

# Short Report 2017/18



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**“We are the heart and engine  
of the chocolate and cocoa industry”**

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**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.**

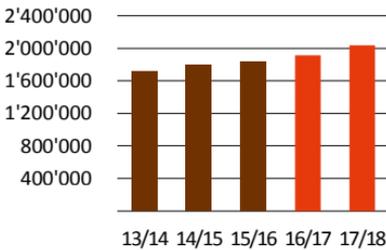
For the online version of the Annual Report, go to:  
[annual-report.barry-callebaut.com](http://annual-report.barry-callebaut.com)

# Key Figures

for the fiscal year		Change (%)		2017/18	2016/17*
		in local currencies	in CHF		
Sales volume	Tonnes		6.3%	2,035,857	1,914,311
Sales revenue	CHF m	0.1%	2.1%	6,948.4	6,805.2
Gross profit	CHF m	17.2%	20.7%	1,157.1	958.8
Operating profit (EBIT)	CHF m	16.4%	20.4%	554.0	460.2
Operating profit (EBIT, recurring)	CHF m	21.2%	25.3%	554.0	442.1
EBIT per tonne (recurring)	CHF	14.0%	17.8%	272.1	230.9
Net profit for the year	CHF m	22.5%	27.1%	357.4	281.1
Net profit for the year (recurring)	CHF m	31.0%	35.9%	357.4	263.0
Free cash flow	CHF m	(38.2%)	(34.4%)	311.9	475.6

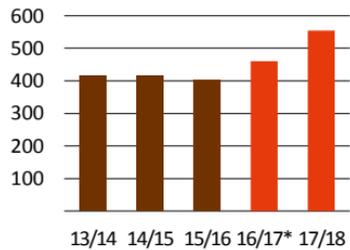
## Sales Volume

in tonnes



## EBIT

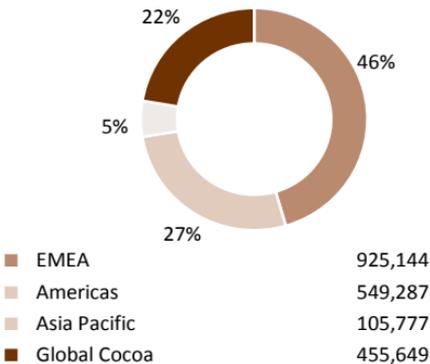
in CHF million



\* See page 48, Annual Report 2017/18, Summary of Accounting Policies – Restatement and reclassification of prior year comparatives.

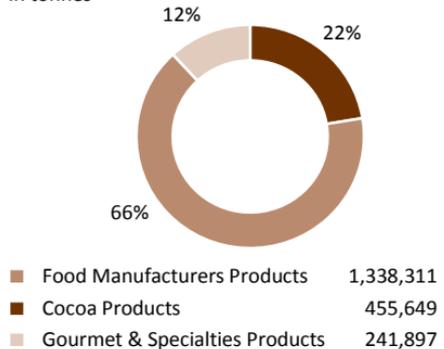
## Sales Volume by Region

in tonnes



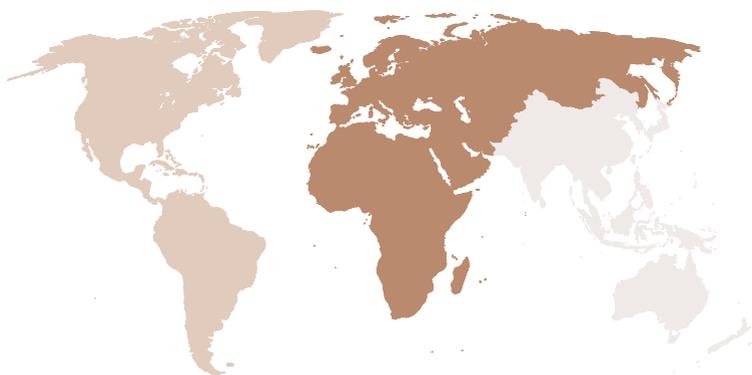
## Sales Volume by Product Group

in tonnes



# Fiscal year 2017/18 in brief

- Sales volume up +6.3%, well above the market growth<sup>1</sup>, first time over 2 million tonnes
- Operating profit (EBIT, recurring) up +21.2% in local currencies (+25.3% in CHF)
- Net profit for the year (recurring) up +31.0% in local currencies (+35.9% in CHF)
- Free cash flow of CHF 311.9 million
- On track to deliver on mid-term guidance<sup>2</sup>
- Board member James (Jim) Donald will not stand for reelection; Suja Chandrasekaran, Angela Wei Dong and Markus Neuhaus proposed as new Board members
- Proposed payout to shareholders of CHF 24.00 per share, up +20.0%



	EMEA	Americas	Asia Pacific	Global Cocoa
Volume growth vs. prior year in tonnes	+6.8%	+6.0%	+16.2%	+3.9%
EBIT growth vs. prior year in local currencies	+11.2% <sup>3</sup>	+9.2%	+20.2%	+28.3%

1 Source: Nielsen, +1.8% in volume for the period August 2017 to August 2018 – 25 countries.

2 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.

