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Company Profile: Symrise at a Glance

Symrise develops, produces and sells fragrances, flavorings, cosmetic active ingredients, raw materials and functional ingredients as well as sensorial and nutritional solutions. Its clients include manufacturers of perfumes, cosmetics, food and beverages, the pharmaceutical industry and producers of nutritional supplements as well as pet food and baby food.

Its sales of € 2.602 billion in 2015 and a global market share of approximately 12 % place Symrise among the leading companies in the global flavors and fragrances market. Headquartered in Holzminden, Germany, the Group is represented in over 40 countries in Europe, Africa, the Middle East, Asia, the United States and Latin America. Around 8,300 people work in the two segments at Symrise Group – Scent & Care and Flavor & Nutrition.

Symrise's corporate strategy is founded on the three pillars of growth, efficiency and portfolio. Symrise aims to become the most successful company in its industry, to strengthen its market position and to secure its independence. The company is aware that economic success and social acceptance are inextricably linked. The corporate strategy thus incorporates aspects of sustainability at all levels in order to enhance the company's value over the long term and minimize risks. The economic goals of the company are linked to actively taking responsibility for the environment, employees and society.

Symrise works with its clients to develop new ideas and market-ready concepts for products that form an indispensable part of everyday life, such as perfumes, personal care products, detergents and household cleaners, beverages, snacks and confectionery as well as baby and pet food. At Symrise, an important part of value creation is developing products that provide an additional benefit for the consumer. Symrise thus offers taste solutions that make it possible to reduce the sugar or sodium content in food as well as moisturizing cosmetic ingredients that allow the amount of preservatives in care products to be reduced.

The company's 30,000+ products can be found in more than 160 countries. In 2015, Symrise generated 54 % of sales in industrial countries in Western Europe, North America and parts of Asia. A total of 46 % of Symrise's sales were achieved in the emerging markets in Asia, South America, Africa, the Middle East and Eastern Europe.

The company was formed in 2003 by the merger of Dragoco Gerberding & Co. AG and Haarmann & Reimer GmbH. Symrise has been traded on the German stock exchange since December of 2006 and was added to the MDAX about a year later. Dr. Heinz-Jürgen Bertram has been CEO since July of 2009; the company's other executive officers are Olaf Klinger (Finances), Heinrich Schaper (Flavor), Jean-Yves Parisot (Diana), and Achim Daub (Scent & Care).

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History

The Symrise Group was created by a merger between the German companies Haarmann & Reimer and Dragoco in 2003. The company thus celebrated its 10th anniversary in 2013. Symrise's roots date back to 1874 and 1919, when the two companies were founded. In 2006, Symrise AG entered the stock market with its initial public offering (IPO). Since then, Symrise stock has been listed in the Prime Standard segment of the German stock exchange. With a market capitalization of about € 7.5 billion at the end of 2015, Symrise stock is listed on the MDAX index.

Symrise Around the World

The company is represented in over 40 countries and has approximately 8,300 employees around the world. Both segments are organized into four regions with separate regional managements: Europe, Africa and the Middle East (EAME), North America, Asia/Pacific, and Latin America. In addition, the Group has created a Corporate Center which encompasses the central areas of finance and controlling, corporate communications, investor relations, legal affairs, human resources, corporate compliance, internal auditing and global process design in order to exploit cross-business synergies. Symrise has regional headquarters in the US (Teterboro, New Jersey), Brazil (São Paulo) and Singapore.

Two Segments: Flavor & Nutrition and Scent & Care

The company comprises two segments: Flavor & Nutrition and Scent & Care. Flavor & Nutrition is subdivided into two divisions: Flavor and Diana. Flavor develops, produces, and sells flavors and functional ingredients for use in foods, beverages and health products. This includes culinary products and snacks, sweets and desserts, dairy products and ice cream, and beverages and nutritional supplements. Diana develops tailor-made solutions from natural raw materials, which help to improve the sensorial and nutritional performance of its customers' products. This includes sensorial and nutritional solutions to reinforce its customers' benefits in the food industry, as well as natural and functional food solutions and palatability enhancers for pet food. Another area are plant cell cultures dedicated to actives synthesis for the food, health and cosmetics industries. Scent & Care is subdivided into three divisions: Fragrances, Cosmetic Ingredients and Aroma Molecules. They produce and sell fragrances, cosmetic ingredients, aroma molecules and mint aromas. They are used in the manufacture of perfumes, personal care and cosmetic products, cleaning products and detergents, home fragrances and oral care products.

