



symrise 
always inspiring more...

COMPANY PRESENTATION

UniCredit Kepler Cheuvreux German Corporate Conference 2014

Bernd Hirsch (CFO)

January 20-21, 2014

Frankfurt

SYMRISE

SUCCESSFUL SINCE 1874



HAARMANN & REIMER (1874 – 2003)

SYMRISE AG (since 2003)

1874

Chemist Dr. Wilhelm Haarmann discovers method for manufacturing nature-identical vanillin and founds vanillin factory in Holzminden

1973

World's first fully synthetic production of menthol

2006

IPO of the Symrise share in Frankfurt (Prime Standard)

2013

Symrise is one of the world's leading providers of fragrances and flavors and of specialty ingredients and active agents for the perfume, cosmetics, pharmaceutical, food and beverages industries

1954

Takeover by Bayer AG

2003

Merger of Dragoco and Haarmann & Reimer

1955

Company begins internationalization

1919

Hairdresser Carl Wilhelm Gerberding founds the Dragon Company and begins manufacturing perfume and soap compositions

DRAGOCO GERBERDING (1919 – 2003)



Sales	€1.8bn
EBITDA margin	20%
Employees	6,000
Countries	36
Market share	10%
Market cap	€4bn

TWO DIVISIONS WITH COMPLEMENTARY PORTFOLIO



- 15,000 products in 135 countries
- Sites in 33 countries globally

- 15,000 products in 140 countries
- Sites in 20 countries globally



SYMRISE IS SCENT & CARE



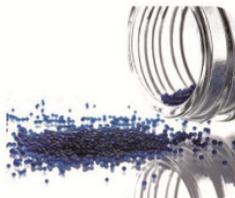
Life Essentials

Fragrances



Oral Care

Aroma Molecules



- Scent & Care develops, produces and markets fragrance compositions, active cosmetic ingredients, aroma chemicals and mint products
- The products are used in perfumes, personal care and cosmetic products, cleaning and washing products, air fresheners and oral care products
- The division creates added value through products with additional care properties

Today's trends towards health, well-being and anti-aging demand for top-quality products that contain natural substances and active ingredients

SYMRISE IS FLAVOR & NUTRITION

Savory



Consumer Health



Beverages



Sweet

- Flavor & Nutrition develops, produces and markets flavorings and functional ingredients that are used in foods, beverages and health products
- These include culinary products as well as snacks, candies and desserts, dairy products, ice cream, beverages and food supplements
- The division creates added value through products with additional nutritional properties
- The BU Consumer Health meets consumer needs as well as the requests of the food supplements and health care industry with a wide range of biofunctional ingredients as well as taste and masking solutions for modern health care products

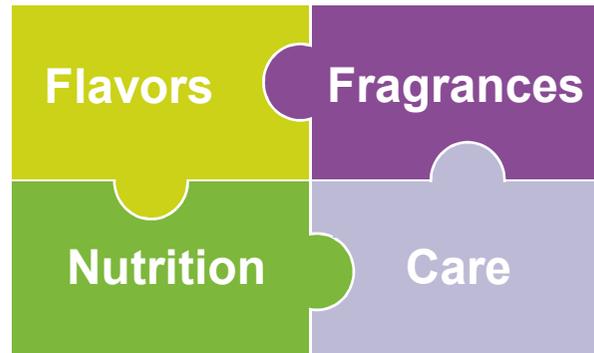
Trends for the food and beverages industry include naturalness, authenticity and health. Added value through functional, natural ingredients.

DIVISIONAL SYNERGIES

UNIQUE PRODUCT PORTFOLIO

Similar technology platforms

Identical end consumer
+
Many shared customers
+
Often same end product



Traditional F&F market
+
Health & Care

Many shared or similar molecules / flavors

SYMRISE

GLOBAL SALES SPLIT



*of group sales

OUR WORLD BY 2050 – GLOBAL MEGATRENDS

ANTICIPATING NEEDS – DELIVERING SOLUTIONS



Wealth and economic progress

- An additional 2.6bn people will reach at least middle-income levels
- Big rise in discretionary spending – materially changes in consumption

Sustainability

- Population growth requires expansion of today's food production by 70 %
- Water shortages, lack of arable land, climate change require sustainable solutions

