

Full Year Results 2013/14

Roadshow presentation

November 6, 2014



Agenda

- ▶ BC at a glance

- ▶ Highlights FY 13/14
- ▶ Financial review
- ▶ Strategy update & Outlook

Barry Callebaut at a glance

Business description

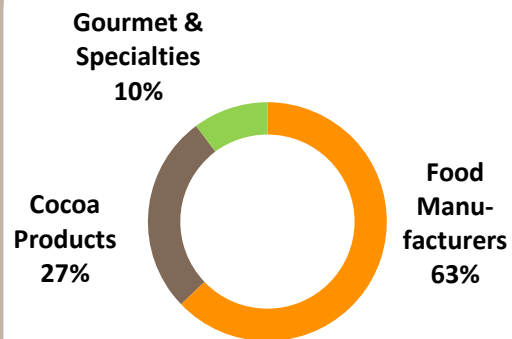
- **World leading producer** and business-to-business supplier of **chocolate and cocoa products**
- **Fully integrated** with strong position in cocoa-origen countries
- **Serving the entire food industry**
- **Outsourcing/ strategic partner of choice**
- **Largest supplier of Gourmet & Specialties**

Key figures

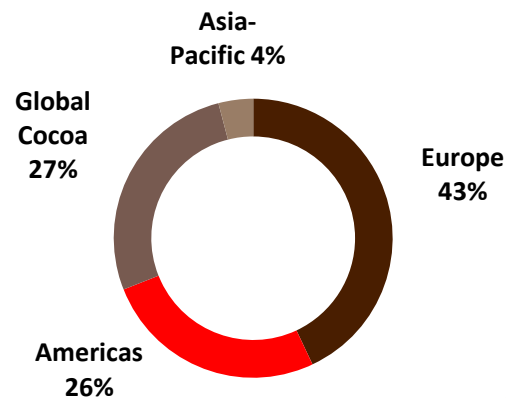
FY 2013/14

Sales Volume	1.7 mio. tonnes
Sales Revenue	CHF 5.8 bn
EBIT	CHF 416.2 mio.
Employees	9,300
Factories	52

FY 2013/14 Sales Volume per Region



FY 2013/14 Sales Volume per Product

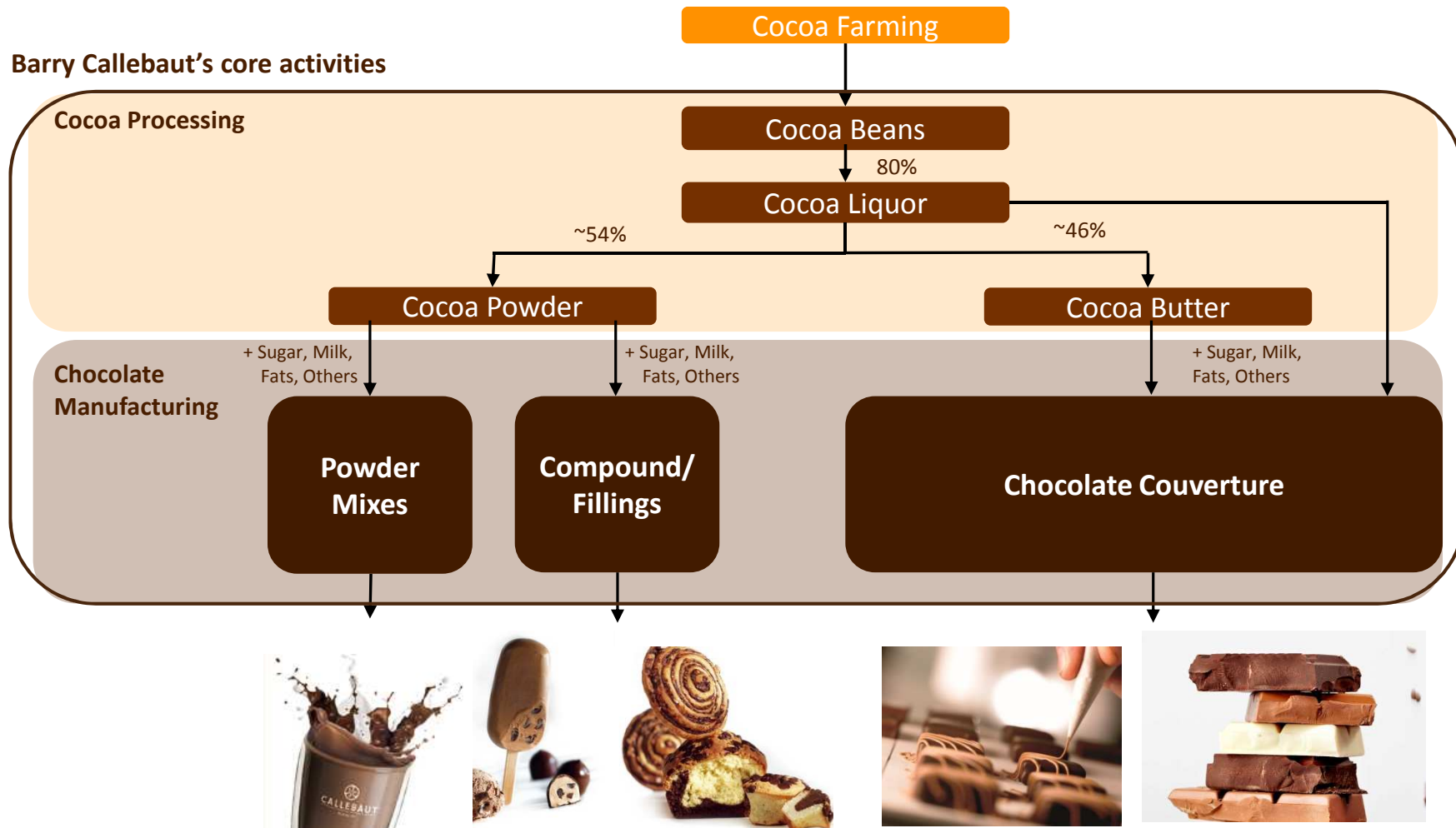


Gourmet global brands



From the cocoa bean to the chocolate and cocoa products

Barry Callebaut is present in the key parts of the cocoa and chocolate value chain



Favourable Industry Dynamics

Global growth prospects

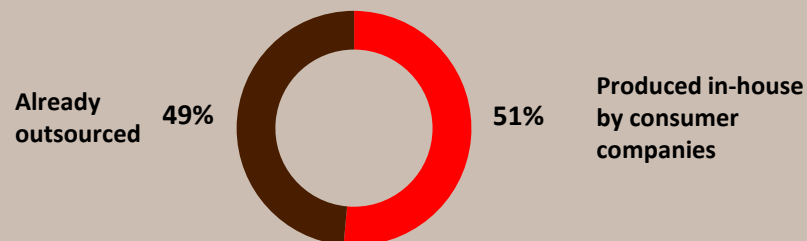
- ▶ Average market growth in chocolate: 2 % in volume per year
- ▶ Influenced by **population growth** and increase in **disposable income**
- ▶ **Resilient industry** to macro-economic downturn
- ▶ **Fast growing in Emerging markets**

Outsourcing rationale for customers

- ▶ Free up capital to invest in marketing and distribution
- ▶ Access to most recent innovation and new developments in the industry
- ▶ Flexibility to adapt recipes in short time
- ▶ Reduce complexity in their supply chain
- ▶ Solutions to global trends and regulations

Market size and outsourcing potential

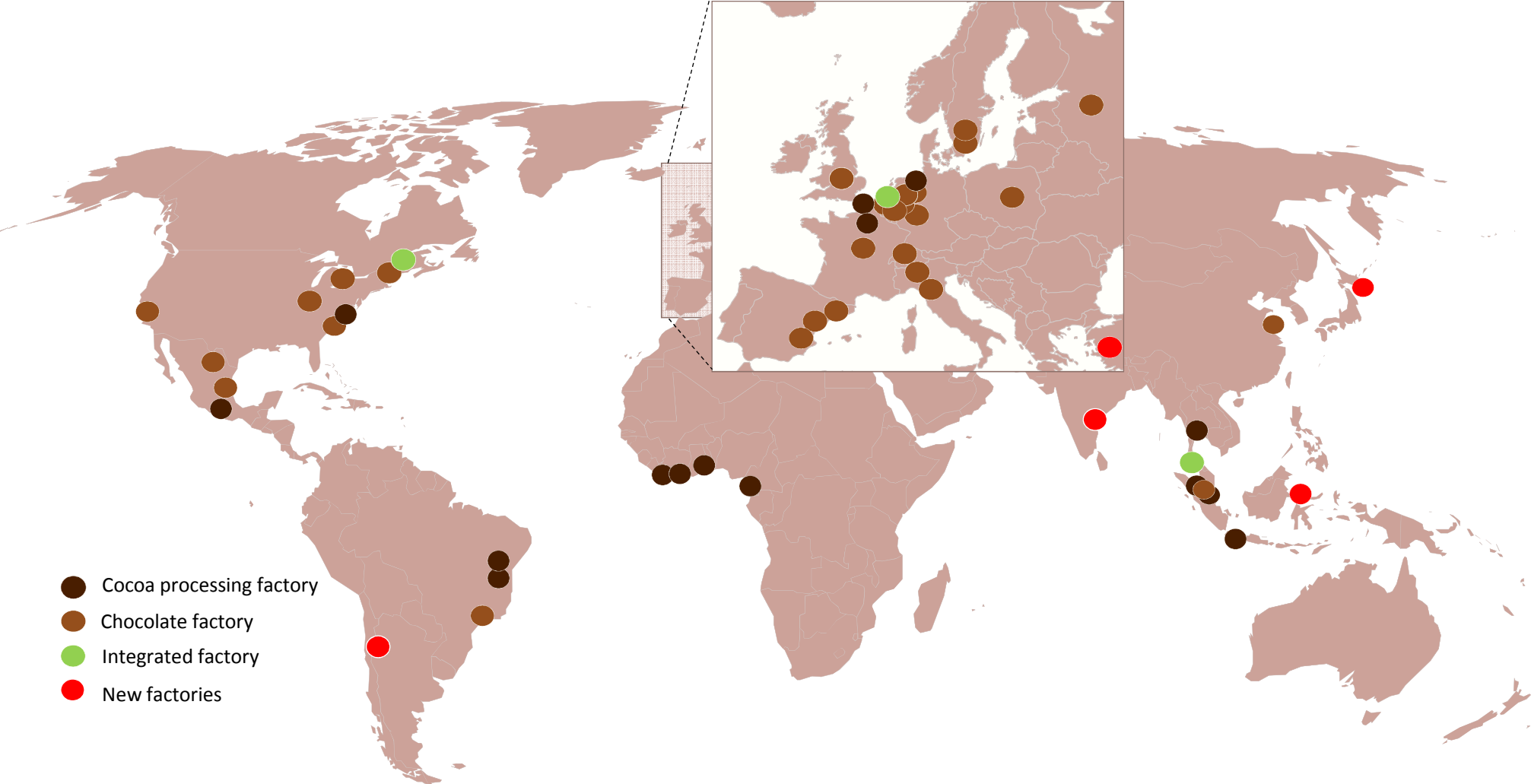
- ▶ **Total Industrial chocolate market is about 6 mio tonnes**



Barriers to entry:

- ▶ **Complex sourcing and supply chain**
- ▶ **Capital intensive** business
- ▶ Size matters
- ▶ High innovation rate
- ▶ **High level of regulation and quality requirements**

Our 52 factories provide us manufacturing diversification and unique competitive advantage



Agenda

- ▶ BC at a glance
-

- ▶ Highlights FY 13/14
-

- ▶ Financial review

- ▶ Strategy update & Outlook

Highlights FY 2013/14

A big leap in sales volume and profit



Sales Volume: 1.7 mio. tonnes

+11.8%

+2.9% stand-alone

EBIT: CHF 416.2 mio.

