

always
inspiring more...

symrise 

Press Kit



Symrise

At a Glance

Symrise develops, produces and sells fragrances and flavorings, cosmetic active ingredients and raw materials as well as functional ingredients and solutions that enhance the sensory properties and nutrition of various products. Our company's nearly 30,000 products are mainly produced on the basis of natural raw materials like vanilla, citrus fruits, onions, fish, meat, blossoms and plant materials. Our flavors, substances, perfume oils and sensory solutions are often central functional components for our customers' end products. These customers include manufacturers of perfumes, cosmetics and foods, the pharmaceutical industry and producers of nutritional supplements, pet food and baby food.

With sales of more than € 2.9 billion in 2016, Symrise is among the global leaders in the market for flavors and fragrances. Headquartered in Holzminden, Germany, the Group is represented in over 40 countries in Europe, Africa and the Middle East, Asia, the United States and Latin America.

Symrise works with its clients to develop new ideas and market-ready concepts for products that form an indispensable part of everyday life. Economic success and corporate responsibility are inextricably linked as part of this process.

Our company's origins go back to the year 1874. Symrise has since grown to achieve a market share of currently 11 % – making it one of the leading suppliers of flavors and fragrances on the global market. A high level of innovation and creativity, an exact knowledge of customer needs and various regional consumer preferences as well as targeted expansion into new and promising market segments contribute to our company's above-average growth rate. Today, Symrise has about 9,000 employees working at sites in more than 40 countries, serving over 6,000 customers in roughly 160 countries.

Symrise's growth is primarily organic. It complements this growth by acquiring attractive companies that bring additional competencies into the Group and provides it with access to new market segments and customer groups. The company also enters into strategic partnerships to develop new

products. In 2014, the acquisition of the French Diana Group represented a strategic milestone for the Flavor & Nutrition segment. In 2015, Symrise bolstered its activities in the Scent & Care segment with the acquisition of the US-based company Pinova Holdings Inc.

Since October 2016, the operating activities of the Symrise Group have been broken down into three segments: Flavor, Nutrition and Scent & Care. The divisions within these segments are organized according to business units and regions.

The Group's Corporate Center is located in Holzminden, Germany. Key corporate functions such as governance and control, communications and administration are located there. The company has regional headquarters in France (Rennes), the United States (Teterboro, New Jersey), Brazil (São Paulo) and Singapore.



Symrise's Value Chain: Business Activities and Products

Symrise manufactures about 30,000 products from around 10,000 – mostly natural – raw materials such as vanilla, citrus products or flower and plant materials.

The value chain of the three segments extends across research and development, purchasing, and production as well as the sale of products and solutions. The flavors, perfume oils and active ingredients are generally central functional components in our customers' end products and often play a decisive role in consumers' purchasing decisions. Along with the typical product characteristics such as fragrance and taste, our value creation lies in the development of products with additional benefits. Examples of how flavors and perfume oils are combined with other innovative components include flavorings that enable foods' sugar or salt content to be reduced or a moisturizing cosmetic ingredient that lowers the proportion

