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Symrise Company Presentation

J.P. Morgan Global Consumer & Retail Conference

Olaf Klinger (CFO) – May 14, 2019 – London

Agenda

Overview



-
- 1 Who is Symrise?
 - 2 Financials
 - 3 M&A
 - 4 Investment Highlights
 - 5 Outlook
 - 6 Appendix
-

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Who is Symrise?

Symrise

Overview



Symrise's products provide exciting flavor and fragrance experiences and contribute to the health and well-being of consumers in

~160
countries around
the world.

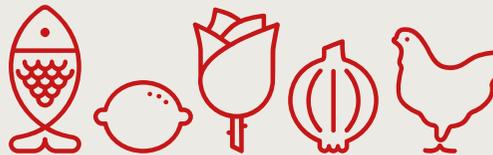


Symrise offers
~30,000

*innovative fragrances and flavors,
cosmetic ingredients and pet
food ingredients.*

Based on
~10,000
mostly natural raw
materials

*including vanilla, citrus products, onions, fish,
meat and flower and plant materials, these
products are custom-tailored for every region
of the world.*



*Furthermore, for solutions in the health and personal
care application areas, we provide*
**biofunctional and bioactive ingredients
and substances.**

~10,000
employees



*around the world make up the company.
Their hard work, passion and diversity are
key to the company's success.*

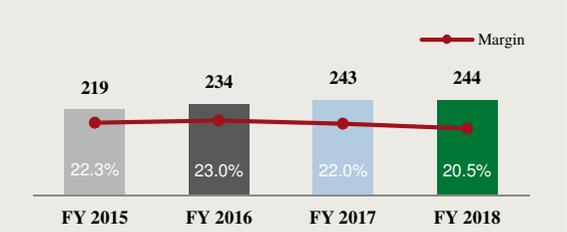
Products and solutions for every need

Megatrends open up growth areas and drive value creation



The Flavor Segment

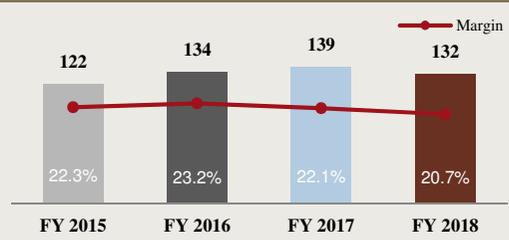


Flavor		Sales development <i>In €m</i>																				
<p data-bbox="465 715 629 820">Beverages Savory Sweet</p> 	<ul style="list-style-type: none"> · <i>Symrise produces flavorings used by customers to give foods and beverages their individual tastes.</i> · <i>We supply individual flavorings used in end-products, as well as complete solutions (actual flavor plus additional functional ingredients).</i> 	<p data-bbox="1413 884 1720 943">EBITDA* development <i>In €m / in % of sales</i></p>  <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Sales (€m)</th> <th>EBITDA (€m)</th> <th>Margin (%)</th> </tr> </thead> <tbody> <tr> <td>FY 2015</td> <td>980</td> <td>219</td> <td>22.3%</td> </tr> <tr> <td>FY 2016</td> <td>1,016</td> <td>234</td> <td>23.0%</td> </tr> <tr> <td>FY 2017</td> <td>1,102</td> <td>243</td> <td>22.0%</td> </tr> <tr> <td>FY 2018</td> <td>1,191</td> <td>244</td> <td>20.5%</td> </tr> </tbody> </table>	Fiscal Year	Sales (€m)	EBITDA (€m)	Margin (%)	FY 2015	980	219	22.3%	FY 2016	1,016	234	23.0%	FY 2017	1,102	243	22.0%	FY 2018	1,191	244	20.5%
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FY 2018	1,191	244	20.5%																			

* EBITDA means earnings before interest, taxes, depreciation and amortization

The Nutrition Segment



Nutrition		Sales development In €m															
<p data-bbox="474 715 613 858">Food Pet Food Aqua Probi*</p> 	<ul data-bbox="869 624 1373 1141" style="list-style-type: none"> · <i>The Nutrition segment is the world leader in solutions for food production based on natural ingredients.</i> · <i>We produce food ingredients comprising natural sensory product solutions (e.g. taste, texture, color and functionality) for foods and beverages, product solutions and services for improving the taste and pets' acceptance of pet food, progressive natural and sustainable marine ingredients for aquacultures, as well as probiotics for foods, beverages and nutritional supplements.</i> 	<div data-bbox="1402 630 1980 869"> <p data-bbox="1435 884 1711 911">EBITDA development</p> <p data-bbox="1435 916 1659 943"><i>In €m / in % of sales</i></p>  <table border="1"> <thead> <tr> <th>FY</th> <th>EBITDA (€m)</th> <th>Margin (%)</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>122</td> <td>22.3%</td> </tr> <tr> <td>2016</td> <td>134</td> <td>23.2%</td> </tr> <tr> <td>2017</td> <td>139</td> <td>22.1%</td> </tr> <tr> <td>2018</td> <td>132</td> <td>20.7%</td> </tr> </tbody> </table> </div>	FY	EBITDA (€m)	Margin (%)	2015	122	22.3%	2016	134	23.2%	2017	139	22.1%	2018	132	20.7%
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* Probi AB is listed in Sweden; Symrise owns 57.65% as per December 31, 2018

