

News Release

Ad hoc announcement pursuant to Art. 53 LR

Barry Callebaut Group – 3-Month Key Sales Figures, Fiscal Year 2023/24

Resilient volume in challenging environment; *BC Next Level* well underway

- **Sales volume up +0.4%**
- **Sales revenue of CHF 2.2 billion, up +14.1% in local currencies (+6.2% in CHF), driven by cost-plus pricing and mix**
- **Leading market position and diversified business model help to mitigate impact of record-high cocoa bean prices**
- **Significantly strengthened balance sheet and optimized liquidity position through additional financing sources, including successful launch of CHF 600 million bond**
- **Solid progress with BC Next Level investment program which positions the Group for sustainable profitable growth**
- **Confirming FY 23/24 guidance of flat volume and flat EBIT on a recurring basis**

Zurich/Switzerland, January 24, 2024 – Peter Feld, CEO of the Barry Callebaut Group, commented: "We are focused on delivering on our promise to offer the best chocolate solutions and best in-class services to our customers globally every day. This is key for our future and for our performance in the current challenging market environment. At the same time, we are investing in areas most important for our customers which will make Barry Callebaut stronger and more resilient with our strategic investment program, *BC Next Level*, which positions the Group for sustainable profitable growth and allows for a more attractive financial profile. The implementation of *BC Next Level* is well underway with our new operating model announced and new leadership team in place and the majority of the planned measures already initiated."

Group Key Sales Figures

for the 3-month period ended November 30,		Change in %		2023	2022
		in local currencies	in CHF		
Sales volume	Tonnes		0.4 %	580,876	578,694
Sales revenue	CHF m	14.1 %	6.2 %	2,241.1	2,110.3

The Barry Callebaut Group reported **sales volume** of 580,876 tonnes during the first three months of the fiscal year 2023/24 (ended on November 30, 2023). Volume was slightly up +0.4%, ahead of a challenging and overall declining chocolate confectionery market according to Nielsen (-2.7%)¹. The chocolate business grew +0.7% in the period against a low comparative in Q1 2022/23, which was still affected by limited product availability due to the Q4 2021/22 Wieze salmonella incident.

During the quarter, the global volume performance was - as expected - suppressed by the weak growth environment for Fast-Moving Consumer Goods (FMCG) companies, as global corporate account customers managed cost inflation. This was partly mitigated as Barry Callebaut was able to capture the consumer shift towards private label products through its diversified business model. In line with these trends, Food Manufacturers declined -0.8%, while Gourmet and Specialties volume grew +9.1% against the soft prior year comparator.

¹ Source: Nielsen volume growth excluding e-commerce – 26 countries, September 2023 - October/November 2023. Data subject to adjustment to match Barry Callebaut's reporting period. Nielsen data only partially reflects the out-of-home and impulse consumption.

In the regions, compared to Q1 2022/23, Western Europe volumes (WEU) grew +4.7% and in Central and Eastern Europe (CEE) increased +1.8%. In North America (NA), volume declined -4.0% and in Latin America (LATAM) volume declined -1.3%. In Region Asia Middle East and Africa (AMEA) volume declined -1.5%. Sales volume in Global Cocoa declined -1.1%.

Sales revenue amounted to CHF 2,241.1 million, an increase of +14.1% in local currencies (+6.2% in CHF), ahead of volume growth. The increase was driven by the high price increase in cocoa and the inflationary environment, which Barry Callebaut manages through its cost-plus pricing model (which adjusts for higher costs) for the majority of its business.

