LINDT & SPRÜNGLI

TRANSCRIPT OF WEBCAST PRESENTATION ON TUESDAY 21 JULY 2026

LINDT & SPRÜNGLI HALF-YEAR 2026 RESULTS

Slide number & title

1. Opening Chart (no title)

2. Half-Year Results 2026 (cover slide)

Ladies and Gentlemen, it is our pleasure to welcome you to the Lindt & Sprüngli Half-Year Results conference call and webcast. My name is Martin Hug, Group CFO and with me today is our Group CEO, Adalbert Lechner.

The presentation and a transcript of our prepared comments will be uploaded to our website after this call.

The presentation will take approximately 30 minutes. Following the presentation, we will hand over to the operator, who will then manage the Question-and-Answer session.

3. Agenda

The agenda points of the presentation can be seen on this chart and include:

- Volume growth agenda,
- a detailed review of the first half,
- our expectations for the full year and the medium to long term,
- and a chance for you to ask questions

I would also like to refer you to the disclaimer at the end of this slide deck. To kick us off, I hand over to our Group CEO, Adalbert Lechner, who will take you through our agenda for volume growth.

4. Volume growth agenda (section slide)

Good morning, Ladies and Gentlemen. Welcome everyone also from my side.

In a challenging environment, we have achieved solid results, and I would like to thank our teams around the world for their effort and dedication. We grew strongly in North America and the Rest of the World, with a softened demand in Europe.

5. Volume under pressure

Over the last 18 months, the global chocolate category has faced one of the most challenging environments in its history. Record cocoa prices required unprecedented price increases across the industry, while geopolitical uncertainty, inflation and weak consumer sentiment weighed on demand. The crisis in the Middle East added another headwind with weaker tourism flows from Asia and the Middle East to Europe.

As a result, we have seen volume decline over this time across the whole category around the world. It reflects a strong reaction of consumers worldwide to the necessary price increases. These developments were largely in line with our expectations and the scenario we outlined. The majority of our growth in this period was price-driven, while volumes came under pressure. This is consistent with our expectation that pricing would dominate in H1 2026, and that stabilization of volumes would begin in H2.

However, we believe we have reached an important turning point.

The required pricing actions are already in the market, consumers are becoming accustomed to the new price levels, and pricing pressure across the category has begun to normalize. At the same time, we have a clear action plan focused on restoring volume growth.

Our objective is straightforward: stabilize volumes in the second half of 2026 and return to volume growth from 2027 onwards. This recovery is supported by targeted actions on pricing and affordability, increased brand investment, stronger consumer activation, innovation, and further expansion of our global footprint.

Over the next few slides, I will walk you through the concrete actions we are taking and why we are confident to get back to a volume growth momentum.

6. Stronger than ever brand equity

The foundation of our volume recovery plan is not pricing. It is the strength of the Lindt brand. And our brand equity is stronger than ever.

For the second year in a row, Lindt was named the world's most valuable chocolate brand in the Kantar ranking. With a brand value of USD 11.7 billion, up 24% year-on-year, we now rank seventh across the entire Food & Beverage category. This recognition demonstrates the resilience and strength of the Lindt brand. This strength has been built over many years through a relentless focus on premium quality, continued innovation, and consistent investment behind our brands. Most importantly, it reflects the deep emotional connection and trust that consumers have in us. That makes us confident to regain household penetration, fuel consumer demand and get back to volume growth.

7. The Lindt difference

Our strong brand equity is built on something very tangible: the high quality of our products. We call it the Lindt Difference. The combination of premium ingredients, long standing manufacturing expertise, continuous innovation and unmatched craftsmanship.

For more than 180 years, we have focused on creating the highest-quality chocolate from bean to bar. From carefully selected cocoa beans and ingredients to the Lindt conche, invented in 1879 and still at the heart of our chocolate-making process today, every step is designed to deliver a superior consumer experience.

This is what sets us apart.

And it matters more than ever. Across many markets, consumers are increasingly choosing more mindful and fewer, but better indulgences. They are looking for quality, authenticity and products that are worth the price.

This premiumization trend plays directly to our strengths. As the category returns to volume growth, we believe Lindt is exceptionally well positioned to capitalize on this trend and continue gaining market share in the premium chocolate segment.