3 On recurring basis.

# Highlights

## September 2017

- Fourth type of chocolate, ruby, revealed after more than ten years of development

## October 2017

- Acquisition of D'Orsogna Dolciaria, a leading specialties and decorations player in Europe, completed

## November 2017

- Cocoa & Forests Initiative signed which aims at eradicating deforestation from the cocoa supply chain in West Africa

## December 2017

- Acquisition of Gertrude Hawk, a leading specialties and decorations player in the US, completed

## January 2018

- 10<sup>th</sup> anniversary of Barry Callebaut's chocolate factory in China

## April 2018

- Ruby chocolate honored with the NCA Award for supplier innovation

## May 2018

- New CHOCOLATE ACADEMY™ Center in Johannesburg opened, the first on the African continent and the 21<sup>st</sup> worldwide

## June 2018

- Letters of intent signed with Ghanaian and Ivorian governments to intensify cooperation on a sustainable cocoa farming model
- 4<sup>th</sup> edition of CHOCOVISION, conference for more than 200 business leaders and key stakeholders in the industry

Please also refer to [www.barry-callebaut.com/history](http://www.barry-callebaut.com/history)

# Strategy delivering strong results across all regions

Twenty years ago, Barry Callebaut was listed on the SIX Swiss Exchange. Since then, our company has developed into the world's leading chocolate and cocoa company and the growth champion in the food industry. Our proven long-term strategy and its smart execution form the basis for our consistent value creation for our shareholders and all other stakeholders.

Dear Shareholders,

Going public was a visionary step by our founder Klaus Jacobs as it combined the professional corporate governance and access to the capital markets of a listed company with the long-term view and entrepreneurial spirit of a family as the majority owner. This unique combination enabled us to become a truly global market leader in our industry.

We nearly quadrupled our sales volume and our EBIT in the past two decades. Our shareholders also benefited from this solid growth as our share price clearly outperformed relevant indices. About half of our dividends support the Jacobs Foundation which is dedicated to education and the future of young people.

In fiscal year 2017/18, the consistent execution of our 'smart growth' strategy again

delivered a set of very strong results on top- and bottom-line across all Regions and Product Groups. Sales volume increased by +6.3%, significantly above the +1.8% volume growth of the global chocolate confectionery market, according to Nielsen data. For the first

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**“The continued execution of our ‘smart growth’ strategy, good visibility on volume growth and healthy global demand give us the confidence that we are well on track to achieve our mid-term guidance.”**

Antoine de Saint-Affrique, CEO

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

time, we sold more than 2 million tonnes of chocolate and cocoa products. Sales revenue was flat, +0.1% in local currencies, at CHF 6,948.4 million, as a result of lower raw material prices, which we pass on to our customers for a large part of our business. Operating profit (EBIT, recurring) increased by +21.2% in local currencies to CHF 554.0 million, outpacing volume growth. Net profit for the year grew by +31.0% in local currencies to CHF 357.4 million, and our free cash flow amounted to CHF 311.9 million.

Based on these strong results, the Board of Directors is proposing a payout to shareholders of CHF 24.00 per share at the Annual General Meeting of Shareholders on December 12, 2018, an increase of +20.0% versus prior year.

Our continued above-market growth is the result of the consistent implementation

of our proven long-term strategy based on four pillars: Expansion, Innovation, Cost Leadership and Sustainability. In the past fiscal year, we achieved again several strategic milestones.

**Expansion.** To keep serving our customers optimally, we continuously expand our capacities and capabilities. The integration of D'Orsogna Dolciaria in Italy and Gertrude Hawk Ingredients in the US, further extending Barry Callebaut's value-adding Specialties & Decorations business, is well on track. In May 2018, we opened our first CHOCOLATE ACADEMY™ Center on the African continent – our 21<sup>st</sup> globally – in Johannesburg, South Africa. We expanded our cocoa processing capacities in Côte d'Ivoire and Cameroon and our chocolate production capacities in the Regions Americas and EMEA and in Singapore.

Sales Volume: +6.3%

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# 2 million

tonnes

EBIT: +21.2% in local currencies

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# 554.0

CHF million

Net profit for the year: +31.0%

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# 357.4

CHF million

Free cash flow

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# 311.9

CHF million

Dividend: payout ratio 37%

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# 24.00

CHF per share

**Innovation.** In September 2017, Barry Callebaut revealed the fourth type of chocolate: ruby. Since its global launch in Shanghai in September 2017, ruby has been making waves in consumer markets across the world ever since – from the iconic KitKat brand to the finest Belgian Ruby RB1 chocolate under the Callebaut brand in March 2018 and Ruby Rubina, launched under our Swiss Carma brand in May 2018. Furthermore, we extended our dairy-free chocolate product portfolio in the US, tapping into growing customer demand. In addition, our sugar-reduced solutions are enticing customers and growing by double-digits. Last but not least, Callebaut introduced a sensory language and tasting ritual for chocolate in January 2018.

**Sustainability.** We launched a number of initiatives in support of our Forever Chocolate plan to make sustainable chocolate the norm by 2025. In 2017/18, we sourced 44% of our cocoa beans and also 44% of our other chocolate ingredients from sustainable sources (vs. 36% and 30% in prior year). We were one of the driving forces behind the signing of the Cocoa and Forests Initiative at the UN Climate Summit in Bonn in November 2017, bringing together the leading cocoa and chocolate companies, NGOs and the Ivorian and Ghanaian governments to commit to eradicating deforestation from the cocoa supply chain in West Africa.

In addition, we are building datasets with detailed location, agronomic and social survey data on already over 130,000 cocoa farms in our supply chain. These unique datasets allow us to create tailor-made sustainability programs to solve the key issues of the mapped cocoa farming communities. In addition, we developed pilot projects in five key cocoa sourcing countries, Côte d'Ivoire, Ghana, Cameroon, Brazil and Indonesia, to build a model on what sustainable cocoa farming in these countries entails. Furthermore, we organized the fourth CHOCOVISION conference in June 2018, bringing together over 200 business leaders and key stakeholders in the chocolate and cocoa industry.

