



Barry Callebaut

CAGE – Consumer Analyst Group Europe

CEO- Juergen Steinemann

London, March 19th 2014





Barry Callebaut is present in all stages of the industrial chocolate value chain

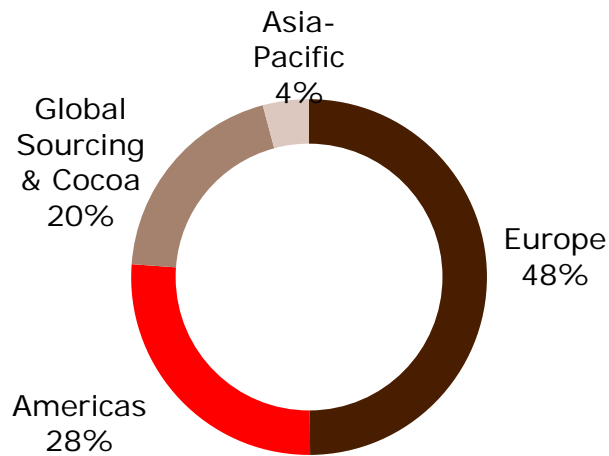




Barry Callebaut at a glance

FY 2012/13

Sales volume = 1,535,662 tonnes



Sales revenue = CHF 4,884.1 m

EBIT = CHF 339.6 m

Net Profit * = CHF 229.3 m

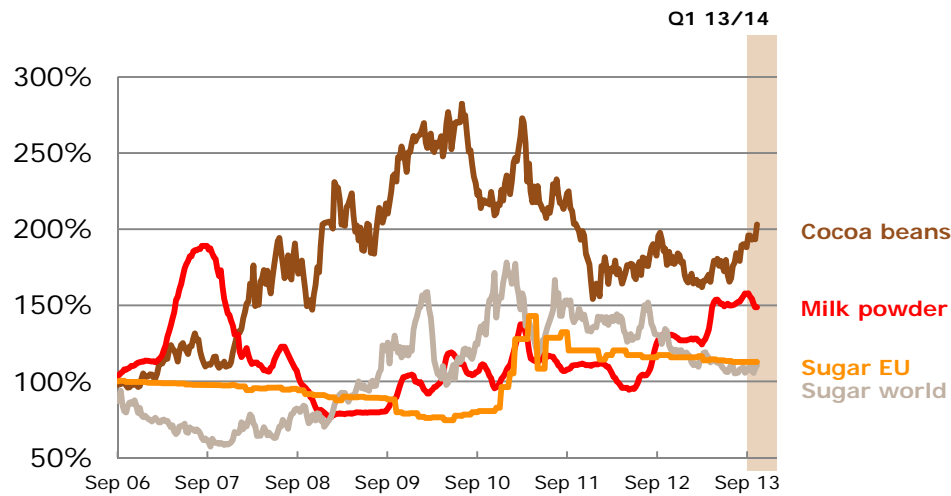
* From continuing operations

- **World leader** in high-quality cocoa and chocolate products and **outsourcing/strategic partner** of choice
- World's **largest supplier of Gourmet & Specialties** chocolate for artisanal customers
- Over **8'500 people** worldwide, more than **50** production facilities
- **Fully integrated** with a strong position in cocoa-origin countries
- **Over 6,000 recipes** to cater for a broad range of individual customer needs
- We **serve the entire food industry**, from industrial food manufacturers to artisans and professional users

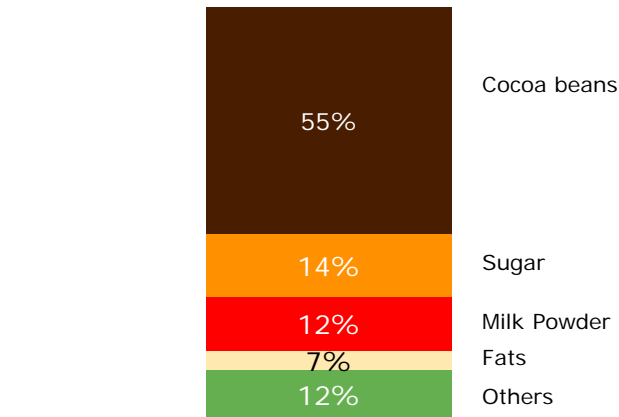


Volatility of raw materials mitigated through...

Historical evolution



% of total BC raw material costs



- Cocoa beans average prices for the first quarter months were 8% higher vs. to prior year. Main crops in Ivory Coast and Ghana are very good, estimated deficit seems to slim down.
- Milk powder prices remained at high levels, due to the general short coverage on the industry and continued regular demand
- Prices on the world sugar market continued the downward trend, overall rather a bearish market sentiment. EU stocks increased due to special measures to increase supply.

Note: All figures are indexed to Sep 2006.

Source: Cocoa beans Ldn 2nd position; Sugar world London n°5 (2nd position), Sugar EU Kingsman estimates W-Europe DDP, skimmed milk powder average price Germany, Netherlands, France.



... our robust business model

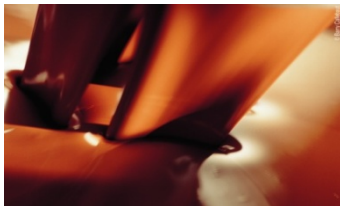
Gourmet & Specialties

- Price List



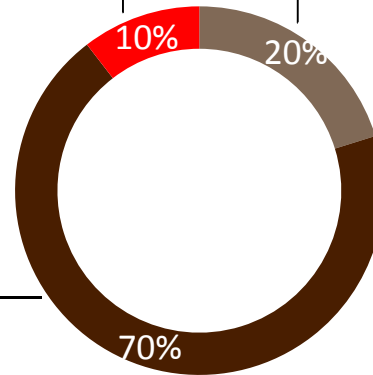
Food Manufacturers

- Cost plus



Cocoa Products

- Market prices
- Combined ratio
- Cost plus



- ▶ Raw materials represent about 80% of operating costs

For the majority of our business we pass-on the cost of raw materials to customers



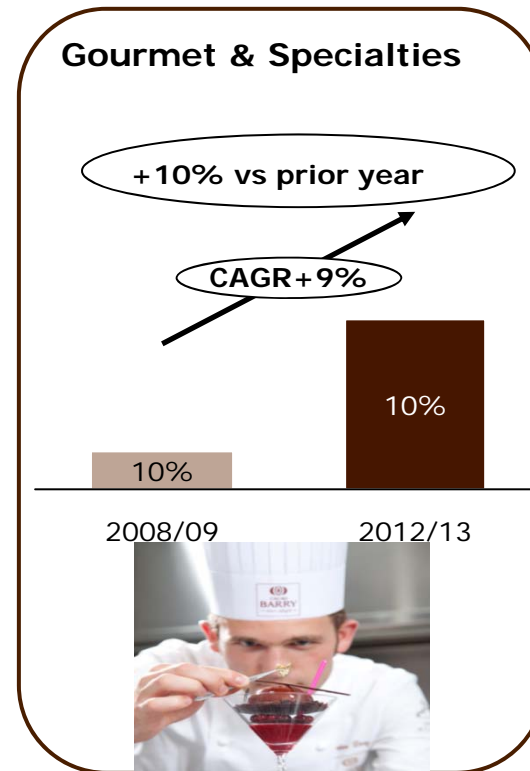
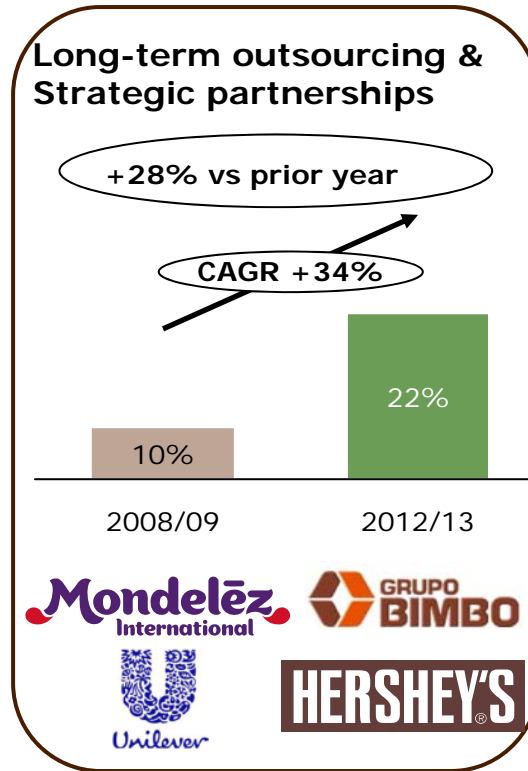
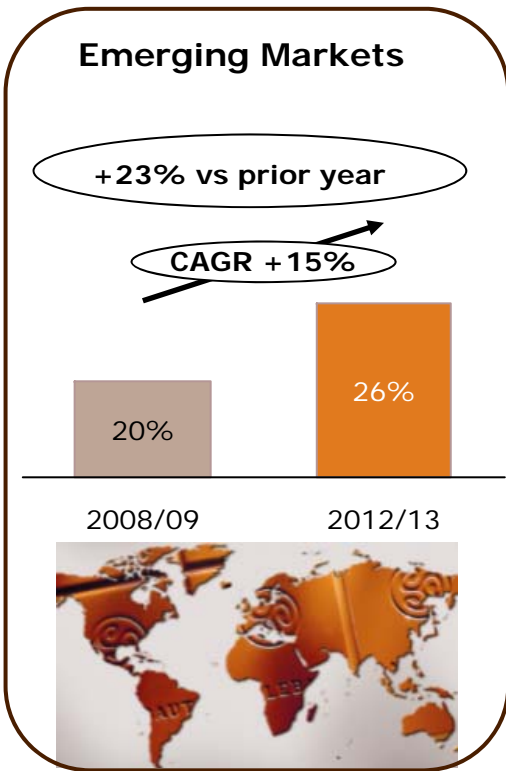
Our strategy remains unchanged