Health Wellness and well-being

- Health care spending might double to 15% – 30% of GDP – need for prevention
- „Look good“ society / “beauty from within” approach combines nutrition and beauty

Increasing population

- World population will grow from today's 7bn to 9bn
- Requires meeting calorific needs and personal demand

Urbanization

- People living in cities will double from 3bn today to 6bn
- Demand for convenient product solutions will increase

Aging population

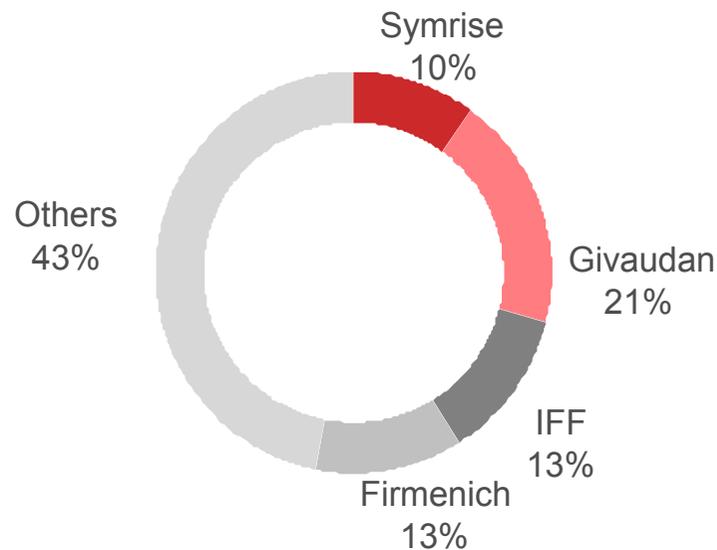
- 21% of world population >60 years plus
more people >60y than <15y
- Increasing demand for healthy food and anti-aging products

MARKET AND POSITION

OLIGOPOLISTIC MARKET STRUCTURE

AFF market in 2012

- Relevant market volume €16.9bn
- Average market growth 2–3% a year
- More than 500 active companies



Source: IAL (7th edition) and company estimates

Barriers to Entry

- Customer and market intimacy
- High innovation rate
- Regulatory and quality requirements
- Critical size for international customers
- Being Tier 1 increases likelihood of entering FMCG core lists

Key Success Factor

- Handling complexity
- Flavors & Fragrances are only fraction of total costs but key buying criteria for consumers

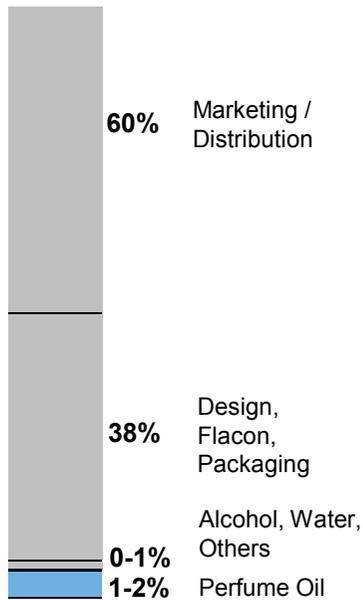
IMPACT OF FLAVORS & FRAGRANCES

SMALL BUT IMPORTANT

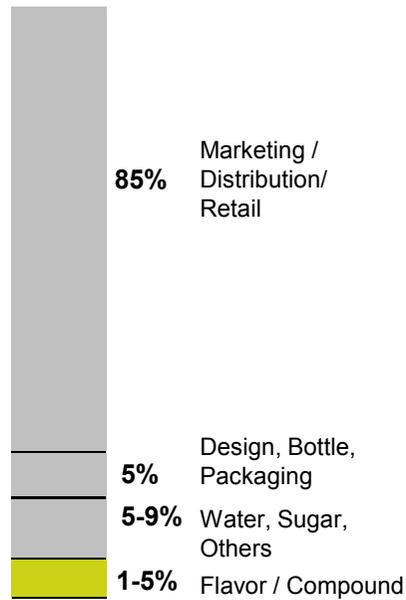
F&F only fraction of total costs...

