

always  
inspiring more...



# Growing Together

## *The Symrise Company Presentation*

### Haarmann & Reimer (1874 – 2003)

#### Year

**1874** - Chemist Dr. Haarmann discovers method for manufacturing nature-identical vanillin

**1954** - Takeover by Bayer AG

**1973** - World's first fully synthetic production of menthol

**1995** - Acquisition of Florasynth, est. 1916, de Laire, est. 1876 and Lautier Fils est. 1795

### Dragoco Gerberding (1919 – 2003)

#### Year

**1919** - Hairdresser Gerberding begins manufacturing perfume and soap compositions

**1930** - Entering the flavor industry

### Symrise (since 2003)

#### Year

**2003** - Merger of Haarmann & Reimer and Dragoco

**2006** - IPO in Frankfurt (Market cap. €2bn)

**2014** - Acquisition of Diana

**2016** - Acquisition of Pinova/Renessenz

**Symrise** is one of the world's largest supplier in the flavors and fragrances industry.

*Our products provide exciting flavor and fragrance experiences and contribute to the health and well-being of consumers in 160 countries around the world.*

*We offer approximately 30,000 innovative fragrances and flavors, cosmetic ingredients and pet food ingredients based on roughly 10,000 mostly natural raw materials. These products are custom-tailored for every region of the world.*

### Figures 2015

**Sales:** €2.6bn

EBITDA margin: 22.0%

Employees: 8,301

Countries: > 40

Market share: 12%

Market cap: €7.3bn

# The Symrise Group

## 84 sites around the world



# Flavor, Fragrances & Special Ingredients

## *Key buying criteria for consumers*



€ 9.4 bn

Flavors (incl. Pet Food)

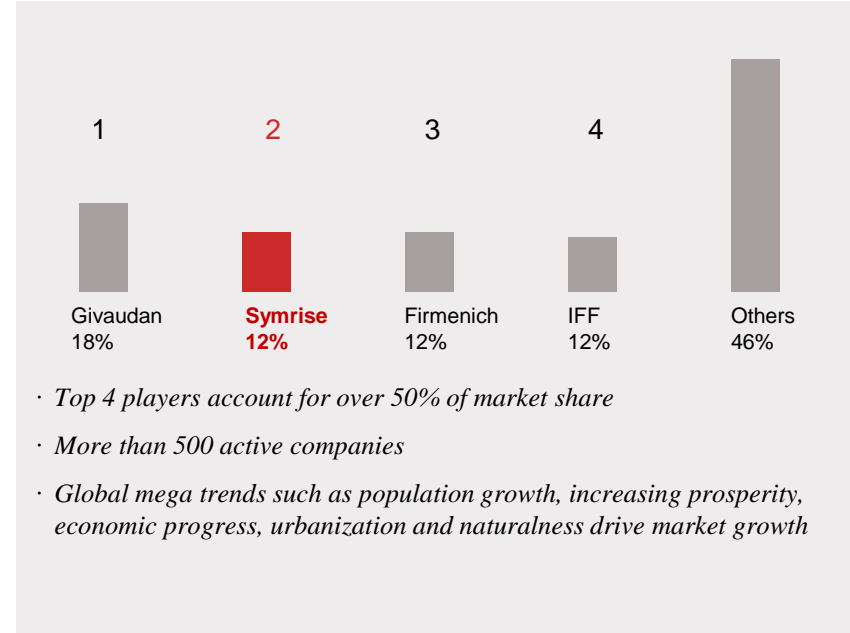
€ 7.7 bn

Perfume Oils

€ 5.2 bn

Aroma Molecules and cosmetic ingredients

- €22.3bn AFF market with long-term growth of 2-3% p.a.
- High barriers to market entry like global setup, consumer insight, customer intimacy, product complexity, regulatory requirements, quality and safety standards
- F&F are small but important, only a fraction of product costs (1-5%), but a key buying criteria for consumers



Source: IAL 9th Edition (Nov 2014), TechNavio/Infiniti (2015), GIA (2015), corporate data and internal estimates

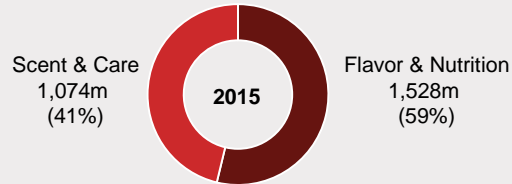
# Symrise Portfolio

*Well balanced*



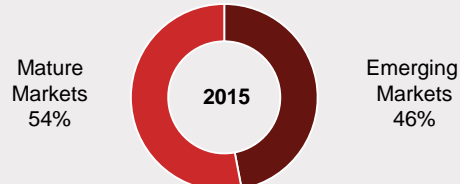
## Segment Sales Split

*In €*



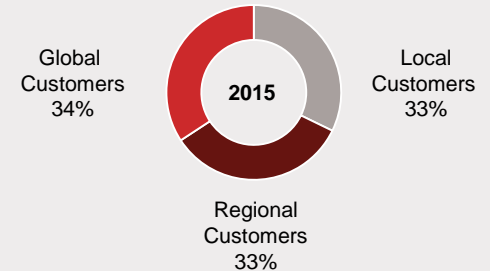
## Sales in Emerging Markets

*% Group Sales*



## Sales with Customer Groups

*% Group Sales*



**Symrise** operates 84 sites worldwide, serves more than 6,000 clients in 160 countries with approximately 30,000 products based on roughly 10,000 mostly natural raw materials. No client accounts for more than 5% of group sales.

