



Full Year Results 2016/17

Analysts Conference

November 8, 2017



Cautionary note

Certain statements in this presentation regarding the business of Barry Callebaut are of a forward-looking nature and are therefore based on management's current assumptions about future developments. Such forward-looking statements are intended to be identified by words such as "believe," "estimate," "intend," "may," "will," "expect," and "project" and similar expressions as they relate to the company. Forward-looking statements involve certain risks and uncertainties because they relate to future events.

Actual results may vary materially from those targeted, expected or projected due to several factors. The factors that may affect Barry Callebaut's future financial results are discussed in the Letter to Investors as well as in the Annual Report 2016/17. Such factors are, among others, general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures as well as changes in tax regimes and regulatory developments. The reader is cautioned to not unduly rely on these forward-looking statements that are accurate only as of today, Nov 8, 2017. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.

Agenda

- ▶ Highlights FY 2016/17 – CEO Antoine de Saint-Affrique
- ▶ Financial review FY 2016/17 – CFO Victor Balli
- ▶ Strategy & Outlook – CEO Antoine de Saint-Affrique
- ▶ Q&A – CEO&CFO

Highlights FY 2016/17



Change in the Executive Committee



Victor Balli



Remco J. Steenbergen

Generational change

- ▶ Victor Balli (born 1957) to retire as Chief Financial Officer effective February 28, 2018 after 11 successful years of service

- ▶ Remco J. Steenbergen (born 1968) appointed as new Chief Financial Officer and member of the Executive Committee as of March 1, 2018
 - ▶ Joining us from Royal Philips where he served in different functions and countries for about 20 years
 - ▶ A proven global Finance leader with a 30-year track record in Finance and broad international experience

Proposals to the AGM: Elections

Changes in the Board



- ▶ Two Board members not standing for re-election
 - ▶ Andreas Schmid, associated with Barry Callebaut since 1997
 - ▶ Wai Ling Liu, Board member since 2014
- ▶ Elio Leoni Sceti proposed as new Board member
 - ▶ About 25 years of experience in Food and FMCG companies
- ▶ All other Board members standing for re-election for a term of office of one year

Successful year, delivering on strategy



Sales volume growth

+4.4%

Sales revenue growth
(in local currencies)

+1.2%

EBIT growth
(Recurring and in local currencies)

+17.8%

Net profit growth
(Recurring and in local currencies)

+31.3%

Free cash flow growth
(in local currencies)

+10.9%

Dividend increase
(Payout of CHF 20.00 per share)

+29.0%

Highlights 2016/17



Extension of strategic partnership with Mondelēz International in Belgium

Sep 2016

Opening of first chocolate factory in Indonesia and expansion in Singapore

Oct 2016



New Sustainability strategy by 2025: 100% sustainable chocolate

Nov 2016



Mona Lisa as decorations brand shifts to sustainably sourced cocoa

Apr 2017



Barry Callebaut couples sustainability with its renewed banking credit facility

Jun 2017



Acquisition of Ingredients Division of Gertrude Hawk Chocolates

Sep 2017



SXI Switzerland Sustainability 25 Index®

Barry Callebaut joins the 25 most sustainable listed companies in Switzerland

Sep 2016



Expansion of West Coast Factory, American Canyon, US

Nov 2016



Launch of Callebaut ChocoGelato in Italy

Jan 2017



20th Chocolate Academy in Milan. BC Studio in Bandung, Indonesia

May-June 2017



Acquisition of D'Orsogna Dolciaria, a leading Specialties and Decorations player in Europe

Jul 2017



RUBY CHOCOLATE

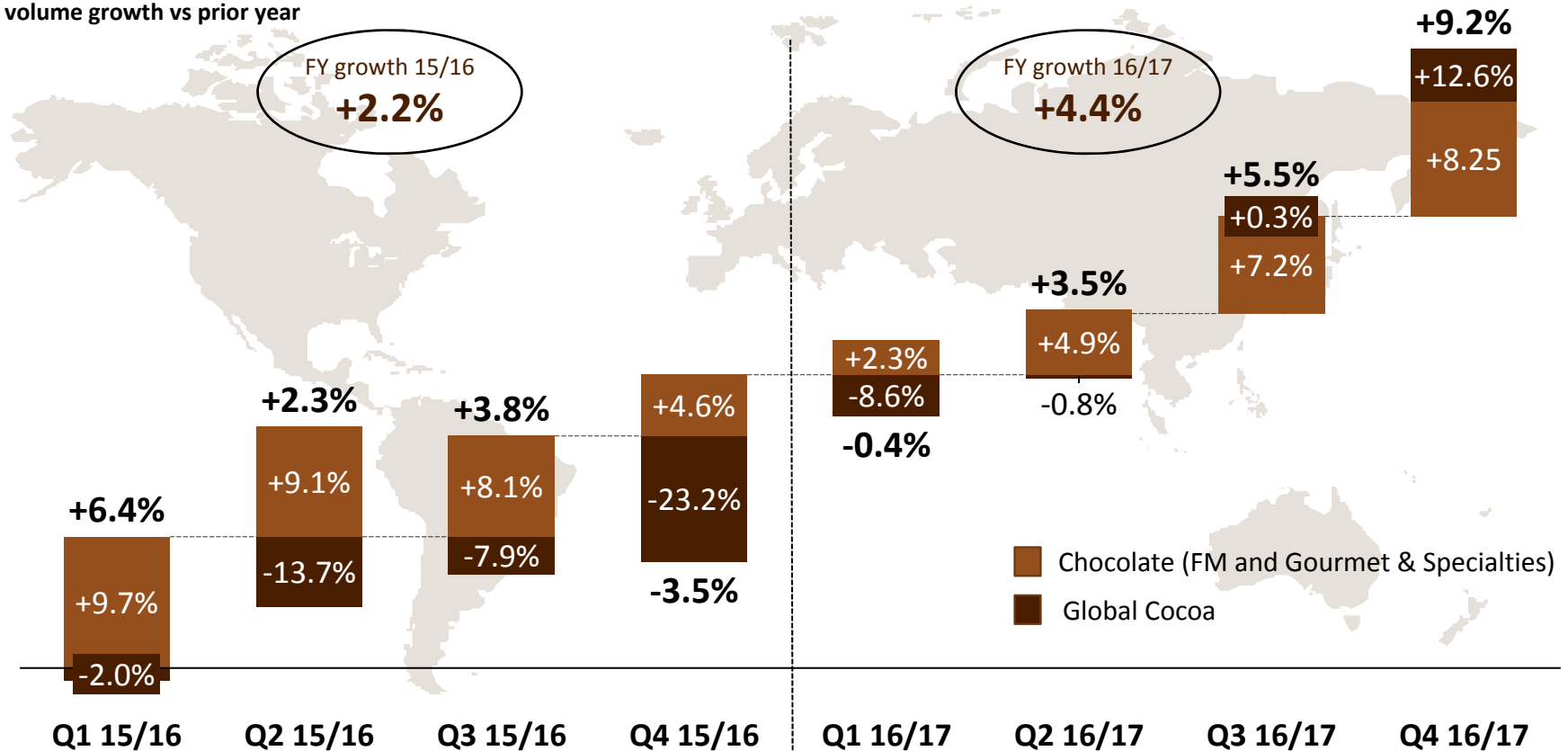
Barry Callebaut reveals the fourth type in chocolate: Ruby

Sep 2017

Quarterly volume evolution

Top-line acceleration in Q3 and Q4 leading to an overall annual volume growth of +4.4%

