

Investor presentation  
Reinforcing a leadership  
position – outperforming the market



Givaudan

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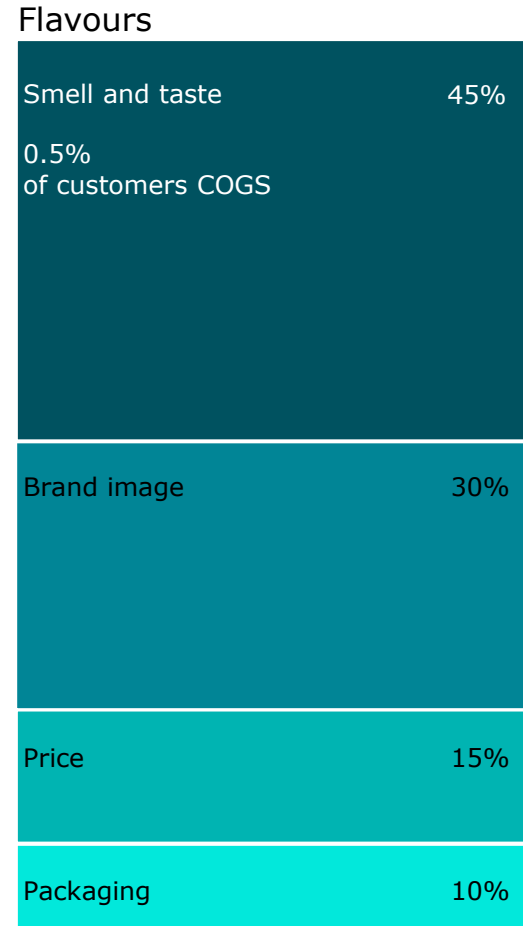
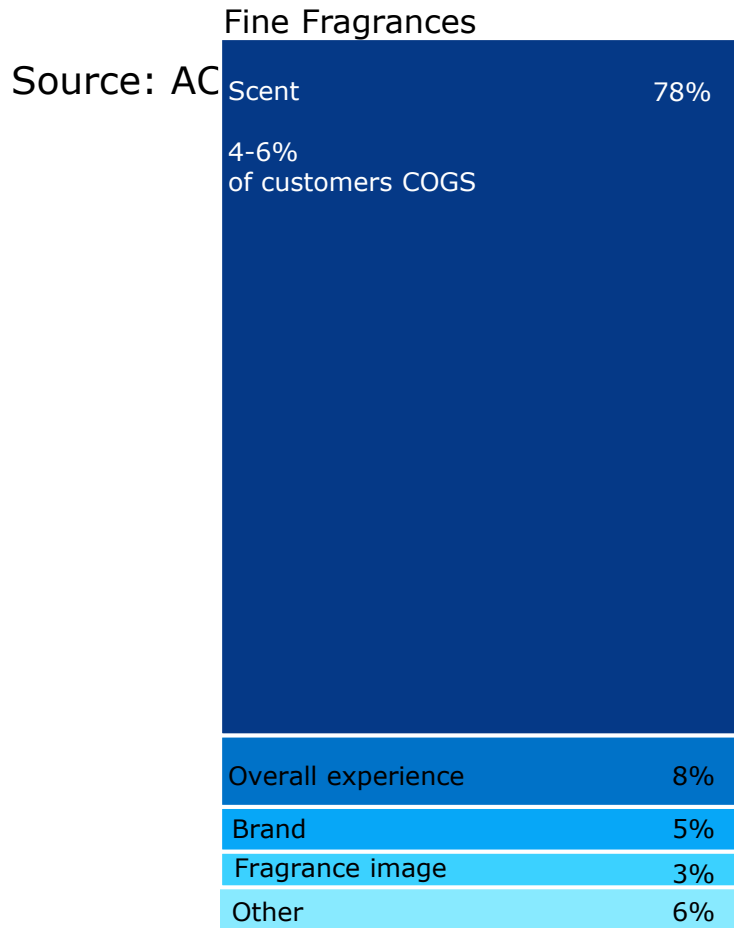


Givaudan products drive millions of consumer decisions every day!



