

Roadshow presentation – Full-Year Results 2017/18

November 2018



Agenda

- ▶ BC at a glance
- ▶ Highlights FY 2017/18
- ▶ Financial review
- ▶ Strategy & Outlook
- ▶ Appendix

BC at a glance



Who are we?

The heart and engine of the chocolate industry

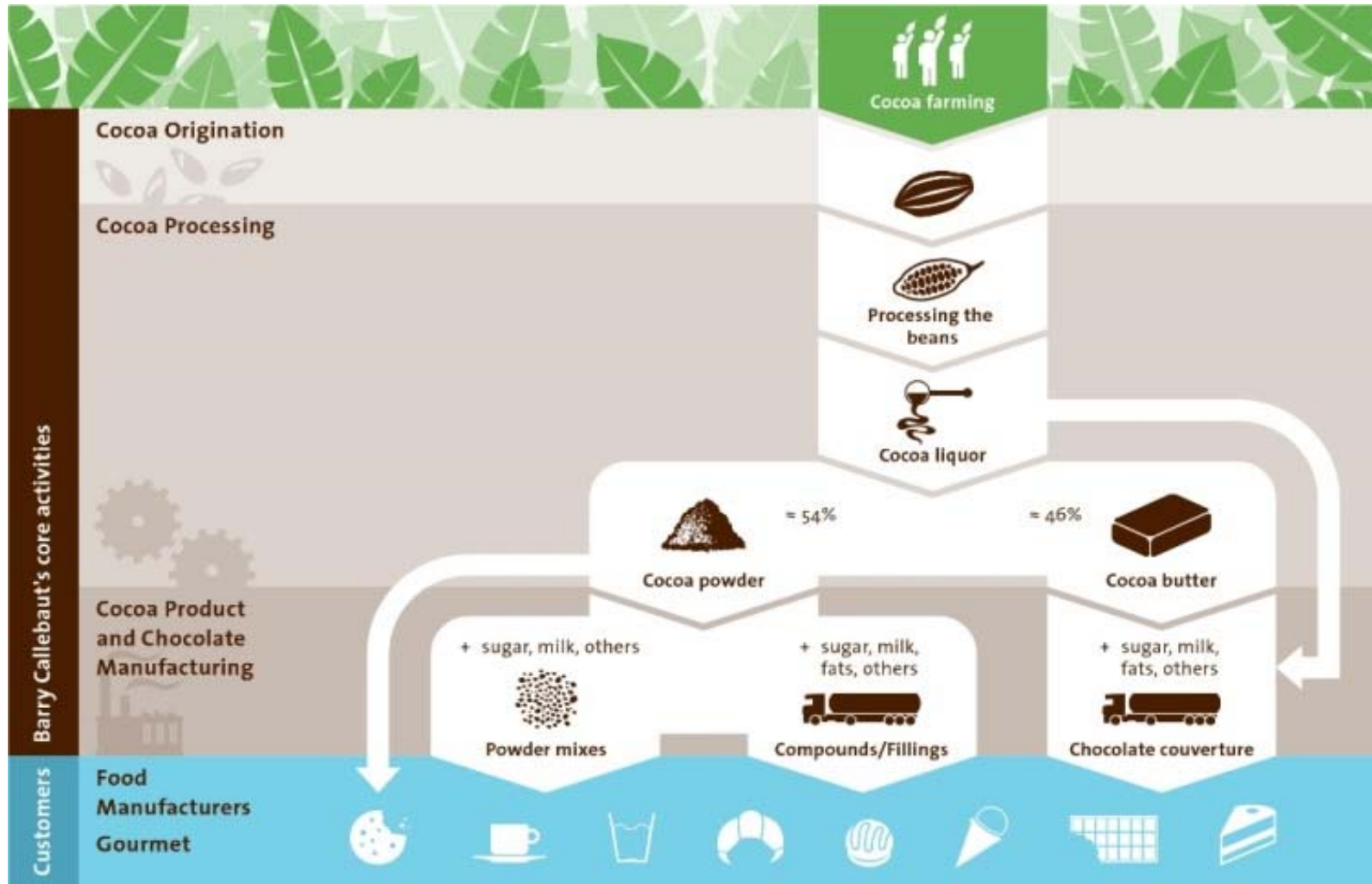


- ▶ A merger between **Cacao Barry**, the very first French chocolate connoisseur since 1842 and **Callebaut** a Belgian chocolate couverture manufacturer expert since 1911
- ▶ Listed on the SIX Swiss Exchange since 1998
- ▶ Today, the world's leading manufacturer of high-quality chocolate and cocoa 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 2017/18

More than
175 years
of chocolate heritage



First time over
2 million
sales volume
in tonnes

554.0
EBIT
in CHF million


59
factories
worldwide

Selling to
140
countries

More than
11,500
employees



CAGR 
+4.4%
volume growth
over 5 years

6,948.4
sales revenue
in CHF million

20 years
listed on the
SIX Swiss Exchange



New type
of chocolate
created: Ruby chocolate
The 4th



Sustainably sourced
cocoa beans
44%




21
CHOCOLATE
ACADEMY™
Centers

More than
40,000
chocolate aficionados
trained in 2017/18

What do we offer?

A broad offering from standard to the most premium products

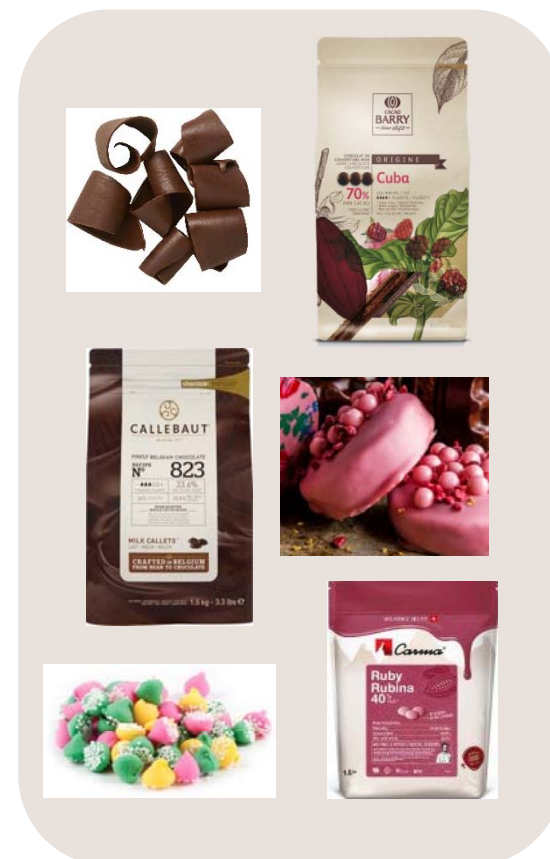
Cocoa Products



Food Manufacturers



Gourmet & Specialties

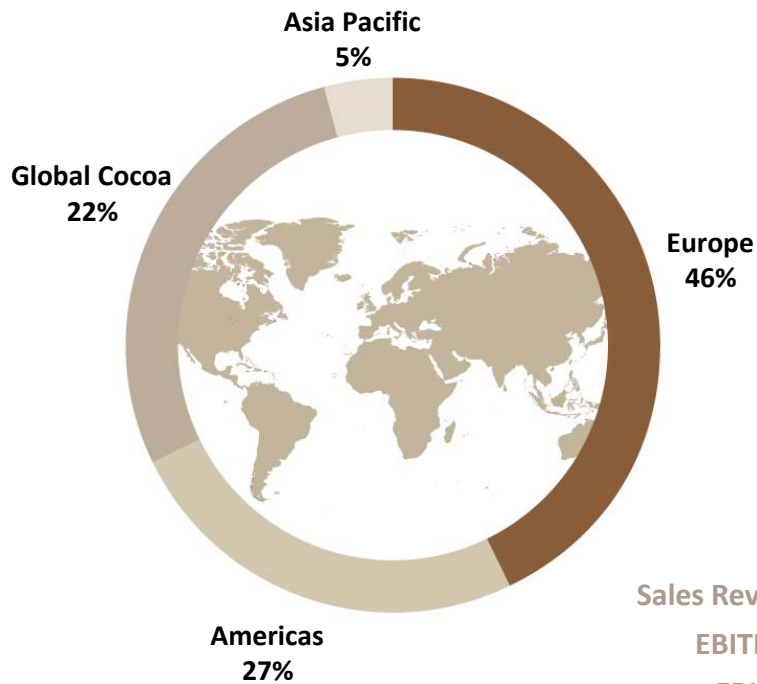


How are we organized?

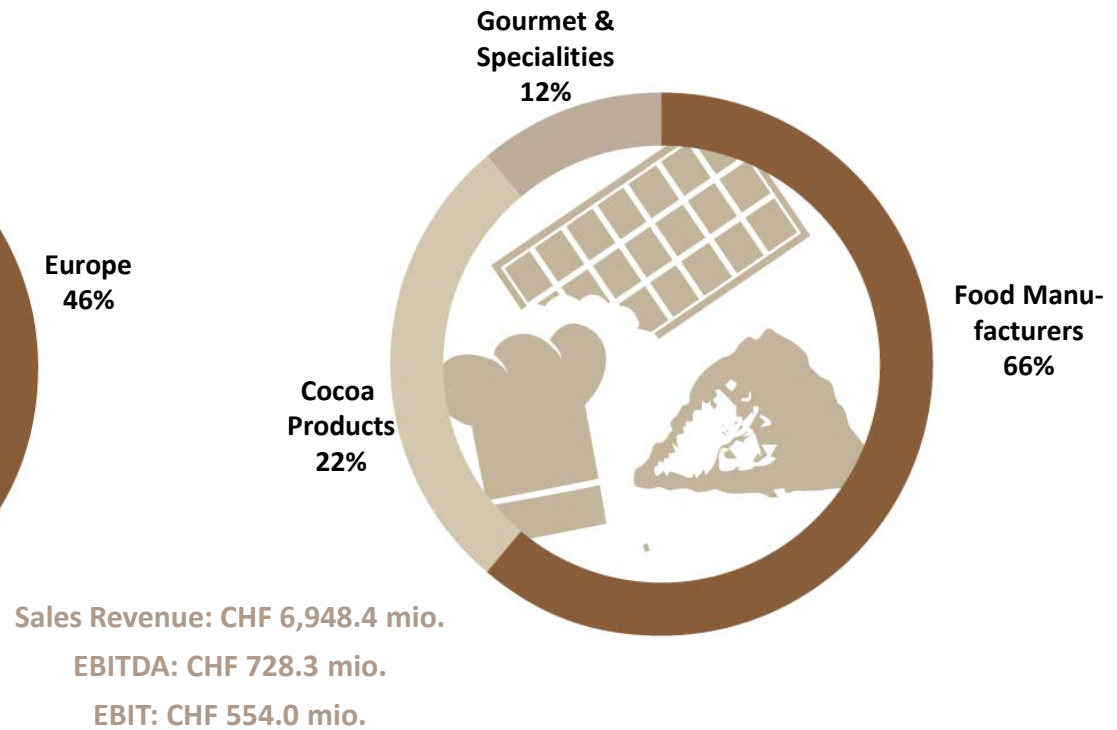
Our Regional and Product split

FY 2017/18 Sales Volume: 2.0 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 66% 	<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 mix Product mix Economies of scale
Cocoa Products 22% 	<ul style="list-style-type: none"> Small, medium and Global Food Manufacturers 	<ul style="list-style-type: none"> Market prices Cost Plus (partly) 	<ul style="list-style-type: none"> Global set-up Combined ratio Customer/product mix
Gourmet & Specialties 12% 	<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 brands Adjacent products Innovation/Sustainability