Symrise focuses strategically on providing a functional added value in addition to scent and flavor: "Scent" is completed by "Care," "Flavor" is combined with "Nutrition." In the Cosmetic Ingredients division, for example, Symrise offers highly effective substances for cosmetic care that slow the aging of the skin, soothe irritated skin or have an anti-bacterial effect. In the Health & Nutrition Products application area, Symrise develops natural, functional ingredients that promote heart health and digestion, for example. These innovative fields of business provide Symrise with a unique profile on the market and offer it additional growth opportunities. At the same time, our commitment to the areas of skin protection and healthy eating, for instance, produces tangible benefits for end customers.

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Scent & Care

Symrise's Scent & Care segment provides its customers with competence in scents, beauty and care. The focus is on developing environmentally friendly, safe and sustainable products and processes. The Scent & Care segment is divided into the divisions Fragrances, Cosmetic Ingredients and Aroma Molecules. The products from these divisions are used in different application areas as follows:

Fragrances: Perfumers combine aromatic raw materials like aroma chemicals and essential oils into complex fragrances (perfume oils). Symrise's perfume oils are used in perfumes (Fine Fragrances), in personal care products (hair care products, wash lotions, skin creams, deodorant) and household products (detergent, air fresheners) as well as oral care products (toothpaste, mouthwash, etc.)

Cosmetic Ingredients: Health and beauty are combined into one in the Cosmetic Ingredients division. The cosmetic ingredients that are created here are used in skin and hair care products, sunscreen lotions, aftershaves, shower gels, shampoos, wash lotions and deodorants. Products with nurturing characteristics are an important part of this division.

Aroma Molecules: The division is divided into the Special Fragrances and Flavor Ingredients, Fine Aroma Chemicals, Menthols and Gasodor[®] S-Free application areas. Special Fragrance and Flavor Ingredients encompass aroma chemicals (intermediate products for perfume oils) of particular quality. These aroma chemicals are used for Symrise's own perfume oil production and are also sold to customers, who make perfume oils from them. Among them is synthetic menthol, which Symrise manufactures and which is primarily used in the manufacture of oral care products, chewing gum and shower gels. Gasodor[®] S-Free too belongs to this application area. It is an innovative, ecological solution for natural gas providers that take climate protection seriously. It replaces conventional odorants, which usually contain sulfur, and provides long-term relief for the environment. The technology combines environmental compatibility with the highest standards of safety, profitability and technology.

Flavor & Nutrition

The Flavor & Nutrition segment is where experts work on modern nutrition concepts. More than 15,000 individual products provide excellent flavor, support physical health and increase culinary pleasure, among other aspects. The segment is subdivided into two divisions: Flavor and Diana.

Flavor develops, produces, and sells flavors and functional ingredients for use in foods, beverages and health products. This includes culinary products and snacks, sweets and desserts, dairy products and ice cream, and beverages and nutritional supplements. The central platform for developing new products is taste for life[®] – a unique tool for meeting consumer needs with market-driven and successful products.

Diana develops tailor-made solutions from natural raw materials, which help to improve the sensorial and nutritional performance of its customers' products. This includes sensorial and nutritional solutions to reinforce its customers' benefits in the food industry, as well as natural and functional food solutions and palatability enhancers for pet food. Another area are plant cell cultures dedicated to actives synthesis for the food, health and cosmetics industries.

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Flavor offers the food industry more than just flavors. It also delivers concepts, ideas and complete solutions that include additional functional ingredients, food coloring or microencapsulated product components in addition to flavors themselves. It supplies innovative products that provide the market with new impulses and help the industry to tap into the full potential of its brands and products. The division also provides solutions for nutritional supplements and pharmaceutical preparations in its Health & Nutrition Products application area.

Beverages: The flavors and base ingredients developed by Symrise are used in non-alcoholic beverages such as soft drinks, juices, energy and sports drinks, flavored milk drinks and functional beverages. Symrise also has applications with flavor granulates for instant drinks such as tea and coffee specialties. The product range is rounded out by flavorings, distillates and extracts for nearly all common types of alcoholic beverages – for liqueurs, spirits, and mixed beer and wine drinks. One particular emphasis is on developing citrus aromas.

Savory: Within this application area, Culinary includes meat flavors, herb and vegetable extracts, flavors for soups, sauces, instant foods, and Snacks seasonings for snacks. Special Symrise flavorings help reduce the salt and fat content of foods without any significant loss of flavor. An area of core expertise is the development of vegetable and meat flavorings.

Sweet: In this application area, Symrise covers the areas of sweets, baked goods, ice cream and dairy products. A focal point is products with improved flavor release and flavor systems with masking properties that permit the use of functional ingredients and simultaneously conceal the often unpleasant flavor of these ingredients. Symrise has particular expertise in vanilla, mint and red fruits.

