

25 January 2024

# 2023 Full year results

Strong financial performance | Record free cash flow | 2025 Guidance on track

Givaudan  
Human by nature

# Performance highlights

Gilles Andrier  
Chief Executive Officer

# 2023 full year results

## Strong financial performance and record free cash flow

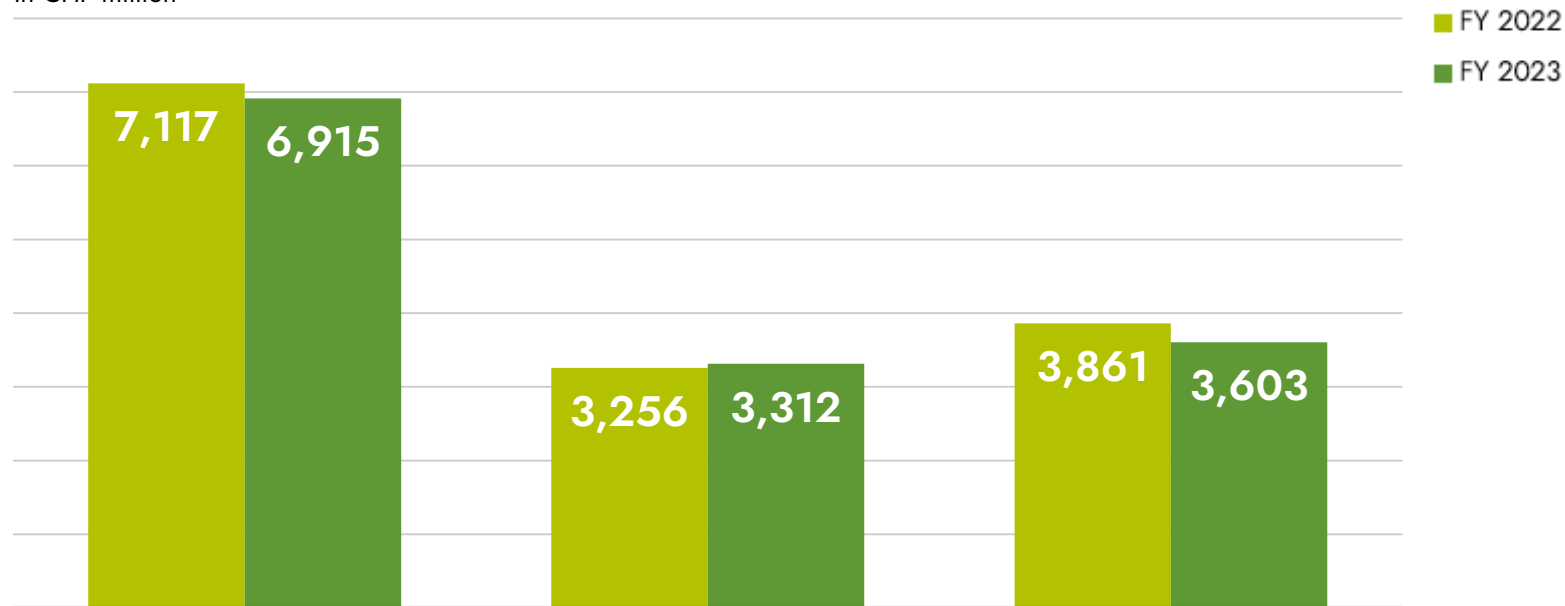
- Sales of CHF 6.9 billion, up 4.1% on a like-for-like\* basis and a decrease of 2.8% in Swiss francs
- Strong performance in high growth markets with 10.0% growth on a like-for-like\* basis
- EBITDA of CHF 1,473 million versus CHF 1,476 million in 2022 – EBITDA increased by 8.8% in local currency
- EBITDA margin of 21.3% compared to 20.7% in 2022
- Comparable EBITDA margin of 22.4% compared to 20.9% in 2022, driven by the improvement in the Gross Margin
- Record free cash flow of CHF 920 million, an increase of 92% over 2022, or 13.3% of sales
- Proposed dividend of CHF 68.00 per share, up 1.5% year-on-year and the twenty-third consecutive increase

