



Full Year Results 2015/16

Analysts Conference

November 2, 2016



**“We are the heart and engine
of the chocolate and cocoa industry”**

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 2015/16. 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 2, 2016. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.

Agenda

- ▶ **Highlights FY 2015/16** - CEO Antoine de Saint-Affrique
- ▶ **Financial Performance FY 2015/16** - CFO Victor Balli
- ▶ **Strategy update & Outlook** - CEO Antoine de Saint-Affrique
- ▶ **Questions & Answers session** - CEO & CFO

Highlights FY 2015/16



FY results 2015/16

Proposal to the Annual General Meeting of Shareholders of December 7, 2016



Dr. W. Andreas Jacobs

Changes in the Board of Directors

- ▶ Dr. W. Andreas Jacobs to step down as Chairman
- ▶ Patrick De Maeseneire proposed for election as new Chairman
- ▶ All other Board members are standing for reelection for another term of office of one year.



Patrick De Maeseneire

FY results 2015/16

“Smart growth” getting traction, strong free cash flow generation

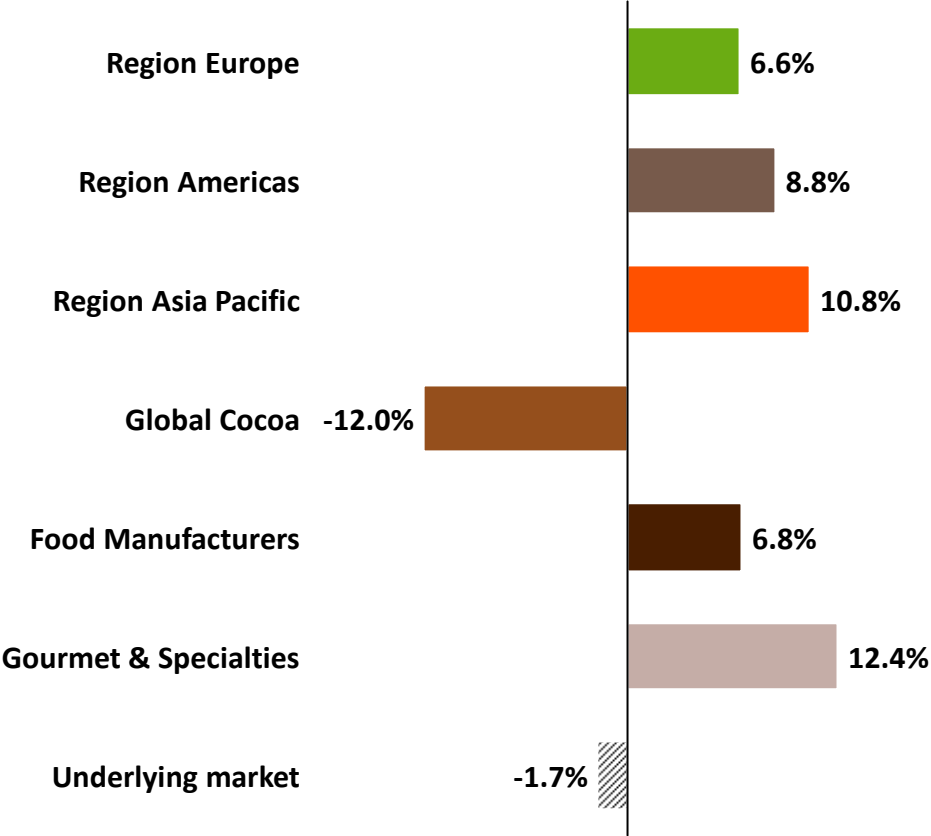


- ▶ Sales volume growth +2.2%, outperforming the market¹
 - ▶ Strong growth of chocolate business +7.6%
 - ▶ Intentional phase out of less profitable contracts in cocoa products -12.0%
- ▶ Positive contribution from all key growth drivers
- ▶ Profitability as anticipated, Operating profit (EBIT) flat at 0.1% in local currencies, Net profit down -5.1% in local currencies
- ▶ Strong free cash flow of CHF 404 mio.
- ▶ Dividend CHF 15.50 per share. Payout ratio of 39%

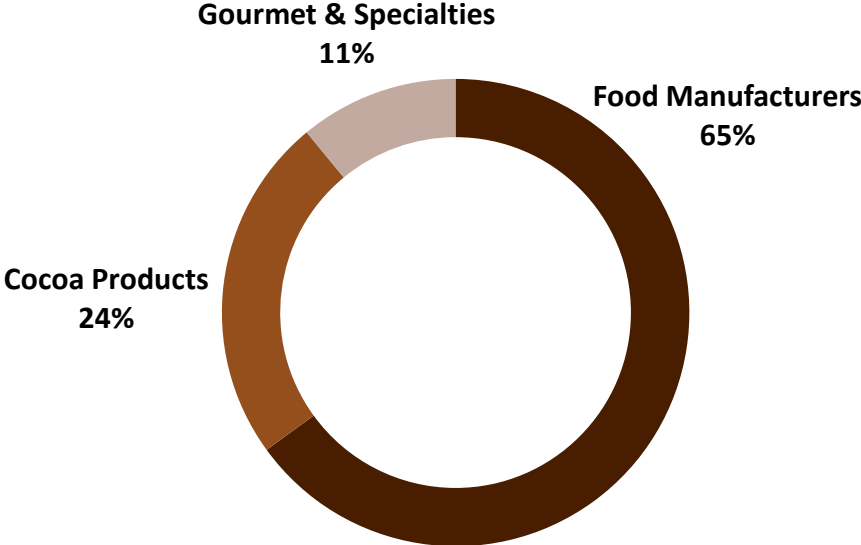
¹ Source Nielsen: -1.7% volume growth in chocolate confectionery for 26 countries from Sept 2015-Aug 2016

Strong chocolate business across all regions, outperforming the market, while intentional decline in Global Cocoa

Sales volume growth 2015/16 vs. prior year



Sales volume per Product Group



Highlights 2015/16



Launch of Cocoa Horizons Foundation

Sep 2015



License agreement with Naturex to market Acticoa

Nov 2015



Launch of BC Studio «craft and co-create» chocolate of tomorrow

Dec 2015



Opening of the first Van Houten Beverage™ Academy center in Sweden

Jun 2016



Introduction of Katchilé, Innovative tool for geo-traceability and farm impact measurement

Jun 2016



Opening new, relocated CALLEBAUT® CHOCOLATE ACADEMY center in Mumbai

Aug 2016



Acquisition of commercial vending activities from FrieslandCampina

Nov 2015



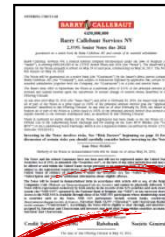
Acquisition of Nyonkopa for sustainable cocoa sourcing from Ghana

