

# Results for the *Financial Year 2021*

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*Dr. Heinz-Jürgen Bertram (CEO),  
Olaf Klinger (CFO)*

*1 March 2022*



# Agenda

## Overview



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2021  
at a Glance

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# 01

## 2021 at a Glance



# Financial highlights FY 2021

*Symrise delivers strong sales and earnings growth*



## Sales

**€3.826bn**

+8.7 % in reporting currency  
+9.6 % organic growth

## Business Free Cash Flow<sup>1</sup>

**€486m**

12.7 % of sales

## Dividend proposal

**€1.02**

per share

## EBITDA margin

**21.3%**

EBITDA +9.6 % to €814 m

## Net income

**€375m**

+22.2 %  
Earnings per share<sup>2</sup> €2.74

## CapEx

**€174m**

4.5 % of sales

1. Business Free Cash Flow = EBITDA – CapEx (including cash effects from leasing) +/- changes in Working Capital

2. Based on weighted average full year 2021 at 136,633,677

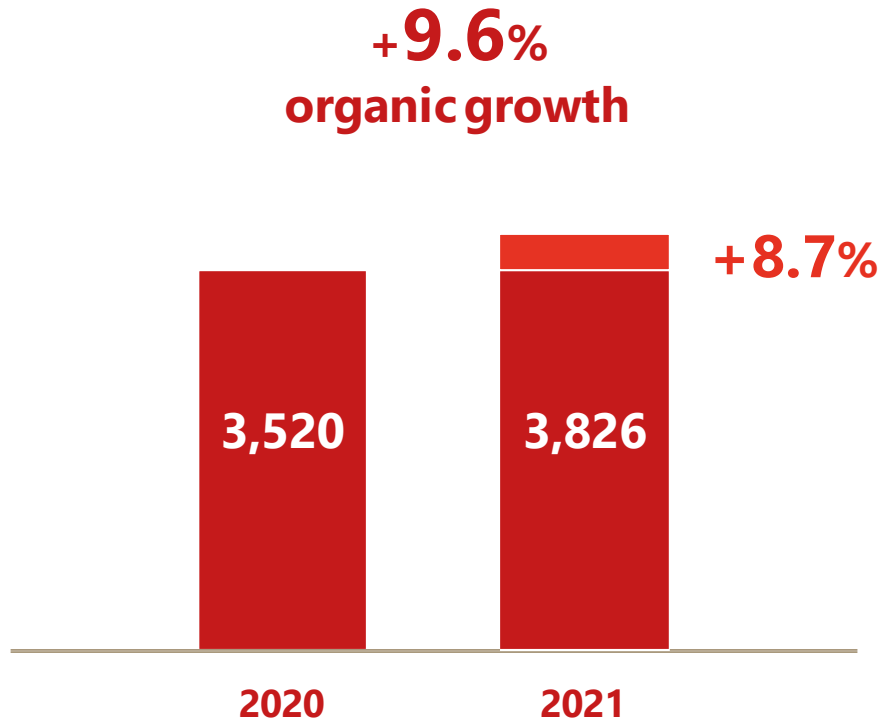
# Sales 2021

*Strong growth supported by economic recovery and strategic business expansion*



## Symrise Group

In €m (sales growth in %)



**9.6 %**

**organic sales growth**  
driven by both segments



**+8.7 %**

**sales growth in reporting currency**  
negative FX-effect of €73 million



**€40.9 m**

**sales contributed by**  
Sensient Fragrances

# Sales by segment 2021

*Both segments contributed to strong growth driven by normalized consumer behavior and diversified product portfolio*



## Taste, Nutrition & Health in €m / organic growth in %

(former Flavor and Nutrition segments, combined as of 1 April 2021)

2,151  
2020



2,335  
2021

**+10.6%**

+8.5 %\*

Growth particularly driven by Beverages in mature markets; Pet Food with continued double-digit growth

## Scent & Care in €m / organic growth in %

1,370  
2020



1,491  
2021

**+7.9%**

+8.9 %\*

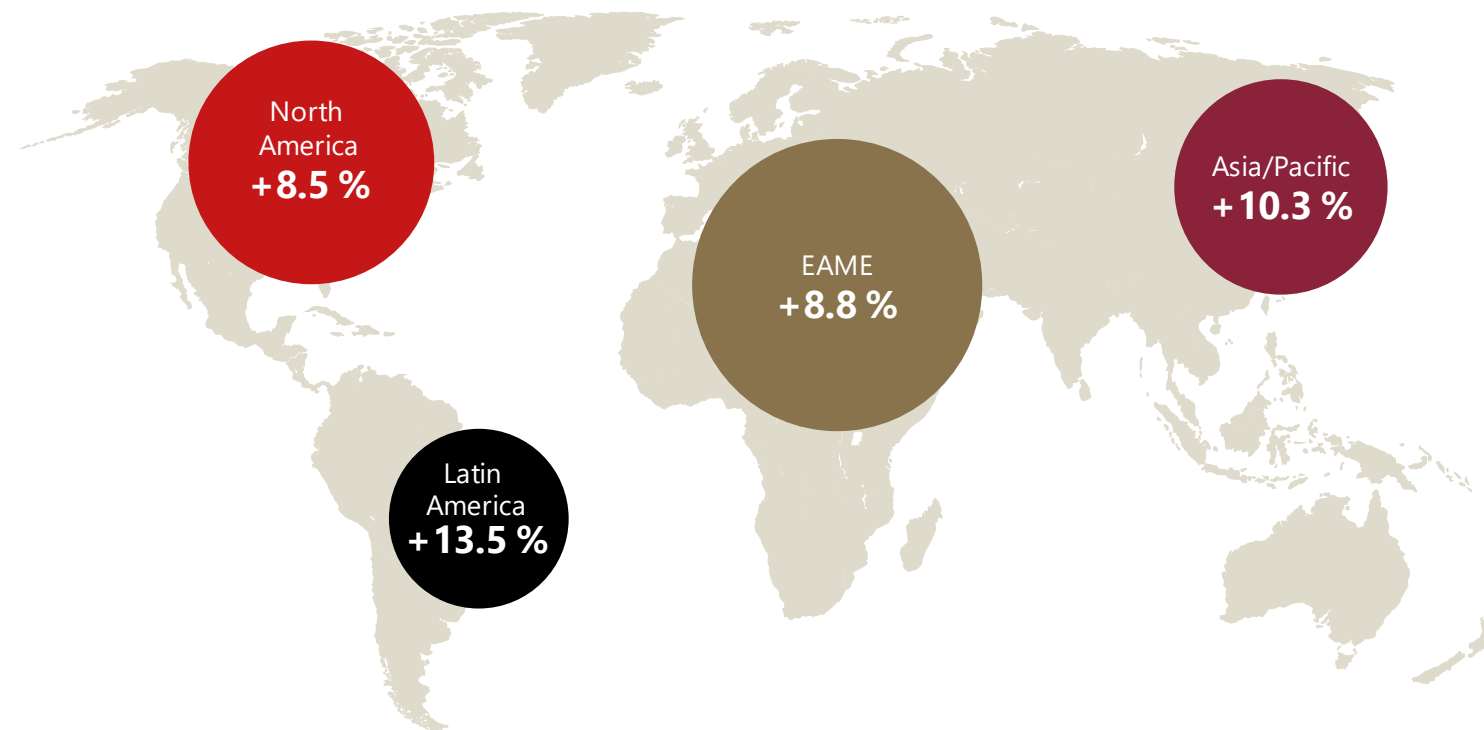
Increased demand for Fine Fragrances and Cosmetic Ingredients following resumption of travel