... but a key buying criteria for consumers

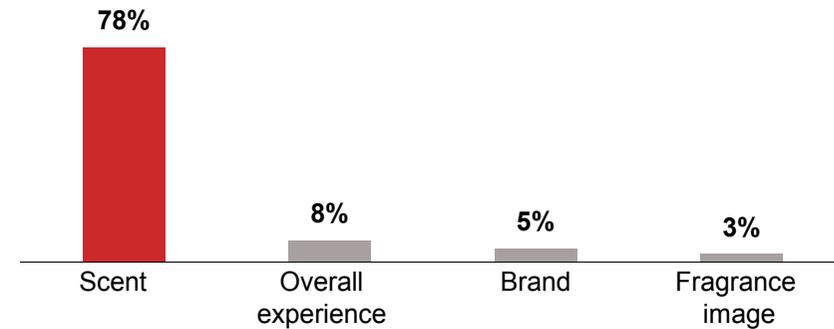
**Fine Fragrances:
Percentage of total costs**



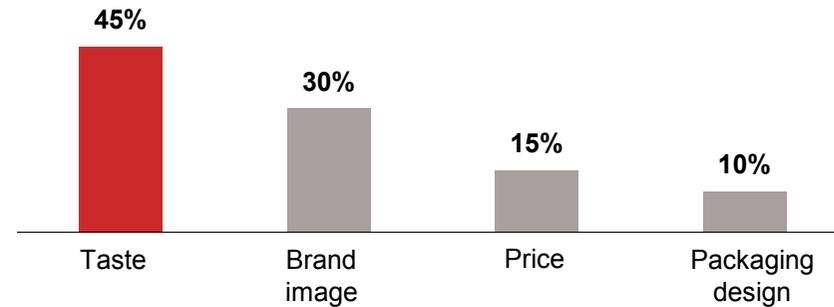
**Soft Drinks:
Percentage of total costs**



Fine fragrances (re-purchase decision) *



Premium food & beverage (re-purchase decision)



Source: Company estimates; for illustration purposes

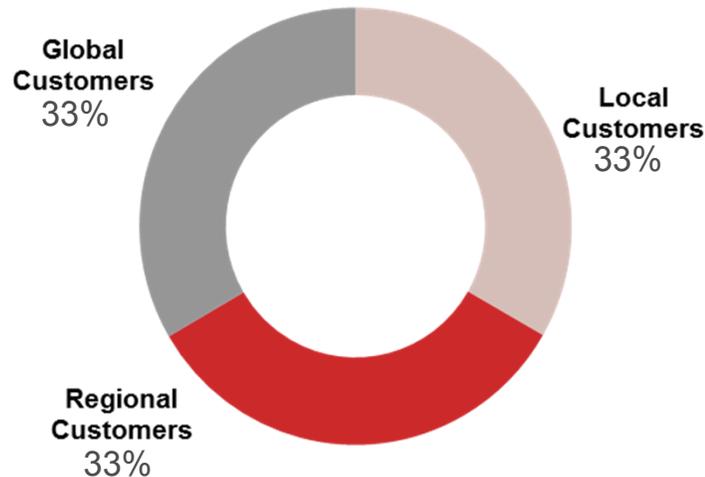
* Average of countries surveyed (UK, Germany, US, Spain, Italy, France)

Source: ACNielsen, Company marketing study

CUSTOMERS

WELL BALANCED PORTFOLIO

Customer structure



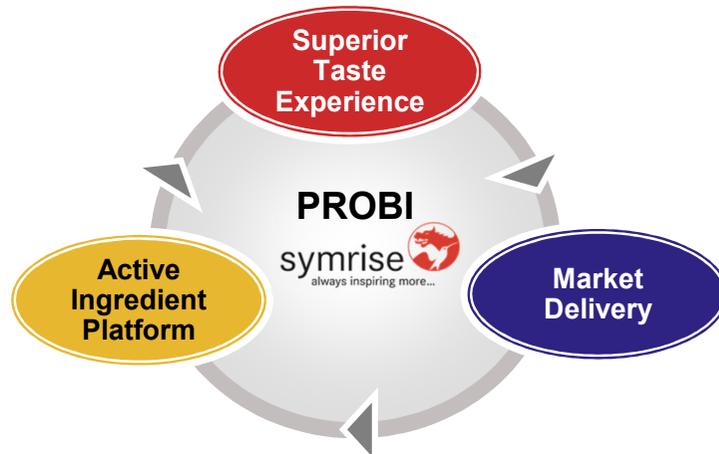
- 6,500 public and private clients
- Well balanced customer base minimizes dependency and increases stability
- Biggest account with around 5% of sales