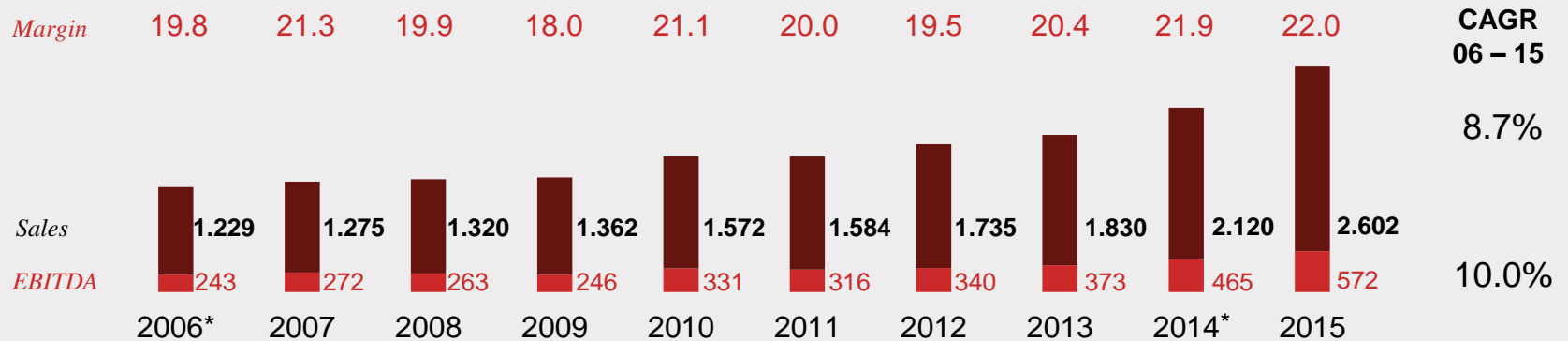
# Proven track-record since the IPO

## *Sustainable growth with increasing profitability*



### Sales/EBITDA

Sales in € million, EBITDA in € million, margin in %



\* EBITDA adjusted for restructuring and integration expenses

# Corporate structure

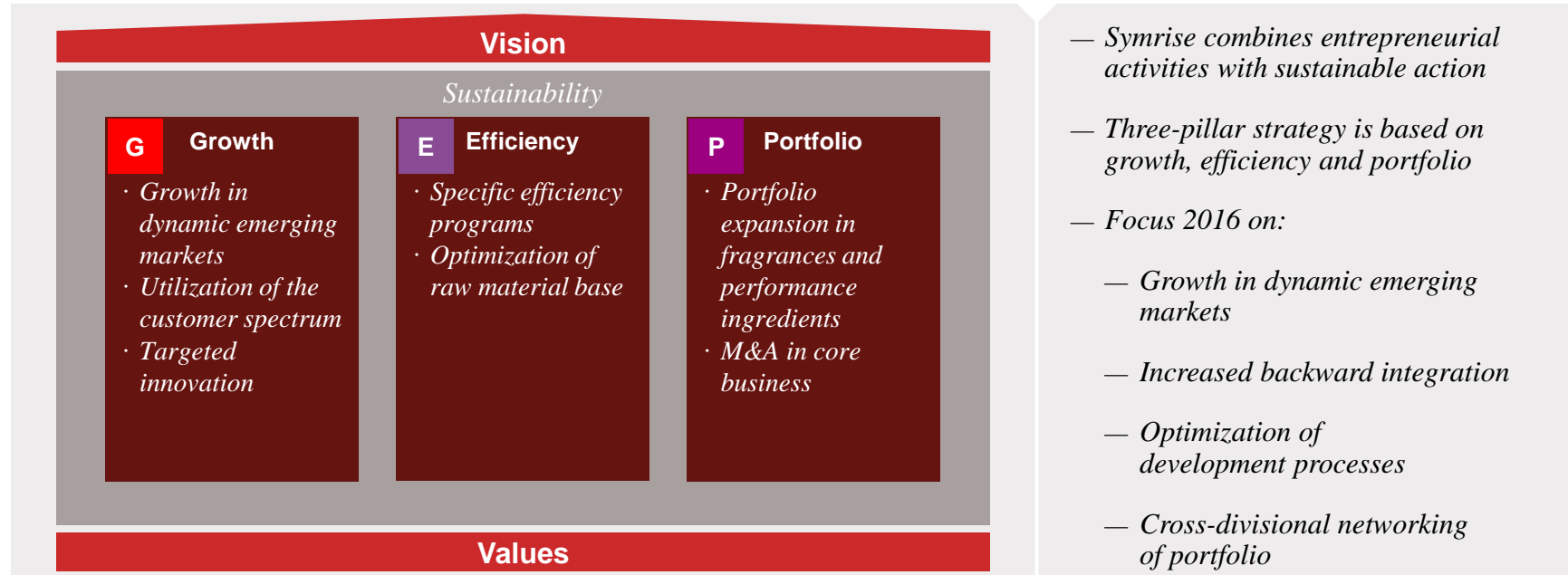
## *Two segments with five divisions*



Segments	Flavor & Nutrition		Scent & Care		
<i>Divisions</i>	Flavors	Diana	Fragrances	Cosmetic Ingredients	Aroma Molecules
<i>Business Units</i>	<i>Beverages, Snack Food, Culinary Food, Sweet, Dairy, Health &amp; Nutrition</i>	<i>Food, Pet Food, Nova</i>	<i>Fine