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always
inspiring more...

symrise 

Growing Together

The Symrise Company Presentation

Olaf Klinger (CFO), Munich, September 2016

Symrise

Successful since 1874 (with acquired roots into 1795)



Haarmann & Reimer (1874 – 2003)

Year

1874 - Chemist Dr. Haarmann discovers method for manufacturing nature-identical vanillin

1954 - Takeover by Bayer AG

1973 - World's first fully synthetic production of menthol

1995 - Acquisition of Florasynth, est. 1916, de Laire, est. 1876 and Lautier Fils est. 1795

Dragoco Gerberding (1919 – 2003)

Year

1919 - Hairdresser Gerberding begins manufacturing perfume and soap compositions

1930 - Entering the flavor industry

Symrise (since 2003)

Year

2003 - Merger of Haarmann & Reimer and Dragoco

2006 - IPO in Frankfurt (Market cap. €2bn)

2014 - Acquisition of Diana

2016 - Acquisition of Pinova

Symrise is one of the world's largest supplier in the flavors and fragrances industry.

Our products provide exciting flavor and fragrance experiences and contribute to the health and well-being of consumers in 160 countries around the world.

We offer approximately 30,000 innovative fragrances and flavors, cosmetic ingredients and pet food ingredients based on roughly 10,000 mostly natural raw materials. These products are custom-tailored for every region of the world.

Figures 2015

Sales: €2.6bn

EBITDA margin: 22.0%

Employees: 8,301

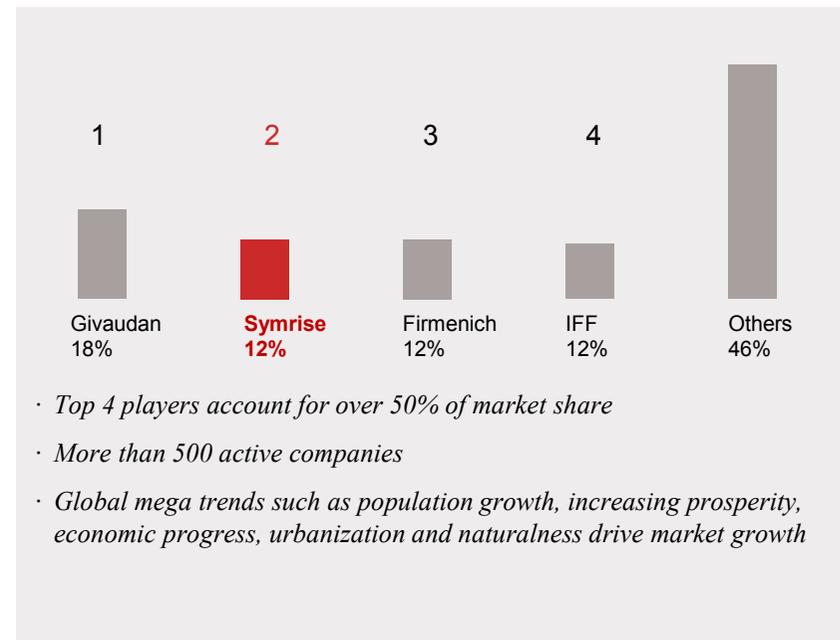
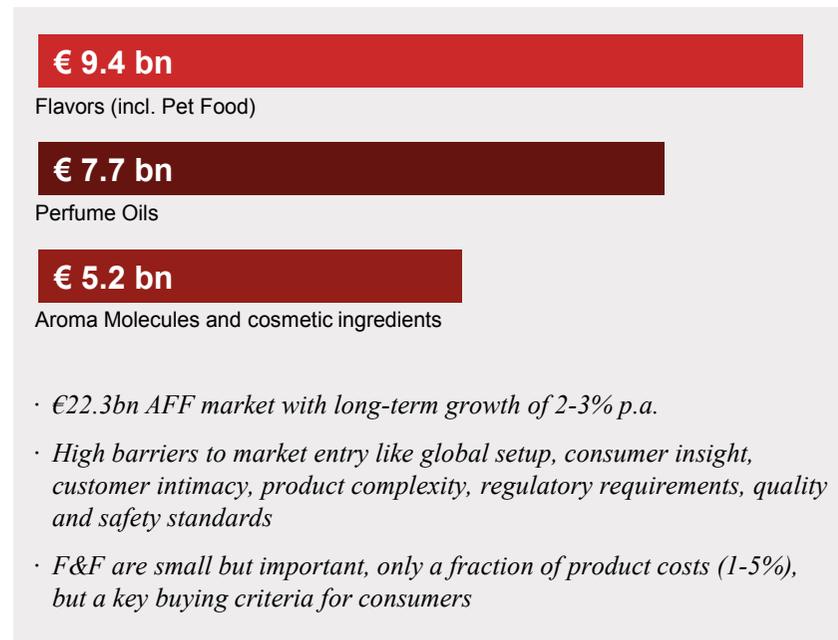
Countries: > 40

