

BARRY CALLEBAUT

Short Report

2018/19



“We are the

heart and engine

of the cocoa and
chocolate industry”

**Barry Callebaut is
the world's leading
chocolate and cocoa
manufacturer,
mastering every step
from the sourcing
of the raw materials
to the production
of the finest quality
products.**

For the online version of the Annual Report, go to:
barry-callebaut.com/annual-report

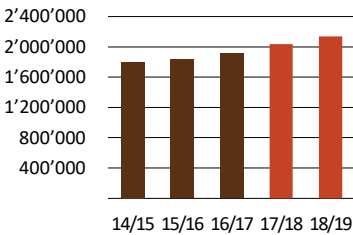
Key Figures

for the fiscal year		Change (%)		2018/19	2017/18
		in local currencies	in CHF		
Sales volume	Tonnes		5.1%	2,139,758	2,035,857
Sales revenue	CHF m	7.8%	5.2%	7,309.0	6,948.4
Gross profit	CHF m	5.1%	2.7%	1,188.4	1,157.1
Operating profit (EBIT)	CHF m	11.9%	8.5%	601.2	554.0
EBIT per tonne	CHF	6.5%	3.3%	281.0	272.1
Net profit for the year	CHF m	6.9%/14.2% ¹	3.2%/10.4% ¹	368.7	357.4
Free cash flow	CHF m			289.7	311.9

¹ Net profit excluding one-off costs for early bond repayment of CHF 33 m, partly offset by the tax effect of CHF 7 m.

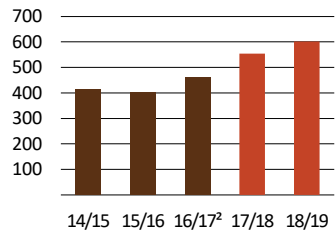
Sales Volume

in tonnes



EBIT

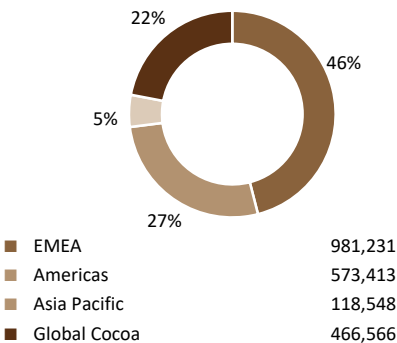
in CHF million



² Restated.

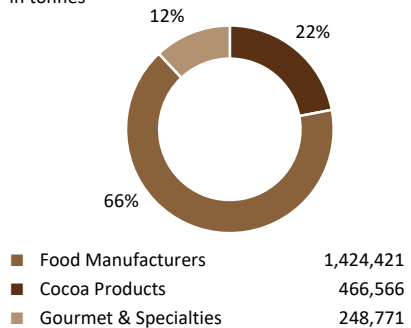
Sales Volume by Region

in tonnes



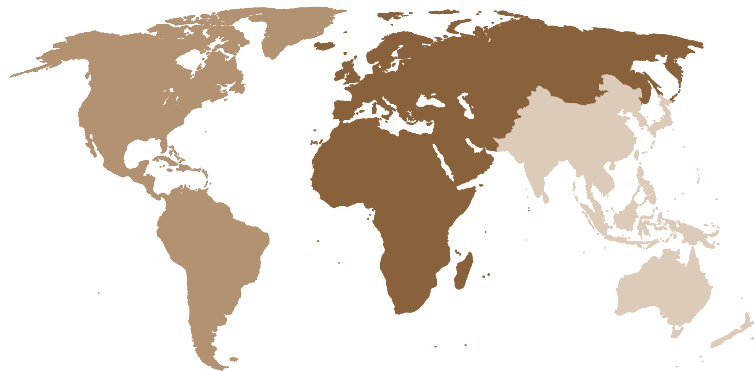
Sales Volume by Product Group

in tonnes



Fiscal year 2018/19 in brief

- Sales volume up +5.1%, well above the market growth¹
- Sales revenue of CHF 7.3 billion, up +7.8% in local currencies (+5.2% in CHF)
- Operating profit (EBIT) up +11.9% in local currencies (+8.5% in CHF)
- Net profit² up +14.2% in local currencies (+10.4% in CHF)
- Free cash flow of CHF 290 million
- Mid-term guidance 2015/16–2018/19 delivered³, on average +4.5% volume growth and +13.9% EBIT growth in local currencies
- Board members Jakob Baer and Juergen Steinemann will not stand for reelection
- Proposed payout to shareholders of CHF 26.00 per share, up +8.3%



	EMEA	Americas	Asia Pacific	Global Cocoa
Volume growth vs. prior year in tonnes	+6.1%	+4.4%	+12.1%	+2.4%
EBIT growth vs. prior year in local currencies	+5.9%	+9.0%	+13.8%	+25.0%

¹ Source: Nielsen, +1.8% in volume for the period Aug 2018 to Aug 2019 – 25 countries, excl. e-commerce channels.

² Net profit excluding one-off costs for early bond repayment of CHF 33 million, partly offset by the tax effect of CHF 7 million.

³ 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.

