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Corporate Update

Strategic Outlook



-
- - 1** Results 9M 2018
 - 2** Achievements so far
 - 3** Today's market
 - 4** Moving forward
 - 5** Priorities, opportunities and long-term goals
 -
 - 6** Financials in more detail - Olaf Klinger, CFO

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Results *9M 2018*

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9M 2018 – Financial and operational highlights

Positive business performance/Raising again the outlook



Sales

2.383

billion €

+8.8%

Organic
growth

EBITDA margin



20%

Capacity Expansion

Diana

*Opening of new site in Georgia,
USA (Investment: € 50 Mio.)*

EBITDA

476 € million



Symrise raises again

outlook for

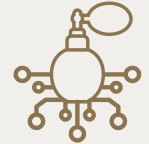
2018

>8%*
Organic sales
growth

Innovation

Artificial Intelligence

*Symrise and IBM
entering the age of
digital fragrance
creation*



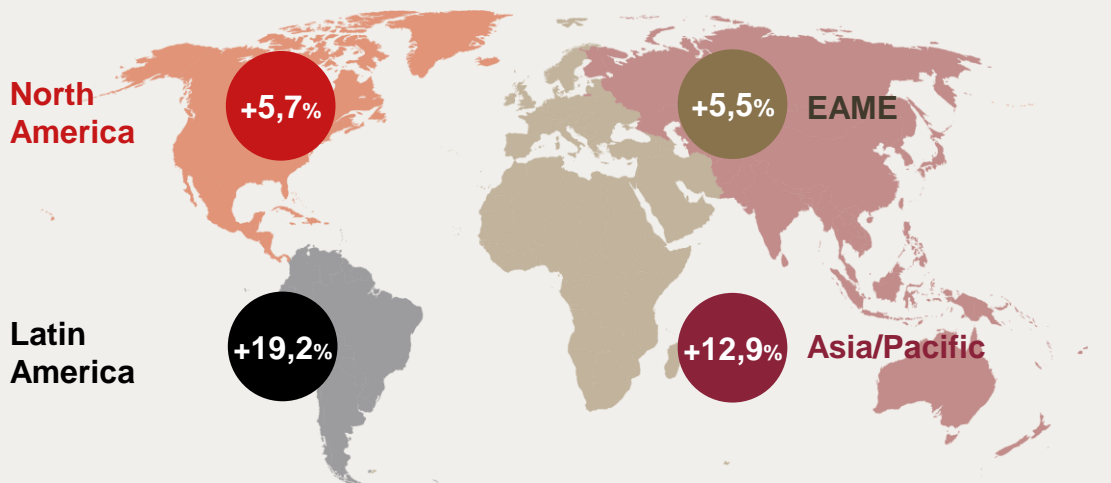
*Mid-term targets 2020: 5-7 %

Sales by region in 9M 2018

Growth in all regions/LA with highest rates

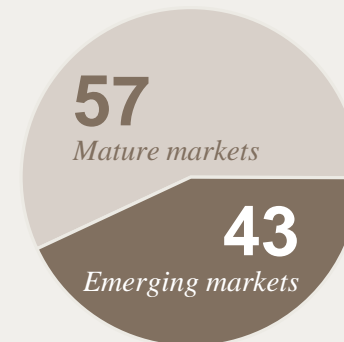
By Region

organic sales growth in %



Sales split Mature and Emerging markets

% of Group sales



+12.8 % organic growth
in the Emerging markets

Targets 2018 and until 2020

2018 outlook raised: Sales growth above 8 %



Targets 2018 <i>Market growth 3–4 %</i>				Mid-term Targets 2020								
<i>Guidance</i> Organic Growth rate	<table border="1"><thead><tr><th>Period</th><th>Organic Growth rate</th></tr></thead><tbody><tr><td>Q1</td><td>5–7 %</td></tr><tr><td>H1</td><td>>7 %</td></tr><tr><td>9M</td><td>>8 %</td></tr></tbody></table>			Period	Organic Growth rate	Q1	5–7 %	H1	>7 %	9M	>8 %	Organic Growth (CAGR) 5 – 7 %
Period	Organic Growth rate											
Q1	5–7 %											
H1	>7 %											
9M	>8 %											
EBITDA margin	~20%	~20%	~20%	EBITDA margin 19 – 22 %								

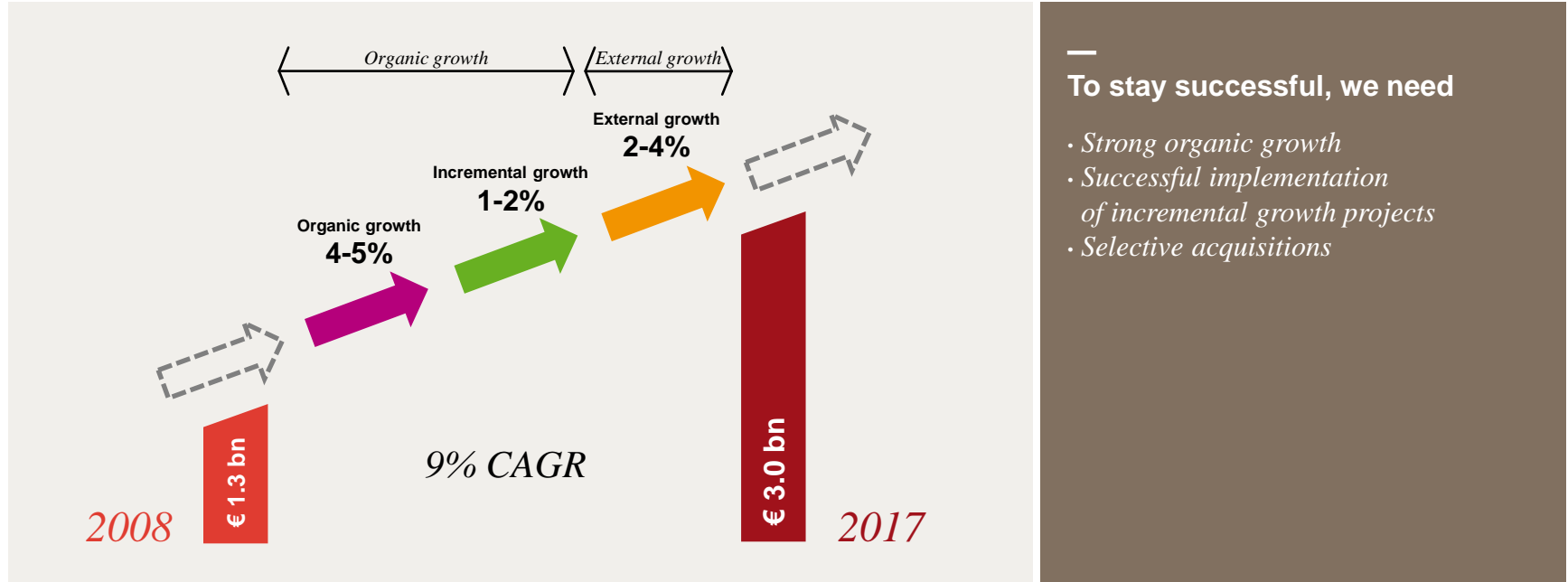
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Achievements *so far*

Symrise: The growth story in our industry

Our dynamic growth differentiates us from our competitors and is the main driver for the share price

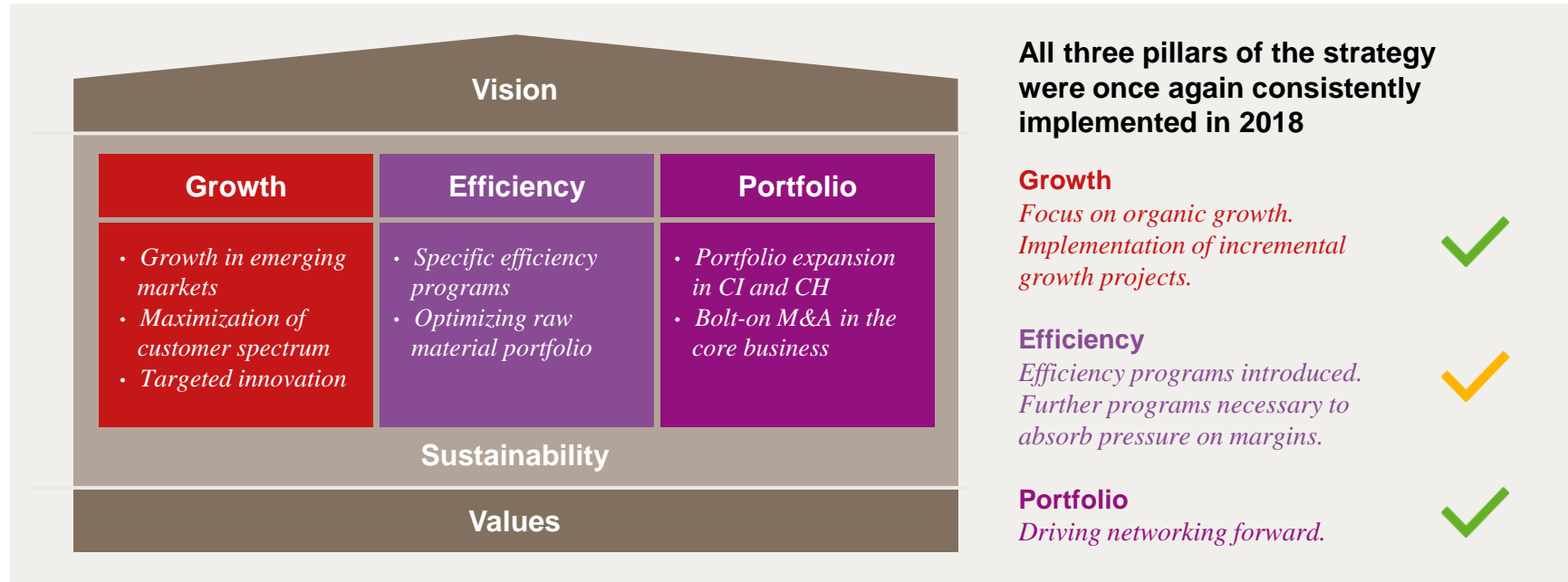


To stay successful, we need

- Strong organic growth
- Successful implementation of incremental growth projects
- Selective acquisitions

