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# Symrise Investor Presentation

Olaf Klinger (CFO) – June 2019

# Agenda

## *Overview*

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- 1 Who is Symrise?
  - 2 Financials
  - 3 Investment Highlights
  - 4 Outlook
  - 5 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.

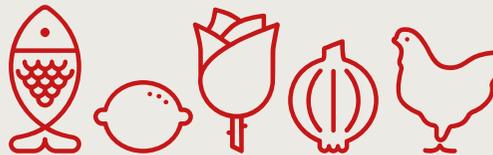


Symrise offers  
**~30,000**

*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.**

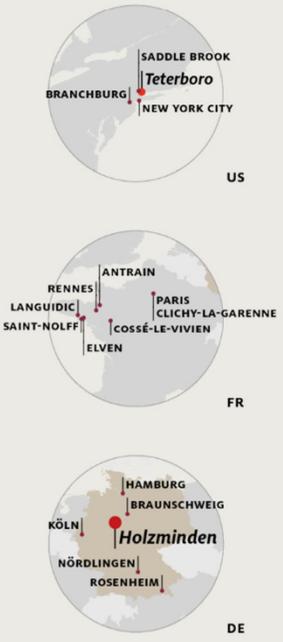
**~10,000**  
employees



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

# The Symrise Group

>100 Sites Around the World



# Industry

## *An attractive niche*



***Megatrends support organic growth:***

*...health & wellness ... middle class boom & urbanization ... naturalness & sustainability ... traceability ... vegetarian food ...*

**Industry tied to population growth and disposable income;** *little dependence on cyclical, economic trends.*

**High market concentration** – *top 4 players with ~47%.*

**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 for ~30,000 products.*

**Short-term visibility.**

Products and solutions for every need  
*We operate our business through three segments*

