

Half year investor conference 2020 Strategy

27th August 2015



Givaudan

engage your senses



Half year investor conference
2015 Half year results



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2015 Half Year Results

Financial summary

Sales of CHF 2.2 billion, an increase of 1.3% on a like-for-like basis, briefs pipeline and win rate sustained at a high level

Operating leverage and strong cost focus driving improved EBITDA margin

Net income of CHF 339 million, up 11.2% versus 2014

Strong cash flow, on track to deliver on 2015 targets

Net debt CHF 1,050 million, leverage ratio 23%

2015 Half Year Results

Operating performance: Consistent improvement

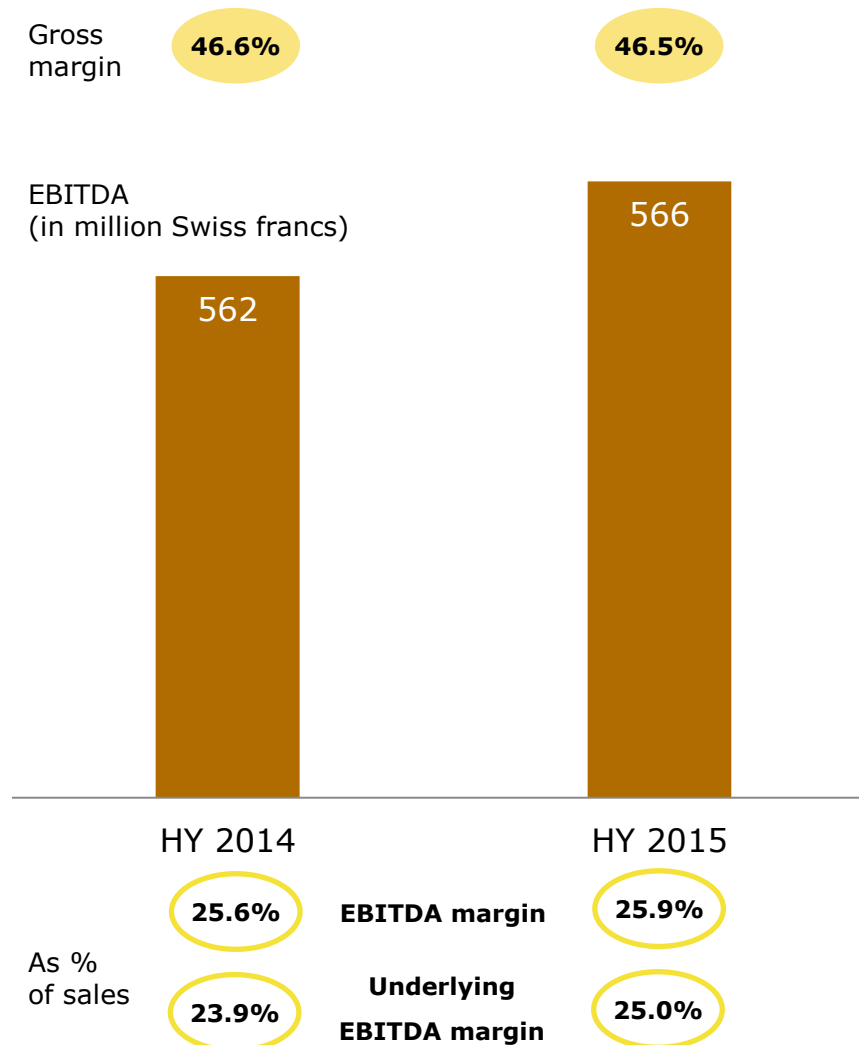
Sales of CHF 2,184 million
(2014: CHF 2,191 million)

Gross margin of 46.5% compared to 46.6% in 2014, lower operational costs in Flavours and supply chain efficiencies, offset by impact of currencies

EBITDA of CHF 566 million, up 0.6%, driven by strong cost control. One off net non cash gain of CHF 20 million in 2015, compared to one-off gain of CHF 38 million in 2014

EBITDA margin of 25.9%, up from 25.6% in 2014

Operating income of CHF 428 million, up 1.6% from 2014, driven by higher EBITDA and lower amortisation of intangibles



2015 Half Year Results

Net income: increasing by 11% as a result of continued strong operating performance

Income before tax of CHF 381 million, up from CHF 376 million in 2014, driven by:

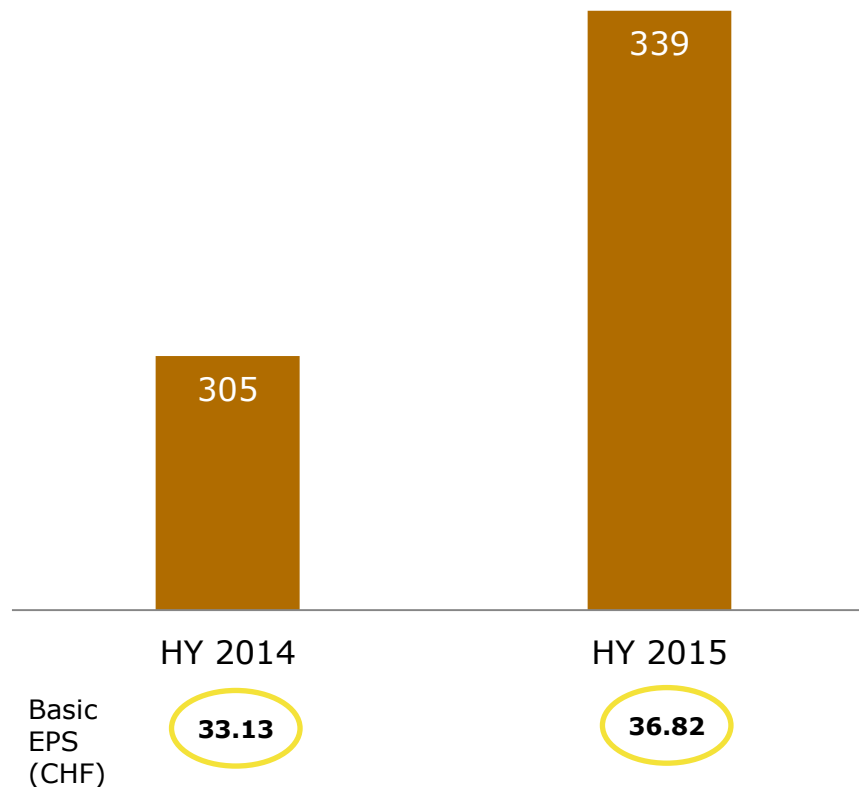
- Improved EBITDA
- Flat financial expenses

Effective tax rate of 11%, underlying tax rate of 19%, the same as in June 2014

Net income of CHF 339 million, or 15.5% of sales, versus 13.9% in 2014

Basic EPS of CHF 36.82, versus CHF 33.13 in 2014

Net income
In CHF million



2015 Half Year Results

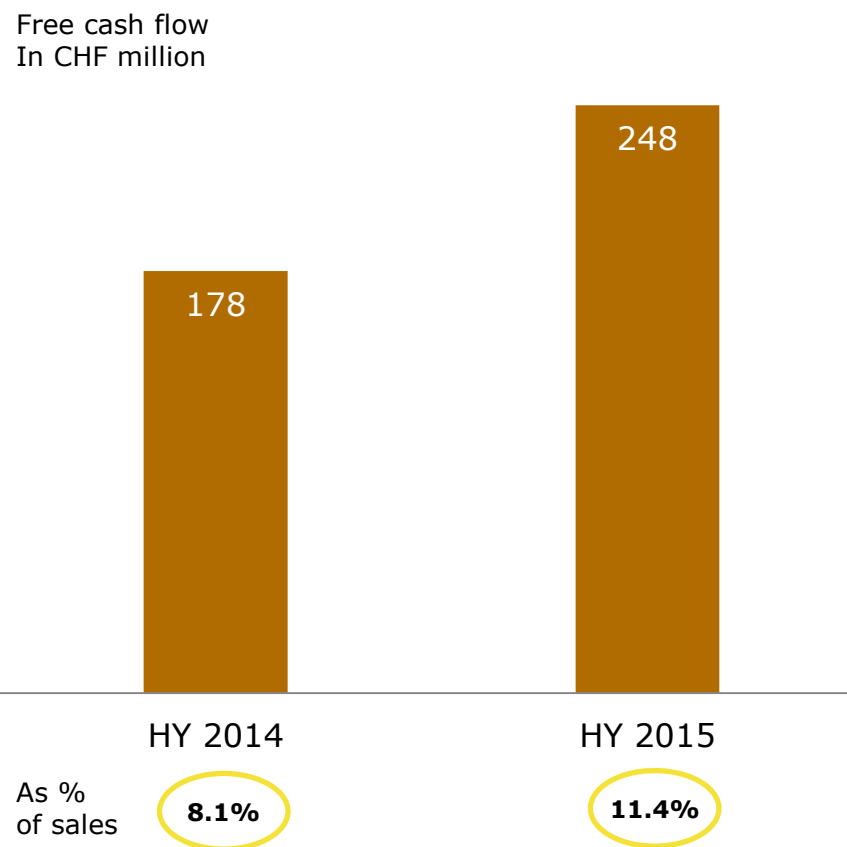
Free cash flow: strong underlying performance

Operating cash flow of CHF 341 million, up from CHF 218 million in 2014

Working capital as a % of sales down slightly versus HY 2014

Total investments of CHF 57 million, including the completion of the facility in Nantong, China, compared to CHF 46 million in 2014