Fragrances, Personal Care, Household, Oral Care</i>	<i>Cosmetic Ingredients, Sun and Pollution Protection</i>	<i>Fragrance Ingredients &amp; Sensory Ingredients</i>

# Our Strategy

*Proven strategy with high potential*





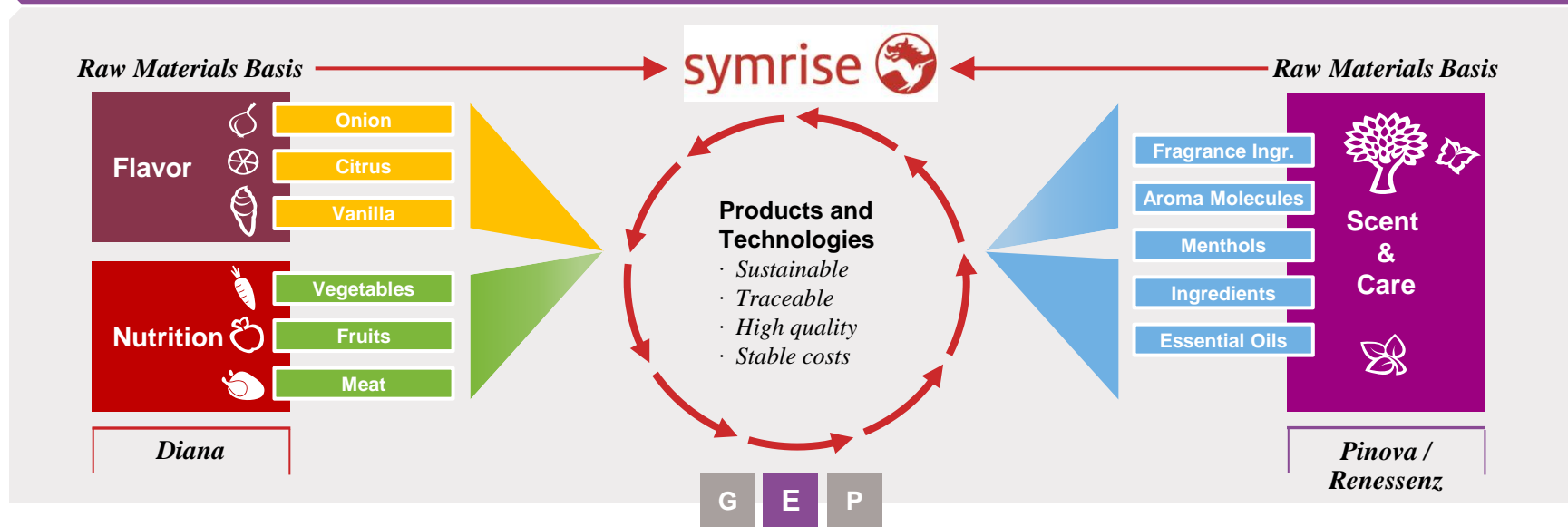


# Greater efficiency

*By means of access to important key raw materials*



Backward Integration strongly enhanced via acquisitions of Diana and Pinova



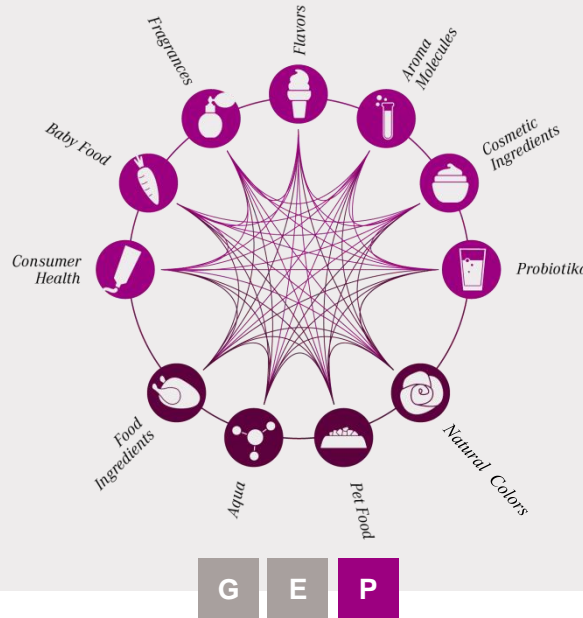
# Further expansion of the product portfolio

*Within present spheres of competency*



We have already expanded into new, high-growth applications over the past years.

