



# Full-Year Results 2020/21

*Growing the world of  
chocolate and cocoa for*

**25** *years*

Media & Analyst Conference  
November 10, 2021

## 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 principal risk factors that may negatively affect Barry Callebaut's future financial results are disclosed in more detail in the Annual Report 2020/21 and include, among others, general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures, the effect of a pandemic/epidemic or a natural disaster, 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 November 10, 2021. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.

# AGENDA

## **Highlights Full-Year Results 2020/21**

Peter Boone, CEO

## **Financial Review Full-Year Results 2020/21**

Ben De Schryver, CFO

## **Strategy & Outlook**

Peter Boone, CEO

## **Questions & Answers**

CEO and CFO



# HIGHLIGHTS

Full-Year Results 2020/21

Peter Boone, CEO

# Healthy growth, good profitability and strong cash generation



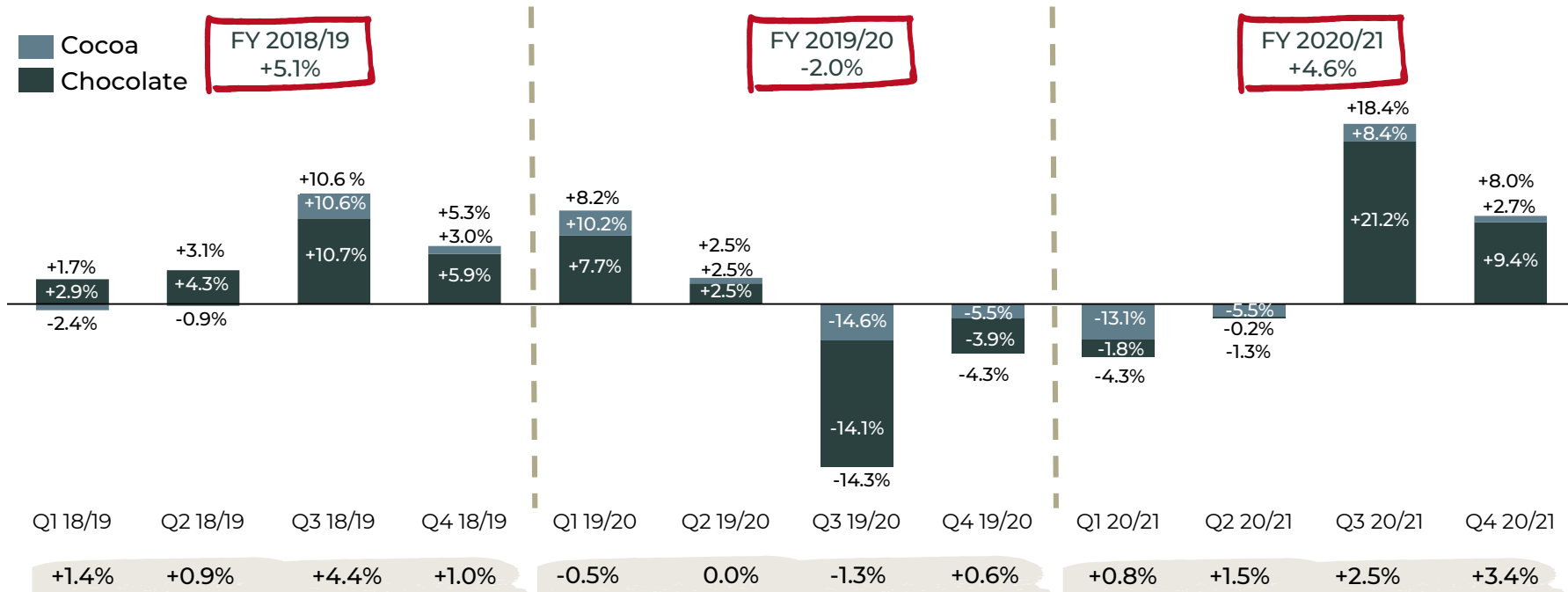
- Sales **volume up +4.6%**, all Regions and Key growth drivers contributed.
- Sales **revenue of CHF 7.2 billion**, up +8.7% in local currencies (+4.6% in CHF).
- **Operating profit (EBIT) up +18.9%**<sup>1</sup> in local currencies (+15.4%<sup>1</sup> in CHF) to CHF 566.7 million.
- **Net profit up +24.2%**<sup>1</sup> in local currencies (+20.4%<sup>1</sup> in CHF) to CHF 384.5 million.
- **Strong Free cash flow** of CHF 355 million.
- **Confident on mid-term guidance.**<sup>2</sup>
- Antoine de Saint-Affrique proposed as new member of the Board of Directors.
- Proposed dividend: CHF 28.00 per share, payout ratio of 40%.

<sup>1</sup> Compared to prior-year Operating profit (EBIT) recurring and Net profit recurring.

<sup>2</sup> On average for the 3-year period 2020/21 to 2022/23: volume growth +5-7% and EBIT above volume growth in local currencies, barring any major unforeseeable events.

Highlights Full-Year Results 2020/21

# Chocolate volume surpassing pre-COVID level 2018/19



<sup>1</sup> Source: Nielsen volume growth excluding e-commerce, September 2020 to August 2021 – 25 countries, data subject to adjustment to match Barry Callebaut's reporting period. Nielsen data only partially reflects the out-of-home and impulse consumption.