Market share: 12%

Market cap: €7.3bn

Flavor, Fragrances & Special Ingredients

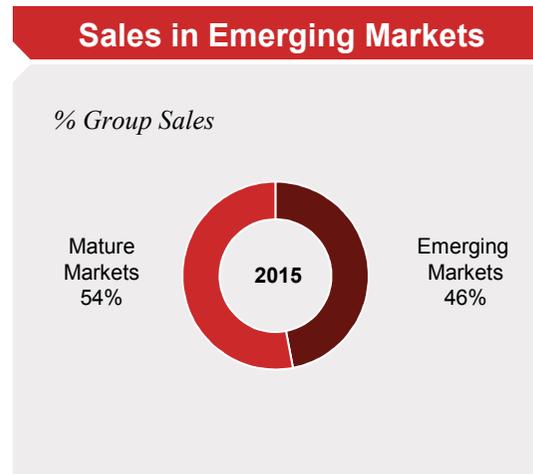
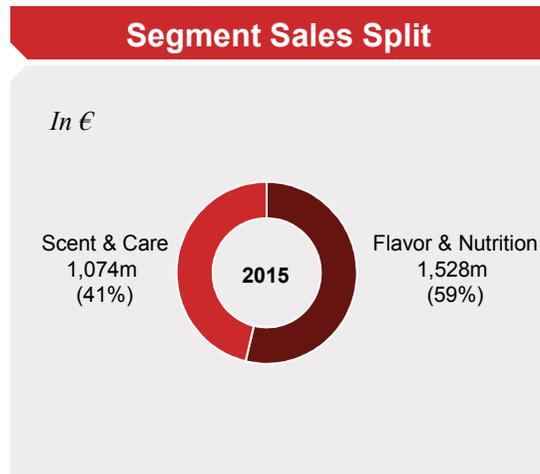
Key buying criteria for consumers



Source: IAL 9th Edition (Nov 2014), TechNavio/Infiniti (2015), GIA (2015), corporate data and internal estimates

Symrise Portfolio

Well balanced



Symrise operates 84 sites worldwide, serves more than 6,000 clients in 160 countries with approximately 30,000 products based on roughly 10,000 mostly natural raw materials. No client accounts for more than 5% of group sales.

Corporate structure

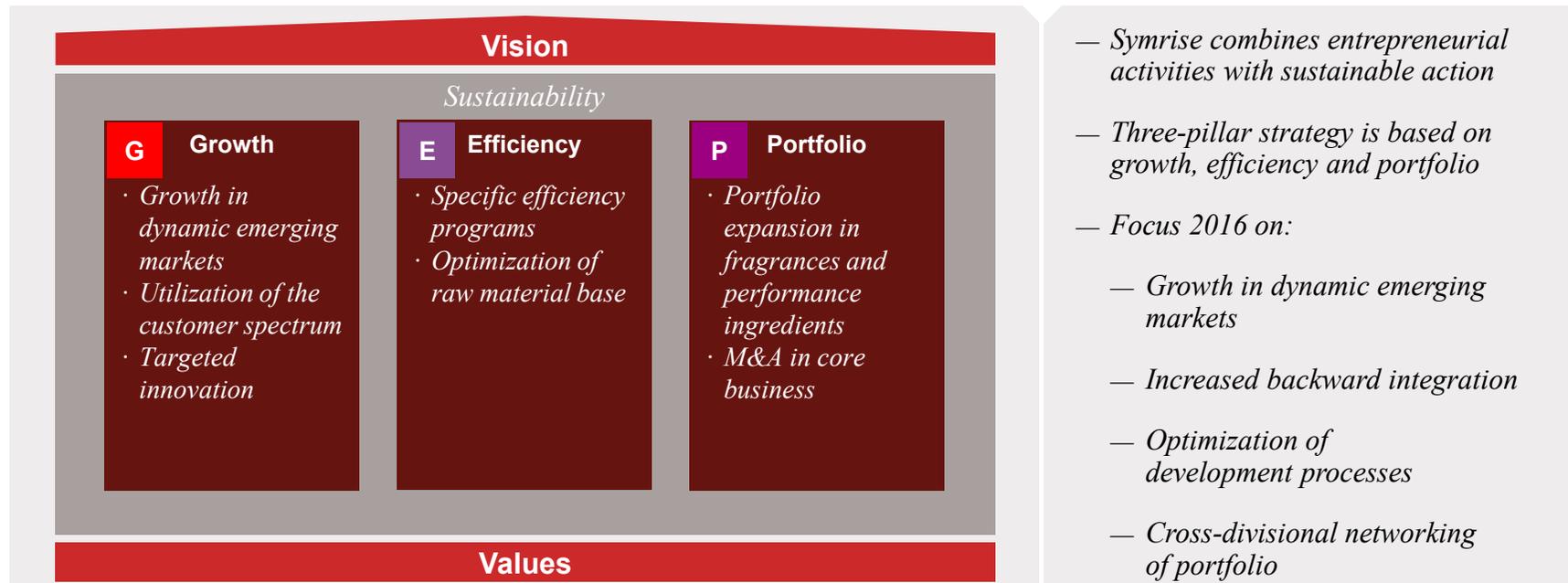
Two segments with five divisions



Segments	Flavor & Nutrition		Scent & Care		
Divisions	Flavors	Diana	Fragrances	Cosmetic Ingredients	Aroma Molecules
					
Business Units	<i>Beverages, Snack Food, Culinary Food, Sweet, Dairy, Health & Nutrition</i>	<i>Food, Pet Food, Nova</i>	<i>Fine Fragrances, Personal Care, Household, Oral Care</i>	<i>Cosmetic Ingredients, Sun and Pollution Protection</i>	<i>Fragrance & Sensory Ingredients, Performance Specialties</i>

Our Strategy

Proven strategy with high potential

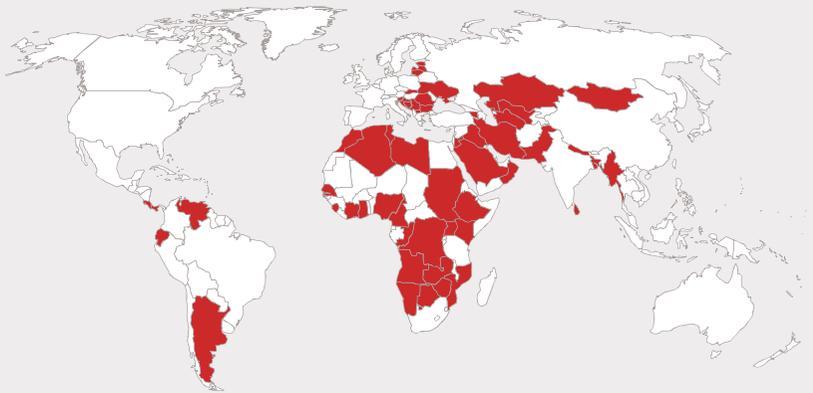


New Markets

Entering as a first mover



“Frontier Markets” within the emerging markets showing the strongest growth



■ Frontier markets

— **Founding own subsidiary in Iran** (*market is open for Western partnerships*)

