



# Symrise AG

## *Investor Presentation*

**Sales: €3.2bn\***

**EBITDA-margin: 20%\***

Symrise offers

**~30,000**

*innovative fragrances and flavors,  
cosmetic ingredients and pet  
food ingredients.*

Based on

**~10,000**

**mostly natural raw  
materials**

*including vanilla, citrus products, onions, fish,  
meat and flower and plant materials, these  
products are custom-tailored for every region  
of the world.*



*Symrise's products provide exciting flavor and  
fragrance experiences and contribute to the  
health and well-being of consumers in*

**~160**

**countries around  
the world.**



**~10,000**  
**employees**



*around the world make up the company.  
Their hard work, passion and diversity are  
key to the company's success.*

# Our Mission & Vision

## How we measure up & what drives us forward



**We are** a global supplier of fragrances, flavors, food and cosmetic ingredients. Its clients include manufacturers of perfumes, cosmetics, food and beverages, pharmaceuticals and producers of nutritional supplements and pet food.

**We strive** to ensure long-term-oriented value creation and allow all of our stakeholders to participate in the company's success. We take responsibility by fulfilling our motto of "always inspiring more ..." day after day.

**We combine** our knowledge of consumers' everchanging needs with creativity and groundbreaking technologies. At the same time, we concentrate on developing customized product solutions, which often contain healthpromoting or nurturing properties.



We take our responsibilities seriously letting our creativity unfurl with a focus on the highest quality along with sustainable processes and products. This makes even the most everyday items a special experience for consumers and their loved ones. In this way we fulfill our motto of "always inspiring more ..." day after day.

# Our Industry

## *An attractive niche*



### ***Megatrends support organic growth:***

*...health & wellness ... middle class boom & urbanization ... naturalness & sustainability ... traceability ... vegetarian/vegan/halal/kosher food ...*

**Industry tied to population growth and disposable income;** *little dependence on cyclical, economic trends.*

### **High market concentration**

*top 4 (Givaudan, IFF, Firmenich and Symrise) with ~47%.*

**Global footprint key** *to meet local tastes & preferences.*

**‘Sweet spot’ in value chain:** *only a small fraction of product costs (1-5%), but a key buying criteria.*

**Sustainability & supply chain management** *increasingly important.*

**High barriers to entry** *e.g. core list system and increasing regulatory pressure.*

**Tailor-made products** *with generally small volumes and decreasing product life cycles.*

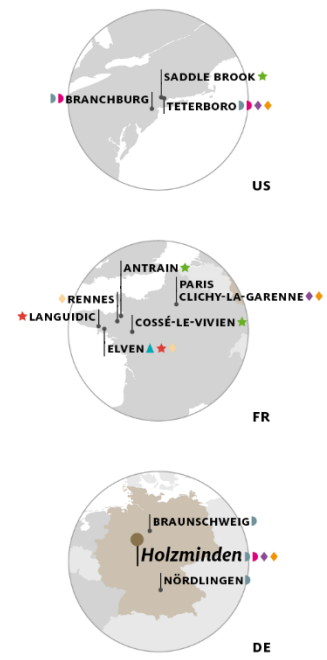
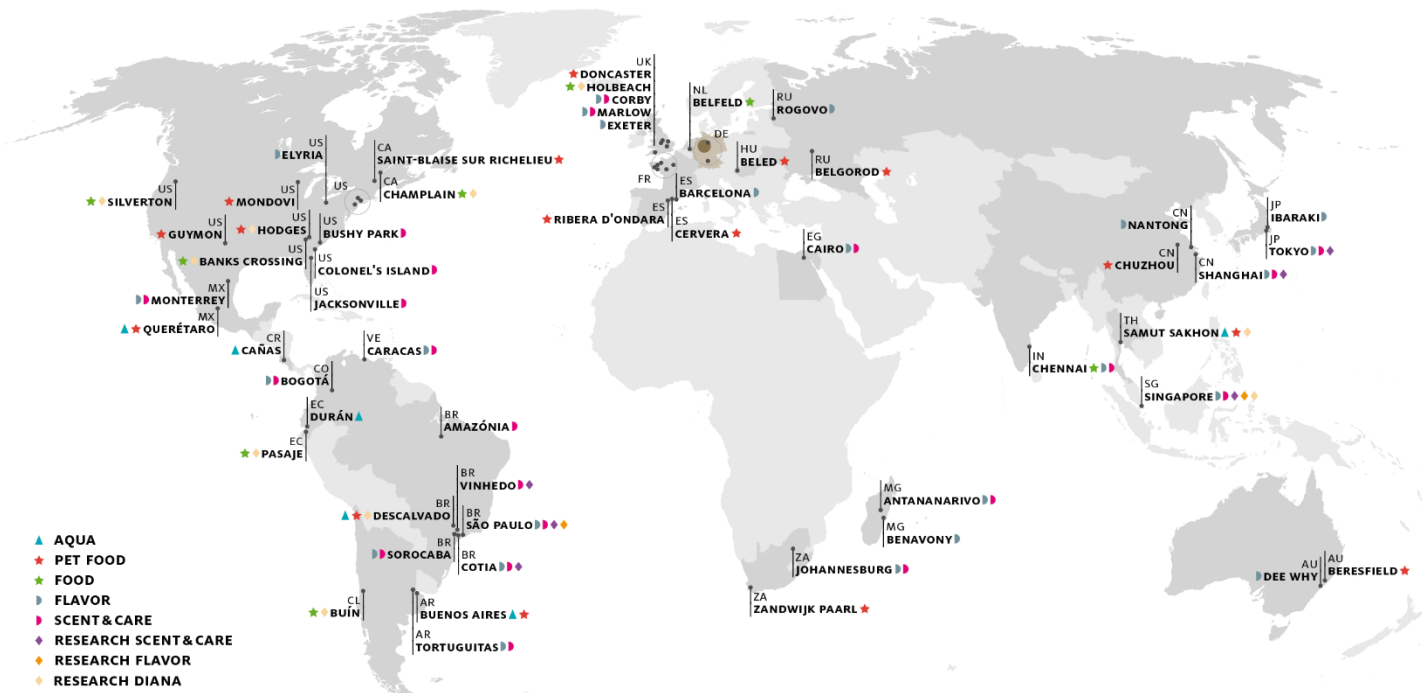
### **Handling complexity for our clients.**