Customer relations

- Core listed with all global customers
- 33% sales with global key accounts (18% in 2006)
- Strong relations with regional and local customers
- 48% sales in Emerging Markets (30% in 2006)
- Full business range from plain orders to fully integrated co-operation (e.g. joint R&D projects, SAP connect)
- Increasing importance of sustainability

INNOVATION & EXPANSION ONGOING PROCESS

Consumer health



- Initial focus on oral care applications
- Growing demand for turn key solutions with proven health benefits
- Probi is highly reputed for its R&D of patented probiotics
- Proven track record in the areas of gut and immune health

Acquisition of Belmay

- US based fragrance supplier
- Complementary customer base
- Strengthens Symrise position in the US market
- Integration completed / transaction accretive

Doubling Menthol

- First mover with 40 years experience
- Biggest producer and customer
- Leveraging organic growth potential to fulfill increasing demand
- New and proprietary product qualities
- Further expansion in progress

SUSTAINABILITY

WELL POSITIONED

Reductions vs. 2010*

- Waste reduction: -10.7%
- Waste water emissions: -9.9%
- CO₂ emissions: -5.4%
- Energy consumption: -4.2%

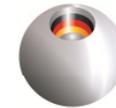
*per product unit sold

Partners (selection)



Ratings and Awards

- No 1 MDAX, top 5 chemical in GE, SZ, AU (CDP)
- Leading in chemical companies (Oekom)
- German “Women’s Career Index” Award by Ministry of Women’s and Social Affairs



German Sustainability Award
Germany’s Most Sustainable Initiative 2012

Backward integration

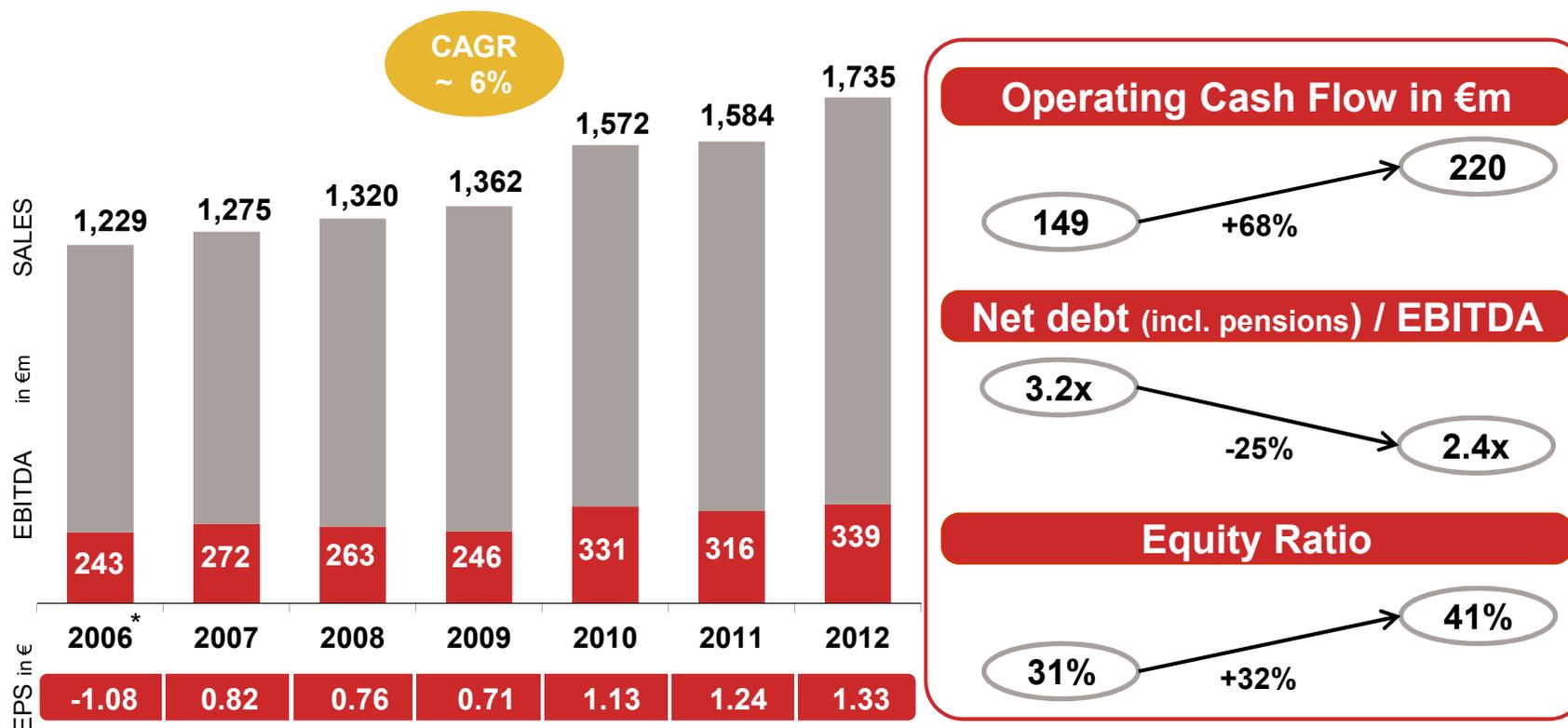
- Key flavors with high impact on total sourcing
- Partnership, co-operation and long-term contracts with local farmers
- Securing supply and quality, reducing price fluctuations