# Key drivers of consumer repurchase decisions

## Fragrance and Flavour industry



# The industry



# The Fragrance and Flavour industry

## End consumer markets

### Our customers

Multi-national | Regional | Local | Food service | Private label

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



Food



Beverages



Fine Fragrance



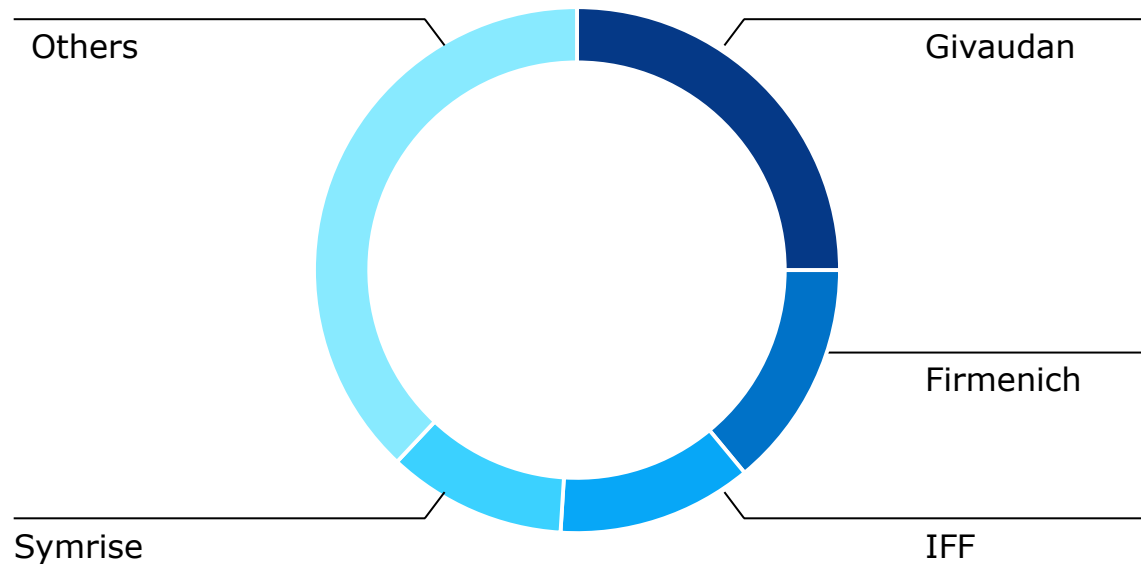
Household



Personal care

# 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
- The brief defines the olfactive and organoleptic requirements and cost-in-use target
- 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
- 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?





# 2014 Full Year Results

Solid performance in a challenging environment

**Sales**  
CHF 4.4  
billion,  
up 3.7% like  
for like

**Gross  
margin**  
of 46.0%,  
up from  
44.7%

**EBITDA**  
CHF 1,053  
million  
margin of  
23.9%

**Net income**  
CHF  
563million,  
14.9% up  
year on year

**Free cash  
flow**  
CHF  
604million,  
13.7% of  
sales

# 2015 Half Year Results

## Financial highlights

- Sales of CHF 2.2 billion, up 1.3% on a like-for-like\* basis
- Project pipeline and win rates sustained at a high level
- EBITDA of CHF 566 million in 2015
- EBITDA margin improved to 25.9% from 25.6% in 2014
- Net income of CHF 339 million, up 11.2% year on year
- Free cash flow of 11.4% of sales, compared to 8.1% in 2014

