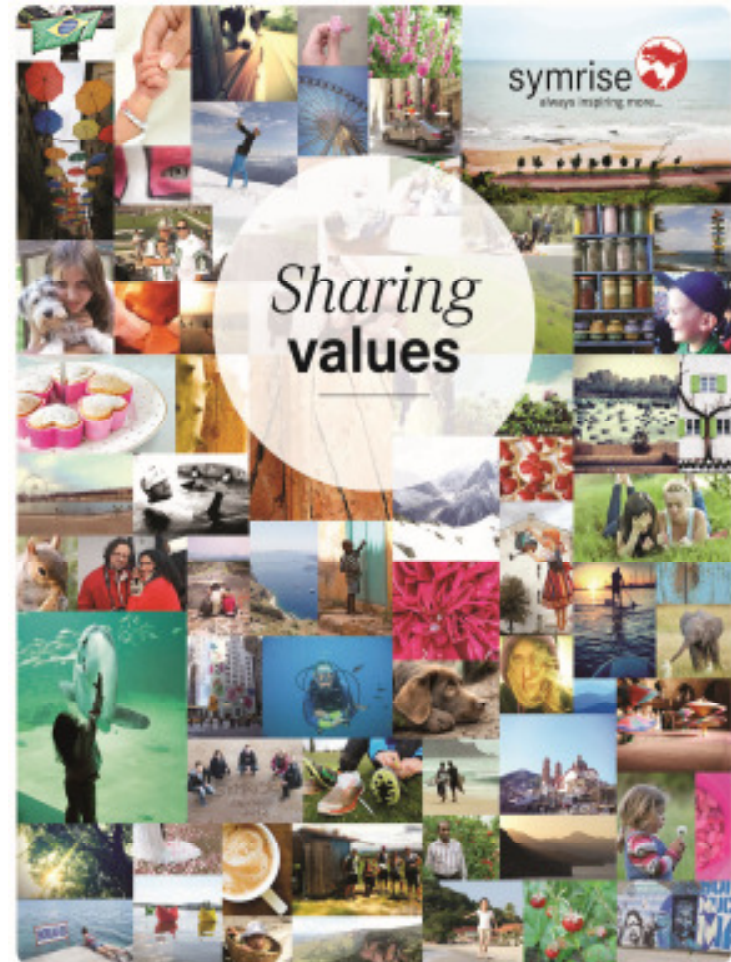


# **SYMRISE** COMPANY PRESENTATION

**Bernd Hirsch (CFO)**

January 2015



# **SYMRISE**

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# SYMRISE

## SUCCESSFUL SINCE 1874



### Haarmann & Reimer (1874 – 2003)

**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

### Dragoco Gerberding (1919 – 2003)

**1919**

Hairdresser *Gerberding* begins manufacturing perfume  
and soap compositions

### Symrise (since 2003)

**2003**

Merger of Haarmann & Reimer  
and Dragoco

**2006**

IPO in Frankfurt (Prime Standard)  
Market capitalization €2bn

**2014**

Acquisition of Diana

**Symrise** is one of the world's leading providers of flavors and fragrances and of specialty ingredients and active agents for the perfume, cosmetics, pharmaceutical, food and beverages industries. Symrise is also a worldwide leader in natural and functional food solutions and palatability enhancers for pet food.

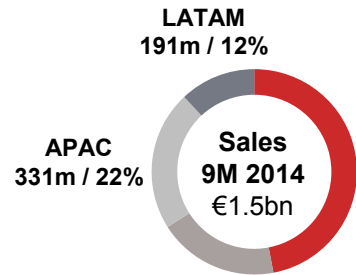
We develop, produce and sell more than 30,000 products, based on more than 10,000 mostly natural raw materials, to over 6,000 customers in more than 130 countries.

