

Barry Callebaut

Progressing as planned: Solid H1 performance, *BC Next Level* on track

10 April 2024



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 April 10, 2024. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.

Key messages

- 1 Resilient +0.7% volume growth in H1 in a challenging market (+1.0% Q2), recurring¹ net profit +0.8% in local currencies**
- 2 Executing on our long-term Strategic Growth Priorities**
- 3 On track to deliver *BC Next Level* commitments**
- 4 Cautiously navigating unparalleled cocoa price & supply environment**
- 5 Reiterate FY 2023/24 guidance: flat volume and flat EBIT on a recurring basis in constant currency, including modest *BC Next Level* benefits**

Starting to deliver on long-term Strategic Growth Priorities

1 Deeper outsourcing partnerships

- Quality interventions and processes in place
- Regular top-to-top discussions
- Growing partnership pipeline

Positive outsourcing growth in H1, with new incremental deals secured

2 Gourmet 2.0

- Appointed commercial excellence leaders
- Early positive results from brand strategy assessment

+10% growth in H1

3 Scale up Specialties

- Redefined specialty strategy pillars and enablers
- Non-cocoa Sweets leadership installed

Increase in customer penetration of Specialties in majority of country clusters

4 'Fair share' in APAC

- Slightly negative H1 volume, work in progress
- Expanding reach of sales force
- Growing new customer pipeline

High single-digit growth in most markets, more than offset by declines in Greater China & Indonesia

We are on track to deliver *BC Next Level*

H1 2023/24

Closer to customers & markets

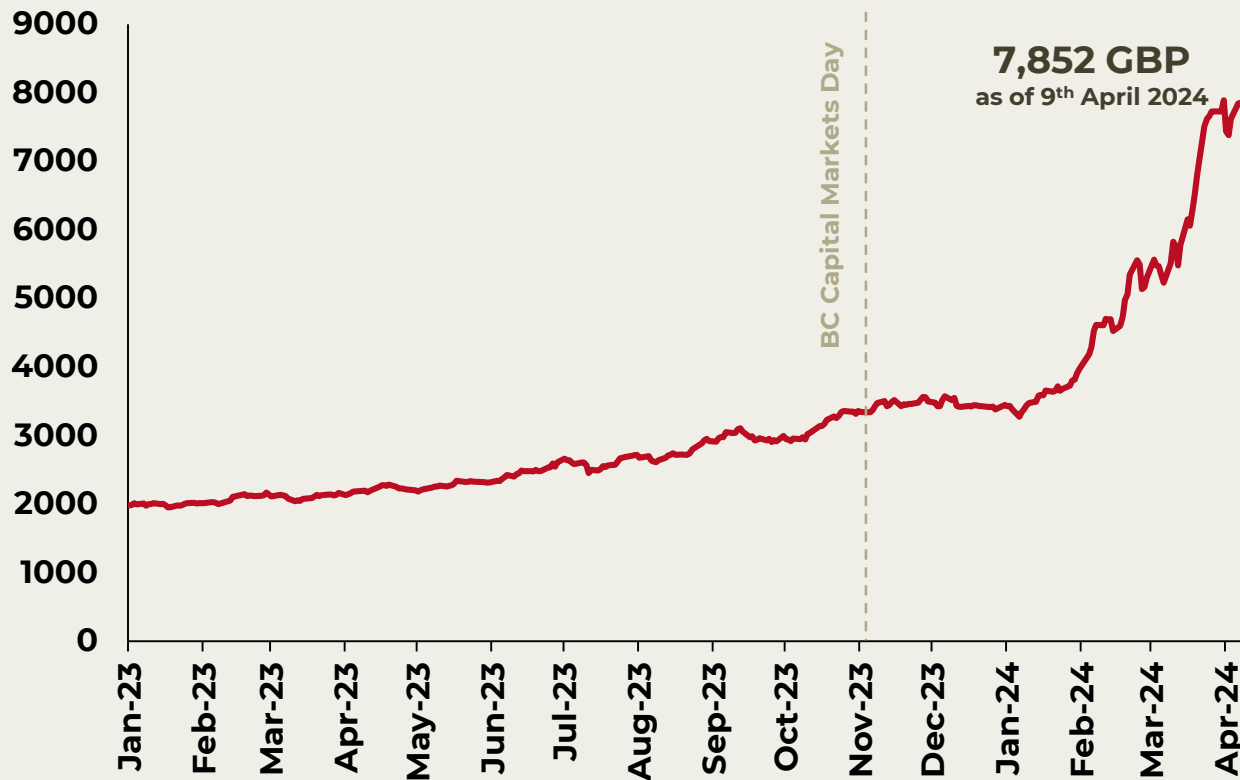
- 1 New operating model in place from January 1st 2024**
 - Country clusters & GMs established
 - End-to-end supply chain leadership structure established including KPIs and timelines
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- 2 Investments in manufacturing, infrastructure and quality**
- 3 Cross-functional team working towards EUDR compliance & 100% cocoa traceability: fully on track**

Simplify & digitalize BC

- 4 15% cost savings announced on September 6th 2023, further detailed on February 26th 2024**
 - Planned closure of 2 factories announced
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- 6 Amr Arafa announced as Chief Digital Officer and established digital leadership team & roadmap**

Unprecedented market disruption with terminal market moving from 2,900 to ~7,800 GBP/MT in six months

London cocoa future 2nd continuation (in GBP/ MT)



- Record future prices, butter ratios and powder prices
- Triggered by supply challenges, amplified by funds:
 - Weather leading to significant shortfall of the main crops in Ivory Coast and Ghana, leading to large supply/demand deficit for crop year 23/24
 - Very late, big purchases by large industry players, amplified by funds
 - Industry players need to buy futures from funds to extend their cover, driving higher prices

BC navigating supply challenges

	Supply	Demand	Financials
Market	<ul style="list-style-type: none"> • Some industrials less covered and late, creating upward pressure on terminal market in 2024 • Supply uncertainty over H2 2024 • Mid-term: High prices cure high prices 	<ul style="list-style-type: none"> • Short-term market softness (-2.0% H1 market¹ growth) impacted by broader inflationary environment • Category with proven long-term resiliency 	<ul style="list-style-type: none"> • Significant bean price impact on working capital requirements industry-wide
BC	<ul style="list-style-type: none"> • Well covered and well positioned in securing supply • Competitive edge given sourcing, balance sheet strength and cocoa/chocolate integration • More uncertainty for short-term supply • Traceability investments ensuring EUDR compliance 	<ul style="list-style-type: none"> • Resilient volume performance at +0.7% in H1 (Q2: +1.0%; Q1: +0.4%) • Mix shift from large Food Manufacturers to Private Label • Gourmet less impacted 	<ul style="list-style-type: none"> • Cost-plus model protecting margin • Financing proactively secured • ~CHF 1.1bn working capital and free cash flow impact from bean price in H1

Barry Callebaut H1 performance



Solid performance in a challenging market

1

Resilient +0.7% volume growth in H1 (+1.0% Q2), with strong momentum in Gourmet

2

Profitability protected through cost-plus pricing model. Recurring¹ EBIT +7.9% in constant currency, recurring¹ net profit +0.8%

3

Executing *BC Next Level* as planned, with one-off operating expenses (mostly non-cash) impacting reported EBIT (-48.9%) and net profit (-67.2%)

4

Free cash flow CHF -1,116 million impacted by long cycle between bean contracting & customer sales (~1.1bn bean price impact on working capital)

Impact of cocoa market disruption on BC financials

Top-line

- **+0.7% volume H1 (+1.0% Q2)**
- **Food Manufacturers: +0.1% in Q2 vs. -1.4% market¹ decline**
- **Mix shift** within Food Manufacturers from large branded players to Private Label
- **Gourmet** growth strong, supported by *BC Next Level* initiatives

Bottom-line

- **Recurring² net profit per tonne** (local currencies) protected through **cost-plus pricing**
- **Significant FX impact** (CHF -37M on EBIT recurring²)