Five-year development

Continued focus on our key expansion drivers

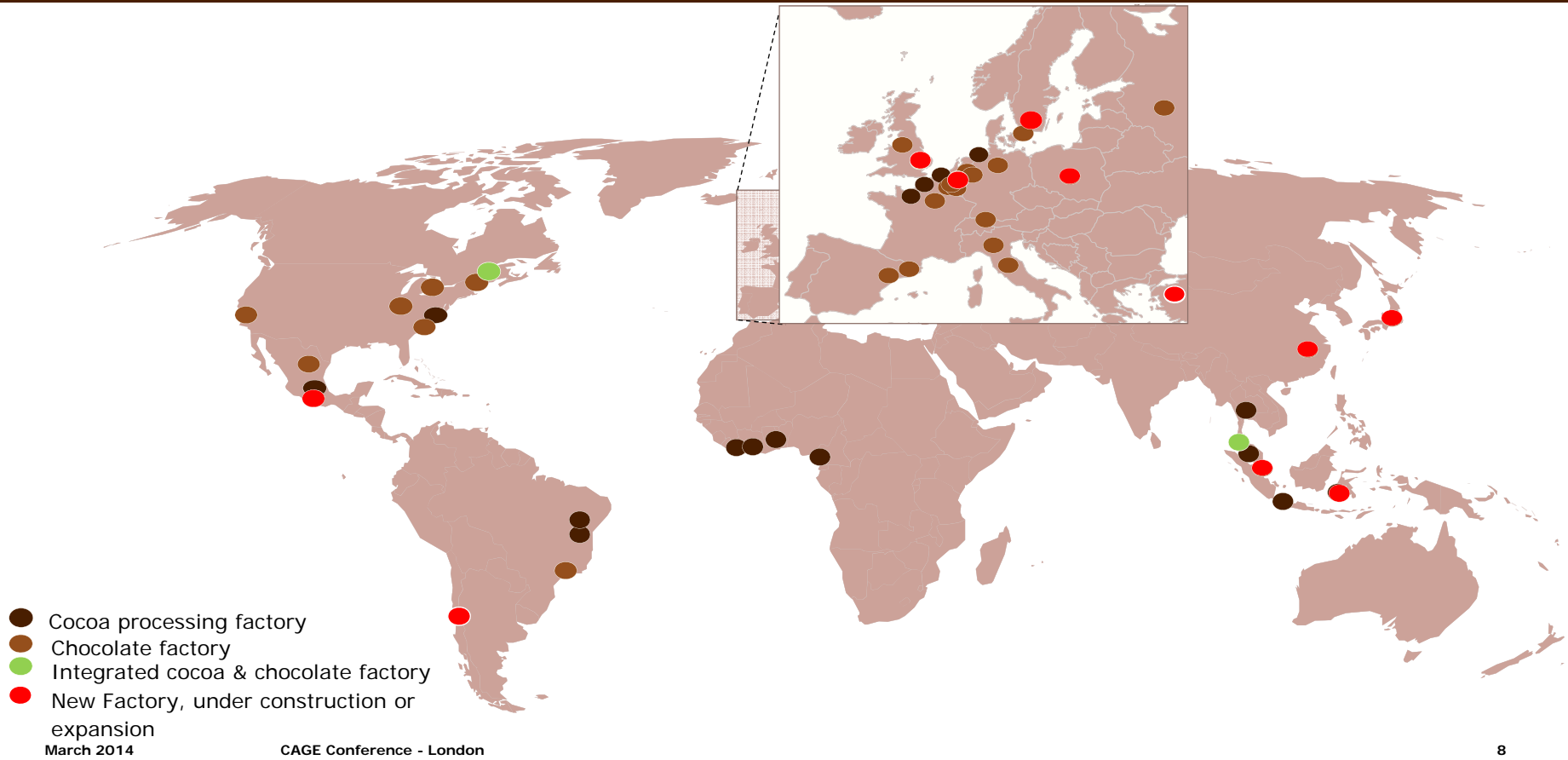


Volume growth

of total Group volume



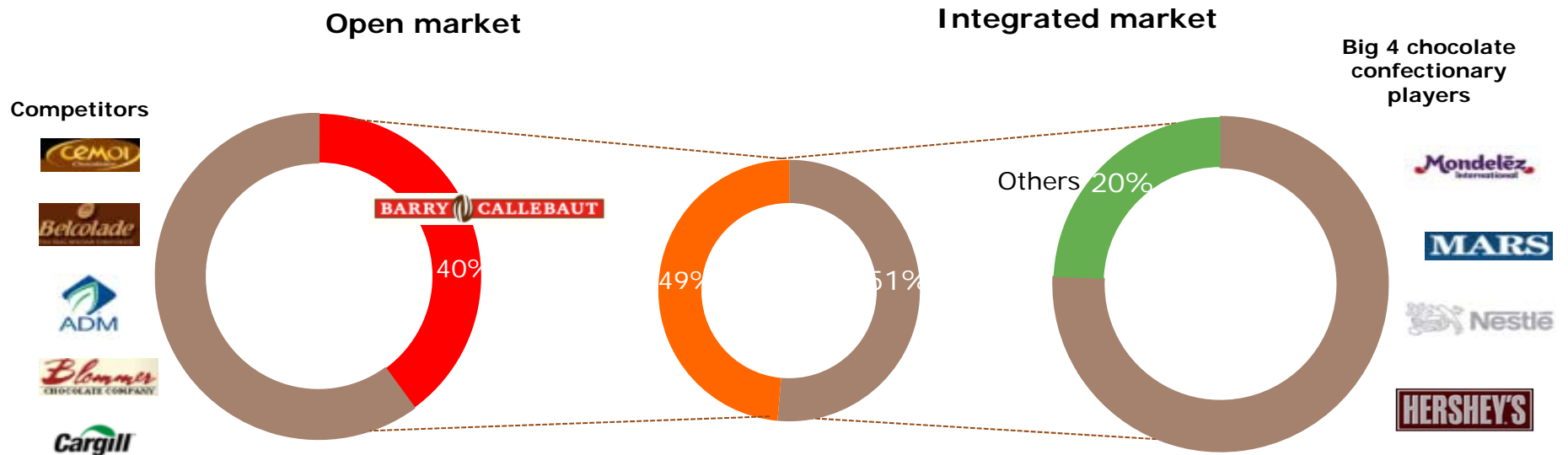
Further geographical expansion of our global footprint provides diversification and competitive advantage





