



LINDT & SPRÜNGLI



ANALYSTS' CONFERENCE

10 MARCH, 2015

Financial Year 2014



LINDT & SPRÜNGLI

GROUP MANAGEMENT



Ernst Tanner
Chairman & Group CEO



Dr. Dieter Weisskopf
Finance, Administration, IT, Procurement,
Operations



Uwe Sommer
Marketing, Sales, Global Retail,
Markets



Andreas Pfuger
CEO Russell Stover, N/America, MEX, AUS



Rolf Fallegger
FR, IT, UK, PL, CZ, RU, China

EXTENDED GROUP MANAGEMENT



Dr. Albert Iechner
DE, AT



Kamillo Kitzmantel
CH, Export, Duty Free



Thomas Linemayr
USA, CA

AGENDA



1. Financial year 2014
2. Outlook
3. Added Information (Russell Stover)

KEY FIGURES

Financial Year 2014



LINDT & SPRÜNGLI

P&L STATEMENT L&S GROUP

+17.4% sales growth of the Lindt & Sprüngli Group INCLUDING Russell Stover

CHF million	2013	2014	Growth in CHF
Sales	2 882.5	3 385.4	+17.4%
EBITDA <i>Margin</i>	503.3 17.5%	588.0 17.4%	+16.8%
EBIT <i>Margin</i>	404.1 14.0%	474.3 14.0%	+17.4%
Net Income <i>Margin</i>	303.0 10.5%	342.6 10.1%	+13.1%

LINDT STANDALONE P&L STATEMENT

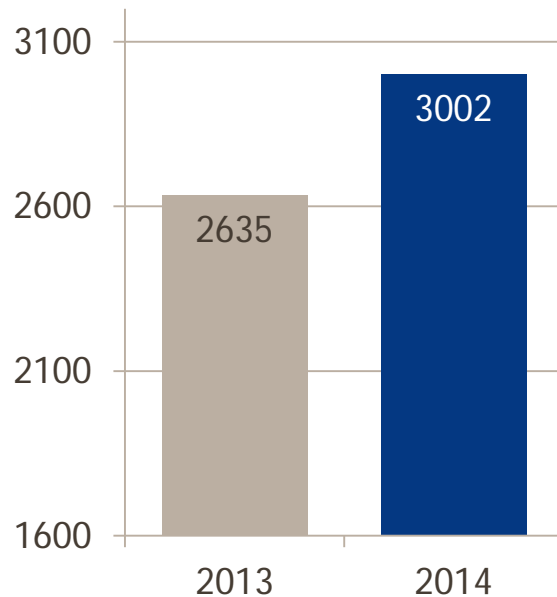
Full achievement of strategic growth and profit targets on a prior year comparable basis

CHF million	2013	2014	Growth		Margin Development
			in CHF	Organic	
Sales	2 882.5	3 133.3	+8.7%	+9.8%	
EBITDA <i>Margin</i>	503.3 17.5%	553.4 17.7%	+10.0%		+20 BP
EBIT <i>Margin</i>	404.1 14.0%	444.3 14.2%	+9.9%		+20 BP

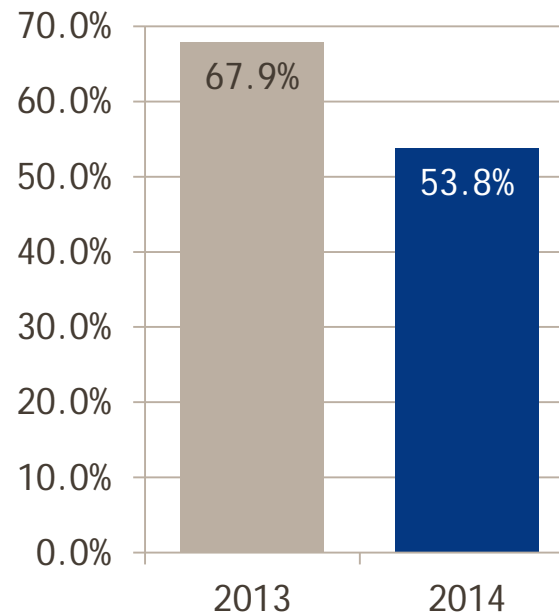
BALANCE SHEET

The acquisition reduced the equity ratio and the Net Financial Position in 2014

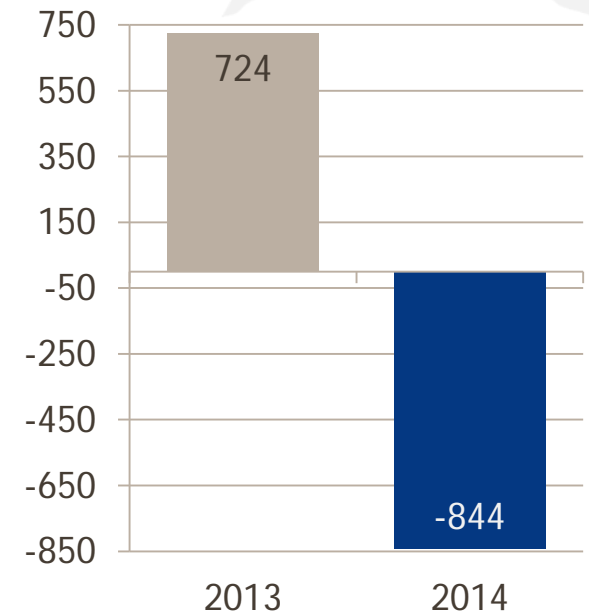
Equity in CHF Mio.



Equity B/S Ratio in %

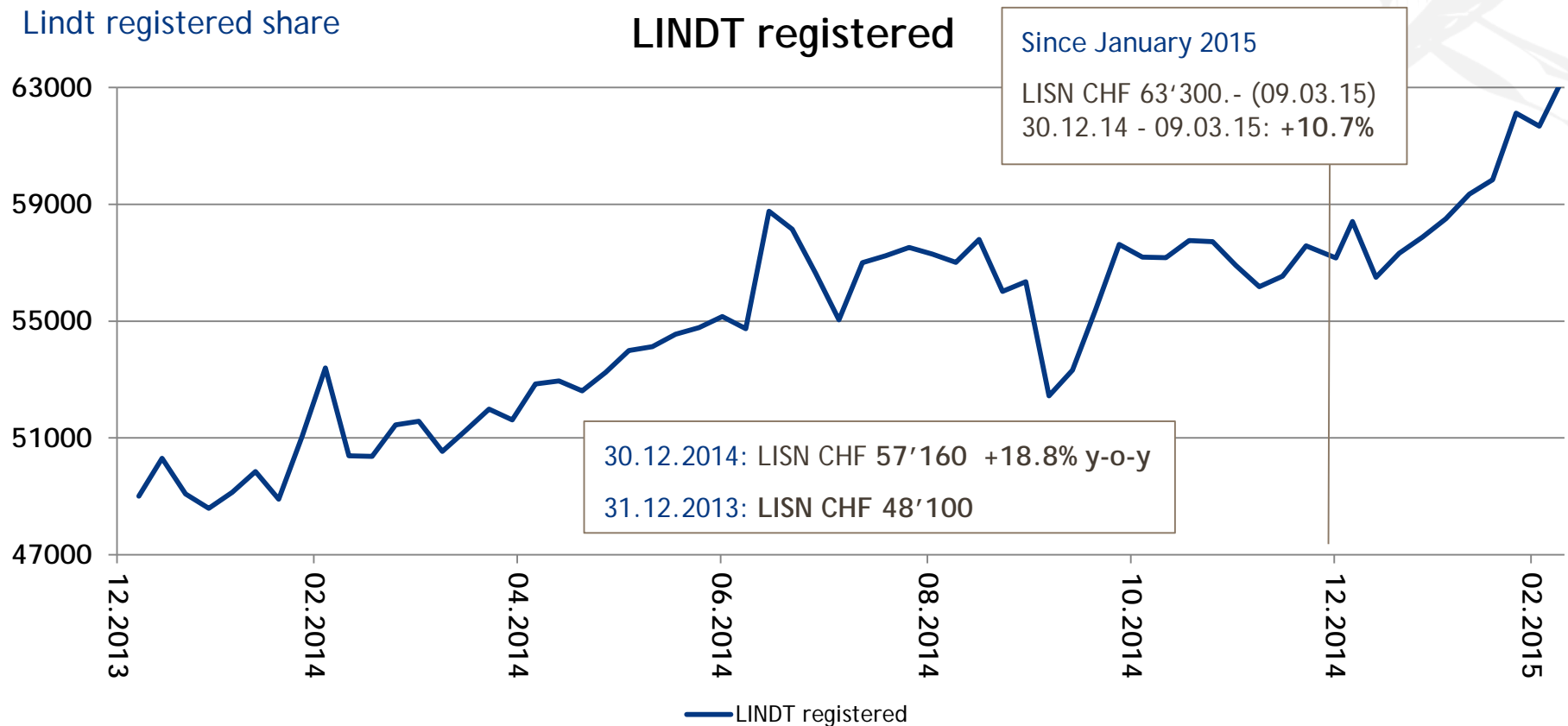


Net Financial Position in CHF Mio.



