HALF-YEAR 2023 RESULTS

6 months ended 31 December 2022

Firmenich

for good, naturally

Contents

Chairman & CEO's Statement

Following a record performance in FY 2022, we have delivered superior double-digit Revenue growth in the first half of FY 2023, as our best-in-class customer service supported sustained demand across all divisions.

"Firmenich has delivered double-digit Revenue growth in the first half, supported by the strength of our superior customer service and diversified, sustainable business model. These accomplishments are set against a challenging inflationary environment, particularly for raw materials and energy."

PATRICK FIRMENICH, CHAIRMAN OF THE BOARD

"During the first half of FY 2023, we have continued to demonstrate our agile execution while navigating volatile market conditions. We are emerging stronger across key segments thanks to our focus on leading creativity, innovation, and best-in-class customer service."

GILBERT GHOSTINE, CEO OF FIRMENICH

We also delivered solid high single-digit Adjusted EBITDA growth against a backdrop of a volatile inflationary and foreign exchange environment thanks to our agile execution. These HY 2023 results demonstrate once more the strength and resilience of our business model. They are also a testament to our commitment to serve our customers and innovate with them: through the value we deliver, our goal is to enable our customers' organic and sustainable growth.

In the first half of FY 2023, we have continued our strategy of focused investment in growth markets. Furthermore, we have maintained our commitments of protecting service levels for our customers as their trusted partner, and as a purpose and innovation-driven business. In January 2023, LexisNexis® included us in "The Global Top 100" report for "Innovation Momentum" for the second consecutive year, as the only company in our industry to feature in the Top 100 most innovative companies.

This long-term vision is a core ingredient of our approach. Over many decades, we have demonstrated our adaptability in weathering challenging cycles and this stands us in good stead for the volatile environment in which our industry now operates. We wish to express our deepest gratitude to all our investors, shareholders, customers, partners, and suppliers for their support.

We are also hugely grateful to our 11,000 employees and we would like to thank them for their constant dedication and hard work. Their skill and passion is evident in our creativity, innovation, as well as our leadership in ESG, where we have demonstrated that commercial success and sustainability are truly compatible. We are proud of our leadership in science and to have made further strides as a responsible business, as accredited by further world-class recognition of our sustainability ambitions and performance in HY 2023. Furthermore, we resecured Global EDGE "Move" certification for gender equity in January 2023, and, in addition, reached the highest EDGE "Lead" certification in Brazil and Mexico, the first company in our industry to achieve this level. This drive for sustainable value remains at the core of our long-term strategy.

We remain committed to make a positive impact on people and the planet and we see our future as a leader in nutrition, beauty, and well-being. As we aim to open a compelling new chapter in our history, we are excited by the prospects created by the opportunity to combine the strengths of two iconic companies to leverage Firmenich's legacy into the future.

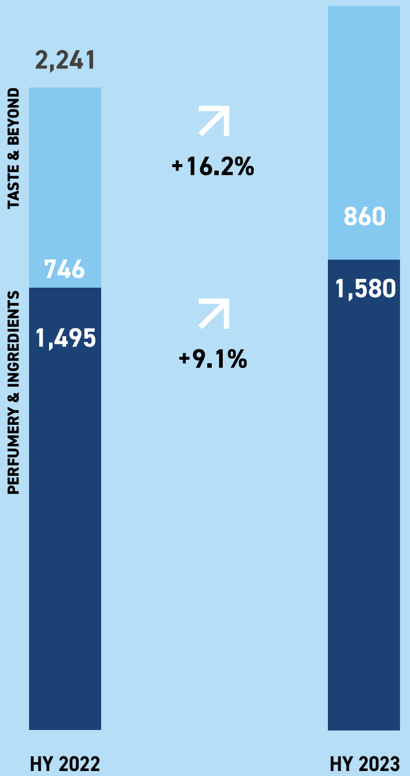
Firmenich at a glance

2,440

Revenue (CHF million)

+11.5%

GROUP AT CONSTANT CURRENCY

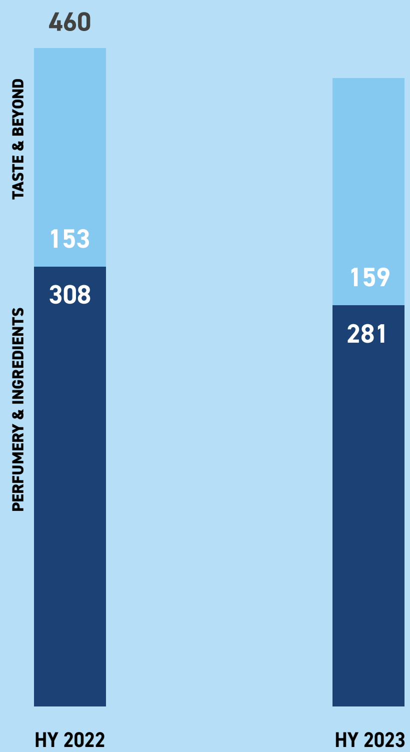


440

Adjusted EBITDA (CHF million)

+7.3%

GROUP AT CONSTANT CURRENCY



Adjusted EBITDA margin:
HY 2022 20.5%
HY 2023 18.0%

Management Commentary

Firmenich delivers superior growth in first half of Fiscal Year 2023. Double-digit Revenue growth, with agile execution against a backdrop of a volatile inflationary environment.

Emerging stronger across divisions, due to our consistent quality of service, superior creativity and continued investment into innovation, growing segments and key geographies.

Financial highlights

- Revenue reached CHF 2,440 million, up 11.5% year-over-year at constant currency, driven by a balanced contribution of volume / mix and pricing, partially offset by adverse foreign exchange. On a reported basis, Revenue increased by 8.9% year-over-year
- Adjusted EBITDA of CHF 440 million, down by 4.4% year-over-year. Excluding the impact of foreign exchange, Adjusted EBITDA would have increased by 7.3% year-over-year
- Adjusted EBITDA margin of 18.0%, down 2.5 percentage points year-over-year, which includes a negative 170 bps impact from foreign exchange headwinds and a negative 90 bps of mathematical dilution from inflation, net of price increases
- EBITDA of CHF 371 million, down 17.6% year-over-year, largely due to CHF 59 million non-recurring expenses linked to M&A activity. Excluding the impact of foreign exchange, EBITDA would have decreased by 5.7% year-over-year
- Free Cash Flow, adjusted for the impact of the non-recurring expenses linked to the DSM-Firmenich merger, was CHF 11 million, compared to CHF 162 million in the previous year. The decline was particularly driven by the high inventory levels required to ensure safety of supply and preserve customer service levels. Strong Revenues towards the end of the second quarter also led to a higher level of receivables. Reported Free Cash Flow of negative CHF 17 million, including the impact of CHF 28 million of non-recurring cash expenses linked to the DSM-Firmenich merger. We anticipate a rebound in cash conversion over the second half of the fiscal year, as inventory levels normalize.

11.5%
REVENUE GROWTH AT CONSTANT CURRENCY

18.0%
ADJUSTED EBITDA MARGIN

Operating highlights

- Market share gains and robust Revenue growth across both Perfumery & Ingredients and Taste & Beyond divisions, driven by a balanced contribution of volume / mix and pricing, partially offset by adverse foreign exchange
- Business resilience and agile execution in challenging macroeconomic and geopolitical conditions, demonstrated by healthy sustained demand across all key markets and continued focus on prioritizing customer service and ensuring safety of supply
- Growth across all regions with strong momentum in key geographies, including China which grew at 18.3%, India at 23.6% and Europe at 16.6% at constant currency
- Emerging stronger across divisions, due to our consistent quality of service, superior creativity, and continued investment into innovation, growing segments, and key geographies. Our differentiated offerings include: Sugar Reduction, Naturals & Renewable Ingredients, Plant-based Foods, Clean & Responsible Fragrances, E-commerce and Digital Channels
- Took proactive pricing actions to mitigate inflationary pressures, implemented in partnership with our customers. This includes an energy surcharge, which has been rolled-out across all divisions and should be fully effective over the remainder of the fiscal year
- Launched new innovations offering superior performance and active benefits to our fragrances, as well as in Ingredients, where we have ramped up our unique Firgood™ collection obtained by a revolutionary, sustainable proprietary extraction technology with our latest addition, Lavandin Pays Firgood™
- Progressed on our Environmental, Social and Governance (ESG) targets for 2025 and 2030. Received a CDP Triple "A" rating for the fifth consecutive year, one of only two companies in the world to achieve this. Firmenich holds a Sustainalytics ESG risk rating of 7.5 points, ranking 51st out of over 15,500 companies rated worldwide, and number 1 in the Chemicals industry group.

HY 2023 performance

Revenue[1]

Revenue reached CHF 2,440 million, up 10.5%. Acquisitions contributed +1.0 percentage points to Revenue growth leading to 11.5% growth at constant currency. On a reported basis, Revenue increased 8.9% year-over-year. Foreign exchange, in comparison to prior year rates, had a negative 2.6 percentage points impact on Revenue growth.

Taste & Beyond delivered an industry-leading Revenue growth of 13.3%, driven by a balanced contribution of volume / mix and pricing across all segments and strategic initiatives. Acquisitions contributed +2.9 percentage points to Revenue growth leading to 16.2% growth at constant currency. 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 particularly in "beyond taste" solutions.

Perfumery & Ingredients Revenue increased 9.1%, driven by strong growth in Fine Fragrance and Ingredients, while Consumer Fragrances returned to mid-single-digit growth. Fine Fragrance delivered industry-leading growth, due to a strong pipeline of innovation aligned with customer needs and our leadership in the prestige segment. In Ingredients, we continued to achieve strong momentum, with robust Revenue growth across the portfolio, supported by strong pricing measures and sustained customer demand.

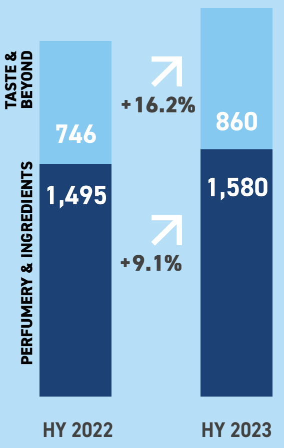
Our geographic diversification is one of our strengths and we have achieved Revenue growth across all our key regions, including India 23.6%, China 18.3%, and Europe 16.6% at constant currency.

Gross Profit

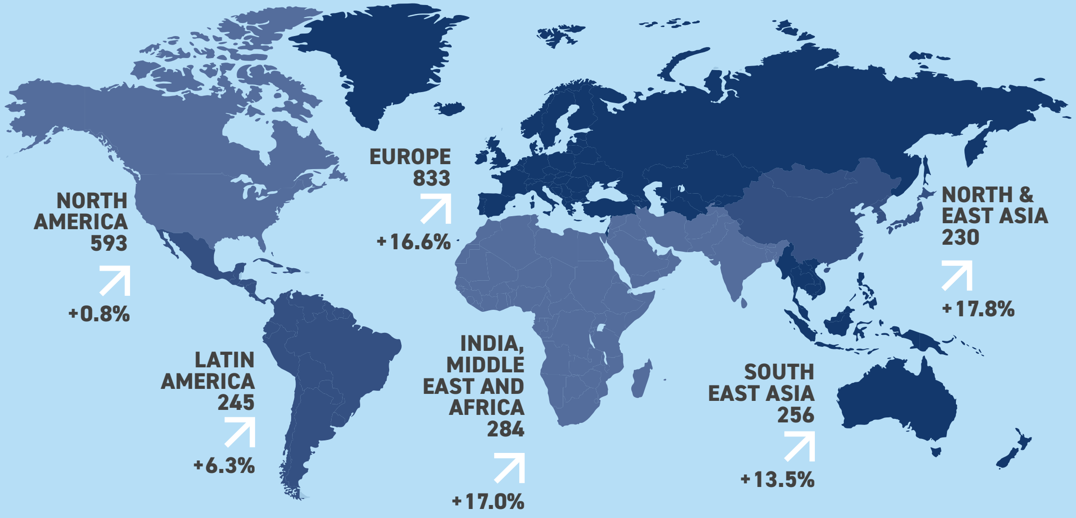
Gross Profit increased by 0.5% year-over-year, reaching CHF 912 million. Gross Margin as a percentage of Revenue was 37.4%, a decrease of 3.1 percentage points year-over-year, as top line growth was offset by continued inflationary pressures on raw materials and energy, as well as foreign exchange headwinds.

