

A close-up, macro photograph of a pink rose, showing the intricate layers of its petals. The petals are a vibrant pink color, with some showing lighter, almost white, variegation. The lighting is soft, highlighting the texture and curves of the flower.

Half Year 2022 results presentation

10 FEBRUARY 2022



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Your presenters

CHIEF EXECUTIVE OFFICER

Gilbert Ghostine



Joined Firmenich 1 October 2014.

Previously 21 years at Diageo most recently leading APAC.

CHIEF FINANCIAL OFFICER

Benoit Fouilland



Joined Firmenich 1 September 2020.

Previously at Criteo, SAP, Business Objects and British Telecom.



Agenda

01

HY 2022 IN REVIEW

02

FINANCIAL REVIEW

03

Q&A

04

APPENDIX



01

HY 2022 in review

CHIEF EXECUTIVE OFFICER
Gilbert Ghostine

At a glance

SOLID RESULTS DESPITE CHALLENGING EXTERNAL ENVIRONMENT

+12.3%

Revenue

Double-digit growth in key markets and segments

+25.3%

Adj. EBITDA

CHF 162M

FCF (-10.7%)

DELIVERING AGAINST OUR AMBITIONS

- Accelerating profitable organic growth
- Delivering breakthrough innovation
- Leading in natural, renewable and sustainable products
- Share gains in a challenging raw material and supply chain environment
- Leading the industry in ESG

Notes:

Financial year ends 30 June

Revenue growth figures expressed at constant currency

Please refer to Alternative Performance Measurements in Appendix for definition of non-IFRS terms

Accelerating profitable organic growth

REVENUE GROWTH ACROSS DIVISIONS & SEGMENTS



Taste & Beyond

↗ +13%



Fine Fragrance

↗ +38%



Consumer Fragrances

→ -0%



Ingredients

↗ +24%

REVENUE GROWTH IN KEY GEOGRAPHIES



Europe

↗ +22%



India

↗ +13%



China

↗ +10%



North America

↗ +7%

GROWING PROFITABILITY



Adj. EBITDA

↗ +25%



Adj. EBITDA margin

↗ +2.1ppt

Delivering breakthrough innovation

REVENUE GROWTH IN KEY INITIATIVES



Sugar
Reduction

↗ +25%



Plant-
based
Proteins

↗ +141%



Renewable
Fragrances

↗ +45%



E-commerce

↗ +50%

CONTINUED INVESTMENT AND ROLLOUTS



Biodegradable lily-of-the-valley ingredient, developed with Green Chemistry



SMARIPROTEINS®

Sugar reduction and plant-based protein solutions for dairy and nutrition



scentmate
BY FIRMENICH

AI-enabled
co-creation platform
rollout into Aromachology



NutriGEM™

Nutritional integrated
solutions using fibers,
vitamins, minerals and
extracts

Leading in natural, sustainable, renewable products



Muguet Firgood™

100% natural ingredient,
combining gentle extraction
and vertical farming



PopScent® Eco

Biodegradable and renewable
fragrance encapsulation
solutions



Castets, France

Additional capacity for
renewable ingredients

Executing with excellence

FACING A CHALLENGING ENVIRONMENT

RAW MATERIALS

- Inflationary environment
- Industry-wide shortages

SUPPLY CHAIN

- Global transportation & logistics issues
- Absenteeism linked to pandemic



PROTECTED SUPERIOR CUSTOMER SERVICE

- Serving growing demand
- Prioritized customer security of supply
- Higher safety inventories
- Leveraging vertical integration, diversifying sources of supply

