

Roadshow Presentation – 9-month Key Sales Figures 2014/15

July 2015



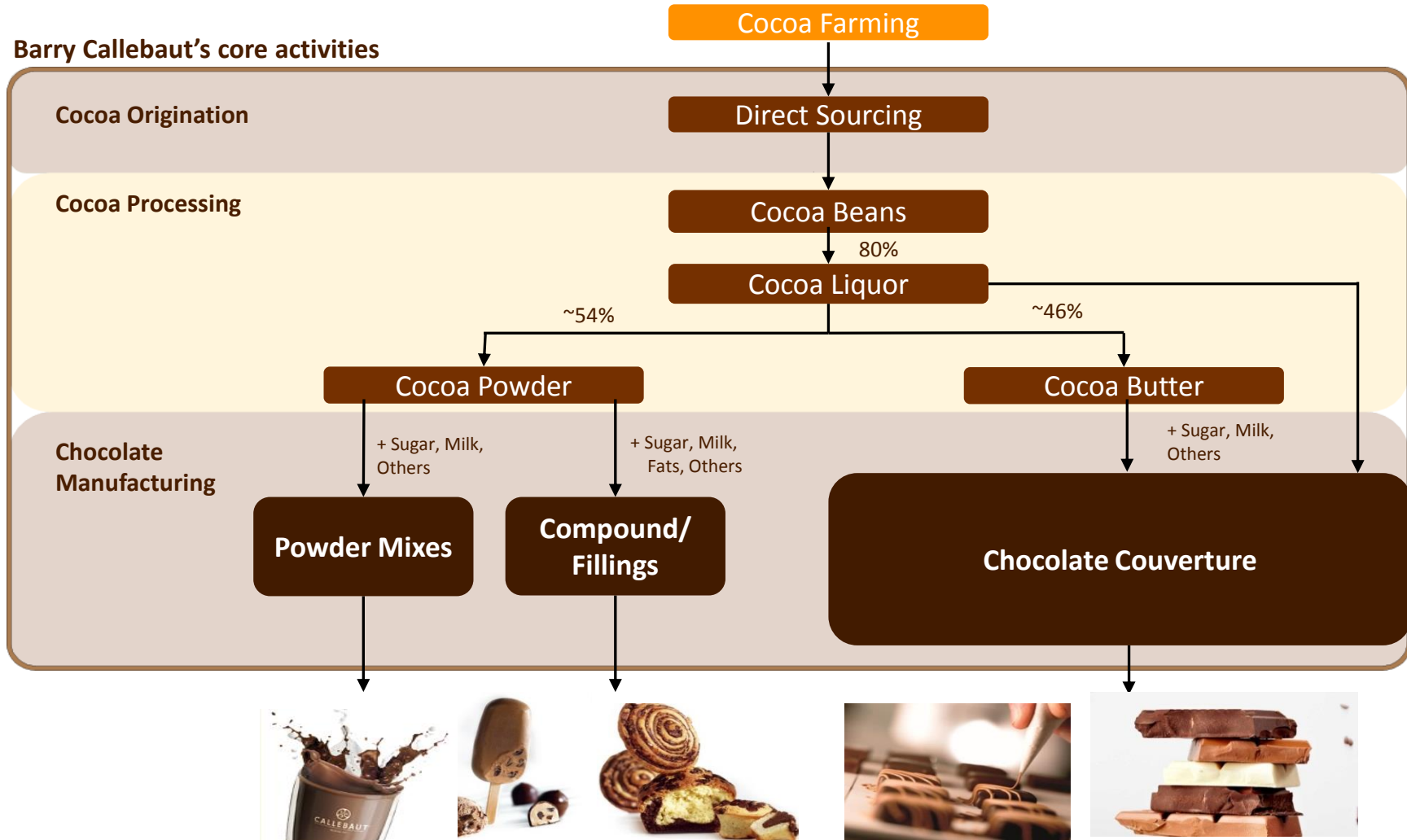
Agenda

- ▶ BC at a glance

- ▶ Highlights Q3 2014/15
- ▶ Financial Review
- ▶ Strategy & Outlook

From the cocoa bean to the chocolate and cocoa products

Barry Callebaut is present in the key parts of the cocoa and chocolate value chain



Barry Callebaut at a glance

Business description

- **World leading producer** and business-to-business supplier of **chocolate and cocoa products**
- **Fully integrated** with strong position in cocoa-origin countries
- **Serving the entire food industry**
- **Outsourcing/ strategic partner of choice**
- **Largest supplier of Gourmet & Specialties**

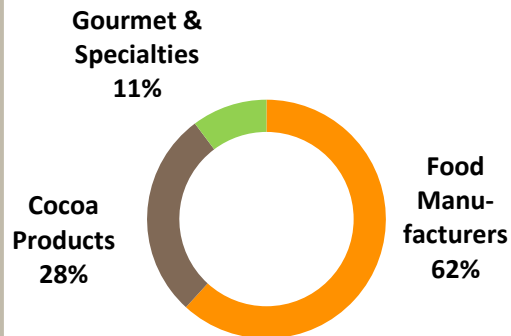
Key figures

FY 2013/14

Sales Volume	1.7 mio. tonnes
Sales Revenue	CHF 5.8 bn
EBIT	CHF 416.2 mio.
Employees	9,300
Factories	54

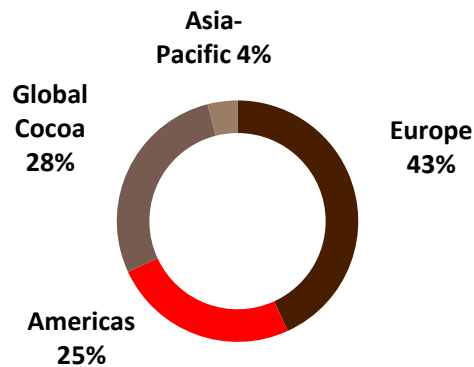
Q3 2014/15

Sales Volume per Product Group

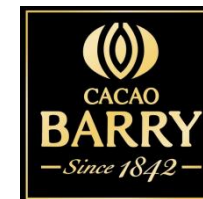


Q3 2014/15

Sales Volume per Region



Gourmet global brands



CALLEBAUT®

BELGIUM 1911

Favorable industry dynamics

Global growth prospects

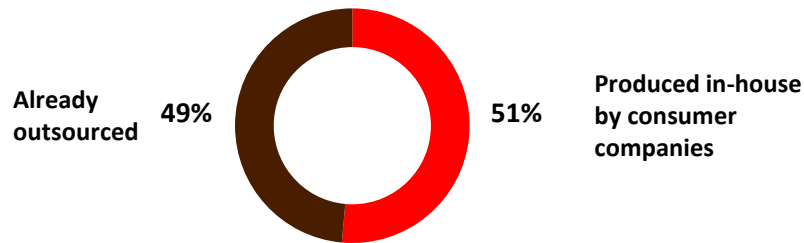
- ▶ Average market growth in chocolate: 1.8 % in volume per year
- ▶ Influenced by **population growth** and increase in **disposable income**
- ▶ **Resilient industry** to macro-economic downturn
- ▶ **Fast growing in Emerging markets**

Outsourcing rationale for customers

- ▶ Free up capital to invest in marketing and distribution
- ▶ Access to most recent innovation and new developments in the industry
- ▶ Flexibility to adapt recipes in short time
- ▶ Reduce complexity in their supply chain
- ▶ Solutions to global trends and regulations