Highlights Full-Year Results 2020/21

# All Key growth drivers contributed

**% of total  
Group volume**

**% volume growth  
vs. prior year**

**37%  
Emerging  
Markets**

**+9.7%**

**35%  
Outsourcing,  
Long-term  
Partnerships**

**+4.5%**

**11%  
Gourmet &  
Specialties**

**+18.3%**

## Key growth drivers

crucial to  
continuously  
outperform the  
market



Highlights Full-Year Results 2020/21

# Key milestones

## October 2020

All global Gourmet brands use 100% sustainable cocoa, Carma 100% sustainable ingredients



Launch of Cabosse Naturals



## November 2020



La Morella Nuts global expansion and opening of global Center of Expertise for Nuts in Spain



## January 2021

Launch of #oneBC, Diversity & Inclusion Strategy



Inauguration of new office and CHOCOLATE ACADEMY™ Center in Shenzhen, China

## February 2021



Recognized by CDP as Supplier Engagement Leader, for 2<sup>nd</sup> consecutive year

## March 2021

Opening of new chocolate factory in Baramati, India



## April 2021

JAG 10% placement, Free float up to 65%



Opening of dedicated dairy-free factory in Norderstedt, Germany

## May 2021



Van Houten launch first-ever Ruby chocolate drink

Cacao Barry launch Evocao WholeFruit Chocolate



Announcing acquisition of Europe Chocolate Company in Belgium



## June 2021

New long-term outsourcing agreement with Atlantic Stark



Barry Callebaut celebrating it's 25 years anniversary



Opening of new factory in Kaliningrad, 3<sup>rd</sup> in Russia



## July 2021

Recognized as a leader in managing ESG risks by Sustainalytics for the 3<sup>rd</sup> consecutive year



## August 2021



Peter Boone taking over as new CEO



## September 2021

Extension of strategic supply agreement

ELIX – first nutraceutical fruit drink



Inauguration of chocolate factory in Novi Sad, Serbia



## October 2021



# Innovation

## Riding the wave of...

- **...plant-based** by extending range of indulgence for special dietary requirements like 'Halal' and 'Kosher Badatz'.
- **...better for you and the planet** with new drinking chocolate powder with less sugar and low carb / no added sugar sustainable chocolate.
- **...digitalization** in our CHOCOLATE ACADEMY™ Online increasing the reach with more livestreams / webinars and remote customer support.

## Making the wave

- **ELIX** – the first nutraceutical fruit drink, leveraging the deep scientific knowledge of the cacao fruit.
- Cacao Barry launches **Evocao™** WholeFruit Chocolate.



Global Gourmet brands leading on **innovative trends**, **driving creativity** of craftsmanship and providing **sustainable solutions** of the future.



# FINANCIAL REVIEW

**Full-Year Results 2020/21**

Ben De Schryver, CFO

## Good profitability and strong Cash flow generation

Group performance (in CHF million)	FY 2020/21	Change in %	
		in local currencies	in CHF
Sales volume (in tonnes)	2,191,572	n/a	4.6%
Sales revenue	7,207.6	8.7%	4.6%
Gross profit	1,147.2	10.8%	7.9%
EBIT reported	566.7	20.8%	17.3%
EBIT (recurring) <sup>1</sup>	566.7	18.9%	15.4%
EBIT per tonne (recurring) <sup>1</sup>	258.6	13.7%	10.4%
Net profit for the period	384.5	27.3%	23.4%
Net profit for the period (recurring) <sup>1</sup>	384.5	24.2%	20.4%
Free cash flow	355.0	n/a	n/a
Adj. Free cash flow <sup>2</sup>	314.9	n/a	n/a

<sup>1</sup> Prior-year EBIT recurring and Net profit recurring excluding cost of CHF 7.8 million for the closure of the cocoa factory in Makassar, Indonesia

<sup>2</sup> Adjusted for cocoa beans regarded by the Group as readily marketable inventories (RMI)

# All Regions contribute to growth and good profitability, Global Cocoa business showing resilience in volatile environment

Group Sales volume:

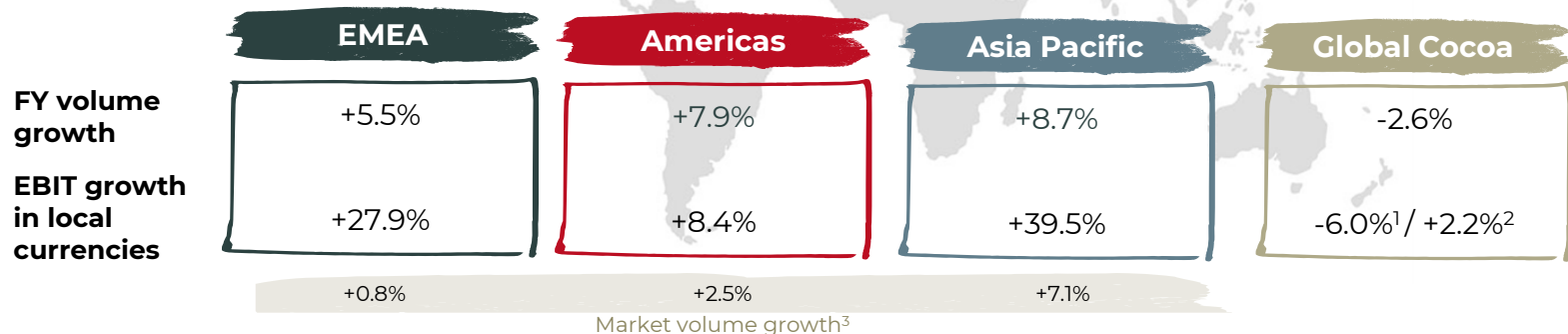
**2,191,572**  
tonnes

**Americas**  
610,133  
28%

**Global Cocoa**  
445,719  
20%

**EMEA**  
997,324  
46%

**APAC**  
138,396  
6%



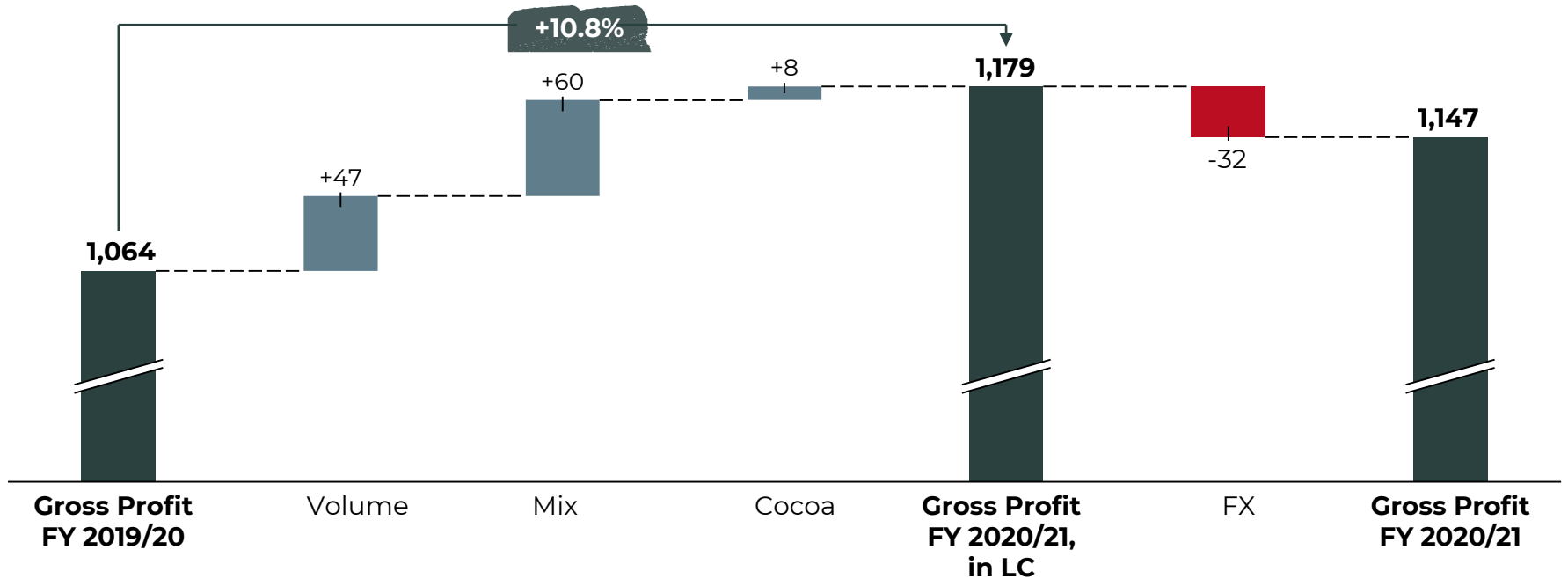
<sup>1</sup> Compared to prior-year EBIT recurring

<sup>2</sup> Corrected for additional cost arising from higher energy cost in West Africa as well as higher global freight costs.

<sup>3</sup> Source: Nielsen, volume growth excluding e-commerce – 25 countries, September 2020 to August 2021, data subject to adjustment to match Barry Callebaut's reporting period. Nielsen data only partially reflects the out-of-home and impulse consumption.

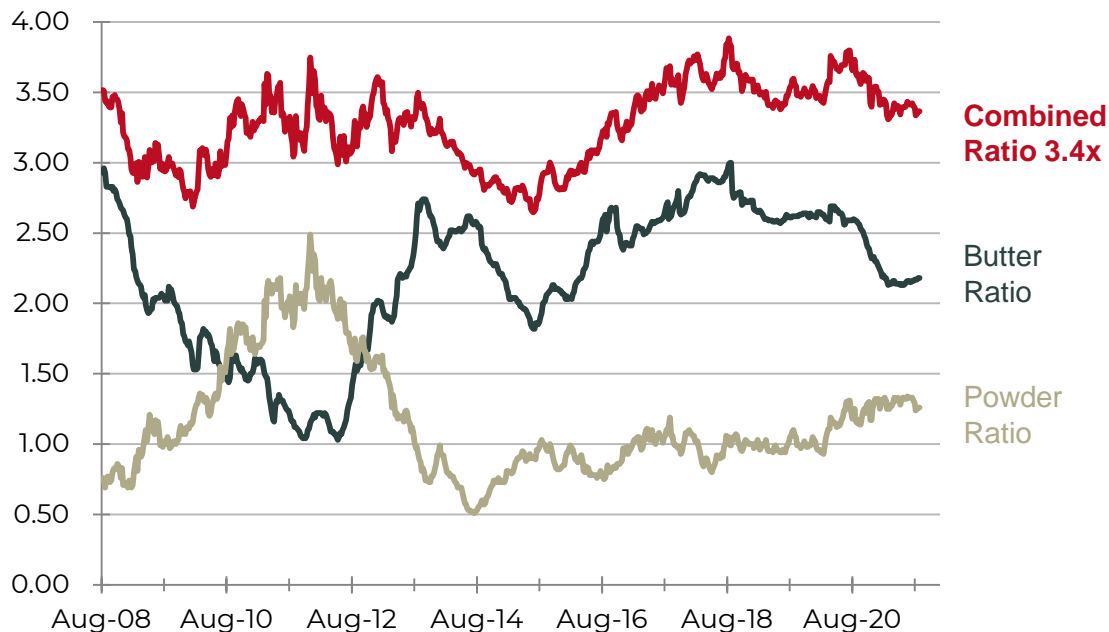
# Strong recovery from COVID-19 on volume and mix

In CHF million



# Cocoa Combined Ratio development

## European Combined Ratio - 6 month 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).

### Combined Ratio gives broad indication...

Shows general high level industry direction, assuming many variables are fixed.

