

## Press release

Holzminden, 9 March 2021

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# Symrise delivers reliable, profitable growth during the exceptional year 2020

- Group sales in reporting currency up 3.3 % to € 3,520 million
  - Operating result (EBITDA) significantly above prior-year figure (+5.8 %) at € 742 million
  - EBITDA margin increases to 21.1 %
  - Dividend increase proposed from € 0.95 to € 0.97 per share
  - Outlook for 2021: Symrise expects sales growth of 5 to 7 % and EBITDA margin of around 21 %
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**Symrise AG reliably continued its profitable growth course in 2020 despite the challenging environment. The Group increased its sales by 3.3 % to € 3,520 million taking into account portfolio and currency translation effects. In organic terms, sales went up by 2.7 %. The Group thus significantly outperformed market growth, which is estimated at 1.0 % for 2020. At the same time, Symrise stayed behind its defined sales target, as the business development in the month of December was impacted by a criminal cyber-attack. Earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 5.8 % to € 742 million in 2020. Profitability reached an outstanding level with an EBITDA margin of 21.1 % and was within the expected margin range. Against the backdrop of the good performance, the Executive Board and the Supervisory Board propose a dividend increase to € 0.97 for the fiscal year 2020 to the annual general meeting.**

“In the historically exceptionally difficult year 2020, Symrise AG achieved a very solid result. Despite the shifts in demand resulting from the global coronavirus pandemic, we did an excellent job of staying on track until our progress was thwarted by a criminal cyber-attack on the final miles. Even though we were not able to fully achieve our growth targets, we nevertheless kept our profitability at a high level and continued to increase earnings. Once again, this success proves that we have a robust business model and that our dedicated employees reliably create value. We therefore also want our shareholders to participate in the success of the Company for 2020. The Executive and Supervisory Boards will propose a dividend of € 0.97 to the annual general meeting. This is the eleventh dividend increase in succession,” said Dr. Heinz Jürgen Bertram, CEO of Symrise AG. “Battling the pandemic will continue to define people’s everyday lives and economic conditions in 2021. However we look with confidence into the current financial year and expect reliable demand. Against this background, we are targeting organic sales growth of 5 to 7 % and an EBITDA margin of around 21 %.”

### **Sales growth despite the coronavirus pandemic and cyber-attack**

In 2020, business performance was also defined by the global coronavirus pandemic at Symrise. The pandemic led to changes in consumer behavior and shifts in demand. However, owing to its highly differentiated business model, Symrise very reliably succeeded in continuing its profitable growth course. Taking portfolio and currency translation effects into account, sales went up by 3.3 % to € 3,520 million (2019: € 3,408 million). Organic sales growth amounted to 2.7 %. Even in the exceptionally

difficult year 2020 with its huge challenges caused by the pandemic, the Group grew significantly faster than the relevant market for fragrances and aromas, which is estimated to have grown by 1.0 %. However, organic sales remained slightly below the targeted increase of between 3 to 4 % which was specified in the middle of the year. The reason was the cyber-attack in December, which led to temporarily significant restrictions in business workflows. As a consequence, organic sales growth in the fourth quarter was negatively affected and amounted to only 0.7 %. Without this one-off effect, Symrise would have achieved its growth targets on the back of good sales development in October and November, as well as a robust order backlog.

### **Profitability significantly increased compared with prior-year figure**

Symrise increased earnings before interest, taxes, depreciation and amortization (EBITDA) to € 742 million despite comprehensive investments in future growth projects. This corresponds to an increase of 5.8 % as compared to the normalized prior-year's level of € 701 million (EBITDA(N)). The biggest investment projects included expansion of production capacities for menthol and cosmetic ingredients, as well as the modernization of terpene production in the Aroma Molecules division in the USA. Furthermore, Symrise also invested in new production locations in China and Columbia.

Symrise also increased its profitability in the fiscal year 2020. The EBITDA margin rose to 21.1 % and exceeded the prior-year figure (2019 EBITDA(N) margin: 20.6 %). This means that once again, Symrise ranked among the most profitable companies in the sector.

Net income for the period rose by € 11 million to € 307 million (2019 normalized: € 296 million). Earnings per share increased to € 2.27 (2019 normalized: € 2.20) accordingly. Against the backdrop of this positive development, the Executive Board and the Supervisory Board will propose to the annual general meeting a dividend increase to € 0.97 per share for the fiscal year 2020 (2019: € 0.95).

### **Strong operating cash flow**

Symrise increased the business free cash flow by 18 % year-on-year to € 564 million (2019 normalized: € 476 million). This represents a share of 16 % in sales (2019 normalized: 14.1 %). The development was driven above all by the strong increase in earnings as well as a decline in working capital which was also reduced due to the temporary interference in production caused by the cyber-attack.