Market size and outsourcing potential

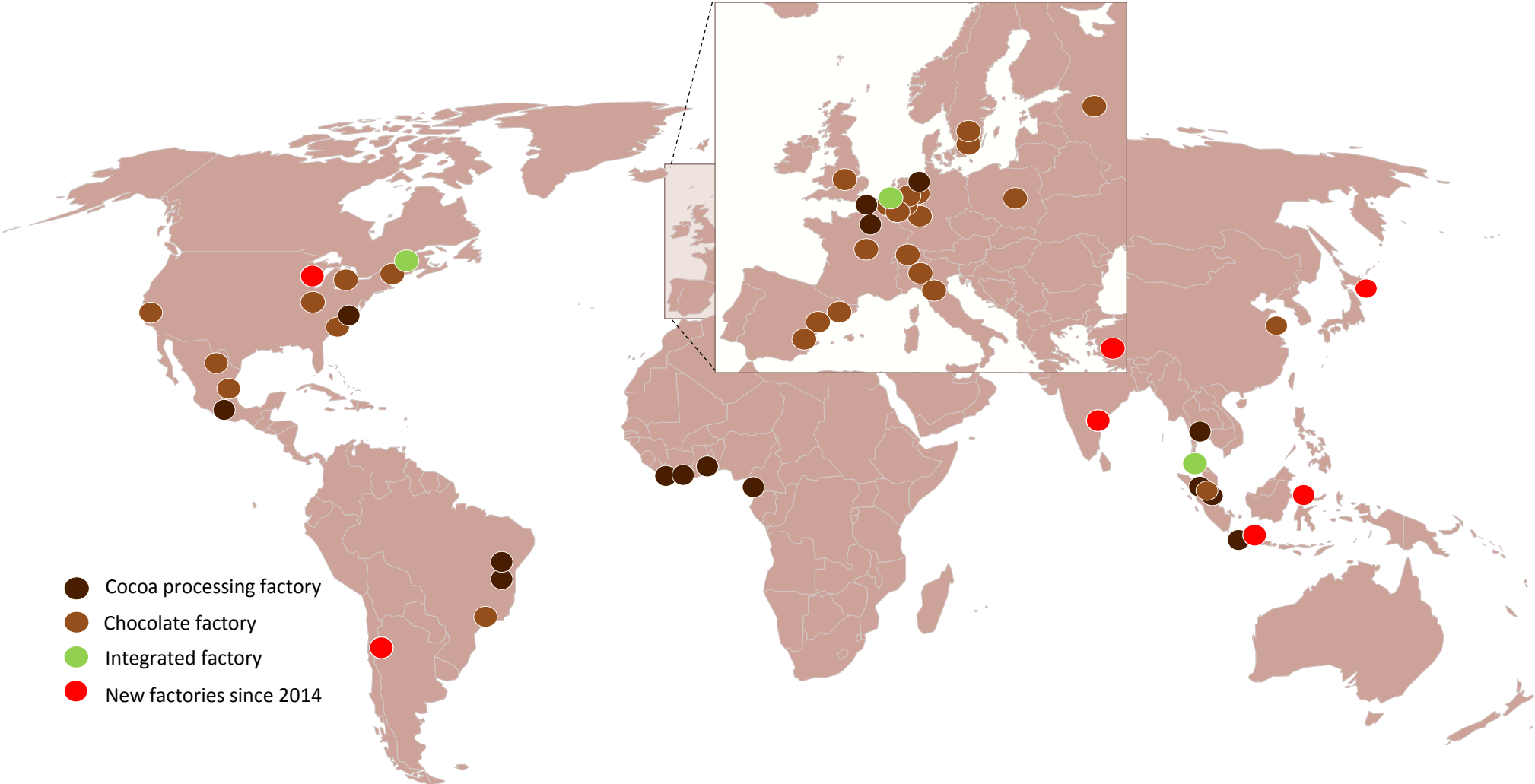
- ▶ **Total Industrial chocolate market is about 6 mio tonnes**



Barriers to entry:

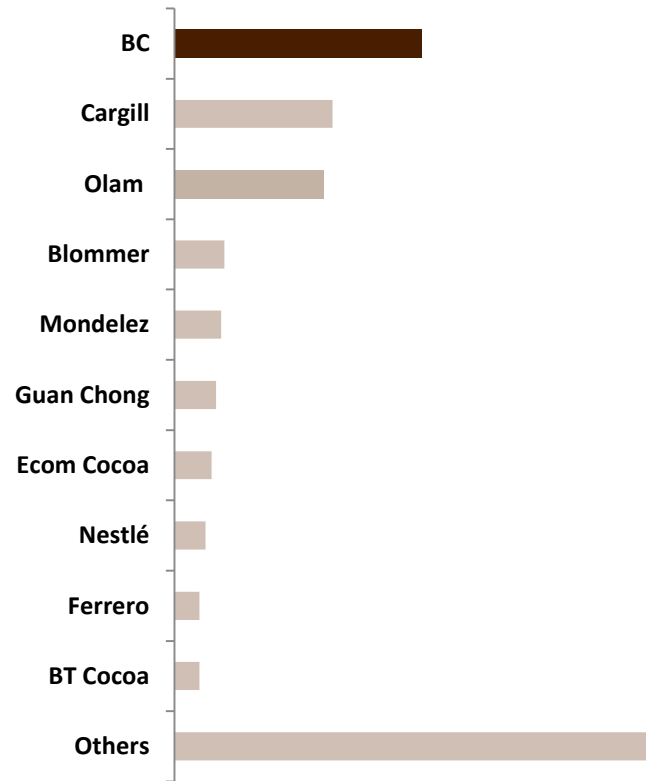
- ▶ **Complex sourcing and supply chain**
- ▶ **Capital intensive** business
- ▶ Size matters
- ▶ High innovation rate
- ▶ **High level of regulation and quality requirements**

Our 54 factories provide us with manufacturing diversification and unique competitive advantage

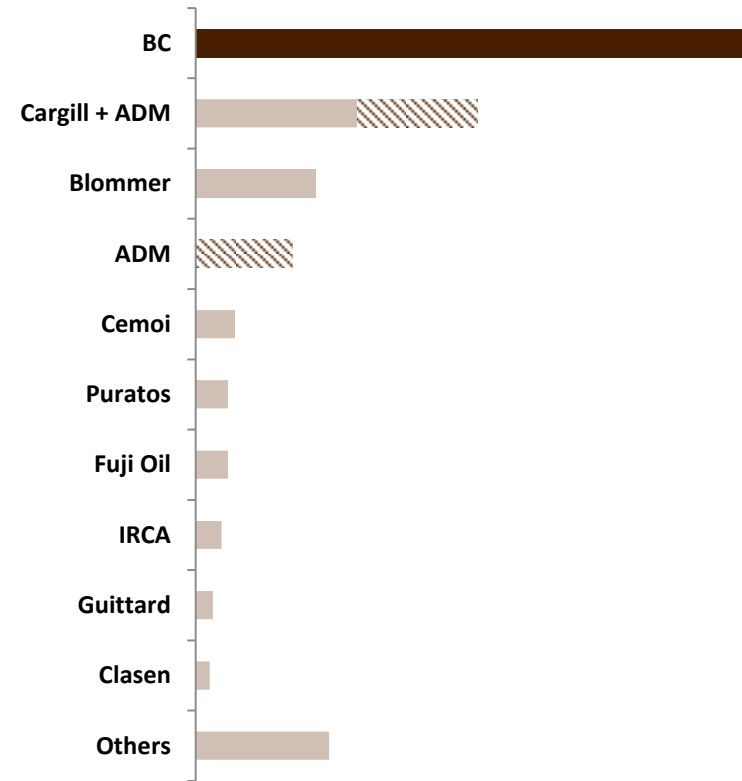


Barry Callebaut uniquely positioned in industrial chocolate and cocoa markets

Cocoa grinding capacity



Industrial chocolate – open market



Sources: Third party study (2014); Proprietary estimates

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Volume continues to grow well above the global chocolate confectionery market



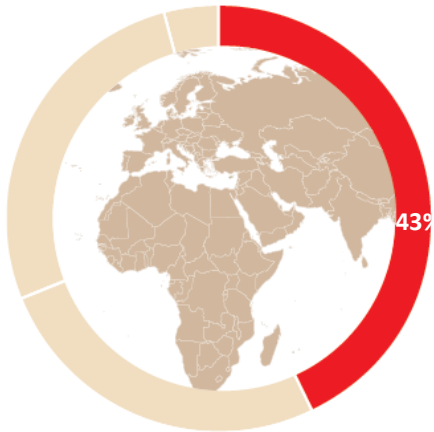
- ▶ **Sales volume growth +2.5%** in a weak global chocolate confectionery market (-2.1%*)
- ▶ Continued **good volume growth in the chocolate business**
- ▶ Volume growth broadly based, supported by key growth drivers: **outsourcing +6.3%, Gourmet & Specialties Products: +4.9%; emerging markets picking up +3.3%**
- ▶ Sales revenue up +12.0% in local currencies, driven by a more **favorable product mix**, as well **higher cocoa bean prices** compared to last year

Source: * Nielsen data Sep- April – 25 countries

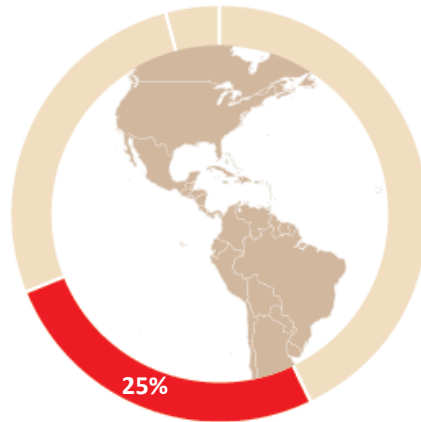
9-month Key Sales Figures - 2014/15

Volume growth +2.5% above the global chocolate confectionery market which declined -2.1%*