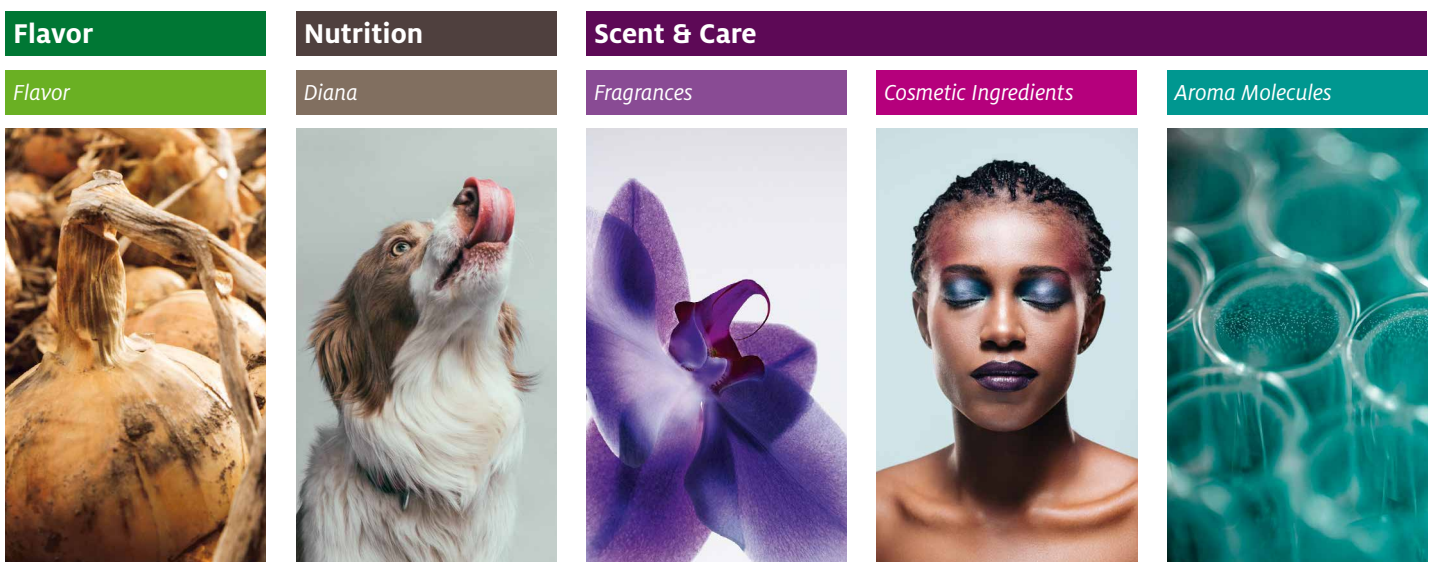
of preservatives in care products. On the basis of these products, our customers can differentiate themselves from competitors with their tailor-made end products in the rapidly changing consumer goods market. The extensive research and development (R & D) undertaken at the company, which is supplemented by a wide-reaching external network of research institutes and scientific facilities, forms the basis of our product development. Given the strong differences in sensory preferences from region to region, comprehensive consumer research is also an important part of our R & D activities.

Company Profile: Structure and Business Activities

Symrise is a global supplier of fragrances, flavorings, cosmetic base materials and substances, as well as functional ingredients. Its clients include manufacturers of perfumes, cosmetics, food and beverages, the pharmaceutical industry and producers of nutritional supplements and pet food.

With sales of € 2.9 billion in the 2016 fiscal year and a market share of 11 %, Symrise is one of the leading global suppliers in the flavors and fragrances market. Headquartered in Holzminden, Germany, the Group is represented with locations in over 40 countries in Europe, Africa, the Middle East, Asia, the United States and Latin America. The Symrise Group originally resulted from a merger between the German companies Haarmann & Reimer and Dragoco in 2003.

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 shares have 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 2016, Symrise shares are listed on the MDAX® index. Currently, approximately 94 % of the shares are in free float.



Corporate Structure

Our customers include large, multinational companies as well as important regional and local manufacturers of foods, beverages, pet food, perfumes, cosmetics, personal care products and cleaning products as well as laundry detergents.

Symrise manufactures its flavorings and fragrances at its own production plants. In some cases, it has longer-term delivery contracts for obtaining important raw materials. The company maintains close ties with its suppliers and establishes uniform standards to guarantee that the quality of its base materials remains the same.

Three Segments: Flavor, Nutrition and Scent & Care

The Flavor, Nutrition and Scent & Care segments are responsible for the company's operating business. The former Flavor & Nutrition segment was split into two new segments (Flavor and Nutrition) as part of a new organizational and reporting structure related to the appointment of two further Executive Board members effective October 1, 2016. Each segment has its own research and development, purchasing, production, quality control, marketing and sales departments. This system allows internal processes to be accelerated. Symrise aims to simplify procedures while making them customer-oriented and pragmatic. It places great value on fast and flexible decision-making.