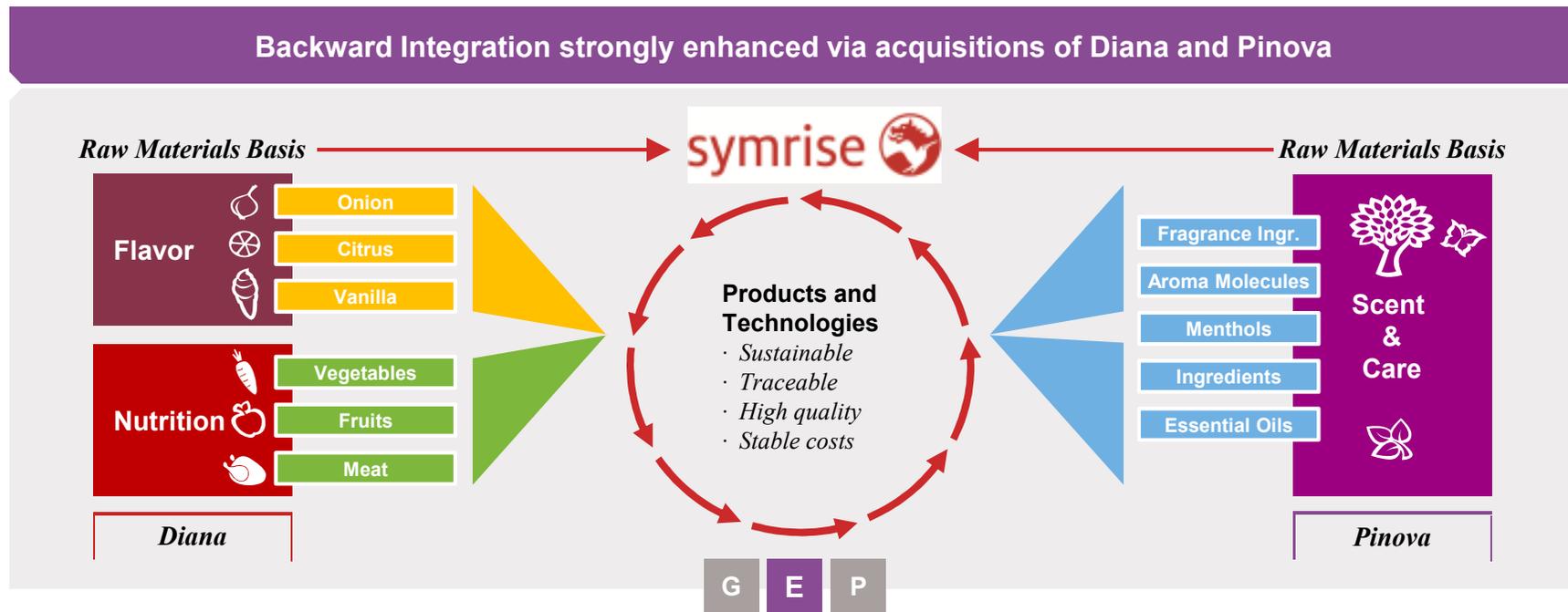
— **Diana Pet Food production site** *opened in Russia* (*traditionally large market for pet food, growing quickly*)

— **Further expand Diana’s position in Asia** *through existing Symrise infrastructure and customer access*



Greater efficiency

By means of access to important key raw materials



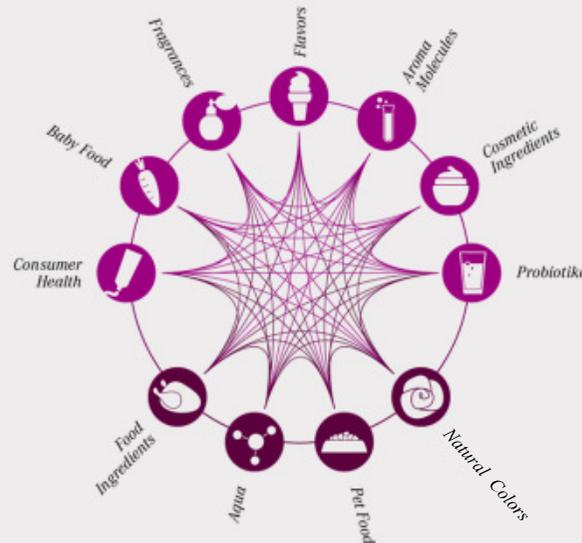
Further expansion of the product portfolio

Within present spheres of competency



We have already expanded into new, high-growth applications over the past years.