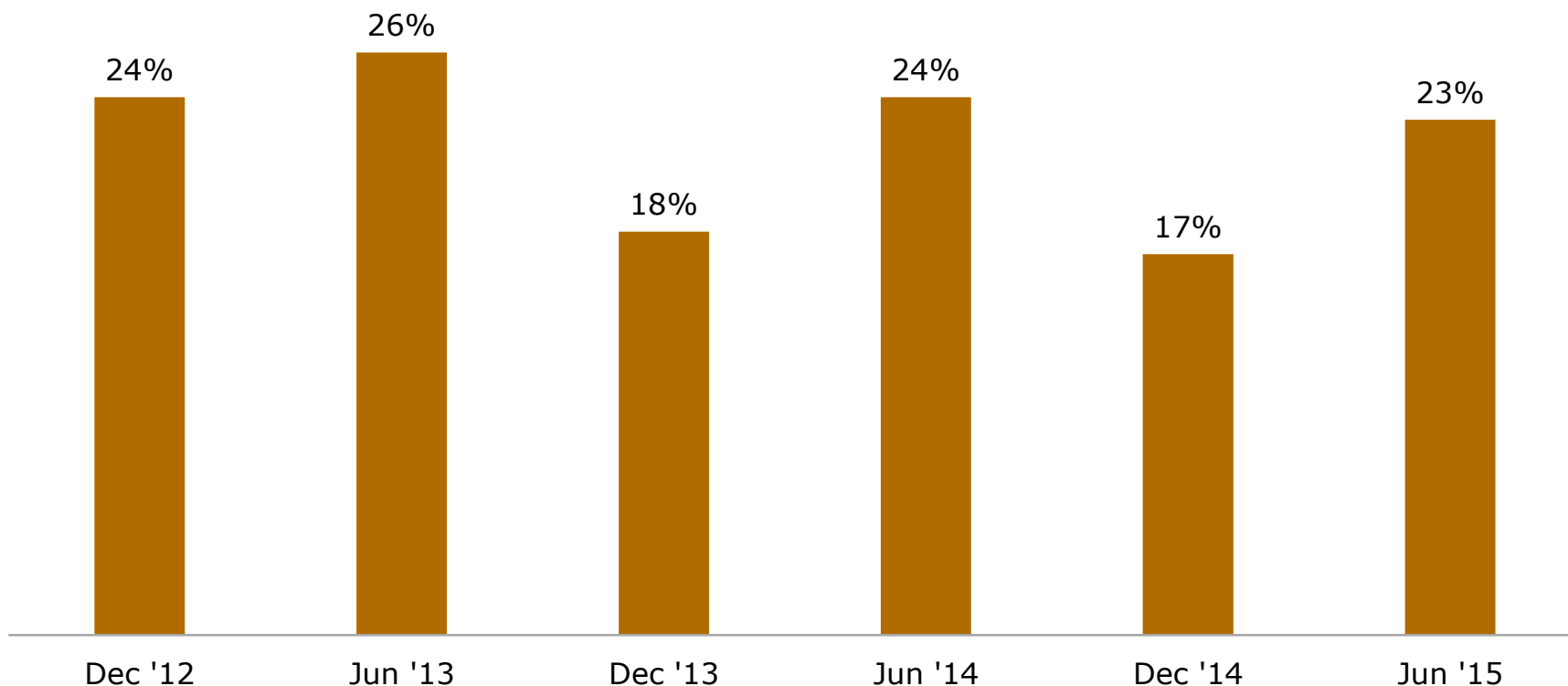
Net investments as % of sales were 3.4% in 2015, compared to 0.5% in 2014



2015 Half Year Results

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

- Leverage ratio of 23% as at June 2015 as a result of solid cash flow generation and despite currency impact on equity following the strengthening of the Swiss franc in Jan 2015
- 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



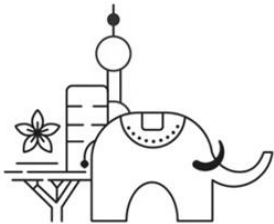
2015 Half Year Results

On track to deliver on our ambitious mid-term guidance



Driven by a five-pillar strategy

Developing markets



Research and
development



Health and wellness



Sustainable sourcing
of raw materials



Targeted customers
and segments



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%

2020 Strategy
Responsible growth. Shared success.



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Executing our strategy

2010-2015

Increase footprint in high growth markets

Mako, Hungary
Cimanggis, Indonesia
Nantong, China
Mumbai, India
Singapore
São Paulo, Brazil
Buenos Aires, Argentina
Pedro Escobedo, Mexico
Dubai, UAE

New offices

Pakistan, Nigeria,
Myanmar

Expand beyond Fragrances and Flavours

Health and wellness taste solutions
Integrated beverage solutions
Active cosmetic ingredients

Deliver innovation to customers

New Fragrance molecules
Strong palette of innovative Flavour ingredients
New technologies
New delivery systems

Develop innovative sourcing strategies

Origination programme
Long-term partnerships
Fragrance Ingredients joint venture in China

Operate with excellence

- SAP
- Supply chain management
- Lean manufacturing
- Givaudan Shared Services

Mega trends

Our consumer base is growing.



Mega trends

We are living longer and more responsibly.



Mega trends
Our world is interconnected.



Our customers' focus for their brands is consistent

...whether global

"We are developing new business practices that grow both our company and communities, meeting people's desire for more **sustainable products** and creating a **brighter future**."

"We will introduce its family standard of **transparency** with the release of its new ad entitled 'Honesty'. The ad emphasizes the company's commitment to disclosing the ingredients in its products."

"Is committed to increasing the **nutritional value** of our products whilst improving taste and pleasure. We believe in a **balanced healthy lifestyle** and eating habits, and we actively support their promotion."

"Our ambition for the coming years is to win over another one billion consumers around the world by creating the cosmetic products that meet the **infinite diversity** of their beauty needs and desires."

...or local/regional

"Everything our business has done has been based on a commitment of **respect for the environment and social responsibility**."

"We will continue to meet the **health** demands of consumers from **different regions** and help consumers to live a healthy life."

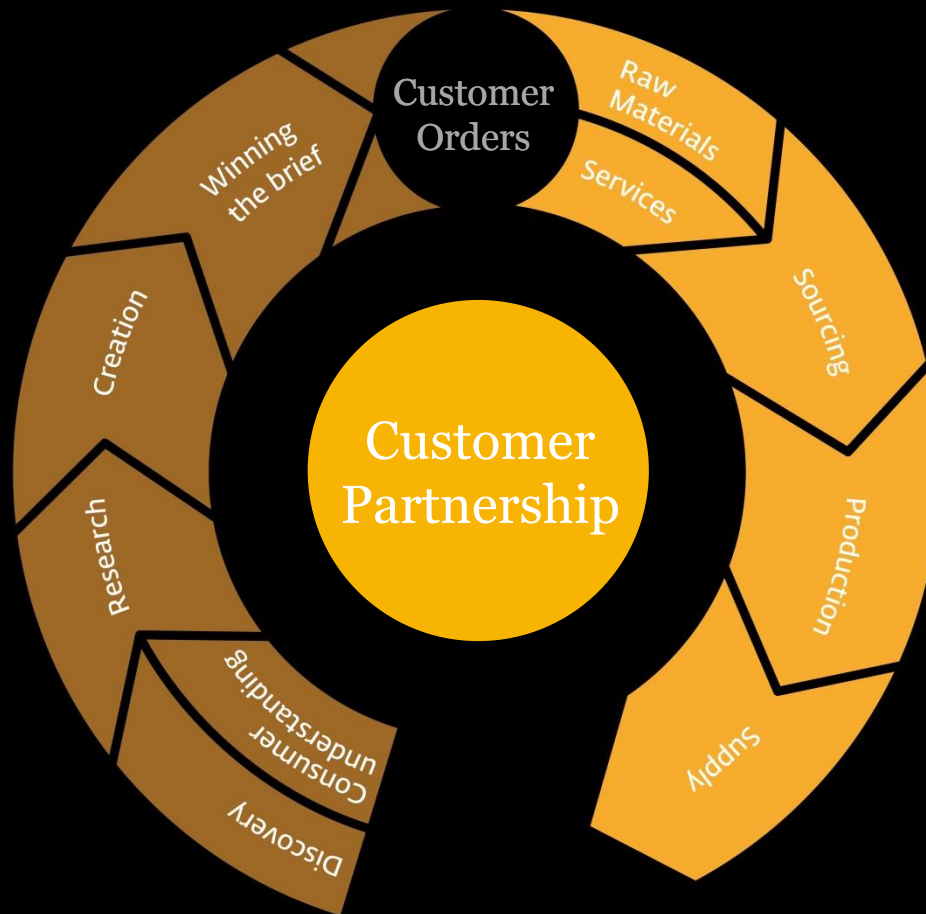
"Our business revolves around ordinary days, supporting cleanliness, health and comfort while **protecting our global environment**. Dedicated to creating a future full of **health, hope and happiness**."

"**Healthy** and tasty natural food. Products gathered from nature to **nourish your well-being**."

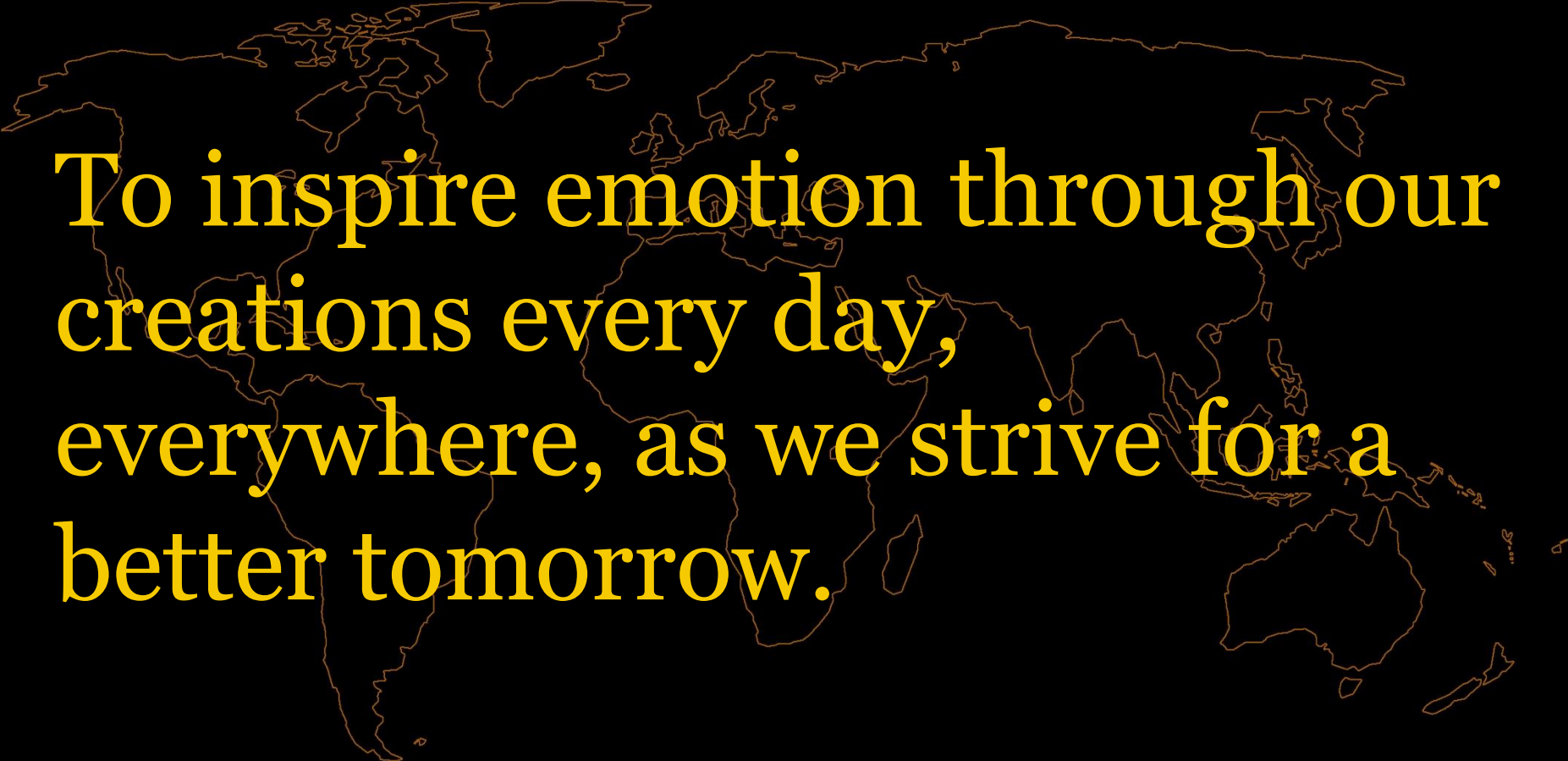
What do customers expect?

