

CREDIT OPINION

16 April 2025

Update



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RATINGS

Barry Callebaut AG

| | |
|------------------|-----------------------------|
| Domicile | Switzerland |
| Long Term Rating | Baa3 |
| Type | LT Issuer Rating - Dom Curr |
| Outlook | Negative |

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Paolo Leschiutta +39.02.9148.1140
Senior Vice President
paolo.leschiutta@moodys.com

Nour Ghachem +39.291.481.980
Ratings Associate
nour.ghachem@moodys.com

Simone Zampa +39.02.9148.1989
Associate Managing Director
simone.zampa@moodys.com

» Contacts continued on last page

Barry Callebaut AG

Update following outlook change to negative

Summary

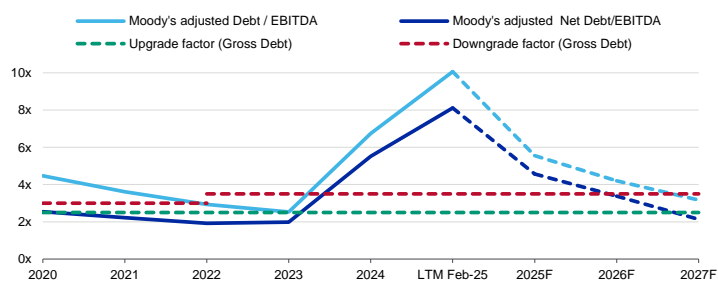
[Barry Callebaut AG's](#) Baa3 rating, with a negative outlook, reflects our expectations for prolonged deterioration in the company's cash generation and the fact that any recovery in credit metrics over the next 12 to 18 months will be challenged by the significant working capital requirements, a degree of volume pressure and a delay in seeing the full benefits of cost savings under the company's BC Next Level cost savings programme.

The rating also reflects our assumptions that the current very weak credit metrics will be temporary and that the company will maintain adequate liquidity to finance its working capital needs. Assuming softening in cocoa bean prices over the coming months, the working capital requirements should unwind releasing some cash. In addition, the company's cost-plus business model should allow it to protect its operating profit, while the currently high cocoa beans price inflation is also resulting in higher evaluation of the large amount of inventories held by the company which are largely traded on commodities exchanges and could be easily sold in case of need.

Although we are currently assuming a reduction in bean prices from the 2024 peaks and we positively note the recent softening in prices, visibility into cocoa bean price trends remains modest and further spike in prices might result in sustained weakness in credit metrics, which could strain the company's rating.

Exhibit 1

Barry Callebaut's gross leverage to exceed the maximum level for the rating over the next 12-18 months but to improve thereafter Moody's-adjusted Debt/EBITDA



All data based on adjusted financial data which follow our Financial Statement Adjustments in the Analysis of Non-Financial Corporations methodology.

LTM = Last 12 months.

Moody's forecasts are Moody's opinion and do not represent the views of the issuer.

Fiscal 2024 ratios were negatively impacted by the cost of the company's Next Level programme. Excluding these, the gross leverage would have been 5.1x. Forecasted ratios exclude the cost of the programme which we expect in any case to reduce significantly in 2025.

Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Credit strengths

- » Leading market position in both chocolate and cocoa products
- » Steady long-term growth of chocolate consumption
- » Hedging strategy and cost-plus business model, which support a degree of profitability predictability
- » Prudent financial policy and high value of inventories, a portion of which (readily marketable inventories [RMI] as defined by the company) could be monetised in case of need
- » The company's BC Next Level programme, which is likely to support top-line growth and improvement in margins beyond fiscal 2025

Credit challenges

- » Working capital swings, resulting from raw material price fluctuations, leading to temporary weakness in credit metrics
- » Still-soft macroeconomic conditions and a contraction in consumer spending, which, together with high prices, might result in volume pressure
- » Exposure to cocoa supply disruption risks, which are inherent to the industry
- » Initial investments in the company's BC Next Level programme and gradual build-up of cost savings add additional strain on credit metrics and cash generation

Rating outlook

The negative outlook reflects our expectations for prolonged deterioration in the company's cash generation, which will make any recovery in credit metrics over the next 12 to 18 months more challenging than anticipated. A number of factors, including some volume pressure, a delay in seeing the full benefits of cost savings under the company's BC Next Level cost savings programme, together with lower than we previously anticipated cash generation, will leave the company more vulnerable to further volatility in cocoa bean prices. While the company's profitability and liquidity remain adequate, failure to show improvement in credit metrics could result in a rating downgrade. We expect the company to maintain good liquidity at all times.

Factors that could lead to an upgrade

Upward rating pressure is currently limited in light of the negative outlook and because we expect credit metrics to remain weak over the next 12 to 18 months. Positive pressure on the rating could materialise if Barry Callebaut improves its operating performance and financial profile, such that its gross debt/EBITDA declines towards 2.5x and its retained cash flow (RCF)/net debt increases above 25% (both on a sustained and Moody's-adjusted basis), accompanied with continued good liquidity management.

