2014 Full Year Results
Solid performance in a challenging environment

29 January 2015
2014 Full Year Results
Financial highlights

• Sales CHF 4.4 billion, up 3.7% on a like-for-like* basis
• Developing markets grew 7.0%, mature markets grew 1.1%; both on a like-for-like basis
• EBITDA margin improved to 23.9% in 2014 from 22.2% in 2013
• Free cash flow was 13.7% of sales, compared to 15.2% in 2013
• Dividend of CHF 50.00 per share proposed, up 6.4% year on year

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

Our 2014 results are a convincing demonstration of the continued value we bring to our customers, across all regions and segments
2014 Full Year Results

Sales performance: Solid performance in a difficult trading environment

In million CHF

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Fragrances</th>
<th>Flavours</th>
</tr>
</thead>
<tbody>
<tr>
<td>% 2008 – 2014 CAGR</td>
<td>5.2%</td>
<td>5.5%</td>
<td>4.9%</td>
</tr>
<tr>
<td>% 2014 growth on LFL* basis</td>
<td>3.7%</td>
<td>3.6%</td>
<td>3.7%</td>
</tr>
<tr>
<td>% 2014 growth in CHF</td>
<td>0.8%</td>
<td>1.2%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

* LFL (like-for-like) excludes the impact of currency, acquisitions and disposals
2014 Full Year Results

FY 2008 to FY 2014 sales CAGR: In line with mid-term guidance

<table>
<thead>
<tr>
<th>Fragrances</th>
<th>Flavours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fine Fragrances</td>
<td>Latin America</td>
</tr>
<tr>
<td>Consumer Products</td>
<td>Asia Pacific</td>
</tr>
<tr>
<td>Fragrance Ingredients</td>
<td>North America</td>
</tr>
<tr>
<td>Total Fragrances</td>
<td>EAME</td>
</tr>
<tr>
<td>Total Flavours</td>
<td>Group</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2014 Full Year Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fine Fragrances</td>
<td>2.9%</td>
</tr>
<tr>
<td>Consumer Products</td>
<td>6.8%</td>
</tr>
<tr>
<td>Fragrance Ingredients</td>
<td>2.5%</td>
</tr>
<tr>
<td>Total Fragrances</td>
<td>5.5%</td>
</tr>
<tr>
<td>Latin America</td>
<td>11.0%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>6.8%</td>
</tr>
<tr>
<td>North America</td>
<td>2.2%</td>
</tr>
<tr>
<td>EAME</td>
<td>3.6%</td>
</tr>
<tr>
<td>Total Flavours</td>
<td>4.9%</td>
</tr>
<tr>
<td>Group</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

*LFL (like-for-like) excludes the impact of currency, acquisitions and disposals*
2014 Full Year Results

Sales evolution by market: Solid LFL growth in all markets, absolute amounts continue to be impacted by currencies

In million CHF

<table>
<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mature</td>
<td>2,404</td>
<td>2,400</td>
</tr>
<tr>
<td>Developing</td>
<td>1,965</td>
<td>2,004</td>
</tr>
</tbody>
</table>

% of total sales
Mature: 55%          Developing: 45%

% 2008 – 2014 CAGR
Mature: 1.8%          Developing: 10.1%

% 2014 growth on LFL* basis
Mature: 1.1%          Developing: 7.0%

* LFL (like-for-like) excludes the impact of currency, acquisitions and disposals
2014 Full Year Results

Sales evolution by region: Latin America continues strong momentum

In million CHF

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LATAM</td>
<td>578</td>
<td>579</td>
<td>11.3%</td>
<td>12.7%</td>
<td>12.7%</td>
<td>-</td>
</tr>
<tr>
<td>APAC</td>
<td>1180</td>
<td>1188</td>
<td>4.2%</td>
<td>8.2%</td>
<td>10.4%</td>
<td>3.7%</td>
</tr>
<tr>
<td>NA</td>
<td>958</td>
<td>951</td>
<td>0.6%</td>
<td>1.9%</td>
<td>-</td>
<td>1.9%</td>
</tr>
<tr>
<td>EAME</td>
<td>1653</td>
<td>1686</td>
<td>2.5%</td>
<td>3.0%</td>
<td>6.8%</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

