

FY 2021 results presentation

6 August 2021



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Your presenters

CHIEF EXECUTIVE OFFICER

Gilbert Ghostine



7 years at Firmenich.

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

FY 2021 IN REVIEW

03

Q&A

02

FINANCIAL REVIEW

04

APPENDIX

01 FY 2021 IN REVIEW

CHIEF EXECUTIVE OFFICER

Gilbert Ghostine

At a glance

FY21: SOLID ORGANIC GROWTH AND STRONG CASH GENERATION

- Revenue +4.7%
- Double-digit growth in key markets and segments
- Adj. EBITDA: 19.1%
- FCF¹: CHF 511M (+57M)

FY21: ACCELERATING MOMENTUM IN H2

- P&I: Fine Fragrance rebound and strong Ingredient demand
- T&B: continued momentum
- DRT: improving revenue and profitability

FY22: A YEAR OF GROWTH, LEADERSHIP, AND EXCELLENCE IN EXECUTION

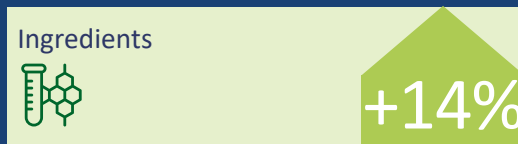
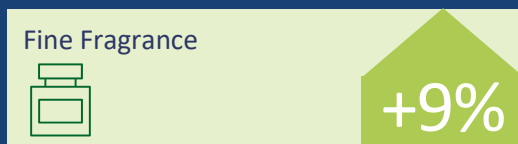
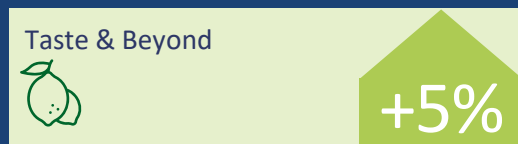
- Gain value share
- Drive profitable organic growth and cash generation
- Leadership in Responsible Business
- Excellence in execution

Note: revenue growth figures expressed organically at constant currency

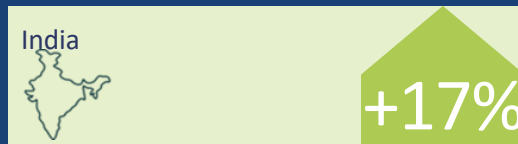
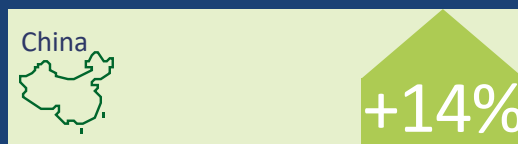
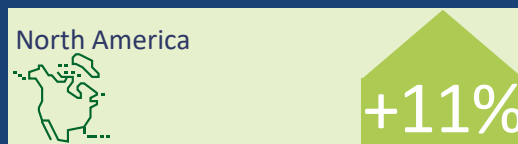
¹ Free Cash Flow was favorably impacted by the cash effect of disposals (CHF 42 million) and settlement of legal claims (CHF 30 million).

FY 2021: Solid organic revenue growth across our business

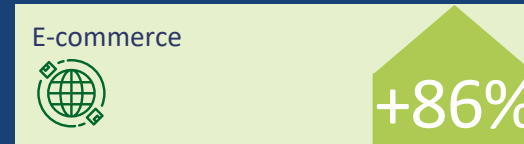
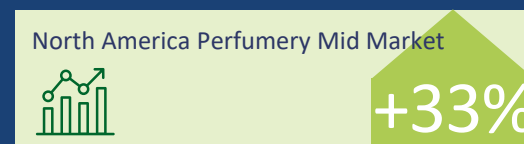
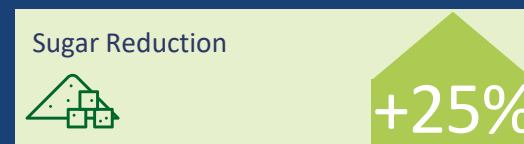
GROWTH ACROSS DIVISIONS & SEGMENTS:



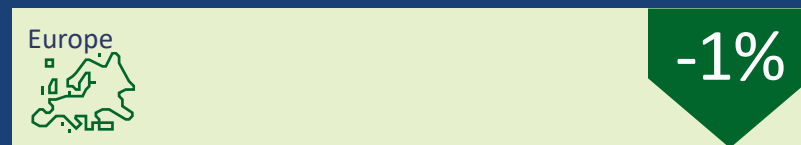
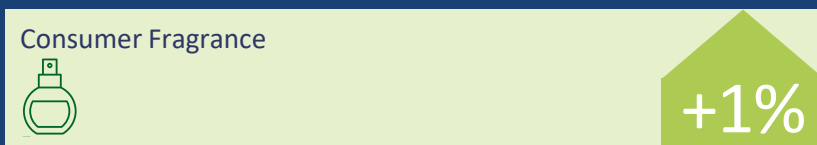
GROWTH IN KEY GEOGRAPHIES:



GROWTH IN KEY INITIATIVES:



CHALLENGES

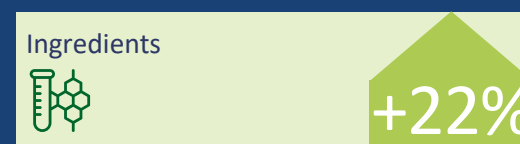
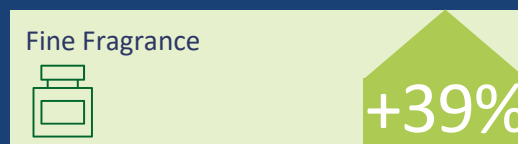
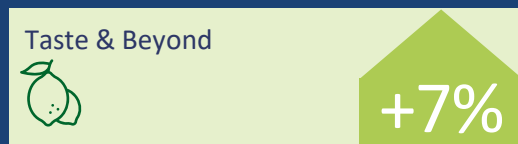


Note: Financial year ends 30 June

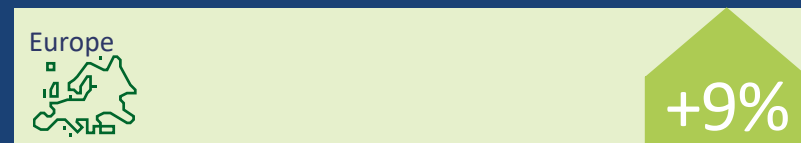
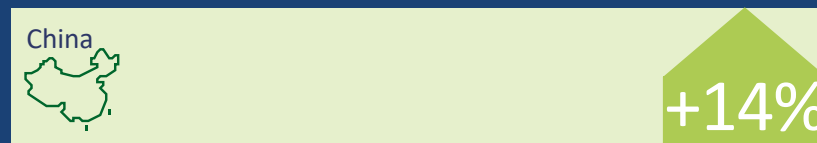
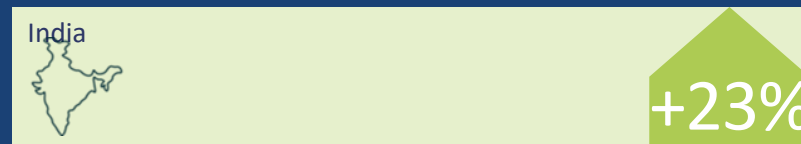
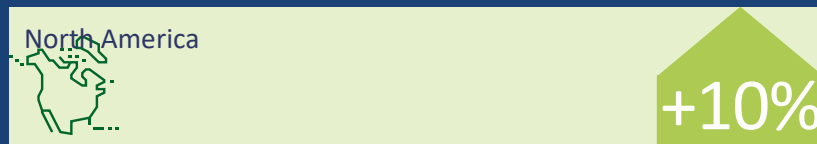
▲ Y-o-Y organic revenue growth (FY 2021) at constant currency

