

Investor presentation

Creating for happier, healthier lives with love for nature. Let's imagine together.



Givaudan

engage your senses

What we do



Givaudan products
drive millions of consumer decisions every day!



Fragrance & Beauty, Taste & Wellbeing, provide our customers compounds, ingredients and integrated solutions that engage consumers



Beverages



Savoury



Oral care



Personal care



Fine Fragrances



Snacks



Dairy



Sweet goods



Household



Beauty & skin care

How we do it



A unique business model driven by our purpose

Creating for happier, healthier lives with love for nature.

- **Winning business** assumes: being on a core supplier list, submitting a brief, developing a solution and being selected by the customer
- Our products are **unique co-creations with our customers**:
 - Consumer-differentiating, bespoke, value-added Fragrance and Beauty, Taste and Wellbeing solutions driven by innovation
 - Agility and service are key
 - Scent and taste determine consumer purchase and repeat decisions whilst representing only a minor fraction of costs 0.5-2.0% in flavours and consumer fragrances to 4-6% in fine fragrances, i.e. a very minor portion of the end product costs
- **High barriers to entry** and high shifting costs for customers

A unique business model with high barriers to entry

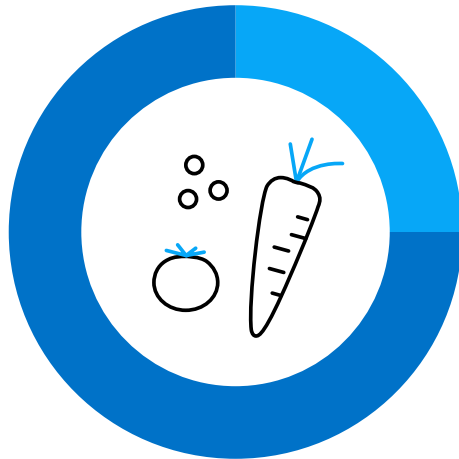
Mastering complexity is a key feature of our space

- A **research-driven innovation process** and a deep understanding of consumer preferences around the world
- **Sustainability goals** creating significant innovation opportunities (e.g. move from non-renewable to renewable, etc.)
- **IP / formulae owned by Givaudan**
- Mastering **high complexity and volatility** at every step:
 - 11,000 raw materials and a sophisticated supply chain with over 4,000 suppliers
 - >110,000 products made to order, delivered just in time to >10,000 customers
 - >310,000 customer submissions / product briefs managed annually, and ca. 15% of our portfolio up for review due to the life cycle of products
- **Compliance and regulations**

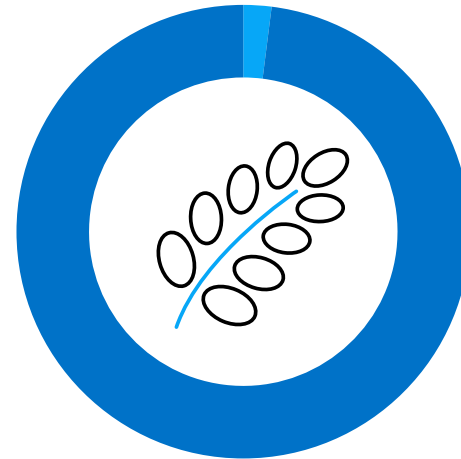
Operating in a significant addressable market

Givaudan's expanded market space worth **CHF 42bn**

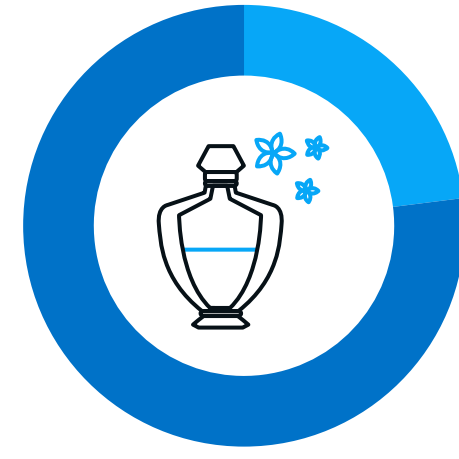
> ● Givaudan market share as of 2020
● Market potential as of 2020



+



+



Flavour & Taste
13.1 bn CHF

Market Potential as of 2020

Functional & Nutrition
14.1 bn CHF

Market Potential as of 2020
(Givaudan scope of activities)

Fragrance & Beauty
14.8 bn CHF

Market Potential as of 2020

Source: Based on Givaudan internal estimates

A research-driven innovation process

Supported by unrivalled capabilities and innovation



› 69

Creation and application Centres

› >110,000

Products sold per year

› CHF 528 mln

R&D spend in 2019

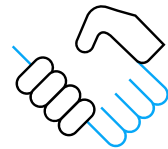
› > 500

Employees in Science & Technology

› > 3,600

Active patents

Innovation initiatives and priorities



Supplier enabled innovation partnerships with bioscience companies



Delivering differentiating technologies and solutions in Flavours, nutritional and functional ingredients (clean label delivery systems, health and wellbeing solutions etc.)



Enabling novel consumer experiences in Fragrances: naturals, new sensory experiences, sustainable new molecules and precursors etc.

Business processes enabled by digital tools

Selected digital initiatives

Carto - AI enabled creative design



A product creation experience:

- Playful and multi-sensorial human/machine interaction
- Smart suggestions powered by AI
- Collaboration-oriented environment enabling customer co-creation

Consumer and customer foresight



Discover new consumer behaviours through advanced analysis of social media and other external data

Capturing insights and converting them into business foresights

Robotic process automation



Create a virtual workforce to take over repetitive tasks, creating bandwidth for more value added activities

E.g. supply chain, HR, compliance forms, etc.

Factory 2.0



Identify how technology can improve the manufacturing environment:

- Automation (robots, processes)
- Safety (training, monitoring)
- Decision making (forecasting, predictive maintenance)
- Sustainability (greener processes)

Traceability



Guarantee traceability of products and their constituents, from source to consumer

Leverage technology to enable source-to-consumer traceability of raw materials

Track biodiversity impact, carbon footprint, water waste thanks to this traceability

Sustainable value creation

Having a positive impact on nature

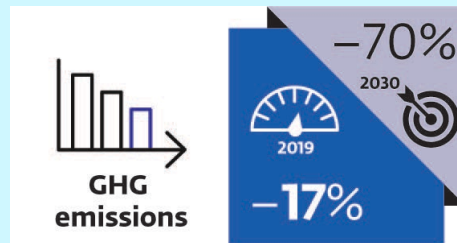
Our ambition is to be a climate-positive business (scope 1, 2 and 3) before 2050

Target

-70% absolute scope 1 + 2 GHG emissions between 2015 and 2030 100% renewable electricity by 2025

