2017 Full Year Results

Strong financial performance – Investing for the future

26 January 2018

Givaudan

engage your senses

Gilles Andrier
Chief Executive Officer

2017 Full Year Results
Performance highlights

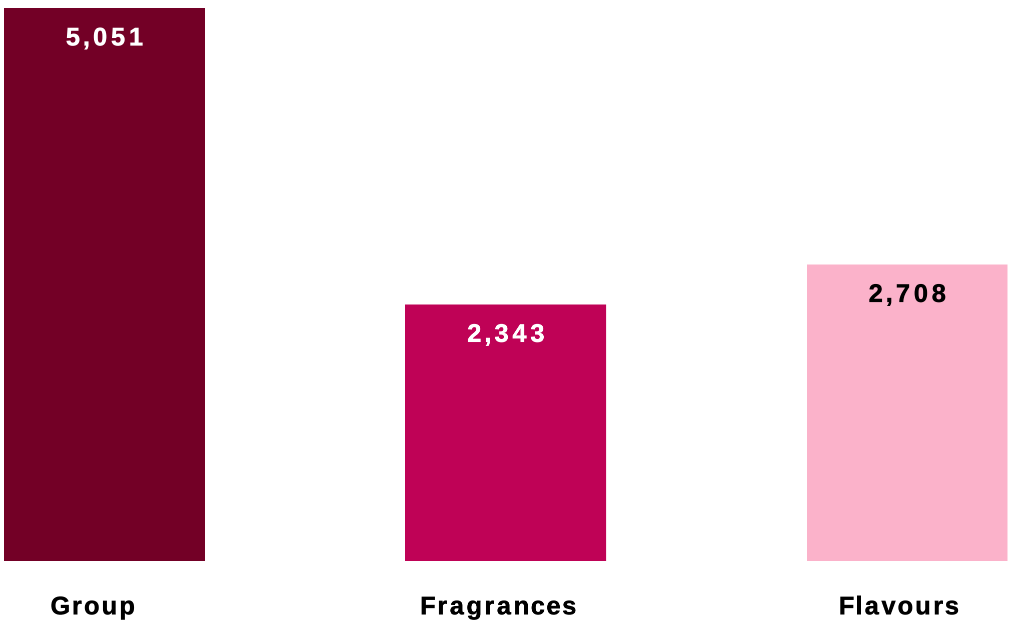
- Sales of CHF 5.1 billion, up 4.9% on a like-for-like* basis and 8.3% in Swiss Francs
- EBITDA of CHF 1.1 billion, with underlying EBITDA margin improving from 22.8% to 23.3%
- Free cash flow of 11.8% of sales, impacted by investments in our future
- Proposed dividend of CHF 58.00 per share, up 3.6% year on year
- Givaudan Business Solutions (GBS) progressing as planned

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

Our 2017 full year results demonstrate our ability to deliver high levels of performance whilst investing in our future success

Sales performance
Good growth, in line with 2020 guidance

in million CHF



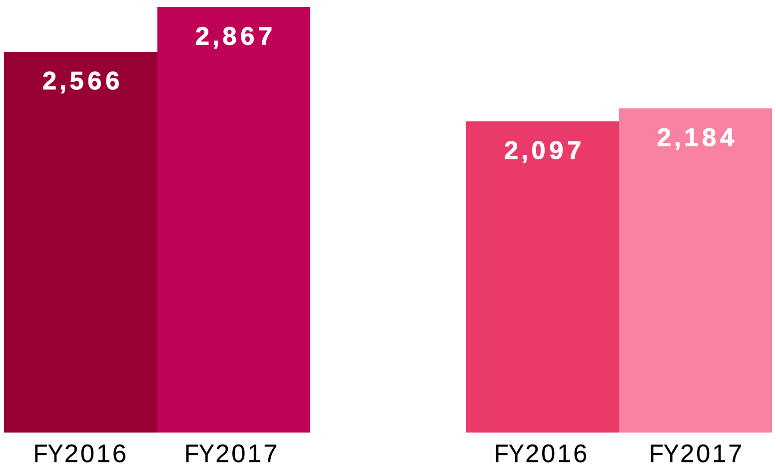
	Group	Fragrances	Flavours
% 2017 growth on LFL* basis	4.9%	4.5%	5.3%
% 2017 growth in CHF	8.3%	5.1%	11.3%

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

Sales evolution by market

Balanced growth across all markets

in million CHF



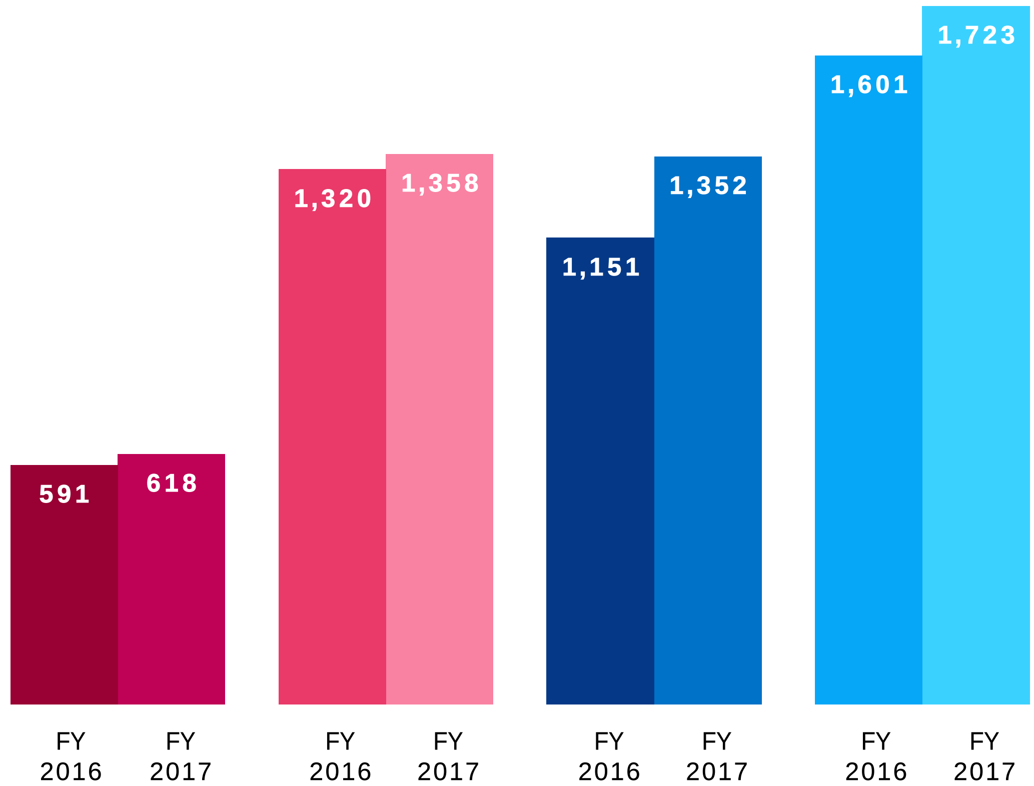
	Mature		High growth	
% of total sales	55%	57%	45%	43%
% 2017 growth on LFL* basis	5.1%		4.8%	