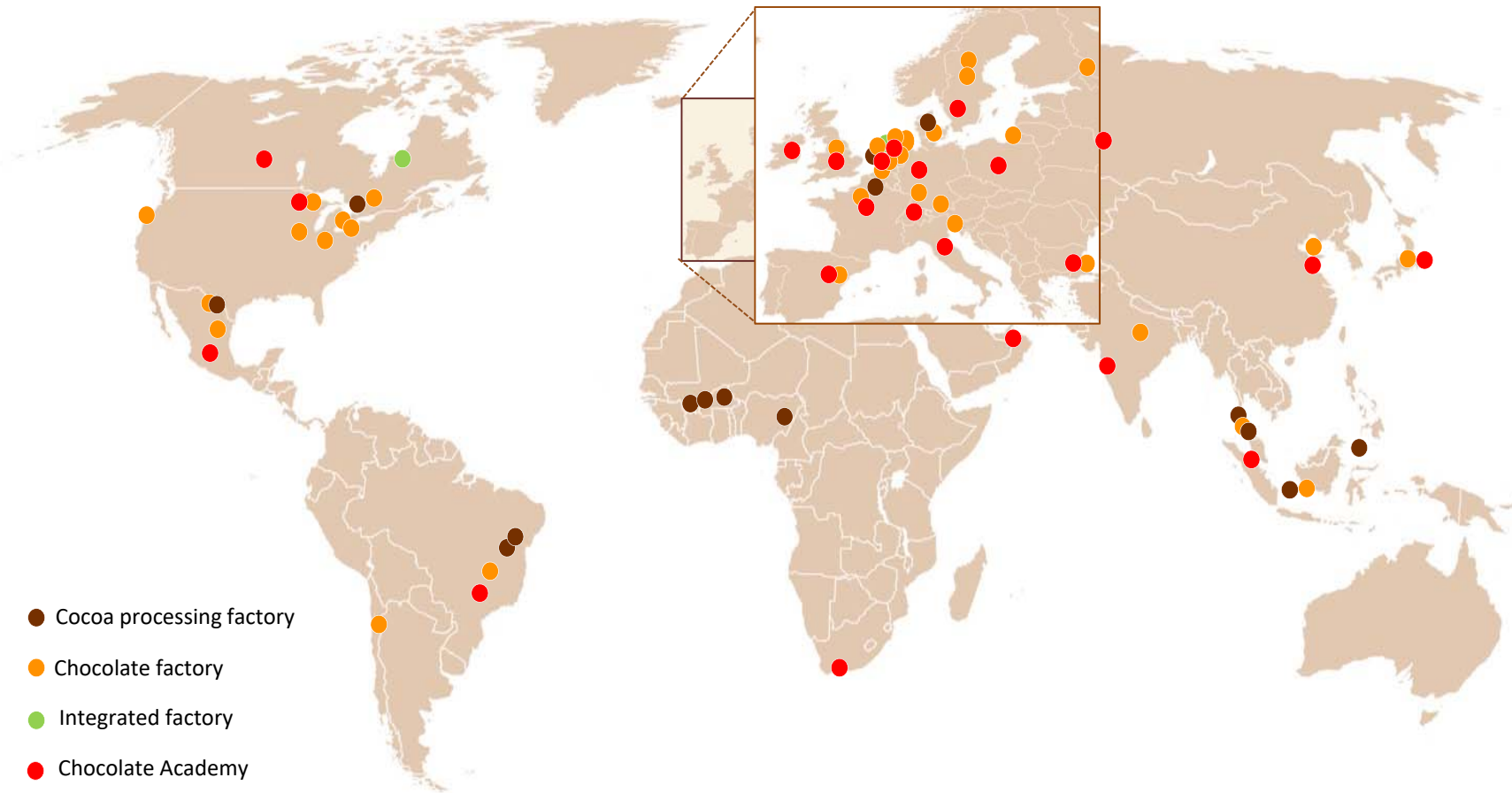
Note: Percentage of FY2017/18 Group sales volume

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: 59 factories worldwide

Cocoa factories in origin countries and chocolate factories close to our customers. With our 21 Chocolate Academies worldwide we are at the pulse of any trends in the industry



Highlights FY 2017/18



Strategy delivering strong results across all regions



Sales volume growth*

+6.3%

Sales revenue growth
(in local currencies)

+0.1%

EBIT
(CHF million)

554.0

Net profit
(CHF million)

357.4

Free cash flow
(CHF million)

311.9

Dividend
(CHF per share)

24.00

* Compared to Global Chocolate Confectionary Market of +1.8%, according to Nielsen (August 17 to August 2018, 25 countries)

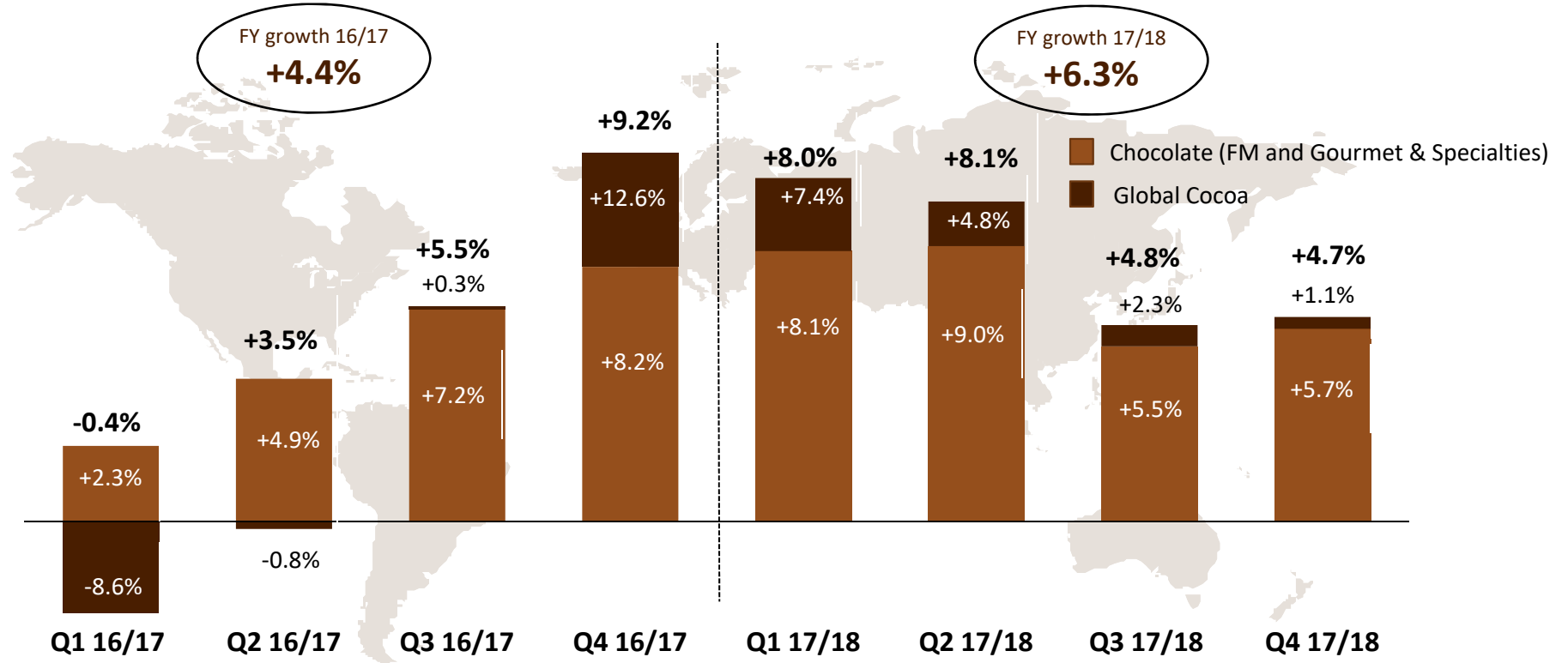
Highlights 2017/18

 <p>Fourth type of chocolate: Ruby</p> <p>Sept 2017</p>	 <p>D'Orsogna completed</p> <p>Oct 2017</p>	 <p>Cocoa & Forests Initiative signed</p> <p>Nov 2017</p>	 <p>Gertrude Hawk Ingredients completed</p> <p>Dec 2017</p>	 <p>Barry Callebaut 10 years in China</p> <p>Jan 2018</p>	 <p>Nestlé launches Ruby KitKat in Japan & South Korea</p> <p>Jan 2018</p>	
 <p>Ruby: NCA award for supplier innovation</p> <p>May 2018</p>	 <p>Chocolate Academy in South Africa</p> <p>May 2018</p>	 <p>CHOCOVISION '18 strengthens BC's leadership position</p> <p>June 2018</p>	 <p>Letters of Intent with Côte d'Ivoire and Ghana</p> <p>June 2018</p>	 <p>BC upgraded to Investment Grade</p> <p>Sept 2018</p>	 <p>Long-term supply agreement Burton's Biscuits</p> <p>Sept 2018</p>	 <p>Acquisition of Inforum in Russia</p> <p>Oct 2018</p>