### **Looking to the future with confidence**

Our proven strategy, good visibility on volume growth and healthy global demand give us the confidence that we are well on track to achieve our mid-term guidance, which is on average 4–6% volume growth and EBIT above volume growth in local currencies for the 4-year period 2015/16 to 2018/19, barring any major unforeseen events.

Going forward, we see ample opportunities to further grow our business and to do so along the lines of our 'smart growth' strategy: consistently, profitably, sustainably, further leveraging our regional and product mix for better returns. And obviously further developing our teams and talents, as they are – together with our values – at the heart of what makes Barry Callebaut successful.

We would like to thank our employees for the strong results they have delivered and all our customers and shareholders for their trust and continued support.



Patrick De Maeseneire

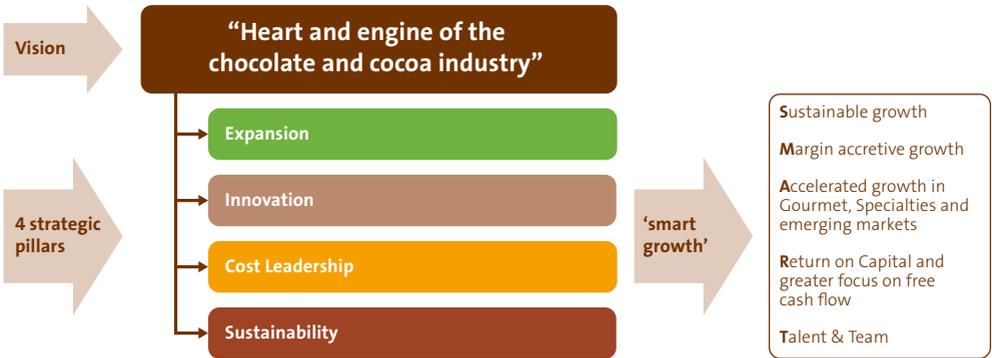
Chairman of the Board



Antoine de Saint-Affrique

Chief Executive Officer

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, and cocoa science. On this basis, our value-adding products and services will keep driving margin accretive growth.

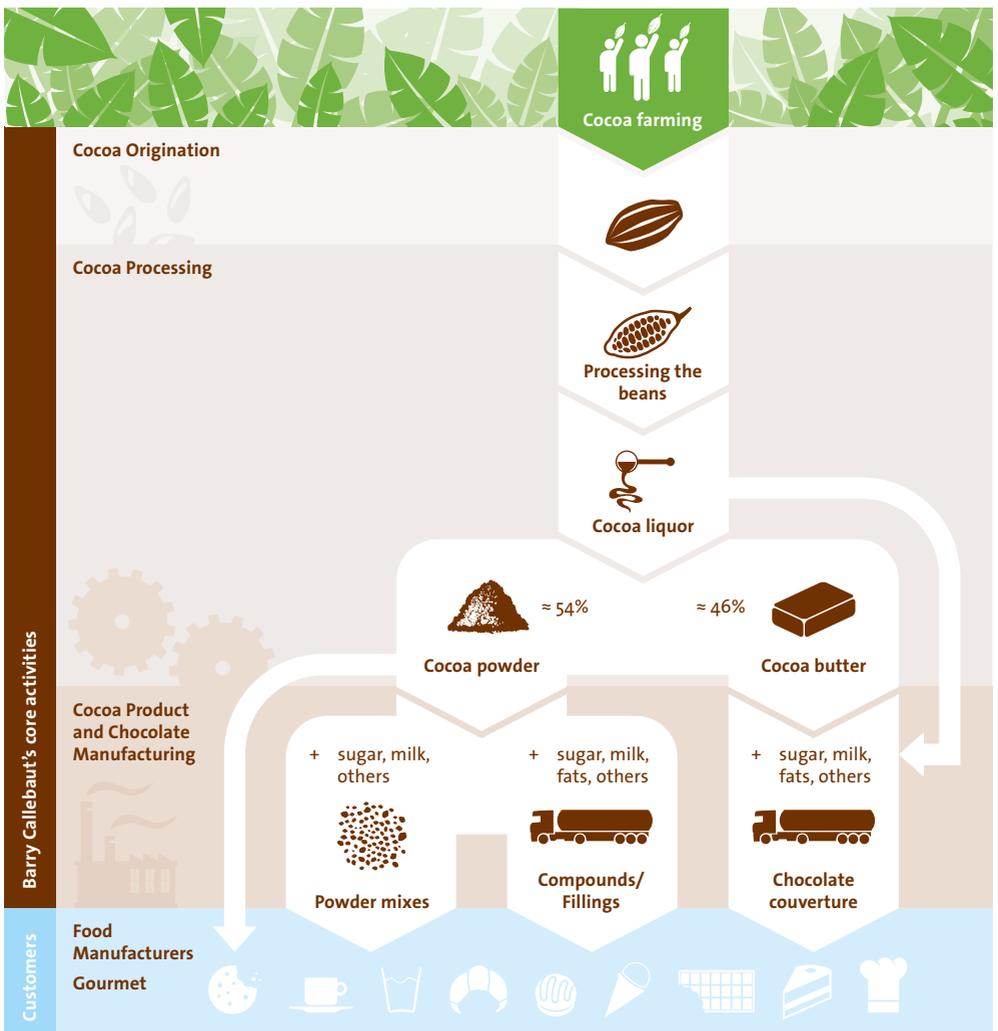
### Cost Leadership

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.



