



# **SYMRISE** COMPANY UPDATE

**Dr. Heinz-Jürgen Bertram (CEO)**

Exane BNP Paribas -  
16th European CEO Seminar  
Paris, June 19<sup>th</sup>, 2014

# AGENDA



COMPANY PROFILE



STRATEGIC PRIORITIES



ACQUISITION DIANA GROUP

# 10 YEARS SYMRISE

## CREATING A GLOBAL PLAYER



**2003**

Symrise founded through the merger Haarmann & Reimer and Dragoco



**2006**

IPO of Symrise, trading on the Frankfurt Stock Exchange (Prime Standard)



**2010**

The Symrise Perfumery School opens in India.



German Sustainability Award

**2012**

Symrise awarded for sustainability results

**2013**

Acquisition of Belmay

Symrise certified as "Green Company"

**2008**

Opening of the Global Citrus Center in Sorocaba, Brazil.

Doubling capacities for synthetic menthol



New Creative Center in Brazil

2003

2013



**2005**

Natural vanilla business expanded. Integration of the French-Malagasy company Aromatics

**2007**

Symrise stock included in MDax

The strategic taste platform launched

**Taste for life®**

**2009**

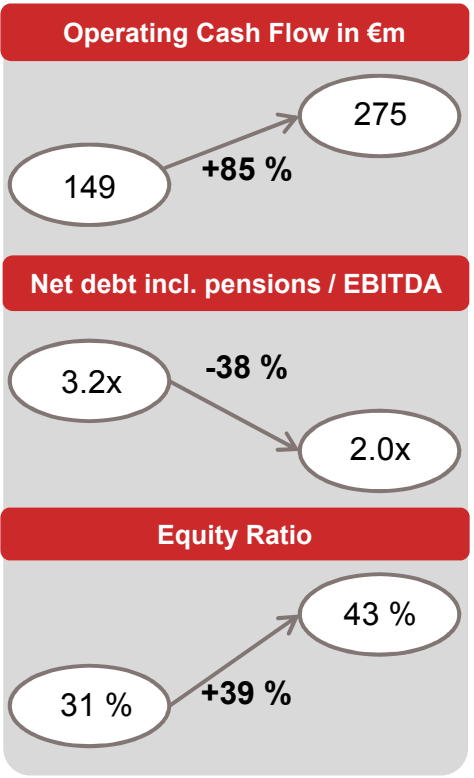
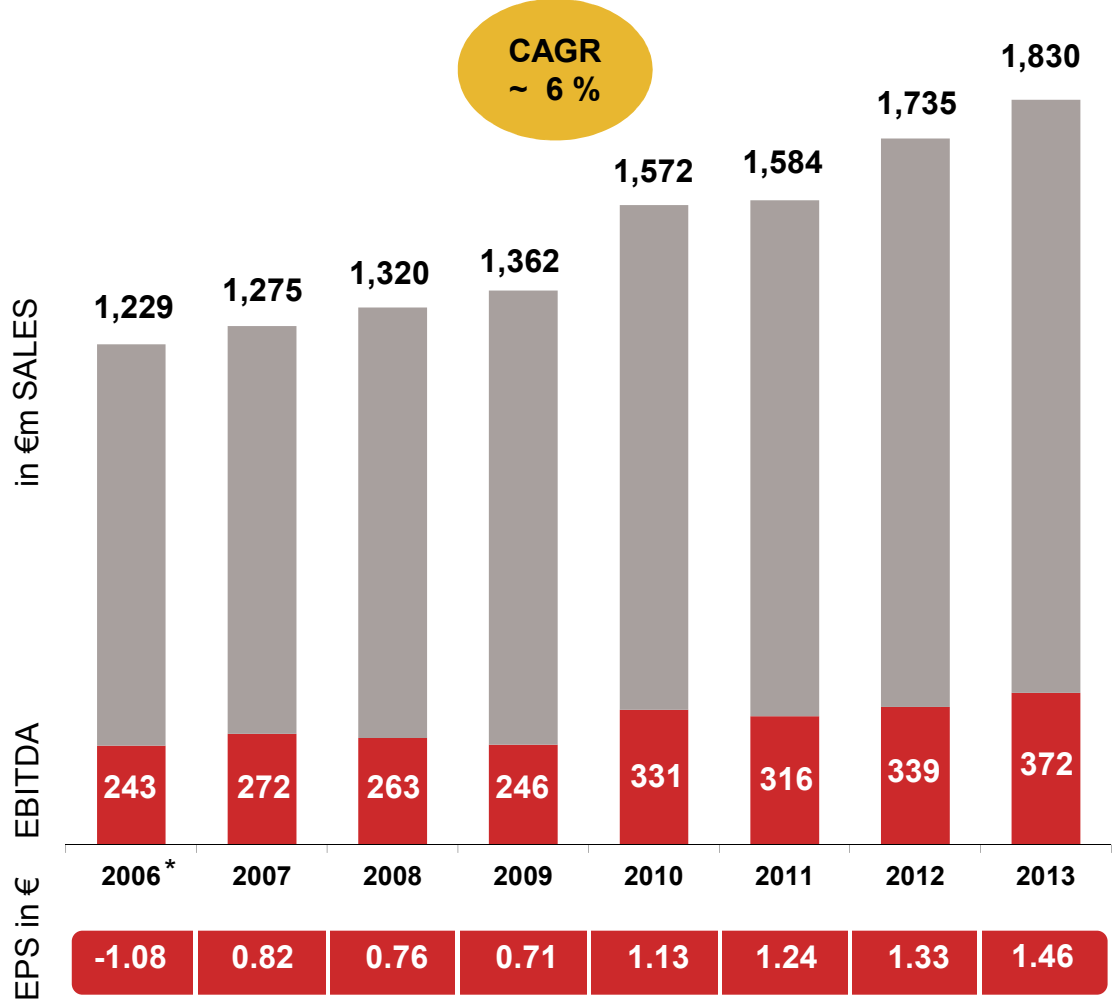
Symrise achieves solid growth even in global economic crises. Sales up by 3.2 % vs. previous year.