The Flavor segment contains the Beverages, Savory and Sweet business units. The Nutrition segment consists of the Diana division and the business units Food, Pet Food, Aqua and Probi. The Scent & Care segment

breaks down into the Fragrance, Cosmetic Ingredients and Aroma Molecules divisions.

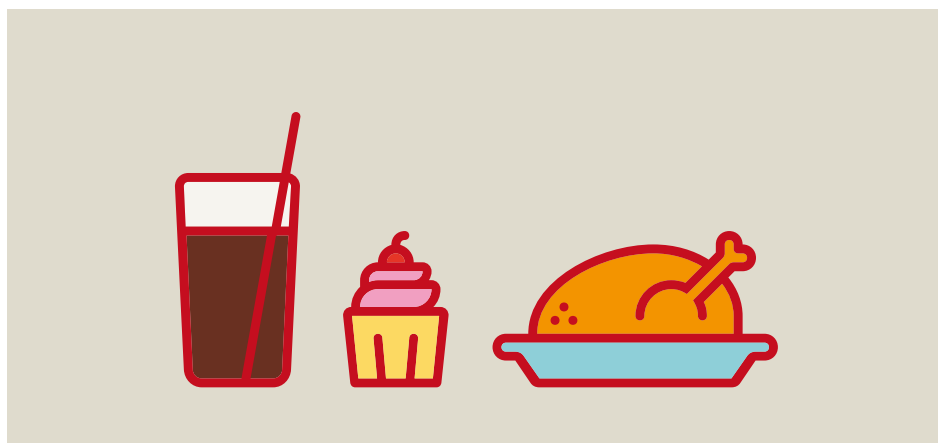
The Group's business activities are also organized into four regions: Europe, Africa and the Middle East (EAME), North America, Asia/ Pacific and Latin America.

Additionally, the Group has a Corporate Center where the following central functions are carried out: Finance, Corporate Communications, Investor Relations, Legal Affairs, Human Resources, Group Compliance and Corporate Internal Audit. Other supporting functions such as information technology are prevalingly either outsourced to external service providers or bundled in separate Group companies. The latter have maintained business ties to customers outside the Group, for example, in the areas of technology, energy, safety, the environment and logistics.

Symrise AG's headquarters are located in Holzminden, Germany. At this site, the Group's largest, Symrise employs 2,284 people in the areas of research, development, production, marketing and sales as well as in the Corporate Center. The company has regional headquarters in the USA (Teterboro, New Jersey), Brazil (São Paulo), Singapore and in France (Rennes, Brittany). Important production facilities and development centers are located in Germany, France, Brazil, Mexico, Singapore, China and the USA. Symrise has sales branches in more than 40 countries.

Flavor

Flavor's range of products consists of approximately 13,000 items, which are sold in 145 countries. The flavorings Symrise produces are used by customers to make foods and beverages and give the various products their individual tastes. Symrise supplies individual flavorings used in end products as well as complete solutions, which, apart from the actual flavor, can contain additional functional ingredients, food coloring or microencapsulated components. The segment has sites in more than 40 countries in Europe, Asia, North America, Latin America and Africa. The Flavor division's flavorings and ingredients are used in three business units:



Beverages With global competencies in alcoholic, nonalcoholic, dried and instant beverages, Symrise is setting new standards and trends in the national and international beverage industry through the authentic, innovative tasting experiences Symrise delivers. Thanks to years of expertise, refined technologies and its comprehensive understanding of markets and consumers, the company is creating completely new prospects for the beverage industry while meeting individual customer needs.

Savory Savory flavors are used in two categories: in the "Culinary" category with its taste solutions for soups, sauces, readymade meals, instant noodles and meat products as well as in the "Snack Food" category with seasonings for snacks. Both areas focus on creating successful concepts for customers that meet consumers' constantly growing desire for authentic flavor, naturalness and convenience. Here, Symrise can rely on its

sustainable core competencies in meat and vegetables as well as its cutting-edge food technology and research.

Sweet In the Sweet business unit, Symrise creates innovative taste solutions based on its comprehensive understanding of the markets and consumers for sweets, chocolates, chewing gum, baked goods, cereals, ice cream and milk products as well as for the health care sector. Interdisciplinary teams bring together their ingenious creativity to meet customers' specific needs. A diversified product portfolio offers consumers exciting and unique taste experiences.