H2 2021: Accelerating momentum, although challenges remain

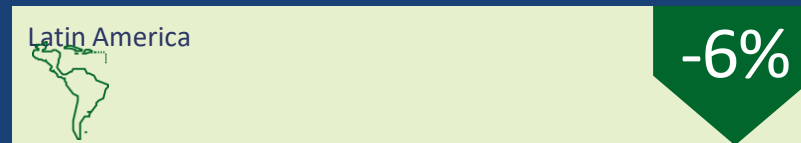
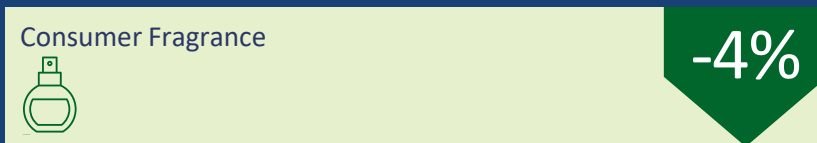
GROWTH ACROSS DIVISIONS & SEGMENTS:



GROWTH IN KEY GEOGRAPHIES:



CHALLENGES



DRT: Integration continues to progress, with performance step-up in H2

TRANSFORMATIVE ACQUISITION



Largest acquisition in Firmenich history



Leader and most strongly vertically integrated in naturally-derived renewable ingredients



Leading innovation platform for renewable, biodegradable and sustainable ingredients

CONTINUED PROGRESS ON INTEGRATION

- New leadership and organization in place
- Growth and profitability strategy deployed

- 70+ integration workstreams underway
- Knowledge-sharing & Best-of-both worlds alignment

MATERIAL IMPACT OF PANDEMIC, IMPROVING PERFORMANCE IN H2 vs H1

Revenue +45% in H2 vs. H1

Adjusted EBITDA rebound in H2

Ongoing short-term volatility. Behind original business case assumptions for FY21

Confident in strategic fit and long-term competitive advantage

We have continued investing for the future

LEADERSHIP IN NATURALS

- Naturals Platform: Flavorful Ingredients, Clean Label, and Responsible & Sustainable sourcing
- Strength in all-natural citrus oils
- Lavandin partnership with Coop SCA3p
- Vanilla partnership with Authentic Products

PROPRIETARY TECHNOLOGY & INNOVATION

- Investing in high-growth segments
 - Malodor control
 - Biodegradable encapsulation
 - Sugar Reduction
 - Meat & Dairy Analogues
- Proprietary extraction technology of unique biomasses
- AI-augmented creation
 - First flavor and consumer fragrance
 - ScentMate co-creation platform

M&A AND PARTNERSHIPS

- Increased stake in MG International
- Agreed to acquire a non-controlling stake in Essential Labs
- Increased minority stake in ArtSci

We continue to strengthen our Global Responsible Business leadership

INDUSTRY-LEADING ESG RATINGS	TACKLING CLIMATE CHANGE & EMBRACING NATURE	ADVANCING SOCIAL IMPACT
 <p>ESG Risk Rating Score: 8.6 Top 1% of 14,000+ companies; Rated 1st in our industry</p>	<div data-bbox="691 374 799 481"> <p>1 of only 2 companies worldwide to be triple A for 3 consecutive years</p> </div> <div data-bbox="1031 377 1219 437"> <p>100% Renewable Electricity in all operations worldwide</p> </div> <div data-bbox="664 650 826 757"> <p>1 of 27 companies worldwide determined to restore biodiversity</p> </div> <div data-bbox="1031 650 1211 770"> <p>Business Ambition for 1.5°C 1 of 665 companies</p> </div>	<div data-bbox="1369 374 1561 481"> <p>Global EDGE Move certification upgrade in 2021, 7th company certified EDGE worldwide since 2018</p> </div> <div data-bbox="1634 374 1825 481"> <p>Disability inclusion: 2% worldwide today, target 10% by 2030</p> </div> <div data-bbox="1568 659 1690 770"> <p>Top 1% of 75,000+ companies Score: 83/100</p> </div>

Best-in-Class ESG Reporting

Global Reporting Initiative (GRI) based + 47 quantitative ESG goals + 100% independently audited