**2011**

Opening of Production site in Russia



# SUSTAINABLE PROFITABLE GROWTH SINCE IPO



\* EBITDA adjusted for restructuring and integration cost

# SYMRISE TODAY

## KEY FIGURES 2013



Sales 2013 € 1.83 bn

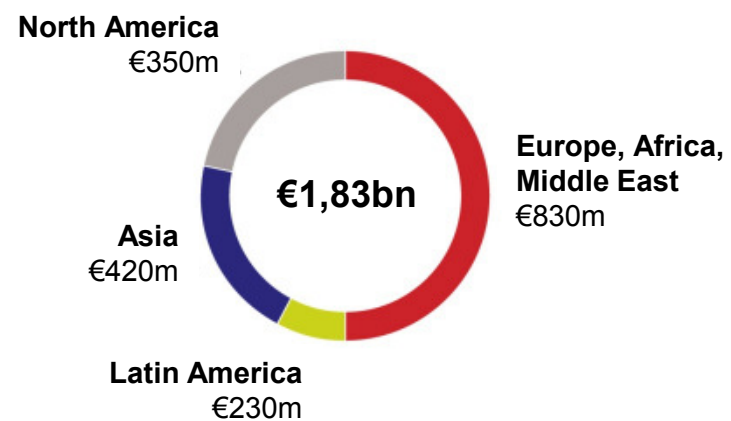
Employees > 6,000

Countries > 35

R&D expenditures 7 %  
(from Sales)

