



Company news

Ad hoc announcement pursuant to article 53 LR
Geneva, 28 January 2022

2021 Full Year Results

Strong start to the 2025 strategic cycle

- Sales of CHF 6.7 billion, up 7.1% on a like-for-like¹ basis and 5.7% in Swiss francs
- Strong sales across all markets and with all customer groups
- All 2025 strategic focus areas on track and contributing to the results
- EBITDA² of CHF 1,482 million, an increase of 6.0% over 2020
- EBITDA margin of 22.2%, versus 22.1% in 2020
- Comparable EBITDA³ margin of 22.5% compared to 22.8% in 2020
- Net income of CHF 821 million, an increase of 10.5% over 2020
- Free cash flow⁴ of 12.6% of sales or CHF 843 million
- Proposed dividend of CHF 66.00 per share, up 3.1% year-on-year

Business Performance

Givaudan Group full year sales were CHF 6,684 million, an increase of 7.1% on a like-for-like basis and 5.7% in Swiss francs when compared to 2020.

Fragrance & Beauty sales were CHF 3,091 million, an increase of 6.6% on a like-for-like basis and 5.8% in Swiss francs.

Taste & Wellbeing sales were CHF 3,593 million, an increase of 7.6% on a like-for-like basis and 5.7% in Swiss francs.

As the COVID-19 pandemic continued to have an impact on a global level, Givaudan sustained good business momentum whilst maintaining its operations and global supply chain at a high level, despite ongoing challenges in certain parts of the supply chain. The strong sales growth was achieved across all product segments and geographies, with the mature markets growing at 6.3% and the high growth markets at 8.3% on a like-for-like basis. In Fragrance & Beauty the product segments most affected in the first phases of the COVID-19 pandemic, namely Fine Fragrances and to a lesser extent Active Beauty, delivered excellent double-digit growth in 2021, demonstrating strong consumer demand for these product categories. In Taste & Wellbeing, there was excellent sales growth in the beverage, savoury and snacks categories, as well as in the strategic focus areas of plant-based proteins, health and wellness and naturals. In addition, there was a progressive recovery in the foodservice segment, as restrictions in relation to out-of-home food and beverage consumption started to be eased in certain markets.

With higher input costs in 2022, the company is implementing price increases in collaboration with its customers to fully compensate for the increases in input costs.





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"I am very pleased with the successful start that we have made into our 2025 strategic cycle, with all parts of our business and our strategic focus areas contributing to the strong financial results that we have achieved in 2021," said CEO Gilles Andrier. "With the continuing challenges of the COVID-19 pandemic during 2021, I am extremely grateful to all of the Givaudan employees around the world for their continued focus and commitment in supporting our customers throughout the difficult conditions we have faced over the last two years."

Gross Margin

The gross profit increased by 7.4% from CHF 2,659 million in 2020 to CHF 2,855 million in 2021. Due to the operating leverage related to the strong sales volume growth and continued cost discipline, the gross margin increased to 42.7% in 2021 compared to 42.1% in 2020.

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

The EBITDA² increased by 6.0% to CHF 1,482 million in 2021 compared to CHF 1,397 million in 2020, whilst the EBITDA margin was 22.2% in 2021 compared to 22.1% in 2020. On a comparable basis³, the EBITDA margin was 22.5% in 2021 compared to 22.8% in 2020.

in millions of Swiss francs	2021			2020		
	Group	Fragrance & Beauty	Taste & Wellbeing	Group	Fragrance & Beauty	Taste & Wellbeing
EBITDA as published	1,482	696	786	1,397	677	720
EBITDA as published in %	22.2	22.5	21.9	22.1	23.2	21.2
Givaudan Business Solutions (GBS) costs ^a	0	0		-6	-6	
Acquisition and restructuring expenses ^b	-22	-2	-20	-39	-7	-32
Comparable EBITDA	1,504	698	806	1,442	690	752
Comparable EBITDA in %	22.5	22.6	22.4	22.8	23.6	22.1

- In 2020 the Group incurred costs of CHF 6 million in relation to the finalisation of the implementation of the Givaudan Business Solutions organisation. No further costs were incurred in 2021.
- Acquisition and restructuring expenses incurred of CHF 22 million (2020: CHF 39 million) are largely related to the acquisitions that the Group has undertaken and the ongoing optimisation of the manufacturing footprint.