Free cash flow

- **~CHF 1.1bn negative bean impact** on working capital
- **Additional liquidity secured** to help mitigate higher cash requirements in bean sourcing
- **Net debt increase** to CHF 2,637M vs. CHF 1,582M
- **Adjusted³ net debt decreased** to CHF 245.7M vs. CHF 368.4M

Positive H1 Group volume growth and Q2 improvement, driven by strong demand for Gourmet

Group Sales volume: +0.7% H1 (+0.4% Q1, +1.0% Q2)

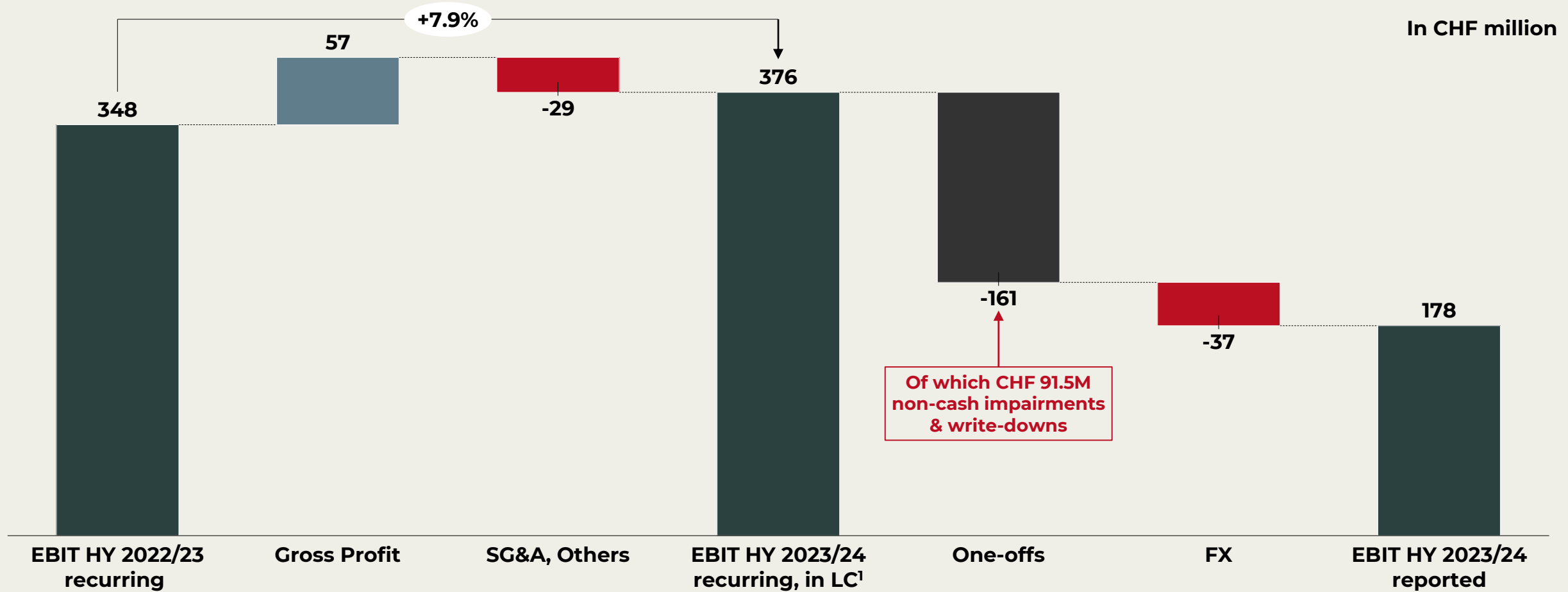
	Q1 volume growth		Q2 volume growth		H1 growth drivers	% of Group H1 volume
	BC	Market ¹	BC	Market ¹		
Food Manufacturers	-0.8%	-2.8%	+0.1%	-1.4%	Soft consumer demand in the context of the high-inflationary environment	66%
Gourmet & Specialties	+9.1%	-	+7.7%	-	Strong Gourmet demand across regions, supported by <i>BC Next Level</i> initiatives, partially offset by decline in Beverages	14%
Global Cocoa	-1.1%	-	-0.2%	-	Reduced demand for cocoa butter and liquor. Demand for cocoa powder remained robust	20%

Volume positive across most Chocolate regions in Q2

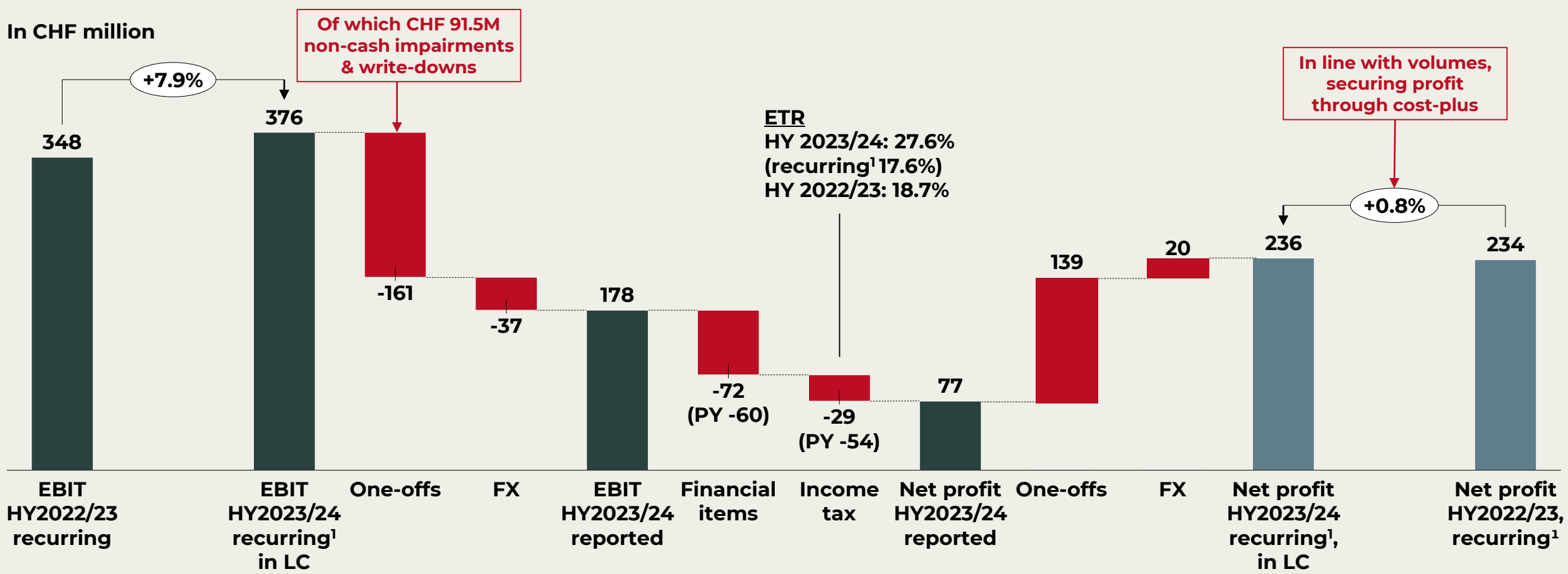
Chocolate sales volume: +1.0% H1 (+0.7% Q1, +1.3% Q2)

	Q1 volume growth		Q2 volume growth		H1 growth drivers	% of Group H1 volume
	BC	Market ¹	BC	Market ¹		
Western Europe	+4.7%	-3.7%	-0.4%	-1.0%	Capturing the consumer shift from Food Manufacturers to Private Label. Strong Gourmet demand	33%
Central and Eastern Europe	+1.8%	+0.6%	+5.2%	+1.0%	Food Manufacturers recovered in Q2, led by Türkiye and South East Europe. Gourmet solid across region	13%
North America	-4.0%	-6.8%	+0.5%	-4.6%	Weak consumer sentiment impacted Food Manufacturers, while Gourmet saw solid demand particularly in Mexico	24%
Latin America	-1.3%	+0.8%	+14.3%	+0.3%	Double-digit growth in Brazil was offset by softer demand in other markets. Growth accelerated in Q2, led by Gourmet in Brazil	3%
Asia Pacific, Middle East and Africa	-1.5%	-1.5%	+0.3%	-2.6%	Challenging FMCG environment, particularly Greater China & Indonesia	8%