The Scent & Care Segment



Scent & Care

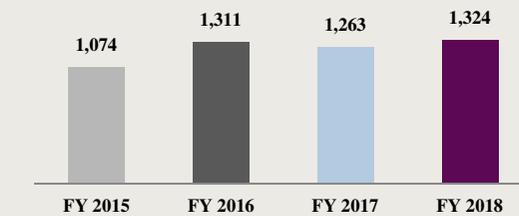
**Fragrances
Cosmetic Ingredients
Aroma Molecules**



- *Scent & Care is divided in the three global divisions Fragrances, Cosmetic Ingredients and Aroma Molecules.*
- *The Fragrance division develops perfume oils used in fine fragrances and consumer fragrances (personal care and household products), as well as mint flavors for oral care products.*
- *The Cosmetic Ingredient division includes active ingredients, sun protection, hair care, micro protection, functionals, botanicals and color solutions.*
- *The Aroma Molecules division comprises the production of menthols, scent components and cooling substances.*

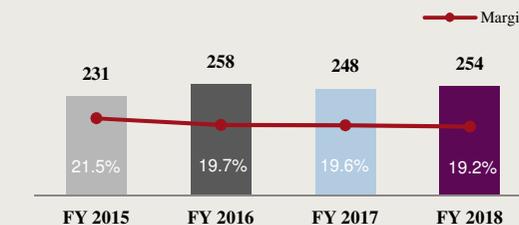
Sales development

In €m



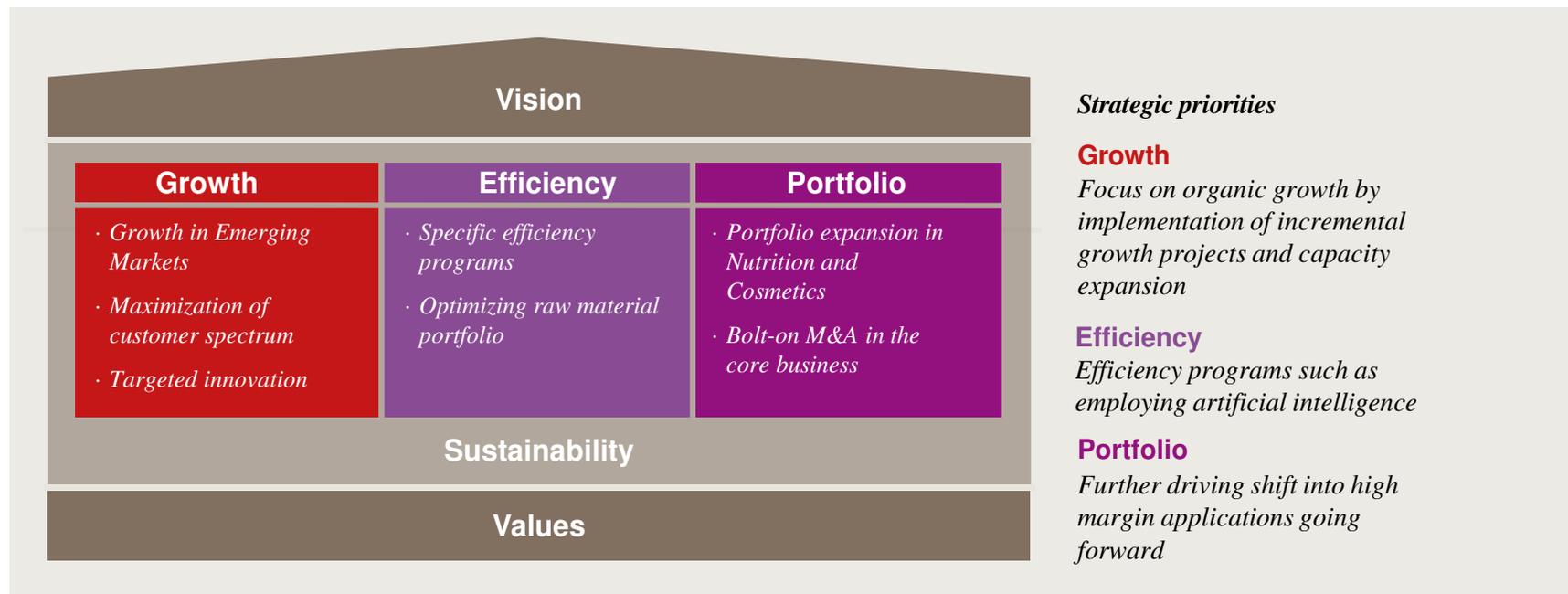
