

always
inspiring more ...

Acquisition of ADF/IDF by Symrise

January 31, 2019



A compelling transaction rationale in line with the Group's strategy



1

Enhanced positioning for Symrise in the nutrition market

2

Improved access to customers and brands

3

Outstanding fit within the Symrise Group: Nutrition (Diana) and Flavor

4

Highly complementary taste solutions

5

Enhanced financial profile of Symrise Group post-transaction

- **Strategic acquisition of an all-natural & sustainable nutrition business with focus on Diana Pet Food and Food Nutrition**
- **Strong global position in meat and egg-based protein specialties**
- **Perfect fit in culture and strategy due to joint history of ADF/IDF and Diana**

ADF/IDF: a leading US-based player in pet food and food specialty ingredients



Company highlights

Family-owned business, founded in 1978

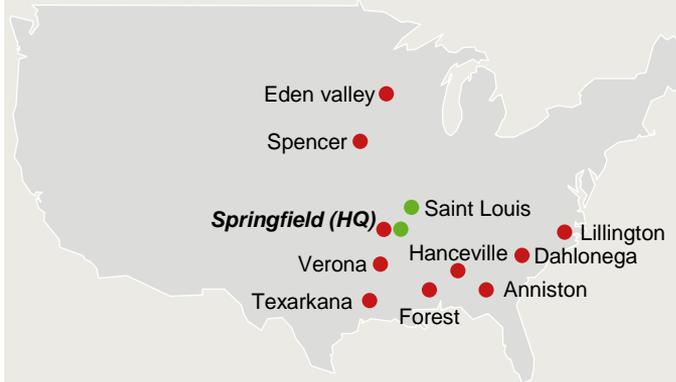
Leading developer and manufacturer of natural ingredients for pet food and food customers in the US market

Enables use of meat and egg as value-added sources of nutrition, taste and functional applications

Robust manufacturing platform of 12 facilities for R&D and production

Brand IsoNova offers unique pet food solutions using egg protein specialties

Strategic geographic footprint



- ~650,000 sq. ft. across 12 manufacturing and R&D sites
- 10 production facilities ●
- 2 R&D centers ●

Key figures⁽¹⁾

Sales: \$220 million

EBITDA: \$51 million

EBITDA margin: ~23 %

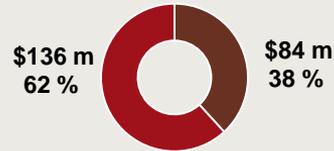
~470 employees

(1) Year-end as of October 2018

ADF/IDF: a unique provider of natural meat and egg based protein specialities



ADF/IDF is operating 2 business segments ...



Meat-based ingredients

- Chicken-based ingredients for pet food and food
- Pet food: supporting trend of quality increase in ingredients by providing protein specialities
- Food: pioneer in clean label & natural taste solutions

Protein



Broth



Bone broth



Fat



Egg-based ingredients

- Egg-based ingredients for pet food
- Leading provider of egg-based protein specialities
- Supporting premium and super-premium pet food brands to develop non-extruded products that mirror human food

Nutritional egg



Binding egg



Emulsifying egg



... serving a diversified client base

Key multinationals

—
Long-standing relationship

—
Recurring and stable revenue

Growing regional brands

—
Fostering product innovation

—
Providing further growth potential

A leading integrated natural specialty ingredient supplier



1 symrise 
Symrise and ADF/IDF combined form a leading player in natural ingredients

- Combination of strong positions in our respective core segments and regions
- Strengthening of Symrise Nutrition portfolio

2 dianapetfood 
Diana Pet Food expanding its expertise towards pet food nutrition

- Diana Pet Food access to the premium nutrition segment
- Establish a fully-integrated specialty ingredients solutions provider to the pet food industry

3 dianafood 
Diana Food reinforcing presence in the US food market

- Benefit from ADF/IDF's nutrition capabilities
- Potential to further leverage portfolio