*Managing ~10,000 raw materials for ~30,000 products.*

**Short-term visibility** *requires flexibility, mobility and agility.*

# Our Global Footprint






>100 sites around the World



# Our Organizational Structure

*We operate our business through three segments*

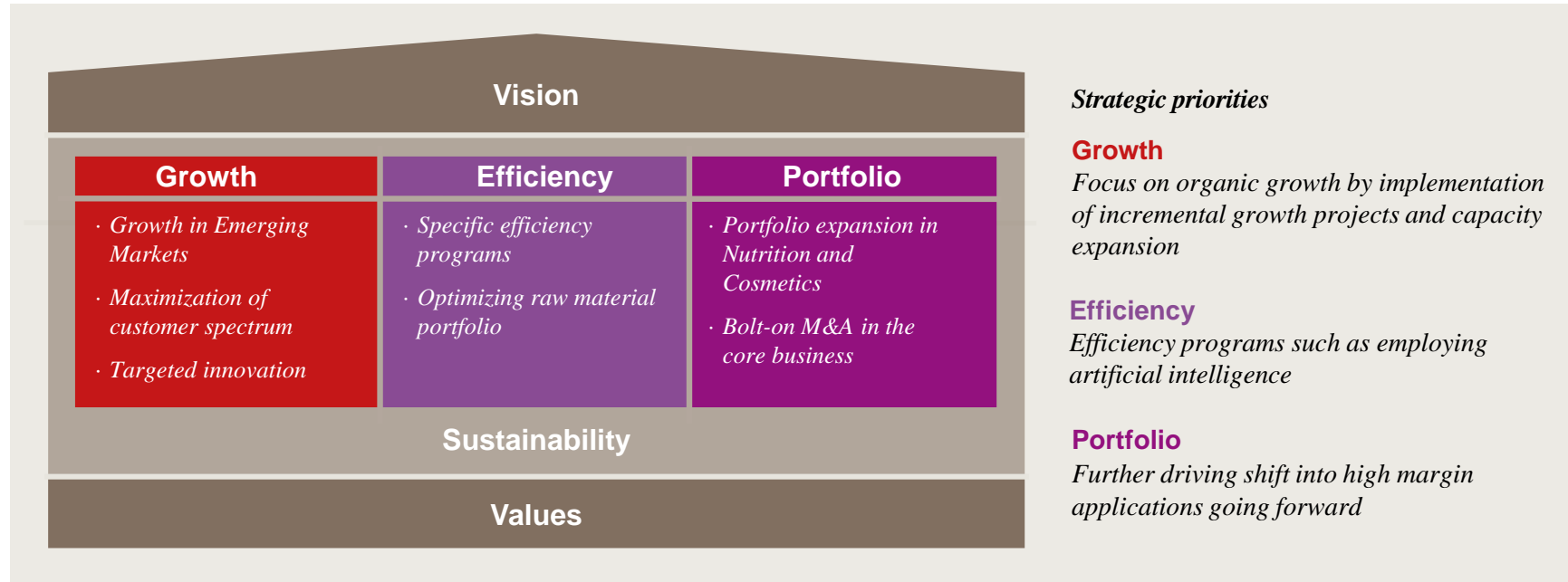


				
FLAVOR	NUTRITION	SCENT & CARE		
<p><b>Flavor</b> <i>Beverages</i> <i>Savory</i> <i>Sweet</i></p>	<p><b>Diana</b> <i>Food</i> <i>Pet food</i> <i>Aqua</i> <i>Probi</i><sup>1</sup></p>	<p><b>Fragrances</b> <i>Fine fragrances</i> <i>Consumer fragrances</i> <i>Oral care</i></p>	<p><b>Cosmetic Ingredients</b> <i>Cosmetic actives</i> <i>Sun protection</i></p>	<p><b>Aroma Molecules</b> <i>Scent components</i> <i>Menthol</i> <i>Cooling substances</i></p>

