

2020 Full Year Results  
Excellent Financial Performance  
2020 Strategy delivered

29/01/2021



Givaudan

engage your senses



Gilles Andrier  
Chief Executive Officer

# 2020 Full year results

## Performance highlights

- Sales of CHF 6.3 billion, up 4.0% on a like-for-like\* basis and 1.9% in Swiss francs
- EBITDA of CHF 1,397 million, an increase of 9.6%; comparable EBITDA margin of 22.8% up from 21.5% in 2019
- Free cash flow of CHF 811 million or 12.8% of sales
- Proposed dividend of CHF 64.00 per share, up 3.2% year-on-year
- Successful delivery of 2020 guidance; Over the five year period 2016-2020:
  - Average like-for-like sales growth of 4.9%
  - Average free cash flow of 12.6%

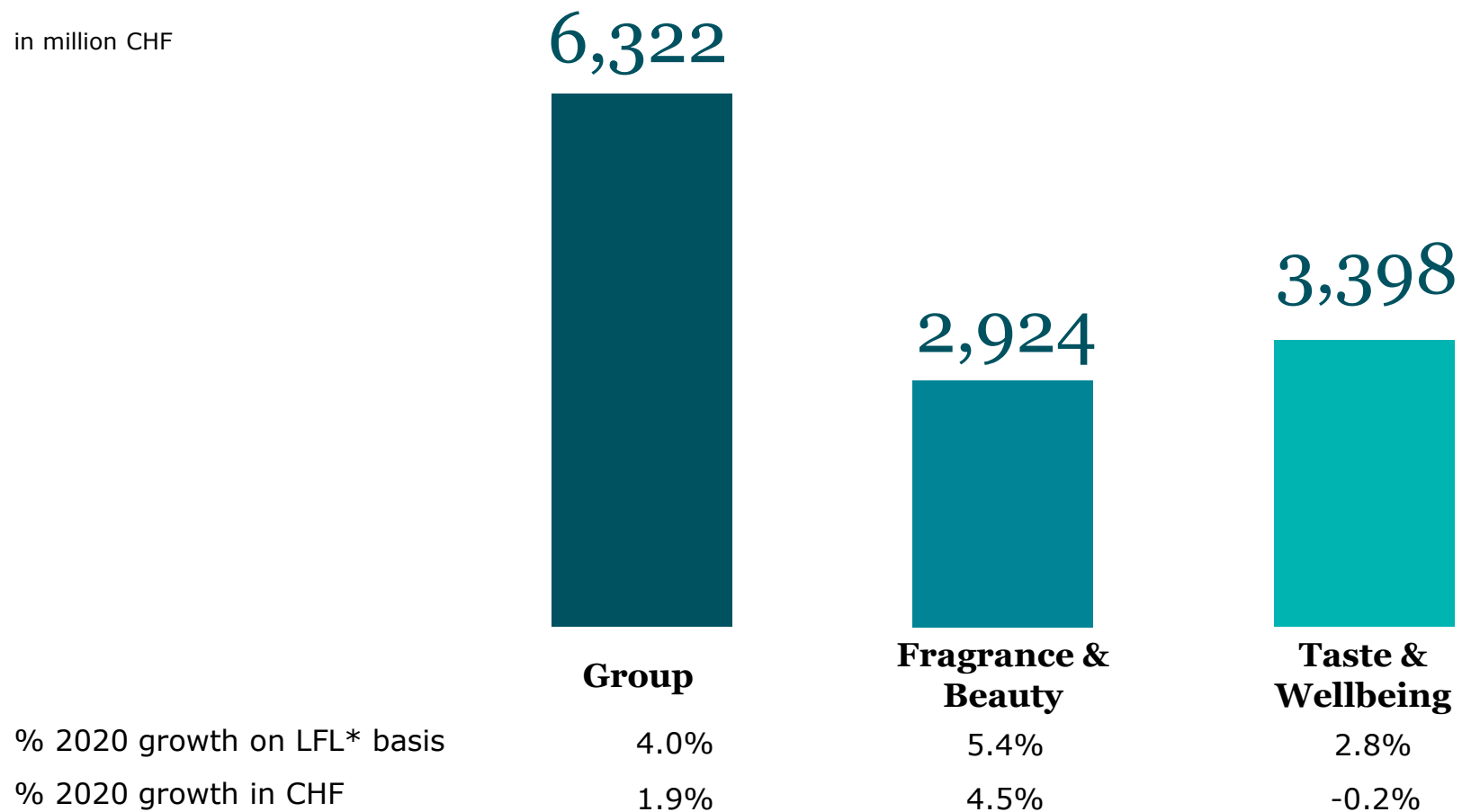
“I am very pleased that in an unprecedented environment related to COVID-19, we have been able to deliver such a strong financial performance in 2020, as well as successfully delivering on all of our ambitious targets in relation to our 2016-2020 strategy.”

\* Like-for-like: excludes the impact of currency, acquisitions and disposals

# Sales performance

## Good growth in both divisions

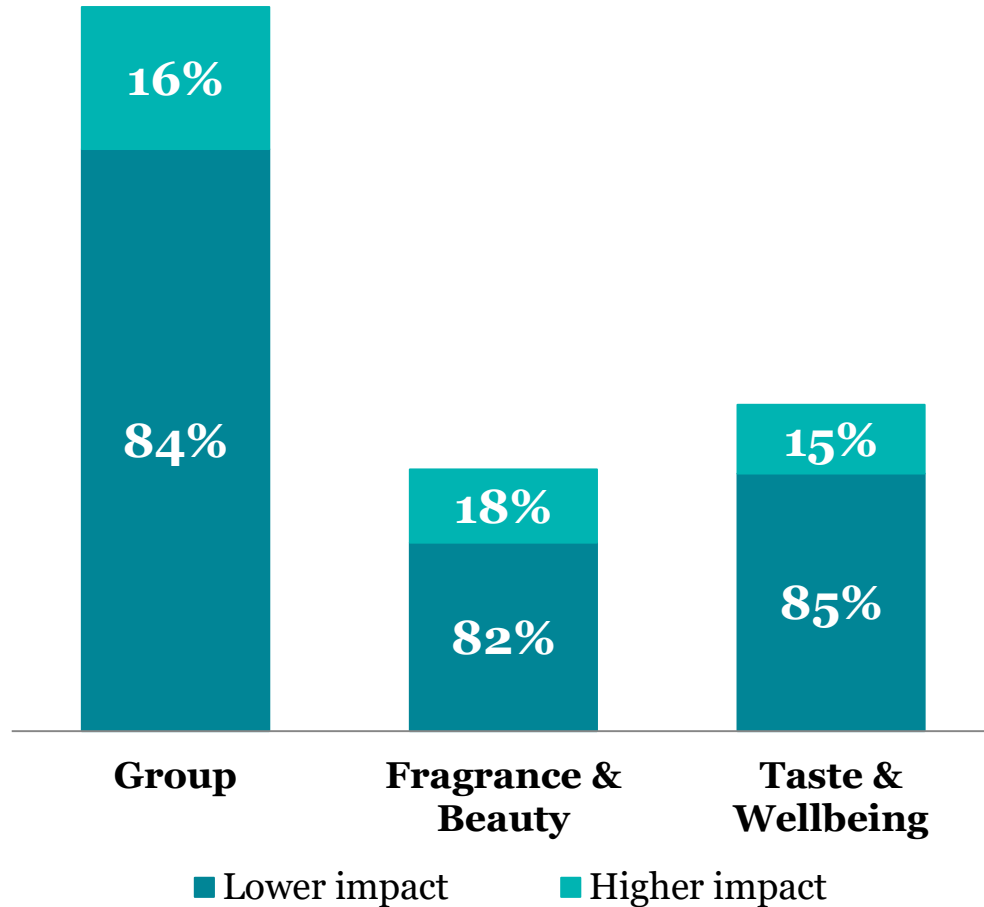
in million CHF



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

# Sales portfolio performance

## Covid-19 impact analysis



Lower impacted business LFL\* growth 2020

	Q1	Q2	Q3	Q4	FY
Group	7.5%	11.7%	5.6%	6.0%	7.7%
F&B	7.5%	12.7%	6.0%	6.6%	8.2%
T&W	7.6%	11.1%	5.4%	5.5%	7.4%

