

Roadshow presentation – 3-Month Key Sales Figures 2018/19

January 2019



Agenda

- ▶ BC at a glance
- ▶ Highlights Q1 2018/19
- ▶ Strategy & Outlook
- ▶ Appendix

BC at a glance



Who are we?

The heart and engine of the chocolate industry

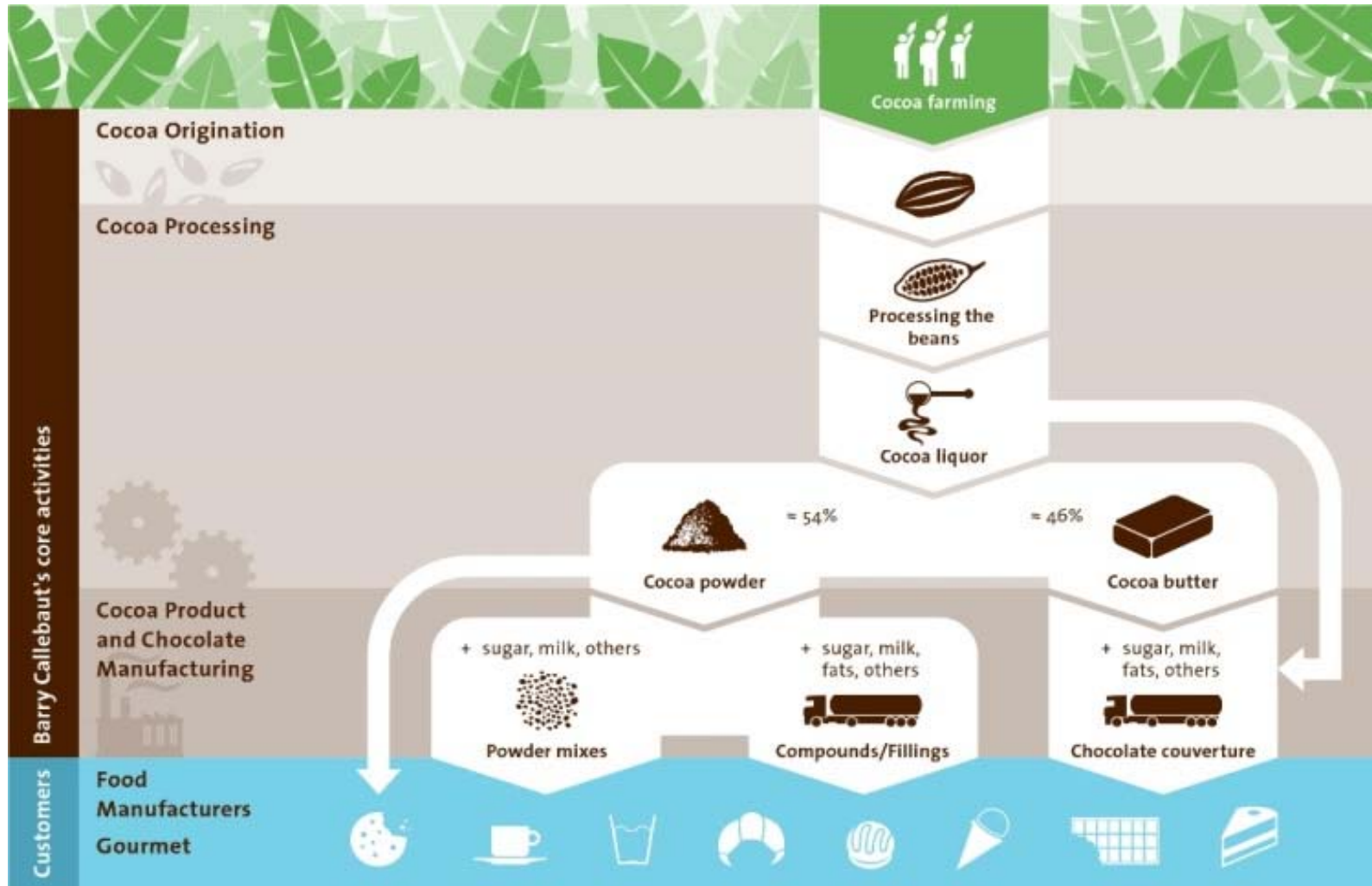


- ▶ A merger between **Cacao Barry**, the very first French chocolate connoisseur since 1842 and **Callebaut** a Belgian chocolate couverture manufacturer expert since 1911
- ▶ Listed on the SIX Swiss Exchange since 1998
- ▶ Today, the world's leading manufacturer of high-quality chocolate and cocoa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

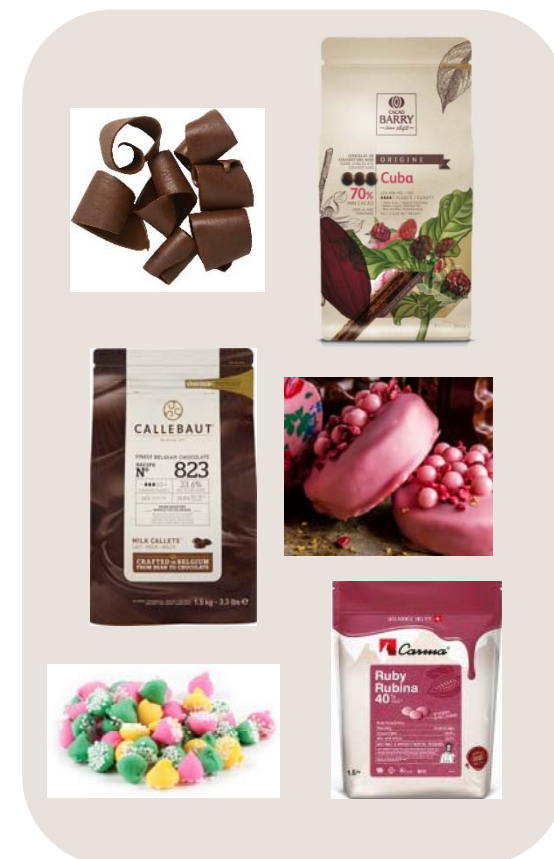
Cocoa Products



Food Manufacturers



Gourmet & Specialties

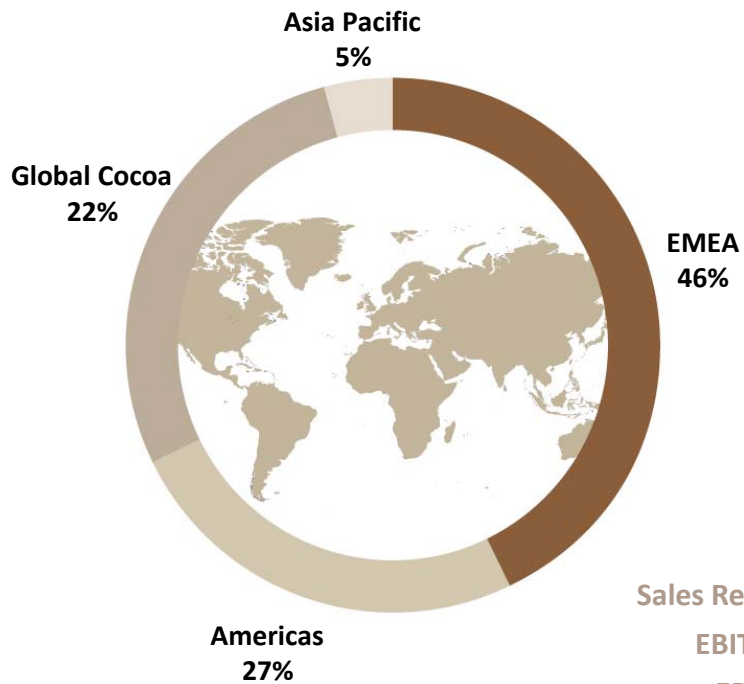


How are we organized?

