

Roadshow presentation – 3-Month Key Sales Figures 2016/17

January 2017



Agenda

- ▶ BC at a glance
- ▶ Highlights 3 months 2016/17
- ▶ Strategy & Outlook

BC at a glance



Who we are?

The heart and engine of the chocolate industry

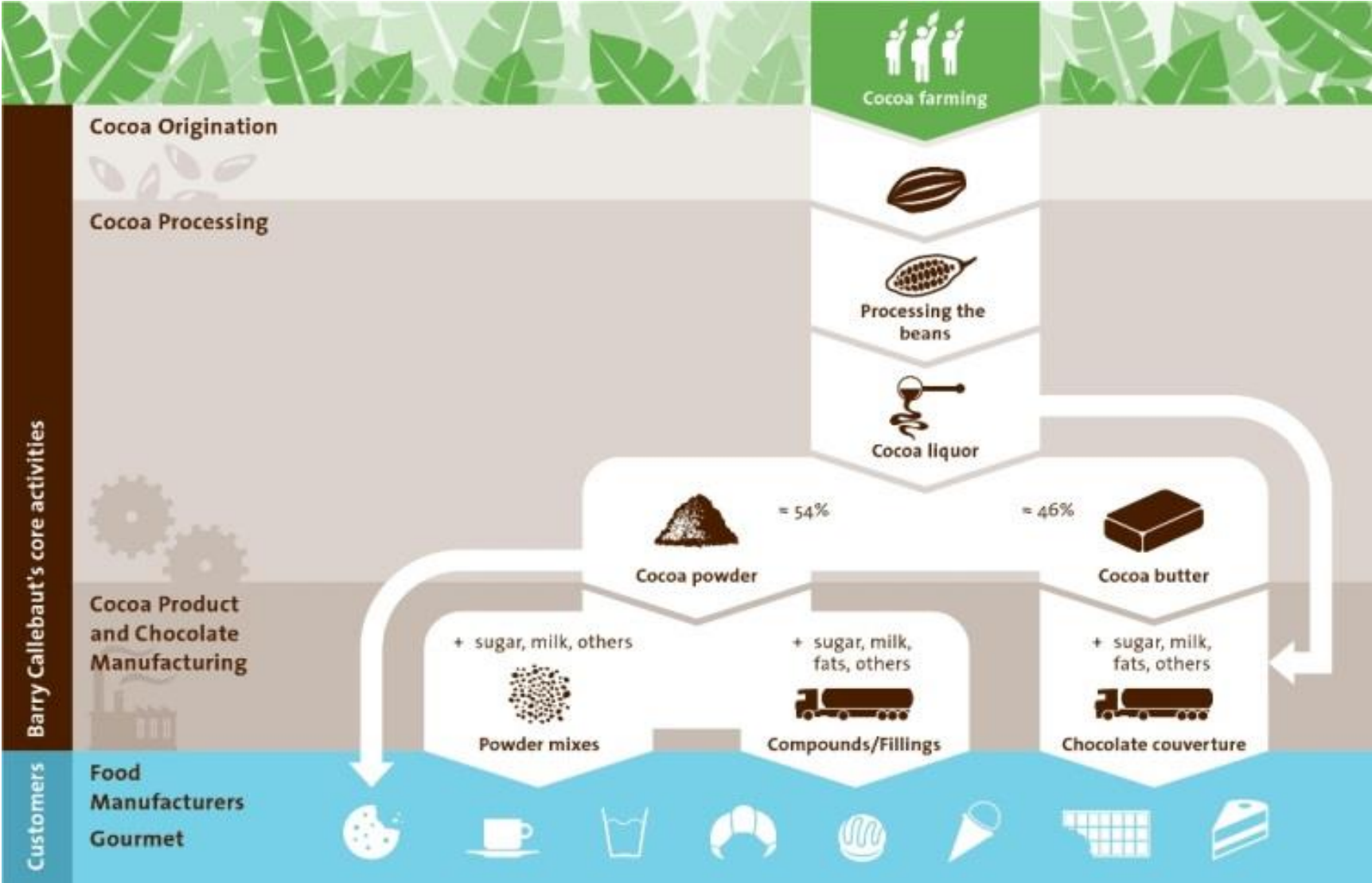


- ▶ A merger between **Cacao Barry**, the very first chocolate connoisseur since 1842 and **Callebaut** a chocolate couverture manufacturer expert since 1911
- ▶ Listed on the SIX Swiss Exchange since 1998
- ▶ Today, the world's leading manufacturer of high-quality chocolate and cocoa products
- ▶ Barry Callebaut is inside 25% of all consumer products containing cocoa or chocolate



Barry Callebaut at a glance

We add value in every step of the cocoa and chocolate value chain



This is Barry Callebaut

FY 2015/16

“Shaping the world of chocolate and cocoa”



More than

175 years
of chocolate heritage

Close to

10,000
employees



of whom 1 in 2 works
either in an origin
or emerging market

More than

200
co-creation
sessions

conducted with
customers




28

R&D centers
worldwide

driving innovation

1.8
sales volume
in million tonnes

CAGR 
+7.4%
volume growth
over 5 years

401.7
EBIT
in CHF million

6,676.8
sales revenue
in CHF million

More than

115,000

farmers
trained in good
agricultural practices



Barry Callebaut | Annual Report 2015/16



53
factories
worldwide

Selling to

131
countries



19
CHOCOLATE
ACADEMY™
centers

37,500
chocolate aficionados
trained in 2015/16

What do we offer?

A broad range from standard to the most premium products

Cocoa Products



Food Manufacturers



Gourmet & Specialties

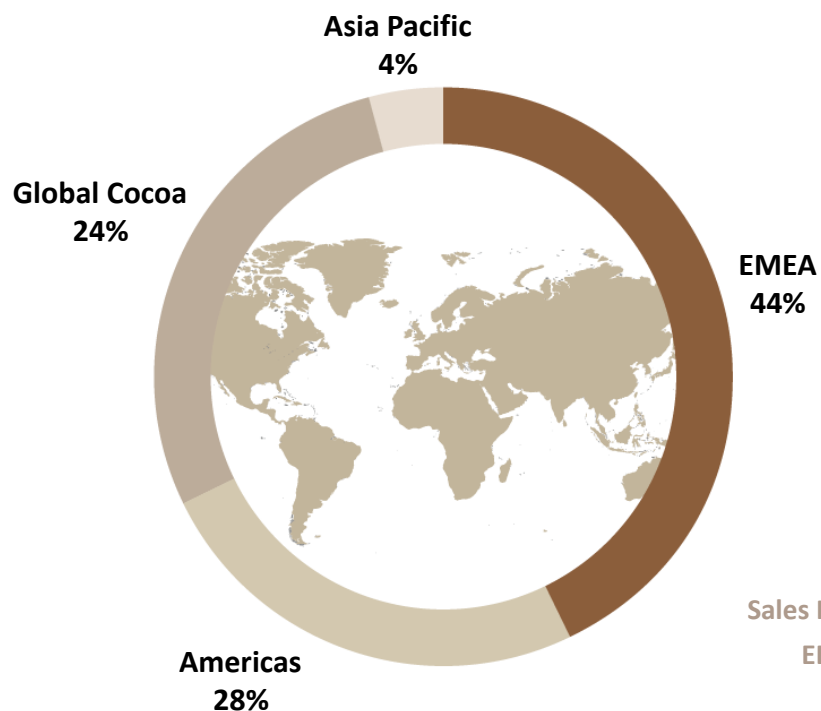


How are we organized?