Higher impacted business LFL\* growth 2020

	Q1	Q2	Q3	Q4	FY
Group	-4.4%	-39.0%	-9.7%	-4.1%	-14.7%
F&B	1.9%	-35.3%	-1.9%	12.2%	-6.0%
T&W	-10.8%	-42.2%	-18.2%	-19.1%	-23.0%

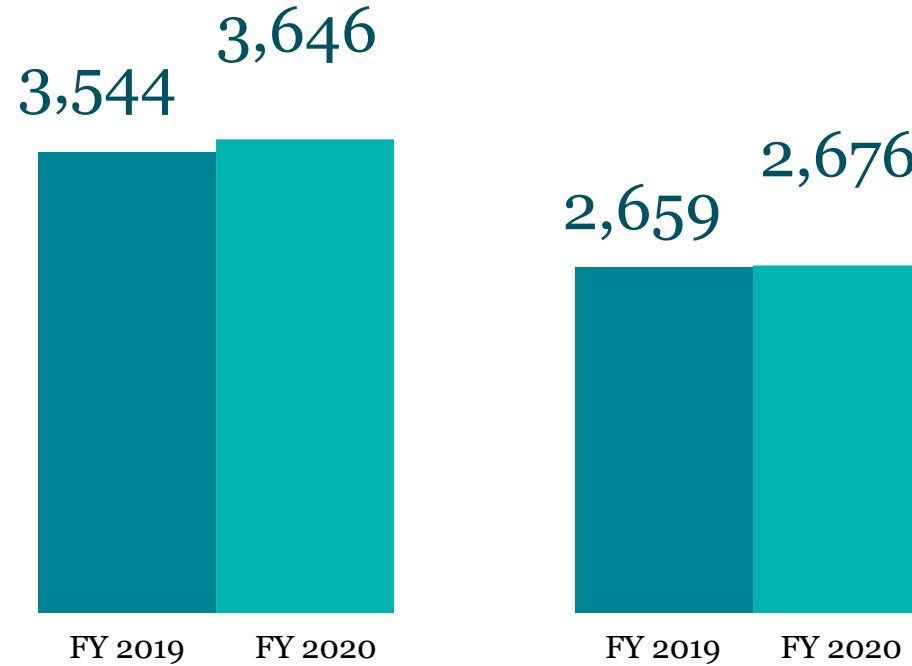
\* LFL (like-for-like) excludes the impact of currency, acquisitions and disposals

