Roadshow presentation
HY2018/19 Result
April 2019
AGENDA

- BC at a glance
- Highlights HY 2018/19
- Financial Review HY 2018/19
- Strategy & Outlook
- Appendix
BC at a glance
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

- **Jacobs Holding long-term** major shareholder with 50.1% of the outstanding shares.

Today, the **world's leading manufacturer** of high-quality **chocolate** and **cocoa** products

Barry Callebaut is in 25% of all consumer products containing cocoa or chocolate
BC at a glance - What do we do?

**We are present in the key parts of the cocoa and chocolate value chain**
BC at a glance - This is Barry Callebaut

“Shaping the world of chocolate and cocoa”

**FY 2017/18**

- **First time over**
  - 2 million sales volume in tonnes
- **554.0** EBIT in CHF million
- **6,948.4** sales revenue in CHF million
- **59** factories worldwide
- **140** countries
- **20 years** listed on the SIX Swiss Exchange
- **21** CHOCOLATE ACADEMY™ Centers
- **More than** 40,000 chocolate aficionados trained in 2017/18

- More than 175 years of chocolate heritage
- More than 11,500 employees
- New type of chocolate created: Ruby chocolate
- The 4th
- Sustainably sourced cocoa beans 44%

Roadshow presentation HY2018/19
BC at a glance - What do we offer?

A broad offering from standard to the most premium products

Cocoa Products

Food Manufacturers

Gourmet & Specialties
BC at a glance - how are we organized?

Our Regional and Product split

Sales Volume by Region

- Americas: 27%
- EMEA: 46%
- Global Cocoa: 22%
- Asia Pacific: 5%

Sales volume by Product Group

- Gourmet & Specialties: 12%
- Cocoa Products: 22%
- Food Manufacturers: 66%

Full-Year 2017/18:
- Sales Volume: 2.0 million tonnes
- Sales Revenue: CHF 6,948.4 m
- EBITDA: CHF 728.3 m
- EBIT: CHF 554.0 m

8  Roadshow presentation HY2018/19
We apply a cost plus approach to the majority of our business

<table>
<thead>
<tr>
<th>BC at a glance - business model</th>
</tr>
</thead>
</table>

### Customers

- **Food manufacturers**: 66%*
  - Small, medium
  - Global Food Manufacturers

- **Global Cocoa**: 22%*
  - Small, medium
  - Global Food Manufacturers

- **Gourmet & Specialties**: 12%*
  - Professional users, Food Chains, Distributors, HORECA

### Pricing model

- **Cost Plus**
  - Market prices
  - Cost Plus (partly)

### Profit levers

- Customer mix
- Product mix
- Economies of scale
- Global set-up
- Customer/product mix
- Combined ratio
- Expansion global brands
- Adjacent products
- Innovation/Sustainability

---

*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

---

Roadshow presentation HY2018/19
A global footprint and local service: 60 factories worldwide

Cocoa factories in countries of origin and chocolate factories close to our customers. With our 22 Chocolate Academies worldwide we are at the pulse of any trends in the industry.
Highlights

HY2018/19
• Sales volume up +2.4% on top of a strong prior year base

• Acceleration in Q2 to +3.1%

• Sales revenue of CHF 3.7 bn, +6.0% in local currencies (+3.5% in CHF)

• Operating profit (EBIT) up +12.4% in local currencies (+8.9% in CHF)

• Net Profit up +18.8% in local currencies (+15.1% in CHF). Net profit adjusted\(^1\) +12.3% in local currencies (+8.7% in CHF)

• On track to deliver on current mid-term guidance\(^2\)

\(^1\) prior year adjusted for one-time non-cash expense related to tax reforms in Belgium and the US

\(^2\) 2015/16-2018/19 on average: +4-6% volume growth and EBIT growth above volume barring any major unforeseen events
Highlights HY Results 2018/19

+2.4% volume growth, accelerating growth momentum driven by chocolate

FY 2016/17 +4.4%

FY 2017/18 +6.3%

HY 2018/19 +2.4%

Market Volume growth*

-2.3% -1.4% +2.3% +2.2% +3.1% +1.7% +2.2% +1.3% +1.4% +1.5%

* Source: Nielsen chocolate confectionery in volume Aug 2018 to Jan 2019 – 25 countries

13  Roadshow presentation HY2018/19
Highlights HY Results 2018/19

Key growth drivers gaining momentum

% of total Group volume

Volume growth Vs prior year

34% Emerging Markets

+4.6% Ex cocoa

+7.4%

33% Outsourcing Long-term Partnerships

+2.8%

12% Gourmet & Specialties

+4.1% Ex Beverages

+6.8%

Key growth drivers crucial to continuously outperform the market
Continued expansion around the globe

Acquisition of Inforum in Russia
• A leading B2B chocolate manufacturer in Russia
• Acquisition closed in January 2019

Long-term supply agreement with Burton’s
• Supply started in December 2018
• Expand production capacity in UK

New Global Packaging Center in Halle, Belgium
• Services Gourmet customers across the world
• Strengthens supply chain in growing Gourmet business.

