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Barry Callebaut

Focus for Growth Action Plan

2nd June 2026

Barry Callebaut

Hein Schumacher, Chief Executive Officer

Peter Vanneste, Chief Financial Officer

Focus for Growth Action Plan**Hein Schumacher, Chief Executive Officer**

Hello, everyone. Today we are launching our Focus for Growth Action Plan, designed to build on our strong foundations and further strengthen our end-to-end leadership in cocoa and chocolate solutions.

At the core of the plan is a clear focus on fundamentals, strengthening customer service and sharpening execution, supported by targeted investments. At the same time, we are deliberately stepping up focus on premium across our portfolio. And we are evolving to be a solutions partner, scaling select specialities in the most attractive market segments. And taken together, this will position us to deliver sustained mid-term financial performance with above-market volume growth, enhanced profitability, a solid free cash flow and ultimately attractive returns for our shareholders.

Now, let me start with our ambition for Focus for Growth. Today, we are the undisputed global leader in cocoa and chocolate. A trusted partner for our customers with leading R&D and sustainability capabilities and a unique end-to-end integration. And our ambition is to build further on this strong business model by making two clear and deliberate shifts.

First, we are accelerating our evolution towards a more solutions-driven business. And this means scaling targeted speciality applications with relevance in attractive and faster growing segments. I'll talk more about that later. But where we can differentiate and create value for our customers.

Second, we are protecting and strengthening our core volume base while shifting more decisively towards premium segments across the portfolio and accelerating the growth of our gourmet business. Execution of our ambition will be driven by a strong customer-centric culture, obviously the best talent in the industry, and greater empowerment of our regional teams.

So, Focus for Growth has key design principles at its core. And first of all, it's about focusing our resources behind fewer initiatives than we had in the past. Second, we need to take a market-back approach, starting with the consumer trends and of course evolving customer needs, and then defining where and how we can best capture those opportunities in attractive market segments. And this is a shift from a more internally oriented transformation culture. To succeed, this requires a stronger regional focus. We are further empowering our regions to adapt our go-to-market approach locally, ensuring that we are closer to our customers and more responsive to market dynamics.

And importantly and proudly, Focus for Growth was co-created by our people in Barry Callebaut. Through our Growth Accelerator initiative, we brought together a diverse group of leaders and experts from across the organisation. So, these choices are validated by our teams, creating a strong ownership, and of course supporting execution down the road.

I will come back to the details later, but let me first give you an overview of the Focus for Growth plan. We will build much better execution by building on our fundamentals and accelerating a set of key enablers across the business. At the same time, we are focusing our efforts on five selected growth priorities, where we see the highest value creation potential. And this disciplined approach allows us to concentrate our resources where they matter most, and ultimately deliver attractive financial performance and of course returns for our shareholders.

Structurally Attractive Category & Uniquely Positioned to Win

Before going into the details of the plan, as I mentioned, we are taking a market-back approach, starting from consumer trends and customer demand. And when we did that, we did ask ourselves whether we have a right to win in the first place. And yes, we are convinced that we are uniquely positioned to win in this industry. And let me summarise why.

Well, first, our truly integrated business model allows us to collaborate closely with customers from bean to bar, and is supported by our global footprint, serving over 140 countries with more than 60 production sites.

Second, we combine our scale with deep customer connectivity. We have strong relationships across the full spectrum of customers, from large global players to smaller artisans. And we work closely with them through joint business planning, innovation partnerships and integrated route-to-market models. Our chef ecosystem is also a unique advantage, with 22 chocolate academies worldwide, a global network of chefs and more than 125 years of chocolate expertise.

And third, we bring together a powerful and a differentiated portfolio and innovation ecosystem. We offer a broad and flexible range of solutions, supported by deep product and formulation expertise. This is complemented by collaborations with universities and startups.

So, taken together, these capabilities, provided we leverage them fully, are difficult to replicate and give us a clear and differentiated right to win.

