

2025

**Financial Statements
Firmenich
International SA**

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FINANCIAL STATEMENTS

Consolidated financial statements

Firmenich International SA (the 'Group', 'Firmenich Group', or 'Firmenich') is a sub-group of the dsm-firmenich Group.

The parent company of the sub-group Firmenich is Firmenich International SA, domiciled in Satigny (Switzerland). Its shareholder is DSM-Firmenich AG, listed on the Euronext Amsterdam stock exchange.

These consolidated financial statements comprise Firmenich International SA and its subsidiaries. A list of the Group's main subsidiaries can be found in Note 8 Investments to the Parent Company Financial Statements.

The financial year 2025 covers the period from January 1, 2025, to December 31, 2025.

The accompanying notes are an integral part of these consolidated financial statements.



Consolidated income statement

in € million	Notes	2025	2024 ¹
Net sales	4	5,225	5,136
Cost of sales	4	(3,165)	(3,038)
Gross profit		2,060	2,098
Marketing & Sales	4	(494)	(578)
Research & Development	4	(437)	(458)
General & Administrative	4	(496)	(332)
Other operating income	4	15	16
Other operating expense	4	(16)	-
Operating profit		632	746
Finance income ¹	5	42	26
Finance expense ¹	5	(107)	(110)
Profit before tax		567	662
Income tax expense	6	(94)	(108)
Share of net profit of associates and joint ventures ²	9	1	3
Net profit for the period		474	557
Attributable to:			
- Holders of shares parent company	15	469	550
- Non-controlling interests	16	5	7

¹ Restated for comparison purposes. Financing costs and Net other financial expenses as disclosed in the consolidated financial statements 2024 are presented as Finance income and Finance expense.

² Share of net profit of associates and joint ventures was presented previously above profit before tax, and now below profit before tax.



Consolidated statement of comprehensive income

in € million	Notes	2025	2024
Net profit for the period		474	557
Other comprehensive income			
Remeasurements of defined benefit liability	23	78	-
Fair value changes in other participating interests and other financial instruments	10	(21)	(5)
Related tax		(11)	3
Items that will not be reclassified to profit or loss		46	(2)
Exchange differences on translation of foreign operations	15		
- Change for the period		(270)	142
Hedging reserve	15		
- Change for the period		25	-
Related tax		(20)	-
Items that may subsequently be reclassified to profit or loss		(265)	142
Total other comprehensive income		(219)	140
Total comprehensive income for the period, net of tax		255	697
Attributable to:			
- Holders of shares parent company	15	255	683
- Non-controlling interests	16	-	14



Consolidated balance sheet

in € million	Notes	Dec. 31, 2025	Dec. 31, 2024 ¹	Jan. 1, 2024 ¹
Assets				
Goodwill and intangible assets	7	2,558	2,735	2,745
Property, plant and equipment	8	1,780	1,773	1,630
Deferred tax assets	6	82	92	95
Prepaid pension costs	23	50	42	29
Share in associates and joint ventures	9	67	97	69
Other non-current assets	10	130	127	513
Non-current assets		4,667	4,866	5,081
Inventories	11	1,060	1,104	1,063
Trade receivables	12	1,114	1,131	1,137
Income tax receivables	12	91	119	71
Other current receivables	12	666	792	71
Derivatives	22	13	2	9
Financial investments	13	13	8	6
Cash and cash equivalents	14	166	199	275
Assets held for sale	2	31	-	-
Current assets		3,154	3,355	2,632
Total assets		7,821	8,221	7,713
Equity and liabilities				
Shareholders' equity		4,311	4,426	3,849
Non-controlling interests	16	25	29	53
Equity	15	4,336	4,455	3,902
Deferred tax liabilities	6	212	226	238
Employee benefit liabilities	23	145	216	232
Provisions	17	8	11	44
Borrowings	18	894	1,707	1,730
Derivatives	22	13	6	5
Other non-current liabilities	19	14	15	16
Non-current liabilities		1,286	2,181	2,265
Employee benefit liabilities	23	10	59	50
Provisions	17	11	15	11
Borrowings	18	832	98	85
Derivatives	22	2	27	2
Trade payables	20	922	896	808
Income tax payables	20	171	191	152
Other current liabilities	20	235	299	438
Liabilities held for sale	2	16	-	-
Current liabilities		2,199	1,585	1,546
Total equity and liabilities		7,821	8,221	7,713

¹ Restated for comparison purposes: Separate presentation of Prepaid pension cost, presented as part of Other non-current assets in the consolidated financial statements 2024. Reclassification to trade receivables of certain amounts presented as 'other receivables' in the consolidated financial statements 2024. Reclassification to cash and cash equivalents of Short-term deposits (maturity of less than 3 months), presented as part of 'financial investments' in the consolidated financial statements 2024. Reclassifications among trade payables, borrowings and other payables of certain amounts presented in these lines in the consolidated financial statements 2024.



Consolidated statement of changes in equity

x € million	Share capital	Share premium	Other reserves	Retained earnings	Shareholders' equity	Non-controlling interests	Total Equity
Balance at January 1, 2024	43	-	(1,091)	4,897	3,849	53	3,902
Restatement of translation adjustment ¹	-	-	457	(457)	-	-	-
Restated balance sheet January 1, 2024	43	-	(634)	4,440	3,849	53	3,902
Net profit for the period	-	-	-	550	550	7	557
Other comprehensive income	-	-	133	-	133	7	140
Total comprehensive income	-	-	133	550	683	14	697
Dividend	-	-	-	-	-	(7)	(7)
Deemed dividend ²	-	-	-	(69)	(69)	-	(69)
Reclassification of hedge reserve	-	-	(12)	12	-	-	-
Reclassification of translation reserve	-	-	-	(12)	(12)	-	(12)
Remuneration on hybrid bonds (equity)	-	-	-	(28)	(28)	-	(28)
Changes in non-controlling interest	-	-	-	(4)	(4)	(24)	(28)
Transfer	-	-	24	(17)	7	(7)	-
Balance at December 31, 2024	43	-	(489)	4,872	4,426	29	4,455
Net profit for the period	-	-	-	469	469	5	474
Other comprehensive income	-	-	(214)	-	(214)	(5)	(219)
Total comprehensive income	-	-	(214)	469	255	-	255
Dividend	-	-	-	(350)	(350)	(4)	(354)
Capital contribution	-	743	-	-	743	-	743
Shared-based payments	-	-	21	-	21	-	21
Remuneration hybrid bonds (equity)	-	-	-	(26)	(26)	-	(26)
Redemption hybrid bonds (equity)	-	-	-	(750)	(750)	-	(750)
Transfers	-	-	7	(7)	-	-	-
Other changes	-	-	-	(8)	(8)	-	(8)
Balance at December 31, 2025	43	743	(675)	4,200	4,311	25	4,336

¹ Refer to Note 1 General Information – Change in presentation currency

² In June 2024, Firmenich demerged its re-insurance company Bergere Ltd to its main shareholder DSM-Firmenich AG for a cash consideration of CHF 0.6 million based on the historical capital contribution. The difference of €69 million between the consideration received and the carrying amount has been recognized as deemed dividend.



Consolidated cash flow statement

in € million	2025	2024 ¹
Operating activities		
Net profit for the period	474	557
Share of profit of associates and joint ventures	(1)	(3)
Income tax expenses	94	108
Profit before tax	567	662
Finance income and expense	65	84
Operating profit	632	746
Depreciation, amortization and impairments	299	276
Loss (gain) from disposals	1	(24)
Changes in provisions	(4)	(26)
Changes in employee benefits	(46)	(19)
Income taxes paid / received	(111)	(144)
Other non-cash items	(91)	(2)
Operating cash flow before changes in working capital	680	807
Changes in:		
Inventories	(33)	(56)
Trade receivables and other current receivables	(107)	41
Trade payables and other current payables	37	5
Changes in operating working capital	(103)	(10)
Changes in non-operating working capital	(31)	(123)
Changes in working capital	(134)	(133)
Cash provided by operating activities	546	674



Consolidated cash flow statement (continued)

in € million	2025	2024 ¹
Cash provided by operating activities	546	674
Investing activities		
Capital expenditure for intangible assets	(38)	(36)
Capital expenditure for property, plant and equipment	(234)	(196)
Proceeds from disposal of property, plant and equipment	5	1
Disposal of subsidiaries	-	13
Payments for short-term financial investments	(2)	(3)
Other financial assets (incl. associates):		
- Dividends received	1	6
- Capital payments and acquisitions	(4)	-
- Proceeds from disposals	19	387
- Additions to loans granted	(1)	-
- Repayment of loans granted	1	-
Interest received	7	9
Cash (used in) from investing activities	(246)	181
Financing activities		
Acquisition of non-controlling interests	-	(26)
Proceeds from borrowings	1	28
Repayment of borrowings	(57)	(76)
Payments of lease liabilities	(50)	(44)
Change in debt to credit institutions	18	-
Capital contribution to share premium ²	743	-
Remuneration hybrid bond	(26)	(28)
Redemption hybrid bond ²	(750)	-
Dividend paid	(354)	(7)
Interest paid	(34)	(38)
Funding cash pool	194	(741)
Cash used in financing activities	(315)	(932)
Cash and cash equivalents at the beginning of the period	199	275
Net increase / (decrease) in cash and cash equivalents	(15)	(77)
Effect of movements in exchange rates on cash held	(18)	1
Cash and cash equivalents at the end of the period	166	199

¹ The definition of cash and cash equivalents has been modified, refer to footnote 1 in the Consolidated balance sheet and to Note 14 Cash and cash equivalents.

² Reference is made to Note 15 Equity.

See [Note 25 Notes to the cash flow statements](#) to the consolidated financial statements for selected comments on statement of cash flow.

Please refer to [Note 15 Equity](#) to the consolidated financial statements for additional information on the redemption of the hybrid bond.



Notes to the consolidated financial statements

1 General information

Basis of preparation

Firmenich International SA's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and Swiss law.

The Firmenich International SA Board of Directors approved for issue these consolidated financial statements on June 18, 2026.

In the following notes, all amounts are shown in millions of euros (€), unless otherwise stated.

Change in presentation currency

Effective from January 1, 2025, the presentation currency of the Firmenich Group changed voluntarily from Swiss franc to Euro (for comparability purposes with the dsm-firmenich AG annual report), whereas the parent company's functional currency and presentation currency remained Swiss franc (CHF).

In compliance with the requirements of International Accounting Standards (IAS) 21, The Effects of Changes in Foreign Exchange Rates and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, prior periods have been restated for this change in presentation currency. Assets, liabilities and equity were translated to Euro's at closing exchange rates prevailing on the respective balance sheet dates, and income and expenses were translated at the respective average rates prevailing for the relevant periods. All resulting currency exchange differences were recorded in the statement of other comprehensive income, within the currency translation reserve.

Firmenich has restated prior periods from June 1, 2008, which represented the earliest date from which it was practicable to perform a restatement, given the lack of sufficiently reliable data for earlier periods. As a consequence, currency translation adjustment (CTA) gains or losses prior to 2008 have been disregarded, with CTA effects first calculated from June 1, 2008, onward. In addition, Firmenich has included a third balance sheet as of January 1, 2024, in line with IAS 1, Presentation of Financial Statements.

Effect of new or amended standards

On April 9, 2024, the International Accounting Standards Board (IASB) issued IFRS 18 Presentation and Disclosure in Financial Statements, which becomes effective from January 1, 2027. IFRS 18 includes requirements on the presentation of new defined subtotals in the consolidated income statement, the disclosure of management-defined performance measures, and enhanced requirements for the aggregation and disaggregation of information. As such, IFRS 18 will primarily affect the presentation of the consolidated income statement and the categorization of certain items of income and expenses. During 2025, Firmenich has performed a preliminary impact assessment, but the company has not yet completed its detailed assessment. Other new or amended standards that are effective from January 1, 2025 do not have a material effect on Firmenich's Consolidated Financial Statements. In addition, other new or amended standards effective after January 1, 2026 were neither adopted early, nor expected to have significant impact.

Group material accounting policies

The below information outlines the general Group material accounting policies. Other specific material accounting policies that management considers to be the most important for the presentation of the financial position and results of Firmenich's operations are included in the relevant notes and applied throughout the Consolidated Financial Statements.



Principles of consolidation

As a parent company, Firmenich International SA is exposed to, or has a right to, the variable returns from its involvement with its subsidiaries and has the ability to affect the returns through its power over the subsidiaries. The financial data of subsidiaries are fully consolidated (a list of main subsidiaries is disclosed in Note 8 Investments to the Parent company financial statements). Non-controlling interests in the Group's equity and income statement are stated separately. Subsidiaries are consolidated from the acquisition date until the date on which Firmenich ceases to have control. From the acquisition date onwards, all intra-Group balances and transactions and unrealized profits or losses from intra-Group transactions are eliminated.

A joint arrangement is an entity in which Firmenich holds an interest and which is jointly controlled by Firmenich and one or more other partners under a contractual arrangement. A joint arrangement can either be a joint venture whereby Firmenich and the other partner(s) have rights to the net assets of the arrangement, or a joint operation where Firmenich and the partner(s) have rights to the assets and obligations for the liabilities of the arrangement.

For joint ventures, the investment in the net assets is recognized and accounted for in accordance with the equity method, see also Note 9 Associates and joint arrangements. For a joint operation, assets, liabilities, revenues, and expenses are recognized in the financial statements of Firmenich in accordance with the contractual entitlement or obligations of Firmenich.

Foreign currencies

The Group's presentation currency is the euro (€), while the parent company's functional currency is the Swiss Franc (CHF). Each entity of the Group records transactions and balance sheet items in its functional currency. Transactions denominated in a currency other than the functional currency are recorded at the spot exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in a currency other than the functional currency of the entity are translated at the closing rates. Exchange differences resulting from the settlement of these transactions and from the translation of monetary items are recognized in the income statement. Non-monetary items that are measured on the basis of historical costs denominated in a currency other than the functional currency continue to be translated against the rate at initial recognition and will not result in exchange differences.

On consolidation, the balance sheets of subsidiaries that do not have the euro as their functional currency are translated into euros at the closing rate. The income statements of these entities are translated into euros at the average rates for the relevant period. The functional currency in which goodwill paid on acquisition is recorded is based on the business case underlying the corresponding business combination.

Exchange differences arising from the translation of quasi-equity loans and the net investment in entities with a functional currency other than the euro are recorded in Other comprehensive income. The same applies to exchange differences arising from borrowings and other financial instruments insofar as those instruments hedge the currency risk related to the net investment. On disposal of an entity with a functional currency other than the euro, the cumulative exchange differences relating to the translation of the net investment are recognized in profit or loss.

The currency exchange rates that were used in preparing the Consolidated Financial Statements are listed below for the most important currencies.



1 euro =	Exchange rate at December 31		Average exchange rate	
	2025	2024	2025	2024
US dollar	1.18	1.04	1.13	1.08
Swiss franc	0.93	0.94	0.94	0.95
Chinese renminbi	8.23	7.58	8.12	7.79

Significant accounting estimates and judgments

The preparation of the Consolidated Financial Statements requires management to make estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses, disclosure of contingent assets and liabilities at the date of the financial statements. Actual outcomes could differ from those estimates. The estimates are based on historical experience, expert knowledge, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Furthermore, the application of the Group's accounting policies may require management to make judgments, apart from those involving estimates, that can have a significant effect on the amounts recognized in the financial statements. Areas of management estimates and judgments that have a significant effect on the amounts recognized in the financial statements are disclosed along with the material accounting policies in the relevant notes.

Presentation of consolidated income statement

Firmenich presents expenses in the consolidated income statement in accordance with their function. This allows the presentation of gross profit on the face of the income statement, which is a widely used performance measure in the industry. The composition of the costs allocated to the individual functions is explained below.