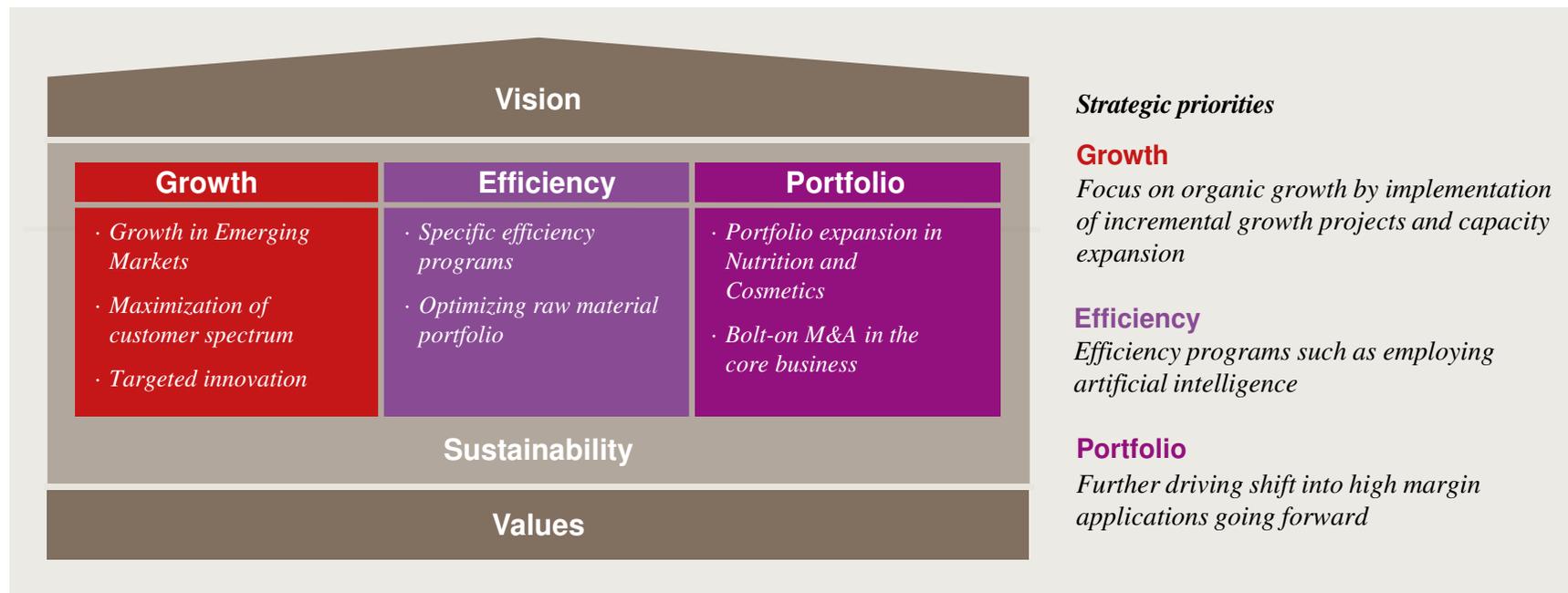


				
<b>FLAVOR</b>	<b>NUTRITION</b>	<b>SCENT &amp; CARE</b>		
<b>Flavor</b> Beverages Savory Sweet	<b>Diana</b> Food Pet food Aqua Probi*	<b>Fragrances</b> Fine fragrances Consumer fragrances Oral care	<b>Cosmetic Ingredients</b> Cosmetic actives Sun protection	<b>Aroma Molecules</b> Scent components Menthol Cooling substances

