

Roadshow presentation – 9-Month Key Sales Figures 2017/18

July 2018



Agenda

- ▶ BC at a glance
- ▶ Highlights 9M 2017/18
- ▶ Strategy & Outlook

BC at a glance



Who are we?

The heart and engine of the chocolate industry

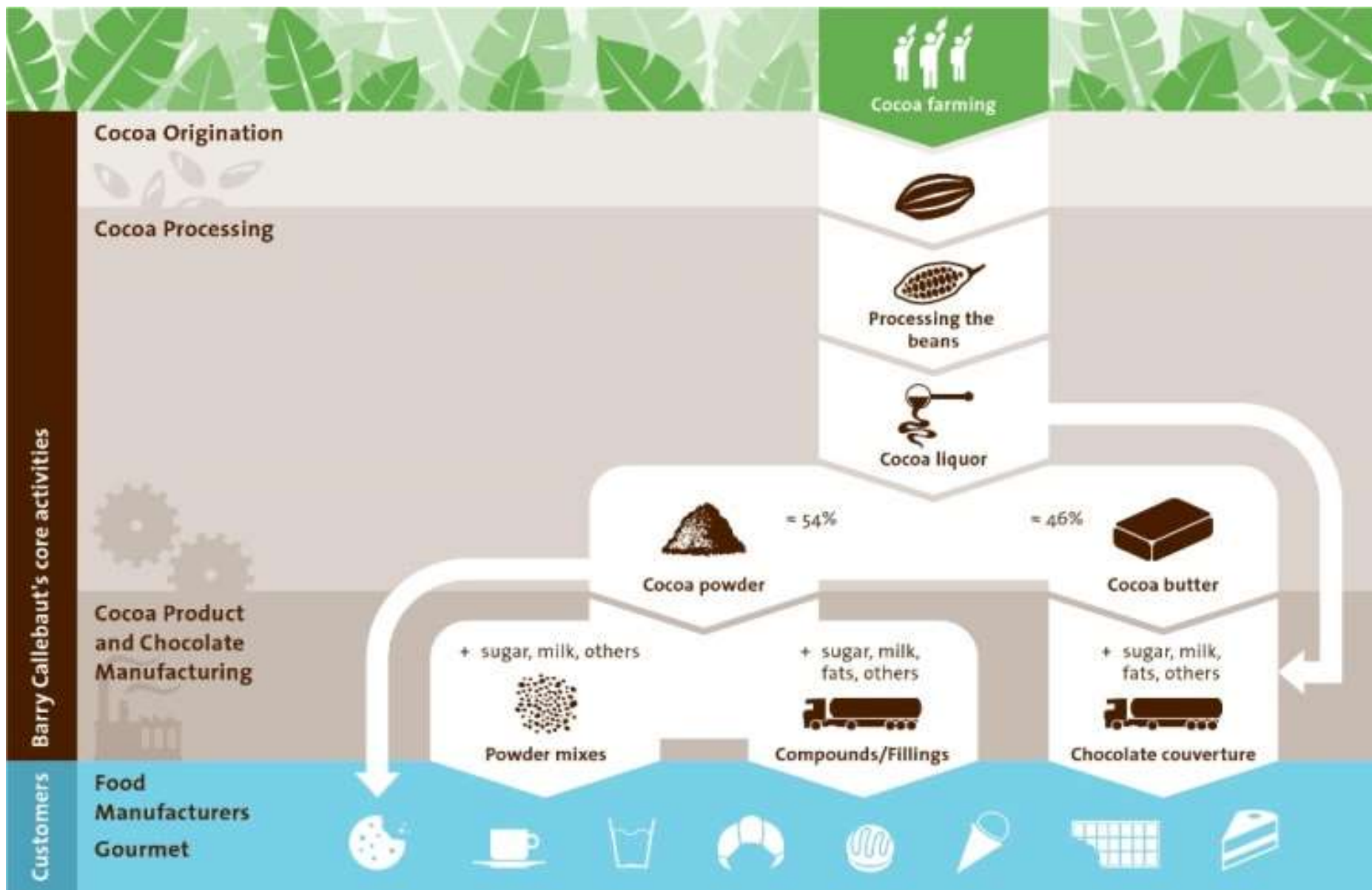


- ▶ A merger between **Cacao Barry**, the very first French chocolate connaisseur since 1842 and **Callebaut** a Belgian chocolate couverture manufacturer expert since 1911
- ▶ Listed on the SIX Swiss Exchange since 1998
- ▶ Today, the world's leading manufacturer of high-quality chocolate and cocoa products
- ▶ Barry Callebaut is inside 25% of all consumer products containing cocoa or chocolate



What do we do?

We are present in the key parts of the cocoa and chocolate value chain




This is Barry Callebaut

“Shaping the world of chocolate and cocoa.”

FY 2016/17

More than
175 years
of chocolate heritage




About
11,000
employees




New type
of chocolate
created: Ruby chocolate
The 4th



1.9
sales volume
in million tonnes

CAGR 
+5.7%
volume growth
over 5 years

Sustainably sourced cocoa
36%



488.2
EBIT
in CHF million

6,805.2
sales revenue
in CHF million


55
factories
worldwide

Selling to
140
countries


20
CHOCOLATE
ACADEMY™
centers

38,280
chocolate aficionados
trained in 2016/17

What do we offer?

A broad offering from standard to the most premium products

Cocoa Products



Food Manufacturers



Gourmet & Specialties

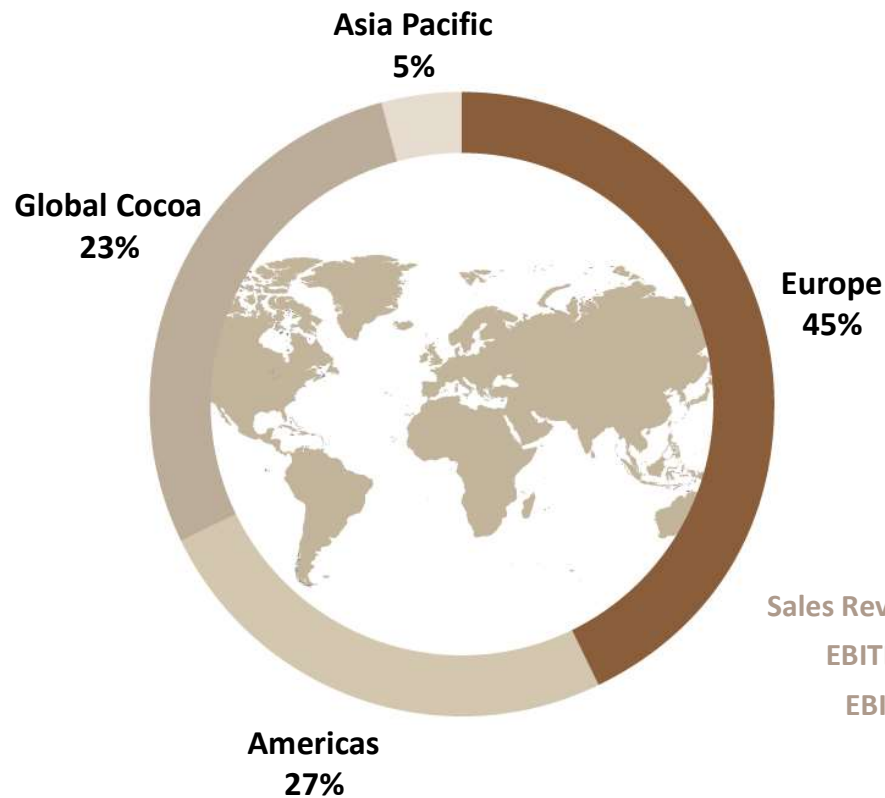


How are we organized?

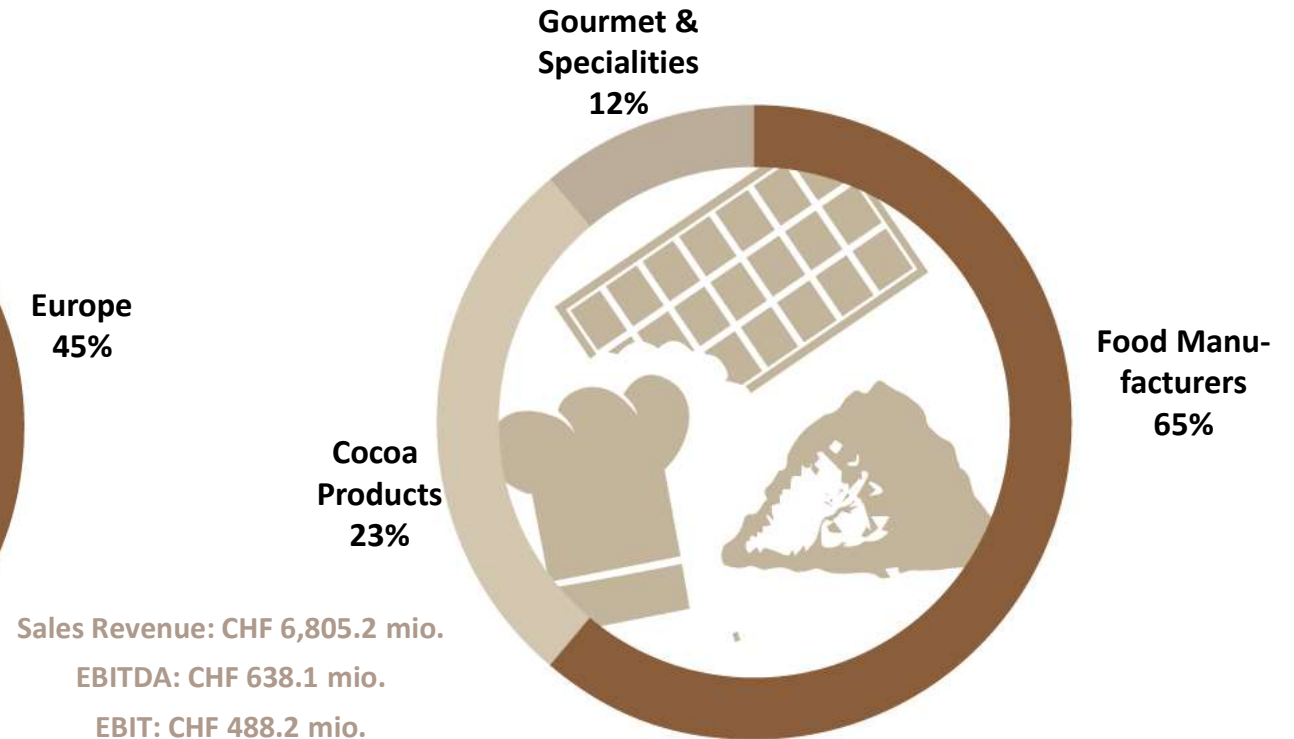
Our Regional and Product split

FY 2016/17 Sales Volume: 1.9 million tonnes

Sales Volume per Region

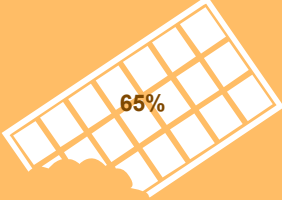
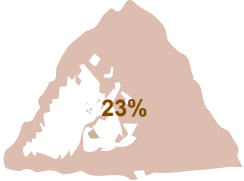



