



## Media Release

Geneva, 10 October 2017

# 2017 Nine Months Sales Maintaining good business momentum

## Business performance

In the first nine months of 2017 Givaudan recorded sales of CHF 3,757 million, an increase of 3.5% on a like-for-like<sup>1</sup> basis and 6.8% in Swiss francs compared to the previous year.

Fragrance Division sales were CHF 1,740 million, an increase of 2.2% on a like-for-like basis and an increase of 2.5% in Swiss Francs.

Flavour Division sales were CHF 2,017 million, an increase of 4.7% on a like-for-like basis and an increase of 10.9% in Swiss Francs.

Givaudan continued the year with good business momentum and with the project pipeline and win rates sustained at a high level. This good growth was achieved against strong prior year comparables for the same period in 2016, particularly in the first six months and in the Fragrance Division. The Company continues to successfully 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. During the three months to 30 September 2017, the Company successfully closed the acquisition of Vika B.V. and announced the acquisition of the Nutrition Division of the Centroflora Group (Centroflora Nutra), both of which are fully aligned with the 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 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.

## Sales January to September 2017

in millions of Swiss francs	2016 Sales	LFL <sup>1</sup>	Acquisition impact	Currency	2017 Sales	Change %	
						LFL <sup>1</sup>	In CHF
<b>Group</b>	<b>3,518</b>	<b>121</b>	<b>142</b>	<b>(24)</b>	<b>3,757</b>	<b>3.5%</b>	<b>6.8%</b>
- Fragrance	1,699	36		5	1,740	2.2%	2.5%
- Flavour	1,819	85	142	(29)	2,017	4.7%	10.9%





**Sales July to September 2017**

in millions of Swiss francs	2016 Sales	LFL <sup>1</sup>	Acquisition impact	Currency	2017 Sales	Change %	
						LFL <sup>1</sup>	In CHF
<b>Group</b>	<b>1,184</b>	<b>67</b>	<b>31</b>	<b>(8)</b>	<b>1,274</b>	<b>5.7%</b>	<b>7.7%</b>
- Fragrance	567	35		1	603	6.2%	6.5%
- Flavour	617	32	31	(9)	671	5.2%	8.7%

**Sales evolution by market**

January to September 2017

in millions of Swiss francs	2017	2016	Change %	
			in CHF	LFL <sup>1</sup>
Mature markets	<b>2,143</b>	<b>1,928</b>	<b>11.1%</b>	4.5%
High growth markets	<b>1,614</b>	<b>1,590</b>	<b>1.6%</b>	2.2%

**Fragrance Division**

Fragrance Division sales were CHF 1,740 million for the first nine months of 2017, an increase of 2.2% on a like-for-like basis and an increase of 2.5% in Swiss francs.

Total sales of Fragrance compounds (Fine Fragrances and Consumer Products combined) increased by 2.6% on a like-for-like basis. In Swiss francs, sales of compounds increased by 3.0% to CHF 1,515 million from CHF 1,472 million in 2016.

**Fine Fragrances**

Fine Fragrance sales grew 4.8% on a like-for-like basis led by strong new business wins across all customer groups.

**Consumer Products**

The Consumer Products business increased by 2.0% on a like-for-like basis with growth in both mature and high growth markets. All customer groups in mature markets contributed to the growth. Latin America grew against last year's double-digit sales growth driven by the strong performance of local and regional customers in all sub-regions. Overall sales in Asia decreased against last year's high comparables with double-digit growth in South Asia unable to offset the weaker performance in North and South East Asia. In Europe, Africa and Middle East sales were driven by international customers in all sub regions and local and regional customers in Europe. North America recorded growth with all customer groups.

On a product segment basis, growth was driven by a strong increase in home care and in oral care.

**Fragrance Ingredients and Active Beauty**

Sales of Fragrance Ingredients and Active Beauty decreased by 0.7% on a like-for-like basis. Sales of Active Beauty were double-digit driven by strong sales on the Active ingredients. Sales of Fragrance ingredients declined versus last year as a result of lower sales at some key customers.



## Flavour Division

The Flavour Division reported sales of CHF 2,017 million, a growth of 4.7% on a like-for-like basis and an increase of 10.9% in Swiss Francs. Givaudan successfully closed the acquisition of Vika B.V. acquired in September 2017. Including all acquisitions for the comparable period the growth was 12.5% in local currency.

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

Asia Pacific grew whilst Latin America experienced a decline compared to 2016, against strong comparables, largely driven by challenging market conditions in Brazil.

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

### Asia Pacific

Sales in Asia Pacific increased by 3.4% on a like-for-like basis. In high growth markets, new wins and existing business expansion in China, India, Thailand and the Philippines contributed positively to the growth which was only partially offset by weaker sales in Indonesia. The mature markets within the region continued to grow with a particularly good performance in Singapore and Oceania.

### Europe, Africa and the Middle East

Sales in Europe, Africa and Middle East increased by 4.8% on a like-for-like basis. Double-digit growth in the high growth markets of the Middle East and North Africa coupled with good growth in Central and Eastern Europe contributed to the performance in the region. The mature markets of Western Europe contributed to the growth with good results in the UK, Benelux, Italy and Iberia. Within the segment performance, in particular Savoury and Beverages contributed to the strong performance.

### Latin America

Sales in Latin America decreased 2.4% on a like-for-like basis against strong comparable growth in 2016 of 17.9%. Continued good sales momentum in Argentina and Mexico was offset by the impact of the challenging economic environment in Brazil.

### North America

Sales in North America increased by 8.6% on a like-for-like basis. The strong growth was driven by new wins and growth of the existing business in the Dairy, Beverages and Savoury segments.

1. LFL: like-for-like excludes the impact of currency, acquisitions and disposals

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