SHARE PRICE

Creating shareholder value: +18.8% in 2014, +10.7% in 2015 so far



SHAREHOLDER RETURN

Dividend Payment + 11.5 % vs. 2013 / Payout Ratio 49.1%

	1992	2011	2012	2013	2014
Dividend Reg. (CHF)	39	500	575	650	725*
• From Agio		500	535	555	325
• From Retained Earnings			40	95	400
Increase (CHF)		50	75	75	75
Dividend Yield Reg.	1.4%	1.6%	1.7%	1.4%	1.3%
Payout Ratio Reg.	16.9%	47.2%	53.1%	49.0%	49.1%
Registered Shares (at year-end)	2 800	31 390	34 515	48 100	57 160
Market Cap. (Mio. CHF)	492	6 982	7 384	10 268	12 495

* subject to approval by the AGM

SALES GROWTH 2014 – MAIN MARKETS

High organic growth in main markets leading to market share gains in 2014

Switzerland (incl. Exports)	6.8%
Germany	5.1%
France	6.4%
UK	14.7%
Italy	3.1%
North America (excl. RS)	14.3%

Strong Growth of Key Brands



Lindor



Excellence



Season



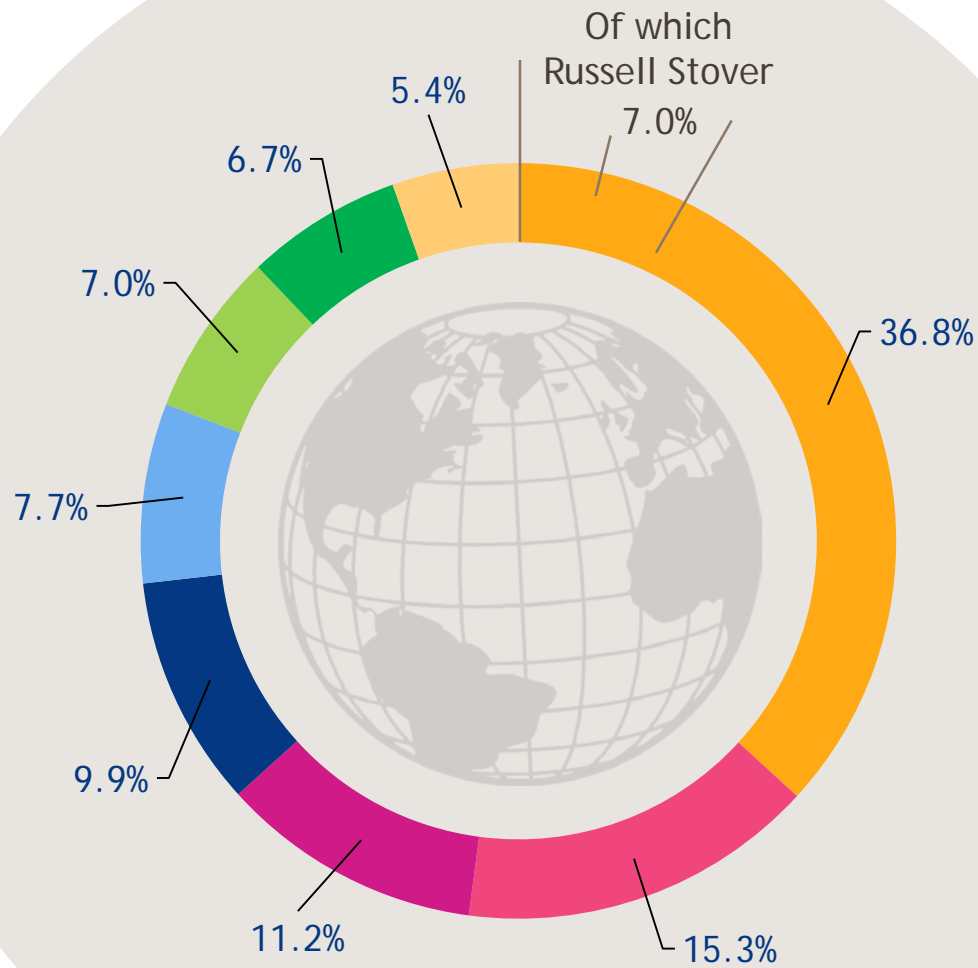
Pralinés

GLOBAL RETAIL IMPORTANT SUCCESS FACTOR

Global network of own shops with 275 points of sale



SALES ANALYSIS – MARKETS



Total NNTS CHF

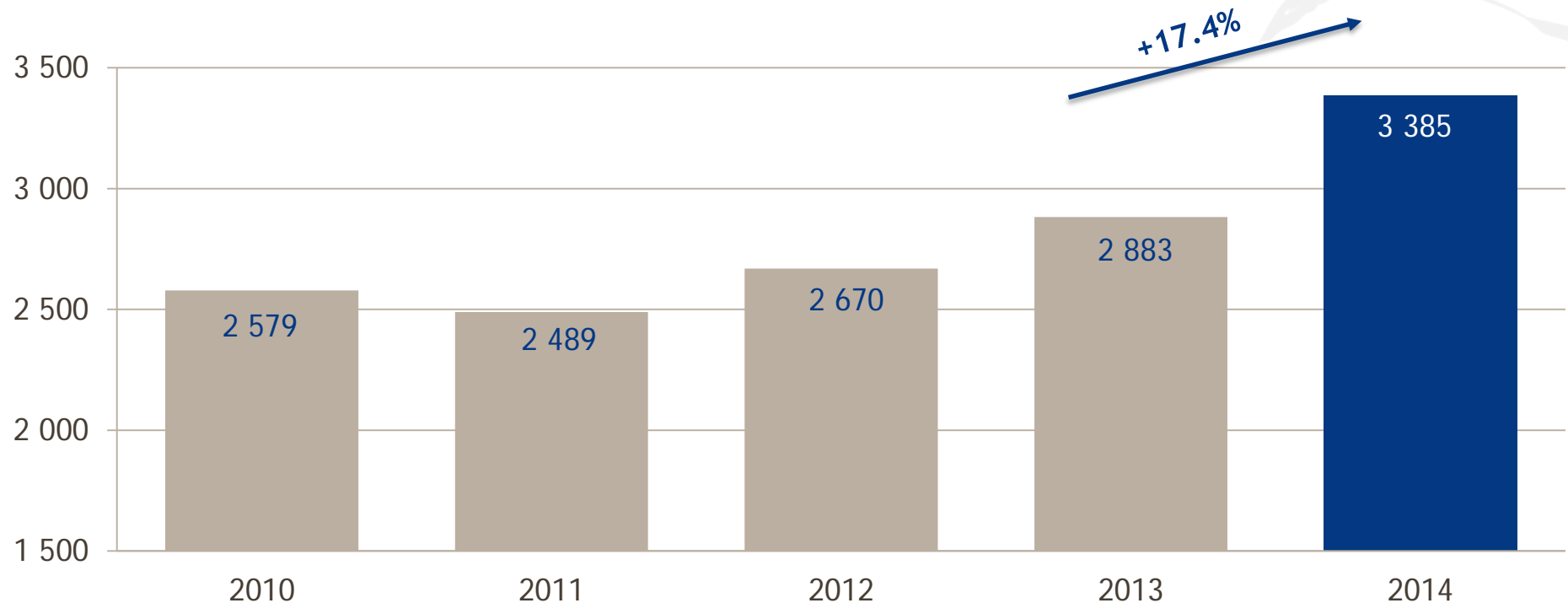
3.385bn

- North America incl. RS
- Germany
- France
- CH incl. Exports
- Italy
- Rest of the World
- Rest of Europe
- UK

SALES GROWTH - GROUP

Remarkable contribution of Russell Stover to the sales growth of the group

Absolute in CHF Mio.

