Roadshow presentation – Half-Year Results 2017/18

April 2018
Agenda

- BC at a glance
- Highlights HY 2017/18
- Financial Review HY 2017/18
- Strategy & Outlook
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 connaisseur 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 2016/17

1.9 sales volume in million tonnes

488.2 EBIT in CHF million

6,805.2 sales revenue in CHF million

175 years of chocolate heritage

55 factories worldwide

11,000 employees

Selling to 140 countries

CAGR +5.7% volume growth over 5 years

20 CHOCOLATE ACADEMY™ centers

New type of chocolate created: Ruby chocolate

38,280 chocolate aficionados trained in 2016/17

The 4th

Sustainably sourced cocoa 36%
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 2016/17 Sales Volume: 1.9 million tonnes

Sales Volume per Region

- Asia Pacific: 5%
- Europe: 45%
- Americas: 27%
- Global Cocoa: 23%

Sales Volume per Product Group

- Gourmet & Specialities: 12%
- Cocoa Products: 23%
- Food Manufacturers: 65%

Sales Revenue: CHF 6,805.2 mio.
EBITDA: CHF 638.1 mio.
EBIT: CHF 488.2 mio.
Our business model

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

<table>
<thead>
<tr>
<th>Customers</th>
<th>Pricing model</th>
<th>Profit levers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Food Manufacturers</strong></td>
<td>• Small, medium and Global Food Manufacturers</td>
<td>• Cost Plus</td>
</tr>
<tr>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cocoa Products</strong></td>
<td>• Small, medium and Global Food Manufacturers</td>
<td>• Market prices</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Cost Plus (partly)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gourmet &amp; Specialties</strong></td>
<td>• Professional users, Food Chains, Distributors</td>
<td>• Price list</td>
</tr>
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</tr>
</tbody>
</table>

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.
Where are we present?

A global footprint and a local service: 55 factories worldwide

Cocoa factories in origin countries and chocolate factories close to our customers
HY Results 2017/18

Strong performance in the first six months

- Sales volume growth +8.0%
- Sales revenue of CHF 3.5 billion, -1.8% in local currencies (+0.3% in CHF)
- Operating profit (EBIT)\(^1\) up +20.6% in local currencies (+24.6% in CHF)
- Net profit\(^1\) up +32.9% in local currencies (+37.5% in CHF)
- Mid-term guidance confirmed

\(^1\) On a recurring basis (excluding the one-off impact from comparable prior year period)
HY Results 2017/18

Broad-based volume growth, significantly above the market

Market Volume growth*  
Group HY 2016/17  
Region EMEA  
Region Americas  
Region Asia Pacific  
Global Cocoa  
Group HY 2017/18

*Source: Nielsen chocolate confectionery in volume – 25 countries
April 2018  
HY 2017/18 Roadshow Presentation
Quarterly volume evolution

Exceptional volume growth in the first six months of FY 2017/18

Quarterly volume growth vs prior year

Market Volume growth*

FY growth 15/16  +2.2%
FY growth 16/17  +4.4%

Chocolate (FM and Gourmet & Spec.)
Global Cocoa

Q1 15/16  +6.4%  +9.7%  -2.0%
Q2 15/16  +2.3%  +9.1%  +8.1%  -23.2%
Q3 15/16  +3.8%  +8.1%  -7.9%  -0.4%
Q4 15/16  +4.6%  -8.6%  +4.9%  +7.2%
Q1 16/17  +2.3%  +3.5%  +9.2%  +7.4%
Q2 16/17  +8.2  +12.6%
Q3 16/17  +5.5%  +0.3%  +8.1%
Q4 16/17  +9.0%  +4.8%
Q1 17/18  +8.0%  +4.8%  +9.0%
Q2 17/18  +8.1%  +8.1%

*Source: Nielsen chocolate confectionery in volume – 25 countries
April 2018  HY 2017/18 Roadshow Presentation
Strong volume growth supported by all our key growth drivers

