2020 Full Year Results

Excellent Financial Performance
2020 Strategy delivered

29/01/2021

Givaudan

engage your senses

Gilles Andrier

Chief Executive Officer

2020 Full year results
Performance highlights

- Sales of CHF 6.3 billion, up 4.0% on a like-for-like* basis and 1.9% in Swiss francs
- EBITDA of CHF 1,397 million, an increase of 9.6%; comparable EBITDA margin of 22.8% up from 21.5% in 2019
- Free cash flow of CHF 811 million or 12.8% of sales
- Proposed dividend of CHF 64.00 per share, up 3.2% year-on-year
- Successful delivery of 2020 guidance; Over the five year period 2016-2020:
  - Average like-for-like sales growth of 4.9%
  - Average free cash flow of 12.6%

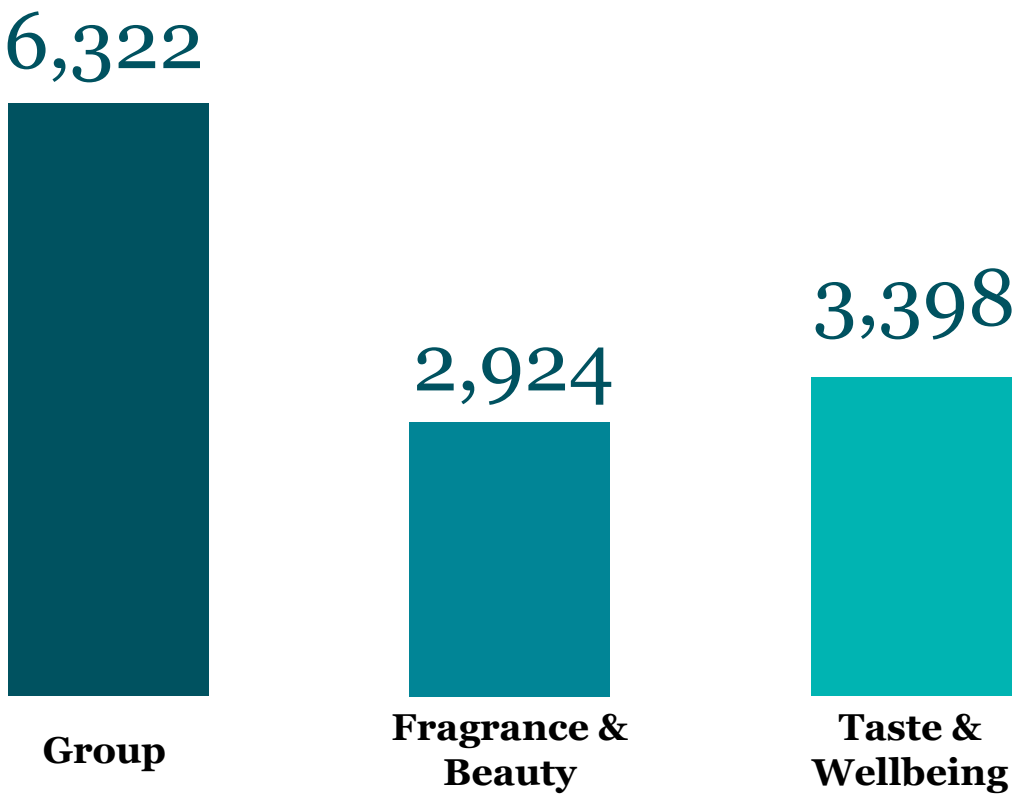
"I am very pleased that in an unprecedented environment related to COVID-19, we have been able to deliver such a strong financial performance in 2020, as well as successfully delivering on all of our ambitious targets in relation to our 2016-2020 strategy."

* Like-for-like: excludes the impact of currency, acquisitions and disposals

Sales performance

Good growth in both divisions

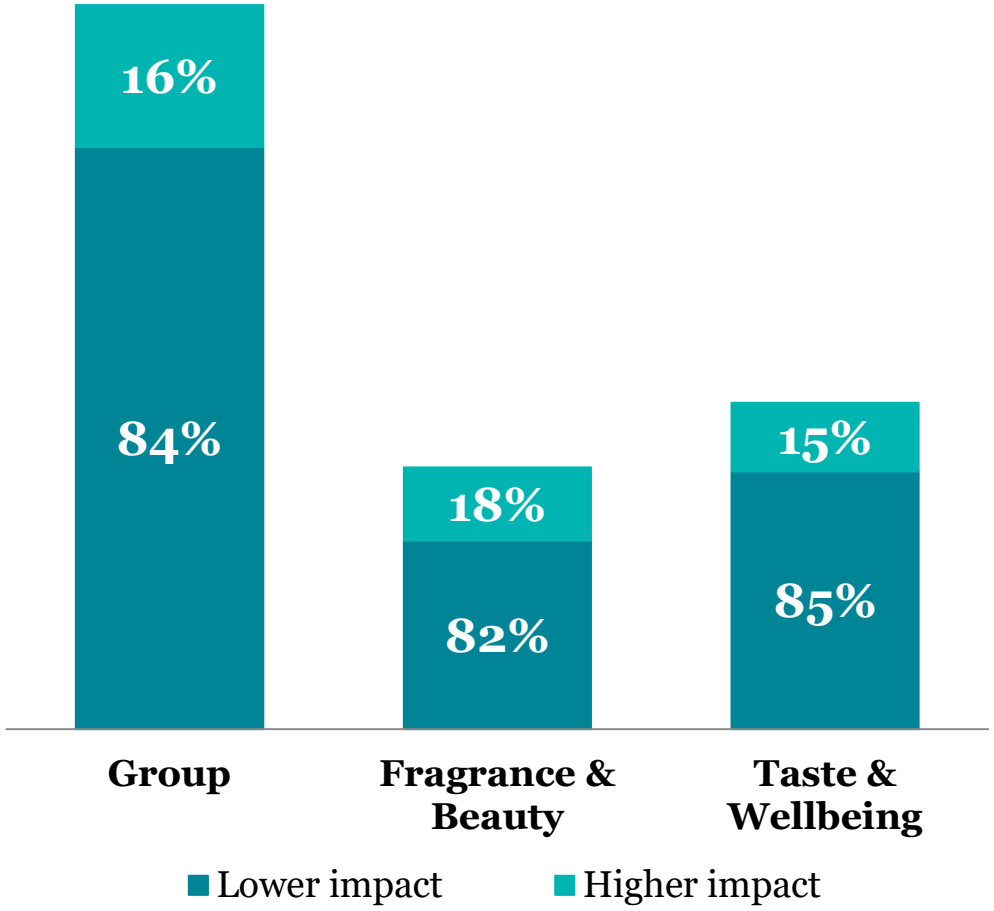
in million CHF



	Group	Fragrance & Beauty	Taste & Wellbeing
% 2020 growth on LFL* basis	4.0%	5.4%	2.8%
% 2020 growth in CHF	1.9%	4.5%	-0.2%

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

Sales portfolio performance
Covid-19 impact analysis



Lower impacted business LFL* growth 2020

	Q1	Q2	Q3	Q4	FY
Group	7.5%	11.7%	5.6%	6.0%	7.7%
F&B	7.5%	12.7%	6.0%	6.6%	8.2%
T&W	7.6%	11.1%	5.4%	5.5%	7.4%

Higher impacted business LFL* growth 2020

	Q1	Q2	Q3	Q4	FY
Group	-4.4%	-39.0%	-9.7%	-4.1%	-14.7%
F&B	1.9%	-35.3%	-1.9%	12.2%	-6.0%
T&W	-10.8%	-42.2%	-18.2%	-19.1%	-23.0%