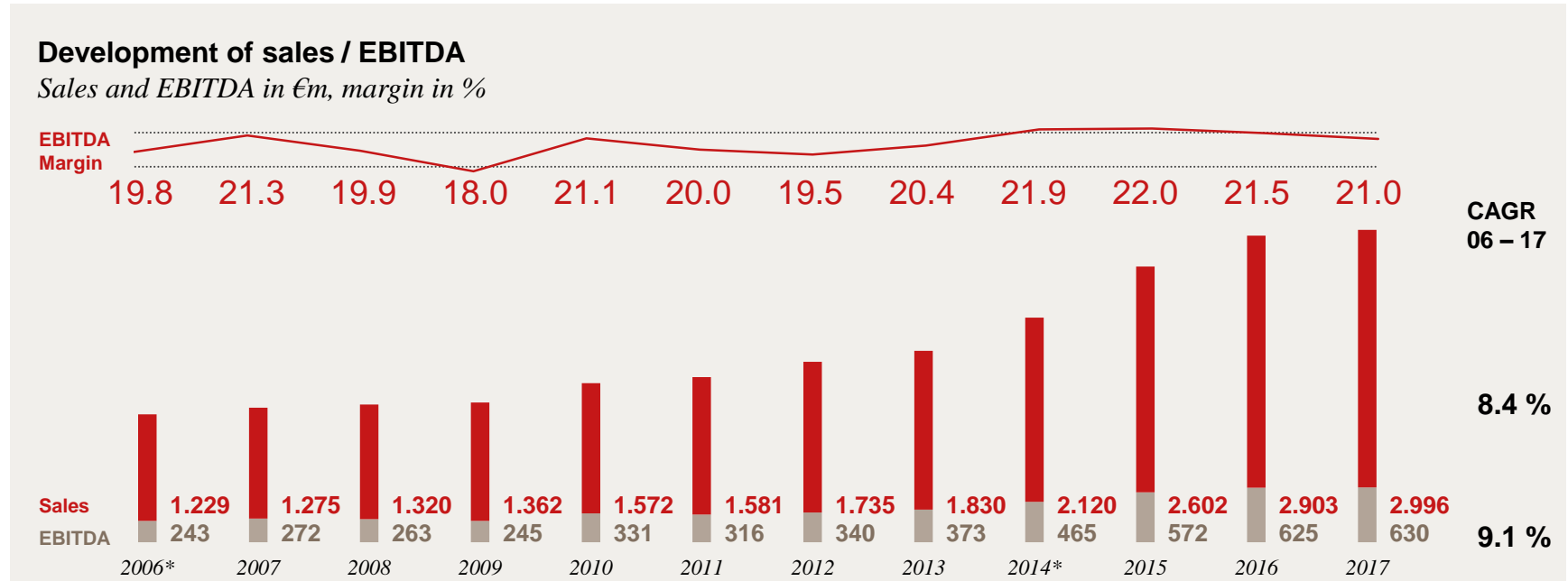
A look back at 2018

Consistent strategy implementation pays off



Sales and EBITDA

since IPO



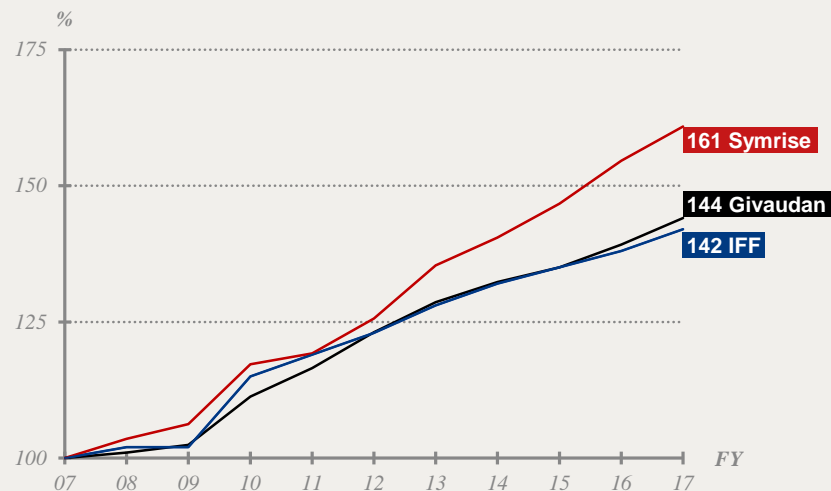
*EBITDA adjusted for restructuring and integration expenses.

Continuous market share gains *with good profitability*



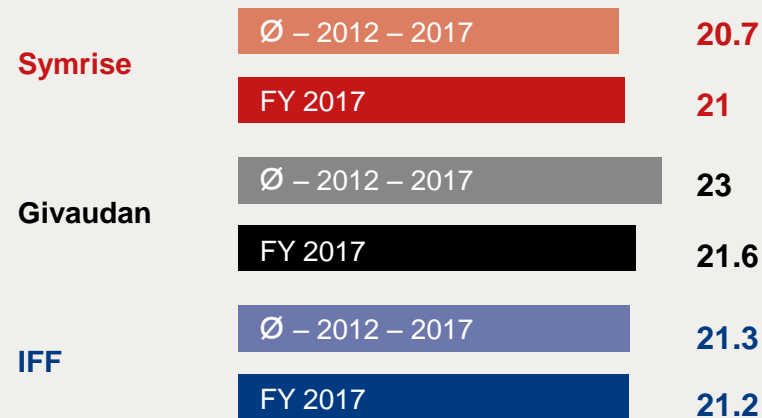
Sales performance 2007 - 2017

Organic growth



EBITDA margin

% from sales

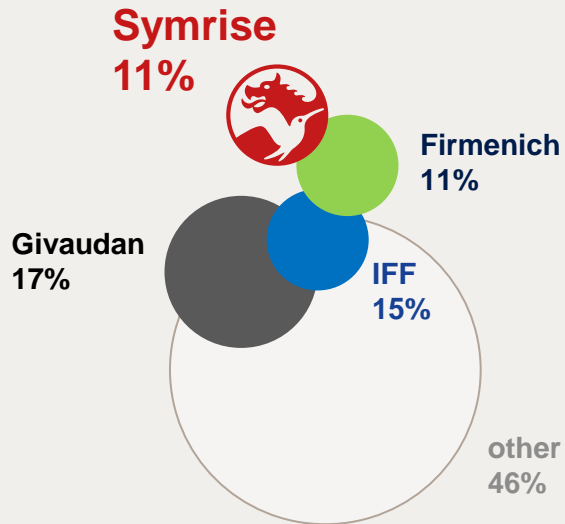


Global competitors

2018 market shares for the leading suppliers



Total market € 33 billion
Market share in %



— **Estimated market shares 2018**

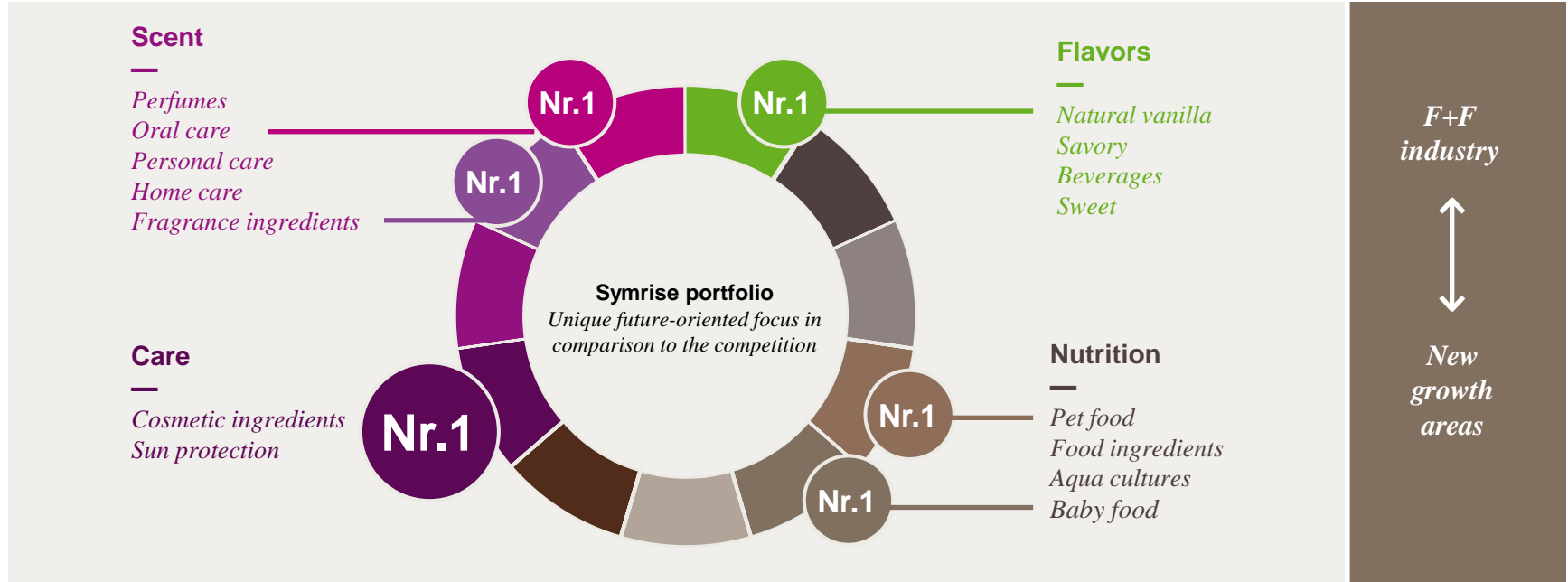
Including major acquisitions of competitors

— **Givaudan and IFF**

increased share due to acquisitions. Givaudan acquired Naturex, IFF acquired Frutarom

Consistent further development of Symrise

A third of sales outside the traditional business



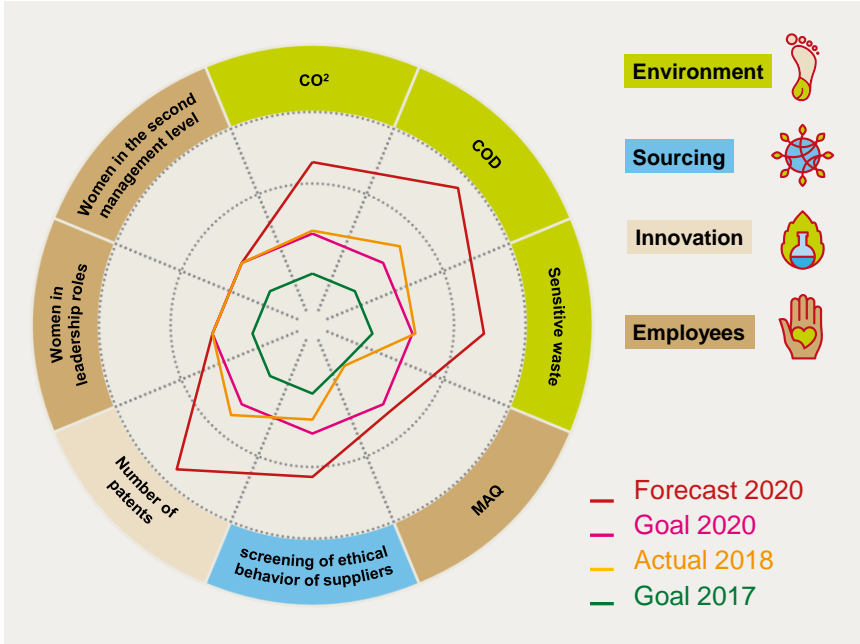
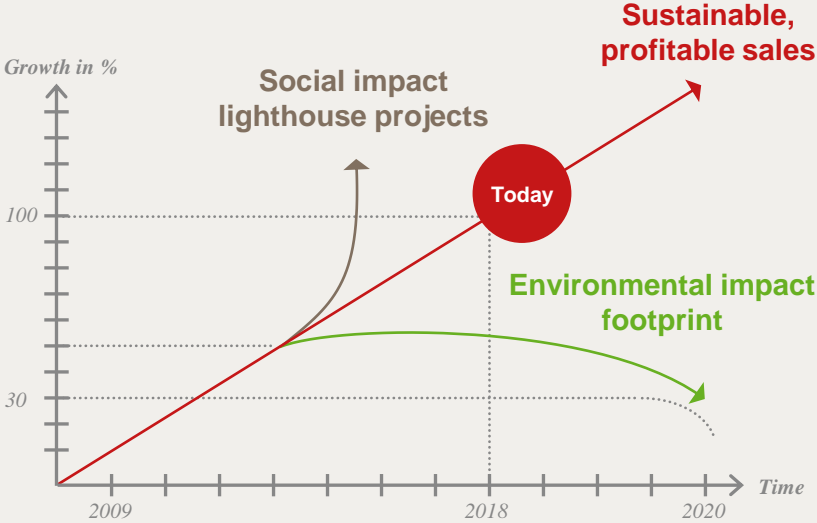
Sustainability objectives