Equity ratio > 40 %

### Regional split



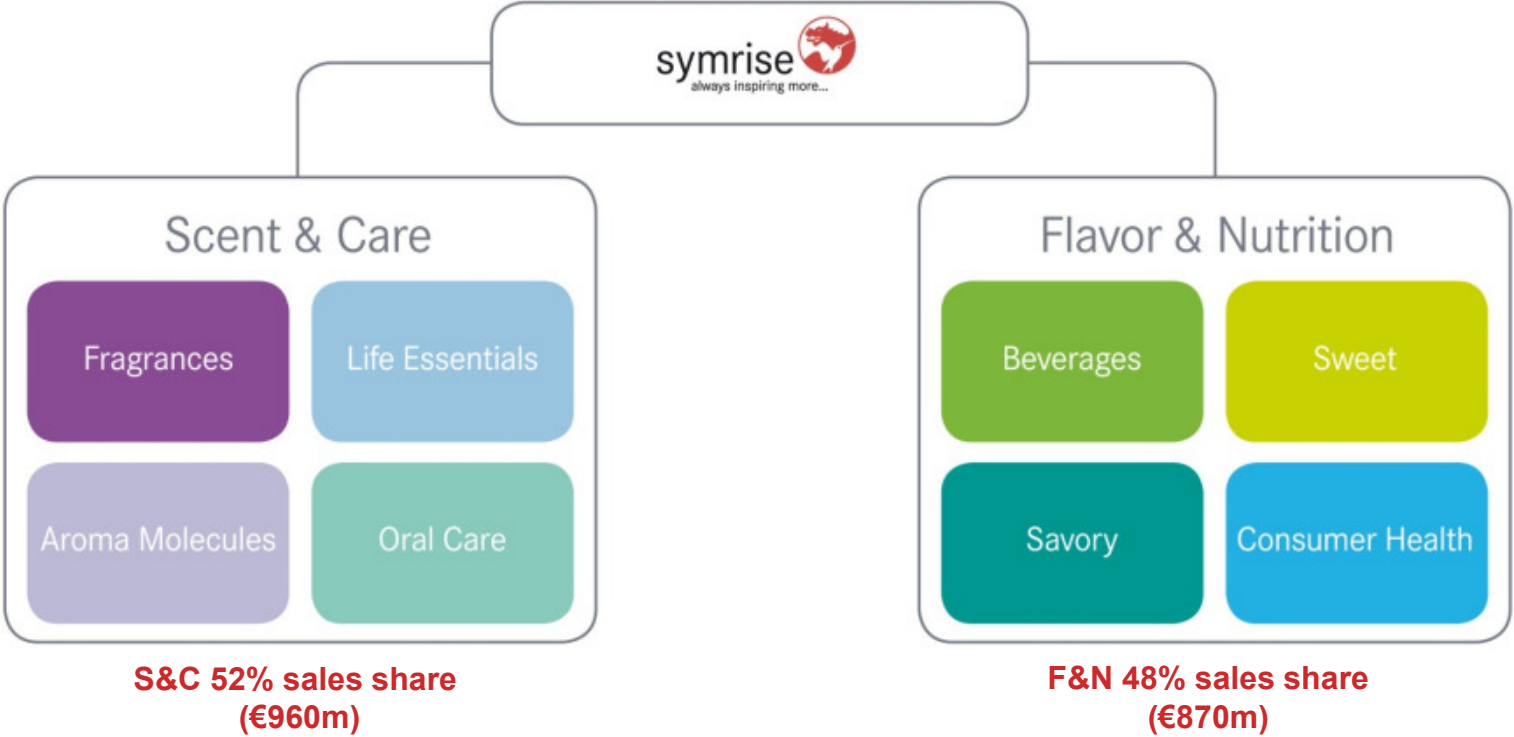
# SYMRISE

## OUR GLOBAL REACH



# LEAN CORPORATE STRUCTURE

## TWO GLOBAL DIVISIONS WITH DEDICATED SEGMENTS



# ATTRACTIVE MARKET

## FAVORABLE INDUSTRY DYNAMICS

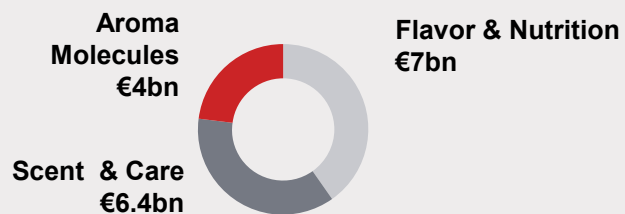
### Global growth prospects:

- average market growth of 2-3 % per annum
- benefiting from global mega trends such as population growth, increasing wealth and economic progress
- growing awareness of health and wellness

### Success of consumer goods triggered by quality and distinctiveness

- only a fraction of total product costs - but a key buying criteria for consumers
- more important than brand name and positioning when it comes to re-purchase decision

### Relevant market size €17.4 billion\*:



### Barriers to entry:

- high customer and market intimacy
- high innovation rate
- high level of regulation and quality requirements

\* Source IAL Consultants



# GLOBAL CONSUMER & CUSTOMER TRENDS RELEVANT TO SYMRISE



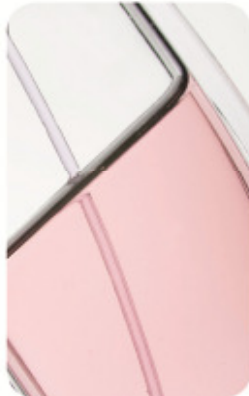
## Health

- Fitness
- Wellness



## Convenience

- "Snack" culture
- Easy access



## Added Value

- Functionality
- Health properties



## Naturalness

- Organic
- No genetically modified organisms (GMO free)