# Sales by region in 2021

*Dynamic growth across all regions*

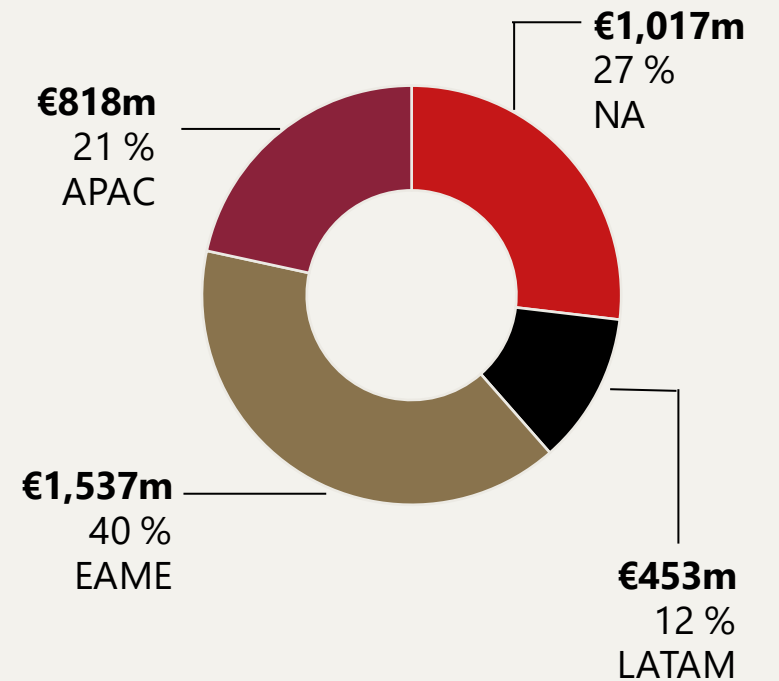
## Organic growth by region

in %



## Sales by region

2021



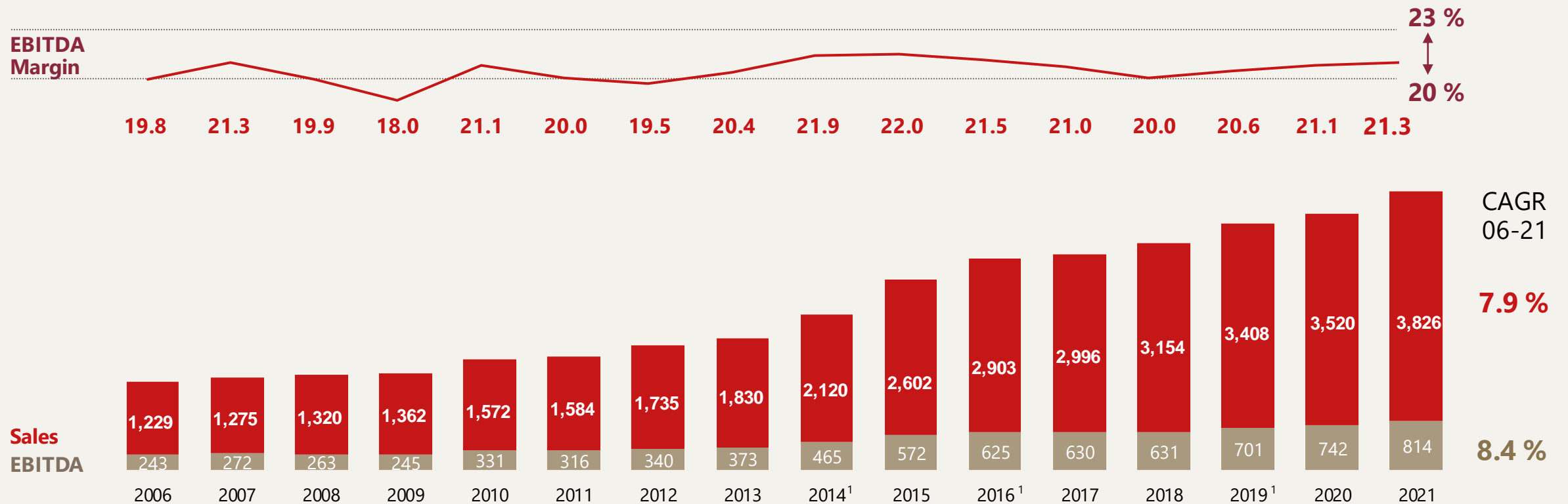
# Sales and EBITDA

*Strong track record continued: increase in CAGR for top and bottom lines*



## Development of sales / EBITDA

Sales and EBITDA in €m, margin in %



1. Adjusted for transaction and integration costs as well as one-off valuation effects related to business combinations. 2016 and 2019 restated for finalized purchase price allocations.