fully integrated into our growth ambitions



Sustainability

An integral component of our growth story



Growth and sustainable business

by implementing the United Nations Sustainable Development Goals



United Nations Sustainable Development Goals



Recent Awards received

Carbon Disclosure Project

Top rating in the categories: air, water, forest

EcoVadis Gold status for corporate social responsibility

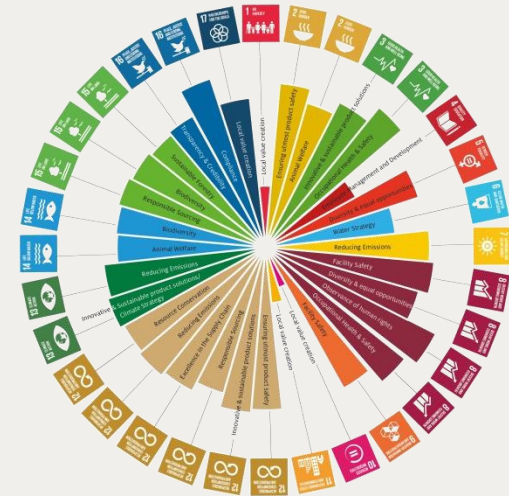
DQS Excellence Award for “Green Chemistry” and “Social Engagement”

German Sustainability Award

Category: Large corporation



We actively measure our progress



Rising share price and dividends

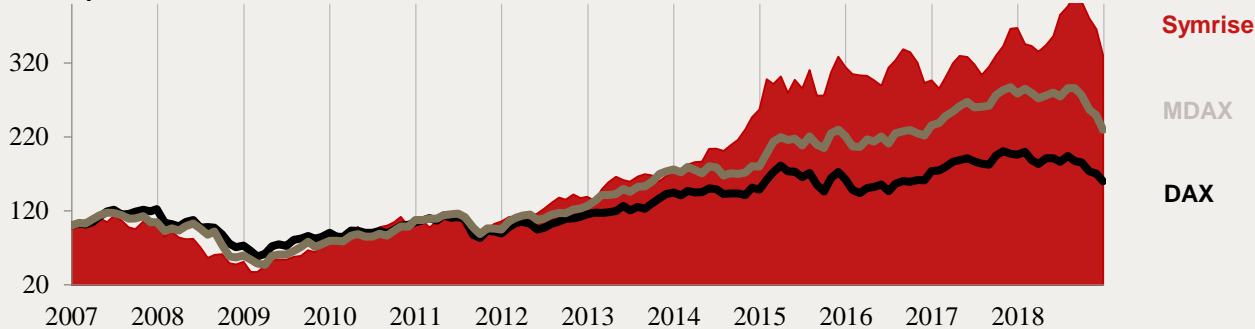
Attractive dividends and continuous value generation



Dividends 2007 – 2017
per share in € cents



Share price 2007 – 2018



Symrise share
beats German DAX and MDAX during the same period

Continuous value creation
for our shareholders

Who we are today



The company with the most dynamic growth *in our industry*

A unique profile dedicated to health and well-being *for the whole family*

Clear opinion leader *for new roles for F&F*

- *Expanding capabilities of F&F*
- *Backward integration with key raw materials*

Well-known with high expectations

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Today's market

Today's market dominated by strong dynamics

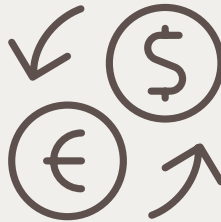
High volatility is the new normal

Higher volatility

Regulatory requirements



Currency translation effects



More volatile markets



New trends and technologies

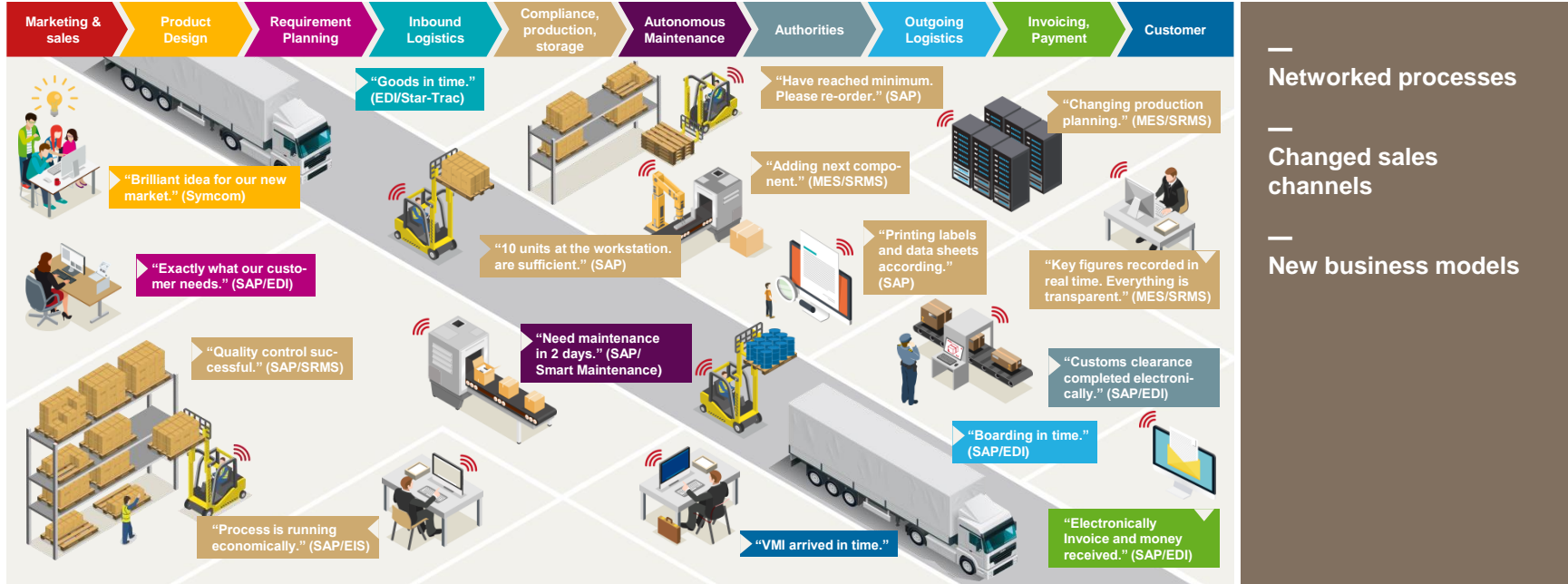


VUCA

Volatility – Uncertainty – Complexity – Ambiguity

Digitalization

A driving force for change – in our industry, too



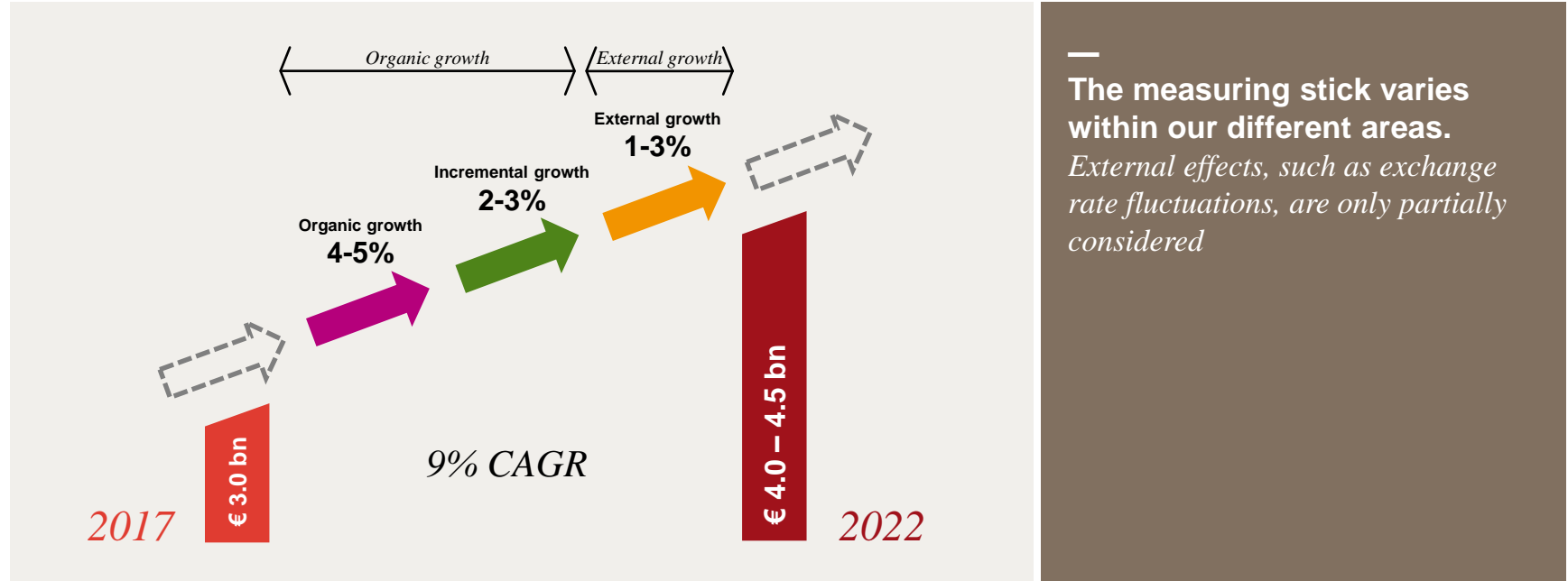
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Moving forward

Our mid-term and long-term plan remain valid

But to successfully implement them, we need to pull all levers



—
The measuring stick varies within our different areas.
External effects, such as exchange rate fluctuations, are only partially considered

Solid basis for further growth

In the past years, we have sown the seeds for sustained growth



Significant changes in portfolio and organization

— **Transformational acquisitions in F&N (Diana) and S&C (Pinova).**

Integration completed, resulting in best-in-class backward integration.

