News Release

Full-Year Results Fiscal Year 2016/17 of the Barry Callebaut Group

Successful year, delivering on strategy

- Sales volume up +4.4%, significantly above the market growth
- Sales revenue of CHF 6.8 billion, up +1.2% in local currencies
- Operating profit (EBIT) up +22.3% in local currencies, of which +17.8% recurring.
  Significant contribution from Global Cocoa
- Net profit up +39.6% in local currencies, of which +31.3% recurring
- Strong free cash flow of CHF 475.6 million, supported by low cocoa prices
- Mid-term guidance confirmed and extended until 2018/19
- CFO Victor Balli to retire; Remco J. Steenbergen to succeed him effective March 1, 2018
  (see separate press release)
- Board members Andreas Schmid and Wai Ling Liu will not stand for reelection; Elio Leoni Sce...ti proposed as new Board member
- Proposed payout to shareholders of CHF 20.00 per share, up +29%

Zurich/Switzerland, November 8, 2017 – Antoine de Saint-Affrique, CEO of the Barry Callebaut Group, said: “I am delighted to announce a strong set of results. We saw a good performance across all our Regions and Product Groups at top and bottom-line level. We keep delivering on our ‘smart growth’ agenda, which is reflected in the improvement of all our Group key financial metrics.”

Group Key Figures

<table>
<thead>
<tr>
<th></th>
<th>2016/17</th>
<th>2015/16</th>
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</thead>
<tbody>
<tr>
<td>Sales volume</td>
<td>Tonnes</td>
<td>4.4%</td>
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<tr>
<td>Sales revenue</td>
<td>CHF m</td>
<td>1.2%</td>
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<tr>
<td>Gross profit</td>
<td>CHF m</td>
<td>14.6%</td>
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<tr>
<td>Operating profit (EBIT)</td>
<td>CHF m</td>
<td>22.3%</td>
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<tr>
<td>Operating profit (EBIT) (recurring)</td>
<td>CHF m</td>
<td>17.8%</td>
</tr>
<tr>
<td>EBIT per tonne (recurring)</td>
<td>CHF</td>
<td>12.9%</td>
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<tr>
<td>Net profit</td>
<td>CHF m</td>
<td>39.6%</td>
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<tr>
<td>Net profit (recurring)</td>
<td>CHF m</td>
<td>31.3%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>CHF m</td>
<td>10.9%</td>
</tr>
</tbody>
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In fiscal year 2016/17 (ended August 31, 2017), the Barry Callebaut Group – the world’s leading manufacturer of high-quality chocolate and cocoa products – increased its sales volume by +4.4% to 1,914,311 tonnes, which is well above the global confectionery market growth rate of +0.1%. The fourth quarter saw an acceleration to +9.2%. The good momentum was supported by all key growth drivers: Gourmet & Specialties (+9.7%), Outsourcing (+9.3%) and Emerging Markets (+5.9%), further helped by an improved market environment. The intentional phase-out of less

1 On average for the 4-year period 2015/16 to 2018/19: 4-6% volume growth and EBIT above volume growth in local currencies, barring any major unforeseen events
2 Source: Nielsen, August 2016 to September 2017 – 26 countries
profitable cocoa contracts, amounting to 50,000-60,000 tonnes overall, was completed; sales volume growth in Global Cocoa for the year was +0.4%. At the same time, the Chocolate business grew by +5.6% with a strong performance in all regions. Sales revenue was up +1.2% in local currencies (+1.9% in CHF) to CHF 6,805.2 million, as a result of a good product mix, offset by lower cocoa bean and cocoa product prices.

Gross profit increased by +14.6% in local currencies (+14.3% in CHF) and came in at CHF 986.7 million, mainly driven by volume growth, the product and customer mix, as well as the restored profitability of the Global Cocoa business.

Operating profit (EBIT) significantly increased by +22.3% in local currencies (+21.5% in CHF) and amounted to CHF 488.2 million. Recurring operating profit, excluding a one-off effect of CHF 18.1 million from acquisitions, increased by +17.8% in local currencies (+17.0% in CHF) to CHF 470.1 million. Overall, the Group’s recurring EBIT per tonne, excluding one-off effects from acquisitions, was at CHF 245.6, an increase of +12.9% in local currencies (+12.1% in CHF).