<sup>1</sup> Probi AB is listed in Sweden; Symrise owns 57.65% as per December 31, 2018

# Our Corporate strategy

*Consequent strategy implementation pays off*





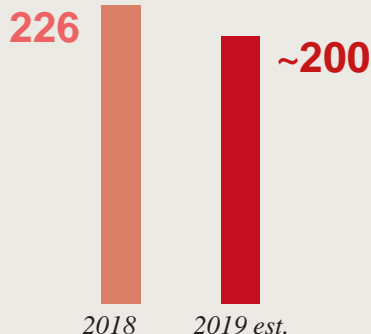
# Driving growth through targeted investments ... especially in R&D, technology and capacity expansion



## Selected growth initiatives and capacity expansion

In €m

7.2% 5-6%  
of group sales



2018

### Pet Food

Elven/France  
Production. €10m



### Pet Food

Cervera/Spain  
Production. €7m



### Fragrances

Shanghai/China  
R&D. €8m



### Cosmetic Ingredients

Charleston/USA  
Production. €20m



2018

### Flavors

Branchburg/USA  
Technology. €10m



### Food Ingredients

Banks County/USA  
Production. €50m



### Aroma Molecules

Holzminden/Germany  
Production. €10m



2019

### Fragrances

Holzminden/Germany  
Technology. €15m



### Menthol

Charleston/USA  
Production. €30m



### Fragrances/Flavors

Nantong/China  
Production. €50m



### Logistic

Holzminden/Germany  
New Site. €10m



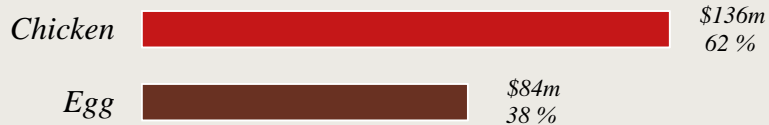


# ... and carefully selected acquisitions like ADF/IDF

## *A unique provider of meat- and egg-based protein*



ADF/IDF is operating 2 business segments...



... serving a diversified client base

### Key multinationals

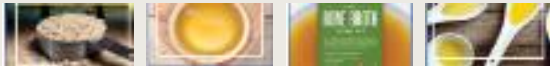
*Long-standing relationship  
Recurring and stable revenue*

### Growing regional brands

*Fostering product innovation  
Providing further growth potential*

### Meat-based ingredients

- Chicken-based ingredients for pet food and food
- Pet food: supporting trend of quality increase in ingredients by providing protein specialties
- Food: pioneer in clean label & natural taste solutions



Protein

Broth

Bone Broth

Fat

### Egg-based ingredients

- Egg-based ingredients for pet food
- Leading provider of egg-based protein specialties
- Supporting premium and super-premium pet food brands to develop non-extruded products that mirror human food



Nutritional  
egg

Binding  
egg

Emulsifying egg

... already fully refinanced

- 400m capital increase
- 250m Schuldschein (promissory note)
- 200m term loan

# Backward integration

*Serving the trend towards naturals & traceability*



**1. Strategic acquisitions** that enable us to move closer to the origin of the raw materials we process.



**3. Partnerships** e.g. onion field studies in cooperation with the HOL Onion Ring



**2. Social engagement** to improve the living conditions in regions like Madagascar and Brazil by investing in local infrastructure, education and social benefits such as health insurance.



**4. Long-term contracts** and sustainability partnerships with commitment to purchase e.g. for d/l-menthol or bergamot.

Industry-leading backward integration

Naturals and synthetics, e.g. Vanilla, Onion, Citrus and Menthol

No. 1 supplier of fragrance raw materials<sup>1</sup>

Sustainable partnership with farmers worldwide

Serving the trend towards naturals & traceability

Securing access to key raw materials

**Ambition**

100% traceability of strategic raw materials by 2020

<sup>1</sup> E.g. > 80% of oral care compounds are homemade (Menthol, Anethol, Carvone and Cooling compounds)

