Full-Year Results 2020/21

Growing the world of chocolate and cocoa for 25 years

Media & Analyst Conference
November 10, 2021
Cautionary note

Certain statements in this presentation regarding the business of Barry Callebaut 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,’ and ‘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 principal risk factors that may negatively affect Barry Callebaut’s future financial results are disclosed in more detail in the Annual Report 2020/21 and include, among others, general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures, the effect of a pandemic/epidemic or a natural disaster, as well as changes in tax regimes and regulatory developments. The reader is cautioned to not unduly rely on these forward-looking statements that are accurate only as of November 10, 2021. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.
AGENDA

Highlights Full-Year Results 2020/21
Peter Boone, CEO

Financial Review Full-Year Results 2020/21
Ben De Schryver, CFO

Strategy & Outlook
Peter Boone, CEO

Questions & Answers
CEO and CFO
Highlights Full-Year Results 2020/21

Healthy growth, good profitability and strong cash generation

- **Sales volume up +4.6%**, all Regions and Key growth drivers contributed.
- **Sales revenue of CHF 7.2 billion**, up +8.7% in local currencies (+4.6% in CHF).
- **Operating profit (EBIT) up +18.9%**\(^1\) in local currencies (+15.4%\(^1\) in CHF) to CHF 566.7 million.
- **Net profit up +24.2%**\(^1\) in local currencies (+20.4%\(^1\) in CHF) to CHF 384.5 million.
- **Strong Free cash flow** of CHF 355 million.
- **Confident on mid-term guidance.**\(^2\)
  - Antoine de Saint-Affrique proposed as new member of the Board of Directors.
  - Proposed dividend: CHF 28.00 per share, payout ratio of 40%.

---

\(^1\) Compared to prior-year Operating profit (EBIT) recurring and Net profit recurring.
\(^2\) On average for the 3-year period 2020/21 to 2022/23: volume growth +5-7% and EBIT above volume growth in local currencies, barring any major unforeseeable events.
### Highlights Full-Year Results 2020/21

**Chocolate volume surpassing pre-COVID level 2018/19**

<table>
<thead>
<tr>
<th>Market volume growth1</th>
<th>FY 2018/19</th>
<th>FY 2019/20</th>
<th>FY 2020/21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cocoa</td>
<td>Chocolate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>+5.1%</td>
<td>+18.4%</td>
<td>+8.0%</td>
</tr>
<tr>
<td></td>
<td>+1.7%</td>
<td>+10.6%</td>
<td>+18.4%</td>
</tr>
<tr>
<td></td>
<td>+3.0%</td>
<td>+5.3%</td>
<td>+8.4%</td>
</tr>
<tr>
<td></td>
<td>+10.7%</td>
<td>+2.5%</td>
<td>+18.4%</td>
</tr>
<tr>
<td></td>
<td>+10.6%</td>
<td>+2.5%</td>
<td>+8.0%</td>
</tr>
<tr>
<td></td>
<td>+5.9%</td>
<td></td>
<td>+9.4%</td>
</tr>
<tr>
<td></td>
<td>+3.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+10.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+5.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+3.1%</td>
<td>+10.6%</td>
<td>+21.2%</td>
</tr>
<tr>
<td></td>
<td>+10.7%</td>
<td>+2.5%</td>
<td>+18.4%</td>
</tr>
<tr>
<td></td>
<td>+5.9%</td>
<td>+2.5%</td>
<td>+18.4%</td>
</tr>
<tr>
<td></td>
<td>+10.7%</td>
<td>+2.5%</td>
<td>+18.4%</td>
</tr>
<tr>
<td></td>
<td>+5.9%</td>
<td>+2.5%</td>
<td>+18.4%</td>
</tr>
<tr>
<td></td>
<td>+3.0%</td>
<td>+2.5%</td>
<td>+18.4%</td>
</tr>
<tr>
<td></td>
<td>+10.2%</td>
<td>+2.5%</td>
<td>+18.4%</td>
</tr>
<tr>
<td></td>
<td>+5.3%</td>
<td>+2.5%</td>
<td>+18.4%</td>
</tr>
<tr>
<td></td>
<td>+10.6%</td>
<td>+2.5%</td>
<td>+18.4%</td>
</tr>
<tr>
<td></td>
<td>+5.9%</td>
<td>+2.5%</td>
<td>+18.4%</td>
</tr>
<tr>
<td></td>
<td>+3.1%</td>
<td>+2.5%</td>
<td>+18.4%</td>
</tr>
<tr>
<td></td>
<td>+10.7%</td>
<td>+2.5%</td>
<td>+18.4%</td>
</tr>
<tr>
<td></td>
<td>+5.9%</td>
<td>+2.5%</td>
<td>+18.4%</td>
</tr>
<tr>
<td></td>
<td>+10.6%</td>
<td>+2.5%</td>
<td>+18.4%</td>
</tr>
<tr>
<td></td>
<td>+5.3%</td>
<td>+2.5%</td>
<td>+18.4%</td>
</tr>
</tbody>
</table>

