

# Results for the *Financial Year 2022*

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*8 March 2023*



# Agenda

## Overview



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2022  
at a Glance

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2022 at a Glance



# Financial highlights FY 2022

*Strong sales growth in challenging geopolitical environment*



## Sales

**€4.6bn**

+20.7 % in reporting currency  
+11.4 % organic growth

## Business Free Cash Flow<sup>1 2</sup>

**€301m**

6.5 % of sales

## Dividend proposal

**€1.05**

per share

## EBITDA margin<sup>2</sup>

**20.0%**

EBITDA<sup>2</sup> +13.3 % to €922 m

## Net income<sup>2 3</sup>

**€406m**

+8.3 %  
Earnings per share<sup>2</sup> €2.91

## CapEx

**€270m**

5.8 % of sales

<sup>1</sup> Business Free Cash Flow = EBITDA – CapEx (including cash effects from leasing) +/- changes in Working Capital

<sup>2</sup> Without impairment of the associated company Swedencare <sup>3</sup> Attributable to shareholders of Symrise AG

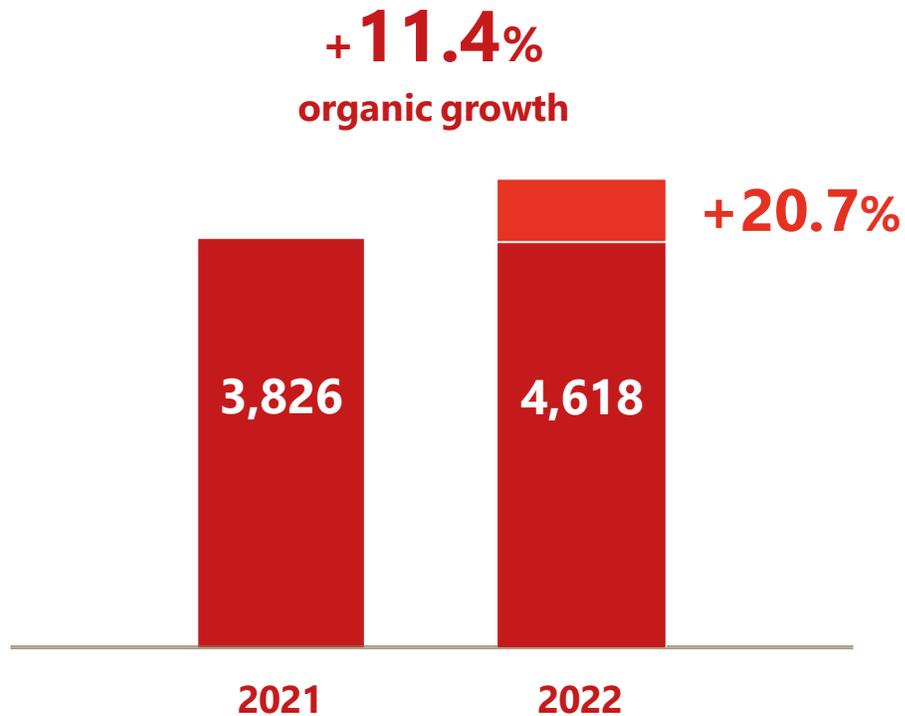
# Sales 2022

*Growth driven by unique portfolio and strategic business expansion*



## Symrise Group

In €m (sales growth in %)



**+11.4 %**

**€434 m organic sales growth**  
driven by both segments



**+20.7 %**

**sales growth in reporting currency**  
positive FX-effect of €204 m



**€154 m**

**sales contributed by**  
recent acquisitions

# Sales by segment 2022

*Both segments contributed to strong growth driven by diversified product portfolio*



## Taste, Nutrition & Health in €m / organic growth in %



**+15.3%**

+24.8 %\*

Growth particularly driven by  
Pet Food and Food & Beverages with double-digit growth  
rates

## Scent & Care in €m / organic growth in %



**+5.1%**

+14.4 %\*

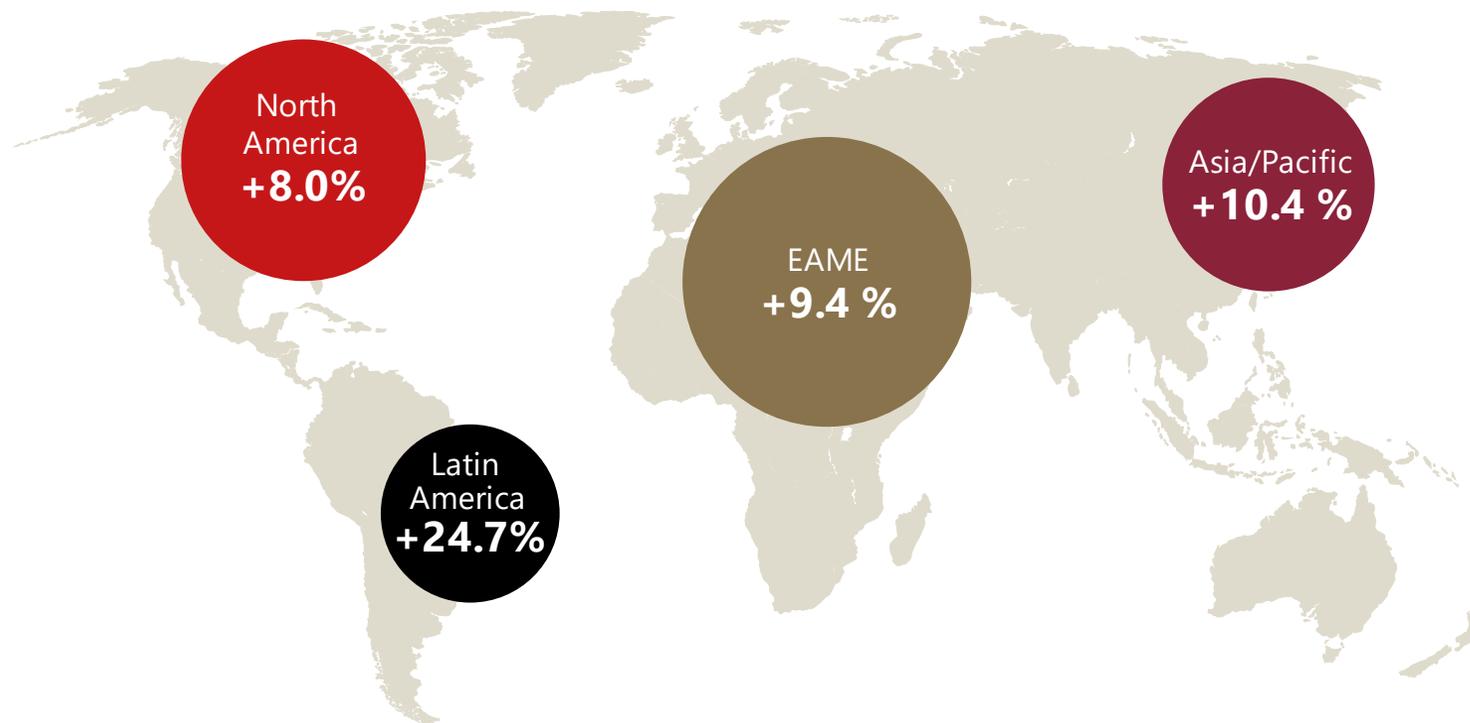
Continued strong demand for  
Fine Fragrances and Cosmetic Ingredients