\* Probi AB is listed in Sweden; Symrise owns 57.65% as per December 31, 2018

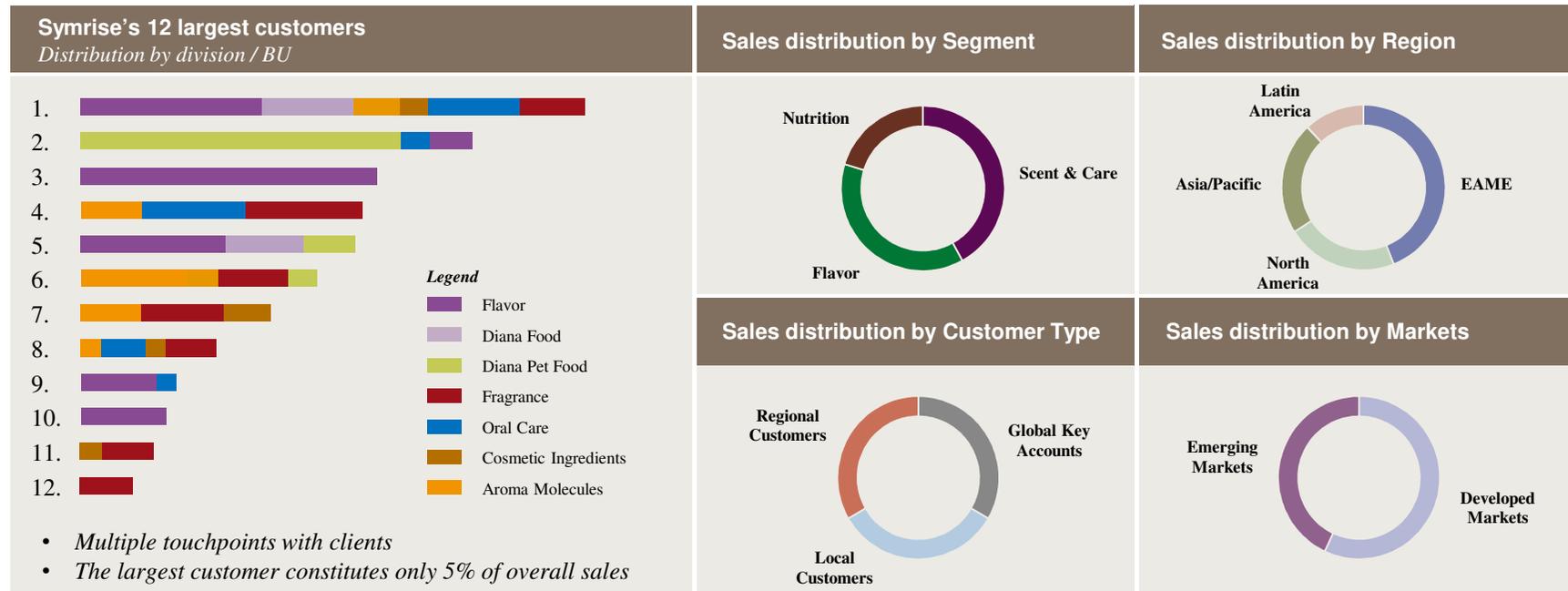
# Corporate strategy

*Consequent strategy implementation pays off*



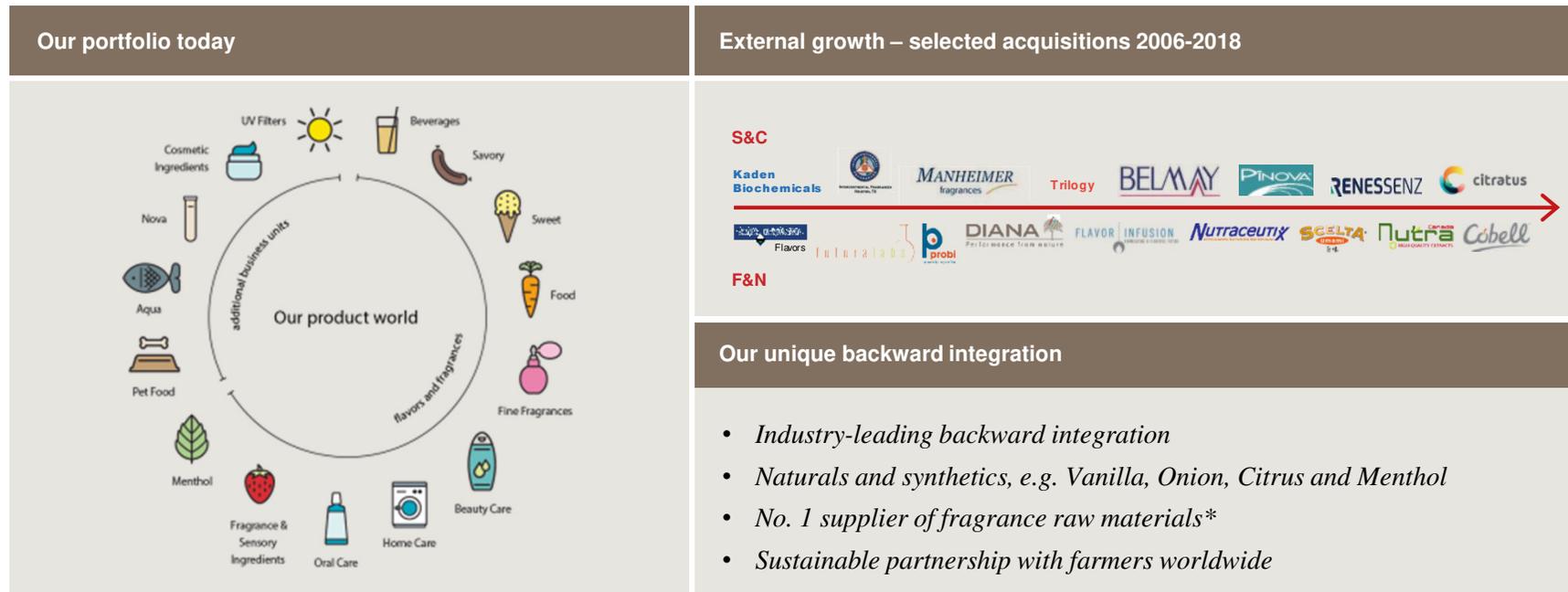
# Well-balanced Business Portfolio

*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)

# Scent & Care using Artificial Intelligence

*IBM Research and Symrise bring fragrance into the digital age*



—  
**Symrise partnered with IBM Research to create PHILYRA, an AI digital model** *that disrupts the status quo for fragrance development.*

—  
**A revolution in fragrance creation.** *The last major innovation was in 1874 when Symrise created the first synthetic ingredient.*

—  
**Entering the digital age for the perfume industry.** *PHILYRA contains an archive of almost 2000 formulas and historical data ; she then uses machine learning to generate new fragrance formula combinations that achieve innovative and disruptive results*

—  
**The model combines machine intelligence but relies on perfumers' expertise** *to marry consumer preferences and product design with PHILYRA's formulas*

—  
*Symrise perfumer David Apel creating new perfumes with the help of artificial intelligence*

# Scent & Care using Artificial Intelligence

## *O Boticario Fragrances Egeo ON You and ON Me*



**June 2019 : The first PHILYRA project launched with *O Boticario*, the #1 Brazilian Fragrance Company**

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*PHILYRA created two fine fragrances for the youth-oriented EGEO brand*

*The AI fragrances scored higher than market fragrances in consumer blind-tests for liking*

## Scent & Care expanding Cosmetic Ingredients

*New naturally derived product successfully launched*

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—  
*Hydrolite® 5 Green is used in numerous applications to moisturize skin, enhance efficacy of ingredients and improve appearance, consistency and protection of the end product*

—  
***Completely natural-based and sustainably from a by-product generated in producing sugar from sugar cane – no-GMO material***

—  
***Combines efficacy and naturalness with a patented production process which optimizes the environmental efficiency***

—

# Backward integration

*Serving the trend towards naturals & traceability*



**1. Strategic acquisitions** that enable us to move closer to the origin of the raw materials we process.

**2. Social engagement** to improve the living conditions in regions like Madagascar and Brazil by investing in local infrastructure, education and social benefits such as health insurance.