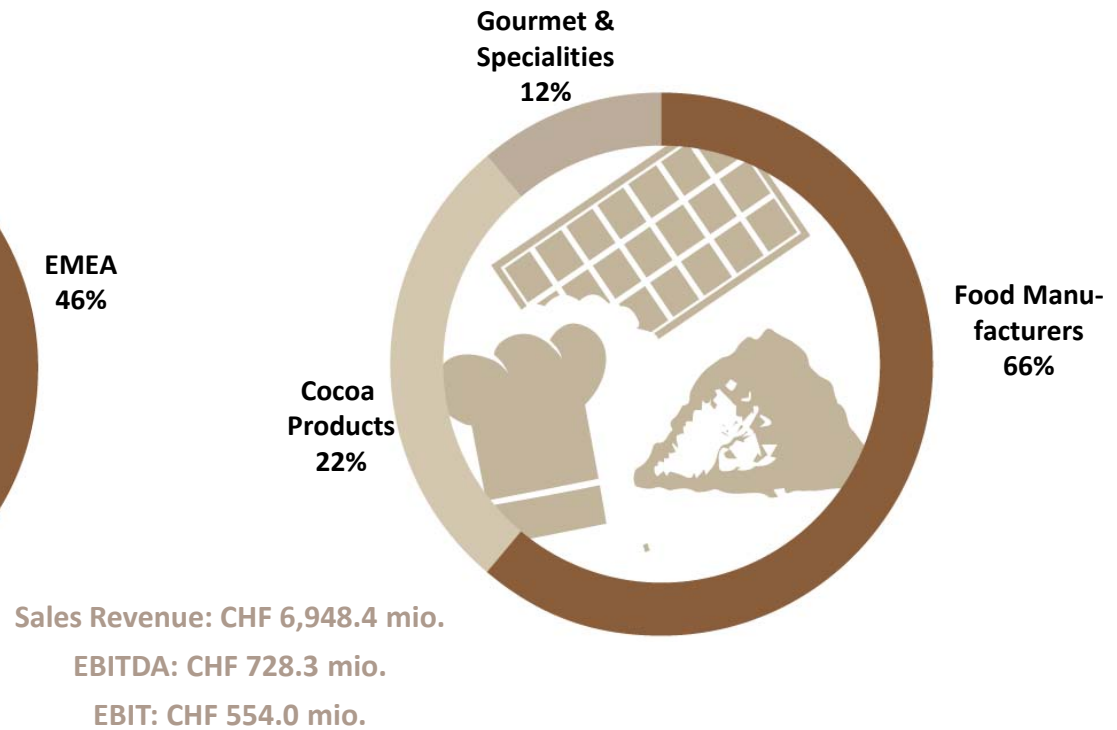
Our Regional and Product split

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

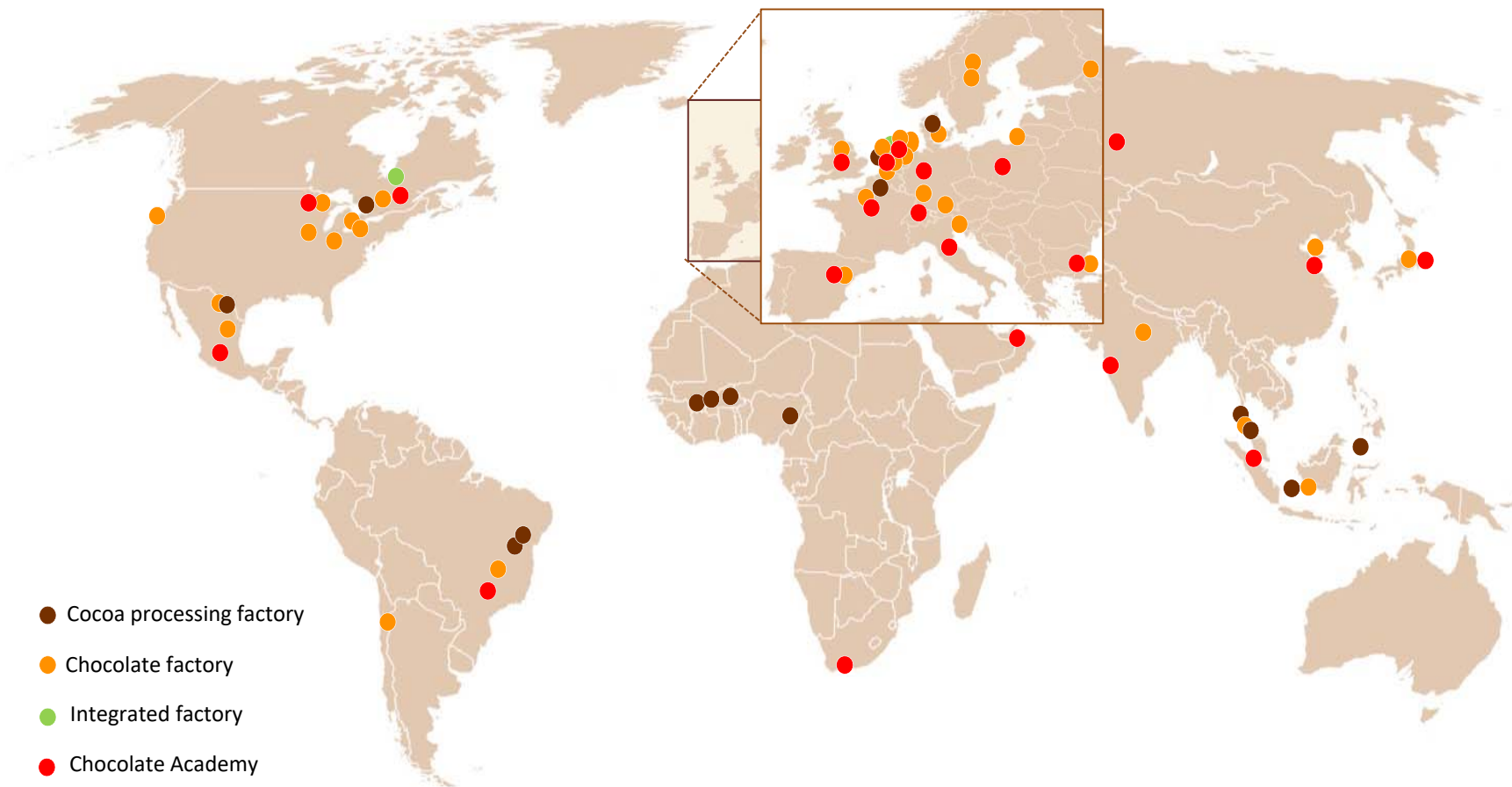
Note: Percentage of FY2017/18 Group sales volume

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 Q1 2018/19



Steady start to the year and new mid-term guidance



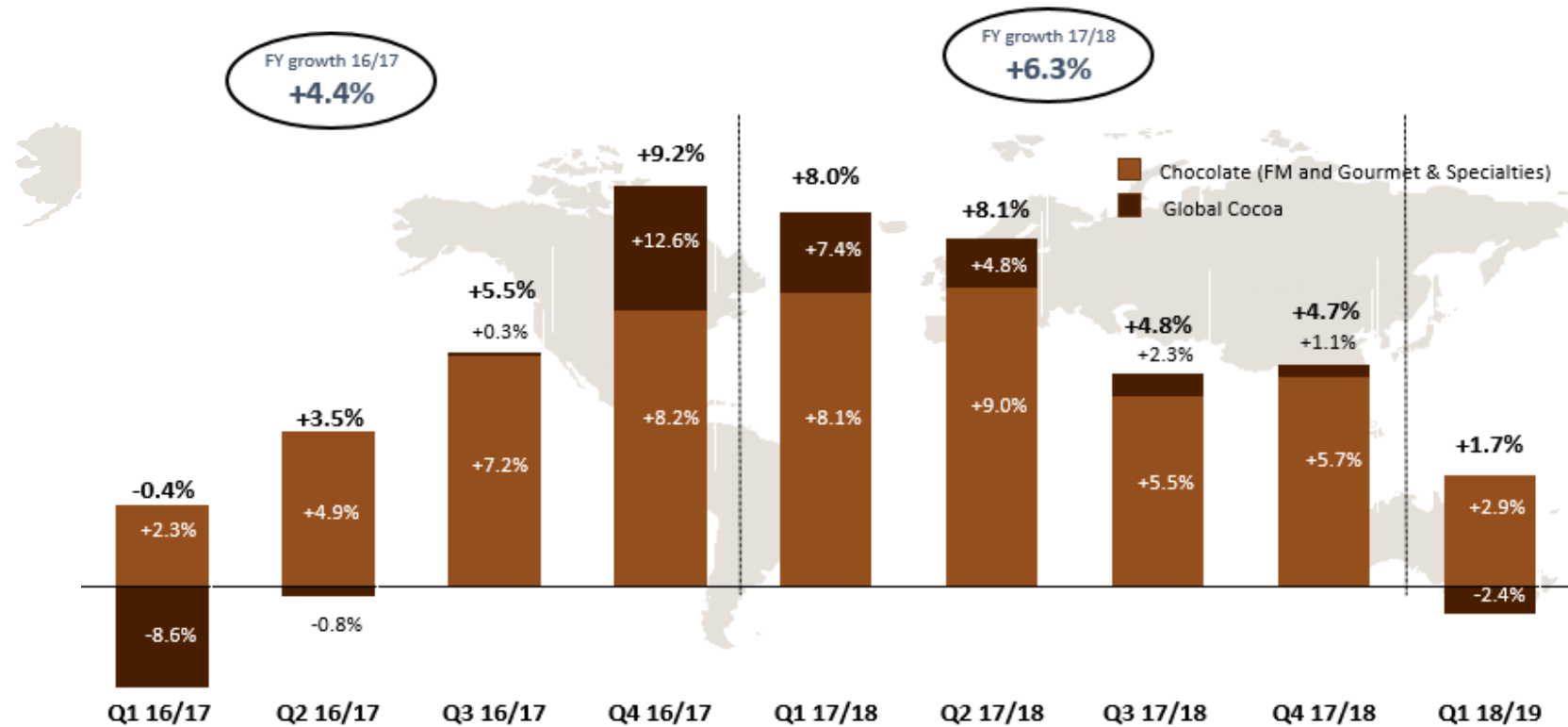
- ▶ Sales volume up +1.7% on top of a very strong prior-year base of +8.0%
- ▶ Sales revenue of CHF 1,881.4 million, up +3.7% in local currency
- ▶ On track to deliver on current mid-term guidance ending with fiscal year 2018/19¹
- ▶ Confident outlook: issuance of new guidance for the 3-year period 2019/20 to 2021/22 consistent with prior mid-term guidance and on average: +4-6% volume growth and EBIT above volume growth in local currencies