Nov 2015



Expansion of West Coast Factory, American Canyon, US

Mar 2016



Successful issue of EUR 450 million 2.375% Senior Notes due 2024

May 2016



Partnership with IDH, the Sustainable Trade Initiative

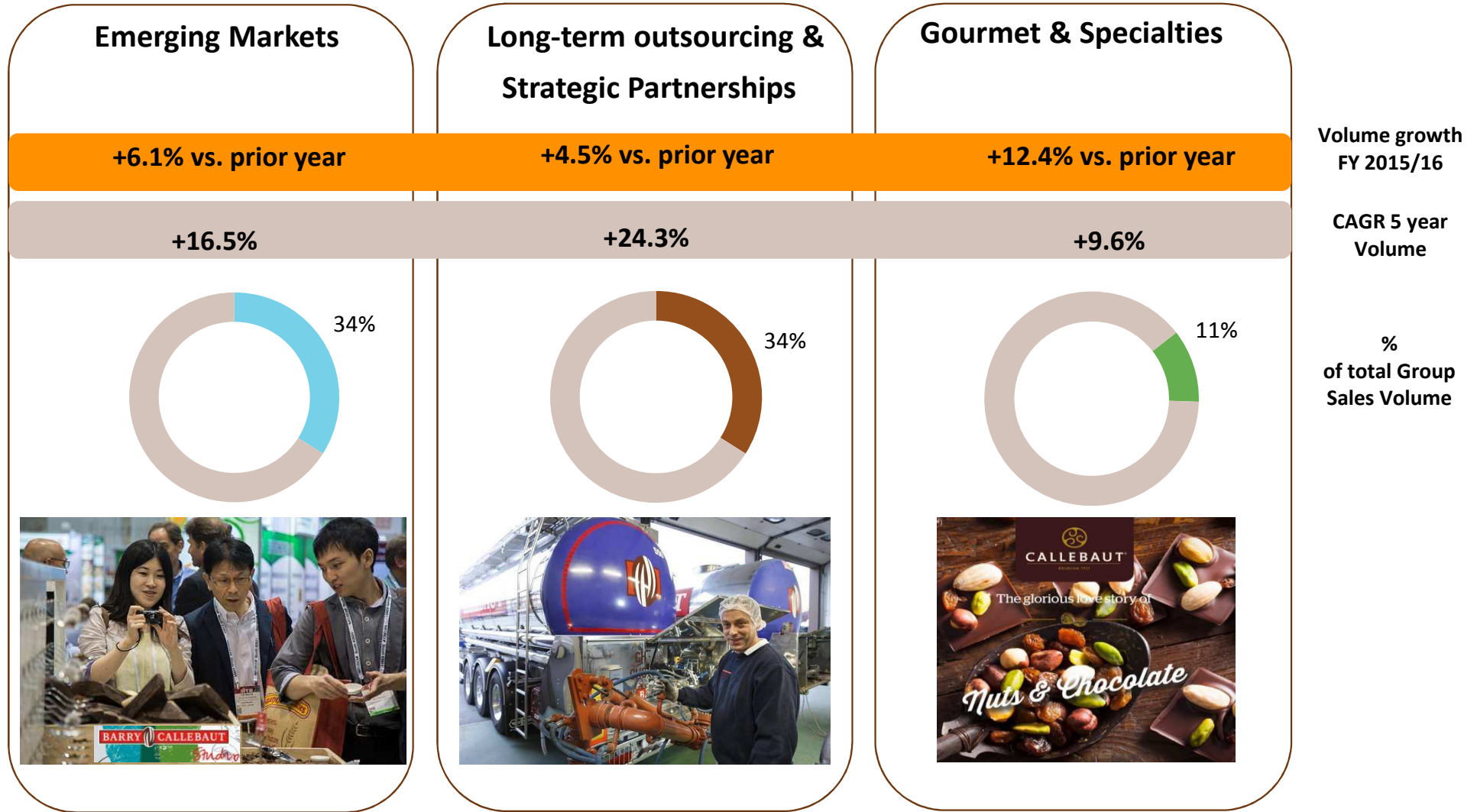
Jun 2016



Strategic partnership with Tony's Chocolonely chocolate from fully traceable sustainable cocoa

Aug 2016

Volume growth continues to be fuelled by our key drivers



Driving growth in Emerging Markets...



- ▶ Opening our first chocolate factory in Indonesia to supply our long-term agreement with Garuda Foods
- ▶ Major expansion of our chocolate factory in Singapore: new production line, molding line and warehouse facility. Total investment of CHF 18 million
- ▶ Opening new, relocated CALLEBAUT® CHOCOLATE ACADEMY center in Mumbai
- ▶ Double-digit growth in China, India and Latin America in both Food Manufacturers and Gourmet businesses, capturing new customers

Driving growth in Gourmet & Specialties...

**Fast growing with
global and local brands**



**Expanding our successful
Beverages business**



**Accelerating growth in
Specialties and
Decorations**



Driving growth by expanding and capturing strategic partnerships...



- ▶ **Extension of strategic partnership with Mondelēz International**
 - ▶ Intention to acquire and integrate the chocolate production facility of Mondelēz International in Halle, Belgium, in its network
 - ▶ Long-term agreement for the supply of **additional 30,000 tonnes of liquid chocolate per year**
 - ▶ Closing expected by Dec 2016
- ▶ **New long-term contracts with mid-size customers in emerging markets**
- ▶ **Strategic partnership to supply chocolate from fully traceable cocoa with Tony's Chocolonely**

Bringing Global Cocoa to the next level

Driving commercial excellence

- Sharpening focus on customers
- New pricing model in place and sales incentive scheme aligned
- SKU reduction by 25%



Leveraging our scale in execution

- Combined ratio organization & governance in place
- Global product availability
- Elevating our market intelligence



Optimizing our operations

- Creating an optimal manufacturing footprint
- More competitive direct sourcing model
- More efficient product flows and optimal stock levels