+21.4%

+5.6% stand-alone

Net Profit: CHF 255.0 mio.

+14.5%

EBIT per tonne: CHF 242.4

+8.5%

+2.6% stand-alone

Successful integration of
recently acquired cocoa
business

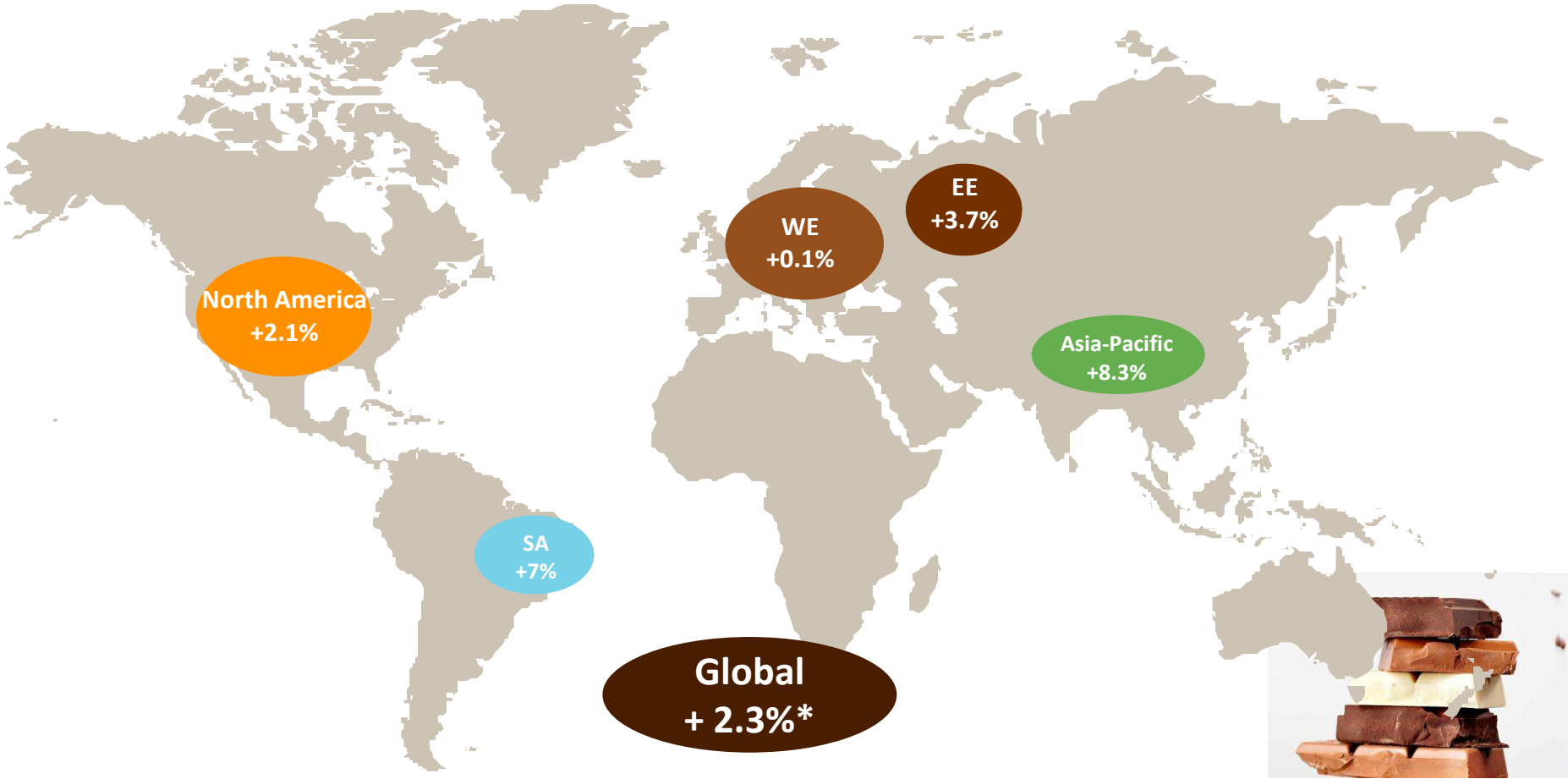
Dividend: CHF 15.50 per share

+6.9%



Chocolate confectionery market development

Global market +2.3%* in volume vs. prior year Market slowdown in the second half-year

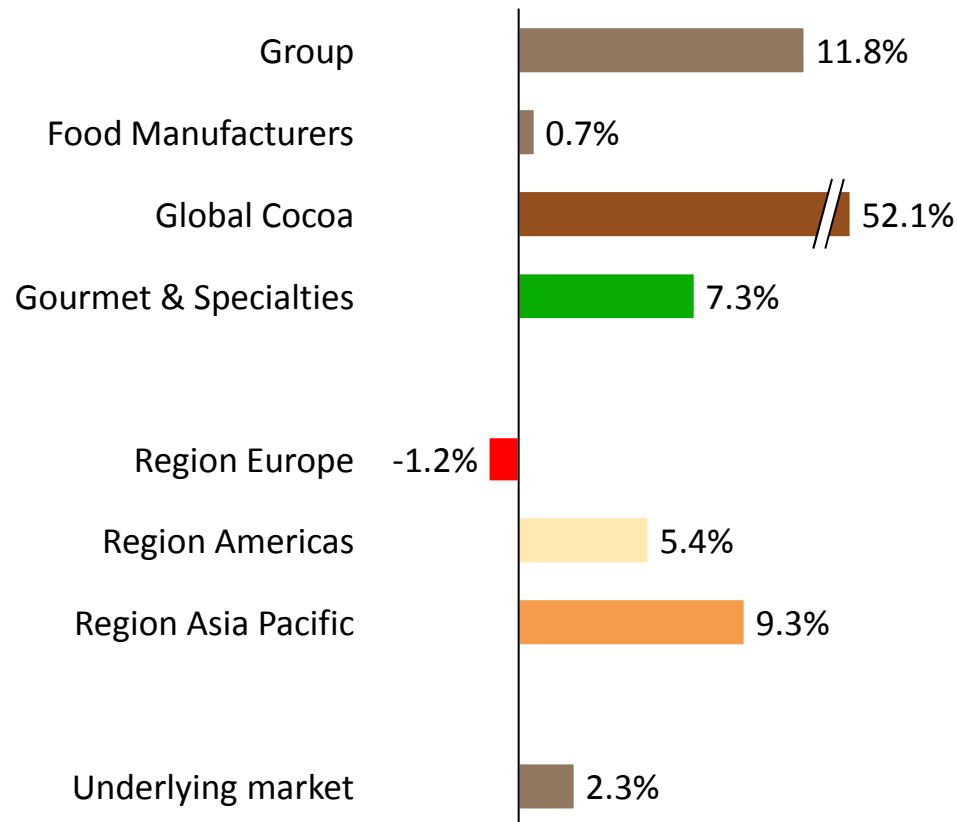


Source: Nielsen data (Sep 2012- Aug 2013); - Top 16 countries represent app. 75% of the global chocolate market in volume; - USA total volumes are estimated based on a share distribution by Euromonitor; Eastern Europe includes: Russia, Ukraine, Poland, Turkey.
* According to Euromonitor- Global Chocolate Confectionery grew 1.5% in volume for the same period.

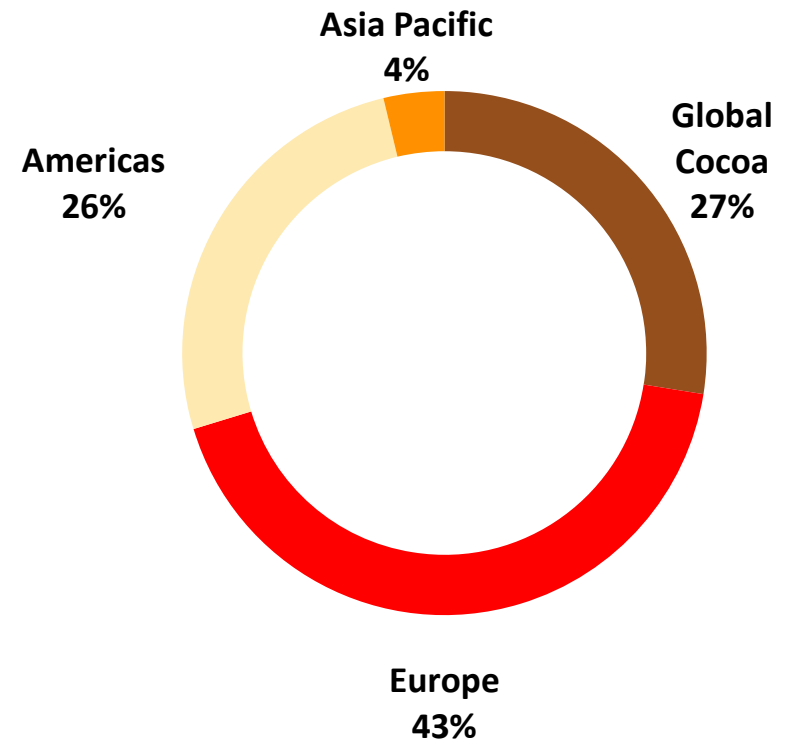
FY 2013/14

Growth boosted by acquired cocoa business, emerging markets and Gourmet, outperforming the global market

Sales Volume – FY 2013/14



Sales Volume by Region – FY 2013/14



A recap of our key focus areas for FY 2013/14



- ▶ Integrate Petra Foods cocoa business and strengthen our position in cocoa powder
- ▶ Enhance profitability
 - ▶ Continue product margin improvement
 - ▶ Keep supply chain and fixed costs under control
- ▶ Strengthen leadership in sustainable cocoa
- ▶ Accelerate talent management programs and succession planning



