

always  
inspiring more ...

# Unfolding strengths *Symrise AG*

symrise 

# A high quality growth play

## *Investment highlights*

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**1) *Attractive industry geared towards defensive end-consumer markets***

**2) Strongly balanced portfolio across businesses, regions and customers**

3) A strategy with focus on **industry-leading growth** 

*4) Competitive edge thanks to cross-linking competencies and leading research engine*

5) A portfolio **beyond traditional** flavor & fragrance

*6) Backward integration serving trend towards naturals & traceability*

# 1) Attractive industry

*Geared towards defensive end-consumer markets*

Who we serve



What our industry is like

## F&F

**Characteristics**


- Oligopolistic: top 4 > 60%
- 3-4% annual market growth (global)
- Unique value proposition to end product

**High entry barriers**


- Increasing regulatory requirements
- Global production & supply chain needed

- Core list system
- Speed & innovation

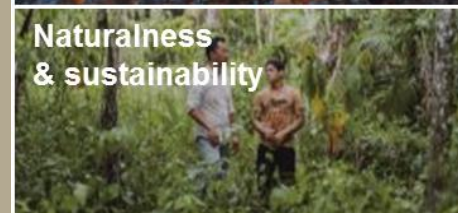
Which trends we benefit from



**Health & wellness**



**Middle class boom & urbanization**



**Naturalness & sustainability**

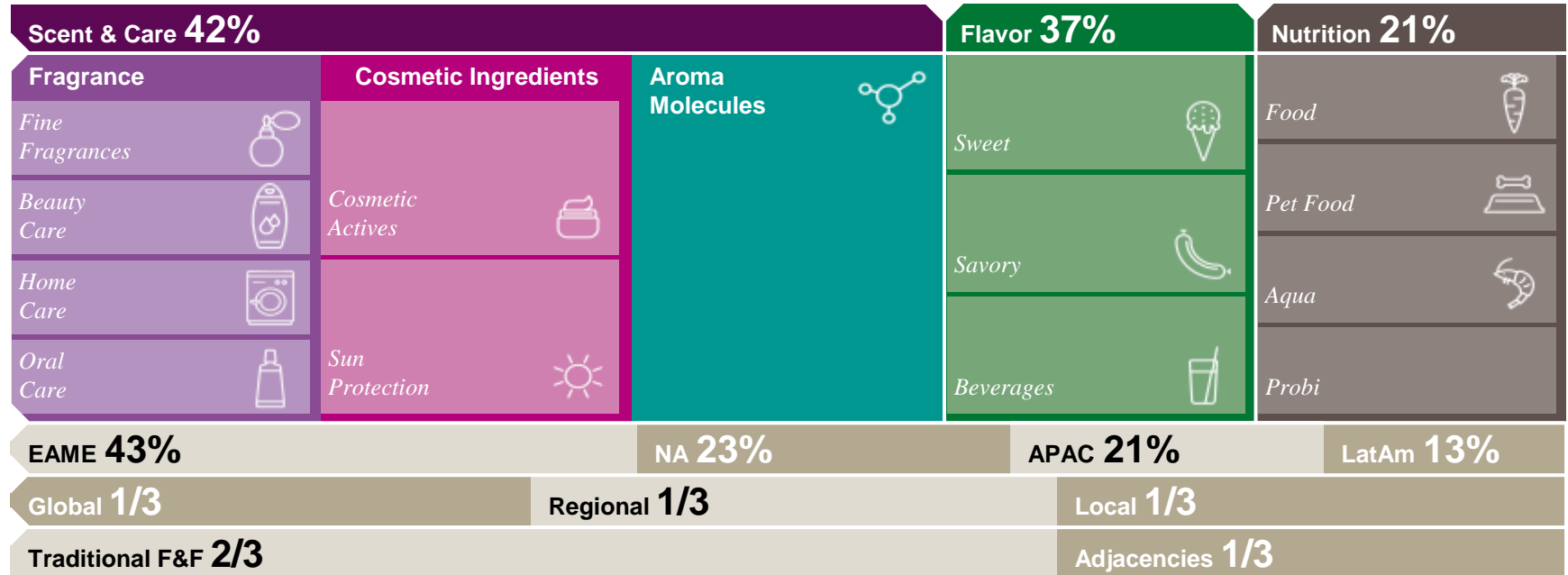
End-consumer trends

## 2) Strongly balanced portfolio

*Across businesses, regions and customers*



In % of Group sales (2017)



