

Barry Callebaut

Setting course for sustainable profitable growth and higher cash generation

1 November 2023



Disclaimer

Certain statements in this presentation regarding the business of Barry Callebaut are of a forward-looking nature and are therefore based on management's current assumptions about future developments. Such forward-looking statements are intended to be identified by words such as 'believe,' 'estimate,' 'intend,' 'may,' 'will,' 'expect,' and 'project' and similar expressions as they relate to the company. Forward-looking statements involve certain risks and uncertainties because they relate to future events.

Actual results may vary materially from those targeted, expected or projected due to several factors. The principal risk factors that may negatively affect Barry Callebaut's future financial results are disclosed in more detail in the Annual Report 2022/23 and include, among others, general economic and political conditions, foreign exchange fluctuations, competitive product and pricing pressures, the effect of a pandemic/epidemic, a cyber event or a natural disaster, as well as changes in tax regimes and regulatory developments. The reader is cautioned to not unduly rely on these forward-looking statements that are accurate only as of November 1, 2023. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.

Key messages

- 1** Creating the world's best chocolate solutions
- 2** Leading with global scale, deep capabilities and high-quality relationships
- 3** Operating in attractive markets with significant runway for growth
- 4** Learning from recent missteps
- 5** Unlocking next phase of long-term growth and shareholder value creation

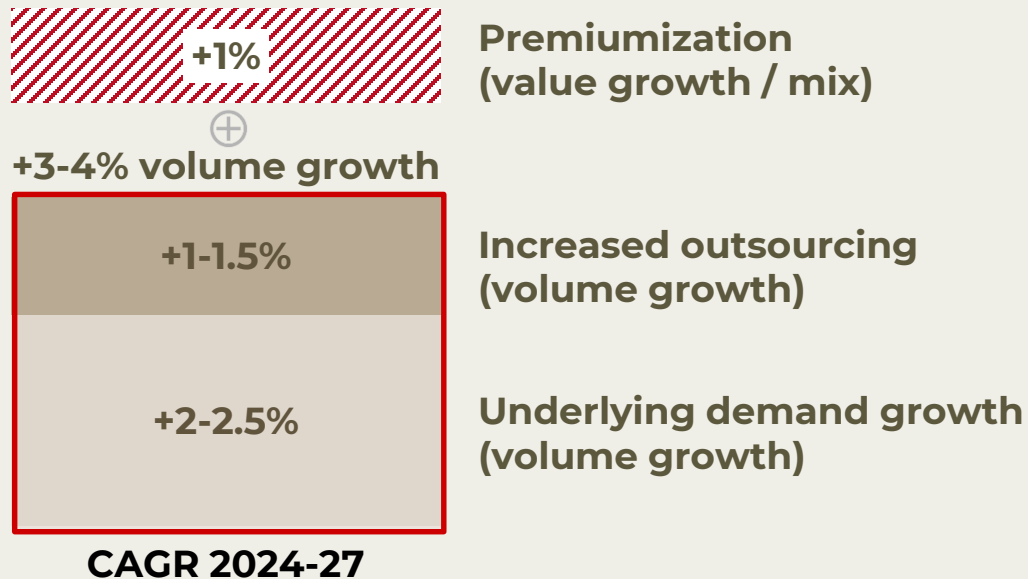
Providing chocolate ingredient solutions at scale

| Customers / Products | Global FMCGs | Regional Accounts | Chains | Food Service | Artisans & other |
|-----------------------------|---|---|---|---|---|
| Cocoa products ¹ |  |  | |  | |
| Liquid chocolate |  |  |  | | |
| Solid chocolate |  |  |  | |  |
| Compound | |  | |  | |
| Specialty chocolate |  |  |  |  |  |
| Decorations & Inclusions |  | |  | | |

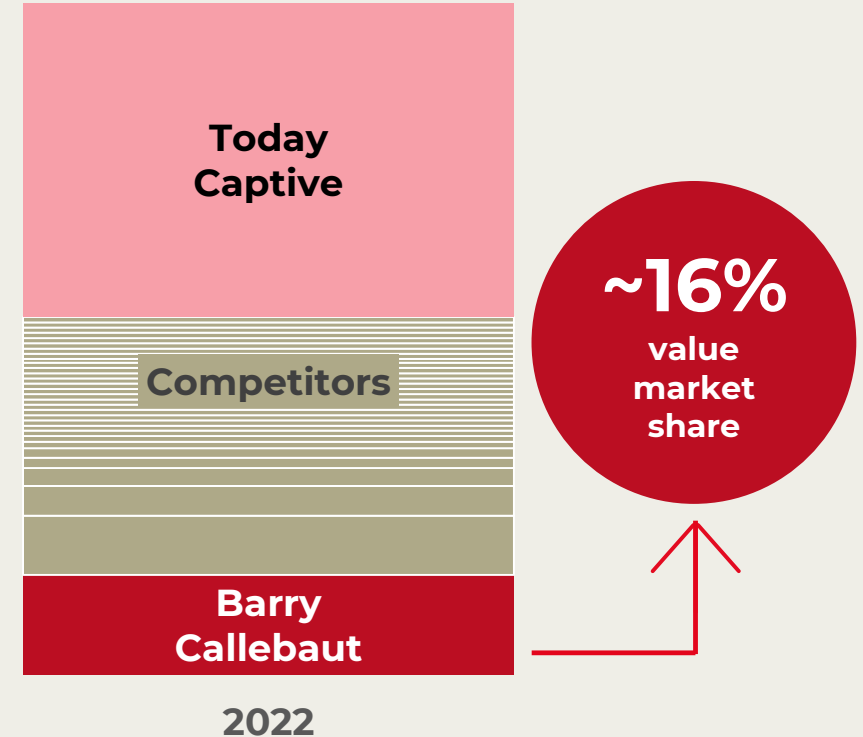
Chocolate ingredients market provides significant growth potential

Rebounding growth outlook...

...and long runway for expansion



CHF 50B¹

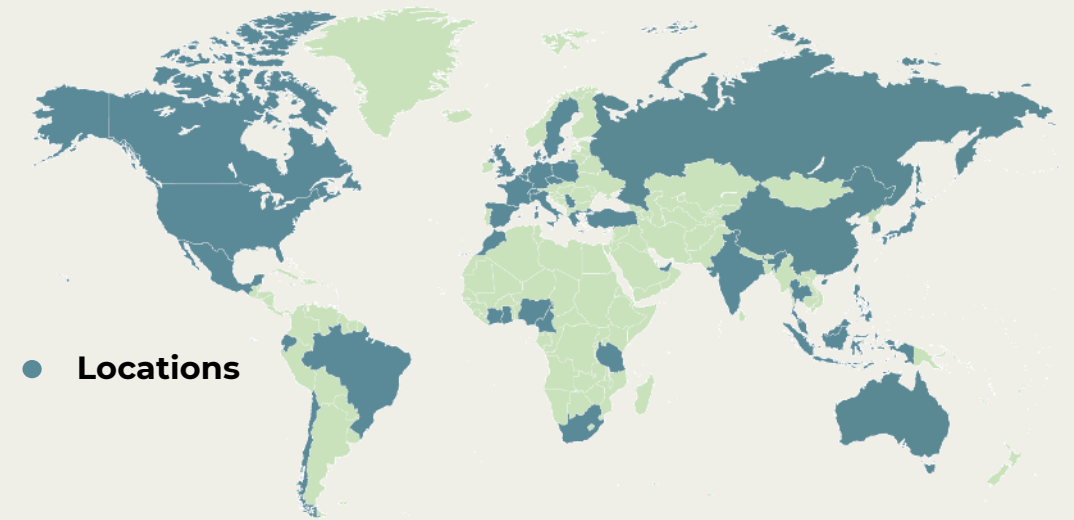


Partner of choice for global FMCGs due to scale and global presence

Partner of choice to global FMCGs

Unmatched footprint supporting their growth

3-4 x
RMS
with the Top 10 FMCGs¹



Mondelēz
International


Nestlé

FERRERO

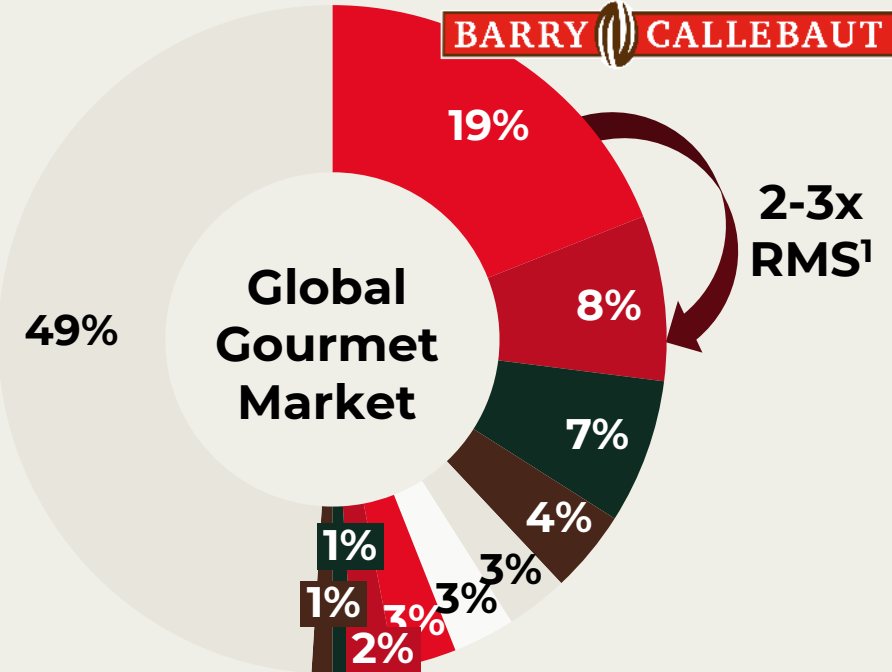
HERSHEY
THE HERSHEY COMPANY


Unilever

MARS

Leading across the global Gourmet market

Relative market share

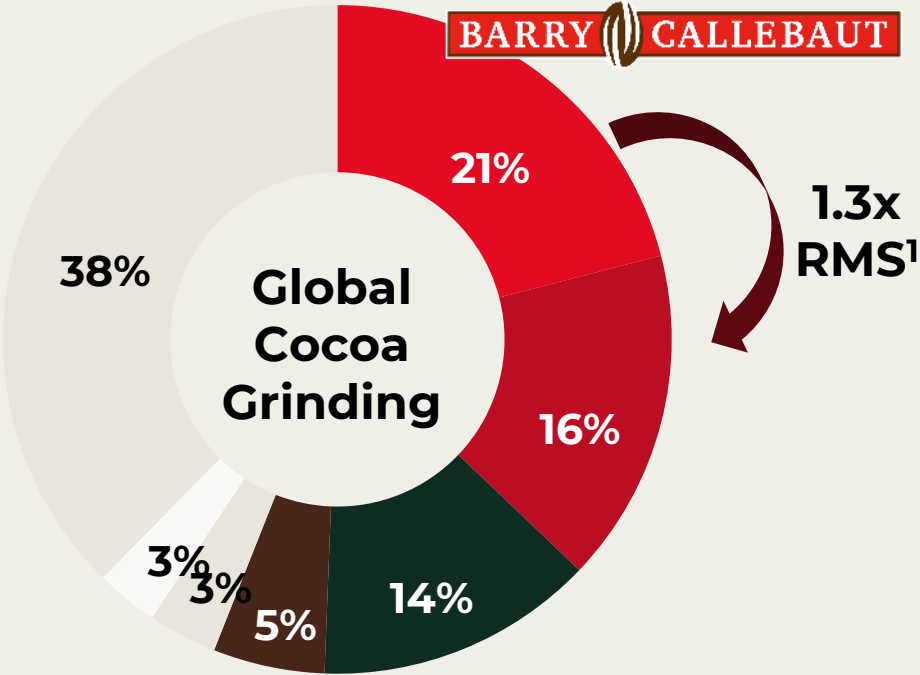


Market position by region



Leading globally in cocoa – and chocolate

Relative market share



Global footprint



Specialty solutions across all customer segments globally

From specialty chocolate ...

| Free-from | Religious | Sustainability | Nutrition | Indulgence |
|----------------------|-----------|----------------|-----------------|------------|
| Dairy-free | Kosher | Traceable | Added nutrients | Ruby |
| Nut-free | Halal | Sustainable | Vegan | Wholefruit |
| Reduced / sugar-free | | Origin | | 2nd Gen |
| | | Organic | | |

To inclusions and decorations

| | | | |
|---------------------|------------------|-----------------------|----------------------|
| Chocolate sprinkles | Baked inclusions | Chocolate decorations | Chocolate inclusions |
|---------------------|------------------|-----------------------|----------------------|

All customer segments – from FMCG to Artisans

Recognizing and acting upon recent challenges

1

While our commitment to serve customers has never wavered, we must also recognize some recent missteps:

- **Wieze and other issues**
- **Service levels**
- **Internal complexity**

2

We did not respond fast enough to help our customers adapt to a post-covid environment