-20% absolute scope 3 GHG emissions between 2015 and 2030

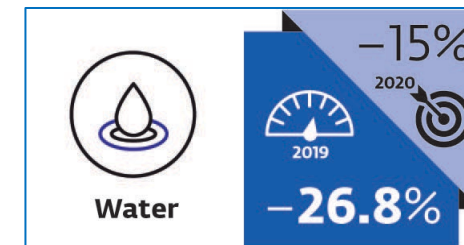
2019 performance



Protecting the environment through industry-leading water conservation and acting on waste minimisation

-15% water per tonne of product by 2020¹

-4% waste per tonne of product, year on year average²



1. Use of municipal and groundwater, baseline 2009
2. Includes incinerated and landfilled waste, baseline 2015

Sustainable value creation

Procurement practices bringing benefits to all involved

CHF **2.7** bn

Raw material / consumable spend per year

226

People in global procurement worldwide

>11,000

Number of different raw materials sourced

57%

Natural raw materials

43%

Synthetic raw materials

Sourcing for shared value

Programmes

Overall impact

Responsible Sourcing



Drive compliance and continuous improvement

Updated RS programme to be launched in early 2021

Sourcing at Origin



Secure supply locally

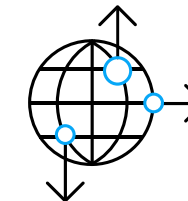
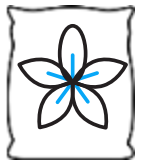
Communities at Source



Support producer communities

Sourcing for Shared Value covers raw material categories

40

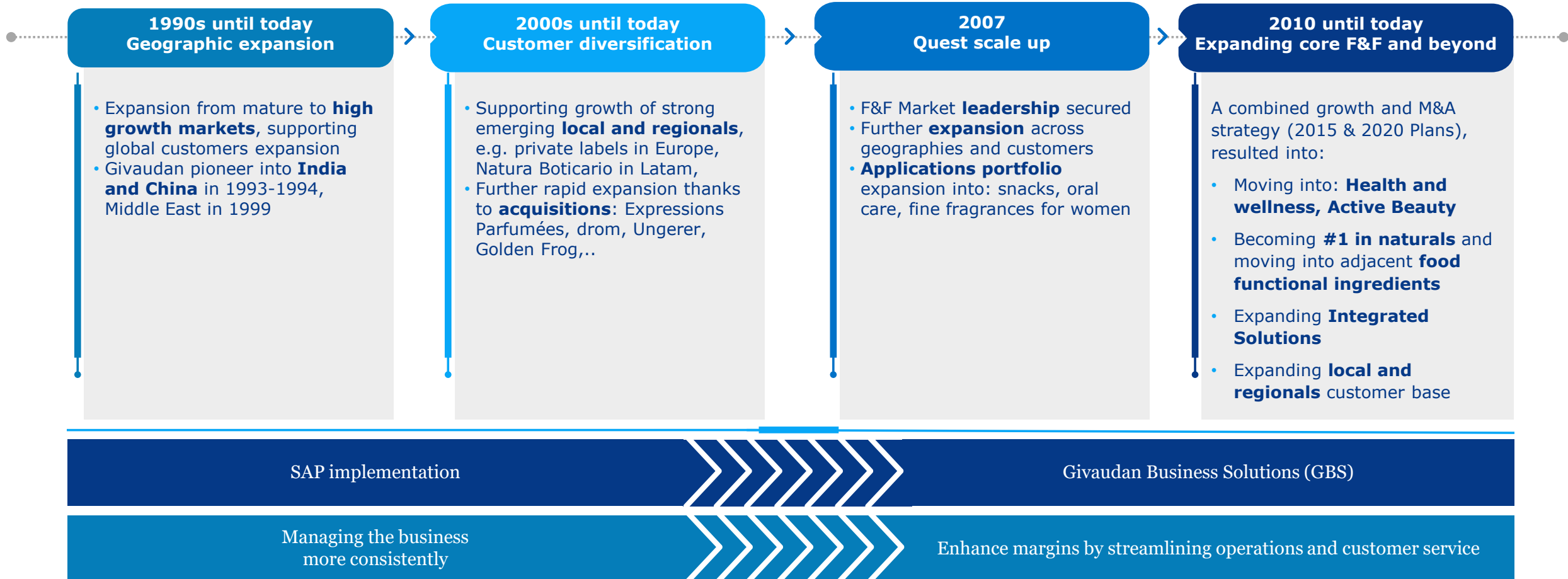


Sourcing for Shared Value is rolled out in countries

29

Our unique positioning

A multi-year expansion, positioning Givaudan for multiple growth opportunities



Givaudan: A naturally-hedged portfolio (products, geography, customers) for consistent growth