1Source: Nielsen volume growth excluding e-commerce, September 2020 to August 2021 – 25 countries, data subject to adjustment to match Barry Callebaut’s reporting period. Nielsen data only partially reflects the out-of-home and impulse consumption.

---

6 Full-Year Results 2020/21 Media and Analyst Conference
# Highlights Full-Year Results 2020/21

## All Key growth drivers contributed

<table>
<thead>
<tr>
<th>% of total Group volume</th>
<th>% volume growth vs. prior year</th>
</tr>
</thead>
<tbody>
<tr>
<td>37% Emerging Markets</td>
<td>+9.7%</td>
</tr>
<tr>
<td>35% Outsourcing, Long-term Partnerships</td>
<td>+4.5%</td>
</tr>
<tr>
<td>11% Gourmet &amp; Specialties</td>
<td>+18.3%</td>
</tr>
</tbody>
</table>

Key growth drivers are crucial to continuously outperform the market.
Highlights Full-Year Results 2020/21

Key milestones

**October 2020**
- All global Gourmet brands use 100% sustainable cocoa, Carma 100% sustainable ingredients
- Launch of Cabosse Naturals

**November 2020**
- La Morella Nuts global expansion and opening of global Center of Expertise for Nuts in Spain
- Launch of Cabosse Naturals

**January 2021**
- La Morella Launch of #oneBC, Diversity & Inclusion Strategy
- Inauguration of new office and CHOCOLATE ACADEMY™ Center in Shenzhen, China

**February 2021**
- Recognized by CDP as Supplier Engagement Leader, for 2nd consecutive year
- Opening of new chocolate factory in Baramati, India

**March 2021**
- JAG 10% placement, Free float up to 65%
- Opening of dedicated dairy-free factory in Norderstedt, Germany

**April 2021**
- Van Houten launch first-ever Ruby chocolate drink

**May 2021**
- Peter Boone taking over as new CEO
- Extension of strategic supply agreement

**June 2021**
- Cacao Barry launch Evocao WholeFruit Chocolate
- Announcing acquisition of Europe Chocolate Company in Belgium

**July 2021**
- Barry Callebaut celebrating it’s 25 years anniversary

**August 2021**
- Recognized as a leader in managing ESG risks by Sustainalytics for the 3rd consecutive year

**September 2021**
- ELIX – first nutraceutical fruit drink
- Inauguration of chocolate factory in Novi Sad, Serbia

**October 2021**
- Peter Boone taking over as new CEO
- Extension of strategic supply agreement
- Inauguration of chocolate factory in Novi Sad, Serbia
Highlights Full-Year Results 2020/21

Innovation

Riding the wave of...

- **plant-based** by extending range of indulgence for special dietary requirements like ‘Halal’ and ‘Kosher Badatz’.
- **better for you and the planet** with new drinking chocolate powder with less sugar and low carb / no added sugar sustainable chocolate.
- **digitalization** in our CHOCOLATE ACADEMY™ Online increasing the reach with more livestreams / webinars and remote customer support.

