

always  
inspiring more ...

Diversifying Success.  
Successfully Diversifying.  
*Symrise AG*

symrise 

# Investment Highlights

## *Why Symrise?*

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**1** **Resilient business model**  
*in attractive niche industry geared towards defensive end-consumer markets.*

**2** **Strongly balanced portfolio**  
*across businesses, regions and customer groups.*

**3** **Industry-leading growth**  
*at high profitability levels.*

**4** **Competitive edge thanks to cross-divisional networking**  
*and research engine.*

**5** **Backward integration**  
*servicing the trend towards naturals.*

**6** **Beyond traditional F&F**  
*expanding into adjacent high growth areas like cosmetic ingredients, pet food or probiotics.*

# Industry

## *An Attractive Niche*



**Industry tied to population growth and disposable income;** *little dependence on cyclical, economic trends.*

*Megatrends driving organic growth.*

**High market concentration** – *top 4 players with 60%.*

**Global footprint key** *to meet local tastes & preferences.*

**‘Sweet spot’ in value chain:** *only a small fraction of product costs (1-5%), but a key buying criteria.*

**Sustainability & supply chain management** *increasingly important to clients.*

**High barriers to entry** *e.g. core list system and increasing regulatory pressure.*

**Tailor-made products** *with generally small volumes and decreasing product life cycles.*

**Handling complexity for our clients.** *Managing 10,000 raw mats and 30,000 products.*

*Short-term visibility.*

# Symrise

## *A Leader in Global Flavors & Fragrances*



**1st**

*to produce nature-identical  
vanillin in 1874*

**2003**

*merger of Haarmann &  
Reimer and Dragoco*

**70**

*production sites*

**10,000**

*raw materials*

**~9,000**

*employees*

**€2.9bn**

*sales in 2016*

**6,000**

*global, regional  
and local clients*

**275%**

*total shareholder return  
since IPO in 2006\**

# Organizational Structure

## *A Highly Diversified Business*



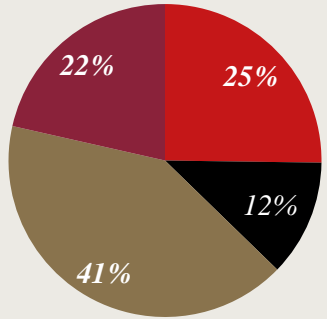
Segment	Scent & Care <b>45%</b> <i>total sales (2016)</i>			Flavor <b>35%</b> <i>total sales (2016)</i>	Nutrition <b>20%</b> <i>total sales (2016)</i>
Division	Fragrance	Cosmetic Ingredients	Aroma Molecules	Flavor	Diana
Application area	Fine Fragrance Beauty Care Home Care Oral Care	Actives Product Protection Botanicals & Colors Sun Protection	Fragrance Ingredients Menthols & Coolants Terpene Ingredients	Beverages Savory Sweet	Food Pet Food Aqua Probi

