2016 Full Year Results
Solid financial performance - in line with 2020 guidance
31 January 2017
Gilles Andrier
Chief Executive Officer
2016 Full Year Results
Financial highlights

• Sales of CHF 4.7 billion, up 4.2% on a like-for-like basis

• EBITDA of CHF 1,126 million, up 5.2% in Swiss Francs

• EBITDA margin of 24.1% in 2016

• Net income of CHF 644 million, up 3.1% year-on-year

• Free cash flow of 12.8% of sales

• Proposed dividend of CHF 56.00 per share, up 3.7% year on year

* Like-for-like (LFL) excludes the impact of currency, acquisitions and disposals
2016 Full Year Results

Sales performance: In line with 2020 guidance

- % 2016 growth on LFL* basis: 4.2% for Group, 5.6% for Fragrances, 3.0% for Flavours
- % 2016 growth in CHF: 6.1% for Group, 6.4% for Fragrances, 5.8% for Flavours

* LFL (like-for-like) excludes the impact of currency, acquisitions and disposals
2016 Full Year Results

Sales evolution by market: Solid performance in high growth markets, acquisitions mainly accredited to the mature markets

in million CHF

<table>
<thead>
<tr>
<th>Market</th>
<th>FY2015</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mature</td>
<td>2,369</td>
<td>2,566</td>
</tr>
<tr>
<td>High growth</td>
<td>2,027</td>
<td>2,097</td>
</tr>
</tbody>
</table>

% of total sales

<table>
<thead>
<tr>
<th>Market</th>
<th>FY2015</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mature</td>
<td>54%</td>
<td>55%</td>
</tr>
<tr>
<td>High growth</td>
<td>46%</td>
<td>45%</td>
</tr>
</tbody>
</table>

% 2016 growth on LFL* basis

<table>
<thead>
<tr>
<th>Market</th>
<th>FY2015</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mature</td>
<td>2.4%</td>
<td></td>
</tr>
<tr>
<td>High growth</td>
<td></td>
<td>6.4%</td>
</tr>
</tbody>
</table>

* LFL (like-for-like) excludes the impact of currency, acquisitions and disposals
2016 Full Year Results
Sales evolution by region: All regions growing at faster pace than 2015

in million CHF

LATAM

<table>
<thead>
<tr>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>571</td>
<td>591</td>
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</table>

APAC

<table>
<thead>
<tr>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,238</td>
<td>1,320</td>
</tr>
</tbody>
</table>

NA

<table>
<thead>
<tr>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,020</td>
<td>1,151</td>
</tr>
</tbody>
</table>

EAME

<table>
<thead>
<tr>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,567</td>
<td>1,601</td>
</tr>
</tbody>
</table>

% 2016 growth on LFL* basis

- LATAM: 13.2%
- APAC: 4.6%
- NA: 2.9%
- EAME: 1.6%

*LFL (like-for-like) excludes the impact of currency, acquisitions and disposals
2016 Full Year Results
Fragrance Division: Operational Performance

**Fine Fragrances grew 7.2%**
Growth driven by Latin America, Middle East and strong double-digit growth in North America

**Consumer Products grew 6.1%**
Strong growth in both mature and high growth markets
Double-digit growth in Latin America
Double-digit growth with local and regional customers
Double-digit growth in fabric care and home care segments

**Fragrance and Cosmetic Ingredients grew 1.0%**
Good growth in Active Beauty with recent launches
Sourcing from Mexico and China (JV) allows the Group to remain competitive in Fragrance Ingredients

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,096</td>
<td>2,230</td>
</tr>
<tr>
<td>EBITDA</td>
<td>498</td>
<td>603</td>
</tr>
</tbody>
</table>

Sales and EBITDA in million CHF

Underlying EBITDA margin 24.3%
### 2016 Full Year Results

**Flavour Division: Operational Performance**

**Double digit growth with Targeted Customers and in Health & Wellness contributed to the overall performance**

**Asia Pacific increased** 5.1% driven by double digit growth in India.

**Europe, Africa and Middle East were flat** as declines in mature markets of Germany, UK and France were offset by Southern Europe and certain pockets of Africa.

**North America declined** 1.0% mainly as a result of high comparables.

**Latin America increased** 17.1% driven by double digit growth in Argentina and Brazil supported by good growth in Mexico.

<table>
<thead>
<tr>
<th></th>
<th>Sales in million CHF</th>
<th>EBITDA in million CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2015</strong></td>
<td>2,300</td>
<td>572</td>
</tr>
<tr>
<td><strong>FY 2016</strong></td>
<td>2,433</td>
<td>523</td>
</tr>
</tbody>
</table>

- **Sales and EBITDA margin**
  - FY 2015: 23.5%
  - FY 2016: 21.5%
Tom Hallam
Chief Financial Officer
2016 Full Year Results

Highlights

• Sales of CHF 4.7 billion, up 4.2% on a like-for-like basis

• EBITDA of CHF 1,126 million, up 5.2% in Swiss Francs

• EBITDA margin of 24.1% in 2016

• Net income of CHF 644 million, up 3.1% year-on-year

• Investments slightly above 2015, at 3.8% of sales

• Free cash flow of 12.8% of sales

• Net debt of CHF 930 million, leverage at 19%

• Proposed dividend of CHF 56.00 per share, up 3.7% year on year
2016 Full Year Results

Exchange rate development: Results largely unaffected by currencies, despite some significant individual currency movements versus Swiss francs.