¹ On average for the period 2015/16-2018/19: +4-6% volume growth and EBIT above volume growth in local currencies, barring any major unforeseeable events

Quarterly volume evolution

Steady start against strong comparator, acceleration expected in H2

Quarterly volume growth vs prior year



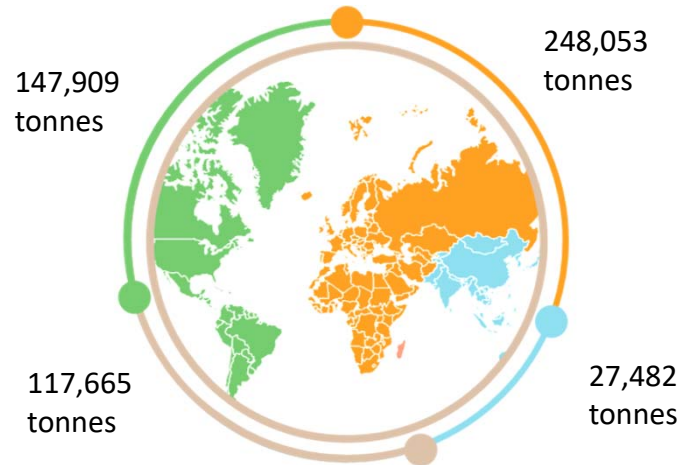
Market Volume growth*	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17	Q1 17/18	Q2 17/18	Q3 17/18	Q4 17/18	Q1 18/19
	-2.3%	-1.4%	+2.3%	+2.2%	+3.1%	+1.7%	+2.2%	+1.3%	+1.4%

*Source: Nielsen chocolate confectionery in volume, September 2018 – October/November 2018 – 25 Countries

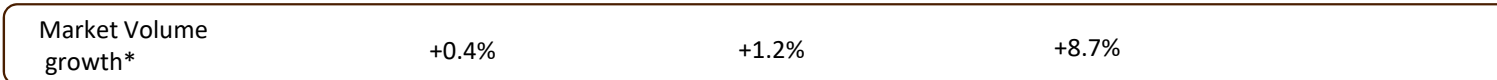
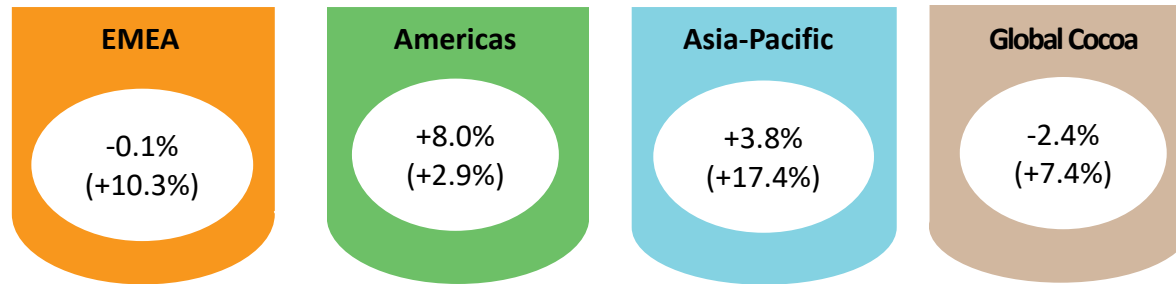
Quarterly volume evolution

Volume growth supported by Americas and APAC, EMEA stable on very high comparison base

Group Sales Volume:
541,109
 tonnes



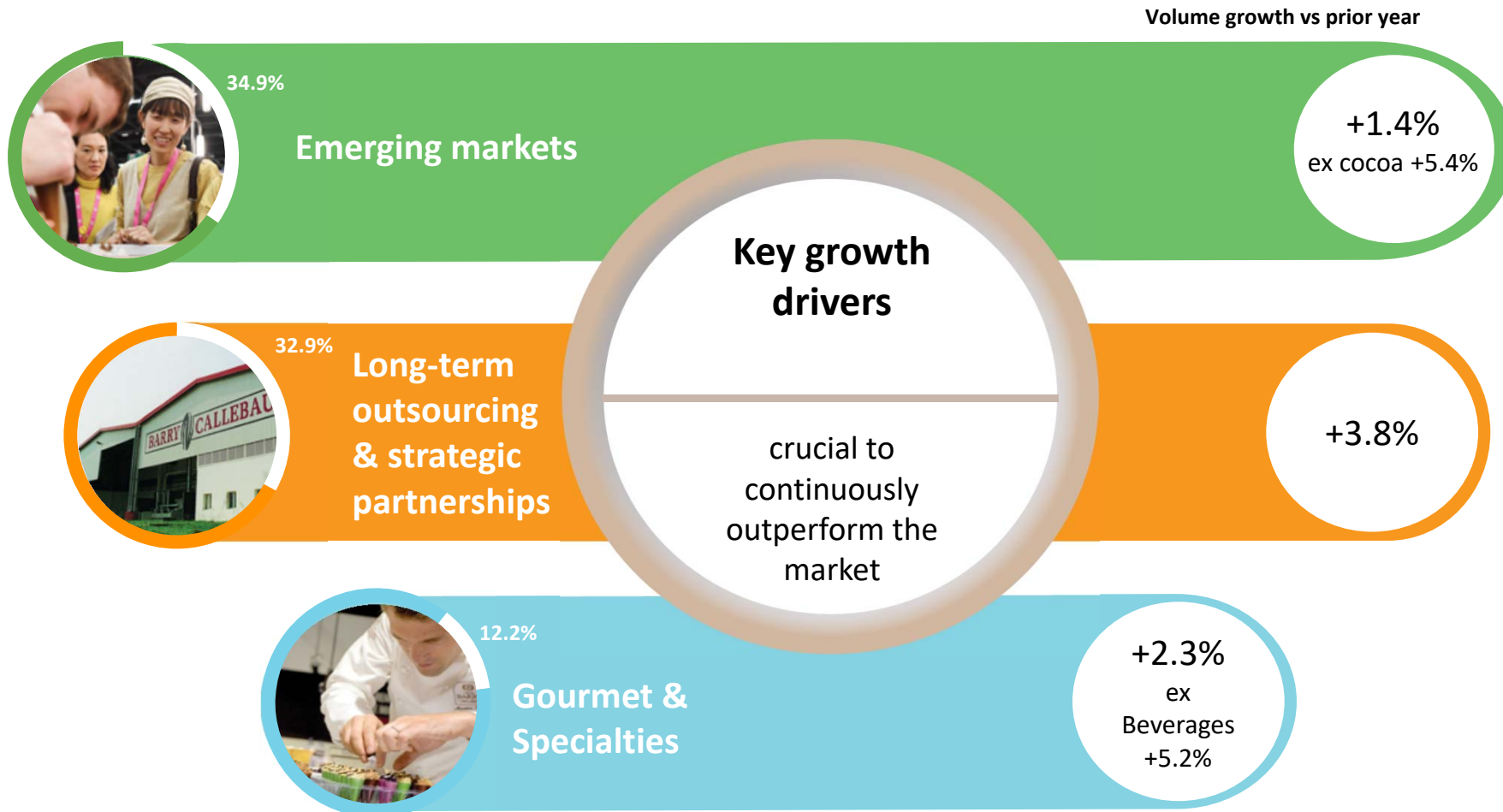
Q1 volume growth:
 (PY growth)



*Source: Nielsen chocolate confectionery in volume, September 2018 – October/November 2018 – 25 Countries