Net debt including leasing liabilities decreased by € 269 million to € 1,348 million (2019: € 1,617 million) in the fiscal year 2020 as a result of the strong operating cash flow. The ratio of net debt (including interest-related increased provisions for pensions and similar obligations) and EBITDA was below the prior-year figure and amounted to 2.7 (2019: 3.2) on 31 December 2020 despite increased provisions for pensions.

The equity ratio decreased year-on-year from 41.3 % to 39.8 % due to currency effects. Symrise sees itself as very well positioned to sustainably advance future development of its business.

### **Scent & Care segment**

The Scent & Care segment generated sales of € 1,370 million and achieved organic growth of 1.5 %. Taking negative currency translation effects into account, sales in reporting currency were 3.5 % below the prior-year figure. Furthermore, the cyber-attack caused impairments to the business.

The coronavirus pandemic exerted very varied impacts on the sales of the individual application areas of the segment. In particular, the strong demand for bodycare and hygiene products generated rising sales in Consumer Fragrances and Oral Care. Both application areas posted double-digit or high single-digit organic percentage growth. By contrast the Fine Fragrances application area was unable to continue at the high prior-year level owing to the pandemic and as a result of very restricted international travel activities. Sales in the Aroma Molecules and Cosmetic Ingredients divisions also underwent mixed developments and were each slightly below the good prior-year figures.

Scent & Care generated EBITDA of € 272 million in 2020 after € 278 million in the previous year. The EBITDA margin of 19.8 % was slightly above the level in 2019 (19.6 %).

In November 2020 Symrise signed a purchase agreement for the acquisition of the fragrance and aroma chemicals business of Sensient Technologies Corporation. Symrise is thereby continuing to expand its leading position as a provider of fragrance and aroma chemicals for applications in bodycare and household products in the future. This step will also strengthen the Company's presence especially in EAME and Latin America.

### **Flavor segment**

The Flavor segment generated sales of € 1,225 million in the fiscal year 2020 and consequently experienced organic growth of 0.7 %. Taking negative currency translation effects into account, sales in reporting currency were 2.6 % below the prior-year figure. The cyber-attack at the end of the year and changes in consumer behavior resulting from the coronavirus pandemic also impacted sales development in this segment: The global trend toward cooking and eating at home led to a strong demand for savory products in all regions. At the same time, internationally reduced out-of-home leisure activities led to a lower demand for beverage products and sweets. Latin America was the only region largely unaffected by the coronavirus pandemic and generated the strongest growth over the course of the fiscal year.

EBITDA in the Flavor segment amounted to € 267 million (2019: € 268 million). Profitability remained at a very high level with an EBITDA margin of 21.8 % (2019: 21.4 %).

### **Nutrition segment**

Nutrition achieved an increase in organic sales of outstanding 8.2 %. Taking portfolio and currency translation effects into account, sales in reporting currency increased by 26.6 % to € 926 million. Once again, the strongest growth driver in all regions was the Pet Food application area. The business of the US-based ADF/IDF Group, which was acquired in November 2019, developed very well and exceeded expectations. Overall, this business achieved sales of € 209 million in the fiscal year 2020.

The Nutrition segment increased EBITDA to € 204 million and thereby significantly exceeded the normalized prior-year figure (2019 EBITDA(N): € 155 million). The EBITDA margin increased, also supported by ADF/IDF, to 22.0 % (2019 EBITDA(N) margin: 21.2 %).

### **Symrise confirms long-term growth and profitability targets**

Overall, Symrise is looking ahead to the fiscal year 2021 with confidence. The delivery backlogs caused by the cyber-attack have now been largely resolved and the IT systems have been fully restored.

Furthermore, Symrise is assuming that the global economy will recover with rising vaccination rates and improved methods to combat the pandemic. The Group therefore wants to return to its original growth momentum and is targeting organic sales growth of 5 to 7 % for 2021. Symrise would thus again grow significantly faster than the relevant market, which is expected to grow by around 3 to 4 %. Regarding profitability, the Company is aiming to achieve an EBITDA margin of around 21 % despite slightly rising raw material costs.

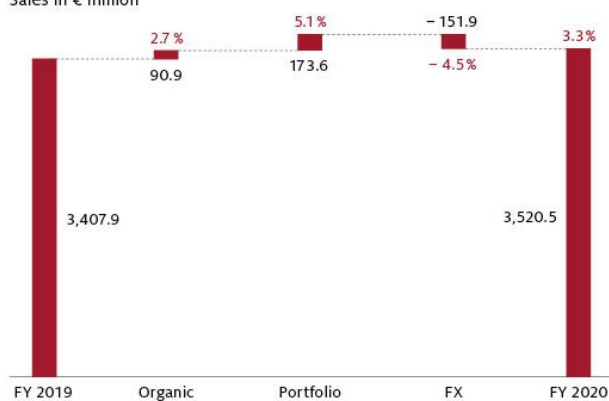
Symrise regards the underlying growth drivers for its own business as being intact and believes it is very well positioned to also realize its medium-term forecast. The Company therefore confirms its target of achieving average annual growth of between 5 and 7 % (CAGR) by the end of 2025. Symrise has aligned its business model along key global megatrends, including an increasing world population, economic progress in emerging markets and the trend toward healthier nutrition and natural ingredients. Thanks to its global positioning, its highly diversified portfolio and its broad customer base covering a wide range of varied market segments, Symrise regards itself as being very well positioned to meet the emerging demand.