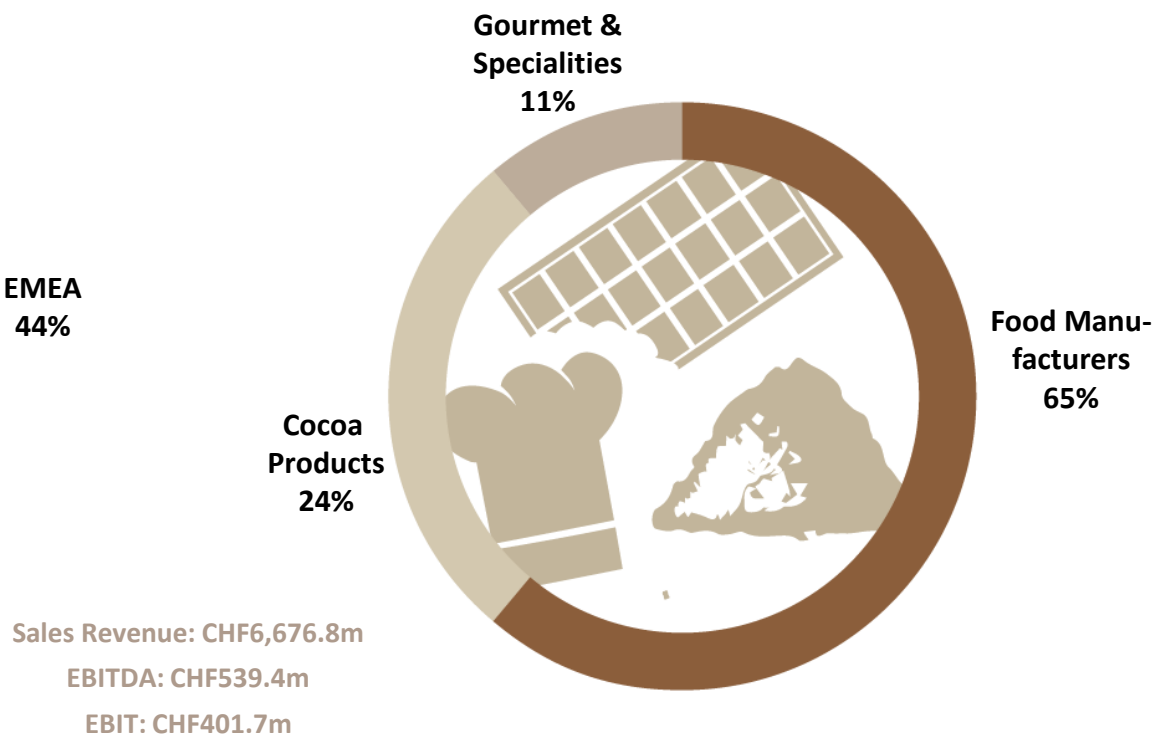
Our Regional and Product split

FY 2015/16 Sales Volume: 1.8 mio tonnes

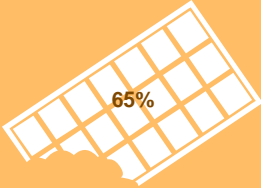
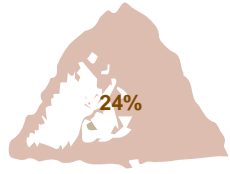

Sales Volume per Region



Sales Volume per Product Group



We apply a cost plus approach to the majority of the business

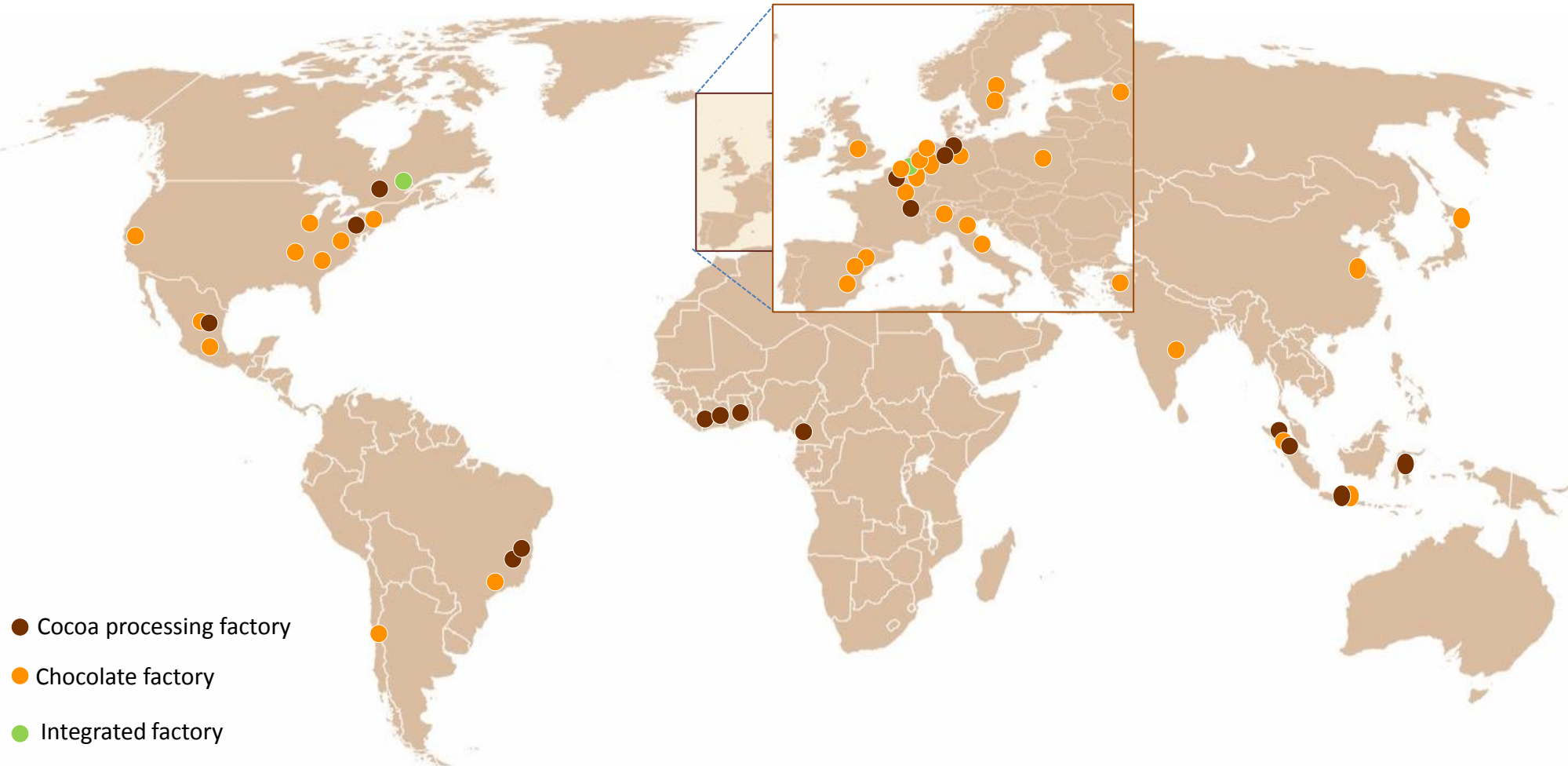
	Customers	Pricing model	Profit levers
Food Manufacturers 	<ul style="list-style-type: none">Small, medium and Global Food Manufacturers	<ul style="list-style-type: none">Cost Plus	<ul style="list-style-type: none">Customer mixProduct mixEconomies of scale
Cocoa Products 	<ul style="list-style-type: none">Small, medium and Global Food Manufacturers	<ul style="list-style-type: none">Market pricesCost Plus (partly)	<ul style="list-style-type: none">Global set-upCombined ratioCustomer/product mix
Gourmet & Specialties 	<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 brandsAdjacent productsInnovation/Sustainability

Note: Percentage of FY2015/16 Group sales volume

Passing on the cost of raw materials to customers underpins profit stability by mitigating volatility impact of main raw materials

A global footprint and a local service

Cocoa factories in origin countries and chocolate factories close to our customers