# Global Footprint

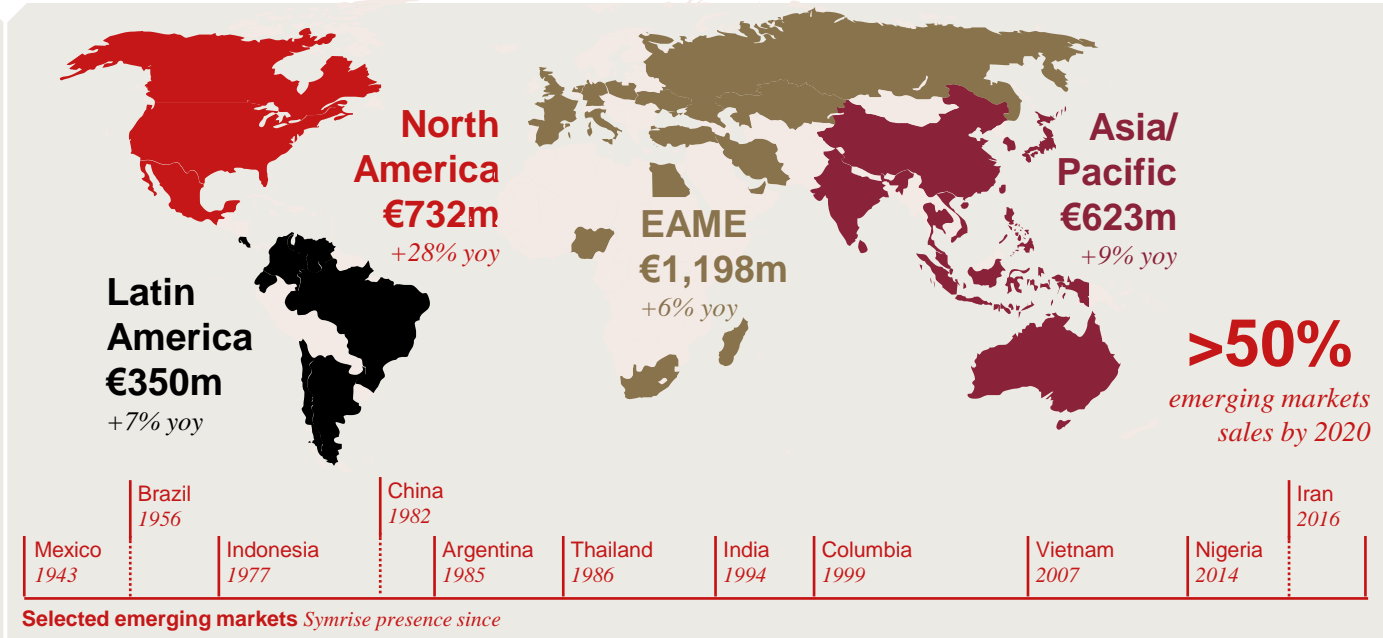
## *Historically Strong Presence in Emerging Markets*