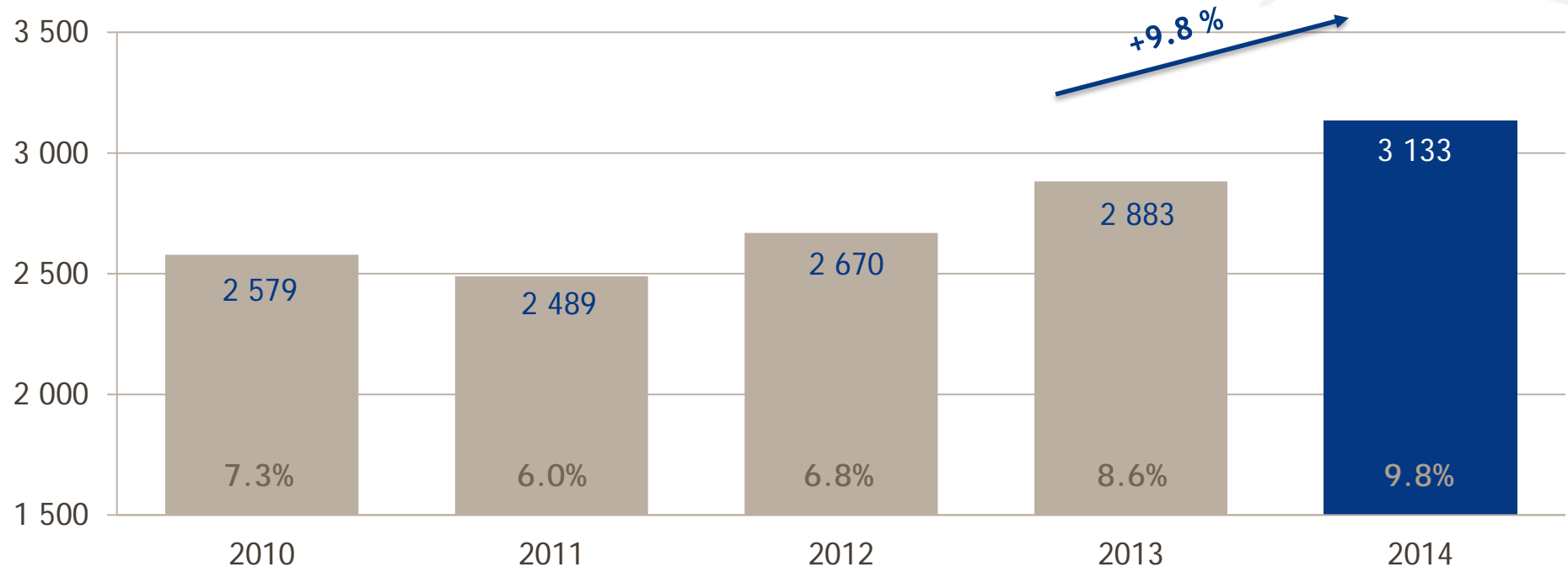


SALES GROWTH – LINDT STAND ALONE

Accelerated organic growth on a Lindt & Sprüngli standalone basis

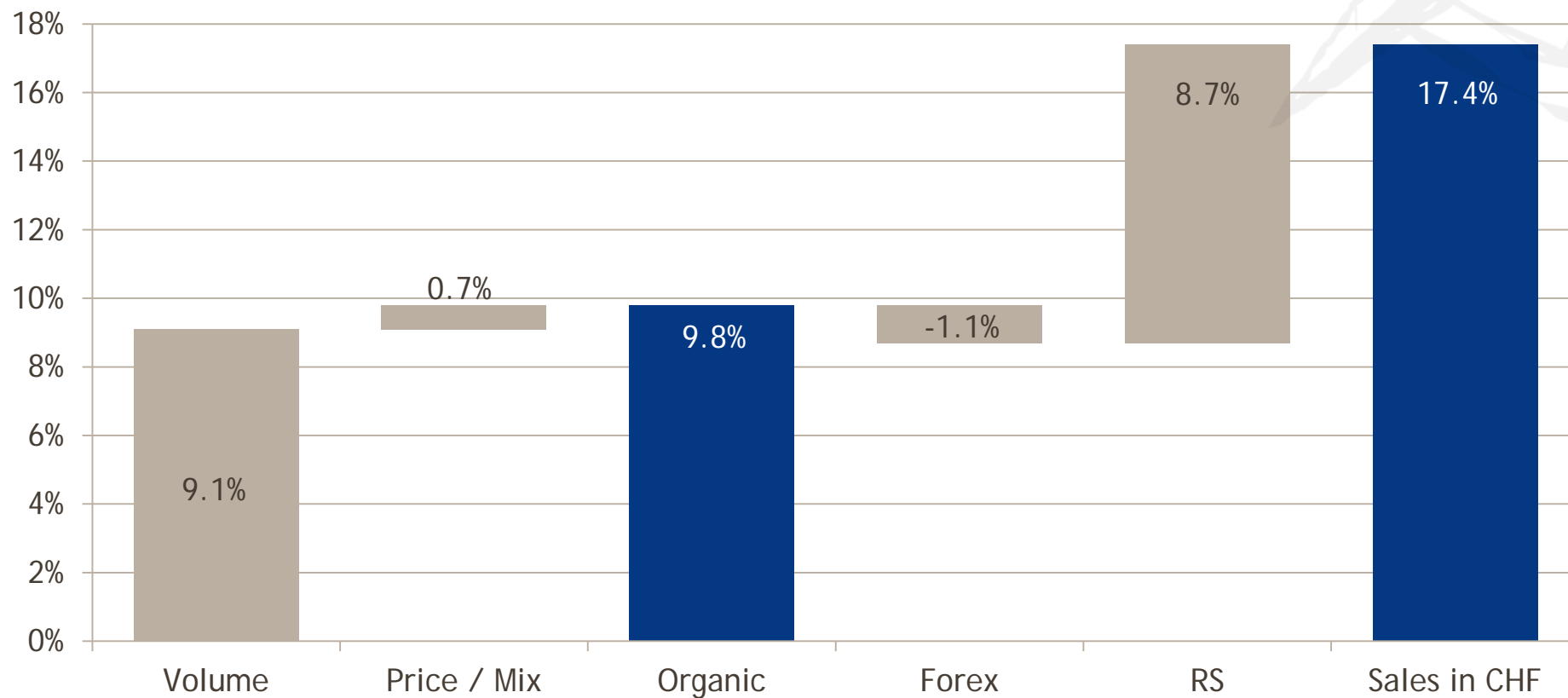
Absolute in CHF Mio.

Increase p.a. in local currencies (organic growth in %)