Sufficient outsourcing potential for future growth

Global Industrial Chocolate market in 2012/13= 6,250,000 tonnes*

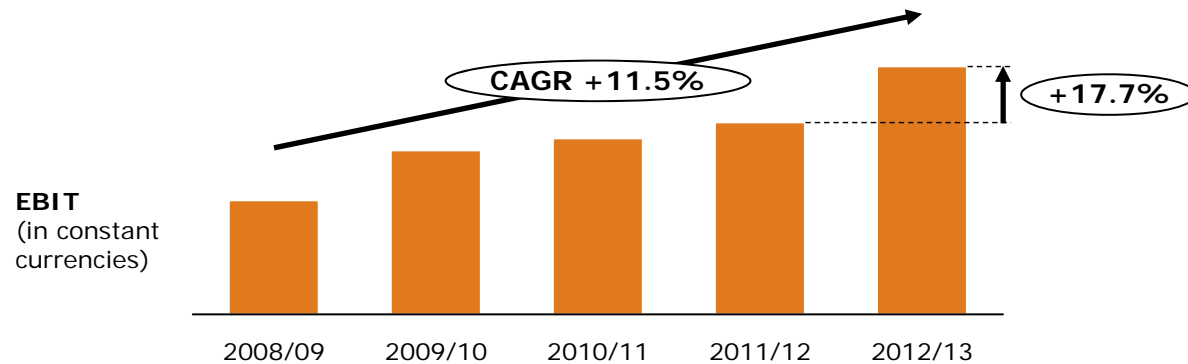
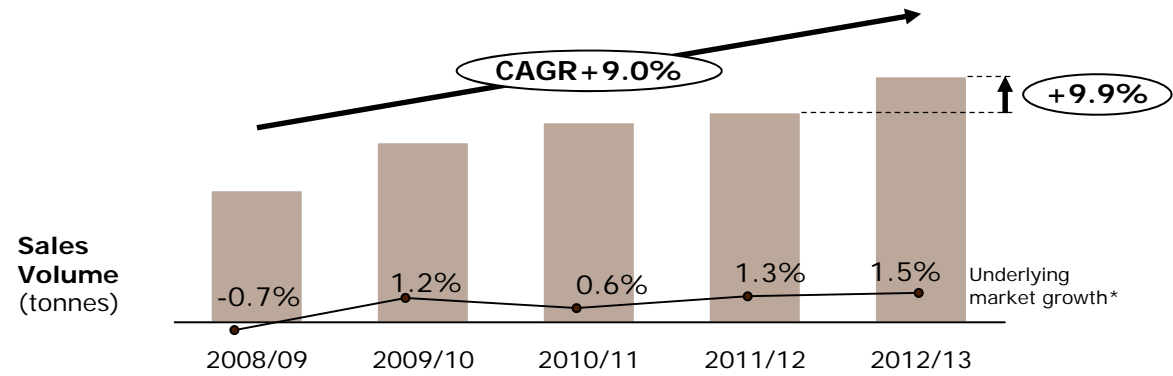


* Company estimates



Gourmet & Specialties: strong top and bottom-line performance

Group Gourmet & Specialties Business – Growth evolution

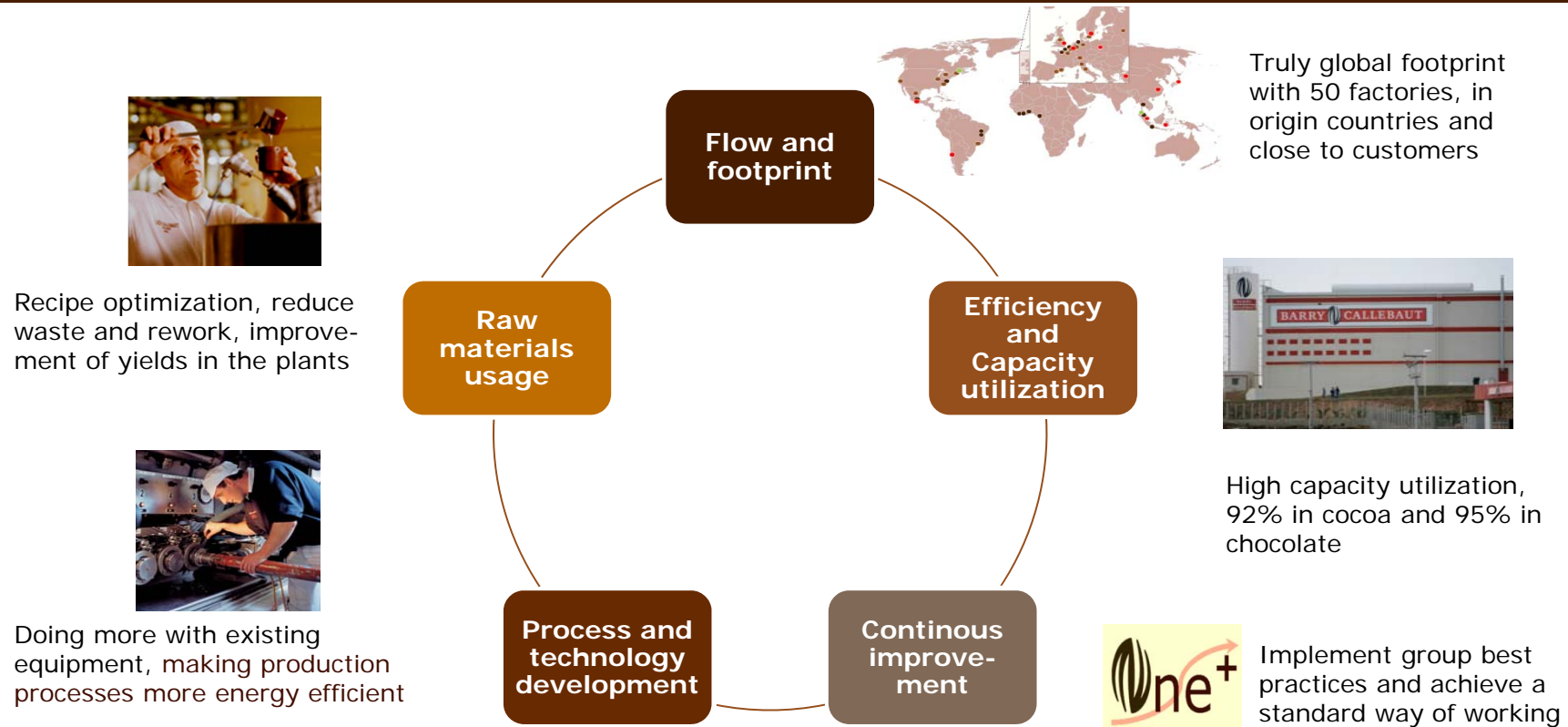


* Source: Euromonitor Foodservice





Striving for cost leadership while continuously expanding





“Cocoa Horizons”: Execution platform for sustainability projects
Aiming to secure enough cocoa supply in the future



Increase sustainable cocoa supply and improve farmer livelihoods

Farmer Practices

Double yield & improve quality

- ▶ 110,000 farmers trained in 2012/13
- ▶ 1 Cocoa Center of Excellence



Farmer Education

Train next farmer generation

- ▶ Built 3, and extended 5 primary schools in 2012/13



Farmer Health

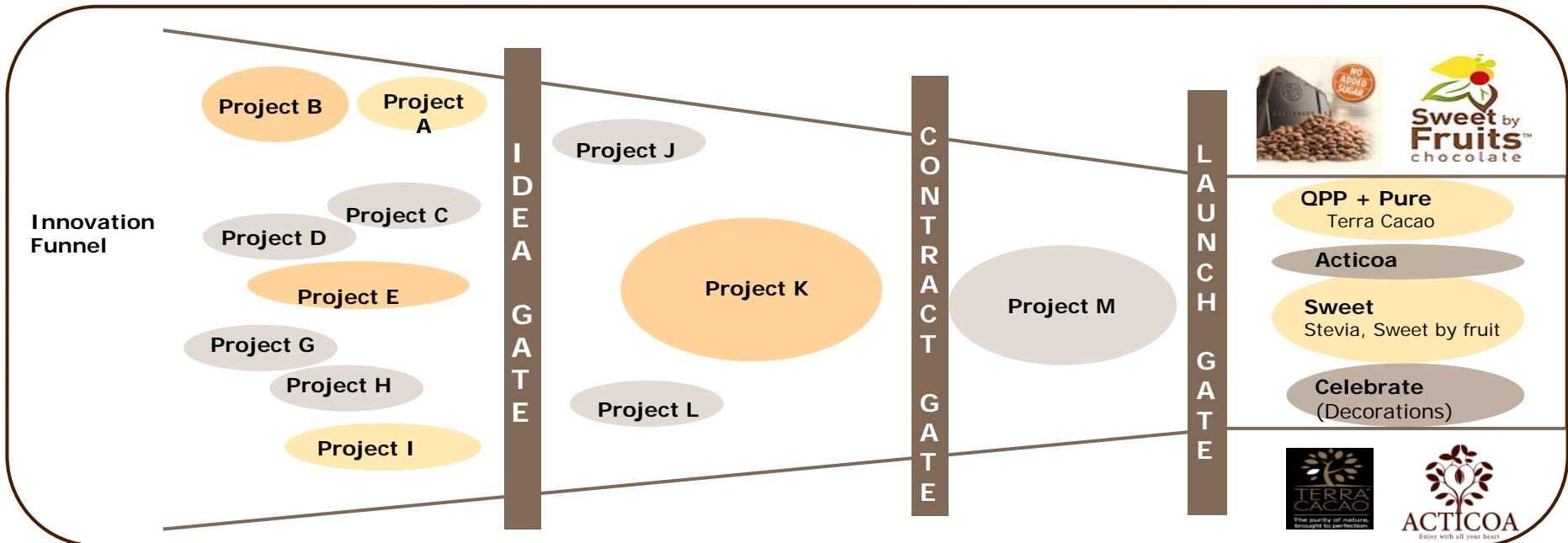
Clean water & basic healthcare



QPP Cooperatives + Biolands Cocoa Buying Programs



Innovation with focus on five discovery areas... Fewer, bolder and bigger projects