Emerging markets

- Volume growth vs prior year: +11.0%
- % of total Group volume: 35.6%

Long-term outsourcing & strategic partnerships

- Volume growth vs prior year: +8.1%
- % of total Group volume: 33.1%

Gourmet & Specialties

- Volume growth vs prior year: +7.1%
- % of total Group volume: 12.3%

Key growth drivers crucial to continuously outperform the market
Strong double-digit growth in key emerging markets, across different product Groups

**Asia-Pacific**
- Accelerated momentum in Japan
- Expanding our Gourmet distribution via Alibaba

**Africa**
- Started sales of cocoa powder in South Africa
- Developing West-African sales of cocoa powder

**Eastern Europe**
- Good momentum in Russia, Turkey and Balkan States

Further strengthening our footprint, additional chocolate production capacity:
- Region EMEA, North America and Singapore
Integration of bolt-on acquisitions in process

- Integration of D’Orsogna Dolciaria in process
  - Part of Region EMEA as of Oct 2017
  - Capabilities: Multiple technologies (some patented), highly flexible and tailor-made product offering
  - Products: amaretti, meringues, cookies, glazings, toppings, inclusions and other products for ice cream, yogurts, snacks and chocolate decorations

- Integration of Gertrude Hawk Ingredients ongoing
  - Included in Region Americas as of Dec 2017
  - Capabilities: High versatility with one-shot technology, enrobing with two types of coating and panning with double coat
  - Products: Ice cream inclusions and bake-stable filled inclusions
Gourmet & Specialties continues its strong expansion path

Focusing on the core
- Chocolate Hero campaign
- Specialties
- Sustainable cocoa

Innovating and inspiring
- Roll out of Callebaut Gold
- Chocogelato roll out
- Launch Callebaut Ruby RB1

Empowering the artisan
- Online and off-line Chocolate Academy
- Strong social media activities
- Cacao Barry WCM
Our breakthrough innovation Ruby chocolate hits the market
Financial Review
## HY Results 2017/18 – Financial Key Figures

**Strong volume growth translates into a significant improvement of bottom-line performance**

<table>
<thead>
<tr>
<th>Group performance (in CHF mio.)</th>
<th>HY 2017/18 (in CHF)</th>
<th>% vs prior year (in CHF)</th>
<th>% vs prior year (in local currencies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales volume Total (in tonnes)</td>
<td>1’022’565</td>
<td>+8.0%</td>
<td></td>
</tr>
<tr>
<td>Sales revenue</td>
<td>3’549.9</td>
<td>+0.3%</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>553.0</td>
<td>+19.2%</td>
<td>+15.5%</td>
</tr>
<tr>
<td>EBIT Total</td>
<td>276.8</td>
<td>+16.1%</td>
<td>+12.3%</td>
</tr>
<tr>
<td>EBIT recurring</td>
<td>276.8</td>
<td>+24.6%</td>
<td>+20.6%</td>
</tr>
<tr>
<td><em>EBIT per tonne recurring</em></td>
<td>270.7</td>
<td>+15.4%</td>
<td>+11.6%</td>
</tr>
<tr>
<td>Net profit for the year</td>
<td>173.0</td>
<td>+21.7%</td>
<td>+17.6%</td>
</tr>
<tr>
<td>Net profit recurring</td>
<td>173.0</td>
<td>+37.5%</td>
<td>+32.9%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>39.0</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
HY Results 2017/18 – Regions Key Performance Indicators

All regions contributed to the strong performance in the first six months

Group Sales Volume:
1’022’565 tonnes

FY volume growth

EBIT growth in local currencies* 

Underlying market1:

* On a recurring basis (excluding the one-off impact in prior year comparable period)

