

Welcome to our half year investor conference

Strategy 2025

27 August 2020



Givaudan

engage your senses





> Gilles Andrier

> **CEO**

Half year investor conference
2020 Half year results



Givaudan

engage your senses



Summary - 2020 Half year results

Strong Financial Performance - 2020 guidance confirmed



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2020 Half year results

Performance highlights

Sales of CHF 3,221 million, up 4.0% on a like-for-like* basis and 4.1% in Swiss francs

Excellent performance of those parts of portfolio which are not impacted by COVID-19

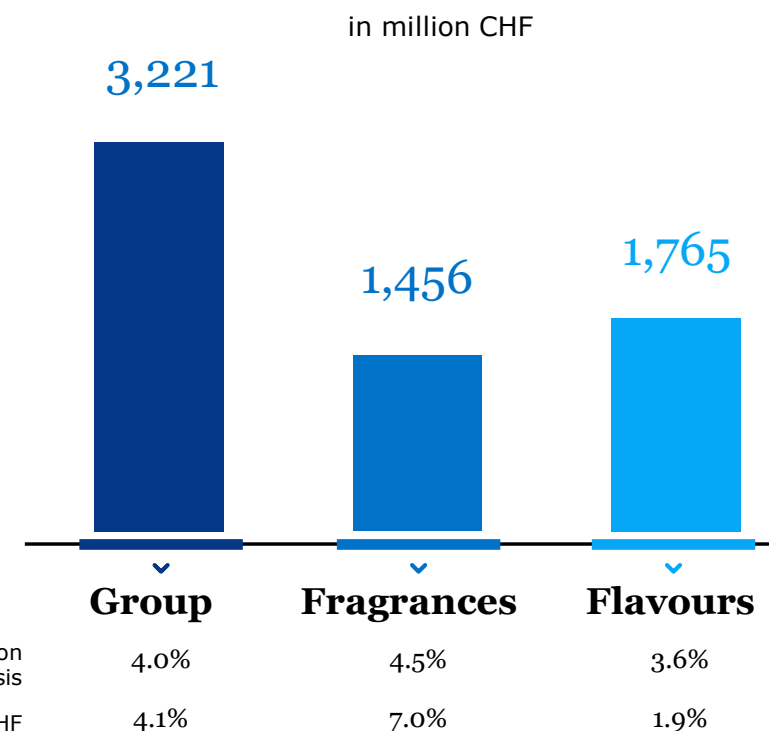
Strategic focus areas, acquired businesses and high growth markets strongly contributing to growth

EBITDA of CHF 734 million in 2020, an increase of 11.3% compared to 2019

Underlying EBITDA margin of 23.7%, compared to 22.3% in 2019

Free cash flow of 5.5% of sales, compared to 4.8% in 2019

Delivery of 2020 guidance is fully on track



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

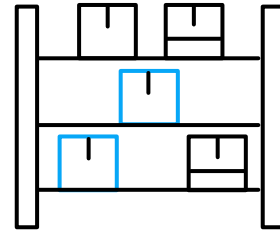
COVID-19

Givaudan's focus throughout the crisis



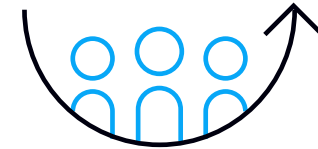
1.

Protecting and supporting our employees, be it on-site or those still working from home



2.

Meeting the demands of our customers, particularly for those products which support consumers throughout the pandemic

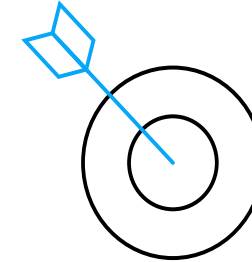
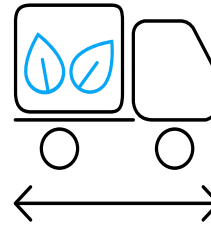
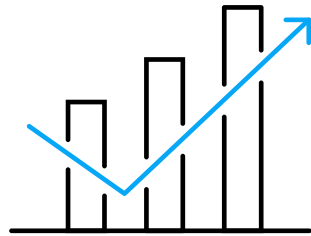


3.

Taking care of the communities in which we operate

2020 Outlook

Key themes review



2020 Outlook

- Continued confidence in the resilience of our industry and our company
- Visibility remains short due to ongoing impacts related to the COVID-19 pandemic
- All elements of 2020 guidance confirmed

Focus on Operations

- Protecting and supporting all Givaudan personnel
- Focus on maintaining operations and supply chain performance at high levels to support our customers
- Leverage Business Continuity Plans to adapt as required
- Cost discipline throughout the business

Strategy

- Strong focus on delivering 2020 guidance
- Continued integration of acquired companies on to Givaudan's operating platform
- Integration costs of ~CHF 50 million in 2020

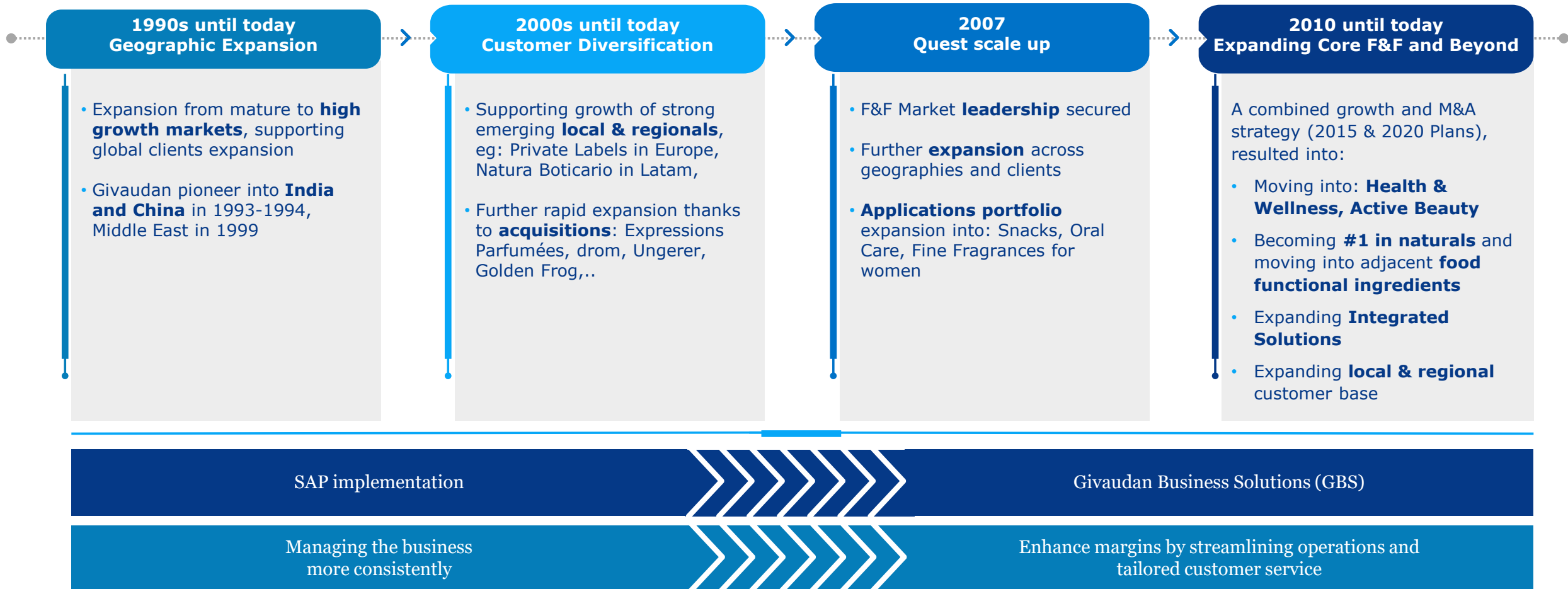
Looking back

Value creation through our strategy 2020



Our unique positioning

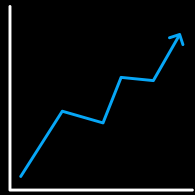
Givaudan well positioned to benefit from multiple growth opportunities



Responsible growth.

Shared success.

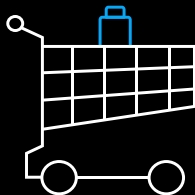
Growing with our customers



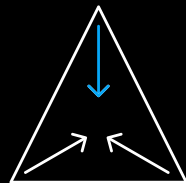
High growth markets



Health and well-being

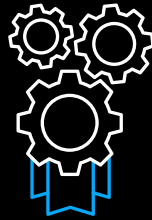


Consumer preferred products



Integrated solutions

Delivering with excellence

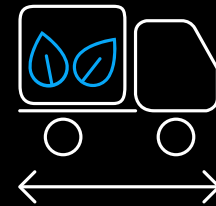


Excellence in execution

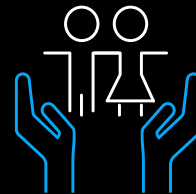
Partnering for shared success



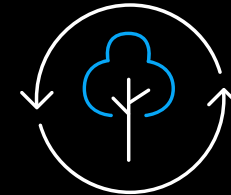
Innovators



Suppliers



People



Communities

Strategy 2020

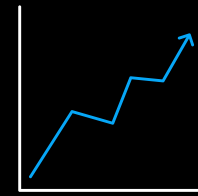
Key achievements

Continued investment in commercial **high growth markets** <

Investments in **local & regional customer** segment, both organically and via acquisitions, brings overall share to ~50% of Group Sales <

Expanding product and customer portfolio in key growth areas (eg. Naturals, Health & well-being, Active Beauty, local & regional customers) <

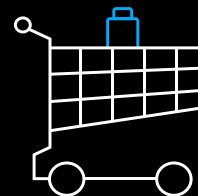
Growing with our customers



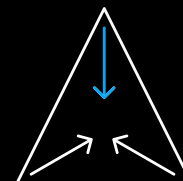
High growth markets



Health and well-being



Consumer preferred products



Integrated solutions

> Attained **No. 1 position** in Fine Fragrance market

> Sales growth of **5.1% CAGR** (2016-2019)

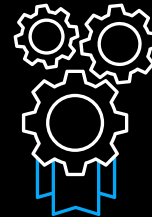
> Incremental sales contribution of CHF **1.5 billion** through acquisitions

> Developing further our **integrated solutions business** through existing and acquired capabilities

Strategy 2020

Key achievements

Delivering
with excellence



- ▶ **Successful global implementation** of Givaudan Business Solutions (GBS), with 3 delivery centres established in Budapest, Kuala Lumpur and Buenos Aires
- ▶ **Benefits fully achieved** and further opportunities for scope extensions in the future identified
- ▶ **Automation and continuous improvement** in manufacturing sites contributed strongly to sustain competitiveness
- ▶ **Significant investments** in new manufacturing facilities in India and China to support business growth

- ▶ **Strong focus on integration** of acquired companies to ensure high levels of service quality during transition
- ▶ **Highly dedicated supply chain effort** to manage multiple crises, particularly impacting raw material supply
- ▶ **Earned key sustainability recognitions: CDP leadership scores for climate action and water security;** world leader for supplier engagement on climate change, **EcoVadis Gold Status**
- ▶ **Well developed business continuity plans** in both divisions to provide agility and flexibility in all situations
- ▶ **Strong improvement in safety performance** and culture across the organisation

Strategy 2020

Key achievements

Strengthening global innovation ecosystem with opening of new flagship Innovation Centre in Switzerland

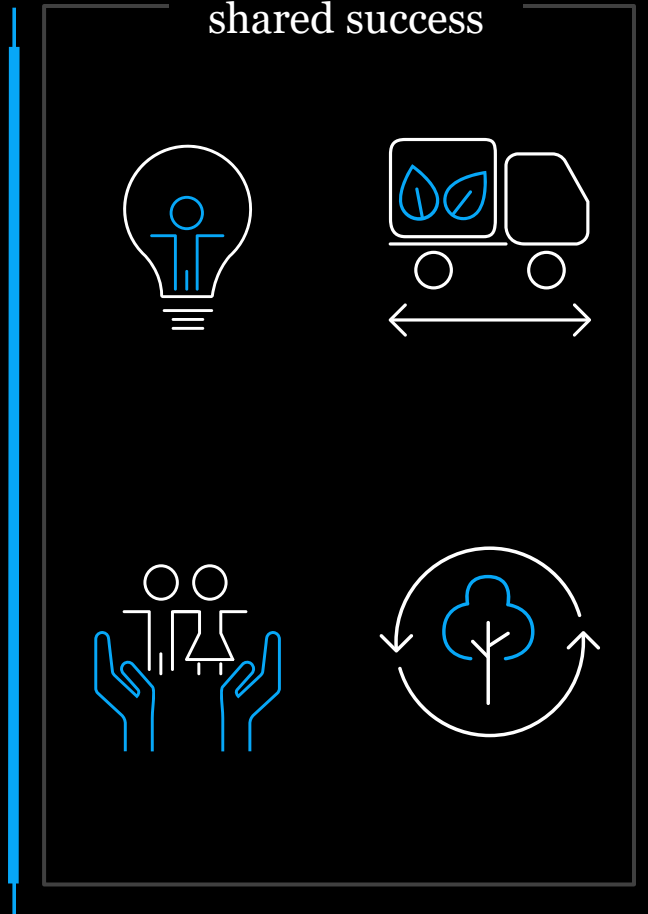
Extended partnership network in Innovation with academia, start-ups and established innovators