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

Sales evolution by region

Strong growth lead by North America & EAME

in million CHF



	LATAM	APAC	NA	EAME
% 2017 growth on LFL* basis	4.8%	2.5%	7.0%	5.5%

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

Divisional sales performance
Fragrance Division growth 4.5% LFL*

Fine Fragrance sales grew 7.2% LFL*

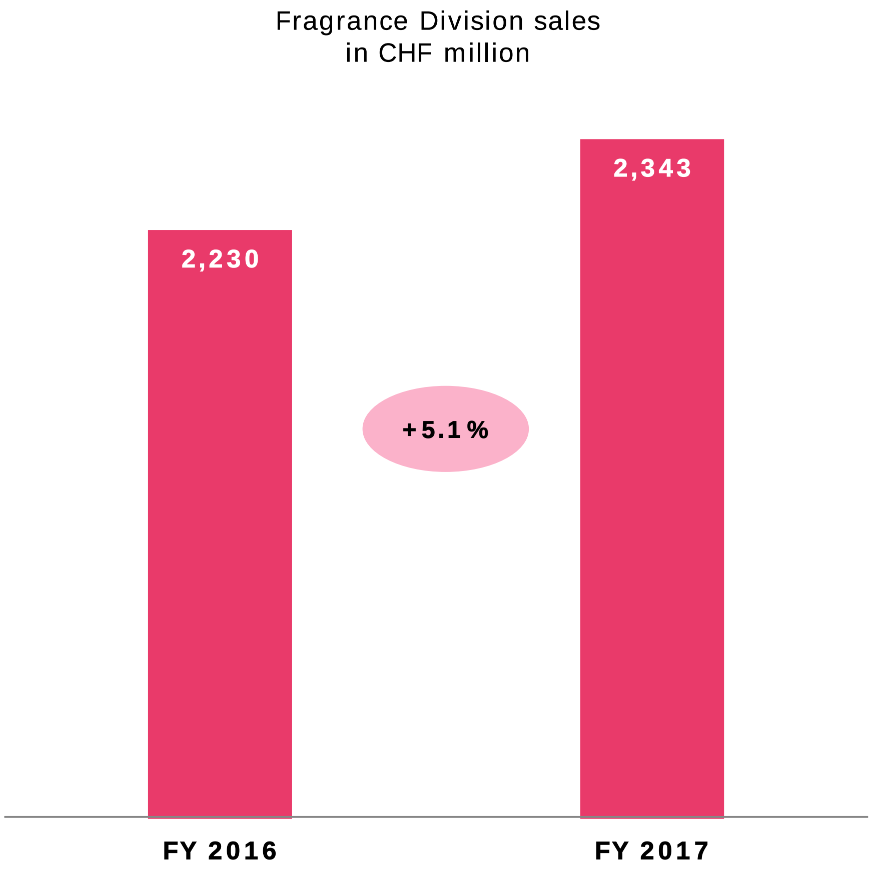
- Strong new business wins in all customer groups, against a similarly strong 2016
- In mature markets, double-digit growth in Western Europe
- Growth in high growth markets driven by the Middle East and Latin America in the second half of 2017

Consumer Products increased 4.1% LFL

- Balanced growth in both high growth and mature markets
- Double-digit growth with local and regional customers

Fragrance Ingredients and Active Beauty increased 2.8% LFL

- Double-digit growth in Active Beauty
- Fragrance Ingredients flat vs 2016



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

Divisional sales performance
Flavour Division growth 5.3% LFL*

Asia Pacific grew 3.8% LFL*

- Double-digit performance in Singapore, India, Philippines and Thailand
- Significant contribution of Beverages, Dairy and Savoury

EAME increased 5.1% LFL

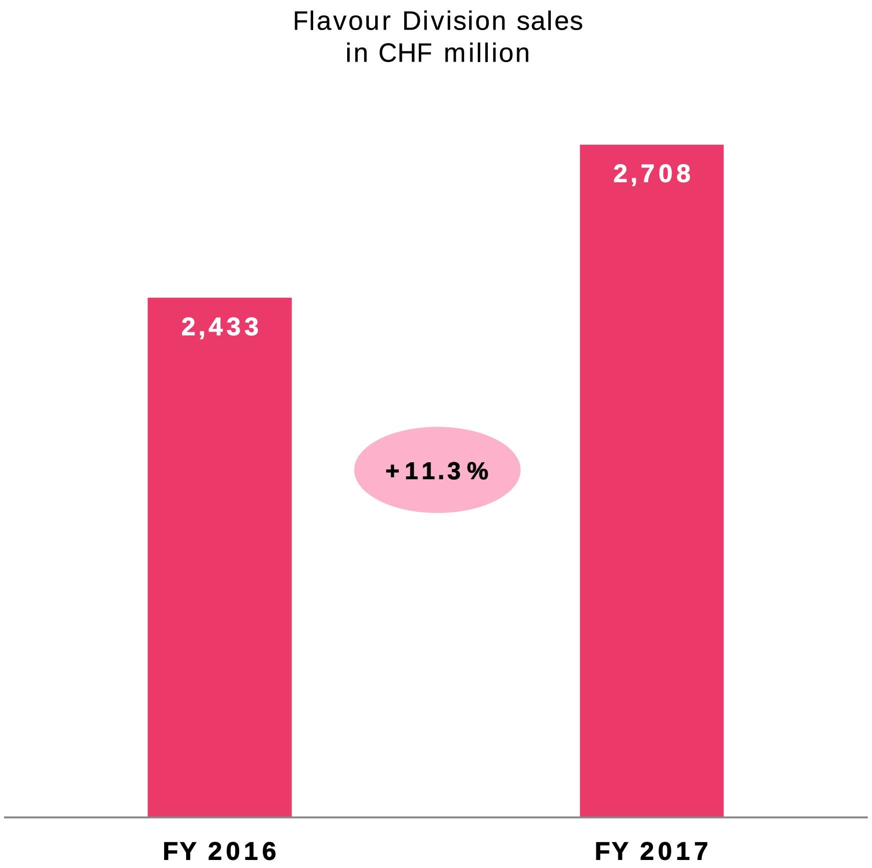
- Double-digit growth in Africa and the Middle East
- Single-digit growth in Central and Eastern Europe, lead by Turkey and Russia
- Good growth in Beverages, Snacks and Savoury

North America grew 8.5% LFL

- New wins and growth of existing business in Beverages and Dairy

Latin America increased by 1.5% LFL

- Prior year comparable growth of 17.1%
- Good momentum in Argentina and Mexico offset by a decline in Brazil