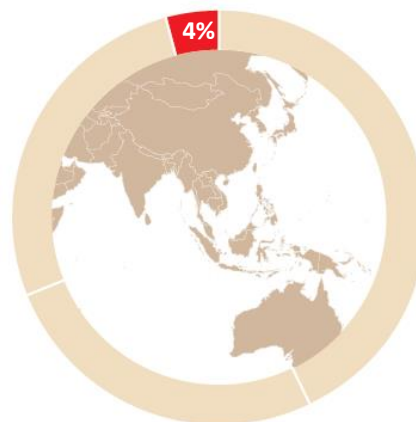
Europe



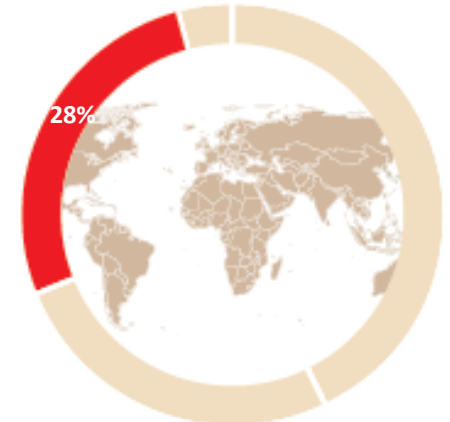
Americas



Asia Pacific



Global Cocoa



Volume growth **+2.5%**

+3.7%

+6.7%

+0.8%

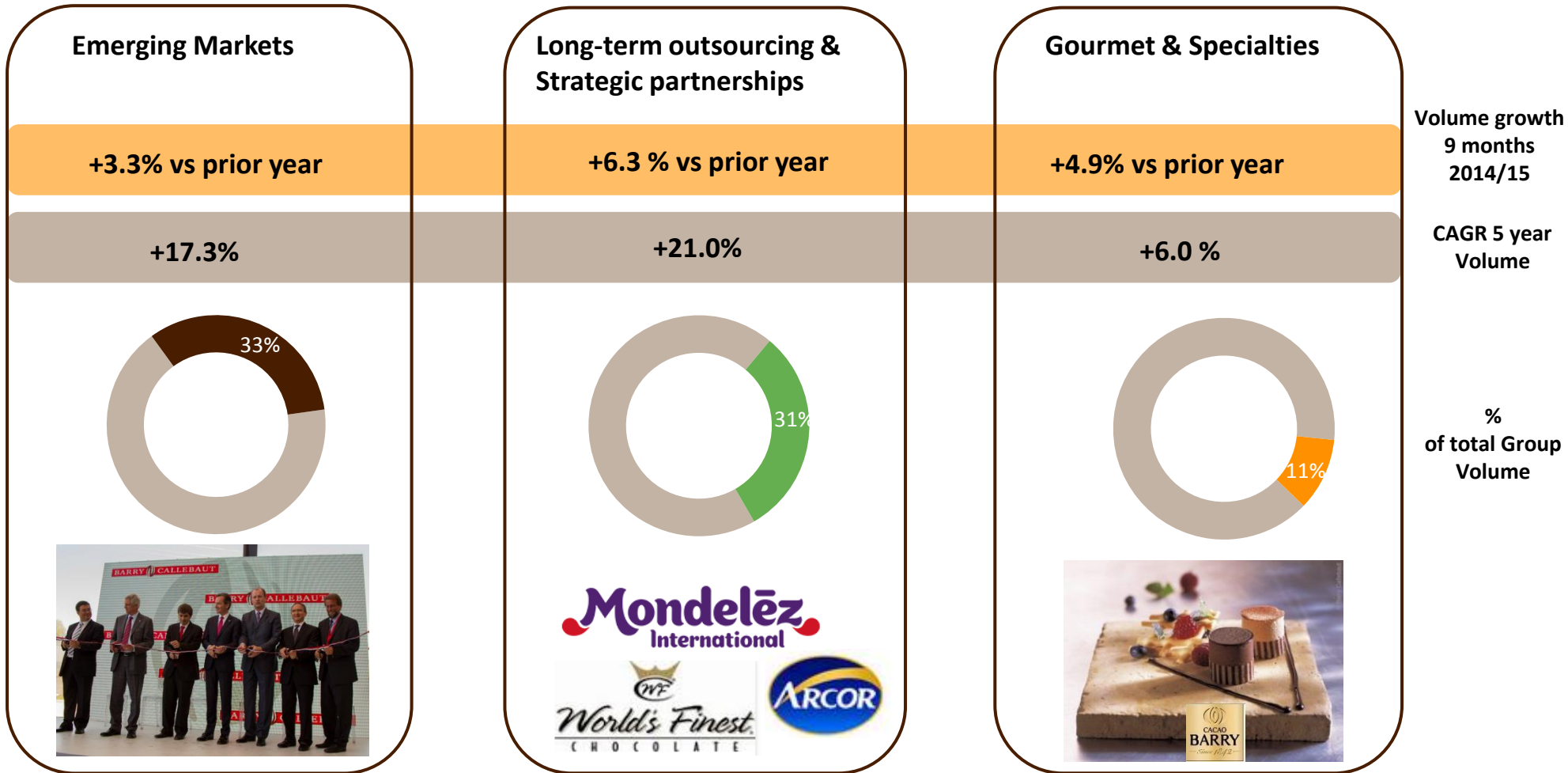
Market Growth * **-2.0%**

-2.5%

-1.5%

Source: * Nielsen data Sep- April – 25 countries

...along our three key growth drivers



Recent developments - Expansion

Further expansion of our adjacent specialties business



- ▶ **Acquisition of assets of American Almond**, leader in the U.S. in artisanal nut-based ingredients
- ▶ **2,000 tonnes of nut specialties** per year and revenue of approx. **CHF 14.8 million** (USD 15.9 million / EUR 14.2 million) in 2014
- ▶ Integration of American Almond into Barry Callebaut's business Region Americas as of August 1, 2015
- ▶ Complementing several acquisitions of adjacent products over the last years



Recent developments - Expansion

Signing of first long-term outsourcing agreement in South-East Asia with GarudaFood



- ▶ GarudaFood and Barry Callebaut signed a **long-term outsourcing agreement in South-East Asia** on June 16th, 2015
- ▶ Barry Callebaut will take over some of the manufacturing equipment from GarudaFood and set up its operations in a **new compound chocolate factory in Indonesia**.
- ▶ Under the terms of the agreement, Barry Callebaut will **supply a minimum of 10,000 tonnes of compound chocolate** per year to GarudaFood's biscuit factory in Gresik (Province of East Java).
- ▶ Plans to increase volume over the next three years. Implementation will **start in mid-2016**