**3. Partnerships** e.g. onion field studies in cooperation with the HOL Onion Ring

**4. Long-term contracts** and sustainability partnerships with commitment to purchase e.g. for d/l-menthol or bergamot.

**Backward integration @ Symrise**  
*comes in different shapes & forms*

**100%**  
*traceability of strategic raw materials by 2020*

# Growth and Sustainable Business

*by implementing the UN Sustainable Development Goals*



United Nations Sustainable Development Goals	We actively measure our progress	Recent awards received
		<p><b>Carbon Disclosure Project</b> <i>Top rating in the categories air, water, forest</i></p> <p><b>EcoVadis</b> <i>Gold status for corporate social responsibility</i></p> <p><b>DQS</b> <i>Excellence Award for “Green Chemistry” and “Social Engagement”</i></p> <p><b>German Sustainability Award</b> <i>Category: Large corporations</i></p> 

# “Vanilla for Change” initiative

*Shaping the future of young people in Madagascar and the UK*



**“Vanilla for Change” initiative**

- **Joint initiative** with Unilever, its brand Wall’s, Save the Children, ME to WE and Symrise, launched on May 17, 2019
- Goal is to **reinforce the support** for vanilla farmers and young people within the vanilla communities in Madagascar and young people in the UK
- UK consumers find a **‘Track Your Impact’ QR code** on each Wall’s vanilla ice cream and can learn about their specific contribution
- **Benefits** provided include health insurance, financial seminars and training for farmers, and resources and learning opportunities for teachers and students
- Promoting multiple **UN SDGs**

1 POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS

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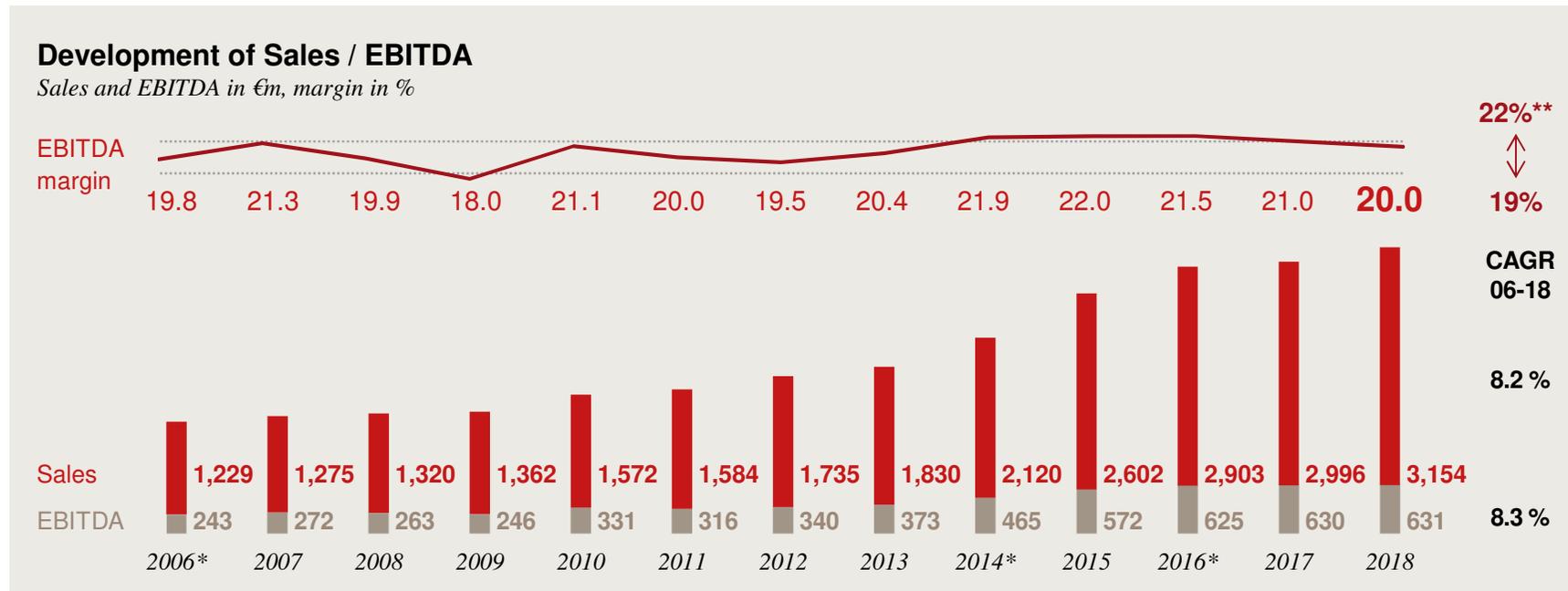


