Givaudan

Media Release

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2017 First quarter sales
Good start to the year

In the first three months of 2017, Givaudan recorded sales of CHF 1,242 million, an increase of 3.5% on a like-for-like basis, and 7.7% in Swiss francs compared to the previous year.

Givaudan started the year with good business momentum and with the project pipeline and win rates being sustained at a high level. This good growth was achieved against strong prior year comparables for the same period in 2016, particularly in the Fragrance Division. The Company continues to implement price increases in collaboration with its customers to compensate the increases in input costs.

The Company reaffirms its 2020 ambition to create further value through profitable, responsible growth. Building on the first year of this strategic cycle in 2016, Givaudan's 2020 ambition is built on the three strategic pillars of growing with its customers; delivering with excellence; and partnering for shared success.

Ambitious financial targets remain 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 strategic cycle. It is Givaudan's intention to maintain its current dividend practice as part of this ambition.

Sales January to March			Change %	
In million CHF	**2017**	**2016**	**in CHF**	**LFL***
Group sales	**1,242**	**1,152**	**7.7**	**3.5**
Fragrance sales	576	561	2.6	2.1
Flavour sales	666	591	12.6	4.8
Mature markets	**708**	**628**	**12.7**	**4.9**
High growth markets	**534**	**524**	**1.7**	**1.8**

* LFL: like-for-like

Fragrance Division

The Fragrance Division recorded sales of CHF 576 million, a growth of 2.1% on a like-for-like basis and an increase of 2.6% in Swiss francs.

Total sales of Fragrance compounds (Fine Fragrances and Consumer Products combined) increased by 2.7% on a like-for-like basis. In Swiss francs, sales of compounds increased by 3.4% to CHF 499 million in 2017 from CHF 483 million in 2016.

Fine Fragrance sales increased by 0.9% on a like–for–like basis against a high prior year comparable especially in North and Latin America. Strong gains in Western Europe, the Middle East and Asia, driven by a combination of new business and organic growth on the established portfolio, more than compensated for lower sales in North America and Latin America.

Consumer Products sales increased by 3.2% on a like-for-like basis against a high prior year comparable. The growth was delivered in both mature and high growth markets led by international customers.

Latin America increased sales, against last year's double-digit growth, driven by the performance of local and regional customers. Asia reported slightly lower sales versus the high prior year comparable. In Europe, Africa and Middle East, the sales increase was driven by solid performance spread across all sub-regions and main product segments. North America delivered double-digit growth in all customer groups and reported a strong increase in the home care segment, followed by personal care and oral care.

On a product segment basis, sales growth was led by a double-digit increase in the home care segment spread across all categories whilst personal care and oral care segments also contributed to the growth.

Sales of Fragrance Ingredients and Active Beauty decreased by 1.7% on a like-for-like basis. Overall sales of Fragrance Ingredients decreased, impacted by lower volume demand at the beginning of the year, whilst Active Beauty had a good start to the year with double-digit sales growth.

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Flavour Division

The Flavour Division reported sales of CHF 666 million, a growth of 4.8% on a like-for-like basis and an increase of 12.6% in Swiss francs. Including Spicetec, acquired in August 2016 and Activ International, acquired in January 2017, the growth was 14.1% in local currency.

The sales performance was driven by new wins and strong business momentum in North America, Europe and in the Middle East and Africa.

Asia Pacific grew more modestly due to slower sales momentum in China whilst Latin America experienced a decline against a strong comparable in 2016.

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

Sales in Asia Pacific increased by 2.0% on a like-for-like basis. South East Asia had good growth thanks to new wins and existing business expansion which was offset by slower growth in China and India. The mature markets continued to grow with a particularly strong performance in Oceania and Japan.

Sales in Europe, Africa and Middle East increased by 6.1% on a like-for-like basis. Double-digit growth in the high growth markets of Africa and Middle East and good growth in Russia and Turkey contributed to the performance in the region. In the mature markets of Western Europe, the division experienced positive sales development in the UK, Germany and France.

Sales in Latin America decreased 3.4% on a like-for-like basis against a high comparable for the same period in 2016. Good sales momentum in Argentina and Mexico was offset by the impact of the high prior year comparable in Brazil.

Sales in North America increased by 9.2% on a like-for-like basis. The strong growth, against a weaker comparable in 2016, was led by Dairy and Beverages as a result of new wins and growth of the existing business.

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

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