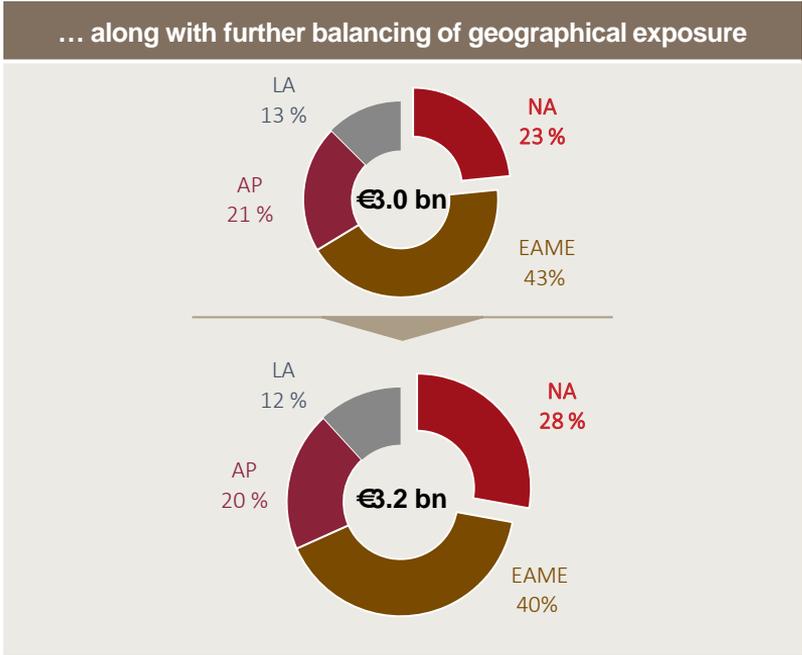
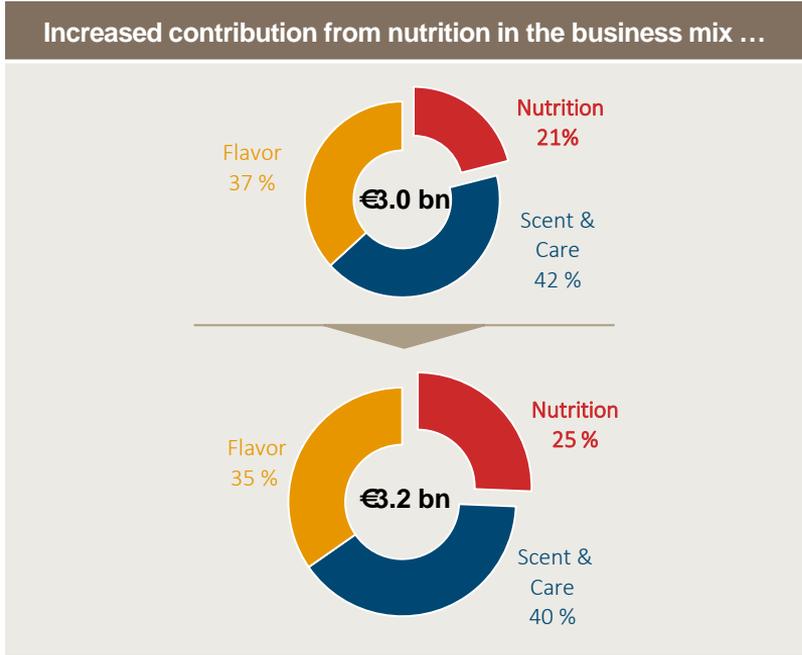
Fully in-line with Symrise strategy

- **Build backward integration portfolio of meat-based protein**
- **Maximize full customer spectrum**
- **Further expand into pet food**
- **Added competencies and further differentiated nutrition portfolio**
-