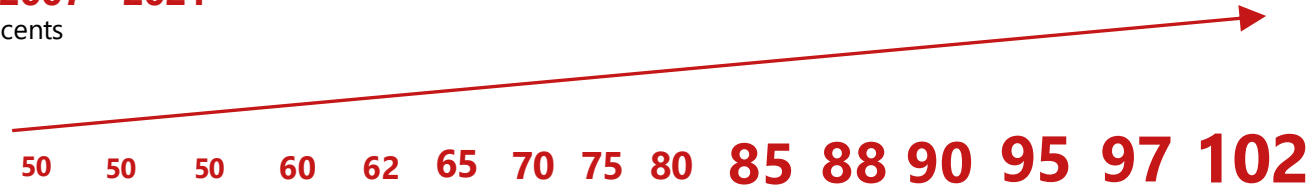


# Share price performance +20.2 % in 2021

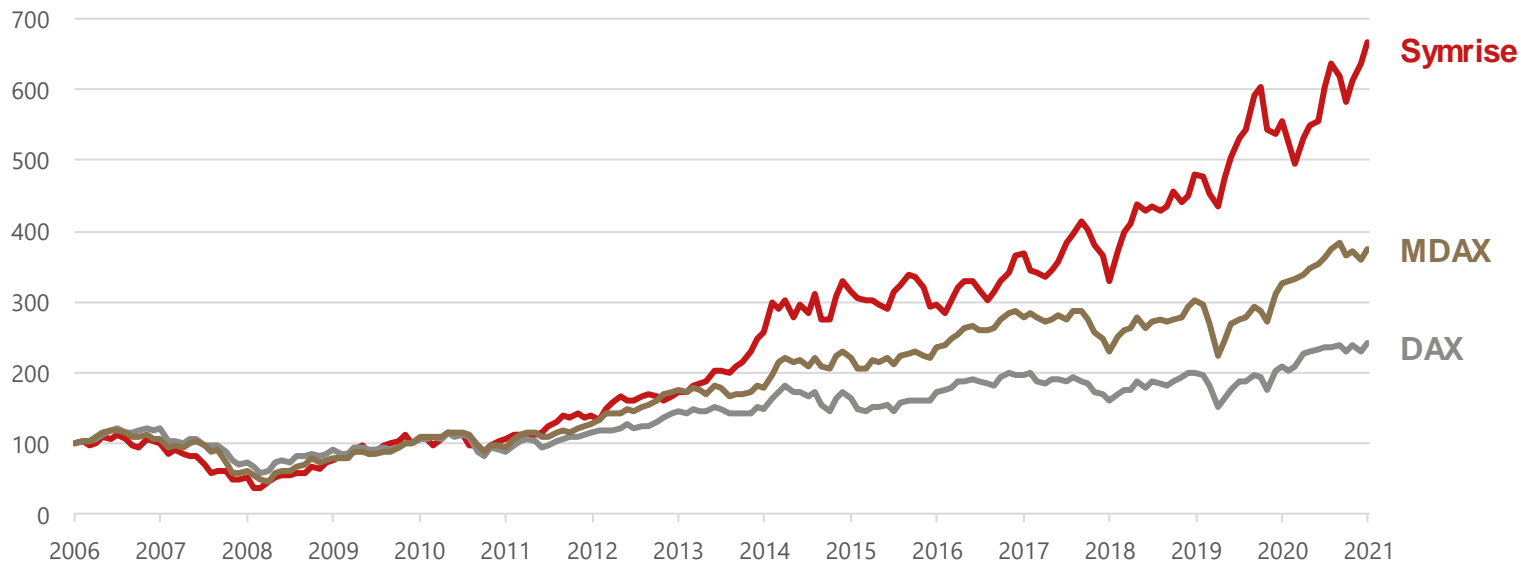
*Twelfth consecutive dividend increase and long-term value creation*

## Dividend 2007 – 2021

Per share in € cents



## Share price 2006 – 2021



## Comments

After 14 successful years in the MDAX, **Symrise joined the DAX** in September 2021

**Continued positive share price development** also in 2021; outperforming both DAX (+15.8 %) and MDAX (+14.0 %)

**Attractive dividend proposal** €1.02 per share for 2021

# 02

## Financials 2021

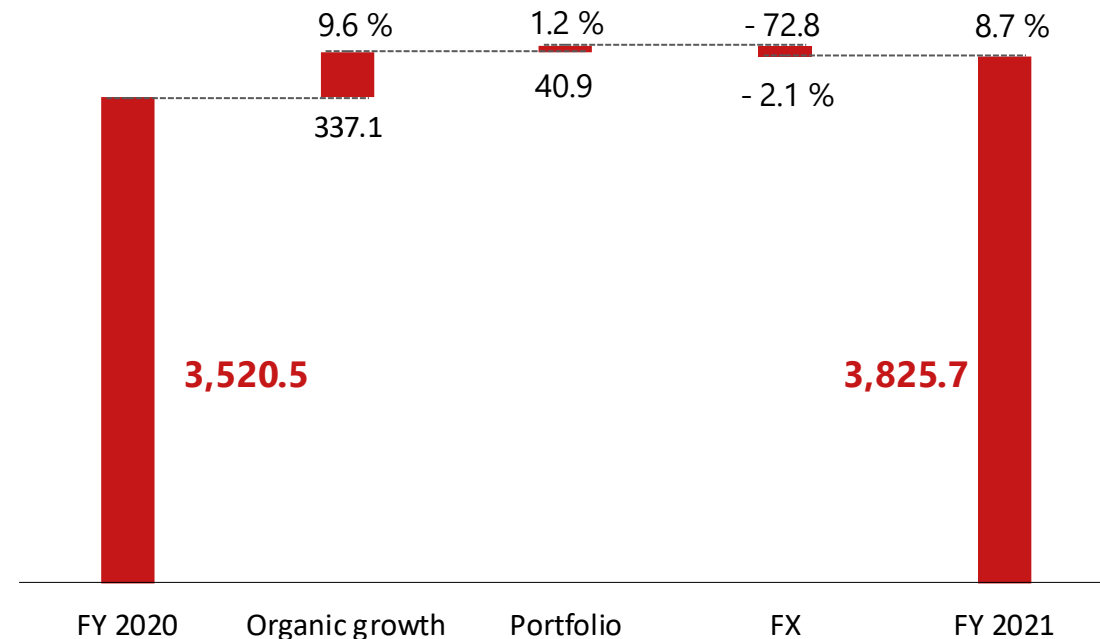


# Group 2021

*Strong organic growth of 9.6 % driven by both segments and all regions*

## Sales development

In €m



## Comments

**Organic growth of 9.6 %** driven by strong and healthy business in both segments and across all regions

**Total sales contribution** from Sensient Fragrances with sales of €41 million

**Excellent performance despite negative currency effects of €73 million** attributable to almost all currencies, primarily USD and BRL

# Group 2021

High profitability –  
EBITDA increase of 9.6 %



In €m	2020	2021	Var. %
<b>Sales</b>	<b>3,520</b>	<b>3,826</b>	<b>8.7</b>
Gross profit	1,390	1,479	6.4
Gross margin %	39.5	38.7	-0.8pp
<b>EBITDA</b>	<b>742</b>	<b>814</b>	<b>9.6</b>
EBITDA margin %	21.1	21.3	0.2pp
Depreciation	137	141	2.8
Amortization	118	114	-3.2
<b>EBIT</b>	<b>488</b>	<b>559</b>	<b>14.7</b>
EBIT margin %	13.8	14.6	0.8pp

## Comments

**Gross profit increase of 6.4 %** below sales growth of 8.7 % due to higher raw material and manufacturing cost. Raw material quota increased slightly from 42.9 % to 43.4 %.