Priorities FY22



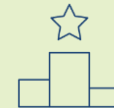
ACCELERATE PROFITABLE ORGANIC GROWTH



DELIVER BREAKTHROUGH INNOVATION



**CONSOLIDATE LEADERSHIP IN NATURAL,
SUSTAINABLE & RENEWABLE PRODUCTS**



EXECUTE WITH EXCELLENCE

02

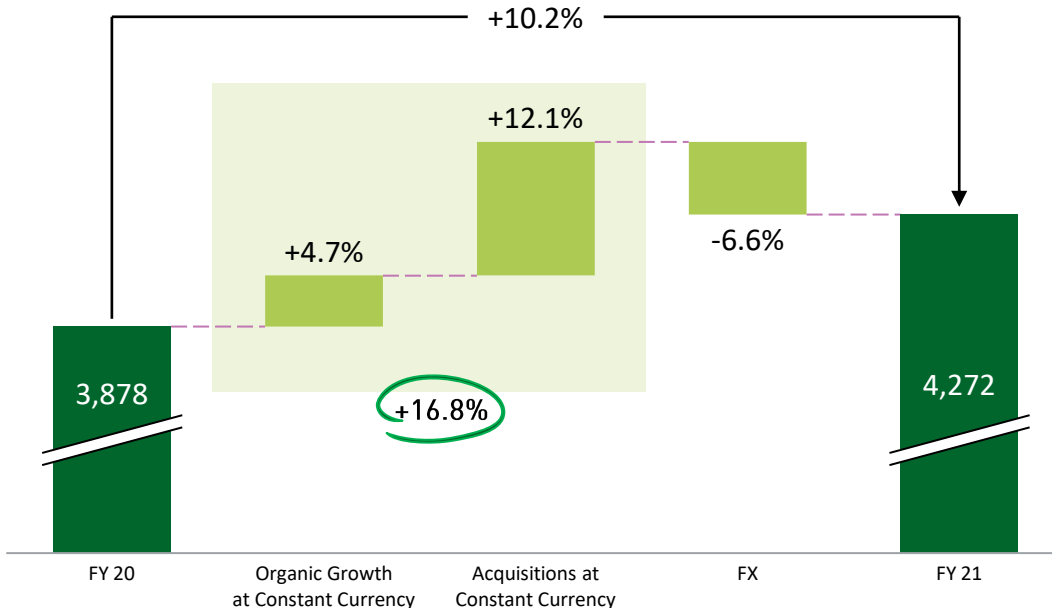
FINANCIAL REVIEW

CHIEF FINANCIAL OFFICER

Benoit Fouilland

Delivered mid-single digit organic revenue growth, with acquisitions contributing additional 12 ppts