1. Unless otherwise stated, Revenue growth comparisons are made on an organic basis at constant currency, as defined in the Alternative Performance Measurements section, versus the same period in the prior year.

Revenue by division
(CHF million, growth at constant currency)



HY 2023 Revenue by region (CHF million, growth at constant currency)



Adjusted EBITDA

Adjusted EBITDA reached CHF 440 million, down 4.4% year-over-year. Excluding the impact of foreign exchange, Adjusted EBITDA would have increased by 7.3% year-over-year. In comparison to prior year rates, foreign exchange had a negative impact of CHF 54 million on the Adjusted EBITDA. Adjusted EBITDA margin, as a percentage of Revenue, was 18.0%, down 2.5 percentage points year-over-year, with a negative impact of 170 bps from foreign exchange headwinds and 90 bps of mathematical dilution from inflation, net of price increases.

Similar to the rest of the industry, we have been facing an increasingly challenging environment, particularly regarding inflationary pressures for raw materials and energy. We have taken measures to proactively mitigate the negative impact on margins, including further pricing actions and the application of an energy surcharge, while preserving our best-in-class service levels. Our agile execution and adaptability have enabled us to weather volatile market conditions.

Business resilience and agile execution in challenging conditions, demonstrated by healthy sustained demand across all key markets and continued focus on prioritizing customer service and ensuring safety of supply.

Financing costs and other financial expenses

Financing costs were CHF 24 million, compared to CHF 23 million in the first half of the previous fiscal year. Net other financial expenses increased to CHF 24 million, compared to CHF 7 million the previous year, primarily due to foreign exchange fluctuations.

Tax

The Group effective tax rate reached 14.6%. In the same period in the prior year, the Group effective tax rate was 15.2%.

Net Income

Net Income attributable to equity holders of the Parent was CHF 153 million, compared to CHF 234 in the prior year. The decline was largely driven by the CHF 59 million non-recurring M&A expenses, which principally related to the DSM-Firmenich merger. In addition, margins were impacted by the combined external challenges of foreign exchange headwinds and inflationary pressures, which had not yet been fully mitigated by our proactive pricing measures.

Free Cash Flow

Free Cash Flow, adjusted for the impact of the non-recurring expenses linked to the DSM-Firmenich merger was CHF 11 million, compared to CHF 162 million in the prior year. Reported Free Cash Flow was negative CHF 17 million, including the impact of CHF 28 million of non-recurring cash expenses linked to the DSM-Firmenich merger.

The decline in Free Cash Flow was primarily driven by the unfavorable change in working capital linked to the CHF 172 million impact of higher inventories required to ensure safety of supply and preserve customer service levels. In addition, a strong Revenue performance towards the end of the second quarter led to a higher level of receivables. We anticipate a rebound in cash conversion over the second half of the fiscal year, as inventory levels normalize. In the second half of the FY23 we will focus on maintaining a healthy cash generation in line with our commitment to maintaining a strong investment grade credit rating.

Financial position

The Group's financial position remained strong. Net debt stood at CHF 1,678 million, compared to CHF 1,600 million in June 2022. Our net debt relative to our EBITDA is in line with our expectations and our commitment to maintaining a strong investment-grade credit rating.

Total assets were CHF 8,326 million, compared to CHF 8,630 million in June 2022. Non-current assets reached CHF 5,222 million, and current assets stood at CHF 3,103 million.

Responsible business

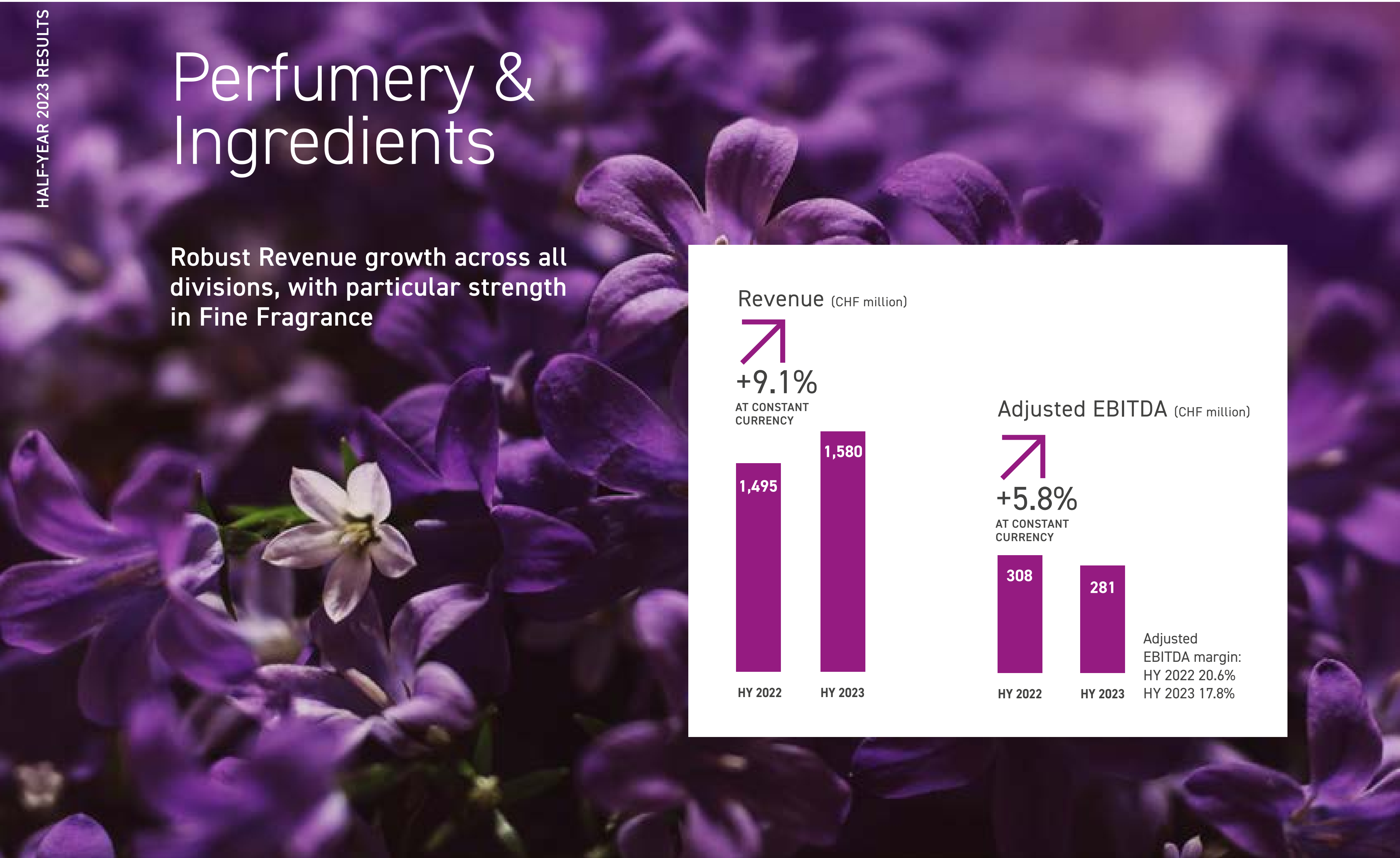
Responsible business is a core part of Firmenich's values and a source of trust and differentiation for our customers. We strive to create sustainable value for all our stakeholders today and for the generations to come through our business activities and all along our value chain.

We have continued our efforts to raise the bar in ESG. At the end of the first half of the fiscal year, Firmenich received a CDP Triple "A" rating for the fifth consecutive calendar year, one of only two companies in the world to achieve this. Firmenich also received approval from the Science Based Targets initiative (SBTi) for its net-zero emissions target, making it one of the first companies globally to receive approval from the SBTi.

Firmenich holds a Sustainalytics ESG risk rating of 7.5 points, ranking 51st out of over 15,500 companies rated worldwide, and number 1 in the Chemicals industry. We also have the highest EcoVadis rating, Platinum, with a score of 88/100, ranking the Group in the top 1% among the 85,000+ companies evaluated worldwide since 2009, and the leader in its industry group.

Perfumery & Ingredients

Robust Revenue growth across all divisions, with particular strength in Fine Fragrance



Adjusted EBITDA margin:
HY 2022 20.6%
HY 2023 17.8%

Perfumery & Ingredients delivered 9.1% Revenue growth, driven by Fine Fragrance and Ingredients, with Consumer Fragrances returning to mid-single-digit growth. These accomplishments are set against an industry-wide backdrop of ongoing inflationary headwinds.

This industry-leading performance reflects our constant investment and agile execution, with a strategy that is centred on innovation, digitalization, and sustainability. In Fine Fragrance, we are a major global player in the prestige segment and our market share gains reflect our leading creativity and knowhow. Supporting our focus on sustainability, our fragrances are high-performing and made of clean, renewable, biodegradable and responsibly sourced ingredients. All this is reinforced by our customer intimacy and our commitment to best-in-class customer service levels.

In addition, robust growth in Ingredients has been driven by effective pricing initiatives across our products and geographies. The Perfumery & Ingredients division benefits from our vertical integration and differentiating local supply in Europe and North America, as well as our strength in renewable ingredients and economies of scale.

Our accomplishments during the first half of the fiscal year are set against an environment of continuing external challenges, including raw material cost inflation, energy cost inflation and foreign exchange headwinds. To mitigate these adverse effects, we have implemented a number of pricing initiatives, including an energy surcharge which should come fully into effect during the second half of the fiscal year. We are also proactively managing our resources to continue protecting our customer service levels as well as balancing cash generation and margins.

HY 2023 performance

Perfumery & Ingredients Revenue reached CHF 1,580 million, an increase of 9.1% year-over-year. Growth was driven by a strong performance in Ingredients and in Fine Fragrance, as well as a return to mid-single-digit growth in Consumer Fragrances. We achieved double-digit growth at constant currency in Europe and India.

Foreign exchange, in comparison to prior year rates, had an unfavorable impact of 3.5 percentage points on Revenue growth. As a result, Revenue increased by 5.6% year-over-year on a reported basis.

Adjusted EBITDA was CHF 281 million, down 8.6% on a reported basis. In comparison to prior year rates, foreign exchange had a negative impact of 14.4% on Adjusted EBITDA. Adjusted EBITDA increased 5.8% year-over-year at constant currency. Adjusted EBITDA margin was 17.8%, down 2.8 percentage points year-over-year, which includes a negative 210 bps impact from foreign exchange. In addition to foreign exchange headwinds, the margin decline was the result of the continuing adverse impact of inflation of raw materials, energy and logistics, which had not yet been fully offset by pricing initiatives. We have taken measures to proactively mitigate the negative impact on margins, including further pricing actions while preserving our best-in-class service levels, including securing competitiveness in our supply chain operations.

Fine Fragrance

Our Fine Fragrance segment achieved industry leading, double-digit Revenue growth during this first half of the fiscal year, largely driven by volume / mix. Our strong win rate continued during this period, as we benefited from our ongoing investment in innovation and customer intimacy. We are leading creativity with excellent in-house perfumers and we benefit from being the global leader in the prestige segment, which has recovered well since COVID-19. We grew by double-digits in most regions, especially in Asia and India. Our pipeline is very healthy and we have implemented pricing initiatives, mitigating the ongoing impact of inflationary pressures.

Consumer Fragrances

The Consumer Fragrances segment reported mid-single-digit topline growth in the first half of the fiscal year, with double-digit growth with our regional Asian customers and in India. We continue to invest for the future and increase our customer intimacy, having also been selected as a core supplier by several key customers during the past six months. Across the division, we have been able to implement strong pricing measures that have helped to mitigate the industry-wide impacts of raw material and energy inflationary pressures.

Ingredients

In Ingredients we delivered robust growth, driven by strong price increases and sustained customer demand across our product lines. We benefit from our vertically integrated offering and local supply, close to key customers, and our strength in renewable and natural ingredients provide us with a competitive advantage.

These accomplishments are set against an industry-wide backdrop of ongoing raw material, logistical and energy inflation. Our agile execution has enabled us to constantly innovate, optimize our product portfolio and improve our asset and equipment reliability.

We are leading creativity with excellent in-house perfumers and we benefit from being the global leader in the prestige segment, which has recovered well since COVID-19.