Petra Foods Cocoa Ingredients division acquisition supports our core strategy

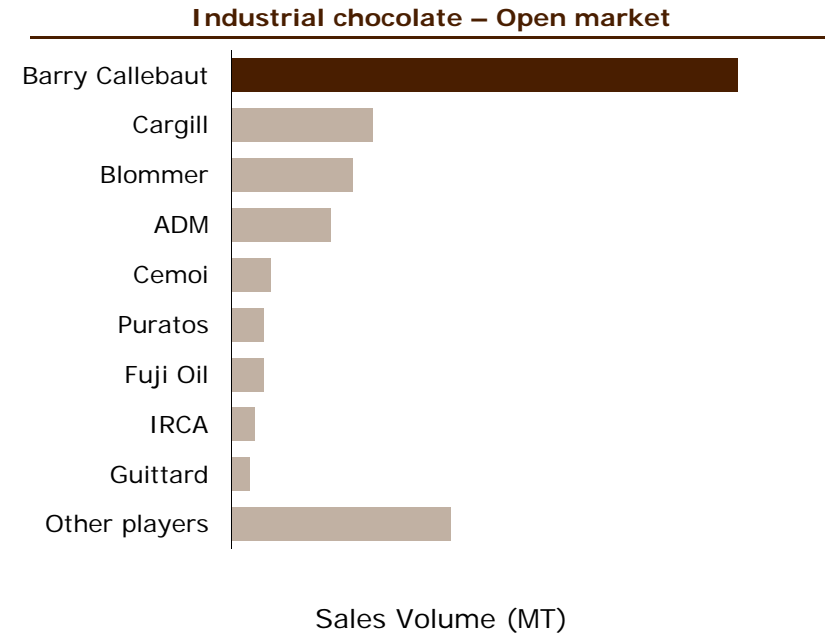
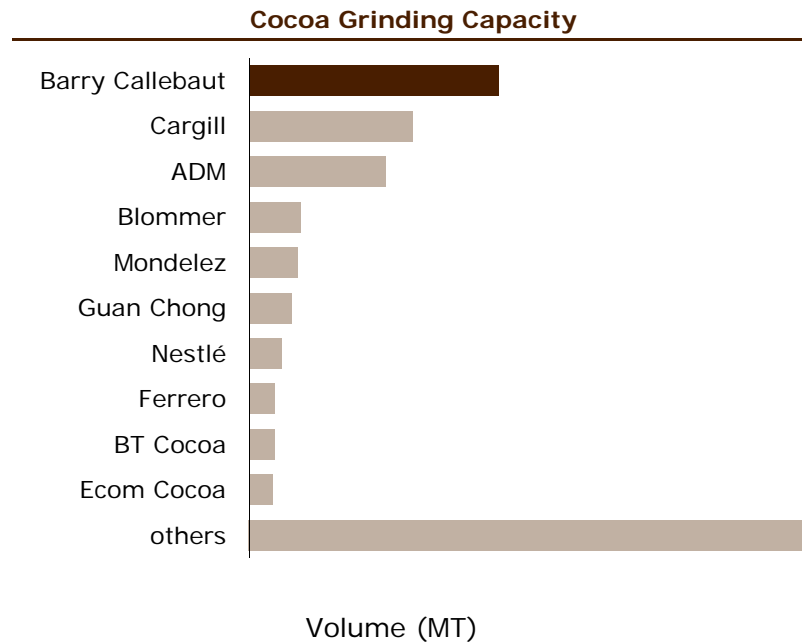
Excellent strategic fit at the core of Barry Callebaut's cocoa and chocolate business supporting the company's overall growth



PETRA FOODS
LIMITED



Taking global leadership in chocolate and cocoa



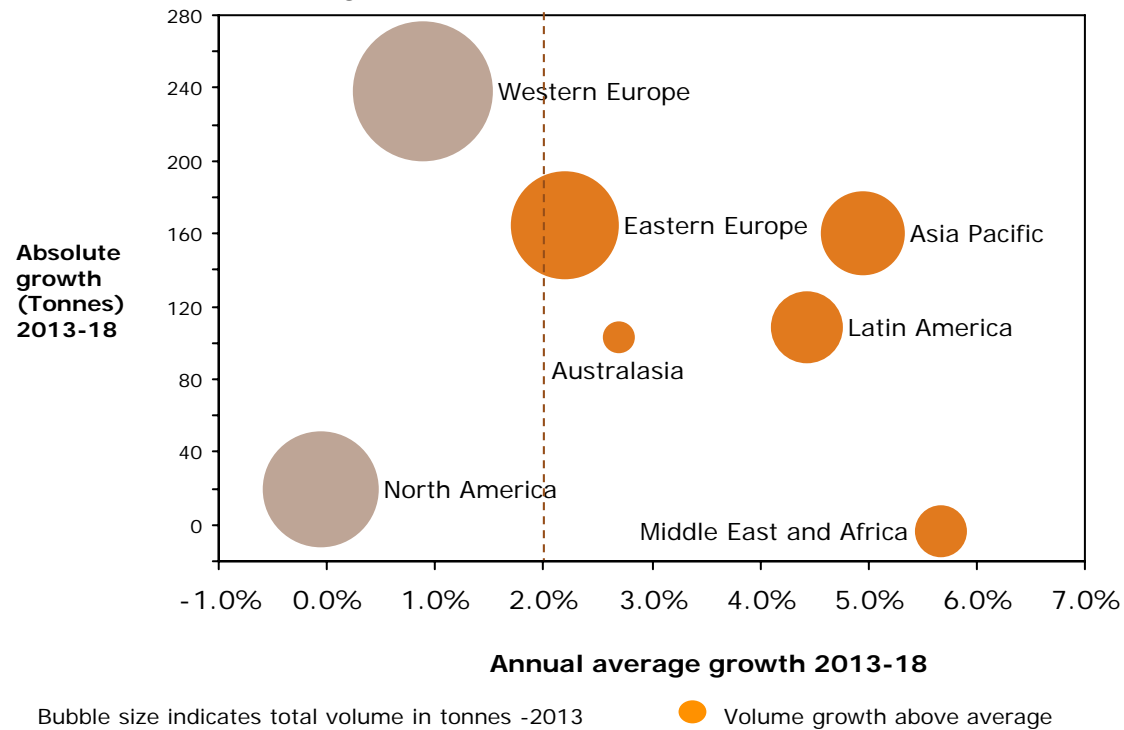
Source: Third-Party Study – 2013, Company estimates



Further expansion of our business

Demand outlook in chocolate remains strong ...

Chocolate Confectionery – Volume in tonnes ¹



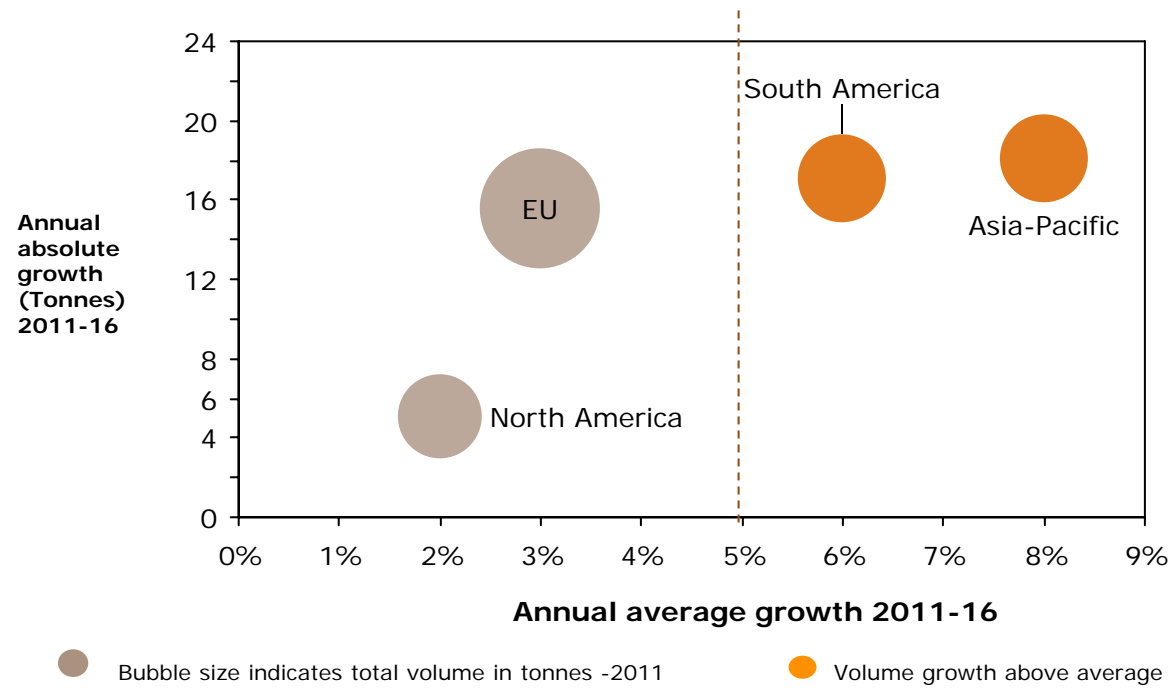
1) Source: Euromonitor 2013





Further expansion of our business and even stronger in cocoa powder

Cocoa powder– Volume in tonnes ¹



1) Customer interviews, Sunflower project market size, Euromonitor



The integration project is on well track...