Highlights FY 2013/14

Consistent implementation of our growth strategy as a key to success



Inauguration of cocoa factory in Makassar

Sep 2013



Inauguration of first chocolate factory in Turkey

Oct 2013



Production start in new, relocated factory in Japan

Nov 2013



New CHOCOLATE ACADEMY™ center in Istanbul / Callebaut® flagship academy in Wize

Nov 2013/June 2014



Acquisition of remaining 51% of certified bean supplier Biolands

Feb 2014



Barry Callebaut helps form CocoaAction sustainability strategy of WCF

May 2014



Organization of 2nd CHOCOVISION in Davos/CH

Jun 2014



Factory in Santiago, Chile operational

Aug 2014



Capacity expansions in 13 factories worldwide

FY 2013/14



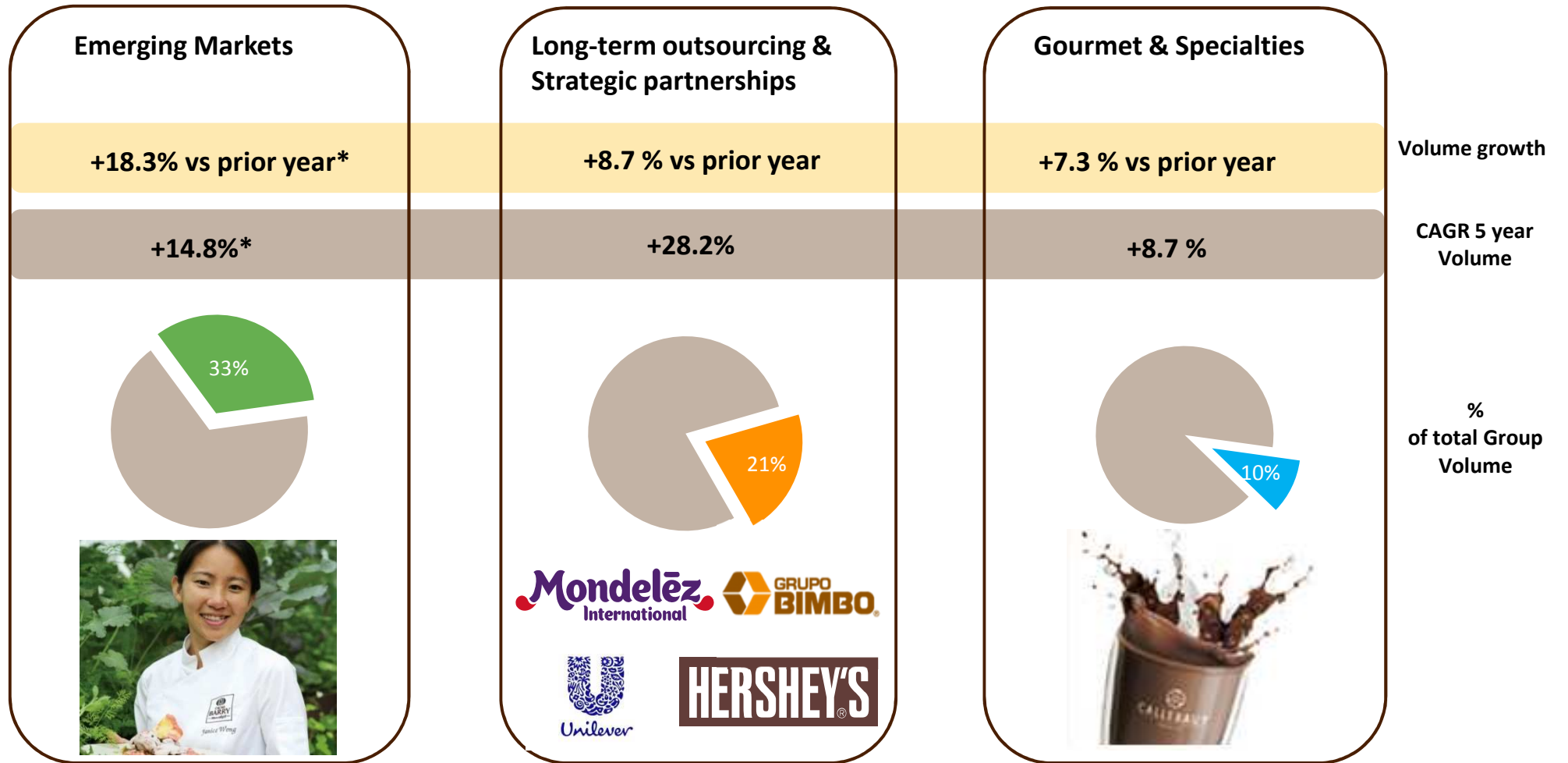
Launch of more than 20 new products

FY 2013/14



● Expansion
 ● Innovation
 ● Cost Leadership
 ● Sustainable Cocoa

Our expansion continues along the three key growth drivers



* Stand-alone, including recently acquired cocoa business +42.0%

Key growth driver: Gourmet & Specialties

Significant volume growth through successful implementation of our Gourmet strategy



- ▶ Global brands delivered double-digit volume growth, through strongest ever activity plan
- ▶ Launch of new products for new market segments (e.g. Callebaut's Hot Chocolate drinks)
- ▶ Benefit from recent Specialties acquisitions, which added complementary products to our offering
- ▶ Winning with food service key accounts through cross functional team approach in all regions
- ▶ Stronger focus on emerging markets, mega cities approach and increased distribution points

Acquired cocoa business

Successful global integration, profit contribution and synergies on track



- ▶ **Our journey to become one company**
 - ▶ no key customers lost
 - ▶ no key people lost
 - ▶ started with 181 global milestones - only 19 milestones remain open

- ▶ **One culture** is being created

- ▶ **Our sales approach** to the market has been agreed and implemented (between Region and Global Cocoa)

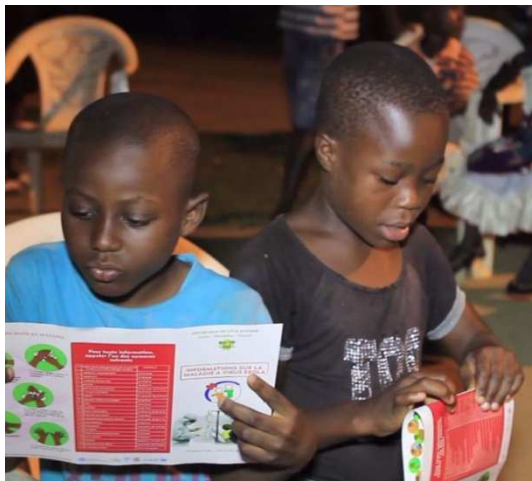
- ▶ **Sourcing, Operations and Supply Chain** being streamlined

- ▶ **Profit contribution of CHF 27 mio.** in line with business plan

- ▶ **Global synergies** of CHF 30-35 mio. confirmed; overachieved expected synergies of CHF 5 mio. in first year

Update on Ebola outbreak in West Africa

Situation closely monitored, prepared for potential scenarios



- ▶ Ebola is not a food-borne illness
- ▶ Countries affected: Guinea, Liberia, Sierra Leone and Mali
 - ▶ We have no production facilities in affected countries
- ▶ No confirmed cases in Côte d'Ivoire / Ghana / Cameroon
 - ▶ Our operations / sourcing activities ongoing as usual
- ▶ Contingency plans in place in case of Ebola outbreak in Côte d'Ivoire / Ghana
 - ▶ Leverage our global sourcing footprint and use reserve stocks we have built
- ▶ Employee safety is top priority
 - ▶ Established additional hygiene policies and controls at our sites
 - ▶ BC has trained/sensitized on Ebola about 1,000 employees and families
- ▶ Joined fund raising campaign of World Cocoa Foundation

Agenda

- ▶ BC at at glance
 - ▶ Highlights FY 13/14
-

- ▶ Financial review
-

- ▶ Strategy update & Outlook

FY 13/14

A big leap in sales volume and profit

Group performance	FY 2013/14 (in CHF)	% vs prior year (in CHF)
Sales Volume Total (in tonnes)	1,716,766	+11.8%
Sales Volume stand-alone (in tonnes)	1,541,654	+2.9%
EBIT Total	416.2	+21.4%
<i>EBIT per tonne</i>	242.4	+8.5%
EBIT stand-alone	392.8	+5.6%
<i>EBIT per tonne</i>	254.8	+2.6%
Net profit for the year	255.0	+14.5%

Stand-alone: Excluding cocoa business acquired from Petra Foods

FY 13/14

Focus on margins paid off



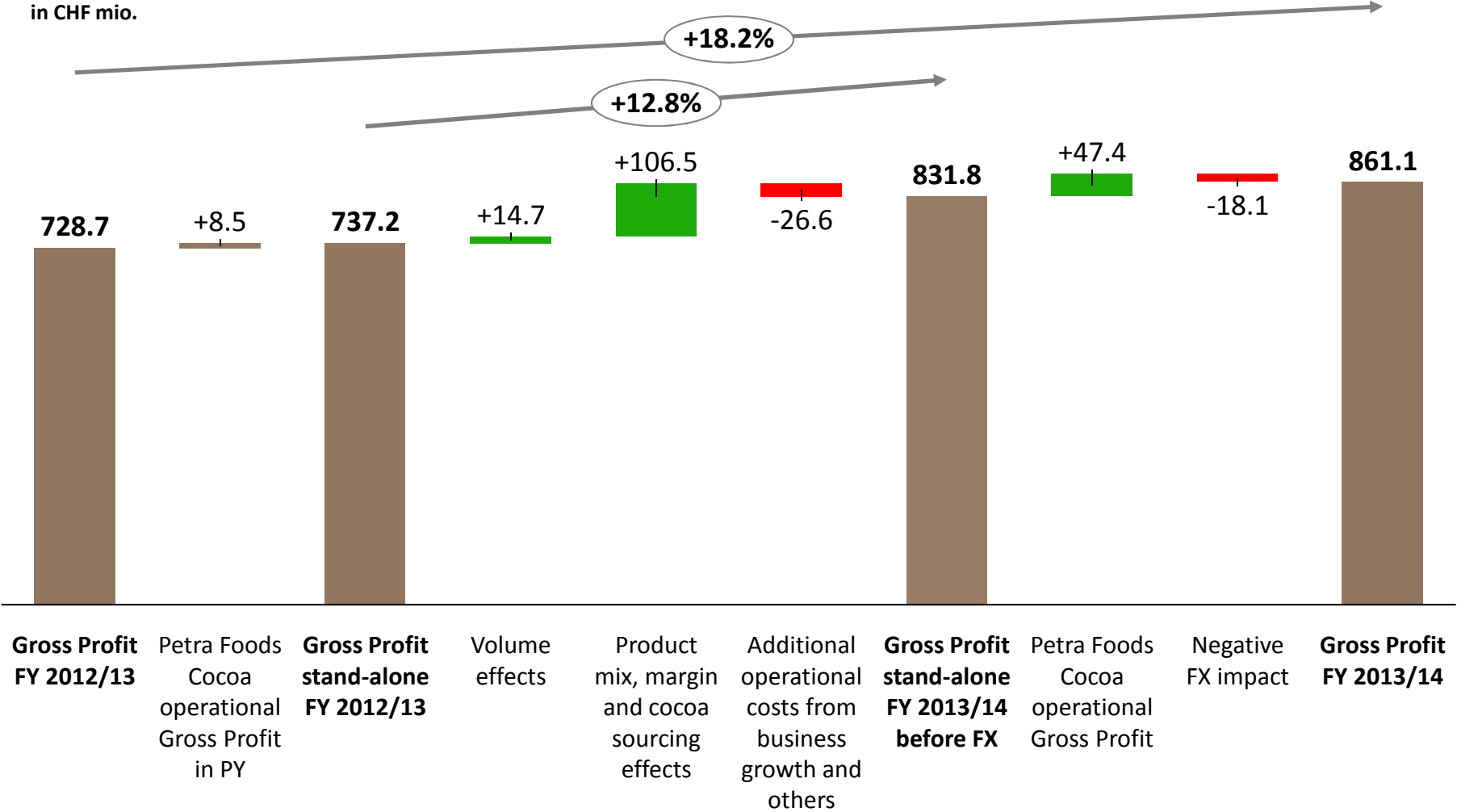
	Europe	Americas	Asia Pacific	Global Cocoa
Volume growth	-1.2%	+5.4%	+9.3%	+52.1% ¹ +8.6% ²
Underlying market	+1.2%	+2.8%	+8.3%	+1.8%
EBIT growth vs. prior year (in CHF)	+5.3%	+17.5%	+0.4%	+95.7% ¹ +2.6% ²

1) Including acquisition of Petra Foods Cocoa Business 2)excluding acquisition of Petra Foods Cocoa Business

3) Source: Nielsen data (Sep 2013- Aug 2014); Top 16 countries represent approx. 75% of the global chocolate market in volume; Americas includes USA and Brazil Eastern Europe includes: Russia, Ukraine, Poland, Turkey; Asia includes China and India