Highlights

December 2018

- Transaction with Burton's Biscuit Company, UK's second biggest biscuit manufacturer, completed

February 2019

- Acquisition of Inforum, a leading Russian B2B producer of chocolate, compound coatings and fillings, completed
- Barry Callebaut successfully placed its first Schuldscheindarlehen

March 2019

- New office and CHOCOLATE ACADEMY™ Center in Beijing opened, the second in China and the 22nd worldwide
- Major expansion of cocoa processing capacities in Côte d'Ivoire

April 2019

- Memorandum of Understanding signed with the Government of Serbia and the City of Novi Sad to construct our first chocolate factory in Southeastern Europe

May 2019

- Ruby chocolate officially launched in the United States and Canada

July 2019

- Barry Callebaut announced to build new Global Distribution Center in Lokeren, Belgium
- Groundbreaking of new chocolate factory in Baramati, India

August 2019

- Start-up of new chocolate factory in Rancaekek, Indonesia
- New CHOCOLATE ACADEMY™ Center in Antwerp, Belgium, opened, the third in the Benelux and the 23rd worldwide

Please also refer to www.barry-callebaut.com/history

Good growth momentum continues

Our proven long-term strategy and its consistent execution delivered another set of strong results, creating value for our shareholders and other stakeholders. The successful completion of our 4-year mid-term guidance gave us the confidence to renew it for the next 3-year period.

Dear Shareholders,

As a company, we are committed to the long-term creation of value for our shareholders and other stakeholders. For the 4-year period 2015/16 to 2018/19 we set ourselves the ambitious target of 4–6% volume growth and EBIT above volume growth in local currencies on average per annum. Now, at the end of these four years, we are proud to have achieved an average above-market volume growth of +4.5% and EBIT growth in local currencies of +13.9%, three times faster than volumes. During the same period, our share price increased by +90.8%. These achievements confirm the strength of our long-term ‘smart growth’ strategy and gave us the confidence to renew our guidance for the next 3-year period, ending on August 31, 2022.

In fiscal year 2018/19, the consistent execution of our strategy delivered another strong set of results. We achieved broad based vol-

ume growth of +5.1% to 2.1 million tonnes, across all Regions and key growth drivers: Outsourcing, Emerging Markets and Gourmet & Specialties. Sales volume in the chocolate business rose by +5.9%, about three times faster than the underlying global chocolate confectionery market, which grew +1.8% according to Nielsen. Sales revenue increased by +7.8% in local currencies to CHF 7,309.0 million, impacted by higher raw material prices and the first-time adoption of IFRS 15. Operating profit (EBIT) increased by +11.9% in local currencies to CHF 601.2 million. EBIT growth was more than double the volume growth, supported by all Regions and product groups. Net profit for the year – excluding the one-off effect for the early bond repayment – grew by +14.2%¹ in local currencies to CHF 394.7 million. Reported net profit amounted to CHF 368.7 million, up +6.9% in local currencies. Free cash flow amounted to CHF 290 million and was impacted by the



Chairman of the Board Patrick De Maeseneire and CEO Antoine de Saint-Affrique.

one-off effect of CHF 33 million of the early bond repayment.

To allow shareholders to participate in the Group's success, the Board of Directors proposes a payout of CHF 26.00 per share to the Annual General Meeting of Shareholders on December 11, 2019, an increase of +8.3% on top of the strong increase last year.

In fiscal year 2018/19, we again achieved a number of strategic milestones:

Expansion. We strengthened our presence and accelerated the expansion of our capacities and capabilities in all Regions. In Russia, the integration of Inforum, a leading B2B producer of chocolate, coatings and fillings, is well on track. In Serbia, the state-of-the-art facility in Novi Sad, our first chocolate factory

in Southeastern Europe, is expected to be operational by 2021. We opened CHOCOLATE ACADEMY™ Centers in Beijing and Antwerp, bringing the number of these training centers for chocolate professionals to 23. In Region Americas, we accelerated the expansion of our chocolate production capacities. In India, one of the fastest-growing chocolate markets in Asia, we laid the first stone for the construction of a chocolate factory in Baramati. We strengthened our partnership with Garudafood, a leading food company in Indonesia, by opening a second chocolate plant in Rancaekek. In Côte d'Ivoire, we inaugurated a cocoa processing unit in Abidjan, enabling us to expand our capacity there by +40% by 2022.

Innovation. The fourth type of chocolate, Ruby, was launched in the US, the world's largest chocolate and confectionery market, and Canada in May 2019. Ruby is now available in more than 50 countries worldwide. Our sugar-reduced solutions, like the new dark and milk chocolate with only 1% added sugar, cater to the desires of wholesome choice consumers. Bensdorp, our premium cocoa powder brand, introduced "Natural Dark". This 100% natural cocoa powder enables food manufacturers to deliver dark cocoa creations with an intense chocolate taste and a 100% clean label. In September 2019, we unveiled 'Cacaofruit Experience', a new Food & Drink category including 'Wholefruit Chocolate', which makes use of the entire cacaofruit.

Cost leadership. In February 2019, we successfully placed a EUR 600 million equivalent Schuldscheindarlehen that improved our debt and liquidity structure. At least two-thirds of the proceeds will finance sustainability related projects to support cocoa farmers and their communities. Given the success of our debut in the Schuldscheindarlehen market, we repaid the outstanding 5.375% Senior Note, due 2021, in the amount of EUR 250 million in August 2019. As a result, we expect a positive impact on net finance expense of around CHF 10 million as of fiscal year 2019/20. This, together with the ongoing roll-out of our SAP system and more efficient business processes, will contribute to our cost competitiveness.