# Scent & Care using Artificial Intelligence

*O Boticario Fragrances Egeo ON You and ON Me*



**June 2019 : The first PHILYRA project launched with *O Boticario*, the #1 Brazilian Fragrance Company**

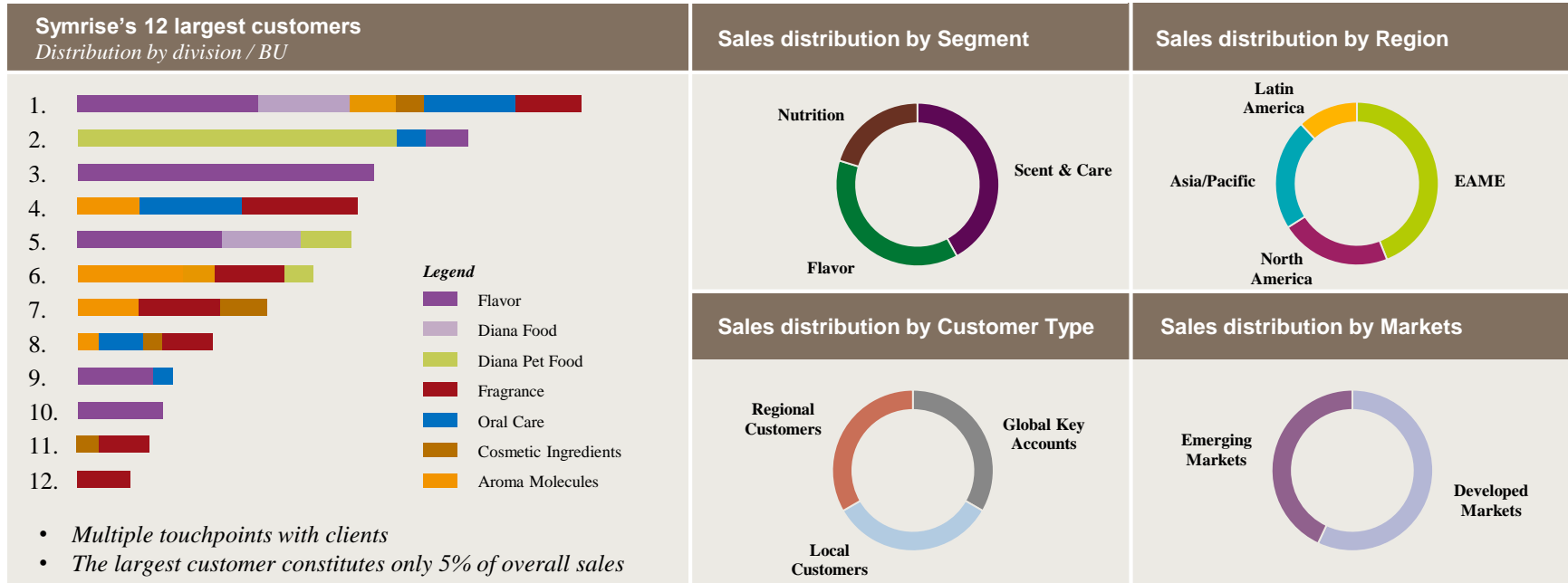
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*PHILYRA created two fine fragrances for the youth-oriented EGEO brand*

*The AI fragrances scored higher than market fragrances in consumer blind-tests for liking*