Now, let's turn to market trends. The cocoa and chocolate category remains structurally attractive, supported by strong long-term growth trends. First, chocolate continues to be the number one preferred taste globally, by actually a significant margin. This drives growth not only in core chocolate confectionery, but increasingly in adjacent categories, such as ice cream, bakery and energy bars, where chocolate is being used in a growing number of applications. For example, around a quarter of new ice cream launches in recent years featured chocolate flavours.

Second, we are seeing a clear divergence in the market. On the one hand, affordability and value are becoming more important, and that drives demand for compounds and filling solutions. On

the other hand, we see continued premiumization, with consumers trading up to more indulgent, higher quality products.

And finally, health and wellness trends continue to shape the category. Consumers are increasingly focused on areas such as reduced sugar, higher protein and overall nutritional balance. And new consumption patterns are emerging, for example linked to increasing GLP-1 penetration. And in our view, these trends create growth opportunities across the value spectrum, which our Focus for Growth strategy is designed to capture.

And one of the key implications of chocolate being the number one preferred flavour is the increasing opportunity in those adjacent categories. As chocolate is used in more and more applications, growth is accelerating beyond traditional chocolate confectionery, with categories such as energy bars, as I said, pastries and bakery, and ice cream growing significantly faster. And in many cases, actually close to twice as fast. And we are well positioned to capture this trend. Our strong innovation and technical capabilities allow us to develop tailored formulations that meet the specific requirements of different applications.

Let me bring this to life with one specific example, the ice cream segment. Ice cream is an attractive category, supported by strong tailwinds from premiumization, as consumers trade up to more indulgent and differentiated formats. And for us, this segment is particularly attractive. The majority of chocolate used in ice cream is outsourced, which means our customers rely on partners like us for more differentiated solutions. And importantly, this is an area where we already see strong traction. Today, we serve all of the top 10 global ice cream players, and we are deeply embedded in their innovation pipelines. And our ability to win here is driven by a combination of capabilities. Obviously, we bring deep technical expertise from developing chocolate that performs at frozen temperatures. But now, with Focus for Growth, we are a true one-stop shop with a broader portfolio, from coatings and fillings to inclusions and specialities. And together, a holistic solution for ice cream manufacturers. So, ice cream is a very clear example on how we pivot to a market-back solutions approach, where we can differentiate and where we can create higher value.

And many of these adjacent applications require compound or cacao coating expertise. And this is a category that is also benefiting from the clear trend for affordable and value solutions. It has grown a lot over the last few years. And today, we are already the market leader in cocoa coatings, and we are accelerating our efforts to win here going forward in existing markets and scaling in high-growth emerging markets.

Beyond cost leadership, which is important, what is critical is developing unmatched taste, texture and consistency through innovation and technical capabilities. And a great example is our recent launch of Cacao Max, which delivers a premium coating experience through carefully selected cocoa powders, a unique dairy ingredient, and refined processing to ensure that smooth and consistent texture.

We are also enhancing the flexibility of our manufacturing footprint to ensure that we can adapt quickly to evolving customer demands. So, for example, through recent capital injections today around 35% of our production lines in North America can produce both chocolate and cocoa coatings with targeted growth investments planned under Focus for Growth to further enhance that flexibility, which I think will be increasingly important.

A next key trend is the accelerated growth of premium and super-premium segments. This is driving a need for faster innovation cycles as our customers look to respond more quickly to emerging consumer trends. For instance, through social media, such as the recent Dubai chocolate phenomenon, but there are more good examples. We are well positioned to support our customers in this fast-evolving environment. Through our strong R&D capabilities and co-creation approach, we help them to develop differentiated, higher-value products and bring them to the market faster.

A good example here is our Callebaut Signature Collection, a super-premium gourmet offering with a patented low-roast process that retains that unique flavour notes. And Focus for Growth is designed to step up our exposure to these higher-value segments in three key areas. One, accelerating our gourmet business. Two, scaling select margin-accretive speciality solutions, which I talked about. And three, expanding our premium cocoa powder offering.