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

# Sales performance

## Strong growth in Fragrance & Beauty

In CHF million



Group

Fragrance & Beauty

Taste & Wellbeing

4.1%

7.6%

1.1%

-2.8%

1.7%

-6.7%

5.3%

5.5%

5.2%

% 2023 growth on LFL\* basis

% 2023 growth in CHF

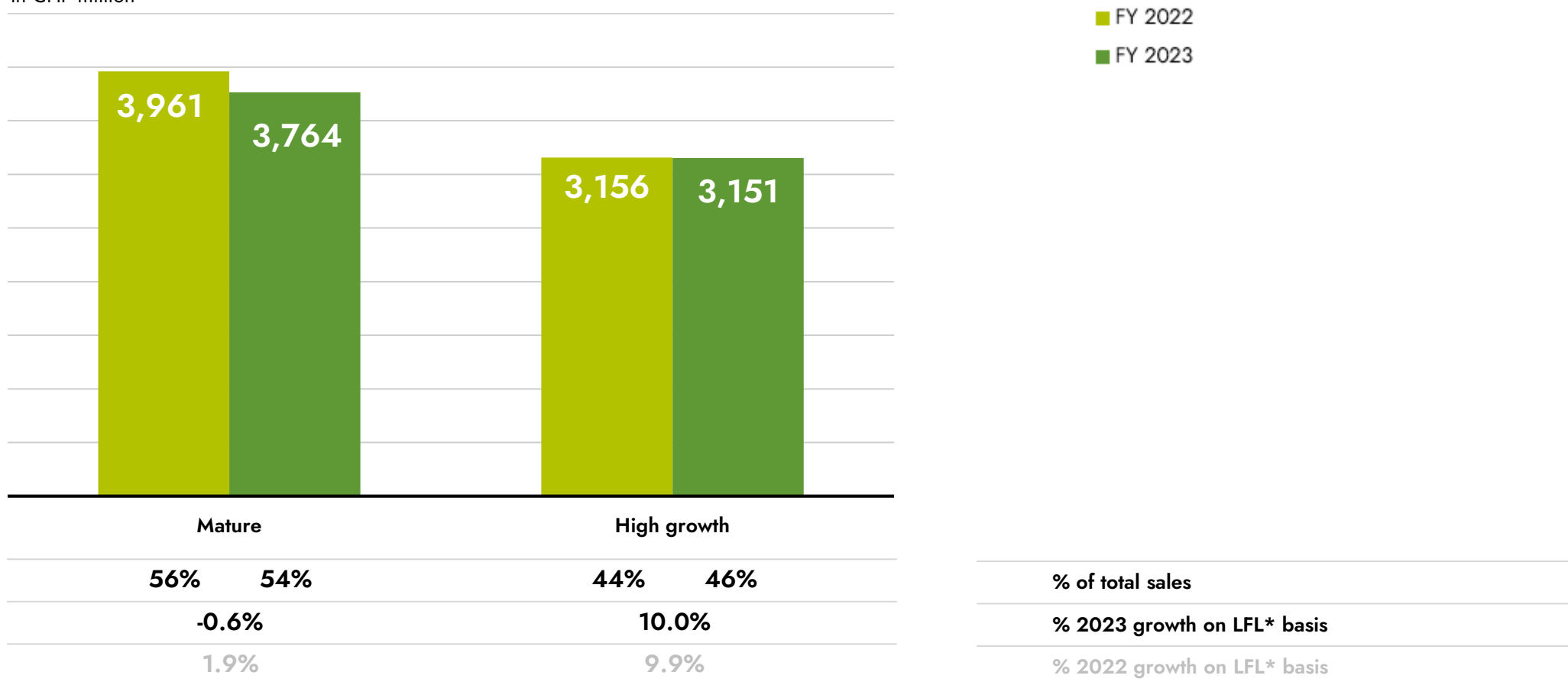
% 2022 growth in LFL\* basis

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

# Sales evolution by market

## Excellent performance in high growth markets

In CHF million

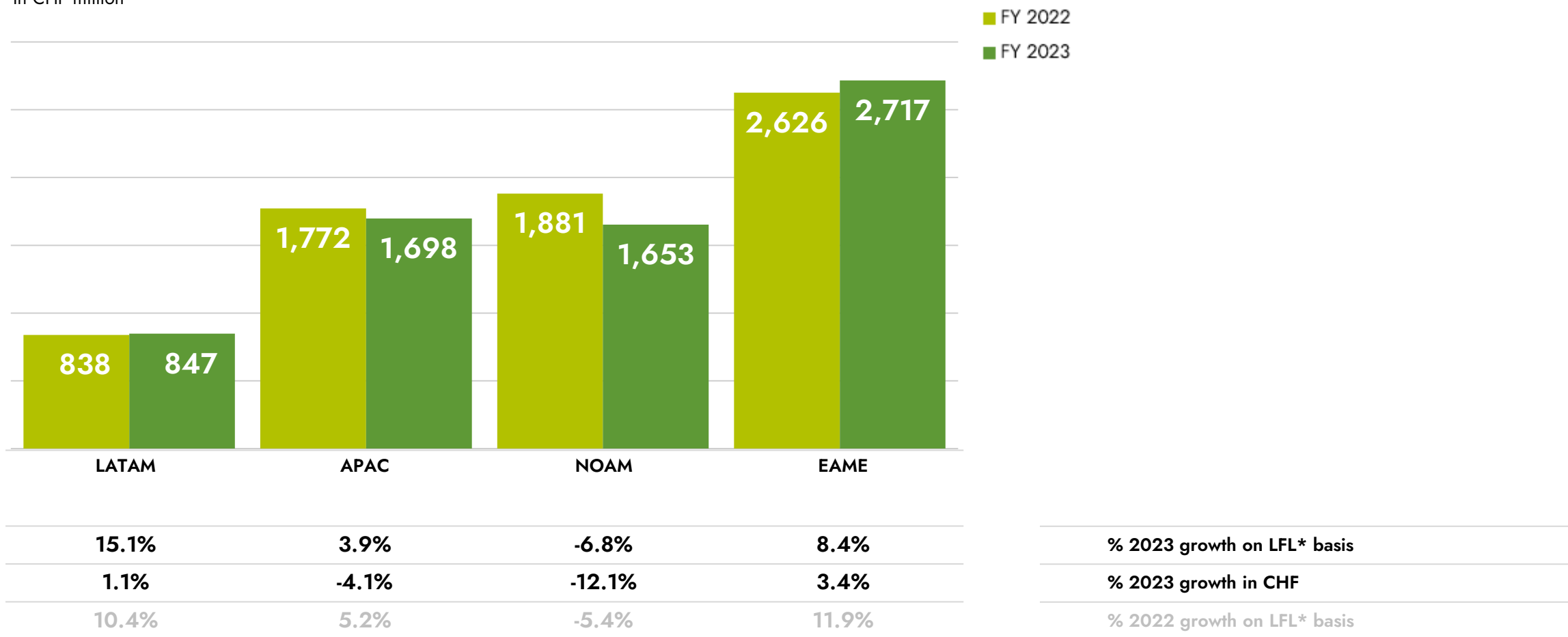


\* Like-for-like: excludes the impact of currency, acquisitions and disposals

# Sales evolution by region

## Sustained performance in LATAM and EAME

In CHF million

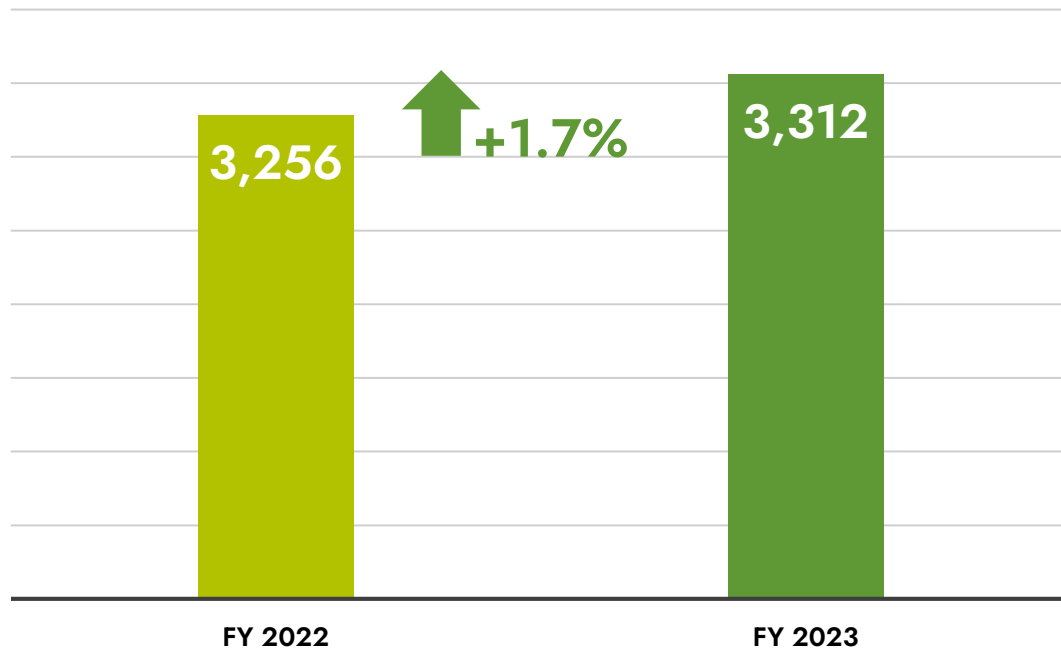


\* Like-for-like: excludes the impact of currency, acquisitions and disposals

# Fragrance & Beauty

## Sales growth of 7.6% on a LFL basis

In CHF million



### Fine Fragrance sales increased by 14.0% LFL

- Continuing excellent performance with sustained high levels of new business

### Consumer Product sales increased by 7.1% LFL

- Acceleration of the volume growth of our Consumer Products business in the second half of 2023