\*\* Portfolio structure based on 2019 actual results

# Sales evolution by market

## Strong performance from high growth markets

in million CHF



FY 2019 FY 2020

FY 2019 FY 2020

### Mature

### High growth

% of total sales

57% 58%

43% 42%

% 2020 growth on LFL\* basis

1.5%

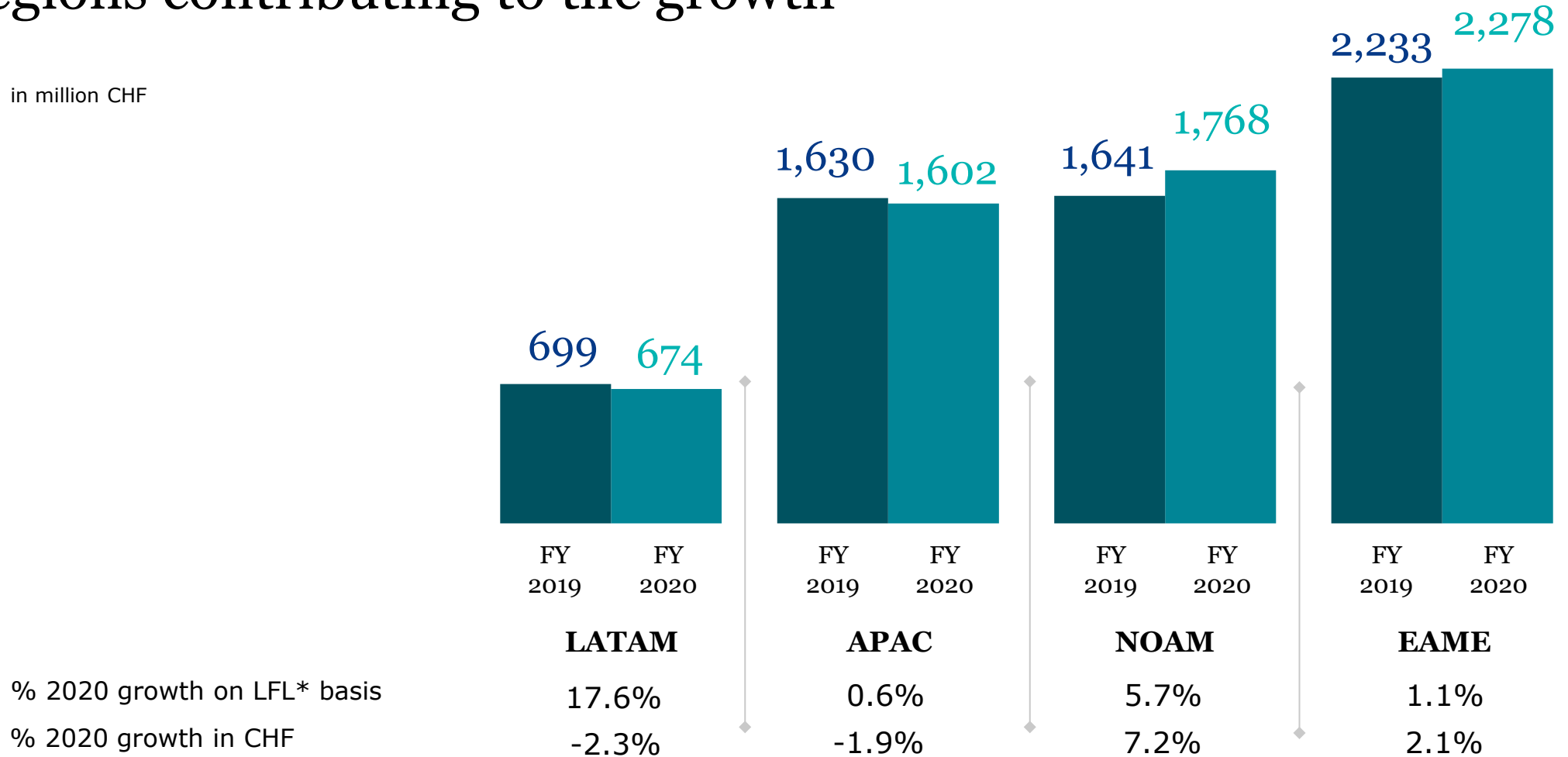
7.4%

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

# Sales evolution by region

## All regions contributing to the growth

in million CHF



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

# Sales performance

## Fragrance & Beauty

### Fine Fragrance decreased 6.0% LFL\*

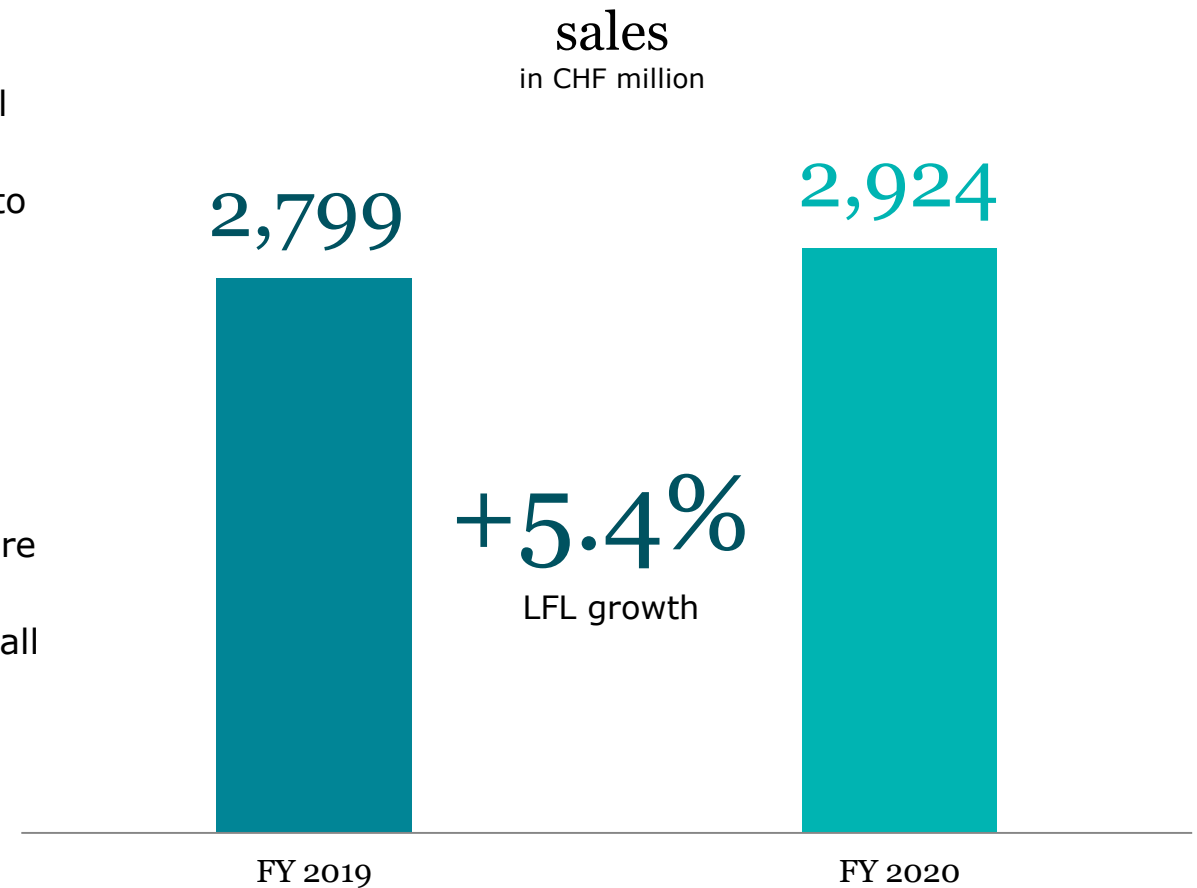
- Strong impact of COVID-19 due to restricted retail and travel retail activity in major fine fragrance markets
- Good growth of 4.2% in the second half of 2020, compared to the same period in 2019
- Specialty retail, e-commerce & direct selling channels supported improved second half results

### Consumer Products grew 9.2% LFL\*

- Strong sales growth against comparable growth of 7.8% in 2019
- Increased consumption of household, health and personal care products
- Growth in both high growth and mature markets and across all customer groups and regions

### Fragrance Ingredients and Active Beauty increased by 2.5% LFL\*

- Active Beauty performed well in difficult market conditions related to COVID-19 and delivered low single digit growth



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



# Sales performance

## Taste & Wellbeing

### Asia Pacific decreased 1.0% LFL\*

- Double-digit growth in China was offset by Indonesia and India, which were strongly impacted by COVID-19
- Weaker performance in mature markets of Japan and Oceania, also related to COVID-19

### EAME increased 2.0% LFL\*

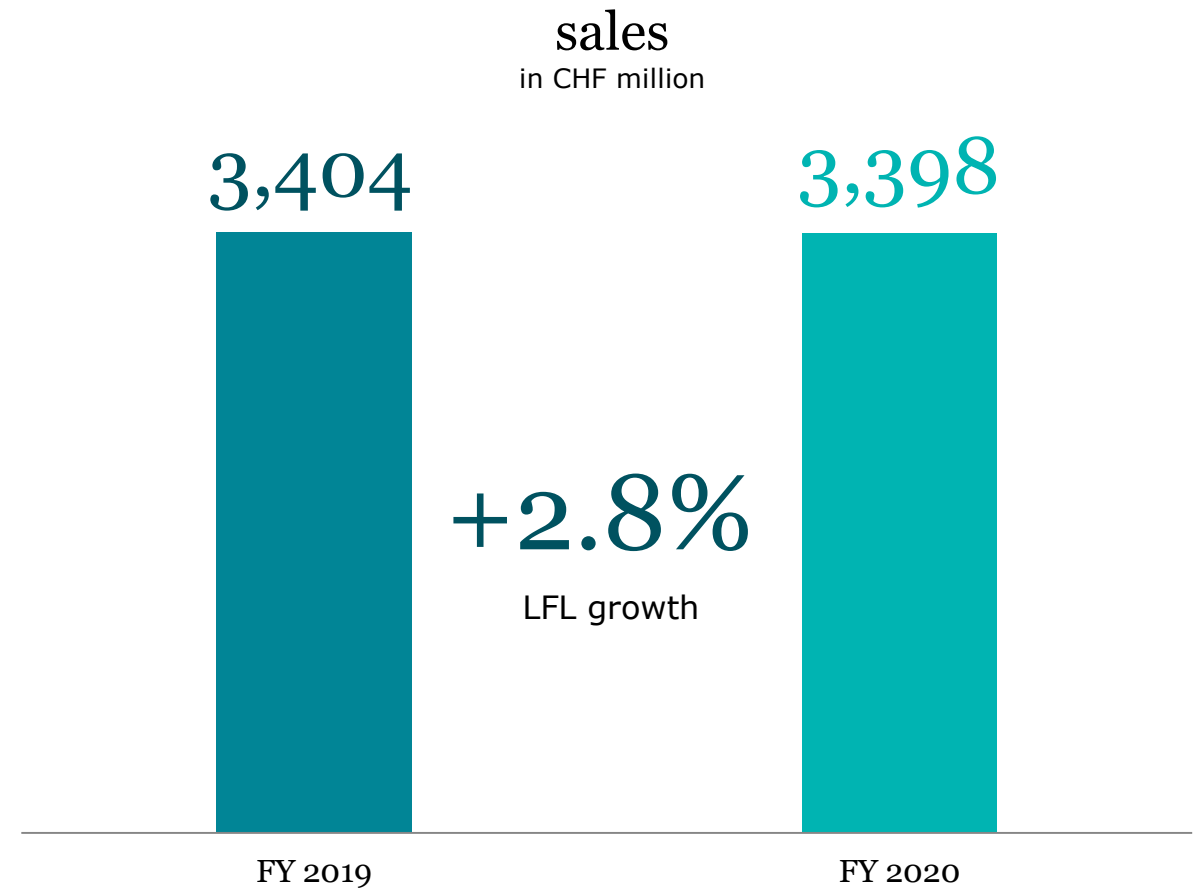
- Double-digit growth in Russia, Turkey, Maghreb and Egypt
- In the mature markets good single-digit growth in France, Germany, Benelux and Northern Europe

### North America increased 4.3% LFL\*

- Good performance in all customer segments and in Beverages, Immunity Products, Snacks and Sweet Goods

### Latin America increased 10.7% LFL\*

- Double-digit growth in Brazil and Argentina
- Growth driven by the segments of Dairy, Beverages, Savoury and Sweet Goods