### 9M 2014

Sales: €1.5bn  
EBITDAN  
margin: 22.5%  
Employees: 8,154  
Countries: > 40  
Market share: 13%

# SYMRISE

## OUR GLOBAL REACH



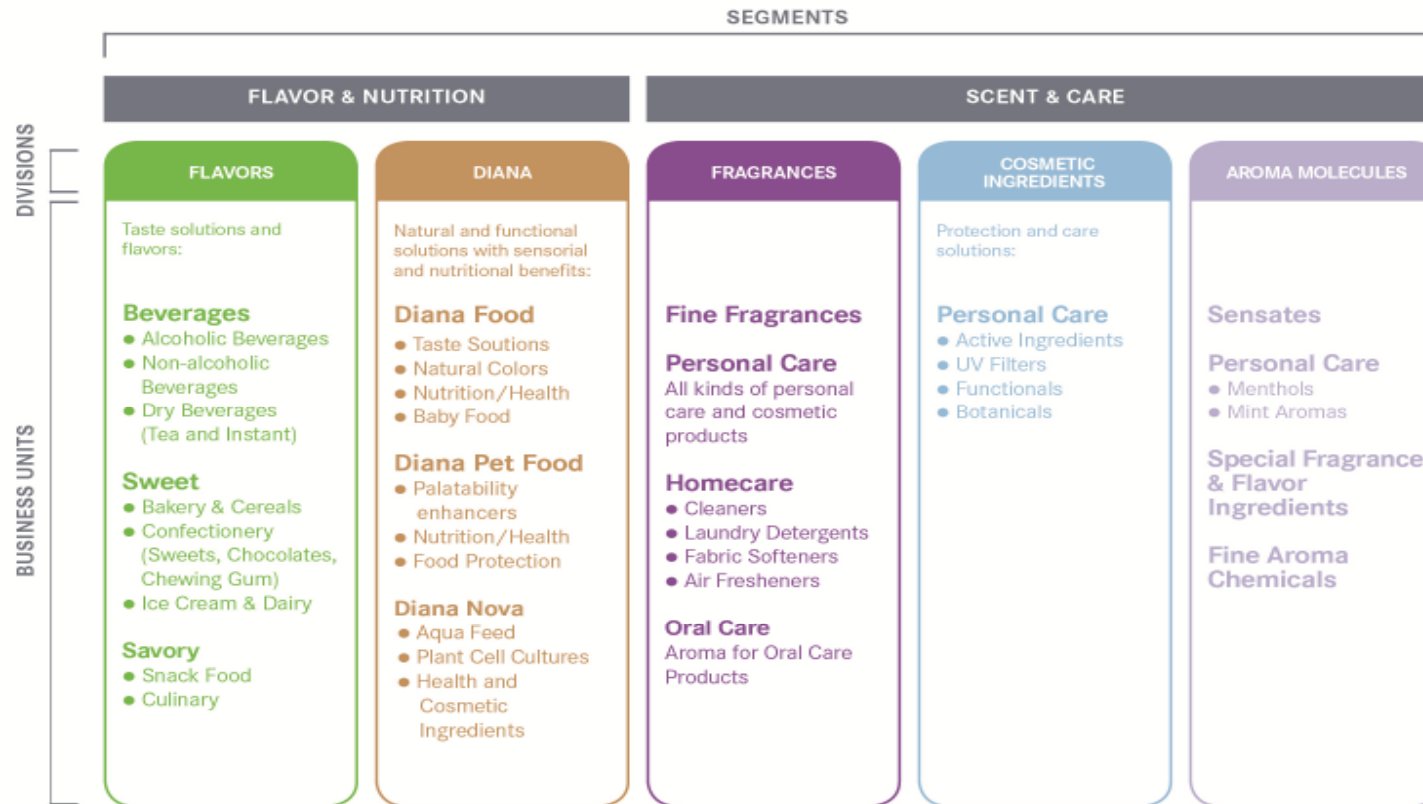
**EAME**  
718m / 47%

**North America**  
291m / 19%



# LEAN CORPORATE STRUCTURE

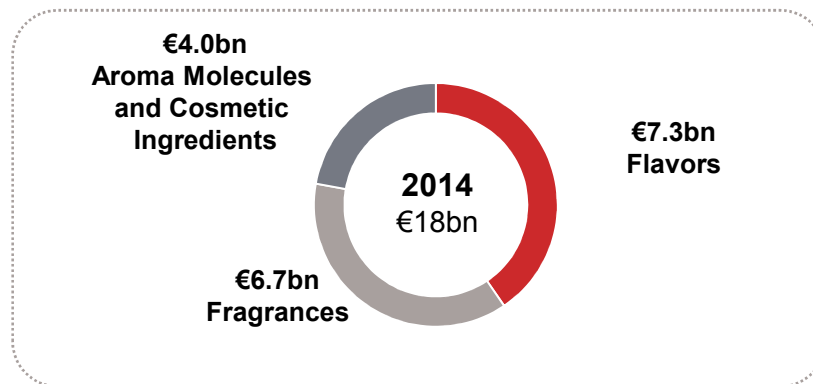
## TWO SEGMENTS WITH FIVE DIVISIONS



# MARKET & COMPETITION

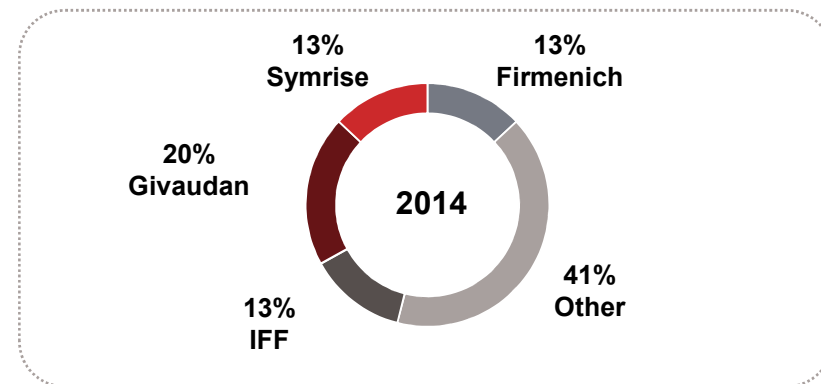
## STABLE AND CONTINUOUS GROWTH

Relevant AFF market size 2014 (in € billion)



- Long-term market 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

AFF market shares



- Top 4 players account for around 60% of market share
- More than 500 active companies
- Global mega trends such as population growth, increasing wealth, urbanization and wealth and wellness drive growth of AFF industry.

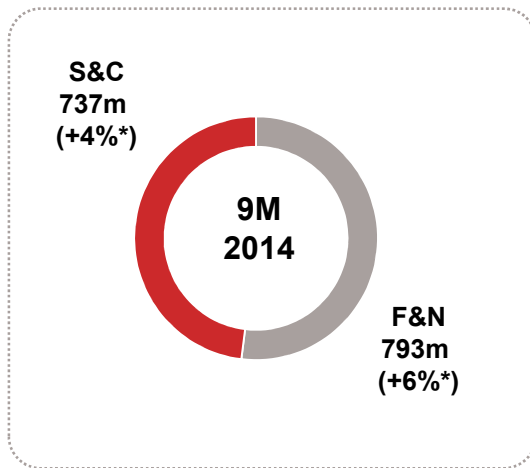
Source: IAL 8<sup>th</sup> Edition, corporate data and internal estimates