# Financials



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

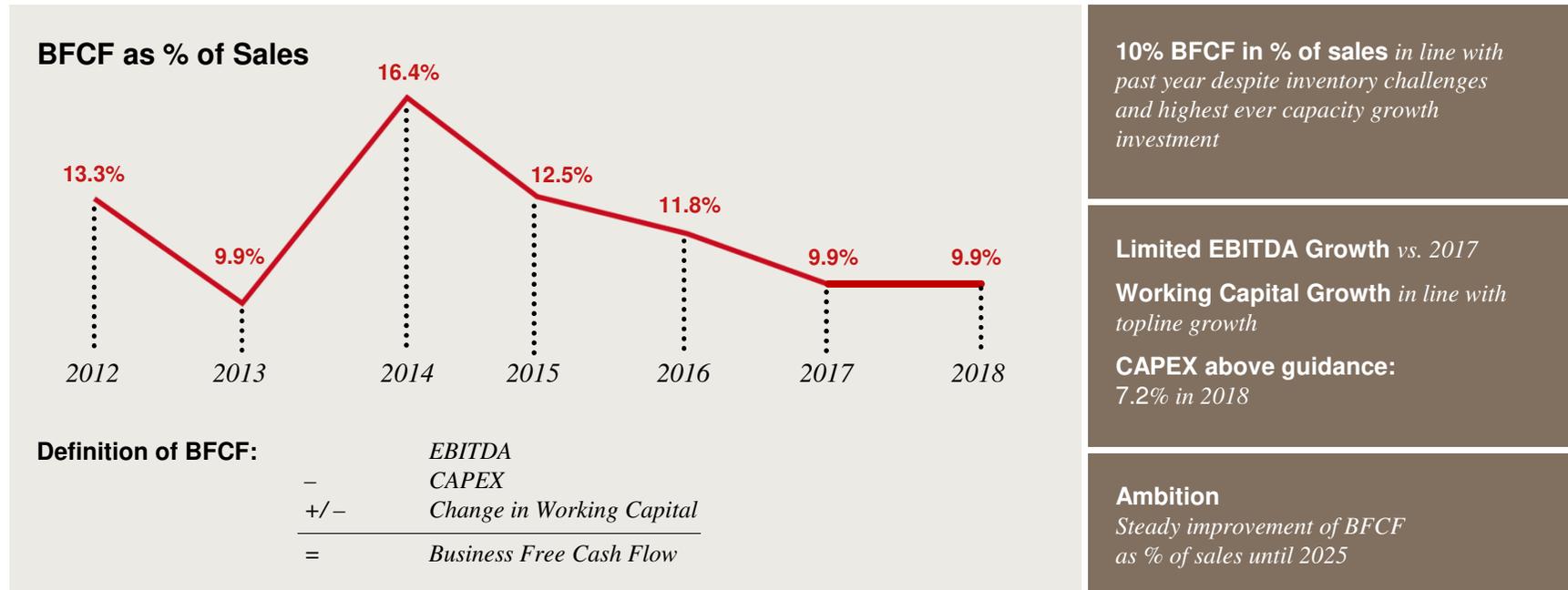
\* Business Free Cash Flow = EBITDA – CAPEX +/- Change in Working Capital