— **New technology bases established:** *Probiotics, Pet food, Baby food, Green chemistry, resulting in numerous growth opportunities*

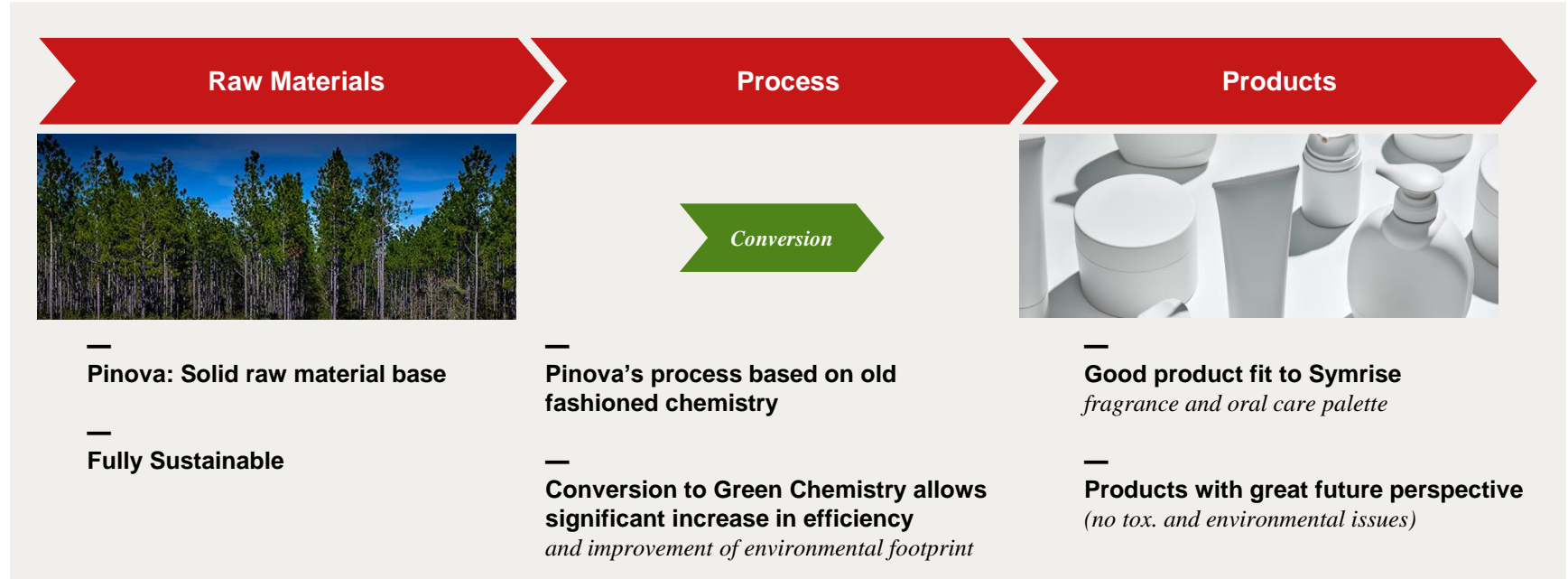
— **Major investment program started in 2018,** *resulting in accelerated organic growth*

Now we need to harvest the fruits



The benefit and rationale of Pinova

Driving efficiency and sustainability excellence



Results of Pinova *in line with business plan*

Pinova

*Sensory and Fragrance Ingredients
(w/o industrial business)*

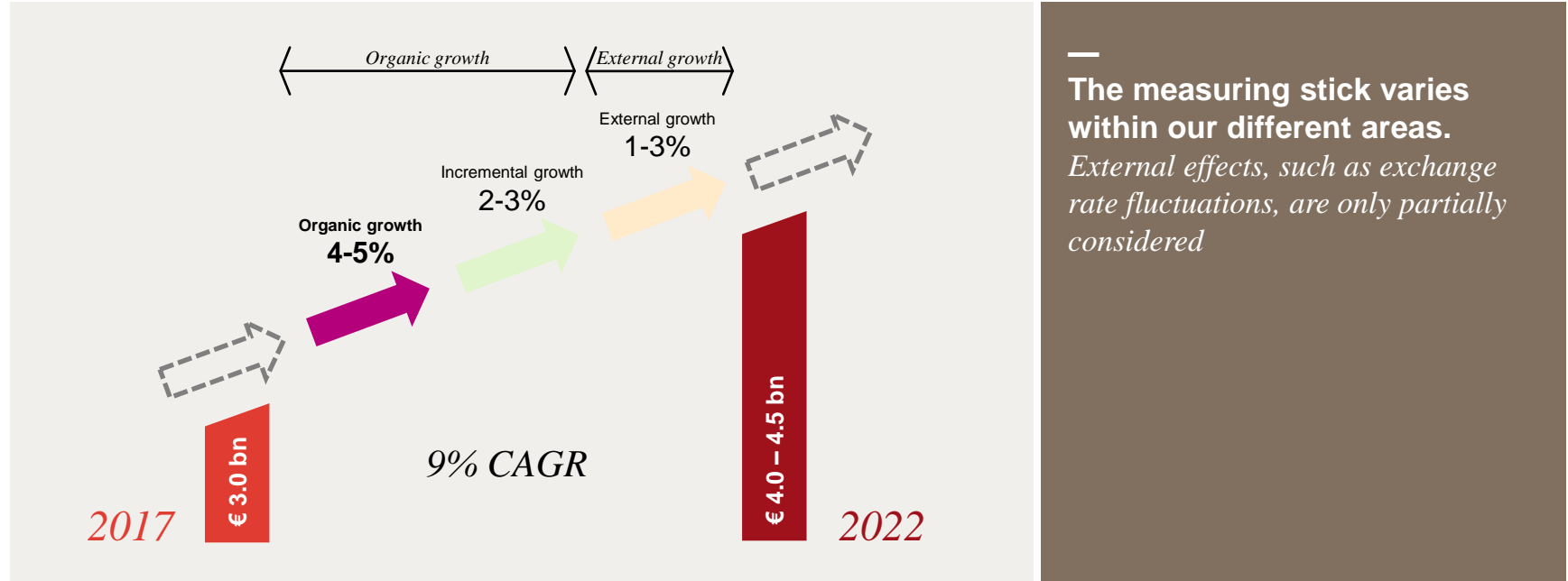


— Further increase of efficiency possible

— Best-in-class backward integration for Fragrance Ingredients

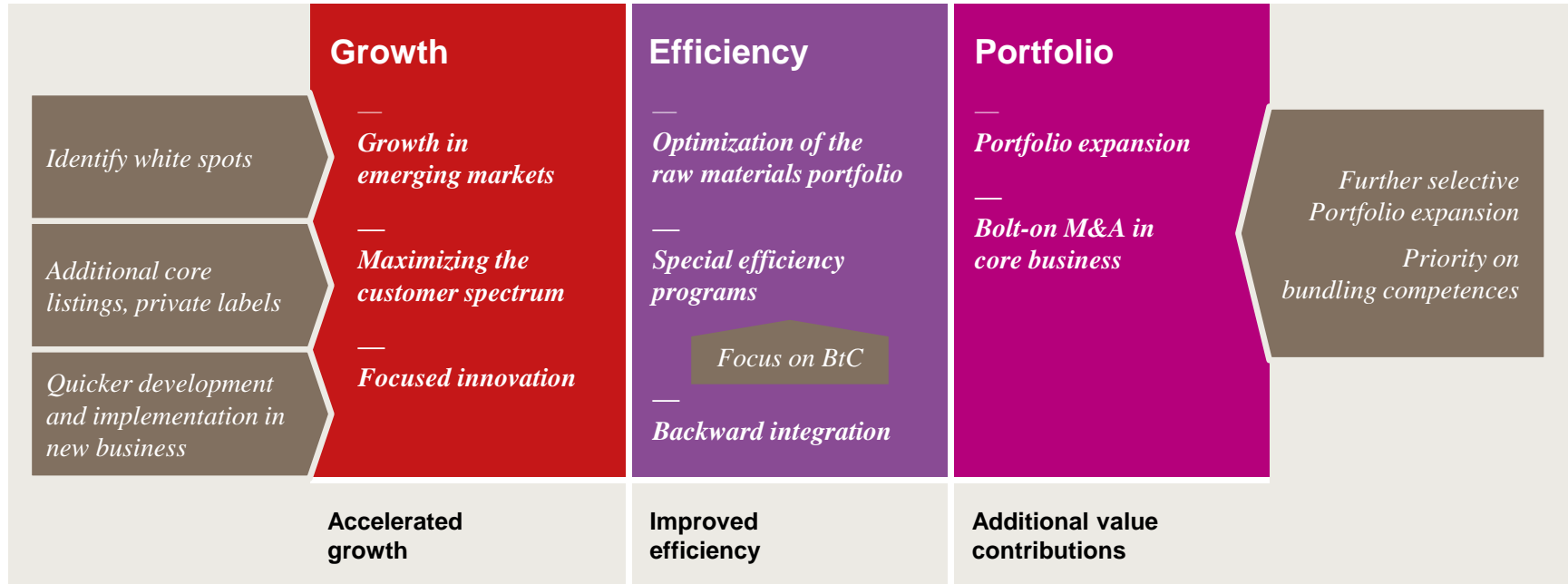
Organic growth

The target is ambitious, but achievable



From aspiration to reality: Incremental growth

Strategy remains valid, but individual value levers adjusted



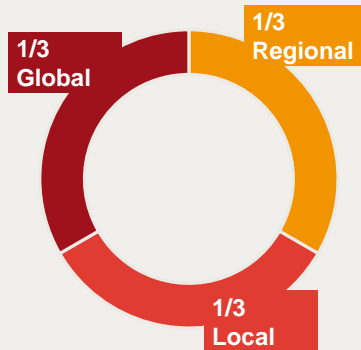
Pillar: Growth

Utilizing our full potential with the right customers and markets

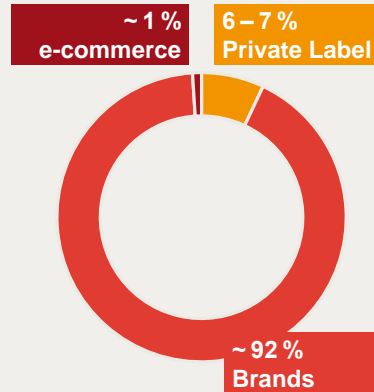


Win with **winning customer**.
Retain a well-balanced portfolio

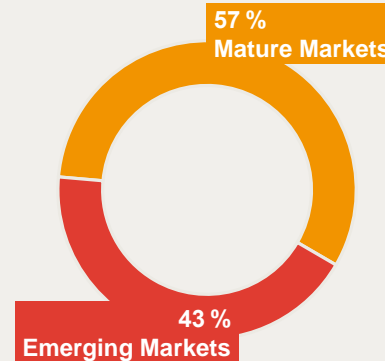
*Good portfolio mix of customers
(global vs. local)*



Begin to expand the share of
**private label and
e-commerce**



Further expand the share of
business in **emerging
markets**



— Commercialization faced with significant changes, from brands to private label to e-commerce.