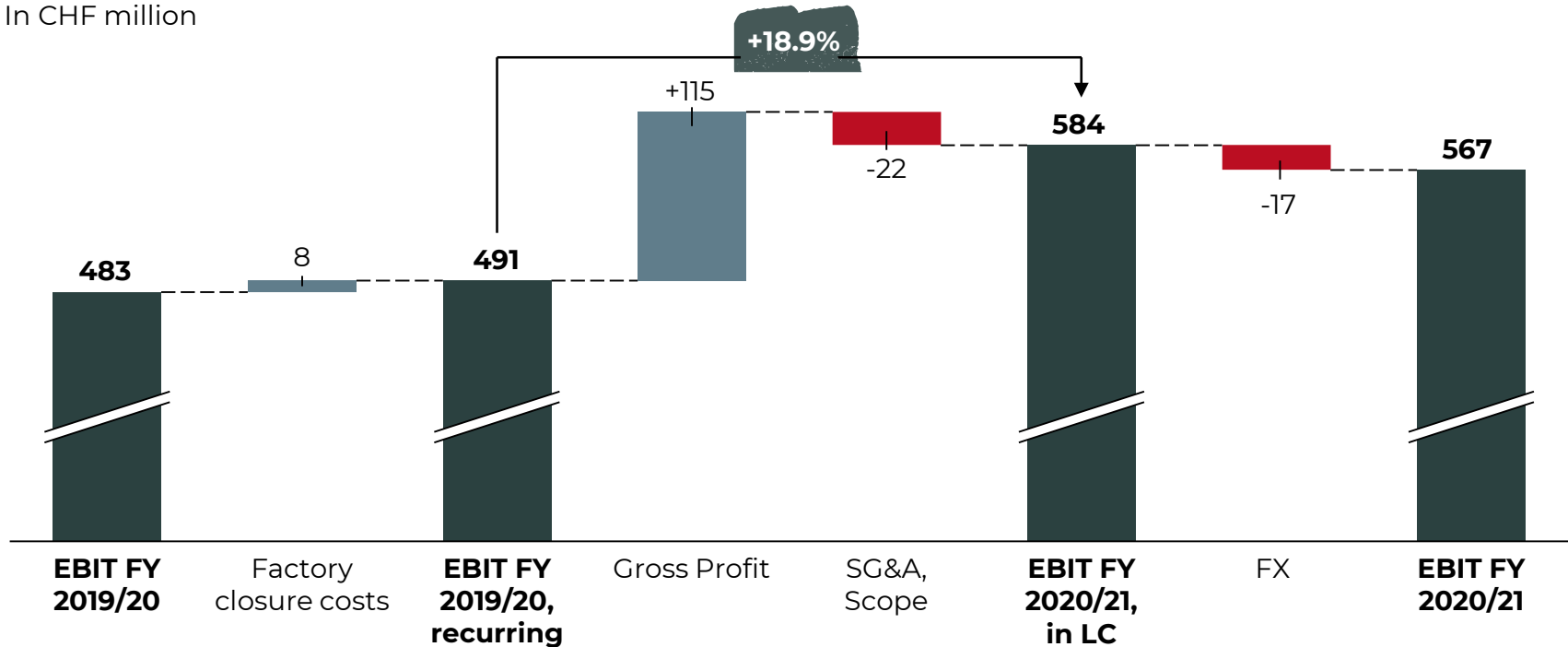
### However...

Many variables are not fixed e.g.

- Terminal market: outright levels, arbitrage (London vs. New York), market structure.
- Differentials: structure and origin differences, Living Income Differential (LID) in Côte d'Ivoire and Ghana.
- Forward pricing structure: butter and powder.
- Customer forward coverage: butter and powder.

