SWITZ: Natra deal "step forward" for Callebaut

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Barry Callebaut's decision to transfer its European consumer chocolate business to Spain's Natra has been welcomed by analysts, who argued the deal would allow the Swiss firm to focus on industrial customers.

Earlier today (3 March), Callebaut said it had agreed to hand over control of its Stollwerck business to Natra. The two sides have yet to agree on the shape of the transaction, which could take the form of a sale or a merger.

Under the initial agreement, Callebaut plans to take a minority stake in Natra. A spokesperson for Callebaut told just-food that the size of its shareholding in Natra could be between 30% and 49% depending on the final structure of the deal. "The transaction follows an industrial logic and it makes sense for all parties," the spokesperson said.

The addition of Stollwerck to Natra will create a company with annual sales of around EUR850m (US$1.07bn) on a pro forma basis. The combined businesses would have around 2% of the European cocoa and chocolate market and a pro forma output of 215,000 tonnes. Under the deal, Callebaut also plans to supply a minimum of 85,000 tonnes of liquid chocolate to Natra per year.

The Callebaut spokesperson said the deal with Natra would allow the Swiss form to retain an exposure to the consumer channel, particularly the buoyant own-label category. "In the current consumer situation, consumers are looking for value for money and they want to eat chocolate," the spokesperson said.

James Amoroso, director and consultant at Amoroso Strategic Insights, said the Natra agreement would allow Callebaut to focus on two channels in which it had a strong position - industrial and foodservice.

"Private label was not a business in which Barry had a strong position relative to its customers. In industrial and gourmet chocolate, Barry has a very strong position," Amoroso said. "It is by far the global leader in industrial chocolate and, as Lindt & Sprüngli in retail premium, it dominates the global foodservice segment."

Amoroso added: "This is major step forward for Barry Callebaut, which is now soon to become a pure-play B2B manufacturer. The market was against its move into consumer products from the outset, and especially against the acquisition of a branded product portfolio. Ever since then, this business has been a drag factor upon the share price. This chapter is now about to be closed so that the company – and the market – can focus upon its core business model."

Officials at Natra could not be reached for immediate comment. Final details of the transaction have yet to be signed, including long-term financing, and the deal still needs approval from the boards of both companies.