

Trading Update January - September 2020

Holzminden, 29 October 2020

Symrise continues its robust course of growth

- Sales increase of 5.9 % compared to prior year period
- Organic sales growth of 3.3 % in the first nine months and 3.1 % in the third quarter
- Robust supply chain keeps all activities and locations fully operational throughout the Group
- Organic growth of 3 to 4 % expected for 2020
- Medium-term goals for 2025 confirmed

Symrise AG successfully continued its profitable growth course in the third quarter despite the global coronavirus pandemic. In an economically challenging and heterogeneous market environment, the Group increased its sales in the first nine months of 2020 by 5.9 % to € 2,703 million (9M 2019: € 2,551 million). In organic terms – i.e. excluding the portfolio effect of ADF/IDF and currency translation effects – sales were up by 3.3 % in the first nine months. All segments contributed to this positive development and achieved organic sales growth.

"Thanks to our solid positioning, the broadly diversified product portfolio, and the commitment and flexibility of our employees, we were able to build on the previous months and further increase our sales, also during the global coronavirus pandemic. The shifts in consumer demand during the first six months of the year have continued during the third quarter. Product solutions for food as well as personal care and hygiene remained in high demand, while demand for luxury items such as fine fragrances was less," said Dr Heinz-Jürgen Bertram, CEO of Symrise AG. "We are overall confident that we will conclude this historically very special year with good growth."

Scent & Care with strong growth in Personal Care, Oral Care and Menthol

Scent & Care, the business with fragrances, cosmetic ingredients and aroma molecules, achieved good organic sales growth of 3.1 % in the first nine months. Sales increased by 4.0 % in the third quarter. Taking currency translation effects into account, sales amounted to € 1,057 million and were slightly lower than in the prior year period (9M 2019: € 1,070 million).

Sales in the Fragrance division continued to be driven by Consumer Fragrance and Oral Care due to strong consumer demand for personal care and hygiene products. Both areas achieved organic growth in the double-digit percentage range. The Fine Fragrance unit continued to be affected by the coronavirus pandemic. On the other hand, in the third quarter North America in particular saw better project vitality with major customers related to luxury items. Overall, the Fragrance division achieved solid organic growth in the single-digit percentage range, with growth in all regions.

Sales in the Aroma Molecules division were characterized by lower demand for fragrance solutions on one hand and very positive momentum with menthol activities on the other. Due to capacity expansions, the Menthol business unit achieved double-digit growth. The EAME and the North and Latin America regions achieved strongest growth. Sales in the Aroma Molecules division were at large slightly below the high level of the previous year.

The Cosmetic Ingredients division was impacted by reduced travel activity due to the coronavirus pandemic, which led to lower demand for sun protection products. The other application areas achieved good organic growth in the single and double-digit percentage range. The Latin and North American regions, and above all the national markets of Brazil, Canada, the USA and Mexico, were the main

growth drivers. Overall, sales in the Cosmetic Ingredients division were slightly below the strong prior year results.

Flavor driven by trend toward cooking and eating at home

In the Flavor segment, which comprises solutions for food and beverages, changes in consumer behaviour due to the coronavirus pandemic continued throughout the third quarter. The trend toward cooking and eating at home remained strong, resulting in strong demand for products from the Savory business unit and product solutions for baked goods and cereals. At the same time, reduced out-of-home eating and drinking further affected demand for beverage products and sweets. The segment achieved organic growth of 0.6 % in the first nine months as well as in the third quarter. Segment sales in reporting currency amounted to € 949 million (9M 2019: € 966 million).

Sales in the EAME region were characterized by a significantly reduced demand for beverage products and sweets. At the same time, Savory achieved high single-digit growth. Product innovations for alternative proteins developed particularly well. The national markets of Germany and Russia achieved strongest growth. The pandemic continued to have a more negative impact on demand in France and the UK. Overall, sales in EAME were slightly below the result of the first nine month of the prior year.

In North America, Flavor achieved double-digit sales growth on an organic basis in the third quarter. As a result, the segment achieved a solid single-digit organic growth rate in the first nine months. Customers particularly demanded solutions for beverage and savory products.

Asia/Pacific reported strong demand for savory applications, which achieved organic growth in the double-digit percentage range. The largest increases were achieved in Indonesia, Thailand, Vietnam and South Korea. Sales for beverage and sweet applications were slower, particularly in the third quarter. In total, organic sales in the region were at the prior year level.