+7.9% recurring EBIT reflects financing costs pass through (offset below EBIT) as well as volume/mix

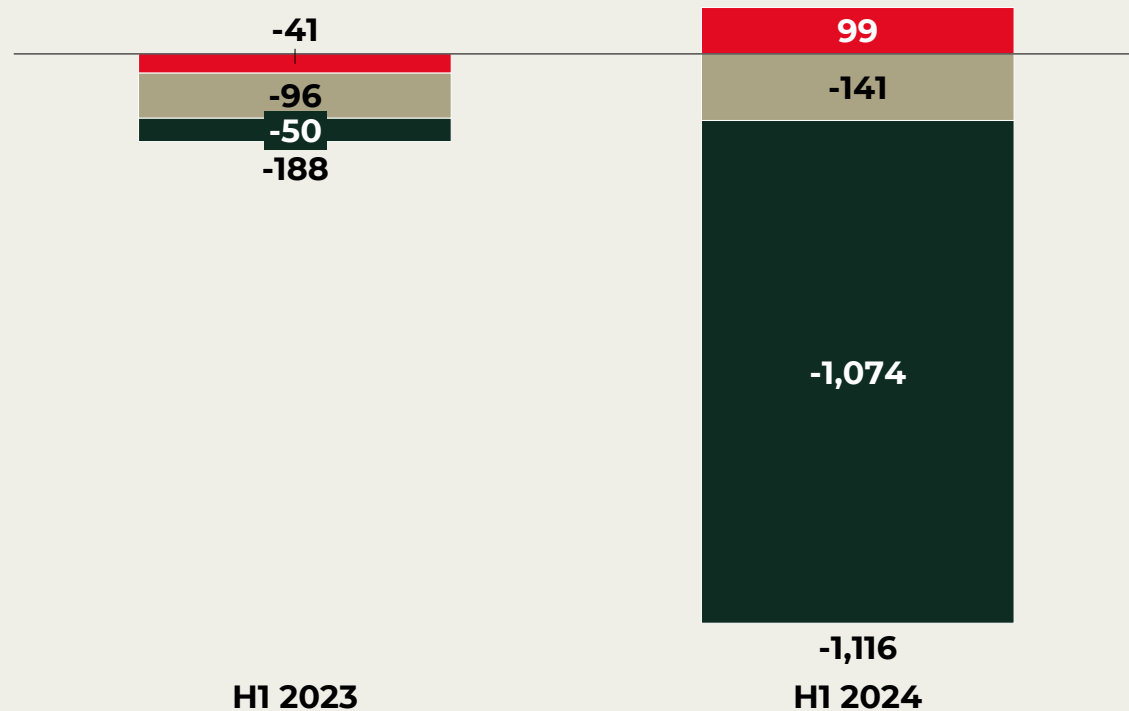


Cost-plus pricing model supported profitability



Operational free cash flow offset by ~CHF 1.1bn bean price impact and *BC Next Level* investment step up

In CHF million

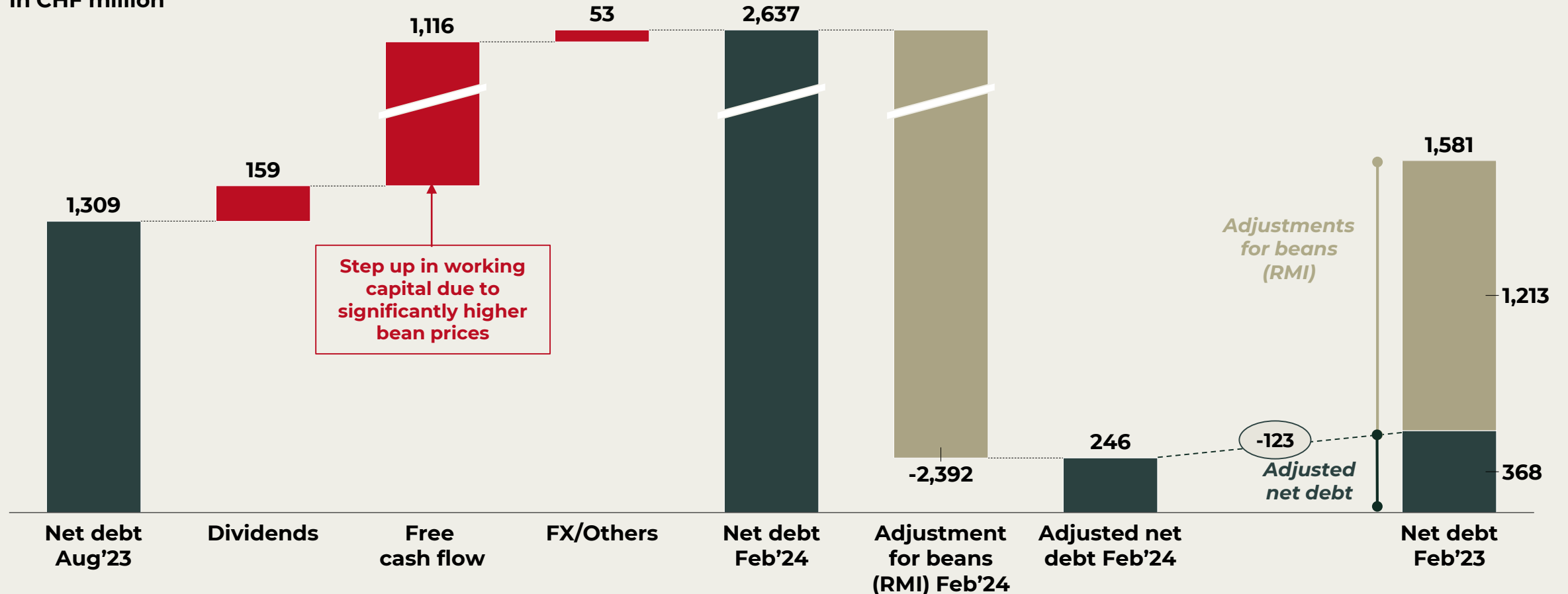


- Negative free cash flow almost entirely driven by significant bean price increase (est. CHF 1.1bn impact)
- Long cycle (~12-18 months) between bean contracting and customer sales
 - Main producing countries sell beans well ahead of delivery
 - Once entered contract, hedged back-to-back
- Stepped up *BC Next Level* investments in H1
- Operational working capital improvements, with improved cash conversion cycle, lower inventories and lower receivables

■ Operational FCF
 ■ Investment Capex & NL
 ■ Bean Price FCF

Higher net debt due to the significant bean impact

In CHF million



Additional financing secured to address the bean impact

Proactively secured liquidity

- CHF 600M bond issuance to refinance the existing EUR 450M senior bond due mid May 2024
- Revolving Credit Facility extension from EUR 900M to EUR 1,312.5M
- Syndicated Term Loan of EUR 262.5M and a tenor of 2 years

Continuously monitoring market environment to anticipate possible financing needs

Solid credit ratings

Moody's



*Outlook:
Positive*

S&P Global Ratings



*Outlook:
Stable*

BC Next Level
implementation
on track



We are on track to deliver *BC Next Level*

H1 2023/24

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Country clusters established and supported by global commercial excellence best practices

25 country clusters across regions

Customer-based and localized route-to-market...