Operating Income

The operating income was CHF 1,089 million compared to CHF 996 million, an increase of 9.3% versus 2020. The operating margin was 16.3% in 2021 compared to 15.8% in 2020.



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Financial Performance

Financing costs in 2021 were CHF 94 million versus CHF 86 million in 2020, largely related to the increase in the net debt of the Group in connection with the acquisitions that the Group has made. Other financial expense, net of income, was CHF 30 million in 2021 compared with CHF 34 million in 2020.

The income tax expense as a percentage of income before taxes was 15%, compared to 15% in 2020.

Net Income

The net income was CHF 821 million in 2021 compared to CHF 743 million in 2020, an increase of 10.5%, resulting in a net profit margin of 12.3% versus 11.8% in 2020. Basic earnings per share were CHF 89.03 compared to CHF 80.59 for the same period in 2020.

Cash Flow

Givaudan delivered an operating cash flow of CHF 1,288 million in 2021, compared to CHF 1,189 million in 2020.

Net working capital as a percentage of sales was 24.0%, compared to 24.4% in 2020.

Total net investments in property, plant and equipment were CHF 177 million, compared to CHF 180 million in 2020, as the Group continues to invest in expanding its capabilities in high growth markets.

Intangible asset additions were CHF 70 million in 2021, compared to CHF 37 million in 2020 as the Company continued to invest in its IT platform capabilities, including those related to the integration of the acquisitions that the Group has made.

Total net investments in tangible and intangible assets were 3.7% of sales in 2021, compared to 3.4% in 2020.

Operating cash flow after net investments was CHF 1,041 million in 2021, versus CHF 972 million in 2020. Free cash flow⁴ was CHF 843 million in 2021, versus CHF 811 million for the comparable period in 2020. As a percentage of sales, free cash flow in 2021 was 12.6%, compared to 12.8% in 2020.

Financial Position

Givaudan's financial position remained solid at the end of the year. Net debt at December 2021 was CHF 4,394 million, compared to CHF 4,040 million at December 2020, with the increase driven by the acquisitions of DDW and Custom Essence. At the end of December 2021 the leverage ratio⁵ was 51%, compared to 50% at the end of 2020. The net debt to EBITDA ratio⁶ was 2.97, compared to 2.89 at December 2020.



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Dividend Proposal

At the Annual General Meeting on 24 March 2022, Givaudan's Board of Directors will propose a cash dividend of CHF 66.00 per share for the financial year 2021, an increase of 3.1% versus 2020. This is the twenty-first consecutive dividend increase following Givaudan's listing at the Swiss stock exchange in 2000.

2025 guidance: Committed to Growth, with Purpose

The Company's 2025 ambition is to deliver sustainable value creation for all stakeholders. Givaudan's 2025 strategy is fully in line with its purpose and places customers at the heart of its business, supporting them to grow and create products that are loved by consumers.

The 2025 strategy is focussed around three growth drivers, 'Expand the portfolio', 'Extend customer reach' and 'Focussed market strategies' and is supported by four growth enablers, which are aligned with the Company's purpose domains, namely creations, nature, people and communities. These three growth drivers and four enablers are all underpinned by a commitment to 'Excellence, Innovation & Simplicity – in everything we do'.

Ambitious targets are an integral part of Givaudan's 2025 strategy, with the Company aiming to achieve organic sales growth of 4-5% on a like-for-like basis and free cash flow⁴ of at least 12%, both measured as an average over the five-year period strategy cycle. In addition, the Company aims to deliver on key non-financial targets around sustainability, diversity and safety, linked to Givaudan's purpose.

