

Transcript

2026 Spring Investor Conference

Q&A Session

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Company representatives

- Christian Stammkoetter, Chief Executive Officer
- Stewart Harris, Chief Financial Officer
- Daniella Hokayem, Director for Fine Fragrances SAMEA
- Claudia Pedretti, Head of Investor and Media Relations

Claudia Pedretti:

So, as usual, we are going to start with questions in the room. For those on the webcast, you can send us your questions via the toolbox, and I will read them out as they come in. But for now, we start in the room, and I see Celine already has a question.

Celine Pannuti, JP Morgan:

Good morning. I am Celine Panutti from JP Morgan. Congrats on your appointment.

My first question is on the 2026 outlook. You just mentioned that the comparatives are easing, the environment is uncertain but, nevertheless, Givaudan managed to deliver a solid Q1. So, as you see easing comparables and better pricing, I presume, because you said that there was minimal pricing in Q1, should we expect, that growth will improve from Q1? And when you look at the scenario analysis and some of the challenges, what could be some of the hits when you look at your scenario that could come into 2026?

My second question is on input cost inflation. So, you mentioned that there was a higher cost inflation. One of your peers yesterday mentioned that, in oil-derived ingredients, the inflation was 20 to 40%. Could you give us an idea of what kind of inflation you are seeing for 2026? And I presume what kind of hedges you have in place and whether what really will be there in 2026 and what will fall into 2027? Thank you.

Christian Stammkoetter:

Thank you very much for the question and I propose we do a bit of a tandem here. So, I can take the first question on growth, and you (SH) talk a bit about the cost side. On growth, we are not guiding for the year, we are guiding on a strategic cycle. But we are very confident, when you look at the fundamentals, on the overall business, and that is something important. You have



seen the numbers on F&B that are very strong across CP and fine fragrance, with a strong momentum as well. And when we look at the pipeline and the kind of the inflow into it, we are very confident.

The same goes for T&W. While we have seen a softer 1Q26 overall, when we look back at the last strategic cycles and the growth we've delivered in T&W — 4.7%, 4.0%, and 5.3% over those three cycles — and even compare 4Q25 to 4Q24, our dynamics and strengths remain fully intact. We have everything we need to continue being successful in T&W. And when we look at the growth and the work our teams are doing on the pipeline — bringing in new projects, which is very important for us — we are very confident about the quarters ahead.

Overall, when looking at T&W, there's a lot of positive things that are coming our way, such as big trends that are going to determine the future growth and the way we play well from GLP1, to the need for clean label and naturals, affordability, that plays a critical role the reduction in high fat, sugar, and salt. All those trends play to the strength of Givaudan helping our customers to leverage those for their portfolios and their products. So that is why overall I am confident with the growth expectation also for 2026.

Stewart Harris:

Thanks, Christian. If you look at input cost, Celine, if we take a step back, we are buying more than 10,000 raw materials, about half in value natural about half in value more synthetic oriented. The sourcing mix is very well balanced. It is part of the natural hedges between Asia non-China, China, Europe, US, and rest of world. So, that really helps us.

Of course, it falls into different categories. So, there is a lot of focus right now on raw materials, particularly oil related, which, as you know, is more prevalent in our F&B business than our T&W business. And there is also focus on things like packaging and freight, and so on and so forth.

From what we have seen so far, the front end is more related to direct increases in costs and freight. So those we are seeking to recover in the same way that we did, for example, last year with tariffs.

In terms of contractual coverage, we are relatively well positioned for the first half as you can imagine and for the second half it becomes a little bit more uncertain for the reasons everyone knows. At this moment it is too early to venture how we would assess the impact to be.

So, we will be in a better position in summer to give you more granular insight as to how it might look for 2026 and any carryover beyond. So, if you look, we are broadly about a billion Swiss Francs of exposure to things which may be oil related on the raw material side and then

you can do the math. If you have a 10% increase in the barrel, you get a 1% increase in the synthetic price of those raw materials in theory.

But that is about where we stand right now. So, too early to venture any indication of what the overall impact would be, particularly on input costs around raw materials. But we will be in a better position come summer to update you on that.

Daniel Bürki, ZKB:

Daniel from ZKB. Two questions. First on Mexico. Could you give some more colour what is going on there? Is the rest of Latam doing better? And then the second one also on flavours. You always mentioned that you are growing much faster with local and regional clients. Is this still the case or you also have seen slower growth there?