Sustainability. For us, sustainability is business critical. Forever Chocolate, our plan to make sustainable chocolate the norm by 2025, is proving to be highly impactful in creating a sustainable cocoa and chocolate supply chain. We are proud that our investments in a sustainable value chain were acknowledged in July 2019, when Sustainalytics – a global leader in ESG and Corporate Governance research and ratings – ranked Forever Chocolate as the #1 sustainability strategy out of 178 food companies. In September, we joined two initiatives at the United Nations Climate Action Summit in New York: The One Planet Business for Biodiversity (OP2B) coalition, a coalition of food and agriculture companies determined to protect and restore cultivated and natural biodiversity within their value chains, and the "Just Rural Transition" initiative, which is committed to transforming by 2030 the way in which food is produced and consumed.

Sales Volume: +5.1%

2.1

million tonnes

EBIT: +11.9% in local currencies

601.2

CHF million

Net profit for the year: +14.2%¹

368.7

CHF million

Free cash flow

290

CHF million

Dividend: payout ratio 39%

26.00

CHF per share

Ample opportunities for growth

Growth opportunities can be found everywhere: in new markets, customer segments, product categories or channels. We look to the next 3-year period with confidence. Not least because of the extraordinary talent we have at Barry Callebaut. The dedication, expertise and passion of our employees, together with our strong corporate values, are the best recipe for continued business success. We would like to warmly thank our employees for another very strong performance in 2018/19.

Going forward, we remain committed to pursuing our 'smart growth' strategy. Good growth momentum, a strong innovation portfolio and discipline in execution make us confident of delivering on our renewed mid-term guidance, which is on average for the 3-year period 2019/20 to 2021/22: 4–6% volume growth and EBIT above volume growth in local currencies, barring any major unforeseen events.

To conclude, we would like to thank all our customers and shareholders for their trust and continued support.



Patrick De Maeseineire

Chairman of the Board

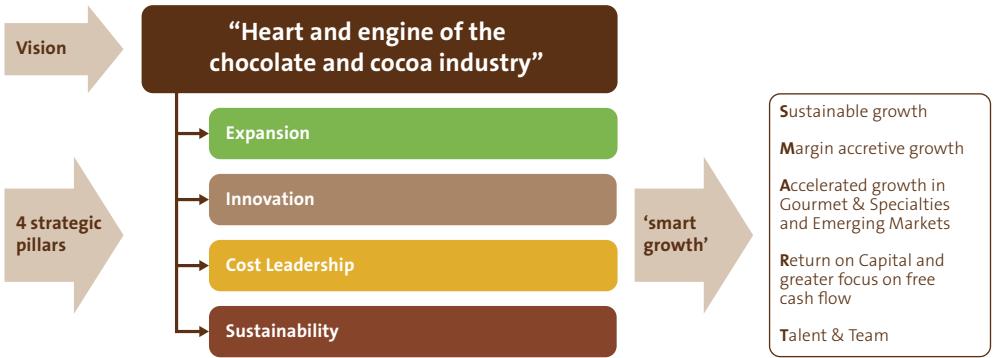


Antoine de Saint-Affrique

Chief Executive Officer

¹ Net profit excluding one-off costs for early bond repayment of CHF 33 million, partly offset by the tax effect of CHF 7 million.

Barry Callebaut aims to consistently outperform the global chocolate and cocoa market. This ambitious long-term strategy is based on four pillars:



Expansion

We aim to expand our business based on three growth drivers: further strengthening our presence in the high potential Emerging Markets, Outsourcing & Partnerships with global and local food manufacturers, as well as further expanding our position in Gourmet & Specialties.

Innovation

We lead the development of the chocolate and cocoa market through innovation in our global Gourmet brands and in co-creation with our industrial partners. Our global market insights are brought together with our profound Research & Development expertise in areas such as structuring, sensory, sugar reduction, processing and cocoa science. On this basis, our value-adding products and services will keep driving margin accretive growth.