Health & Nutrition Productions: This application area serves, among others, the growing market for food supplements and pharmaceutical preparations. This includes natural, functional ingredients to promote heart and digestive function, for example, flavoring solutions for pharmaceutical products as well as natural food colors and coloring foods.

Diana develops tailor-made solutions from natural raw materials, which help to improve the sensorial and nutritional performance of its customers' products.

Its organoleptic solutions have the ability to reinforce the sensorial attractiveness of products, with properties, such as palatability, taste, texture, color and smell. In addition, its nutritional concepts help to reinforce the health and nutritional benefit of products by using functional actives. Diana works alongside its clients to win new markets, thanks to its unique expertise in biosciences and major investments in innovation.

Among its clients are customers from the food, pet food, nutraceuticals, aquaculture industries. The division is thus organized in three application areas, corresponding to its targeted markets: Food, Pet Food and Nova.

The Food application area develops organoleptic and nutritional functional solutions to reinforce its customers' benefits in the food industry.

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The Pet Food application area develops innovative solutions to improve dog and cat well-being and pet owner satisfaction.

The Nova application area gathers new activities with high growth potential for the Group, such as aquaculture and plant cell culture.

Research and Technology

The value chain of both segments extends across product research, technology, purchasing and production, as well as sales of our products and solutions. Besides classic fragrance and flavoring products, Symrise also develops products that provide an additional benefit to the consumer. Examples for this include flavorings that enable the sugar or salt content of foods to be reduced, or a moisturizing cosmetic ingredient that lowers the proportion of preservatives in care products.

The extensive research and technology (R&T) undertaken, which is supplemented by a wide-reaching external network of research institutes and scientific facilities, forms the basis of product development. Given the big differences in sensory preferences and changing consumer needs and wishes, comprehensive consumer research is also an important part of R&T activities.

Corporate Strategy

Symrise's corporate strategy is founded on the three pillars of growth, efficiency and portfolio. Symrise aims to become the most successful company in its industry, to strengthen its market position and to secure its independence. The company is aware that economic success and social acceptance are inextricably linked. The corporate strategy thus incorporates aspects of sustainability at all levels in order to enhance the company's value over the long term and minimize risks. The economic goals of the company are linked to actively taking responsibility for the environment, employees and society.

Growth and Global Positioning

Global, regional and local customers each account for approximately one third of Symrise's sales. This balanced customer portfolio opens up growth opportunities on a broad front. Consumer demand for responsibly produced and health-promoting products is rising. Sustainable products and production methods make Symrise a valued partner for leading companies in its customer industries.

Symrise has made the decision to target its activities towards highly populated and rapidly expanding regions of the world at an early stage. Understanding local conditions, the markets and the consumers is an important factor in successfully expanding the business. Thus Symrise is represented in key emerging markets with its own operating facilities. Furthermore, Symrise is committed to local social issues at all of its locations.

Market and consumer research, research and development, creation, marketing and sales are closely intertwined at Symrise. Regional research and development centers ensure the local market relevance of development activities. This also enables production processes to be optimized and made more environmentally friendly. Renewable resources are used whenever possible. At the same time, new products and system solutions with a high degree of value-creation potential are developed.

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Continually Increasing Efficiency

Symrise is constantly seeking to find new ways to supply its products in a more cost-effective and environmentally friendly manner at a consistently high level of quality. The goal is to continually increase the economic and ecological efficiency of the company's business activities. An important tool for this is Total Productive Maintenance (TPM). Together with its customers, Symrise has established an integrated supply chain management system in the form of the Symchronize™ initiative, which comprises the entire value creation chain from raw materials procurement to the customer's end product. The company's comprehensive approach to environmental management includes – together with ambitious, long-term goals to reduce energy consumption, CO₂ emissions, and water consumption as well as waste and waste water emissions – a systematic process for continuous improvement.

Focusing the Product Portfolio

Symrise taps new markets and segments, and is constantly seeking to expand its expertise in the areas of nutrition and care. The Cosmetic Ingredients division has been created in the Scent & Care segment. This is where the highly effective substances for cosmetic care that slow the aging of the skin, soothe irritated skin or have an anti-bacterial effect are located, for instance. In the Health & Nutrition Products application area, Symrise develops natural, functional ingredients that promote heart health and digestion, for example. In all application areas, the proportion of products contributing to health and well-being amounted to 25 % of sales in the 2015 fiscal year. By focusing its product portfolio on the areas of health and well-being, Symrise sets itself apart from the competition, produces tangible benefits for end consumers and paves the way for long-term growth potential.