

# Investor presentation

## Responsible growth. Shared success.



Givaudan

engage your senses



Givaudan products

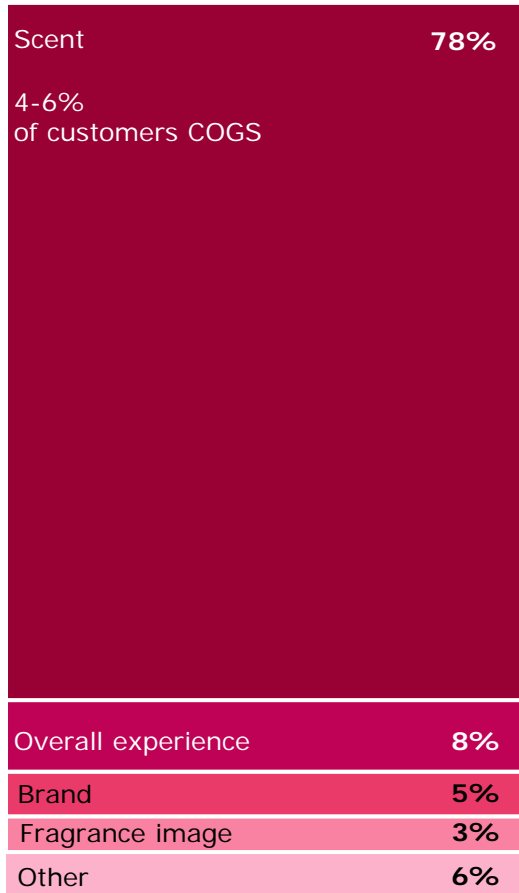
drive millions of consumer decisions every day!



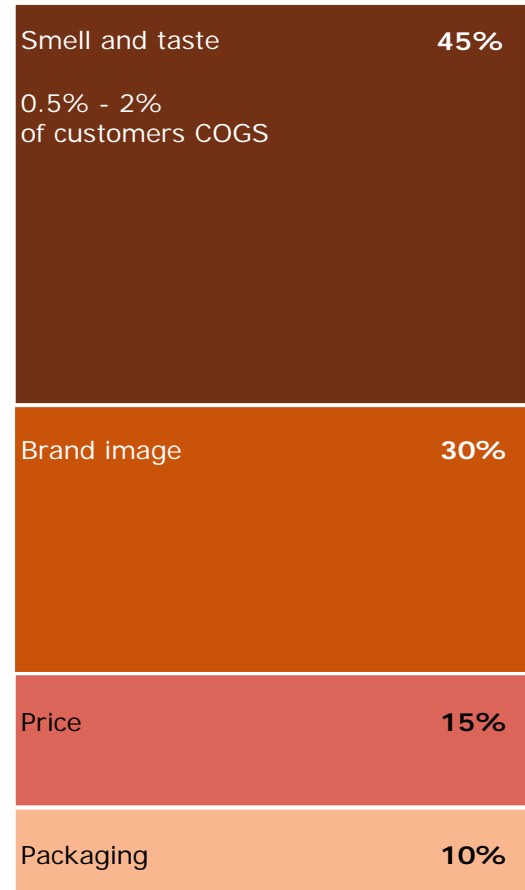
# Key drivers of consumer repurchase decisions

## The fragrance and flavour industry

### Fine Fragrances



### Flavours and Consumer Fragrances



Source: AC Nielsen (European) study



# The fragrance and flavour industry



# The fragrance and flavour industry

## End consumer markets

### Our customers

Multi-national | Regional | Local | Foodservice | Private label

The cost of flavours and fragrances to our customers is typically between 0.5 – 5% of their product cost