**Sales by region**  
2016

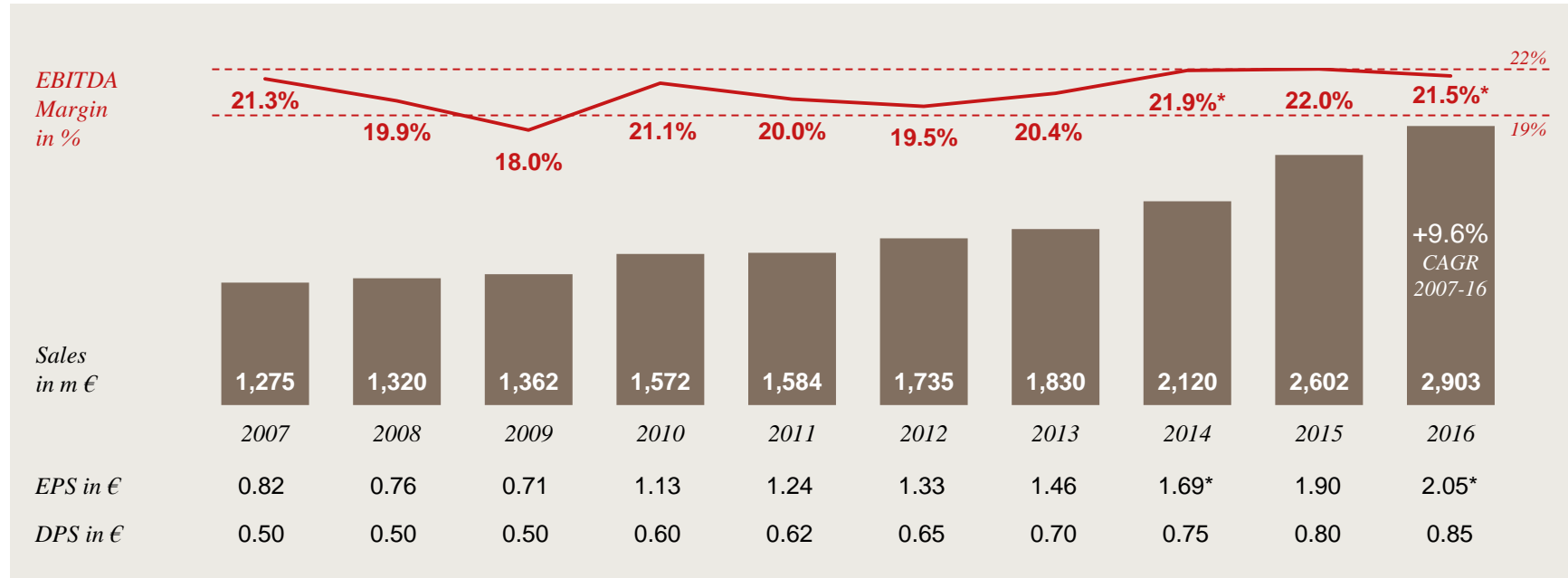


—  
**43% emerging markets**  
**57% mature markets**



# Strong Track Record Since IPO

## *Sustainable Growth At High Profitability Levels*



\*Normalized for acquisition and integration expenses.

# Overview

## *Proven Three Pillar Strategy Since 2009*



### **G**rowth

*Growth in emerging markets  
Maximization of customer spectrum  
Targeted innovations & investments*

### **E**fficiency

*Optimization of raw material portfolio  
Backward integration  
Specific efficiency programs*

### **P**ortfolio

*M&A  
Partnerships & collaborations  
Cross-divisional networking*

### **S**ustainability

*Minimize the ecological footprint  
Maximize positive social environment  
Improve performance of supply chains*



# Growth

## *Supported by Sociocultural Drivers And Megatrends*



### **Changing consumer face**

*Urbanization*

*Aging population*

*Millenials taking over*

*Shrinking households*



### **Economic shifts**

*Resource scarcity*

*Middle-class boom*

*Climate change*

*Interconnectedness*



### **New consumption patterns**

*Convenience is king!*

*Focus on health & wellness*

*The Age of I*

*Buying local*



### **Digital age**

*Virtual reality & wearables*

*Artificial intelligence*

*3-D printing*

*Infolust*

# Efficiency

## *Continuously Improving Our Cost Base*

**Increasing automatization of fragrance compounding facilities\***



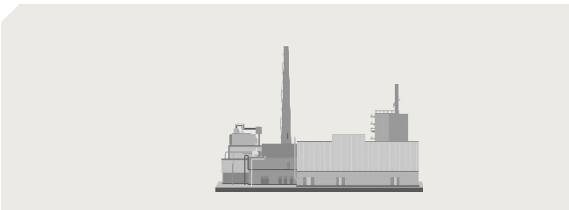
**Strengthening cooperation of perfumers worldwide**