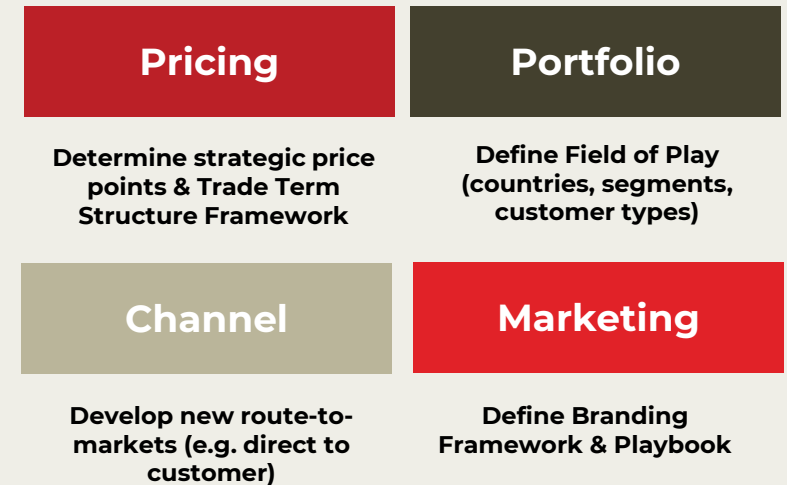
- Optimize existing distributor route-to-market
- Determine Partner priorities & negotiate partnerships
- Set local Field of Play priorities (segments, customer types)
- Activate Brands & Promotions



6 country clusters, each driving FM + Specialties + Gourmet

Global commercial excellence

... complemented by implementation of global commercial excellence best practices



Customer Supply & Development driving end-to-end Supply Chain excellence and scalable solutions

Establish best-in-class end-to-end supply chain process

Quality improvements:
ensuring 100% positive release

Higher service levels:
working towards best-in-class OTIF (>90%)

Reduce cost to serve:
improving overall equipment effectiveness (OEE > 70%)

Optimize inventory levels:
driven by E2E sales & operations planning

Scale up customer-centric innovations globally across all product categories

Reduce complexity to free up capacity:
at least 30% SKU reduction

Faster speed-to-market of innovations:
increasing customer innovation rate

Higher customer satisfaction:
driving best-in-class Net Promoter Score (NPS)

Better scaling portfolio:
supported by data-driven intelligence & digital insights

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

Investing in segregation & traceability, creating competitive advantage & ensuring EUDR compliance

Traceability and Segregation from farm to customer

100%

Certified or verified cocoa and ingredients in all of our products, traceable to farm level by 2030

Select supplying landscape & suppliers through risk assessments

Farm identification & verification, including Polygon mapping

Follow the beans with first mile traceability

Trace across production, storage and logistics

Exchange data with Public Authorities

Engage Customers & Stakeholders

Ensuring EUDR compliance by 30 December 2024 through sourcing guiding principles, forest protection and supply chain toolbox

For the EU

Sourcing only EUDR compliant beans from the 2024 main crop

Simpler & standardized operating model, optimized footprint, and more seamless digital ways of working

Optimizing manufacturing footprint

- Prioritize **fit-for-purpose** plants
- Invest in **quality** and supply **agility**

Increasing headcount efficiency

- **Remove duplication** (RACI)
- Implement **lean and agile** principles

Capturing GBS full potential

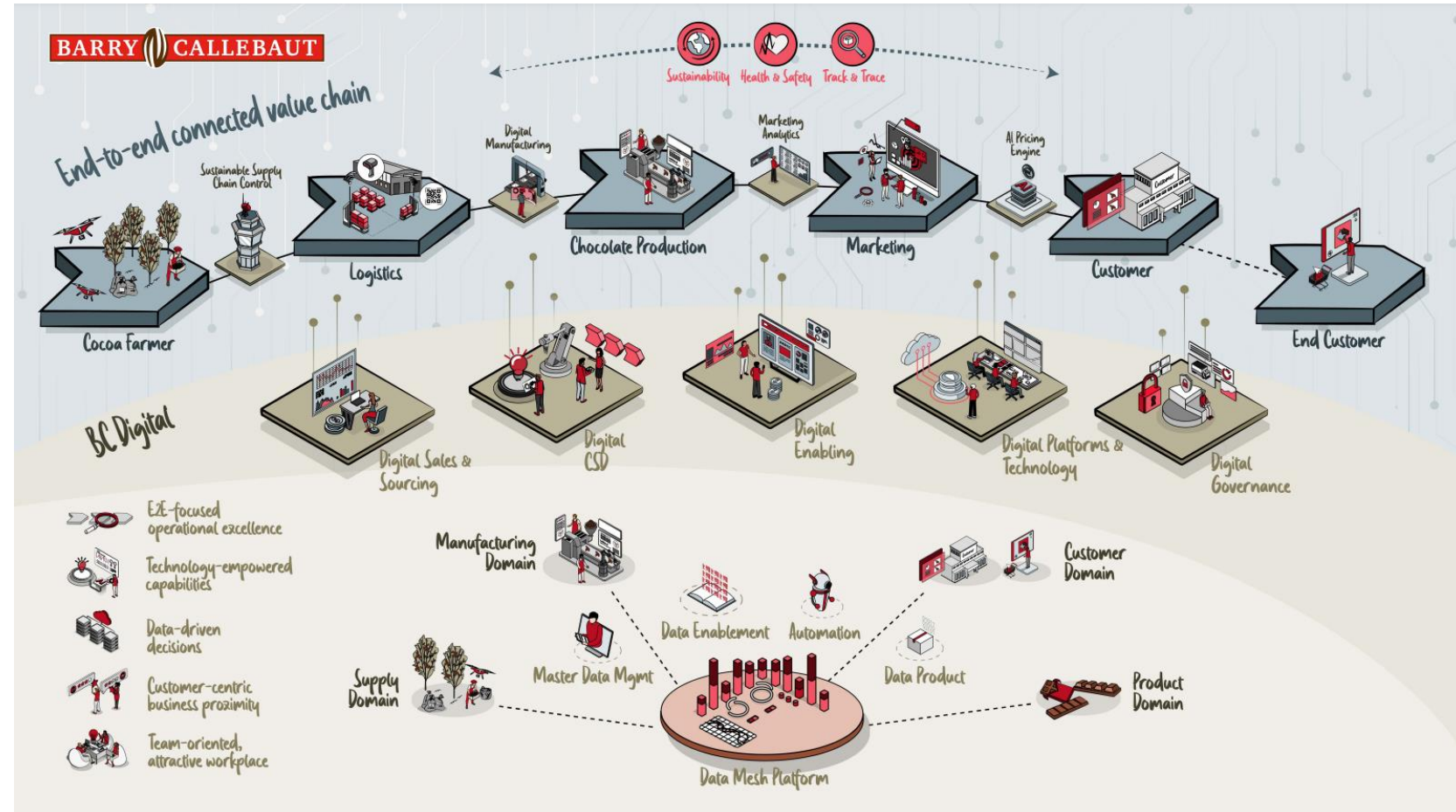
- **Standardize & digitalize** ways of working

~15% annual cost savings¹, discussions with social partners are ongoing

Transforming to a digitally enabled best-in-class experience for customers, suppliers and employees

Vision

*Uplifting Barry Callebaut's digital competencies for a **sustainable, data-centric, end-to-end connected value chain from cocoa farmers all the way to our customers***



