

Investor presentation

Responsible growth. Shared success.

24 January 2020



Givaudan

engage your senses



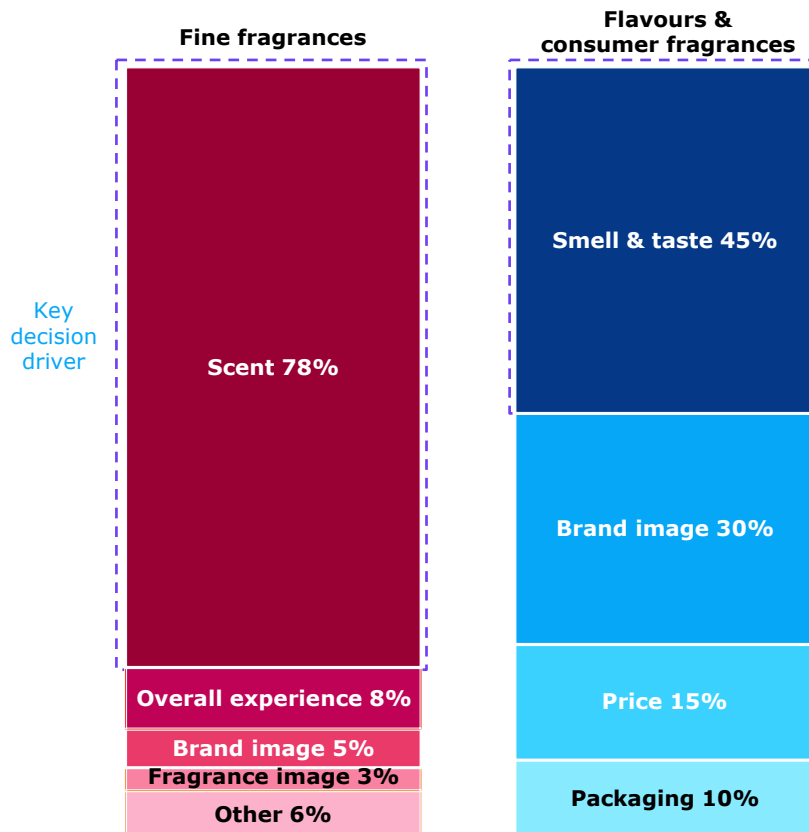
Givaudan products
drive millions of consumer decisions every day!



F&F: the key driver of consumer repurchase decisions

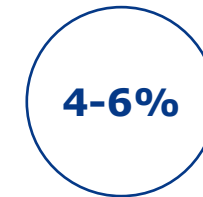
Critical contribution towards customer decision making despite being a low cost component

Scents & taste determine customer decisions ...

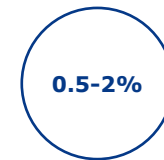


... and represent only a minor fraction of costs

Share of F&F ingredients in customer's COGS



Fine fragrances



Flavours & consumer fragrances

- F&F ingredients usually represent a **very minor portion of the end product costs** while having **significant influence on the repurchase decisions of the consumer**
- Consumer goods producers have **no incentive to compromise on the quality of F&F ingredients** as they are **key drivers of market success**
- Consequently, F&F ingredients are a **key ingredient to consumer goods producers**

Sources: AC Nielsen (European) study, company information..

