

Digital Treasury Transformation Leveraging Technology to Deliver Value & Reduce Risk

October 2017



Givaudan

engage your senses



Agenda

- High level Company Overview
- The Journey of Digital transformation at Givaudan
- Creating Value & Reducing Risk

The Fragrance & Flavour Industry

End consumer markets

Our customers

Multi-national | Regional | Local | Foodservice | Private label

The cost of fragrances & flavours to our customers is typically between 0.5 – 5% of their product cost



Fine Fragrances



Household



Personal care



Food



Beverages

Givaudan – The Industry Leader

Key facts & figures from 2016 full year results



CHF 644 million

Net Profit



CHF 597 million

Free Cash Flow



19 %

Leverage ratio



24.1 %

EBITDA



CHF 4.7 billion

Total Group Sales



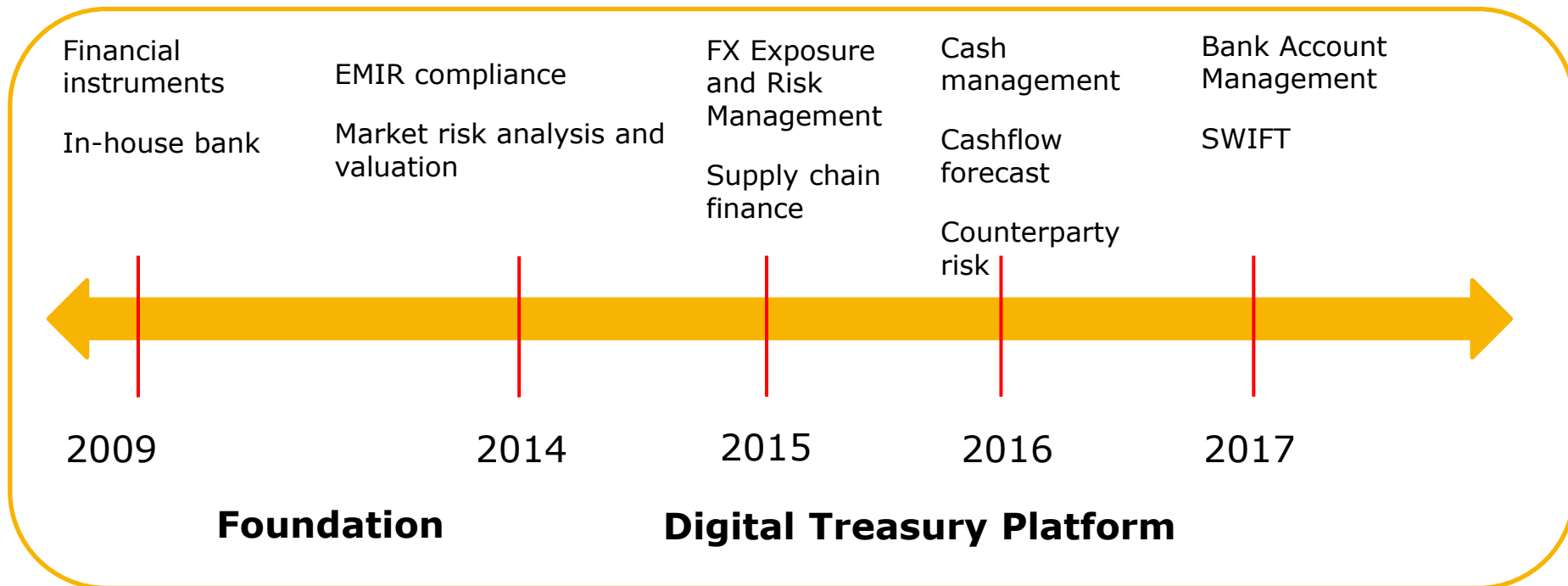
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The Treasury Transformation @ Givaudan

