



Growth bought, then priced.

Lindt & Sprüngli doubled its sales in twelve years, made the largest acquisition in its history and raised prices by double digits. Its chief executive has just left. Twelve years of published accounts show whether each person now produces more.

Did the organisation learn?

Twelve years of published accounts, adjusted for inflation.



Swiss chocolate since 1845. A portfolio since 1994.

- **1845.** David Sprüngli and his son begin making chocolate in Zurich. Rodolphe Lindt invents the conche in Bern in 1879; the two firms join in 1899.
- **1994 to 1998.** Hofbauer and Küfferle (Austria), Caffarel (Italy) and Ghirardelli (USA) are added to the premium core.
- **2014.** Russell Stover, a family-owned American maker of boxed chocolates, the largest acquisition in the company’s history. It makes Lindt number three in North America.
- **2016 to 2025.** Own stores grow from 370 to 621, a retail business worth about CHF 1bn a year.
- **Today.** CHF 5.9bn of sales, about 15,350 people and 12 factories in Europe and the US. Europe is half of sales, North America 37%.

Where it finds its leaders

Chief executive	Years	Came from
Ernst Tanner	1993 to 2016	Commercial: Johnson & Johnson
Dieter Weisskopf	2016 to 2022	Chief Financial Officer
Adalbert Lechner	2022 to 2026	Commercial: ran Lindt Germany
Dieter Weisskopf (interim)	2026 to date	Former chief executive

Ernst Tanner has chaired the board since 1994. Every chief executive since has been promoted from within, and the board now says the company needs new operational leadership to return to consistent growth. A permanent appointment is expected in the second quarter of 2027.



One number, three drivers

$$\text{GP per head} = \text{gross margin} \times \text{asset turnover} \times \text{capital per head}$$

Capital here is tangible operating capital: property, plant and equipment, leased assets, inventories and receivables, less payables. Goodwill and acquired intangibles are not included in this measure.

A note on gross profit at Lindt

Lindt reports its costs by nature rather than by function. Gross profit here is sales less the cost of materials, adjusted for changes in stock. Factory wages and depreciation sit below it, so Lindt's margin and value per head read higher than for a company that reports cost of sales. We therefore compare peers on **change**, not level.

Our guide: allowing time to recover

A fall in value per head after a deal or an investment is not, on its own, a verdict. Integration takes time. As a reading guide, we look for:

- **Acquisitions and investment:** recovery to the pre-event level within about three years.
- **Exits:** a benefit within about twelve months, since there is nothing to integrate.
- **Two benchmarks:** the company's own pre-event level, and a fair peer.

