



## Media Release

Geneva, 9 April 2019

## 2019 First quarter sales Strong start to the year

In the first three months of 2019 Givaudan recorded sales of CHF 1,525 million, an increase of 6.3% on a like-for-like basis<sup>1</sup>, and 16.6% in Swiss francs compared to the previous year.

Fragrance Division sales were CHF 677 million, an increase of 8.7% on a like-for-like basis and an increase of 12.1% in Swiss Francs.

Flavour Division sales were CHF 848 million, an increase of 4.3% on a like-for-like basis and an increase of 20.4% in Swiss Francs.

Givaudan started 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 of Naturals, Health and well-being, Active Beauty, Integrated solutions and local and regional customers delivering strong growth, supported by the recent acquisitions. The Company continues to implement price increases in collaboration with its customers to fully 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 three years of this strategic cycle, Givaudan's 2020 ambition is defined around 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 announced nine 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 January to March

in millions of Swiss francs	2018 Sales as reported	Like-for-like development <sup>1</sup>	2019 Sales like-for-like <sup>1</sup>	Change % on like-for-like basis <sup>1</sup>	Acquisition impact	Currency effects	2019 Sales as reported	Change % in Swiss francs
<b>Group</b>	<b>1,308</b>	<b>83</b>	<b>1,391</b>	<b>6.3%</b>	<b>140</b>	<b>-6</b>	<b>1,525</b>	<b>16.6%</b>
- Fragrance	604	52	656	8.7%	25	-4	677	12.1%
- Flavour	704	31	735	4.3%	115	-2	848	20.4%





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## Sales evolution by market – January to March

in millions of Swiss francs	2018 Sales as reported	Like-for-like development <sup>1</sup>	2019 Sales like-for-like <sup>1</sup>	Change % on like-for-like basis <sup>1</sup>	Acquisition impact	Currency effects	2019 Sales as reported	Change % in Swiss francs
Mature markets	752	39	791	5.1%	108	7	906	20.7%
High growth markets	556	44	600	8.0%	32	-13	619	11.0%

## Fragrance Division

The Fragrance Division recorded sales of CHF 677 million, a growth of 8.7% on a like-for-like basis and an increase of 12.1% in Swiss francs. Expressions Parfumées, acquired in June 2018 contributed CHF 22 million of sales and Naturex, acquired in September 2018, contributed CHF 3 million in the first quarter of 2019. The like-for-like performance was driven both by volume and price increases to fully compensate for the increases in input costs.

Total sales of Fragrance compounds (Fine Fragrances and Consumer Products combined) increased by 8.4% on a like-for-like basis. In Swiss francs, sales of compounds increased by 11.8% to CHF 582 million in 2019, compared with CHF 521 million in 2018.

**Fine Fragrance sales increased by 10.3%** on a like-for-like basis with growth recorded across all customer groups in both mature and high growth markets. These gains were driven by the combined impact of new business wins sustained at high levels and volume growth at key customers.

**Consumer Products sales increased by 7.9%** on a like-for-like basis with growth achieved across all customer groups and geographies.

On a regional basis, Latin America delivered double-digit growth, with good performance across all customer groups, product segments and sub-regions. Asia posted solid growth, driven by international customers' performance across all sub-regions and despite the weaker performance of local and regional customers in North Asia and South Asia sub-regions.

In Europe, Africa and the Middle East, the sales increase was spread across all customer groups, led by strong double-digit growth with local and regional customers in the African and Middle East sub-region as well as in Europe. North America recorded double-digit growth, versus a lower comparable in Q1 2018, with strong performance of international customers and continued good growth of local and regional customers.

On a product segment basis, sales growth was led by double-digit increase in Home Care and solid performance in Fabric Care and Personal Care.

**Sales of Fragrance Ingredients and Active Beauty increased by 10.2%** on a like-for-like basis. Sales of Fragrance Ingredients delivered strong growth, driven by price increases and favourable evolution of the product mix, whilst Active Beauty showed a strong double-digit sales growth. Active Beauty delivered positive performance in all regions.



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## Flavour Division

The Flavour Division reported sales of CHF 848 million, a growth of 4.3% on a like-for-like basis and an increase of 20.4% in Swiss francs. Centroflora Nutra, acquired in May 2018, contributed CHF 4 million of sales and Naturex, acquired in September 2018, contributed CHF 111 million to the performance in the first quarter of 2019.

The sales performance was driven by new wins and good business momentum across all regions mainly coming from regional and local customers. In the key strategic focus areas of the 2020 strategy sales growth continued to be strong, with double-digit growth in Health and well-being and single-digit growth in Naturals.

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

### Asia Pacific

Sales in Asia Pacific increased by 3.4% on a like-for-like basis. The high growth markets of Indonesia, Malaysia, Philippines and Vietnam all delivered double-digit growth followed by single-digit growth in India and Thailand. In the mature markets, Japan and Korea delivered a solid sales performance. From a segment perspective, the growth was led by Beverages and Savoury.

### Europe, Africa and the Middle East

Sales in Europe, Africa and the Middle East increased by 2.7% on a like-for-like basis. Double-digit growth was achieved in the mature markets of UK & Ireland and Spain. In the high growth markets of Russia, Poland, Egypt, Maghreb and South Africa excellent business momentum was experienced, which was partially offset by challenging market conditions in Turkey, the Middle East and Nigeria. The growth was mainly achieved in the segments of Beverages, Snacks and Sweet Goods.

### North America

Sales in North America increased by 1.3% on a like-for-like basis. The performance was a result of new wins and the growth of existing business in Beverages, Snacks and Sweet Goods.

### Latin America

Sales in Latin America increased 23.7% on a like-for-like basis, led by strong double-digit growth in Brazil, Mexico, Colombia and Argentina and across all segments.

<sup>1</sup> Like-for-like is defined as: (a) sales calculated using the invoicing exchange rates of the prior year, and (b) excluding sales of businesses acquired from the acquisition date until the period end date, up to 12 months from the acquisition date.

## For further information please contact

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