



2020

Full-year results
Financial summary

Key figures

Financial Review

For the year ended 31 December

in millions of Swiss francs except earnings per share data	2020	2019
Sales	6,322	6,203
Gross profit	2,659	2,530
as % of sales	42.1%	40.8%
EBITDA^a	1,397	1,275
as % of sales	22.1%	20.6%
Operating income	996	920
as % of sales	15.8%	14.8%
Income attributable to non-controlling interests	-	-
Income attributable to equity holders of the parent	743	702
as % of sales	11.8%	11.3%
Earnings per share – basic (CHF)	80.59	76.17
Earnings per share – diluted (CHF)	79.96	75.59
Operating cash flow	1,133	1,136
as % of sales	17.9%	18.3%
Free cash flow^b	811	787
as % of sales	12.8%	12.7%

a) EBITDA defined as Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

b) Free Cash Flow refers to operating cash flow after net investments, interest paid and lease payments.

For the six months ended 31 December (unaudited)

in millions of Swiss francs except earnings per share data	2020	2019
Sales	3,101	3,109
Gross profit	1,300	1,256
as % of sales	41.9%	40.4%
EBITDA^a	663	615
as % of sales	21.4%	19.8%
Operating income	464	429
as % of sales	15.0%	13.8%
Income attributable to equity non-controlling interests	-	-
Income attributable to equity holders of the parent	330	322
as % of sales	10.6%	10.4%
Earnings per share – basic (CHF)	35.78	34.93
Earnings per share – basic (CHF)	35.48	34.65
Operating cash flow	774	865
as % of sales	25.0%	27.8%
Free cash flow	633	639
as % of sales	20.4%	20.6%

a) EBITDA: Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation. This corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

Key figures

Group

For the year ended 31 December

in millions of Swiss francs	2020	2019
Sales to third parties	6,322	6,203
EBITDA^a	1,397	1,275
as % of sales	22.1%	20.6%
One off items	(45)	(56)
Comparable EBITDA	1,442	1,331
as % of sales	22.8%	21.4%
Operating income	996	920
as % of sales	15.8%	14.8%

a) EBITDA defined as Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

Taste & Wellbeing

For the year ended 31 December

in millions of Swiss francs	2020	2019
Sales to third parties	3,398	3,404
EBITDA^a	720	720
as % of sales	21.2%	21.1%
One off items	(32)	(14)
Comparable EBITDA	752	734
as % of sales	22.1%	21.6%
Operating income	460	487
as % of sales	13.5%	14.3%

a) EBITDA defined as Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

Fragrance & Beauty

For the year ended 31 December

in millions of Swiss francs	2020	2019
Sales to third parties	2,924	2,799
EBITDA^a	677	555
as % of sales	23.2%	19.8%
One off items	(13)	(42)
Comparable EBITDA	690	597
as % of sales	23.6%	21.3%
Operating income	536	433
as % of sales	18.4%	15.5%

a) EBITDA defined as Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

Consolidated financial statements

Consolidated Income Statement

For the year ended 31 December

in millions of Swiss francs, except for earnings per share data	2020	2019
Sales	6,322	6,203
Cost of sales	(3,663)	(3,673)
Gross profit	2,659	2,530
as % of sales	42.1%	40.8%
Selling, marketing and distribution expenses	(848)	(791)
Research and product development expenses	(536)	(528)
Administration expenses	(218)	(221)
Share of results of joint ventures and associates	3	4
Other operating income	45	41
Other operating expense	(109)	(115)
Operating income	996	920
as % of sales	15.8%	14.8%
Financing costs	(86)	(79)
Other financial income (expense), net	(34)	(33)
Income before taxes	876	808
Income taxes	(133)	(106)
Income for the period	743	702
Attribution		
Income attributable to non-controlling interests	–	–
Income attributable to equity holders of the parent	743	702
as % of sales	11.8%	11.3%
Earnings per share – basic (CHF)	80.59	76.17
Earnings per share – diluted (CHF)	79.96	75.59

Consolidated Statement of Comprehensive Income

For the year ended 31 December

in millions of Swiss francs	2020	2019
Income for the period	743	702
Items that may be reclassified to the income statement		
Cash flow hedges		
Movement in fair value, net	(51)	(56)
Gains (losses) removed from equity and recognised in the consolidated income statement	6	6
Movement on income tax	4	4
Exchange differences arising on translation of foreign operations		
Movement in fair value arising on hedging instruments of the net assets in foreign operations	58	51
Currency translation differences	(385)	(99)
Movement on income tax	5	(6)
Items that will not be reclassified to the income statement		
Defined benefit pension plans		
Remeasurement gains (losses) of post-employment benefit obligations	46	(91)
Movement on income tax	(5)	(3)
Other comprehensive income for the period	(322)	(194)
Total comprehensive income for the period	421	508
Attribution		
Total comprehensive income attributable to non-controlling interests	–	–
Total comprehensive income attributable to equity holders of the parent	421	508

