Flavours and Fragrances Industry

Earnings season **2026 Q2**

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INTRODUCING

A streamlined approach to the earnings scramble

Every earnings season, major flavours and fragrances (F&F) earnings reports drop over a few short weeks. You've likely spent weekends buried in IFF's report and Symrise's earnings transcripts while leadership asks, “Is my competitive landscape overview ready yet?”

What you'll find in the pages ahead is a streamlined approach to the earnings season scramble: 70% of the quarterly analysis work has been done for you consolidated, validated, and reviewed by industry analysts leaving you time for strategic thinking about what this means for your business.

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Synthesis

2026 Q2 Earnings Season - Flavours and Fragrances

Portfolio reshaping through divestitures and bolt-on M&A is accelerating

Companies are actively restructuring toward higher-margin, innovation-led categories rather than relying on organic growth alone:

- IFF agreed to divest its Food Ingredients business to CVC Capital Partners to create a higher-margin, higher-growth company
- Givaudan acquired a majority stake in Eurofragance and partnered on encapsulation technology to strengthen its fragrance innovation capabilities
- Symrise divested its Aqua Feed business and moved to buy Floral Concept, targeting the premium naturals fragrance segment

Geographic growth is divided between emerging and mature markets

Emerging markets are consistently outperforming Europe and North America across the sector:

- Robertet reported 21% growth in Latin America (led by Brazil) and 12% in Asia (led by Indonesia and India), against a 1% decline in Europe and North America
- Symrise saw Asia Pacific grow 12.3% and North America 9.6%, while EAME and Latin America both declined
- Sentiment improved on easing Middle East tensions rather than genuine demand recovery in mature markets, prompting companies to respond with shared capacity investment, new plants, and creation centers across Asia and Latin America

Margin gains are uneven and remain vulnerable to cost and geopolitical shocks

Despite broadly positive revenue trends, profitability improvement is inconsistent across the sector:

- Sensient and DSM-Firmenich achieved clear margin expansion through operating leverage, pricing, and cost-efficiency programs
- Robertet and Givaudan both saw margins pressured by logistics costs tied to Middle East disruption and by non-recurring or input-cost items
- This indicates that cost discipline and portfolio mix, more than topline momentum, are now the key differentiators of marginperformance across the group

Regulatory and innovation trends are creating durable, differentiated growth drivers

Product innovation tied to regulatory change and shifting consumer preferences is emerging as a structural growth lever rather than cyclical one:

- Sensient's natural color conversion business is being accelerated by the US synthetic Red 3 ban and similar regulatory trends
- IFF highlighted growth in biologicals and next-generation food-science innovation as part of its post-divestiture growth pipeline
- Robertet and DSM-Firmenich both pointed to scientific and R&D investment (Health & Beauty, Perfumery & Beauty) as sources of premium, higher-margin growth

What's the sentiment?

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REVENUE GROWTH	Growth was broadly positive across the industry, with majority of companies posting comparable sales gains driven by volume strength across business lines, while a minority saw more moderate results distorted by currency and tariff effects rather than weaker underlying demand. The clearest cross-company pattern is that currency-neutral or organic growth remained solidly positive even where reported figures were dampened by FX headwinds, suggesting underlying demand across the sector is healthier than headline numbers indicate.
PROFITABILITY	Profitability trends were more divided than revenue, yet favorable. IFF, DSM-Firmenich, and Sensient expanded margins through volume leverage, pricing, and productivity gains, while Givaudan and Symrise saw margins compress under input-cost and logistics pressure. The pattern points to a widening gap between companies converting growth into margin (Sensient's natural colour mix shift, DSM-Firmenich's restructuring benefits) and those absorbing cost inflation without full pricing offset.
MARKET DYNAMICS	Conditions remained volatile across the sector, shaped by geopolitical tension in the Middle East, currency swings, and uneven regional demand. Symrise and Givaudan both cited Middle East-related disruption affecting logistics costs and Fine Fragrance demand, while DSM-Firmenich noted improving customer sentiment as those tensions eased. A consistent theme is the divergence between resilient Asia Pacific and Latin America demand versus a cautious, "wait-and-see" environment in Europe and North America.
GROWTH OUTLOOK	The sector outlook skews positive but is tempered by continued caution among companies most exposed to currency and tariff volatility. IFF, DSM-Firmenich, and Sensient issued constructive or raised guidance, while Givaudan and Robertet struck a more cautious tone. DSM-Firmenich guided to the higher end of its 2-4% target and Sensient guided to high-single to low-double-digit growth, whereas Givaudan offered no explicit growth guidance amid tariff uncertainty.
PROFITABILITY OUTLOOK	The overall signal suggests most companies expect cost discipline and pricing to protect margins, though Givaudan's outlook shows profitability recovery is not yet broad-based. IFF, DSM-Firmenich, Symrise, and Sensient all reaffirmed or raised margin/EBITDA targets, while Givaudan flagged continued margin contraction from non-recurring costs and investment. Sensient's mid-to-high-teens EBITDA growth guidance and DSM-Firmenich's reaffirmed around 20% margin target anchor the positive skew.