# Sales by region in 2022

*Growth across all regions*

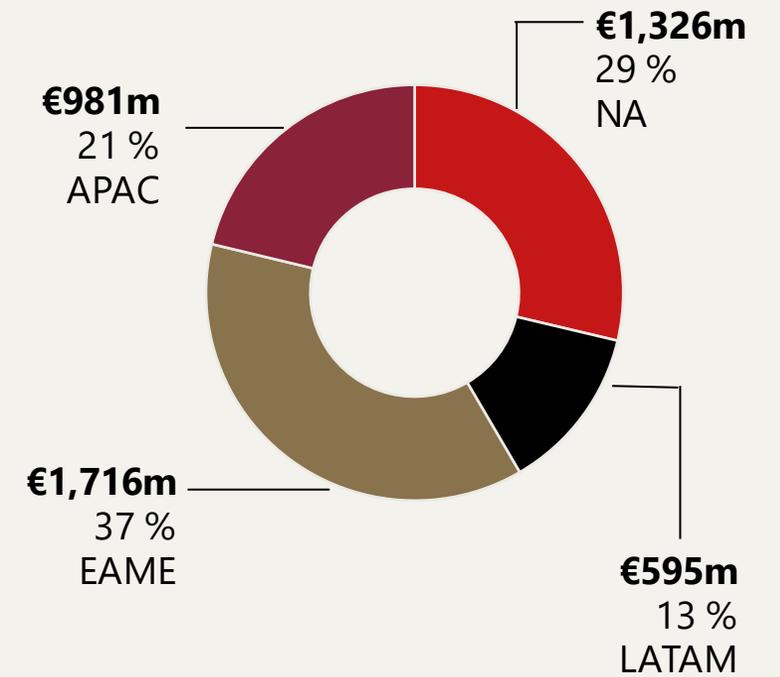
## Organic growth by region

in %



## Sales by region

2022



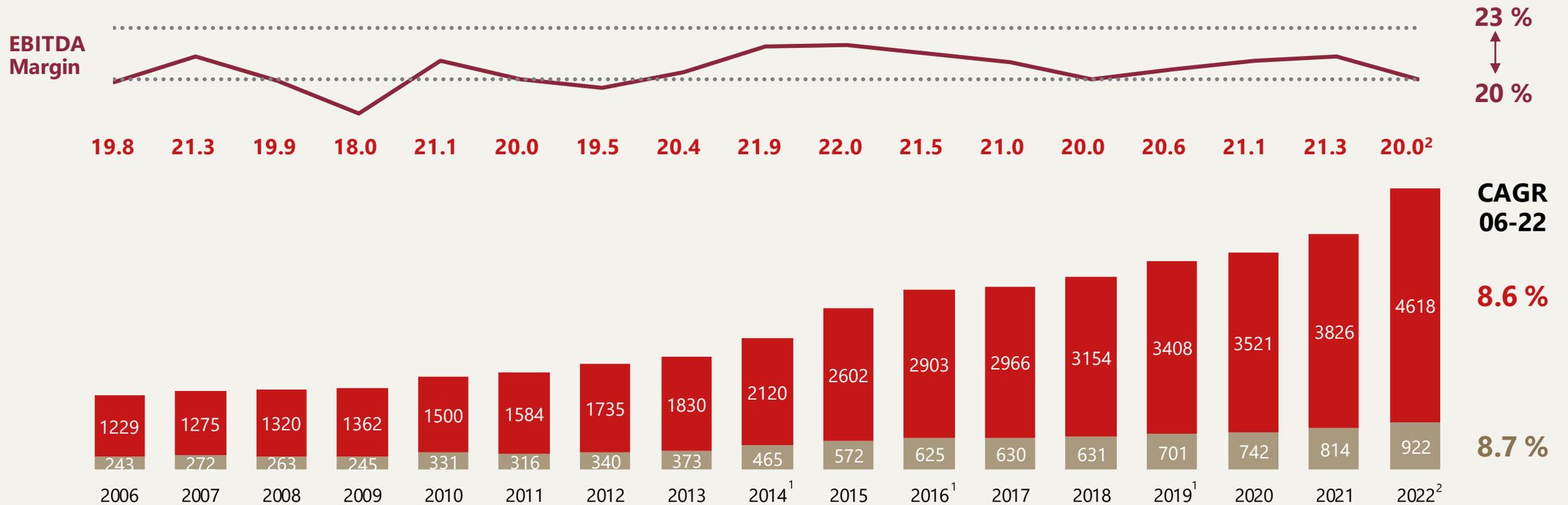
# Sales and EBITDA since IPO

*Impressive increase in CAGR for top and bottom lines*



## Development of sales / EBITDA

Sales and EBITDA in €m, margin in %



<sup>1</sup> Adjusted for transaction and integration costs as well as one-off valuation effects related to business combinations. 2016 and 2019 restated for finalized purchase price allocations.

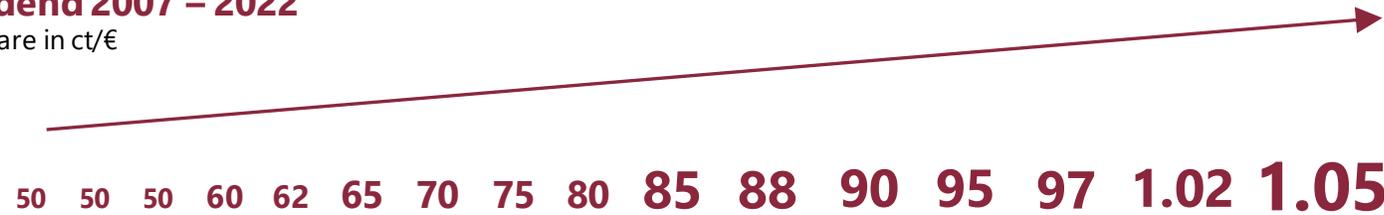
<sup>2</sup> Without impairment of associated company Swedencare