BC Next Level cost saving phasing on track

On track to reach cost savings run-rate

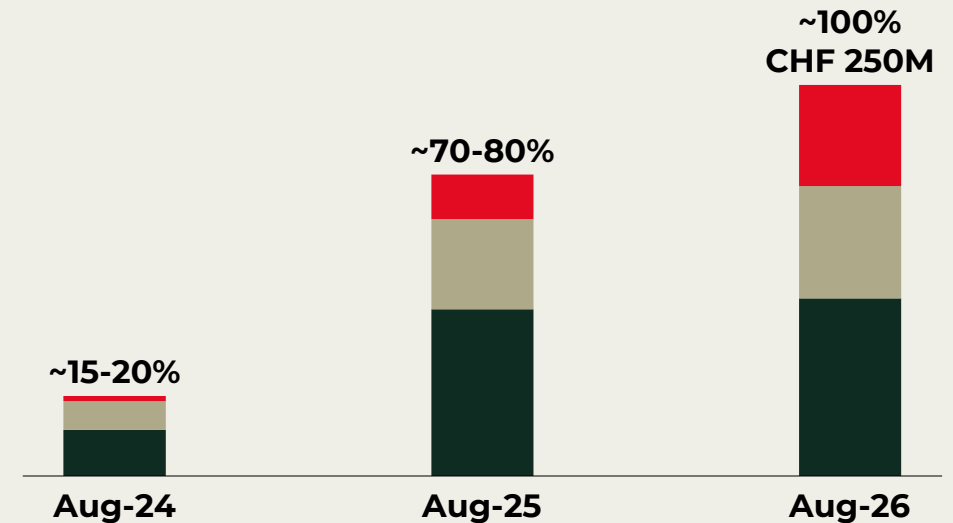
- Establishing global end-to-end supply chain including manufacturing optimization
- Planned closure of factory in Norderstedt, Germany, and decision to close site in Port Klang, Malaysia
- GBS implementation well prepared

As a reminder:

- Cost savings net of CHF 30M recurring opex
- 75% of *BC Next Level* savings falling to the bottom line as reinvest for growth
- 80% of cost savings initiatives actioned by end of March 2025

Fiscal year-end run-rate cost savings

- 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



Majority of operating expenses related to new operating model and *BC Next Level* program costs

In H1 2023/24:

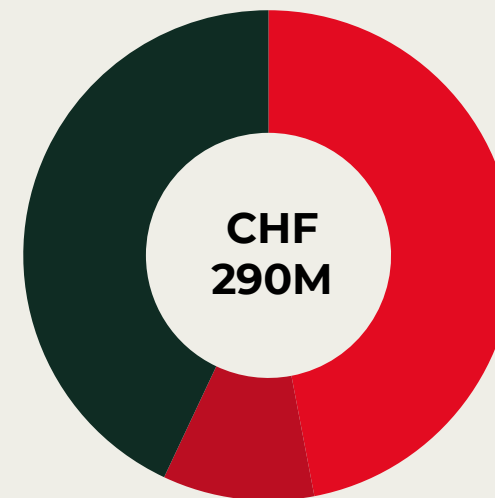
- Total *BC Next Level* one-time costs of **CHF 169M**
- **Mostly non-cash** impairments and write-downs related to planned site closures (CHF 91.5M)
- CHF 54M restructuring costs

FY 2023/24:

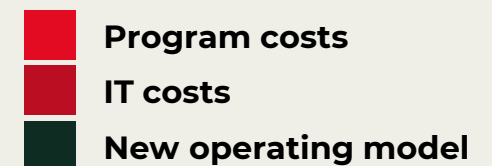
- Expected one-time Opex of **~CHF 110M-130M** (excluding non-cash items)
- Likely at the **higher-end**

Total *BC Next Level* Opex of CHF 290M

- CHF **260M** one-time costs (excl. non-cash items)
- CHF **30M** recurring opex



Opex split, FY22/23-25/26



Capital expenditure and benefits as planned

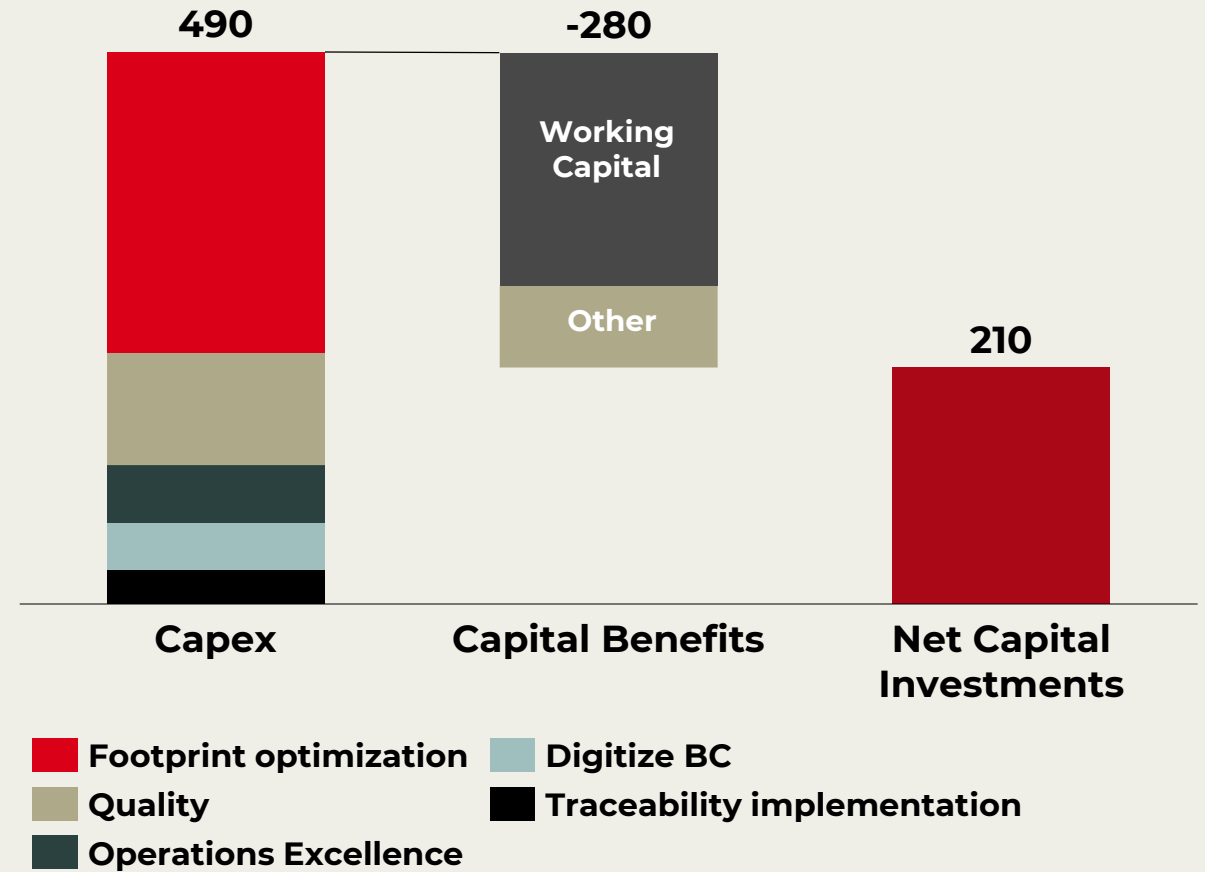
Capital expenditure

- Largest investments in footprint optimization (adding capacity to key sites) and quality
- CHF 90-110M for FY 23/24, likely at the lower-end with expected ramp-up in H2

Capital Benefits

- Primarily working capital improvements in FY 24/25 and particularly FY 25/26
 - **Planning excellence:** SKU reduction, manufacturing footprint optimization and enhanced inventory planning
 - **Operational excellence:** productivity improvements

Net Capital Investments split (cumulative over 2022/23 – 2025/26, CHF M)