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 – 6% of their product cost



Food



Beverages



Fine Fragrances



Household



Personal care

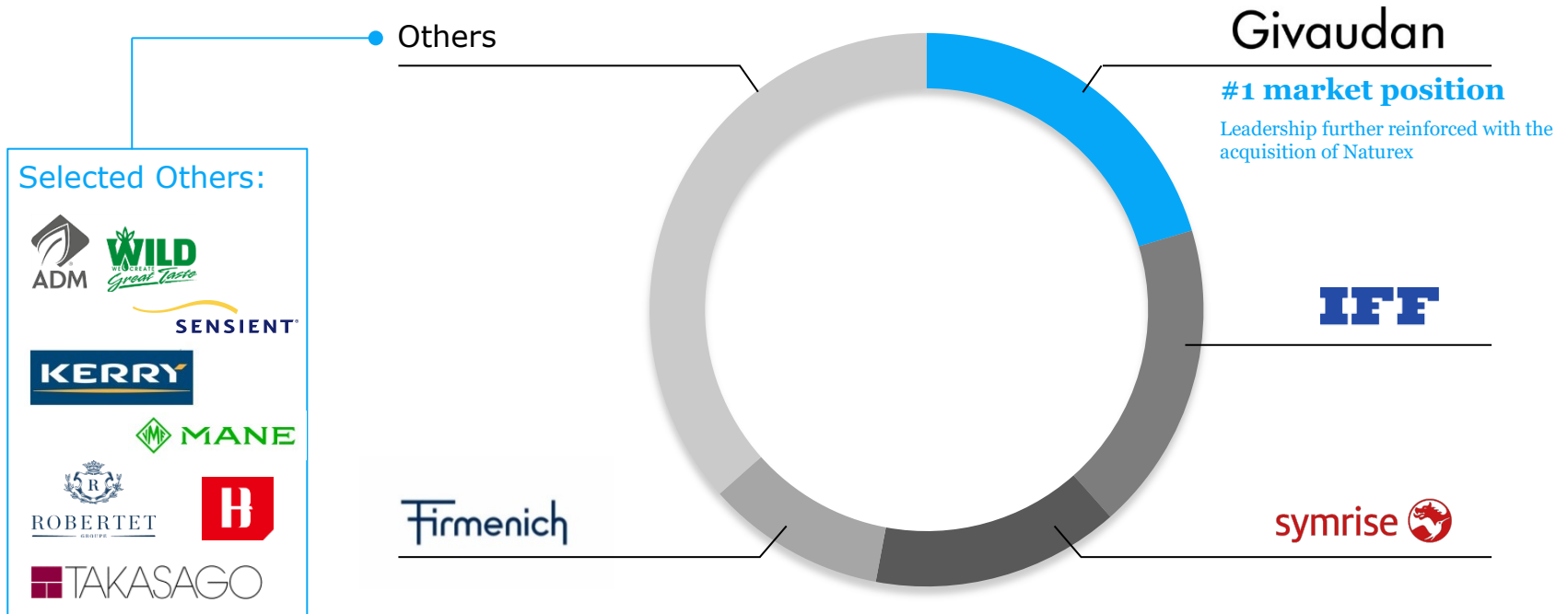


Cosmetics

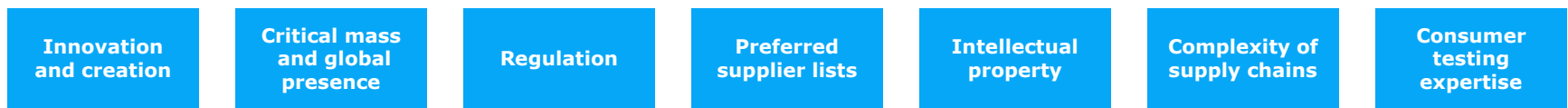
Market leader in a scale-oriented, consolidated industry...

The total flavours & fragrances market size is c. USD 26 billion

Leading market share...



...supported by substantial barriers to entry that continue to protect incumbents



Sources: IHS, Leffingwell

How to win business in a competitive environment

Being the partner of choice is the key priority

Key factors to become the partner of choice



Supplier selection process

1. Core supplier list

- (more or less formalised with local and regional customers)
- Large customers only work with a limited number of suppliers and send product briefs only to them
 - Likelihood of future contracts is significantly reduced after removal from the core supplier list

2. Submission of briefs

- Clearly defines the requirements on sensory characteristics of the product
- Sets cost-in-use target and brand related requirements

3. Development of F&F

- Dissection of brief, analysis of market intelligence, development of sample formulae, conduction of initial internal tests

4. Evaluation & validation

- Test formulae are evaluated against customer specifications; further consumer / panel testing is conducted before final product submission

5. Submission & selection by customer

- Based on price, compliance with specifications of the brief, timely delivery, quality control, regulatory compliance, product consistency
- Good previous experience with supplier might influence but not guarantee selection

6. Win of brief & start of production

- Once chosen by the customer and after passing regulatory approval, the flavour or fragrance is ready for production