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

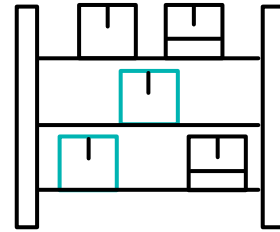
# COVID-19

## Givaudan's focus throughout the crisis



**1.**

Protecting and supporting our employees, be it on-site or those 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

# Tom Hallam

## Chief Financial Officer

## 2020 Full year results

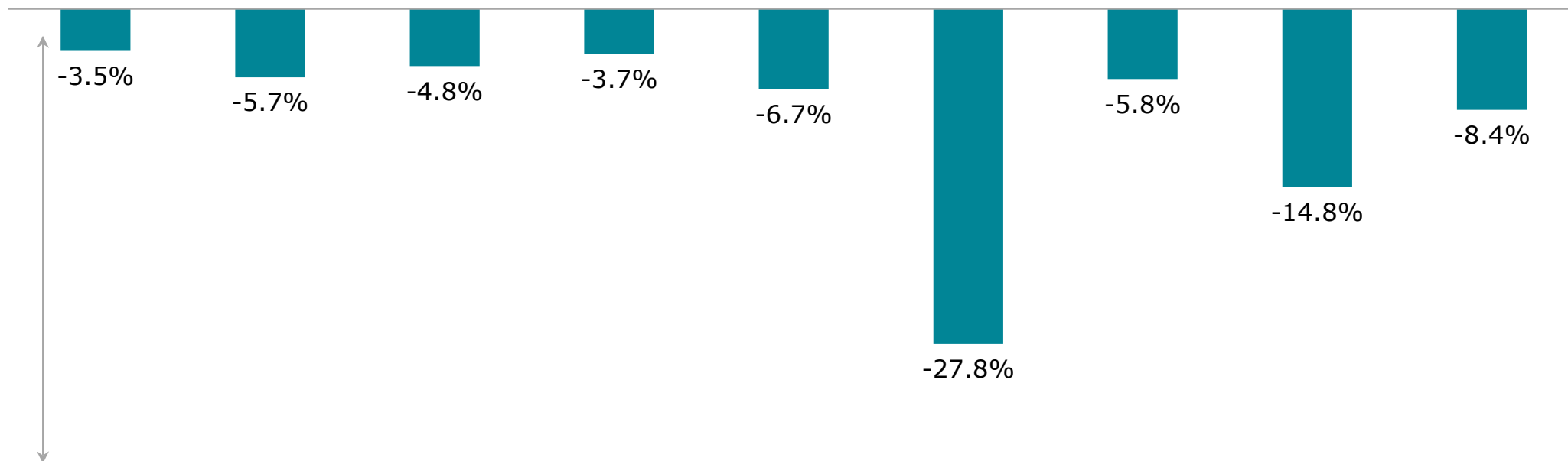
### Performance highlights

- Sales of CHF 6,322 million, up 4.0% on a like-for-like\* basis and 1.9% in Swiss francs
- EBITDA of CHF 1,397 million compared to CHF 1,275 million in 2019, an increase of 9.6%
- Reported EBITDA margin of 22.1% compared to 20.6% in 2019, with the underlying margin at 22.8% versus 21.5% in 2019
- Net income of CHF 743 million, up 5.8% year-on-year
- Operating cash flow of CHF 1,133 million; free cash flow of 12.8% of sales
- Net debt to EBITDA of 2.9x, the same level as 2019 and down from 3.4x in June 2020

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

# 2020 Full year results

## Exchange rate development



	<b>JPY</b>	<b>USD</b>	<b>GBP</b>	<b>EUR</b>	<b>SGD</b>	<b>BRL</b>	<b>CNY</b>	<b>MXN</b>	<b>IDR</b>
<b>FY 2020</b>	0.88	0.94	1.21	1.07	0.68	0.18	0.14	0.04	0.64
<b>FY 2019</b>	0.91	0.99	1.27	1.11	0.73	0.25	0.14	0.05	0.70

# Operating performance

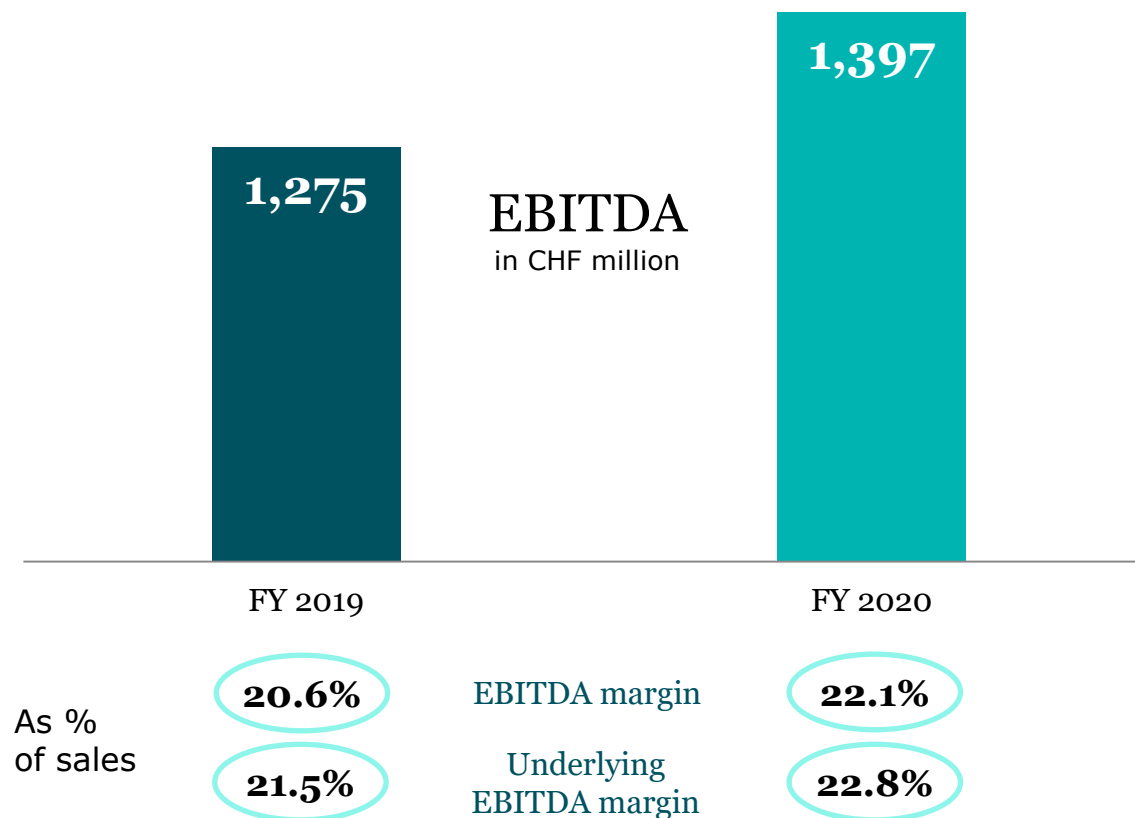
**Sales** of CHF 6,322 million, an increase of 4.0% on a like-for-like basis\* and 1.9% in Swiss francs

**Gross margin** of 42.1%, compared to 40.8% in 2019, as a result of continued productivity gains, improved contribution of acquired companies, GBS savings and cost discipline

**EBITDA** of CHF 1,397 million compared to CHF 1,275 million in 2019. Acquisition and restructuring costs of CHF 39 million, compared to CHF 25 million in 2019. Impact of costs for GBS project of CHF 6 million in 2020, compared with CHF 31 million in 2019