EBITDA development

In €m / in % of sales



Corporate strategy

Consequent strategy implementation pays off



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 ~43%.*

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.*

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

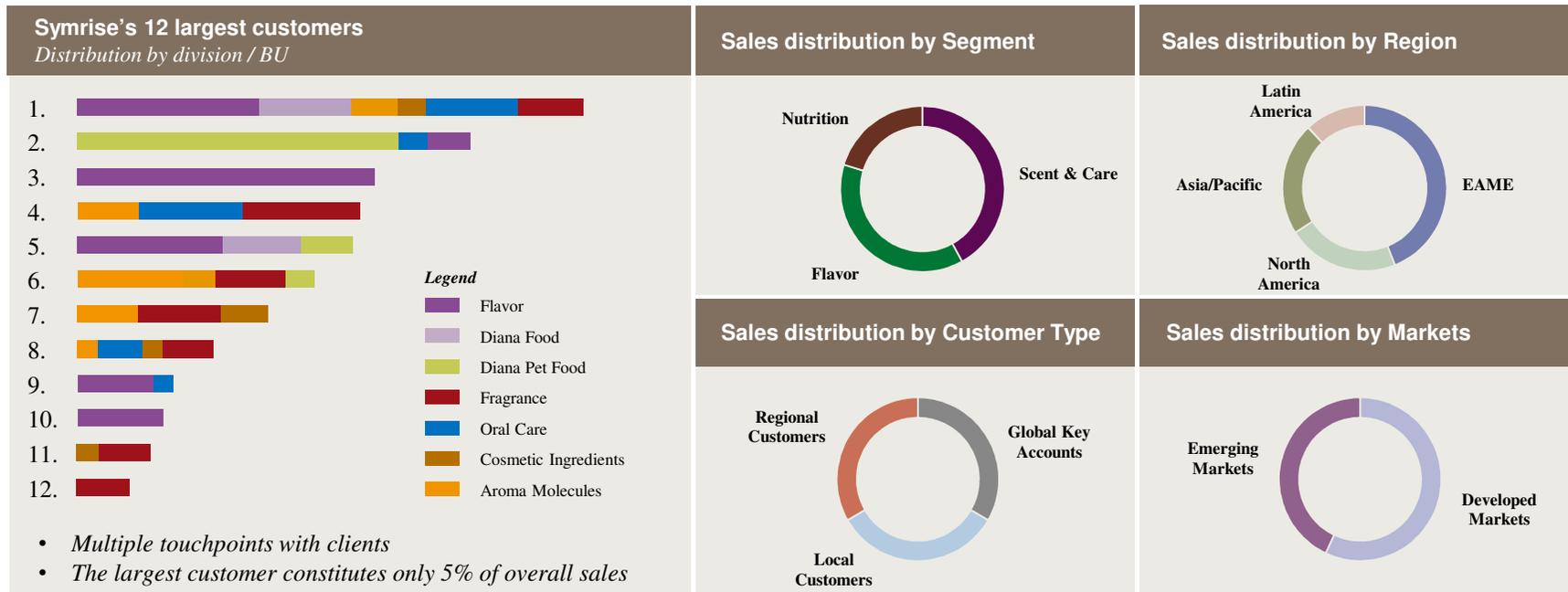
Tailor-made products *with generally small volumes and decreasing product life cycles.*

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

Short-term visibility.

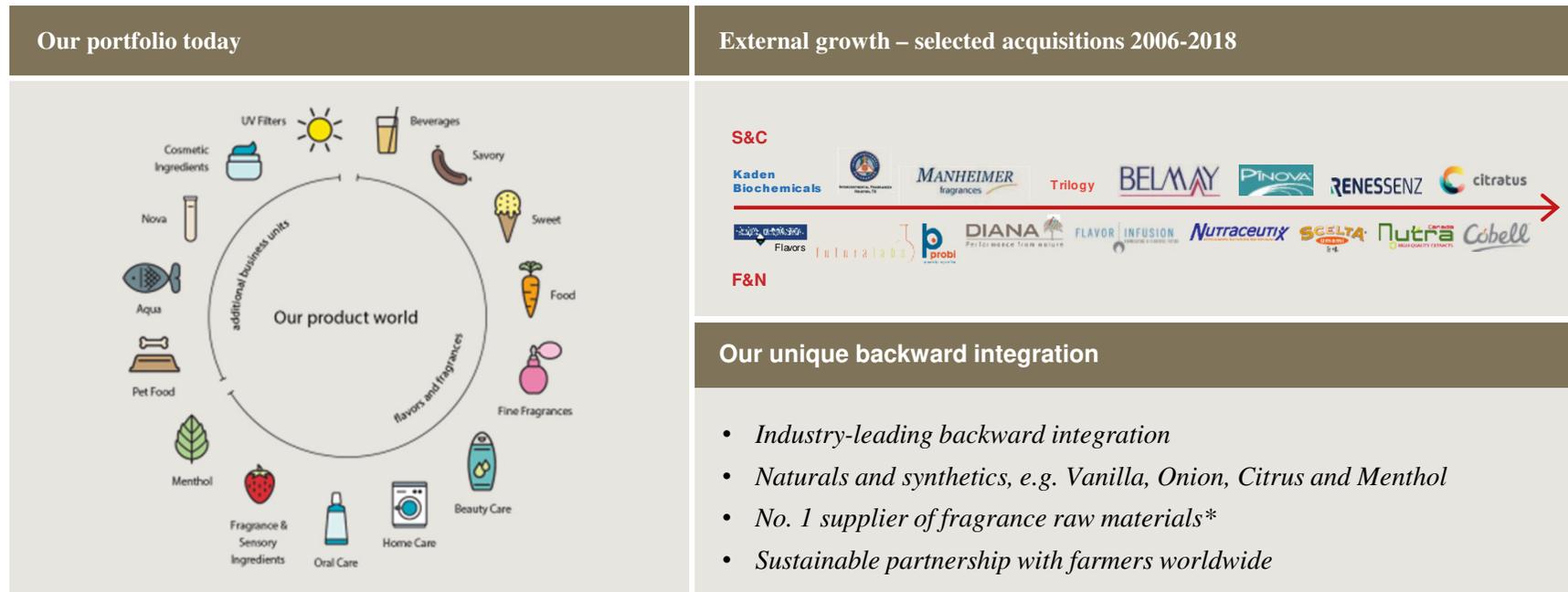
Well-balanced Business Portfolio

across segments, customers, regions and markets



Beyond traditional Flavor & Fragrances

Building a unique portfolio



* E.g. > 80% of oral care compounds are homemade (Menthol, Anethol, Carvone and Cooling compounds)