# Operating profit (EBIT) up +18.9% thanks to strong recovery and good cost management

In CHF million

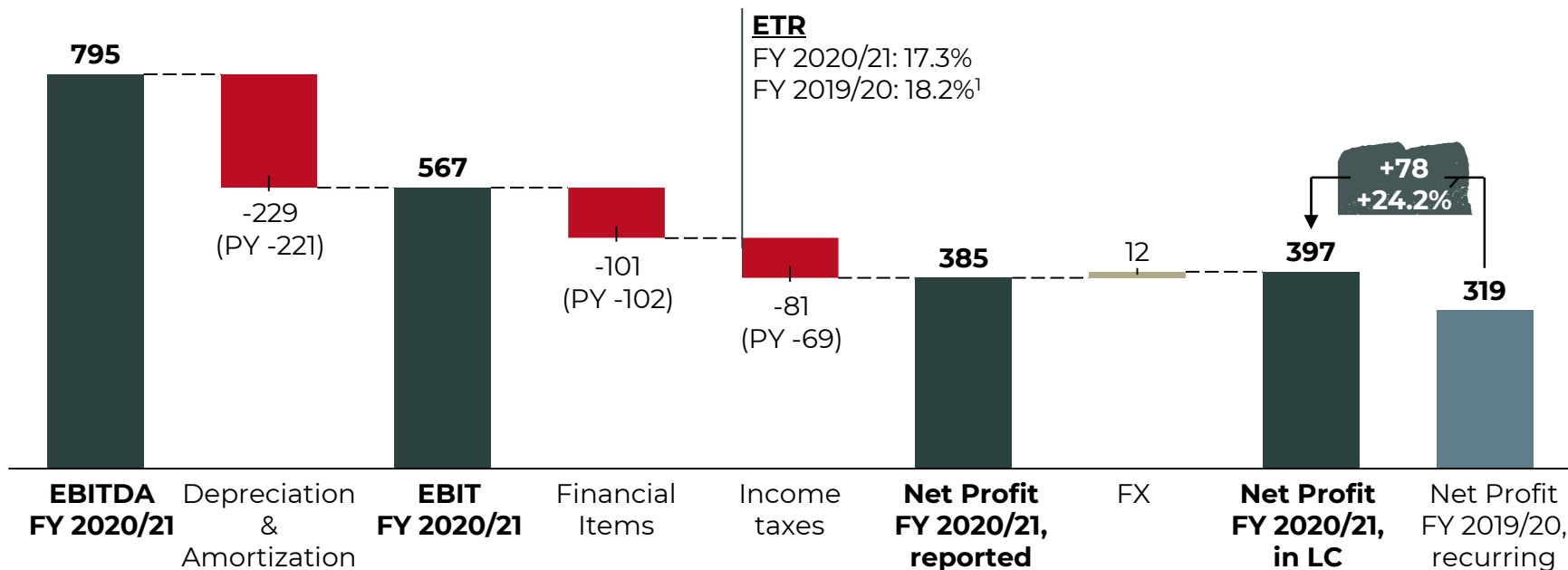




Financial review - EBITDA to Net profit bridge

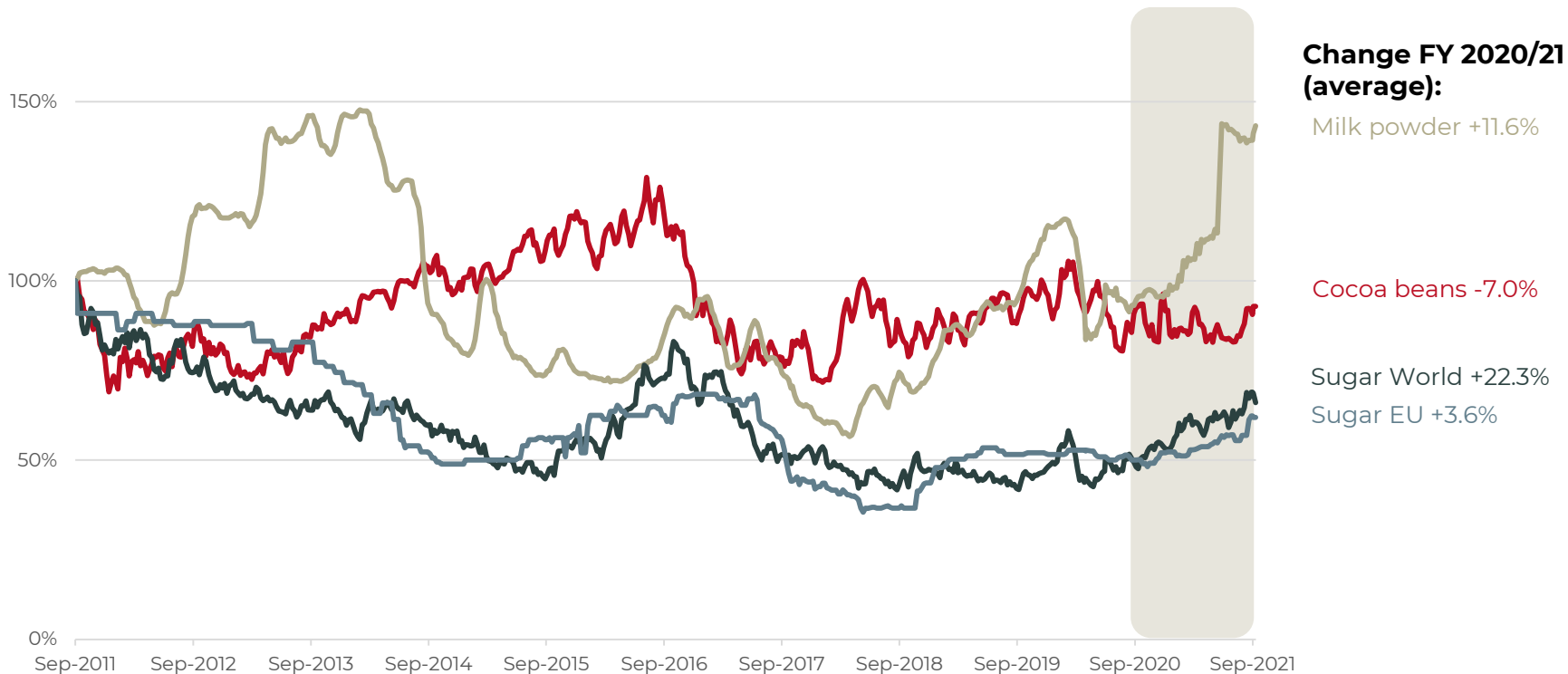
# Net profit up +24% compared to prior-year recurring thanks to strong profitability and lower financing cost and taxes

In CHF million



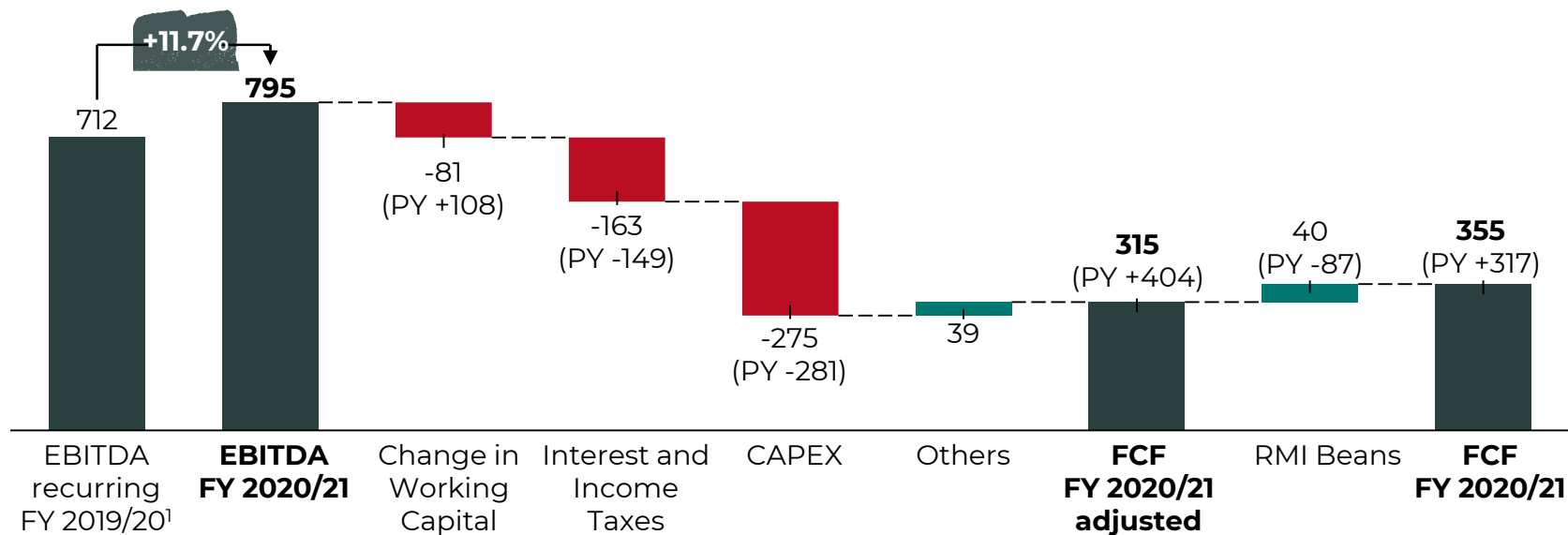
<sup>1</sup>Excluding the non-recurring negative impact of CHF 1.0 million from the Swiss tax reform in 2019/20, the prior year effective tax rate was 17.9%