Once selected, **high switching costs**

Our actual performance



2019 Full year results

Performance highlights

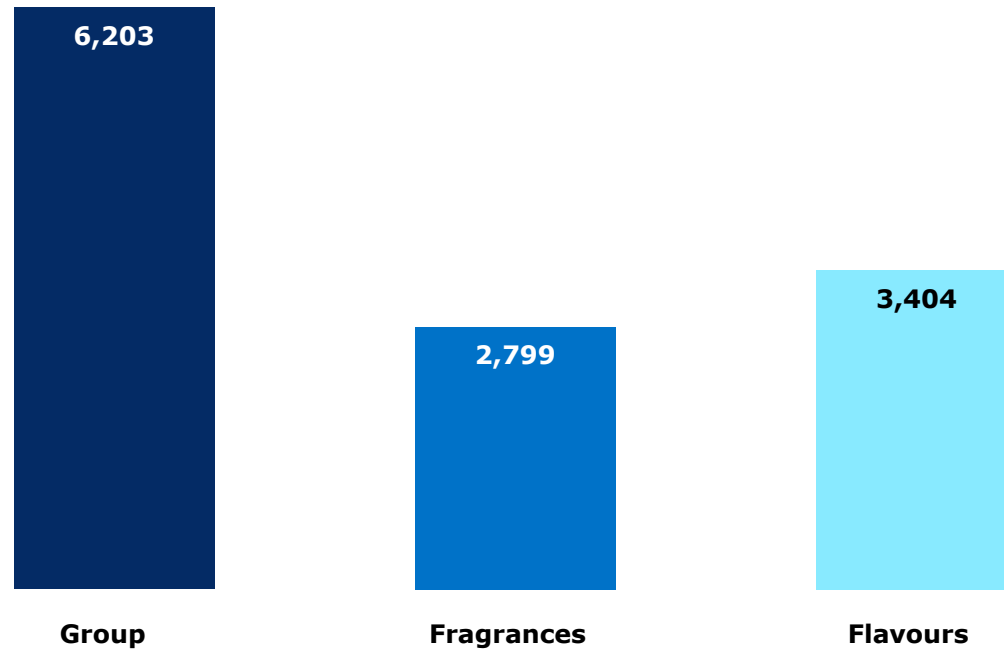
Group sales	CHF 6,203 million - up 5.8% LFL*
EBITDA	CHF 1,275 million
Comparable EBITDA margin	21.5%
Net income	CHF 702 million
Free cash flow	CHF 787 million – 12.7% of sales

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

2019 Full year sales performance

Excellent growth in both divisions

in million CHF



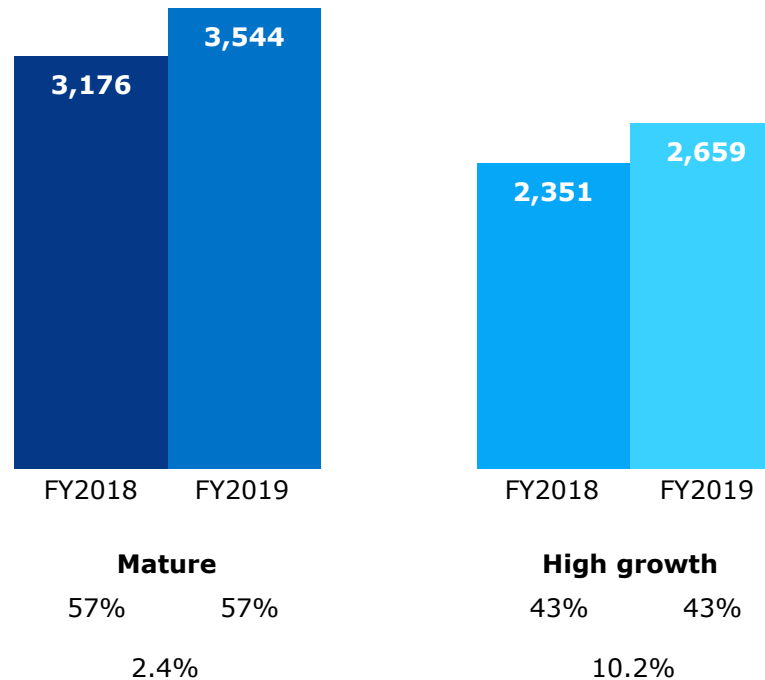
	Group	Fragrances	Flavours
% 2019 growth on LFL* basis	5.8%	7.3%	4.5%
% 2019 growth in CHF	12.2%	10.9%	13.4%