Cost of sales encompasses all manufacturing costs (including raw materials, employee benefits, and depreciation and amortization) related to goods and services captured in net sales. These are measured at their actual cost based on weighted average cost.

Marketing & Sales relates to the selling and marketing of goods and services, and also includes all costs that are directly related to the sale of goods, but are not originated by the manufacturing of the goods (e.g., outbound freight).

Research & Development consists of:

- **Research**, which is defined as original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding.
- **Development**, which is defined as the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use that do not meet the accounting requirements for capitalization.

General & Administrative relates to the strategic and governance role of the general management of the company as well as the representation of Firmenich as a whole in the financial, political, or business community. It also relates to business support activities of staff departments that are not directly related to the other functional areas.



2 Change in the scope of consolidation

Accounting policy

Business combinations

Business combinations are accounted for using the acquisition method from the moment control is transferred to the Group.

The cost of an acquisition is measured as the aggregate of the consideration transferred, including assets transferred, shares issued, and liabilities incurred, measured at acquisition date fair value. Acquisition-related costs incurred are expensed, except if related to the issue of debt or equity securities. As of the acquisition date, identifiable assets acquired, liabilities assumed, and any non-controlling interest in the acquiree are recognized separately from goodwill.

Identifiable assets acquired and the liabilities assumed are measured at acquisition date fair value. For each business combination, dsm-firmenich elects whether it measures the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Any contingent consideration payable is measured at fair value at the acquisition date; subsequent changes in the fair value of the contingent consideration resulting from events after the acquisition date are recognized in profit or loss.

For business combinations with the acquisition date in the prior reporting period, comparative information is revised in case adjustments are made during the measurement period to the provisional amounts, determined as part of the purchase price allocation (PPA), based on information available at the acquisition date.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups (assets and liabilities relating to an activity that is to be sold) are classified as 'held for sale' if their carrying amount is to be recovered principally through a sales transaction rather than through continuing use.

The reclassification takes place when the assets are available for immediate sale and the sale is highly probable. These conditions are usually met as from the date on which a letter of intent or agreement to sell is ready for signing. Non-current assets and disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortized.

Discontinued operations

Discontinued operations comprise those activities that were disposed of during the period or which were classified as held for sale at the end of the period and represent, or is part of single co-ordinated plan to dispose of, a separate major line of business or geographical area that can be clearly distinguished for the purposes of operational and financial reporting. Classification as a discontinued operation occurs when the operation meets the criteria to be classified as held for sale.

The business results reclassified to discontinued operations include also intercompany recharges that cease to be earned/incurred on disposal. Corporate costs are excluded from the reclassification to discontinued operations.

The comparative numbers in the Income statement and the Statement of comprehensive income are re-presented as if the activities had been discontinued from the start of the comparative year.

Estimates and judgments

Key estimates dsm-firmenich makes in the accounting for changes in the scope of consolidation relate to the determination of fair values for assets acquired and liabilities assumed in business combinations. These estimates are based on historical quoted market prices and experience and are generally validated by external valuation specialists.



Acquisitions

In 2025, Firmenich did not acquire any business (same as in 2024).

Divestments

In 2025, Firmenich did not divest any business.

DRT-Anthea

In 2024, the Group reduced its stake in the partnership DRT-Anthea Aroma Chemicals Private Limited ('DRT-Anthea') in India from a controlling shareholding of 50% to a minority shareholding of 25%. The stake in the partnership DRT-Anthea Chemicals Private Limited was reduced by another 15% in 2025 to 10%, and has become an other participating interest.

Bergère

In June 2024, the Bergère Ltd. re-insurance company of the Firmenich Group (Bergère) was transferred from Firmenich International SA to its parent company DSM-Firmenich AG at the historical cost of capital. As a consequence, the Firmenich Group deconsolidated the Bergère assets and liabilities for a total net asset value of €71 million (of which no goodwill). Given the consideration transferred of €1 million, this resulted in a loss in 2024 of €70 million.

Assets and liabilities held for sale

On April 28, 2026, Firmenich announced the sale of its Action Pin business ("Agro Ingredients" of its Perfumery & Beauty business) to AP Marensin S.A.S.U., a consortium of investors created by FeBe Vermögensverwaltung GmbH and backed by Econa, a Berlin-based German family office, and Ouest Croissance, a French Private Equity Fund. The transaction includes Action Pin, based in Castets, France, with 110 employees, and representing about €50 million sales in 2025. This transaction is subject to customary regulatory approvals. Based on the sale of the Action Pin business, the assets and liabilities subject to the sales transaction were classified as held for sale at year-end 2025, which resulted in a non-cash impairment of €19 million before taxes in 2025.



The impact of the reclassification of the regarding activities on the Firmenich consolidated balance sheet is presented in the following table.

	2025
Assets	
Non-current assets	
Goodwill and intangible assets	8
Property, plant and equipment	5
Current assets	
Inventories	12
Trade receivables	6
Total assets	31
Liabilities	
Non-current liabilities	
Deferred tax liabilities	3
Employee benefit liabilities	2
Current liabilities	
Trade payables	7
Income tax payables	1
Other current liabilities	3
Total liabilities	16
Net assets	15



3 Segment information

Accounting policy

Firmenich has segmented its operations by business activity from which revenues are earned and expenses incurred. These operating results are regularly reviewed by the Board of Directors, Firmenich's Chief Operating Decision Maker (CODM), to make decisions about resources to be allocated to the operating segments and assess their performance. Discrete financial information is available for each identified operating segment. Firmenich has determined that Perfumery & Beauty – Firmenich (P&B-FIRM) and Taste, Texture & Health – Firmenich (TTH-FIRM) represent reportable operating segments.

The same accounting policies that are applied for the consolidated financial statements of Firmenich are also applied for the operating segments. Prices for transactions between segments are determined on an arm's length basis at market-based prices. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can reasonably and consistently be allocated. Interest income, interest expense, and income tax expense or income are not allocated to segments as these amounts are not included in the measure of segment profit or loss reviewed by the Board of Directors.

Selected information on a country and regional basis is provided in addition to the information about operating segments.

Operating segments

Firmenich is organized into two Business Units:

- **Perfumery & Beauty – Firmenich (P&B-FIRM)** creates premium scents with proven benefits, using the best and largest palette of natural, synthetic, and biotech ingredients.
- **Taste, Texture & Health – Firmenich (TTH-FIRM)** helps customers create food and beverage products that are delicious, nutritious, affordable, and sustainable. This Business Unit provides enjoyment and nourishment for consumers, business success for customers, and better health for people and planet.

For 2025, these Business Units have been identified as the reportable operating segments of Firmenich.

Firmenich does not have a single external customer that represents 10% or more of total sales.

Reportable segments

	Perfumery & Beauty – Firmenich	Taste, Texture & Health – Firmenich	Total
2025			
Net sales	3,396	1,829	5,225
Depreciation, amortization	182	97	279
Operating profit	397	235	632
2024			
Net sales	3,322	1,814	5,136
Depreciation, amortization	179	93	272
Operating profit	451	295	746



Geographical information

	Switzer- land	Rest of EMEA	North America	Latin America	China	Rest of Asia	Total
2025							
Net sales (by destination)							
In € millions	71	2,070	1,162	531	385	1,006	5,225
In %	1	41	22	10	7	19	100
Workforce at period-end (headcount)	1,495	4,130	1,888	1,138	781	1,462	10,894
Intangible assets and property, plant and equipment at period-end (carrying amount)	687	2,059	900	101	174	417	4,338
2024							
Net sales (by destination)							
In € millions	65	2,044	1,184	526	361	956	5,136
In %	1	40	23	10	7	19	100
Workforce at year-end (headcount)	1,459	3,916	1,893	1,121	910	1,734	11,033
Intangible assets and property, plant and equipment at year-end (carrying amount)	690	2,130	982	90	199	417	4,508



4 Net sales and costs

Accounting policy

Revenue from contracts with customers is recognized by identifying the contract and its performance obligations as well as determination and allocation of the transaction price to these performance obligations. Net sales represent the invoice value less estimated rebates, cash discounts, and indirect taxes. No element of financing is deemed present as sales are made with a short-term credit term.

The payment terms are determined per business segment on a customer basis. Firmenich has neither specific obligations for returns or refunds, nor specific warranties or other related obligations.

Sale of goods

At Firmenich, revenue related to the sale of goods is recognized in the income statement when the performance obligation is satisfied. This is at the point in time when transfer of control of the goods passes to the buyer. Fulfilment of the performance obligations related to goods sold is measured using the commercial shipment terms as an indicator for the transfer of control. Revenue recognized is measured at the fair value of the contractual transaction price allocated to the performance obligation that is satisfied.

No element of financing is deemed present as the sales are made with a short-term credit term.

Net sales

	2025	2024
Goods sold	5,225	5,136
Total	5,225	5,136

Disaggregation of net sales

	2025	2024
Perfumery & Beauty – Firmenich (P&B-FIRM)	3,397	3,322
- Perfumery	2,453	2,418
- Ingredients	944	904
Taste, Texture & Health – Firmenich (TTH-FIRM)	1,828	1,814
Total	5,225	5,136

Total costs

In 2025, total operating costs (the total costs included in operating profit) amounted to €4.6 billion, €0.2 billion higher than in 2024, when these costs stood at €4.4 billion. Total operating costs in 2025 included Cost of sales amounting to €3.2 billion (2024: €3.0 billion); gross profit as a percentage of net sales stood at 39% (2024: 41%).



Employee benefit costs

	2025	2024
Wages and salaries ¹	983	1,028
Social security costs	158	187
Pension costs (see also Note 23)	115	76
Share-based payments (see also Note 26)	25	-
Total	1,281	1,291

¹ Restated for comparison purposes. Certain costs previously reported as 'other' have been presented now as 'wages and salaries' or not recognized as categorial cost.

Depreciation, amortization and impairments

	2025	2024
Amortization of intangible assets	96	98
Depreciation of property, plant and equipment owned	138	133
Depreciation of right-of-use assets	45	41
Impairment losses	20	5
Total	299	277

Other operating income

	2025	2024
Gain on sale of assets and activities	-	16
Insurance benefits	15	-
Total	15	16



5 Finance income and expense

	2025	2024
Finance income		
Interest income from third parties	7	8
Interest income from related parties	25	11
Fair value change in derivatives	-	2
Sundry	10	5
Total finance income	42	26
Finance expense		
Interest expense from third parties	(32)	(54)
Interest expense from related parties	(21)	(18)
Interest relating to lease liabilities	(6)	(5)
Interest relating to defined benefit plans	(1)	(2)
Exchange differences losses	(43)	(24)
Sundry	(4)	(7)
Total finance expense	(107)	(110)
Total finance income and expense	(65)	(84)

There was no interest expense capitalized in 2025 and 2024.



6 Income tax

Accounting policy

Income tax expense is recognized in the income statement except to the extent that it relates to an item recognized directly in Other comprehensive income or Shareholders' equity.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable with respect to previous years. The current tax position also reflects any uncertainty related to income taxes. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the carrying amount of assets and liabilities and their tax base. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the balance sheet date, and reflect any uncertainty related to income taxes and are expected to apply when the related deferred tax assets are realized or the deferred tax liabilities are settled. Deferred tax assets, including assets arising from losses carried forward and tax credits, are reassessed over time and recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilized. Deferred tax assets and liabilities are stated at nominal value.

Deferred taxes are not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax assets and deferred tax liabilities are offset and presented net when there is a legally enforceable right to offset, and the assets and liabilities relate to income taxes levied by the same taxation authority.

Estimates and judgments

Key estimates for income tax generally relate to uncertain tax positions that could result from different interpretation of tax legislation by local tax authorities in the countries where Firmenich operates. For the measurement of the uncertainty, Firmenich uses the most likely amount or the expected value method to estimate the underlying risk. This requires judgements and final outcome may deviate from the estimates.



The income tax expense was €94 million (2024: €108 million). The breakdown of the income tax expense is as follows.

	2025	2024
Current tax expense:		
- Current year	(107)	(136)
- Prior-year adjustments	4	7
- Expenses not deductible	-	(4)
- Non-recoverable withholding tax	(7)	1
Total current tax expense	(110)	(132)
Deferred tax benefit:		
- Originating from temporary differences and their reversal	18	14
- Prior-year adjustments	-	1
- Change in tax rate	(2)	4
- Utilization of tax loss carry forward	(4)	2
- Changes in previously and newly recognized tax losses and tax credits	4	3
Total deferred tax benefit	16	24
Total tax expense	(94)	(108)

The decrease of the income tax expense as compared to 2024 is mainly due to a lower current tax expense for the tax year 2025. This is partly offset by a higher amount of non-recoverable withholding tax. The relationship between the income tax expense based on the nominal tax rate in Switzerland and the actual income tax expense is explained in the table below.

In € million	2025	2024
Profit before tax	567	662
Tax reconciliation		
Tax calculation on Profit before tax based on nominal Swiss corporate income tax rate (14.7%) ¹	(83)	(140)
<i>Income tax effects of:</i>		
- Deviating rates ¹	(25)	-
- Change in tax rates	(2)	4
- Tax-exempt income and non-deductible expenses	16	13
- Other effects	-	15
Income tax expense	(94)	(108)

¹ As from 2025 the expected tax expense is based on the applicable Swiss corporate income tax rate of the parent company whereas the expected tax expense in 2024 was based on the Group's average applicable tax. Therefore, the reconciling line deviating rates is presented in 2025.

Pillar Two legislation has been enacted in several jurisdictions in which Firmenich operates. Firmenich applies the temporary relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as current tax when it is incurred. The income tax expense relating to Pillar Two legislation was less than €1 million in 2025 because of the geographical spread of the business results (2024: less than €1 million).

The balance of the deferred tax assets and deferred tax liabilities increased by €12 million owing to the changes presented in the following table.



Deferred tax assets and liabilities

	2025	2024
Balance at January, 1		
Deferred tax assets	92	95
Deferred tax liabilities	(226)	(238)
Total	(134)	(143)
<i>Changes:</i>		
- Income tax income / (expense) in income statement	15	(28)
- Income tax: change in tax percentage	1	4
Total income statement	16	(24)
- Income tax expense in OCI	(19)	(4)
- Exchange differences	4	37
- Reclassification to held for sale	3	-
Balance at December, 31	(130)	(134)
Of which:		
- Deferred tax assets	82	92
- Deferred tax liabilities	(212)	(226)

In various countries, Firmenich has taken standpoints regarding its tax position which may at any time be challenged, or have already been challenged, by the tax authorities, because the authorities in question interpret the law differently. For particular tax treatments whose acceptance by the relevant tax authorities is uncertain, Firmenich either recognizes a liability or reflects the uncertainty in the recognition and measurement of its current and deferred tax assets and liabilities.

The deferred tax assets and liabilities relate to the following balance sheet items.

Deferred tax assets and liabilities by balance sheet item

	2025		2024	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Goodwill and intangible assets	3	(143)	1	(146)
Property, plant and equipment	2	(63)	2	(79)
Other non-current assets	-	(2)	2	(9)
Financial investments	16	(12)	-	-
Inventories	29	(20)	22	(15)
Trade receivables	27	(5)	-	-
Other current receivables	-	-	5	(5)
Other non-current liabilities	1	(27)	24	(1)
Non-current provisions	16	(3)	25	(28)
Other current liabilities	19	(6)	25	(1)
Borrowings	2	-	-	-
	115	(281)	106	(284)
Tax losses carried forward and credits	36	-	44	-
Set-off	(69)	69	(58)	58
Total	82	(212)	92	(226)



As at December 31, 2025, the Group had €854 million of tax losses available (2024: €581 million).