Organization is in place

Ensuring the best **balance between BC and ex-Petra resources on key positions** (Regional commercial organizations and global functions)

Commercial model has been implemented

By creating combined cocoa/chocolate sales teams (so leveraging on our global chocolate salesforce) and detailed work on **account allocation**, we significantly increase our reach towards our customers

Global supply chain is being optimized

Leveraging on our increased factory footprint, and **started shifting production** from one site to another **optimizing** the use of **each factory, while limiting transportation costs** (e.g. insourcing production/optimising logistical flows,...)





The integration project is well on track

Systems are being implemented

We are implementing quick wins where required to **streamline the business**, while in parallel we are **starting up a project** to structurally identify what is needed **from a process and systems perspective** for our new/combined organization

Synergies are identified and tracked

We have **identified and confirmed synergies**, and put a **quarterly tracking in place** to ensure successful completion of the projects required to deliver synergies (project charters, clear owners, follow-up calls, etc.)

Culture & people

We have **identified the key talents** of both organizations, **as well as the cultural differences**. By **constant communication** we keep our people high on the attention list (town hall meetings, publications in magazines and intranet)





Strategy

Our key focus areas for 2013/14

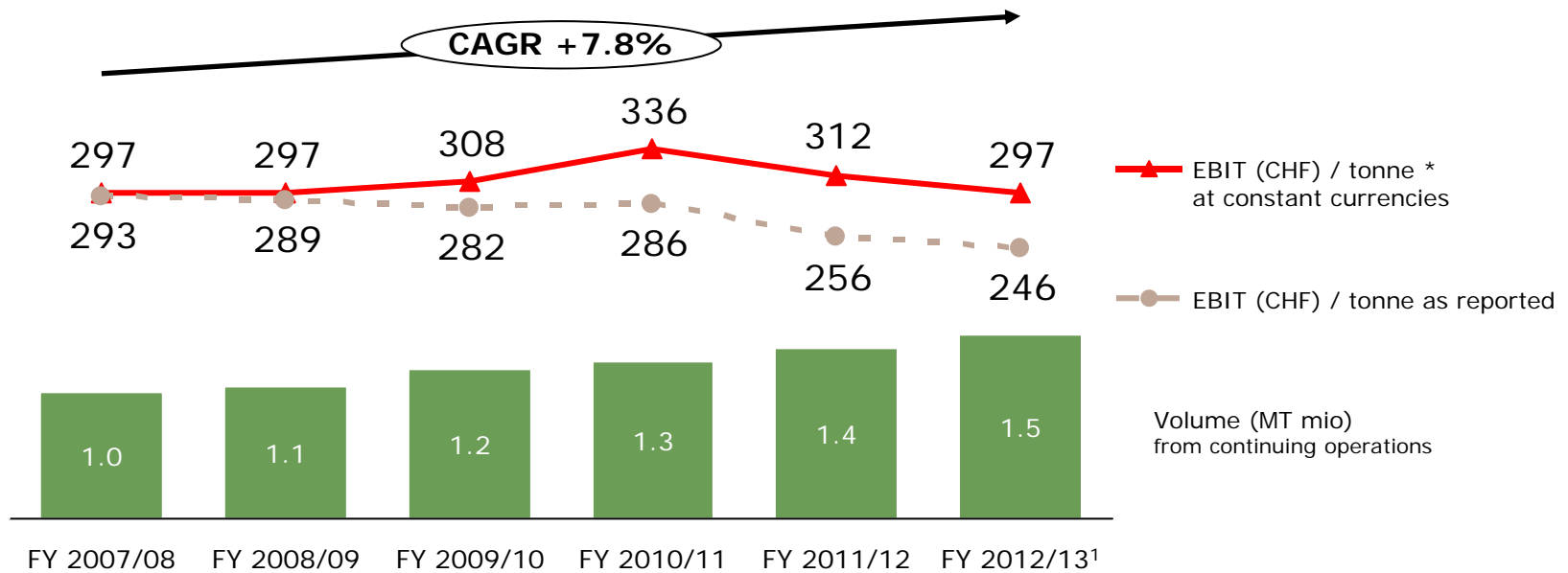
- ▶ Integrate Petra Foods cocoa business and strengthen our position in cocoa powder
- ▶ Enhance profitability
 - ▶ Continue product margin improvement
 - ▶ Keep supply chain and fixed costs under control
- ▶ Full implementation of Project Spring
- ▶ Accelerate talent management programs and succession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





Based on our strategy, we achieved strong volume growth over the last 6 years and EBIT per tonne maintained

Group development



- Excluding negative FX impact (at constant currencies 2007/08) and excluding Consumer business
- 1) BC Stand-alone excluding recently acquisition of cocoa business from Petra Foods



Outlook & Guidance

Our outlook for the next year and mid-term guidance

- Guidance:**
- ▶ Volume growth: 6-8% on average per year until 2015/16
 - ▶ EBIT/tonne restored to Barry Callebaut's pre-acquisition level by 2015/16*

* As of consolidation of the cocoa business acquired from Petra Foods: EBIT per tonne CHF 256 – barring any major unforeseen events



Appendix



Strong top-line growth, gaining profitability momentum

Group performance	FY 2012/13	% vs prior year (in CHF)
Sales Volume Total	1'535'662	+11.4%
Sales Volume stand-alone	1'498'632	+8.7%
EBIT Total	339.6	-3.9%
EBIT stand-alone <i>EBIT per tonne</i>	368.8 246.1	+4.4% -3.9%
Net profit from continuing operations	229.3	-4.9%
Net profit for the year	222.6	+56.1%

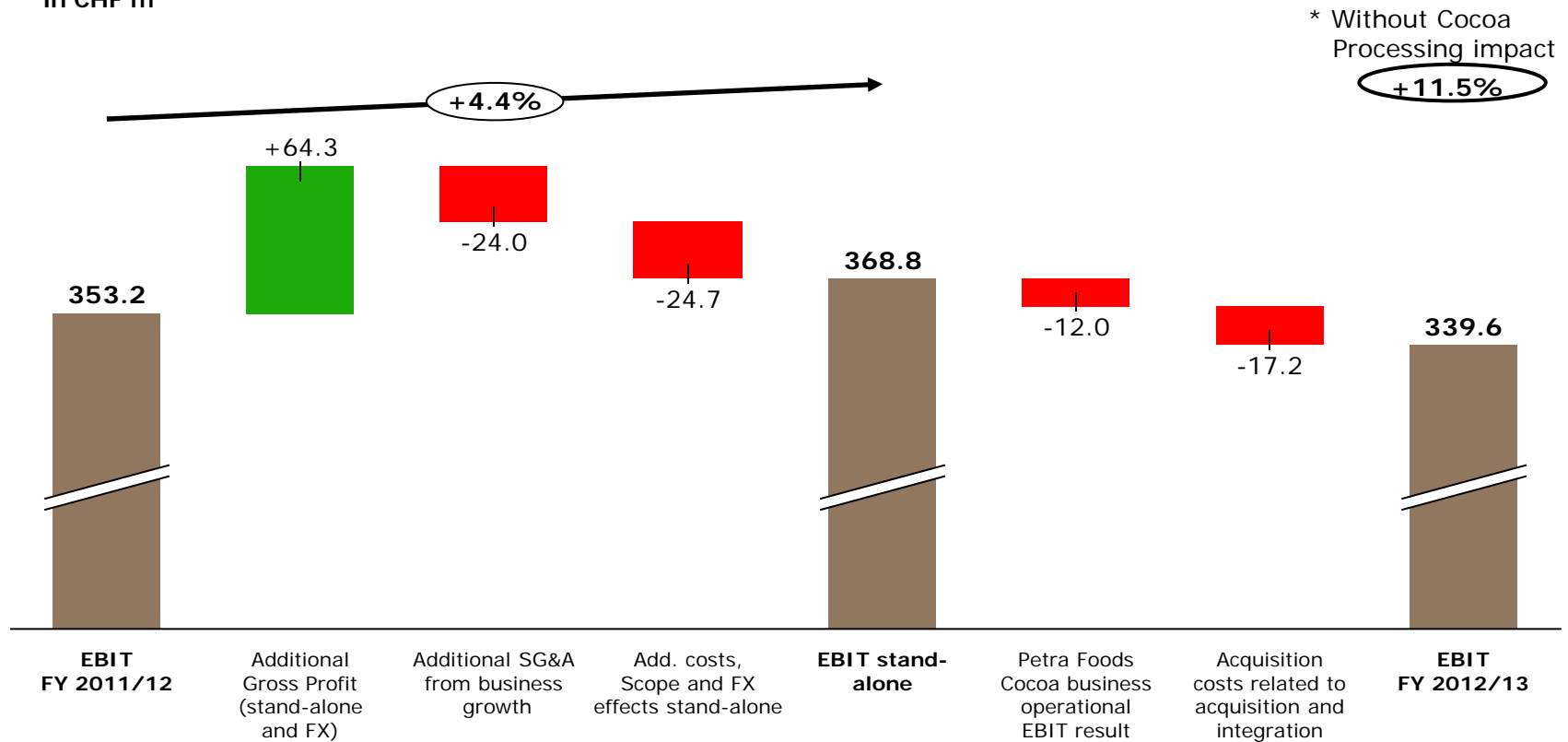
Stand-alone: Excluding recent acquisition of Cocoa business of Petra Foods (2 months consolidated volume and operating result, one-off transaction costs)