Quarterly volume growth vs prior year



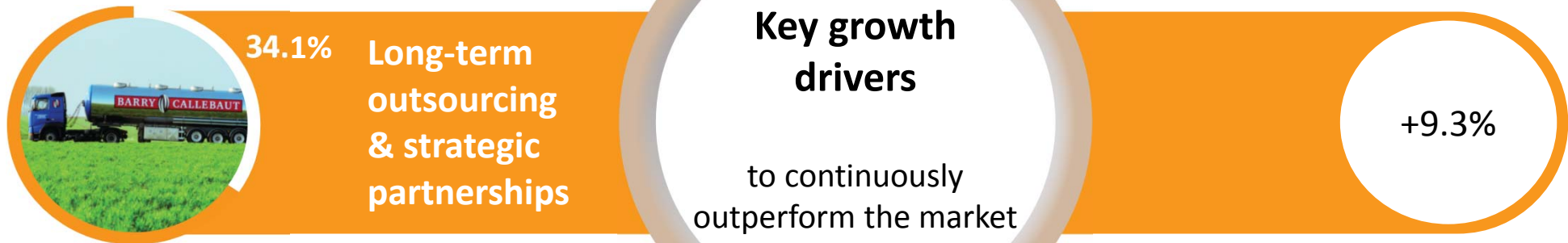
Market Volume growth*

-3.7%	-1.3%	-0.7%	-1.5%	-2.3%	-1.4%	+2.3%	+2.2%
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*Source: Nielsen chocolate confectionery in volume – 26 countries

Volume increase fueled by all our key growth drivers

Volume growth vs prior year



Key growth drivers
to continuously outperform the market

Expansion

With good momentum in many key areas...

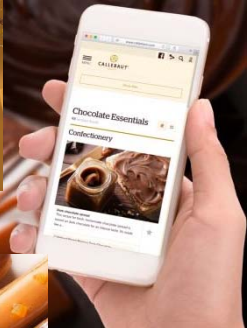
Double-digit growth in key emerging markets



Driving long-term outsourcing & strategic partnerships



Strong growth of our Gourmet & Specialties business



Innovation

We continue to be at the forefront of innovation, through breakthrough discoveries such as Ruby, the fourth type of chocolate...



Innovation

... and we keep inspiring the world of cocoa and chocolate





Global steering

- ▶ Combined ratio centralized management
- ▶ Interregional product flow management
- ▶ Market intelligence sharing



Global harmonization

- ▶ Customer segmentation
- ▶ Cocoa product pricing methodology
- ▶ Standardization of product specifications and measurement methodologies
- ▶ Bendsdorp sensory & color



Global design

- ▶ Factory footprint optimized
- ▶ Factory organization setup defined and reorganized
- ▶ Driving working capital efficiency



Cost Leadership

Our focus on optimizing our cost base remains strong, across several functional areas

- ▶ Defining, optimizing and aligning our processes end-to-end globally
- ▶ Cleaning and standardizing data
- ▶ Improving and aligning IT tools – Automation
- ▶ Centralization of day-to-day transactional activities
- ▶ Continuous improvement in our Operations and Supply Chain: Organization design, Quality Culture, Health Safety and Environment, Manufacturing Systems, etc.



Forever Chocolate gaining momentum



Achievements FY 2016/17

157,000 farmers trained



By **2025** we will eradicate child labor from our supply chain

36% of our total cocoa beans sourced sustainably



By **2025** we will lift more than 500,000 cocoa farmers out of poverty

30% of non-cocoa raw materials sourced sustainably



By **2025** we will have 100% sustainable ingredients in all of our products

-7,320 tonnes reduced of CO₂ emissions



By **2025** we will be carbon and forest positive

Financial Review



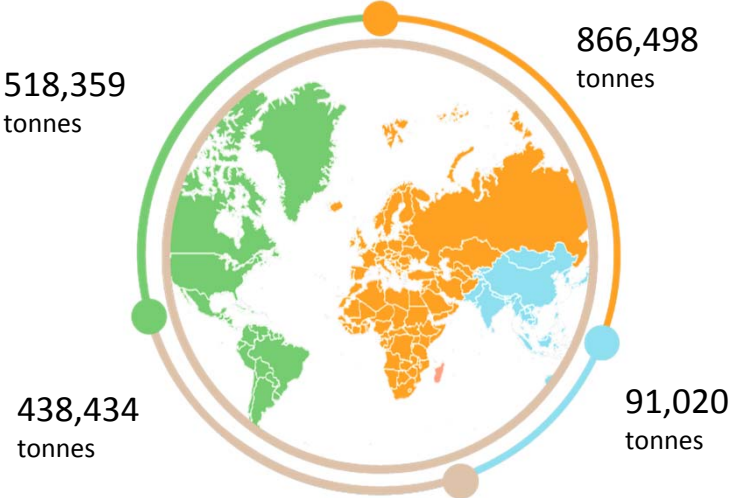
FY results 2016/17

Successful year, delivering on our strategy

Group performance (In CHF mio.)	FY 2016/17 (in CHF)	% vs prior year (in CHF)	% vs prior year in local currencies
Sales Volume Total (in tonnes)	1,914,311	+4.4%	
Sales Revenue	6,805.2	+1.9%	+1.2%
Gross Profit	986.7	+14.3%	+14.6%
EBIT Total	488.2	+21.5%	+22.3%
EBIT recurring <i>EBIT per tonne recurring</i>	470.1 245.6	+17.0% +12.1%	+17.8% +12.9%
Net profit for the year	302.9	+38.3%	+39.6%
Net profit recurring	284.8	+30.1%	+31.3%
Free cash flow	475.6	+10.4%	+10.9%

All regions contributed to the strong results

Group Sales Volume:
1,914,311 tonnes



FY volume growth

EMEA
+6.4%

Americas
+2.2%

Asia-Pacific
+19.1%

Global Cocoa
+0.4%

EBIT growth in local currencies

EMEA
+9.8%*

Americas
+9.2%

Asia-Pacific
+20.2%

Global Cocoa
+272.6%

Underlying market¹:

EMEA
-0.5%

Americas
+0.6%

Asia-Pacific
+3.1%

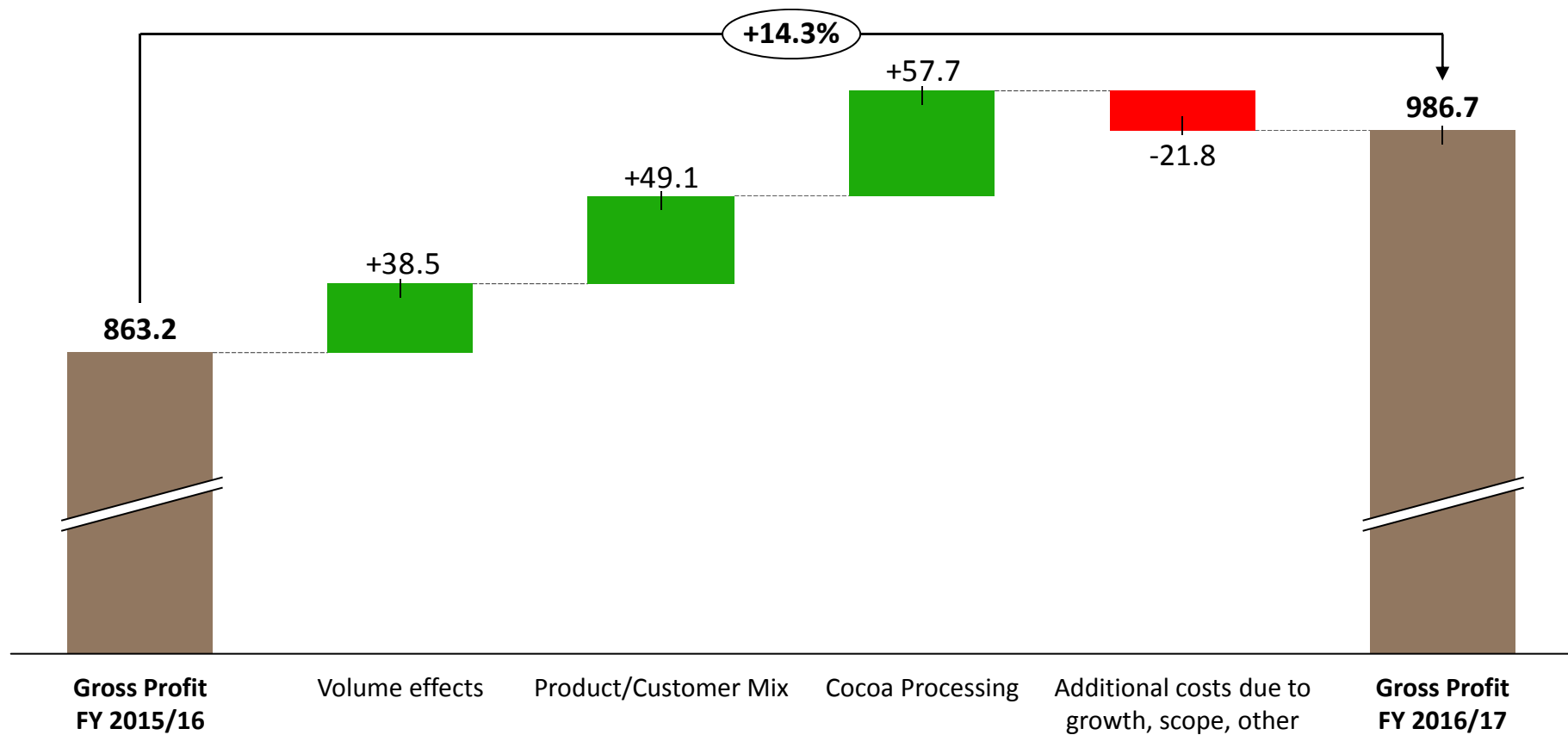
* EBIT recurring +3.6%

¹Source: Nielsen chocolate confectionery in volume – 26 countries

Gross Profit FY 2016/17

Gross profit up +14.3% driven by chocolate volume growth, better product and customer mix and strong improvement of our cocoa business

In CHF mio

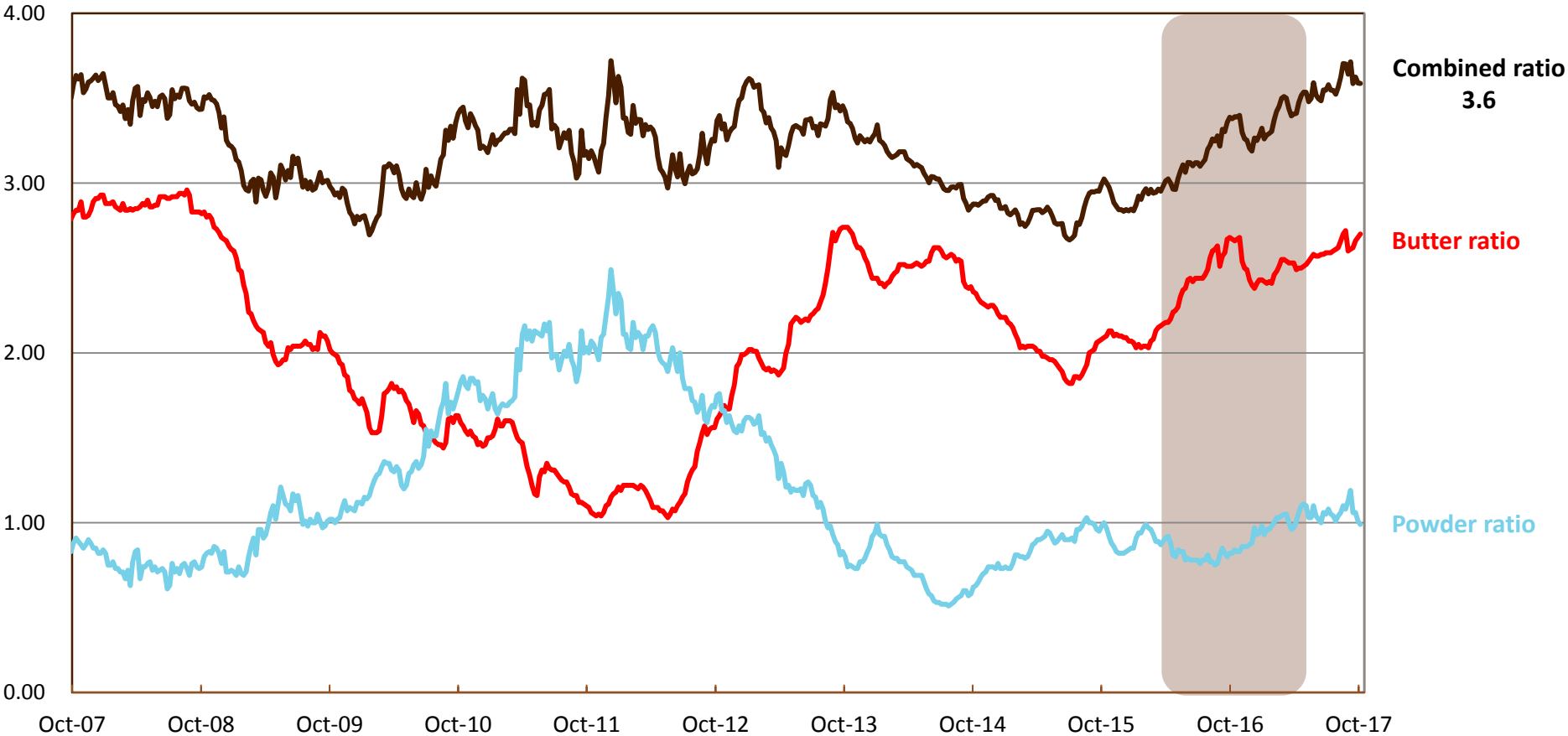


Cocoa processing profitability

Combined ratio remains favorable, driven by butter demand and lower cocoa bean prices