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

2019 Full year results - Sales evolution by market

Double-digit growth in high growth markets

in million CHF



% of total sales

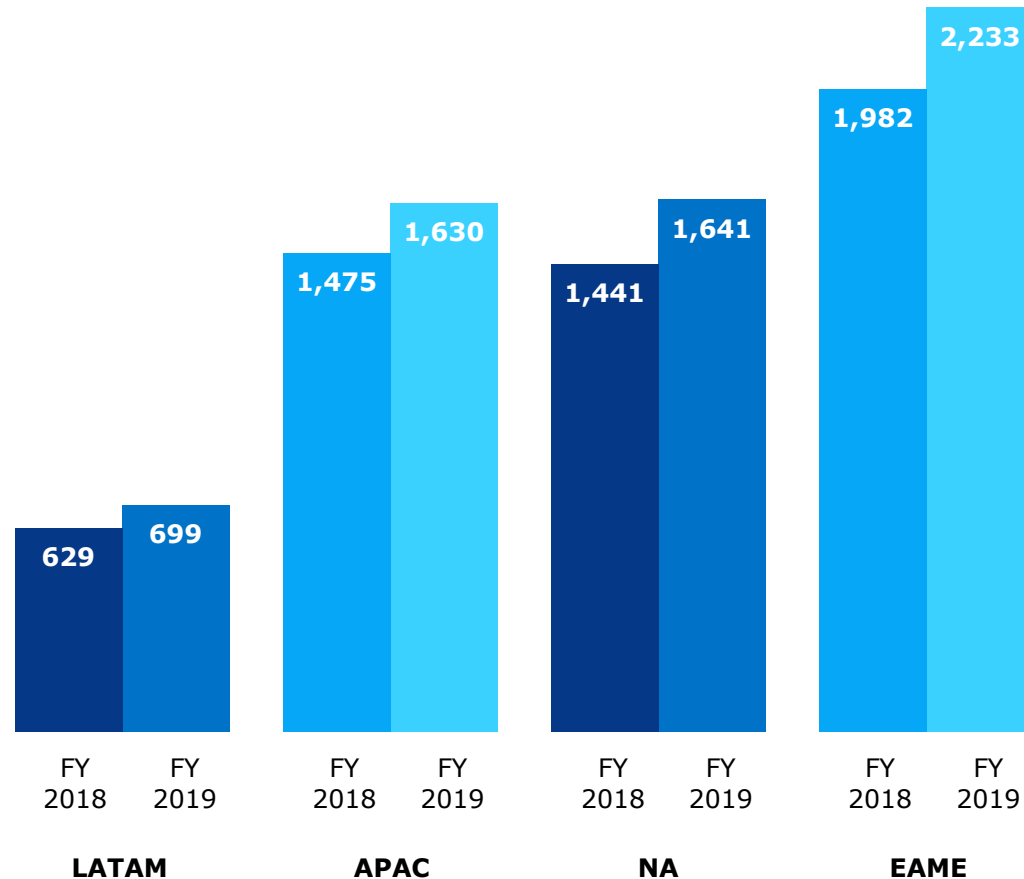
% 2019 growth on LFL* basis

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

2019 Full year results - Sales evolution by region

Strong growth shown by Latin America

in million CHF



% 2019 growth on LFL* basis

15.0%

5.6%

2.0%

5.7%

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

The value proposition for investors



Givaudan at a glance as of 31.12.2019

The global leader in the flavour and fragrance industry

6.2

Sales in CHF billion

181

Locations

73

Production sites

14,969

Full time employees

Flavour Division

17%

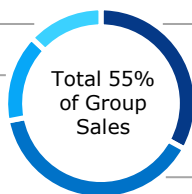
Sweet goods

32%

Beverages

13%

Dairy



38%

Savoury

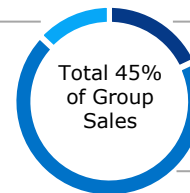
Fragrance Division

13%

Fragrance Ingredients and Active Beauty

19%

Fine Fragrances



68%

Consumer Products

Sales in North America

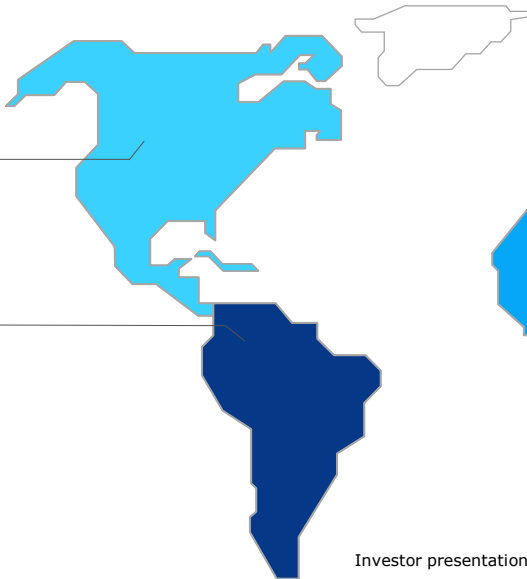
CHF 1,641 million

Production sites

12

Employees

2,606



Sales in Europe, Africa and Middle East

CHF 2,233 million

Production sites

32

Employees

7,072

Sales in Latin America

CHF 699 million

Production sites

10

Employees

1,882

Sales in Asia Pacific

CHF 1,630 million

Production sites

19

Employees

3,409

Our unique positioning

Givaudan well positioned to benefit from multiple growth opportunities

We have diversified and grown Givaudan to meet the constant changes in the market

1. Geographic expansion into high growth markets

- 1990s: expansion from mature to high-growth markets, matching the growth of our multinational customers
- Entry into India and China in 1993-94, Middle East in 1999

2. Customer diversification

- Early 2000s: Diversifying into the local and regional customer base (e.g. Private Labels in Europe, Natura Boticario in Latam)
- This continues today, and GBS will further enhance our flexibility in serving L&R customers

3. Quest: scaling up

- 2007: F&F market leadership secured
- Further growth on geographic and customer axes
- Expansion across applications e.g. oral care, fine fragrances, snacks

4. Expanding beyond Flavours & Fragrances