“Smart growth” getting traction in FY 2015/16

Growing with customers while adding value



Bringing cocoa to the next level



Greater discipline on free cash flow



Financial Highlights FY 2015/16



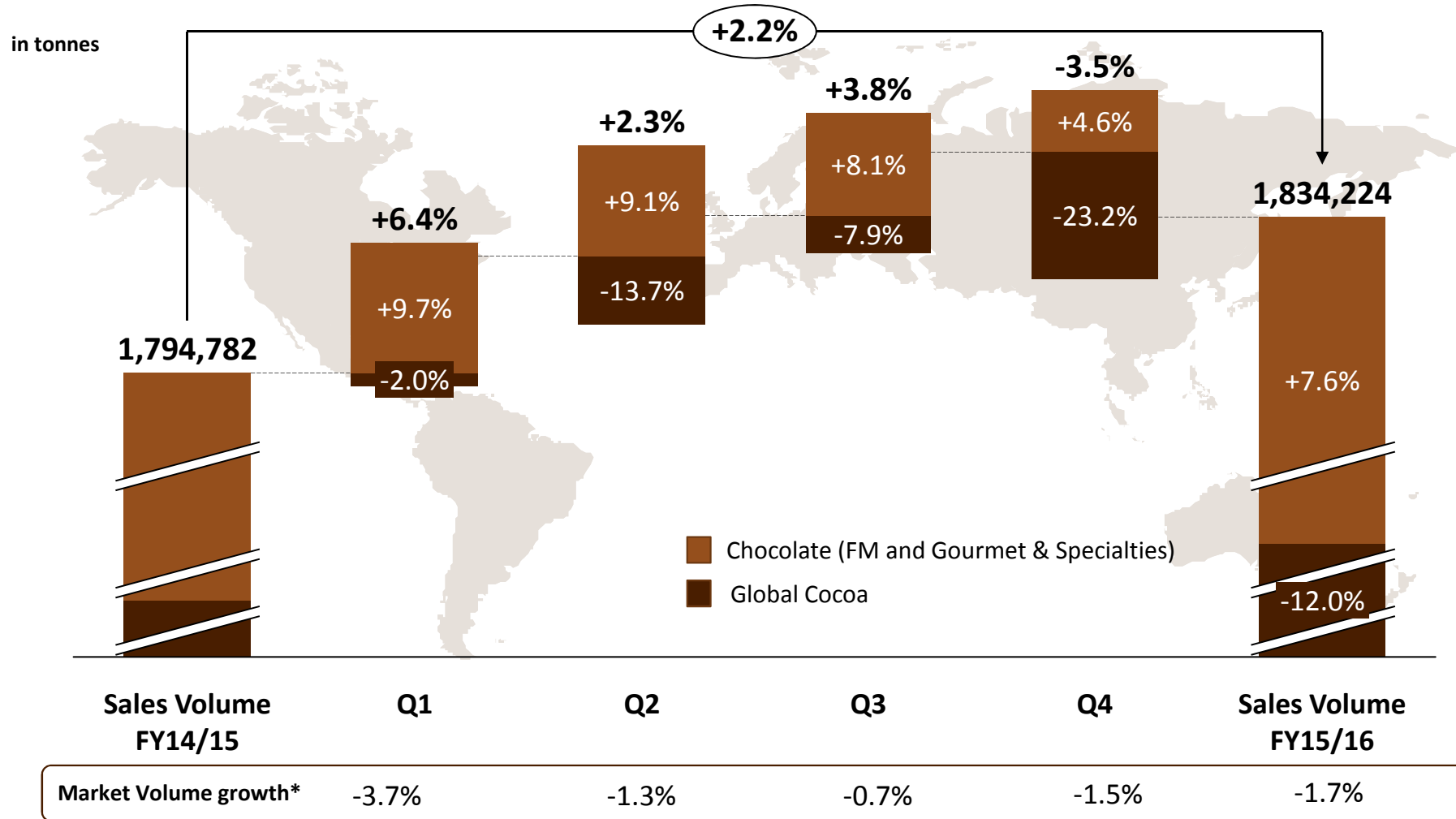
FY results 2015/16

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		

FY results 2015/16

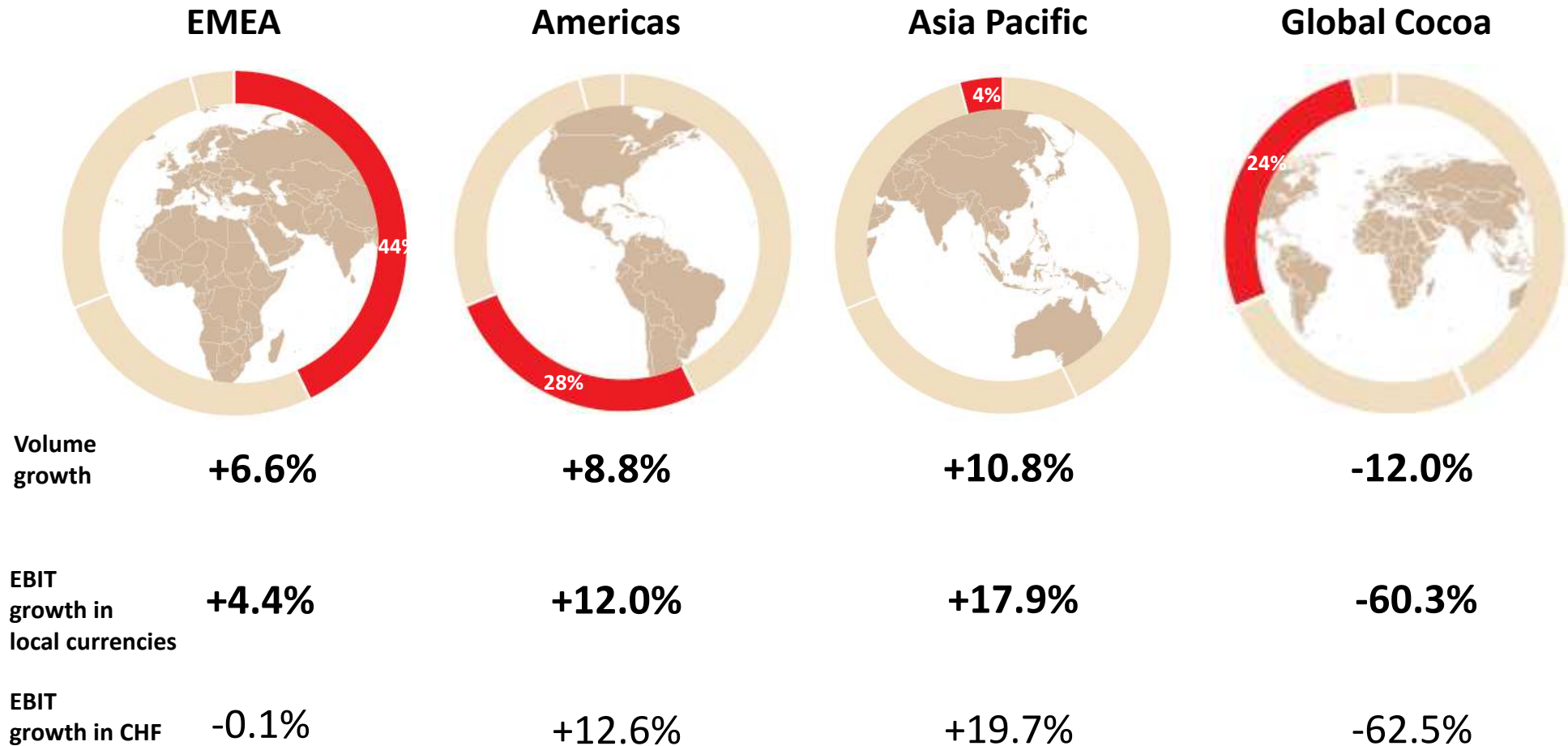
Strong volume growth across all the chocolate Regions, while intentional phase out of less profitable contracts in Global Cocoa



