

## Press Release

Holzminden, August 1, 2024

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# Symrise on a profitable growth course in a challenging environment

- Group sales increase by 6.3 % to € 2,565 million; organic growth of 11.5 %
  - EBITDA margin of 20.7 % significantly higher than the previous year
  - Higher profitability due to strict cost management
  - Business free cash flow more than doubled to € 226 million
  - Symrise confirms outlook: Growth target for 2024 confirmed at 5 to 7 % (organic); EBITDA margin of around 20 % targeted for 2024
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**Symrise AG, a leading global supplier of fragrances, flavorings, cosmetic active ingredients and raw materials, as well as functional ingredients, strengthened its profitable growth course in the first half of 2024. Despite the persistently challenging environment worldwide, Symrise again significantly increased both sales and profitability, above all thanks to strict cost management.**

Symrise increased sales by 6.3 % to € 2,565 million (H1 2023: € 2,414 million). Excluding portfolio and exchange rate effects, sales increased organically by 11.5 %, driven by the positive performance of the company's two segments.

At the same time, profitability measured by the EBITDA margin of 20.7 % was significantly higher than the previous year's adjusted figure of 19.7 %. Earnings before interest, taxes, depreciation and amortization (EBITDA) rose to € 530 million, an increase of 11.5 % compared to the previous year's adjusted figure.

The main drivers of profitability were slightly favorable material usage and, especially, the efficiency program initiated in the first quarter that was implemented consistently in the second quarter and has already generated around 50 % of the target savings of around € 50 million.

Jean-Yves Parisot, Chief Executive Officer of Symrise AG: "Symrise is on course. I am committed to continuing Symrise's success story – for the good of our customers, our shareholders and our employees. This is what we focused on in the past months. Despite our success in the first half of the year, we are not sitting back. Our good performance in recent months gives us confidence for the second half of the year. For this reason, we are therefore again confirming our growth and profitability targets for the full year."

## **Symrise confirms long-term targets**

Despite the current volatile market environment as a result of geopolitical tensions and continued high inflation overall, Symrise is well-positioned to continue on its profitable growth path. In this respect, the company is benefiting from its robust and sustainable business model, diversified application portfolio and broad regional presence and customer base.

In light of its good first-half performance, Symrise is therefore confirming its growth and profitability targets, and continues to expect to grow faster than the relevant market. The company is targeting sales growth of between 5 and 7 % (organic) in 2024. In terms of profitability, it is seeking to achieve an EBITDA margin of around 20 %. For the business free cash flow, the Group is aiming for a rate relative to sales of 12 % in 2024. Symrise will also maintain strict cost awareness in the context of its ongoing efficiency program.

In the long term, the company aims to increase its sales to € 7.5 to 8.0 billion by 2028. Annual growth of 5 to 7 % (CAGR) as well as targeted acquisitions are expected to contribute to this. Profitability (EBITDA margin) should remain within a target corridor of 20 to 23 %.

## **Taste, Nutrition & Health segment**

Taste, Nutrition & Health achieved organic sales growth of 10.0 % in the first half of 2024. Taking into account portfolio and exchange rate effects, the segment's sales in the reporting currency amounted to € 1,572 million, an increase of 2.9 % (H1 2023: € 1,527 million). The portfolio effect from the 2024 divestment of the UK beverage trading business by the Food & Beverage division had a negative impact of € 16 million on sales development.

In the Food & Beverage division, demand for savory products particularly developed strongly to deliver double-digit organic growth. Strong growth was recorded in the EAME (Europe, Africa, Middle East) and Latin America regions especially. The Naturals business unit and the business units for sweet products and beverage flavoring achieved low single-digit percentage growth and recorded gains in the North America and Asia/Pacific regions especially.

The Pet Food division was also able to sustain its growth trend. Sales development in the Asia/Pacific and Latin America regions was particularly dynamic, with double-digit organic growth in some cases. In EAME, strong growth was posted by Spain, Turkey and Belgium in particular.

In the first half of 2024, sales development in the Aqua Feed division was characterized by declining organic growth. In the course of further portfolio optimization with focus on high-margin growth areas, Symrise intends to divest the business until the end of the year.