SALES AND EARNINGS SINCE IPO

STEADY GROWTH ON HIGH MARGIN LEVEL

Symrise Group figures 2006-2012



* EBITDA adjusted for restructuring and integration cost

HIGHLIGHTS 9M 2013

STRONG SALES AND EBITDA GROWTH



Sales
+10%

EBITDA
Margin
20.7%

Net income
€140m

EPS
€1.18

Equity Ratio
42%

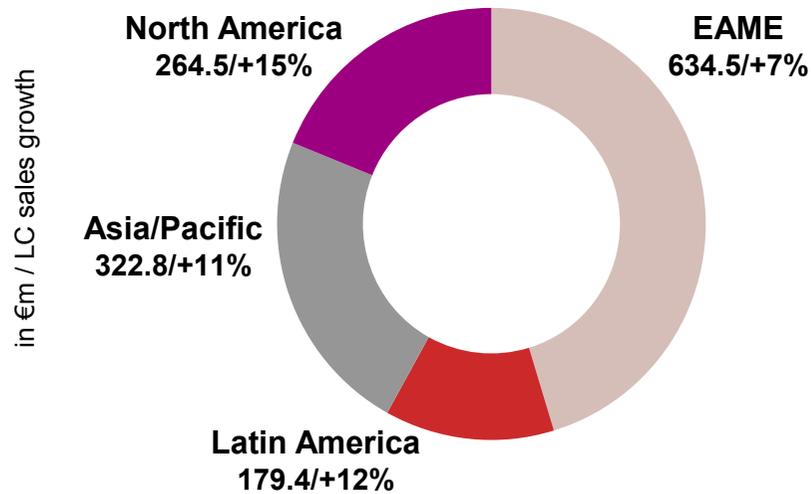
- Sales increase to €1.401m, driven by strong dynamics in all regions
- North and Latin America as strongest regional growth drivers
- EBITDA at €290m, up by 10% due to strong top line growth
- Profitability at ongoing high level despite strategic investments into growth initiatives
- Net income up by 11%, earnings per share grew to €1.18 after €1.07 in 9M/2012
- Solid financial basis with equity ratio of 42%