- Moving into Active Beauty, naturals extracts and integrated solutions
- Executing our focused M&A strategy in adjacent areas
- Acquisition of Naturex strengthens our presence in Natural Ingredients and positions us as the #1 in Naturals with our customers

...whilst enhancing our operational capabilities through business optimisation and excellence

SAP implementation

Managing the business more consistently

Givaudan Business Solutions (GBS)

Enhance margins by streamlining operations and customer service

Combining business areas

Rising barriers to entry

One solution to one customer and one product

Flavours & Fragrances

Consumer understanding

Trend research

Selection of unique and commodity ingredients

Creativity

Technology
(encapsulation)

Integrated solutions

Major contribution to development of end product:

Technological combination of smell & taste with unique ingredients to get lion share of COGS

One unique ingredient to many

Unique ingredients

Active cosmetic ingredients
Nutritional ingredients
Functional ingredients

Sourcing know-how

- sustainable
- competitive price
- ethic

Science & Technology

- extraction know how
- biotechnology

Production

- novel biotechnological approaches

Creating additional value by combining and cross selling solutions from complementary business areas

Broad and differentiated portfolio

Supported by unrivalled capabilities and innovation

69

Creation and application centres

528

2018 R&D spend in CHF mn

Over 3,600

Number of active patents

>500

Employees in Science & Technology

Over 74,000

Products sold per year

Selected innovation initiatives

Consumer Sensory Insights

- Consumer insights throughout the creation cycle
- Consumer testing network- survey, panels, big data, etc
- Givaudan Chef's Council & TasteTrek®

Innovators and partnerships

- Extended innovation ecosystem globally
- Selected partnership with innovators, accelerators and with academia
- Plugged into disruptive and digital trends

Innovation Centres

- From molecular research to application expertise
- New technologies in delivery systems (eg. encapsulation)
- Market specific capabilities around the globe

Supplier Enabled Innovation

- Strategic partnerships with key suppliers
- Focus on bio-technology / bio-transformation
- Sustainable sourcing philosophy