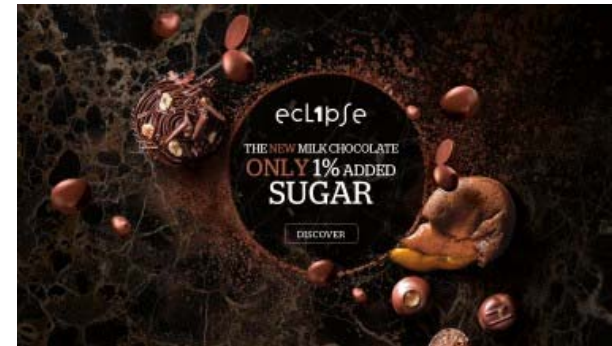
Q1 volume 2018/19

Steady start against strong comparator



Innovation

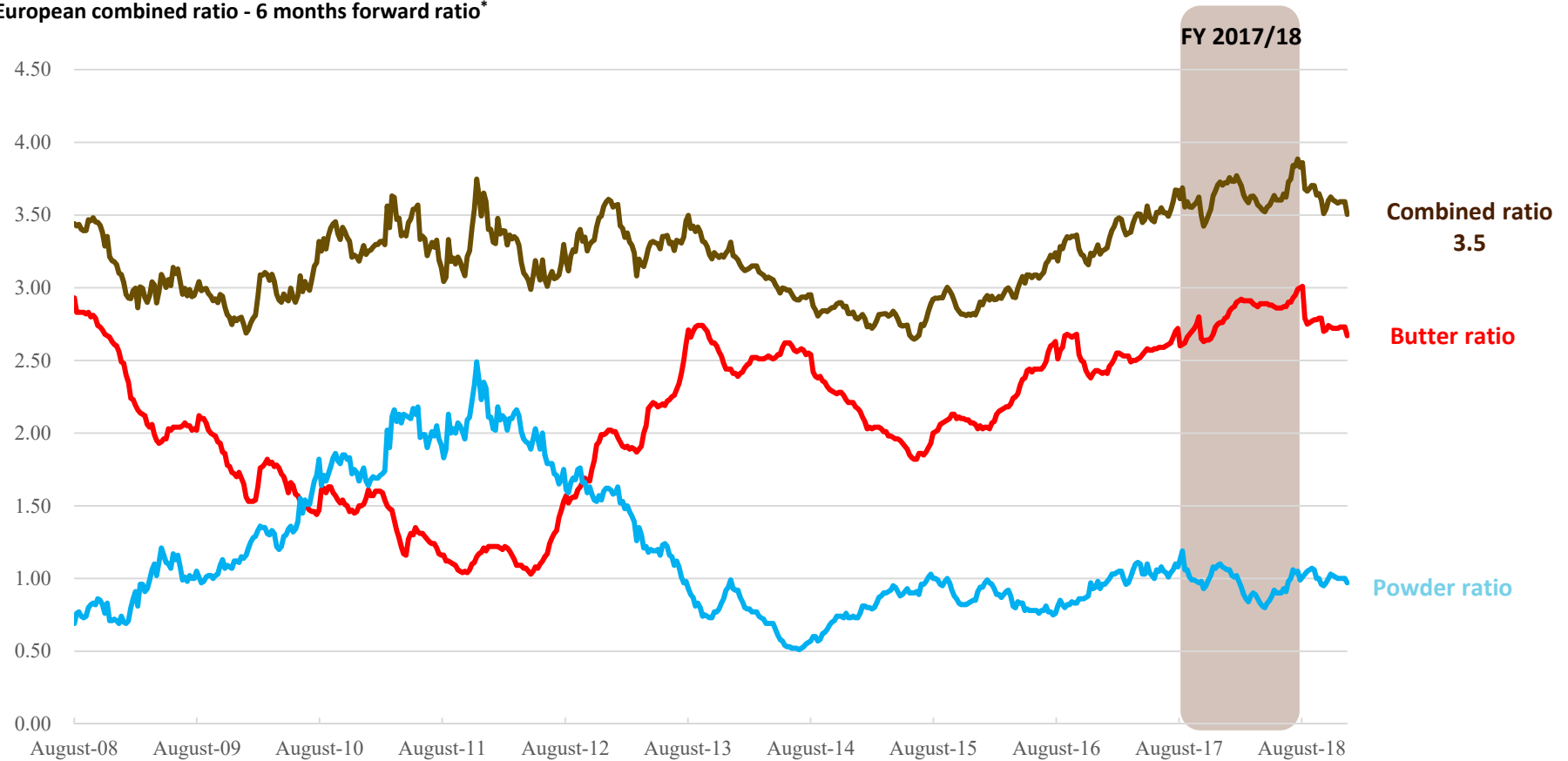
We drive value through innovation, leading on trends across segments



Cocoa processing profitability

Combined ratio remains broadly unchanged

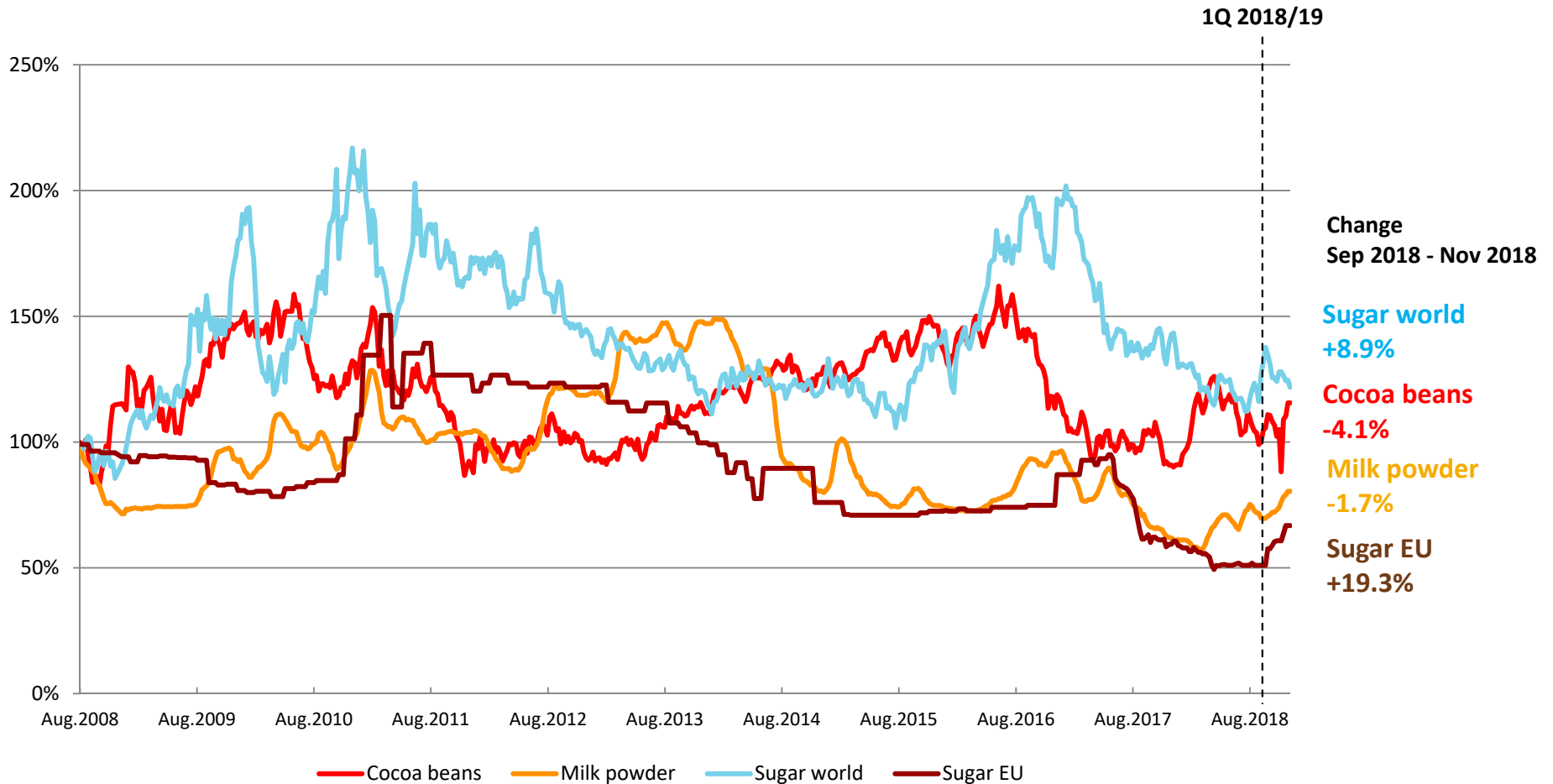
European combined ratio - 6 months forward ratio*



*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).

Raw material price evolution

Cocoa bean prices trading in range bound, sugar and dairy prices below prior year



Note: All figures are indexed to Sep 2008

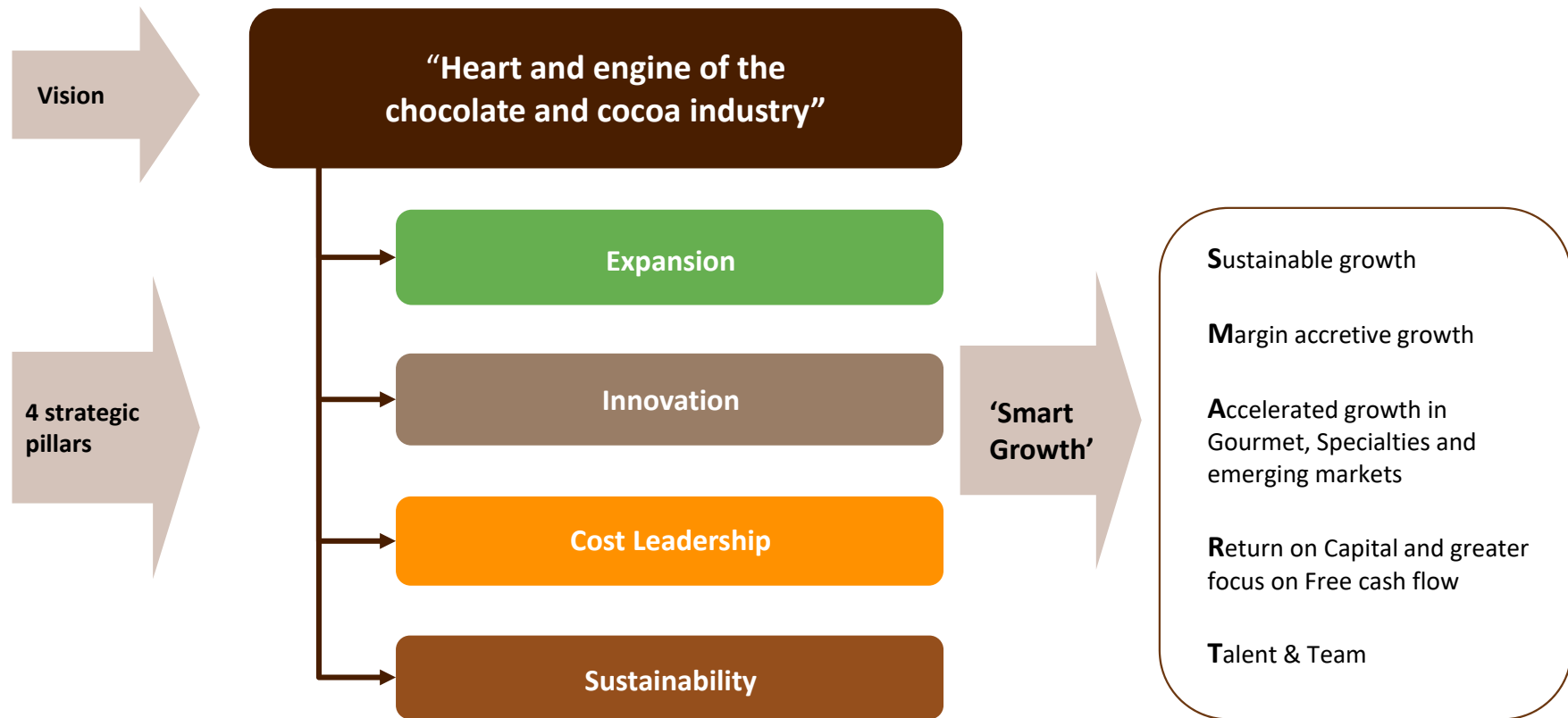
Source: Cocoa beans London (2nd position) in CHF/tonne, Sugar world London n°5 (2nd position), Sugar EU Kingsman estimates W-Europe DDP, skimmed milk powder average price Germany, Netherlands, France.