# CHOCOLATE ACADEMY™ goes Africa

Minette Smith, a South Africa born chocolatier and chocolate lover, could not be happier: she has become the head of our brand new CHOCOLATE ACADEMY™ Center, located in Johannesburg, South Africa. This is our 21<sup>st</sup> CHOCOLATE ACADEMY™ Center worldwide, and the first on the African continent.

At our CHOCOLATE ACADEMY™ Centers, the best chefs and chocolatiers are teaching professionals, artisans and amateurs new chocolate trends, techniques and recipes. With the infrastructure available in our CHOCOLATE ACADEMY™ Centers, we can cater to each and every demand and trend on cocoa, chocolate and the technical aspects involved. Worldwide, more than 3,000 craftsmen participate in events hosted by the CHOCOLATE ACADEMY™ Centers every month. It is a magnificent success story in chocolate.

## CHOCOLATE ACADEMY™ goes digital

In order to broaden its availability to chocolate lovers around the world, the CHOCOLATE ACADEMY™ has gone digital with the launch of the world's first e-learning platform for chocolate. The CHOCOLATE ACADEMY™ Online helps chocolatiers, chefs and bakers to master their craft and to develop their staff by learning from the best in the industry – online, interactive and fully personalized. The platform offers a large number of video courses by renowned chefs and chocolatiers which guide students on how to evolve and master professional methods and techniques. Step by step, recipes are offered for download, including tips and tricks for the best results. The CHOCOLATE ACADEMY™ Online also includes an e-commerce section where customers have access to the professional Callebaut product range.



Opening of our

21<sup>st</sup>

CHOCOLATE ACADEMY™  
Center



Massimo Garavaglia, President of EMEA, and Minette Smith, Chocolatier.

The opening of the 21<sup>st</sup> CHOCOLATE ACADEMY™ Center in Johannesburg reaffirms our commitment to the African continent and is an invaluable asset to the local chocolate professionals and artisans, offering endless possibilities in all aspects related to chocolate and cocoa products. “The CHOCOLATE ACADEMY™ Center is a magnificent environment, not only for chefs, but also for everyone who has a passion for chocolate. The CHOCOLATE ACADEMY™ Center will offer world-class support, enabling cus-

tomers to harness their skills to bring the best innovations in chocolate,” says Minette Smith.

The new academy will host master classes with a strong focus on chocolate fundamentals. Specialty master classes will also be offered, and during these classes, talented chefs and industry experts from around the world will share their passion, innovative ideas and expertise around chocolate and cocoa products.

CHOCOLATE ACADEMY™  
Centers:

more than

**40,000**

chocolate aficionados  
trained in 2017/18

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**“We are taking the local  
chocolate spirit to new  
heights.”**

Minette Smith, South African chocolatier

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Minette confirms: “This opening not only marks a special moment for us at Barry Callebaut, but also for the South African chocolate industry. We are taking the local chocolate spirit to new heights.”

While being globally aligned with the other 20 CHOCOLATE ACADEMY™ Centers around the world, the CHOCOLATE ACADEMY™ Center South Africa will also provide a forum for dialogue with customers through customer-focused demonstrations, innovation workshops and inspirational branded events.



# Leading through innovation: Ruby chocolate

Whether it concerns the extension of our dairy-free chocolate product portfolio, tapping into the growing customer demand for this type of specialty chocolate, or our exciting sugar-reduced solutions, we are constantly bringing to market cutting-edge innovations. A great example of our innovation capability was last year's launch of the fourth type of chocolate, ruby.

After taking more than ten years to develop ruby chocolate, it took barely six months after the formal launch in September 2017 for the fourth type of chocolate to conquer the world. The ruby bean is unique because the fresh berry-fruitiness and color precursors are naturally present. The bean has a specific set of attributes, which Barry Callebaut managed to unlock through an innovative process that took many years to develop.

Nestlé Japan launched KITKAT™ Sublime Ruby in January 2018 as the first consumer product application. The interest in the new chocolate bar was beating all expectations, and the success was overwhelming. Forbes, the renowned US business magazine,

wrote: “Nestlé may have struck gold with the release of a new type of KITKAT™ made using special ‘ruby’ cacao beans.”

Meanwhile, further applications for ruby chocolate are hitting the market, allowing chefs and artisans across the globe to play with the unique taste and the special color. These new applications include our global Gourmet brand Callebaut launching RB1 in Hong Kong, Australia and Belgium. With its all-round fluidity, RB1 is perfect for a wide range of applications ranging from confectionery moulding and enrobing to pastry mousses and much more. In addition, Carma, our Swiss Gourmet brand, has launched Ruby Rubina, a ruby product that inspires the creativity of chefs, artisans and bakers to delight their customers.

Our innovations are enticing chocolate lovers around the world, and the sky is the limit.

# Ruby Rubina

launched by our  
Swiss Gourmet brand  
Carma



# Putting some ‘Poka’ in productivity

Every minute counts at one of our biggest integrated factories in Saint-Hyacinthe, Canada, where around 500 tonnes of chocolate are produced every day. Key is ensuring the highest quality of our products, as well as the flawless, cost-efficient functioning of the manufacturing process. Our 500 employees have a thorough knowledge of the machines and the processes and work very closely together in their teams. And that's where the brand new ‘Poka-app’ comes in to support.