Today, the portfolio stretches far beyond the traditional product spectrum of fragrances and flavors

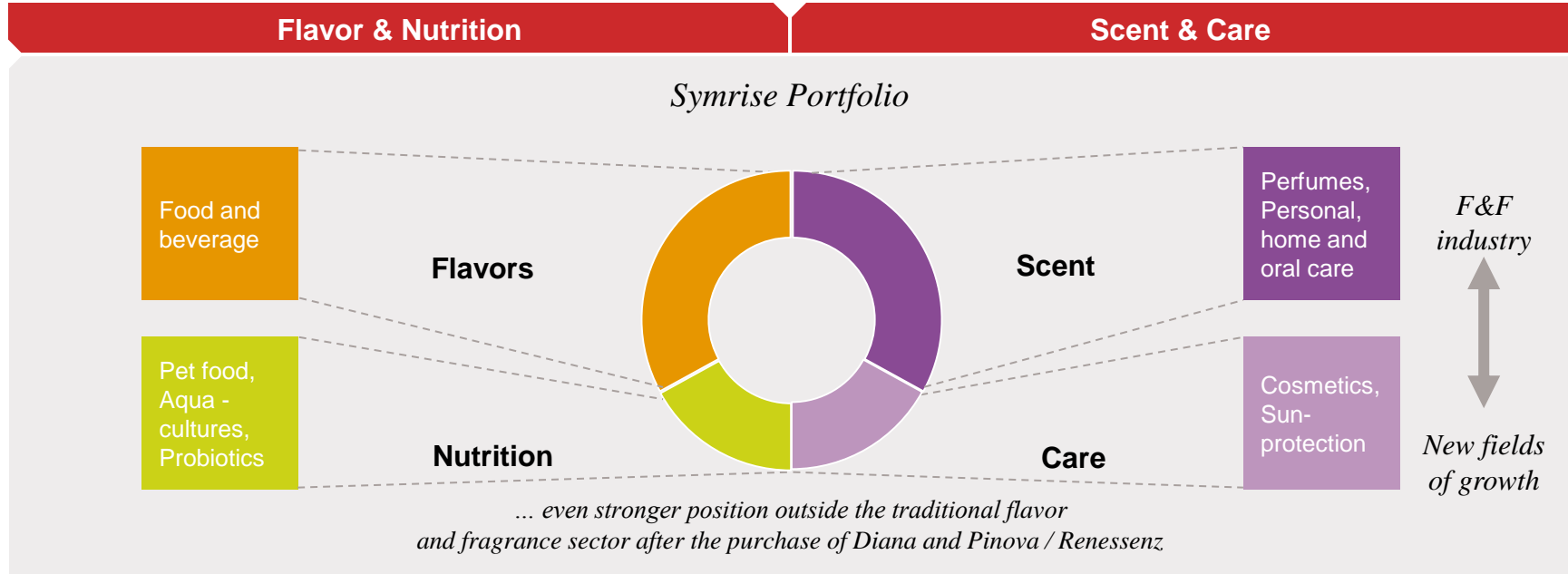


— Consolidation and networking of competencies, with a special focus on Diana and Pinova