This was a wake-up call, and we took immediate action

Right assets to take significant future market share

1



Market leadership
and global scale

2



Multi-channel, multi-
segment resilience

3



#1 partner to the
leaders in chocolate

4



Leading innovations

5



Vertically integrated
cocoa - chocolate globally

6

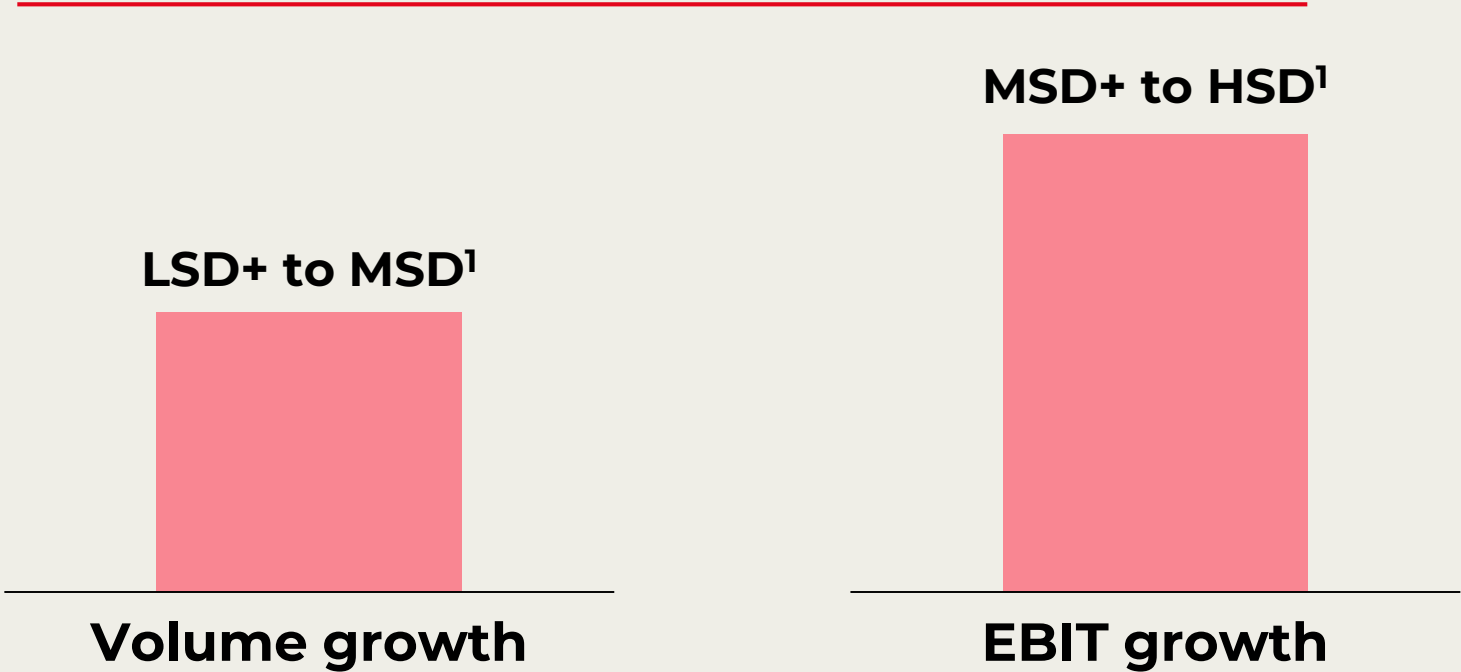


Recognized leader in
sustainability

***BC Next Level* will enhance and unlock the full potential**

Delivering attractive, profitable growth

Long term growth objective



Building towards a 10% EBIT margin ambition

Unlocking the full potential with *BC Next Level*

22/23

- Get Executive Leadership Team in place

23/24

- Execute on *BC Next Level* initiatives

24/25

- Back to growth and deliver on *BC Next Level* cost savings

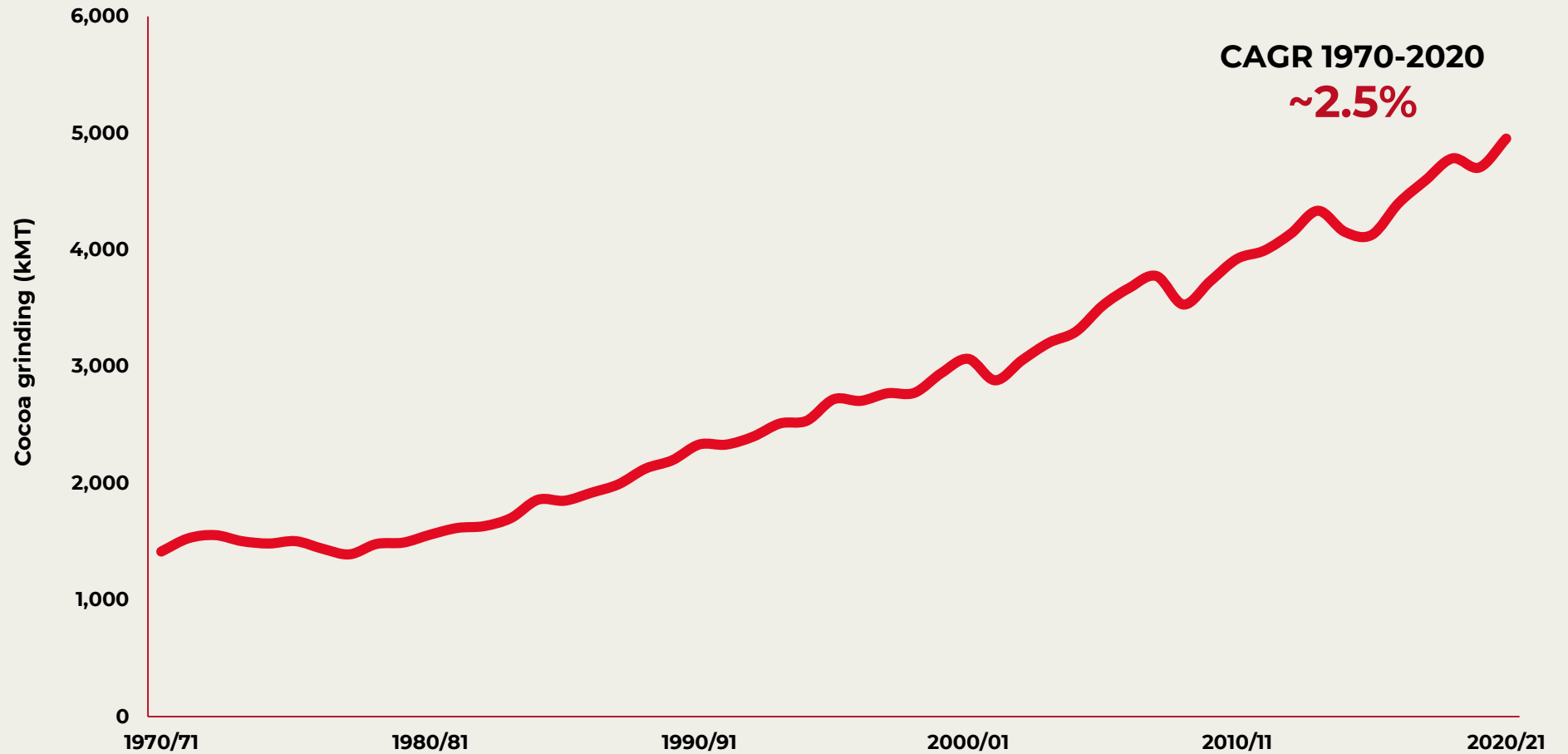
25/26

- Delivering on long term growth objective¹

The chocolate ingredients market is growing



50 years of growing chocolate demand



Market is getting back to growth

Favorable market trends are driving growth

Growing global demand for chocolate

- Developing markets growth
- Chocolate in more product categories
- More chocolate content

Increasing customer reliance on established chocolate suppliers

Increasing consumer demand for products that are good for the planet and their own well-being

... of the global outsourced chocolate ingredients market



Premiumization (value growth / mix)



+3-4% volume growth



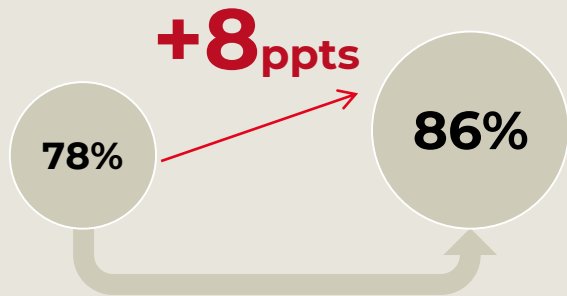
Increased outsourcing (volume growth)

Underlying demand growth (volume growth)

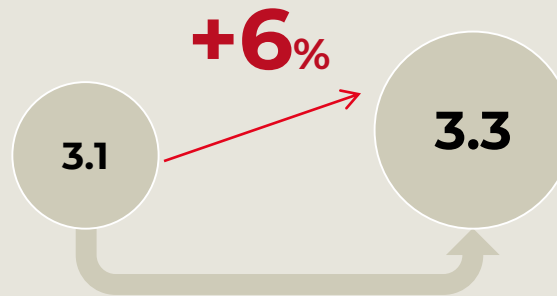
CAGR 2024-27

Underlying market growth supported by changing consumer behaviors

Share of consumers who snack has increased¹



Average number of snacks per day has also increased¹



Chocolate is increasingly the snack of choice²



Chocolate is taking an increasing share of the growing consumer market

Chocolate increasingly an application in products

New product launches containing cocoa products (by category, in %)

| | 2013 | | 2023 |
|----------------------|------|---------|------|
| Sweet Biscuits | 44% | +6ppts | 50% |
| Cakes & pastries | 29% | +6ppts | 35% |
| Breakfast Cereals | 26% | +6ppts | 32% |
| Dairy Ice Cream | 47% | +7ppts | 54% |
| Cereal & Energy Bars | 40% | +14ppts | 54% |



Mondelez launches Cadbury Caramilk Wallaby in 2023



Nestlé

Nestlé launches Koko Krunch for the Asian Market with dark cookies in 2023



Nestlé

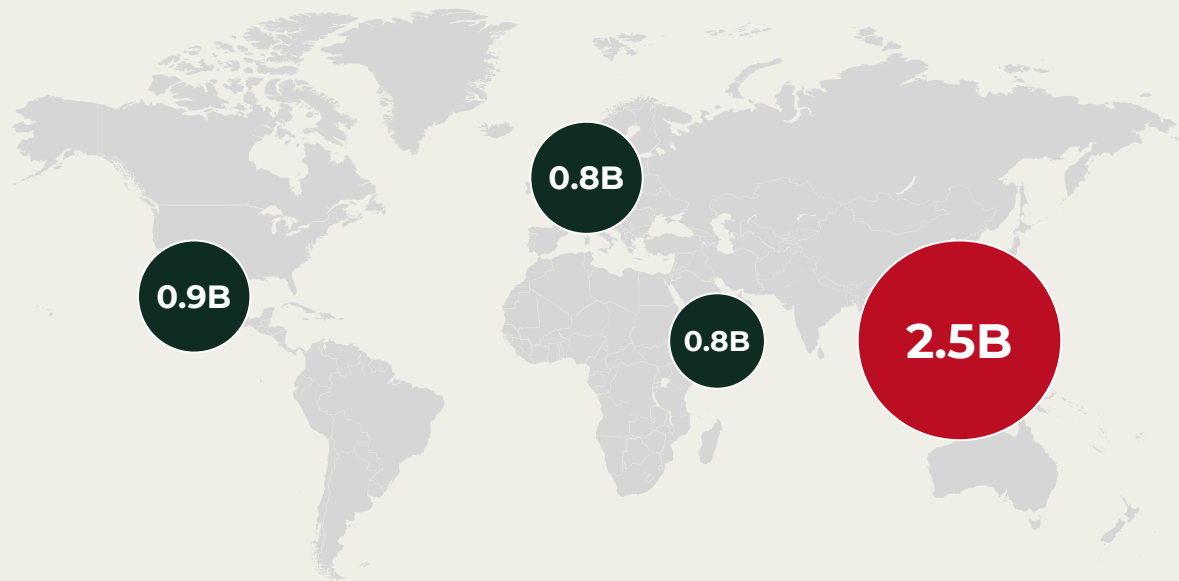
Nestlé launches Dark Finesse bar with chocolate drops in 2023



Growing middle class fuels chocolate market in APAC

Potential chocolate consumers¹

Key chocolate growth drivers in APAC



Growing middle class

Low but increasing chocolate consumption per capita

Variety of products containing chocolate

Strategic growth priority for FMCG

APAC with 2.5B people able to afford chocolate

APAC is a key priority for future growth

New entrants growing category value

New brands have demonstrated strong growth trajectory at premium prices...

...but also face several pain points

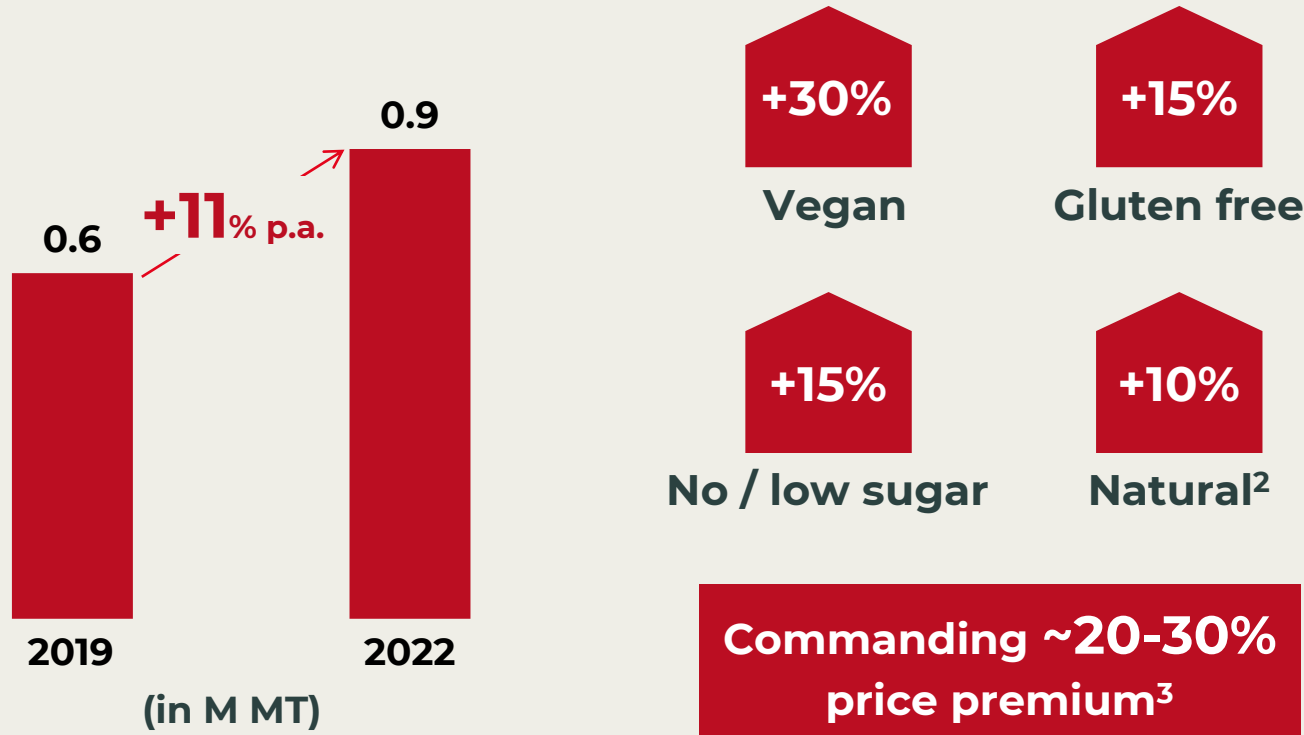
Retail sales value
(2018-23)



- 1 Organic scale-up of manufacturing capabilities and capacities is capital and time-intensive
- 2 Development of new products requires know-how for a wide range of ingredients and manufacturing capabilities
- 3 Sustainability requires “feet-on-the-ground” approach

Chocolate is premiumizing

Specialty volumes are growing rapidly, illustrated by momentum for select products¹



Embraced by numerous customers in product launches



Mondelez launch of Grenade Oreo in 2023



Nestlé

Plant-based KitKat launch in 2021



Unilever

Unilever launch of Vegan Magnum in 2019



Harrods launch of new vegan chocolate creations



Sustainability is increasingly important for the growth of customers ...

6 out of 10
consumers actively seek out sustainable chocolate products...¹



...driving increased share of sustainable cocoa production globally...²



+20 ppt

27%

47%

...and a higher share of product launches with an environmental claim³



x2.6

9%

24%

... and commands a price premium



Products with sustainability claims command up to **2-3x price premium** over comparable alternatives¹

LEADING FMCGs



NEW ENTRANTS



PRIVATE LABEL



Recap – market is getting back to growth

Growing global consumer demand for chocolate

Increasing customer reliance on established chocolate suppliers

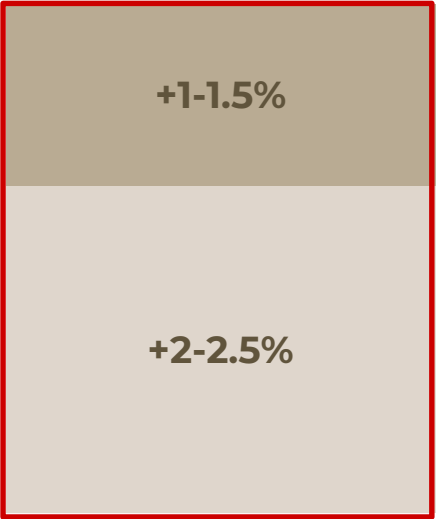
Increasing consumer demand products that are good for the planet and for their own well-being



Premiumization (value growth / mix)



+3-4% volume growth



Increased outsourcing (volume growth)

Underlying demand growth (volume growth)

CAGR 2024-27

Long-term strategic growth priorities



Long-term Strategic Growth Priorities

| | | | |
|--|---|---|------------------------------------|
| 1 Deeper outsourcing partnerships | 2 Gourmet 2.0 | 3 Scale up Specialties | 4 'Fair share' in APAC |
| 2 out of 3 win-rate of new partnership volumes | 2x underlying Gourmet market growth | 2x size of specialties business | 2x size of APAC business |

Powered by an agile, digitally enabled organization and best-in-class sustainability

A Barry Callebaut tanker truck is parked in a green field. The truck is silver with "BARRY CALLEBAUT" written on the side. The field is green and has a fence in the foreground. There are trees in the background.