Consolidated financial statements

Consolidated Statement of Financial Position

As at 31 December

in millions of Swiss francs	31 December 2020	31 December 2019
Assets		
Cash and cash equivalents	411	452
Derivative financial instruments	54	24
Financial assets at fair value through income statement	4	4
Accounts receivable - trade	1,359	1,365
Inventories	1,201	1,149
Current tax assets	66	50
Prepayments	50	35
Other current assets	154	163
Current assets	3,299	3,242
Derivative financial instruments	65	1
Property, plant and equipment	2,222	2,326
Intangible assets	4,543	4,286
Deferred tax assets	218	211
Post-employment benefit plan assets	20	32
Financial assets at fair value through income statement	180	177
Interests in joint ventures and investments in associates	35	34
Other long-term assets	76	87
Non-current assets	7,359	7,154
Total assets	10,658	10,396

in millions of Swiss francs	31 December 2020	31 December 2019
Liabilities and equity		
Short-term debt	206	335
Derivative financial instruments	49	29
Accounts payable - trade and others	809	833
Accrued payroll and payroll taxes	211	189
Current tax liabilities	157	111
Financial liability - own equity instruments	108	108
Provisions	23	18
Other current liabilities	233	207
Current liabilities	1,796	1,830
Derivative financial instruments	103	79
Long-term debt	4,245	3,796
Provisions	71	69
Post-employment benefit plan liabilities	545	601
Deferred tax liabilities	310	280
Other non-current liabilities	80	82
Non-current liabilities	5,354	4,907
Total liabilities	7,150	6,737
Share capital	92	92
Retained earnings and reserves	6,133	5,961
Own equity instruments	(168)	(168)
Other components of equity	(2,567)	(2,245)
Equity attributable to equity holders of the parent	3,490	3,640
Non-controlling interests	18	19
Total equity	3,508	3,659
Total liabilities and equity	10,658	10,396

Consolidated financial statements

Consolidated Statement of Changes in Equity

For the year ended 31 December

2020 in millions of Swiss francs	Share Capital	Retained earnings and reserves	Own equity instruments	Cash flow hedges	Currency translation differences	Remeasurement of post employment benefit obligations	Equity attributable to equity holders of the parents	Non- controlling interests	Total equity
Note	27	27	26, 27			8			
Balance as at 1 January	92	5,961	(168)	(107)	(1,613)	(525)	3,640	19	3,659
Income for the period		743					743	–	743
Other comprehensive income for the period				(41)	(322)	41	(322)		(322)
Total comprehensive income for the period		743		(41)	(322)	41	421	–	421
Dividends paid		(571)					(571)		(571)
Movement on own equity instruments, net			–						
Non-controlling interests								(1)	(1)
Net change in other equity items		(571)					(571)	(1)	(572)
Balance as at 31 December	92	6,133	(168)	(148)	(1,935)	(484)	3,490	18	3,508
2019 in millions of Swiss francs	Share Capital	Retained earnings and reserves	Own equity instruments	Cash flow hedges	Currency translation differences	Remeasurement of post employment benefit obligations	Equity attributable to equity holders of the parents	Non- controlling interests	Total equity
Note	27	27	26, 27			8			
Balance as at 1 January	92	5,811	(142)	(61)	(1,559)	(431)	3,710	22	3,732
Income for the period		702					702	–	702
Other comprehensive income for the period				(46)	(54)	(94)	(194)		(194)
Total comprehensive income for the period		702		(46)	(54)	(94)	508	–	508
Dividends paid		(552)					(552)		(552)
Movement on own equity instruments, net			(26)				(26)		(26)
Non-controlling interests								(3)	(3)
Net change in other equity items		(552)	(26)				(578)	(3)	(581)
Balance as at 31 December	92	5,961	(168)	(107)	(1,613)	(525)	3,640	19	3,659

Consolidated financial statements

Consolidated Statement of Cash Flows

For the year ended 31 December

in millions of Swiss francs	2020	2019
Income for the period	743	702
Income tax expense	133	106
Interest expense	80	68
Non-operating income and expense	40	44
Operating income	996	920
Depreciation of property, plant and equipment	201	193
Amortisation of intangible assets	187	161
Impairment of long-lived assets	13	1
Other non-cash items		
- share-based payments	56	41
- pension expense	49	38
- additional and unused provisions, net	20	12
- other non-cash items	(18)	-
Adjustments for non-cash items	508	446
(Increase) decrease in inventories	(68)	(28)
(Increase) decrease in accounts receivable	(76)	(101)
(Increase) decrease in other current assets	(19)	25
Increase (decrease) in accounts payable	27	108
Increase (decrease) in other current liabilities	2	(19)
(Increase) decrease in working capital	(134)	(15)
Income taxes paid	(125)	(106)
Pension contributions paid	(40)	(37)
Provisions used	(16)	(21)
Purchase and sale of own equity instruments, net	(56)	(51)
Cash flows from (for) operating activities	1,133	1,136

in millions of Swiss francs	2020	2019
Increase in long-term debt	1,405	660
(Decrease) in long-term debt	(784)	(184)
Increase in short-term debt	3,044	2,904
(Decrease) in short-term debt	(3,300)	(2,919)
Cash flows from debt, net	365	461
Interest paid	(53)	(51)
Purchase and sale of derivative financial instruments, net	(19)	-
Lease payments	(52)	(52)
Transactions of non-controlling interest	(7)	(3)
Other, net	(9)	(7)
Cash flows from financial liabilities	225	348
Distribution to the shareholders paid	(571)	(552)
Cash flows from (for) financing activities	(346)	(204)
Acquisition of property, plant and equipment	(188)	(275)
Acquisition of intangible assets	(39)	(45)
Acquisition of subsidiaries, net of cash acquired	(629)	(478)
Proceeds from the disposal of property, plant and equipment	8	74
Proceeds from sales of intangible assets	2	-
Proceeds from disposal of investment property		2
Interest received	3	6
Dividend received from joint ventures and associates	1	2
Purchase and sale of financial assets at fair value through income statement, net	(3)	(105)
Impact of financial transactions on investing, net	25	(29)
Other, net	1	(43)
Cash flows from (for) investing activities	(819)	(891)
Net increase (decrease) in cash and cash equivalents	(32)	41
Net effect of currency translation on cash and cash equivalents	(9)	(12)
Cash and cash equivalents at the beginning of the period	452	423
Cash and cash equivalents at the end of the period	411	452