

Group Statement January - September 2017

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Holzminden, Germany, 8 November 2017

Symrise continues growth track at accelerated pace

- Organic sales increase of 6.5 % in the first nine months of the year and 9.1 % in the third quarter
- Group sales up by 3.9 % to € 2,278.4 million, including portfolio and exchange rate effects
- EBITDA margin at a strong 21.3 %
- Symrise reinforces sales and profitability targets for the current fiscal year

Symrise AG accelerated its growth course in the third quarter, achieving overall a considerable increase in sales and earnings for the nine-month period. This positive trend was driven by strong demand across all segments. Symrise increased its sales organically by 6.5 % in the first nine months of the year. Organic growth was particularly dynamic in the third quarter with a plus of 9.1 %. Taking into account portfolio and exchange rate effects, sales in the first nine months of the year were up 3.9 % to € 2,278.4 million (9M 2016: € 2,192.3 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to € 485.2 million (EBITDAN 9M 2016: € 480.3 million). With an EBITDA margin of 21.3 %, profitability remained high (EBITDAN margin 9M 2016: 21.9 %).

"We continued our growth initiatives in the third quarter, which led to a successfully expanded market position," said Dr. Heinz-Jürgen Bertram, CEO of Symrise AG. "We consider the strong sales growth as a result of our unique positioning. The targeted investments into the product portfolio, research and development and new markets support our strategy. We are confidently looking ahead to the remaining weeks of the year. Our guidance for 2017 remains in place and we also confirm our long-term targets. We are committed to continue as one of the fastest-growing companies in the industry and to operate highly profitable."

Continued strong sales growth

Symrise achieved strong organic sales growth of 6.5 % in the period from January to September, including a 9.1 % increase in the third quarter. Considering portfolio effects – namely the sale of the industrial activities of Pinova in December 2016 and the Nutraceutix and Cobell acquisitions – as well as exchange rate effects sales were up 3.9 % to € 2,278.4 million (9M 2016: € 2,192.3 million). Third quarter sales were impacted by an unfavorable exchange rate environment, especially the devaluation of the US dollar against the euro.

Profitability remains high with an EBITDA margin of 21.3 %

Symrise continued to operate highly profitable in the first nine months of the year. Earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 1.0 % to € 485.2 million (EBITDAN 9M 2016: € 480.3 million). The Group's EBITDA margin was a very satisfactory 21.3 % and was thus within the targeted mid-term corridor of 19 to 22 % (EBITDAN margin 9M 2016: 21.9 %).

Scent & Care with good growth momentum, especially in the third quarter

Scent & Care posted a 3.3 % organic sales increase in the first nine months of the year. In the third quarter, organic growth reached even 7.7 %. Taking into account the sale of Pinova Inc., sales in the segment amounted to € 960.1 million; as expected they were 3.7 % lower than in the first nine months of 2016 (9M 2016: € 997.2 million).

The strongest growth in the segment was achieved by the Cosmetic Ingredients division. Demand was especially high in the regions EAME and Asia/Pacific. Sales were up significantly in the national markets of Germany and Italy as well as China and South Korea.

Adjusted for the Pinova portfolio effect, the Aroma Molecules division posted moderate growth. Positive signals mainly came from the national markets in the USA, Indonesia, Japan and China. The integration of the Pinova fragrance business continued to strengthen the division through a broader portfolio of unique, natural ingredients.

The Fragrance division achieved moderate growth in the first nine months of the year, with good growth momentum in the third quarter. Very positive business performance was recorded amongst others in the country markets UK, the Philippines, Argentina and Mexico. In the Home Care business unit, Latin America achieved double-digit growth in local currency through new business with global and regional customers, especially in the national markets of Columbia and Mexico. The application area of Beauty Care saw increased demand in the third quarter, however it was unable to match the strong results of the first nine months of the previous year. Oral Care applications experienced moderate global growth in the period from January to September. Sales increased above all in EAME and North America. In the Asia/Pacific region and Latin America, products for oral hygiene lagged behind as compared to the prior-year period. The Fine Fragrance business unit achieved dynamic growth especially in Latin America, with double-digit increases in sales in Brazil and Argentina in local currency. In addition, business was further extended in the Asia/Pacific region in Indonesia and India.

EBITDA in the Scent & Care segment amounted to € 196.2 million in the first nine months of the year (EBITDAN 9M 2016: € 203.6 million). The EBITDA margin, at 20.4 %, was equal to the normalized level of the first nine months of the previous year. In the third quarter, the margin improved noticeably as compared with the normalized figure for the same period a year earlier due to stronger demand. It stood at 21.1 % compared to 19.3 % in the third quarter of 2016.