6.2
sales in
CHF billion

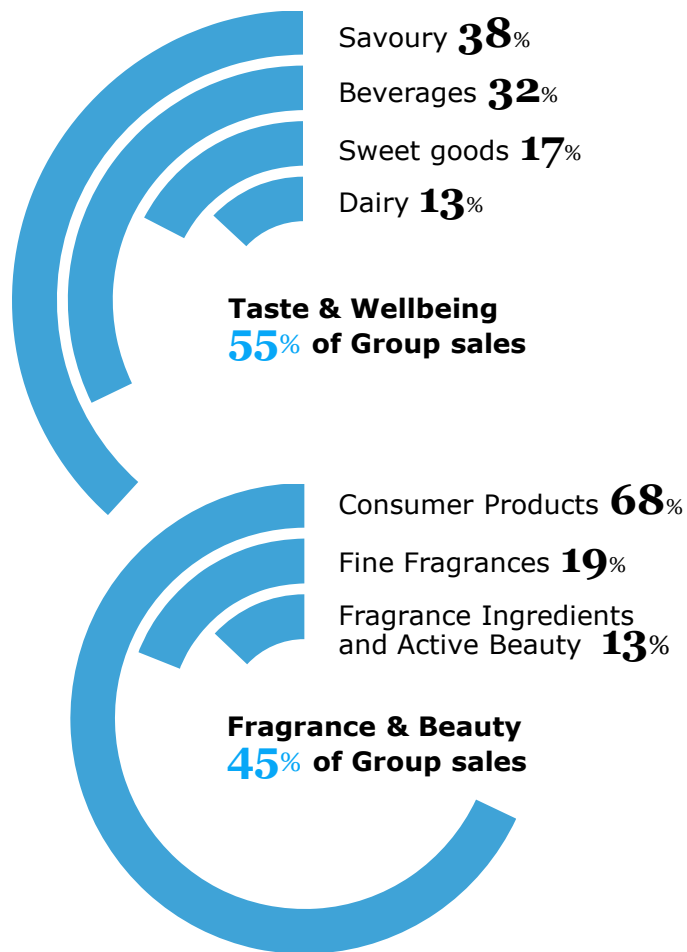
57%
of sales in
mature markets

43%
of sales in high
growth markets

14,969
full time
employees

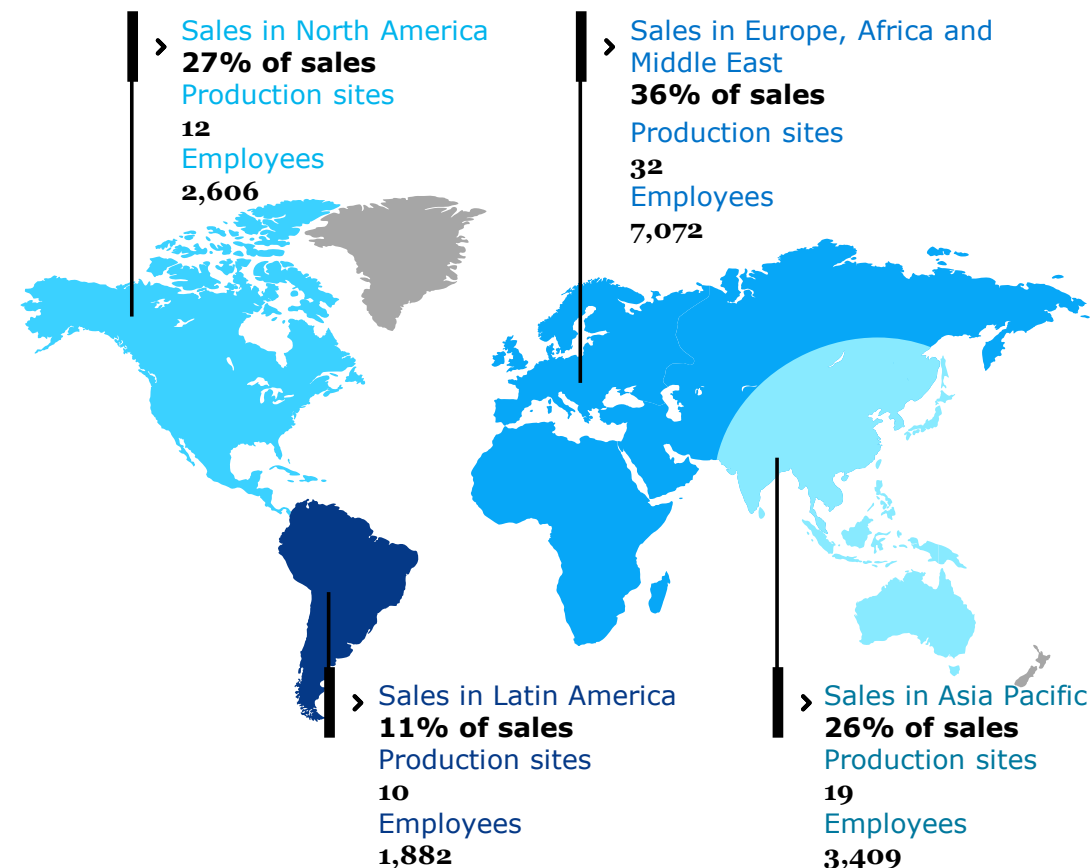
181
locations

73
production sites



Our customers

50% multi-national | 50% local and regional



Value creation through acquisitions

Expanding our portfolio



Looking back

Value creation through our strategy 2020



Strategy 2020

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**

- › Extended partnership network in innovation
- › Deepened collaboration with suppliers on innovation & sustainability
- › Improved employee engagement
- › Enriched communities that work with Givaudan

5.1%

In 2016-19

12.5%

In 2016-19



Creating additional
value through 16 acquisitions
since 2014

CHF 1.5 bn annualised
revenue contribution from companies
acquired since 2014



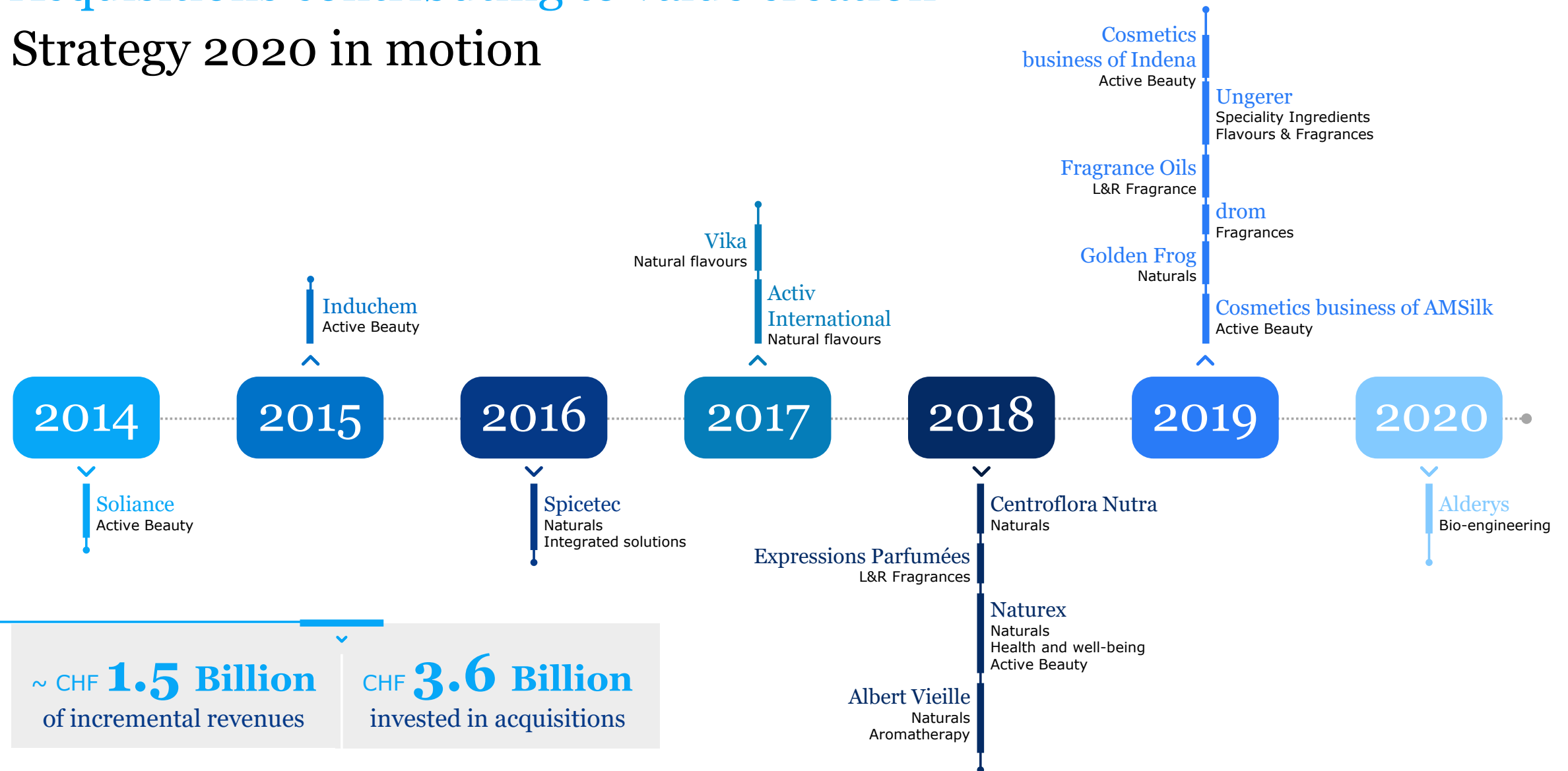
Intention to maintain current
dividend practice as part of
this ambition