Givaudan's purpose

The Company's purpose, 'Creating for happier, healthier lives with love for nature. Let's imagine together', is at the heart of its strategy. Under the purpose, Givaudan has defined bold and ambitious goals in four domains, namely creations, nature, people and communities. These ambitions include doubling its 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.



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Key Figures

For the twelve months ended 31 December, in millions of Swiss francs except per share data	2021	2020
Group Sales	6,684	6,322
Fragrance & Beauty sales	3,091	2,924
Taste & Wellbeing sales	3,593	3,398
Gross profit	2,855	2,659
as % of sales	42.7%	42.1%
EBITDA²	1,482	1,397
as % of sales	22.2%	22.1%
Operating income	1,089	996
as % of sales	16.3%	15.8%
Income attributable to equity holders of the parent	821	743
as % of sales	12.3%	11.8%
Earnings per share – basic (CHF)	89.03	80.59
Operating cash flow^a	1,288	1,189
as % of sales	19.3%	18.8%
Free cash flow	843	811
as % of sales	12.6%	12.8%

a. After careful consideration with the Group auditors, the Group has determined that purchase and sale of own equity instruments relates to financing activities and has been reclassified from cash flows from (for) operating activities into cash flows from (for) financing activities.

in millions of Swiss francs, except for employee data	31 December 2021	31 December 2020
- Current assets	3,406	3,299
- Non-current assets	8,014	7,359
Total assets	11,420	10,658
- Current liabilities	2,318	1,796
- Non-current liabilities	5,161	5,354
- Equity	3,941	3,508
Total liabilities and equity	11,420	10,658
Number of employees	16,842	15,852



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Sales performance – January to December

in millions of Swiss francs	2020 Sales as reported	Like-for-like development ¹	2021 Sales like-for-like ¹	Change % on like-for-like basis ¹	Acquisition impact (net) ^a	Currency effects	2021 Sales as reported	Change % in Swiss francs
Group	6,322	452	6,774	7.1%	(12)	(78)	6,684	5.7%
- Fragrance & Beauty	2,924	194	3,118	6.6%	10	(37)	3,091	5.8%
- Taste & Wellbeing	3,398	258	3,656	7.6%	(22)	(41)	3,593	5.7%

a. Acquisition impact (net) in millions of Swiss francs

Acquired Company	Sales included from	Group	Fragrance & Beauty	Taste & Wellbeing
Ungerer	February 2020	13	4	9
Cosmetics business of Indena	May 2020	4	4	
Myrissi	April 2021	-	-	
Custom Essence	December 2021	2	2	
DDW	December 2021	10		10
Discontinued and disposed business		(41)		(41)
Total		(12)	10	(22)

Sales performance – October to December (quarter only)

in millions of Swiss francs	2020 Sales as reported	Like-for-like development ¹	2021 Sales like-for-like ¹	Change % on like-for-like basis ¹	Acquisition impact (net)	Currency effects	2021 Sales as reported	Change % in Swiss francs
Group	1,532	81	1,613	5.3%	4	1	1,618	5.6%
- Fragrance & Beauty	725	10	735	1.4%	2	3	740	2.1%
- Taste & Wellbeing	807	71	878	8.8%	2	(2)	878	8.8%

Sales evolution by market – January to December

in millions of Swiss francs	2020 Sales as reported	Like-for-like development ¹	2021 Sales like-for-like ¹	Change % on like-for-like basis ¹	Acquisition impact (net)	Currency effects	2021 Sales as reported	Change % in Swiss francs
Mature markets	3,646	230	3,876	6.3%	(9)	(36)	3,831	5.1%
High growth markets	2,676	222	2,898	8.3%	(3)	(42)	2,853	6.6%



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Sales evolution by region – January to December

in millions of Swiss francs	2021 Sales as reported	2020 Sales as reported	Change % on like-for- like basis ¹	Change % in Swiss francs
LATAM	723	674	14.4%	7.3%
APAC	1,688	1,602	5.7%	5.4%
NOAM	1,824	1,768	4.8%	3.2%
EAME	2,449	2,278	7.8%	7.5%

Givaudan Fragrance & Beauty

Fragrance & Beauty sales were CHF 3,091 million, an increase of 6.6% on a like-for-like basis and 5.8% in Swiss francs. This sales growth was mainly driven by the rebound of the Fine Fragrances and Active Beauty businesses which were particularly impacted by the COVID-19 pandemic in 2020.