## Sustainability

- Environmental awareness / sustainability
- Social change

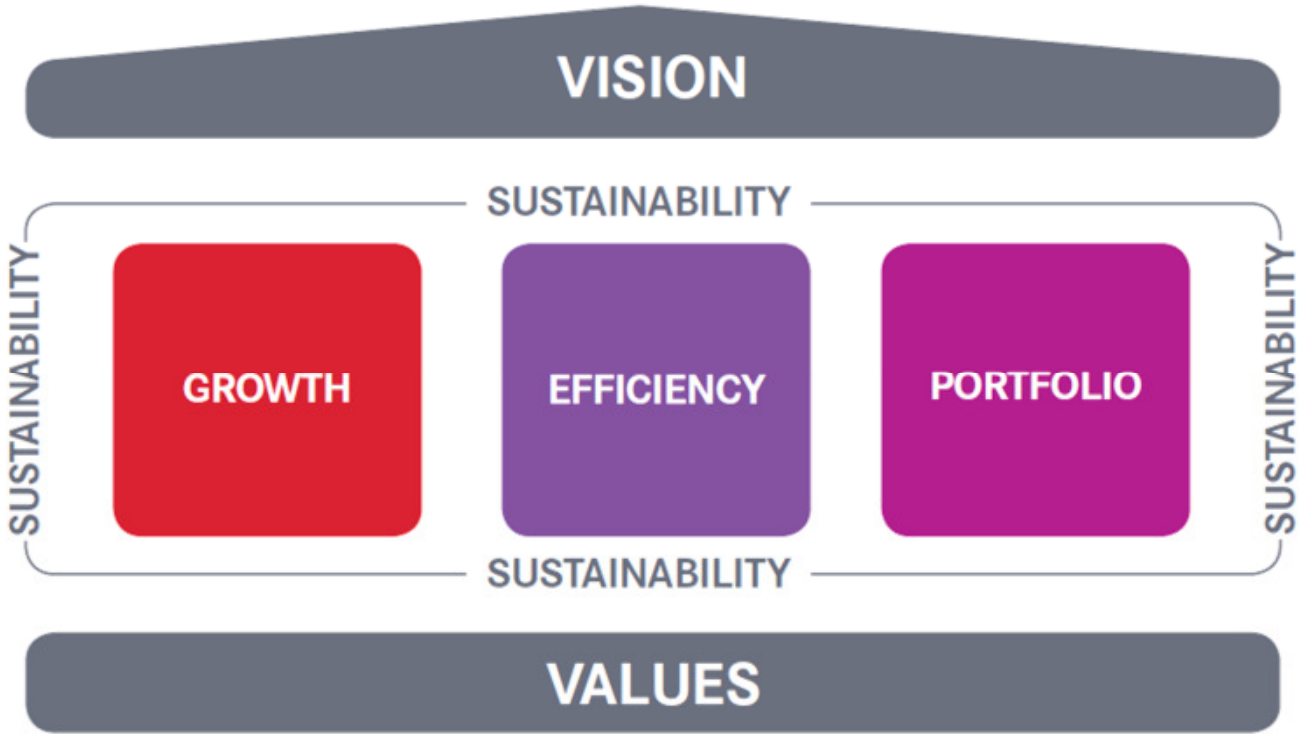
# AGENDA



## STRATEGIC PRIORITIES

# CONTINUITY OF THE 3-PILLAR STRATEGY

## ACHIEVING GOALS WITH CLEAR FOCUS



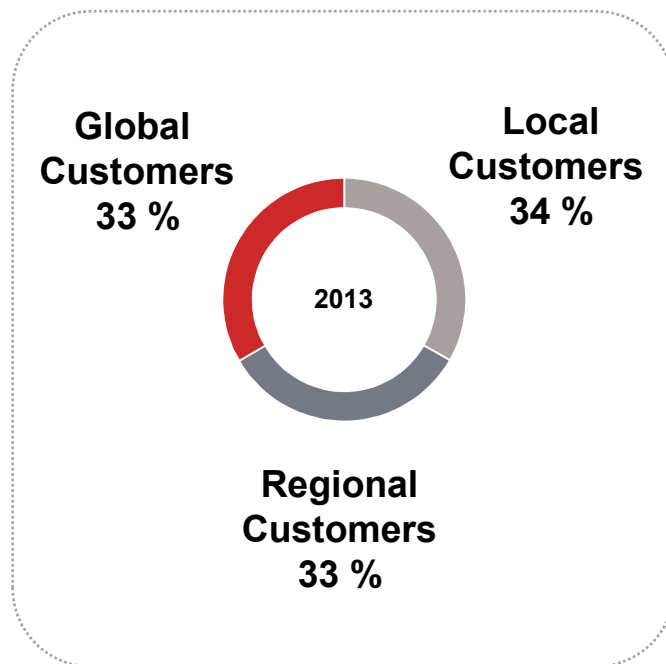
# ACCELERATE GROWTH THROUGH BALANCED CUSTOMER PORTFOLIO, ENFORCED SALES AND INTELLIGENT ACCOUNT MANAGEMENT



**Growth**

Leverage Customer Spectrum through Enforced Sales Initiatives

Share of sales according to customer groups in %



## Comments

- Business with global customers increased from 11% in 2003 to 33% in 2013 and has reached an efficient share
- Balanced customer base without dependency from individual customers
- Establishing intelligent processes and structures through investments in new sale steams and marketing initiatives in order to efficiently serve all customer segments and markets