\*\*attributable to shareholders of Symrise AG

\*\*\* undiluted

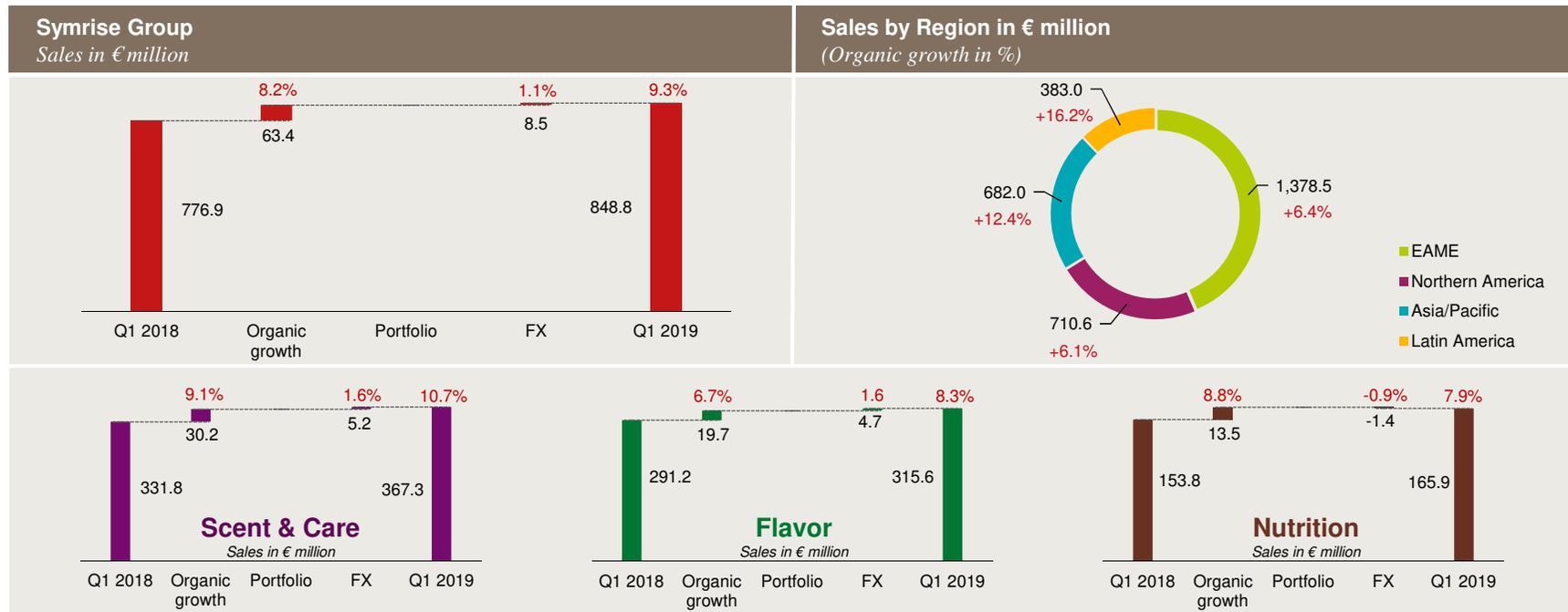
# Business Free Cash Flow

*introduced as a new internal KPI for 2018*



# Q1 2019

## On track for strong growth



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# Investment Highlights

# Investment Highlights

*Diversified, stable and profitable growth*



**Broadest product portfolio in the industry**

*...pet food... probiotics... cosmetics... flavors ... fragrances... aroma molecules ... aqua ...*