Today, the portfolio stretches far beyond the traditional product spectrum of fragrances and flavors



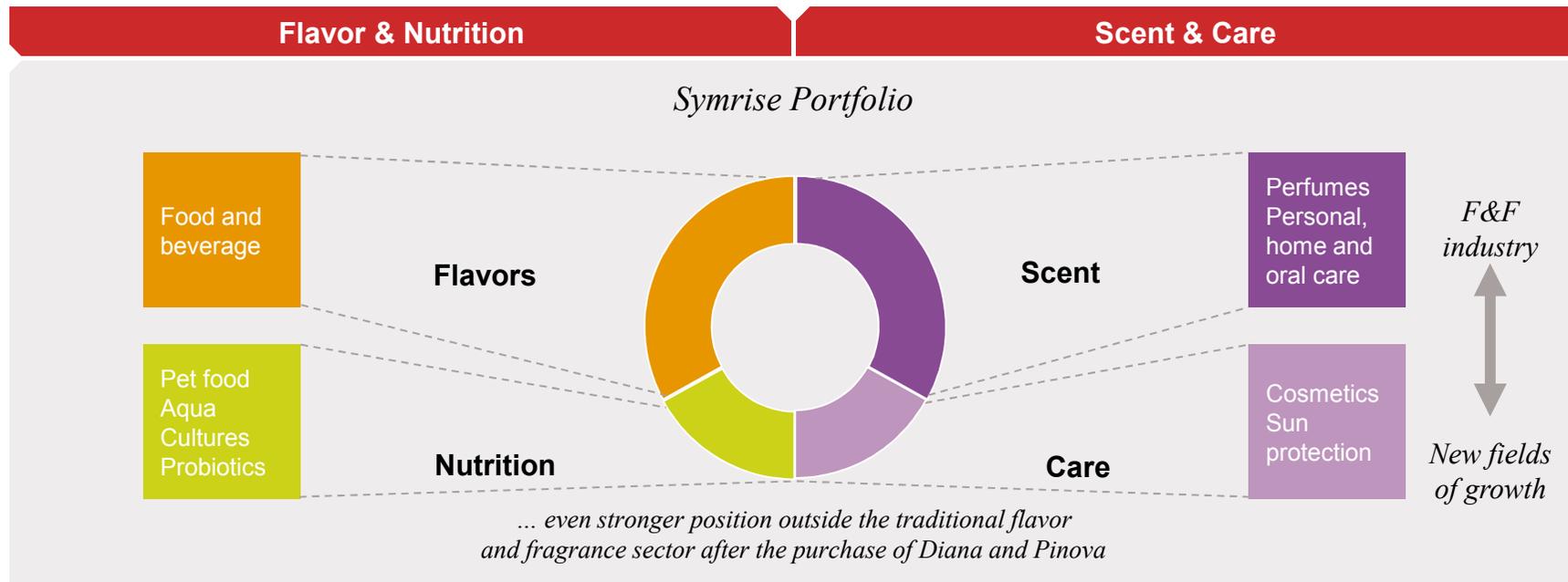
G E P

— **Consolidation and networking of competencies,** with a special focus on *Diana and Pinova*