Factors that could lead to a downgrade

Negative pressure on the rating could arise if the company's free cash-flow generation (excluding working capital swings) does not improve or Moody's adjusted EBITDA does not grow towards CHF1,000 million (if bean prices remain elevated and excluding BC Next Level implementation costs) or its adjusted leverage remains well above 3.5x beyond fiscal 2026, or its adjusted RCF/net debt drops below 20% on a sustained basis in a scenario of cocoa prices gradually coming down from the current level. Although the rating continues to tolerate temporary leverage deviations from our expectations for the Baa3 rating because of periods of very high cocoa beans prices, deterioration in the company's profitability or a decline in the company's liquidity could lead to downward pressure on the rating.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

Barry Callebaut AG

| (in CHF millions) | 2020 | 2021 | 2022 | 2023 | 2024 | LTM Feb-25 | 2025F | 2026F | 2027F |
|---------------------------|-------|-------|-------|-------|--------|------------|--------|--------|--------|
| Revenue | 6,893 | 7,208 | 8,092 | 8,471 | 10,386 | 13,030 | 13,710 | 14,258 | 14,829 |
| EBITDA Margin % | 10.4% | 11.0% | 10.7% | 10.7% | 7.7% | 6.3% | 9.4% | 9.6% | 9.4% |
| Debt / EBITDA | 4.5x | 3.6x | 2.9x | 2.5x | 6.7x | 10.1x | 5.6x | 4.2x | 3.2x |
| Net Debt/EBITDA | 2.5x | 2.2x | 1.9x | 2.0x | 5.5x | 8.1x | 4.6x | 3.4x | 2.1x |
| CFO / Debt | 20.0% | 20.6% | 19.9% | 14.1% | -40.1% | -37.9% | -13.1% | 29.3% | 45.5% |
| EBITA / Interest Expense | 5.2x | 6.2x | 6.0x | 5.5x | 2.6x | 1.6x | 3.2x | 3.3x | 4.4x |
| EBITDA / Interest Expense | 6.9x | 8.1x | 7.8x | 7.2x | 3.6x | 2.3x | 4.3x | 4.5x | 5.9x |
| FCF / Debt | 5.6% | 5.3% | 1.3% | -5.1% | -49.2% | -43.9% | -22.5% | 19.8% | 35.3% |
| RCF / Net Debt | 22.8% | 30.5% | 23.8% | 28.0% | 7.7% | 1.7% | 7.9% | 16.9% | 30.3% |

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Fiscal 2024 ratios were negatively impacted by the cost of the company's Next Level programme. Excluding these, the gross leverage would have been 5.1x in 2024 and 8.6x in LTM Feb-25.

Forecasted ratios exclude the cost of the programme which we expect in any case to reduce significantly in 2025.

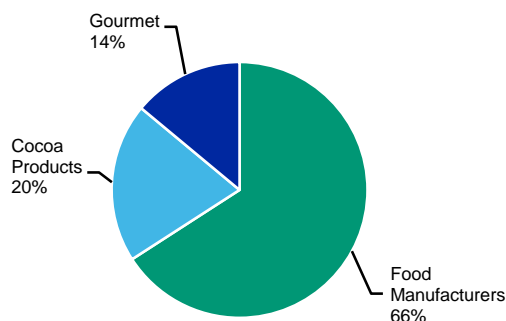
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Profile

Headquartered in Zurich, Switzerland, Barry Callebaut AG is the world's leading supplier of premium cocoa and chocolate products by sales volume, according to the company, servicing customers across the global food industry. Barry Callebaut is fully integrated, from the sourcing of raw materials to the production of cocoa products and finished chocolate products. The company operates under three business units: Food Manufacturers, Cocoa Products, and Gourmet.

Exhibit 3

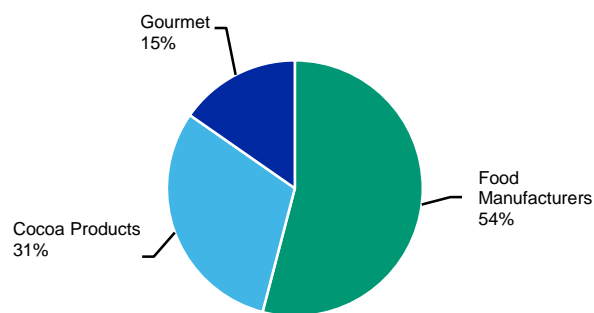
Food Manufacturers accounts for 66% of sales volume... Volume breakdown by business segment (LTM Feb-25)



Source: Company filings

Exhibit 4

... but generates 54% of Barry Callebaut's revenue Revenue breakdown by business segment (LTM Feb-25)



Source: Company filings

Barry Callebaut reported annual sales of CHF10.4 billion and EBITDA of CHF950.5 million in fiscal 2024 from recurring operations (and excluding BC Next Level implementation costs). As of 31 August 2024, the company sold products in 147 countries, operated 62 production facilities and employed more than 13,000 people. Barry Callebaut is 30.1% owned by Jacobs Holding AG. Renata Jacobs owns another 5.1% and the rest is free float.

Detailed credit considerations

Credit metrics to remain weak, exceeding the maximum level for the rating; improvements expected by fiscal 2026 assuming softening in cocoa bean prices over the coming months

The sudden and unprecedented increase in cocoa bean prices since early 2024 and in light of its relatively long working capital cycle is resulting in significant working capital requirements for Barry Callebaut as the company has relatively long working capital cycle. The company needs to prefinance the purchase of beans well ahead of delivering and selling them to customers and hedge that exposure, which requires margin calls when the bean price rises. This process requires substantial investment in working capital, particularly at times of price inflation, which the company is financing through additional debt, causing a significant strain on credit metrics.