# WELL BALANCED GROUP SALES BY SEGMENT, MARKET AND CUSTOMER GROUP



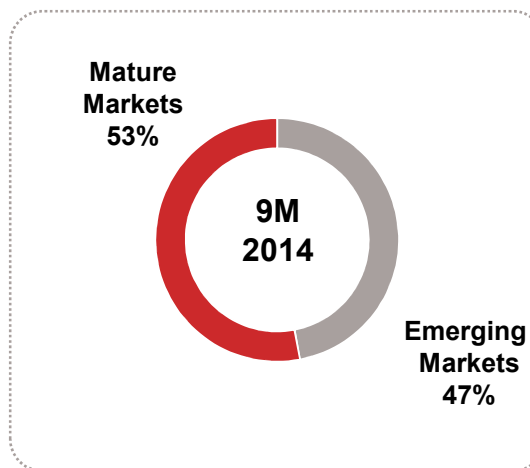
## Segment Sales Split

In €



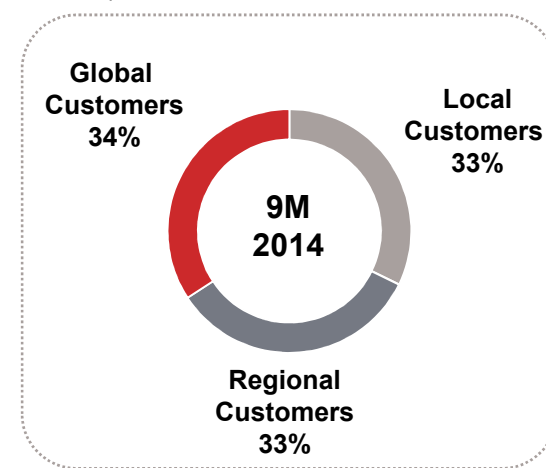
## Sales in Emerging Markets

% Group Sales



## Sales with Customer Groups

% Group Sales



\* Local currency growth without Diana

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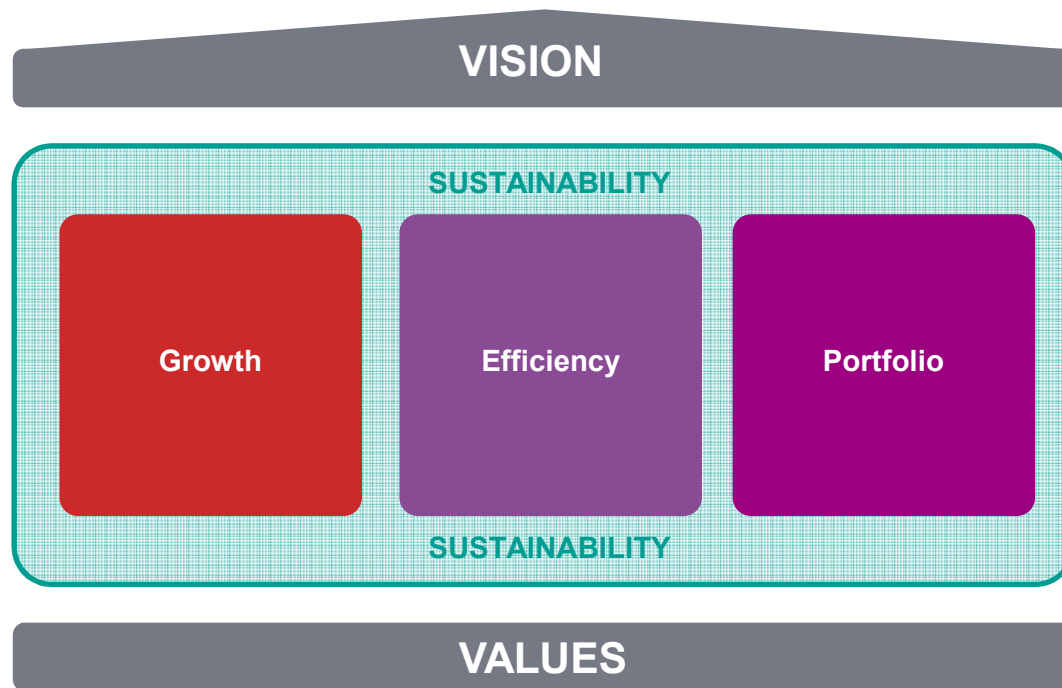
FINANCIALS

OUTLOOK



# THREE-PILLAR STRATEGY

## TO ENSURE SUSTAINABLE, PROFITABLE GROWTH



**Growth, efficiency and portfolio** are the three pillars of our **strategy** with which we guide Symrise to commercial success.