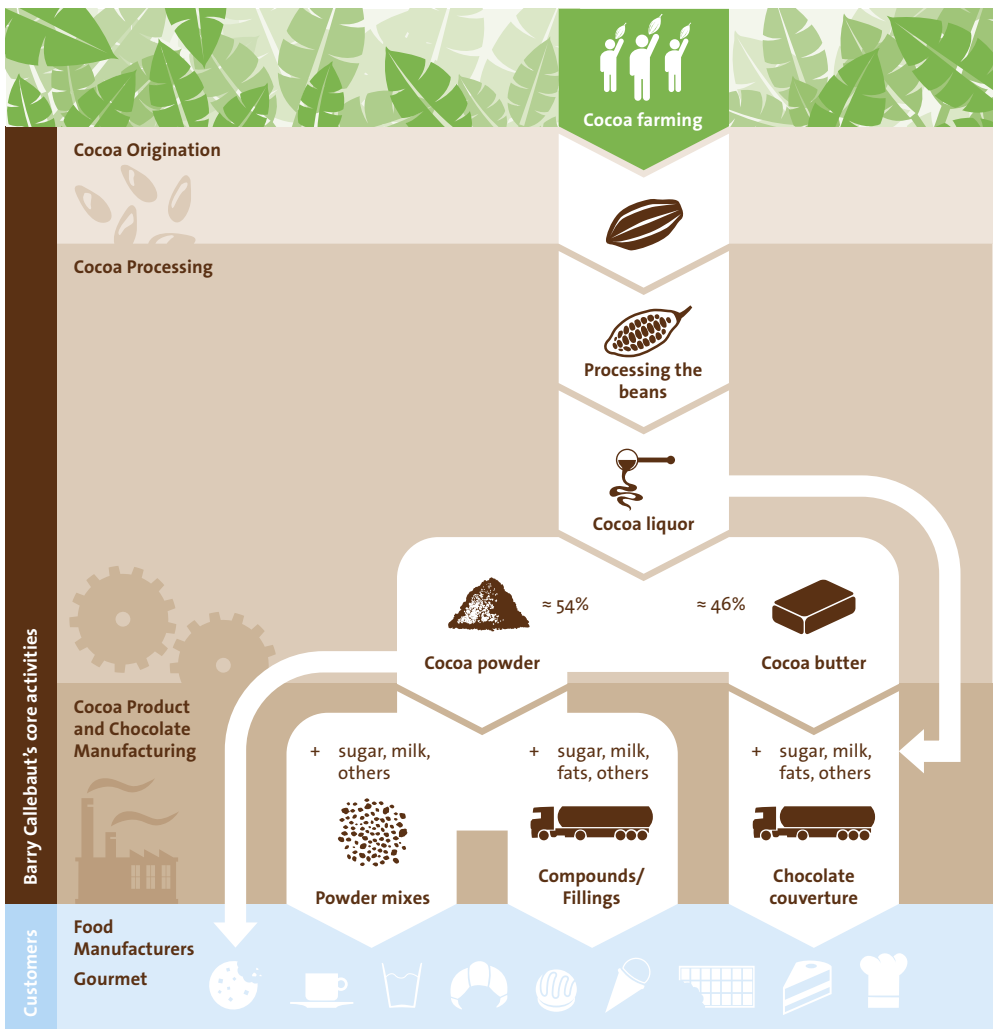
Cost Leadership

Cost leadership is a core element of our competitiveness and one of the reasons why many customers have chosen to outsource their production to us. We continuously strive to improve our performance through technology upgrade, scale leverage, optimization of product flows, best-in-class sourcing capabilities and tight cost management.

Sustainability

We believe that the future of our industry depends on its ability to make cocoa farming more viable and attractive to farmers. Forever Chocolate, a movement we launched in 2016, is our plan to make sustainable chocolate the norm by 2025. Our ambition goes beyond sustainable cocoa. It is the next step in our long history of investing in a sustainable supply chain.

Barry Callebaut is the world's leading manufacturer of high-quality chocolate and cocoa products. We serve the entire food industry – from global and local food manufacturers to artisanal and professional users of chocolate.



Growing with our customers

Emerging Markets continue to offer tremendous potential for growth in cocoa and chocolate consumption. To keep serving our customers in Emerging Markets optimally, we continuously invest in our capabilities and capacities.

In March 2019, we inaugurated a new cocoa processing unit in Abidjan, Côte d'Ivoire, which expands our capacity by +40% in Côte d'Ivoire by 2022. This significant investment underscores our long-term commitment to the country and to the African continent – not only as a supplier of high-quality cocoa beans but also as an industrial base and as an emerging market for cocoa and chocolate consumption.

In April 2019, we signed a Memorandum of Understanding with the Government of Serbia and the City of Novi Sad to construct our first chocolate factory in Southeastern Europe. The state-of-the-art facility with an initial annual production capacity of over 50,000 tonnes is expected to be operational by 2021. It will supply customers with a wide range of products and will serve as a regional hub from which we can address the rapidly growing chocolate markets of Southeastern Europe.

Two months earlier, in Russia, we successfully closed the acquisition of Inforum, a leading Russian B2B producer of chocolate, compound coatings and fillings. It will bring further excellence and innovation to the high-growth Russian market, the world's second largest chocolate confectionery market.

In China we continued our expansion with a new office and CHOCOLATE ACADEMY™ Center in Beijing. For China, this is the second CHOCOLATE ACADEMY™ Center, and the 22nd globally. Both steps underline our desire to better serve food manufacturers and the artisanal community in China.

“We continuously invest in our capacities and capabilities.”

Antoine de Saint-Affrique, CEO

From left: **Souleymane Diarrassouba**, Minister of Trade, Industry and SME Promotion, Côte d'Ivoire, **Jo Thys**, Vice President Cocoa Africa, Barry Callebaut, **Antoine de Saint-Affrique**, CEO Barry Callebaut, **Steven Retzlaff**, President Global Cocoa, Barry Callebaut, **Aby Raoul**, Mayor of Marcory, Côte d'Ivoire.



New cocoa processing unit
in Abidjan, Côte d'Ivoire:

+40%
capacity

by 2022



Groundbreaking Ceremony in Baramati, India From left: Elodie Vishwakarma, HR Head, India; Ben De Schryver, President Asia Pacific; Dhruva Jyoti Sanyal, Managing Director, India; Anurag Bhardwaj, Finance Head, India.

In July 2019, we announced the construction of a new production site in Baramati, India. Operational from mid-2020, this plant will produce 30,000 tonnes of chocolate and compound annually. It will support our ambition to become the leading industrial chocolate manufacturer in India, Asia's third largest economy.

Outsourcing deals and partnerships with global and local food manufacturers are another essential part of our business strategy. In Indonesia, the world's fourth most populous country and one of the most vibrant economies in Asia, we signed in November 2018 an additional agreement for the supply of another 7,000 tonnes of compound chocolate per year to Garudafood's biscuit factory in Rancaekek.

“Baramati supports our ambition to become the leading industrial chocolate manufacturer in India.”

Ben De Schryver, President Asia Pacific

Garudafood: Additional agreement for the supply of

+7,000 tonnes

of compound chocolate per year in Rancaekek, Indonesia

This long-term agreement with Garudafood, one of the largest food companies in Indonesia, is further proof of our successful partnership, which began in 2015.

