SAS

430 million EUR Sales

In the French Market, Lindt & Sprüngli achieved sales of EUR 430 million, an organic growth of 5.3%. In the financial year, Lindt further strengthened its leading position in the chocolate bar market and widened the gap to second place. The Excellence line has the largest market share in France. The launch of the new Pailleté product range has attracted new customers. The Excellence Pailleté range, which includes variations such as Pailleté Dentelle, Pailleté Gaufrette and Pailleté éclats de cacao, made it on to the list of top 20 innovations from the Nielsen market research institute. Thanks to targeted sales support in the retail trade, Lindt & Sprüngli recorded exceptional Easter and Christmas business results, and for Valentine's Day, pralines, which are often bought as gifts, were particularly popular. Appropriate advertising measures increased the visibility of the brand on this occasion, which directly translated into sales. Lindor recorded double-digit growth which is attributable to strong activation, especially during the Christmas season. The launch of the new Salted Caramel variant has also boosted sales in this product segment.



Italy

Lindt & Sprüngli S.p.A.

307 million EUR sales +11.1% growth

In the Italian market, Lindt & Sprüngli achieved sales of EUR 307 million, an organic growth of 11.1%. This development was driven by a number of factors. The merger of Lindt & Sprüngli Italy with Caffarel in 2022 surpassed expectations in 2023 and continued to develop positively. Both brands Lindt and Caffarel are now part of an integrated organization across all sales channels. Lindt & Sprüngli thus strengthened its position in the premium segment and grew in wholesale, traditional specialized trade and own retail shops. The Retail network now comprises of 35 shops, with two shops newly opened.

The most important product remains Lindor, which was particularly sought after in high-quality gift packaging both at Easter and Christmas. After Lindor, Excellence, our chocolate with a high cocoa content, shone with two product innovations: Lindt Excellence Cialda Friabile and Lindt Excellence Wafer Croccante, once again enchanting lovers of dark chocolate. Italy was one of the first countries to launch the newly developed crispy, creamy Lindt Choco Wafer, to meet new consumer demands. Advertising was further improved, contributing to the strong growth of Lindt & Sprüngli Italy.







# UK & Ireland

Lindt & Sprüngli (UK) Ltd.

294 million GBP sales

In the United Kingdom and Ireland, Lindt & Sprüngli achieved sales of GBP 294 million, an organic growth of 10.0%. Despite the difficult circumstances due to high inflation in the market and legislation restricting the presentation of products with a comparatively high fat, salt and sugar content, the Lindt business developed very well. Thanks to more shelf space, we were able to increase the visibility of our praline and seasonal categories in grocery stores. Lindor remained the most popular product here. The Lindt Bars achieved strong growth, driven by Excellence, which was able to defend its position as market leader in the dark chocolate segment. The introduction of Swiss Classics as a chocolate bar also contributed to the success. Business in our own shops continued to develop positively. Lindor was the most important growth driver in the UK and Ireland, alongside a strong seasonal business and an increasing demand for high-quality gifts. In summer 2023, Lindt & Sprüngli UK was one of the first subsidiaries to launch the crispy, creamy Lindt Choco Wafer in three variants to meet additional consumer needs. The product range was extremely well received by both consumers and retailers and was even named "Innovation of the Year" by the trade magazine "The Grocer" in the confectionery cat-



# Spain & Portugal

Lindt & Sprüngli (España) S.A.

112 million EUR Sales

In the markets of Spain and Portugal on the Iberian Peninsula, Lindt & Sprüngli generated sales of EUR 112 million in 2023 and organic sales growth of 10.7%, mainly thanks to Lindor. In terms of chocolate bar sales, the milk chocolate bars performed well. Seasonal products also contributed to the positive result, with the highest growth rate among the product groups. We have successfully expanded our product portfolio with the launch of Nuxor White. In Portugal in particular, we were able to increase our market share and raise our profile through various marketing initiatives. The most successful sales channel was the Group's own shops, which increased volumes both organically with newly launched products such as Lindor Salted Caramel and in terms of numbers, with three new shops. Traditional retail and various online channels also contributed to the growth. For Spain and Portugal, the Christmas business is still the most important season of the year, significantly more so than in other markets. This business was very successful last year due to the sales of pralines. In addition, Easter is a seasonal business with increasing growth rates and potential. This is particularly true in Portugal, where certain chocolate traditions have only recently been established. The Gold Bunny has become a very popular product.