Christian Stammkoetter:

Okay. So overall what we see in Mexico are some challenges on the business side while we see the other markets, in particular on T&W, doing better in Latin America. But Mexico is by far our largest market in T&W. So that has an impact on the total regional results. I would compare it to Indonesia in the second half of last year. So, the team is really on it, and we will be also in Mexico next week to look at the plans to really ensure that we are turning around in the market quickly and driving back growth. So, I am confident on that but next week we have a deeper insight into this.

Now overall T&W, in local and regional customers, in food and beverage per se. If you look at the overall split, the division is more tuned to local and regional customers because of the structure of the market. So, in principle, local and regional customers even play a higher role when you look globally for T&W than for F&B. And that is why it is a very important priority for us to continue to grow in this segment and expand our reach in it. And that will help us also when I would look at the average by region. When you go to Asia Pacific, where in food and beverage for us, in T&W, local and regionals play an important role. When you look at China, for example, we have opportunities, in particular in this region, to grow even more in local and regional and that will continue to be a priority for us.

Ranulf Orr, Citi:

Ranulf from Citi, two questions please. Firstly, I'm just wondering if you could just provide a bit of context around how you're seeing customer behaviour in relation to the current conflict in the Middle East; whether you're seeing pre-buying, inventory loading with customers, and potentially any actions that you're taking to ensure security of supply on your end? And the second question in relation to SAMEA: you talked about logistics being a bit of a drag on growth in the region in Q1, probably a slightly impossible question, but can you contextualize the actual impact of that and how you see that evolving into the second quarter as well?

Christian Stammkoetter:

I can talk about customers, and you (SH) take the one on logistics. So, we do not see a change in behaviour so to say when it comes to stocking policies of customers. So, today we have no indication that there is stocking or that customers would be stocking. Obviously, they rely on us to secure the supply, and we have proven, also in previous difficult supply situations, our ability to do that, in the case of 2022. Now for us what is important is that we are looking at key materials, and the team of procurement is doing it, to really ensure that we have the right BCP plans, and we identify challenges that may come out of this crisis. Be it linked to supply chain disruptions, or may also be longer term, linked to the impact on fertilizers that we can expect etc. So, we are working very actively on that while also having good inventory levels, which we are not increasing at this stage.

Stewart Harris:

If you look at logistics, first and foremost, our teams have done an outstanding job of being able to manage that, which is testimony to the capabilities we have established both in the region and centrally. For example, in our GBS organization, we have been able to react very rapidly to that and, as you have seen, we said there is no material impact on our Q1 sales from the disruption in the Middle East, and considering everything that's going on, that's great testament to the capabilities of our teams.

If you look at the structure in the region, ultimately you also saw a little bit softer on T&W versus F&B. In F&B, a lot of the product, especially for Danielle's business, which is going into the region, is going in by air and that makes it a little bit quicker and easier. In T&W, there is a bit more going around by road and that had a slight impact on our ability to get everything to its final destination with the disruptions we faced. But overall, we have managed very well and, unless the situation escalates, we will continue to deploy the same capabilities to the second quarter as we did to the first.

Nicola Tang, BNP Paribas:

It is Nicola Tang from BNP Paribas. Hello.

Thanks for the presentation. Super interesting. The first question is a follow up on the logistics and the input cost discussion. From your comments, is it fair to assume that you are not too worried about availability of raw materials, but it is more about thinking about cost? And when it comes to implementation of pricing, historically it has taken you maybe 12 to 18 months on average to pass through: is there any reason why it would be a different time frame this time around?

And the second question, Danielle, it is more for you, around some of what you presented today. I was wondering if you can give us any detail around your mix of customers between local and regionals and multinationals. Your presentation implied that you were strong with both.

I was wondering if you could talk about Givaudan's position, but also perhaps how the market and the players within the market have changed over time. Thank you.

Christian Stammkoetter:

So, I can say a few words on the one of logistics cost and disruption and you (SH) can take the one on pricing.

On the logistic and on the kind of what do we expect in terms of disruption, and again, it is a bit similar when I talk to our customers, today I think a lot will depend. So right now, it is more a topic of cost and particularly because of the oil price and Stewart elaborated on that now. Is there going to be a long-term effect more on availability that will have another impact on cost particularly on agricultural goods? Today the question is how long this will continue and how much it will impact the supply of fertilizer – that is going to be the big question and that can be, obviously, the one that we will have to manage and that is what we are already looking at through scenario planning. But the key part on the agricultural side will very much be linked to the availability of fertilizer. And here again, it is more impacting the Global South than the Global North. So that is something that we need to manage. But as long as the conflict is not lasting too long, this will be manageable.