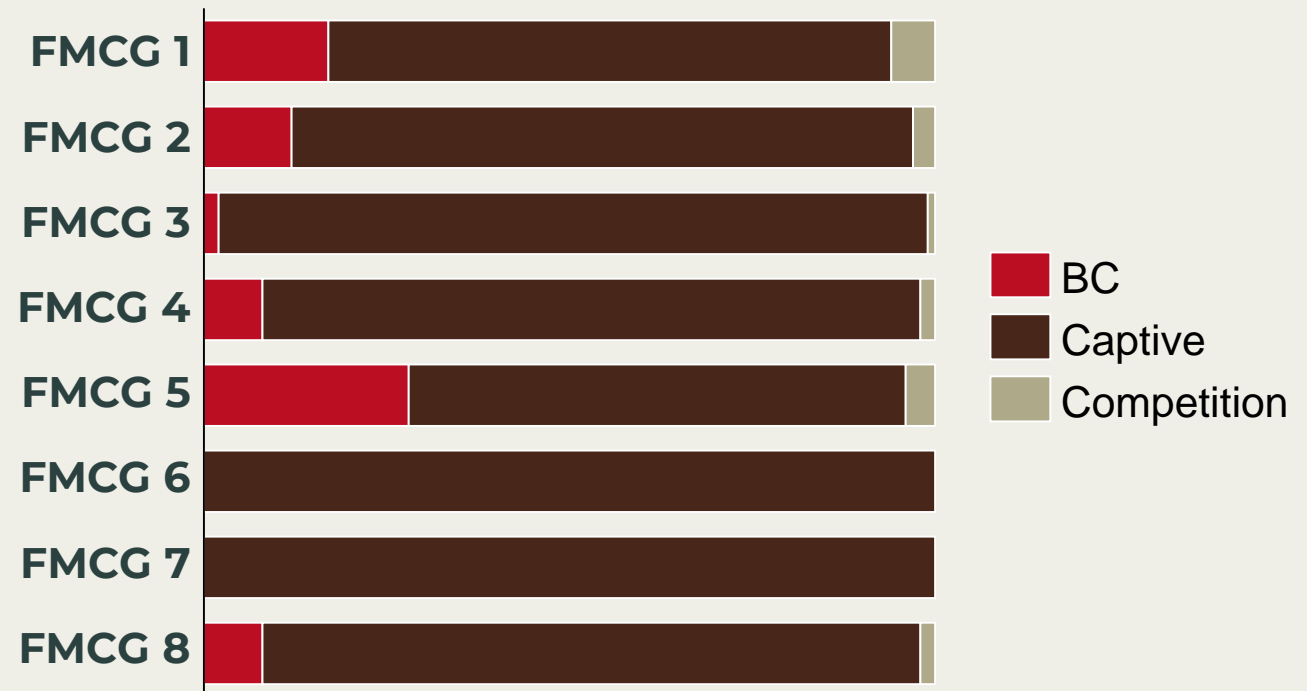
Deeper outsourcing partnerships

Long runway for partnerships

FM chocolate volume
(Global, in M MT)

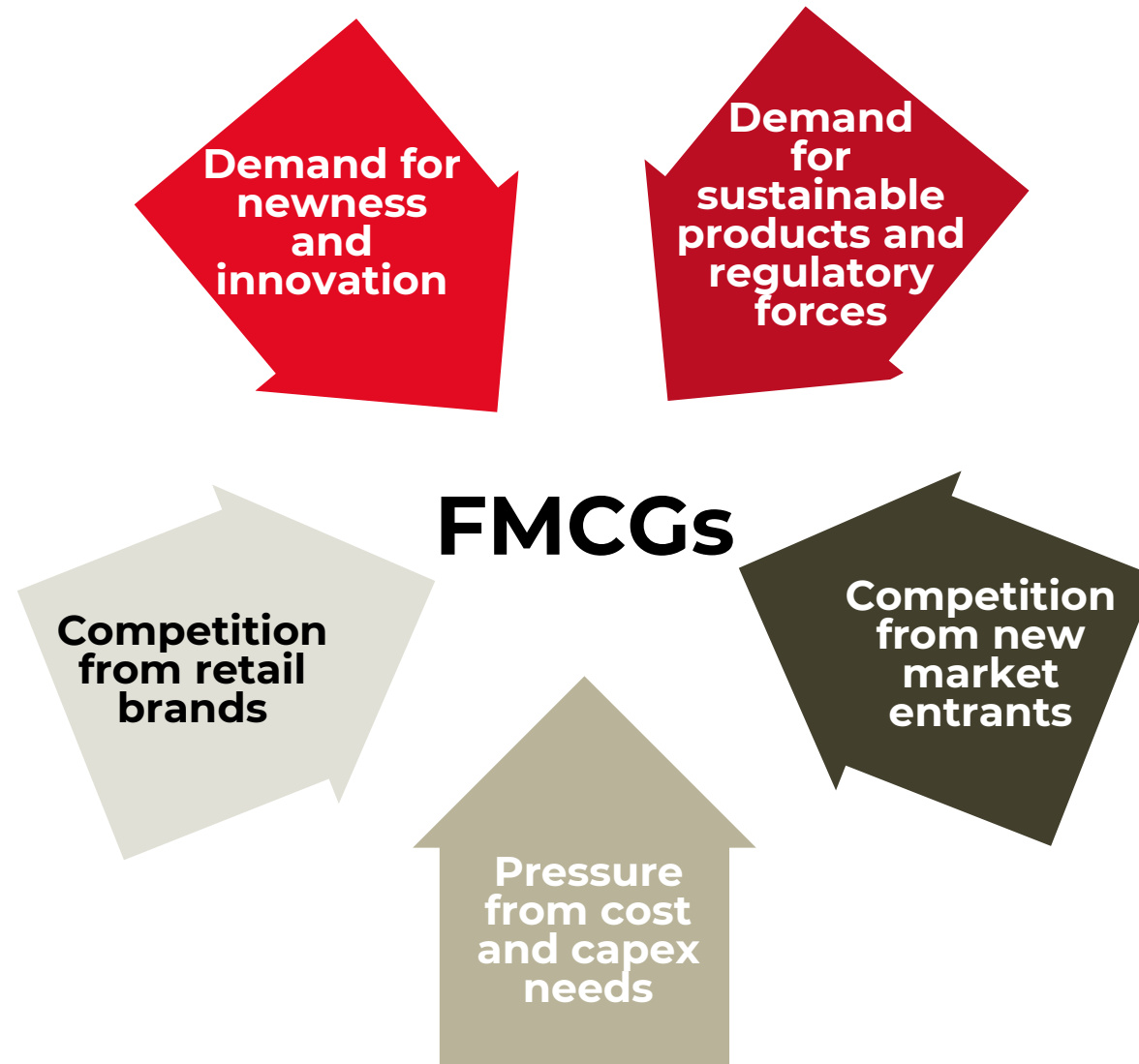


Leading partner of global FMCG – with
much more share to be had



Winning 2/3rds of partnership volumes coming to the market

Intensifying trends favor more outsourcing



Working with Global FMCGs creates value

Partnerships with Global FMCGs

- **Co-create innovations at scale**
- **Collaborating on productivity**
- **Enabling sustainability commitments**
- **Localizing their supply chains**

Providing best-in-class value, service, sustainability and quality

How this creates value for Barry Callebaut

- **High return business leveraging scale**
- **Drives durable, recurring growth**
- **Supports right to win across all market segments**
- **Platform for full portfolio of innovative and sustainable offerings**

Driving stickiness & relevance with industry leaders

Growing with new market entrants

Differentiated capabilities make Barry Callebaut an attractive partner to innovative brands...

...enabling the growth journeys



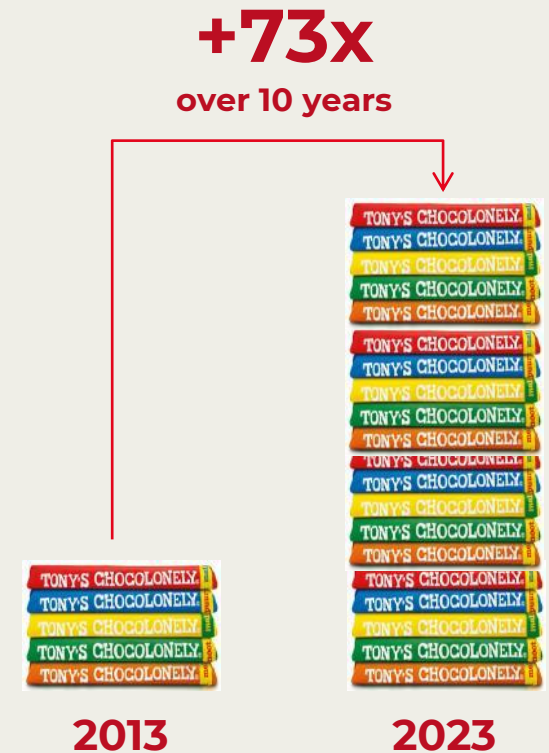
Barry Callebaut's sustainability capabilities can unlock their brand promise



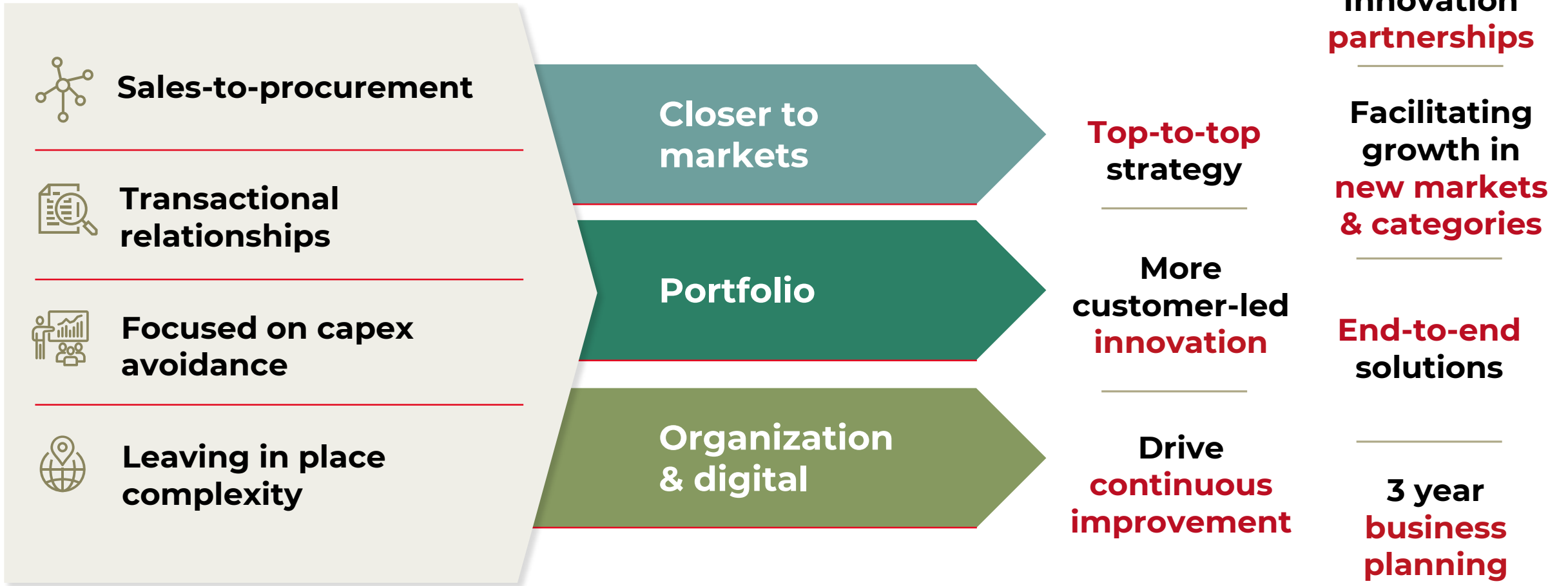
Barry Callebaut's innovation capabilities can support their product development cycles



Barry Callebaut's reach provides emerging brands with the resources to scale globally



Strategy to unlock future partnerships



Recent renewals confirm the opportunity



Winning 2/3rds of partnership volumes coming to the market



Gourmet 2.0

Gourmet market fundamentals are attractive

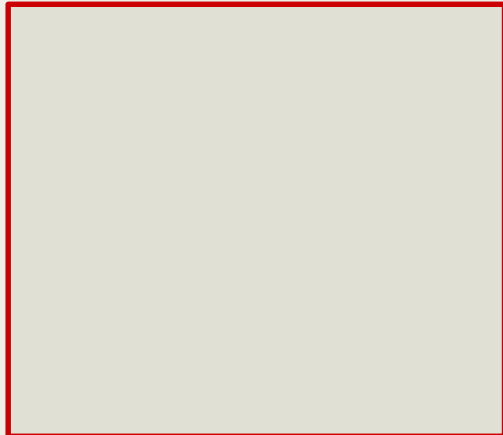
Attractive market growth...