*Source: Nielsen chocolate confectionery in volume – 26 countries

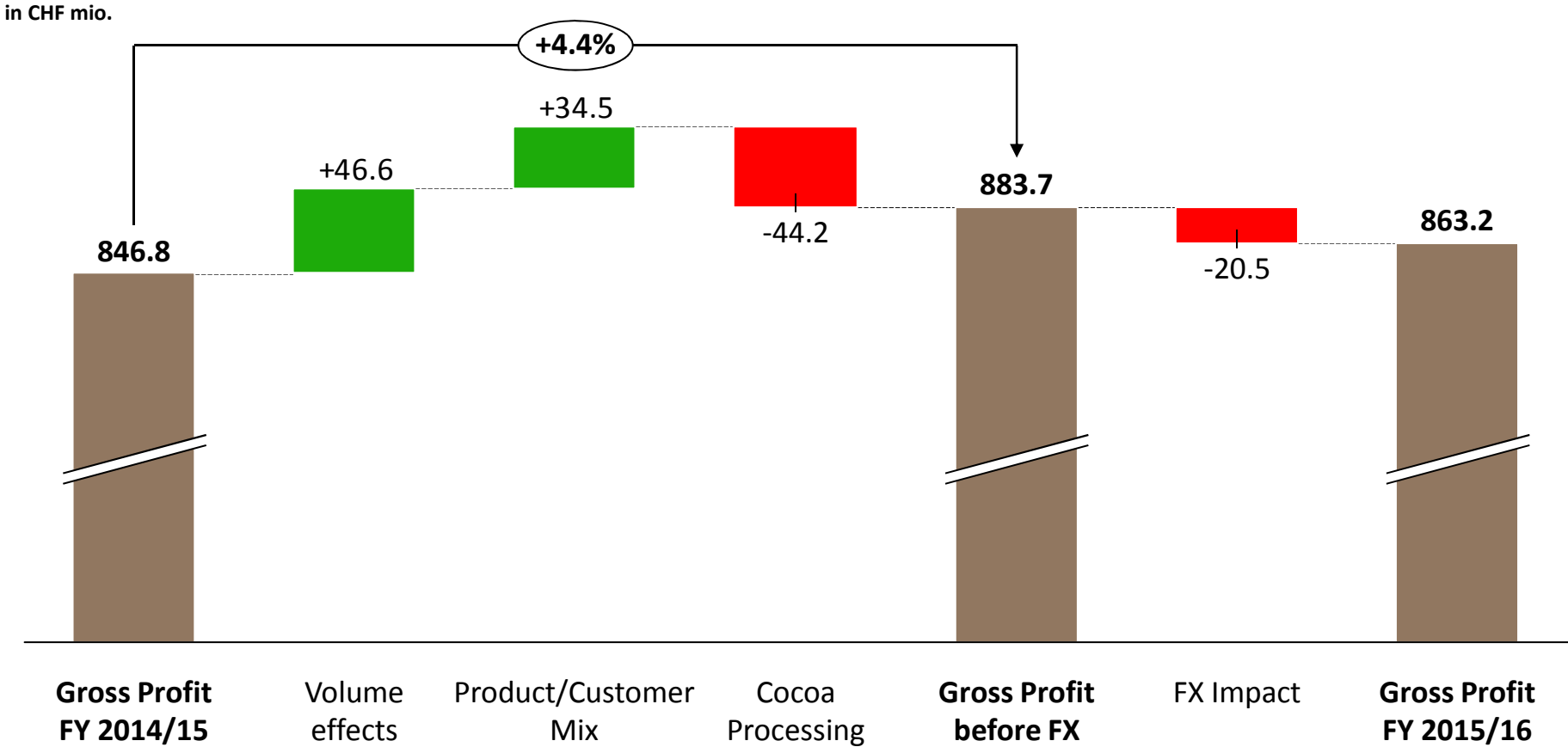
FY results 2015/16

Strong chocolate performance, in Global Cocoa profitability temporarily affected by challenging cocoa products market



Gross Profit FY 2015/16

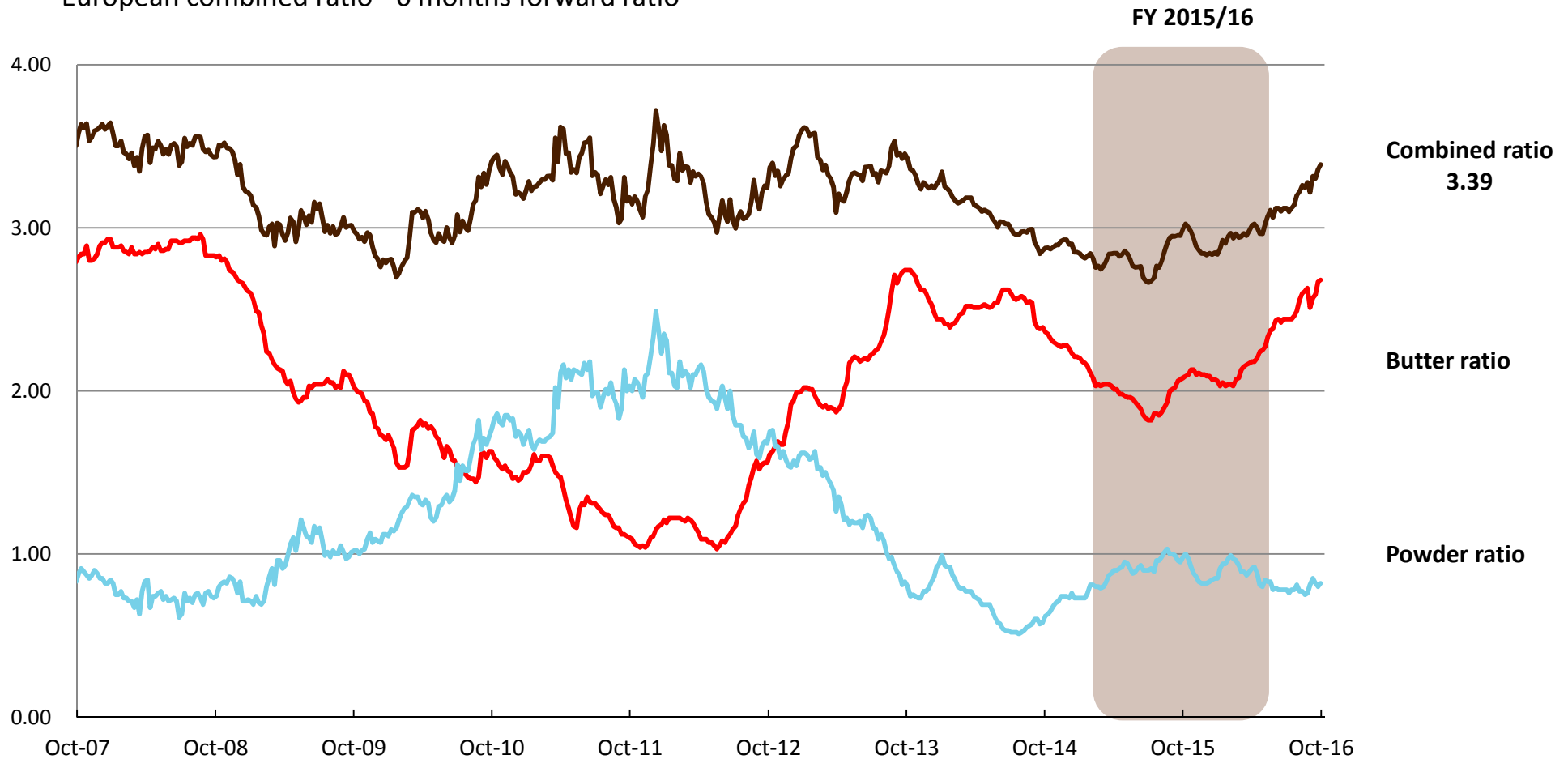
Gross profit up +4.4% before FX impact, driven by positive volume effects, margin mix and despite a historically low combined cocoa ratio



Cocoa processing profitability

Historically low combined cocoa ratio strongly impacted FY 2015/16; recent signs of recovery, albeit with regional differences