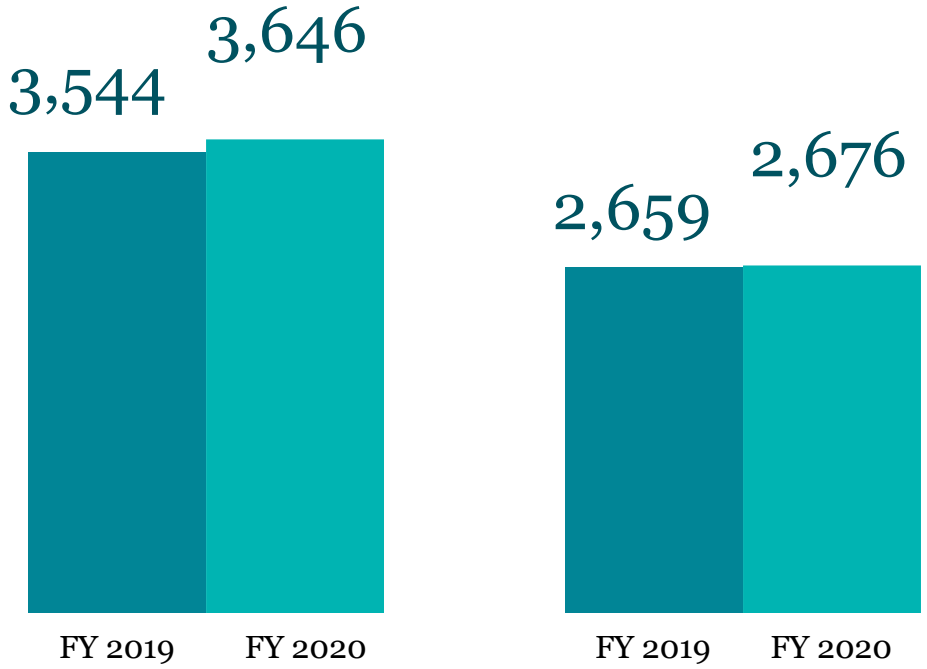
* LFL (like-for-like) excludes the impact of currency, acquisitions and disposals

** Portfolio structure based on 2019 actual results

Sales evolution by market

Strong performance from high growth markets

in million CHF



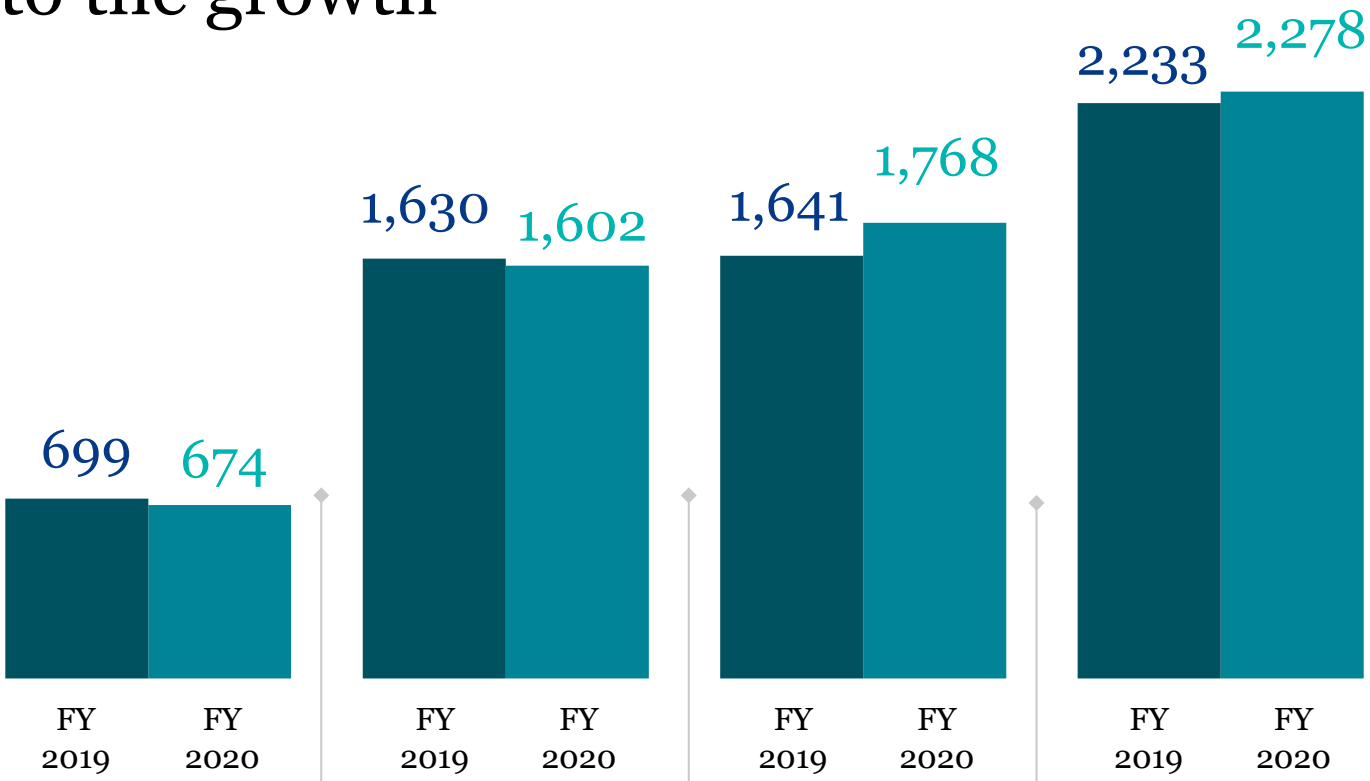
	Mature		High growth	
% of total sales	57%	58%	43%	42%
% 2020 growth on LFL* basis	1.5%		7.4%	

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

Sales evolution by region

All regions contributing to the growth

in million CHF



	LATAM	APAC	NOAM	EAME
% 2020 growth on LFL* basis	17.6%	0.6%	5.7%	1.1%
% 2020 growth in CHF	-2.3%	-1.9%	7.2%	2.1%

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

Sales performance

Fragrance & Beauty

Fine Fragrance decreased 6.0% LFL*

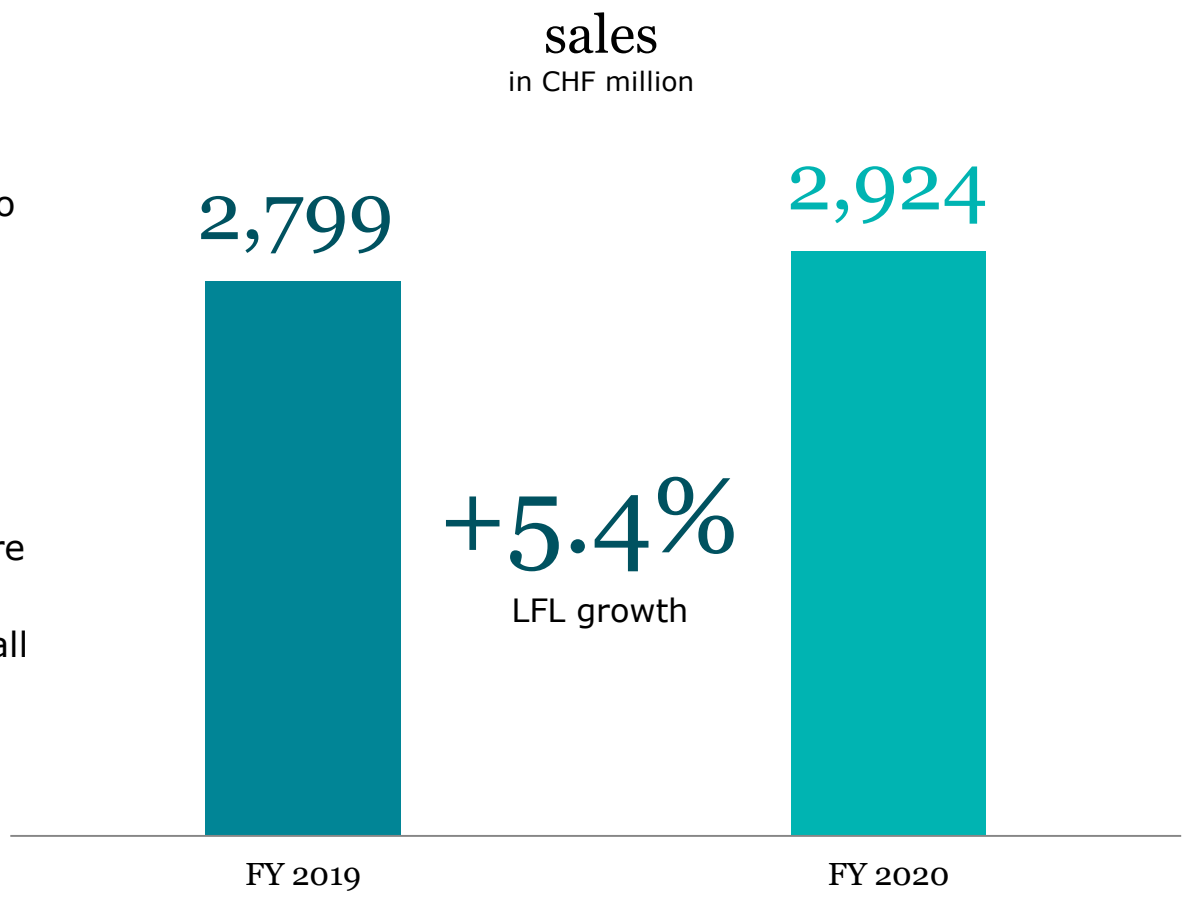
- Strong impact of COVID-19 due to restricted retail and travel retail activity in major fine fragrance markets
- Good growth of 4.2% in the second half of 2020, compared to the same period in 2019
- Specialty retail, e-commerce & direct selling channels supported improved second half results

