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CREDIT OPINION
20 September 2019

Update

Rate this Research

RATINGS

Barry Callebaut AG

Domicile	Switzerland
Long Term Rating	Baa3
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Barry Callebaut AG

Update to credit analysis

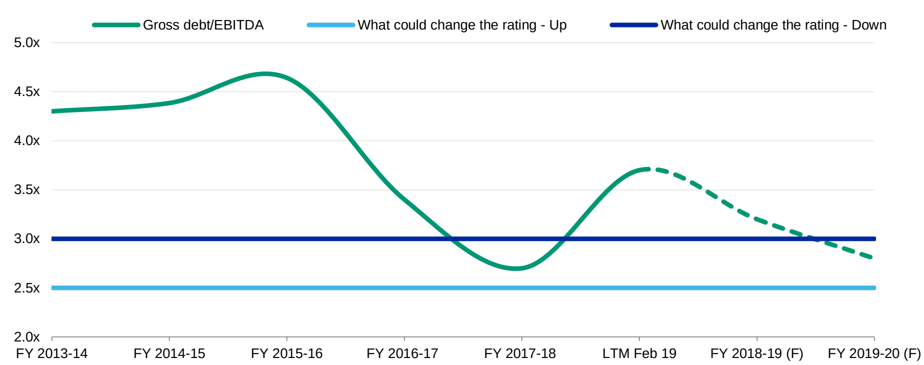
Summary

Barry Callebaut AG's (Barry Callebaut) Baa3 rating reflects (1) its leading market position in both chocolate and cocoa products; (2) its established presence in all major global markets and the growing contributions from emerging markets; (3) the steady growth in chocolate consumption; (4) the company's resilient profitability in the chocolate segment because of its cost-plus business model and hedging strategy; and (5) its relatively sizeable inventories, of which a portion could be monetised in case of need.

The rating is constrained by (1) the volatility in the cocoa segment (which represents around 22% of its annual sales volume), both in terms of operating performance and working capital requirements; (2) the risk of cocoa supply disruption because of instability in the producing countries; and (3) what we perceive as only adequate liquidity in light of the potential working capital requirements.

The company's adoption of IFRS 15 since 1 September 2018 resulted in an increase in inventories, and a corresponding amount of debt, of around CHF336 million, which inflated the company's financial leverage. We expect the company's Moody's-adjusted debt/EBITDA, however, to reduce towards around 3.0x by the fiscal year ended August 2019 (fiscal 2019) and to further strengthen over the next 12-18 months thanks to a combination of stronger earnings and free cash flow (FCF) generation. We also expect the company to pursue prudent financial policies and to manage working capital requirements, which could result from volatility in cocoa bean prices.

Exhibit 1
We expect Barry's financial leverage to reduce after peaking in February 2019
Moody's-adjusted debt/EBITDA



The company's fiscal year ends in August. Gross leverage as of February 2019 was inflated by pre-funding of around €250 million and the adoption of IFRS 15. Leverage in fiscal 2015-16 was inflated by the pre-funding of a €350 million bond maturing in 2017.
Sources: Moody's Financial Metrics™, Moody's Investors Service forecasts

Credit strengths

» Leading market position as a manufacturer of both chocolate and cocoa products with strong position globally in the higher margin Gourmet and Specialities market

» Steady growth rate of the chocolate segment, with Barry Callebaut growing historically above market rates

» Hedging strategy and cost-control initiatives, which support margin predictability

» Benefits from the Cocoa Leadership Project, now completed, and the smart growth strategy should help earnings progression

» Expected improvements in credit metrics, driven by steady earnings progression and positive FCF

Credit challenges

» Volatile operating performance in the cocoa segment

» Significant working capital swings resulting from raw material price fluctuations, although a portion of the inventory could be monetised in case of need

» Cocoa supply disruption risks, which are inherent to the industry

Rating outlook

The stable outlook reflects our expectation of a further improvement in the company's credit metrics as a result of steady FCF generation and that the company will continue to (1) successfully manage any working capital swings resulting from changes in cocoa bean prices, and (2) maintain its prudent financial policies with a predictable and moderate dividend distribution.

Factors that could lead to an upgrade

Positive rating pressure is currently unlikely but could develop over time if Barry Callebaut further improves its financial profile such that (1) its Moody's-adjusted (gross) debt/EBITDA reduces below 2.5x; and (2) its adjusted retained cash flow/net debt ratio increases above 25% and strengthens its liquidity management.

Factors that could lead to a downgrade

Negative pressure could be exerted on the rating or outlook if the company fails to maintain (1) an adjusted EBITDA margin in the double-digit levels in percentage terms; (2) an adjusted leverage below 3.0x; and (3) an adjusted retained cash flow/net debt above 20% on an ongoing basis. We could tolerate a temporary deviation from its expectations for the Baa3 rating if there are periods of short term volatility. The rating could come under pressure also in case of increasing supply risk or in case of a deterioration in the company's liquidity.