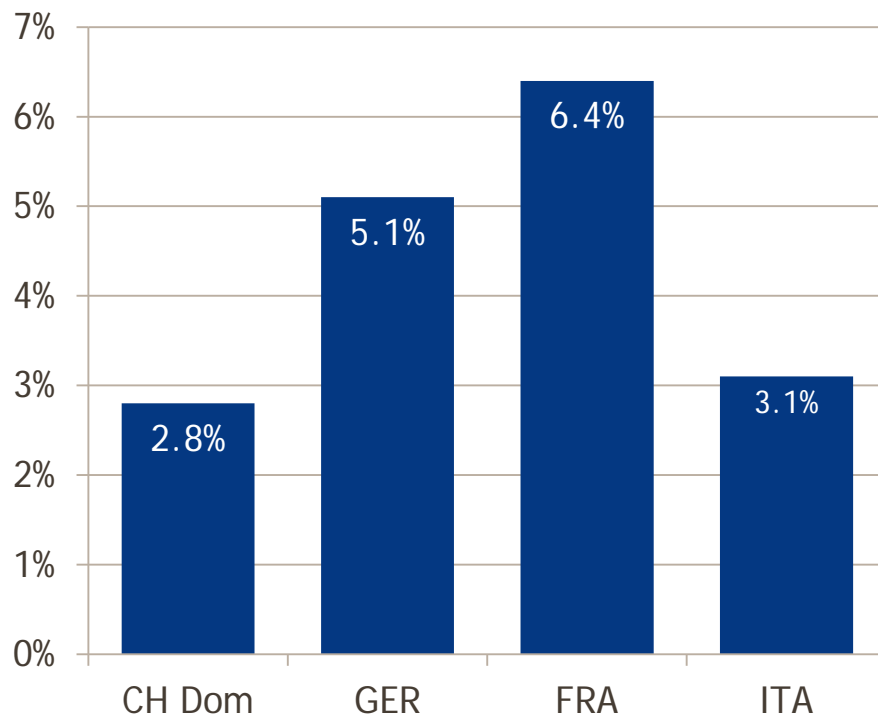
SALES – GROWTH FACTORS

Sales growth mainly driven by volume and acquisition of Russell Stover

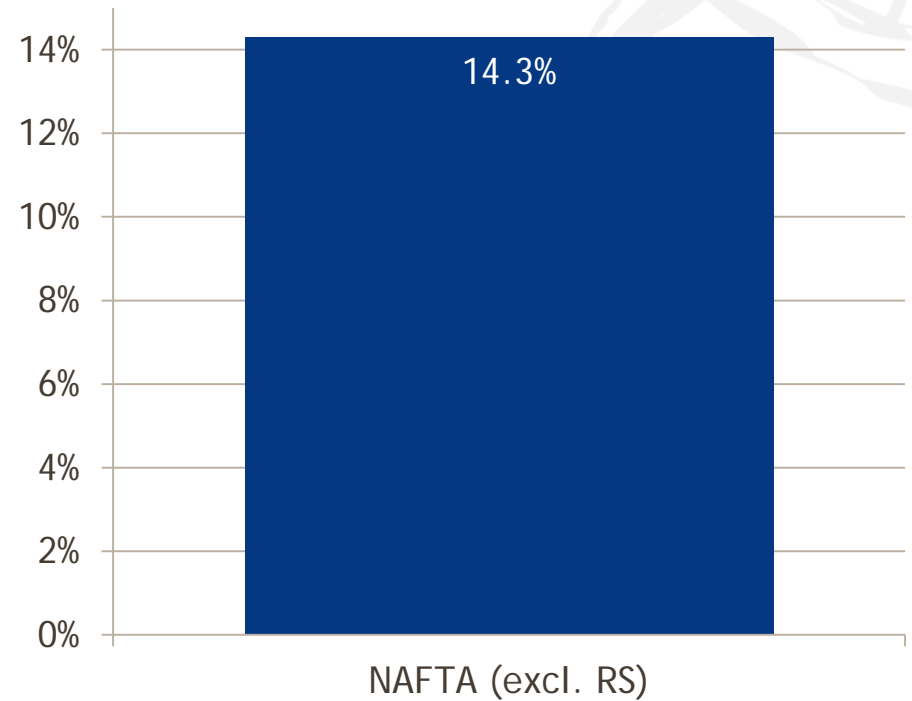


ORGANIC GROWTH BY REGION

L&S in Europe +6.5%



L&S in NAFTA +14.3%

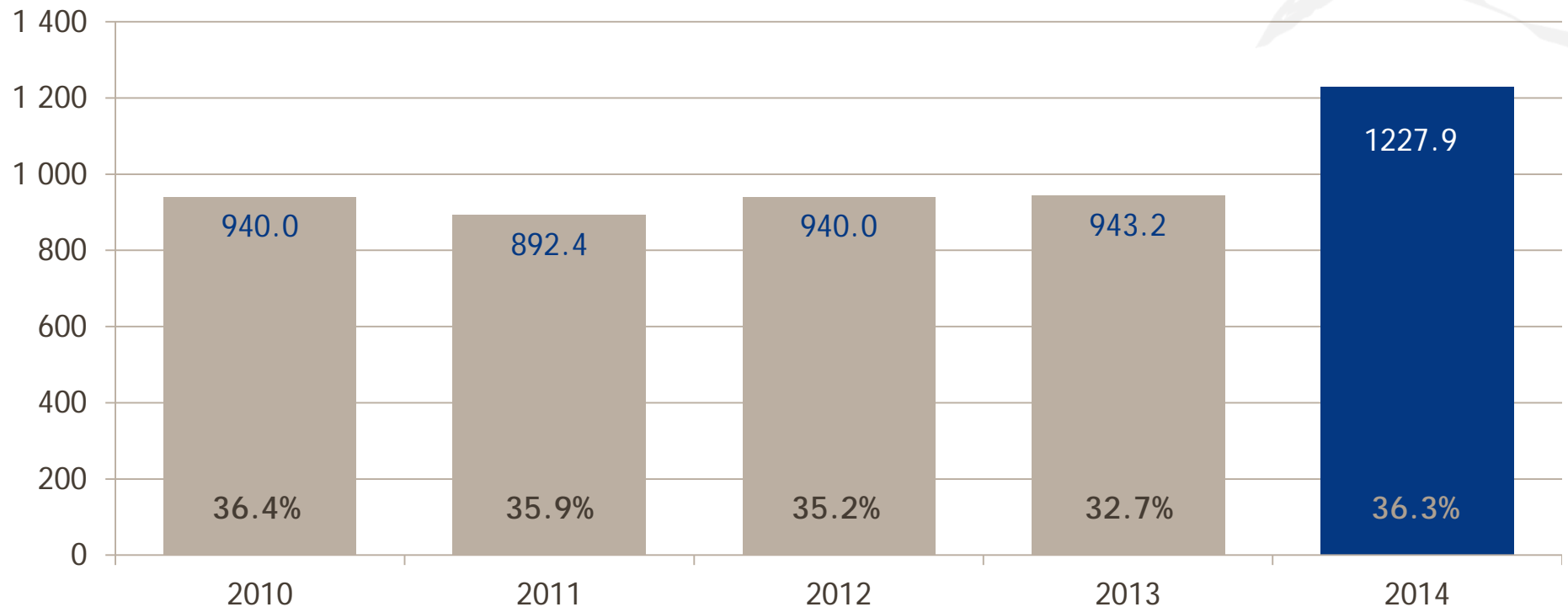


MATERIAL COSTS

Material costs including changes in inventories increased by 360 BP – raw material prices

Absolute in CHF Mio.

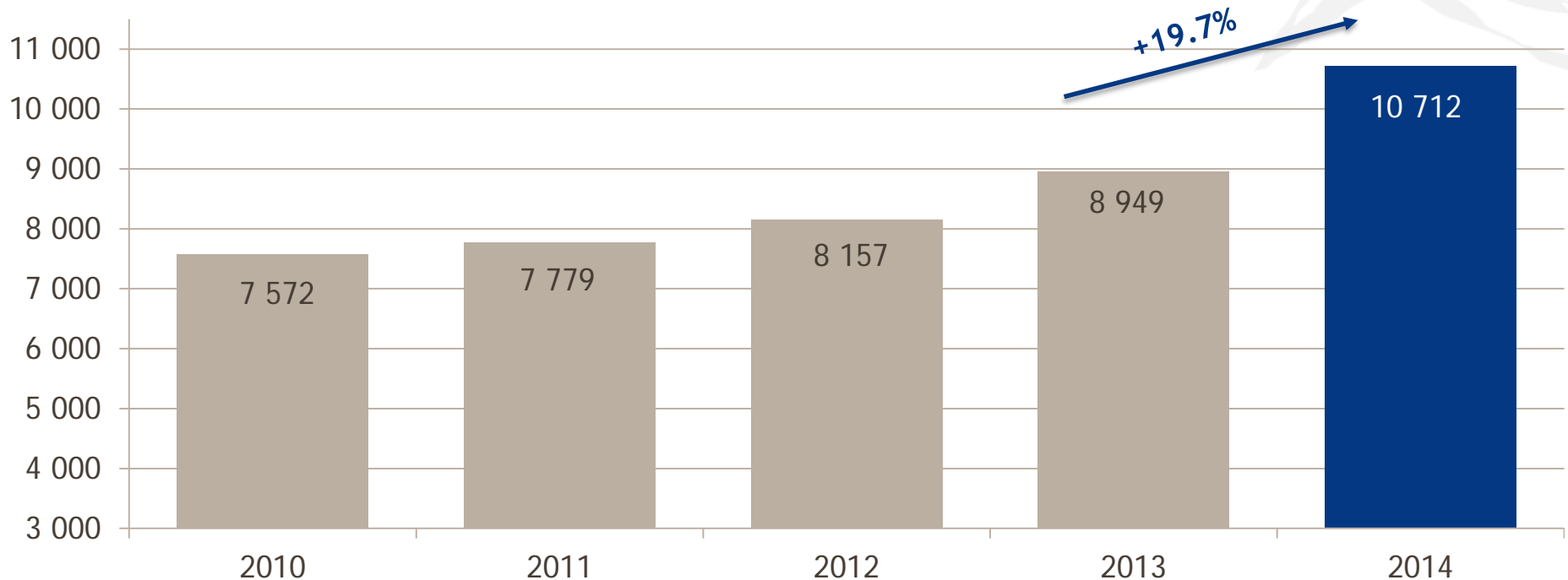
In % Sales



NUMBER OF EMPLOYEES (FTE'S)

Increase by 1 763 employees driven by RS and further expansion in production & retail (*)

