

PRESS RELEASE

FIRMENICH DELIVERS STRONG RESULTS IN FIRST HALF OF FISCAL YEAR 2022, DESPITE CHALLENGING RAW MATERIAL AND SUPPLY CHAIN ENVIRONMENT

Geneva, Switzerland, February 10, 2022 – Firmenich International SA, the world's largest privately-owned Fragrance and Taste company, announces its Half Year Results for the six months ended 31 December 2021.

Financial Highlights

- Revenue reached CHF 2,241 million, up +12.3% year-over-year at constant currency¹. On a reported basis, Revenue increased +12.2% year-over-year
- EBITDA² of CHF 451 million, up +24.9% year-over-year
- Adjusted EBITDA³ of CHF 460 million, up +25.3% year-over-year, driven by topline growth across the business and a favorable product mix. Adjusted EBITDA margin, as percentage of Revenue, of 20.5%, up +2.1 percentage points year-over-year
- Free Cash Flow⁴ of CHF 162 million, down -10.7% year-over-year, driven by working capital impact of higher safety inventories to preserve customer service levels and support our customers in a volatile global supply chain environment

Operating Highlights

- Double-digit Revenue growth across both Perfumery & Ingredients and Taste & Beyond divisions, achieving new business wins in a context of improving market conditions
- Growth across all regions, and strong momentum in our key geographies, including Europe (+22.2%), India (+12.9%), China (+10.4%), and North America (+7.0%)
- Prioritized customer service levels, ensuring safety of supply in a challenging global raw material and supply chain environment
- Continued to benefit from our ongoing investment in growing segments, key geographies and differentiated offerings, including: Sugar Reduction, Naturals & Renewable Ingredients, Plant-based Foods, Clean & Responsible Fragrances, E-commerce and Digital Channels
- Continued investment in strategic growth markets, opening an end-to-end fragrance and taste co-creation center for customers in South China, and launching construction of a state-of-the-art production hub in Turkey
- Launched new innovations offering superior performance and active benefits to our fragrances, as well as new renewable ingredients such as Muguissimo™ and 100% natural ingredients including Muguet Firgood™
- Progressed on our Environmental Social and Governance (ESG) targets for 2025 and 2030. Secured a fourth consecutive Triple “A” rating from CDP, a new industry-leading Sustainalytics ESG risk score of 7.5, in the top 50 companies rated worldwide, and a second consecutive EcoVadis Platinum Sustainability Rating, with an industry-leading score of 88/100, in the top 1% of all companies assessed

“Firmenich has performed solidly in the first half of FY2022, delivering strong Revenue growth, despite a challenging global raw material and supply chain environment. We also continue to lead the industry in responsible business, making further progress against our ESG ambitions and achieving the highest global standards in ESG,” said Patrick Firmenich, Chairman of the Board.

“Our focus on creativity, digitalization, customer service and innovation has paid off, as we have delivered double-digit top and bottom-line growth despite global challenges in raw materials, supply chains, and new waves of Covid-19. Since the start of the pandemic, we have demonstrated the resilience of our business and continued to invest in growing segments, key geographies and differentiating technologies. We will continue building strong customer intimacy and delivering superior service thanks to our dedicated workforce, focused innovation and strong vertical integration,” said Gilbert Ghostine, CEO of Firmenich.

HY2022 Performance

Revenue

Revenue reached CHF 2,241 million, up +12.3% year-over-year at constant currency. On a reported basis, Revenue increased +12.2% year-over-year. Foreign exchange, in comparison to prior year rates, had a negligible impact on Revenue.

Taste & Beyond delivered an industry-leading Revenue growth of +13.4% at constant currency, with double-digit growth across all segments and strategic initiatives. We made strong progress in our drive to establish strategic partnerships with key customers, to help them win the hearts and minds of consumers through our strengths in innovation, consumer insights, naturals, and “beyond flavors” solutions.

Perfumery & Ingredients Revenue increased +11.7%, at constant currency, driven primarily by strong growth in Fine Fragrance and Ingredients. Fine Fragrance delivered industry-leading growth, surpassing pre-pandemic levels despite ongoing softness in travel retail. This was driven by a combination of restocking and new business wins, thanks to our strong pipeline of innovation aligned with customer needs and our leadership in the prestige segment. In Ingredients, we continued to achieve strong growth momentum, with double-digit Revenue growth across the portfolio, on the back of sustained customer demand. Consumer Fragrance Revenue decreased marginally, following a strong comparable period the previous year, as end-market softness affected global customers, while raw material shortages and logistical challenges impacted the production capacity of some mid-to-small customers.

Adjusted EBITDA

Adjusted EBITDA reached CHF 460 million, up +25.3% year-over-year. In comparison to prior year rates, foreign exchange had a favorable impact of CHF 2 million on the Adjusted EBITDA. Excluding the impact of foreign exchange, Adjusted EBITDA would have increased by +24.8% year-over-year.