Net profit for the year increased by +39.6% in local currencies to CHF 302.9 million (+38.3% in CHF). Recurring net profit increased by +31.3% in local currencies (+30.1% in CHF). This is a reflection of the strong EBIT, a stable tax rate and lower financing costs.

Net working capital decreased by –17.8% from CHF 1,374.2 million in prior year to CHF 1,129.5 million. This is the result of the Group’s continued focus on reducing inventories, with significant tailwind from low cocoa bean prices, as well as some positive one-off items.

Free cash flow3 was exceptionally strong and amounted to CHF 475.6 million, compared to CHF 430.9 million in the previous fiscal year. This is the consequence of a stronger operating profit, lower working capital, as mentioned above, and continued discipline on capital expenditure (CAPEX).

As a result, net debt amounted to CHF 1,110.9 million, down by –23.5% in CHF from CHF 1,452.8 million in the prior year.

Outlook – Continue to deliver on ‘smart growth’

Looking ahead, CEO Antoine de Saint-Affrique said: “We will continue to deliver on our ‘smart growth’ strategy. A more supportive cocoa products market and slightly improving global demand for chocolate, together with the consistent execution of our strategy, give us confidence to extend our mid-term guidance to fiscal year 2018/19: We are targeting 4-6% volume growth, and EBIT above volume growth in local currencies on average for the 4-year period 2015/16 to 2018/19, barring any major unforeseen events.”

Strategic milestones achieved in fiscal year 2016/17

- “Expansion”: Barry Callebaut continued its geographic and footprint expansion. Deliveries from the new chocolate factory in Gresik, Indonesia, to outsourcing partner GarudaFood are on track. After closing the acquisition of the chocolate production facility in Halle from Mondelēz International in December 2016, products are now being delivered under a long-term supply agreement. In July 2017, Barry Callebaut announced the acquisition of D’Orsogna Dolciaria in Italy, thus expanding its value-adding Specialties & Decorations business and making Barry Callebaut a leading supplier of decoration and inclusion products in Western Europe. In September 2017, the company also announced the acquisition of Gertrude Hawk Ingredients in the U.S., adding specialized product know-how and product capabilities in the areas of shell molding, panning, enrobing, and solutions for shaped inclusions and peanut butter chips. Barry Callebaut opened a new CHOCOLATE ACADEMY™ Center in Milan, relocated and upgraded its training academies in Mexico City and Mumbai, and redesigned

3 Net cash flow from operating activities / Net cash flow from investing activities, excluding acquisitions
the ones in Shanghai and Singapore. In addition, the first BC Studio in Asia was launched in Bandung.

- **“Innovation”:** In January 2017, Barry Callebaut launched Callebaut ChocoGelato, a revolutionary chocolate base used to create ‘gelateria’ style chocolate gelato, the only gelato on the market with real Belgian chocolate inside. In September 2017, Barry Callebaut unveiled its fourth type of chocolate: Ruby. This chocolate is made from Ruby cocoa beans. Using a unique process, Barry Callebaut unlocked the flavor and color tone naturally present in these cocoa beans. No berries, berry flavors or coloring are added.

- **“Cost Leadership”:** The streamlining of Barry Callebaut’s Global Cocoa product flows is now completed, resulting in a more efficient cost structure. Barry Callebaut’s project for Finance Operational eXcellence (FOX), further optimizing financial processes for all internal and external stakeholders, is currently being implemented. Barry Callebaut has continued to digitalize customer interactions, making them more convenient and efficient. Furthermore, Barry Callebaut amended and extended its revolving credit facility from EUR 600 million to EUR 750 million. For the first time in Switzerland, the second time in Europe, the applicable credit margin was linked to the sustainability performance of Barry Callebaut. This strengthens the Group’s liquidity profile and leverages the rewards of its sustainability strategy at the same time.