### Sales of Fragrance Ingredients and Active Beauty increased by 1.0%

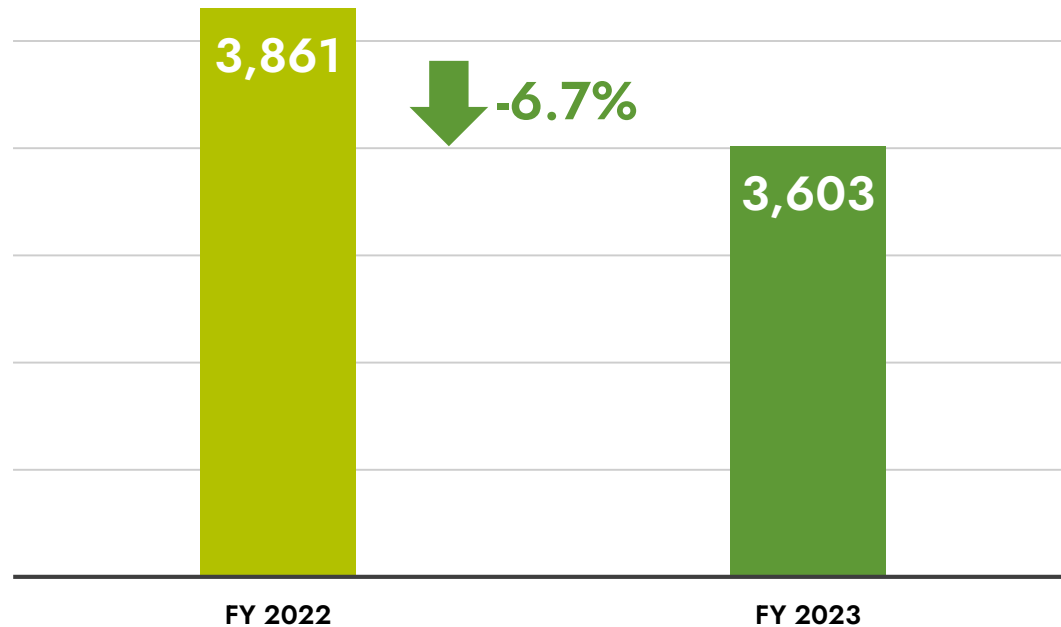
- Continued growth despite prior year strong comparable growth of 10.2%

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

# Taste & Wellbeing

## Sales growth of 1.1% on a LFL basis

In CHF million



### Sales by region

	2022 Sales Growth LFL	2023 Sales Growth LFL
Europe	11.1%	3.0%
South Asia, Middle East and Africa	17.6%	13.2%
North America	-6.4%	-7.5%
Latin America	16.7%	16.8%
Asia Pacific	5.3%	-2.6%
<b>Total</b>	<b>5.2%</b>	<b>1.1%</b>

### Sales commentary

- Very strong growth in Latin America and in SAMEA
- Weaker customer demand impacting volumes in North America and in Asia Pacific
- Double-digit growth in snacks and good performance of sweet goods, offset by weaker volumes in the other segments

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



# Key innovations addressing customer needs and consumer trends

## 2023 highlights



### Thimus

An agreement with neuroscience company Thimus adds to our digital capabilities with their TBox, a headset that records brain signals measuring four key mental states during taste tests. Using proprietary software and a cloud-based database, the tool delivers more complete and reliable insights on food and beverage experiences than traditional methods such as focus groups.



### Generative AI creation assistant

A proprietary AI model, trained on Givaudan knowledge and data. Supporting the creativity of our perfumers and flavourists.



### ScalpSure™

The new addition to our Zap portfolio, ScalpSure™ allows for the creation of fragrances that effectively counteract scalp malodour and provide a delightful, scented experience. Product development included an analysis of the olfactive challenge directly collected from consumers' hair.



### PrimalHyal™ Hydra[+]

We expand the boundaries of skin hydration. Our new cationic hyaluronic acid (HA), crafted by white biotechnology, is a unique cosmetic active outperforming standard HA hydration benefits by at least a factor of two. It brings instant and long-lasting moisturising efficacy to rinse-off and leave-on applications.



### eCommerce for local customers

Our expertise and assets available to small customers. Localised eCommerce experience piloted in Indonesia and in China



### Oatwell™

Our unique prebiotic fibre ingredient harnesses the natural goodness of oats to support gut health. With consumers actively seeking ways of optimising wellbeing and increasingly aware of the crucial role of gut health, Oatwell™ delivers nutritious and delightful food experiences with scientifically proven benefits in every bite.

# Givaudan leading the way in decarbonisation roadmap

## On track towards our climate ambitions

### Our actions to reach our ambitions

#### Our supply chain (scope 3)

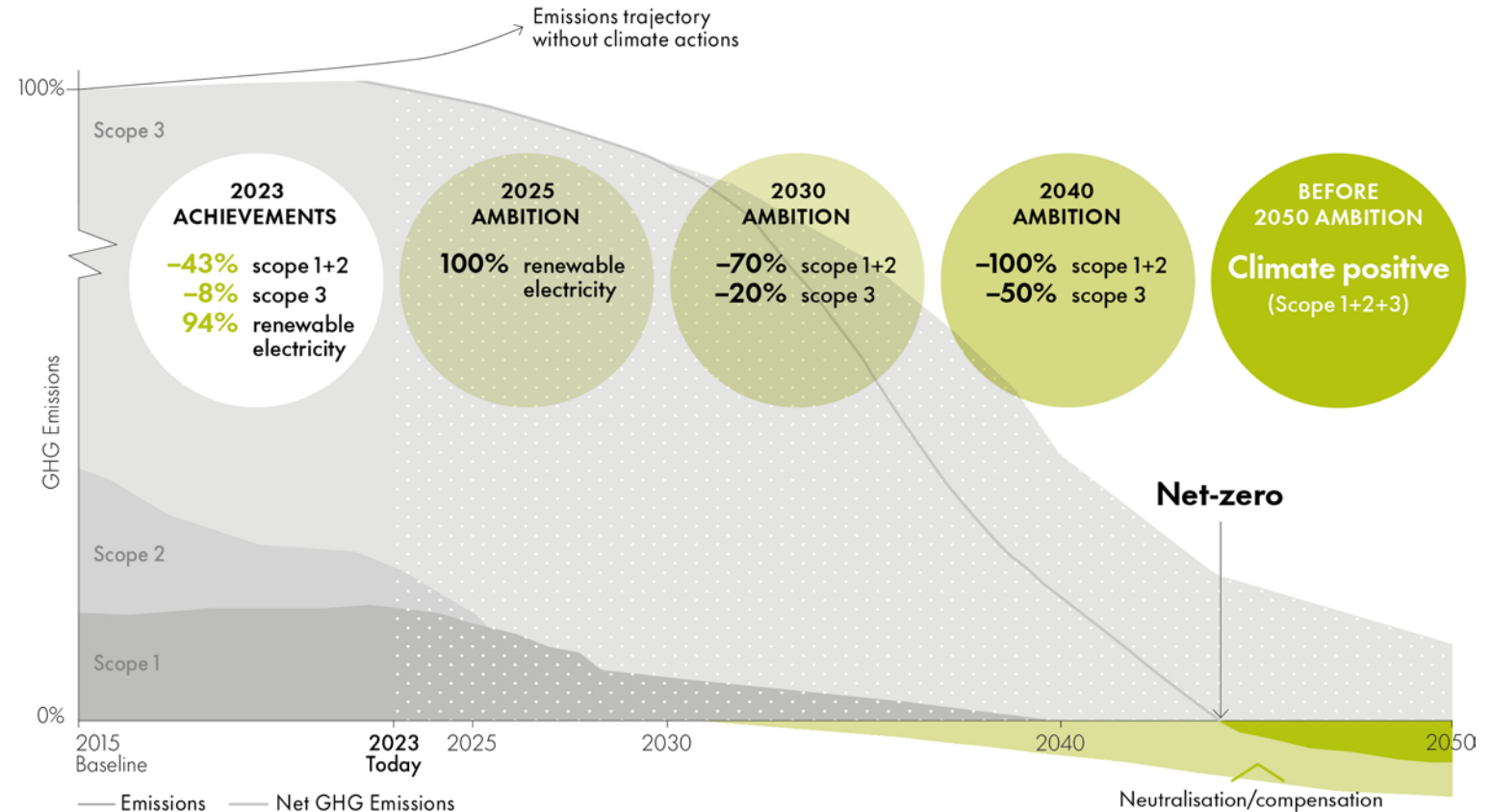
- › Sustainable procurement of ingredients
- › Low-carbon creations
- › Driving circularity and upcycling
- › Optimising packaging, logistics and transport of goods
- › Optimising business travel and employee commuting