April 2018
HY 2017/18 Roadshow Presentation
Gross Profit HY 2017/18

Gross Profit up +15.5% before FX impact, driven by strong volume, good product and customer mix and a more supportive market environment

in CHFmio

<table>
<thead>
<tr>
<th>Gross Profit HY 2016/17</th>
<th>Volume effects</th>
<th>Product/Customer Mix</th>
<th>Cocoa Business Improvement</th>
<th>Additional costs due to growth, scope, other</th>
<th>Gross Profit HY 2017/18 before FX</th>
<th>FX Impact</th>
<th>Gross Profit HY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>464.0</td>
<td>+27.9</td>
<td>+28.8</td>
<td>+30.3</td>
<td>-15.2</td>
<td>535.8</td>
<td>+17.2</td>
<td>553.0</td>
</tr>
</tbody>
</table>
Cocoa processing profitability

Combined ratio favourable for HY 2017/18

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 HY 2017/18

Steep increase in operating profit up +20.6% on a recurring basis and before FX impact

in CHF mio

EBIT HY 2016/17

Non-recurring

EBIT HY 2016/17 recurring

Additional Gross Profit

Additional SG&A, scope, other

EBIT HY 2017/18 before FX

FX Impact

EBIT HY 2017/18

238.4

-16.3

222.1

267.8

276.8

+71.8

-26.1

+9.0

+20.6%

+16.1%

April 2018

HY 2017/18 Roadshow Presentation
EBITDA to Net Profit

Net Profit up +37.5% in CHF, as a result of strong profitability and lower financial expenses

In CHF mio

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>359.4</td>
<td>82.6</td>
<td>276.8</td>
<td>49.2</td>
<td>-54.6</td>
<td>173.0</td>
<td>125.8</td>
<td>16.3</td>
<td>142.1</td>
</tr>
</tbody>
</table>

Tax rate: 24.0% vs PY 19.5%. Excl. Tax reform one-time impact ETR would be 19.5%
Lower prices of main raw materials until end of February 2018, cocoa bean prices recently increased

<table>
<thead>
<tr>
<th>Material</th>
<th>HY 2017/18 Average Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sugar world</td>
<td>-27.6%</td>
</tr>
<tr>
<td>Cocoa beans</td>
<td>-22.5%</td>
</tr>
<tr>
<td>Sugar EU</td>
<td>-20.9%</td>
</tr>
<tr>
<td>Milk powder</td>
<td>-27.8%</td>
</tr>
</tbody>
</table>

Note: All figures are indexed to Feb 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.
Robust Free Cash Flow generated from higher profitability, lower working capital requirements and discipline on Capital Expenditures

in CHF mio.
### Solid Balance Sheet, focus on improvement of key financial ratios

<table>
<thead>
<tr>
<th>(in CHF mio)</th>
<th>Feb-18</th>
<th>Aug-17</th>
<th>Feb-17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Assets</strong></td>
<td>6,187</td>
<td>5,534</td>
<td>5,912</td>
</tr>
<tr>
<td><strong>Net Working Capital</strong></td>
<td>1,175</td>
<td>1,130</td>
<td>1,398</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td>2,547</td>
<td>2,458</td>
<td>2,378</td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>1,208</td>
<td>1,111</td>
<td>1,455</td>
</tr>
<tr>
<td><strong>Shareholders’ Equity</strong></td>
<td>2,218</td>
<td>2,179</td>
<td>2,022</td>
</tr>
<tr>
<td><strong>Debt / Equity ratio</strong></td>
<td>54.5%</td>
<td>51.0%</td>
<td>72.0%</td>
</tr>
<tr>
<td><strong>Solvency ratio</strong></td>
<td>35.8%</td>
<td>39.4%</td>
<td>34.2%</td>
</tr>
<tr>
<td><strong>Net debt / EBITDA</strong>*</td>
<td>1.9x</td>
<td>1.8x</td>
<td>3.6x</td>
</tr>
<tr>
<td><strong>ROIC</strong>*</td>
<td>12.1%</td>
<td>11.5%</td>
<td>10.7%</td>
</tr>
<tr>
<td><strong>ROE</strong>*</td>
<td>15.7%</td>
<td>13.1%</td>
<td>13.5%</td>
</tr>
</tbody>
</table>

