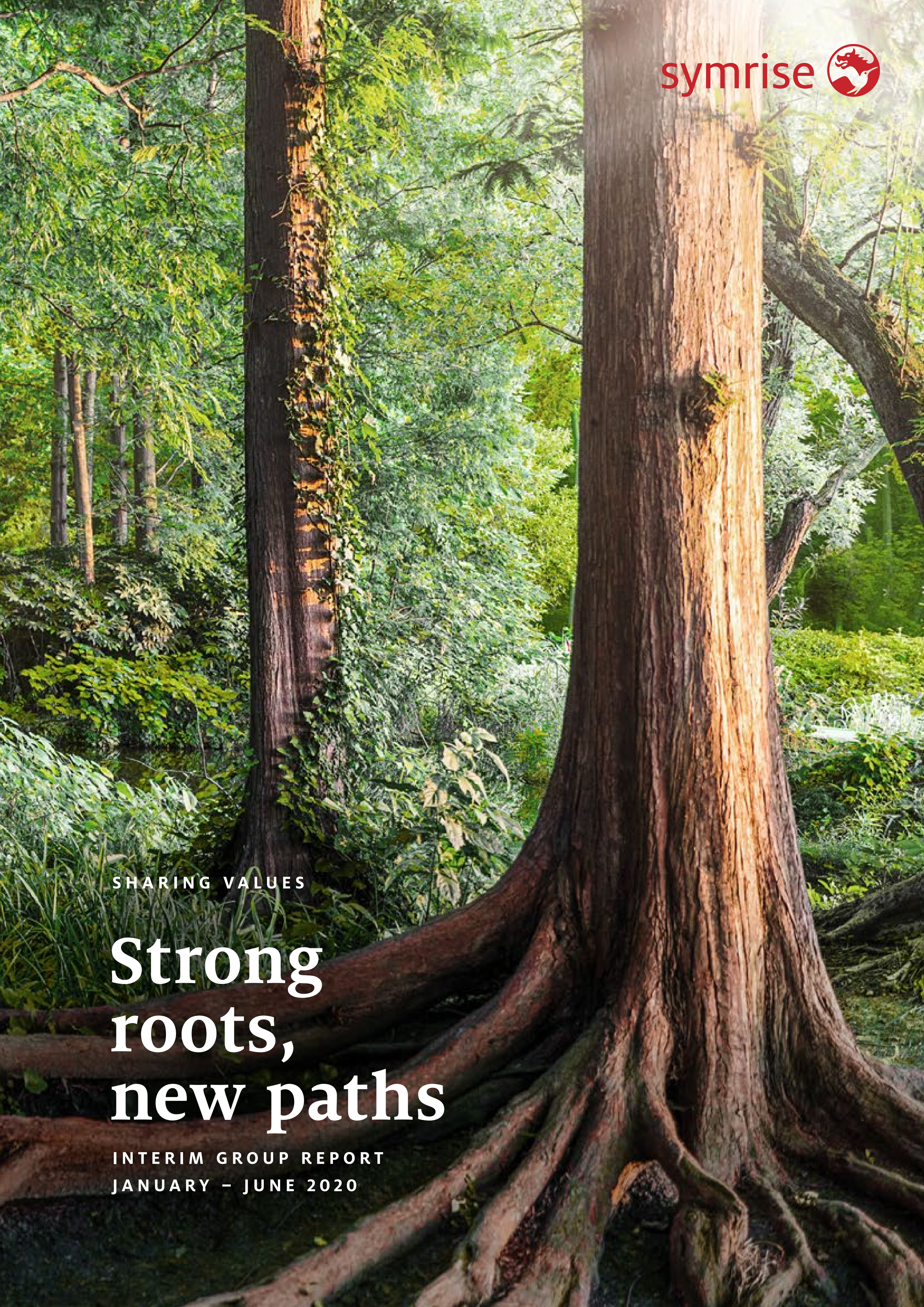


symrise

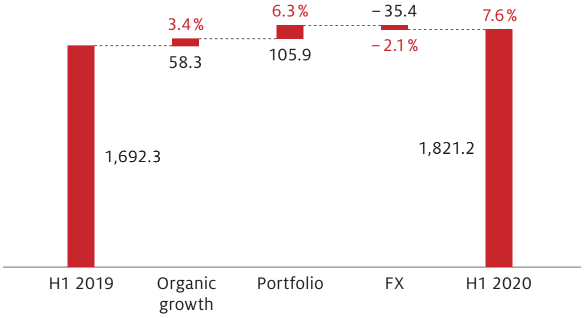
SHARING VALUES

Strong roots, new paths

INTERIM GROUP REPORT
JANUARY – JUNE 2020

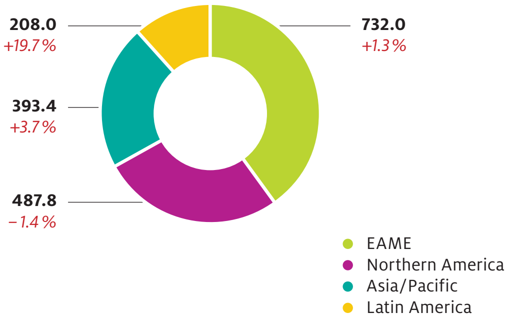
Financial Information H1 2020

Symrise Group
Sales in € million



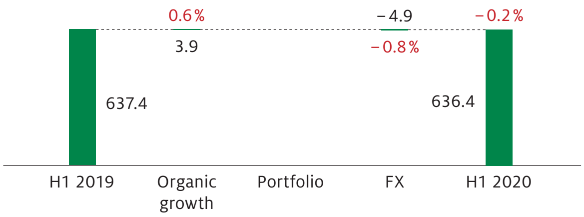
in € million		H1 2019	H1 2019 normalized[1]	H1 2020	Change in %
Gross profit		692.3	692.3	730.1	5.5
EBITDA		341.7	351.3	393.1	11.9
EBITDA margin	in %	20.2	20.8	21.6	
EBIT		231.6	241.2	265.8	10.2
EBIT margin	in %	13.7	14.3	14.6	
Depreciation		59.4	59.4	67.6	13.8
Amortization		50.7	50.7	59.7	17.7
Financial result		– 27.8	– 27.3	– 29.0	6.1
Earnings before income taxes		203.8	213.9	236.9	10.7
Net income for the period[3]		146.0	153.4	169.2	10.3
Earnings per share[4]	in €	1.09	1.14	1.25	9.6
R&D expenses		105.5	105.5	103.9	– 1.5
Investments		77.5	77.5	57.3	– 26.1
Business Free Cash Flow in % of Sales[5]			7.8	10.5	

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



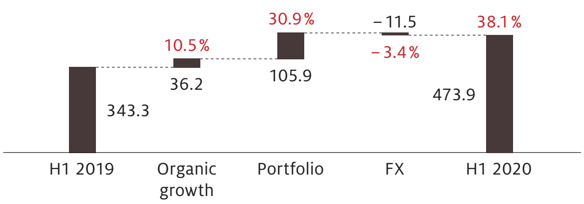
Other Key Figures		Dec 31, 2019[2]	Jun 30, 2020
Total assets		5,953.1	5,884.5
Equity		2,457.1	2,426.4
Equity ratio	in %	41.3	41.2
Net debt (incl. Provisions for pensions and similar obligations)[6]		2,221.5	2,260.9
Net debt (incl. Provisions for pensions and similar obligations)[6]/EBITDA(N)[7]	ratio	3.2	3.0
Net debt[6]		1,616.7	1,644.5
Net debt[6]/EBITDA(N)[7]	ratio	2.3	2.2
Employees (balance sheet day)	FTE[8]	10,264	10,413

Flavor
Sales in € million



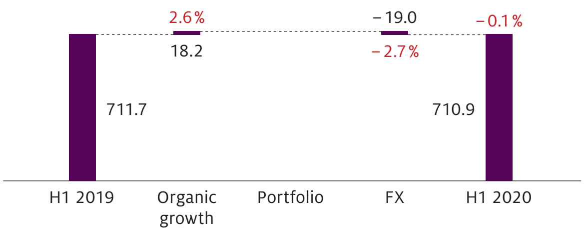
in € million		H1 2019	H1 2019 normalized[1]	H1 2020	Change in %
EBITDA		144.3		147.5	2.2
EBITDA margin	in %	22.6		23.2	
EBIT		115.6		117.2	1.4
EBIT margin	in %	18.1		18.4	

Nutrition
Sales in € million



in € million		H1 2019	H1 2019 normalized[1]	H1 2020	Change in %
EBITDA		57.2	66.8	99.6	49.1
EBITDA margin	in %	16.7	19.5	21.0	
EBIT		11.6	21.3	41.7	96.0