Quarterly volume evolution

Strong sales volume growth, consistently above the market

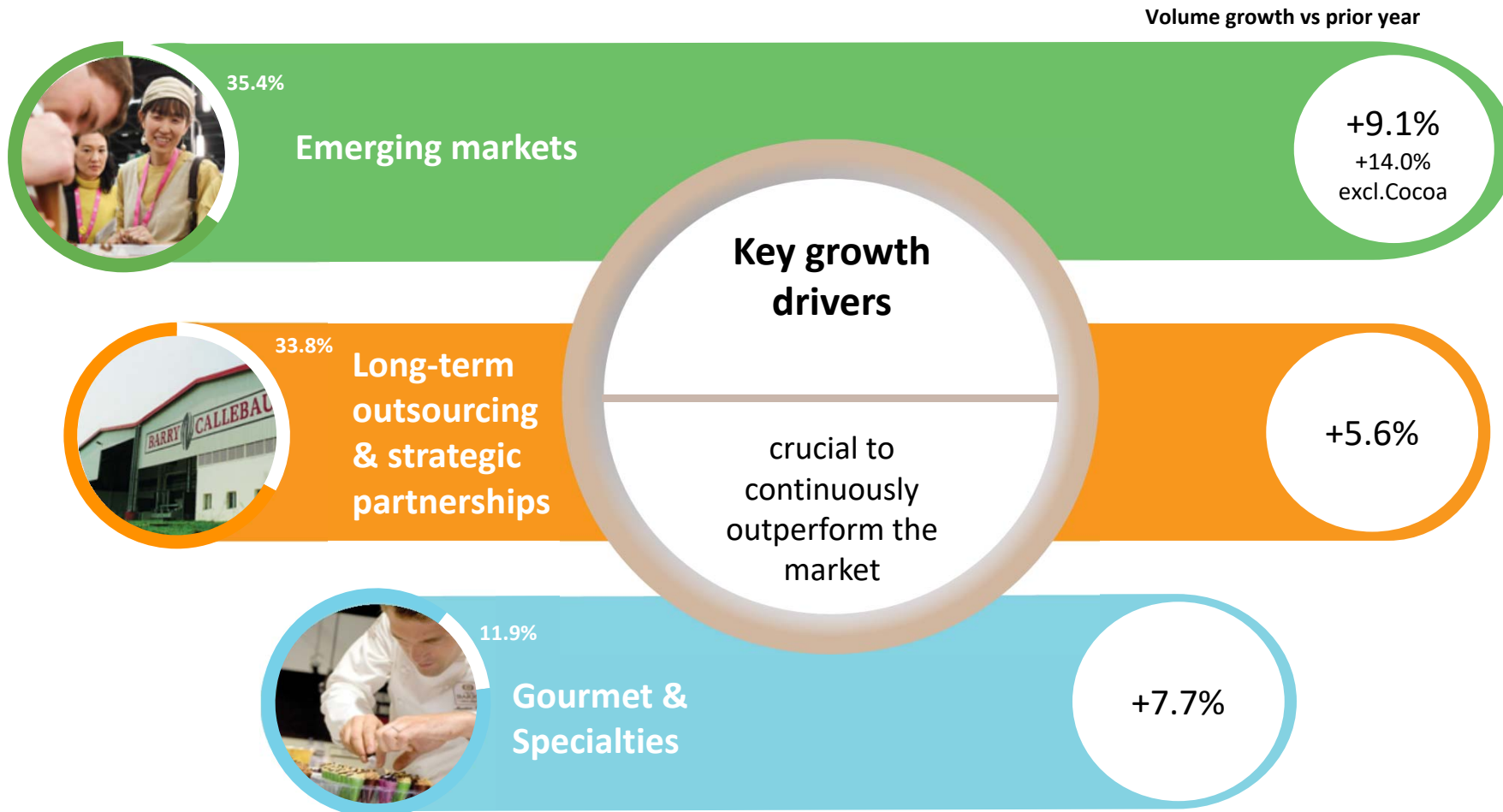
Quarterly volume growth vs prior year



Market Volume growth*	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17	Q1 17/18	Q2 17/18	Q3 17/18	Q4 17/18
	-2.3%	-1.4%	+2.3%	+2.2%	+3.1%	+1.7%	+2.2%	+1.3%

*Source: Nielsen chocolate confectionery in volume, August 2017 – August 2018 – 25 countries

Positive contribution from all our key growth drivers



Expansion

Good momentum continued

Double-digit growth
in key emerging markets



Driving long-term
outsourcing & strategic
partnerships



HEIDI



Strong growth of our
Gourmet & Specialties
business



CHOCOLATE
ACADEMY
ONLINE

Chocolate. At Your Fingertips.
Watch. Learn. Indulge. Repeat.



MoNA
LISA

Innovation

We drive value through innovation, leading on trends across segments



Global transformational projects to drive growth and leverage

Supporting the business strategy through Information Technology enablers

- ▶ Supporting digitalization:
 - Chocolate Academy online
 - Customer portal
 - Supplier portal
- ▶ Investing in core backbone: bringing all entities on SAP
- ▶ Enhancing our Supply Chain
- ▶ Investing in cyber security



Transforming Finance function through Finance Operational Excellence

- ▶ Holistic approach to achieve higher service level for the business and to create leverage
- ▶ Addressing gaps in processes, systems and operating model
- ▶ Reducing complexity and closing technology gaps



Driving operational excellence across cocoa and chocolate value chain

- ▶ Core process reviews
- ▶ Integrated end-to-end supply chain to enable 'smart growth'
- ▶ Improving customer-facing processes across the value chain to further increase customer satisfaction



Sustainability

Forever Chocolate increasing impact



Achievements FY 2017/18

>130,000 cocoa farms mapped



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

2.1 million cocoa seedlings distributed



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

44% of cocoa and other raw materials sourced sustainably



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

24% of factories on renewable energy



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

Financial Review



Strategy delivering strong results

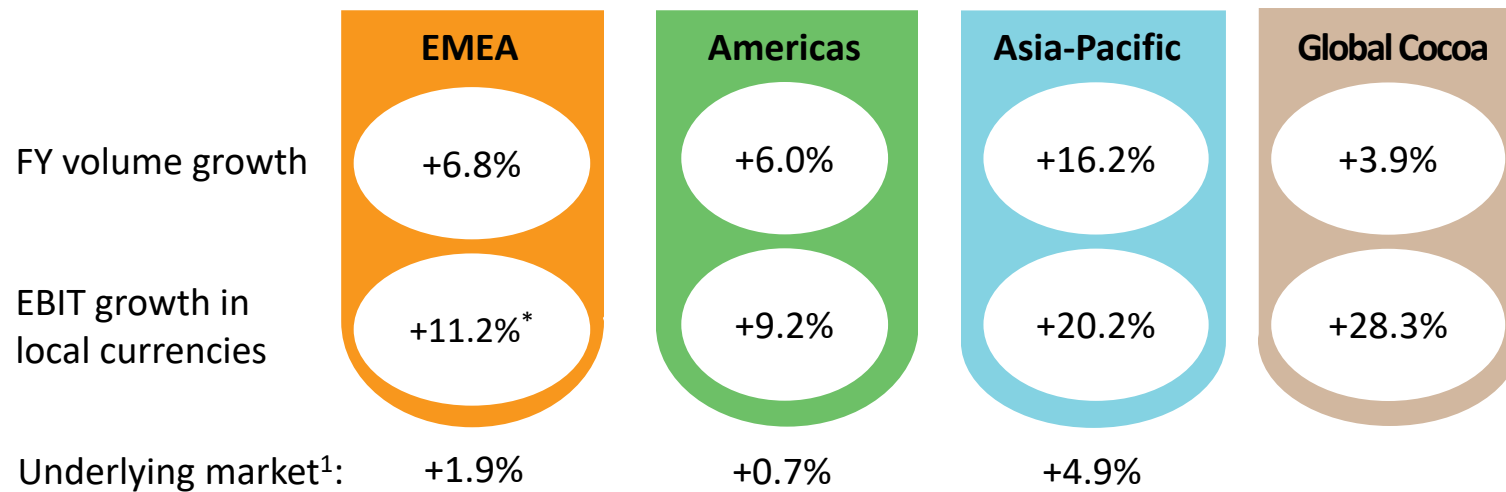
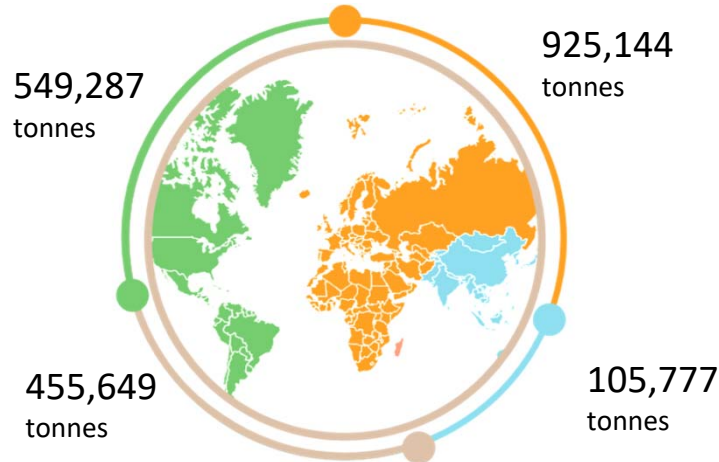
Group performance (In CHF mio.)	FY 2017/18 (in CHF)	% vs prior year ¹⁾ (in CHF)	% vs prior year ¹⁾ in local currencies
Sales Volume Total (in tonnes)	2,035,857	+6.3%	
Sales Revenue	6,948.4	+2.1%	+0.1%
Gross Profit	1,157.1	+20.7%	+17.2%
EBIT Total	554.0	+20.4%	+16.4%
EBIT recurring	554.0	+25.3%	+21.2%
<i>EBIT per tonne recurring</i>	<i>272.1</i>	<i>+17.8%</i>	<i>+14.0%</i>
Net profit for the year	357.4	+27.1%	+22.5%
Net profit recurring	357.4	+35.9%	+31.0%
Free cash flow	311.9	-34.4%	-38.2%

1) See page 48 of the Annual Report 2017/18, Summary of Accounting policies– restatement and reclassification of prior year comparatives, applies to entire presentation

All Regions contributed to top- and bottom-line growth

Group Sales Volume:

2,035,857
tonnes



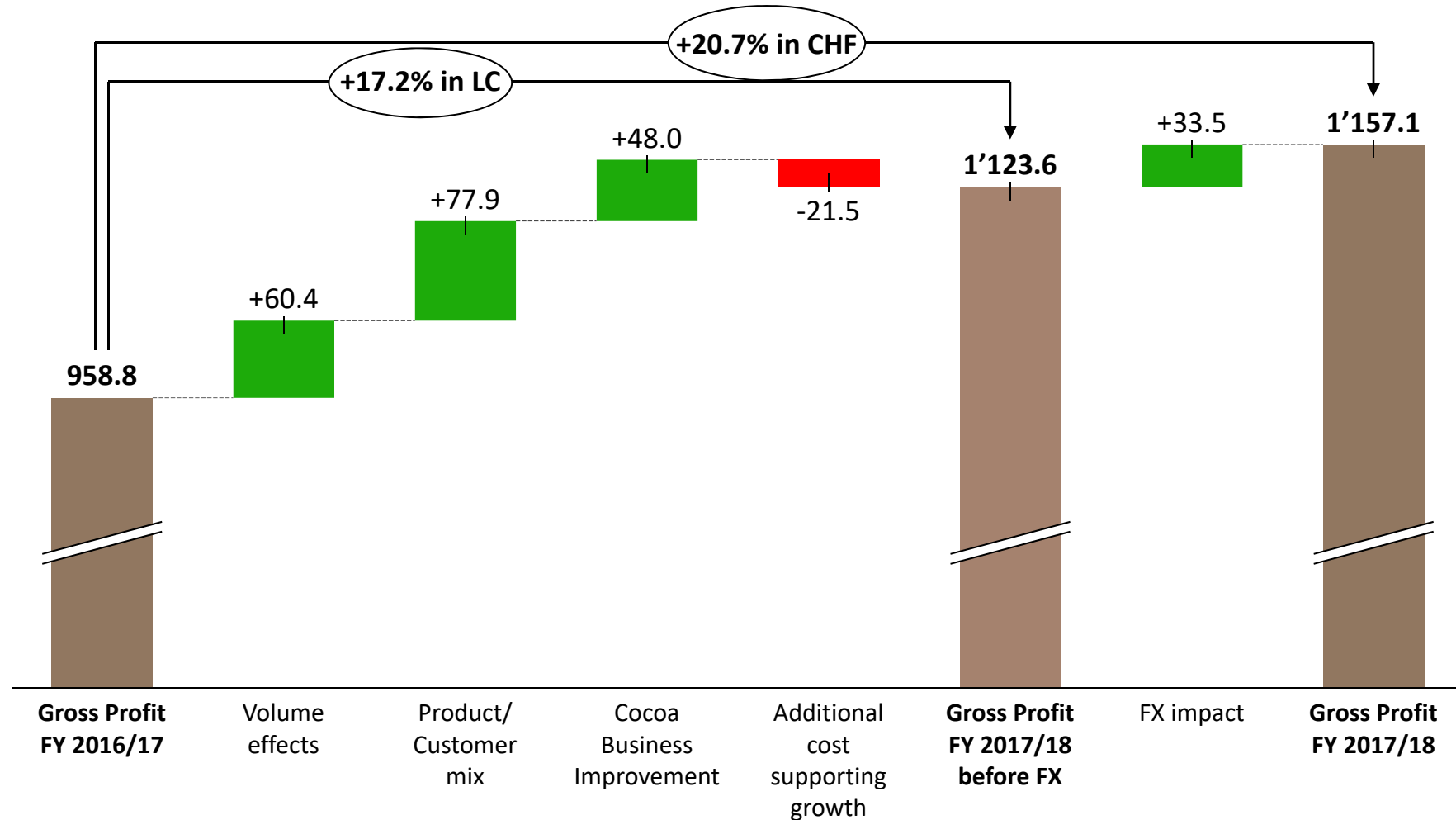
* 2016/17 EBIT recurring

¹Source: Nielsen chocolate confectionery market in volume, August 2017 – August 2018 - 25 countries

Gross Profit FY 2017/18

Gross profit up +17.2% in local currencies, driven by strong product and customer mix, Cocoa business maintained strong momentum

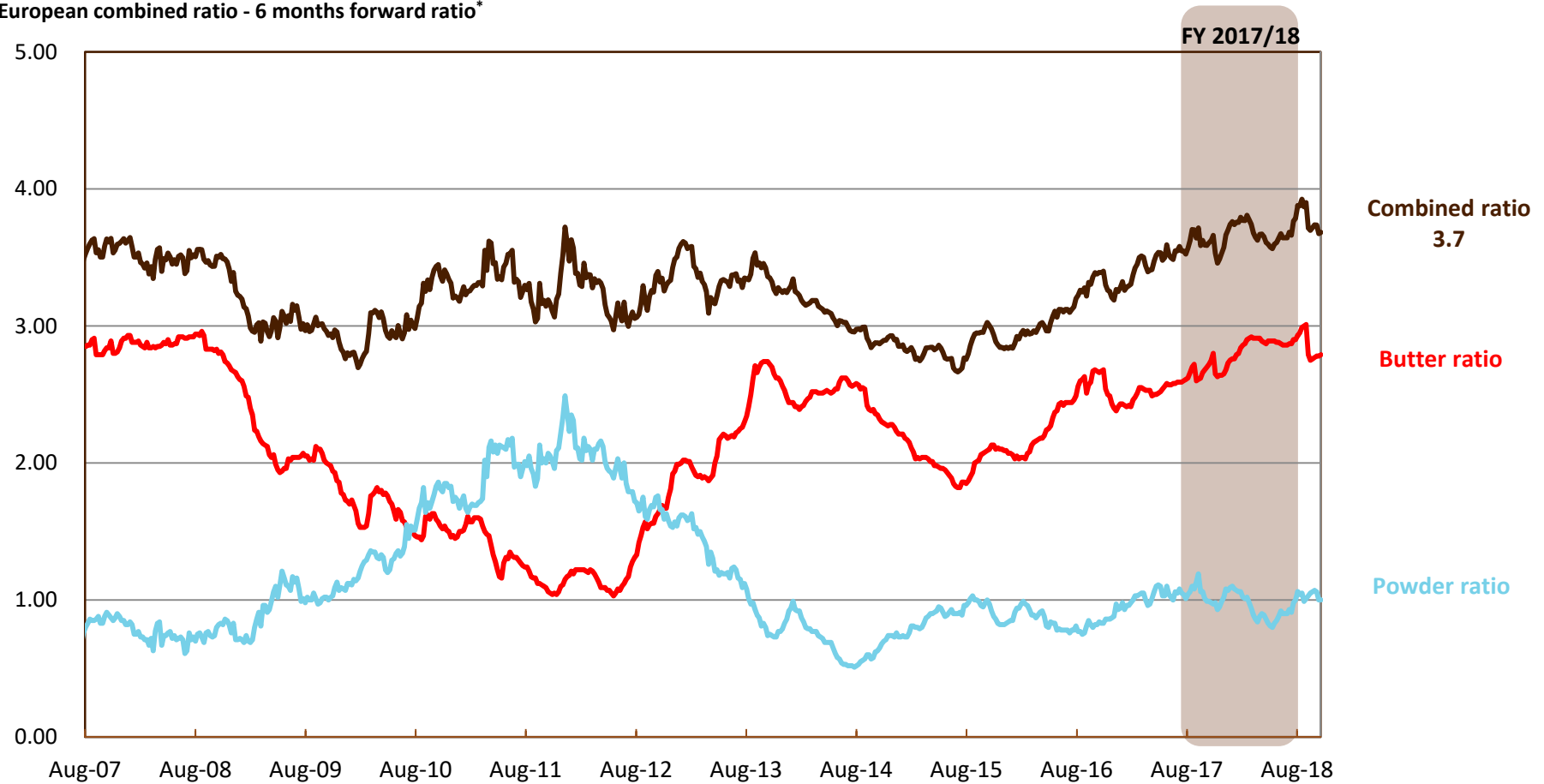
In CHF mio



Cocoa processing profitability

Combined ratio remains at favorable level

European combined ratio - 6 months forward ratio*

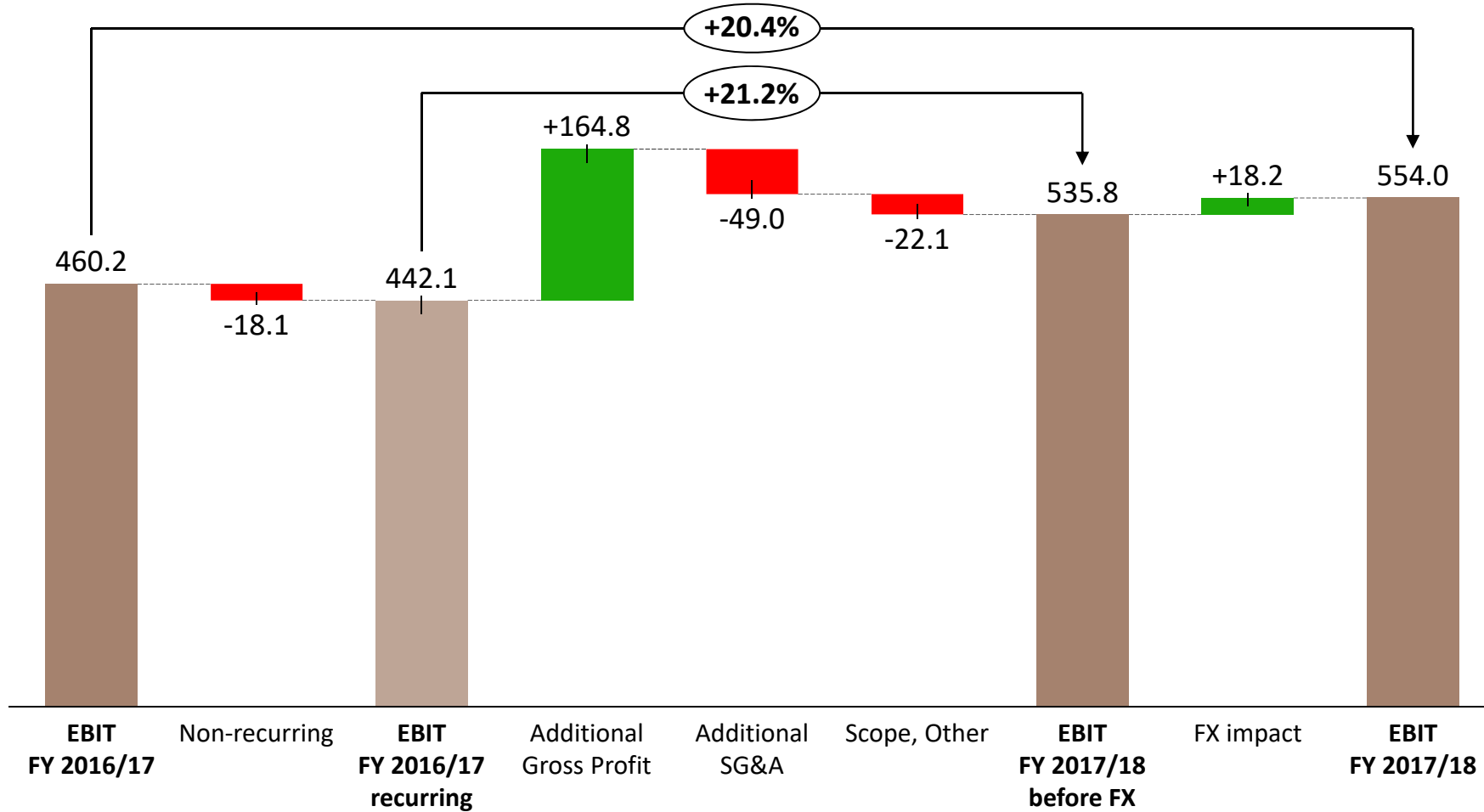


*For cocoa processors, profitability depends on the ratio between input costs (price of cocoa beans) and combined output prices (price of cocoa butter and powder).