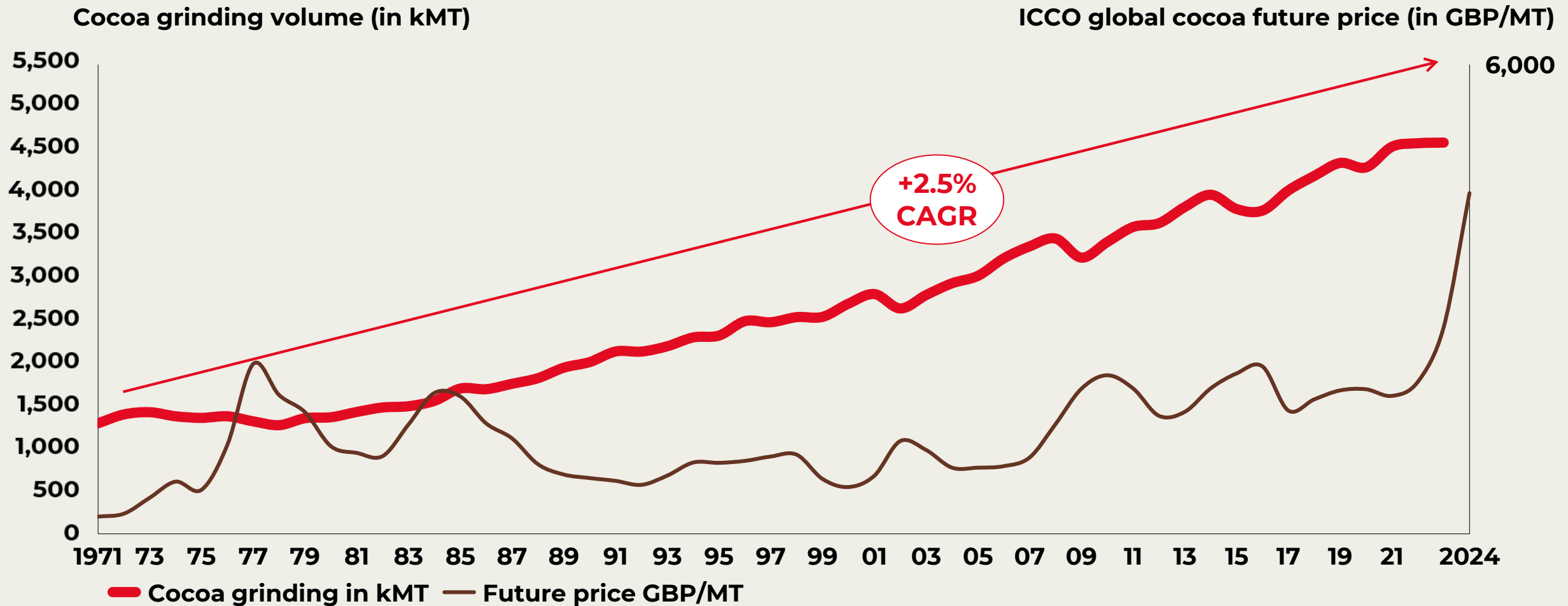
**Solid category
fundamentals,
despite cocoa
bean increase**



Short-term uncertainty with supply challenges expected to ease mid-term

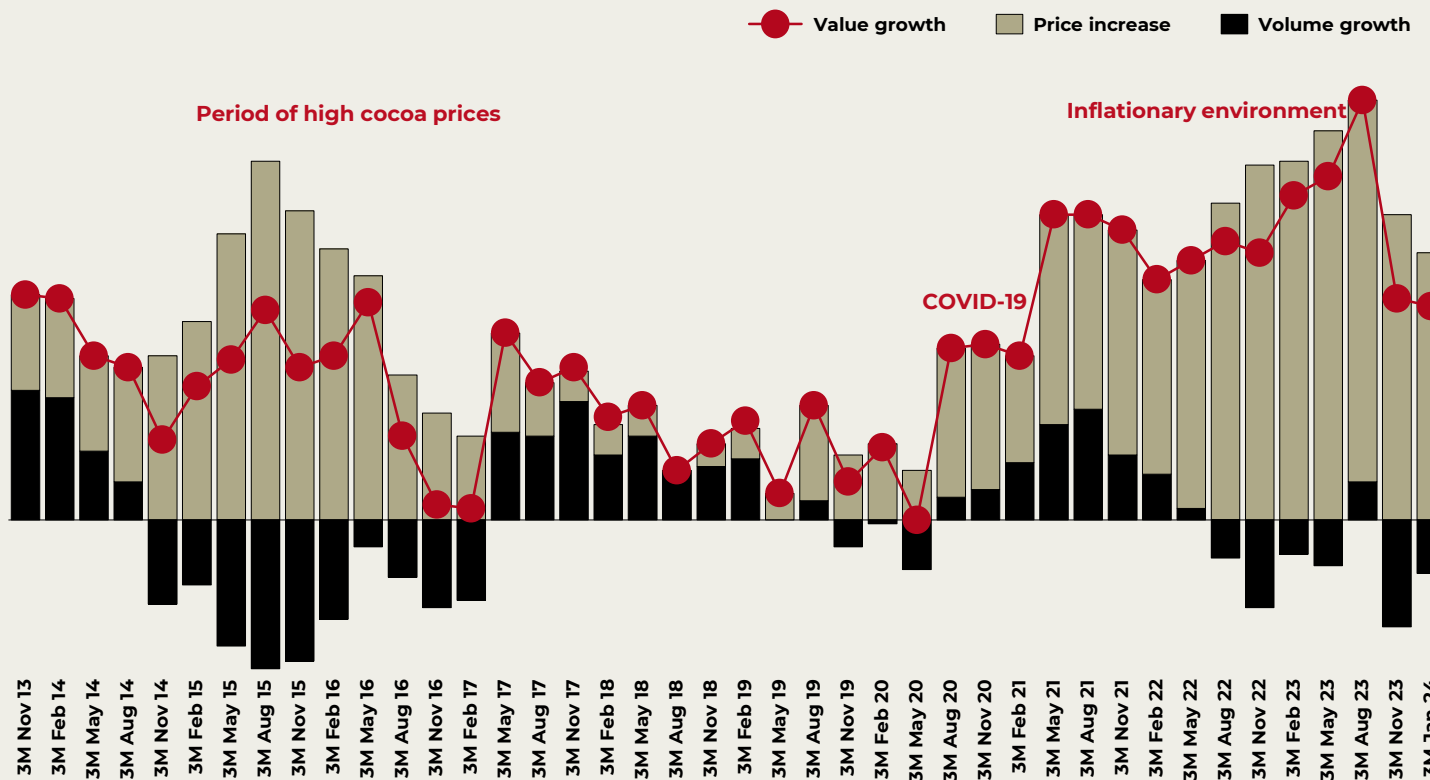
	Current Supply challenges	Short-term uncertainty	... expected to ease in the mid-term
Supply	<ul style="list-style-type: none"> • West Africa harvest affected by: <ul style="list-style-type: none"> – El Niño and weather patterns – Insufficient investments in plant stock – Farmers not benefitting from higher prices in key countries • Large industry players with late purchases, amplified by funds 	<ul style="list-style-type: none"> • While weather uncertainty remains, mid-crops are developing more normally • EUDR regulation impacting cocoa growing areas 	<ul style="list-style-type: none"> • In West Africa, higher prices will boost supply as farmers invest • Role of other countries, e.g., Ecuador, will increase: <ul style="list-style-type: none"> – Higher bean prices – Increase in available land – No Cacao Swollen Shoot Virus
Barry Callebaut	<ul style="list-style-type: none"> • Secure bean supply for FY 2023/24 	<ul style="list-style-type: none"> • Well-positioned to navigate through uncertainty given competitive strengths • Traceability investments ensuring EUDR compliance 	<ul style="list-style-type: none"> • Continuing to invest (7.5M trees planted in 2022/23) • Providing labor support and fertilizers in West Africa • Investing in "Farm of the Future" in Ecuador • Advocating for accelerating the transition to a living income

Over the past 50 years, cocoa demand has grown consistently despite price fluctuations

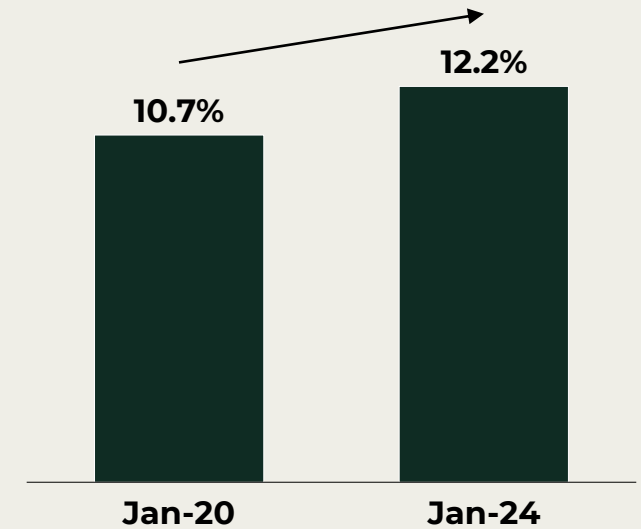


Steep inflation-linked price increases have had short-term impact on demand, benefiting Private Label