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

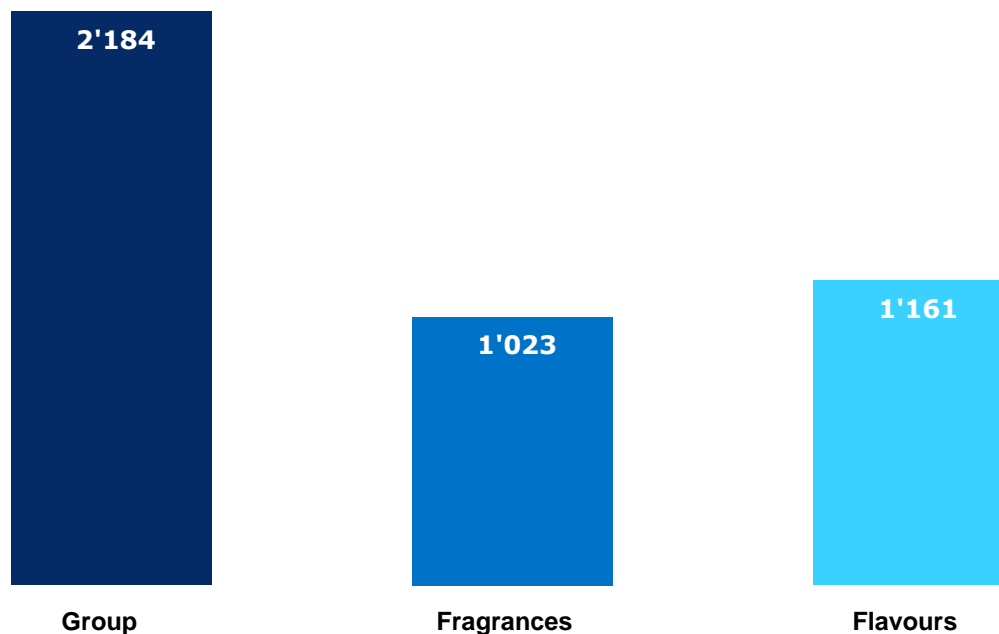
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> Our 2015 six month results are a convincing demonstration of the continued value we bring to our customers, across all regions and segments

# 2015 Half Year Results

## Sales performance: Sustained growth in a difficult environment

In million CHF



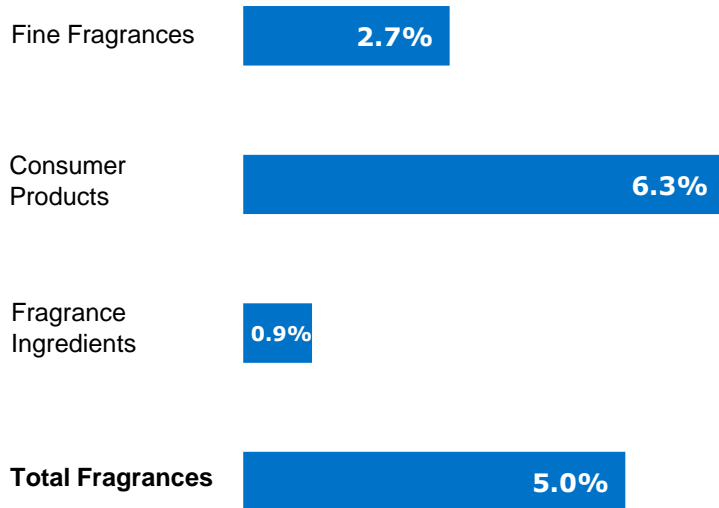
	Group	Fragrances	Flavours
% 2008 – 2015 CAGR	4.9%	5.0%	4.8%
% 2015 growth on LFL* basis	1.3%	0%	2.6%
% 2015 growth in CHF	(0.3)%	(1.1)%	0.4%

