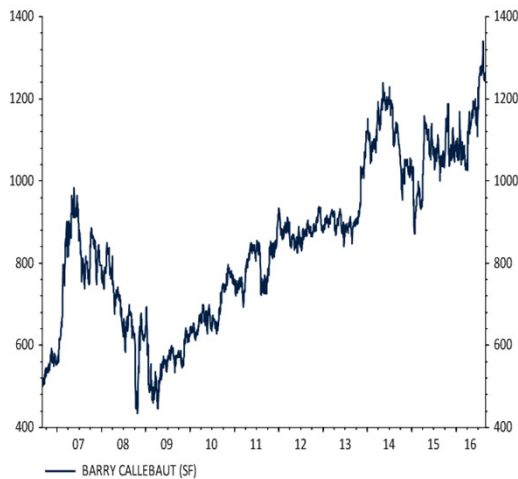


Stock information

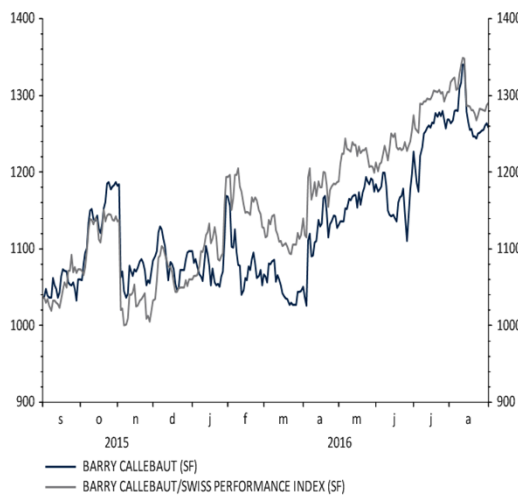
Prix	01.09.2016	CHF	1258.00
Capitalisation		CHF (mn)	6'905
Average trade volume (000/day)			6.0
52 Weeks High/Low			1340 / 1026
ISIN		CH0009002962	
Bloomberg Code		BARN SW	

10 years performance



Graphic IAM - Source Thomson Reuters

Relative 1 year performance



Graphic IAM - Source Thomson Reuters

Absolute and relative performances

%	Absolute	Relative *
1 month	-0.8	-1.2
3 months	6.3	6.2
YTD	16.3	18.8
2015	9.0	6.4
2014	-7.4	-20.4

*compared to Swiss Performance Index (SPI)

Description

BC's Global Cocoa unit is the world leader in cocoa grinding, the first stage in the processing of the bean (seed) of the cocoa tree. The firm aims at extending its control on sourcing, including increasing the share of beans originated from sustainable channels.

BC's Food Manufacturers unit is the world leader in industrial chocolate, whose production is outsourced by food companies such as Mondelez or Hershey. The Gourmet unit within Food Manufacturers delivers chocolate to patisseries, restaurants and hotels.

The group aims at developing outsourcing among food companies, especially in emerging markets, where the consumption of chocolate is not widely spread. Growth in Gourmet is a priority as this is the most profitable unit of the group.

Investment case

The group aims at attracting new business from food companies, which prefer to outsource a greater share of their chocolate production. This trend is thought to be stronger in the emerging markets where there is less of a tradition to consume and produce chocolate.

As chocolate consumption is forecasted to grow around 2% per year in average, BC think they can deliver between 6% and 8% sales growth.

Profitability and cash flow returns are guided higher in the future. At the moment, the firm finds itself in a phase of growth, which requires high investments in new production facilities.

Per share data (CHF)

	2012	2013	2014	2015e	2016e
Earnings	46.4	43.7	45.8	43.1	54.6
Variation	35.4%	-5.7%	4.7%	-5.9%	26.7%
Consensus earnings (IBES)	46.4	43.7	45.8	41.4	51.2
P/E	18.9	21.1	24.2	29.2	23.0
P/B	3.4	2.8	3.4	3.9	3.3
P/FCF	-85.6	70.8	-31.0	-306.8	21.2
Dividend	14.5	15.5	15.5	14.5	18.6
Pay-out ratio	31.3%	35.4%	33.9%	33.7%	34.0%
Dividend yield	1.7%	1.7%	1.4%	1.2%	1.5%

Strengths

- World leader in cocoa processing and chocolate manufacturing
- Defensive sectors