**Releasing sales & marketing efficiency gains**



**New power plant in Holzminden**



**Fragrance reorganization**



**SymTrap® technology for waste and side streams**



*\*Already at 90% in Holzminden (based on dosages and production quantities).*

# Portfolio

## *A Key Differentiator To Competitors*



### Traditional F&F: Sharpening our Portfolio

#### Expanding fruit and vegetable extract portfolio

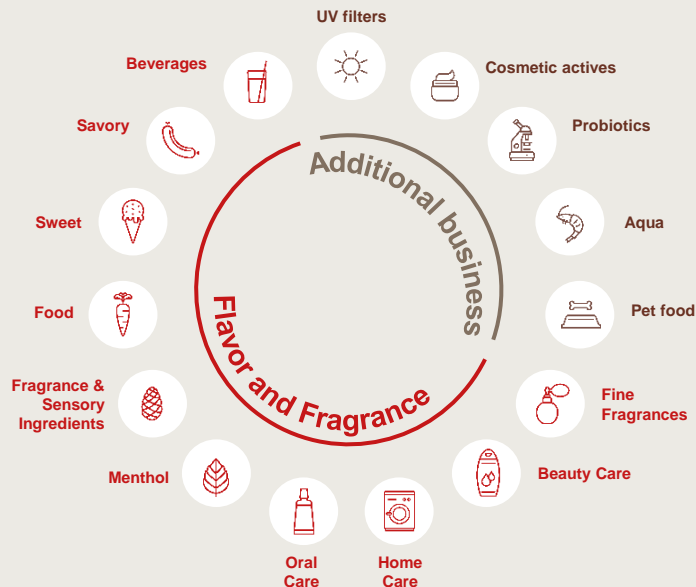
*Acquisitions into cranberries and mushrooms in 2016.*

#### Fragrance & sensory ingredients

*Expansion into renewable aroma molecules with acquisition of Renessenz.*

#### Beverages

*Strengthening market presence in UK with acquisition of Cobell in 2017.*



### Beyond F&F: 'Thinking Outside the Box'

#### Legacy business

*UV filters and cosmetic actives.*

#### Entering probiotics

*via Probi and acquisition of Nutraceutix.*

#### Pet food

*A highly attractive market.*

#### Aqua

*Functional marine ingredients for the aqua feed and aquaculture sector.*

# Sustainability

## Our FISC Strategy



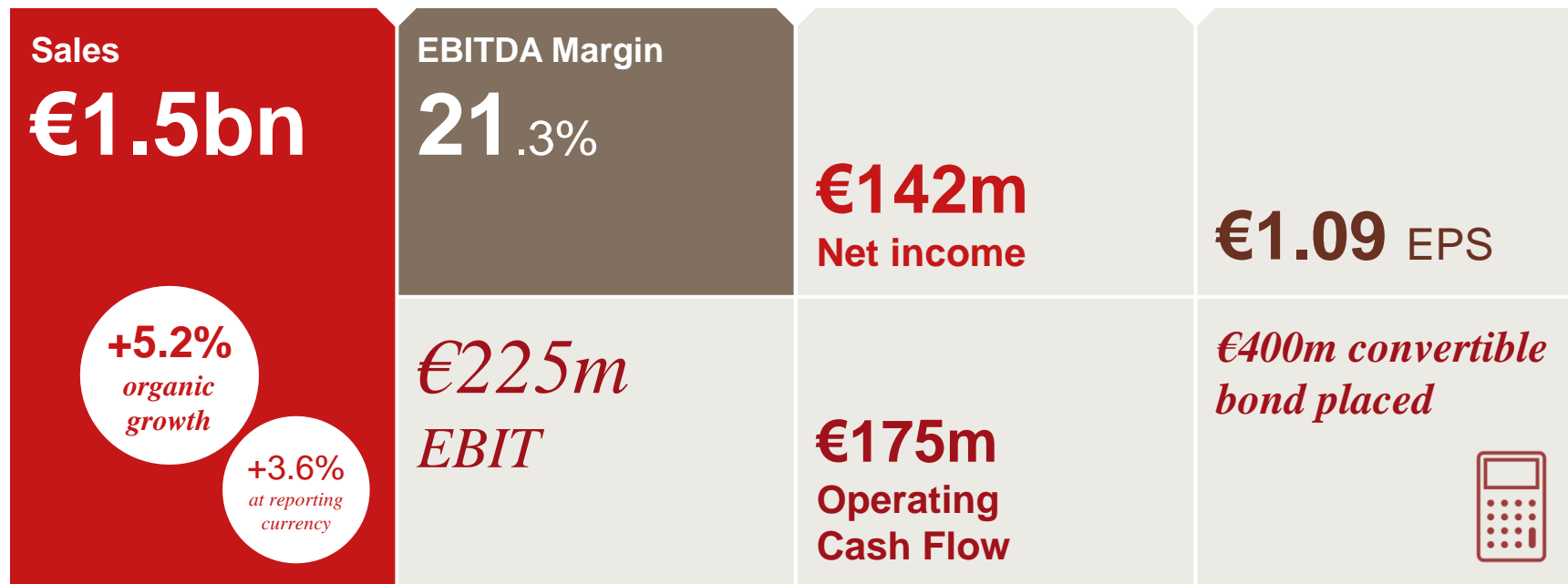
		2016 -2020 goals	2016 achievements
<b>Footprint</b>	Greenhouse gas emissions (Scope 1 +2)	-4% p.a.	-5.4%
	Chemical oxygen demand in waste water	-4% p.a.	-17.2%
	Sensitive waste volume	-4% p.a.	+0.9%
<b>Innovation</b>	Patents per year	> 25	48
<b>Sourcing</b>	Share of main suppliers rated by sustainability criteria*	100% (+4% p.a.)	86%
	Raw materials and derivatives from palm oil sourced from sustainable sources	100%	100% of palm oil “mass balance” or “segregated”
<b>Care</b>	Share of women among employees worldwide	40%	38.3%
	MAQ** accident frequency	< 2.0	3.8