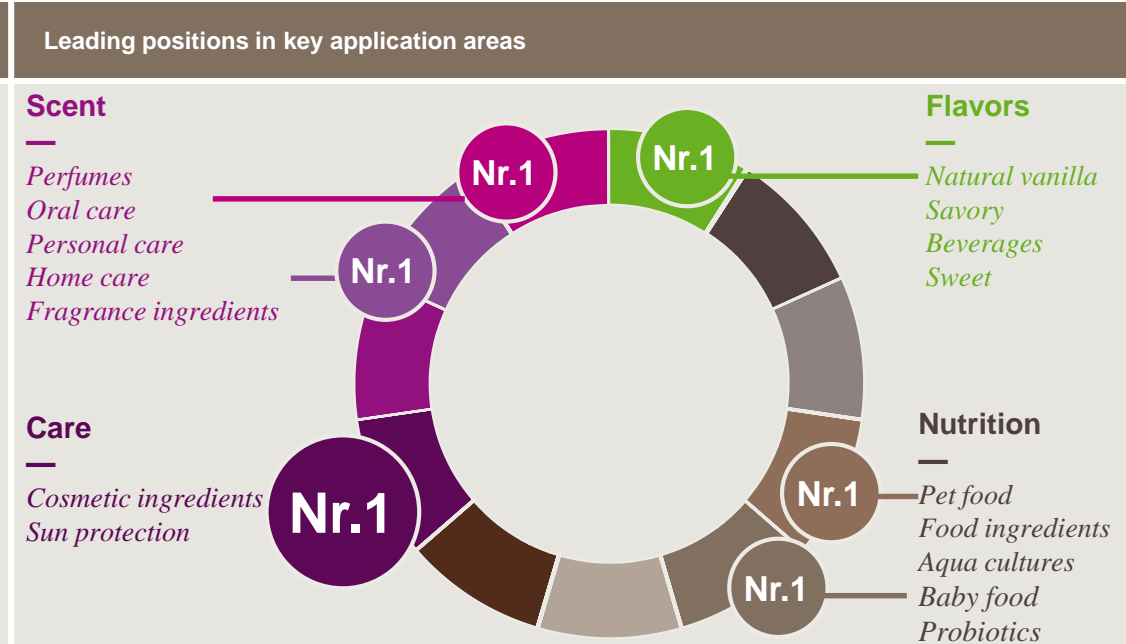
# Well-balanced Business Portfolio

*across segments, customers, regions and markets*



# Expansion beyond traditional Flavor & Fragrances

*A unique portfolio with new growth areas*



# “Vanilla for Change” initiative

*Shaping the future of young people in Madagascar and the UK*



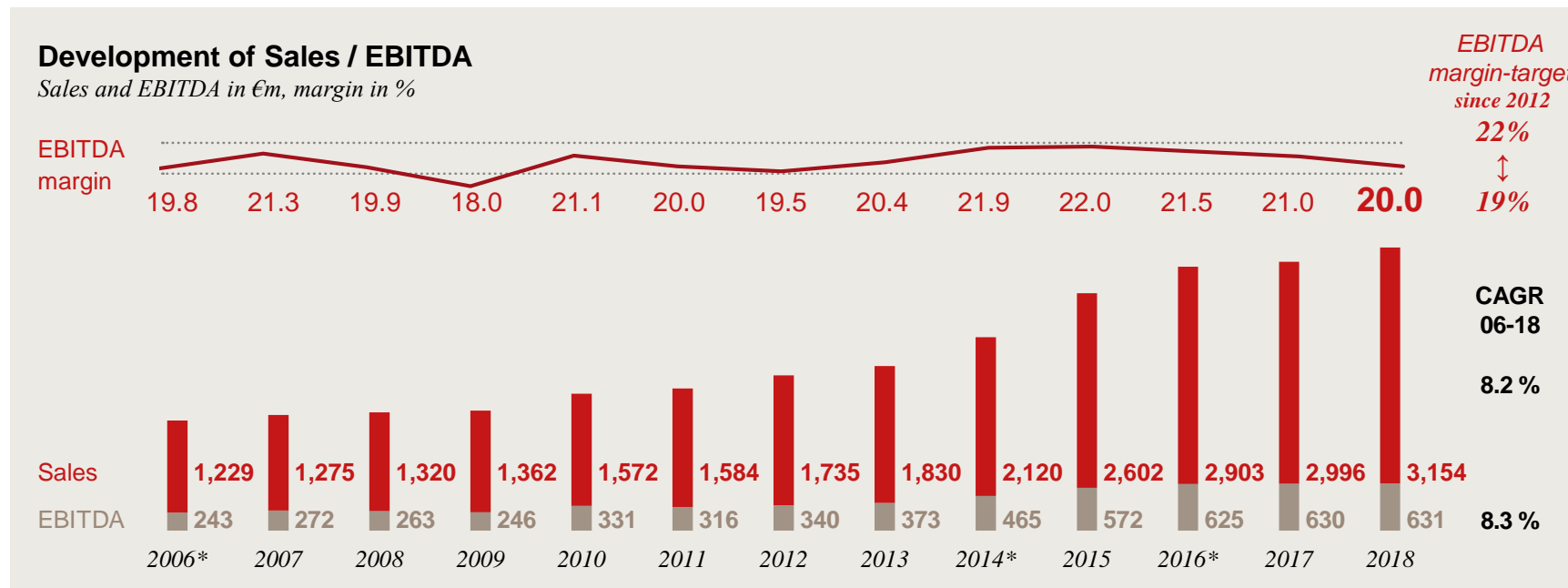
## “Vanilla for Change” initiative

- **Joint initiative** with Unilever, its brand Wall’s, Save the Children, ME to WE and Symrise, launched on May 17, 2019
- Goal is to **reinforce the support** for vanilla farmers and young people within the vanilla communities in Madagascar and young people in the UK
- UK consumers find a **‘Track Your Impact’ QR code** on each Wall’s vanilla ice cream and can learn about their specific contribution
- **Benefits** provided include health insurance, financial seminars and training for farmers, and resources and learning opportunities for teachers and students
- Promoting multiple **UN SDGs**