# Share price performance since 2006

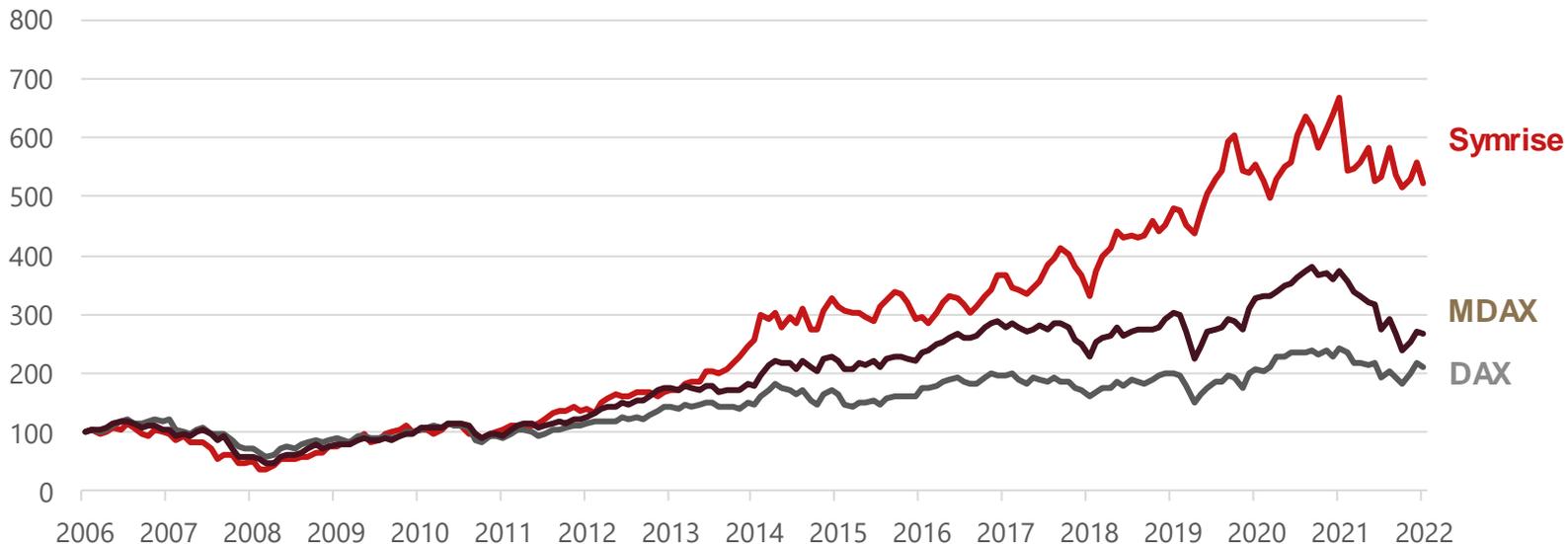
*Thirteens consecutive dividend increase and long-term value creation*

## Dividend 2007 – 2022

Per share in ct/€



## Share price 2006 – 2022



## Comments

**Unique track record**  
through proven strategy execution

**Share price development**  
outperforming DAX and MDAX since IPO

**Attractive dividend proposal**  
€1.05 per share for 2022

02

Financials 2022

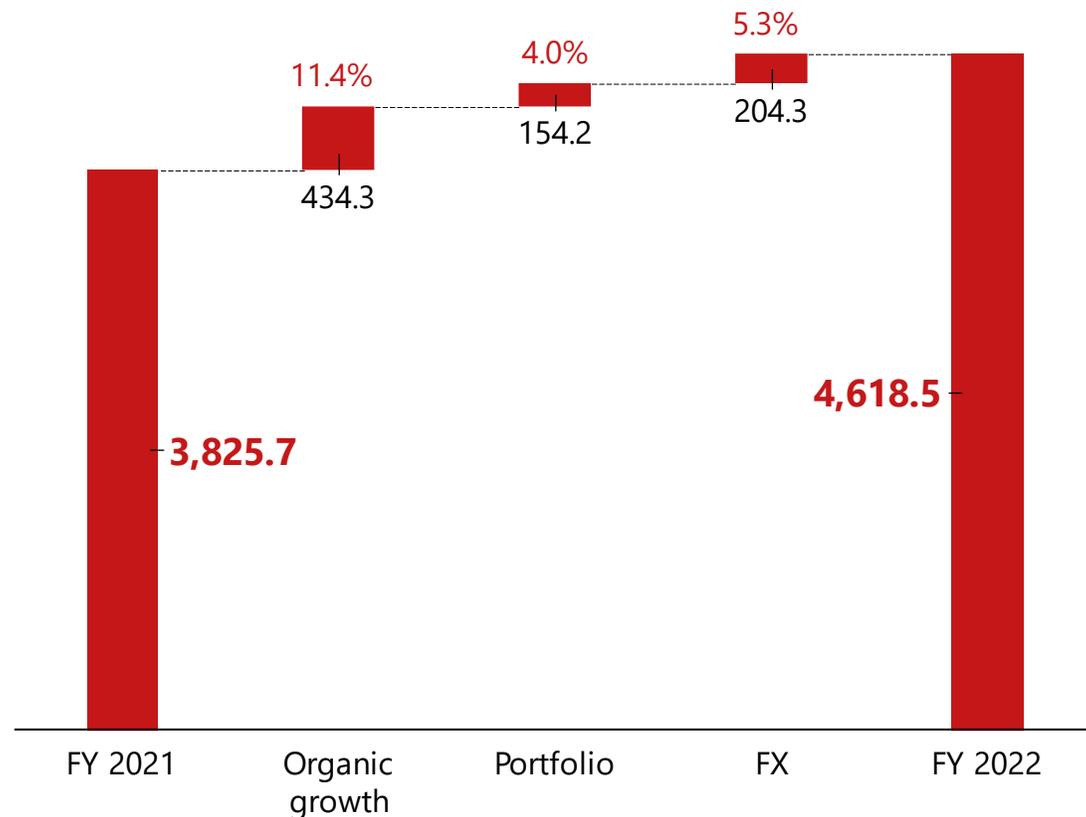


# Group sales bridge 2022

*Organic growth of 11.4 % driven by both segments and all regions*

## Sales development

In €m



## Comments

**Organic growth of 11.4%** (€434m) driven by strong and healthy business in both segments and across all regions.

**M&A related contribution of 4.0%** (€154m) including Giraffe Foods, Schaffelaarbos, Nérolis, Romani and Wing Pet Food.

**Positive currency effects of 5.3%** (€204m) attributable to almost all currencies, primarily USD and BRL.

With **sales of €4.6bn**, Symrise **exceeded its ambitious goal** given at the CMD in 2019 (€ 4.0-4.5 bn in sales in 2022).

Next milestone: expected sales of **€5.5-6bn by 2025**.

## P&L 2022

*Very strong sales growth supports absolute EBITDA increase*



In €m	2021	2022	Var. %
<b>Sales</b>	<b>3,826</b>	<b>4,618</b>	<b>20.7</b>
Gross profit	1,479	1,702	15.1
Gross margin %	38.7	36.9	-1.8pp
<b>EBITDA<sup>1</sup></b>	<b>814</b>	<b>922</b>	<b>13.3</b>
EBITDA <sup>1</sup> margin %	21.3	20.0	-1.3pp
Depreciation	141	165	17.2
Amortization	114	127	11.1
<b>EBIT<sup>1</sup></b>	<b>559</b>	<b>630</b>	<b>12.7</b>
EBIT margin <sup>1</sup> %	14.6	13.6	-1.0pp

### Comments

EBITDA<sup>1</sup> increase of 13.3 % reaching €922m with a margin of 20.0% (2021: 21.3%).