- Dividend increased y.o.y
- > CHF 2 billion returned to shareholders in cash dividends 2016-2019

* Over a five-year period by 2020

Acquisitions contributing to value creation

Strategy 2020 in motion



Our latest results

2020 Half year performance highlights

Sales of CHF 3,221 million, up 4.0% on a like-for-like* basis and 4.1% in Swiss francs

Excellent performance of those parts of portfolio which are not impacted by COVID-19

Strategic focus areas, acquired businesses and high growth markets strongly contributing to growth

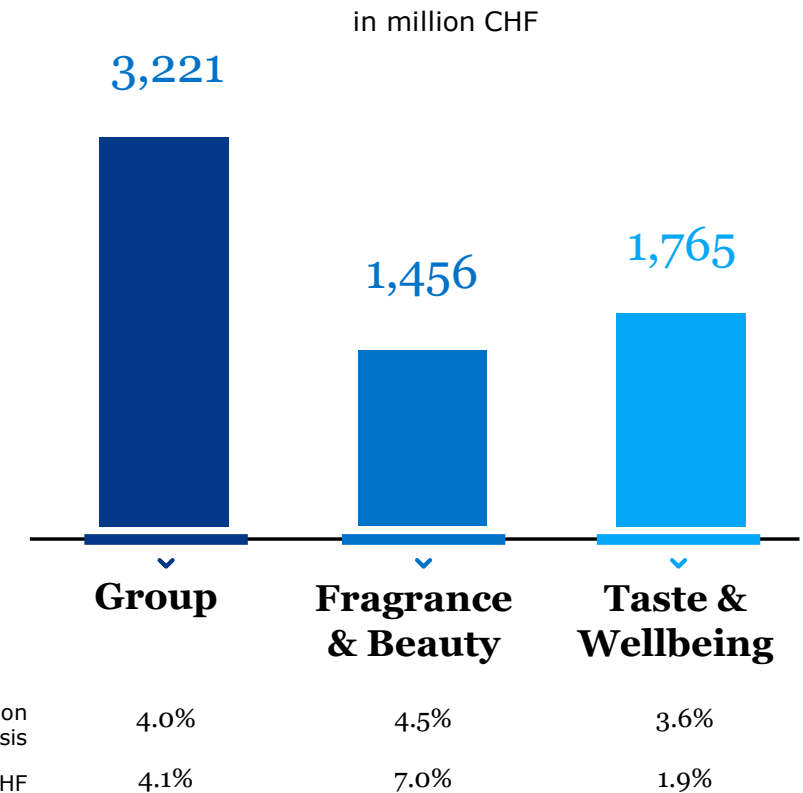
EBITDA of CHF 734 million in 2020, an increase of 11.3% compared to 2019

Underlying EBITDA margin of 23.7%, compared to 22.3% in 2019

Free cash flow of 5.5% of sales, compared to 4.8% in 2019

Delivery of 2020 guidance is fully on track

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



Looking forward

Future value creation through our strategy 2025



OUR PURPOSE:

Creating for happier, healthier lives with love for nature.

Creations

Let's imagine together with customers that through our creations more people will enjoy happier, healthier lives



Communities

Let's imagine together that all communities benefit by working with Givaudan



Nature

Let's imagine together that we show our love for nature in everything we do



People

Let's imagine together that Givaudan is a place where we all love to be and grow



Working to become a



Megatrends

Impacting 2025 strategy

Consumer base is growing

Living longer and more consciously

Sustainability is of high concern

COVID-19:
E-commerce, self-care and localisation gain importance

Trend >



Impact >

- Asia and Africa leading the way

- Consumer behaviours are changing

- Consumers will buy more consciously
- Responsible companies will act

- Consumers will buy more online and increase spending on self-care
- Localisation will be even more important