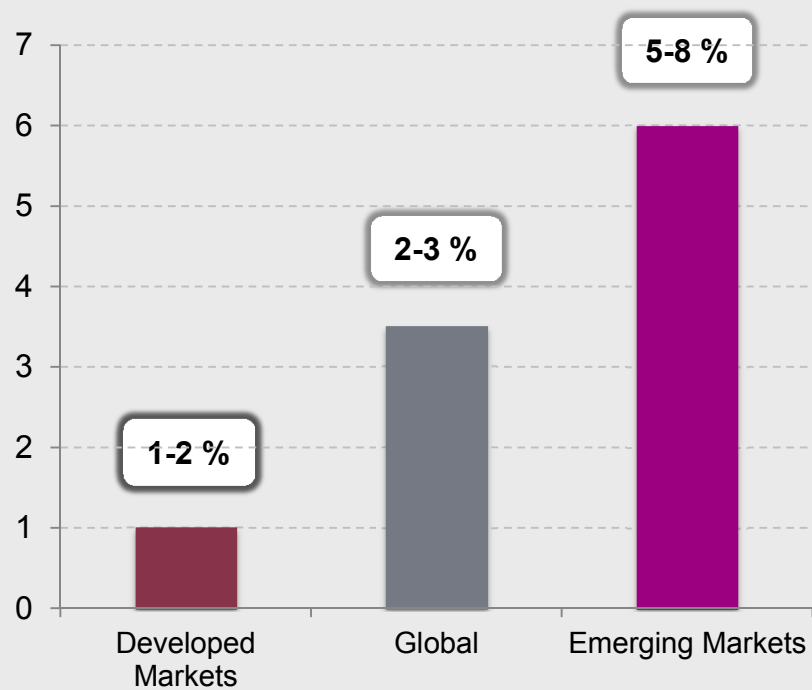
# VOLUME GROWTH PARTICULARLY DRIVEN BY EMERGING MARKETS



## Growth

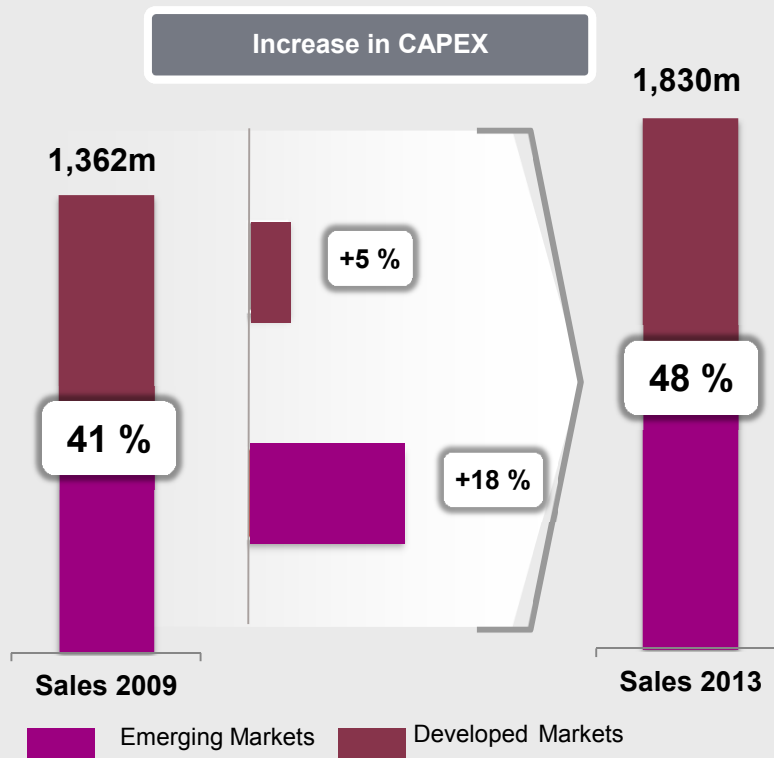
## Different Pace and Nature – Growth in Emerging and Mature Markets

F&F volume growth, 2010–2020E (CAGR %)



Source: Goldman Sachs

Development of share of sales and investments in Emerging Markets (%)



# ACCESS TO STRATEGIC RAW MATERIALS BACKWARD INTEGRATION



**Efficiency** Investments in Process Optimization and Production Design



## Strategic Initiatives: Mint / Citrus / Vanilla / Onion



- Partnership and long-term contracts with local farmers
- Including cooperation concerning fertilization, harvest and yields

## Most important flavors Symrise product platforms

**think mint®**  
CLEAR FOCUS. FRESH IDEAS.

**naturally citrus!®**  
true to fruit, true to nature, true to life.

**simply vanilla®**  
discover. create. experience.

**that's onion!®**  
NATURALLY PERFECT.

- Key flavors with high impact on total sourcing
- Strategic advantages: secured supply, minimized price fluctuations, highest quality

