

2019 Full Year Results
Excellent financial performance
2020 strategy fully on track

24 January 2020



Givaudan

engage your senses



Gilles Andrier

Chief Executive Officer

2019 Full Year Results

Performance highlights

- Sales of CHF 6.2 billion, up 5.8% on a like-for-like* basis and 12.2% in Swiss francs
- EBITDA of CHF 1,275 million, an increase of 11.4%; comparable EBITDA margin of 21.5% up from 21.0% in 2018
- Free cash flow of CHF 787 million or 12.7% of sales, an increase of 11.9%
- Proposed dividend of CHF 62.00 per share, up 3.3% year-on-year
- Strong portfolio aligned with key consumer and societal trends – powerful combination of innovation and acquisitions
- Fully on track to deliver 2020 guidance

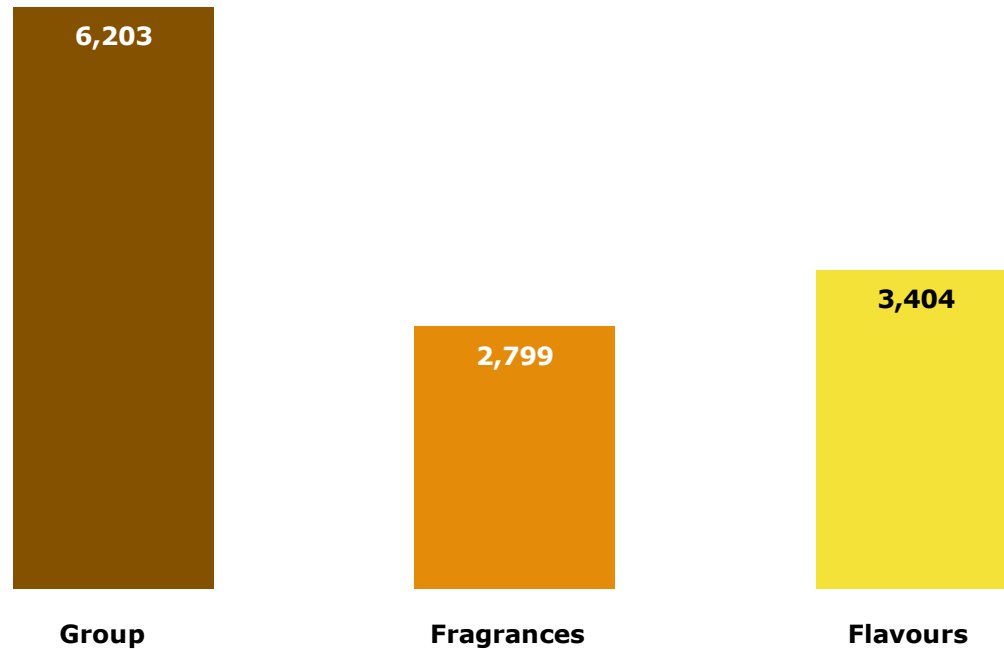
* Like-for-like (LFL) excludes the impact of currency, acquisitions and disposals

“Our strong performance in 2019 demonstrates the strength of our business and our ability to consistently deliver industry leading financial results.”

Sales performance

Excellent growth in both divisions

in million CHF



% 2019 growth on LFL* basis

5.8%

7.3%

4.5%

% 2019 growth in CHF

12.2%

10.9%

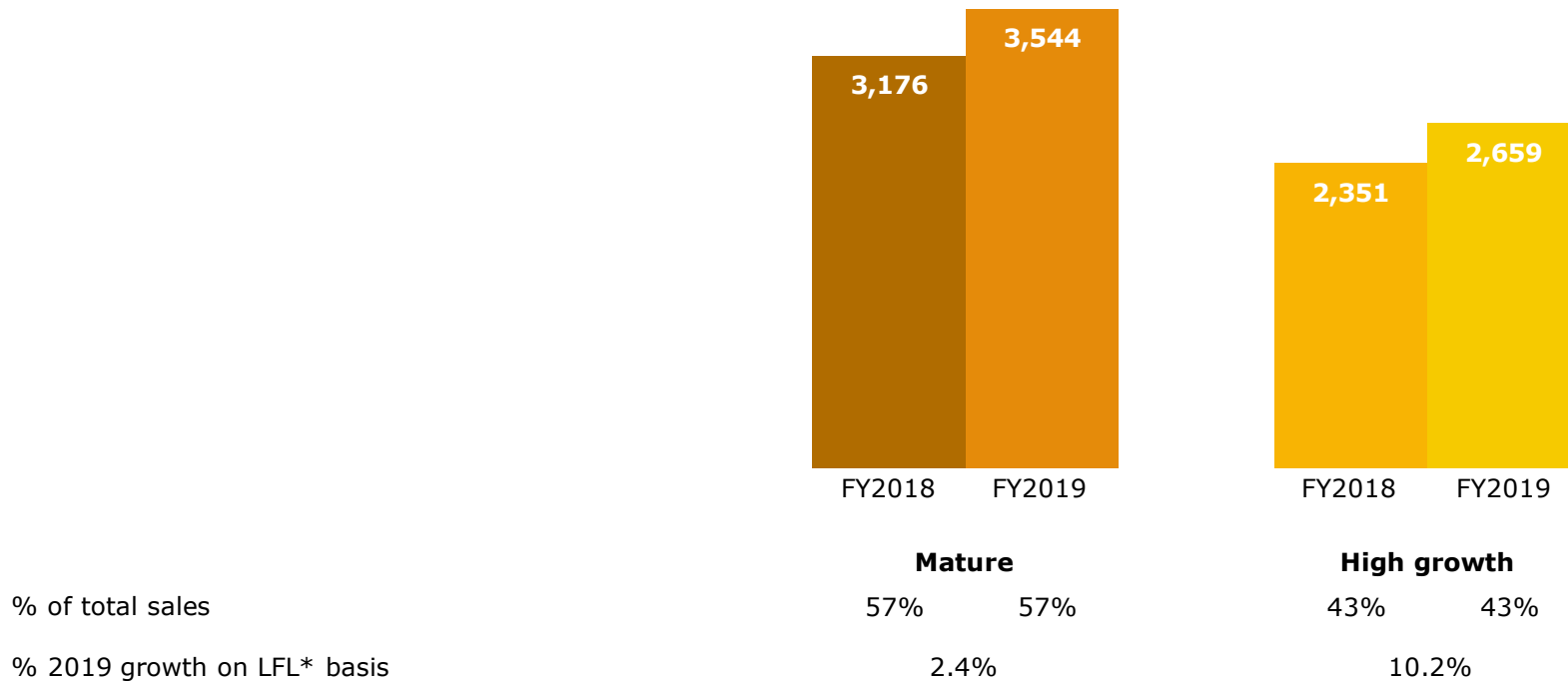
13.4%

* LFL (like-for-like) excludes the impact of currency, acquisitions and disposals