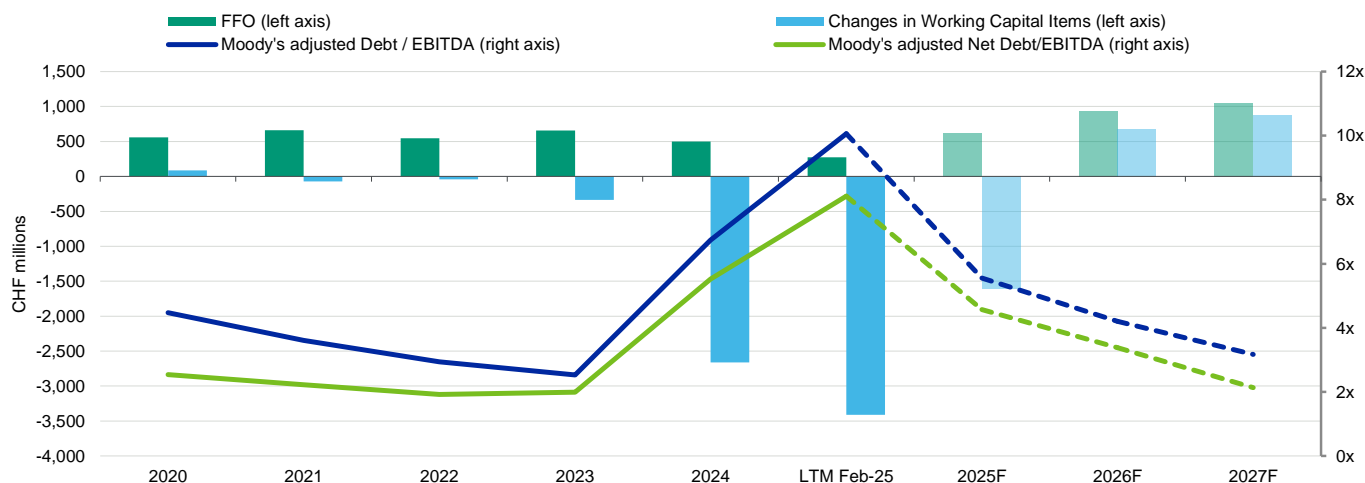
The deterioration experienced in the first half of the company's fiscal year, together with expectations for a delay in seeing the full benefit of the company's cost savings programme and the delay in fully recovering the higher costs of beans purchases, will result in prolonged weaknesses in credit metrics leaving no room for further deterioration.

Assuming a normalisation of bean prices over the coming months, the spike in working capital needs is likely to reduce in light of Barry Callebaut's cost-plus model and hedging policy. However, given the time it takes the company to transform inventory purchases into actual sales to customers, the company's credit metrics will remain weak for the current rating category over the next 12-18 months. Visibility into future prices evolution remains modest as cocoa bean prices are likely to remain volatile and outside of the company's control. Along with possible movements pushed by speculative positions, price evolution depends on a number of factors including, among others, unfavourable weather conditions, long-term sustainability considerations of cocoa plantations or political events in the sourcing countries.

During the first half of fiscal year ending in August 2025, Barry Callebaut's working capital increased by a further CHF2.1 billion. This was on top of a CHF2.6 billion during fiscal 2024. Although we assume working capital dynamics to improve, with a reversal over the next 12 to 18 months, the additional debt required to finance the needs up to February 2025 is resulting in weaker credit metrics for longer than we previously expected. As a result, Barry Callebaut's financial leverage, measured as Moody's-adjusted debt/EBITDA, as of February 2025 exceeded 8.0x, which is very high for its Baa3 rating. This excludes one-off costs related to its cost savings programme, and we recognize that the ratio was inflated by higher than usual cash balances as of February 2025. Although we anticipate improvement in credit metrics over the next 12 to 18 months, it will take time before the company's leverage will move back towards the levels under which the company has historically operated of around 3.5x.

Visibility on future bean prices remains modest as factors out of the company's control, such as unpredictable weather, sustainability issues related to cocoa plantations, and political events in the source countries can cause price volatility. These factors can be exacerbated by speculative price movements. Higher geopolitical tensions, together with potential weakening of consumer sentiment, create additional uncertainty about the company's ability to improve its credit metrics. However, if bean prices soften over the coming months, the working capital should unwind, releasing some cash, which should support debt reduction. FCF is likely to be highly negative in fiscal 2025 (see Exhibit 5).

Exhibit 5

FCF to be significantly negative in 2025

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FFO represents cash flow from operations before working capital and capital spending. Adjusted working capital for 2024: -2,663; for LTM Feb-2025: -3,411; for 2025F: -1,616. Fiscal 2024 leverage ratios were negatively impacted by the cost of the company's Next Level programme. Excluding these, the gross leverage would have been 5.1x in 2024 and 8.6x in LTM Feb-25. Forecasted ratios exclude the cost of the programme which we expect in any case to reduce significantly in 2025.

Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Positively, we note that cocoa bean prices have slightly reduced since their peak in 2024 and there are early indications of oversupply in the market, which should support lower prices, mitigating future working capital needs. In addition, despite the fact that the company's profitability was negatively impacted by a number of one-off factors in the first half, its recurring EBIT and recurring EBIT per ton grew marginally, which gives us some comfort on the company's ability to manage the bean price volatility. As of February 2025, the company reported almost CHF3.2 billion worth of cocoa bean inventory, above the CHF2.7 billion reported as of August 2024.