8. Strengthening the core

As pricing pressure across the industry begins to normalize, we have greater flexibility to take targeted actions where we see opportunities to support volume growth. We have already announced selective price decreases in key markets such as Germany and Switzerland, particularly in our Christmas portfolio. These measures will support consumer demand during our most important season and reinforce our leadership in seasonal chocolate.

At the same time, we are expanding our portfolio with new formats and price points for some of our most popular brands, including Lindor. By broadening our price architecture, we can attract new consumers, increase purchase frequency and offer more touchpoints with the Lindt brand without compromising our premium positioning.

We are also continuing to invest behind our brands. Strong brand support remains one of the most effective drivers of long-term volume growth, and we are increasing our focus on both traditional and social media.

The extraordinary success of our Dubai Style Chocolate launch demonstrated the growing power of social media in building awareness, engagement and demand for our brands. We are therefore expanding our social media presence and creating a more seamless consumer journey from inspiration and discovery to purchase.

This strategy is helping us reach new audiences and strengthen our relevance with younger consumers. In Germany, for example, a recent YouGov study ranked Lindt as the most popular chocolate brand among GenZ.

Taken together, these actions are designed to improve affordability, strengthen consumer engagement and support a return to sustainable volume growth.

9. Innovation: Wafer

Throughout our history, innovation has been one of the key drivers of growth for Lindt & Sprüngli. It allows us to attract new consumers and increase brand attention.

A great example is our Lindt Choco Wafer. Following highly successful pilot launches in the United Kingdom, Italy and Bulgaria, consumer response has exceeded our expectations.

Based on this success, we are now preparing for a global rollout. To support the demand, we are investing in additional production capacity and are currently building a dedicated Choco Wafer production facility, at our site in Italy.

We expect the new factory to become operational by 2027 and will then gradually expand the distribution of Choco Wafer across our global network.

10. Innovation: City lines

When discussing innovation, it is impossible not to talk about Lindt Dubai Style. Following extraordinary consumer demand, Dubai Style has evolved from a trend-driven launch into a well-established product that is now broadly available across retail channels and increasingly becoming part of our core portfolio.

While the initial hype has naturally faded, consumer interest remains strong and the platform continues to offer significant growth opportunities. Building on the success of Dubai Style, we are expanding the platform with additional recipes, formats and flavors. Earlier this year, we launched Tokyo Style Chocolate, a matcha and strawberry based recipe inspired by the Japanese tea culture, and we will continue to introduce further city editions to the portfolio. Our ambition is to create a broader family of city-inspired chocolate creations that combine global food trends with Lindt's premium chocolate expertise. This approach allows us to continually refresh the platform, attract new consumers and generate excitement around the brand.

11. Global Retail and expansion

Our global retail business continues to be one of our most powerful growth drivers. It allows us to showcase our brands in the best possible way and create unique consumer experiences that strengthen brand equity and loyalty.

We continue to invest in both established and emerging markets. Earlier this year, we opened a new flagship store in Lucerne, one of Switzerland's most visited tourist destinations. Later in the year, we will further enhance this location with a Chocolate Experience exhibition. Later this year, we will open a new retail store in a prime location in Oslo. Looking ahead, one of our most exciting projects is the opening of a 1,200 m^2 Lindt flagship store at Marienplatz in Munich, planned for next year, which will become one of the largest Lindt stores worldwide.

At the same time, retail is an important spearhead for our expansion into new markets. Earlier this year, we opened our first Lindt store in China in Shanghai, marking an important milestone. In India, where we recently established our own subsidiary, we expect to open our first stores in the third quarter. By the end of the year, we will open stores in Saudi Arabia and Malaysia.

These investments are much more than additional points of sale. They increase brand visibility, strengthen consumer engagement, and help us attract new consumers in some of the world's most attractive growth markets.

Taken together, our retail expansion strategy provides another important growth factor in the second half of this year and beyond.

12. Global trends to support growth ambitions

Let me close by underpinning how these trends and our actions will translate into positive volume development.

Long-term consumer trends continue to play to our strengths. We have already discussed the ongoing trend of premiumization. Consumers are looking for quality and mindful indulgence, which continues to support premium brands and premium chocolate.

