



# Gourmet & Specialties

## A success story with further growth potential

Philippe Janvier – Vice-President Sales & Trade Marketing WE  
Freek van der Knaap – Vice-President BU Gourmet WE  
Pascale Meulemeester – Senior Brand Marketing Manager



# Agenda

---

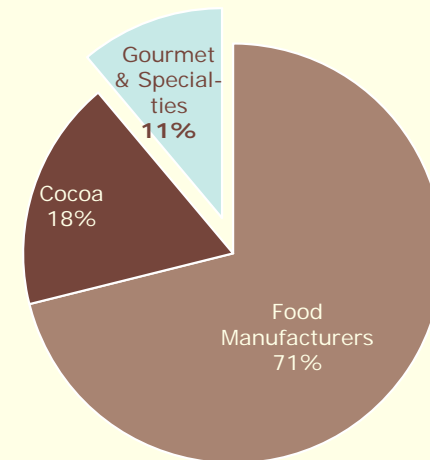
- ▶ **Gourmet at a glance**
- ▶ **Our Gourmet ambition and strategy**
- ▶ **Strengthen Gourmet leadership**
- ▶ **Key take aways**



# Gourmet in Barry Callebaut at a glance

- ▶ **Products:** Large assortment of chocolate ingredients (80% of sales) as well as nuts-based and convenient products. With more than 500 SKU's, Barry Callebaut holds a leading position in the global Gourmet market
- ▶ **Customers:** Artisanal craftsmen and semi-industrial customers
- ▶ **Sales/Distribution:** Active network using direct and indirect channels: distributors, cash and carry, local agents and direct sales force
- ▶ **Marketing:**
  - ▶ Strategy to go for 2 global brands : Callebaut, Cacao Barry
  - ▶ Local brands : Carma, Van Leer, Chocovic, Sicao
  - ▶ Developing a full set of tools to promote our products and brands
  - ▶ Demonstrations, Chocolate Academy (13), Ambassadors (155)

## Gourmet within Barry Callebaut



FY-2009/10 Sales Volume by Product Group



# Who are our customers?

## ▶ Bakery/Pastry



- ▶ Small and medium size bakeries including in-store bakeries using chocolate for their cakes, pastries & pralines

## ▶ Confectioners



- ▶ Confectioners producing chocolate bars and pralines, operating one or more stores

## ▶ Horeca customers



- ▶ Hotels, restaurants and catering making their own pastry/confectionery

## Key Insights

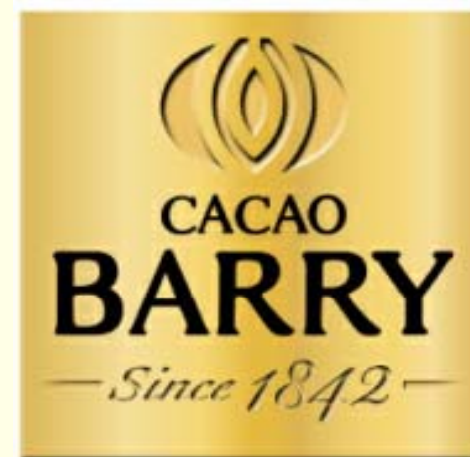
- ▶ BAPA is a most important segment for Barry Callebaut
- ▶ Highest profitability in premium HORECA because of focus on high-end products (e.g. single origin)
- ▶ A customer consolidation is underway which drives them towards central production centers
- ▶ Differentiated product offering for bakeries required: premium for remaining small bakeries and more convenient products for big players
- ▶ Overall the market in Europe is moving towards high-end products



# Gourmet brands

- ▶ We **own two leading chocolate brands** to serve professionals all over the world, presence in more than **30** markets
- ▶ We lead the market with **iconic global brands & a unique business model** → strong basis for **future growth**
- ▶ We have a **substantial competitive advantage** :
  - ▶ **Callebaut** → the **Finest Belgian Chocolate**
  - ▶ **Cacao Barry** → **French Pastry heritage**