#### Our operations (scope 1+2)

- › Energy efficiency
- › Renewable energy sources

#### Neutralisation/compensation

- › Natural Climate Solutions (NCS)
- › Carbon Capture, Storage and Removal technology (CCSR)



#### ENABLERS TO REACH OUR AMBITIONS

- › Supplier engagement
- › Innovation
- › Budget and financial mechanisms
- › Advocacy and promotion
- › Partnership and governance
- › Model enhancement

Illustrative representation

Givaudan

# Operating performance

Tom Hallam  
Chief Financial Officer

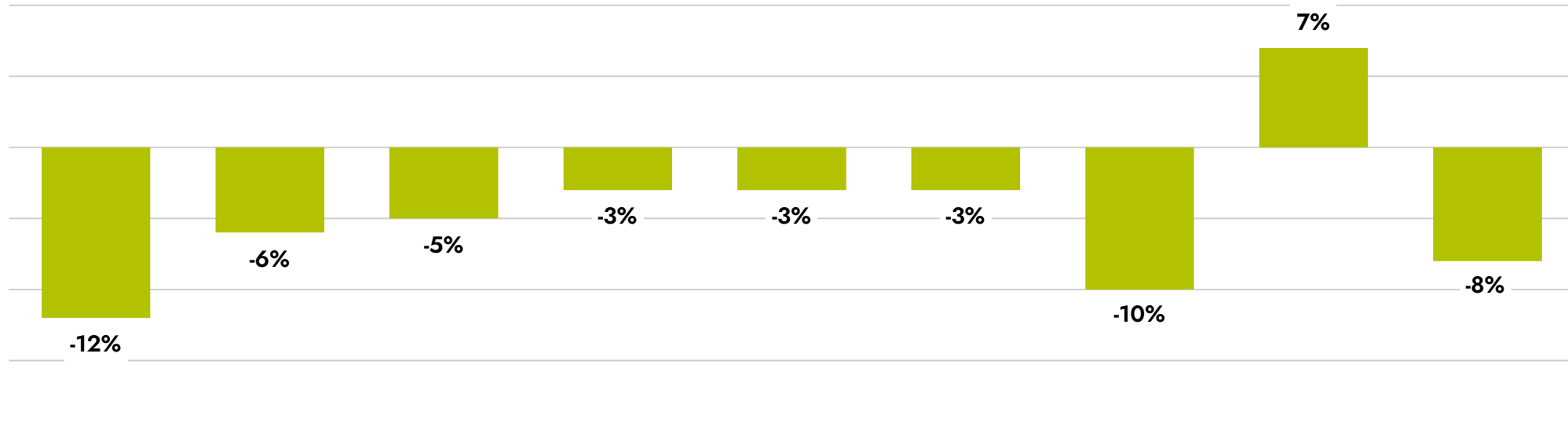
# 2023 Full year results

## Operating performance highlights

- Sales of CHF 6,915 million, up 4.1% on a like-for-like\* basis and a decrease of 2.8% in Swiss francs
- EBITDA of CHF 1,473 million compared to CHF 1,476 million in 2022
- Reported EBITDA margin of 21.3% compared to 20.7% in 2022, with the comparable EBITDA margin at 22.4% versus 20.9% in 2022
- Net income of CHF 893 million, up 4.3% year-on-year and an increase of 14.3% when measured in local currency terms
- Operating cash flow of CHF 1,373 million, an increase of 45% over 2022
- Record Free cash flow of CHF 920 million or 13.3% of sales
- Net debt to EBITDA of 2.9 compared to 3.7 at June 2023 and 3.1 at December 2022

# Exchange rate development

## Strengthening Swiss Franc against most currencies

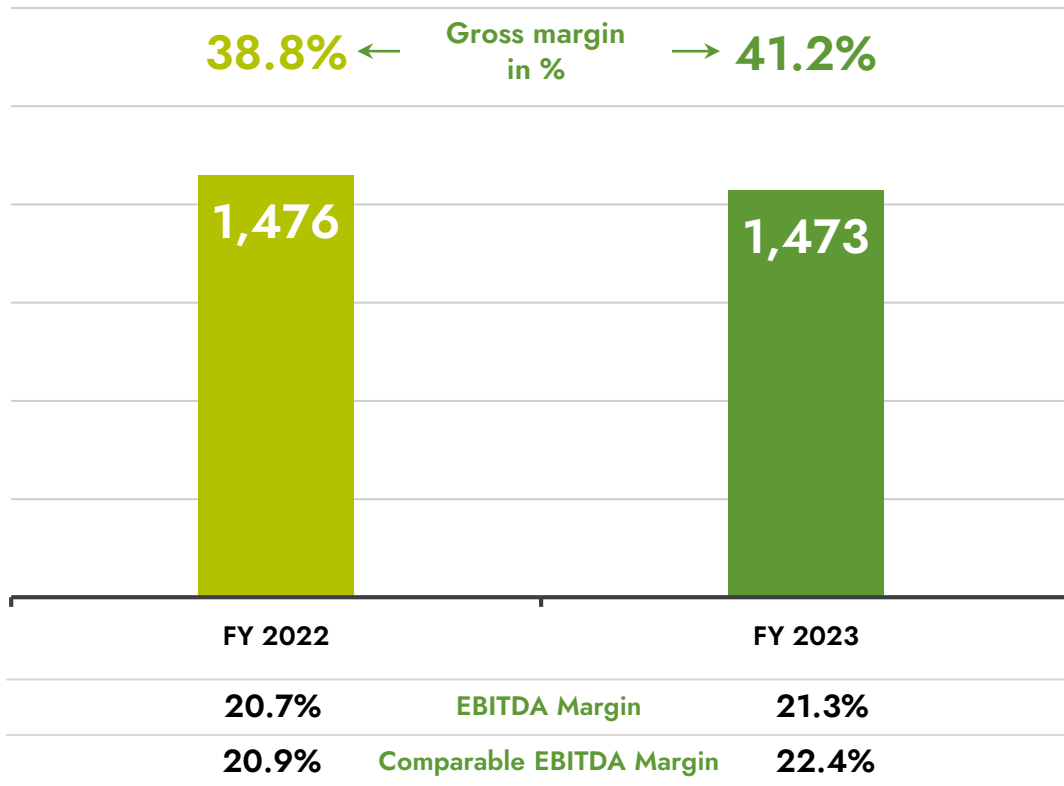


	JPY	USD	GBP	EUR	SGD	BRL	CNY	MXN	IDR
<b>FY 2023</b>	0.64	0.90	1.12	0.97	0.67	0.18	12.71	5.08	0.59
<b>FY 2022</b>	0.73	0.95	1.18	1.00	0.69	0.19	14.17	4.75	0.64
<b>Units</b>	100	1	1	1	1	1	100	100	10,000

