



Lindt & Sprüngli significantly increases sales and profitability

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- Double-digit sales growth in CHF +14.2% to CHF 4.59 billion, +13.3% organic
- Operating profit (EBIT) +53.4% to CHF 644.9 million; EBIT margin 14.1%
- Net income +53.2% to CHF 490.5 million; return on sales 10.7%
- Free cash flow CHF 586.0 million; cash flow margin 12.8%
- Dividend increase of +9.1% to CHF 1,200 per registered share and CHF 120 per participation certificate

Kilchberg, March 8, 2022 – **The Lindt & Sprüngli Group remains on track for continued success and looks back on a very positive financial year 2021. Market share increases in all key markets, combined with high levels of profitability, contributed to growth. Increased advertising investments, adjustments to meet changing consumer needs, and further achievements in digital sales channels were the basis for the good sales and profit development.**

Business performance

Group sales of Chocoladefabriken Lindt & Sprüngli AG increased to CHF 4.59 billion (previous year: CHF 4.02 billion), which translates to remarkable growth in Swiss francs of 14.2% and organic growth of 13.3%. The operating profit (EBIT) increased by 53.4% to CHF 644.9 million, representing an EBIT margin of 14.1% (previous year: CHF 420.3 million and 10.5%). These results are noteworthy because the sales gap which was caused by the pandemic year 2020 was not only closed, but Lindt & Sprüngli also outperformed the good results from 2019, the year before the pandemic, by 6.4% organically. Net income for the financial year 2021 grew by 53.2% to CHF 490.5 million, resulting in a return on sales of 10.7% (previous year: CHF 320.1 million and 8.0%). Free cash flow increased by 8.8% to CHF 586.0 million, leading to a cash flow margin of 12.8%. The Swiss franc depreciated slightly in 2021. This resulted in a positive currency translation effect of 0.4%. As of December 31, 2021, total assets amounted to CHF 8.956 billion and the equity ratio was 58.3% (previous year: CHF 8.051 billion and 57.2%), showing that Lindt & Sprüngli continues to be very solidly financed. The positive development of the Group results is being driven by the results of all segments, as all three business regions achieved good double-digit growth.

Europe: Lindor and online business with increasing sales

In the “**Europe**” segment, organic growth reached 13.8%. Sales of CHF 2.33 billion (previous year: CHF 2.01 billion) were achieved, with Germany, France, and the UK remaining the strongest markets in terms of sales. Particularly impressive was the exceptional organic growth of 18.2% in the UK. There, the strongest increase was seen in sales of Lindor gift lines, general gifting items and products to enjoy together on festive occasions. In addition, already existing trends have continued to accelerate. Lindt & Sprüngli is experiencing stronger sales in its online business, especially for Lindor truffles. In Switzerland,

Lindt products were listed for the first time at the country's two largest retailers. This, together with other improvements, compensated for the continued decline in tourism retail sales.

North America: Market shares increased once again

Organic growth in the “**North America**” segment was at 10.7%, with sales increasing to CHF 1.69 billion (previous year: CHF 1.54 billion). In the USA, Lindt & Sprüngli grew faster than the overall market, thereby once again increasing its market share in the world's most important chocolate market. As a result, Lindt & Sprüngli maintained its position as the number 1 supplier of premium chocolate products and as the number 3 supplier in the overall market. Canada also recorded good growth. Overall, the Lindt and Ghirardelli brands reported clear double-digit growth and were the main drivers of this positive development not only in the retail trade, but above all in the online channels. The latter include own e-shops, internet marketplaces, and the digital sales activities of trade partners. Russell Stover recorded a decline in sales due to bottlenecks in staff recruitment and supply chains for raw and packaging materials.

Rest of the world: High growth and continued strong sales potential

In the “**Rest of the World**” segment, organic sales growth was strongest at 19.7%, reaching sales of CHF 568 million (previous year: CHF 469 million). Markets such as China, Japan, Brazil, and South Africa continue to show great sales potential and recorded good growth. In addition, the subsidiary in Brazil acquired its joint venture partner's minority stake at the beginning of the year, which will allow it to operate even more effectively in the future. Sales through distributors in smaller markets around the world also recovered very well. Despite the massive impact of lockdowns, modest growth was achieved in Australia and New Zealand, the region with the strongest sales in this segment.