EBIT bridge

Stand-alone operating result gained momentum +4.4%

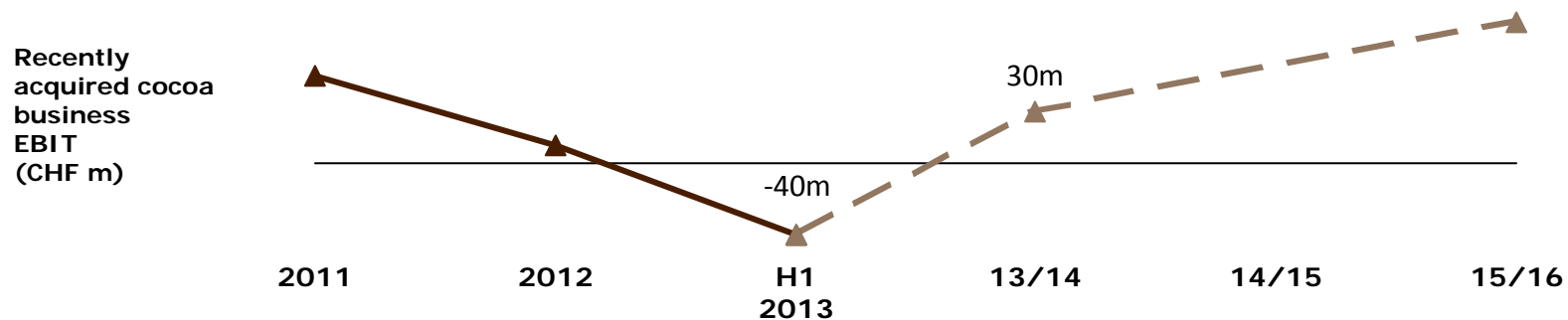
in CHF m





Foreseen profitability improvement of the recently acquired cocoa business of Petra Foods

- ▶ Good visibility of current portfolio
- ▶ Recent improvement of combined ratio will positively impact 2014
- ▶ Synergies confirmed
 - ▶ Integration of sourcing operations started
 - ▶ European business improvement initiated
 - ▶ Optimization of supply chain identified and in progress





Balance Sheet & key ratios

Stand-alone most ratios improved, total impacted by recent acquisition

	BC stand-alone Aug 2013	Aug 13	Aug 12
Total Assets [CHF m]		4'527.1	3'576.6
Net Working Capital [CHF m]	1'083.4	1'345.7	1'039.2
Non-Current Assets [CHF m]		2'072.1	1'424.8
Net Debt [CHF m]	993.1	1'525.2	942.9
Shareholders' Equity [CHF m]		1'762.3	1'357.1
Debt/Equity ratio	65.4%	86.5%	69.5%
Solvency ratio	42.2%	38.9%	37.9%
Net debt / EBITDA	2.2x	3.5x	2.2x
Interest cover ratio		5.8x	5.8x
ROIC	13.3%	10.5%	14.2%
ROE	17.8%	14.7%	18.7%



Dividend

Payout ratio increased to 35%, total payout maintained

Proposed dividend

- ▶ CHF 14.50 per share¹
- ▶ Payout of 35 % of Net Profit
- ▶ Not subject to withholding tax²

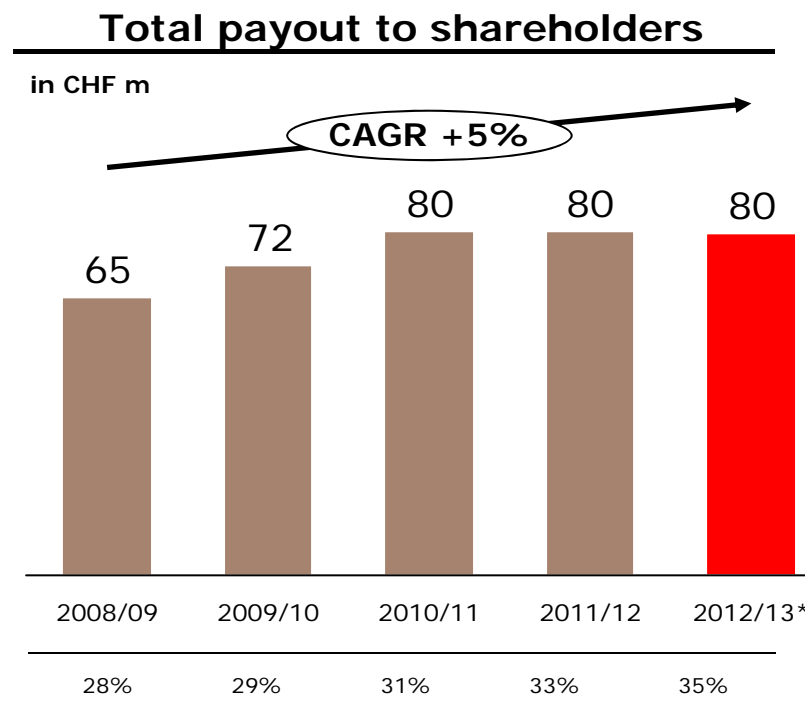
Timetable for dividend

- ▶ Shareholder approval: Dec 11, 2013 (AGM)
- ▶ Expected ex-date: Feb 26, 2014
- ▶ Expected payment date: March 3, 2014

* As proposed by the Board to our Shareholders

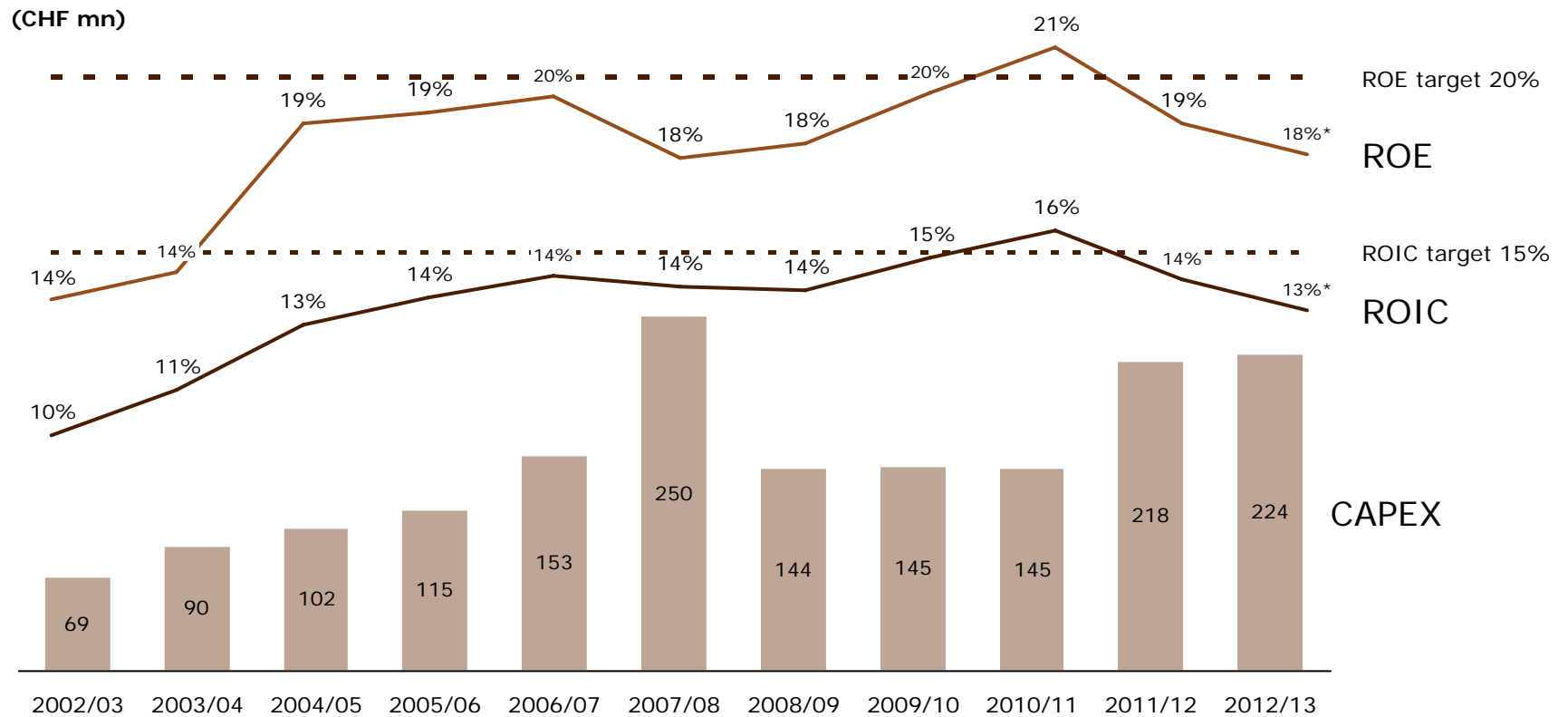
1) From reserves from capital contributions