Leading market position as a chocolate and cocoa manufacturer; current spike in bean prices could benefit market leader

Barry Callebaut is a fully integrated business, sourcing cocoa beans directly from farmers and co-operatives, converting them into cocoa products (liquor, butter and powder), and manufacturing chocolate, chocolate fillings, compounds, decorations and inclusions. In a highly concentrated market, the company is the market leader in both industrial chocolate and cocoa grinding capacity, ahead of the significantly more diversified [Cargill, Incorporated](#) (A2 stable) and Olam International Limited. Barry Callebaut's market share is more than double that of Cargill although Cargill is much larger because it is diversified in other commodities.

We expect the company to benefit in the current environment as smaller companies might not afford the same flexibility to finance the spike in bean prices, which could result in Barry Callebaut gaining some market shares. Large customers will appreciate the quality of the company as a reliable supplier of bean at time of high inflation.

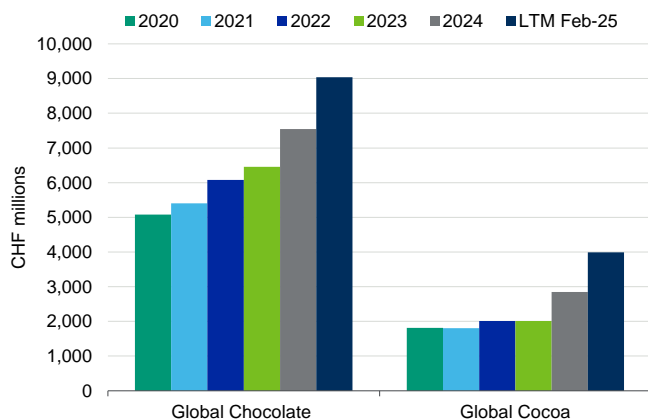
Chocolate industry fundamentals remain positive, although the current high prices might soften consumption over the next 12-24 months

In normal circumstances, we would expect the chocolate industry volume to grow at low-single-digit percentages on an ongoing basis. Chocolate consumption tends to be stable as consumers indulge in the product and are less sensitive to price increases. However, the current very high prices, which the company is passing on to customers, might result in softer volumes over the next six to 12 months, particularly in the current macroeconomic environment as consumers confidence remains low. In this context, the company has revised downward its expectations and it now expects mid-single digit decline in volumes during fiscal 2025.

Exhibit 6

Revenue grew in both segments albeit supported by the higher prices

Revenue from external customers (LTM Feb-25)

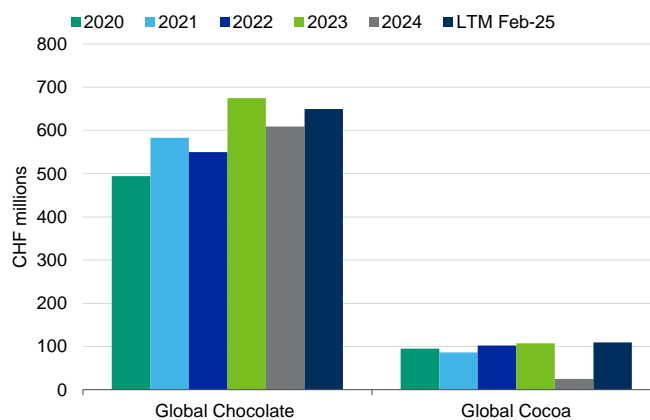


Source: Company filings

Exhibit 7

More importantly profitability has so far remained broadly stable

Company-reported operating profit (LTM Feb-25)



Source: Company filings

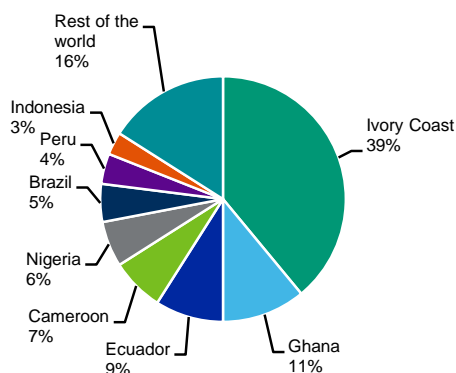
Cost-plus model smooths commodity price volatility; high supply disruption risks are inherent to the chocolate industry

Barry Callebaut's cost-plus business model, which covers around two-thirds of its sales volume, enables the company to pass on raw material price increases to its clients and, therefore, limits its exposure to raw material cost volatility. The company hedges cocoa bean price risks when it starts purchasing beans. The selling price established for the client on the delivery date is based on the forward price on the contract date, thereby reducing the risks associated with cocoa bean price volatility on operating profit. The cost plus business model should cover also the incremental financing cost related to the additional debt required to finance the working capital. We note however, that due to the extremely high bean prices volatility in recent months the company has been slow in passing all cost to customers in a rapid manner which is negative. The current rating assumes that the company will be able to recover these in the coming months.

The industry is exposed to significant raw material concentration because West Africa is the main cocoa growing area, accounting for more than 70% of the world's supply (see Exhibit 4). On top of plant diseases and unfavourable climate, which affect crop yield, political uncertainty in the main sourcing countries or speculative position by hedge funds investors can also result in bean price volatility (see Exhibit 5). The spike in bean prices experienced in 2024, however, was unprecedented and it is difficult to justify. Positively we note that the cocoa crop outlook for the season 2024/2025 suggests a slight surplus which should have a softening effect on prices. Although cocoa bean prices are likely to stay higher than historic levels for longer, we are currently assuming a softening compared to the 2024 levels.