Scent & Care

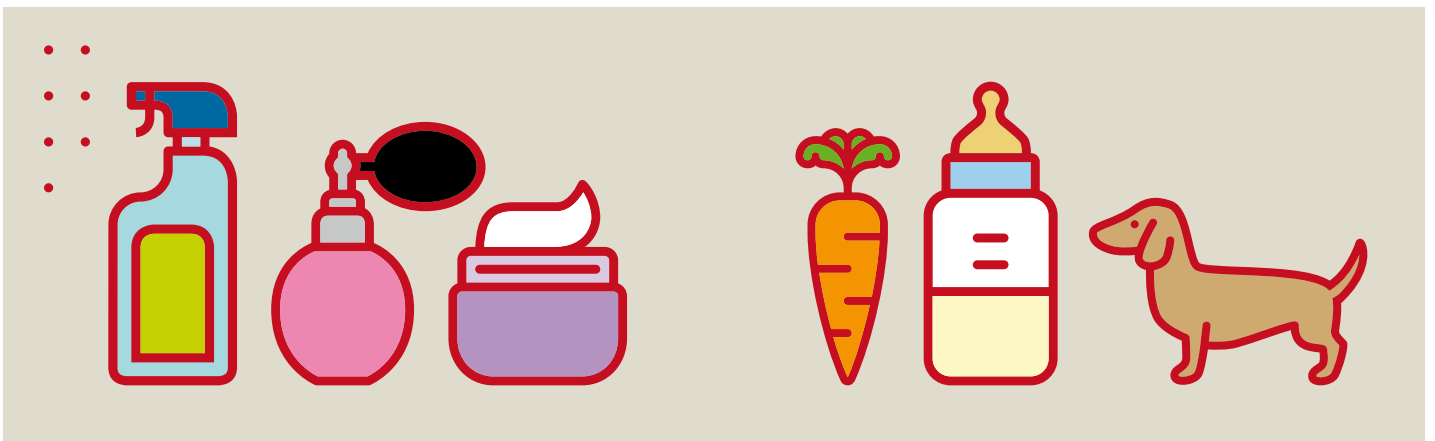
The Scent & Care segment has sites in more than 30 countries and markets its nearly 15,000 products in 135 countries. Scent & Care is divided into three global divisions: Fragrance, Cosmetic Ingredients and Aroma Molecules. Their products are used in the following business units:

Fragrance Our creative and composition business comprises the four global business units Fine Fragrances, Beauty Care, Home Care and Oral Care. Perfumers combine aromatic raw materials like aroma chemicals and essential oils to make complex fragrances (perfume oils). Symrise's perfume oils are used in perfumes (Fine Fragrances business unit), in personal care products (Beauty Care business unit) and household products (Home Care business unit). Symrise also offers the entire product range of mint flavors and their intermediate products for use in toothpaste, mouthwash and chewing gum (Oral Care business unit).

The objective of the division is to provide everyone who uses our products with "fragrances for a better life." The division employs more than 70 highly talented and respected perfumers of 14 different nationalities, who work at 11 creative centers around the world. Their combined experience adds up to more than 1,300 years of perfumery expertise.

Cosmetic Ingredients Symrise is a world market leader in the premium cosmetic ingredients market – ingredients used in everything from cosmetic products with multifunctional benefits to sun protection solutions. The Cosmetic Ingredients division is a recognized innovation leader that has received 36 innovation awards for new substances over the last ten years. In the same period, it has submitted numerous patent applications for new substances. In 2016 alone, the division submitted 17 new patent applications. The products manufactured by Cosmetic Ingredients are used in skin and hair care products, sunscreens, men's care products, shower gels, wash lotions, anti-dandruff shampoos and deodorants. Products with nurturing characteristics as well as alternative preservatives and colors are another focal point for the division.