Flavor benefits from new business and strong demand

The Flavor segment, which includes taste applications, achieved organic growth of 10.0 % in the first nine months. In the third quarter it reached even 12.7 % growth. Considering exchange rate effects and the Cobell acquisition, the segment reported a sales plus of 8.6 % to € 842.6 million (9M 2016: € 775.9 million).

The EAME region was once again the growth driver of the segment, with organic growth rates in the double digits. Important contributions mainly came from the Sweet and Savory business units in Western Europe and North Africa. The Beverages application area showed solid growth in particular in the Middle East, Germany and Austria. In the Asia/Pacific region the sales trend was less dynamic due to the strong results in the previous year. Healthy growth momentum came above all from applications for sweet and savory products in Japan, Vietnam and the Philippines. The Latin America region continued to perform very well and achieved double-digit growth rates. Growth was particularly strong in the Beverages business unit as a result of new business with vanilla flavorings. The Brazilian market, however, was not quite able to continue the dynamic growth trend of the previous year. In the North America region, Symrise moved ahead with the successful expansion of its existing business and achieved healthy increases in all application areas.

EBITDA in the Flavor segment amounted to € 183.4 million in the first nine months. This equals a plus of € 3.8 million or 2.1 % compared to the prior-year period (9M 2016: € 179.6 million). The EBITDA margin, at 21.8 %, was slightly lower (9M 2016: 23.1 %), mainly due to higher research and development expenditures and the consolidation of Cobell as of 1 July 2017.

Nutrition again with strong gains in pet food

The Nutrition segment, which includes the Diana division with applications for food, pet food and baby food as well as probiotics, achieved an organic growth of 7.8 % in the first nine months. In the third quarter, organic sales growth amounted to 5.8 %. Considering portfolio and exchange rate effects, the segment had a 13.5 % increase in sales in the first nine months to € 475.7 million (9M 2016: € 419.2 million).

The strongest contributions came from the Pet Food business unit, which posted high single-digit or even double-digit local currency sales increases in all four regions. The Food applications area also performed well and achieved significant sales increases, showing particularly expansive trends in the Latin America and Asia/Pacific regions.

In the Probiotics business unit, sales also increased substantially through the acquisition of the US company Nutraceutix. Adjusted for the acquisition effect, the business unit showed a high single-digit increase in sales after the first nine months. Due to a temporary destocking by a major customer, growth was lower in the third quarter.

During the reporting period, the Nutrition segment increased its EBITDA by 8.7 % to € 105.6 million (9M 2016: € 97.1 million). Despite expenditures due to the capacity expansion of Diana Foods in the USA and regional expansion of the Pet Food footprint, the EBITDA margin remained high, at a level of 22.2 % (9M 2016: 23.2 %).

Symrise reinforces targets for 2017

Symrise confirms its growth and profitability targets for the current fiscal year. The Group foresees to significantly outperform the relevant market in 2017, which is projected to grow at a rate of about 3 %. The company aims to operate highly profitable and achieve an EBITDA margin of over 20 % in 2017. Numerous investment projects have been initiated to further enhance the Symrise innovative strength and to expand capacities in order to support organic growth in particular.

The medium-term targets set through to the end of the fiscal year 2020 remain fully intact, including a compound annual growth rate (CAGR) in the 5-7 % range and an EBITDA margin between 19 and 22 %.

About Symrise:

Symrise is a global supplier of fragrances, flavorings, cosmetic active ingredients and raw materials, as well as functional ingredients. Its clients include manufacturers of perfumes, cosmetics, food and beverages, the pharmaceutical industry and producers of nutritional supplements and pet food. Its sales of more than € 2.9 billion in the fiscal year 2016 make Symrise a leading global provider in the flavors and fragrances market. Headquartered in Holzminden, Germany, the Group is represented by more than 90 locations in Europe, Africa, the Middle East, Asia, the United States and Latin America. Symrise works with its clients to develop new ideas and market-ready concepts for products that form an indispensable part of everyday life. Economic success and corporate responsibility are inextricably linked as part of this process. Symrise – always inspiring more ...

