

Barry Callebaut acquires GKC Foods in Australia

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This strategic acquisition establishes Barry Callebaut's direct presence and manufacturing capacity in the growing Australian market. The acquisition of GKC Foods empowers the Group to expand its position in the industrial chocolate market and to leverage its value-adding Gourmet & Specialties business in Australia and New Zealand. Barry Callebaut will continue to work with local distributors across Australia and New Zealand who have been importing and distributing its industrial and Gourmet chocolate and cocoa products to the country since the 1970s.

Australia and New Zealand have an average chocolate consumption of approximately 5 kilograms per capita, the highest per-capita chocolate consumption in Asia Pacific, according to Euromonitor. In Australia, demand for chocolate has been on the rise – the chocolate confectionery market in the country grew well above the global market according to Nielsen.

GKC Foods has been manufacturing "Made in Australia" chocolate and confectionery products since the 1980s. Today, the company produces a wide range of products including organic and vegan chocolate for dedicated chocolate shops, gourmet delis, specialty food outlets, and key national retailers. The company operates a chocolate factory and a warehouse in Melbourne.

Barry Callebaut's investment involves upgrading and expanding the factory's existing infrastructure, installing a new state-of-the-art chocolate production line, and the deployment of an integrated management system to enhance automated

production. In addition, the company will employ around 50 people at the site, including GKC Foods's existing employees, who will transfer to Barry Callebaut upon completion of the transaction.

The transaction is subject to regulatory approval and other closing conditions. Expected completion is before the end of this calendar year. The parties have agreed not to disclose any financial details of the transaction.

Barry Callebaut is one of the largest chocolate and cocoa manufacturers in Asia Pacific. Employing more than 1,800 employees in the region, the company already operates 10 chocolate and cocoa factories in Asia, namely in China, Indonesia, Japan, Malaysia, and Singapore. In the last 12 months, the company has also expanded its sales operations in Indonesia and the Philippines, in addition to its existing sales offices in India, Japan, Malaysia, Singapore and Thailand. It recently announced the groundbreaking of a new chocolate factory in India which is expected to be ready in late-2020. Barry Callebaut's Asia Pacific Headquarters are in Singapore.