Food



Beverages



Fine Fragrances



Household



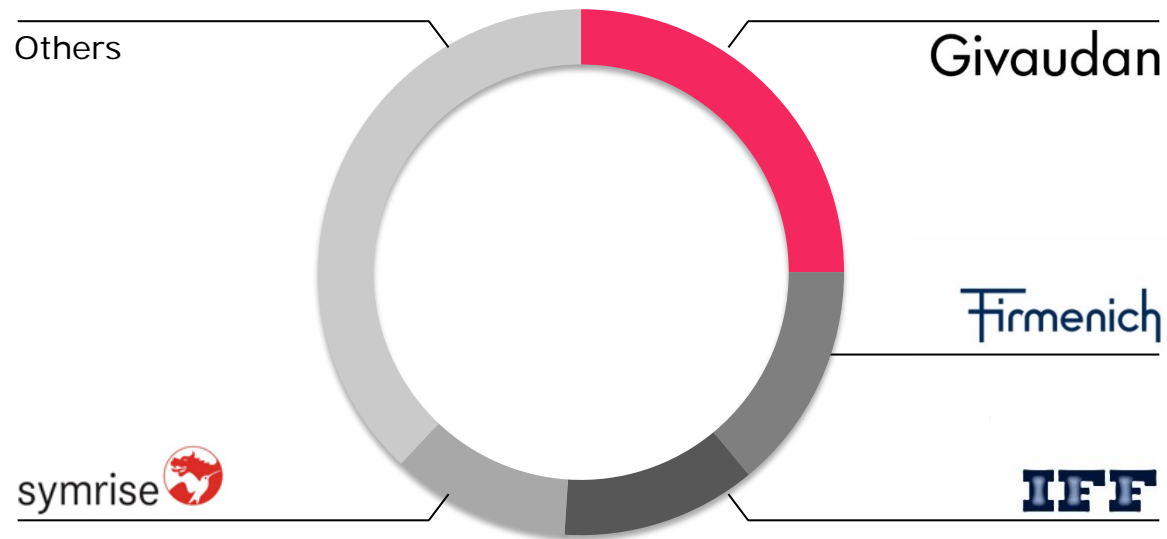
Personal care



Cosmetics

# The fragrance and flavour industry

## Total market is CHF 18–19 billion



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> Givaudan market share above 25%

# **‘How to win business’ model**

## **in a competitive bidding situation**

**Product life cycles are getting shorter – Our customers issue over 35,000 briefings per year:**

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- To a small number of Fragrance and Flavour houses (typically 2 – 4)
- The brief defines the targeted consumer group (region, socio-demographic) and cost
- As well as product and brand related information and requirements

**Our submissions draw on leading global market knowledge and capabilities**

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- Creation capability and our fragrance and flavour ingredients palette and technology
- State-of-the art evaluation and application process
- Consumer insight and local market understanding
- Regulatory compliance and advice

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**> Revenue stream over the life cycle of the customers’ product**

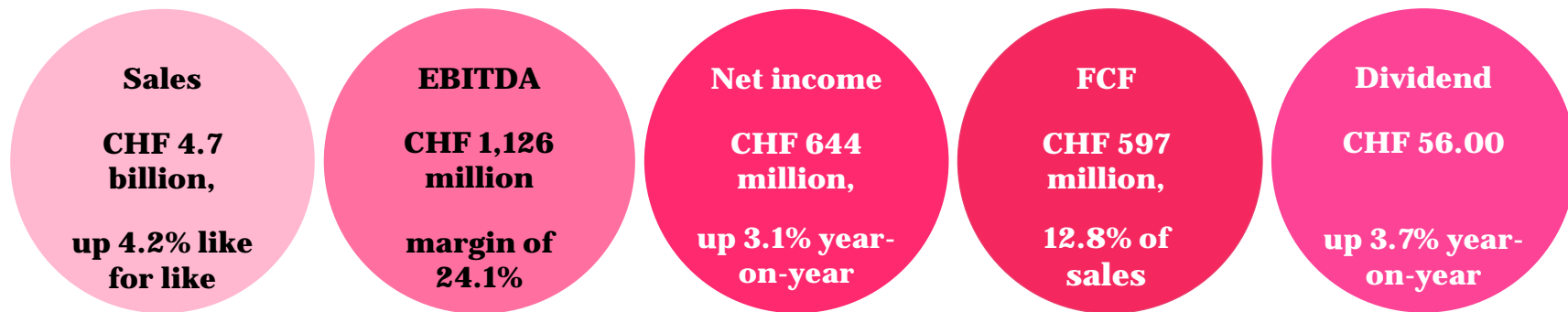
Where are we now?