Consumer Products grew 9.2% LFL*

- Strong sales growth against comparable growth of 7.8% in 2019
- Increased consumption of household, health and personal care products
- Growth in both high growth and mature markets and across all customer groups and regions

Fragrance Ingredients and Active Beauty increased by 2.5% LFL*

- Active Beauty performed well in difficult market conditions related to COVID-19 and delivered low single digit growth



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

Sales performance
Taste & Wellbeing

Asia Pacific decreased 1.0% LFL*

- Double-digit growth in China was offset by Indonesia and India, which were strongly impacted by COVID-19
- Weaker performance in mature markets of Japan and Oceania, also related to COVID-19

EAME increased 2.0% LFL*

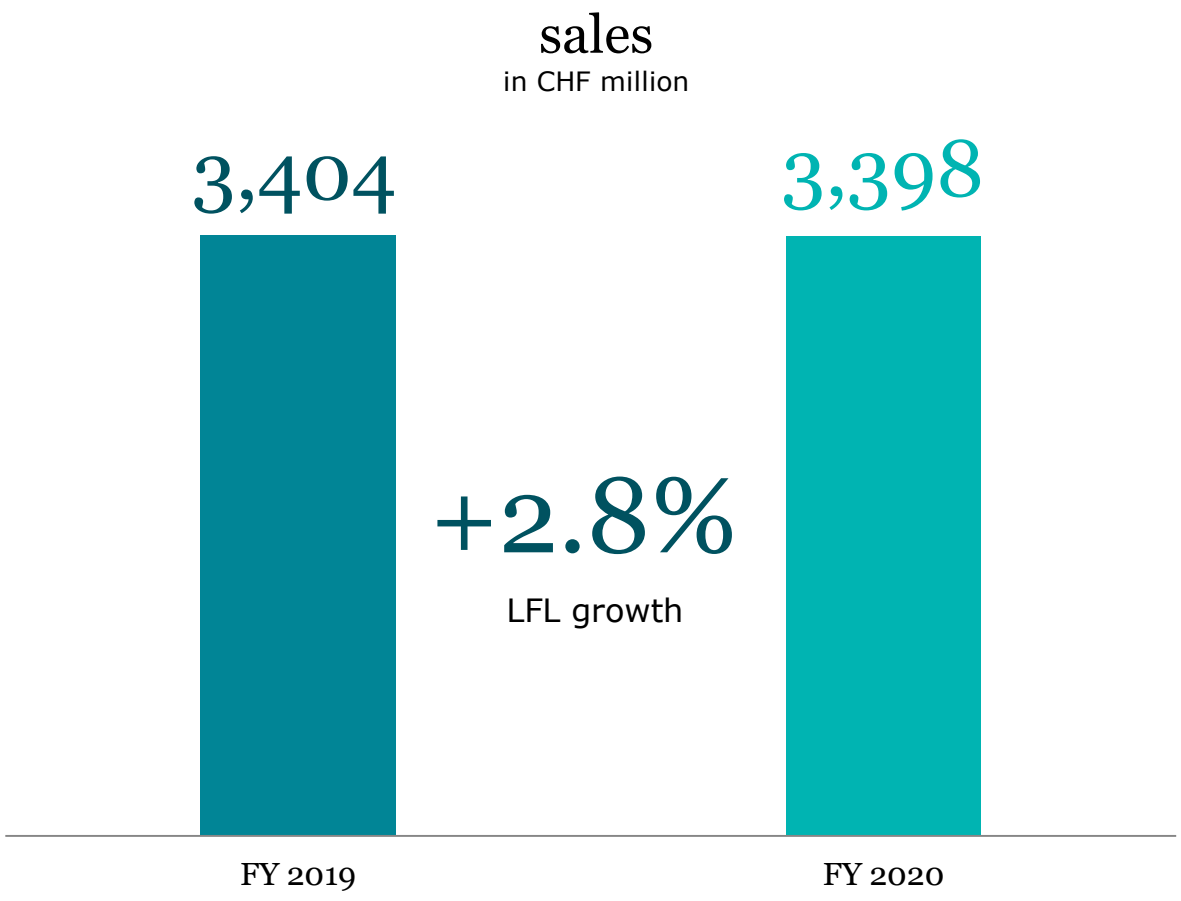
- Double-digit growth in Russia, Turkey, Maghreb and Egypt
- In the mature markets good single-digit growth in France, Germany, Benelux and Northern Europe

North America increased 4.3% LFL*

- Good performance in all customer segments and in Beverages, Immunity Products, Snacks and Sweet Goods

Latin America increased 10.7% LFL*

- Double-digit growth in Brazil and Argentina
- Growth driven by the segments of Dairy, Beverages, Savoury and Sweet Goods



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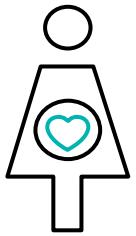
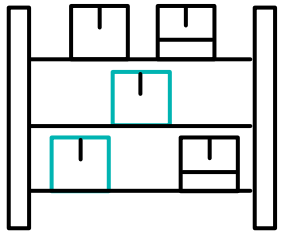
COVID-19

Givaudan's focus throughout the crisis



1.

Protecting and supporting our employees, be it on-site or those working from home



2.

Meeting the demands of our customers, particularly for those products which support consumers throughout the pandemic

3.