# Financial Performance

## *Profitable growth since IPO*



\*EBITDA adjusted for restructuring and integration expenses



# Financial Highlights H1 2019

## *Continued strong performance*



### Sales

€ **1,692m**

+6.2%  
Organic growth

**+7.4%**  
in Reporting  
currency

### Business Free Cash Flow

**7.8%**

vs. 7.3 % H1 2018

### Net debt / EBITDA(N)<sup>1</sup>

**1.8x**

Incl. provisions for  
pensions 2.7x



### EBITDA(N)<sup>1</sup> margin

**20.8%**

### EBITDA(N)<sup>1</sup>

€ **351m**

### Net income<sup>1</sup>

€ **153m**

### Earnings per share<sup>1,2</sup>

€ **1.14**

### Outlook 2019:

Improved EBITDA(N)<sup>1</sup> margin of

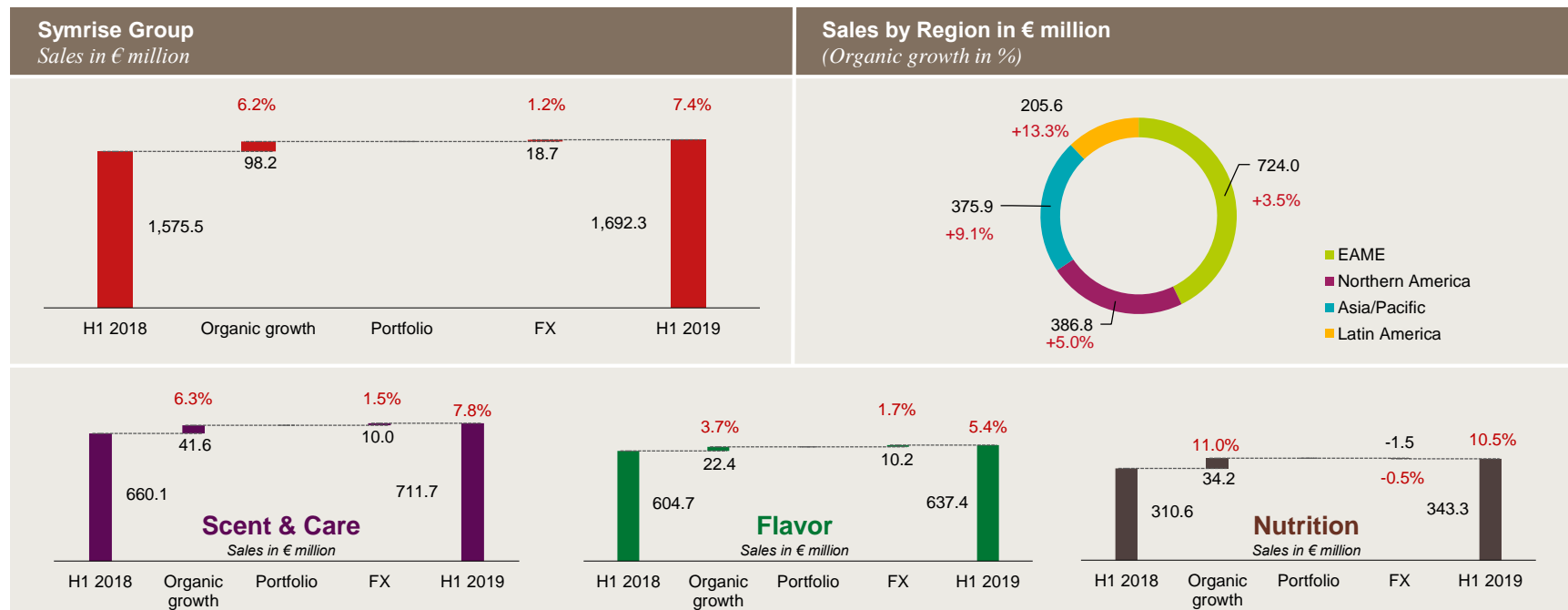
**~21%**

<sup>1</sup> Adjusted for ADF/IDF transaction cost / including IFRS 16 effect

<sup>2</sup> Undiluted, attributable to shareholders of Symrise AG

# H1 2019

## On track for strong growth



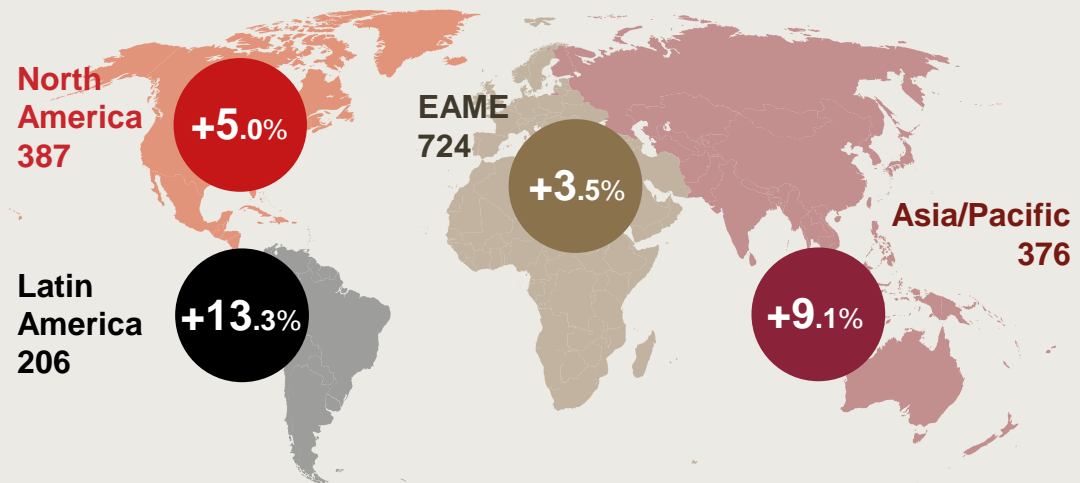
# Sales by region H1 2019

*Latin America and Asia/Pacific the strongest growth drivers*



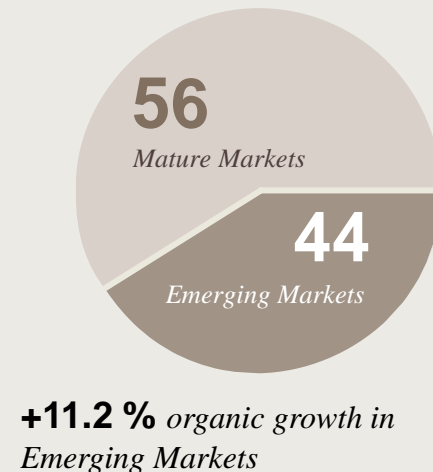
## By region

*In € m (organic growth in %)*



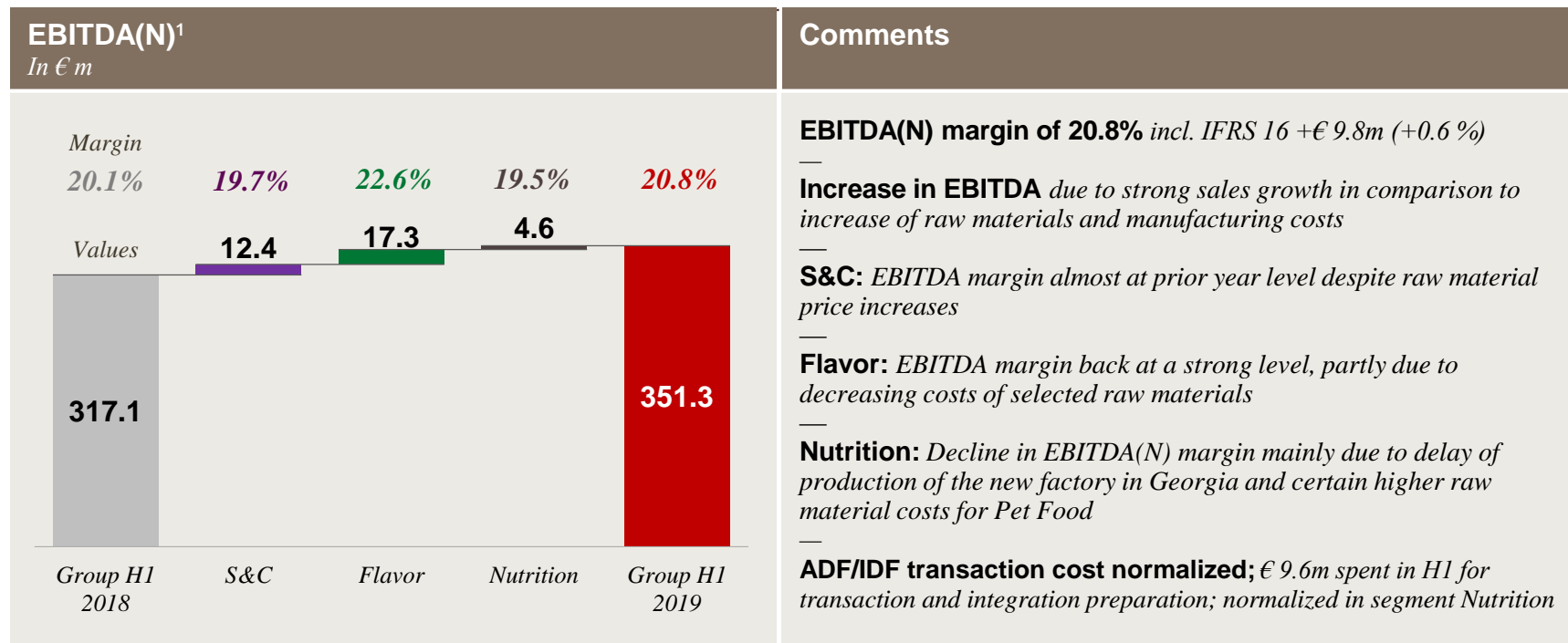
## By Markets

*as % of Group sales*



# EBITDA(N) H1 2019

*Profitability at a good level with a margin of 20.8 %*



<sup>1</sup> 2019 values include impact of IFRS 16

# Operational Highlights H1

## *Strategy execution to achieve objectives 2019*



### Growth

**Menthol:** ramp up of new plant in the US, start of production in Q3

—  