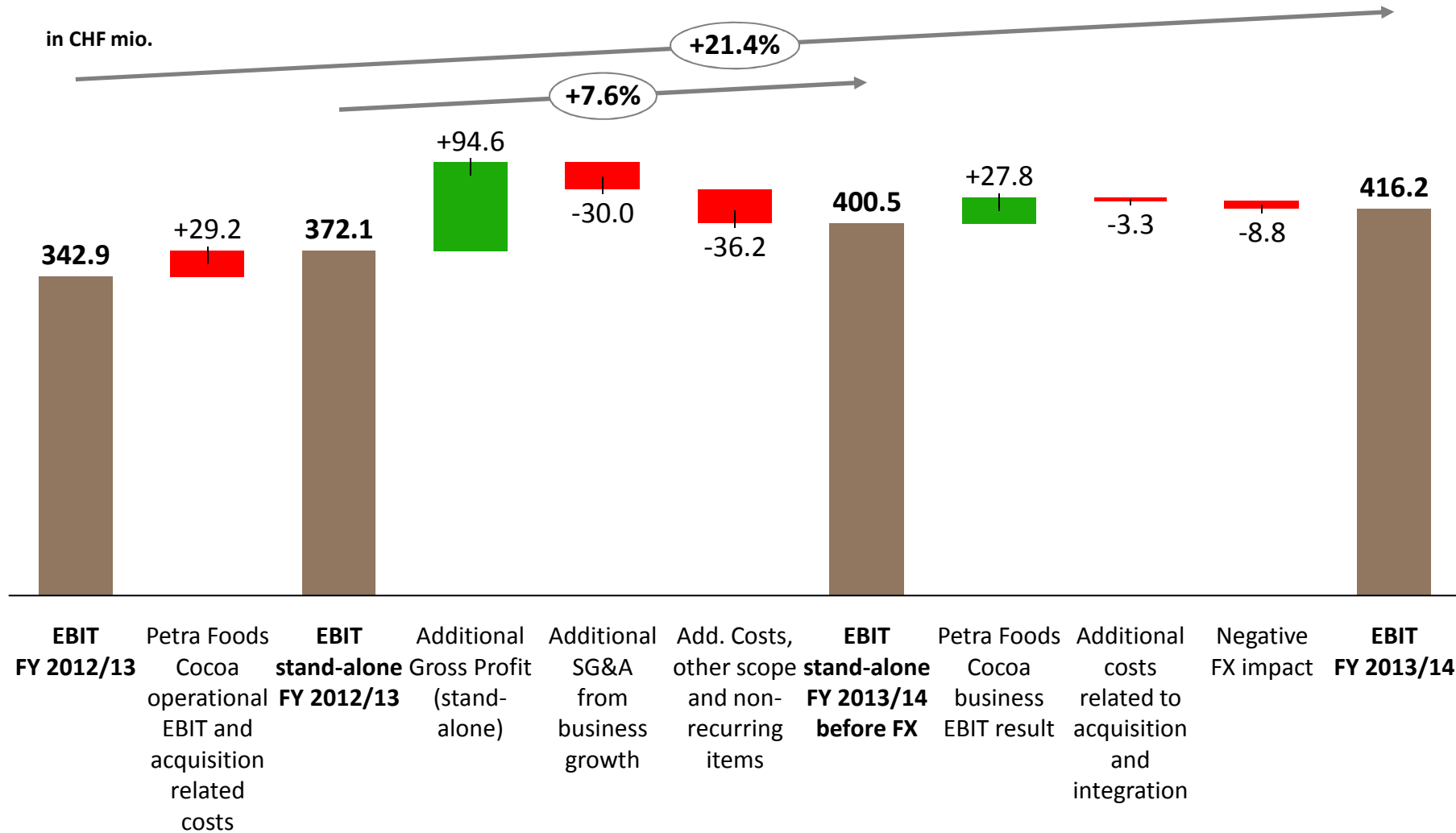
Gross Profit

Significant improvement due to better product mix and focus on product margins



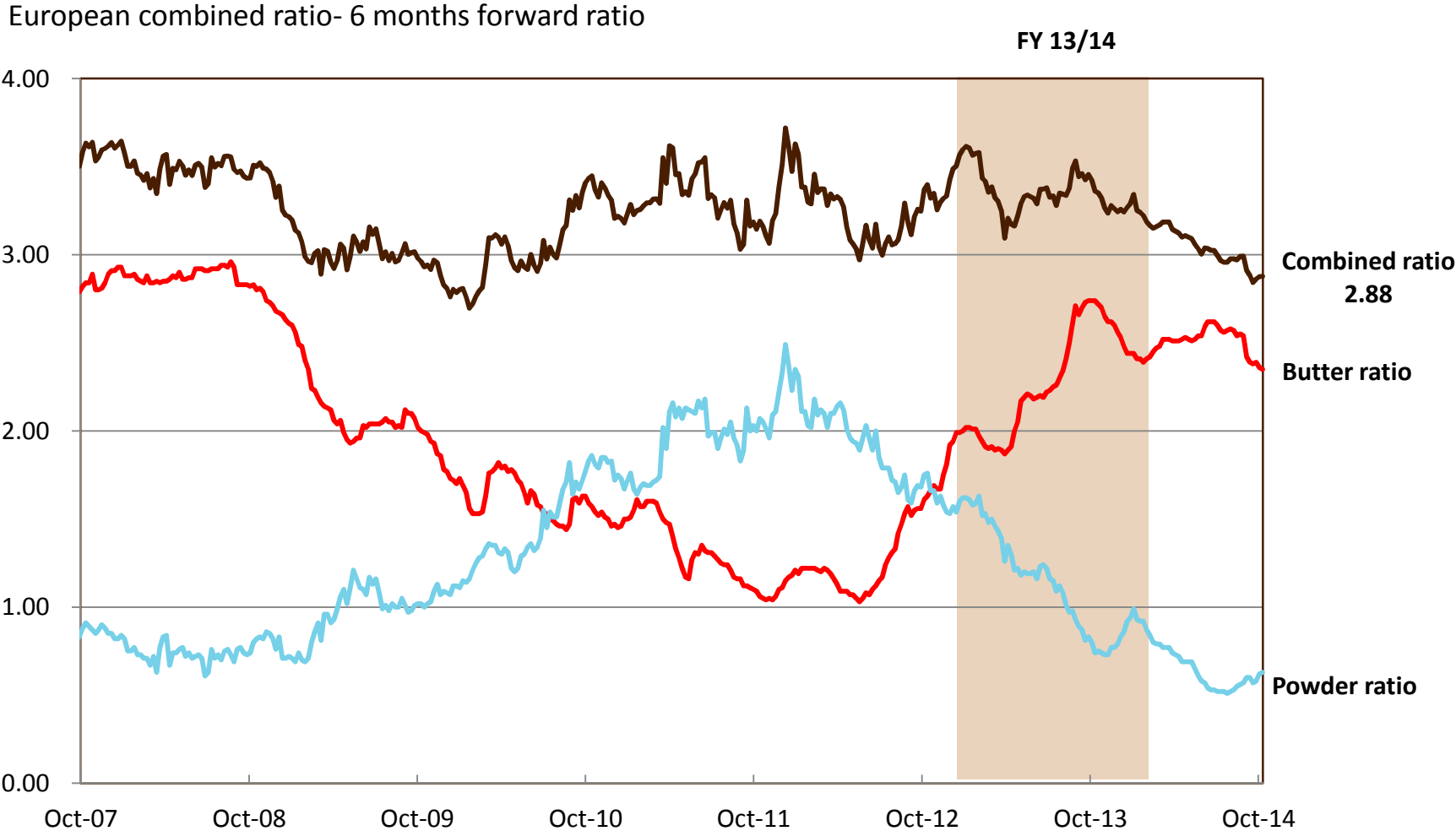
EBIT

Strong focus on enhancing profitability and positive contribution from acquired business



Cocoa processing profitability

Neutral profitability impact from the combined cocoa ratio in FY 13/14

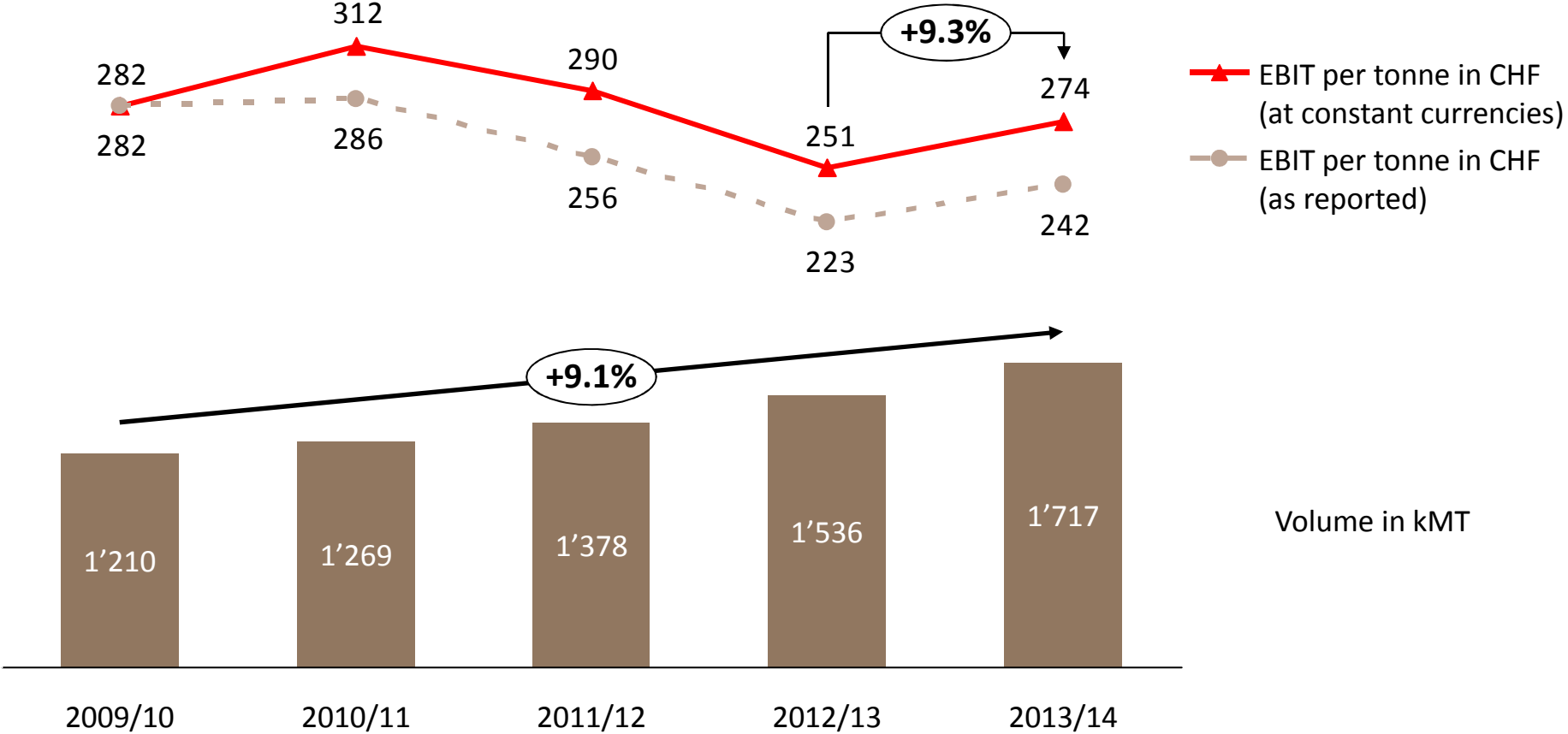


For cocoa processors, profitability depends on the ratio between input costs (price of cocoa beans) and output prices (price of cocoa butter and powder).