Strategy & Outlook



Strategy

Consistent long-term strategy, competitive execution



Outlook

2018/19 confident to deliver on current mid-term guidance



► Outlook

- Confident that sales momentum will pick up in the back half of the fiscal year as additional volumes come on stream from new outsourcing contracts across all Regions
- Good product mix and strong portfolio give us confidence to be on track to deliver on our current mid-term guidance



► 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

Expansion

Recent transactions outline growth potential



- ▶ Long-term supply agreement with Burton's Biscuit
 - Supply of over 12,000 tons of chocolate and compound per year
 - Expand production capacity in the UK
 - Closed December 2018



- ▶ Extension of long-term supply agreement with Garudafoods
 - Supply of additional 7,000 tonnes of compound chocolate per year (start H2 2018/19)
 - "plant-in-plant" production in Garudafood's Rancaekek biscuit factory



- ▶ Acquisition of Inforum in Russia
 - Inforum leading, privately owned B2B chocolate manufacturer
 - Closing expected by end of January 2019



- ▶ Leveraging on last year's acquisitions Gertrude Hawk and D'Orsogna
 - successfully closed in October and December 2017
 - Complementary product portfolios, expanding our existing range of Specialties & Decorations products
- ▶ Healthy outsourcing pipeline
 - additional contracts signed in US and EMEA

Outlook

New mid-term guidance for 2019/20 to 2021/22



► New Mid-term guidance

Confident outlook for the future and issuance of new, unchanged, mid-term guidance for the **3-year period 2019/20 – 2021/22** with continued focus on consistent, above-market volume growth and enhanced profitability:

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

► Investor Day

- April 16, 2019
- Wieze, Belgium



¹ in local currencies and barring any major unforeseen events

Forever Chocolate increasing impact



Achievements FY 2017/18

2.1 million cocoa seedlings distributed



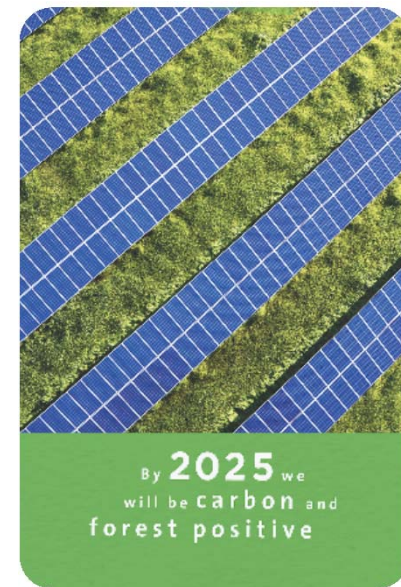
>130,000 cocoa farms mapped



44% of cocoa and other raw materials sourced sustainably



24% of factories on renewable energy



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%
2019 3M: +0.7%

Western Europe (33% of market)
2013-18 average: -0.5%
2019 3M: -2.2%

EEMEA (24% of market)
2013-18 average: +0.3%
2019 3M: +6.5%



South America (7% of market)
2013-18 average: -1.1%
2019 3M: +3.4%

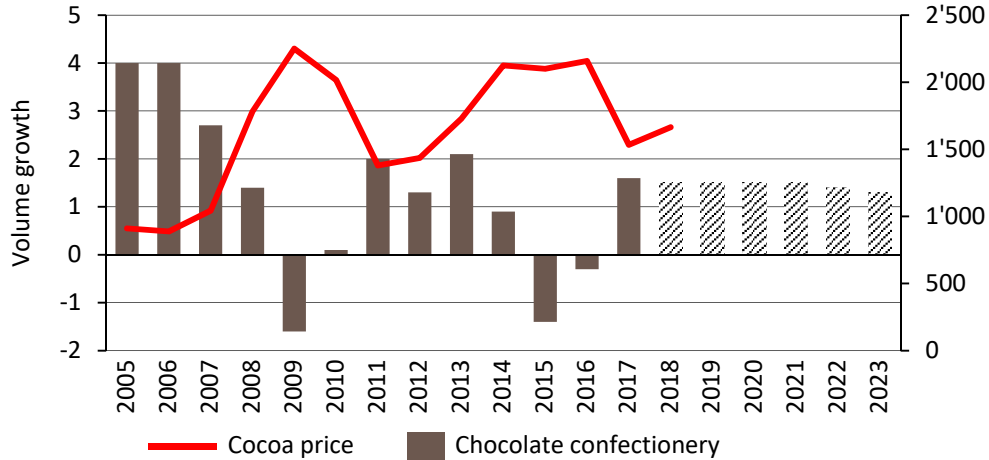
Asia Pacific (14% of market)
2013-18 average: +3.2%
2019 3M: +8.7%

Source, growth: Nielsen chocolate confectionery in volume – August 2018 – October / November 2018, 25 Countries
Source regional market shares: Euromonitor

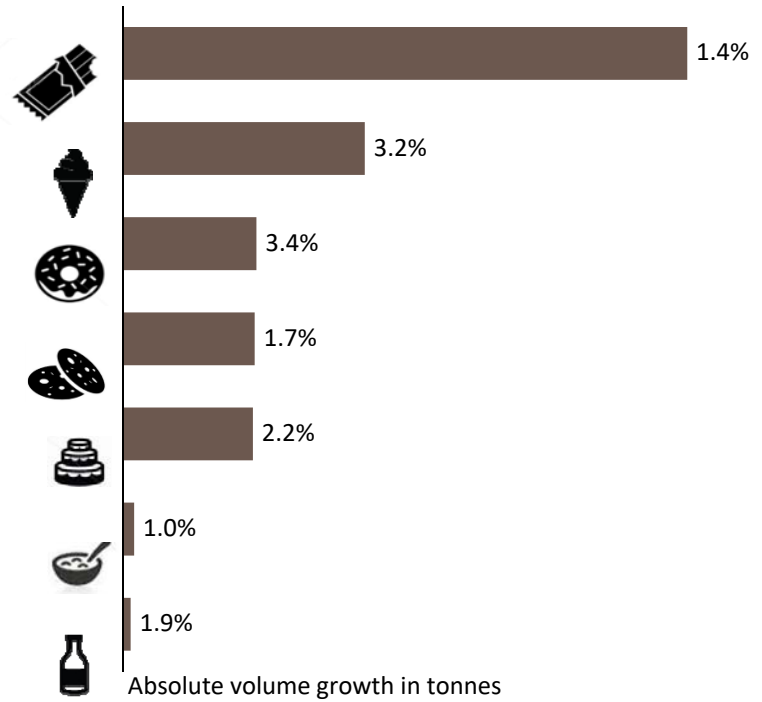
Appendix

Our market and opportunities ahead

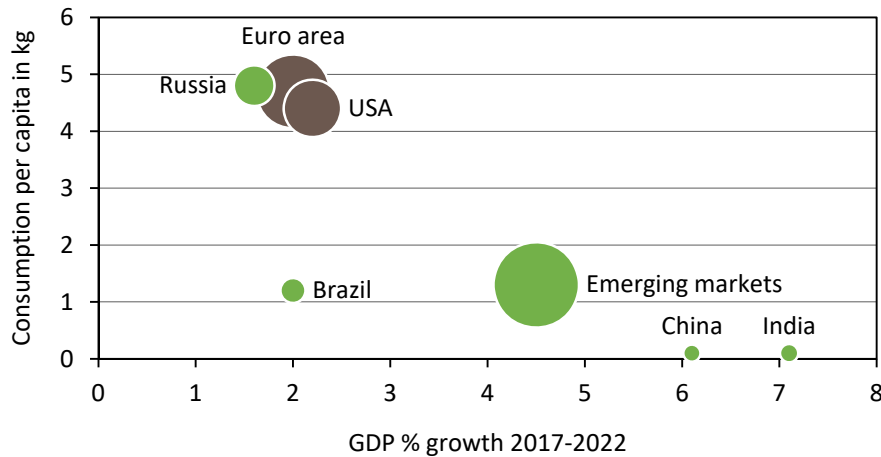
Global Chocolate confectionery volume growth vs cocoa bean price