At the same time, the global middle class continues to expand, particularly in emerging markets, while aging populations in many developed markets increasingly prioritize quality and enjoyment over quantity.

Through innovations such as our City-inspired product range and Choco Wafer, we are attracting new consumers and keeping our portfolio relevant for evolving consumer preferences. With our Lindt Maître Chocolatier, we will continue our communication on our heritage, craftsmanship and high quality.

Our accelerating expansion in both established and emerging markets allows us to reach consumers wherever they choose to shop. We are expanding the reach of the Lindt brand, offering the ultimate shopping experience in our stores.

Based on the strength of our brand, the quality of our products, the actions we are taking today and the favorable consumer trends, we are confident to return to sustainable volume growth in 2027. We have the right strategy and are well positioned in the market to confirm our mid- to long-term growth ambitions.

With this, I now hand over to Martin, who will take you through the half-year results.

13. Review of Half-Year 2026 (section slide)

Thank you, Adalbert. Despite a difficult global operating environment with declining volumes in the global chocolate market, sharply rising costs for cocoa, and the need to again implement price increases, Lindt & Sprüngli was able to continue its sales growth trajectory.

In addition to price increases, we have continued to implement projects across all regions that drive efficiencies and cost savings. Price increases, coupled with those cost savings projects, are the key drivers for the positive operating profit development that we expect for the full year.

Overall, we are pleased with our progress and remain optimistic about our future prospects.

14. Overview – Half Year 2026

The Lindt & Sprüngli Group has made a solid start to the year. Sales in the first six months achieved an organic growth rate of +4.3%, which is within the range of the guidance we provided in March 2026 of +4% to +6%.

EBIT margin came in at 11.2%, ahead of the guidance we provided earlier in the year. Net income margin reached 8.2%. Free cash flow came in at 2.6% of sales, a significant improvement on the -3.4% of H1 2025, and we will go into more detail on this later in the presentation.

Our net debt position increased from CHF 1.1 billion at the end of 2025 to CHF 1.6 billion. This balance is slightly higher than a year ago, when net debt was at CHF 1.4 billion. The main driver of this net debt increase in the first half vs. our year-end position was the shareholder return through dividend payments of CHF 414 million and CHF 100 million in share buyback programs.

15. Sales Growth in CHF

Total sales reached CHF 2.33 billion in H1, with a decline in Swiss Francs of -0.9%, due to the strengthening of the Swiss Franc.

16. Organic Sales Growth

First-half sales grew by +4.3% organically. Of note, we saw particularly strong growth in North America. Cumulatively, we have grown +45% over the last five years in the first half, representing a CAGR of +8.8%.

17. Sales Analysis – Growth Factors

Price increases of +11.8% were in line with the double-digit increase we communicated in March. Due to higher input costs for cocoa, double-digit pricing actions were still required. The majority of the increases were pricing increases initiated during 2025, which partially carried over into 2026. The exception was Easter, where we took price increases in the 2026 season. Looking ahead, into the second half, we will see the pricing impact tail off and will therefore see a considerably lower price impact in H2 2026.

Volume/Mix was negative, in line with our expectations, with a decline of -7.5%; however, the price elasticity varied region by region. Higher elasticity was mainly observed in Europe, while North America and Rest of the World were better than the Group average.

The currency effect had a negative impact of -5.2%, in particular due to the weakening of the US dollar, Euro, and the British pound.

18. Sales Analysis – Segment information

On the following slide, I would like to give you an overview of the sales performance by segment.

- **Europe**

In the first half of 2026, we experienced a challenging environment in the "Europe" segment, where we generate almost half of the Group's sales. We saw a decline in organic sales of –2.1% in the first half. I would, however, like to remind you that we had an extraordinary result in 2025 of 17.7%, and over a 3-year period, our growth CAGR is a healthy +8.0%. It is also important to note that we experienced double-digit growth in our less mature markets, such as in the Nordics, Benelux, Iberia, as well as Central and Eastern Europe.

- **North America**

The "North America" segment showed a strong organic sales growth of +12.7%. All subsidiaries in the US and Canada continued to grow, and Lindt & Sprüngli continued to grow market share in the US.

- **Rest of the World**

In the Rest of the World segment, we grew by +10.2%.