Growth and Sustainable Business

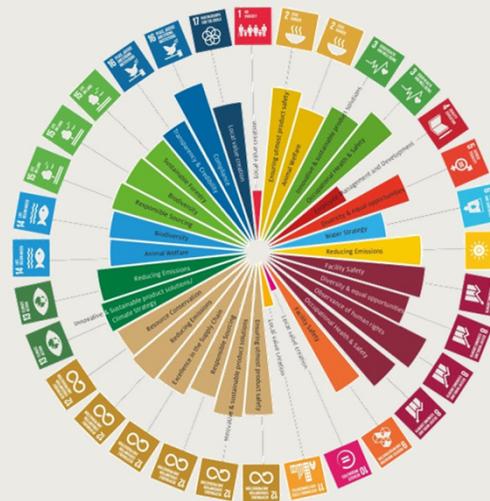
by implementing the UN Sustainable Development Goals



United Nations Sustainable Development Goals



We actively measure our progress



Recent Awards received

Carbon Disclosure Project

Top rating in the categories air, water, forest

EcoVadis

Gold status for corporate social responsibility

DQS

Excellence Award for “Green Chemistry” and “Social Engagement”

German Sustainability Award

Category: Large corporations



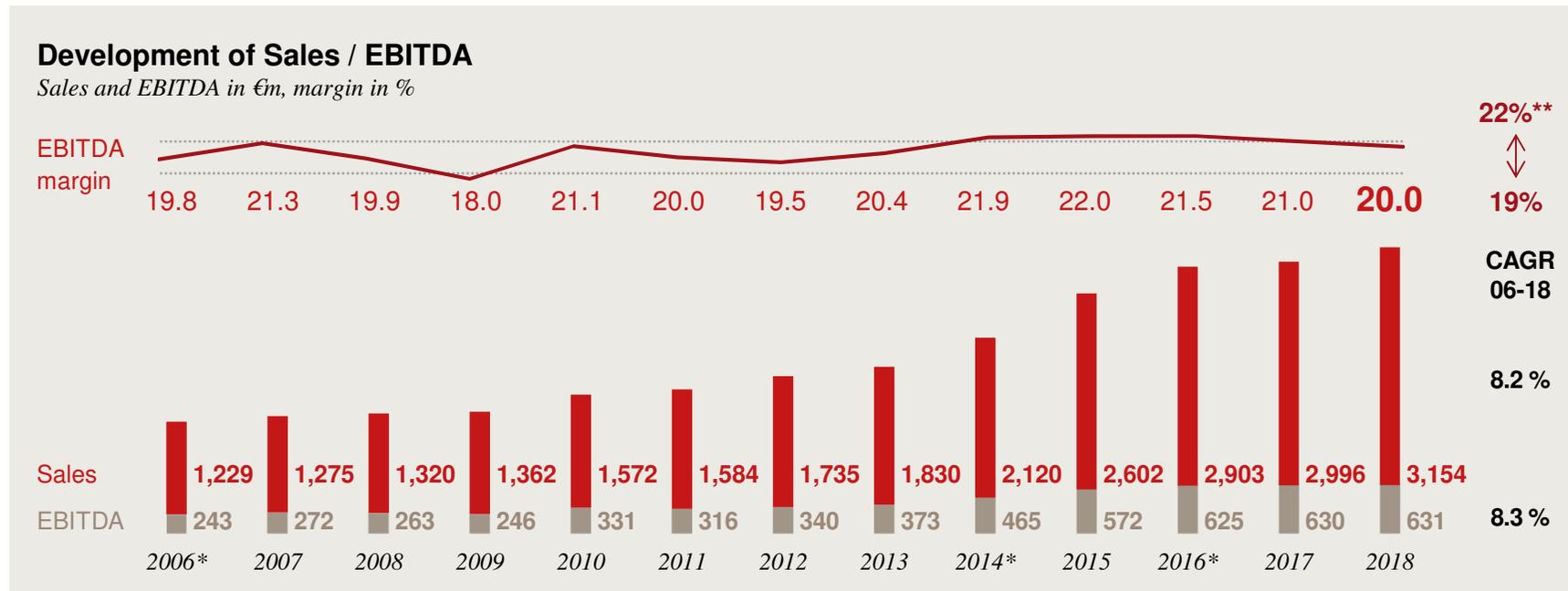
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Financials

Sales and EBITDA

Profitable growth and creating value since IPO



* EBITDA adjusted for restructuring and integration expenses

**19-22% EBITDA margin target since 2012

Financial Highlights 2018

Symrise records another year of outstanding sales growth



<p>Sales</p> <p>€ 3,154m</p> <p>+5.3% in reporting currency</p> <p>+8.8% Organic growth</p>	<p>Cash flow from operating activities</p> <p>€ 442m</p> <p>+12%</p> <p>New KPI since 2018 Business Free Cash Flow*</p>	<p>Net Debt</p> <p>€ 1,380m</p> <p>Net Debt (including pensions)</p> <p>€ 1,893m</p>
<p>EBITDA Margin</p> <p>20.0%</p> <p>EBITDA</p> <p>€ 631m</p>	<p>Net income**</p> <p>€ 275m</p> <p>Earnings per share***</p> <p>€ 2.12</p>	<p>Investments</p> <p>Mainly for accelerated growth initiatives</p> <p>€ 226m or 7.2% of sales</p>