# Rest of Europe

### Austria

market. Austrian Lindt & Sprüngli expanded with an organic growth rate of 10.6%. Growth was driven by the strong Easter business focusing on the Lindt Gold Bunny and Lindor. Supported by a promotional program, Nuxor was also a relevant growth driver. Added to this were proven sales drivers such as chocolate bars, where milk variants in particular were very popular. Lindt & Sprüngli consolidated its number one position in Austria in the praline segment, number two in chocolate bars and is the market leader in seasonal business. In distribution channels, the picture was similar to that in other European markets. Sales grew most strongly in our own shops, followed by online trading.

### **Nordic**

The Nordic market region (Denmark, Sweden, Norway and Finland) achieved organic sales growth of 7.3%, led by Finland, Norway and Denmark.

In Sweden, however, sales fell short of expectations. Consumers suffered from lower purchasing power as a result of the macroeconomic situation. This impacted the sales volume of premium food products. Across product lines, gifting items in Northern Europe were the most attractive, and snacking products also sold well. The Seasonal businesses and the festive period ran smoothly too, and thanks to the Gold Bunny and the Teddy, Lindt was one of the most popular brands.

### Benelux

The Benelux market region, which includes the three countries Belgium, the Netherlands, and Luxembourg, delivered an impressive growth of 37.6%. This development was achieved through a route-to-market transition in Belgium and targeted investments in marketing and Lindt's own stores – both offline and online. Lindt & Sprüngli Benelux doubled its own retail sales last year and opened

its largest store to date in Roermond (NL) last September. While dark chocolates continue to be one of our most important products in this market, it was Lindor, in particular, that grew in the financial year.

### **Central Eastern Europe**

The Central Eastern Europe market region (Poland, Czech Republic, Slovakia, Hungary) increased its sales organically by 20.4% last year, well above the overall market. In this region, Lindt & Sprüngli grew both in the retail segment and in its own retail business, with e-shops in particular recording significant sales growth. The market launch of Lindor Strawberry contributed to the growth of our praline products. The Mango & Almond variant launched in the Excellence range showed gratifying results.





Sales 2023

North America

The "North America" segment grew organically by 11.0% to CHF 2.11 billion. Growth is broadly based. All subsidiaries – including Russell Stover – performed well and contributed to this result. With this, the segment has outperformed the overall market and consolidated its position as market leader in the premium segment. Our brands are enjoying increasing popularity with consumers.



### USA

Lindt & Sprüngli (USA) Inc.

million USD +14.0% growth

In the USA, the world's largest chocolate market, Lindt & Sprüngli grew by 14.0% to USD 804 million last year. Lindor remains by far the most important product group in the USA and has been expanded to include the Birthday Cake and Oatmilk flavors. With the non-dairy Lindor Oatmilk, a successful addition to the range, we are tapping into new customer segments in the US market. The Excellence brand held top position in the dark chocolate segment. This was achieved, among other things, with a new TV advert specifically aimed at the US market for the first time. The concept of dark chocolate is not yet as well established in the US as it is in Europe. It, therefore, needs to be communicated to consumers in a different way. Milk chocolates in the Classic Recipe brand once again achieved high sales in the US market. Overall, Lindt & Sprüngli USA grew its market share and continued to deliver accelerated growth in all seasons - Valentine's Day, Easter, and Christmas. In line with our sales growth, we are increasing our capacities in the United States, which is why the production site in Stratham, New Hampshire is currently being expanded. The project is running according to plan. Production is scheduled to become fully operational in 2024 and 2025, which will significantly increase the plant's capacity. Thanks to high investments in automation, productivity will be noticeably improved.