GROUP REVENUE
In CHF m

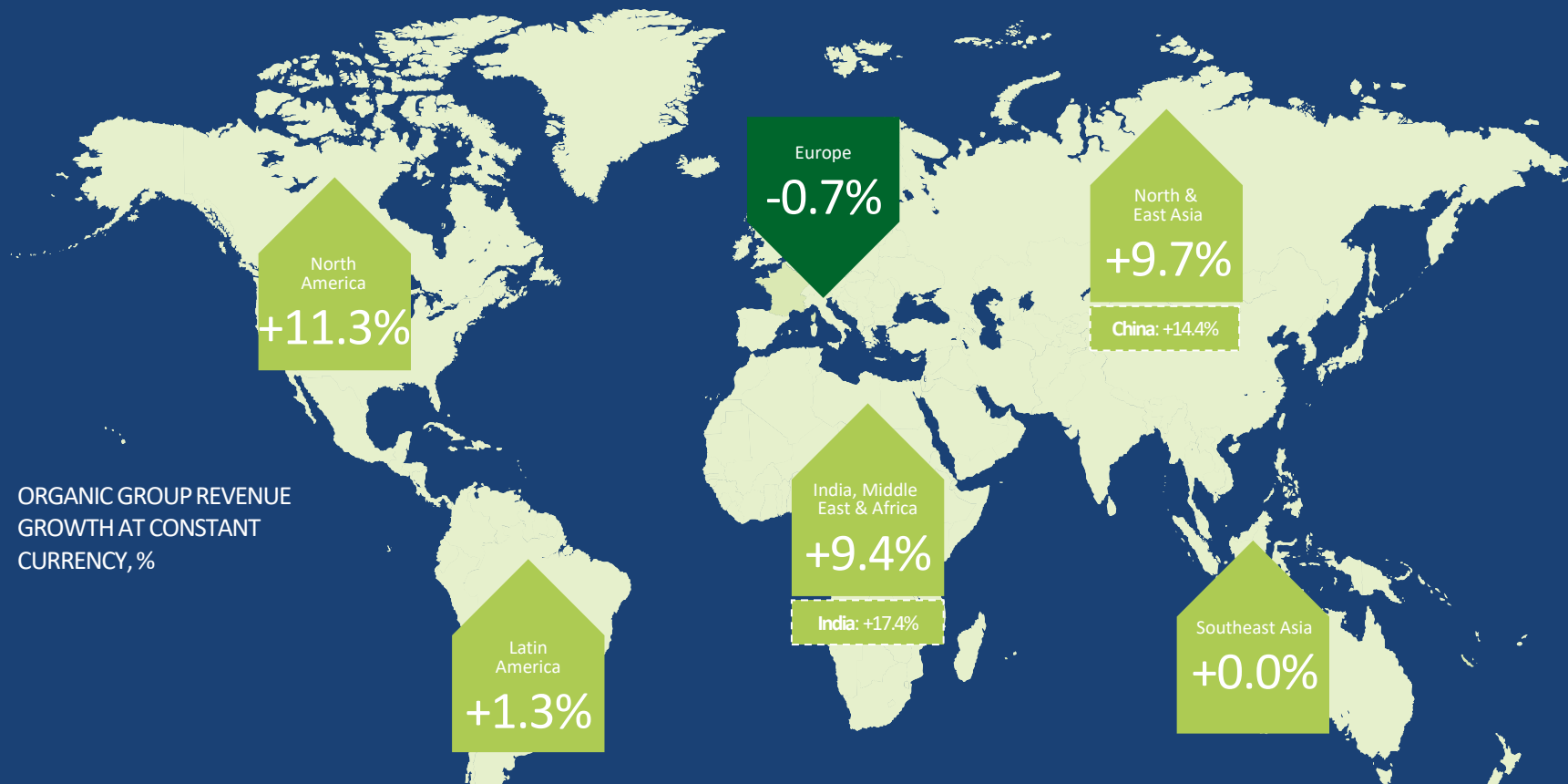


Strong topline performance despite ongoing crisis

Significant contribution from acquisitions (CHF 470m)

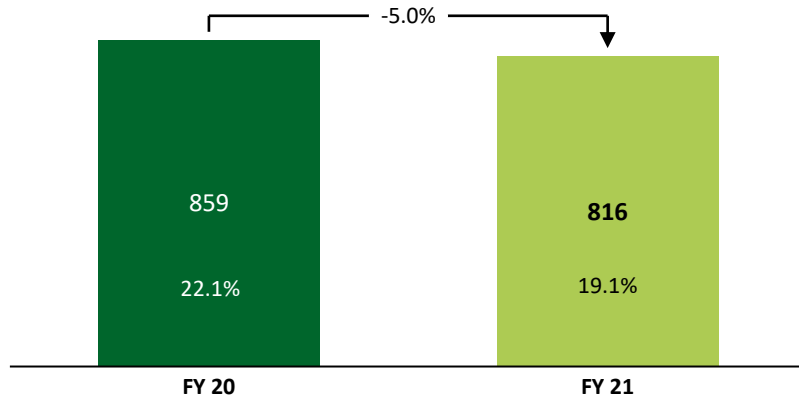
Material FX impact on topline due to CHF appreciation vs. key trading currencies

