



Media Release

Geneva, 9 October 2018

2018 Nine Month Sales Sustained good performance

Business performance

In the first nine months of 2018 Givaudan recorded sales of CHF 4,073 million, an increase of 5.7% on a like-for-like¹ basis and 8.4% in Swiss francs.

Fragrance Division sales were CHF 1,878 million, an increase of 6.6% on a like-for-like¹ basis and an increase of 7.9% in Swiss Francs.

Flavour Division sales were CHF 2,195 million, an increase of 4.8% on a like-for-like¹ basis and an increase of 8.8% in Swiss Francs.

Givaudan has included the sales of Naturex from 1 September 2018, with sales of CHF 35 million in the Flavour Division and CHF 1 million in the Fragrance Division.

Givaudan continued the year with good business momentum and with the project pipeline and win rates sustained at a high level. This good growth was achieved across all product segments and geographies, with our key strategic focus areas on Naturals, Health and well-being, Active Beauty, Integrated solutions and local and regional customers delivering strong growth, complemented by the recent acquisitions. The Company continues to implement price increases in collaboration with its customers to compensate for the increases in input costs.

The Company's 2020 ambition is to create further value through profitable, responsible growth. Building on the first two years of this strategic cycle in 2016 and 2017, Givaudan's 2020 ambition is built on the three strategic pillars of 'Growing with our customers', 'Delivering with excellence' and 'Partnering for shared success'. As part of the Company's 2020 strategy, Givaudan also seeks to create value through targeted acquisitions, which complement existing capabilities in providing winning solutions for our customers. Since 2014 Givaudan has completed eight acquisitions, which are fully in line with the growth pillars within the Company's 2020 strategy.

Ambitious financial targets are a fundamental part of Givaudan's strategy. We aim to outpace the market with 4-5% sales growth and a free cash flow of 12-17% of sales, both measured as an average over the five-year period of our strategy cycle. It is Givaudan's intention to maintain its current dividend practice as part of this ambition.





Sales performance

January to September 2018

in millions of Swiss francs

	2017 Sales	LFL ¹	Acquisition impact*	Currency	2018 sales	Change %	
						LFL ¹	In CHF
Group	3,757	212	113	-9	4,073	5.7%	8.4%
Fragrance	1,740	115	28	-5	1,878	6.6%	7.9%
Flavour	2,017	97	85	-4	2,195	4.8%	8.8%

July to September 2018

in millions of Swiss francs

	2017 Sales	LFL ¹	Acquisition impact*	Currency	2018 sales	Change %	
						LFL ¹	In CHF
Group	1,274	73	71	-19	1,399	5.7%	9.8%
Fragrance	603	41	21	-10	655	6.8%	8.7%
Flavour	671	32	50	-9	744	4.7%	10.9%

* Vika acquired September 2017, Centroflora Nutra in May 2018, Expressions Parfumées in June 2018, and Naturex in September 2018

Sales evolution by market

January to September 2018

in millions of Swiss francs

	2018 sales	2017 sales	Change %	
			in CHF	LFL ¹
Mature markets	2,343	2,143	9.5%	4.0%
High growth markets	1,730	1,614	7.0%	7.8%



Fragrance Division

Fragrance Division sales were CHF 1,878 million for the first nine months of 2018, an increase of 6.6% on a like-for-like¹ basis and an increase of 7.9% in Swiss francs over 2017. Expressions Parfumées, acquired in June 2018 contributed CHF 27 million of sales and Naturex, acquired in September 2018, contributed CHF 1 million.

Total sales of Fragrance compounds (Fine Fragrances and Consumer Products combined) increased by 6.6% on a like-for-like¹ basis. In Swiss francs, sales of compounds increased by 7.8% to CHF 1,633 million from CHF 1,515 million in 2017.

Fine Fragrances

Fine Fragrances sales increased by 11.9% on a like-for-like¹ basis as a result of strong growth in all regions. These results were driven by sustained high levels of new business wins and volume growth on established business at key customers.

Consumer Products

Consumer Products sales increased 5.2% on a like-for-like¹ basis with balanced growth across all customer groups and geographies.

On a regional basis, in Latin America all product segments contributed to the growth, with local and regional customers in the region recording double-digit growth. Asia delivered solid growth driven by all customer groups, product segments and across all sub-regions, with South Asia growing at double-digit levels. In Europe, Africa and Middle East, the solid sales increase was driven by all customer groups with local and regional customers recording double-digit growth. All sub-regions contributed to the strong performance with Africa and the Middle East growing double-digit. Sales in North America decreased, largely due to a sales decline with international customers in the fabric care segment, whilst local and regional customers performed well and recorded good growth.

On a product segment basis, all segments contributed to the sales growth led by Home Care, Fabric Care, Oral Care and Personal Care.

Fragrance Ingredients and Active Beauty

Sales of Fragrance Ingredients and Active Beauty increased by 6.9% on a like-for-like¹ basis. Active Beauty sales continued to grow double-digit driven mainly by the strong performance of local and regional customers. Fragrance Ingredients experienced good growth in the first nine months compared to 2017.



Flavour Division

The Flavour Division reported sales of CHF 2,195 million, a growth of 4.8% on a like-for-like¹ basis and an increase of 8.8% in Swiss francs. Centroflora Nutra, acquired in May 2018, contributed CHF 6 million of sales and Naturex, acquired in September 2018, contributed CHF 35 million.

The sales performance was driven by new wins and strong business momentum across all regions. In the key strategic focus areas of the 2020 strategy, sales increased at double-digit levels in health and well-being and in high single digits in naturals.

From a segment perspective Beverages, Dairy, Sweet Goods and Snacks all contributed to the positive sales performance.

Asia Pacific

Sales in Asia Pacific increased by 5.7% on a like-for-like¹ basis. In the high growth markets, India and Thailand delivered double-digit growth followed by strong growth in China and Indonesia. In the mature markets, Singapore achieved double-digit growth and Japan delivered a positive performance.

Local and regional customers continued to grow strongly across the region, whilst from a segment perspective, all segments contributed significantly to the overall growth led by Beverages, Dairy, Sweet Goods and Snacks.

Europe, Africa and the Middle East

Sales in Europe, Africa and Middle East increased by 4.3% on a like-for-like¹ basis. Good growth was achieved across the mature markets of Western Europe and in the high growth markets of Central and Eastern Europe, led by double-digit growth in Russia, Ukraine and Greece and good single-digit growth in Poland and Turkey. In Africa and the Middle East, Egypt and South Africa contributed positively to the regional performance which was offset by more challenging market conditions across the Middle East and Nigeria. All segments contributed positively to the growth performance.

North America

Sales in North America increased by 2.1% on a like-for-like¹ basis against a strong comparable in 2017. The performance was a result of new wins and the growth of existing business in Beverages, Dairy and Sweet Goods.

Latin America

Sales in Latin America increased 13.5% on a like-for-like¹ basis across all markets and segments in the region. There was strong double-digit growth led by Brazil, supported by the improved economic situation, as well as continued good sales momentum in Argentina, Mexico and Columbia.

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1. Like-for-like (LFL) excludes the impact of currency, acquisitions and disposals