**WHILE REMAINING COMMITTED TO
PRESERVING CASH FLOW GENERATION**

Leading the industry in ESG



37th of nearly 15,000 companies worldwide and industry leader

ESG Risk Rating: 7.5



CLIMATE FORESTS WATER

1 of only 2 companies worldwide to be triple A for 4 consecutive years



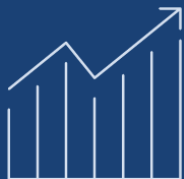
Top 1% of 85,000+ companies worldwide

Score: 88/100

Priorities for H2 22

01

ORGANIC GROWTH AND
MARKET SHARE GAINS



02

LEADING IN
BREAKTHROUGH
INNOVATION



03

BALANCE CASH
GENERATION WHILE
PROTECTING CUSTOMER
SERVICE LEVEL





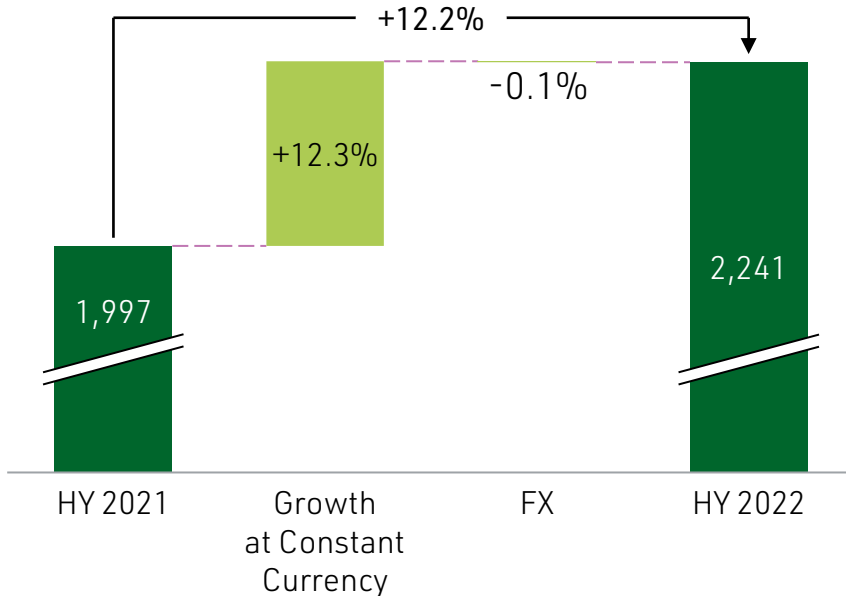
02

Financial review

CHIEF FINANCIAL OFFICER
Benoit Foulland

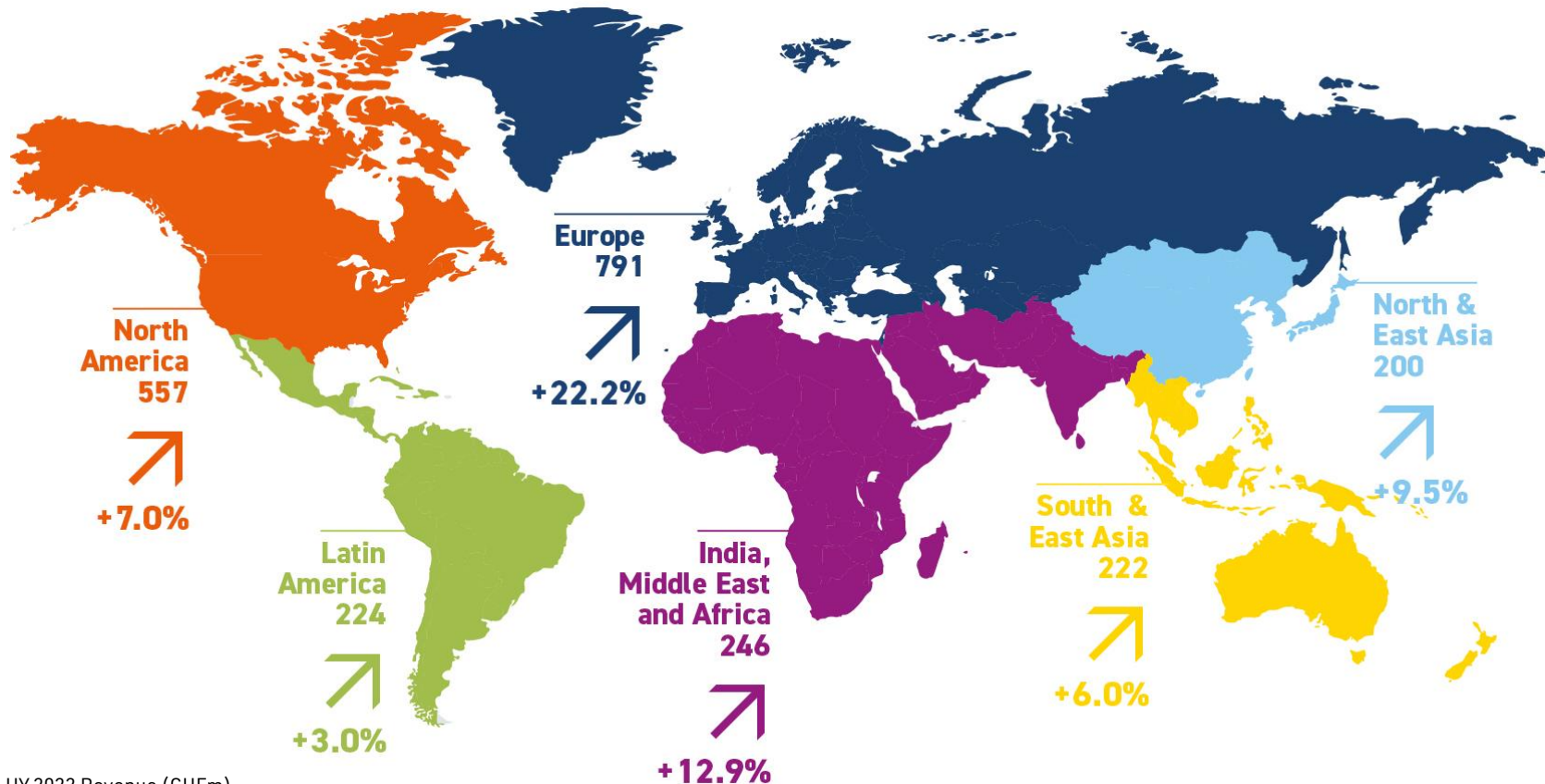
Double-digit Revenue growth

REVENUE & GROWTH In CHF m



- Strong topline performance despite ongoing challenges
- Strong volume growth across divisions and favorable product mix