Exhibit 8

Ivory Coast and Ghana produce 39% of the world's cocoa bean production
Market share by country for global production of cocoa beans (2024)



Source: International Cocoa Organisation

Exhibit 9

Cocoa prices have increased significantly well above historical highs
Price for Ivory Coast cocoa beans on the Intercontinental Exchange market



Source: Factset

BC Next Level programme to support top-line growth and margin enhancement albeit full benefits will be more evident only from 2026 onwards

In September 2023, the company launched a sizeable investment programme, Barry Callebaut Next Level (*BC Next Level*), aimed at exploiting the full growth potential of the chocolate market and at optimising and upgrading manufacturing and removing some inefficiencies. The company intends to invest up to CHF500 million over three years, part of which will be covered out of capital benefits and part already invested in fiscal 2024, with the aim of extracting CHF250 million of recurring cost savings. Key investments are aimed at getting closer to customers to better understand key needs and trends, fostering product innovation, improving digitalisation of internal processes and reducing production complexity including rationalisation of SKUs and optimisation and upgrading manufacturing processes.

Although the programme will be funded with existing sources and should result eventually in better profitability for the company, the current market conditions will result in a postponement on the full benefits expected out of the programme. We understand the company is on time on the programme but bean price volatility is resulting in higher costs, diluting the effect of the programme. We warn in any case that visibility remains modest and that as we were anticipating, the fact that most of the costs will be front loaded with cost savings expected to become more consistent from fiscal 2026 onward and the competitive nature of the chocolate industry might reduce the full benefits as the company might not be able to retain all the savings without giving back some of these to its customers.

We view the company's target as ambitious, however we recognise that the growth potential of the industry, together with greater focus on efficiency should support better profitability and cash generation. As a result, after an initial phase of modest deterioration in credit metrics during fiscal 2024, because of the implementation of the cost efficiency programme, we expect improvements in Barry Callebaut's profitability to partially compensate for any structural increase in working capital because of cocoa bean prices staying higher for longer.

ESG considerations

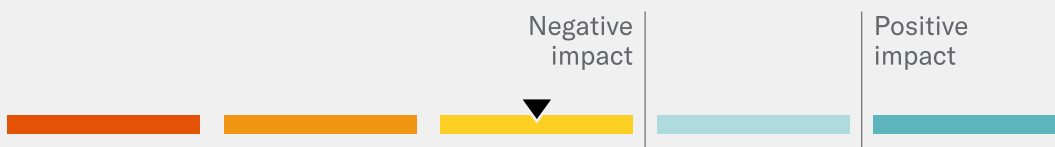
Barry Callebaut AG's ESG credit impact score is CIS-3

Exhibit 10

ESG credit impact score

CIS-3

Score



ESG considerations have a limited impact on the current rating, with potential for greater negative impact over time.

Source: Moody's Ratings

Barry Callebaut's ESG Credit Impact Score of **CIS-3** reflects our assessment that ESG attributes have a limited impact on the current rating, with greater potential for future negative impact over time. The key environmental and social risks derive from the concentrated nature of its business with high reliance on natural capital, exposure to responsible production and customer relations. Governance risks are low, balancing the prudent financial policy with a degree of ownership concentration. Good governance practices, particularly with respect to environmental and social responsibilities, also support management of some of the environmental and social risks.

Exhibit 11

ESG issuer profile scores



Source: Moody's Ratings

Environmental

Barry Callebaut environmental risks exposure of **E-4**, in line with other agricultural & protein producers reflects the high exposure to physical climate risks and reliance on natural capital, and the risks around the environmentally sustainable procurement of key raw materials and, specifically, cocoa beans which are largely produced in one specific area of Africa (Ivory Coast and Ghana produce more than half of global production). These risks are partially mitigated by the company's efforts to improve yields and support local farmer communities. Water availability is also very important for cocoa plantation and processing, although to a lower extent than for other agricultural companies, as almost all cocoa production relies on rain water. Positively, part of the company's debt was issued to finance sustainability projects. The activities are included in Barry Callebaut's Forever Chocolate programme, which includes to be forest positive by 2025, to have 100% certified or verified cocoa and ingredients by 2030, to decarbonize its footprint and be a net zero company by 2050.

Social

Barry Callebaut has a social risks of **S-4**, in line with other agricultural & protein producers. Main risks relate to responsible production reflecting the sourcing of cocoa from West Africa and other emerging markets where agricultural standards remain challenging and could result in consumer boycotts. The company is investing to secure appropriate sourcing of cocoa and to support farmers, lifting them out of poverty and focusing on procuring cocoa from sustainable sources, completed 100% of the traceability of its cocoa from the two largest sourcing countries, Ivory Coast and Ghana in 2019 and is working to extend traceability across geographies and to other

ingredients. In addition, the company is targeting to cover all its entire supply chain by Human Rights Due Diligence, remediating all child labour cases by 2025. Risks related to demographic and societal trends consider both the indulgence aspects of chocolate, that should support good growth rates, but also the increasing focus for a number of consumers on sustainability of raw material sources and a healthy diet with less sugar content. The human capital and customer relation scores, in line with those of the industry, reflect a degree of labour intensity and the need to adjust product offering to shifts in consumer trends.