A further important trend shaping our category is, of course, the increasing uptake of GLP-1 medications. And data indicates that this may lead to a modest reduction in overall chocolate consumption, given reduced snacking moments. However, this is offset by the value opportunities created as consumers shift to more premium indulgence. In fact, studies show that more than 72% of GLP-1 users prefer to indulge in chocolate rather than avoid it. And this creates an opportunity to support our customers as consumption patterns evolve, leveraging, once again, our R&D and application expertise to develop products that align with these trends, such as higher protein, reduced sugar, or higher cocoa intensity. And at the same time, our strategy to scale specialities supports the sensory premiumization trend, and our presence across multiple applications allows us to benefit from the growing use of chocolate in categories such as energy and protein bars.

A good example of how we are innovating in the health and wellness space is our Vitalcoa offering, where we have developed a proprietary process that preserves up to 80% of cocoa's natural flavanols. And this enables us to extend the potential health benefits of cocoa beyond dark chocolate into milk chocolate and powder applications, and provide our customers with solutions that combine taste and wellness.

So, what does all of this mean for the market growth outlook? Historically, chocolate has proven to be a very attractive and resilient category, with around 2.5% annual volume growth over the long term. More recently, the category has absorbed significant pricing, with around 50% increases over the past five years, driven by inflation and cocoa market volatility. And despite that, volumes have remained fairly robust.

Now looking ahead, current market estimates suggest that chocolate confectionery will grow at around 1 to 2% annually. At Barry Callebaut, we see our addressable market, however, growing faster than the underlying category, when you also factor in our exposure to faster-growing adjacencies and channels. We aim to further outperform the category as we are stepping up execution, sharpening our focus and shifting towards higher-value, solution-driven segments.

Building on the trends and opportunities, let me now turn to our priorities under Focus for Growth. But let's first hear from our team what Focus for Growth actually means for them.

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[VIDEO TRANSCRIPT]

Christian Koenig, Chief of Staff and Head of Group Strategy

You know, when my son asks me, what I always tell him is that I work in a chocolate factory, because that's easy to explain. But I think the reality is a bit more complex. When you wake up and you look at BC, you can really be proud of the company and the people. Yeah, we are by far the largest chocolate and cocoa company in the world.

Alain Freymond, President, Global Cocoa

We have a big presence in origin countries with many people we employ there. That has a lot of benefits. And on the one hand side, we're very close to where the beans grow, so we have direct access to beans, which is in times of scarcity, and more important than ever that we can guarantee supply. And it gives us a lot of information to make better commercial decisions. And it also allows us to design sustainability programmes with our customers and being able to implement them ourselves on the ground.

Vamsi Mohan Thati, President, Asia Pacific, Middle East, and Africa

BC has two main strengths. First, expertise and scale in sourcing good raw materials for making great chocolate, and then putting those ingredients together to create a wide range of high-quality chocolate solutions for our customers.

Natasha Chen, President, North America

Focus for Growth, it's been so exciting to be a part of it. It needed people who were encouraged, who wanted to speak up, who were concerned, who were interested and wanted to plan for the future.

Roman Mueggler, President, Latin America

It's clear that what we did the last two years was setting standards for processes, for governance, what good looks like and best-in-class topics, which clearly have to come from global. But then I think the application has to go regional.

Christian Koenig, Chief of Staff and Head of Group Strategy

They put forward way more ideas of where we could grow than we can realistically handle. I mean, it could have been the other way around, but there's just so much opportunity to grow.

Ahmet Turgut, President, Central & Eastern Europe

There is a mindset shift here to get back to the attack mode with all the functions.

Colleen Ness, VP & Managing Director, FM, Sales, and Specialties, US

A couple of examples of what we can scale in the North American food manufacturing business are taking our bakery leadership and really elevating it, leveraging our really strong portfolio, our technical expertise and ability to service and grow those businesses, as well as looking at innovative new brands. We need speed to market and innovation and quick turnaround and service.