Opening of new Chocolate Academy’s
• New offices and second Chocolate Academy in Beijing, China – the 22nd one globally
• Opening of relocated Chocolate Academy in Istanbul, Turkey

Healthy outsourcing pipeline
• More volumes coming on stream in 2H 2018/19
Roadshow presentation HY2018/19

Ruby goes global!

- Ruby 1st year anniversary
- Introduced by more than 20 brands
- Available in over 40 markets
- Launch of rubychocolate.com crowdsourced platform
Innovation - there is much more going on!

- **Dairy-free**: launch of Magnum Vegan, with dairy-free chocolate
- **Sweet solutions**: we are the largest producer of sugar-reduced chocolate products
- **Shaping experiences**: leverage the knowhow of D’Orsogna and Gertrude Hawk in decorations and inclusions
- **Tailor made**: allows chefs to customize their own chocolate recipe from a selection of the best cocoa beans from around the world
### Financial Key Figures

**Profit growing above volume growth**

<table>
<thead>
<tr>
<th>Group performance (in CHF mio)</th>
<th>HY 2018/19</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>1,046,695</td>
<td>+2.4%</td>
<td>n/a</td>
</tr>
<tr>
<td>Sales revenue</td>
<td>3,672.7</td>
<td>+3.5%</td>
<td>+6.0%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>584.8</td>
<td>+5.7%</td>
<td>+8.5%</td>
</tr>
<tr>
<td>EBIT Total</td>
<td>301.4</td>
<td>+8.9%</td>
<td>+12.4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT per tonne</td>
<td>288</td>
<td>+6.4%</td>
<td>+9.8%</td>
</tr>
<tr>
<td>Net profit for the period</td>
<td>199.1</td>
<td>+15.1%</td>
<td>+18.8%</td>
</tr>
<tr>
<td>Adj. Net profit for the period $^1$</td>
<td>199.1</td>
<td>+8.7%</td>
<td>+12.3%</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>-140.6</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Adj. Free Cash Flow $^2$</td>
<td>-31.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$^1$ PY Net profit for the period included a CHF 10.1m impact from the tax reforms in Belgium and the US

$^2$ Adjusted for cash flow effect of cocoa beans regarded as readily marketable inventories (RMI), by the Group
All Regions contributed to volume growth and profitability

Group Sales Volume: 1,046,695 tonnes

- Americas: 281,204 tonnes (HY volume growth +5.8%) (EBIT growth in local currencies +8.5%)
- EMEA: 480,721 tonnes (HY volume growth +2.0%) (EBIT growth in local currencies +6.1%)
- APAC: 57,192 tonnes (HY volume growth +5.7%) (EBIT growth in local currencies +10.8%)
- Global Cocoa: 227,578 tonnes (HY volume growth -1.7%) (EBIT growth in local currencies +22.5%)

* Source: Nielsen chocolate confectionery in volume Aug 2018 to Jan 2019 – 25 countries
Gross Profit

Gross profit up +8.5% in local currencies, driven by good product mix and a supportive market environment

In CHF millions
Cocoa Combined Ratio remains at a healthy level

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

**Strong increase in operating profit by +12.4% in local currencies**

In CHF millions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>277</td>
<td>+47</td>
<td>+12.4%</td>
<td>311</td>
<td>-13</td>
<td>301</td>
</tr>
</tbody>
</table>
Net Profit up +15.1% in CHF, as a result of good profitability

In CHF millions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>387 (+7.6%)</td>
<td>-85 (-3.4%)</td>
<td>301 (+8.9%)</td>
<td>-55 (-11.2%)</td>
<td>-48 (+12.9%)</td>
<td>199</td>
<td>183</td>
<td>10</td>
<td>173</td>
</tr>
</tbody>
</table>

Tax rate: 19.3% vs PY 19.5% (excl. non-recurring tax impact)

+8.7% (+12.3% in LC)
Price increases mainly in Sugar and Dairy during the first half. On average Cocoa bean price also increased.

