

2024 Half Year Report

Strong financial performance



Givaudan
Human by nature

Human by nature.

We seek to elevate the human experience with
the products and solutions we craft.
By caring for people and nature, we grow with purpose.

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

Givaudan is committed to driving purpose-led, long-term growth by increasing our positive impact on nature and improving people's health and happiness.

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Responsible business

Balancing profit with purpose

Working hand-in-hand with our customers, we respond to changing consumer needs for products that support health and wellbeing yet also meet sustainability expectations and demand for greater transparency. Responsible business practices are fundamental to our values and create value for all stakeholders through our business activities and all along our value chain.

Our efforts to raise the bar in sustainability and ESG have been widely recognised externally. This includes our ESG risk rating by Sustainalytics, our CDP double A rating for the fifth consecutive year for leadership in climate action and water stewardship, a gold

EcoVadis medal, inclusion in Nature benchmark and in MSCI ESG AAA rating and also our being named enterprise leader at the RE100 Awards.

Sustainable performance is fundamentally important to our strategy and our funding strategy must therefore be aligned. For example, we organised our first sustainable-linked financing event in 2022 with renewal of the Group Committed Credit Facility.

Our solid track-record of ESG ratings



Fifth double 'A' in 2023 for climate and water and A- in forests



CDP leader board recognition for supplier engagement in 2023



Named "Enterprising Leader" at 2023 RE100 Awards



Awarded the EcoVadis gold medal with a score of 73/100



Ranked 5th in the 2023 Nature Benchmark



A score of 20.9 and a chemicals industry ranking of 32 out of 562



MSCI ESG AAA Rating since 2017

Our 2025 ambition

Givaudan, a high-performing company that is a force for good



Excellence, innovation, simplicity
in everything we do

Impact on Environment, Society and Governance

Performance commitments

SALES GROWTH

4.0% to 5.0%

2021 – 2025 Average
Like for Like¹ Sales Growth



FREE CASH FLOW

>12% of sales

2021 – 2025 Average
FCF² 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, lease payments and purchase and sale of own equity instruments.

At a glance



“ We are very pleased with our strong performance in the first half of 2024, driven by a high level of volume related sales growth across all markets, segments and customer groups, which translates into a broad set of industry leading financial results. These results once again highlight the unique position of Givaudan and the strategic choices that we have made in having an extensive range of highly value-added products and solutions to support the growth of all of our customers around the world.

Gilles Andrier, CEO

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.

First half of 2024

KEY FIGURES

For the six months ended 30 June, in millions of Swiss francs, except for earnings per share data	2024	2023	Percentage change
Group sales	3,737	3,535	5.7%
Fragrance & Beauty sales	1,826	1,672	9.2%
Taste & Wellbeing sales	1,911	1,863	2.6%
Like-for-like sales growth	12.5%	2.4%	
Gross profit	1,646	1,448	13.7%
as % of sales	44.1%	41.0%	
EBITDA^a	906	763	18.7%
as % of sales	24.2%	21.6%	
Operating income	729	586	24.4%
as % of sales	19.5%	16.6%	
Income attributable to equity holders of the parent	588	449	30.9%
as % of sales	15.7%	12.7%	
Operating cash flow	427	340	25.6%
as % of sales	11.4%	9.6%	
Free cash flow	197	104	89.4%
as % of sales	5.3%	2.9%	
Earnings per share – basic (CHF)	63.76	48.69	31.0%

a) EBITDA defined as Earnings before interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

SALES PERFORMANCE BY BUSINESS ACTIVITY

For the six months ended 30 June	2024 Sales growth LFL	2023 Sales growth LFL
Fragrance & Beauty	15.3%	6.4%
- Fine Fragrance	14.9%	16.2%
- Consumer Products	17.3%	3.7%
- Fragrance Ingredients and Active Beauty	8.0%	4.4%
Taste & Wellbeing	9.9%	(0.9%)
- Europe	5.5%	3.6%
- South Asia, Middle East and Africa	12.5%	19.1%
- North America	4.5%	(11.7%)
- Latin America	32.6%	10.5%
- Asia Pacific	9.3%	(5.0%)

SALES PERFORMANCE BY GEOGRAPHY

For the six months ended 30 June, in millions of Swiss francs	2024			2023		
	Sales as reported	LFL %	CHF %	Sales as reported	LFL %	CHF %
LATAM	450	31.5%	6.5%	423	11.1%	0.5%
APAC	897	11.4%	5.3%	852	3.2%	(3.5%)
NOAM	881	5.9%	2.9%	855	(10.6%)	(13.0%)
EAME	1,509	11.4%	7.4%	1,405	8.5%	3.0%
High growth markets	1,722	20.5%	9.1%	1,581	8.9%	0.4%
Mature markets	2,015	6.0%	3.0%	1,954	(2.6%)	(6.0%)
Total Group	3,737	12.5%	5.7%	3,535	2.4%	(3.2%)

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.

Business performance Half year 2024

Sales performance

Givaudan Group sales for the first six months of the year were CHF 3,737 million, an increase of 12.5% on a like-for-like¹ (LFL) basis and 5.7% in Swiss francs.

Givaudan continued the year with strong business momentum, a healthy project pipeline and maintained its operations and global supply chain at a high level.

The strong growth was achieved across all product segments, geographies and customer groups, with the high growth markets growing at 20.5% on a LFL basis and the mature markets growing at 6.0% LFL.