— **Maintain successful course** and continue extension of competitive advantage

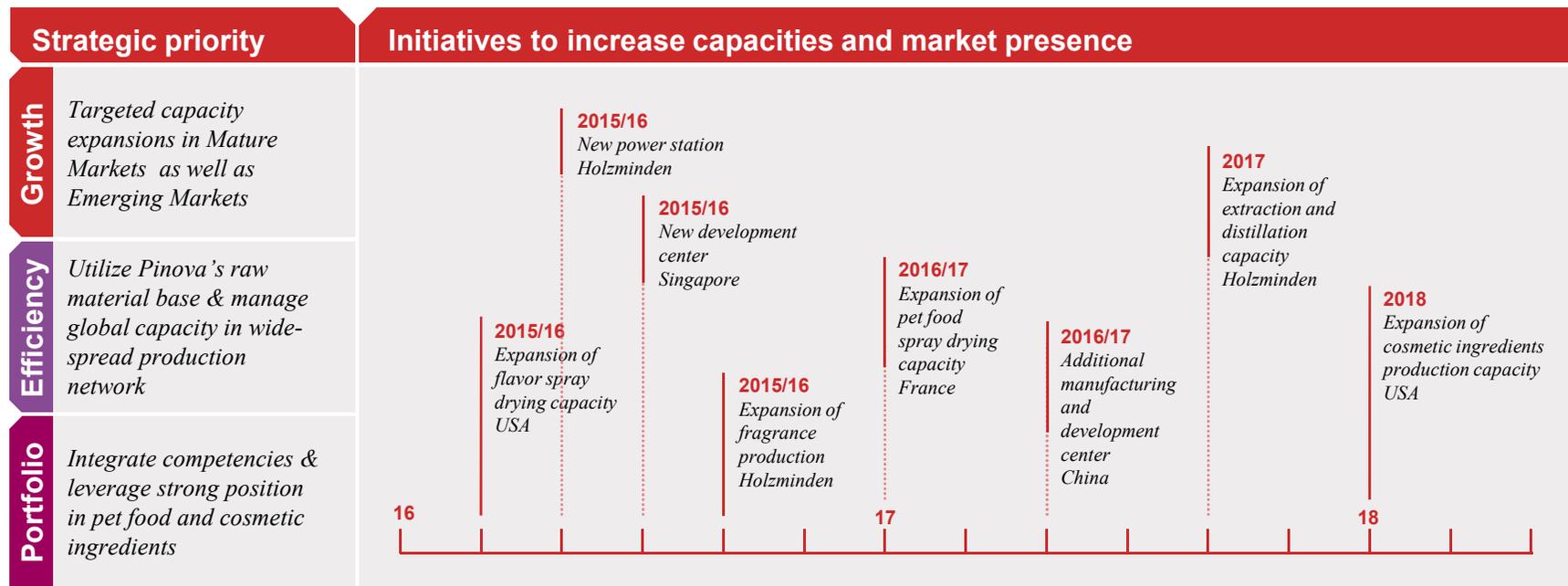
Systematic expansion of Symrise

One third of the business outside F&F



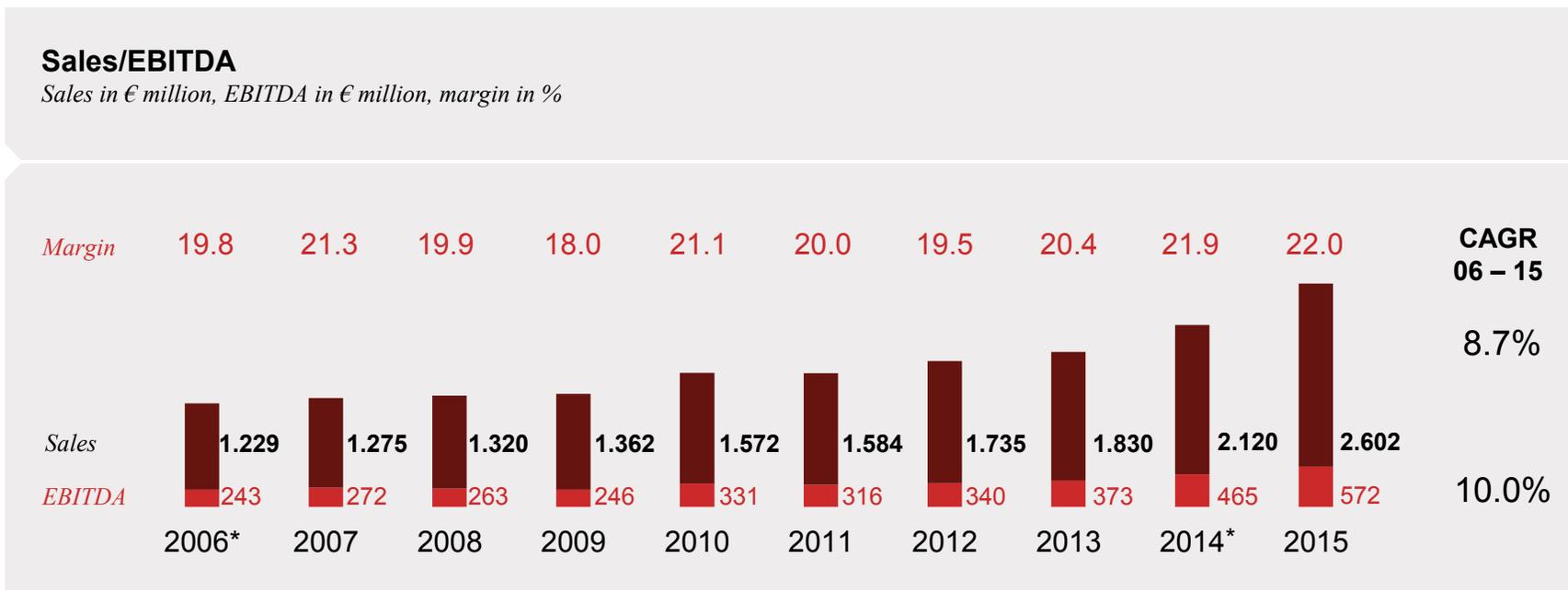
Organic Growth Initiatives 2016 - 2018

Investments to implement strategy and support further growth



Proven track-record since the IPO

Sustainable growth with increasing profitability



* EBITDA adjusted for restructuring and integration expenses

Highlights H1

Portfolio successfully diversified



Expansion of backward integration

- Focus on sustainable natural key raw material
- Further diversification of portfolio and technologies, e.g. green chemistry and biotechnology
- Stronger position outside the traditional business