Sales Volume per Product Group



Our business model

We apply a cost plus approach to the majority of the business

	Customers	Pricing model	Profit levers
Food Manufacturers 	<ul style="list-style-type: none">Small, medium and Global Food Manufacturers	<ul style="list-style-type: none">Cost Plus	<ul style="list-style-type: none">Customer mixProduct mixEconomies of scale
Cocoa Products 	<ul style="list-style-type: none">Small, medium and Global Food Manufacturers	<ul style="list-style-type: none">Market pricesCost Plus (partly)	<ul style="list-style-type: none">Global set-upCombined ratioCustomer/product mix
Gourmet & Specialties 	<ul style="list-style-type: none">Professional users, Food Chains, Distributors	<ul style="list-style-type: none">Price list	<ul style="list-style-type: none">Expansion of global brandsAdjacent productsInnovation/Sustainability

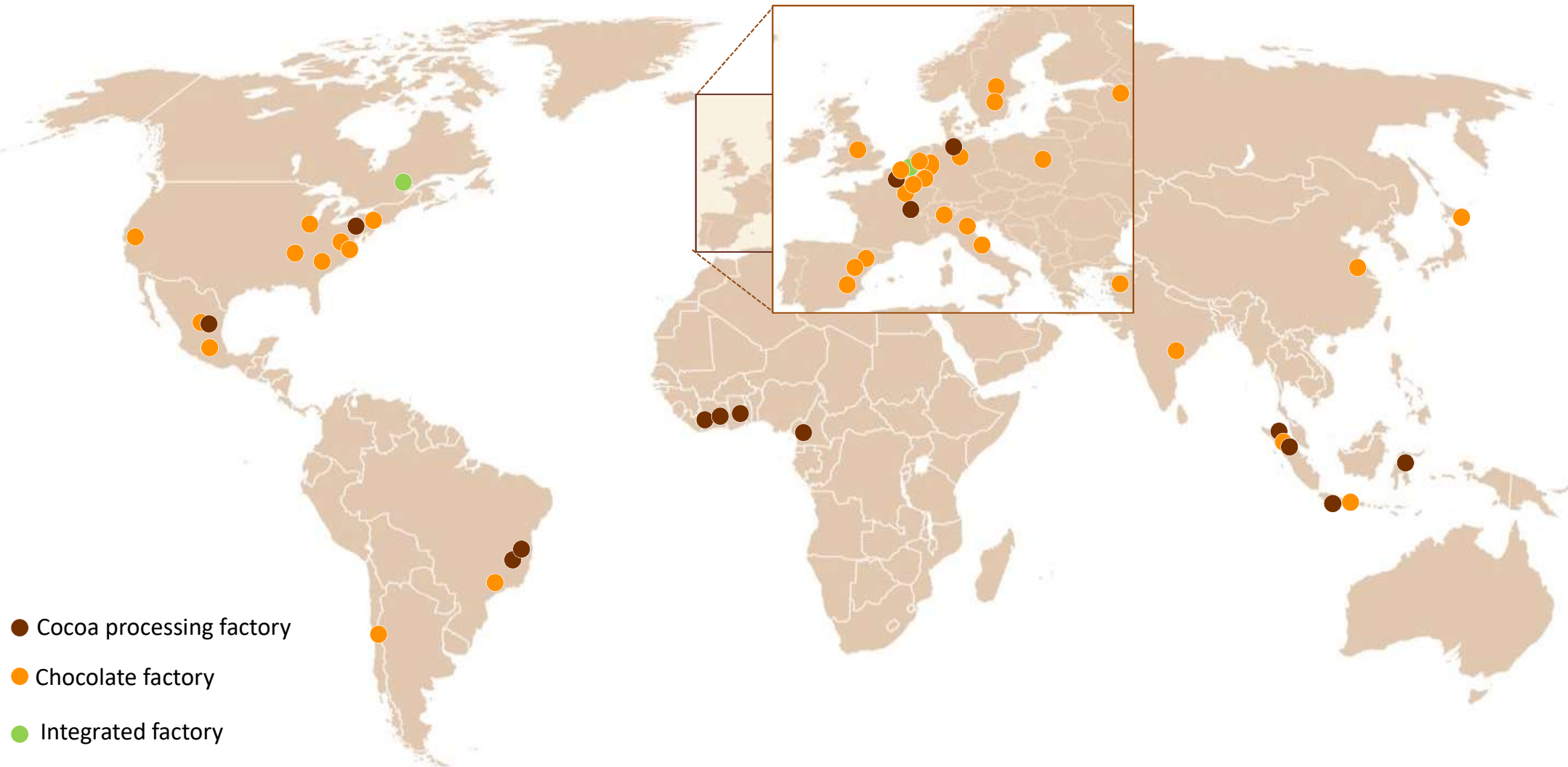
Note: Percentage of FY2016/17 Group sales volume

Passing on the cost of raw materials to customers underpins profit stability by mitigating volatility impact of main raw materials

Where are we present?

A global footprint and a local service: 55 factories worldwide

Cocoa factories in origin countries and chocolate factories close to our customers



Highlights 9M 2017/18



Good momentum continued



- ▶ Sales volume growth +6.9%, supported by all key growth drivers and all regions
 - ▶ EMEA volume +8.1%
 - ▶ Americas volume +5.3%
 - ▶ Asia Pacific volume +14.8%
 - ▶ Global Cocoa volume +4.9%

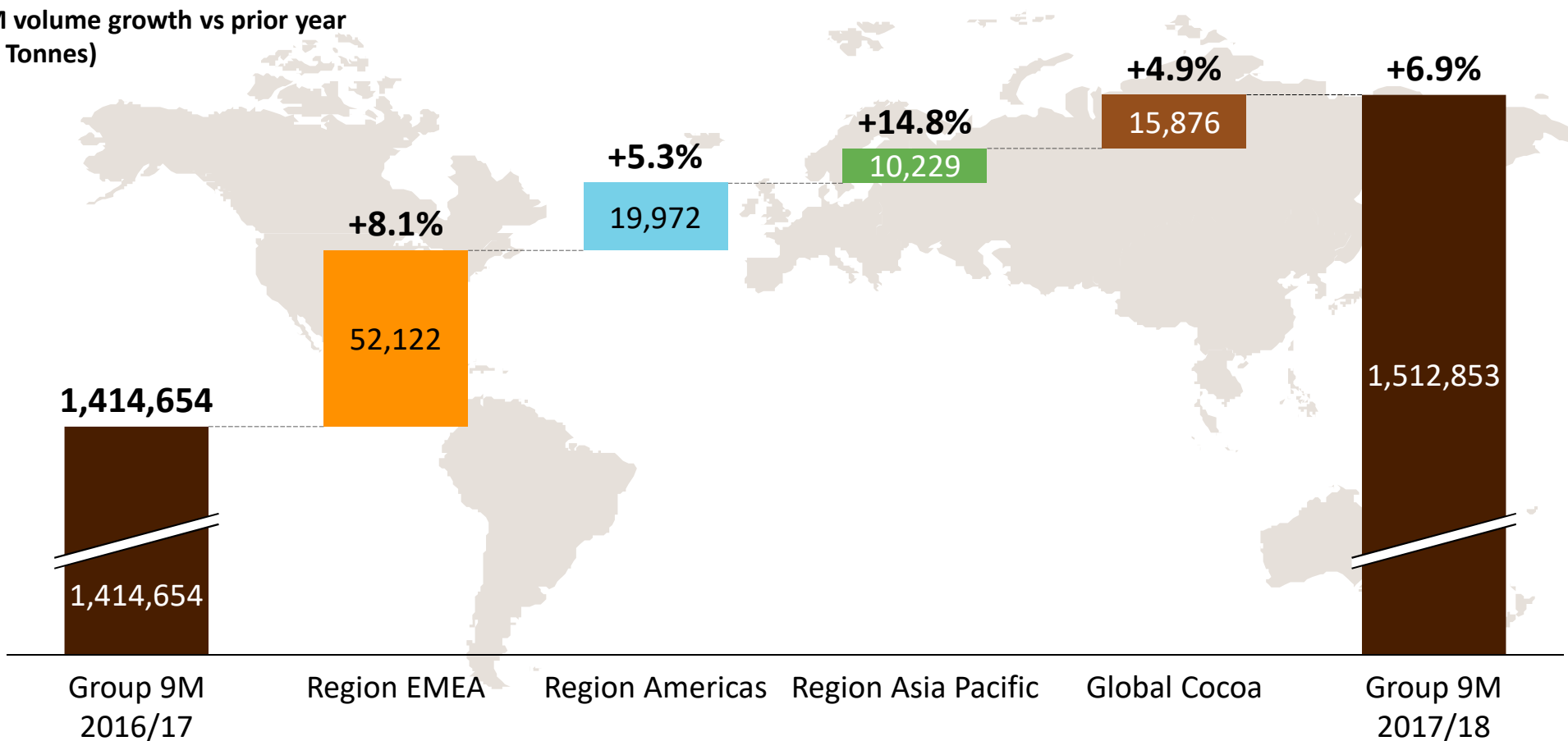
- ▶ Sales revenue of CHF 5.2 billion, -2.4% in local currencies (-0.2% in CHF)

- ▶ Mid-term guidance confirmed¹

¹ On average for the 4- year period 2015/16 to 2018/19: 4-6% volume growth and EBIT above volume growth in local currencies, barring any major unforeseen events.