Dries Roekaerts, President, Customer Experience

A great capability we have is our gourmet business with the global brands behind, and that's a part of our business we'll strategically amplify and accelerate across the globe.

Jan Van Dyck, VP, Corporate Accounts

In the global accounts, we have defined who we want to win with and we really want to win big by empowering our global account leads.

Alvaro Alonso, President, Western Europe

The gourmet business is not only more profitable than the rest of the company, but it is also the business that gives us direct connection with the final user of our product, with the chefs, and eventually even with the consumers.

Son Do Phan, VP, Customer Experience CoE, Regional & National CPG, Retail, & Chains

Our specialities portfolio ties our customers to us as they buy chocolate, they buy specialities and vice versa.

Justyna Kierska, VP, Global GBS

We need much better service for our customers, and I think when we were working, it was coming from every single team.

Jan Van Dyck, VP, Corporate Accounts

If you don't have flawless execution, you can never get the trust from the customer, so service is really key.

Victoria Gazzo, Chief People & Culture Officer

As we define the next steps of our organisation and where Barry Callebaut needs to go, that we do it together, and that we make sure that we take the voices of our people, our employees, our leaders, our stakeholders, into creating a plan and a successful plan that will help us win our customers, and win in the market and be successful as an organisation.

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Focus for Growth: Growth Priorities

Hein Schumacher, Chief Executive Officer

Before going into the plan, first a reminder of our business model. Focus for Growth is not about changing our business model. It is about making sharper choices on where to play and how to win.

Our fully integrated cocoa and chocolate business remains our key competitive advantage. Our cocoa sourcing and trading capabilities underpin everything we do in chocolate. They ensure supply security, support sustainability commitments, and provide unique agility and expertise. On the chocolate side, our business is built around two complementary customer segments. First, Food Manufacturers and Global Accounts, where we drive scale, consistent volume and profitability. Second, Gourmet customers, where we serve smaller customers with value-added offerings, driving higher profitability for the company. And across both segments, we provide a full portfolio of core chocolate, cocoa coatings and fillings. And we complement this with specialities and solutions, where we increasingly deliver greater differentiation for our customers and drive margin accretion for the group. Our model is now very clear. We drive volume through the core and create value through targeted, higher margin solutions.

And under Focus for Growth, we are prioritising our resources behind five key growth areas, where we see the strongest potential for value creation. And these are deliberate choices informed by market trends, customer demand, and validated through our regional teams. And before going into each in detail, let me briefly outline the rationale behind them.

First, Global Accounts. We see sustained growth opportunities with large customers as their requirements become more complex, driven by premiumization and value optimization at the same time. And our solution capabilities and our global scale are a clear advantage here.

Second, regional Food Manufacturers. This remains the foundation of our business, providing both scale and stability. And we see opportunity to restore our positioning in more mature markets whilst capturing higher value growth in select emerging markets.

Third, Gourmet. This segment continues to grow strongly with increasing demand for localised, customer-centric solutions, which will be a key driver of both growth and profitability for the group.

Fourth, Specialities. We see strong structural demand driven by premiumisation and health-related trends. And this is one of our most attractive segments, combining growth, differentiation and margin accretion.

And finally, cocoa powder. Here, we are building on the underlying premiumisation trend in food, focusing on more differentiated, higher-value powder offerings.

Across all five priorities, a common theme is clear. We are focusing where we already see traction, where we can differentiate, and where we can create the most value.

As part of Focus for Growth, we have identified 10 priority markets which represent more than two-thirds of group volume and profitability. And taking a regional and market-led approach is critical because food is a highly local business, shaped by different consumer tastes, preferences, and consumption patterns. So, to win, we need to align our go-to-market approach and our capital allocation to these local dynamics.