5-year EBIT per tonne development

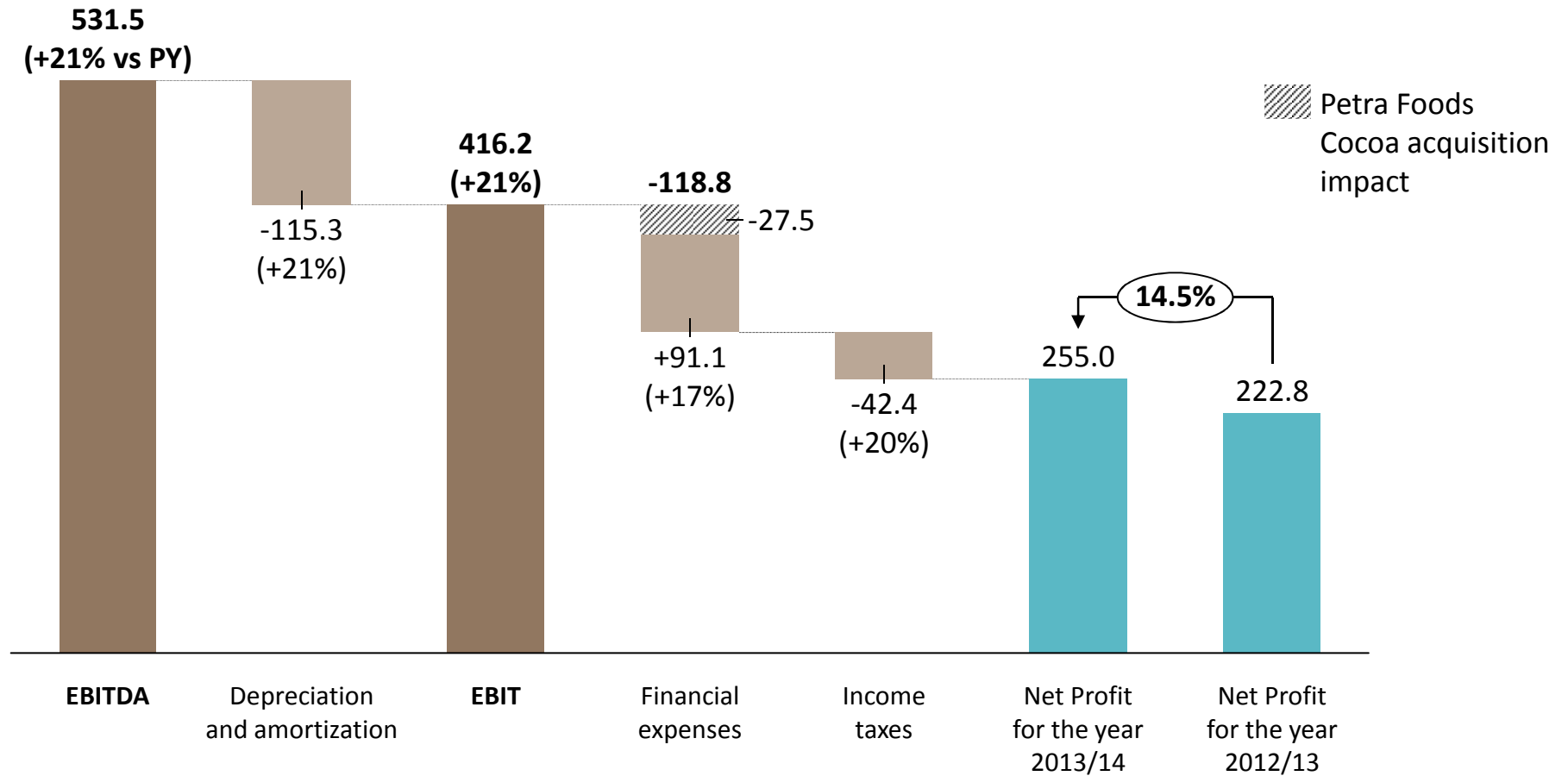
Improved EBIT per tonne driven by stronger focus on profitability, despite low combined cocoa ratio



From EBITDA to Net Profit

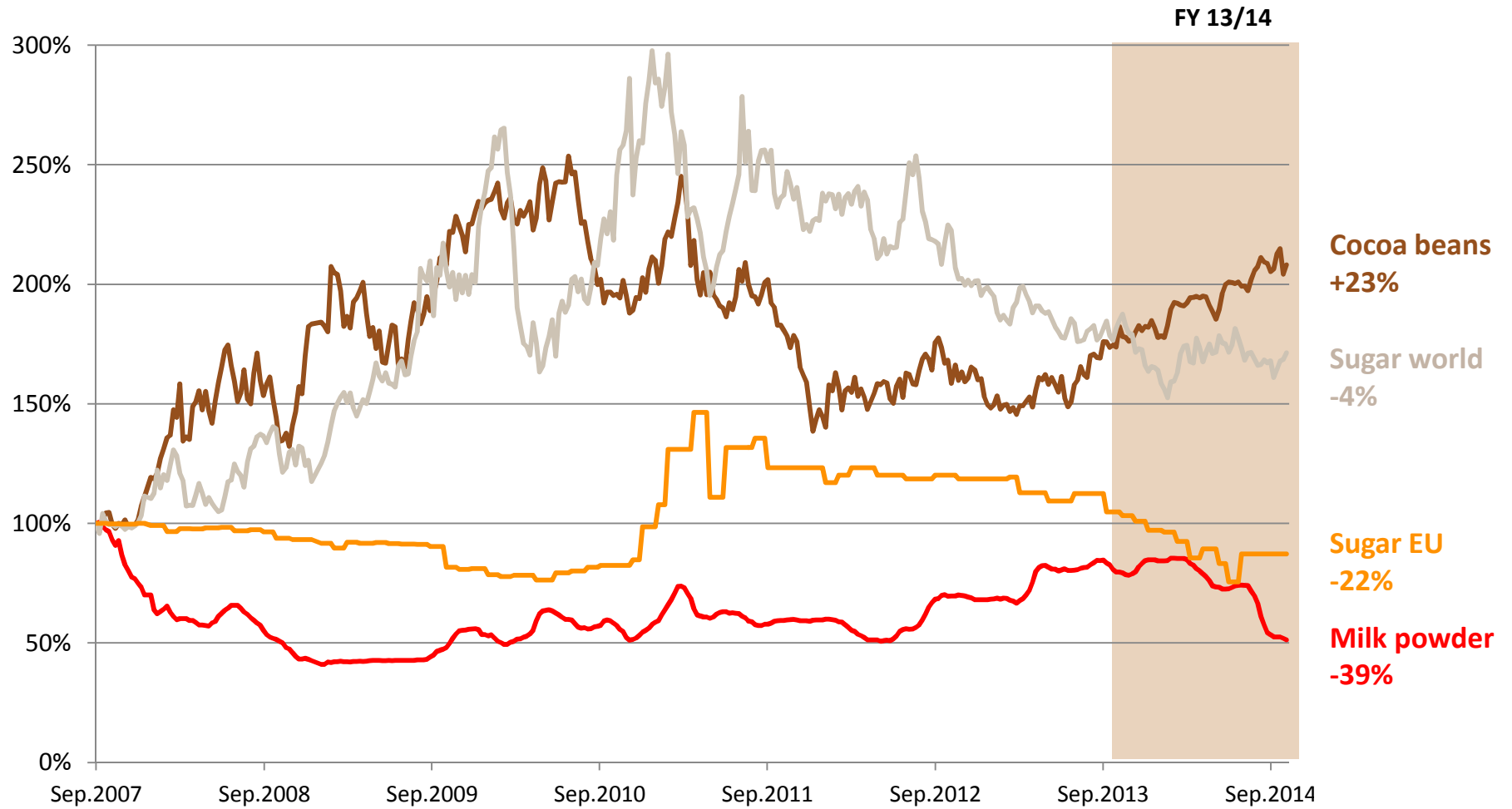
Net Profit for the year increased by +14.5% driven by higher operational result, partly offset by higher financing expenses and taxes

in CHF mio.



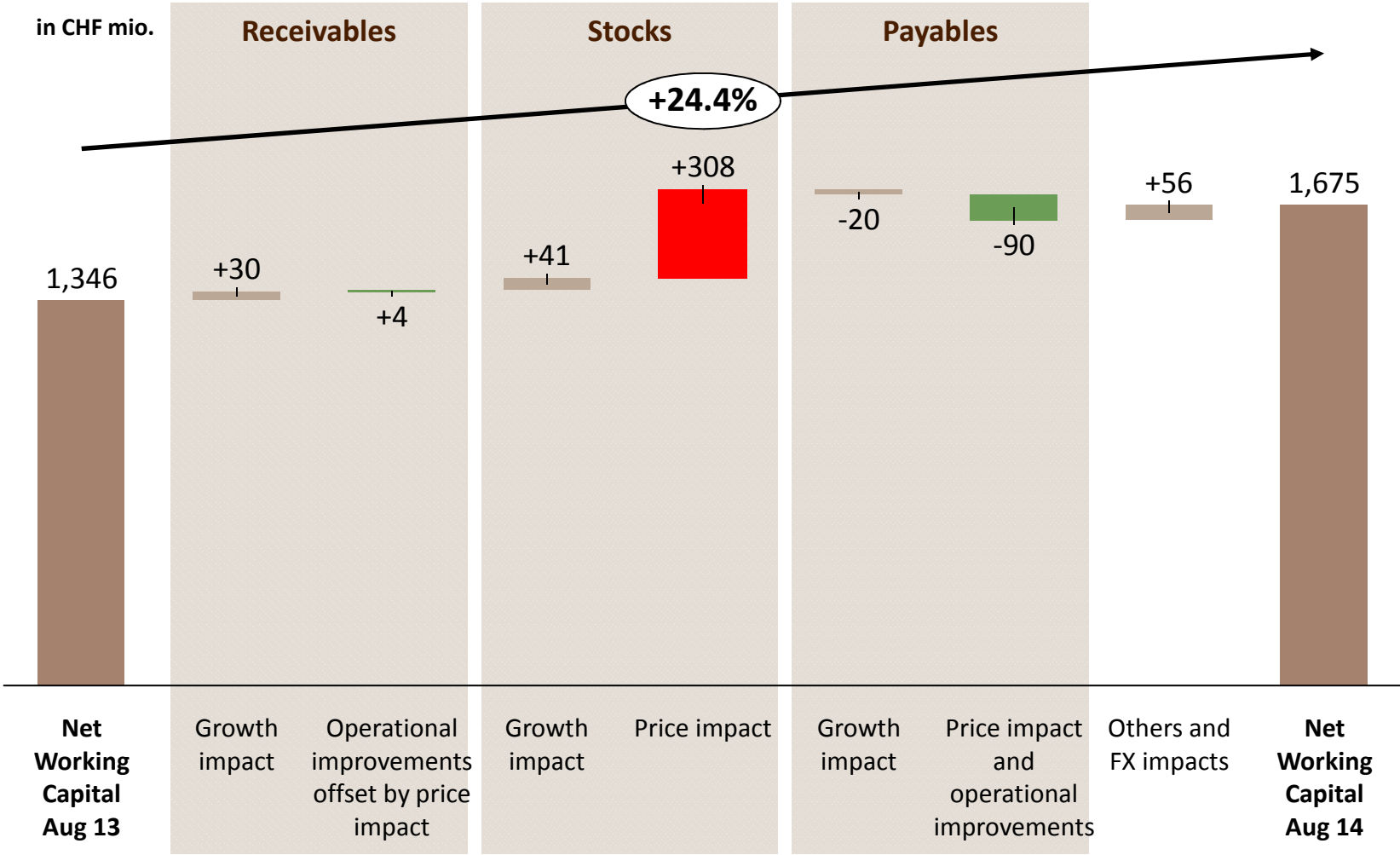
Raw materials evolution

Significant increase in cocoa bean price over the last year



Net Working Capital

Good working capital management with negative impact from increased cocoa bean prices