Highlights - 3 months 2016/17



Steady start, consistent above market growth



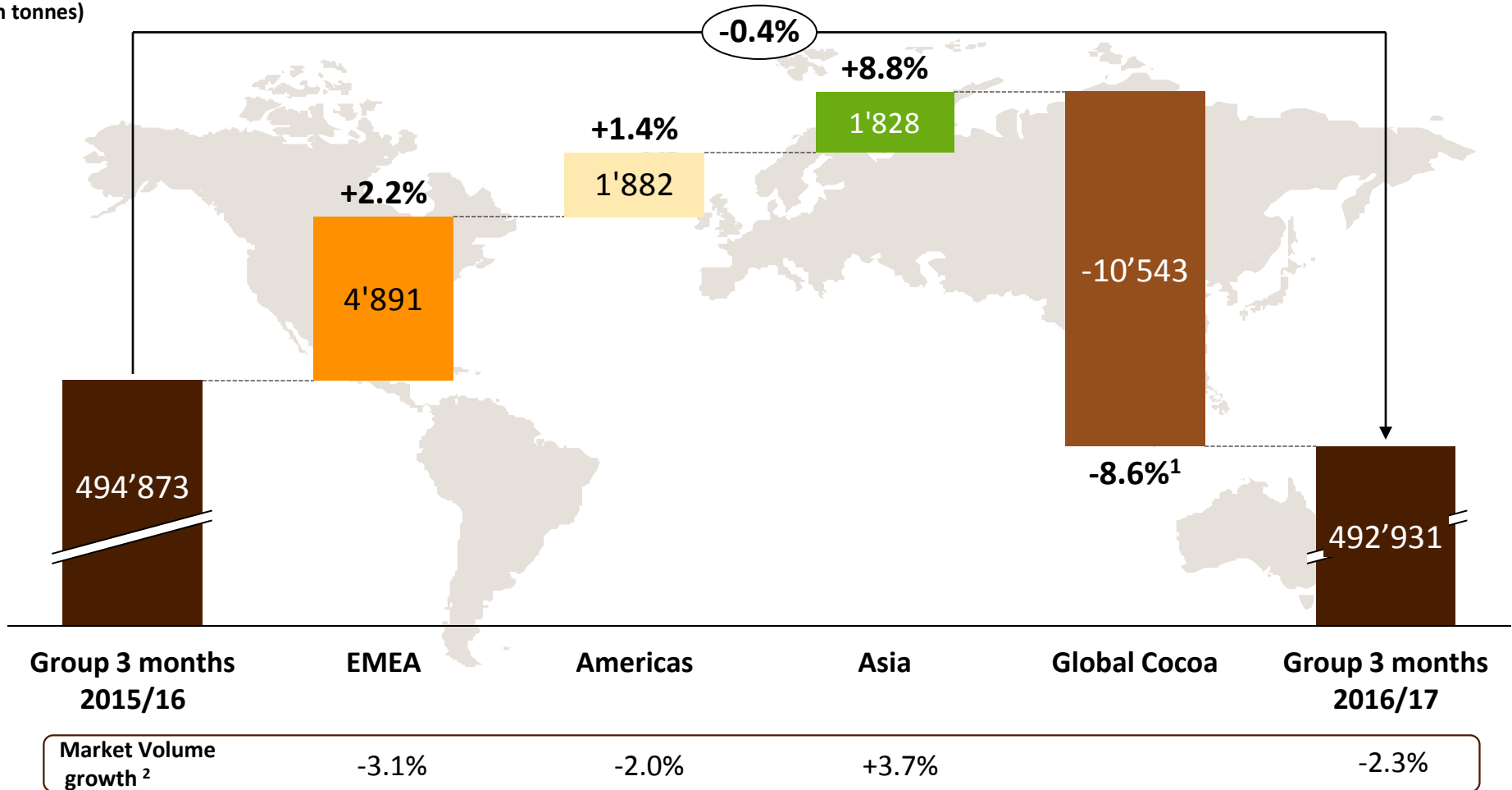
- ▶ Sales volume growth flat
- ▶ Above-market growth in chocolate +2.3%¹
- ▶ Gourmet & Specialties continues to perform strongly, up +14.3%
- ▶ Nearly completed phase-out of less profitable contracts in cocoa -8.6%
- ▶ Sales revenue up +3.2% in local currencies (+4.2% in CHF)
- ▶ Mid-term guidance confirmed

¹Nielsen chocolate confectionery in volume – 26 countries - Aug 2016 – Oct 2016

3 months 2016/17

Above-market growth in Chocolate, and nearly completed phase-out of less profitable contracts in Global Cocoa

Sales Volume
(in tonnes)

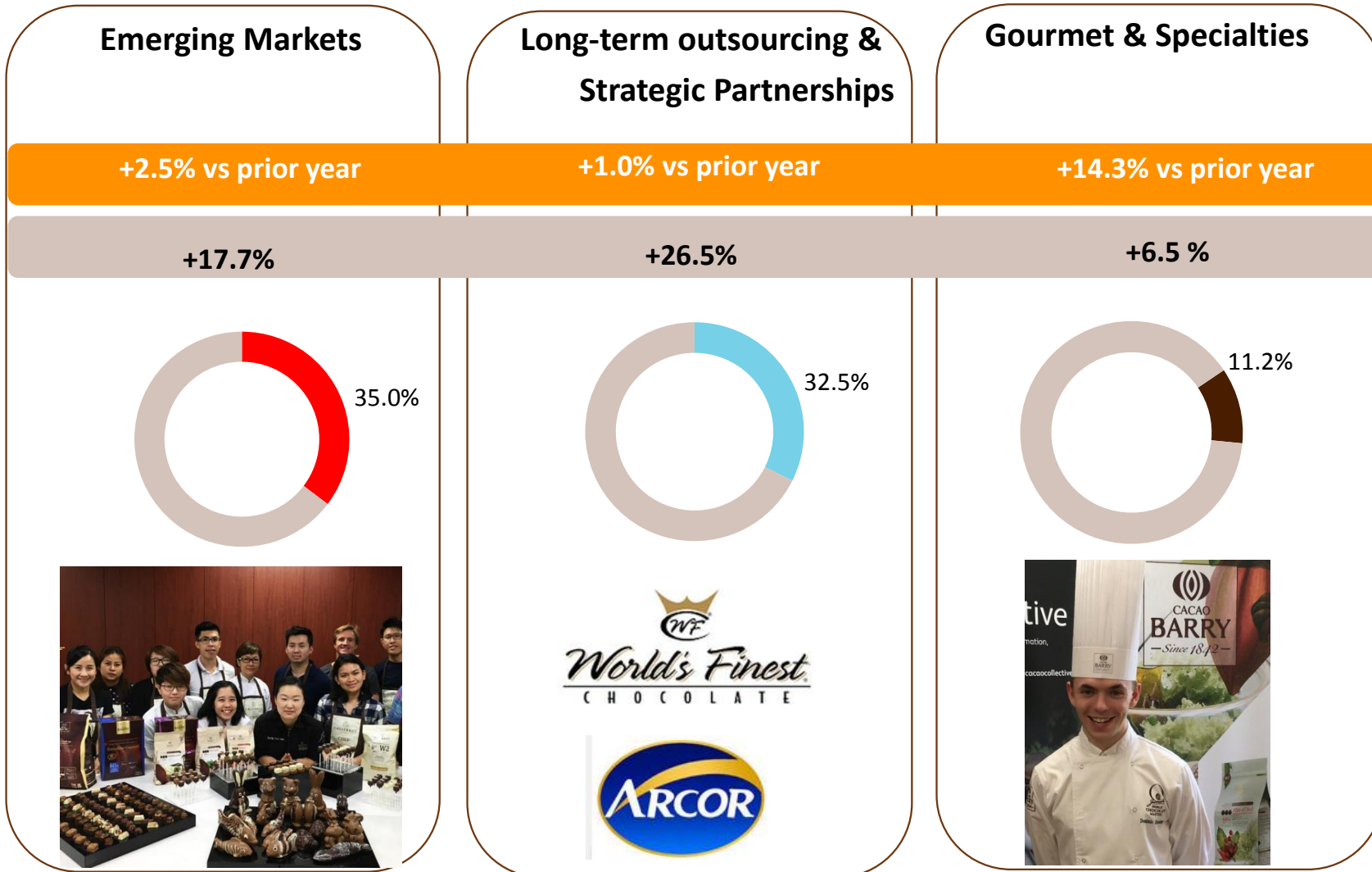


¹ Due to the intentional phasing out of low-profit contracts, including long-term ingredients agreements

² Source: Nielsen chocolate confectionery in volume – 26 countries - Aug 2016 – Oct 2016

3 months 2016/17

All key growth drivers contributed to steady volume growth



Volume growth
3 months
2016/17

CAGR 5 year
Volume

%
of total Annual
Group Sales
Volume

Focus on execution - Cocoa Leadership Project



Commercial leadership

- ▶ SKU reduction on-going
- ▶ Customer segmentation
- ▶ Stronger focus on added-value products
- ▶ Harmonized sales tools