Broad-based volume growth, significantly above the market

9M volume growth vs prior year
(in Tonnes)

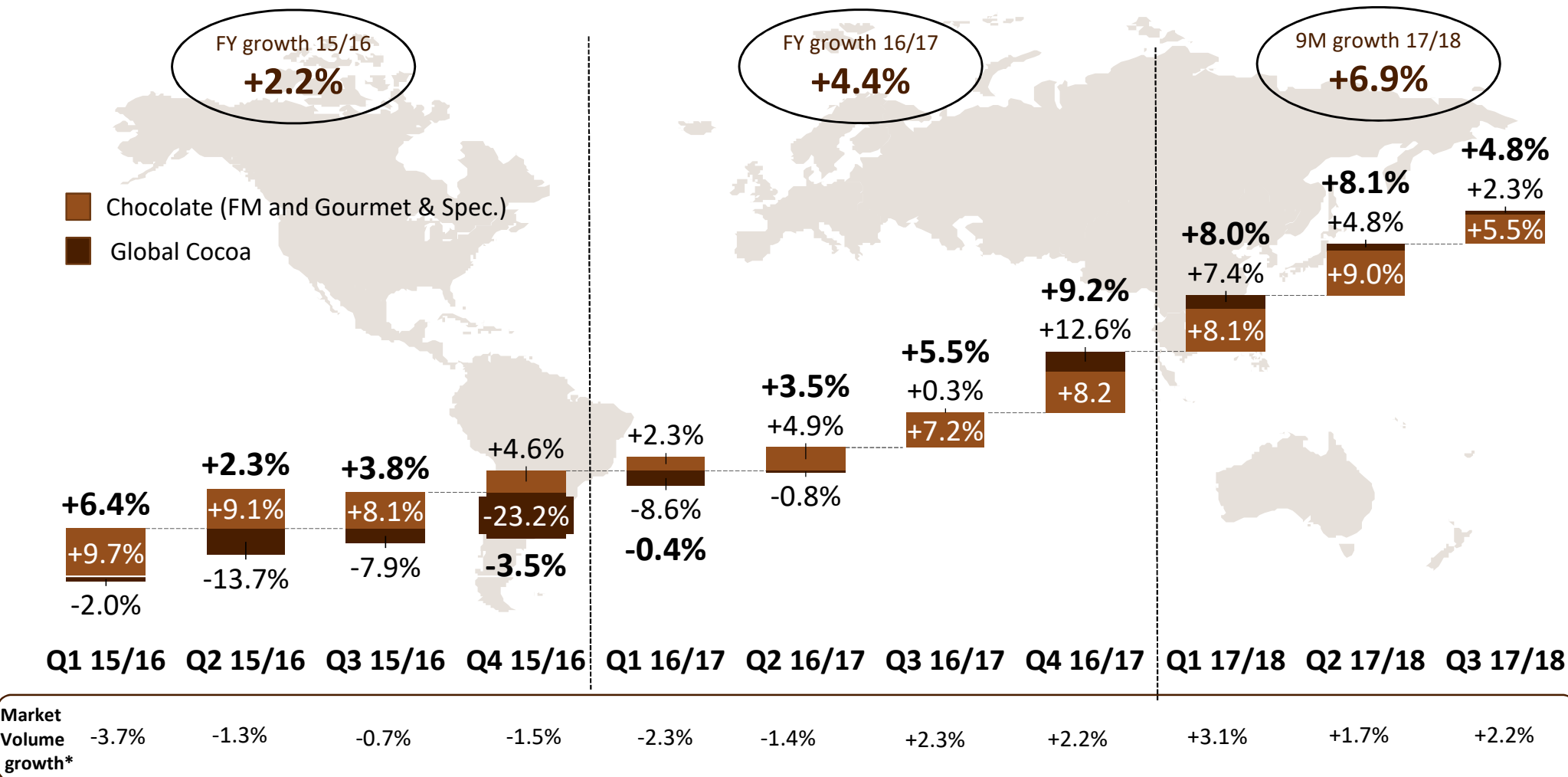


Market Volume growth*	-2.0%	+3.0%	+1.1%	+3.7%	+2.5%
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*Source: Nielsen chocolate confectionery in volume – 25 countries

Ongoing good volume growth in the first nine months of FY 2017/18

Quarterly volume growth vs prior year



*Source: Nielsen chocolate confectionery in volume – 25 countries

Volume growth supported by all our key growth drivers

% of total Group volume

Volume growth vs prior year



35.4%

Emerging markets

+8.8%



33.5%

Long-term outsourcing & strategic partnerships

+8.1%



12.3%

Gourmet & Specialties

+7.1%

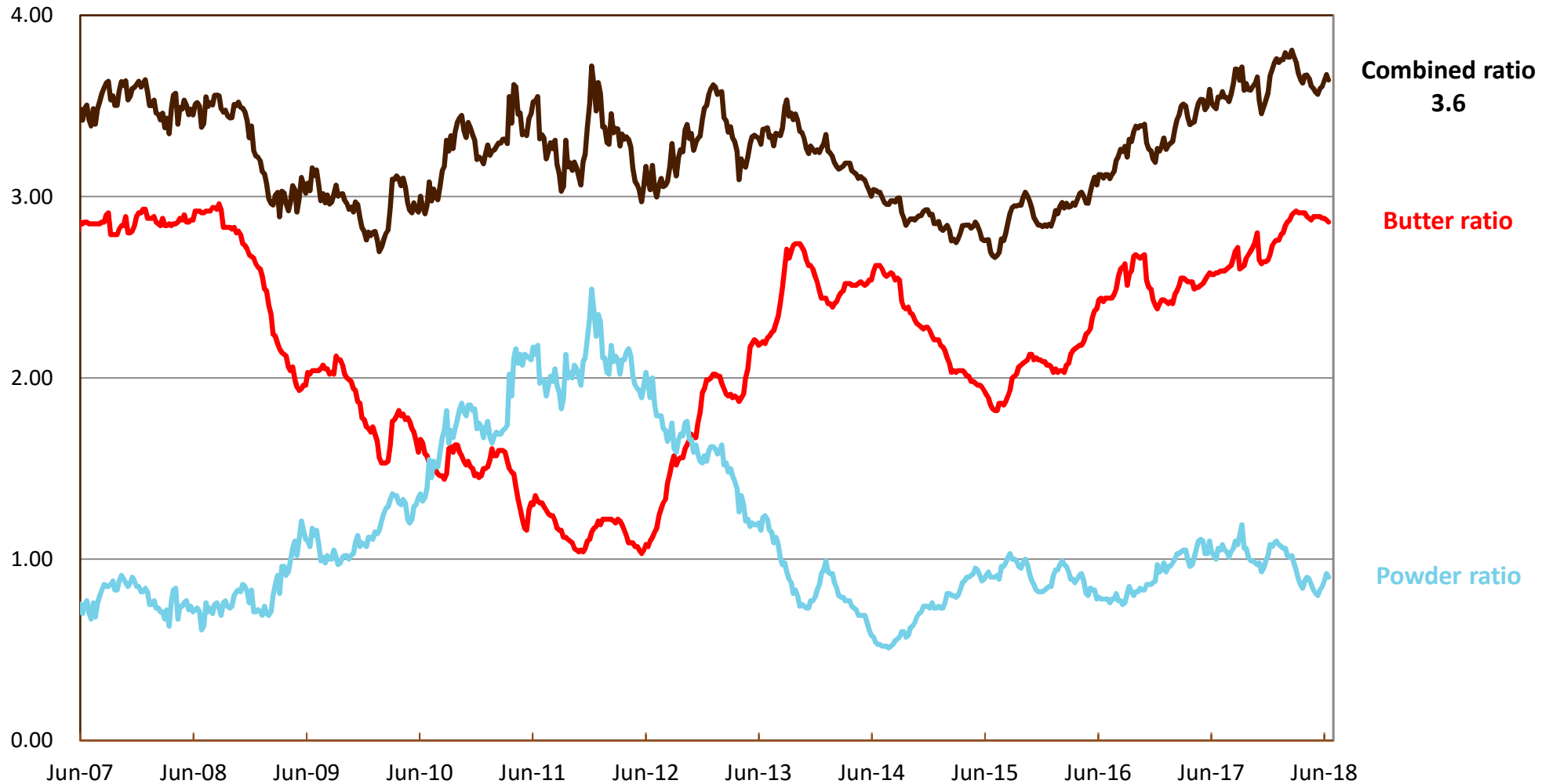
Key growth drivers

crucial to continuously outperform the market

Cocoa processing profitability

Combined ratio remains favourable for 9M 2017/18

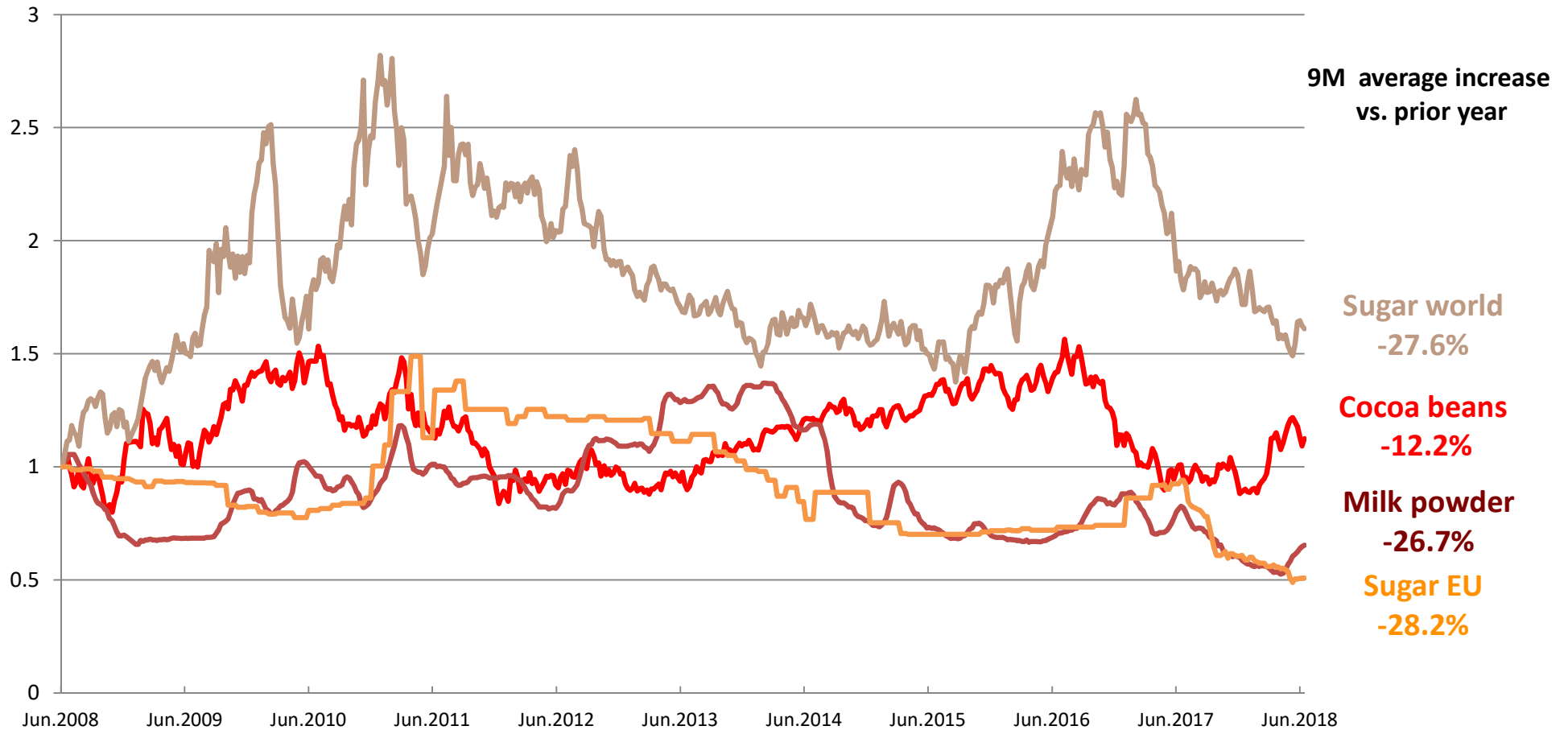
European combined ratio - 6 months forward ratio



For cocoa processors, profitability depends on the ratio between input costs (price of cocoa beans) and combined output prices (price of cocoa butter and powder).