European combined ratio - 6 months forward ratio

FY 2016/17



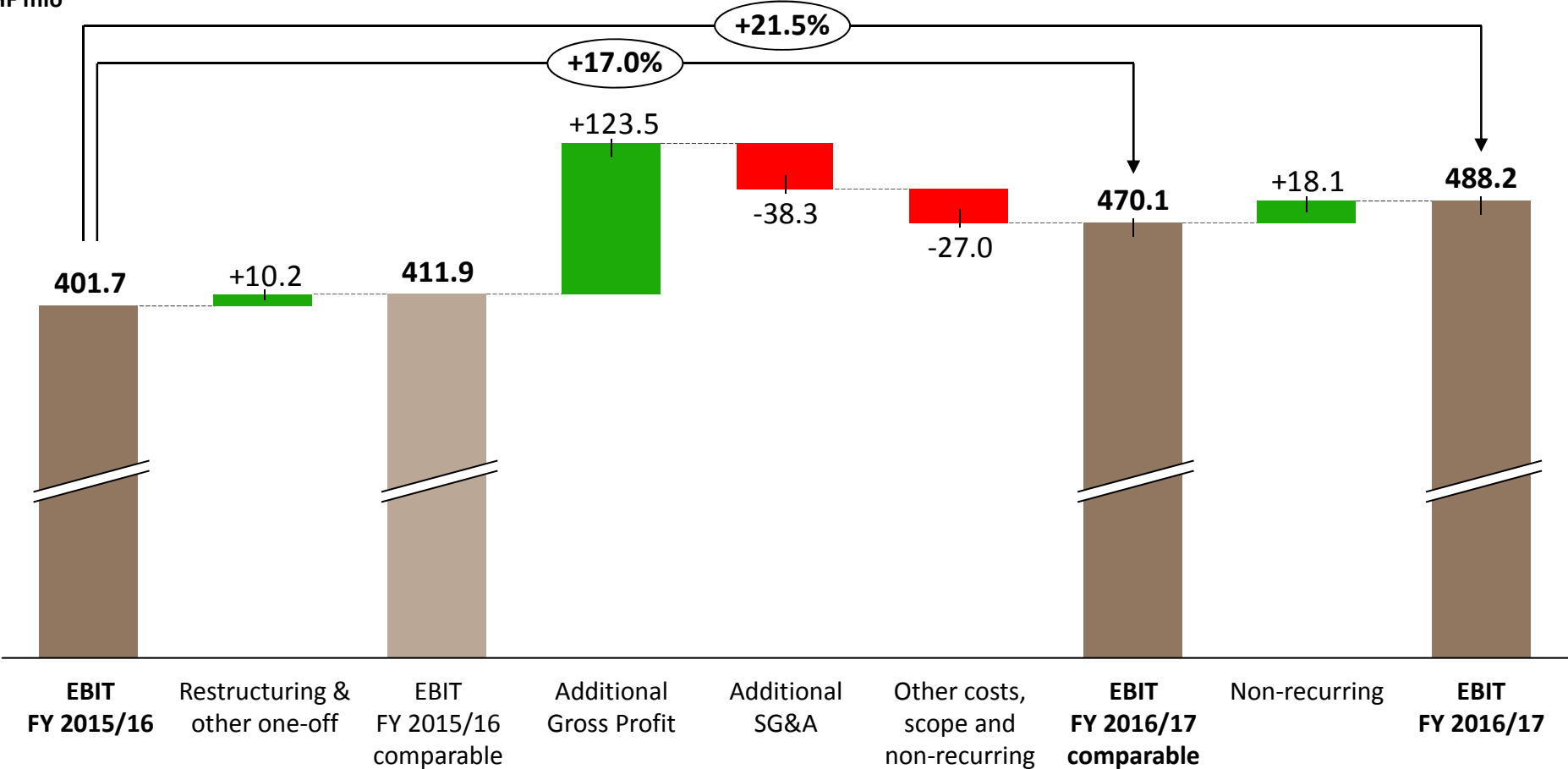
For cocoa processors, profitability depends on the ratio between input costs (price of cocoa beans) and combined output prices (price of cocoa butter and powder).