We have doubled sales from innovation linked to external collaboration

Established the Givaudan digital factory in Paris to drive digital agenda

Improved employee engagement and strong focus on diversity and leadership development

Partnering for shared success



Deeper engagement with suppliers on sustainability topics as well as extension of the responsible sourcing initiatives

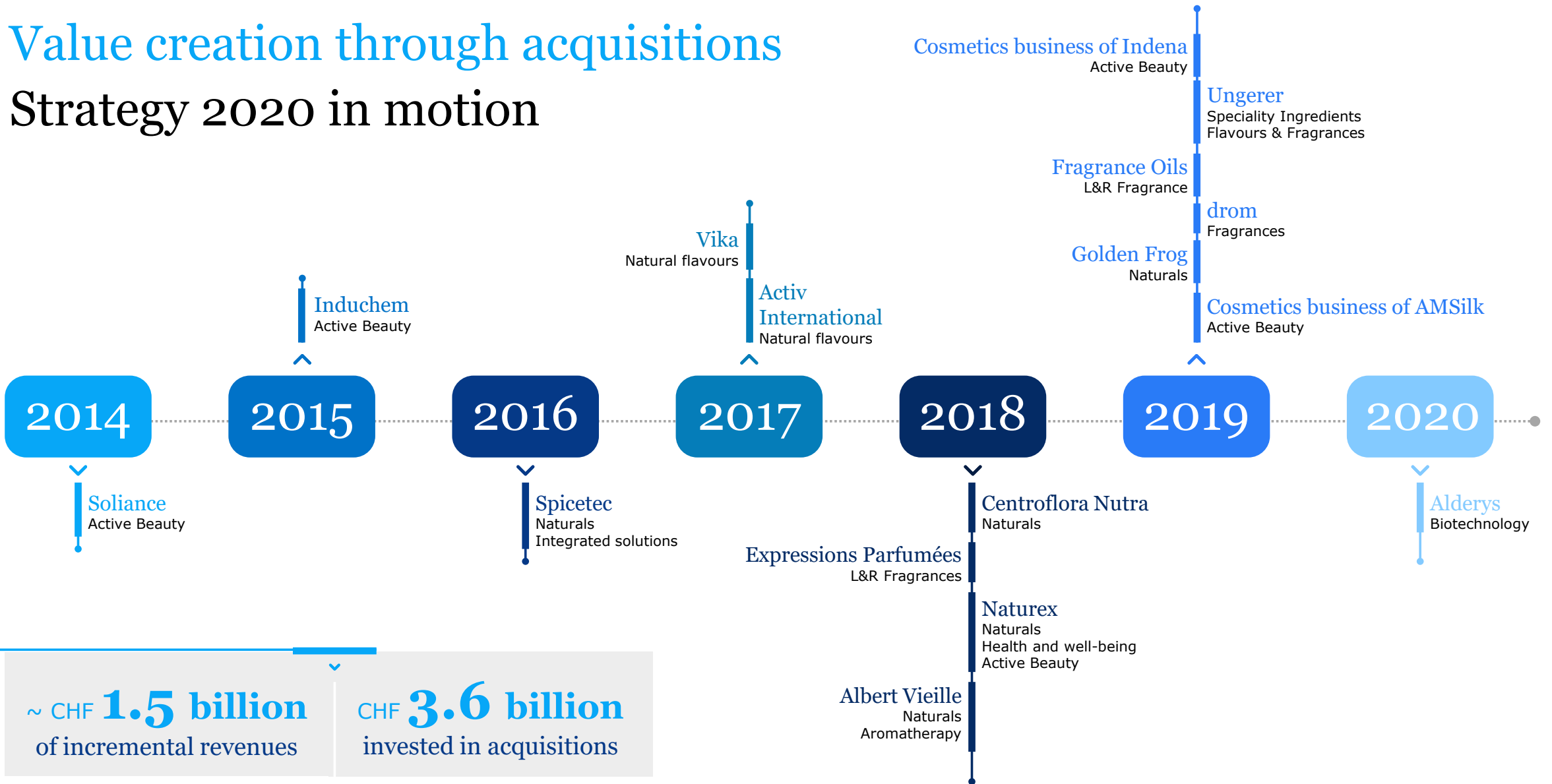
Development of multiple joint ventures to secure access to key raw materials in both divisions

Launch of "Connect to win" programme to accelerate innovation in partnership with suppliers

Strengthened our commitment to enrich the communities that work with Givaudan

Value creation through acquisitions

Strategy 2020 in motion



Value creation through acquisitions

Expanding our portfolio



Strategy 2020

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

- › Extended partnership network in Innovation
- › Deepened collaboration with suppliers on Innovation & Sustainability
- › Improved employee engagement
- › Enriched communities that work with Givaudan

5.1%

In 2016-19

12.5%

In 2016-19

* Over a five-year period by 2020



Creating additional value through 16 acquisitions since 2014

CHF 1.5 bn annualised revenue contribution from companies acquired since 2014



Intention to maintain current dividend practice as part of this ambition

- Dividend increased y.o.y
- > CHF 2 billion returned to shareholders in cash dividends 2016-2019

Value creation with our strategy 2020

Responsible growth. Shared success.

Market cap

From 16 to
35bn CHF

Number of employees

From 10, –
16,000

Sales turnover

From 4.4 to
~6.5bn CHF



Looking forward

Future value creation through our strategy 2025





Creating for happier, healthier lives
with love for nature.

Let's imagine together.



Creating for happier,
healthier lives
with love for nature.
**Let's imagine
together.**

Creations

Let's imagine together with customers that through our creations more people will enjoy happier, healthier lives



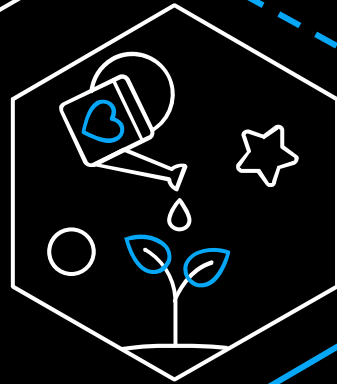
Communities

Let's imagine together that all communities benefit by working with Givaudan



Nature

Let's imagine together that we show our love for nature in everything we do



People

Let's imagine together that Givaudan is a place where we all love to be and grow



Working to become a



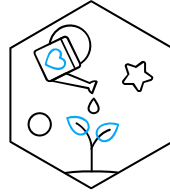
Creating for happier, healthier lives with love for nature. Let's imagine together.

Creations

Let's imagine together with our customers that through our creations more people will enjoy happier, healthier lives

Contribution to our customers' success

By 2030, we will double our business through creations that contribute to happier, healthier lives



Nature

Let's imagine together that we show our love for nature in everything we do

Climate-positive business

Before 2050, we will be a climate-positive business (scope 1, 2 & 3)

Rethinking plastics

Before 2030, we will replace all single-use plastics with eco-friendly alternatives across our sites and operations

Communities

Let's imagine together that all communities benefit by working with Givaudan

Suppliers

By 2030, we will source all materials and services in a way that protects people and the environment

Communities where we source and operate

By 2030, we will improve the lives of millions of people in communities where we source and operate



People

Let's imagine together that Givaudan is a place where we all love to be and grow

Inclusion

Before 2030, we will be an even more balanced and inclusive company

Care

Before 2025, we will improve how we care for all of our people

Megatrends

Influencing our business

Megatrends

Impacting 2025 strategy

Consumer base is growing

Living longer and more consciously

Sustainability is of high concern

COVID-19:
E-commerce, self-care and localisation gain importance

Trend >



Impact >

- Asia and Africa leading the way

- Consumer behaviours are changing

- Consumers will buy more consciously
- Responsible companies will act

- Consumers will buy more online and increase spending on self-care
- Localisation will be even more important

Trends

Consumer base is growing

Impact

Asia and Africa are leading the way

- › **Rising consumption** in emerging countries, especially in **Asia** and **Africa**
- › Major CPGs and large customers will have a focus on **middleweight cities** in emerging markets
- › The **product offering** must be adapted to demographic developments



Src ^[1] UN; ^[2] McKinsey

Trends

Living longer and more consciously

Impact

Consumer behaviour is changing

- › Improved service models and focus on **food service providers** and **private labels**
- › **Beauty, health and hygiene products** will experience strong demand
- › Attention to ingredient labelling is growing and drives interest in **transparency**, boosting the **naturals** and **clean label** trend
- › Need to adapt to evolving **needs and expectations of elderly**



Src: Euromonitor, IMF, McKinsey

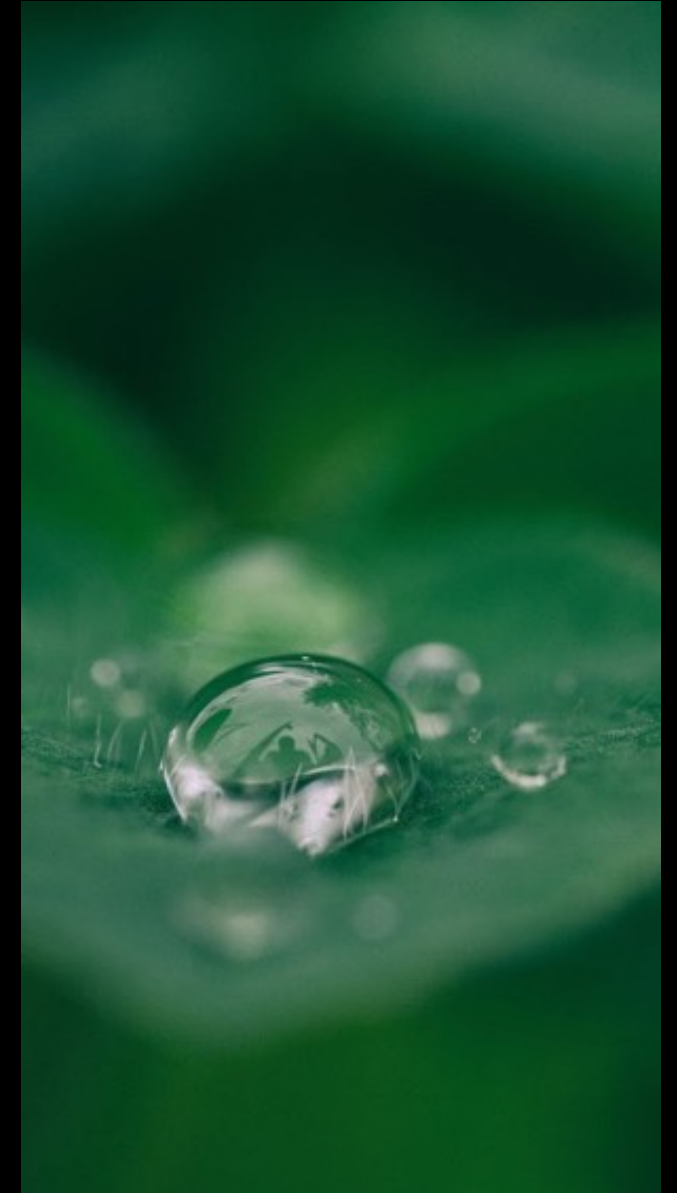
Trends

Sustainability is of high concern

Impact

Consumers will buy more consciously. Responsible companies will act

- › **74%** of the companies feel very strong or strong pressure to adopt sustainable solutions^[1]
- › **Sustainability will become a business imperative** for many companies
- › Companies will **assess their whole supply chain** on environmental footprint and take actions



Src: ^[1] McKinsey industry survey (N=30)

Trends

Pandemic related trends

Impact

Consumers will buy more online and increase spending on self-care. Localisation will be even more important

- › **E-Commerce will grow faster** than expected and gain importance rapidly
- › Products and solutions supporting **wellbeing will become even stronger**
- › Multinationals will respond with **localisation of the production** ^[1]; supply chains need to find ways to overcome potential future supply and trade restrictions