The strategy goes hand in hand with responsibility for the environment, people and society. That's why **sustainability** is an integrated component and our **values** form the foundation of our corporate strategy.

# GROWTH - CAPACITY EXPANSION

## ORGANIC GROWTH INITIATIVES



# GROWTH – REGIONAL EXPANSION

## SELECTED INITIATIVES IN AFRICA



### Symrise footprint in Africa



- 6 out of the 10 fastest growing countries globally are in Africa
- Nigeria largest economy in Africa with GDP > 7%

### Symrise in Madagascar



**New  
Production  
Site in  
Benavony**

- Entire vanilla value chain locally managed

### Symrise in Nigeria



**New  
Development  
Center  
in Lagos**

- Increasing demand for every day goods based on economic progress and increasing wealth

# EFFICIENCY

## BACKWARD INTEGRATION

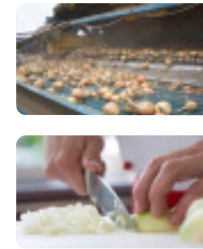
### Vanilla

- Broaden the value chain for local stakeholder
- Further develop local expertise and infra-structure based on our sustainability program for Vanilla
- New Vanilla extraction site in Madagascar



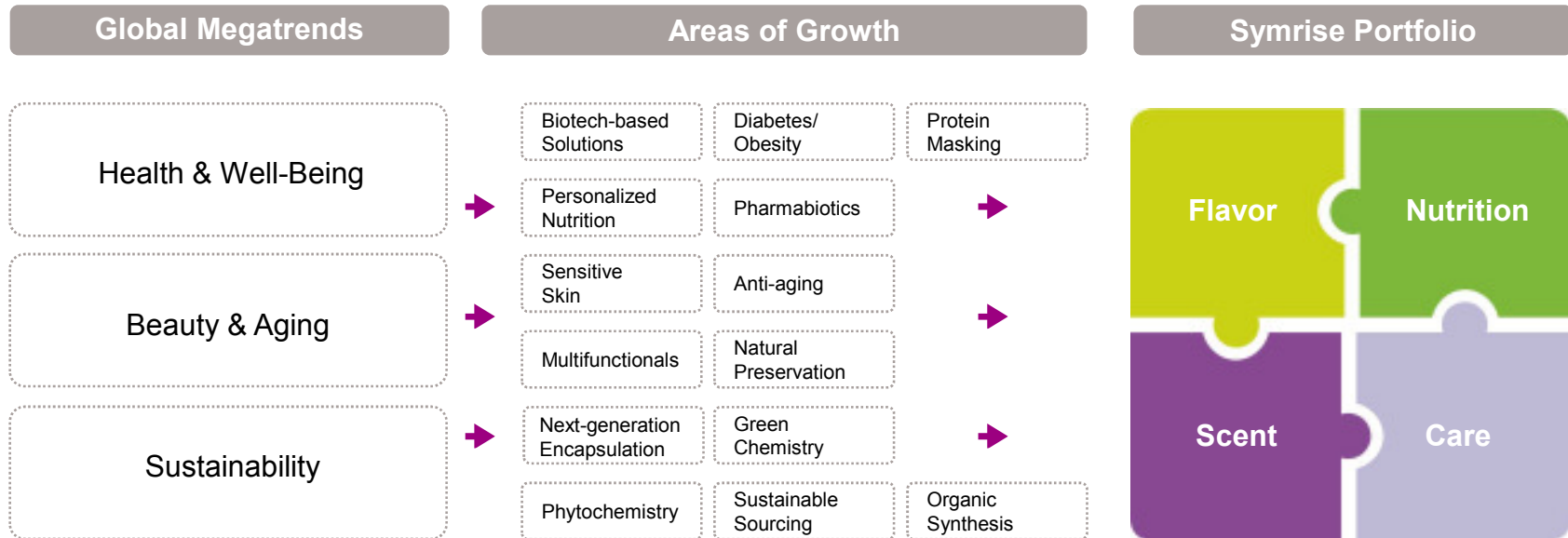
### Onion

- Systematically optimize each step of the onion oil value claim
- Leverage backward integration to develop products with unique flavor profile
- Improve production process to develop best in class efficiency