Taking care of the communities in which we operate

Tom Hallam

Chief Financial Officer

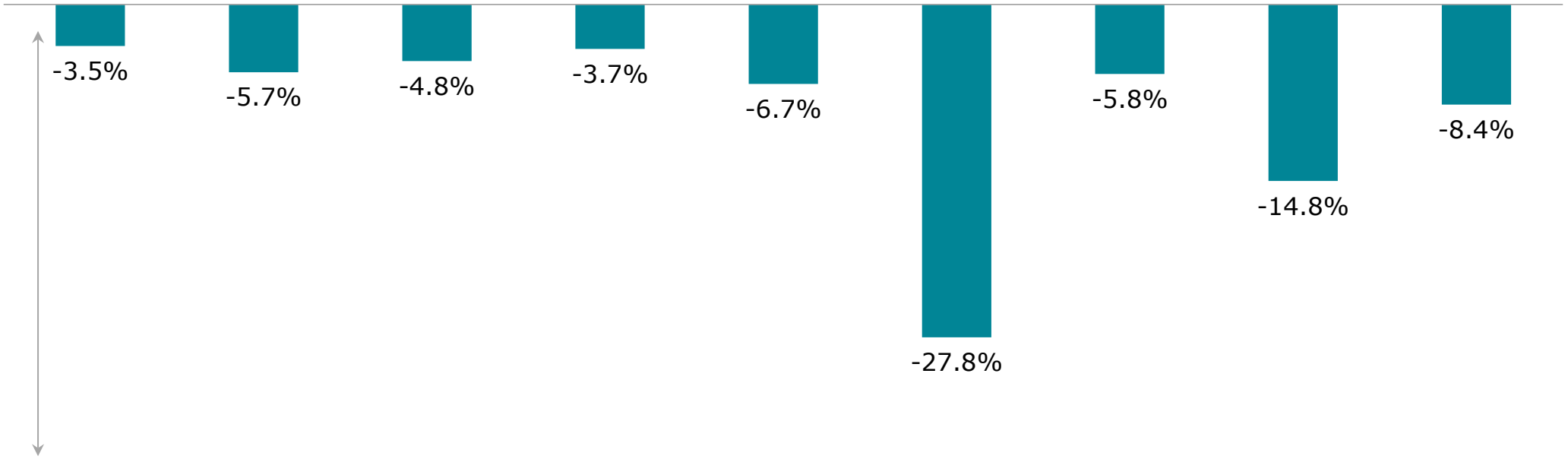
2020 Full year results
Performance highlights

- Sales of CHF 6,322 million, up 4.0% on a like-for-like* basis and 1.9% in Swiss francs
- EBITDA of CHF 1,397 million compared to CHF 1,275 million in 2019, an increase of 9.6%
- Reported EBITDA margin of 22.1% compared to 20.6% in 2019, with the underlying margin at 22.8% versus 21.5% in 2019
- Net income of CHF 743 million, up 5.8% year-on-year
- Operating cash flow of CHF 1,133 million; free cash flow of 12.8% of sales
- Net debt to EBITDA of 2.9x, the same level as 2019 and down from 3.4x in June 2020

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

2020 Full year results

Exchange rate development



	JPY	USD	GBP	EUR	SGD	BRL	CNY	MXN	IDR
FY 2020	0.88	0.94	1.21	1.07	0.68	0.18	0.14	0.04	0.64
FY 2019	0.91	0.99	1.27	1.11	0.73	0.25	0.14	0.05	0.70

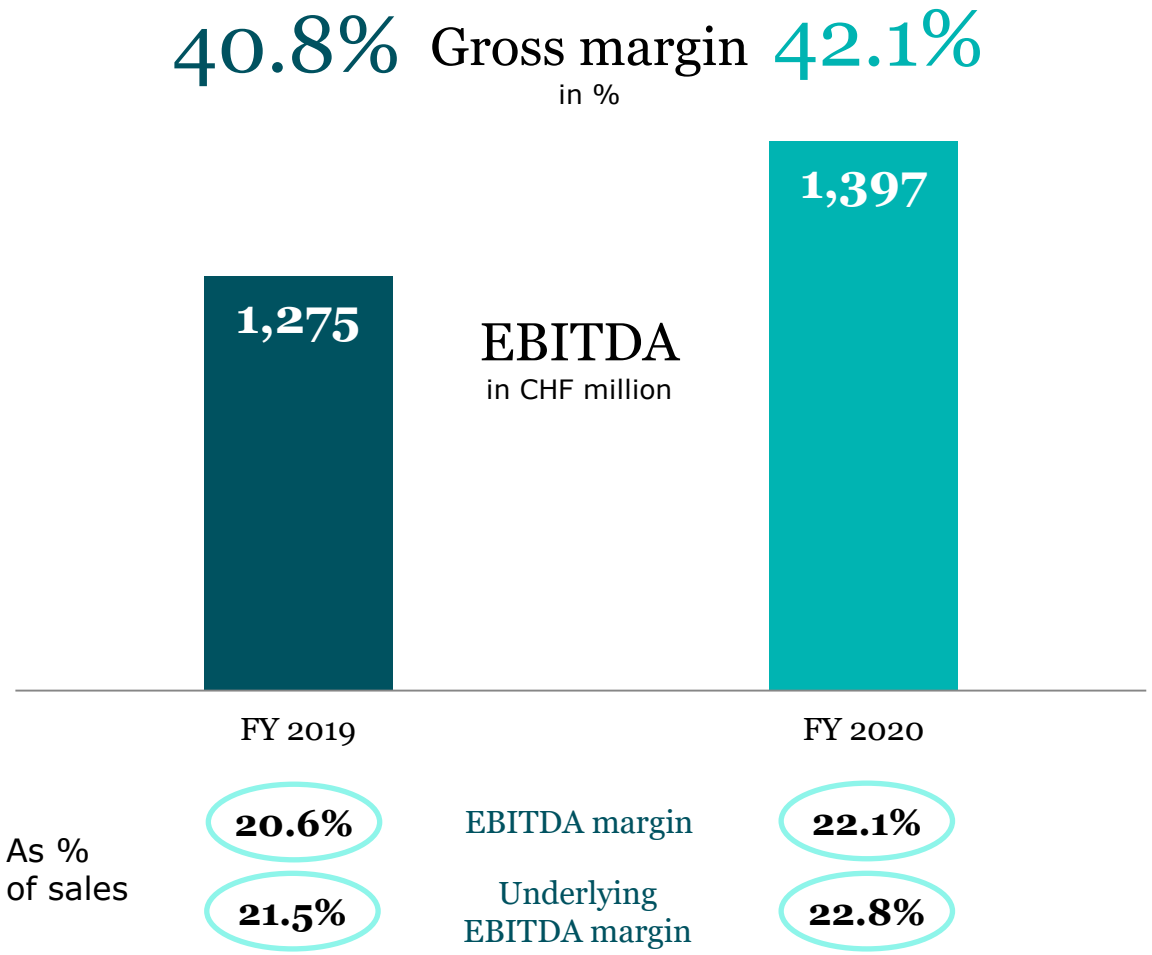
Operating performance

Sales of CHF 6,322 million, an increase of 4.0% on a like-for-like basis* and 1.9% in Swiss francs

Gross margin of 42.1%, compared to 40.8% in 2019, as a result of continued productivity gains, improved contribution of acquired companies, GBS savings and cost discipline

EBITDA of CHF 1,397 million compared to CHF 1,275 million in 2019. Acquisition and restructuring costs of CHF 39 million, compared to CHF 25 million in 2019. Impact of costs for GBS project of CHF 6 million in 2020, compared with CHF 31 million in 2019

EBITDA margin of 22.1% compared to 20.6% in 2019, with the underlying margin at 22.8% versus 21.5% in 2019