Unused tax losses for which no deferred tax assets have been recognized amount to €678 million (2024: €408 million). These unused tax losses are mainly located in affiliates in the USA and Switzerland. Unrecognized loss carryforwards amounting to €216 million will expire in the years up to and including 2030 and €462 million in 2036 and beyond. In addition, carry-forward interest of € 57 million is unrecognized.

No deferred tax liability is recognized on temporary differences relating to unremitted retained earnings of subsidiaries as the Group is able to control the timings of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. The amount of unremitted retained earnings on which no deferred tax liability has been provided is €2,158 million (2024: €1,983 million).

The valuation of deferred tax assets depends on the probability of the reversal of temporary differences and the utilization of tax loss carryforwards, tax credits and withholding tax. Deferred tax assets are recognized for future tax benefits arising from temporary differences and for tax loss carryforwards to the extent that the tax benefits are probable. Firmenich has to assess the likelihood that deferred tax assets will be recovered from future taxable profits. Deferred tax assets are reduced if, and to the extent that, it is not probable that all or some portion of the deferred tax assets will be realized. In the event that actual future results differ from estimates and depending on tax strategies that Firmenich may be able to implement, changes to the measurement of deferred taxes could be required, which could have an impact on the company's financial position and profit for the year.



7 Goodwill and intangible assets

Accounting policy

Goodwill

Goodwill represents the excess of the cost of an acquisition over Firmenich's share in the net fair value of the identifiable assets and liabilities in a business combination. Goodwill paid on acquisition of a business is included in intangible assets. Goodwill paid on acquisition of joint ventures or associates is included in the carrying amount of these entities. Goodwill recognized as an intangible asset is tested for impairment annually, and when there are indications that the carrying amount may exceed the recoverable amount. A gain or loss on the disposal of an operation includes the goodwill allocated to the operation sold.

Intangible assets acquired as part of a business combination

Intangible assets acquired in a business combination are recognized at fair value on the date of acquisition and subsequently amortized on a straight-line basis over their expected useful lives. The expected useful lives vary from 4 to 20 years.

Separately acquired intangible assets

Separately acquired licenses, patents, application software and other purchased rights are carried at historical cost less straight-line amortization and less any impairment losses. The expected useful lives vary from 4 to 20 years. Capital expenditure that is directly related to the development of application software is recognized as an intangible asset and amortized over its estimated useful life (5 to 8 years). Costs of software maintenance are expensed when incurred.

Internally generated intangible assets

Research costs are expensed when incurred. Development expenditure is capitalized if the recognition criteria are met and if it is demonstrated that:

- It is technically feasible to complete the asset
- The entity intends to complete the asset
- The entity is able to sell the asset
- The asset is capable of generating future economic benefits
- Adequate resources are available to complete the asset
- The expenditure attributable to the asset can be reliably measured

Capitalized development expenditure is amortized over the asset's useful life on a straight-line basis. As long as internally generated intangible assets are under construction, they are not amortized as they are not yet available for use. Instead, they are subject to a review for impairment annually, or more frequently if events or circumstances indicate this is necessary. Any impairment is charged to the income statement as it arises.

Impairment of non-financial assets

When there are indications that the carrying amount of a non-financial asset (goodwill, an intangible asset, or an item of property, plant and equipment) may exceed the estimated recoverable amount (the higher of its value in use and fair value less costs of disposal), an impairment test is performed.

If an individual intangible asset does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market interest rates and the risks specific to the asset or CGU.

When the recoverable amount of a non-financial asset or a CGU is less than its carrying amount, the carrying amount is impaired to its recoverable amount and an impairment charge is recognized in profit or loss. An impairment loss is



reversed when there has been a change in estimate that is relevant for the determination of the asset's recoverable amount since the last impairment loss was recognized. Impairment losses for goodwill are never reversed

Estimates and judgments

Key estimates and judgments Firmenich makes in the accounting for goodwill and intangible assets relate to:

- The amortization period of intangible assets, which depends on their useful lives
- The determination of CGUs, which depends on the capacity of the asset or group of assets to generate independent cash flows
- The estimation and allocation of future cash flows, growth rates, discount rates and fair values minus costs of disposal for the impairment testing of goodwill and intangible assets. These estimates are based on historical and current market rates, quoted prices, experience, and current business outlooks, and are generally validated by external valuation specialists.

Goodwill and intangible assets

	Goodwill	Customer base	Technology and formulas	Brands and trademarks	Software, licenses and patents	Internally generated / under construction	Total
Balance at January 1, 2024							
Cost	1,951	726	498	145	621	60	4,001
Amortization and impairment losses	-	(312)	(350)	(57)	(537)	-	(1,256)
Carrying amount	1,951	414	148	88	84	60	2,745
<i>Changes in carrying amount:</i>							
- Capital expenditure	-	-	-	-	1	36	37
- Put into operation	-	-	-	-	33	(33)	-
- Amortization	-	(30)	(24)	(8)	(36)	-	(98)
- Impairment losses	-	-	-	-	-	-	-
- Exchange differences	30	17	4	7	-	(1)	57
- Other consolidation changes	(6)	-	-	-	-	-	(6)
	24	(13)	(20)	(1)	(2)	2	(10)
Balance at December 31, 2024							
Cost	1,975	746	504	159	630	62	4,076
Amortization and impairment losses	-	(345)	(376)	(72)	(548)	-	(1,341)
Carrying amount	1,975	401	128	87	82	62	2,735
- Of which acquisition related	1,975	401	128	87	-	-	2,591
<i>Changes in carrying amount:</i>							
- Capital expenditure	-	-	-	-	26	12	38
- Put into operation	-	-	-	-	18	(18)	-
- Amortization	-	(30)	(22)	(11)	(33)	-	(96)
- Impairment losses	(3)	-	-	(5)	(7)	(5)	(20)
- Classified to held for sale	-	-	-	(2)	(5)	(1)	(8)
- Exchange differences	(71)	(17)	(2)	(2)	(2)	1	(93)
- Transfers from property, plant and equipment	-	-	-	-	(1)	3	2
	(74)	(47)	(24)	(20)	(4)	(8)	(177)
Balance at December 31, 2025							
Cost	1,904	708	492	143	631	54	3,932
Amortization and impairment losses	(3)	(354)	(388)	(76)	(553)	-	(1,374)
Carrying amount	1,901	354	104	67	78	54	2,558
- Of which acquisition-related	1,901	354	104	67	-	-	2,426



The amortization and impairment losses of goodwill and intangible assets are included in Cost of sales, Marketing & Sales, Research & Development, and General & Administrative expenses.

Where Firmenich acquired entities in business combinations, they were accounted for by the acquisition method, resulting in recognition of mainly goodwill, customer- and marketing-related, and technology-based intangible assets.

There are no intangible assets (other than goodwill) with an indefinite useful life (same as in 2024). The carrying amount of the internally generated intangible assets includes €54 million (2024: €62 million) that relates mainly to strategic projects which are not being amortized yet. The recoverable amount of these projects was estimated based on the present value of the future cash flows expected to be derived from the projects (value-in-use).

Goodwill

The CGUs Firmenich identified in 2025 were Perfumery & Beauty – Firmenich (P&B-FIRM) and Taste, Texture & Health – Firmenich (TTH-FIRM).

Goodwill per Cash generating unit

	2025	2024
P&B-FIRM	1,227	1,263
TTH-FIRM	674	712
Total	1,901	1,975

The annual impairment tests of goodwill are performed at year-end. The recoverable amount of the CGUs is based on a value-in-use calculation.

The cash flow projections are derived from dsm-firmenich's overall business plan as Firmenich does not operate in isolation from the dsm-firmenich Group. The Firmenich specific cash flow projections are based on the derived budget for 2026, as approved by Firmenich's management, which is extrapolated throughout the remainder of the forecast period using management's internal forecasts. The key assumptions in the cash flow projections relate to the market growth for the CGUs and the related revenue projections, profit developments, and the rates used for discounting cash flows. For P&B-FIRM which is considered a mature business, a forecast period of five years is applied before they come to a terminal value. For TTH-FIRM, an initial forecast period of seven years was applied, reflecting the extended period of time during which the identified synergies arising from the merger are expected to contribute to the growth of this CGU. The terminal value growth rate is determined with the assumption of inflationary growth.

Key assumptions for goodwill impairment tests

	2025	2024
Forecast period (years)		
- Mature business	5	5
- Emerging business	7	10
Terminal value growth	2.0%	2.0%
Pre-tax discount rate		
P&B-FIRM	10.2%	9.0%
TTH-FIRM	9.9%	8.9%
Organic sales growth (year 1–5)		
P&B-FIRM	2%–5%	2%–4%
TTH-FIRM	1%–7%	1%–7%



For P&B-FIRM, the growth assumptions are based on the global fragrances markets and for TTH-FIRM on the growth assumptions of the global food and beverage markets.

A sensitivity test was performed on the impairment tests of the CGUs and showed that the conclusions of these tests would not have been different if a reasonable possible adverse change in key parameters had been assumed.



8 Property, plant and equipment

Accounting policy

Property, plant and equipment owned

Items of Property, plant and equipment owned are measured at cost less depreciation calculated on a straight-line basis over their estimated useful lives and less any impairment losses. Borrowing costs during construction are capitalized when the underlying asset under construction meets the recognition criteria of a qualifying asset.

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the item will flow to the Group. Expenditures relating to major scheduled turnarounds are capitalized and depreciated over the period up to the next turnaround.

The estimated remaining lives of assets are reviewed every year, taking account of commercial and technological obsolescence as well as normal wear and tear. The initially assumed expected useful lives are in principle as follows:

- Buildings 10–50 years
- Plant and equipment 4–15 years
- Land is not depreciated

An item of property, plant and equipment owned is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use or the sale of the asset. Any gain or loss arising on derecognition of the asset is recorded in profit or loss.

Right-of-use assets (leases)

Firmenich mainly leases offices, warehouses, vehicles, machinery, and other equipment.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are measured at cost less any depreciation on a straight-line basis over the expected lease term, less any impairment losses, and adjusted for remeasurements of the lease liability. In line with the initially assumed expected useful life of the corresponding asset class within Property, plant and equipment, the minimum expected lease term for building leases is in principle 10 years. However, the contractual terms or specific circumstances could require applying the shorter non-cancellable period in determining the expected lease term. For vehicle leases, the expected lease term is set equal to the contractual term (4–5 years).

Impairment of Property, plant and equipment

If there is an indication of impairment, the carrying amount of an item of Property, plant and equipment or the cash generating unit (CGU) to which it belongs is reviewed and the recoverable amount of the asset or the CGU is estimated. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. An impairment loss is reversed when there has been a change in estimate that is relevant for the determination of the asset's recoverable amount since the last impairment loss was recognized.

Estimates and judgments

Key estimates and judgments Firmenich makes in the accounting for items of property, plant and equipment relate to:

- The depreciation period of items of property, plant and equipment, which depend on their useful lives
- The determination of the lease term for lease contracts based on assessment of available renewal options. Estimates are based on the underlying asset class, past practices and current business outlooks



- The estimation and allocation of future cash flows, growth rates, discount rates and fair values minus costs of disposal for the impairment testing of items of property, plant and equipment. These estimates are based on historical and current market rates, experience, and current business outlooks

Composition of Property, plant and equipment

	2025	2024
Property, plant and equipment owned	1,608	1,571
Right-of-use assets	172	202
Total	1,780	1,773

Property, plant and equipment owned

	Land and buildings	Plant and equipment	Under construction	Total
Balance at January 1, 2024				
Cost	1,497	1,780	215	3,492
Depreciation and impairments	(817)	(1,213)	-	(2,030)
Carrying amount at January 1, 2024	680	567	215	1,462
<i>Changes in carrying amount:</i>				
- Capital expenditure	16	23	176	215
- Put into operation	35	94	(129)	-
- Disposals and deconsolidations	(10)	(14)	-	(24)
- Depreciation	(46)	(87)	-	(133)
- Impairment losses	(3)	(2)	-	(5)
- Exchange differences	35	16	5	56
	27	30	52	109
Balance at December 31, 2024				
Cost	1,567	1,895	267	3,729
Depreciation and impairments	(860)	(1,298)	-	(2,158)
Carrying amount at December 31, 2024	707	597	267	1,571
<i>Changes in carrying amount:</i>				
- Capital expenditure	-	2	249	251
- Put into operation	65	129	(194)	-
- Disposals and deconsolidations	(3)	-	-	(3)
- Depreciation	(46)	(92)	-	(138)
- Exchange differences	(31)	(24)	(11)	(66)
- Reclassification to held for sale	-	(4)	(1)	(5)
- Transfer to intangible assets	-	-	(2)	(2)
	(15)	11	41	37
Balance at December 31, 2025				
Cost	1,555	1,923	308	3,786
Depreciation and impairments	(863)	(1,315)	-	(2,178)
Carrying amount at December 31, 2025	692	608	308	1,608

There were no impairment losses recognized on Property, plant and equipment in 2025 (2024: €5 million).



Right-of-use assets

	Land and buildings	Plant and equipment	Total
Balance at January 1, 2024	138	30	168
<i>Changes in carrying amount:</i>			
New leases / terminations	68	13	81
Remeasurements	(11)	(3)	(14)
Depreciation	(28)	(13)	(41)
Exchange rate differences	8	-	8
	37	(3)	34
Balance at December 31, 2024			
Cost	264	72	336
Depreciation and impairments	(89)	(45)	(134)
Carrying amount at December 31, 2024	175	27	202
<i>Changes in carrying amount:</i>			
New leases / terminations	14	18	32
Remeasurements	(1)	(1)	(2)
Depreciation	(32)	(13)	(45)
Exchange rate differences	(13)	(2)	(15)
	(32)	2	(30)
Balance at December 31, 2025			
Cost	250	73	323
Depreciation and impairments	(107)	(44)	(151)
Carrying amount at December 31, 2025	143	29	172

For the disclosures on the lease liabilities that correspond with the right-of-use assets, see [Note 18 Borrowings](#).



9 Associates and joint arrangements

Accounting policy

An associate is an entity over which Firmenich has significant influence but no control or joint control, usually evidenced by a shareholding that entitles Firmenich to between 20% and 50% of the voting rights. A joint venture is an entity over which Firmenich has joint control and is entitled to its share of the net assets and liabilities.

Investments in associates and joint ventures are initially recognized at cost, including transaction costs. Subsequent to initial recognition, these investments are accounted for by the equity method, which involves recognition in the income statement of Firmenich's share of the associate's or joint venture's profit or loss for the year determined in accordance with the accounting policies of Firmenich. Any other results at Firmenich in relation to associated companies are recognized under Other results related to associates and joint ventures. Firmenich's interest in an associate or joint venture is carried in the balance sheet at its share in the net assets of the associate or joint venture together with goodwill paid on acquisition, less any impairment loss.

When Firmenich's share in the loss of an associate or joint venture exceeds the carrying amount of that entity, the carrying amount is reduced to zero. No further losses are recognized unless Firmenich has responsibility for obligations relating to the entity.

Associates and joint ventures

The following table analyses, in aggregate, the carrying amount and share of profit of associates and joint ventures.

	2025			2024
	Associates	Joint Ventures	Total	Total
Balance at January 1	89	7	96	69
- Share of the profit of associates and joint ventures	1	-	1	3
- Dividends received	(1)	-	(1)	(1)
- Disposals	(15)	-	(15)	-
- Reclassification to other financial assets	(9)	-	(9)	-
- Other consolidation change	-	-	-	22
- Currency translation adjustment	(4)	(1)	(5)	4
Balance at December 31	61	6	67	97

In December 2024, the Group reduced its stake in the partnership DRT-Anthea Aroma Chemicals Private Limited in India from a controlling shareholding of 50% to a minority shareholding of 25% (also refer to Note 2 Change in the scope of consolidation). As a consequence, the Group accounts for its remaining interest as an associate applying the equity method. The fair value of the remaining share in the associate at the date when control was lost amounted to €23 million. In December 2025, the stake in the partnership DRT-Anthea Chemicals Private Limited was reduced by another 15% in 2025 to 10%. DRT-Anthea is now recognized as an Other participating interest at FVOCI. Disposals of €15 million relates to the sale of 15% of the 25%-share held by Firmenich in the associate DRT-Anthea.