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

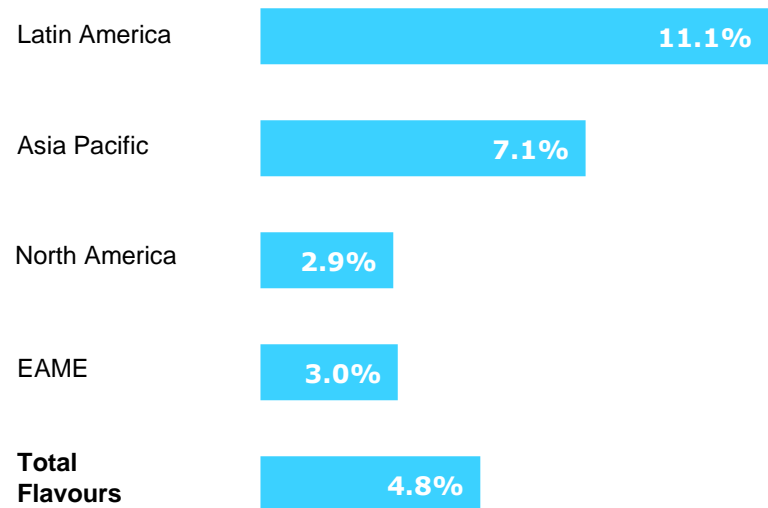
# 2015 Half Year Results

## HY 2008 to HY 2015 sales CAGR: In line with mid-term guidance

### Fragrances



### Flavours



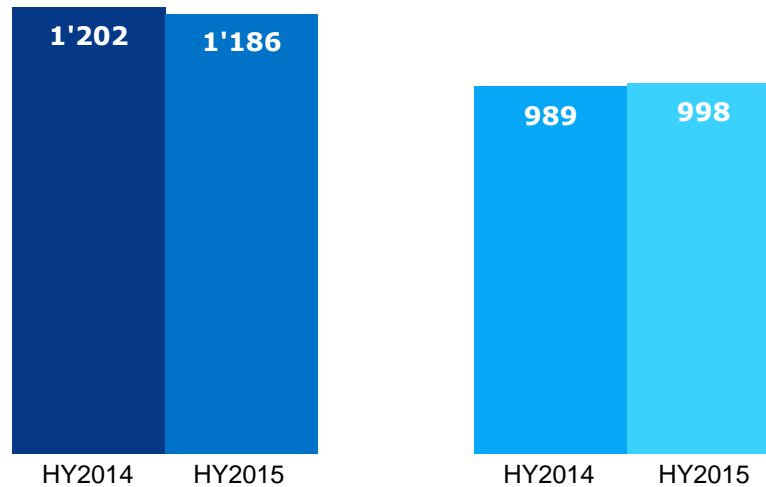
**Group 4.9%**

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

# 2015 Half Year Results

## Sales evolution by market: Presence in developing markets continues to increase

In million CHF



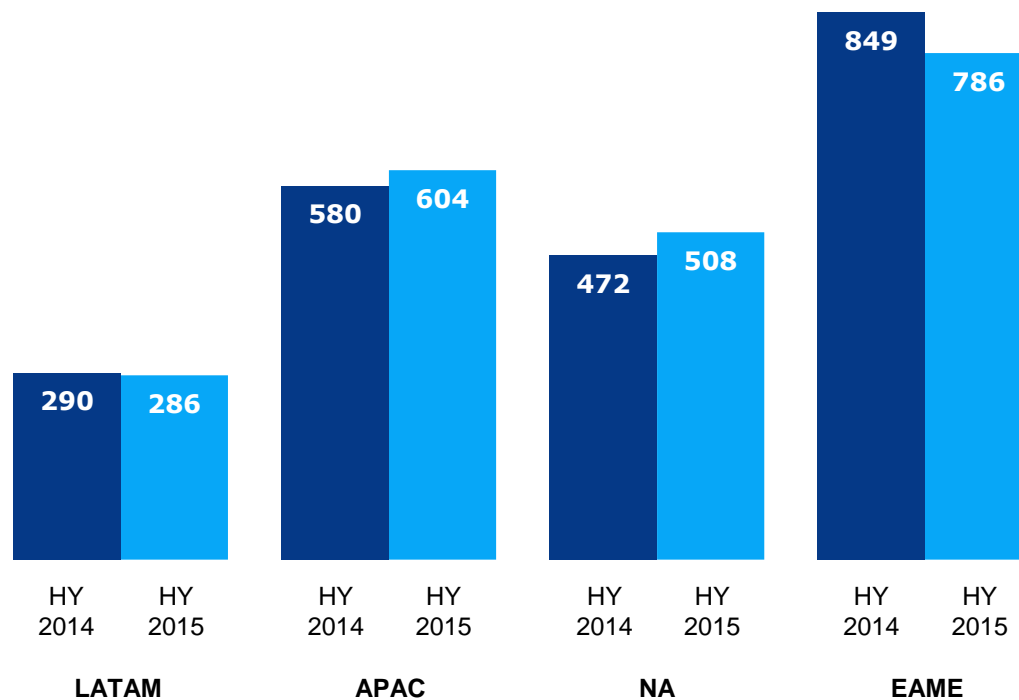
	Mature		Developing	
% of total sales	55%	54%	45%	46%
% 2008 – 2015 CAGR	1.8%		9.3%	
% 2015 growth on LFL* basis	1.0%		1.8%	