Fragrance & Beauty sales were CHF 1,826 million, an increase of 15.3% LFL and 9.2% in Swiss francs.

On a business unit basis, Fine Fragrance sales increased by 14.9% LFL against a high prior year comparable growth of 16.2%, Consumer Products sales increased by 17.3% LFL and sales of Fragrance Ingredients and Active Beauty increased by 8.0% LFL.

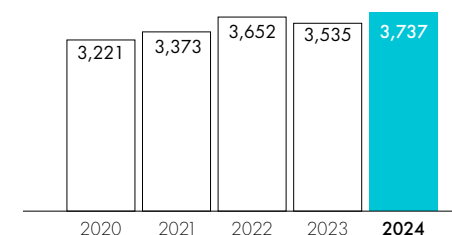
Taste & Wellbeing sales were CHF 1,911 million, an increase of 9.9% LFL and 2.6% in Swiss francs.

On a regional basis, sales increased in all regions: Asia Pacific by 9.3% LFL; South Asia, Africa and the Middle East by 12.5% LFL; Europe by 5.5% LFL; North America by 4.5% LFL and Latin America by 32.6% LFL. Within the product segments, there was strong double-digit growth in snacks and beverages, as well as good momentum in sweet goods, dairy and savoury.

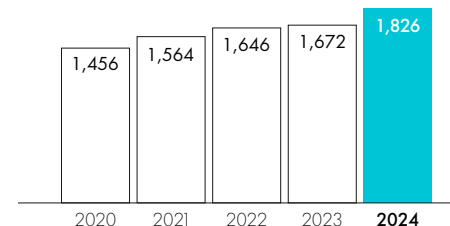
Gross margin

The gross profit increased by 13.7% from CHF 1,448 million in 2023 to CHF 1,646 million in 2024. The gross margin in the first half of 2024 improved as a result of higher cost absorption due to higher volumes as well as the margin improvement measures taken under the Group's Performance Improvement programme initiated in 2023. As a result the gross margin increased to 44.1% in 2024 compared to 41.0% in 2023.

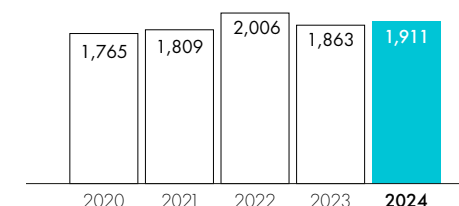
GROUP – SALES
in millions of Swiss francs



FRAGRANCE & BEAUTY – SALES
in millions of Swiss francs



TASTE & WELLBEING – SALES
in millions of Swiss francs



Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)²

The EBITDA increased by 18.7% to CHF 906 million from CHF 763 million for the same period in 2023, whilst the EBITDA margin was 24.2% in 2024 compared to 21.6% in 2023. On a comparable basis, the EBITDA margin increased to 24.8% in 2024 compared to 22.7% in 2023, again as a result of higher cost absorption due to higher volumes and the impact of the Group's Performance Improvement programme.

Business performance Half year 2024

The EBITDA of Fragrance & Beauty increased to CHF 500 million in 2024 compared to CHF 383 million for the first six months of 2023, whilst the EBITDA margin increased to 27.3% in 2024 from 22.9% in 2023. On a comparable basis the EBITDA margin of Fragrance & Beauty was 28.1% in 2024 compared to 24.3% in 2023.

The EBITDA of Taste & Wellbeing increased to CHF 406 million from CHF 380 million in 2023 and the EBITDA margin increased to 21.3% in 2024 from 20.4% in 2023. On a comparable basis the EBITDA margin of Taste & Wellbeing was 21.7% in 2024 compared to 21.3% in 2023.

Operating income

The operating income increased to CHF 729 million, compared to CHF 586 million in 2023, an increase of 24.4%. When measured in local currency terms, the operating income increased by 40.1%. The operating margin increased to 19.5% in 2024 from 16.6% in 2023.

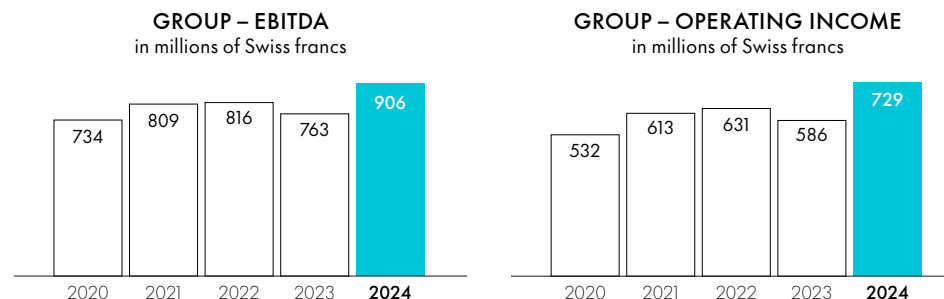
The operating income for Fragrance & Beauty increased to CHF 424 million in 2024, versus CHF 313 million for the same period in 2023. The operating margin increased to 23.2% in 2024 from 18.7% in 2023.

In Taste & Wellbeing, the operating income increased to CHF 305 million in 2024 from CHF 273 million in 2023. The operating margin increased to 15.9% in 2024 compared to 14.6% in 2023.

Financial performance

Financing costs were CHF 59 million in the first half of 2024, a slight decrease versus CHF 61 million for the same period in 2023. Other financial income, net of expenses, were CHF 30 million in 2024 versus CHF 9 million of other financial expenses, net of income in 2023. The increase in income was related to lower mark-to-market adjustments on marketable securities and a reduction in foreign exchange losses compared to the prior year.