Sales evolution by market

Double-digit growth in high growth markets

in million CHF

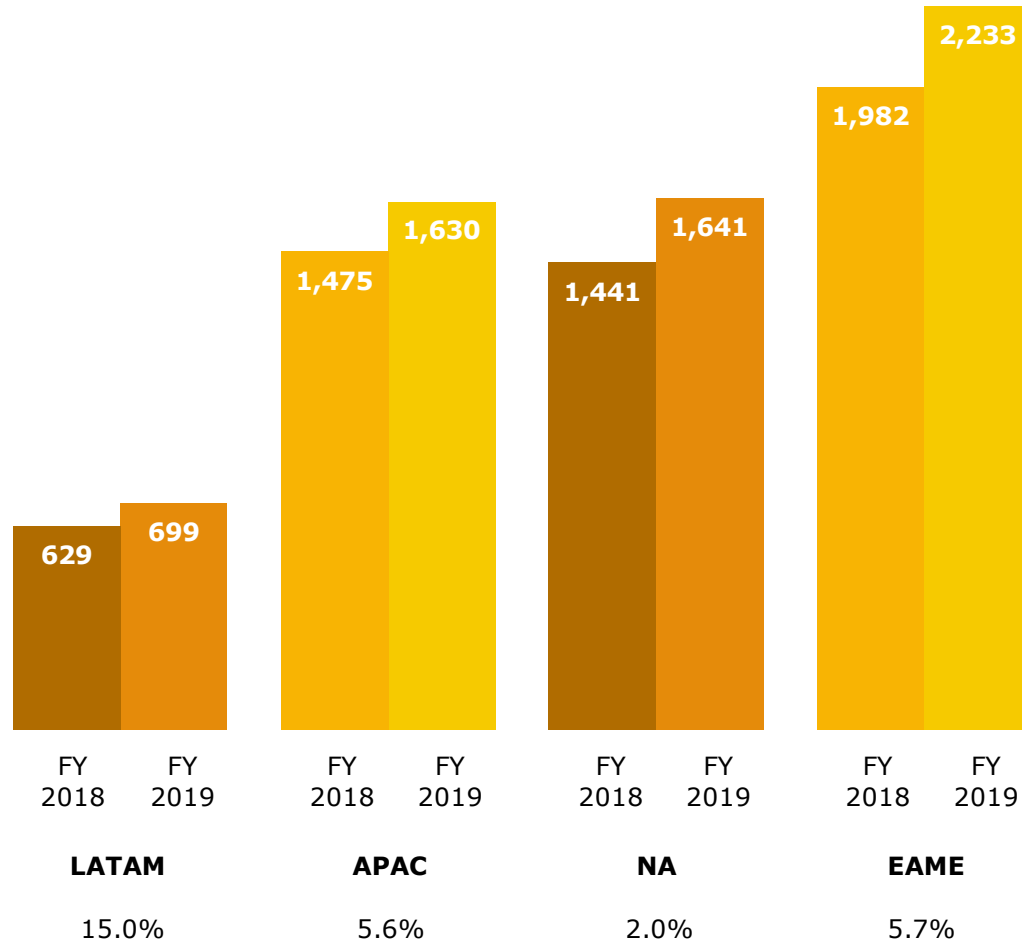


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Sales evolution by region

Strong growth shown by Latin America

in million CHF



* LFL (like-for-like) excludes the impact of currency, acquisitions and disposals

Divisional sales performance

Fragrance Division

Fragrance Division

- Excellent growth driven by the strong performance of new wins and price increases to compensate for higher input costs

Fine Fragrance sales growth of 5.0% LFL*

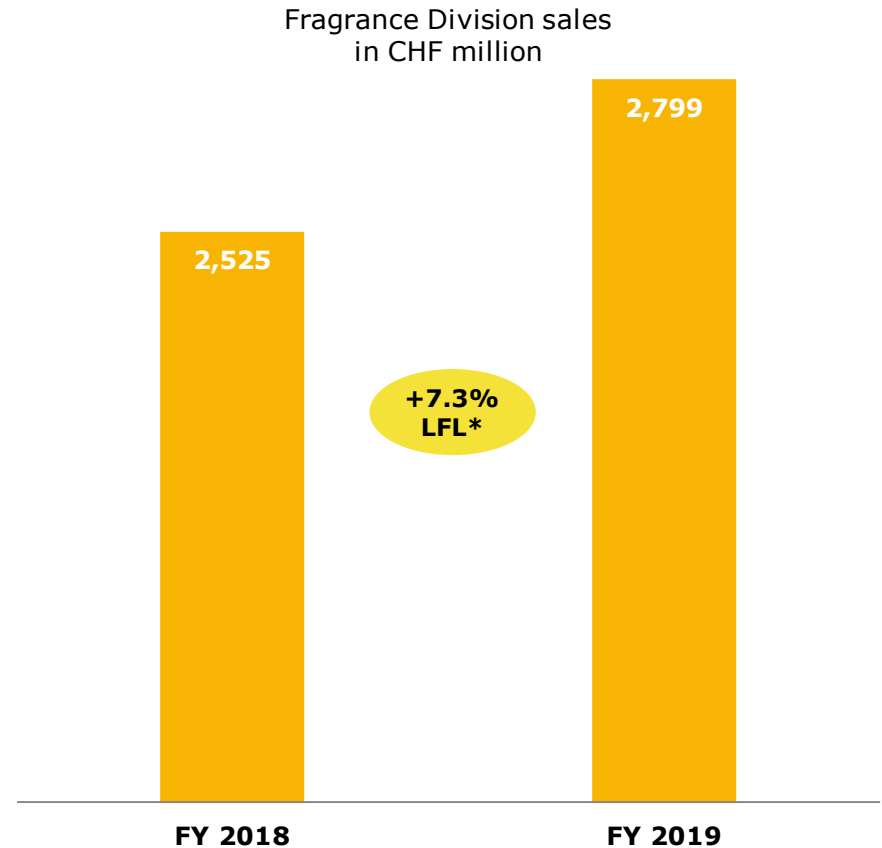
- Good growth recorded in both mature and high growth markets, driven by a high level of new business wins across all customer groups and strong market performance of recent launches

Consumer Products increased by 7.8% LFL*

- Growth achieved in all geographical areas and product segments

Fragrance Ingredients and Active Beauty increased by 8.1% LFL*

- Double-digit growth in Active Beauty
- Fragrance Ingredients experienced good sales momentum



* LFL (like-for-like) excludes the impact of currency, acquisitions and disposals

Divisional sales performance

Flavour Division

Asia Pacific growth of 6.4% LFL*

- Double-digit performance in Indonesia, Malaysia, Philippines, Thailand and Vietnam
- Strong single-digit growth in China and India

EAME increased by 4.4% LFL*

- Double-digit growth in Africa and Middle East driven by strong performance in Egypt, South Africa, Nigeria and Morocco
- High single-digit growth in the mature markets of the Benelux, Italy and Spain

North America decline of 1.6% LFL*

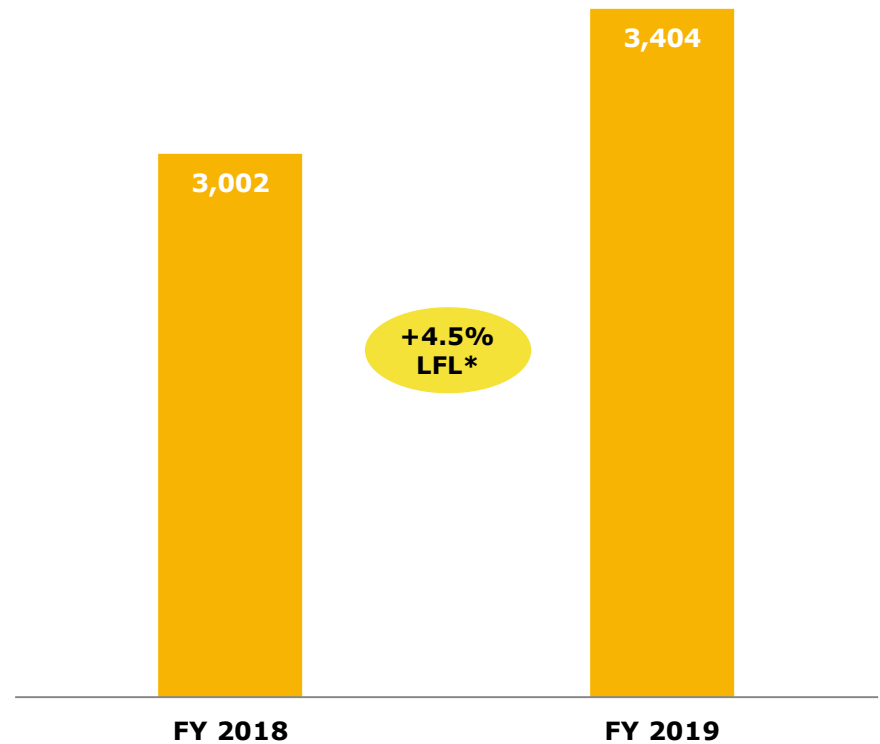
- Good performance of local and regional customers
- New wins and growth of existing business in Savoury, Snacks and Beverages, offset by weaker performance in Dairy