Governance

Barry Callebaut's governance risks of **G-2** reflect the company's prudent financial policy as a supporting factor for its current rating. The company has a targeted minimum tangible net worth value (equity less intangible assets) of CHF750 million, which is also in line with bank covenants. However, there is a degree of concentrated ownership: the company has a reference shareholder, Jacobs Holding, which is related to the founding family and holds a stake of around 30.1% of the capital. A further 5% is owned by Renata Jacobs. Although the Jacobs Holding's stake has been reduced over the last few years, the group still has a significant weight on Barry Callebaut's strategic decisions, including its dividend policy. The score of 2 also recognizes all of the company's efforts and success in managing its environmental and social risks.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

Despite the significant working capital requirements, resulting in substantial negative FCF in fiscal 2024 and first half of fiscal 2025, the company's liquidity remains adequate. This is supported by around CHF1.7 billion of cash available on balance sheet as of the end of February 2025, full availability under its €1.3 billion revolving credit facility maturing in October 2028 and a new €620 million facility maturing in October 2026, on top of a total of CHF 7.3 billion worth of inventories, CHF3.1 billion of which in cocoa beans, as of February 2025.

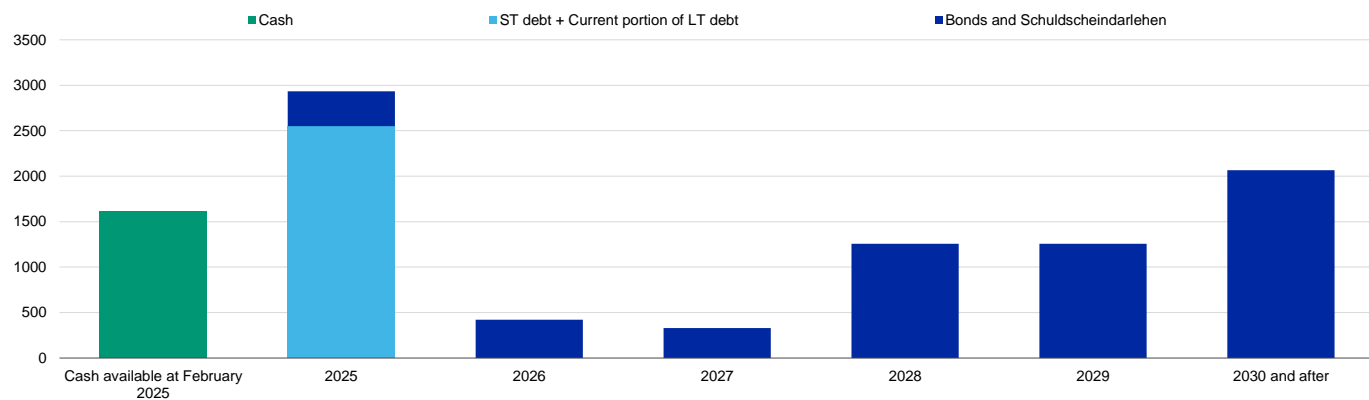
Cash generation this year will be affected by the significant working capital outflows; however, assuming improvement in cocoa bean prices over the coming months, we expect the working capital movements to unwind and free up cash over the next 12 to 18 months. Although cash generation is skewed towards the second half of the year due to the seasonality of cocoa bean harvest, Barry Callebaut generation has been weak recently, even before taking into consideration the impact of working capital, which we view as a worrying indicator of weak profitability. The company proactively addressed its liquidity needs by issuing new debt in recent months, in both the Swiss market and euro bond market. At the beginning of the year it issued CHF 160 million bond maturing in January 2033, a CHF 140 million bond maturing in January 2035, and two euro notes for €900 million due in February 2028, and €850 million maturing in August 2031.

However, the company needs to maintain plenty of liquidity resources in light of the volatility of cocoa bean prices and normally relies on short-term debt, including its €900 million commercial paper (CP) programme to finance seasonal purchase of inventories. Short-term debt was quite substantial at CHF2.55 billion as of February 2025, which was higher than usual, including CHF806 million of CP usage, which was however covered by the availability of its RCF and including a CHF563 million of current portion of long term debt. Along with seasonal patterns, Barry Callebaut's liquidity requirements could vary from quarter to quarter and are difficult to predict because of volatility in cocoa bean prices. A significant and sharp increase in cocoa bean prices could result in unfavourable, although temporary, swings in working capital.

Exhibit 12

Short-term debt is covered by the current cash and availability under the company's RCFs

Debt maturity profile (As of February 2025)



Sources: Factset and Company information

Methodology and scorecard

Exhibit 13 shows Barry Callebaut's scorecard-indicated outcome using our Protein and Agriculture rating methodology. The scorecard-indicated outcome based on last actual data and based on a forward-looking basis is below the current rating, mainly reflecting the weak credit metrics over the next 12-18 months. We would expect a recovery thereafter with ratios more in line with the rating by fiscal 2026. In addition, the rating is also supported by the company's significant amount of inventories, which is not captured by the scorecard. We also note that the historic ratio does not exclude the non-recurring costs associated with the company's Next level programme.

