



Media Release

Geneva, 8 April 2020

2020 First quarter sales Good start to the year

Business performance

In the first three months of 2020 Givaudan recorded sales of CHF 1,619 million, an increase of 5.4% on a like-for-like¹ basis and 6.1% in Swiss francs.

Fragrance Division sales were CHF 745 million, an increase of 6.3% on a like-for-like¹ basis and an increase of 9.9% in Swiss francs.

Flavour Division sales were CHF 874 million, an increase of 4.6% on a like-for-like¹ basis and an increase of 3.1% in Swiss francs.

As the COVID-19 virus continued to have an impact on a global level, Givaudan started the year with good business momentum whilst maintaining its operations and global supply chain with minimal disruption. The good growth was achieved across most product segments and geographies, with particularly strong performance in household and personal care segments within the Fragrance Division, as well as in packaged foods, savoury, snacks and nutraceuticals in the Flavour Division.

"Our good start to 2020 demonstrates the important role that we play in sustaining the global supply chain in food and beverage as well as in household, health and personal care products," said CEO Gilles Andrier. "I am very proud of the entire Givaudan organisation for their dedication during this challenging period and for enabling us to continue to support our customers to keep critical products available to consumers throughout the COVID-19 crisis."

In the current climate, and in line with the Company's purpose, Givaudan is strongly focused on:

- Protecting and supporting its employees, be it those on site or those who are working from home;
- Meeting the demands of its customers, particularly for those products which support consumers throughout the pandemic;
- Taking care of the communities in which it operates. The Company has established the Givaudan COVID-19 Communities Fund to enable Givaudan sites to support local communities that are being affected around the world and Givaudan is donating at least CHF 1 million to this fund.





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The Company's 2020 ambition is to create further value through profitable, responsible growth. Building on the first four 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 fourteen 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. The Company aims 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.

The Company's purpose, 'Creating for happier, healthier lives with love for nature. Let's imagine together', is at the heart of its strategy. Under the purpose, Givaudan has defined bold and ambitious goals in four domains, namely creations, nature, people and communities. These ambitions include doubling its business through creations that contribute to happier, healthier lives by 2030, becoming climate positive before 2050, becoming a leading employer for inclusion before 2025 and sourcing all materials and services in a way that protects the environment and people by 2030.

Sales January to March

in millions of Swiss francs	2019 Sales as reported	Like-for-like development ¹	2020 Sales like-for-like ¹	Change % on like-for- like basis ¹	Acquisition impact ^a	Currency effects	2020 Sales as reported	Change % in Swiss francs
Group	1,525	82	1,607	5.4%	93	(81)	1,619	6.1%
- Fragrance	677	43	720	6.3%	63	(38)	745	9.9%
- Flavour	848	39	887	4.6%	30	(43)	874	3.1%

a. Acquisition impact

in millions of Swiss francs

Acquired Company	Sales included from	Group	Fragrance	Flavour
Albert Vieille	May 2019	4	4	
Golden Frog	September 2019	3		3
Drom	September 2019	31	31	
Fragrance Oils	September 2019	16	16	
Ungerer	February 2020	39	12	27
Total		93	63	30



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Sales evolution by market – January to March

in millions of Swiss francs	2019 Sales as reported	Like-for-like development ¹	2020 Sales like-for-like ¹	Change % on like-for-like basis ¹	Acquisition impact	Currency effects	2020 Sales as reported	Change % in Swiss francs
Mature markets	906	19	925	2.1%	54	(33)	946	4.3%
High growth markets	619	63	682	10.1%	39	(48)	673	8.9%

Sales evolution by region – January to March

in millions of Swiss francs	2019 Sales as reported	2020 Sales as reported	Change % on like-for-like basis ¹	Change % in Swiss francs
LATAM	165	173	17.4%	4.8%
APAC	376	395	4.2%	4.9%
NA	422	452	3.1%	6.8%
EAME	562	599	4.3%	6.8%

Fragrance Division

The Fragrance Division recorded sales of CHF 745 million, a growth of 6.3% on a like-for-like basis and an increase of 9.9% in Swiss francs.

Sales growth was driven by strong volume increases in Consumer Products.

Total sales of Fragrance compounds (Fine Fragrances and Consumer Products combined) increased by 6.6% on a like-for-like basis. In Swiss francs, sales of compounds increased by 9.6% to CHF 638 million in 2020, compared with CHF 582 million in 2019.

Fine Fragrance sales increased by 1.9% on a like-for-like basis against a high comparable of 10.3% in 2019.

The Fine Fragrance business had a strong start to the year driven by both new wins and existing products but experienced a strong reduction in March as its customers experienced a lack of activity in retail stores and in travel retail due to the COVID-19 impact.

Consumer Products sales increased by 8.0% on a like-for-like basis with excellent growth across all customer groups and geographies.



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On a regional basis, Latin America reported double-digit growth across all customer groups and most sub-regions. Asia Pacific recorded good growth led by strong double-digit growth with local and regional customers. Europe, Africa and the Middle East delivered a solid sales increase across all customer groups and product segments, driven by double-digit growth in the African and Middle East sub-region. North America recorded good growth, despite a high double-digit comparable in 2019, with strong performance of international customers.

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

Sales of Fragrance Ingredients and Active Beauty increased by 4.5% on a like-for-like basis. Active Beauty delivered positive growth against a very strong comparable in 2019. Active Beauty delivered good growth in high growth markets, which was partially offset by lower growth in mature markets. Sales of Fragrance Ingredients delivered good growth against a strong comparable in 2019.

Flavour Division

The Flavour Division reported sales of CHF 874 million, a growth of 4.6% on a like-for-like basis and an increase of 3.1% in Swiss francs.

The sales performance was driven by new wins and good business momentum across all regions and customer groups. The key strategic 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 positive sales performance, driven by increased customer demand for existing products.

Asia Pacific

Sales in Asia Pacific increased by 2.5% on a like-for-like basis. In the high growth markets, Thailand delivered double-digit growth followed by solid single-digit growth in China. In the mature markets, Singapore delivered strong double-digit growth followed by strong single-digit growth in Japan and Korea.

The overall result of the region for the first three months of 2020 was impacted by the challenges related to the COVID-19 outbreak, however, the region recorded a strong recovery in March. From a segment perspective, the growth was led by Savoury and Snacks.

Europe, Africa and the Middle East

Sales in Europe, Africa and the Middle East increased by 5.2% on a like-for-like basis. In the mature markets, double-digit growth was achieved in Spain, followed by strong single-digit growth in France, Switzerland and Northern Europe. In the high growth markets, excellent business momentum was driven by double-digit growth in Russia, Turkey and the Middle East.

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



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North America

Sales in North America increased by 1.7% on a like-for-like basis, with improved performance from large customers as well as continued growth from local and regional customers.

The performance was a result of new wins and the growth of existing business in the Beverage and Snacks segments.

Latin America

Sales in Latin America increased 18.6% on a like-for-like basis with excellent performance across all markets and segments, led by strong double-digit volume growth in Mexico, Colombia and Argentina.

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.

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