Acquisition of ADF/IDF by Symrise

January 31, 2019
A compelling transaction rationale in line with the Group’s strategy

1. Enhanced positioning for Symrise in the nutrition market
2. Improved access to customers and brands
3. Outstanding fit within the Symrise Group: Nutrition (Diana) and Flavor
4. Highly complementary taste solutions
5. Enhanced financial profile of Symrise Group post-transaction

- Strategic acquisition of an all-natural & sustainable nutrition business with focus on Diana Pet Food and Food Nutrition
- Strong global position in meat and egg-based protein specialties
- Perfect fit in culture and strategy due to joint history of ADF/IDF and Diana
ADF/IDF: a leading US-based player in pet food and food specialty ingredients

Company highlights

- Family-owned business, founded in 1978
- Leading developer and manufacturer of natural ingredients for pet food and food customers in the US market
- Enables use of meat and egg as value-added sources of nutrition, taste and functional applications
- Robust manufacturing platform of 12 facilities for R&D and production
- Brand IsoNova offers unique pet food solutions using egg protein specialties

Strategic geographic footprint

- ~650,000 sq. ft. across 12 manufacturing and R&D sites
- 10 production facilities
- 2 R&D centers

Key figures(1)

- Sales: $220 million
- EBITDA: $51 million
- EBITDA margin: ~23%
- ~470 employees

(1) Year-end as of October 2018
ADF/IDF: a unique provider of natural meat and egg based protein specialities

<table>
<thead>
<tr>
<th>Meat-based ingredients</th>
<th>Egg-based ingredients</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Chicken-based ingredients for pet food and food</td>
<td>• Egg-based ingredients for pet food</td>
</tr>
<tr>
<td>• Pet food: supporting trend of quality increase in ingredients by providing protein specialities</td>
<td>• Leading provider of egg-based protein specialties</td>
</tr>
<tr>
<td>• Food: pioneer in clean label &amp; natural taste solutions</td>
<td>• Supporting premium and super-premium pet food brands to develop non-extruded products that mirror human food</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Protein</th>
<th>Broth</th>
<th>Bone broth</th>
<th>Fat</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>Nutritional egg</th>
<th>Binding egg</th>
<th>Emulsifying egg</th>
</tr>
</thead>
</table>

ADF/IDF is operating 2 business segments…

Key multinationals
- Long-standing relationship
- Recurring and stable revenue

Growing regional brands
- Fostering product innovation
- Providing further growth potential

…serving a diversified client base

$136 m 62 %
$84 m 38 %
A leading integrated natural specialty ingredient supplier

1. Symrise and ADF/IDF combined form a leading player in natural ingredients
   - Combination of strong positions in our respective core segments and regions
   - Strengthening of Symrise Nutrition portfolio

2. Diana Pet Food expanding its expertise towards pet food nutrition
   - Diana Pet Food access to the premium nutrition segment
   - Establish a fully-integrated specialty ingredients solutions provider to the pet food industry

3. Diana Food reinforcing presence in the US food market
   - Benefit from ADF/IDF’s nutrition capabilities
   - Potential to further leverage portfolio

Fully in-line with Symrise strategy

- Build backward integration portfolio of meat-based protein
- Maximize full customer spectrum
- Further expand into pet food
- Added competencies and further differentiated nutrition portfolio
Well-balanced portfolio post-transaction

Increased contribution from nutrition in the business mix …

Symrise Group

- Flavor: 37%
- Nutrition: 21%
- Scent & Care: 42%

€3.0 bn

Symrise + ADF/IDF

- Flavor: 35%
- Nutrition: 25%
- Scent & Care: 40%

€3.2 bn

… along with further balancing of geographical exposure

Symrise Group

- LA: 13%
- AP: 21%
- NA: 23%
- EAME: 43%

€3.2 bn

Symrise + ADF/IDF

- LA: 12%
- AP: 20%
- NA: 28%
- EAME: 40%

€3.2 bn

Note: all financials as of 2017; IDF/ADF financials calendarized to 31 Dec and converted to Euro based on EUR/USD rate of 0.89

(1) ADF/IDF 2017 sales of €183 m
Valuation multiple reflecting both significant tax benefits and cost synergies

### Enterprise value ($m)

<table>
<thead>
<tr>
<th></th>
<th>EV excl. tax benefits</th>
<th>NPV of tax benefits</th>
<th>EV incl. tax benefits</th>
</tr>
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<tbody>
<tr>
<td><strong>900</strong></td>
<td></td>
<td><strong>130</strong></td>
<td><strong>770</strong></td>
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</table>

### EBITDA ($m)

<table>
<thead>
<tr>
<th></th>
<th>EBITDA 2018e</th>
<th>Run-rate cost synergies</th>
<th>EBITDA incl. synergies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>51</strong></td>
<td></td>
<td><strong>7</strong></td>
<td><strong>58</strong></td>
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</table>

**EV/EBITDA 18e**

- **13.3x** incl. synergies and tax benefits
- **17.7x** excl. synergies and tax benefits

**EPS accretive from year 1(1)**

(1) First full year after closing, before purchase price allocation and transaction related costs

(2) Tax benefits from higher D&A after tax step-up reducing future cash tax burden

(3) Fully realized as of 2020
## Transaction key highlights

**ADF/IDF (American Dehydrated Foods/International Dehydrated Foods)**

A $900 m acquisition unlocking significant value and long-term profitable growth

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
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| **Purchase price**  | • Debt-free cash-free purchase price of $900 m  
                      • Tax basis step-up benefit value of ~$130 m                                                                                     |
| **Acquisition multiple** | • 17.7x 2018 EBITDA multiple on $51 m EBITDA  
                      • 15.1x adjusted for tax-step up  
                      • 13.3x 2018 EBITDA multiple including run-rate cost synergies of $7 m and adjusted for tax step-up |
| **EPS impact**      | • EPS accretive impact from first year after closing\(^{(1)}\)  
                      • Further accretion on cash EPS resulting from tax step-up benefits                                                               |
| **Transaction financing** | • Transaction to be financed by a bridge facility already committed  
                      • Refinancing by a combination of equity and debt  
                      • Commitment to solid investment grade profile                                                                                 |
| **Synergies**       | • Cost synergies of $7 m as of 2020; in addition revenue synergies opportunities resulting from cross-selling and regional expansion |

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\(^{(1)}\) Before purchase price allocation and transaction related costs
Next steps

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The transaction is subject to satisfaction of customary closing conditions

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