Forecast volume growth per application 2017-2022



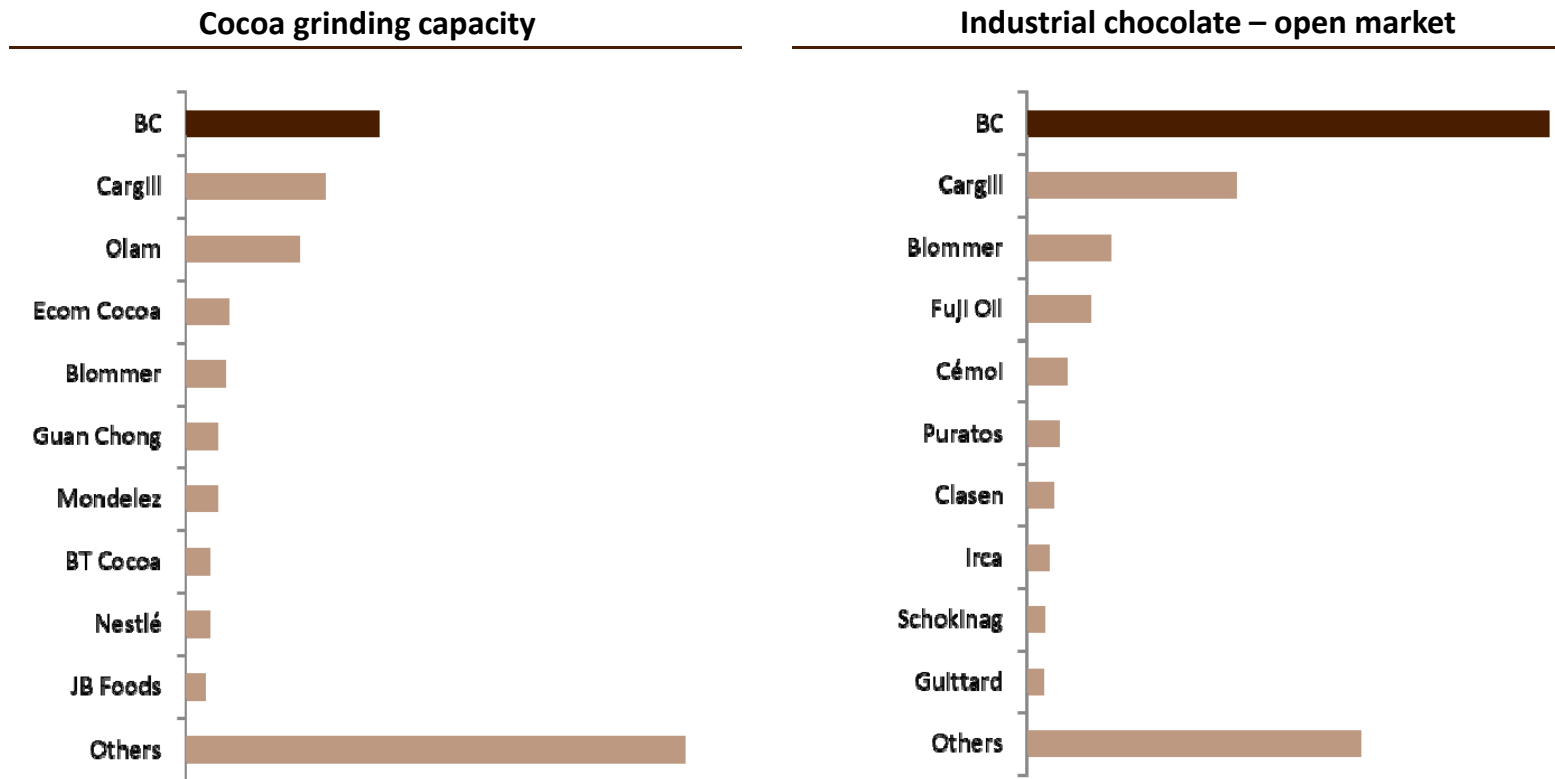
Growing economies with still low chocolate consumption per capita



Source: Euromonitor

Appendix

Barry Callebaut uniquely positioned in industrial chocolate and cocoa markets

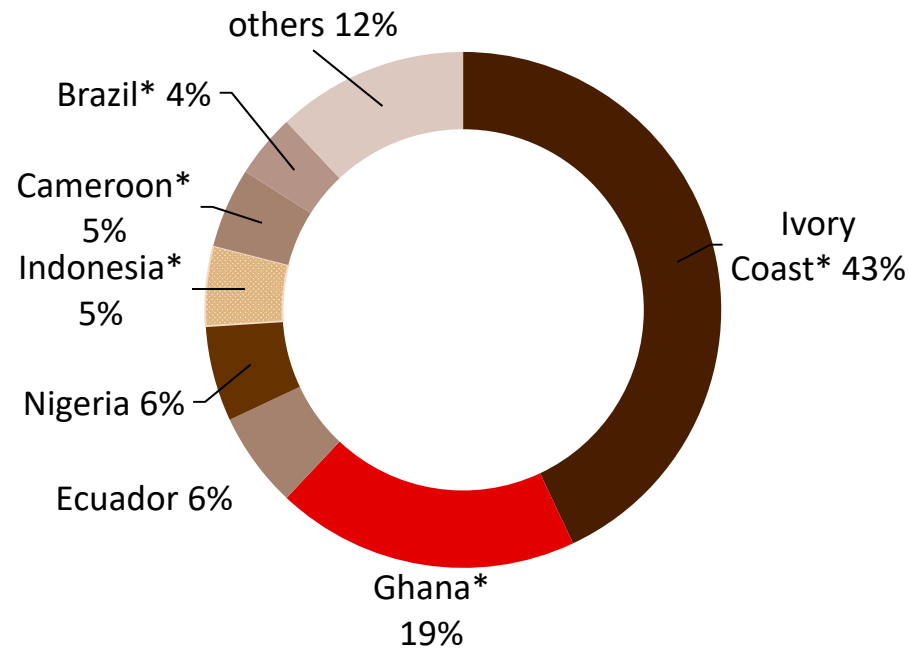


Notes: Olam incl. ADM; Cargill incl. ADM chocolate business; Fuji Oil incl. Harald, Fuji announced acquisition of Blommer in November 2018
Sources: Proprietary estimates

Appendix

West Africa is the world's largest cocoa producer

Total world harvest (17/18): 4,645TMT



Source: ICCO Forecasts

- ▶ Over 70% of total cocoa beans come from West Africa
- ▶ BC processed ~956,000 tonnes or approximately 20% of the world crop
- ▶ Barry Callebaut has various cocoa processing facilities in origin countries*, in Europe and in the USA