Src: ^[1] McKinsey industry survey (N=30); Euromonitor; EY GBG2020

Trends

Customers



Trends

- › **Local** and **regional players** are building consumer confidence and gaining relevance as trusted brands. **Small brands** dominate CPG growth^[1]
- › The growth of **private labels, food service providers and niche brands** continues and is taking up significant market shares
- › Customers recognise the **importance of innovation**
- › Increasing **impact of digital collaboration**



Impact

- › F&B companies and ingredient providers need to have **tailored service models** for local and regional customers as well as private labels, niche brands and food service providers
- › Need to **further invest into digital capabilities** throughout the **value chain**
- › The opportunity to **differentiate through innovation and co-creation**



2025 strategy

Committed to Growth, with Purpose

Strategy 2025

Committed to Growth, with Purpose



Creations

We create inspiring solutions for happier, healthier lives



People

We nurture a place where we all love to be and grow



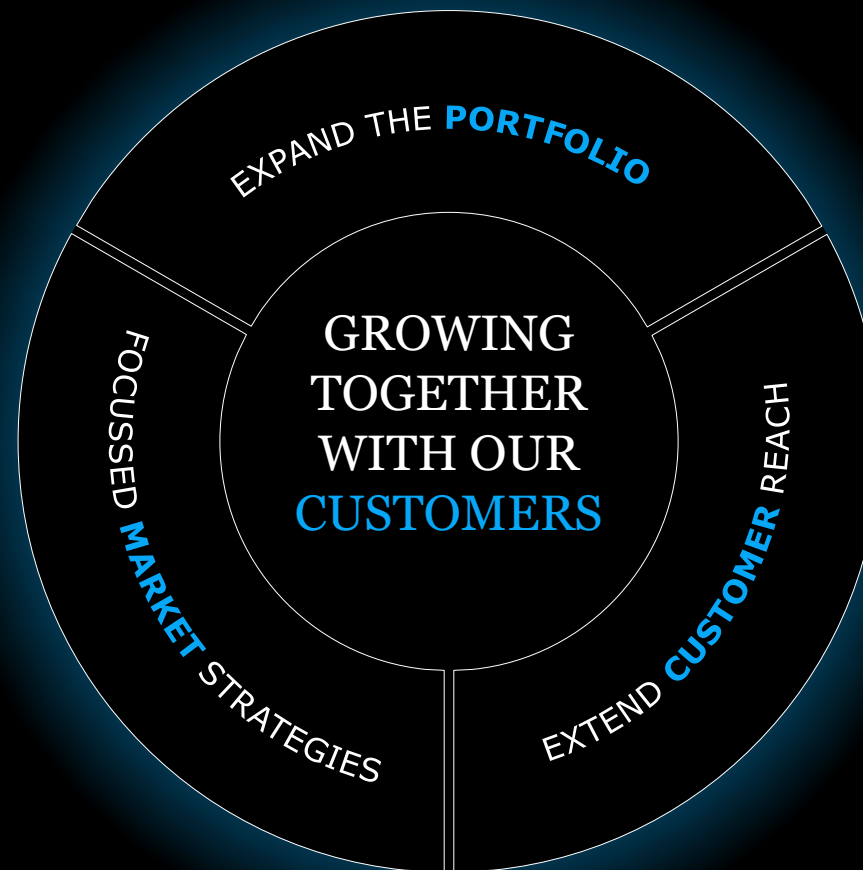
Nature

We show our love for nature through impactful actions



Communities

We bring benefits to all communities that work with us



Excellence, Innovation & Simplicity - in everything we do

4-5% GROWTH

PURPOSE LINKED TARGETS

>12% FCF



Where to play

Three growth drivers Portfolio, customers and markets

Strategy 2025

Our growth drivers – Portfolio, Customers and Markets

FOCUSSED MARKET STRATEGIES

- Maximise mature market opportunities
- Extend high growth market leadership



EXPAND THE **PORTFOLIO**

- Core business
- Health, wellbeing, nutrition and beauty
- Integrated solutions and delivery systems

EXTEND **CUSTOMER REACH**

- Major CPGs and large customers
- Local, regional and emerging customers
- Private labels
- Food service providers



How to win

Four growth
enablers

Creations,
people, nature,
communities

Creations



We create inspiring products for happier, healthier lives

Customer and consumer preferred solutions

We will focus our creations on **renewable, biodegradable and viable natural solutions**, especially in the area of health and wellbeing



Digital enabled innovation

Smart creation and selection will multiply our range of possibilities
Through **digital consumer platforms** we will connect to consumers to identify trends and preferences



Continued focus on innovating eco-systems and partnerships

We will expand and deepen strategic partnerships with innovative **suppliers, customers** and **other external partners**





Nature

We show our love for nature through impactful actions

Creating for a more sustainable world

We will evolve our value proposition and fuel success by **anticipating our customers' sustainability needs** and offering a **sustainable product portfolio**



Sourcing for good

We will **strengthen our responsible sourcing and traceability program** as well as **drive supplier engagement** on environmental actions

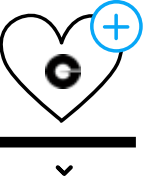


Reducing environmental footprints

We will continue successful initiatives and develop further **leading actions in climate, water and forests preservation**

We will work to **replace single-use plastics with eco-friendly alternatives**





People

We nurture a place where we all love to be and grow

Everyone feels welcome, valued and inspired

Through being a **leading employer for diversity and inclusion** we will better understand the fragmented needs in our operating areas and provide holistic solutions

We will provide **differentiated employment options and benefits** as well as ensure **transparent rewards and recognition**



Caring for health and well-being

We will care for our people through promoting **employee programmes**

Excelling our safety culture will make our workplace safe - everyday, everywhere



Building the leadership and expertise of all our people

We will accelerate **new leadership essentials, anticipate and innovate to attract the workforce of tomorrow** as well as ensure the **skills and competencies for now and for the future**



Communities

We bring benefits to all communities that work with us



Doing business with our suppliers in a responsible way

Together with our suppliers we will further embed responsible sourcing by **fostering high standards in health, safety, social, environmental and business integrity** to source all materials and services in a way that protects people and the environment



Leveraging Givaudan business as a force for good

We will **empower our employees to create connected communities** and develop sustainable, scalable solutions together to contribute to happier, healthier lives





How we act

Excellence,
Innovation and
Simplicity
In everything
we do

Strategy 2025

Excellence, Innovation & Simplicity - in everything we do





› **Louie D'Amico**

› **President
Flavour Division**

Strategy 2025

Flavour Division



Strategy 2025

Food and nutrition opportunity

Flavour & Taste

13.1 bn CHF

Market Potential as of 2020

Givaudan market share as of 2020 ●
 Market potential as of 2020 ●

Functional & Nutrition

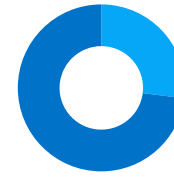
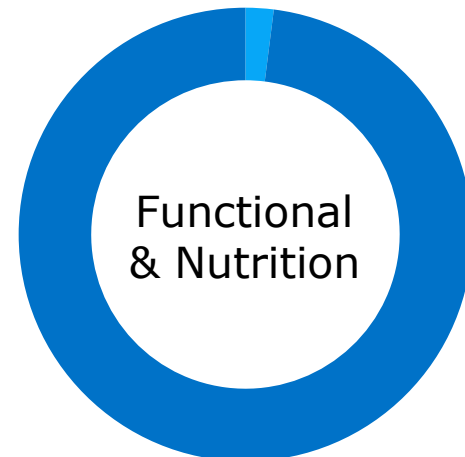
14.1 bn CHF

Market Potential as of 2020

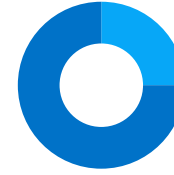
(Givaudan scope of activities)



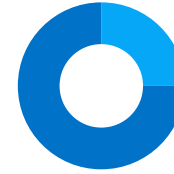
+



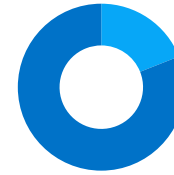
Beverages



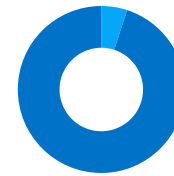
Savoury / Snacks



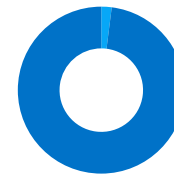
Dairy



Sweet Goods



Functional Ingredients



Nutrition

Strategy 2025

Food and nutrition market trends

Consumer base is growing

Living longer and more consciously

Sustainability is of high concern

COVID-19: E-commerce, self-care and localisation gain importance

Trend >



Impact >

- More opportunities in high growth markets
- Fully leverage expanded offering

- Demand for naturals, well-being, transparency and clean label products

- Innovation (eg. biotech and upcycling)
- Operations (eg. low carbon footprint factories)

- Accelerated digital enablement
- Increased demand for immunity & wellbeing
- Local and agile supply chain

Strategy 2025

Strategic pillars to drive growth in Flavours

Our Ambition

Our ambition is to **shape the future of food** by becoming the **co-creation partner** of choice to our customers