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





Significant investments for growth, while still focusing on high returns

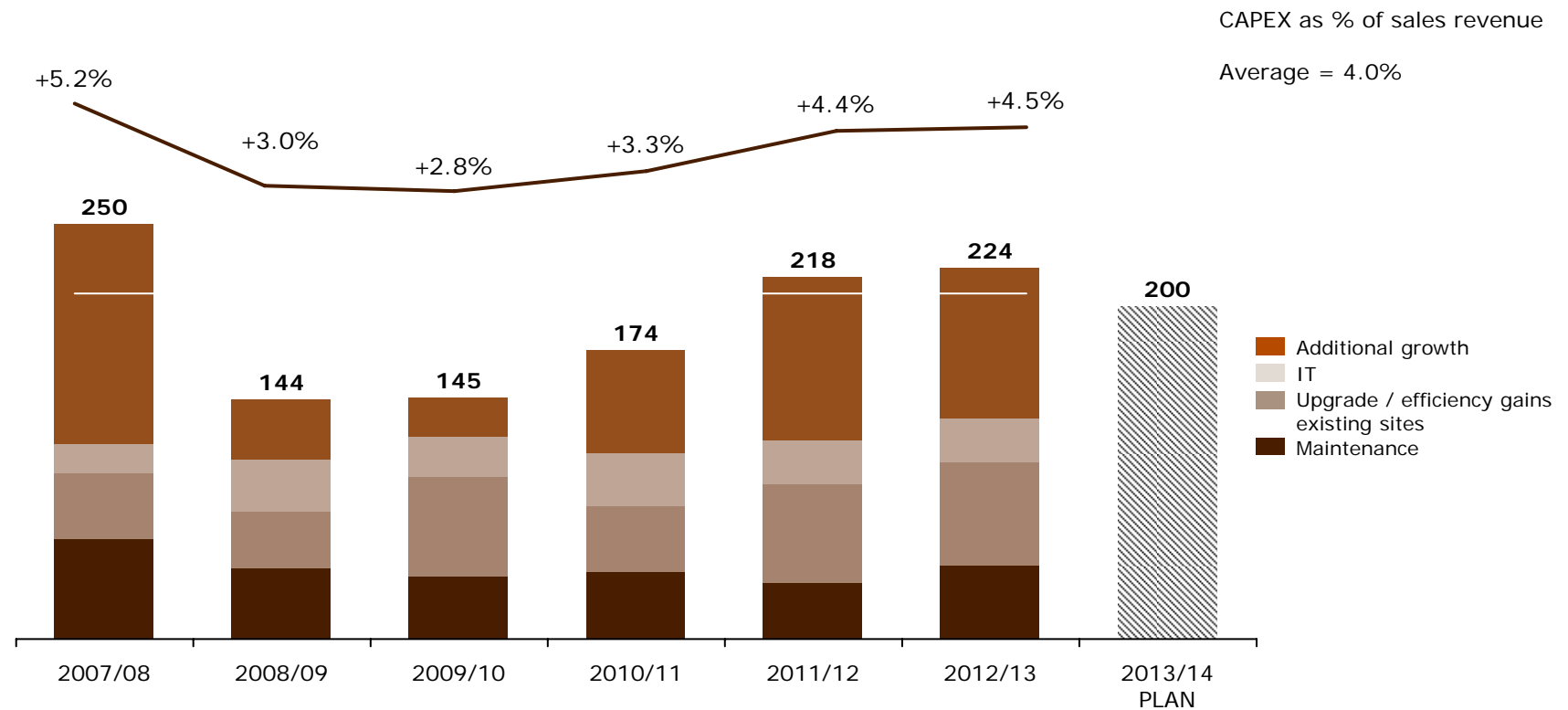


* Stand-alone ratios
CAGE Conference - London



Capex investments support the growth of our business

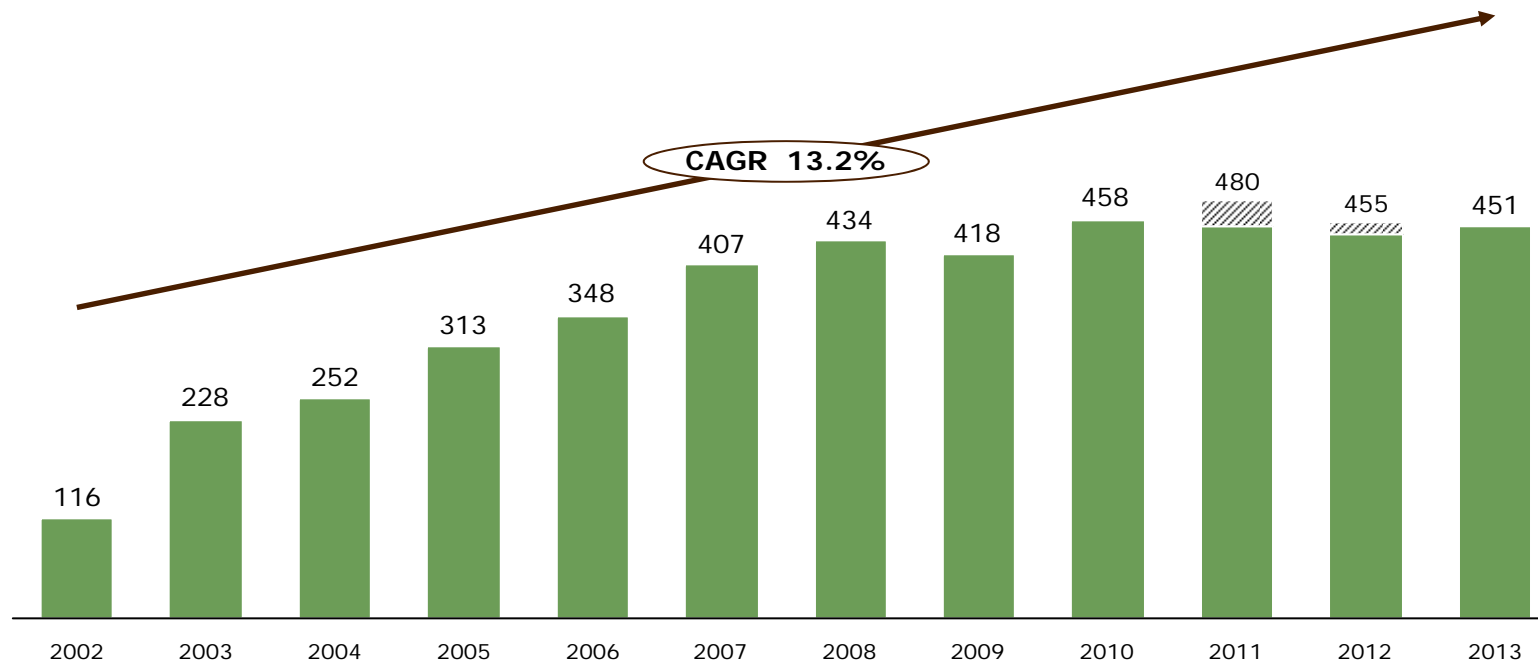
in CHFm





Cash flow evolution Strong operating cashflow despite fast volume growth and expansion