Average number of employees

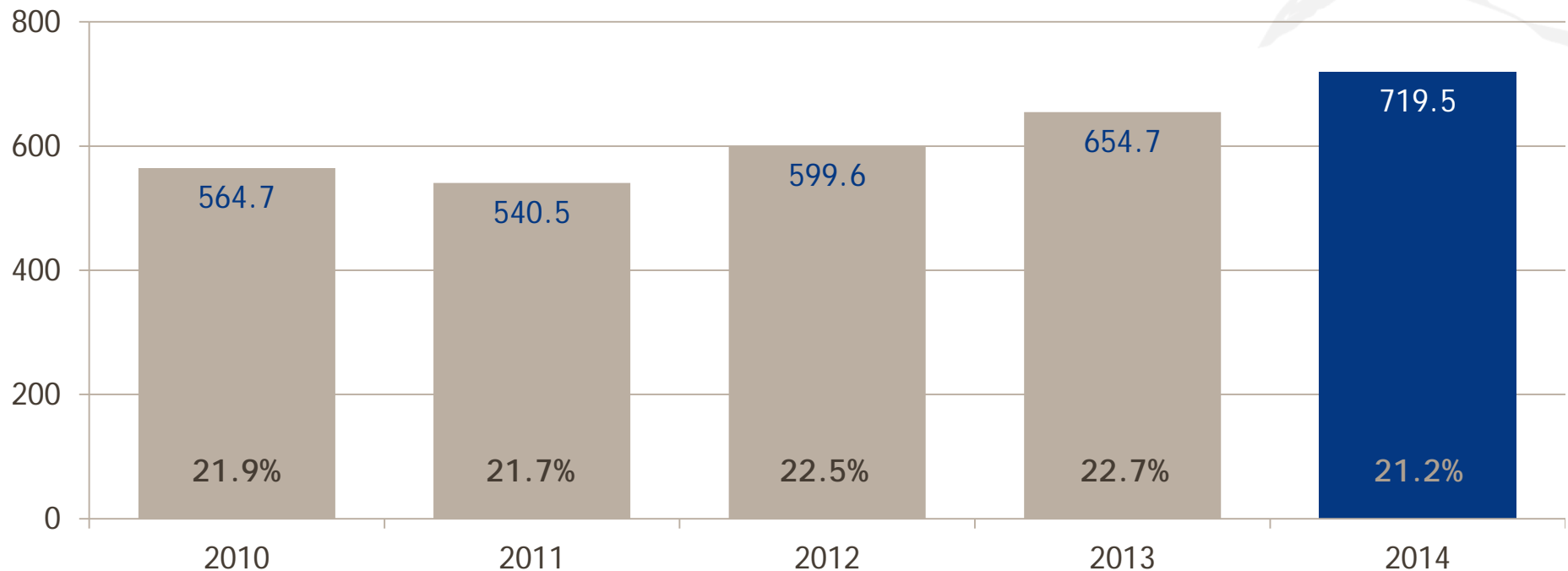


(*) Increase of 610 FTE's on a L&S stand alone basis

PERSONNEL EXPENSES

Decrease in the expense ratio to lowest level due to Russell Stover and efficiency gains

