

Quarterly Statement: Business development January - March 2018

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Holzminden, 8 May 2018

Symrise achieves strong organic growth of 7.5 % in the first quarter

- Group sales up by 1.5 % to € 776.9 million, including portfolio and exchange rate effects
 - EBITDA margin with 20.1 % within target corridor
 - Shortage of some raw materials without impact on delivery capability
 - Guidance for 2018 and medium-term targets through to 2020 affirmed
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Symrise AG remains on track for strong growth in the fiscal year 2018 and achieved a very healthy 7.5 % organic increase in sales in the first quarter. All segments benefited from good demand. Taking into account portfolio and exchange rate effects, sales in the first quarter were up 1.5 % to € 776.9 million (Q1 2017: € 765.2 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to € 155.8 million. Due to negative currency effects and higher raw material costs, the EBITDA came in lower than in the prior-year period (Q1 2017: € 165.5 million). The EBITDA margin reached 20.1 % and was within the medium-term target corridor of 19–22 %.

"We are off to a dynamic start in the fiscal year 2018 and consider ourselves very well positioned with our strong market presence. Despite extensive investments, volatile exchange rates and higher raw material prices, we operated very profitable," said Dr. Heinz-Jürgen Bertram, CEO of Symrise AG. "The targeted expansion of our product portfolio and our raw material base has paid off. Along with strong demand from our customers, this was the foundation of our success in the first quarter. All segments generated substantial new business and contributed to the growth of our Group. We are looking ahead with confidence at our business development for the coming months. We will remain focused on profitable growth, especially through the further expansion of our capacities."

Strong organic sales growth

The Symrise Group achieved strong organic sales growth of 7.5 % in the first quarter. All segments experienced healthy demand. Considering portfolio effects – such as the sales contributions of the recently acquired companies Cobell and Citratus – and exchange rate effects, Symrise increased its sales by 1.5 % to € 776.9 million (Q1 2017: € 765.2 million). The sales trend in reporting currency was negatively impacted by unfavorable exchange rates, in particular by the appreciation of the euro against the US dollar.

Profitability within target corridor

First-quarter earnings were impacted by negative currency effects and higher raw material costs. Earnings before interest, taxes, depreciation and amortization (EBITDA), at € 155.8 million, were € 9.7 million lower than in the same quarter a year earlier (Q1 2017: € 165.5 million). It is important to consider that the Q1 2017 figure includes a one-off gain of € 4.7 million resulting from the sale of the Pinova industrial activities.

The situation in the raw material markets, especially the supply of important fragrance ingredients, remained challenging in the first quarter. The failure to deliver raw materials of some suppliers and a generally higher price level led to cost increases. The Scent & Care segment again benefited from its comprehensive backward integration, retaining full delivery capability due to Symrise's wide-ranging raw material base. To compensate for the higher raw material costs, Symrise engages in a close dialog with its customers to actively implement price increases.

The Group's EBITDA margin reached 20.1 % (Q1 2017: 21.6 %) and was, despite the cost increases that were mainly attributable to external factors, on the expected level of about 20 % for 2018. It was also within the target corridor for both, the current year as well as the medium-term targets for 2020.

Scent & Care with good sales growth in particular for Fragrances and Cosmetic Ingredients

Scent & Care posted a 6.9 % organic sales increase in the first quarter. Considering the negative currency effects and the portfolio effect from the Citratus acquisition, sales in reporting currency amounted to € 331.8 million, and thus were slightly lower than year-on-year.

The Aroma Molecules division delivered the strongest growth, with organic double-digit percentage increases, in particular in applications for fragrance ingredients.

The Cosmetic Ingredients division achieved strong organic growth in the high single-digit percentage range, showing particularly expansive developments in the Asia/Pacific and Latin America regions.

The Fragrance division reported a moderate organic increase in sales, especially driven by the Beauty Care and Home Care business units. Beauty Care, which develops and markets body and facial care applications, realized strong organic growth especially in the Asia/Pacific and Latin America regions. In the Home Care business unit, healthy increases were seen in the Asia/Pacific, EAME and Latin America regions, mainly through new business with regional customers. The Fine Fragrances business unit achieved a double-digit growth rate in Latin America as a result of higher demand from regional and local customers.