Premiumization
(value growth / mix)



+3-4% volume growth



Underlying demand growth
(volume growth)

CAGR 2024-27

...driven by



Premiumization



Increased use of
chocolate in end
products

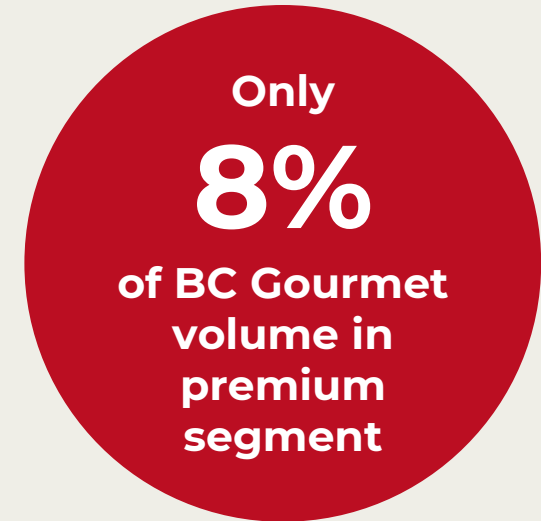
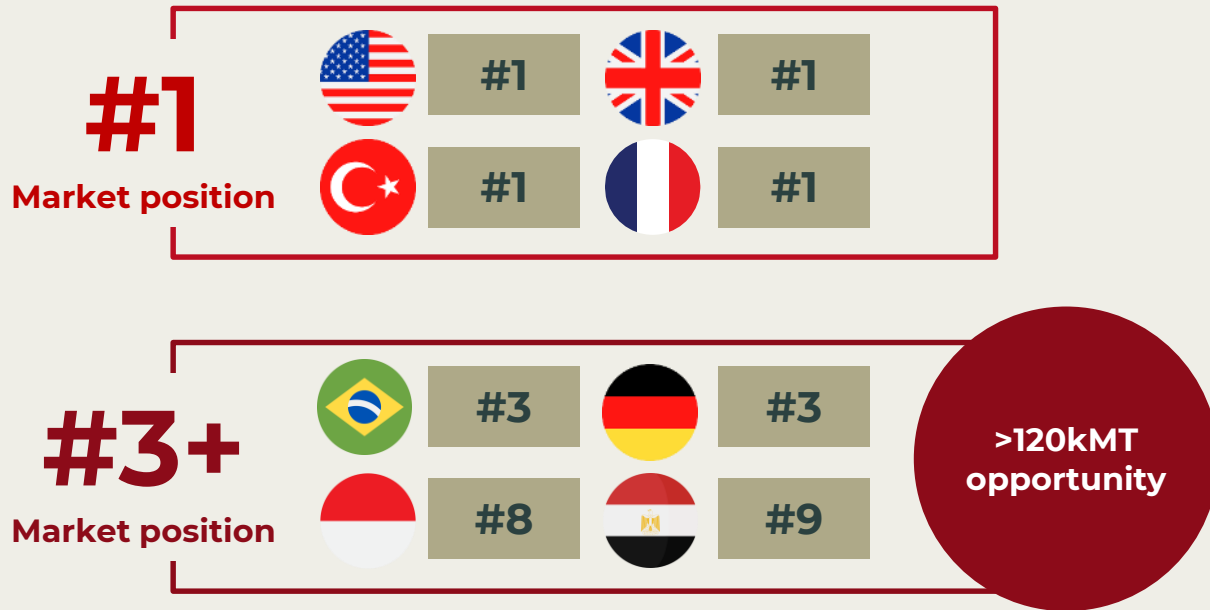


Growth in out-of-home
consumption

Aspiring to outgrow the market by closing market share gaps and growing premium share

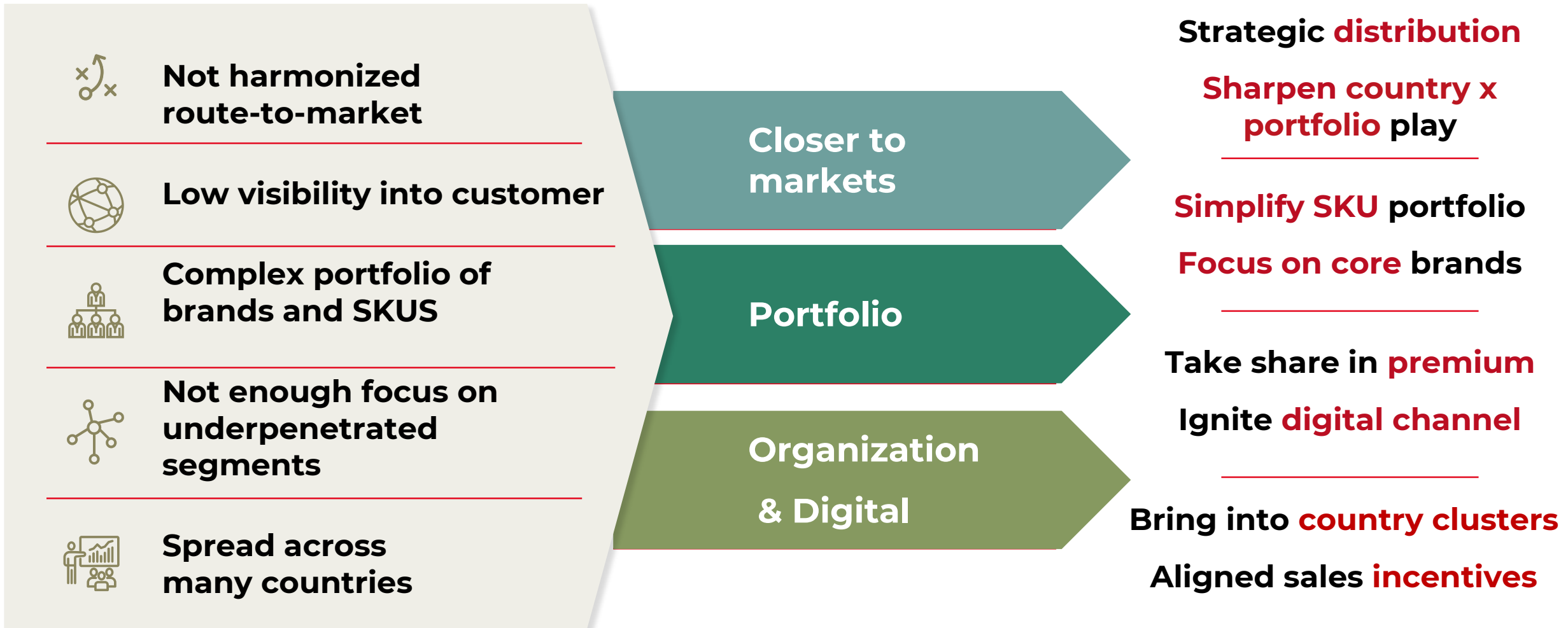
Still market share gaps across Top-25 largest Gourmet markets...

...plus further opportunities to grow in premium segments



Outgrowing the underlying market by 2x

Strategy in place to unlock above-market growth

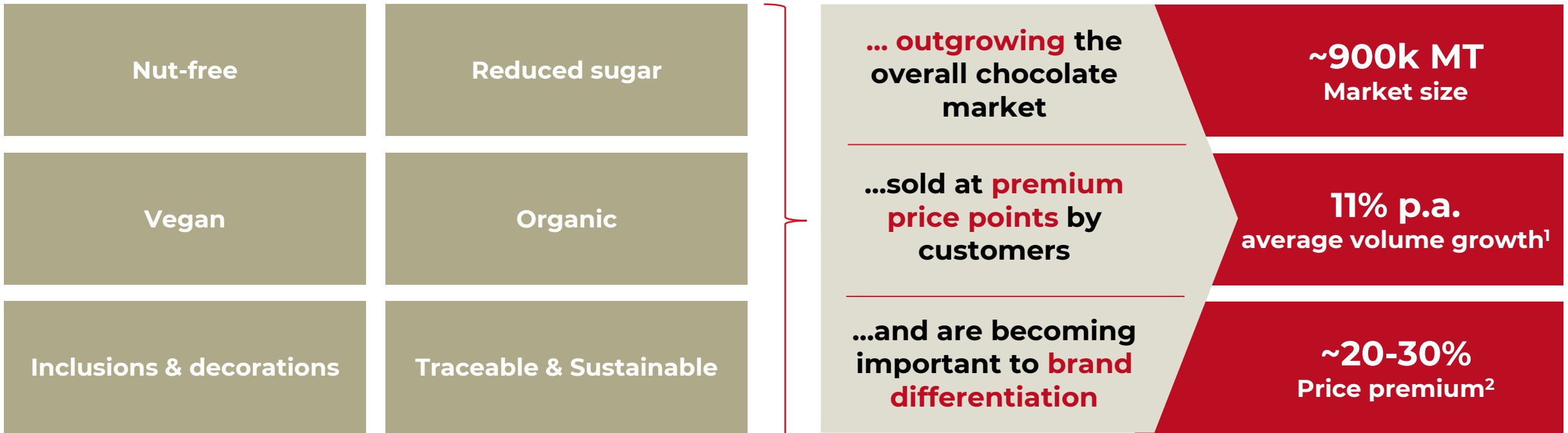




Scale up specialties

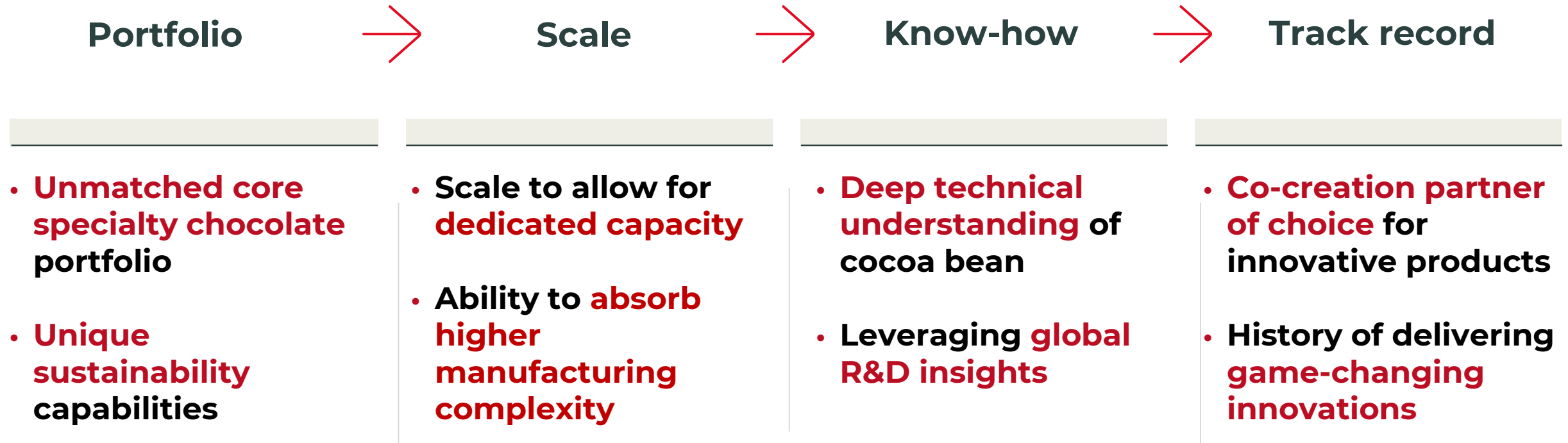
Specialty products are growing and profitable

Specialty products are increasingly important to FM and Gourmet customers, and are