Strategy 2025

Committed to Growth, with Purpose



Creations

We create inspiring solutions for happier, healthier lives



People

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



Nature

We show our love for nature through impactful actions



Communities

We bring benefits to all communities that work with us



Excellence, Innovation & Simplicity - in everything we do

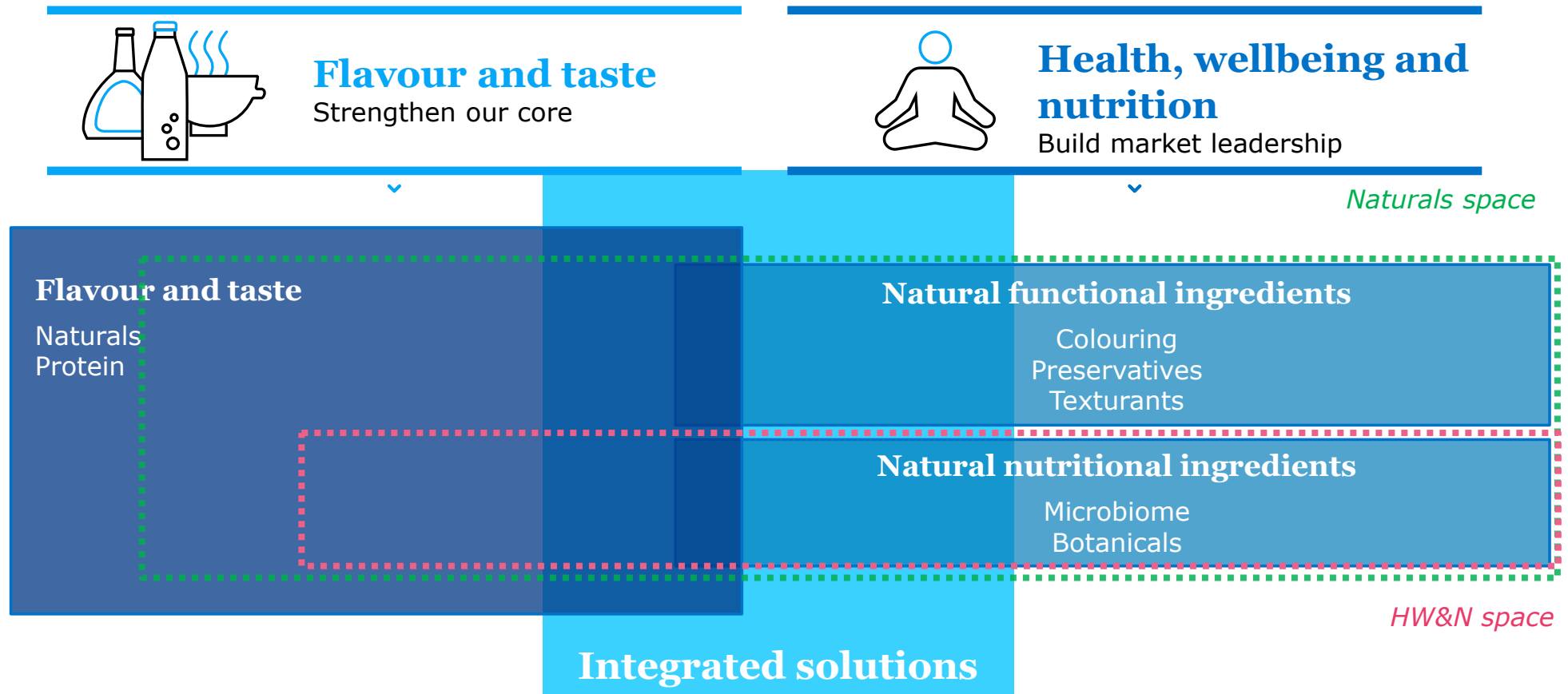
4-5% GROWTH

PURPOSE LINKED TARGETS

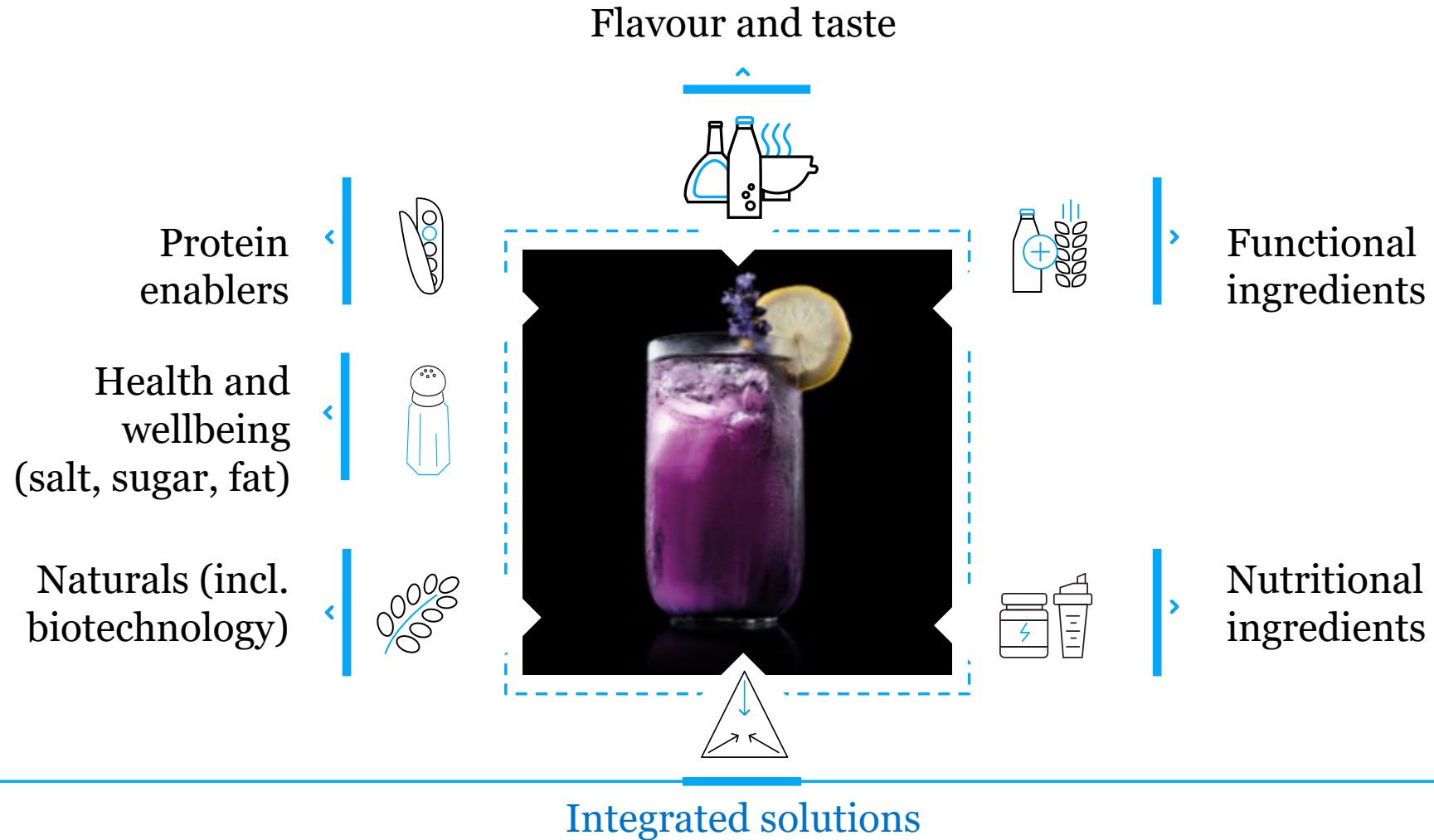
>12% FCF

Best in class product offering

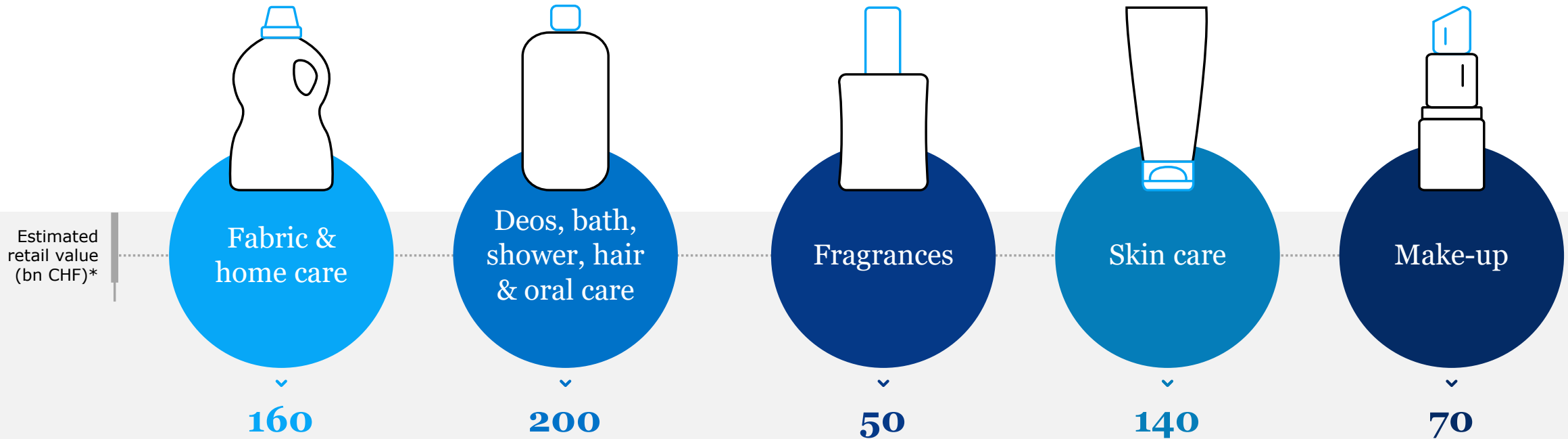
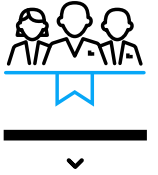
Leveraging the full portfolio to reach our growth ambitions



Best in class product offering

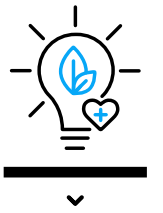