Our strategic pillars

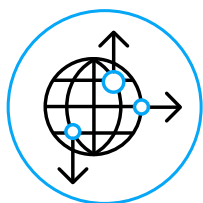
Where to play



Best in class product offering



New customer segmentation & partnerships



High growth markets

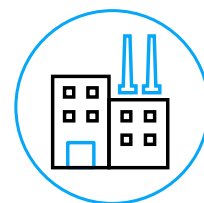
How to win



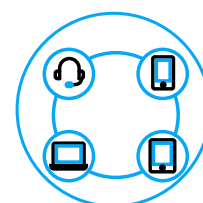
Product development



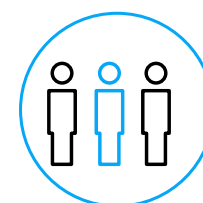
Strategic sourcing



Operations



Digital



People

Strategy 2025

Performance ambition – sales growth

CHF 750m to CHF 1bn additional sales by 2025

4-5%

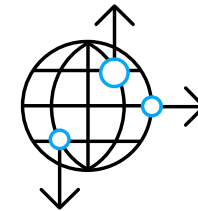
CAGR%



Best in class
product
offering



High growth
markets



New customer
segmentation
& partnerships

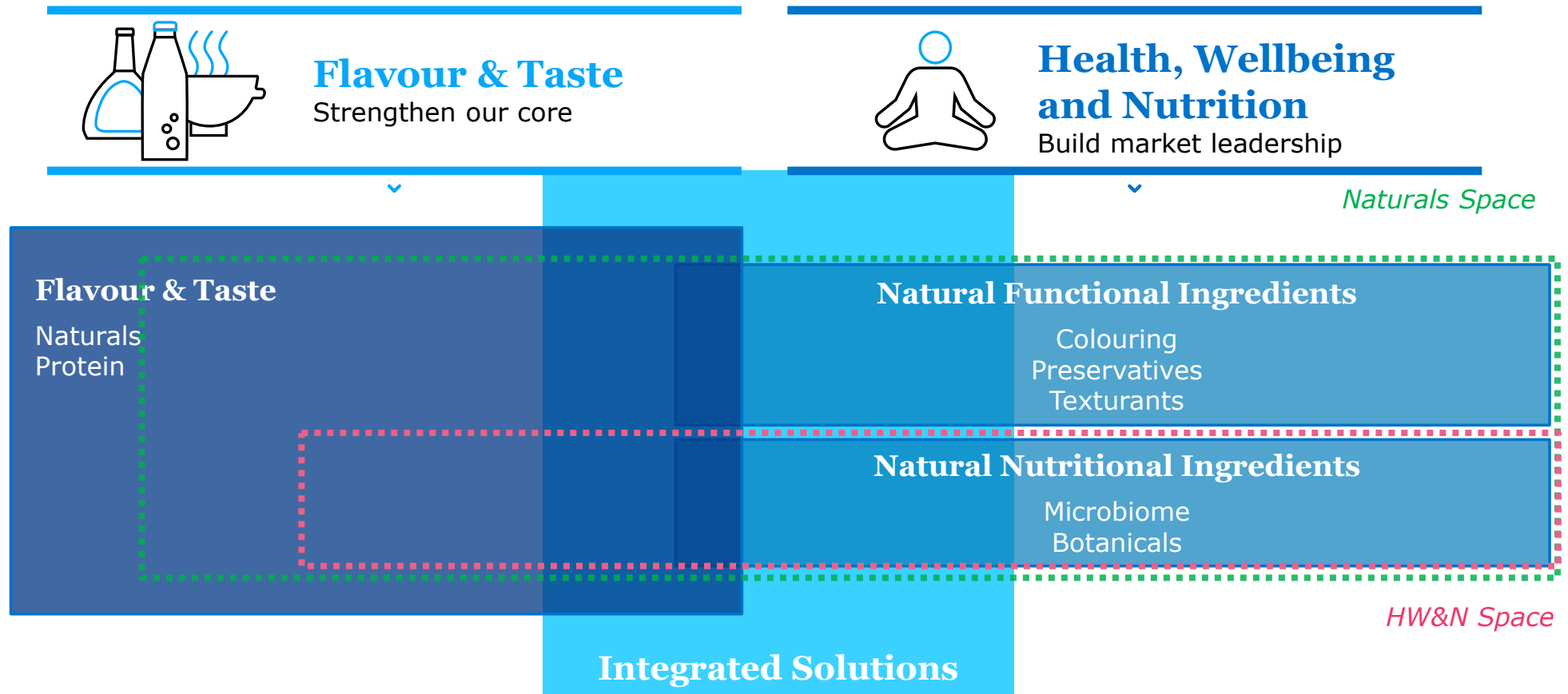
Where to play

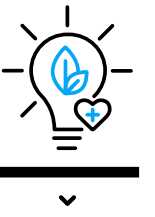
Best in class product offering



Best in class product offering

Leveraging the full portfolio to reach our growth ambitions





Best in class product offering



Integrated Solutions

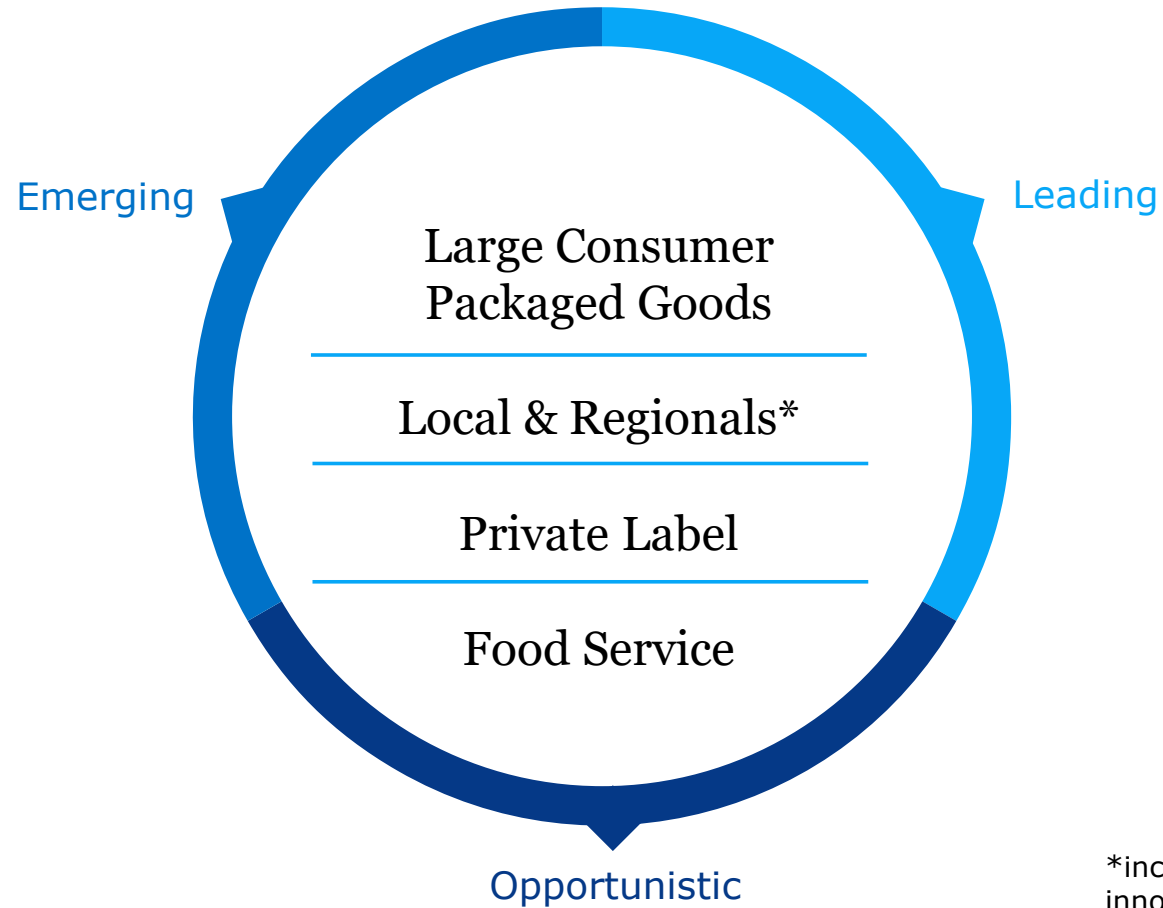
Where to play

New customer segmentation & partnerships



Customer segmentation

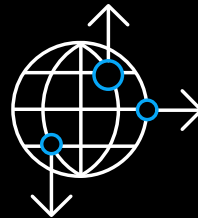
Delivering new ways to segment & partner to win with customers

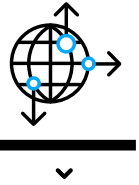


*incl. emerging customers and disruptive innovators

Where to play

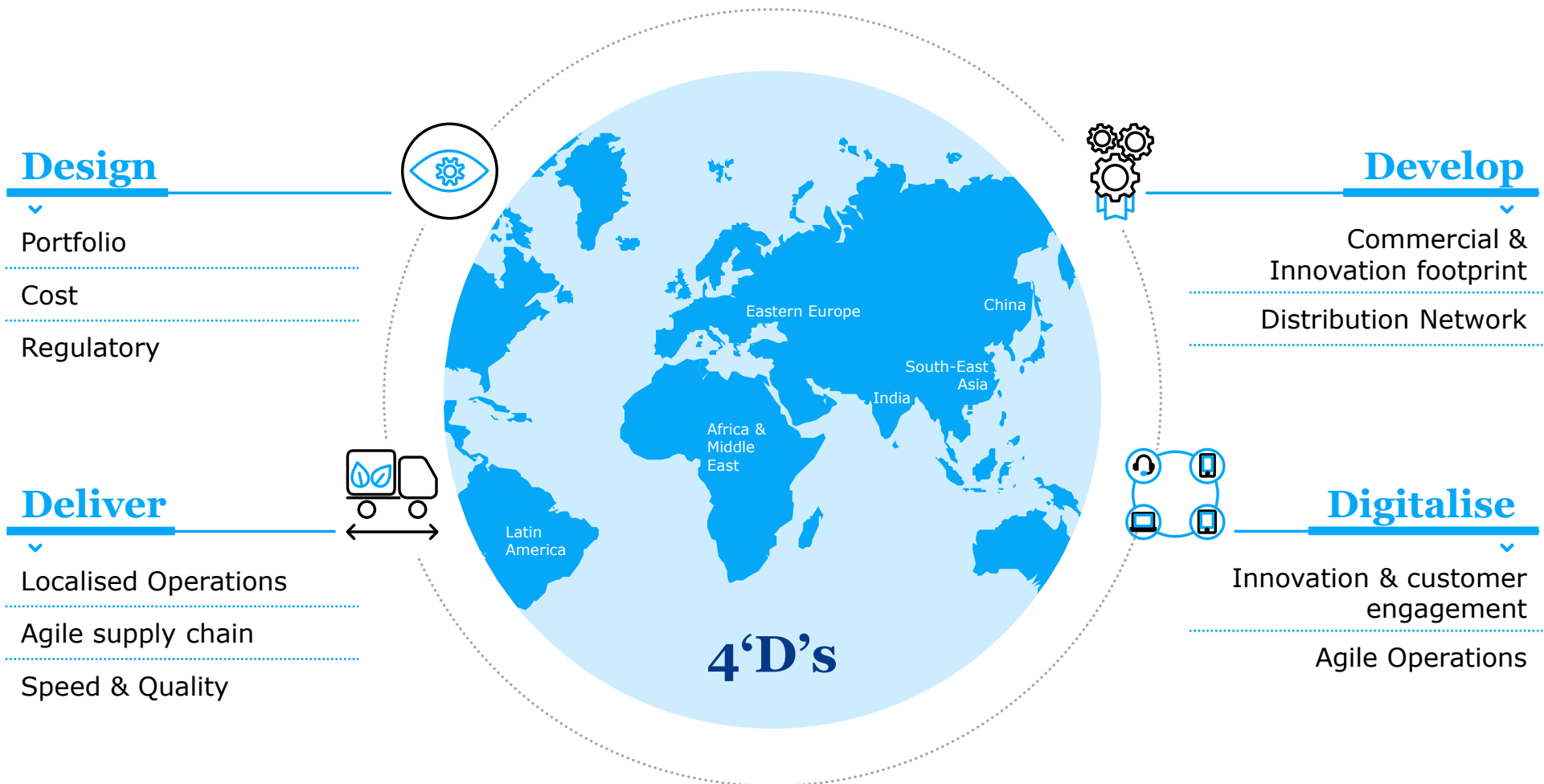
High growth markets





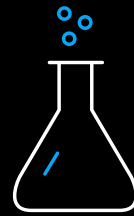
High growth markets

Our key focus countries and regions to capture growth



How to win

Product development



Pioneering innovative & efficient product development

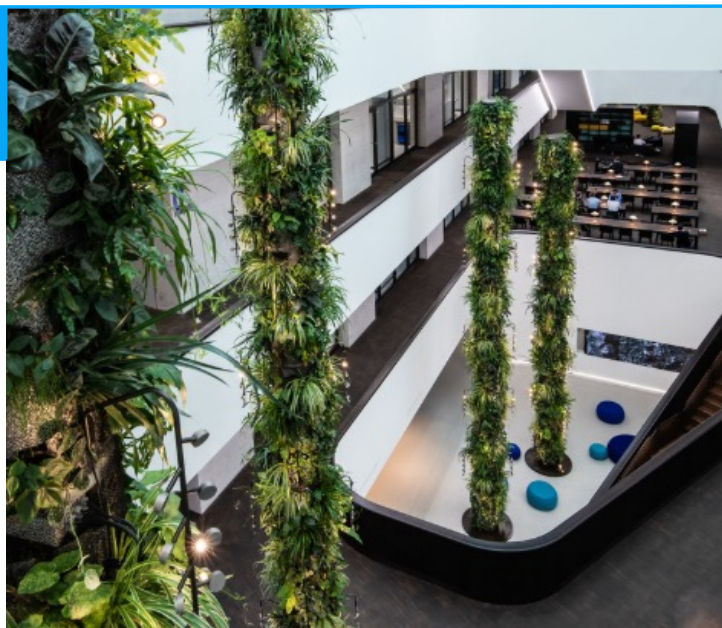
Focussed on full recipe development



< **Service models aligned with customer and consumer needs**

Different end-to-end brief processes based on opportunity type

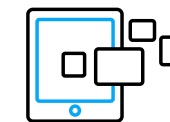
Tailored approach to efficiently execute cost-driven and innovation projects



> **Enabled by artificial intelligence and digital tools**

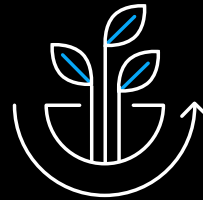
Digital tools to reinvent brief execution process and expand customer reach

Artificial Intelligence to identify, resource, and manage projects based on propensity to win