Key indicators

Exhibit 2
Barry Callebaut AG

Barry Callebaut AG							
US billions	Aug-15	Aug-16	Aug-17	Aug-18	Feb-19 LTM	Aug-19 F	Aug-20 F
Revenue	$6.6	$6.8	$6.9	$7.1	$7.2	$7.3	$7.5
CFO / Debt	7.3%	25.9%	31.1%	29.0%	15.7%	24.7%	26.1%
Debt / EBITDA	4.4x	4.6x	3.5x	2.7x	3.7x	3.2x	2.8x
Net Debt / EBITDA	4.1x	3.8x	2.9x	2.2x	3.0x	2.4x	2.2x
EBITA / Interest Expense	3.5x	3.4x	3.9x	5.8x	5.6x	5.7x	6.6x
EBITDA Margin	8.9%	8.1%	8.9%	11.0%	11.3%	11.1%	11.0%
RCF / Net Debt	10.6%	16.4%	26.5%	31.5%	19.1%	26.8%	28.3%

All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are financial year-end unless indicated. LTM = Last 12 months. The company's fiscal year ends in August. Gross leverage as of February 2019 was inflated by pre-funding of around €250 million and the adoption of IFRS 15. Leverage in fiscal 2015-16 was inflated by the pre-funding of a €350 million bond maturing in 2017. F = Forecast. This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics™

Profile

Headquartered in Zurich, Switzerland, Barry Callebaut AG (Barry Callebaut) is the world's leading supplier of premium cocoa and chocolate products by sales volume, according to the company, servicing customers across the global food industry. Barry Callebaut is fully integrated, from the sourcing of raw materials, through the production of cocoa products (including liquor, butter and powder), to the production of finished chocolate products. The company is divided into three strategic business units: (1) Food Manufacturers, which produces industrial chocolate products for consumer companies or fast-moving consumer goods companies (57% of the company's fiscal 2018 sales); (2) Cocoa Products, which sources cocoa beans and processes semifinished cocoa products (26%); and (3) Gourmet and Specialities, which supplies to professional users, food chains and distributors (17%).

Barry Callebaut reported annual sales of CHF6.9 billion (around €6.4 billion) and EBITDA of CHF728 million (€671 million) in fiscal 2018. During the six months ended February 2019, revenue and EBITDA stood at CHF3.7 billion and CHF387 million, respectively. As of 31 August 2018, the company sold products in 140 countries, operated 59 production facilities and employed more than 11,500 people. At the time of this report, the company had a market capitalisation of around CHF10.7 billion, with the investment company Jacobs Holding AG having a majority stake of around 50.12% of the capital being floated.

Detailed credit considerations

Leading market position as a manufacturer of both chocolate and cocoa products

Barry Callebaut is a fully integrated business, sourcing cocoa beans directly from farmers and co-operatives, converting them into cocoa products (liquor, butter and powder) and manufacturing chocolate, chocolate fillings, decorations and compounds, and nut-based products. In a highly concentrated market, the company is the market leader in both industrial chocolate and cocoa grinding capacity, ahead of the significantly more diversified Cargill, Incorporated (Cargill, A2 stable) and Olam International Limited. Despite being much larger, Cargill is diversified in other commodities and is the second-largest company in terms of cocoa sourcing and chocolate production. In chocolate, Barry Callebaut's market share is more than double that of Cargill.

Steady growth rate in the chocolate segment, ahead of the market, and recovery in the global cocoa business

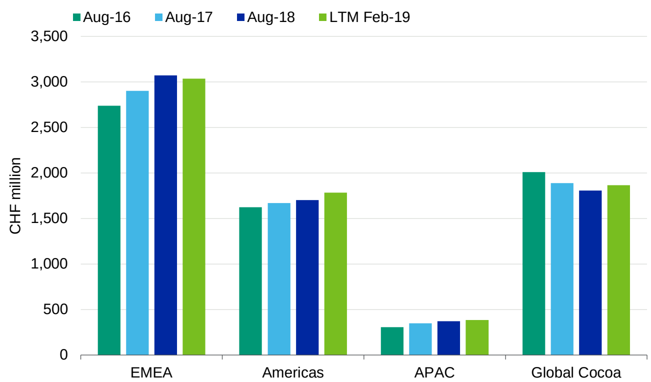
We expect Barry Callebaut to continue to grow ahead of the chocolate market. The company posted another year of strong volume growth in the chocolate business, with overall volume up 6.3% in fiscal 2018. During the nine months ended May 2019, volume grew 5.0%. Barry Callebaut's volume growth rates have consistently exceeded market growth in recent years and were broadly in line with the company's medium-term target of volume growth of between 4% and 6%. We expect this trend to continue over the next 18 to 24 months. The company's volume growth in fiscal 2018 continued to be driven by positive contributions from (1) emerging markets, with volume up 9.1%, representing 35.4% of the group's total volume sold; (2) long-term outsourcing agreements, driving volume up 5.6%, representing 33.8% of total group volume; and (3) the company's Gourmet and Specialities unit, with volume rising 7.7%, representing 11.9% of total group volume. The positive trend continued during the nine months ended May 2019, with volume up 5.3% in EMEA, 6.0% in the Americas region and 10.1% in the Asia Pacific region.