- Continued investment in strategic growth markets and segments

Solid Revenue growth across regions



HY 2022 Revenue (CHFm)
Revenue growth at constant currency, %

Continued investment in high growth markets



South China

End-to-end customer co-creation center



Turkey

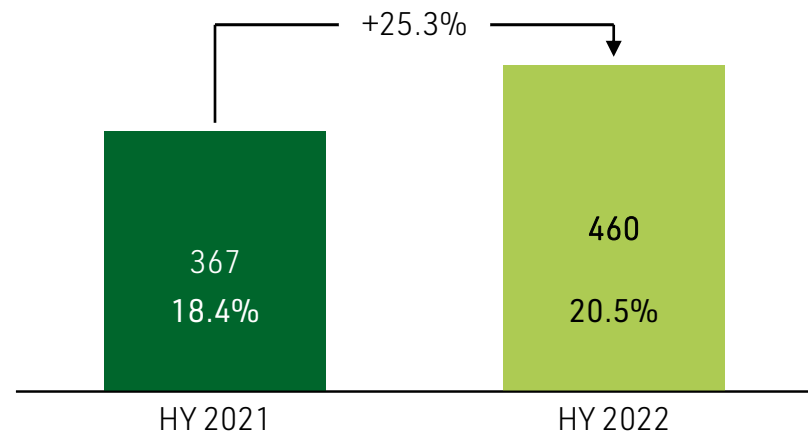
State-of-the-art production hub serving Middle-East and "Stans" countries

ADJUSTED EBITDA

Higher profitability driven by volume and favorable product mix

ADJ. EBITDA

In CHF m and as % of revenue



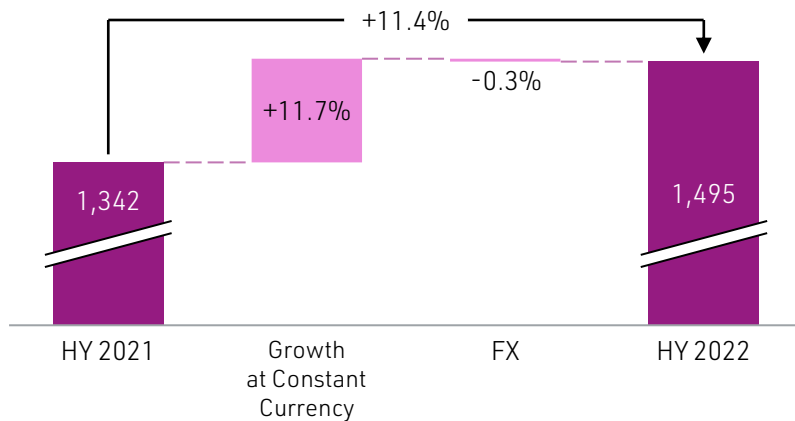
- Volume growth
- Favorable product mix linked to growth in Fine Fragrance
- Stronger margins in Taste & Beyond and Ingredients
- Ongoing cost inflation in raw materials, energy and transportation

PERFUMERY & INGREDIENTS

Double-digit Revenue growth in Fine Fragrance and Ingredients, with margin expansion