Solid rebound in key geographies, despite ongoing challenges



ORGANIC GROUP REVENUE
GROWTH AT CONSTANT
CURRENCY, %

ADJUSTED EBITDA: Margin impacted by acquisitions, FX and pandemic



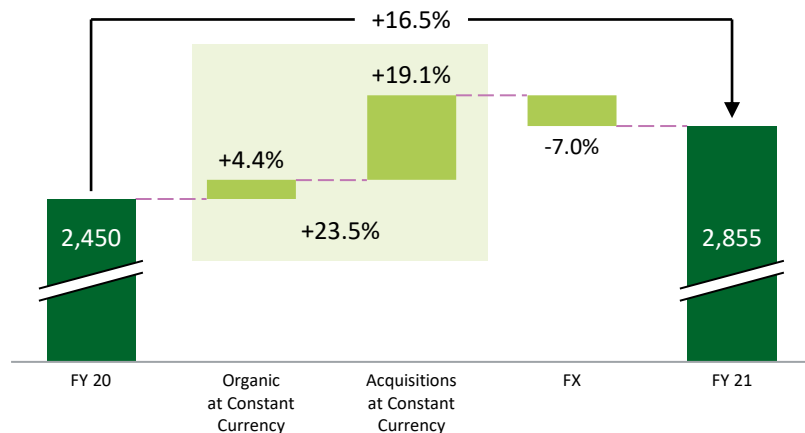
Negative impact of acquisitions, foreign exchange and temporary effect of the pandemic on costs and product mix

Excluding impact of acquisitions and foreign exchange, Adj. EBITDA margin would have decreased by 1.2ppts

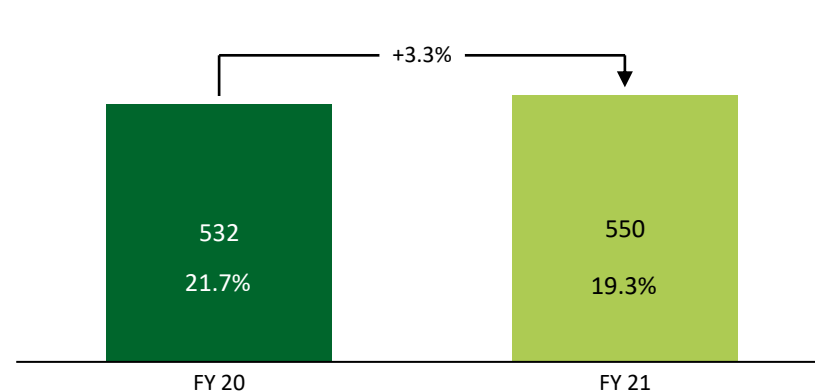
PERFUMERY & INGREDIENTS:

Strong rebound in Fine Fragrance, growth in Ingredients, margin impacted by acquisitions

Revenue & Growth
In CHF m



Adj. EBITDA
In CHF m and as % of revenue



Rebound in Fine Fragrance, back to pre-crisis levels in Q4

Consumer Fragrances: hard comparison to FY20, slowdown and competitive pressure in Latam in H2

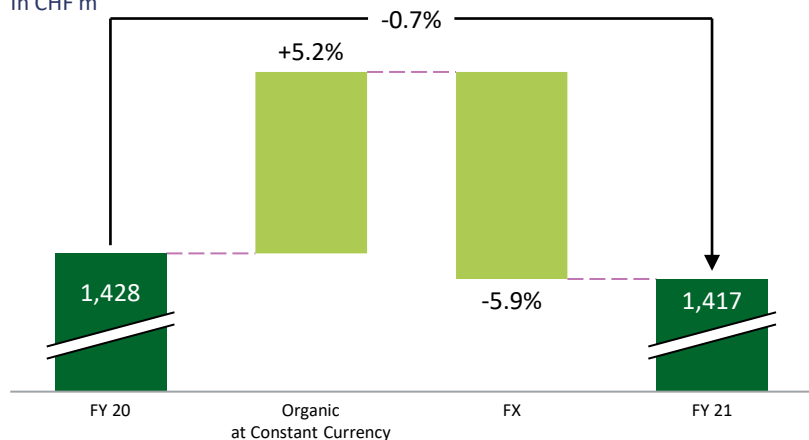
Ingredients: accelerating growth driven by high customer demand

Negative FX impact and effect of acquisitions

Excluding the impact of acquisitions and FX, Adj. EBITDA margin would have been flat

TASTE & BEYOND: Robust constant currency revenue growth, margin impacted by FX and effect of pandemic