Growing with all customers across all categories

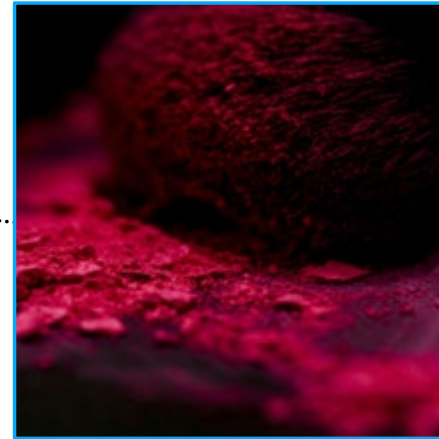


* Source Euromonitor


New and superior product offering




Biotechnology
Leverage our capabilities
and acquisitions for our
ingredients




Beauty
Further expand our
offering in Active Beauty


Delivery systems
Provide the next
generation of bio-caps




Naturals
Provide our customers with
the most innovative and
qualitative ingredients

Strategy 2025

Performance commitments

Sales growth

4.0 – 5.0%

2021 – 2025
Average Like for Like¹ Sales Growth

Free cash flow

>12% of Sales

2021 – 2025
Average FCF² as % of sales

Purpose commitments

**Purpose
linked targets**

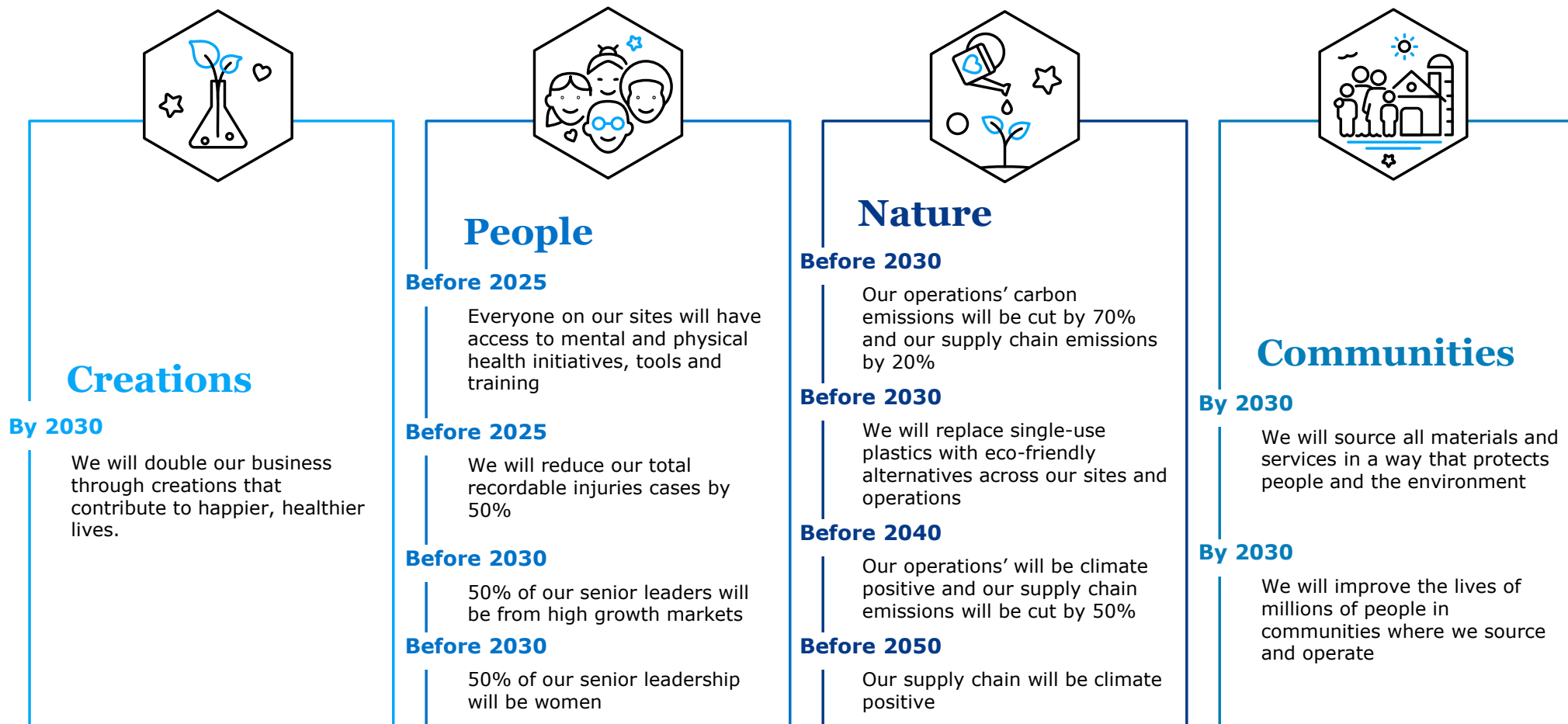
2021 – 2025
Progress towards all published
purpose targets