The interim period income tax expense as a percentage of income before taxes was 16% in 2024, compared with 13% for the same period in 2023. As a reminder, the effective tax rate in 2023 was impacted by one-time effects of tax changes in Switzerland.



Net income

The net income for the first six months of 2024 was CHF 588 million compared to CHF 449 million in 2023, an increase of 30.9%, resulting in a net profit margin of 15.7% versus 12.7% in 2023. Basic earnings per share were CHF 63.76 versus CHF 48.69 for the same period in 2023.

Cash flow

Givaudan delivered an operating cash flow of CHF 427 million for the first six months of 2024, compared to CHF 340 million in 2023.

Net working capital was 29.1% of sales compared to 31.2% in June 2023, as the Group continues to focus on improving the management of working capital.

Total net investments in property, plant and equipment were CHF 110 million, compared to CHF 103 million in 2023. Intangible asset additions were CHF 17 million in 2024, compared to CHF 25 million in 2023.

Total net investments in tangible and intangible assets were 3.4% of sales, compared to 3.6% in 2023.

Operating cash flow after net investments was CHF 300 million versus CHF 212 million in 2023. Free cash flow⁴ was CHF 197 million in the first half of 2024, versus CHF 104 million

for the comparable period in 2023. As a percentage of sales, free cash flow in the first six months of 2024 was 5.3%, compared to 2.9% in 2023.

Financial position

Givaudan's financial position remained strong at the end of June 2024. Net debt at June 2024 was CHF 4,718 million, up from CHF 4,305 million at the end of December 2023 and compared to CHF 5,236 million at June 2023. The net debt to EBITDA ratio⁵ was 2.9, compared to 3.7 in June 2023 and 2.9 at the end of December 2023.

Mid and long term ambitions

Our 2025 strategy, 'Committed to Growth, with Purpose', is our intention to deliver growth in partnership with our customers, through creating inspiring products for happier, healthier lives and having a positive impact on nature, people and communities.

Ambitious targets are an integral part of this strategy, with the Company aiming to achieve organic sales growth of 4–5% LFL and free cash flow⁴ of at least 12%, both measured as an average over the five-year period strategy cycle. In addition, we aim to deliver on key non-financial targets around sustainability, diversity and safety, linked to Givaudan's purpose.

Our bold and ambitious long-term purpose goals are defined in four domains: creations, nature, people and communities. Our ambitions include doubling our business through creations that contribute to happier, healthier lives by 2030, becoming climate positive before 2050, becoming a leading employer for inclusion before 2025 and sourcing all materials and services in a way that protects the environment and people by 2030.



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. EBITDA defined as Earnings before interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.
3. Comparable EBITDA is the reported EBITDA, as adjusted for significant items of a non-recurring nature which have an impact on the understanding of the underlying normal operating activities.
4. Free cash flow (FCF) refers to operating cash flow after net investments, interest paid, lease payments and purchase and sale of own equity instruments.
5. Net debt to EBITDA ratio is defined as follows:
 - Net debt is calculated as the total of the consolidated short-term and long-term debt, less cash and cash equivalents.
 - EBITDA is defined as Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, which corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

2024 Half Year Financial Report

Interim condensed consolidated financial statements

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Alternative Performance Measures

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Interim condensed consolidated financial statements (unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June

in millions of Swiss francs, except for earnings per share data	Note	2024	2023
Sales	6	3,737	3,535
Cost of sales		(2,091)	(2,087)
Gross profit		1,646	1,448
as % of sales		44.1%	41.0%
Selling, marketing and distribution expenses		(480)	(449)
Research and product development expenses		(280)	(262)
Administration expenses		(106)	(96)
Share of results of joint ventures and associates		4	3
Other operating income	7	12	16
Other operating expense	8	(67)	(74)
Operating income		729	586
as % of sales		19.5%	16.6%
Financing costs	9	(59)	(61)
Other financial income (expense), net	10	30	(9)
Income before taxes		700	516
Income taxes		(112)	(67)
Income for the period		588	449
Attribution			
Income attributable to non-controlling interests		–	–
Income attributable to equity holders of the parent		588	449
as % of sales		15.7%	12.7%
Earnings per share – basic (CHF)	11	63.76	48.69
Earnings per share – diluted (CHF)	11	63.50	48.53

The notes on pages 17 to 24 form an integral part of these interim condensed financial statements (unaudited).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June

in millions of Swiss francs	2024	2023
Income for the period	588	449
Items that may be reclassified to the income statement		
Cash flow hedges		
Movement in fair value, net	14	(25)
(Gains) losses removed from equity and recognised in the consolidated income statement	2	4
Movement on income tax	–	2
Exchange differences arising on translation of foreign operations		
Movement in fair value arising on hedging instruments of the net assets in foreign operations	(75)	31
Currency translation differences	334	(148)
Movement on income tax	6	(2)
Items that will not be reclassified to the income statement		
Defined benefit pension plans		
Remeasurement gains (losses) of post-employment benefit obligations	88	4
Movement on income tax	(15)	(1)
Other comprehensive income for the period	354	(135)
Total comprehensive income for the period	942	314
Attribution		
Total comprehensive income attributable to non-controlling interests	–	–
Total comprehensive income attributable to equity holders of the parent	942	314