Total sales for Fragrance Compounds (Fine Fragrances and Consumer Products combined) increased by 5.5% on a like-for-like basis. In Swiss francs, sales of compounds increased to CHF 2,640 million from CHF 2,529 million in 2020.

Fine Fragrances sales increased by 22.5% on a like-for-like basis against a comparable sales decline of 6.0% in the prior year. After the significant negative impact of the COVID-19 pandemic in 2020, sales rebounded across all regions and customer groups, driven by the high performance of existing business and by a significant level of new wins.

Consumer Products sales increased by 1.5% on a like-for-like basis against a strong comparable growth of 9.1% in 2020, which was driven by an increased demand for household, health and personal care products related to the COVID-19 pandemic. The sales growth in 2021 was achieved mainly in the high growth markets and across all customer groups.

Sales of Fragrance Ingredients and Active Beauty increased by 14.2% on a like-for-like basis, with strong double-digit growth in Active Beauty and a strong single-digit growth in Fragrance Ingredients.

The EBITDA of Fragrance & Beauty increased to CHF 696 million in 2021 compared to CHF 677 million in 2020, an increase of 2.7%. The increase was mainly driven by higher sales and the contribution of the recent acquisitions in terms of growth and synergies, offset by increased pressure on supply chain costs across the business.

The EBITDA margin was 22.5% in 2021 compared to 23.2% in 2020. On a comparable basis the EBITDA margin of Fragrance & Beauty was 22.6% in 2021 compared to 23.6% in 2020.



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The operating income increased to CHF 547 million in 2021 versus CHF 536 million for the same period in 2020. The operating margin was 17.7% in 2021 compared to 18.4% in 2020.

Fine Fragrances

Fine Fragrances sales increased by 22.5% on a like-for-like basis compared with a decline of 6.0% in the previous year. After the significant negative impact of the COVID-19 pandemic in 2020, sales rebounded across all regions and customer groups driven by the high performance of existing business and by a significant level of new wins.

All regions delivered strong sales performance with both mature and high growth markets delivering double-digit sales growth. The Western Europe and Middle East regions had the most significant results with both recording strong double-digit sales growth. All customer groups contributed to the excellent results, with local and regional, as well as customers of prestige brands recording double-digit growth.

Consumer Products

Consumer Products sales increased by 1.5% on a like-for-like basis against a strong comparable growth of 9.1% in 2020, which was driven by an increased demand for household, health and personal care products related to the COVID-19 pandemic. The sales growth in 2021 was delivered mainly in high growth markets and across all customer groups.

On a regional basis, Latin America reported double-digit sales growth spread across most sub-regions and led by international customers. In Asia, the sales growth was driven by local and regional customers, with China delivering high single-digit growth. Europe, Africa and the Middle East sales were flat versus a high prior year comparable, whilst sales in North America declined slightly, also against double-digit comparable growth in 2020.

On a product segment basis, the sales growth was led by Fabric Care followed by Personal Care.

Fragrance Ingredients and Active Beauty

Sales of Fragrance Ingredients and Active Beauty increased by 14.2% on a like-for-like basis. Active Beauty saw a very strong rebound in 2021 and reported strong double-digit growth in both high growth and mature markets, most notably driven by the strong double-digit performance of the premium active ingredients. Fragrance Ingredients delivered a strong single-digit growth in 2021.



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Givaudan Taste & Wellbeing

Taste & Wellbeing sales were CHF 3,593 million, an increase of 7.6% on a like-for-like basis and an increase of 5.7% in Swiss francs.