Weaknesses

- Capital intensive
- Relatively low margins

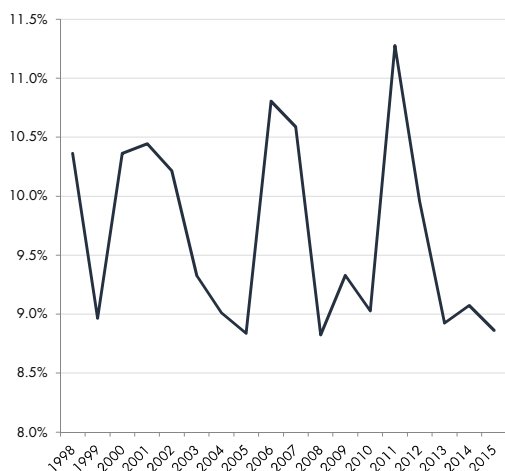
Opportunities

- Take advantage of emerging population discovering chocolate
- Development of outsourcing among food producers

Threats

- Food producers may want to keep control of their value chain
- Dependency on a few large customers

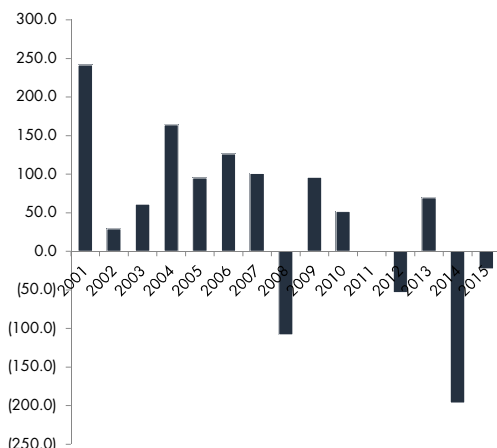
EBITDA Margin



Graphic IAM - Source firm

Free cash flow

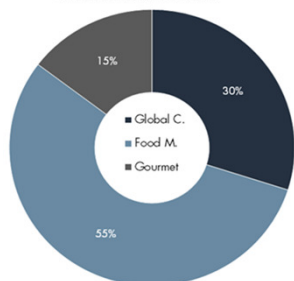
BARN FCF shareholders



Graphic IAM - Source firm

Split of sales (2014)

Ventilation des ventes



Graphic IAM - Source firm

Key Figures (mn CHF), Dec 31st

	2012	2013	2014	2015e	2016e
Sales	4'830	4'884	5'866	6'242	6'665
variation	6.0%	1.1%	20.1%	6.4%	6.8%
EBITDA	481	436	532	553	602
Margin	10.0%	8.9%	9.1%	8.9%	9.0%
Financial costs	-81	-90	-122	-134	-102
Profit before taxes	278	265	297	284	365
Minorities	0	1	-3	-3	-3
Shareholders earnings	142	223	252	237	300
Current assets	2'152	2'455	2'992	3'244	3'303
Net fixed assets	1'425	2'072	2'176	2'186	2'310
Total assets	3'577	4'527	5'168	5'429	5'612
Equity	1'362	1'762	1'791	1'773	2'067
Net working capital	1'073	1'385	1'678	1'586	1'544
Net debt	990	1'577	1'951	1'877	1'666
Operating Cash flow	164	293	52	227	546
Capex	-218	-223	-249	-249	-220
Free cash flow	-53	70	-196	-23	326

Performance Ratios

	2012	2013	2014	2015e	2016e
Operating Margin	7.3%	7.0%	7.1%	6.6%	7.0%
Net margin	2.9%	4.6%	4.3%	3.8%	4.5%
ROE	10.4%	12.7%	14.1%	13.4%	14.5%
NWC/Sales	22.2%	28.4%	28.6%	25.4%	23.2%
Net debt / EBITDA	2.06	3.62	3.66	3.39	3.24
Net debt / Equity	0.73	0.89	1.09	1.06	0.81
Capex / D&A	3.32	3.18	2.99	2.74	2.42
Capex / Sales	-4.5%	-4.6%	-4.2%	-4.0%	-3.3%
FCF / Earnings	-0.4	0.3	-0.8	-0.1	1.1

Peers

Name	Cap.	P/E trailing	P/E current	Div Yield	Perf YTD
Barry Callebaut	6'158	25.9	24.3	1.3	16.3%
Lindt & Sprüngli	10'102	55.4	46.5	1.0	31.4%
Givaudan	16'722	27.9	25.7	2.8	3.8%
Nestlé	239'768	16.7	22.8	2.9	6.2%

Shareholders

Free float	41%
Jacobs Holdings	50.10%
Renata Jacobs	8.50%

Management

Chairman: Andreas Jacobs
CEO: Antoine de Saint-Affrique
CFO: Victor Balli

Combined ratio

Last value: 3.5 CR = Powder/Beans + Butter / Beans