Doubling the size of the specialties business

Barry Callebaut has capabilities customers need to capture premium market share



Barry Callebaut can win disproportionate share of specialty market growth

Investments underway to capitalize on opportunity

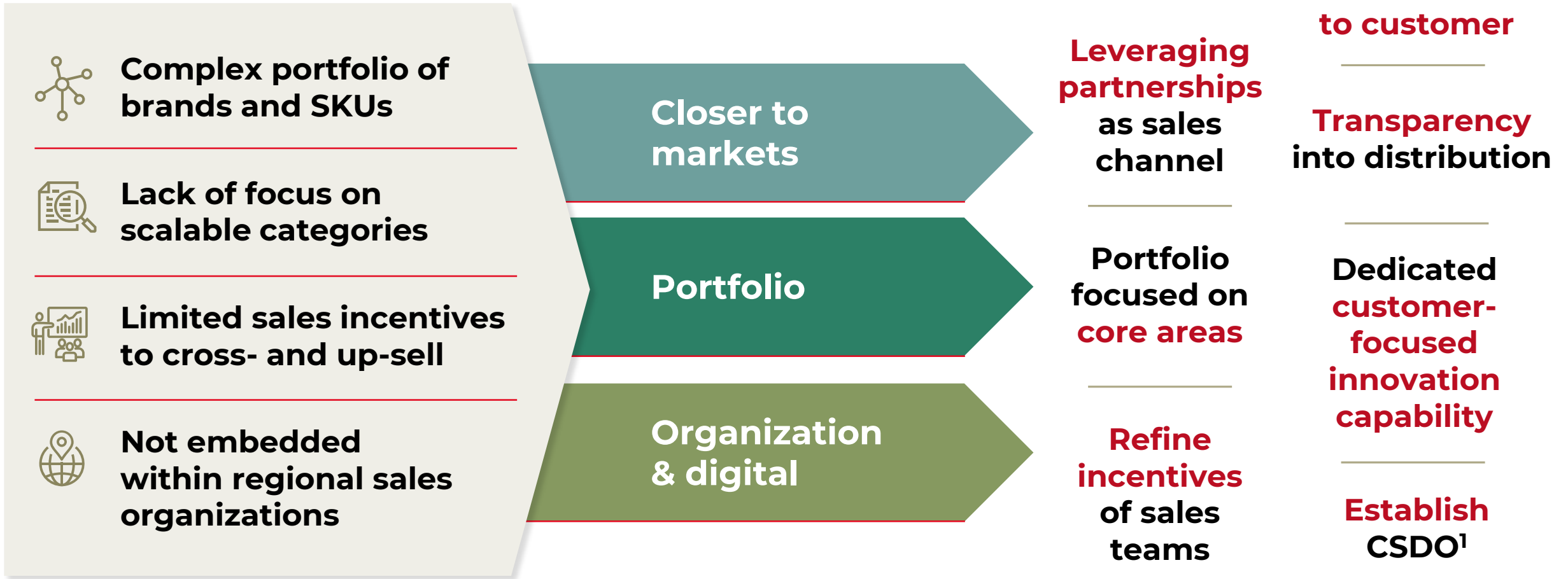


**New plant in Brantford, Canada
to open in 2024**

Focused on specialty products

**Over 50kMT of production
capacity**

Strategy in place to double the size of specialty



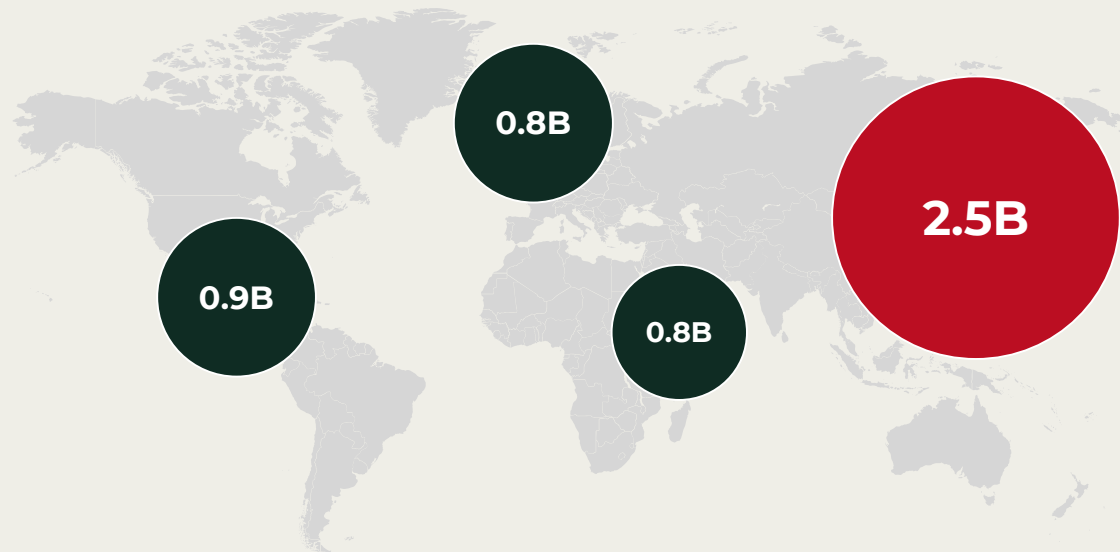


'Fair share' in APAC

CALLEBOUT
BELGIUM 1911
黄金迷你泡芙
嘉利宝黄金巧克力, 芒果, 榛子, 奶油

APAC has a very promising outlook

Potential chocolate consumers¹



**APAC with 2.5B people
able to afford chocolate**

APAC growth drivers

Fast-growing GDP per capita

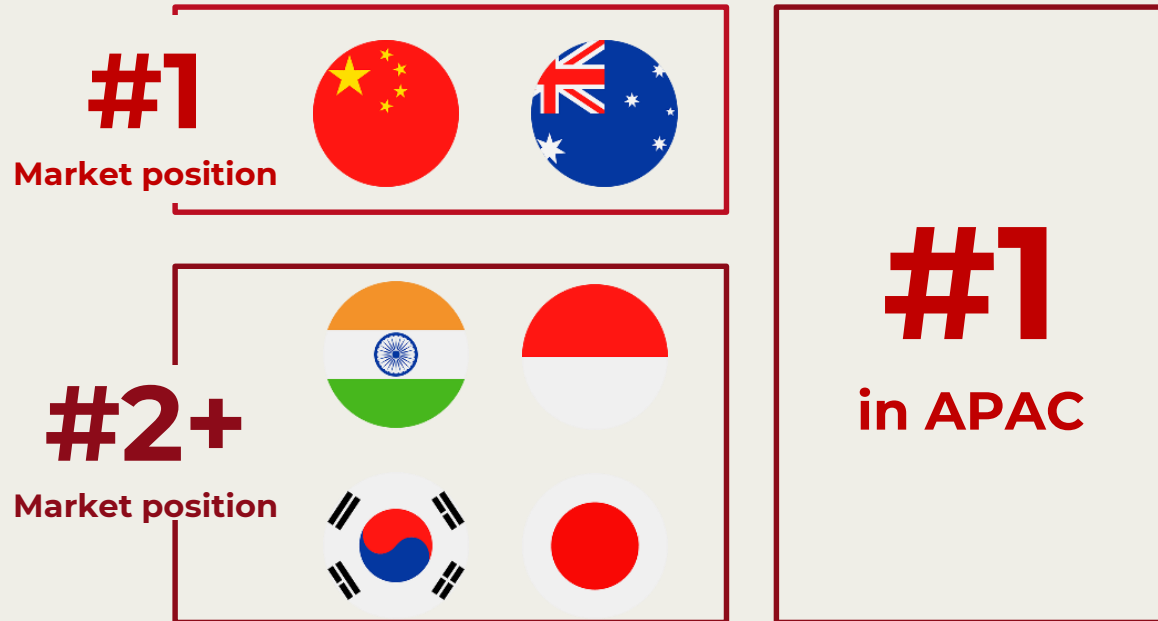
Low base of chocolate consumption

Significant market share opportunity

Growing with global FMCGs

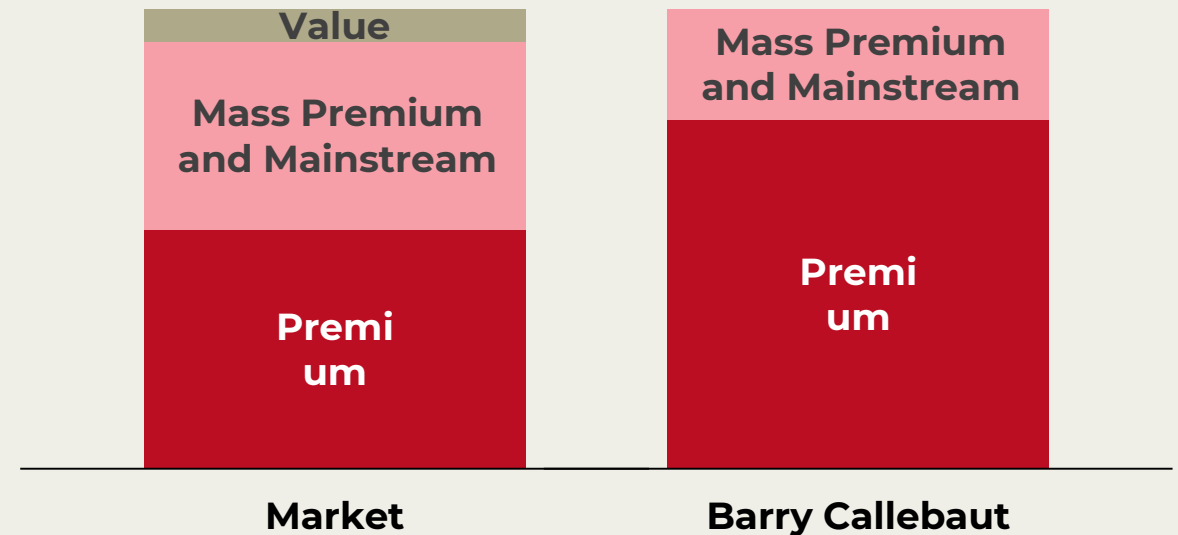
Ambition to double the APAC business

#1 across fragmented APAC market –
but no. 2+ in most geographies...



... with opportunity to
grow across profit pools

Gourmet profit pools in APAC (2023)



Making investments to be partner of choice in APAC region to Global FMCGs

Strong footprint in APAC...



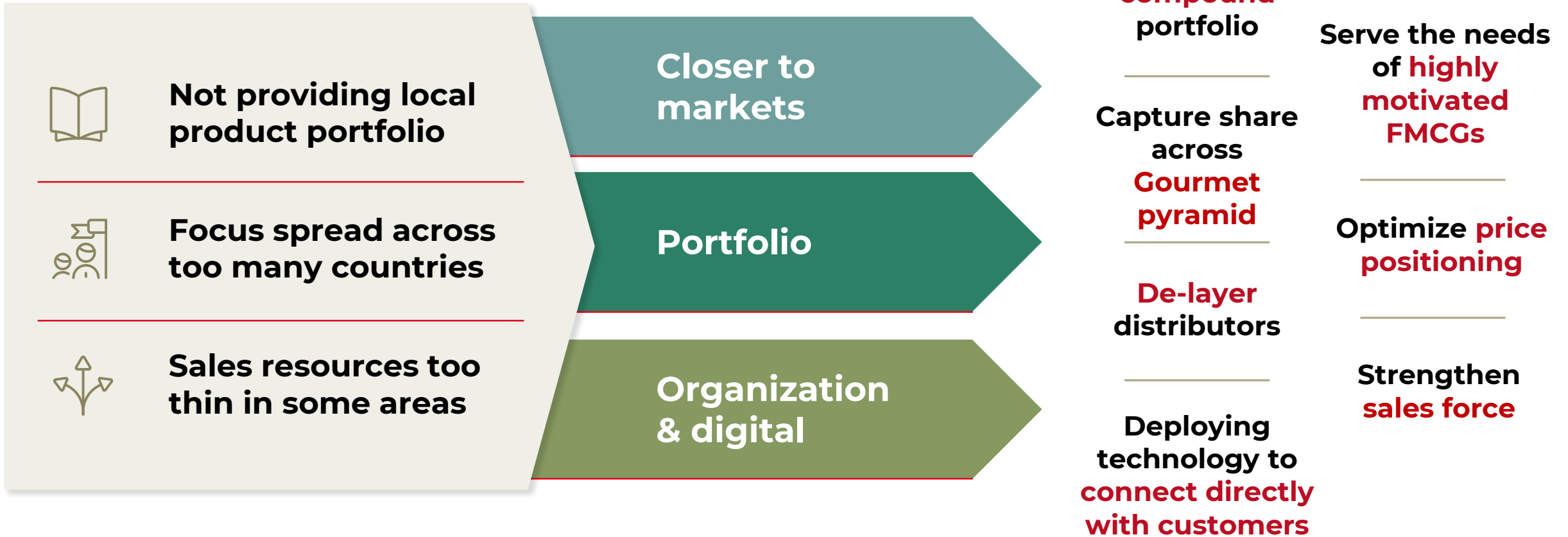
...and continue to invest in local presence



**Doubling
capacity
in India**

**Opening 3rd factory
in Neemrana, India in 2024**

Deploying the right GLOCAL strategy

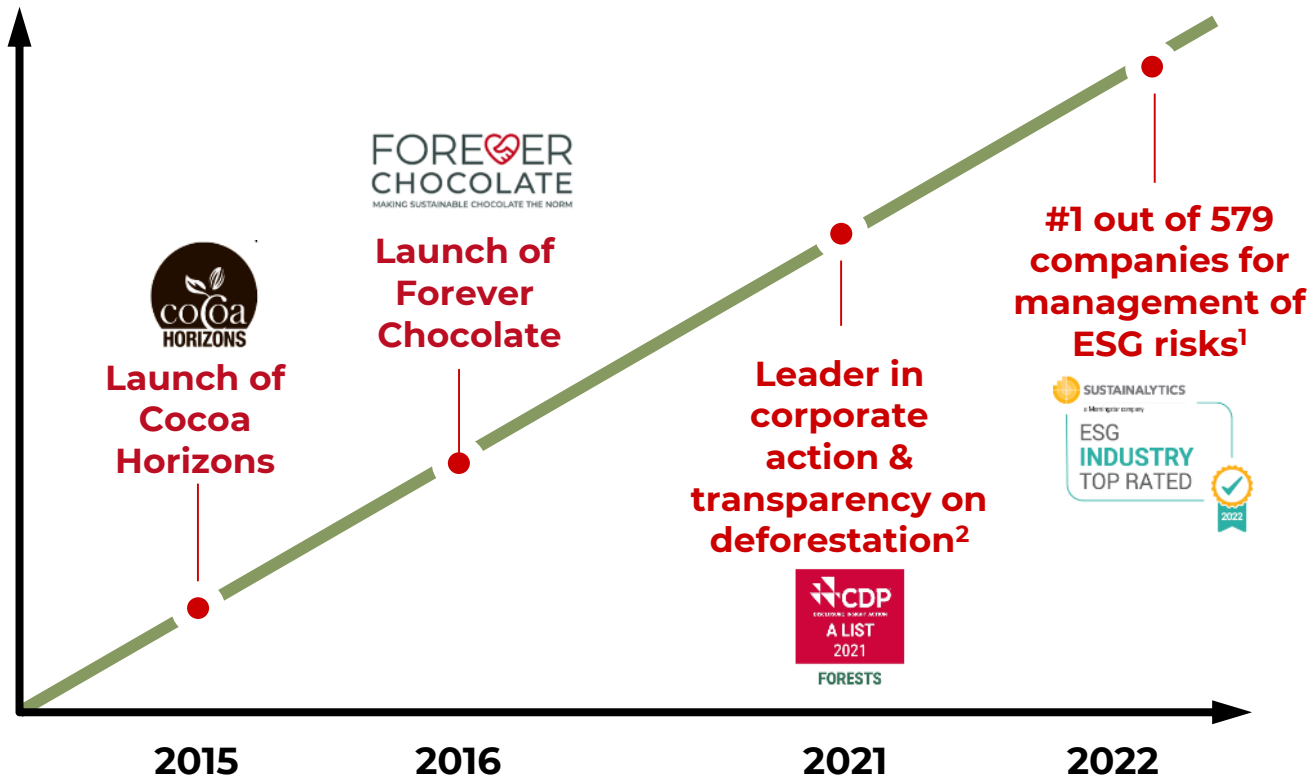


A low-angle photograph of a dense forest with vibrant green leaves and thin tree trunks against a clear blue sky. A prominent red rectangular banner is centered horizontally across the middle of the image, containing the word "Sustainability" in white, bold, sans-serif font.

Sustainability

Stepping up to lead in sustainability for customers

Journey to sustainability leadership



Deploying capabilities with Global FMCGs

| | |
|------------------|--------------------------------|
| | Customized impact program |
| | Cocoa Life program |
| FERRERO | Ferrero Sustainability |
| HERSHEY'S | Cocoa for Good program |
| | Nestlé Cocoa Plan |
| MARS | Mars Responsible Cocoa Program |

Decade-long effort delivering positive impact at scale

| | | | | |
|--|--|--|--|---|
| <p>Barry Callebaut capabilities</p> | <p>Influence over key stakeholders to mobilize support for farmers</p> | <p>Feet on the ground for a systemic child labor solution</p> | <p>Expertise in adapting sourcing for low-carbon farming practices</p> | <p>Integrating the program into government partnerships and agricultural policy</p> |
| <p>Impact</p> | <p>+270,000 cocoa farmers lifted out of poverty¹</p> | <p>81% Farmers sourced from are empowered to protect child rights</p> | <p>- 18% Reduction in carbon intensity per ton since 2016</p> | <p>49% Products sold containing 100% sustainable cocoa</p> |

Aspiring to be more sustainable every day

**Continue to advance
end-to-end traceability**

**Aim to further increase
certified or verified
cocoa and ingredients
across
all products**

**Deliver on
sustainability targets**

**Continue setting
ambitious, measurable,
time-bound targets**

**Power the future
of sustainability**

**Inspire modern cocoa
farming practices**

Leveraging unmatched promise and capabilities to secure sustainability at scale for customers

Sustainability leads to growth

COMBINING TRACEABILITY WITH SUSTAINABILITY

Increasing demand from customers to reconcile cocoa product flows with sustainability initiatives

GROWTH POTENTIAL FOR BC

DELIVERING SUSTAINABLE IMPACT

Increasing demand from customers for innovative approaches that deliver impact

Accelerated with technology powered by BC Digital initiatives

**Unlocking the
next level of
growth – BC
Next Level**

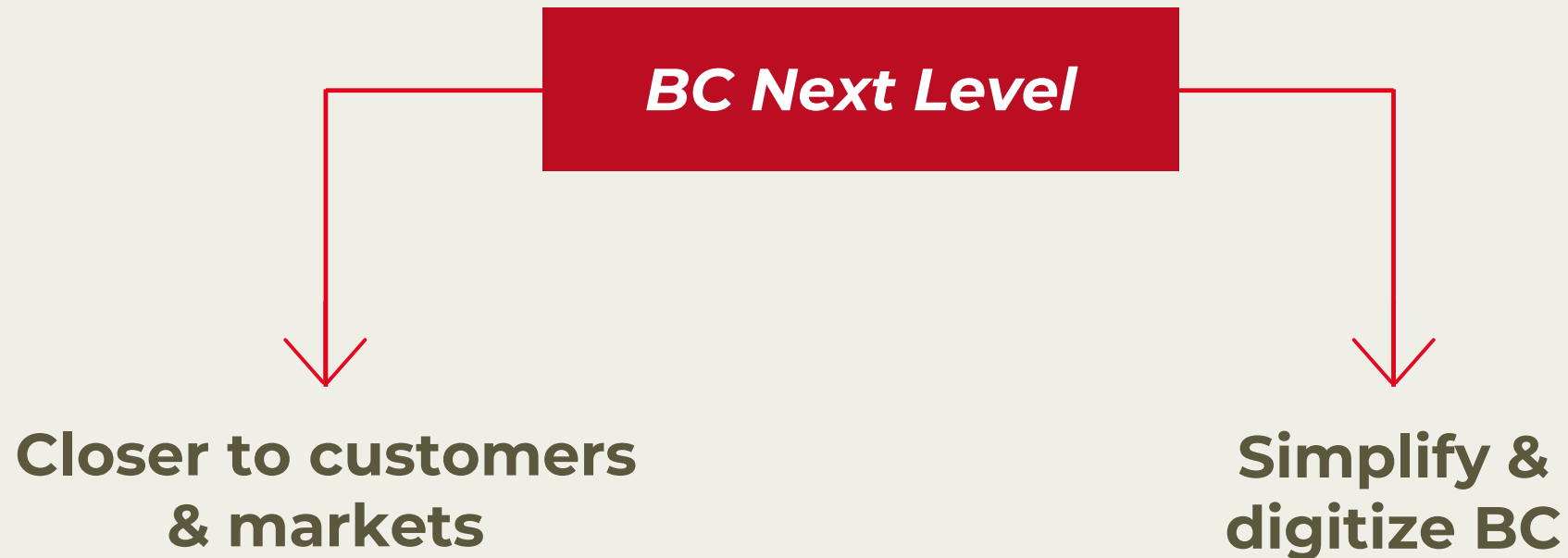


Why *BC Next Level*?

- 1** What got Barry Callebaut to today is not enough to reach full potential
- 2** Highly attractive market and structural advantages to outgrow market
- 3** Pockets of excellence with opportunity to scale globally

Creating the platform to unlock sustainable profitable growth at higher margin and cash contribution

Unlocking the full potential with *BC Next Level*



Unlocking the full potential with *BC Next Level*

Closer to customers & markets

Strengthen growth focus through country clusters

Elevate Gourmet and Specialties from “start-up” to core mix

Scale innovation faster globally through new Customer Supply & Development Organization

Establish end-to-end supply chain to enhance product delivery, sustainability and quality

Simplify & digitize BC

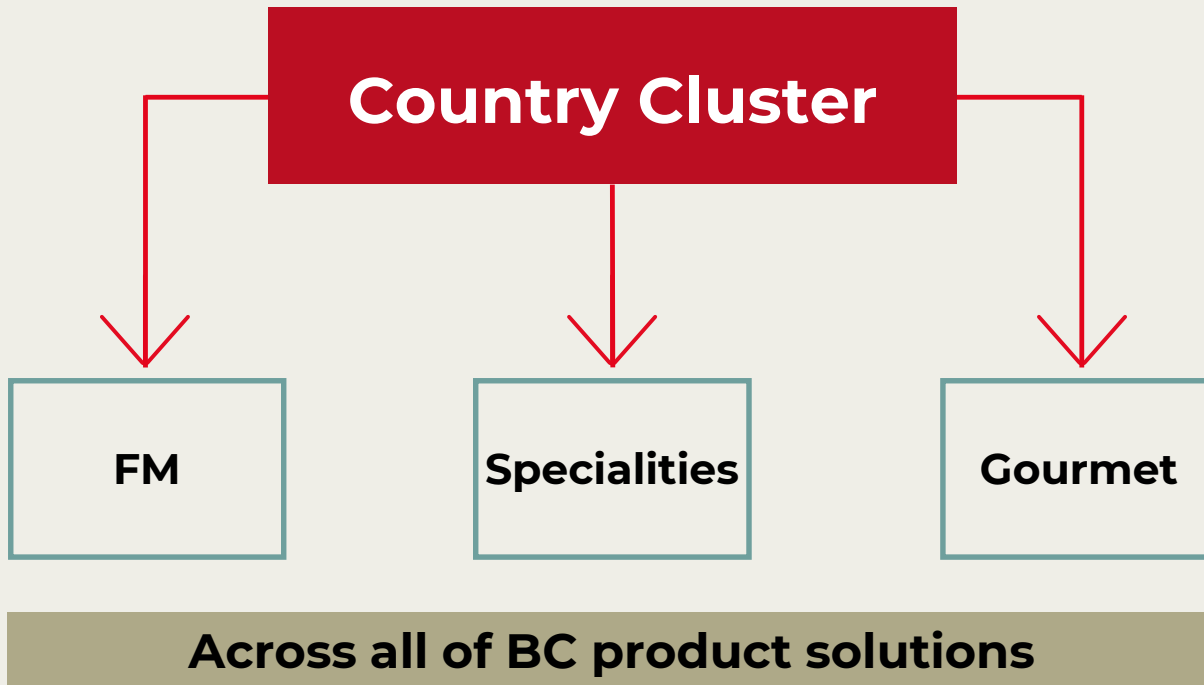
Eliminate complexity that does not add value to customers

Reset manufacturing network for best-in-class service and quality

Establish digital platforms that boost speed to market and facilitate seamless partnerships

Streamline enabling functions and shift work into global business services

Empowering country clusters to accelerate growth



Food is local, retail is local

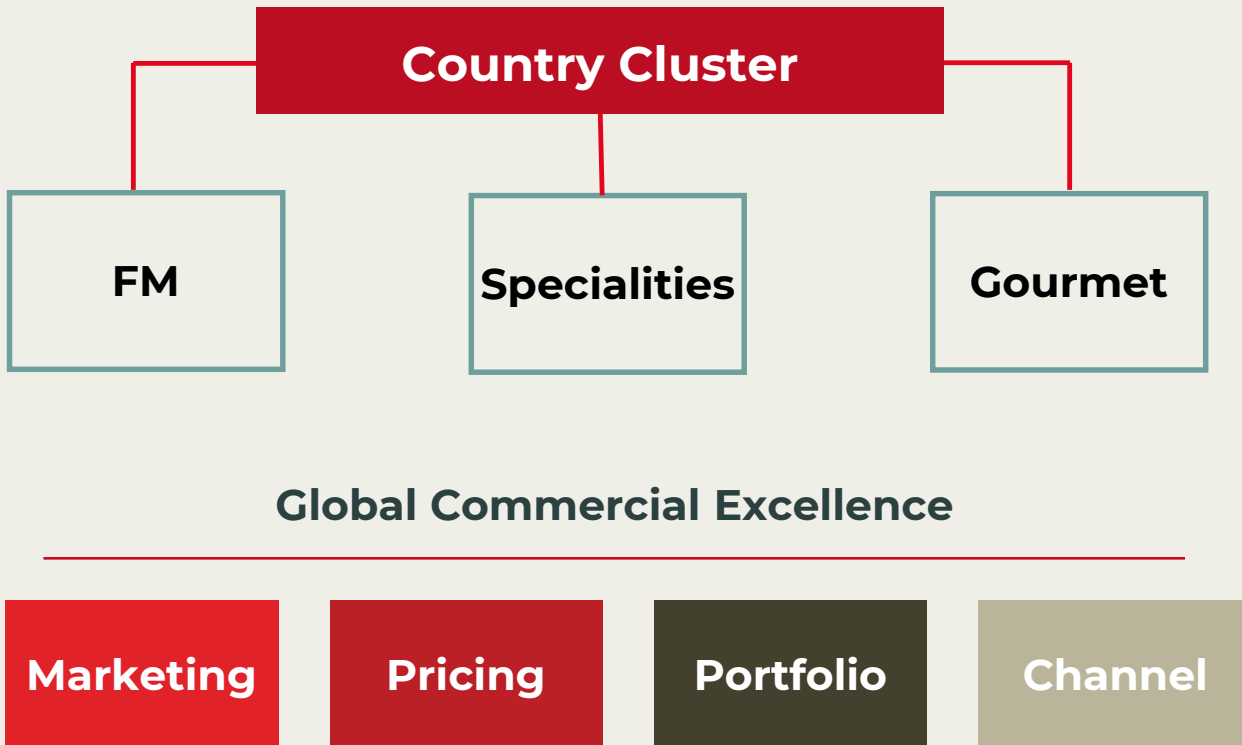
Execute tailored go-to-market strategy

Ensure cross- and up-sell

Bring step change in speed to market

Shift talent from region to country cluster

Leveraging global best practices to drive high return growth in country clusters across product portfolio



Commercial Excellence leading marketing, pricing, sales principles and channel (incl. D2C)

Regions make portfolio play to flow resources to best opportunity

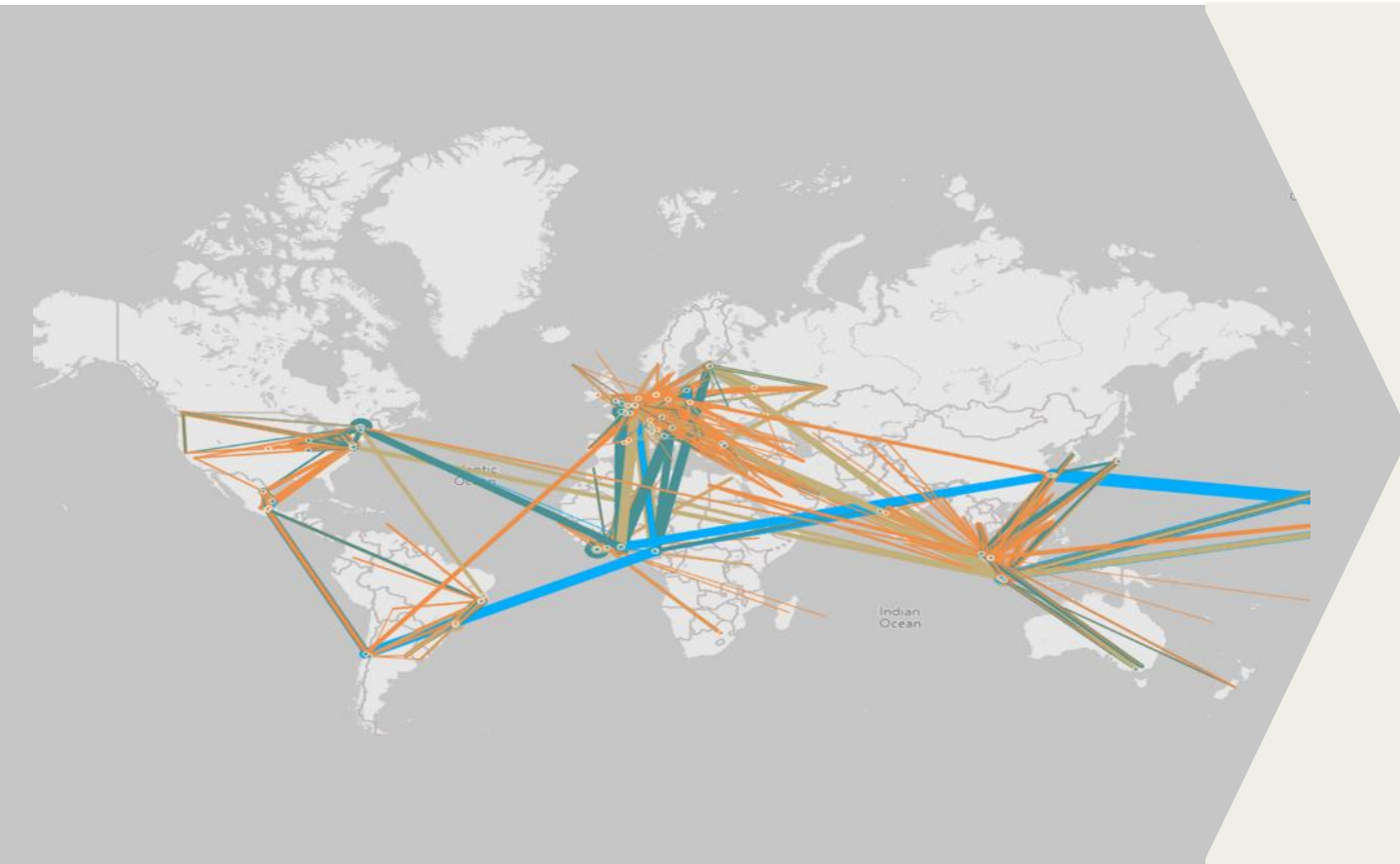
Global FMCGs led by region where HQ

Scaling globally with the Customer Supply & Development Organization

- 1 Optimize capital asset allocations globally**
- 2 Adopt best practice globally – in Food Safety, Engineering and Manufacturing systems**
- 3 Step-change in OTIF and significantly improve working capital**
- 4 Accelerate speed to market of customer-relevant innovation**
- 5 Global scaling of co-creation and customer-relevant innovation**

Building an end-to-end supply chain to step up capacity, reliability, and efficiency

Step-changing capital effectiveness – BC network for the future



- Leveraging technology for effective capacity and capital allocation
- Delivering scalability at cost and boost speed to market
- Highest quality & safety standards
- Plant leadership moving to the heart of the organization
- End-to-end traceability & segregation
- Assessing optimal go-forward footprint

Operational improvements will be significant

End-to-end supply chain

**Improved
OTIF %**

**DD OTIF
improvement**



More scalability

Better cost to serve

**DD cost per ton
decrease**



Better delivery

Lower capital needs

**DD run-rate capex
reduction**



Clearer accountabilities

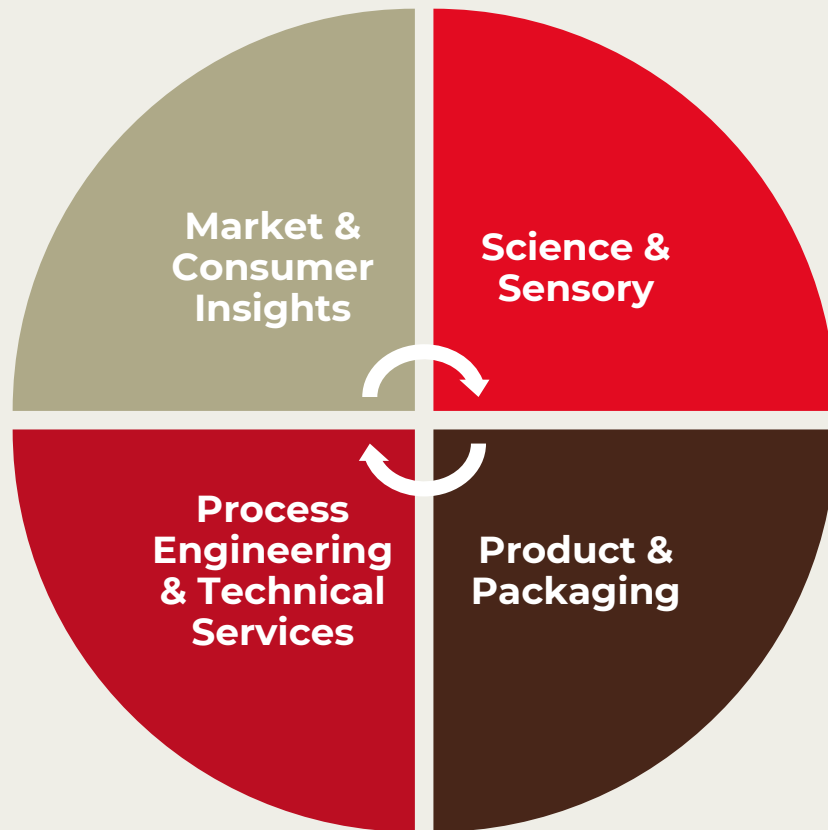
**Continuous
improvement**

**MSD cost out
p.a. target⁽¹⁾**



Fewer duplications

Accelerating customer-led innovation with end-to-end capabilities



- 1** Using innovation as tool to drive relevance & stickiness with customers
- 2** Scaling customer-led innovation fast globally
- 3** Moving closer to markets with technical services
- 4** Platform-driven product development
- 5** Powered by technology every step of way

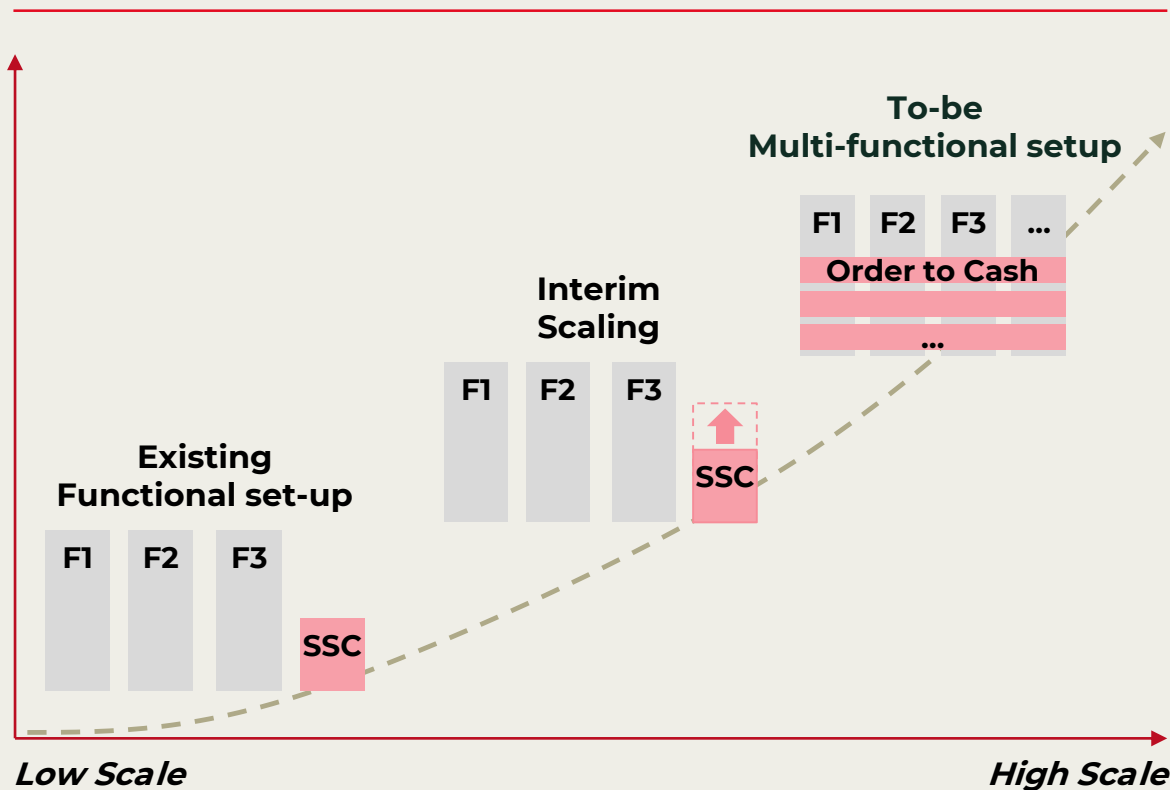
Focusing on most customer-relevant portfolio



Reducing at least 30% of SKUs and focus on core brands

GBS - Scale & digitize best practice globally

Evolve GBS to multi-functional, E2E global capability



Capture scale and efficiency benefits

Accelerate delivery with automated and digitized workflows

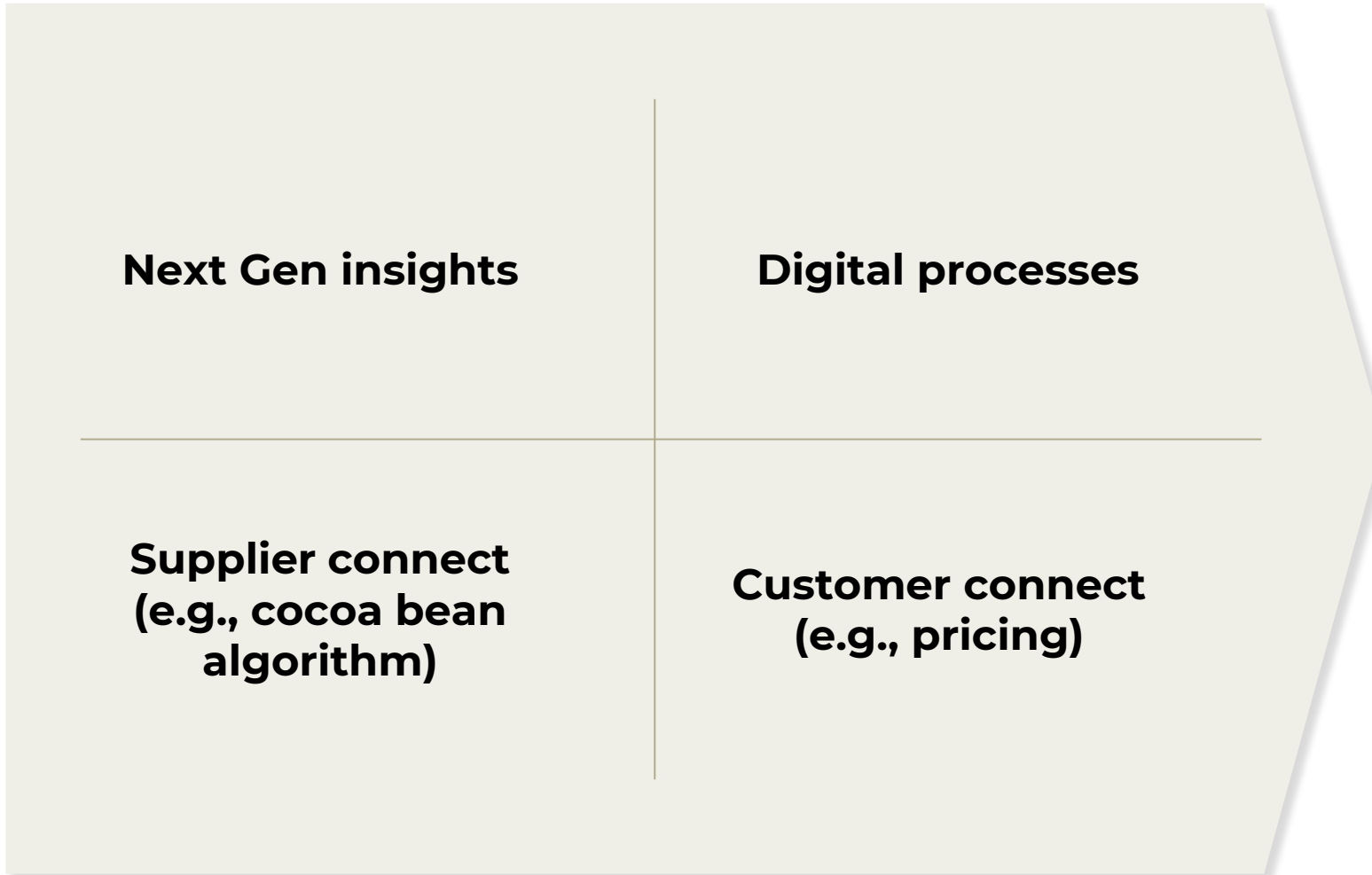
Offer 24/7 availability of critical services

Minimize redundancy

Standardize job functions

Build net-new capabilities

Creating agile, tech-enabled organization and culture



- 1** Digital lead generation, pull marketing & sales
- 2** Globally harmonized and automated processes
- 3** Supplier interaction automation
- 4** Deploy analytical tools in data lakes
- 5** Data-driven market and competitive insights

Financial journey



Investing in next level of sustainable profitable growth

1

Updated strategy together with previously announced investment program *BC Next Level* will unlock Barry Callebaut's full growth potential and lead to step-change in profitability, drive cash generation, and deliver long-term value for all stakeholders

2

Four strategic long-term growth priorities: deeper outsourcing partnerships, launch of Gourmet 2.0, scale up Specialties, move to "fair" market share in APAC – powered by a streamlined, digitally enabled organization and best-in-class sustainability

3

After a transition period for the *BC Next Level* program, Barry Callebaut expects to be on a long-term growth objective of Low Single-digit Plus to Mid Single-digit volume growth, and Mid Single-digit Plus to High Single-digit EBIT growth starting from fiscal year 2025/26

4

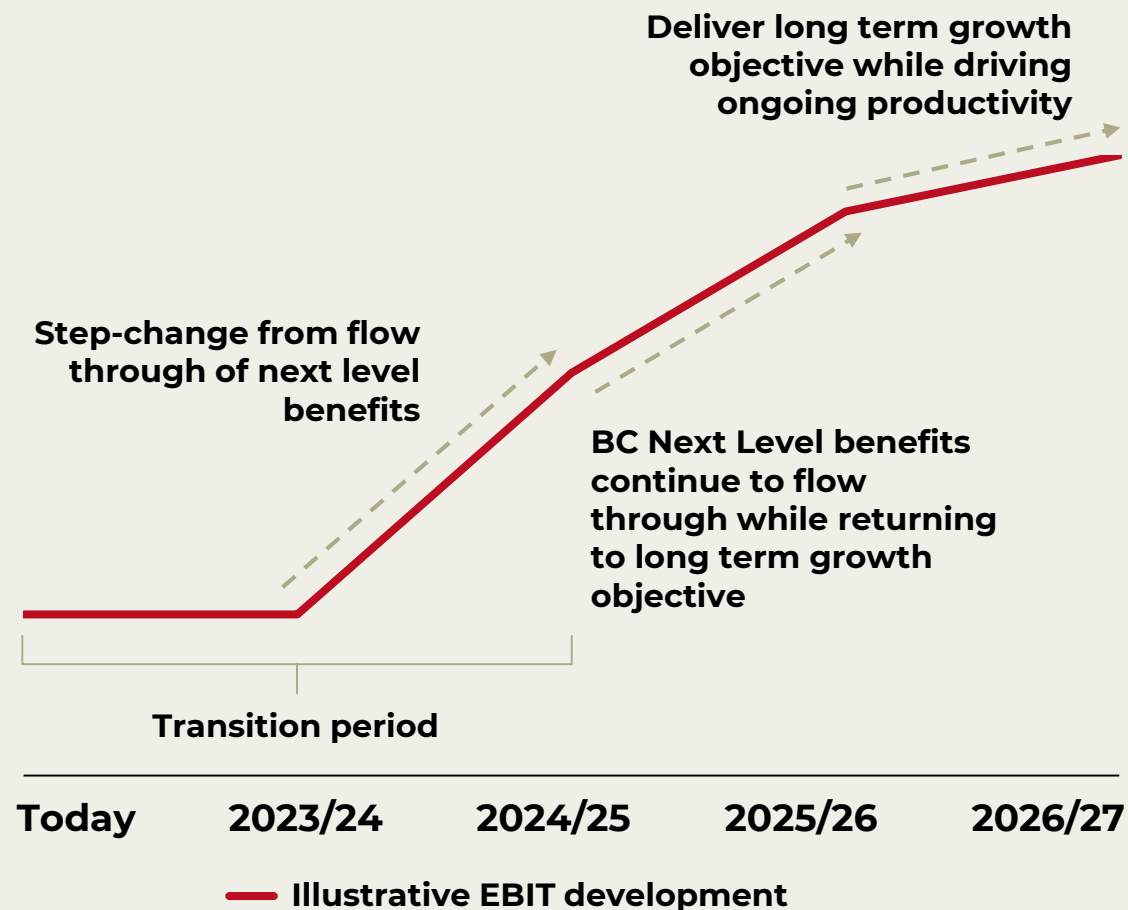
Initial benefits expected already in fiscal year 2023/24, with flat volume and flat EBIT in constant currency; modest underlying volume and stronger EBIT growth expected in 2024/25 (without BC Next Level one-time costs)

5

Balancing reinvestment in growth, 75% of BC Next Level cost savings of CHF 250 million expected to flow-through to bottom line and will deliver a one-time step-function improvement in profit margin building towards a 10% EBIT margin ambition

What to expect during the transition period

- 1** During transition period, swift execution against *BC Next Level*/with long-term shareholder value creation prioritized
- 2** Growing volume and EBIT modestly on an underlying basis (ex-*BC Next Level*/one-time costs and permanent benefits) in FY24/25, delivering a stronger EBIT growth including permanent benefits
- 3** Prioritizing reinvestment in growth and flow-through 75% of the CHF 250M *BC Next Level*/savings resulting in a step-function change in profit margin
- 4** Modest increase in net debt as a result of *BC Next Level*/in FY23/24 followed by normalizing leverage as permanent benefits flow-through and underlying business performance accelerates
- 5** During transition period, dividend per share will not be lower than prior year



FY23/24 guidance

Flat Volume growth

- Underlying growth, net of actions taken as part of *BC Next Level*
 - SKU rationalization and distribution optimization represent low single-digit headwind
 - Modest underlying growth in Chocolate Regions with flat volumes in Global Cocoa
- All guidance excludes impact of any potential non-core divestitures

Flat EBIT growth on Constant Currency basis

- Reflects impact of initiatives meant to strengthen business for the long term
 - Headwind created from SKU rationalization and distributor optimization
 - Pricing actions taken to increase the value delivered to Gourmet customers
- Includes modest net flow-through of permanent *BC Next Level* benefits
- Excludes one-time *BC Next Level* operating expense of CHF 110-130M
- Excludes anticipated CHF ~30M FX translation headwind

Capital Expenditures

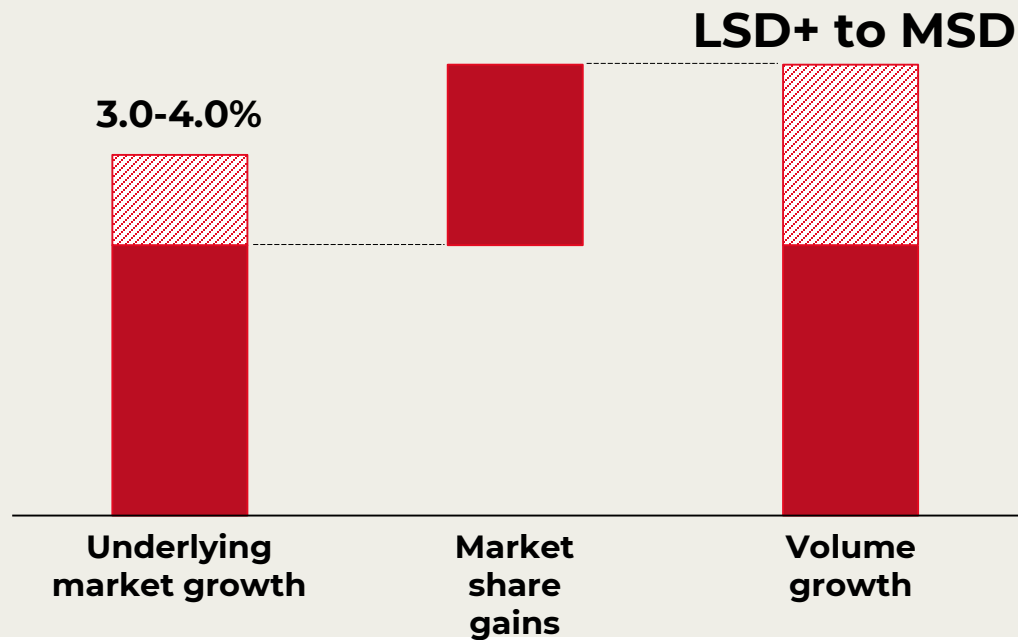
- Ordinary course capital expenditures of CHF 280M
- Net one-time *BC Next Level* capital investment of CHF 90-110M