Value creation at the heart of our procurement strategy

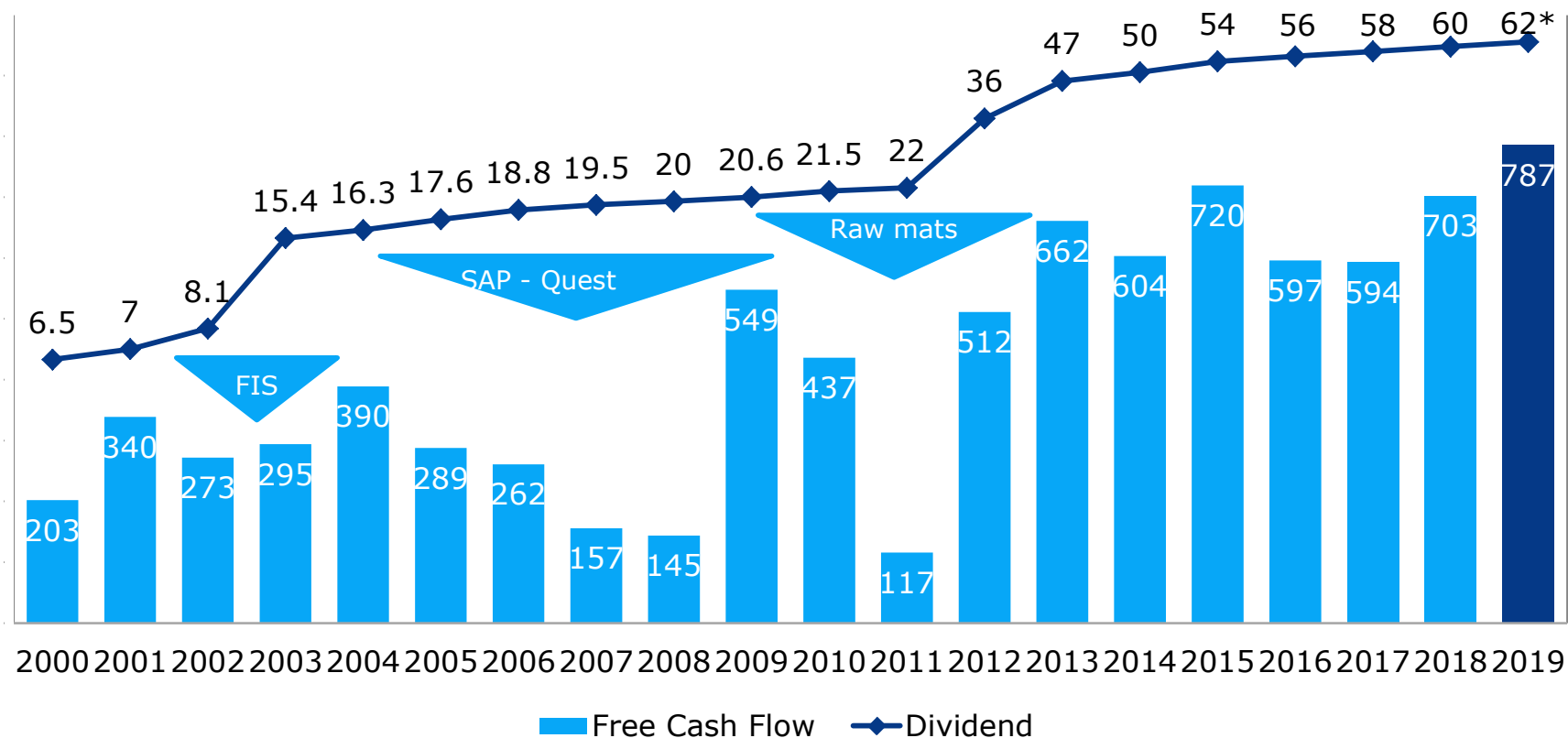
- Leadership through cost advantage
- Mitigate supply and price volatility
- Maximise supplier contribution to novel solutions
- Responsibility over the complete supply chain
- Increased sourcing of natural raw materials to satisfy demand
 - Today 60% of raw materials bought for flavours are natural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



Dividend per share

Increasing 3.3% YoY

Free cash flow of CHF 8.6 billion generated over the past 20 years
 CHF 4,770 million of cash flow returned to shareholders as dividends*
 and CHF 504 million (net) through share buy-backs