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

Strategy 2025

Performance commitment - Purpose linked targets



A strong track record of growth and value creation

Value creation history at Givaudan



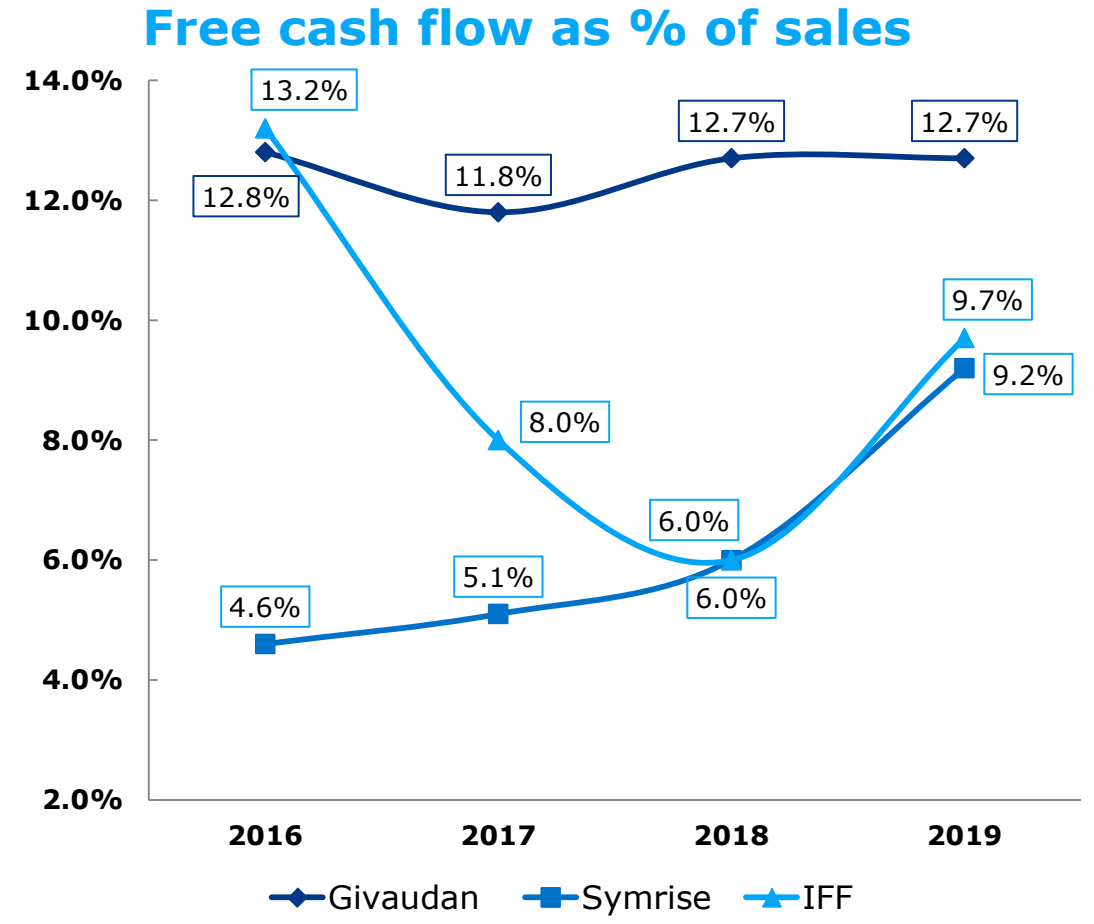
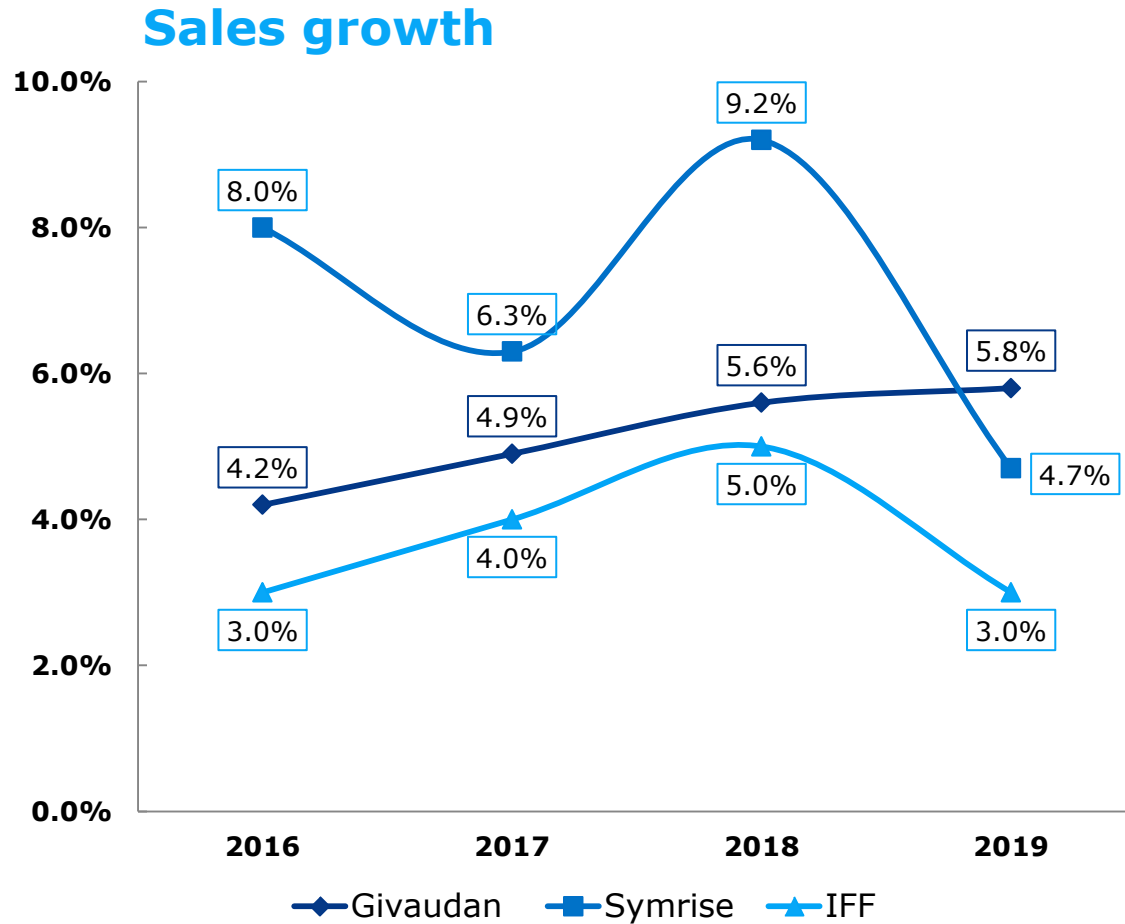
Key investment highlights