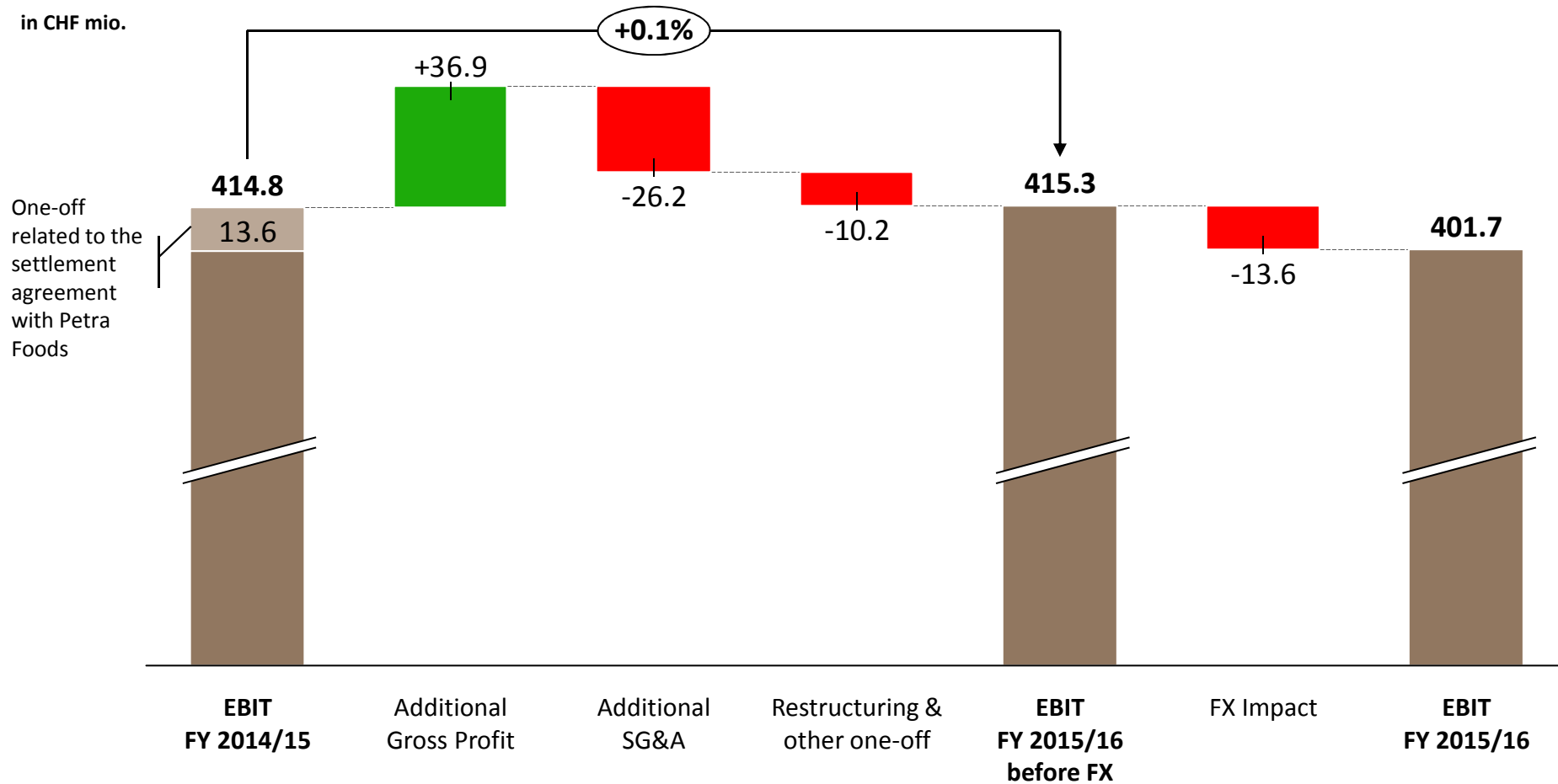
European combined ratio - 6 months forward ratio



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).

EBIT FY 2015/16

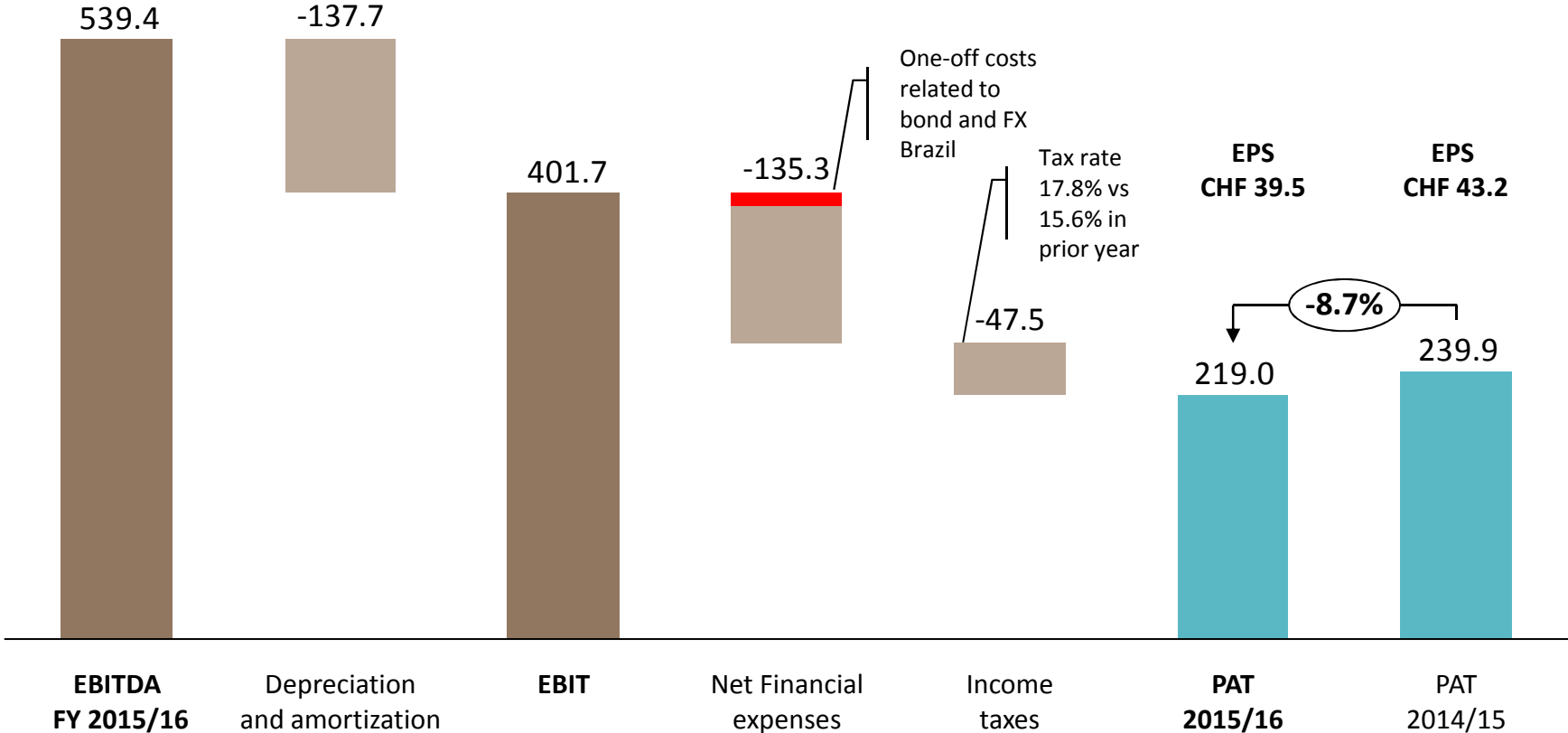
Operating profit flat in local currencies, supported by good product and customer mix, while setting up the path for continued “smart growth”