### 3) A strategy with focus on industry-leading growth



#### *How we want to grow*



Leverage  
internal growth  
opportunities

**6%** of sales  
investments



Grow in  
emerging  
markets

**>50%**  
emerging markets sales



Drive innovation  
across segments

**>10%**  
new products every year



Maximize  
customer base

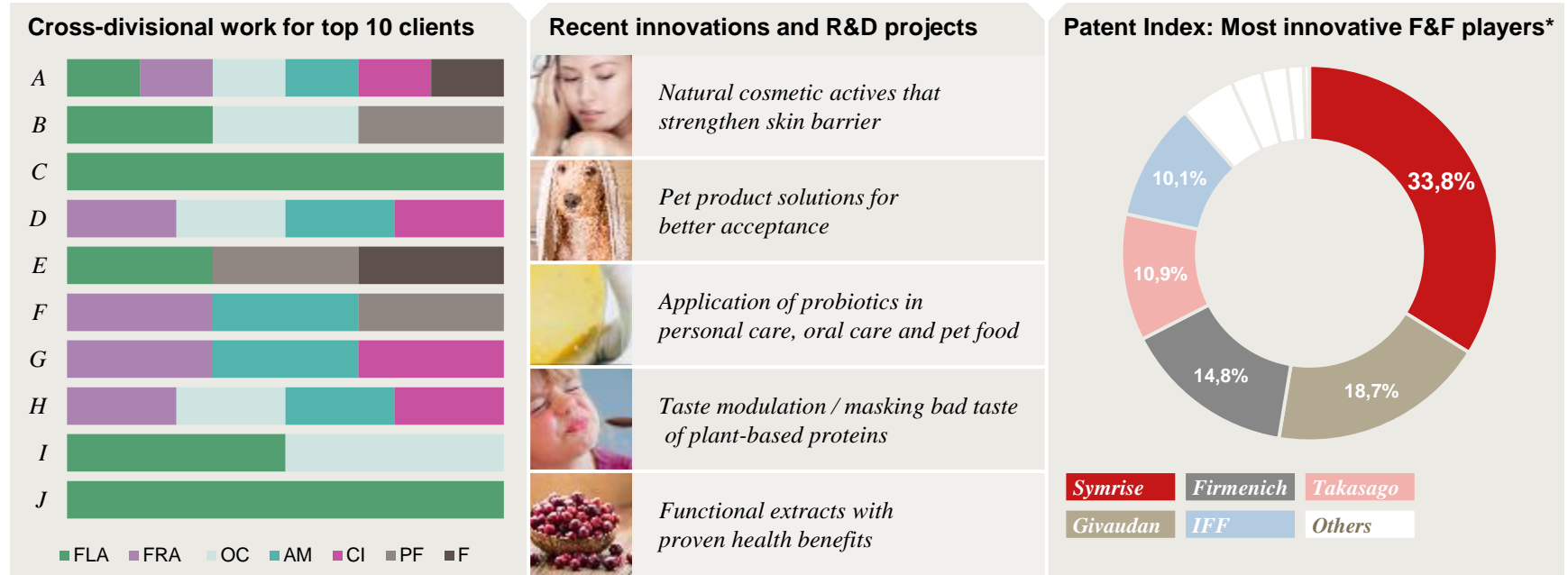
**1/3** mix global,  
regional & local



Expand naturals  
& sustainable  
solutions offering

**100%** traceability  
of strategic raw materials

# 4) Competitive edge thanks to *Cross-linking competencies & leading R&D engine*



\*Source: PatentSight (2017).