Margins were burdened by higher raw material costs with an increase in the raw material quota from 43.4% to 45.5%, energy, logistics and personnel costs, especially in the fourth quarter.

Our price increases could not fully compensate the higher raw materials and manufacturing costs.

Increase in depreciation is mainly following capacity expansion in the USA, China and Brazil as well as M&A related CAPEX.

Increase in amortization is solely related to acquisitions.

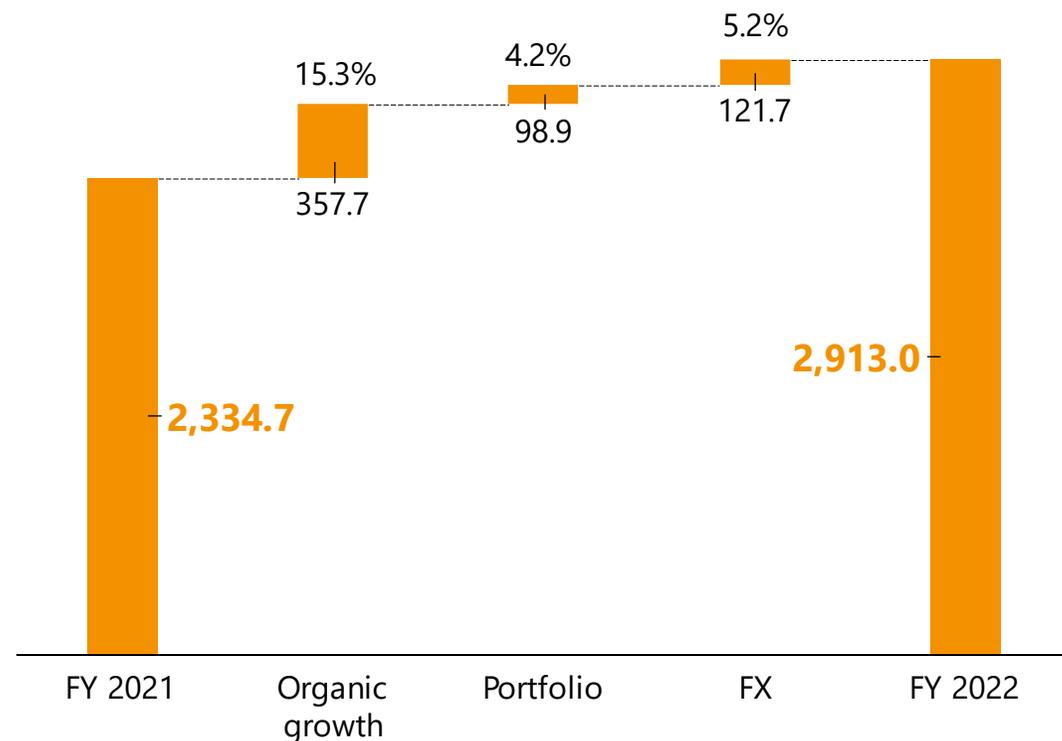
# Taste, Nutrition & Health 2022

## Significant organic growth and good profitability



### Sales development

In €m



### Short P&L<sup>1</sup>

In €m

	2021	2022	Var. %
<b>EBITDA</b>	531	631	18.7
EBITDA margin	22.7%	21.6%	
<b>EBIT</b>	358	430	20.2
EBIT margin	15.3%	14.8%	

### Comments

**Organic growth of 15.3% (€358m)** driven by recovery of consumer behavior after Corona and passed-on price increases, necessary due to inflation. Main growth contributors with double-digit growth were Pet Food and Food & Beverages.

**Portfolio impact of 4.2% (€99m)** from Giraffe in 2021, Schaffelaarbos and Wing Pet Food in 2022, as well as disposals of Velcorin to Lanxess and the color business to Oterra.

**EBITDA margin of 21.6% (2021: 22.7%)** slightly decreased mainly due to higher raw material costs.

<sup>1</sup> 2022 without impairment of associated company Swedencare

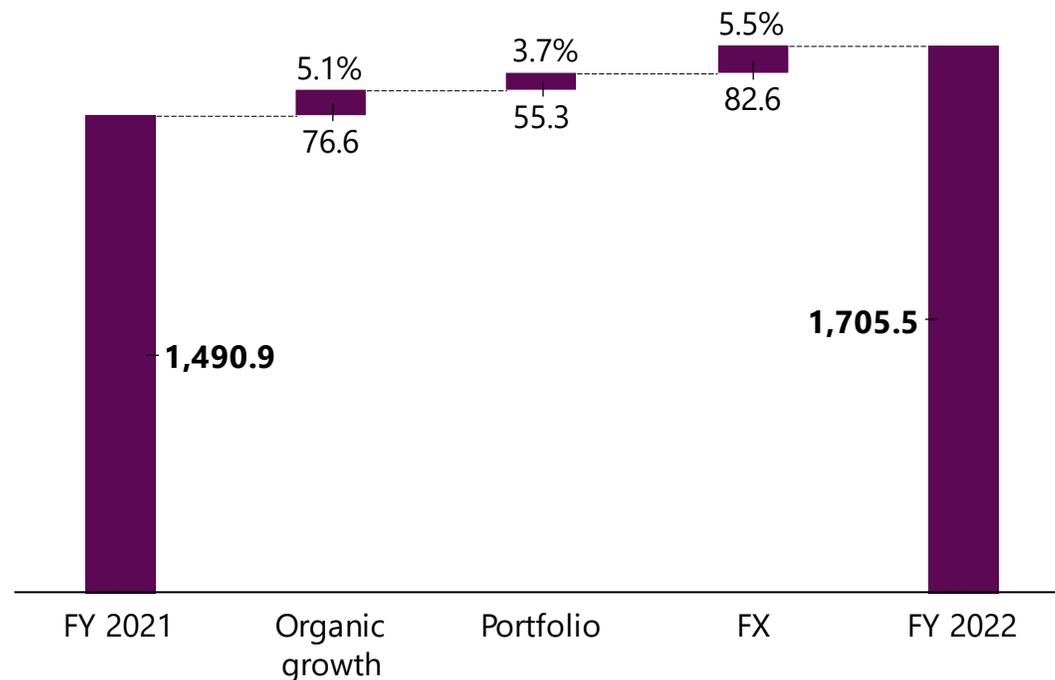
# Scent & Care 2022

*Lower margin despite solid sales growth*



## Sales development

In €m



## Short P&L

In €m

	2021	2022	Var. %
<b>EBITDA</b>	283	291	3.0
EBITDA margin	19.0%	17.1%	
<b>EBIT</b>	201	200	-0.6
EBIT margin	13.5%	11.7%	

## Comments

**Fragrance** benefited from Fine Fragrances while Consumer Fragrances and Oral Care suffered from destocking after Corona. **Aroma Molecules** were flat due to destocking in Terpene Ingredients and despite growth in Menthol. **Cosmetic Ingredients** benefited from a strong demand in Actives and Sun Protection and achieved double digit organic growth rates.