Antoine de Saint-Affrique to become CEO of Barry Callebaut



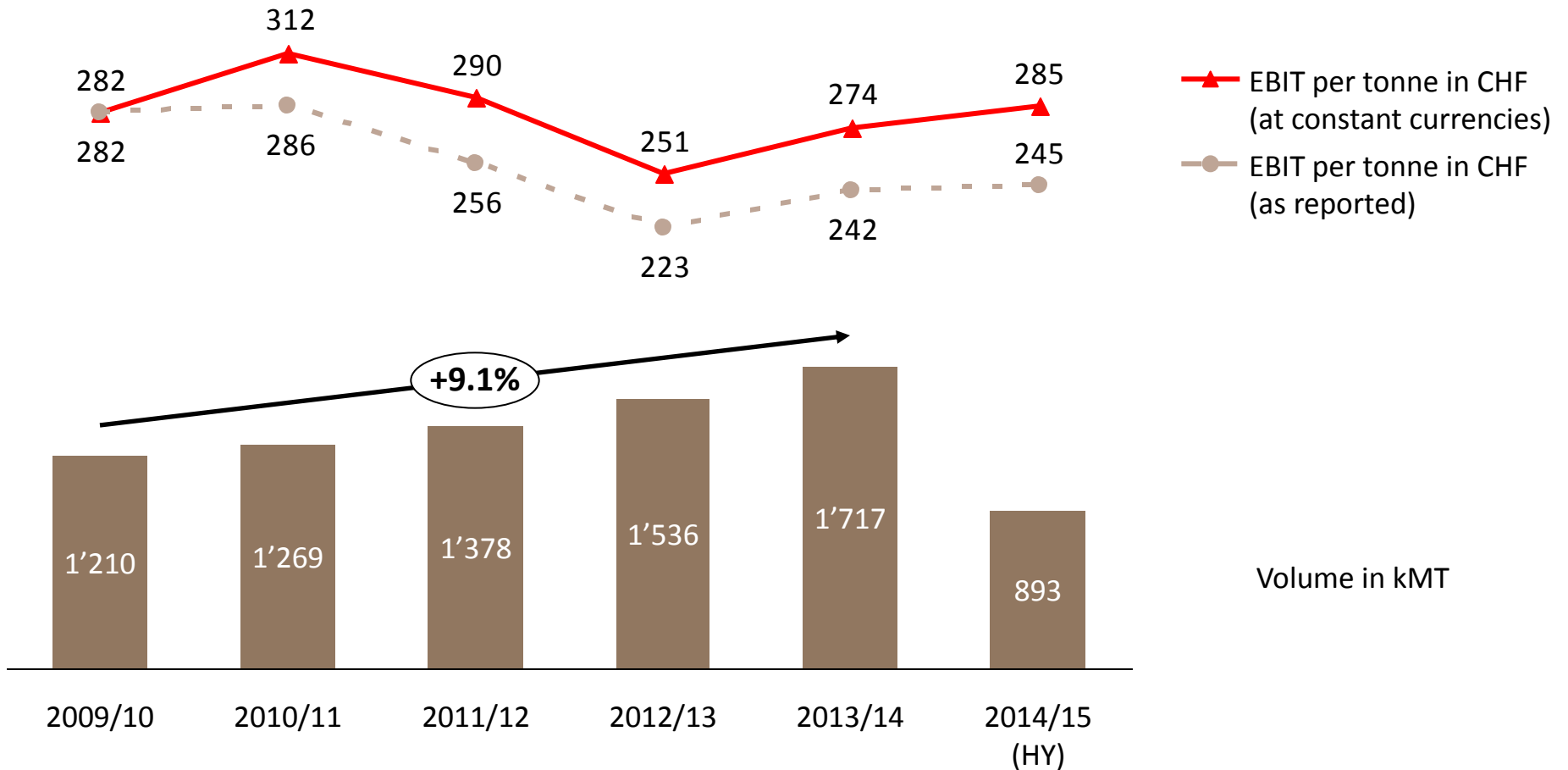
- ▶ Effective October 1, 2015, Antoine de Saint-Affrique (1964, French national) will take over from Juergen Steinemann who was elected Vice Chairman of the Board in December 2014.
- ▶ Currently President Unilever Foods (combined turnover of EUR 12.4 billion across 8 regions and 3 categories) and a Member of Unilever's Group Executive Committee
- ▶ Excellent knowledge of consumer markets, strong customer and stakeholder focus, extensive international working experience, and remarkable success in building and integrating new businesses as well as rebalancing portfolios towards faster growing geographies

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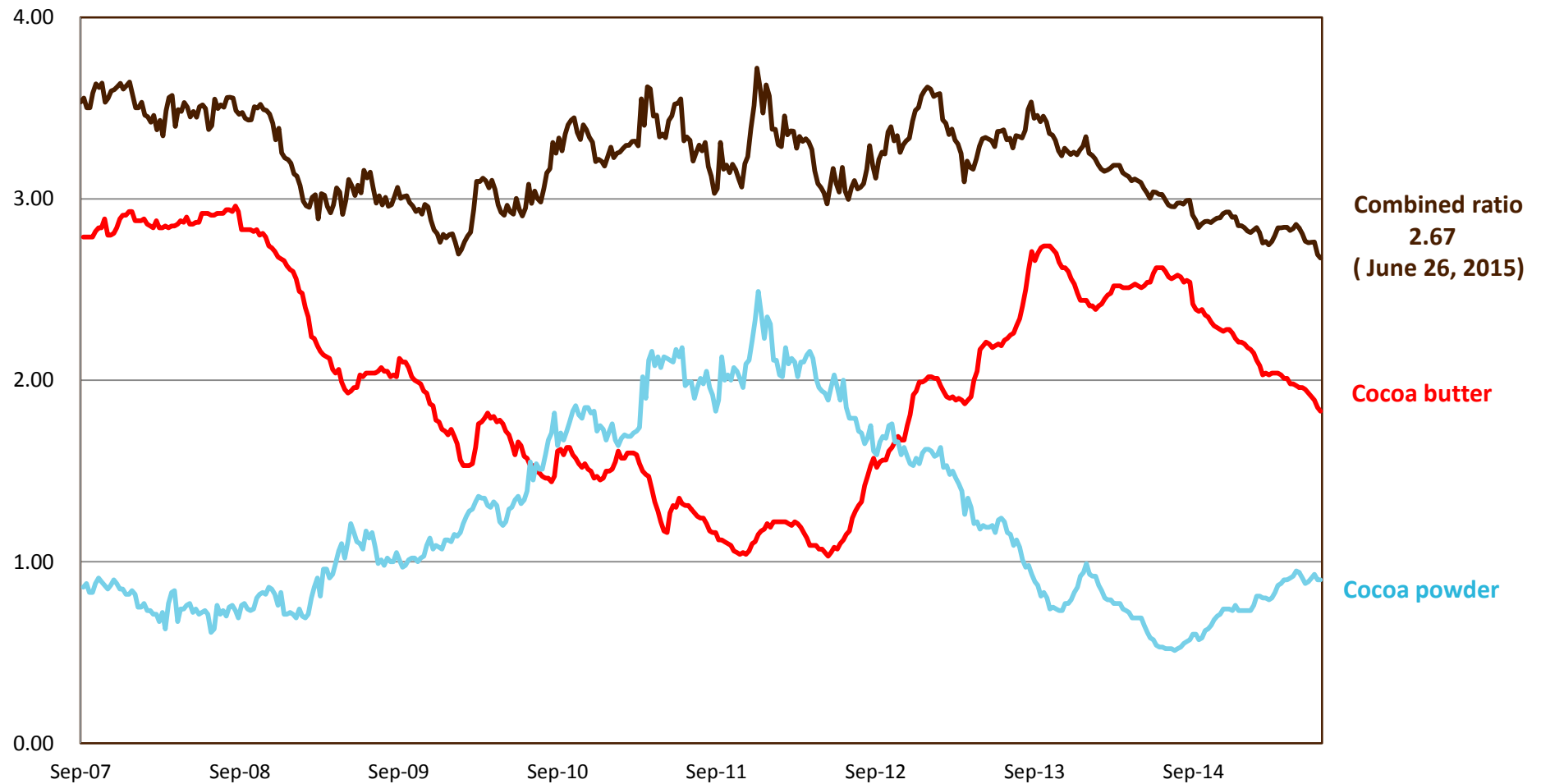
6-year EBIT per tonne development