All figures excluding Pinova/Renessenz and per million € added value. \*Based on procurement volumes; rating refers to SEDEX/SMETA 4 Pillar sustainability criteria

\*\*MAQ = work accidents (> 1 lost day) x 1 million/working hours

# Financial Highlights H1 2017

*Symrise Again With Industry-Leading Organic Growth*



# Operational & Strategic Highlights H1 2017

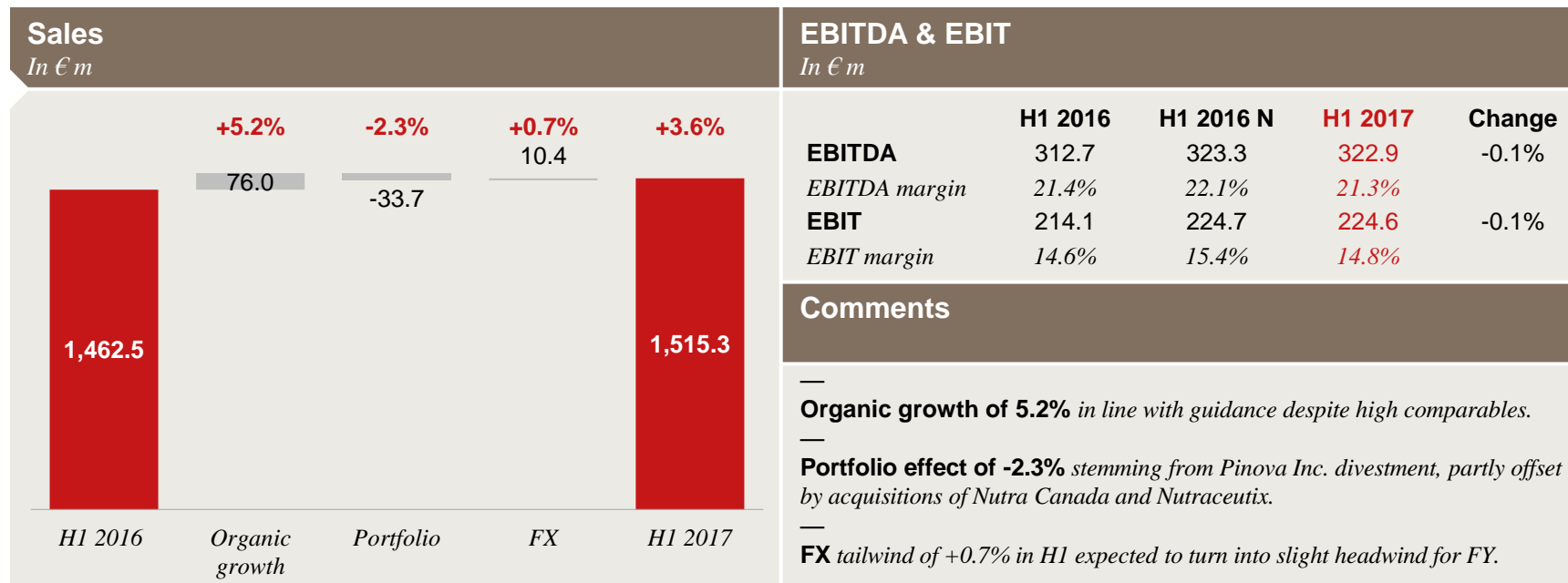
## *Continued Focus on Emerging Markets and Portfolio*