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

Operating performance

Fragrance & Beauty

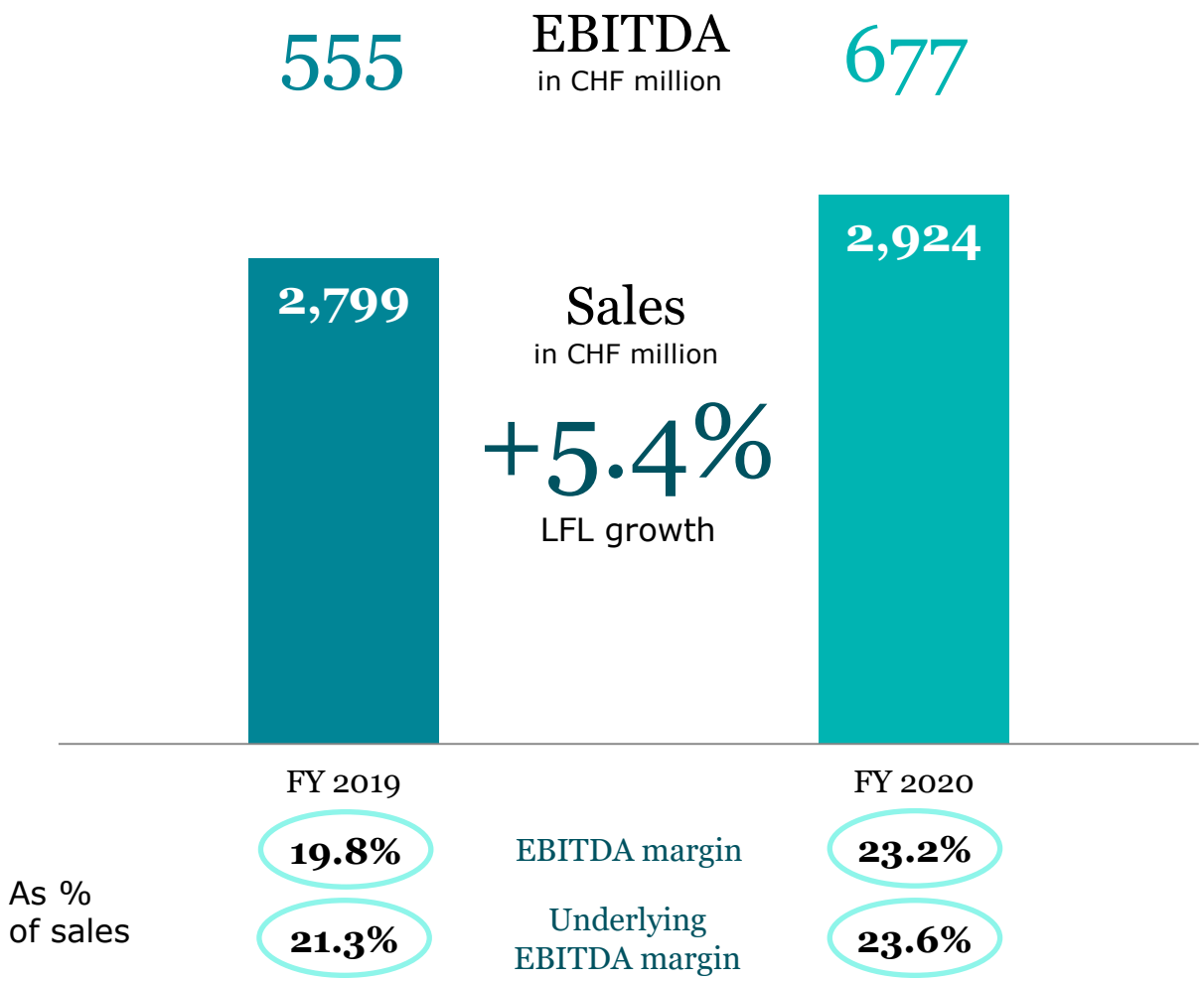
Sales of CHF 2,924 million, an increase of 5.4% on a like-for-like basis* and 4.5% in Swiss francs

EBITDA of CHF 677 million, increased from CHF 555 million in 2019

GBS costs of CHF 6 million, compared with CHF 31 million in 2019 and acquisition and restructuring costs of CHF 7 million, compared to CHF 11 million in 2019

EBITDA margin of 23.2% compared to 19.8% in 2019, with the underlying EBITDA margin at 23.6% versus 21.3% in 2019.

The increase was mainly driven by higher sales, the contribution and synergies of the recent acquisitions, as well as reduced operating expenses



Operating performance

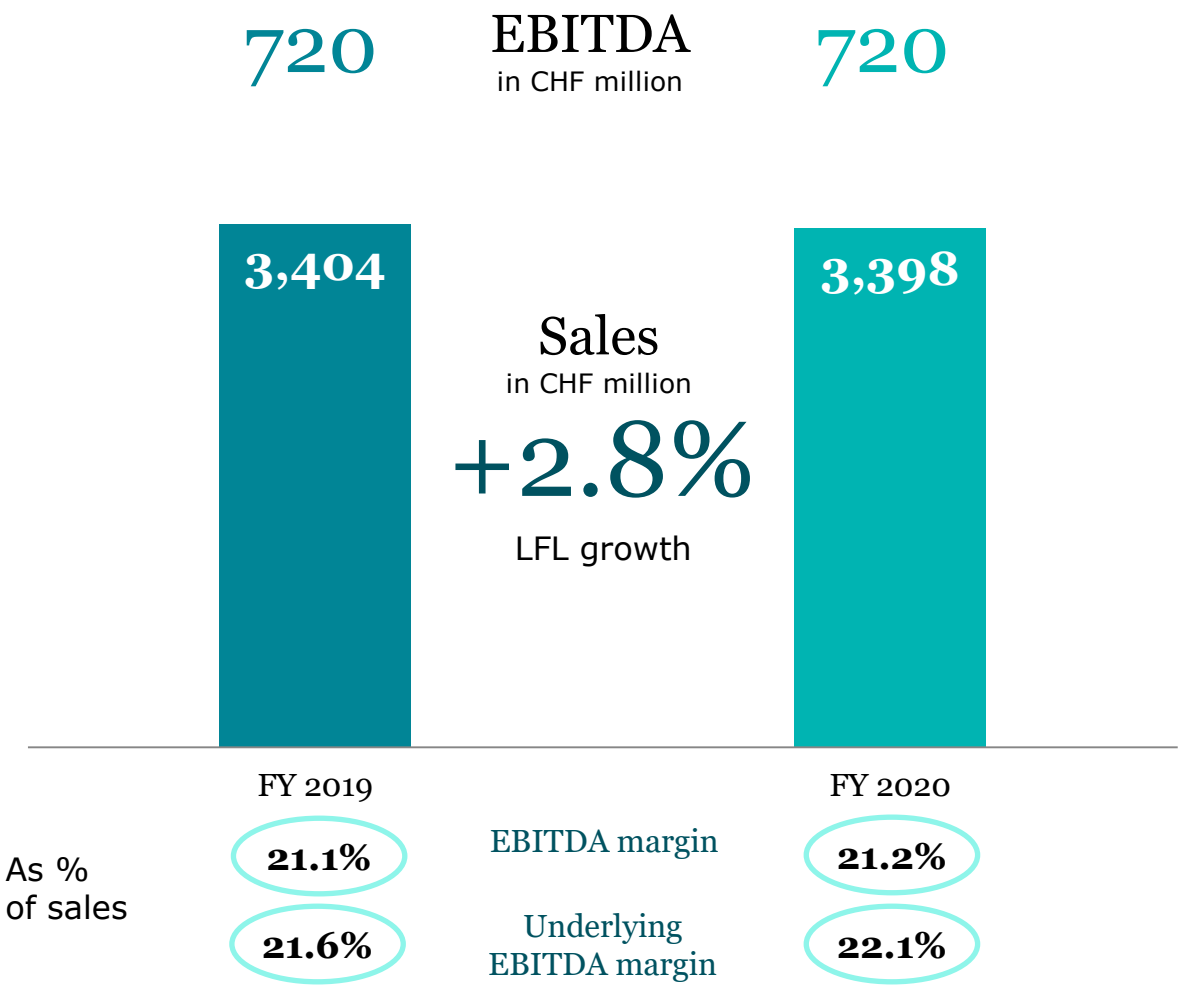
Taste & Wellbeing

Sales of CHF 3,398 million, an increase of 2.8% on a like-for-like basis* and a decrease of 0.2% in Swiss francs