The probiotics business, which includes the majority interest in the listed company Probi AB, Lund, Sweden, generated single-digit percentage growth, driven especially by higher demand in the EAME region.

The segment's EBITDA amounted to € 348 million (H1 2023: € 335 million), an increase of 3.8 %. The increase was mainly attributable to profitable sales growth and a slight decline in the raw material cost ratio. The EBITDA margin was 22.1 %, which was higher than the previous year's figure of 21.9 %.

### **Scent & Care segment**

Scent & Care achieved organic sales growth of 14.1 %. Taking into account exchange rate effects, sales increased to € 993 million in the reporting currency, 12.1 % higher than the same period of the previous year (H1 2023: € 886 million).

The Fragrance division achieved very strong organic growth. The Fine Fragrances business unit in particular continued its dynamic development and followed its strong performance from previous year with renewed double-digit percentage organic growth. The growth rates in the Asia/Pacific and Latin America regions were particularly pronounced. The Consumer Fragrances business unit also posted double-digit percentage growth. Here, the biggest gains were posted by the Asia/Pacific and EAME regions. With high single-digit organic growth, the Oral Care business unit also showed gratifying development.

Sales development in the Aroma Molecules division recovered significantly in the first half of 2024. Although the market environment remained difficult, the resumption of production at Colonels Island, USA, resulted in a very positive increase in sales compared to the previous year. High double-digit growth rates were achieved in the EAME and Asia/Pacific regions.

Sales by the Cosmetic Ingredients division continued to develop very well in the first six months of the current year, again posting double-digit percentage organic growth. The EAME, Asia/Pacific and Latin America regions again increased sales significantly. Only the North America region saw just slight growth compared to the previous year. The strongest growth was posted by the sun protection business and the Micro Protection business unit.

The segment generated EBITDA of € 182 million, a significant increase of € 42 million compared to the previous year's adjusted figure of € 140 million. The segment's EBITDA margin was 18.3 %, 2.5 percentage points higher than the previous year's adjusted figure of 15.8 %.

### **Consolidated net income and earnings per share**

The consolidated net income attributable to the shareholders of Symrise AG for the first six months of 2024 amounted to € 239 million, which was € 52 million, or 27.7 %, higher than the previous year's figure of € 188 million. This was mainly due to the improved profitability and the one-time effects of € 29.0 million posted the previous year in the Scent & Care segment. Earnings per share rose to € 1.71 in the first half of 2024, up from € 1.34 in the same period of the previous year.

## Cash flow

At € 288 million, cash flow from operating activities for the first half of 2024 was € 144 million higher than in the previous year (€ 144 million), mainly due to an improvement in earnings in the normal course of operations and lower working capital.

Business free cash flow more than doubled in the first six months and amounted to € 226 million, up € 120 million from € 106 million in the same period of the previous year. As a percentage of sales, business free cash flow was 8.8 % (H1 2023: 4.4 %).

The Interim Group Report of Symrise AG for the first half of 2024 can be accessed on the company's website at <https://www.symrise.com/investors/financial-results/>

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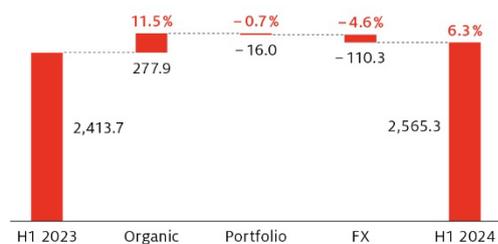
**About Symrise:** Symrise is a global supplier of fragrances, flavorings, cosmetic active ingredients and raw materials, as well as functional ingredients. Its clients include manufacturers of perfumes, cosmetics, food and beverages, the pharmaceutical industry and producers of nutritional supplements and pet food. Its sales of approximately € 4.7 billion in the 2023 fiscal year make Symrise a leading global provider. Headquartered in Holzminden, Germany, the Group is represented in more than 100 locations in Europe, Africa, the Middle East, Asia, the United States and Latin America. Symrise works with its clients to develop new ideas and market-ready concepts for products that form an indispensable part of everyday life. Economic success and corporate responsibility are inextricably linked as part of this process. Symrise – always inspiring more...