Raw material prices

- Sugar World +13.7%
- Milk powder +17.7%
- Cocoa beans -0.3%
- Sugar EU +37.3%
Adjusted Free Cash Flow CHF -31 million on back of higher inventory catering for future volume growth

In CHF millions (6 month rolling)
Financial Review

Net Debt mostly increased due to IFRS 15 related higher working capital and earlier dividend payment

In CHF millions
### Financial Key Figures

#### Balance Sheet

<table>
<thead>
<tr>
<th>(in CHF millions)</th>
<th>Feb 2019</th>
<th>Aug 18 Pro forma(^1)</th>
<th>Feb 18 Pro forma(^1)</th>
<th>Aug 18</th>
<th>Feb 18(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>6,820.4</td>
<td>6,169.0</td>
<td>6,444.3</td>
<td>5,832.0</td>
<td>6,105.9</td>
</tr>
<tr>
<td>Net Working Capital</td>
<td>1,762.1</td>
<td>1,403.4</td>
<td>1,426.1</td>
<td>1,074.4</td>
<td>1,087.7</td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td>2,639.9</td>
<td>2,506.5</td>
<td>2,566.5</td>
<td>2,505.5</td>
<td>2,566.5</td>
</tr>
<tr>
<td>Net Debt</td>
<td>1,769.6</td>
<td>1,409.3</td>
<td>1,546.8</td>
<td>1,074.3</td>
<td>1,208.4</td>
</tr>
<tr>
<td>Adj. Net Debt(^3)</td>
<td>837.7</td>
<td>616.0</td>
<td>743.3</td>
<td>616.0</td>
<td>743.3</td>
</tr>
<tr>
<td>Shareholders' Equity</td>
<td>2,383.9</td>
<td>2,265.8</td>
<td>2,150.0</td>
<td>2,269.8</td>
<td>2,150.0</td>
</tr>
<tr>
<td>Debt / Equity ratio</td>
<td>74.2%</td>
<td>62.2%</td>
<td>71.9%</td>
<td>47.3%</td>
<td>56.2%</td>
</tr>
<tr>
<td>Adj. Debt / Equity ratio</td>
<td>35.1%</td>
<td>27.2%</td>
<td>34.6%</td>
<td>27.2%</td>
<td>34.6%</td>
</tr>
<tr>
<td>Solvency ratio</td>
<td>35.0%</td>
<td>36.7%</td>
<td>33.4%</td>
<td>38.9%</td>
<td>35.2%</td>
</tr>
<tr>
<td>Net Debt / EBITDA</td>
<td>2.0x</td>
<td>1.9x</td>
<td>2.4x</td>
<td>1.5x</td>
<td>1.9x</td>
</tr>
<tr>
<td>Adj. Net Debt / EBITDA(^3)</td>
<td>1.0x</td>
<td>0.8x</td>
<td>1.3x</td>
<td>0.8x</td>
<td>1.3x</td>
</tr>
<tr>
<td>ROIC</td>
<td>12.5%</td>
<td>12.2%</td>
<td>11.2%</td>
<td>13.3%</td>
<td>12.3%</td>
</tr>
<tr>
<td>ROE</td>
<td>16.9%</td>
<td>15.7%</td>
<td>16.0%</td>
<td>15.7%</td>
<td>16.0%</td>
</tr>
</tbody>
</table>

\(^1\) Pro forma adjusted for IFRS 15 effect

\(^2\) See Half-Year Report 2018/19, Summary of Accounting policies – restatement and reclassification

\(^3\) Net Debt adjusted for cocoa beans considered as RMI
Strategy & Outlook
Consistent long-term strategy – evolving execution

Vision

“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
Strategy
Pursuing the momentum

Innovation

- Drive **premium** range in **Cocoa powders**
- **Leverage Innovation** across segments
  - Callebaut Ruby RB1, Caramel doré
  - Sugar-reduced solutions
- **Leverage portfolio** of Gertrude Hawk and d’Orsogna

Expansion

- Integration of **Inforum** in Russia, **complementary product** and **customer base** in 2nd largest chocolate confectionery market worldwide.
- **Garudafoods** additional **outsourcing** contract coming on stream H2 2018/19
- Further **expansion** of **Chocolate Academy Centers** worldwide
- Africa SACO **capacity expansion**. Africa chocolate market potential untapped
Leading on carbon disclosure
• Barry Callebaut’s efforts to reduce its carbon footprint awarded A- score by the Carbon Disclosure Project (CDP)
• Ranking in top 6% of over 7,000 companies rated