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Interim condensed consolidated financial statements (unaudited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At period ended

in millions of Swiss francs	Note	30 June 2024	31 December 2023
Assets			
Cash and cash equivalents		603	600
Derivative financial instruments	4	32	25
Financial assets at fair value through income statement	4	56	8
Accounts receivable - trade		1,799	1,452
Inventories		1,452	1,275
Current tax assets		43	60
Prepayments		92	66
Other current assets		167	129
Current assets		4,244	3,615
Derivative financial instruments	4	103	99
Property, plant and equipment		2,279	2,242
Intangible assets		4,869	4,459
Deferred tax assets		135	118
Post-employment benefit plan assets		116	37
Financial assets at fair value through income statement	4	100	271
Interests in joint ventures and investments in associates		62	48
Other non-current assets		273	239
Non-current assets		7,937	7,513
Total assets		12,181	11,128

in millions of Swiss francs	Note	30 June 2024	31 December 2023
Liabilities and equity			
Short-term debt	12	1,033	442
Derivative financial instruments	4	13	70
Accounts payable - trade and others		913	891
Accrued payroll and payroll taxes		165	170
Current tax liabilities		145	136
Financial liability - own equity instruments		38	64
Provisions		18	22
Other current liabilities	5	647	266
Current liabilities		2,972	2,061
Derivative financial instruments	4	16	11
Long-term debt	12	4,288	4,463
Financial liability - own equity instruments		45	28
Provisions		60	63
Post-employment benefit plan liabilities		167	165
Deferred tax liabilities		262	232
Other non-current liabilities		58	107
Non-current liabilities		4,896	5,069
Total liabilities		7,868	7,130
Share capital	13	92	92
Retained earnings and reserves	13	6,764	6,730
Own equity instruments	14	(194)	(199)
Other components of equity		(2,349)	(2,630)
Equity attributable to equity holders of the parent		4,313	3,993
Non-controlling interests		-	5
Total equity		4,313	3,998
Total liabilities and equity		12,181	11,128

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Interim condensed consolidated financial statements (unaudited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June

2024 in millions of Swiss francs	Share Capital	Retained earnings and reserves	Own equity instruments	Cash flow hedges	Currency translation differences	Equity attributable to equity holders of the parent	Non- controlling interests	Total equity
Balance as at 1 January	92	6,730	(199)	45	(2,675)	3,993	5	3,998
Income for the period		588				588	–	588
Other comprehensive income for the period		73		16	265	354		354
Total comprehensive income for the period		661		16	265	942	–	942
Dividends paid		(627)				(627)		(627)
Movement in own equity instruments, net			5			5		5
Non-controlling interests							(5)	(5)
Net change in other equity items		(627)	5			(622)	(5)	(627)
Balance as at 30 June	92	6,764	(194)	61	(2,410)	4,313	–	4,313

2023 in millions of Swiss francs	Share Capital	Retained earnings and reserves	Own equity instruments	Cash flow hedges	Currency translation differences	Equity attributable to equity holders of the parent	Non- controlling interests	Total equity
Balance as at 1 January	92	6,442	(228)	92	(2,166)	4,232	5	4,237
Income for the period		449				449	–	449
Other comprehensive income for the period		3		(19)	(119)	(135)		(135)
Total comprehensive income for the period		452		(19)	(119)	314	–	314
Dividends paid		(617)				(617)		(617)
Movement in own equity instruments, net			12			12		12
Non-controlling interests							–	–
Net change in other equity items		(617)	12			(605)	–	(605)
Balance as at 30 June	92	6,277	(216)	73	(2,285)	3,941	5	3,946

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Interim condensed consolidated financial statements (unaudited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June

in millions of Swiss francs	Note	2024	2023
Income for the period		588	449
Income tax expense		112	67
Interest expense		55	57
Non-operating income and expense		(26)	13
Operating income		729	586
Depreciation of property, plant and equipment	6	101	101
Amortisation of intangible assets	6	72	76
Impairment of long-lived assets	6	4	–
Other non-cash items			
- share-based payments		31	11
- pension expense		19	17
- additional and unused provisions, net		5	26
- other non-cash items		51	(3)
Adjustments for non-cash items		283	228
(Increase) decrease in inventories		(129)	(156)
(Increase) decrease in accounts receivable		(284)	(193)
(Increase) decrease in other current assets		(58)	(30)
Increase (decrease) in accounts payable		19	28
Increase (decrease) in other current liabilities		(17)	(31)
(Increase) decrease in working capital		(469)	(382)
Income taxes paid		(85)	(66)
Pension contributions paid		(18)	(21)
Provisions used		(13)	(5)
Cash flows from (for) operating activities		427	340
Increase in long-term debt	12	–	–
(Decrease) in long-term debt	12	(9)	(389)
Increase in short-term debt	12	735	2,013
(Decrease) in short-term debt	12	(421)	(1,105)
Cash flows from debt, net		305	519

in millions of Swiss francs	Note	2024	2023
Interest paid		(38)	(47)
Purchase and sale of derivative financial instruments, net		(2)	6
Lease payments	12	(30)	(31)
Transactions of non-controlling interests	5	(5)	
Other, net		(4)	(4)
Cash flows from financial liabilities		226	443
Distribution to the shareholders paid	13	(627)	(617)
Purchase and sale of own equity instruments, net		(35)	(30)
Cash flows from (for) financing activities		(436)	(204)
Acquisition and disposal related cash flows			
- Purchase of property, plant and equipment		(115)	(105)
- Purchase of intangible assets		(17)	(25)
- Acquisition of assets in the form of an asset deal	5		(183)
- Acquisition of subsidiaries, net of cash acquired	5	95	
- Proceeds from the disposal of property, plant and equipment		5	2
- Disposal of subsidiary, net of cash disposed		6	
(Increase) decrease in share capital of jointly controlled entities		(3)	4
Interest received		7	3
Purchase and sale of financial assets at fair value through income statement, net		43	3
Impact of financial transactions on investing, net		(3)	(27)
Other, net		(16)	(15)
Cash flows from (for) investing activities		2	(343)
Net increase (decrease) in cash and cash equivalents		(7)	(207)
Net effect of currency translation on cash and cash equivalents		10	(24)
Cash and cash equivalents at the beginning of the period		600	475
Cash and cash equivalents at the end of the period		603	244