- **“Sustainability”:** Forever Chocolate, Barry Callebaut’s sustainability strategy launched in November 2016, delivered positive results. Globally we trained over 157,000 farmers in good agricultural practices. Approximately 36% of all cocoa and 30% of other chocolate ingredients were sustainably sourced in fiscal year 2016/17. Barry Callebaut has further developed its Farm Services business to offer cocoa farmers products and services that help improve their productivity. In Ivory Coast, participating cocoa farmers experienced on average a productivity increase of +23% per hectare of farmland. As part of the Initiative for Sustainable Landscapes project (ISLA), Barry Callebaut is working with the Dutch Sustainable Trade Initiative (IDH), to increase the productivity of cocoa farmers around Taï National Park and the Cavally Fôret classée. Together with IDH and the International Finance Corporation (IFC), Barry Callebaut has set up a risk-sharing facility that supports a money lending program for farmers so they can invest in productivity packages.

### Regional / Segment performance

**Region EMEA – Strong top- and bottom-line growth, driven by strategic partnership**

Barry Callebaut’s sales volume in Region EMEA went up by +6.4% to 866,498 tonnes. The market, in contrast, declined by –0.5%. Overall, sales revenue rose +6.4% in local currencies (+5.9% in CHF) and amounted to CHF 2,900.2 million. Operating profit (EBIT) was significantly up by +9.8% in local currencies (+9.2% in CHF); recurring operating profit was up by +3.6% in local currencies (+3.0% in CHF), slightly below volume growth, reflecting a less favorable product mix and investments in future growth. The acquisition of the Halle factory in Belgium from Mondelēz International, combined with the extension of the strategic partnership with this customer, and the acquisition of D’Orsogna Dolciaria in Italy as well as further capacity expansions in Europe, are investments with the clear objective to cater for future growth and to serve European customers better.

**Region Americas – Solid performance, strong margin improvement**

In Region Americas, sales volume increased by +2.2% to 518,359 tonnes, whereas the chocolate confectionery market grew by +0.6%. Sales revenue rose +1.5% in local currencies (+2.8% in CHF) to CHF 1,668.7 million. Operating profit (EBIT) for the region was up +9.2% in local

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4 Source: Nielsen Chocolate confectionery sales in volume, from August 2016 to September 2017 – 26 countries
currencies (+9.0% in CHF), as a consequence of a positive product mix and further cost leverage in the region. Barry Callebaut also made significant investments in the U.S. for additional manufacturing capacity and warehousing. In addition, Barry Callebaut announced the acquisition of Gertrude Hawk Ingredients in October 2017. All these investments place the company in an even better position to serve its customers and to capture future growth.

**Region Asia Pacific – Double-digit top- and bottom-line growth continues**
Sales volume in Region Asia Pacific rose by +19.1% to 91,020 tonnes. In contrast, the chocolate market in the region grew by +3.1%. The Group’s above-market development was fuelled by fast growth in countries such as China and Indonesia, both in Gourmet and in Food Manufacturers, as well as by the ramp-up of the long-term supply agreement with GarudaFood in Indonesia. Sales revenue rose by +12.7% in local currencies (+13.4% in CHF) to CHF 347.9 million. Operating profit (EBIT) grew by +20.2% in local currencies (+20.2% in CHF), driven by volume growth and a strong Gourmet business.

**Global Cocoa – Cocoa Leadership project delivering on expectations**
The successful implementation of the Cocoa Leadership project with a number of different initiatives has delivered in line with expectations. Sales volume to third-party customers was basically flat at +0.4% and amounted to 438,434 tonnes. Sales revenue declined by –7.7% in local currencies, (-6.0% in CHF), due to lower cocoa products prices. Operating profit (EBIT) significantly increased by CHF 47.2 million and amounted to a total EBIT of 64.9 million, driven by the good results from the Cocoa Leadership project and the more favorable market conditions in the cocoa products market.

