



## Media Release

Geneva, 8 October 2020

## 2020 Nine month sales Continued good sales growth

### Business performance

In the first nine months of 2020 Givaudan recorded sales of CHF 4,790 million, an increase of 3.7% on a like-for-like<sup>1</sup> basis and 2.7% in Swiss francs.

Fragrance & Beauty sales were CHF 2,199 million, an increase of 4.5% on a like-for-like<sup>1</sup> basis and an increase of 5.3% in Swiss francs.

Taste & Wellbeing sales were CHF 2,591 million, an increase of 3.1% on a like-for-like<sup>1</sup> basis and an increase of 0.6% in Swiss francs.

As the COVID-19 pandemic continues to have an impact on a global level, Givaudan sustained 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, health and personal care segments within Givaudan Fragrance & Beauty, as well as in packaged foods, savoury, snacks and nutraceuticals in Givaudan Taste & Wellbeing. In the product segments most affected by the COVID-19 pandemic, namely Fine Fragrances and to a lesser extent Active Beauty in Fragrance & Beauty and Foodservice in Taste & Wellbeing, the Group experienced a continued reduction in business activity, as the restrictions related to the COVID-19 pandemic curtailed retail and travel retail activity as well as out-of-home food consumption.

"I am very pleased with our good sales performance during a period where the COVID-19 pandemic continues to have a significant impact on the world. Givaudan continues to demonstrate our market leadership and 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 especially proud of the entire Givaudan organisation for their ongoing dedication and for enabling us to continue to support our customers to keep critical products available to consumers throughout the COVID-19 crisis."





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In the continuing challenging environment related to the COVID-19 crisis 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 still working from home;
- Meeting the demands of its customers. Particularly for those products which support consumers throughout the pandemic around the world;
- Taking care of the communities in which it operates.

**2020 guidance: Responsible growth. Shared success.**

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 sixteen 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<sup>2</sup> 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.

**Givaudan's purpose**

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.



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### Sales January to September

| in millions of Swiss francs | 2019<br>Sales<br>as reported | Like-for-like<br>development <sup>1</sup> | 2020<br>Sales<br>like-for-like <sup>1</sup> | Change %<br>on like-for-<br>like basis <sup>1</sup> | Acquisition<br>impact<br>(net) <sup>a</sup> | Currency<br>effects | 2020<br>Sales<br>as reported | Change<br>%<br>in Swiss<br>francs |
|-----------------------------|------------------------------|-------------------------------------------|---------------------------------------------|-----------------------------------------------------|---------------------------------------------|---------------------|------------------------------|-----------------------------------|
| <b>Group</b>                | <b>4,664</b>                 | <b>173</b>                                | <b>4,837</b>                                | <b>3.7%</b>                                         | <b>270</b>                                  | <b>(317)</b>        | <b>4,790</b>                 | <b>2.7%</b>                       |
| Fragrance & Beauty          | 2,088                        | 94                                        | 2,182                                       | 4.5%                                                | 176                                         | (159)               | 2,199                        | 5.3%                              |
| Taste & Wellbeing           | 2,576                        | 79                                        | 2,655                                       | 3.1%                                                | 94                                          | (158)               | 2,591                        | 0.6%                              |

#### a. Acquisition impact (net)

in millions of Swiss francs

| Acquired Company                      | Sales included from | Group      | Fragrance<br>&<br>Beauty | Taste<br>&<br>Wellbeing |
|---------------------------------------|---------------------|------------|--------------------------|-------------------------|
| Albert Vieille                        | May 2019            | 5          | 5                        |                         |
| Golden Frog                           | September 2019      | 8          |                          | 8                       |
| Drom                                  | September 2019      | 83         | 83                       |                         |
| Fragrance Oils                        | September 2019      | 42         | 42                       |                         |
| Ungerer                               | February 2020       | 147        | 46                       | 101                     |
| Discontinued and<br>disposed business |                     | (15)       |                          | (15)                    |
| <b>Total</b>                          |                     | <b>270</b> | <b>176</b>               | <b>94</b>               |

### Sales July to September

| in millions of Swiss francs | 2019<br>Sales<br>as reported | Like-for-like<br>development <sup>1</sup> | 2020<br>Sales<br>like-for-like <sup>1</sup> | Change %<br>on like-for-<br>like basis <sup>1</sup> | Acquisition<br>impact | Currency<br>effects | 2020<br>Sales<br>as reported | Change<br>%<br>in Swiss<br>francs |
|-----------------------------|------------------------------|-------------------------------------------|---------------------------------------------|-----------------------------------------------------|-----------------------|---------------------|------------------------------|-----------------------------------|
| <b>Group</b>                | <b>1,570</b>                 | <b>48</b>                                 | <b>1,618</b>                                | <b>3.1%</b>                                         | <b>76</b>             | <b>(125)</b>        | <b>1,569</b>                 | <b>0.0%</b>                       |
| Fragrance & Beauty          | 727                          | 32                                        | 759                                         | 4.4%                                                | 49                    | (65)                | 743                          | 2.3%                              |
| Taste & Wellbeing           | 843                          | 16                                        | 859                                         | 1.9%                                                | 27                    | (60)                | 826                          | -2.1%                             |