BC Next Level update

Barry Callebaut launched its strategic investment program, *BC Next Level*, in September 2023, with the intent to move the company closer to customers and markets and to simplify and digitalize the front and back ends of its business. This plan positions the Group for sustainable profitable growth and allows for a more attractive financial profile in the medium-term by elevating the profitability level and improving the cash flow. The implementation of the program is progressing as planned with a majority of the measures already initiated. The revised leadership structure has been implemented, transitioning from three to five chocolate regions with more than 25 country clusters. All country general managers have been appointed, solidifying Barry Callebaut's strong local leadership team. The stock-keeping unit (SKU) rationalization is well underway, a step that will enhance operational efficiency and optimize the product assortment, ultimately benefiting the customers. The Group continues to prioritize investments in quality to further strengthen customer relationships. A more detailed update on the progress of *BC Next Level* will be shared in April with the HY 2023/24 results.

Refinancing measures

With the recent weaker-than-expected cocoa bean harvest data from West Africa, the cocoa price development continues to remain uncertain. The Group foresees an industry wide impact on working capital requirements. Thanks to the strength of its balance sheet, Barry Callebaut has already addressed this development with a successful Swiss franc bond issuance of CHF 600 million to refinance the existing EUR 450 million senior bond falling due mid May 2024 and the extension of the Group's Revolving Credit Facility amount from EUR 900 million to EUR 1,312.5 million. The Group has also implemented a Syndicated Term Loan for an amount of EUR 262.5 million and a tenor of 2 years.

Guidance

Barry Callebaut continues to target FY 2023/24 guidance of flat volume and flat EBIT on a recurring basis including modest *BC Next Level* benefits.

Regional performance

As a strategic move under the *BC Next Level* operating model, Barry Callebaut has transitioned from three to five chocolate regions to enhance proximity to markets and customers. The new regions now include Western Europe, Central & Eastern Europe, North America, Latin America, and Asia Pacific Middle East & Africa.

Region Western Europe

Sales volume in Western Europe grew +4.7% to 193,715 tonnes ahead of the declining underlying regional chocolate confectionery market (-3.4%)², but against the lower prior-year comparison base due to the Wieze incident. While Food Manufacturers' volume performance was impacted by the challenging environment for FMCG customers, the region was able to capture the benefit of the consumer shift to private label products. Sales revenue amounted to CHF 738.2 million up +17.4% in local currencies (+15.5% in CHF).

Region Central and Eastern Europe

Sales volume in the region grew +1.8% to 75,071 tonnes in the first three months of fiscal year 2023/24 ahead of the chocolate confectionery market (+0.3%)². While the FMCG performance was challenged, Gourmet & Specialties saw strong demand, with volume growth from industrial and artisanal customers, particularly in Turkey. South Eastern Europe benefited from existing and new partnerships. Sales revenue in the region amounted to CHF 255.5 million, up +32.4% in local currencies (+2.5% in CHF).

Region North America

Sales volume in North America experienced a slow start with a decline of -4.0% to 140,091 tonnes in the first three months of fiscal year 2023/24, in a declining, underlying regional chocolate confectionery market (-6.6%)². Food Manufacturers in the region were impacted by weaker consumer demand impacting FMCG growth, partly offset by new business. Gourmet & Specialties saw signs of recovery, including strong growth in Mexico. Sales revenue in the region amounted to CHF 516.3 million, up +1.5% in local currencies (-5.2% in CHF).

Region Latin America

Sales volume in Region Latin America declined -1.3% to 14,820 tonnes in the first three months of fiscal year 2023/24, in a regional chocolate confectionery market up +1.1%². Mid single digit growth in Brazil was offset by weaker demand in the rest of the region. Sales revenue amounted to CHF 49.8 million, up +0.8% in local currencies (-2.7% in CHF).

Region Asia, Middle East and Africa

Sales volume in the region declined by -1.5% to 42,124 tonnes in the first three months of fiscal year 2023/24 in line with the underlying regional chocolate confectionery market (-1.6%)². FMCG customers saw headwinds as price increases impacted consumer demand. The ongoing softer macroeconomic environment in China also hindered volume growth and to a lesser extent this was also seen in Indonesia. However, this was partly offset by high single digit growth in other country clusters, with Gourmet brands driving growth in India, South East Asia and Middle East & North Africa. Sales revenue amounted to CHF 140.5 million, up +2.0% in local currencies (-6.4% in CHF).