# Operating performance

## Group

EBITDA in CHF million



**Sales** of CHF 6,915 million, an increase of 4.1% on a like-for-like basis\* and a decrease of 2.8% in Swiss francs

**EBITDA** of CHF 1,473 million, compared to CHF 1,476 million in 2022. EBITDA measured in local currency increased by 8.8% over 2022

Acquisitions, restructuring costs and project related expenses of CHF 74 million, compared to CHF 10 million in 2022

**EBITDA margin** of 21.3% compared to 20.7% in 2022, with the comparable EBITDA margin at 22.4% versus 20.9% in 2022

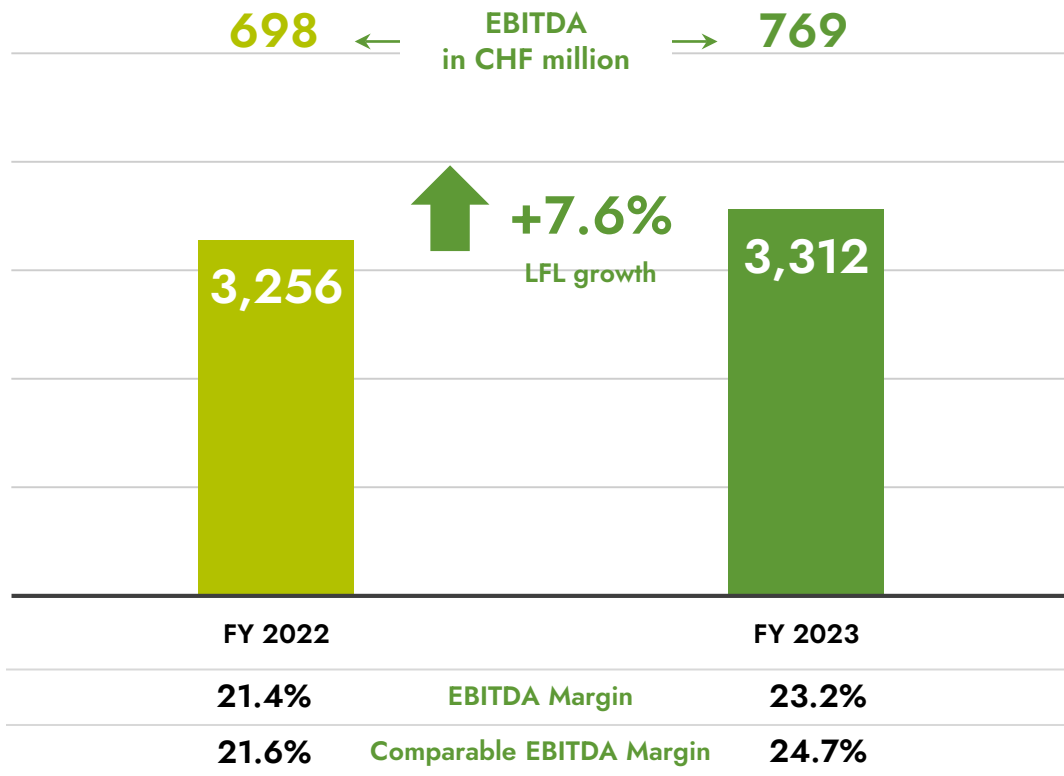
As % of sales

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

# Operating performance

## Fragrance & Beauty

Sales in CHF million



**Sales** of CHF 3,312 million, an increase of 7.6% on a like-for-like basis\* and 1.7% in Swiss francs

**EBITDA** of CHF 769 million, compared to CHF 698 million in 2022

Acquisitions, restructuring costs and project related expenses of CHF 48 million, compared to CHF 4 million in 2022

**EBITDA margin** of 23.2% compared to 21.4% in 2022, with the comparable EBITDA margin at 24.7% versus 21.6% in 2022

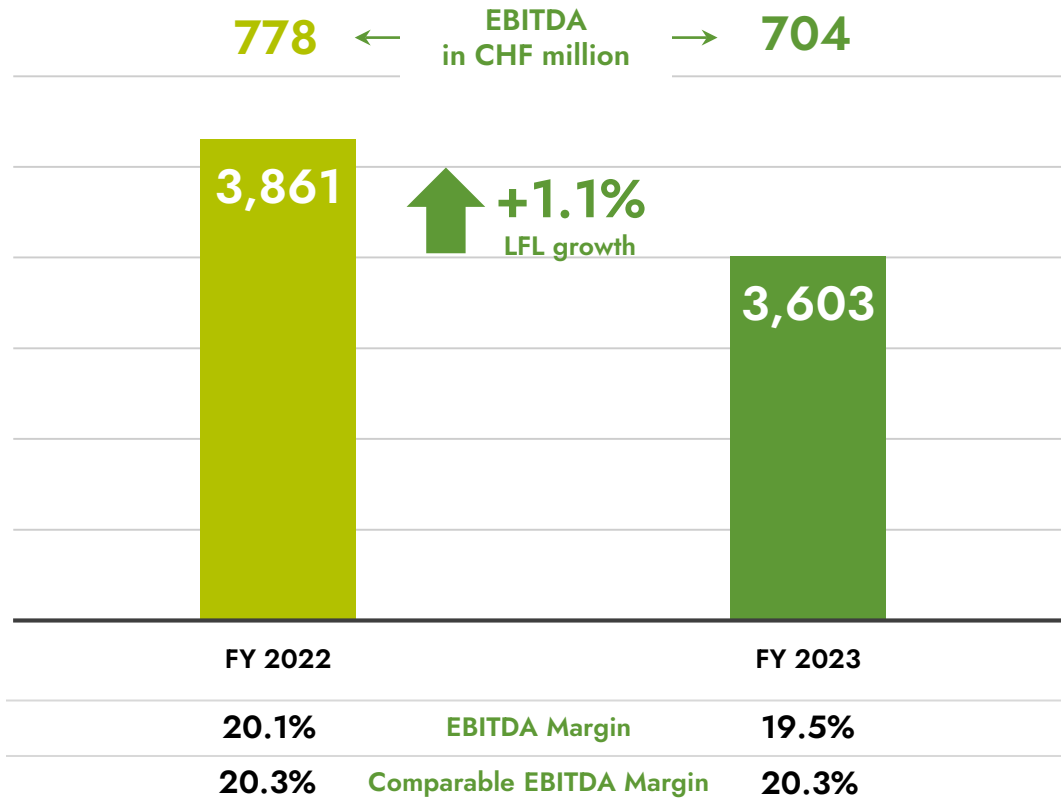
As % of sales

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

# Operating performance

## Taste & Wellbeing

Sales in CHF million



**Sales** of CHF 3,603 million, an increase of 1.1% on a like-for-like basis\* and a decrease of 6.7% in Swiss francs

**EBITDA** of CHF 704 million, compared to CHF 778 million in 2022

Acquisitions, restructuring costs and project related expenses of CHF 26 million, compared to CHF 6 million in 2022