And these 10 markets are the result of a thorough assessment. We evaluated market size, expected growth, our current market position, and the underlying profitability in each region. And as a result, these are the markets where we see the strongest opportunity to grow, to win and to create value. And importantly, this does not mean that other markets are not important, but these 10 will receive clear priority in terms of investment, resources and focus going forward.

Now diving into the five growth priorities, starting with Global Accounts. We have identified seven key global accounts where we will deploy focused group-wide resources to deepen the existing relationships, improve execution and capture growth opportunities. And importantly, this does not mean that we step away from other customers, but these accounts require a higher level of coordination and strategic engagement across the group.

Our priority here is to restore and strengthen our fundamentals. And this starts with service excellence, supported by targeted investments and new ways of working. For example, we are strengthening end-to-end accountability and global relationship management with more direct CEO oversight. At the same time, we are further positioning ourselves as a strategic sustainability partner, deepening sourcing partnerships and leveraging our future farming initiative to create shared benefits across the value chain. And increasingly, we are focusing on co-created innovation, leveraging, once again, our application-specific R&D and technology capabilities. And we will work more closely with customers to develop differentiated solutions and expand cross-selling opportunities where we can add the most value.

Overall, this is about focus and execution, concentrating on the customers where we already have strong relationships, where we see clear demand, and where we can win through differentiation.

But before we move on, let me briefly address our outsourcing strategy. And in the near term, we have seen some volume shift in-house by certain large customers. And this reflects both broader industry overcapacity as well as some of the execution challenges that we as a group have faced.

Our Focus for Growth plan is designed to address this directly. We are restoring fundamentals, particularly in service and reliability, while at the same time focusing more deliberately on higher value opportunities where we can truly differentiate through specialities and solutions. And we expect in-sourcing, therefore, to bottom out by the end of 2027. And as such, we remain confident in the longer-term structural trend for outsourcing as customer requirements become more complex. In parallel, we see a significant opportunity with regional Food Manufacturers, which I will come to next. And these customers typically have limited in-house production capabilities and are looking for partners who can support them end-to-end.

So, with that said, diving now into regional Food Manufacturers. We are concentrating our efforts on 10 priority markets where we see the strongest opportunities both in mature and in select large emerging markets. In mature markets, our focus is on regaining momentum by strengthening service levels and restoring our competitive positioning. At the same time, in select emerging markets, we see clear opportunities to build shares supported by attractive market dynamics. What is critical here is our shift to a truly market-backed approach, tailoring our strategies locally based on the most attractive adjacent segments that we talked about before. And specific customer demand in each region. So, for example, the bakery segment in North America or further expansion in private label in Europe.

Now, to win, we are backing this with concrete execution levers. We are making targeted capacity investments, particularly in areas such as cocoa coatings, to ensure that we can capture growth where the demand is the strongest. And we provide solutions through scaling up few but relevant Specialities. Overall, this is about combining scale with local relevance, empowering our regions to execute while focusing our resources where we can create the most value.

Turning to Gourmet, one of our most important growth and value drivers. Under Focus for Growth, we are doubling down on this segment, systematically focusing on the most attractive markets and customer opportunities. In our core geographies, we see clear potential to deepen our presence by increasing penetration in chains and private label, and also here accelerating cross-selling of specialities across our portfolio. At the same time, in emerging markets, the priority is to extend our reach, scaling up distribution, expanding our cacao coatings offering and leveraging our cocoa powder portfolio.

To unlock this opportunity, execution is absolutely key. And first, to do that, we are strengthening our brand and portfolio architecture, creating clearer differentiation between mainstream and premium offerings, and making our value proposition more compelling for our customers. Second, we are restoring availability with a clear ambition to ensure that our core products are consistently available, supported by a never out of stock approach on those key SKUs. And third, we are enhancing our go-to-market model, bringing us closer to our customers through more localised, digitally enabled engagement. And this includes expanding our e-commerce capabilities, partnering more closely with distributors and leveraging our chocolate academies to strengthen the relationships with the end users.