January 2016

Acquisition Pinova, USA

Fragrance ingredients and specialties from renewable resources



May 2016

Acquisition Nutra Canada

Manufacturer of plant extracts with functional benefits



January 2016

Acquisition Scelta*, NL

Manufacturer of mushroom concentrates



June 2016

Symrise holding Probi signed agreement to acquire Nutraceutix, USA

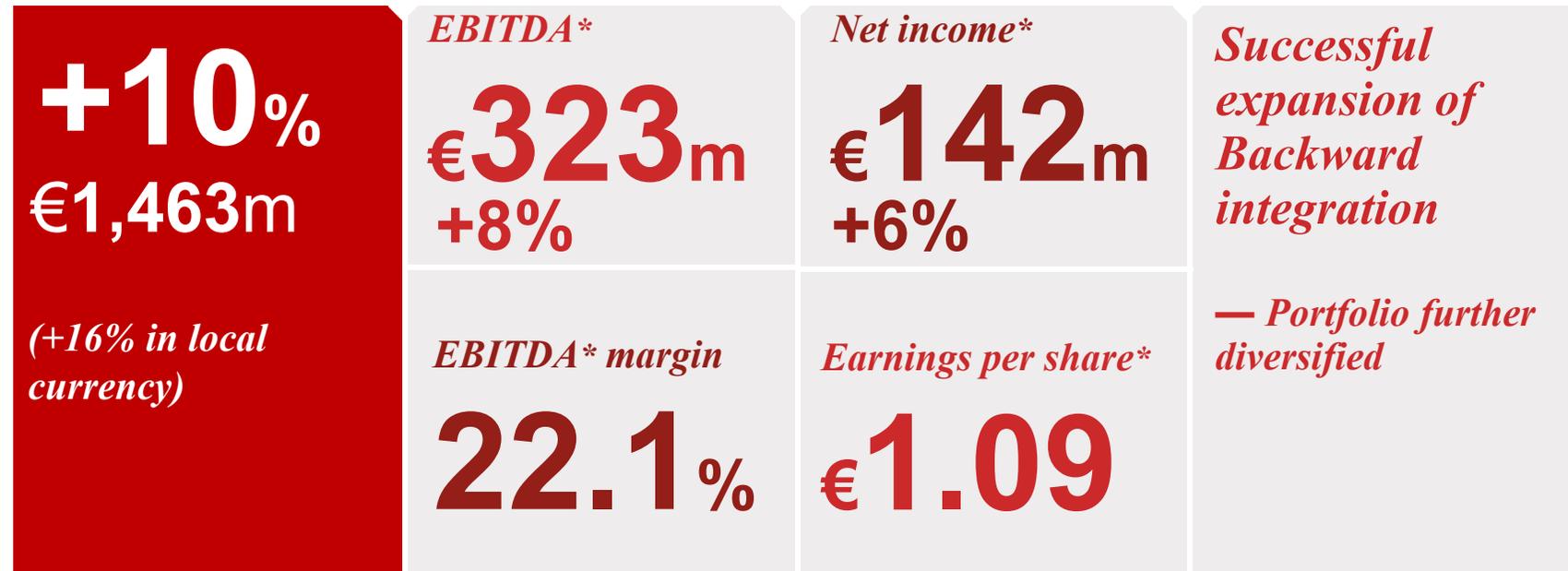
Manufacturer of probiotics



*majority share of 60%

Highlights H1 2016

Continued course of success with double-digit growth and high profitability



*adjusted for transaction and integration costs related to the Pinova acquisition

Outlook 2016

Committed to targets despite challenging market environment



- **Long-term growth targets** *are intact – despite challenging economic environment in 2016 with unsolved debt situation and political uncertainties in some countries*
- **Volatility of some exchange rates** *expected to continue*
- **Global presence, broad customer base and ongoing portfolio diversification** *represent strategic levers which contribute to drive profitable growth*
- **Innovations and process efficiency** *to remain pivotal for strong profitability*
- **Additional growth** *pushed by further integrating competencies and supporting targeted portfolio expansions in key growth areas*

Targets 2016

Outperform global F&F market

EBITDA *margin above 20%*

Targets 2020

Sales increase 5-7% CAGR

EBITDA *margin 19-22%*

Sales in Emerging Markets
> 50%

Symrise

Investor Relations



Financial Calendar

November 02, 2016

9M Results 2016

January 18, 2017

Analyst and Investor Day

Frankfurt am Main

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Spotlight on Diana: Successful integration

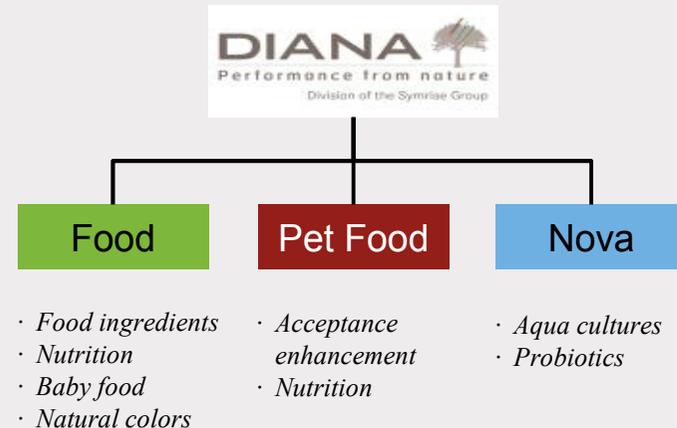
High-growth business with complementary competencies



Strong portfolio contribution

- *Acquired in 2014*
- *Expanded nutrition and entered the pet food market*
- *Global #1 for pet food (palatability enhancers)*
- *Strengthened core business and customer retention*
Further backward integration with key natural raw materials
- *Integrated setup creates efficiency*
- *Nutrition with texturing – incl. ingredients for baby food*
- *Natural extracts and food solutions*
- *Strong sales growth and margin improvement since acquisition*

Diana today



Spotlight on Fine Fragrances: De Laire by Symrise

220 years of strong fine fragrance heritage



WHAT IS A BASE DE LAIRE?

- A mix of “captive” & exclusive quality of natural essential oils
- Example: Ambre 83 = 40% vanillin + labdanum oil + vetiver oil
- A synonym of quality and heritage, tradition, history, creativity



220 YEARS OF PARTNERSHIP

- 1795: *Lautier est.*
- 1874: *Harmann & Reimer est.*
- 1876: *De Laire est.*
- 1876: *Partnership to synthesis the vanillin for the 1st time*
- 1995: *Harmann & Reimer and De Laire acquisition*



Iconic creations including de Laire bases

FEMME
ROCHAS
1944
PRUNOL



HEURE BLEUE
GUERLAIN
1912
HELIOTROPINE
AMORPHE



MITSOUKO
GUERLAIN
1919
ABRICENE



BOIS DES ILES
CHANEL
1929
AMBRE 83



MADAME ROCHAS
ROCHAS
1960
COROLIANE



CHANEL 19
CHANEL
1971
COROLIANE



Spotlight on Cosmetic Ingredients: Beauty+ ...increases our differentiation



Spotlight on Aroma Molecules: Pinova Group

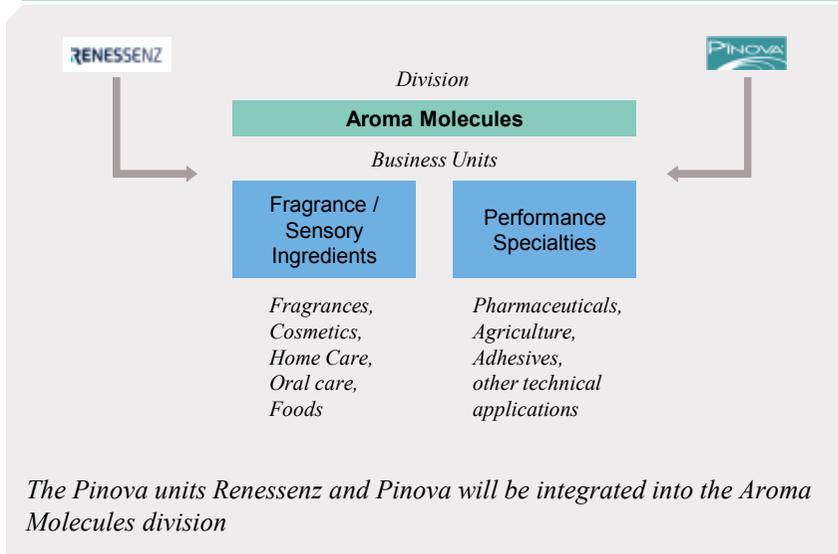
Strengthening backward integration while extending forward integration in menthol