— Maintain successful course and continue extension of competitive advantage

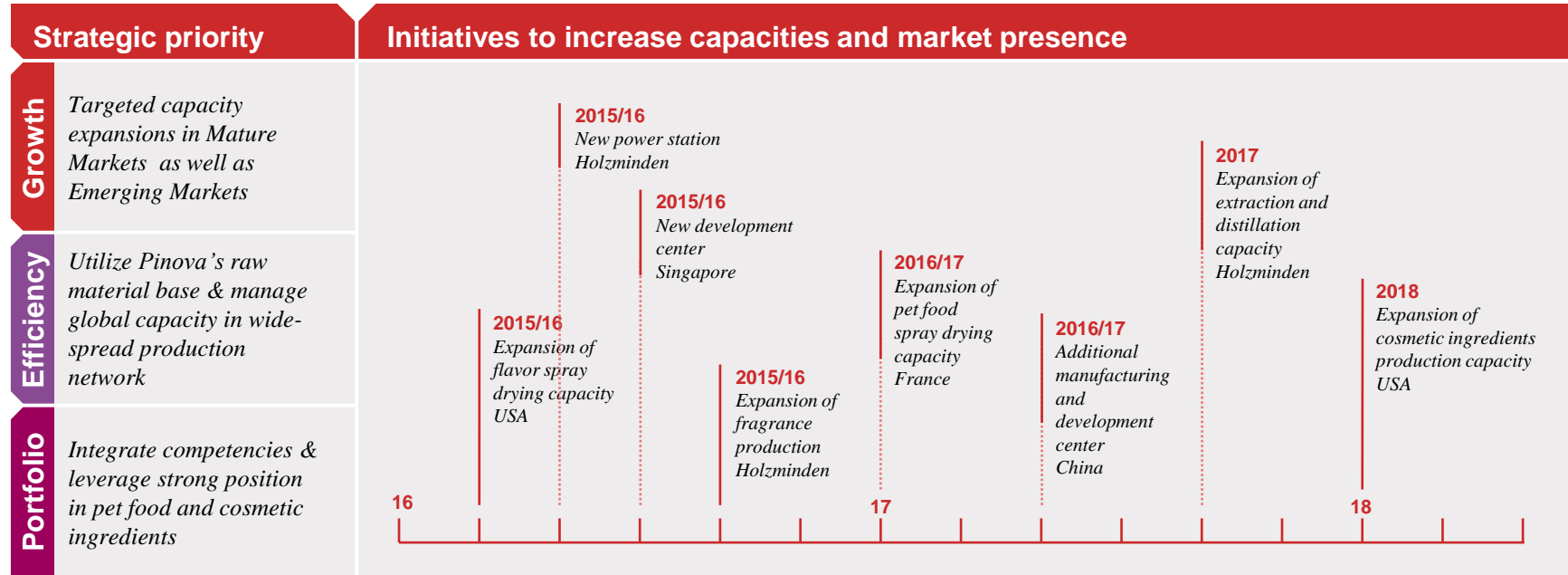
# Systematic expansion of Symrise

*One third of the business outside F&F*



# Organic Growth Initiatives 2016 - 2018

*Investments to implement strategy and support further growth*



# Spotlight on Diana: Successful integration

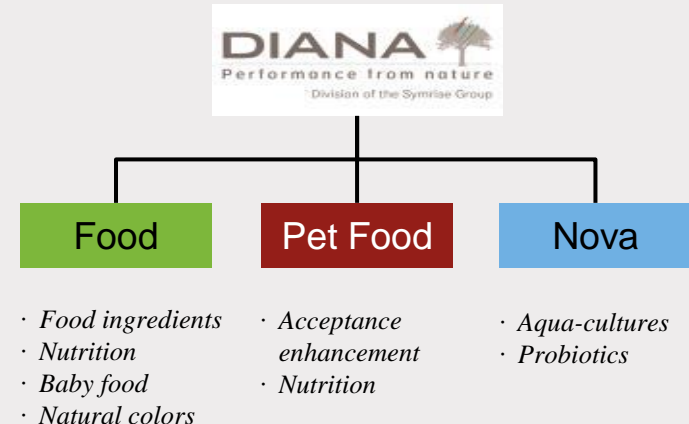
## *High-growth business with complementary competencies*



### Strong portfolio contribution

- Acquired in 2014
- Expanded nutrition and entered the pet food market
- Global #1 for pet food (palatability enhancers)
- Strengthened core business and customer retention  
Further backward integration with key natural raw materials
- Integrated setup creates efficiency
- Nutrition with texturing – incl. ingredients for baby food
- Natural extracts and food solutions
- Strong sales growth and margin improvement since acquisition

### Diana today



# Spotlight on Fine Fragrances: De Laire by Symrise

## *220 years of strong fine fragrance heritage*



### WHAT IS A BASE DE LAIRE?

- A mix of “captive” & exclusive quality of natural essential oils
- Example: Ambre 83 = 40% vanillin + labdanum oil + vetiver oil
- A synonym of quality and heritage, tradition, history, creativity



### 220 YEARS OF PARTNERSHIP

- 1795: *Lautier Fils est.*
- 1874: *Harmann & Reimer est.*
- 1876: *De Laire est.*
- 1876: *Partnership to synthesis the vanillin for the 1st time*
- 1995: *Harmann & Reimer and De Laire acquisition*



### Iconic creations including de Laire bases

**FEMME**  
ROCHAS  
1944  
PRUNOL



**HEURE**  
**BLEUE**  
GUERLAIN  
1912  
HELIOTROPINE  
AMORPHE



**MITSOUKO**  
GUERLAIN  
1919  
ABRICENE



**BOIS DES**  
**ILES**  
CHANEL  
1929  
AMBRE 83



**MADAME**  
**ROCHAS**  
1960  
COROLIANE



**CHANEL 19**  
CHANEL  
1971  
COROLIANE



# Spotlight on Cosmetic Ingredients: Beauty+ *...increases our differentiation*





# Spotlight on Aroma Molecules: Pinova Group

*Market leading position in fragrance ingredients*



## Division Aroma Molecules

### Fragrance and Sensory Ingredients

RENESENZ

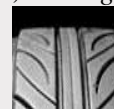
**Application Areas:** *Fragrances, Cosmetic Ingredients, Home care, Food, Beverages, Oral care*