Let me now turn to Specialities. I talked about it already a few times. And this is about making clear choices. We are not trying to scale all Specialities, but concentrating only on the most attractive. Now, why? Well, Specialities offer clear differentiation, and we have a strong right to win. Second, they support our customers with holistic solution offerings and enable cross-selling. Third, we already see commercial traction in our regions. And then finally, they are actually financially attractive.

Now, let me make this more specific by highlighting the high value applications we are focusing on. This includes filled and baked inclusions, for example, in ice cream, where we already have a strong presence and see continued growth. We also see attractive opportunities in chocolate decorations, particularly used in bakery applications as well as in fillings and coatings including solutions with reduced sugar or specific origin profiles. Importantly, we are being highly selective to focus on Specialities that drive growth in the chosen market segments. The specific Specialities we prioritise differ by region, therefore reflecting local demand and commercial traction.

And for those selected areas, execution is critical. We are bringing these Specialities closer to our core through a better integration into our systems and processes with clearer branding and with dedicated commercial category and R&D focus. As a consequence, we are reviewing the longer tails of Specialities that we have to ensure that we focus only on those that can be scaled and create real value for the group.

And I used ice cream as an example earlier and I want to use it once again to clearly articulate the Specialities strategy in action. So, by focusing on a select number of high value Specialities shown on this chart, like decorations and baked inclusions, we are strengthening our positioning as a true indulgent solutions provider, where we can cross-sell more effectively and create greater value for our customers. So, what differentiates us is the combination of our chocolate expertise with a portfolio of technically complex bespoke solutions designed to meet evolving consumer demands around indulgence, texture, taste and premiumization.

Let me now turn to our final growth priority, cocoa powder. Here we are focusing very deliberately on differentiated premium cocoa powders where we see strong demand and where we have a clear right to win. These are technically complex products, you know, including black, high fat, low fat, organic and high flavanol powders where consistency, functionality and quality critical for our customers. And importantly, this is a segment with high barriers to entry, and only a small number of players are able to deliver the required performance at scale, and we already have a strong track record and position. We are increasing capacity flexibility, ensuring we can scale production in line with customer demand and shift towards these higher value products.

Focus for Growth: Foundational Enablers for Growth

Underpinning our growth priorities are five key enablers. And these five key enablers are actually very critical to restoring our fundamentals and stepping up execution across the business. The

enablers span the entire value chain from our sourcing to manufacturing, to planning and customer processes, always with a clear customer-centric lens and enhanced by digitalisation. This is about ensuring that we operate as one integrated system with stronger end-to-end alignment and more consistent execution.

Let's talk about footprint, one of the most important enablers of our strategy. And here we are making targeted investments to support our growth priorities, and to increase the flexibility of our network to meet evolving customer demand. In developed markets, the focus is on strengthening execution, stepping up service levels and ensuring that we have the right capacity and reliability in place. And at the same time we are selectively increasing capacity in faster growing markets where we see strong demand and clear growth opportunities, initially Brazil and Indonesia.

Underpinning all of this is a disciplined approach to capital allocation. We are prioritising our investments very carefully, focusing on the opportunities with the strongest combination of growth and profitability to ensure attractive returns. A good example of this is North America, which is a key focus market for us. Here we are building a more resilient and future-ready network, upgrading infrastructure, improving reliability and strengthening business continuity. And as part of this, we are expanding our Pennsauken site in New Jersey, and we continue to ramp up and expand our Brantford facility in Canada. And together with a newly planned Midwest site in the US, this will strengthen our ability to serve customers more reliably and support future growth.

Let me now turn to planning, core customer processes and digital which are critical enablers to improve service, increase our on-time and in-full delivery, and enhance agility across the business. Starting with planning, our focus is to become more customer centric ensuring that our planning processes reflect real market demand and the voice of the customer. To support this, we are appointing dedicated supply chain business partners in those priority areas such as gourmet and specialties to improve the coordination and accelerate execution. For key products in our range, we need to build targeted safety stocks leading to slightly higher inventory requirements.