Trust
Sustainable
Creative
Knowledgeable
Innovative
Transparent
Agile
Insightful
Collaborative
Responsible
Cost-effective
Partner

Customers at the heart of our business



Vision



To inspire emotion through our creations every day, everywhere, as we strive for a better tomorrow.

Mission



Together with our customers, we craft memorable experiences that bring moments of delight to consumers.



Responsible growth.
Shared success.

Responsible growth.

Shared success.

Growing with our customers



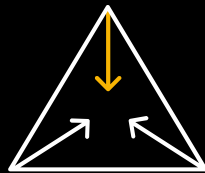
High growth markets



Health & wellbeing

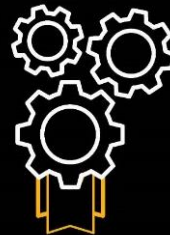


Consumer-preferred products



Integrated solutions

Delivering with excellence



Excellence in execution

Partnering for shared success



Innovators



Suppliers



People



Communities

2020 Strategy Flavours



Givaudan

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Global trends

Impact on Flavours

Almost **80%** of flavours market growth in high growth markets*



Biggest opportunity is in high growth markets

Local and regional brands gaining relevance with consumers

Global customers seeing more share from high growth markets

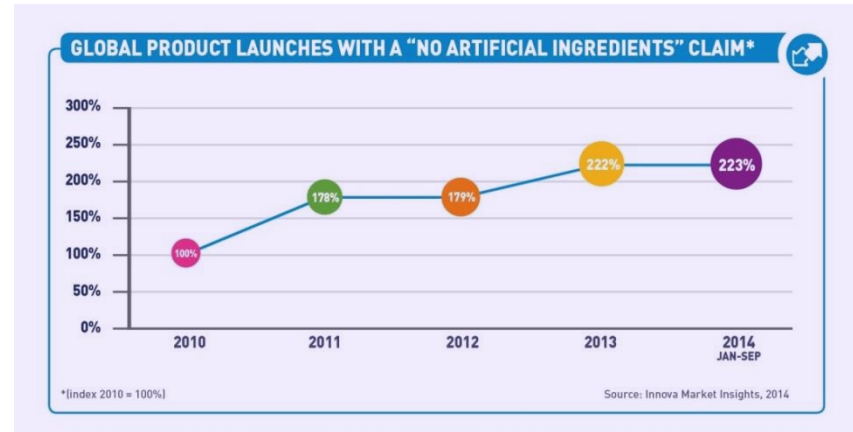
*Givaudan estimate

Global trends

Impact on Flavours

More
consumer
empowerment &
desire for
transparency and
authenticity

Customers moving
towards **natural and
clean label** products



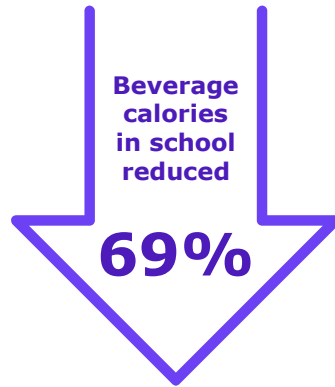
Doubling of product launches with
"no artificial ingredients"*

In H&W category, **"natural"** is the most frequent product positioning, accounting for almost 40% of the category**

*Innova Marketing Insights 2014
**2013 Euromonitor International's health and wellness data

Global trends

Impact on Flavours



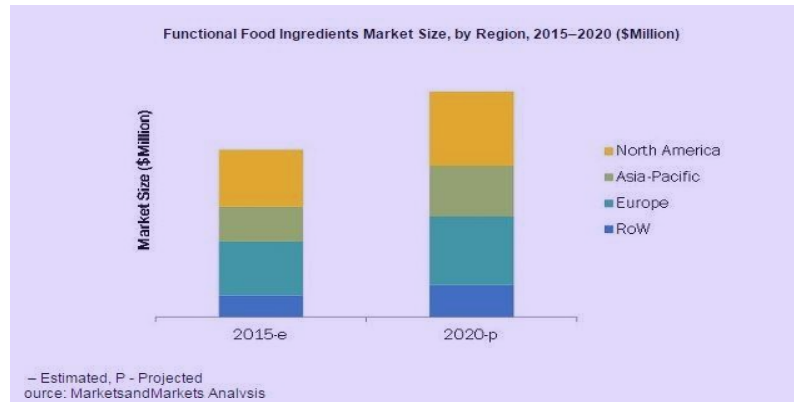
Increased demand for healthier products with **less fat, sugar, salt.**

- In H&W category, **21%** are **better-for-you** products.*

Role of food changing with focus on well-being

Growing popularity of 'functional foods'.

- In H&W category, **35%** are **fortified/functional** products.*



Functional food ingredients market worth **2.5 B USD** by 2020**

*2013 Euromonitor International's health and wellness data

**Markets and Markets, "Functional Food Ingredients Market...Global Forecast to 2020", June 2015

Global trends

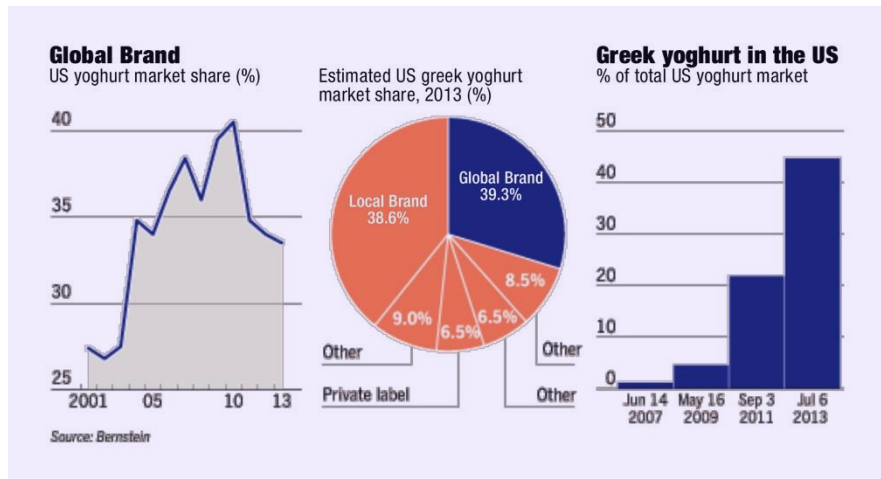
Impact on Flavours

Large customers removing costs while seeking to **spur innovation**

Top 25 US food and beverage companies **lost equivalent of 18 B USD in market share** since 2009*

New local and small brands preferred by consumers & customer expectations are shifting