Jasmine Concrete Exports Private Ltd, InnovAroma SA and Authentic Product Industry SA are joint ventures. Essential Labs LLC, Biomass Energy Solutions VSG SAS, The Nelixia Company SA and Prolitec Inc are associated companies in which the Group has a significant influence.



10 Other non-current assets

Accounting policy

Other non-current assets comprise loans at amortized cost, other participating interests and other long-term investments and receivables.

Other participating interests comprise equity interests in entities in which Firmenich has no significant influence. We generally apply the irrevocable election upon initial recognition to present subsequent changes in the fair values of these interests in Other comprehensive income (FVOCI) as these represent investments that Firmenich intends to hold for a longer term for strategic purposes. Fair value changes in OCI will not be recycled through profit and loss upon disposal of the interest. All dividends received will be presented in profit or loss.

Firmenich's business model objective for loans granted is 'held-to-collect contractual cash flows only'. Held to collect loans, other receivables and other deferred items, for which the contractual cash flows consist solely of principal and interest, are measured at amortized cost, using the effective interest method, which generally corresponds to the nominal value, less an adjustment for expected credit loss. Upon disposal of these assets, the gain or loss is recognized in profit or loss. Other long-term investments and receivables, for which the contractual cash flows are not solely principal and interest, are recognized at fair value, with changes in fair value recognized in profit or loss.

Equity instruments at fair value through OCI

In 2025, the vast majority of the investments under other participating interests were classified as FVOCI. These other participating interests mainly include investments in the Firmenich venturing portfolio.

	Other participating interests	Other receivables	Loans to associates and joint ventures	Other	Total
Balance at January 1, 2024	473	20	7	13	513
<i>Changes:</i>					
- Disposals	(379)	-	-	-	(379)
- Exchange differences	(9)	-	-	-	(9)
- Changes in fair value through OCI	5	-	-	-	5
- Other changes	-	(3)	-	-	(3)
Balance at December 31, 2024	90	17	7	13	127
<i>Changes:</i>					
- Disposals	(9)	-	-	-	(9)
- Capital payments	4	(1)	-	-	3
- Loans granted / prepayments	-	-	-	8	8
- Exchange differences	(10)	(1)	-	(1)	(12)
- Reclassification from other associates/JVs	9	-	-	-	9
- Other transfers	3	21	-	-	24
- Changes in fair value through OCI	(21)	-	-	-	(21)
- Other changes	-	1	-	-	1
Balance at December 31, 2025	66	37	7	20	130

In November 2024, the Group disposed of its 386,732 shares and 102,000 share certificates of Robertet S.A. for a consideration of €386 million. The accumulated result in the fair value reserve amounting to €24 million was recycled to Retained earnings. The other main items included in the balance include an investment in S H Kelkar and Co. Ltd. with a



carrying amount of €23 million (2024: €39 million), and funds in relation to a deferred compensation scheme that are restricted to employee benefits use only for an amount of €29 million (2024: €35 million).

11 Inventories

Accounting policy

Inventories are stated at the lower of cost and net realizable value. The cost of intermediates, work-in-progress and finished goods includes directly attributable costs and related production overhead expenses.

Net realizable value is determined as the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Value adjustments for slow-moving and obsolete inventories are made.

Cost is generally determined using the weighted average cost formula.

	2025	2024
Raw materials and consumables	338	351
Intermediates and finished goods	761	795
	1,099	1,146
Adjustments to lower net realizable value	(39)	(42)
Total	1,060	1,104

Changes in the adjustment to net realizable value

	2025	2024
Balance at January 1	(42)	(36)
Additions	(95)	(41)
Utilization / reversals	93	35
Exchange differences	5	-
Balance at December 31	(39)	(42)



12 Current receivables

Accounting policy

Current receivables, for which the contractual cash flows are solely principal and interest, are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost, which generally corresponds to their nominal, non-discounted value, less an adjustment for expected credit loss.

Loss allowances for trade receivables are always measured at lifetime expected credit loss and is included under Credit risk in [Note 22 Financial Instruments and risks](#).

	2025	2024
Trade receivables		
Trade accounts receivable	987	991
Other trade receivables	65	79
Other receivables from related parties	20	47
Deferred items	51	20
Receivables from associates	-	3
	1,123	1,140
Expected credit loss	(9)	(9)
Total trade receivables	1,114	1,131
Income tax receivables	91	119
Other current receivables		
Other taxes and social security contributions	10	6
Related party cash pool	630	750
Loans	1	1
Other receivables	25	25
Deferred items	-	10
Total other current receivables	666	792
Total current receivables	1,871	2,042

Related party cash pool relates to the receivable from DSM Finance B.V., the finance entity of the dsm-firmenich Group.

See [Note 25 Notes to the cash flow statements](#).



13 Financial investments

Accounting policy

Financial investments are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Deposits with banks with a maturity between three and twelve months are classified as current financial investments.

	2025	2024
Equity securities	11	8
Deposits >3 months	2	-
Total	13	8

There are no restrictions on marketable securities.

For more information regarding the counterparty policy, see [Note 22 Financial instruments and risks](#).

14 Cash and cash equivalents

Accounting policy

Cash and cash equivalents comprise cash at banks and in hand and deposits held at call with banks with a maturity of less than three months at inception.

Deposits will be classified as 'cash equivalent' if held at banks with a maturity of less than three months at inception. Deposits will be classified as 'current investments' if the maturity is more than three months but less than or equal to one year. Bank overdrafts are included in current liabilities. Included in cash and cash equivalents are investments in money-market funds that do not meet the SPPI (Solely Payments of Principal & Interest) criterion but are held to meet short-term cash demand and have a maturity of less than three months at inception.

Cash and cash equivalents are measured at amortized cost, or at fair value through profit and loss.

Composition of cash and cash equivalents

	2025	2024
Deposits	47	77
Cash at bank and in hand	112	122
Payments in transit	7	-
Total	166	199

For Firmenich, the purpose of holding cash in deposits is to meet short-term cash commitments and to manage liquidity to such an extent that yields are optimized, while allowing Firmenich sufficient freedom in fulfilling its (strategic) goals.

Cash at year-end 2025 was not being used as collateral and therefore was not restricted (same as in 2024).

In a few countries, Firmenich faces cross-border foreign exchange controls and/or other legal restrictions that limit its ability to make these balances available at short notice for general use by the Group. The amount of cash held in these countries was €13 million at year-end 2025 (2024: €91 million). The cash will generally be invested or held in the relevant country and, given the other liquidity resources available to the Group, does not significantly affect the ability of the Group to meet its obligations.

For more information regarding the counterparty policy, see [Note 22 Financial instruments and risks](#).



15 Equity

Accounting policy

Firmenich classifies ordinary shares and other financial instruments, for which settlement of the contractual obligations is at the sole discretion of Firmenich, as equity.

Dividend to be distributed to holders of ordinary shares is recognized as a liability when the Annual General Meeting of Shareholders approves the profit appropriation.

Movements in equity

	2025	2024
Balance at January 1	4,455	3,902
Net profit for the year	474	557
Other comprehensive income	(219)	140
Dividend	(354)	(7)
Capital contribution	743	-
Share-based payments	21	-
Deemed dividend ¹	-	(69)
Reclassification of translation reserve	-	(12)
Redemption hybrid bonds (equity)	(750)	-
Remuneration hybrid bonds (equity)	(26)	(28)
Change in non-controlling interest	-	(28)
Other changes	(8)	-
Balance at December 31	4,336	4,455

¹ In June 2024, Firmenich demerged its re-insurance company Bergere Ltd to its main shareholder DSM-Firmenich AG for a cash consideration of CHF 0.6 million based on the historical capital contribution. The difference of €69 million between the consideration received and the carrying amount has been recognized as deemed dividend.

Share capital

On December 31, 2025, the capital amounted to €43 million, consisting of 8.0 million ordinary shares, all held by its parent DSM-Firmenich AG. All shares have a nominal value of CHF 5.00 each. The outstanding shares provide an entitlement of one vote per share at the General Meeting of Shareholders.

There were no changes in the number of issued and outstanding shares in 2024 and 2025.

Share premium

The statutory reserves increased by €743 million (€750 million minus €7 million of stamp taxes) as a result of a capital injection by the parent DSM-Firmenich AG.

Dividend

In 2025, the Company distributed €354 million of dividends, of which €350 million to its parent DSM-Firmenich AG (2024: nil) and €4 million to NCI (2024: €7 million to NCI).

Hybrid bonds

Firmenich International SA issued hybrid bonds (deeply subordinated fixed rate resettable perpetual notes) for €750 million on June 3, 2020 with a coupon of 3.75% payable annually at the sole discretion of the issuer until the first reset



date i.e., September 3, 2025. On August 5, 2025, Firmenich called and redeemed the notes at 100 percent of its nominal value in the amount of €750 million plus accrued interest amounting to €26 million (2024: €28 million).

In accordance with the provisions of IAS 32 Financial Instruments: Presentation, this instrument was accounted for in equity.

Other reserves in Shareholders equity

	Translation reserve	Hedging reserve	Remeasure- ment of employee benefit obligations	Share- based payments reserve	Fair value reserve	Total
Balance at January 1, 2024	(994)	-	(77)	-	(20)	(1,091)
Change in reporting currency	457	-	-	-	-	457
Restated balance at January, 2024	(537)	-	(77)	-	(20)	(634)
<i>Changes:</i>						
Fair-value changes of other financial assets	-	-	-	-	(5)	(5)
Exchange differences	134	-	-	-	-	134
Reclassification of hedge reserve	-	(12)	-	-	-	(12)
Actuarial gains and losses on DBO	-	-	4	-	-	4
Transfer to retained earnings	-	-	-	-	24	24
Total changes	134	(12)	4	-	19	145
Balance at December 31, 2024	(403)	(12)	(73)	-	(1)	(489)
<i>Changes:</i>						
Fair-value changes of derivatives	-	25	-	-	-	25
Fair-value changes of other financial assets	-	-	-	-	(21)	(21)
Exchange differences	(265)	-	-	-	-	(265)
Changes in share-based payments	-	-	-	25	-	25
Transfer to retained earnings	-	-	-	-	7	7
Actuarial gains and losses on DBO	-	-	78	-	-	78
Income tax	(19)	(1)	(10)	(4)	(1)	(35)
Total changes	(284)	24	68	21	(15)	(186)
Balance at December 31, 2025	(687)	12	(5)	21	(16)	(675)

For information on the reserves, see [Note 6 Shareholders' equity](#) to the parent company financial statements.

The €7 million transfer to retained earnings from fair value reserve to retained earnings is the realization of the fair value resulting from the sale of Robertet S.A.



16 Non-controlling interests

Accounting policy

Non-controlling interests in subsidiaries are measured at the proportionate share of the subsidiaries' identifiable net assets.

	2025	2024
Balance at January 1	29	53
<i>Changes:</i>		
- Share of profit	5	7
- Dividends paid	(4)	(7)
- Changes in non-controlling interest	-	(24)
- Transfer to shareholders' equity	-	(7)
- Exchange differences	(5)	7
Total changes	(4)	(24)
Balance at December 31	25	29

In March 2024, the Group acquired the remaining 10% of the share capital of ArtSci Biology Technologies Co. Ltd. for a purchase price of €26 million, corresponding non-controlling interests were derecognized for €7 million.

As part of the Group's loss of control in DRT-Anthea in December 2024, corresponding non-controlling interests were derecognized for €24 million (also refer to Note 2 Change in the scope of consolidation).



17 Provisions

Accounting policy

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. The underlying assumptions in the recognition of provisions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In cases where the effect of the time value of money is material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as financial expense.

Differences between the final obligations and the initial estimates are recognized in the consolidated income statement in the period in which such determination is made.

Estimates and judgments

Key estimates made in the accounting for provisions relate to the estimates made in determining the likelihood and timing of potential cash flows included in their measurement.

	Restructuring costs and termination benefits	Other provisions	Total
Balance at January 1, 2024	29	26	55
Of which current	1	10	11
<i>Changes:</i>			
- Additions	2	7	9
- Releases	-	(4)	(4)
- Uses	(21)	(8)	(29)
- Disposal of businesses	-	(7)	(7)
- Currency translation	2	-	2
Total changes	(17)	(12)	(29)
Balance at December 31, 2024	12	14	26
Of which current	12	3	15
<i>Changes:</i>			
- Additions	9	5	14
- Releases	(4)	(3)	(7)
- Uses	(7)	(4)	(11)
- Currency translation	2	(5)	(3)
Total changes	-	(7)	(7)
Balance at December 31, 2025	12	7	19
Of which current	9	2	11



18 Borrowings

Accounting policy

Borrowings

Borrowings, including bonds, are not held for trading and are initially recognized at fair value of the proceeds received, net of transaction costs. Subsequently, borrowings are stated at amortized cost using the effective interest method, with any discount or premium on the borrowing amortized over the applicable term. The corresponding interest expenses are recorded as financial expense in profit or loss.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, Firmenich uses its incremental borrowing rate as the discount rate. In determining the incremental borrowing rate, Firmenich applies the practical expedient to use a single discount rate to portfolios of leases with reasonably similar characteristics, as reflected in the contractual currency and expected lease term of these contracts.

In general, Firmenich splits the contractual consideration into a lease and a non-lease component based on their relative stand-alone prices. For vehicle leases, however, Firmenich applies the practical expedient not to make this split but rather accounts for the fixed consideration as a single lease component.

Over time, the lease liability is increased by the interest expense related to the unwinding of the lease liability and decreased by the lease payments made. The lease liability is remeasured to reflect any reassessment of or modification to the contractual terms and conditions of the lease, including indexation.

Payments related to short-term leases (leases with a term shorter than 12 months) are recognized on a straight-line basis in profit or loss.

Borrowings

	2025		2024	
	Total	Of which current	Total	Of which current
Bonds	1,496	750	1,494	-
Related party borrowings	3	-	-	-
Private loans	43	41	104	61
Lease liabilities	176	33	207	37
Credit institutions	8	8	-	-
Total	1,726	832	1,805	98



The schedule of repayment of borrowings is as follows.

Borrowings by maturity

	2025	2024
Less than one year	832	98
One to two years	36	827
Two to three years	28	31
Three to four years	16	21
Four to five years	761	17
More than five years	53	811
Total	1,726	1,805

A breakdown by currency is given in the following table.

Borrowings by currency

	2025	2024
EUR	1,530	1,546
USD	89	106
CNY	35	65
SGD	14	15
CHF	5	3
Other	53	70
Total	1,726	1,805

On balance, total borrowings decreased by €79 million due to the following changes.

Movements of borrowings

	2025	2024
Balance at January 1	1,805	1,815
Loans taken up	1	28
Repayments	(57)	(76)
Unwinding (interest)	8	10
Movement in related party loans	(4)	6
Changes in debt to credit institutions	18	-
New lease arrangements (incl. remeasurements)	30	66
Payment of lease liabilities	(50)	(44)
Exchange differences	(25)	-
Balance at December 31	1,726	1,805



A breakdown of bonds is given below.

Bonds

Nominal amount				2025	2024
EUR loan	1.38%	2020–2026	750	750	748
EUR loan	1.75%	2020–2030	750	746	746
Total				1,496	1,494

The bonds issued by Firmenich Productions Participations SAS (guaranteed by Firmenich International SA) have a fixed interest rate and are listed on Euronext Dublin.