The EBITDA for the Scent & Care segment in the first quarter amounted to € 64.8 million (Q1 2017: € 71.9 million). The year-on-year decrease reflects negative currency effects, higher prices for raw materials and the one-off gain from the sale of the Pinova industrial activities. The EBITDA margin was 19.5 % (Q1 2017: 21.6 %).

Double-digit sales growth in the Flavor segment

Sales in the Flavor segment, which encompasses the business activities with flavors for foods and beverages, grew organically in the first quarter at a very dynamic rate of 11.0 %. All business units and regions showed significant increases in sales. Taking into account exchange rate effects and the Cobell acquisition, sales in this segment were up 7.8 % in reporting currency in the first quarter to € 291.2 million (Q1 2017: € 270.2 million).

In the EAME region, applications for sweet and savory products delivered the biggest organic increases, above all in the national markets of Germany, France, Russia and Egypt. The Beverages business unit benefited from the Cobell acquisition.

The Asia/Pacific region achieved in all business units high single-digit or even double-digit percentage growth rates, with particularly satisfactory results especially in China, Japan and Singapore.

The North America region also saw significant year-on-year gains in sales. The Beverages application area showed a particularly dynamic trend resulting from extensive new business.

The overall trend in the Latin America region was positive, with an organic growth rate in the medium single-digit percentage range. The biggest impetus came from the Sweet business unit, with good demand in the markets of Brazil and Mexico.

In the Flavor segment, EBITDA increased to € 61.0 million. This result was € 4.1 million higher than in the same period a year earlier (Q1 2017: € 56.9 million) despite unfavorable exchange rates, and represents an increase of 7.2 %. The EBITDA margin, at 20.9 %, was down slightly (Q1 2017: 21.1 %), mainly as a result of the Cobell acquisition.

Nutrition with strong demand for Food and Pet Food applications

The Nutrition segment, which includes the Diana division, with Food, Pet Food and Baby Food applications as well as Probiotics, achieved organic growth of 2.9 % in the first quarter. This reflects above all an announced reduction in orders from a relevant probiotics customer. Adjusted for the business unit Probi, the growth rate was 8.0 %. In consideration of unfavorable exchange rates, sales in reporting currency, at € 153.8 million, were lower than in the same period in 2017 (Q1 2017: € 161.8 million).

The Food, Pet Food and Aqua business units achieved growth rates in the high single-digit range. In the Food business unit, the strongest growth was seen in the North America and Asia/Pacific regions. Pet Food applications experienced the highest increases in Latin America and North America, especially in Mexico, Argentina and the USA.

EBITDA in the Nutrition segment amounted to € 30.1 million in the period under review. Due to negative currency effects, the loss of contributions to earnings through the lower sales in the Probiotics business unit, and start-up costs for the new plant in Georgia, USA, EBITDA was lower than in the first quarter of 2017 (Q1 2017: € 36.7 million). As expected, the EBITDA margin was 19.5 % (Q1 2017: 22.7 %).

Guidance affirmed

After a good start to the year, Symrise affirms its growth and profitability targets for the current fiscal year. The Group remains confident that it will continue to achieve growth on a sustainable basis. The target remains, again in 2018, to significantly exceed the market growth rate, which estimates indicate will lie between 3 % and 4 %. Healthy demand from customers and numerous investment projects to increase capacity, especially in the USA, will continue to push the Group's organic growth. In mid-2018 the capacity expansion for cosmetic ingredients in South Carolina will be completed, and the new Diana site for food ingredients in Georgia will be opened in the second half of the year.

Symrise aims to be highly profitable yet again in 2018 and to achieve an EBITDA margin of approximately 20 %. The medium-term targets through to the end of the fiscal year 2020 remain in effect, including a compound annual growth rate (CAGR) in the 5–7% range and an EBITDA margin between 19–22 %.

About Symrise:

Symrise is a global supplier of fragrances, flavors, 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.