**EBITDA margin** of 22.1% compared to 20.6% in 2019, with the underlying margin at 22.8% versus 21.5% in 2019

40.8% Gross margin 42.1%  
in %



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

# Operating performance

## Fragrance & Beauty

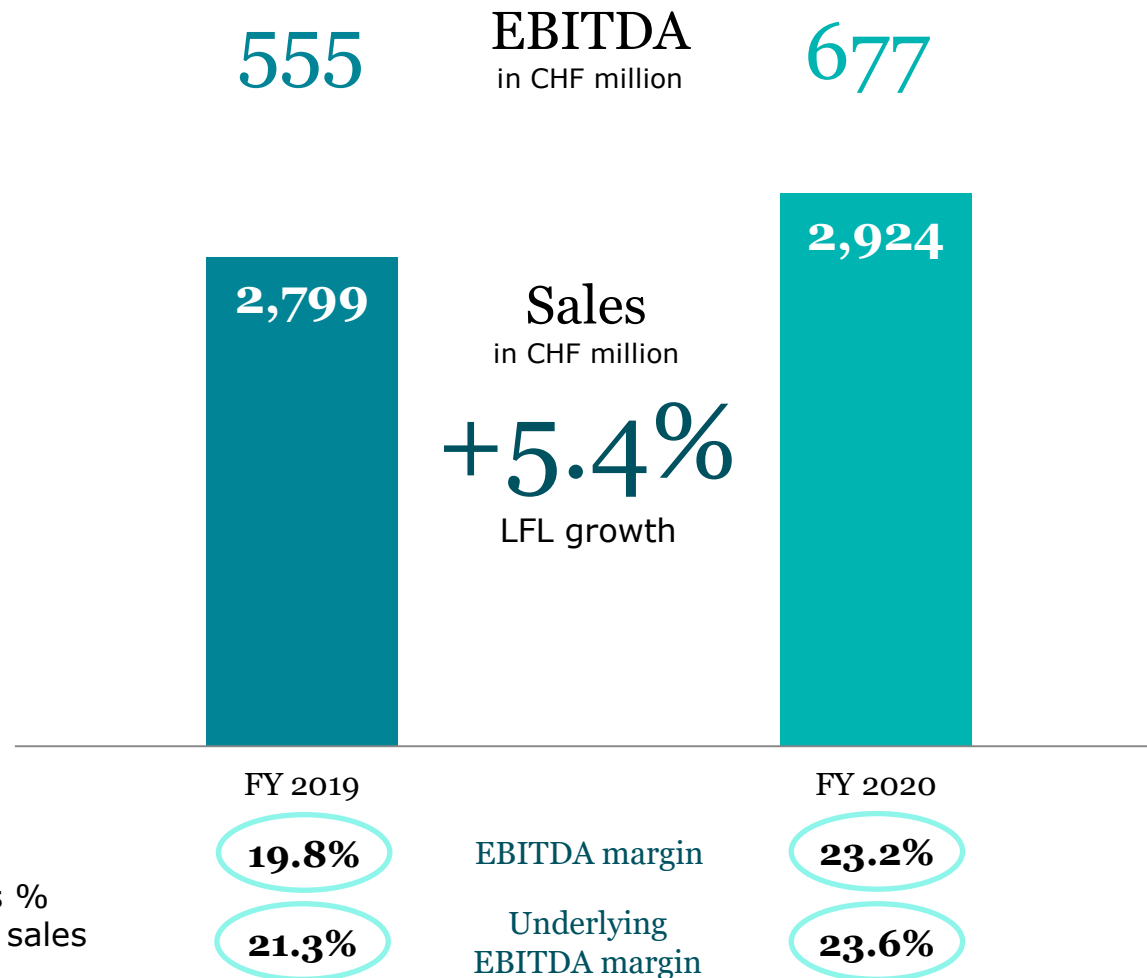
**Sales** of CHF 2,924 million, an increase of 5.4% on a like-for-like basis\* and 4.5% in Swiss francs

**EBITDA** of CHF 677 million, increased from CHF 555 million in 2019

GBS costs of CHF 6 million, compared with CHF 31 million in 2019 and acquisition and restructuring costs of CHF 7 million, compared to CHF 11 million in 2019

**EBITDA margin** of 23.2% compared to 19.8% in 2019, with the underlying EBITDA margin at 23.6% versus 21.3% in 2019.

The increase was mainly driven by higher sales, the contribution and synergies of the recent acquisitions, as well as reduced operating expenses



# Operating performance

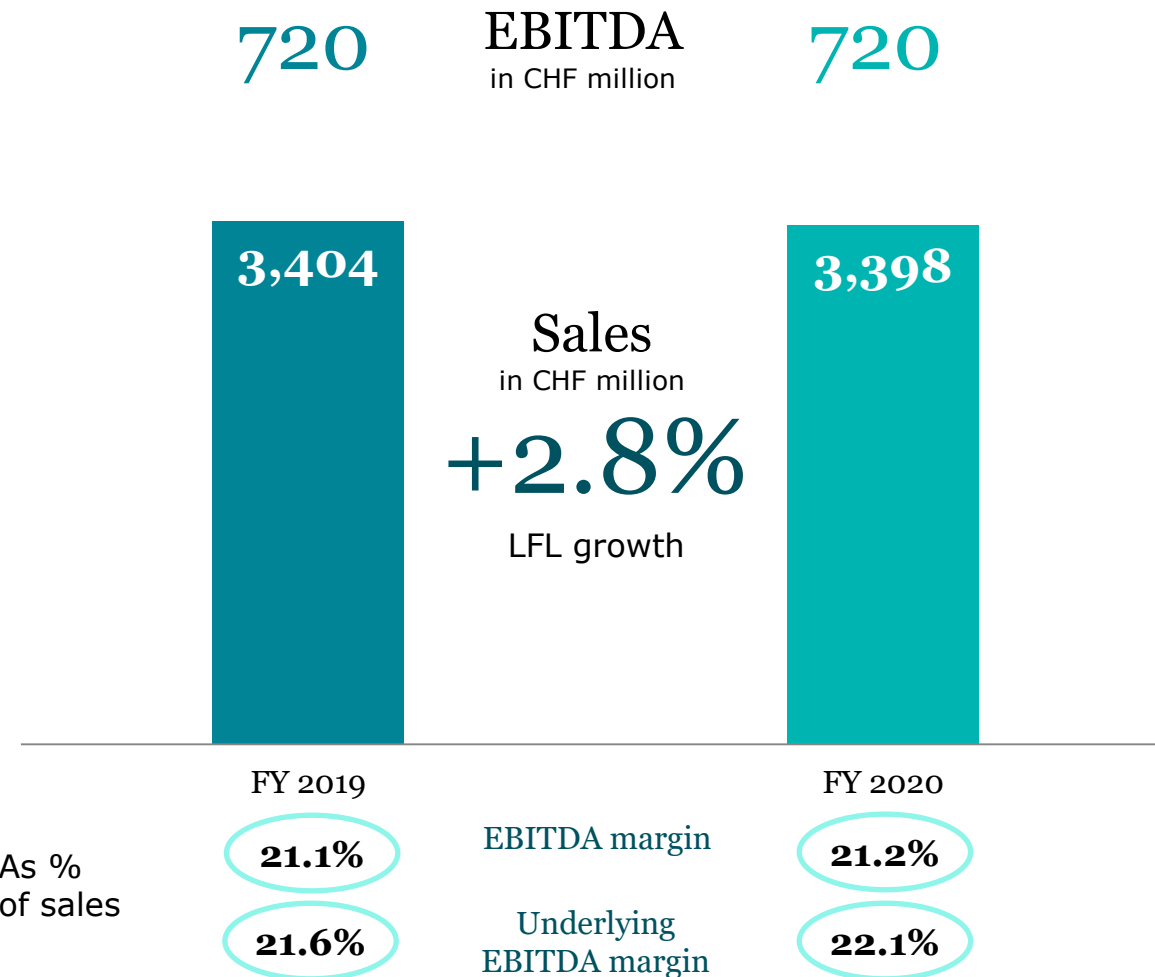
## Taste & Wellbeing

**Sales** of CHF 3,398 million, an increase of 2.8% on a like-for-like basis\* and a decrease of 0.2% in Swiss francs

**EBITDA** of CHF 720 million, flat compared to last year

Acquisition and restructuring costs of CHF 32 million, compared to CHF 14 million in 2019, largely related to the integration of the recently acquired companies and ongoing optimisation of the footprint