On core customer processes, our immediate priority is stabilization, particularly in Western Europe and the US, to improve order processing, reduce the complexity and respond more effectively to customer needs. This was not good and we are now stepping it up and seeing some good first results.

And finally, on digital, we see digital and data as key enablers, but we are very focused on prioritising the initiatives that directly support our growth and customer agenda. So, for example, in Gourmet, we are enhancing our e-commerce capabilities and leveraging Digital Chocolate Academies to strengthen customer engagement. We are applying AI in that recipe inspiration space, in R&D overall, very important. and in our planning processes. And across the

business we are strengthening our data integrity. Overall, these enablers are about essentially one thing, improving how we serve and inspire our customers.

Finally, collaboration across our end-to-end integrated cocoa and chocolate model. Over the last year, we have significantly stepped up our capabilities to source, process and blend beans from any type of origin while importantly maintaining consistent quality and taste. Few players in the industry can replicate this. And in parallel, we have strengthened our financial resilience, for example, by introducing more flexible inventory-backed financing solutions. And combined, these actions are increasing our resilience in a more volatile cocoa environment.

To conclude, let me emphasise that Focus for Grow this firmly built on our core foundations which remain critical to both our growth and our ability to execute.

First, everything starts with people and culture. Our competitive advantage ultimately lies in the depth of expertise, experience and commitment of our teams across the value chain who understand our customers and our operations, and we are focused on reigniting a winning customer-centric culture, amplifying behaviours that enable growth, and this will be a key area of focus towards the end of this calendar year and forward.

Second, quality and safety. These are non-negotiable. As we step up execution, we will continue to uphold the highest standards ensuring reliability for our customers and a safe environment for our people.

And third, sustainability. This remains fully embedded in our business model. We will continue to strengthen responsible sourcing, supply chain transparency and long-term partnerships with our customers, building on the progress that we have made in the last 10 years with Forever Chocolate, our programme, and scaling our future farming initiatives.

Now with that, let me hand over to Peter to explain how Focus for Growth delivers sustained financial performance and value creation.

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Focus for Growth Mid-term Financial Algorithm

Peter Vanneste, Chief Financial Officer

Thank you, Hein. Let me now explain how our Focus for Growth Action Plan translates into our mid-term financial algorithm. Our strategy to further evolve as a solutions provider in faster growing segments positions us well to deliver above market volume growth in the range of 2% to 4% per year. Importantly, given the ongoing shift towards higher value products and solutions, we expect profit growth to outpace volume with mid-to-high single-digit recurring EBIT growth in local currencies, and we also expect low-teens growth in recurring profit before tax in local currencies, benefiting from lower financing costs as we further continue our deleverage path.

This will translate into solid and consistent cash generation supporting strong free cash flow delivery of 300 to 400 million Swiss francs per year, and continued progress on our deleveraging agenda with a target of below two times.

At the same time, we will continue to invest selectively to support our growth priorities with disciplined CapEx expenditure between 300 and 350 million Swiss francs per year. And overall, this should accelerate returns with a target return on invested capital of 11 to 13%. And a stable or increasing dividend targeting a payout ratio of at least 35% of earnings per share. In all of this, we have assumed a cocoa bean price of 3,000 British pounds and stable differentials.

To summarise, our financial framework is built on three key elements: above market growth, a strong focus on value and profitability, and a disciplined capital allocation.

Let me now go into more detail on the key components. After the recent period of significant cocoa market volatility and pricing, we expect a gradual recovery in the market over the next 12 to 18 months. For fiscal 25/26, we reiterate our guidance of volume growth between -1 and -3%. Beyond that, as demand recovers, we expect a return to positive growth with volumes in the range of 1 to 3% over the following 12 to 18 months.

