

Holzminden, 10 November 2015

## Nine-month report 2015

### **Symrise achieves new all-time highs for growth and profitability**

- Sales up by 29 % to €1,977.0 million
- EBITDA increased by 30 % to €448.5 million
- EBITDA margin rose to 22.7 %
- Sales increase of 25 % in Emerging Markets
- Targets for fiscal year 2015 confirmed

**Symrise AG outperformed the overall market in the first nine months of 2015 and significantly boosted its earnings. The Group benefited from strong demand in both segments and all regions. Symrise increased its sales by 29 % to €1,977.0 million (9M 2014: €1,530.0 million) and its earnings before interest, taxes, depreciation and amortization (EBITDA) by 30 % to €448.5 million (9M 2014 normalized: €343.8 million). With an EBITDA margin of 22.7 % (9M 2014 normalized: 22.5 %), Symrise is among the most profitable companies in the industry.**

Dr Heinz-Jürgen Bertram, CEO of Symrise AG, said: "Our results speak for themselves. There are very few companies in our industry that can match the growth and profitability of Symrise. We have benefited from strong demand in both segments and all regions, and have further reinforced our market position. We continue to anticipate our full-year results for 2015 with confidence. Our fourth quarter started out at a strong pace, and I believe that we are very well positioned to make the best use of the remaining weeks."

#### **Above-average growth in both segments**

Over the first nine months of the year, Symrise increased its sales by 29 % to €1,977.0 million (9M 2014: €1,530.0 million). At local currency, this amounts to sales growth of 23 %. Both segments and all regions contributed to this strong performance. The Diana Group contributed sales of €395.4 million.

Even without the contributions from the Diana acquisition, Symrise achieved above-average growth, with a 12 % gain in sales (local currency: 6 %). Consequently, the Group once again grew at more than double the rate of the global market for fragrances and flavors, which is estimated to be growing at a rate of 2-3% per year.

Among the fastest-growing regions was Latin America, where sales in local currency were up by 39 %. North America and EAME posted sales increases of 25 % and 21 %, respectively, followed by the Asia/Pacific region, at 16 % (all in local currency).

### **Emerging Markets sales up by 25 %**

Symrise also achieved strong growth in Emerging Markets with a sales increase of 25 % at local currency. Over the first nine months of the year, the Group generated 46 % of total sales in these highly dynamic markets. The slight decline by one percentage point as compared to the prior-year-period reflects the regional sales mix of the Diana Group, which currently generates the majority of its sales in Developed Markets.

### **Outstanding profitability with EBITDA margin of 22.7 %**

Earnings before interest, taxes, depreciation and amortization (EBITDA) were up 30 % in the reporting period to € 448.5 million (9M 2014 normalized: € 343.8 million). The Diana Group contributed earnings of € 88.8 million. Even without this effect, Group earnings were up substantially by 13 % to € 359.7 million. The EBITDA margin increased from 22.5 % (normalized) in the prior-year-period to 22.7 %. The reported net income for the period under review increased to € 199.3 million (normalized 9M 2014: € 175.9 million). This represents a rise of 13 % in the reporting currency. Earnings per share grew by 8 % from € 1.42 (normalized) to € 1.54 despite an increased number of shares due to the capital increase carried out in the previous year.

### **Significant increase in cash flow from operating activities**

Cash flow from operating activities for the reporting period rose by 15 % to € 252.3 million (9M 2014: € 218.7 million). The ratio of net debt to EBITDA decreased to 2.1 (31 December 2014: 2.3). Including pension provisions, the ratio amounted to 2.9 (31 December 2014: 3.2). With an increase in the equity ratio to 37.5 % (31 December 2014: 35.8 %), Symrise continues to maintain a strong balance sheet.

### **Scent & Care segment**

Sales in the Scent & Care segment rose by 10 % to € 812.3 million (9M 2014: € 736.8 million). The main growth drivers were the aroma molecules and cosmetic ingredients business. At local currency, sales increased by 4 %.

Scent & Care increased its EBITDA compared to the prior-year-period to € 184.9 million (9M 2014: € 167.6 million). This represents an increase of 10 %. The EBITDA margin rose to an excellent 22.8 % (9M 2014: 22.7 %).