*Highest growth rates in the industry*

*Leading supplier of consumer ingredients*

**Strong focus on new technologies and R&D**

**‘ always inspiring more ’**

**German Sustainability Award 2012 and 2019**

**Benefiting from Mega Trends**

*Constantly high growth rates and high margins*

**Well balanced client, product and regional mix.**

*Investment grade profile*

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# Outlook



# Outlook 2019

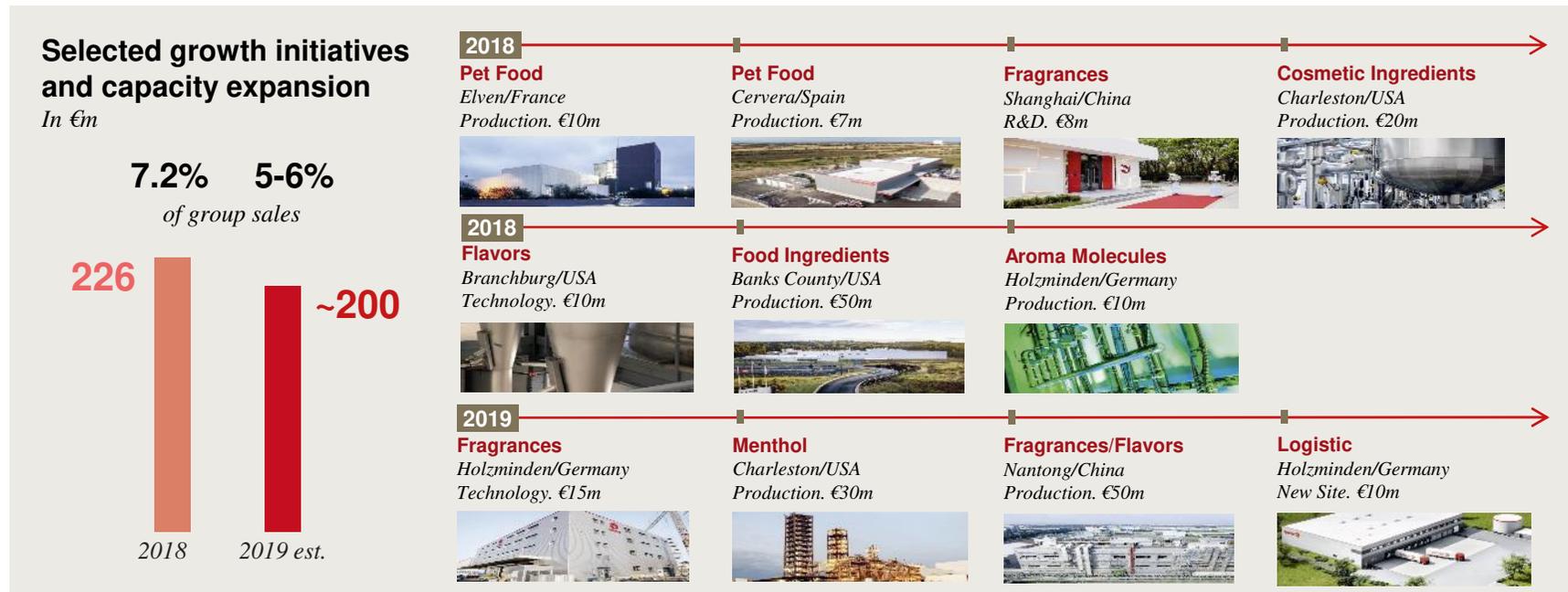
*Confident to achieve targets*



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

\* Impact of ADF/IDF not included

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



... and carefully selected acquisitions like ADF/IDF  
*A unique provider of meat- and egg-based protein*



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

# Objectives 2025

*Supported by our proven strategy*



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

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### Financial Calendar

**August 8, 2019**

*H1 2019 results*

**October 29, 2019**

*9M 2019 trading statement*

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### Contact

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37603 Holzminden, Germany*

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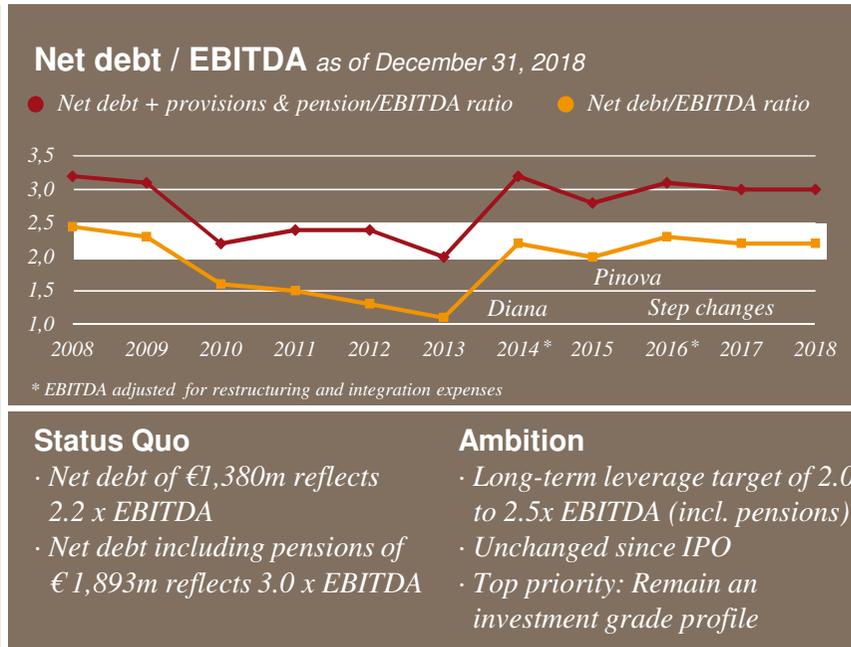
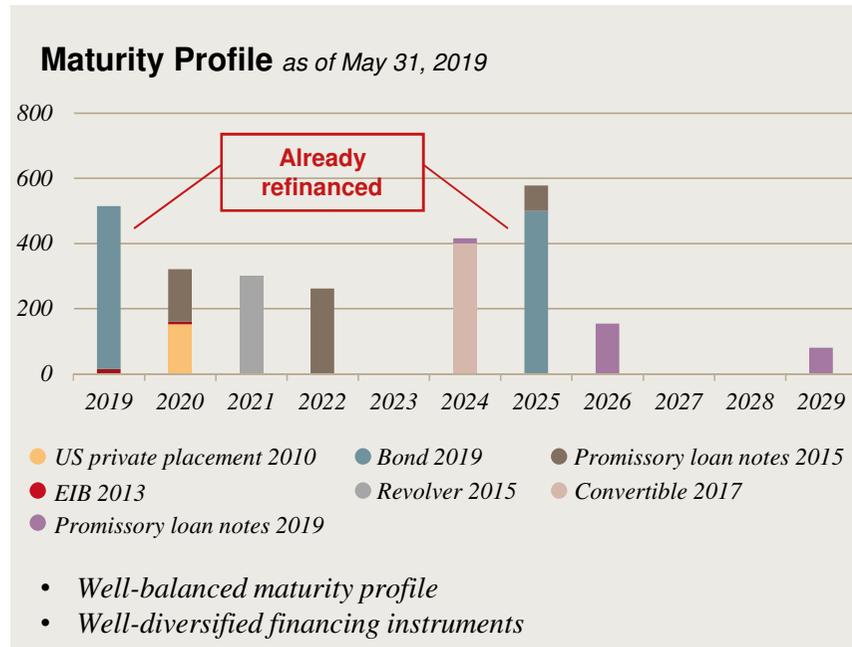