**Flavor:** opening of liquid plant in Russia

—  
**Fragrances:** expansion of production in Holzminden



### Efficiency

**Cosmetic Ingredients:** opening of new development center in Holzminden

—  
**Vanilla for Change:** Unilever, Save the Children, ME to WE initiative dedicated to purpose-driven ice cream brands with society benefits



### Portfolio

**Acquisition ADF/IDF:** US-based provider of natural protein solutions (Closing in H2 expected)

—  
**Acquisition Cutech:** Italian-based expert in bio-analytical screening methods



# Outlook specified for 2019

*Normalized EBITDA margin of around 21 %*



Targets 2019		Growth dynamics
<p>Organic growth</p> <p><b>5-7%</b></p> <p>CAGR</p>		<p>—</p> <p><b>Strategically well-positioned</b>, <i>sustainable growth opportunities through differentiated portfolio</i></p> <p>—</p> <p><b>Added competencies</b> <i>through integration of ADF/IDF</i></p> <p>—</p> <p><b>Industry-leading backward integration</b> <i>with focus on renewable raw materials</i></p> <p>—</p> <p><b>Growth dynamics</b> <i>will lead to higher profitability in 2019</i></p> <p>—</p> <p><b>Business Free Cash Flow</b> <i>expected to reach double-digit percentage range of sales for fiscal year</i></p>
<p>Increased Profitability</p> <p><b>~21%</b></p> <p>EBITDA(N)<sup>1</sup> margin</p>	<p>New KPI: Cash flow</p> <p><b>&gt;10%</b></p> <p>Business Free Cash Flow</p>	