Exhibit 13

Rating factors

Barry Callebaut AG

| Protein and Agriculture Industry Scorecard | | | Current LTM Feb-25 | | Moody's 12-18 month forward view As of April 2025 | |
|---|--|--|-----------------------|-------|--|-------|
| Factor 1 : Scale (10%) | | | Measure | Score | Measure | Score |
| a) Revenue (\$ billion) | | | 14.7 | Baa | \$15.6 - \$16.2 | A |
| Factor 2 : Business Profile (25%) | | | | | | |
| a) Geographic Diversification | | | Baa | Baa | Baa | Baa |
| b) Segment Diversification | | | B | B | B | B |
| c) Market Position | | | A | A | A | A |
| d) Product Portfolio | | | Baa | Baa | Baa | Baa |
| Factor 3 : Profitability and Efficiency (10%) | | | | | | |
| a) Earnings Stability | | | Baa | Baa | Baa | Baa |
| Factor 4 : Leverage & Coverage (40%) | | | | | | |
| a) Debt / EBITDA | | | 10.1x | Ca | 4.2x - 5.6x | B |
| b) EBITDA / Interest Expense | | | 2.3x | B | 4.3x - 4.5x | Ba |
| c) RCF / Net Debt | | | 1.7% | Caa | 7.8% - 16.9% | B |
| Factor 5 : Financial Policy (15%) | | | | | | |
| a) Financial Policy | | | Baa | Baa | Baa | Baa |
| Rating: | | | | | | |
| a) Scorecard-Indicated Outcome | | | | Ba3 | | Ba1 |
| b) Actual Rating Assigned | | | | | | Baa3 |

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Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Ratings

Exhibit 14

| Category | Moody's Rating |
|--------------------------------------|----------------|
| BARRY CALLEBAUT AG | |
| Outlook | Negative |
| Issuer Rating -Dom Curr | Baa3 |
| BARRY CALLEBAUT SERVICES N.V. | |
| Outlook | Negative |
| Bkd Senior Unsecured -Dom Curr | Baa3 |

Source: Moody's Ratings

Appendix

Exhibit 15

Peer comparison

Barry Callebaut AG

| | Barry Callebaut AG Baa3 Negative | | | Kerry Group Plc Baa1 Stable | | | Suedzucker AG Baa2 Negative | | | Raizen S.A. Baa3 Stable | | |
|--------------------------|-------------------------------------|--------|--------|--------------------------------|--------|--------|--------------------------------|--------|--------|----------------------------|--------|--------|
| | FY | FY | LTM | FY | FY | FY | FY | FY | LTM | FY | FY | LTM |
| (in \$ millions) | Aug-23 | Aug-24 | Feb-25 | Dec-22 | Dec-23 | Dec-24 | Feb-23 | Feb-24 | Nov-24 | May-23 | May-24 | Dec-24 |
| Revenue | 9,178 | 11,716 | 14,699 | 9,245 | 7,543 | 7,497 | 9,918 | 11,145 | 10,831 | 47,782 | 44,684 | 46,822 |
| EBITDA | 980 | 903 | 933 | 1,289 | 1,200 | 1,308 | 1,142 | 1,391 | 661 | 3,393 | 3,757 | 3,249 |
| Total Debt | 2,588 | 6,359 | 9,225 | 3,451 | 2,859 | 3,679 | 3,038 | 3,253 | 3,023 | 7,942 | 9,422 | 10,484 |
| Cash & Cash Equivalents | 553 | 1,153 | 1,787 | 1,035 | 1,042 | 1,667 | 425 | 440 | 383 | 1,722 | 2,961 | 1,613 |
| EBITDA Margin | 10.7% | 7.7% | 6.3% | 13.9% | 15.9% | 17.4% | 11.5% | 12.5% | 6.1% | 7.1% | 8.4% | 6.9% |
| EBITA / Interest Expense | 5.5x | 2.6x | 1.6x | 13.2x | 11.8x | 10.8x | 10.4x | 7.1x | 2.1x | 2.2x | 1.7x | 1.2x |
| CFO / Net Debt | 18.0% | -49.0% | -47.0% | 32.4% | 63.8% | 51.3% | 9.7% | 40.4% | 38.0% | 36.3% | 56.1% | 21.9% |
| Debt / EBITDA | 2.5x | 6.7x | 10.1x | 2.6x | 2.3x | 2.9x | 2.6x | 2.3x | 4.7x | 2.3x | 2.5x | 3.7x |

All data based on adjusted financial data which follow our Financial Statement Adjustments in the Analysis of Non-Financial Corporations methodology.

LTM = Last 12 months.

Fiscal 2024 leverage ratios were negatively impacted by the cost of the company's Next Level programme. Excluding these, the gross leverage would have been 5.1x in 2024 and 8.6x in LTM Feb-25.

Source: Moody's Financial Metrics™

Exhibit 16

Moody's-adjusted debt reconciliation

Barry Callebaut AG

| (in CHF millions) | 2020 | 2021 | 2022 | 2023 | 2024 | LTM Feb-25 |
|-----------------------|---------|---------|---------|---------|---------|------------|
| As reported debt | 2,758.2 | 2,378.6 | 2,079.1 | 1,797.0 | 4,796.4 | 7,724.0 |
| Pensions | 137.5 | 122.7 | 73.6 | 74.2 | 68.0 | 68.0 |
| Securitization | 323.8 | 360.5 | 387.6 | 414.9 | 531.2 | 531.2 |
| Moody's-adjusted debt | 3,219.5 | 2,861.8 | 2,540.3 | 2,286.1 | 5,395.6 | 8,323.2 |

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.

