

PRESS RELEASE

FIRMENICH DELIVERS RECORD RESULTS DESPITE CHALLENGING MACRO-ECONOMIC ENVIRONMENT

Achieves double-digit Revenue and Adjusted EBITDA growth, coupled with strong cash generation, while prioritizing customer service

Geneva, Switzerland, August 5, 2022 – Firmenich International SA, the world’s largest privately-owned Fragrance and Taste company, announces its Full Year Results for the 52 weeks ended 30 June 2022.

Financial Highlights

- Revenue of CHF 4,723 million, up +11.1%¹
- Adjusted EBITDA of CHF 905 million, up +10.9%
- Adjusted EBITDA margin 19.2%, up +10 basis points
- Free Cash Flow of CHF 414 million, down -19.1%, or -5.9% on a comparable basis²
- EBITDA to Free Cash Flow conversion ratio of 51.8%

- Record Revenue and Adjusted EBITDA, despite a challenging global environment for raw materials, logistics and energy costs
- Outperforming the industry in topline growth and gaining market share, underpinned by double-digit Revenue growth across both Perfumery & Ingredients and Taste & Beyond, on the back of improving customer demand
- Revenue growth across all regions, and strong momentum in our key geographies, including Europe (+18.9%), India (+13.1%), China (+9.4%), and North America (+5.1%)
- Strong cash generation, despite higher safety inventories linked to prioritizing customer service of supply in a challenging global environment

*“Firmenich’s strong performance in FY22 is the result of our ongoing commitment to serve and innovate with our customers and a testament to the strengths of our offerings across Fragrance and Taste. We are now moving to a new chapter in our history, with the announced merger with DSM, and I am pleased to see that our company is entering this new phase from a position of strength.”, said **Patrick Firmenich, Chairman of the Board.***

*“Despite the ongoing challenging macro-economic environment, Firmenich has delivered another year of strong results, with double digit growth in Revenue and Adjusted EBITDA. We have demonstrated leadership and excellence in execution. As always, I want to thank our 11,000 employees who have made this possible. I look forward with excitement to the coming year, which marks the start of a new chapter for Firmenich.”, said **Gilbert Ghostine, CEO of Firmenich.***

Operating Highlights

- Continued to prioritize customer supply, preserving superior OTIF³ service levels, in a particularly challenging global raw material and supply chain environment

¹ 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 Annual Report, versus the same period in the prior year.

² Excluding CHF 72 million of exceptional items that positively affected Free Cash Flow in FY21

³ OTIF – On Time In Full

- Benefited from our ongoing investment in growing segments and differentiated offerings, including Sugar Reduction, Naturals & Renewable Ingredients, Plant-based Foods, Clean & Responsible Fragrances, e-commerce and digital channels
- Continued investment in strategic markets, highlighted by the move to majority ownership of ArtSci in April 2022 to better serve the high-growth Chinese taste market
- Ongoing strategic investment in innovation:
 - o Announced a Scientific Advisory Board in May 2022 to oversee our R&D strategy
 - o Inaugurated a state-of-the-art Creation & Development Centre at Dubai Science Park, to further expand science and innovation capabilities
 - o Launched new biodegradable ingredients such as Muguissimo™ and 100% natural ingredients including Muguet Firgood™
- Raising the bar in ESG: improved our industry-leading Sustainalytics ESG risk score to 7.5, in the top 50 companies rated worldwide; recognized as one of the 2022 World's Most Ethical Companies by Ethisphere; secured a fourth consecutive Triple "A" rating from CDP; and a second consecutive EcoVadis Platinum Sustainability Rating, with an industry-leading score of 88/100, in the top 1% of all companies assessed

FY 2022 Performance

In Fiscal Year 2022, we saw the global economy enter a challenging raw material and supply chain environment, compounded by high geopolitical instability, and new waves of Covid-19 in various regions.

Against this backdrop, we delivered record Revenue growth across the business, as well as double-digit Adjusted EBITDA growth and strong cash generation. We navigated this challenging environment with agility, prioritizing service and safety of supply for our customers. Our trustworthiness as a commercial partner, combined with the competitive advantage provided by our supply vertical integration, has helped us continue to gain market share.

Revenue

Revenue increased +11.1%, reaching CHF 4,723 million. Acquisitions contributed CHF 6 million or +0.1 percentage points to Revenue growth. Foreign exchange had an unfavorable impact of CHF -29 million or -0.7 percentage points, mainly due to the appreciation of the US dollar and the depreciation of the Euro relative to the Swiss Franc. On a reported basis, Revenue increased +10.5% year-over-year.

Perfumery & Ingredients Revenue increased +11.3%, driven by the industry-leading growth and market share gains in Fine Fragrance (+32.5%), and strong customer demand in Ingredients. Consumer Fragrances grew by low single-digits against a backdrop of industry-wide softness.

Taste & Beyond Revenue increased +10.7%, driven by our innovation portfolio and our commercial focus on strategic partnerships with key customers. Our differentiated offering in Sugar Reduction, Naturals & Renewable Ingredients, Plant-based Foods, and Clean & Responsible Fragrances continued to drive growth. We continued to outperform our key competitor, as a leader in our industry.

In the second half of the Fiscal Year, we delivered double-digit Revenue growth of +10.0%, maintaining the momentum that we had at the beginning of the year.

During FY22, on a geographical basis, we achieved strong Revenue growth across all regions and strong momentum in our key geographies, including Europe (+18.9%), India (+13.1%), China (+9.4%), and North America (+5.1%).