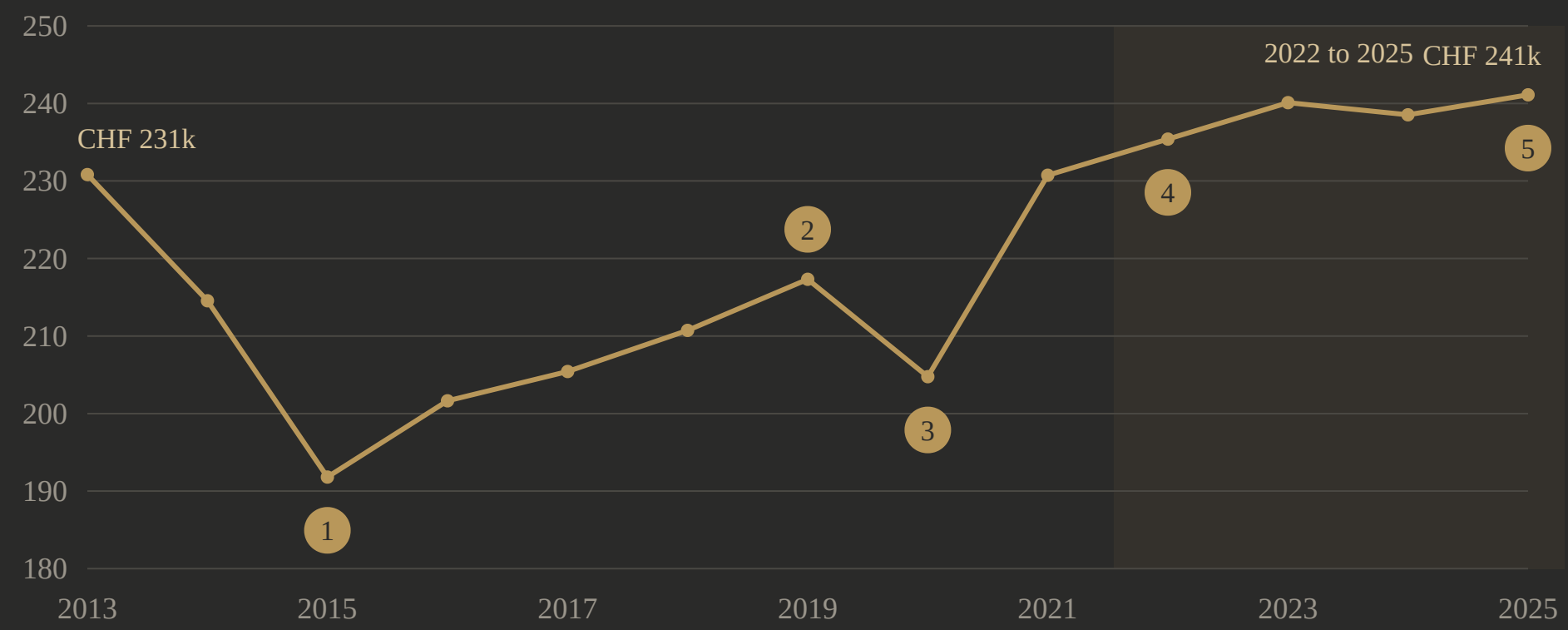
These are our guides, not targets the company set. Where a business sets its own, those are the ones to hold it to.

Basis: average full-time employees as reported; averaged opening and closing balances; leases included from 2019, when IFRS 16 brought them on to the balance sheet; 2025 Swiss francs, deflated by the Swiss consumer price index. Full notes on page 12.



Twelve years in real terms

Gross profit per head in CHF k, 2025 prices. Where the line turns, something changed.



Back to its 2023 gross margin would be worth about CHF 270m more gross profit a year at 2025 sales. Each point of margin is worth about CHF 59m.

- 1 Russell Stover bought, 2014: seven years to recover
- 2 US restructuring and plant closure, 2019 to 2020
- 3 Pandemic, 2020
- 4 Price-led growth, 2022 to 2025
- 5 Volume and mix fall 6.6%, then 7.5% in early 2026

Lindt & Sprüngli, real terms

	Gross margin		Asset turnover		Capital per head		GP per head
2013 to 2018	↓ 0.5 pts	×	↓ 6%	×	↓ 2%	=	↓ 9%
2018 to 2022	↓ 0.5 pts	×	↑ 17%	×	↓ 4%	=	↑ 12%
2022 to 2025	↓ 3.7 pts	×	→ 0%	×	↑ 9%	=	↑ 2%
2013 to 2025	↓ 4.7 pts	×	↑ 10%	×	↑ 2%	=	↑ 4%

The recovery came from asset turnover: from 2018 to 2022 sales rose 15% on flat capital. Since 2022 turnover has stalled and capital per head has risen.

Leases excluded throughout so the periods chain; see page 12.



Russell Stover: a dilutive deal, and a seven-year recovery

What was said, 2014

Price	CHF 1.5bn
Sales (12 months)	~\$500m
Goodwill	CHF 716m
Growth assumed	5% a year
Ambition	No. 3 in North America

What the per-head view adds

People, 2013 to 2015	8,949 to 13,180
Its revenue per head*	~CHF 170k
Group revenue per head, 2013	CHF 322k
Real GP per head, 2013 to 2015	CHF 231k to 192k
Value per head recovered	Seven years

Russell Stover was a family-owned maker of boxed chocolates in Kansas City, sold largely through drugstores and mass retail at everyday prices. On Lindt’s own figures it brought about \$500m of sales and some 2,700 people: about half of Lindt’s revenue per head.