— e-commerce will produce new winners and losers as well as new sales channels.

— We need to be quick to gain experience here.

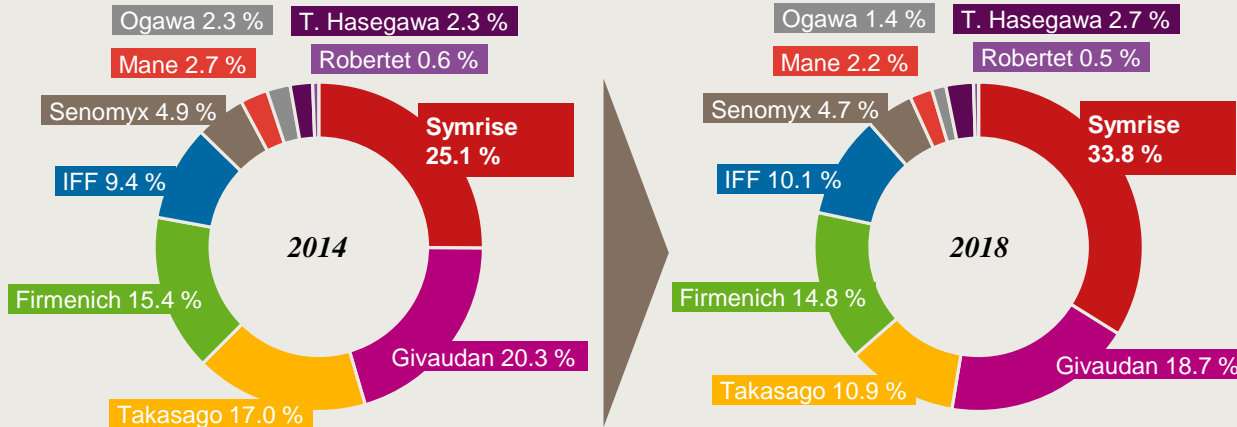
Significant improvement of Symrise innovation

Optimistic for implementation and commercialization



Relevance of patents

Share of patent asset index in a comparison of competitors



— Innovation is not our problem.

— Rather, it is quickly implementing innovation as products and market success.

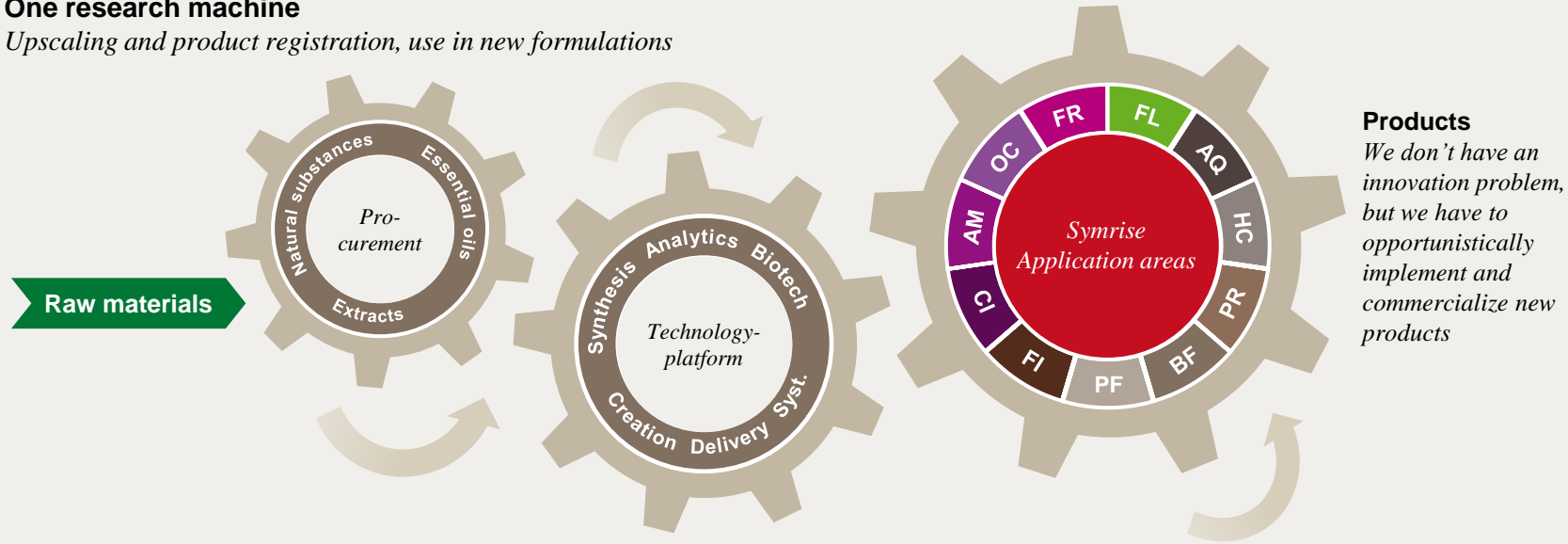
Significant improvement of Symrise innovation

Optimistic for implementation and commercialization



One research machine

Upscaling and product registration, use in new formulations



Unique Portfolio

Innovations by networking our application platforms

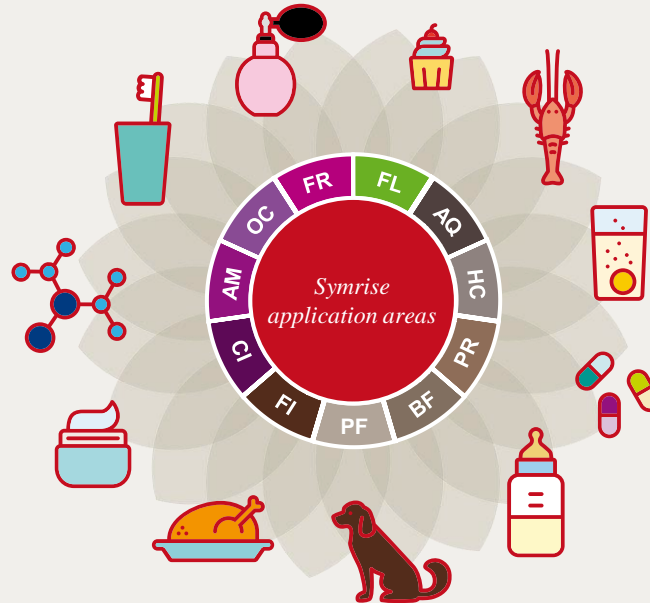


—
We have successfully expanded our competences *in the last five years*

—
One third of our sales *are generated outside the classic F&F business*

—
We have leading positions *in various business applications*

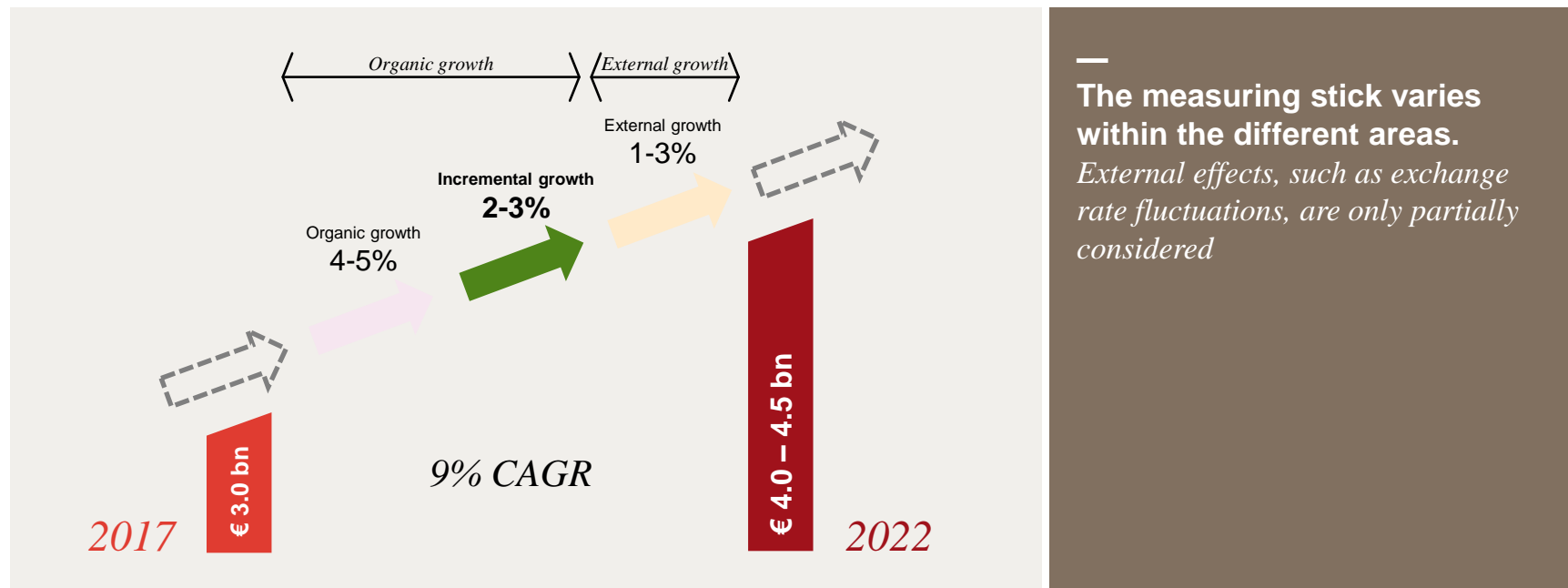
—
Selected acquisitions *to be expected*



Our focus is on boosting the growth opportunities for our competencies.

