

PRESS RELEASE

FIRMENICH REPORTS SOLID FULL YEAR RESULTS WITH ACCELERATING MOMENTUM IN THE SECOND HALF

Delivered mid-single-digit organic¹ revenue growth and strong cash generation. Profitability impacted by pandemic disruption and foreign exchange.

Geneva, Switzerland, August 6, 2021 – Firmenich International SA, the world's largest privately-owned Perfume and Taste company, announces its Full Year Results for the 52 weeks ended 30 June 2021.

Financial Highlights

- Revenue reached CHF 4,272 million, up 4.7% year-over-year on an organic basis at constant currencyⁱ. Including acquisitions, Revenue increased 16.8% year-over-year at constant currency. On a reported basis, Revenue increased 10.2% year-over-year
- EBITDAⁱⁱ of CHF 874 million, up +6.2% year-over-year. Excluding the impact of acquisitions and foreign exchange, EBITDA would have increased by +10.6%.
- Adjusted EBITDA of CHF 816 million, down -5.0% year-over-year. Excluding the impact of acquisitions and foreign exchange, Adjusted EBITDA would have decreased by -1.1%. Adjusted EBITDA margin of 19.1%, down -3.0 percentage points compared to the previous year, due to the impact of acquisitions, negative foreign exchange, and the temporary effect of the pandemic on costs and mix
- Free Cash Flowⁱⁱⁱ of CHF 511 million, up +12.5% year-over-year
- EBITDA to Free Cash Flow conversion ratio of 59%

Operating Highlights

- Demonstrated solid revenue growth across Perfumery & Ingredients and Taste & Beyond divisions, on an organic basis at constant currency, driven by a rebound in Fine Fragrance, strong customer demand in Ingredients, growth in Beverages supported by our Sugar Reduction solutions, and Dairy
- Achieved double-digit revenue growth in key markets of North America, China, and India, on an organic basis at constant currency
- Further progress made integrating DRT. The pandemic has had an adverse impact on revenue and profit this year, resulting in us being behind our original business case assumptions for FY21. Significant revenue rebound in the second half of the year, as well as improving profitability
- Strengthened leadership team with new senior appointments and upgraded organizations in Perfumery & Ingredients and Taste & Beyond
- Accelerated development of innovative new products including launch of the world's first Flavor and first Consumer Fragrance designed with the help of Artificial Intelligence
- Strengthened responsible business leadership position with CDP AAA rating for the 3rd year running, and an industry-leading Sustainalytics ESG rating of 8.6
- Announced ambitious ESG targets to reach carbon neutrality by 2025, and carbon positive impact beyond that date. By 2030, we will strive to achieve absolute carbon emission reduction in line with the 1.5°C Science-Based Targets

¹ At constant currency

“Firmenich achieved solid performance in a challenging year, demonstrating the strength of our business. I am proud and thankful for the dedication and commitment of our people that delivered these results. Throughout the year, we have continued to invest to position ourselves for the future, and I believe we are well placed to capture the opportunities that will arise after the crisis,” said Patrick Firmenich, Chairman of the Board.

“I am proud of our achievements this year. We maintained a sharp focus on the health and safety of our employees. I am grateful for the dedication and energy that our people have demonstrated in this challenging time. We delivered strong revenue growth and cash generation across the business, with double-digit growth in the key geographies of North America, China and India. We continued to make progress on the integration of our acquisitions and accelerated our innovation to help our customers win bigger in the post-pandemic world,” said Gilbert Ghostine, CEO of Firmenich.

FY2021 Performance

Revenue

Revenue reached CHF 4,272 million, up +10.2% year-over-year on a reported basis, and +4.7% on an organic basis at constant currency.

Perfumery & Ingredients Revenue increased +4.4%, on an organic basis at constant currency, driven by the rebound in Fine Fragrance and strong customer demand in Ingredients.

Taste & Beyond Revenue increased +5.2%, on an organic basis at constant currency, driven by growth in Beverages, supported by our Sugar Reduction solutions, and growth in Dairy.

In the second half of the year, we saw an acceleration in revenue growth, with continued momentum from our two Divisions, and a strong rebound in Fine Fragrance, which grew by +39%, on an organic basis at constant currency.