* Subject to approval of shareholders at the AGM in March 2020

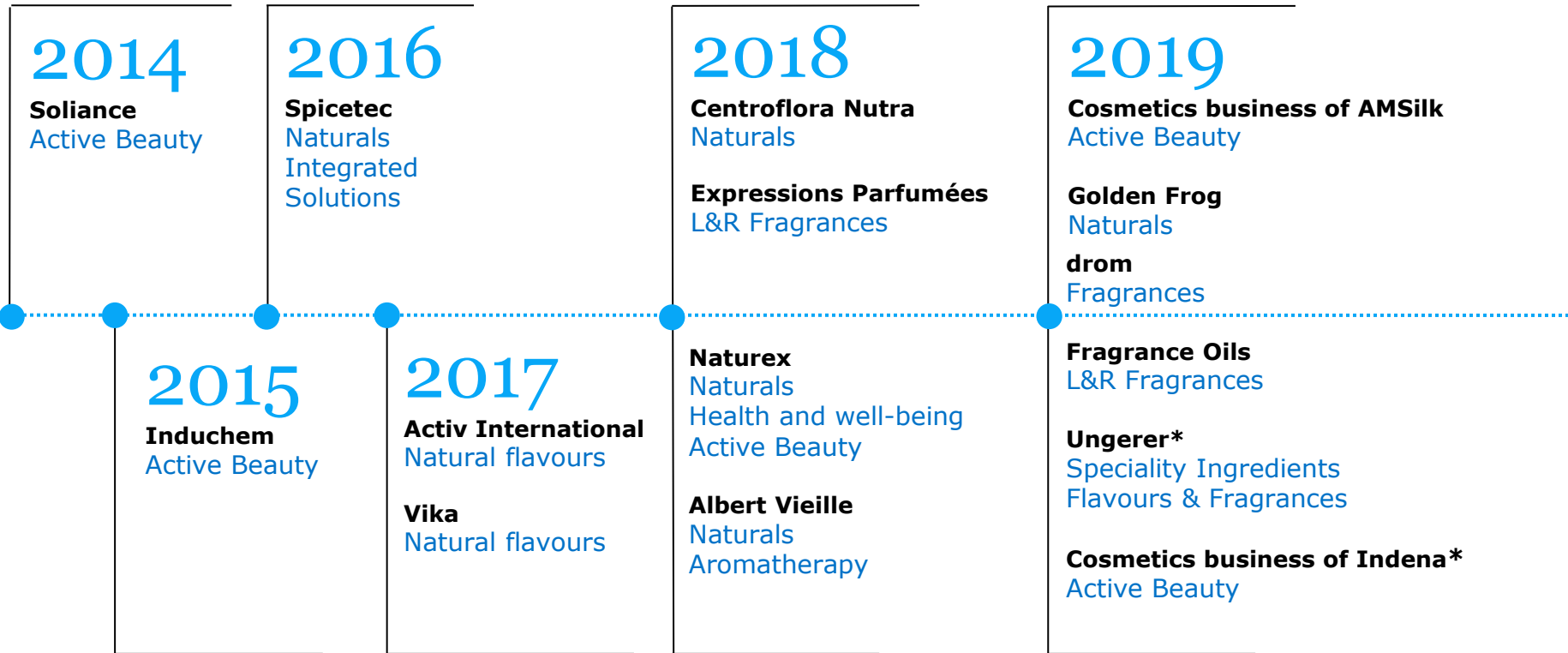
2020 strategy

Responsible growth. Shared success.



Acquisition update

2020 strategy in motion



* Acquisition not yet complete

Approximately CHF 1.5 billion of incremental revenues
CHF 3.6 billion invested in acquisitions