EBITDA of CHF 720 million, flat compared to last year

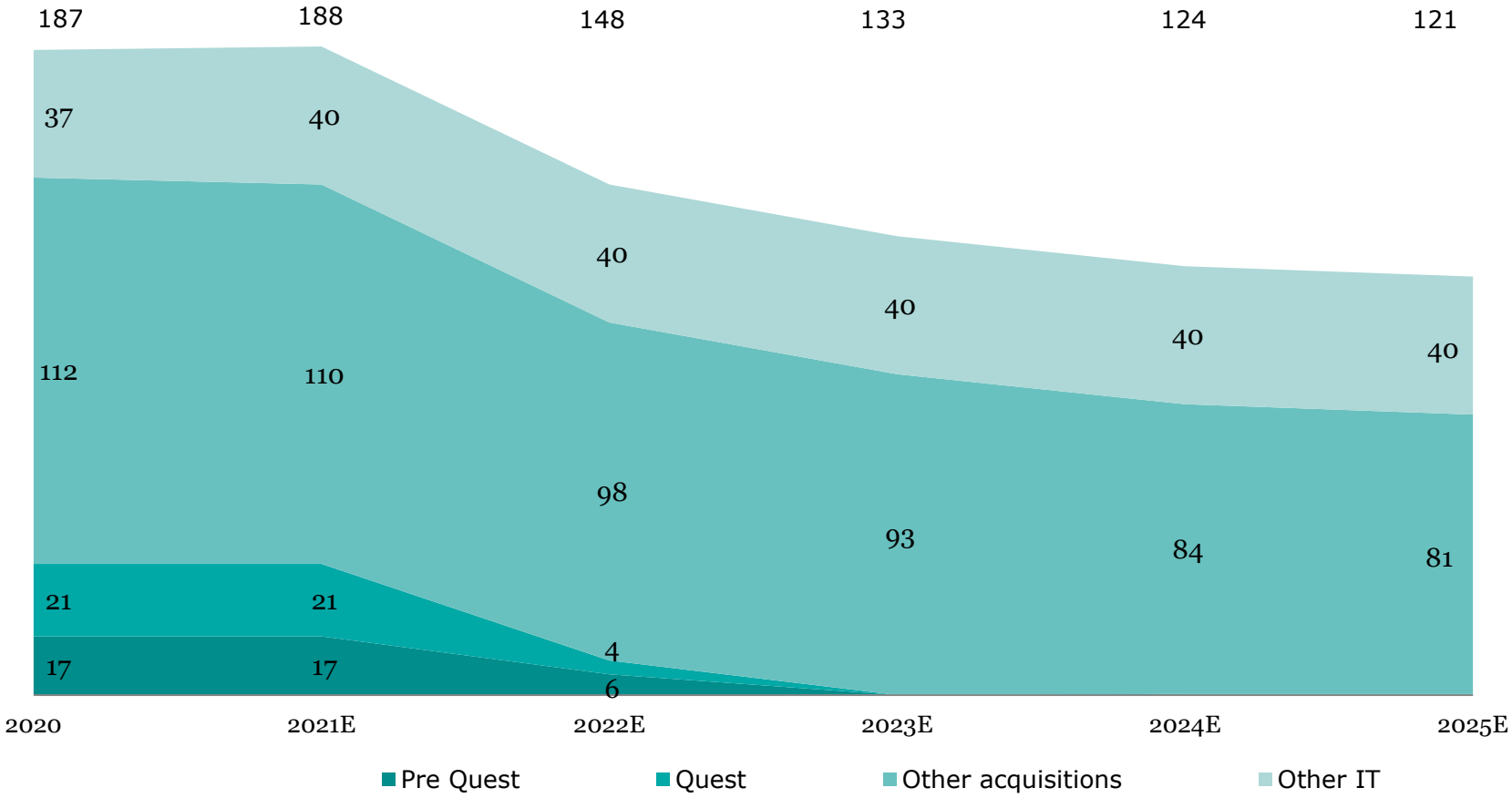
Acquisition and restructuring costs of CHF 32 million, compared to CHF 14 million in 2019, largely related to the integration of the recently acquired companies and ongoing optimisation of the footprint

EBITDA margin of 21.2% compared to 21.1% in 2019. The underlying EBITDA margin was 22.1% versus 21.6% in 2019



Amortisation of intangible assets

Total annual amortisation charge (in million CHF, estimated)



Updated to include all recent acquisitions

Net income

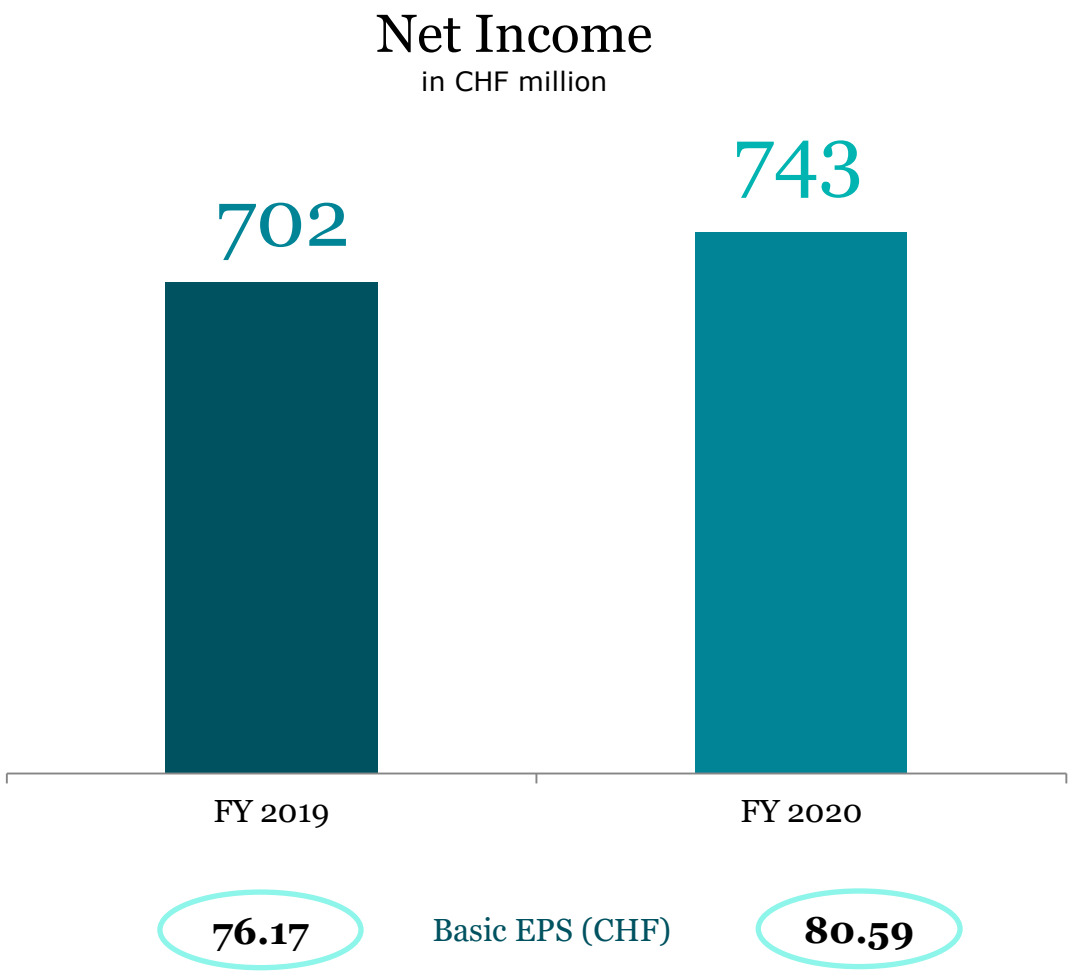
11.8% of sales

Income before tax of CHF 876 million compared to CHF 808 million in 2019

Net income of CHF 743 million, or 11.8% of sales, versus CHF 702 million, or 11.3% of sales in 2019

Effective tax rate of 15%, compared to 13% in 2019, temporarily higher due to the impact of the recently acquired companies