# 2016 Full Year Results

Solid performance – in line with 2020 Guidance



# 2017 Half Year Results

## Performance highlights

- Sales of CHF 2,483 billion, up 2.3% on a like-for-like\* basis and 6.4% in Swiss Francs
- Project pipeline and win rates sustained at a high level
- EBITDA of CHF 597 million in 2017
- EBITDA margin declined to 24.0% from 27.3% in 2016
- Net income of CHF 384 million, up 4.5% year-on-year
- Free cash flow of 5.3% of sales, compared to 7.4% in 2016
- Givaudan Business Solutions entering implementation phase

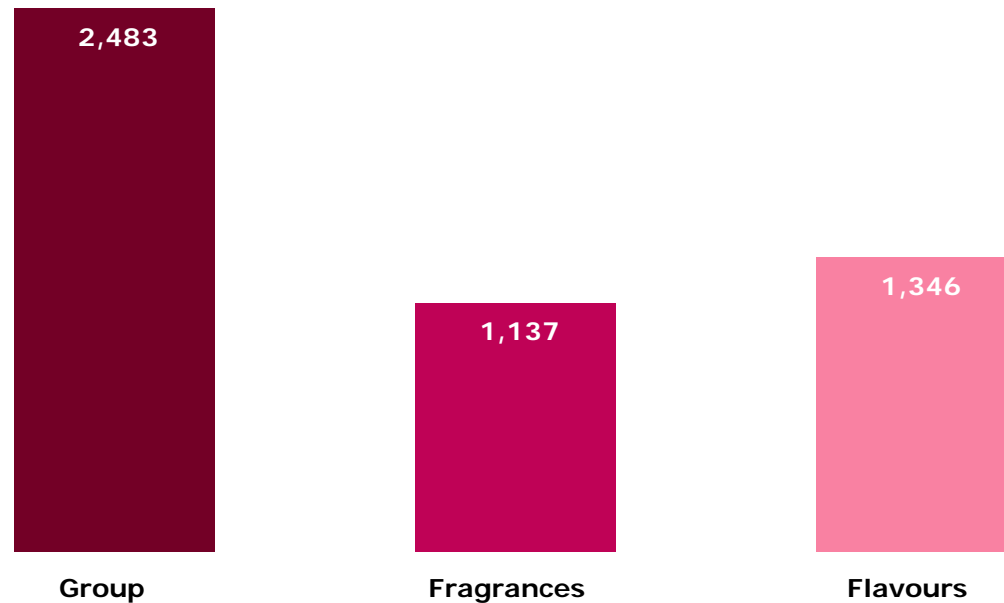
• \* Like-for-like (LFL) excludes the impact of currency, acquisitions and disposals

Our 2017 six month results are a demonstration of the sustainable value we bring to our customers, across all regions and segments