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

# 2015 Half Year Results

## Sales evolution by region

In million CHF

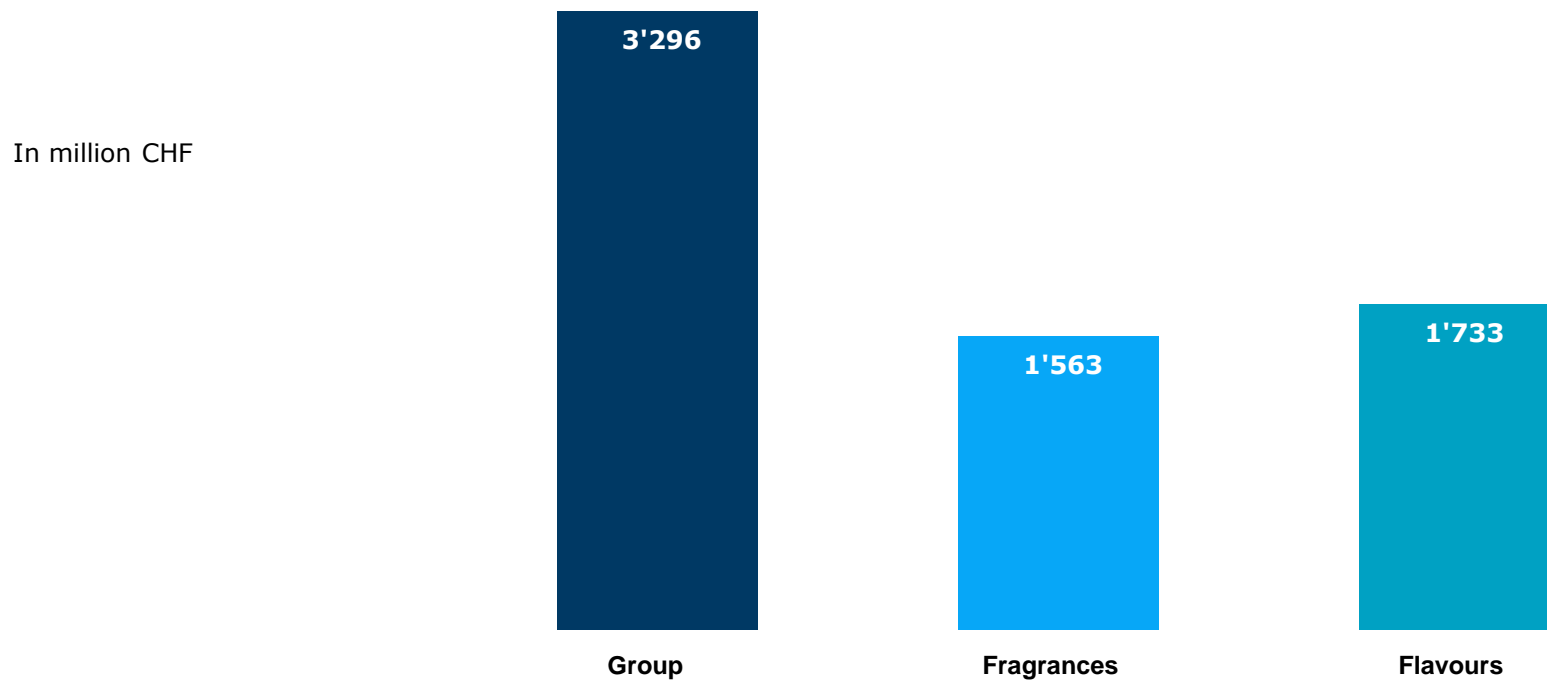


	LATAM	APAC	NA	EAME
% 2015 growth on LFL* basis	5.4%	1.9%	0.8%	0.1%
% 2008 – 2015 CAGR	12.1%	8.0%	1.9%	2.6%
% 2008 – 2015 CAGR Developing (Ø 9.3%)	12.1%	10.2%	-	5.8%
% 2008 – 2015 CAGR Mature (Ø 1.8%)	-	3.4%	1.9%	1.1%

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

# 2015 Nine month sales

Improved performance in developing markets



% 2015 growth on LFL* basis	2.0%	0.7%	3.3%
% 2015 growth in CHF	-0.5%	-1.5%	0.4%
Developing markets	3.3%		
Mature markets	1.0%		

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

Where we are going





2020 Strategy

Partnering for shared success – Responsible growth



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# Responsible growth. Shared success.

## Growing with our customers



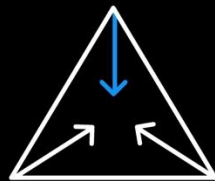
High growth  
markets



Health &  
wellbeing

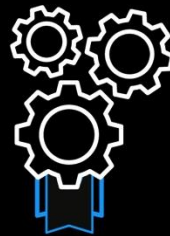


Consumer-  
preferred  
products



Integrated  
solutions

## Delivering with excellence

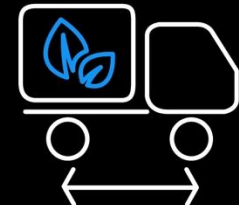


Excellence  
in execution

## Partnering for shared success



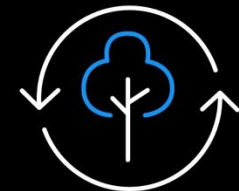
Innovators



Suppliers



People



Communities

# Responsible growth. Shared success.

Growing with  
our customers

4–5%

Organic sales  
growth

Delivering  
with excellence

12–17%

Free cash flow as  
% of sales

Partnering for  
shared success

Partner  
of choice

Creating additional value through acquisitions

# The value proposition for investors



# Unrivalled capabilities

Depth and range of customer relationships

Global reach

Unmatched resources to service our clients

Broadest product offering

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88

**Locations worldwide**

56

**Creation and application centres**

34

**Production sites**

Over 60,000

**Products sold per year**

# Well balanced business with natural hedges

## Geography

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- 46% of sales in developing markets
- 54% in mature markets



## Segments

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Balanced portfolio in most fragrance and flavour applications



## Customers and products

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Diversified client base ranging from multinationals to regional clients, from premium brands to private and white label