Operations leadership

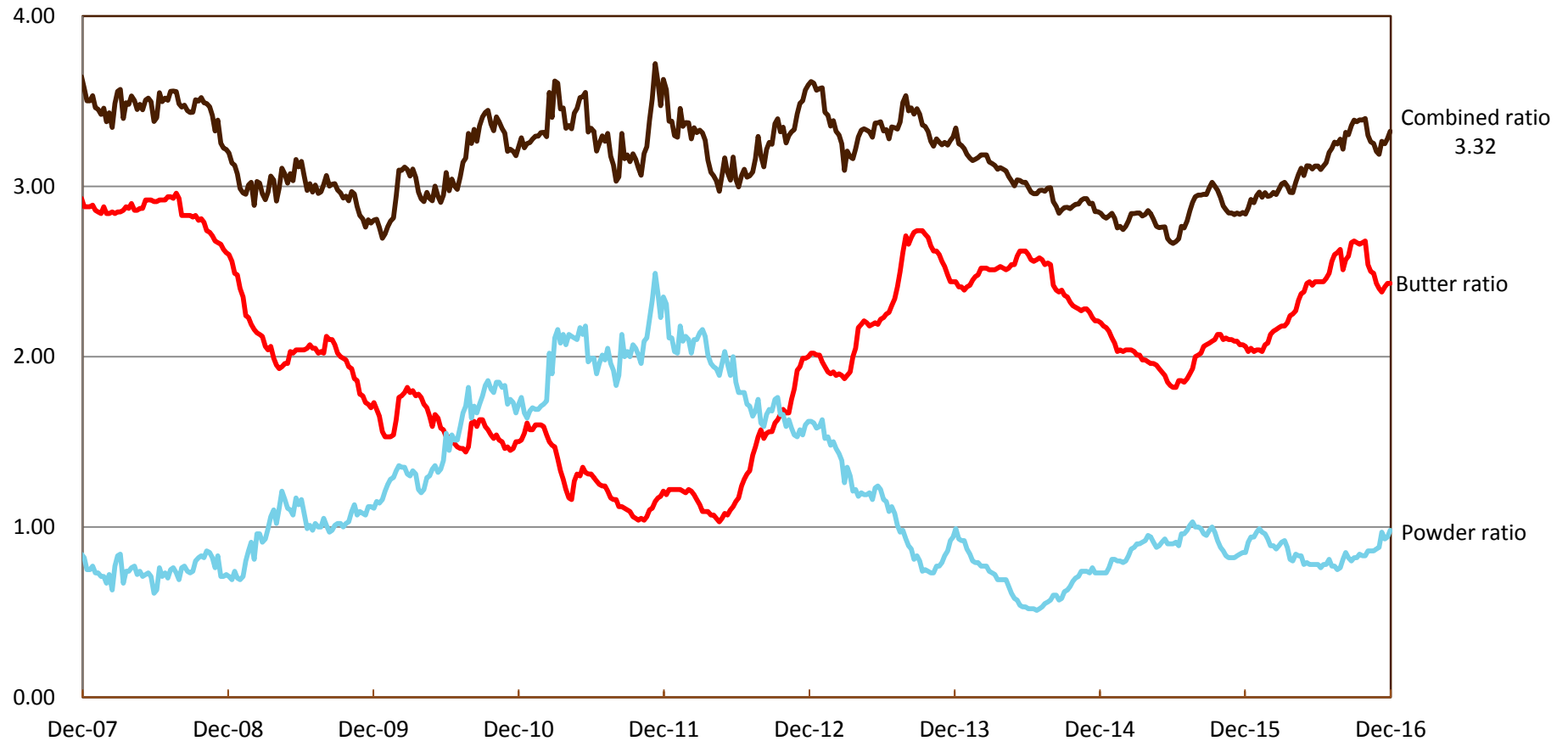
- ▶ Manufacturing footprint reduced in Asia
- ▶ Working Capital optimized through better product flows

Global leverage

- ▶ Centralized combined cocoa ratio management in place
- ▶ Setting up Global market intelligence

Temporary improvement; at higher levels compared to prior year

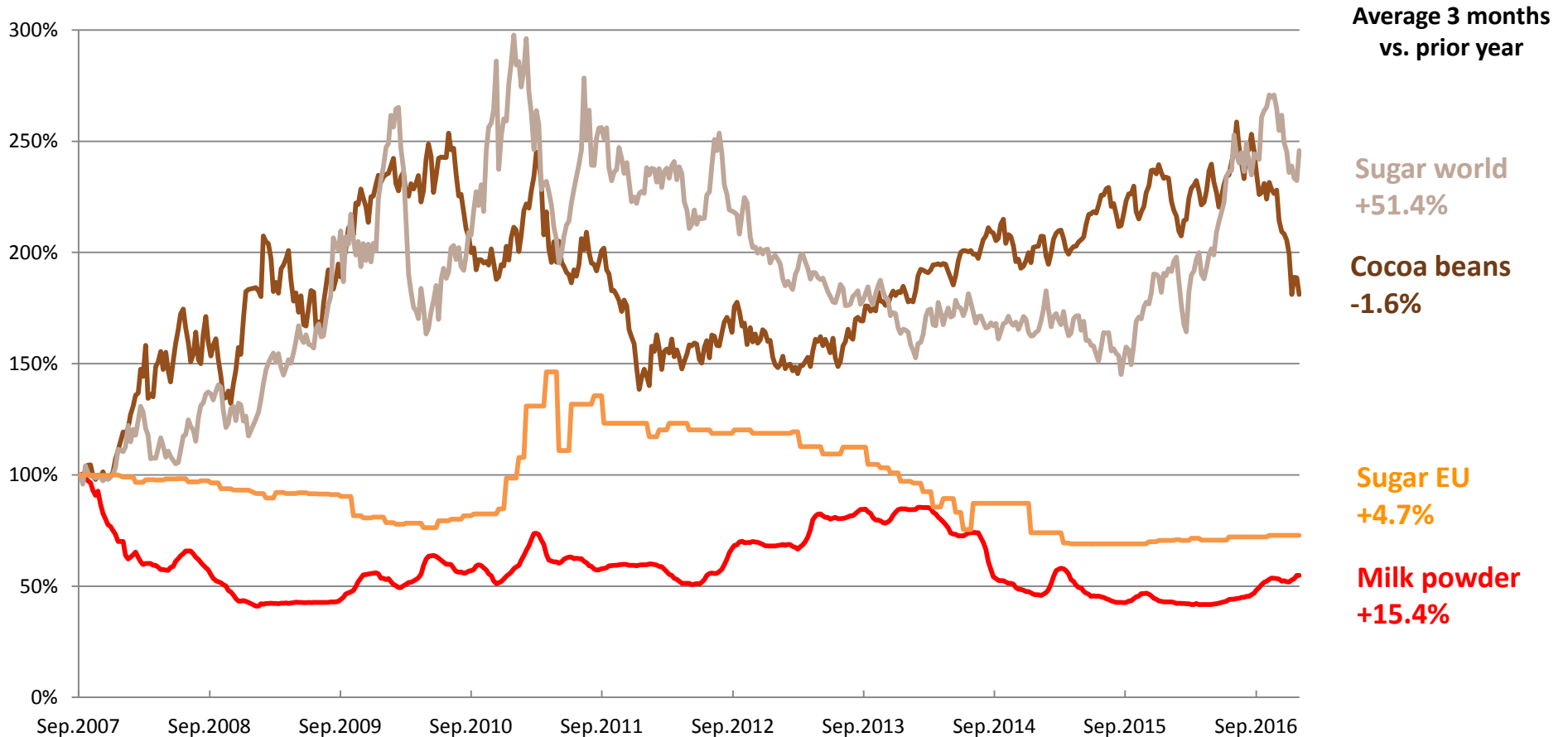
European combined ratio - 6 months forward ratio



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 materials evolution

Cocoa bean prices lower than prior year, world sugar prices increased strongly, milk powder prices remain firm



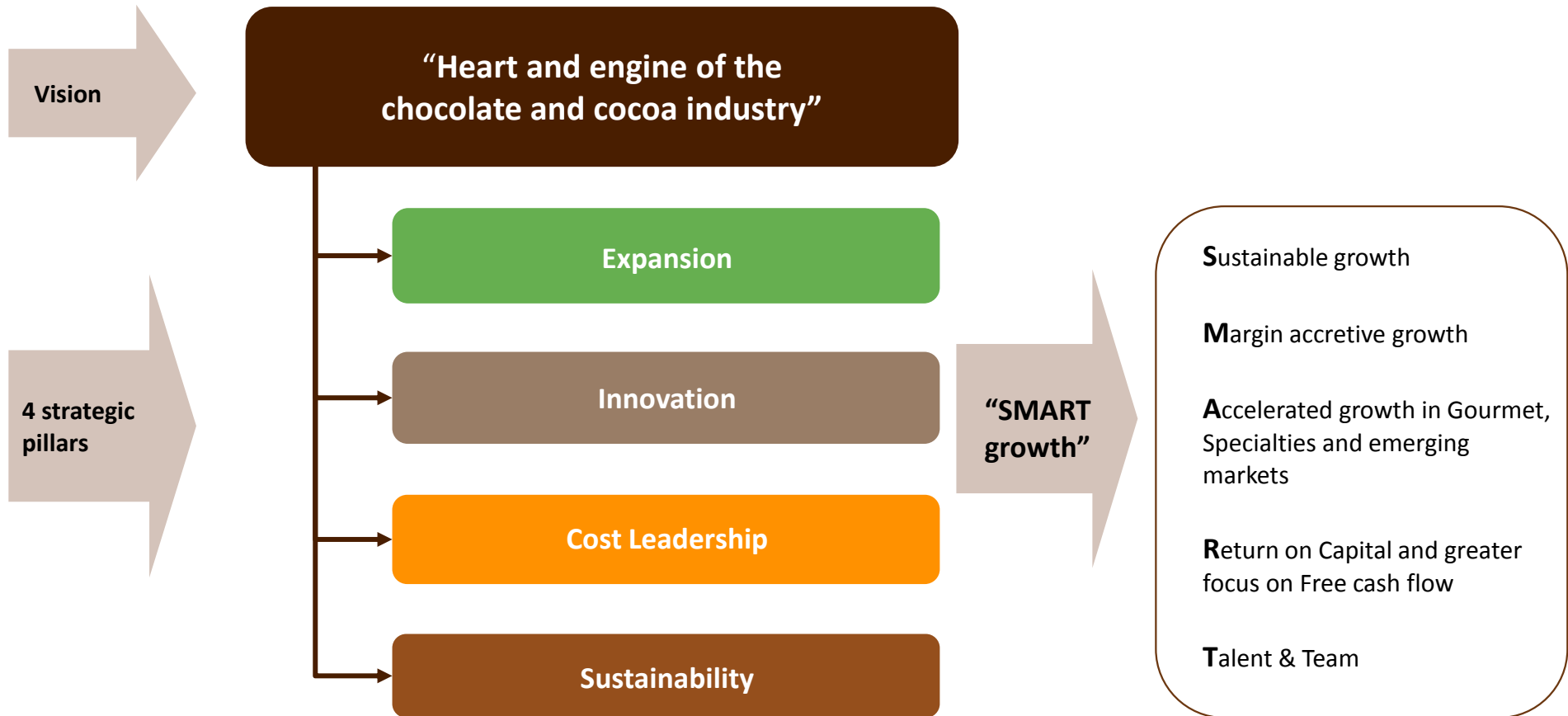
Note: All figures are indexed to Sep 2007