Raw materials price evolution

Lower prices of main raw materials, cocoa bean prices volatile



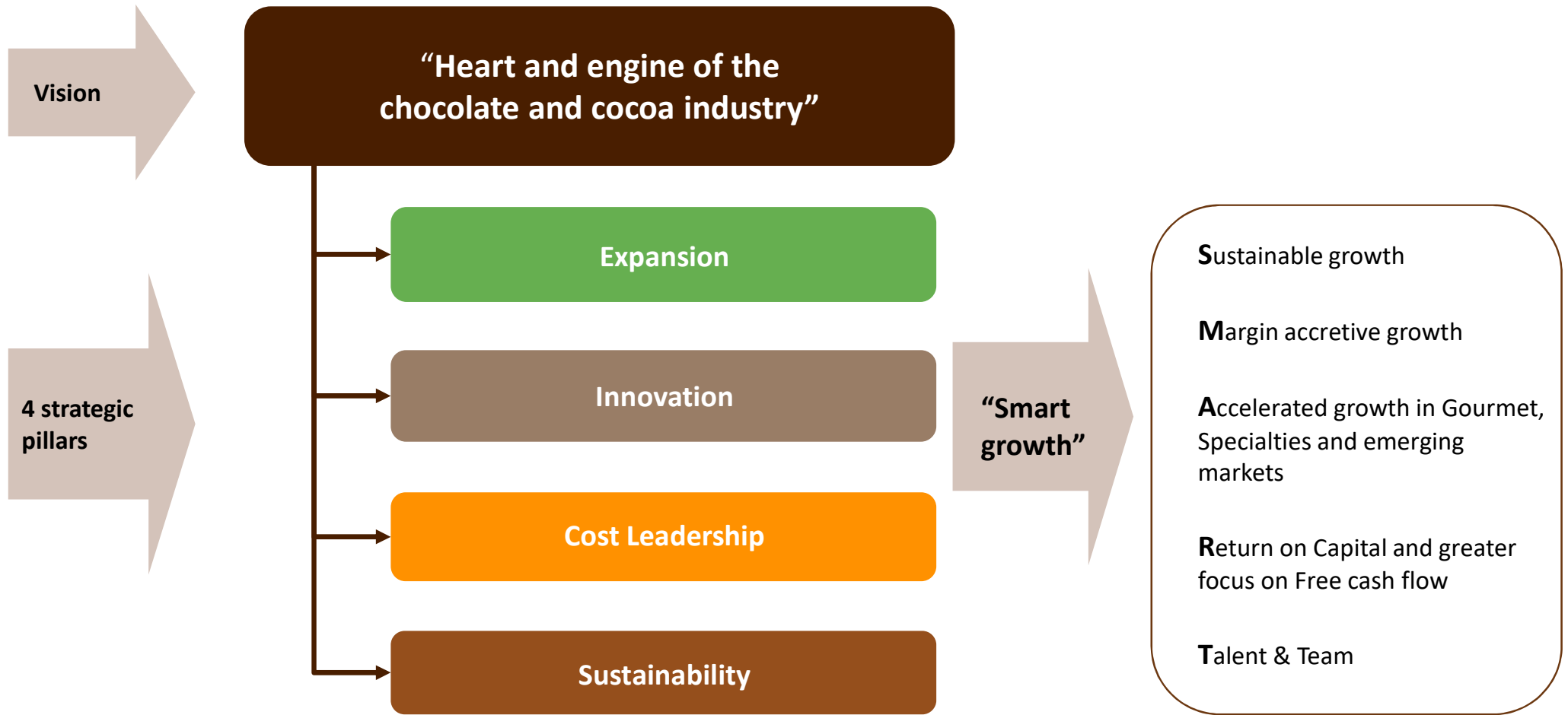
Note: All figures are indexed to June 2008

Source: Cocoa beans London (2nd position) in CHF/tonne, Sugar world London n°5 (2nd position), Sugar EU Kingsman estimates W-Europe DDP, skimmed milk powder average price Germany, Netherlands, France.

Strategy & Outlook



Consistent long-term strategy, continued focus on execution



Focus on further commercializing our innovations and expanding our value-adding portfolio across all our Product Groups

Gourmet & Specialties

- Callebaut Gold, leveraging on our global R&D and expanding the product range to artisans



Food Manufacturers

- Global approach to Specialties and Decorations, leveraging scale
- Value adding chocolate: e.g. high fiber, low sugar, sustainable

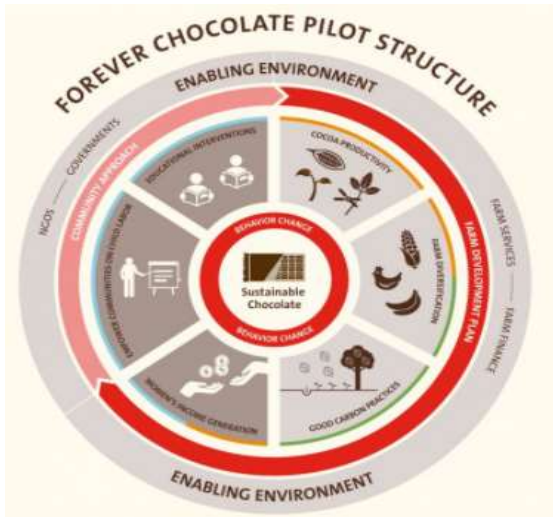


Global Cocoa

- Continued focus on Specialty cocoa powders (e.g. Bendsorp)



Continuous progress made in Sustainability



- ▶ First progress report published December 2017
 - ▶ 36% of sustainable cocoa
 - ▶ 98% of our palm oil is traceable to mill level
- ▶ Signatory to the Cocoa & Forest Initiative Framework for Action in November 2017
- ▶ Forever Chocolate Pilots
 - ▶ Purpose is to accelerate the impact in sustainable cocoa production
 - ▶ First pilot launched in Indonesia – Feb 2018
 - ▶ 5 pilots in total are planned
 - ▶ Partnering with Wageningen University & Research



Going digital with customer focus



▶ **Online Chocolate Academy**

- ▶ Offer expert chocolate education for chefs, by chefs. Interactive video courses – techniques – recipes – community
- ▶ Go-live in Summer 2018

▶ **Customer portal**

- ▶ With the “My BC” customer portal, we will offer an improved experience through a 24/7 self-service channel, including: consulting online contracts, orders, invoices, certificates and technical sheets.

▶ **Online Gourmet sales**

- ▶ Through our partnership with Alibaba we will reach more professional users for our Gourmet products in particular in Asia

Operational excellence across different functions to drive efficiencies and value added activities



FOX

- ▶ Focus on harmonization and automation of Finance key processes
- ▶ Definition of an operating model for Finance that allows resources to focus on business partnering
- ▶ Clear roles and career paths defined for Finance people

Cocoa Leadership

- ▶ Embedding cocoa leadership practices in the daily business
- ▶ Building the learnings from the project and start creating a culture of continuous process improvement
- ▶ Enable leverage in the organization



Integration of bolt-on acquisitions in process



- ▶ Integration of D'Orsogna Dolciaria in process
 - ▶ Part of Region EMEA as of Oct 2017
 - ▶ Capabilities: Multiple technologies (some patented), highly flexible and tailor-made product offering
 - ▶ Products: amaretti, meringues, cookies, glazings, toppings, inclusions and other products for ice cream, yogurts, snacks and chocolate decorations



- ▶ Integration of Gertrude Hawk Ingredients ongoing
 - ▶ Included in Region Americas as of Dec 2017
 - ▶ Capabilities: High versatility with one-shot technology, enrobing with two types of coating and panning with double coat
 - ▶ Products: Ice cream inclusions and bake-stable filled inclusions

Outlook

Good portfolio visibility and diligent execution of “smart growth” strategy.
Mid-term guidance confirmed



Outlook

- ▶ We continue to see healthy market dynamics, despite volatile cocoa bean prices. We have good visibility on our portfolio.



Mid-term guidance (2015/16 – 2018/19) confirmed

- ▶ Average volume growth 4-6%
- ▶ EBIT growth on average above volume growth¹

¹ In local currencies and barring any major unforeseen events

Appendix



What makes Barry Callebaut unique?