# 5) Beyond traditional F&F

## *Building a unique portfolio*

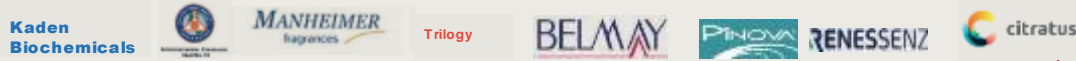


### Internal growth – capex pipeline 2018/19

Business	Project	Investment (in € m)	Start
Pet Food	New spray dryer and cookers for Elven	20	Mar-2018
Cosmetic Ingredients	Multi-purpose production facility Bushy Park	20	Aug-2018
Food	New plant for natural food ingredients in Georgia/ USA	50	Oct-2018
Flavor	Additional spray drying capacities in Branchburg/ USA	10	Feb-2019
Aroma Molecules	Doubling of menthol capacities in Bushy Park	30	Jul-2019
S&C/ Flavor	New plant in China	50	Dec-2019

### External growth – selected acquisitions 2006-18

#### S&C



#### F&N

### Our portfolio today



## 5a) Scent & Care using Artificial Intelligence

*IBM Research and Symrise breaking new fragrance ground*



- **The start of the digital age for the perfume industry.** *An archive of formulas and historical data help with the creation of fragrances.*
- **In partnership with IBM Research a method has been developed** *to create fragrances based on digital models.*
- **The model combines machine intelligence and perfumers expertise** - *better understanding of consumer preferences and product design.*
- **The first project involves the creation of two fine fragrances** *for the customer O Boticario will be launched in 2019*

*Symrise perfumer David Apel creating new perfumes with the help of artificial intelligence*



## 5b) Scent & Care expanding Cosmetic Ingredients



*New natural derived product successfully launched*

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— **New multi-functional cosmetic from renewable resources.**  
*By-product from sugar cane.*

— **'Hydrolite®5 green' combines efficacy and naturalness**  
*to meet market expectations – important innovation milestone reached.*

— **The new cosmetic ingredient is produced in the expanded production site in Charleston (SC)**

*The new facility started operation in August 2018. Investment of € 20 Mio.*



## 5c) Nutrition invests €50m in new US facility



*New site in Georgia for high-quality natural food ingredients*

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- **Location in the USA's well-developed agricultural South-East enables accelerated growth with natural food ingredients.**
- **Strengthening of competitiveness by building new capacities in worlds largest flavor market.**
- **Growing demand for natural and sustainable food ingredients based on increased health conscious.**
- **Product innovations with an integrated, sustainable supply chain - backward integration focusing on agricultural products, fully traceable.**
- **Cross divisional synergies:** *New plant will manufacture products for Food Ingredients, Flavors and Pet Food.*

# 6) Backward integration

*Serving the trend towards naturals & traceability*



**1. Strategic acquisitions** that enable us to move closer to the origin of the raw materials we process.



**4. Long-term contracts** and sustainability partnerships with commitment to purchase e.g. for d/-menthol or bergamot.



**3. Partnerships** e.g. onion field studies in cooperation with the HOL Onion Ring



**Backward integration @ Symrise**

*comes in different shapes & forms*

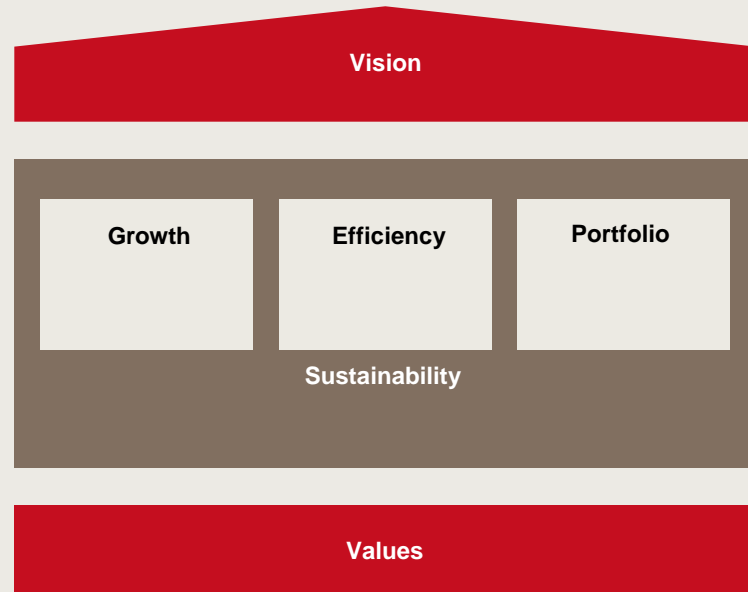


**2. Social engagement** to improve the living conditions in regions like Madagascar and Brazil by investing in local infrastructure, education and social benefits such as health insurance.