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.

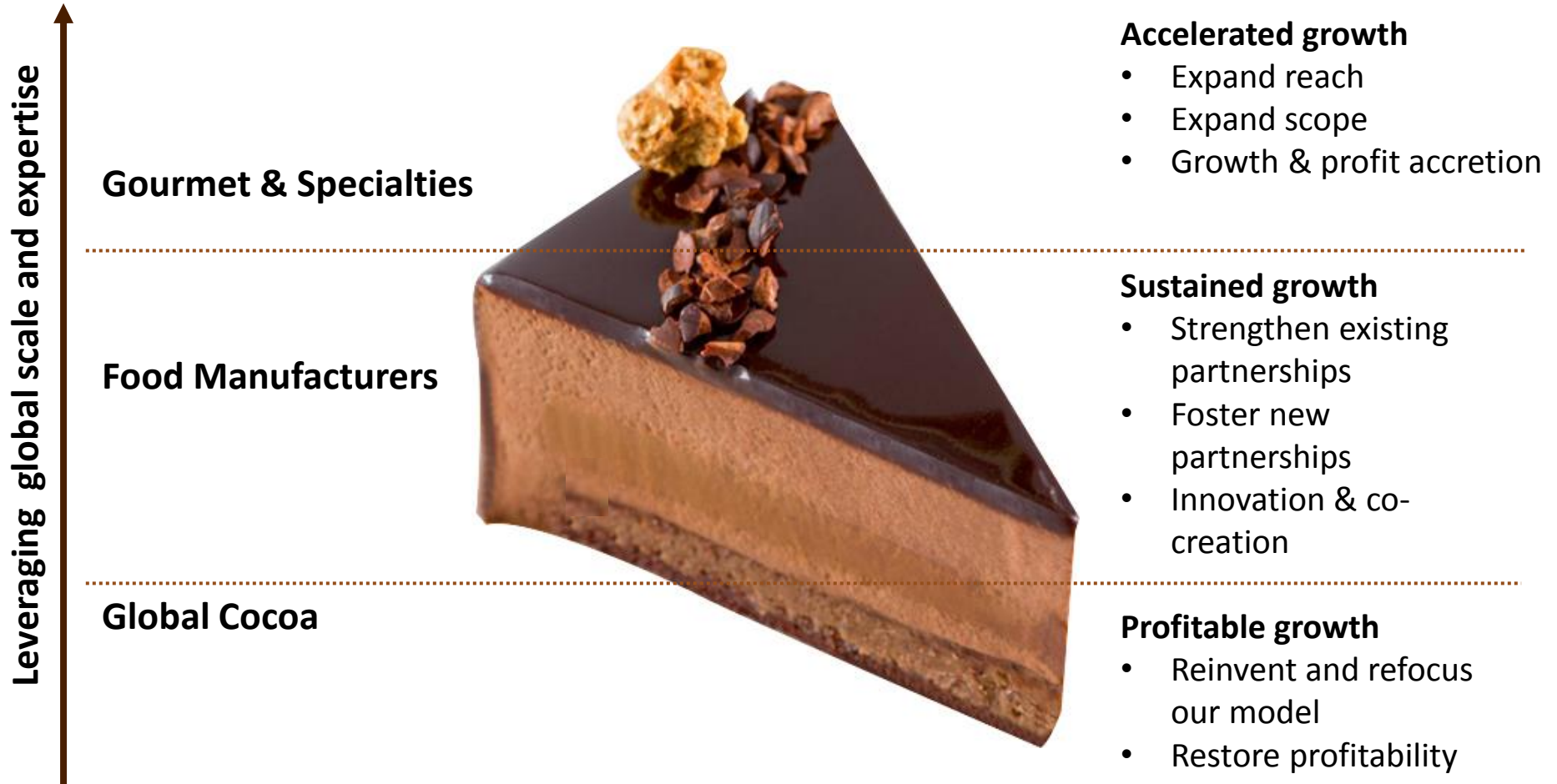
Strategy & Outlook



Consistent long-term strategy, focus on execution



Execution translated into our Product groups



FOREVER CHOCOLATE



ZERO CHILD LABOR

By 2025 we will
eradicate child labor
from our supply chain



PROSPERING FARMERS

By 2025 we will
lift more than
500,000 cocoa
farmers
out of poverty



THRIVING NATURE

By 2025 we will
be carbon and forest
positive



SUSTAINABLE CHOCOLATE

By 2025 we will
have 100% sustainable
ingredients in all
of our products

Strategic priorities 2016/17



- ▶ **Grow Competitively**
 - ▶ Further leverage our innovation capabilities
 - ▶ Inspire and co-create
 - ▶ Nourish & expand partnerships

- ▶ **Grow Sustainably**
 - ▶ Cocoa
 - ▶ Beyond cocoa
 - ▶ Talents & teams

- ▶ **Grow Profitably**
 - ▶ Cocoa Leadership deployment
 - ▶ Increase leverage
 - ▶ Footprint & Capabilities
 - ▶ Disciplined execution
 - ▶ Quality & service
 - ▶ Profitability & cash

Outlook

Continue to strive for a smart balance between consistent, above-market volume growth and enhanced profitability



Outlook

- ▶ Continue to implement “smart growth”, we have good visibility on volume growth and expect positive contribution to profitability from our Cocoa Leadership project.

Mid-term guidance (2015/16 - 2017/18)

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



¹ In local currencies and barring any major unforeseen events

Appendix



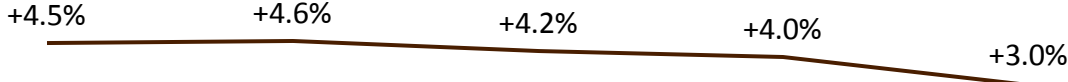
What makes Barry Callebaut unique?