Stronger competitive market



Small players transform traditional categories

*Credit Suisse analyst Robert Moskow cited in Fortune, 01/06/15

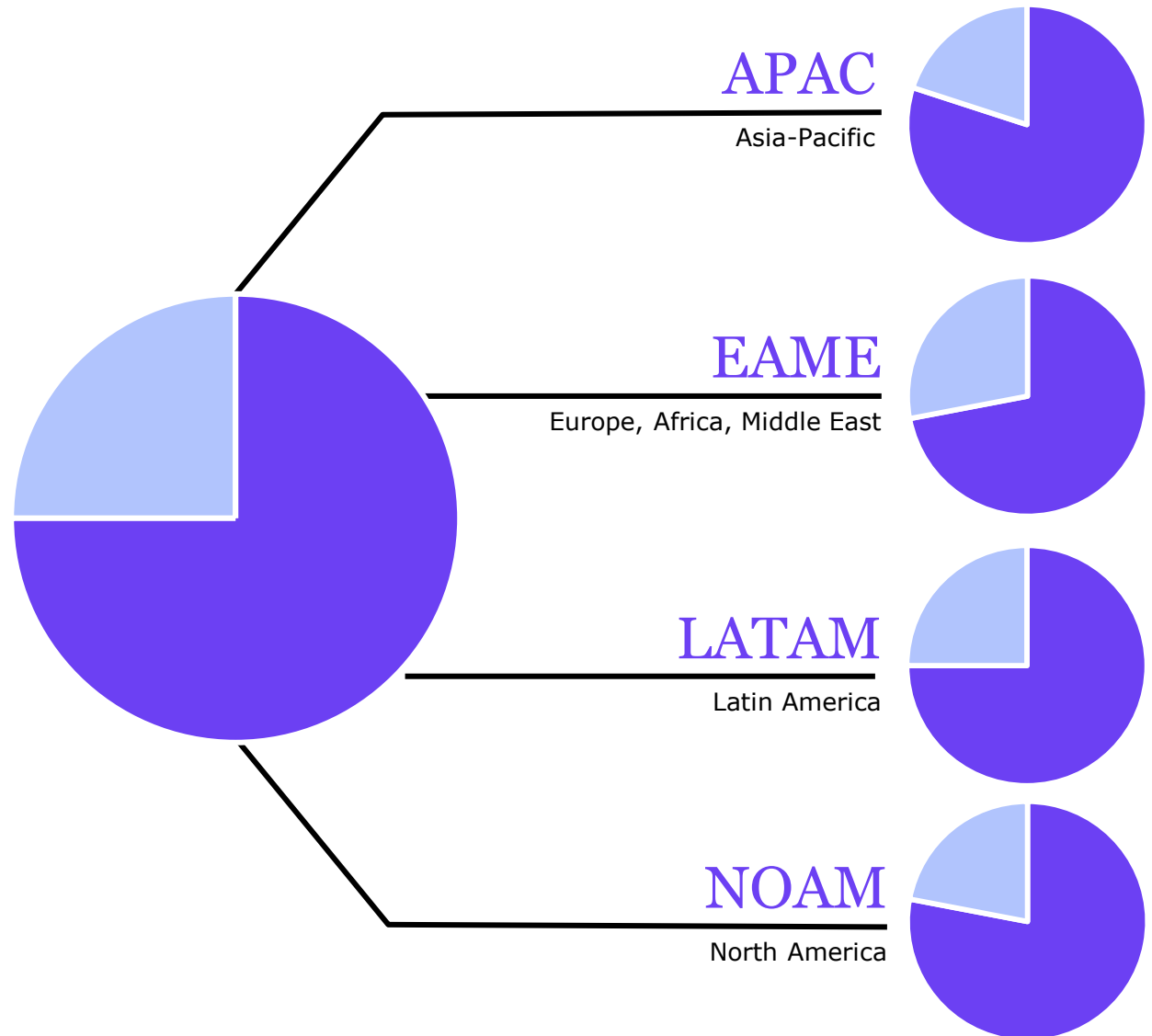
Market structure

Flavours

10.5 B CHF

Market Potential as of 2015

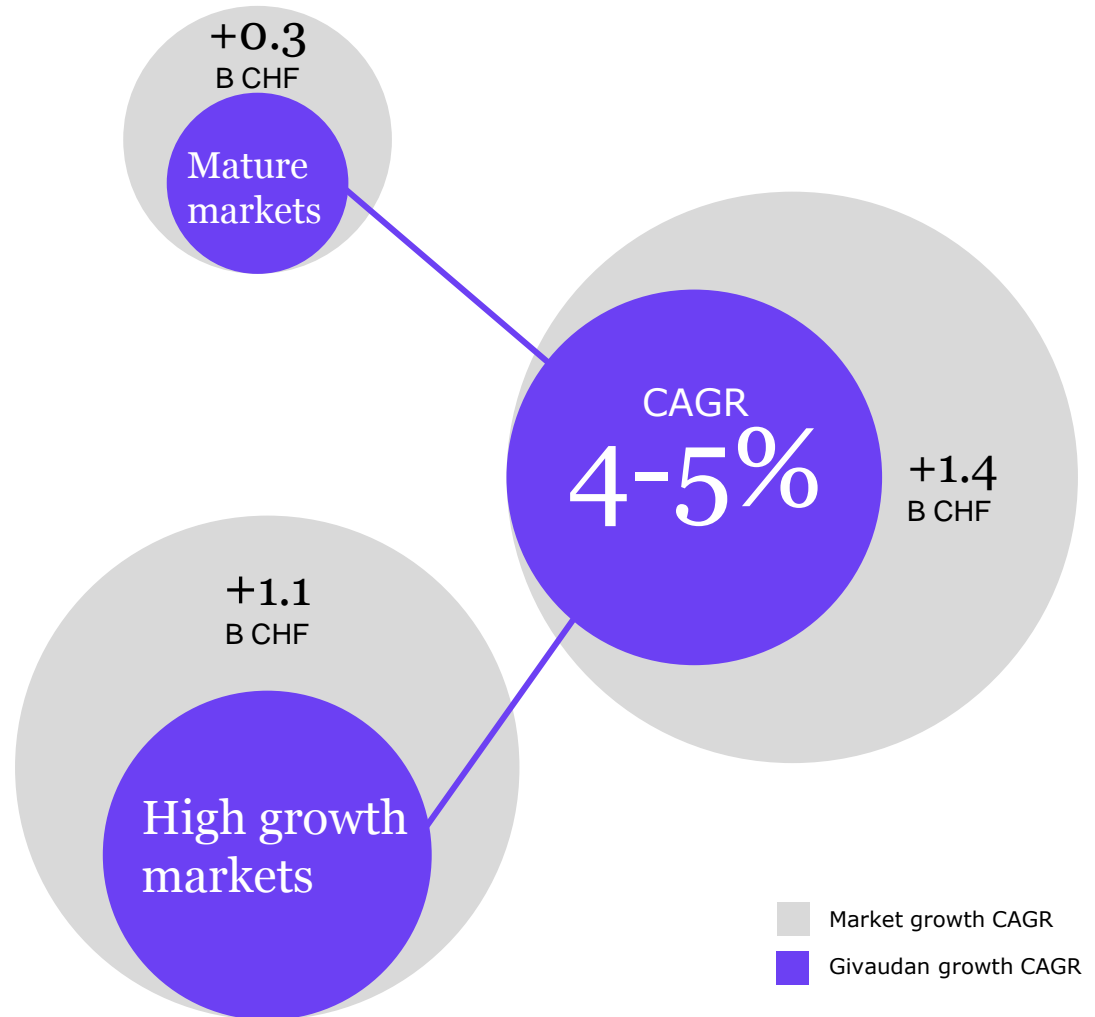
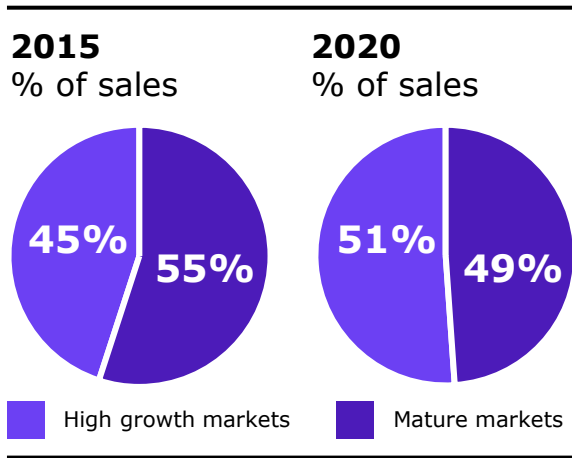
- Market potential as of 2015
- Givaudan market share as of 2015



Based on Givaudan internal estimates

2020 Growth aspirations

High growth vs. mature markets

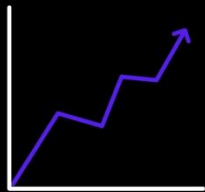


■ Market growth CAGR
 ■ Givaudan growth CAGR

Responsible growth.

Shared success.