## Key Business Segments



- Main application areas

# COMPREHENSIVE PORTFOLIO CAPITALIZING ON HEALTH TRENDS AND SUSTAINABILITY



**Portfolio**

Targeted Growth Opportunities

Symrise Portfolio



Areas of Growth

Biotech-based Solutions

Diabetes/Obesity

Protein Masking

Personalized Nutrition

Probiotics

Sensitive Skin

Anti-aging

Multi-functionals

Natural Preservation

Next Generation Encapsulation

Green Chemistry

Phyto-chemistry

Sustainable Sourcing

Organic Synthesis

Global Megatrends

Health & Well-Being

Beauty & Aging

Sustainability

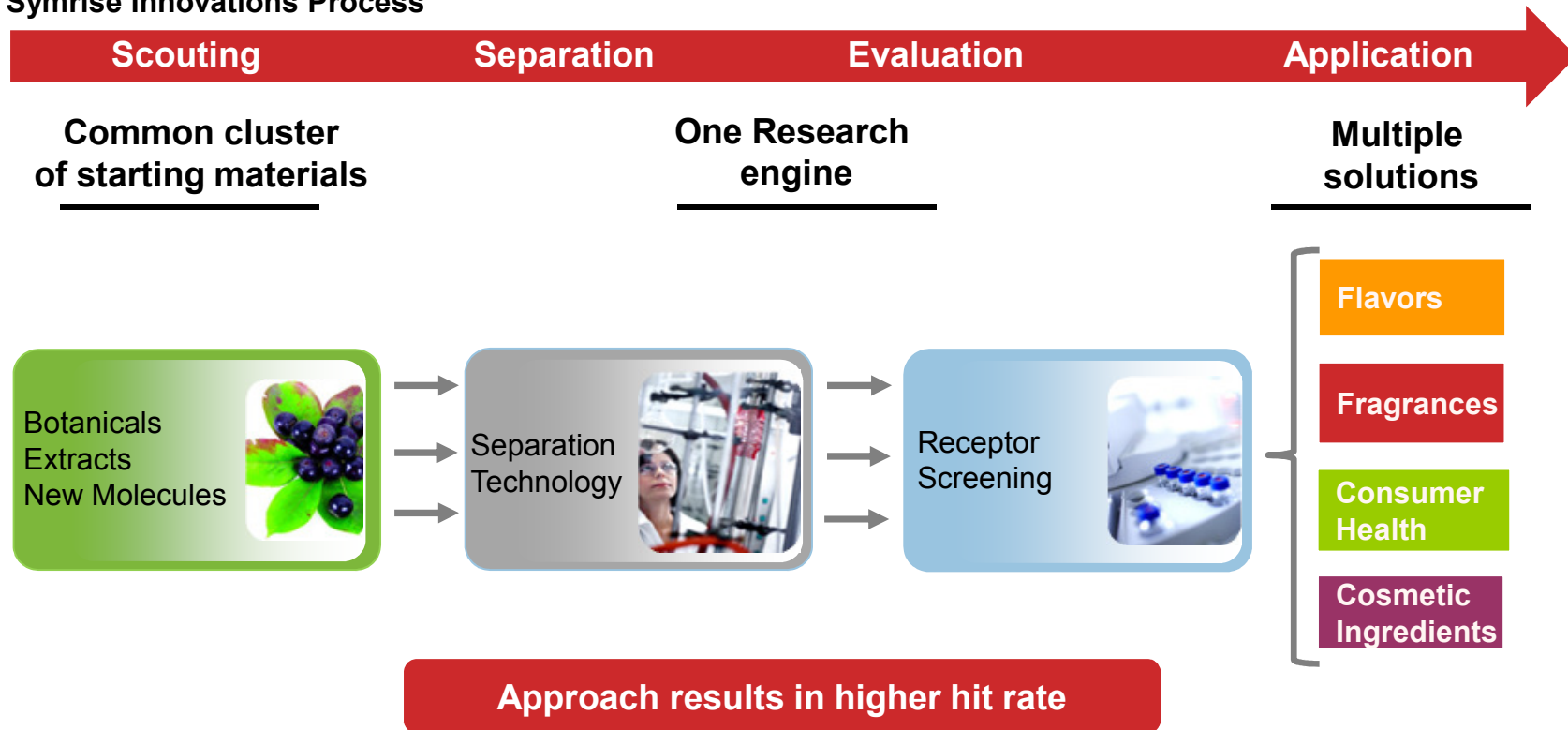
# APPROACH GENERATES ADDITIONAL VALUE DRIVING FOR MORE RESULTS AND OUTPUT



Portfolio

Better Utilization of R&D Resources

Symrise Innovations Process





# DRIVING INNOVATION

## VALUE CREATING STRATEGIC PARTNERSHIP IN THE AREA OF PROBIOTICS



### Portfolio

Probi – an Alliance with Compelling Rationale and Innovation Potential

### 1. Generation

Probiotic companies

Traditional

Dairy / Yogurt

- Successful and globally recognized milk based brands containing probiotics



Advanced

Beverages