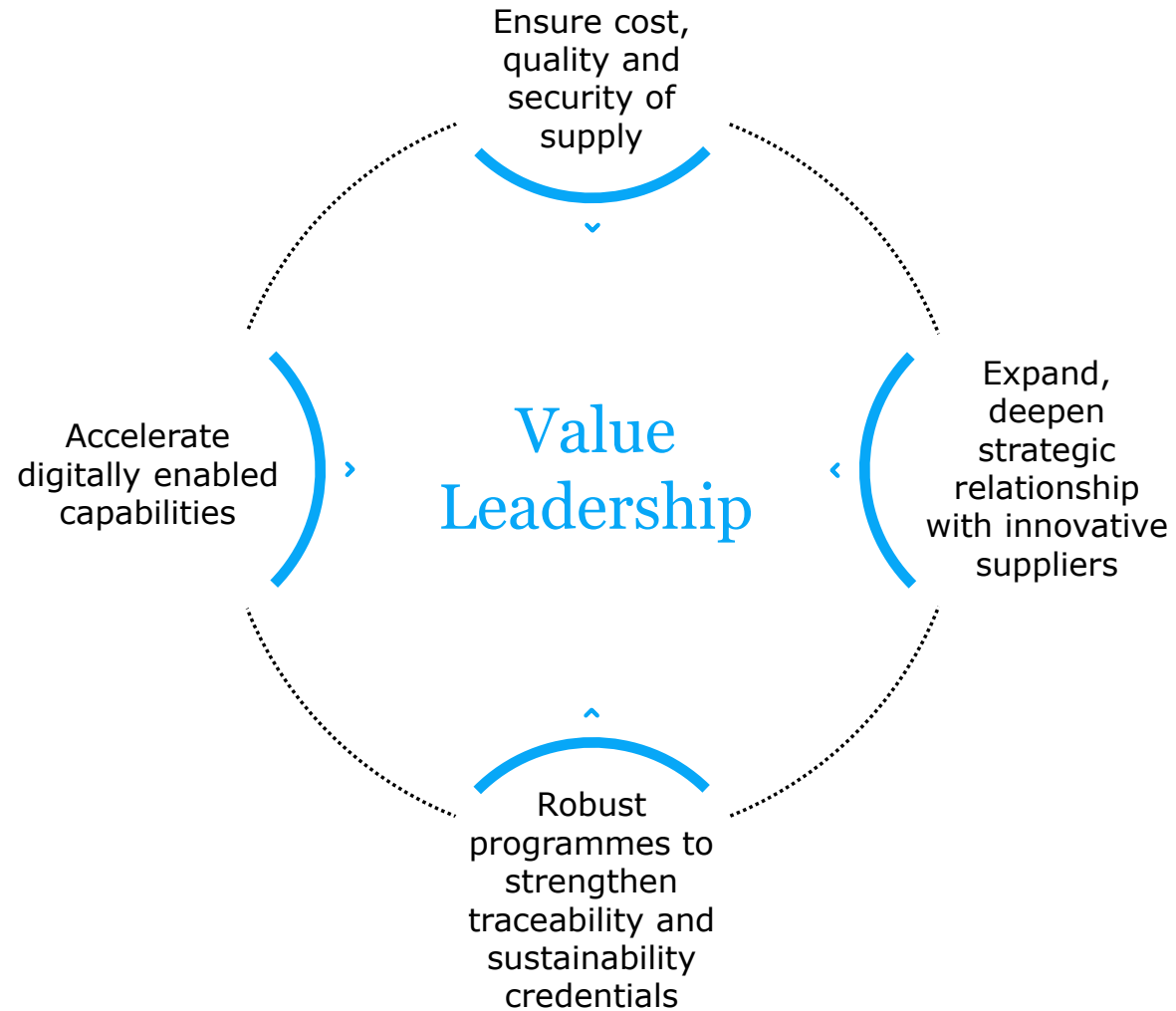


How to win

Strategic Sourcing

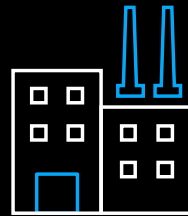


Strategic sourcing

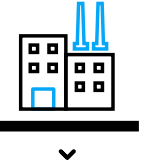


How to win

Operations



Operations



Become the industry's operations lighthouse



› Cost, quality and service leadership

› Flexible and optimised footprint

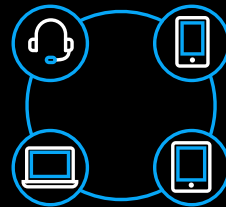
› Climate agenda commitments (CO₂, water, and waste targets)

› Digital transformation and automation of supply chain and manufacturing processes

› Business Continuity Plan

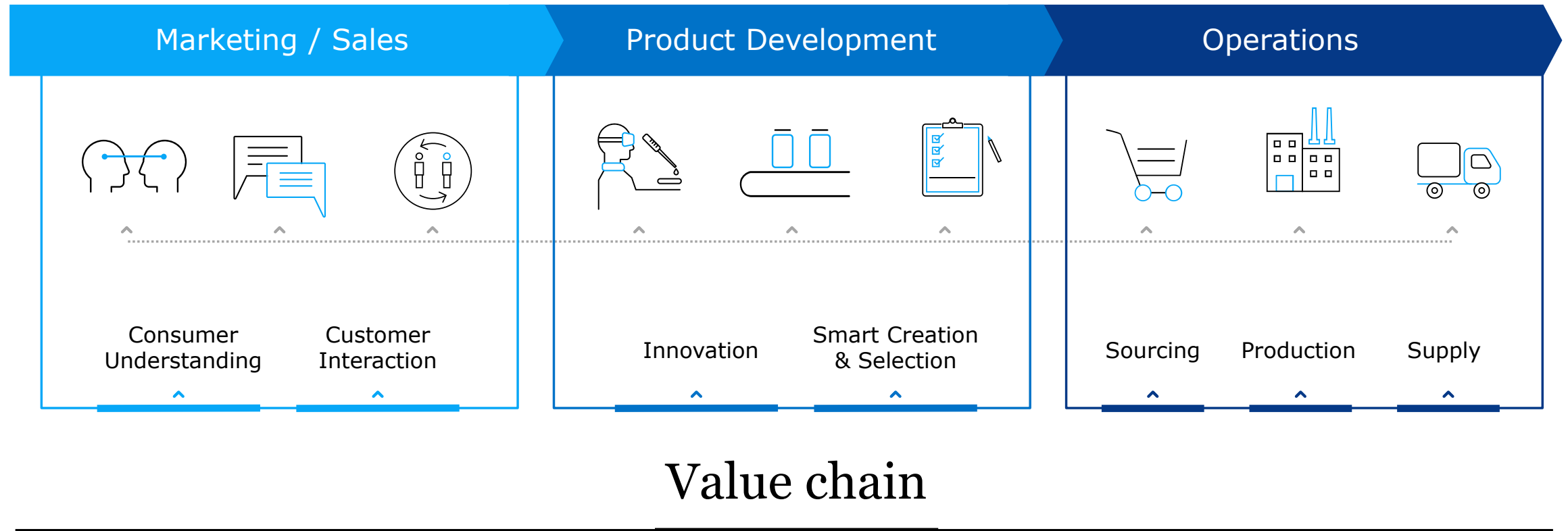
How to win

Digital



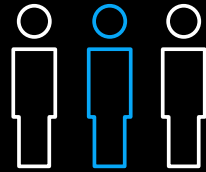
Digitalised value chain

End-to-end digitalisation of our value chain

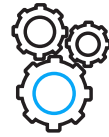
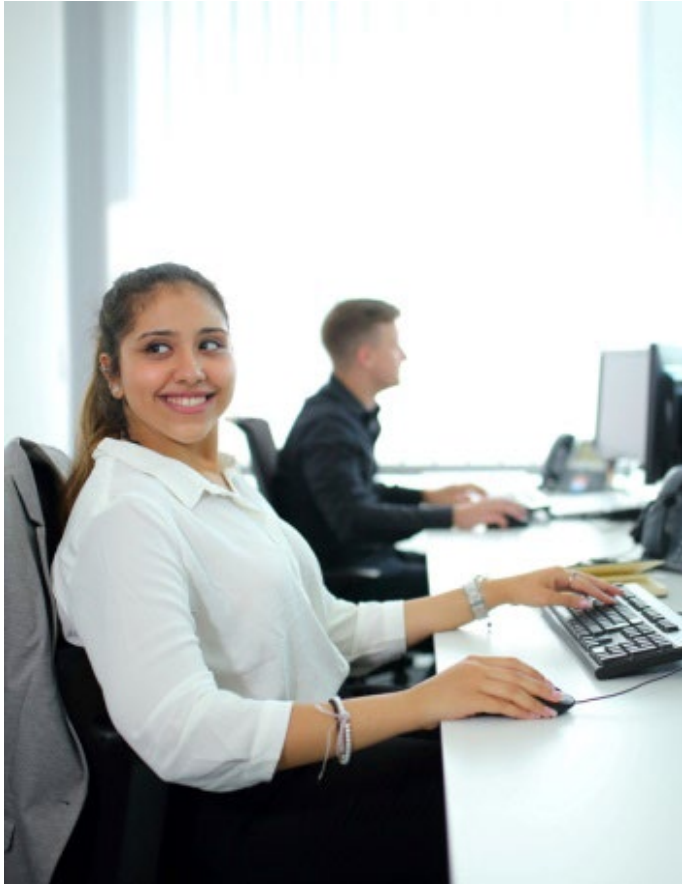
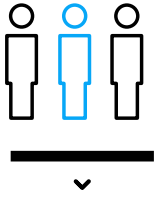


How to win

People



Our People



> **Engagement**
Continue to foster a culture that develops, supports and motivates our people



> **Diversity**
Implement plans to deliver on our diversity commitments



> **Skills**
Build stronger leadership and expertise of our people

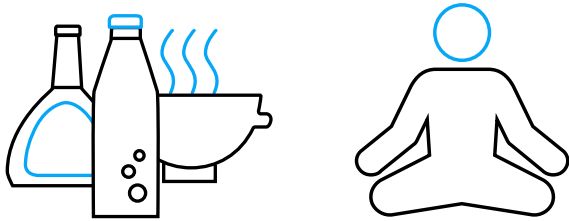


Taste & Wellbeing

Our new Division name

Our new Division name

Taste & Wellbeing



Our ambition is to **shape the future of food** by becoming the **co-creation partner** of choice to our customers

Built on our global leadership position in flavour and taste, we go **beyond** to create **food experiences** that **do good** and **feel good, for body, mind and planet**





> **Maurizio Volpi**

> **President**
Fragrance Division

Strategy 2025
Fragrance Division

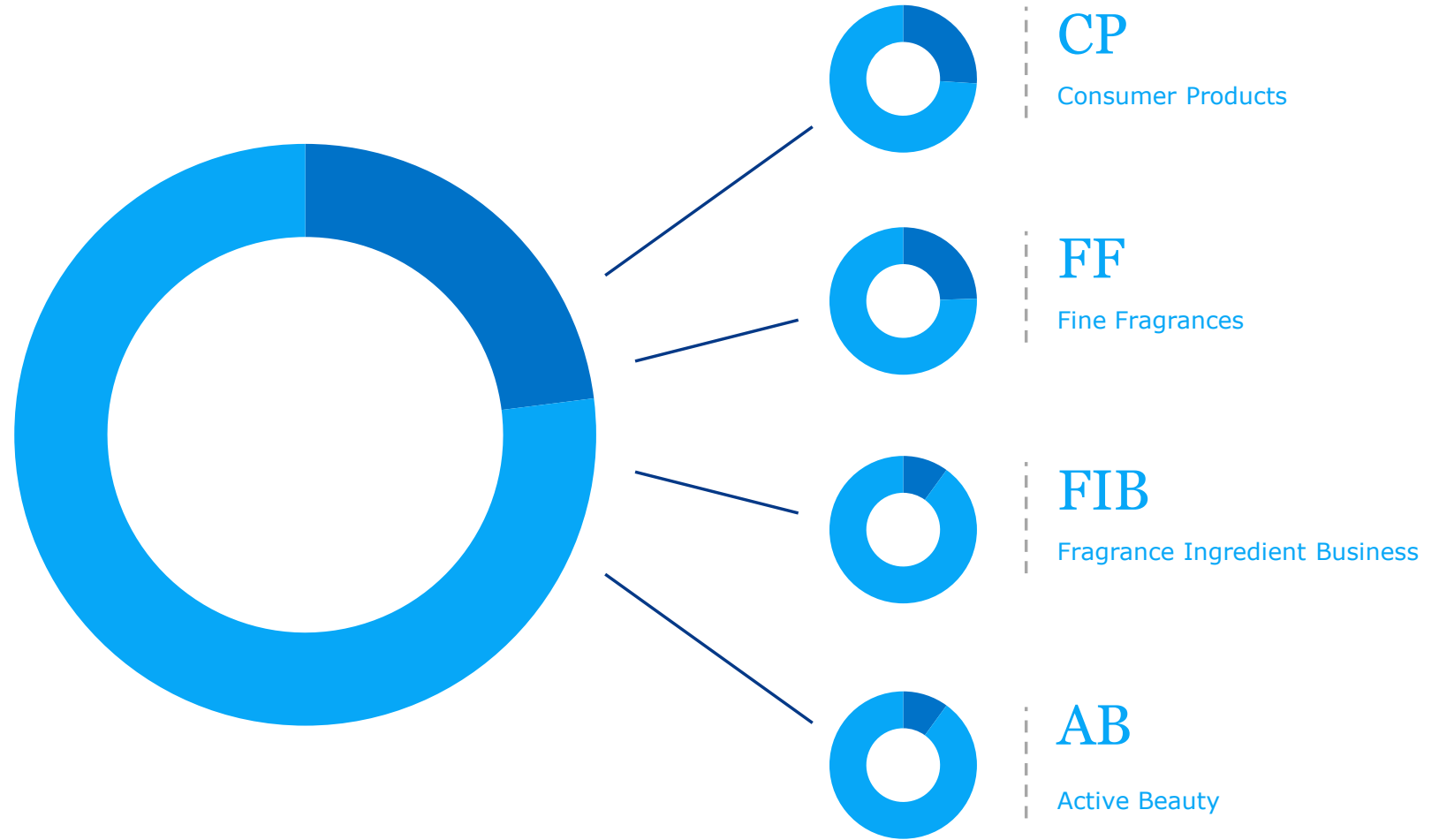


Strategy 2025

Fragrance market overview

14.8 bn CHF
Market Potential as of 2019

Market potential as of 2019 ●
Givaudan market share as of 2019 ●



Strategy 2025

Fragrance market trends

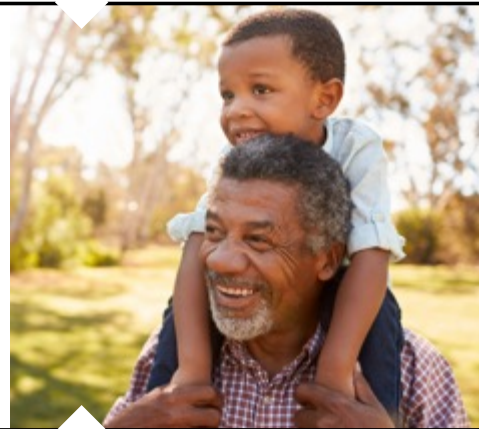
Consumer base is growing

Living longer and more consciously

Sustainability is of high concern

COVID-19:
E-commerce, self-care and localisation gain importance

Trend >



Impact >

- Urbanisation in high growth markets
- Aspiration for hygiene and beauty

- New demographics, e.g. Silver generation

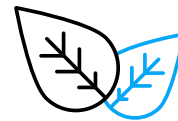
- Biodegradable, renewable, natural ingredients

- Retail channels upheaval
- Digital enablement
- Local and regional brands

Strategy 2025

Our ambition

We create for happier, healthier
lives with love for nature
Let's imagine together...