SALES BY REGIONS 9M 2013

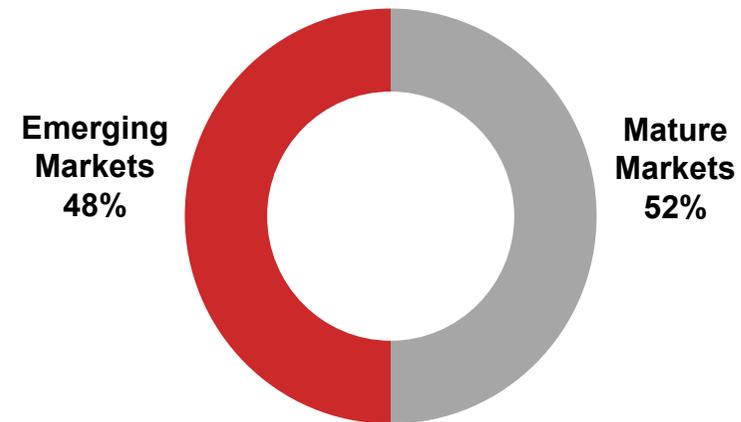
ONGOING DOUBLE DIGIT GROWTH IN THE AMERICAS AND ASIA/PACIFIC



Regional Sales Split



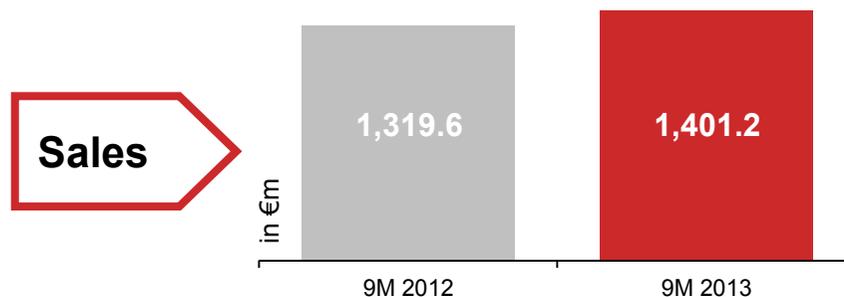
Sales in Emerging Markets



- **North America** – growth particularly driven by Aroma Molecules, Fragrances, Oral Care and Flavors
- **Asia/Pacific** – strong demand in Sweet and Savory; good dynamics in China, India, Indonesia, Japan, Singapore and Thailand
- **Latin America** – increase particularly driven by Flavors, Aroma Molecules, Oral Care and Fragrances
- **EAME** – strong demand in Sweet and Consumer Health, good dynamics in Eastern and Western European markets, especially, Germany, UK, Russia, Africa and the Middle East

FINANCIAL PERFORMANCE

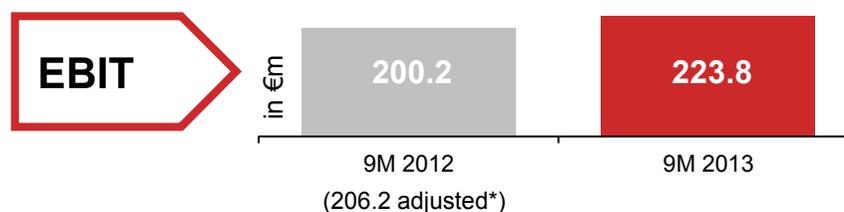
EXCELLENT TOP- AND BOTTOM-LINE PERFORMANCE



- Sales growth of 9.9% in local currency (6.2% in actual rates) independently of economic uncertainties in individual markets
- Growth in all regions and both divisions, particular strong dynamics in the Americas and Asia/Pacific; above prior-year sales growth in EAME



- EBITDA up 10% to €290.2m
- Profitability increased despite higher operating costs and strategic investments, especially in R&D
- Strong EBITDA margins:
 - Group at 20.7%
 - F&N at 20.9%
 - S&C at 20.5%