# PORTFOLIO

## CAPITALIZING ON MAJOR TRENDS

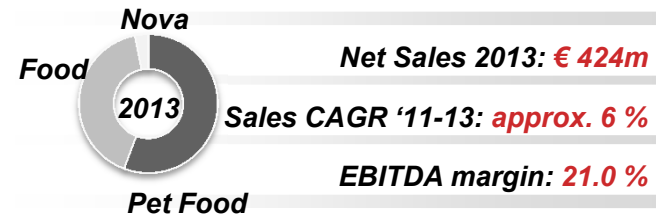


# DIANA ACQUISITION – TRIPLE FIT

## PERFECT FIT IN GROWTH, EFFICIENCY AND PORTFOLIO



Financial Fit



Strategic Fit

**Growth**

- **Global #1 for pet food (palatability)**
- Strengthening of core business and customer retention

**Efficiency**

- Expansion of **backward integration**: Global #1 for natural ingredients in culinary
- Integrated setup creates **efficiency**

**Portfolio**

- **Nutrition** with texturing – inter alia **global #1** ingredients for baby food
- **Unique setup** within the field of F&F

# MAJOR TRENDS

## PET PARENTING DRIVES PET FOOD MARKET



### Enjoyment

- Segmentation
- Premiumization
- Humanization

### Health & Well-Being

- Natural
- Vitality
- Healthy Nutrition



### Responsibility

- Food Safety
- Quality
- Trust & Ethics

### Convenience

- Multifunctional
- Indulgence treats
- Functional food



- Pet owners tend to consider themselves and behave as **pet parents**
- Pet Food Segmentation, Premiumization and Humanization drive Market **Value growth**
- Globalization, Mid Class development, Urbanization drive Market **Volume growth**
- Markets 2020e (CAGR 2014-2020)\*
  - dogs & cats population: 743m (+2%)
  - dogs & cats food: €74bn (+6%)

\* Source : Euromonitor 2014

# INTEGRATING DIANA

## DEFINED FOCUS AREAS WITH CLEAR OBJECTIVES

### Focus areas

1

Bundling  
competencies

2

Customer intimacy

3

Ownership

4

Corporate culture

### Objectives

- Develop joint portfolio with functional and active natural raw materials for Food, Consumer Health products and Cosmetics
- Fully integrate and further build on leading positions in Pet Food as well as in Baby Food
- Leverage backward integration of key natural raw materials
- Introduce cross-divisional structures to align customer projects
- Establish fast decision making processes and support
- Closely measure and monitor customer satisfaction
- Position Diana as a Division within Symrise
- Maintain the Brand Diana
- Ensure ownership of business plans and individual accountabilities
- Integrate Diana on eye-to-eye level
- Create joint values and live them
- Employer for choice with clear framework for professional development



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## HIGHLIGHTS 9M 2014

### SYMRISE CONTINUED PROFITABLE GROWTH



- Sales increase to € 1.530m, driven by good dynamics in all regions and DIANA consolidation as of Q3
- Sales growth of 13 % in local currency including DIANA, 5 % excluding DIANA
- EBITDAN increase of 18 % to € 344m reflects continued focus on profitable growth as well as consolidation of DIANA
- Excellent profitability of 22.5 % – driven by top-line growth, high utilization, ongoing cost control and focus on attractive segments
- Normalized net income up 26 % to € 176m, normalized EPS increase from € 1.18 to € 1.42
- Healthy balance sheet with equity ratio of 38% following completion of DIANA acquisition

<sup>1</sup> local currency growth, incl. DIANA

<sup>2</sup> adjusted for integration and transaction costs

<sup>3</sup> adjusted for integration and transaction costs, amortization from PPA not included