Furthermore, the Group will continue to invest in growth projects, while at the same time maintaining disciplined cost management and focusing on business with strong margins. For Symrise the priority is on organic growth which can, however, be complemented by targeted value-adding acquisitions as well as by strategic partnerships.

## Financial Information FY 2020

### Symrise Group

Sales in € million



in € million	FY 2019 <sup>1</sup>	FY 2019 normalized <sup>1,2</sup>	FY 2020	Change in %	
Gross profit	1,360.6	1,360.6	1,390.5	2.2	
EBITDA	685.1	701.4	742.1	5.8	
EBITDA margin	in %	20.1	21.1		
EBIT	455.4	471.6	487.5	3.4	
EBIT margin	in %	13.4	13.8		
Depreciation	123.9	123.9	136.7	10.3	
Amortization	105.8	105.8	117.9	11.4	
Financial result	-45.8	-55.7	-64.0	14.8	
Earnings before income taxes	409.5	415.9	423.6	1.8	
Net income <sup>3</sup>	291.1	296.2	306.9	3.6	
Earnings per share <sup>4</sup>	in €	2.16	2.20	2.27	3.0
R&D expenses	213.4	213.4	212.3	-0.5	
Investments <sup>5</sup>	181.6	181.6	159.4	-12.2	
Business Free Cashflow in % of Sales <sup>6</sup>		14.1	16.0		

### Sales by Region in € million

(Organic Growth in %)



### Other Key Figures

	Dec 31, 2019 <sup>1</sup>	Dec 31, 2020	
Total assets	5,953.1	5,939.8	
Equity	2,457.1	2,361.7	
Equity ratio	in %	41.3%	39.8%
Net debt (incl. Provisions for pensions and similar obligations) <sup>7</sup>	2,221.5	2,028.8	
Net debt (incl. Provisions for pensions and similar obligations) <sup>7</sup> / EBITDA(N) <sup>8</sup>	ratio	3.2	2.7
Net debt <sup>7</sup>	1,616.7	1,347.6	
Net debt <sup>7</sup> / EBITDA(N) <sup>8</sup>	ratio	2.3	1.8
Employees (balance sheet day)	FTE <sup>9</sup>	10,264	10,531

### Flavor

Sales in € million



in € million	FY 2019	FY 2019 normalized <sup>2</sup>	FY 2020	Change in %
EBITDA	268.5		267.0	-0.5
EBITDA margin	in %	21.4	21.8	
EBIT	209.4		207.3	-1.0
EBIT margin	in %	16.7	16.9	

### Nutrition

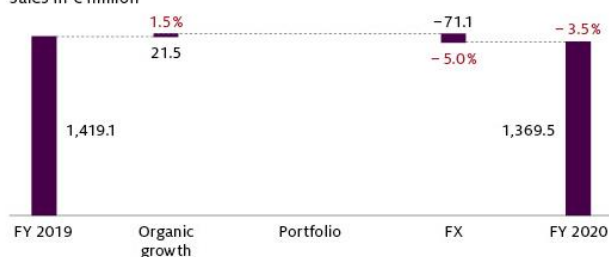
Sales in € million



in € million	FY 2019 <sup>1</sup>	FY 2019 normalized <sup>1,2</sup>	FY 2020	Change in %
EBITDA	138.6	154.9	203.6	31.4
EBITDA margin	in %	18.9	21.2	22.0
EBIT	42.6	58.9	87.4	48.4
EBIT margin	in %	5.8	8.1	9.4

### Scent & Care

Sales in € million



in € million	FY 2019	FY 2019 normalized <sup>2</sup>	FY 2020	Change in %
EBITDA	278.0		271.5	-2.3
EBITDA margin	in %	19.6	19.8	
EBIT	203.3		192.8	-5.2
EBIT margin	in %	14.3	14.1	

1 FY 2019 restated for finalized ADF/IDF Purchase Price Allocation

2 Adjusted for transaction and integration costs related to business combinations

3 attributable to shareholders of Symrise AG

4 undiluted

5 without new lease contracts

6 2019 not restated

7 including lease obligations

8 annualized EBITDA(N)

9 not including apprentices and trainees; FTE = full-time equivalent

10 ADF/IDF sales January - October 2020

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**About Symrise:** Symrise is a global supplier of fragrances, flavors, food, nutrition and cosmetic ingredients. Its clients include manufacturers of perfumes, cosmetics, food and beverages, pharmaceuticals and producers of nutritional supplements and pet food. Its sales of € 3.5 billion in the 2020 fiscal year make Symrise a leading global provider. Headquartered in Holzminden, Germany, the Group is represented by more than 100 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 integral 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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