[www.symrise.com](https://www.symrise.com)

## Financial Information H1 2024

### Symrise Group

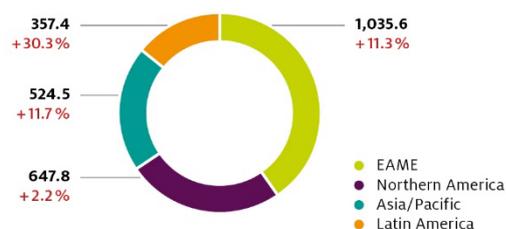
Sales in € million



€ million	H1 2023	H1 2023 adjusted <sup>6)</sup>	H1 2024	Change in %
Gross profit	878.9		997.5	13.5
EBITDA	446.0	475.0	529.8	11.5
EBITDA margin	in %	18.5	20.7	
EBIT	302.4	331.4	365.8	10.4
EBIT margin	in %	12.5	14.3	
Depreciation	84.8		109.8	29.5
Amortization	58.8		54.1	-7.9
Financial result	-44.7		-42.2	5.6
Earnings before income taxes	257.7		323.6	25.6
Net income <sup>1)</sup>	187.5		239.5	27.7
Earnings per share <sup>2)</sup>	in €	1.34	1.71	27.7
R&D expenses	131.0		135.1	3.2
Investments	96.5		91.7	-5.0
Business Free Cashflow in % of Sales	4.4		8.8	

### Sales by Region in € million

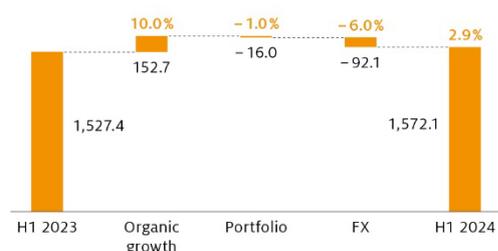
(Organic growth in %)



Other Key Figures	Dec 31, 2023	Jun 30, 2024
Total assets	7,845.6	7,911.4
Equity	3,686.2	3,814.3
Equity ratio	in %	47.0
Net debt (incl. provisions for pensions and similar obligations) <sup>4)</sup>	2,665.6	2,733.9
Net debt (incl. provisions for pensions and similar obligations) <sup>3)</sup> /EBITDA <sup>4)</sup>	ratio	3.0
Net debt <sup>3)</sup>	2,165.6	2,244.9
Net debt <sup>3)</sup> /EBITDA <sup>4)</sup>	ratio	2.4
Employees (balance sheet date)	FTE <sup>5)</sup>	12,435

### Taste, Nutrition & Health

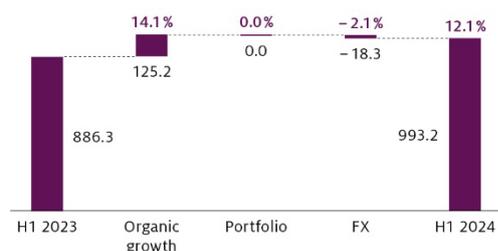
Sales in € million



€ million	H1 2023	H1 2024	Change in %
EBITDA	334.9	347.6	3.8
EBITDA margin	in %	21.9	22.1
EBIT	235.6	228.6	-2.9
EBIT margin	in %	15.4	14.5

### Scent & Care

Sales in € million



€ million	H1 2023	H1 2023 adjusted <sup>6)</sup>	H1 2024	Change in %
EBITDA	111.1	140.1	182.1	30.0
EBITDA margin	in %	12.5	15.8	18.3
EBIT	66.8	95.8	137.1	43.1
EBIT margin	in %	7.5	10.8	13.8

1) Attributable to shareholders of Symrise AG

2) Undiluted

3) Including lease obligations

4) Annualized EBITDA(N)

5) Not including apprentices and trainees; FTE = full-time equivalent

6) Normalized for one-time effects in the Scent & Care segment