**Portfolio expansion** with Sensient €13m and Néroli & Romani €42m.

**EBITDA margin amounted to 17.1%** (2021: 19.0%) mainly due to higher raw material costs and an increase in manufacturing costs (primarily energy costs and downtime) as well as increasing sales & marketing costs and freight.

# EPS

*New all-time high at €2.91<sup>1</sup>*



In €m	2021	2022	Var. %
<b>EBIT<sup>1</sup></b>	<b>559</b>	<b>630</b>	<b>12.7</b>
Financial result	-43	-73	70.4
<b>EBT<sup>1</sup></b>	<b>516</b>	<b>557</b>	<b>8.0</b>
Income tax	-131 (25.4 %)	-140 (25.2%) <sup>3</sup>	6.9
<b>Net income<sup>1,2</sup></b>	<b>375</b>	<b>406</b>	<b>8.3</b>
EPS <sup>1</sup> in €	2.74	2.91	6.2

## Comments

**Financial result** decreased by €30m mainly due to higher interest expenses (+€20m).

**Income tax** rate slightly decreased to 25.2% (2021: 25.4%) and is at the lower end of our tax guidance of 25%-27%.

**Net income amounts to €406m** (€280m incl. impairment of Swedencare).

**EPS amounts to €2.91** (€2.00 incl. impairment of Swedencare).

**Dividend** increase from €1.02 to **€1.05 per share** to be proposed at the AGM on 10 May 2023.

<sup>1</sup> 2022 without impairment of associated company Swedencare

<sup>2</sup> Attributable to shareholders of Symrise AG

<sup>3</sup> including not tax-deductible impairment the tax rate would be 32.6%

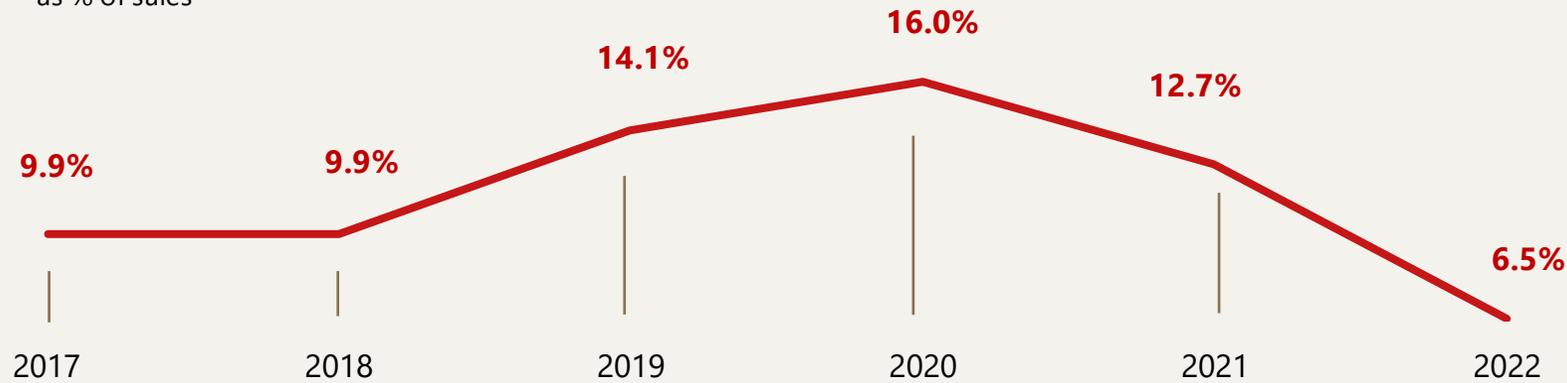


# Business Free Cash Flow (BFCF)

*Decline due to higher CAPEX and increase in Working Capital*

## BFCF

as % of sales



## Definition of BFCF:

	<b>EBITDA</b>
minus	<b>CAPEX</b> for fixed assets & intangibles
minus	<b>Payments for lease obligations</b>
plus/minus	<b>Change in Working Capital</b> (inventory, payables, receivables)
=	<b>Business Free Cash Flow</b>

**BFCF<sup>1</sup> of €301m** (2021: €486m)  
**= 6.5% of sales**

## Additional EBITDA contribution offset by:

**+ €96m CAPEX** (2022: 270m/5.8% of sales;  
2021: 174m/4.8% of sales)

**+ €303m increase in Working Capital** driven by a significant increase in inventory mainly due to higher price levels and additional volumes to maintain ability to supply.

## Ambition 2023

BFCF around 12% of sales;  
mid term target of 14%

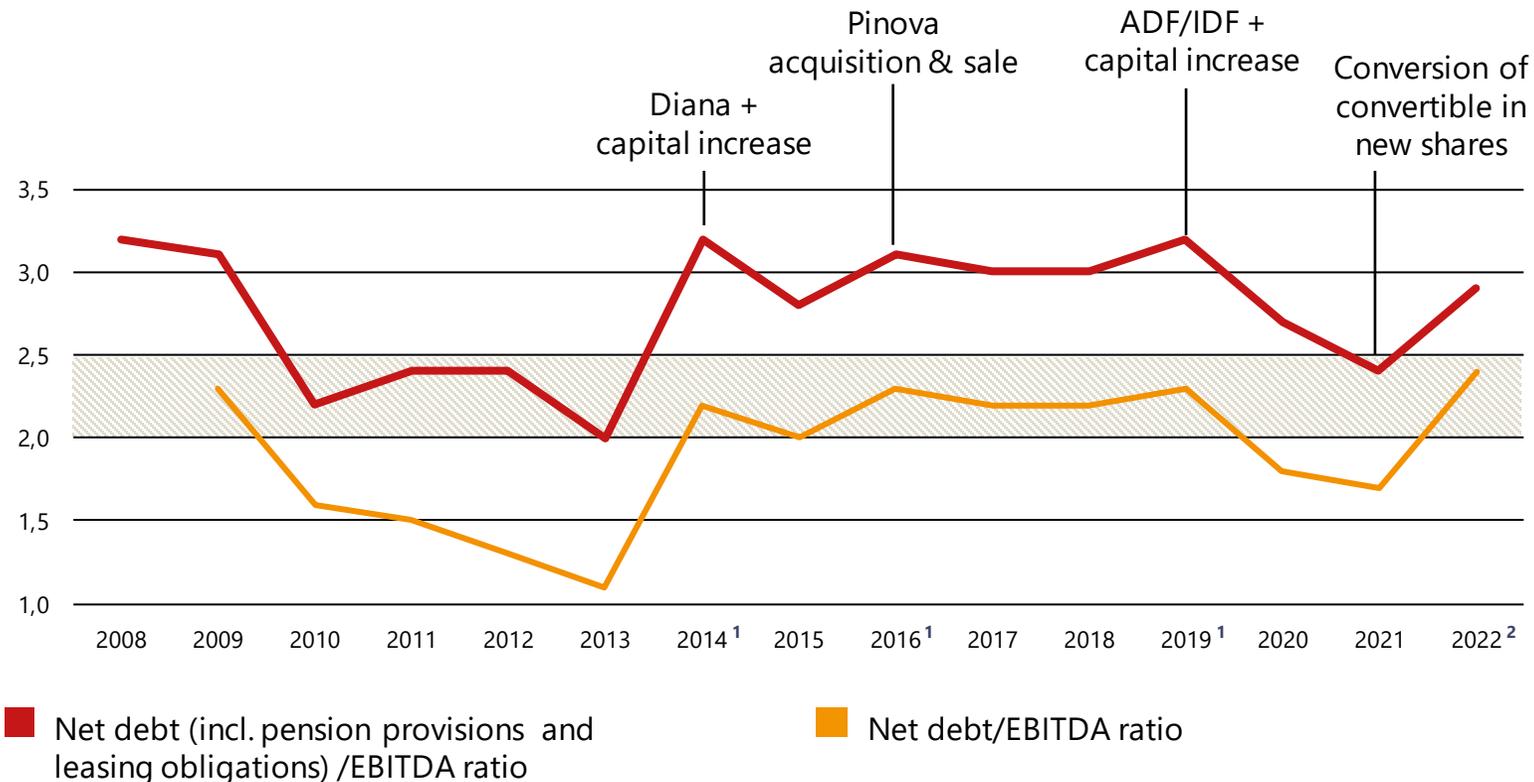
<sup>1</sup> 2022 without impairment of associated company Swedencare