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

Acquisition update

Acquired business complements organic growth

2014
Soliance
Active Beauty

2015
Induchem
Active Beauty

2016
Spicetec
Flavours

2017
Activ International

Vika B.V.
Flavours

Acquired businesses contributed CHF 315 million to 2017 sales

2018
Centroflora Nutra
Naturals

Expressions Parfumées
Fragrances

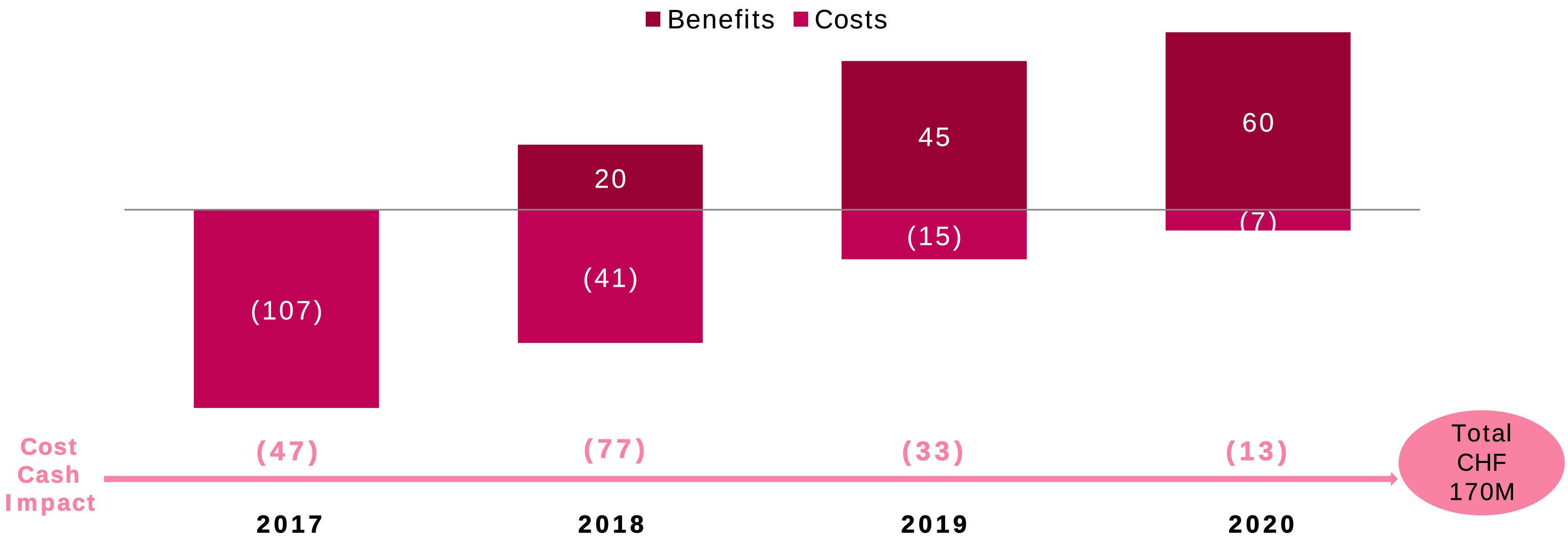
- Investments in acquisitions since 2014 of CHF 691 million
- Integration activities completed or well on track, with good growth profile of acquired companies in 2017
- Confirmation of complementarity in core capabilities, naturals, integrated solutions and new business areas

In both divisions, our acquisitions are fully aligned with our 2020 strategic priorities in delivering winning solutions to our customers

Givaudan Business Solutions

Project fully on track

- Givaudan Business Solutions is well on track with the previously communicated costs and benefit outlook fully confirmed, following the completion of the detailed design activities.
- The delivery centre locations in Budapest, Buenos Aires and Kuala Lumpur have been established and more than 200 new employees have been recruited.
- First transition activities are well underway in Europe and in Asia Pacific, with the first handover of activities planned in the first half of 2018.



Tom Hallam
Chief Financial Officer

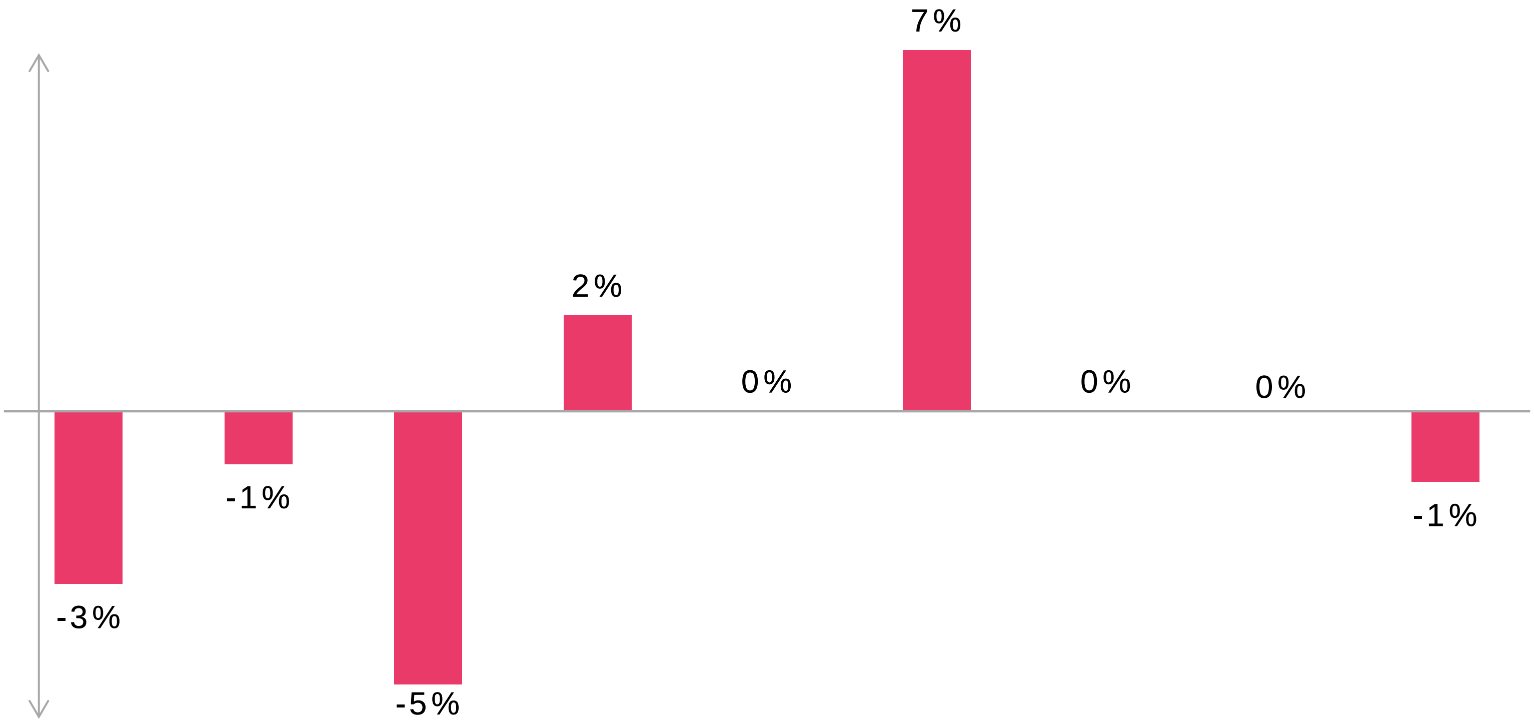
2017 Full Year Results
Financial highlights

- Sales of CHF 5.1 billion, up 4.9% on a like-for-like* basis and 8.3% in Swiss Francs
- EBITDA of CHF 1,089 million compared to CHF 1,126 million in 2016
- Reported EBITDA margin of 21.6% compared to 24.1% in 2016, with the underlying margin at 23.3% versus 22.8% in 2016
- Net income of CHF 720 million, up 11.7% year-on-year
- Free cash flow of CHF 594 million, 11.8% of sales compared to 12.8% in 2016