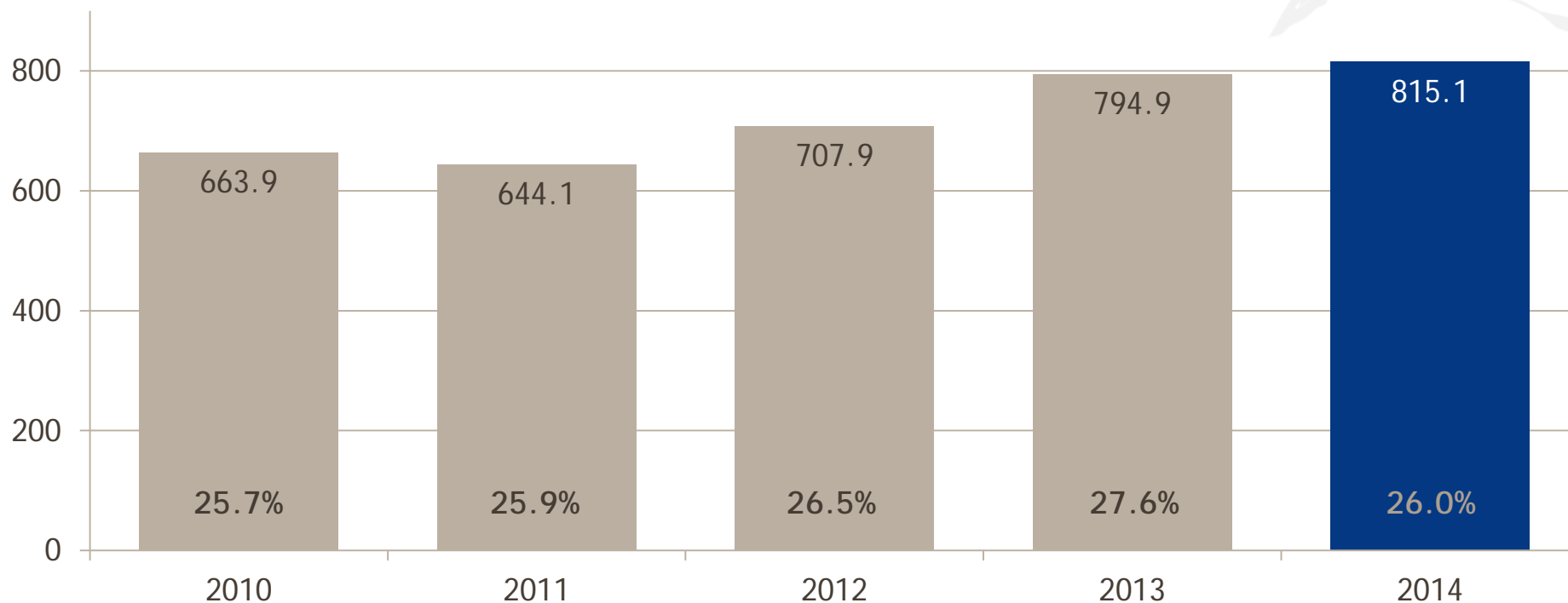
in CHF Mio.
in % Sales



OPERATING EXPENSES

Continued good support of marketing investments in 2014

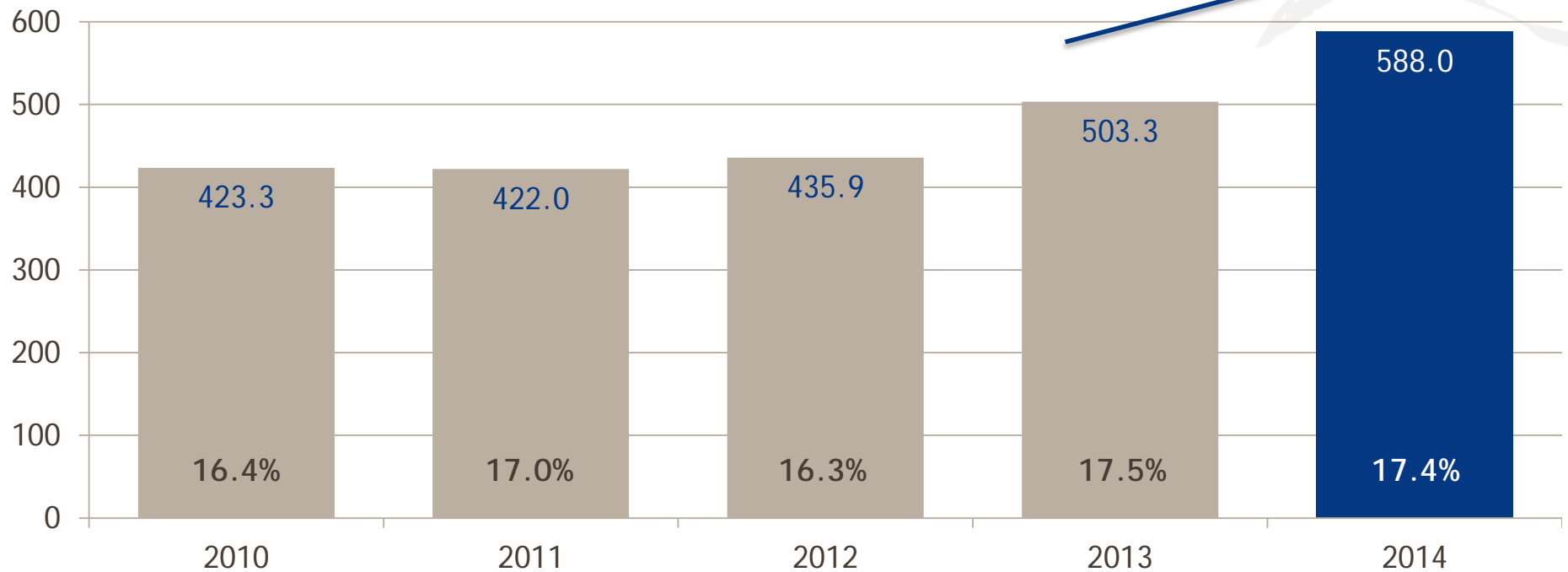
Absolute in CHF Mio.
in % Sales



EBITDA

Absolute increase by +16.9%

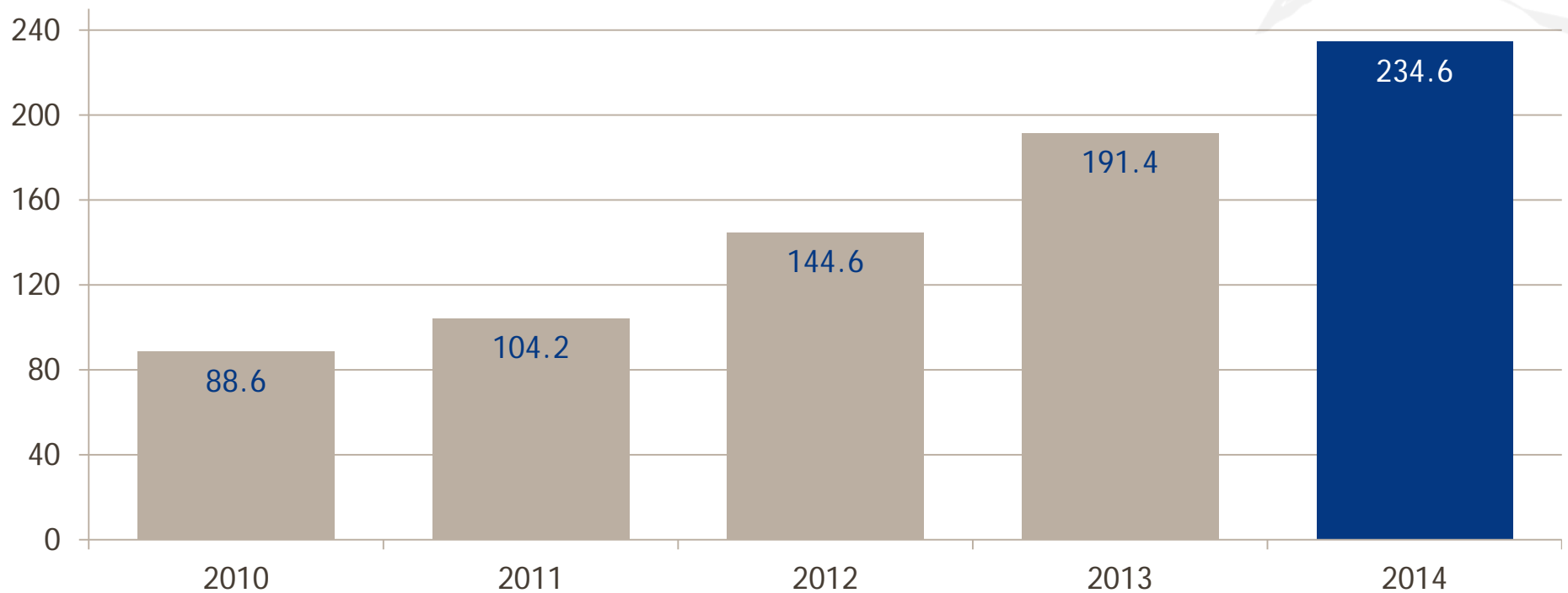
Absolute in CHF Mio.
in % Sales



CAPITAL INVESTMENTS

Increase to keep pace with high volume growth

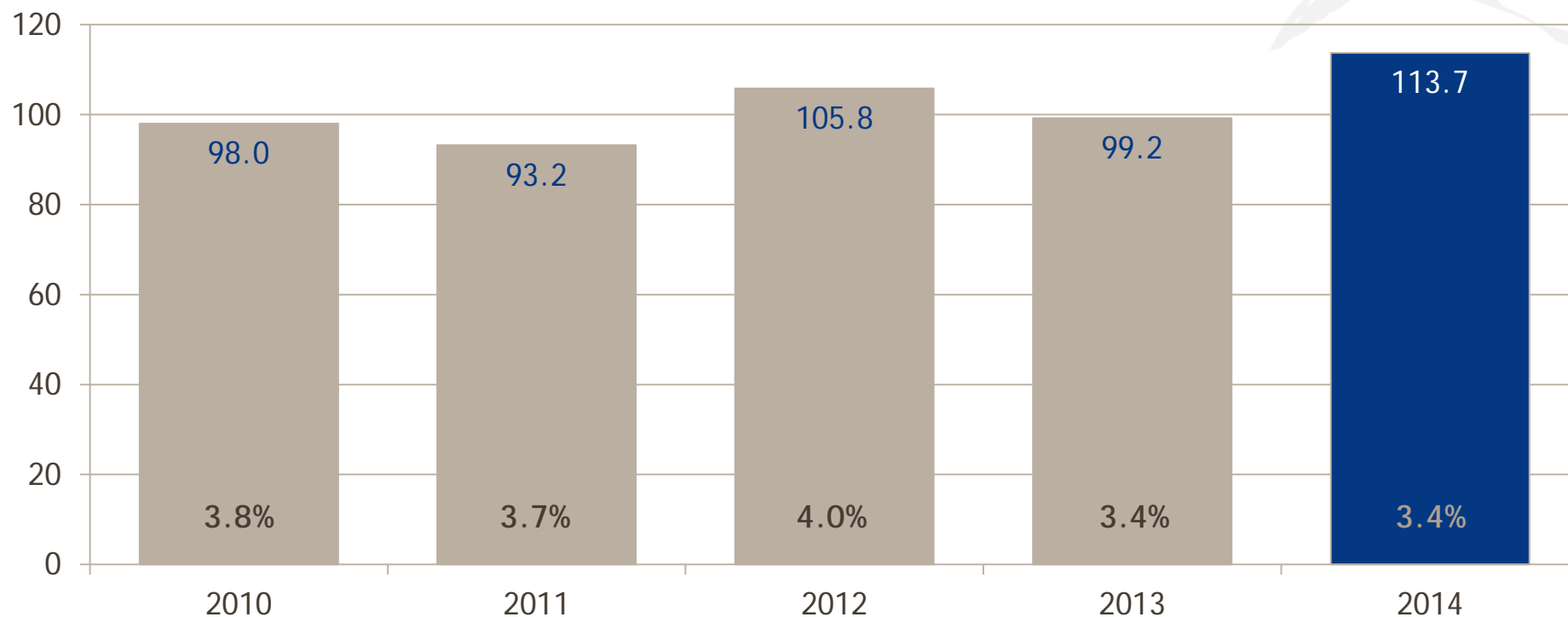
Absolute in CHF Mio.



DEPRECIATION AND IMPAIRMENTS

Depretiation to sales ratio remained stable despite higher investments/ impairment

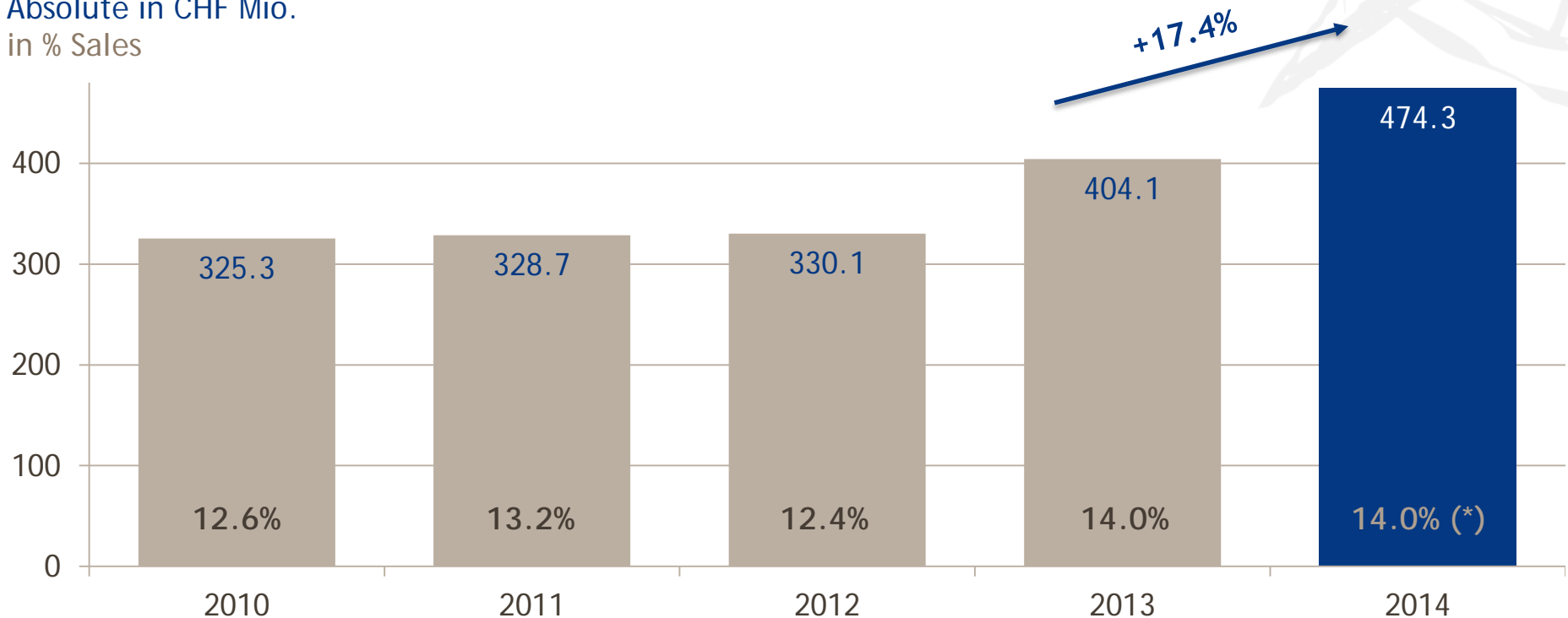
Absolute in CHF Mio.
in % Sales



OPERATING PROFIT (EBIT)