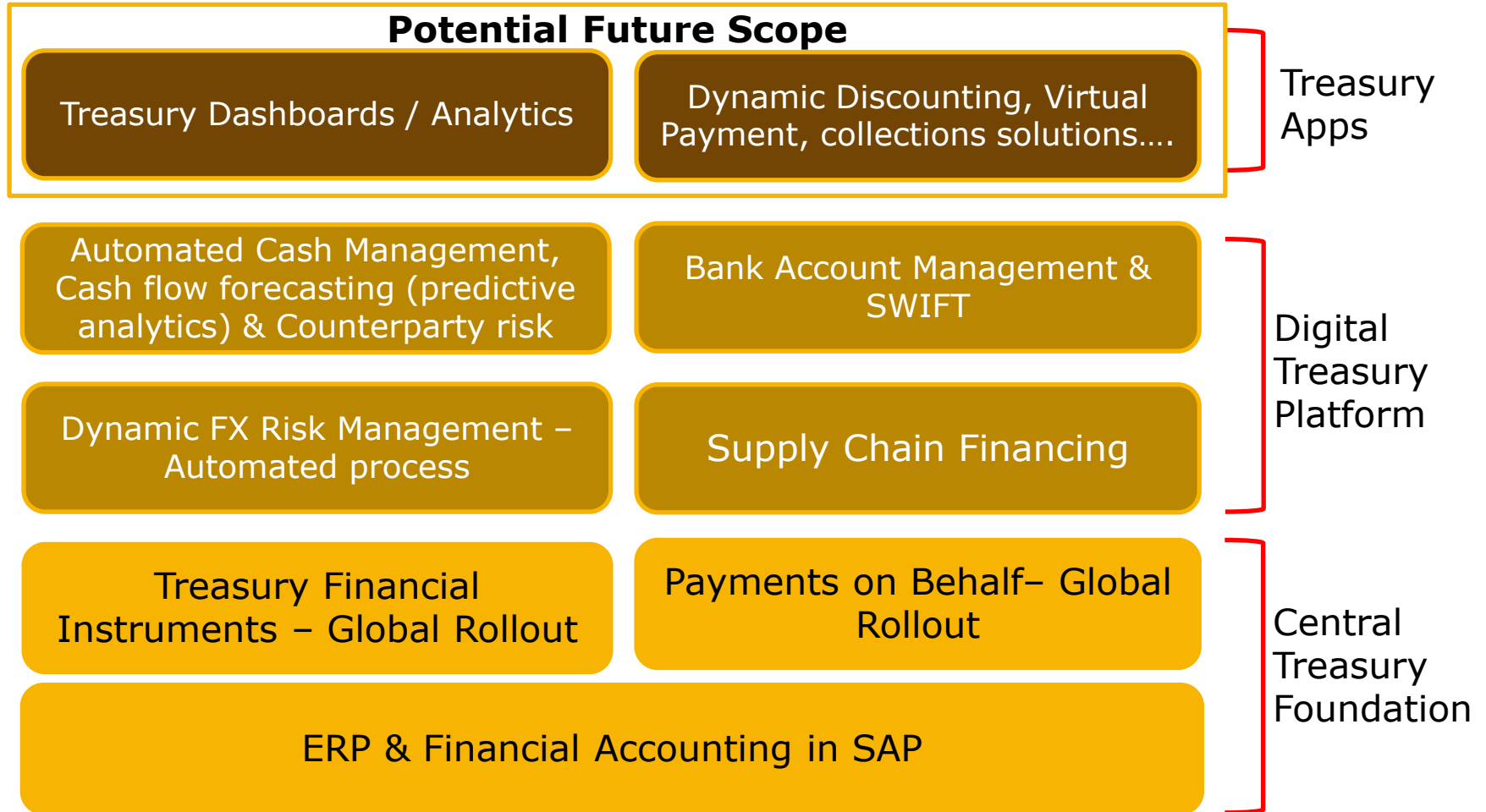
Build the Foundation then Drive Automation

- Givaudan created a strong centralised Treasury foundation, using SAP from 2009-2013, encompassing In-House Bank & Basic Risk Management functionality
- In 2014, Givaudan started with PwC on a roadmap to automate & enhance the solution



Treasury Transformation & Evolution

Creating a solid framework with the ability to accommodate further elements



Business drivers & key focus areas for Transformation



1. FX Risk management

- Treasury is fully integrated with business for monitoring & managing FX exposures (eg Pricing / Procurement)
- There is a need from business to actively manage FX exposures



2. Working capital management

- Centralised Payments on behalf (POBO) enables treasury to actively manage working capital
- Supply chain finance platform for better working capital management