Innovation and Creation

Fine Fragrance and Consumer Fragrances

We continue to lead in redefining the future of fragrance, developing fragrance solutions that are both high performing and sustainable, in collaboration with our customers, based on our deep consumer insights and world-class scientific research.

Exceptional talent

We are leading creativity with some of the best perfumers in the industry. In September 2022, we announced the nomination of three new Master Perfumers for Consumer Fragrances: François-Raphaël Balestra, Haresh Totlani and Wessel-Jan Kos. At Firmenich, the title of Master Perfumer rewards the highest level of excellence in fragrance creation, alongside leadership qualities and a commitment to train the future generations.

Superior performance for our customers

New launches include PopScent® Eco Max fragrance encapsulation now made exclusively with 100% biodegradable ingredients[1], and the enriched HaloScent® palette of new-generation profragrances. Bringing fragrance creation to the next level, these new technologies maximize freshness and long-lasting fragrance.

Scientific breakthroughs are driving the innovation of advanced malodor control solutions. The collaboration between our Perfumers and our multidisciplinary Research & Development team allows us to provide the best experience for targeted malodor elimination, thanks to our Receptor-Based Discovery (RBD) Deodecode™ technology, balanced with positive scent cues and enhanced freshness, bloom and long-lastingness.

Supporting consumer choice through olfaction and emotions

Firmenich's new EmotiCODE™ Focus fragrance helps consumers achieve increased mental performance and focus, making them more efficient in their tasks. This neuroscientific advancement in perfumery builds on our EmotiON program, which uses a range of R&D and proprietary market research tools to build a model or framework to identify, create, and certify the fragrance. Focus's effect is validated through testing and cognitive science.

Pioneering business models and augmented creation through digitalization

ScentMate™, the online co-creation platform, recently celebrated its first-year anniversary with expansion to new territories. A digital-first, our fully integrated, AI-enabled, innovative business model is aimed at entrepreneurs and independent brands.

Our digitalization programs are proceeding at pace, including the launch of the Studio platform for our clients and a new collaborative platform, powered by advanced algorithms, for development and product selection. We are also continuing to provide market-leading insights into the future of fragrance.

We continue to lead in redefining the future of fragrance, developing fragrance solutions that are both high performing and sustainable, in collaboration with our customers, based on our deep consumer insights and world-class scientific research.

1. All the components of the polymer wall are readily biodegradable or naturally sourced materials. Natural-origin as defined by ISO 16128

Ingredients

Building on our unique base in R&D and innovation, we continued to pioneer in our day-to-day research and extended green chemistry processes with the launch of Casmiwood™, a new woody synthetic and differentiating ingredient for perfumery.

Advanced Renewable Ingredients for specialty markets

In the first half of the fiscal year, we developed one FSC (Forest Stewardship Council) certified rosin derivative for the tire industry. The certification guarantees that products are sourced from responsibly managed forests that provide environmental, social and economic benefits, and this provides full control and traceability of material. We also received a Sustainability Award from our client Pirelli for our ongoing development of bio-based resins meeting their sustainability requirements. Pirelli recognizes nine suppliers annually, from a total of more than 15,000 in its global supply chain.

Within the context of the current energy crisis, our Dertal® biofuel range has been very successful and is now also used to fuel the City of Paris's heating network. Manufactured in France, our 100% renewable fuel enabled the City of Paris to avoid an estimated 5,400 tonnes of CO_2 emissions in 2022.

Pioneering and differentiating Natural Ingredients

In Naturals, we ramped-up our unique Firgood™ collection, obtained by a revolutionary, sustainable proprietary extraction technology, with our latest addition, Lavandin Pays Firgood™. This new ingredient completes our brand-new range of pure, 100% natural extracts which is produced in our Naturals Center of Excellence in Grasse, France. Designed to create a differentiating natural signature, our Firgood™ ingredients range has been a success with new significant customer wins in the first semester, including the latest perfume, Fame by Paco Rabanne.

Also in Grasse, nine of our most esteemed and traditional natural ingredients, such as Mimosa, Rose Centifolia, Hay and Clary Sage, have been certified with the official Geographic Indication "*Absolue Pays de Grasse*". The label recognizes the region's historic contribution and know-how in perfumery raw material cultivation and industrial processes. This provides transparent advantages to our customers and their consumers by guaranteeing traceable quality and excellence. It also brings security to local producers who continue to apply the traditions of Grasse, a UNESCO World Heritage Site.

Finally, in Indonesia, our Patchouli has been verified as responsibly sourced by the UEBT (Union for Ethical BioTrade), which is recognized for setting the most demanding standards in responsible sourcing. This acknowledges the excellent work performed by our teams and the effectiveness of our action to economically empower the 850 patchouli farmers we work with in the region, help preserve local biodiversity and adapt to climate change.

Taste & Beyond

Industry-leading Revenue growth across all segments and strategic initiatives

Revenue (CHF million)

+16.2%
AT CONSTANT CURRENCY

746
860
HY 2022
HY 2023

Adjusted EBITDA (CHF million)

+10.2%
AT CONSTANT CURRENCY

153
159
HY 2022
HY 2023

Adjusted EBITDA margin:
HY 2022 20.5%
HY 2023 18.5%

Taste & Beyond delivered industry leading growth of 13.3% in the first half of the fiscal year, driven by favorable volume / mix, as well as pricing initiatives. Acquisitions contributed +2.9 percentage points to Revenue growth leading to 16.2% growth at constant currency.

HY 2023 performance

Strong growth and market share gains across all segments was due to our ongoing focus on innovation and customer satisfaction. This performance is the result of our successful innovation platforms in Naturals, Nutrition, and Plant-based Foods and Beverages, where we have been able to grow Revenues through both volume / mix and pricing initiatives. Our agile execution, commercial focus and strategic partnerships with key customers have enabled us to create value and facilitate organic growth for our customers, in a rapidly evolving market.

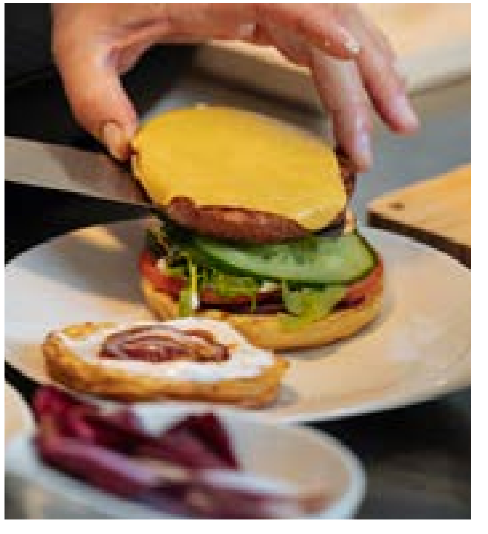
Our innovations are aimed at accelerating the consumer diet transformation and we have achieved industry-leading growth across our core products, particularly in Beverages. Our integrated solutions combine our world class research, innovation and strength in Naturals.

As industry pioneers in digitalization, we are leveraging our digital tools to augment the work of our creators. This has increased our agility and responsiveness to customer requirements and, through our digital channels, we are offering a superior customer experience.

In the context of a challenging inflationary environment, we are proactively adapting our resources and focusing on protecting margins through strategic pricing measures.

Revenue reached CHF 860 million, an increase of 16.2% year-over-year, at constant currency. This performance was driven by strong organic growth of 13.3% across all core categories, with particular momentum in Beverages. Acquisitions also contributed +2.9 percentage points to the Revenue growth. Our performance is underpinned by our strengths in Sugar Reduction, Plant-based Foods, Naturals and Nutrition, which allow us to adapt to evolving consumer trends and diet transformation. We continue to grow strongly in key geographies, achieving double-digit Revenue growth in China, India, Europe and Latin America. Foreign exchange, in comparison to prior year rates, had a negative impact of 0.9 percentage points on Revenue growth. As a result, Revenue increased by 15.3% on a reported basis.

Adjusted EBITDA reached CHF 159 million, up 4.0% on a reported basis. In comparison to prior year rates, foreign exchange had a negative impact of 6.2% on Adjusted EBITDA. Adjusted EBITDA increased 10.2% year-over-year, at constant currency. Adjusted EBITDA margin was 18.5%, down 2.0 percentage points year-over-year, which includes a negative 95 bps impact from foreign exchange. In addition to foreign exchange headwinds, the margin decline was due to the continuing adverse impact of inflation of raw materials, energy and logistics, which had not yet been fully offset by pricing initiatives. We have taken measures to proactively mitigate the negative impact on margins, including further pricing actions and the application of an energy surcharge, while preserving our best-in-class service levels, including securing competitiveness in our supply chain operations.



Beverages

In Beverages, we delivered high double-digit growth, driven by Juice & Nectars and Carbonated Soft Drinks. All our regions have performed strongly, notably North America, Latin America, India and Asia. Our innovations in the Beverages category particularly supported this growth, thanks to our strengths in Sugar Reduction, as well as the demand for Citrus and Vanilla & Brown Notes tonality.

Sweet Goods

The Sweet Goods category delivered double-digit Revenue growth on the strength of Desserts, Consumer Health Care and Confectionery categories, predominantly in Europe and Asia. Sugar Reduction technology remains the most important driver of growth in this category.

Savory

Revenue in the Savory category grew by double-digits during the first half of the fiscal year, with particular strength in Europe, Latin America and India. Growth was also fueled by the Soups & Noodles category in all regions. We have continued to invest in this category, where we expect to see long-term growth driven by the consumer shift to healthier meat alternatives and flexitarian diets.

Innovation and Beyond Flavors

Innovation and enhancing our Beyond Flavors portfolio continue to be our strategic growth drivers, generating incremental sales momentum. Consumer focus on wellbeing, manifested in the desire for healthier food & beverage choices, continues to grow, despite an increasingly uncertain economic outlook. As such, we continue to focus on serving powerful consumer demands.

Supporting the consumer diet transformation

As reported in our ESG Report 2022 in September, we are committed to accelerating the consumer-led global diet transformation by helping to create healthier, affordable great-tasting food and beverages with more natural and sustainable ingredients.

Increasingly, the food & beverage industry has been impacted by unprecedented challenges of supply chain disruption, cost escalation and crop shortages. To help mitigate growing risks around accessibility and affordability of food & beverages within the marketplace, we have leveraged our deep expertise and understanding of consumer products to provide effective alternatives for our customers. By taking our total cost of recipe approach, we have enabled our clients to offset the increasing cost of raw materials with innovative tools that include our high impact umami and sugar reduction technologies.

Transforming into Natural

We are committed to sustainably deriving the best from nature and responding to consumer demand for more natural, traceable, and less-transformed products. Our comprehensive Naturals Transformation ambition drives this approach, encompassing sustainable procurement standards, collections of certified ingredients with strong involvement at source, and constant innovation.

New proprietary digital tools introduced in the first half of the fiscal year enhanced our ability to measure our sustainability footprint and provide our customers with increased value chain transparency. We also continued to evolve our creation palette with a portfolio of natural and clean label ingredients, constantly improving technology to deliver authentic natural and clean label flavors while minimizing crop yield.

As a part of our encapsulation innovation program, we launched Infusarome™, a unique technology delivered on a natural tea base which allows for fresh, authentic flavors and cost savings, produced via our patented low-impact process aligned with our ESG Goals and sustainability mission. Through our encapsulation expertise, we serve customer needs around cost, legislation and functionality by providing flavor protection against processing conditions or the ambient environment. This technology enables ready incorporation in a product formulation, and to control the moment of flavor liberation to when it matters most.

Additionally, we launched the encapsulation of vitamins and minerals under our NutriGEM® brand, as a part of our proprietary range of nutritional integrated solutions supporting immunity and well-being, while solving product formulation challenges including taste, mouthfeel and stability.

> Innovation and enhancing our Beyond Flavors portfolio continue to be our strategic growth drivers, generating incremental sales momentum, as consumer focus on wellbeing, continues to grow.

Plant-based revolution

We continue to grow our capabilities to serve the ongoing consumer shift toward more plant-based alternatives to meat and dairy products through our SmartProteins® continuous innovation program, providing for better-tasting and more diverse analogs. Strongly supported by our Campus proteins expertise, we differentiate in the plant-based space through our integrated approach to improving the overall eating experience with SmartProteins® proprietary solutions across Aroma, Taste, and Texture. Our innovation in the Plant-based space has allowed us to achieve double-digit growth in SmartProteins® during the first half of FY 2023, despite supply chain challenges.