- ▶ Global number one player in chocolate and cocoa
- ▶ Deep chocolate and cocoa expertise
- ▶ Global leader in Gourmet & Specialties
- ▶ Proven and long-term oriented strategy
- ▶ Unparalleled global footprint, present in all key markets
- ▶ Preferred outsourcing and strategic partner
- ▶ Leader in Innovation
- ▶ Cost leadership along the value chain
- ▶ Pioneer in sustainability
- ▶ Entrepreneurial spirit
- ▶ Balancing short and long-term

Chocolate confectionery market development – Nielsen data

North America (22% of market)

2012-17 average: +0.1%

2018 9M: -0.4%

Western Europe (33% of market)

2012-17 average: 0.0%

2018 9M: -0.1%

EEMEA (24% of market)

2012-17 average: -0.6%

2018 9M: +8.4%



South America (7% of market)

2012-17 average: -1.2%

2018 9M: +7.3%

Asia Pacific (14% of market)

2012-17 average: +4.4%

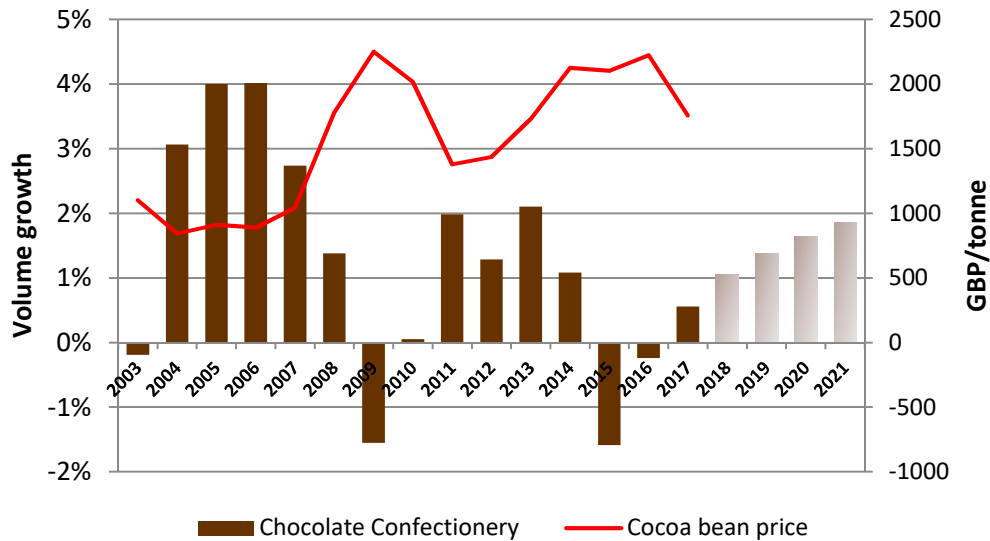
2018 9M: +3.7%

Source, growth: Nielsen chocolate confectionery in volume – 25 countries, up to June 2018

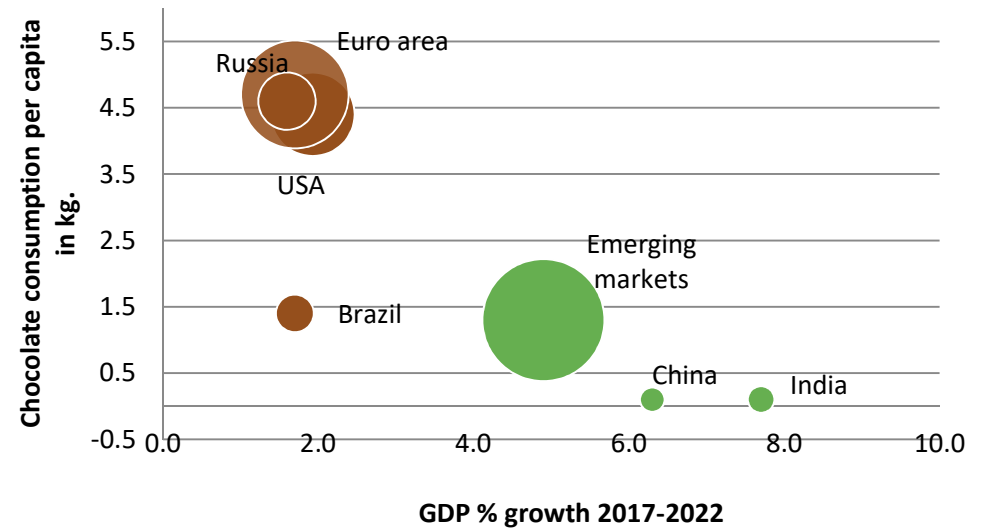
Source regional market shares: Euromonitor

Our market and opportunities ahead

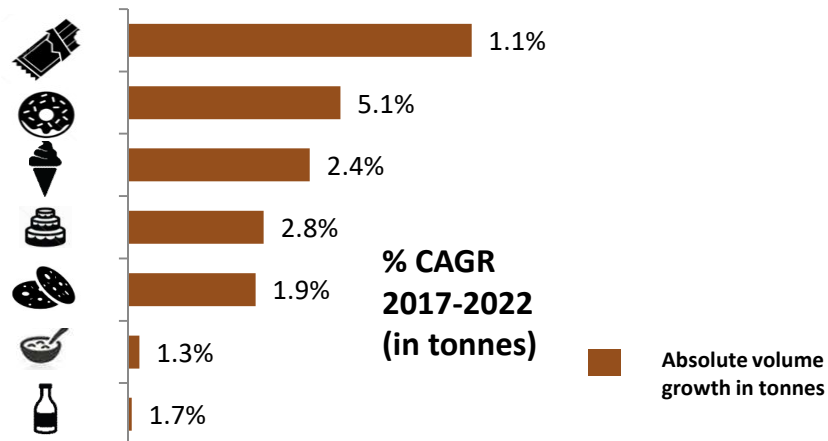
Global Chocolate confectionery volume growth vs cocoa bean price



Growing economies with still low chocolate consumption per capita



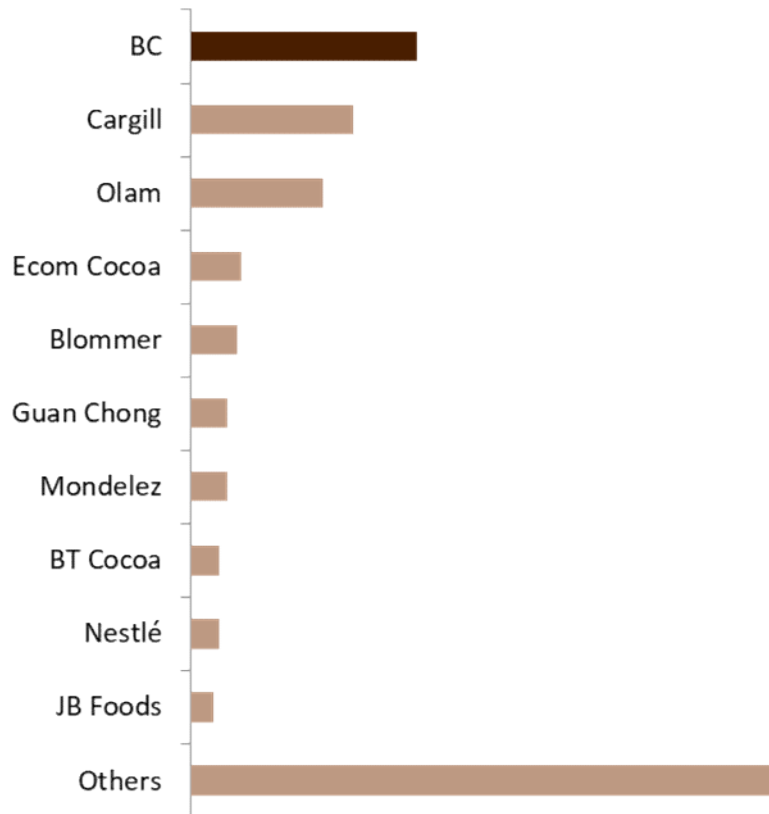
Forecast volume growth per application 2017-2022



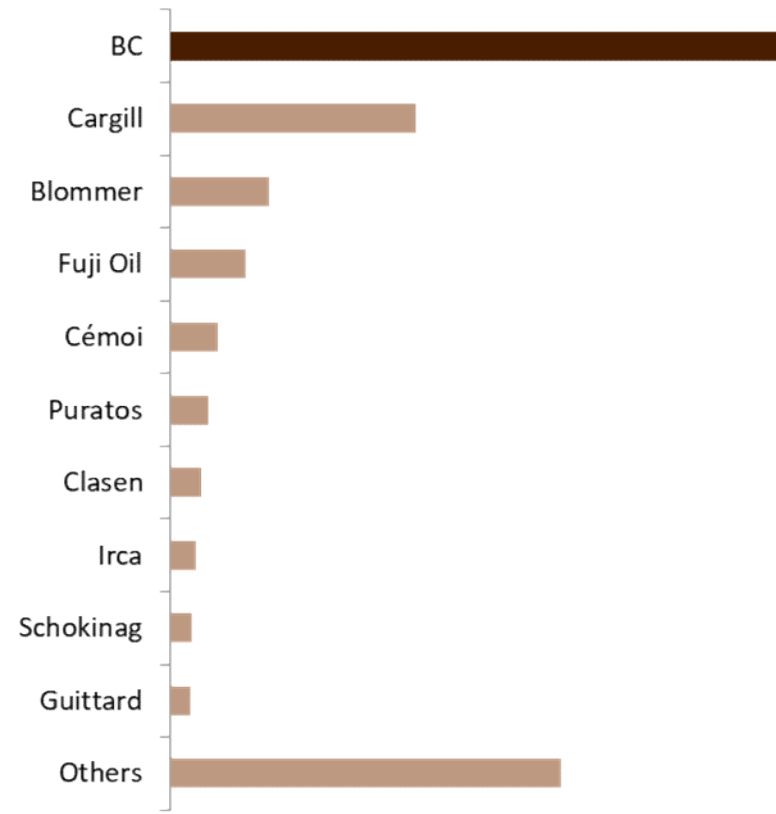
Sources: Euromonitor, IMF & Global Bank

Barry Callebaut uniquely positioned in industrial chocolate and cocoa markets

Cocoa grinding capacity



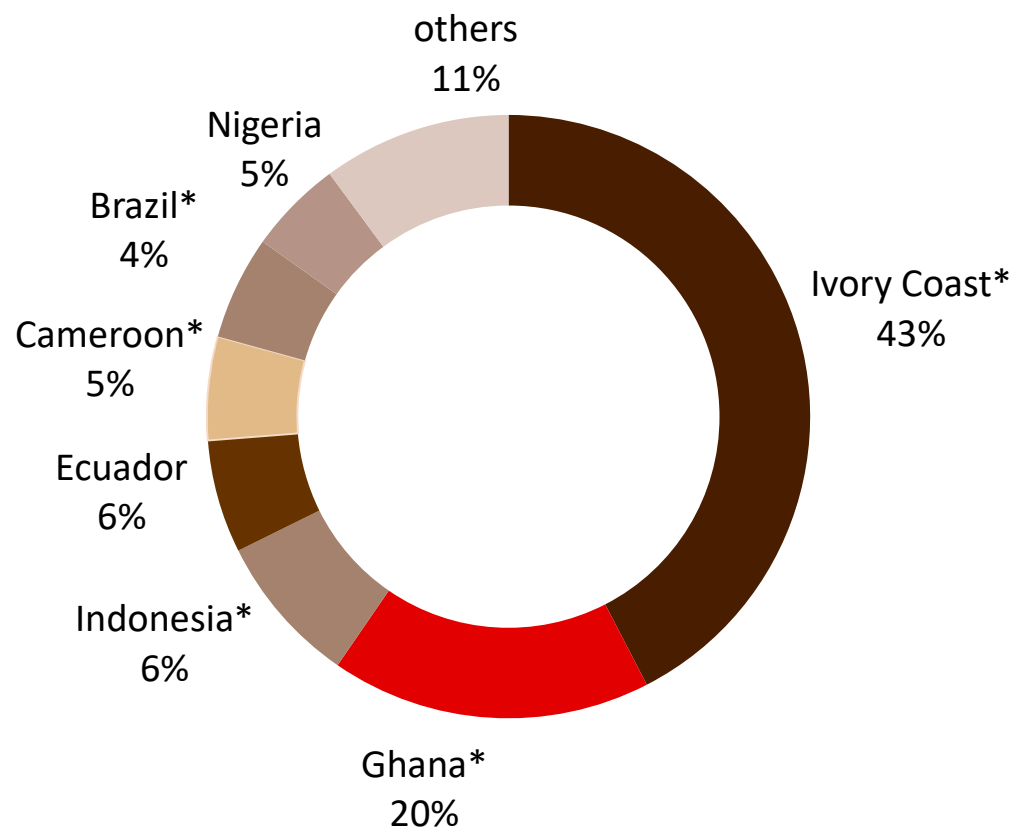
Industrial chocolate – open market



Notes: Olam incl. ADM; Cargill incl. ADM chocolate business; Fuji Oil incl. Harald
Sources: Proprietary estimates