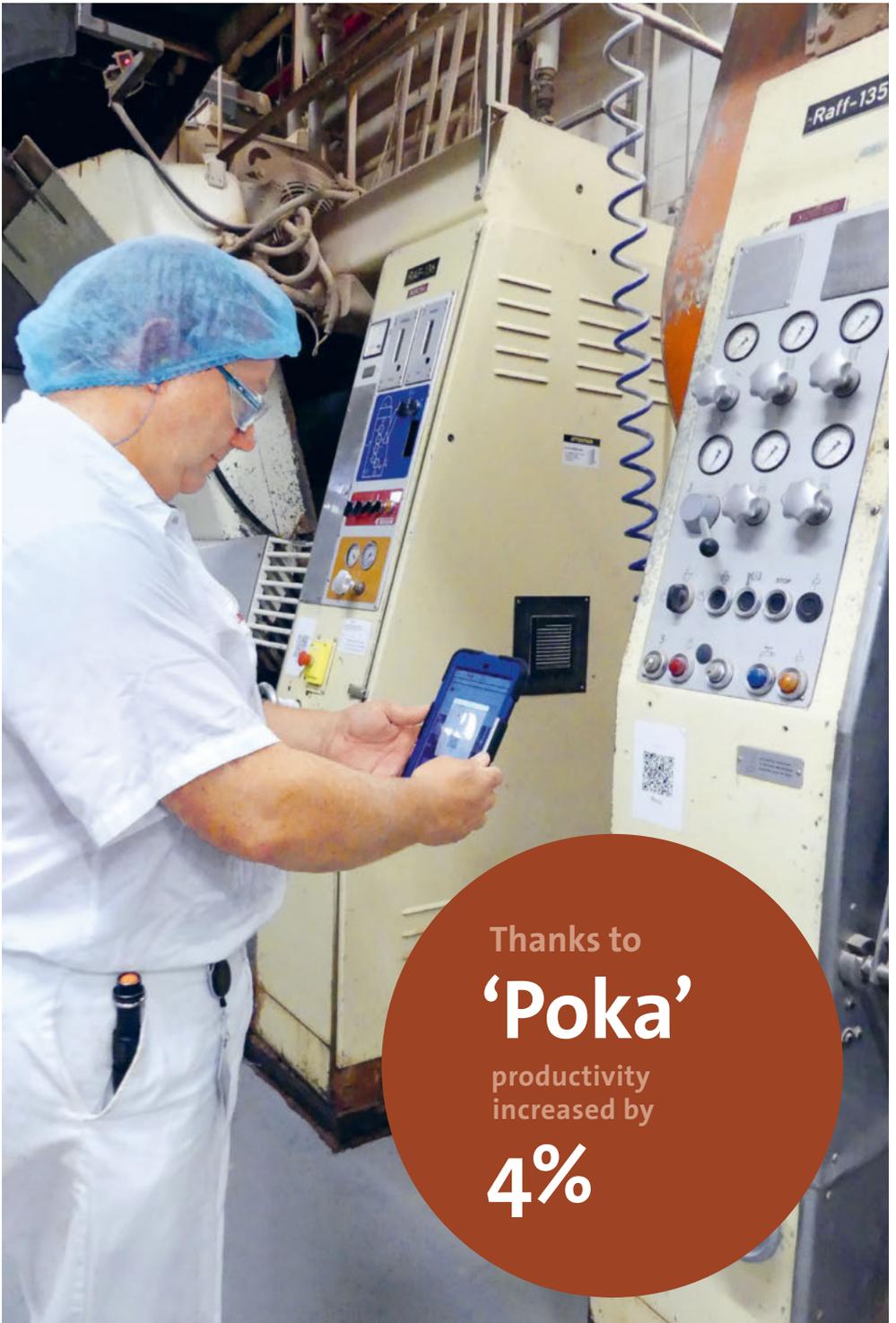
In this user-friendly, versatile, cloud-based app – whose name is alluding to the Japanese term “Poka-yoke”, meaning “mistake proofing” – all necessary information on machines and processes can be captured and updated via a tablet and shared in real time with the team members. Gateways to the content come in the form of QR codes fixed to the relevant piece of equipment. This enables operators to deliver and find information in a targeted manner with minimal time investment.

Richard Bilodeau, Continuous Improvement Manager: “Real-time inputs, in text or video format, are seamlessly transmitted to operators and maintenance teams for immediate reference and action, and simultaneously logged

for later use. All this simplifies not only the daily work and cooperation, but also the training of the employees.”

The results of the introduction of the new system on four production lines are impressive: training time was halved and machine downtime was significantly reduced. John Schouten, Director Global Operational Excellence, who was instrumental in the development and implementation of the new app, is excited: “Our expectations have been exceeded in every respect. Overall, we were able to increase productivity by 4%, which is a great success in an already very efficient factory. We will now progressively roll out the new system worldwide.”

All lines in Saint-Hyacinthe will be equipped with the new system before the end of 2018. In addition, pilot projects with the ‘Poka-app’ are being launched in all regions, and we aim to have all world-wide production sites adapting it within three years.



Thanks to  
**'Poka'**  
productivity  
increased by  
**4%**

# Piloting for progress

Our plan to make sustainable chocolate the norm by 2025, Forever Chocolate, is all about tackling the structural issues in the cocoa supply chain head-on. In major cocoa producing countries such as Côte d'Ivoire and Ghana, low productivity on cocoa farms from poor agricultural practices, nutrient depleted soil and aging cocoa trees means that many farmers exist in a state of poverty. So they are unable to invest in their farms, and therefore continue to have low productivity and income.