As demand for cocoa and chocolate is increasing in emerging markets and as our customers are expanding, we are investing to make sure we grow with our customers.

“Plant in plant” approach

A “plant in plant” approach means that we integrate new production facilities at the premises of our customer's factories. Rancaekek is a good example. In fiscal year 2018/19, we built a chocolate factory within Garudafood's existing biscuit factory and started manufacturing in August 2019. The highly automated compound chocolate line is part of an additional agreement for the supply of another 7,000 tonnes of compound per year. You can't get any closer to a customer!

Unleashing the full power of the cacaofruit

Innovation is in our DNA and we are constantly bringing cutting-edge innovations to market. In September 2017, we launched Ruby, the 4th type of chocolate. This year, also in September, a next generation food & drink category was introduced: ‘Cacaofruit Experience’. Whereas normally 70% of the fruit is discarded as waste, ‘Cacaofruit Experience’ unleashes the full power of the cacaofruit as these products make use of the entire fruit: its seeds (beans), its nutrient-dense peel and its fresh and fruity pulp and juice. This results in a range of high-quality ingredients that can be used in applications such as juices, smoothies, desserts, bakery and pastry products and snacks all the way to chocolate: ‘WholeFruit’ Chocolate. The new range of products underpins the Group’s shift towards a specialty ingredients maker.

“We make use of the entire cacaofruit.”

Herwig Bernaert, Managing Director
Cabosse Naturals

The new range appeals especially to younger generations. For them, food & drinks need to be tasty and nutritious and with a positive impact on the planet and its people. The new category of ‘Cacaofruit Experience’ caters to all these desires. It is unique in taste, nutrient rich and made of a fruit, that for the most part is typically discarded as waste. It goes without saying that ‘Cacaofruit Experience’ and ‘WholeFruit’ Chocolate are made from sustainably sourced raw materials.

The first launch of ‘Cacaofruit Experience’ by Mondelez International under its new brand CaPao is piloting two cacaofruit snack products with selected retailers in California. In addition, ‘Cacaofruit Experience’ is hitting the chef and artisan market as a new type of chocolate. As of May 2020, ‘WholeFruit’ chocolate will be available in two varieties: the punchy ‘WholeFruit Bold’ and the smooth, luscious ‘WholeFruit Velvety’. Other ‘Cacaofruit Experience’ applications will soon be launched. They will allow chefs and artisans to experiment with the countless possibilities of this product range.



'WholeFruit'
Chocolate:

**100% pure
cacaofruit**

Continuously strengthening our financial profile

Cost leadership allows us to outpace our competitors and this includes raising debt in the financial markets at attractive average interest rates. In February 2019, Barry Callebaut successfully placed a EUR 600 million equivalent *Schuldscheindarlehen*. This transaction further improved our debt and liquidity structure by extending the average maturity and by diversifying our sources of financing at attractive average interest rates of 1.65% and an average tenor of 7.8 years.

The transaction marked the first offering since our upgrade to investment grade and constituted our first issuance of a *Schuldscheindarlehen*.

Remco Steenbergen, Chief Financial Officer: “We were pleased with the very significant investor interest. This issuance strengthens our financial profile and diversifies our debt investor base. In addition, the sustainability character of the transaction underscores our commitment to our Forever Chocolate plan.”

“This issuance strengthens our financial profile.”

Remco Steenbergen, Chief Financial Officer

We are the first Swiss industrial company to issue a *Schuldscheindarlehen* which includes tranches meeting sustainability criteria. At least two-thirds of the proceeds of the offering will be used to finance eligible sustainability projects that support cocoa farmers and cocoa farmer communities as defined in our Sustainability Bond Framework, published in November 2018. This document contains guidelines for determining project qualification under the terms of the offering, how projects are selected, and how proceeds are managed. The Sustainability Bond Framework has been reviewed and approved by Sustainalytics, one of the most reputable companies assessing corporate sustainability strategies.



1st Swiss industrial company

to issue Schuld-
scheindarlehen

Building the cocoa farms of the future

Barry Callebaut attended the United Nations Climate Action Summit in New York, as more action is needed to limit climate change. Why does climate change matter to a chocolate company? The answer is simple. If there is no forest and no biodiversity, there is no rain, and if there is no rain, there is no cocoa. If cocoa farmers cannot make a living because they are stuck with very low productivity, they will encroach into the forest.

We therefore joined the “One Planet Business for Biodiversity” (OP2B) coalition, an action-oriented coalition of companies with a specific focus on agriculture, determined to catalyze bold action to protect and restore cultivated and natural biodiversity within their value chains. In addition, we also signed the vision statement for the “Just Rural Transition” initiative. This multistakeholder platform is committed to transform by 2030 the way in which food is produced and consumed, and land and natural resources are used.

In support of the two initiatives we announced that Katchilè, our cocoa farm database, already contains insights into close to 300,000 smallholder cocoa farms located in the world’s leading cocoa-producing countries. By collecting and analyzing detailed data

on cocoa farms, we can support and advise cocoa farmers at individual farm level on how to improve the output of their cocoa farms via Farm Business Plans. Furthermore, understanding where farms are located allows us to assess if a farm is at risk of sourcing from a protected forest area. Through Farm Business Plans, as well as through our data insights into individual cocoa farms, we are in a pole position to help smallholder cocoa farmers in building the cocoa farms of the future.