Growth	Efficiency	Portfolio
<ul style="list-style-type: none"><li>- <b>Emerging Markets</b> <i>Mumbai Creative Center (S&amp;C) and Singapore R&amp;D Hub (Flavor) opened.</i></li><li>- <b>Innovation</b> <i>Awards received for cosmetic actives Thermolat® and Dragosine®; Fine Fragrance creation recognized with Fragrance Foundation Award.</i></li><li>- <b>Capex</b> <i>Adding additional capacities in meat processing (Georgia, USA).</i></li></ul>	<ul style="list-style-type: none"><li>- <b>Flavor Business Transformation Group</b> <i>launched to unlock sales &amp; marketing efficiencies and drive digitalization.</i></li><li>- <b>Backward Integration</b> <i>Bergamot sustainability partnership with Capua in Sicily started.</i></li></ul>	<ul style="list-style-type: none"><li>- <b>EAME Beverages</b> <i>Strengthening local footprint and customer base in UK with acquisition of Cobell.</i></li><li>- <b>Digitalization</b> <i>Stake in social network Yummypets increased to further drive ,pet owner research'.</i></li></ul>
<b>Sustainability</b> <i>Leadership position recognized by EcoVadis Gold and Euronext Vigeo. World Business Council for Sustainable Development joined in April.</i>		