### Performance Specialties

PINOVA

**Application Areas:** *Industrial, e.g. Adhesives, Rubber, Tire, Colors, Construction, Agriculture, Coatings*



DRT  
THE HOUSE OF NATURE

*Sold to DRT, a long-standing supplier of Symrise with great expertise in industrial applications*

- *Est. sales 2016 USD 111m*
- *Selling price USD 150m*

- *More than 100 Aroma Molecules and specialties from natural and renewable sources with focus on high-value product applications*
- *Leading in specialties from natural and renewable resources: Resins, crude sulfate turpentine (CST) and limes*
- *Forward Integration in cooling substances, enlarging raw material portfolio at Oral Care/Mint with important lead compounds (Carvon, Anethol)*
- *Transaction and integration costs 20m + 4m inventory step up. Identified synergies: €15m as of 2019*

# Highlights 9M 2016

*Continued success – double-digit growth and high profitability*



*Sales*

**+16%**

**€2,192m**

*(+11% in reporting  
currency)*

*EBITDA\**

**€480m**

**+7%**

*EBITDA\* margin*

**21.9%**

*Net income\**

**€206m**

**+3%**

*Earnings per share\**

**€1.59**

*Strengthening  
the core business*

*— Sharpening Scent  
& Care portfolio,  
focus on Aroma  
Molecules*

*\*adjusted for transaction and integration costs related to the Pinova acquisition*

# Sales by Region 9M 2016

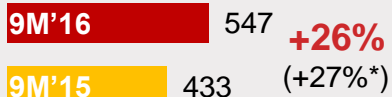
*Good momentum in all regions – strongest growth in LATAM*



## By Region

*Sales in €m, Sales growth in % (in local currency)*

### North America



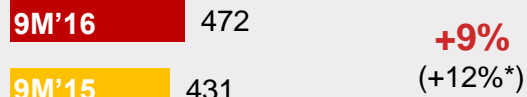
### EAME



### Latin America



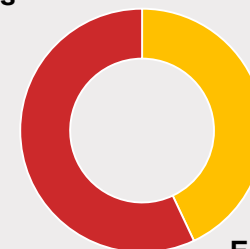
### Asia / Pacific



## In Emerging Markets

*as % of Group sales*

Mature  
Markets  
**57%**



Emerging  
Markets  
**43%**

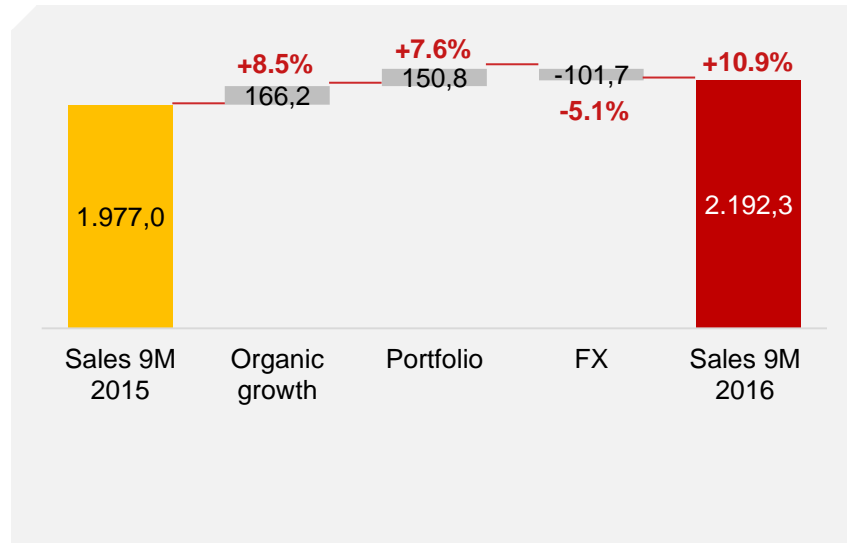
*\*local currency*

# Group Key Financials 9M 2016

*Strong organic growth with declining headwinds from FX*



## Group Sales Development *in €m*



\*adjusted for transaction and integration costs related to the Pinova Holdings acquisition

## Short P&L *in €m*

	9M 2015	9M 2016	9M 2016 normalized*	9M Var. %
Sales	1,977.0	2,192.3	2,192.3	10.9%
EBITDA	448.5	462.6	480.3	7.1%
EBITDA margin	22.7%	21.1%	21.9%	
EBIT	319.6	311.7	329.5	3.1%

