2015 Full Year Results
Strong financial performance

2 February 2016

Givaudan

engage your senses
Gilles Andrier
Chief Executive Officer
2015 Full Year Results

Financial highlights

• Sales CHF 4.4 billion, up 2.7% on a like-for-like* basis

• EBITDA margin improved to 24.3% in 2015 from 23.9% in 2014

• Free cash flow was 16.4% of sales, compared to 13.7% in 2014

• Dividend of CHF 54.00 per share proposed, up 8.0% year on year

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

“With these solid annual results, I am pleased to announce that we have delivered on all of the ambitious mid-term targets that we set in 2010. I am particularly happy with the sales growth in developing markets in the second half of the year”

Gilles Andrier, CEO
2015 Full Year Results

Sales performance: CAGR in line with mid term 2015 guidance

In million CHF

- **Group**: 4,396
- **Fragrances**: 2,096
- **Flavours**: 2,300

% 2008 – 2015 CAGR
- Group: 4.9%
- Fragrances: 5.0%
- Flavours: 4.8%

% 2015 growth on LFL* basis
- Group: 2.7%
- Fragrances: 1.9%
- Flavours: 3.5%

% 2015 growth in CHF
- Group: (0.2)%
- Fragrances: (0.6)%
- Flavours: 0.2%

*LFL (like-for-like) excludes the impact of currency, acquisitions and disposals*
## 2015 Full Year Results

**FY 2008 to FY 2015 sales CAGR:** Consistent growth in both divisions

### Fragrances

<table>
<thead>
<tr>
<th></th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fine Fragrances</td>
<td>2.9%</td>
</tr>
<tr>
<td>Consumer Products</td>
<td>6.2%</td>
</tr>
<tr>
<td>Fragrance and Cosmetic Ingredients</td>
<td>1.6%</td>
</tr>
<tr>
<td><strong>Total Fragrances</strong></td>
<td><strong>5.0%</strong></td>
</tr>
</tbody>
</table>

### Flavours

<table>
<thead>
<tr>
<th></th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America</td>
<td>11.0%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>6.3%</td>
</tr>
<tr>
<td>North America</td>
<td>2.7%</td>
</tr>
<tr>
<td>EAME</td>
<td>3.2%</td>
</tr>
<tr>
<td><strong>Total Flavours</strong></td>
<td><strong>4.8%</strong></td>
</tr>
</tbody>
</table>

### Group

- **4.9%**

* LFL (like-for-like) excludes the impact of currency, acquisitions and disposals
2015 Full Year Results

Sales evolution by market: On a CAGR basis, developing markets at more than 5x the growth of mature markets

In million CHF

<table>
<thead>
<tr>
<th></th>
<th>Mature</th>
<th>Developing</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of total sales</td>
<td>54%</td>
<td>46%</td>
</tr>
<tr>
<td>% 2008 – 2015 CAGR</td>
<td>1.7%</td>
<td>9.3%</td>
</tr>
<tr>
<td>% 2015 growth on LFL* basis</td>
<td>1.1%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

* LFL (like-for-like) excludes the impact of currency, acquisitions and disposals
2015 Full Year Results

Sales evolution by region: Improved sales performance in the second half of the year in all developing markets

In million CHF

<table>
<thead>
<tr>
<th>Region</th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>LATAM</td>
<td>579</td>
<td>571</td>
</tr>
<tr>
<td>APAC</td>
<td>1188</td>
<td>1238</td>
</tr>
<tr>
<td>NA</td>
<td>951</td>
<td>1020</td>
</tr>
<tr>
<td>EAME</td>
<td>1686</td>
<td>1567</td>
</tr>
</tbody>
</table>

% 2015 growth on LFL* basis
- LATAM: 10.1%
- APAC: 4.3%
- NA: 1.3%
- EAME: -

% 2008 – 2015 CAGR
- LATAM: 12.3%
- APAC: 7.6%
- NA: 1.8%
- EAME: 2.5%

% 2008 – 2015 CAGR Developing (Ø 9.3%)
- LATAM: 12.3%
- APAC: 9.5%
- NA: -
- EAME: 5.9%

% 2008 – 2015 CAGR Mature (Ø 1.7%)
- LATAM: -
- APAC: 3.8%
- NA: 1.8%
- EAME: 1.1%

* LFL (like-for-like) excludes the impact of currency, acquisitions and disposals
2015 Full Year Results
Fragrance Division: Operational Performance

**Fine Fragrances grew 3.0%**
Growth driven by Latin America, Middle East and North America

**Consumer Products grew 2.7%**
Solid growth in developing markets
Double-digit growth in Latin America
Good growth in all regions with local and regional customers
Growth in all major categories, notably fabric, personal and oral care

**Fragrance and Cosmetic Ingredients declined 4.0%**
Double-digit growth in Cosmetic Ingredients
Transfers to Mexico and JV in China on track

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,108</td>
<td>2,096</td>
</tr>
<tr>
<td>EBITDA</td>
<td>505</td>
<td>498</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>23.9%</td>
<td>23.7%</td>
</tr>
</tbody>
</table>
2015 Full Year Results

Flavour Division: Operational Performance

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

**Asia Pacific** increased 2.9% driven by China and India

**Europe, Africa and Middle East** grew 0.4% driven by the mature markets of Germany, UK and Spain, offsetting difficult market conditions in Eastern Europe