in CHFm



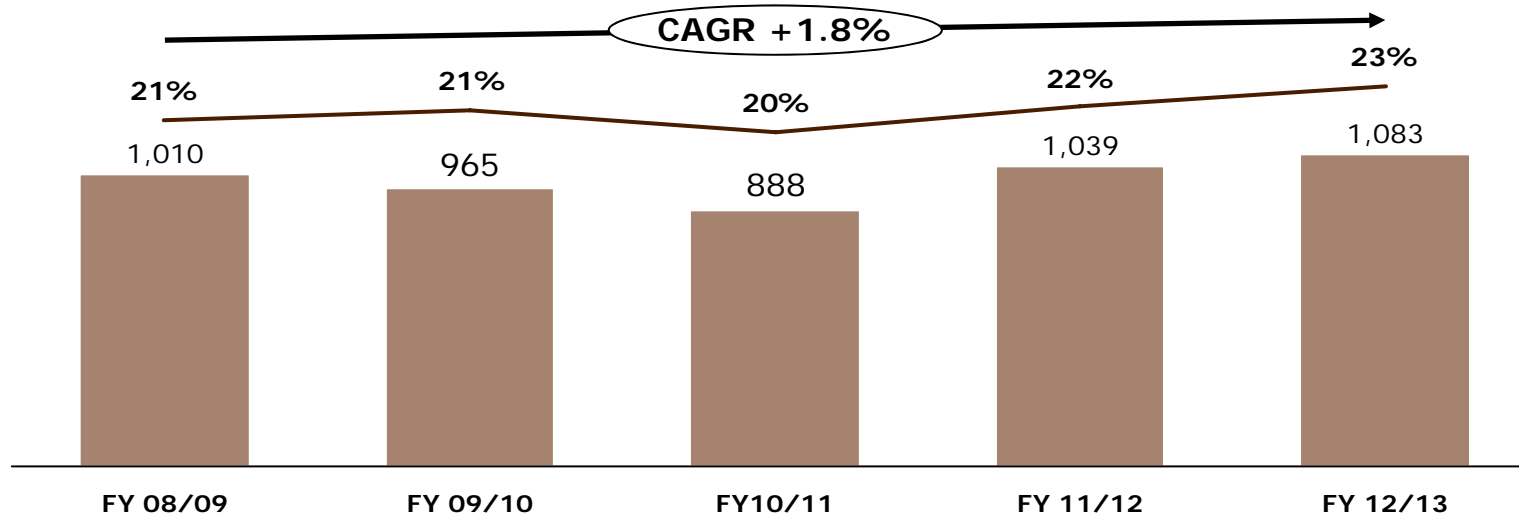
* Operating Cash Flow before working capital changes

/// Negative FX impact



Working capital rather flat, despite a sales volume growth of 6% over the last 5 years

in CHFm

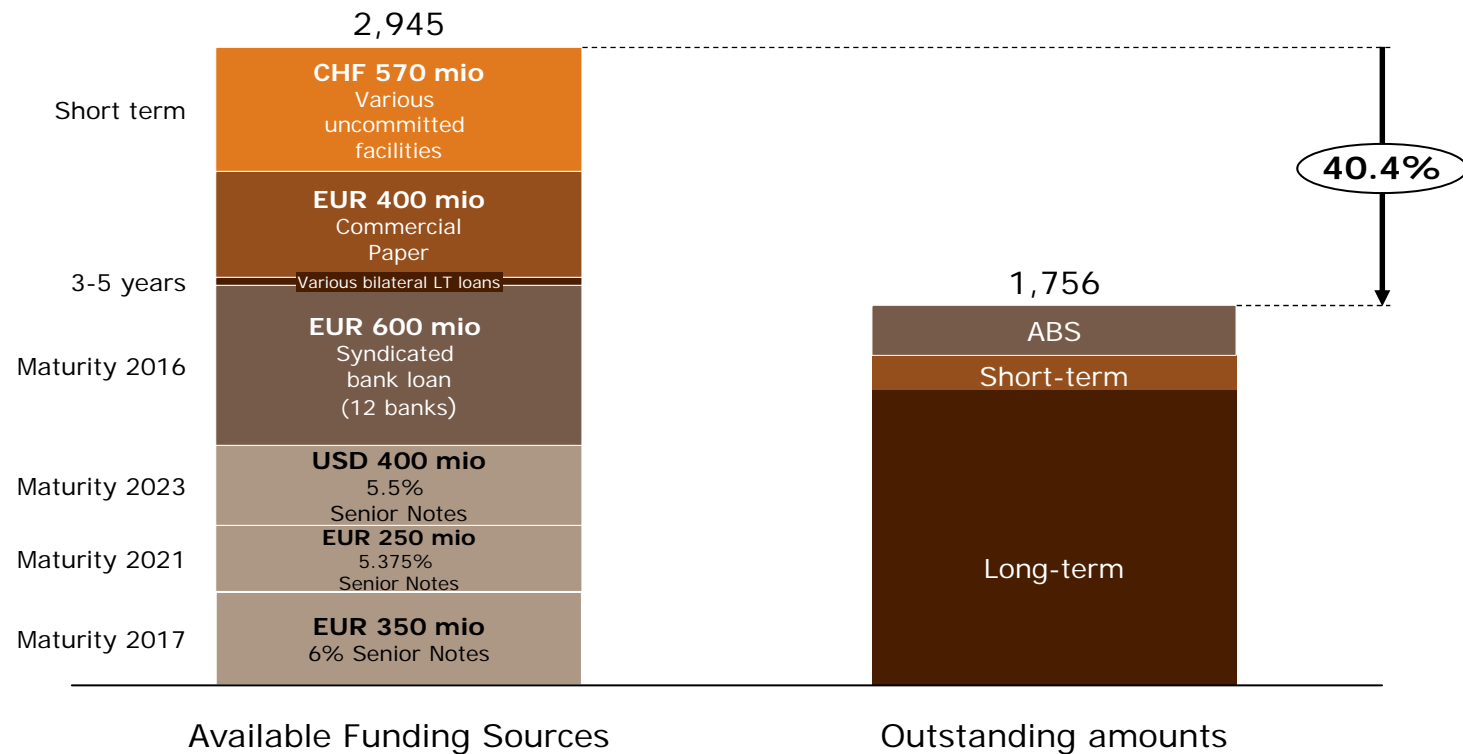


- Working capital is mostly composed of highly liquid inventories
- Net working capital requirements are closely linked to the cocoa bean harvest, with inventories peaking around January
- Ample flexibility in financial arrangements to cover peaks in working capital needs



Stable financing offering enough headroom for future growth and average maturity of 6 years

Financing and liquidity situation as of August 31, 2013
in CHFm





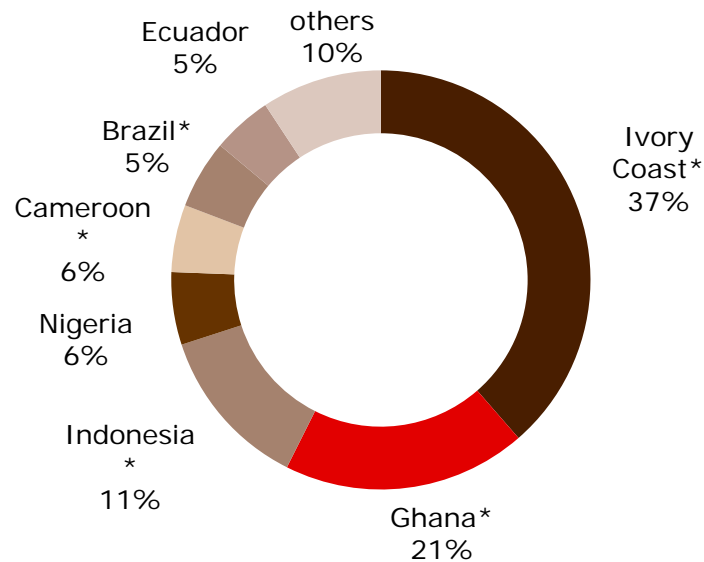
Long-term outsourcing and strategic partners, one of our key growth drivers with further potential





Sourcing of cocoa beans and our direct approach

Total world harvest (12/13): 3'986 TMT



Source: ICCO estimates

- ▶ About 70% of total cocoa beans come from West Africa
- ▶ BC stand-alone processed ~620,000 tonnes or 16 % of the world crop
- ▶ BC including recently acquired cocoa business would have processed ~920,000 tonnes or 23 % of the world crop
- ▶ 65% sourced directly from farmers, cooperatives & local trade houses
- ▶ Barry Callebaut has various cocoa processing facilities in origin countries*, in Europe and in the USA