The deal case assumed 5% growth a year. Instead the brand was moved from boxed gifting to everyday chocolate and its range cut; its decline pulled North America to a 1.6% fall in 2017; a 2020 US restructuring of about \$62m closed its Colorado plant, affecting about 400 jobs; and in 2025 its sales fell again. Its goodwill is tested at the North America level with Lindt USA and Ghirardelli, so it has never had to stand alone.

Had the deal case played out, it would still have diluted

	2014, as bought	2025, deal case
Sales	~\$500m	~\$840m
People	~2,700	~2,700, held flat
Revenue per head	~CHF 170k	~CHF 260k
Share of group revenue per head	about half (55%)	about two-thirds (67%)

What you buy shapes what follows: the dilution was already built into the deal.

*Lindt’s 2014 figures of some 2,700 employees and about \$500m of sales, at its 2014 average rate of CHF 0.94 to the dollar. The deal case runs 5% a year for ten years, then 3%, as in the purchase price allocation, converted at an estimated 2025 average of 0.83. Group revenue per head: CHF 316k in 2014, CHF 385k in 2025. The accounts cannot show how much of the group’s seven-year recovery came from Russell Stover itself.



Price did the work, until volume went

	2024	2025	First half 2026
Organic sales growth	7.8%	12.4%	4.3%
Price	~+6%	+19.0%	+11.8%
Volume and mix	+1.5%	−6.6%	−7.5%
Materials, % of sales	34.8%	37.4%	35.5%
Average people	14,973	15,351	Hiring freeze
Real GP per head	CHF 239k	CHF 241k	GP down ~4%

Prices rose by roughly two-fifths across 2023 to 2025 as cocoa reached record highs, against Swiss inflation of about 3.5%. Real gross profit grew, but so did the headcount, and real value per head rose by only 2% across Adalbert Lechner’s years. Then the shopper stopped. Volume and mix fell 6.6% in 2025 and 7.5% in the first half of 2026, mostly in Germany, Switzerland and Austria.

How these are measured matters. Lindt splits organic growth into price and “volume and mix”, but publishes no tonnes, units or packs and does not say how volume is counted. Volume and mix is in effect everything that is not price: quantity sold, plus shifts in product, pack and channel.

Lindt’s response suggests the shopper’s limit is now the cash price at the shelf. It has added smaller Lindor packs, of 100g and 137g, and a 337g pack alongside the 500g, reported at the same price per kilo. Smaller packs at a set price point can lower the ticket price or, in time, raise the price per kilo; without pack data we cannot see which. It has also made selective price cuts in Germany and Switzerland, with wider cuts reported for January 2027.

2024 price is derived from organic growth less volume and mix; the 2023 to 2025 price rise is our estimate, taking 2023 at about 10%, when organic growth was 10.3% and volume slightly positive. Materials are net of changes in stock; first half 2026 compares with 33.3% a year earlier. Gross profit for the first half is down about 4% on the first half of 2025; no mid-year headcount is published.

The shopper sets the ceiling, channel by channel and occasion by occasion, not the cost of cocoa.



More capacity, less volume

	2019	2020	2021	2022	2023	2024	2025
Capital spending (CHF m)	235	249	241	230	302	314	330
Capital spending, % of sales	5.2%	6.2%	5.3%	4.6%	5.8%	5.7%	5.6%
Net PP&E, year end (CHF m)	1,324	1,327	1,347	1,371	1,387	1,506	1,522
Asset turnover	1.35	1.27	1.46	1.53	1.56	1.56	1.54
Average people	14,621	13,557	14,135	14,466	14,746	14,973	15,351
Real GP per head	217k	205k	231k	235k	240k	239k	241k

Lindt has kept investing at 5% to 6% of sales. Since 2017 it has doubled capacity at its cocoa centre in Olten, Switzerland; the latest phase, about €100m begun in 2021, opened in 2024. Capital spending reached CHF 331m in 2025, including capacity for a wafer range: a dedicated facility is being built at its Italian site, due to run in 2027 ahead of a global launch. Pilots in the UK, Italy and Bulgaria, management says, beat expectations. The investment and the capacity have not been disclosed.