That is the consensus. If the conflict would drag on for months and months, probably that will become more relevant but, again, that is why we're looking at scenario planning. Then on the 12 to 18 months pricing...

Stewart Harris:

Yeah, Nicola you know our business very well, like most people in the room, and on the line. We are not selling product from a specification sheet, where we can announce price increases from a certain date. We need to go to every client and negotiate those. We try to limit that as much as possible, but it is fair to assume there would be some degree of lag – whether it would be as long as 12 to 18 months is questionable depending on the particular circumstances.

And the other thing one has to bear in mind, of course, and you're all very familiar with that, is that it tends to be that we recover the impact of input cost on a one-for-one basis, but that can lead to some mechanical dilution of the margin on an EBITDA level.

So, as I say, for the moment we have all the responses, we know how to respond in those situations. We have proven that before, very recently in fact, as recently as 2022/23 and by the time we get a couple of months through and see how the picture looks; we will be able to give you a more granular update on how that looks in the summer.

Danielle Hokayem:

There is a last question for me. So, you were asking about our client base, most of them are local and regional in SAMEA, however we heavily support our global customers worldwide by providing local expertise and guiding them through their developments to make sure they also capture the needs and the desires of the consumers in the SAMEA region.

And we also see a shift from these global players heavily investing in a more local presence from their development teams in the Middle East. So, we see also a shift happening slowly in that way.

Second, you are asking how the dynamics have changed. Well, definitely they have changed with local brands taking more and more space both locally, as well as internationally. So, they are now talking to a global audience and heavily competing with the more global brands worldwide.

Alex Sloane, Barclays:

It is Alex Sloan from Barclays. Two questions please. The first one, Christian, on T&W. You categorized the slight decline in organic sales as kind-of-expected in the context of high comps but also challenging end markets. I'd be very interested in your perspective in terms of to what extent those challenges in the end markets in T&W are structural issues, GLP-1, ultra processed food concerns, and to what extent do you think they're just hangover from all of the pricing that's been taken over the last few years and that's still weighing on volumes? So that would be the first one.

And the second question would be around fragrance ingredients. I appreciate it is a very small business for you, but it was a drag particularly in the second half of last year as you had some negative pricing from tougher Chinese competition. We have seen in some other adjacencies Chinese competition in chemicals easing over the last month as there has been more disruption in China than in Europe for some chemicals. Does this potentially provide any improved competitive positioning for your fragrance ingredients business going forward?

Christian Stammkoetter:

Okay, let me take the T&W one and I pass the ingredient one to you (SH).

So, on T&W, and you also hear it from the CPG and the food and beverage companies, we were all expecting a softer start into the year with some strengthening trends over the year.

Overall, there is a couple of trends that we can see on food and beverage. The biggest one today is obviously the impact on lower income consumers that are really challenged to make ends meet and that is not just true for emerging markets but, today, that is also true in the US, for example, and even to some extent in Europe.

And that is why ensuring a volume focus, ensuring a focus on being competitive and affordable, are going to be the trend and we see also a lot of focus and development going into that direction and that will help to bring back overall volume growth.

One can see, of course, big trends like the need of the consumer, who is polarizing even more, with affordability on the one hand, and premiumization through health/functional, well-being on the other hand, and that trend persists and will be helped by regulatory changes, with US discussions today on natural colours, that will help on the discussion and pressure on sugar, fat and salt reformulation. And there is when you look at Givaudan's capability and strength – 2/3 of our portfolio is linked to naturals and wellbeing, already, looking at our capabilities of sweetness, taste modulation, ability on flavour, protein, and alternative protein masking.

So, all that is structurally placed at the hands of Givaudan in the long term. So, we are optimistic and very confident looking at our capabilities, and at our ability to continue to grow very well in T&W over the coming strategic cycle.

Stewart Harris:

Yes, thanks Alex for the question. There's been a lot of column inches designed to fragrance ingredients, despite the fact that, it represents less than 10% of the division, or less than 5% of the group, but maybe it's important to sort of level set the situation about fragrance ingredients, because it's an important topic: so why do we have fragrance ingredients in the first place? Our fragrance ingredients business is clearly strategically important for us now and going forward because it allows us to develop novel molecules, which help to differentiate our creative perfumery. If we create with the same products as everyone else, it is harder to create differentiation. If we have the best pallet of ingredients, including novel ingredients for our perfumers, then the more chance we have to differentiate. So that is important in terms of the strategic positioning. It is designed to help our perfumery teams differentiate in creation. So that is important as an anchor.