Incremental growth

Additional boost for accelerated organic growth



Incremental growth projects

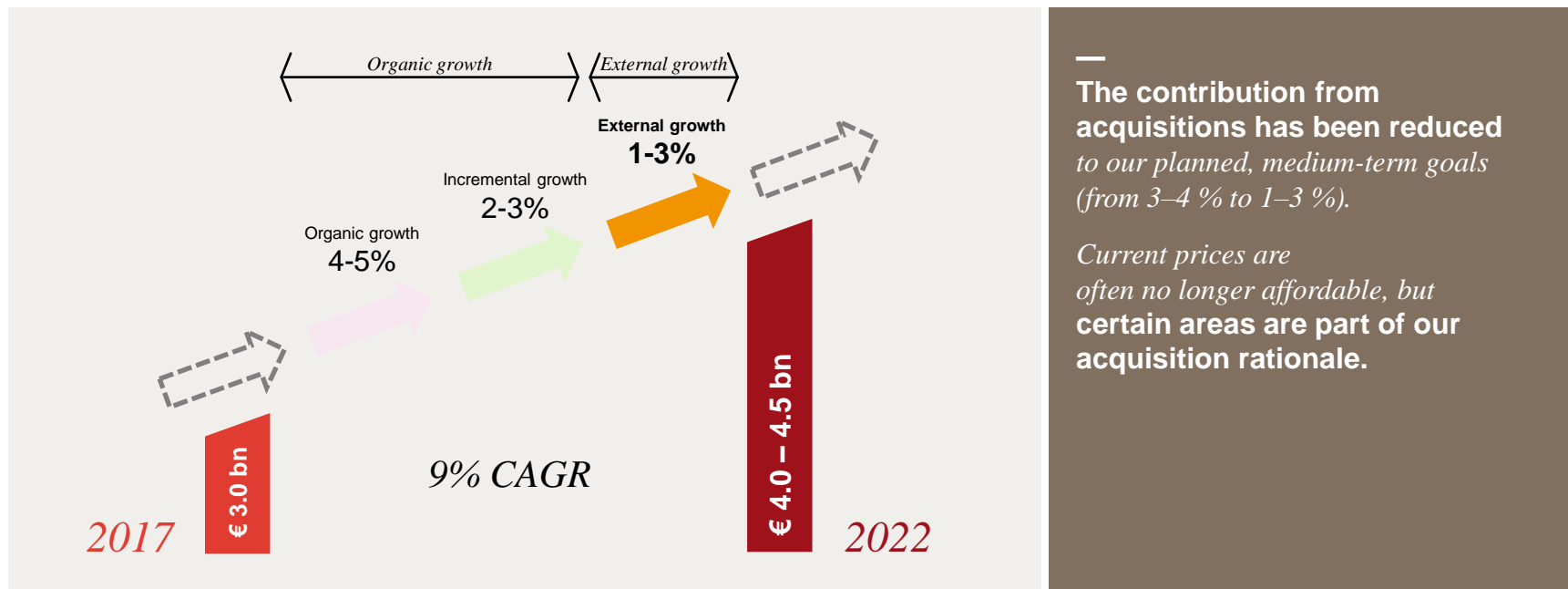
Potentials and timing



Project	Region	Division	Project Start	First Sales Expected
New Cosmetic Ingredient Plant	NA	CI	2015	2018
Expansion Menthol	NA	AM	2016	2019
New Site Food Ingredients	NA	Diana/FLA	2016	2018
Production Line Food Protection	EAME/NA	Diana/FLA	2016	2018
New Plant Encapsulation	EAME	FRA	2017	2019
New Plant Encapsulation	EAME/NA	FLA	2015	2018
New Site in China	AP	FLA/FRA	2016	2019
Expanded Fragrance Ingredients Capabilities	NA	FRA/AM	2016	2018
New Sites Pet Food	AP/SA	Diana	2018	2020
Oxo Plant	NA	CI	2018	2021

External growth

Acquisitions remain a solid component of our growth strategy



External growth

Acquisition rationale

Flavor/Nutrition

Innovative technologies for natural and declaration friendly solutions



Cosmetic Ingredients

Technologies, which support existing portfolio



Biotech

New platform, which complement current capabilities and support further growth



Targeted external growth

Chemistry

Selected products with complementary fit to our current range (sustainable, green chemistry)



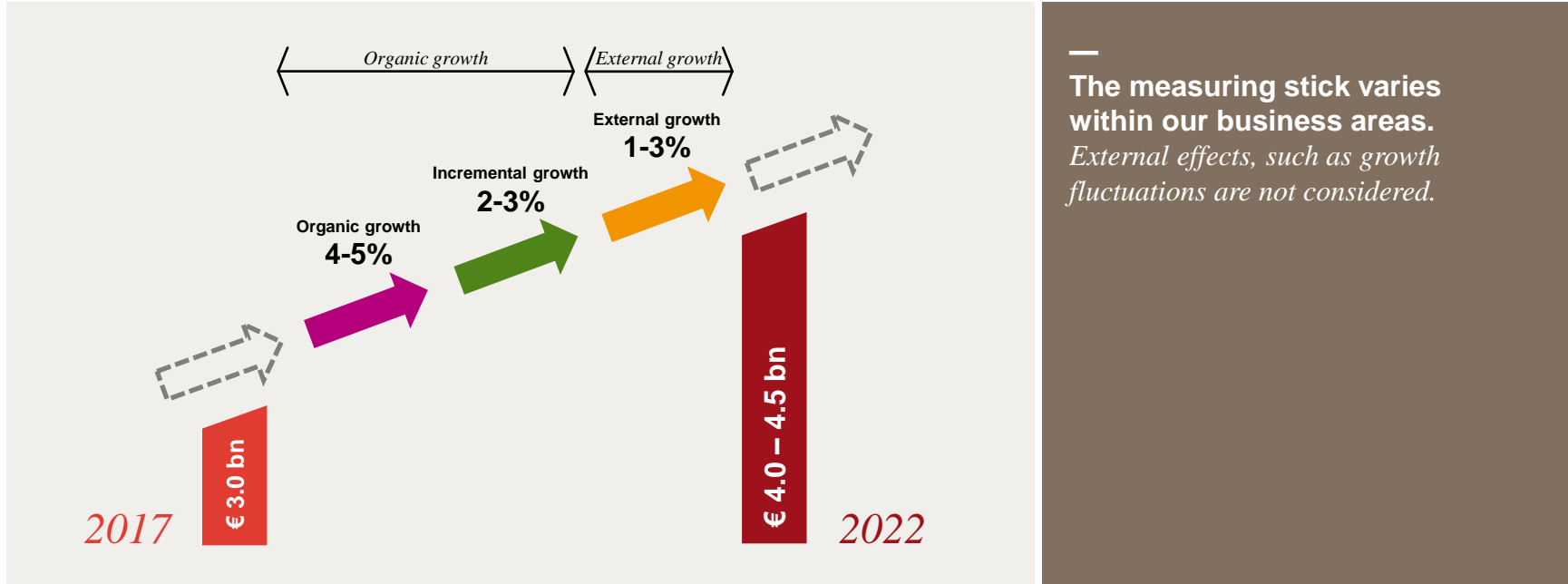
— Symrise had always a disciplined and very focused approach towards acquisitions

— Recently Symrise has stayed away from acquisitions, because prices seemed too high

— Nevertheless acquisitions will remain key element for further growth

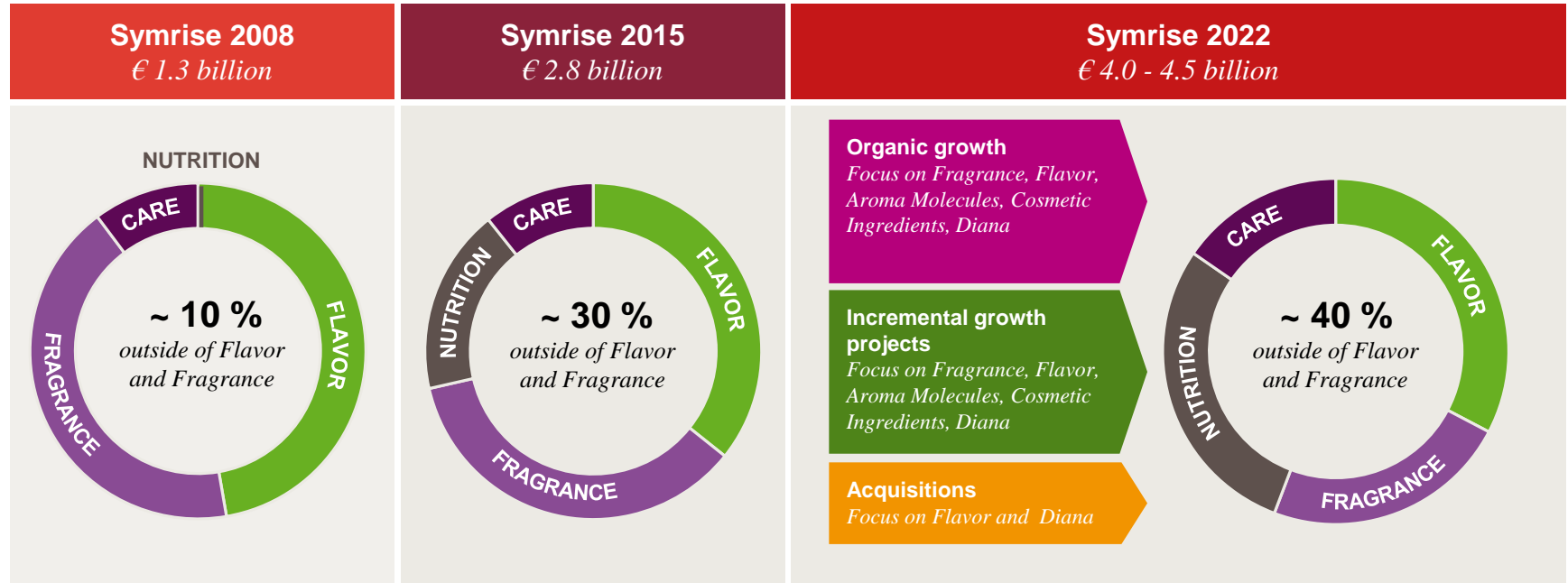
Tying it all together

The target is ambitious, but achievable



— The measuring stick varies within our business areas. External effects, such as growth fluctuations are not considered.