Gross Profit and Adjusted EBITDA

Like the rest of the industry, we have witnessed significant inflationary pressure on raw materials, energy and transportation costs, which accelerated in the second half of the year, as well as new waves of Covid-19 affecting

various geographies. We have also faced an unfavorable evolution of foreign exchange rates, linked primarily to the strengthening of the Swiss franc against the Euro and other trading currencies.

We took proactive actions to mitigate the negative effect of these challenges, including pricing in partnership with our customers, and cost discipline. Gross Profit reached CHF 1,847 million, up +5.0% on a reported basis. Gross Margin, as a percentage of Revenue, decreased by -210 basis points compared to the previous year, to 39.1%.

Adjusted EBITDA increased by double-digits to CHF 905 million, up +10.9% year-over-year. Excluding the impact of acquisitions and foreign exchange Adjusted EBITDA would have increased by +13.1%. Including the 12-month impact pro-forma impact of acquisitions, Adj. EBITDA was CHF 916m.

Adjusted EBITDA margin, as a percentage of Revenue, increased to 19.2%, up +10 basis points compared to the previous year. Excluding the impact of acquisitions and foreign exchange, Adjusted EBITDA margin would have increased by +30 basis points.

EBITDA was CHF 798 million, down -8.6% year-over-year, due to the impact of non-recurring expenses linked to the DSM-Firmenich merger. Excluding the impact of acquisitions, foreign exchange and non-recurring expenses related the DSM-Firmenich merger, EBITDA would have increased by +3.2%.

Free Cash Flow

We delivered strong free cash flow generation, reaching an EBITDA to Free Cash Flow conversion ratio of 51.8%, while prioritizing customer service levels and security of supply in a challenging global raw material and supply chain environment.

Free Cash Flow decreased by -19.1% year-over-year to CHF 414 million. On a comparable basis, excluding CHF 72 million of exceptional items that positively affected Free Cash Flow in the previous year, Free Cash Flow decreased by -5.9%. Profit growth was offset by unfavorable working capital, linked to CHF 242 million of higher inventories, as a result of higher safety stocks to preserve customer service, as well as raw material cost inflation.

We will continue balancing customer service with cash generation in line with our commitment to maintaining a strong investment grade credit rating.

Leader in Responsible Business

We are proud to be the industry leader in ESG. Being a responsible business is at the core of our values and is a source of trust and differentiation for our customers, our investors and across all our stakeholders.

To reinforce our Company's commitment to sustainability, in March 2022 we have formally embedded ESG at our highest level of governance, through the creation of a Governance and Sustainability Committee of the Board of Directors.

Our ESG performance continues to receive best-in-class evaluation. We received an enhanced rating from Sustainalytics, with a score of 7.5, improving on our already industry-leading score of last Fiscal Year. This not only places us among the ESG leaders in our industry and the broader Chemicals sector, but also in the global top 50 of approximately 15,000 companies.

For the fourth year in a row, Firmenich was one of only two companies in the world to have received a triple "A" rating from CDP, in Climate, Water and Forests. This is a testament to our efforts to address environmental issues across our operations.

In addition, we also achieved a second consecutive Platinum sustainability rating from EcoVadis, with an industry-leading score of 88% that also places us in the top 1% of all companies assessed worldwide.



At Firmenich, we believe in business for good, and in a world with rising inequalities and social divides, we stand and act for a fairer and more equitable society. Firmenich is now one of only two companies in the world, and the first in our industry, to be globally Living Wage Certified by Fair Wage Network.

Firmenich was ranked 10th out of 350 companies in the World Benchmarking Alliance Food & Agriculture Benchmark. The Food and Agriculture Benchmark measures and ranks keystone companies on key issues underpinning the food systems transformation agenda in line with the United Nations Sustainable Development Goals (SDG).

Consumer demand for natural, sustainable and renewable products is a structural growth trend in our industry. Our leadership in natural ingredients, our strong vertical integration and our innovation in this space, as well as leading ESG credentials, have remained important for retaining and attracting customers as they progress with their own sustainability roadmaps.

As part of Firmenich's program to develop sustainable new ingredients, in the last year we launched Muguissimo™: a new biodegradable lily-of-the-valley ingredient, developed through Green Chemistry, that brings elegant and fresh natural floral notes to fragrances, highly appreciated by perfumers.

Furthermore, we have accelerated our innovation in plant-based protein solutions by launching our latest portfolio of SmartProteins® innovations for the rapidly growing plant-based dairy space.

To help consumers achieve better nutrition and well-being with less sugar, we have continued to develop our NutriGem Nutrition Innovation program, with ready-to-use integrated solutions using fibers, vitamins, minerals, and natural extracts.

Merger with DSM

On 31 May 2022, Firmenich announced that it had entered into a business combination agreement with DSM to establish the leading creation and innovation partner in nutrition, beauty and well-being: DSM-Firmenich.

The combination will bring together Firmenich's unique leading Perfumery and Taste businesses, its world-class science platforms and associated co-creation capabilities with DSM's outstanding Health and Nutrition portfolio and renowned scientific expertise. The merger of DSM-Firmenich will further accelerate innovation for the industry and generate new growth opportunities for customers.

All materials relating to the announcement can be found on the transaction website www.creator-innovator.com.

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Disclosure

This information is provided by Firmenich International SA 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 5 August 2022. 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 127 years. Firmenich is a leading business-to-business company 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 4.7 billion Swiss Francs at end June 2022. More information about Firmenich is available at www.firmenich.com.