Making the wave

- **ELIX** – the first nutraceutical fruit drink, leveraging the deep scientific knowledge of the cacaofruit.
- Cacao Barry launches **Evocao™ WholeFruit Chocolate**.
Global Gourmet brands leading on innovative trends, driving creativity of craftsmanship and providing sustainable solutions of the future.
### Financial review – Key figures

#### Good profitability and strong Cash flow generation

<table>
<thead>
<tr>
<th>Group performance (in CHF million)</th>
<th>FY 2020/21</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>in local currencies</td>
</tr>
<tr>
<td>Sales volume (in tonnes)</td>
<td>2,191,572</td>
<td>n/a</td>
</tr>
<tr>
<td>Sales revenue</td>
<td>7,207.6</td>
<td>8.7%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>1,147.2</td>
<td>10.8%</td>
</tr>
<tr>
<td>EBIT reported</td>
<td>566.7</td>
<td>20.8%</td>
</tr>
<tr>
<td>EBIT (recurring)&lt;sup&gt;1&lt;/sup&gt;</td>
<td>566.7</td>
<td>18.9%</td>
</tr>
<tr>
<td>EBIT per tonne (recurring)&lt;sup&gt;1&lt;/sup&gt;</td>
<td>258.6</td>
<td>13.7%</td>
</tr>
<tr>
<td>Net profit for the period</td>
<td>384.5</td>
<td>27.3%</td>
</tr>
<tr>
<td>Net profit for the period (recurring)&lt;sup&gt;1&lt;/sup&gt;</td>
<td>384.5</td>
<td>24.2%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>355.0</td>
<td>n/a</td>
</tr>
<tr>
<td>Adj. Free cash flow&lt;sup&gt;2&lt;/sup&gt;</td>
<td>314.9</td>
<td>n/a</td>
</tr>
</tbody>
</table>

---

<sup>1</sup> Prior-year EBIT recurring and Net profit recurring excluding cost of CHF 7.8 million for the closure of the cocoa factory in Makassar, Indonesia

<sup>2</sup> Adjusted for cocoa beans regarded by the Group as readily marketable inventories (RMI)
Financial review – Key performance indicators by Region

All Regions contribute to growth and good profitability, Global Cocoa business showing resilience in volatile environment

Group Sales volume: 2,191,572 tonnes

<table>
<thead>
<tr>
<th>Region</th>
<th>FY volume growth</th>
<th>EBIT growth in local currencies</th>
<th>Market volume growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>+5.5%</td>
<td>+7.9%</td>
<td>28%</td>
</tr>
<tr>
<td>EMEA</td>
<td>+5.5%</td>
<td>+27.9%</td>
<td>-6.0% / +2.2%</td>
</tr>
<tr>
<td>Americas</td>
<td>+8.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>+8.7%</td>
<td>+39.5%</td>
<td></td>
</tr>
<tr>
<td>Global Cocoa</td>
<td>+7.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td>+7.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Cocoa</td>
<td>-2.6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Compared to prior-year EBIT recurring
2 Corrected for additional cost arising from higher energy cost in West Africa as well as higher global freight costs.
3 Source: Nielsen, volume growth excluding e-commerce – 25 countries, September 2020 to August 2021, data subject to adjustment to match Barry Callebaut’s reporting period. Nielsen data only partially reflects the out-of-home and impulse consumption.
Financial review - Gross profit

Strong recovery from COVID-19 on volume and mix

In CHF million

<table>
<thead>
<tr>
<th>Gross Profit FY 2019/20</th>
<th>Volume</th>
<th>Mix</th>
<th>Cocoa</th>
<th>Gross Profit FY 2020/21, in LC</th>
<th>FX</th>
<th>Gross Profit FY 2020/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,064</td>
<td>+47</td>
<td>+60</td>
<td>+8</td>
<td>1,179</td>
<td>-32</td>
<td>1,147</td>
</tr>
</tbody>
</table>

Gross Profit FY 2019/20: 1,064
Volume: +47
Mix: +60
Cocoa: +8
Gross Profit FY 2020/21, in LC: 1,179
FX: -32
Gross Profit FY 2020/21: 1,147
Financial review

Cocoa Combined Ratio development

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

Combined Ratio gives broad indication...
Shows general high level industry direction, assuming many variables are fixed.

However...
Many variables are not fixed e.g.