* On a recurring basis (excluding the one-off impact in prior year comparable period)
Strategy & Outlook
Consistent long-term strategy, continued focus on execution

Vision

4 strategic pillars

“Heart and engine of the chocolate and cocoa industry”

Expansion

Innovation

Cost Leadership

Sustainability

“Smart growth”

Sustainable growth

Margin accretive growth

Accelerated growth in Gourmet, Specialties and emerging markets

Return on Capital and greater focus on Free cash flow

Talent & Team
Focus on further commercializing our innovations and expanding our value-adding portfolio across all our Product Groups

**Gourmet & Specialties**
- Callebaut Gold, leveraging on our global R&D and expanding the product range to artisans

**Food Manufacturers**
- Global approach to Specialties and Decorations, leveraging scale
- Value adding chocolate: e.g. high fiber, low sugar, sustainable

**Global Cocoa**
- Continued focus on Specialty cocoa powders (e.g. Bensdorp)
Continuous progress made in Sustainability

- First progress report published December 2017
  - 36% of sustainable cocoa
  - 98% of our palm oil is traceable to mill level

- Signatory to the Cocoa & Forest Initiative Framework for Action in November 2017

- Forever Chocolate Pilots
  - Purpose is to accelerate the impact in sustainable cocoa production
  - First pilot launched in Indonesia – Feb 2018
  - 5 pilots in total are planned
  - Partnering with Wageningen University & Research
Going digital with customer focus

- **Online Chocolate Academy**
  - Offer expert chocolate education for chefs, by chefs. Interactive video courses – techniques – recipes – community
  - Go-live in Summer 2018

- **Customer portal**
  - With the “My BC” customer portal, we will offer an improved experience through a 24/7 self-service channel, including: consulting online contracts, orders, invoices, certificates and technical sheets.

- **Online Gourmet sales**
  - Through our partnership with Alibaba we will reach more professional users for our Gourmet products in particular in Asia
Operational excellence across different functions to drive efficiencies and value added activities

FOX
- Focus on harmonization and automation of Finance key processes
- Definition of an operating model for Finance that allows resources to focus on business partnering
- Clear roles and career paths defined for Finance people

Cocoa Leadership
- Embedding cocoa leadership practices in the daily business
- Building the learnings from the project and start creating a culture of continuous process improvement
- Enable leverage in the organization
Good portfolio visibility and diligent execution of ‘smart growth’ strategy. Mid-term guidance confirmed

Outlook

- We continue to see healthy market dynamics, despite increasing cocoa bean prices. We have good visibility on our portfolio.

Mid-term guidance (2015/16 – 2018/19) confirmed

- Average volume growth 4-6%
- EBIT growth on average above volume growth\(^1\)

\(^1\) In local currencies and barring any major unforeseen events
TO THE POINT.
JOIN THE CONVERSATION.

International conference for senior business leaders and key stakeholders in the cocoa and chocolate industry

www.chocovision.ch
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
### Chocolate confectionery market development – Nielsen data

<table>
<thead>
<tr>
<th>Region</th>
<th>Market Share</th>
<th>2012-17 Average</th>
<th>2018 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>22%</td>
<td>0.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>33%</td>
<td>0.0%</td>
<td>1.8%</td>
</tr>
<tr>
<td>EEMEA</td>
<td>24%</td>
<td>-0.6%</td>
<td>5.3%</td>
</tr>
<tr>
<td>South America</td>
<td>7%</td>
<td>-1.2%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>14%</td>
<td>4.4%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

Source, growth: Nielsen chocolate confectionery in volume – 25 countries, up to January 2018
Source regional market shares: Euromonitor

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Our market and opportunities ahead