**M&A related one-off factors included** positive gains of €12.5 million for the sale of the color business; €20.8 million for the positive purchase prices allocation from Sensient fragrances; and costs of €8.7 million for M&A related transaction costs.

**EBITDA increase of 9.6 %** also supported by corona related lower travel and R&D costs reaching a margin of 21.3 %.

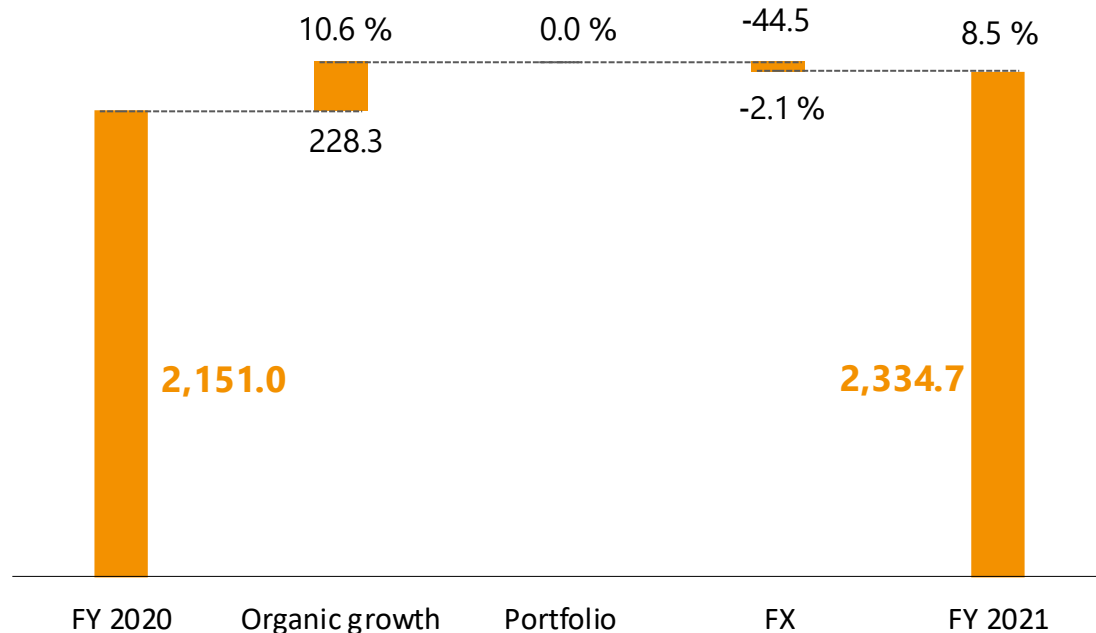
# Taste, Nutrition & Health 2021

## Significant organic growth and high profitability



### Sales development

In €m



### Short P&L

In €m

	2020	2021	Var. %
<b>EBITDA</b>	471	531	12.9
EBITDA margin	21.9 %	22.7 %	
<b>EBIT</b>	295	358	21.4
EBIT margin	13.7 %	15.3 %	

### Comments

**Organic growth of 10.6 %** resulting from increasing out of home consumption, leading to high demand for beverage applications. In addition, the Pet Food business recorded strong growth again.

**EBITDA-margin increase** to 22.7 % (21.9 % in 2020) with higher raw material costs offset by lower manufacturing cost quota and one-time gain for sale of color business.

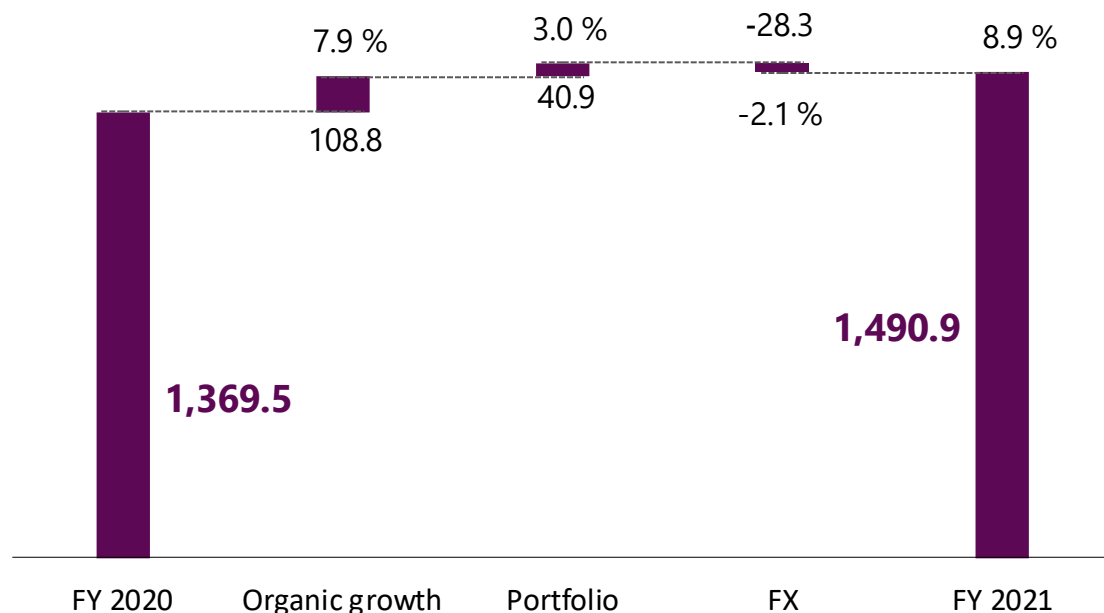
Declining amortization due to expiry of amortization for IT licenses boosted **EBIT** by 21.4 %.

# Scent & Care 2021

*Recovery in demand drives robust sales growth*

## Sales development

In €m



## Short P&L

In €m

	2020	2021	Var. %
<b>EBITDA</b>	272	283	4.1
EBITDA margin	19.8 %	19.0 %	
<b>EBIT</b>	193	201	4.3
EBIT margin	14.1 %	13.5 %	

## Comments

**Segment** leveraged the restart of travel and a normalization of consumer behavior which led to increased sales for applications in Fine Fragrances and Cosmetic Ingredients. **Aroma Molecules** reported strong demand and further capacities in menthol.