We expect growth in Asia Pacific to outpace growth in other regions, although the EMEA region will remain Barry Callebaut's biggest source of revenue as it represented 46% of group's sales volume in fiscal 2018. We also expect EBIT to continue to grow at around mid-single-digit rates in percentage terms, slightly below the company's mid-term target to grow EBIT ahead of volume growth in local currency. The company's profit grew substantially during the first half of fiscal 2019 (ended February 2019), with reported EBIT up 8.9% (or 12.4% at constant foreign-currency rates) as a result of high-single-digit to double-digit growth rates in percentage terms across broadly all regions and strong growth in its cocoa business.

Exhibit 3

Good growth across all regions

Revenue from external customers

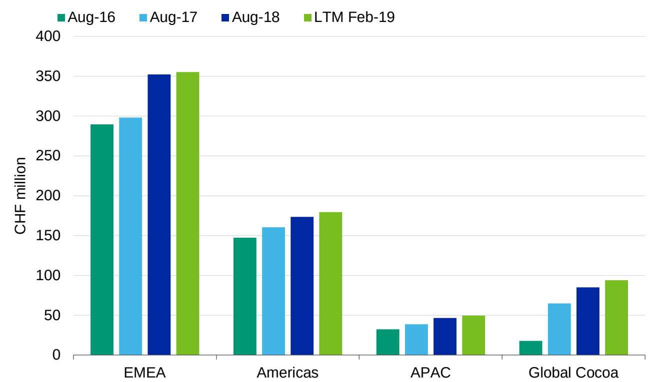


Source: Company's annual reports and Moody's estimates for LTM data

Exhibit 4

The cocoa business remains volatile but, despite recent recovery, contributes a small part of the overall profit

Operating profit



Source: Company's annual reports and Moody's estimates for LTM data

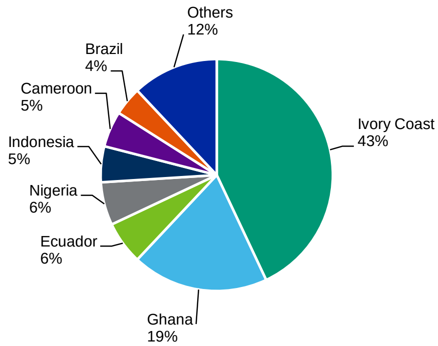
The company's operating performance in the global cocoa segment has recently improved but might remain volatile. After a difficult fiscal 2016, the company's performance improved significantly in fiscal 2017 and 2018, with EBIT up to CHF64.9 million and CHF84.8 million, respectively, almost 5x the level reported in fiscal 2016. We recognise the company's effort to improve efficiency through its Cocoa Leadership Project, but its recent profit growth has benefitted from more favourable market conditions, which remain dependent on volatile cocoa bean prices. We note, however, how the volatility in the cocoa segment profitability has only limited impact on the company's overall profitability (see section Hedging strategy and cost-control initiatives underpin margin predictability for the chocolate business below).

Cocoa supply disruption risks inherent to the industry

Barry Callebaut's operations remain exposed to significant raw material concentration. The main cocoa growing area is West Africa, representing around 70% of the world's supply according to the International Cocoa Organization, followed by South America and Southeast Asia. The cocoa market is very concentrated, with the Ivory Coast accounting for around 43% of the global cocoa bean output (see Exhibit 5). In addition to the risk of plant disease epidemics and an unfavourable climate, which can hamper crop yield, the political risk in the main producing countries is a consideration when assessing the credit strength of the manufacturers of cocoa and chocolate products. As a result, cocoa bean prices are extremely volatile (see Exhibit 6). Although higher cocoa bean prices are fully passed on to customers in the chocolate business or mitigated by the company's hedging strategy, the high volatility can temporarily increase the company's working capital needs.