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

Exchange rate development

Results largely unaffected by currencies in 2017



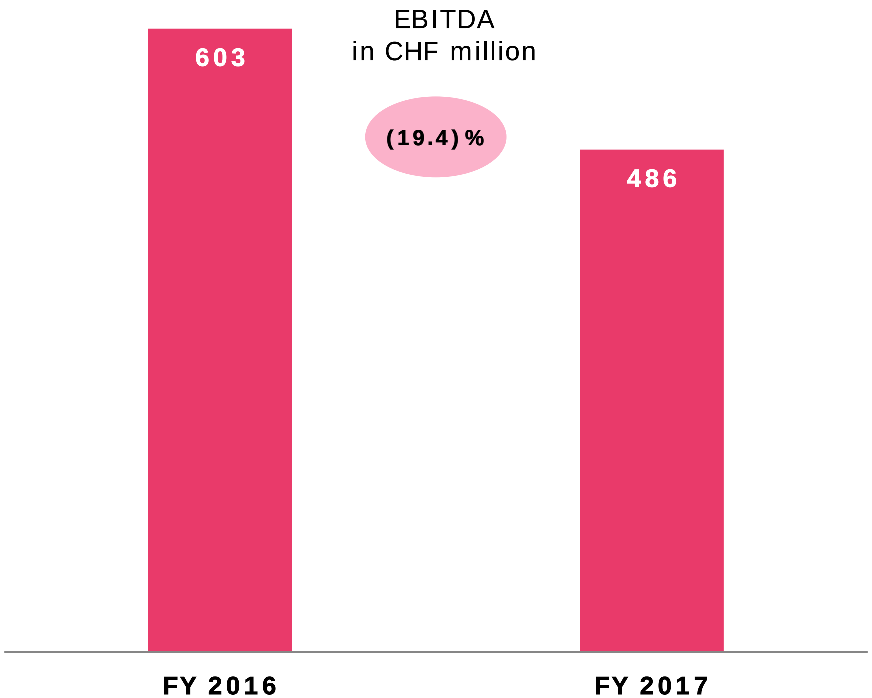
	JPY	USD	GBP	EUR	SGD	BRL	CNY	MXN	IDR
FY 2017	0.88	0.98	1.27	1.11	0.71	0.31	0.15	0.05	0.73
FY 2016	0.91	0.99	1.34	1.09	0.71	0.29	0.15	0.05	0.74

Operating performance
Fragrance Division

Sales of CHF 2,343 million, an increase of 5.1% in Swiss Francs

EBITDA of CHF 486 million versus CHF 603 million in 2016, driven by the costs for the GBS project of CHF 107 million, partially offset by the one-off non-cash gain of CHF 18 million resulting from pension changes. In 2016 the division recognised a net one-off non-cash gain of CHF 62 million in relation to pension changes.

EBITDA margin of 20.7% compared to 27.0% in 2016, whilst the underlying EBITDA margin improved slightly to 24.5%



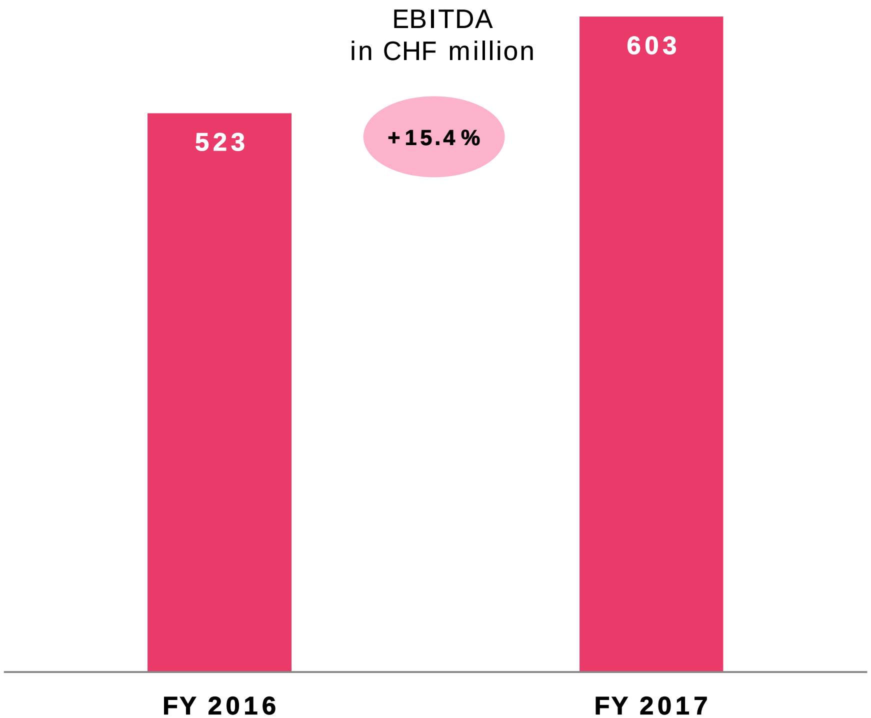
As % of sales	FY 2016		FY 2017
	27.0%	EBITDA margin	20.7%
	24.3%	Underlying EBITDA margin	24.5%

Operating performance
Flavour Division

Sales of CHF 2,708 million, an increase of 11.3% in Swiss Francs

EBITDA of CHF 603 million, an increase of CHF 80 million over 2016, with strong cost discipline offsetting the reduction in the Gross Profit Margin resulting from the margin dilution related to the pricing actions taken to fully compensate for increases in input costs

EBITDA margin of 22.3%, compared to 21.5% in 2016, whilst the underlying margin improved from 21.5% to 22.2%



	FY 2016		FY 2017
As % of sales	21.5%	EBITDA margin	22.3%
	21.5%	Underlying EBITDA margin	22.2%

Operating performance
Group: Sustained good profitability

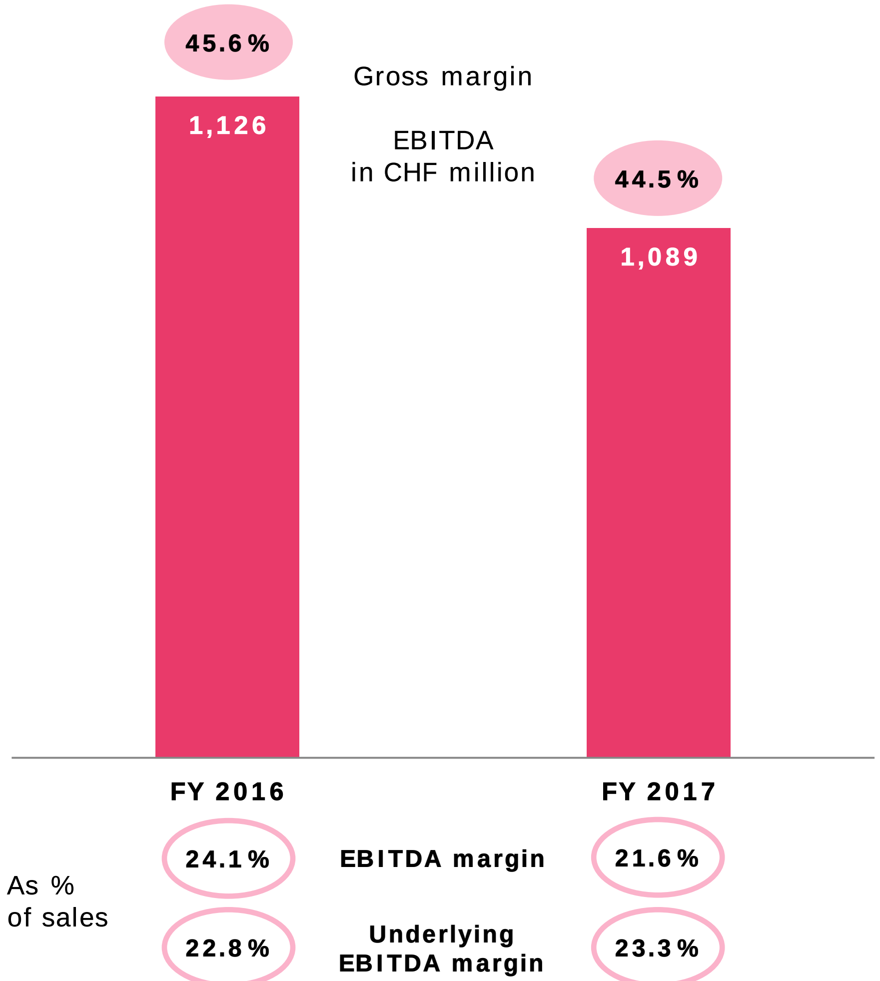
Sales of CHF 5,051 million, an increase of 8.3% in Swiss Francs