**Margin amounted to 19.0 %** (19.8 % in 2020) mainly due to higher raw material and manufacturing costs as well as margin dilution of the operational Sensient business.

# EPS

*New all-time high at €2.74 /*

*New tax guidance*



In €m	2020	2021	Var. %
<b>EBIT</b>	<b>488</b>	<b>559</b>	<b>14.7</b>
Financial result	-64	-43	33.1
<b>EBT</b>	<b>424</b>	<b>516</b>	<b>21.9</b>
Income tax	-109 (25.6 %)	-131 (25.4 %)	20.8
<b>Net income<sup>1</sup></b>	<b>307</b>	<b>375</b>	<b>22.2</b>
EPS in €	2.27	2.74 <sup>2</sup>	21.1

## Comments

**Financial result** 2021 improved by €21 million in consequence of prior year one-off interest payments to tax authorities (-€10.5 million) as well as lower financing costs (-€8.1 million).

**Income tax** rate slightly decreased to 25.4 % (25.6 %).  
**New tax guidance:** 25 % - 27 % (after 26 % - 28 % as given in January 2019).

**EPS** on new record level of €2.74.

**Dividend** increase to €1.02 per share to be proposed at AGM on 3 May 2022.

1. Attributable to shareholders of Symrise AG. | 2. Number of shares from 21 September 2021 onwards 139,772,054; weighted average full year 2021 at 136,633,677

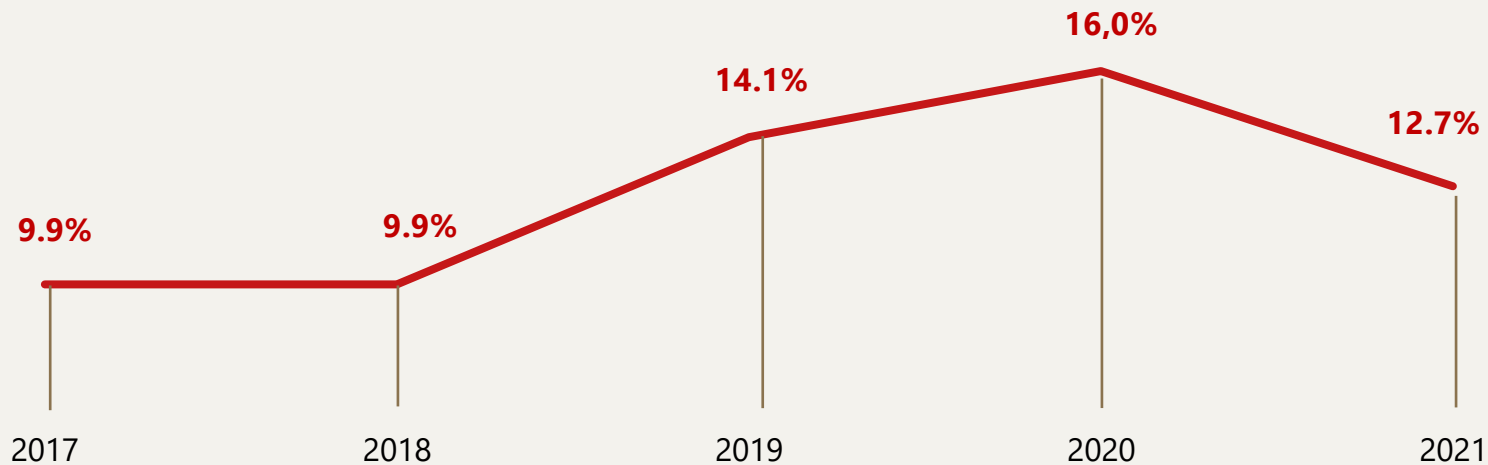
# Business Free Cash Flow (BFCF)

*Reflects strong EBITDA growth which could not fully compensate increase in working capital related to global supply disruptions*



## BFCF

as % of sales



**BFCF declined by 13.9 % to €486 million = 12.7 % of sales**

### Strong EBITDA growth

**CAPEX stable with 4.5 % of sales (€174 million)** after 4.5 % (€159 million) in 2020

**Increase of Working Capital** due to cyber attack, strong sales growth and strategic stockpiling caused by ongoing supply chain disruptions