Improvement of the EBIT per tonne continues



Challenging market environment in cocoa processing activity continues

European combined ratio- 6 months forward ratio



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

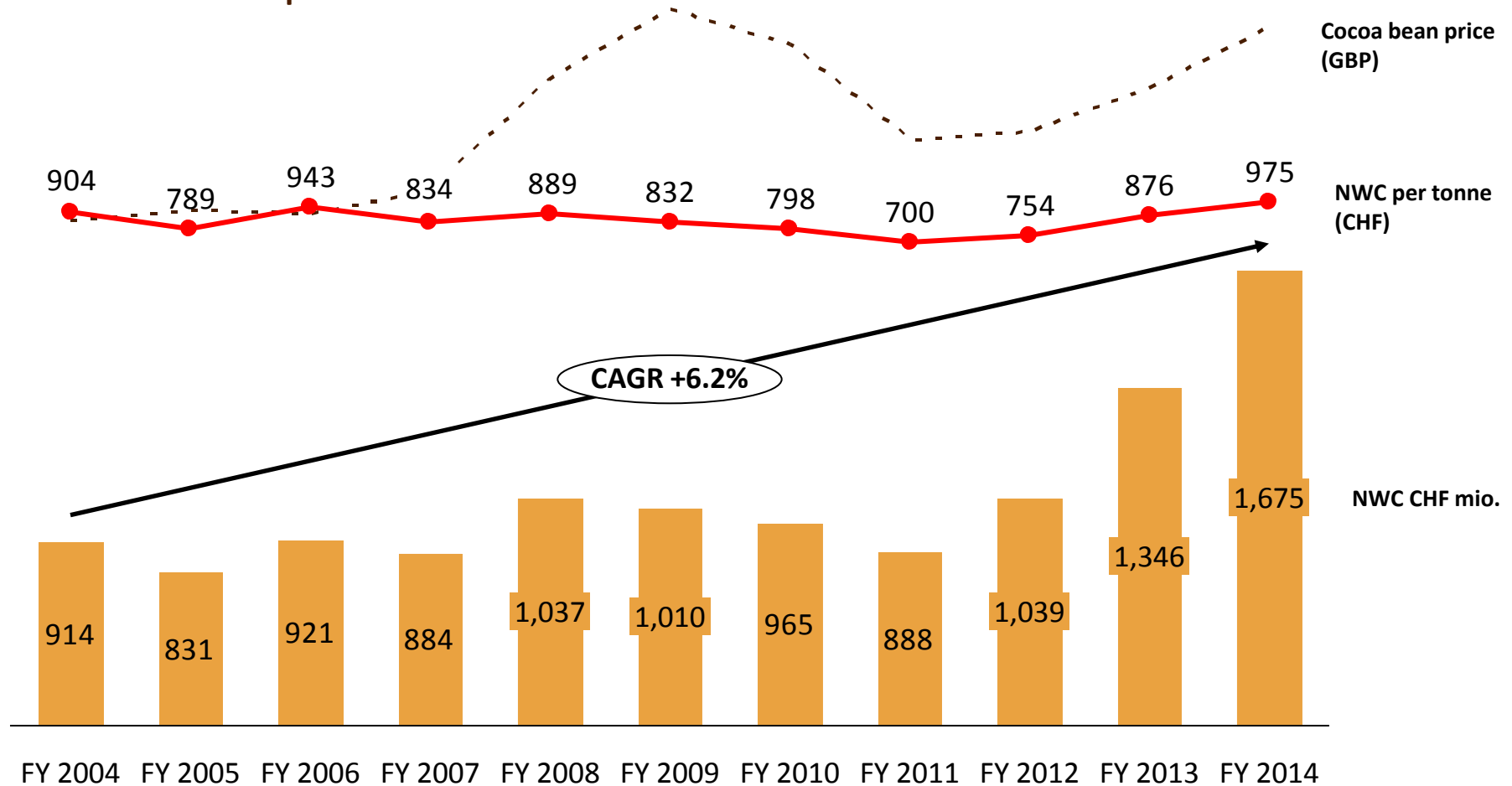
Cocoa bean price still at relatively high levels, other raw materials below prior year



Note: All figures are indexed to Sep 2007

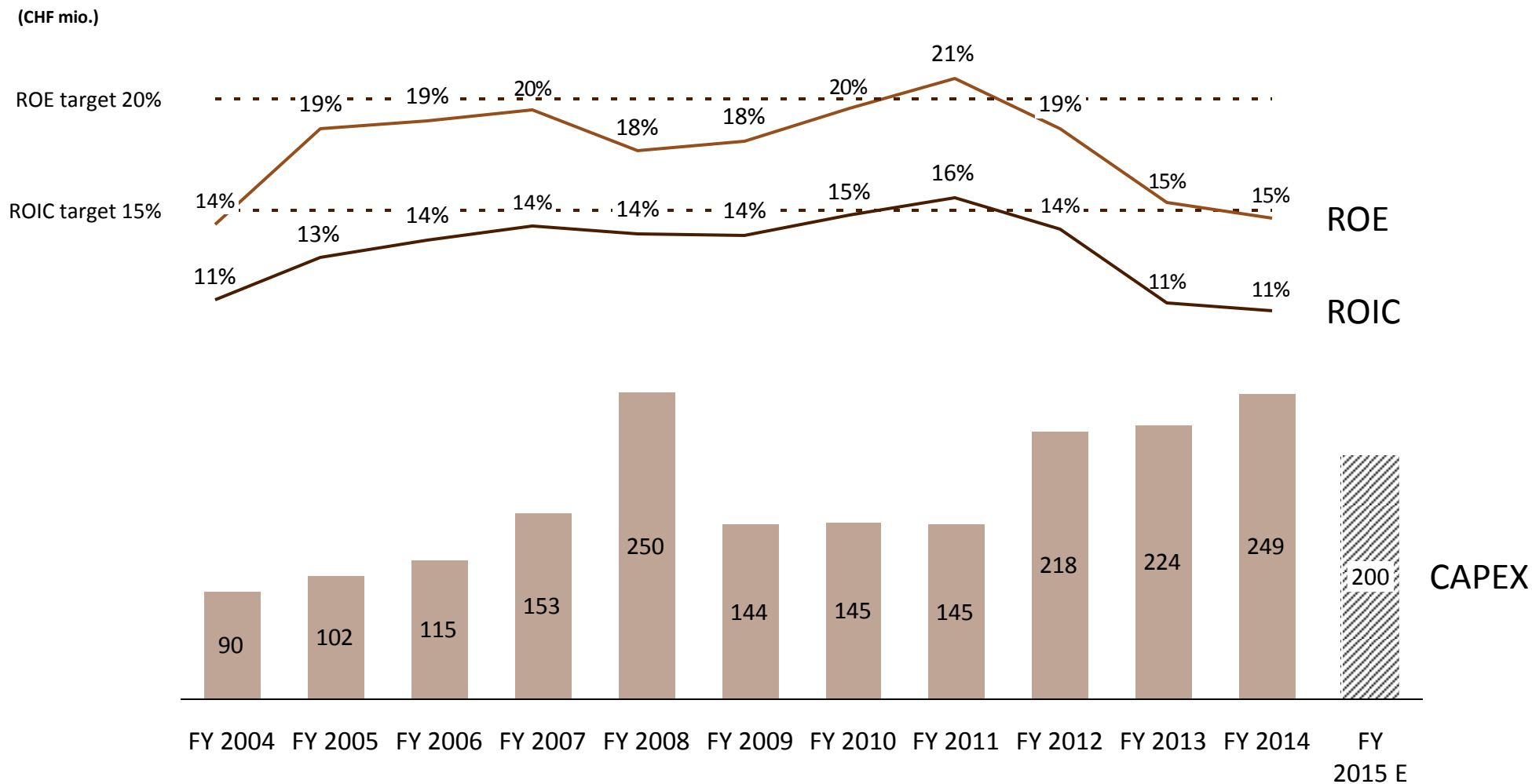
Source: Cocoa beans London (2nd position), Sugar world London n°5 (2nd position), Sugar EU Kingsman estimates W-Europe DDP, skimmed milk powder average price Germany, Netherlands, France.

Higher working capital needs due to acquisition of cocoa business and higher cocoa bean price



10-year development

Significant investments for growth. Focusing on improving returns



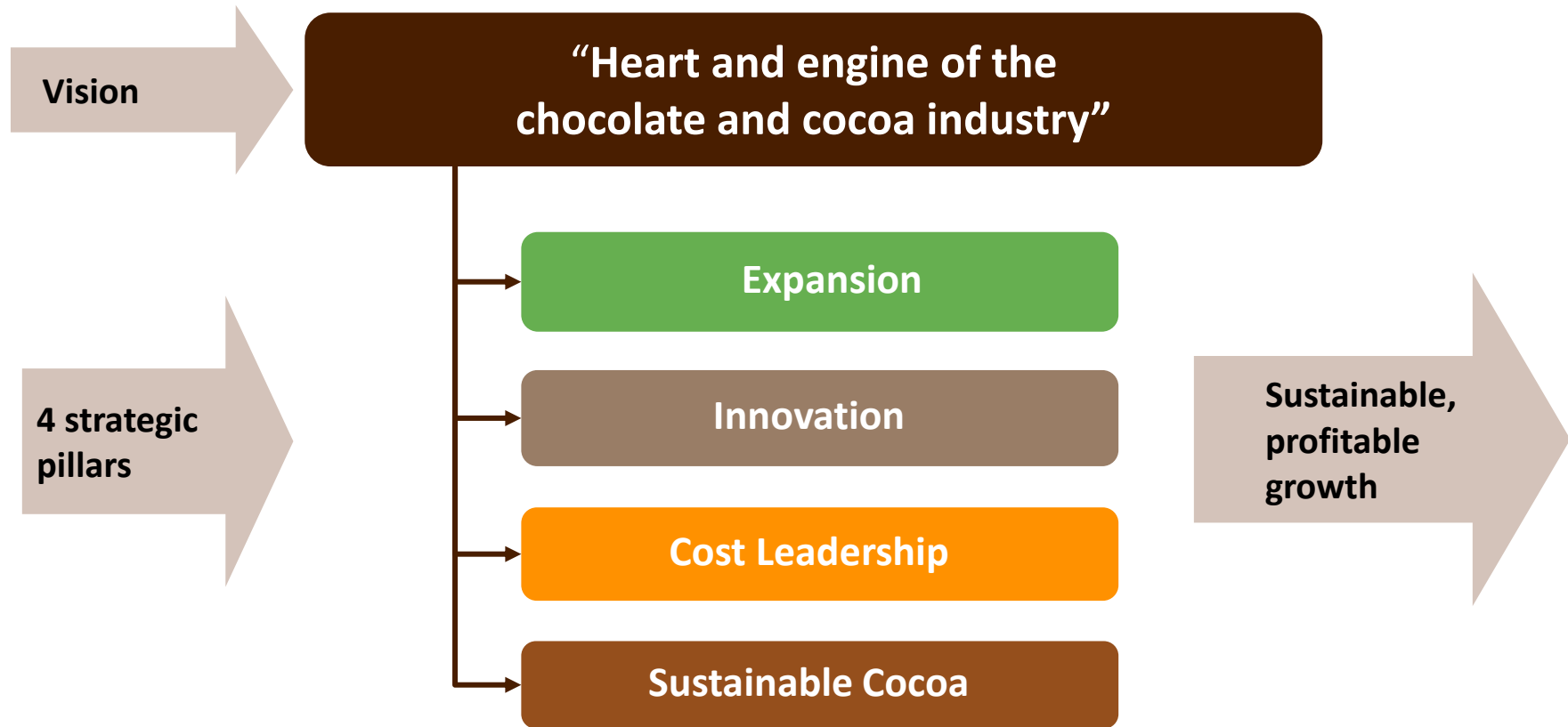
ROIC: EBIT x (1-effective tax rate) / average capital employed.

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The Barry Callebaut Group's growth strategy

Our proven four-pillar strategy is the basis for our long-term business success



Expansion

Significant further opportunities with three key growth drivers

- ▶ Potential volume of 3 mio tonnes
- ▶ 80% in emerging markets is captive market



**Outsourcing &
Strategic
partnerships**

Global market

(1.8% volume growth
long-term)

**Gourmet &
Specialties**

**Emerging
markets**



- ▶ BC with 25% market share
- ▶ Acquisitions pipeline
- ▶ Adjacent products
- ▶ Increase distribution points



- ▶ Long-term faster volume growth than developed markets
- ▶ Higher demand for cocoa powder applications
- ▶ Enormous growth opportunities, with current low consumption per capita

Outlook



Market/ Industry Outlook

- ▶ Temporary decline in the chocolate confectionery industry, due to prices increases and soft economies across the globe. Growth prospects in chocolate and cocoa remain unchanged
- ▶ Significant opportunities along the key growth drivers
- ▶ Challenging cocoa products market

Mid-term Guidance*


- ▶ On average 6-8% volume growth per year, and
- ▶ EBIT per tonne to reach CHF 256 by 2015/16

* Barring any unforeseeable events ; EBIT per tonne subject to currency translation impacts

Appendix



What makes Barry Callebaut unique?

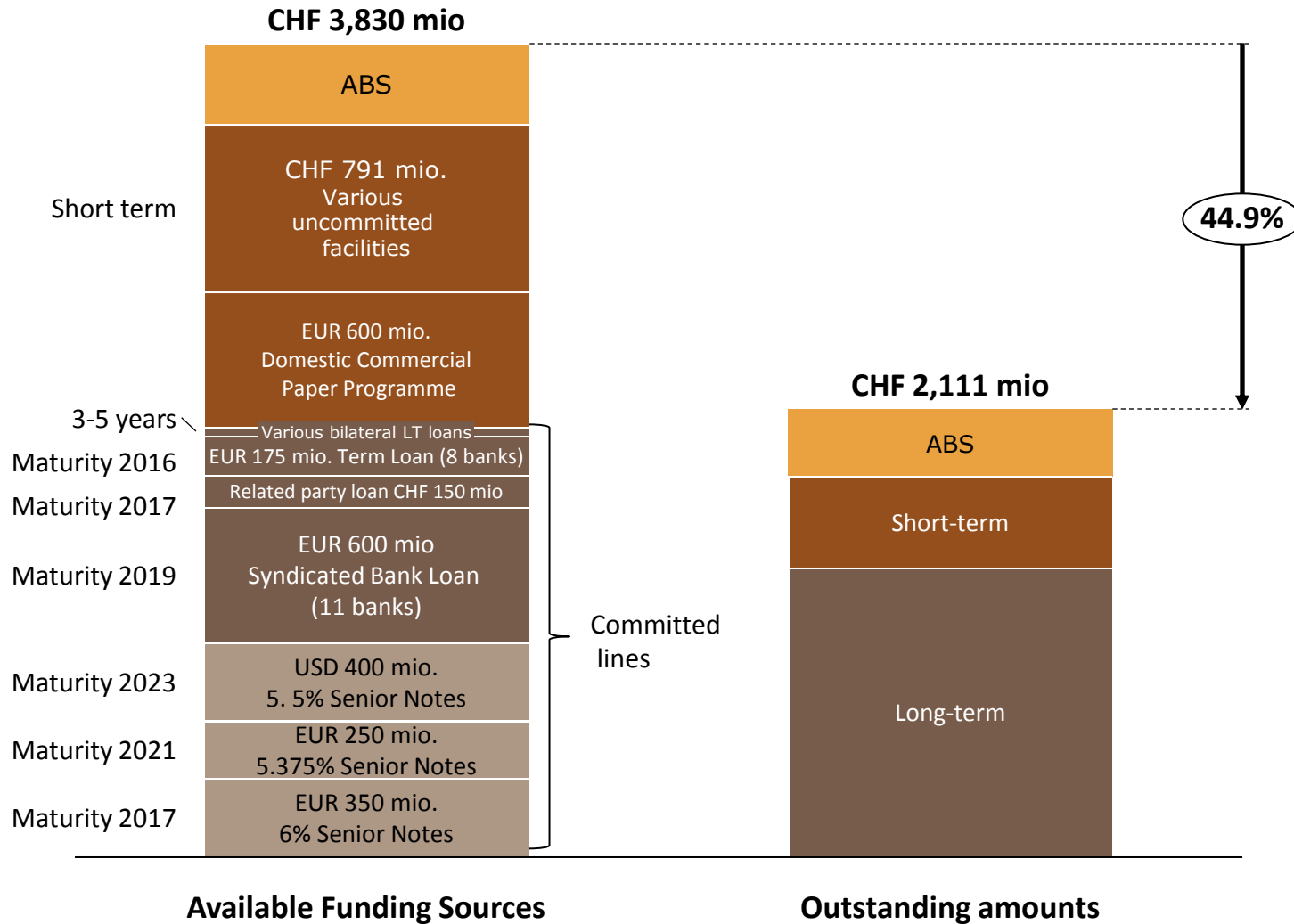
- 
- ▶ Global number one player focused in chocolate and cocoa
 - ▶ Global leader in Gourmet
 - ▶ Proven and long-term oriented strategy
 - ▶ Unparalleled global footprint, present in all key markets
 - ▶ Preferred outsourcing and strategic partner
 - ▶ Leading and growing presence in emerging markets
 - ▶ Deep R&D / Innovation know-how
 - ▶ Cost leadership along the value chain
 - ▶ Taking leadership in sustainable cocoa
 - ▶ Entrepreneurial spirit
 - ▶ Supportive ownership structure

High cocoa bean price levels still weighing on our Balance Sheet and key ratios

	Feb 15	Aug 14	Feb 14
Total Assets [CHF m]	5,433.4	5,167.5	5,106.9
Net Working Capital [CHF m]	1,566.6	1,674.6	1,501.4
Non-Current Assets [CHF m]	2,139.5	2,175.6	2,068.6
Net Debt [CHF m]	1,790.6	1,803.5	1,698.2
Shareholders' Equity [CHF m]	1,654.4	1,790.7	1,658.9
Debt/Equity ratio	108.2%	100.7%	102.4%
Solvency ratio	30.4%	34.7%	32.5%
Net debt / EBITDA	3.2x	3.4x	3.6x
Interest cover ratio	4.6x	4.5x	4.9x
ROIC	10.9%	10.5%	11.1%
ROE	16.2%	14.7%	15.6%

