

Rest of the World

In 2017 Lindt & Sprüngli benefited from the strategy of geographic expansion pursued over previous years. The “Rest of the World” segment once more made significant gains, with organic growth of +12.4% pushing sales up to CHF 525 million and providing an increasingly significant contribution to consolidated sales. National markets belonging to this segment enjoyed rapid and dynamic growth, with Japan and Brazil playing a strong role.

Australia

Lindt & Sprüngli (Australia) Pty. Ltd. celebrated its 20th anniversary in 2017. In its anniversary year, the company achieved modest single-digit sales growth, despite a difficult trading environment and a highly competitive chocolate market, and also managed to increase its market penetration. The core products Excellence and Lindor, along with the seasonal business, enjoyed excellent sales growth. In 2017, there was a sharp rise in the market share of the Lindt Gold Bunny and locally produced Easter eggs. The launch of Lindor Mango

& Cream was the brand’s most popular product innovation to date in Australia. Another highlight was the roll-out of Excellence chocolate bars with 78% cocoa, which was supported by a targeted marketing campaign for chocolate products with a high cocoa content.

South Africa

Lindt & Sprüngli (South Africa) Pty. Ltd. can look back on a successful year, with high double-digit sales growth of +20.0% and a significant expansion of market share. The core brands Lindor and Excellence once again increased their sales and strengthened their market position in the premium segment and successfully established a new product category with Lindor sticks.

United Arab Emirates

After a number of challenging years, the regional office in Dubai, once again managed to post double-digit sales growth. However, the region continues to be characterized by a stagnant growth trend due to the sharp fall in raw material prices, and is influenced by the political situation.

The Excellence products made a major contribution to sales and are market leaders in the dark chocolate segment in this region. Saudi Arabia also performed very well, while sales in India were twice as high as last year. Lebanon, Kuwait, Qatar, and Iraq likewise enjoyed sales growth in double figures.

China /Asia Pacific

Lindt & Sprüngli (China) Ltd. had a successful year with double-digit sales growth of +33.3%. The brands Lindor and Excellence have performed very well thanks to product innovations and new recipes. Lindor’s brand visibility was boosted by its growing popularity as a luxury gift at Chinese New Year. Distribution was extended from Shanghai and Beijing to other major cities. The presence of a Lindt Flagship Store at Tmall and JD resulted in a better than average performance from



Australia’s latest: the Lindor Mango & Cream Limited Edition.





Marketing campaign in China: The Lindt Tram caused a sensation in Hong Kong.

the e-commerce channel. The stronger presence at wedding fairs, in order to profit from the rising popularity of premium chocolate as a wedding gift, also improved brand awareness.

In Thailand, Singapore, and Hong Kong, Lindt & Sprüngli (Asia-Pacific) Ltd. posted a strong single-digit sales growth and was able to win market share through the strong presence of Lindor products in the seasonal business and the launch of the Excellence Dark Festival, supported by numerous product samplings.

Brazil

Over the course of 2017, Brazil gradually recovered from one of its most severe economic crises. Although the market is showing initial positive tendencies, the political situation is still tense in view of the forthcoming elections. Lindt & Sprüngli in Brazil achieved exceptionally strong double-digit sales growth of +32.6% in 2017. Building on the joint venture with CRM Group, the subsidiary continued to strategically implement its expansion plans and now successfully operates 30 Lindt Chocolate Boutiques in exclusive shopping centers. The gradual market recovery was also evident in the positive performance of the wholesale distribution business.

Japan

2017 was a very successful year for Lindt & Sprüngli Japan Co. Ltd., reporting vigorous sales growth of +57.7%. Lindt invested in the expansion of the successful Lindt Chocolate Café and Boutique concept by opening also additional stores at prime locations in various regions of Japan. Here Lindt puts the focus squarely on an exceptional customer experience.

Enthusiastic Chocolate Advisors introduce consumers into the World of Lindt and provide them with a unique brand experience. The Excellence line, with a very high co-

coa content, together with Lindor are the most successful products in the year-round assortment, while seasonal products are mainly purchased as luxury gifts.

Duty Free/Travel Retail

The travel retail chocolate market stagnated in 2017, notwithstanding rising passenger volumes. In spite of this, Lindt & Sprüngli managed to significantly expand its market share thanks to numerous product innovations and customer-centric marketing initiatives. In 2017, Lindt was once again the most dynamic and fastest-growing chocolate brand worldwide in the travel retail segment and was in great demand as a partner. As part of the premium partnership with Dufry, the world's biggest operator of duty-free shops, Lindt & Sprüngli launched an exclusive assortment with Lindor Heavenly Stracciatella and an assorted collection of chocolate Napolitains that proved to be very successful.

The global roll-out of the new assorted Napolitains products was particularly successful, as were the Lindt Chocolate Trolleys, where a combination of an eye-catching packaging (like a mini trolley bag) and marketing activities at sales points generated a lot of interest. The Lindor Mango & Cream Limited Edition, marketed together with the very popular Lindor Milk chocolate truffles, also achieved new sales records. During the reporting period many new shop-in-shop concepts were implemented in a number of major airports, including London, Paris, Prague, Singapore, Taipei, and Doha. 2017 became an even sweeter year for Lindt & Sprüngli on winning the DFNI industry award for the best global travel retail product innovation, the Lindt Swiss Masterpiece Pralinés, and receiving three nominations for the Frontier Awards in Cannes.

Exclusive Heavenly range for the Duty Free Partner Dufry.