From EBITDA to Net Profit

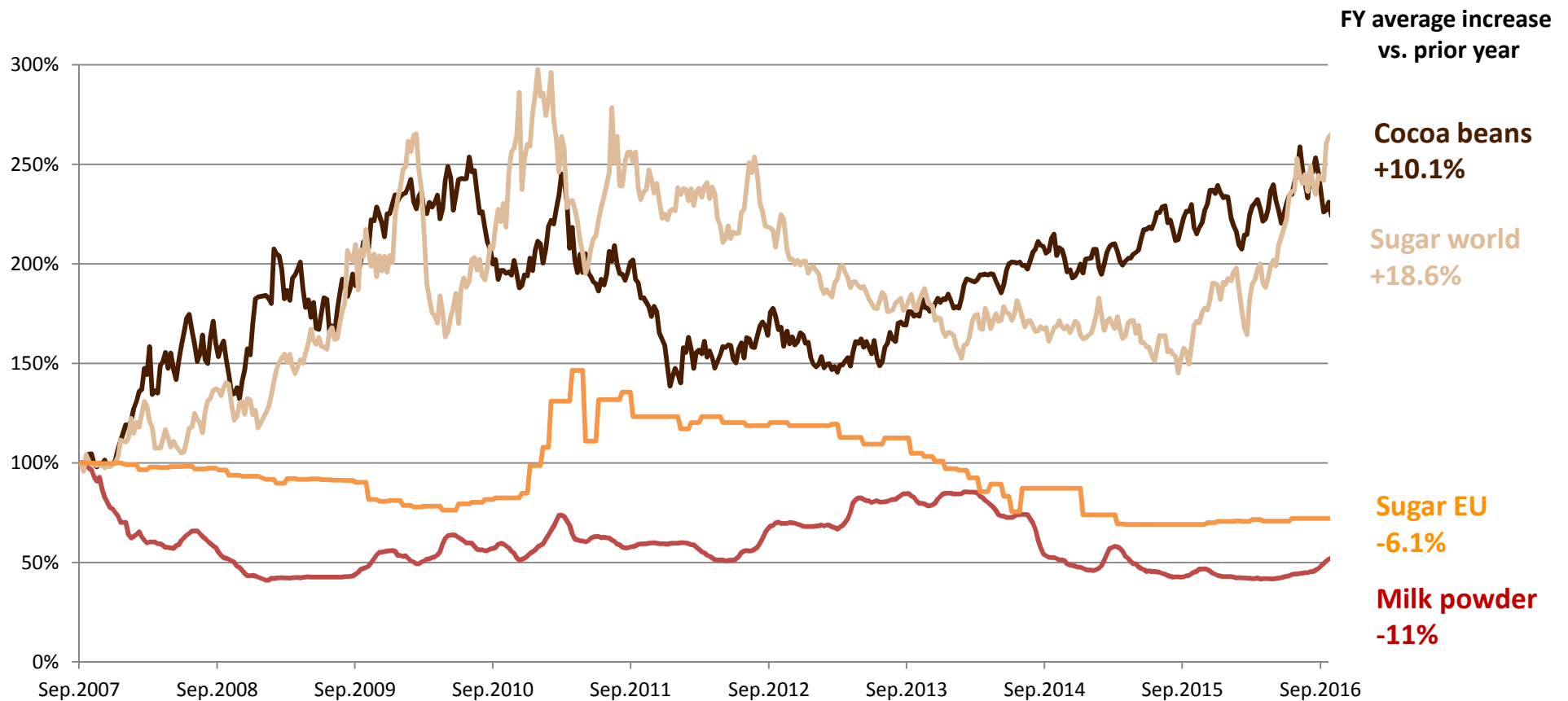
Net Profit down 8.7% in CHF, due to higher financial expenses, as well as higher taxes

in CHF mio.



Raw materials price evolution

Cocoa bean at high levels; world sugar prices increased, milk powder at low levels

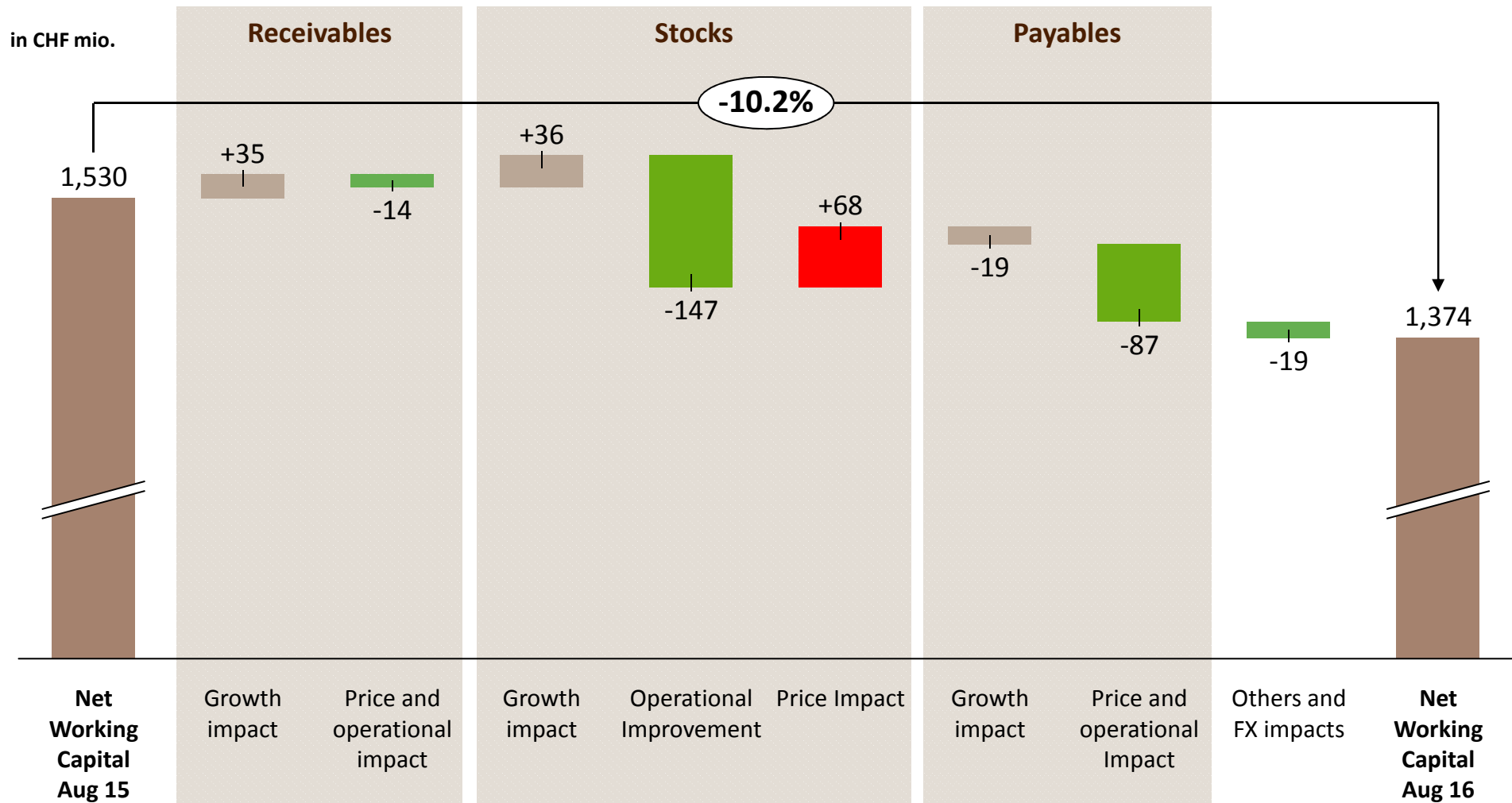


Note: All figures are indexed to Sep 2007

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.

