PRESS RELEASE

FIRMENICH DELIVERS STRONG RESULTS IN FIRST HALF OF FISCAL YEAR 2023

Double-digit Revenue growth[1] and high-single-digit Adjusted EBITDA growth[1] against a backdrop of a volatile inflationary and foreign exchange environment

Geneva, Switzerland, 16 February, 2023 – Firmenich International SA ("Firmenich"), the world's largest privately-owned fragrance and taste company, is announcing its Half Year Results for the six months ended 31 December 2022.

Financial Highlights

- Revenue of CHF 2,440 million, up 11.5% at constant currency.
- Adjusted EBITDA of CHF 440 million, up 7.3% at constant currency.
- Adjusted EBITDA margin of 18.0%, despite a negative 170 bps impact from foreign exchange headwinds and a negative 90 bps impact of mathematical dilution from inflation, net of price increases.
- Free Cash Flow, adjusted for the impact of the non-recurring expenses linked to the DSM-Firmenich merger, of CHF 11 million, materially impacted by the high inventory levels maintained throughout the first half of the fiscal year to preserve customer service levels and ensure safety of supply.
- Record revenue and strong Adjusted EBITDA despite a volatile inflationary and foreign exchange environment.
- Continuing to lead the industry in top line growth and to gain market share, with strong growth momentum across both Perfumery & Ingredients and Taste & Beyond, driven by a balanced contribution of volume / mix and pricing.
- Revenue growth across all regions with strength in key geographies, including in particular India (+23.6%), China (+18.3%) and Europe (+16.6%) at constant currency.

"Firmenich has delivered double-digit Revenue growth in the first half of FY 2023, 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. We are proud of our leadership in science and the recognition of our world-class progress as a responsible business. This drive for sustainability remains at the core of our long-term strategy," said ***Patrick Firmenich, Chairman of the Board***

"During the first half of FY 2023, we have continued to demonstrate our agile and superior 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," said ***Gilbert Ghostine, CEO of Firmenich***

Operating Highlights

- Agile execution in challenging macroeconomic and geopolitical conditions ensured we are emerging stronger across divisions, due to our consistent quality of service, superior creativity, and continued investment into innovation, growing segments, and key geographies.

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[1] *At constant currency*

- Continued to benefit from our investment in differentiated offerings and key growing segments including Sugar Reduction, Naturals & Renewable Ingredients, Plant-based Foods, Clean & Responsible Fragrances and Digital Channels.
- Took proactive pricing actions to mitigate inflationary pressures, implemented in partnership with our customers.
- Launched new innovations offering superior performance and active benefits to our fragrances, including the PopScent® Eco Max fragrance encapsulation now made exclusively with 100% biodegradable ingredients[2], and the enriched HaloScent® palette of new-generation profragrances. These new technologies maximize long-lasting fragrance.
- Included in January 2023, for the second year running, in the annual “Innovation Momentum: The Global Top 100” report by LexisNexis®. The Top 100 recognizes companies advancing innovative solutions to today’s challenges and laying the intellectual property foundations for further breakthroughs.
- 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. 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 industry.
- Resecured Global EDGE "Move" certification for gender equality in January 2023. In addition, reached the highest EDGE "Lead" certification in Brazil and Mexico for our efforts on diversity, equity and inclusion, the first company in our industry and the seventh in the world to achieve this level.

HY 2023 performance

Revenue

Revenue reached CHF 2,440 million, up 10.5%[3]. Acquisitions contributed CHF 21 million or +1.0 percentage points to Revenue growth, leading to 11.5% growth at constant currency, driven by a balanced contribution of volume / mix and pricing. Foreign exchange had an unfavorable impact of CHF -58 million or -2.6 percentage points, mainly due to the unfavorable impact of the strong Swiss Franc, in particular against the Euro. On a reported basis, Revenue increased 8.9% year-over-year.

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 as we continue to lead the diet transformation.

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 of 20.2%,

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[2] *all the components of the polymer wall are readily biodegradable or naturally sourced materials. Natural-origin as defined by ISO 16128*

[3] *Unless otherwise stated, Revenue growth comparisons are made on an organic basis at constant currency, as defined in the Alternative Performance Measurements section in the Half Year Report, versus the same period in the prior year.*

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 delivered Revenue growth across all regions, with strength in key geographies, including, in particular, in India (+23.6%), China (+18.3%), and Europe (+16.6%) at constant currency.

Adjusted EBITDA

Adjusted EBITDA reached CHF 440 million, down 4.4% year-over-year on a reported basis. In comparison to prior year rates, foreign exchange had a negative impact of CHF -54 million on the Adjusted EBITDA. At constant currency, Adjusted EBITDA increased by 7.3%.

Adjusted EBITDA margin was 18.0%, down 2.5 percentage points year-over-year, which includes a negative impact of 170 bps from foreign exchange headwinds and a negative 90 bps of mathematical dilution from inflation net of price increases.

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 and continue to meet the increasing demand from our customers across all geographies. Despite these volatile market conditions, we have continued to invest in innovation and quality of future growth, maintaining our research and development expenses at 8.6% of revenues.

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 preserve customer service levels and ensure safety of supply. 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 FY 2023 we will focus on maintaining a healthy cash generation in line with our commitment to maintaining a strong investment grade credit rating.

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 sustainability 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. In January 2023, we received a new Global EDGE "Move" certification. In addition, we were given the highest EDGE "Lead" certification in Brazil and Mexico for our efforts on diversity, equity and inclusion, the first company in our industry and the seventh in the world to achieve this level.

DSM-Firmenich merger

On 31 May 2022, DSM and Firmenich announced that they have entered into a business combination agreement to establish the leading creation and innovation partner in nutrition, beauty and well-being. Please visit www.creator-innovator.com for additional material on the proposed combination.

Disclaimer

This document and the related results contain forward-looking statements related to Firmenich and its future business and financial performance and future events or developments, including statements regarding: trends; exchange rates; plans, strategies and objectives of management; anticipated production; capital costs and scheduling; operating costs and supply chain issues; provisions and contingent liabilities; tax and regulatory developments. Forward-looking statements can be identified by the use of terminology such as 'intend', 'aim', 'project', 'anticipate', 'estimate', 'plan', 'believe', 'expect', 'may', 'should', 'will', 'continue', 'annualised' or similar words. These statements discuss future expectations concerning the results of operations or financial condition, or provide other forward-looking statements. These forward-looking statements are not guarantees, or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond Firmenich's control, and which may cause actual results to differ materially from those expressed in the statements contained in this presentation. Readers are cautioned not to put undue reliance on forward-looking statements. Other than in accordance with its legal or regulatory obligations, Firmenich does not undertake to update or revise any forward-looking statement to reflect any changes in events, conditions or circumstances on which any such statement is based.

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Disclosure

The information was submitted for publication, through the contact persons set out below, at 7am CET on 16 February 2023. Further information is available for investors on https://investors.firmenich.com.

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About Firmenich

Firmenich, the world's largest privately-owned fragrance and taste company, was founded in Geneva, Switzerland, in 1895, and has been family-owned for 128 years. Firmenich is a business-to-business company specialized in the research, creation, manufacture and sale of perfumes, flavors, and ingredients. Renowned for its excellent research, as well as its leadership in sustainability, Firmenich offers its customers innovation in formulation, a broad palette of ingredients, and proprietary technologies such as biotechnology. Firmenich delivered CHF 4.9bn of sales in the calendar year ended 31 December 2022.