Gross margin of 44.5%, compared to 45.6% in 2016, due to the dilution arising from the pricing actions to fully compensate increased input costs

EBITDA of CHF 1,089 million compared to CHF 1,126 in 2016.

- Reduction mainly in relation to GBS with costs of CHF 107 million being partially offset by non-cash gains resulting from pension changes of CHF 20 million
- In 2016 a net one-off non-cash gain of CHF 62 million resulting mainly from changes in pension plans

EBITDA margin of 21.6% compared to 24.1% in 2016, with the underlying margin at 23.3% versus 22.8% in 2016

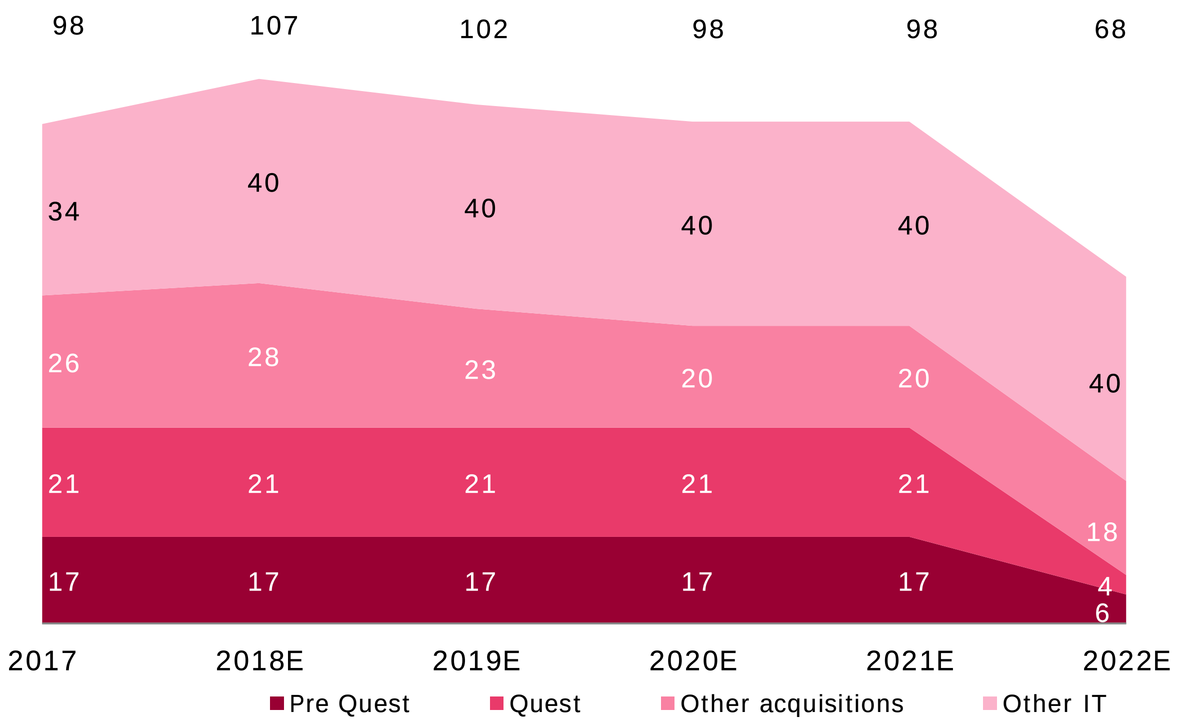


Amortisation of intangible assets

- Pre Quest amortisation of intangible assets of approx. CHF 17 million p.a.
- Quest (exc. Goodwill)
- Other acquisitions: Soliance, Induchem, Spicetec, Activ & Vika (exc. Goodwill) 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 million CHF, estimated)



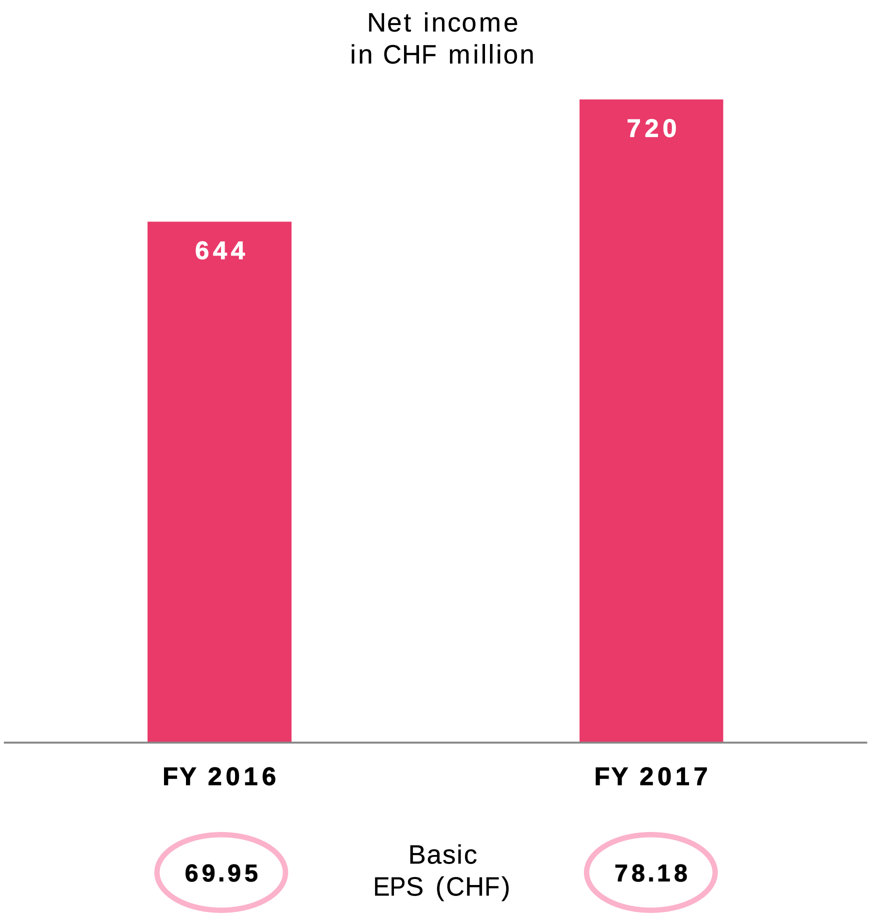
Net income
Increasing by 11.7%

Income before tax of CHF 795 million, increased from CHF 784 million in 2016

Net income of CHF 720 million, or 14.2% of sales versus CHF 644 million, or 13.8% in 2016