# Raw material price development



# Strong Free cash flow as a result of good EBITDA and efficient working capital management

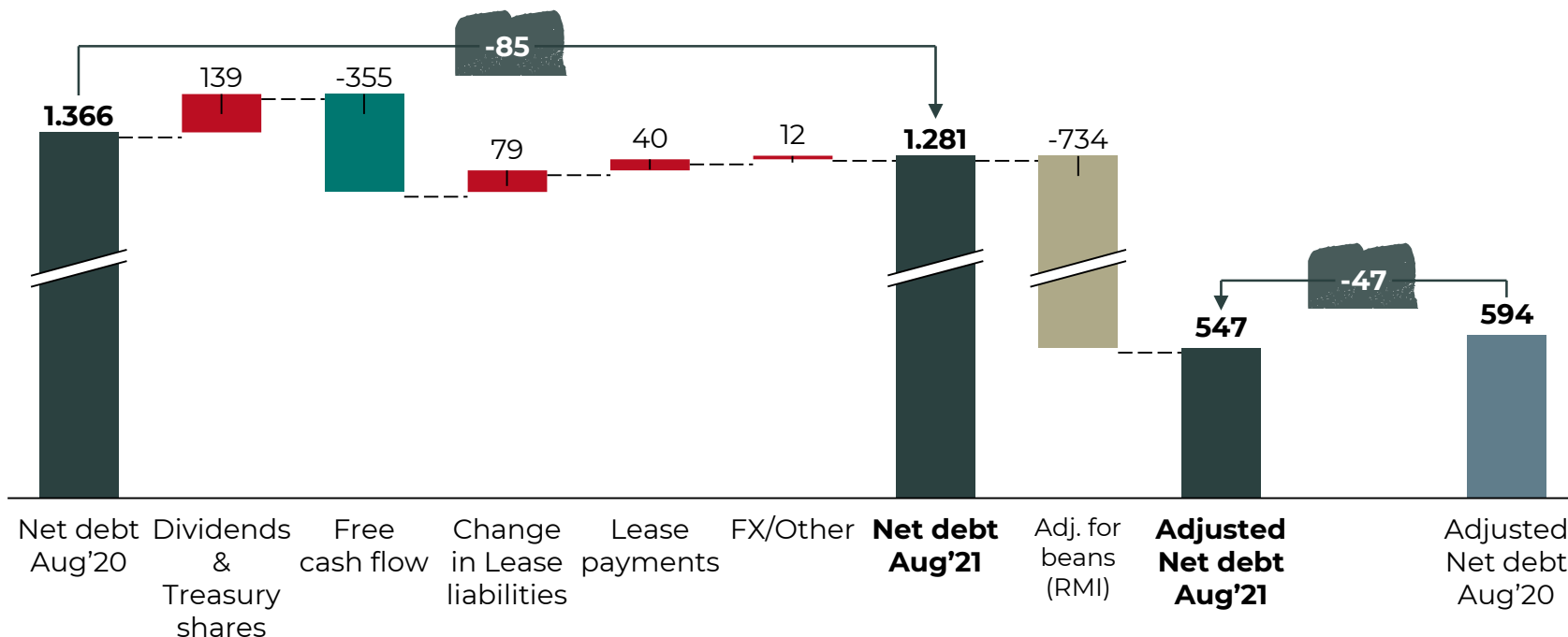
In CHF million



<sup>1</sup> Excluding the cost of CHF 7.8 million for the closure of the cocoa factory in Makassar, Indonesia.

# Continued Net debt reduction on the back of strong FCF generation

In CHF million



## Strong Balance sheet

in CHF million	Aug 21	Aug 20
Net working capital	1,242	1,192
Non-current assets	2,978	2,800
Total assets	7,244	7,141
Net debt	1,281	1,366
Adj. Net debt <sup>1</sup>	547	594
Shareholders' equity	2,683	2,354
ROIC	12.2%	10.3%
ROE	14.3%	13.2%
Net debt / Equity ratio	47.8%	58.0%
Adj. Net debt <sup>1</sup> / Equity ratio	20.4%	25.2%
Net debt / EBITDA	1.7x	1.9x
Adj. Net debt <sup>1</sup> / EBITDA	0.7x	0.9x

<sup>1</sup> Net Debt adjusted for cocoa beans considered as RMI

Dividend

# Proposed payout of CHF 28.00, payout ratio of 40%

**Proposed dividend**

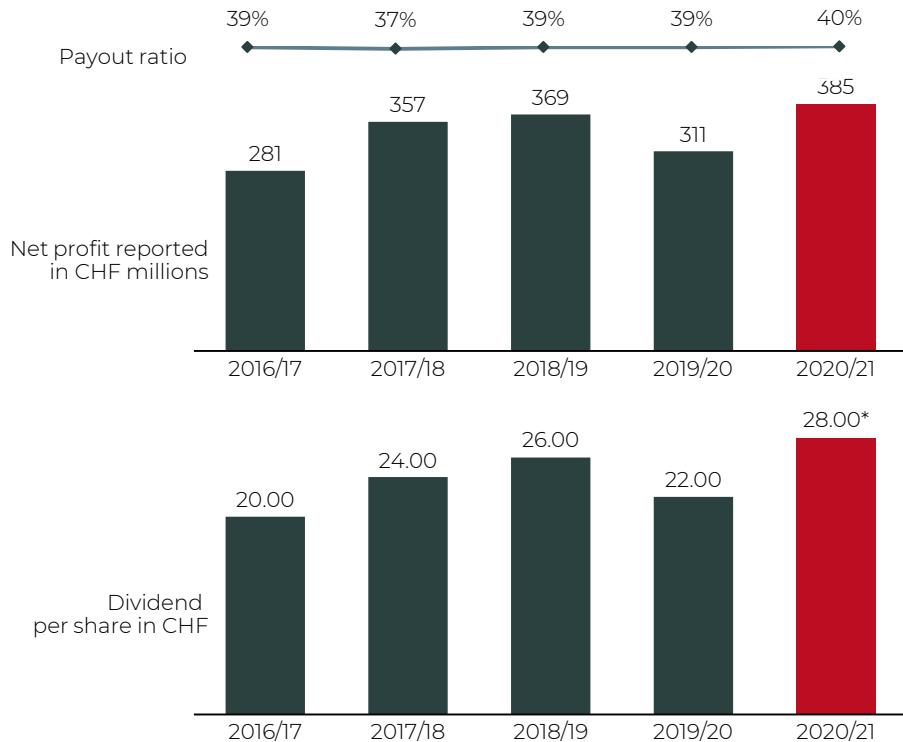
- CHF 28.00 per share
- Stable payout ratio of 40% of Net profit

**Timetable for dividend**

- Shareholder approval: December 8, 2021
- Ex-date: on or about January 4, 2022
- Payment date: on or about January 6, 2022

**AGM 2021 – virtual**

To protect the health of its shareholders and employees, the 2020/21 Annual General Meeting of Shareholders will take place without physical presence. Voting rights can be exercised electronically or in writing.