Secondly, there is two relevant attributes which determine where we sit in the overall fragrance ingredients landscape and those are as follows. So, for us, we have 70% of the portfolio we would characterize as specialties and 30% as more commoditized. So, we have a very rich portfolio of fragrance ingredients but about 70% specialties 30% commodities and, as the largest compounder in the business, about 70% of the output of our fragrance ingredients business is consumed by our downstream compound business and only 30% is sold to competitors and to clients. So that gives us a very strong structural architecture for our fragrance ingredients business, and we have a very strong portfolio. We have a lengthy portfolio of ingredients and, the top 20 is about 60% of the overall business in terms of the sales we make. So, it is a long and diverse portfolio of ingredients.

What is definitely true is that on a subset of that portfolio, we are facing particular Chinese competition that started in the second half of last year, predominantly. We will still see the effects of that in the first half of this year before we see it in the base for the second half. And to get finally to the question which you asked, we do not see any short-term relief at this moment in time. We are working hard on our market position. We are working hard on our competitive cost position in terms of manufacturing but in the competitive environment, at least in the very short term, we have not noticed any significant change.

Fulvio Cazzol, Berenberg:

Do you see any technology gaps that need to be filled through M&A to enhance the growth acceleration in the T&W division in the new cycle?

Christian Stammkoetter:

Okay. So when I look at the technologies, and having been with our S&T teams, or R&D, so, science and technology teams, in both in Kempthal and Cincinnati, we have amazing technological strengths, including in fields of biotech, for example, that allows us to develop strong captive ingredients, but really also strong technologies when it comes to sweetness reduction, texture and mouth feel. All that is going to be especially important in the trends that I described before.

So, I do not think that our need today would be looking at technologies through an M&A lens. I think the M&A lens that I would take is really looking at growth opportunities, and they may come by expanding, for example, geographical footprints. That could be one opportunity – we were talking about expanding our region in local and regionals, for example, which would be the lens.

Nevertheless, we are monitoring the markets always for technologies that appear, because the market is also moving. So there may be new technologies that will be developed and, as we did in the past, we may partner or, if we would really see this relevant, acquire it, but today I don't think we have a gap at all in technologies that we would be needing to fill to drive our growth.

Eleanor Jolidon, UBP:

If I could just come back to what Danielle was saying about helping some of the global players in the Middle East on fine fragrances. I was wondering to what extent you would see that market becoming more local in the sense that global players or even regional players would adapt some of their ingredients, their dosages, to different markets? And whether this is already happening or not? I was not aware of it.

Danielle Hokayem:

Yes, it is very much happening already, and we see a lot of launches claiming Middle Eastern inspired ingredients, going at higher dosages, even adapting their storytelling and their

marketing campaigns to a more local consumer base. So, this has started but it keeps growing and we see an increased focus on this part of the world where high fragrance consumption is there, and demand is there, and the domestic market is still growing strong.

Raphaël Membrez, Banque Cantonale de Genève:

Hi, good morning, Raphaël Membrez from Cantonal Bank Geneva. Just a question on fine fragrance. In the past quarters you were offering between 15 and 20% on a quarterly basis like-for-like and were talking about a normalization potentially coming in the next years. We have not seen it. Now you posted 10% at Q1. Is this a fairer run rate going forwards given what we have seen now in the world?

Stewart Harris:

We have been cautioning you on not expecting fine fragrance to grow in the mid-teens year after year, for four years. We have been consistently wrong. This is one of the times in life where we would be happy to be consistently wrong again this year. But as Danielle has perfectly shown, the underlying support of a solid and continuing successful fine fragrance business continues to be there and I do not think one should read too much into the results of one quarter, in that respect. Our overall posture for fine fragrance remains the same. We should not expect the growth algorithm for fine fragrance in the long term to be in the mid-teens.

Arben Hasanaj, Vontobel:

I would have two questions. The first one around consumer products. It has been remarkably strong also given the scale of this business. So, I was wondering what the drivers of this are, especially as global customers' growth has not been that spectacular. So, what is driving this? Is it really the locals and regionals? Is it dosage?

And second question will be around T&W in Europe, which has been weakening. So, I wonder if it is just more of the macro story. Is it the globals that are not doing so well? If you could share any details here.

Christian Stammkoetter:

Okay. So, on consumer products, you are right. When you look at the results again for the 1Q26, growing 7.8% over the 7.9% of 1Q25 last year, it is an amazing result, and we talk a lot about fine fragrance but let us not forget that the consumer products business is more than 60% of the F&B division. So, we have to really ensure that we are growing strong in the core, and consumer products is a core. We see multiple elements. We are growing very strong from what I see, with our global customers, as well as with local and regionals, and it is a perfect example of not "or" but "and" – so growing and investing with our global customers as well as local and regionals, and that's part of our natural hedges.