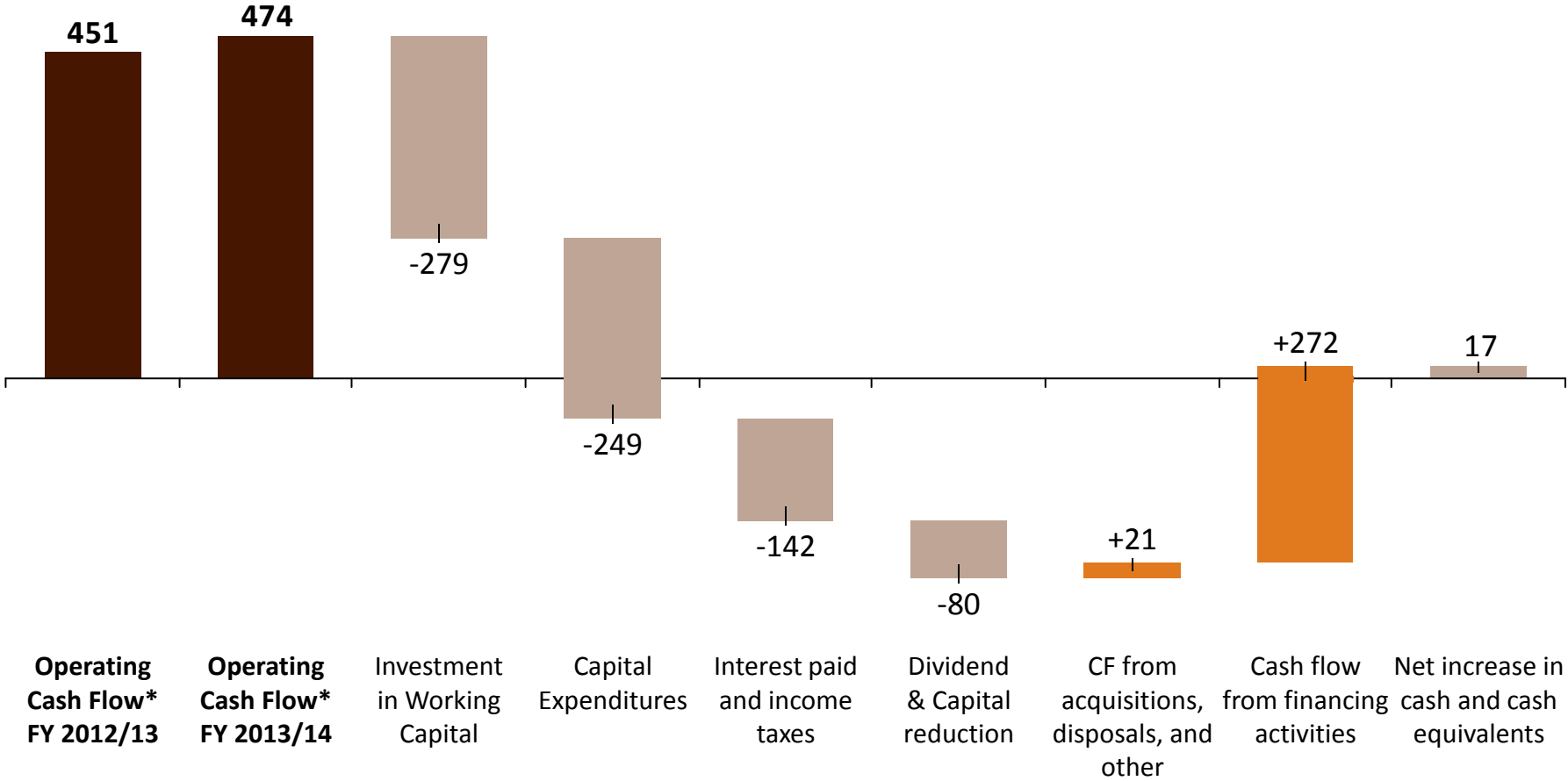


Cash Flow

Cash Flow negatively affected by higher raw material prices

in CHF mio.

+5.0%



* Before Working Capital changes

Balance Sheet & key ratios

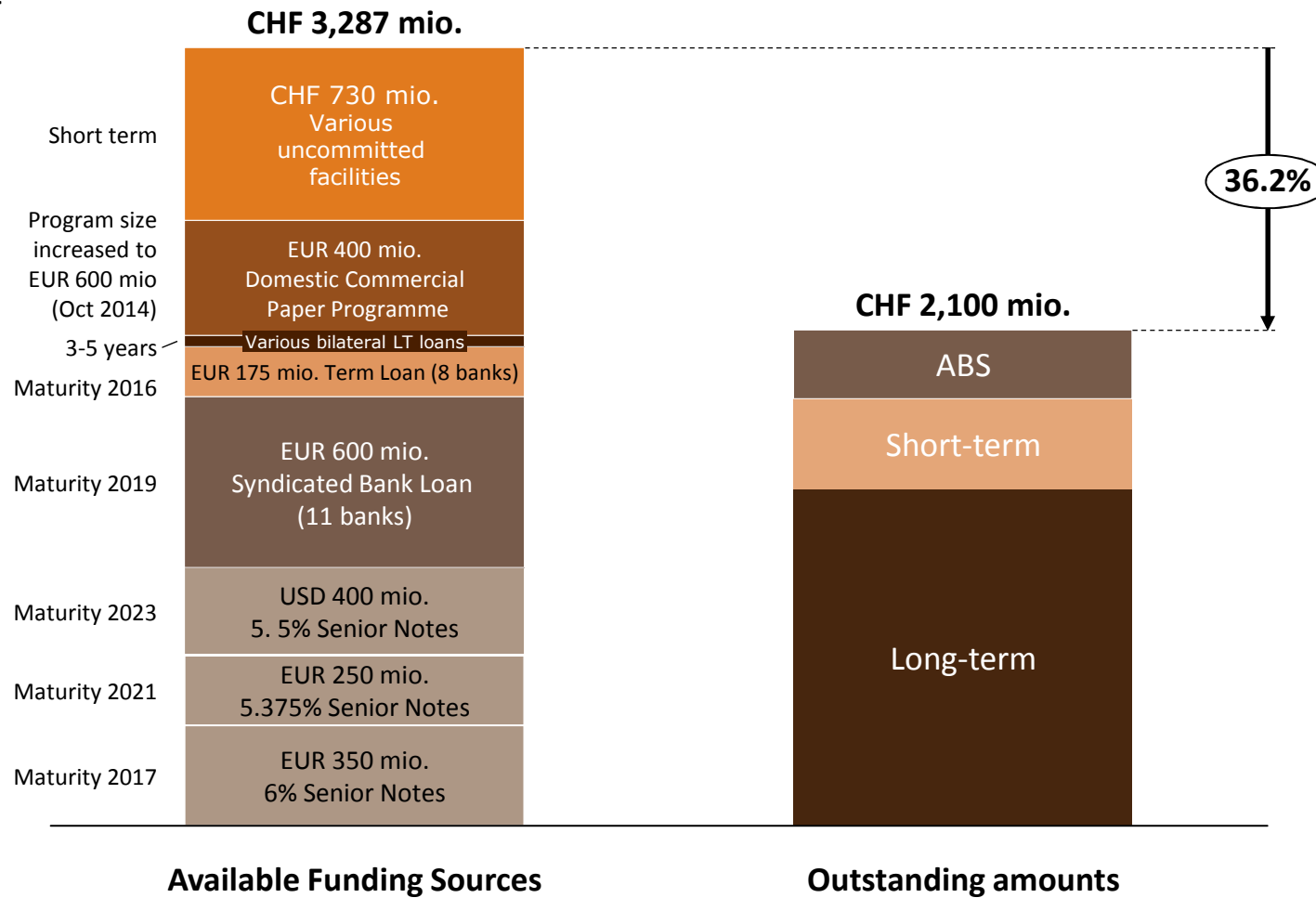
Higher working capital led to higher debt and lower key ratios

	Aug 14	Aug 13
Total Assets [CHF m]	5,167.5	4,526.9
Net Working Capital [CHF m]	1,674.6	1,345.7
Non-Current Assets [CHF m]	2,175.6	2,071.9
Net Debt [CHF m]	1,803.5	1,525.2
Shareholders' Equity [CHF m]	1,790.7	1,682.5
Debt/Equity ratio	100.7%	90.6%
Solvency ratio	34.7%	37.2%
Net debt / EBITDA	3.4x	3.5x
Interest cover ratio	4.5x	5.6x
ROIC	10.5%	10.9%
ROE	14.7%	15.4%

Available Financing

Enough headroom for further growth and raw material price fluctuations

As of 31 Aug 2014



Dividend

Dividend increased to CHF 15.50 per share – up 6.9%

Proposed dividend

- ▶ CHF 15.50 per share¹, up 6.9%
- ▶ Payout of 34% of Net Profit
- ▶ Not subject to withholding tax²

Timetable for dividend

- ▶ Shareholder approval: Dec 10, 2014 (AGM)
- ▶ Expected ex-date: Feb 25, 2015
- ▶ Expected payment date: March 2, 2015

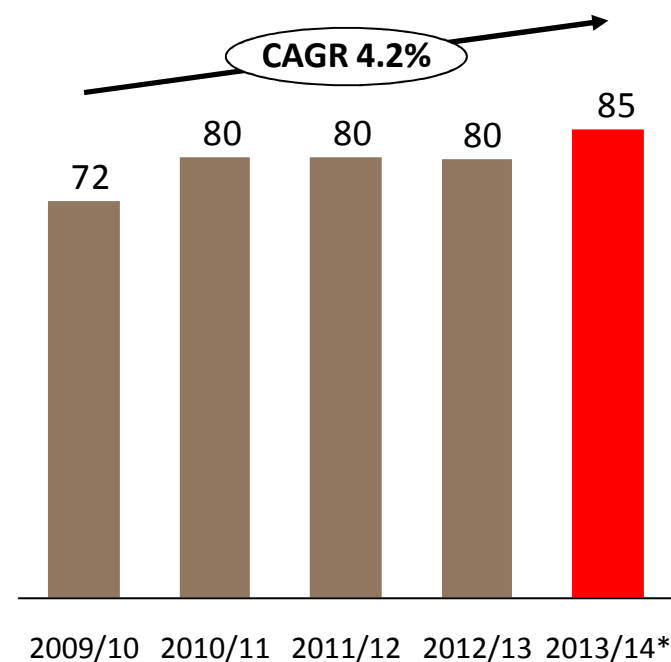
* As proposed by the Board to our Shareholders

1) From reserves from capital contributions

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

Total payout to shareholders

in CHF mio.