The timing is the question. Since 2022 net PP&E is up 11% while volume and mix is down about 5%. The asset turnover that drove the recovery has stalled.

New capacity is arriving as existing plants have less to make. Value per head now depends on filling the plants Lindt already has, not just the new one.

Volume and mix since 2022 is our estimate, taking 2023 as flat: Lindt described it as slightly positive. Over the last two years it fell about 4.6% in the first half of 2025 (our derivation: organic growth of 11.2% less price of 15.8%) and 7.5% in the first half of 2026, about 12% in all. Volume and mix is not tonnage; mix moves it too. Capital spending covers property, plant and equipment, intangibles and payments before lease start, including retail stores. A wafer uses less cocoa per kilo, which helps when cocoa is dear and matters less as it eases.



Own stores: shop window or profit centre?

	2016	2017	2019	2020	2025
Own retail sales (CHF m)	n/a	~500	608	447	986
Share of group sales	n/a	~12%	13.5%	11.1%	16.7%
Own stores	370	n/a	n/a	n/a	621

Own stores and e-shops grew 20.8% in 2025 to about CHF 1bn, and with travel retail make up 20% to 25% of sales. Lindt calls retail a strategic growth and brand-building engine. It does not disclose what the stores earn.

That matters for this measure in two ways. A store books sales at the consumer price, so a shift to retail lifts reported gross margin, while the extra cost, store staff and rent, sits below gross profit. And retail is labour-intensive, so it adds people as it grows. A business moving towards its own stores can look better on margin and worse per head at the same time.