EBIT FY 2016/17

Strong operating profit up +21.5% including non-recurring, +17.0% recurring

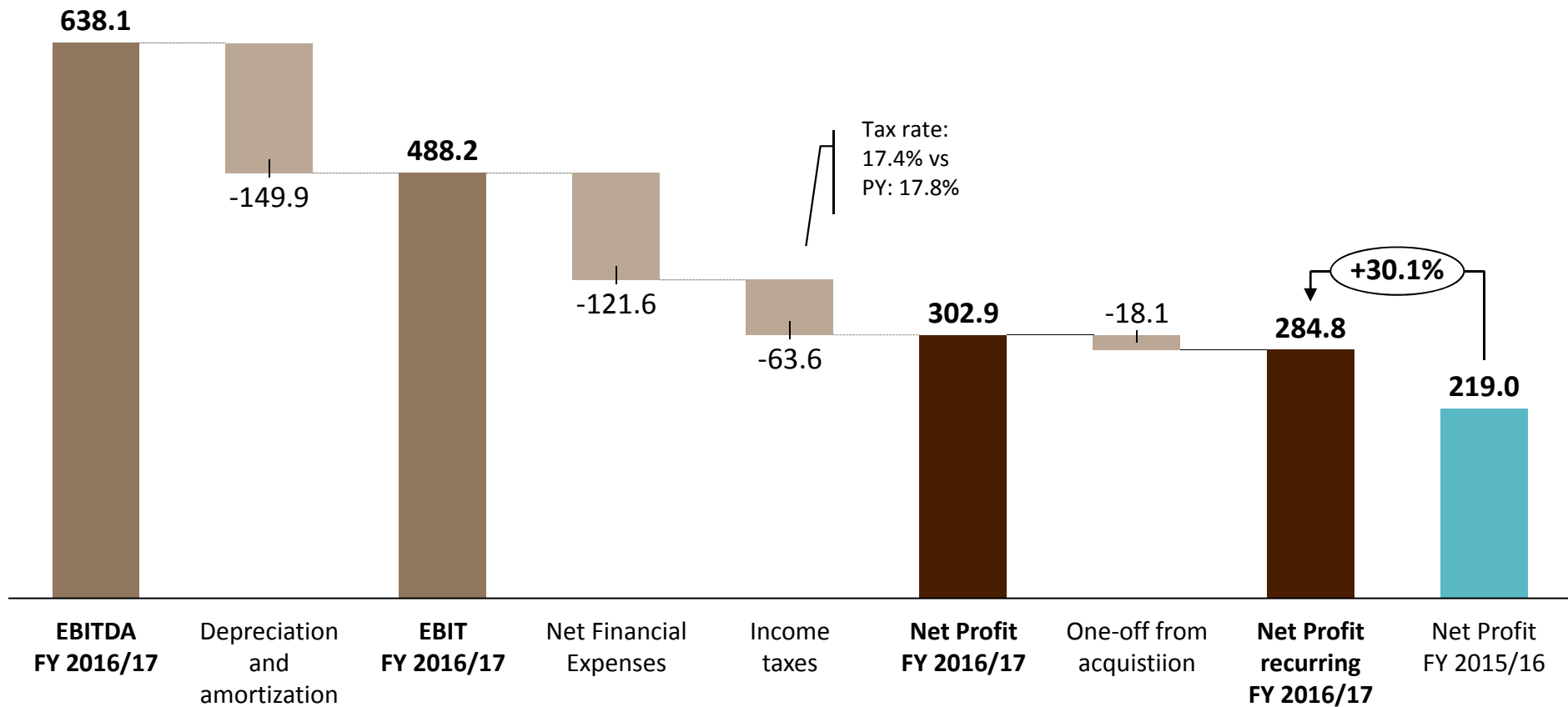
In CHF mio



EBITDA to Net Profit

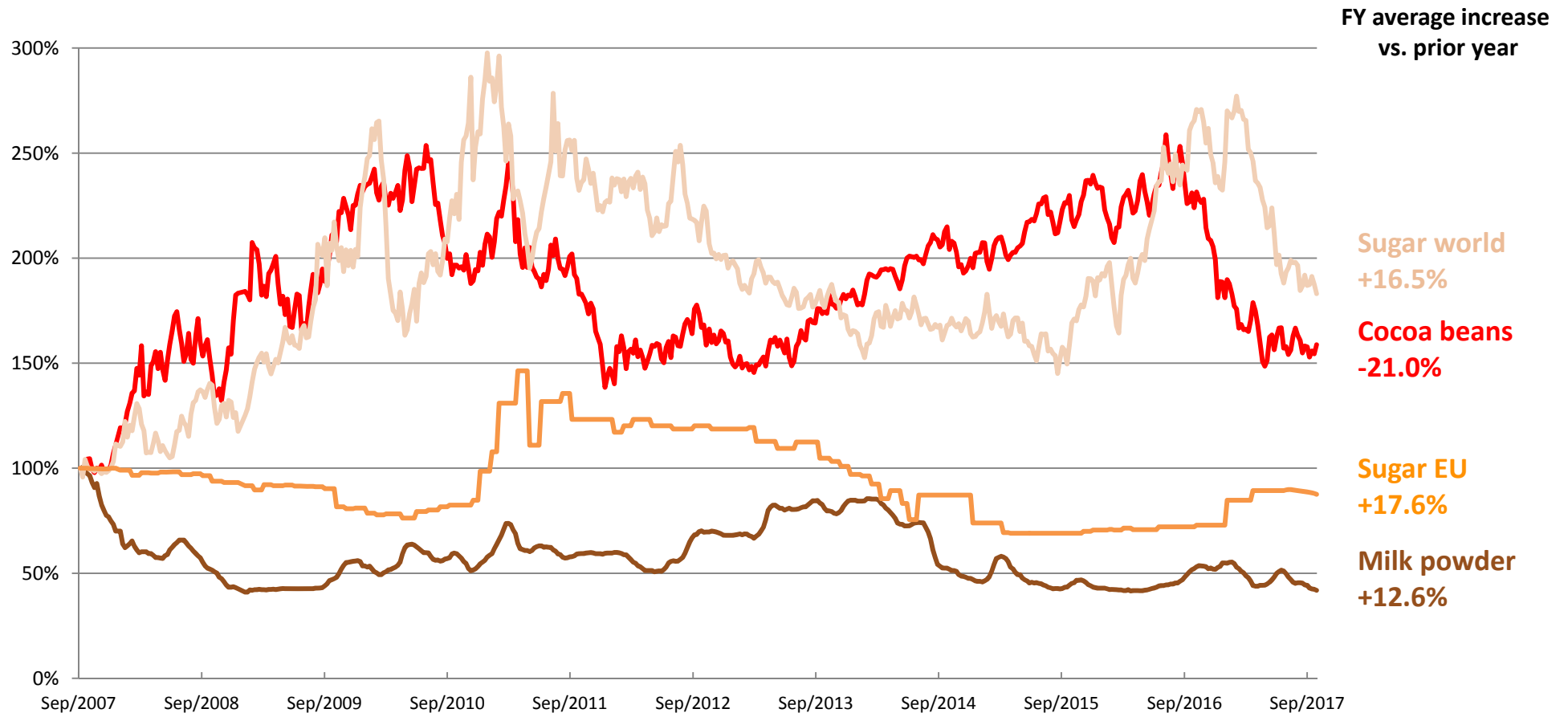
Net Profit up +30.1% in CHF, as a result of strong profitability, lower financial expenses and a stable tax rate

In CHF mio



Raw materials price evolution

Lower cocoa bean prices, milk powder and sugar above prior year

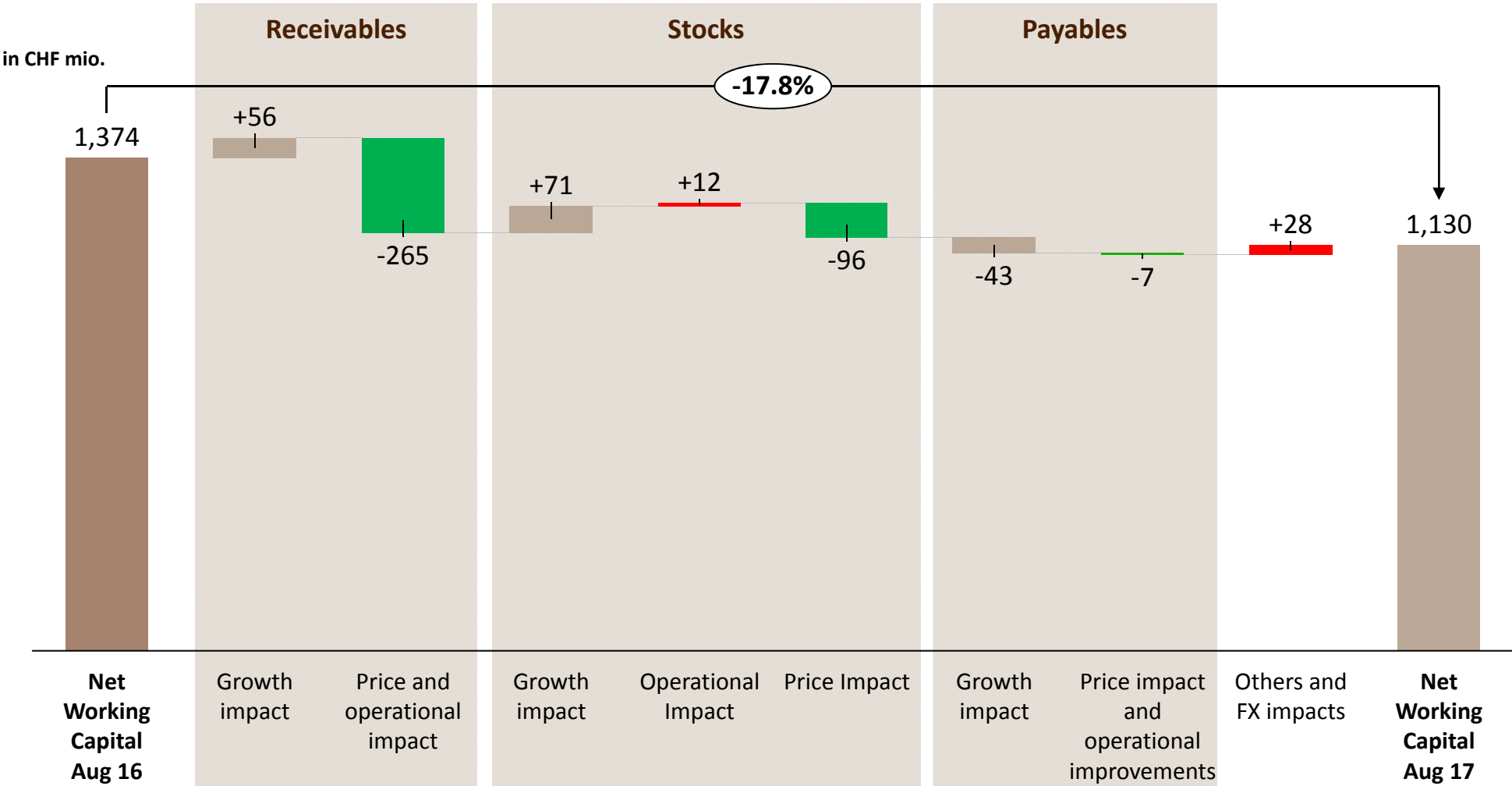


Note: All figures are indexed to Sep 2007

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.