**Raw material price developments**
Over the fiscal year 2016/2017, cocoa bean prices experienced a steep drop of –34%, from GBP 2,304 per tonne on September 1, 2016 to GBP 1,522 per tonne on August 31, 2017. On average for fiscal year 2016/17, cocoa bean prices declined by –21% versus prior year. The price correction ended a three-year bull market. Favorable weather conditions and an increase in farm gate prices for the main crop of top producers Côte d’Ivoire and Ghana accelerated production and led to the biggest surplus in the last six years, triggering the steep price erosion. Sugar prices tumbled by –40% due to a potential surplus of 5 million tonnes of sugar for 2017/18 compared to a deficit of 4.3 million tonnes in 2016/17. In Europe, the prospect of a bumper crop in 2017/18 combined with the change in the European sugar regime, eliminating production and export quotas, led to a progressive price decrease over the year. There was a considerable decrease of global dairy production from autumn to spring, leading to an increase in prices. Beginning of 2017, producers around the globe started receiving higher payout prices for liquid milk, motivating them to increase production.

**Proposals to the Annual General Meeting (AGM)**

**Payout to shareholders**
The Board of Directors will propose a payout to shareholders of CHF 20.00 per share at the Annual General Meeting of Shareholders on December 13, 2017, an increase of +29% versus prior year. This represents a payout ratio of 36.3% of the net profit (38.5% of the recurring net profit). The proposal foresees that the payout will be effected partly in the form of a capital repayment by way of par value reduction (CHF 7.27 per share) and partly through a cash dividend (CHF 12.73 per share). The distribution of the part related to capital reduction will not be subject to withholding tax or – for individuals who are taxed in Switzerland and hold the shares privately – income tax. The dividend will be paid to shareholders on March 2, 2018, subject to approval by the Annual General Meeting of Shareholders.

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5 Source: Nielsen Chocolate confectionery sales in volume, from August 2016 to September 2017 – 26 countries
Board of Directors
Two Board members will not stand for reelection at the AGM 2017:

After twenty years on Barry Callebaut’s Board, Andreas Schmid has decided to retire from that function. Andreas Schmid has helped building the foundations of Barry Callebaut’s success since 1997 when he was appointed CEO of Jacobs Holding, Barry Callebaut’s major shareholder. In 1999 he became Chairman and CEO of Barry Callebaut. In 2002, he handed over the CEO function but continued to serve as Chairman until 2005. He was Vice-Chairman until 2014 and then served as ordinary Board member. – Wai Ling Liu who was elected to the Board in 2014 has also decided to step down in order to pursue other professional opportunities.

The Board of Directors would like to express its sincere gratitude to Andreas Schmid for his passion for Barry Callebaut and his outstanding contribution to the development of the company over so many years, and to Wai Ling Liu for her valuable contribution on strategic topics such as market and talent development.

The Board of Directors will propose Elio Leoni Sceti as new Board member. Elio Leoni Sceti (born 1966, Italian national) is the Chairman of LSG Holdings (a UK-based family office with interests in real estate, private equity and venture capital), a non-executive Director of ABInbev and an active investor and board advisor in early stage technology companies. Elio Leoni Sceti can look back on a successful international career, including about 25 years in Food and FMCG companies.

All other members of the Board will stand for reelection for another term of office of one year.

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Further information is available in the following publications available as of today:

- Annual Report 2016/17 (PDF)
- Short Report 2016/17 [English](#) and [German](#)

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Media and Analyst / Institutional Investors’ conferences of the Barry Callebaut Group

Date: Wednesday, November 8, 2017
Location: Barry Callebaut Head Office, CHOCOLATE ACADEMY™ center, Pfingstweidstrasse 60, 8005 Zurich/Switzerland
Time: Media: 09.30 am to 10.30 am CET
Analysts/Institutional Investors: 11.30 am to approx. 1 pm CET (followed by a light lunch)

The conferences can be followed via telephone or audio webcast. All dial-in and access details can be found on the Barry Callebaut Group’s website (via the links below):
Media
Analysts

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Financial calendar for fiscal year 2017/18 (September 1, 2017 to August 31, 2018):

- Annual General Meeting 2017/18: December 13, 2017
- 3-month key sales figures 2017/18: January 24, 2018
- Half-year results 2017/18: April 11, 2018
- 9-month key sales figures 2017/18: July 13, 2018
- Full-year results 2017/18: November 07, 2018
- Annual General Meeting 2017/18: December 12, 2018