By **reinforcing our leadership in fragrances** we want to become the **creative partner of choice** not only in personal, fabric, **hygiene** and home care but also in **Fine Fragrance** and **beauty overall**

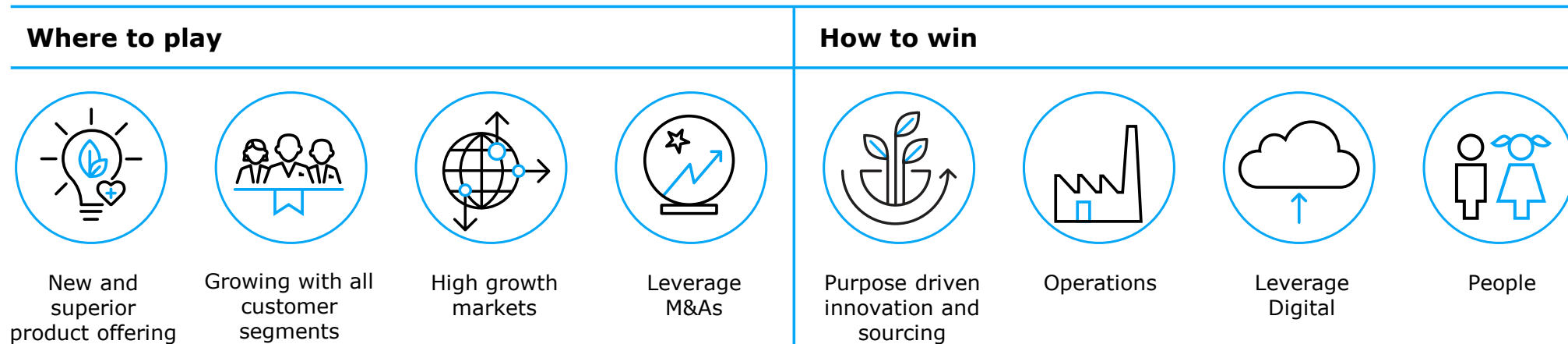
Strategy 2025

Strategic pillars to drive growth in Fragrances

Our Ambition

By **reinforcing our leadership in fragrances** we want to become the **creative partner of choice** not only in personal, fabric, **hygiene** and home care but also in **Fine Fragrance** and **beauty overall**

Our strategic pillars



Strategy 2025

Performance ambition – sales growth

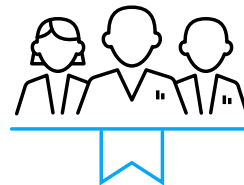
CHF 650m to CHF 800m additional sales by 2025

4-5%

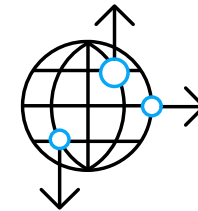
CAGR%



New and superior product offering



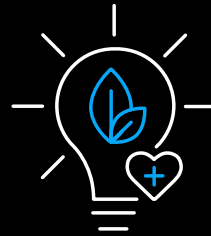
Growing with all customer segments



High growth markets

Where to play

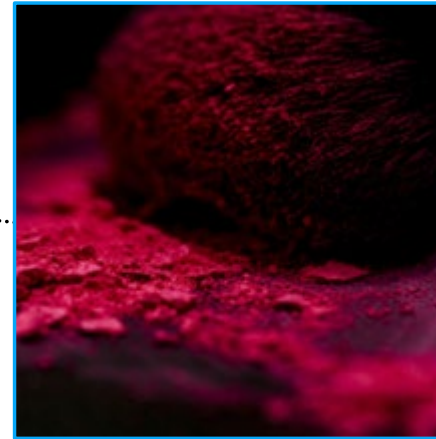
New and superior product offering



New and superior product offering





Biotechnology
Leverage our capabilities and acquisitions for our ingredients




Beauty

Further expand our offering in Active Beauty


Delivery Systems
Provide the next generation of bio-caps




Naturals

Provide our customers with the most innovative and qualitative ingredients

Where to play

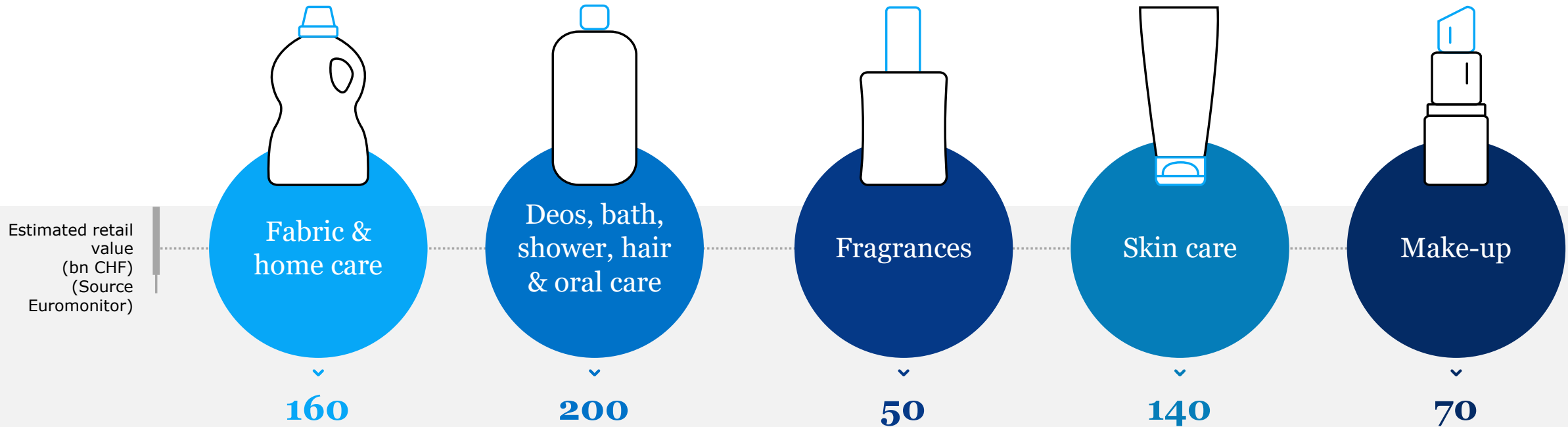
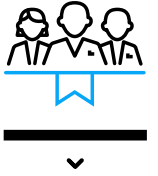
Growing with all customer segments



Growing with all customers segments

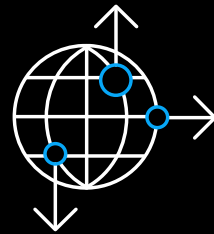


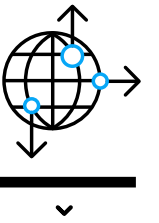
Growing with all customers across all categories