Net Working Capital

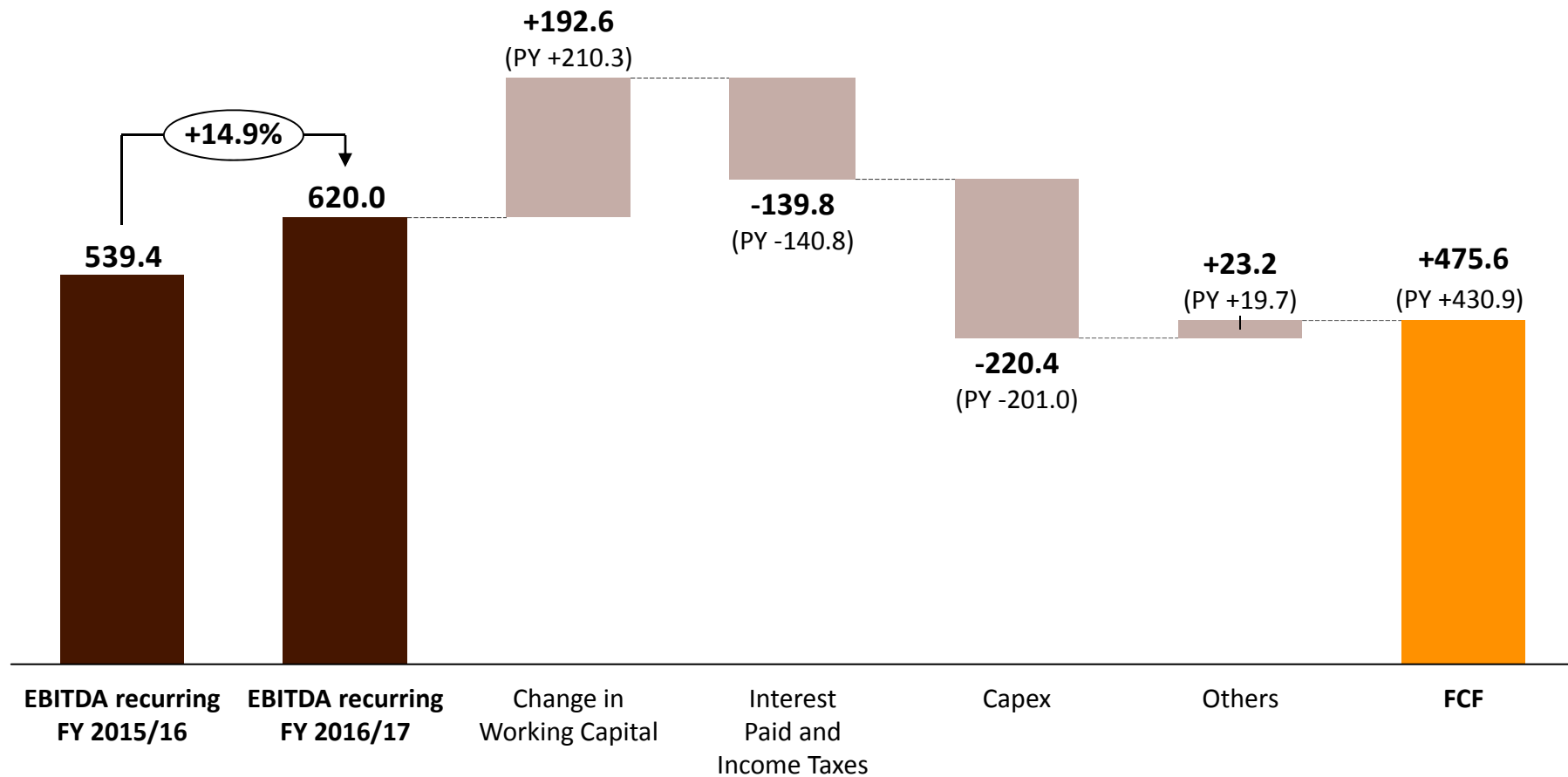
A decrease compared to prior year as a result of continued focus and tailwind from lower cocoa prices



Free Cash Flow

Strong free cash flow, based on higher profitability, lower working capital, stable interest and taxes paid, plus discipline on investments

in CHF mio.



Balance Sheet & key ratios

Positive development of all key financial ratios

	Aug-17	Aug-16
Total Assets [CHF m]	5,534.1	5,640.8
Net Working Capital [CHF m]	1,129.5	1,374.2
Non-Current Assets [CHF m]	2,458.2	2,301.0
Net Debt [CHF m]	1,110.9	1,452.8
Shareholders' Equity [CHF m]	2,178.8	1,956.3
Debt/Equity ratio	51.0%	74.3%
Solvency ratio	39.4%	34.7%
Net debt / EBITDA recurring	1.8x	2.7x
Interest cover ratio	5.1x	4.0x
ROIC	11.5%	9.5%
ROE	13.1%	11.2%

Dividend

Proposed payout of CHF 20 per share, an increase of 29%

Proposed dividend

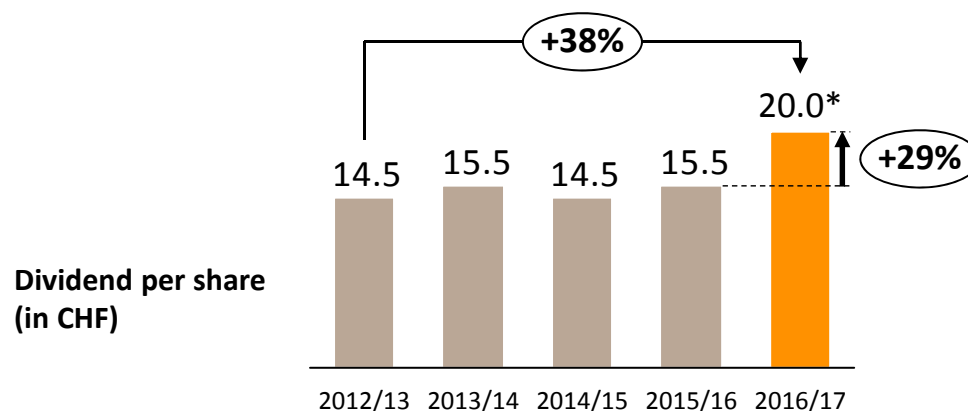
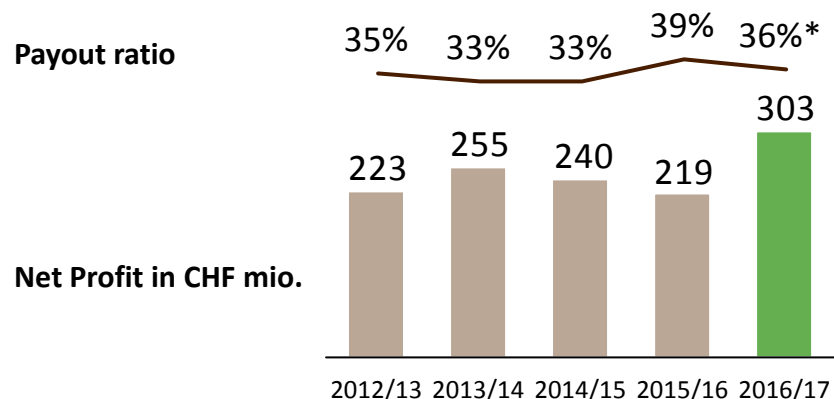
- ▶ CHF 20.0 per share¹
- ▶ Payout of 36% of Net Profit
- ▶ Payout of 39% of recurring Net profit

Timetable for dividend

- ▶ Shareholder approval: Dec 13, 2017 (AGM)
- ▶ Expected ex-date: Feb 28, 2018
- ▶ Expected payment date: March 2, 2018

* As proposed by the Board to our Shareholders – 39% payout ratio on recurring Net Profit