Givaudan has a strong track record of delivering with excellence

- A company inspired by its purpose, engaged in the B Corp certification and part of the B Builders Movement
- A highly resilient / defensive business model:
 - Key products that are the most important part of consumer staples and the decisive factor behind the repurchase decisions of consumers
 - High barriers to entry (complexity, R&D, consumer insight, regulations, etc.)
 - Competition focused on innovation, quality and service, not on price
- Natural hedges for sustainable growth:
 - Diversified exposures to all regions and market segments (including premium, private label and regional players in emerging markets)
 - Emerging markets/urbanisation-driven growth model
- Consistency in strategy, execution, result delivery and stability of management

Value creation at Givaudan

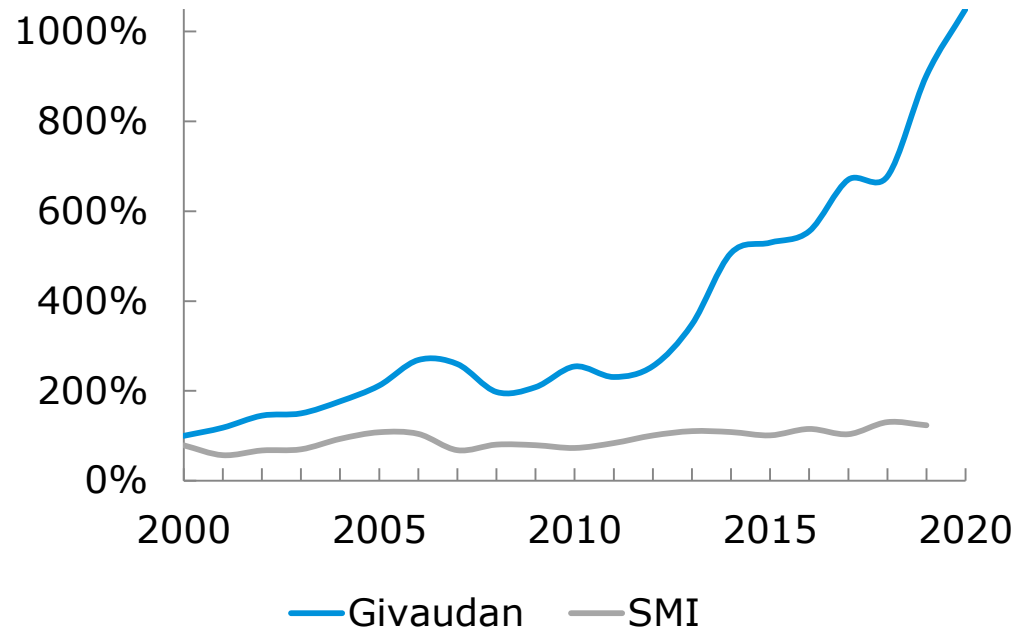
Industry leading financial performance



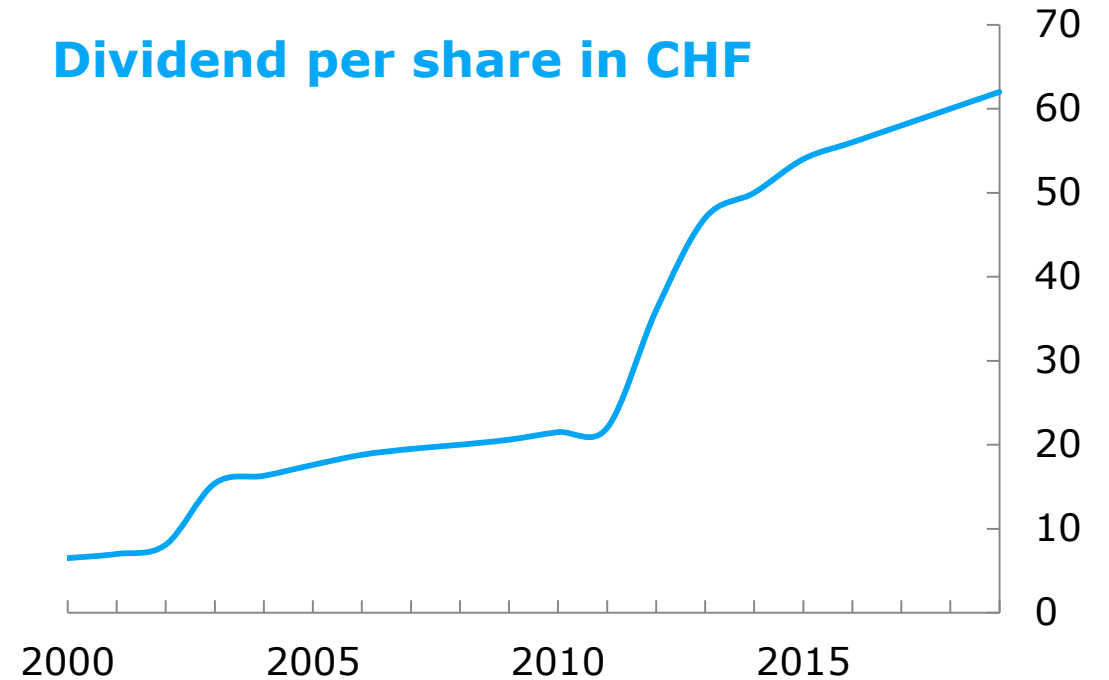
Value creation at Givaudan

Sustained value creation for shareholders

Share price evolution vs SMI



Dividend per share in CHF



>CHF **35 Billion**
of Total Shareholder return since
the IPO

Average annual yield of
13.3%
vs 4.1% of SMI

Creating value for profit, people and the planet

Global recognition as a force for good business



For the first time, we have ranked in the list of **top 25 sustainable companies** in the 2019 S&P 500 Sustainability 25®, reflecting our strong commitment to sustainability.



The assessment highlighted Givaudan's particular **strengths in the categories of labour and human rights**, and sustainable procurement, with scores in the top 1%. Overall, Givaudan achieved a score of 75/100.



Our new flagship Innovation Centre in Kempththal, Switzerland received a **gold certificate from Leadership in Energy and Environmental Design (LEED)**.



Our Pioneer Encapsulation Centre in Singapore was **awarded the BCA Green Mark Gold Award**, based on the Green Mark Criteria for the new non-residential buildings.



Our CEO Gilles Andrier ranked number **30 on the prestigious Harvard Business Review's annual ranking** of 100 best-performing CEOs in the world. The ranking is based both on financial performance and ESG ratings, but this year saw an increased weight of ESG, reflecting the increasing importance of sustainability.



Givaudan has received CDP's highest 'A score' for both its leadership in climate action and water security. This places us among the best performing businesses in terms of mitigating environmental impact.

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