EBIT FY 2017/18

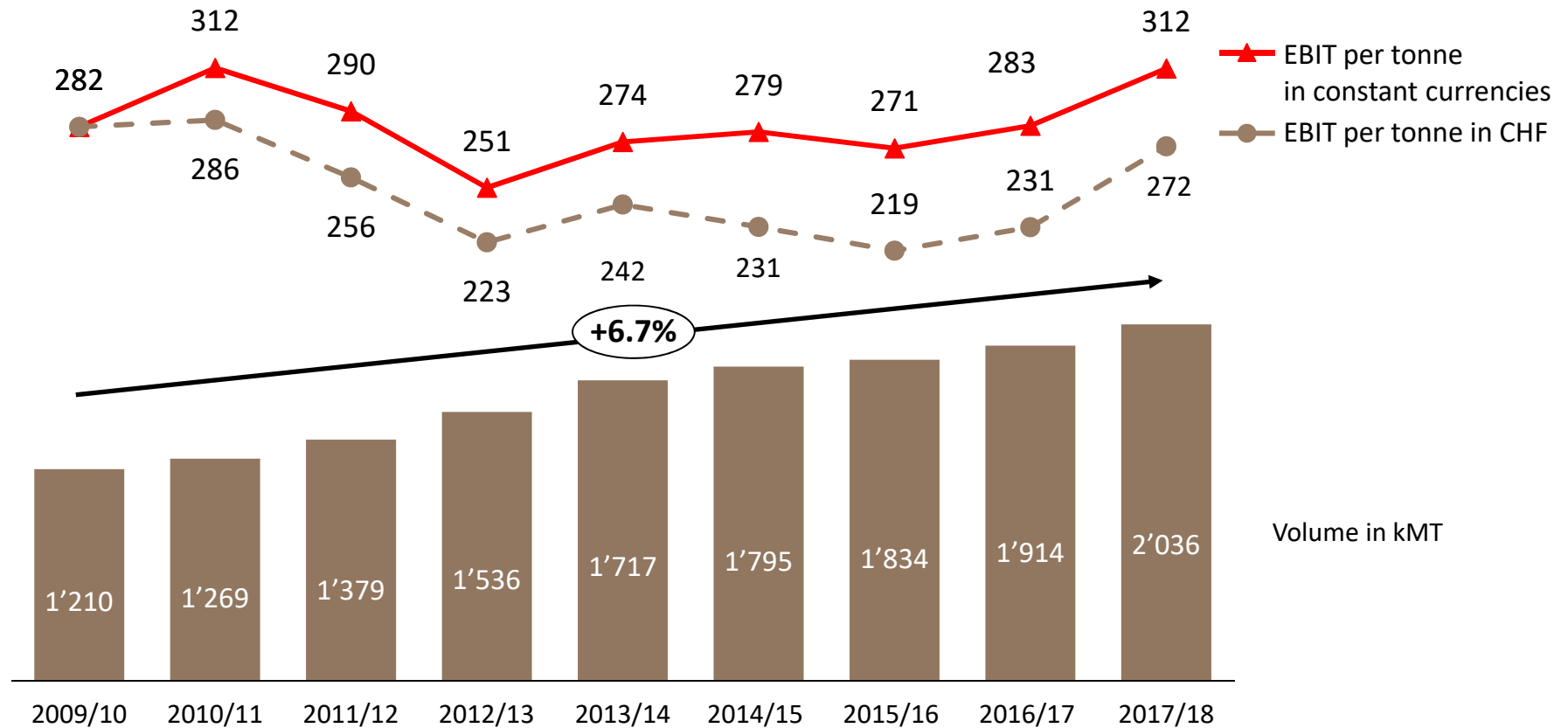
Operating profit up +21.2% in local currencies, well above volume growth

In CHF mio



Long-term EBIT per tonne development

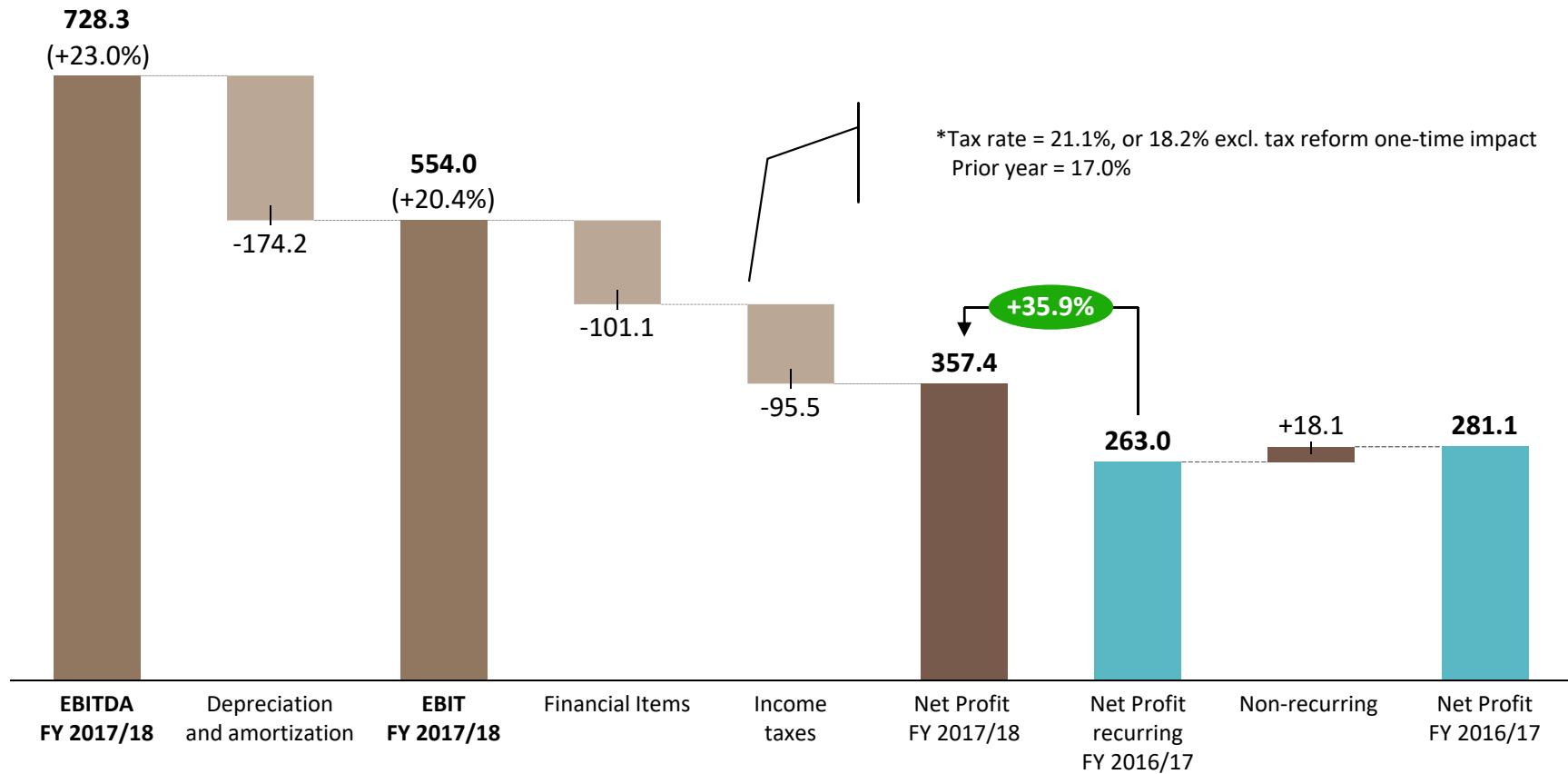
Increase in EBIT thanks to enhanced product and customer mix and continued improvement in Cocoa business



EBITDA to Net Profit

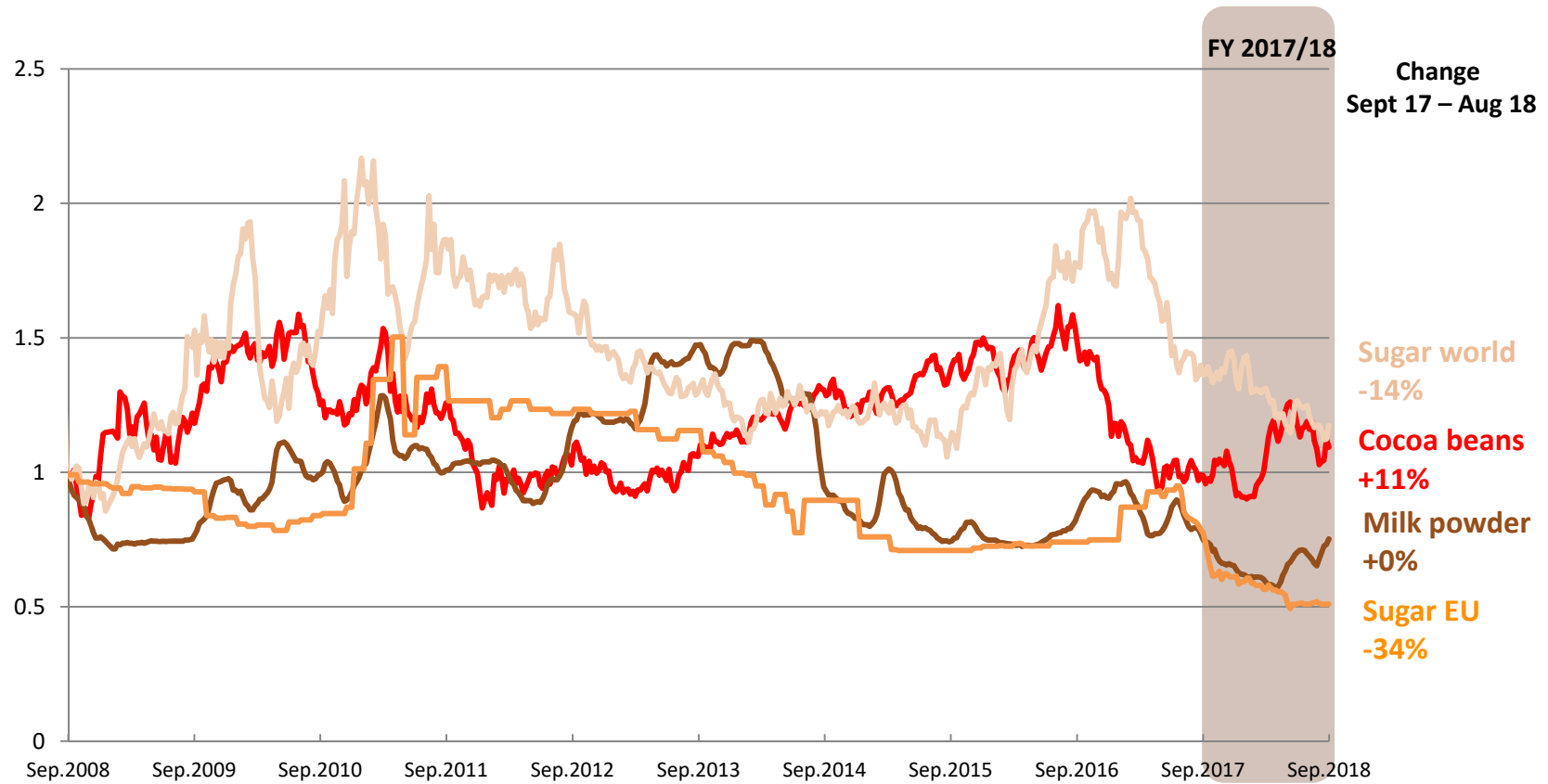
Net Profit recurring is up +35.9% as a result of great profitability and lower net finance cost items