Global Cocoa

Sales volume in Global Cocoa amounted to 115,055 tonnes, down by -1.1% in the first three months of fiscal year 2023/24. Sales revenue amounted to CHF 540.8 million, up +19.6% in local currencies (+13.6% in CHF).

² Source: Nielsen volume growth excluding e-commerce – September 2023 to October/November 2023, data subject to adjustment to match Barry Callebaut's reporting period. Nielsen data only partially reflects the out-of-home and impulse consumption.

Price developments of key raw materials

During the first three months of fiscal year 2023/24, terminal market³ prices for **cocoa** beans fluctuated between GBP 2,896 and GBP 3,572 per tonne and closed at GBP 3,558 per tonne on November 30, 2023. On average, cocoa bean prices increased by +68% versus the prior-year period. Expectations of a supply deficit on the back of a lower 2023/24 West African crop were largely confirmed by lower cocoa bean arrivals in Ivory Coast and Ghana, leading both New York and London Cocoa to continue their move higher, with Cocoa bean differential markets also increasing. Despite the continued terminal market increase, the combined ratio (calculated with Western Europe cocoa products prices) remained fairly unchanged throughout this period at around 3.15x, primarily thanks to a slight increase in Cocoa Butter ratios. This was still lower than the same period last year, when the combined ratio was at an average of 3.6x.

The world market price for **sugar** was on average +40.5% higher than in the prior-year period as the result of an emerging world balance deficit. The projected deficit was due to large revisions in crop output in El Niño-impacted regions like in India and Thailand, but the price eased after the quarter end. In Europe, sugar prices were on average -16.2% lower than in the prior-year period due to the expected gains in the 2023/24 beet sugar output, and the stronger emergence of cheaper Ukrainian sugar imports.

Dairy prices decreased on average by -26.5% compared to the first three months of the prior year but increased on average +7.7% versus the prior quarter. In a quarter during which North Hemisphere (US & Europe) milk output turned markedly negative versus 2022 levels, dairy markets around the world reacted accordingly, with dairy prices during the period rising across the board and despite concerns around weak demand.

Financial Calendar for Fiscal Year 2023/24 (September 1, 2023 to August 31, 2024):

Half-Year Results 2023/24	April 10, 2024
9-Month Key Sales Figures 2023/24	July 11, 2024
Full-Year Results 2023/24	November 6, 2024
Annual General Meeting 2023/24	December 4, 2024

About Barry Callebaut Group (www.barry-callebaut.com):

With annual sales of about CHF 8.5 billion in fiscal year 2022/23, the Zurich-based Barry Callebaut Group is the world's leading manufacturer of chocolate and cocoa products – from sourcing and processing cocoa beans to producing the finest chocolates, including chocolate fillings, decorations and compounds. The Group runs 66 production facilities worldwide and employs a diverse and dedicated global workforce of more than 13,000 people. The Barry Callebaut Group serves the entire food industry, from industrial food manufacturers to artisanal and professional users of chocolate, such as chocolatiers, pastry chefs, bakers, hotels, restaurants or caterers. The global brands catering to the specific needs of these Gourmet customers are [Callebaut®](#) and [Cacao Barry®](#), [Carma®](#) and the decorations specialist [Mona Lisa®](#). The Barry Callebaut Group is committed to make sustainable chocolate the norm to help ensure future supplies of cocoa and improve farmer livelihoods. It supports the [Cocoa Horizons Foundation](#) in its goal to shape a sustainable cocoa and chocolate future.

³ Source: London terminal market prices for 2nd position, September 2023 to October/November 2023. Terminal market prices exclude Living Income Differential (LID) and country differentials.