# Ghirardelli **Chocolate Company**

+11.6% growth

Ghirardelli generated sales of USD 812 million in financial year 2023, which corresponds to organic growth of 11.6%. All distribution channels contributed, with Ghirardelli gaining market share in both the confectionery and baked goods segments thanks to intensive advertising campaigns and increased visibility at the point of sale. The Ghirardelli Squares, as the most important product group, gained greater visibility with the snack format and developed very well thanks to advertising investments and the introduction of new flavors. The Group's own stores achieved impressive growth, driven by good business performance at the Chocolate Experience flagship store on Ghirardelli Square in San Francisco and new limited offers such as Peppermint Bark Sundae and Caramel Apple Sundae.



# Russell Stover Chocolates

399 million USD sales
+5.8% growth

Russell Stover increased sales by 5.8% to USD 399 million. Following the successful reorganization, the subsidiary is back on the road to success and, as in the previous year, recorded positive sales growth. The Group expanded its position in the praline segment and thus once again achieved first place in Valentine's Day business this year. Russell Stover is also the market leader in the sugar-free chocolate area. The launch of the first sugar-free heart box was a great success. A successful Easter business was added as a second important season alongside the Christmas business. Rus-

sell Stover, founded in 1923, celebrated its 100<sup>th</sup> anniversary and, as a traditional brand, has made many generations happy with its products. To mark the anniversary, Russell Stover broke the Guinness World Record for the largest box of pralines, filled with 5,616 pounds of chocolate. Russell Stover has made progress both on the market and internally in the company. Further investments in automation have improved the placement of gift wrappers as well as the quality and environmental sustainability of our products.



## Canada

Lindt & Sprüngli (Canada) Inc.

414

million CAD **Sales** 

+10.1% growth

The Canadian market increased sales by 10.1% to CAD 414 million. Growth was mainly generated by the Lindor and seasonal products categories, with the Gold Bunny being the most popular chocolate figure in the market. The Ghirardelli product range distributed by Lindt Canada with the exclusive Pick & Mix offer also performed well. Lindor remains the most important individual brand in the entire chocolate market. Excellence led the dark choco-

late category, although a trend towards milk chocolate was also discernible in Canada, to which we catered very well with the Swiss Classic brand. In terms of distribution channels, the Lindt Shops stood out with the strongest growth, with a new opening in Halifax, followed by the retail trading business. In addition, online channels, both own channels and those of partners, have continued to grow.



Following excellent growth of 19.3% in 2022, the Mexican market saw an organic decline in sales of –2.2% in 2023. This can be attributed to the termination of the collaboration with a major distribution partner. The company

successfully expanded its market share, with Lindor being the fastest growing brand in the pralines segment, driven by continuous investments in marketing both offline and online.

# Russell Stover

THE finest INGREDIENTS SINCE 1923

NET WT 9.4 DZ (266 g) = 16 PEGES.

# Sindt 養瑞士莲特醇



The "Rest of the World" segment achieved sales of CHF 683 million with an organic increase of 12.9%. Key growth opportunities, especially Brazil and Japan, achieved double-digit growth rates. The business unit Global Travel Retail benefited from the full recovery of international travel and achieved double-digit growth, confirming our confidence in the potential of this area.

### **Australia**

In the Australian market, which also includes sales from New Zealand, Lindt & Sprüngli achieved organic growth of 7.7%. As a result, the Lindt brand improved its position to second place in this market region. The three key franchises, Lindor, Excellence, and the Gold Bunny, accounted for the largest share of total sales and growth by far. Lindor is the leading brand of pralines and has further increased its market share. In the Excellence category, we scored highly with the launch of the limited edition Fig Intense and our local TV advertisement 'Mastery' featuring our own Master Chocolatier Thomas Schnetzler. The Gold Bunny continued to triumph in seasonal items. However, the Lindt Koala in particular - a local version of our Teddy – was once again a resounding success at Christmas. In the financial year 2023, we launched the Crema Gelata concept nationwide, an attractive addition to our well-established beverage offering. The offering includes a high-quality product range of hot and cold chocolate drinks, milkshake options including the latest chocolate launches, as well as a wide range of coffees. Growth in sales was realized across all channels, with the Group's own shops making the most significant gains. In Australia, Lindt can be found even above the clouds. The airline Qantas sweetens long hours of flying for its passengers with Lindt chocolate.

