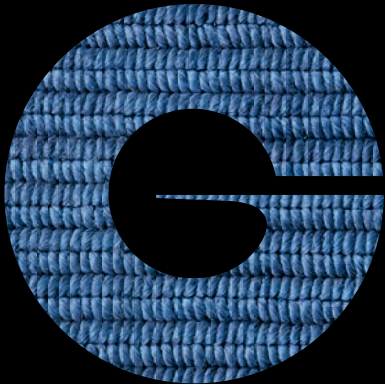


2020 Half Year Results  
Financial summary



Givaudan

engage your senses



# Key figures

## Financial Review

For the six months ended 30 June

in millions of Swiss francs except earnings per share data	2020	2019
<b>Sales</b>	<b>3,221</b>	<b>3,094</b>
<b>Gross profit</b>	<b>1,359</b>	<b>1,274</b>
as % of sales	42.2%	41.2%
<b>EBITDA<sup>a</sup></b>	<b>734</b>	<b>660</b>
as % of sales	22.8%	21.3%
<b>Operating income</b>	<b>532</b>	<b>491</b>
as % of sales	16.5%	15.9%
<b>Income attributable to non-controlling interests</b>	<b>-</b>	<b>-</b>
<b>Income attributable to equity holders of the parent</b>	<b>413</b>	<b>380</b>
as % of sales	12.8%	12.3%
<b>Earnings per share - basic (CHF)</b>	<b>44.81</b>	<b>41.24</b>
<b>Earnings per share - diluted (CHF)</b>	<b>44.48</b>	<b>40.94</b>
<b>Operating cash flow</b>	<b>359</b>	<b>271</b>
as % of sales	11.1%	8.8%
<b>Free cash flow<sup>b</sup></b>	<b>178</b>	<b>148</b>
as % of sales	5.5%	4.8%

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.

b) Free Cash Flow refers to operating cash flow after net investments, interest paid and lease payments.

## Group

For the six months ended 30 June

in millions of Swiss francs	2020	2019
<b>Sales to third parties</b>	<b>3,221</b>	<b>3,094</b>
<b>EBITDA<sup>a</sup></b>	<b>734</b>	<b>660</b>
as % of sales	22.8%	21.3%
<b>One off items</b>	<b>(28)</b>	<b>(30)</b>
<b>Comparable EBITDA</b>	<b>762</b>	<b>690</b>
as % of sales	23.7%	22.3%
<b>Operating income</b>	<b>532</b>	<b>491</b>
as % of sales	16.5%	15.9%

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.

# Key figures – by Division

## Flavour Division

For the six months ended 30 June

in millions of Swiss francs	2020	2019
<b>Sales to third parties</b>	<b>1,765</b>	<b>1,733</b>
<b>EBITDA<sup>a</sup></b>	<b>401</b>	<b>390</b>
as % of sales	22.7%	22.5%
<b>One off items</b>	<b>(20)</b>	<b>(11)</b>
<b>Comparable EBITDA</b>	<b>421</b>	<b>401</b>
as % of sales	23.8%	23.1%
<b>Operating income</b>	<b>268</b>	<b>278</b>
as % of sales	15.2%	16.0%

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.

## Fragrance Division

For the six months ended 30 June

in millions of Swiss francs	2020	2019
<b>Sales to third parties</b>	<b>1,456</b>	<b>1,361</b>
<b>EBITDA<sup>a</sup></b>	<b>333</b>	<b>270</b>
as % of sales	22.9%	19.8%
<b>One off items</b>	<b>(8)</b>	<b>(19)</b>
<b>Comparable EBITDA</b>	<b>341</b>	<b>289</b>
as % of sales	23.4%	21.3%
<b>Operating income</b>	<b>264</b>	<b>213</b>
as % of sales	18.2%	15.7%

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.

# Consolidated financial statements

## Consolidated Income Statement

For the six months ended 30 June

in millions of Swiss francs, except for earnings per share data	2020	2019
Sales	3,221	3,094
Cost of sales	(1,862)	(1,820)
<b>Gross profit</b>	<b>1,359</b>	<b>1,274</b>
as % of sales	42.2%	41.2%
Selling, marketing and distribution expenses	(412)	(373)
Research and product development expenses	(261)	(259)
Administration expenses	(104)	(109)
Share of results of joint ventures and associates	3	3
Other operating income	11	11
Other operating expense	(64)	(56)
<b>Operating income</b>	<b>532</b>	<b>491</b>
as % of sales	16.5%	15.9%
Financing costs	(39)	(36)
Other financial income (expense), net	(13)	(18)
<b>Income before taxes</b>	<b>480</b>	<b>437</b>
Income taxes	(67)	(57)
<b>Income for the period</b>	<b>413</b>	<b>380</b>
<b>Attribution</b>		
Income attributable to non-controlling interests	–	–
Income attributable to equity holders of the parent	413	380
as % of sales	12.8%	12.3%
<b>Earnings per share – basic (CHF)</b>	<b>44.81</b>	<b>41.24</b>
<b>Earnings per share – diluted (CHF)</b>	<b>44.48</b>	<b>40.94</b>