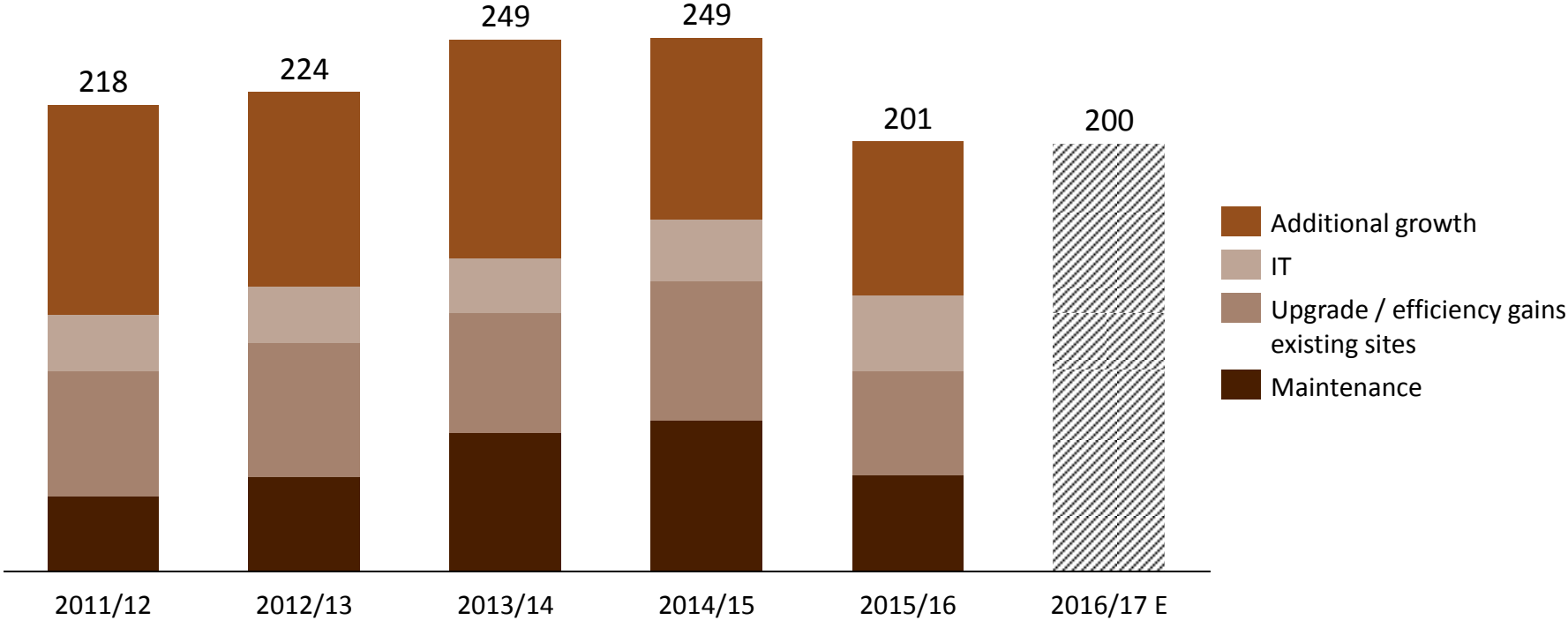
- ▶ Global number one player in chocolate and cocoa
- ▶ Deep chocolate and cocoa expertise
- ▶ Global leader in Gourmet & Specialties
- ▶ Proven and long-term oriented strategy
- ▶ Unparalleled global footprint, present in all key markets
- ▶ Preferred outsourcing and strategic partner
- ▶ Leader in Innovation
- ▶ Cost leadership along the value chain
- ▶ Pioneer in sustainability
- ▶ Entrepreneurial spirit
- ▶ Balancing short and long-term

Capital Expenditures

in CHF mio.

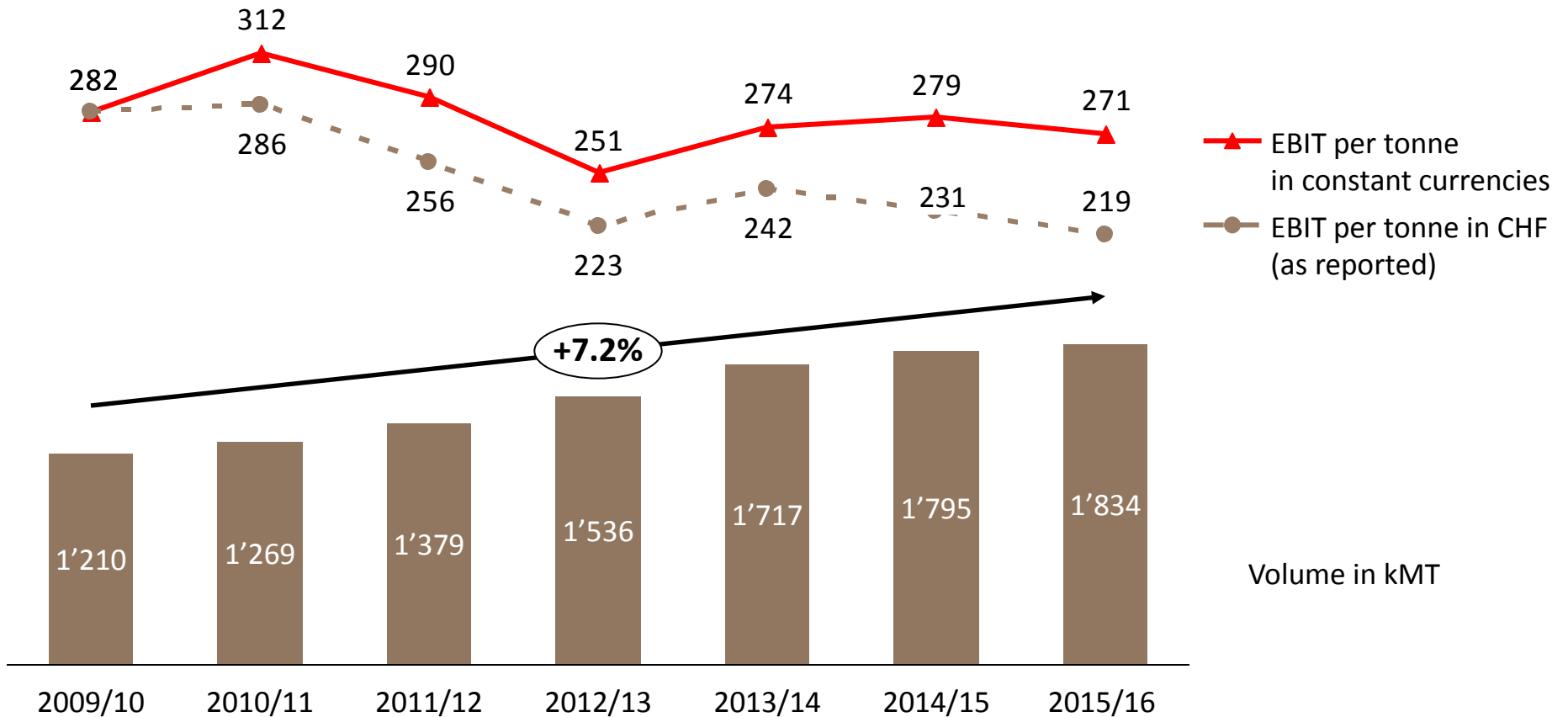


CAPEX as % of sales revenue



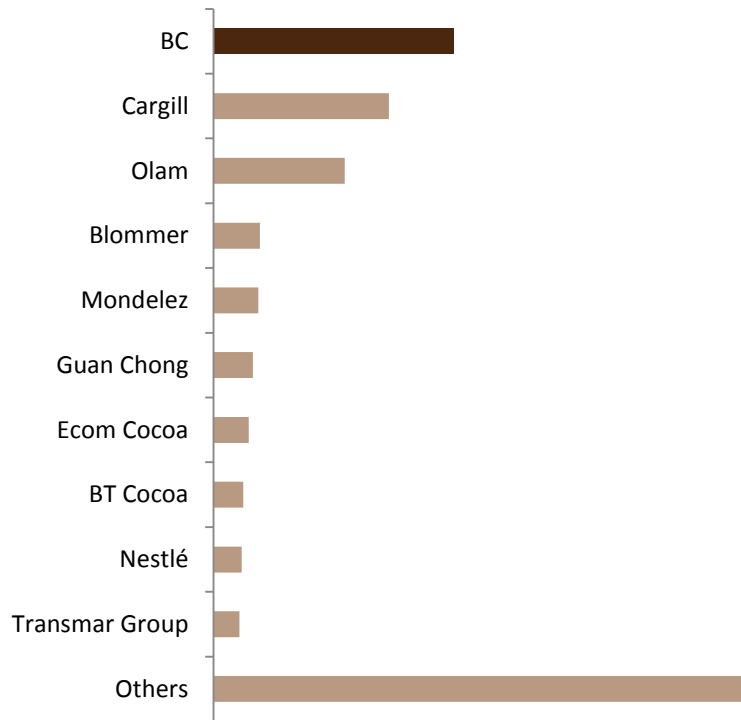
7-year EBIT per tonne development

EBIT per tonne temporarily affected by a challenging cocoa products market and a strong Swiss franc