In order to create even more regionally-relevant plant-based analogs, we launched Best In Class (BIC) Milk, our first portfolio of application-targeted flavors crafted via our unique consumer-first process. Driving consumer preference through authentic dairy-like eating and drinking experiences that meet local consumer expectations is essential to driving conversion to plant-based analogs. Firmenich designed Best-In-Class (BIC) Milk flavor solutions to mask the off-notes of plant proteins while adding the recognizable typicity of popular dairy drinks based on specific regional preferences. BIC Milk flavors were carefully developed using Informed Creation®, an iterative process based on local sensory and consumer insights to ensure perfect alignment with unique local consumer expectations. Each flavor has been validated by consumers and optimized to perform in different protein types.

Better nutrition, with less sugar, less salt and less alcohol

We lead innovation within the industry in Sugar Reduction, with an integrated range of solutions that preserve taste authenticity. Our Sugar Reduction portfolio has grown by strong double-digits across all categories during the first half of the fiscal year. We consolidated our thought leadership in Sugar Reduction with our appointment as full members to the International Stevia Council, with the mission to help ensure consumers receive the highest level of information, transparency, and benefit from the world's main plant-derived sweetener.

We are making great strides in innovation focused on the growing market trend towards wellbeing and moderation. Accordingly, we continue to develop finished flavors for low and non-alcohol beverages, including beers and ciders and a large palette of taste optimization tools that focus on developing versatile flavor keys, providing depth and authentic flavor to brewed beer bases.

In October, we launched our BeeR'Evolution range. The result of extensive sensory studies mapping out the complex taste directions of the most popular global beers, BeeR'Evolution's proprietary modular approach enables flavor solutions to be used stand-alone for full integration into no or low alcohol beer.

Environmental, Social and Governance Performance

Renewed world-class rating and strong progress on ESG targets for Climate, Nature and People

Top 1% ESG rating performance in our industry[1]

CDP A LIST 2022

Triple "A"
5 CONSECUTIVE YEARS

SUSTAINALYTICS

7.5 points
TOP 1% OF 15,000 + COMPANIES RATED

2021 ecovadis

88/100
TOP 1% OF 85,000+ COMPANIES

EDGE

MOVE level
AS ONE OF 7 COMPANIES ONLY WORLDWIDE

1. Based on Sustainalytics, EcoVadis and CDP ratings

Pathways to Positive is our Environmental, Social and Governance (ESG) Strategy, which guides all our ambitions and actions on sustainability and helps to embed them throughout our business.

We set ourselves pioneering 2025-2030 ambitions to create value for our stakeholders today and for the generations to come, throughout our business and all along our value chain. Pathways to Positive focuses on three ways in which we can make the biggest difference: Acting on Climate Change, Embracing Nature and Caring about People.

Our approach is grounded in the 17 UN Sustainable Development Goals (SDGs) that we use as our beacon for 2030. We are convinced that our sustainability ambitions can only be achieved through collaboration and dialogue with all our stakeholders, including our customers. Therefore, stakeholder engagement is a pillar of our inclusive capitalism approach.

At the core of our sustainable value creation model, we aspire to become the leader in Conscious Perfumery, Diet Transformation, and Renewable Ingredients, all of which are essential to generate positive impacts across our value chain. As creators of positive emotions through the senses of taste and smell, touching over four billion people every day, we are striving to provide essential solutions that rise to the challenges of our world.

We continued to gain recognition for our progress, notably with a fifth consecutive CDP Triple "A" for transparency and action on climate change, water security and forestry protection.

In this ESG section, we provide an overview of HY 2023 progress against our 2025 targets and Key Performance Indicators[1] (KPIs) across our three pillars of action.

FOR MORE INFORMATION SEE OUR ESG REPORT 2022

1. Our ESG Performance scope covers the global operations of the Firmenich Group, including both manufacturing and non-manufacturing sites. All entities are included except ArtSci.
Definitions for acronyms within this section can be found in our ESG Report 2022 on page 156.

Pathways to Positive

STRATEGIC PILLARS

Acting on Climate Change

Embracing Nature

Caring about People

SUSTAINABLE DEVELOPMENT GOALS

6 CLEAN WATER AND SANITATION · 13 CLIMATE ACTION · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

14 LIFE BELOW WATER · 15 LIFE ON LAND · 17 PARTNERSHIPS FOR THE GOALS

3 GOOD HEALTH AND WELL-BEING · 5 GENDER EQUALITY · 8 DECENT WORK AND ECONOMIC GROWTH · 10 REDUCED INEQUALITIES

DRIVERS

IMPACTFUL SCIENCE

RESPONSIBLE SOURCING

BUSINESS ETHICS

DIGITAL ACCELERATION

ASSESSMENTS

1 OF 2 COMPANIES WORLDWIDE TRIPLE "A" FOR 5 CONSECUTIVE YEARS

UEBT MEMBER AT GLOBAL LEVEL

RECOGNIZED BY ETHISPHERE® AS ONE OF THE 2022 WORLD'S MOST ETHICAL COMPANIES®

GLOBAL EDGE CERTIFICATION FOR WORKPLACE GENDER EQUALITY "MOVE" LEVEL

RATINGS

ESG RISK RATING SCORE: 7.5
TOP 1% OF 15,000 + COMPANIES RATED
1ST IN OUR INDUSTRY GROUP

TOP 1% OF 85,000+ COMPANIES
SCORE: 88/100

Sustainable Value Creation Model

Data based on half-year results (July-December 2022)

Capital inputs: our strengths

Financial robustness and investment

- 73 million CHF net investments
- 8.6% of Revenues invested in R&D
- 1,678 million CHF net debt

Manufacturing and innovation capacities

- 46 manufacturing plants
- 6 research & development centers
- A unique catalogue of natural and renewable products

Human and intellectual assets

- 10,338 employees, 37% women
- 11.5 million CHF invested in health and safety projects

Social culture

- Inclusive Capitalism approach
- Highest international governance and ethical standards
- Extensive set of external partnerships

Natural consumption

- Raw materials: integrated science-based impact measurement tools designed to assess our products' environmental impact
- Utilities: natural gas, water, by-products, etc.

Our Purpose

For Good, Naturally

Our Ambition

Conscious Perfumery
Diet Transformation
Renewable Ingredients

Value outcomes: our contribution

Driving long term value for all STAKEHOLDERS

- 2,440 million CHF Revenue
- 11.5% Revenue growth at constant currency
- 18.0% adjusted EBITDA margin

Serving our CUSTOMERS

- 0 end product recall due to Firmenich products
- 0 customer food protection non-conformance
- 99.9% of sales orders delivered defect-free product

Creating an inspiring, diverse and safe workplace for all our EMPLOYEES

- No gender pay gap, 100% living wage
- Continuous development of our employees: 69,000 training hours
- Best in class LTIR 0.33[1]

1. Rolling 12 months as of December 31st, 2022.

Making our VALUE CHAIN more resilient

- 5 projects at source
- 15 community projects
- Encouraging suppliers to follow best practices in sustainability (EcoVadis, CDP, etc.)
- +32% sales in sugar reduction for people's diets

Contributing to NATURAL capital preservation

- 99% of our fragrance portfolio have been analyzed for environmental impact
- 90% of our T&B palette assessed for environmental impact
- +10% sales in plant-based proteins

Climate

In this section, we provide an overview of the 2025 targets we have committed to reach, highlighting our progress on 3 core targets selected from the results of our materiality assessment.

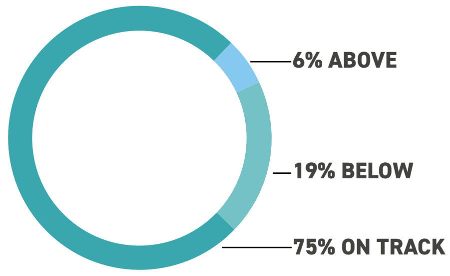
Climate 2025 targets

CARBON FOOTPRINT
Carbon neutral in our direct operations
100% renewable electricity
15% energy efficiency improvement
50% reduction in Scope 1 and 2 CO_2 emissions VS. 2017 and -25% vs. 2020 (new ingredients sites)
8% reduction in Scope 3 GHG emissions (from purchased raw materials) vs. 2021 (Firmenich Legacy only, excludes new ingredients sites)
10% emissions reduction from EG/IG[1] outbound transportation
80% of suppliers by spend covering purchased goods and services, will have science-based targets by 2026

WASTE & PLASTIC
100% of our sites, including new ones, zero waste-to-landfill
Plastic Packaging - 100% recyclable or reusable
Single-use plastics banned in our cafeterias, meetings rooms and reception areas

PRODUCTS
Assess 100% of Fragrance portfolio & 100% of T&B palette for environmental impact
Fragrance portfolio made of 33% renewable (ISO 16128) or upcycled carbon content on average
Our SmartProteins® will help reduce 3.3 million metric tons of CO_2 emissions and save 215 million liters of water per year

PERFORMANCE STATUS[2]



50%
REDUCTION IN SCOPE 1 AND 2 CO_2 EMISSIONS VS. 2017 AND -25% VS. 2020 (NEW INGREDIENTS SITES)

80%
OF SUPPLIERS BY SPEND, COVERING PURCHASED GOODS AND SERVICES WILL HAVE SCIENCE-BASED TARGETS BY 2026

ASSESS
100%
OF FRAGRANCE PORTFOLIO & 100% OF T&B PALETTE FOR ENVIRONMENTAL IMPACT

1. EG/IG : External Groups (shipment to customers) / Internal Groups (internal shipments from one Firmenich site to another).
2. Status as of December 2022 (based on our internal methodology. Some KPIs are assessed on a yearly basis and therefore keep the status reported in ESG Report FY22).

HY 2023 performance

In HY 2023, Firmenich received approval from the Science-Based Targets initiative (SBTi) for our Net-Zero emissions target, as one of the first companies globally to receive SBTi approval. Both near- and long-term science-based emissions reduction targets were verified and approved. We are committed to reach net-zero greenhouse gas emissions across our value chain by 2039. Additionally, our new ingredients sites have established their own science-based targets which are scheduled to be validated by SBTi during CY 2023.

This builds on earlier important milestones in tackling climate change, ensuring the continued availability of renewable energy options for our sites. Since February 2020, all our operations worldwide are powered by 100% renewable electricity.

We also have enhanced the quality of our climate change impact assessments by leveraging the TCFD (Task force on Climate-related Financial Disclosure) methodology. We assessed physical climate risks to draw hazards and vulnerability profiles using projections from the latest IPCC report.

2025 TARGET

50% reduction in Scope 1 and 2 CO_2 emissions vs. 2017 and -25% vs. 2020 (new ingredients sites)

At the end of December 2022, we had reduced Scope 1 and 2 emissions by **38.7%** vs. FY 2017 and new ingredients sites reduced Scope 1 and 2 emissions **26.8%** vs. FY 2020.

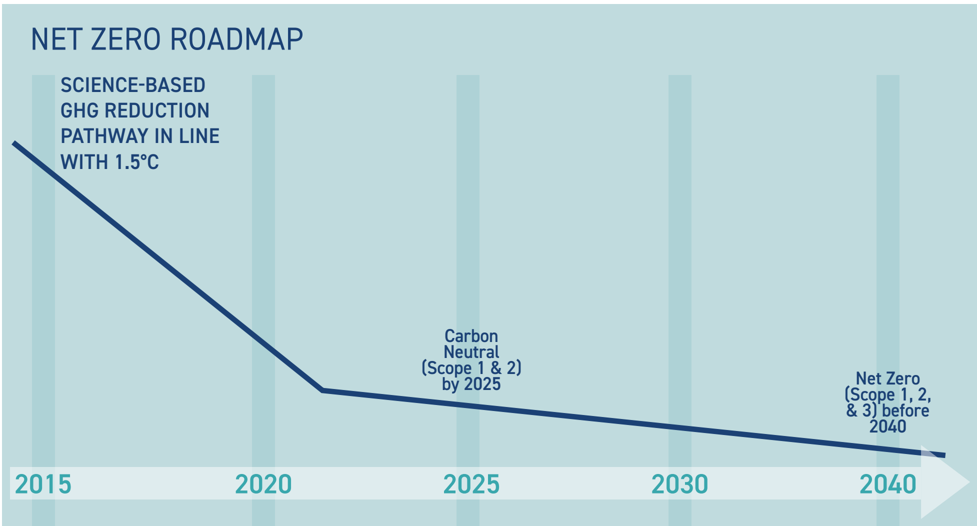
Three of our manufacturing sites, in Singapore, South Africa, and Norway reached carbon neutrality, all operating without the use of offsets.