Pablo Perversi: “The datasets on cocoa farmers we have collected are unprecedented. They will allow us to assess the needs of the individual cocoa farms in our supply chain in order to build a cocoa farming model of the future, through which we will lift over 500,000 cocoa farmers out of poverty, protect biodiversity and guarantee the best quality cocoa beans.”

“Our datasets are unprecedented.”

Pablo Perversi, Chief Innovation, Sustainability & Quality Officer



Katchilè contains
insights into

close to
300,000

smallholder
cocoa farms

A new way of learning

We built Seeds for Change to enable all our colleagues globally to directly contribute to our Forever Chocolate commitments. The goal is to raise funds to empower farmers in cocoa-growing communities to plant additional cocoa and shade trees, adding to our commitment to lift 500,000 cocoa farmers out of poverty whilst becoming carbon and forest-positive by 2025.

Launched in December 2018, the Seeds for Change goal is to collect 100,000 Pod Points, translating into 100,000 trees, either cocoa or shade trees such as banana or coconut, that will be distributed to cocoa farmers. Our employees collect Pod Points by participating in a wide range of activities such as clean-up campaigns, seed growing programs, energy and waste-saving initiatives.

Over 150 Ambassadors, employees who have volunteered to drive Seeds for Change at their local site, are coordinating activities around the world, including local planting, no car usage, plastic-free days and many others. Global events are organized across the company, such as our global planting day on May 22, 2019. Thousands of vegetable seedlings were raised by our colleagues and their families, and were planted on this day in factories, office gardens, upcycled raised beds,

botanical gardens and community spaces. It generated an enthusiastic response from all.

Seeds for Change is a new and encouraging way of learning and empowerment. Any activity or initiative which reduces our carbon footprint can be rewarded with Pod Points, which encourages employees to share their ideas widely. Adrienn Kelemen, Seeds for Change Program Coordinator, said: “It is fantastic to see this program grow into a grassroots movement. Every employee can share ideas and experiences and come together for a common goal.” Employees are excited to see that their contributions and ideas have a direct impact on our Forever Chocolate targets and that the impact of their efforts can be magnified thanks to the scale of Barry Callebaut.

“It is fantastic to see this program grow into a grassroots movement.”

Adrienn Kelemen, Seeds for Change Program Coordinator



100,000

**Pod Points
equal**

100,000

trees

Chairman's & Value Awards 2019



From left, front row: **Stephane Barbosa**, Abidjan, Côte d'Ivoire, **Peter Martini**, Mjölby, Sweden, **Sandra Koch**, Dunmore, US, **Giuseppe Spadano**, San Vito Chietino, Italy, **Camilla Braga**, Itabuna, Brazil, **Brittany Gagliano**, Chicago, US, **Patrick De Maeseneire (Chairman)**, **Antoine de Saint-Affrique (CEO)**, **Pol Font**, Gurb, Spain, **Lien Callebaut**, Wieze, Belgium, **Lieve Annaert**, Wieze, Belgium, **Chiew Phing Phuar**, Port Klang, Malaysia, **Dirk Tas**, Wieze, Belgium, **Jacqueline Rosch**, Zurich, Switzerland, and **Therese Bourgeois**, Saint-Hyacinthe, Canada.

The **Chairman's Award** recognizes employees who have been with Barry Callebaut for a number of years and have demonstrated outstanding performance at work, as well as a strong commitment in their local communities. They are individuals who embody our company values: customer focus, passion, entrepreneurship, team spirit and integrity.

The **Value Award** recognizes managers and their teams who are willing to go the extra mile, who are putting all their passion into their work and, thus, have made a positive impact on the company in the past fiscal year. The awards were given for each of our five company values.



Team Spirit: **Herwig Bernaert**, Wieze/Belgium, **Filip Buggenhout**, Wieze/Belgium, **Angela Gubser**, Guayaquil/Ecuador, **Gavin Bown**, Banbury/United Kingdom, **Dominiek De Schinkel**, Wieze/Belgium, **Bas Smit**, Zurich/Switzerland

Entrepreneurship

Andrew Fleming,
Banbury,
United Kingdom



Passion

Pierluigi Passera,
Douala, Cameroon

Customer Focus

Johanne Beauregard,
Chicago, USA



Integrity

Esteve Segura,
Singapore

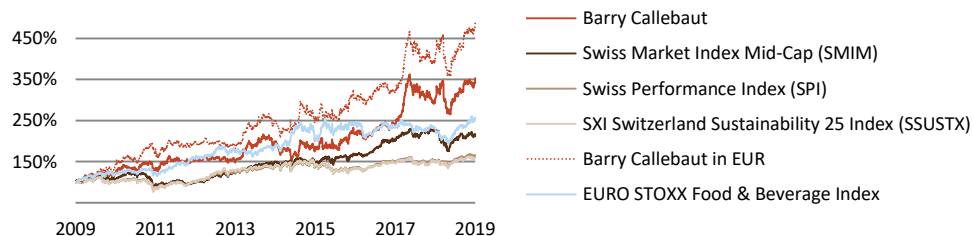
Generating sustainable long-term value for our shareholders

Why Barry Callebaut is unique

- World leader in high-quality chocolate and cocoa products
- Proven long-term strategy
- Strong track record of consistent above-market volume growth and earnings
- Leader in innovation
- Preferred outsourcing and strategic partner to food manufacturers
- Cost leadership along the value chain
- Leading supplier to professional and artisanal customers
- Pioneer in sustainability

Share Price Development

Barry Callebaut shares are listed on the SIX Swiss Exchange



Dividend

The Board of Directors proposes a payout of CHF 26.00 per share, an increase of +8.3% compared to prior year. This represents a payout ratio of 39%.