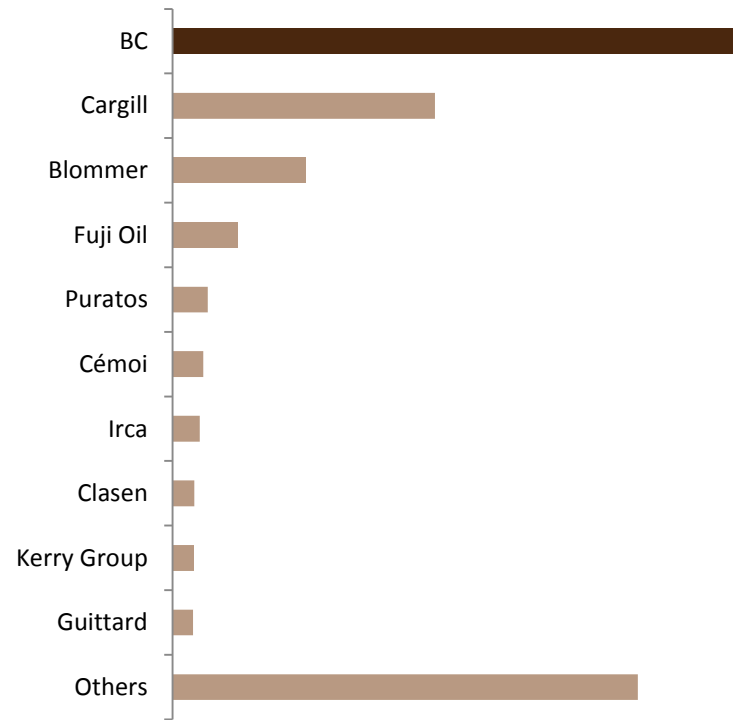


Barry Callebaut uniquely positioned in industrial chocolate and cocoa markets

Cocoa grinding capacity



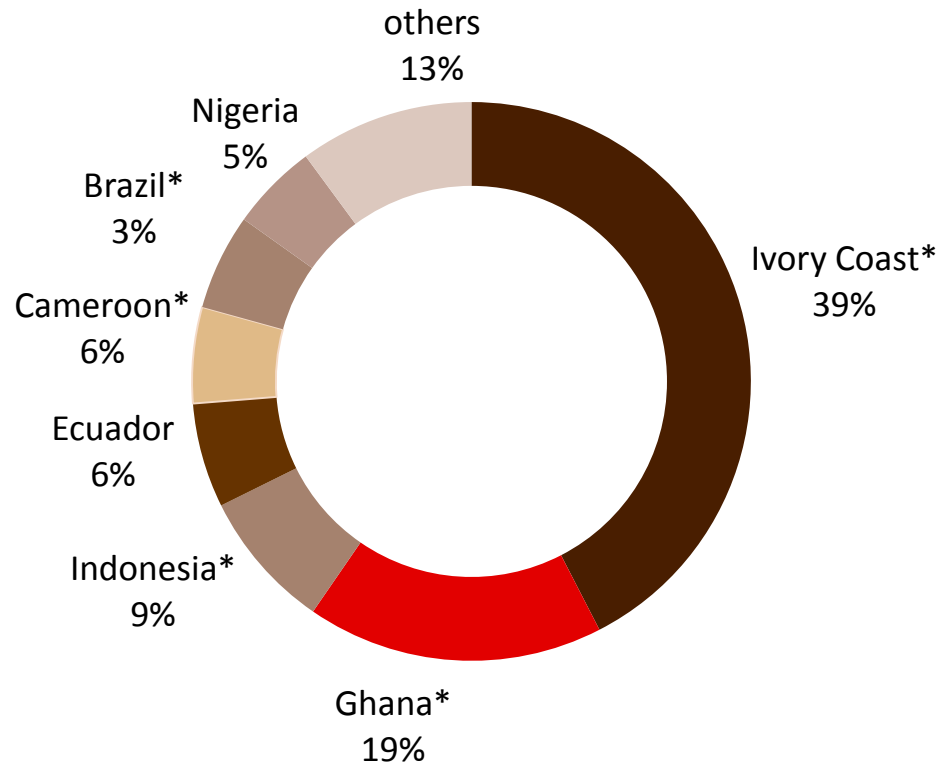
Industrial chocolate – open market



Notes: Olam incl. ADM; Cargill incl. ADM chocolate business; Fuji Oil incl. Harald
Sources: Proprietary estimates

West Africa is the world's largest cocoa producer

Total world harvest (15/16): 4,031 TMT



- ▶ About 70% of total cocoa beans come from West Africa
- ▶ BC processed ~900,000 tonnes or 22% of the world crop
- ▶ Barry Callebaut has various cocoa processing facilities in origin countries*, in Europe and in the USA

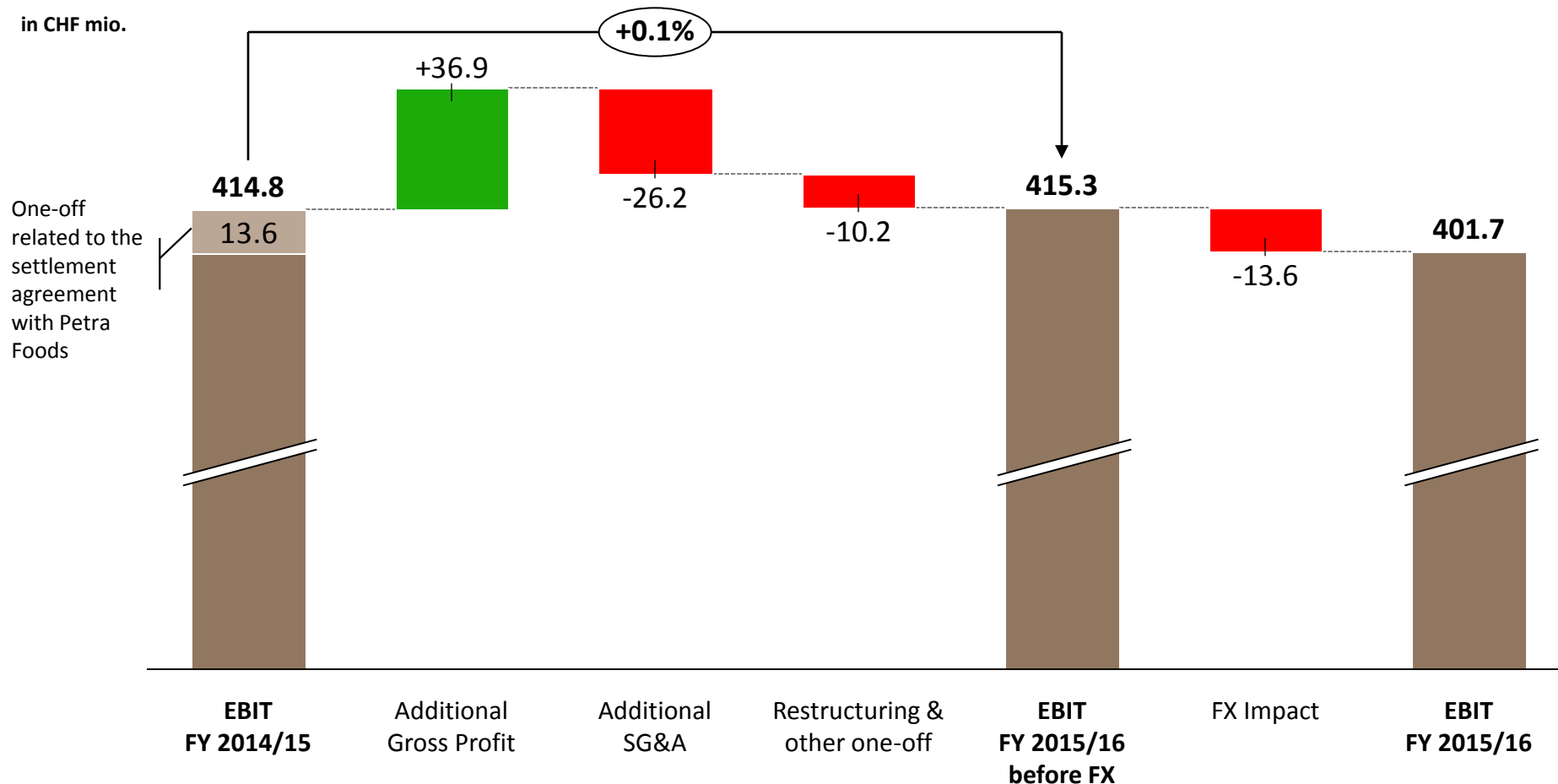
Source: ICCO estimates

Solid volume growth, profitability as anticipated and flat in local currencies

Group performance (In CHF mio.)	FY 2015/16 (in CHF)	% vs prior year (in CHF)	% vs prior year in local currencies
Sales Volume Total (in tonnes)	1,834,224		+2.2%
Sales Revenue	6,676.8	+7.0%	+8.8%
Gross Profit	863.2	+1.9%	+4.4%
EBIT Total	401.7	-3.2%	+0.1%
<i>EBIT per tonne</i>	219.0	-5.2%	-2.0%
Net profit for the year	219.0	-8.7%	-5.1%
Free cash flow	404.0		