Aroma Molecules The division comprises the business units Menthols, Special Fragrance & Flavor Ingredients, Sensory & Terpene Ingredients and Fine Aroma Chemicals. In the Menthols business unit, Symrise manufactures nature-identical menthol, which is primarily used in manufacturing oral care products, chewing gum and shower gels. Special Fragrance & Flavor Ingredients and Fine Aroma Chemicals manufacture aroma chemicals (intermediate products for perfume oils) of particular quality. These aroma chemicals are used both in Symrise's own production of perfume oils as well as marketed to companies in the consumer goods industry and other companies in the fragrance and flavor industry. The Sensory & Terpene Ingredients business unit comprises the US company Renessenz LLC, acquired and integrated in 2016, and its terpene-based products made from renewable and sustainable raw materials.



Nutrition

The Nutrition segment has sites in 23 countries and markets its nearly 2,000 products in 89 countries. The product range in the Nutrition segment breaks down into four business units:

Food This unit and its food ingredients comprise natural sensory product solutions such as taste, texture, color and functionality in foods and beverages. The unit also offers products for baby foods. Diana has comprehensive backward integration processes established for vegetables, fruit, meat and seafood. Diana places quality, traceability and food safety in the foreground.

Pet Food This unit is responsible for natural-taste and acceptance-enhancing product solutions for pet foods. The business unit maintains its own cat and dog panels for gauging progress on its work improving sensory product characteristics. Furthermore, solutions for enhancing product attractiveness for pet owners are also a focus of development.

Aqua The business unit Aqua is organizationally situated within the Nutrition segment as an independent business unit. Aqua develops and produces sustainable marine ingredients for aquacultures used for nutritional-physiological and animal health purposes.

Probi All activities having to do with probiotics will be pooled in this business unit from now on. These activities largely stem from the Swedish Symrise holding Probi. Probi develops probiotics for foods, beverages and nutritional supplements with health-promoting benefits.



Strategy

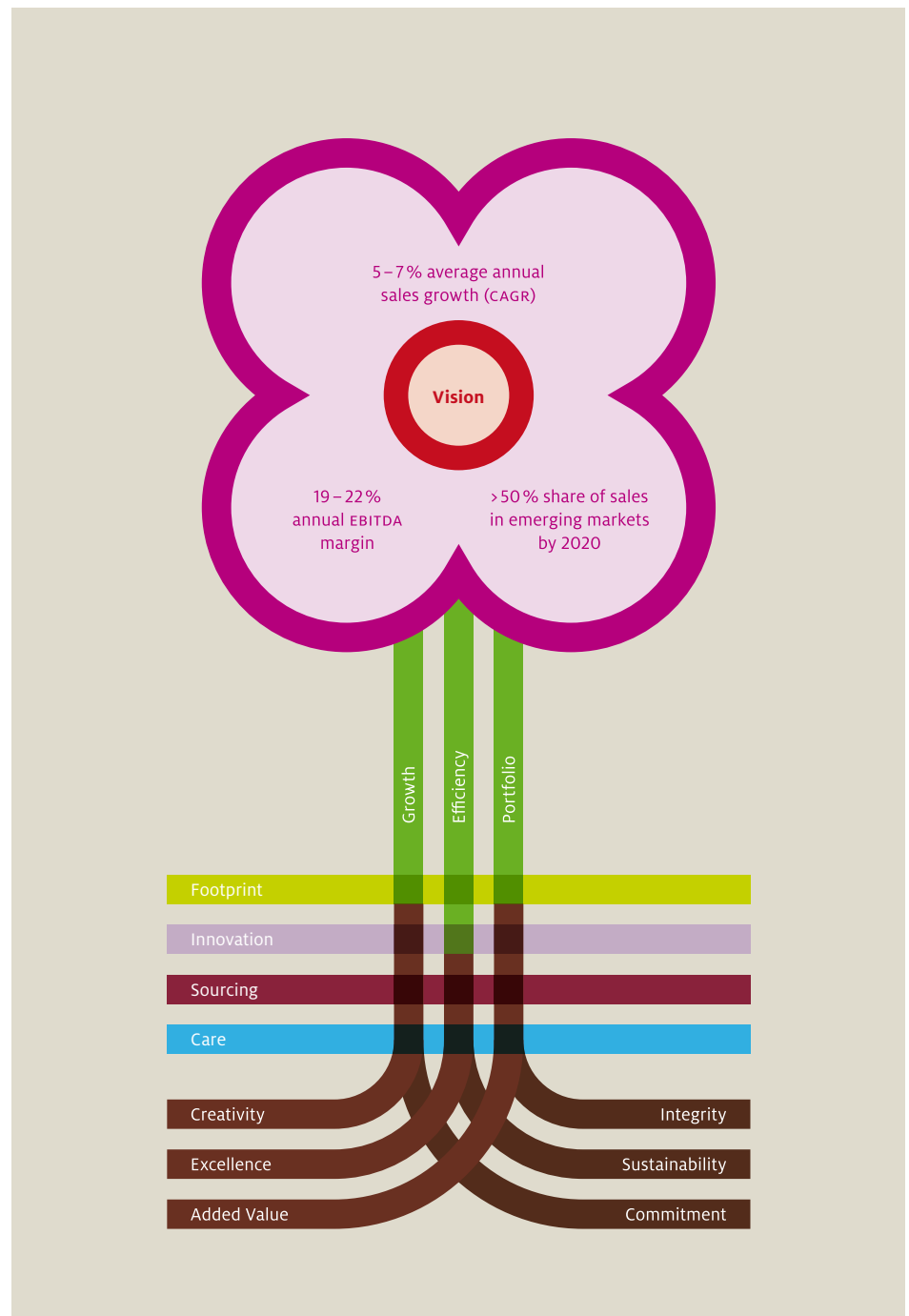
Symrise's corporate strategy rests on three pillars: growth, efficiency and portfolio. It incorporates aspects of sustainability at all levels in order to enhance the company's value over the long term and minimize risks. In this way, it is making sustainability an integral part of its business model and turning it into a clear competitive advantage. The goal is a completely integrated corporate strategy.