In CHF mio



Raw material price evolution

Volatile cocoa bean prices, sugar and dairy below prior year

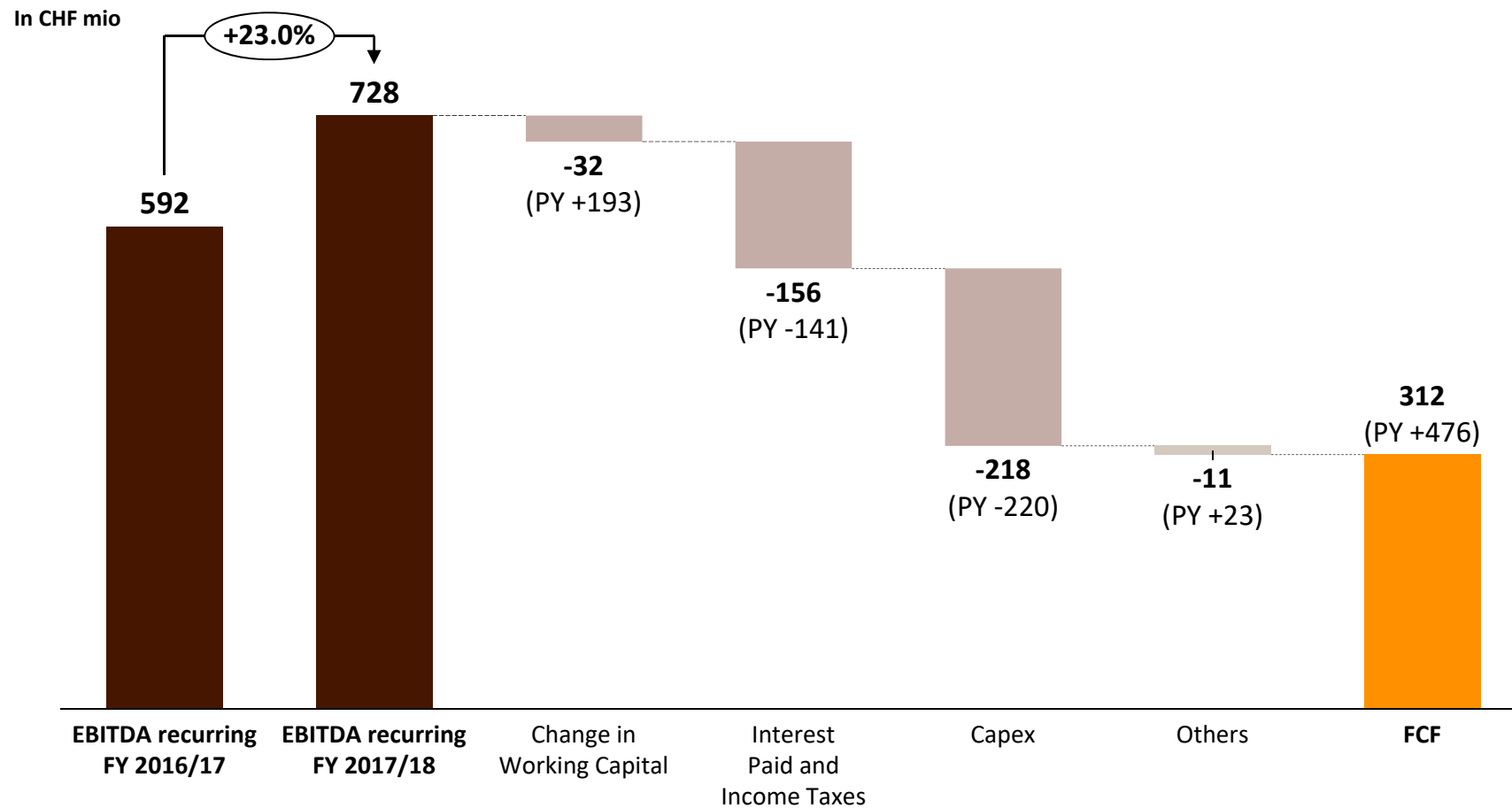


Note: All figures are indexed to Sep 2008

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.

Free Cash Flow

Solid Free cash flow generated from higher profitability, relatively stable working capital and CAPEX discipline



Balance Sheet & key ratios

Positive development of all key financial ratios

(in CHF mio)		Aug 2017/18	Aug 2016/17
Total Assets	CHF m	5,832	5,467
Net Working Capital	CHF m	1,074	1,043
Non-Current Assets	CHF m	2,506	2,478
Net Debt	CHF m	1,074	1,111
Shareholders' Equity	CHF m	2,270	2,111
Deb/Equity ratio		47.3%	52.6%
Solvency ratio		38.9%	38.6%
Net debt /EBITDA*		1.5	1.9
Interest cover ratio		7.2	4.9
Return on invested capital*		13.3%	11.0%
Return on equity*		15.7%	12.5%

* 2016/17 recurring

Dividend

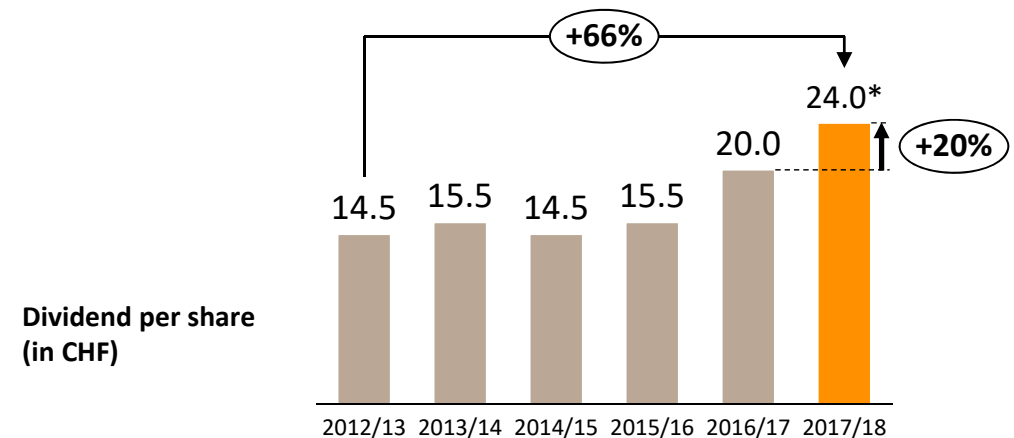
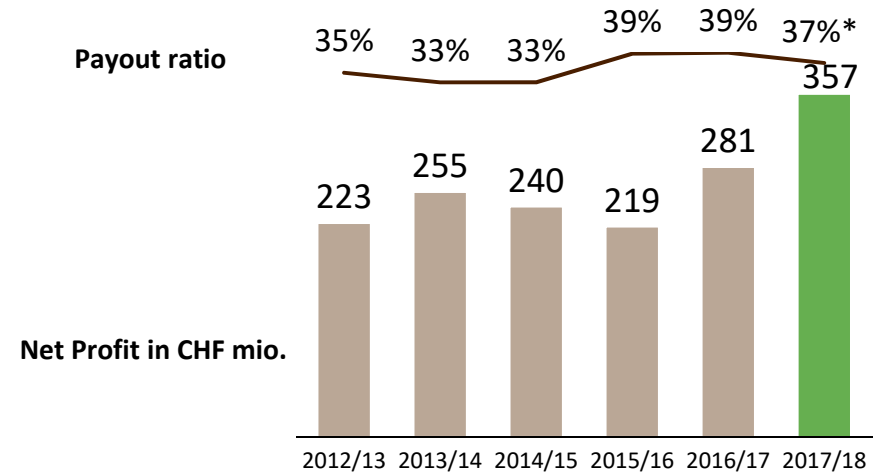
Proposed payout of CHF 24.00 per share, an increase of 20.0%

Proposed dividend

- ▶ CHF 24.00 per share
- ▶ Payout of 37% of Net Profit

Timetable for dividend

- ▶ Shareholder approval: Dec 12, 2018 (AGM)
- ▶ Expected ex-date: Jan 7, 2019
- ▶ Expected payment date: on or about Jan 9, 2019



* As proposed by the Board to our Shareholders

Changes in the Board



- ▶ James (Jim) Donald will not stand for reelection
 - Board member since 2008 and Chairman of the Nomination & Compensation Committee
- ▶ All other Board members will stand for reelection for a term of office of one year