100%  
traceability  
of strategic  
raw materials  
by 2020

# Proven strategy *succeeds in different market dynamics*

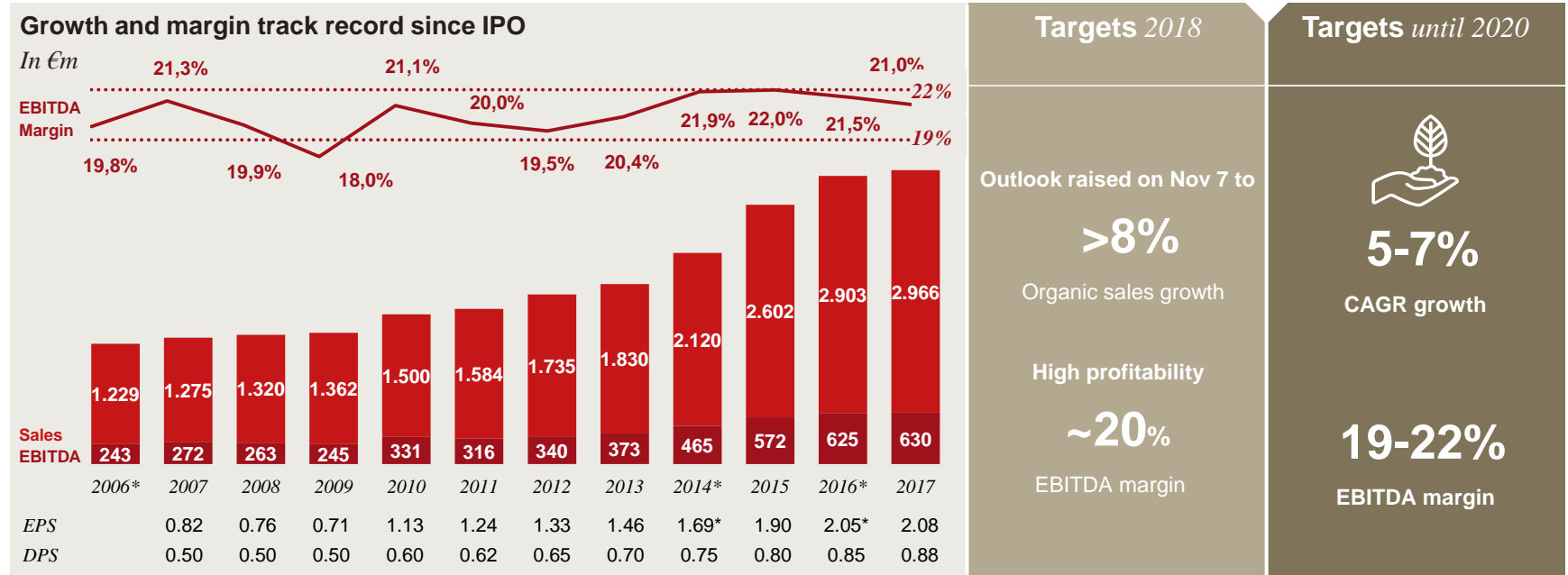
## Corporate strategy



- **Long-term growth drivers are intact.**  
*Growing global population, urbanization, economic progress and increasing awareness of balanced nutrition and personal care*
- **Backward integration and own raw material basis** *become more and more important to leverage growth opportunities and efficient management of supply chain*
- **Global presence, a broad customer base and ongoing portfolio diversification** *are key levers and contribute to further profitable growth*
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# Our ambition

## *Financial track record and targets*



Targets 2018	Targets until 2020
<p>Outlook raised on Nov 7 to</p> <p><b>&gt;8%</b></p> <p>Organic sales growth</p>	<p><b>5-7%</b></p> <p>CAGR growth</p>
<p>High profitability</p> <p><b>~20%</b></p> <p>EBITDA margin</p>	<p><b>19-22%</b></p> <p>EBITDA margin</p>

\* Normalized for acquisition and integration expenses.

