



Media Release

Geneva, 10 October 2019

2019 Nine month sales Continued excellent sales growth

Business performance

In the first nine months of 2019 Givaudan recorded sales of CHF 4,664 million, an increase of 6.4% on a like-for-like¹ basis and 14.5% in Swiss francs.

Fragrance Division sales were CHF 2,088 million, an increase of 8.5% on a like-for-like¹ basis and an increase of 11.2% in Swiss francs.

Flavour Division sales were CHF 2,576 million, an increase of 4.6% on a like-for-like¹ basis and an increase of 17.4% in Swiss francs.

Givaudan continued the year with good business momentum and with the project pipeline and win rates sustained at a high level. This excellent 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, complemented 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 its customers. Since 2014, Givaudan has completed thirteen 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 flow² 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.





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Sales January to September

in millions of Swiss francs	2018 Sales as reported	Like-for-like development ¹	2019 Sales like-for-like ¹	Change % on like-for- like basis ¹	Acquisition impact ^a	Currency effects	2019 Sales as reported	Change % in Swiss francs
Group	4,073	261	4,334	6.4%	380	-50	4,664	14.5%
- Fragrance	1,878	160	2,038	8.5%	75	-25	2,088	11.2%
- Flavour	2,195	101	2,296	4.6%	305	-25	2,576	17.4%

a. Acquisition impact:

in millions of Swiss francs

Acquired company	Sales included from	Group	Fragrance	Flavour
Centroflora	May 2018	5		5
Expressions Parfumées	June 2018	39	39	
Naturex	September 2018	306	7	299
Albert Vieille	May 2019	11	11	
Golden Frog	September 2019	1		1
drom	September 2019	12	12	
Fragrance Oils	September 2019	6	6	
Total		380	75	305

Sales July to September

in millions of Swiss francs	2018 Sales as reported	Like-for-like development ¹	2019 Sales like-for-like ¹	Change % on like-for- like basis ¹	Acquisition impact	Currency effects	2019 Sales as reported	Change % in Swiss francs
Group	1,399	90	1,489	6.5%	96	-15	1,570	12.2%
- Fragrance	655	54	709	8.3%	25	-7	727	10.8%
- Flavour	744	36	780	4.9%	71	-8	843	13.4%

Sales evolution by market – January to September

in millions of Swiss francs	2018 Sales as reported	Like-for-like development ¹	2019 Sales like-for-like ¹	Change % on like-for- like basis ¹	Acquisition impact	Currency effects	2019 Sales as reported	Change % in Swiss francs
Mature markets	2,343	74	2,417	3.1%	283	-7	2,693	14.9%
High growth markets	1,730	187	1,917	10.8%	97	-43	1,971	13.9%



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Fragrance Division

Fragrance Division sales were CHF 2,088 million for the first nine months of 2019, an increase of 8.5% on a like-for-like¹ basis and an increase of 11.2% in Swiss francs over 2018.

Sales growth was driven by the strong performance of new wins as well as price increases to recover the impact of higher input costs.

Total sales of Fragrance compounds (Fine Fragrances and Consumer Products combined) increased by 8.4% on a like-for-like¹ basis. In Swiss francs, sales of compounds increased by 9.4% to CHF 1,796 million from CHF 1,633 million in 2018.

Fine Fragrances

Fine Fragrance sales increased by 8.0% on a like-for-like¹ basis with strong growth recorded in all regions and across all customer types. These results were driven by the combined positive impact of new business wins and volume growth in established business with key customers.

Consumer Products

Consumer Products sales increased by 8.6% on a like-for-like¹ basis. The growth was delivered across all markets and all customer groups.

On a regional basis, Latin America reported double-digit growth with all customer groups and product segments contributing to the strong growth. Asia Pacific delivered mid-single-digit growth versus a strong prior year comparable, driven by all customer groups and across all sub-regions. 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. North America grew double-digit, which was attributed to a high sales increase with international customers.

On a product segment basis all segments contributed to the sales growth, notably double-digit growth of Home Care and solid performance in Fabric Care and Personal Care.

Fragrance Ingredients and Active Beauty

Sales of Fragrance Ingredients and Active Beauty increased by 9.3% 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 and its active ingredients portfolio. Fragrance Ingredients experienced good growth in the first nine months of 2019 compared to 2018.

Flavour Division

The Flavour Division reported sales of CHF 2,576 million, a growth of 4.6% on a like-for-like basis and an increase of 17.4% in Swiss francs.

The sales performance was driven by new wins and good business momentum across all regions, mainly coming from local and regional customers. The key focus areas of the 2020 strategy, namely Health and well-being and Naturals grew at double-digit and single-digit levels respectively.

From a segment perspective Beverages, Snacks, Savoury and Sweet Goods all contributed to the division's growth.



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Asia Pacific

Sales in Asia Pacific increased by 6.7% on a like-for-like basis. All of the high growth markets of South East Asia delivered double-digit growth followed by good single-digit growth in India and China. In the mature markets, Korea recorded double-digit growth and Japan delivered solid sales performance.

From a segment perspective, the growth in the region was led by Beverages and Savoury.

Europe, Africa and the Middle East

Sales in Europe, Africa and the Middle East increased by 4.3% on a like-for-like basis. High single-digit growth was achieved in the mature markets of Iberia, Italy and Switzerland. The high growth markets of Middle East and Africa achieved strong double-digit growth, which was partially offset by more challenging market conditions in Turkey.

The growth was mainly achieved in the segments of Sweet Goods, Beverages, Snacks and Savoury.

North America

Sales in North America decreased by 1.5% on a like-for-like basis despite the good performance of local and regional customers.

The performance was a result of new wins and the growth of existing business in Savoury, Snacks, Beverages and Sweet Goods, offset by weaker performance in Dairy.

Latin America

Sales in Latin America increased 19.7% on a like-for-like basis across all markets, led by strong double-digit volume growth in Mexico, Colombia, Peru and Argentina. The growth was driven by new wins in the Beverages, Dairy and Snacks segments.

Notes

1. Like-for-like (LFL) 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.
2. Free Cash Flow (FCF) refers to operating cash flow after net investments, interest paid and lease payments.

For further information please contact

Peter Wullschleger, Givaudan Media and Investor Relations

T +41 22 780 90 93

E peter_b.wullschleger@givaudan.com