Growing with our customers



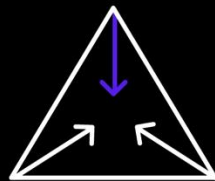
High growth markets



Health & wellbeing

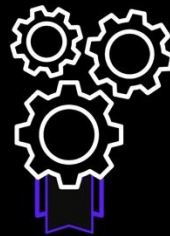


Consumer-preferred products



Integrated solutions

Delivering with excellence

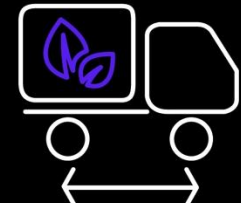


Excellence in execution

Partnering for shared success



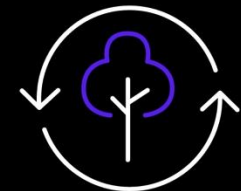
Innovators



Suppliers



People



Communities

High growth markets

Where to play

Growing with our customers



1

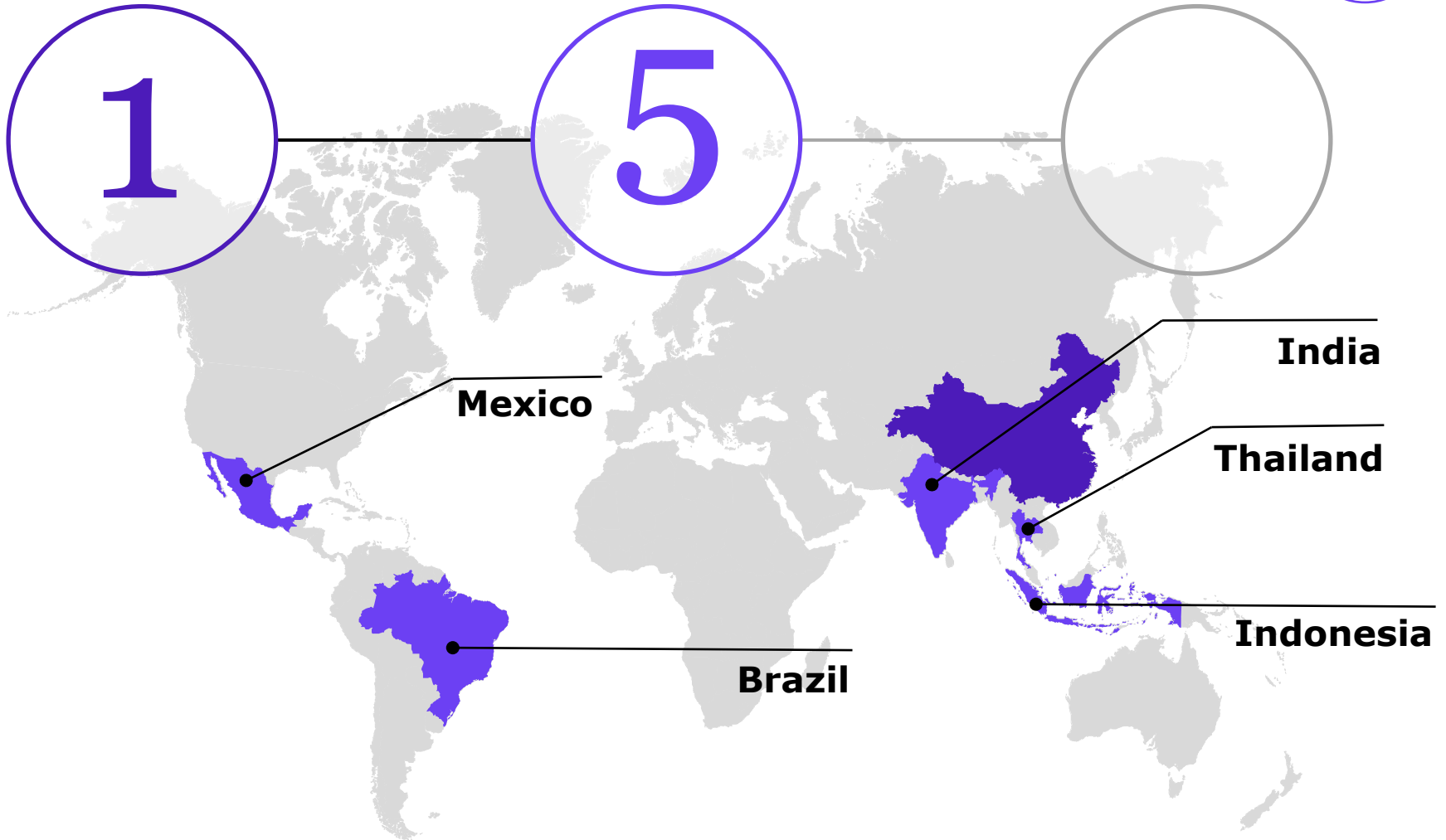


China

High growth markets

Where to play

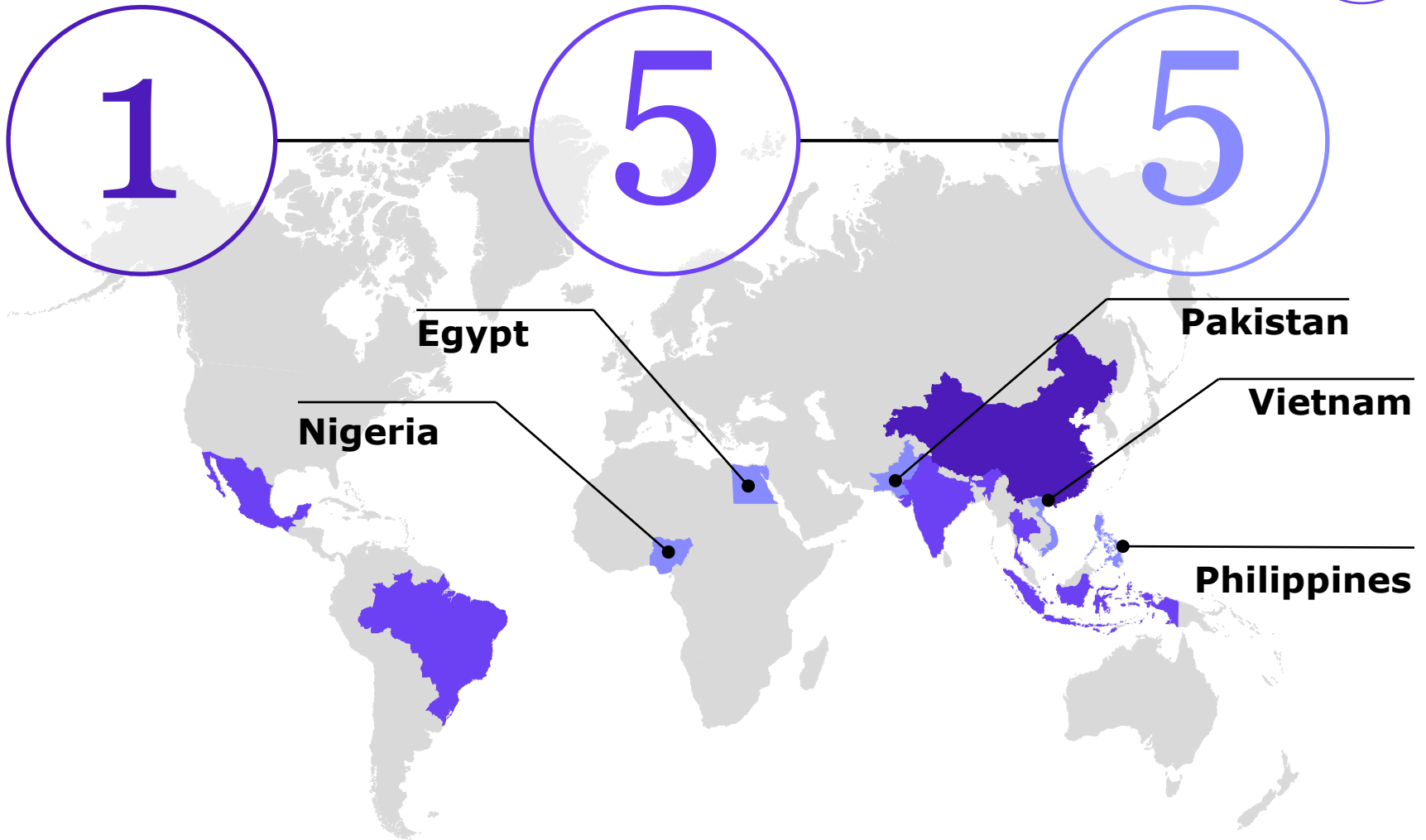
Growing with our customers



High growth markets

Where to play

Growing with our customers



High growth markets

How to win

Growing with our customers



Local

Local talent

Local infrastructure

Localised business model



Consumer preferred products

Where to play

Growing with our customers



01



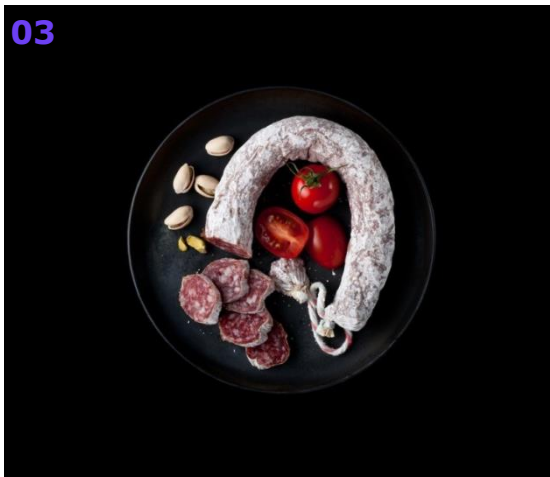
01 Beverages

02



02 Yogurts

03



03 Processed meats

04



04 Dairy drinks

Consumer preferred products

How to win

Growing with our customers



Innovation & Creativity

Leverage innovation and creativity

Focused investments

Refined business model



Health and well-being

Where to play

Growing with our customers



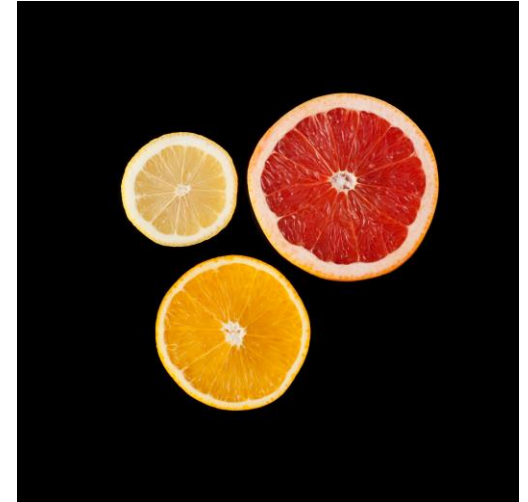
Enable 'positive' health ingredient use



Reduce 'negative' ingredient use



Strengthen our extensive natural flavour offerings



Health and well-being

How to win

Growing with our customers



Health & Wellness

Investing in masking and taste technologies

Natural products

Strengthening our naturals innovation platform

Leveraging traditional and emerging technologies

Leadership in regulatory landscape



Excellence in execution

How to win

Delivering with excellence



Customer experience

Create differentiation and competitive advantage through a superior customer experience

Operations

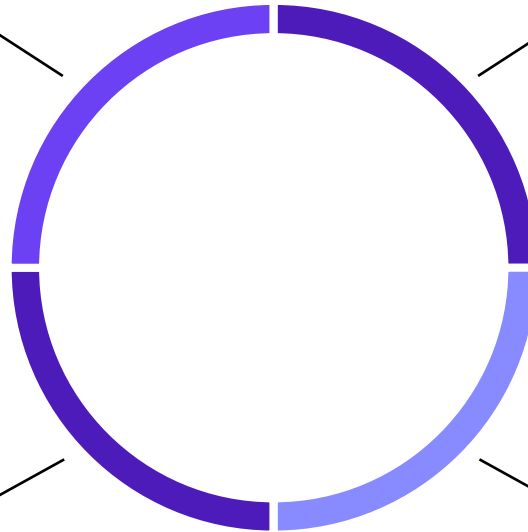
Ensure the delivery of high quality products and services that are cost efficient, safe and sustainable.

Streamlined enterprise

Improve efficiency and evolve business model

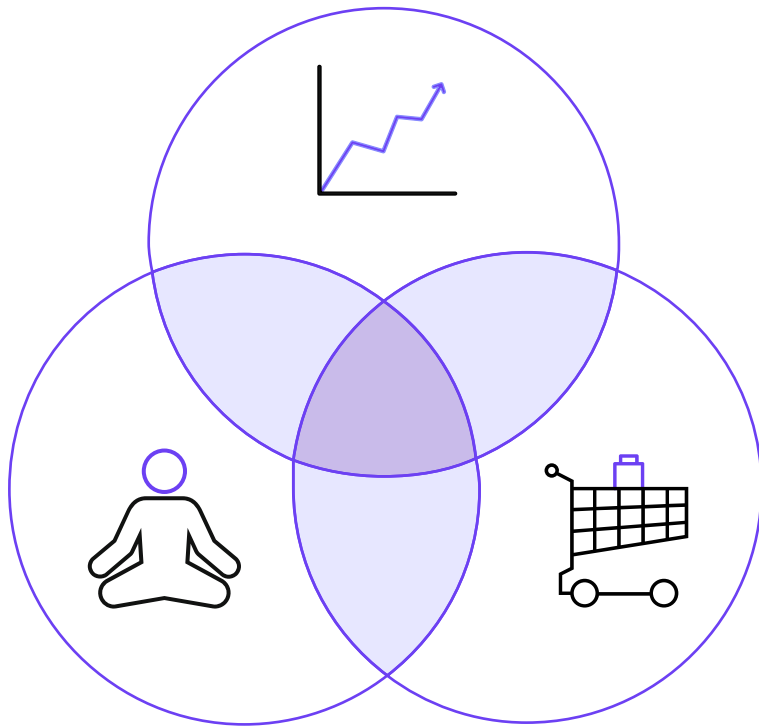
Agility

Be fast, focused and agile



2020 Growth aspirations

Growth drivers



Additional growth

Integrated solutions



Responsible growth.

Shared success.

Growing with our customers



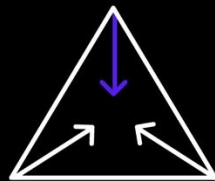
High growth markets



Health & wellbeing

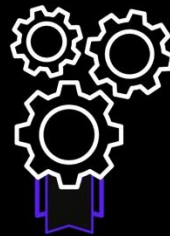


Consumer-preferred products



Integrated solutions

Delivering with excellence

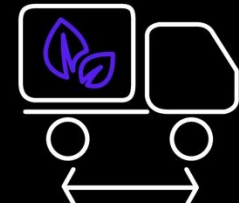


Excellence in execution

Partnering for shared success



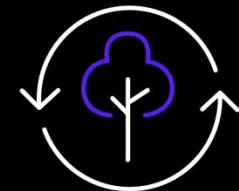
Innovators



Suppliers



People



Communities

2020 Strategy
Fragrances



Givaudan

engage your senses



Global trends

Impact on Fragrances



Local brands have the opportunity to quickly increase their **relevance** with consumers

Development of **specialty retailers** and **e-commerce**

An evolution in retail

Innovation is moving at an increasingly fast pace

Global trends

Impact on Fragrances

More consumer empowerment

Consumers want to know more about what is in products



Consumers **"vote with a click"**

Bloggers have a growing role in shaping Fine Fragrances, Beauty Care and Cosmetics