3. Cash Management, Cashflow forecasting & counterparty risk

- Integration to business & ability to perform scenario analysis
- Better visibility on cash flows especially in the event of unforeseen internal & external events



4. Bank Account Management & SWIFT

- Centralised bank account management system to enable better relationship with banks.
- Independence from bank specific payment platforms to increase security, flexibility & standardisation

The Automated Fx Process

Fully Automated process to identify, capture & transfer exposures

Run extraction program

Position report

Internal deals

FX Exposure Extraction

Choose Exposure Data Source

- GL Balance
- GL Balance Open Items
- In House Cash
- Inter Company Loans
- Internal Fx Deals
- External Fx Deals

Analysis Parameter

Exposure Due Date: 10.11.2014

Selection Parameters

Company Code: _____ to _____

G/L Account: _____ to _____

Exposure Amount Currency: _____ to _____

Fiscal Year: _____

Period: _____

Ledger: _____

Additional Parameters

- Save Log
- Release Exposures
- Test Mode
- Create Exp. Summary Log

Exposure Positions as of 12.11.2014

Key Date	Exp. Type	Pos ID	CoCode	Company Name	Period	Period	Plan Yr	Exp. Due Date	Original Amount	Exp Ccy	Target ccy	Entered on	Last Change	Last Edited on
12.11.2014	BAL01	69	AU10	Givaudan Australia Pty Li	M11	November	2014	30.11.2014	653,790,00	CHF	AUD	05.11.2014	PADMANAM	12.11.2014
12.11.2014	BAL01	70		Givaudan Australia Pty Li	M11	November	2014	30.11.2014	6,921,58	EUR	AUD	05.11.2014	PADMANAM	12.11.2014
12.11.2014	BAL01	71		Givaudan Australia Pty Li	M11	November	2014	30.11.2014	25,650	JPY	AUD	05.11.2014	PADMANAM	12.11.2014
12.11.2014	BAL01	72		Givaudan Australia Pty Li	M11	November	2014	30.11.2014	3,144,598,08	NZD	AUD	05.11.2014	PADMANAM	12.11.2014
12.11.2014	BAL01	73		Givaudan Australia Pty Li	M11	November	2014	30.11.2014	4,575,49	USD	AUD	05.11.2014	PADMANAM	12.11.2014
12.11.2014	BAL01	74		Givaudan Australia Pty Li	M11	November	2014	30.11.2014	9,000,00	GBP	AUD	10.11.2014	PADMANAM	12.11.2014
									653,790,00	CHF				
									6,921,58	EUR				
									9,000,00	GBP				
									25,650	JPY				
									3,144,598,08	NZD				
									4,575,49	USD				

Internal Deal Proposal Report

Refresh view | Reselect | Deal Preview | Deal Create

39 entries found

Deal Create	Status	CoCode	Exposure Amount	Exp Ccy	Target ccy	Transaction rate	Currency Pair	Value Date	Deal Status	Transaction	Entered on	Entry Time
<input type="checkbox"/>		CA10	144.155.458,68	CHF	CAD	0,843560000	CAD/CHF	15.12.2014	Not Created			00:00:00
<input type="checkbox"/>		CH11	839.094,96-	EUR	CHF	1,201350000	EUR/CHF	15.12.2014	Not Created			00:00:00
<input type="checkbox"/>		CH11	219.363,29	GBP	CHF	1,500150000	GBP/CHF	15.12.2014	Not Created			00:00:00
<input type="checkbox"/>		CH11	9.771,551	JPY	CHF	0,813390000	JPY/CHF	15.12.2014	Not Created			00:00:00
<input checked="" type="checkbox"/>		CH11	173.752.405,83	USD	CHF	0,957400000	USD/CHF	15.12.2014	Not Created			00:00:00
<input type="checkbox"/>		CH12	14.387.924,00	CHF	EUR	1,201350000	EUR/CHF	15.12.2014	Not Created			00:00:00