- Terminal market: outright levels, arbitrage (London vs. New York), market structure.
- Differentials: structure and origin differences, Living Income Differential (LID) in Côte d'Ivoire and Ghana.
- Forward pricing structure: butter and powder.
- Customer forward coverage: butter and powder.
Operating profit (EBIT) up +18.9% thanks to strong recovery and good cost management

In CHF million

EBIT FY 2019/20
Factory closure costs
EBIT FY 2019/20, recurring
Gross Profit
SG&A, Scope
EBIT FY 2020/21, in LC
FX
EBIT FY 2020/21
Financial review - EBITDA to Net profit bridge

Net profit up +24% compared to prior-year recurring thanks to strong profitability and lower financing cost and taxes

In CHF million

|-------------------|------------------------------------------|-------------------|--------------------------------|-----------------|-----------------------------------|----------------|-----------------------------------|

**ETR**
- FY 2020/21: 17.3%
- FY 2019/20: 18.2%

1 Excluding the non-recurring negative impact of CHF 1.0 million from the Swiss tax reform in 2019/20, the prior year effective tax rate was 17.9%
Financial review

Raw material price development

Change FY 2020/21 (average):
- Milk powder +11.6%
- Cocoa beans -7.0%
- Sugar World +22.3%
- Sugar EU +3.6%
Financial review - Free cash flow

**Strong Free cash flow as a result of good EBITDA and efficient working capital management**

In CHF million

- **EBITDA recurring FY 2019/20**
  - 712

- **EBITDA FY 2020/21**
  - 795

- **Change in Working Capital**
  - -81 (PY +108)

- **Interest and Income Taxes**
  - -163 (PY -149)

- **CAPEX**
  - -275 (PY -281)

- **Others**
  - 39

- **FCF FY 2020/21 adjusted**
  - 315 (PY +404)

- **FCF FY 2020/21**
  - 355 (PY +317)

---

1 Excluding the cost of CHF 7.8 million for the closure of the cocoa factory in Makassar, Indonesia.
Continued Net debt reduction on the back of strong FCF generation

In CHF million

Net debt Aug'20: 1.366
Dividends & Treasury shares: 139
Free cash flow: -355
Change in Lease liabilities: 79
Lease payments: 40
FX/Other payments: 12
Net debt Aug'21: 1.281
Adj. for beans (RMI): -85
Adjusted Net debt Aug'21: 547
Adjusted Net debt Aug'20: 594

Change in Lease liabilities: -85
Adj. for beans (RMI): 547
Adjusted Net debt Aug'20: 594
## Financial review - Key figures

### Strong Balance sheet

<table>
<thead>
<tr>
<th>in CHF million</th>
<th>Aug 21</th>
<th>Aug 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net working capital</td>
<td>1,242</td>
<td>1,192</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>2,978</td>
<td>2,800</td>
</tr>
<tr>
<td>Total assets</td>
<td>7,244</td>
<td>7,141</td>
</tr>
<tr>
<td>Net debt</td>
<td>1,281</td>
<td>1,366</td>
</tr>
<tr>
<td>Adj. Net debt(^1)</td>
<td>547</td>
<td>594</td>
</tr>
<tr>
<td>Shareholders' equity</td>
<td>2,683</td>
<td>2,354</td>
</tr>
<tr>
<td>ROIC</td>
<td>12.2%</td>
<td>10.3%</td>
</tr>
<tr>
<td>ROE</td>
<td>14.3%</td>
<td>13.2%</td>
</tr>
<tr>
<td>Net debt / Equity ratio</td>
<td>47.8%</td>
<td>58.0%</td>
</tr>
<tr>
<td>Adj. Net debt(^1) / Equity ratio</td>
<td>20.4%</td>
<td>25.2%</td>
</tr>
<tr>
<td>Net debt / EBITDA</td>
<td>1.7x</td>
<td>1.9x</td>
</tr>
<tr>
<td>Adj. Net debt(^1) / EBITDA</td>
<td>0.7x</td>
<td>0.9x</td>
</tr>
</tbody>
</table>

\(^1\) Net Debt adjusted for cocoa beans considered as RMI
Proposed payout of CHF 28.00, payout ratio of 40%  

**Proposed dividend**  
- CHF 28.00 per share  
- Stable payout ratio of 40% of Net profit  

**Timetable for dividend**  
- Shareholder approval: December 8, 2021  
- Ex-date: on or about January 4, 2022  
- Payment date: on or about January 6, 2022  

**AGM 2021 – virtual**  
To protect the health of its shareholders and employees, the 2020/21 Annual General Meeting of Shareholders will take place without physical presence. Voting rights can be exercised electronically or in writing.  