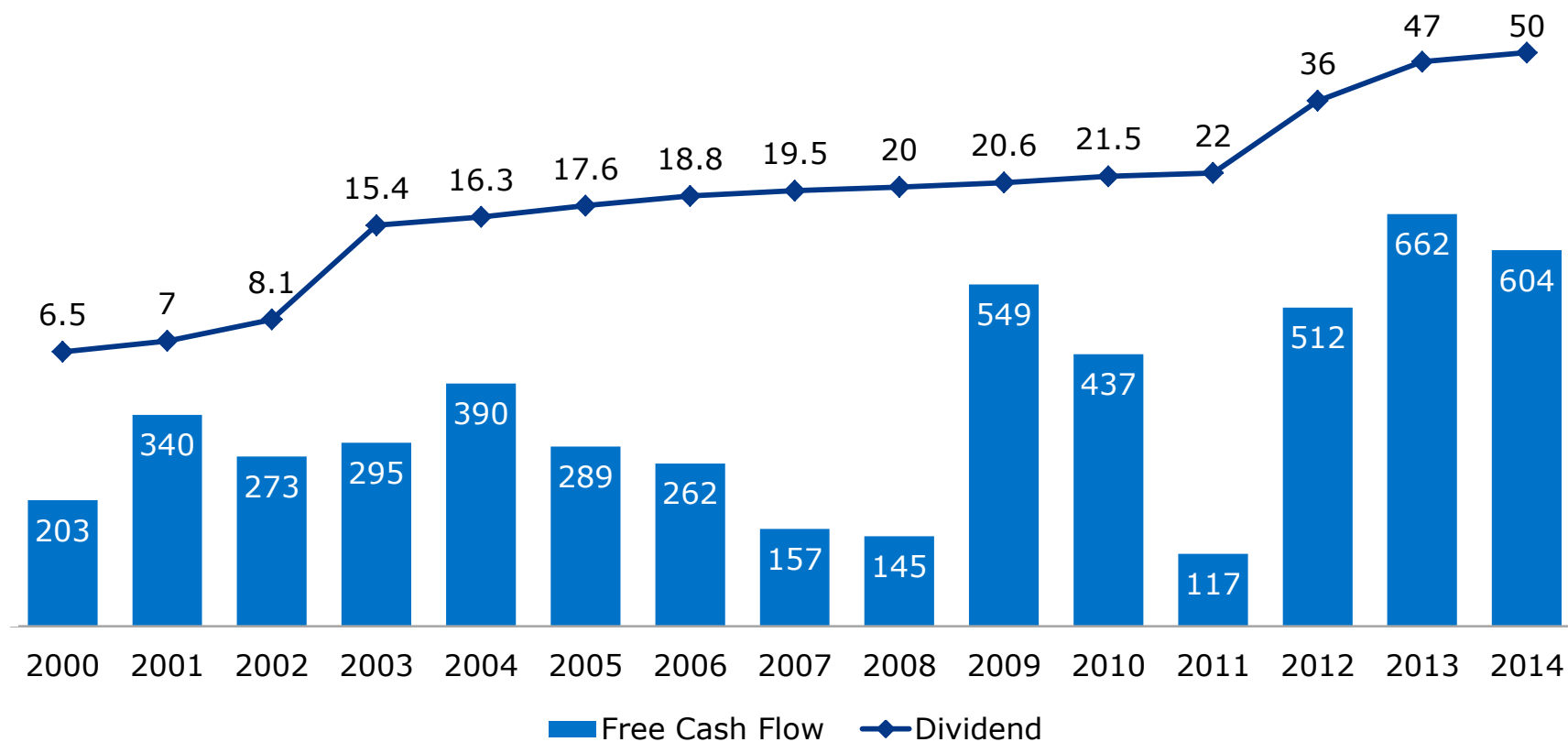
## Currency

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- Creation and production centres close to customers
- Sales and expenses balanced across major currencies protecting margins

# Dividend per share

Free cash flow of CHF 5.2 billion generated over the past 15 years  
CHF 2,114 million of cash flow returned to shareholders as dividends  
and CHF 504 million (net) through share buy-backs



# Increased payout to shareholders

## What drives FCF to 14%–16% of sales in 2015

Improving EBITDA

operational leverage of approx. 30%,  
depending on mix

Savings of CHF 15 mio

from Flavour production in Makó (Hungary)  
2015: CHF 15 mio

Reduction of double running  
cost

Makó/Kemptthal  
2015: CHF 10 mio



# Guidance 2010-2015

## On track to deliver on our ambitious last mid-term guidance



### Driven by five pillar strategy

Developing Markets

Research & Development

Health & Wellness

Sustainable sourcing of raw materials

Targeted customers and segments

\* Sales growth assumes a market growth of 2-3%

\*\* Free cash flow above 60% return to shareholders whilst maintaining a leverage ratio of no more than 25%

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