Exhibit 5

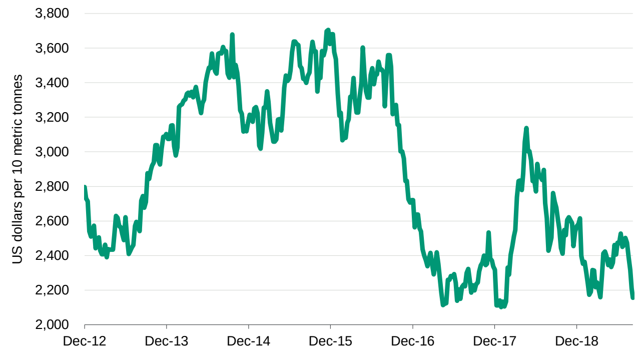
Ivory Coast is by far the main cocoa bean producer in the world
Market share by country for the global production of cocoa beans



2017-18 harvest.
Source: International Cocoa Organization

Exhibit 6

Despite a rally at the beginning of 2018, cocoa bean prices have declined more recently
Price for Ivory Coast cocoa beans on the ICE market



Price expressed in US dollars per 10 metric tonnes.
Source: FactSet

During 2016 and 2017, the cocoa bean crop reached a record level because of favourable weather conditions. This led to average bean prices in the year being around 21% lower than in the previous year, ending a three-year period of high prices. Towards year-end 2017, cocoa bean prices started to rally, although peak prices remained below record levels and contracted somewhat in recent months. Although difficult to predict, in our rating we assumed cocoa bean prices remaining around current level over the next six to 12 months.

Despite Barry Callebaut's efforts to diversify its sources and build strong business relationships with cocoa farmers, the company's reliance on politically unstable countries for cocoa bean supply is credit negative, although we recognise that it is an industrywide, rather than a company-specific, issue. The acquisition of Petra Foods Ltd' Cocoa Ingredients division has helped to diversify the company's sourcing of cocoa beans into Asia and Brazil. However, we expect the business and the industry in general to remain reliant on the Ivory Coast, and the company to remain exposed to volatility in cocoa bean prices.

Hedging strategy and cost-control initiatives underpin margin predictability for the chocolate business

Barry Callebaut's rating is supported by the company's track record in terms of operating margin predictability in the chocolate segment, despite volatile cocoa bean prices (see Exhibit 7). The company hedges cocoa bean price risks when starts purchasing physical beans. The selling price established for the client at the delivery date is based on the forward price at the contract date, thereby eliminating risks associated with cocoa bean price volatility.

Barry Callebaut's cost-plus business model, which covers around two-thirds of its sales volume, enables the company to pass raw material price increases onto its clients and, therefore, limits its exposure to raw material cost volatility.

The operating performance in the cocoa business is more volatile because the exposure to the spread between cocoa bean and cocoa butter/powder prices. However, despite the intrinsic volatility, the company's cocoa business is beneficial to its chocolate business because it allows the company to control quality better and to coordinate the delivery of raw materials or other supplies.

Exhibit 7
EBIT stability of the chocolate segment supports the rating
CHF millions

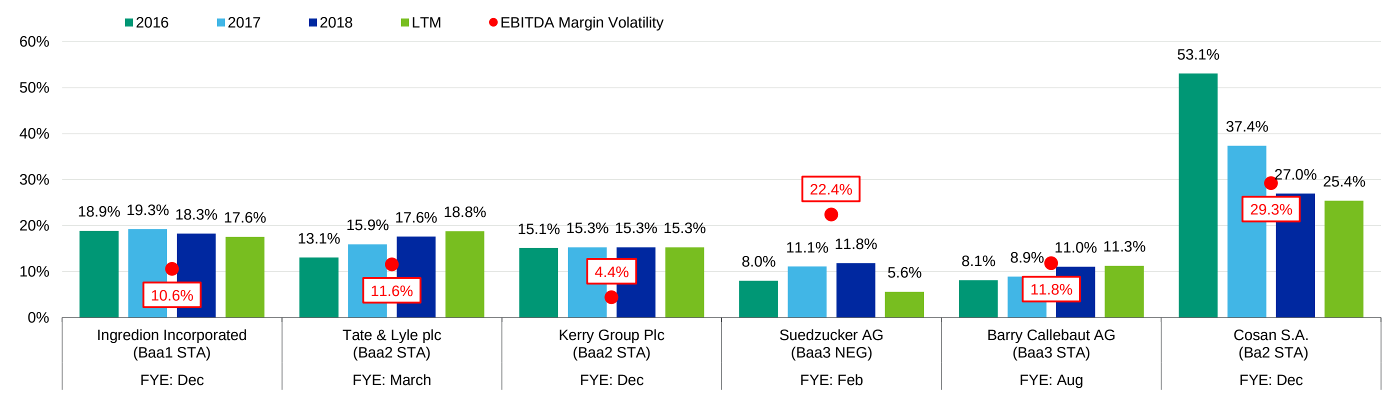
Cocoa	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	HY Feb 2019
Revenues - Cocoa	1,335	1,127	1,756	1,901	2,008	1,888	1,805	1,018
EBIT - Cocoa	65	42	82	47	18	65	85	55
EBIT margin Cocoa	4.9%	3.7%	4.7%	2.5%	0.9%	3.4%	4.7%	5.4%
Chocolate	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2016-17**	**HY Feb 2019**
Revenues - Choco	3,495	3,757	4,110	4,341	4,669	4,917	5,143	2,655
EBIT - Choco	352	388	422	447	469	515	572	296
EBIT margin - Choco	10.1%	10.3%	10.3%	10.3%	10.0%	10.5%	11.1%	11.1%
Total Revenues	4,830	4,884	5,866	6,241	6,677	6,805	6,948	3,673
Total EBIT	417	430	504	494	487	580	657	350
EBIT Margin	**8.6%**	**8.8%**	**8.6%**	**7.9%**	**7.3%**	**8.5%**	**9.5%**	**9.5%**