Global Chocolate confectionery volume growth vs cocoa bean price

Growing economies with still low chocolate consumption per capita

Forecast volume growth per application 2017-2022

Sources: Euromonitor, IMF & Global Bank

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Chocolate and Cocoa markets

Barry Callebaut uniquely positioned in industrial chocolate and cocoa markets

<table>
<thead>
<tr>
<th>Cocoa grinding capacity</th>
<th>Industrial chocolate – open market</th>
</tr>
</thead>
<tbody>
<tr>
<td>BC</td>
<td>BC</td>
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<tr>
<td>Cargill</td>
<td>Cargill</td>
</tr>
<tr>
<td>Olam</td>
<td>Blommer</td>
</tr>
<tr>
<td>Ecom Cocoa</td>
<td>Fuji Oil</td>
</tr>
<tr>
<td>Blommer</td>
<td>Cémoi</td>
</tr>
<tr>
<td>Guan Chong</td>
<td>Puratos</td>
</tr>
<tr>
<td>Mondelez</td>
<td>Clasen</td>
</tr>
<tr>
<td>BT Cocoa</td>
<td>Ircia</td>
</tr>
<tr>
<td>Nestlé</td>
<td>Schokinag</td>
</tr>
<tr>
<td>JB Foods</td>
<td>Guittard</td>
</tr>
<tr>
<td>Others</td>
<td>Others</td>
</tr>
</tbody>
</table>

**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 (16/17): 4,748 TMT

- About 70% of total cocoa beans come from West Africa
- BC processed ~925,000 tonnes or approximately 20% of the world crop
- Barry Callebaut has various cocoa processing facilities in origin countries*, in Europe and in the USA

Source: ICCO estimates
8-year EBIT per tonne development

Increase in EBIT per MT thanks to more favorable cocoa processing margin and improvement of product and customer mix

Volume in kMT

EBIT per tonne in CHF (as reported)
EBIT per tonne in CHF (at constant currencies)
12 months – CAPEX

Capital Expenditures

in CHF mio.

CAPEX as % of sales revenue

2012/13: 224
2013/14: 249
2014/15: 249
2015/16: 201
2016/17: 220
2017/18 E: 240

Additional growth
IT
Upgrade / efficiency gains existing sites
Maintenance

April 2018

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Enough headroom for further growth and raw material price fluctuations

As of February 28, 2018

### Available Funding Sources

- **CHF 4,147 mio**
  - ABS
  - CHF 959 mio Various uncommitted facilities
  - EUR 600 mio Domestic Commercial Paper Programme

- **CHF 1,600 mio**
  - Various Bilateral LT Loans
  - Maturity 2022: EUR 750 mio Syndicated Bank Loan (13 banks)
  - Maturity 2021: EUR 250 mio 5.625% Senior Notes
  - USD 400 mio 5.5% Senior Notes
  - Maturity 2023: EUR 450 mio 2.375% Senior Notes

### Actual

- **CHF 1,600 mio**
  - ABS
  - Short-term
  - Long-term
  - Cash & cash equivalents

**Maturity Dates:**
- Maturity 2021
- Maturity 2022
- Maturity 2023
- Maturity 2024

**As of February 28, 2018**

**April 2018**

**HY 2017/18 Roadshow Presentation**
Liquidity – Debt maturity profile

As of February 28, 2018

in CHF mio

<table>
<thead>
<tr>
<th>Year</th>
<th>Uncommitted lines</th>
<th>Committed lines</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cash</td>
<td>2019</td>
</tr>
<tr>
<td>2018</td>
<td>352</td>
<td>2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2021</td>
</tr>
<tr>
<td></td>
<td>212</td>
<td>2022</td>
</tr>
<tr>
<td></td>
<td>172</td>
<td>2023</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2024</td>
</tr>
<tr>
<td></td>
<td></td>
<td>862</td>
</tr>
</tbody>
</table>

- Cash and revolving credit facility (undrawn)
- Short-term facilities
- Bonds