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Financial calendar 2018

14 March 2018

Full Year Results 2017

8 May 2018

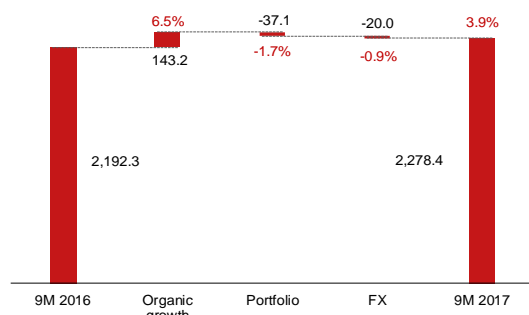
Group Quarterly Statement January – March 2018

16 May 2018

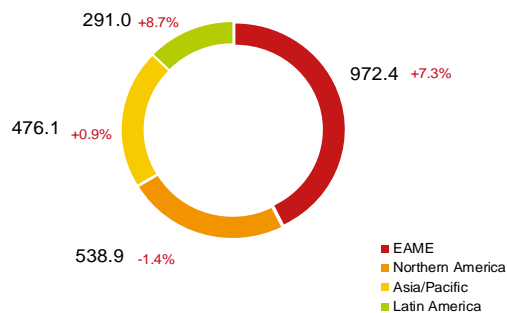
Annual General Meeting

Financial Information January – September 2017

Symrise Group Sales in € million

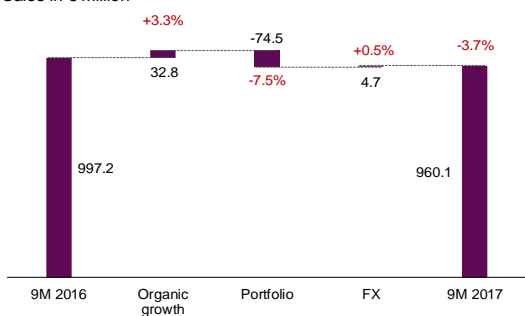


Sales by Region in € million (Growth in reported currency)



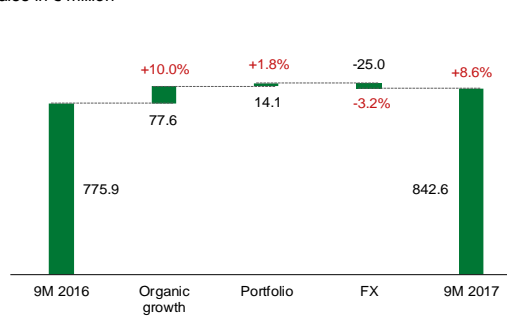
in € million	9M 2016	9M 2016 normalized ¹	9M 2017	Change in %
EBITDA	462.6	480.3	485.2	1.0
EBITDA margin	in %	21.1	21.9	21.3
Depreciation	66.2	66.2	66.8	1.0
Amortization	84.6	84.6	81.3	-4.0
EBIT	311.7	329.5	337.2	2.3
EBIT margin	in %	14.2	15.0	14.8

Scent & Care Sales in € million



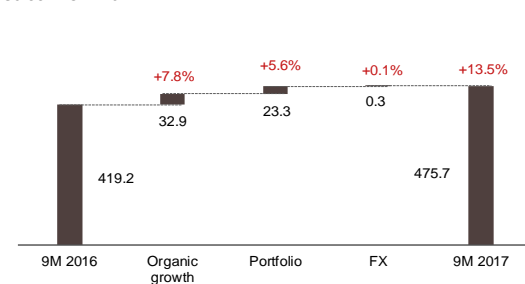
in € million	9M 2016	9M 2016 normalized ¹	9M 2017	Change in %
EBITDA	185.9	203.6	196.2	-3.6
EBITDA margin	in %	18.6	20.4	20.4

Flavor Sales in € million



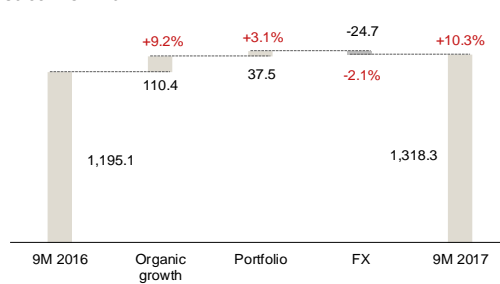
in € million	9M 2016	9M 2016 normalized ¹	9M 2017	Change in %
EBITDA	179.6	183.4	183.4	2.1
EBITDA margin	in %	23.1	21.8	21.8

Nutrition Sales in € million



in € million	9M 2016	9M 2016 normalized ¹	9M 2017	Change in %
EBITDA	97.1	105.6	105.6	8.7
EBITDA margin	in %	23.2	22.2	22.2

Flavor & Nutrition (for previous year comparison) Sales in € million

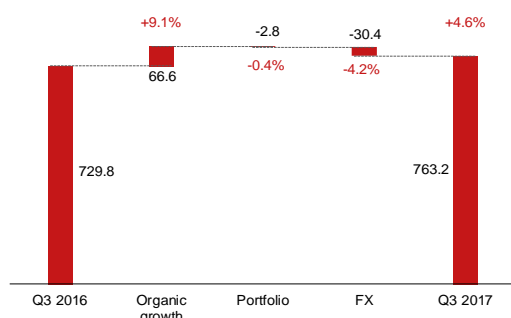


in € million	9M 2016	9M 2016 normalized ¹	9M 2017	Change in %
EBITDA	276.7	289.0	289.0	4.4
EBITDA margin	in %	23.2	21.9	21.9