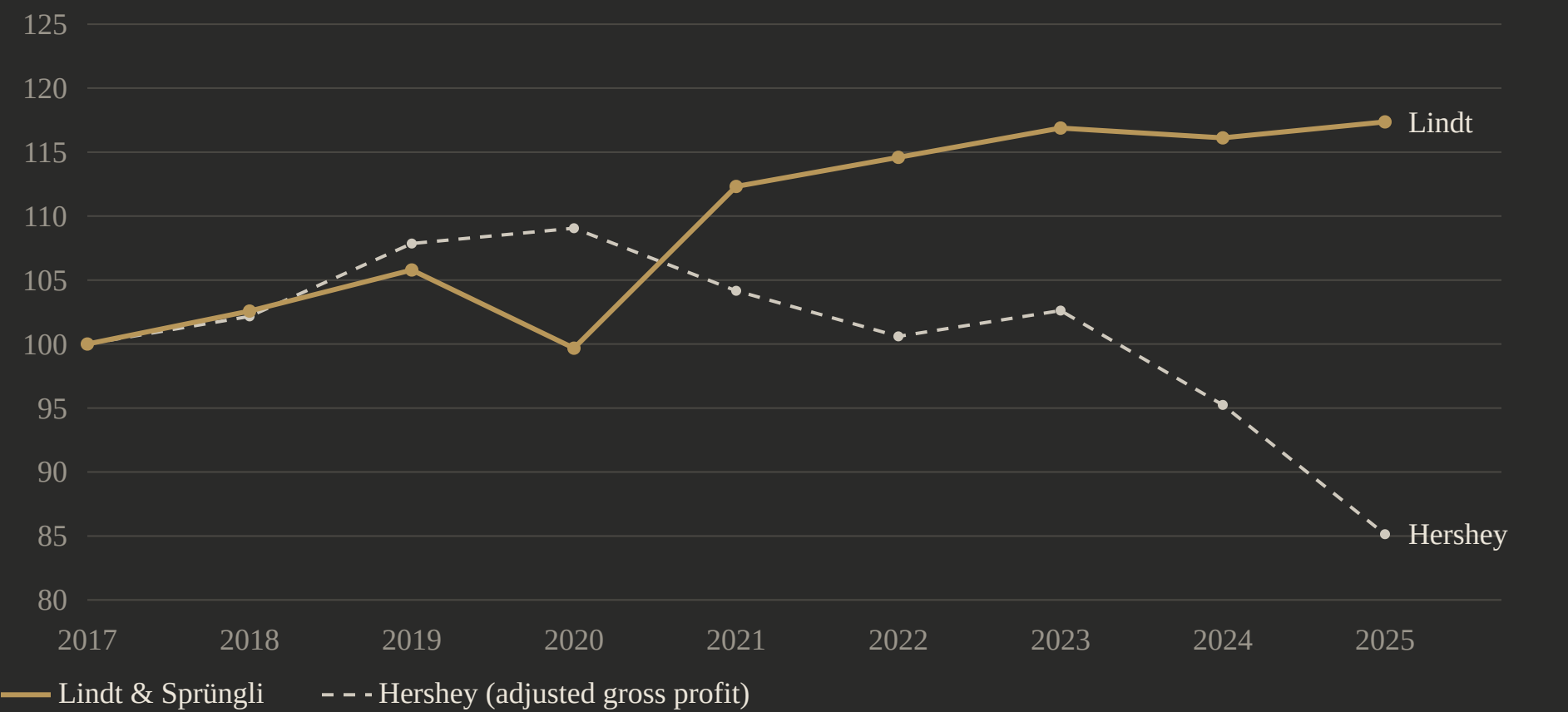
What only an insider can answer

- **Four-wall profit** by store and by year of opening.
- **Transfer price:** what the stores pay the factories for their chocolate.
- **Halo:** whether wholesale sales rise near the flagships, as the brand case assumes.
- **People:** how much of the growth in headcount since 2019 is in stores.

2017 is from the company’s statement that own-shop sales passed half a billion francs that year. Store counts for 2017 to 2020, and retail sales for 2016, are not published consistently; n/a marks a gap, not a zero.

Two answers to the same cocoa shock

Real gross profit per head, indexed to 2017 = 100.



Index, real GP per head	2017	Peak	Low point	2025
Lindt & Sprüngli	100	117 (2025)	100 (2020)	117
Hershey	100	109 (2020)	85 (2025)	85

On this measure Lindt clearly came through the cocoa shock better. The result holds from a pre-pandemic base too: since 2019, Lindt +11%, Hershey −21%. Two things weigh on Hershey. It passed less of the cost through, with price adding about 6% in 2025 against Lindt’s 19%. And it moved into salty snacks, buying businesses with their own plants, including Dot’s Pretzels and Pretzels Inc in 2021. That segment earned about half the margin of its North American chocolate business in 2024, 17% against 32%.

Hershey is the closest listed chocolate peer. Its gross profit is the adjusted figure, excluding commodity hedge gains and losses, which swung from a \$460m gain in 2024 to a \$423m loss in 2025. We compare change, not level, because the two report gross profit on different bases. Lindt’s 2017 starting point sits close to its post-acquisition low, which flatters its gain. Mondelez is excluded: biscuits make up much of its business.



So, did it learn?

We set out to understand Lindt’s track record through twelve years of headline growth, at the point its chief executive changes. Our test is whether it became a learning organisation: one whose value per head holds consistently above a fair benchmark. The answer depends on the benchmark, and on what the growth was for.

Ahead

against Hershey since 2017: held up while the peer fell

Not yet

against its own history: bought, then recovered

Against a peer: ahead so far

Since 2017	People	Real GP per head
Lindt & Sprüngli	+10%	+17%
Hershey	+14%	–15%

Holding value per head while a peer loses 15% is what a learning organisation would do. But our test is a level held above a sector benchmark over time. With one peer, reporting on a different basis, we can compare direction, not level, and Lindt’s 2017 start sits near its post-acquisition low. A positive signal that needs more years and more peers to confirm.

Against itself: bigger, not yet better

From 2013 to 2025 real gross profit grew 79% and people 72%, so real value per head ended 4% above where it started. That is more from more: a bigger business with more profit, but each person produces only a little more. If scale in North America was the aim, it was delivered; the deal case was not (page 5).