EBIT Margin 14.0% includes all one-offs from the RS acquisition

Absolute in CHF Mio.
in % Sales

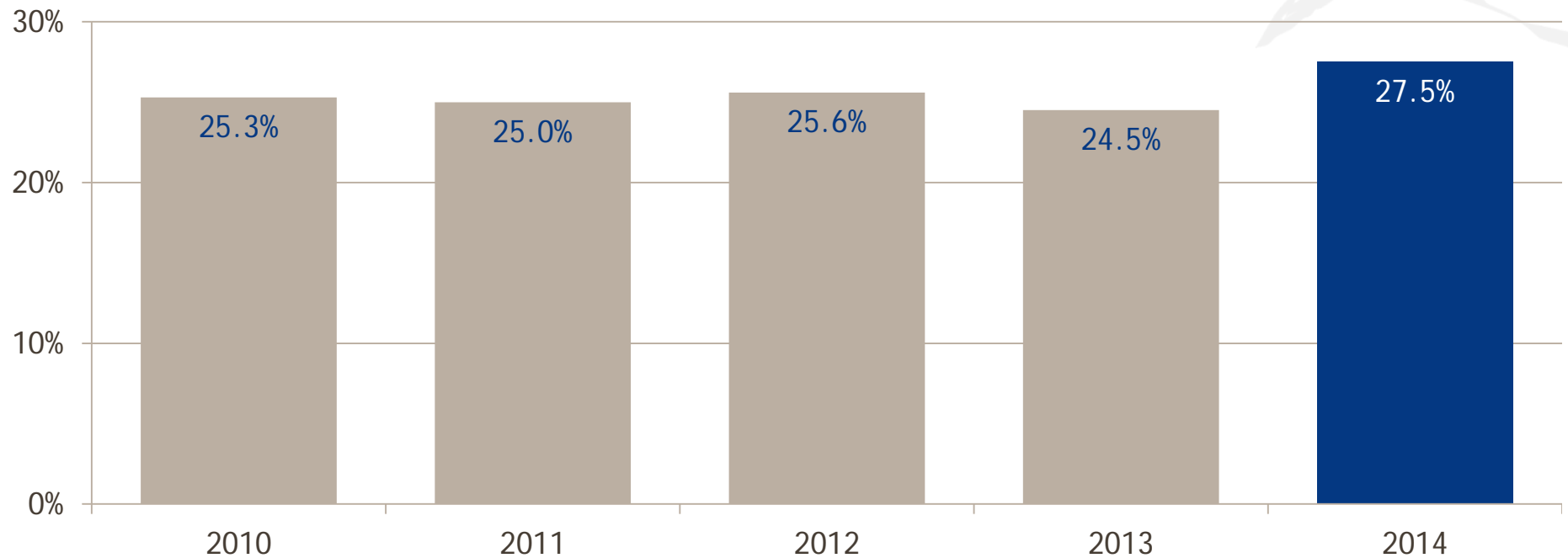


(*) L&S standalone: EBIT Margin 14.2%

TAX RATE

Significant increase in 2014 due to fully utilized tax loss carry forwards in the US