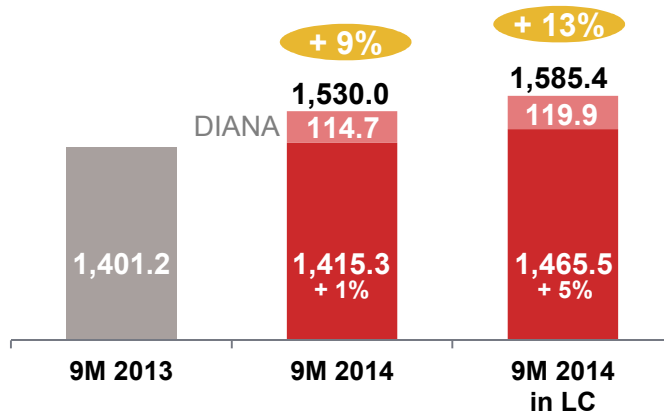
# SALES 9M 2014

STRONG GROWTH IN F&N, S&C GROWING FASTER THAN THE MARKET DESPITE HIGH COMPARABLES



## Symrise Group

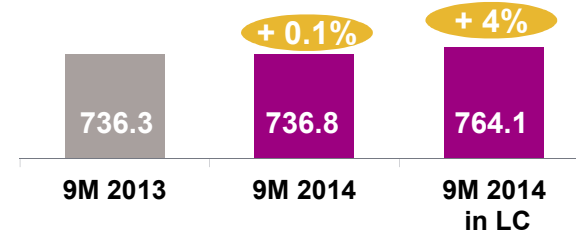
in €m



LC = local currency

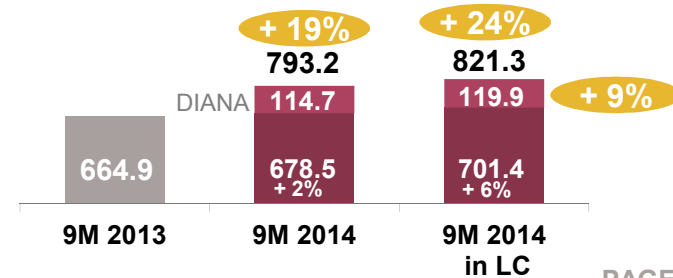
## Scent & Care

in €m



## Flavor & Nutrition

in €m



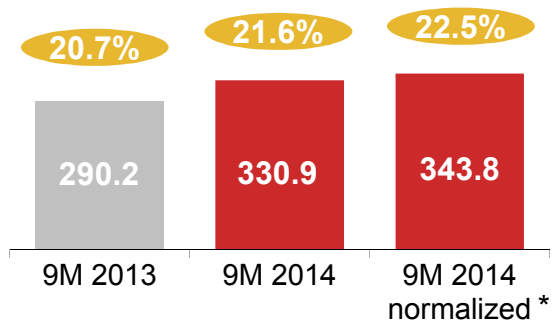
# EBITDA 9M 2014

EXCELLENT PROFITABILITY DRIVEN BY TOP-LINE GROWTH, PRODUCT MIX AND COST CONTROL



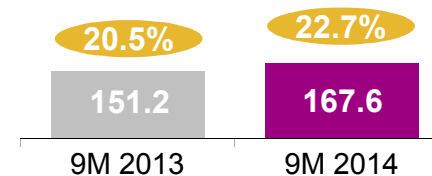
## Symrise Group

in €m



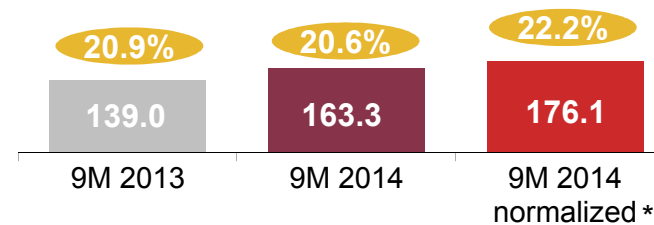
## Scent & Care

in €m



## Flavor & Nutrition

in €m

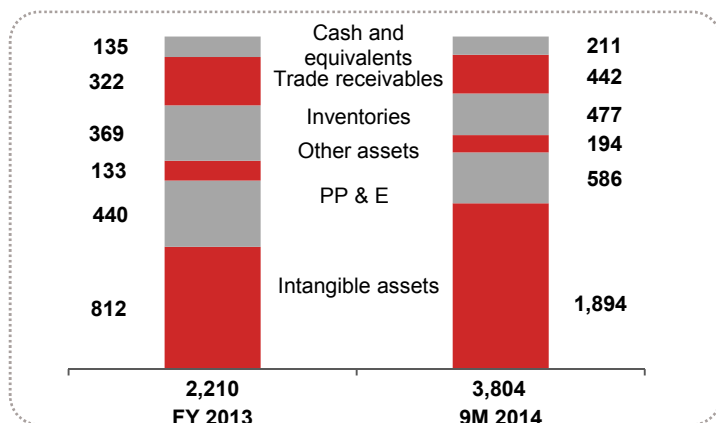


\* Adjusted for Diana integration and transaction costs

# STRONG BALANCE SHEET MAINTAINED WITH EQUITY RATIO OF 38 %

## Assets

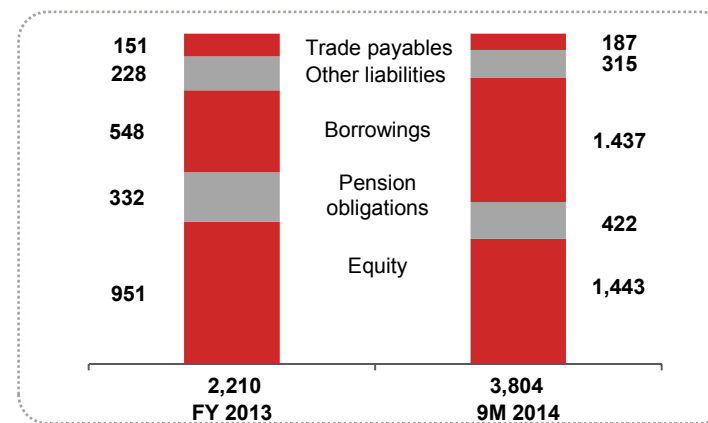
in €m



- Increase in intangible assets due to DIANA acquisition
- PPA work-in-progress
- $\Delta$  of  $\approx$  1bn for the time being recorded as goodwill

## Equity and Liabilities

in €m



- Borrowings up due to M&A financing; leverage ratio excluding pension provisions 2.4x (including 3.2x)
- Equity up to € 1.4bn due to capital increase in May
- Solid balance sheet maintained with an equity ratio of 38 %

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# OUTLOOK

## SHORT TERM AND LONG TERM

- Positive market perspective in the F&F industry
- Long term growth drivers fully intact despite some political or economic uncertainties in individual countries
- Individual FX rates and selective raw material prices remain volatile
- Symrise will use its global presence, diversified portfolio, strong business set up and backward integration to capture market opportunities
- Profitable growth – focus on cost management, sales mix and efficiency
- Smooth integration of Diana with clear customer focus
- Targets 2014:
  - to outperform the global F&F market
  - to deliver an EBITDA margin of more than 20%



### 2020 Financial Targets

Sales increase  
**5 – 7 %\***  
CAGR

EBITDA margin  
**19 – 22 %**

Net debt leverage  
**2.0-2.5x EBITDA**  
(incl. pensions)

*\*Local currency*

# **SYMRISE**

## **INVESTOR RELATIONS**



### **Financial Calendar:**

**March 10, 2015**

Corporate and Financial Report 2014

**May 5, 2015**

Interim Report (January – March 2015)

**May 12, 2015**

Annual General Meeting

**August 5, 2015**

Interim Report (January – June 2015)

**November 10, 2015**

Interim Report (January – September 2015)

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