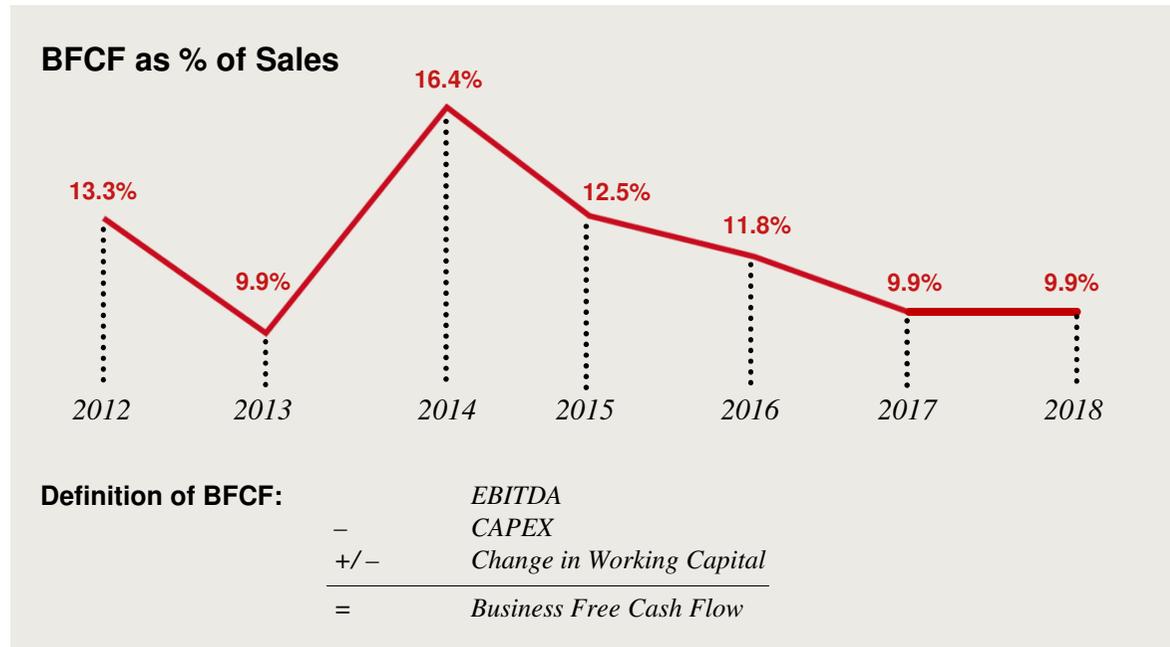
* Business Free Cash Flow = EBITDA – CAPEX +/- Change in Working Capital

**attributable to shareholders of Symrise AG

*** undiluted

Business Free Cash Flow

introduced as a new internal KPI for 2018



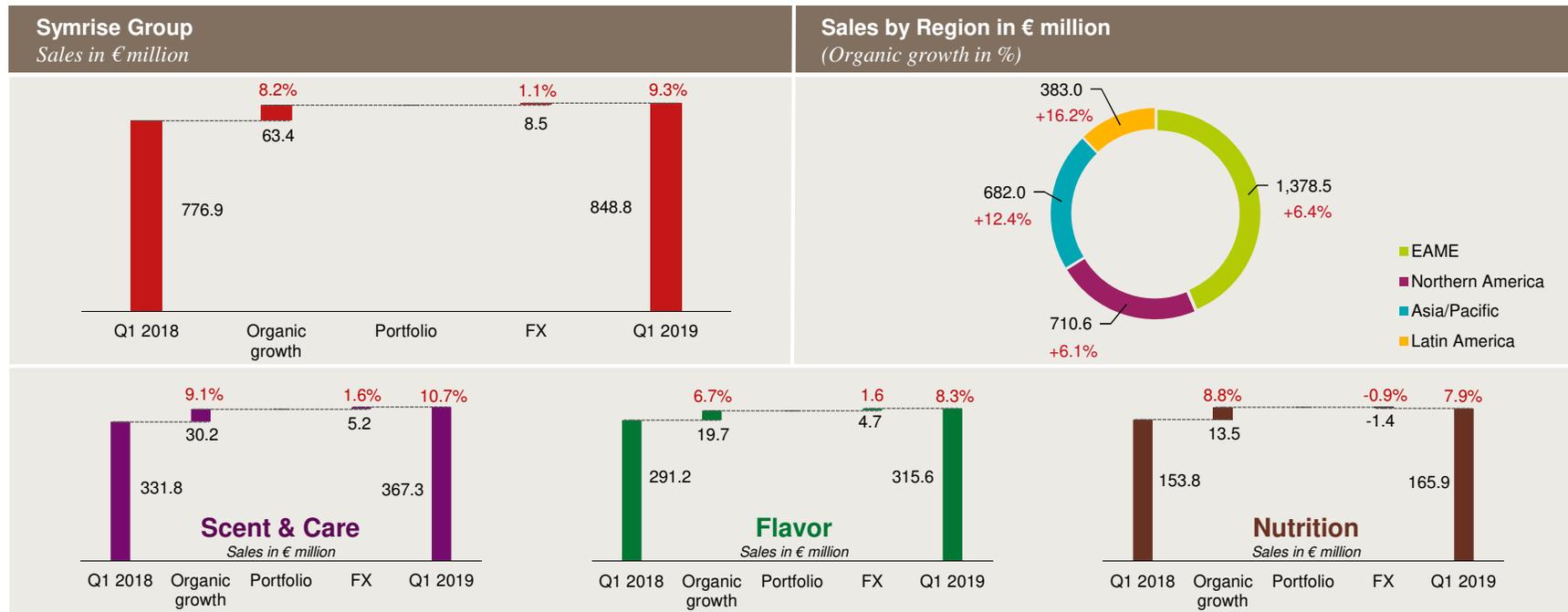
10% BFCF in % of sales in line with past year despite inventory challenges and highest ever capacity growth investment