- EBIT of €223.8m up by 12%
- EBIT margin at 16.0%

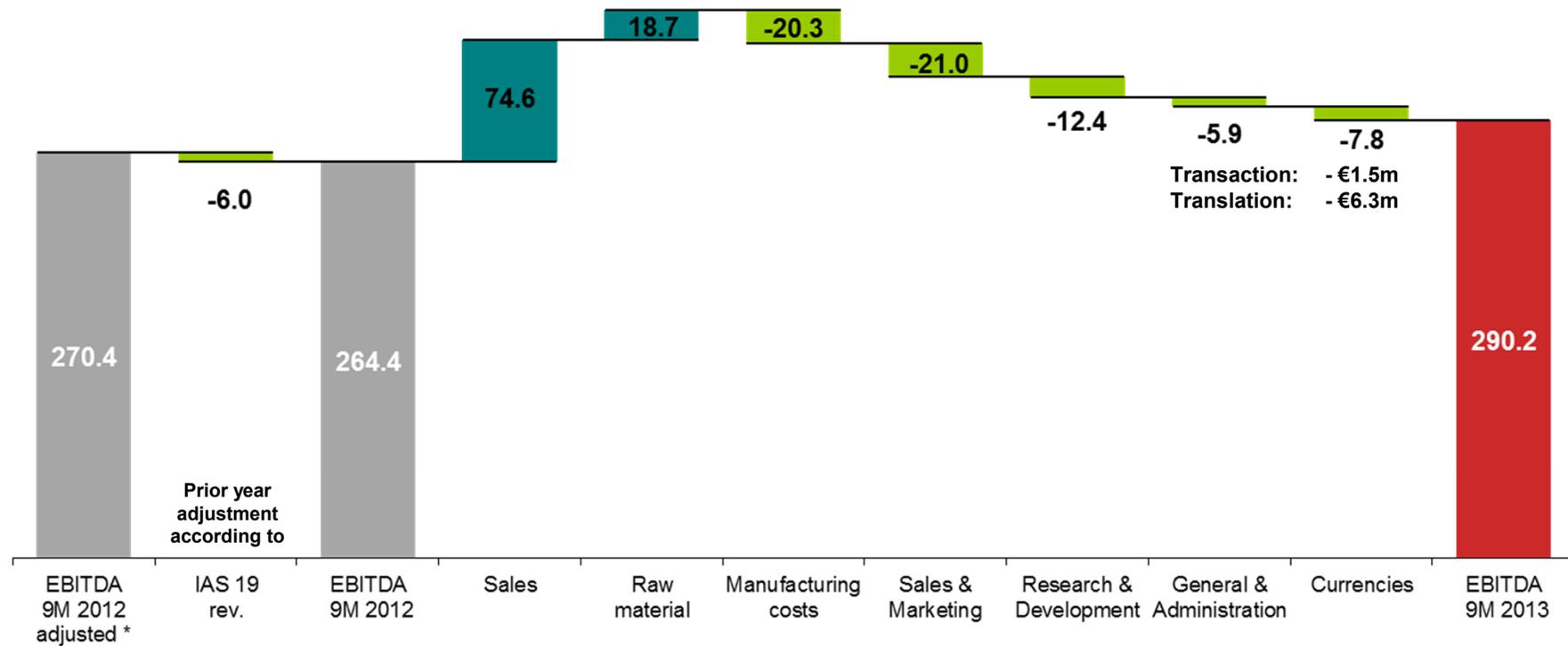
* adjusted as a result of changes to accounting policies IAS 19 rev.

EBITDA BRIDGE

INCREASE OF 10% DRIVEN BY STRONG SALES GROWTH



in €m



* adjusted as a result of changes to accounting policies IAS 19 rev.

MID- AND LONG-TERM PERSPECTIVES

SYMRISE VERY WELL POSITIONED



Capitalizing on megatrends

Population growth & income increase
Eating, drinking & hygiene
Health & well-being - unique portfolio beyond F&F

Serving clients needs

Handling complex requirements
High level of customer intimacy
Sparring partner for innovation & creativity

Well balanced customer portfolio

6,500 consumer goods companies worldwide
1/3 global, 1/3 regional, 1/3 local customers
Branded goods & private labels

High entry barriers

Legislation & regulatory
Four Tier 1 players own 60% of the market
Special technological competences required