Continuation of the successful path



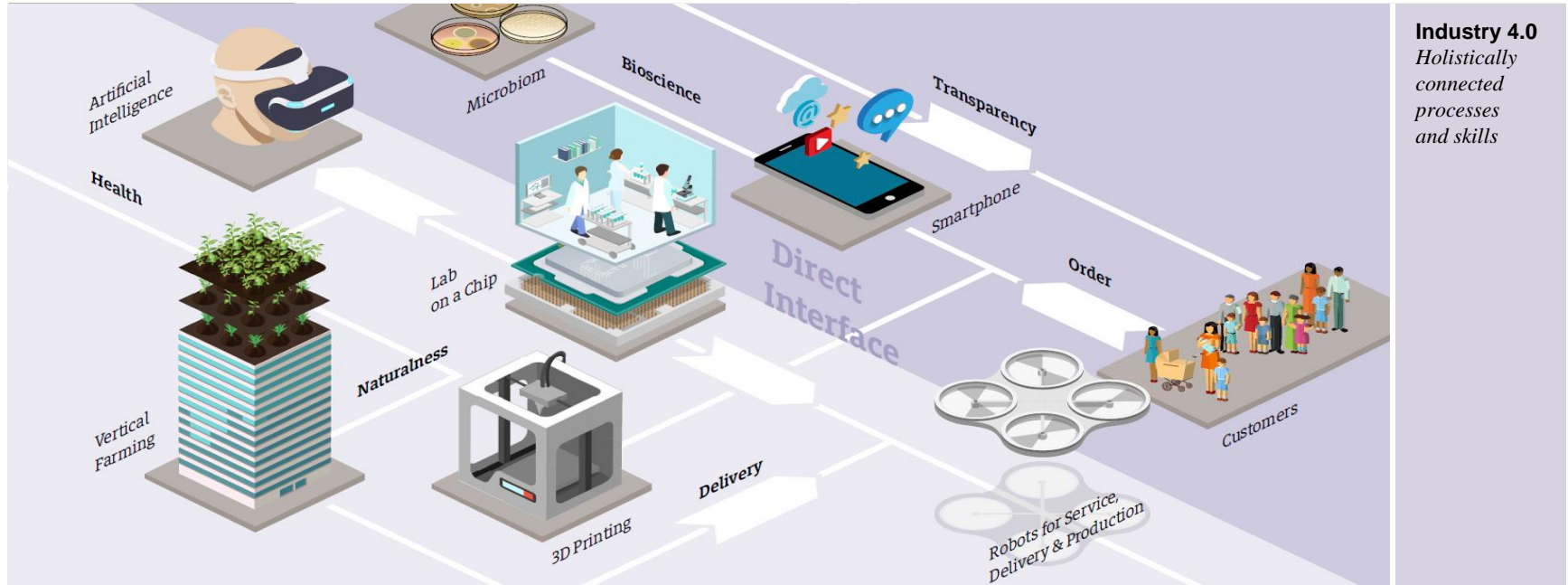
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Priorities, opportunities *and long-term goals*

Growth beyond 2022

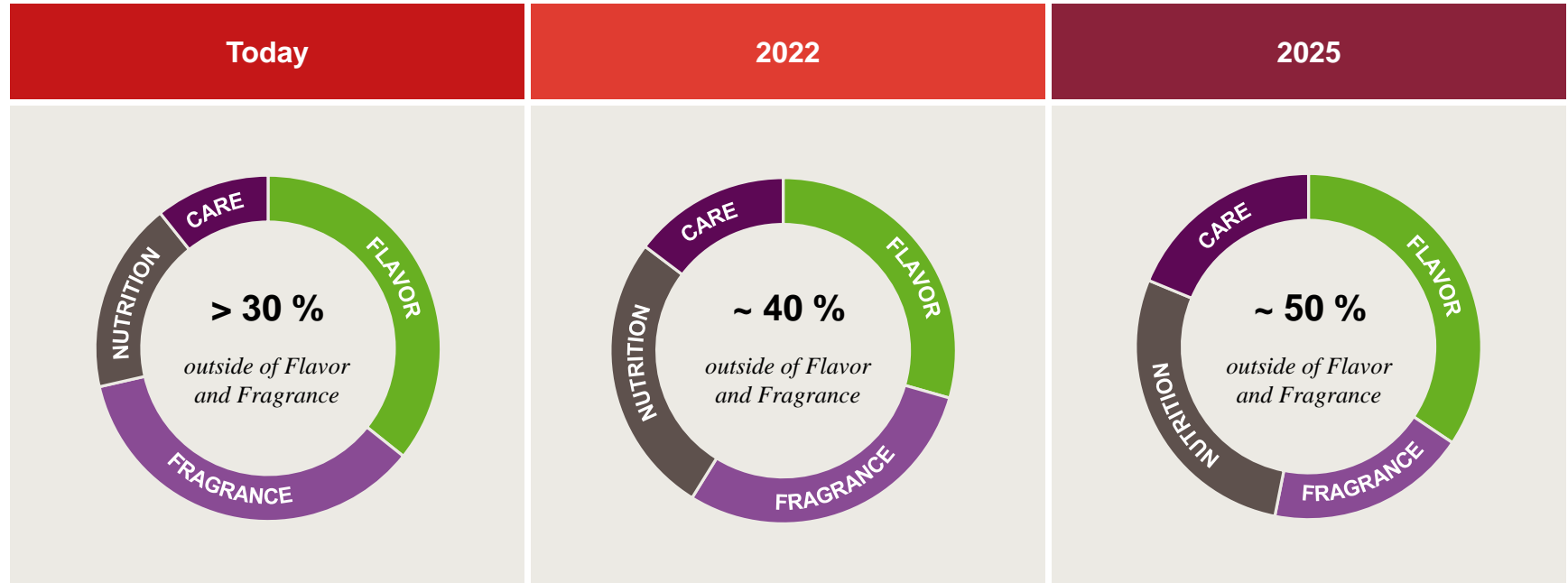
Symrise has reached a leading position through transformative acquisitions and incremental growth. The Process of transformation is the lever for further success



Industry 4.0
Holistically connected processes and skills

Long-term, further shifts in portfolio

Significant growth contribution through shift into fast growing segments - will also lead to higher profitability margins



Strategic priorities

Major initiatives driving growth and profitability



Flavor

Vanilla

Expand leadership position through fully backward integrated and traceable products



Taste modulation

Global roll-out of sugar reduction platform SymSweet®



Code of Nature

New Taste platform of natural derived flavor materials



Encapsulation

Leverage new capacities of Evoglass® and Evogran® esp. in beverages globally



Fragrance

Fragrances

Increase capacities in Fragrance ingredients coming from Pinova.



Green Chemistry

Drive efficiency through technology upgrade



Backward Integration in key natural extracts e.g. Vetiver, Patchouli, Ginger, White Lavender



Artificial Intelligence

Combine perfumers expertise with digital tools to drive efficiency and exploration of new fragrance creations



Nutrition

Natural Food Ingredients

Expand agro-based portfolio in functional nutrition. Leverage new production capacities.



Pet Food

Focus on Best-in-Class-Palatability. Expand capacities in LA and AP



Probi:

Differentiation through strong innovation pipeline. Networking of Symrise competencies.



Aqua cultures:

New application, focus on palatability



Care

Cosmetic Ingredients

Strong focus on active ingredients. Commercialize healthy pipeline of innovative substances.



Capacities and Technologies

Commercialize new capacities in Charleston, SC with new portfolio of natural derived raw materials such as sugar cane



Backward integration

Further upgrade Amazon site in Brazil. Increasing demand for natural extracts.

Mid-term goals 2020

Remain valid / Confident to achieve



	Financial goals	Operative goals	
Growth	Sales growth 5 –7 % p.a. (CAGR)	Share of sales > 50 % in emerging markets	Customer mix 1/3 global, regional, local
Efficiency	EBITDA margin 19 % – 22 %	Raw materials 2/3 from backward integration	
Portfolio	1/3 FLA, 1/3 FRA 1/3 others	Expansion of competences in Consumer Health	Fully utilizing the competences of DIANA + PINOVA
Sustainability		Strategic raw materials 100 % from sustainable sources	Improvement -33 %* of our environmental footprint

*2010 to 2020

Updated goals 2025

Reflects the execution of our successful strategy



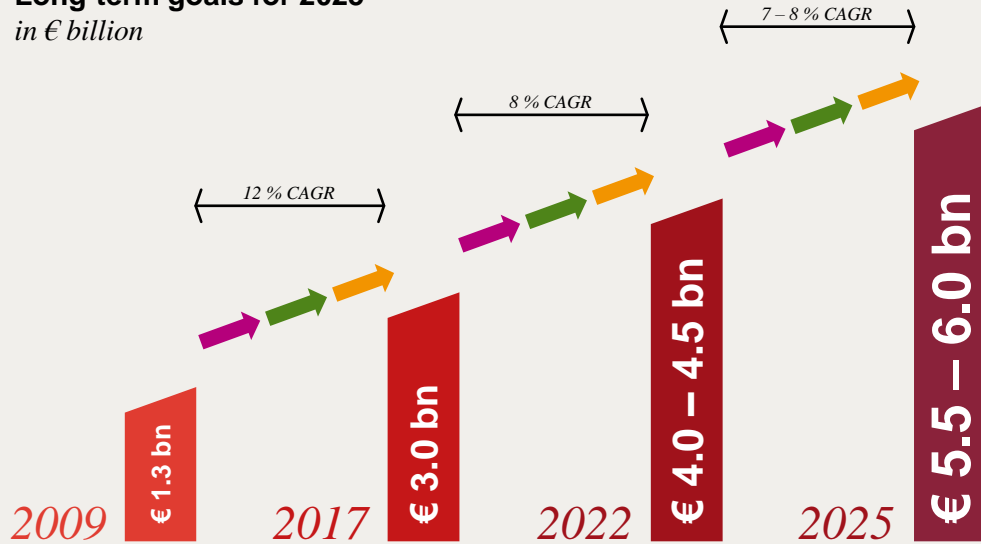
Financial goals	2020		2025
Sales growth	5 – 7 % pa (CAGR)	→	5 – 7 % pa (CAGR)
Sales in Emerging markets	> 50 %	→	> 50 %
Customer mix	1/3 global, regional, local	→	1/3 global, regional, local
EBITDA margin	19 – 22 %	→	20 – 23 % <i>due to more favorable product mix</i>
CAPEX	6 %	→	4 – 5 % <i>by 2022 most of the major invests completed</i>
Dividend	30 – 50 %	→	30 – 50 % <i>planned to be continued</i>
Sustainability goal			
Environment	33 % <i>improvement of footprint</i>	→	50 %* <i>improvement of footprint</i>

*Science based target (SBT) 2016-2025

Our strategy has proven to be successful
and remains the basis for our long-term growth



Long-term goals for 2025
in € billion



—
On track to reach our mid-term goals *and prepared to realize our long-term goals*

Our vision becomes reality

We have created a new role model for the industry



Strong backward integration

Provide customers with benefit

Care for the whole family

always
inspiring more ...

symrise 

Financials *in more detail*

Olaf Klinger, CFO

Updated goals 2025

Reflects the execution of our successful strategy



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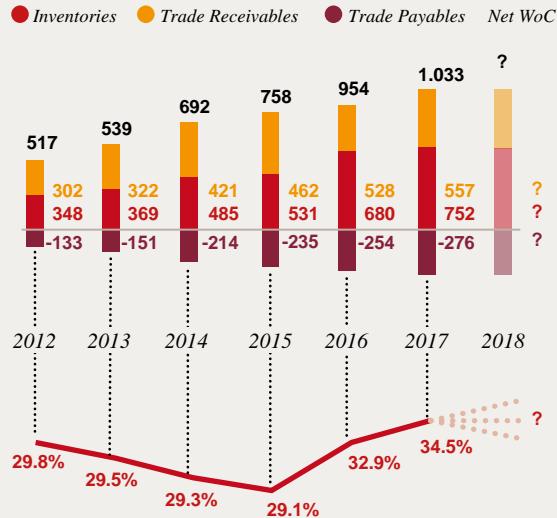
*Science based target (SBT) 2016-2025