Sustainability: New environmental commitments

Besides raw materials, the sustainability of packaging is of great importance. Today, it is no longer enough for packaging to simply preserve the quality of a product and be aesthetically pleasing. Lindt & Sprüngli's ambition is that the packaging should also be recyclable and not impact the environment. Therefore, the aim is that by 2025, the packaging, including plastics, will be 100% recyclable or reusable. In addition, all cellulose and paper packaging will be procured from a certified sustainable source.

Furthermore, in 2021, Lindt & Sprüngli committed itself to setting measurable targets in order to achieve net zero emissions in the long term. Lindt & Sprüngli is currently concentrating on determining the carbon footprint along the entire value chain. In 2022, a strategy will be developed on the basis of this data, and the targets for reducing greenhouse gas emissions will be published in 2023. In the future, established targets will be reviewed and published annually.

Annual General Meeting

Based on the positive sales and earnings development, Lindt & Sprüngli feels encouraged in making an attractive payout, allowing our shareholders to once again participate in the company's success. At the 124th Annual General Meeting on April 28, 2022, the Board of Directors will therefore propose a distribution of CHF 1,200 per registered share and CHF 120 per participation certificate (previous year: CHF 1,100 and CHF 110), 9.1% higher than in the previous year.

Buyback program for registered shares and participation certificates

Due to the high liquidity, strong balance sheet, and continuing high cash flow, the Board of Directors decided to launch a buyback program in the amount of CHF 750 million for Lindt & Sprüngli registered shares and participation certificates. The buyback has been running since June 1, 2021, and by December 31, 2021, securities with an equivalent value of CHF 444.8 million had been bought back, which equates to 1.75% of the outstanding registered shares and participation certificates. The buyback program

operates via a separate trading line on the SIX Swiss Exchange AG and will continue until December 31, 2022, at the latest.

Outlook

For 2022, an organic sales growth at the upper end of the bandwidth of 6-8% and an operating profit margin of 15% are expected. In the mid- to long-term, the chocolate manufacturer expects 6-8% (previously 5-7%) organic sales growth with a continuous improvement of the operating profit margin of 20-40 basis points per year.

Key figures of the Group

		2021	2020	Change in %
Sales	CHF million	4,585.5	4,016.8	14.2
Organic growth	%			13.3
EBITDA	CHF million	921.5	696.1	32.4
in % of sales	%	20.1	17.4	
EBIT	CHF million	644.9	420.3	53.4
in % of sales	%	14.1	10.5	
Net income	CHF million	490.5	320.1	53.2
in % of sales	%	10.7	8.0	
Operating cash flow	CHF million	826.8	787.6	5.0
in % of sales	%	18.0	19.6	
Shareholders' equity	CHF million	5,223.6	4,606.3	13.4
in % of total assets	%	58.3	57.2	
Average number of employees		14,135	13,557	4.3
Sales per employee	CHF thousand	324.4	296.3	9.5

Link to Annual Report 2021

<https://reports.lindt-spruengli.com/annual-report-2021>

Presentation of financial year 2021

Dr Dieter Weisskopf, CEO, and Martin Hug, CFO of the Lindt & Sprüngli Group, will present the results during a webcast on Tuesday, March 8, 2022, at 10:00 a.m. CET. Please register 15 minutes before the start of the conference to follow the presentation live: <https://lindt-spruengli-financialyear2021.com>

Next publication: Semi-annual results 2022 on Tuesday, July 26, 2022, at 07:00 a.m.

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About Lindt & Sprüngli

Lindt & Sprüngli has been enchanting the world with chocolate for over 175 years. The traditional Swiss company with its roots in Zurich is a global leader in the premium chocolate sector. Today, Lindt & Sprüngli produces quality chocolates at its 11 factories in Europe and the USA. Its products are sold by 31 subsidiaries and regional offices, in around 500 of its own shops, as well as via a network of more than 100 independent distributors around the globe. With more than 14,000 employees, the Lindt & Sprüngli Group reported sales of CHF 4.59 billion in 2021.