# Net debt development

*Increase mainly due to financing of acquisitions and higher working capital*

## Net debt / EBITDA



## Status Quo

**Net debt** of €2,233m (2021: €1,347m)  
**reflects 2.4 x EBITDA<sup>1</sup>**

**Net debt including pension provisions and leasing obligation** of €2,692m (2021: €1,964m)  
**reflects 2.9 x EBITDA<sup>1</sup>**

## Ambition

Long-term target of 2.0 to 2.5 x EBITDA  
(incl. pensions provisions and leasing obligation)

Unchanged since IPO

Top priority: Remain investment grade profile

<sup>1</sup> Adjusted for transaction and integration costs as well as one-off valuation effects related to business combinations. 2016 and 2019 restated for finalized purchase price allocations.

<sup>2</sup> Without impairment of associated company Swedencare

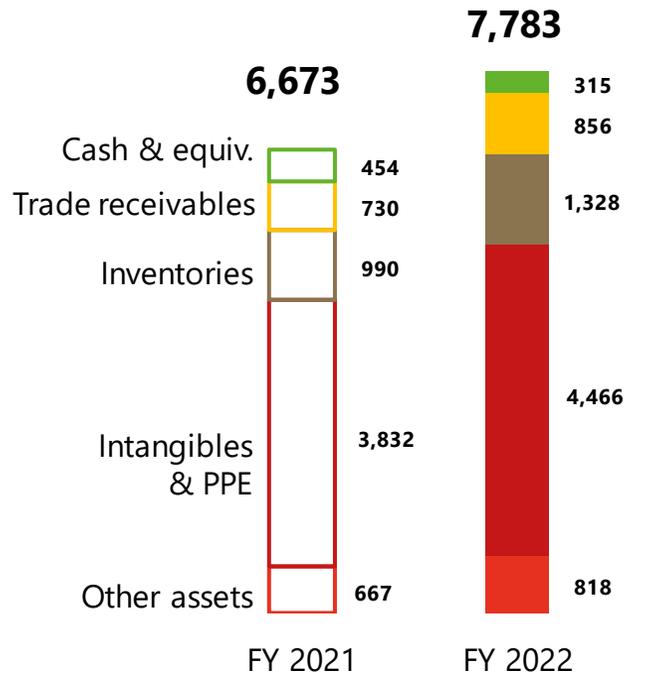
# Balance sheet

*Keeping a healthy equity ratio of 46.4%*



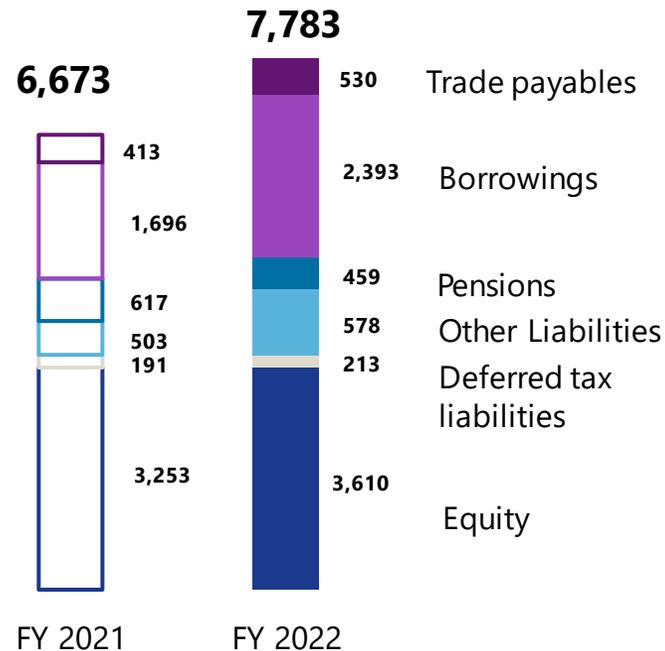
## Assets

In €m



## Equity and Liabilities

In €m



## Comments

**Increase in inventories of €338m** mainly due to higher raw material prices and higher storage volume.

**Increase in intangibles & PPE of €634m** mainly due to acquisitions (goodwill) (€271m) and the high level of investments (assets under construction) (€97m).

**Increase in borrowings of €697** mainly from a bilateral loan for Giraffe (CAD400m) and from a promissory note (Schuldschein) (€750m) for acquisitions completed.

**Decrease in pensions of €158m** mainly in Germany following increasing interest rates.

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# Strategic Initiatives / Outlook



# Strategic Initiatives: Taste, Nutrition & Health

## Portfolio expansion into Pet Care



### Taste, Nutrition & Health application areas

Pet Food

Business Incubation

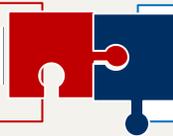
Food & Beverage

### Forward Integration: Ambition to be health solutions provider for Pet Care

Pet Food



symrise 



 SWEDENCARE



Pet Health  
Diet. Supplements

- Ideal partnership for driving innovation and cross selling opportunities
- A product portfolio expansion into pet healthcare and dermatology segments
- A downstream move in the value chain to be closer to the pet owners

### Backward Integration: Pet Food enters a joint venture with Sunner, one of the main poultry processors in China

Pet Food

- Sets a strategic local partnership to provide high quality sustainable egg proteins
- With the acquisition of IsoNova in the USA (2019) and Schaffelaarbos in the Netherlands (2022) Symrise has established a leading position in egg protein and upcycling side streams
- Accelerating the Pet Nutrition international expansion strategy, reinforcing Pet Food footprint in Asia