# 2017 Sales performance

## Solid growth against strong comparables

In million CHF



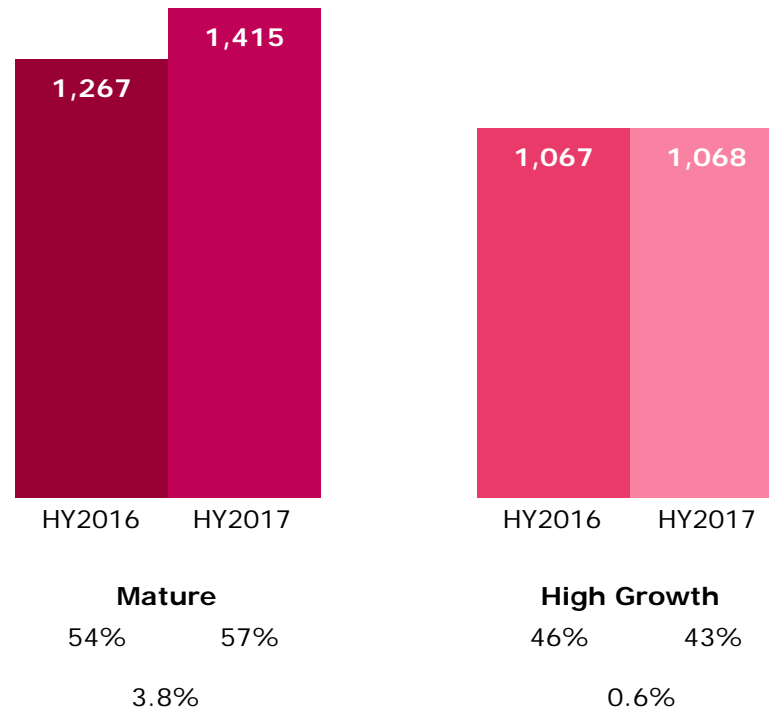
% 2017 growth on LFL* basis	2.3%	0.1%	4.4%
% 2017 growth in CHF	6.4%	0.4%	12.0%

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

# Sales evolution by market

Mature markets deliver good growth, whilst some high growth markets are more challenging

In million CHF



% of total sales

% 2017 growth on LFL \* basis

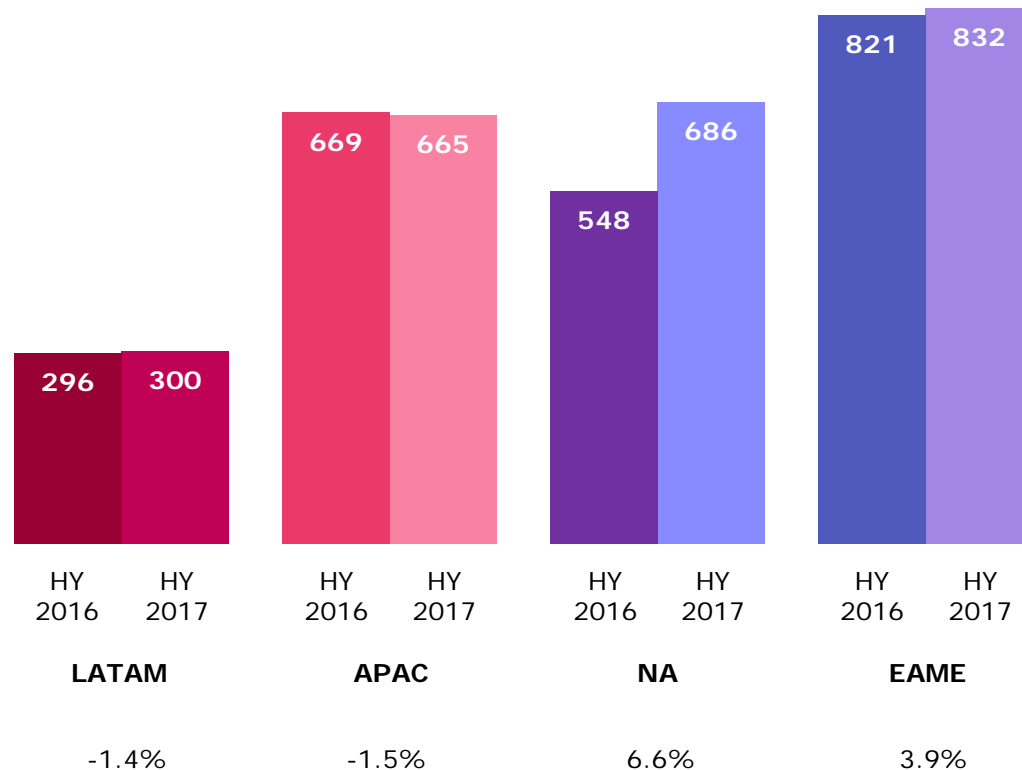
\* LFL (like-for-like) excludes the impact of currency, acquisitions and disposals