Growth Symrise strengthens the cooperation with its strategic customers around the world and expands its business in the emerging markets. It makes sure that it remains innovation leaders in its core competencies. This ensures the continued growth of the company.

Efficiency Symrise constantly works to improve its processes and concentrates on products with a high level of value creation. With backward integration for key raw materials, the company ensures a consistent, high-quality supply of these materials in sufficient quantities and at set conditions. Symrise works cost-consciously in every division. This ensures its profitability.

Portfolio Symrise enhances its product portfolio and taps into new markets and segments. It continues to expand its expertise outside the traditional flavor and fragrances industry. This ensures the prominent market position.

Research and Development: Guidelines and Focus Areas



Our research and development (R & D) strategy aims to connect the individual components of product development, such as market and consumer research, R & D and creation, throughout the Group. All research activities consider relevant customer, market and sustainability aspects. Through the close linkup of R & D with marketing and business units, purchasing and manufacturing, product development, quality assurance and regulatory issues, Symrise checks early on to see whether new products and technologies can be implemented and if they are profitable in addition to assessing their sustainability aspects. External collaborations and networks (Open Innovation) are bringing a wealth of new methods and ideas to the development process. Along with ideas from Open Innovation, Symrise also maintains a global project network with industrial and academic partners that covers every

development stage of the innovative process. Furthermore, all R & D activities are geared to the guidelines of megatrends, consumer needs, customer requirements, sustainability, innovation and cost efficiency. The capitalization rate for research and development activities remained immaterial as in the previous year.

The R & D strategy of the Scent & Care segment concentrates on five research platforms in the areas of cosmetic ingredients, encapsulation and release systems, green chemistry, malodor management and oral care. Supporting platforms in the areas of sensory and analytical research, natural raw materials and by-products, performance and receptor research form the basis for our capabilities and constant innovation process.