Strategy delivering strong results

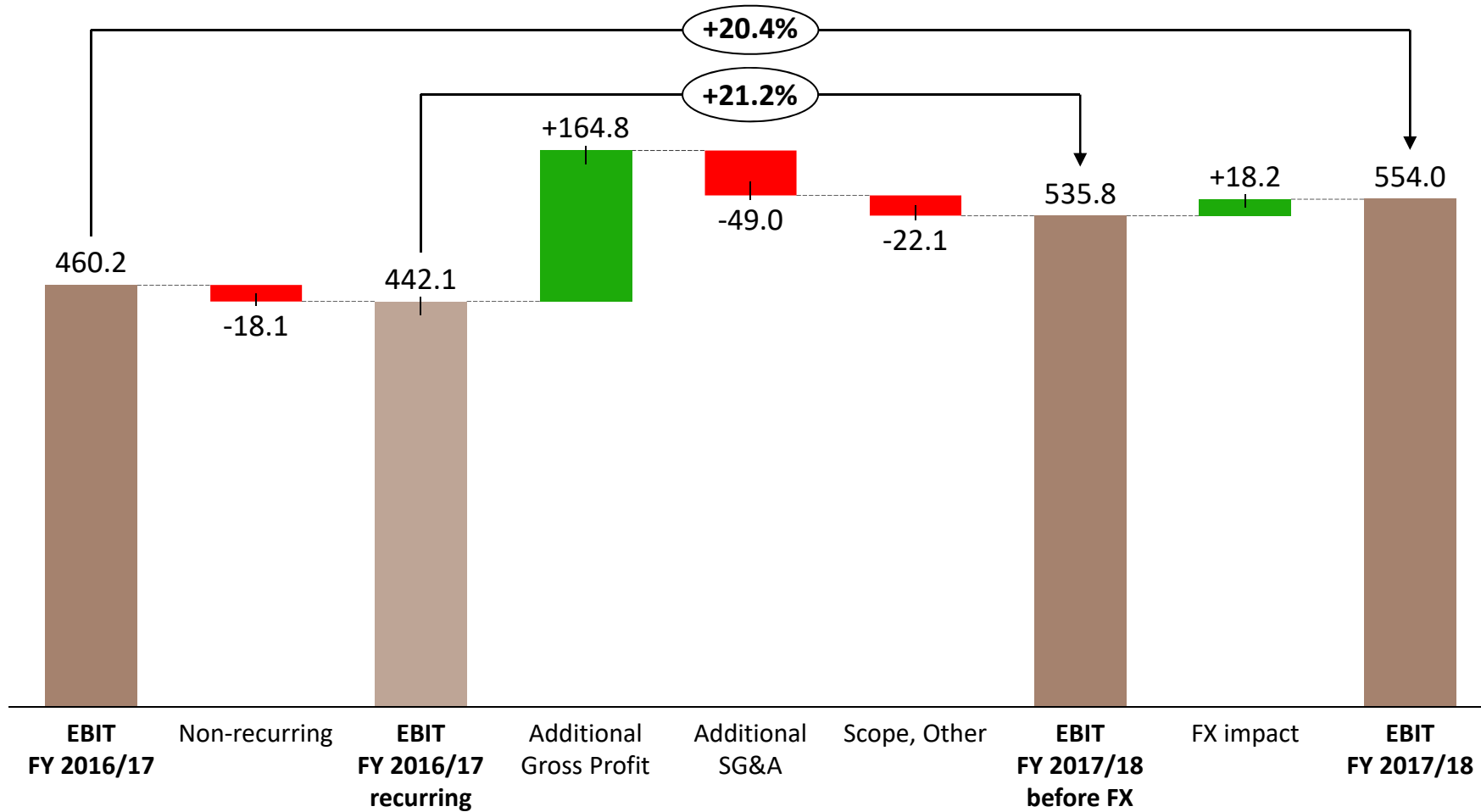
Group performance (In CHF mio.)	FY 2017/18 (in CHF)	% vs prior year ¹⁾ (in CHF)	% vs prior year ¹⁾ in local currencies
Sales Volume Total (in tonnes)	2,035,857	+6.3%	
Sales Revenue	6,948.4	+2.1%	+0.1%
Gross Profit	1,157.1	+20.7%	+17.2%
EBIT Total	554.0	+20.4%	+16.4%
EBIT recurring	554.0	+25.3%	+21.2%
<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

EBIT FY 2017/18

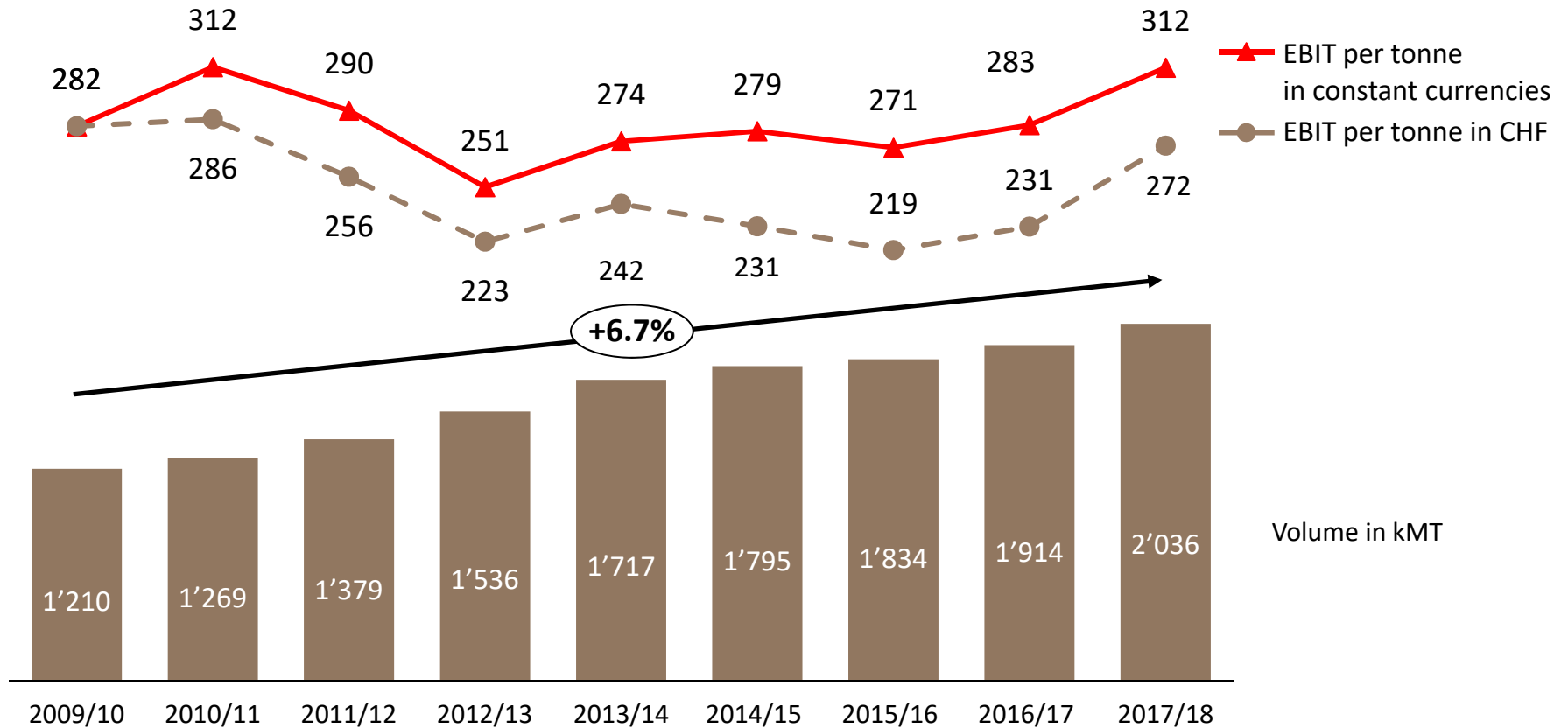
Operating profit up +21.2% in local currencies, well above volume growth

In CHF mio



Long-term EBIT per tonne development

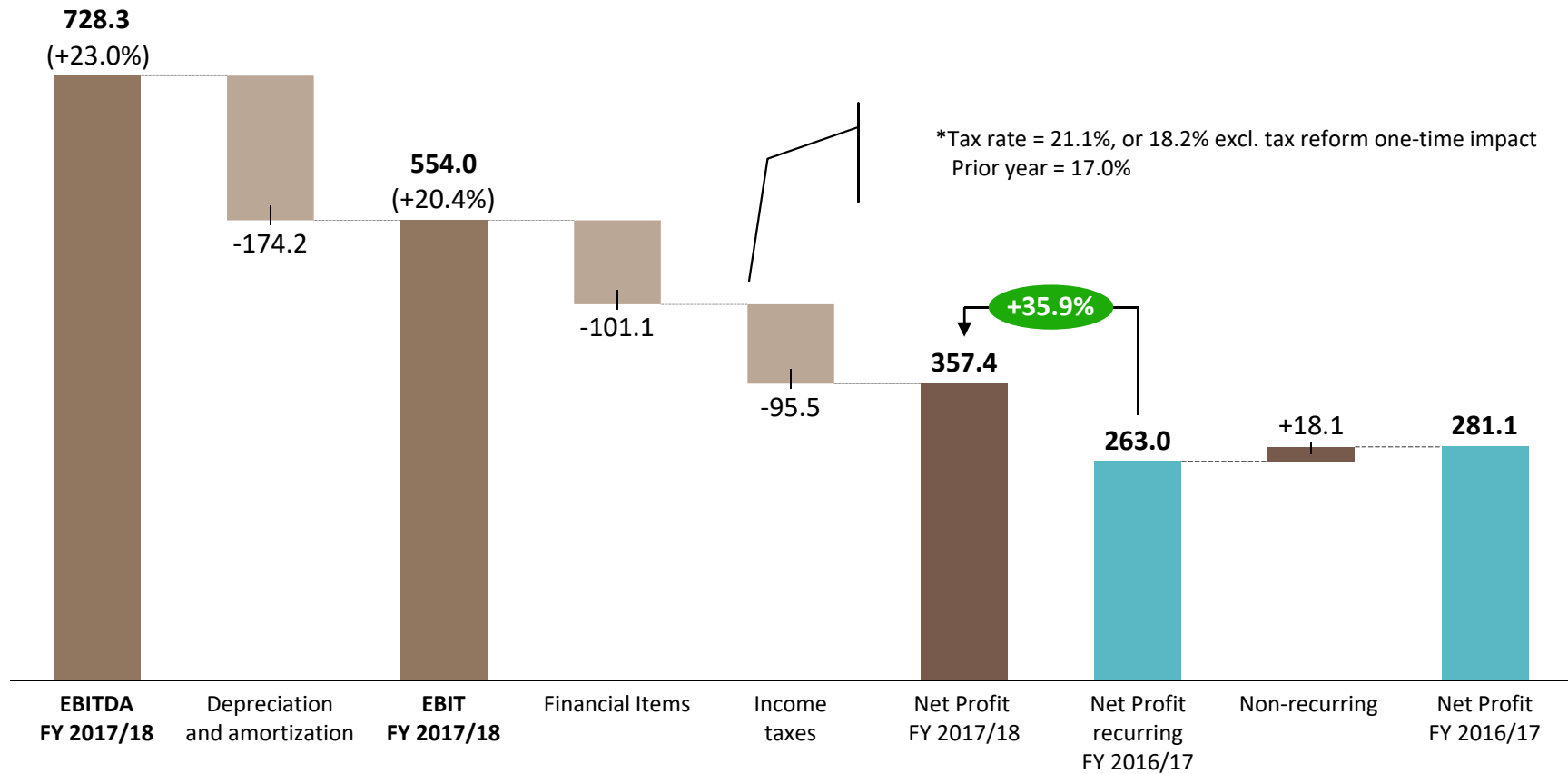
Increase in EBIT thanks to enhanced product and customer mix and continued improvement in Cocoa business