In September Symrise announced plans to purchase the US-based Pinova Holdings, Inc. Pinova is a leading supplier of ingredients from natural and re-

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newable sources used mainly in the production of fragrance compositions and oral care products. With this acquisition, Symrise is strengthening its backward integration in important fragrance ingredients and expanding its portfolio in the Scent & Care segment. In 2014, Pinova posted sales of US\$ 287 million along with a normalized EBITDA of US\$ 37.4 million. Symrise is acquiring Pinova Holdings for US\$ 397 million, with a premium of up to US\$ 20 million subject to certain conditions being met. The deal is expected to close at the beginning of 2016. Symrise then plans to move forward quickly with the integration of Pinova.

## **Flavor & Nutrition segment**

The Flavor & Nutrition segment increased sales by 47 % to € 1,164.7 million (9M 2014: € 793.2 million) in the first nine months of the year. At local currency, this amounts to a 41 % gain. Even without the Diana Group, the segment achieved strong organic growth and increased sales by 13 % (9 % in local currency). Major factors behind the strong performance in this segment were new business in North America and strong demand for culinary and beverage applications.

Flavor & Nutrition increased its EBITDA by 50 % in the period under review to € 263.6 million (9M 2014 normalized: € 176.1 million). The EBITDA margin rose to 22.6 % (9M 2014 normalized: 22.2 %).

## **Optimistic outlook for remaining weeks of 2015**

After its strong performance in the first nine months of the year and a good start in the fourth quarter, Symrise shows optimistic with regard to the final figures for the fiscal year 2015. Despite political tensions in some regions and a recent economic slowdown in some emerging countries such as China, the company expects demand to remain strong in both segments and all regions in the final quarter. For 2015, Symrise again expects to exceed the growth rate for the industry as a whole and deliver an EBITDA margin of more than 20 %. The Group remains fully committed to the mid-term targets for 2020.

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## KEY FIGURES OF THE GROUP

€ MILLION	9M 2014	9M 2014	9M 2015	CHANGE IN %	
		normalized <sup>1</sup>		at local currency	
Sales	1,530.0	1,530.0	1,977.0	29	23
EBITDA	330.9	343.8	448.5	30	29
EBITDA margin	in %	21.6	22.7		
EBIT	258.2	271.1	319.6	18	17
EBIT margin	in %	16.9	16.2		
Net income for the period	160.8	175.9	199.3	13	
Earnings per share	in €	1.30	1.54	8	
CAPEX / M&A	55.6	55.6	112.3		
Operating cash flow	218.7	218.7	252.3		
<b>Scent &amp; Care</b>					
Sales	736.8	736.8	812.3	10	4
EBITDA	167.6	167.6	184.9		
EBITDA margin	in %	22.7	22.8		
<b>Flavor &amp; Nutrition</b>					
Sales	793.2	793.2	1,164.7	47	41
EBITDA	163.3	176.1	263.6		
EBITDA margin	in %	20.6	22.6		

		Dec 31, 2014	Sep 30, 2015
Balance sheet total	€ million	3,999.8	4,067.2
Equity ratio	in %	35.8	37.5
Net debt (incl. provisions for pensions and similiar obligations) / EBITDAN <sup>2</sup>	ratio	3.2	2.9
Employees	FTE <sup>3</sup>	8,160	8,294

<sup>1</sup> adjusted for transaction and integration costs as well as one-off valuation effects related to business combinations

<sup>2</sup> annualized EBITDAN

<sup>3</sup> not including apprentices and trainees; FTE = Full Time Equivalent

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## **About Symrise:**

Symrise is a global supplier of fragrances, flavors, 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 more than €2.1 billion in 2014 place Symrise among the top three companies in the global flavors and fragrances market. Headquartered in Holzminden, Germany, the Group is represented in over 40 countries in Europe, Africa and 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 thus takes sustainability into account in every part of its corporate strategy. The company was awarded the German Sustainability Award in 2012. In 2013, Symrise was certified as a "Green Company" by DQS.

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