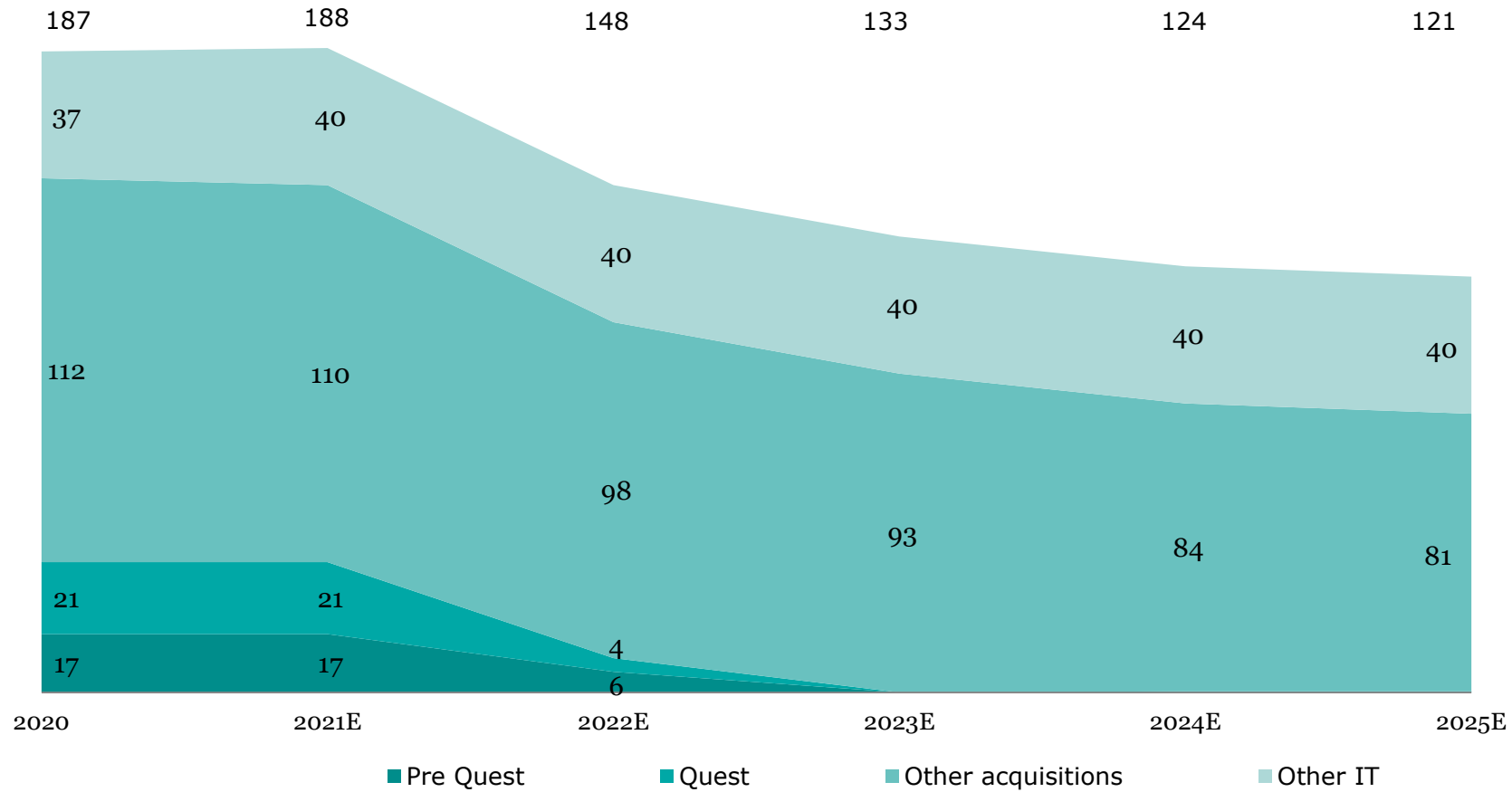
**EBITDA margin** of 21.2% compared to 21.1% in 2019. The underlying EBITDA margin was 22.1% versus 21.6% in 2019





# Amortisation of intangible assets

Total annual amortisation charge (in million CHF, estimated)



Updated to include all recent acquisitions

# Net income

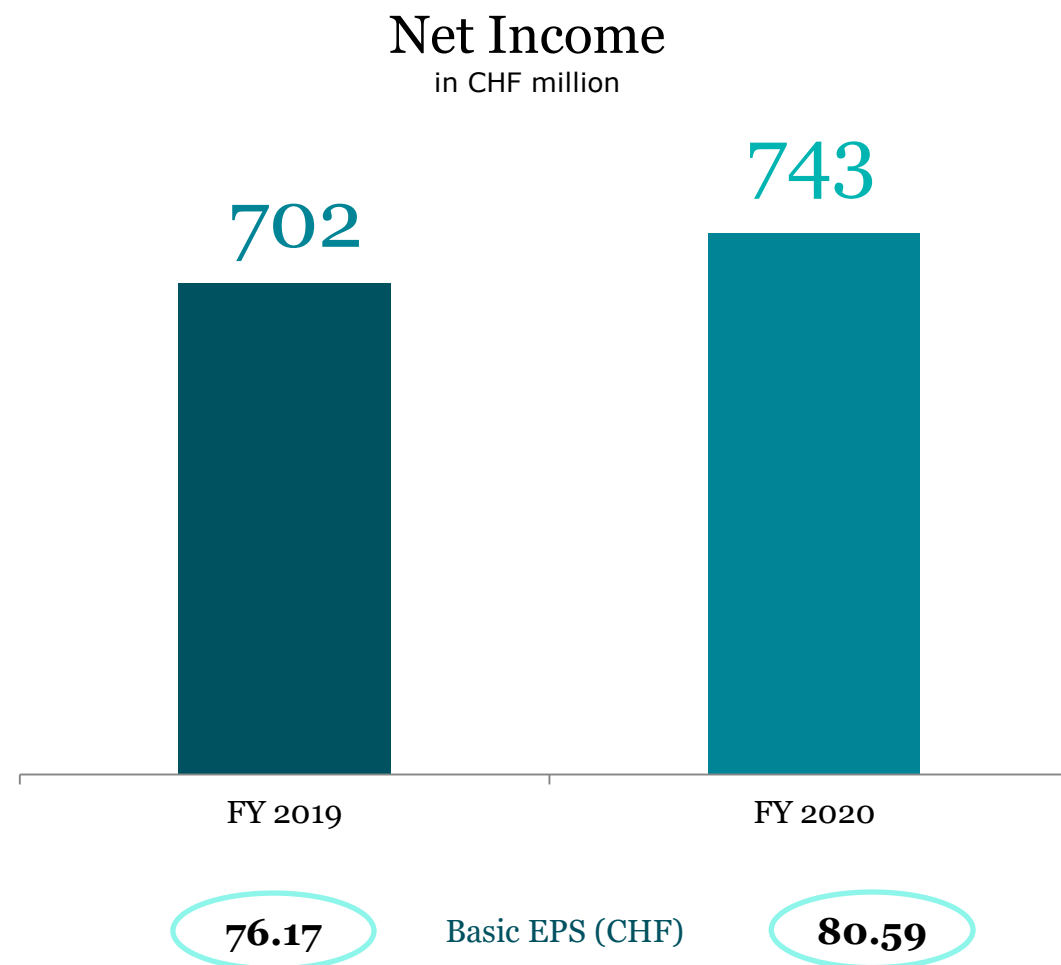
## 11.8% of sales

**Income before tax** of CHF 876 million compared to CHF 808 million in 2019

**Net income** of CHF 743 million, or 11.8% of sales, versus CHF 702 million, or 11.3% of sales in 2019

**Effective tax rate** of 15%, compared to 13% in 2019, temporarily higher due to the impact of the recently acquired companies