* LFL (like-for-like) excludes the impact of currency, acquisitions and disposals
2014 Full Year Results
Fragrance Division: Operational Performance

Fine Fragrances grew 2.5%
Growth mainly driven by Latin America and Middle East

Consumer Products grew 3.3%
Solid growth across all customer groups
Double-digit growth in Latin America for the third consequent year, double-digit growth in Africa and the Middle East
Growth in all major categories, notably fabric and personal care

Fragrance and Cosmetic Ingredients grew 7.4%
Strong growth in all major markets
Double-digit growth in Specialities

<table>
<thead>
<tr>
<th></th>
<th>FY 2013</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (CHF million)</td>
<td>2,083</td>
<td>2,108</td>
</tr>
<tr>
<td>EBITDA (CHF million)</td>
<td>503</td>
<td>505</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>24.2%</td>
<td>23.9%</td>
</tr>
</tbody>
</table>

+1.2%
2014 Full Year Results
Flavour Division: Operational Performance

Health and Wellness, Developing Markets and Targeted Customers contributed to the overall performance

Asia Pacific increased 3.9% driven by China, India and the Philippines

Europe, Africa and Middle East grew 2.3% driven by the developing markets of Africa, Middle East and Poland, mature markets in Europe of Benelux, Northern Europe and Italy offset by declines in the UK, Ireland and Germany

North America grew 2.3% with strong growth in Beverages, Dairy and Snacks

Latin America increased 10.7% driven by strong growth in Argentina and Brazil

<table>
<thead>
<tr>
<th>Sales and EBITDA</th>
<th>CHF million</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td>2,286</td>
</tr>
<tr>
<td>Sales</td>
<td>467</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>20.4%</td>
</tr>
<tr>
<td>FY 2014</td>
<td>2,296</td>
</tr>
<tr>
<td>EBITDA</td>
<td>548</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>23.9%</td>
</tr>
</tbody>
</table>
Matthias Währen
Chief Financial Officer
2014 Full Year Results
Highlights

• Sales CHF 4.4 billion, up 3.7% on a like-for-like basis
• EBITDA increased by 8.5% to CHF 1,053 million
• EBITDA margin improved to 23.9%, including a one-off gain of CHF 42 million
• Net income of CHF 563 million, up 14.9% year on year
• Working capital increased to 25.8% from 22.6% as % of sales due to timing of sales
• Underlying investments up versus 2013, at 4.8% of sales
• Free cash flow of CHF 604 million, 13.7% of sales
• Net debt of CHF 795 million, leverage at 17%
• Dividend of CHF 50.00 per share proposed, up 6.4% year on year
2014 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 2014</td>
<td>0.86</td>
<td>0.92</td>
<td>1.51</td>
<td>1.21</td>
<td>0.72</td>
<td>0.39</td>
<td>0.15</td>
<td>0.07</td>
<td>0.77</td>
</tr>
<tr>
<td>FY 2013</td>
<td>0.95</td>
<td>0.93</td>
<td>1.45</td>
<td>1.23</td>
<td>0.74</td>
<td>0.43</td>
<td>0.15</td>
<td>0.07</td>
<td>0.89</td>
</tr>
</tbody>
</table>
2014 Full Year Results

Operating performance: Consistent improvement

Sales of CHF 4,404 million (2013: CHF 4,369 million)

Gross margin of 46.0%, up from 44.7%, driven by solid sales volumes, lower operational costs in Flavours and supply chain efficiencies.