2025 TARGET

80% of suppliers by spend, covering purchased goods and services, will have science-based targets by 2026

13% suppliers[1] by spend have validated science-based targets

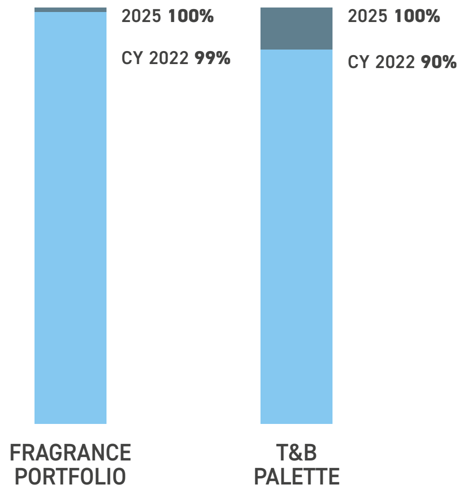
We strive to be a positive driver of change across our value chain and commit to assist our suppliers in adopting science-based targets. In the last 6 months, we developed a new modular approach to engage our raw material suppliers and gather key information from within the supply chain.



2025 TARGET

Assess 100% of Fragrance portfolio & 100% of T&B palette for environmental impact

We have developed different proprietary EcoTools to provide transparent data on Climate, Nature and People and drive continuous improvement in our products, actively contributing to solutions for our customers.



We are continuously extending our environmental data, including for our new ingredients such as renewables from Sylvergreen™ and by collecting data from our suppliers for both portfolios.

1. This progress is not inclusive of our new ingredients sites which have their own science-based commitments. Supplier progress for these operations are forthcoming.

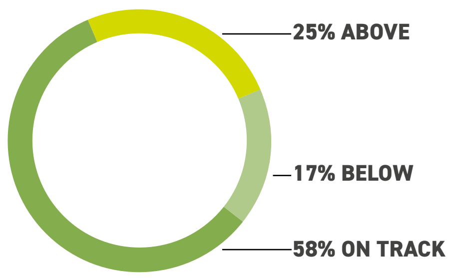
Nature

In this section, we provide an overview of the 2025 targets we have committed to reach, highlighting our progress on 3 core targets selected from the results of our materiality assessment.

Nature 2025 targets

BIODIVERSITY
100% UEBT verification of our integrated biodiversity strategy
100% Access and Benefit Sharing (ABS) due diligence system externally verified
100% of our sites identified with biodiversity risk set a biodiversity action plan
INNOVATION
Operate with green chemistry principles
High vitality of R&D project pipeline dedicated to decreasing pressure on threatened natural resources
SOURCING
10 new projects at source including a focus on farming practices, biodiversity conservation and water management
Continued engagement with OP2B
100% of our natural sourcing integrating biodiversity in risk management, incl. land conversion
PRODUCTS
≥ 95% ultimately or partially biodegradable ingredients in our fragrance portfolio
>40% of our PopScent® encapsulated technology sales transitioned to the newest, ultimately biodegradable PopScent® Eco
>75% of nature-based ingredients in our total sales
Contribute to global diet transformation through green proteins, accelerating regenerative agriculture

PERFORMANCE STATUS[1]



100%
OF OUR SITES IDENTIFIED WITH BIODIVERSITY RISK SET A BIODIVERSITY ACTION PLAN

10
NEW PROJECTS AT SOURCE INCLUDING A FOCUS ON FARMING PRACTICES, BIODIVERSITY CONSERVATION AND WATER MANAGEMENT

≥ 95%
ULTIMATELY OR PARTIALLY BIODEGRADABLE INGREDIENTS IN OUR FRAGRANCE PORTFOLIO

1. Status as of December 2022 (based on our internal methodology. Some KPIs are assessed on a yearly basis and therefore keep the status reported in ESG Report FY22).

HY 2023 performance

Biodiversity underpins the security of supply for naturally derived ingredients at Firmenich and is a source of inspiration for our research and innovation. We continue to embed biodiversity in our operations and business.

At the COP15 UN Biodiversity Conference in December 2022, governments secured a historic new global agreement on nature to halt and reverse biodiversity loss by 2030 – now called the Kunming-Montreal Global Biodiversity Framework. An unprecedented business presence there reflected the importance of setting the enabling environment for businesses to be accountable for their impact and dependencies. In keeping with our approach on biodiversity, we welcome the provisions for transparency, monitoring, assessment, and compliance reporting in Target 15[1].

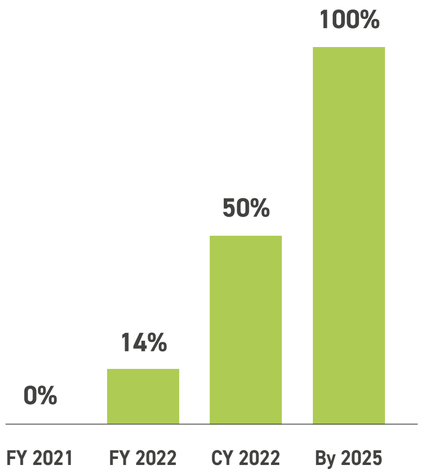
Furthermore, the wording of Targets 7 [Reduce pollution risks], 15 [Monitoring & reporting from businesses and financial institutions] and 18 [Eliminate, phase out or reform incentives, including subsidies harmful for biodiversity] mirrors our advocacy engagement since 2020 with One Planet Business for Biodiversity (OP2B) and Business for Nature[2].

2025 TARGET

100% of our sites identified with biodiversity risk set a biodiversity action plan

50% of our manufacturing sites at risk engaged on a biodiversity restoration focus project

We started the implementation of our roadmap to engage our manufacturing sites in nature restoration activities. We have found that colleagues are highly motivated by nature restoration projects and these opportunities contribute to their sense of purpose.



2025 TARGET

10 new projects at source including a focus on farming practices, biodiversity conservation and water management

5 projects up and running including mint cultivation project launched in Uttar Pradesh (India)

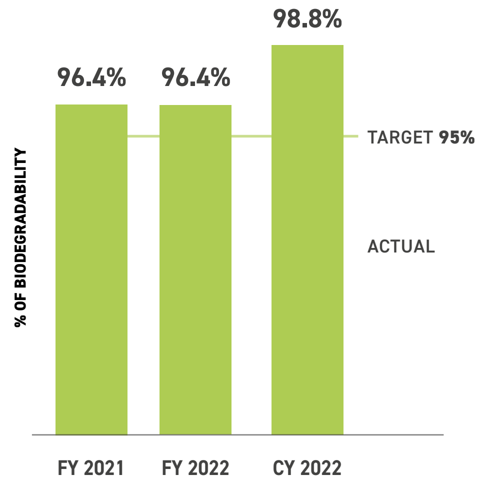
Working with farmers in our supply chain is a key lever for transformation and often the most challenging one. We continued to build our pipeline of projects at source. In the mint project, by 2026, we aim to support up to 3,000 farmers to adopt sustainable agriculture practices and to promote 50 mint farming households' entrepreneurship.

2025 TARGET

≥95% ultimately or partially biodegradable ingredients[3] in our fragrance portfolio

98.8% biodegradable ingredients in our fragrance portfolio

We have rapidly transformed our palette with biodegradable ingredients, including our most significant impact linked to rinse-off fragrances. Our R&D team continues to invest in in-house biodegradation testing.



1. https://www.cbd.int/article/cop15-final-text-kunming-montreal-gbf-221222
2. https://www.businessfornature.org/news/historiccop15deal "COP15 reaction: Governments send strong and unambiguous signal to businesses — Business For Nature"
3. https://www.oecd-ilibrary.org/environment/test-no-301-ready-biodegradability_9789264070349-en

People

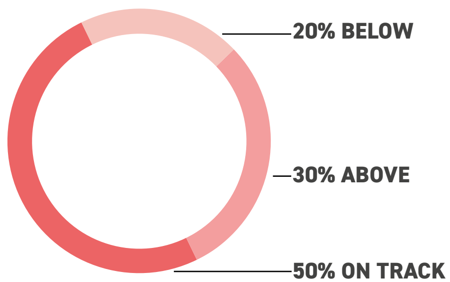
In this section, we provide an overview of the 2025 targets we have committed to reach, highlighting our progress on 4 core targets selected from the results of our materiality assessment.

People 2025 targets

DIVERSITY & BELONGING	
No gender pay gap	
No ethnic pay gap	
No engagement gap	
5% of differently-abled people in our workforce	
>50% of senior leaders are diverse	
100% of employees trained on bias and belonging principles	
Maintain our EDGE certification	
100% first line managers trained with Mental Health skills	
SAFETY	
Sustain and further improve our industry-leading safety performance by achieving a total recordable case (TRC) rate below 0.20	
HUMAN RIGHTS IN OUR OPERATIONS	
Zero human rights non-compliances verified by Sedex audits	
100% of employees earn at least a living wage across the Firmenich Group	
100% Firmenich managers trained on human rights	
HUMAN RIGHTS IN OUR SUPPLY CHAIN	
Suppliers' EcoVadis score on Labor and Human Rights pillar at 60 pts	
Supplier Diversity Program in place	
Train 100 major suppliers on human rights and responsible sourcing	
10 projects at source implemented: suppliers' partnerships with a focus on farming practices, biodiversity conservation and water management	
Responsible sourcing 50 key ingredients certified	
CONSUMERS	
Ingredients transparency down to 900/100PPM	
Maintain 100% compliance with IFRA Standards	

1. Status as of December 2022 (based on our internal methodology. Some KPIs are assessed on a yearly basis and therefore keep the status reported in ESG Report FY22).

PERFORMANCE STATUS[1]



No gender pay gap

No ethnic pay gap

SUSTAIN AND FURTHER IMPROVE OUR INDUSTRY-LEADING SAFETY PERFORMANCE BY ACHIEVING A TOTAL RECORDABLE CASE (TRC) RATE

below 0.20

SUPPLIERS' ECOVADIS SCORE ON LABOR AND HUMAN RIGHTS PILLAR AT

60 pts

HY 2023 performance

Firmenich's Fundamentals highlight the importance of our people and the communities in our value chain. Starting with our colleagues, we actively monitor and address issues related to employees' health and safety, we continuously improve and reinforce our culture of diversity and belonging; we drive and uphold international standards for human rights within Firmenich and in our supply chains. We pursue our tradition of community engagement and philanthropy, and we focus on how we positively impact the lives of our consumers globally.

GLOBAL INCLUSION SURVEY

78%
OF OUR PEOPLE FEEL LIKE THEY BELONG AT FIRMENICH

84%
OF OUR PEOPLE BELIEVE THAT WOMEN AND MEN ARE GIVEN THE SAME OPPORTUNITIES TO BE HIRED AT FIRMENICH

90%
OF OUR PEOPLE BELIEVE THAT GENDER EQUALITY IS IMPORTANT FOR FIRMENICH TO REMAIN COMPETITIVE

2025 TARGET

No Gender Pay Gap & No Ethnic Pay Gap

- **No Gender Pay Gap achieved globally**
- **No Ethnic Pay Gap in North America**

In December 2022, we ran a global gender pay analysis to ensure no gap remains in any of our affiliates. We went further in North America, implementing an Ethnic Pay gap analysis to ensure no significant gap exists within the different ethnic groups

Supportive Work environment

Creating a culture that is respectful, and where everybody belongs, is a shared responsibility. We aim to foster a workplace that is free from all forms of harassment and discrimination. That's why we launched in October 2022 a global mandatory training on Preventing Workplace Harassment. This course allows our colleagues to learn what harassment is and its impact, what the different types of harassment are, and how to report it.

Global Inclusion Survey

Our Global Survey[1] measured our people's perception on the inclusiveness of our culture on key themes such as Belonging, Brand ambassadors, Development, Fairness, and Flexibility.

2025 TARGET

Sustain and further improve our industry-leading safety performance by achieving a total recordable case (TRC) rate below 0.20

TRC rate: 0.33 (rolling 12 months as of December 31st, 2022)

We are developing Eight Life-Saving Rules to ensure safe operating practices and prevent incidents in the workplace. A global standard and e-learning course were developed and supported in the regions and sites by training campaigns.