Net Working Capital

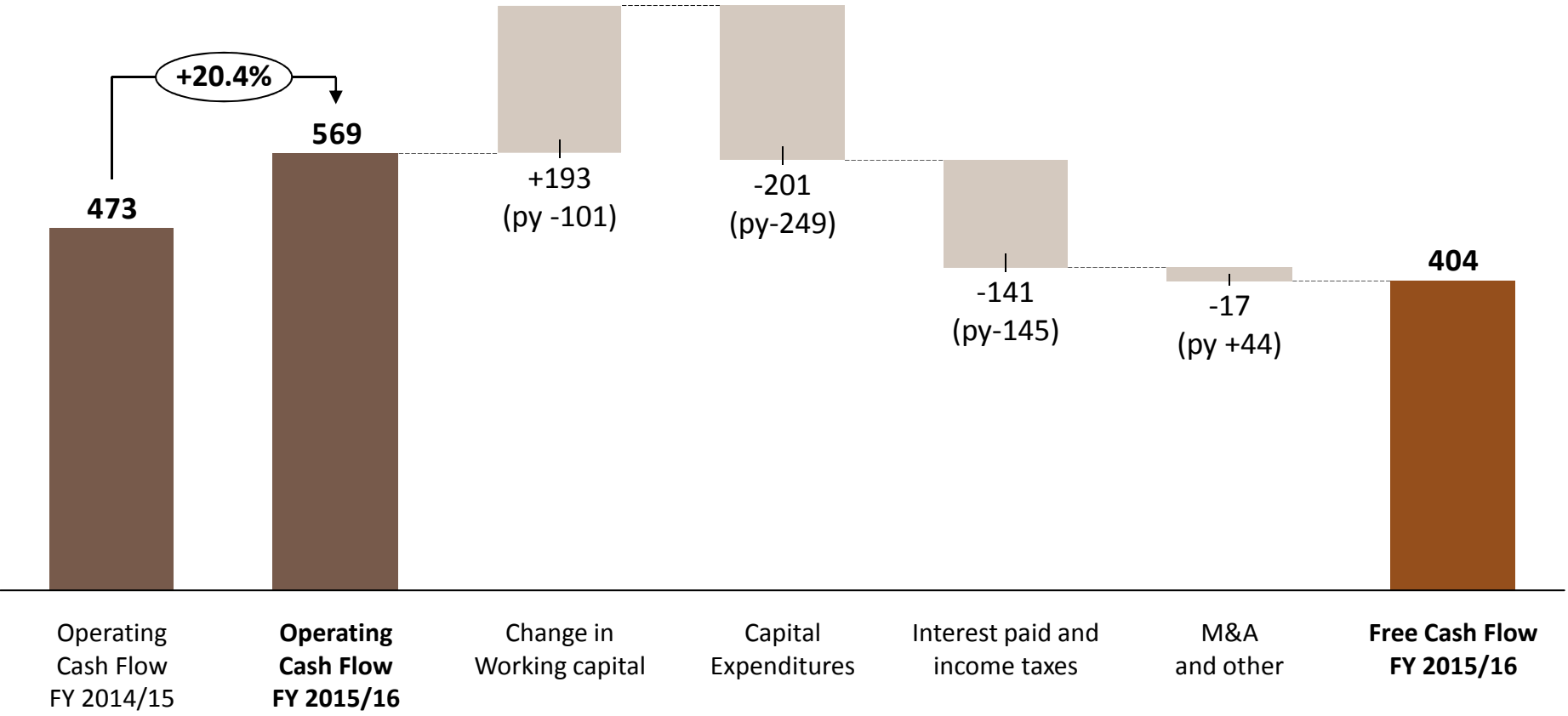
Working Capital below prior year as a result of successful inventory reduction program and positively impacted by one-offs



Free Cash Flow

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

in CHF mio.



Balance Sheet & key ratios

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%

Dividend

Proposed payout of CHF 15.50 per share, up CHF 1.00 per share

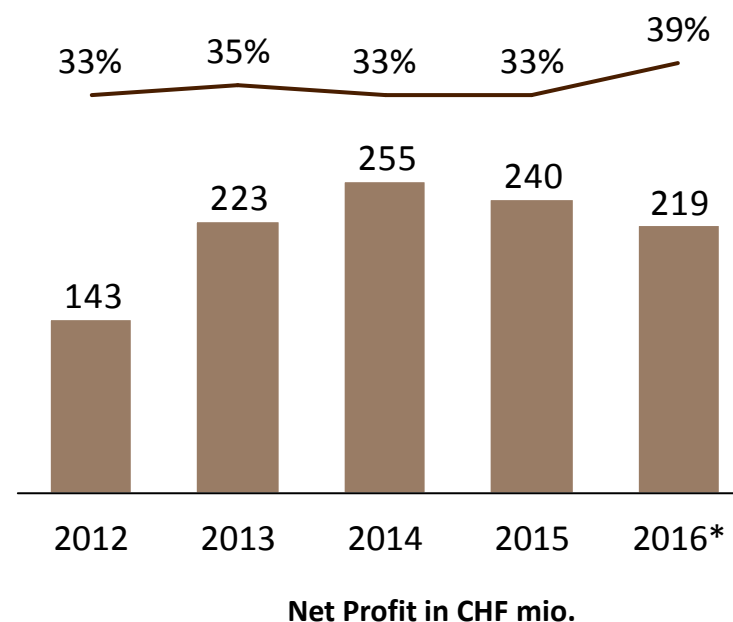
Proposed dividend

- ▶ CHF 15.50 per share¹
- ▶ Payout of 39% of Net Profit
- ▶ Not subject to withholding tax²

Timetable for dividend

- ▶ Shareholder approval: Dec 7, 2016 (AGM)
- ▶ Expected ex-date: Feb 28, 2017
- ▶ Expected payment date: March 2, 2017