EBIT FY 2015/16

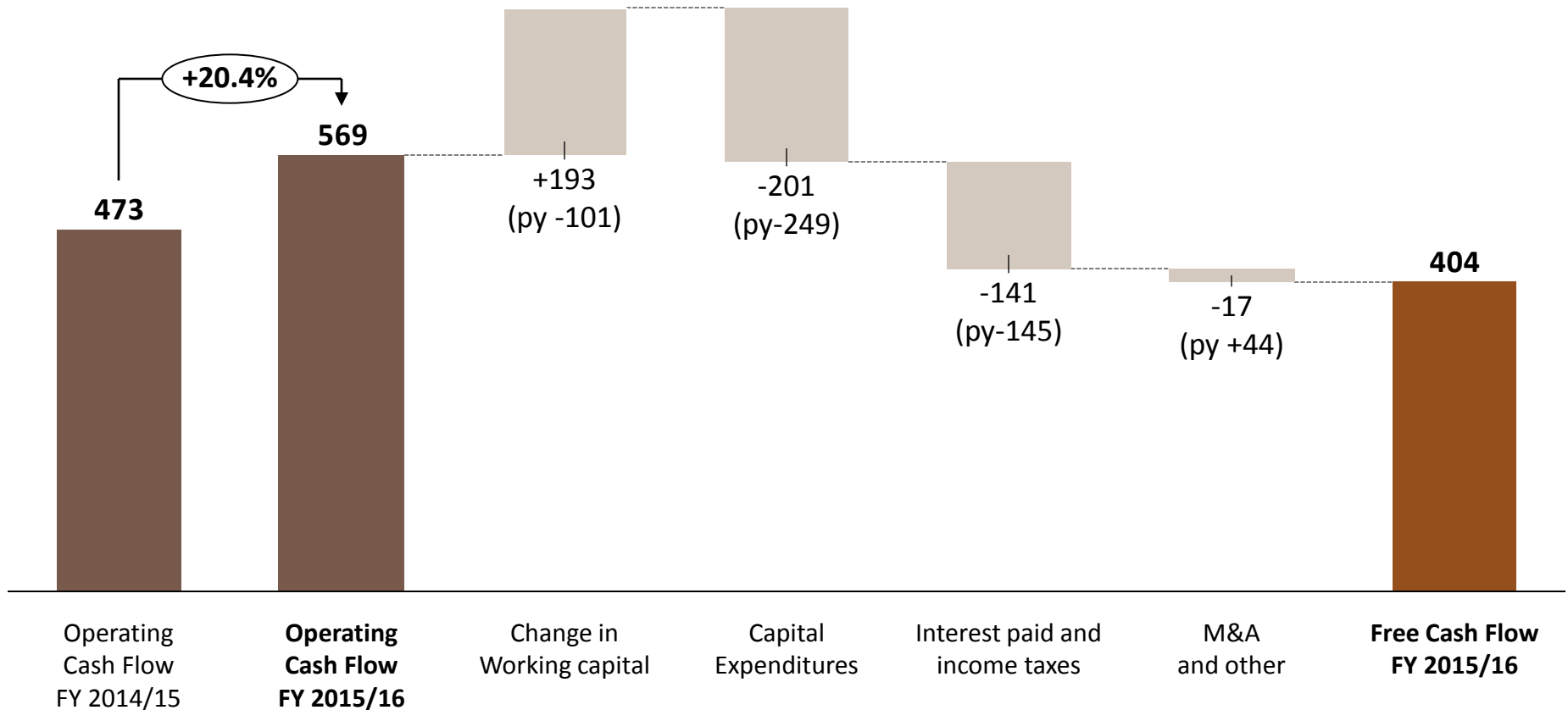
Operating profit flat in local currencies, supported by good product and customer mix, while setting up the path for continued “smart growth”



Free Cash Flow

Strong cash flow generation as a result of efforts to reduce working capital and strict discipline on CAPEX

in CHF mio.



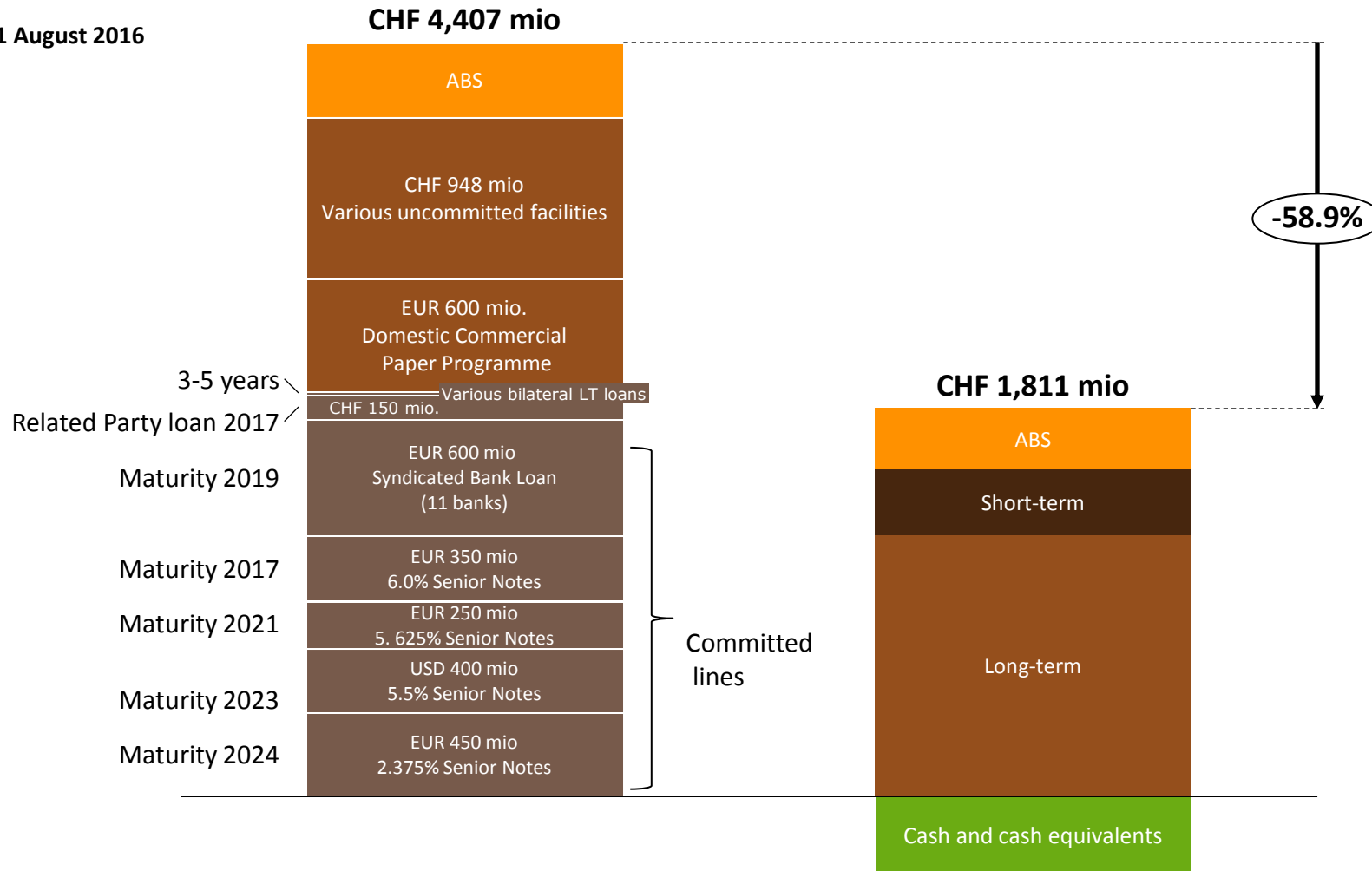
Improvement of our some financial ratios, based on our “smart growth” strategy and some positive one-off effects

	Aug 16	Aug 15
Total Assets [CHF m]	5,640.8	5,429.4
Net Working Capital [CHF m]	1,374.6	1,529.7
Non-Current Assets [CHF m]	2,301.0	2,185.5
Net Debt [CHF m]	1,452.8	1,728.0
Shareholders' Equity [CHF m]	1,956.3	1,772.8
Debt/Equity ratio	74.3%	97.5%
Solvency ratio	34.7%	32.7%
Net debt / EBITDA	2.7x	3.2x
Interest cover ratio	4.0x	4.1x
ROIC	9.5%	9.8%
ROE	11.2%	13.5%

Available Financing

Enough headroom for further growth and raw material price fluctuations

As of 31 August 2016



Available Funding Sources

Outstanding amounts

Liquidity – Debt maturity profile

As of 31 August 2016

In CHF mio