# Strategic Initiatives: Scent & Care

*A clear differentiator through unique business models*



## Innovation and partnerships to accelerate growth

### Organic growth supported by Innovations

#### Symrise launches natural brand Maison Lautier 1795

- Building of new site in Grasse with focus on Mediterranean flowers and plants



#### Beauty activations, designed to partner with beauty brands

- Focus on activating brand's product innovation



#### Expansion Hydrolite® Portfolio

- 100 % bio-based, nature-derived for a wide range of cosmetic formulations

#### Cosmetics Innovation Award 2022

- European BSB recognizes sustainable innovations. Emphasizes Symrise' leading position



### Growth supported by M&A

#### Acquisition of minority interest in Synergio

- Accelerate development of antimicrobial solutions
- Focus on plant-based technologies



#### Cooperation with US-Incubator Ignite Venture Studio

- To drive product innovations in fragrances and cosmetics
- Ambition to strengthen understand of consumer trends



#### Strengthening Fine Fragrances in France

- Acquisition of Groupe Neroli and Romani



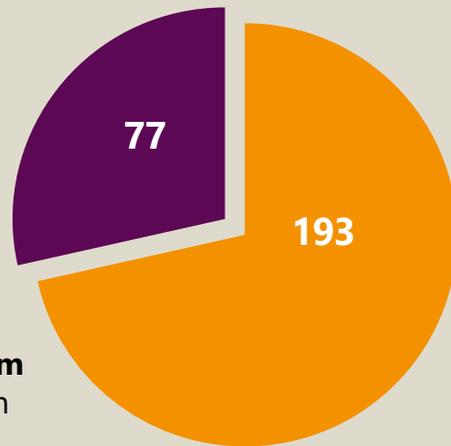
# Capital expenses to leverage growth opportunities

## *Continued expansion of production footprint*



### Capital Expenses

In €m



**2022 270 m**  
2021 174 m

**2023 ~6 %**  
from sales

- Scent & Care
- Taste, Nutrition & Health

**Pet Food**  
**Capacity expansion**  
Netherland  
**New production site**  
USA  
Mexico  
Brazil



**Food & Beverage**  
**Capacity expansion**  
Germany  
Canada



**Cosmetic Ingredients /  
Aroma Molecules**  
**Capacity expansion**  
Spain

**Fragrances**  
**Capacity expansion**  
Mexico  
Spain  
**New Site**  
France

# Business execution along sustainability principles

*Based on a holistic approach*



## Sustainable Goals of the United Nations



## Symrise takes a systematic approach

Highly rated and awarded

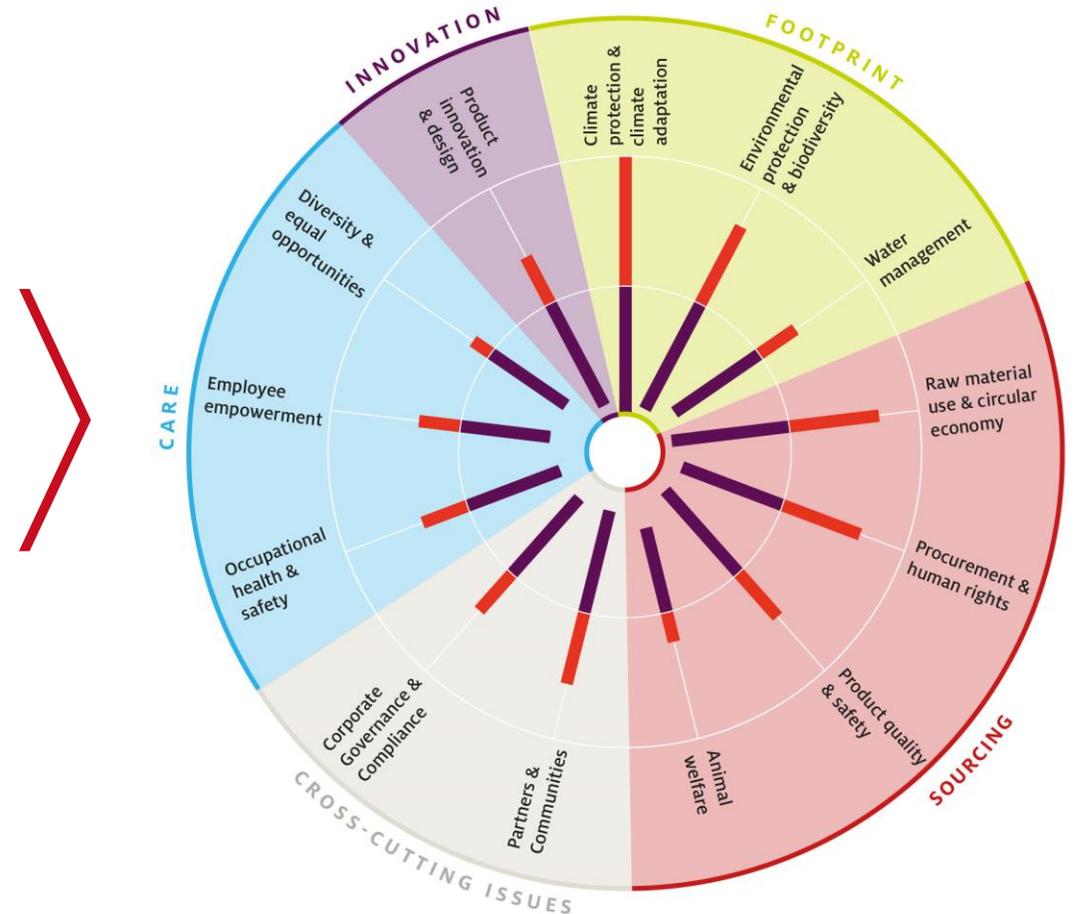


CLIMATE FORESTS WATER

Symrise received third year in a row Triple A status. In 2022 only 13 companies globally achieved highest ranking.

## Roadmap 2023

Priorities based on materiality survey (1,300 stakeholder interviews)