Payout ratio



* As proposed by the Board to our Shareholders

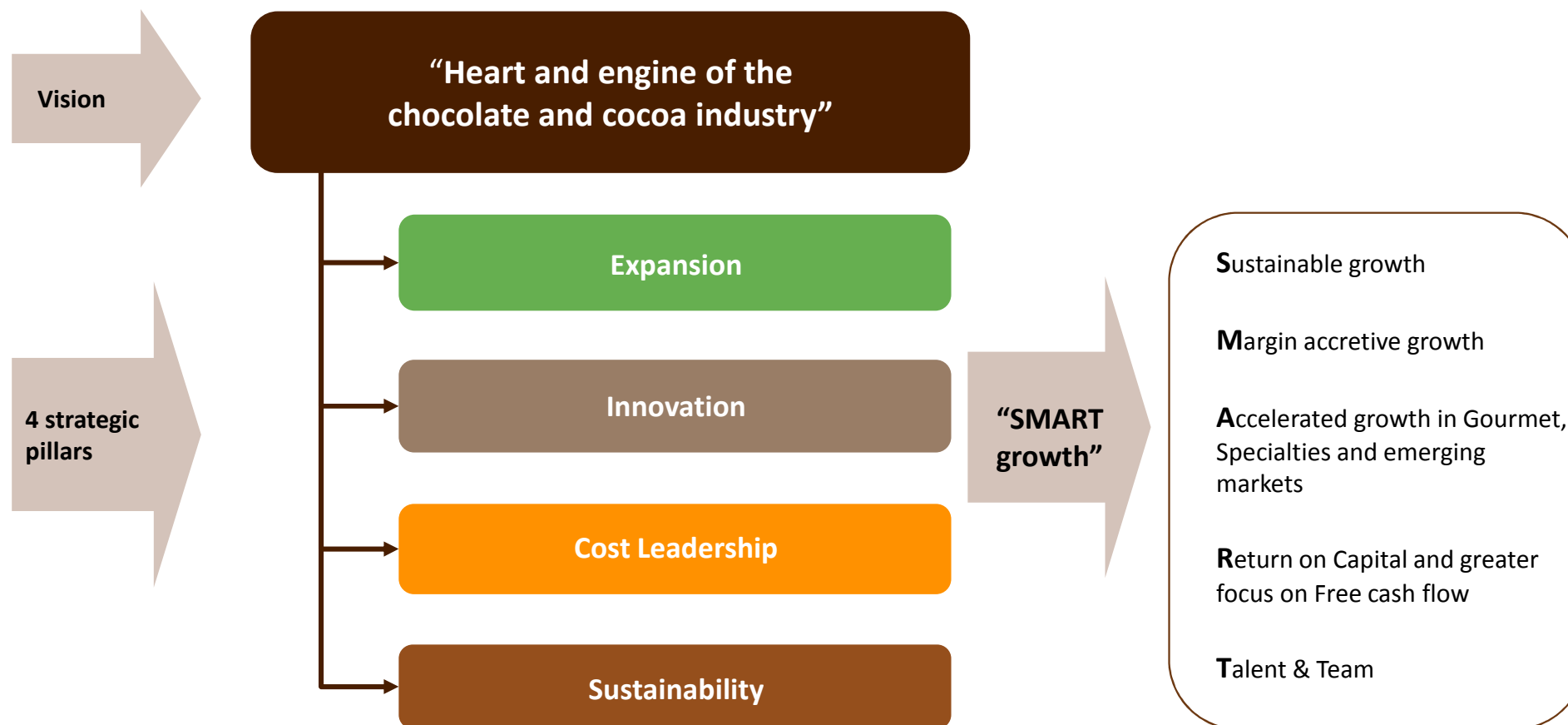
1) Partly from reserves from capital contributions (CHF 4.19 per share) and partly in the form of a capital repayment by way of a par value reduction (CHF 11.31 per share)

2) For individuals who are taxed in Switzerland and hold the shares privately also no income tax

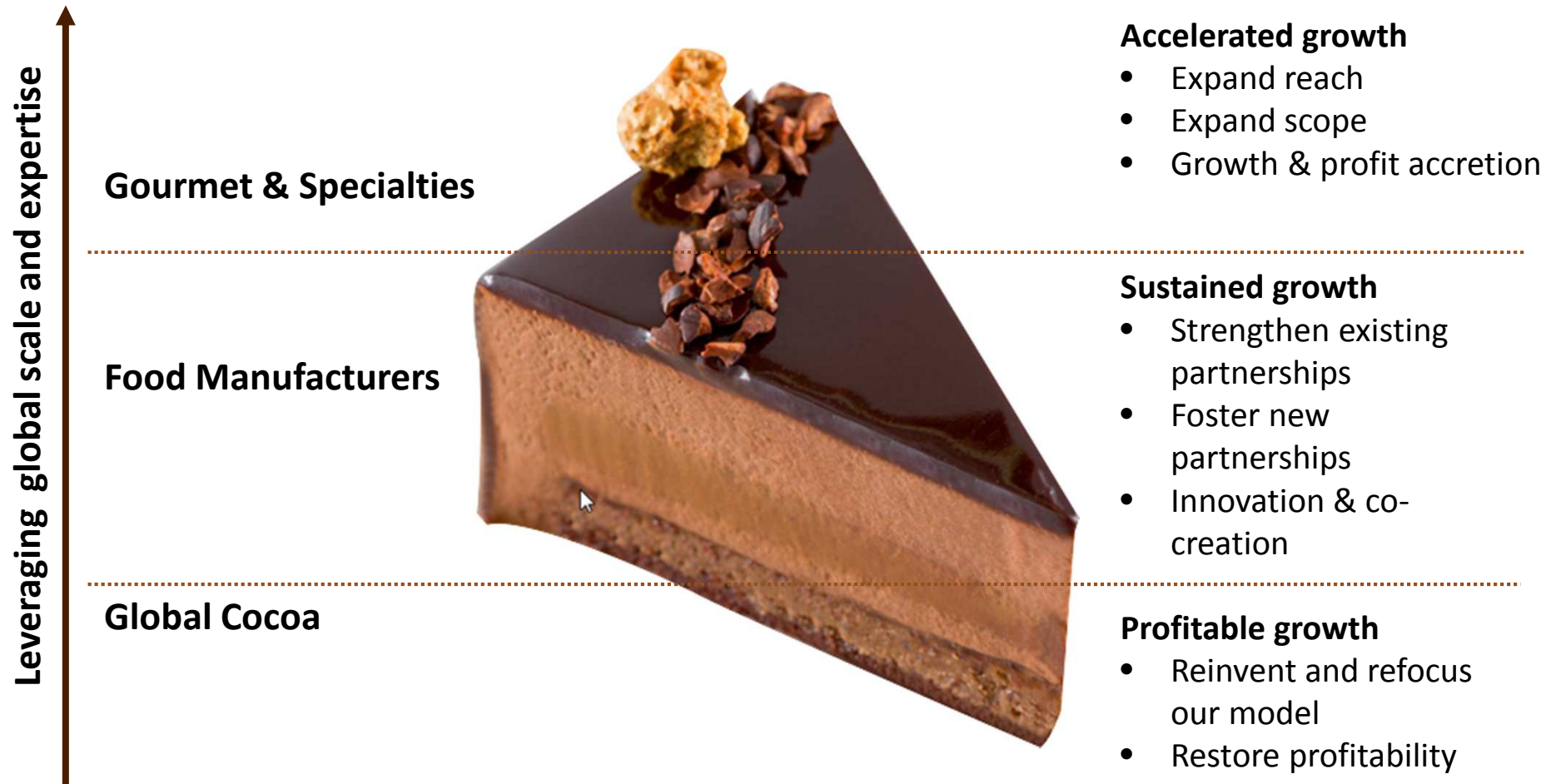
Strategy update & Outlook



Consistent long-term strategy, focus on execution



Execution translated into our Product groups



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