Working Capital ambition

A clear focus



WoC absolute & as % of Sales



Drivers

2016

- Pinova Acquisition
- Further Backward Integration Longer Supply Chain

2017

- Cobell & Nutraceutix Acquisition
- Strong price increase of some natural raw materials (Vanilla, Citrus, Garlic etc.)
- Strong volume growth in Flavors
- Extension of Payment Terms

2018

- Raw material crisis (Citral and others) elevated inventories (prices and volumes) mainly in S&C
- Pre-Stocking effect for new menthol facility
- Capacity Constraints resolved within Diana
- Time lag of Payment Term extensions

Opportunities

- Strict Working Capital Management with regard to payment terms
- Limited Factoring applied within Symrise across sites (i.e. IBM Watson)
- Streamlining of recipes and inventory
- Disappearance of Menthol-related pre-stocking
- Tight management of overdue payments

Ambition

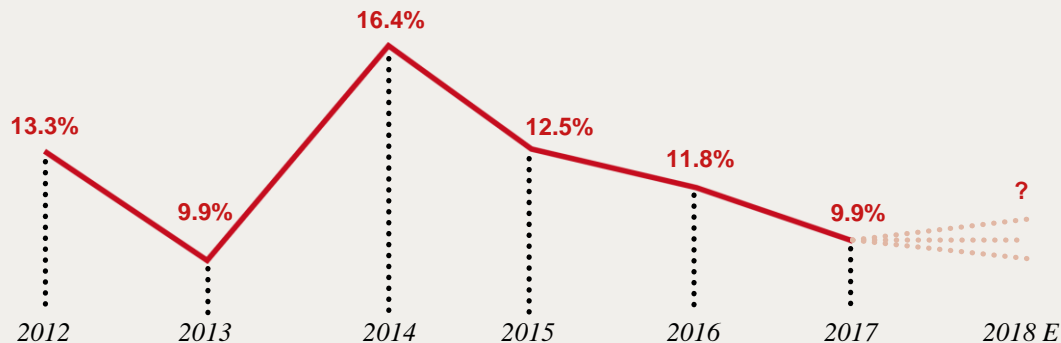
30 – 32 %
2025
as % of sales

Business Free Cash Flow

introduced as a new internal KPI for 2018



BFCF as % of Sales



Definition of BFCF:

$$\begin{array}{r}
 \text{EBITDA} \\
 - \text{ CAPEX} \\
 -/+ \text{ Change in Working Capital} \\
 \hline
 = \text{ Business Free Cash Flow}
 \end{array}$$

EBITDA Growth above topline growth = profitable growth

Working Capital Growth below topline growth

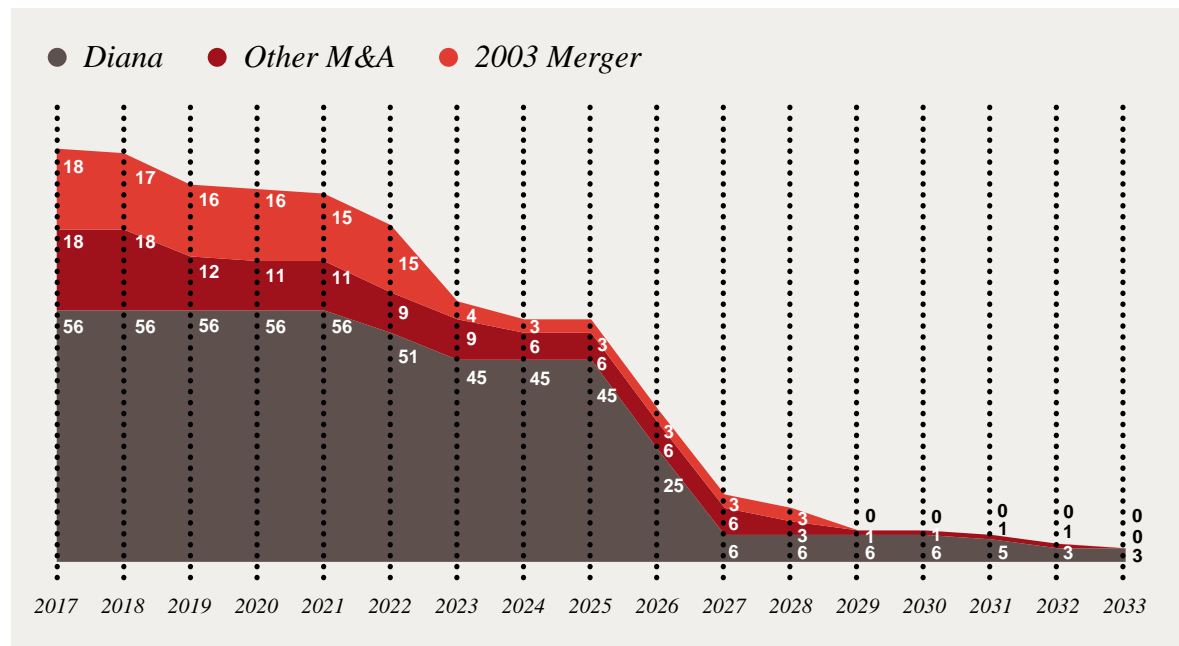
CAPEX according to guidance:
6% until 2020 / 4-5% until 2022

Ambition

Steady improvement of BFCF as % of sales until 2025

Amortization from business combinations

Major effects are fading out



Main drivers

Merger of Haarmann & Reimer and Dragoco in 2003: Recipes

Acquisition of Diana in 2014: Brands, customer base and recipes

Status

Further EPS support expected over time

* only M&A related amortization (without software or internally generated intangible assets)

Pensions

Obligations are fully under control



Pensions (in Mio. Euro)



Interest rate in Germany in %



—
90 % (5%) of pensions are in Germany (USA)

—
H&R and Dragoco pension systems were closed in 2003, the US pension systems were closed in 2003/2012

—
In Germany participation in defined contribution is mandatory since 2011

Status

Pension obligations are mainly influenced by changes in interest rates

Tax Policy

A Good Corporate Citizen



Effective Tax Rate (ETR)

< 30 %

*Target
2012–2020*

~ 28 %

2018

26–28 %

*Mid-term
2020/2025*

—
Our tax policy strives to ensure to comply *with local laws and international regulations in all countries we operate in*

—
Our Effective Tax Rate is *comparable with other German based Multinationals*

—
Our tax policy is not to be seen as *aggressive and risky*

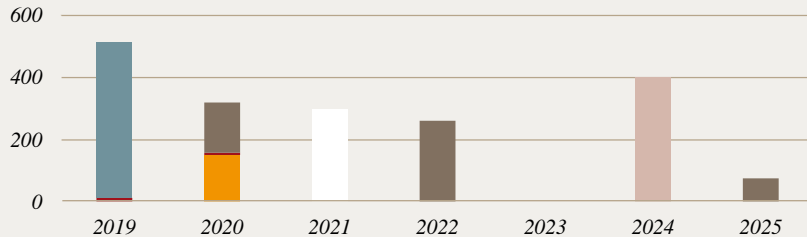
—
However, ambition to further improve our tax rate, *wherever possible, remains*

Solid Financing Structure

Clear focus on Investment Grade



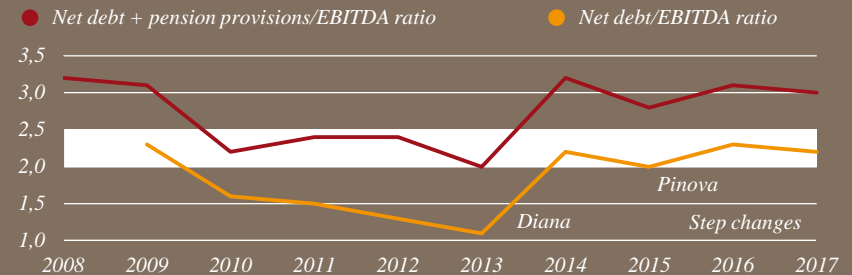
Maturity Profile as of December 31, 2018



● US Private Placement 2010 ● Bond 2014 ● Promissory Loan Notes 2015
● EIB 2013 ● Revolver 2015 ● Convertible 2017

- Well balanced maturity profile
- Refinancing of 500m Eurobond in 2019

Net debt / EBITDA



Ambition

- Long term target of 2.0 to 2.5x
(Net debt including pensions to EBITDA)
- Unchanged since IPO
- Top priority: Remain an Investment Grade Profile

Rising share price and dividends

Attractive dividends and continuing value generation



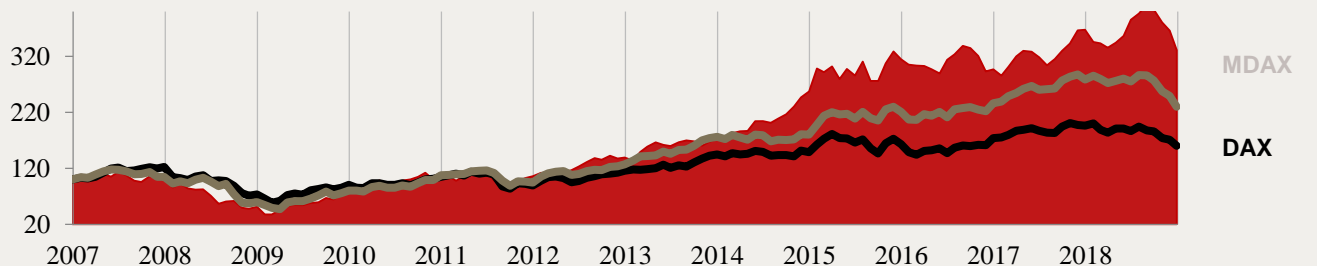
Dividends 2007 – 2017 per share in € cents

50 50 50 60 62 65 70 75 80 85 88 ...

Earnings 2007 – 2017 per share in € cents

0.82 0.76 0.71 1.13 1.24 1.33 1.45 1.69 1.90 2.05 2.08 ...

Share price 2007 – 2018



—
Symrise share
beats German DAX and MDAX

—
2018 Performance
*Symrise -10 %,
DAX -18 %,
MDAX -18 %*

Ambition 30-50 %
*payout ratio and steady
increase in absolute
dividend per share*

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Reflects the execution of our successful strategy



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Sustainability goal			
Environment	33 % <i>improvement of footprint</i>	→	50 %* <i>improvement of footprint</i>

*Science based target (SBT) 2016-2025

Summary

We are well prepared for the future



- **Proven strategy** *with strong growth dynamics*
- **Targeting mega trends** *and changing business environment*
- **Industry leading backward integration** *with focus on naturals and sustainability*
- **Differentiated portfolio** *supported by innovative technologies*
- **Focused capital allocation into profitable growth** *and supporting acquisitions*
- **Ambitious long-term objectives 2025** *with increased profitability guidance*

*always
inspiring more ...*

symrise 

Q&A!