SAFESTART initiative: rolled out in 10 new manufacturing sites and 3 pilot sites

This initiative will enable us to strengthen our focus on human factors in preventing critical errors by creating an environment where employees are better equipped to care for themselves and their colleagues

Jean-Marc Bruel Award for Health Safety and Environmental Excellence winning entry "Burn Obsession" at our site in Anaheim, California

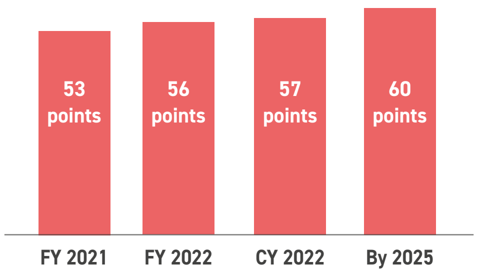
This 20-month project for the elimination and prevention of burn risks went beyond the focus on personal protective equipment to implement a real hierarchy of risk control : "Eliminate, Contain, Reduce".

2025 TARGET

Suppliers' EcoVadis score on Labor and Human Rights pillar at 60 pts[2]

57 points reached, +1 point in the last 6 months

We have trained our procurement community to actively support and encourage suppliers in improving their performance.



1. Entire Firmenich Group except for DRT, MG, VKL and ArtSci.
2. Reflects the quality of the company's Labor and Human Rights management system at the time of the assessment.

Performance tables

Environmental data

Below we disclose the performance on our environmental footprint. The scope of all environmental data presented includes all Firmenich level 1 sites[1] globally, including our new ingredient sites, and follows the operational control consolidation approach. This data currently excludes ArtSci of which Firmenich obtained majority ownership toward the end of FY 2022. ArtSci will be integrated into the environmental performance during FY 2023.

	FY 2021	FY 2022[3]	CY 2022
DIRECT & INDIRECT EMISSIONS (METRIC TONS CO_2e) GRI 305-1; 305-2			
Scope1: Direct Emissions	192,600.04	182,444.42	168,802.88
Scope1: Indirect Emissions (Market-Based)	7,373.40	7,954.78	7,674.26
CO_2 Emissions from Biogenic Sources	402,938.51	270,569.08	262,537.62
OTHER INDIRECT EMISSIONS[2] (METRIC TONS CO_2e) GRI 305-3			
Purchased Goods & Services	3,552,849	3,904,459	Not Available
Other Fuel & Energy Related Emissions	65,902	63,125	Not Available
Outbound Transportation & Distribution	80,152	Progress Forthcoming	Not Available
Waste Generated in Operations	36,609	44,230	Not Available
Business Travel	832	3,356	Not Available
Employee Commuting	5,148	5,829	Not Available
ENERGY (GJ) GRI 302-4			
Total Direct Energy	5,729,515.85	4,609,646.27	4,295,448.54
Total Indirect Energy Purchased	2,119,480.86	2,087,895.13	2,120,709.81
Total Energy % Renewable	62%	56%	58%
WATER WITHDRAWAL (M^3) GRI 303-3			
Municipal	1,835,855.41	2,032,113.75	1,881,877.47
Ground	9,969,898.80	9,579,148.46	8,858,846.98
Surface	3,008,398.00	2,870,864.00	2,875,899.00
Recycle/Reuse	48,650.62	55,577.15	60,431.63
EFFLUENT DISCHARGE (M^3) GRI 306-1			
Direct Discharge to Surface Water with on-site Treatment (m^3)	9,851,745.88	9,591,220.82	8,815,756.93
COD Direct Discharge to Surface Water with On-site Treatment (metric tons)	311.96	498.88	537.79
Discharge to Off-Site Municipal Wastewater System (m^3)	2,015,024.92	2,174,315.90	2,098,631.73
COD Discharge to Off-Site Municipal Wastewater System (metric tons)	4,864.33	5,144.53	5,258.39

1. Level 1 sites: Any manufacturing site regardless of the number of employees or any other site (e.g., office, labs) with more than 50 employees.
2. Scope 3 emissions from investments not already accounted for in our corporate environmental footprint have been removed from the environmental performance table because the impact is insignificant without the inclusion of our new ingredients sites.
3. In this report, FY 2022 reflects the reporting period of July 1, 2021 to June 30, 2022. However, in our ESG report FY22, the FY22 environmental data covered April 1, 2021 to March 30, 2022. This is further explained on page 131 of the ESG report FY22.

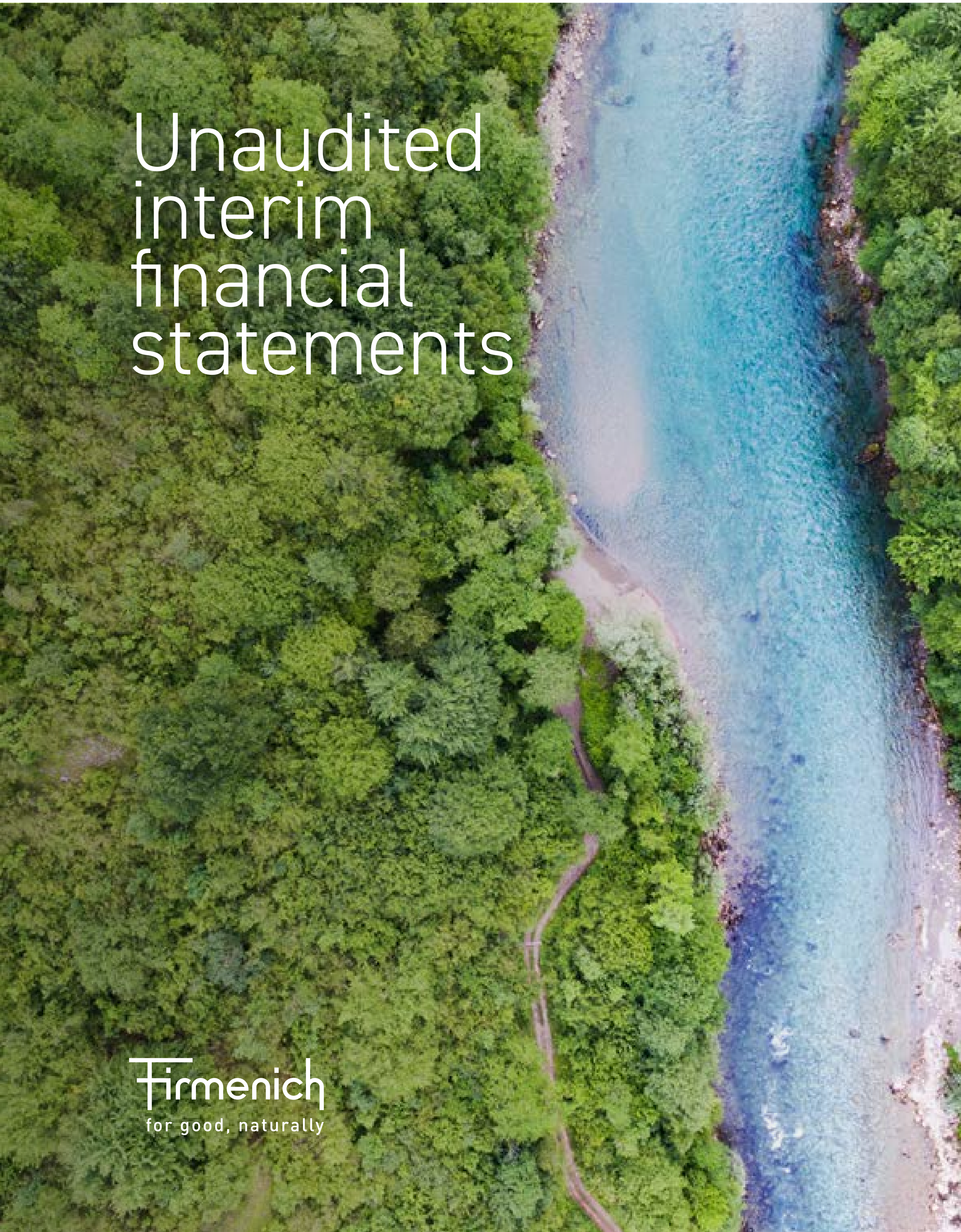
Performance tables

Workforce data

WORKFORCE TRENDS	FY 2022		FY 2023 H1	
Total workforce at the end of the reporting period - men	6,485	62.8%	6,489	62.8%
Total workforce at the end of the reporting period - women	3,841	37.2%	3,849	37.2%
Full - time equivalent workforce - men	6,471.7	63.06%	6,453.4	63.1%
Full - time equivalent workforce - women	3,791.3	36.94%	3,772.3	36.9%

WORKFORCE BY REGION AND BY GENDER	Men - FY 2022		Women - FY 2022		Men - FY 2023 H1		Women - FY 2023 H1	
Europe	3,024	63.3%	1,757	36.7%	2,976	63.1%	1,742	36.9%
India, Middle East & Africa	940	77.0%	281	23.0%	947	77.3%	278	22.7%
North America	1,241	63.7%	707	36.3%	1,241	63.8%	705	36.2%
South America	531	57.1%	399	42.9%	576	56.5%	443	43.5%
North Asia	446	54.7%	370	45.3%	451	55.3%	365	44.7%
South & East Asia	303	48.1%	327	51.9%	298	48.5%	316	51.5%

WORKFORCE BY CONTRACT TYPE AND GENDER	FY 2022		FY 2023 H1	
Number of men on a permanent contract	6,162	62.5%	6,172	62.5%
Number of men on a temporary contract	323	70.1%	317	67.4%
Number of women on a permanent contract	3,703	37.5%	3,696	37.5%
Number of women on a temporary contract	138	29.9%	153	32.6%



Unaudited interim financial statements

Firmenich
for good, naturally

Interim consolidated financial statements

Consolidated income statement

For the six months ended

In millions of CHF	Notes	December 31, 2022	December 31, 2021
Revenue	9	**2'440.1**	**2'241.3**
Cost of goods sold	5	(1'527.8)	(1'333.6)
Gross profit		**912.3**	**907.7**
as % of revenue		*37.4%*	*40.5%*
Distribution expenses	5	(82.5)	(75.4)
Research and development expenses	5	(209.6)	(194.2)
Commercial and marketing expenses	5	(242.9)	(223.9)
Administration expenses	5	(151.9)	(118.7)
Other operating income	5	3.1	9.7
Operating profit		**228.5**	**305.2**
as % of revenue		*9.4%*	*13.6%*
Financing costs	6	(24.3)	(23.2)
Net other financial expenses	7	(23.5)	(6.7)
Share of profit of jointly controlled entities and associates, net of taxes		2.3	5.2
Income before taxes		**183.0**	**280.5**
Income tax expense		(26.7)	(42.7)
Net income for the period		**156.3**	**237.8**
Attributable to:			
Non-controlling interests		3.2	3.5
Equity holders of the parent		**153.1**	**234.3**
as % of revenue		*6.3%*	*10.5%*
Basic and diluted earnings per A share (in CHF)	3	189.05	289.24
Basic and diluted earnings per B share (in CHF)	3	18.90	28.92

The notes 1 to 10 are an integral part of these interim consolidated financial statements.

Consolidated statement of comprehensive income

For the six months ended

In millions of CHF	December 31, 2022	December 31, 2021
Net income for the period	**156.3**	**237.8**
Items that may be reclassified subsequently to the income statement		
Exchange differences on translating foreign operations	(136.8)	(107.2)
Exchange differences on translating foreign operations in jointly controlled entities and associates	(1.7)	(0.7)
Items that will not be reclassified to the income statement		
Remeasurement of employee benefit obligations	(5.3)	42.8
Equity investments at fair value through other comprehensive income	(14.7)	(58.8)
Related tax on remeasurement of employee benefit obligations	0.6	(6.2)
Related tax on equity investments at fair value through other comprehensive income	1.5	8.3
Total other comprehensive income for the period, net of tax	**(156.4)**	**(121.8)**
Total comprehensive income for the period	**(0.1)**	**116.0**
Attributable to:		
Non-controlling interests	(0.5)	3.0
Equity holders of the parent	0.4	113.0

The notes 1 to 10 are an integral part of these interim consolidated financial statements.