# Targets 2018 and until 2020

*2018 outlook raised: Sales growth above 8 %*



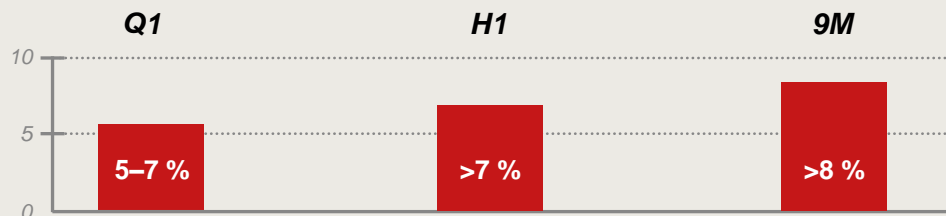
## Targets 2018

Market growth 3–4 %

Guidance

Organic Growth rate

EBITDA margin



~20%

~20%

~20%

Mid-term Targets  
2020

Organic Growth  
(CAGR)

5–7%

EBITDA margin

19–22%

# Updated goals 2025

*Reflects the execution of our successful strategy*

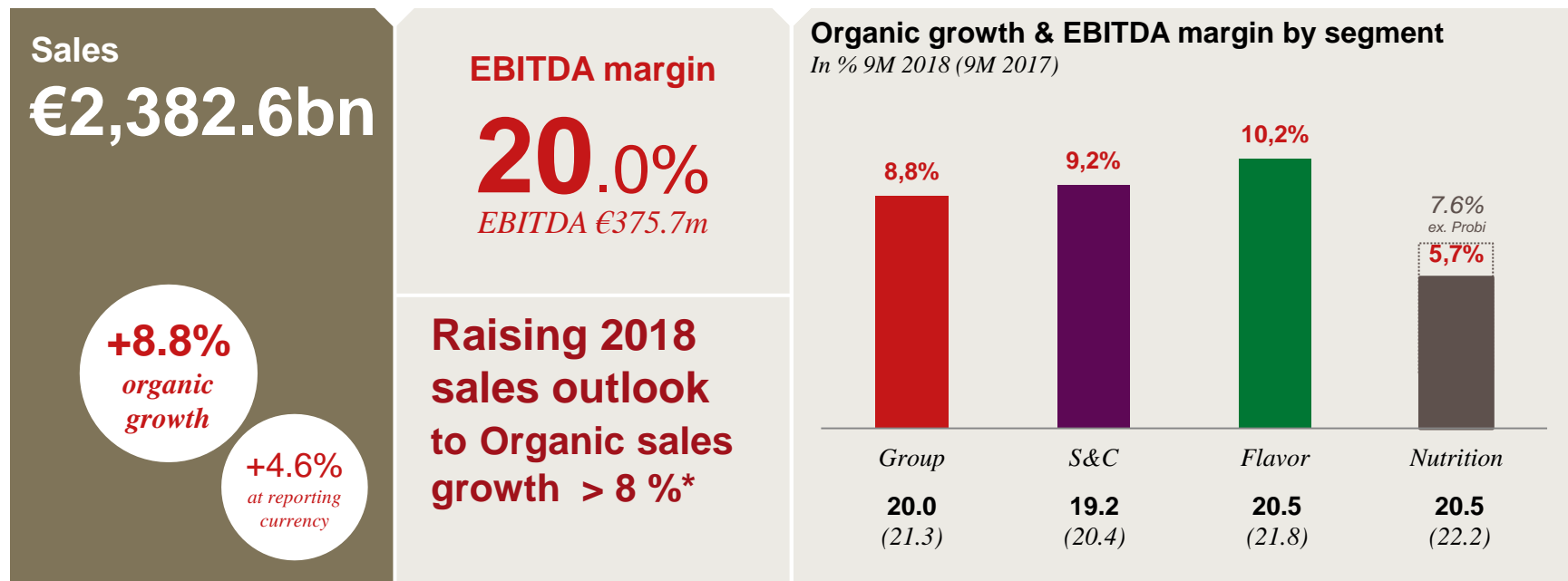


Financial goals	2020		2025
<b>Sales growth</b>	5 – 7 % pa (CAGR)	→	5 – 7 % pa (CAGR)
<b>Sales in Emerging markets</b>	> 50 %	→	> 50 %
<b>Customer mix</b>	1/3 global, regional, local	→	1/3 global, regional, local
<b>EBITDA margin</b>	19 – 22 %	→	20 – 23 % <i>due to more favorable product mix</i>
<b>CAPEX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