Basic EPS of CHF 80.59 per share, versus CHF 76.17 in 2019



Free cash flow

Sustained underlying performance

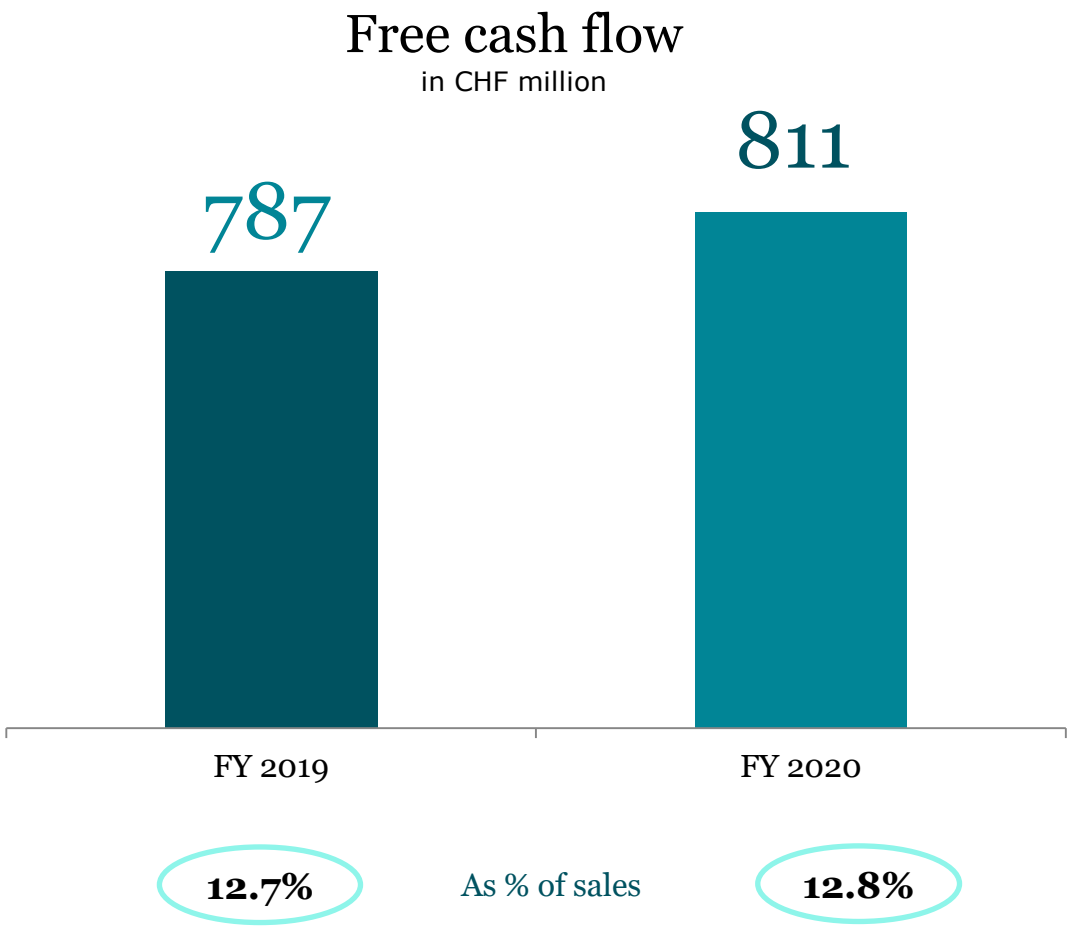
Free cash flow of CHF 811 million, compared to CHF 787 million in 2019. Free cash flow is 12.8% of sales compared to 12.7% in 2019.

Average Free cash flow over the 2016-2020 strategy period of 12.6%

Operating cash flow of CHF 1,133 million, compared to CHF 1,136 million in 2019

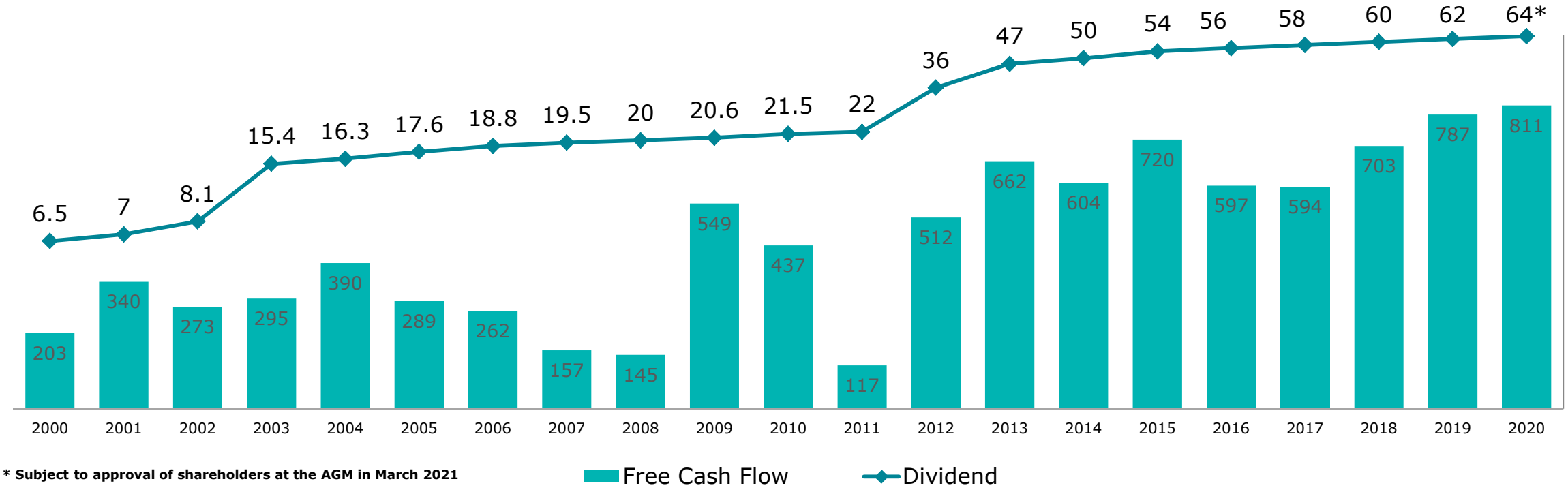
Total net investments of CHF 217 million, or 3.4% of sales, as the Group continues to invest in growth and information systems. The net investments in 2019 were 4% of sales, or 5.1% excluding the impact of the ZIC transaction

Net Working capital of 24.4% of sales compared to 24.0% in 2019



Dividend per share

Increasing 3.2% over 2019



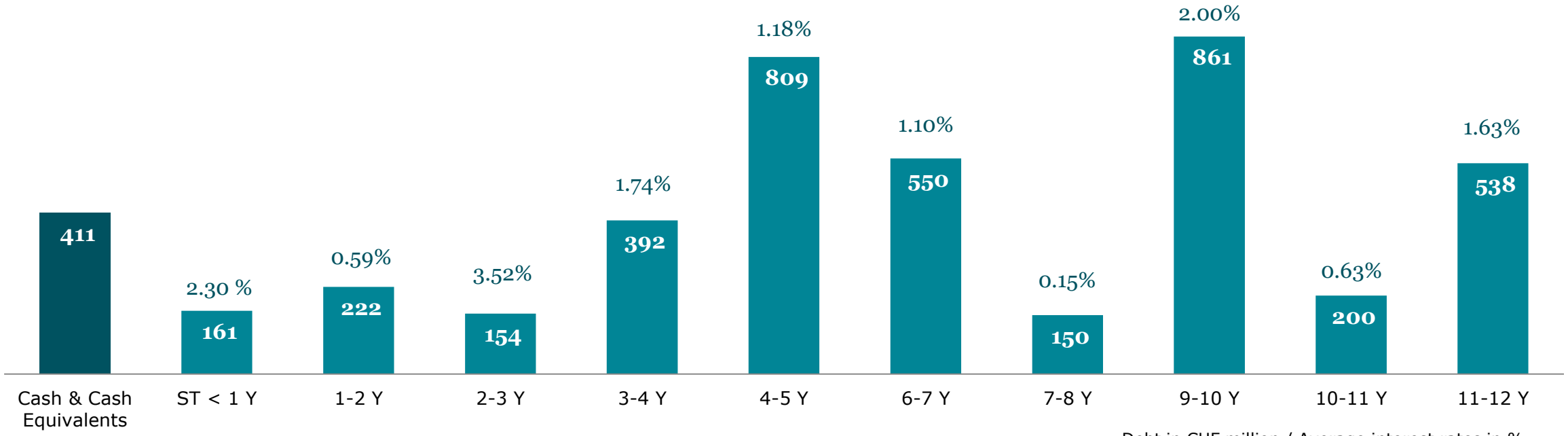
*** Subject to approval of shareholders at the AGM in March 2021**

Balanced debt structure

Debt maturities and average borrowing rates

In April 2020 Givaudan issued two new bonds for a total of EUR 1,000 million carrying respectively a maturity of 7 years (EUR 500M) and 12 years (EUR 500M). In November 2020 Givaudan issued a Swiss franc bond of CHF 150 million with an 8 year maturity.