Effective tax rate of 9%, compared to 18% in 2016, impacted by lower tax expenses in the United States

Basic EPS of CHF 78.18 per share, versus CHF 69.95 in 2016



Free cash flow

Cashflow impacted by Capex & GBS Investments

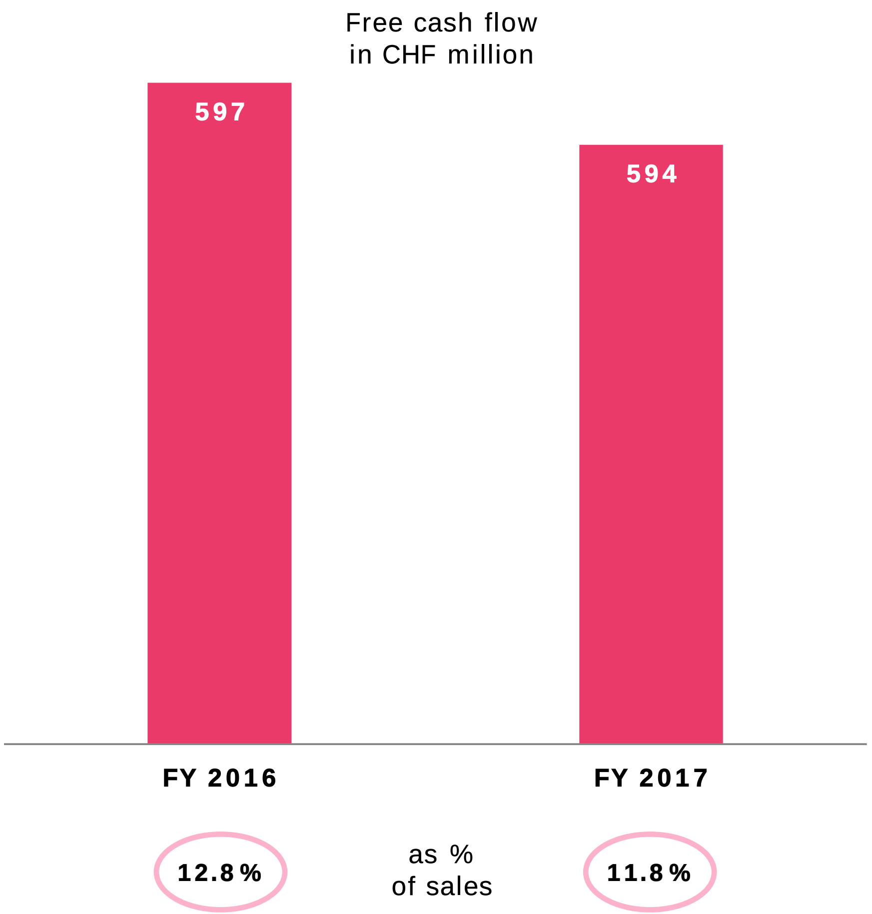
Free cashflow of CHF 594 million, compared to CHF 597 million in 2016. FCF is 11.8% of sales compared to 12.8% in 2016

Operating cash flow of CHF 861 million, an increase of 7.0% versus 2016

Continuing to invest in growth and innovation, with the innovation centre in Switzerland, manufacturing expansion in Asia and GBS

Total net investments of CHF 242 million, or 4.8% of sales, compared to 3.8% of sales in 2016

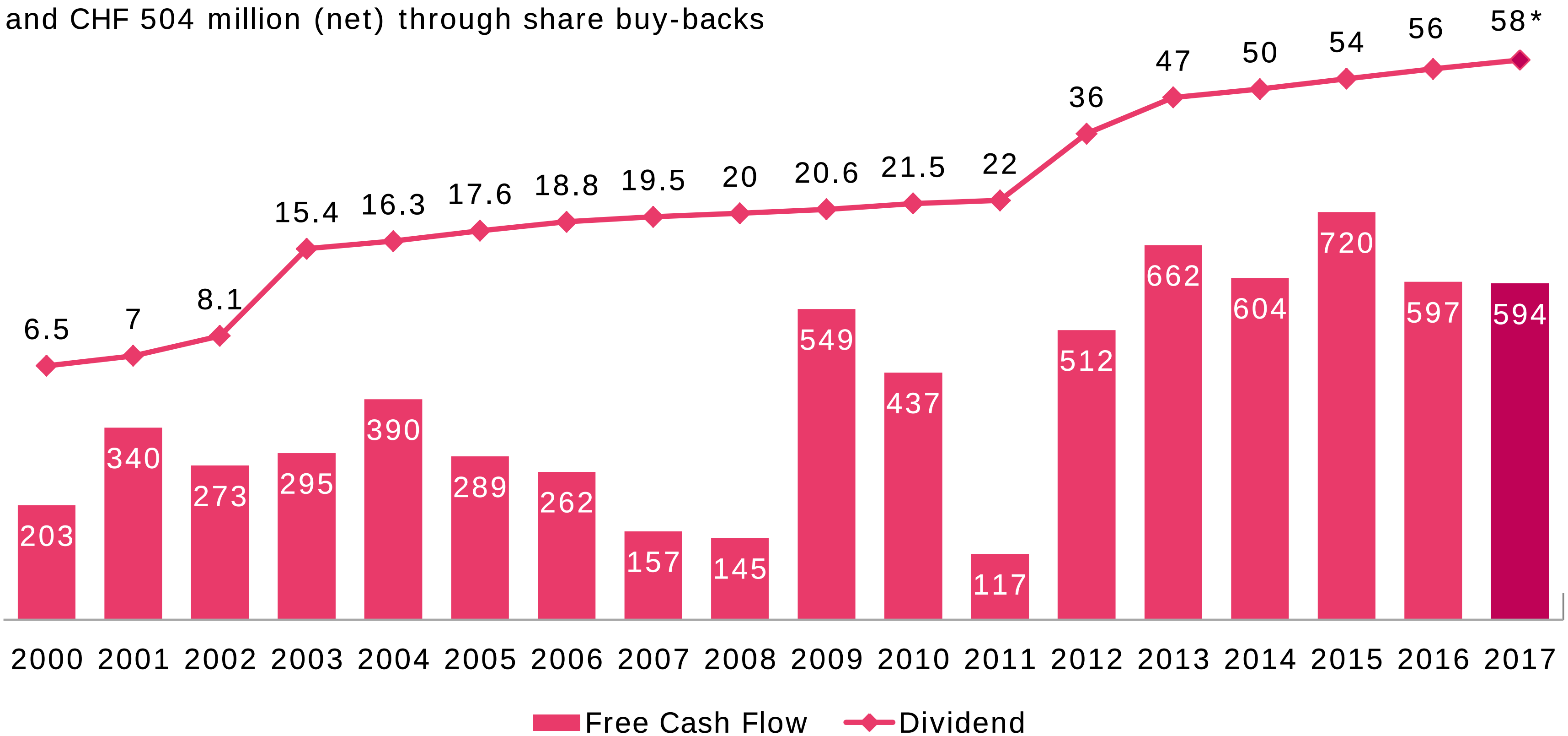
Working capital of 24.5% of sales, flat versus 2016