Global trends

Impact on Fragrances

Strong demand for **cosmetic products** seen in high growth markets

Staying beautiful longer

Cosmetic market expected to have significant growth

Growth in cosmetic industry driven by **ageing population**



Global trends

Impact on Fragrances



Customer investment in sensorial innovation

Over-proportional dose of **fragrances** in high growth markets

Strong growth of fine fragrance brands with **high fragrance investment**

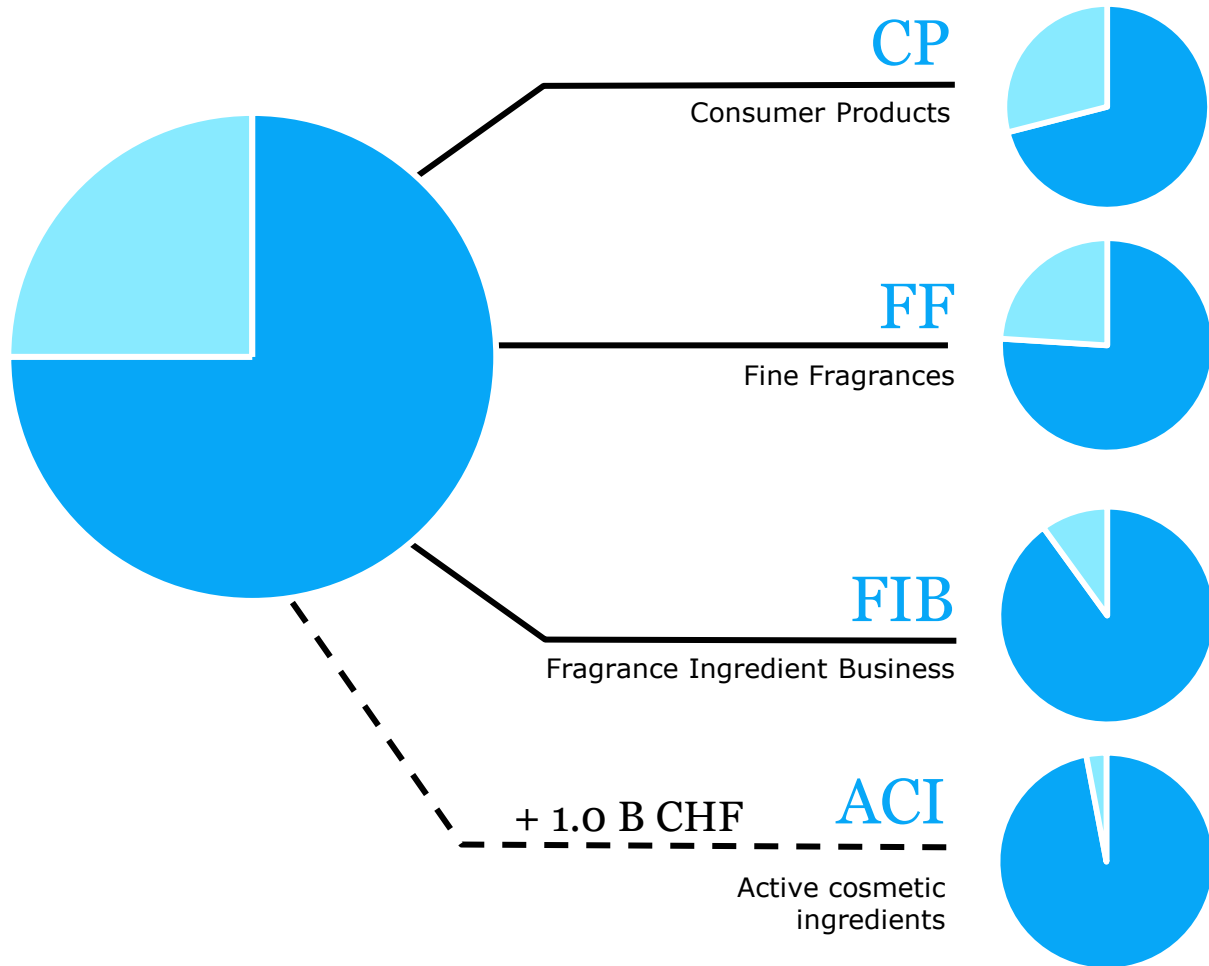
Significant demand for encapsulation in **fabric conditioner, hair care, shower gels, deodorants**

Market structure

Fragrances

8.7 B CHF

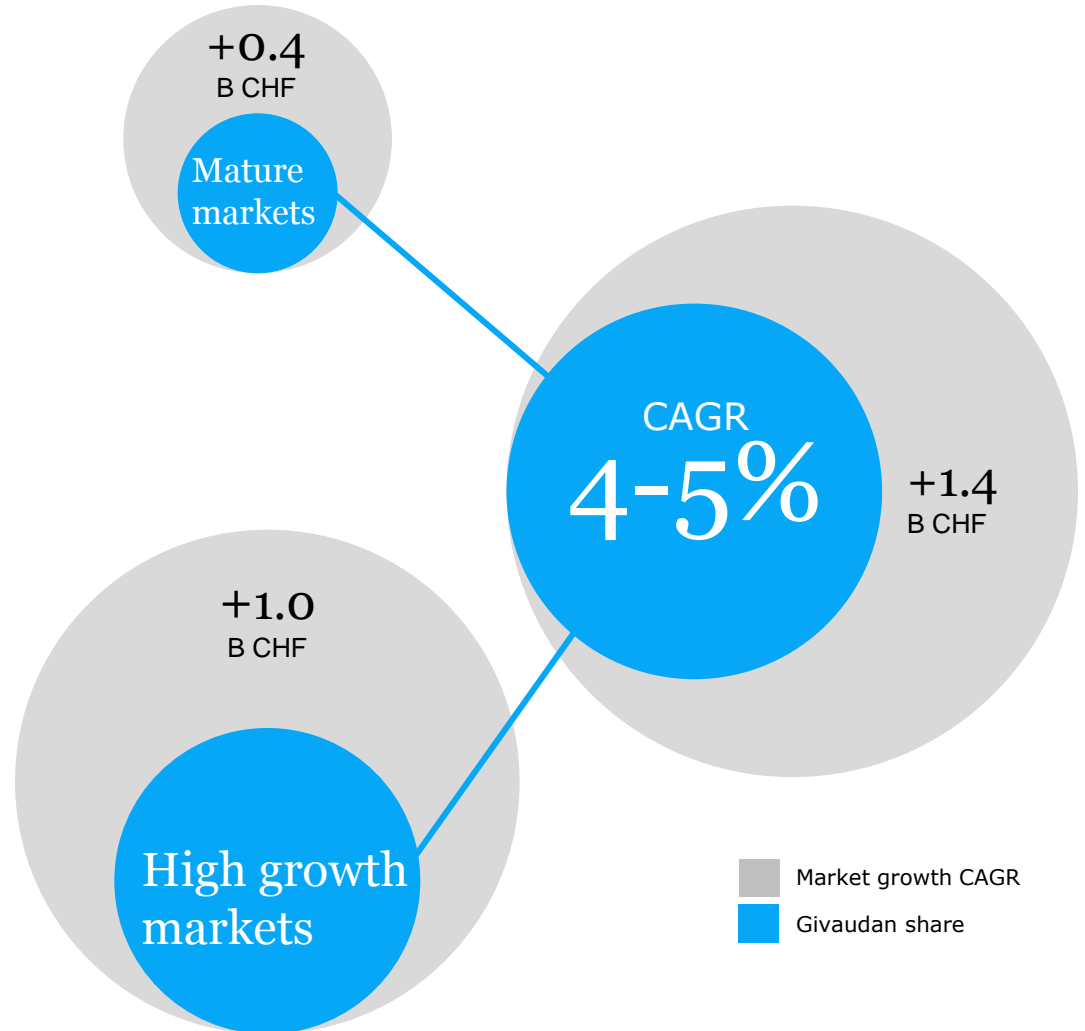
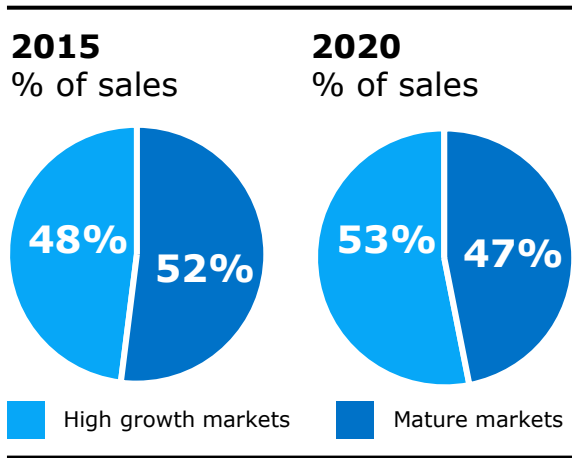
Market Potential as of 2015



■ Market potential as of 2015
■ Givaudan market share as of 2015

2020 Growth aspirations

High growth vs. mature markets



Responsible growth. Shared success.