**CALLEBAUT**





# Our products...

## Ingredients



## Ready to use



## Ready to serve



# Our business model

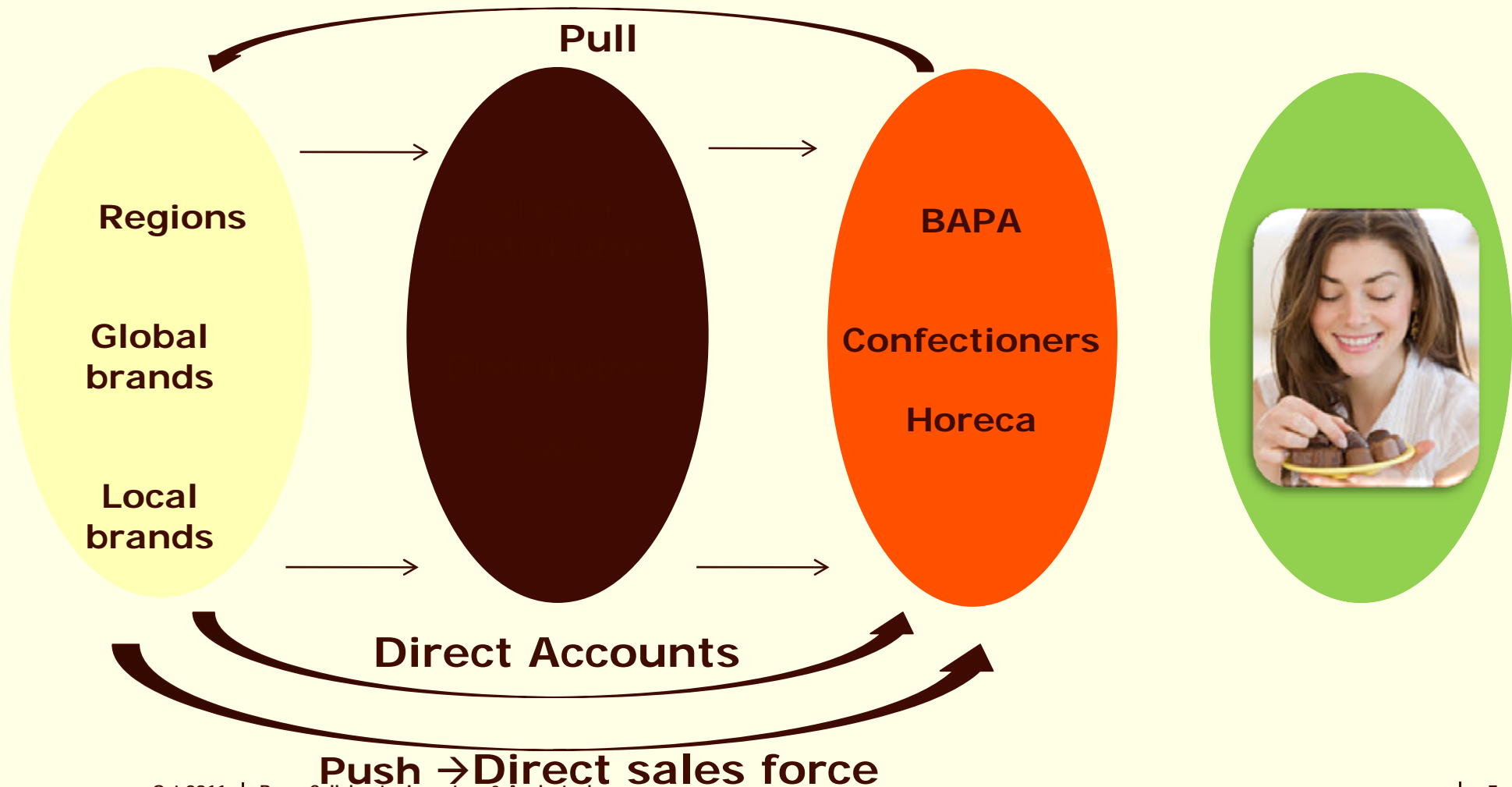


Barry Callebaut

Distributors

Professionals

Consumers

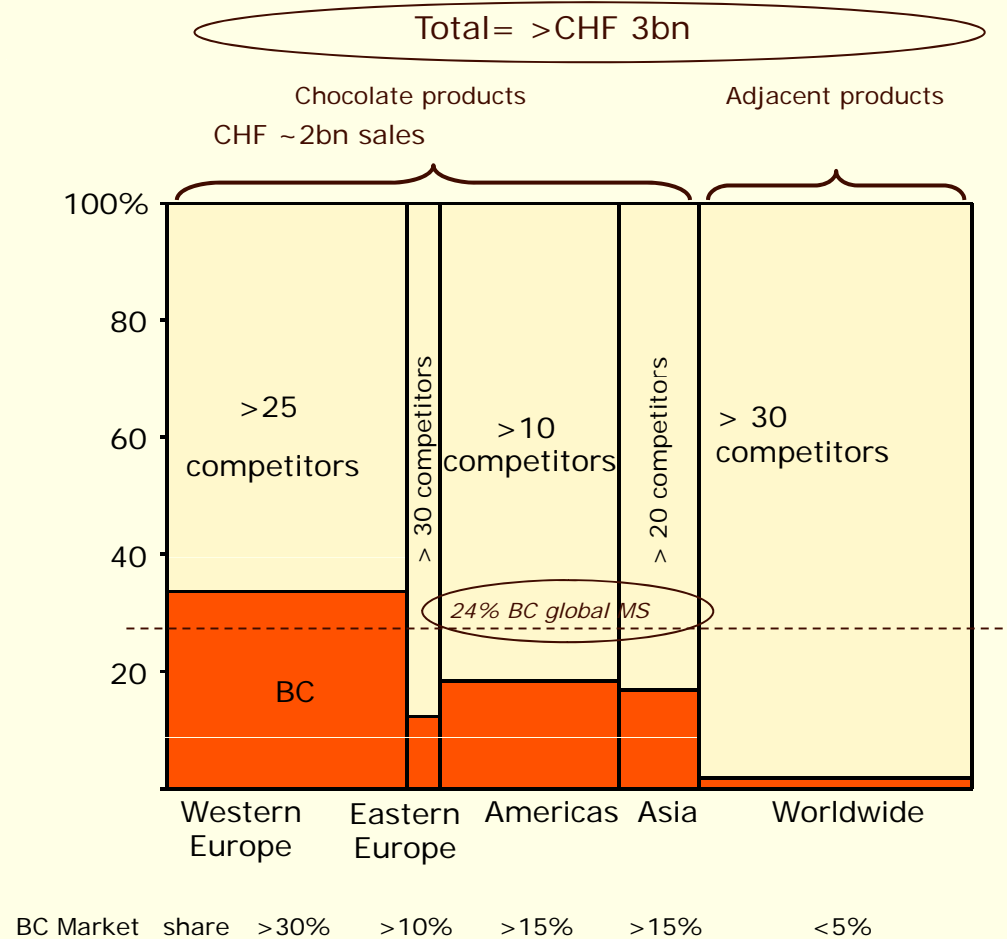




# Our Market Shares

- ▶ The market for Gourmet products is highly fragmented with many small local suppliers and a few regional players.
- ▶ **North America**  
Cargill, ADM and Blommer are US-focused, whilst Cargill started to build up a European network through acquisitions
- ▶ **Mainly regional players**
  - ▶ France: Cantalou with strong PLB-focus and Valrhona as premium niche player
  - ▶ Belgium: Belcolade with growing distribution into other regions
  - ▶ Germany: Shokinag with low price products and some exposure in the US