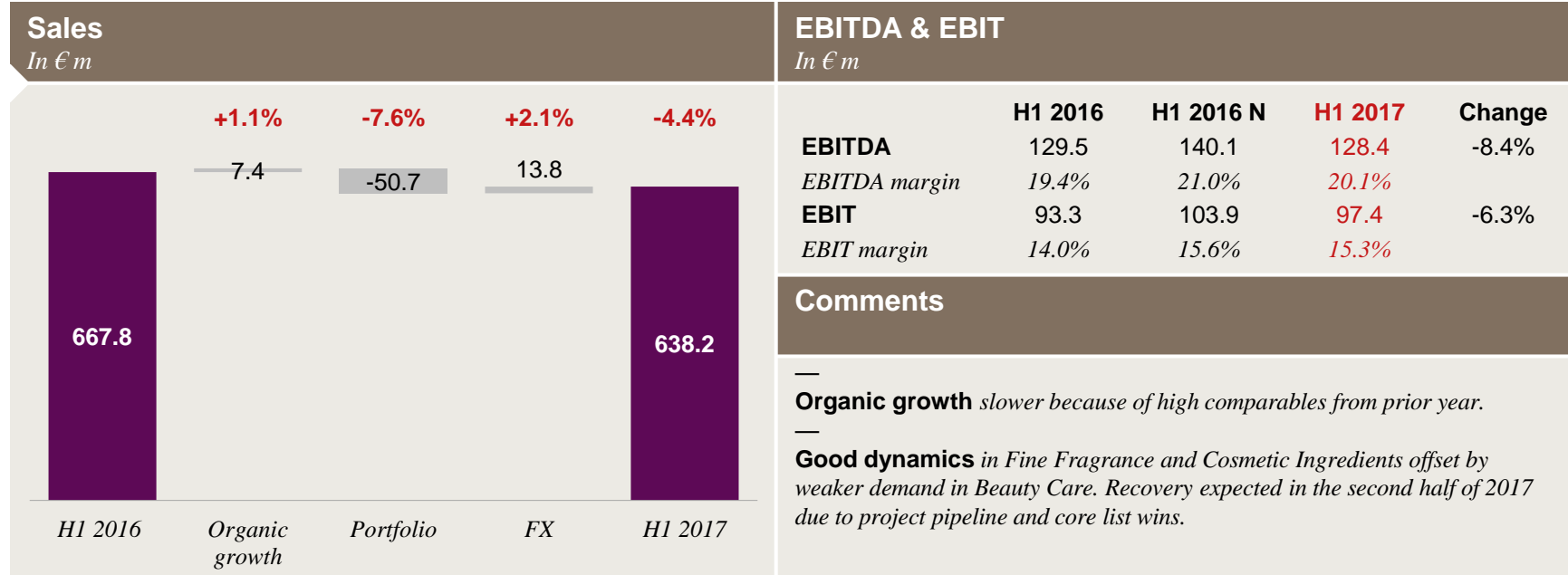
# Group H1 2017

## Strong Organic Growth of 5.2%



# Scent & Care H1 2017

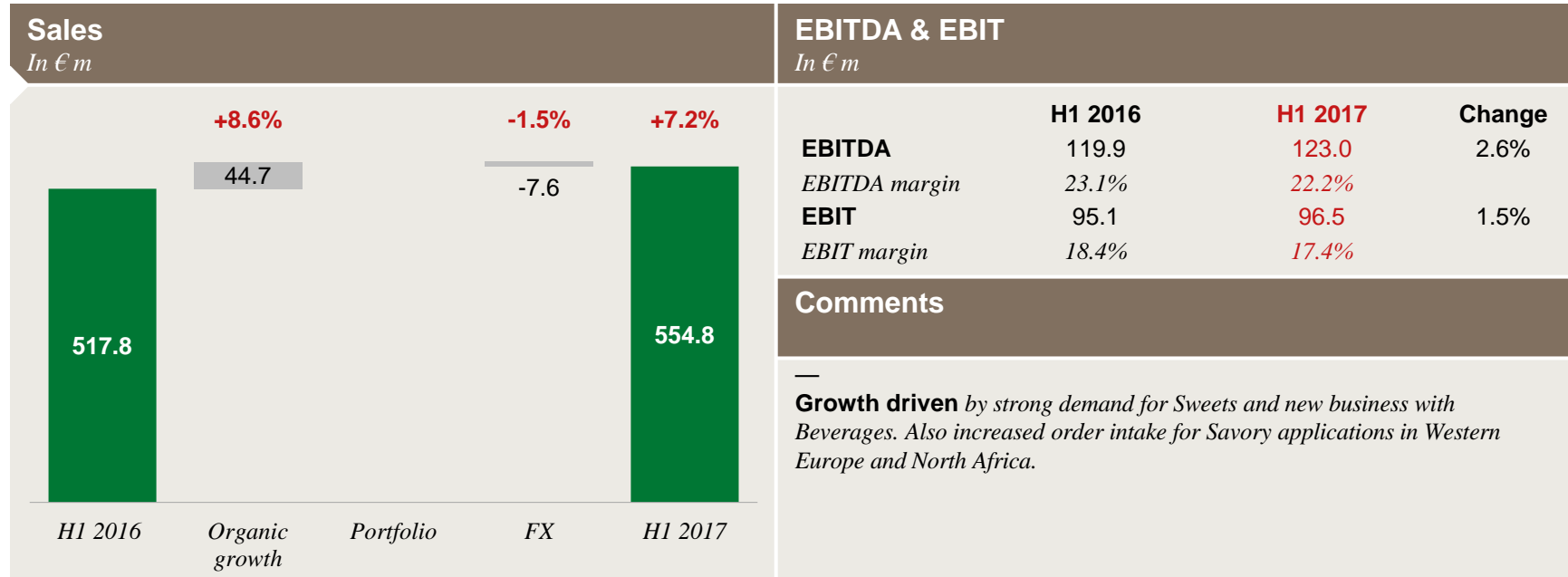
## High Comparables And More Challenging End Markets