## Consolidated Statement of Comprehensive Income

For the six months ended 30 June

in millions of Swiss francs	2020	2019
<b>Income for the period</b>	<b>413</b>	<b>380</b>
<b>Items that may be reclassified to the income statement</b>		
<b>Cash flow hedges</b>		
Movement in fair value, net	(58)	(49)
Gains (losses) removed from equity and recognised in the consolidated income statement	3	3
Movement on income tax	7	4
<b>Exchange differences arising on translation of foreign operations</b>		
Movement in fair value arising on hedging instruments of the net assets in foreign operations	46	22
Change in currency translation	(340)	(46)
Movement on income tax	(2)	(4)
<b>Items that will not be reclassified to the income statement</b>		
<b>Defined benefit pension plans</b>		
Remeasurement gains (losses) of post employment benefit obligations	39	(87)
Movement on income tax	(2)	(1)
<b>Other comprehensive income for the period</b>	<b>(307)</b>	<b>(158)</b>
<b>Total comprehensive income for the period</b>	<b>106</b>	<b>222</b>
<b>Attribution</b>		
Total comprehensive income attributable to non-controlling interests	–	–
Total comprehensive income attributable to equity holders of the parent	106	222

## Consolidated Statement of Financial Position

in millions of Swiss francs	30 June 2020	31 December 2019
Cash and cash equivalents	432	452
Derivative financial instruments	32	24
Financial assets at fair value through income statement	4	4
Accounts receivable - trade	1,472	1,365
Inventories	1,336	1,149
Current tax assets	52	50
Prepayments	49	35
Other current assets	135	163
<b>Current assets</b>	<b>3,512</b>	<b>3,242</b>
Derivative financial instruments	–	1
Property, plant and equipment	2,229	2,326
Intangible assets	4,644	4,286
Deferred tax assets	221	211
Post-employment benefit plan assets	15	32
Financial assets at fair value through income statement	173	177
Interests in joint ventures and investments in associates	36	34
Other long-term assets	85	87
<b>Non-current assets</b>	<b>7,403</b>	<b>7,154</b>
<b>Total assets</b>	<b>10,915</b>	<b>10,396</b>
Short-term debt	846	335
Derivative financial instruments	28	29
Accounts payable - trade and others	856	833
Accrued payroll & payroll taxes	156	189
Current tax liabilities	140	111
Financial liability - own equity instruments	133	108
Provisions	17	18
Other current liabilities	206	207
<b>Current liabilities</b>	<b>2,382</b>	<b>1,830</b>
Derivative financial instruments	130	79
Long-term debt	4,217	3,796
Provisions	75	69
Post-employment benefit plan liabilities	548	601
Deferred tax liabilities	329	280
Other non-current liabilities	71	82
<b>Non-current liabilities</b>	<b>5,370</b>	<b>4,907</b>
<b>Total liabilities</b>	<b>7,752</b>	<b>6,737</b>
Share capital	92	92
Retained earnings and reserves	5,803	5,961
Own equity instruments	(198)	(168)
Other components of equity	(2,552)	(2,245)
<b>Equity attributable to equity holders of the parent</b>	<b>3,145</b>	<b>3,640</b>
Non-controlling interests	18	19
<b>Total equity</b>	<b>3,163</b>	<b>3,659</b>
<b>Total liabilities and equity</b>	<b>10,915</b>	<b>10,396</b>

## Consolidated Statement of Changes in Equity

For the six months ended 30 June

2020 in millions of Swiss francs	Share Capital	Retained earnings and reserves	Own equity instruments	Cash flow hedges	Currency translation differences	Remeasurement of post employment benefit obligations	Equity attributable to equity holders of the parents	Non-controlling interests	Total equity
<b>Balance as at 1 January</b>	<b>92</b>	<b>5,961</b>	<b>(168)</b>	<b>(107)</b>	<b>(1,613)</b>	<b>(525)</b>	<b>3,640</b>	<b>19</b>	<b>3,659</b>
Income for the period		413					413	–	413
Other comprehensive income for the period				(48)	(296)	37	(307)		(307)
<b>Total comprehensive income for the period</b>		<b>413</b>		<b>(48)</b>	<b>(296)</b>	<b>37</b>	<b>106</b>	<b>–</b>	<b>106</b>
Dividends paid		(571)					(571)		(571)
Movement on own equity instruments, net			(30)				(30)		(30)
Non-controlling interests								(1)	(1)
<b>Net change in other equity items</b>		<b>(571)</b>	<b>(30)</b>				<b>(601)</b>	<b>(1)</b>	<b>(602)</b>
<b>Balance as at 30 June</b>	<b>92</b>	<b>5,803</b>	<b>(198)</b>	<b>(155)</b>	<b>(1,909)</b>	<b>(488)</b>	<b>3,145</b>	<b>18</b>	<b>3,163</b>