Latin America increased by 19.2% LFL*

- Strong performance across all markets and segments

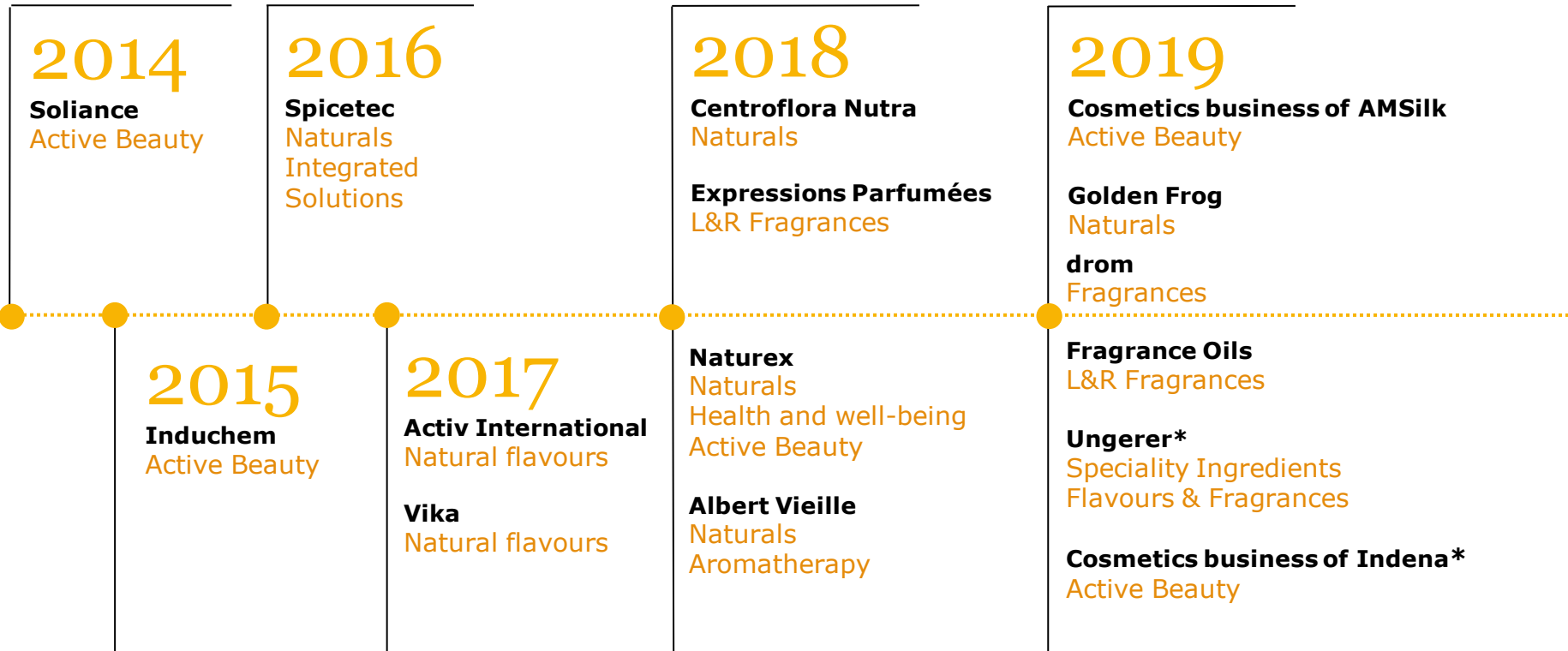
* LFL (like-for-like) excludes the impact of currency, acquisitions and disposals

Flavour Division sales
in CHF million



Acquisition update

2020 strategy in motion



* Acquisition not yet complete

Approximately CHF 1.5 billion of incremental revenues
CHF 3.6 billion invested in acquisitions

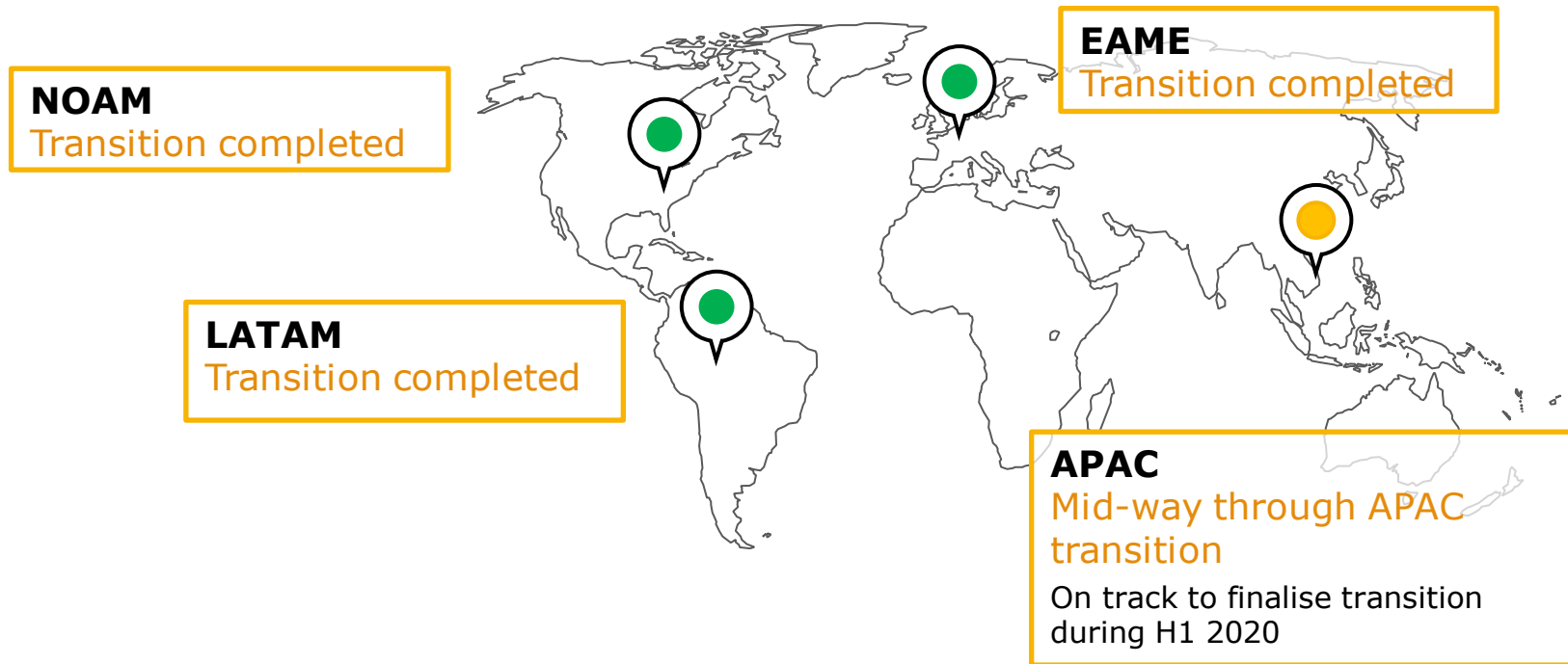
Acquisition focus

Outstanding portfolio aligned with market trends



Givaudan Business Solutions

Implementation well advanced - on track to finalise in 2020



**GBS Delivery Centres working effectively within the broader Givaudan organisation
Financial benefits being delivered in line with the plan**