The notes on pages 17 to 24 form an integral part of these interim condensed financial statements (unaudited).

Notes to the interim condensed consolidated financial statements (unaudited)

1. Group organisation

Givaudan SA and its subsidiaries (hereafter 'the Group') operate under the name Givaudan. Givaudan SA is a limited liability company incorporated and domiciled in Switzerland. The Group is headquartered in Vernier, near Geneva, Switzerland. Givaudan is a leading supplier of creative fragrance, beauty, taste and wellbeing products. The Group operates in over 100 countries and has subsidiaries and branches in more than 40 countries. Worldwide, it employs 16,362 people.

The Group is listed on the SIX Swiss Exchange (GIVN).

2. Basis of financial statements

These financial statements are the unaudited interim condensed consolidated financial statements (hereafter 'the interim financial statements') of the Group for the six months period ended 30 June 2024 (hereafter 'the interim period'). They have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

The interim financial statements include the operations of Givaudan SA and its controlled subsidiaries. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

These interim financial statements should be read in conjunction with the 2023 consolidated financial statements as they provide an update of the most recent financial information available.

Taxes on income in the interim period are accrued using the tax rate that would be applicable to expected total annual earnings.

The Group operates in markets where no significant seasonal or cyclical variations in sales are experienced during the financial year.

The 31 December 2023 statement of financial position has been derived from the audited 2023 consolidated financial statements.

Givaudan SA's Board of Directors approved these interim financial statements on 19 July 2024.

3. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2023. Several standards and amendments apply for the first time in 2024 including **Amendments to IAS 1: Classification of Liabilities as Current or Non-current**, **Amendments to IAS 1: Non-current Liabilities with Covenants**, **Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements**, **Amendments to IAS 21: Lack of Exchangeability** and **Amendments to IFRS 16: Lease Liability in a Sale and Leaseback**. None of these have a material impact on the Group's Financial Statements.

4. Financial risk management

Fair value measurements recognised in the statement of financial position

Financial assets and liabilities at fair value through income statement are measured with Level 1, Level 2 and Level 3 inputs and consist of:

- Level 1 financial assets of CHF 58 million (31 December 2023: CHF 97 million) consist of marketable securities quoted on financial market;

- Level 2 financial assets and liabilities consist of:
 - › Cross-currency swaps and forward foreign exchange contracts that are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts, and interest swaps that are measured using quoted interest rates and yield curves derived from quoted interest rates matching maturities of the contracts. These level 2 instruments amount to financial assets of CHF 135 million (31 December 2023: CHF 124 million) and financial liabilities of CHF 29 million (31 December 2023: CHF 81 million);
 - › Corporate owned life insurance (COLI) of CHF 70 million (31 December 2023: CHF 67 million) that are measured on quoted instruments with similar credit ratings and terms in a mix of money market, fixed income and equity funds managed by unrelated fund managers;
 - › Investments in bonds and warrants of a publicly traded company of CHF 4 million (31 December 2023: CHF 3 million);
- Level 3 financial assets of CHF 23 million (31 December 2023: CHF 112 million) consist of:
 - › Investment funds in venture capital that are measured quarterly by independent third parties using proprietary valuation models which are audited by qualified authorities as well as other investments whose value is determined by performing a Discounted Cash Flow analysis on the basis of the latest business plan information available to the Group.
 - › The total gain relating to level 3 financial assets recognised in other financial income (expenses), net amounted to CHF 4 million (2023: CHF 5 million loss); and
- Finally, level 3 financial liabilities of CHF 58 million (31 December 2023: CHF 51 million) consist of the deferred consideration related to the acquisition of DDW, expected to be settled after a period of three years from the date of acquisition, which was in December 2021.

There were no transfers between the level categories in the period.

5. Acquisitions and investments

Alderys SAS

On 28 February 2024 Givaudan acquired the remaining 20% of the share capital of Alderys SAS for CHF 5 million (EUR 5 million). The Group acquired the initial 80% of the share capital of Alderys in 2020.

b.kolormakeup & skincare

On 1 July 2024 Givaudan announced that it had exercised its option to acquire the remaining 75% of the share capital of b.kolormakeup & skincare (b.kolor) for a purchase price of CHF 311 million (EUR 323 million). The Group acquired the initial 25% of the share capital in 2021, the fair value of which amounted to CHF 85 million (EUR 88 million) as of 30 June 2024.

Founded in 2000, b.kolor is headquartered near Milan, Italy, and employs more than 300 people. The company is recognised as experts in creative formulation design and the production of finished products for B2B customers, focusing on innovation and sensory benefits allied to state-of-the-art technical performance. The acquisition will allow Givaudan to offer innovative solutions for make-up formulations and further widen its capabilities for skincare applications. This will enlarge its value proposition in the beauty sector, in addition to its existing leadership position in fine fragrances and haircare.