Growing with our customers



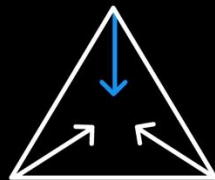
High growth
markets



Health &
wellbeing

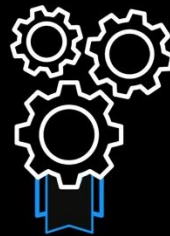


Consumer-
preferred
products



Integrated
solutions

Delivering with excellence



Excellence
in execution

Partnering for shared success



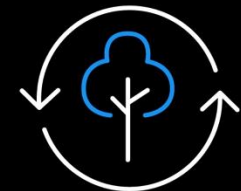
Innovators



Suppliers



People



Communities

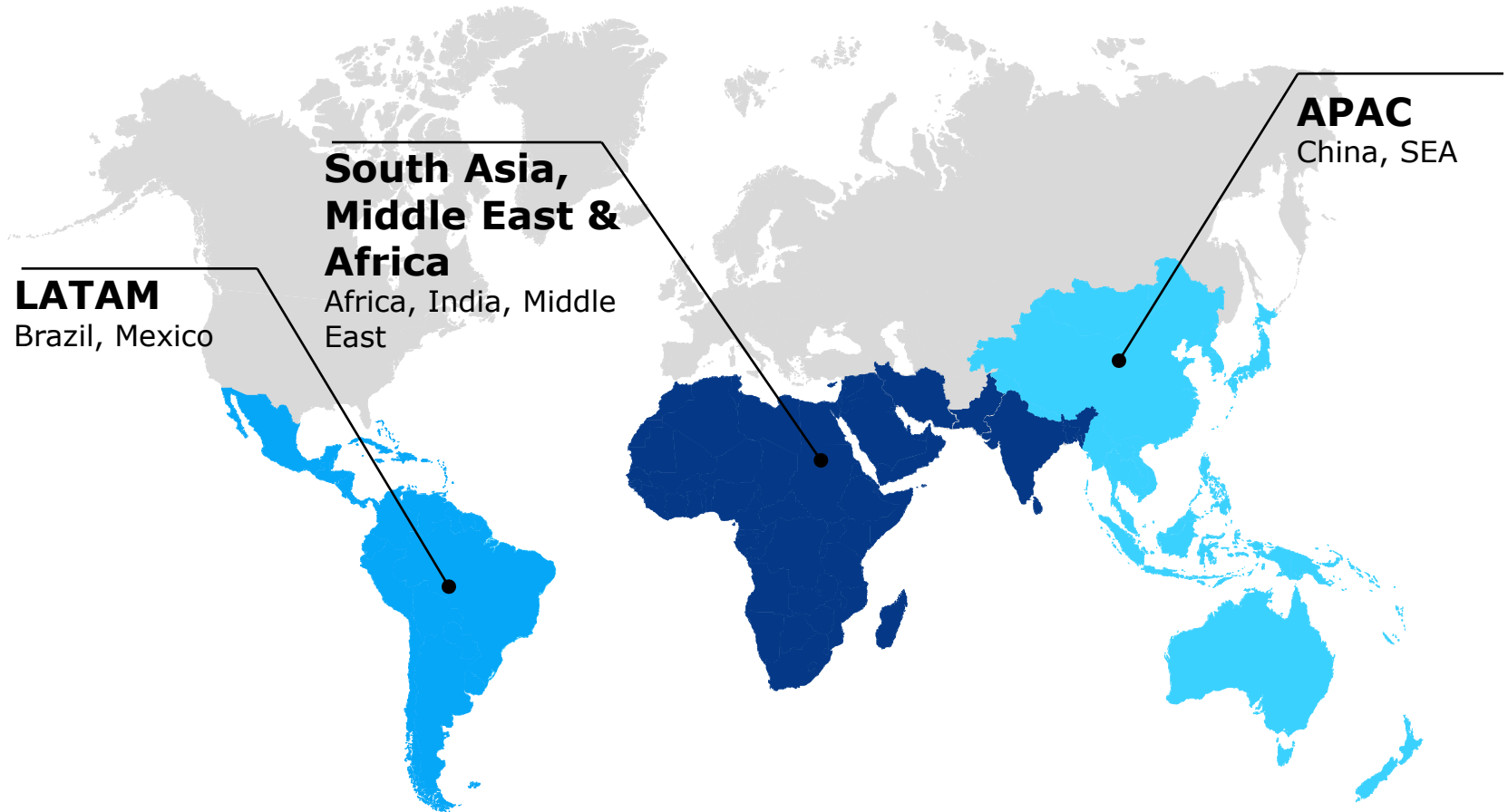
High growth markets

Where to play

Growing with our customers



Consumer Products



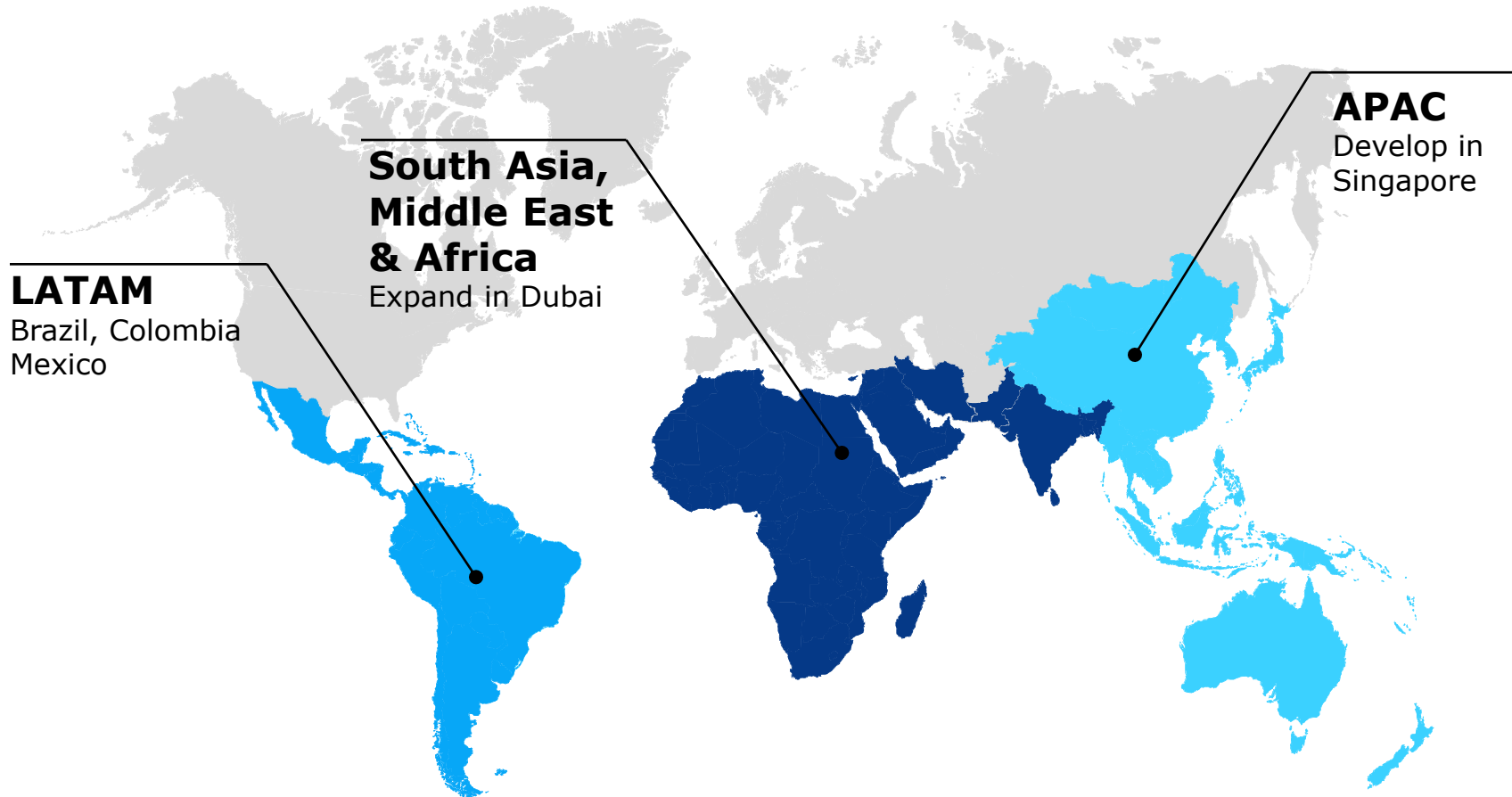
High growth markets

Where to play

Growing with our customers



Fine Fragrances



High growth markets

How to win

Growing with our customers



Consumer Products

Increase presence in new markets e.g. Africa

Invest in talent e.g. Perfumery School in Singapore

Invest in infrastructure

Fine Fragrances

Establish the Fine Fragrance team in Singapore

Invest in talent e.g. Perfumery School in Singapore

Invest in infrastructure



Consumer preferred products

Where to play

Growing with our customers



Further reinforce the **partnerships** where we have a strong presence

Increase pipeline with **selected customers**



Accelerate in high opportunity **categories**

Consumer preferred products

How to win

Growing with our customers



Consumer Products

Reinforce customer partnerships

Implement proactive programmes in key categories

Focus R&D innovation on ingredients and delivery systems

Leverage Global Category Management to build consumer insights



Consumer preferred products

How to win



Growing with our customers

Fine Fragrances

Expand innovation programmes in naturals

Strengthen customer partnerships

Implement creative programmes to
define future olfactive vision

Use consumer insights from Perfume Club
to co-create



Consumer preferred products

How to win

Growing with our customers



Fragrance Ingredients

Innovation in molecules and processes

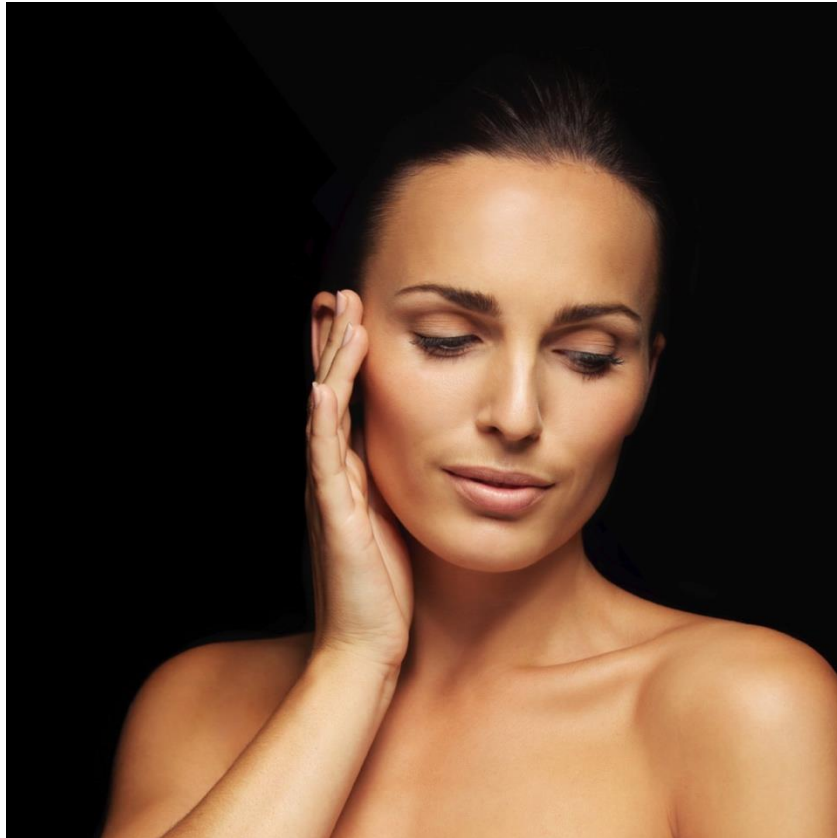
Invest to drive cost effectiveness
e.g. joint venture for production in China and
expansion of manufacturing in Mexico



Health and well-being

Where to play

Growing with our customers



Active Cosmetic Ingredients

Health and well-being

How to win

Growing with our customers



Active Cosmetic Ingredients

Use synergies within Fragrances

Exploit Soliance biotechnology

Leverage teams in high growth markets

Expand through acquisitions

Excellence in execution

How to win

Delivering with excellence



Customer experience

To provide superior customer partnership from brief to delivery

Operations

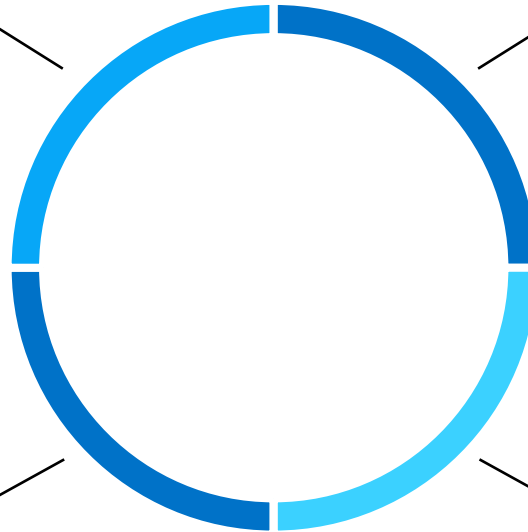
Leverage best practices from our Continuous Improvement processes

Streamlined enterprise

Improve efficiency and evolve business model

Agility

Global expertise with a focused and agile local execution



Responsible growth.

Shared success.

Growing with our customers



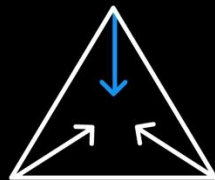
High growth markets



Health & wellbeing

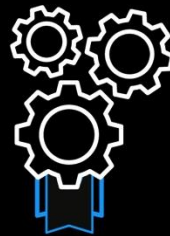


Consumer-preferred products



Integrated solutions

Delivering with excellence



Excellence in execution

Partnering for shared success



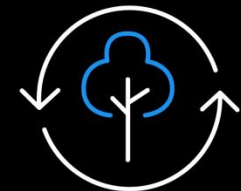
Innovators



Suppliers



People



Communities

2020 Strategy

Partnering for shared success



Givaudan

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Responsible growth. Shared success.