Tom Hallam

Chief Financial Officer

2019 Full Year Results

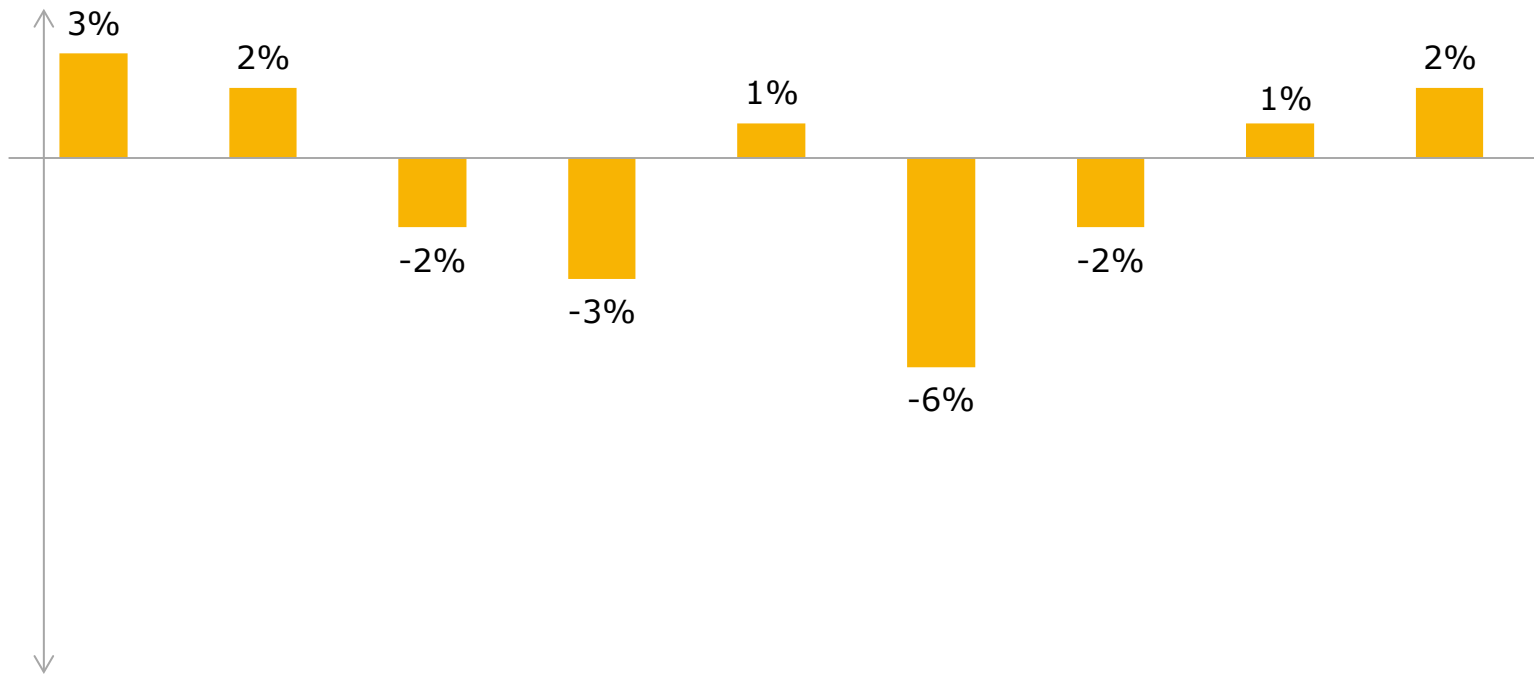
Financial highlights

- Sales of CHF 6,203 million, up 5.8% on a like-for-like* basis and 12.2% in Swiss francs
- EBITDA of CHF 1,275 million compared to CHF 1,145 million in 2018, an increase of 11.4%
- Reported EBITDA margin of 20.6% compared to 20.7% in 2018, with the underlying margin at 21.5% versus 21.0% in 2018
- Net income of CHF 702 million, up 6.0% year-on-year
- Operating cash flow of CHF 1,136 million, an increase of 24.0%; free cash flow of 12.7% of sales

* LFL (like-for-like) excludes the impact of currency, acquisitions and disposals

2019 Full Year Results

Exchange rate development



	JPY	USD	GBP	EUR	SGD	BRL	CNY	MXN	IDR
FY 2019	0.91	0.99	1.27	1.11	0.73	0.25	0.14	0.05	0.70
FY 2018	0.88	0.98	1.30	1.15	0.72	0.27	0.15	0.05	0.69

Operating performance

Group: Improved underlying profitability

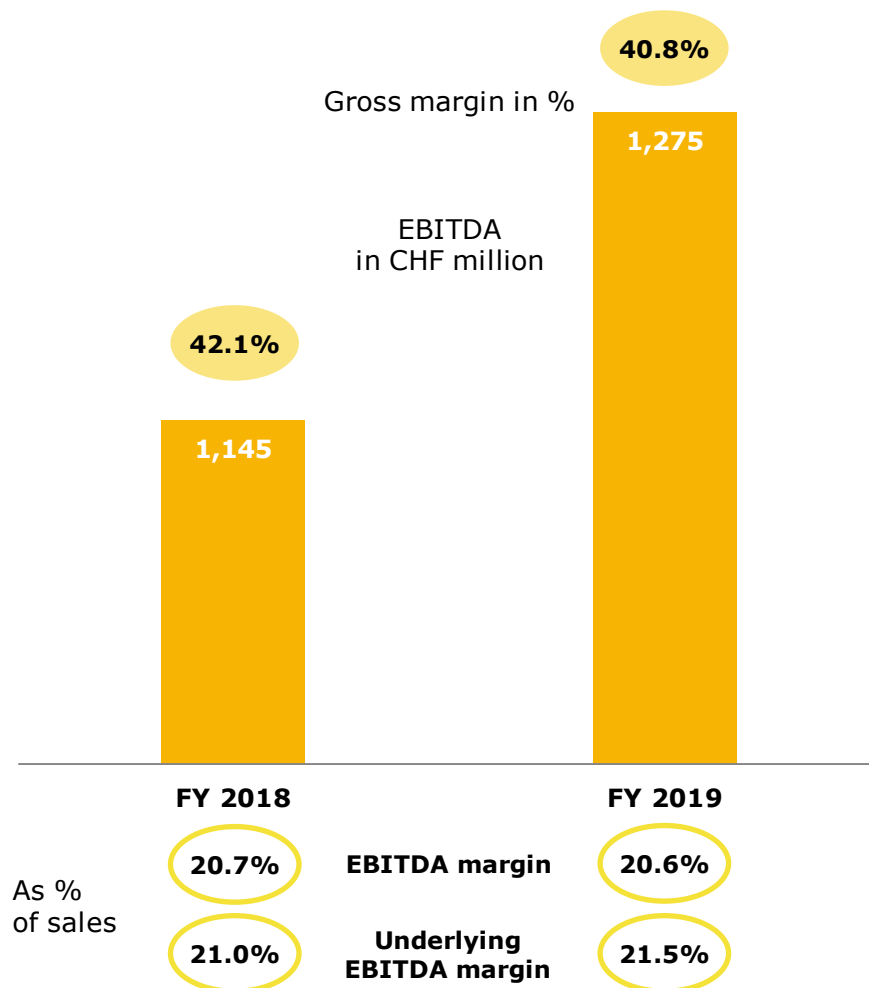
Sales of CHF 6,203 million, an increase of 5.8% on a like-for-like* basis and 12.2% in Swiss francs