Although Givaudan formally exercised the option to acquire the remaining 75% of the share capital only on 1 July 2024, from an accounting point of view as of 30 June 2024 the option had become exercisable and consequently Givaudan was deemed to have control. Therefore, in accordance with IFRS 10, the net assets of b.kolor have been consolidated and at the same time, a financial liability reflecting the purchase price of the remaining 75% was also recognised.

The provisional amounts of the total net assets acquired of CHF 130 million consist of cash (CHF 95 million), working capital (CHF 27 million), fixed assets (CHF 8 million), other current assets (CHF 6 million), other non-current assets (CHF 1 million) and other current liabilities (CHF 7 million).

Due to the timing of the acquisition, the identification and measurement of the fair values of the identifiable assets acquired and liabilities assumed is based on a provisional approach considering judgements and assumptions as at 30 June 2024. Therefore, and in compliance with IFRS 3, these fair values determined are provisional and the Group has twelve months from the date of acquisition to adjust these provisional fair values and to finalise the purchase price allocation.

Amyris

Givaudan acquired a cosmetic ingredients portfolio from Amyris, Inc on 4 April 2023 for CHF 183 million (USD 200 million).

The initial measurement of the identifiable assets of Amyris was at cost. The acquisition cost has been allocated to the assets on a relative fair value basis at the date of acquisition. The total assets acquired consist of intangible assets of CHF 183 million.

Given that this acquisition does not fall under the scope of IFRS 3 Business Combinations, no goodwill was recognised.

6. Segment information

Business segments

For the six months ended 30 June, in millions of Swiss francs	Fragrance & Beauty		Taste & Wellbeing		Group	
	2024	2023	2024	2023	2024	2023
Segment sales	1,826	1,672	1,911	1,863	3,737	3,535
Less inter segment sales ^a	–	–	–	–	–	–
Segment sales to third parties	1,826	1,672	1,911	1,863	3,737	3,535
EBITDA	500	383	406	380	906	763
as % of sales	27.3%	22.9%	21.3%	20.4%	24.2%	21.6%
Depreciation	(41)	(41)	(60)	(60)	(101)	(101)
Amortisation	(31)	(29)	(41)	(47)	(72)	(76)
Impairment of long-lived assets	(4)			–	(4)	–
Additions to Property, plant and equipment	46	49	53	62	99	111
Acquisitions of Property, plant and equipment	7				7	
Additions to Intangible assets	15	14	12	16	27	30
Acquisitions of Intangible assets (excluding goodwill)	1	183			1	183
Total gross investments	69	246	65	78	134	324

a) Transfer prices for inter-divisional sales are set on an arm's length basis.

Notes to the interim condensed consolidated financial statements (unaudited)

Reconciliation table to Group's operating income

For the six months ended 30 June, in millions of Swiss francs	Fragrance & Beauty		Taste & Wellbeing		Group	
	2024	2023	2024	2023	2024	2023
EBITDA	500	383	406	380	906	763
Depreciation	(41)	(41)	(60)	(60)	(101)	(101)
Amortisation	(31)	(29)	(41)	(47)	(72)	(76)
Impairment of long-lived assets	(4)			–	(4)	–
Operating income	424	313	305	273	729	586
as % of sales	23.2%	18.7%	15.9%	14.6%	19.5%	16.6%
Financing costs					(59)	(61)
Other financial income (expense), net					30	(9)
Income before taxes					700	516
as % of sales					18.7%	14.6%

Entity-wide disclosures

The breakdown of sales from the major group of similar products is as follows:

For the six months ended 30 June, in millions of Swiss francs	2024	2023
Fragrance & Beauty		
Compounds	1,550	1,416
Ingredients and Active Beauty	276	256
Taste & Wellbeing		
Compounds	1,911	1,863
Total sales	3,737	3,535

Classification of amortisation expenses is as follows:

For the six months ended 30 June, in millions of Swiss francs	Fragrance & Beauty		Taste & Wellbeing		Group	
	2024	2023	2024	2023	2024	2023
Cost of sales	5	7	6	9	11	16
Selling, marketing and distribution expenses	15	10	18	19	33	29
Research and product development expenses	6	7	9	11	15	18
Administration expenses	1	1	1	2	2	3
Other operating expenses	4	4	7	6	11	10
Total	31	29	41	47	72	76

7. Other operating income

For the six months ended 30 June, in millions of Swiss francs	2024	2023
Gains on disposal of fixed assets	4	1
Other income	8	15
Total other operating income	12	16

8. Other operating expense

For the six months ended 30 June, in millions of Swiss francs	2024	2023
Project related expenses	16	39
Amortisation of intangible assets	10	11
Impairment of long-lived assets	4	–
Loss on divestment	5	–
Losses on disposal of fixed assets	5	2
Business taxes	10	10
Acquisition and integration related expenses	2	1
Other expenses	15	11
Total other operating expense	67	74

The project related expenses incurred of CHF 16 million are largely related to costs incurred for footprint optimisation as well the Competition Authority Investigation in the fragrance industry. In 2023, project related expenses largely related to the Group's Performance Improvement programme, announced in January 2023, which was aiming for increased operational excellence and margin improvement through organisational simplification, working capital improvement, as well as footprint optimisation.