Consolidated statement of financial position

At period ended

In millions of CHF	Notes	December 31, 2022	June 30, 2022
Assets			
Goodwill and intangible assets		2'802.0	2'900.3
Property, plant and equipment		1'620.9	1'688.7
Financial investments and other long-term assets		566.6	607.6
Investments in jointly controlled entities and associates		145.2	148.8
Deferred tax assets		87.4	83.6
Total non-current assets		**5'222.1**	**5'429.0**
Inventories		1'255.5	1'133.6
Trade accounts receivable		951.2	1'020.7
Other receivables and prepaid expenses		194.7	212.4
Derivative financial instruments assets	8	3.8	13.8
Current income tax assets		68.3	64.3
Financial investments		406.1	164.4
Cash and cash equivalents		223.8	591.7
Total current assets		**3'103.4**	**3'200.9**
Total assets		**8'325.5**	**8'629.9**
Equity and liabilities			
Share capital	3	40.5	40.5
Retained earnings and other reserves		4'606.3	4'728.6
Remeasurement of employee benefit obligations		(0.1)	4.6
Translation of foreign operations		(670.7)	(532.1)
Equity attributable to equity holders of the parent		**3'976.0**	**4'241.6**
Non-controlling interests		51.2	55.0
Total equity		**4'027.2**	**4'296.6**
Employee benefit obligations		182.0	210.2
Provisions		11.8	11.9
Deferred tax liabilities		273.3	276.1
Long-term borrowings	4	1'730.3	2'250.3
Redemption liabilities	8	60.1	99.7
Other debt		34.5	35.3
Total non-current liabilities		**2'292.0**	**2'883.5**
Trade accounts payable		479.1	527.1
Other payables and accrued expenses		711.4	674.1
Derivative financial instruments liabilities	8	2.1	7.0
Employee benefit obligations		120.4	50.5
Provisions		5.4	4.6
Current income tax liabilities		88.5	80.8
Redemption liability	8	22.2	-
Short-term borrowings	4	577.2	105.7
Total current liabilities		**2'006.3**	**1'449.8**
Total liabilities		**4'298.3**	**4'333.3**
Total equity and liabilities		**8'325.5**	**8'629.9**

The notes 1 to 10 are an integral part of these interim consolidated financial statements.

Consolidated statement of changes in equity

For the six months ended

In millions of CHF	Share capital	Retained earnings and other reserves	Remeasure-ment of employee benefit obligations	Fair value reserve	Translation of foreign operations	Attributable to equity holders of the parent	Non-controlling interests	Total Equity
Balance as at July 1, 2021	**40.5**	**4'616.8**	**(244.8)**	**138.7**	**(527.6)**	**4'023.6**	**44.9**	**4'068.5**
Net income for the period		234.3				234.3	3.5	**237.8**
Other comprehensive income for the period		4.7	36.6	(50.5)	(112.1)	(121.3)	(0.5)	**(121.8)**
Total comprehensive income for the period		**239.0**	**36.6**	**(50.5)**	**(112.1)**	**113.0**	**3.0**	**116.0**
Dividends		(250.3)				(250.3)	(1.2)	**(251.5)**
Remuneration on deeply subordinated fixed rate resettable perpetual notes (note 3)		(30.4)				(30.4)		**(30.4)**
Changes in non-controlling interests		1.8				1.8	(0.7)	**1.1**
Net change in other equity items		**(278.9)**				**(278.9)**	**(1.9)**	**(280.8)**
Balance as at December 31, 2021	**40.5**	**4'576.9**	**(208.2)**	**88.2**	**(639.7)**	**3'857.7**	**46.0**	**3'903.7**
Balance as at July 1, 2022	**40.5**	**4'710.1**	**4.6**	**18.5**	**(532.1)**	**4'241.6**	**55.0**	**4'296.6**
Net income for the period		153.1				153.1	3.2	**156.3**
Other comprehensive income for the period		3.8	(4.7)	(13.2)	(138.6)	(152.7)	(3.7)	**(156.4)**
Total comprehensive income for the period		**156.9**	**(4.7)**	**(13.2)**	**(138.6)**	**0.4**	**(0.5)**	**(0.1)**
Dividends		(250.0)				(250.0)	(2.8)	**(252.8)**
Remuneration on deeply subordinated fixed rate resettable perpetual notes (note 3)		(27.5)				(27.5)		**(27.5)**
Changes in non-controlling interests		11.5				11.5	(0.5)	**11.0**
Net change in other equity items		**(266.0)**				**(266.0)**	**(3.3)**	**(269.3)**
Balance as at December 31, 2022	**40.5**	**4'601.0**	**(0.1)**	**5.3**	**(670.7)**	**3'976.0**	**51.2**	**4'027.2**

The notes 1 to 10 are an integral part of these interim consolidated financial statements.

Consolidated statement of cash flows

For the six months ended

In millions of CHF	Notes	December 31, 2022	December 31, 2021
Cash flows from operating activities			
Net income for the period		156.3	237.8
Income tax expense		26.7	42.7
Income before taxes		**183.0**	**280.5**
Depreciation of property, plant and equipment	5	91.7	87.3
Amortization of intangible assets	5	50.9	52.6
Impairment losses	5	-	5.5
Changes in provisions and employee benefits		58.3	(9.4)
Other non cash items		20.6	16.8
Net interests		22.1	18.8
Share of (profit) / loss of jointly controlled entities and associates		(2.3)	(5.2)
Adjustment for non-cash items		**241.3**	**166.4**
Changes in inventories		(172.4)	(150.7)
Changes in trade and other receivables		37.6	9.2
Changes in trade and other payables		(167.1)	10.3
Changes in working capital		**(301.9)**	**(131.2)**
Interests paid		**(24.7)**	**(22.8)**
Income tax paid		**(41.8)**	**(49.9)**
Cash flows from operating activities		**55.9**	**243.0**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(61.0)	(69.2)
Purchase of intangible assets		(13.0)	(11.5)
Disposal of intangible assets, property, plant and equipment		0.8	-
Net investments		**(73.2)**	**(80.7)**
Acquisition of jointly controlled entities and associates (net of cash)		-	(108.0)
(Acquisition) / proceeds of short-term financial investments		(231.2)	142.1
Proceeds / (acquisition) of long-term financial investments		3.4	(47.9)
Interests received		1.5	3.5
Dividend received from jointly controlled entities and associates		3.8	2.3
Cash flows used in investing activities		**(295.7)**	**(88.7)**
Cash flows used in financing activities			
Proceeds from borrowings		31.9	55.6
Repayments of borrowings		(34.6)	(27.6)
Payment of lease liabilities		(21.4)	(22.1)
Remuneration on deeply subordinated fixed rate resettable perpetual notes	3	(27.5)	(30.4)
Dividend payment to equity holders of the parent	3	(62.5)	(250.3)
Acquisition of non-controlling interests		(4.1)	(4.3)
Dividend paid to non-controlling interests		(2.8)	(1.2)
Cash flows used in financing activities		**(121.0)**	**(280.3)**
Net decrease in cash and cash equivalents		**(360.8)**	**(126.0)**
Cash and cash equivalents			
Cash and cash equivalents at beginning of period		591.7	571.4
Net effect of currency translation on cash and cash equivalents		(7.1)	(4.2)
Cash and cash equivalents at end of period		223.8	441.2
Cash and cash equivalents variation		**(360.8)**	**(126.0)**

The notes 1 to 10 are an integral part of these interim consolidated financial statements.

Notes to the interim consolidated financial statements

1. Accounting information and policies

Firmenich Group

Firmenich International SA is incorporated and domiciled in Switzerland (7, rue de la Bergère, 1242 Satigny, Canton of Geneva). These consolidated financial statements comprise Firmenich International SA and its subsidiaries (the Group).

The Firmenich Group operates worldwide and has affiliated companies and representative offices in over 30 countries. The Group is a global supplier of fragrances and flavors.

Firmenich International SA is controlled by Sentarom SA. The ultimate controlling party is the Firmenich family.

The financial year 2023 covers the period from July 1, 2022 to June 30, 2023.

Basis of accounting

These financial statements are the interim consolidated financial statements of the Group for the six months period ended December 31, 2022. They have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended June 30, 2022 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The Group operates in markets where no significant seasonal or cyclical variations in revenue are experienced during the financial year.

The Firmenich International SA Board of Directors approved these interim consolidated financial statements on February 15, 2023.

In the following notes all amounts are shown in millions of Swiss francs (CHF) unless otherwise stated.

Critical accounting estimates and judgments

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Changes in significant accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended June 30, 2022.

A number of new amendments are effective from July 1, 2022, but they do not have a material effect on the Group's financial statements.

Standards issued but not yet effective

A number of standards are effective for annual periods beginning after July 1, 2022 and earlier application is permitted. However, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

2. Significant events of the period

Merger project between DSM and Firmenich

Since the announcement in May 2022 of the intention to merge with DSM, Firmenich and DSM have been in the process of obtaining all the necessary approvals and clearances. The Offering Circular was issued on November 22, 2022. The Extraordinary General Meeting of DSM took place on January 23, 2023 and resulted in a favorable vote on the exchange offer. The DSM shareholders are expected to tender their shares during the ongoing acceptance period. In parallel, competition and other clearance procedures are still in process. Depending on the outcome of these preceding conditions, the merger is expected to close in the first half of calendar year 2023.

3. Share capital, retained earnings and earnings per share

	December 31, 2022	June 30, 2022
Registered A shares		
Number	729'000	729'000
Nominal value (in CHF)	50.0	50.0
Total A shares (in millions of CHF)	**36.45**	**36.45**
Registered B shares		
Number	810'000	810'000
Nominal value (in CHF)	5.0	5.0
Total B shares (in millions of CHF)	**4.05**	**4.05**
Share capital (in millions of CHF)	**40.5**	**40.5**

Each share carries the right to one vote. When a dividend on ordinary share is declared, holders of A shares are entitled to a preferential dividend equivalent to 10% of the nominal share value in priority to other dividend payments.

The ordinary share capital of Firmenich International SA has been authorized, issued and fully paid.

Deeply subordinated fixed rate resettable perpetual notes

Firmenich International SA issued EUR 750.0 (CHF 794.5) 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 until the first reset date i.e. September 3, 2025. Thereafter, the interest rate is reset every 5 years. As of December 31, 2022 the remuneration on the deeply subordinated fixed rate resettable perpetual notes amounts to CHF 27.5 (2021: CHF 30.4).

Earnings per share

Basic earnings per share is calculated by dividing the net income attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

For the six months ended, in millions of CHF (except for earnings per share)	December 31, 2022	December 31, 2021
Net income attributable to Firmenich International SA	153.1	234.3
A shares part of share capital in %	90.0%	90.0%
A shares part of net income from ordinary activities	137.8	210.9
B shares part of share capital in %	10.0%	10.0%
B shares part of net income from ordinary activities	15.3	23.4
Earnings per A share (in CHF)	**189.05**	**289.24**
Earnings per B share (in CHF)	**18.90**	**28.92**

The Group has not issued share capital related instruments that could have affected earnings per share.

Dividend distribution

At the General meeting held in October 2022, a distribution on financial year 2021 net income of CHF 308.6 gross per A share and CHF 30.9 gross per B share was approved (October 2021: CHF 309.0 per A share and CHF 30.90 per B share).

The dividend has been split between an initial payment in October 2022 of CHF 62.5 and a final payment in January 2023 of CHF 187.5, which is presented under Other payables and accrued expenses in the Statement of financial position as of December 31, 2022.

4. Bonds and borrowings

In millions of CHF	December 31, 2022	June 30, 2022
Long-term bonds	1'470.1	1'960.7
Long-term bank borrowings	126.3	142.1
Long-term lease liabilities	133.9	147.5
Short-term bonds	475.0	-
Short-term bank borrowings	62.5	66.2
Short-term lease liabilities	39.7	39.5
Total Bonds and borrowings	**2'307.5**	**2'356.0**

The bonds issued by Firmenich International SA for CHF 475 will mature in December 2023.

5. Expenses by nature

Significant expenses by nature consist of:

For the six months ended, in millions of CHF	December 31, 2022	December 31, 2021
COST OF GOODS SOLD AND OPERATING EXPENSES BY NATURE		
Raw material and consumables used	1'117.0	957.8
Employee benefits	606.1	525.5
Supplies	88.6	69.0
Services	249.9	237.2
Depreciation, amortization and impairment of assets	142.6	145.4
Loss on assets	1.7	1.4
Operating taxes	8.8	9.5
Other operating income	(3.1)	(9.7)
Total expenses	**2'211.6**	**1'936.1**

In the current period, acquisition related costs amount to CHF 59.0, of which CHF 45.0 are included in Employee benefits and CHF 14.0 in Services. They mainly consist of expenses and provisions related to the DSM-Firmenich merger project.