<table>
<thead>
<tr>
<th></th>
<th>JPY</th>
<th>USD</th>
<th>GBP</th>
<th>EUR</th>
<th>SGD</th>
<th>BRL</th>
<th>CNY</th>
<th>MXN</th>
<th>IDR</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2016</td>
<td>0.91</td>
<td>0.99</td>
<td>1.34</td>
<td>1.09</td>
<td>0.71</td>
<td>0.29</td>
<td>0.15</td>
<td>0.05</td>
<td>0.74</td>
</tr>
<tr>
<td>FY 2015</td>
<td>0.80</td>
<td>0.96</td>
<td>1.47</td>
<td>1.07</td>
<td>0.70</td>
<td>0.29</td>
<td>0.15</td>
<td>0.06</td>
<td>0.72</td>
</tr>
</tbody>
</table>
Sales of CHF 4,663 million
(2015: CHF 4,396 million)

Gross margin of 45.6% compared to 46.2% in 2015, mainly driven by impact of Spicetec

EBITDA of CHF 1,126 million, up 5.2% in CHF and 3.7% in l.c. driven by:
• Targeted investments to support 2020 strategy
• Underlying operating expenses under control
• One-off gain in 2016 of CHF 62 million (2015: CHF 20 million)

EBITDA margin of 24.1%, down from 24.3% in 2015

Operating income of CHF 875 million, up 10.2% from 2015 driven by higher EBITDA and lower amortisation charge
2016 Full Year Results
Financing costs and other financial expenses

Financing costs down in 2016, following re-financing over recent years at attractive interest rates.

Other financial income and expenses impacted by unhedged currency volatility in certain markets.
2016 Full Year Results

Net income: increasing by 3.1% as a result of continued solid operating performance

Income before tax of CHF 784 million, up from CHF 696 driven by higher operating profit

Effective tax rate of 18%, flat versus the underlying rate in 2015 (2015 actual rate of 10%)

Net income of CHF 644 million, or 13.8% of sales, versus 14.2% in 2015

Basic EPS of CHF 69.95, versus CHF 67.89 in 2015
**2016 Full Year Results**

**Free cash flow:** In line with mid term targets

- **Operating cash flow** of CHF 805 million, down from CHF 915 in 2015
- **Working capital** as a % of sales flat versus 2015
- **Total investments** of CHF 175 million, including new facilities in India and Switzerland
- **Net Investments** as % of sales were 3.8%, slightly above the level in 2015

![Graph showing free cash flow in million CHF for FY 2015 and FY 2016.](chart.png)

- **FY 2015:** 720 million CHF, As % of sales 16.4%
- **FY 2016:** 597 million CHF, As % of sales 12.8%
2016 Full Year Results
Conservative debt profile

Reimbursements
April 2016 reimbursement of USD 55 million (CHF 53 million) private placement, with an annual interest rate of 5.49%
December 2016, reimbursement of CHF 150 million Straight Bond with an annual interest rate of 1.250%

Issues
In December 2016, the Group issued two straight bonds of respectively CHF 100 million with 6 years maturity and a coupon of 0.000% and CHF 200 million with 15 years maturity and a coupon of 0.625%
2016 Full Year Results

Leverage ratio: In line with long term targets, impacted in 2016 by Spicetec acquisition

Leverage ratio of 19% as at December 2016 as a result of solid cash flow generation, offset by acquisition
Intention to maintain a medium term leverage ratio target below 25%
2016 Full Year Results

Dividend per share: Increasing 3.7% YoY

Free cash flow of CHF 6.6 billion generated over the past 17 years
CHF 3,129 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 2017
2016 Full Year Results
Amortisation of intangible assets

- Pre Quest amortisation of intangible assets of approx. CHF 17 million p.a.
- Quest (exc. Goodwill)
- Other acquisitions: Soliance, Induchem and Spicetec (exc. Goodwill) mainly related to customers, formulae and technologies
- IT amortisation updated to reflect size and scope of projects (e.g. regulatory engine)
2016 Full Year Results
Financial summary

• Sales of CHF 4.7 billion, an increase of 4.2% on a like-for-like basis, briefs pipeline and win rate remain strong

• Continued strong cost focus and investments to support 2020 targets

• Net income of CHF 644 million, up 3.1% year-on-year

• Free cash flow of 12.8% of sales

• Net debt of CHF 930 million, leverage at 19%

• Proposed dividend of CHF 56.00 per share, up 3.7% year on year
2020 guidance
Our commitment

Givaudan
engage your senses
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

Creating additional value through acquisitions

Intention to maintain current dividend practice as part of this ambition

* Over a five-year period by 2020
Q & A
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