EBIT is before central costs.
Source: Moody's Investors Service estimates

Low although predictable profitability within a highly volatile industry

Barry Callebaut exhibits a lower EBITDA margin compared with a number of selected peers, reflecting the mix between the highly profitable Chocolate division and the more commoditised and lower margin Cocoa division.

Exhibit 8
Barry Callebaut exhibits relatively low but predictable profitability
EBITDA margin and EBITDA margin volatility for selected peers



Source: Moody's Financial Metrics™

Barry Callebaut has managed to improve its profitability since 2016, maintaining a low EBITDA margin volatility compared with its peers that we rate, to a level similar to Tate & Lyle plc (Baa2 stable) and sensibly lower than that of Suedzucker AG (Baa3 negative) and Cosan S.A. (Ba2 stable). This stability is ensured by Barry Callebaut's cost-plus business model of its Chocolate division and by the efficient hedging strategy put in place by the company. We expect Barry Callebaut's operating margin to remain around the current level over the next 12-18 months.

Cocoa Leadership Project and smart growth strategy to support profitability in the medium term

Barry Callebaut has confirmed its medium-term average sales volume growth forecast at 4%-6% on average over the next three years. The company remains focused on the execution of its smart growth strategy. Volume expansion will continue to be driven by the company's three key growth drivers: (1) increasing demand for chocolate products in emerging markets; (2) continued growth in the company's Gourmet and Specialities product range; and (3) additional outsourcing agreements and strategic partnerships.

In addition, Barry Callebaut's management has completed last year its Cocoa Leadership Project, which helped leveraging the company's global scale and expertise in cocoa and is resulting in improvement in the profitability of the global cocoa segment.

Under the project, the company focused on (1) reducing the commodity product offering focusing more on differentiation and premiumisation of the cocoa powder range; (2) centralising some key strategic activities and decision making, such as the management of the combined ratio, which was previously been managed regionally; and (3) optimising the cocoa manufacturing footprint and the global product flow with the objective of having the lowest global cost position.

For fiscal 2018, the company faced a modest decrease in its working capital levels of CHF35 million. This follows a substantial and sequential improvement in working capital of more than CHF190 million in both fiscal 2016 and fiscal 2017, in excess of the company's target of a reduction of CHF300 million in three years laid out in 2015.

Credit metrics are expected to improve following the negative effect from the adoption of IFRS 15

The company's adjusted gross debt as of February 2019 was above our expectation and outside the boundaries allowed by the rating. This was, however, affected by an accounting change and some one-off issue and we expect the company's financial leverage to reduce towards 3.0x by August 2019 and to further reduce over the next 12-18 months.