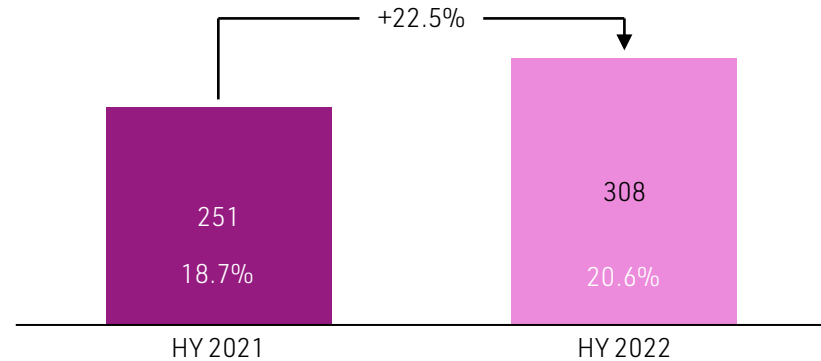
REVENUE & GROWTH

In CHF m



ADJ. EBITDA

In CHF m and as % of revenue



- Fine Fragrance: revenue above pre-pandemic levels, industry-leading growth
- Consumer Fragrances: high comparable period in prior year
- Ingredients: strong momentum supported by vertical integration and strength in renewables

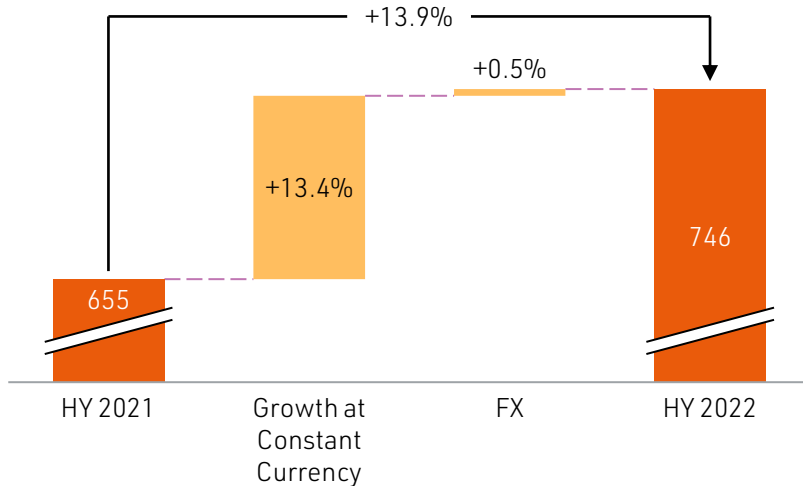
- Volume growth and favorable product mix
- Stronger margins and pricing in Ingredients
- Lower commercial expenses
- Raw material cost inflation