Where to play

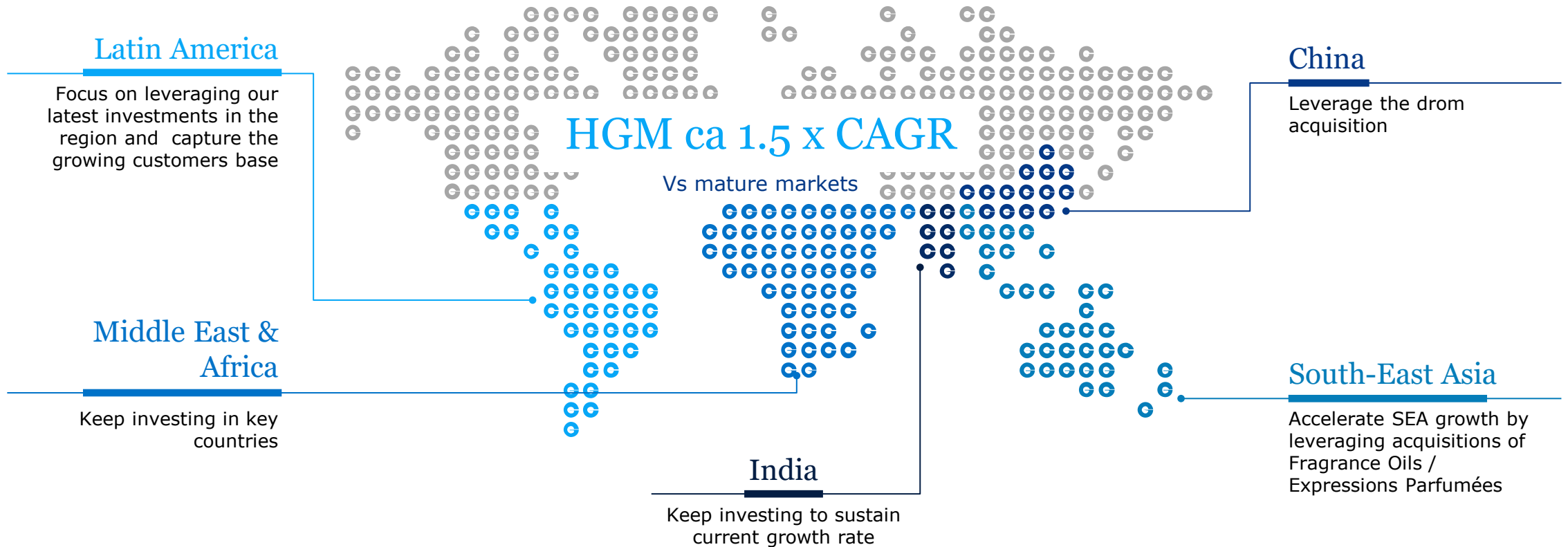
High growth markets





High growth markets

Our key focus countries and regions to capture growth



Where to play

Leverage M&A





Leverage our acquisitions

Outstanding portfolio aligned with market trends



How to win

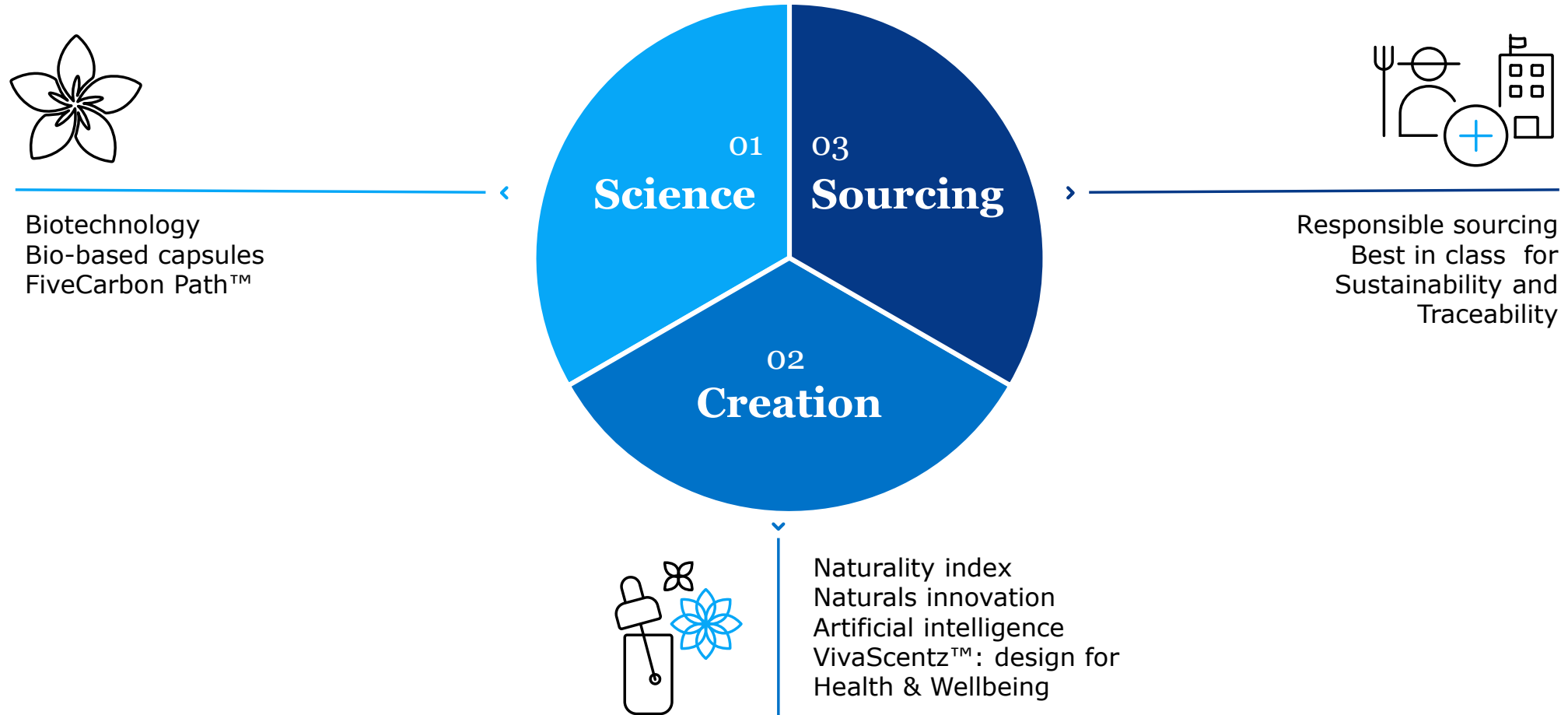
Purpose driven innovation and sourcing





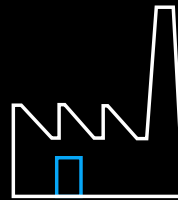
Purpose driven innovation and sourcing

Sustainability meeting current and future needs

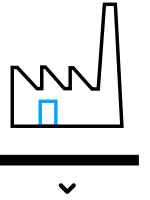


How to win

Operations

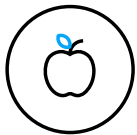


Operations



Industry leader
in automation

Next Generation Factories



Best palette &
vertical integration
Ingredients Advantage

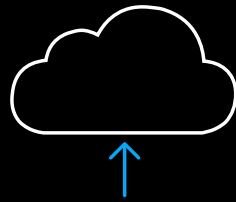


Best in class business
continuity plan

Operations Risk
Management

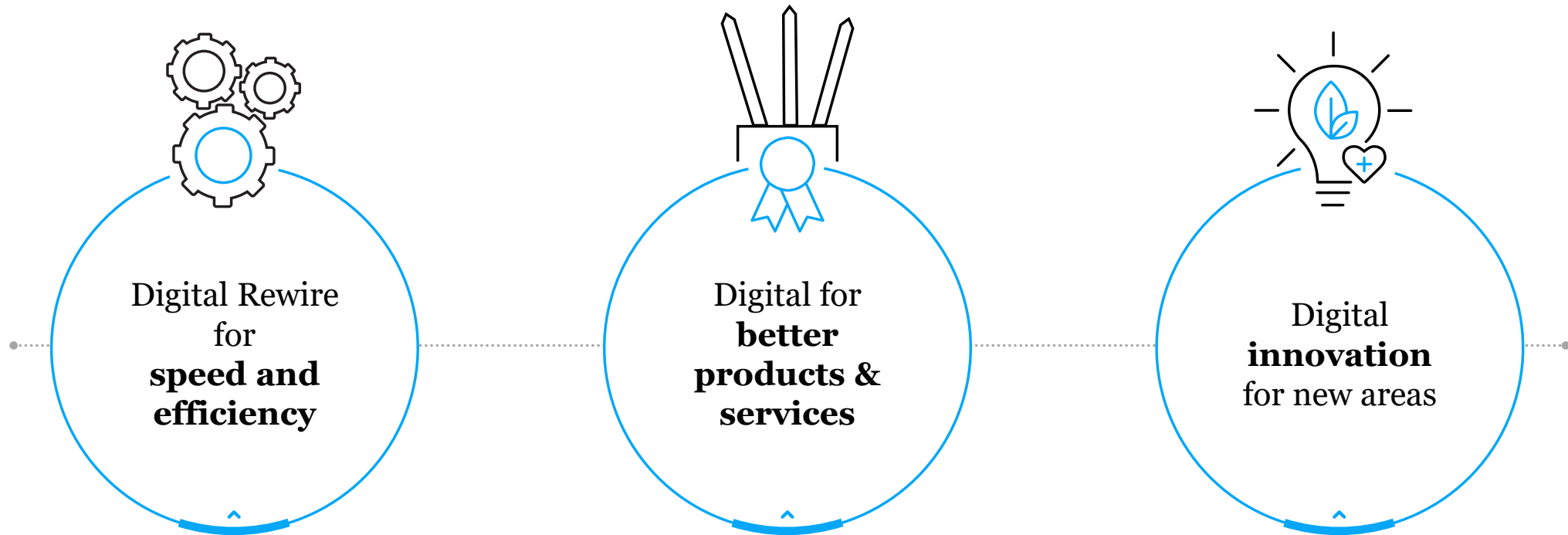
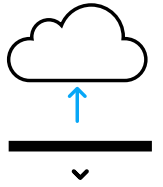
How to win

Leverage digital



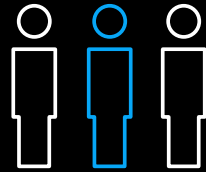
Leverage digital

Expanding our digital capabilities



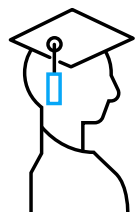
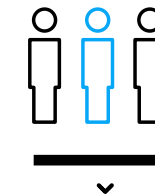
How to win

People



People

Fragrance Division key specific initiatives



Skills

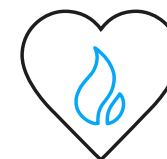
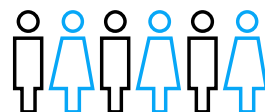


Acquire and develop the skills needed to achieve our ambitions

Achieve our targets for diversity in high growth markets and gender



Diversity



Engagement



Continue to foster a culture that develops, supports and motivates its people

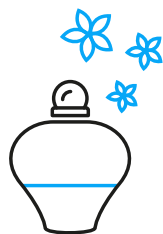


Our new Division name

Fragrance & Beauty

Our new Division name

Fragrance & Beauty



Our ambition :

By **reinforcing our leadership in fragrances** we want to become the **creative partner of choice** not only in personal, fabric, **hygiene** and home care but also in **Fine Fragrance** and **beauty overall**





> Tom Hallam

> **Chief Financial Officer**

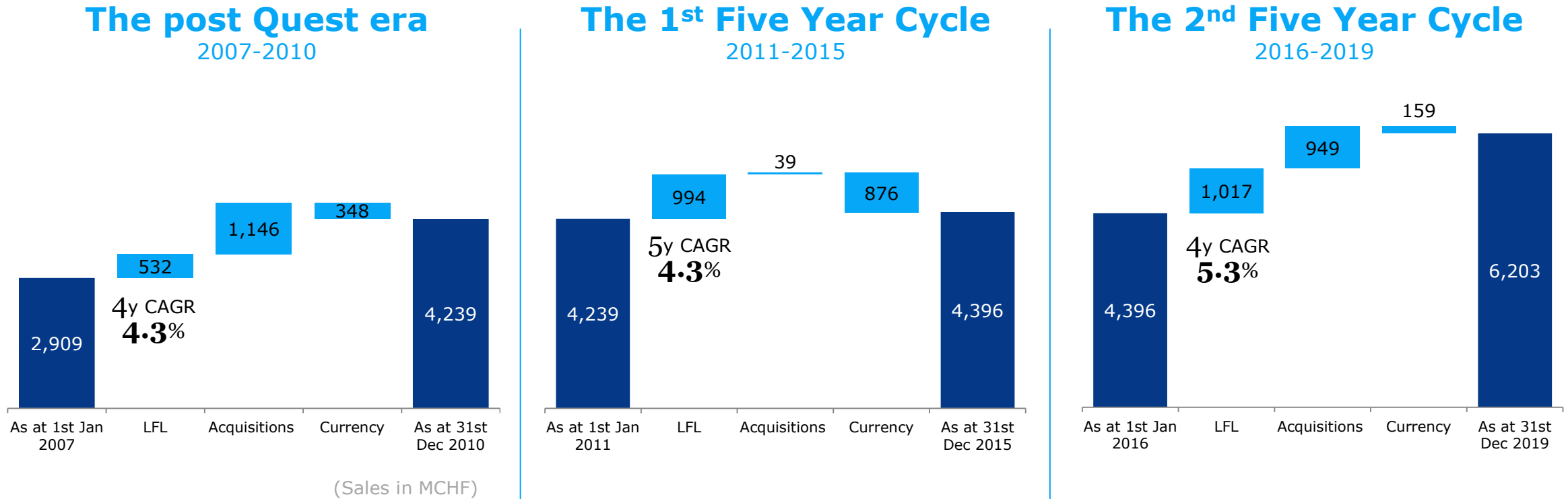
Value creation history at Givaudan

A strong track record of growth & value creation



Value creation at Givaudan

The journey of growth



>CHF **3.3 billion**
of incremental revenues since
2007

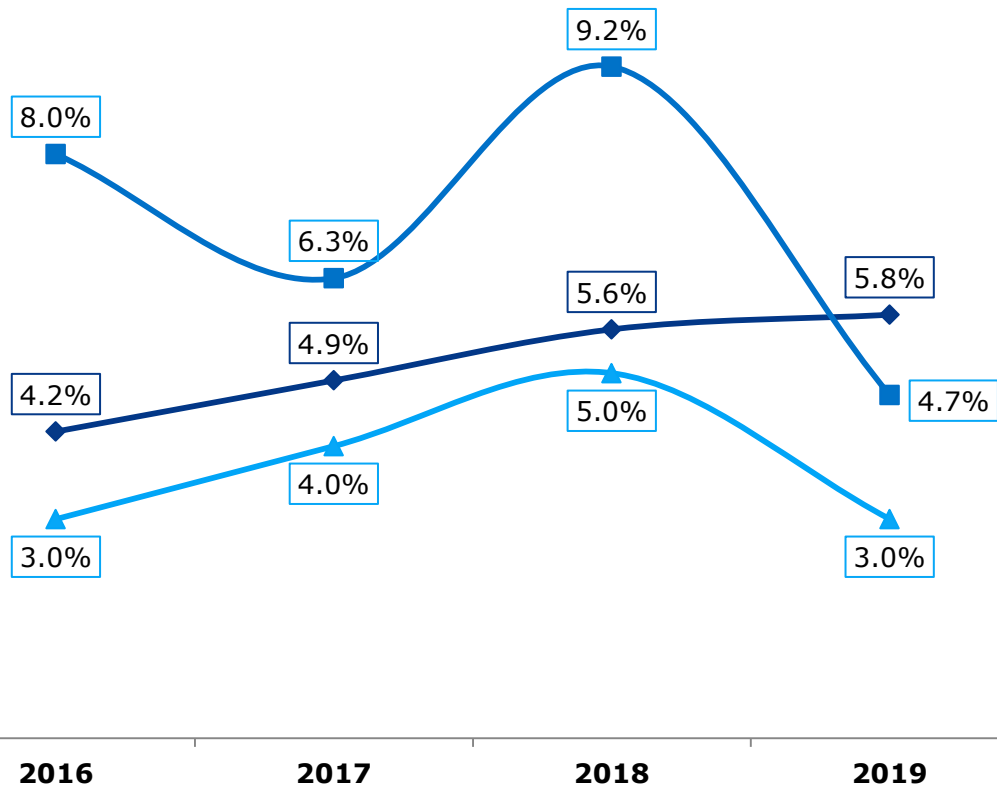
LFL* CAGR **4.9%**
(2007-2019)