To learn how we can accelerate impact on the ground, we are launching various pilot projects. The purpose of these pilots is to test innovative approaches to sustainable cocoa farming, and to learn if these approaches are replicable, scalable and lead to farmers' self-sustainability. The first pilot started in Indonesia in February 2018, and four additional pilots are being rolled out in Côte d'Ivoire, Ghana, Cameroon and Brazil. It involves the testing of individual multi-year farm business plans to increase productivity, the incentivizing of communities to avoid child labor and the use of new technologies to reduce carbon emission in cocoa production. We are partnering with experts from Wageningen University & Research in the Netherlands, who are providing us with robust scientific

support to provide the baseline and analytical framework against which we can assess the outcomes.

## Tackling deforestation

On November 16, 2017, at the UN Climate Summit in Bonn, a unique initiative was signed by the leading companies of the cocoa and chocolate industry, the Ghanaian and Ivorian governments and representatives from civil society: the Cocoa and Forests Initiative Frameworks for Action. The purpose of these frameworks is to tackle deforestation from the cocoa supply chain in the signatory countries. No other commodity has managed to unite all key stakeholders behind a common target to stop deforestation, and Barry Callebaut was one of the driving forces behind this agreement. The signing is an important step to achieve our target to become carbon and forest positive and a great example of the movement which is required to make sustainable chocolate the norm.



# Pilots

rolled out in

Indonesia, Brazil,  
Côte d'Ivoire, Ghana  
and Cameroon

# True leaders never stop learning

True leaders never stop learning, that is our CEO's, Antoine de Saint-Affrique, conviction. We want our employees to be leaders, which is why their professional development is a key priority. In 2004, the Marbach Development Program was created, named after the training and conference center in Marbach Castle, Germany. Since its inception, the focus of the program has been on growing leadership skills through personal and professional development experiences. The program has expanded to more than a dozen different 4- to 6-day courses which can also be attended at Barry Callebaut's major hubs in Chicago and Singapore. More than 3,500 employees have so far participated in these programs. In the past fiscal year, we educated 337 managers.

In the coming years, we intend to further advance the program with a re-launch of our "Marbach Academy" in order to continuously align with our evolving development needs. The programs will focus on building the necessary capabilities in sales, leadership and project management. We will provide impactful learning experiences through a blend of channels including classroom events, e-learning, webinars and coaching. A consistent element of past and future programs is to promote

teamwork and to strengthen the networks within the company. Within these employee networks, personal experiences can be shared, and very concrete professional problems can be discussed and solved. With this new type of learning platform, we improve the skills and capabilities of our leaders, increase the value creation of the company and embed our mission and values in everything we do.

Antoine de Saint-Affrique says: "Our employees should constantly develop themselves, explore new frontiers, feed their curiosity and encourage the same with their teams. True leaders never stop learning, never stop reinventing themselves and the way they do business. They make learning a very powerful and exciting daily routine."



**Marbach  
Development Program:**

**more than**

**3,500**

**employees trained**

# Chairman's & Value Awards 2018



From left, front row: **Kristien Vermoesen**, Wieze, Belgium, **Rosina Safoah**, Tema, Ghana, **Luis Lozano**, Monterrey, Mexico, **Giuseppina Stella**, San Vito Chietino, Italy, **Shirlene Pitta**, Ilhéus, Brazil, **Julie Sharp**, Banbury, UK. Back row: **Yi Ni Tan**, Port Klang, Malaysia, **Jaume Soldevila**, Gurb, Spain, **Sébastien Pichon**, Louviers, France, **Antoine de Saint-Affrique (CEO)**, **Patrick De Maeseneire (Chairman)**, **Erik Van Laethem**, Halle, Belgium, **Candice Davis**, Chicago, USA.

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.



**Dominic De Coker (left),**  
Team Spirit, EMEA Pricing Team  
Wieze, Belgium

**Massimo Selmo (right),**  
Team Spirit, Non-cocoa Sourcing Team  
Zurich, Switzerland

**Paulo Simonetti,**  
Entrepreneurship,  
OSCO Team Brazil  
São Paulo, Brazil



**Yeting Liu,**  
Passion  
Wieze, Belgium



**Daniela  
Schmidt-Wegener,**  
Integrity  
Cologne, Germany



**Fumitaka Nakano,**  
Customer Focus  
Tokyo, Japan

# 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

## Dividend

The Board of Directors proposes a payout of CHF 24.00 per share, an increase of +20.0% compared to prior year. This represents a payout ratio of 37%.

## Credit rating

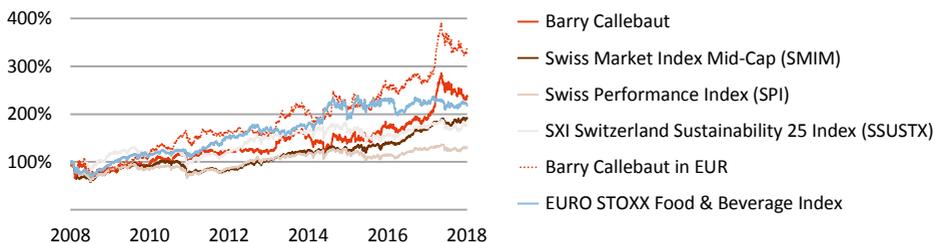
- Moody's rating: Baa3 / stable
- Standard & Poor's rating: BB+ / positive

## Mid-term guidance (2015/16–2018/19)

On average: 4–6% volume growth and EBIT above volume growth in local currencies, barring any major unforeseen events.

## Share Price Development

Barry Callebaut shares are listed on the SIX Swiss Exchange



## Executive Committee



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

## Board of Directors

Patrick De Maeseneire, Chairman  
Jakob Baer, Vice Chairman  
Fernando Aguirre  
James (Jim) Donald (until December 12, 2018)  
Nicolas Jacobs  
Elio Leoni Sceti  
Timothy Minges  
Juergen Steinemann

The Board proposes Suja Chandrasekaran, Angela Wei Dong and Markus Neuhaus for election as new Board members.