6. Financing costs

For the six months ended, in millions of CHF	December 31, 2022	December 31, 2021
FINANCING COSTS		
Interest expenses	23.4	22.3
Interest on net defined benefit liability	0.9	0.9
Total Financing costs	**24.3**	**23.2**

7. Net other financial expenses

For the six months ended, in millions of CHF	December 31, 2022	December 31, 2021
Interest and dividend income	0.1	3.0
Fair value gains	0.6	0.3
Gains on sale on financial investments	(0.7)	0.4
Losses on derivative financial instruments	(0.9)	-
Results on investments held at fair value through income statement	**(0.9)**	**3.7**
Other interest and dividend income	2.1	1.4
Other results on financial assets	(0.3)	-
Net exchange losses	(15.6)	(19.7)
Net exchange gains on currency options and contracts	2.6	15.7
Net of cash discount received and (granted), (bank charges and other financial charges)	(11.4)	(7.8)
Net other financial expenses	**(23.5)**	**(6.7)**

8. Financial risk management

Financial risk factors

The Group, as a result of its financing activities, is exposed to a variety of risks, including the effects of volatility of foreign currency exchange rates and interest rates, which may adversely affect its results of operations and financial conditions. In seeking to minimize the risks and costs associated with such activities, the Group manages exposure to changes in foreign currency exchange rates, interest rates and commodity prices, when deemed appropriate, through the use of derivative financial instruments. The instruments utilized include: forward contracts, currency options, interest rate swaps. The Group does not use financial instruments for speculative or trading purposes.

Financial risk management is carried out by a central treasury department (Group Treasury) under Group policies and principles. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the operating units. Group policies also cover areas such as (net debt) /net cash management and bank relationship management.

Fair value measurements recognized in the consolidated statement of financial position

The following table presents the Group's assets and liabilities that are measured at fair value at December 31, 2022, grouped into levels 1 to 3 on the degree to which the fair value is observable:

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The redemption liabilities disclosed under level 3 are based on a valuation model considering the present value of the net cash flows expected. The cash flow projections include specific estimates for the remaining four years. The expected net cash flows are discounted using a risk-adjusted discount rate.

December 31, 2022

In millions of CHF	Level 1	Level 2	Level 3	**Total**
FINANCIAL ASSETS				
Non-current assets				
Financial investments	466.6		5.3	**471.9**
Current assets				
Forward foreign exchange contract and options		3.8		**3.8**
Equity securities and other financial investments	14.9	-		**14.9**
FINANCIAL LIABILITIES				
Non-current liabilities				
Redemption liabilities			60.1	**60.1**
Options			17.1	**17.1**
Current liabilities				
Redemption liability			22.2	**22.2**
Forward foreign exchange contract and options		2.1		**2.1**

June 30, 2022

In millions of CHF	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS				
Non-current assets				
Financial investments	504.7		5.7	**510.4**
Current assets				
Forward foreign exchange contract and options		13.8		**13.8**
Equity securities and other financial investments	1.9			**1.9**
FINANCIAL LIABILITIES				
Non-current liabilities				
Redemption liabilities			99.7	**99.7**
Options			16.9	**16.9**
Current liabilities				
Forward foreign exchange contract and options		7.0		**7.0**

There has been no significant movements in the fair value hierarchy.

Fair value estimation

The fair value of financial instruments traded in active markets is determined by reference to share exchange quoted selling prices at the close of business on the reporting date.

The fair value of financial instruments that are not traded in active markets is determined by reference to observable market transactions and on valuations provided by reputable financial institutions and hedge fund managers.

The carrying value less allowance for doubtful debts of trade accounts receivable and payable are assumed to approximate fair values, due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group.

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used in the year ended June 30, 2022.

Capital risk management

The objective of the Group when managing capital is to maintain the ability to continue as a going concern in order to maximize shareholder value through an optimal balance of debt and equity and to optimize the cost of capital.

We define Net Debt as the sum of short term and long term financial debt less cash, cash equivalents and short-term financial investments.

At period ended, in millions of CHF	Notes	December 31, 2022	June 30, 2022
Short-term bank borrowings, bonds and lease liabilities	4	(577.2)	(105.7)
Long-term bank borrowings, bonds and lease liabilities	4	(1'730.3)	(2'250.3)
Cash, cash equivalents and short-term financial investments		629.9	756.1
Net debt		**(1'677.6)**	**(1'599.9)**

9. Operating segments

Business segment information

For management purposes, the Group identifies two divisions as operating segments: 'Perfumery & Ingredients' and 'Taste & Beyond'. Each of these divisions is monitored on a regular basis and allows the Executive Team to make decisions about the resources to be allocated to the division and assess its performance.

Perfumery & Ingredients

The Perfumery & Ingredients segment develops, manufactures and sells fragrances into three global business lines: fine fragrance, consumer fragrances and ingredients.

Taste & Beyond

The Taste & Beyond segment develops, manufactures and sells products used in the production of foods (savory and sweet) and beverages.

Group financing (including financial income and expenses) and income taxes are managed on a Group basis and are not allocated to operating segments.

Inter-segment sales are not significant.

	Perfumery & Ingredients		Taste & Beyond		**Total**	
For the six months ended, in millions of CHF	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Revenue	**1'579.9**	**1'495.5**	**860.2**	**745.8**	**2'440.1**	**2'241.3**
Adjusted EBITDA (*)	**281.3**	**307.7**	**158.8**	**152.7**	**440.1**	**460.4**
Depreciation and amortization	(93.0)	(95.7)	(49.6)	(49.7)	(142.6)	(145.4)
Adjusted items (*)	(48.4)	(7.9)	(20.6)	(1.9)	(69.0)	(9.8)
Operating profit	**139.9**	**204.1**	**88.6**	**101.1**	**228.5**	**305.2**
Financing costs					(24.3)	(23.2)
Net other financial expenses					(23.5)	(6.7)
Share of profit of jointly controlled entities and associates, net of taxes					2.3	5.2
Income before tax					**183.0**	**280.5**
Income tax expense					(26.7)	(42.7)
Net income for the period					**156.3**	**237.8**

(*) EBITDA is defined as earnings before financial income (expense), tax, depreciation and amortization. It corresponds to operating profit before depreciation, amortization and impairment losses. Adjusted EBITDA is EBITDA adjusted to eliminate the impact of adjusted items. The latter are items of non-recurring nature and/or not directly attributable to the operating performance that may materially distort period-to-period comparisons and/or the evaluation of our on-going business performance. Further detail is provided in the Appendix to this report: Alternative Performance Measures.

Geographical information

	Revenue	
For the six months ended, in millions of CHF	December 31, 2022	December 31, 2021
Switzerland	35.7	33.3
Europe	796.8	758.1
North America	592.8	557.4
Latin America	245.2	224.3
India, Middle East and Africa	283.8	245.6
South East Asia	256.0	222.2
North and East Asia	229.8	200.4
Total	**2'440.1**	**2'241.3**

10. Subsequent events

There is no subsequent event after the reporting period that might have a material impact on these interim consolidated financial statements as of December 31, 2022.

Appendix: Alternative Performance Measures

For the six months ended 31 December 2022

The management and Board of Directors of Firmenich International SA use a number of Alternative Performance Measures (APM) to monitor the performance of the business, in addition to the International Financial Reporting Standard (IFRS) measures.

An alternative performance measure is a financial measure of historical financial performance, financial position or cash flows other than a financial measure defined or specified in the applicable recognised accounting standards (i.e. IFRS).

In order to provide users with a comprehensive understanding of our performance, our Alternative Performance Measures are listed and defined below. They should be considered in addition to, not as a substitute for operating profit, net income, operating cash flow and other measures of financial performance and liquidity reported in accordance with IFRS.

Growth at Constant Currency (CCY)

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.

Growth on an Organic Basis (Organic)

Growth on an Organic Basis is used by our management and Board of Directors to evaluate operating performance. We believe that the elimination of the impact of business acquisitions and disposals 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 on an Organic Basis is calculated by excluding the impact of business acquisitions and disposals for a period of 12 months following or preceding the date of such business acquisition or disposal, respectively.

Revenue Growth on an Organic Basis at Constant Currency (OCCY)

Revenue Growth on an Organic Basis at Constant Currency is used by our management and Board of Directors to evaluate operating performance. We believe that the elimination of the impact of business acquisitions, disposals and foreign currency variations from Revenue can provide useful like-for-like period-to-period comparisons of our sales performance and enable a better understanding of the underlying factors contributing to such performance.

Revenue Growth on an Organic Basis at Constant Currency is calculated as described above in the respective sections “Growth at Constant Currency” and “Growth on an Organic Basis”.

The table below provides the reconciliation of OCCY to Revenue growth is as follows:

For the six months ended, in millions of CHF	December 31, 2022	December 31, 2021	Year-over-year	Year-over-year in %
Revenue	**2'440.1**	**2'241.3**		
Revenue growth			**198.8**	**8.9%**
Effect of foreign exchange rates			-58.2	-2.6%
Growth at Constant Currency (CCY)			**257.0**	**11.5%**
Effect of business acquisitions and disposals			21.6	1.0%
Revenue Growth on an Organic Basis at Constant Currency (OCCY)			**235.4**	**10.5%**

EBITDA

EBITDA is defined as earnings before financial income (expense), tax, depreciation and amortization. It corresponds to operating profit before depreciation, amortization and impairment losses.

For the six months ended, in millions of CHF	December 31, 2022	December 31, 2021
Operating profit	**228.5**	**305.2**
Depreciation of property, plant and equipment	91.7	87.3
Amortization of intangible assets	50.9	52.6
Impairment losses	-	5.5
EBITDA	**371.1**	**450.6**

Adjusted EBITDA

Adjusted EBITDA is a measure used by our management and Board of Directors to evaluate our core operating performance.

We define Adjusted EBITDA as EBITDA adjusted to eliminate the impact of identified items of non-recurring nature and/or not directly attributable to the operating performance that may materially distort period-to-period comparisons and/or the evaluation of our on-going business performance.

The defined list of adjusted items comprises restructuring and transformation costs, acquisition and disposal-related costs, gain and loss on disposals of intangible assets and property, plant and equipment, and other items of a one-time and/or non-operating nature, which may include elements such as legal claims and settlements, or curtailments of defined benefits pension plans.

The table below discloses the adjusted items included in the EBITDA:

For the six months ended, in millions of CHF	December 31, 2022	December 31, 2021
EBITDA	**371.1**	**450.6**
Restructuring and transformation costs (*)	10.0	3.0
Acquisition and disposal related costs (*)	59.0	5.1
Loss on disposal of intangible assets and property, plant and equipment	-	1.7
Adjusted EBITDA	**440.1**	**460.4**

* In current period, these mainly consist of expenses and provisions related to the DSM-Firmenich merger. See note 5 of the Interim Consolidated Financial Statements of Firmenich.

Free Cash Flow (FCF)

Free Cash Flow is a measure used by our management and Board of Directors to evaluate our ability to generate cash to return capital to shareholders, repay debt and fund potential acquisitions.

We define Free Cash Flow as Cash flows from operating activities less purchase of intangible assets and property plant and equipment net of disposals.

Reconciliation of Cash flows from operating activities to Free cash flow is as follows:

For the six months ended, in millions of CHF	December 31, 2022	December 31, 2021
Cash flows from operating activities	**55.9**	**243.0**
Purchase of property, plant and equipment	(61.0)	(69.2)
Purchase of intangible assets	(13.0)	(11.5)
Disposal of intangible assets, property, plant and equipment	0.8	-
Free Cash Flow	**(17.3)**	**162.3**

Net Debt

Net Debt is a measure used by our management and Board of Directors to assess our financial position.

We define Net Debt as the sum of short term and long term financial debt less cash, cash equivalents and short-term financial investments. See note 8 of the Interim Consolidated Financial Statements of Firmenich International SA. Net Debt comprises:

As at, in millions of CHF	December 31, 2022	June 30, 2022
Short-term bank borrowings, bonds and lease liabilities	(577.2)	(105.7)
Long-term bank borrowings, bonds and lease liabilities	(1'730.3)	(2'250.3)
Cash, cash equivalents and financial investments	629.9	756.1
Net Debt	**(1'677.6)**	**(1'599.9)**