West Africa is the world's largest cocoa producer

Total world harvest (16/17): 4,748 TMT



- ▶ About 70% of total cocoa beans come from West Africa
- ▶ BC processed ~925,000 tonnes or approximately 20% of the world crop
- ▶ Barry Callebaut has various cocoa processing facilities in origin countries*, in Europe and in the USA

Source: ICCO estimates

Strong volume growth translates into a significant improvement of bottom-line performance

Group performance (in CHF mio.)	HY 2017/18 (in CHF)	% vs prior year (in CHF)	% vs prior year (in local currencies)
Sales volume Total (in tonnes)	1'022'565	+8.0%	
Sales revenue	3'549.9	+0.3%	-1.8%
Gross profit	553.0	+19.2%	+15.5%
EBIT Total	276.8	+16.1%	+12.3%
EBIT recurring	276.8	+24.6%	+20.6%
<i>EBIT per tonne recurring</i>	270.7	+15.4%	+11.6%
Net profit for the year	173.0	+21.7%	+17.6%
Net profit recurring	173.0	+37.5%	+32.9%
Free cash flow	39.0	-	-

All regions contributed to the strong performance in the first six months

Group Sales Volume:

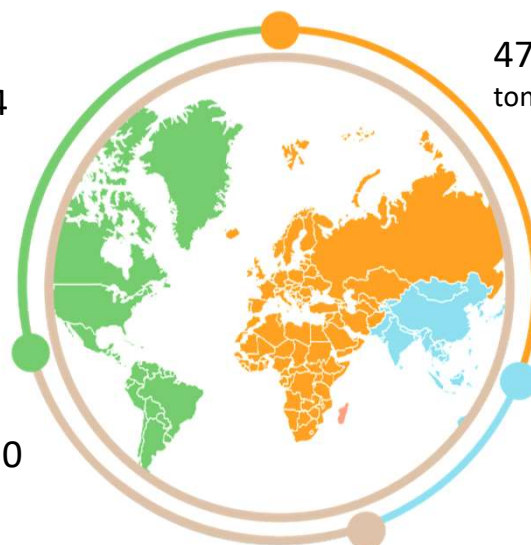
1'022'565
tonnes

265'904
tonnes

471'120
tonnes

231'420
tonnes

54'121
tonnes



FY volume growth

+9.6%

+5.5%

+15.5%

+6.2%

EBIT growth in local currencies*

+12.1%

+9.2%

+15.6%

+130.5%

Underlying market¹:

+2.8%

+1.4%

+4.0%

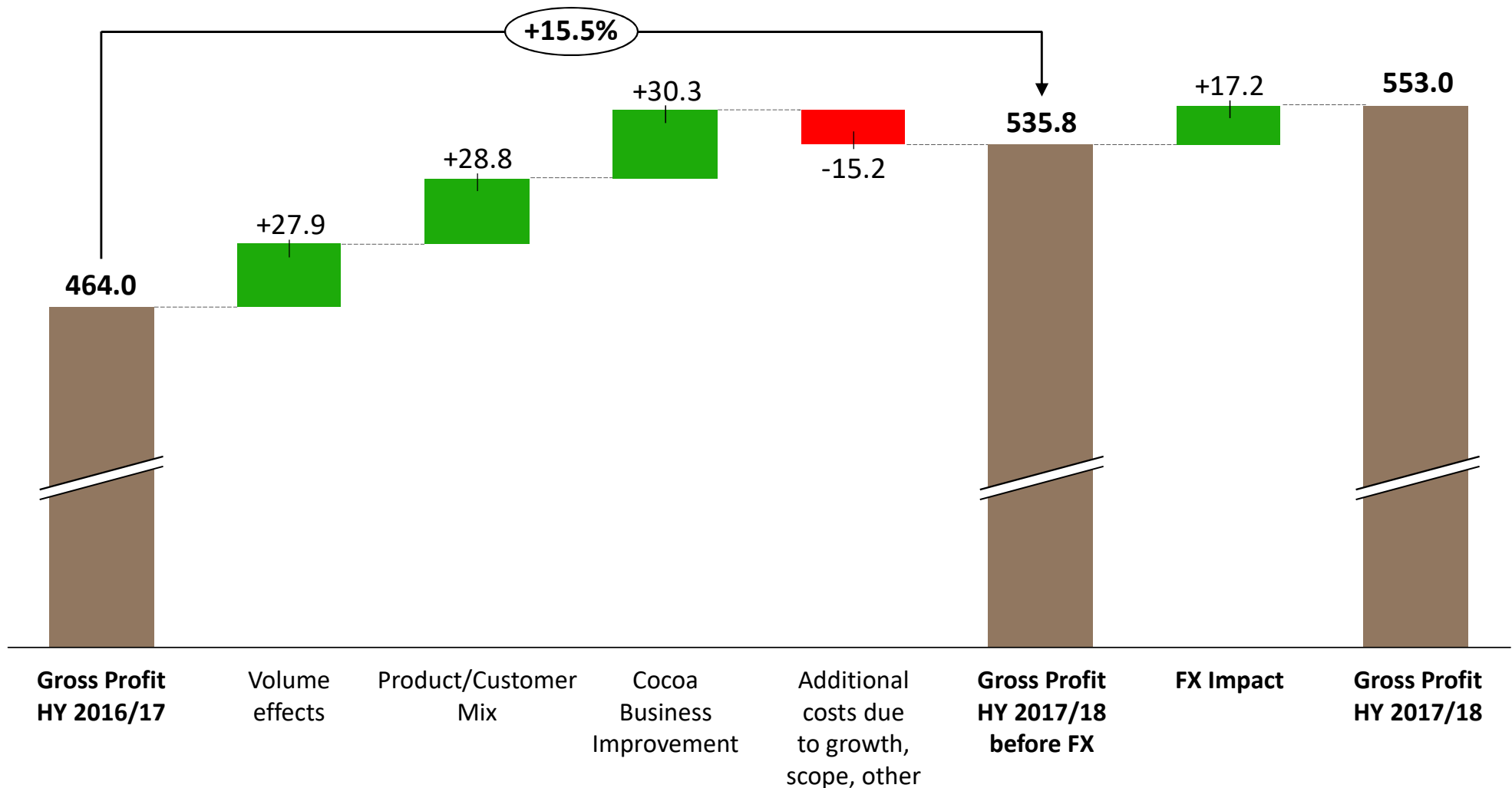
* On a recurring basis (excluding the one-off impact in prior year comparable period)

¹ Source: Nielsen chocolate confectionery in volume – 25 countries, up to

Gross Profit HY 2017/18

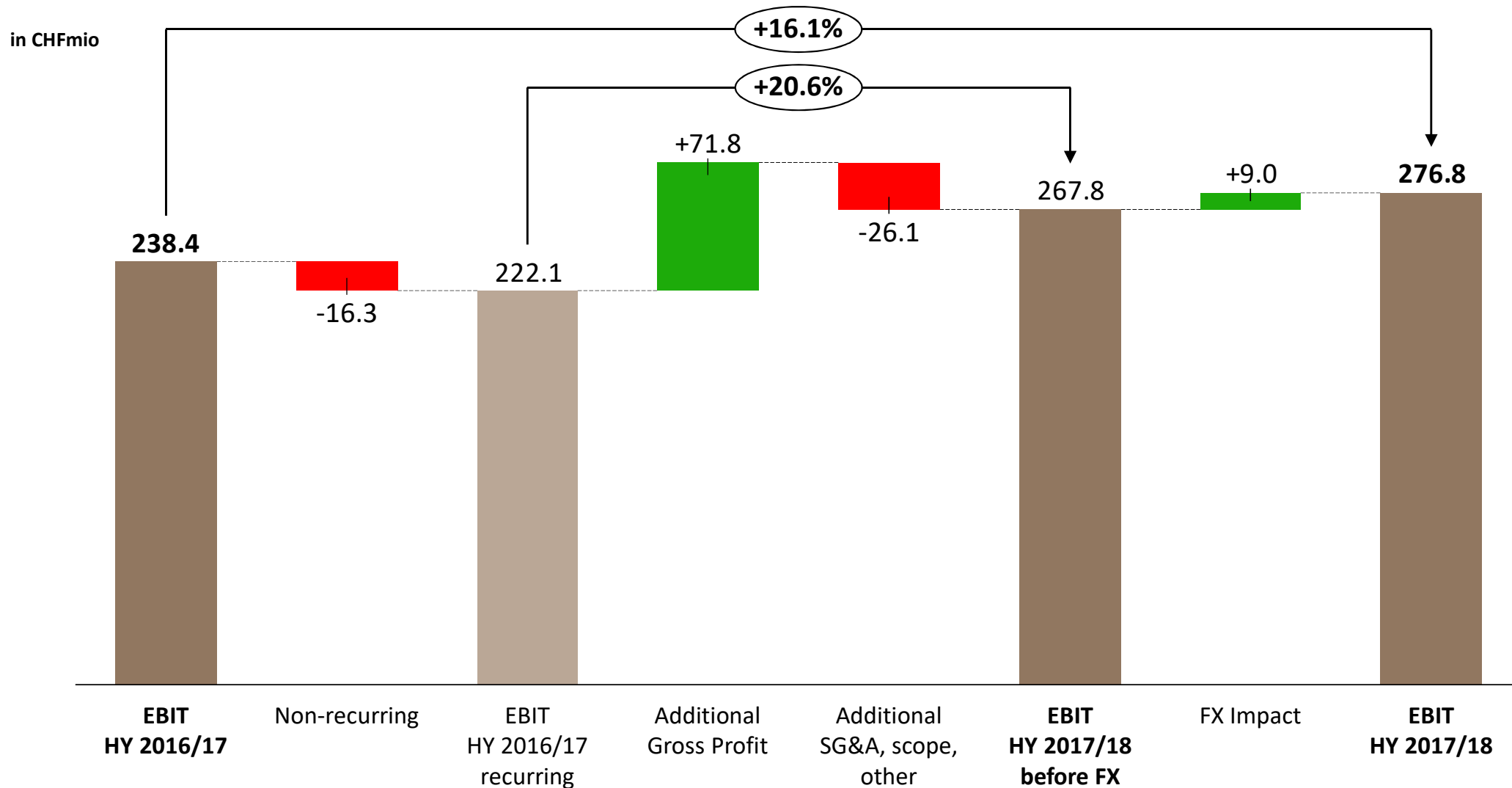
Gross Profit up +15.5% before FX impact, driven by strong volume, good product and customer mix and a more supportive market environment