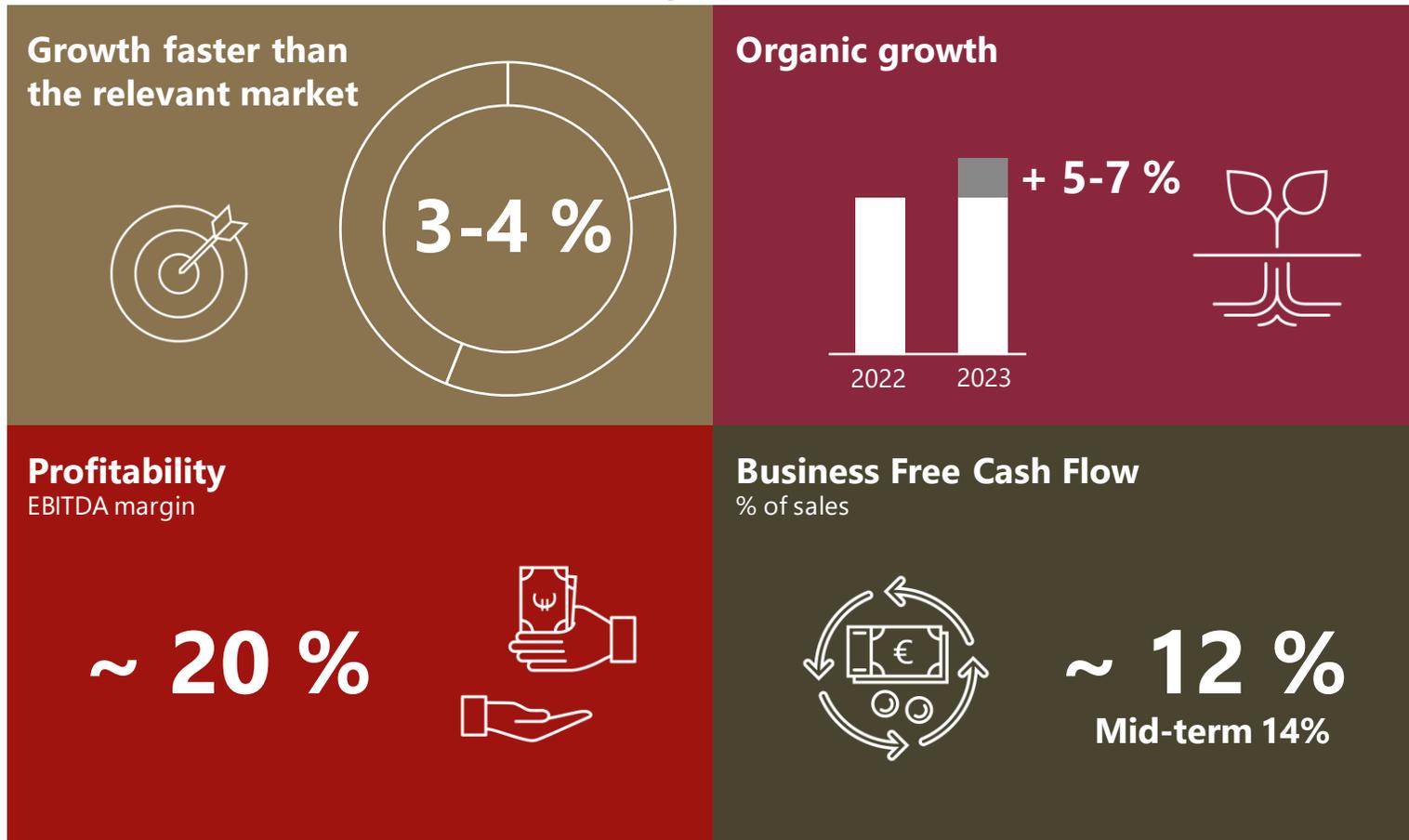


■ Impact on our business activities  
■ Impact on environment and society

# Outlook 2023

*Symrise excellently positioned to maneuver through challenging times*

## Targets 2023



### Business environment

Favorable mega trends and industry dynamics

### Taste, Nutrition & Health

competencies towards complementary business areas

### Scent & Care

healthy consumer sentiment

### Well positioned

through diversified portfolio, regional presence, balanced customer base



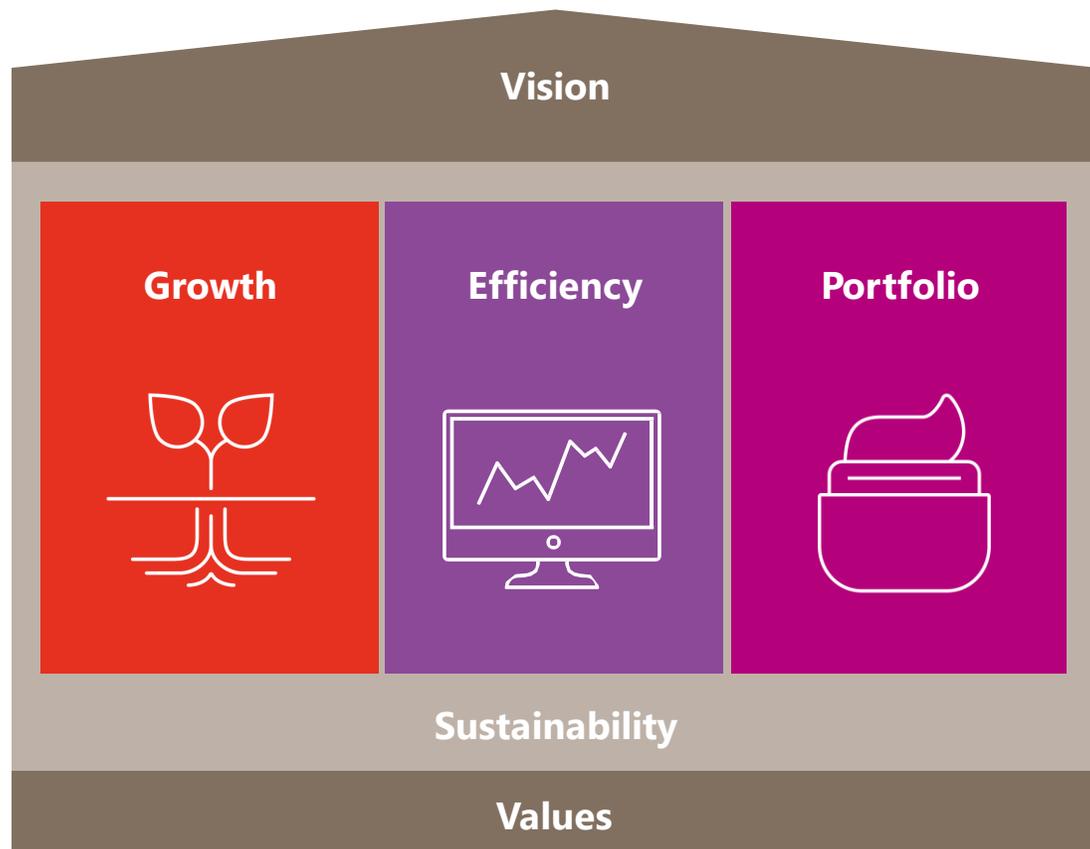
# Appendix

# Corporate strategy

*Mid-term targets 2025 remain in place*



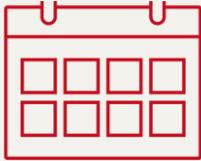
## Strategic business model



## Mid-term targets 2025

Financial targets		Sustainability
<b>Sales growth</b>	<b>5 – 7 %</b> p.a. (CAGR)	Green house gas emissions <b>63 %*</b> reduction  by <b>2025</b>  by <b>2030</b> climate positive
<b>EBITDA margin</b> due to an expanded portfolio	<b>20 – 23 %</b>	
<b>CAPEX</b>	<b>4 – 5 %</b>	
<b>Dividend</b> planned to be continued	<b>30 – 50 %</b>	
<b>Portfolio</b> of sales outside traditional applications	<b>~ 50 %</b>	

\*Science-based target (SBT) 2016-2025



## *Financial calendar*

**26 April**

Q1 2023 trading statement

**10 May**

Annual General Meeting

**02 August**

H1 2023 results

**11/12 October**

Capital Markets Day

**25 October**

9M 2023 trading statement



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*always  
inspiring more*

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