## Gourmet global market and BC presence

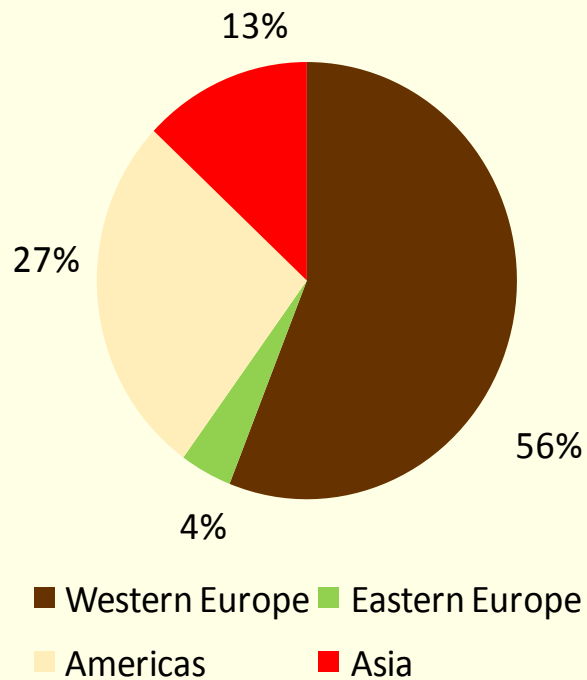




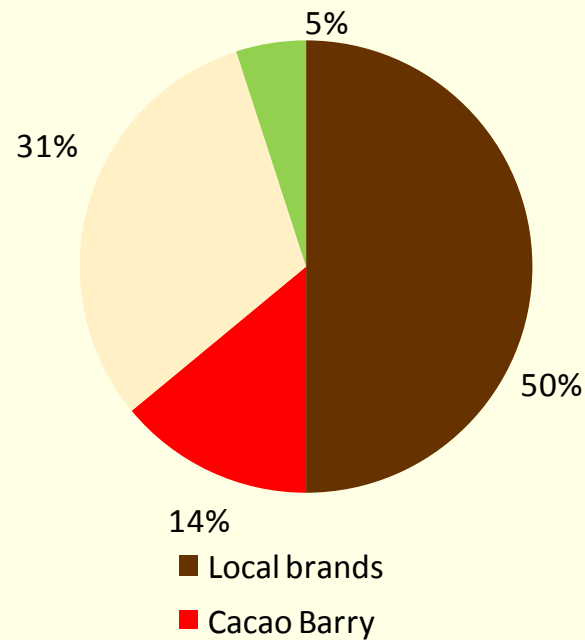


# Gourmet sales distribution

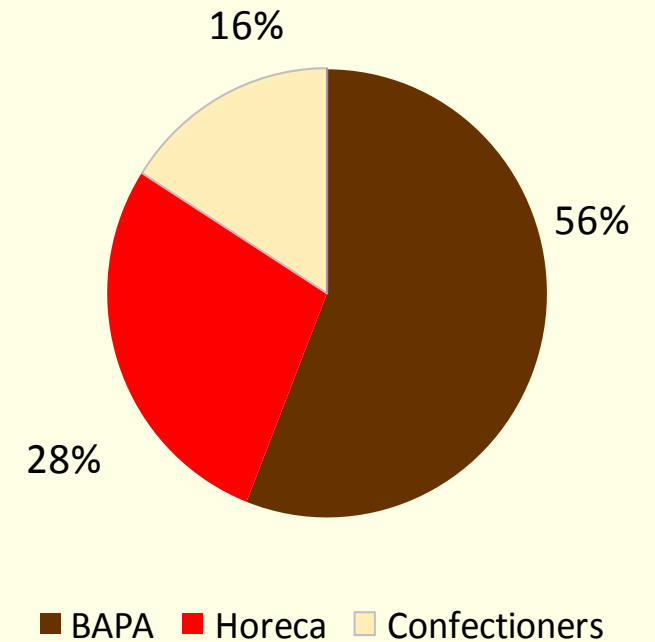
### Sales per Regions



### Sales per Brands



### Sales per Market segments



# How do we steer the business – Push & pull strategy



## DEMONSTRATIONS



## CHOCOLATE ACADEMIES



## AMBASSADOR'S CLUB



## WORLD CHOCOLATE MASTERS

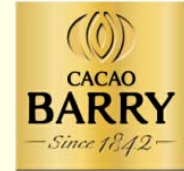
## FAIRS

## SHOWS & PROFESSIONAL EVENTS

## INTERNATIONAL SCHOOL ASSOCIATION

## BRAND STRATEGY

- Global brands : Callebaut & Cacao Barry
- Local brands



DIRECT SALES FORCE

- INCREASE OUR MARKET SHARE
- IMPROVE OUR PRODUCT MIX
- INCREASE BRAND AWARENESS
- REINFORCE THE LINK WITH THE PROFESSIONALS