**Basic EPS** of CHF 80.59 per share, versus CHF 76.17 in 2019



# Free cash flow

## Sustained underlying performance

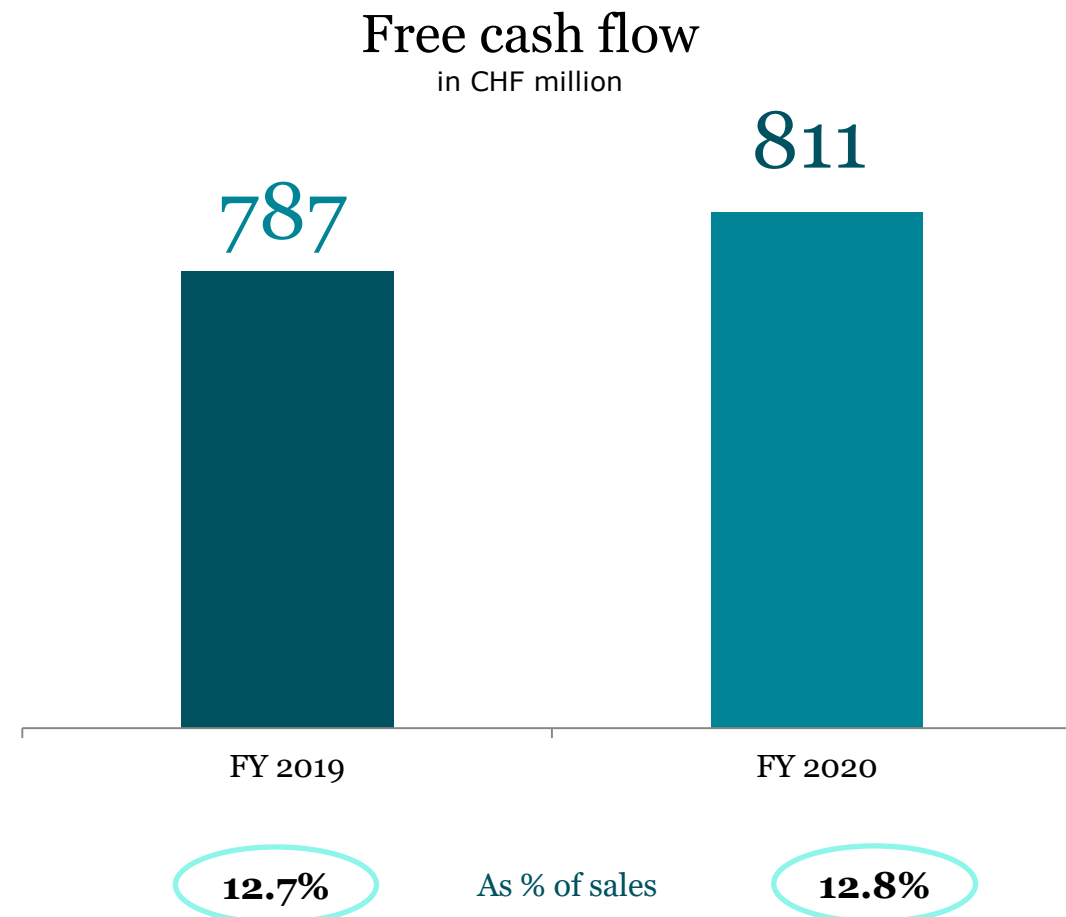
**Free cash flow** of CHF 811 million, compared to CHF 787 million in 2019. Free cash flow is 12.8% of sales compared to 12.7% in 2019.

Average Free cash flow over the 2016-2020 strategy period of 12.6%

**Operating cash flow** of CHF 1,133 million, compared to CHF 1,136 million in 2019

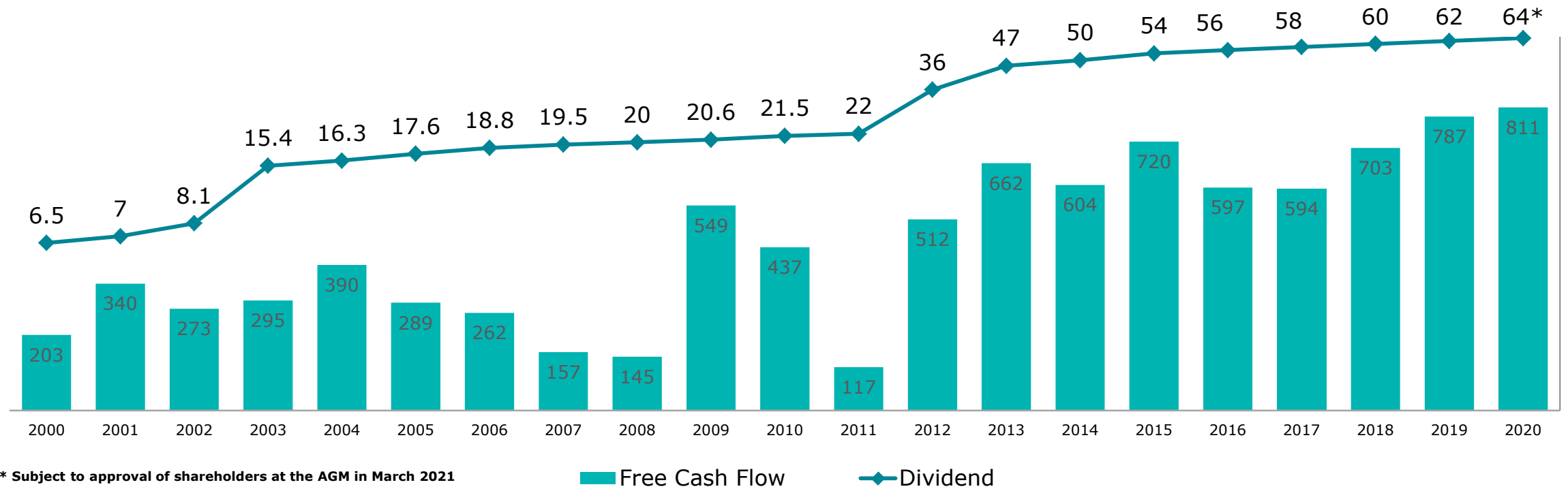
**Total net investments** of CHF 217 million, or 3.4% of sales, as the Group continues to invest in growth and information systems. The net investments in 2019 were 4% of sales, or 5.1% excluding the impact of the ZIC transaction