<sup>1</sup> Excluding ADF/IDF, including IFRS 16 effect

# Objectives 2025

*supported by our proven strategy*



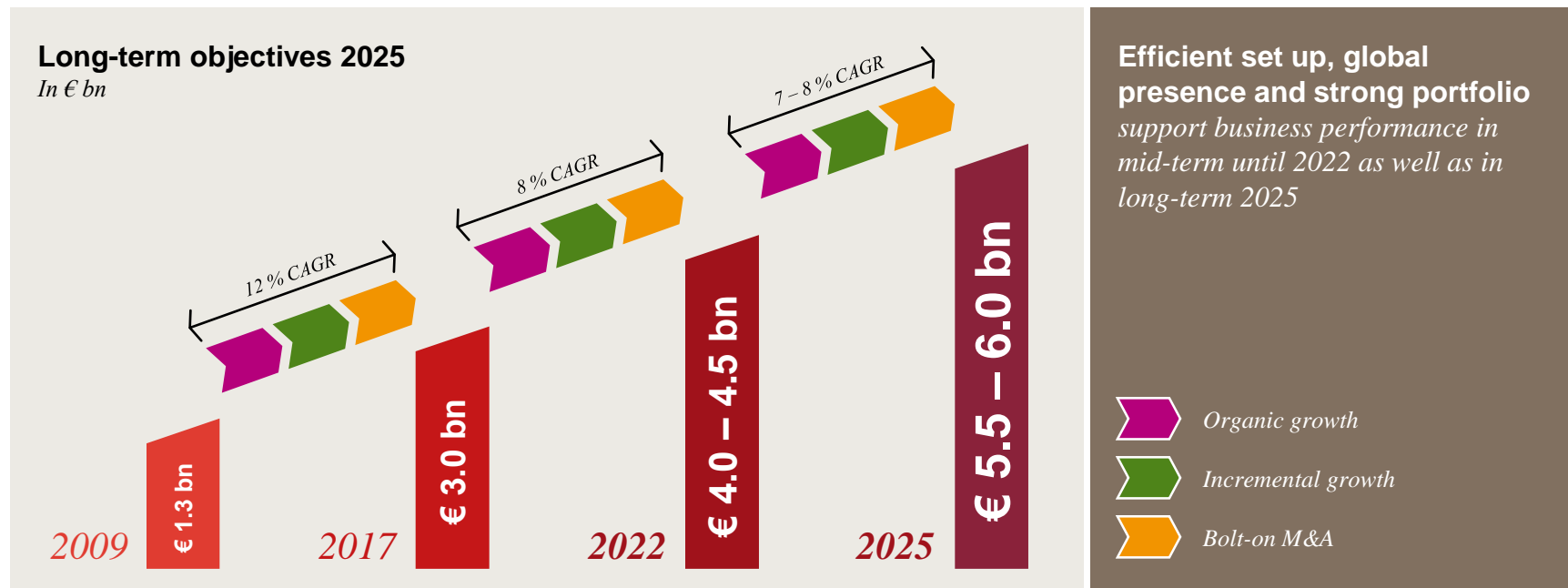
Financial goals	until 2020	until 2025
Sales growth Sales in Emerging Markets Customer mix	5 – 7 % pa (CAGR) > 50 % 1/3 global, regional, local	5 – 7 % pa (CAGR) > 50 % 1/3 global, regional, local
EBITDA margin CAPEX Dividend	19 – 22 % 5 – 6 % 30 – 50 %	20 – 23 % due to more favorable product mix 4 – 5 % by 2022 most of the major invests completed 30 – 50 % planned to be continued
Sustainability goal		
Environment	33 % improvement of footprint	50 % <sup>1</sup> improvement of footprint

<sup>1</sup> Science-based target (SBT) 2016-2025



# Long-term growth objective confirmed

## *Doubling sales by 2025*



# Investment Highlights

*Diversified, stable and profitable growth*



## **Broadest product portfolio in the industry**

*...pet food... probiotics... cosmetics... flavors ... fragrances... aroma molecules ... aqua ...*

*Highest growth rates in the industry, further expansion in adjacent areas*

*Leading supplier of consumer ingredients*

**Strong focus on new technologies and R&D**

**‘ always inspiring more ’**

**German Sustainability Award 2012 and 2019**

**Benefiting from Mega Trends**

*Attractive and robust growth market*

**Backward integration secures access to key raw materials**

**Well balanced client, product and regional mix**

*Investment grade profile*

# Symrise AG

## *Financial calendar & contact*



### Financial Calendar

**October 29, 2019**

*9M 2019 trading statement*

### Contact

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