- Innovative beverage products with Probi probiotics for immune and gut health



### 2. Generation



New

Oral Care

- First Oral health products containing probiotics, launch 1-2 years



New

Skin Care

- Use of Probi Lactobacilli strains for skin care



# AGENDA



## ACQUISITION DIANA GROUP

# ACQUISITION DIANA

## STRATEGIC MOVE TO FURTHER EXPAND NUTRITION AND TAP INTO PET FOOD MARKET



Global leading provider of sensory solutions based on natural ingredients



### Pet Food

- **Global #1 in palatability enhancers for pet food**
- Broad product portfolio for **all applications** (dry and wet food, treats, food supplements)
- Global **distribution network and R&D centers**



### Food

- One of the global leading providers of **natural extracts** from fruits, vegetables, fish, meat, wine, vinegar
- Ready-to-use **food solutions** (sauces, colors, fruit particulates)
- Plant and vegetable extracts for **Health and Wellness**



### Nova

- Natural nutrition solutions for **aquacultures** (hydrolysates, proteins)
- **Phytoactives** for supplements and cosmetics

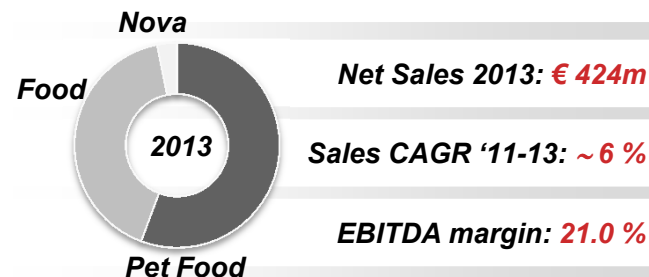
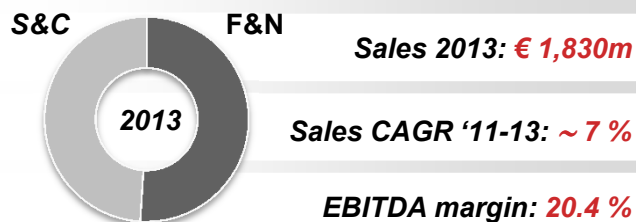