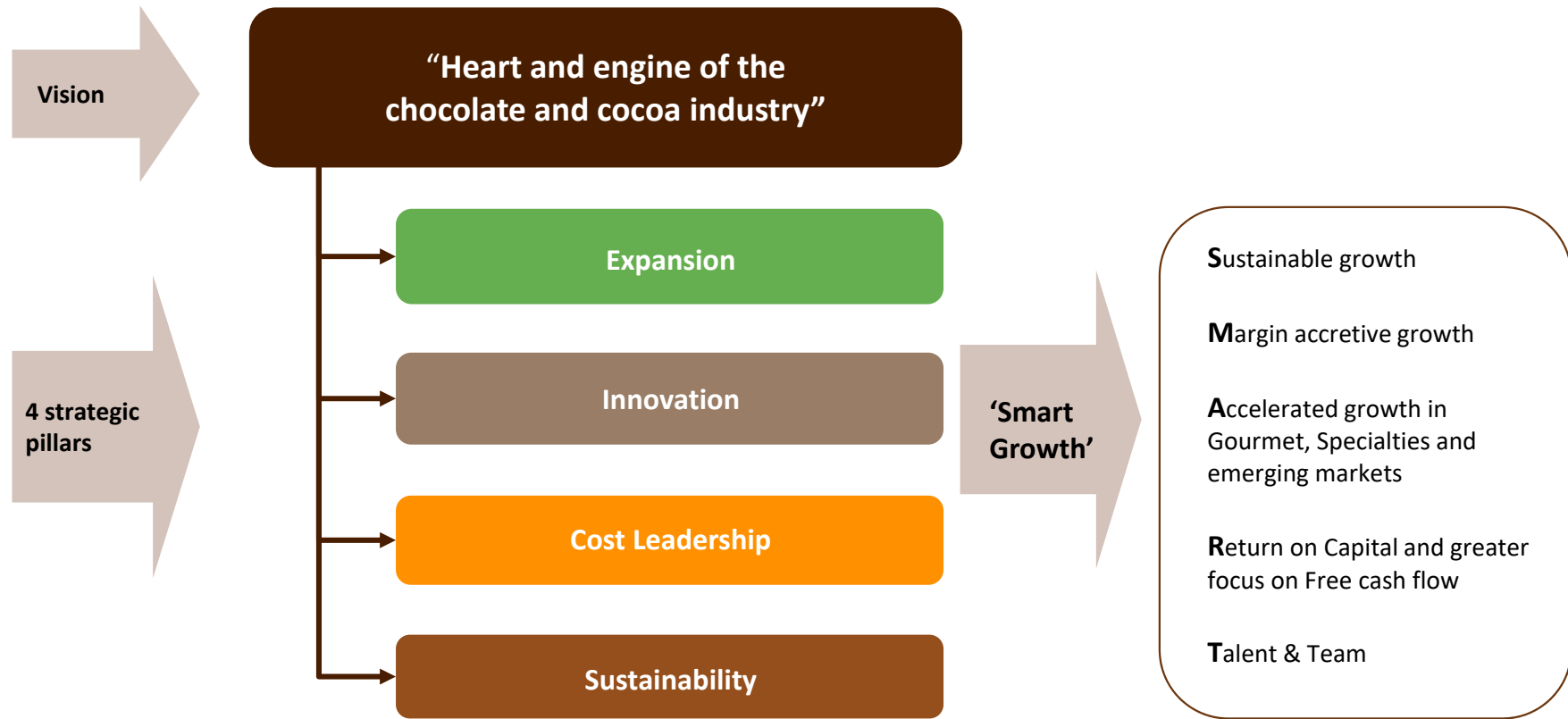
- ▶ Proposed for election as new Board members:
 - **Suja Chandrasekaran** - Technology executive; serving as Chief Information and Digital Officer of Kimberly-Clark
 - **Angela Wei Dong** - Deep expertise in the Chinese retail business; currently Global Vice President and General Manager Greater China for Nike Inc.
 - **Markus Neuhaus** - Proven expert in law and corporate tax; currently Chairman of the Board of PwC Switzerland and a member of the Supervisory Board of PwC Europe SE

Strategy & Outlook



Strategy

Our long-term strategy remains unchanged



Expansion

Recent transactions outline growth potential



- ▶ Long-term supply agreement with Burton's Biscuit
 - Burton's Biscuit Company, UK's second biggest biscuit manufacturer
 - Supply of over 12,000 tons of chocolate and compound per year
 - Expand production capacity in the UK
 - Closing expected by end of December 2018



- ▶ Acquisition of Inforum in Russia
 - Inforum leading, privately owned B2B chocolate manufacturer
 - Russia second largest chocolate market world wide with high growth
 - Highly complementary in terms of products, customers and expertise
 - Closing expected by end of December 2018



- ▶ Leveraging on last year's acquisitions Gertrude Hawk and D'Orsogna
 - successfully closed in October and December 2017
 - Additional capabilities gained
 - Complementary product portfolios, expanding our existing range of Specialties & Decorations products

Grow talents, grow business



- ▶ Foster a performance and values driven culture
 - Performance management program to strengthens strategic alignment throughout the organization
 - Annual Chairman's Award and Value Awards
- ▶ Grow and strengthen talent pool
 - More systematic approach to talent development
 - Renewed learning curriculum
 - Graduate program remains as key talent pipeline
- ▶ Drive for diversity and inclusion
 - Focus on gender, generation and nationalities
 - Combining internal initiatives and external commitments (OYW, Women's forum)
 - Specific D&E focus
- ▶ Ensure a safe and healthy workplace
 - 35 of our factories already certified to SMETA standards
 - Rolled out a Global Human Resources Labor policy as basis for adherence to the Ethical Trading Initiative (ETI)

Outlook

Our focus areas in FY 2018/19



▶ **Grow consistently**

- Maintain strong momentum in developed countries.
- Further strengthen our presence in the high-potential Emerging Markets and value added segments.
- Deploy and leverage the might of our recent acquisitions and innovations.

▶ **Grow profitably**

- Create consistent customer value through co-creation
- Lead through innovation,
- Drive leverage, maintain cost and cash discipline

▶ **Grow Sustainably**

- Maintain strong Forever Chocolate momentum
- Invest for growth and leverage
- Build talent and capabilities for tomorrow

Outlook

Mid-term guidance confirmed, new guidance in 1H



Outlook

- ▶ Continued execution of our 'smart growth' strategy, good visibility on volume growth and healthy global demand, give us confidence to achieve mid-term guidance.

Mid-term guidance until 2018/19:

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



Investor Day

- ▶ April 16-17, 2019
- ▶ Wieze, Belgium

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

Appendix

Chocolate confectionery market development – Nielsen data

North America (22% of market)

2013-18 average: -0.4%
2018 12M: -0.2%

Western Europe (33% of market)

2013-18 average: -0.5%
2018 12M: -0.1%

EEMEA (24% of market)

2013-18 average: +0.3%
2018 12M: +6.6%



South America (7% of market)

2013-18 average: -1.1%
2018 12M: +4.6%

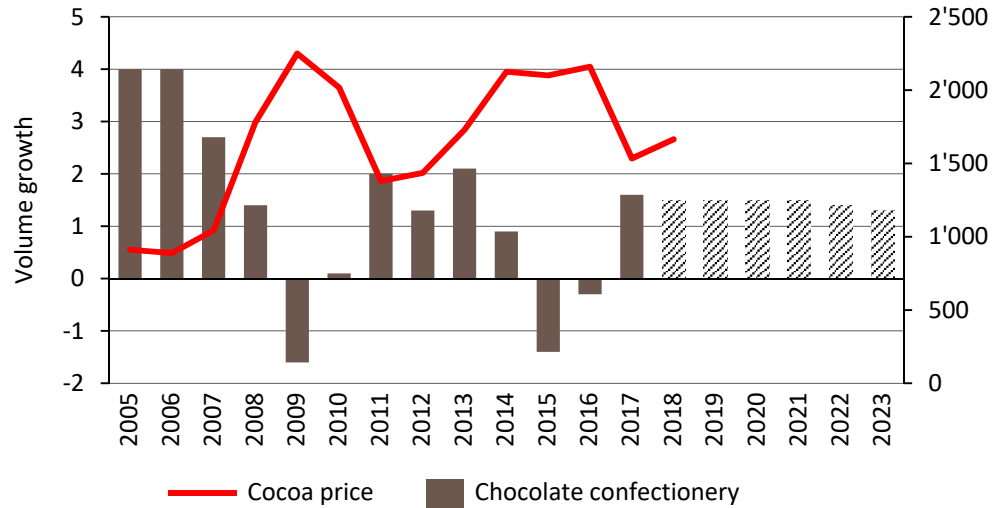
Asia Pacific (14% of market)

2013-18 average: +3.2%
2018 12M: +4.9%

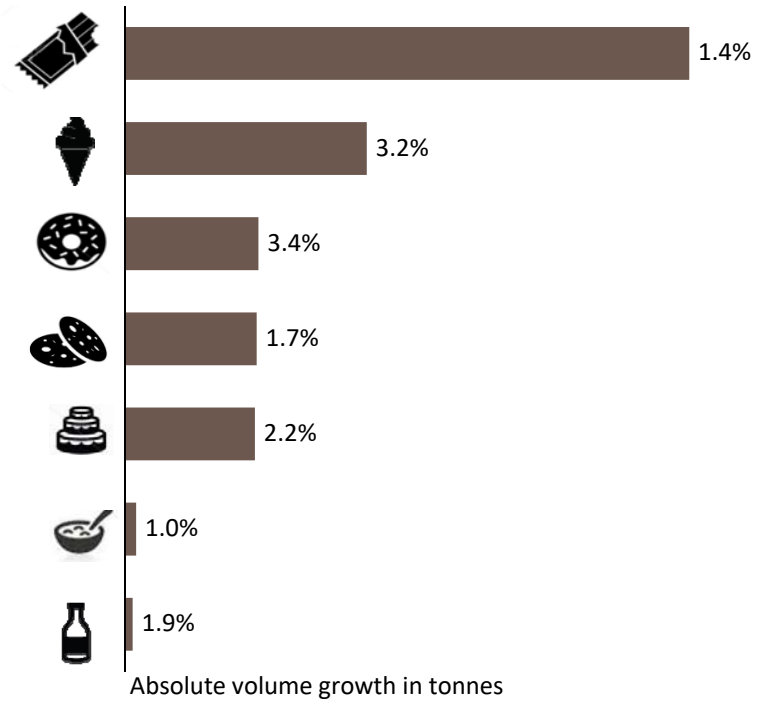
Source, growth: Nielsen chocolate confectionery in volume – August 2017-August 2018, 25 Countries
Source regional market shares: Euromonitor

Our market and opportunities ahead

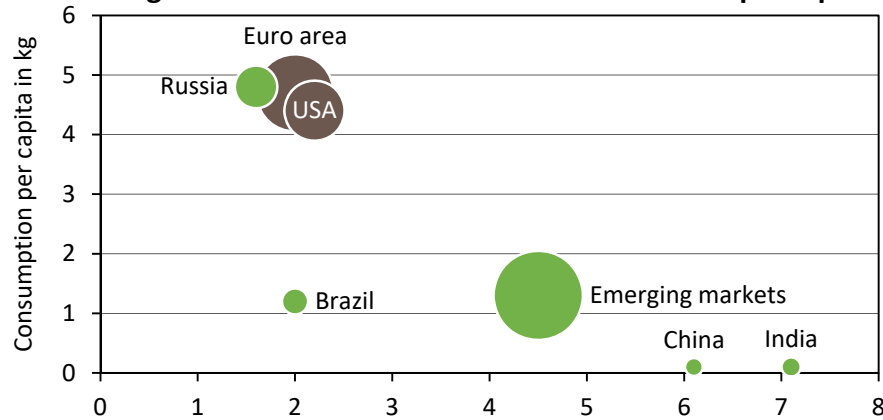
Global Chocolate confectionery volume growth vs cocoa bean price