Pinova deal rationale and figures

- More than 100 Aroma Molecules und specialties from natural and renewable sources with focus on high-value product applications
- Leading in specialties from natural and renewable resources: Resins, crude sulfate turpentine (CST) and limes
- Portfolio includes sensory and fragrance ingredients and chemicals for technical applications
- Forward Integration in cooling substances
- Enlarging raw material portfolio at Oral Care/Mint with important lead compounds (Carvon, Anethol)
- Sales 2015: \$273m - Transaction volume: \$412m
- Budgeted transaction and integration costs: €15-20m (€4m in 2015)
- Identified synergies: €20m as of 2020

Future organization Aroma Molecules

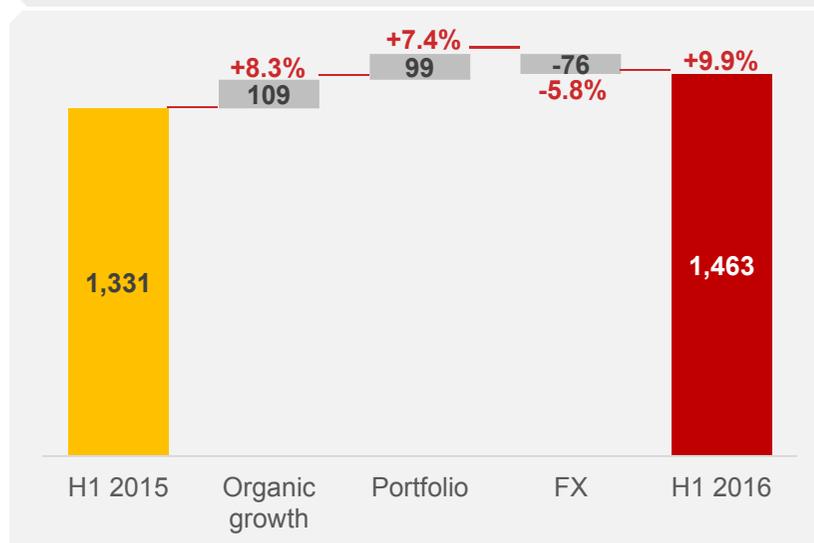


Group H1 2016

Strong performance despite headwind from currencies



Group Sales Development in €m



Short P&L in €m

	H1 15	H1 16	H1 16 normalized	Var.	Var. local currency
Sales	1,331	1,463	1,463	10%	16%
EBITDA	300	313	323	8%	14%
margin	22.6%	21.4%	22.1%		
EBIT	215	214	225	5%	13%

Comments

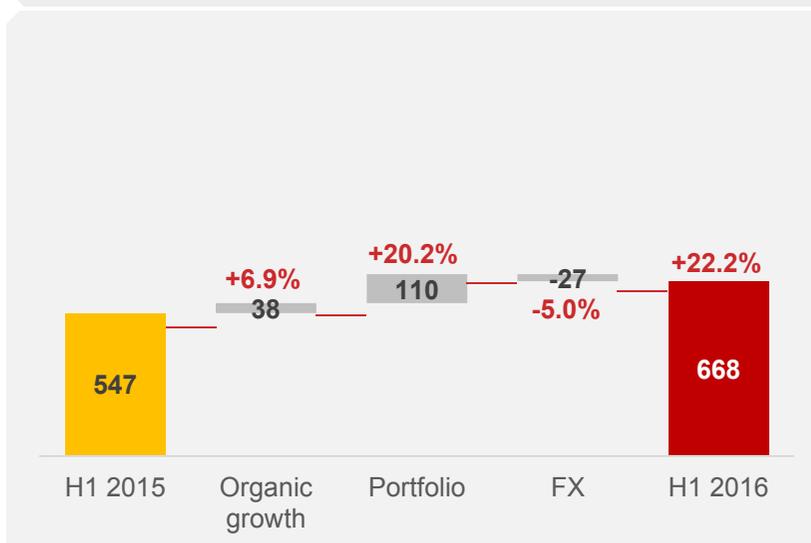
- Organic growth even stronger in Q2
- Portfolio additions mainly from Pinova
- FX headwinds mainly from LATAM

Scent & Care H1 2016

Strong contribution from Pinova



S&C Sales Development in €m



Short P&L in €m

	H1 15	H1 16	H1 16 normalized	Var.	Var. local currency
Sales	547	668	668	22%	27%
EBITDA	124	130	140	13%	19%
margin	22.7%	19.4%	21.0%		
EBIT	100	93	104	4%	10%

Comments

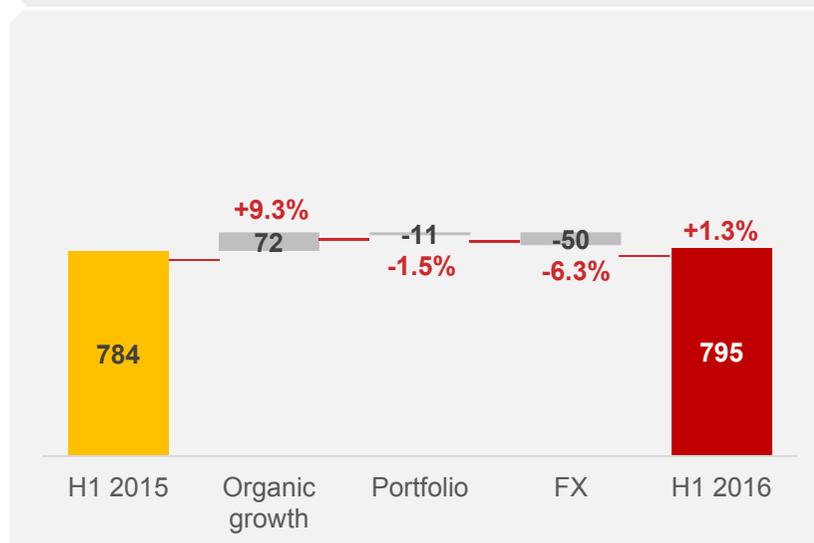
- Pinova sales of 110.5m
- Adjustments of 10.6m from Pinova with transaction and integration costs (6.4m) and inventory step up (4.2m)