Growing with our customers



High growth markets



Health & wellbeing



Consumer-preferred products




Integrated solutions

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Excellence in execution


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Innovators



Suppliers



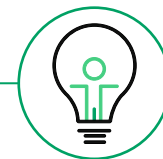
People



Communities

Innovators

Partnering for shared success



Existing capabilities

- Organic chemistry
- Natural isolation and concentration
- Fermentation
- High through-put screening
- Sensory analysis
- Natural product chemistry

Strategic
partnerships

New capabilities

- Enhanced fermentation
- Design biotransformation
- Advanced agricultural techniques
- Sensory psychology and neuroscience

People

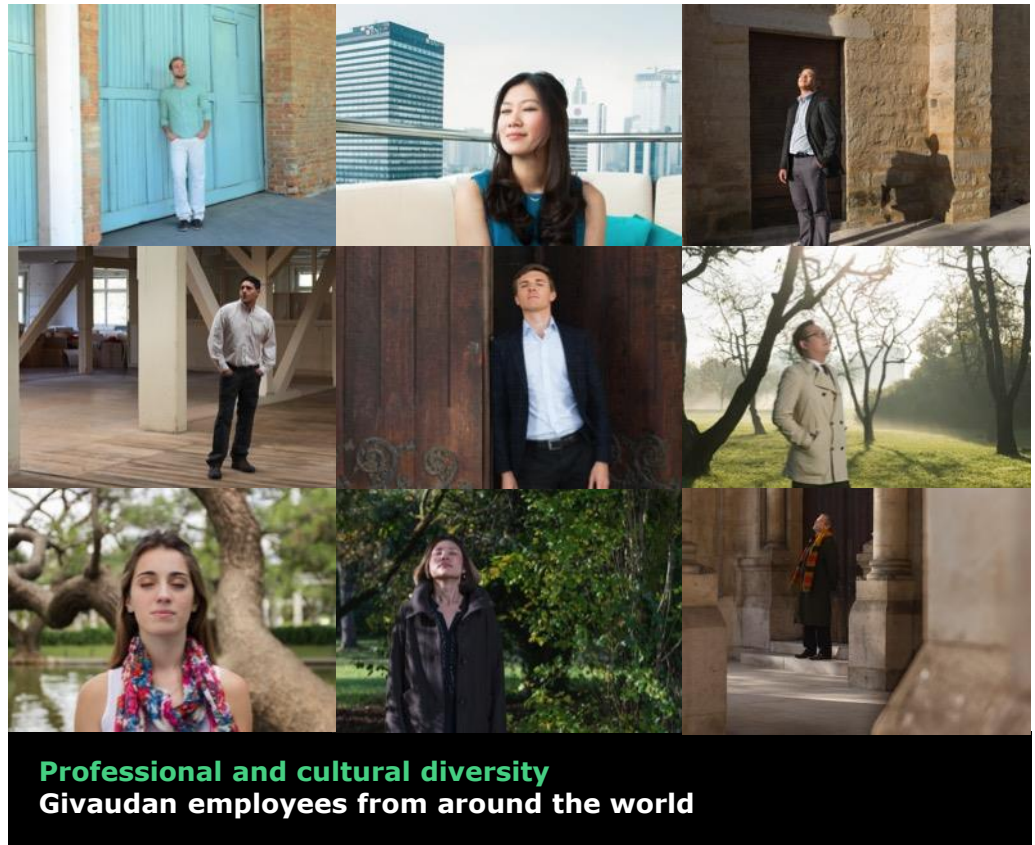
Partnering for shared success



Culture: promote a diverse workforce which operates in an agile and collaborative way

Talent: nurture a pipeline of industry experts and future leaders to develop skills for sustained success

Performance: create an environment where our people feel empowered to partner with their customers to deliver growth



Professional and cultural diversity
Givaudan employees from around the world

Suppliers

Partnering for shared success



Apply **breakthrough sourcing** models to generate competitive advantage

Lead the industry in **responsible sourcing** to best meet customer expectations

Manage supply risk effectively while delivering cost and cash leadership



Patchouli harvest
Borneo, Indonesia
Givaudan Origination

Communities

Partnering for shared success



Striving for a better tomorrow

- Support **locally relevant projects** and charitable causes in the communities within which we operate globally
- Aim to **decouple growth** and **environmental impact**



KidStrong Programme **Givaudan Shanghai Riverfront**

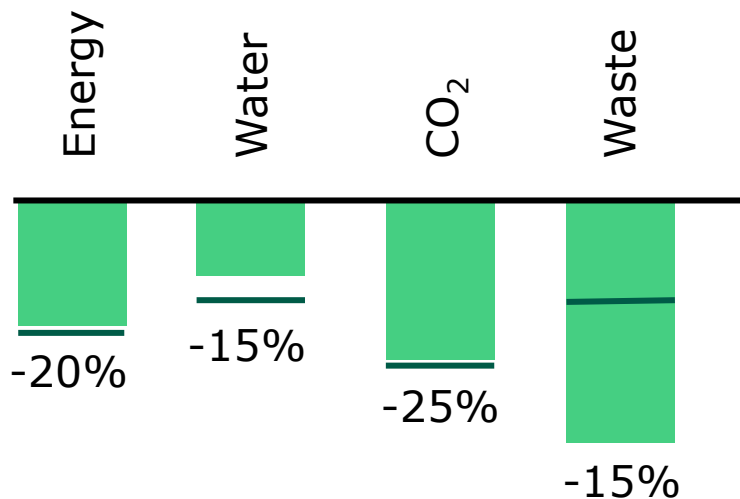
Supporting migrant children's access to health services, nutrition and education

Stabilizing impact while increasing production volumes

Partnering for shared success



Ahead of schedule 2010-2020 Eco-efficiency targets (consumption per tonne of product)



■ Status as of 31 December 2014
— Target set in 2010 for 2020

Raising the bar for 2020

- Reduce **CO₂ footprint** by at least 4% of the **absolute CO₂ footprint** of the previous year
- Reduce **waste production** and **energy consumption per tonne of product by 4%** each year as compared to the previous year
- Reduce **water usage** by 15% per tonne of product from 2010 to 2020*

*remains the same target as established in 2010

Responsible growth.

Shared success.

Growing with our customers



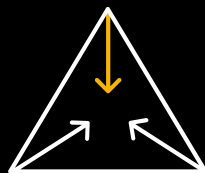
High growth markets



Health & wellbeing

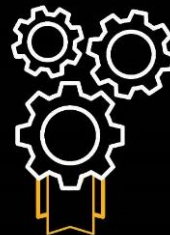


Consumer-preferred products



Integrated solutions

Delivering with excellence



Excellence in execution

Partnering for shared success



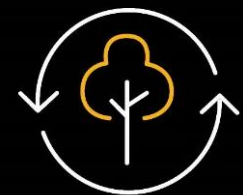
Innovators



Suppliers

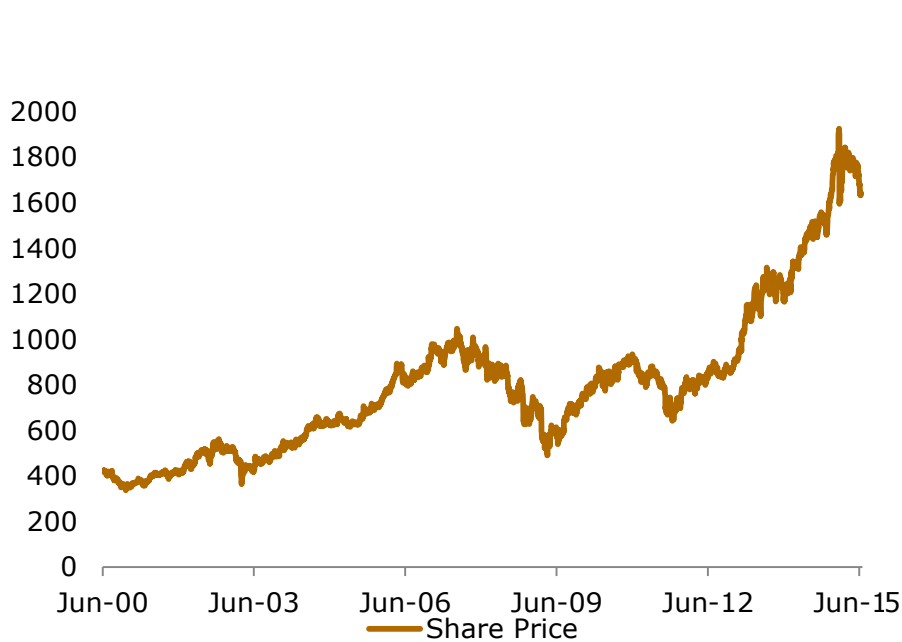


People

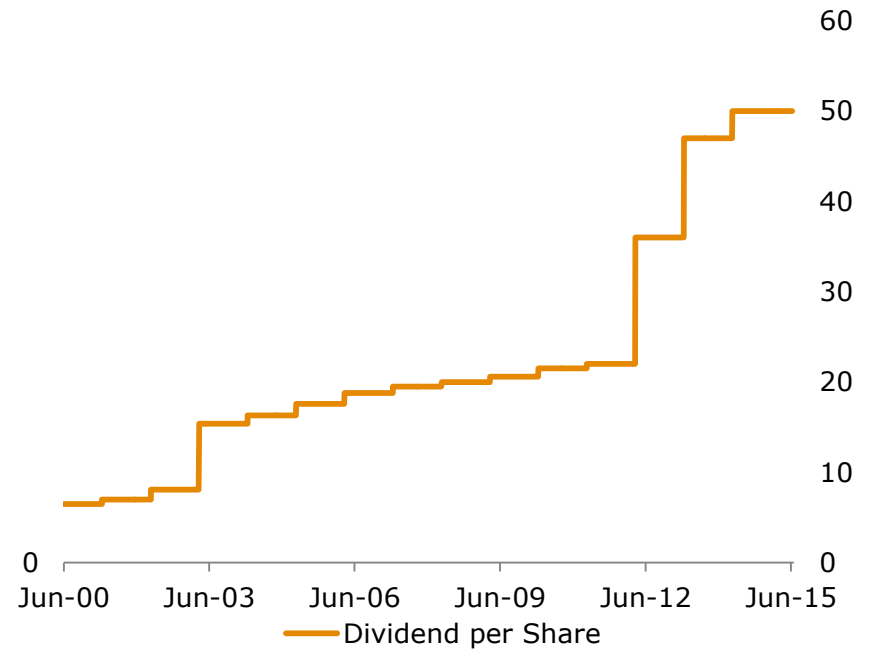


Communities

Creating value 15 years of growth



2000-2015
Share price evolution



2000-2015
Dividend per share

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

Creating additional value through acquisitions

* Average over the 5 year period



2020 Strategy
Responsible growth.
Shared success.

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