Global chocolate confectionery growth, 3-monthly, yoy



Private Label volume share in Global chocolate confectionery market



Resilient volume despite recent inflation, more limited pricing going forward given balanced exposure

BC supplies a resilient chocolate industry

Price growth
'21-'23



Volume growth
'21-'23



Balanced growth profile vs. market due to diversified exposure by category

'21-'23	Price growth	Volume growth
Chocolate Confectionery	+19.5%	+0.0%
Bakery & Pastry	+25.4%	+0.3%
Biscuits & Snack Bars	+21.8%	+0.4%
Ice Cream	+17.0%	+1.0%

Near-term pricing

Cocoa content smaller in segments beyond chocolate confectionery

BC has balanced exposure to other segments where price increases likely to be lower

Barry Callebaut outlook

The World's Best Chocolate Solutions



We are the trusted and reliable partner for customers during these unprecedented times

BC has the right assets to take 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

Especially in the current environment

Global scale

- Leading access to beans, with sustainable sourcing
- Broad & deep exposure to origin countries

Innovation and reformulation

- Optimize customers' value proposition via innovation
- Use reformulation capabilities to safeguard margins/ volumes

Financial stability

- Robust balance sheet with additional financing secured

BC Next Level will enhance and unlock the full potential

Reiterate FY23/24 guidance in the context of unprecedented volatility

Reiterate FY 23/24 outlook

- Flat volume growth
- Flat EBIT growth on recurring basis in constant currency
 - excludes one-time *BC Next Level* costs
 - includes modest *BC Next Level* benefits