**EBITDA margin** of 19.5% compared to 20.1% in 2022. The comparable EBITDA margin was 20.3% versus 20.3% in 2022

As % of sales

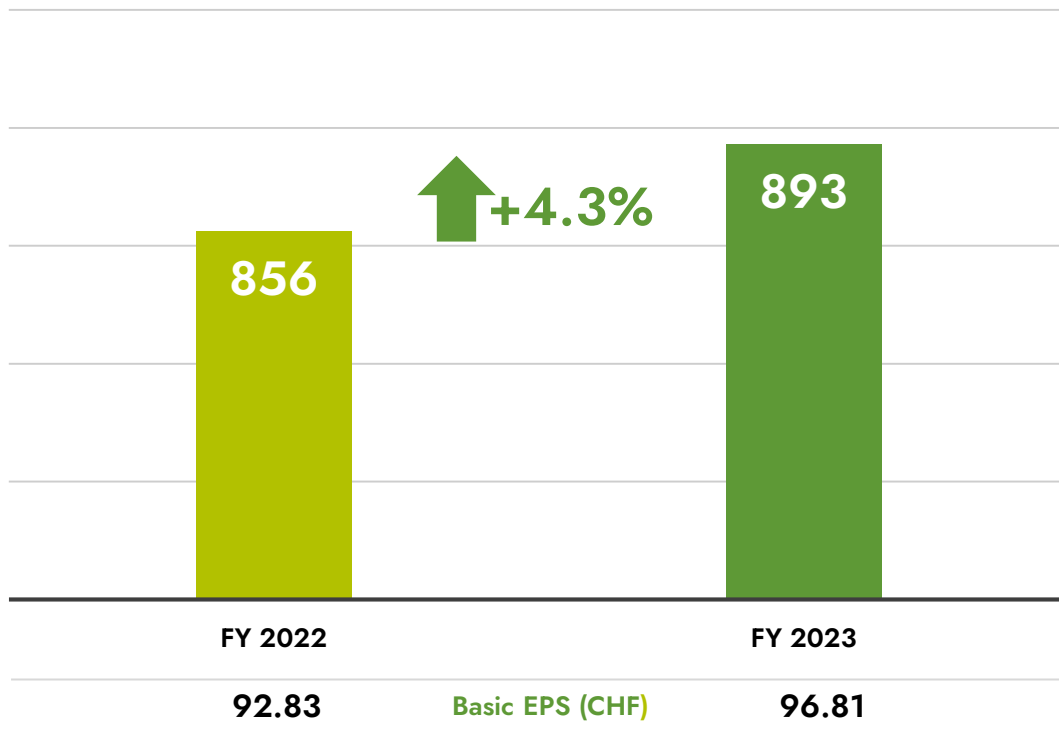
\* Like-for-like: excludes the impact of currency, acquisitions and disposals



# Net income

## 12.9% of sales

In CHF million



**Income before tax** of CHF 989 million compared to CHF 928 million in 2022

**Net income** of CHF 893 million, or 12.9% of sales, versus CHF 856 million, or 12.0% of sales in 2022. Net income increased by 14.3% when measured in local currency

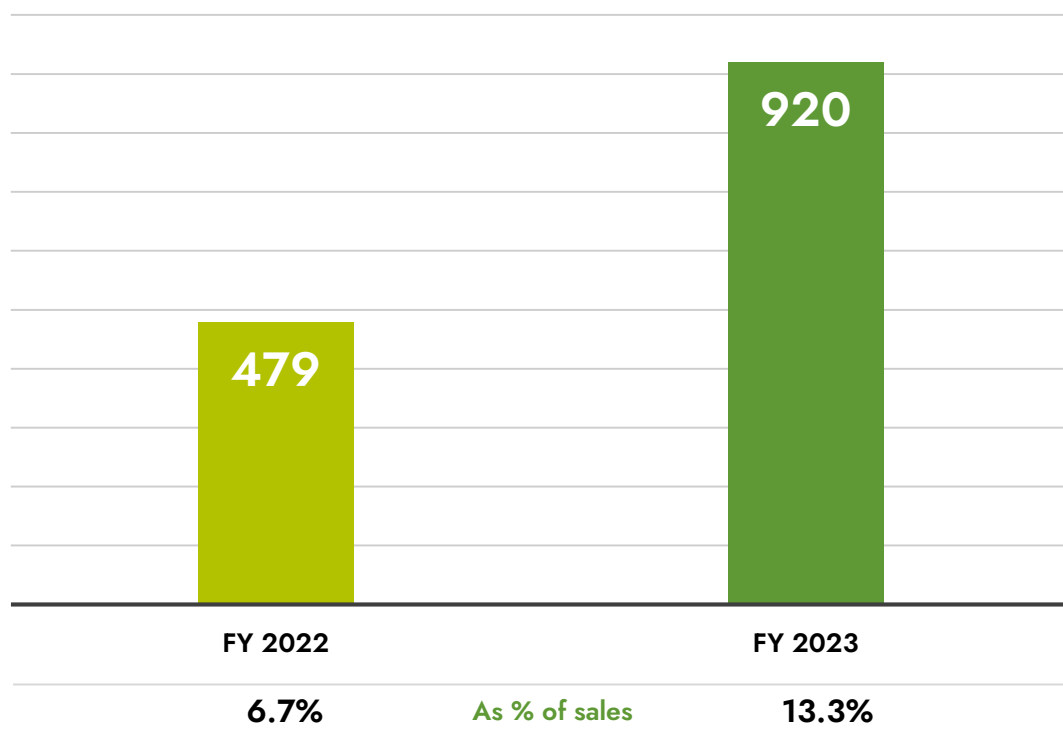
**Effective tax rate** of 10%, compared to 8% in 2022, with the tax rate being largely due to one-time effects of tax changes in Switzerland in 2023 and the tax effect of internal post acquisition entity restructuring in 2022

**Basic EPS** of CHF 96.81 per share, versus CHF 92.83 in 2022, an increase of 4.3%

# Free cash flow

## Record free cash flow of CHF 920 million or 13.3% of sales

In CHF million



**Free cash flow** of CHF 920 million, compared to CHF 479 million in 2022. Free cash flow is 13.3% of sales compared to 6.7% in 2022