EBITDA to Net Profit FY 2017/18

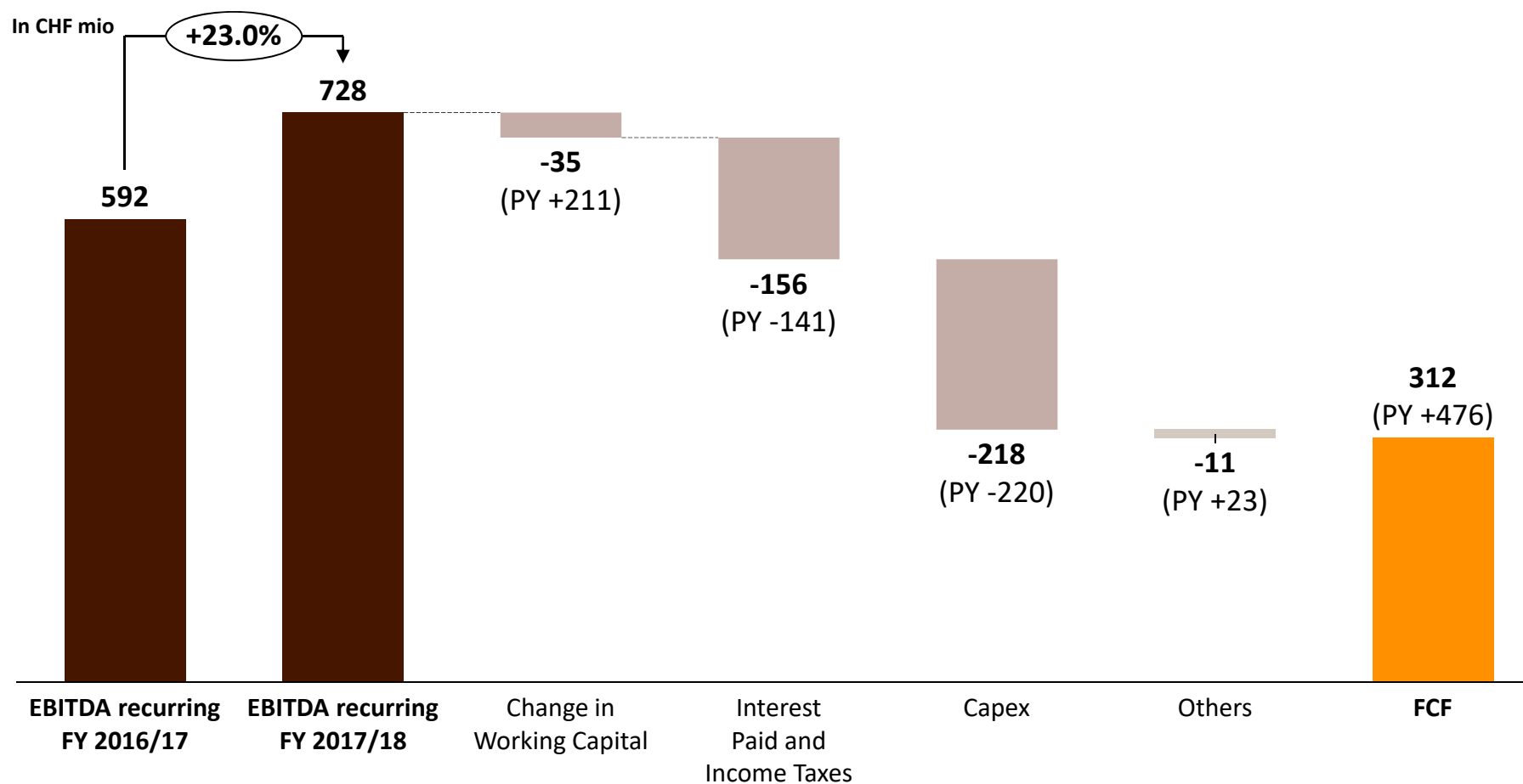
Net Profit recurring is up +35.9% as a result of great profitability and lower net finance cost items

In CHF mio



Free Cash Flow FY 2017/18

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

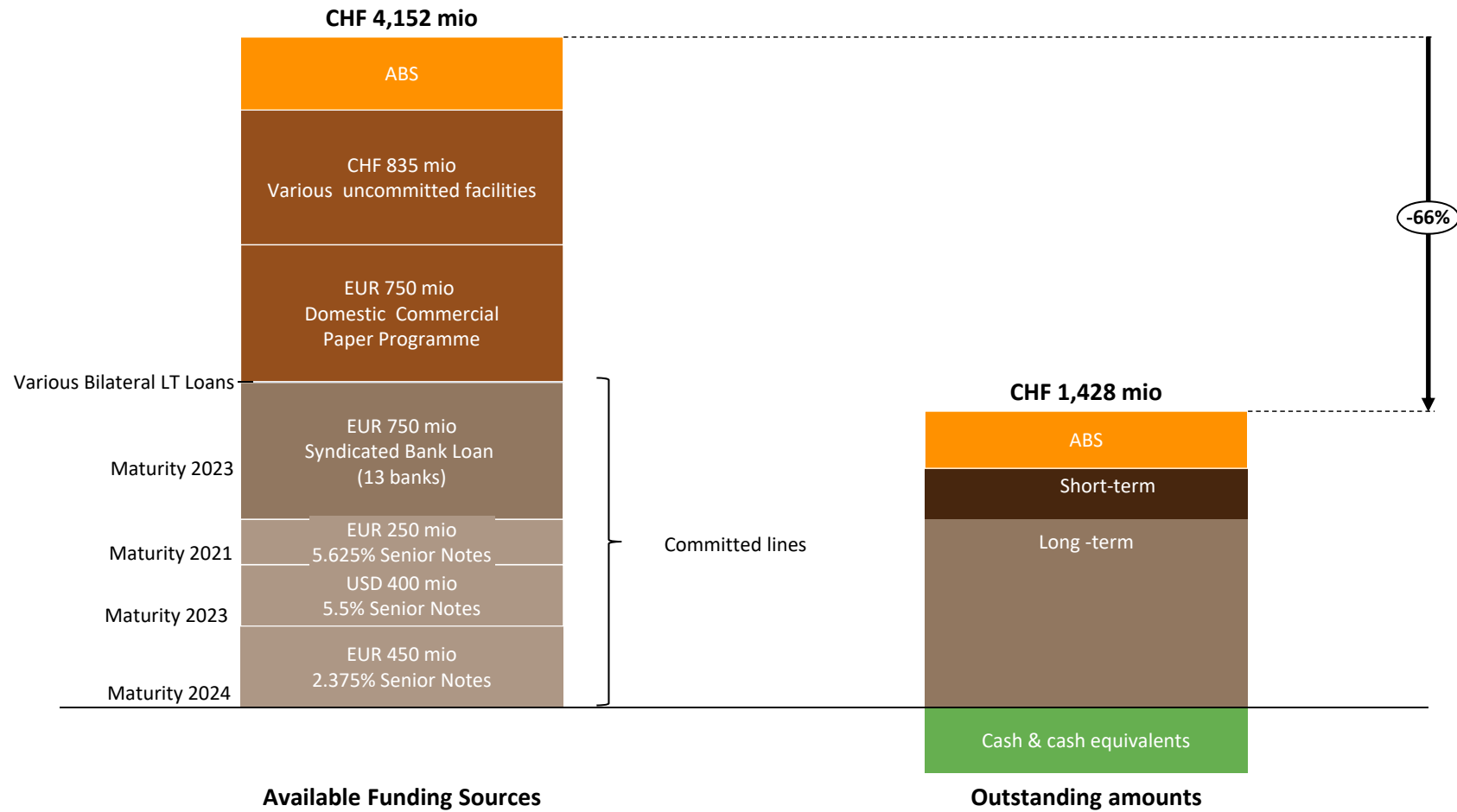
(in CHF mio)		Aug 2017/18	Aug 2016/17
Total Assets	CHF m	5,832	5,467
Net Working Capital	CHF m	1,074	1,043
Non-Current Assets	CHF m	2,506	2,478
Net Debt	CHF m	1,074	1,111
Shareholders' Equity	CHF m	2,270	2,111
Deb/Equity ratio		47.3%	52.6%
Solvency ratio		38.9%	38.6%
Net debt /EBITDA*		1.5	1.9
Interest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

* 2016/17 recurring

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