Gross margin of 40.8%, compared to 42.1% in 2018. Strong cost discipline and productivity gains were offset by:

- The dilution impact created by the pricing actions to compensate for higher input costs; and
- Naturex's current margin level

EBITDA of CHF 1,275 million compared to CHF 1,145 million in 2018

EBITDA margin of 20.6% compared to 20.7% in 2018, with the underlying margin at 21.5% versus 21.0% in 2018



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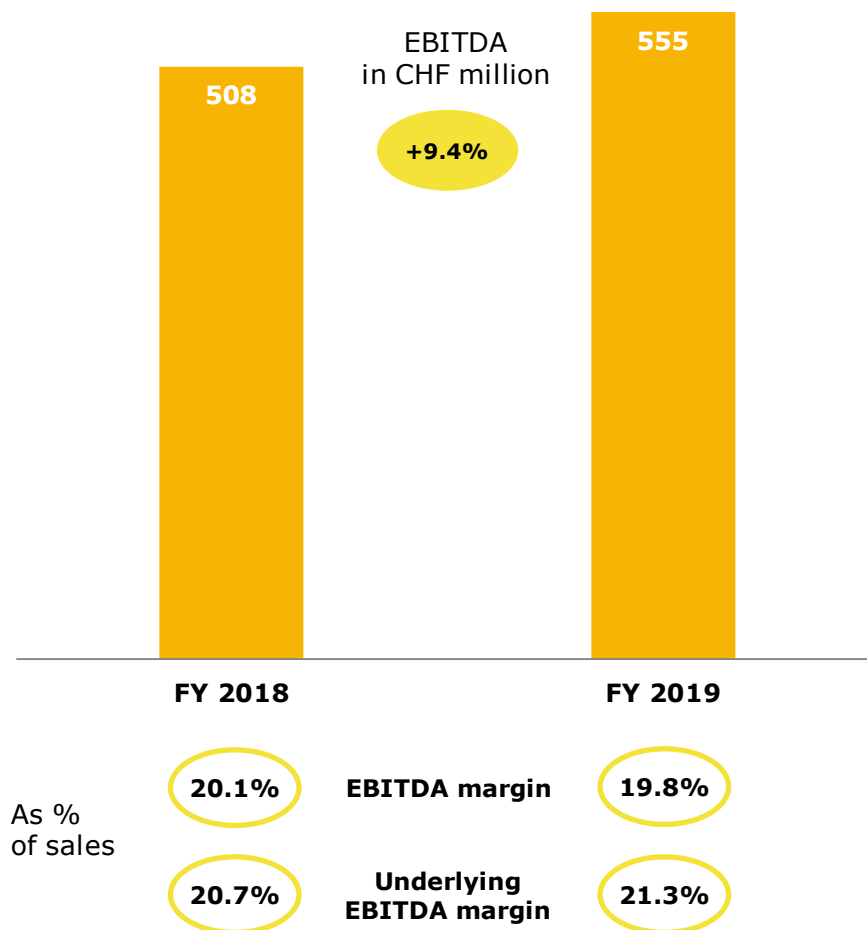
Operating performance

Fragrance Division

Sales of CHF 2,799 million, an increase of 7.3% on a like-for-like* basis and 10.9% in Swiss francs

EBITDA of CHF 555 million versus CHF 508 million in 2018, an increase of 9.4%, driven by the strong sales growth and the contribution from the acquired companies

EBITDA margin of 19.8% compared to 20.1% in 2018, with the underlying EBITDA margin improving to 21.3% in 2019 compared to 20.7% in 2018



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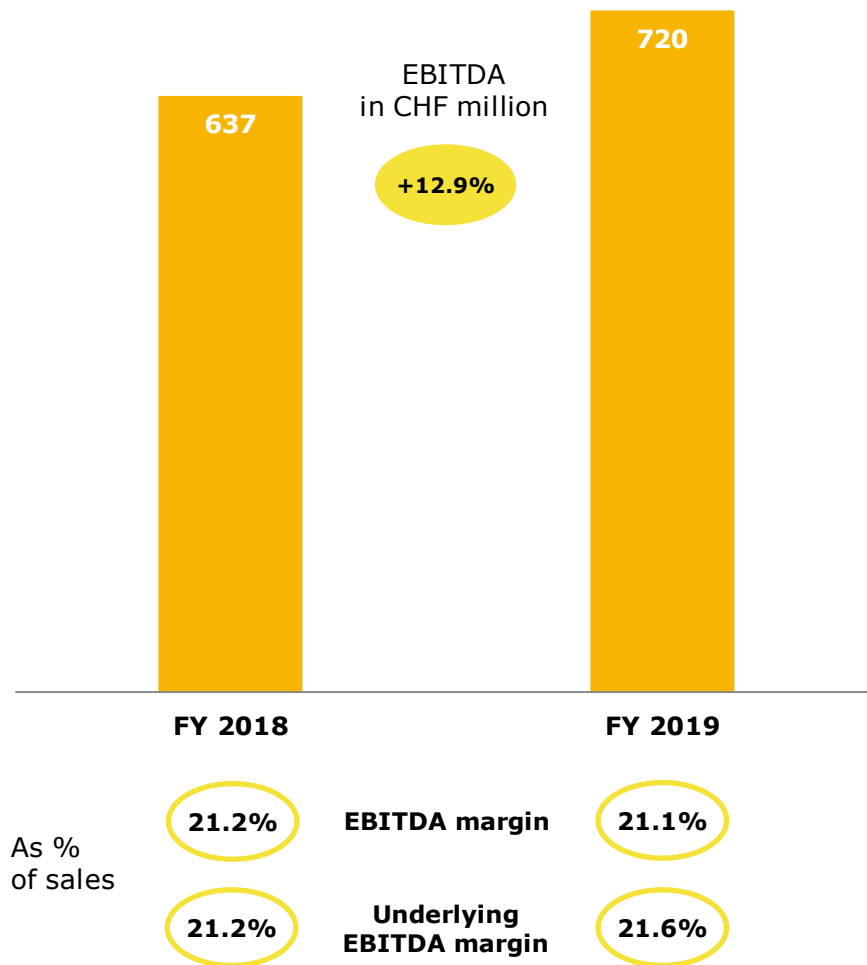
Operating performance

Flavour Division

Sales of CHF 3,404 million, an increase of 4.5% on a like-for-like* basis and 13.4% in Swiss francs

EBITDA of CHF 720 million, compared to CHF 637 million in 2018, driven by the integration of acquired companies, as well as continuing productivity gains and cost discipline

EBITDA margin of 21.1%, compared to 21.2% in 2018. The underlying margin was 21.6% in 2019 compared to 21.2% in 2018