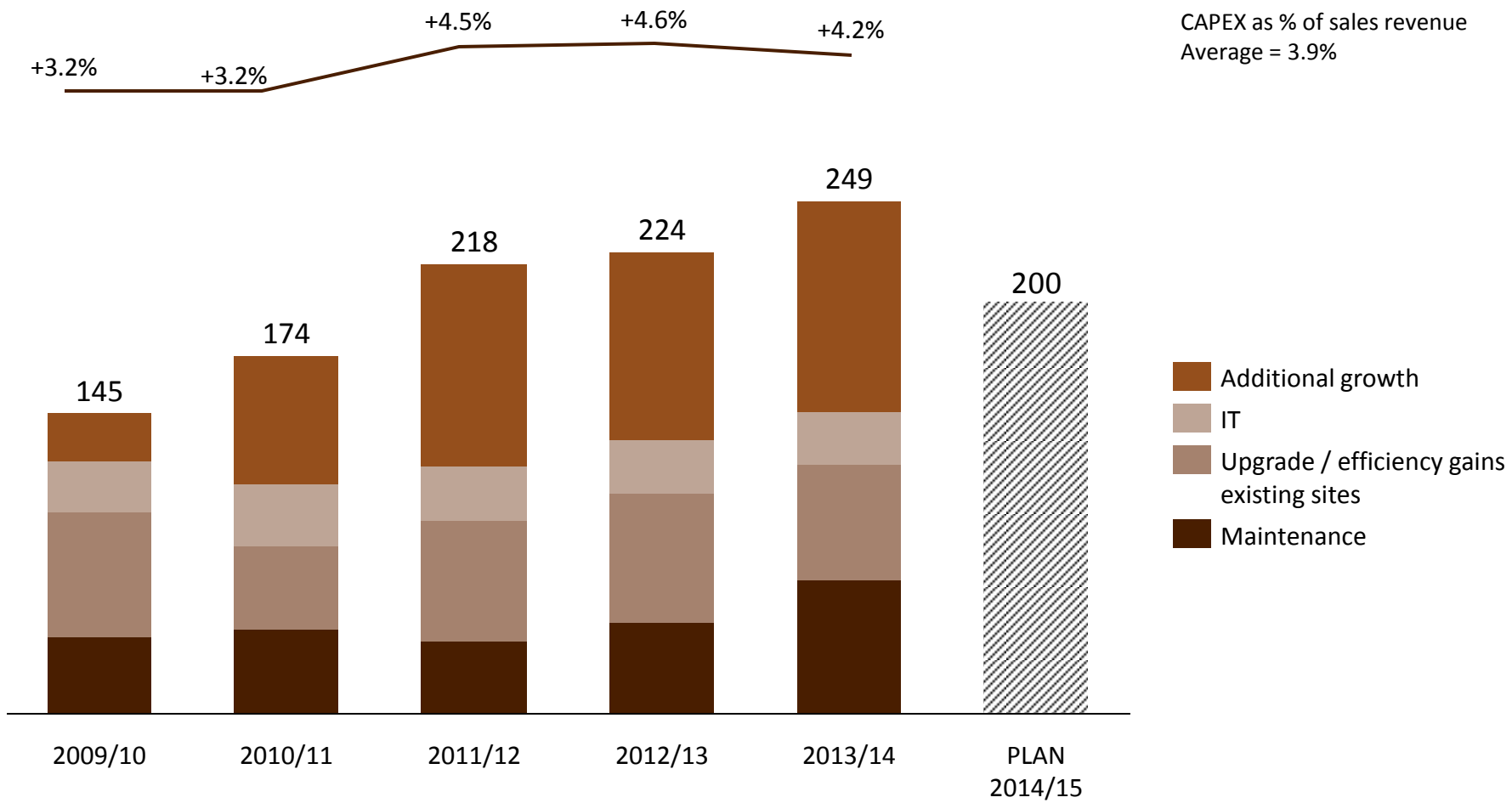
Enough headroom for further growth and raw material price fluctuations

As of 28 Feb 2015

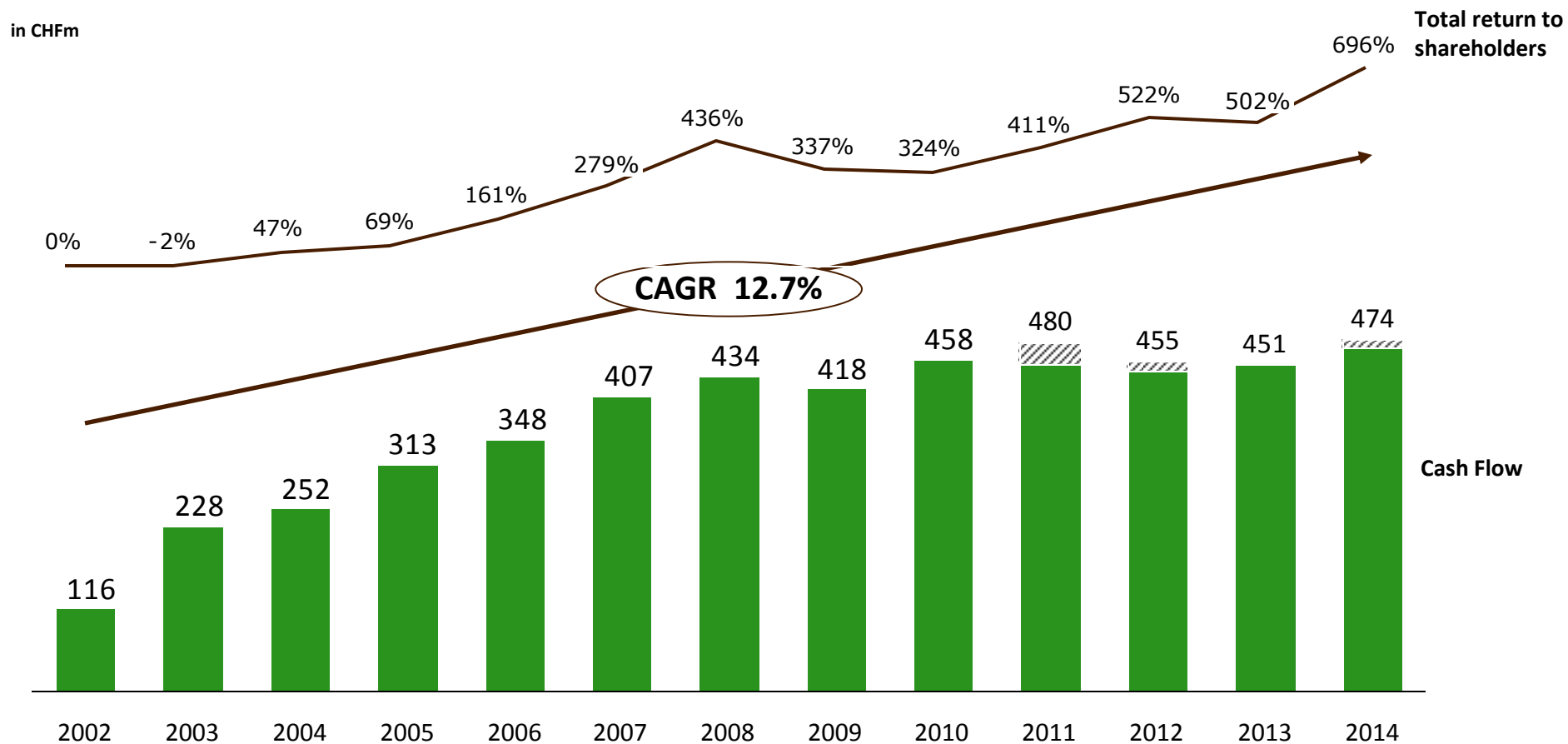


Capital Expenditures

in CHF mio.