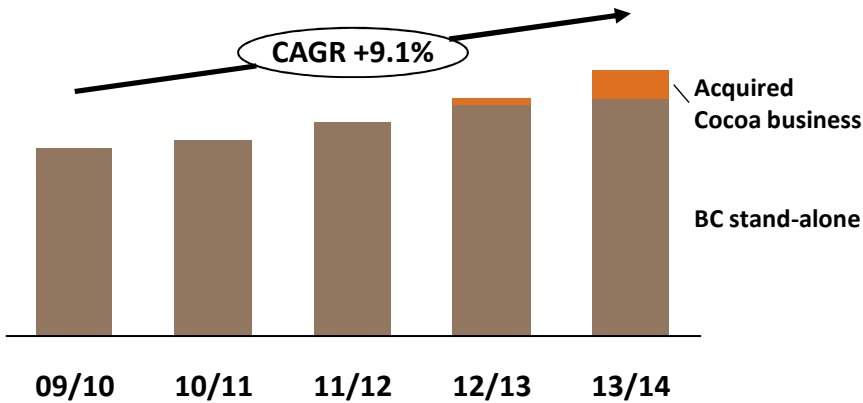
Payout ratio

2009/10	2010/11	2011/12	2012/13	2013/14*
29%	31%	33%	35%	34%

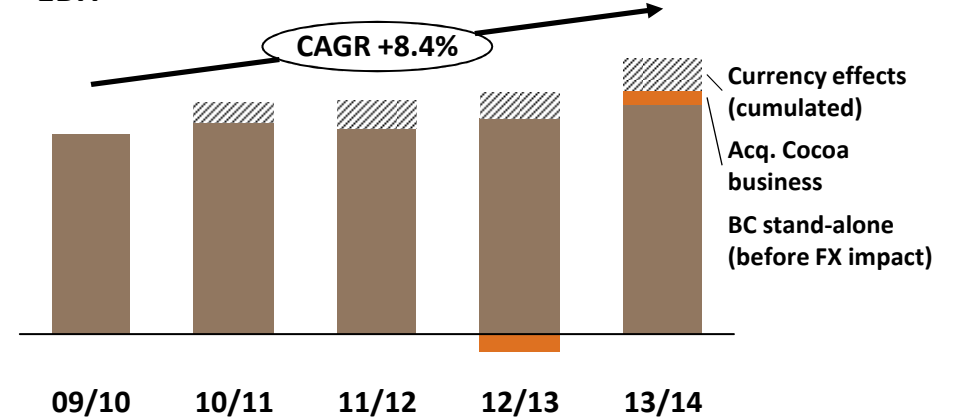
5-year development

Long-term and continued strong volume and EBIT growth in a capital intensive business

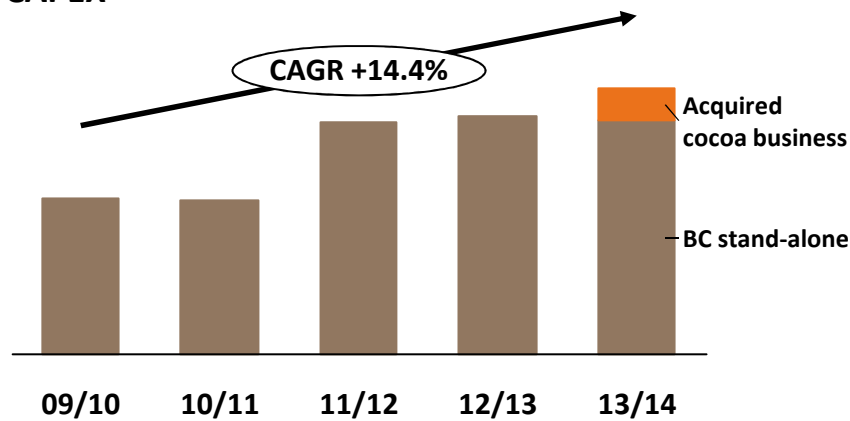
Sales Volume



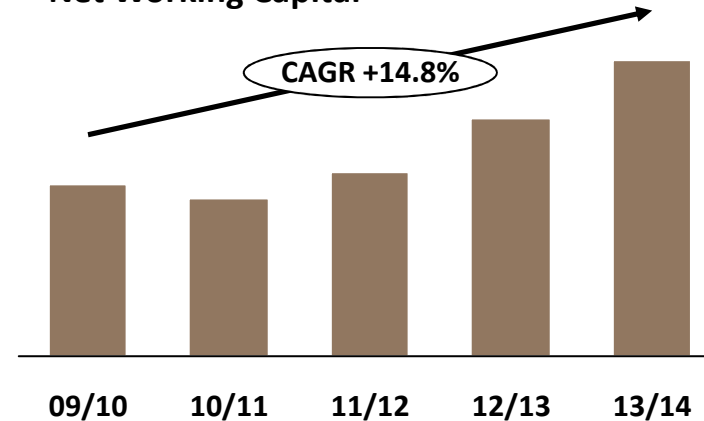
EBIT



CAPEX



Net Working Capital

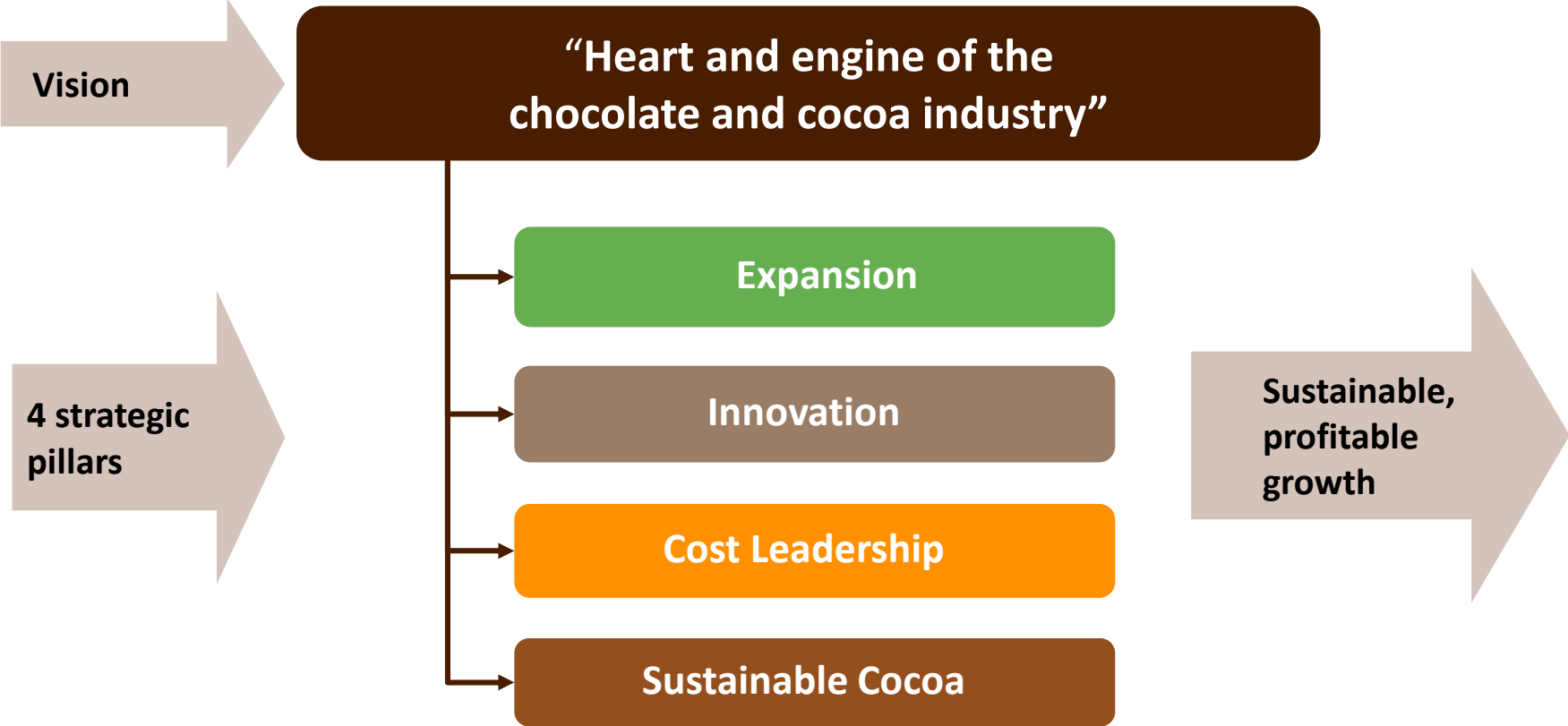


Agenda

- ▶ BC at a glance
 - ▶ Highlights FY 13/14
 - ▶ Financial review
-
- ▶ Strategy update & Outlook
-

The Barry Callebaut Group's growth strategy

Our proven four-pillar strategy is the basis for our long-term business success



The Barry Callebaut Group's growth strategy

We will further refine our focus with 6 shaping initiatives

	1 Outsourcing & Partnerships 2.0	2 Leadership in cocoa powder	3 Product & service differentiation	4 Compound & filling	5 Operational Excellence	6 One Company mindset
Expansion	✓	✓	✓	✓	✓	✓
Innovation	✓	✓	✓	✓	✓	✓
Cost Leadership	✓	✓	✓	✓	✓	✓
Sustainable Cocoa	✓	✓	✓	✓	✓	✓

Key growth drivers

Untapped growth potential in different dimensions

Emerging Markets

- New factories in Chile, Turkey, India
- Opportunities for further market penetration
- High demand for cocoa powder applications
- 80% still captive



Long-term outsourcing & Strategic partnerships

- 51% of industrial chocolate still captive market
- Expanding existing global partnerships
- New agreements with regional/local leaders



Gourmet & Specialties

- Expand into new markets/ increase distribution points
- Tap into new segments (Key accounts/ chain business)
- Expand product offering and solutions
- Acquisition opportunities



Chocovision 2014

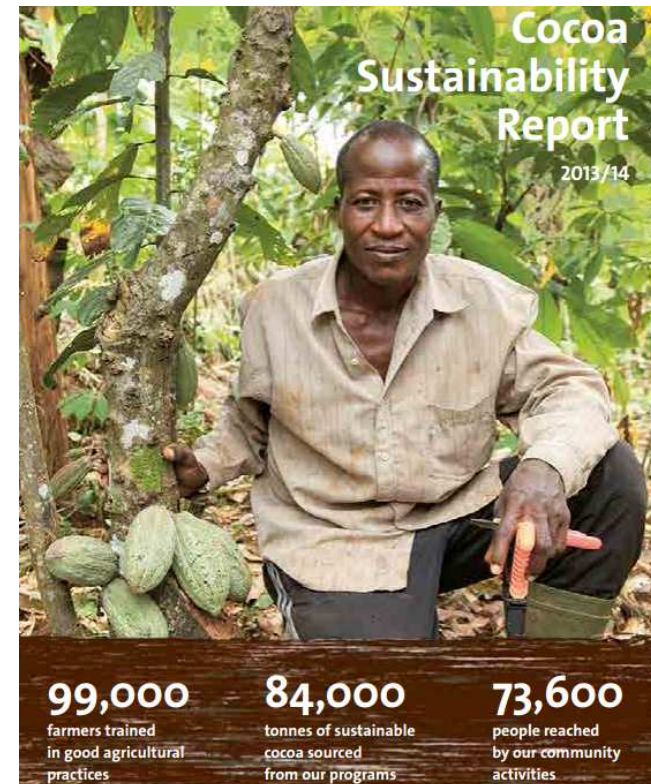
Taking industry leadership and driving sustainability; supporting CocoaAction



- ▶ International conference for senior business leaders and key stakeholders in the cocoa and chocolate industry
- ▶ Neutral platform for debate
- ▶ Networking and knowledge sharing platform, gathering of new ideas for sustainable solutions
- ▶ ~200 board-level executives, politicians, NGO representatives and scientists
- ▶ CocoaAction presented by World Cocoa Foundation (WCF) during Chocovision 2014



Aligning our sustainability strategy and activities with CocoaAction



Accelerate Talent Management and succession planning

HR for Growth – Developing our people



- ▶ On-going initiative to further improve our Talent Management & Leadership Development
- ▶ Aligning our HR organisation to better support the business
- ▶ Introducing a new IT system to become more efficient and consistent
- ▶ Growing our talent base

Outlook FY 2014/15

Our key focus areas going forward



- ▶ Drive further expansion along our three key growth drivers
 - ▶ Outsourcing & Partnerships
 - ▶ Gourmet
 - ▶ Emerging markets

- ▶ Continued focus on margins, tighter cost control, stronger discipline in CAPEX and cash flow generation

- ▶ Further implement HR for Growth and push talent management

- ▶ Drive our 6 strategic shaping initiatives

Challenging environment, confident to achieve mid-term guidance



- ▶ Market / industry outlook
 - ▶ Long-term growth in chocolate and cocoa powder remains intact
 - ▶ Significant growth opportunities
 - ▶ Challenging environment in emerging markets, as well as in Europe



- ▶ Mid-term Guidance*
 - ▶ On average 6-8% volume growth per year, and
 - ▶ EBIT per tonne to reach CHF 256 by 2015/16

* Barring any major unforeseen events.

