

Full Year Results 2017/18

Media and Analysts/Institutional Investors' Conference

November 7, 2018



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 2017/18. 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 7, 2018. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.

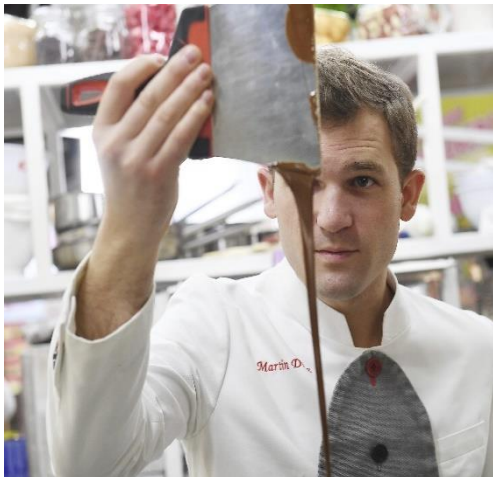
Agenda

- ▶ Highlights FY 2017/18 – CEO Antoine de Saint-Affrique
- ▶ Financial review FY 2017/18 – CFO Remco Steenbergen
- ▶ Strategy & Outlook – CEO Antoine de Saint-Affrique
- ▶ Q&A – CEO & CFO

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



Fourth type of chocolate: Ruby

Sept 2017



D'Orsogna completed

Oct 2017



Cocoa & Forests Initiative signed

Nov 2017



Gertrude Hawk Ingredients completed

Dec 2017



Barry Callebaut 10 years in China

Jan 2018



Nestlé launches Ruby KitKat in Japan & South Korea

Jan 2018



Ruby: NCA award for supplier innovation

May 2018



Chocolate Academy in South Africa

May 2018



CHOCO VISION '18 strengthens BC's leadership position

June 2018



Letters of Intent with Côte d'Ivoire and Ghana

June 2018



BC upgraded to Investment Grade

Sept 2018



Long-term supply agreement Burton's Biscuits

Sept 2018



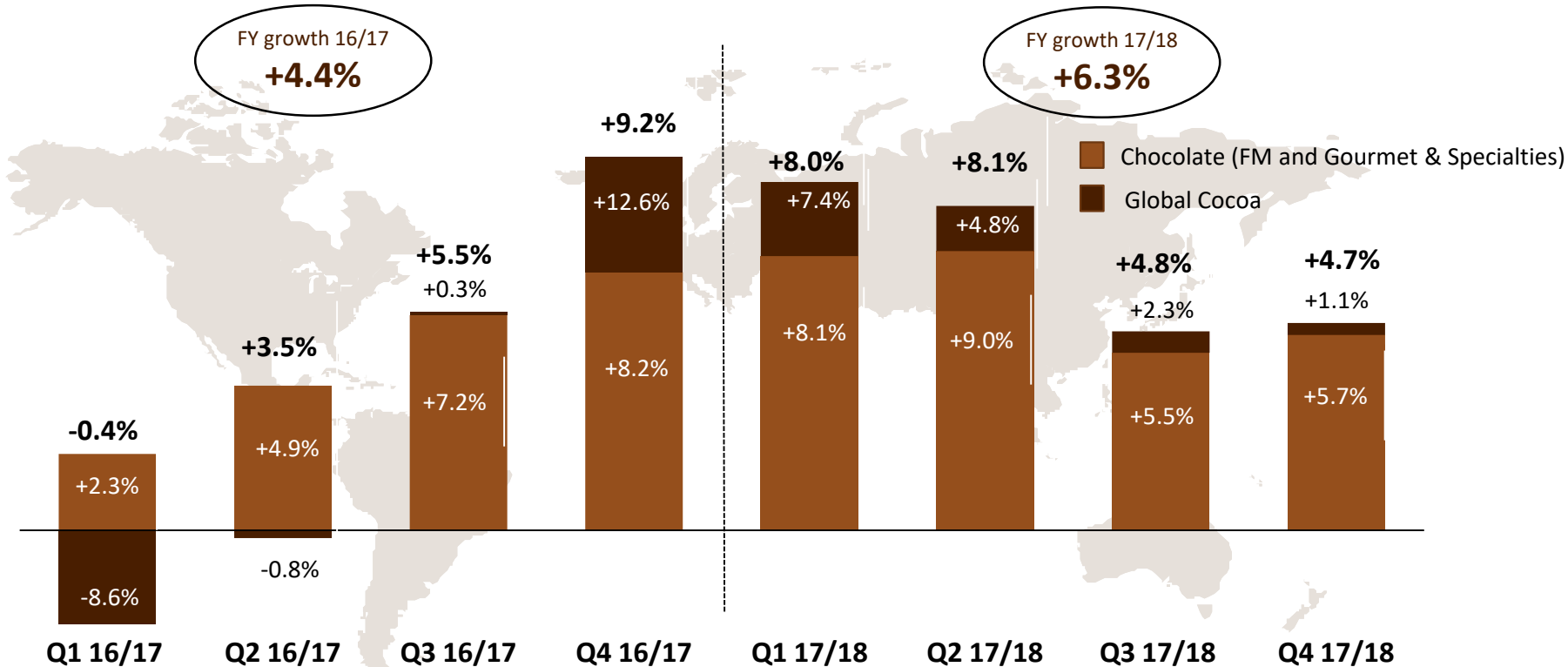
Acquisition of Inforum in Russia

Oct 2018

Quarterly volume evolution

Strong sales volume growth, consistently above the market

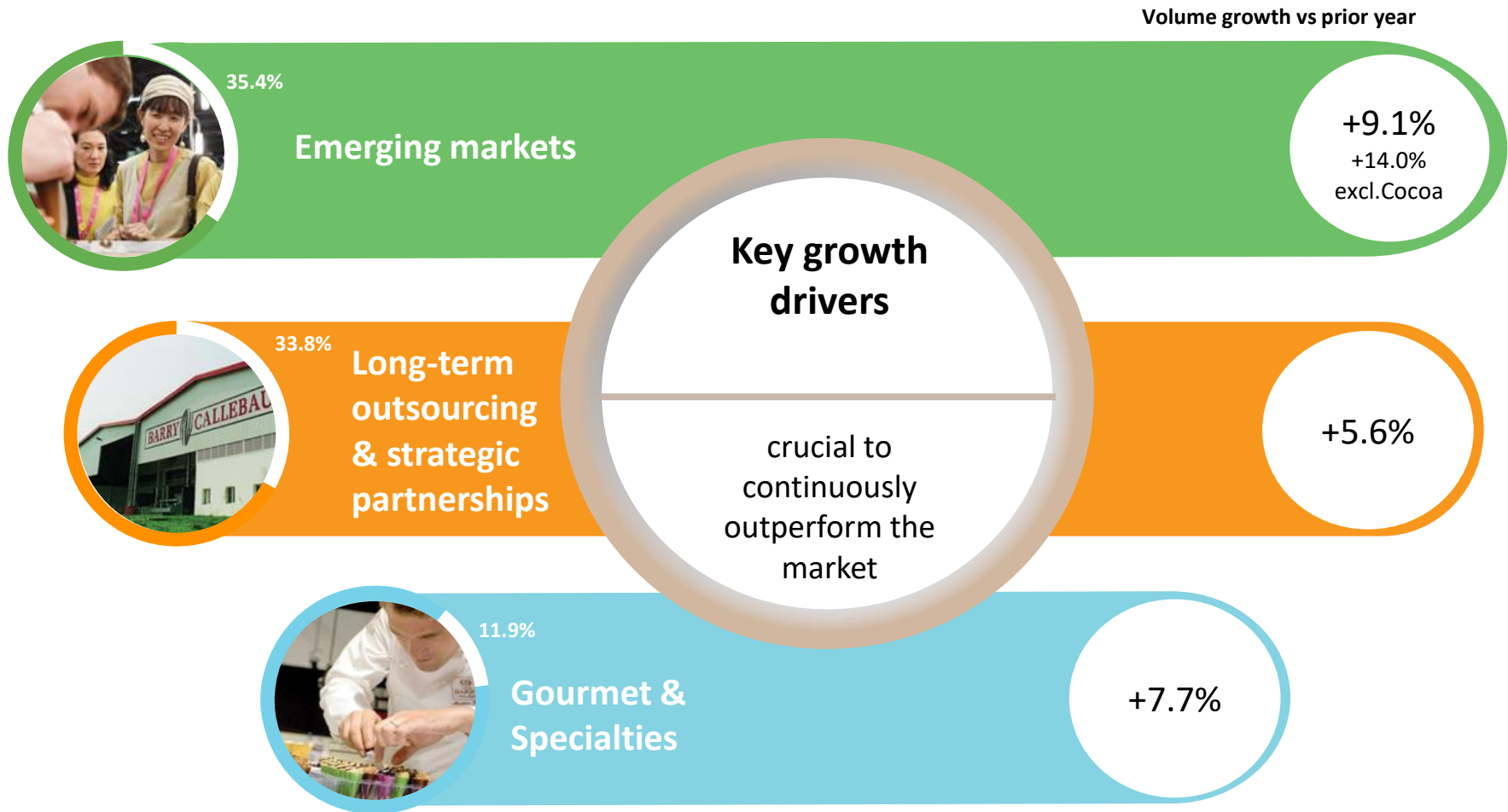
Quarterly volume growth vs prior year



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



Strong growth of our
Gourmet & Specialties
business

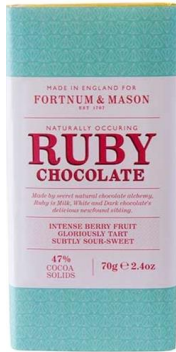


Chocolate. At Your Fingertips.
Watch. Learn. Indulge. Repeat.



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



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%

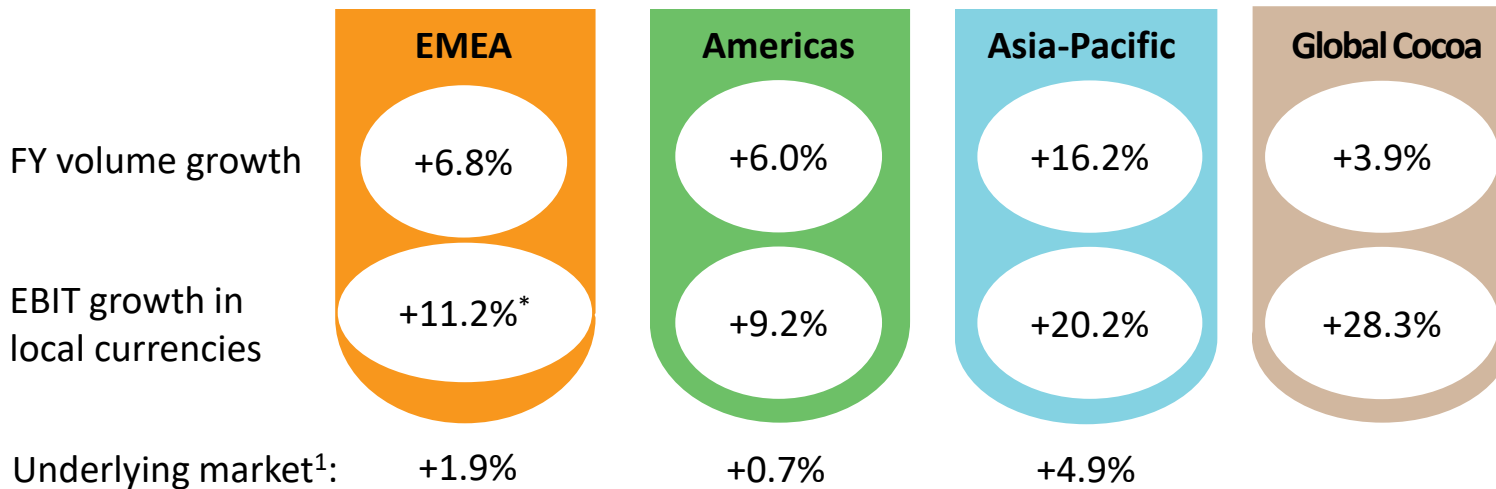
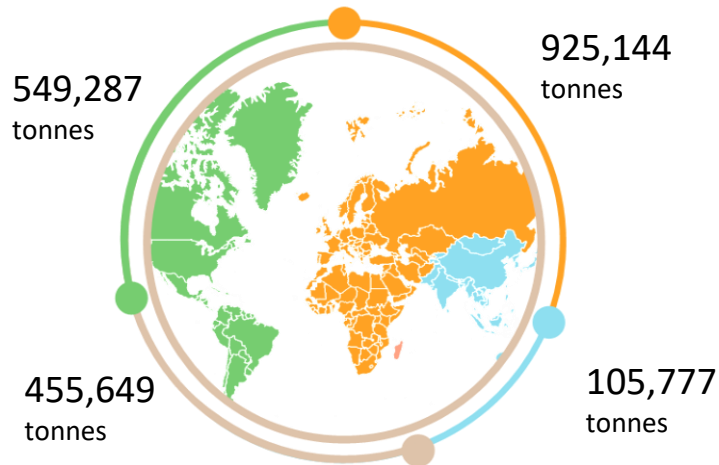
1) See page 48 of the Annual Report 2017/18, Summary of Accounting policies– restatement and reclassification of prior year comparatives, applies to entire presentation

All Regions contributed to top- and bottom-line growth

Group Sales Volume:

2,035,857

tonnes



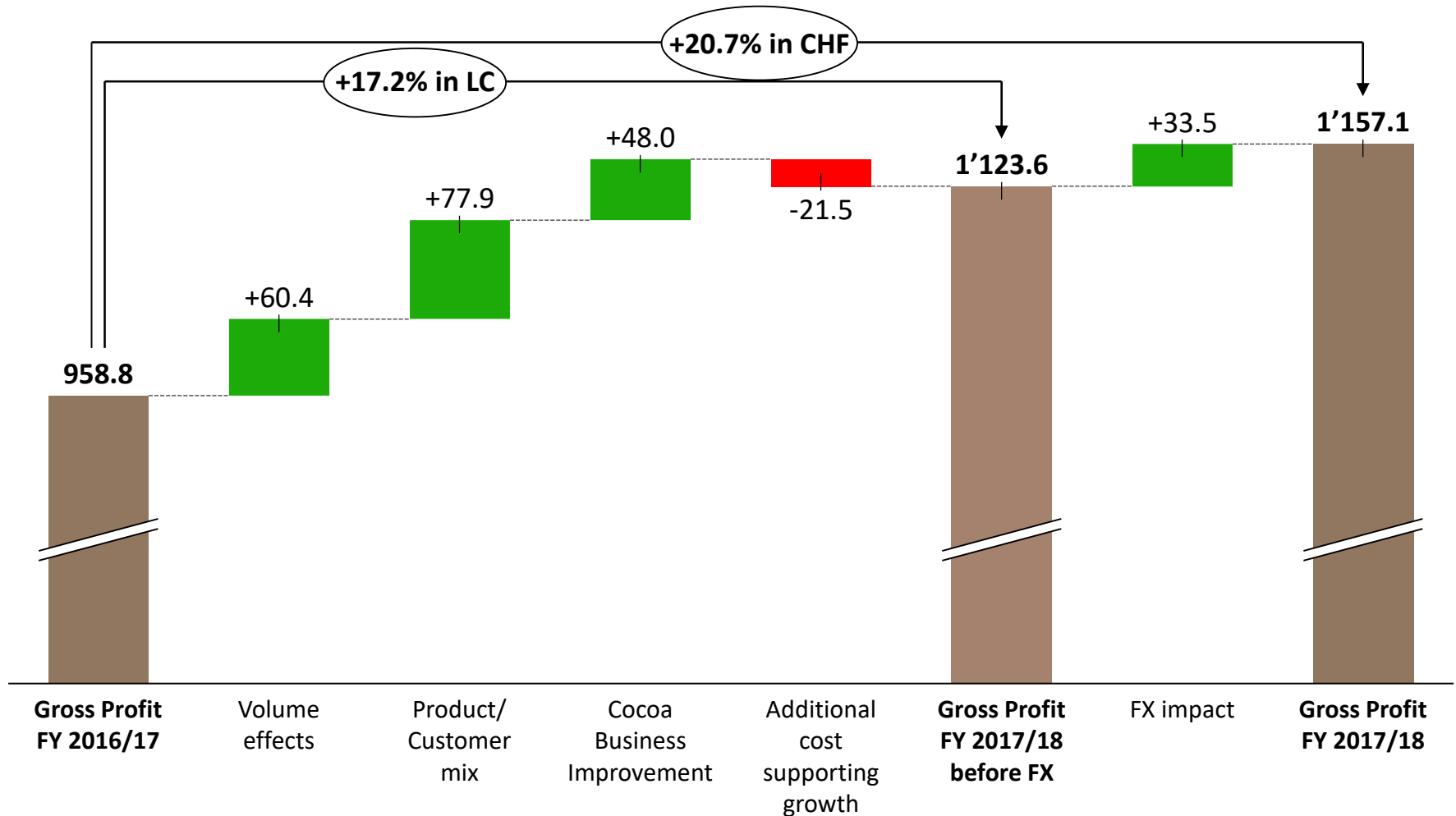
* 2016/17 EBIT recurring

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

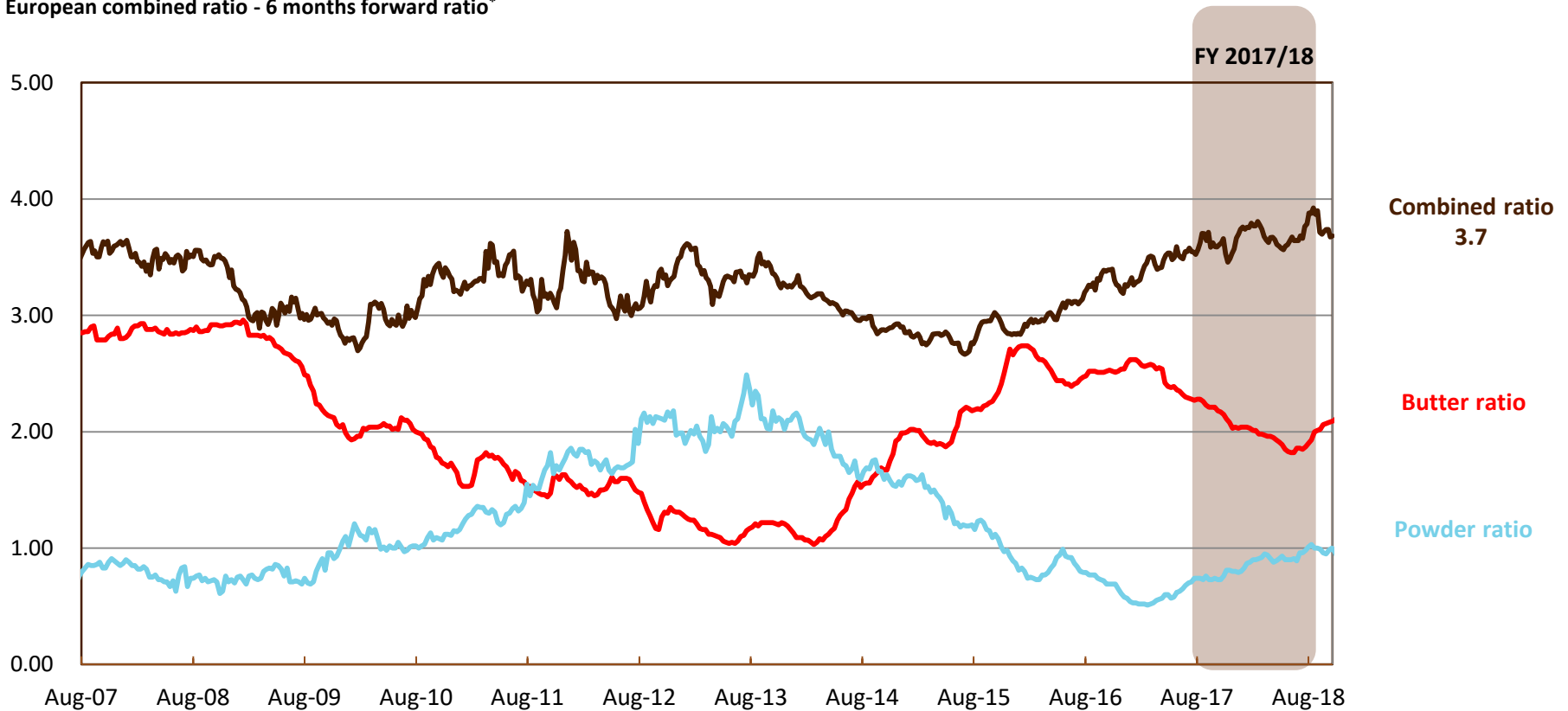
In CHF mio



Cocoa processing profitability

Combined ratio remains at favorable level

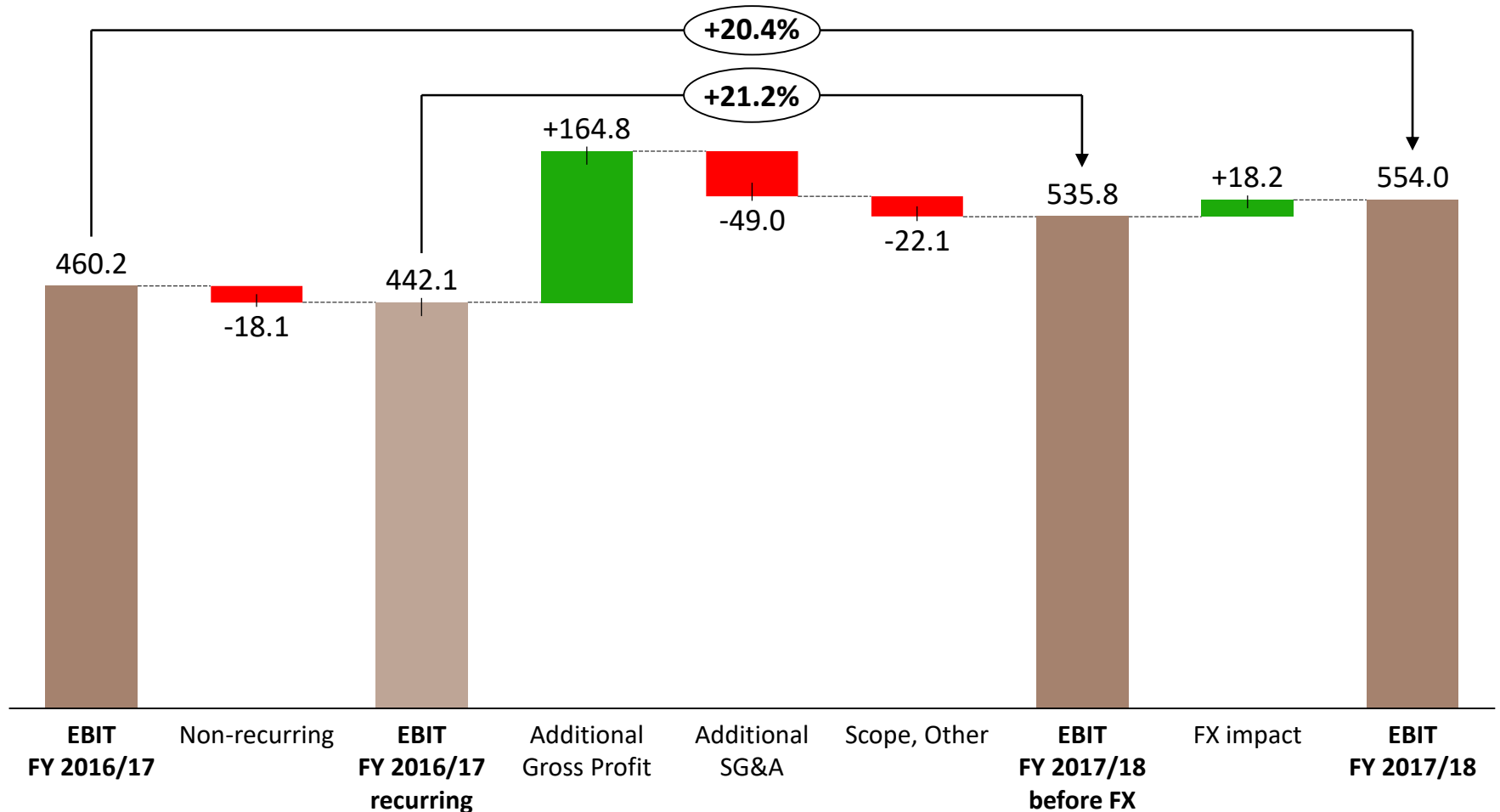
European combined ratio - 6 months forward ratio*



*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).

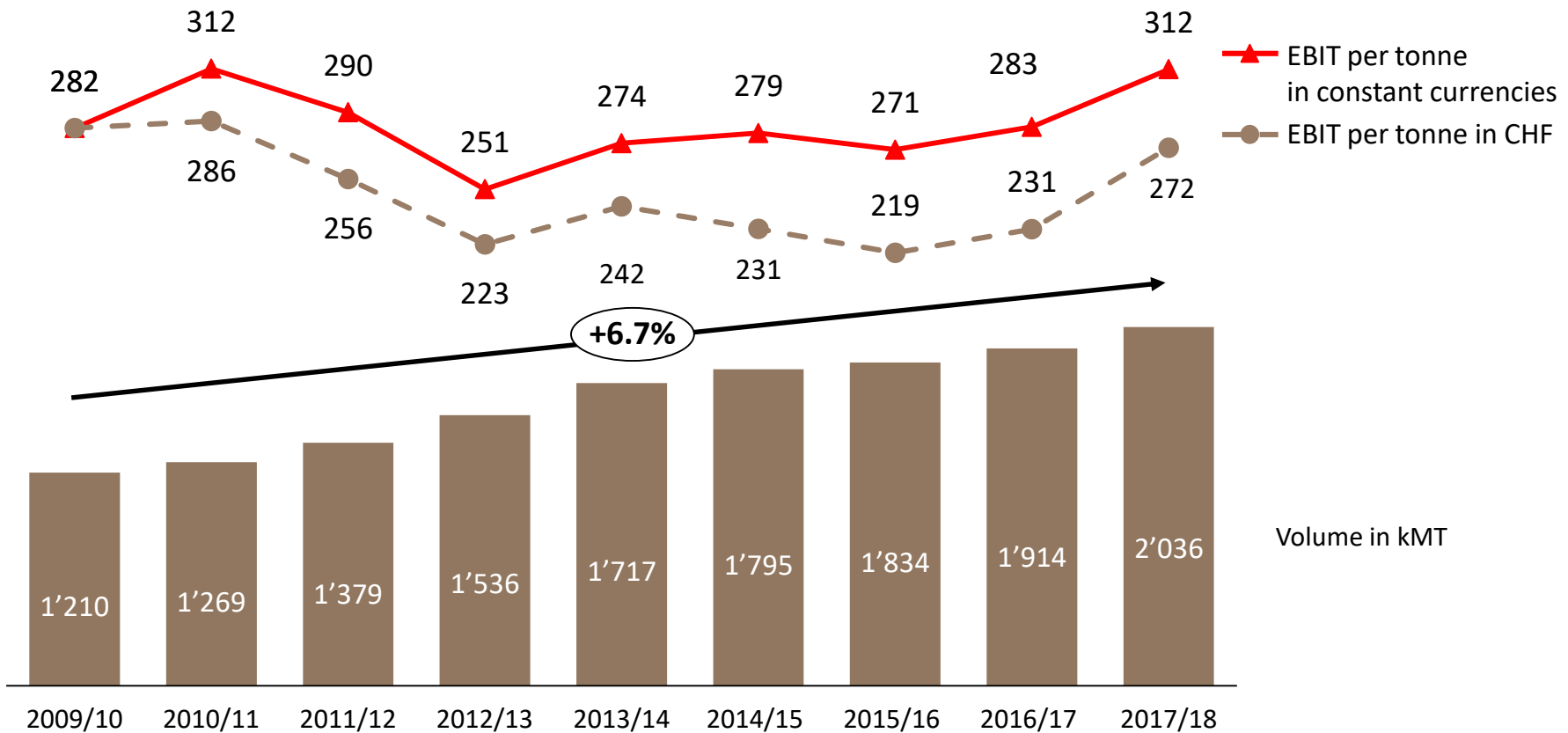
Operating profit up +21.2% in local currencies, well above volume growth

In CHF mio



Long-term EBIT per tonne development

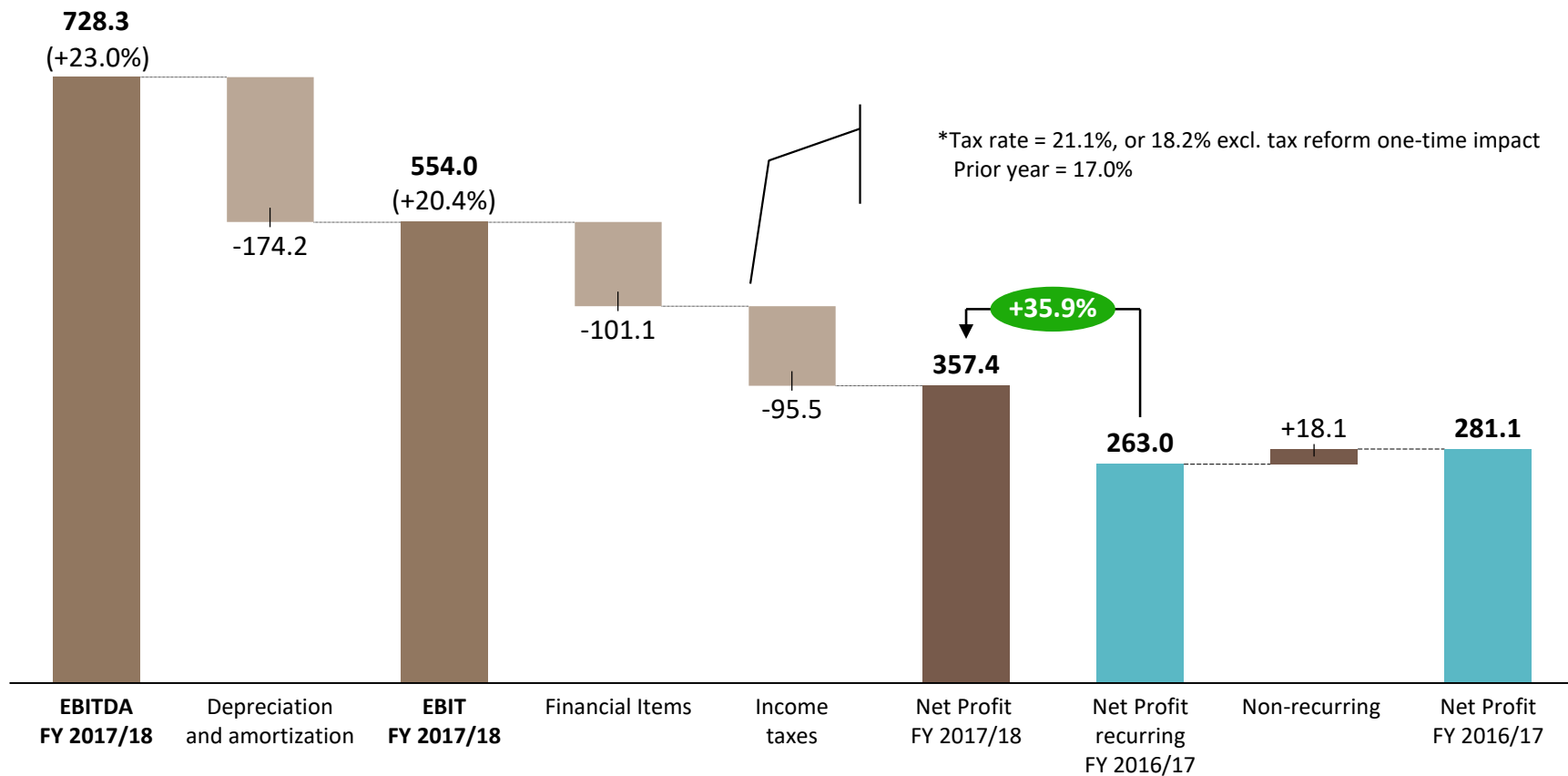
Increase in EBIT thanks to enhanced product and customer mix and continued improvement in Cocoa business



EBITDA to Net Profit

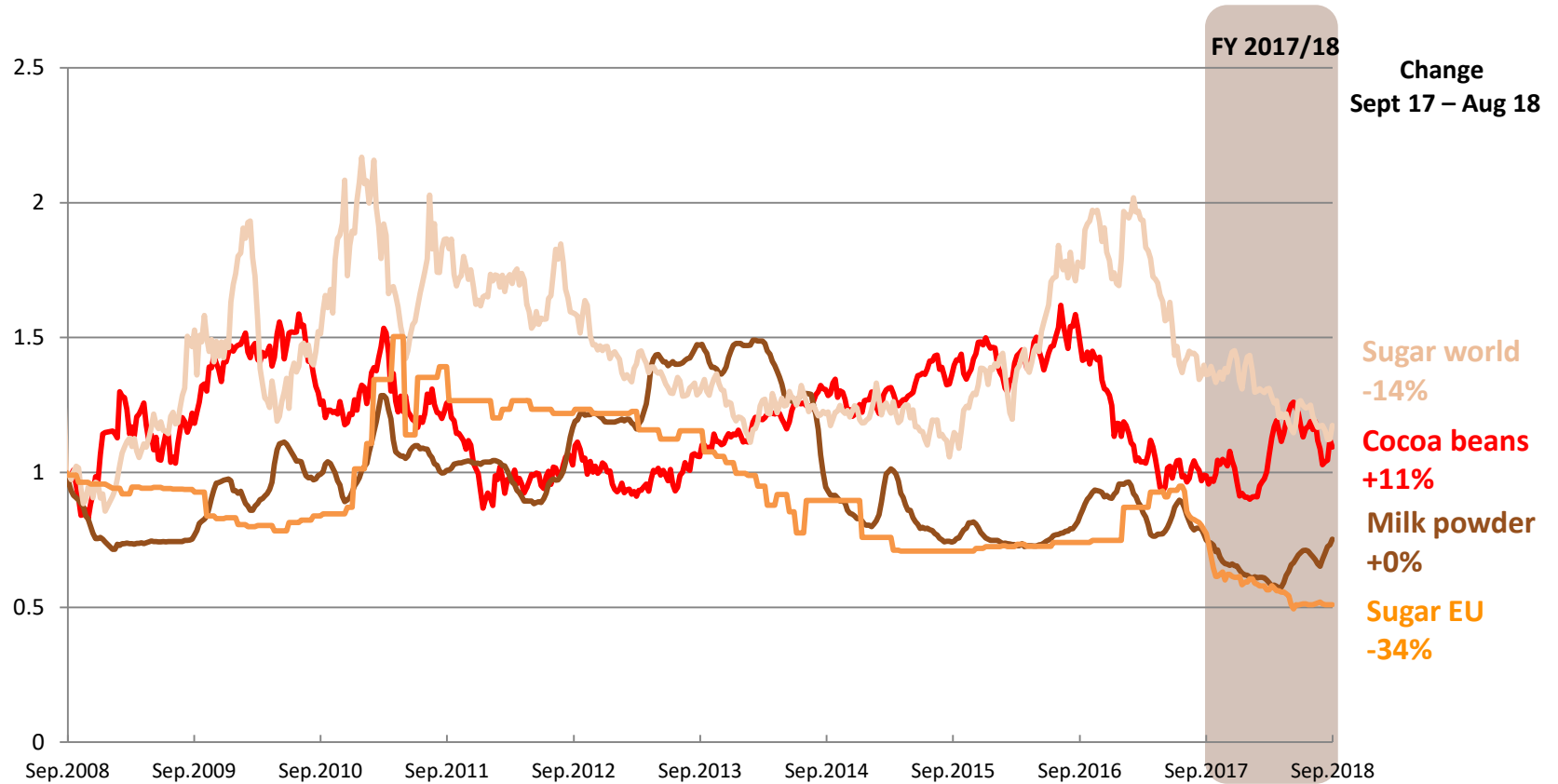
Net Profit recurring is up +35.9% as a result of great profitability and lower net finance cost items

In CHF mio



Raw material price evolution

Volatile cocoa bean prices, sugar and dairy below prior year

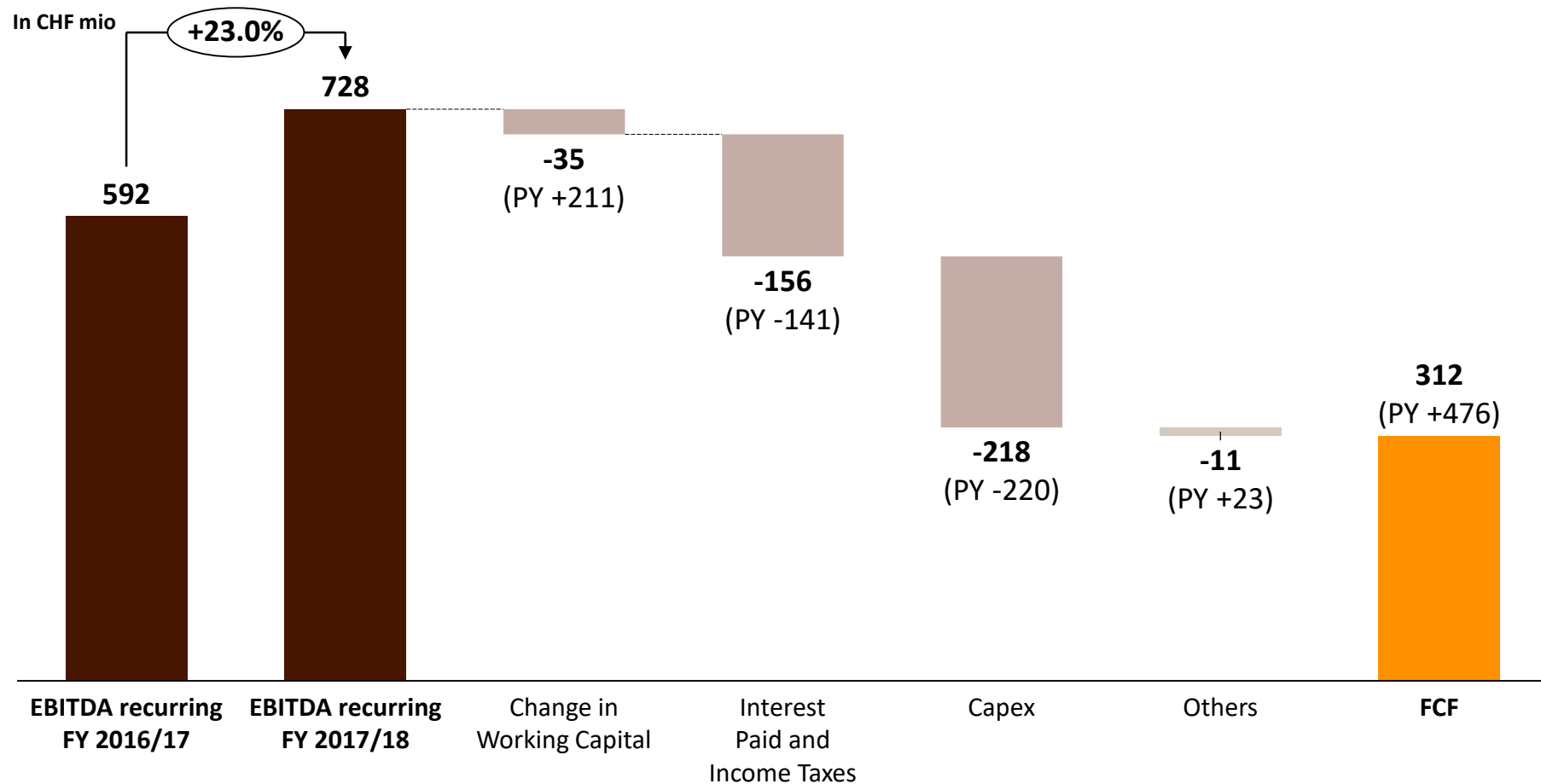


Note: All figures are indexed to Sep 2008

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



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

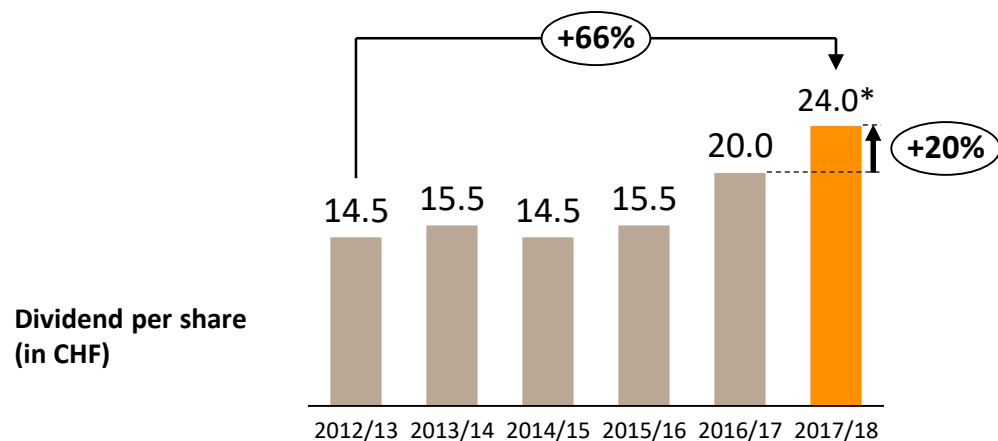
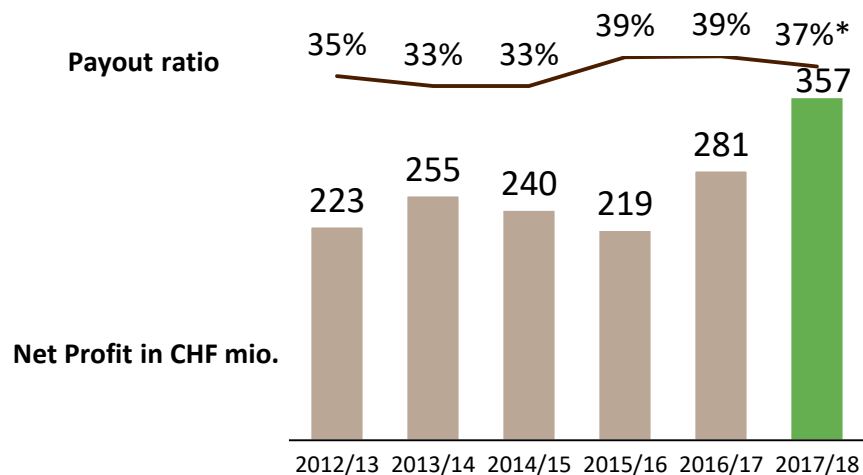
Proposed payout of CHF 24.00 per share, an increase of 20.0%

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

Proposals to the AGM: Elections

Changes in the Board



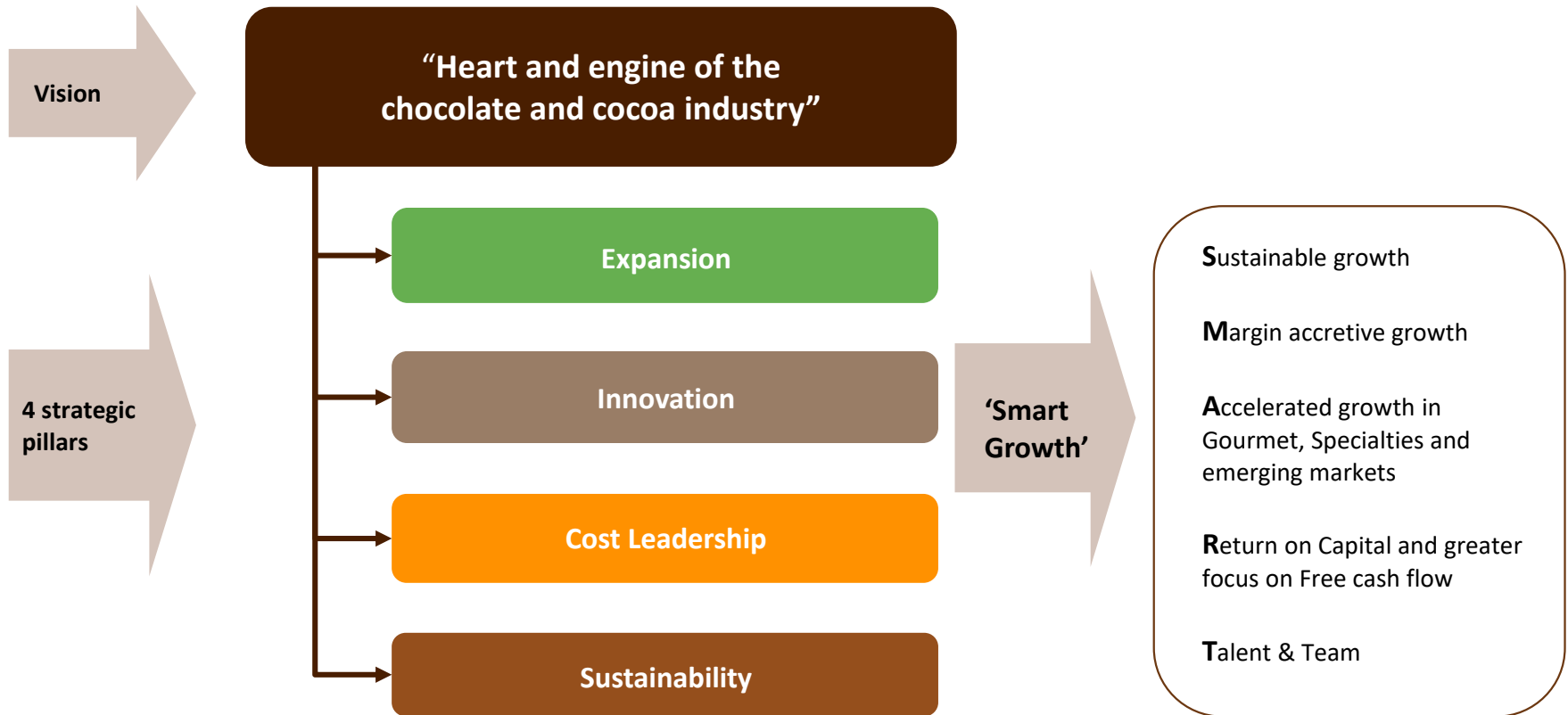
- ▶ **James (Jim) Donald** will not stand for reelection
 - Board member since 2008 and Chairman of the Nomination & Compensation Committee
- ▶ All other Board members will stand for reelection for a term of office of one year

- ▶ Proposed for election as new Board members:
 - **Suja Chandrasekan** - 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



Our long-term strategy remains unchanged



Recent transactions underline 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 strengthen strategic alignment
- 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

▶ **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)

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 adding segments
- Deploy and leverage the power 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 first half 2018/19



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



¹ in local currencies and barring any major unforeseen events