Revenue & Growth
In CHF m

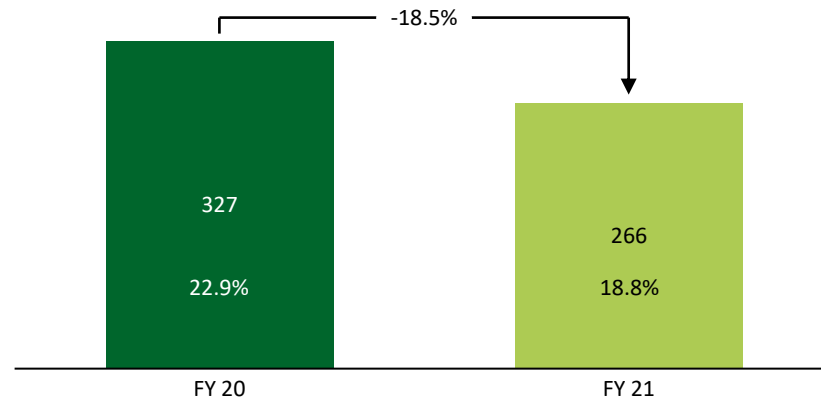


Organic growth driven by Beverages, Dairy and Sugar Reduction

Double-digit performance in key markets of China and North America

High adoption rates linked to innovation driven by consumer insights

Adj. EBITDA
In CHF m and as % of revenue



Mix pressure partly linked to pandemic

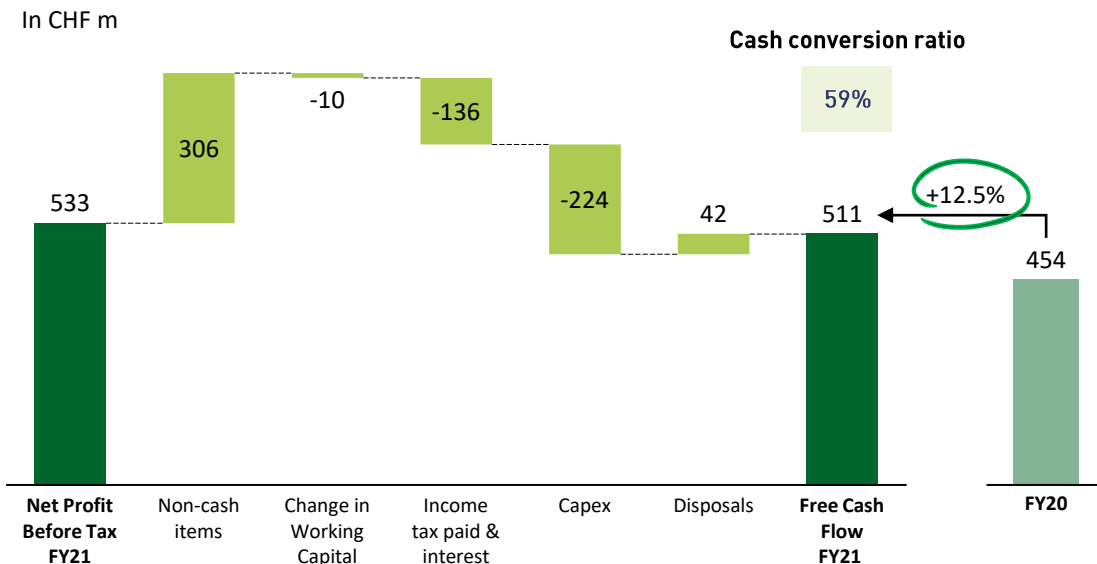
Exceptional supply chain costs to ensure safety of supply to customers

Raw material price fluctuations

Impact of FX

FREE CASH FLOW:

Strong cash conversion ratio through tight working capital management and favorable cash impact of exceptional items



Increase in depreciations linked to acquisitions

Tight working capital management

One-off cash effect of disposals (CHF 42m) and settlement of legal claims (CHF 30m)

LEVERAGE & FINANCIAL POLICY: Committed to strong investment-grade credit rating

ADJUSTED LEVERAGE (S&P METHODOLOGY)

Leverage	(in CHFm)
Bond program	2 934
Other debt	168
Cash	– 749
Net debt (S&P)	2 354
Leases / Pensions	653
Hybrid 50% equity credit	412
Adjusted net debt (S&P)	2 595
Adjusted EBITDA	816
Adjusted leverage (S&P)	3.2x