**Net Working capital** of 24.4% of sales compared to 24.0% in 2019



# Dividend per share

## Increasing 3.2% over 2019

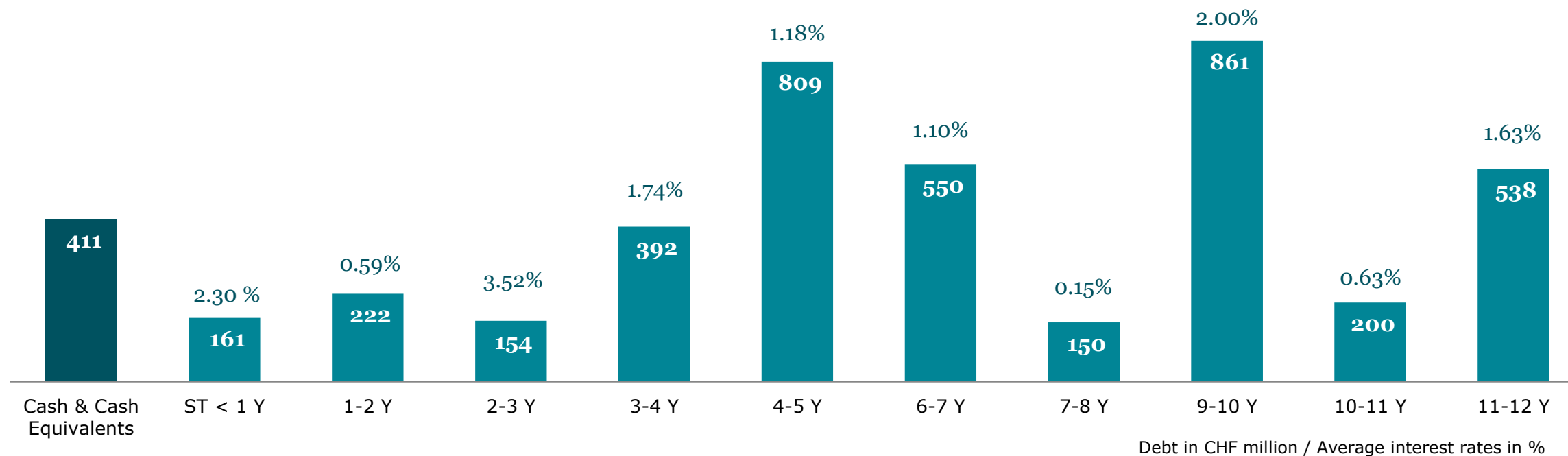


# Balanced debt structure

## Debt maturities and average borrowing rates

In April 2020 Givaudan issued two new bonds for a total of EUR 1,000 million carrying respectively a maturity of 7 years (EUR 500M) and 12 years (EUR 500M). In November 2020 Givaudan issued a Swiss franc bond of CHF 150 million with an 8 year maturity.

The weighted average effective interest rate for the Group is 1.49%.

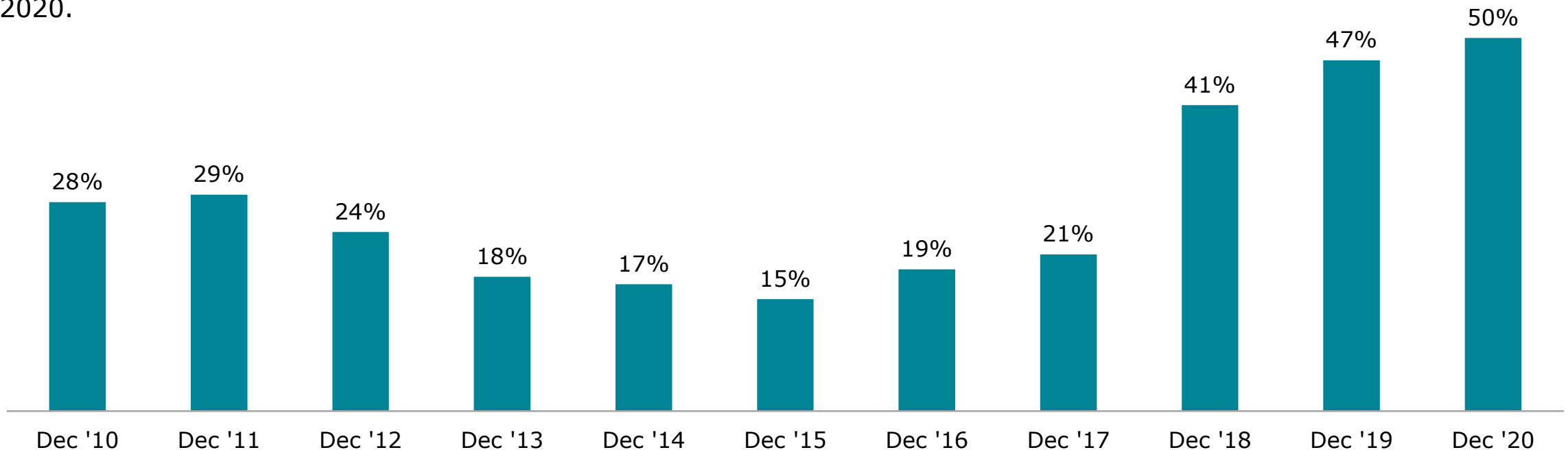


# Leverage ratio and Net debt to EBITDA

## Increase related to the Ungerer acquisition

Leverage ratio of 50% as at December 2020 compared to 47% in 2019. The increase is largely driven by currency impacts on the CTA in Equity and the acquisition of Ungerer in February 2020.

The net debt to EBITDA as at December 2020 was 2.9x, flat compared to December 2019 and down from 3.4x in June 2020.



Gilles Andrier  
Chief Executive Officer

# Strategy 2020

## Responsible growth. Shared success.



\* Over the five-year period 2016-2020



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 every year since Givaudan was listed in 2000



# Value creation through acquisitions

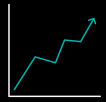
## Expanding our portfolio



# Strategy 2020 Successfully Delivered

## Highlights of key achievements 2016-2020

### Growing with our customers



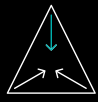
High growth markets



Health and well-being



Consumer preferred products



Integrated solutions

**Expanding product and customer portfolio** for growth

**Doubling sales in Naturals** to close to CHF 2 billion

Achieving **No. 1 position in Fine Fragrance**

Building **CHF 100 million** businesses in **Active Beauty** and in **Plant based proteins**

**Local & Regional** customers accounting for **54% of Group Sales**

### Delivering with excellence



Excellence in execution

**Successful implementation** of Givaudan Business Solutions (GBS) with benefits of CHF 60 million per annum

**Integration** of acquired companies & **improving financial performance**

Establishment of the **Givaudan Digital Factory** in Paris

**Earned key sustainability recognitions**, including CDP leadership scores & EcoVadis Gold Status

### Partnering for shared success



Innovators



Suppliers



People



Communities

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

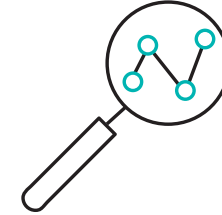
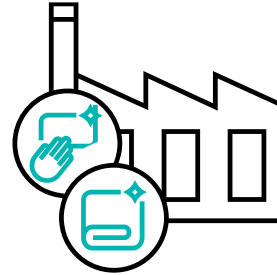
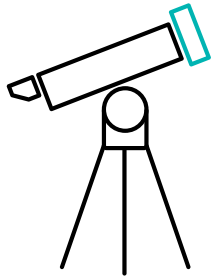
**Doubling of sales** from innovation linked to external collaborations

Launch of **“Connect to win”** programme to accelerate innovation in partnership with suppliers

Strong improvement in **employee engagement and in safety performance**

# 2021 Outlook

## Summary of the Key themes



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### 2021 Outlook

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- Confident in our capabilities and the important role that we play in the global value chain for Food and Consumer Products
- Visibility remains short due to on-going impacts related to the COVID-19 pandemic
- Raw materials forecast to increase ~1% in the first half of 2021, with remaining uncertainty over the second half

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### Focus on Operations

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- Protecting and supporting all Givaudan personnel
- Focus on maintaining operations and supply chain performance at high levels to support our customers
- Continued Cost discipline throughout the business

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### Key Initiatives

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- Continued integration of acquired companies on to Givaudan's operating platform
- Integration costs of ~CHF 45 million in 2021
- Starting the implementation of the 2025 strategy

# 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**

# Strategy 2025

## Performance commitments

### Sales growth

**4.0 – 5.0%**

2021 – 2025  
Average Like for Like<sup>1</sup> Sales Growth

### Free cash flow

**>12% of Sales**

2021 – 2025  
Average FCF<sup>2</sup> as % of sales

### Purpose commitments

**Purpose  
linked targets**

2021 – 2025  
Progress towards all published  
purpose targets

1. 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
2. Free Cash Flow (FCF) refers to operating cash flow after net investments, interest paid and lease payments

# Q&A

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