Limited EBITDA Growth vs. 2017
Working Capital Growth in line with topline growth
CAPEX above guidance: 7.2% in 2018

Ambition
 Steady improvement of BFCF as % of sales until 2025

Q1 2019

On track for strong growth



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M&A

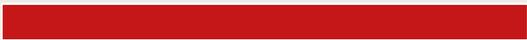
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ADF/IDF

A unique provider of meat- and egg-based protein



<p>ADF/IDF is operating 2 business segments...</p>				<p><i>... serving a diversified client base</i></p>		
<p>Chicken  \$136m 62 %</p>		<p>Egg  \$84m 38 %</p>		<p>Key multinationals <i>Long-standing relationship Recurring and stable revenue</i></p>		
<p>Meat-based ingredients</p>		<p>Egg-based ingredients</p>		<p>Growing regional brands <i>Fostering product innovation Providing further growth potential</i></p>		
<ul style="list-style-type: none"> • <i>Chicken-based ingredients for pet food and food</i> • <i>Pet food: supporting trend of quality increase in ingredients by providing protein specialties</i> • <i>Food: pioneer in clean label & natural taste solutions</i> 		<ul style="list-style-type: none"> • <i>Egg-based ingredients for pet food</i> • <i>Leading provider of egg-based protein specialties</i> • <i>Supporting premium and super-premium pet food brands to develop non-extruded products that mirror human food</i> 		<p><i>... already fully refinanced</i></p> <ul style="list-style-type: none"> - 400m capital increase - 250m Schuldschein (promissory note) - 200m term loan 		
 <p>Protein</p>	 <p>Broth</p>	 <p>Bone Broth</p>	 <p>Fat</p>	 <p>Nutritional egg</p>	 <p>Binding egg</p>	 <p>Emulsifying egg</p>

Financing proposed acquisition ADF/IDF

All three Facilities completed



Bridge and Term Facilities Agreement €800m / 31 Jan 2019		
<p><i>Facility A</i> Bridge to Equity*</p> <p>€400m</p> <p><i>Accelerated book building of primary shares Offer price €71.25 / Volume €400m Pricing date 8 Feb 2019 BNP and UniCredit</i></p>	<p><i>Facility B</i> Bridge to Debt</p> <p>€200m [increased to €250m]</p> <p><i>Issuance of a Schuldschein loan Size €200m Launch date 22 Feb 2019 Estimated settlement 29 Mar 2019 LBBW, Helaba and Commerzbank</i></p>	<p><i>Facility C</i> Term Loan</p> <p>€200m</p> <p><i>Syndication amongst existing banking group Term 5Y, amortizing Closing 25 Feb 2019</i></p>

* 5,614,036 new shares; increase from 129,812,574 to 135,426,610 shares

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Investment Highlights



Investment Highlights

Diversified, stable and profitable growth



Leading global focused F&F producer	Attractive and well-positioned business model with exposure to fundamental macro trends	Cash generation and profitable growth	Investment-Grade Financing Structure
<p>—</p> <p>Symrise is a leading supplier of consumer ingredients with approx. 10% market share of the global AFF market</p> <p>—</p> <p>Outperformed peers in top-line growth in recent years</p> <p>—</p> <p>Strong and experienced management with proven track record since Symrise IPO in 2006</p>	<p>—</p> <p>Diversified business model by segments and regions with well-positioned portfolio that allows to participate in future growth dynamics across several industries and cross-linking of competencies</p> <p>—</p> <p>High barriers to entry and stable oligopoly market structure</p> <p>—</p> <p>Favourable industry dynamics with robust above GDP growth prospects in a diverse range of end-markets, supported by global macro trends</p>	<p>—</p> <p>Constantly strong EBITDA and OCF margin in recent five years supports cash generation; Sales CAGR of approx. 11% p.a. suggests good future cash generation</p> <p>—</p> <p>Investments in growth are currently at peak and should decline over the next years, whilst profitability should further increase. Additionally, management implemented cash-based KPIs to improve sensibility for margin strength</p>	<p>—</p> <p>Top priority is to remain an Investment-Grade Profile</p> <p>—</p> <p>Conservative Financial Policy – last acquisition was financed via Equity & Debt</p> <p>—</p> <p>Long-term leverage target of 2.0 to 2.5x (Net Debt incl. Pensions to EBITDA)</p> <p>—</p> <p>Well-balanced maturity profile with strong access to Equity and Debt Capital Markets</p>