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 750mm 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 year ended (In CHF m)	June 30, 2021	June 30, 2020	Year-over-year	Year-over-year in %
Revenue	4,272.1	3,877.6		
Revenue growth			394.5	10.2%
Effect of foreign exchange rates			-255.3	-6.6%
Growth at Constant Currency (CCY)			649.8	16.8%
Effect of business acquisitions and disposals			469.8	12.1%
Revenue Growth on an Organic Basis at Constant Currency (OCCY)			180.0	4.7%

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 year ended (In CHF m)	June 30, 2021	June 30, 2020
Operating profit	594.4	622.6
Depreciation of property, plant and equipment	170.8	129.9
Amortization of intangible assets	102.6	68.3
Impairment losses on property, plant and equipment	5.8	1.7
EBITDA	873.6	822.5

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 year ended (In CHF m)	June 30, 2021	June 30, 2020
EBITDA	873.6	822.5
Restructuring and transformation costs	10.2	7.1
Acquisitions and disposal related costs	9.1	29.2
Gain on disposal of intangible assets and property, plant and equipment	(46.9)	–
Other items of a one-time and/or non-operating nature (*)	(30.1)	–
Adjusted EBITDA	815.9	858.8

* It consists of an income related to a legal case settlement. See note 20 of the Consolidated Financial Statements of Firmenich International SA

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 year ended (in CHF m)	June 30, 2021	June 30, 2020
Cash flows from operating activities	693.3	641.9
Purchase of property, plant and equipment	(185.7)	(157.6)
Purchase of intangible assets	(38.1)	(33.9)
Disposal of intangible assets, property, plant and equipment	41.8	4.1
Free Cash Flow	511.3	454.5

Alternative performance measurements (cont.)

NET DEBT

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

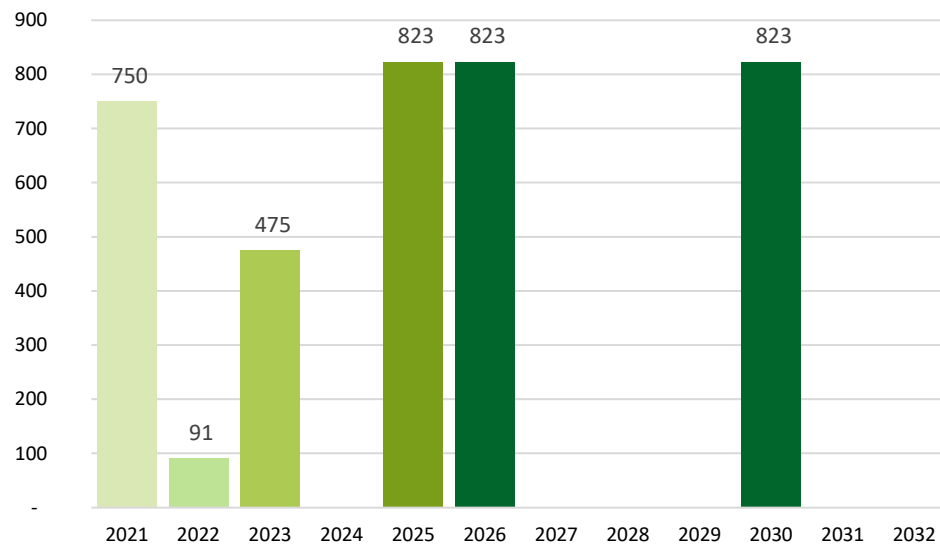
We define Net Debt as the sum of short-term and long-term financial debt less cash, cash equivalents and short-term financial investments. See note 24 of the Consolidated Financial Statements of Firmenich International SA. Net Debt comprises:

For the year ended (In CHF m)	June 30, 2021	June 30, 2020
Short-term bank borrowing and lease liabilities	(98.0)	(151.1)
Long-term bank borrowing, bonds and lease liabilities	(2,287.5)	(2,249.0)
Cash, cash equivalents and financial investments	794.6	828.0
Net Debt	(1,590.9)	(1,572.1)

DEBT PROFILE (Maturities, interest rates)

MATURITY PROFILE OF FIRMENICH FUNDING

In CHF m



KEY:

RCF (undrawn)

Bank

CHF bond

Hybrid bond

EUR bond

Thank you