Credit rating

- Moody's rating: Baa3 / stable
- Standard & Poor's rating: BBB- / stable

Mid-term guidance

2015/16–2018/19 delivered: +4.5% volume growth and +13.9% EBIT growth in local currencies. New mid-term guidance 2019/20–2021/22 of on average: 4–6% volume growth and EBIT above volume growth in local currencies, barring any major unforeseen events.

Executive Committee



From left: **Pablo Perversi**, Chief Innovation, Sustainability & Quality Officer; Global Head of Gourmet, **Olivier Delaunay**, Chief Operations Officer, **Isabelle Esser**, Chief Human Resources Officer, **Remco Steenberg**, Chief Financial Officer, **Antoine de Saint-Affrique**, Chief Executive Officer, **Massimo Garavaglia**, President EMEA, **Peter Boone**, President & CEO Americas, **Steven Retzlaff**, President Global Cocoa, **Ben De Schryver**, President Asia Pacific.

Board of Directors

Patrick De Maeseneire, Chairman
Jakob Baer, Vice Chairman (until December 11, 2019)
Fernando Aguirre
Suja Chandrasekaran
Angela Wei Dong
Nicolas Jacobs
Elio Leoni Sceti
Timothy Minges
Markus R. Neuhaus
Juergen Steinemann (until December 11, 2019)

Status as of November 6, 2019

Consolidated Income Statement

for the fiscal year	2018/19	2017/18
in thousands of CHF		
Revenue from sales and services	7,309,036	6,948,411
Cost of goods sold	(6,120,612)	(5,791,331)
Gross profit	1,188,424	1,157,080
Marketing and sales expenses	(151,773)	(149,956)
General and administration expenses	(439,899)	(441,040)
Other income	29,520	19,595
Other expense	(25,084)	(31,655)
Operating profit (EBIT)	601,188	554,024
Finance income	10,879	6,539
Finance expense	(159,299)	(107,687)
Profit before income taxes	452,768	452,876
Income tax expense	(84,037)	(95,517)
Net profit for the year	368,731	357,359
of which attributable to:		
shareholders of Barry Callebaut AG	370,280	356,133
non-controlling interests	(1,549)	1,226
Earnings per share		
Basic earnings per share (CHF/share)	67.57	64.93
Diluted earnings per share (CHF/share)	67.21	64.55

Consolidated Statement of Comprehensive Income

Net profit for the year	368,731	357,359
Items that may be reclassified subsequently to the income statement	(53,702)	(91,054)
Items that will never be reclassified to the income statement	(43,272)	11,788
Other comprehensive income for the year, net of tax	(96,974)	(79,266)
Total comprehensive income for the year	271,757	278,093
of which attributable to:		
shareholders of Barry Callebaut AG	273,135	276,678
non-controlling interests	(1,378)	1,415

Consolidated Balance Sheet

Assets

as of August 31, in thousands of CHF	2019	2018
Current assets		
Cash and cash equivalents	557,827	404,183
Trade receivables and other current assets	815,783	911,904
Inventories	1,803,674	1,476,667
Derivative financial assets	616,284	502,471
Other items of current assets	64,526	31,341
Total current assets	3,858,094	3,326,566
Non-current assets		
Property, plant and equipment	1,498,878	1,420,885
Intangible assets	1,026,331	991,510
Other items of non-current assets	124,829	93,081
Total non-current assets	2,650,038	2,505,476
Total assets	6,508,132	5,832,042

Liabilities and equity

Current liabilities		
Bank overdrafts and short-term debt	329,641	311,315
Trade payables and other current liabilities	1,127,511	1,121,082
Derivative financial liabilities	741,383	641,997
Other items of current liabilities	80,460	78,533
Total current liabilities	2,278,995	2,152,927
Non-current liabilities		
Long-term debt	1,534,453	1,168,797
Employee benefit obligations	184,562	130,826
Other items of non-current liabilities	96,510	93,981
Total non-current liabilities	1,815,525	1,393,604
Total liabilities	4,094,520	3,546,531
Equity		
Share capital	110	110
Retained earnings and other reserves	2,399,182	2,269,686
Total equity attributable to the shareholders of Barry Callebaut AG	2,399,292	2,269,796
Non-controlling interests	14,320	15,715
Total equity	2,413,612	2,285,511
Total liabilities and equity	6,508,132	5,832,042

Consolidated Cash Flow Statement

Cash flows from operating activities

for the fiscal year in thousands of CHF	2018/19	2017/18
Net profit for the year	368,731	357,359
Income tax expense	84,037	95,517
Depreciation, amortization and impairment	176,384	181,259
Interest expense	137,752	93,469
Decrease of employee benefit obligations	(10,766)	(19,065)
Change in working capital	33,013	(54,556)
Provisions less payments	(8,669)	(14,938)
Other non-cash effective items	9,270	32,139
Cash generated from operating activities	789,752	671,184
Interest paid	(139,657)	(93,120)
Income taxes paid	(94,347)	(62,557)
Net cash flow from operating activities	555,748	515,507

Cash flows from investing activities

for the fiscal year	2018/19	2017/18
in thousands of CHF		
Purchase of property, plant and equipment	(218,360)	(180,821)
Purchase of intangible assets	(61,216)	(37,111)
Other items of net cash flow from investing activities	(20,436)	(112,358)
Net cash flow from investing activities	(300,012)	(330,290)

