



Letter to Shareholders

Healthy growth, good profitability and strong cash generation

We are celebrating our 25-year anniversary with a return to healthy volume growth, surpassing the pre-pandemic chocolate volume of 2018/19 and clearly outperforming the market.

Dear Shareholders,

In 1996, our founder Klaus Jacobs had the vision to merge two iconic chocolate makers, Callebaut and Cacao Barry, to build the world's best cocoa and chocolate company. During the past quarter of a century, we have consistently built on that vision and proudly became the leading manufacturer of high quality chocolate and cocoa products. As we celebrate our 25-year anniversary, we look back on a fiscal year where we returned to a healthy growth, with good profitability and strong cash generation.

In fiscal year 2020/21, we achieved healthy volume growth of +4.6% to 2,191,572 tonnes. The chocolate business surpassed the pre-COVID levels of 2018/19 and with a volume growth rate of +6.5%, we clearly outpaced the underlying global chocolate confectionery market (+1.8%)¹. Sales revenue increased by +8.7% in local currencies to CHF 7,207.6 million. Our Operating profit (EBIT) increased by +18.9%² in local currencies and amounted to CHF 566.7 million. EBIT growth significantly exceeded the volume growth, supported by all Regions and a positive product and customer mix. Net profit for the year grew by +24.2%² in local currencies and amounted to CHF 384.5 million. Strong Free cash flow generation continued and amounted to CHF 355 million, compared to CHF 317 million in prior year.

As a company, we remain committed to the creation of long-term value for our shareholders and all other stakeholders. Based on these strong results, the Board of Directors will propose a dividend of CHF 28.00 per share at the Annual General Meeting of Shareholders, on

December 8, 2021. This is an increase of +27.3% versus prior year and corresponds to a payout ratio of 40%.

In fiscal year 2020/21, we continued to pursue the **Expansion** of our geographic footprint. In Region EMEA, we entered into a long-term outsourcing agreement with Atlantic Stark in July 2021, a leading confectionery producer from Serbia. It is the first outsourcing deal to be fully supplied from our new factory in Novi Sad, Serbia. In the same month, we announced the opening of a chocolate factory in Kaliningrad, our third in Russia. In June 2021, we signed an agreement to acquire the Europe Chocolate Company (ECC) in Belgium, to strengthen our manufacturing capabilities for value-adding highly customized chocolate specialties and decorations. And in February 2021, we opened the first fully segregated dairy-free chocolate factory in Norderstedt, Germany, to meet increasing demand for plant-based indulgence across EMEA.

In Region Americas, we signed a significant outsourcing agreement with a large chocolate confectionery manufacturer in June 2021, and renewed our strategic supply agreement with Hershey – a strong sign of trust and testimony to the success of our outsourcing model.

We also further strengthened our presence in Asia Pacific. In March 2021, we opened a new factory in Baramati, India, our largest investment in the world's second most populous country. In November 2020, we opened a new office and a CHOCOLATE ACADEMY™ Center in Shenzhen, China, to better serve the growing customer base in South China.

¹ Source: Nielsen volume growth excluding e-commerce – 25 countries, September 2020 to August 2021, data subject to adjustment to match Barry Callebaut's reporting period. Nielsen data only partially reflects the out-of-home and impulse consumption.

² Compared to prior-year Operating profit (EBIT) and Net profit recurring.



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Chairman of the Board Patrick De Maeseneire and CEO Peter Boone.

“By staying true to Klaus Jacobs’ vision over the past 25 years, we have generated growth and long-term value for all our stakeholders.”

Patrick De Maeseneire, Chairman of the Board

“‘Smart growth’ remains at the heart of our long-term strategy execution, with a clear focus on accelerating up the value ladder.”

Peter Boone, CEO



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This year was again rich in exciting **Innovations**. In June 2021, our Gourmet brand Cacao Barry launched WholeFruit Evocao™, a unique chocolate for chefs and artisans made from 100% pure cacaofruit. Evocao™ has been developed based on our range of 100% pure cacaofruit ingredients, launched by our new brand Cabosse Naturals. This brand perfectly caters to shifting consumer attitudes towards tasty and nutritious food and drinks that also do good for the planet. In June 2021, our pioneer cocoa brand Van Houten launched a powdered chocolate drink made from ruby chocolate for HoReCa³ customers in selected European markets.

On **Sustainability**, we continued to make progress toward our Forever Chocolate objective to make sustainable chocolate the norm by 2025. Since the launch of Forever Chocolate in 2016, we have reduced our overall corporate carbon intensity per tonne of product by more than -17%. Furthermore, of all the products we sold in fiscal year 2020/21, 43% contained 100% sustainable cocoa or chocolate.

Our achievements in managing the key Environmental, Social and Governance (ESG) risks in our chocolate supply chain are of growing interest to investors. This is why in June 2021, we organized our first ESG roadshow and webinar to discuss our actions with investors and ESG rating agencies.

We are proud that our efforts in sustainability are being recognized. In August 2021, Forever Chocolate was assessed by Sustainalytics as one of the top 3 sustainability strategies in the packaged food industry, for the third consecutive year. In December 2020, for the third year in a row, we were awarded an A- by the Carbon Disclosure Project (CDP) for our efforts to reduce our carbon footprint.

At Barry Callebaut, we are committed to nurturing an inclusive environment where every colleague is given the opportunity to learn, grow and fulfill their potential. This is why we launched in January 2021 #oneBC, our Diversity & Inclusion strategy. It sets ambitious, measurable targets to improve our gender balance and cultural diversity at senior management level by 2025.

On track to accelerate up the value ladder

Our proven 'smart growth' strategy remains at the heart of our long-term strategy execution with a focus on returns and cash generation. We are on track to accelerate up the value ladder, by leveraging our global footprint of 64 factories, our industry-best innovation pipeline, cost leadership and impactful sustainable offerings.

This makes us confident we will deliver on our mid-term guidance, which is on average for the 3-year period 2020/21 to 2022/23: 5-7% volume growth and EBIT above volume growth in local currencies⁴.

We would like to thank our colleagues, whose customer focus and entrepreneurial spirit have been the driving force behind our successful growth journey over the past 25 years. Furthermore, we would like to thank our customers for their continued partnership, and our shareholders for their continued trust.


Patrick De Maeseineire
Chairman of the Board


Peter Boone
Chief Executive Officer

3 Hotels, Restaurants, Cafés.

4 Barring any major unforeseeable events.