Adjusted EBITDA

Adjusted EBITDA reached CHF 816 million, down -5.0% year-over-year. Excluding the impact of acquisitions and foreign exchange, Adjusted EBITDA would have decreased by -1.1% compared to the previous year.

Adjusted EBITDA margin as a percentage of revenue was 19.1%, a decrease of -3.0 percentage points compared to the previous year. This was driven by the impact of acquisitions, negative foreign exchange impact as well as the temporary impact of the pandemic on costs and mix. Excluding the impact of acquisitions and foreign exchange, Adjusted EBITDA margin would have decreased by -1.2 percentage points.

Free Cash Flow

Free Cash Flow reached CHF 511 million, a +12.5% increase compared to the previous year. This underscores our prudent execution and disciplined working capital management during the crisis, in line with our commitment to retain a strong investment grade credit rating through solid cash generation. Free Cash Flow was favorably impacted by the cash effect of disposals (CHF 42 million) and settlement of legal claims (CHF 30 million).

Continued progress with DRT Integration

The transformational acquisition of DRT, a leader in naturally derived renewable ingredients, has enabled Firmenich to build the world's leading innovation platform for renewable, biodegradable, and sustainable ingredients for Fragrances, Flavors and Nutrition. This in turn has allowed us to meet our customers' growing demand for sustainable products, a key long-term growth driver for our industry. During the period, the pandemic continued to have an adverse impact on revenue and profit due to lower demand in the DRT industrial end markets and in Fine Fragrance, resulting in us being behind our original business case assumptions for FY21. In the second half of the year, we have seen a significant revenue rebound, as well as improving profitability. We are confident in the strategic fit of this acquisition and in the long-term competitive advantage provided by our unique and proprietary access to renewable ingredients.

Leader in Responsible Business

Our responsible business model is a core part of our family heritage and is consistent with our values and company purpose. This year, we further strengthened our industry-leading sustainability credentials, announcing ambitious ESG goals for 2025 and clear measurable targets for 2030. We are taking an ambitious carbon emissions commitment: to reach carbon neutrality by 2025, and carbon positive impact beyond that date. By 2030, we will strive to achieve absolute carbon emission reduction in line with the 1.5°C Science-Based Targets. In a further demonstration of our responsible leadership, we are one of only two companies in the world to receive a triple "A" rating from CDP, in Climate, Water and Forests, for the third year in a row. We were also rated for the first time by Sustainalytics, with a score of 8.6, which not only places us as ESG leaders in our industry and the broader Chemicals sector, but also in the top 1% of companies rated worldwide. Additionally, in May we received the global EDGE MOVE™ certification, in recognition of our work and longstanding commitment for gender equality. This builds on our earlier EDGE certification, which we obtained for the first time in 2018.

Strengthening our Leadership Team

We have continued to strengthen our leadership team with new senior appointments and upgraded organizations in Perfumery & Ingredients and Taste & Beyond. This year saw internal promotions and external hires to key senior leadership positions, including a new Chief Financial Officer, a new Chief Procurement Officer, a new Chief Supply Chain Officer, and a new Chief Research Officer (effective 1 July 2021).

Disclosure

This information is provided by Firmenich International S.A. pursuant to the EU Market Abuse Regulation 596/2014 and the Swiss FMIA. The information was submitted for publication, through the contact persons set out below, at 7:00 CEST on 6 August 2021. Further information is available for investors on <http://investors.firmenich.com>.

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About Firmenich

Firmenich is the world's largest privately-owned perfume and taste company, founded in Geneva, Switzerland, in 1895 and has been family-owned for 125 years. Firmenich is a leading business-to-business company operating primarily in the fragrance and taste market, specialized in the research, creation, manufacture and sale of perfumes, flavors and ingredients. Renowned for its world-class research and creativity, as well as its leadership in sustainability, Firmenich offers its customers superior innovation in formulation, a broad and high-quality palette of ingredients, and proprietary technologies including biotechnology, encapsulation, olfactory science and taste modulation. Firmenich had an annual turnover of 4,272 million Swiss Francs at end June 2021. More information about Firmenich is available at www.firmenich.com

Growth at Constant Currency

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

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

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".

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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.

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.

Free Cash Flow

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.