### Sales evolution by market – January to September

| in millions of Swiss francs | 2019<br>Sales<br>as reported | Like-for-like<br>development <sup>1</sup> | 2020<br>Sales<br>like-for-like <sup>1</sup> | Change %<br>on like-for-<br>like basis <sup>1</sup> | Acquisition<br>impact | Currency<br>effects | 2020<br>Sales<br>as reported | Change<br>%<br>in Swiss<br>francs |
|-----------------------------|------------------------------|-------------------------------------------|---------------------------------------------|-----------------------------------------------------|-----------------------|---------------------|------------------------------|-----------------------------------|
| Mature markets              | 2,693                        | 20                                        | 2,713                                       | 0.8%                                                | 178                   | (114)               | 2,777                        | 3.1%                              |
| High growth<br>markets      | 1,971                        | 153                                       | 2,124                                       | 7.8%                                                | 92                    | (203)               | 2,013                        | 2.1%                              |



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### Sales evolution by region – January to September

| in millions of Swiss francs | 2019<br>Sales<br>as reported | 2020<br>Sales<br>as reported | Change %<br>on like-for-like basis <sup>1</sup> | Change %<br>in Swiss francs |
|-----------------------------|------------------------------|------------------------------|-------------------------------------------------|-----------------------------|
| LATAM                       | 518                          | 504                          | 16.4%                                           | -2.6%                       |
| APAC                        | 1,210                        | 1,216                        | 2.1%                                            | 0.5%                        |
| NA                          | 1,264                        | 1,356                        | 4.6%                                            | 7.3%                        |
| EAME                        | 1,672                        | 1,714                        | 0.3%                                            | 2.5%                        |

### Givaudan Fragrance & Beauty

Fragrance & Beauty sales were CHF 2,199 million for the first nine months of 2020, an increase of 4.5% on a like-for-like<sup>1</sup> basis and an increase of 5.3% in Swiss francs over 2019.

Sales growth was driven by the particularly strong volume growth of the consumer products business unit and the improving performance of Fine Fragrances in the third quarter.

Total sales of Fragrance Compounds (Fine Fragrances and Consumer Products combined) increased by 5.1% on a like-for-like<sup>1</sup> basis. In Swiss francs, sales of compounds increased by 5.5% to CHF 1,894 million from CHF 1,796 million in 2019.

#### Fine Fragrances

Fine Fragrance sales decreased by 11.3% on a like-for-like<sup>1</sup> basis against strong comparable of 8.0% growth in 2019, with the results continuing to be impacted by the COVID-19 pandemic.

On a regional basis, sales in Western Europe were negatively impacted by the overall slowdown in demand from Prestige Brands due to the restrictions on retail and travel retail activities, whilst in North America there were positive signs of a recovery in the third quarter as consumers started to regain access to retail channels. In the high growth markets, double-digit sales growth in Latin America contributed to the high single-digit growth performance overall.

#### Consumer Products

Consumer Products sales increased by 9.9% on a like-for-like<sup>1</sup> basis against a strong comparable growth of 8.6% in 2019, thanks to continuing strong demand for household, health and personal care products related to COVID-19. This excellent growth was achieved in both high growth and mature markets and across all regions and customer groups.

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



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

### **Fragrance Ingredients and Active Beauty**

Sales of Fragrance Ingredients and Active Beauty increased by 0.8% on a like-for-like<sup>1</sup> basis, against strong comparable growth of 9.3% in 2019. Active Beauty performed relatively well in difficult market conditions related to COVID-19, with a minimal sales reduction thanks to its well balanced portfolio of products and customers. Fragrance Ingredients delivered moderate single digit growth driven by local and regional customers.

### **Givaudan Taste & Wellbeing**

Taste & Wellbeing sales were CHF 2,591 million for the first nine months of 2020, an increase of 3.1% on a like-for-like<sup>1</sup> basis and an increase of 0.6% in Swiss francs over 2019.

The sales performance was driven by both new wins and existing products, with good business momentum sustained across all regions, despite the continuing impact of the COVID-19 pandemic affecting all regions. 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.

Linked to the COVID-19 pandemic, Givaudan Taste & Wellbeing experienced a continued shift in demand from foodservice and alcoholic beverages into higher demand for existing products in categories such as immunity products, juice based beverages, culinary solutions, nutritional bars, savoury and snacks.

From a segment perspective Beverages, Dairy, Savoury and Snacks all contributed to the positive sales performance driven by increased demand for traditional centre of the store foods.

### **Asia Pacific**

Sales in Asia Pacific decreased slightly by 0.2% on a like-for-like<sup>1</sup> basis, against a comparable growth of 6.7% in 2019. In the high growth markets, China delivered strong double-digit performance, followed by solid single-digit growth in Thailand and the Philippines, whilst the markets in India, Indonesia and Malaysia were strongly impacted by the COVID-19 crisis. In the mature markets, Korea delivered strong single-digit growth, offset by more challenging conditions in Singapore and Oceania linked to COVID-19.

### **Europe, Africa and the Middle East**

Sales in Europe, Africa and the Middle East increased by 2.0% on a like-for-like<sup>1</sup> basis. The mature markets of France, Germany, Benelux and Northern Europe all achieved good single-digit growth. In the high growth markets, there was excellent business momentum driven by double-digit growth in Russia and Turkey, as well as in the Maghreb and North Africa/Levant sub-regions.

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



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## **North America**

Sales in North America increased by 4.6% on a like-for-like<sup>1</sup> basis driven by the strong performance of global as well as local and regional customers. The performance was a result of new wins and strong growth of existing business in Beverages, Snacks and Sweet Goods.

## **Latin America**

Sales in Latin America increased by 10.0% on a like-for-like<sup>1</sup> basis against a strong comparable growth of 19.7% in 2019. The growth was led by strong double-digit growth in Brazil and Argentina and good single-digit growth in Colombia, Chile and Mexico.

The growth was led by the segments of Beverages, Dairy and Savoury.

## **NOTES**

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

<sup>2</sup> Free Cash Flow (FCF) refers to operating cash flow after net investments, interest paid and lease payments.

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