in CHFmio



EBIT HY 2017/18

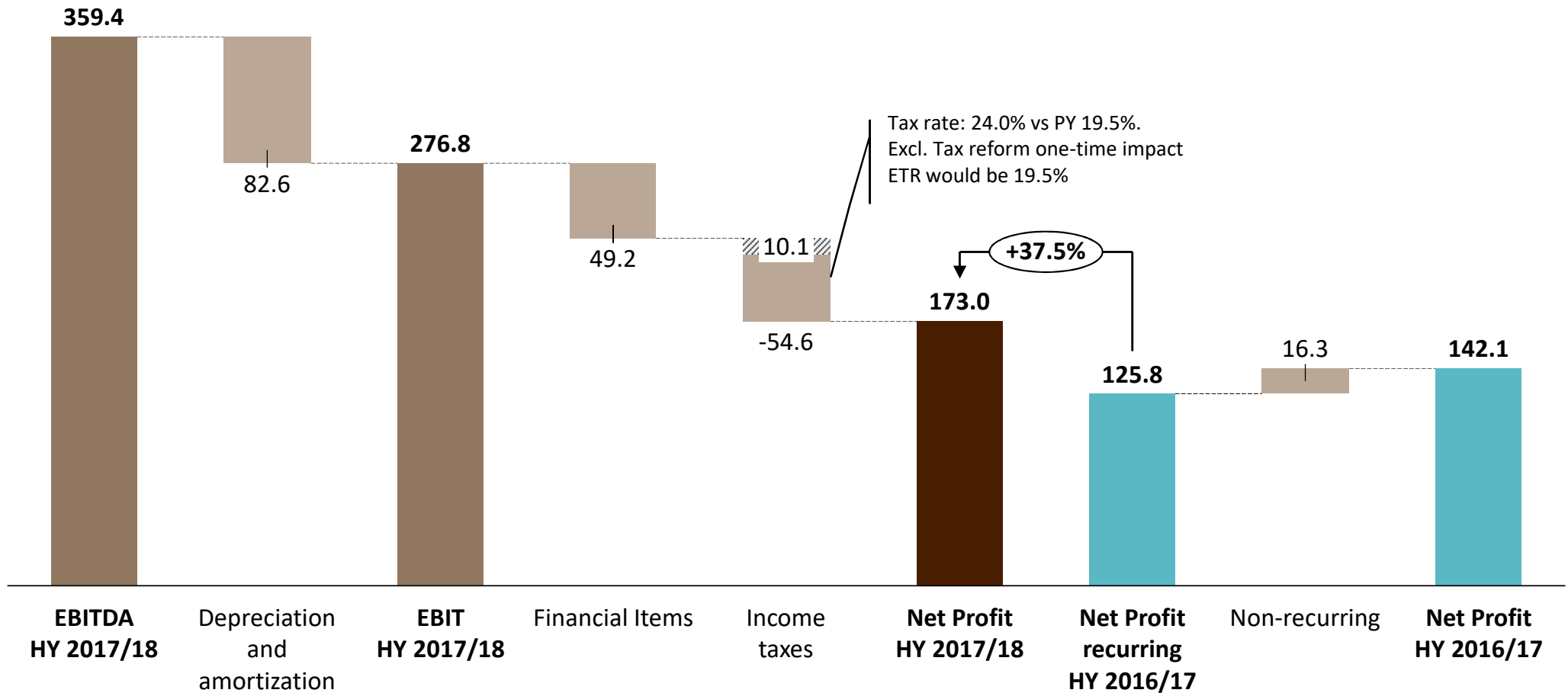
Steep increase in operating profit up +20.6% on a recurring basis and before FX impact



EBITDA to Net Profit

Net Profit up +37.5% in CHF, as a result of strong profitability and lower financial expenses

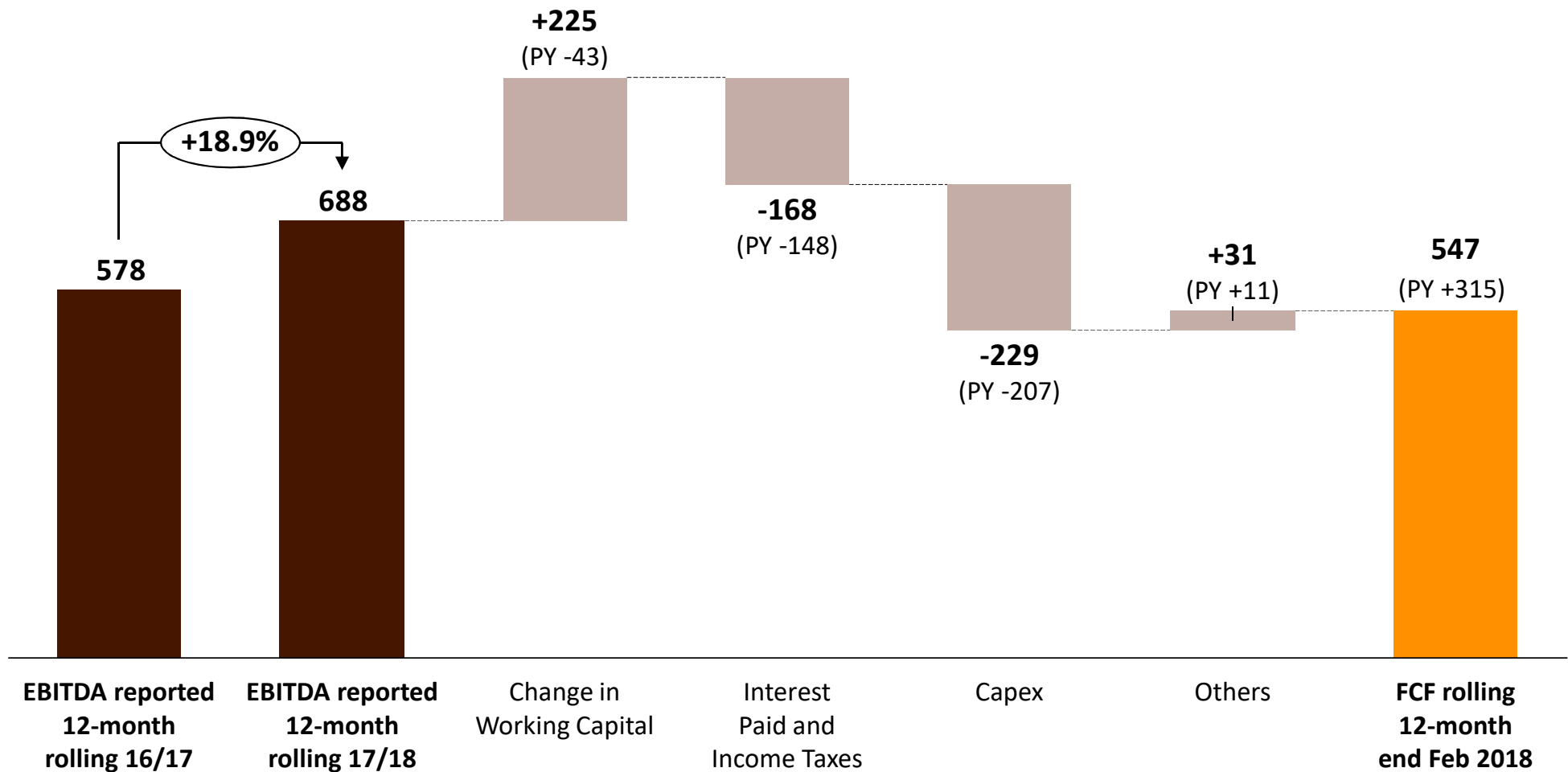
In CHF mio



Free Cash Flow – 12-month Rolling

Robust Free Cash Flow generated from higher profitability, lower working capital requirements and discipline on Capital Expenditures

in CHF mio.