EBITDA of CHF 1,053 million, up 8.5%, driven by:
- Improved Gross Profit
- Operating expenses under control
- One-off gain of CHF 42 million

EBITDA margin of 23.9%, up from 22.2% in 2013

Operating income of CHF 760 million, up 9.6% from 2013 driven by higher EBITDA
2014 Full Year Results

Financing costs and other financial expenses

Financing costs down in 2014, following re-financing over recent years at attractive interest rates. Pension charge to Financing also reduced. In addition, in 2013, the Group incurred a non-cash charge of CHF 9 million.

Other financial income and expenses declining, despite currency volatility in developing markets.
2014 Full Year Results

Net income: increasing by 15% as a result of continued strong operating performance

Income before tax of CHF 677 million, up from CHF 580 million in 2013, driven by:
- Significantly improved EBITDA
- Lower financial expenses

Effective tax rate of 17%, versus 16% in 2013

Net income of CHF 563 million, or 12.8% of sales, versus 11.2% in 2013

Basic EPS of CHF 61.18, versus CHF 53.43 in 2013
2014 Full Year Results

Free cash flow: strong underlying performance

- Underlying EBITDA, excluding the one-off gain from the sale of land (CHF 42 million), up by 4.2%
- Working capital as a % of sales temporarily up to 25.8% of sales, compared to 22.6% of sales at December 2013
- Net CAPEX and Intangible investments of CHF 156 million (3.6% of sales) compared to CHF 174 million (4.0% of sales) in 2013
- Free cash flow of CHF 604 million, or 13.7% of sales, in 2014, compared to 15.2% in 2013
2014 Full Year Results

Conservative debt profile: re-financing on a continuous basis to benefit from attractive rates

March 2014: Entered into a CHF 100 million 1.00% 6.5 year public bond and a CHF 150 million 1.75% 10 year public bond, the proceeds of which were used to reimburse a CHF 300 million public bond

April 2014: Reimbursement of USD 75 million US private placement
2014 Full Year Results

Leverage ratio: Continuing to de-leverage on a yearly basis

Leverage ratio of 17% as at December 2014 as a result of solid cash flow generation
Intention to maintain a medium term leverage ratio target below 25%
Company will exclude from equity definition any impact arising from changes in IAS 19
2014 Full Year Results

Dividend per share: Increasing 6.4% YoY

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

* Subject to approval of shareholders at the AGM in March 2015
2014 Full Year Results
Amortisation of intangible assets

- **Pre Quest amortisation of intangible assets** of approx. CHF 17 million p.a.

- **Quest+ intangible assets** (exc. Goodwill) amounts to CHF 1,225 million, updated to include Soliance intangible amortisation

- **Intangible assets** mainly related to customers, formulae and technologies

- **IT amortisation** updated to reflect size and scope of projects (e.g. regulatory engine)
2014 Full Year Results
Financial summary

• Sales of CHF 4.4 billion, an increase of 3.7% on a like-for-like basis, briefs pipeline and win rate remain strong

• Operating leverage and strong cost focus driving improved EBITDA margin

• Net income of CHF 563 million, up 14.9% versus 2013

• Cash flow remains strong, despite temporary hike in working capital as a % of sales

• Net debt CHF 795 million, leverage ratio 17%

• Tax free cash dividend of CHF 50.00 per share proposed
Gilles Andrier
Chief Executive Officer
2014 Full Year Results

On track to deliver on our ambitious mid-term guidance

4.5 to 5.5%
organic sales growth per annum

Best-in-class
EBITDA

14-16%
free cash flow as % of sales in 2015

Above 60%
free cash flow return to shareholders

Driven by a five-pillar strategy

Developing markets
Research and development
Health and wellness
Sustainable sourcing of raw materials
Targeted customers and segments

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1 FCF (free cash flow), above 60% return to shareholders whilst maintaining a leverage ratio of no more than 25%
2 Sales growth assumes a market growth of 2-3%
Q & A
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