Dividend per share

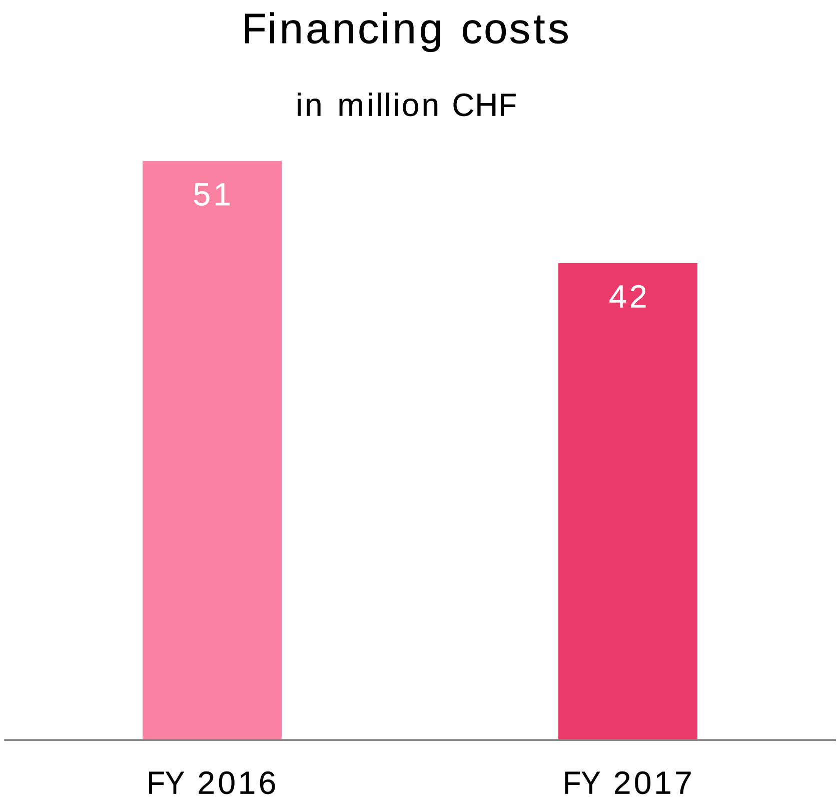
Increasing 3.6% YoY

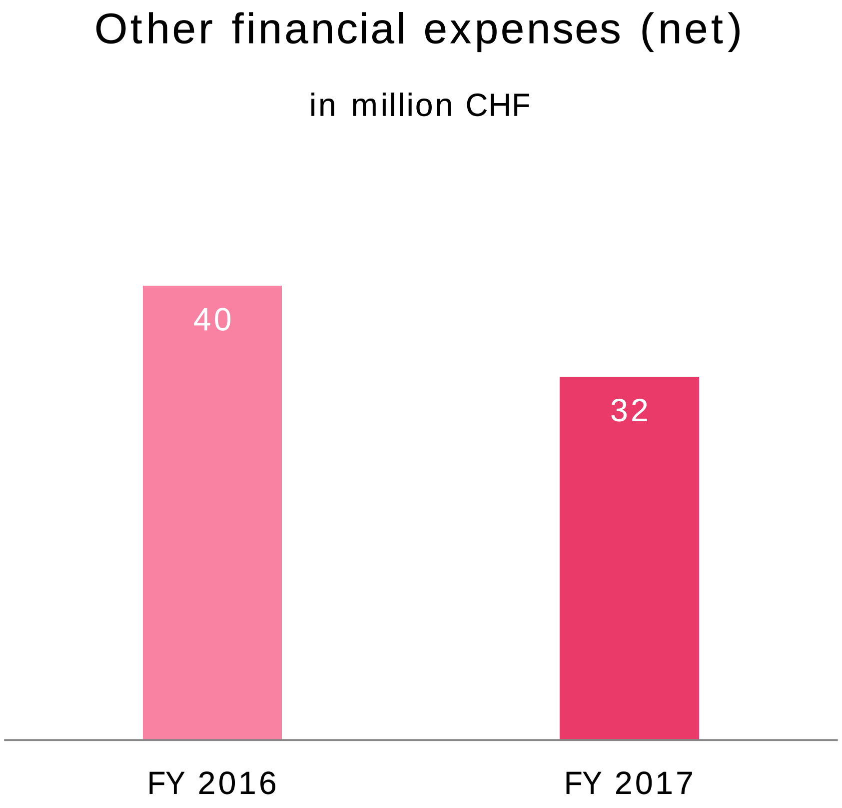
Free cash flow of CHF 7.1 Billion generated over the past 18 years
CHF 3,664 million of cash flow returned to shareholders as dividends*
and CHF 504 million (net) through share buy-backs