FOCUS PER PRODUCT CATEGORY & MARKET SEGMENT

## TRADE MARKETING

- Concept per Brand & Market segments

PARTNERSHIP WITH GOURMET KEY ACCOUNTS

## COMMUNICATION :

- Database
- Branded newsletters every 6 weeks
- Videos on line
- E-catalogue

PRICING & TRADE TERMS

# The Ambassadors' Club



- ▶ **155 Ambassadors, opinion leaders in the world**
- ▶ **Well-known members: Peter Goosens** (3 Stars Michelin), **Martin Berasategui** (3 stars Michelin), **Regis Marcon** (3 stars Michelin), **Jordi Roca** (3 stars Michelin & 2<sup>nd</sup> Best Restaurant of the World)
- ▶ **Promote our brands Callebaut, Cacao Barry, Carma** around the world.
- ▶ **Teach our Ambassadors' know-how** (MOF, ...) to other professionals, through demonstrations, shows, trainings.



Oct 2011 | Barry Callebaut – Investors & Analysts days



**Peter Goosens**  
**3 \***  
**Belgium**



**Regis Marcon**  
**3\***  
**France**



**Jordi Roca**  
**3\***  
**Spain**



# The Chocolate Academies

- ▶ **13 Chocolate Academies around the world** are Training Centers for artisans and professionals (pastry chefs, confectioners, Horeca Chefs,...) who wish to improve their knowledge in chocolate and learn new techniques, recipes and trends.
- ▶ These Chocolate Academies are located in :
  - Belgium:** Wieze
  - Canada:** Ste Hyacinthe
  - China:** Suzhou
  - U.S.A:** Chicago
  - France:** Meulan
  - India:** Mumbai
  - Malaysia:** Port Klang
  - Poland:** Lodz
  - Netherlands:** Zundert
  - United Kingdom:** Banbury
  - Russia:** Chekhov
  - Spain:** Gurb
  - Switzerland:** Zurich
- ▶ **Until 500 professionals trained per week in the world.**
- ▶ These trainings are done by our Barry Callebaut Technical Advisors, but also by our Chocolate Ambassadors.



# Our International competition: the World Chocolate Masters



- ▶ **Born 6 years ago** after the merger of the 2 most prestigious chocolate competitions: the "Grand Prix International de la Chocolaterie" organized in France by Cacao Barry and the "International Belgian Chocolate Award" organized by Callebaut in Belgium
- ▶ The only competition based on national **preselections** organized in **20 countries**, and opened to the most talented confectioners.
- ▶ Next **International Final** will be in Paris, the 19th, 20th and 21st of October 2011, at the Salon du Chocolat professional
- ▶ Famous **Jury Members** (1 Jury per participating country)
- ▶ **Mission:** create a big and a small chocolate showpieces, a pastry, 2 pralines and a gastronomic dessert.





# Agenda

---

- ▶ **Gourmet at a glance**
- ▶ **Our Gourmet ambition and strategy**
- ▶ **Strengthen Gourmet leadership**
- ▶ **Key take aways**



# Our global Gourmet ambition

- ▶ To be recognized global leader in chocolate and chocolate convenience products in all Out-of-Home markets
- ▶ Double EBIT, of which half by acquisitions
- ▶ Grow reach and relevance of our global brands