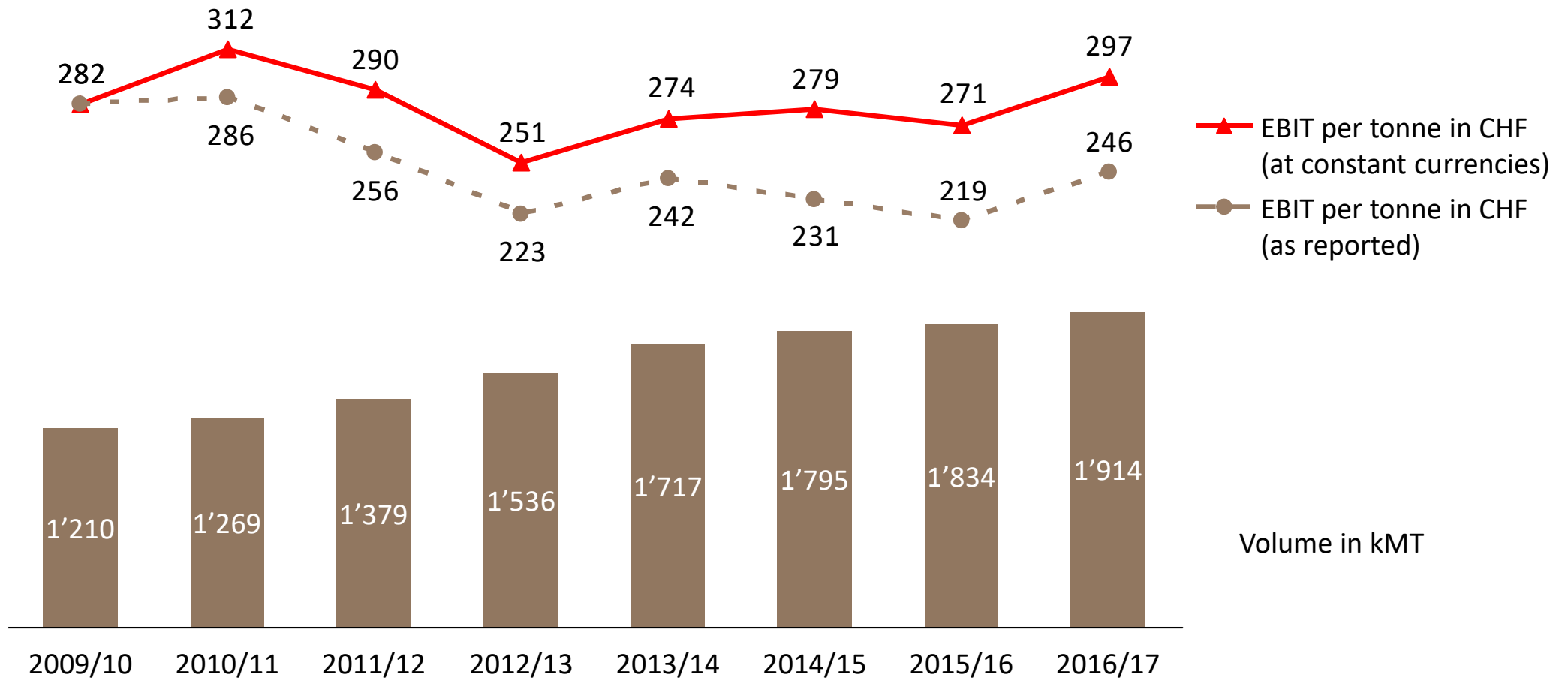
Solid Balance Sheet, focus on improvement of key financial ratios

(in CHF mio)	Feb-18	Aug-17	Feb-17
Total Assets	6,187	5,534	5,912
Net Working Capital	1,175	1,130	1,398
Non-Current Assets	2,547	2,458	2,378
Net Debt	1,208	1,111	1,455
Shareholders' Equity	2,218	2,179	2,022
<hr/>			
Debt / Equity ratio	54.5%	51.0%	72.0%
Solvency ratio	35.8%	39.4%	34.2%
Net debt / EBITDA*	1.9x	1.8x	3.6x
ROIC*	12.1%	11.5%	10.7%
ROE*	15.7%	13.1%	13.5%

* On a recurring basis (excluding the one-off impact in prior year comparable period)

8-year EBIT per tonne development

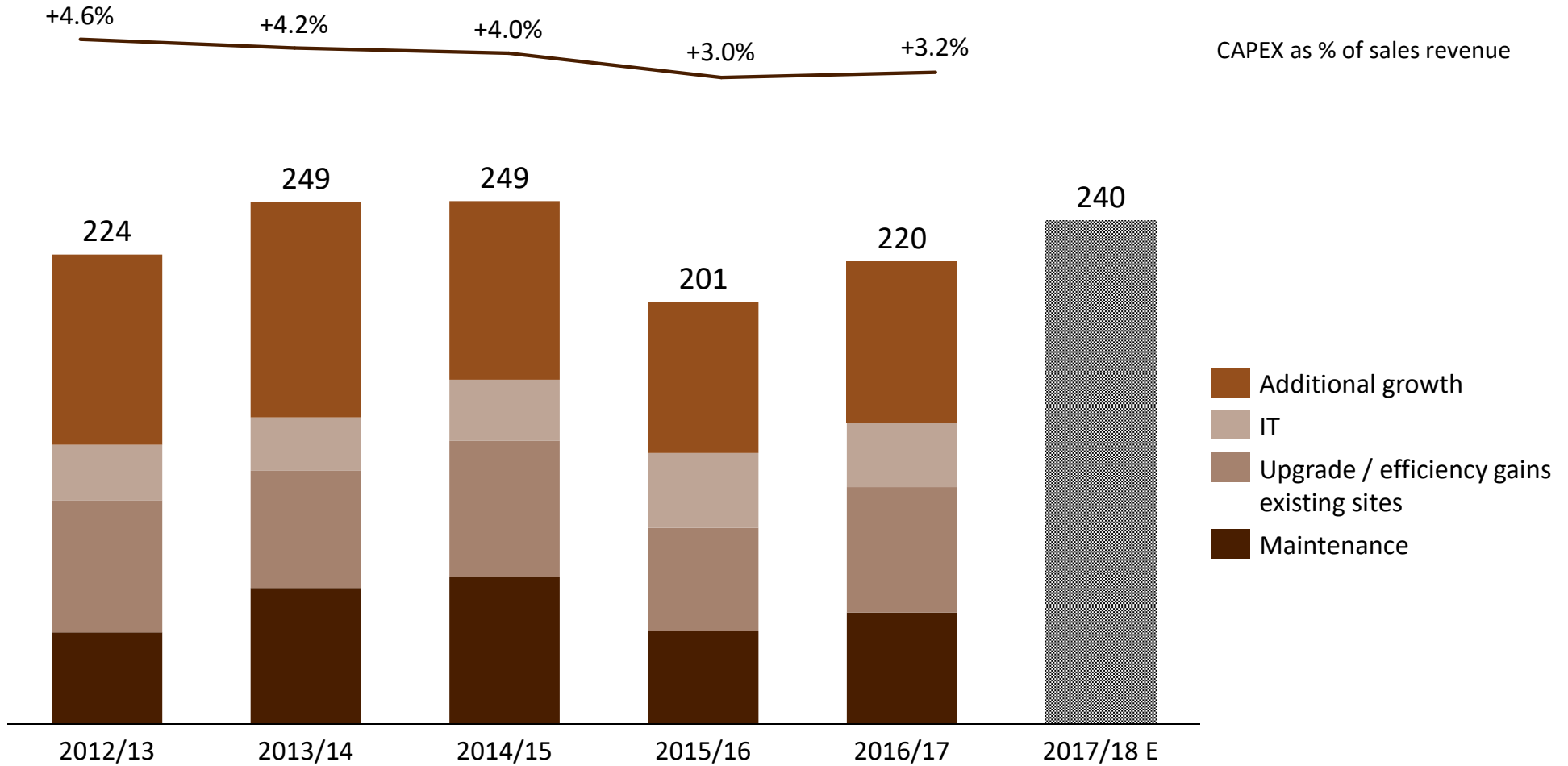
Increase in EBIT per MT thanks to more favorable cocoa processing margin and improvement of product and customer mix



12 months – CAPEX

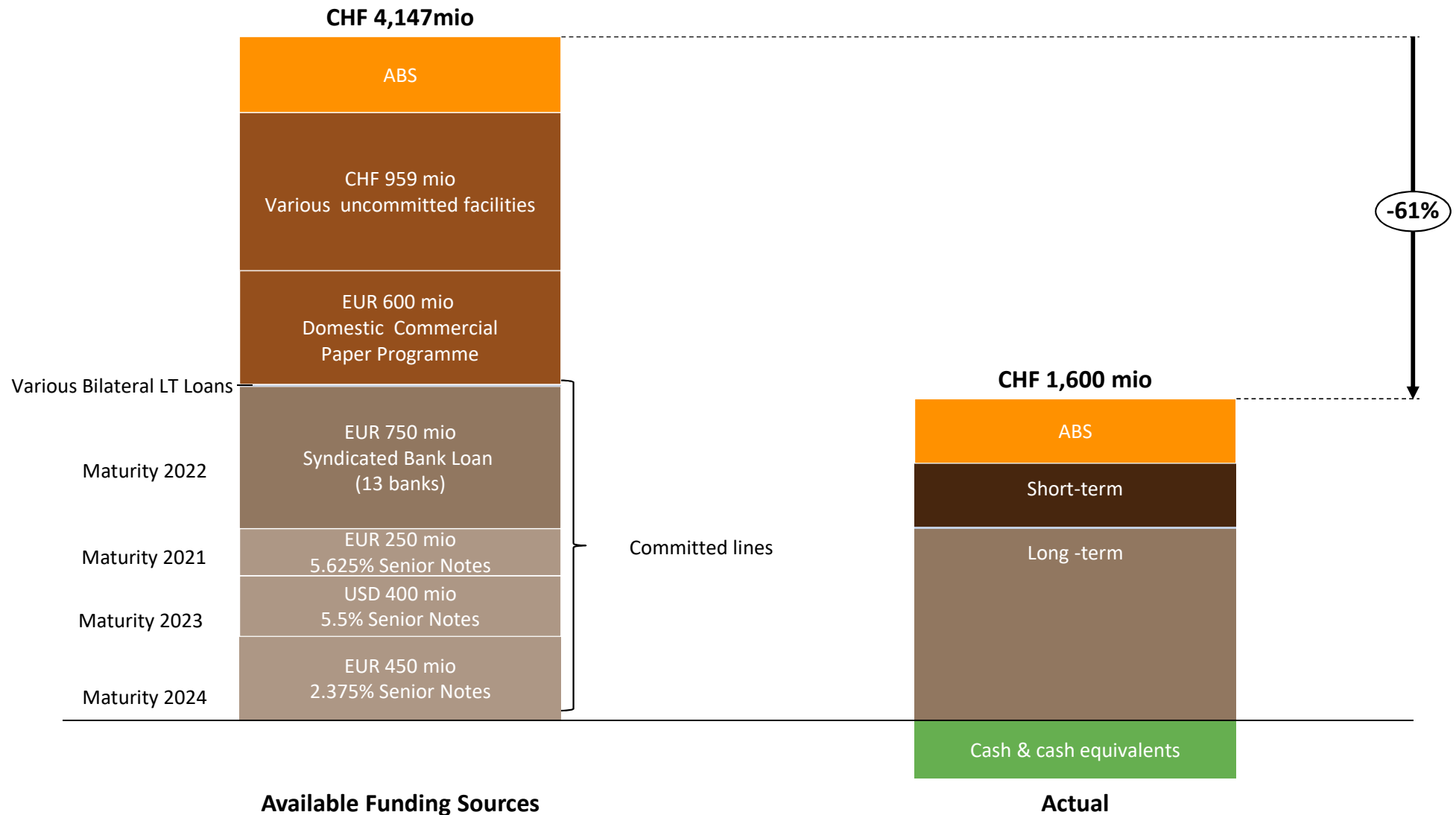
Capital Expenditures

in CHF mio.



Enough headroom for further growth and raw material price fluctuations

As of February 28, 2018



Liquidity – Debt maturity profile

As of February 28, 2018

in CHF mio