Sustainable and profitable growth

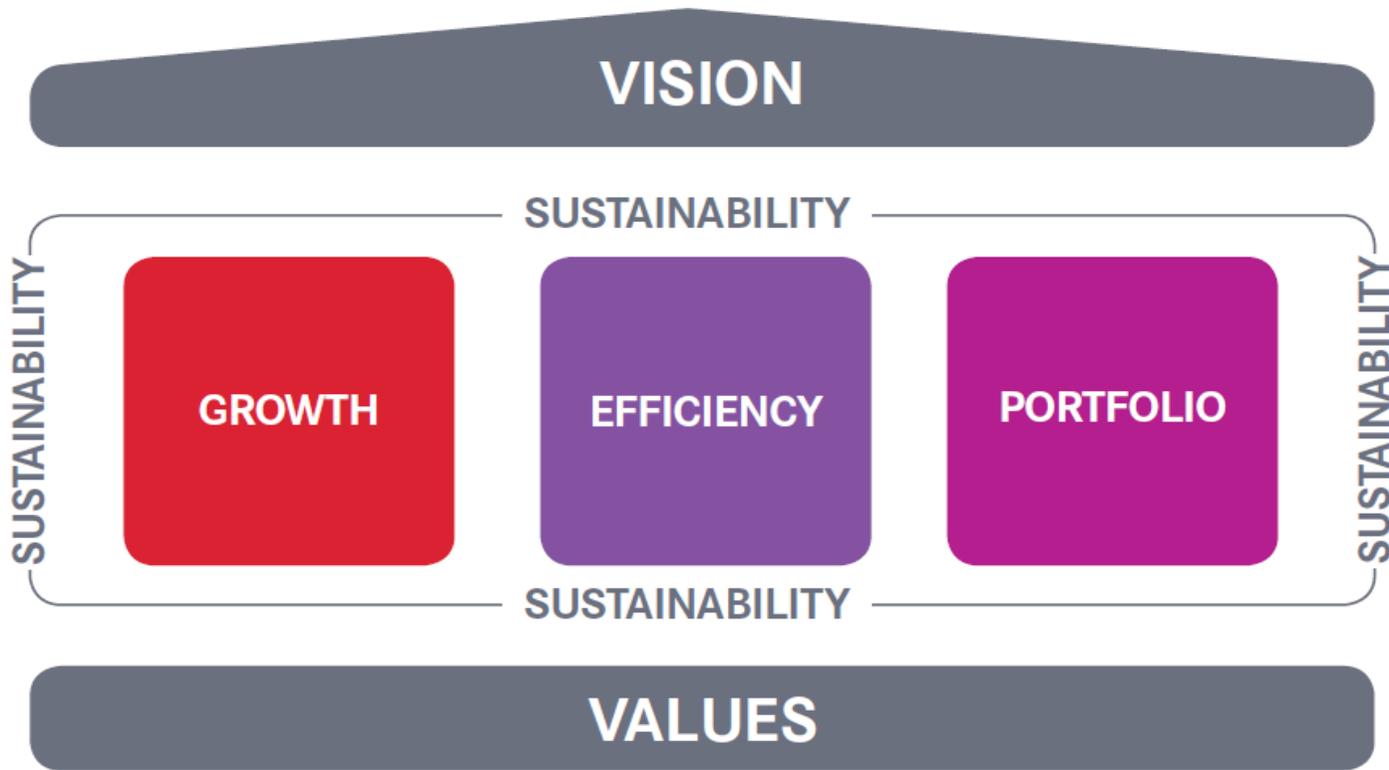
Resilient business model and innovative portfolio
Emerging Market exposure (48%)
High profitability

Strong financials

Constantly high cash flow
Moderate investment requirements
Strong balance sheet – attractive dividends

CORPORATE STRATEGY

AIMING AT SUSTAINED PROFITABLE GROWTH



LONG-TERM OBJECTIVES 2020



Financials

Objectives 2012 - 2020

Sales

Increase sales by more than €1.0bn
based on sales CAGR of 5% to 7%

EBITDA

Increase EBITDA to more than €500m
based on an annual EBITDA margin between 19% and 22%

Operational

Objectives 2012 - 2020

Portfolio

Increase share of sales from Emerging Markets to 2/3 of total sales

Generate turnover via well-balanced customer portfolio of global, regional and local accounts. Maintain balanced sales split with each group contributing 1/3 of sales

Accelerate innovation and expand competencies in Life Essentials and Consumer Health

Sustainability

Source 100% of key raw materials from sustainable sources

Expand share of strategic raw materials coming from backward integration to 40%

Reduce environmental footprint by 33%

(CO₂ emissions, energy use, water consumption, waste volume, waste water)

SYMRISE

INVESTOR RELATIONS



Financial Calendar:

March 10, 2014
Annual Report 2013

May 6, 2014
3 Month Results

May 14, 2014
Annual General Meeting

August 7, 2014
6 Month Results

November 4, 2014
9 Month Results

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