TASTE & BEYOND

Double-digit Revenue and Adj. EBITDA growth

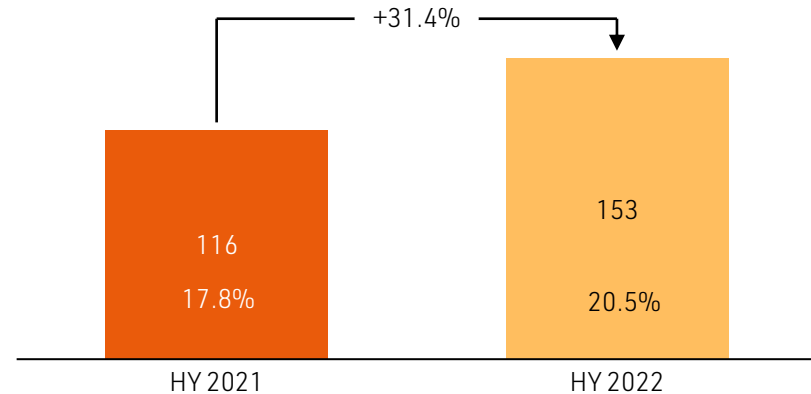
REVENUE & GROWTH

In CHF m



ADJ. EBITDA

In CHF m and as % of revenue

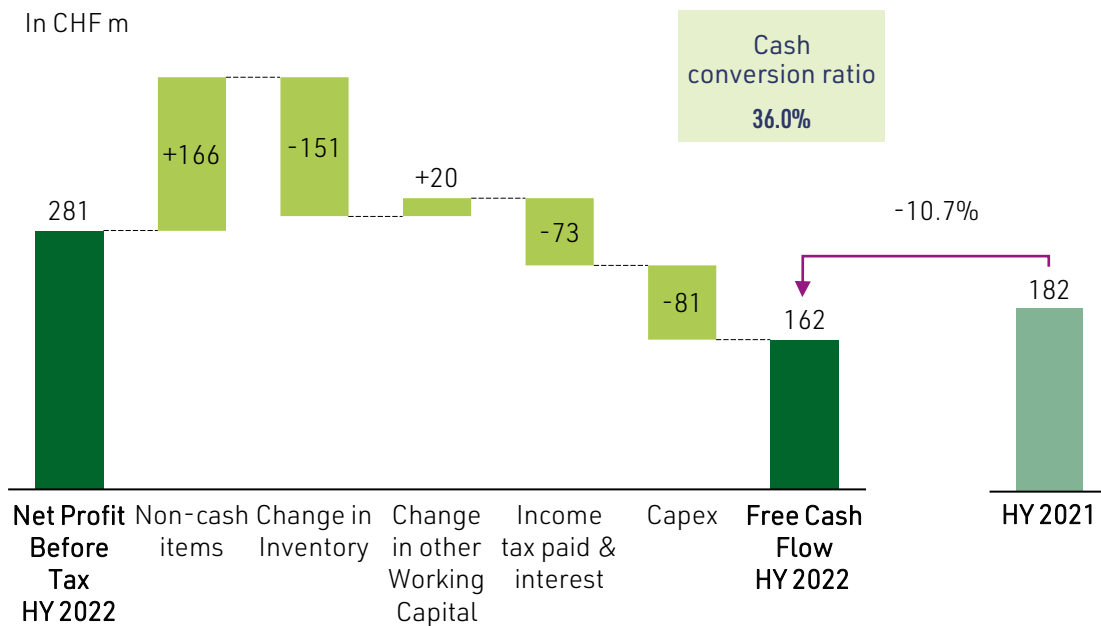


- Double-digit growth across all categories
- Double-digit growth across Innovation and Beyond Flavors portfolio driven by proprietary technologies
- Share gains with global partner customers

- Volume growth
- Lower commercial expenses
- Raw material cost inflation

FREE CASH FLOW

Strong Net Profit, partly offset by increase in safety inventories



- Net Profit before tax: +46.7%
- Working capital impacted by increase in safety inventories above usual levels, to preserve customer service

LEVERAGE & FINANCIAL POLICY

Continued deleveraging, in line with commitment to strong investment-grade credit rating

ADJUSTED LEVERAGE (S&P method estimate)

Leverage	(in CHFm)
Bond program	2 793
Other debt	181
Cash	- 484
Net debt (S&P)	2 490
Leases / Pensions	604
Hybrid 50% equity credit	- 388
Adjusted net debt	2 706
Adjusted EBITDA (12 months rolling)	909
Adjusted leverage	3.0x

MID-TO-LONG TERM FINANCIAL POLICY

Leverage

Aim to maintain a conservative capital structure commensurate with a strong investment grade credit rating with target leverage of <2.5x EBITDA

Liquidity

Preserve a conservative liquidity policy and aim to have a minimum of c. CHF 750m funds on hand or available to draw at any time

Dividend

Stable dividend over time, historical average c.50% of FCF
Dividend payout ratio comparable to publicly listed industry peers

Commitment to a strong investment-grade credit rating, underpinned by a defensive capital structure with conservative liquidity and dividend policy

03

Q&A



04

Appendix



Alternative performance measurements

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 operation 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.

Alternative performance measurements (cont.)

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 CHF m)	December 31, 2021	December 31, 2020	Year-over-year	Year-over-year in %
Revenue	2,241.3	1,996.9		
Revenue growth			244.4	12.2%
Effect of foreign exchange rates			-1.1	-0.1%
Growth at Constant Currency (CCY)			245.5	12.3%
Effect of business acquisitions and disposals			-	-
Revenue Growth on an Organic Basis at Constant Currency (OCCY)			245.5	12.3%

Alternative performance measurements (cont.)

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 CHF m)	December 31, 2021	December 31, 2020
Operating profit	305.2	225.9
Depreciation of property, plant and equipment	87.3	84.4
Amortization of intangible assets	52.6	50.3
Impairment losses	5.5	-
EBITDA	450.6	360.6

Alternative performance measurements (cont.)

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 attribute 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 CHF m)	December 31, 2021	December 31, 2020
EBITDA	450.6	360.6
Restructuring and transformation costs	3.0	2.0
Acquisitions and disposal related costs	5.1	4.8
Loss on disposal of intangible assets and property, plant and equipment	1.7	0.1
Adjusted EBITDA	460.4	367.5

Alternative performance measurements (cont.)