The weighted average effective interest rate for the Group is 1.49%.



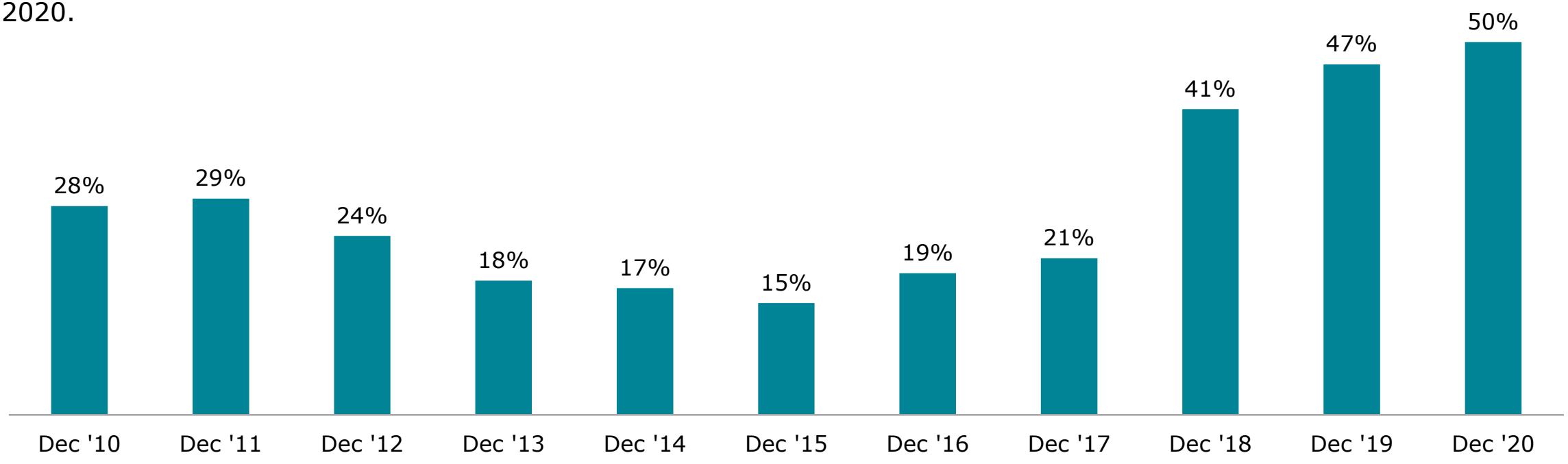
Debt in CHF million / Average interest rates in %

Leverage ratio and Net debt to EBITDA

Increase related to the Ungerer acquisition

Leverage ratio of 50% as at December 2020 compared to 47% in 2019. The increase is largely driven by currency impacts on the CTA in Equity and the acquisition of Ungerer in February 2020.

The net debt to EBITDA as at December 2020 was 2.9x, flat compared to December 2019 and down from 3.4x in June 2020.



Gilles Andrier

Chief Executive Officer

Strategy 2020

Responsible growth. Shared success.

Growing with our customers

4-5%

Average organic sales growth*

4.9%

2016-2020

Delivering with excellence

12-17%

Average free cash flow as % of sales*

12.6%

2016-2020

Partnering for shared success

Partner of choice

Creating additional value through 16 acquisitions since 2014

CHF 1.5 bn annualised revenue contribution from companies acquired since 2014

Intention to maintain current dividend practice as part of this ambition

- Dividend increased y.o.y every year since Givaudan was listed in 2000

* Over the five-year period 2016-2020

Value creation through acquisitions

Expanding our portfolio

Naturals
Spicetec
Activ International
Vika
Centroflora Nutra
Naturex
Albert Vieille
Golden Frog
Ungerer
Indena

Local and regional customers
Naturex
Expressions Parfumées
drom
Fragrance Oils
Ungerer

Active Beauty
Soliance
Induchem
Naturex
AMSilk
Indena
Alderys

Integrated Solutions
Spicetec
Vika
Activ International

Ingredients
Ungerer
Albert Vieille

Strategy 2020 Successfully Delivered

Highlights of key achievements 2016-2020

Growing with our customers

High growth markets | Health and well-being | Consumer preferred products | Integrated solutions

Expanding product and customer portfolio for growth

Doubling sales in Naturals to close to CHF 2 billion

Achieving **No. 1 position in Fine Fragrance**

Building **CHF 100 million** businesses in **Active Beauty** and in **Plant based proteins**

Local & Regional customers accounting for **54% of Group Sales**

Delivering with excellence

Excellence in execution

Successful implementation of Givaudan Business Solutions (GBS) with benefits of CHF 60 million per annum

Integration of acquired companies & **improving financial performance**

Establishment of the **Givaudan Digital Factory** in Paris

Earned key sustainability recognitions, including CDP leadership scores & EcoVadis Gold Status

Partnering for shared success

Innovators | Suppliers | People | Communities

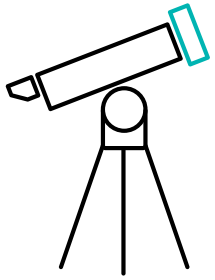
Strengthening global innovation ecosystem with opening of new flagship Innovation Centre in Zurich

Doubling of sales from innovation linked to external collaborations

Launch of **"Connect to win"** programme to accelerate innovation in partnership with suppliers

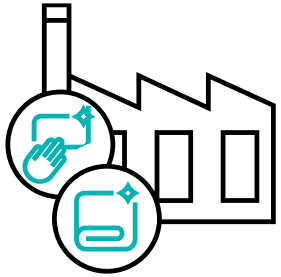
Strong improvement in **employee engagement and in safety performance**

2021 Outlook
Summary of the Key themes



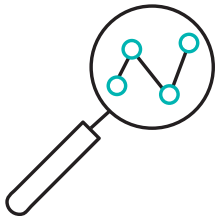
2021 Outlook

- Confident in our capabilities and the important role that we play in the global value chain for Food and Consumer Products
- Visibility remains short due to on-going impacts related to the COVID-19 pandemic
- Raw materials forecast to increase ~1% in the first half of 2021, with remaining uncertainty over the second half



Focus on Operations

- Protecting and supporting all Givaudan personnel
- Focus on maintaining operations and supply chain performance at high levels to support our customers
- Continued Cost discipline throughout the business



Key Initiatives

- Continued integration of acquired companies on to Givaudan's operating platform
- Integration costs of ~CHF 45 million in 2021
- Starting the implementation of the 2025 strategy

Strategy 2025

Committed to Growth, with Purpose

Creations
We create inspiring solutions for happier, healthier lives

Nature
We show our love for nature through impactful actions

People
We nurture a place where we all love to be and grow

Communities
We bring benefits to all communities that work with us

Excellence, Innovation & Simplicity - in everything we do

4-5% GROWTH **PURPOSE LINKED TARGETS** **>12% FCF**

Strategy 2025
Performance commitments

Sales growth

4.0 – 5.0%

2021 – 2025
Average Like for Like[1] Sales Growth

Free cash flow

>12% of Sales

2021 – 2025
Average FCF[2] as % of sales

Purpose commitments

Purpose linked targets

2021 – 2025
Progress towards all published purpose targets

1. 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

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

Q&A

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