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Contact for the media:

Kai Hummel
Head of Global Corporate Communications
Barry Callebaut AG
Phone: +41 43 268 86 06
media@barry-callebaut.com

for investors and financial analysts:

Christian Hansen/Sarah Morgan
Investor Relations
Barry Callebaut AG
Phone: +41 43 204 04 23
investorrelations@barry-callebaut.com

Group Key Sales Figures

for the 3-month period ended November 30,		Change in %		2023	2022
		in local currencies	in CHF		
Key Figures					
Sales volume	Tonnes		0.4 %	580,876	578,694
Sales revenue	CHF m	14.1 %	6.2 %	2,241.1	2,110.3
By Region					
Region Western Europe					
Sales volume	Tonnes		4.7 %	193,715	184,951
Sales revenue	CHF m	17.4 %	15.5 %	738.2	639.2
Region Central and Eastern Europe					
Sales volume	Tonnes		1.8 %	75,071	73,720
Sales revenue	CHF m	32.4 %	2.5 %	255.5	249.2
Region North America					
Sales volume	Tonnes		(4.0)%	140,091	145,888
Sales revenue	CHF m	1.5 %	(5.2)%	516.3	544.4
Region Latin America					
Sales volume	Tonnes		(1.3)%	14,820	15,011
Sales revenue	CHF m	0.8 %	(2.7)%	49.8	51.2
Region Asia, Middle East and Africa					
Sales volume	Tonnes		(1.5)%	42,124	42,784
Sales revenue	CHF m	2.0 %	(6.4)%	140.5	150.1
Global Chocolate					
Sales volume	Tonnes		0.7 %	465,821	462,354
Sales revenue	CHF m	12.5 %	4.1 %	1,700.3	1,634.1
Global Cocoa					
Sales volume	Tonnes		(1.1)%	115,055	116,340
Sales revenue	CHF m	19.6 %	13.6 %	540.8	476.2
By Product Group					
Sales volume	Tonnes			580,876	578,694
Cocoa Products	Tonnes		(1.1)%	115,055	116,340
Food Manufacturers Products	Tonnes		(0.8)%	386,191	389,358
Gourmet & Specialties Products	Tonnes		9.1 %	79,630	72,996
Sales revenue	CHF m			2,241.1	2,110.3
Cocoa Products	CHF m	19.6 %	13.6 %	540.8	476.2
Food Manufacturers Products	CHF m	10.2 %	2.1 %	1,294.8	1,268.3
Gourmet & Specialties Products	CHF m	20.5 %	10.9 %	405.5	365.8

Appendix: Reallocation between product groups⁴

2023/24		Cocoa Products	Food Manufacturers Products	Gourmet & Specialties Products	Group
Sales volume					
3-Month	Tonnes	115,055	386,191	79,630	580,876
Half-Year	Tonnes	—	—	—	—
9-Month	Tonnes	—	—	—	—
Full-Year	Tonnes	—	—	—	—
Sales revenue					
3-Month	CHF m	540.8	1,294.8	405.5	2,241.1
Half-Year	CHF m	—	—	—	—
9-Month	CHF m	—	—	—	—
Full-Year	CHF m	—	—	—	—
2022/23		Cocoa Products	Food Manufacturers Products	Gourmet & Specialties Products	Group
Sales volume					
3-Month	Tonnes	116,340	389,358	72,996	578,694
Half-Year	Tonnes	227,771	757,356	145,615	1,130,742
9-Month	Tonnes	345,114	1,142,853	216,273	1,704,240
Full-Year	Tonnes	467,874	1,531,050	282,001	2,280,925
Sales revenue					
3-Month	CHF m	476.2	1,268.3	365.8	2,110.3
Half-Year	CHF m	947.4	2,503.8	729.5	4,180.7
9-Month	CHF m	1,424.2	3,787.7	1,080.1	6,292.0
Full-Year	CHF m	2,014.5	5,059.9	1,396.1	8,470.5

⁴ Certain Gourmet & Specialties customers have been shifted to the Food Manufacturers product group to better serve them. The minor reallocation represented less than 1% of Gourmet & Specialties volume and sales revenue in fiscal year 2022/23. The table shows quarterly adjusted numbers for 2022/23.