* Subject to approval of shareholders at the AGM in March 2018

Financing costs and other financial expenses



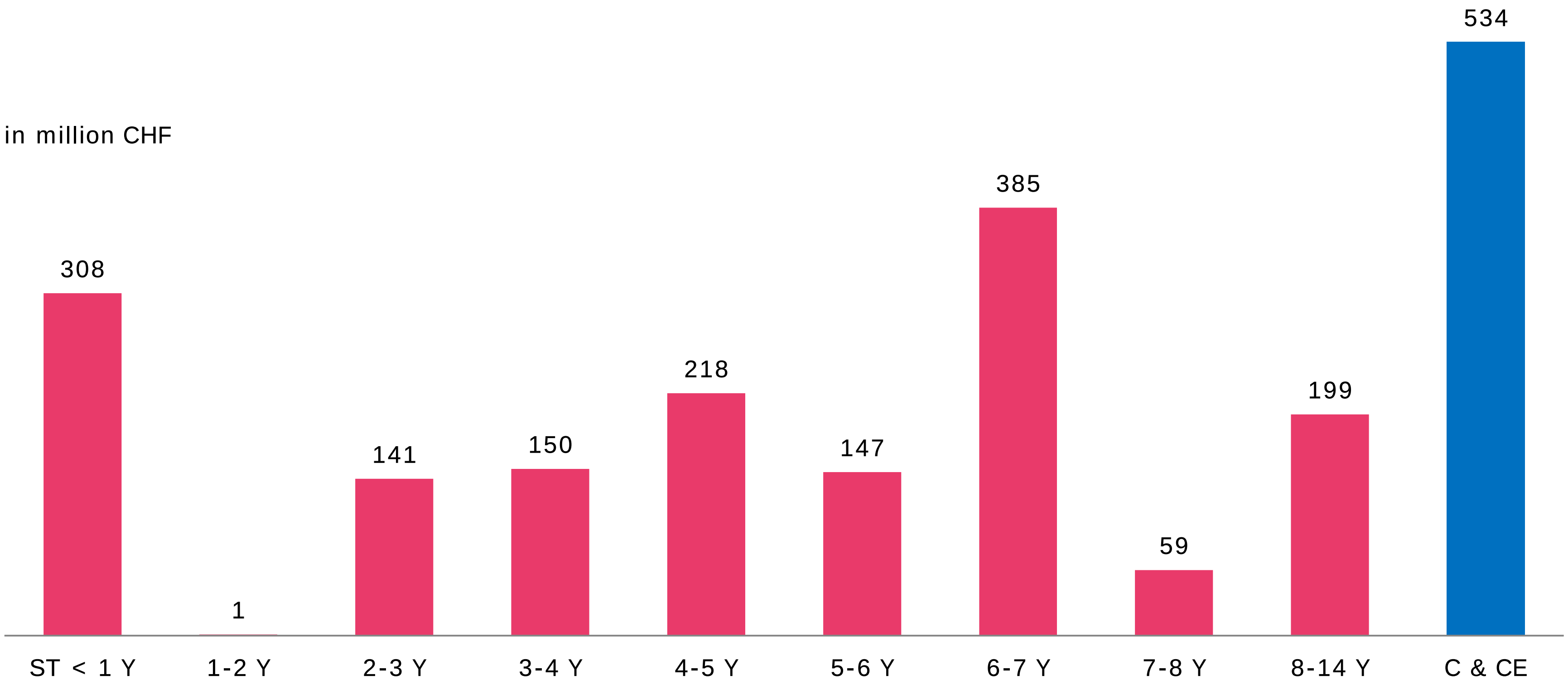


Financing costs down in 2017, following re-financing over recent years at attractive interest rates.

Other Financial Income and Expenses were lower than in 2016, mainly due to reduced Fx losses.

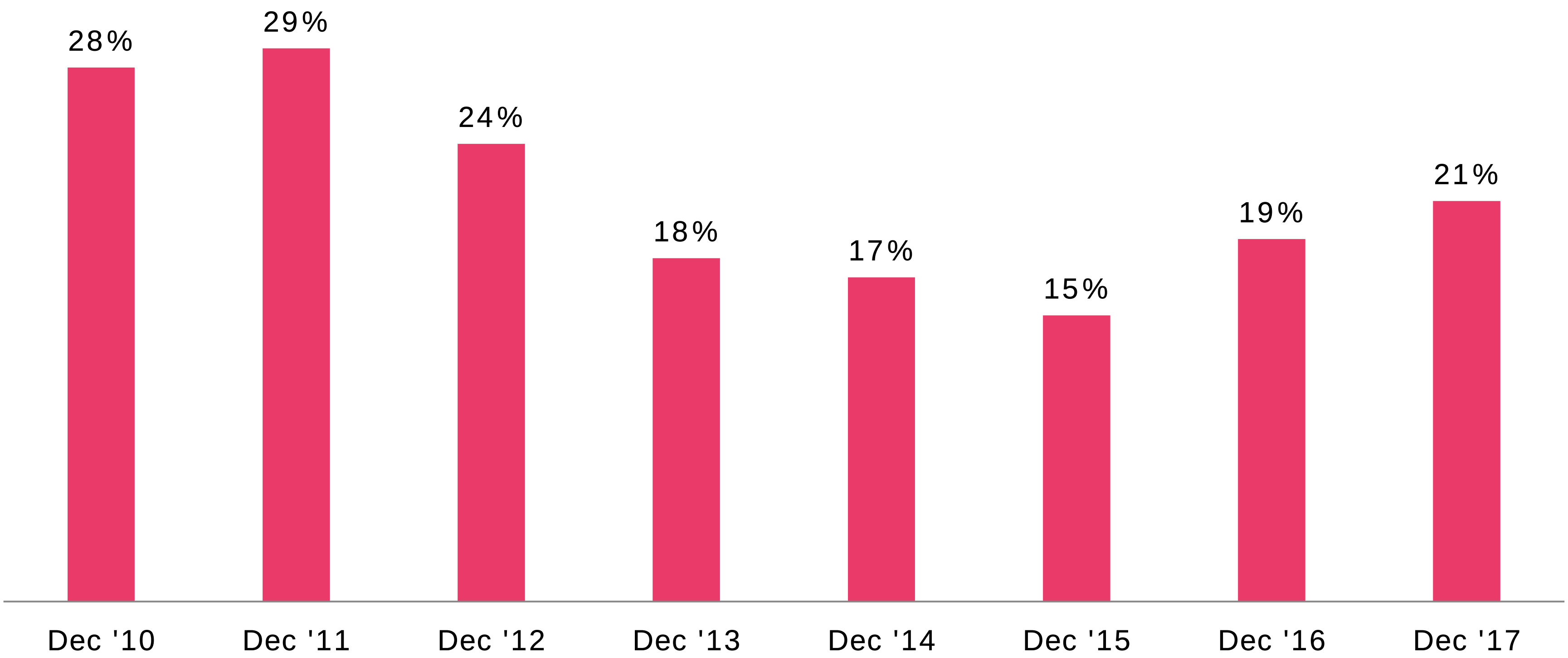
Conservative debt profile
Issuance

In December 2017, the Group entered into a five year floating rate private placement (Schuldschein) with a nominal value of EUR 100 million (CHF 117 million) and a seven year 1.331% fixed rate private placement (Schuldschein) with a nominal value of EUR 200 million (CHF 233 million). The proceeds of EUR 300 million were used mainly to repay the short-term borrowings withdrawn during the year.



Leverage ratio
In line with long term targets

Leverage ratio of 21% as at December 2017 as a result of solid cash flow generation, however impacted by the investments and acquisitions made during the year.
Intention to maintain a medium term leverage ratio target below 25%



Gilles Andrier
Chief Executive Officer

2018 Outlook & 2020 Guidance

26 January 2018

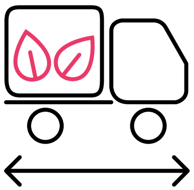
Givaudan

engage your senses

2018 Outlook
Key themes

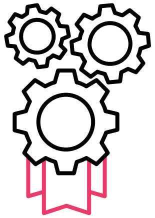
Growth Outlook

- Encouraging recovery signs in some key high growth markets
- Strong comparable base in mature markets and certain segments



Raw Materials

- Raw materials increasing by 5-6%
- Continue to implement price increases in collaboration with our customers
- In addition, short term one off impact due to key supplier disruption



GBS

- Project fully on track with further cost / cash impact in 2018

Responsible growth.
Shared success.

Growing with our customers	Delivering with excellence	Partnering for shared success
4-5%	12-17%	Partner of choice
Average organic sales growth*	Average free cash flow as % of sales*	

* Over a five-year period by 2020

Creating additional value through acquisitions

Intention to maintain current dividend practice as part of this ambition

Q & A

Disclaimer

No warranty and no liability: While Givaudan is making great efforts to include accurate and up-to-date information, we make no representations or warranties, expressed or implied, as to the accuracy or completeness of the information provided on this presentation/handout and disclaim any liability for the use of it.

No offer and no solicitation: The information provided on this handout does not constitute an offer of or solicitation for the purchase or disposal, trading or any transaction in any Givaudan securities. Investors must not rely on this information for investment decisions.

Forward-looking information: This handout may contain forward-looking information. Such information is subject to a variety of significant uncertainties, including scientific, business, economic and financial factors, and therefore actual results may differ significantly from those presented.