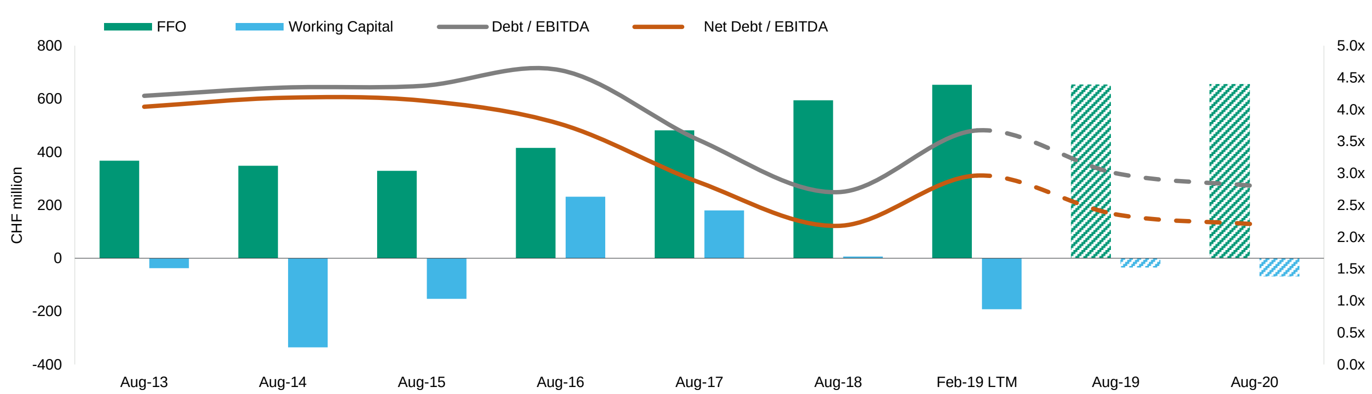
The adoption of IFRS 15 since 1 September 2018, required the company to recognise cocoa beans at an earlier stage of the value chain in its inventories. This resulted in an unexpected increase of inventories and corresponding amount of debt of around CHF336 million, which inflated the Moody's-adjusted gross leverage by around 0.4x. Furthermore, gross leverage as of February 2019 was also inflated by some seasonality in the company's working capital and dividend payment, which we would expect to have deflated in the second half of fiscal 2019, and the pre-funding of €250 million notes due in 2021, which were repaid in early August 2019 (the pre-funding of the bond increased leverage by 0.3x).

Excluding the seasonality of the business and the pre-funding of the bonds, we estimate financial leverage to reduce towards 3.0x by August 2019. Over the next 12-18 months, we expect a further reduction in Barry Callebaut's financial leverage, although at a slower pace than in the previous year. Deleveraging will be mainly driven by profit improvements, which we expect to grow at around mid-single digits in percentage terms, slightly below the company's target to grow EBIT in local currency above its volume growth expectations of 4%-6% over the next three years. We also expect ongoing FCF generation to also support deleveraging. The company's FCF generation might be slightly lower than that recorded in the previous year on the back of an increase in capital investments and a sustained dividend payout ratio, but we expect the company to generate around CHF150 million-CHF200 million of FCF per annum, under our definition, that is, post-dividend payment.

Exhibit 9

Working capital movements likely to remain negative but still allowing for some deleveraging

CHF million on left axis; leverage turns on right axis



FFO represents cash flow from operations before working capital and capital spending. All numbers and ratios are as adjusted by Moody's.

Source: Moody's Financial Metrics™

Although Barry Callebaut is likely to continue its bolt-on acquisitions strategy, we expect its positive FCF generation to support further deleveraging. However, the volatility in cocoa bean prices, which is currently at relatively favourable levels, could result in up to CHF200 million-CHF300 million in temporary working capital needs, which might impact the level of the company's funded debt. In this respect, the stricter controls on working capital might lead to lower cash-generation volatility than in the past. In addition, given the back-to-back nature of most of the company's contracts with customers, together with the company's hedging policy and ability to pass through changes in cocoa bean prices, we expect the volatility in working capital to be only temporary.

We also recognise that the company maintains a relatively large amount of inventories, amounting to CHF2.1 billion as of February 2019, some of which are traded on commodities exchanges and could be easily sold in case of need with an immediate benefit on the company's liquidity availability. In this respect, the adoption of IFRS 15 had a positive effect on the amount of inventories reported by the company.

Environmental, social and governance considerations

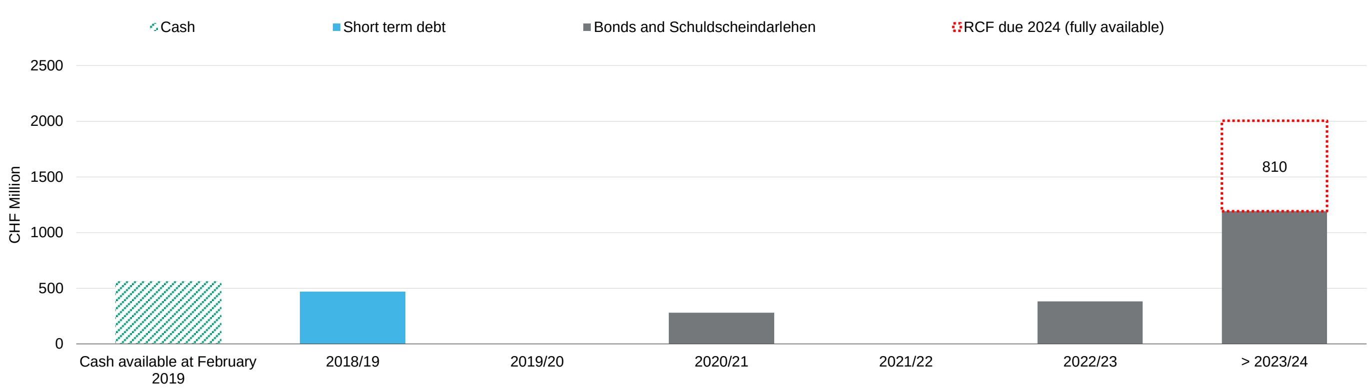
Although environmental and social risk are normally modest for agricultural and food companies, we believe Barry Callebaut to be more exposed than other companies to environmental risks, given the concentration of cocoa procurement in certain parts of the world, mainly across emerging markets. Sustainability of raw material sources is also a cause of concern and focus from a number of consumers but are not expected to influence the rating at this stage. In this respect, we recognise the company's effort over the years in investing in securing an appropriate sourcing of cocoa. In February 2019, the company issued a €600 million Schuldscheindarlehen (CHF681.9 million) and a portion of the proceeds will finance sustainability projects. Also, the company expects to complete 100% of traceability of its cocoa from the two largest sourcing countries, Ivory Coast and Ghana, by year-end 2019.