- The 1.375% EUR bond 2020–2026 of €750 million has an effective interest rate of 1.44%
- The 1.750% EUR bond 2020–2030 of €750 million has an effective interest rate of 1.84%

A breakdown of the lease liabilities is given below.

Lease liabilities by maturity

	2025	2024
Less than one year	41	44
One to two years	36	50
Two to three years	24	30
Three to four years	21	24
Four to five years	19	20
More than five years	64	80
Total undiscounted lease liabilities at December 31	205	248
Lease liabilities included in the Balance Sheet at December 31	176	207
Current	33	37
Non-current	143	170

The interest expense on the lease liabilities was €6 million (2024: €10 million) and the total repayments of the lease liabilities amounted to €50 million in 2025 (2024: €44 million). These cash flows are reported as financing cash flows. Firmenich's policy regarding financial risk management is described in [Note 22 Financial instruments and risks](#).



19 Other non-current liabilities

Accounting policy

Other liabilities are measured at amortized cost, which generally corresponds to the nominal value, or at fair value through profit and loss.

Government grants are recognized at their fair value if there is reasonable assurance that the grant will be received and that all related conditions will be complied with. Cost grants, which are grants that compensate Firmenich for expenses incurred, are recognized as income over the periods necessary to match the grant on a systematic basis to the cost that it is intended to compensate. If the grant is an investment grant, its fair value is initially recognized as deferred income in Other non-current liabilities and then released to profit or loss over the expected useful life of the relevant asset.

	2025	2024
Government grants	14	15
Total	14	15

The Group received various government grants that will be released to the income statement over the useful life of the underlying assets. These grants are included in liabilities as deferred income.

Two grants are to indemnify for the forced relocation of production sites in China. In Kunming, the amount is to compensate for the relocation costs and the related investments; in Shanghai, the amount is to compensate for part of the leased land of the new location, totaling €8 million (2024: €8 million). Other grants are to help fund environmental projects in China and France totaling €6 million (2024: €7 million).



20 Current liabilities

Accounting policy

Other liabilities are measured at amortized cost, which generally corresponds to the nominal value, or at fair value through profit and loss. The latter is mainly applied to acquisition-related liabilities.

	2025	2024 ¹
Trade payables		
Trade accounts payable third parties	797	839
Trade accounts payable related parties	125	57
Total Trade payables	922	896
Income tax payables	171	191
Other current liabilities		
Other taxes and social security contributions	29	30
Interest and dividend	11	12
Accrued expenses	3	11
Investment creditors	70	58
Employee-related liabilities	122	188
Total Other current liabilities	235	299
Total current liabilities	1,328	1,386

¹ Restated for comparison purposes

Trade accounts payable include amounts due to suppliers which could be part of a supply chain finance arrangement between the supplier and a third-party bank.

Suppliers can enter into such arrangements with third-party banks, and access earlier payment on terms linked to the investment grade credit rating of Firmenich. If a supplier participates, this does not impact classification of the trade payable, as arrangements are concluded between them and banks and do not alter payment conditions between the supplier and Firmenich. Additionally, Firmenich does not incur any additional interest toward the bank on the amounts due to the suppliers. Therefore, these amounts remain classified as trade payables and the related payments are included in operating cash flows.

Supplier finance arrangements

	2025	2024
Carrying amount of liabilities		
Presented within trade and other payables (beginning of the period)	17	17
Presented within trade and other payables (end of the period)	14	17
- Of which suppliers have received payment (by a third-party bank)	13	12
Range of payment due dates		
Liabilities that are part of supplier finance arrangements	30-120 days after invoice date	30-120 days after invoice date
Comparable trade payables that are not part of a supplier finance arrangement	0-120 days after invoice date	0-120 days after invoice date



21 Contingent Liabilities and other financial obligations

The contingent liabilities and other financial obligations in the following table are not recognized in the balance sheet.

	2025	2024
Guarantee obligations on behalf of associates and third parties	4	3
Outstanding orders for projects under construction	12	13
Other	7	1
Total	23	17

As of December 31, 2025, the Group has several commitments resulting from contractual obligations as well as capital commitments.

In 2024, DSM-Firmenich AG, DSM B.V., and Firmenich International SA signed a cross guarantee agreement to mitigate structural subordination in the Group. The cross-guarantee agreement includes downstream guarantees from DSM-Firmenich AG to DSM B.V. and Firmenich International SA. In addition, there are also upstream guarantees from Firmenich International SA and DSM B.V. to DSM-Firmenich AG. The guarantees are irrevocable and unconditional and cover existing and future senior unsecured debt instruments across these entities, including dsm-firmenich's existing senior unsecured bonds. Under this cross-guarantee agreement, DSM-Firmenich AG acts as guarantor for the €4.7 billion (CHF 4.5 billion) bonds issued by dsm-firmenich (2024: €4.4 billion, CHF 4.2 billion), and for the credit facilities concluded in 2024 by DSM B.V. comprising the €1.8 billion (CHF 1.7 billion) revolving credit facility (RCF) and €100 million (CHF 93 million) bilateral revolving credit facility. The €1.0 billion (CHF 0.9 billion) bridge facility included in the guaranteed credit facilities in 2024 was cancelled on March 4, 2025.

Litigation

Firmenich has a process in place to monitor legal claims periodically and systematically. Firmenich is involved in several legal proceedings, most of which are related to the ordinary course of business. Firmenich does not expect these proceedings to result in liabilities that have a material effect on the company's financial position. In cases where it is probable that the outcome of the proceedings will be unfavorable, and the financial outcome can be measured reliably, a provision has been recognized in the financial statements and disclosed in [Note 17 Provisions](#).

In 2023, certain competition authorities commenced an industry-wide investigation into the fragrances sector alleging potential violations of anti-trust law. As part thereof, unannounced inspections were carried out at several of our offices in France, the United Kingdom and Switzerland, and a subpoena was received from the Antitrust Division of the United States Department of Justice. Subsequently, regulatory authorities in other jurisdictions also launched parallel anti-trust investigations. The company is fully cooperating with the authorities. The United States Department of Justice has recently advised the company that it shall be closing its anti-trust investigation. As per the date of release of this report, no additional updates on the investigations are available. In addition, multiple civil lawsuits have been filed against the company relating to the investigation.



22 Financial instruments and risks

Policies on financial risks

As an international Group, the Firmenich Group is exposed to financial risks in the normal course of business. A major objective of Firmenich International SA is to minimize the impact of market, liquidity and credit risk on the value of the company and its profitability. In order to achieve this, a systematic financial and risk management system has been established by the dsm-firmenich Group. Furthermore, an internal control framework is in place, and the controls are monitored and tested periodically.

The derivatives contracts used by the Group are entered into exclusively in connection with the corresponding underlying transaction (hedged item) relating to normal operating business. The instruments used are customary products, such as currency swaps, cross-currency interest rate swaps, collars, forward exchange contracts and interest rate swaps.

An important element of the Group's capital management is the allocation of cash flows. The Group primarily allocates cash flow to investments aimed at strengthening its business positions and securing the payment of dividends to its shareholders. The remaining cash flow is further used for acquisitions and partnerships that strengthen the Group's competences and market positions. The net debt to equity ratio (gearing) is 26.3% (2024: 26.8%).

Liquidity risk is the financial risk that an entity does not have and/or cannot access enough liquid cash and/or assets to meet its obligations. This can happen if the entity's credit rating falls, or when it experiences sudden unexpected cash outflows or an unexpected drop in cash inflows, or some other event that causes counterparties to avoid trading with or lending to the entity. Additionally, an entity can be indirectly exposed to market liquidity risk if the financial markets on which it depends are subject to loss of liquidity.

The primary objective of liquidity management is to optimize the corporate cash position, among other means by securing availability of sufficient liquidity for execution of payments by dsm-firmenich entities, at the right time and in the right place. At December 31, 2025, Firmenich International SA had cash and cash equivalents of €166 million (2024: €199 million).

Firmenich International SA has no derivative contracts to manage currency risk or interest rate risk outstanding under which margin calls by the counterparty would be permitted.

Floating-rate and fixed-rate borrowings and monetary liabilities analyzed by maturity are summarized in the following table. Borrowings excluding credit institutions are shown after taking into account related interest rate derivatives in designated hedging relationships. The Group manages financial liabilities and related derivative contracts on the basis of the remaining contractual maturities of these instruments. The remaining maturities presented in the following table provide an overview of the timing of the cash flows related to these instruments.



Liquidity risk of financial liabilities

	Carrying amount	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
2024							
Borrowings (incl. lease)	1,805	98	827	31	21	17	811
Monetary liabilities	1,386	1,386	-	-	-	-	-
Guarantees	3	3	-	-	-	-	-
Derivatives	(31)	(25)	(6)	-	-	-	-
Interest payments	100	23	23	14	13	13	14
Cash at redemption ¹	5	1	1	1	1	1	-
Total	3,268	1,486	845	46	35	31	825
2025							
Borrowings	1,726	832	36	28	16	761	53
Monetary liabilities	1,328	1,328	-	-	-	-	-
Guarantees	4	-	-	-	-	-	4
Derivatives	(2)	11	(13)	-	-	-	-
Interest payments	75	23	13	13	13	13	-
Cash at redemption ¹	5	2	1	1	1	-	-
Total	3,136	2,196	37	42	30	774	57

¹ Difference between nominal redemption and amortized costs.

The following table reflects the exposure of the derivatives to liquidity risk. It contains the cash flows from derivatives with positive fair values and from derivatives with negative fair values to provide a complete overview of the derivative-related cash flows. The amounts are gross and undiscounted.

Derivatives cash flow

	1 year	1 to 5 years	more than 5 years	Total
2024				
Inflow	1,517	6	-	1,523
Outflow	(1,526)	-	-	(1,526)
2025				
Inflow	79	-	-	79
Outflow	(39)	(13)	-	(52)

Market risk

Market risk can be subdivided into interest rate risk, currency risk and price risk.

Interest rate risk

Interest rate risk is the risk that adverse movements of interest rates lead to high costs on interest-bearing debt or assets, which negatively impact our ability to honor our commitments. The aim is to minimize the interest rate risks associated with the financing of the company and thus at the same time optimizing the net interest costs. This translates into a certain desired profile of fixed-interest and floating-interest positions, including cash and cash equivalents, with the floating-interest position not exceeding 60% of net debt.

There were no outstanding fixed-floating interest rate swaps (end of 2024 none).



The following analysis of the sensitivity of borrowings, assets and related derivatives to interest rate movements assumes an instantaneous 1% change in interest rates for all maturities from their level on December 31, 2025, with all other variables held constant. A 1% reduction in interest rates would result in a €2 million pre-tax loss in the income statement and equity on the basis of the composition of financial instruments on December 31, 2025, as floating-rate borrowings are more than compensated for by floating-rate assets (mainly cash). The opposite applies in the case of a 1% increase in interest rates.

For more information regarding fixed or floating interest, see [Note 18 Borrowings](#) to the consolidated financial statements.

Sensitivity to change in interest rate

	2025			2024		
	Carrying amount	Sensitivity		Carrying amount	Sensitivity	
		+1%	(1%)		+1%	(1%)
Loans to associates and joint ventures	7	-	-	7	-	-
Financial investments	13	-	-	8	-	-
Cash and cash equivalents	166	2	(2)	199	2	(2)
Short-term borrowings	(832)	(1)	1	(98)	(1)	1
Long-term borrowings	(894)	-	-	(1,707)	-	-

Currency risk

Adverse movements of foreign currencies negatively impact the results of operations and our financial condition, e.g. due to losses on assets or liabilities in foreign currencies. The aim is to hedge risks resulting from sales and purchases at the moment of recognition of the receivables and payables. This is done by transferring at spot rates the respective exposures to the Group, which are, then (on a netted basis), hedged externally.

Companies may opt to hedge currency risks from firm commitments and forecast transactions. The currencies involved are primarily USD and CHF.

We use currency forward contracts, spot contracts, and average-rate currency forwards and options to hedge exposure to fluctuations in foreign exchange rates. At year-end, these instruments had remaining maturities of less than one year. For the hedging of currency risks from firm commitments and forecast transaction cash flows, hedge accounting is applied. Hedge accounting is not applied for hedges of recognized trade receivables and payables hedged with short-term derivatives. To hedge intercompany loans, receivables, and payables denominated in currencies other than the functional currency of the subsidiaries, we use currency swaps or forward contracts. The following table assumes a 10% change in all foreign currency rates against the euro from their level on December 31, 2025, with all other variables constant. A +10% change indicates a strengthening of the foreign currencies against the euro, and vice-versa.



Sensitivity to change in exchange rate

	2025			2024		
	Carrying amount	Sensitivity		Carrying amount	Sensitivity	
		+10%	(10%)		+10%	(10%)
Loans to associates and joint ventures	7	1	(1)	7	-	-
Financial investments	13	1	(1)	8	1	(1)
Cash and cash equivalents	166	15	(18)	199	18	(22)
Short-term borrowings (excluding lease liabilities)	(799)	(4)	5	(61)	(5)	6
Long-term borrowings (excluding lease liabilities)	(751)	(1)	1	(1,537)	(4)	5
Lease liabilities	(176)	(13)	16	(207)	(15)	19
Currency forward contracts	(2)	(1)	1	(3)	(20)	18
Average-rate forwards used for economic hedging ¹	13	(12)	32	(12)	15	(45)
Other derivatives	(13)	(1)	1	(10)	(1)	1

¹ Fair-value change reported in Hedging reserve.

Sensitivity changes in these positions will generally be recognized in profit or loss or in the translation reserve in equity, except for the instruments for which cash flow hedge accounting or net-investment hedge accounting is applied.

In case of a strengthening or weakening of the euro against USD and CHF, this would affect the translation of financial instruments denominated in these currencies taking into account the effect of hedge accounting and assuming all other variables being constant.

	Profit or loss		Equity	
	Strengthening	Weakening	Strengthening	Weakening
USD (10% movement)	(17)	20	(114)	139
CHF (10% movement)	(28)	35	(333)	407
INR (10% movement)	(8)	10	(44)	53

Price risk

Financial instruments that are subject to changes in stock exchange prices or indexes are subject to a price risk. At year-end 2025, mainly other participating interests are subject to price risks.

Credit risk

Credit risk is the risk that a (commercial or financial) counterparty may not be able to honor a financial commitment according to the contractual agreement with Firmenich International SA. The Group manages the credit risk to which it is exposed by applying credit limits per institution and by dealing exclusively with institutions that have a high credit rating.

At the balance sheet date, there were no significant concentrations of credit risks.

For all financial assets measured at amortized cost, the estimation of the loss allowance for doubtful accounts receivable is based on an expected credit loss (ECL) model.

For trade receivables, the Group uses an allowance matrix to measure the lifetime ECL for trade receivables. The loss rates depend among other things on the specified aging categories and are based on historical write-off percentages, taking market developments into account.



For other financial assets, The Group applies an ECL model that reflects the size and significance of the Group's exposure to credit loss. The ECL is based on the allocation of a credit risk grade which is based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from Moody's.

Risk of default is herewith considered as the risk of bankruptcy, or any legal impediment to the timely payment of either interest and/or principal, as well as missed or delayed disbursement of either interest and/or principal.

The loss allowance on non-current financial assets taken into consideration at the end of 2025 was €4 million (2024: €2 million).

With regard to treasury activities (for example cash, cash equivalents and derivatives held with banks or financial institutions) it is ensured that financial transactions are only concluded with counterparties that have at least a Moody's credit rating of A3 for long-term instruments. At Business Unit level, outstanding receivables are continuously monitored by management. Appropriate allowances are made for any credit risks that have been identified in line with the expected credit loss policy.