Exposure Dashboard

Refresh

Transfer to FX Platform

Company Code	Exposure Position Type	Exposure Position Type	ARS	AUD	EUR	GBP	IDR	SGD	USD	ZAR
CHAB	BAL01	GL Balances	0,00	0,00	0,00	1.000.000,00-	0,00	0,00	0,00	0,00
CHAB	EFX01	External FX	0,00	0,00	1.000.000,00	0,00	0,00	0,00	2.000.000,00	0,00
CHAB	ICL01	Interco Loan	0,00	29.870.000,00	114.901.413,00	35.344.048,56	2.055.700.000,00	10.000.000,00	61.900.000,00	70.000,00
CHAB	IFX01	Internal FX	37.031,84	0,00	0,00	11.056.566,53	0,00	0,00	1.649.879.942,17	0,00
			37.031,84	29.870.000,00	115.901.413,00	45.400.615,09	2.055.700.000,00	10.000.000,00	1.713.779.942,17	70.000,00

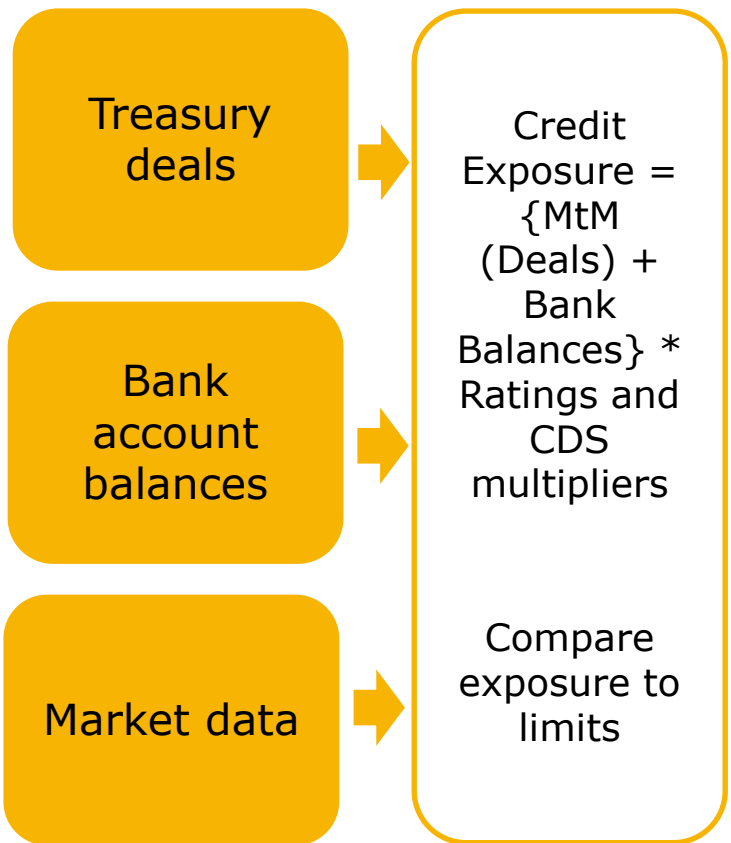
Credit Risk – Real time exposure management

Credit exposure based on Dynamic counterparty ratings



Treasury deals and bank account balance data from the system

Compare "credit exposure" with set limits per counterparty



Credit Risk Management

View: Counterparty Credit Exposures, Total Exposure by Product Type, Settlement Risk Report

Selection Criteria: Key Date: 11.10.2016, CDS Threshold: 100 Basis Points, History View checked, Display button.

Counter Party	Credit Rating	Total Exposure	Credit Limit	Credit Status	Un-utilized Amount	CDS Spread	Rating Status	Commen
UNDEFINED BP		0.00	0.00	OO	0.00		OO	
CITIBANK	BBB+	48,421,473.52	75,000,000.00	OO	26,578,526.48	114.60000	OO	
BNP PARIBAS PARIS	A+	6,224,579.73	75,000,000.00	OO	81,224,579.73	100.67000	OO	
CREDIT SUISSE ZURICH	BBB+	7,180,984.96	75,000,000.00	OO	82,180,984.96	150.31000	OO	
DBS BANK LIMITED	AA	460.09	150,000,000.00	OO	149,999,539.91		OO	
GOLDMAN SACHS INTERNATIONAL BANK	A+	23,433,964.08	75,000,000.00	OO	98,433,964.08	128.12000	OO	
HVB HYPOVEREWSBANK	BBB	135,896,383.81	75,000,000.00	OO	210,986,383.81	213.22000	OO	
JP MORGAN	A-	4,287,277.99	75,000,000.00	OO	79,287,277.99	82.79000	OO	
MITSUBISHI UFJ SECURITIES INTERNATI	A	134,451.33	75,000,000.00	OO	74,865,548.67	150.06000	OO	
NEDBANK LIMITED	N/A	307,950.01	0.00	OO	0.00		OO	
DEUTSCHE BANK	BBB+	84,957,883.53	75,000,000.00	OO	10,042,116.47	220.24000	OO	
ROYAL BANK OF SCOTLAND PLC	BBB-	7,691.91	75,000,000.00	OO	74,992,308.09	128.25000	OO	
UBS AG ZURICH	A	3,809,320.75	75,000,000.00	OO	71,190,679.25	80.97000	OO	
UNION BANCAIRE PRIVÉE (UBP)	N/A	0.00	0.00	OO	0.00		OO	
ZÜRCHER KANTONALBANK (ZKB)	AAA	4,379,306.84	200,000,000.00	OO	204,379,306.84		OO	