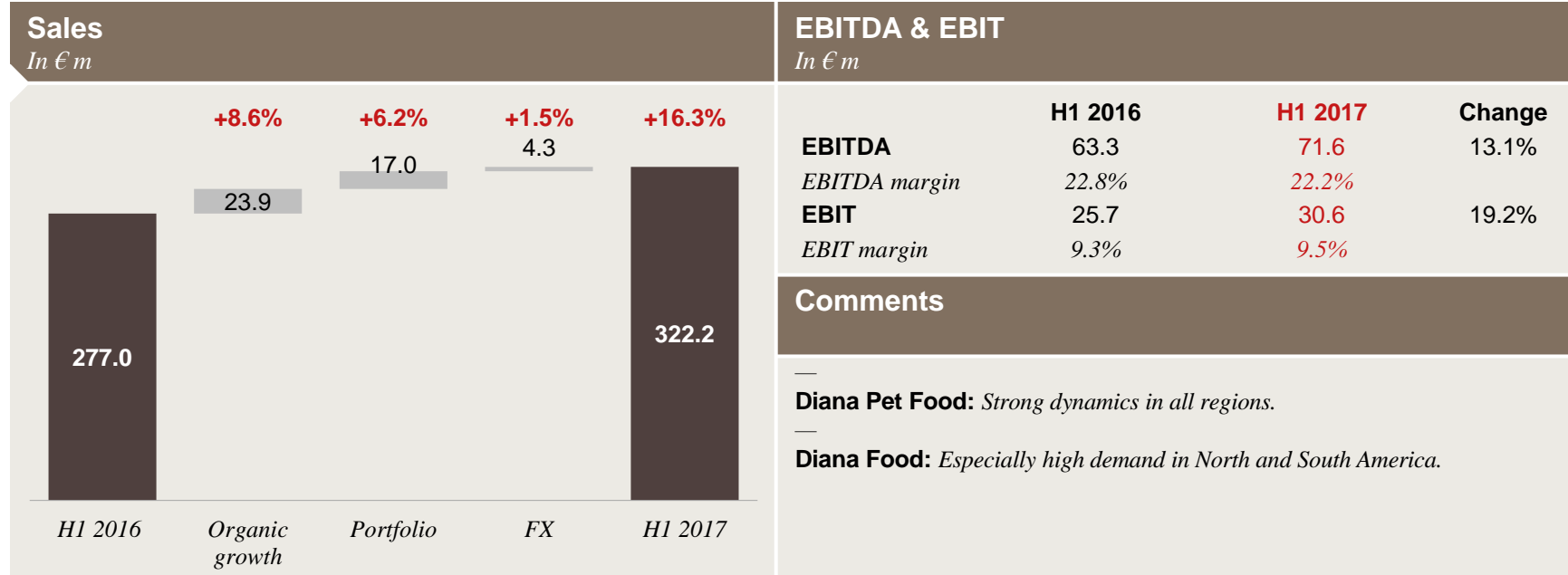
# Flavor H1 2017

## *Growth Driven by Sweet And Beverages*



# Nutrition H1 2017

## *Outperformance Once More Driven by Pet Food*



# Financial Targets for 2017 and Beyond

## *2017 EBITDA Margin Guidance Increased*



2017

*Outperform  
the relevant market\**  
Sales growth

**>20%**  
EBITDA margin

2012- 2020

**5-7%**  
Annual sales growth

**19-22%**  
EBITDA margin

*\*Which is expected to grow at a rate of about 3 % per year.*

# Contact

## *Investor Relations*



### Financial Calendar

—  
**November 8, 2017**  
*Q3 Results 2017*

—  
**March 14, 2018**  
*FY Results 2017*

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