Flavor & Nutrition H1 2016

Strong organic growth



F&N Sales Development *in €m*



Short P&L *in €m*

	H1 15	H1 16	Var.	Var. local currency
Sales	784	795	1%	8%
EBITDA	176	183	4%	11%
margin	22.5%	23.0%		
EBIT	114	121	6%	16%

Comments

- Portfolio additions of Scelta Umami and Nutra Canada
- Portfolio reductions from Diana CAP pork specialties

Strong Bottom-line H1 2016

EPS up by 6 %



<i>in €m</i>	H1 2015	H1 2016	H1 2016 normalized	Var.
EBITDA	300.3	312.7	323.3	8%
D&A (amortization, depreciation and impairment)	85.6	98.6	98.6	15%
EBIT (income from operations)	214.7	214.1	224.7	5%
Financial result	-21.3	-24.3	-22.1	4%
EBT (earnings before income taxes)	193.4	189.8	202.7	5%
Income taxes	-56.6	-52.5	-57.2	1%
Tax ratio	29.3%	27.6%	28.2%	
Net income for the period*	133.5	133.8	142.0	6%
EPS* (earnings per share) in €	1.03	1.03	1.09	6%

*attributable to the shareholders of Symrise AG

Operating Cash Flow H1 2016

Increase by 16%, despite change in working capital



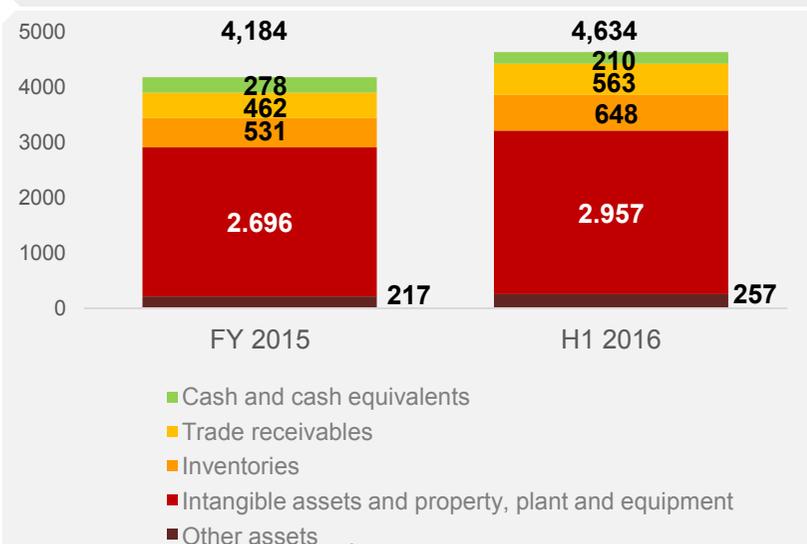
<i>in €m</i>	H1 2015	H1 2016
Net income for the period	136.8	137.3
Income taxes	56.7	52.5
Interest result	22.3	23.8
Amortization, depreciation and impairment	85.6	98.6
Other items	-7.8	-8.7
Cash flow before working capital changes	293.5	303.5
Change in working capital	-117.9	-132.3
Income taxes paid	-89.6	-71.1
Cash flow from operating activities	86.0	100.0

Balance sheet H1 2016

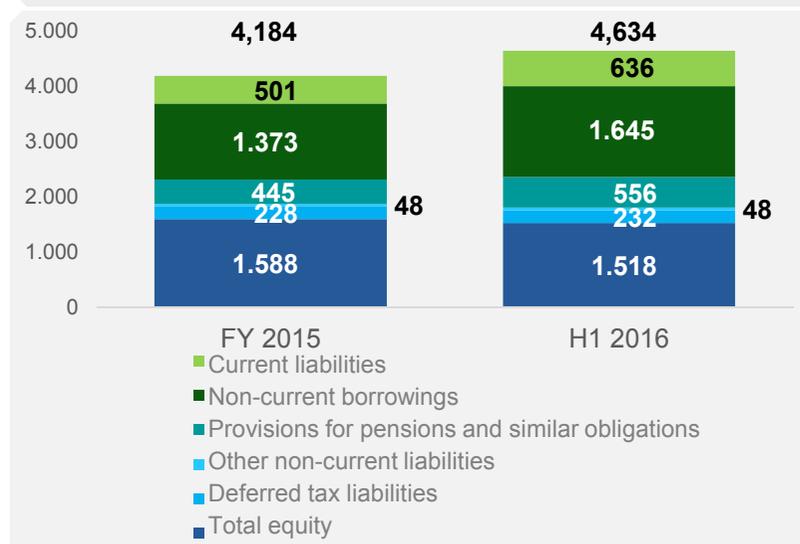
Reflects targeted, strategic bolt-on acquisitions



Assets in €m



Equity and Liabilities in €m



Sales by Region H1 2016

Good momentum in all regions



By Region

Sales in €m, Sales growth in % (in local currency)

North America



EAME



Latin America



Asia / Pacific



*local currency

In Emerging Markets

as % of Group sales

Mature Markets
57%



Emerging Markets
43%