Cocoa and Forests Initiative: Barry Callebaut publishes its Action Plan
• By end 2019, 100% of farms and warehouses in direct supply chain mapped in Côte d’Ivoire and Ghana to ensure no sourcing from protected forest areas
• Until 2022, distribute over 600,000 trees for cocoa farmer crop diversification
• Until 2022, thousands of farmers trained on good agricultural practices
Schuldschein issue strengthens our debt structure

- Average tenor is 7.8 years and has extended the overall Group maturity to 5.5 years
- Attractive interest rate of 1.65% lowering average cost of long-term debt
- The successful issuance reflects the trust of the investors:
  - Within top three biggest transactions for companies outside Germany
  - Schuldschein with longest tenors on average (8 years)
  - Global investor interest: Germany 38%, Switzerland 21%, Asia 25%, RoW 16%
  - Largest CHF denominated Schuldschein (CHF 152m)
  - First Sustainable Schuldscheindarlehen ever issued
Confident outlook

Confident of reaching mid-term guidance

- Good visibility in portfolio and expected acceleration in sales momentum make us confident of delivering on our current mid-term guidance.

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

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

\(^1\)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
- Unparalled 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

<table>
<thead>
<tr>
<th>Region</th>
<th>Market Share</th>
<th>2013-18 Average</th>
<th>2019 Half-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>22% of market</td>
<td>-0.4%</td>
<td>+1.0%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>33% of market</td>
<td>-0.5%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>EEMEA</td>
<td>24% of market</td>
<td>+0.3%</td>
<td>+4.7%</td>
</tr>
<tr>
<td>South America</td>
<td>7% of market</td>
<td>-1.1%</td>
<td>+1.2%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>14% of market</td>
<td>+3.2%</td>
<td>+8.6%</td>
</tr>
</tbody>
</table>

Source growth: Nielsen chocolate confectionery in volume – Aug 18 to Jan 19 – 25 countries
Source regional market shares: Euromonitor
Appendix

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

Source: Euromonitor
Appendix

Strong global market leader in industrial chocolate and cocoa

Cocoa grinding capacity (kMT)

- BC
- Cargill
- Olam
- ECOM
- Fuji Oil
- Guan Chong
- Mondelez
- Nestlé
- Ferrero
- BT Cocoa
- Others

Industrial Chocolate (open market – kMT)

- BC
- Cargill
- Fuji Oil
- Puratos
- Cémoi
- Clasen
- Schokinag
- Irca
- Kerry Group
- Guittard
- Others

Note: Olam incl. ADM, Cargill incl. ADM chocolate business and SMET, Fuji oil incl. Harald and Bloomer, Irca incl. Doblar
Source: BC proprietary estimates

39 Roadshow presentation HY2018/19
Appendix

West Africa is the world’s largest cocoa producer

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

- About 70% of total cocoa beans are West African Origin
- Barry Callebaut processed around 925,000 tonnes or approximately 20% of the world crop
- Barry Callebaut has various cocoa processing facilities in origin countries*, in Europe and USA

Source: ICCO Forecast
Appendix

Increase in EBIT per MT thanks to improved product mix and supportive cocoa processing market

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume in kMT</th>
<th>EBIT per tonne in constant currencies</th>
<th>EBIT per tonne in CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009/10</td>
<td>1,210</td>
<td>282</td>
<td>282</td>
</tr>
<tr>
<td>2010/11</td>
<td>1,269</td>
<td>312</td>
<td>286</td>
</tr>
<tr>
<td>2011/12</td>
<td>1,379</td>
<td>290</td>
<td>256</td>
</tr>
<tr>
<td>2012/13</td>
<td>1,536</td>
<td>251</td>
<td>223</td>
</tr>
<tr>
<td>2013/14</td>
<td>1,717</td>
<td>274</td>
<td>242</td>
</tr>
<tr>
<td>2014/15</td>
<td>1,795</td>
<td>279</td>
<td>231</td>
</tr>
<tr>
<td>2015/16</td>
<td>1,834</td>
<td>271</td>
<td>219</td>
</tr>
<tr>
<td>2016/17</td>
<td>1,914</td>
<td>283</td>
<td>231</td>
</tr>
<tr>
<td>2017/18</td>
<td>2,036</td>
<td>312</td>
<td>272</td>
</tr>
</tbody>
</table>


Roadshow presentation HY2018/19