What’s the sentiment?

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	OVERALL	iff	Givaudan	dsm-firmenich	symrise	ROBERTET	SENSIENT
REVENUE GROWTH	Positive	Positive	Negative	Positive	Positive	Neutral / Mixed	Positive
PROFITABILITY	Positive	Positive	Negative	Positive	Neutral / Mixed	Not mentioned	Positive
MARKET DYNAMICS	Neutral / Mixed	Neutral / Mixed	Negative	Positive	Neutral / Mixed	Neutral / Mixed	Neutral / Mixed
GROWTH OUTLOOK	Positive	Positive	Neutral / Mixed	Positive	Positive	Neutral / Mixed	Positive
PROFITABILITY OUTLOOK	Positive	Positive	Negative	Positive	Positive	Not mentioned	Positive

Positive Neutral / Mixed Negative

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Note: A grey bubble = not mentioned in the earnings update. Hence no sentiment can be derived from its reporting on these developments

Overview of results (1/2)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)		OPER. PROFIT (%PT. DEV.)		KEY DRIVERS	INSIGHTS & OUTLOOK
IFF	2026 – Q2 3 months 06/30/2026[1]	€ 1,732M	(+1,8%)	8,1%	(+0,7%)	• +5.0% Taste sales • +8.0% Health & Biosciences • +10.0% Scent	• IFF delivered broad-based revenue growth across all three continuing-operations segments, led by strength in Scent from fragrance ingredients demand, alongside gains in Health & Biosciences and Taste. • Profitability improved on a currency-neutral basis, supported by volume growth and productivity gains, with margin expansion evident across the portfolio. • IFF agreed to divest its Food Ingredients business to sharpen focus on higher-margin categories, while expanding its share repurchase program to reinforce shareholder value and signal confidence in the transformed portfolio.
Givaudan	2026 – H1 6 months 06/30/2026[1]	€ 4,055M	(-1,7%)	16,7%	(-3.0%)	• +3.6% LFL sales • -1.7% sales in CHF due to continued strength of the currency • +6.5% LFL in Fragrance & Beauty • +0.5% LFL in Taste & Wellbeing	• Givaudan delivered volume-led sales growth across divisions, with Fragrance & Beauty showing strong momentum in Consumer Products and Fine Fragrance, while taking a currency-driven sales hit. • Profitability margin contracted year-over-year, reflecting pressure despite the underlying volume-led growth. • The company expanded its portfolio through the acquisitions of Belle Aire Creations and Vollmens Fragrances, while management expressed confidence in sequential margin improvement in Taste & Wellbeing alongside continued strength in Fragrance & Beauty.
DSM-Firmenich	2026 – Q2 3 months 06/30/2026[1]	€ 2,388M	(+3,7%)	Adj. EBITDA* 19.5%	(+0,1%)	• +6.0% LFL sales growth • +7.0% LFL Perfumery & Beauty • +6.0% LFL Taste, Texture & Health • +4.0% LFL Health, Nutrition & Care	• DSM-Firmenich delivered volume-led sales growth across all business units, with Perfumery & Beauty leading through robust fine fragrance performance and stronger customer traction in regional accounts. • Adjusted EBITDA margin improved sequentially, supported by favorable product mix, disciplined cost management, and early benefits from cost-saving initiatives. • The company advanced its €500 million share buyback program and restructuring efforts targeting €100 million in savings, with management guiding FY 2026 sales growth toward the higher end of its range alongside continued margin gains.

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1. End date of the period

Overview of results (2/2)

COMPANY	PERIOD	NET SALES (€ M AND % DEV.)		OPER. PROFIT (%PT. DEV.)		KEY DRIVERS	INSIGHTS & OUTLOOK
Symrise	2026 – Q2 3 months 06/30/2026[1]	€ 1,290M	(+4,3%)	n/a		• -0.2% adverse portfolio effect from termination of Aqua Feed business • +4.4% Taste, Nutrition & Health sales • +4.1% Scent & Care	• Symrise's organic sales growth was led by strong demand in Food & Beverage, particularly Savory and Naturals—along with Consumer Fragrance and Aroma Molecules, while Pet Food declined. • Adjusted EBITDA margin for H1 improved on efficiency measures, though gains were partly offset by higher logistics costs tied to geopolitical tensions. • Strategically, the planned acquisition of Floral Concept will strengthen Symrise's position in premium naturals and extend its flavors success into fragrances, with management reaffirming full-year sales growth and margin guidance.
Robertet Group	2026 – H1 6 months 06/30/2026[1]	€ 444M	(-0,4%)	n/a		• +2.8% organic growth • -3.0% FX Effect • -0.3% Scope effect	• Robertet's overall revenue slightly decreased, as strong momentum in Fragrances and Health & Beauty was offset by declines in Raw Materials and Flavors following tough prior-year comparisons and a cautious market backdrop. • The company continued to invest in geographic expansion, including a new creation center in Brazil and ramped-up production in Indonesia, while reaffirming its long-term growth ambitions and planning pricing actions to offset rising input costs.
Sensient	2026 – Q2 3 months 06/30/2026[1]	€ 410M	(+11,6%)	16,6%	(+2,7%)	• +4.9% Flavors & Extracts revenue • +20.6% Color • +11.3% Asia Pacific	• Sensient delivered strong revenue growth driven by accelerating natural color conversions and new sales wins, with the Color Group leading performance through a sharp increase in both revenue and operating profit. • Margin improvement was broad-based across segments, supported by volume gains, favorable pricing strategies, and disciplined cost control. • Sensient continued investment in production capacity and supply chains supports progress toward the company's € 1 billion sales target, with management guiding confident growth into the second half of the year.