Forecast volume growth per application 2017-2022

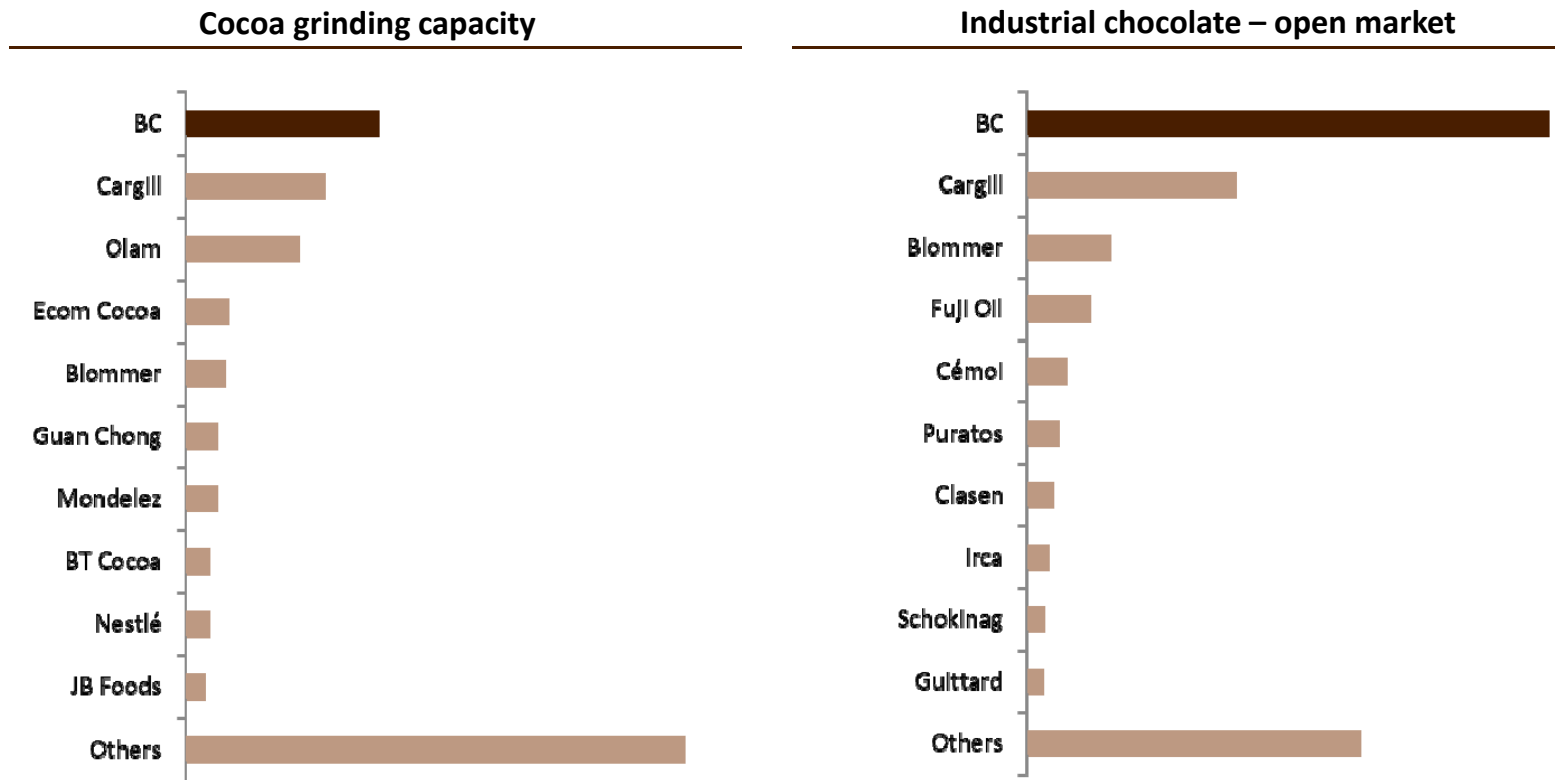


Growing economies with still low chocolate consumption per capita



Appendix

Barry Callebaut uniquely positioned in industrial chocolate and cocoa markets

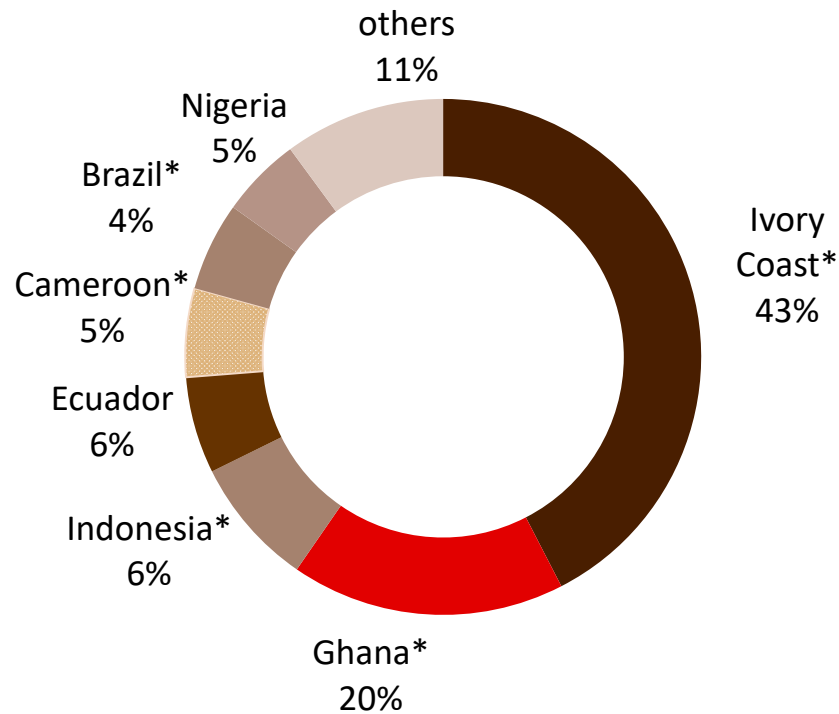


Notes: Olam incl. ADM; Cargill incl. ADM chocolate business; Fuji Oil incl. Harald
Sources: Proprietary estimates

Appendix

West Africa is the world's largest cocoa producer

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



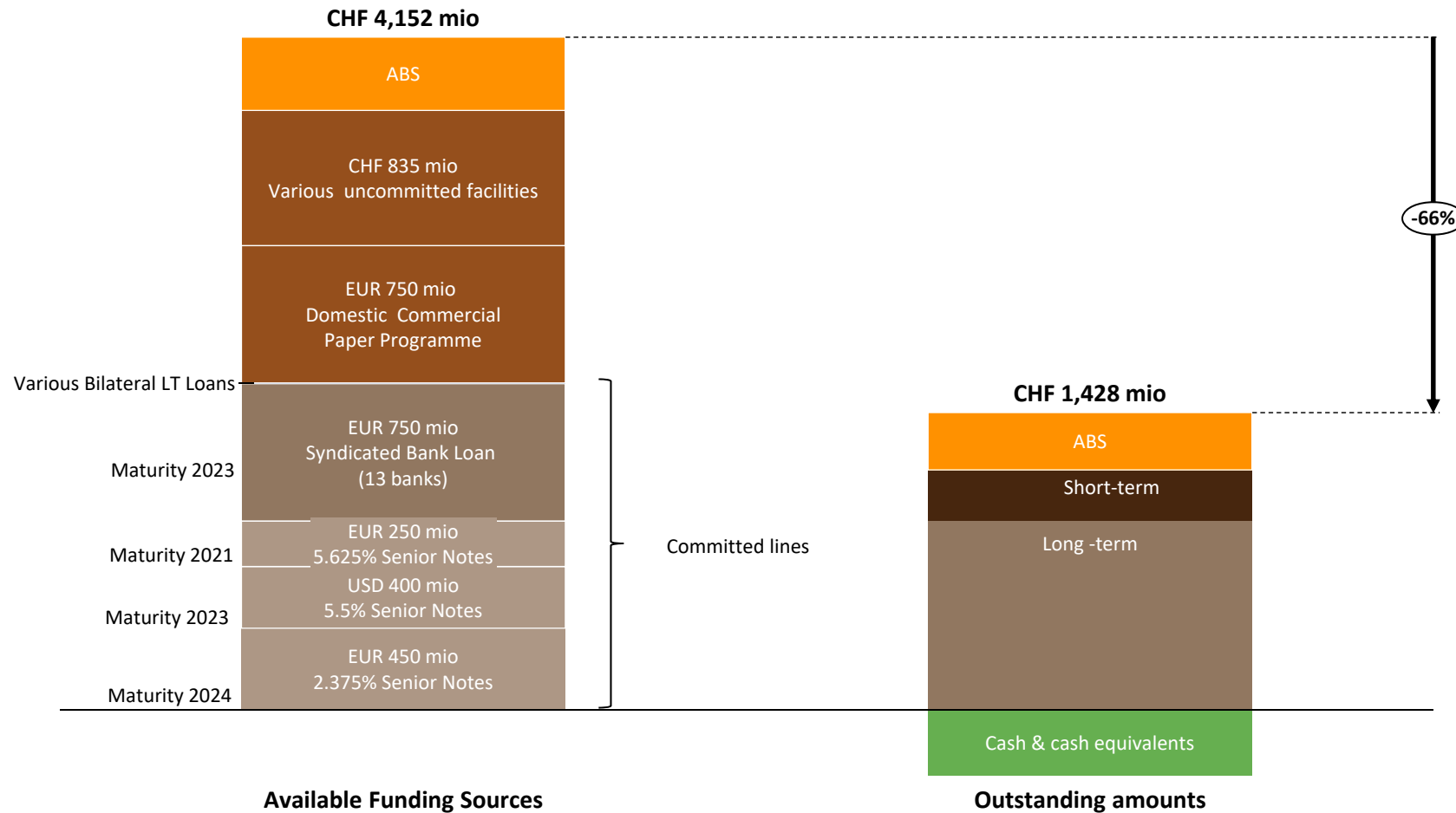
- ▶ About 70% of total cocoa beans come from West Africa
- ▶ BC processed ~925,000 tonnes or approximately 20% of the world crop
- ▶ Barry Callebaut has various cocoa processing facilities in origin countries*, in Europe and in the USA

Source: ICCO estimates

Appendix

Significant headroom for further growth and raw material price fluctuations

As of 31 August 2018



Appendix

Liquidity – Debt maturity profile

As of 31 August 2018

In CHF mio