# Sales evolution by region

## Recovery in EAME, driven by high growth markets

In million CHF



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

# The value proposition for investors



# Unrivalled capabilities

Depth and range of  
customer relationships

Global reach

Unmatched resources  
to service our customers

Broadest product offering

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98

Locations  
worldwide

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60

Creation and  
application centres

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39

Production sites

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Over 60,000

Products sold per year

# Leading position in R&D

## Culture of innovation

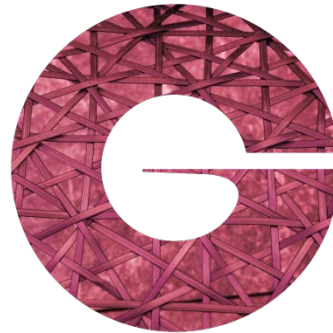
Pioneering R&D teams - new business horizons

## Diversity in skills

Wide range of competences and skills – worldwide presence

## Collaborations

Sustainable collaborations with customers, suppliers, partners and emerging innovation ecosystems



## State-of-the-art technologies

Sustainable investments in novel technologies

## Innovative ingredients

Unique ingredients palette - cost-effective – environmental friendly

## Creative solutions

Passionate teams – extensive consumer and trend understanding

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> Winning solutions - Shared success

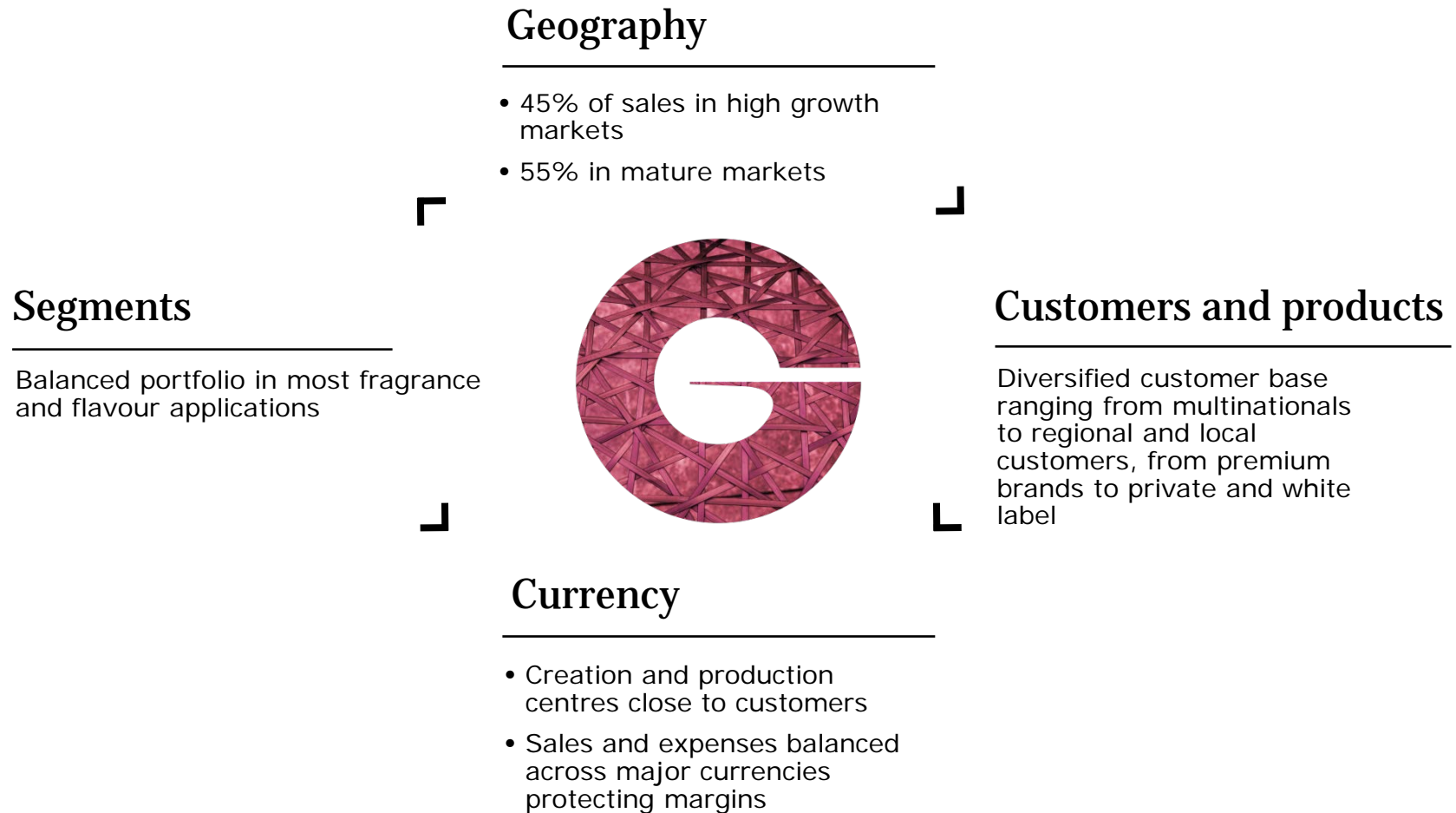


# Value creation at the heart of our procurement strategy

- Leadership through cost advantage
- Mitigate supply and price volatility
- Maximise supplier contribution to novel solutions
- Responsibility over the complete supply chain
- Increased sourcing of natural raw materials to satisfy demand
  - ✓ Today 60% of raw materials bought for flavours are natural
  - ✓ 20% of all raw materials bought for fragrances are natural
  - ✓ 60% of active beauty ingredients are natural