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Outlook



Outlook 2019

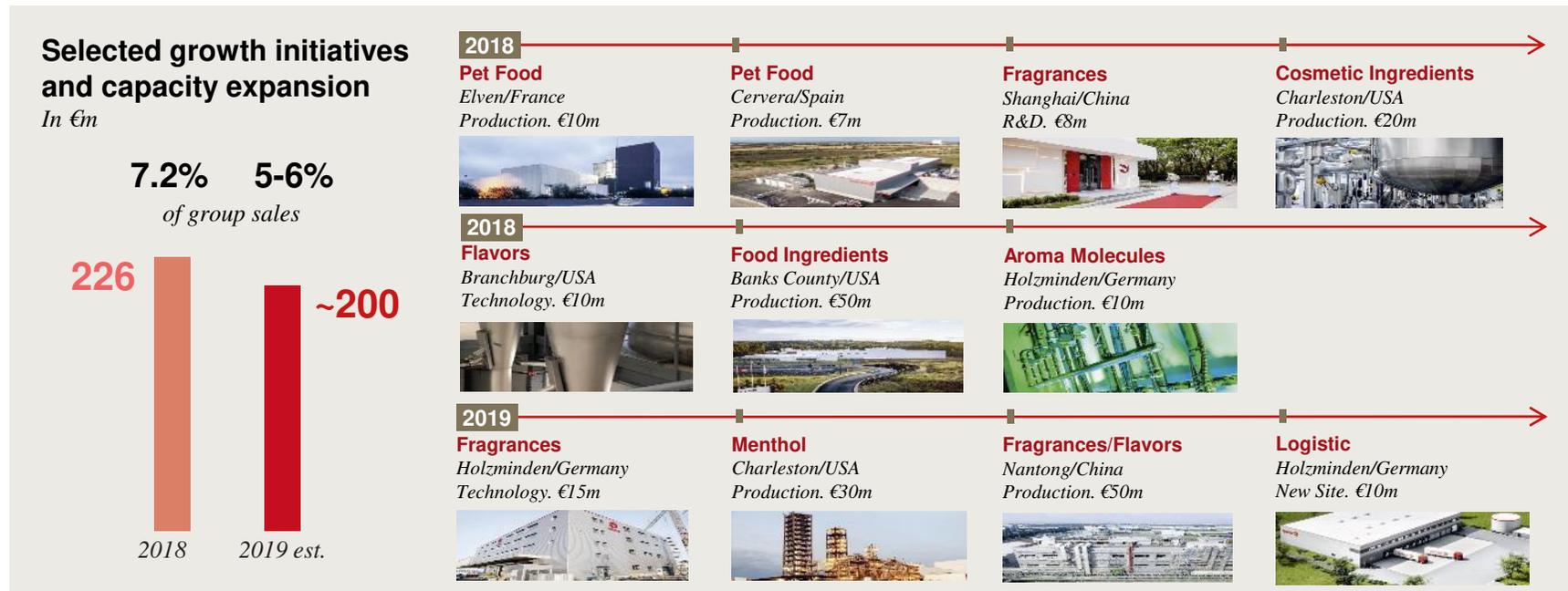
Confident to achieve targets



Targets 2019*		Growth dynamics
<p>Grow faster than the relevant market</p> <p>> 3-4%</p>	<p>Organic growth</p> <p>5-7%</p> <p>CAGR</p>	<p>— Promising start into 2019 <i>Ongoing good business dynamics and project pipeline</i></p> <p>— Added competencies and further differentiated portfolio <i>through integration of ADF/IDF</i></p>
<p>Profitability</p> <p>~20%</p> <p>EBITDA</p>	<p></p> <p>Strong focus on cash flow</p>	<p>— Industry leading backward integration <i>with focus on naturals</i></p> <p>— Capacity expansion in growth segments and markets <i>to fully leverage growth opportunities</i></p>

* Impact of ADF/IDF not included

Driving growth through targeted investments especially in R&D, technology and capacity expansion



Objectives 2025

Supported by our proven strategy



Financial goals	2020	2025
Sales growth	5 – 7 % pa (CAGR)	5 – 7 % pa (CAGR)
Sales in Emerging markets	> 50 %	> 50 %
Customer mix	1/3 global, regional, local	1/3 global, regional, local
EBITDA margin	19 – 22 %	20 – 23 % due to more favorable product mix
CAPEX	5 – 6 %	4 – 5 % by 2022 most of the major invests completed
Dividend	30 – 50 %	30 – 50 % planned to be continued
Sustainability goals		
Environment	33 % improvement of footprint	50 %* improvement of footprint

*Science based target (SBT) 2016-2025

Symrise AG

Financial Calendar & Contact



Financial Calendar

May 22, 2019

Annual General Meeting

August 8, 2019

H1 2019 results

October 29, 2019

9M 2019 trading statement

Contact

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Disclaimer: This document contains forward-looking statements, which are based on the current estimates and assumptions by the corporate management of Symrise AG. Future performance and the results actually achieved by Symrise AG and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors are outside Symrise's control and cannot be accurately estimated in advance, such as the future economic environment and the actions of competitors and others involved in the marketplace. Symrise neither plans nor undertakes to update any forward-looking statements.