The strong sales performance was driven by new wins and good business momentum across all regions and customer groups. Whilst the sales performance was still impacted by the COVID-19 pandemic across many countries, there was a continuing recovery from the second quarter of 2021, as increasing vaccination rates and progressive reopening resulted in a higher demand for foodservice products, which had been the most impacted business area in 2020.

In the key strategic focus areas, sales increased double-digit in plant-based proteins and high single-digit in health and wellness and naturals.

From a segment perspective, the strong sales performance was achieved across all segments and mainly by beverages, savoury and snacks.

The EBITDA of Taste & Wellbeing increased to CHF 786 million from CHF 720 million in 2020, an increase of 9.2% compared to 2020, with good operating leverage and continuing cost discipline contributing to the increase. The EBITDA margin increased to 21.9% in 2021, from 21.2% in 2020. On a comparable basis the EBITDA margin of Taste & Wellbeing improved to 22.4% in 2021 compared to 22.1% in 2020.

The operating income increased to CHF 542 million in 2021 from CHF 460 million in 2020, an increase of 17.8%. The operating margin increased to 15.1% in 2021 compared to 13.5% in 2020.

Asia Pacific

Sales in Asia Pacific increased by 7.4% on a like-for-like basis. In the high growth markets, China and Malaysia delivered strong double-digit performance, followed by solid single-digit growth in Indonesia and Vietnam. In the mature markets, the growth was driven by Singapore, Australia and Korea.

From a segment perspective the growth was achieved mainly in beverages, dairy, snacks and savoury.

South Asia, Africa and the Middle East (SAMEA)

Sales in South Asia, Africa and the Middle East increased by 6.1% on a like-for-like basis. Double-digit growth was achieved in India, Cameroon and Nigeria. Egypt and South Africa, which were still heavily impacted by the COVID-19 pandemic, showed mid to high single-digit performance.

The sales growth of the region was driven by the beverages, dairy and snack segments.



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Europe

Sales in Europe increased by 6.3% on a like-for-like basis. The mature markets of Italy and Ireland achieved double-digit growth followed mid to high single-digit growth in Germany, Belgium and Spain. In the high growth markets there was excellent business momentum driven by double-digit growth in Russia and Poland.

From a segment perspective, the growth was mainly achieved in beverages, sweet goods, savoury and snacks.

North America

On a like-for-like basis, sales in North America increased by 5.8%, driven by strong performance in the Beverages and Savoury segments. The performance was a result of new wins, a rebound in Foodservice and the growth of existing business in Beverages, immunity products, Savoury, and Sweet Goods.

Latin America

Sales in Latin America increased 19.3% on a like-for-like basis, led by strong double-digit volume growth in Mexico, Brazil, Colombia, Chile and Argentina, and across all segments.

The Group has aligned the reporting of the regional performance of Givaudan Taste & Wellbeing with changes in the management structure of the business, effective 1 January 2021. For information, the comparable growth for 2020 for South Asia, Africa and the Middle East was 0.7% and for Europe 1.6% respectively.

Annual General Meeting 2022

At the Annual General Meeting on 24 March 2022, all current Board members will stand for re-election. In addition, the Board of Directors will propose to the Annual General Meeting of shareholders on 24 March 2022 to elect Tom Knutzen as a new Board member, with effect as of the date of the Annual General Meeting of shareholders. All Board members will be elected for a term of office ending at the Annual General Meeting 2023.

The 2021 Integrated Annual Report can be downloaded on www.givaudan.com – investors – financial results – results centre. Further information and reconciliations of the Group's Alternative Performance Measures can be found in the Appendix of the 2021 Financial Report

A conference call will be broadcast on 28 January 2022 at 15.00 CET on www.givaudan.com.



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Notes

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. Leverage ratio is defined as net debt divided by the sum of net debt and equity (as defined for leverage ratio).
6. 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, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

For further information please contact

Pierre Bénaich, Head of Investor and Media Relations

T +41 22 780 9053

E pierre.benaich@givaudan.com