**Operating cash flow** of CHF 1,373 million, compared to CHF 948 million in 2022, an increase of 45% over 2022

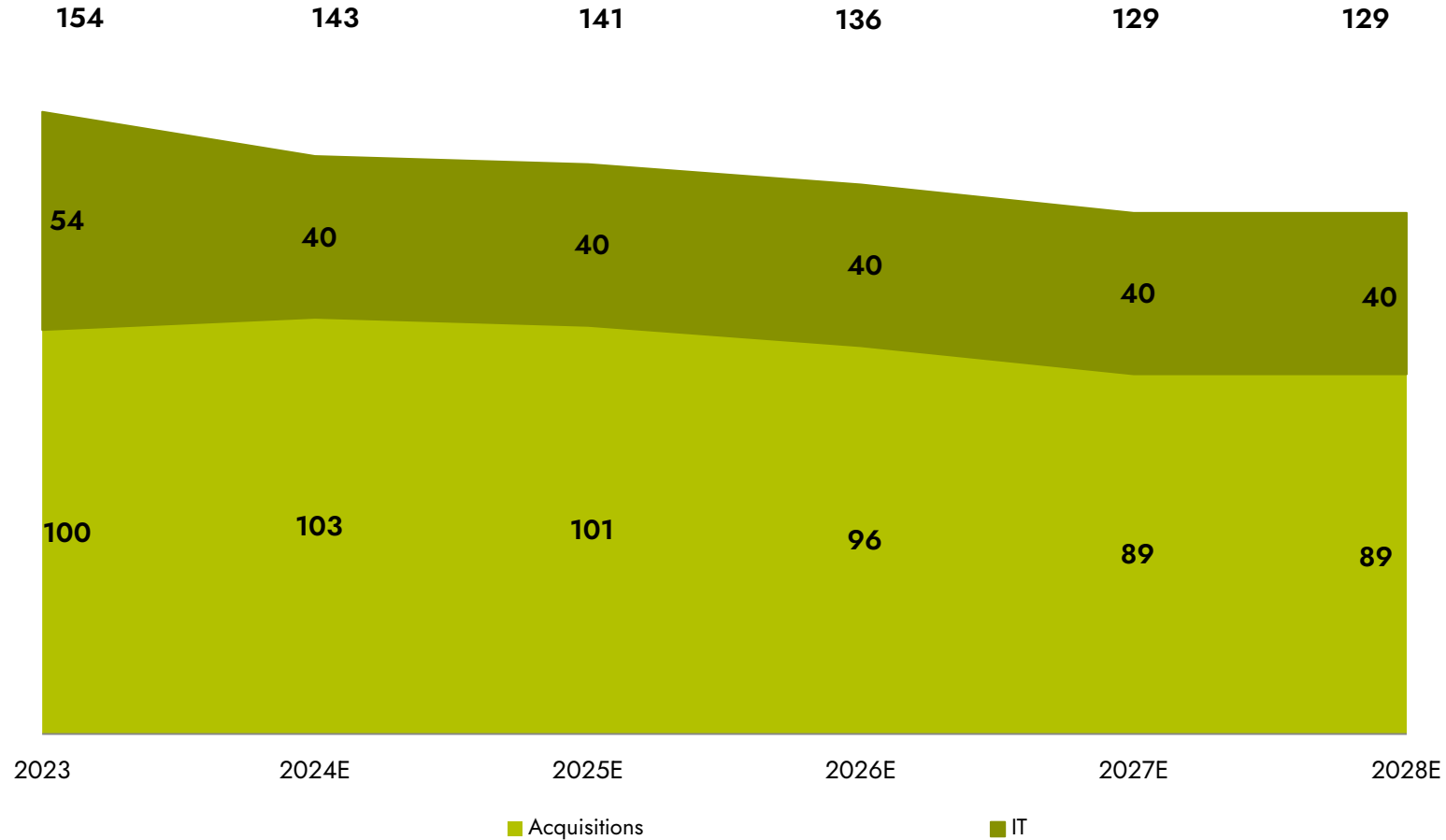
**Total net investments** of CHF 271 million, or 3.9% of sales, as the Group continues to invest in growth and the integration of recent acquisitions. The net investments in 2022 were 4.1% of sales

**Net working capital** of 24.1% of sales compared to 26.8% in 2022, with the positive impact of the performance improvement programme focus on inventory

# Amortisation of intangible assets

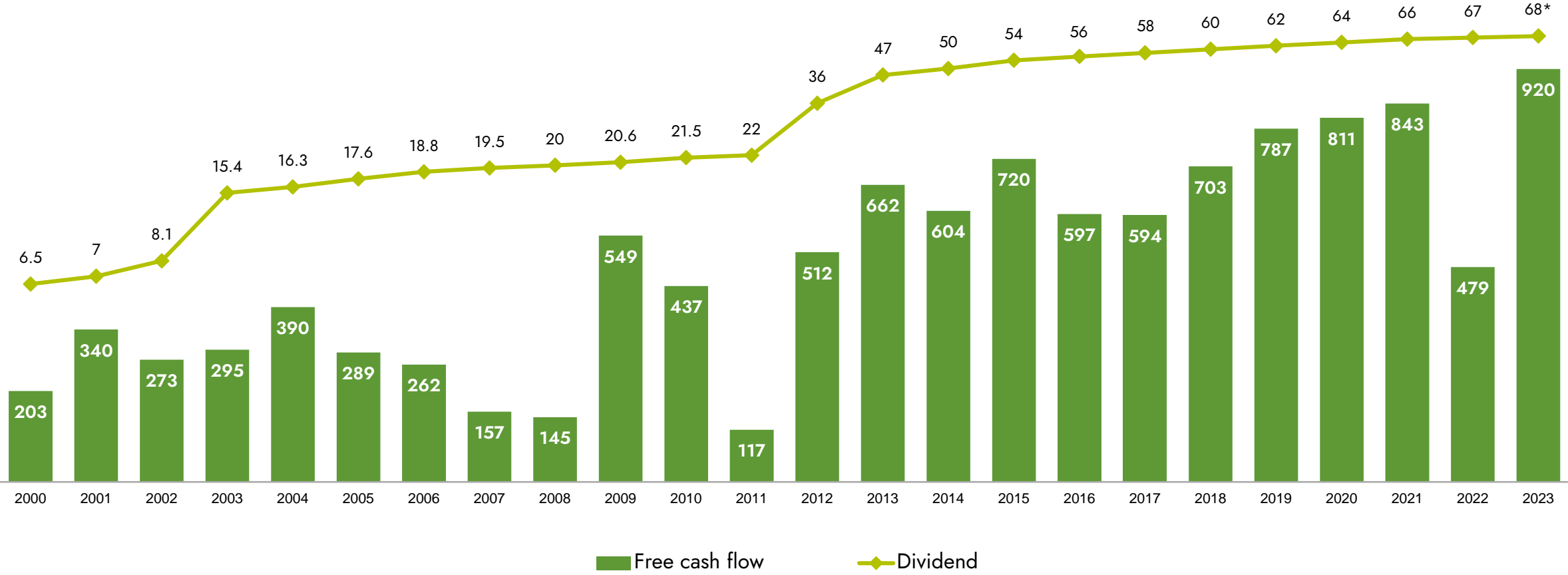
## Total estimated annual amortisation charge

In CHF million (updated to include all recent acquisitions)