9. Financing costs

For the six months ended 30 June, in millions of Swiss francs	2024	2023
Interest expense	55	57
Net interest related to defined benefit pension plans	3	3
Amortisation of debt discounts	1	1
Total financing costs	59	61

10. Other financial (income) expense, net

For the six months ended 30 June, in millions of Swiss francs	2024	2023
Fair value and realised (gains) losses from derivatives instruments, net (at fair value through income statement)	(100)	15
Exchange (gains) losses, net	86	(14)
Unrealised (gains) losses from financial instruments measured at fair value through income statement	(13)	1
Interest (income)	(17)	(3)
Capital taxes and other non-business taxes	5	3
Other (income) expense, net	9	7
Total other financial (income) expense, net	(30)	9

11. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the net income attributable to shareholders by the weighted average number of shares outstanding:

For the six months ended 30 June	2024	2023
Income attributable to equity holder of the parent (in millions of Swiss francs)	588	449
Weighted average number of shares outstanding		
Ordinary shares	9,233,586	9,233,586
Treasury shares	(11,542)	(11,996)
Net weighted average number of shares outstanding	9,222,044	9,221,590
Basic earnings per share (CHF)	63.76	48.69

Diluted earnings per share

For the calculation of diluted earnings per share, the weighted average number of shares outstanding is adjusted to assume conversion of all potentially dilutive shares:

For the six months ended 30 June	2024	2023
Income attributable to equity holder of the parent (in millions of Swiss francs)	588	449
Weighted average number of shares outstanding for diluted earnings per share of 37,923 (2023: 31,080)	9,259,967	9,252,670
Diluted earnings per share (CHF)	63.50	48.53

Notes to the interim condensed consolidated financial statements (unaudited)

12. Debt

2024 in millions of Swiss francs	Bank borrowings	Bank facility	Bank overdrafts	Public bonds	Private placements	Total short-term and long-term debt	Total lease liabilities	Total debt
Balance as at 1 January	119		-	4,143	236	4,498	407	4,905
Cash flows	455		-	(150)		305	(30)	275
Non-cash changes								
- Amortisation of debt discount				1		1	5	6
- Currency effects	5			92	11	108	10	118
- Lease liabilities							17	17
Balance as at 30 June	579		-	4,086	247	4,912	409	5,321
Within 1 year	540		-	200	247	987	46	1,033
Within 1 to 3 years	39			1,260		1,299	72	1,371
Within 3 to 5 years				300		300	59	359
Thereafter				2,326		2,326	232	2,558
Balance as at 30 June	579		-	4,086	247	4,912	409	5,321

2023 in millions of Swiss francs	Bank borrowings	Bank facility	Bank overdrafts	Public bonds	Private placements	Total short-term and long-term debt	Total lease liabilities	Total debt
Balance as at 1 January	258	391		3,564	391	4,604	401	5,005
Cash flows	(115)	(382)	-	734	(135)	102	(56)	46
Non-cash changes								
- Amortisation of debt discount				2		2	9	11
- Currency effects	(24)	(9)		(157)	(20)	(210)	(26)	(236)
- Lease liabilities							79	79
Balance as at 31 December	119		-	4,143	236	4,498	407	4,905
Within 1 year	61		-	150	186	397	45	442
Within 1 to 3 years	37			814	50	901	68	969
Within 3 to 5 years	21			763		784	57	841
Thereafter				2,416		2,416	237	2,653
Balance as at 31 December	119		-	4,143	236	4,498	407	4,905

Notes to the interim condensed consolidated financial statements (unaudited)

Details of the Group's various debt transactions are as follows:

Issuer	Issue date	Type of debt	Currency of principal	Principal amount in millions	Redeemable	Interest rate	Type of interest	30 June 2024	31 Dec 2023
								In millions of Swiss francs	
Givaudan United States, Inc.	2012	Private Placement ^a	USD	60	06 Feb 2025	3.450%	Fixed	54	50
	2014	Public bonds	CHF	150	19 Mar 2024	1.750%	Fixed	Reimbursed	150
	2016			200	05 Dec 2031	0.625%		200	200
	2017	Private Placement	EUR	200	20 Dec 2024	1.331%	Fixed	193	186
				CHF	200	09 Apr 2025		0.375%	200
	2018		EUR	500	17 Sep 2025	1.125%	Fixed	480	464
				800	17 Sep 2030	2.000%		768	741
	2020	Public bonds	CHF	150	10 Nov 2028	0.150%	Fixed	150	150
	2021			150	07 Jun 2027	0.125%		150	150
				150	07 Jun 2030	0.375%		150	150
2022	150			15 Jun 2026	1.125%	150		150	
	150			15 Jun 2029	1.625%	150		150	
2023	250	23 May 2031	2.375%	250	250				
2024	Other local borrowings	EUR	190	04 Jul 2024	Floating	183			
			USD	100		25 Jul 2024	90		
Givaudan Finance Europe BV	2020	Public bonds	EUR	500	22 Apr 2027	1.000%	Fixed	480	463
				500	22 Apr 2032	1.625%		479	462
	2023	Other local borrowings	EUR	40	26 Apr 2024	4.200%	Fixed	479	463
	2024			237	Various maturities	3.883%		227	37
				2023	1			1.180%	Fixed
Other entities	2023	Other local borrowings	CNY	663	Various maturities	Floating	Floating	72	79
				2024				580	7
	2023		160						
	2024		700						
	2023		1	8.380%				Fixed	Reimbursed
Total short-term and long-term debt ^b								4,912	4,498

a) There are various covenants contained in these transactions covering conditions on net worth, indebtedness and EBITDA ratio to net interest expense of Givaudan United States, Inc. The company is and has been in full compliance with the covenants set.

b) The fair value of the short-term and long-term debt is approximately 3% lower than its carrying value as at 30 June 2024 (31 December 2023: 2%).