Cash flows from financing activities

Net cash flow from short-term debt	(434,503)	(33,815)
Net cash flow from long-term debt	396,120	(7,334)
Dividend paid to shareholders of Barry Callebaut AG	(131,501)	(69,873)
Capital reduction and repayment	–	(39,904)
Purchase of treasury shares	(22,781)	(22,783)
Dividends paid to non-controlling interests	(17)	(247)
Net cash flow from financing activities	(192,682)	(173,956)

Effect of exchange rate changes on cash and cash equivalents	(15,781)	(11,373)
Net increase/(decrease) in cash and cash equivalents	47,273	(112)

Cash and cash equivalents at beginning of year	377,916	378,028
Cash and cash equivalents at end of year	425,189	377,916
Net increase/(decrease) in cash and cash equivalents	47,273	(112)

5-Year Overview¹

		CAGR (%)	2018/19	2017/18	2016/17 restated	2015/16	2014/15
Consolidated Income Statement							
Sales volume	Tonnes	4.5%	2,139,758	2,035,857	1,914,311	1,834,224	1,794,782
Sales revenue	CHF m	4.0%	7,309.0	6,948.4	6,805.2	6,676.8	6,241.9
EBITDA (recurring)	CHF m	9.4%	775.0	728.3	592.1	539.4	540.8
Operating profit (EBIT)	CHF m	9.7%	601.2	554.0	460.2	401.7	414.8
Operating profit (EBIT, recurring)	CHF m	9.7%	601.2	554.0	442.1	401.7	414.8
EBIT (recurring) / sales revenue	%		8.2%	8.0%	6.5%	6.0%	6.6%
EBIT (recurring) per tonne	CHF	5.0%	281.0	272.1	230.9	219.0	231.1
Net profit for the year	CHF m	11.3%	368.7	357.4	281.1	219.0	239.9
Net profit for the year (recurring) ²	CHF m	13.3%	394.7	357.4	263.0	219.0	239.9
Free cash flow	CHF m		289.7	311.9	475.6	430.9	1.2
Consolidated Balance Sheet							
Total assets	CHF m	4.6%	6,508.1	5,832.0	5,466.5	5,640.8	5,429.4
Net working capital	CHF m	(2.8%)	1,363.2	1,074.4	1,042.5	1,374.2	1,529.7
Non-current assets	CHF m	4.9%	2,650.0	2,505.5	2,477.7	2,301.0	2,185.5
Net debt	CHF m	(6.8%)	1,304.7	1,074.3	1,110.9	1,452.8	1,728.0
Shareholders' equity	CHF m	7.9%	2,399.3	2,269.8	2,111.2	1,956.3	1,772.8
Capital expenditure	CHF m	2.9%	279.6	217.9	220.4	201.0	249.2
Ratios							
Economic Value Added (EVA)	CHF m		206.5	173.3	100.7	52.5	65.6
Return on invested capital (ROIC) ³	%		13.2%	12.2%	11.0%	9.5%	9.8%
Return on equity (ROE)	%		15.4%/16.5% ⁴	15.7%	12.5%	11.2%	13.5%
Debt to equity ratio	%		54.4%	47.3%	52.6%	74.3%	97.5%
Solvency ratio	%		36.9%	38.9%	38.6%	34.7%	32.7%
Interest coverage ratio			5.2/6.7 ⁵	7.2	4.9	4.0	4.1
Net debt / EBITDA			1.5	1.5	1.9	2.7	3.2
Capital expenditure / sales revenue	%		3.8%	3.1%	3.2%	3.0%	4.0%
Shares							
Share price at fiscal year-end	CHF	17.5%	2,024	1,728	1,380	1,264	1,061
EBIT (recurring) per share	CHF	9.8%	109.7	101.0	80.6	73.2	75.6
Basic earnings per share	CHF	11.8%	67.6	64.9	47.8	39.5	43.2
Cash earnings per share	CHF		52.9	56.9	86.7	78.6	0.2
Payout per share	CHF	15.7%	26.0	24.0	20.0	15.5	14.5
Payout ratio	%		39%	37%	39%	39%	33%
Price-earnings ratio at year-end			30.0	26.6	28.9	32.0	24.6
Market capitalization at year-end	CHF m	17.5%	11,109.4	9,484.7	7,574.6	6,937.9	5,823.7
Number of shares issued			5,488,858	5,488,858	5,488,858	5,488,858	5,488,858
Total payout to shareholders	CHF m	11.5%	131.5	109.8	85.1	79.6	85.1
Other							
Employees		6.8%	12,257	11,570	10,528	9,898	9,430

1–5 For the definition of key figures and descriptions for all footnotes in the table above, please refer to the 5-Year Overview in the Annual Report, page 11.

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Forward-looking statement

Certain statements in this Short Report regarding the business of the Barry Callebaut Group 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", "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 the Barry Callebaut Group's future financial results are discussed in the Annual Report 2018/19. 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. The Barry Callebaut Group does not undertake to publish any update or revision of any forward-looking statements.

Financial calendar

December 11, 2019
Annual General Meeting of Shareholders
2018/19, Zurich

January 22, 2020
3-month Key Sales Figures 2019/20

April 16, 2020
Half-Year Results 2019/20

July 9, 2020
9-month Key Sales Figures 2019/20

November 11, 2020
Full-Year Results 2019/20

December 9, 2020
Annual General Meeting of Shareholders
2019/20, Zurich

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