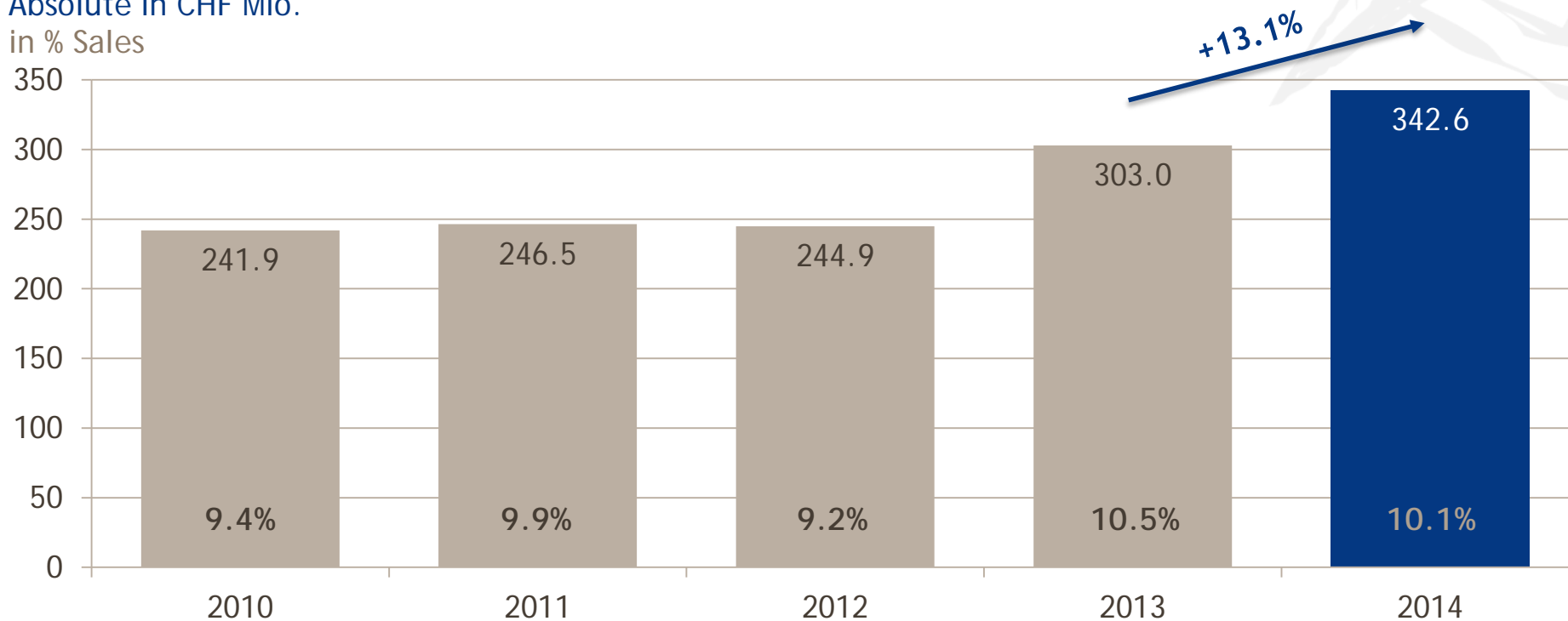
in % of income before taxes



NET INCOME

Net Income Margin 10.1% includes all one-offs from the RS acquisition

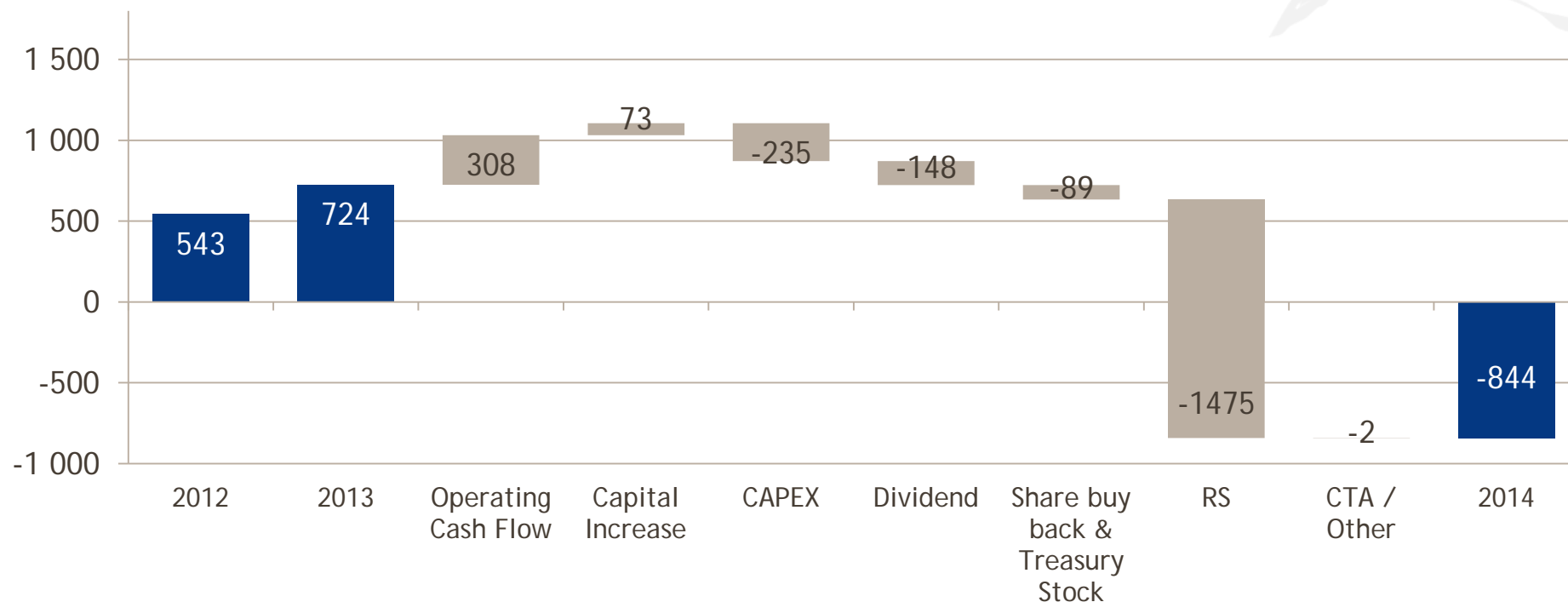
Absolute in CHF Mio.
in % Sales



NET FINANCIAL POSITION – DEVELOPMENT

The acquisition of RS financed via own funds and the issuance of bonds

Net Cash in CHF Mio.



OUTLOOK



LINDT & SPRÜNGLI

OUTLOOK ENVIRONMENT 2015

Ongoing challenging general conditions

- Positive economic outlook in North America
- Subdued consumer sentiment in Europe
- Transaction / Translation impact from SNB decision
- Continued challenge from unchanged high raw material prices
- Trade partners competing on price limiting price adjustments

Lindt & Sprüngli - Strengthening of the brand, ongoing increase of market shares, expansion into new markets

- Innovation and intensified marketing communication
- Continuous strengthening of LINDT brand in all markets
- Anchoring and exploiting strong no. 3 market position in the USA
- Strong focus on the worldwide implementation of own sales channel (Global Retail)
- Ongoing optimization via efficiency increases and cost management
- Middle to long-term organic sales growth target of 6-8% confirmed for 2015
- Back to middle to long-term target for increase of 20-40 BP in EBIT margin after integration of RS



RUSSELL STOVER



LINDT & SPRÜNGLI

ACQUISITION RUSSELL STOVER

July 2014



RUSSELL STOVER: FACTS AND FIGURES

Headqarterr Kansas City, Missouri

Employees 2800

4 Factories 2 in Kansas, 1 Texas, 1 Colorado

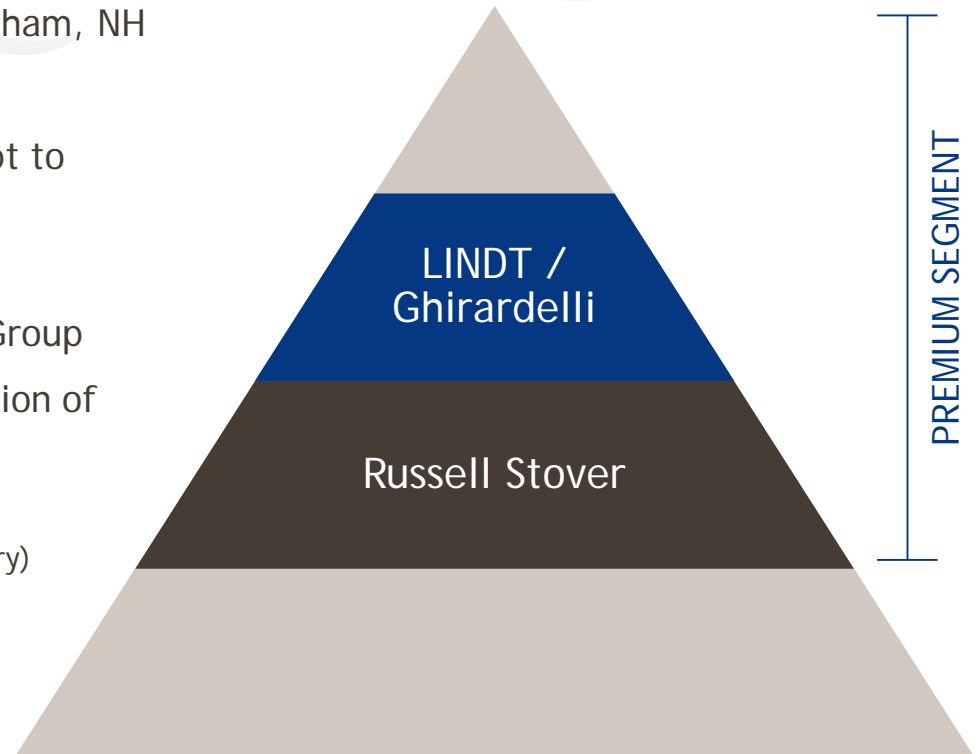
Brands Russell Stover, Whitman's, Pangburn's

Founded Russell Stover 1923, Whitman's 1842 (integrated in 1993)

Sales ~ USD 500 million per year

PREMIUM SEGMENT IN THE USA

- 1989 Commissioning of the LINDT factory in Stratham, NH
- 1992 Sales in N/America: CHF 30 million
- 1995 Establishment of an own LINDT shop concept to build on brand awareness
- 1998 Strategic acquisition of Ghirardelli
- 2006 N/America: Most important market of the Group
- 2010 Commissioning of a new facility for production of cocoa liquor (from bean to bar)
- 2014 Take-over of Russell Stover
(most important strategic acquisition of company history)
- Today Lindt & Sprüngli is no.3 chocolate manufacturer in the USA and clear leader of the premium chocolate segment



Lindt & Sprüngli dominates the premium chocolate segment in N/America

RUSSELL STOVER: NO.1 FOR GIFTING CHOCOLATE IN AMERICA



1923

Clara und Russell Stover

The couple begins to produce „Mrs. Stover’s Bungalow Candies“ in the basement of their house in Denver. Just a few month later they open their first store.

1960

Ward Family

The business is taken over by the Ward family who further expanded the national distribution.

1993

Whitman’s

Whitman’s, established in 1842 and one of the oldest American chocolate brands, is integrated in the company’s portfolio in 1993.

Russell Stover Headquarter in Kansas City, Missouri



ACQUISITION RUSSELL STOVER

- Biggest and most important strategic acquisition in the company's history
- Russell Stover optimally complements the brand and product portfolio of Lindt & Sprüngli USA
- Lindt & Sprüngli is third biggest chocolate manufacturer in the N/American overall chocolate market
- New leading position in „Boxed Chocolates“, seasonal business, and sugar-free chocolate
- Lindt & Sprüngli becomes one of the main partners of the trade
- Strong basis for further growth
- Four additional factories with potential for expansion will allow manufacturing synergies
- Own shop network (36 POS)



FOUR NEW PRODUCTION SITES

Russell Stover Factory in Iola, Kansas



Russell Stover Factory in Corsicana, Texas



Russell Stover Factory in Abilene, Kansas



Russell Stover Factory in Montrose, Colorado



POPULAR HOUSEHOLD BRANDS

Russell Stover, Whitman's and Pangburn's brands hold a market share of more than 50% in the segment of chocolate hearts.

The Whitman's cultic «sampler» gift box with a selection of chocolate candies is the bestseller pralinés assortment in the USA since its launch more than 100 years ago.



The «Millionaire\$» pralines of Pangburn's are famous for their delicate recipes with milk chocolate, pecan, caramel and a touch of honey. They were created in 1914 in Fort Worth (Texas) and are very popular in the Southeast of the US.

BRAND PORTFOLIO

GLOBAL BRANDS

> 75% of sales



Key Products/ Brands



LINDOR



EXCELLENCE



SAISON



PRALINES

REGIONAL BRANDS

~ 22% of sales



LOCAL BRANDS

~ 3% of sales





Financial Analysts' Meeting / March 10, 2015



LINDT & SPRÜNGLI

DISCLAIMER

This presentation contains forward looking statements which reflect 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 and regulatory developments.