13. Equity

At the Annual General Meeting held on 21 March 2024 the distribution of an ordinary dividend of CHF 68.00 per share (2023: ordinary dividend of CHF 67.00 per share) was approved. The dividend payment has been paid out of available retained earnings. At 30 June 2024 the share capital amounts to CHF 92,335,860, divided into 9,233,586 fully paid-up registered shares with a nominal value of CHF 10.00 each. Each share gives the right to one vote.

14. Own equity instruments

The Group holds own equity instruments and derivatives on own shares mainly to cover the anticipated obligations related to the executive share plans. At 30 June 2024 the Group held 7,340 own shares (2023: 6,337), as well as derivatives on own shares, equating to a total long position of 22,093 (2023: 25,500).

15. Contingent liabilities

From time to time and in varying degrees, Group operations and earnings continue to be affected by political, legislative, fiscal and regulatory developments, including those relating to environmental protection, in the countries in which it operates.

The activities in which the Group is engaged are also subject to physical risks of various kinds. The nature and frequency of these developments and events, not all of which are covered by insurance, as well as their effect on the future operations and earnings are not predictable.

Givaudan Group companies are involved in various legal and regulatory proceedings of a nature considered typical of its business, including contractual disputes and employment litigation.

Givaudan Flavors Corporation has been named as a defendant in numerous lawsuits and Ungerer & Company is named in one lawsuit that were brought against them and other flavour and raw chemical supply companies. The plaintiffs allege that they sustained pulmonary injuries due to flavours that contain diacetyl, 2,3 pentanedione and other flavouring chemicals. To date, many of the cases filed against the Group's affiliates have been settled or dismissed, however, numerous new cases have been filed. The Group has already recovered a portion of the prior defence and settlement costs from its insurance policies, and will continue to recover a portion of such future costs.

Givaudan is part of an industry-wide investigation by European, UK, US and Swiss competition authorities in relation to certain activities within the Fragrance industry. Givaudan is fully cooperating with the authorities in this respect and as the investigation has not reached any conclusion, Givaudan is not in a position to estimate any financial impact arising therefrom.

Alternative Performance Measures

Appendix to the 2024 Half Year Results

Introduction

The Directive Alternative Performance Measures (DAPM) prescribes that clear and comprehensible definitions must be disclosed for all alternative performance measures used. Also, for alternative performance measures that are based on a measure included in the financial statements prepared in accordance with recognised accounting standards and which have been adjusted by adding or omitting specific items, a reconciliation statement must be disclosed to a comparable measure in the financial statement according to the recognised accounting standard. Significant reconciliation items must be explained.

Givaudan's Alternative Performance Measures

In the 2024 Half Year Results Media Release and on pages 9–11 of the 2024 Half Year Report, the Group uses a number of Alternative Performance Measures that are listed and defined below.

Like-for-Like (LFL)

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.

Reconciliation tables of the LFL sales to the reported sales in accordance with IFRS have been included in the 2024 Half Year Results Media Release.

EBITDA

EBITDA defined as Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

For the six months ended 30 June, in millions of Swiss francs	2024	2023
Income for the period	588	449
Interest and other financial (income) expense, net	29	70
Income taxes	112	67
Operating income	729	586
Depreciation	101	101
Amortisation	72	76
Impairment	4	–
EBITDA	906	763

Comparable EBITDA

Comparable EBITDA is the reported EBITDA, as adjusted for significant items of a non-recurring nature which have an impact on the understanding of the underlying normal operating activities.

A reconciliation table of the published EBITDA to the Comparable EBITDA (EBITDA as defined in the section EBITDA above) has been included in the 2024 Half Year Results Media Release. In that reconciliation table, all significant one-off items have been explained.

Alternative Performance Measures Appendix to the 2024 Half Year Results

Free Cash Flow (FCF)

FCF refers to operating cash flow after net investments, interest paid, lease payments and purchase and sale of own equity instruments.

For the six months ended 30 June, in millions of Swiss francs	2024	2023
Cash flows from (for) operating activities	427	340
Purchase of property, plant and equipment	(115)	(105)
Proceeds from the disposal of property, plant and equipment	5	2
Purchase of intangible assets	(17)	(25)
Proceeds from the disposal of intangible assets	–	–
Interest paid	(38)	(47)
Lease payments	(30)	(31)
Purchase and sale of own equity instruments, net	(35)	(30)
Free cash flow (FCF)	197	104
Sales	3,737	3,535
Free cash flow (FCF) as a % of sales	5.3%	2.9%

Does not include the acquisition of assets in the form of an asset deal.

Net debt to EBITDA Ratio

The Net debt to EBITDA ratio is calculated as follows:

In millions of Swiss francs	30 June 2024	31 December 2023
Short-term debt	1,033	442
Long-term debt	4,288	4,463
Less: cash and cash equivalents	(603)	(600)
Net debt	4,718	4,305
EBITDA^a	1,616	1,473
Net debt to EBITDA ratio	2.92	2.92
Comparable EBITDA ^a	1,673	1,547
Net debt to Comparable EBITDA ratio	2.82	2.78

a) The EBITDA and comparable EBITDA for 30 June 2024 are based on 12 months performance from 1 July 2023 to 30 June 2024.