The focus is really on a multi-category approach—personal care, detergents, fabric softeners—covering a very wide range. And when I look at our technology—encapsulation, etc.—they are highly recognized by customers and driving growth. This makes us well regarded and well seen by our customers, and that is what is driving our growth.

Stewart Harris:

Also, fabric care has seen a lot of innovation. Previously, it used to be that you had powder detergent, liquid detergent, and pods. And now you have all these new formats, and a lot of those are specifically designed only to enhance the fragrance profile of your laundry, either in the wash or post-wash, etc. And as Christian mentioned, we have a fully biodegradable capsule for fabric care. We are very strongly positioned in some of these new formats, and those have given a good support to the overall strength of our consumer product business.

Christian Stammkoetter:

And then coming back to your question on T&W in Europe, we had an extraordinary strong quarter one in Europe in 2025. When you look at the 7.1% growth. So, I would first look at it, given that we are project based, in the combined two quarters comparison which is a strong one. Of course, we also know, and you hear from the CPG customers, that consumption is a bit more muted in Europe on food and beverage.

Nevertheless, when I look at our pipeline and project inflow, they are very healthy. And that is also why I am confident in the kind of growth across customer groups going forward. And also, here you have the average between segments. But it is also true in Europe that local and regionals play quite a significant role for T&W as well.

Cathal Jenny, Davy:

Morning. Two questions. Firstly, for Danielle, you put up a stat there: average growth in fine fragrance SAMEA at 48%, which is stunning. Does the region over-index Gen Z / Gen Alpha relative to other countries? I am trying to understand the Gen Z / Gen Alpha component within your consumer mix.

Danielle Hokayem:

So, Gen Z and Gen Alpha are definitely part of the growth drivers of this business, but they are not the only reason, of course. They actually change the way fragrances are perceived, the way they are used and communicated, and they also influence other generations. We see a lot of parents coming to buy fragrances that were advised by their sons or daughters, and this is a very new dynamic. So, they contribute heavily to growth, but of course they are not the only force behind it.

Cathal Jenny, Davy:

Second question — in your remarks you mentioned encouraging lead indicators. Could you just elaborate on those?

Christian Stammkoetter:

Without giving too many details, we are looking at project inflow, which is very important because we are a project business, and we also know there's a lead time from starting a brief to turning that project into sales. We also look at win rates, which are very important because we need them to be above our market share to continue winning. These are some of the indicators we track.

Overall, when I look at pipeline inflow over the last six to nine months, particularly in T&W, it has been very strong and gives us a lot of confidence as we move into the second half of the year.

These are good indicators. I told you I am very competitive, so I really like the concept of not just inflow but also win rate — it is a very nice concept to have.

Ranulf Orr, Citi:

Hi, from Citi. A question for Christian. You arrived with the new strategy set last summer. How are you thinking about it and what are you reviewing? What has your approach been in bringing something new to Givaudan?

Christian Stammkoetter:

Thank you. I have been asked this question before as I am coming in, but the strategy has already been set. So, the strategy at Givaudan works with strategic cycles that are each 5 years and the current strategic cycle started in 2026 and will go until 2030. The second one is that the strategy is developed in a broader sense by the executive committee and many people involved in the organization. So of course, I looked at the strategy and their elements, that have been defined in that roadmap, and they all make sense, as I said before.

Nevertheless you can also be reassured that I will bring 30 years of CPG experience, through looking at the elements that are defined, looking at where I see areas where we can strengthen further what we do today, where we may have areas where we can optimize and improve, and how to really protect the very strong performance on the core. And that is the work that I have started to do also with the EC, and that is where some of that will come back and be in the roadmap more concretely in the summer conference. So, we take the time on it. But I also want to be very clear, I am not someone to come and change things for changing. I do not like that. If something is going well and successful, we will continue to do it and we will continue to build on it. So that is also for me an important value.

And last, I do not want to concretize anything because I think for me what is important, and you will see it, is I am someone who believes in having one story, and one story only. But first obviously, we are always discussing internally before we are sharing something externally. You will not see me do it the other way around.

Claudia Pedretti:

There seem to be no further questions, so we move to closing.

Christian Stammkoetter:

Thank you all for joining today in Vernier. This was my first interaction with you as CEO of Givaudan, a role I am very excited about. I am also very excited about the company's strengths and the next chapter ahead.

I invite you to explore what we are showcasing in fine fragrance SAMEA, try the fragrances, and join us for lunch.

Thank you very much.