Exemplary research programs and product launches include our backward integration projects in Madagascar and the Brazilian Amazon region, which have the goal of producing high-quality natural products from sustainably grown raw materials while also fostering local community development. For instance, high-quality essential oils from Madagascar were presented at the World Perfumery Congress in Orlando – receiving lots of interest and recognition. Additional product launches include new encapsulation technologies like Ambrostar®, which acts as a new benchmark for longevity, and SymCap® G2, an improved second generation fragrance release solution that increases customer benefits and is formaldehyde free. Furthermore, a product series of fatty oils sustainably produced in the Brazilian Amazon region were presented at the In Cosmetics in Paris.

Alongside comprehensive research programs that are aimed at the specific innovation requirements of the segments' respective business units, there are supplementary programs at Symrise that generate competitive advantages by expanding the company's portfolio of expertise. One example of this is Beauty+, which creates added value through the systematic, synergistic development of active cosmetic ingredients, fragrances and oral care solutions. Another example is ethnic hair care: Our recently opened Hair Care Innovation Center in São Paulo, Brazil, presented its first products for ethnic hair care and products that protect hair from air pollution at the In Cosmetics Brazil in 2016.

With the intelligent and mutually complementary combination of technical innovations and sensory research – performed in close cooperation with Diana – Symrise managed to notably enhance the acceptance of product solutions for masking malodors in pet food.

The Flavor and Nutrition segments handle the following topics based on certain technology platforms while maintaining special focus on sustainability:

Formulation technologies for flavors with reduced energy consumption, increased use

safety and improved performance profiles. Development and manufacturing recipes, which are backed by data analysis and computational models, for producing flavor solutions with optimized raw material selection and a reduced environmental footprint.

Development of new and improved processes for using valuable natural resources by incorporating biocatalysis and fermentation technologies while reducing waste and byproducts with support from life cycle analyses.

Examination and improvement of select renewable raw material flows, such as vanilla or onions, by optimizing cultivation, harvest, transport and storage. Selection of superior varieties with the aid of chemical and biological analysis as well as the determination of temporal and locational quality parameters for avoiding losses.

A further focus is the sustainable design of natural and labeling- friendly product solutions with excellent sensory properties. Creation expertise was significantly expanded in the year under review via newly developed, statistically based model calculations for optimizing recipes based on analytical data and sensory results. This method is particularly suited for combining and optimizing natural raw materials with complex sensory characteristics as a way to refine a product's sensory profile. At the same time, a systematic enhancement of agriculture- based raw materials is carried out in the Diana Food business unit. Together with Diana Pet Food, comprehensive research and development work takes place in developing and optimizing flavor systems and technologies for food components that increase pets' acceptance of food. Here, a new patent-protected cell model was developed in cooperation with B.R.A.I.N. AG in Zwingenberg, Germany, that can identify specific substances that cats tend to prefer.

Other focus areas of our research activities include flavor systems and technologies to increase the health benefits of foods – for instance, protein-rich foods and foods with reduced sugar, fat or salt. New flavor solu-

tions to enhance reduced sugar beverages were introduced in the past year. Additionally, the platform for flavors was expanded to include solutions that can reduce the unwanted taste of certain food ingredients, such as plant proteins.

An increasingly important key to success is the ability to skillfully combine traditional tools in analytics, sensory, synthesis, food technology and process technology with new and enhanced instrumental, biological and biotechnical methods and processes (receptor biology, biotransformation, new enzymes, metabolomics, DNA fingerprinting) as well as processes that use chem-/ bioinformatics. Here, new structures in the area of flavoring substances with taste modulating properties were identified via in-silico screening and structure-activity relationships (TasteCycle®). The statistical analysis, evaluation and planning of experiments for the development and optimization of sustainable processes and flavor compositions ("design of experiments," DoE) also play a key role.

Research and Development Expenses

Total R & D expenditures amounted to € 186 million in the 2016 fiscal year (previous year: € 170 million), comprising 6.4 % of sales (previous year: 6.5 %). The expenses for R & D should remain at this level moving forward in order to further enhance Symrise's innovative strength.



Press Contact

Bernhard Kott

TEL +49 55 31 90-1721
bernhard.kott@symrise.com

Christina Witter

TEL +49 55 31 90-2182
christina.witter@symrise.com

www.symrise.com

Image Download

Please download the
images of the press
kit here:

