

Barry Callebaut

Volume in line with market in a difficult environment triggered by high cocoa prices.
Reiterating year end guidance for double-digit EBIT recurring growth in constant
currency

3-Month Key Sales Figures, Fiscal Year 2024/25
22 January 2025



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 2023/24 and include, among others, general economic and (geo-)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 January 22, 2025. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements, except as required by law.

Key messages

1

-2.7% Q1 volume in a declining market (-2.6%¹), impacted by customer-retailer pricing negotiations, delayed orders and SKU rationalization

2

Sales revenue +63.1% in constant currency, driven by >70% rise in cocoa bean prices in Q1

3

Additional financing secured to manage cash impact from recent bean prices, including successful launch of CHF 300 million Swiss bond

4

Further relevant progress made on implementing BC Next Level, including the important completion of all social plans in Belgium

5

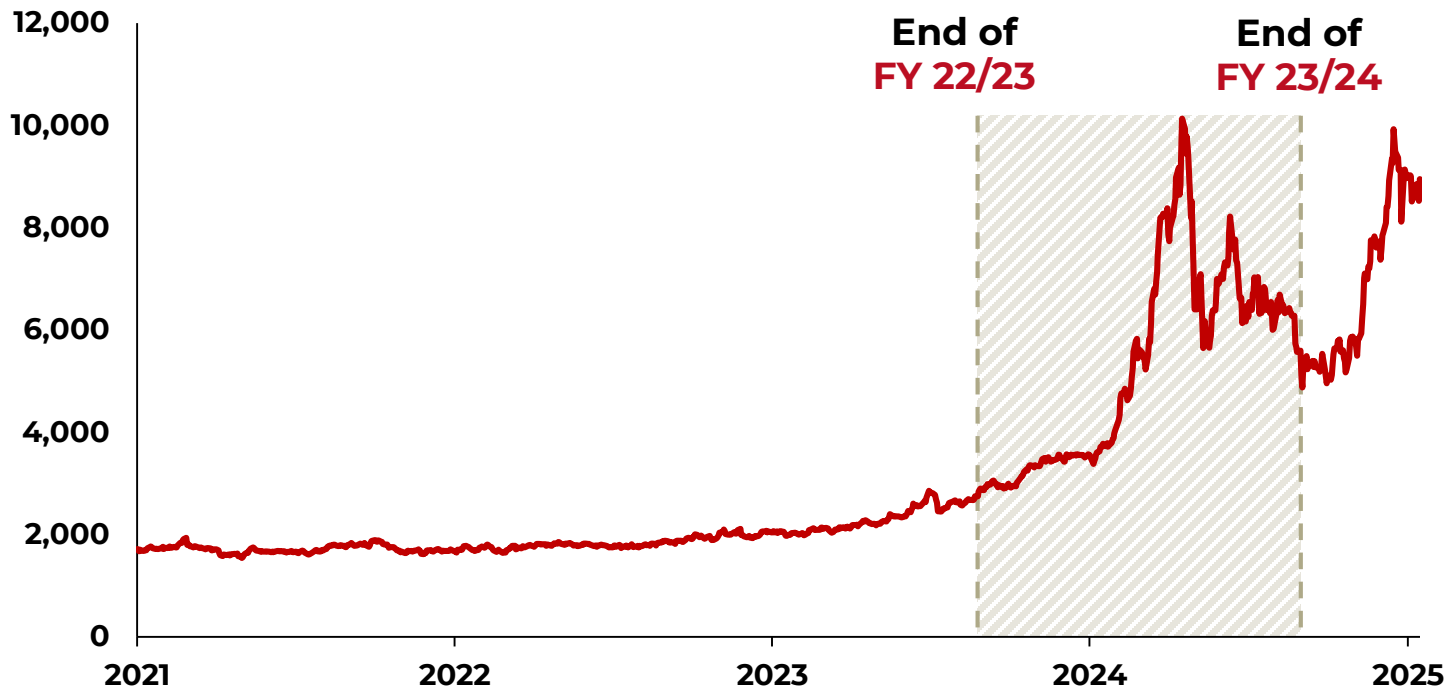
Confirming FY 24/25 outlook for double-digit EBIT² growth. Sales volume guidance lowered to low single-digit decrease given impact of further market volatility

6

Well positioned as market leader with cost-plus model, planning additional actions to increase returns on higher capital base, access to sustainable beans for customers and BC Next Level unlocking Barry Callebaut's full potential

Major cocoa market acceleration in the start of our fiscal year, with increased volatility at far higher levels

London cocoa futures (in GBP/MT)¹



- Significant increase in cocoa bean prices since the start of the fiscal year, reaching a peak of GBP 9,926 on 18th Dec, driven by hedge fund activity & speculation
- Good arrivals of beans in the early harvest in West Africa
- Non-West African origins in-line with expectations for 24/25 crop
- Overall, supply expected to be well ahead of 23/24 but below 22/23
- Short-term demand softness expected from higher prices
- Decline in global bean grinding expected to accelerate in 2025
- Continue to expect a slight surplus in 24/25
- BC secured financing to mitigate impact of major volatility

Underpinning BC Next Level strategic rationale more than ever

Unlocking BC's full potential and improving end-to-end connectivity from bean to bar

Important progress in Q1:

- Completion of Belgium social plans
- Negotiations for Intra site in Italy
- Compound R&D center
- Planning excellence

Ingredients
Supplier

BC Next Level
Foundations

BC Next Level delivery:
Start digitalizing & launch
customer experience

Digital BC
Living customer experience

Recognized
Chocolate
Solutions
Advisor

Ensuring liquidity and planning additional actions to increase returns on higher capital base

Additional financing actions

- **January 2025:** CHF 300M bond issuance, with 6-year tranche and 10-year tranche
- **December 2024:** EUR 1,000M Bridge Term Loan Facility
- **October 2024:** Additional Revolving Credit Facility of EUR 620M with a tenor of 2 years

Strong focus on driving returns on higher capital base

- **Benefit from EBIT & cash step-up with BC Next Level actions,** with lasting scale benefits
- **Planning pricing for higher capital base**
- **BC Next Level supply chain planning to further optimize long inventory cycle**

Short-term pressure on chocolate market volumes given customer pricing negotiations and promotions

Market trends in Global Chocolate Confectionery

- **Market volume -2.6%¹** in Q1, deteriorating vs. -1.0% over the past 12 months
- Food manufacturers started new rounds of **price increases of ~10%** year-on-year, related to the cocoa bean price spikes in spring 2024
- **Difficult customer-retailer price negotiations** led to limited on-shelf availability, forcing consumers to opt for alternative products
- Temporary increase in **promotion of products in non-chocolate categories** such as biscuits
- **Customers are delaying orders** with coverage at very low levels, given unprecedented prices
- Chocolate is a **resilient category with strong mid-term growth opportunities**:
 - New consumers in emerging markets
 - Chocolate in more product categories
 - Demand for premiumization, innovation & sustainability

Q1 volumes impacted by a declining market, as short-term demand reacts to cocoa bean price spikes

Group	Q1 volume growth		Key drivers	% of Group Q1 volume
	<u>BC</u>	<u>Market¹</u>		
Group	-2.7%	-		
Global Chocolate	-3.4%	-2.6%	Challenging short-term market conditions, in reaction to higher cocoa bean prices, as well as SKU rationalization	80%
Food Manufacturers	-3.8%	-	Slower demand due to ongoing customer-retailer pricing negotiations, delayed customer orders and SKU rationalization	66%
Gourmet	-1.5%	-	Limited availability in North America following the Mexico intervention and effect of SKU rationalization in Europe	14%
Global Cocoa	+0.3%	-	Cocoa powder remained robust. Captured some additional customer opportunities	20%

Strong growth in Latin America and AMEA offset by market pressure in Europe and North America

Global Chocolate sales volume: -3.4%

	Q1 volume growth		Key drivers	% of Group Q1 volume
	BC	Market ¹		
Western Europe	-7.5%	-1.6%	High base of comparison, with large prior year one-off contract. Demand impacted by higher prices, customer-retailer negotiations and SKU rationalization	32%
Central and Eastern Europe	-4.5%	-2.1%	Lower volumes for several large global and regional Food Manufacturer customers, especially in Türkiye	13%
North America	-1.9%	-6.9%	Impacted by slower demand for large Food Manufacturers and actions to temporarily shut down the Toluca, Mexico facility proactively	24%
Latin America	+13.2%	-0.2%	Brazil the key contributor to growth, led by innovation, diversified offerings and solid Gourmet demand	3%
Asia Pacific, Middle East & Africa	+6.4%	-0.4%	Most country clusters saw strong growth, with particular momentum in India and Indonesia as well as Gourmet	8%

Updating our volume outlook for FY 24/25

- **Sales volume now expected to see a low single-digit decrease given the impact of further cocoa bean price increase on market pricing and demand**
- **Confirming double-digit EBIT recurring growth¹ in volatile market context**

Barry Callebaut is the leader in chocolate solutions and BC Next Level will unlock our full potential

- **Market leader in attractive chocolate market underpinned by long-term global growth trends**
- **Providing chocolate solutions is becoming more complex. BC uniquely well positioned to win given vertically integrated business model and cost-plus strength**
- **Well-underway with BC Next Level which will unlock full potential and create significant value**
- **Planning to adapt to the “new normal”, reengineering our capital and financing base**

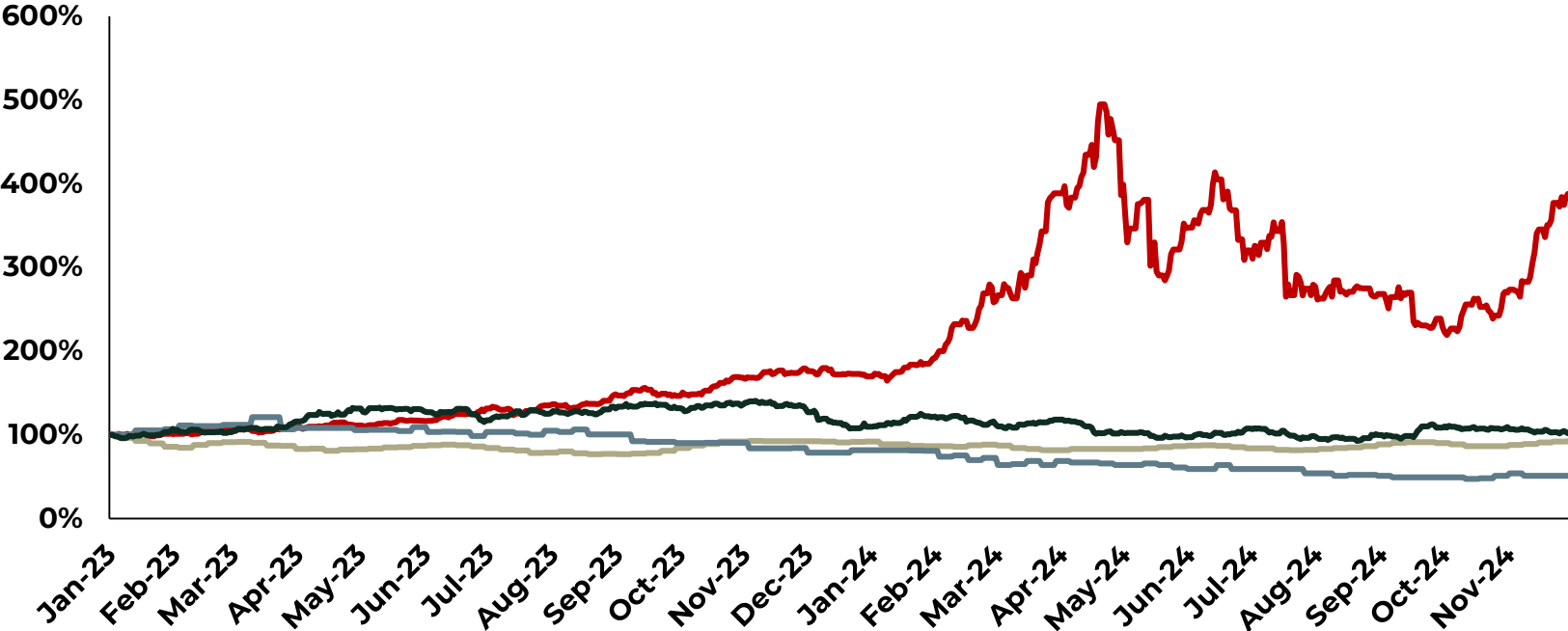
BC Next Level is further strengthening our platform for growth and value creation

Appendix



Raw material price developments

Indexed Raw material price changes January 2023 to November 30, 2024



- 388%** Cocoa beans
- 92%** Milk powder
- 102%** Sugar world
- 51%** Sugar EU



**World's Best
Chocolate Solutions**