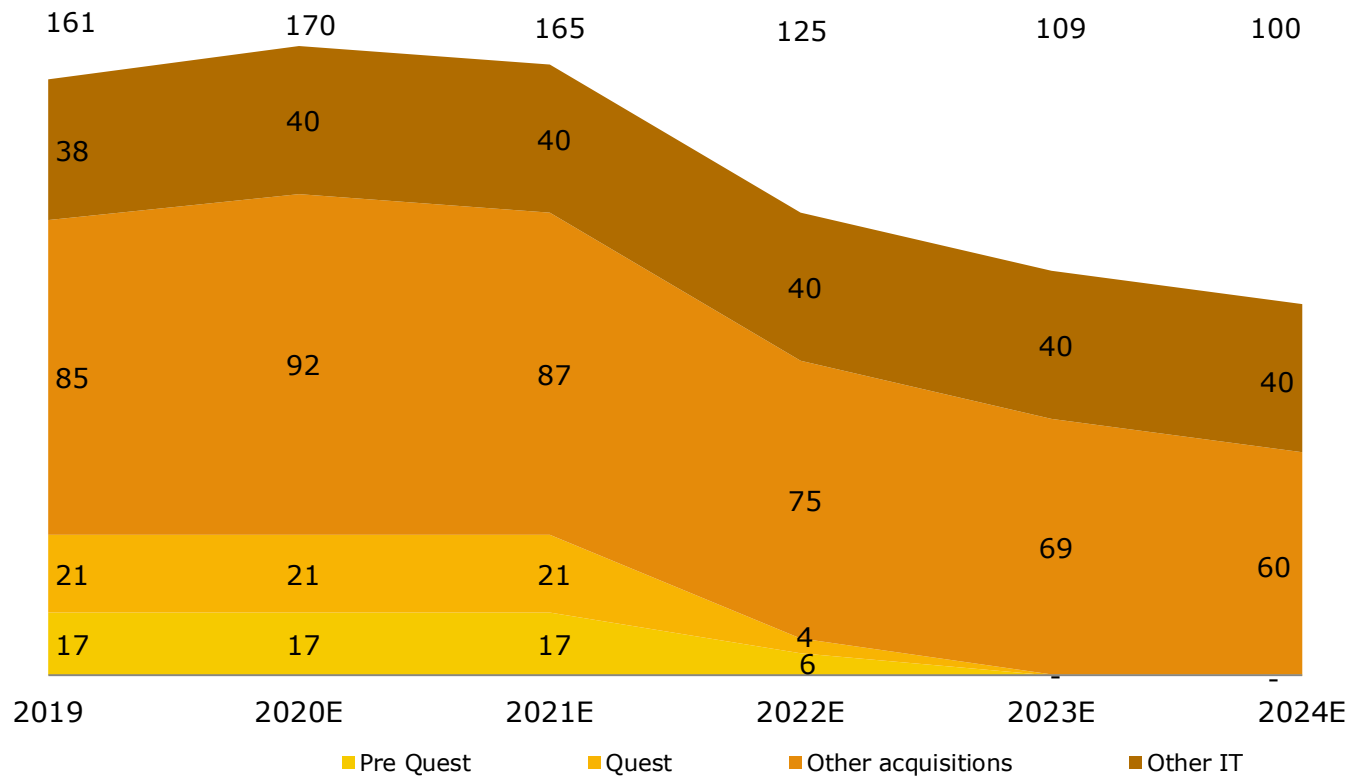


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Amortisation of intangible assets

Updated to include all recent acquisitions

Total annual amortisation charge (in million CHF, estimated)



Net income

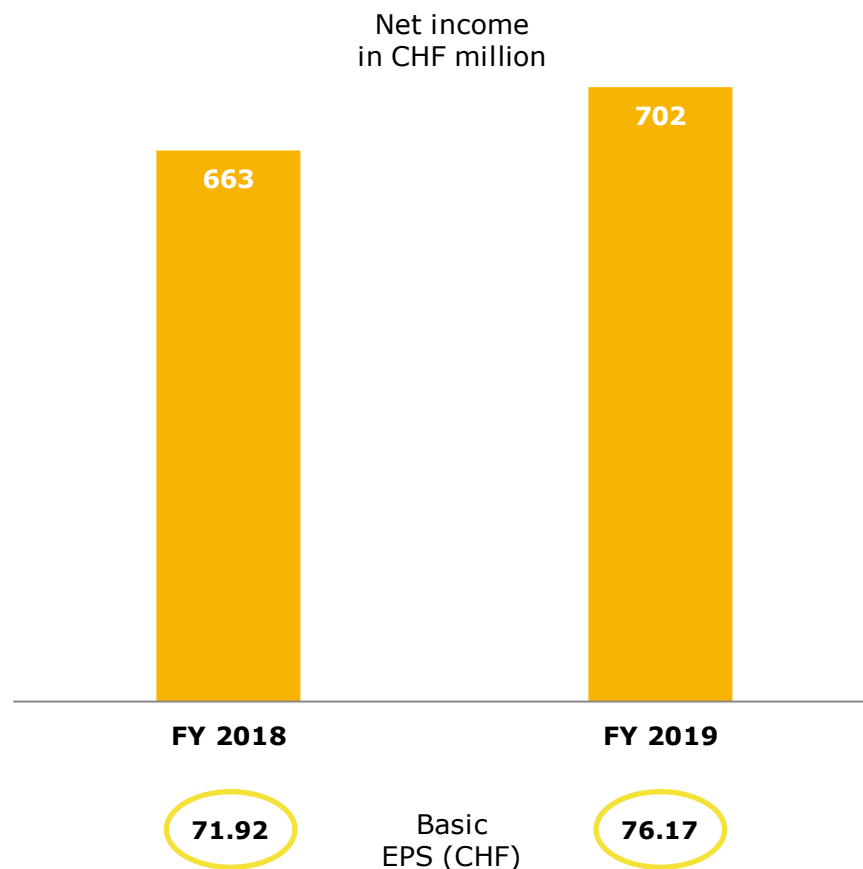
Solid increase of 6.0% in 2019

Income before tax of CHF 808 million, increased from CHF 772 million in 2018, driven by increased business and stable non operating expenses, despite higher interest charges related to the recent acquisitions

Net income of CHF 702 million, or 11.3% of sales versus CHF 663 million, or 12.0% in 2018