The recovery came mostly from asset turnover: more sales from existing plants and working capital. That was real progress. But it took value per head back to where it started, which completes the bought cycle rather than moving beyond it. Whether Lindt has learned depends on the combined result against a benchmark, and there we can show direction, not yet level.

It has learned to recover what it bought. It has not yet learned to get more from the same.



Four questions for the next chief executive

- **Where are we in our own cycle?** Volume and mix are down about 12% in two years, new capacity is coming and prices are now falling. How much capacity is in use, and which way is it moving?
- **What is the role of each channel, and what does it produce per head?** Wholesale, own stores and Russell Stover side by side. Own stores need a stated role: paid-for marketing, judged on the lift they give the brand, or a profit centre, judged on what they earn. Today the accounts show one blended number.
- **Where is the price ceiling, by channel and occasion?** The capability is not in question; the emphasis is. Shoppers became far more price-sensitive in 2025 and 2026, and the ceiling differs for a gift in duty free, a treat in a Lindt shop and a weekly shop in a supermarket. That calls for greater emphasis on a shelf-back brand, pack, price and channel strategy built on changing shopper insight, not on the cost of cocoa.
- **What must committed capital deliver, and by when?** At today's asset turnover, every CHF 100m of operating capital needs about CHF 155m of sales just to keep turnover where it is. What volumes did the sign-off assume for the existing plants and the new wafer line, by channel, and do they still hold? Name the time to reach them, then track it.

What you buy shapes what follows.

The brand is the asset. Taking price moves you along the demand curve; only building the brand moves the curve.

What the accounts can show, we have shown. What only an insider can answer, such as headcount by channel and the volumes behind new capacity, we have left as questions.



Method, sources and gaps

Basis. Gross profit per head = gross margin $\times$ asset turnover $\times$ tangible operating capital (TOC) per head. Gross profit = sales + change in inventories – cost of materials, because Lindt reports costs by nature; factory labour and depreciation sit below it. TOC = net PP&E + right-of-use assets + inventories + accounts receivable – accounts payable to suppliers, averaged over opening and closing balances; 2013 uses year-end balances only. Headcount is average full-time employees as reported. Every year passes the identity check.

Leases. Included from adoption of IFRS 16 in 2019, which adds about CHF 30k to capital per head. The decomposition on page 4 excludes leases throughout so that its periods chain: margin changes add, and the periods multiply to the whole.

Asset turnover. Measured on sales, so price increases flatter it; high cocoa costs also inflate the stock within capital. Both push the same way, which is why the stall since 2022 is telling.

Real terms. Swiss consumer price index, annual average, 2025 francs. Hershey in US dollars deflated by US CPI-U; headcount is the average of year-end counts, which include part-time staff.

Recovery guides. The three-year and twelve-month windows on page 3 are LIME's reading guides, not targets set by the company.

Sources. Lindt & Sprüngli annual reports 2014 to 2018, 2020, 2022 and 2023, and integrated annual report 2025; short report 2025; half-year results 2026 and transcript; trading statement of 29 September 2026; announcement of 19 October 2026. Russell Stover acquisition note (2014 annual report). Hershey results releases 2018 to 2025 and Form 10-K; Hershey segment margins are segment income for the first nine months of 2024, from its third-quarter 2025 results release. Market context from IntoTheMinds (May 2026) and press reports.

Estimates and gaps. Every year from 2013 to 2025 is from Lindt's published accounts. The series starts in 2013. The five-year review in the 2016 report gives 2012 sales and headcount but not the cost of materials: revenue per head was CHF 327k in 2012 against CHF 322k in 2013, so 2013 is not an unusual starting point. Russell Stover's revenue per head uses Lindt's 2014 figures of some 2,700 employees, which may be a headcount rather than full-time equivalents; the 2025 deal case and its exchange rate are our estimates. First-half 2025 volume and mix is derived from reported organic growth and price. Retail sales for 2017 are approximate. No mid-year headcount is published for 2026.

Not advice. An analysis of published accounts for discussion, not investment advice.