Unprecedented volatility and market dynamics

- Bean supply uncertainty
- Cocoa price volatility
- Customer environment

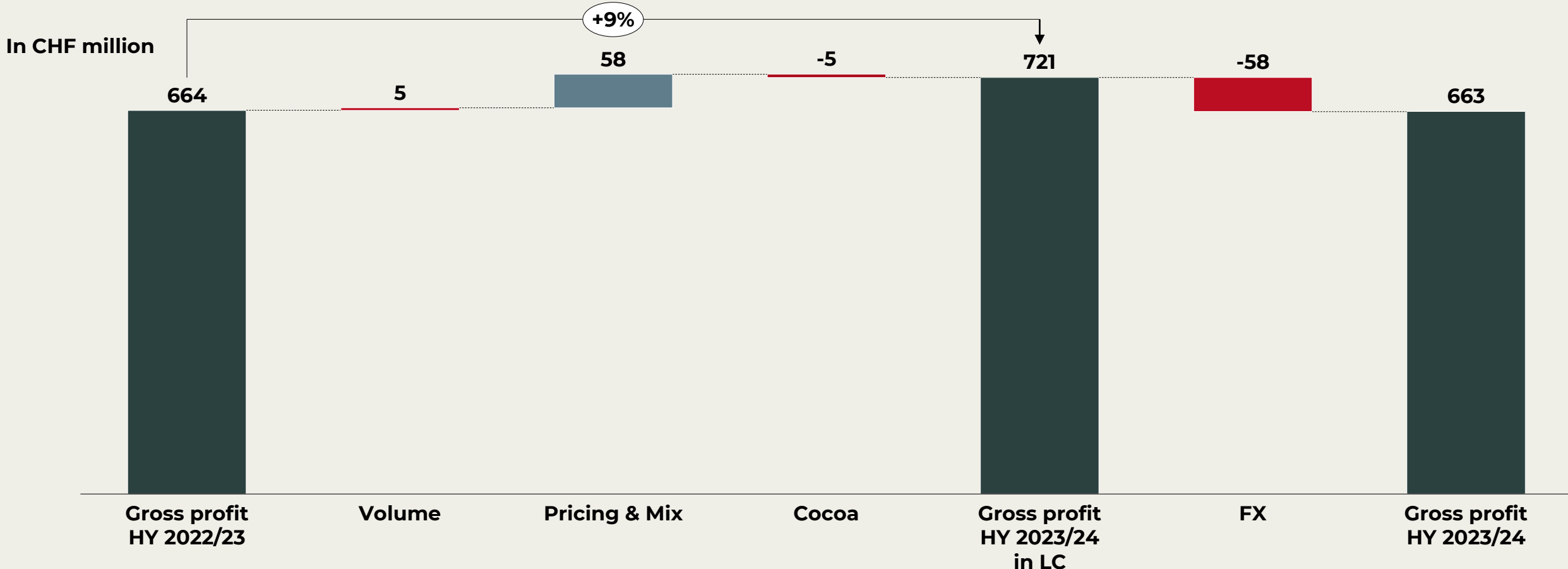
Concluding remarks

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Appendix

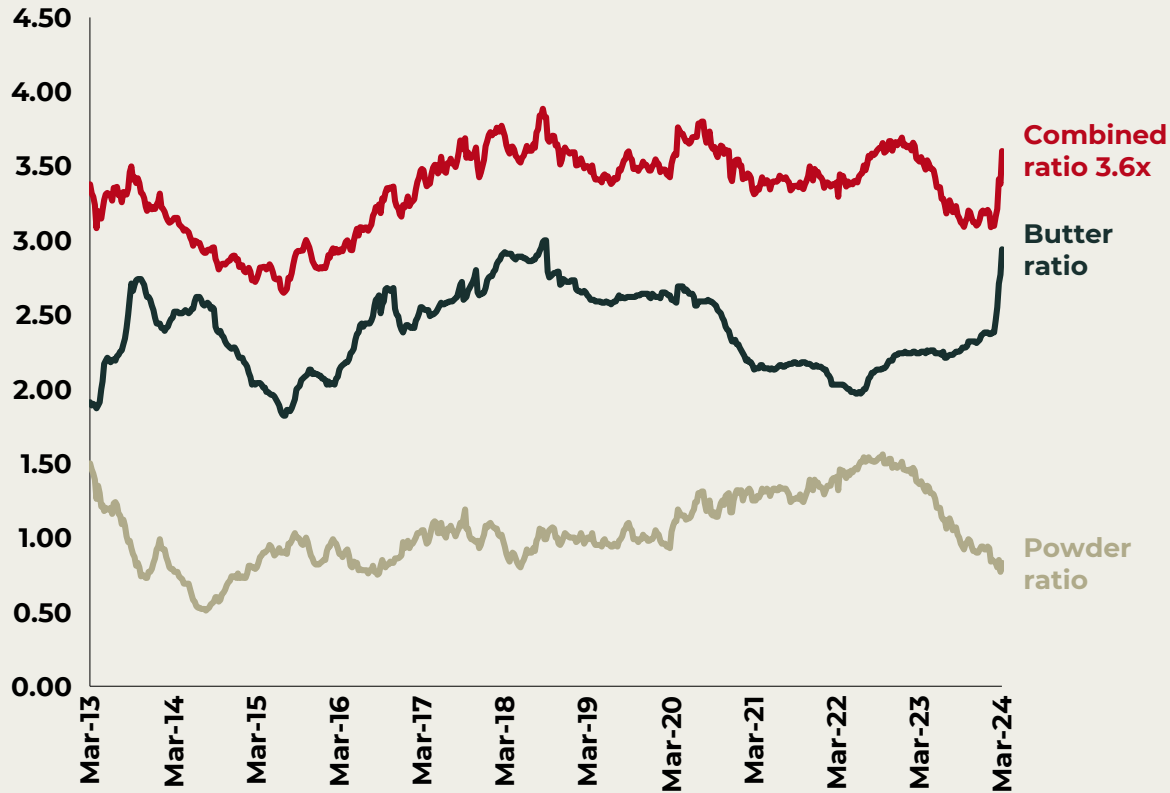


Gross profit increase driven by cost-plus pricing

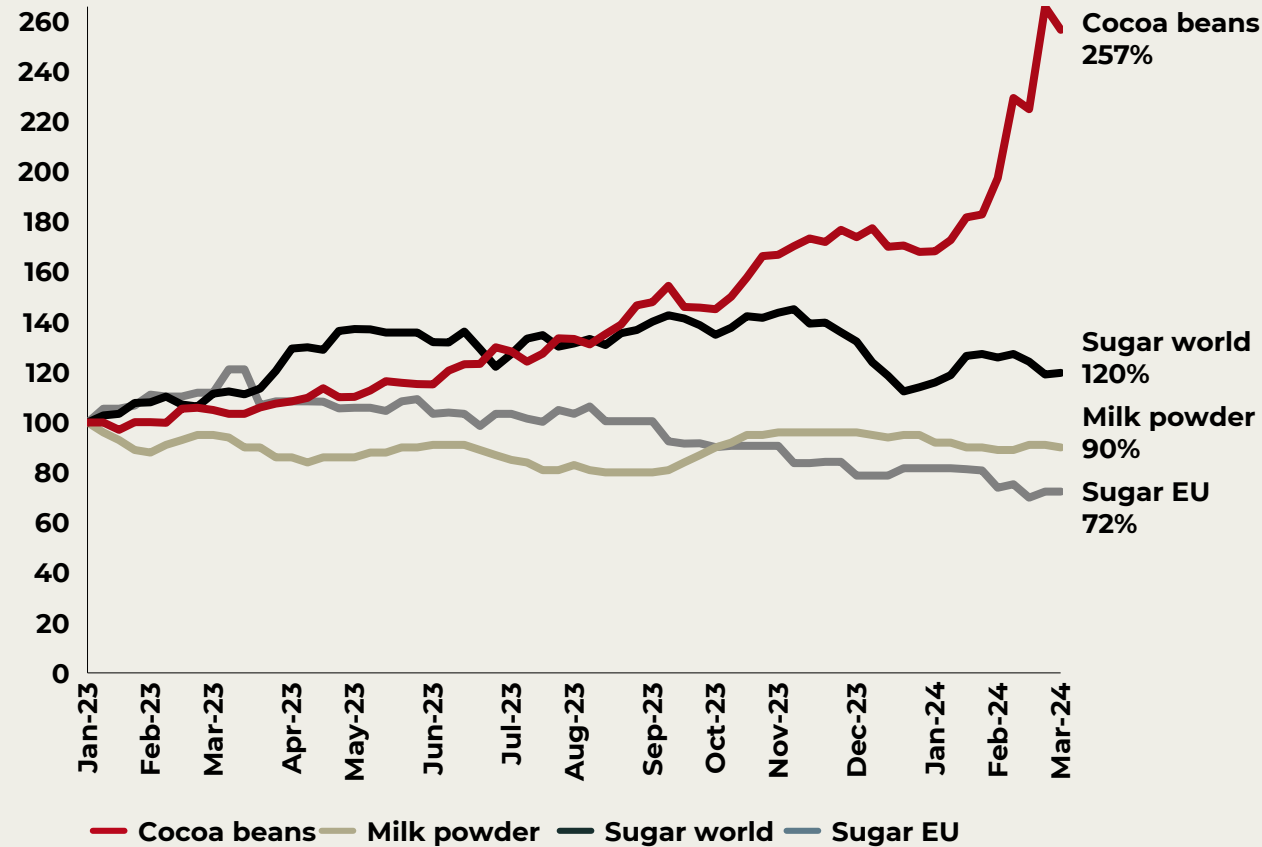


Cocoa combined ratio and raw material price development

European Combined Ratio – 6-month forward ratio

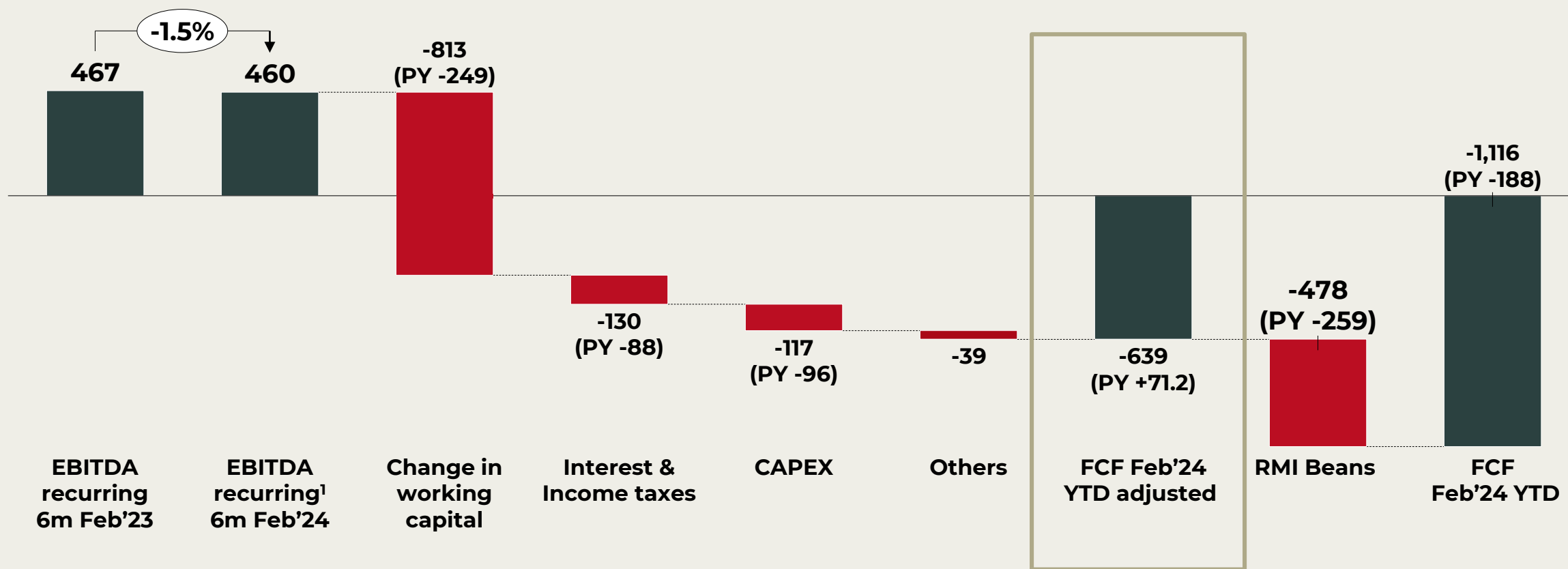


Indexed Raw material price changes Jan 2023 to Feb 29th 2024



Bean price increase impacted free cash flow

In CHF million



Balance sheet

(in CHF million)	Feb'24	Aug'23	Feb'23
Net working capital	2,776	1,466	1,699
Non-current assets	2,937	2,911	2,972
Total assets	13,326	8,433	8,185
Net debt	2,637	1,309	1,582
Adj. Net debt ¹	246	41	368
Shareholders' equity	2,898	2,896	2,896
ROIC reported	7.9%	13.1%	10.8%
ROIC recurring ²	10.8%	13.1%	12.7%
ROE reported	9.9%	15.3%	13.2%
ROE recurring ²	14.7%	15.3%	16.1%
Net debt / Equity ratio	91.0%	45.2%	54.6%
Adj. Net debt ¹ / Equity ratio	8.5%	1.4%	12.7%
Net debt / EBITDA	2.9x	1.4x	2.0x
Adj. Net debt ¹ / EBITDA	0.4x	0.2x	0.6x



**World's Best
Chocolate Solutions**