\*Science based target (SBT) 2016-2025

# 9M 2018 – Operational and financial highlights

## *Positive business performance / Raising the outlook*

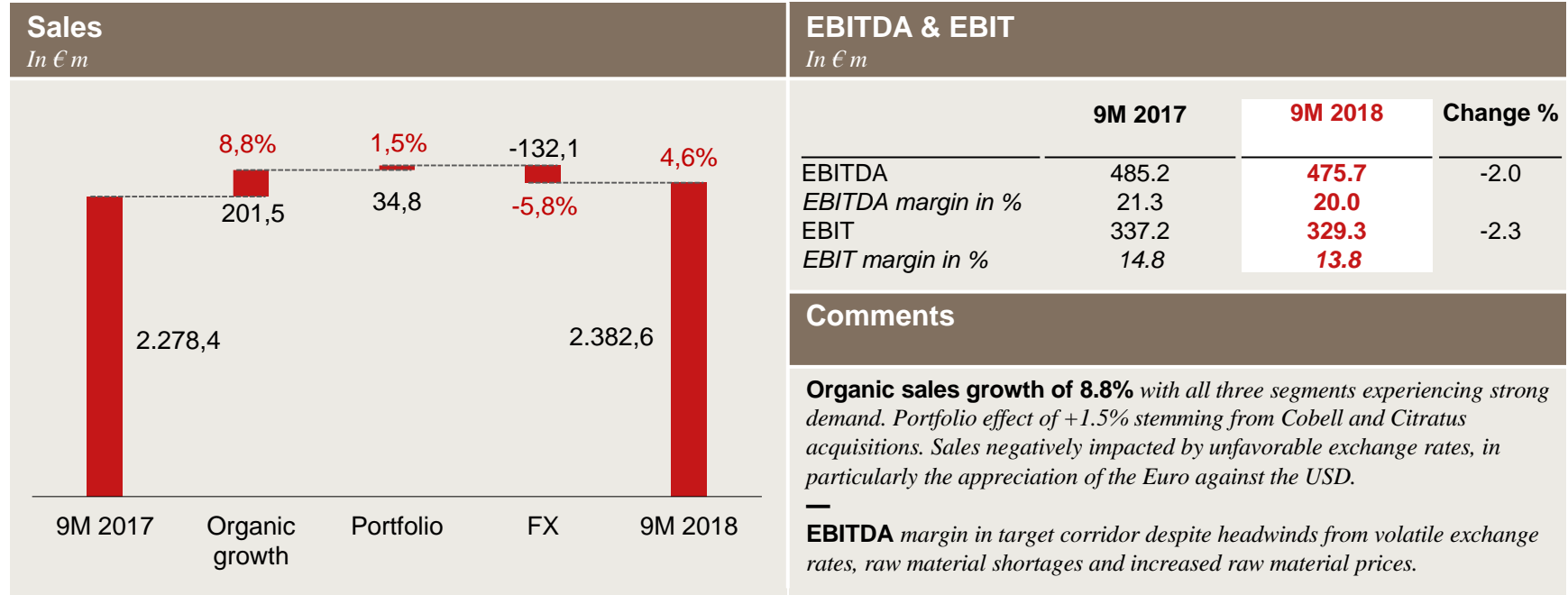


\*Mid-term targets 2012-2020: 5-7 % CAGR



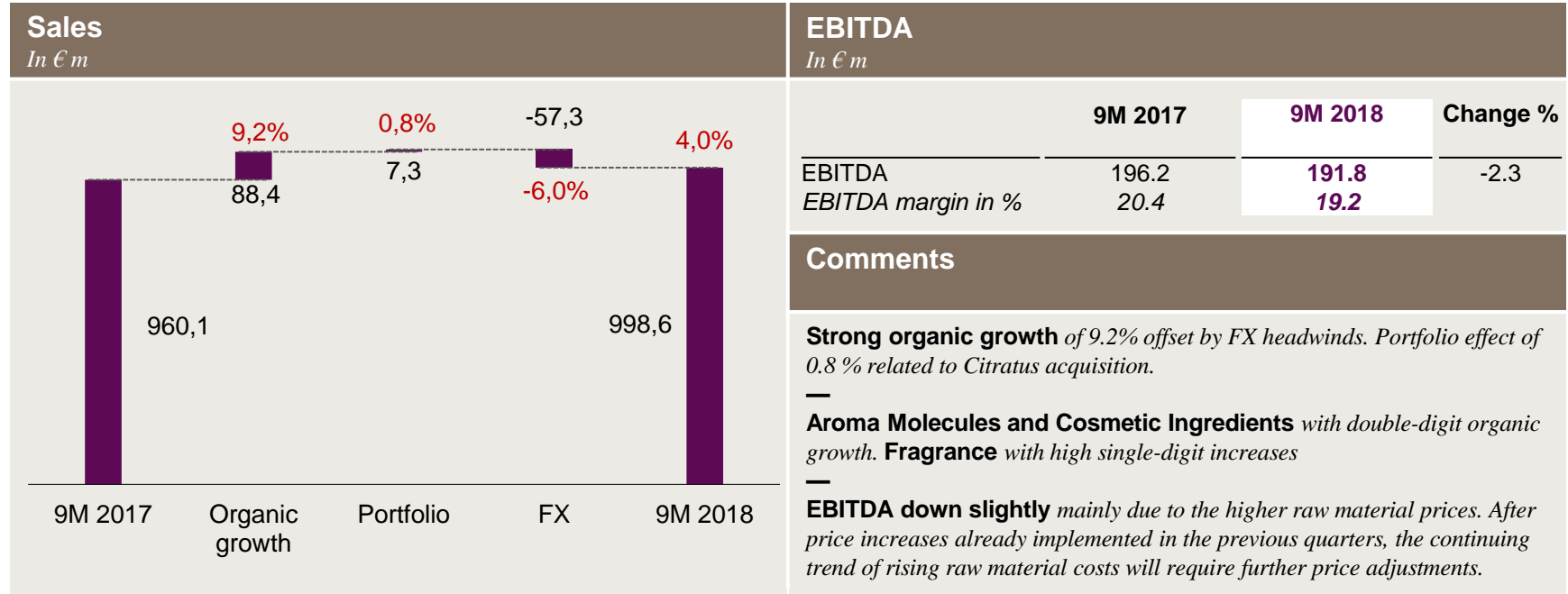
# Symrise Group

## *Remains on dynamic growth track*



# Scent & Care

## Strong growth despite tense supply situation



# Contact

## *Investor Relations*



### Financial Calendar

- March 13, 2019  
*Full Year Results 2018, Frankfurt*
- April 30, 2019  
*Q1 trading update*
- May 22, 2019  
*Annual General Meeting, Holzminden*
- August 8, 2019  
*H1 Results*

### Disclaimer

*This document contains forward-looking statements, which are based on the current estimates and assumptions by the corporate management of Symrise AG. Forward-looking statements are characterized by the use of words such as expect, intend, plan, predict, assume, believe, estimate, anticipate and similar formulations. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and the results actually achieved by Symrise AG and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors are outside Symrise's control and cannot be accurately estimated in advance, such as the future economic environment and the actions of competitors and others involved in the marketplace. Symrise neither plans nor undertakes to update any forward-looking statements*

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