# Dividend per share

Increasing 1.5% over 2022, the 23<sup>rd</sup> consecutive increase



\* Subject to approval by the shareholders at the AGM in March 2024

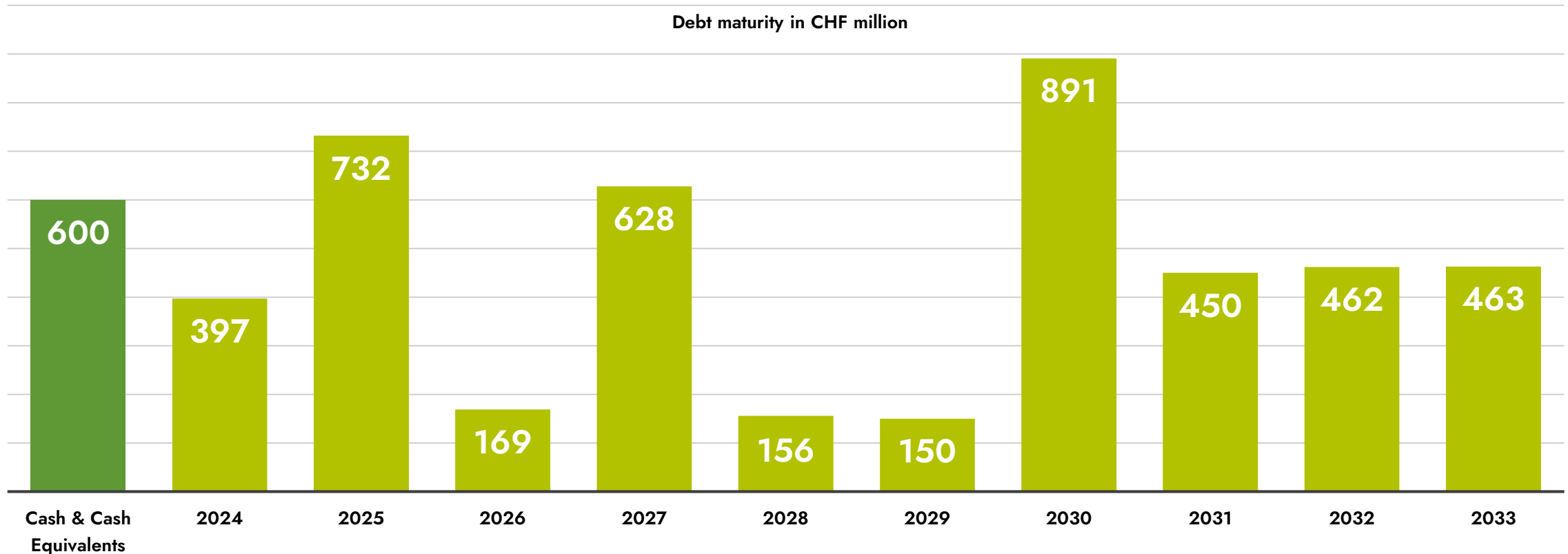
# Balanced debt structure

## Debt maturities and average borrowing rates

In November 2023, the Group issued a CHF 250 million straight bond with a fixed coupon of 2.375% and a maturity of 7.5 years. Simultaneously, the Group issued a EUR 500 million bond with a fixed coupon of 4.125% and a maturity of 10 years. The proceeds will be utilised for general corporate purposes.

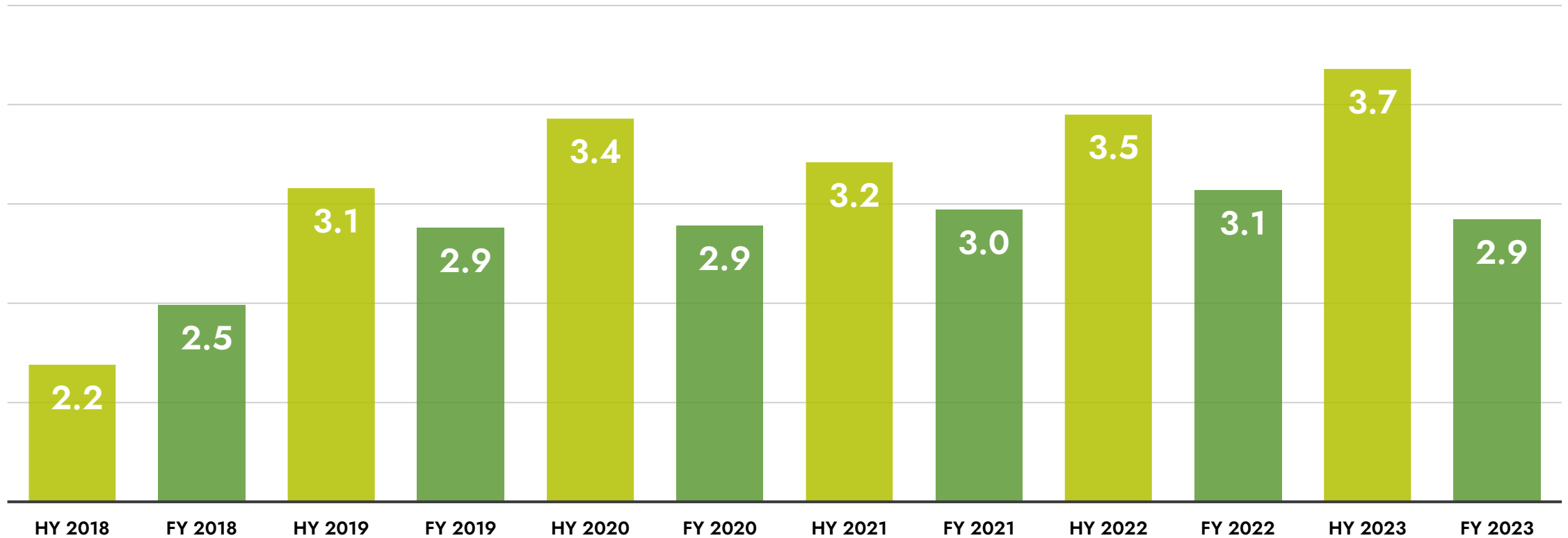
The weighted average effective interest rate for the Group was 1.69% as at 31 December 2023 compared to 1.74% in December 2022.

Debt maturity in CHF million



# Net debt to EBITDA

Strong free cash flow supports focus on deleveraging



# 2025 Strategy and outlook

Gilles Andrier  
Chief Executive Officer

# Strategy 2025

## Committed to Growth, with Purpose





# Strategy 2025

## Performance commitments

### Sales growth

**4.0 – 5.0%**

2021 – 2025  
Average Like-for-Like<sup>1</sup> sales growth

### Free cash flow

**>12% of Sales**

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

### Purpose commitments

**Purpose  
linked targets**

2021 – 2025  
Progress towards all published  
purpose targets

1. Like-for-like (LFL) is defined as: (a) sales calculated using the invoicing exchange rates of the prior year, (b) excluding sales of businesses acquired from the acquisition date until the period end date, up to 12 months from the acquisition date, and (c) excluding sales of the businesses disposed of from the disposal date until the period end date of the comparable prior period
2. FCF (Free Cash Flow) refers to operating cash flow after net investments, interest paid, lease payments and purchase and sale of own equity instruments

# 2024 Outlook

## Key themes review



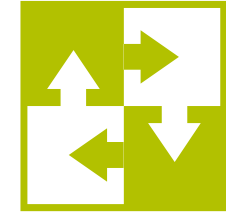
### 2024 outlook

- Very well positioned with our capabilities and our 2025 strategy
- The natural hedges of Givaudan provide balance in uncertain times
- Increase in input costs at a Group level expected to be minor in 2024, with continued pressure in some key naturals



### Performance improvement programme

- Sustained strong focus on operational excellence and on review of the manufacturing footprint, particularly in Taste & Wellbeing
- Continued focus on Business Continuity Planning to manage and adapt to volatile geo-political environment



### Financial impact

- Costs of CHF 50 million expected in 2024

# Q&A

# Thank you

**Claudia Pedretti**

Head of Investor Relations

# Disclaimer

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

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

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

Copyright © 2024 Givaudan SA. All rights reserved.

**Follow us on social media @givaudan**



**Givaudan**  
Human by nature