Effective tax rate of 13%, compared to 14% in 2018

Basic EPS of CHF 76.17 per share, versus CHF 71.92 in 2018



Free cash flow

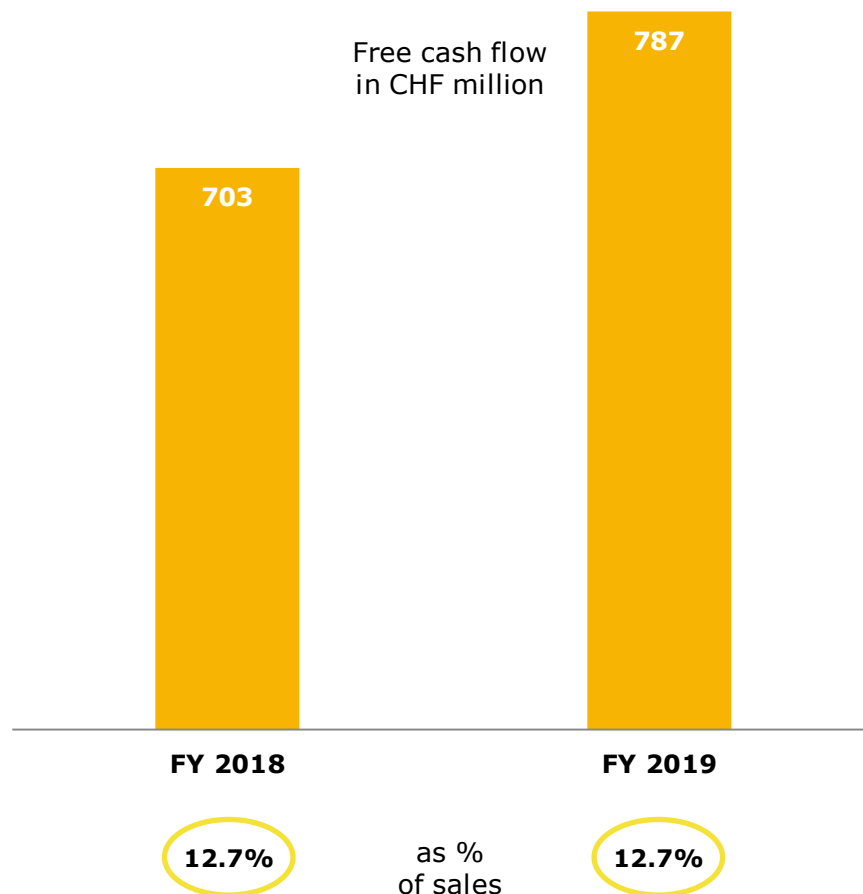
Strong increase in operating cash flow

Free cash flow of CHF 787 million, compared to CHF 703 million in 2018. FCF is 12.7% of sales compared to 12.7% in 2018

Operating cash flow of CHF 1,136 million, an increase of 24.0% versus 2018

Total net investments of CHF 246 million, or 4.0% of sales, compared to 3.3% of sales in 2018. Excluding the remaining impact of the ZIC transaction, the total net investments would have been 5.1% of sales in 2019

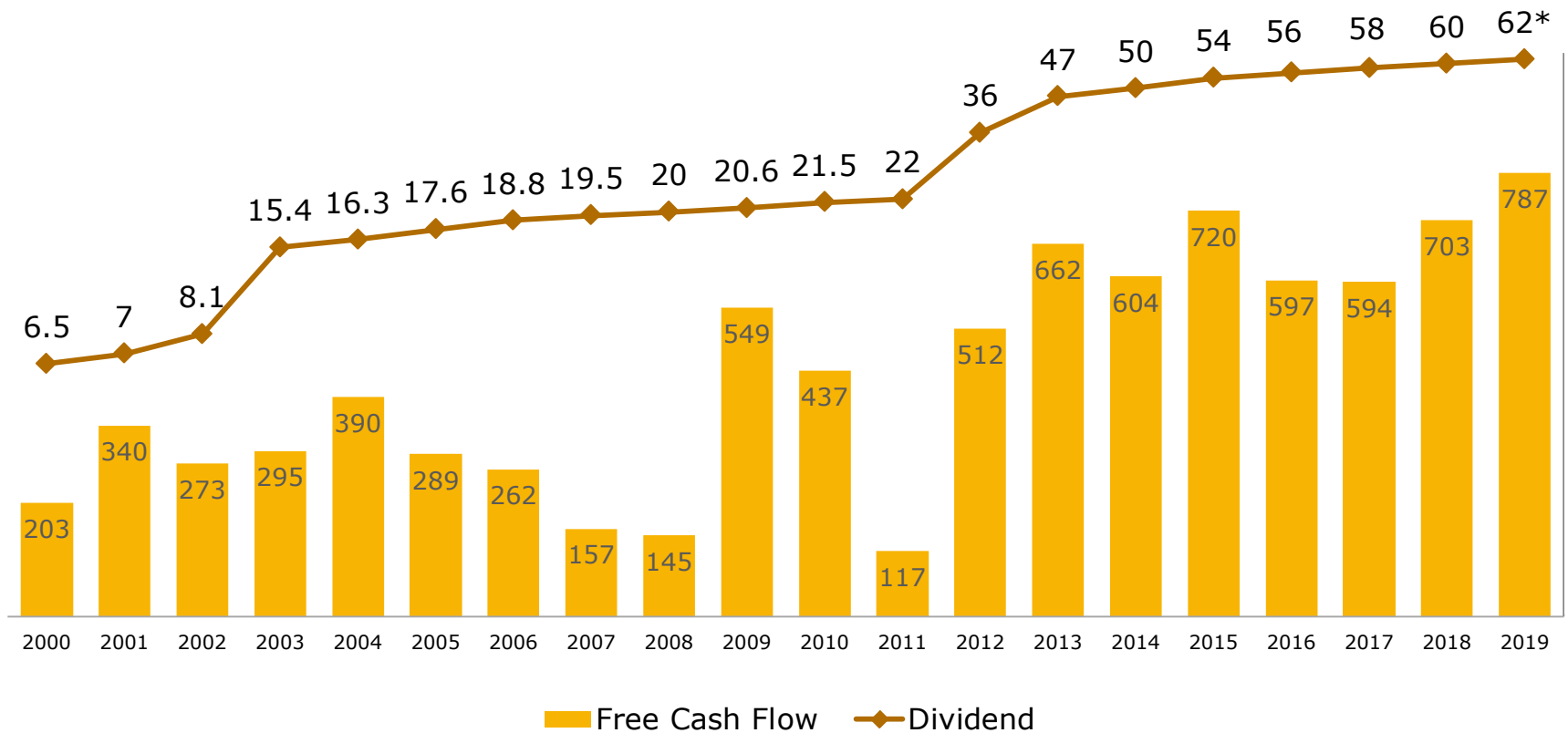
Working capital of 24.0% of sales compared to 26.3% in 2018, mainly as a result of the lower inventory levels in both divisions



Dividend per share

Increasing 3.3% YoY

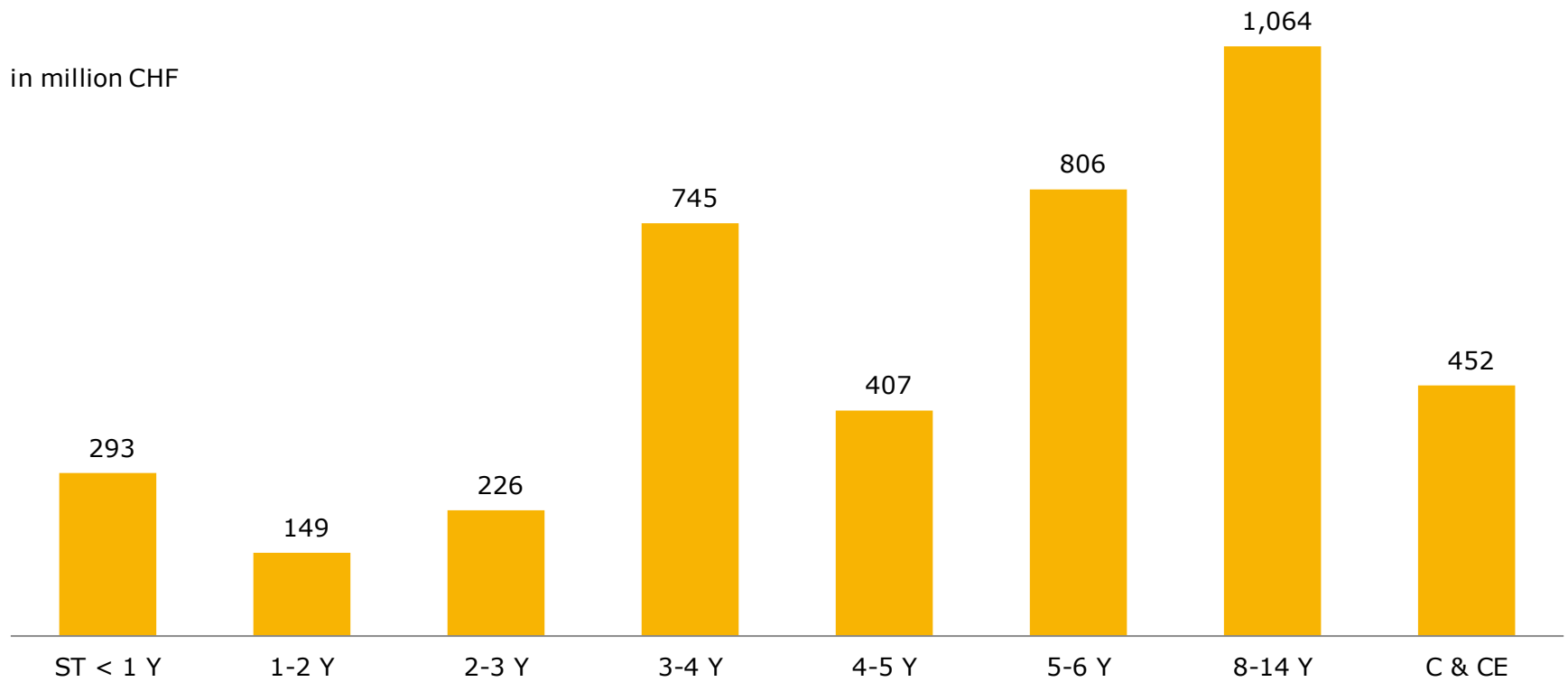
Free cash flow of CHF 8.6 billion generated over the past 20 years,
 CHF 4,770 million of cash flow returned to shareholders as dividends*
 and CHF 504 million (net) through share buy-backs