## Comments

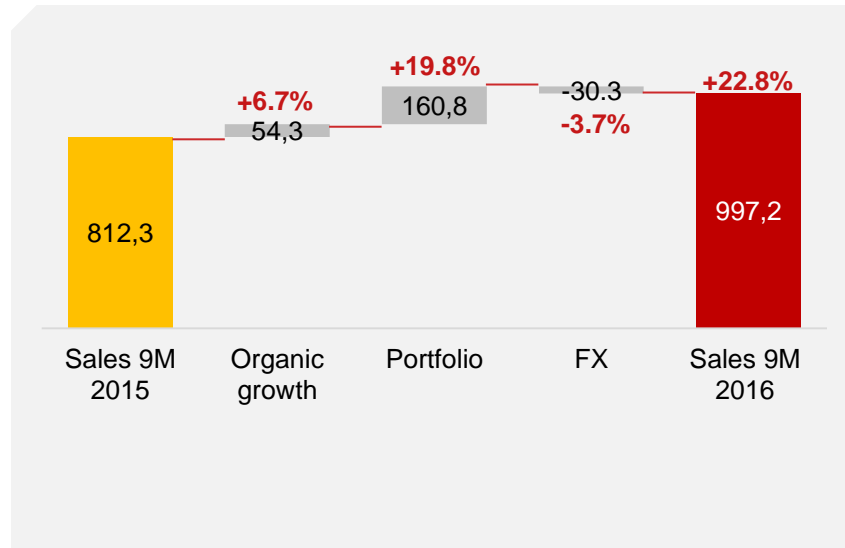
- Organic growth has remained at high level in Q3 also
- Portfolio effects from different acquisitions, strongest contributions from former Pinova Holdings
- FX headwinds (mainly from LATAM) remained strong, but lower than in H1

# Scent & Care 9M 2016

*Shapening Fragrance and Aroma Molecules for further profitable growth*



## S&C Sales Development in €m



## Short P&L in €m

	9M 2015	9M 2016	9M 2016 normalized*	9M Var. %
Sales	812.3	997.2	997.2	22.8%
EBITDA	184.9	185.9	203.6	10.1%
EBITDA margin	22.8%	18.6%	20.4%	
EBIT	148.9	129.4	147.1	-1.2%

## Comments

- Former Pinova Holdings contributed sales of €160.8m
- Normalization effect of €17.8m from Pinova Holdings with transaction and integration costs (€13.6m) and inventory step up (€4.2m)
- Bottom line impacted by one time effects related to the introduction of a new global structure in Fragrances, capacity consolidation along with Chester site closure, temporary down times in Aroma Molecules due to hurricane season

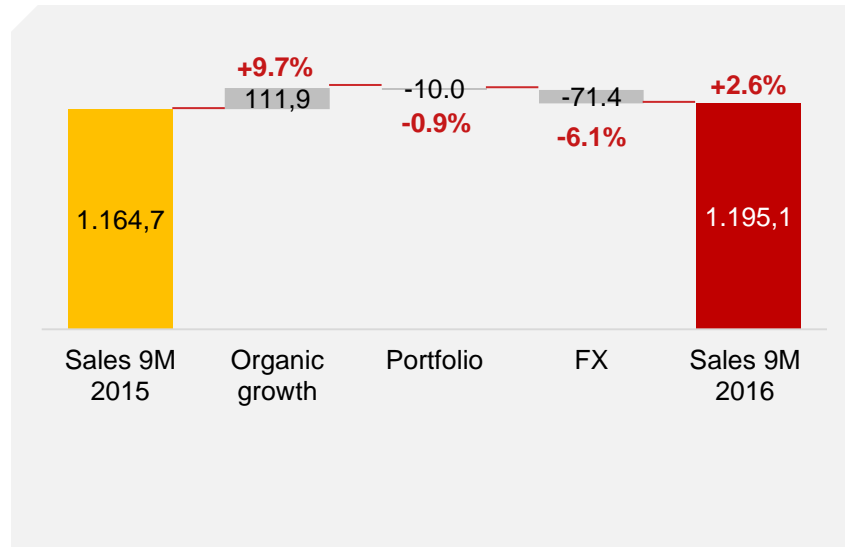
\*adjusted for transaction and integration costs related to the Pinova Holdings acquisition

# Flavor & Nutrition 9M 2016

*Particularly strong demand in Sweet, Savory, Pet Food*



## F&N Sales Development in €m



## Short P&L in €m

	9M 2015	9M 2016	9M Var. %
Sales	1,164.7	1,195.1	2.6%
EBITDA	263.6	276.7	5.0%
EBITDA margin	22.6%	23.2%	
EBIT	170.6	182.3	6.8%

## Comments

- Minor portfolio impact from additions of Scelta Umami and Nutra Canada and reductions from CAP pork specialties
- Growth driven by Sweet, Savory and Pet Food
- Margin improvement to 23.2%