The segment achieved strongest growth in Latin America in the first nine months of 2020 and remained largely unaffected by the coronavirus pandemic. All business units realized high organic growth in the single or double-digit percentage range. The national markets of Brazil, Uruguay and Mexico developed particularly well.

Nutrition with strong growth in Pet Food

The Nutrition segment, which includes the food, pet food and probiotics applications of Diana as well as the activities of ADF/IDF, achieved strong organic sales growth of 9.1 %. Growth in the third quarter amounted to 6.1 %. Sales in the reporting currency amounted to € 697 million which represents an increase of 35.1 % (9M 2019: € 516 million) year on year. In the reporting period, ADF/IDF contributed € 156 million.

Pet Food continued to be the growth driver of the segment with strong organic growth in the single or double-digit percentage range in all regions. Sales developed particularly dynamically in the USA, Mexico, Brazil and South Korea.

In the Food unit, the Asia/Pacific region reported single-digit organic growth, with particularly strong dynamics in China, India, South Korea and Taiwan. In EAME, sales slightly exceeded the prior year level, while North America and Latin America were just below it. Overall, the coronavirus pandemic dampened business performance in numerous submarkets, with out-of-home consumption largely below prior year.

The business of US-based ADF/IDF, which was acquired in November 2019, developed well and exceeded expectations. In this area, the segment benefited from increased demand as a result of the pandemic.

The Probiotics business unit, which is part of Probi, had a very good third quarter and achieved organic sales growth in the double-digit percentage range in the first nine months. Growth was particularly driven by strong results in the North America region.

Symrise remains confident about the remaining months of the current financial year and reaffirms sales and earnings targets

Also with the ongoing coronavirus pandemic, Symrise continues to be fully operational worldwide and provides customers with reliable supply. With its global presence, its steadily growing and diversified portfolio and its broad customer base, the Group considers itself to be robust and securely positioned even in the current challenging market environment.

For 2020, Symrise expects organic growth of 3 to 4 % which would be above market growth. Estimates expect market growth of up to 3 % in the current environment.

Based on the continuing strong business performance, the Group is confirming an EBITDA margin in the range of 21 to 22 % for the 2020 fiscal year.

The medium-term targets remain fully intact. The Company aims to increase its annual sales to € 5.5 to € 6.0 billion by the end of 2025. Symrise wants to achieve this with annual organic growth of 5 to 7 % (CAGR) as well as additional targeted acquisitions. In the medium term, profitability should remain within a target corridor of 20 to 23 %.

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 approximately € 3.4 billion in the 2019 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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Financial calendar 2021

11 March

Full Year Results 2020

28 April

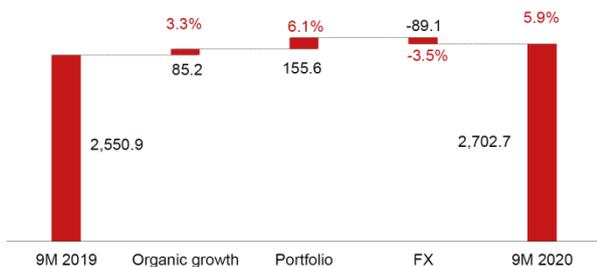
Interim Group Report January – March 2021 (trading update)

6 May

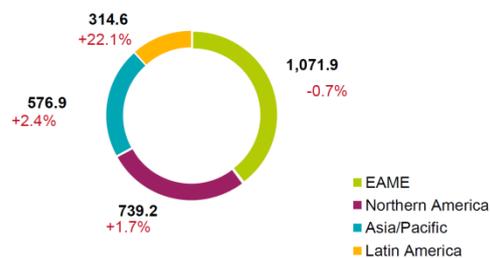
Annual General Meeting

Financial Information 9M 2020

Symrise Group
Sales in € million



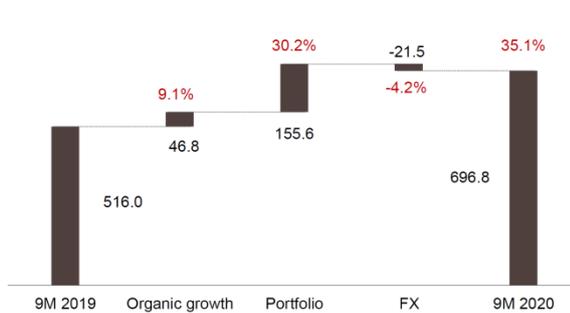
Sales by Region in € million
(Organic growth in %)



Flavor
Sales in € million



Nutrition
Sales in € million



Scent & Care
Sales in € million