* Subject to approval of shareholders at the AGM in March 2020

Balanced debt structure

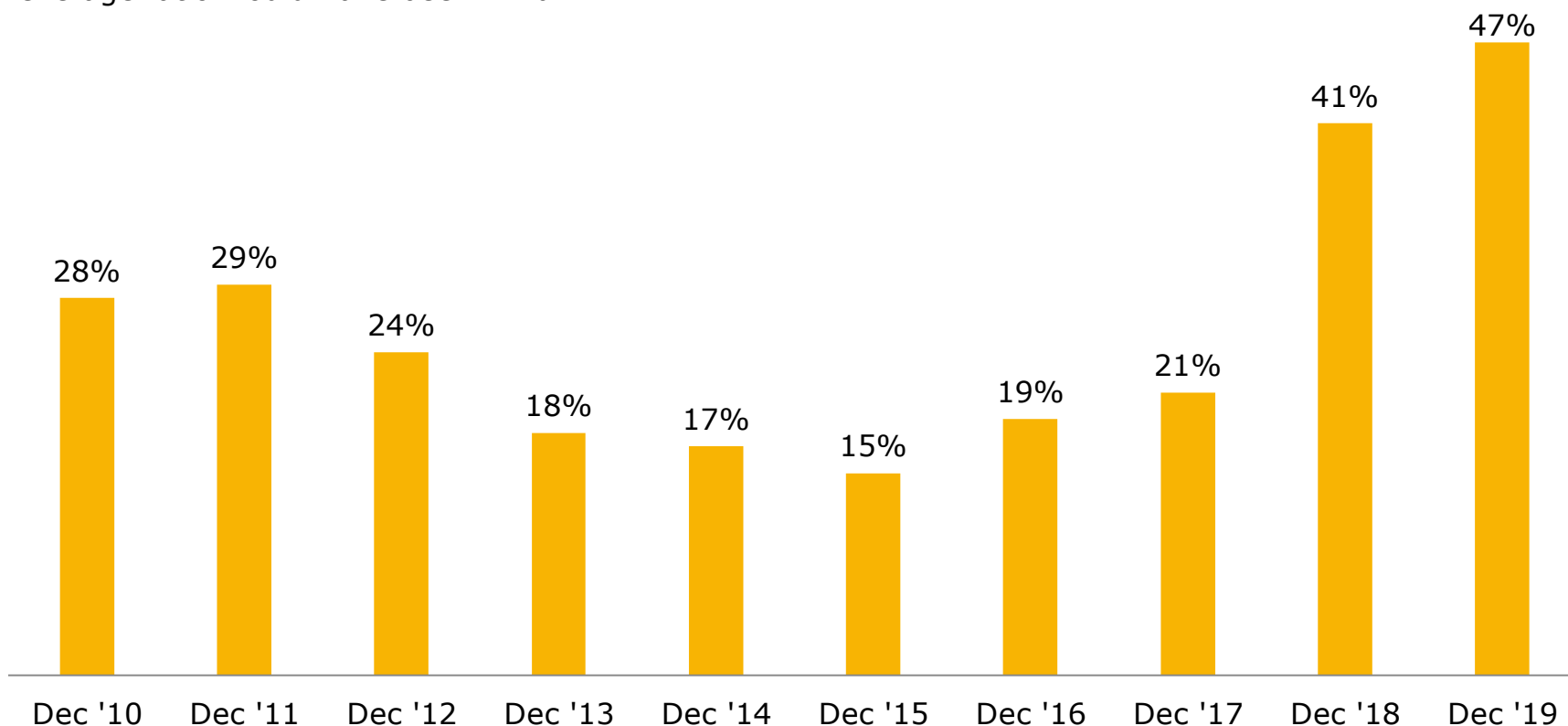
Long duration maturity profile



Leverage ratio

Increase related to IFRS 16 and 2019 acquisitions

Leverage ratio of 47% as at December 2019 compared to 41% in 2018. The increase is driven by the acquisitions undertaken during 2019 and the increase in lease liabilities, due to the adoption of IFRS 16 *Leases*. Excluding the impact IFRS 16, which added CHF 441 million to the debt of the Group, the leverage ratio would have been 44%.



Gilles Andrier

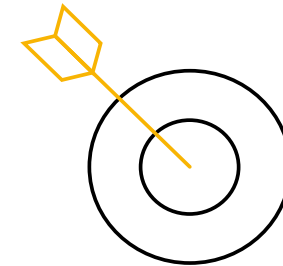
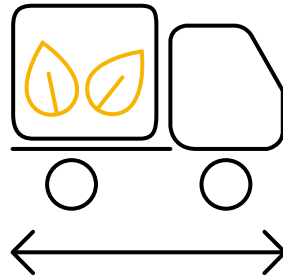
Chief Executive Officer

2020 Outlook



2020 Outlook

Key themes



Growth Outlook

- Continued confidence in our growth strategies
- Local and regional customers continuing to be a strong growth driver
- High growth markets
- Capitalise on expanded portfolio opportunities

Raw Materials

- Raw materials outlook for 2020 stable at current levels
- Enhanced position in citrus through acquisition of Ungerer

Strategy

- Focus on delivering 2020 guidance
- Continued integration of acquired companies on to Givaudan's operating platform
- Integration costs of ~CHF 50 million in 2020
- Developing the strategic roadmap for 2021-2025, in line with Givaudan's purpose

Responsible growth. Shared success.

Growing with
our customers

4-5%

Average organic sales
growth*

5.1% in 2016-2019

Delivering
with excellence

12-17%

Average free cash
flow as % of sales*

12.5% in 2016-2019

Partnering for
shared success

**Partner
of choice**

* Over a five-year period by 2020

Creating additional value through acquisitions

**Intention to maintain current dividend practice
as part of this ambition**

Q & A

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