*As proposed by the Board to our shareholders*
Strategy & Outlook

‘Smart growth’ will continue to be at the heart of our long-term strategy execution

Vision

Heart and engine of the chocolate and cocoa industry

4 strategic pillars

- Expansion
- Innovation
- Cost Leadership
- Sustainability

Sustainable growth
Margin accretive growth
Accelerated growth in Gourmet & Specialties and Emerging Markets
Return on Capital and greater focus on Free cash flow
Talent & Team
Strategy

Accelerating up the value ladder
Strategy - ESG

Forever Chocolate - making sustainable chocolate the norm

- In 2020/21 we estimate 214,584 (+50%) cocoa farmers in our supply chain are out of poverty.
- Over 92,500 (+125%) farmers have adopted Farm Business Plans.
- Our carbon intensity decreased to 3.57 CO₂e from 3.73 CO₂e per tonne of product.
- Since the start of Forever Chocolate in 2016, we have reduced our carbon intensity per tonne by more than -17%.

- We source 66% (+8%) of all our non-cocoa ingredients from sustainable sources.
- 43% of products sold containing 100% sustainably sourced cocoa or chocolate.
- In 2020/21, Cocoa Horizons premiums generated CHF 28.4 million (+60%).
- 25,486 (+413%) of the reported cases we found in previous years are under remediation.
- Our monitoring and remediation system now cover 237 (+110%) farmer groups, including 220,878 farmers in Côte d'Ivoire, Ghana and Cameroon.

- Since the start of Forever Chocolate in 2016, we have reduced our carbon intensity per tonne by more than -17%.

- We source 66% (+8%) of all our non-cocoa ingredients from sustainable sources.
- 43% of products sold containing 100% sustainably sourced cocoa or chocolate.
- In 2020/21, Cocoa Horizons premiums generated CHF 28.4 million (+60%).

214,584 cocoa farmers
92,500 farmers
3.57 CO₂e
-17% carbon intensity
28.4 million
25,486 cases
220,878 farmers
66% ingredients
43% products
Cocoa Horizons
Strategy - ESG

Diversity & Inclusion

It's about commitment
- **Internally**: Regions and Corp. Functions translate Group targets into specific metricated targets.
- **Externally**: UN Women's Empowerment Principles signed.

It's about policies
- Introduction of global flexible working framework FleX!, making flexible working the norm for all employees.
- Recruiting policies and processes being adapted.

It's about awareness
- Communication across the company with focus on inclusion.
- Involving Presidents, D&I Council and D&I Champions.

It's about employee engagement
- 4 Employee Resource Groups established.
- Active participation in external networks, e.g. LEAD.
- New head office, fostering bonding, interaction and collaboration.

It's about compliance
- Gender Pay Gap analysis completed in Switzerland.
- Analysis planned for Regional HQ's & major sites.
Experienced management team and solid Governance

- Experienced Board of Directors.
- All Board members proposed for re-election.
- Antoine de Saint-Affrique proposed as new member of the Board.
- Open and transparent dialogue with shareholders.
- Changes in Executive Committee to position company in best way to continue its growth path.
Experienced management team and solid Governance

- Experienced Board of Directors.
- All Board members proposed for re-election.
- Antoine de Saint-Affrique proposed as new member of the Board.
- Open and transparent dialogue with shareholders.
- Changes in Executive Committee to position company in best way to continue its growth path.
On track to accelerate up the value ladder and deliver on mid-term guidance

“‘Smart growth’ will continue to be at the heart of our long-term strategy execution with a focus on returns and cash generation. By leveraging our global footprint, industry-best innovation, cost leadership, and impactful sustainability solutions, we are on track to accelerate up the value ladder. This makes us confident we will deliver on our mid-term guidance.”

Peter Boone, CEO

Mid-term guidance 2020/21 to 2022/23, on average per annum:

- +5-7% volume growth
- EBIT above volume growth in local currencies, barring any major unforeseeable events
Thank you to all colleagues for 25 years of growth, and many more to come...