### **South Africa**

Organic sales growth in the South African market was 4.0%, primarily from the key franchise Lindor. Lindt was thus able to defend its position of first place in the praline segment. The launch of the new Lindor gift boxes also contributed to growth. The South African market grew across all channels, but particularly in the online business, as Lindt products are distributed via South Africa's largest e-commerce channel. Bricks-and-mortar retail was expanded with the opening of the revamped stores in Sandton and Cresta.

### China

The Chinese market achieved organic growth of 8.5%, outperforming the stagnating Chinese chocolate market. This success is primarily attributable to Lindor, which was driven by increased brand awareness and the expansion of sales channels both online and offline. The focus was on social media channels in particular. Partnerships in retail were intensified to ensure better visibility in the store. The Chinese economy has recovered slowly, following the easing of Covid measures. Although consumers are more cautious when making purchasing decisions, they are still looking for premium quality products that offer good value for money. We continuously gather consumer information to tailor our offer to local needs. For example, we are developing more options of gift boxes for specific occasions in China.

### **Brazil**

Brazil recorded organic sales growth of 11.8%, driven by its own shops and, even more significantly, by retail partners. Lindt & Sprüngli has similarly expanded its own retail channel by opening seven additional Lindt Shops, and the e-commerce channel has been the fastest-growing sales channel in Brazil since the pandemic. Easter and Christmas sales were again very positive, with the success of the chocolate Panettone and new product innovations such as the Panettone Bites exceeding all expectations. The key franchise Lindor is the leading product in Brazil. In order to increase brand awareness, drive sales and increase in-store presence, the advertising campaign has been considerably scaled up. A significant step in this regard is the first expansion of Lindor advertising to regional TV stations, as well as the broad-based campaigns on social media.

### Japan

The subsidiary in Japan achieved organic growth of 21.3% with its shops. We opened nine new Lindt Shops and thus increased our market penetration. We now cover all major regions of Japan. In addition, online channels also contributed to the growth. Japanese consumers particularly appreciate international brands offering them special editions with local cultural roots. With uniquely packaged products, we have attracted both the enthusiasm of local consumers andthe interest of



tourists from all over the world. One important product line is the Japan Collection, which presents exquisite Lindt products in a design inspired by Japanese tradition. The launch of a new Lindt & Sprüngli praline gift box before Christmas was met with great interest in the media and among our customers.

### **Chile**

The chocolate market in Chile is the third largest in Latin America. The premium segment is currently focused on specialized chocolate shop chains, which represents a major growth opportunity for Lindt & Sprüngli, not only for our own retail business but also for the retail trade. In Chile, we have been represented by distributors and in duty-free shops for more than 20 years. In order to tap into the full market potential and establish Lindt as a leading premium brand, we have established our own organization. This allows us to maximize synergies with the supply chain, the systems and the employees. Over the course of 2024, we are planning to open the first Lindt shops in premium shopping centers in Santiago de Chile and will take over the retail business from our distributor.

# Global Travel Retail and Distributors

### **Global Travel Retail**

The Travel Retail business, which is assigned to the Swiss market in organizational terms, has recovered fully from the restrictions on travel in the past financial year. The impressive organic growth of 20.1% in the reporting period was supported by all regions. The renewed increase in per capita spending for each air passenger indicates that consumers had a backlog of demand that they covered with products such as Lindor, Napolitains and Gold Bars. The increased demand was supported by the introduction of new products, including smaller formats that appeal to different target groups. Attractive gift packaging, in particular customizable offers, makes our chocolates a popular souvenir for loved ones back home. In addition, a newly launched Lindor product format that is perfect for in-flight enjoyment enjoyed great popularity. Another newly launched Lindor "Art of Gifting" product format at London Heathrow airport and the new Salted Caramel flavor for Lindor, Napolitains, and Gold Bar was also very well received.