Dividend

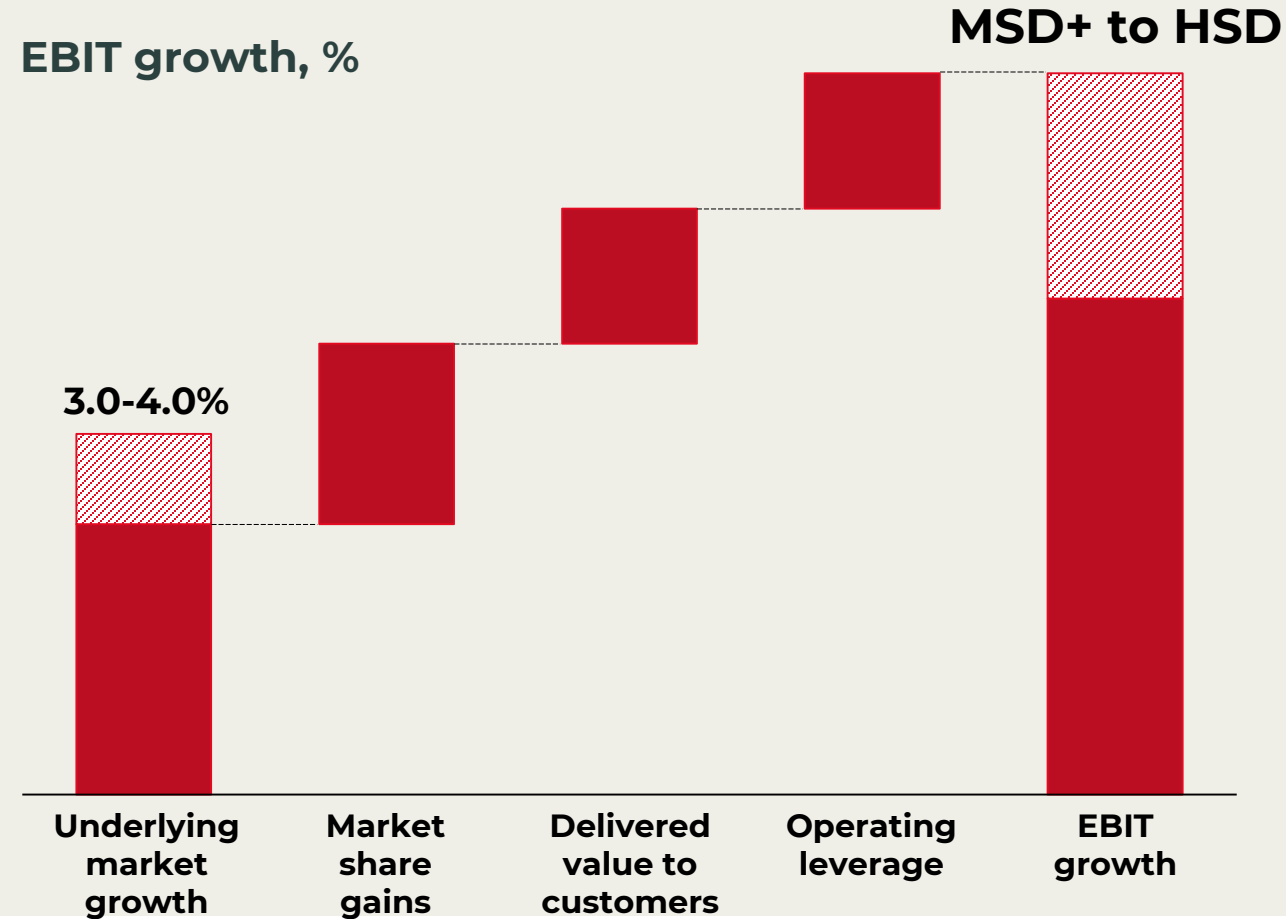
- Dividend per share will not be lower than the prior year

Post-transition, delivering attractive, profitable long-term growth objective

Volume growth, %

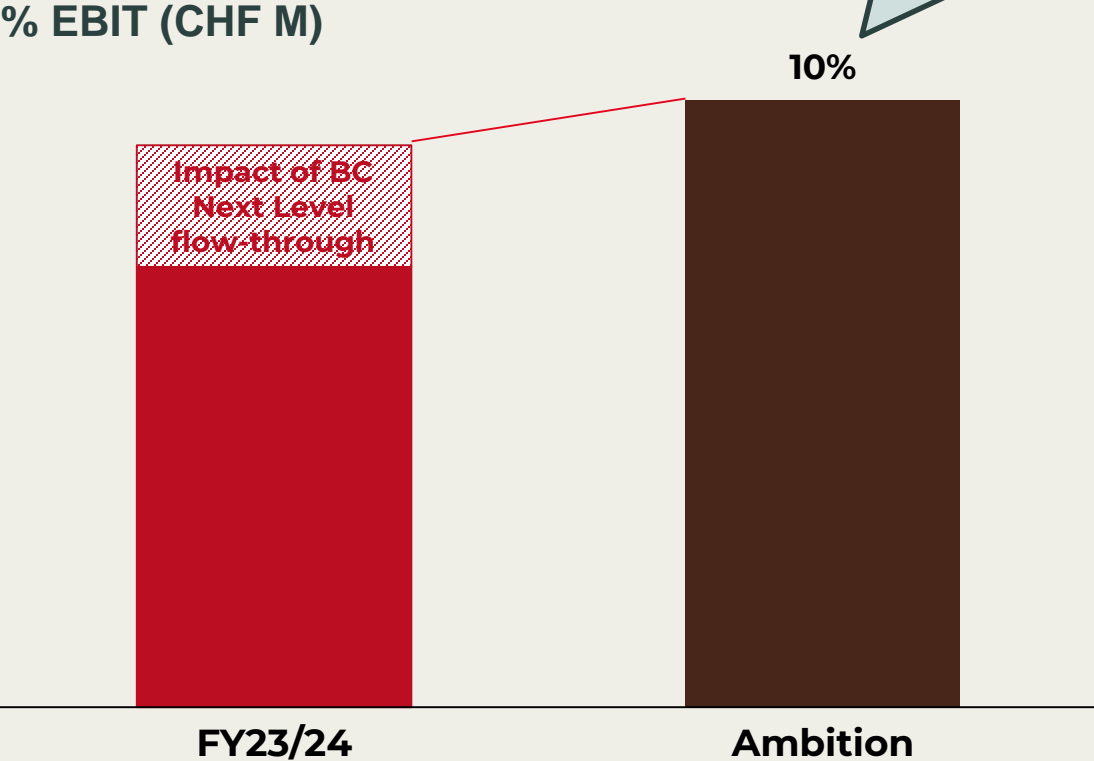


EBIT growth, %



Building to a 10% EBIT margin ambition

- *BC Next Level* will allow Barry Callebaut to make significant progress towards a 10% EBIT margin ambition
- Driven by *BC Next Level* savings flow-through of 75% and return to long-term growth objective in FY25/26 and beyond
- Post *BC Next Level*, Barry Callebaut will be positioned for sustainable profitable growth and better cash generation



Ambition driven by Next Level savings flow-through and return to long-term growth objective in FY25/26 and beyond

BC Next Level will deliver 250M CHF in cost savings

Annual cost savings of 15% (excluding raw materials) from:

1. Reducing cost to serve by streamlining factories and improving performance
2. Eliminating complexity in the supply chain
3. Streamlining SG&A, leveraging GBS, and automating / digitizing workflows

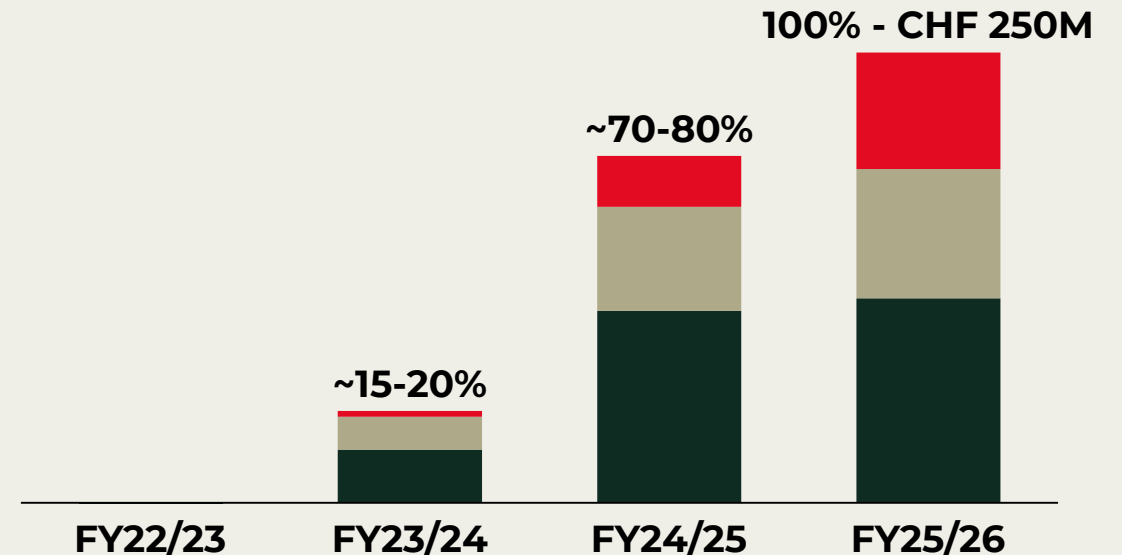
Cost savings net of recurring opex investments

75% of *BC Next Level* savings falling to the bottom line as balancing investment in growth

80% of cost savings initiatives actioned by end of calendar year Q1'25

Cost savings impact 2022/23 – 2025/26, CHF M

- Reducing cost to serve by streamlining factories and improving performance
- Eliminating complexity in the supply chain
- Streamlining SG&A, leveraging GBS, and automating/digitizing workflows



Investing CHF 500M

Opex of CHF 290M (260M one-time cost):

- 1. New operating model
- 2. IT costs
- 3. Program costs

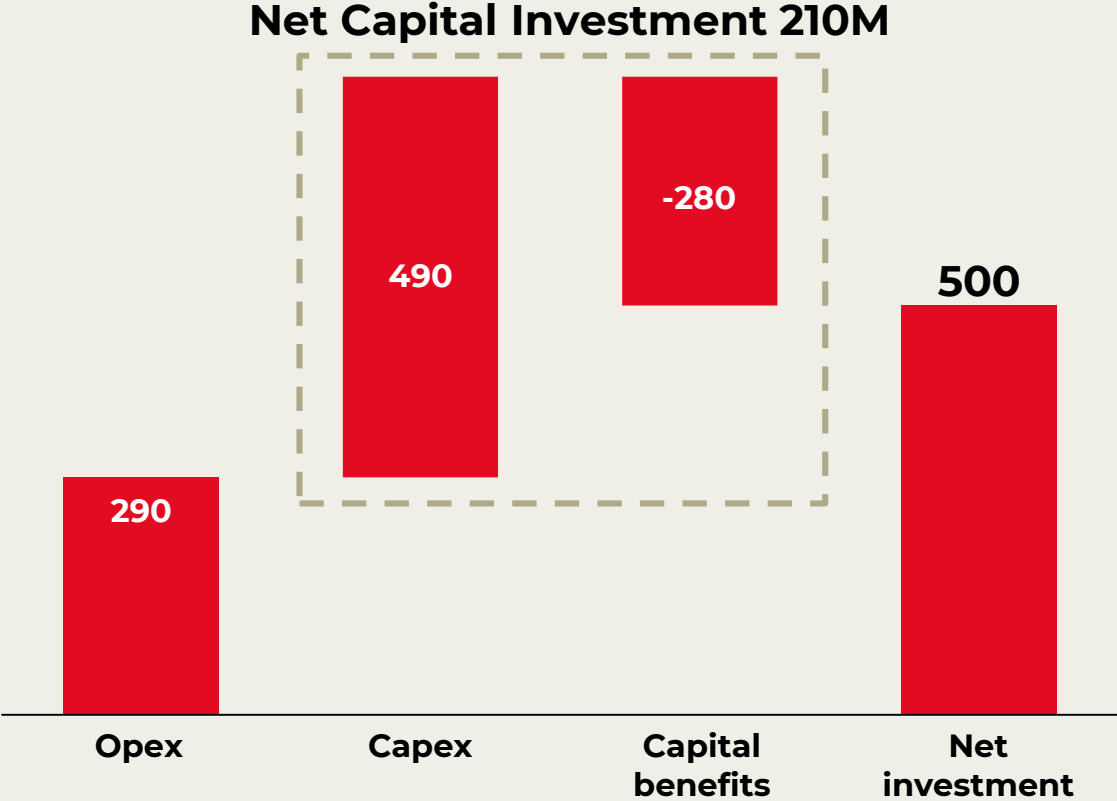
CHF 210M Capital Investment net of *BC Next Level*

Capital Benefits:

- 1. Manufacturing optimization & upgrades
- 2. Digitize BC
- 3. Traceability implementation

Investments deployed over next two years

Funded from existing financial resources



Majority of investments in manufacturing optimization, new operating model and Digital BC

1

Opex expense of CHF 290M
(CHF 260M one-time costs)

2

Net capital investments of CHF 500M, of which manufacturing optimization accounts for vast majority of spend

3

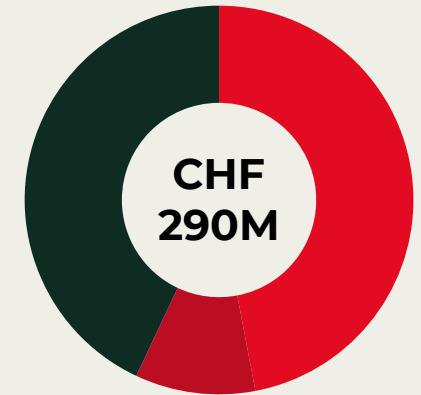
Capital investments partly offset by CHF 280M in Capital Benefits created by the program

4

Majority of the CHF 280M in capital benefits are driven by working capital improvements

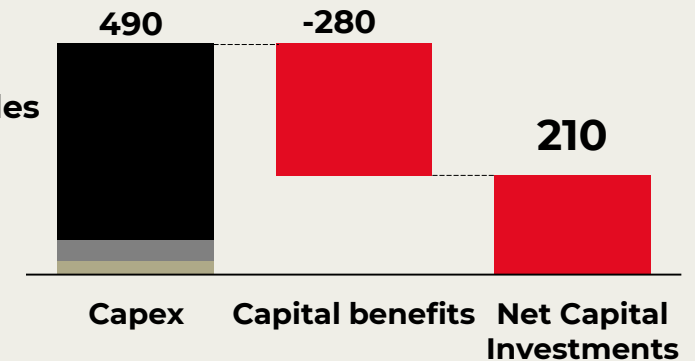
Opex split, FY22/23-25/26

- Program costs
- IT costs
- New operating model



Net Capital Investments split, FY22/23-25/26

- Manufacturing optimization & upgrades
- Digitize BC
- Traceability implementation



Operational step-up drives capital benefits

Step-up in operational KPIs...

...supporting capital benefit realization

Improved planning

Lower cost to serve

Lower capital needs

Driving continuous improvement

280M

benefits
expected from
better capital
efficiency

Wrap up



Unlocking the full potential with *BC Next Level*

22/23

- Get Executive Leadership Team in place

23/24

- Execute on *BC Next Level* initiatives

24/25

- Back to growth and deliver on *BC Next Level* cost savings

25/26

- Delivering long term growth objective¹

Concluding remarks

- 1 We have the right assets and global scale**
- 2 Now with the funding and capabilities to build a more scalable, tech-enabled platform**
- 3 Clear tailwinds for growth and driving stickiness & relevance with customers**

Clear path for sustainable profitable growth and shareholder value creation

The image features several chocolate swirls, each topped with a spiral of chocolate and small chocolate chips. The swirls are arranged on a light blue, textured surface. In the upper left corner, there are several large, vibrant green leaves. A prominent red rectangular box is centered over the image, containing the text 'World's Best Chocolate Solutions' in white, bold, sans-serif font.

World's Best Chocolate Solutions