**North America** grew 5.6% with strong growth in beverages, dairy and snacks

**Latin America** increased 10.9% driven by strong growth in Brazil, Argentina and Mexico
2015 Full Year Results

Highlights

- Sales CHF 4.4 billion, up 2.7% on a like-for-like basis
- EBITDA of CHF 1070 million, up 8.0% in local currencies
- EBITDA margin improved to 24.3%, including a one-off net gain of CHF 20 million
- Net income of CHF 635 million, up 12.7% year on year
- Underlying investments at same level as 2014, at 3.6% of sales
- Free cash flow of CHF 720 million, 16.4% of sales
- Net debt of CHF 677 million, leverage at 15%
- Dividend of CHF 54.00 per share proposed, up 8.0% year on year
Exchange rate development: Results largely unaffected by currencies, despite some significant individual currency movements versus Swiss francs.
2015 Full Year Results

Operating performance: Consistent improvement

Sales of CHF 4,396 million
(2014: CHF 4,404 million)

Gross margin of 46.2%, compared to 46.0% in 2014, lower operational costs in Flavours and supply chain efficiencies

EBITDA of CHF 1,070 million, up 1.6% in CHF and 8.0% in l.c. driven by:

• Improved Gross Profit
• Operating expenses under control
• One-off net gain in 2015 of CHF 20 million (2014: CHF 42 million)

EBITDA margin of 24.3%, up from 23.9% in 2014

Operating income of CHF 794 million, up 4.5% from 2014 driven by higher EBITDA and lower amortisation charge
2015 Full Year Results

Financing costs and other financial expenses

Financing costs (in CHF million)

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>63</td>
<td>61</td>
</tr>
</tbody>
</table>

Other financial expenses (net) (in CHF million)

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>20</td>
<td>27</td>
</tr>
</tbody>
</table>

Financing costs down in 2015, following re-financing over recent years at attractive interest rates.

Other financial income and expenses impacted by unhedged currency volatility in certain markets.
2015 Full Year Results

Net income: increasing by 13% as a result of continued strong operating performance

Income before tax of CHF 706 million, up from CHF 677 driven by higher operating profit.

Effective tax rate of 10%, underlying tax rate of 18%.

Net income of CHF 635 million, or 14.4% of sales, versus 12.8% in 2014.

Basic EPS of CHF 68.98, versus CHF 61.18 in 2014.
2015 Full Year Results

Free cash flow: Achieving mid term target

Operating cash flow of CHF 915 million, up from CHF 806 in 2014

Working capital as a % of sales down versus 2014

Total investments of CHF 160 million, including new facilities in China and Singapore

Net Investments as % of sales were 3.6%, the same level as in 2014
2015 Full Year Results

Conservative debt profile

March 2015: Issued a CHF 200 million tranche of the multilateral facility, of which CHF 125 million was reimbursed before June 2015

May 2015: Reimbursement of USD 50 million private placement in the USA
2015 Full Year Results

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

Leverage ratio of 15% as at December 2015 as a result of solid cash flow generation
Intention to maintain a medium term leverage ratio target below 25%

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec '10</td>
<td>28%</td>
</tr>
<tr>
<td>Dec '11</td>
<td>29%</td>
</tr>
<tr>
<td>Dec '12</td>
<td>24%</td>
</tr>
<tr>
<td>Dec '13</td>
<td>18%</td>
</tr>
<tr>
<td>Dec '14</td>
<td>17%</td>
</tr>
<tr>
<td>Dec '15</td>
<td>15%</td>
</tr>
</tbody>
</table>
2015 Full Year Results

Dividend per share: Increasing 8.0% YoY

Free cash flow of CHF 5.9 billion generated over the past 16 years
CHF 2,612 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 2016
2015 Full Year Results
Amortisation of intangible assets

- Pre Quest amortisation of intangible assets of approx. CHF 17 million p.a.
- Quest+ other intangible assets (exc. Goodwill) amounts to CHF 1,225 million, updated to include Soliance and Induchem 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)

Total annual amortisation charge
(in CHF millions, estimated)
2015 Full Year Results

Financial summary

• Sales of CHF 4.4 billion, an increase of 2.7% 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 635 million, up 12.7% versus 2014

• Cash flow exceeding 2015 guidance of 14-16% as % of sales

• Net debt CHF 677 million, leverage ratio 15%

• Partially tax free cash dividend of CHF 54.00 per share proposed
Gilles Andrier
Chief Executive Officer
2011 – 2015 guidance
Our achievements
## 2011 – 2015 guidance
Delivering on all financial commitments

<table>
<thead>
<tr>
<th>2011 – 2015 Guidance</th>
<th>Actual Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Checkmark] 4.5 – 5.5% organic sales growth p.a.</td>
<td>2008 – 2015 CAGR of 4.9%</td>
</tr>
<tr>
<td>![Checkmark] Best-in-class EBITDA</td>
<td>Industry leading EBITDA margin of 24.3%</td>
</tr>
<tr>
<td>![Checkmark] 14-16% FCF as % of sales</td>
<td>FCF as % of sales in 2015 of 16.4%</td>
</tr>
<tr>
<td>![Checkmark] Above 60% FCF return to shareholders</td>
<td>Average 69% of FCF distributed since leverage ratio target achieved</td>
</tr>
</tbody>
</table>
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

* Over a five-year period by 2020

Intention to maintain current dividend practice as part of this ambition
Q & A
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