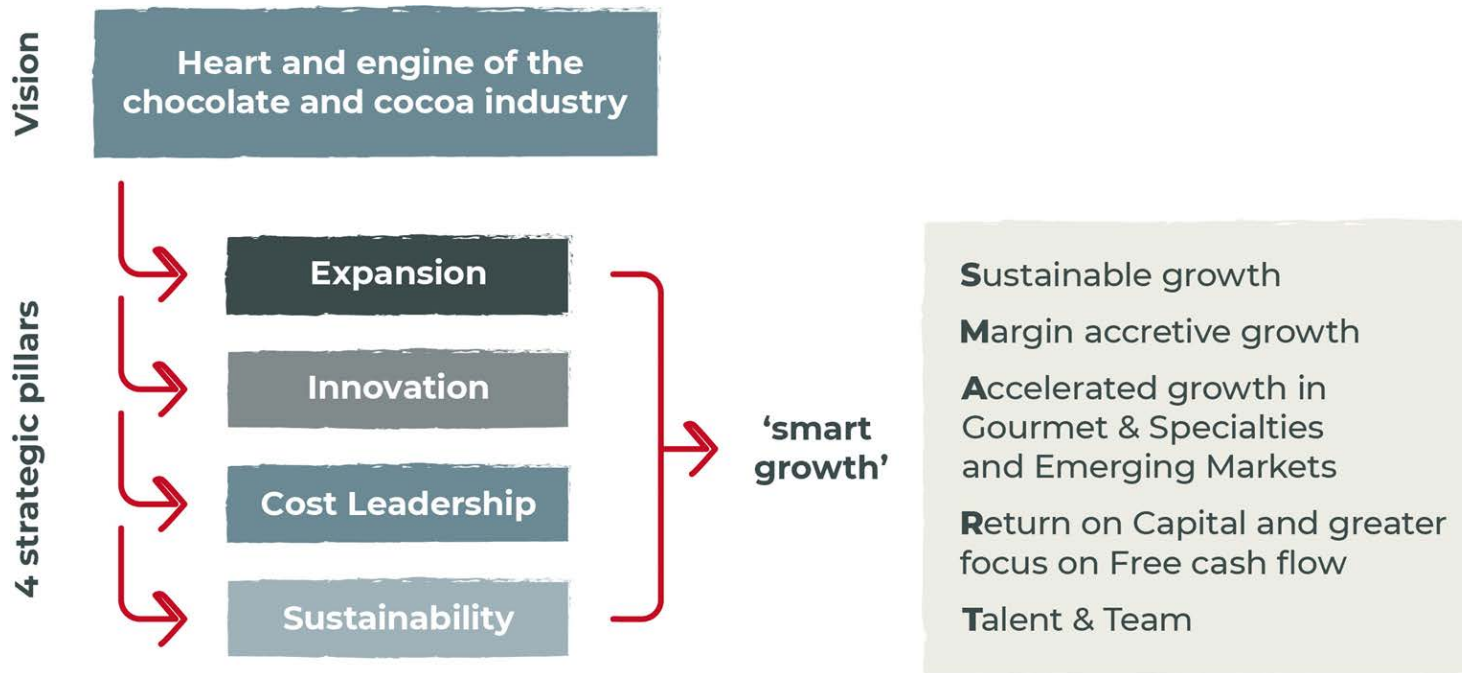
\*As proposed by the Board to our shareholders

# STRATEGY & OUTLOOK

Full-Year Results 2020/21

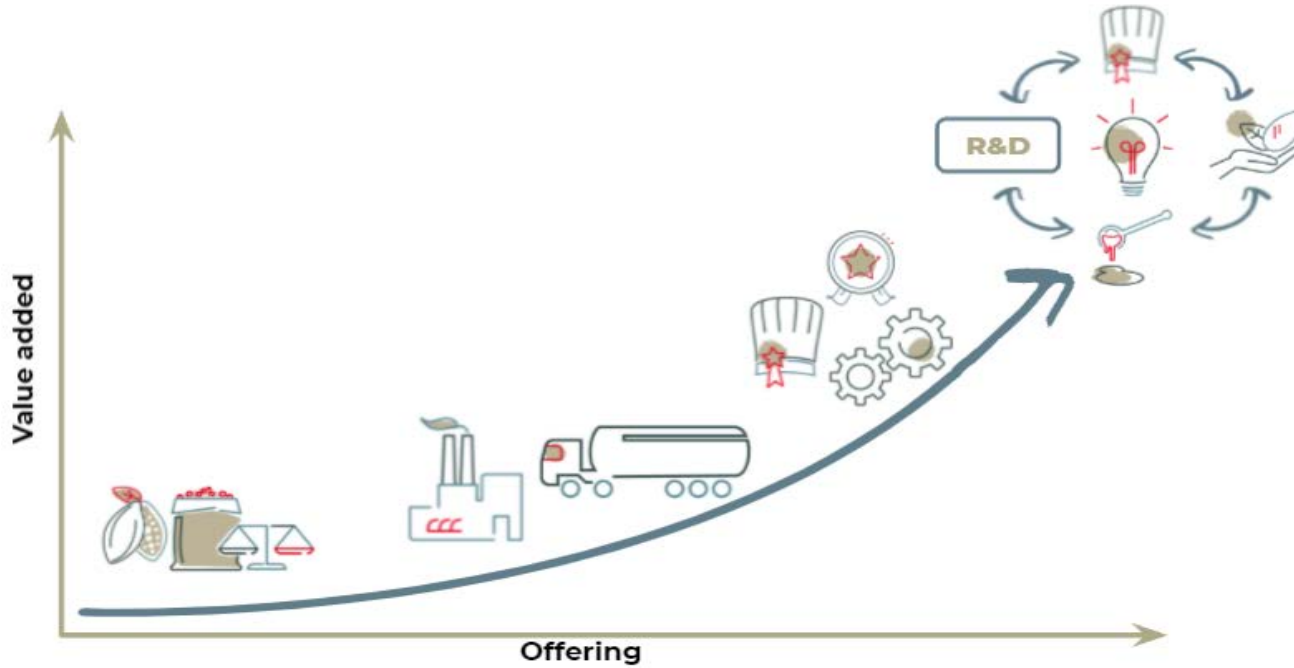
Peter Boone, CEO

# 'Smart growth' will continue to be at the heart of our long-term strategy execution





# Accelerating up the value ladder



# Forever Chocolate making sustainable chocolate the norm



## PROSPERING FARMERS

- In 2020/21 we estimate **214,584** cocoa farmers (+50%) in our supply chain are **out of poverty**.
- Over **92,500** (+125%) farmers have adopted **Farm Business Plans**.