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About Barry Callebaut Group (www.barry-callebaut.com):

With annual sales of about CHF 6.8 billion (EUR 6.3 billion / USD 6.9 billion) in fiscal year 2016/17, the Zurich-based Barry Callebaut Group is the world’s leading manufacturer of high-quality chocolate and cocoa products – from sourcing and processing cocoa beans to producing the finest chocolates, including chocolate fillings, decorations and compounds. The Group runs close to 60 production facilities worldwide and employs a diverse and dedicated global workforce of about 11,000 people.

The Barry Callebaut Group serves the entire food industry, from industrial food manufacturers to artisanal and professional users of chocolate, such as chocolatiers, pastry chefs, bakers, hotels, restaurants or caterers. The two global brands catering to the specific needs of these Gourmet customers are Callebaut® and Cacao Barry®.

The Barry Callebaut Group is committed to make sustainable chocolate the norm by 2025 to help ensure future supplies of cocoa and improve farmer livelihoods. It supports the Cocoa Horizons Foundation in its goal to shape a sustainable cocoa and chocolate future.

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## Group Key Figures

for the fiscal year

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<th>Key Figures</th>
<th>2016/17</th>
<th>2015/16</th>
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</thead>
<tbody>
<tr>
<td>Sales volume</td>
<td>1,914,311</td>
<td>1,834,224</td>
</tr>
<tr>
<td>Sales revenue</td>
<td>6,805.2</td>
<td>6,676.8</td>
</tr>
<tr>
<td>Gross profit</td>
<td>986.7</td>
<td>863.2</td>
</tr>
<tr>
<td>EBITDA</td>
<td>638.1</td>
<td>539.4</td>
</tr>
<tr>
<td>Operating profit (EBIT)</td>
<td>488.2</td>
<td>401.7</td>
</tr>
<tr>
<td>EBIT per tonne (recurring)</td>
<td>245.6</td>
<td>219.0</td>
</tr>
<tr>
<td>Net profit for the year</td>
<td>302.9</td>
<td>219.0</td>
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<tr>
<td>Net profit for the year (recurring)</td>
<td>284.8</td>
<td>219.0</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>475.6</td>
<td>430.9</td>
</tr>
<tr>
<td>Return on invested capital (ROIC) (recurring)</td>
<td>11.5%</td>
<td>9.5%</td>
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### By Region

#### EMEA

| Sales volume                                    | 866,498          | 814,236          |
| Sales revenue                                   | 2,900.2          | 2,739.0          |
| EBITDA                                          | 364.9            | 334.2            |
| Operating profit (EBIT)                         | 316.2            | 289.5            |

#### Americas

| Sales volume                                    | 518,359          | 507,008          |
| Sales revenue                                   | 1,668.7          | 1,622.9          |
| EBITDA                                          | 191.0            | 176.6            |
| Operating profit (EBIT)                         | 160.4            | 147.2            |

#### Asia Pacific

| Sales volume                                    | 91,020           | 76,443           |
| Sales revenue                                   | 1,688.7          | 1,622.9          |
| EBITDA                                          | 47.7             | 39.9             |
| Operating profit (EBIT)                         | 38.7             | 32.2             |

#### Global Cocoa

| Sales volume                                    | 438,434          | 436,537          |
| Sales revenue                                   | 1,888.3          | 2,008.1          |
| EBITDA                                          | 124.4            | 71.3             |
| Operating profit (EBIT)                         | 64.9             | 17.7             |

### By Product Group

| Sales volume                                    | 1,914,311        | 1,834,224        |
| Sales revenue                                   | 438,434          | 436,537          |
| Food Manufacturers Products                      | 1,251,237        | 1,192,907        |
| Gourmet & Specialties Products                   | 224,640          | 204,780          |
| Cocoa Products                                  | 1,888.3          | 2,008.1          |
| Food Manufacturers Products                      | 3,829.4          | 3,673.5          |
| Gourmet & Specialties Products                   | 1,087.5          | 995.2            |