### Ambition 2022

*BFCF around 14 % of sales*

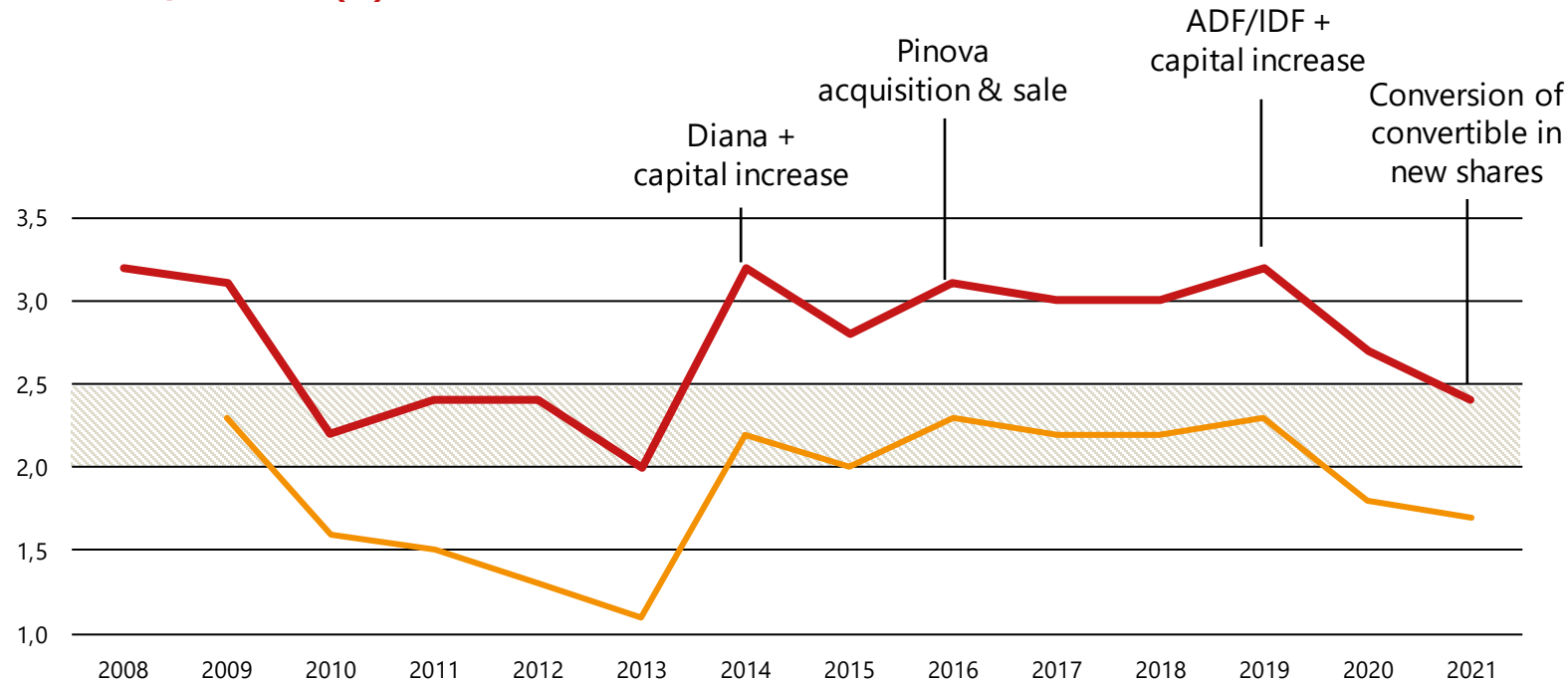




# Net debt development

*Supported by capital increase out of conversion of convertible bond*

## Net debt / EBITDA(N)



■ Net debt (incl. pension provisions and leasing obligations) / EBITDA ratio

■ Net debt/EBITDA ratio

## Status Quo

Net debt of €1,347 million (€1,348 million in 2020) reflects 1.7 x EBITDA

Net debt including pension provisions and leasing obligation of € 1,964 million reflects 2.4 x EBITDA

## Ambition

Long-term target of 2.0 to 2.5 x EBITDA (incl. pensions provisions and leasing obligation)

Unchanged since IPO

Top priority: Remain investment grade profile

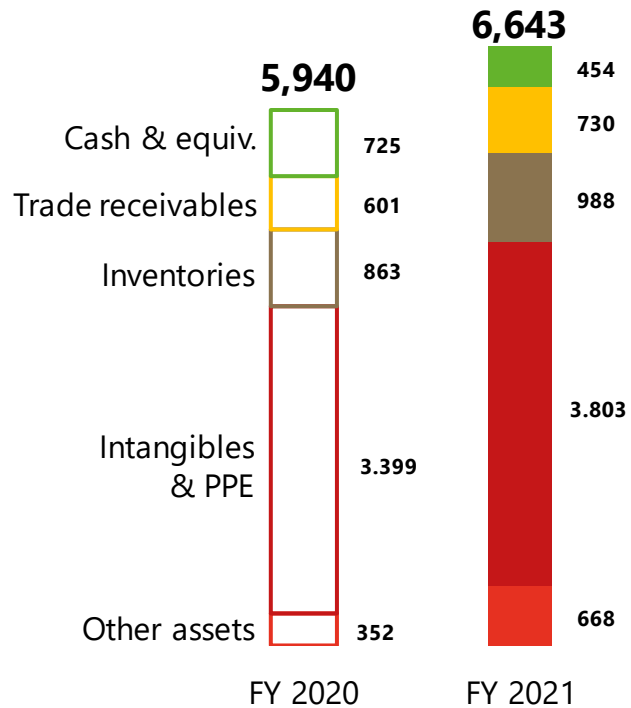
# Balance sheet

Equity ratio significantly increased to 49.0 % (from 39.8 %)



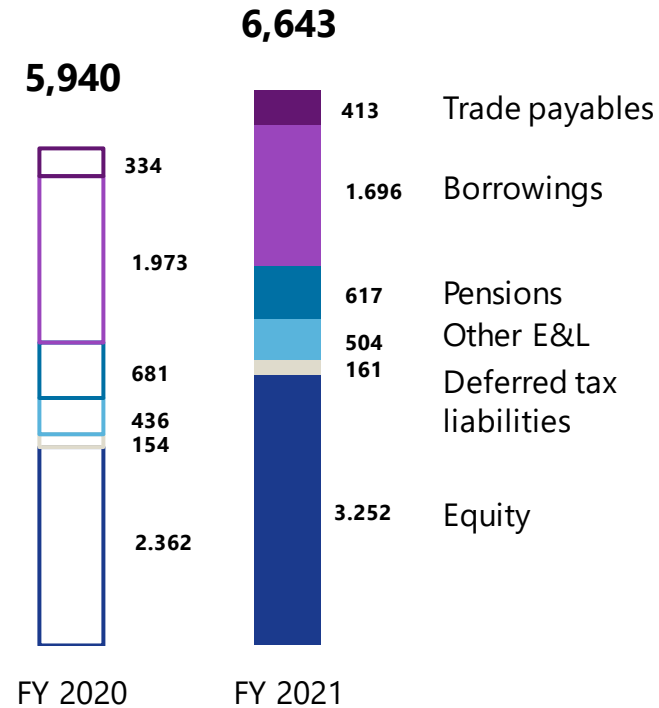
## Assets

In €m



## Equity and Liabilities

In €m



## Comments

**Increase in other assets** due to participation in Swedencare.

**Shift between financial liabilities and equity** due to the conversion of the convertible bond into shares, which led to an increase in group equity by €387 million.

**Strong increase in Equity (+890 million)** also due to FX translation effect and retained earnings.



# 03

## Strategic Initiatives / Outlook

# Symrise Corporate Structure

*Flavor & Nutrition has become Taste, Nutrition & Health*



**TN&H with expanded portfolio**  
of application areas

Taste, Nutrition & Health				Scent & Care		
Food & Beverage	Pet Food	Aqua Feed	Probi	Fragrance	Cosmetic Ingredients	Aroma Molecules
Beverages	Pet Palatability	Aqua Feed Palatability	Probiotics	Fine Fragrances	Active Ingredients	Fragrance Ingredients
Sweet	Pet Nutrition			Consumer Fragrances	Sun Protection	Menthol
Savory	Pet Food Protection			Oral Care	Botanicals	
Naturals	Veterinary				Colors	

Providing sustainable and innovative solutions or services to make life tastier and healthier.