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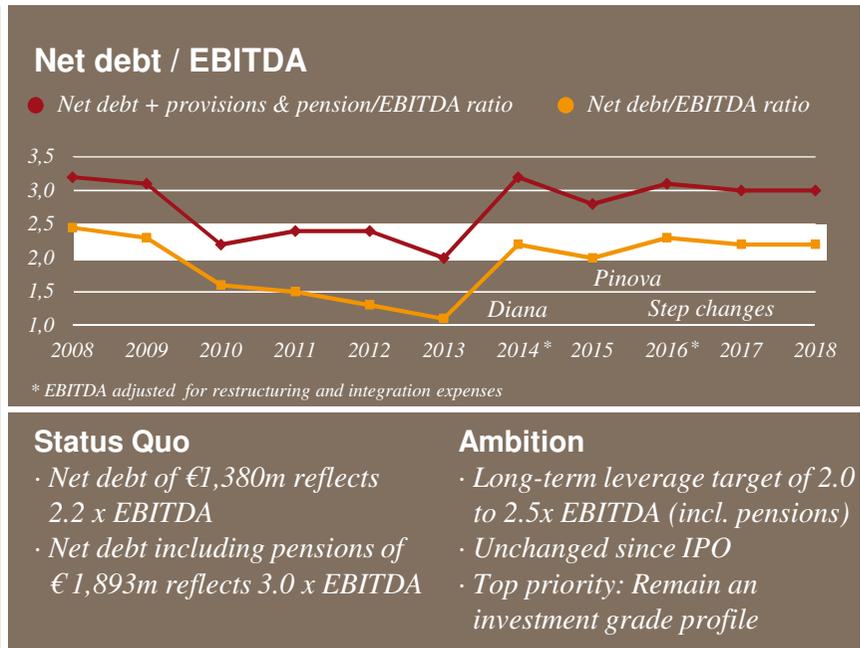
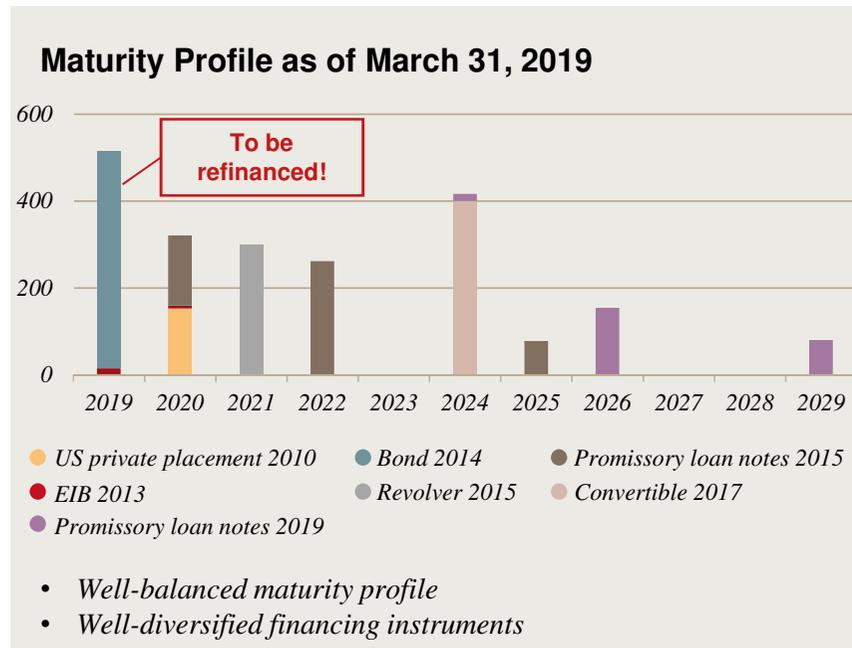


Appendix



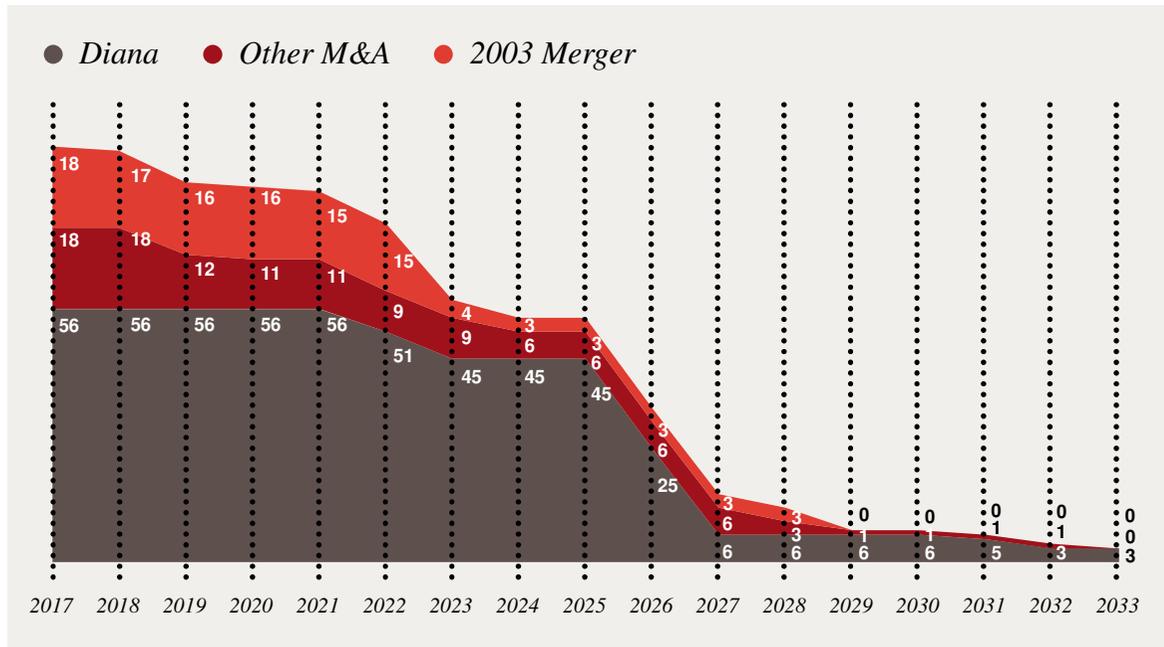
Appendix: Solid Financing Structure

Clear focus on investment grade



Appendix: Amortization from business combinations

Major effects are fading out



Main drivers

Merger of Haarmann & Reimer and Dragoco in 2003: Recipes

Acquisition of Diana in 2014: Brands, customer base and recipes

Status

Further EPS support expected over time

* only M&A-related amortization (without software or internally generated intangible assets)