# Well balanced business with natural hedges



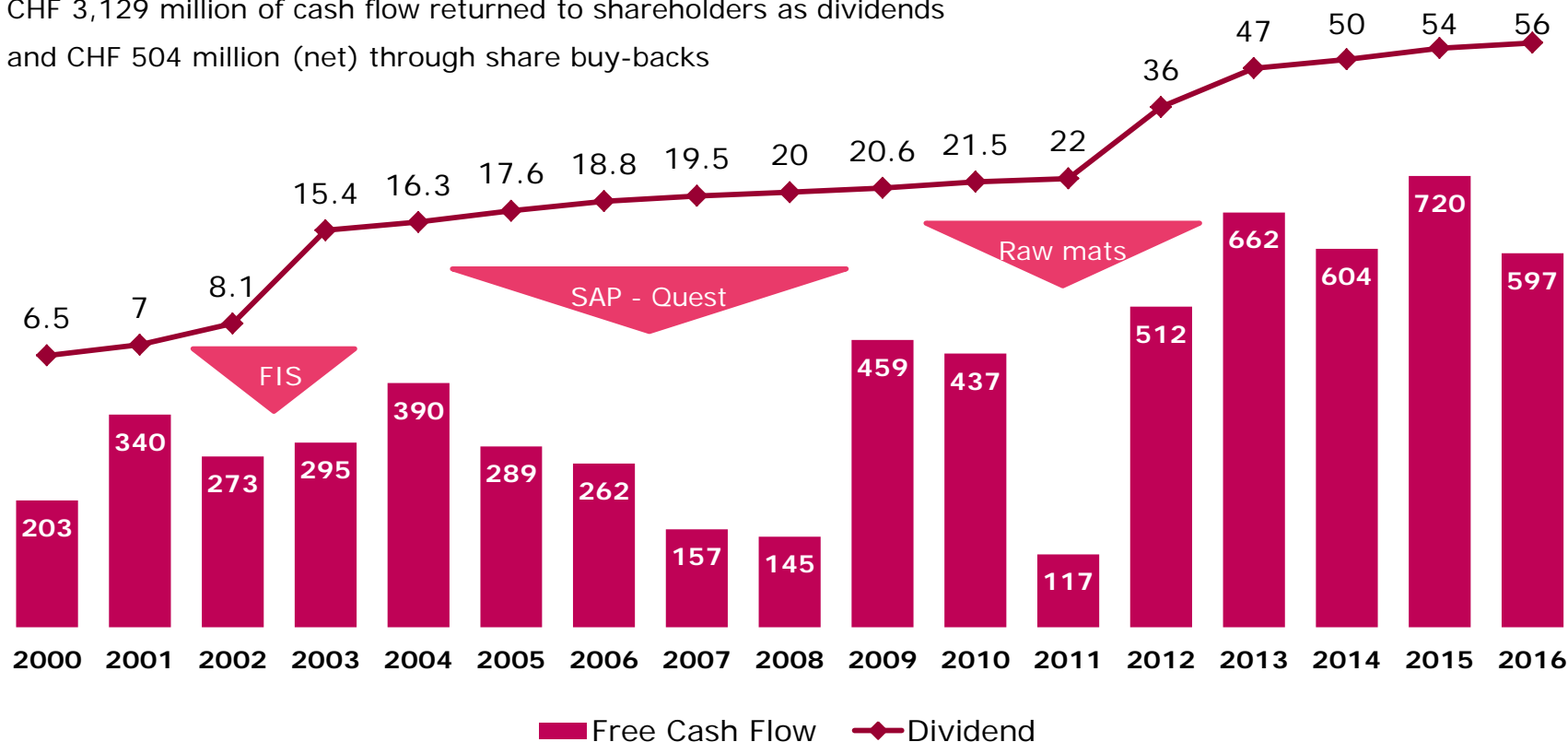
# Year on year increasing dividend payments

## Last increase 3.7% YoY

Free cash flow of CHF 6.6 billion generated over the past 17 years

CHF 3,129 million of cash flow returned to shareholders as dividends

and CHF 504 million (net) through share buy-backs





2020 strategy

Responsible growth. Shared success.



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# Responsible growth

## Shared success

Growing with  
our customers

**4-5%**

Average organic sales  
growth\*

Delivering  
with excellence

**12-17%**

Average free  
cash flow as  
% of sales\*

Partnering for  
shared success

**Partner  
of choice**

Creating additional value through acquisitions

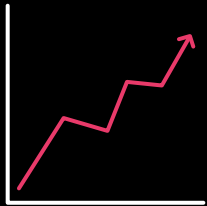
Intention to maintain current dividend practice as part of this ambition

\* Average from 2016 to 2020

# Responsible growth

## Shared success

### Growing with our customers



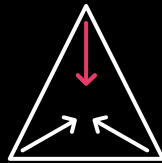
High growth markets



Health and well-being

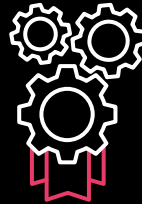


Consumer preferred products



Integrated solutions

### Delivering with excellence

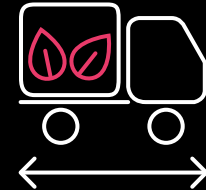


Excellence in execution

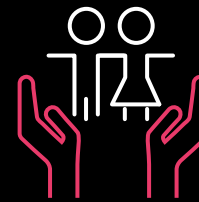
### Partnering for shared success



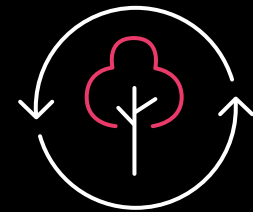
Innovators



Suppliers



People



Communities

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