The table below provides information about the credit risk exposure per aging category and the ECL for trade accounts receivable of €9 million at December 31, 2025 (December 31, 2024: €9 million), see [Note 12 Current receivables](#) to the consolidated financial statements.

	2025			2024		
	Weighted average loss rate	Gross carrying amount	Expected credit loss	Weighted average loss rate	Gross carrying amount	Expected credit loss
Neither past due nor impaired	0.02%	885	-	0.30%	922	(3)
1-29 days overdue	0.02%	52	-	0.21%	47	-
30-89 days overdue	0.40%	31	-	0.78%	15	-
90 days or more overdue	47.4%	19	(9)	90.00%	7	(6)
Total		987	(9)		991	(9)

The changes in the expected credit loss for trade accounts receivable are as follows.

	2025	2024
Balance at January 1	(9)	(9)
Net remeasurement of expected credit loss	(1)	-
Exchange differences	1	-
Balance at December 31	(9)	(9)

The maximum exposure to credit risk is represented by the carrying amounts of financial assets that are recognized in the balance sheet, including derivative financial instruments. The Group has International Swaps and Derivatives Association (ISDA) agreements in place with its financial counterparties that allow for the netting of exposures in case of a default of either party, but do not meet the criteria for offsetting in the balance sheet. The following table presents the carrying amounts of the derivative financial instruments subject to these agreements. No significant agreements or financial instruments were available at the reporting date that would reduce the maximum exposure to credit risk.



Exposure to credit risk related to derivatives

	2025	2024
Receivables from derivatives presented in the balance sheet	13	2
Related amounts not offset in the balance sheet	(1)	(2)
Net amount	12	-
Liabilities from derivatives presented in the balance sheet	(15)	(33)
Related amounts not offset in the balance sheet	1	2
Net amount	(14)	(31)

Notional value of derivative financial instruments

	2025			2024		
	Non-current	Current	Total	Non-current	Current	Total
Forward exchange contracts, currency options, currency swaps	-	547	547	-	27	27
Other derivatives	13	-	13	6	-	6
Total	13	547	560	6	27	33

Information about financial assets is presented in [Note 9 Associates and joint arrangements](#), [Note 10 Other financial assets](#), [Note 12 Current receivables](#), [Note 13 Financial investments](#) and [Note 14 Cash and cash equivalents](#) to the consolidated financial statements.

The Group may grant corporate guarantees for credit support of subsidiaries and associates, to get access to credit facilities which are necessary for their operating working capital needs and which cannot be funded by the corporate cash pools and/or for bank guarantees needed for local governmental requirements. Information on guarantees is presented in [Note 21 Contingent liabilities and other financial obligations](#).

Hedge accounting

The group uses derivative financial instruments to manage financial risks relating to business operations and does not enter into speculative derivative positions.

The purpose of cash flow hedges is to minimize the risk of volatility of future cash flows. These may result from a recognized asset or liability or a forecast transaction that is considered highly probable (firm commitment). The Group determines the existence of an economic relationship between the hedging instrument and hedging item based on currency, amount, and timing of their respective cash-flows.

The purpose of a hedge of a net investment is to reduce the foreign currency translation risk of an investment in a company whose functional currency is not the euro. Changes in fair value are recognized in Other comprehensive income (Translation reserve), and ineffectiveness will be recognized in the income statement. The amount recognized in Other comprehensive income will be reclassified to the income statement, upon divestment of the respective foreign subsidiary.

The purpose of a fair value hedge is to hedge the changes in fair value of assets or liabilities reflected on the balance sheet. Changes of fair value in hedging instruments, as well as hedged items, will be recognized in the income statement.



Cash flow hedges

In 2025, the Group hedged USD 859 million (2024: USD 1,129 million) of its 2026 projected net cash flow in USD against the EUR by means of average-rate currency forward contracts at an average exchange rate of USD 1.14 per EUR for the four quarters of 2026. Each quarter, the relevant hedges for that quarter will be settled and recognized in the income statement.

In 2025, the Group also hedged the projected CHF obligations against the EUR, namely CHF 320 million (2024: CHF 380 million) at an average exchange rate of CHF 0.92 per EUR. These hedges have fixed the exchange rate for part of the USD and JPY receipts and CHF payments in 2026. Cash flow hedge accounting is applied for these hedges. In 2025, €34 million profit was recognized in the operating profit of the segments involved in accordance with the realization of the expected cash flows. There was no ineffectiveness in relation to these hedges.

Cash flow hedges foreign currency risk

		Future sales
2024		
Nominal amount hedged item		327
Carrying amount assets		(2)
Carrying amount liabilities		13
Line item balance sheet		Derivatives
Change in the value of the hedging instrument		12
Costs of hedging recognized in OCI		5
Reclassified from hedging reserve to income statement		-
Line item income statement		Sales
2025		
Nominal amount hedged item		286
Carrying amount assets		(13)
Carrying amount liabilities		-
Line item balance sheet		Derivatives
Change in the value of the hedging instrument		(25)
Costs of hedging recognized in OCI		3
Reclassified from hedging reserve to income statement		12
Line item income statement		Sales

Fair value of financial instruments

The fair value of derivatives and long-term financial instruments is based on calculations, quoted market prices or quotes obtained from intermediaries.

The portfolio of derivatives consists of average-rate forward contracts that are valued against average foreign exchange forward rates obtained from Bloomberg and other derivatives that are valued using a discounted cash flow model, applicable market yield curves and foreign exchange spot rates. Inputs for the fair value calculations represent observable market data that are obtained from external sources that are deemed to be independent and reliable.

We use the following hierarchy for determining the fair value of financial instruments:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs that have a significant effect on the fair value are observable, either directly or indirectly



- Level 3: techniques that use inputs that have a significant effect on the fair value that are not based on observable market data

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for the financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of the fair value. ¹

Fair value of financial instruments

	Carrying amount				Fair Value				
	Amort. Cost	Fair value hedging instr.	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3	Total
Assets 2024									
Other participating interests	-	-	-	90	90	85	-	5	90
Non-current loans to associates and JVs	7	-	-	-	7	-	-	-	-
Other non-current receivables	17	-	-	-	17	-	-	-	-
Trade receivables	1,131	-	-	-	1,131	-	-	-	-
Other current receivables	792	-	-	-	792	-	-	-	-
Current derivatives	-	-	2	-	2	-	2	-	2
Financial investments	-	-	-	6	6	-	-	6	6
Cash and cash equivalents	199	-	-	-	199	-	-	-	-
Liabilities 2024									
Non-current borrowings	(1,707)	-	-	-	(1,707)	1,441	-	-	1,441
Non-current derivatives	-	-	(6)	-	(6)	-	(6)	-	(6)
Other non-current liabilities	(15)	-	-	-	(15)	-	-	-	-
Current borrowings	(98)	-	-	-	(98)	-	-	-	-
Current derivatives	-	-	(27)	-	(27)	-	27	-	27
Trade payables	(896)	-	-	-	(896)	-	-	-	-
Other current liabilities ¹	(81)	-	-	-	(81)	-	-	-	-
Assets 2025									
Other participating interests	-	-	-	66	66	52	-	14	66
Non-current loans to associates and JVs	7	-	-	-	7	-	-	-	-
Other non-current receivables	37	-	-	-	37	-	-	-	-
Trade receivables	1,114	-	-	-	1,114	-	-	-	-
Other current receivables	666	-	-	-	666	-	-	-	-
Current derivatives	-	13	-	-	13	-	13	-	13
Financial investments	13	-	-	-	13	-	-	-	-
Cash and cash equivalents	166	-	-	-	166	-	-	-	-
Liabilities 2025									
Non-current borrowings	(894)	-	-	-	(894)	(710)	-	-	(710)
Non-current derivatives	-	-	(13)	-	(13)	-	-	(13)	(13)
Other non-current liabilities	(14)	-	-	-	(14)	-	-	-	-
Current borrowings	(832)	-	-	-	(832)	(744)	-	-	(744)
Current derivatives	-	-	(2)	-	(2)	-	(2)	-	(2)
Trade payables	(922)	-	-	-	(922)	-	-	-	-
Other current liabilities ¹	(84)	-	-	-	(84)	-	-	-	-

¹ Other current liabilities exclude pensions, employee-related liabilities, and other taxes and social security contributions for an amount of €151 million in 2025 (2024: €218 million) – [see also Note 20 Current liabilities](#).



23 Employee benefits

Accounting policy

Short-term employee benefits

Short-term employee benefits are generally recognized as an expense in the period the employee renders services to Firmenich.

Post-employment benefits: Defined contribution plans

For Firmenich's defined contribution plans, the obligations are limited to the payment of contributions, which are recognized as employee benefit costs.

Post-employment benefits: Defined benefit plans

For defined benefit plans, the aggregate of the value of the defined benefit obligation and the fair value of plan assets for each plan is recognized as a net defined benefit liability or asset. Defined benefit obligations are determined using the projected unit credit method. Plan assets are recognized at fair value. If the fair value of plan assets exceeds the present value of the defined benefit obligation, a net asset is only recognized to the extent that the asset is available for refunds to the employer or for reductions in future contributions to the plan. Defined benefit pension costs consist of three elements: service costs, net interest, and remeasurements. Service costs are part of employee benefit costs and consist of current service costs. Past service costs and results of plan settlements are included in Other operating income or expenses. Net interest is part of Finance income and expenses and is determined on the basis of the value of the net defined benefit asset or liability at the start of the year, and on the interest on high-quality corporate bonds. Remeasurements are actuarial gains and losses, the return (or interest cost) on net plan assets (or liabilities) excluding amounts included in net interest and changes in the effect of the asset ceiling. These remeasurements are recognized in Other comprehensive income as they occur and are not recycled through profit or loss at a later stage.

Post-employment defined benefit plans include pension plans and other post-employment benefits.

Other employee benefits

The service cost, the net interest on the net defined liability (asset) and remeasurements of the net defined liability (asset) related to other long-term employee benefits, such as jubilee and incentive plans, are recognized in profit or loss.

Estimates and judgments

Management makes assumptions regarding variables such as discount rate, future salary increases, life expectancy, and future healthcare costs. Management consults with external actuaries regarding these assumptions at least annually for significant plans. Changes in these key assumptions can have a significant impact on the projected defined benefit obligations, funding requirements and periodic costs incurred.

The Employee benefit liabilities of €155 million (2024: €275 million) consist of €114 million (2024: €177 million) related to pensions and €41 million (2024: €98 million) related to other post-employment benefits. See also the table below.

	2025	2024
Employee benefit liabilities		
Pension plans and other post-employment benefits	114	177
Other employee benefits	41	98
Total	155	275
Of which current	10	59



The Group operates a number of defined benefit plans and defined contribution plans throughout the world, the assets of which are generally held in separately administered funds. The pension plans are generally funded by payments from employees and from the relevant Group companies. The Group also provides certain additional healthcare benefits to retired employees in the US and Switzerland.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment. Post-employment benefit accounting is intended to reflect the recognition of post-employment benefits over the employee's approximate service period, based on the terms of the plans and the investment and funding.

The charges for post-employment benefit costs recognized in the income statement ([Note 4 Net sales and costs](#)) relate to the following.

Post-employment benefit costs

	2025	2024
Defined benefit plans:		
- Current service costs pension plans	43	38
- Other post-employment benefits	5	3
Defined contribution plans	67	35
Total pension costs included in employee benefit costs	115	76
Pension costs included in Financial income and expense	1	2
Total	116	78
Of which:		
- Defined contribution plans	67	35
- Defined benefit plans	49	43

For 2026, costs for the defined benefit plans relating to pensions are expected to be €44 million.

Changes in net liabilities of the post-employment benefits recognized in the balance sheet are shown in the following overview.



	Funded and unfunded defined benefit obligations	Fair value of plan assets	Impact of minimum funding requirement/ asset ceiling	Net liabilities/ (assets) recognized in the balance sheet
Balance at January 1, 2024	1,584	(1,450)	14	148
<i>Included in income statement:</i>				
- Current service cost	38	-	-	38
- Plan administration expenses	-	1	-	1
- Interest	29	(27)	-	2
Total included in income statement	67	(26)	-	41
<i>Included in other comprehensive income:</i>				
- Loss / (gain) from change in financial assumptions	51	-	-	51
- Experience loss / (gain)	36	-	-	36
- Return on plan assets excluding interest income	-	(99)	-	(99)
- Asset ceiling change, excluding movement through income statement	-	-	8	8
Total included in other comprehensive income	87	(99)	8	(4)
<i>Other</i>				
- Benefits paid (including transfers in and out)	(80)	71	-	(9)
- Contributions by plan participants	14	(14)	-	-
- Employer contributions	-	(39)	-	(39)
- Currency translation adjustment and other	(6)	4	-	(2)
Total other	(72)	22	-	(50)
Balance at December 31, 2024	1,666	(1,553)	22	135
		-		
Net defined benefit assets				(42)
Net defined benefit liabilities				177
Total				135
- Current service cost	43	-	-	43
- Plan administration expenses	2	-	-	2
- Interest	25	(24)	-	1
Total included in income statement	70	(24)	-	46
<i>Included in other comprehensive income:</i>				
- Loss / (gain) from change in demographic assumptions	(23)	-	-	(23)
- Loss / (gain) from change in financial assumptions	(18)	-	-	(18)
- Experience loss / (gain)	42	-	-	42
- Return on plan assets excluding interest income	-	(58)	-	(58)
- Asset ceiling change, excluding movement through income statement	-	-	(22)	(22)
- Other changes	1	-	-	1
Total included in other comprehensive income	2	(58)	(22)	(78)
<i>Other</i>				
- Benefits paid (including transfers in and out)	(123)	123	-	-
- Contributions by plan participants	25	(25)	-	-
- Employer contributions	(7)	(35)	-	(42)
- Currency translation adjustment and other	(10)	13	-	3
Total other	(115)	76	-	(39)
Balance at December 31, 2025	1,623	(1,559)	-	64
Net defined benefit assets				(50)
Net defined benefit liabilities				114
Total				64

The fair value of the plan assets consists of 52% of quoted assets (2024: 53%).



Pension-plan assets by category

	2025	2024
Equities	360	394
Bonds	524	512
Property	210	215
Insurance policies	65	68
Other	288	321
Cash and bank deposits	112	43
Total plan assets	1,559	1,553

The pension-plan assets include no property occupied by Firmenich.

The countries with the most significant defined benefit obligations for Firmenich are specified in the following table.

Defined benefit plans in core countries

	Switzerland	United States of America	United Kingdom	Other countries	Total
Defined benefit plans 2024					
Funded and unfunded defined benefit obligations	1,390	193	44	39	1,666
Fair value of plan assets	(1,303)	(206)	(44)	-	(1,553)
Net excess of liabilities/(assets) over obligations	87	(13)	-	39	113
Unrecognized assets due to asset ceiling	22	-	-	-	22
Net excess of liabilities/(assets) over obligations recognized	109	(13)	-	39	135
Composed of					
Net defined benefit assets	(23)	(19)	-	-	(42)
Net defined benefit liabilities	132	6	-	39	177
Total	109	(13)	-	39	135
Defined benefit plans 2025					
Funded and unfunded defined benefit obligations	1,361	178	41	43	1,623
Fair value of plan assets	(1,323)	(195)	(41)	-	(1,559)
Net excess of liabilities/(assets) over obligations	38	(17)	-	43	64
Unrecognized assets due to asset ceiling	-	-	-	-	-
Net excess of liabilities/(assets) over obligations recognized	38	(17)	-	43	64
Composed of					
Net defined benefit assets	(29)	(21)	-	-	(50)
Net defined benefit liabilities	67	4	-	43	114
Total	38	(17)	-	43	64



The main actuarial assumptions for the year (weighted averages) are:

Actuarial assumptions for major plans

	Switzerland	United States of America	United Kingdom
2024			
Discount rate	0.90%	5.50%	5.20%
Salary increase	2.25%	3.00%	0.00%
Pension increase	0.00%	1.00%	2.80%
2025			
Discount rate	1.20%	5.20%	5.50%
Salary increase	2.00%	3.25%	0.00%
Pension increase	0.00%	0.70%	2.60%

The above-mentioned actuarial assumptions are harmonized for all defined benefit plans in a country.