Like-for-like (LFL) is defined as: (a) sales calculated using the invoicing exchange rates of the prior year, (b) excluding sales of businesses acquired from the acquisition date until the period end date, up to 12 months from the acquisition date, and (c) excluding sales of the businesses disposed of from the disposal date until the period end date of the comparable prior period

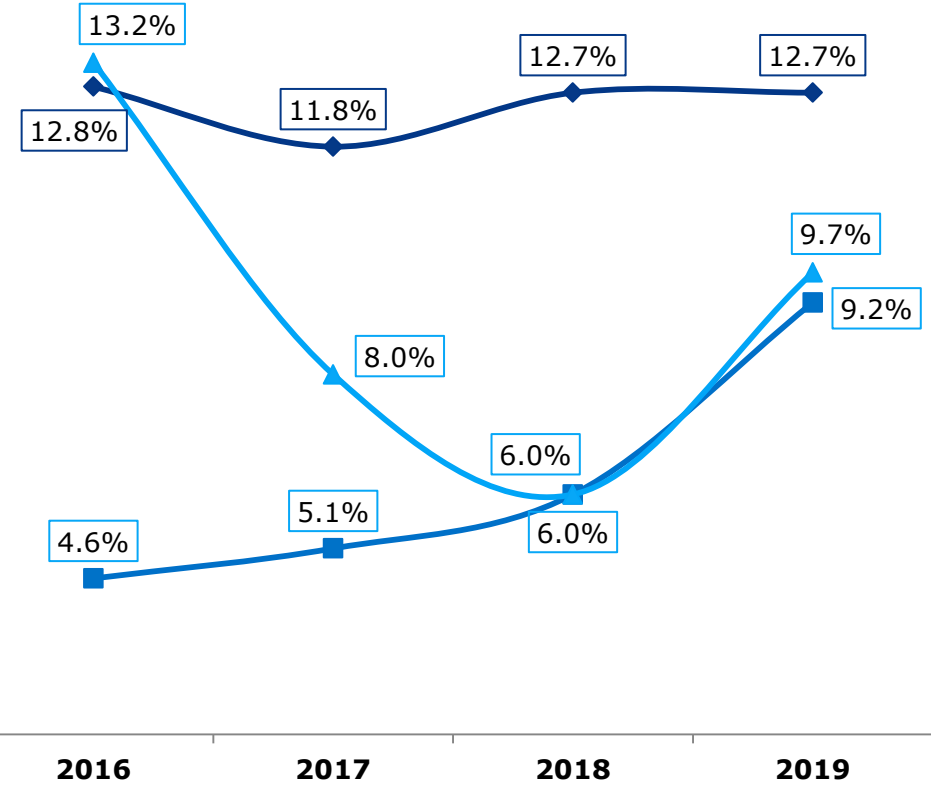
Value creation at Givaudan

Industry leading financial performance

Sales growth



Free Cash Flow as % of sales



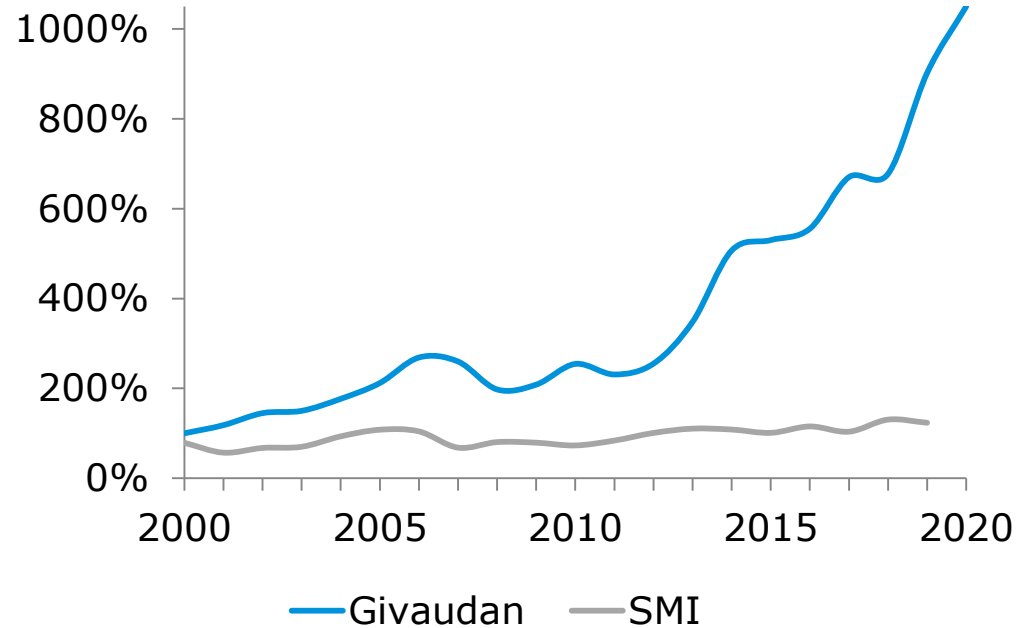
◆ Givaudan ■ Symrise ▲ IFF

◆ Givaudan ■ Symrise ▲ IFF

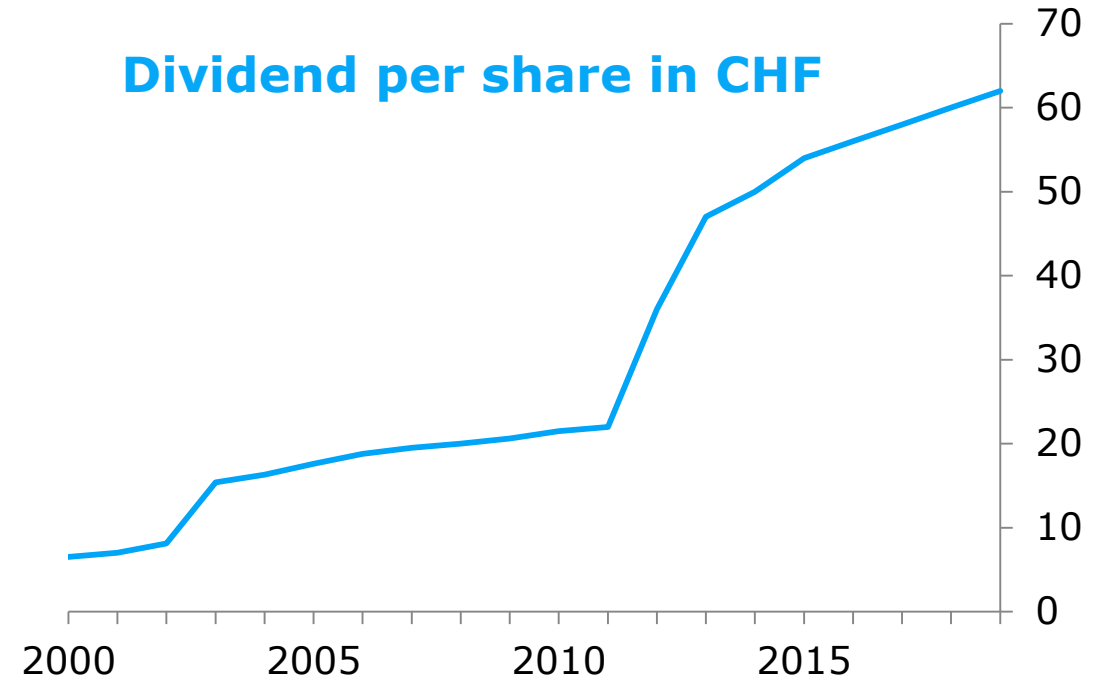
Value creation at Givaudan

Sustained value creation for shareholders

Share price evolution vs SMI



Dividend per share in CHF



>CHF **35 billion**
of total shareholder return since
the IPO

Average annual yield of

13.3%

vs 4.1% of SMI



› Strategy 2025

› **Performance ambitions**

Strategy 2025

Performance ambitions

Sales growth

4.0 – 5.0%

2021 – 2025
Average Like for Like* Sales Growth

Free cash flow

>12% of sales

2021 – 2025
Average FCF** as % of sales

Purpose ambitions

**Purpose
linked targets**

2021 – 2025
Progress towards all published
purpose targets

*Like-for-like (LFL) is defined as: (a) sales calculated using the invoicing exchange rates of the prior year, (b) excluding sales of businesses acquired from the acquisition date until the period end date, up to 12 months from the acquisition date, and (c) excluding sales of the businesses disposed of from the disposal date until the period end date of the comparable prior period

**Free Cash Flow (FCF) refers to operating cash flow after net investments, interest paid and lease payments

Strategy 2025

Performance ambitions – organic sales growth

2016 – 2020 Guidance

4.0 – 5.0%

Average Like for Like* Sales Growth

2016 – 2019

5.1%

Average Like for Like* Sales Growth

2021 – 2025 Guidance

4.0 – 5.0%

Average Like for Like* Sales Growth

Strategy 2025

Performance ambitions – Free Cash Flow

2016 – 2020 Guidance

▼
12 – 17%

Average FCF** as % of sales

2016 – 2019

▼
12.5%

Average FCF** as % of sales
We are fully on course to deliver the set target range

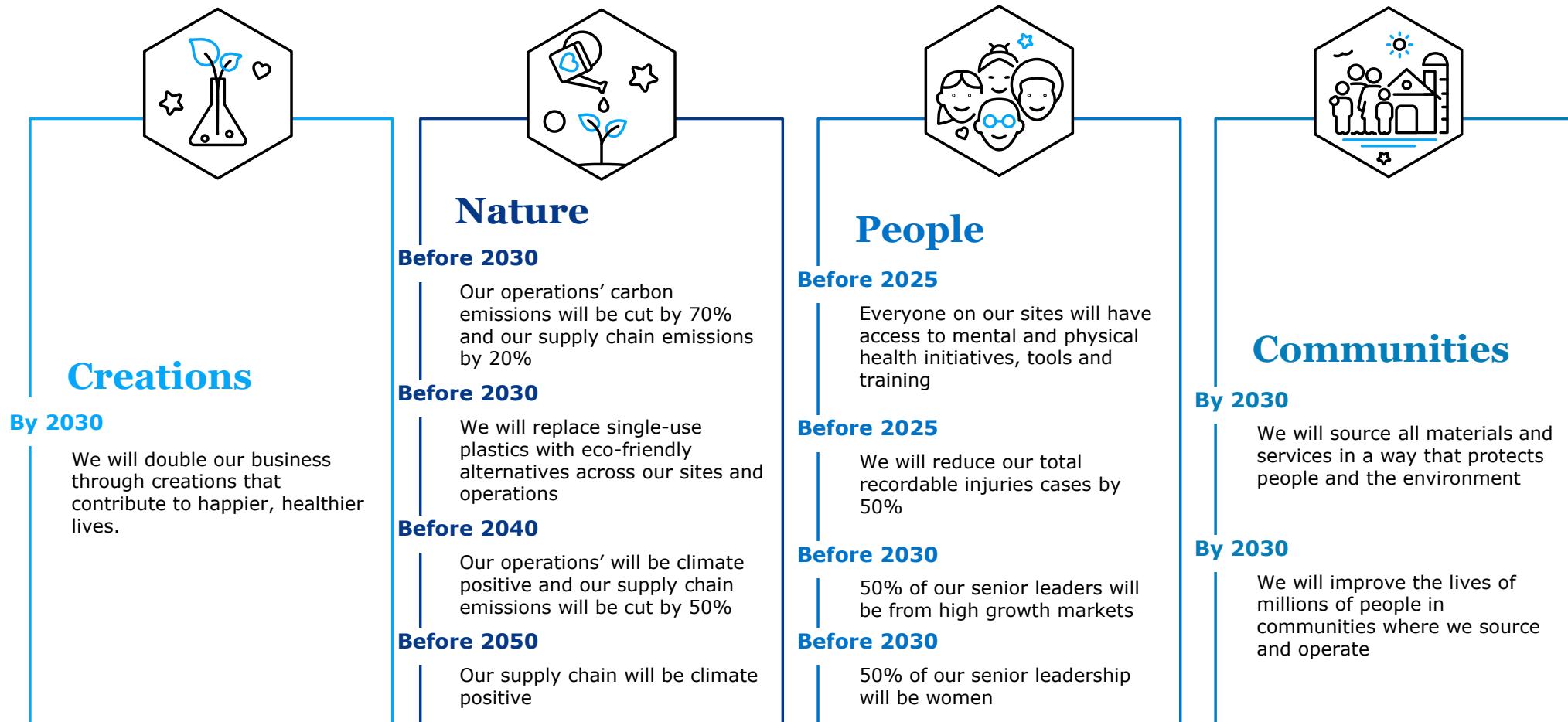
▼
2021 – 2025 Guidance

>12% of sales

Average FCF** as % of sales

Strategy 2025

Performance ambitions - Purpose linked targets



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