**Building a sustainable global powerhouse**  
focusing on three strongly linked main assets

<p><b>Taste</b></p> <p>Leveraging the deeply routed Flavor expertise by using sustainable sources and renewable materials. Integrating flavor, taste, texture.</p>		<p><b>Health</b></p> <p>Improving everyday health of people and pets, by using scientific expertise and building partnerships.</p>
	<p><b>Nutrition</b></p> <p>Building on its core agronomic and nutritional competencies, developing nutrients needed for body and well-being.</p>	

# Taste, Nutrition & Health

*Further differentiation of portfolio, also through acquisitions*



**Acquisitions support further growth through expanded portfolio and technologies**

## Taste, Nutrition & Health

### Food & Beverages



**GiraffeFoods**

Canada: **Custom Taste solutions** for home meal replacement and food service. **CAD 80 m p.a.**

### Pet Food



The Netherlands: **Egg proteins** for Pet Food. **€25 m p.a.**



China: **Pet Palatability** for Pet Food. **€25 m p.a.**



USA: **Egg processing plant** for pet food. **\$10 m p.a.**

### Portfolio expansion



Sweden Pet Veterinary Products: oral care, nutraceuticals, dermatology. **Minority share.**



**Non-core activities  
divested to focus on  
Taste, Nutrition & Health**

**Food Color Business**  
sold to Oterra  
**€23 m p.a.**

**Drinkstar Velcorin Business**  
Distribution model with  
Lanxess ended effective  
01. January 2022  
**€25 m p.a.**

# Scent & Care

*Acquisitions and strategic initiatives for continued accelerated growth*

## Reorganization of regional presence and diversification of portfolio

### Scent & Care

#### Fragrance

Capacity expansion to rebuild footprint

**France**  
**Joint Venture with Neroli** Expansion of sustainably cultivated Naturals

#### Cosmetic Ingredients

Implementation of production technologies for Green Hydrolite

**USA**  
**Acquisition of minority interest in Kobo Beauty Inc.** (25 %) Specialist in UV filter and decorative cosmetics

Cooperation with **Infinite Looks Inc.** Joint development in hair care

#### Aroma Molecules

Capacity expansion for Fragrance ingredients

**USA/Spain/Mexico/Germany**  
**Restructuring and capacity expansion** to further establish green chemistry

**Spain: Granada site** (acquired in conjunction with **Sensient** Fragrance and Aroma Molecules business) offers capabilities for capacity expansion and improvement of footprint.



# Sustainability along the value chain

*Integrated strategy fully aligned with the UN Sustainability Goals*



## Raw materials

- Biodiversity protection
- Climate
- Human rights



## Product development

- Efficient use of natural raw materials
- Biological degradable
- Focus towards plant derived proteins



## Production

- Green chemistry
- Waste reduction
- Circular economy



## Customer

- Transparency
- Sustainable product solutions



## Consumers

- Continued health and quality awareness



## Achievements 2021



**Carbon Disclosure Project:** Symrise achieved triple A status second year in a row (**Water, Climate, Forest**) as the only company in Germany / only 14 companies globally



**EcoVadis:** Symrise achieved first time Platinum status in 2021, after Gold status in 2020 for its performance in **Environment, Human Rights, Ethics and Procurement**

# Organic growth initiatives

*Investments and innovation to fully leverage future business opportunities*

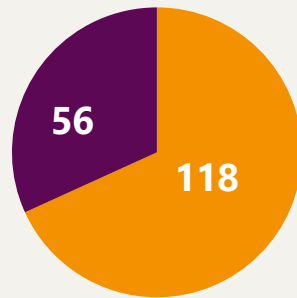


## Capital Expenditure

In €m

**2021** 174 m  
2020 159 m

**2022** ~5 %  
from sales



## Opening innovation center in Dubai

State-of-the-art center for development, application, and sensory laboratories.



## Pet Food opens factory in China

Leverage growth with extended capacities.



## Scent & Care Granada site

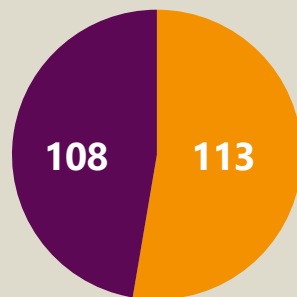
Capacity expansion and transfer of technologies.



## R&D Expenses

In €m

**2021** 221 m  
2020 212 m



● Scent & Care ● Taste, Nutrition & Health

## Launch of SymProBiome: microbiome research

Focus on science with next generation of microbiome research models.



## Introduction of digital tool to enhance traceability of global farming

App collects, structures and coordinates agronomy data from all over the world.



## Partner in the creation of satisfying plant-based protein products

Overcome the main consumption barrier for plant-based protein products.