Appendix



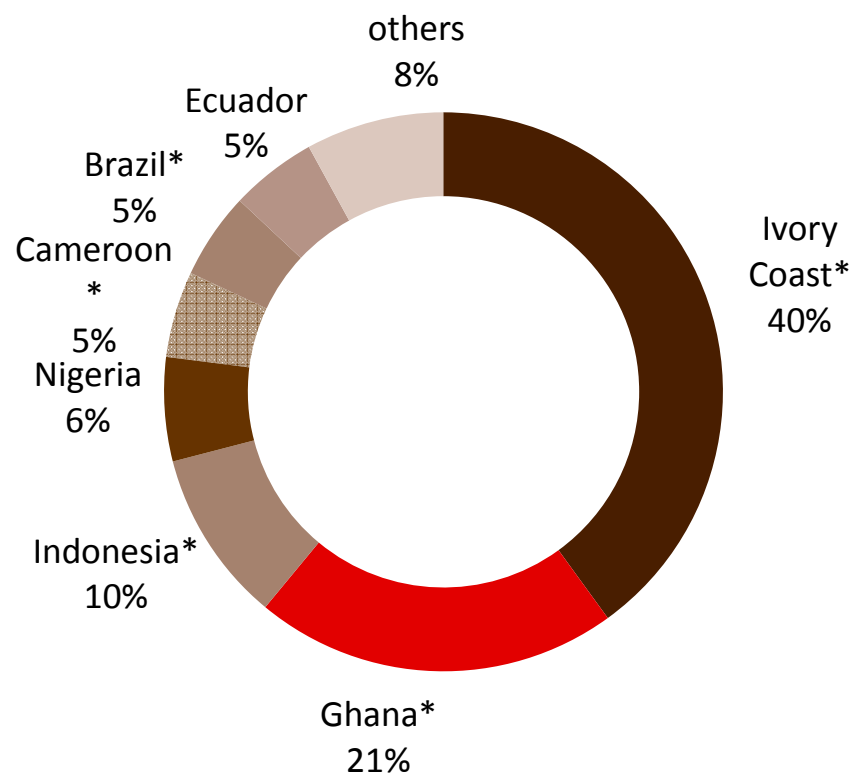
What makes Barry Callebaut unique?



- ▶ Global number one player focused in chocolate and cocoa
- ▶ Global leader in Gourmet
- ▶ Proven and long-term oriented strategy
- ▶ Unparalleled global footprint, present in all key markets
- ▶ Preferred outsourcing and strategic partner
- ▶ Leading and growing presence in emerging markets
- ▶ Deep R&D / Innovation know-how
- ▶ Cost leadership along the value chain
- ▶ Taking leadership in sustainable cocoa
- ▶ Entrepreneurial spirit
- ▶ Supportive ownership structure

West Africa is the world's largest cocoa producer – BC sources locally

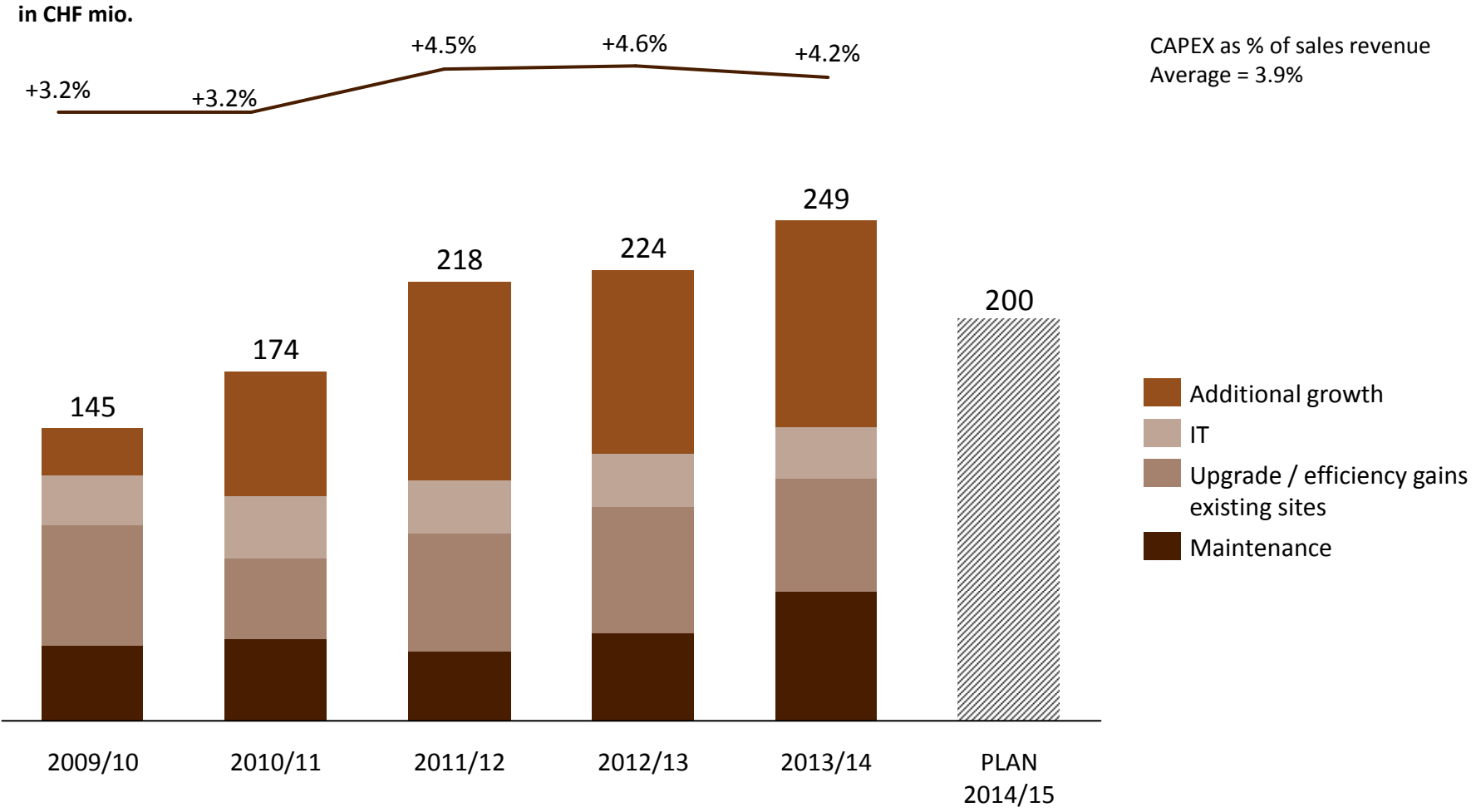
Total world harvest (13/14): 4'345 TMT



Source: ICCO estimates

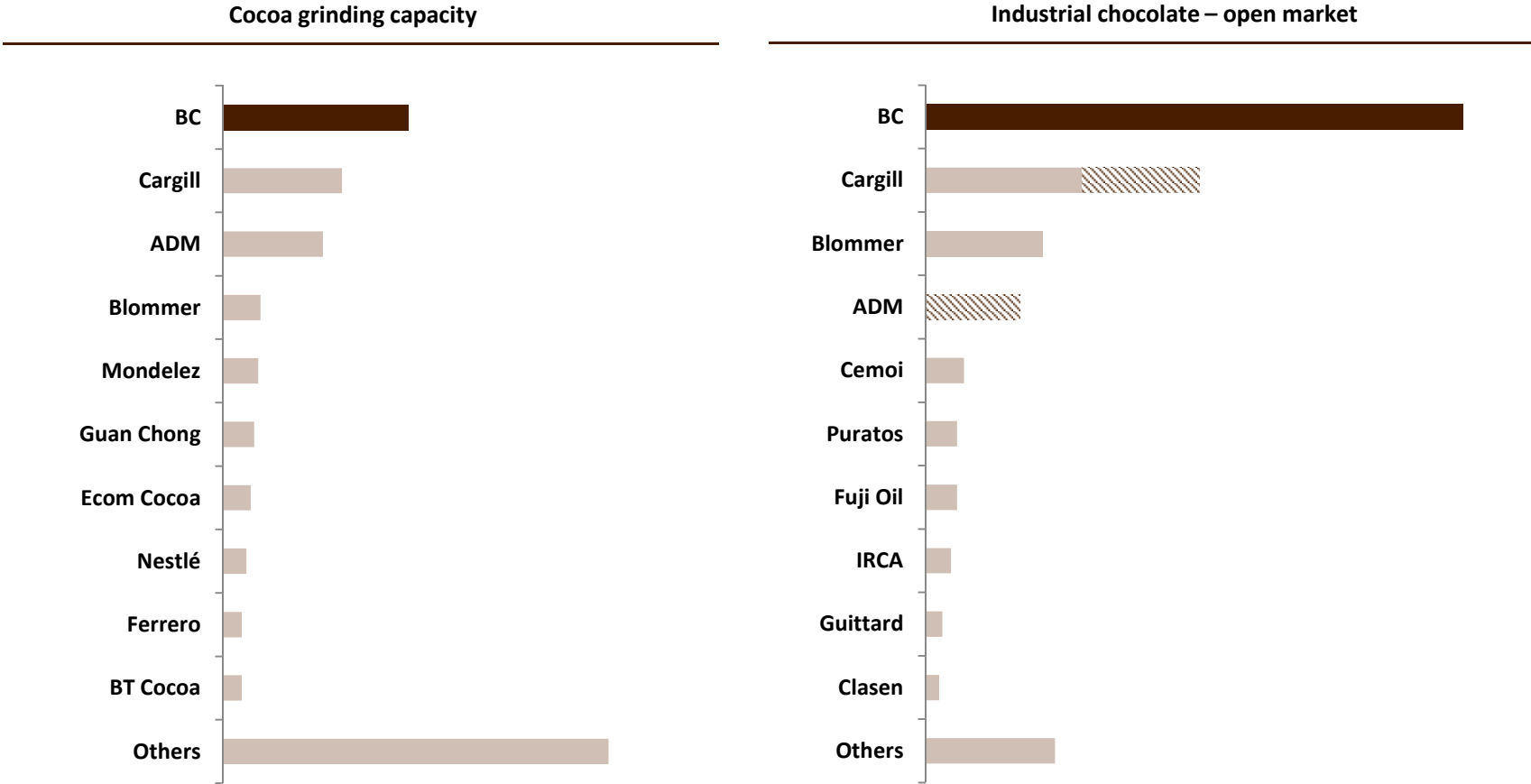
- ▶ About 70% of total cocoa beans come from West Africa
- ▶ BC processed ~940,000 tonnes or 22% of the world crop
- ▶ Barry Callebaut has various cocoa processing facilities in origin countries*, in Europe and in the USA

Capital Expenditures



Chocolate and Cocoa markets

Barry Callebaut uniquely positioned in industrial chocolate and cocoa markets



Sources: Third party study (2014); Proprietary estimates