# EXCELLENT STRATEGIC FIT

## KEY FINANCIALS



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

**Value creating acquisition with focus on profitable growth through complementary competencies**

# PORTFOLIO EXPANSION AND DIFFERENTIATION LEAD TO UNIQUE COMPETITIVE POSITIONS



## Balanced Portfolio



## Competitive Landscape

		Flavor	Fragrance	Care	Nutrition
Flavors & Fragrances	<b>Symrise</b>	●	●	●	●
	Givaudan	●	●	●	●
	IFF	●	●	●	●
	Firmenich	●	●	●	●
Consumer Chemicals	BASF	●	●	●	●
	DSM	●	●	●	●
	Croda	●	●	●	●
Natural Ingredients	Kerry	●	●	●	●
	Tate & Lyle	●	●	●	●
	Wild	●	●	●	●

● Relevant   ● Not relevant / material

**Expansion of differentiated portfolio creates competitive advantage, broadening the channels of growth and extending the value chain**

# UNPARALLELED DIFFERENTIATED PORTFOLIO COMPARED TO COMPETITORS



**Global market position<sup>1</sup>**

**Natural Ingredients/Extracts**

**Pet Food**

**Oral Care**

**Cosmetic Ingredients**

**Flavors**

**Fragrances**

**Fragrance Ingredients**

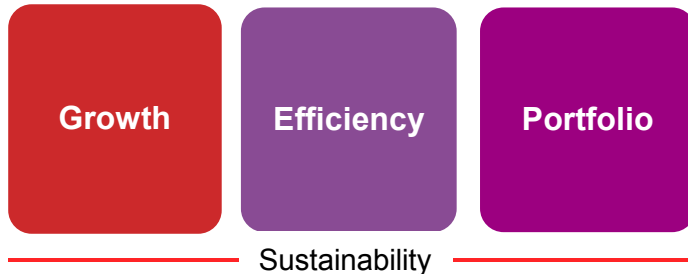


#3	<ul style="list-style-type: none"> <li># 1 in Vegetables (onion, carrot etc)</li> <li># 1 in Vanilla</li> <li># 1 in Baby Food</li> </ul>
#1	
#1	<ul style="list-style-type: none"> <li># 1 Menthol</li> </ul>
#4	<ul style="list-style-type: none"> <li># 2 in Sun protection</li> </ul>
#3	<ul style="list-style-type: none"> <li># 3 in Actives and Taste modulation</li> </ul>
#4	
#4	<ul style="list-style-type: none"> <li># 2 in Musk</li> </ul>

1. Own assessment  
Source: Symrise

# OVERARCHING GOAL

## BUILD A UNIQUE PLAYER IN THE INDUSTRY



- Major step to create unmatched business model
- Complementary acquisition with focus on profitable growth
- Detailed plan and dedicated team – smooth merger process to ensure customer focus
- No major restructuring planned – Strong potential to leverage broader Symrise footprint and customer base

**Transformational move to advance Symrise**

# ACQUISITION FULLY MEETS FINANCIAL GOALS

## SUPPORTS LONG-TERM TARGETS



### Acquisition of Diana fulfills all strategic and financial targets of Symrise

**Continuous  
profitable growth**



In line with our 2020 target of growing our business by 5 - 7 % p.a.

**High  
profitability**



Diana's EBITDA margin level of > 20 % fully in line with Symrise's targets

**Strong cash flow  
generation**



Symrise and Diana deliver strong cash flow and require only moderate investments

- Acquisition accretive in first full year after closing which is expected in Q3 2014
- Symrise will maintain its strong balance sheet



ALWAYS  
**INSPIRING**  
MORE ...

# **SYMRISE**

## **INVESTOR RELATIONS**



### **Financial Calendar:**

August 7, 2014  
Interim Report 2<sup>nd</sup> Quarter 2014

November 4, 2014  
Interim Report 3<sup>rd</sup> Quarter 2014

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