Status as of November 7, 2018

## Consolidated Income Statement

for the fiscal year	2017/18	2016/17 restated <sup>1</sup>
in thousands of CHF		
<b>Revenue from sales and services</b>	<b>6,948,411</b>	<b>6,805,156</b>
Cost of goods sold	(5,791,331)	(5,846,346)
<b>Gross profit</b>	<b>1,157,080</b>	<b>958,810</b>
Marketing and sales expenses	(149,956)	(137,862)
General and administration expenses	(441,040)	(377,073)
Other income	19,595	35,597
Other expenses	(31,655)	(19,248)
<b>Operating profit (EBIT)</b>	<b>554,024</b>	<b>460,224</b>
Finance income	6,368	5,182
Finance costs	(107,687)	(126,985)
Share of result of equity-accounted investees, net of tax	171	158
<b>Profit before income taxes</b>	<b>452,876</b>	<b>338,579</b>
Income tax expenses	(95,517)	(57,431)
<b>Net profit for the year</b>	<b>357,359</b>	<b>281,148</b>
of which attributable to:		
shareholders of the parent company	356,133	280,512
non-controlling interests	1,226	636
<b>Earnings per share</b>		
Basic earnings per share (CHF/share)	64.93	51.15
Diluted earnings per share (CHF/share)	64.55	50.88

## Consolidated Statement of Comprehensive Income

<b>Net profit for the year</b>	<b>357,359</b>	<b>281,148</b>
Items that may be reclassified subsequently to the income statement	(91,054)	(15,594)
Items that will never be reclassified to the income statement	11,788	25,629
<b>Other comprehensive income for the year, net of tax</b>	<b>(79,266)</b>	<b>10,035</b>
<b>Total comprehensive income for the year</b>	<b>278,093</b>	<b>291,183</b>
of which attributable to:		
shareholders of the parent company	276,678	290,550
non-controlling interests	1,415	633

1 See page 48 of the Annual Report 2017/18, Summary of Accounting Policies – Restatement and reclassification of prior year comparatives.

## Consolidated Balance Sheet

### Assets

as of August 31,	2018	2017 restated <sup>1</sup>
in thousands of CHF		
<b>Current assets</b>		
Cash and cash equivalents	404,183	399,292
Trade receivables and other current assets	911,904	733,056
Inventories	1,476,667	1,279,330
Derivative financial assets	502,471	546,636
Other items of current assets	31,341	30,498
<b>Total current assets</b>	<b>3,326,566</b>	<b>2,988,812</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,420,885	1,385,773
Intangible assets	991,510	926,150
Other items of non-current assets	93,081	165,805
<b>Total non-current assets</b>	<b>2,505,476</b>	<b>2,477,728</b>
<b>Total assets</b>	<b>5,832,042</b>	<b>5,466,540</b>

### Liabilities and equity

<b>Current liabilities</b>		
Bank overdrafts and short-term debt	311,315	339,536
Trade payables and other current liabilities	1,121,082	1,178,174
Derivative financial liabilities	641,997	288,319
Other items of current liabilities	78,533	71,967
<b>Total current liabilities</b>	<b>2,152,927</b>	<b>1,877,996</b>
<b>Non-current liabilities</b>		
Long-term debt	1,168,797	1,170,743
Employee benefit obligations	130,826	151,342
Other items of non-current liabilities	93,981	140,347
<b>Total non-current liabilities</b>	<b>1,393,604</b>	<b>1,462,432</b>
<b>Total liabilities</b>	<b>3,546,531</b>	<b>3,340,428</b>
<b>Equity</b>		
Share capital	110	40,014
Retained earnings and other reserves	2,269,686	2,071,173
<b>Total equity attributable to the shareholders of the parent company</b>	<b>2,269,796</b>	<b>2,111,187</b>
Non-controlling interests	15,715	14,925
<b>Total equity</b>	<b>2,285,511</b>	<b>2,126,112</b>
<b>Total liabilities and equity</b>	<b>5,832,042</b>	<b>5,466,540</b>

1 See page 48 of the Annual Report 2017/18, Summary of Accounting Policies – Restatement and reclassification of prior year comparatives.

## Consolidated Cash Flow Statement

### Cash flows from operating activities

for the fiscal year	2017/18	2016/17 restated <sup>1</sup>
in thousands of CHF		
Net profit for the year	357,359	281,148
Income tax expenses	95,517	57,431
Recognition of negative goodwill on acquisitions	–	(19,960)
Depreciation, amortization and impairment	181,259	149,943
Interest expenses / (Interest income)	93,469	105,193
Increase (decrease) of employee benefit obligations	(19,065)	2,906
Share of profit of equity-accounted investees, net of tax	(171)	(158)
Net changes in working capital	(35,170)	220,581
Provisions less payments	(14,938)	(20,785)
Other non-cash effective items	12,924	47,501
<b>Cash generated from operating activities</b>	<b>671,184</b>	<b>823,800</b>
(Interest paid)	(93,120)	(96,840)
(Income taxes paid)	(62,557)	(42,967)
<b>Net cash from operating activities</b>	<b>515,507</b>	<b>683,993</b>

- 1 See page 48 of the Annual Report 2017/18, Summary of Accounting Policies – Restatement and reclassification of prior year comparatives.