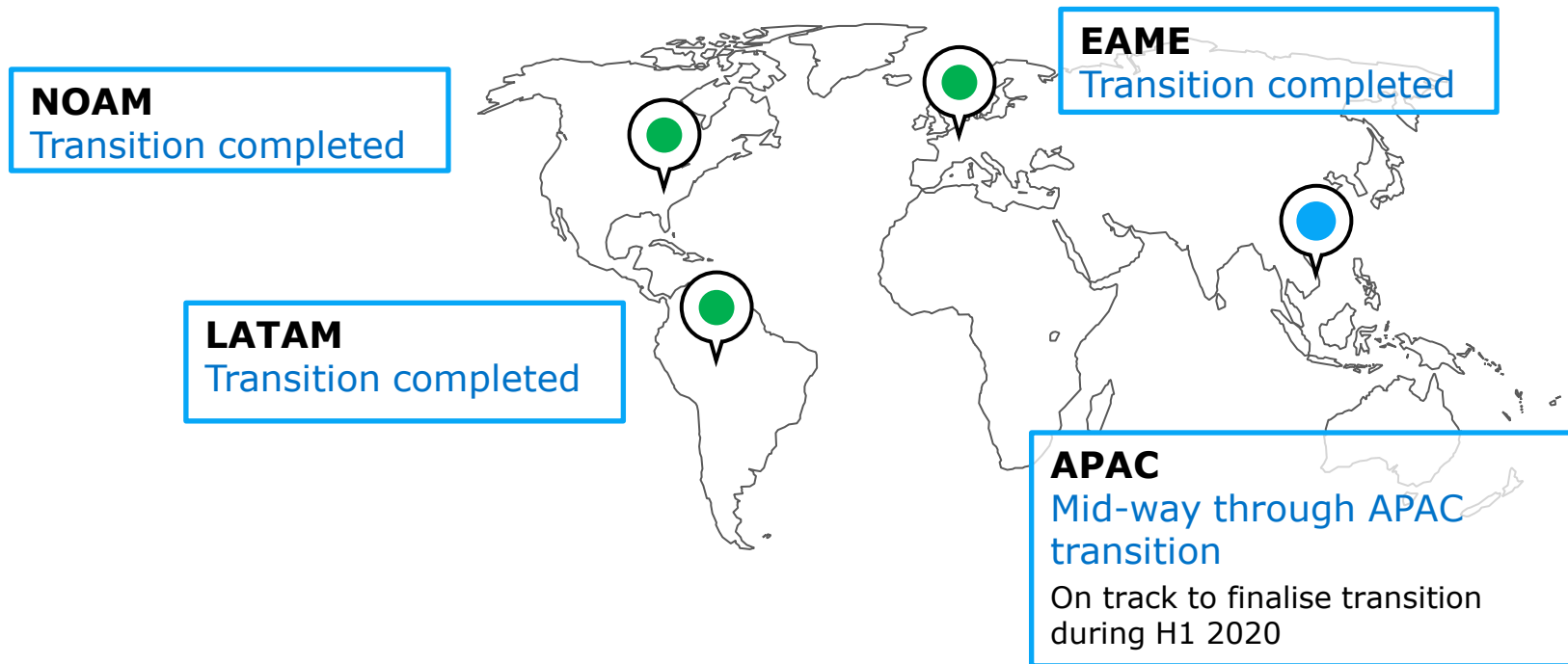
Acquisition focus

Outstanding portfolio aligned with market trends



Givaudan Business Solutions

Implementation well advanced - on track to finalise by 2020



GBS Delivery Centres working effectively within the broader Givaudan organisation

Financial benefits being delivered in line with the plan

Naturex acquisition in 2018

Combine differentiated natural ingredients with Givaudan's portfolio to create added value for our customers

01



02



01 Natural preservatives
e.g. rosemary

02 Natural taste
e.g. acerola cherry

03



04



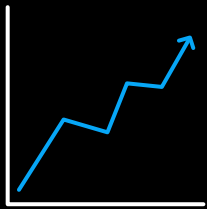
03 Natural colours
e.g. spirulina

04 Phytoactives
e.g. cranberries

Very positive feedback from customers

Responsible growth. Shared success.

Growing with our customers



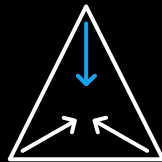
High growth
markets



Health and
well-being

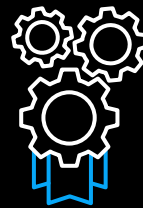


Consumer
preferred products



Integrated
solutions

Delivering with excellence

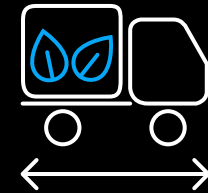


Excellence in
execution

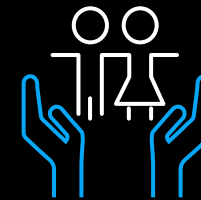
Partnering for shared success



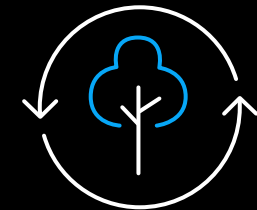
Innovators



Suppliers



People



Communities

2020 Financial objectives

On track

Growing with
our customers

4-5%

Average organic sales
growth¹

5.1% in 2016-19

Delivering
with excellence

12-17%

Average free
cash flow as
% of sales¹

12.5% in 2016-19

Partnering for
shared success

Partner
of choice

New partnerships with innovators,
employees, suppliers and communities
in which we operate

Continued leading-industry investment
in innovation and increase our network
of strategic partners

Further enhancing our responsible
sourcing, while managing our supply
risk and cost

Creating additional value through acquisitions

CHF 1.5 bn annualised revenue contribution from companies acquired since 2014

Note: 1. Over a five-year period by 2020

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