## 6 strategic actions to achieve ambition

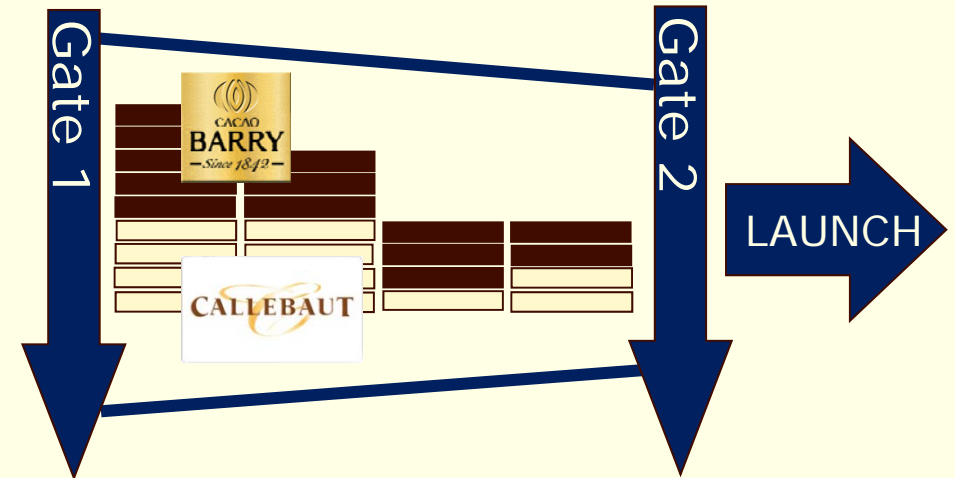




# Sharpen focus on global brands



- ▶ Brand visions & strategies aligned across regions
- ▶ Impactful innovation funnel
- ▶ Global Chocolate Ambassadors' Seminar in Brazil





# Agenda

---

- ▶ **Gourmet at a glance**
- ▶ **Our Gourmet ambition and strategy**
- ▶ **Strengthen Gourmet leadership**
  - ▶ **Focus on our global brands**
- ▶ **Key take aways**

# Callebaut; enabling craftsman to deliver perfect results every time, now and in the future



**A STORY THAT  
STARTED  
100 YEARS AGO**



## • Brand values

- **Reliability:** perfect results every time through consistent superior quality and the best workability
- **Expertise:** 100% Belgian, from bean to chocolate
- **Support:** focus on innovative and convenient products and services that support craftsmen and simplify their lives
- **Endurance:** Callebaut aims to be a role model brand in sustainability for the endurance of chocolate and craftsmanship

# Example upgrade our service: Or noir



## Chocolate by design



Unique taste  
Sharing know how  
Live creations  
Communication

**100% customized**







# Agenda

---

- ▶ **Gourmet at a glance**
- ▶ **Our Gourmet ambition and strategy**

- ▶ **Strengthen Gourmet leadership**

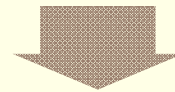
- ▶ Segment focus
- ▶ Adjacent products
- ▶ Organisation

- ▶ **Key take aways**



# Why we need to start from segments?

- ▶ Different focus on chocolate
- ▶ Different product format needs
- ▶ Different translation of consumer trends



Develop segment specific solutions, route-to-markets, organization and training

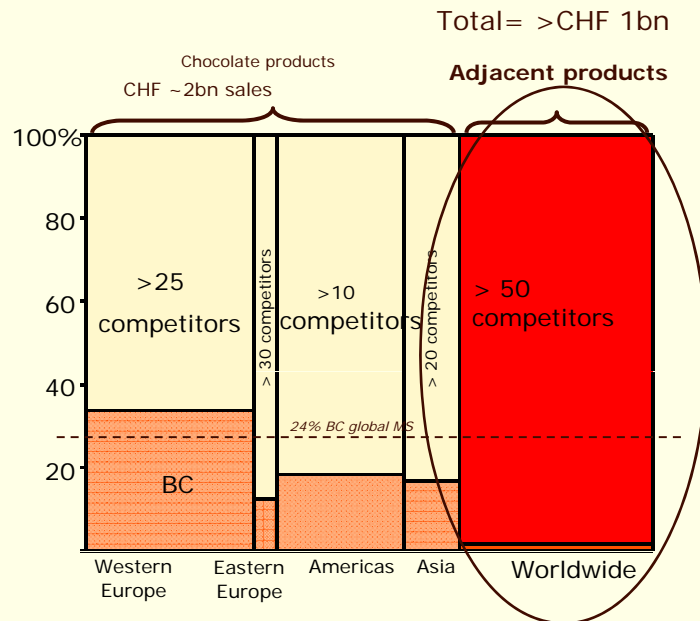


# Add adjacent products: priorities identified



- ▶ Non-chocolate products
- ▶ Relevant and credible extensions of our global brands
- ▶ Large potential for growth
- ▶ Key focus today on Decorations, Compound coatings, Fillings
- ▶ Targets reflect local differences in usage & attitude