Sensitivities of significant actuarial assumptions

The discount rate, the future increase in wages and salaries and the pension increase rate were identified as significant actuarial assumptions. The following impacts on the defined benefit obligation are to be expected.

- A 0.25% increase/decrease in the discount rate would lead to a decrease/increase of less than 3.3% (2024: 3.1%) in the defined benefit obligation
- A 0.25% increase/decrease in the expected increase in salaries/wages would lead to an increase/decrease of less than 0.3% (2024: 0.3%) in the defined benefit obligation
- A 0.25% increase/decrease in the expected rate of pension increase would lead to an increase/decrease of less than 2.0% (2024: 1.4%) in the defined benefit obligation

The sensitivity analysis is based on realistically possible changes as at the end of the reporting year. Each change in a significant actuarial assumption was analyzed separately as part of the test. Interdependencies were not taken into account.

Main defined benefit plans description

The Firmenich Group companies have various pension plans, which are geared to the local regulations and practices in the countries in which they operate. As these plans are designed to comply with the statutory framework, tax legislation, local customs, and economic situation of the countries concerned, it follows that the nature of the plans varies from country to country. The plans are based on local legal and contractual obligations.

Firmenich's current policy is to offer defined contribution retirement benefit plans to new employees wherever possible. However, Firmenich still has a (small) number of defined benefit pension and healthcare schemes from the past or in countries where legislation does not allow us to offer a defined contribution scheme. Generally, these schemes have been funded through external trusts or foundations, where Firmenich faces the potential risk of funding shortfalls.



The most significant defined benefit schemes are

- Pension Plan at Firmenich SA in Switzerland
- Pension plan at Firmenich Inc. in the US
- Pension plan at Firmenich Wellingborough in the UK

For each plan, the following characteristics are relevant:

Firmenich SA Pension Plan in Switzerland

Firmenich SA Pension Plan is a typical Swiss Cash Balance plan. For accounting purposes, this plan is qualified as a defined benefit plan. It is a contribution-based plan, with no promise of indexation for on-going pensions. The Swiss state minimal requirements for occupational benefit plans have however to be respected.

The purpose of the plan is to protect employees against the economic consequences of retirement, disability and death. The employer and employees pay contributions to the pension plan at rates set out in the pension plans rules based on a percentage of salary. The amount of the retirement account can be taken by the employee at retirement in the form of pension or capital.

The weighted average duration of the defined benefit obligation is 15.1 years (2024: 14.3 years) which could be seen as an indication of the maturity profile of the scheme.

According to the Swiss Federal Law on Occupational Retirement, Survivors and Disability (LPP/BVG), the Swiss Pension plan is managed by independent and legally autonomous entities which have the legal structure of foundation. The Pension Board is composed of equal numbers of employee and employer representatives. Each year, the Pension Board decides the level of interest, if any, to apply to the retirement accounts in accordance with the pension policy.

The Pension Board is also responsible for the investment of the assets and defining the investment strategy for long-term returns with an acceptable level of risk. The plan assets are collectively invested (no individual investment choice).

Pension plan at Firmenich Inc. in the US

The plan provides benefits on a defined benefit basis and is closed to all new employees. The plan was also frozen to the majority of current employees for future benefit accruals. The grandfathered group of participants to the defined benefit plan continues to accrue benefits that are payable at retirement and on death in service. With exceptions for optional lump sum amounts for certain sections of the plan, the benefits are paid out as annuities.

The US pension plan is qualified under, and is managed in accordance with, the requirements of US federal law. In accordance with federal law, the assets of the plan are legally separate from the employer and are held in a pension trust.

The law requires minimum and maximum amounts that can be contributed to the trust, together with limitations on the amount of benefits that may be provided under the plan. There are named fiduciaries that are responsible for ensuring the plan is managed in accordance with the law. The fiduciaries are responsible for defining the investment strategy for long-term returns with an acceptable level of risk as well as the oversight of the investment of plan assets. The employees do not contribute to the plan and the employer contributes to the plan amounts which are at least equal to the minimum required by the law and not more than the maximum that would limit the tax deductibility of the contributions.

The weighted average duration of the defined benefit obligation is 8.6 years (2024: 8.8 years), which could be seen as an indication of the maturity profile of the scheme.



Pension plan at Firmenich Wellingborough in the UK

The occupational pension scheme Firmenich Wellingborough Employee Benefits Plan is arranged under the applicable UK Pension Schemes and Pension Acts and is managed as a legally autonomous pension trust by the Board of Trustees. The Board of Trustees is composed of two member-nominated representatives (one of whom is a current pensioner of the Scheme) and two employer-nominated representatives. The Board of Trustees is responsible for the investment of the assets, defining the investment strategy for long-term returns with an acceptable level of risk. The Trust provides benefits on a defined benefit basis. This defined benefit Scheme is closed to new members.

The scheme is closed to accrual of further benefits. Previous active members of this scheme now receive contributions from the Company's Group Personal Pension Plan. At the last Scheme Funding Assessment for the Firmenich Wellingborough scheme a shortfall in the assets below the liabilities was identified – as a result, the employer has agreed to contribute fixed sums to the Scheme in order to address this shortfall. With exceptions for trivial amounts, transfer values, lump sum death benefits and tax free lump sums, the benefits are paid out as regular payments to Scheme members for life (and for the life of their spouse or a dependent where applicable).

Under IAS 19 Employee benefits, the defined benefit pension obligations in the Firmenich Wellingborough Employee Benefits Plan are calculated by using the projected unit credit method.

The Board of Trustees, with agreement of the Employer, purchased a bulk annuity contract on March 31, 2023, that insures all expected benefits due to be paid from the Plan. All assets of the Plan have been crystallized and transferred to the insurer to pay for the bulk annuity and the Employer made a one-off payment to meet the purchase price and secure member benefits. The Plan continues to operate as before with regard to paying member benefits but receives a matching payment from the insurance arrangement. There are no further contributions due at this time in light of the one-off payment made and a revised Schedule of Contributions has been put in place to reflect this.

The weighted average duration of the defined benefit obligation is 9.6 years (2024: 9.8 years).



Other employee benefits

Other employee benefits comprise long-term incentive (LTI) plans to senior management and deferred compensation liabilities. The changes in other employee benefits are listed below.

Other employee benefits	
Balance at January 1, 2024	106
Of which current	49
<i>Changes:</i>	
- Additions	39
- Uses	(50)
- Other change	4
Total changes	(7)
Balance at December 31, 2024	99
Of which current	59
<i>Changes:</i>	
- Additions	10
- Releases	(3)
- Uses	(48)
- Other change	(15)
Total changes	(56)
Balance at December 31, 2025	43
Of which current	10



24 Net debt

The development of the components of net debt is as follows.

	Cash and cash equivalents	Financial investments	Non-current borrowings	Current borrowings	Derivatives	Total
Balance at January 1, 2024	275	6	(1,730)	(85)	2	(1,532)
Change from operating activities	674	-	-	-	-	674
Change from investing activities	181	2	-	-	-	183
Reclassification from non-current to current	-	-	65	(65)	-	-
Transfers	(92)	-	23	70	(32)	(31)
Dividend to shareholders	(35)	-	-	-	-	(35)
Interest	(38)	-	(10)	-	-	(48)
New leases and remeasurements	-	-	(58)	(8)	-	(66)
Funding cash pool ¹	(741)	-	-	(6)	-	(747)
Other	(26)	-	-	-	(1)	(27)
Change from financing activities	(932)	-	20	(9)	(33)	(954)
Exchange differences	1	-	3	(4)	-	-
Total changes	(76)	2	23	(13)	(33)	(97)
Balance at December 31, 2024	199	8	(1,707)	(98)	(31)	(1,629)
Change from operating activities	546	-	(2)	(6)	30	568
Change from investing activities	(246)	6	-	-	1	(239)
Reclassifications and transfers	(88)	-	813	(725)	-	-
Dividend paid	(354)	-	-	-	-	(354)
Remuneration hybrid bonds	(26)	-	-	-	-	(26)
Redemption hybrid bonds	(750)	-	-	-	-	(750)
Interest	(34)	-	-	-	-	(34)
Capital contribution	743	-	-	-	-	743
New leases and remeasurements	-	-	(14)	(16)	-	(30)
Funding cash pool ¹	194	-	(2)	6	-	198
Other	-	-	-	-	-	-
Change from financing activities	(315)	-	797	(735)	-	(253)
Exchange differences	(18)	(1)	18	7	(2)	4
Total changes	(33)	5	813	(734)	29	80
Balance at December 31, 2025	166	13	(894)	(832)	(2)	(1,549)

¹ For the explanation of change related to Funding cash pool, see [Note 25 Notes to the cash flow statement](#).

In 2025, the gearing (net debt / equity plus net debt) was 26.3% (in 2024: 26.8%).



25 Notes to the cash flow statement

The cash flow statement explains the changes in cash and cash equivalents. It is prepared via a comparison of the balance sheets at January 1 and December 31. Changes that do not involve cash flows, such as changes in exchange rates, amortization, depreciation, impairment losses, and transfers to other balance sheet items, are eliminated.

Changes in working capital due to the acquisition or disposal of consolidated companies are included under Investing activities.

The consolidated cash flow statement includes an analysis of all cash flows in total, including continuing and discontinued operations. For amounts related to discontinued operations split by activities and a reconciliation of results from continuing operations to total, see [Note 2 Change in the scope of the consolidation](#).

Most of the changes in the cash flow statement can be traced back to the detailed statements of changes for the balance sheet items concerned.

Funding Cash pool

Funding cash pool relates to Group cash management facility within the dsm-firmenich Group. Cash balances of the dsm-firmenich Group are pooled and transferred to a centralized treasury function to the extent legally and fiscally possible. Cash balances of dsm-firmenich subsidiaries are swept daily to bank accounts centrally held by DSM Finance B.V., to the extent legally possible, which as such result in a receivable balance on or payable balance from the Firmenich group to DSM Finance B.V.



26 Share-based compensation

Accounting policy

Share-based compensation at Firmenich consists of the granting of Performance Share Units (PSUs) and Restricted Share Units (RSUs) to eligible employees.

PSUs and RSUs generally vest after three years on the achievement of predefined vesting conditions. The cost of PSUs and RSUs is measured by reference to the fair value of the DSM-Firmenich AG shares on the date on which the PSUs and RSUs were granted or modified. The cost is recognized in profit or loss (Employee benefit costs) during the vesting period, together with a corresponding increase in equity. The transaction is classified as an equity-settled transaction because Firmenich has no obligation to settle the transaction with its eligible employees – the obligation to settle is with DSM-Firmenich AG (the parent and issuing entity). Vesting conditions other than market conditions are considered by adjusting the number of equity instruments, so that the amount recognized during the vesting period in employee benefit costs is based on the number of share units that eventually vest.

Estimates and judgments

Key estimates related to share-based compensation costs for PSUs and RSUs are the estimation of fair values of the shares on the grant or modification date, and the number of shares that will vest. An independent third party conducts the fair value calculation as far as vesting is tied to market conditions, using the Monte Carlo method.

Restricted- and Performance Share Unit Plan

The dsm-firmenich Restricted- and Performance Share Unit Plans provide rules for the grant of RSUs and/or PSUs to eligible employees. Considering the plan rules that allow multiple grant dates, best practice is to effectuate the grant of share units on the last trading day at the Amsterdam Stock Exchange in March. In principle PSUs will be granted; RSUs may be granted in specific circumstances.

The number of share units to be granted is based on job level, contribution, and the face value of the DSM-Firmenich AG share over a reference period. As a result, the number of share units to be granted annually will fluctuate with the share price development.

RSUs and PSUs are subject to a vesting period of 3 years starting at the grant date. Vesting of RSUs is subject to continued employment until the vesting date ('time vesting'). In addition, vesting of PSUs is also subject to the achievement of predefined performance targets at the end of the performance period.

The 2025 grant of share units under the dsm-firmenich Restricted- and Performance Share Unit Plan to eligible employees is based on the at-target level; in 2025 this concerned 216,284 share units.

Overview of share units granted to eligible Firmenich employees

Year of grant	Outstanding at Dec.31, 2024	In 2025			Outstanding at Dec. 31, 2025	Share price at date of grant (€)	Expiry date
		Granted	Vested ¹	Forfeited/ expired			
2023	148,982	-	(3,068)	(4,107)	141,807	97.67	Mar 31, 2026
2024	206,413	-	(1,789)	(9,528)	195,096	106.32	Mar 31 2027
2025	-	216,284	-	(9,858)	206,426	91.46	Mar 31, 2028
2025 Total	355,395	216,284	(4,857)	(23,493)	543,329		

¹ Restricted- and Performance Share Units may partly vest upon termination of employment in connection with, for example, divestments, retirement or early retirement.



Measurement of fair value

The following assumptions were used to determine the fair value of the equity-settled share units at grant date.

Assumptions equity-settled share units

	2025	2024
Share units granted to eligible employees		
Risk-free rate ¹	2.13%	2.53%
Expected share life in years	3	3
Nominal share life in years	3	3
Share price in € ¹	91.36	105.40
Expected dividend in €	2.50	2.50
Expected volatility	25.5%	25.7%
Fair value of share granted in €	84.16	98.30

¹ The differences in the risk-free rate and share price are due to different grant dates.

Share-based compensation

An amount of €25 million is included in the costs for wages and salaries for share-based compensation in 2025, of which €10 million related to 2024.

27 Related parties

Accounting policy

Firmenich has identified its key management personnel, the other dsm-firmenich entities outside of the dsm-firmenich Group and its associates and joint ventures as related parties. For associates and joint ventures, see also [Note 9 Associates and joint arrangements](#).

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, as defined by IAS 24 'Related Parties'. IAS 24 requires the disclosure of the remuneration of key management personnel divided into: short-term employee benefits (salary and short-term incentive), post-employment (pension expenditure) and other long-term benefits, termination benefits, and share-based payment cost (share-based compensation)

Transactions with related parties

	2025	2024
DSM-Firmenich AG (equity holder)		
Payables to	-	-
Other dsm-firmenich entities outside of the Firmenich Group		
Purchases from	194	169
Receivables from	33	30
Payables to	125	68
In-house cash receivables from	726	870
Borrowings to	360	300
Associates and joint ventures		
Sales to	43	25
Purchases from	35	31
Loans to	7	7
Receivables from	14	16
Payables to	5	5

Firmenich may issue guarantees as credit enhancement of associates to acquire bank facilities for these associates. Firmenich has provided guarantees to third parties for debts of associates in 2025 for an amount of €4 million (2024: €3 million). Expected credit losses for receivables from related parties amount to zero (2024: Expected credit losses for receivables from related parties amount to zero).

Key management personnel

The key management personnel concerns the Board of Directors of Firmenich.



28 Events after the balance sheet date

On April 28, 2026, Firmenich announced the sale of its Action Pin business (“Agro Ingredients” of its Perfumery & Beauty business) to AP Marensin S.A.S.U., a consortium of investors created by FeBe Vermögensverwaltung GmbH and backed by Econa, a Berlin-based German family office, and Ouest Croissance, a French Private Equity Fund. The transaction includes Action Pin, based in Castets, France, with 110 employees, and representing about €50 million sales in 2025. This transaction is subject to customary regulatory approvals. Based on the sale of the Action Pin business, the assets and liabilities subject to the sales transaction were classified as held for sale at year-end 2025, which resulted in a non-cash impairment of €19 million before taxes in 2025.