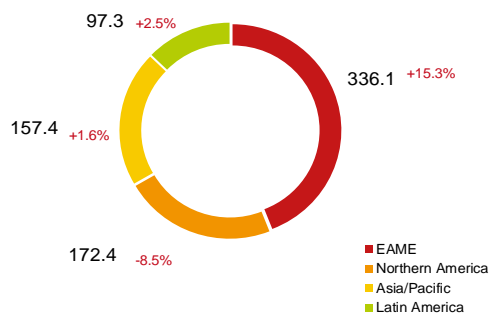
¹adjusted for transaction and integration costs as well as one-off valuation effects related to business combinations

Financial Information Q3 2017

Symrise Group Sales in € million



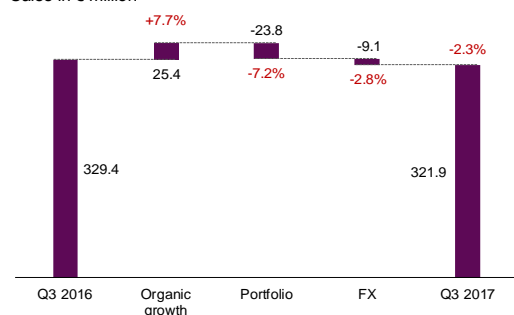
Sales by Region in € million (Growth in reported currency)



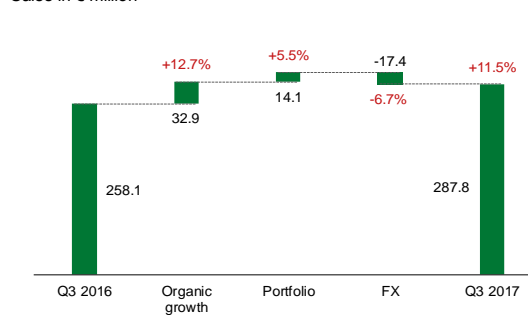
in € million

	Q3 2016	Q3 2016 normalized ¹	Q3 2017	Change in %
EBITDA	149.9	157.0	162.3	3.3
EBITDA margin	20.5	21.5	21.3	
Depreciation	23.6	23.6	22.8	-3.3
Amortization	28.6	28.6	26.9	-6.2
EBIT	97.7	104.8	112.6	7.5
EBIT margin	13.4	14.4	14.8	

Scent & Care Sales in € million



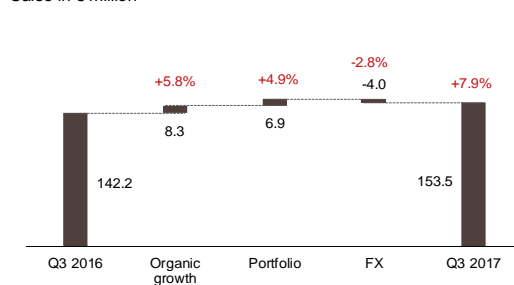
Flavor Sales in € million



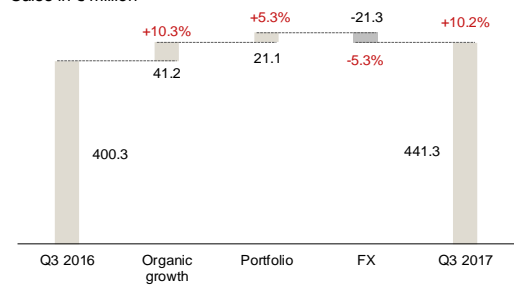
in € million	Q3 2016	Q3 2016 normalized ¹	Q3 2017	Change in %
EBITDA	56.4	63.5	67.9	6.9
EBITDA margin	17.1	19.3	21.1	

in € million	Q3 2016	Q3 2016 normalized ¹	Q3 2017	Change in %
EBITDA	59.7	60.4	60.4	1.2
EBITDA margin	23.1	21.0	21.0	

Nutrition Sales in € million



Flavor & Nutrition (for previous year comparison) Sales in € million



in € million	Q3 2016	Q3 2016 normalized ¹	Q3 2017	Change in %
EBITDA	33.8	34.0	34.0	0.5
EBITDA margin	23.8	22.2	22.2	

in € million	Q3 2016	Q3 2016 normalized ¹	Q3 2017	Change in %
EBITDA	93.5	94.4	94.4	1.0
EBITDA margin	23.4	21.4	21.4	

¹adjusted for transaction and integration costs as well as one-off valuation effects related to business combinations