## THRIVING NATURE

- Our **carbon intensity decreased** to **3.57 CO<sub>2</sub>e** from 3.73CO<sub>2</sub>e per tonne of product
- **Since** the start of Forever Chocolate in **2016**, we have **reduced our carbon intensity per tonne** by more than **-17%**



## ZERO CHILD LABOR

- **25,486** (+413%) of the reported cases we found in previous years, are **under remediation**.
- Our **monitoring and remediation system** now **cover** 237 (+110%) farmer groups, including **220,878** farmers in Côte d'Ivoire, Ghana and Cameroon.



## SUSTAINABLE CHOCOLATE

- We source **66%** (+8%) of all our **non-cocoa ingredients** from **sustainable** sources.
- **43%** of **products sold** containing **100% sustainably sourced** cocoa or chocolate.
- In 2020/21, **Cocoa Horizons premiums** generated **CHF 28.4 million** (+60%).

# Diversity & Inclusion

## It's about commitment

- Internally: Regions and Corp. Functions translate Group targets into specific metricated targets.
- Externally: UN Women's Empowerment Principles signed.

## It's about policies

- Introduction of global flexible working framework Flex!, making flexible working the norm for all employees.
- Recruiting policies and processes being adapted.

## It's about awareness

- Communication across the company with focus on inclusion.
- Involving Presidents, D&I Council and D&I Champions.

## It's about employee engagement

- 4 Employee Resource Groups established.
- Active participation in external networks, e.g. LEAD.
- New head office, fostering bonding, interaction and collaboration.

## It's about compliance

- Gender Pay Gap analysis completed in Switzerland.
- Analysis planned for Regional HQ's & major sites.

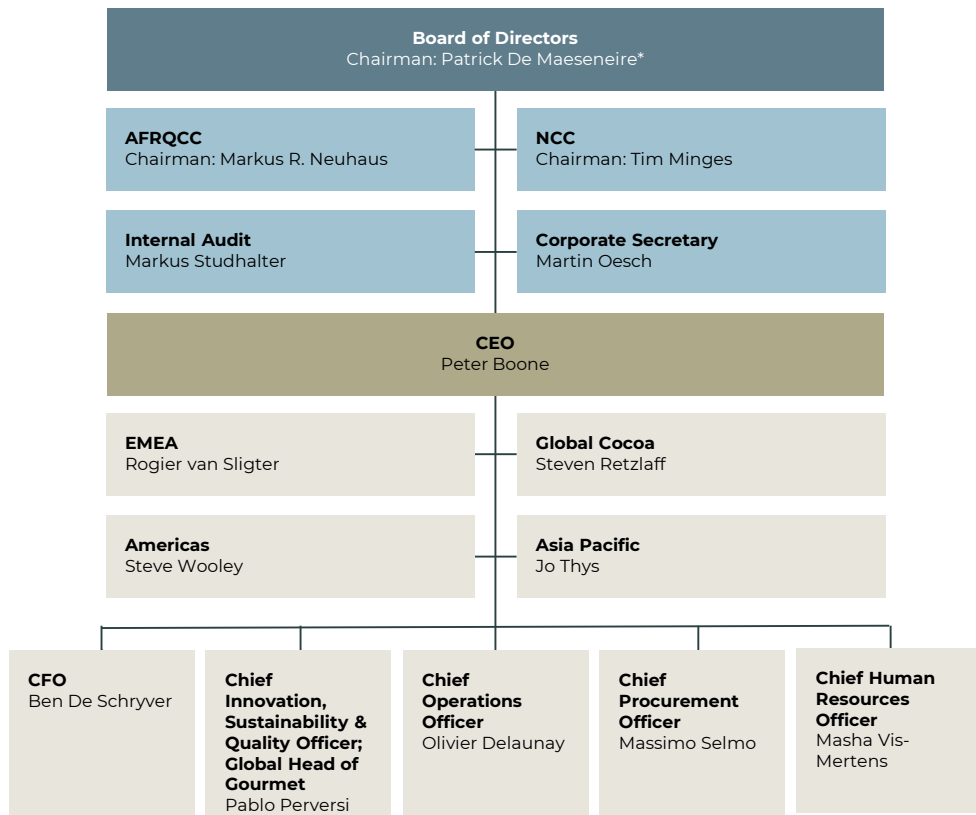


**Diverse People,  
Sustainable Growth.**



# Experienced management team and solid Governance

- **Experienced Board of Directors.**
- **All Board members** proposed for **re-election.**
- **Antoine de Saint-Affrique** proposed as **new member** of the Board.
- **Open and transparent dialogue** with shareholders.
- Changes in **Executive Committee** to position company in best way to **continue its growth path.**



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# On track to accelerate up the value ladder and deliver on mid-term guidance



“Smart growth’ will continue to be at the heart of our long-term strategy execution with a focus on returns and cash generation. By leveraging our global footprint, industry-best innovation, cost leadership, and impactful sustainability solutions, we are on track to accelerate up the value ladder. This makes us confident we will deliver on our mid-term guidance.”

Peter Boone, CEO

## Mid-term guidance 2020/21 to 2022/23, on average per annum:

- +5-7% volume growth
- EBIT above volume growth in local currencies, barring any major unforeseeable events



*Growing the world of  
chocolate and cocoa for*

**25** years

**Thank you to all colleagues for 25  
years of growth, and many more  
to come...**

## Question & Answer



**Peter Boone**  
CEO



**Ben De Schryver**  
CFO