# Appendix



# Appendix: Solid Financing Structure

*Clear focus on investment grade*



# Appendix: Proposed ADF/IDF acquisition

*All three financing facilities completed*

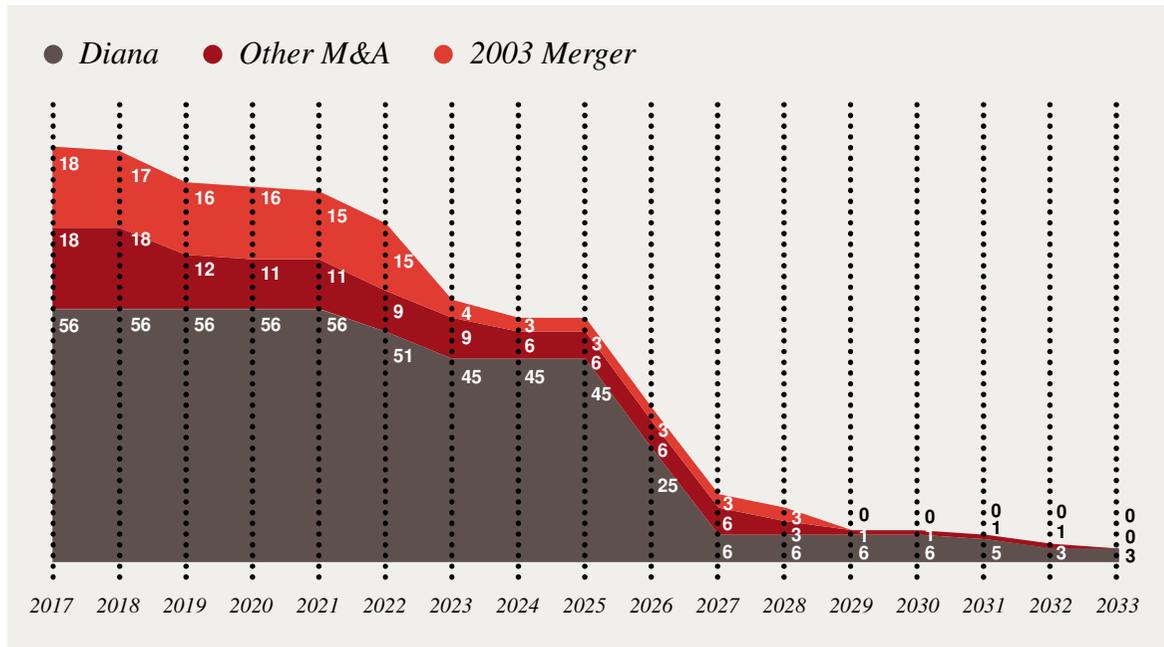


Bridge and Term Facilities Agreement €800m / 31 Jan 2019		
<p><i>Facility A</i> <b>Bridge to Equity*</b></p> <p><b>€400m</b></p> <p><i>Accelerated book building of primary shares</i> Offer price €71.25 / Volume €400m Pricing date 8 Feb 2019 BNP and UniCredit</p>	<p><i>Facility B</i> <b>Bridge to Debt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

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

# 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*

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**Status**

*Further EPS support expected over time*

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