Notably, the subsidiaries in Japan, China, South Africa and our International Distributors achieved double-digit growth rates. Our Global Travel Retail business was negatively impacted by the conflict in the Middle East.

There are many large traditional chocolate markets within the rest of the world where we see significant premiumization potential for Lindt. As a result, we are convinced that we can maintain double-digit growth in 2026 and over the medium term.

Let's move on now to the important topic of costs, category by category.

19. Material Costs

Material costs – which have been adjusted for changes to inventories – came in at 35.5% of sales, 220 basis points higher than in 2025.

This reflects higher prices for cocoa in our products, which could be absorbed by efficiency gains in other lines of our P&L, price increases, and other revenue growth management measures.

Looking forward, we expect that our total material costs ratio for FY 2026 should be in line with 2025, as we see some easing in our cocoa prices in H2. For 2027, we will have a positive impact from lower cocoa prices. Market volatility and uncertainty remain very high, which is illustrated in the next chart.

20. Cocoa Price

The cocoa futures market has been highly volatile, with a sharp decline earlier in the year followed by a strong rebound in recent weeks. This recent increase is largely driven by weather-related concerns, particularly the potential impact of El Niño, and ongoing uncertainty around crop developments in key producing regions such as West Africa. Over the medium- to long-term, continued investment in new plantations, especially in Latin America, supports a more balanced supply outlook, although future market developments will also remain closely linked to global demand trends in the chocolate market.

21. Personnel Expenses

Personnel expenses continued to see a positive evolution. As a percentage of sales, we saw an improvement of 100 basis points compared to the same period in 2025. Compared to 2022 we have shown strong economies of scale of 180 basis points.

22. Operating Expenses

Operating expenses as a percentage of sales decreased by -130 basis points; this is driven by continued cost discipline across our business. However, let me assure you that we continue to maintain high brand support across all geographies.

23. Operating Profit (EBIT)

At CHF 260 million and 11.2% of sales, EBIT increased 20 basis points compared to the first half of 2025. Bear in mind that we recorded a positive, one-time impact in 2024 and in 2023. When looking back to 2022, which is a better benchmark, we have increased EBIT margin by 190 basis points.

24. Net Income

Net income reached CHF 192 million or 8.2% of net sales.

In the first half of 2026, the tax rate is at 19.8%, compared to 22.2% last year; the decrease is mainly driven by a lower share of profit in regions with a high tax rate. We maintain our mid-term guidance of a tax rate between 22% to 24%.

25. Development of Net Financial Position

I would like to take you through the 'bridge' of the main cash-relevant developments of the first half.

In the period under review, free cash flow is positive, at CHF +61 million, improving by CHF 141 million when comparing to 2025.

Capital expenditure came in at CHF 154 million in the first half, CHF 16 million lower than 2025. This is in line with our revised plans, which postponed certain investments.

At the end of the first half, net debt reached CHF 1.6 billion, slightly higher than previous year.

Overall, we still plan for a net debt to EBITDA ratio of 0.5 to 1 in the mid-term.

After this update, I am now handing back to Adalbert, who will take you through the financial outlook for 2026 and beyond.

26. Outlook (section slide)

Thank you, Martin. As we have already mentioned, we had a solid first half year with double-digit growth in North America and Rest of the World. In the second half, we are expecting a more even spread of growth across the regions.

27. Outlook

As I shared with you at the beginning of this presentation, we have strong plans for our markets to support volume development. That is why we are confident to meet our guidance for the full year. Accordingly, sales are expected to grow organically in the range of 4% to 6% with an improvement of the EBIT margin of 20–40 basis points compared to the previous year.

For the future, we expect the trend of premiumization in chocolate to continue. This supports our long-term strategy and market position as a global leader in this category. This gives us the confidence in achieving our mid- to long-term goal of an organic sales growth between 6% and 8% on average per year, and we expect to deliver an average annual increase in EBIT margin of 20 to 40 basis points.

Thank you very much for your attention. Back to you, Martin.

28. Q&A (section slide)

Thank you for listening to our presentation and I will now hand over to the operator who will manage the Question-and-Answer session. We ask you to limit yourselves to a maximum of two questions, so everyone can participate. Please note that written questions asked via the web will be answered by email after the webcast.

29. Disclaimer

Appendix