On February 17, 2026, dsm-firmenich successfully launched a €1.5 billion dual-tranche bond issuance, consisting of €750 million 3.00% fixed-rate notes due in 2031, and €750 million 3.75% fixed-rate notes due in 2038. The bonds will be issued by DSM B.V. and guaranteed pursuant to the previously established cross-guarantee structure.

In 2026, dsm-firmenich has in principle reached agreement to settle, without admitting liability, one of the US class actions.

Report of the statutory auditor to the General Meeting of Firmenich International SA, Satigny

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Firmenich International SA and its subsidiaries (the Group), which comprise the consolidated income statement and the consolidated statement of comprehensive income for the year ended 31 December 2025, the consolidated balance sheet as at 31 December 2025, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 3 to 69) give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The consolidated financial statements for the year ended 31 December 2024 were audited by another independent auditor who expressed an unmodified opinion on those consolidated financial statements on 7 April 2025.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements, that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such

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internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Christopher Vohrer
Licensed audit expert
Auditor in charge

Amanda Wong Ly Han

Basel, 18 June 2026



Parent company financial statements

Income statement

In millions of CHF	Notes	2025	2024
Dividend income	1	241	252
Other financial income	2	168	76
Total income		409	328
Financial expenses	3	(80)	(98)
Other operating expenses	4	(2)	(3)
Direct taxes		(13)	1
Total expenses		(95)	(100)
Profit for the year		314	228



Balance sheet at 31 December

In millions of CHF	Notes	2025	2024
Assets			
Cash and cash equivalents		-	1
Other short-term receivables			
- from companies in which the entity holds an investment	5	1,442	1,263
- from related party		108	380
Prepaid expenses and accrued income	6	2	5
Total current assets		1,552	1,648
Securities listed on a stock exchange	7	-	10
Financial assets	7	3	3
Loans granted to companies in which the entity holds an investment		750	1,068
Investments	8	432	362
Total non-current assets		1,185	1,443
Total assets		2,737	3,091
Liabilities and Shareholders' equity			
Short-term interest-bearing liabilities			
- from companies in which the entity holds an investment		-	542
- from related party		327	-
Derivative financial instruments with an observable market price	9	-	8
Accrued expenses	10	16	13
Total short-term liabilities		343	563
Long-term interest-bearing liabilities	11	-	706
Deferred unrealized exchange gains	11	-	118
Total long-term liabilities		-	823
Total liabilities		343	1,386
Share capital	12	40	40
Legal capital reserves			
Reserves from capital contributions	12	701	-
Other capital reserves		2	2
Statutory retained earnings		244	244
Voluntary retained earnings			
Special reserve		330	330
Ordinary reserve		41	41
Available earnings			
Profit brought forward		722	820
Profit for the year		314	228
Total shareholders' equity		2,394	1,705
Total liabilities and shareholders' equity		2,737	3,091



Notes to the financial statements

Principles

General aspects

Firmenich International SA, Satigny (Switzerland), is the holding company of the Firmenich Group and is fully owned by DSM-Firmenich AG. The Group is a global supplier of fragrances and flavors.

These financial statements have been prepared in accordance with the provisions of the Swiss Law on Accounting and Financial Reporting. Where not prescribed by law, the significant accounting and valuation principles applied are described below.

DSM-Firmenich AG is presenting consolidated financial statements according to IFRS Accounting Standards. In line with art. 961d of the Swiss Code of Obligations, Firmenich International SA decided to forego presenting the additional information in the notes, the cash flow statement, and the management report.

In the following notes, all amounts are shown in millions of CHF unless otherwise stated.

Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange ruling at the date of the transaction. Assets and liabilities denominated in a foreign currency are translated into CHF at year-end exchange rates. All transaction gains or losses, realized and unrealized, are taken directly to the year's results, including the effects of forward contracts, with the exception of unrealized exchange gains that are carried on the balance sheet as a liability.

Exchange gains and losses are compensated by currency and the resulting net exchange gain or net exchange loss is disclosed in the notes to the financial statements.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances.

Securities listed on a stock exchange

Securities listed on a stock exchange, which are traded in liquid markets, are initially recorded at cost and subsequently carried at fair value (quoted market price). Securities listed on a stock exchange that represent strategic investments classified as long-term are valued at historical cost.

Realized and unrealized gains and losses arising from changes in the fair value are included in the income statement in the period in which they arise. A valuation adjustment reserve has not been accounted for.

All purchases and sales of marketable securities are recognized on the trade date, which is the date of the commitment to purchase, or sell the asset.

Derivative financial instruments with an observable market price

Derivative financial instruments are initially recognized in the balance sheet at fair value plus directly attributable transaction cost and subsequently remeasured at their fair value based on observable market prices at the balance sheet date. Gains and losses, realized or unrealized, from forward exchange contracts used to hedge potential exchange rate exposures are included in the year's results. A valuation adjustment reserve has not been accounted for.

Derivative financial instruments with an observable market price that is positive are classified as assets whereas derivative financial instruments with an observable market price that is negative are classified as liabilities.



Financial assets

Financial assets include securities that have no quoted market price or no other observable market price. Financial assets with no observable market price are valued at their acquisition cost adjusted for impairment losses.

Investments

Investments in companies where the entity holds an investment are valued at acquisition cost less adjustments for impairment of value.

Bonds

Bonds are valued at nominal value. Any bond premium, discount and transaction costs directly related to the issue of the bond are amortized over the duration of the bond.



1 Dividend income

In millions of CHF	2025	2024
Firmenich SA	73	57
Fragar (America) SA	54	10
Fragar Trading SA	6	8
Firmenich Trading Corporation	108	177
Total dividend income	241	252

2 Other financial income

In millions of CHF	2025	2024
Interest and other financial income from companies in which the entity holds an investment	34	38
Interest income from related party	6	11
Net unrealized exchange gains on derivative financial instruments	4	-
Net realized exchange gains on derivative financial instruments	1	-
Net exchange gains	123	19
Net realized exchange gains on currency spot transactions	-	4
Interest and dividend income from third parties	-	4
Total other financial income	168	76

3 Financial expenses

In millions of CHF	2025	2024
Interest to companies in which the entity holds an investment	18	20
Interest to related party	4	10
Interest expenses	16	28
Discounts and transaction costs on bonds and bank fees and charges	9	8
Net realized exchange losses on currency spot transactions	6	-
Unrealized exchange losses	23	7
Realized exchange losses	4	1
Net market losses on securities and other financial assets	-	11
Net unrealized exchange losses on derivative financial instruments	-	11
Net realized exchange losses on derivative financial instruments	-	2
Total financial expenses	80	98



4 Other operating expenses

In millions of CHF	2025	2024
Professional services	2	3
Total other operating expenses	2	3

5 Other short-term receivables

Other short-term receivables from companies in which the entity holds an investment include intercompany loans of CHF 245 million (2024: CHF 167 million) with a maturity date in 2026 out of which intercompany loans in the amount of CHF 169 million were renewed at maturity in 2026.

6 Prepaid expenses and accrued income

In millions of CHF	2025	2024
Accrued interests from companies in which the entity holds an investment	1	3
Bonds discounts and transaction costs	-	1
Other accrued income and prepaid expenses	1	1
Total short-term prepaid expenses and accrued income	2	5

7 Securities listed on a stock exchange and Financial assets

In millions of CHF	2025	2024
Securities listed on a stock exchange	-	10
Investment funds	3	3
Total long-term financial assets	3	13

In October 2019, Firmenich International SA acquired 21.8% of Robertet SA's share interests, representing circa 11.4% of voting rights. This equity instrument represented a long-term strategic investment valued at historical acquisition cost, adjusted for impairment losses. In November 2024, 386,732 shares and 102,000 share certificates of Robertet SA were sold for CHF 360.9 million. A loss of CHF 7.9 million was recognized on this transaction. In 2025, Firmenich International SA sold the remaining 15,007 share certificates of Robertet SA for an amount of CHF 7.1 million.



8 Investments

	Share capital in millions				Share in capital / voting rights in %	
	2025		2024		2025	2024
Company						
Firmenich SA	CHF	30	CHF	30	100	100
Fragar (America) SA	CHF	20	CHF	20	100	100
Fragar (Europe) SA	CHF	3	CHF	3	100	100
Fragar Trading SA	CHF	3	CHF	3	100	100
Firmenich Trading Corporation	CHF	13	CHF	13	100	100
Firmenich Finance SA	CHF	–	CHF	–	100	100

Direct investees in which Firmenich International SA has control

Company	Domicile	Carrying value in millions of CHF	
		2025	2024
Firmenich SA	Satigny, Switzerland	325	325
Fragar (America) SA	Satigny, Switzerland	20	20
Fragar (Europe) SA	Satigny, Switzerland	3	3
Fragar Trading SA	Satigny, Switzerland	2	2
Firmenich Trading Corporation	Satigny, Switzerland	12	12
Firmenich Finance SA	Satigny, Switzerland	70	–
Total investments		432	362

Significant indirect investees in which Firmenich International SA has control

Country	Entity name	Share in capital / voting rights in %	Currency	Share capital in thousands
Brazil	Firmenich & Cia Ltda.	100	BRL	478,794
China	Firmenich Aromatics (China) Co. Ltd.	100	USD	83,900
	Artsci Biology Technologies Co. Ltd.	100	CNY	20,000
France	Les Dérivés Résiniques et Terpéniques Sas	100	EUR	19,961
India	Firmenich Aromatics Production (India) Private Ltd	100	INR	2,322,400
Indonesia	PT Firmenich Indonesia	100	USD	2,500
Mexico	Firmenich de Mexico S.A. de C.V.	100	MXN	104,327
Singapore	Firmenich Asia Pte Ltd.	100	SGD	6,000
Turkey	MG Ingredients Kimya Sanayi Ve Dis Ticaret Anonim Sirketi	100	TRY	30,000
USA	Firmenich Inc.	100	USD	31,350
	Chem-Fleur Inc.	100	USD	27,641
	Intercit Inc.	100	USD	567
	MCP Food Inc.	100	USD	–
	Agilex Holdings, Inc.	100	USD	163,603
	Firmenich DISC Inc.	100	USD	3



9 Derivative financial instruments with an observable market price

In millions of CHF	Nominal value	Positive fair values (assets)	Negative fair values (liabilities)
Forward exchange contracts			
Sell USD	(78)		(3)
Sell EUR	(195)		(2)
Sell Other	(12)	-	-
	(285)	-	(5)
Options Put/Call			(3)
December 31, 2024		-	(8)
Forward exchange contracts			
Sell INR	(6)	-	-
	(6)	-	-
Options Put/Call			-
December 31, 2025		-	-

Financial liabilities

In millions of CHF	2025	2024
Derivative financial instruments with companies in which the entity holds an investment	-	5
Derivative financial instruments with third parties	-	3
Total derivative financial instruments with an observable market price	-	8

10 Accrued expenses

In millions of CHF	2025	2024
Accrued interest	-	9
Accrued expenses for professional services	1	2
Accrued taxes	14	1
Other accruals	1	1
Total accrued expenses and deferred income	16	13



11 Long-term interest-bearing liabilities

In millions of CHF	2025	2024
Bonds	-	706
Total long-term interest-bearing liabilities	-	706

In millions of CHF	Face value	Issue price	Coupon	Year of issue	2025	2024
<i>BONDS</i>						
Deeply Subordinated Fixed Rate Resettable Perpetual Notes	EUR 750	99.429%	3.75%	2020	-	706
Total bonds					-	706

Firmenich International SA issued EUR 750 million deeply subordinated fixed rate resettable perpetual notes on June 3, 2020, with a coupon of 3.75% payable annually at the sole discretion of the issuer. The notes were redeemed in 2025.

12 Share capital and legal capital reserves

Share capital in the amount of CHF 40 million consists of 8,019,000 registered shares at a par value of CHF 5. In 2025 an amount of CHF 701 million was contributed to the reserves from capital contributions. The reserves from capital contributions have not yet been confirmed by tax authorities.



Other information

Full-time equivalents

The annual average number of full-time employees for the current period, as well as the comparative period, does not exceed 10.

Guarantees

In 2024, DSM-Firmenich AG, DSM B.V., and Firmenich International SA signed a cross guarantee agreement to mitigate structural subordination in the Group. The cross-guarantee agreement includes downstream guarantees from DSM-Firmenich AG to DSM B.V. and Firmenich International SA. In addition, there are also upstream guarantees from Firmenich International SA and DSM B.V. to DSM-Firmenich AG. The guarantees are irrevocable and unconditional, and cover existing and future senior unsecured debt instruments across these entities, including dsm-firmenich's existing senior unsecured bonds. Under this cross-guarantee agreement, DSM-Firmenich AG acts as guarantor for the €4.8 billion (CHF 4.5 billion) bonds issued by dsm-firmenich (2024: €4.5 billion, CHF 4.2 billion), and for the credit facilities concluded in 2024 by DSM B.V. comprising the €1.8 billion (CHF 1.7 billion) revolving credit facility (RCF) and €100 million (CHF 93 million) bilateral revolving credit facility. The €1.0 billion (CHF 0.9 billion) bridge facility included in the guaranteed credit facilities in 2024 was cancelled on March 4, 2025.

Guarantees and comfort letters issued in favor of affiliated companies amount to CHF 228 million (2024: CHF 292 million).

Bonds issuance guaranteed by Firmenich International SA:

In millions	Face value	Coupon	Year of issue/maturity	Face value 2025	Face value 2024
<i>ISSUER</i>					
Firmenich Productions Participations SAS (France)	EUR 750	1.375%	2020-2026	CHF 699	CHF 706
Firmenich Productions Participations SAS (France)	EUR 750	1.750%	2020-2030	CHF 699	CHF 706
	EUR			CHF 1,398	CHF 1,412

Contingent liabilities

In 2023, certain competition authorities commenced an industry-wide investigation into the fragrances sector alleging potential violations of anti-trust law. As part thereof, unannounced inspections were carried out at several of our offices in France, the United Kingdom and Switzerland, and a subpoena was received from the Antitrust Division of the United States Department of Justice. Subsequently, regulatory authorities in other jurisdictions also launched parallel anti-trust investigations. The company is fully cooperating with the authorities. The United States Department of Justice has recently advised the company that it shall be closing its anti-trust investigation. As per the date of release of this report, no additional updates on the investigations are available. In addition, multiple civil lawsuits have been filed against the company relating to the investigation.

Events after the balance sheet date

In 2026, the company has in principle reached agreement to settle, without admitting liability, one of the US class actions.



Appropriation of available earnings

Proposal of the Board of Directors to the General Meeting of Shareholders:

	CHF
Available earnings as at December 31, 2025	
Profit brought forward	722,208,057
Profit for the period	313,567,259
Total available earnings	1,035,775,316

The Board of Directors proposes to the next General Meeting of Shareholders the following appropriation of available earnings:

	CHF
Appropriation of available earnings	
Total available earnings	1,035,775,316
Distribution of an ordinary dividend	-
Total appropriation of available earnings	-
Balance to be carried forward	1,035,775,316

Statutory retained earnings exceed 20% of the share capital. As such, the first attribution is not required.

Report of the statutory auditor to the General Meeting of Firmenich International SA, Satigny

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Firmenich International SA (the Company), which comprise the income statement for the year ended 31 December 2025, and the balance sheet as at 31 December 2025, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 73 to 82) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements for the year ended 31 December 2024 were audited by another statutory auditor who expressed an unmodified opinion on those financial statements on 7 April 2025.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

Based on our audit according to article 728a para. 1 item 2 CO, we confirm that the Board of Directors' proposal complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Christopher Vohrer
Licensed audit expert
Auditor in charge

Amanda Wong Ly Han

Basel, 18 June 2026