Looking further ahead, our mid-term ambition is to deliver 2 to 4% volume growth, and this will be driven by our five targeted growth priorities as Hein has been talking about, unlocking additional potential in our base business while accelerating growth in higher value segments. And importantly, this growth will be skewed towards more value-added areas, in particular Gourmet, Specialities and premium cocoa powders. This creates a positive mix effect and reinforces our ambition for profit growth to outpace volume growth.

As you can see, on this profit bridge, the key drivers of our mid-term profit ambition are very clear. First, volume and mix. Our growth priorities are designed to deliver both with an increasing contribution from higher value segments. Second, cost discipline. We are focused on ensuring that our cost base grows at a slower pace than volume, which will allow us to deliver operating leverage as we scale our business. And third, lower financing costs. As we continue to execute our deleveraging agenda, we expect a reduction in financing expenses which will further support profit growth particularly in the near to medium term. At the same time, we're making targeted investments to support our growth agenda, particularly in customer supply and development to strengthen customer-centricity and enable the execution of our priority areas. Putting it all together, we expect to deliver mid-to-high single-digit growth in recurring EBIT and low-teens growth recurring profit before tax in local currencies, with this profit before tax benefiting in the near term from lower financing costs.

On CapEx, as Hein mentioned earlier, we are prioritising our capital expenditures in a targeted and disciplined way, clearly aligning the investments with our growth priorities and focusing on those segments and regions with the highest return potential. So, as a result, we expect CapEx to step up compared to the historical levels over the three next years. We anticipate an expenditure

of around 350 million Swiss francs per year before then again normalising to a midterm range of 300 to 350 million. As you can see from the chart, this reflects a deliberate shift towards more growth-oriented investments while also modestly increasing maintenance CapEx to support service levels and reliability.

On cash generation and returns, the drivers are very clear. First, a continued scale and operating leverage as we grow volumes and improve mix. Second, financing costs that are lower driven by our ongoing deleveraging. And third, a continued focus on working capital discipline. We're building on the progress we've been making on this in the recent years, improving sourcing agility, blending flexibility, and the financing agility across the entire value chain. Taking it all together, this positions us very strongly and delivers a consistent free cash flow generation of around 300 to 400 million Swiss francs per year in the midterm. This in turn supports a clear deleveraging path with a target of bringing net debt below two times recurring EBITDA. At the same time, we expect this to drive a meaningful improvement in returns with return on invested capital increasing to a range of 11 to 13%. And as I mentioned all of this assumes stable cocoa bean prices.

And let me now summarise what Focus for Growth means on our capital allocation priorities. First, we will invest for growth. We're allocating capital towards our key priorities, as well as the targeted footprints investments and capabilities to support execution. Second, we will maintain a strong financial discipline. We remain committed to reducing leverage with a clear ambition to bring net debt below two times EBITDA while maintaining an investment grade rating. Third, we are committed to consistent shareholder returns. We target a stable or increasing dividend with a payout ratio of at least 35% of earnings per share, providing predictable and attractive returns to our shareholders. And finally, we will continue to actively manage our portfolio. We will take a disciplined approach, reviewing strategic fits and making adjustments where needed to strengthen our overall portfolio over time.

And on that note, I will now hand back over to Hein to conclude.

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Focus for Growth

Hein Schumacher, Chief Executive Officer

Thank you, Peter. Now, bringing this all together by focusing our resources on five selected growth areas and accelerating our key enablers, we are driving value accretive growth across the business. And as Peter has just outlined, this translates directly into sustained mid-term financial performance and attractive returns for our shareholders.

So, to conclude, let me leave you with a clear picture of what success looks like under Focus for Growth. It means unlocking market share gains by restoring our fundamentals and strengthening our execution across our core business. At the same time, accelerating premium

share of the portfolio and having a true solutions-driven model, capturing growth in higher-value, faster growing segments that matter most for us and our customers. Supported by a customer-centric winning culture, we are confident in our ability to deliver on our ambitions and to create sustainable long-term value for our customers and shareholders.

Thank you all for listening, and we look forward to taking your questions later today.

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END

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