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 CHF m)	December 31, 2021	December 31, 2020
Cash flows from operating activities	243.0	279.6
Purchase of property, plant and equipment	(69.2)	(83.4)
Purchase of intangible assets	(11.5)	(14.8)
Disposal of intangible assets, property, plant and equipment	-	0.2
Free Cash Flow	162.3	181.6

Alternative performance measurements (cont.)

NET DEBT

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

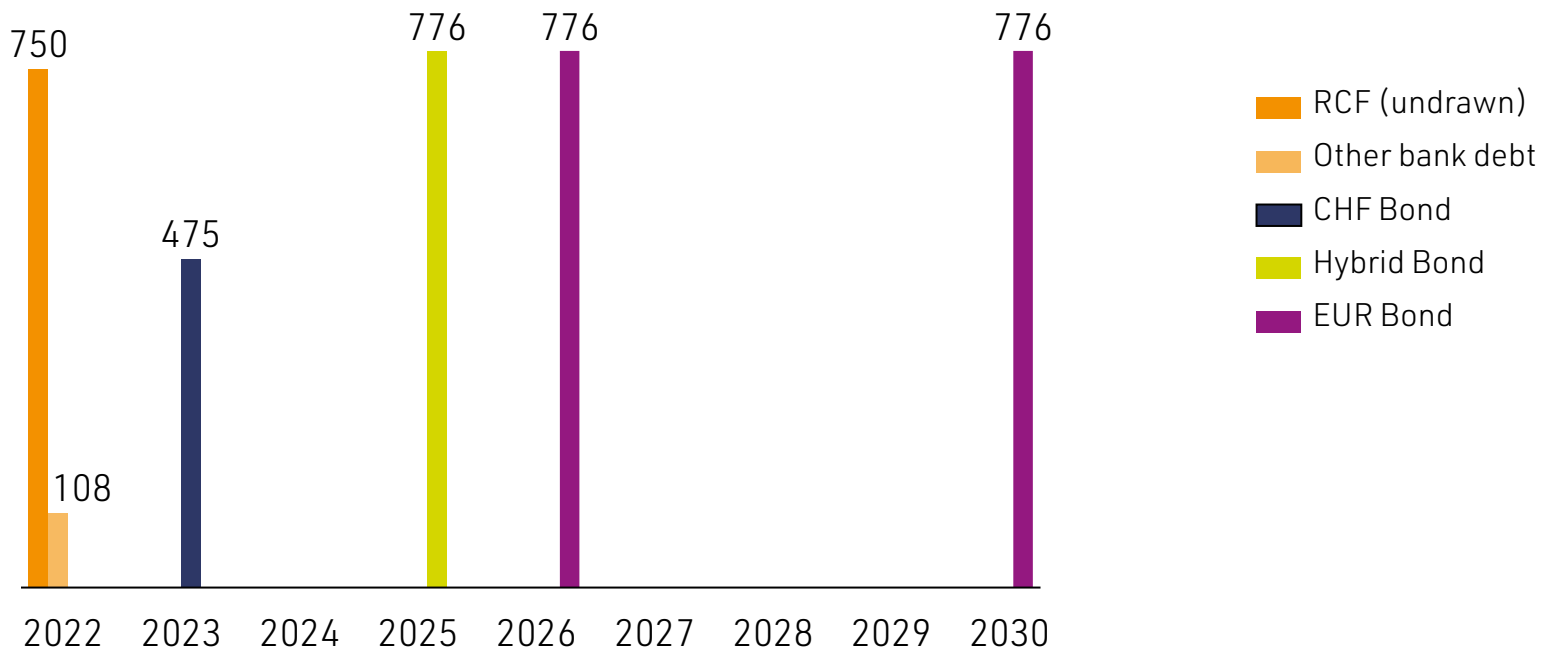
We define Net Debt as the sum of short-term and long-term financial debt less cash, cash equivalents and short-term financial investments. See note 8 of the Interim Consolidated Financial Statements of Firmenich International SA. Net Debt comprises:

As at (In CHF m)	December 31, 2021	June 30, 2021
Short-term bank borrowing and lease liabilities	(103.8)	(98.0)
Long-term bank borrowing, bonds and lease liabilities	(2,190.7)	(2,287.5)
Cash, cash equivalents and financial investments	521.3	794.6
Net Debt	(1,773.2)	(1,590.9)

Debt profile

MATURITY PROFILE OF FIRMENICH FUNDING

In CHF m



Thank
you