### Distributors

We were able to maintain the pace of growth seen in recent years, with an increase of 14.4% in 2023. Our strategy in the premium segment delivered strong results in emerging markets such as Bulgaria, Romania, India, and South Korea. Lindor, our leading brand, continued to drive growth and achieved remarkable double-digit volume growth in all markets. It emerged as the fastest-growing brand in many countries, resulting in significant market share gains across all monitored markets. The premium chocolate segment demonstrated resilience despite inflationary pressures, with seasonal sales rebounding. Middle Eastern countries capitalized on Eid and Ramadan festivities, Asia Pacific excelled during Valentine's Day and Chinese New Year, and Europe benefited from Easter and Christmas sales. The recovery from inflationary pressures in the Latin American region was more gradual, yet Lindt gained market shares with Lindor across markets in the face of category decline and strong currency volatility.



# Global Retail

The omni-channel strategy in the Global Retail organization led again to strong growth. The premium shopping experience in our own brick-and-mortar shops and online channels strengthens our customers' loyalty in the long term. On this basis, the Global Retail organization recorded impressive overall organic growth of 16.5% in all markets and thus exceeded the Group's growth, as in previous years. In addition, our retail trade presence plays a key role in continuously nurturing our brand equity.



# **Europe Paris, France**

Following a two-month refurbishment, the Lindt flagship shop, situated in the heart of Paris, welcomed customers back with its refreshed concept.

The new Lindt Maître Chocolatier counter is the highlight of the new shop in Paris.



The Global Retail organization shares its expertise in the area of direct sales with all subsidiaries, exploits synergy effects, and ensures a uniform appearance and premium shopping experience across all its own channels.

Lindt & Sprüngli currently operates around 520 of its own Lindt, Ghirardelli, and Russell Stover chocolate shops in 24 countries. In the reporting year, we expanded our shop network, particularly in Japan, Brazil, and Europe. In addition, there are 24 e-shops. A major theme that unites both online and offline channels is the consumer's need for a wide range of gift options with the choice of personalization. Visitors to a Lindt Chocolate Shop are looking for something special. Frequently, this might be gift packaging, from a small, personal gesture to a large, impressive gift for a special occasion. Shoppers are increasingly interested in packaging that can be filled individually with chocolate according to the recipient's taste - this is the first form of personalization. Personal greetings on gift ribbons also underline the individuality of the gift. This abundance of offers means that consumers think of Lindt, Ghirardelli, and Russell Stover shops all year round and not only at Easter and Christmas when they want to give their loved ones a sweet treat.

The online offering meets the needs of consumers who appreciate buying their favorite Lindt chocolate from the comfort of their own homes at any time of the day. In addition, the standardized technology platform and the cross-market Global Retail team enable the Group to target the needs of consumers even more precisely than before. To meet our online growth ambitions, the "Lindt Digital Studios" plays an essential role. This global hub for digital services supports markets in launching online activations at speed and high quality. As a result, our online markets continued to grow in double digits, in contrast to the market trend of a cooling down after the Covid online boom.

The "MyLindt" loyalty program, which is valid both online and offline, is the next logical step. This takes the Lindt shopping experience to the next level, as we can expand our customer focus with a high degree of accuracy using first-party data analysis. The program was first rolled out in Germany in 2022 as a pilot project, with the UK added as a second market in the reporting year. Consumers benefit not only from price savings but also from exclusive offers and events for members. The loyalty program, continued store expansion, and the digitalization of processes will enable us to continue the successful growth of the Global Retail organization in the coming years.



# **Europe Kilchberg, Switzerland**

In our Lindt Shops, you are faced with the sweet challenge of choosing from countless delicacies. One thing is certain: you will leave the shop with a smile on your face and bags full of our fine Lindt chocolate.

The largest Lindt Shop in the world





**Europe** Kilchberg, Switzerland

The chocolate creations handmade by the LINDT Maître Chocolatiers are extremely popular. They also decorate the chocolate bars with a personal message of your choice.



### **Gifting Ideas**

What could be a more delightful gift than fine Lindt chocolate? The individual packaging can be filled with products from our wide range and is guaranteed to suit the recipient's taste.