## Gourmet global market and BC presence



Decorations



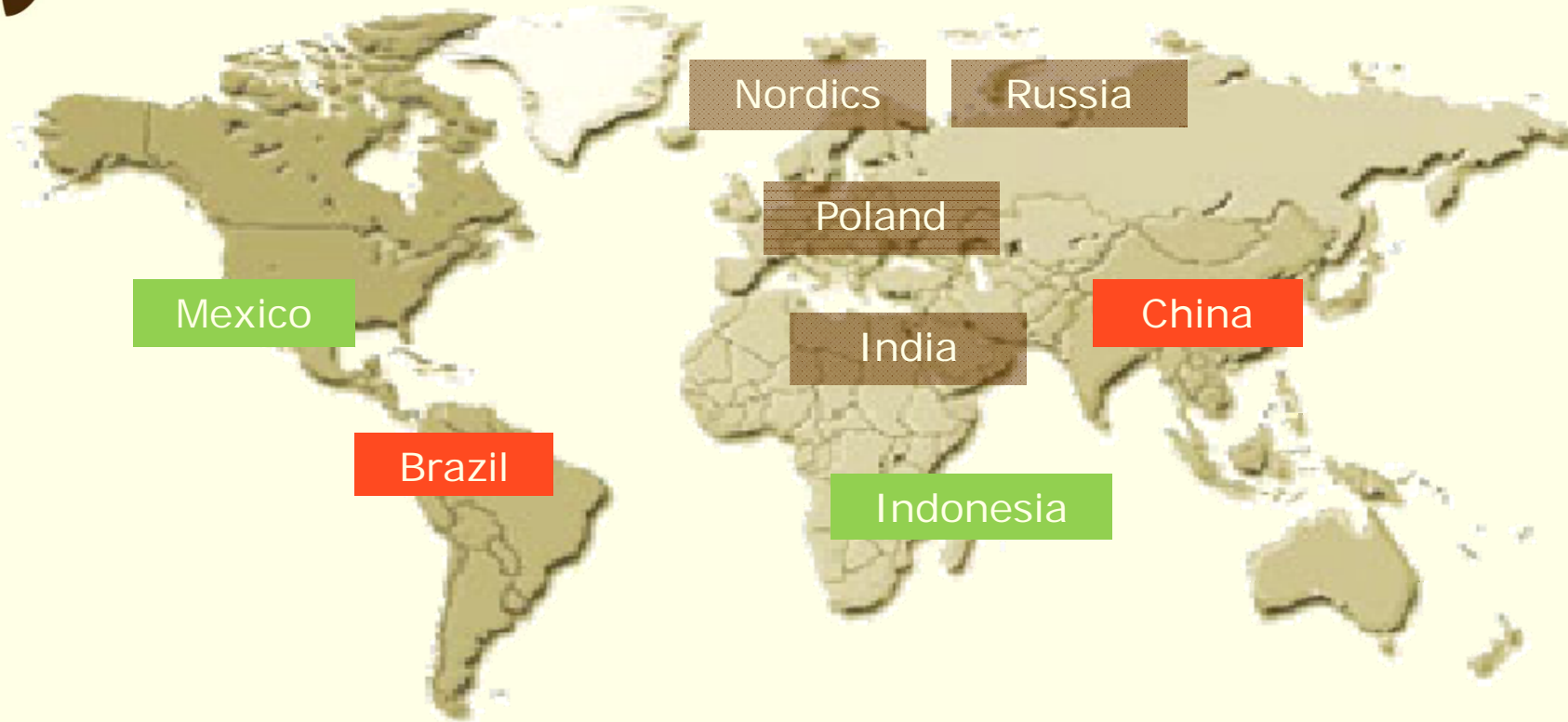
Compound Coating



Fillings



# Geographical Expansion Models



Master - Distributor

Distributor

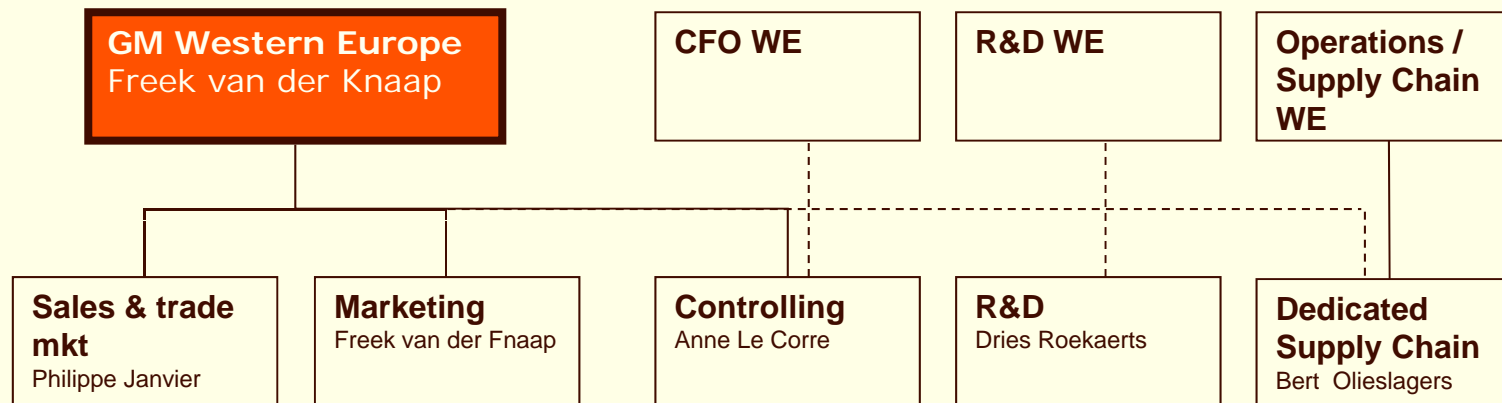
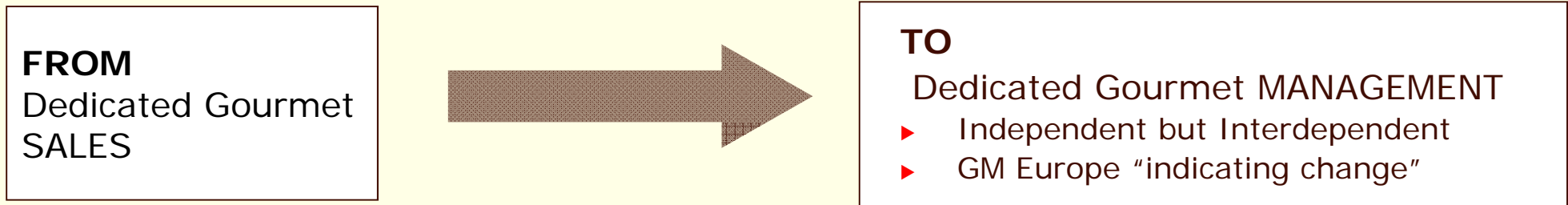
BC sales office

Incremental BC investment & control



# Dedicated management teams with P&L responsibility

Example Western Europe



# Focus on 6 strategic actions...



- ▶ Aligns FTE, budget and capital investments behind global brands
- ▶ Leverages global synergy with local excellence in execution
- ▶ Guides our M & A efforts





# Agenda

---

- ▶ **Gourmet at a glance**
- ▶ **Our Gourmet ambition and strategy**
- ▶ **Strengthen Gourmet leadership**
- ▶ **Key take aways**



## BC Gourmet, a success story with further growth potential

- ▶ Leading the market with **iconic global brands & a unique business model** with solid results to date and **a lot of untapped potential**
  
- ▶ **We are confident that we can achieve our ambition by focusing on:**
  - ▶ Profitable Growth of Global Brands
  
  - ▶ Geographical Expansion
  
  - ▶ Room for organic growth in chocolate & adjacent categories
  
  - ▶ Fragmented international players in adjacent categories
  
  - ▶ Experienced management team with growth track record



Thank you  
Any questions?