1. End date of the period

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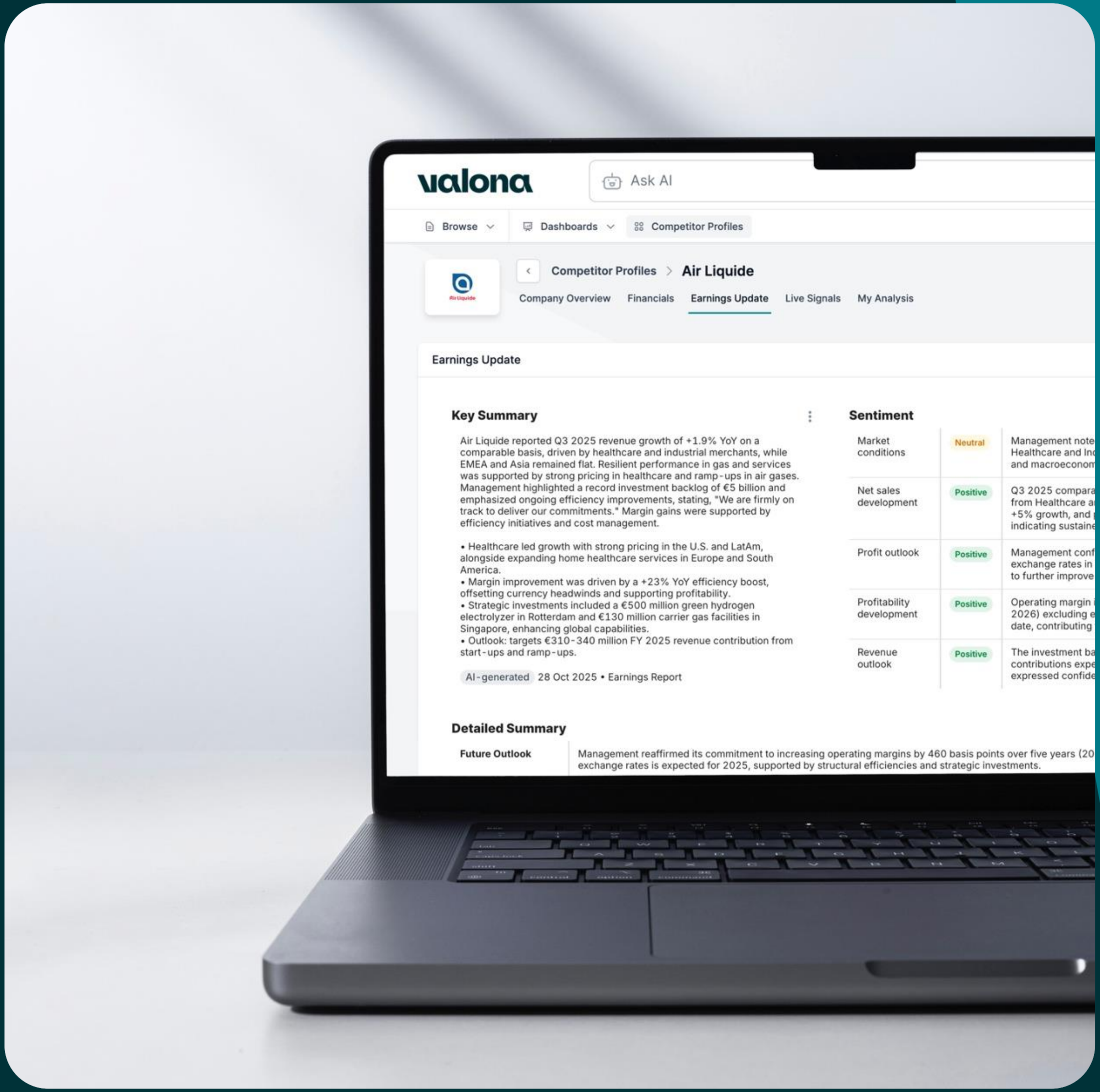

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