With sales of approximately € 3 billion in 2017, Symrise is among the global leaders in the market for flavors and fragrances. Headquartered in Holzminden, Germany, the Group is represented with more than 90 sites in Europe, Africa and 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...

www.symrise.com

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Financial calendar 2018

May 16

Annual General Meeting Holzminden

May 22

Dividend Payment

August 14

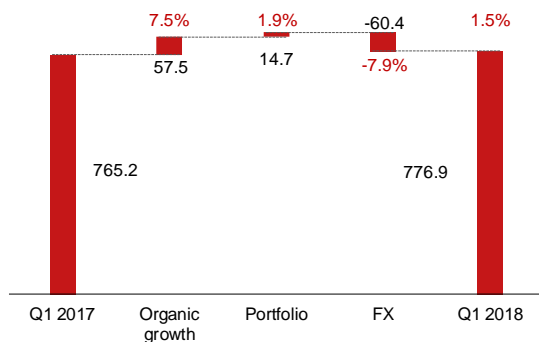
H1 Results

November 7

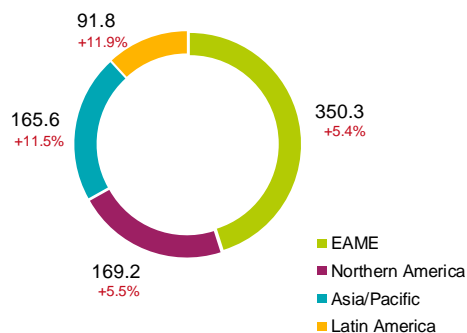
9M Results

Financial Information Q1 2018

Symrise Group Sales in € million

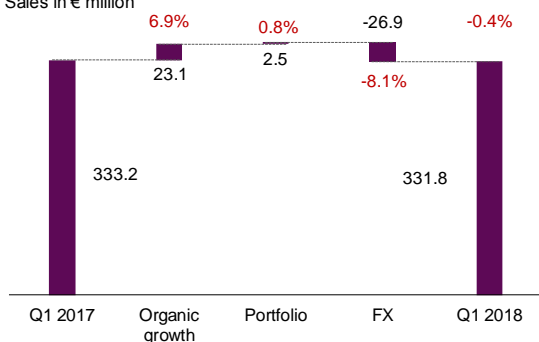


Sales by Region in € million (Organic growth in %)

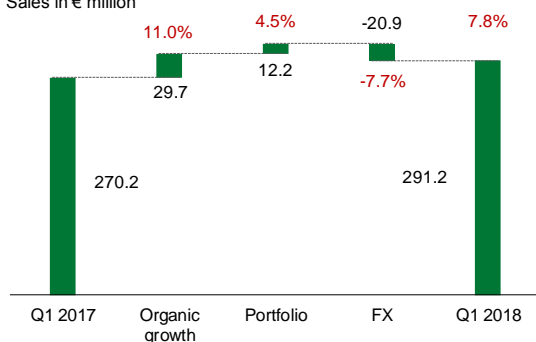


in € million	Q1 2017	Q1 2018	Change in %
EBITDA	165.5	155.8	-5.8
EBITDA margin	in %	21.6	20.1
Depreciation	21.8	22.1	1.5
Amortization	26.5	26.6	0.5
EBIT	117.3	107.1	-8.6
EBIT margin	in %	15.3	13.8

Scent & Care Sales in € million



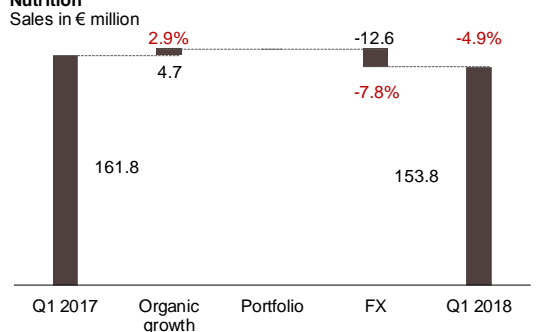
Flavor Sales in € million



in € million	Q1 2017	Q1 2018	Change in %
EBITDA	71.9	64.8	-9.9
EBITDA margin	in %	21.6	19.5

in € million	Q1 2017	Q1 2018	Change in %
EBITDA	56.9	61.0	7.2
EBITDA margin	in %	21.1	20.9

Nutrition Sales in € million



in € million	Q1 2017	Q1 2018	Change in %
EBITDA	36.7	30.1	-18.0
EBITDA margin	in %	22.7	19.5