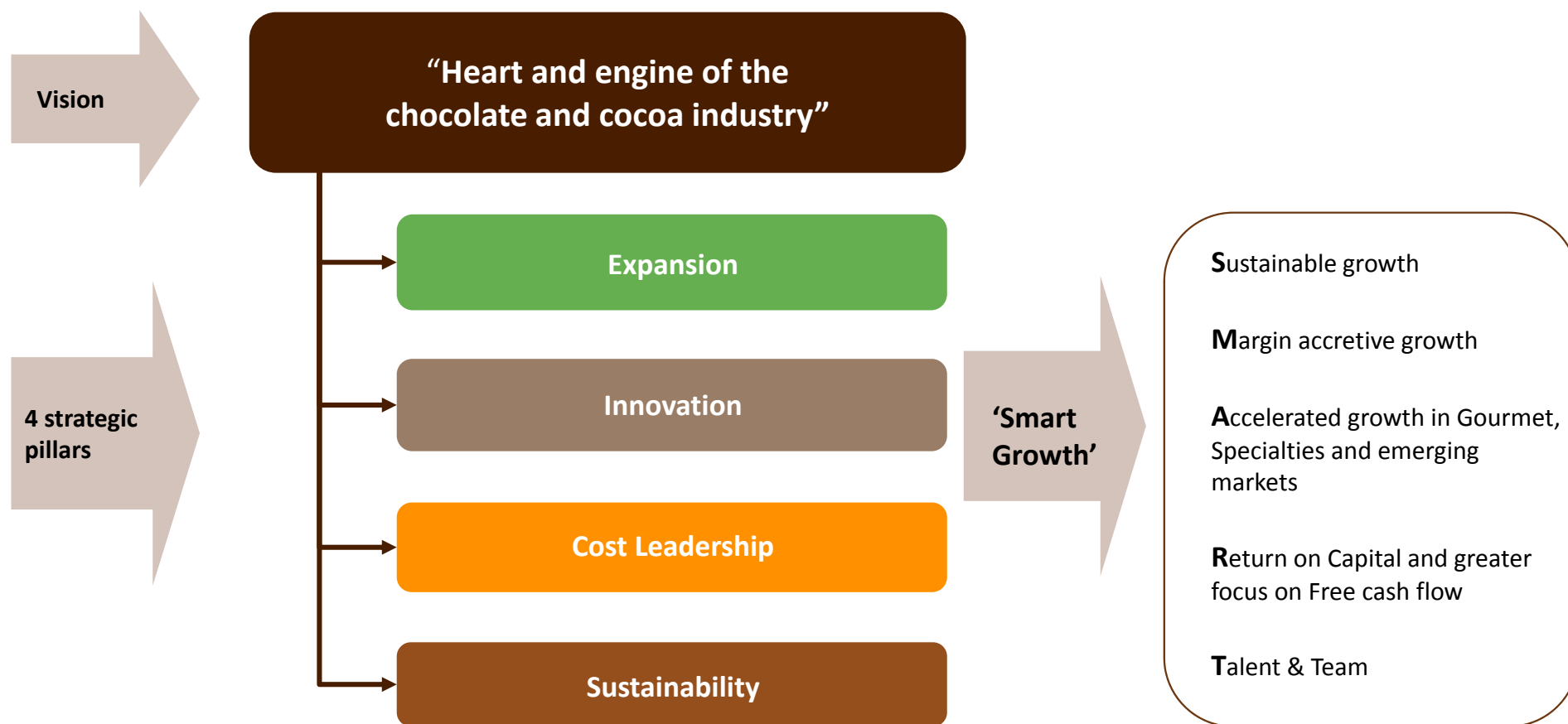
- 1) Payout effected partly in the form of capital repayment by way of par value reduction (CHF 7.27 per share) and partly through a dividend payment (CHF 12.73 per share)
- 2) The distribution of the part related to capital reduction to shareholders will not be subject to withholding tax and – for individuals who are taxed in Switzerland and hold the shares privately – income tax



Strategy & Outlook

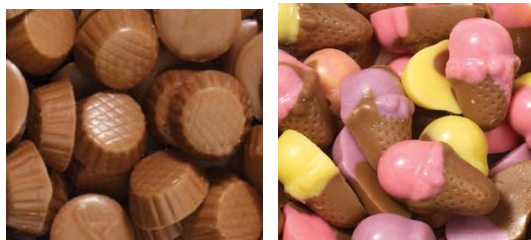


Our long-term strategy remains unchanged



Expansion

Recent acquisitions underline focus on value-adding products (Specialties)



Acquisition of D'Orsogna Dolciaria

- ▶ Leading Italian supplier of decoration and inclusion solutions for ice-cream, dairy and bakery products in Europe
- ▶ Sales volume in 2016: 12,000 tonnes. Sales revenues of approx. EUR 52 million
- ▶ Transaction closed on Oct 5, 2017

Acquisition of Gertrude Hawk Ingredients

- ▶ Family-owned U.S. company. New and innovative technology to make ice cream and baking inclusions
- ▶ Sales volume in 2016/17: 13,000 tonnes. Sales revenues of approx. EUR 70 million (USD 83 million)
- ▶ Closing expected by end of December 2017

Unleashing the power of our People



- ▶ A renewed Senior Leadership
 - ▶ Combining continuity and adding new skills

- ▶ Preparing Talent for the Future
 - ▶ Systematic accelerated succession planning
 - ▶ Learning and Development as a business focus

- ▶ A Diverse Talent pool
 - ▶ Reflecting society's trends and customers' needs
 - ▶ An attractive workplace for Millennials
 - ▶ Focus on growing talent from origin /emerging countries

- ▶ Unified culture
 - ▶ Forever Chocolate playing to BC core values

Our focus areas in FY 2017/18



▶ **Grow Competitively**

- ▶ Expanding in emerging markets and drive long-term outsourcing agreements
- ▶ Greater focus on digital: e-commerce and customer portal
- ▶ Leading on innovation

▶ **Grow Sustainably**

- ▶ Scaling Forever Chocolate
- ▶ Invest in production capacity to cater for customer needs
- ▶ Strengthening capabilities
- ▶ Develop talents

▶ **Grow Profitably**

- ▶ Driving leverage by maintaining an optimized cost base
- ▶ Expanding our value-adding offer to customers
- ▶ Focus on profitability and cash

Outlook

Mid-term guidance confirmed and extended



Outlook

- ▶ Current market environment remains positive, a more supportive cocoa products market and slightly improving demand for chocolate

Mid-term guidance extended until 2018/19:

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



¹ in local currencies and barring any major unforeseen events



Questions & Answers

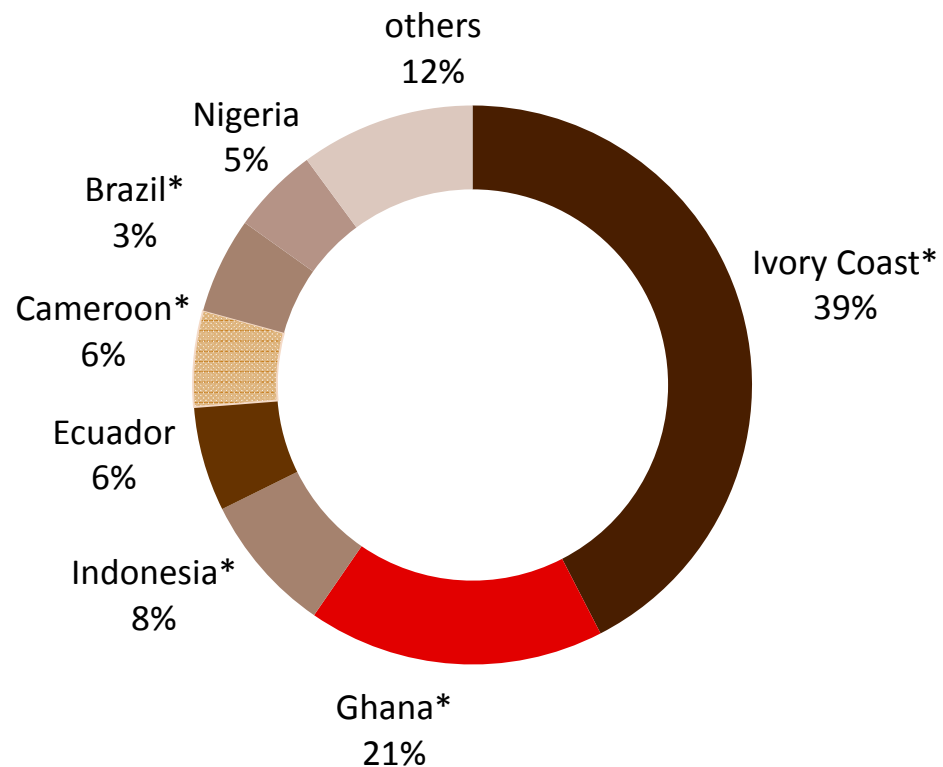


Appendix



West Africa is the world's largest cocoa producer

Total world harvest (15/16): 3,989 TMT

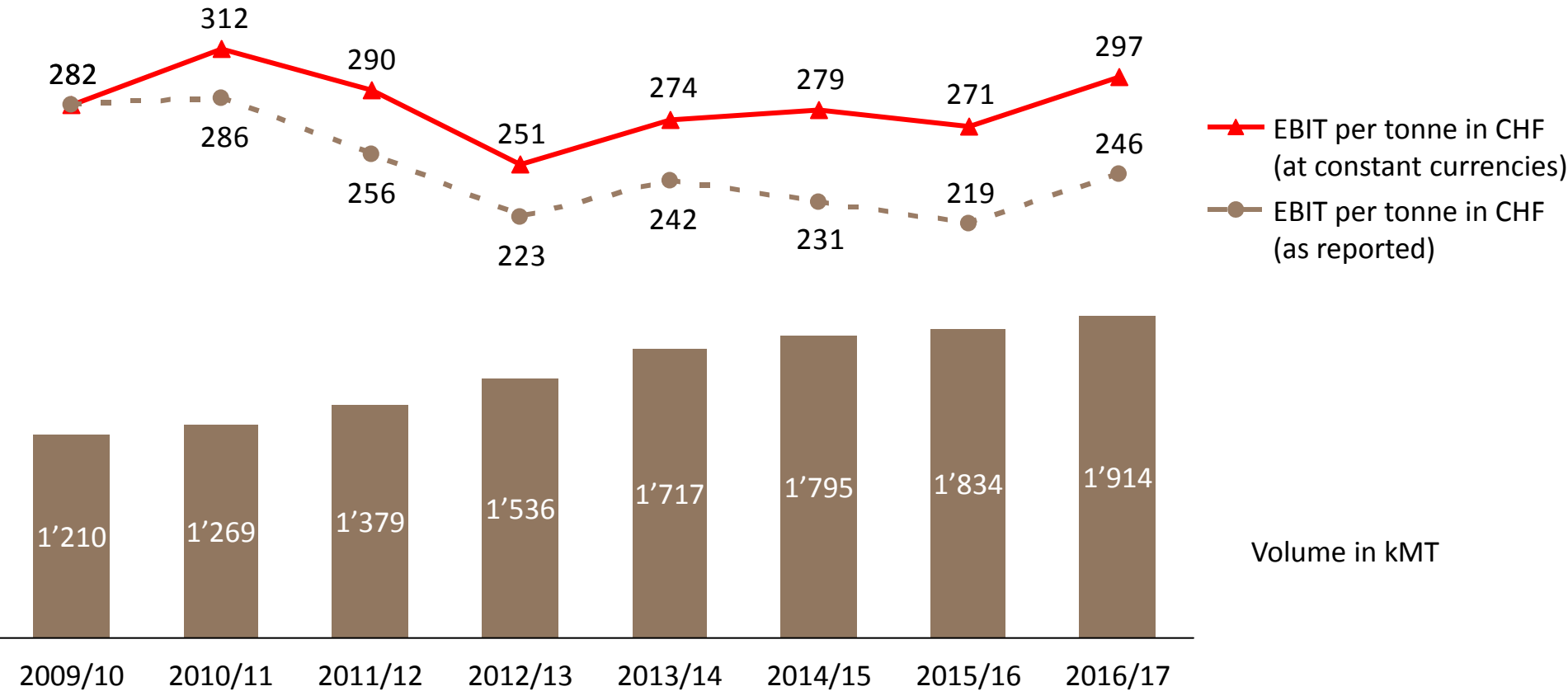


Source: ICCO estimates

- ▶ About 70% of total cocoa beans come from West Africa
- ▶ BC processed ~900,000 tons or 23% of the world crop
- ▶ Barry Callebaut has various cocoa processing facilities in origin countries*, in Europe and in the USA

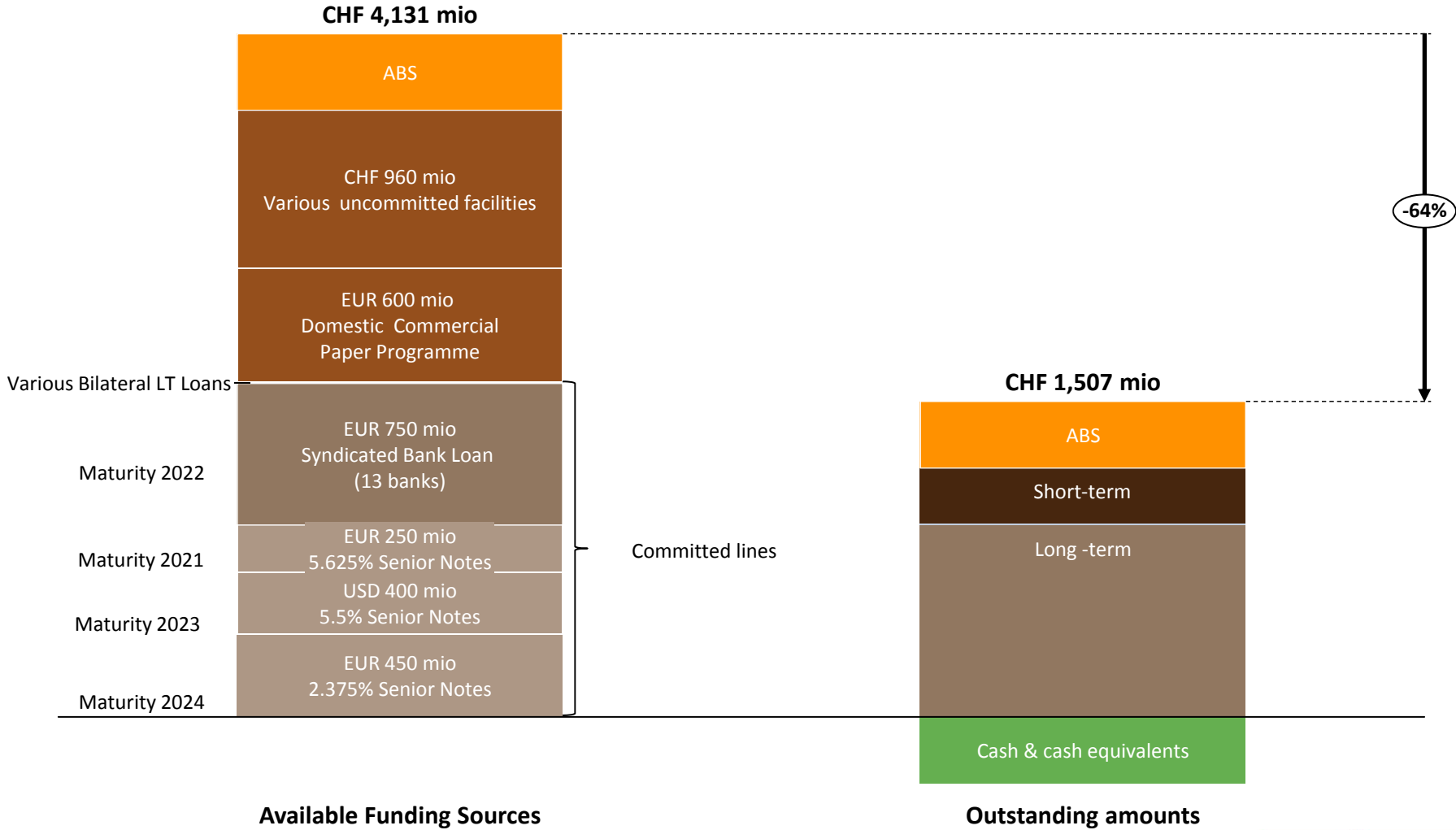
8-year EBIT per tonne development

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



Significant headroom for further growth and raw material price fluctuations

As of 31 August 2017



12 months – CAPEX

Capital Expenditures