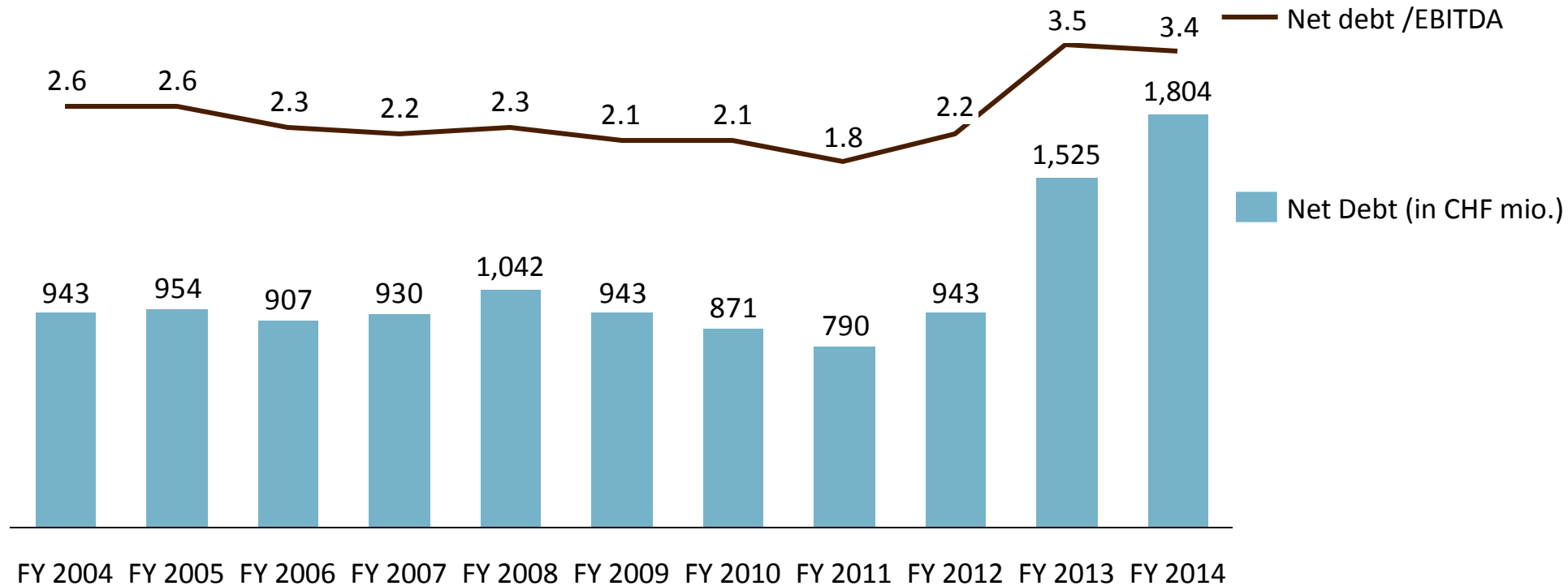
Cash flow generation despite fast volume growth and expansion, which also translated into high return to shareholders



* Operating Cash Flow before working capital changes

▨ Negative FX impact

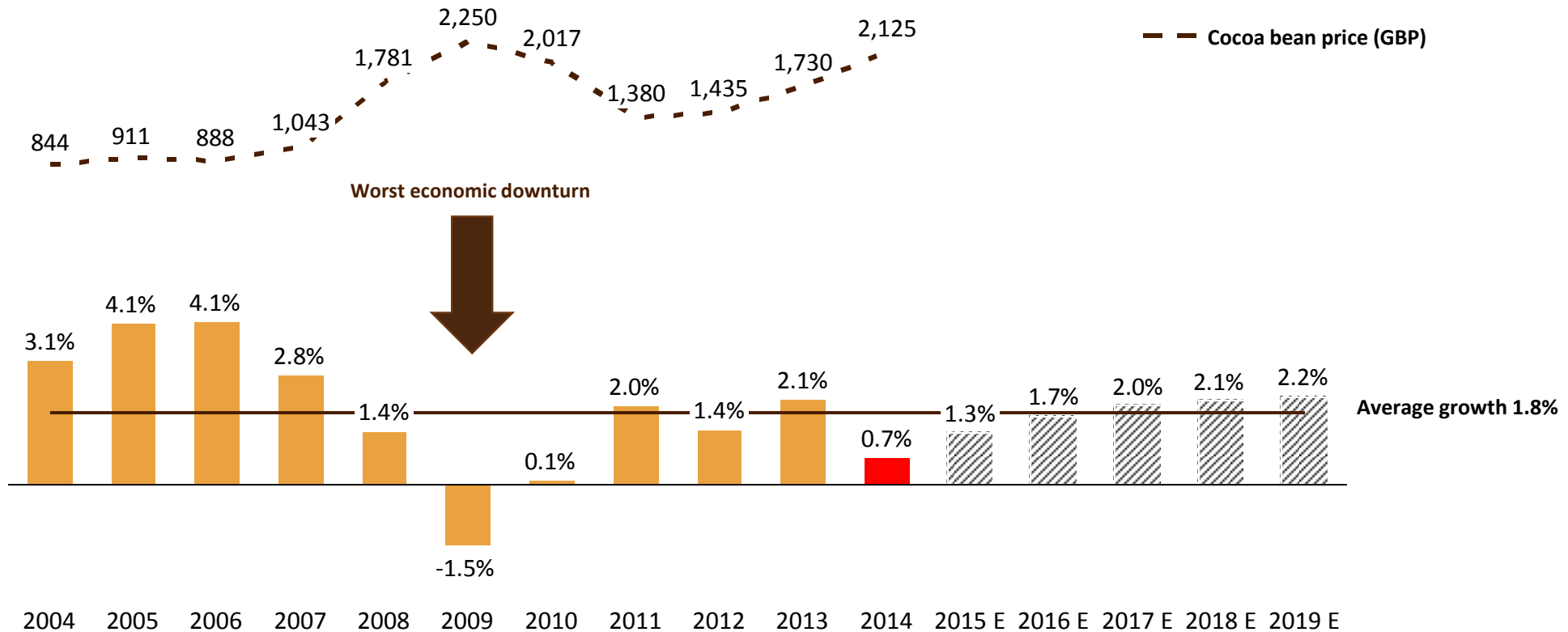
Net debt development – Increased driven by higher working capital needs and further expansion



Industry Overview

Long-term chocolate remains a resilient category with an average annual volume growth of 1.8%

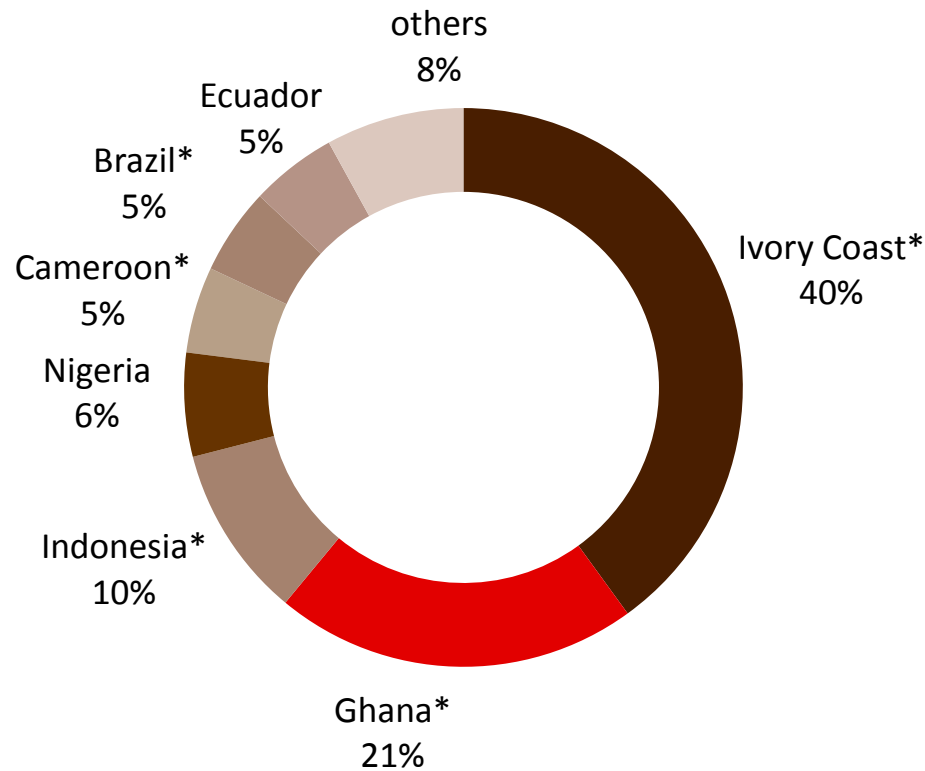
Chocolate confectionery – Total market volume



Source: Euromonitor

West Africa is the world's largest cocoa producer – BC sources locally

Total world harvest (13/14): 4'345 TMT



- ▶ About 70% of total cocoa beans come from West Africa
- ▶ BC processed ~940,000 tonnes or 22% of the world crop
- ▶ Barry Callebaut has various cocoa processing facilities in origin countries*, in Europe and in the USA

Source: ICCO estimates