2019 in millions of Swiss francs	Share Capital	Retained earnings and reserves	Own equity instruments	Cash flow hedges	Currency translation differences	Remeasurement of post employment benefit obligations	Equity attributable to equity holders of the parents	Non-controlling interests	Total equity
<b>Balance as at 1 January</b>	<b>92</b>	<b>5,811</b>	<b>(142)</b>	<b>(61)</b>	<b>(1,559)</b>	<b>(431)</b>	<b>3,710</b>	<b>22</b>	<b>3,732</b>
Income for the period		380					380	–	380
Other comprehensive income for the period				(42)	(28)	(88)	(158)		(158)
<b>Total comprehensive income for the period</b>		<b>380</b>		<b>(42)</b>	<b>(28)</b>	<b>(88)</b>	<b>222</b>	<b>–</b>	<b>222</b>
Dividends paid		(552)					(552)		(552)
Movement on own equity instruments, net			(34)				(34)		(34)
Non-controlling interests								–	–
<b>Net change in other equity items</b>		<b>(552)</b>	<b>(34)</b>				<b>(586)</b>		<b>(586)</b>
<b>Balance as at 30 June</b>	<b>92</b>	<b>5,639</b>	<b>(176)</b>	<b>(103)</b>	<b>(1,587)</b>	<b>(519)</b>	<b>3,346</b>	<b>22</b>	<b>3,368</b>

## Consolidated Statement of Cash Flows

For the six months ended 30 June

in millions of Swiss francs	2020	2019
Income for the period	413	380
Income tax expense	67	57
Interest expense	38	31
Non-operating income and expense	14	23
<b>Operating income</b>	<b>532</b>	<b>491</b>
Depreciation of property, plant and equipment	100	88
Amortisation of intangible assets	91	80
Impairment of long-lived assets	11	1
<b>Other non-cash items</b>		
- share-based payments	24	18
- pension expense	24	19
- additional and unused provisions, net	10	4
- other non-cash items	–	(18)
<b>Adjustments for non-cash items</b>	<b>260</b>	<b>192</b>
(Increase) decrease in inventories	(184)	(180)
(Increase) decrease in accounts receivable	(170)	(137)
(Increase) decrease in other current assets	11	(13)
Increase (decrease) in accounts payable	100	131
Increase (decrease) in other current liabilities	(80)	(72)
<b>(Increase) decrease in working capital</b>	<b>(323)</b>	<b>(271)</b>
<b>Income taxes paid</b>	<b>(54)</b>	<b>(63)</b>
Pension contributions paid	(17)	(18)
Provisions used	(9)	(9)
Purchase and sale of own equity instruments, net	(30)	(51)
<b>Cash flows from (for) operating activities</b>	<b>359</b>	<b>271</b>
Increase in long-term debt	1,260	6
(Decrease) in long-term debt	(781)	(170)
Increase in short-term debt	2,616	1,296
(Decrease) in short-term debt	(2,091)	(817)
<b>Cash flows from debt, net</b>	<b>1,004</b>	<b>315</b>
Interest paid	(14)	(10)
Purchase and sale of derivative financial instruments, net	(15)	(2)
Lease payments	(28)	(19)
Transactions of non-controlling interest	(1)	
Others, net	(8)	–
<b>Cash flows from financial liabilities</b>	<b>938</b>	<b>284</b>
Distribution to the shareholders paid	(571)	(552)
<b>Cash flows from (for) financing activities</b>	<b>367</b>	<b>(268)</b>
Acquisition of property, plant and equipment	(123)	(138)
Acquisition of intangible assets	(19)	(17)
Acquisition of subsidiary, net of cash acquired	(614)	(61)
Proceeds from the disposal of property, plant and equipment	1	61
Proceeds from sales of intangible assets	2	
Interest received	3	3
Purchase and sale of financial assets at fair value through income statement, net	–	2
Impact of financial transactions on investing, net	24	(17)
Others, net	1	(20)
<b>Cash flows from (for) investing activities</b>	<b>(725)</b>	<b>(187)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1</b>	<b>(184)</b>
Net effect of currency translation on cash and cash equivalents	(21)	–
Cash and cash equivalents at the beginning of the period	452	423
<b>Cash and cash equivalents at the end of the period</b>	<b>432</b>	<b>239</b>

All trademarks mentioned enjoy legal protection.

This Financial summary may contain forward-looking information. Such information is subject to a variety of significant uncertainties, including scientific, business, economic and financial factors. Therefore actual results may differ significantly from those presented in such forward looking statements. Investors must not rely on this information for investment decisions.