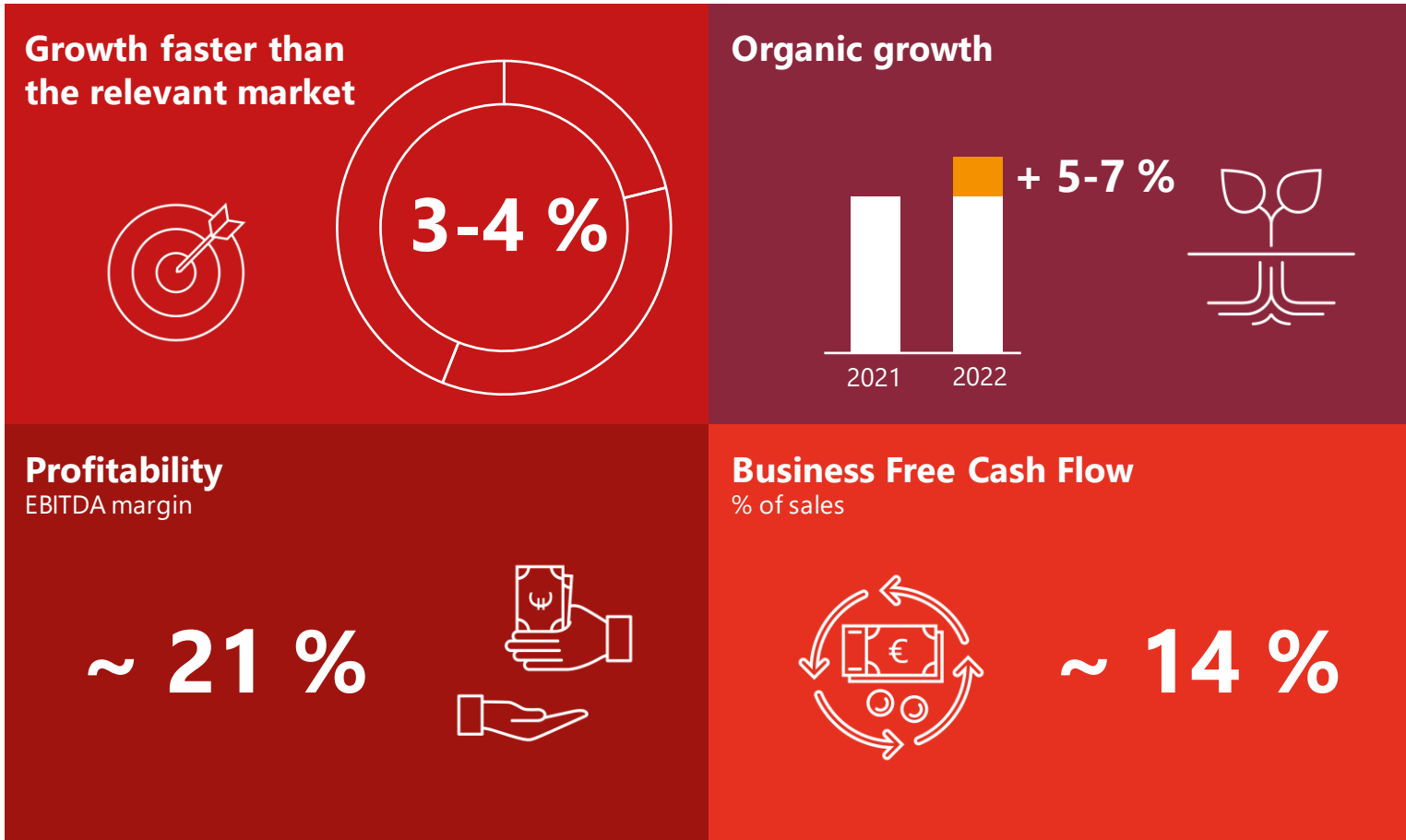


# Outlook 2022

*Symrise excellent positioned with diversified portfolio, broad regional presence and customer base*



## Targets 2022



## Growth dynamics

### Leverage growth opportunities of Taste, Nutrition & Health

Innovation programs based on additional competencies and portfolio expansion as a result of recent acquisitions

### Commercialize existing market potential in Scent & Care

in the context of capacity expansions following the growing demand for cosmetic ingredients

### Continued implementation of sustainability programs

such as the increased use of green chemistry



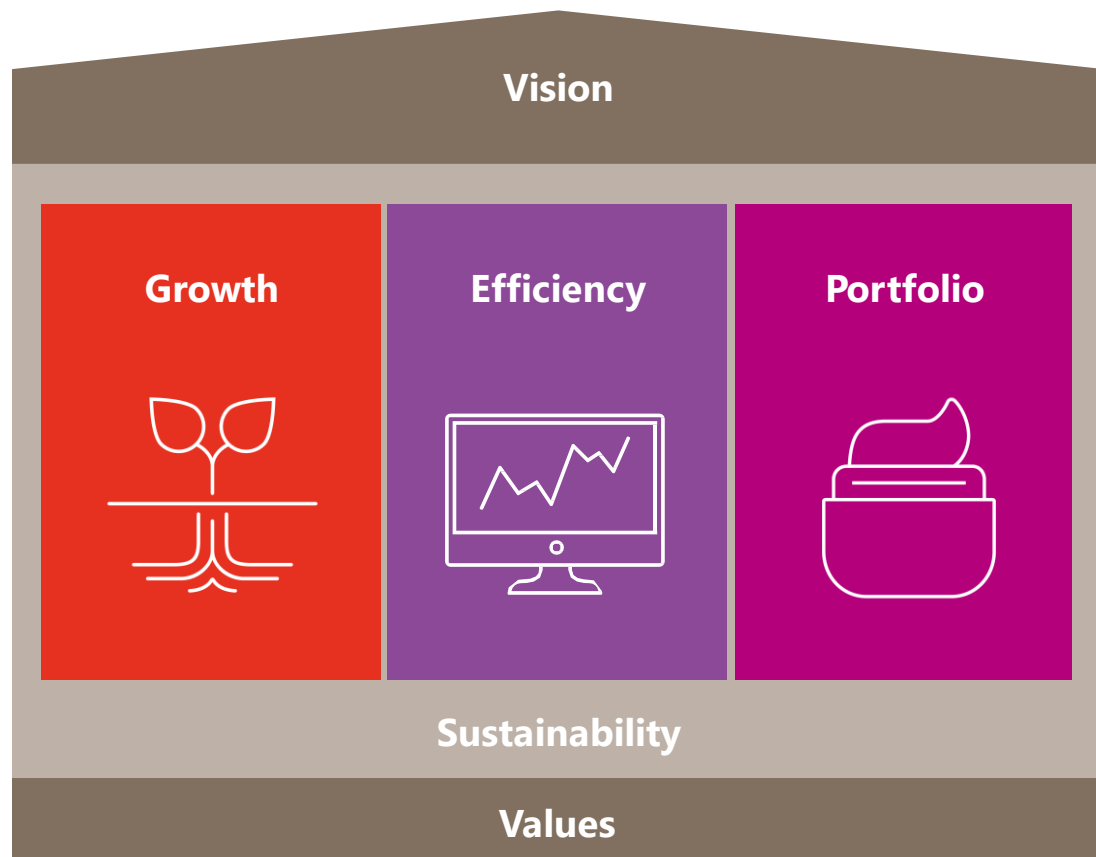
# Appendix

# Corporate strategy

*Mid-term targets 2025 remain in place*



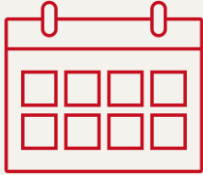
## Strategic business model



## Mid-term targets 2025

Financial targets		Sustainability
<b>Sales growth</b>	<b>5 – 7 %</b> p.a. (CAGR)	Green house gas emissions <b>63 %*</b> reduction  by <b>2025</b>  by <b>2030</b> climate positive
<b>EBITDA margin</b> due to an expanded portfolio	<b>20 – 23 %</b>	
<b>CAPEX</b>	<b>4 – 5 %</b>	
<b>Dividend</b> planned to be continued	<b>30 – 50 %</b>	
<b>Portfolio</b> of sales outside traditional applications	<b>~ 50 %</b>	

\*Science-based target (SBT) 2016-2025



## *Financial calendar*

**27 April**

Q1 2022 trading statement

**02 August**

H1 2022 results

**03 May**

Annual General Meeting

**26 October**

9M 2022 trading statement



## *Contact*

**Symrise AG**

Mühlenfeldstraße 1  
37603 Holzminden, Germany

**Tobias Erfurth**

Investors Relations  
tobias.erfurth@symrise.com

**Bernhard Kott**

Corporate Communications and  
Sustainability  
bernhard.kott@symrise.com

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*always  
inspiring more*

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