Liquidity analysis

The company's liquidity is adequate, underpinned by (1) cash and cash equivalents of CHF563 million as of February 2019; (2) €750 million in a committed, fully undrawn revolving credit facility maturing in June 2024; and (3) expectations that the company will remain FCF positive over the next 12-18 months. Refinancing requirements are modest, following the repayment of the €250 million bond that was maturing in 2021. As of the end of February 2019, at the peak of its working capital cycle, the company had around CHF471 million in short-term debt, including bank overdrafts and utilisation of its commercial paper program, which we expect to continue to be rolled over. Short term debt as of August 2018 stood a CHF311 million.

However, along with seasonal patterns, Barry Callebaut's liquidity requirements could vary from quarter to quarter and are difficult to predict because of the volatility in cocoa bean prices, which can be affected by weather conditions and political events. A material and sharp increase in cocoa bean prices, as experienced over 2013-15, resulted in unfavourable swings in working capital, requiring credit facilities to cover variable and unpredictable needs.

Exhibit 10
Short-term debt amply covered by current availability
CHF millions, as of February 2019



The company's €250 million bond due in 2021 has been repaid in the mean time.
Source: Company's annual report and Moody's Investors Service computation

Barry Callebaut uses the commercial paper program and bank overdrafts to fund working capital needs and uses the revolving credit line to provide alternative liquidity. In addition, the company has CHF456 million (€400 million) in an asset-backed securitisation programme, of which CHF354.4 million was used as of fiscal 2018.

The €750 million revolving credit facility maturing in 2024 is subject to the following maintenance covenants (to be tested on a semiannual basis) (1) an interest coverage ratio, (2) a profitability ratio, and (3) a minimum tangible net worth. This set of covenants provides Barry Callebaut with greater flexibility, given the absence of cash-based ratios, which can fluctuate with working capital cycles. As of the last testing date at the end of February 2019, the company maintained ample capacity against its covenants. Positively, the revolving credit facility does not include any leverage covenants, giving Barry Callebaut more flexibility to cope with unfavourable swings in working capital.

Rating methodology and scorecard factors

In assessing the credit quality of Barry Callebaut, we apply the Protein and Agriculture industry rating methodology (last updated in May 2019). The scorecared-indicated outcome for Barry Callebaut is likely to improve to Baa3 from the current Ba1, in line with the rating assigned to the company, mainly in light of our expectations of further improvement in key credit metrics.

Exhibit 11

Rating factors

Barry Callebaut AG

Protein and Agriculture Industry Scorecard [1]	Current LTM 2/28/2019		Moody's 12-18 Month Forward View As of 8/15/2019 [2]	
Factor 1 : Scale (10%)	**Measure**	**Score**	**Measure**	**Score**
a) Total Sales (USD Billion)	$7.2	Ba	$7.4 - $7.6	Baa
Factor 2 : Business Profile (35%)				
a) Geographic Diversification	Baa	Baa	Baa	Baa
b) Segment Diversification	B	B	B	B
c) Market Share	A	A	A	A
d) Product Portfolio Profile	Baa	Baa	Baa	Baa
e) Earnings Stability	Ba	Ba	Ba	Ba
Factor 3 : Leverage & Coverage (40%)				
a) Debt / EBITDA	3.7x	Ba	2.7x - 2.8x	Baa
b) CFO / Debt	15.7%	Ba	21% - 23%	Ba
c) Debt / Book Capitalization	54.3%	Ba	40% - 43%	Baa
d) EBITA / Interest Expense	5.6x	Ba	5.4x - 5.6x	Ba
Factor 4 : Financial Policy (15%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Rating:				
a) Indicated Outcome from Scorecard		Ba1		Baa3
b) Actual Rating Assigned				Baa3

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics™

Appendix

Exhibit 12

Moody's-adjusted EBITDA breakdown

(in CHF Millions)	FYE Aug-14	FYE Aug-15	FYE Aug-16	FYE Aug-17	FYE Aug-18	LTM Ending Feb-19
As Reported EBITDA	**530.4**	**543.5**	**525.4**	**608.5**	**734.0**	**764.4**
Pensions	-2.5	-2.0	0.0	-2.1	-1.3	-1.3
Operating Leases	18.2	16.8	15.7	16.5	27.3	27.3
Interest Expense – Discounting	0.0	-0.5	-0.5	0.0	-0.6	-0.6
Unusual	2.2	-4.8	1.0	-18.2	7.9	7.8
Non-Standard Adjustments	0.1	-0.1	-0.2	-0.2	-0.2	-0.2
Moody's-Adjusted EBITDA	**548.4**	**552.9**	**541.4**	**604.6**	**767.1**	**797.4**

All figures are calculated using Moody's estimates and standard adjustments.
Source: Moody's Financial Metrics™

Exhibit 13

Moody's-adjusted debt breakdown

(in CHF Millions)	FYE Aug-14	FYE Aug-15	FYE Aug-16	FYE Aug-17	FYE Aug-18	LTM Ending Feb-19
As Reported Debt	**1,891.2**	**1,855.3**	**1,909.7**	**1,510.3**	**1,480.1**	**2,334.1**
Pensions	130.1	137.4	164.2	135.2	114.9	114.9
Operating Leases	66.5	63.2	67.3	85.4	124.3	124.3
Securitizations	294.0	360.3	357.6	395.4	354.4	354.4
Moody's-Adjusted Debt	**2,381.8**	**2,416.2**	**2,498.8**	**2,126.3**	**2,073.7**	**2,927.7**

All figures are calculated using Moody's estimates and standard adjustments.
Source: Moody's Financial Metrics™

Exhibit 14

Selected historical and projected Moody's adjusted financial data

Barry Callebaut AG

CHF (Millions)	Aug-15	Aug-16	Aug-17	Aug-18	LTM Feb-2019	Aug-19 (F)	Aug-20 (F)
INCOME STATEMENT							
Net sales/Revenue	6,242	6,677	6,805	6,948	7,071	7,166	7,381
EBITDA	553	541	605	767	797	796	810
EBIT	414	391	442	572	599	590	620
Interest Expense	128	126	124	107	115	112	102
BALANCE SHEET							
Cash & Cash Equivalents	127	457	399	406	565	585	451
Total Liabilities	4,080	4,109	3,836	4,041	4,915	4,584	4,353
Total Debt (Gross)	2,416	2,499	2,126	2,074	2,928	2,528	2,254
CASH FLOW							
Capital Expenditures (CAPEX)	262	214	233	239	260	261	280
Retained Cash Flow (RCF)	242	334	458	525	451	521	510
RCF / Net Debt	10.6%	16.4%	26.5%	31.5%	19.1%	26.8%	28.3%
Free Cash Flow (FCF)	(173)	352	405	292	(1)	231	163
FCF / Debt	-7.1%	14.1%	19.0%	14.1%	0.0%	9.1%	7.2%
PROFITABILITY							
% Change in Sales (YoY)	6.4%	7.0%	1.9%	2.1%	0.4%	3.1%	3.0%
EBIT Margin %	6.6%	5.9%	6.5%	8.2%	8.5%	8.2%	8.4%
EBITA Margin %	7.2%	6.5%	7.1%	8.9%	9.1%	8.9%	9.1%
EBITDA Margin %	8.9%	8.1%	8.9%	11.0%	11.3%	11.1%	11.0%
INTEREST COVERAGE							
EBIT / Interest Expense	3.2x	3.1x	3.6x	5.3x	5.2x	5.3x	6.1x
EBITA / Interest Expense	3.5x	3.4x	3.9x	5.8x	5.6x	5.7x	6.6x
LEVERAGE							
Debt / EBITDA	4.4x	4.6x	3.5x	2.7x	3.7x	3.2x	2.8x
Net Debt / EBITDA	4.1x	3.8x	2.9x	2.2x	3.0x	2.4x	2.2x

[All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. (F) Data represents Moody's forward view; not the view of the issuer.

Source: Moody's Financial Metrics™

Ratings

Exhibit 15

Category	Moody's Rating
BARRY CALLEBAUT AG	
Outlook	Stable
Issuer Rating -Dom Curr	Baa3
BARRY CALLEBAUT SERVICES N.V.	
Outlook	Stable
Bkd Senior Unsecured	Baa3

Source: Moody's Investors Service

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