# Strong EBITDA-growth

*EPS impacted by D&A increase due to Pinova Holdings*



<i>in €m</i>	9M 2015	9M 2016	9M 2016 normalized	9M Var. %
EBITDA	448.5	462.6	480.3	7.1%
D&A (amortization, depreciation and impairment)	129.0	150.8	150.8	17.0%
EBIT (income from operations)	319.6	311.7	329.5	3.1%
Financial result	-33.9	-36.5	-34.2	1.1%
EBT (earnings before income taxes)	285.7	275.3	295.2	3.4%
Income taxes	81.9	76.0	83.4	1.8%
Tax ratio	28.7%	27.6%	28.3%	
Net income for the period	199.3	193.6	206.2	3.5%
EPS (earnings per share) in €	1.54	1.49	1.59	3.5%

# Operating Cash Flow 9M 2016

*Strategic seasonal stock building drove working capital increase*



<i>in €m</i>	9M 2015	9M 2016
<b>Net Income for the period</b>	203.7	199.2
<b>Income taxes</b>	81.9	76.0
<b>Interest result</b>	33.5	36.4
<b>Amortization, depreciation and impairment</b>	129.0	150.8
<b>Other items</b>	15.3	-10.7
<b>Cash flow before working capital changes</b>	463.4	451.8
<b>Change in working capital</b>	-95.3	-131.8
<b>Income taxes paid</b>	-115.8	-101.6
<b>Cash flow from operating activities</b>	252.3	218.4

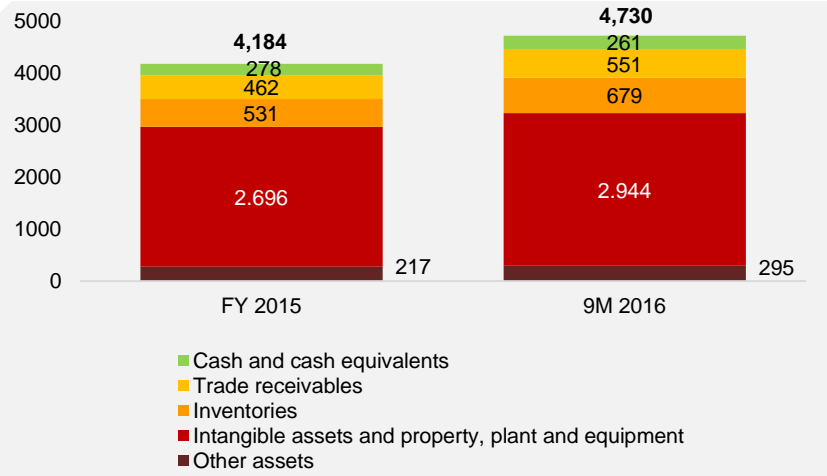


# Balance Sheet 9M 2016 vs. FY 2015

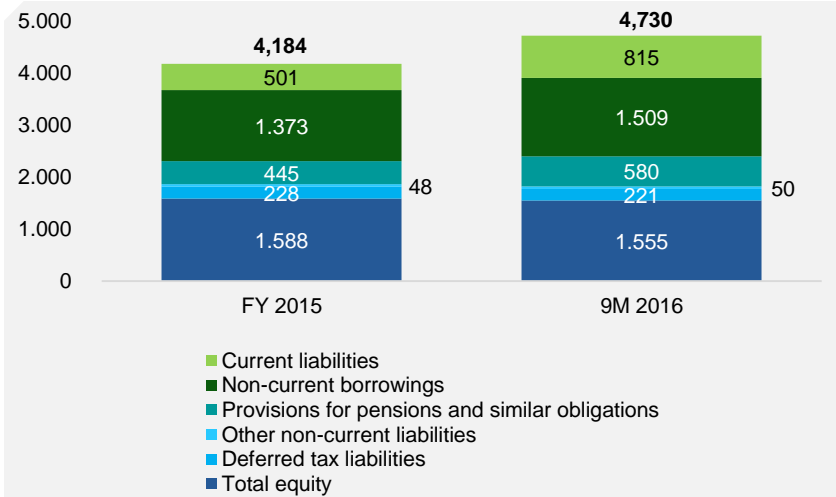
*Solid financial structure with equity ratio at 32.9%*



## Assets in €m



## Equity and Liabilities in €m



# Outlook 2016

*Optimistic for current year – long term targets fully intact*



- **Long-term growth perspectives** *are intact and driven by increasing world population, strong preference for healthy nutrition and body care*
- **Regional differences** *due to political disturbances and unsolved debt situation in some countries; Volatility of some exchange rates expected to continue*
- **Global presence, broad customer base and ongoing portfolio diversification** *represent strategic levers which contribute to drive profitable growth*
- **Innovations and process efficiency** *to remain vital for strong profitability*
- **Increased competitiveness** *through focus on core competencies within a well-connected expanded portfolio*

## Targets 2016

*Outperform global Flavor & Fragrances market*

*Reported EBITDA margin >20%*

## Targets 2020

*Sales increase 5-7% CAGR*

*EBITDA margin 19-22%*

*Sales in Emerging Markets > 50%*

### Financial Calendar

**March 14, 2017**

*FY 2016 results*

**May 09, 2017**

*Q1 2017 results*

**Mai 17, 2017**

*Annual General Assembly*

### Contact

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