Well-balanced portfolio post-transaction

Symrise Group

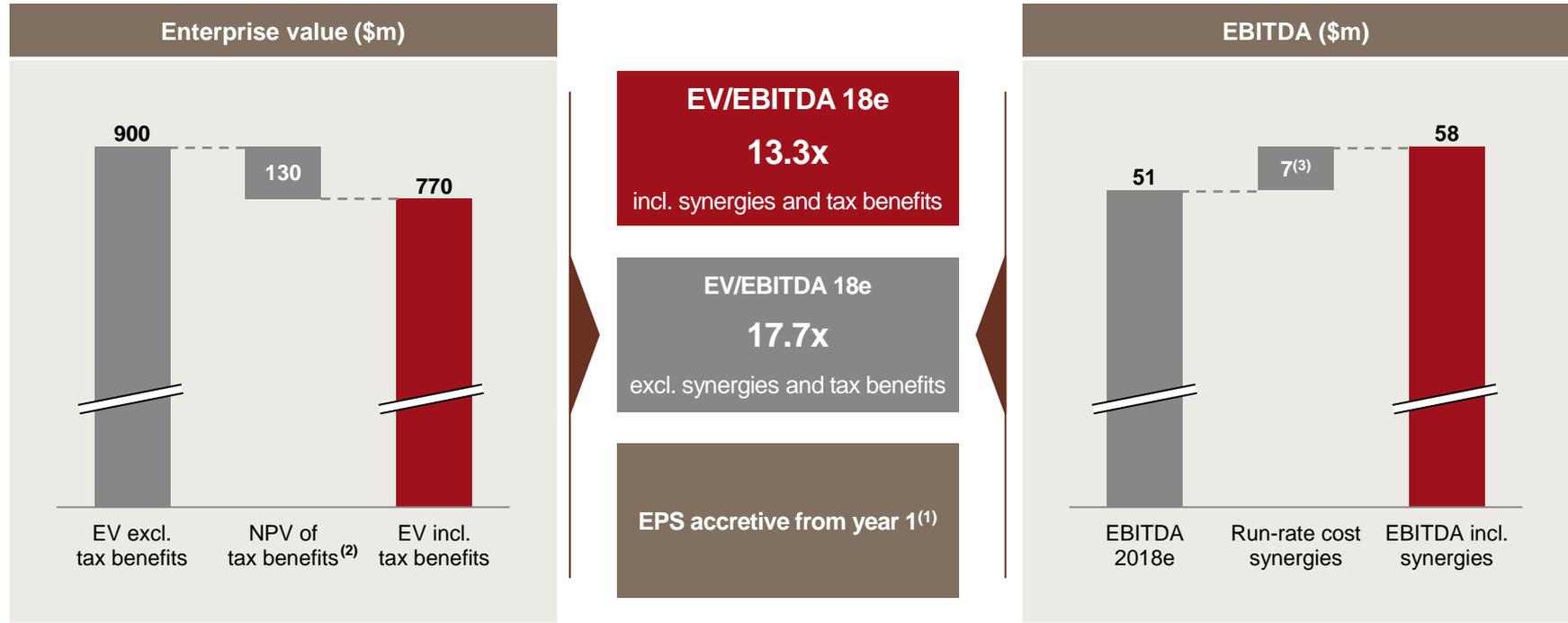
Symrise + ADF/IDF⁽¹⁾



Note: all financials as of 2017; IDF/ADF financials calendarized to 31 Dec and converted to Euro based on EUR/USD rate of 0.89

(1) ADF/IDF 2017 sales of €183 m

Valuation multiple reflecting both significant tax benefits and cost synergies



(1) First full year after closing, before purchase price allocation and transaction related costs

(2) Tax benefits from higher D&A after tax step-up reducing future cash tax burden

(3) Fully realized as of 2020

Transaction key highlights

ADF/IDF (American Dehydrated Foods/International Dehydrated Foods)

A \$900 m acquisition unlocking significant value and long-term profitable growth



Purchase price	<ul style="list-style-type: none">• Debt-free cash-free purchase price of \$900 m• Tax basis step-up benefit value of ~\$130 m
Acquisition multiple	<ul style="list-style-type: none">• 17.7x 2018 EBITDA multiple on \$51 m EBITDA• 15.1x adjusted for tax-step up• 13.3x 2018 EBITDA multiple including run-rate cost synergies of \$7 m and adjusted for tax step-up
EPS impact	<ul style="list-style-type: none">• EPS accretive impact from first year after closing⁽¹⁾• Further accretion on cash EPS resulting from tax step-up benefits
Transaction financing	<ul style="list-style-type: none">• Transaction to be financed by a bridge facility already committed• Refinancing by a combination of equity and debt• Commitment to solid investment grade profile
Synergies	<ul style="list-style-type: none">• Cost synergies of \$7 m as of 2020; in addition revenue synergies opportunities resulting from cross-selling and regional expansion

(1) Before purchase price allocation and transaction related costs

Next steps



The transaction is subject to satisfaction of customary closing conditions