Cashflow Forecasting & Scenario Planning Solution

Increased Quality & Enhanced User Experience

Cash forecasts from subsidiaries

Pre-populated data based on predictive analytics in a web based tool

Aggregation of cash forecasts

Group Treasury consolidates the forecasts & performs analysis -> Actual to forecast / Historical

Analysis & Reporting

Cash Flow Forecast

Views: Monthly Forecast, Yearly Forecast per Currency

Selection Criteria: Key Date: 24.02.2017, Currency: CAD, Company Code

Cash Flow Forecast Details

Category	YTD'17	F1'16	FEB'17	MAR'17	APR'17	MAY'17
Collection	2,871,028.18	35,588,205.66	1,828,690.50	4,139,205.09	3,027,544.14	3,029,269.59
Payments	173,719.71	894,197.46	113,380.35	145,059.86	85,525.82	31,896.11
Free Cash Flow	1,946,840.61	32,455,399.33	1,694,409.90	3,340,127.09	2,946,392.44	2,895,976.79
Bank Balance	2,262,159.39	585,399.33	1,265,510.19	340,127.09	4,448,392.44	4,114,823.39
Treasury Values	4,100,000.00	31,900,000.00	2,900,000.00	3,000,000.00	1,600,000.00	7,000,000.00
SIA	2,300,000.00	5,000,000.00	2,900,000.00	1,000,000.00	12,000,000.00	7,000,000.00
BSA	6,400,000.00	36,900,000.00	0.00	2,000,000.00	10,400,000.00	0.00

Cash Flow Forecast

Views: Monthly Forecast, Yearly Forecast per Currency

Filter Criteria: Key Date: 24.02.2017, Company Code

Net Cashflow per Currency

Currency	FEB'17	MAR'17	APR'17	MAY'17	JUN'17
ARS	26,789,293.91	24,819,996.55	36,023,977.61	47,225,620.28	71,051,320.00
Exchange Rate	1.01	0.06	0.06	0.06	0.06
CHF Equivalent	27,057,186.85	1,489,199.79	2,161,438.66	2,833,537.22	4,263,079.20
AUD	6,751,016.43	7,711,378.78	9,201,097.35	12,814,574.65	14,804,529.24
Exchange Rate	0.78	0.78	0.78	0.78	0.78
CHF Equivalent	5,265,792.82	6,014,875.45	7,176,855.93	9,995,368.23	11,547,532.81
BRL	20,160,274.43	20,668,995.96	26,107,483.42	50,070,384.13	92,040,534.20
Exchange Rate	0.33	0.33	0.33	0.33	0.33
CHF Equivalent	6,652,890.56	6,820,768.67	8,615,469.53	16,523,226.76	30,373,376.29
CAD	4,309,669.25	7,649,796.34	10,499,188.78	13,385,165.48	16,333,410.88
Exchange Rate	0.77	0.77	0.77	0.77	0.77
CHF Equivalent	3,318,445.32	5,890,343.18	8,084,375.36	10,306,577.42	12,576,726.38



Group Treasury analyses the forecast & liaise with the affiliates in case of doubts/ discrepancy

Reporting time reduced to roughly 5-10 min per currency

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Benefits of Digital Transformation

Creating Value & Reducing Risk

RESULTS – FX Process Automation using Robotic Process Automation



RESULTS – Liquidity, Counterparty Risk, Cashflow Forecasting



Thank you

Contact

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