## Cash flows from investing activities

for the fiscal year	2017/18	2016/17 restated <sup>1</sup>
in thousands of CHF		
Purchase of property, plant and equipment	(180,821)	(179,561)
Purchase of intangible assets	(37,111)	(40,876)
Other items of net cash flow from investing activities	(112,358)	14,720
<b>Net cash flow from investing activities</b>	<b>(330,290)</b>	<b>(205,717)</b>

## Cash flows from financing activities

Net cash flow from short-term debt	(33,815)	(417,710)
Net cash flow from long-term debt	(7,334)	(5,158)
Dividend payment	(69,873)	(22,998)
Capital reduction and repayment	(39,904)	(62,079)
Purchase of treasury shares	(22,783)	(17,070)
Dividends paid to non-controlling interests	(247)	(635)
<b>Net cash flow from financing activities</b>	<b>(173,956)</b>	<b>(525,650)</b>
Effect of exchange rate changes on cash and cash equivalents	(11,373)	(6,083)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(112)</b>	<b>(53,458)</b>
Cash and cash equivalents at beginning of year	378,028	431,486
Cash and cash equivalents at end of year	377,916	378,028
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(112)</b>	<b>(53,458)</b>

- 1 See page 48 of the Annual Report 2017/18, Summary of Accounting Policies – Restatement and reclassification of prior year comparatives.

## 5-year Overview<sup>1</sup>

		CAGR (%)	2017/18	2016/17 restated <sup>2</sup>	2015/16	2014/15	2013/14
<b>Consolidated Income Statement</b>							
Sales volume	Tonnes	4.4%	2,035,857	1,914,311	1,834,224	1,794,782	1,716,766
Sales revenue	CHF m	4.3%	6,948.4	6,805.2	6,676.8	6,241.9	5,865.9
EBITDA (recurring)	CHF m	8.2%	728.3	592.1	539.4	540.8	531.5
Operating profit (EBIT)	CHF m	7.4%	554.0	460.2	401.7	414.8	416.2
Operating profit (EBIT, recurring)	CHF m	7.4%	554.0	442.1	401.7	414.8	416.2
EBIT (recurring) / sales revenue	%		8.0%	6.5%	6.0%	6.6%	7.1%
EBIT per tonne (recurring)	CHF	2.9%	272.1	230.9	219.0	231.1	242.4
Net profit for the year	CHF m	8.8%	357.4	281.1	219.0	239.9	255.0
Net profit for the year (recurring)	CHF m	8.8%	357.4	263.0	219.0	239.9	255.0
Free cash flow	CHF m		311.9	475.6	430.9	1.2	(172.6)
<b>Consolidated Balance Sheet</b>							
Total assets	CHF m	3.1%	5,832.0	5,466.5	5,640.8	5,429.4	5,167.5
Net working capital	CHF m	(10.5%)	1,074.4	1,042.5	1,374.2	1,529.7	1,674.6
Non-current assets	CHF m	3.6%	2,505.5	2,477.7	2,301.0	2,185.5	2,175.6
Net debt	CHF m	(12.1%)	1,074.3	1,110.9	1,452.8	1,728.0	1,803.5
Shareholders' equity	CHF m	6.1%	2,269.8	2,111.2	1,956.3	1,772.8	1,790.7
Capital expenditure	CHF m	(3.3%)	217.9	220.4	201.0	249.2	248.8
<b>Ratios</b>							
Economic Value Added (EVA)	CHF m		173.3	100.7	52.5	65.6	84.5
Return on invested capital (ROIC)	%		13.3%	11.0%	9.5%	9.8%	10.5%
Return on equity (ROE)	%		15.7%	12.5%	11.2%	13.5%	14.7%
Debt to equity ratio	%		47.3%	52.6%	74.3%	97.5%	100.7%
Solvency ratio	%		38.9%	38.6%	34.7%	32.7%	34.7%
Interest coverage ratio			7.2	4.9	4.0	4.1	4.5
Net debt / EBITDA			1.5	1.9	2.7	3.2	3.4
Capital expenditure / sales revenue	%		3.1%	3.2%	3.0%	4.0%	4.2%
<b>Shares</b>							
Share price at fiscal year-end	CHF	11.3%	1,728	1,380	1,264	1,061	1,125
EBIT (recurring) per share	CHF	7.4%	101.0	80.6	73.2	75.6	75.9
Basic earnings (recurring) per share	CHF	9.0%	64.9	47.8	39.5	43.2	46.0
Cash earnings per share	CHF		56.9	86.7	78.6	0.2	(31.4)
Payout per share	CHF	11.6%	24.0	20.0	15.5	14.5	15.5
Payout ratio	%	2.9%	37%	39%	39%	33%	33%
Price-earnings ratio at year-end		2.1%	26.6	28.9	32.0	24.6	24.5
Market capitalization at year-end	CHF m	11.3%	9,484.7	7,574.6	6,937.9	5,823.7	6,175.0
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	8.4%	109.8	85.1	79.6	85.1	79.6
<b>Other</b>							
Employees		5.6%	11,570	10,528	9,898	9,430	9,319

1 For the definition of Key Figures, please refer to 5-Year Overview in the Annual Report 2017/18, page 11.

2 See page 48 of the Annual Report 2017/18, Summary of Accounting Policies – Restatement and reclassification of prior year comparatives. Comparative amounts were adjusted in 2016/17 only and are on a recurring basis.

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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 2017/18. 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 12, 2018  
Annual General Meeting of Shareholders  
2017/18, Zurich

January 23, 2019  
3-month key sales figures 2018/19

April 11, 2019  
Half-year results 2018/19

April 16 - 17, 2019  
Investor Day

July 11, 2019  
9-month key sales figures 2018/19

November 6, 2019  
Full-year results 2018/19

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

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