LTM = Last 12 months.

Source: Moody's Financial Metrics™

Exhibit 17

Moody's-adjusted EBITDA reconciliation

Barry Callebaut AG

| (in CHF millions) | 2020 | 2021 | 2022 | 2023 | 2024 | LTM Feb-25 |
|-------------------------|-------|-------|-------|-------|-------|------------|
| As reported EBITDA | 712.9 | 792.9 | 777.2 | 900.8 | 798.5 | 825.4 |
| Pensions | (2.7) | 0.0 | 0.0 | 3.2 | (3.8) | (3.8) |
| Unusual Items | 9.4 | 0.0 | 87.6 | 0.0 | 5.7 | 5.7 |
| Moody's-adjusted EBITDA | 719.7 | 793.0 | 864.8 | 904.0 | 800.4 | 827.3 |

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.

LTM = Last 12 months.

Source: Moody's Financial Metrics™

Exhibit 18

Overview on selected historical and forecast Moody's-adjusted financial data

Barry Callebaut AG

| (in CHF millions) | 2020 | 2021 | 2022 | 2023 | 2024 | LTM Feb-25 | 2025F | 2026F | 2027F |
|---|-------|-------|-------|-------|---------|------------|---------|--------|--------|
| INCOME STATEMENT | | | | | | | | | |
| Revenue | 6,893 | 7,208 | 8,092 | 8,471 | 10,386 | 13,030 | 13,710 | 14,258 | 14,829 |
| EBITDA | 720 | 793 | 865 | 904 | 800 | 827 | 1,288 | 1,363 | 1,387 |
| EBIT | 499 | 562 | 629 | 662 | 554 | 589 | 877 | 935 | 942 |
| Interest Expense | 104 | 98 | 111 | 126 | 223 | 353 | 296 | 305 | 233 |
| BALANCE SHEET | | | | | | | | | |
| Cash & Cash Equivalents | 1,392 | 1,097 | 880 | 488 | 978 | 1,612 | 1,268 | 1,120 | 1,438 |
| Total Debt | 3,220 | 2,862 | 2,540 | 2,286 | 5,396 | 8,323 | 7,152 | 5,725 | 4,395 |
| Net Debt | 1,827 | 1,764 | 1,660 | 1,798 | 4,417 | 6,711 | 5,884 | 4,605 | 2,957 |
| CASH FLOW | | | | | | | | | |
| Capital Expenditures | (319) | (315) | (320) | (285) | (331) | (340) | (517) | (387) | (287) |
| Retained Cash Flow (RCF) | 416 | 539 | 394 | 504 | 341 | 115 | 463 | 778 | 897 |
| RCF / Debt | 12.9% | 18.8% | 15.5% | 22.0% | 6.3% | 1.4% | 6.5% | 13.6% | 20.4% |
| Free Cash Flow (FCF) | 181 | 152 | 33 | (116) | (2,654) | (3,654) | (1,612) | 1,133 | 1,552 |
| FCF / Debt | 5.6% | 5.3% | 1.3% | -5.1% | -49.2% | -43.9% | -22.5% | 19.8% | 35.3% |
| PROFITABILITY | | | | | | | | | |
| % Change in Sales (YoY) | -5.7% | 4.6% | 12.3% | 4.7% | 22.6% | 45.9% | 32.0% | 4.0% | 4.0% |
| EBIT Margin | 7.2% | 7.8% | 7.8% | 7.8% | 5.3% | 4.5% | 6.4% | 6.6% | 6.4% |
| EBITDA Margin | 10.4% | 11.0% | 10.7% | 10.7% | 7.7% | 6.3% | 9.4% | 9.6% | 9.4% |
| INTEREST COVERAGE | | | | | | | | | |
| (FFO + Interest Expense) / Interest Expense | 6.4x | 7.7x | 6.0x | 6.2x | 3.2x | 1.8x | 3.1x | 4.1x | 5.5x |
| EBIT / Interest Expense | 4.8x | 5.8x | 5.7x | 5.2x | 2.5x | 1.7x | 3.0x | 3.1x | 4.0x |
| EBITDA / Interest Expense | 6.9x | 8.1x | 7.8x | 7.2x | 3.6x | 2.3x | 4.3x | 4.5x | 5.9x |
| LEVERAGE | | | | | | | | | |
| Debt / EBITDA | 4.5x | 3.6x | 2.9x | 2.5x | 6.7x | 10.1x | 5.6x | 4.2x | 3.2x |
| Net Debt / EBITDA | 2.5x | 2.2x | 1.9x | 2.0x | 5.5x | 8.1x | 4.6x | 3.4x | 2.1x |

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.

Moody's forecasts are Moody's opinion and do not represent the views of the issuer.

LTM = Last 12 months. Fiscal 2024 ratios were negatively impacted by the cost of the company's Next Level programme. Excluding these, the gross leverage would have been 5.1x in 2024 and 8.6x in LTM Feb-25. Forecasted ratios exclude the cost of the programme which we expect in any case to reduce significantly in 2025.

Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

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Contacts

Paolo Leschiutta +39.02.9148.1140
Senior Vice President
paolo.leschiutta@moodys.com

Nour Ghachem +39.291.481.980
Ratings Associate
nour.ghachem@moodys.com

Simone Zampa +39.02.9148.1989
*Associate Managing
Director*
simone.zampa@moodys.com