Adjusted EBITDA margin, as a percentage of Revenue, increased to 20.5%, up +2.1 percentage points, driven by topline growth across the business, and a favorable product mix linked to growth in Fine Fragrance, Ingredients and Taste & Beyond. Excluding the impact of foreign exchange, Adj. EBITDA margin would have increased by +2.0 percentage points year-over-year.

Like the rest of the industry, we are facing an increasingly challenging global environment with raw material shortages and cost increases, logistical difficulties, and rising energy prices. We will continue to act proactively to navigate this volatile and inflationary environment.

Free Cash Flow

Free Cash Flow decreased by -10.7% year-over-year to CHF 162 million. Profit growth was offset by unfavorable working capital, linked to higher safety inventories. In line with our prudent execution, we increased safety inventories to ensure we could preserve customer service levels in this volatile global supply chain environment. We remain committed to balancing customer service with solid cash generation.

Responsible Business

Responsible business is a core part of Firmenich's values and a source of trust and differentiation for our customers, our investors, and all our stakeholders. Having achieved the ambitious 2020 environmental goals it set after the COP21 Paris climate conference, and announced new commitments for 2025 and 2030, Firmenich has continued its efforts to raise the bar in ESG in its industry.

This Half Year, Firmenich further improved its Sustainalytics ESG risk rating to 7.5 points, ranking 37th out of nearly 15,000 companies rated worldwide, and number 1 in the Chemicals industry.

Firmenich also received a CDP Triple "A" rating for the fourth consecutive year, one of only two companies in the world to achieve this.

Firmenich achieved the highest EcoVadis rating, Platinum, for the second time in a row with a score of 88/100. EcoVadis awarded Firmenich its best score ever, ranking Firmenich in the top 1% among the 85,000+ companies evaluated worldwide since 2009, and the leader in our industry.

Firmenich was ranked 10th out of 350 companies in the World Benchmarking Alliance Food & Agriculture Benchmark. The Food and Agriculture Benchmark measures and ranks keystone companies on key issues underpinning the food systems transformation agenda in line with the United Nations Sustainable Development Goals (SDG).

Also, Firmenich's DRT Ingredients business won the France Chimie ESG Innovation Award for Dertal® renewable bioliquids, sustainable alternatives to heavy fuel and mineral oils to generate green heat, steam and power. This award recognizes the creativity and impact of our initiatives, demonstrating our strong commitment to sustainability and responsible resource management.

Disclosure

This information is provided by Firmenich International SA pursuant to the EU Market Abuse Regulation 596/2014 and the Swiss FMIA. The information was submitted for publication, through the contact persons set out below, at 7:00 CET on 10 February 2022. Further information is available for investors on <https://investors.firmenich.com>.

Contacts

Firmenich

Diego Chantrain, Investor Relations
Email: investor_relations@firmenich.com

FTI Consulting (Financial PR)

Tom Hufton / Eleanor Purdon
Email: firmenich@fticonsulting.com
Tel: +44 (0) 20 3727 1000



About Firmenich

Firmenich, the world's largest privately-owned fragrance and taste company, was founded in Geneva, Switzerland, in 1895, and has been family-owned for 126 years. Firmenich is a leading business-to-business company specialized in the research, creation, manufacture and sale of perfumes, flavors, and ingredients. Renowned for its world-class research and creativity, as well as its leadership in sustainability, Firmenich offers its customers superior innovation in formulation, a broad and high-quality palette of ingredients, and proprietary technologies including biotechnology, encapsulation, olfactory science, and taste modulation. Firmenich had an annual turnover of 4.3 billion Swiss Francs at end June 2021. More information about Firmenich is available at www.firmenich.com.

¹ Growth at Constant Currency is used by our management and Board of Directors to evaluate operating performance. We believe that the elimination of the effect of foreign currency variations can provide useful period-to-period comparisons of our operating performance and enable a better understanding of the underlying factors contributing to such performance. Growth at Constant Currency is computed by comparing current period results converted at prior period foreign exchange rates to prior period results at prior period foreign exchange rates.

² EBITDA, defined as Earnings Before Interest, Tax, Depreciation and Amortization, corresponds to operating profit before depreciation, amortization, impairment losses and release of government grants.

³ Adjusted EBITDA is the reported EBITDA, as adjusted for significant items that have an impact on the understanding of the underlying normal operating activities. Adjusted items comprise restructuring costs, gain and loss on non-current assets, acquisition-related costs and impact of curtailment.

⁴ Free Cash Flow equals cash flows from operating activities less net investments. It represents the cash generating capability of the Group to pay dividends, repay providers of capital, or carry out acquisitions, if any.