EBIT margin	in %	3.4	6.2	8.8	

Scent & Care
Sales in € million



in € million		H1 2019	H1 2019 normalized[1]	H1 2020	Change in %
EBITDA		140.2		146.1	4.2
EBITDA margin	in %	19.7		20.6	
EBIT		104.3		106.9	2.4
EBIT margin	in %	14.7		15.0	

1 adjusted for transaction and integration costs related to business combinations
2 FY 2019 restated for finalized ADF/IDF Purchase Price Allocation
3 attributable to shareholders of Symrise AG
4 undiluted
5 2019 adjusted for IFRS16
6 including lease obligations
7 annualized EBITDA(N)
8 not including apprentices and trainees; FTE = full-time equivalent

Sales in the first half of the year up 7.6 % from the same period of the previous year

Organic growth of 3.4 % in the first six months and 4.6 % in the second quarter despite the global coronavirus pandemic

Operating result 11.9 % above the previous year. EBITDA margin increases to 21.6 %

EBITDA margin goal for 2020 raised to 21 to 22 %

Sales goal for 2020 and medium-term goals for 2025 confirmed

Symrise continued its growth course in the first half of 2020 and achieved a sales increase of 7.6 % to € 1,821 million (H1 2019: € 1,692 million). Excluding the portfolio effect of the ADF/IDF acquisition and exchange rate effects, sales grew organically by 3.4 %. All segments contributed to this positive development and grew organically, even in a global economic environment that remained tense due to the coronavirus pandemic.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to € 393 million and was therefore up 11.9 % over the normalized[1] figure for the previous year (EBITDA(N) H1 2019: € 351 million). With an EBITDA margin of 21.6 %, the Group's profitability also improved significantly compared to the previous year's figure (EBITDA(N) margin H1 2019: 20.8 %).

The net income for the period of € 169 million exceeded the previous year's normalized level by 10.3 % (H1 2019: € 153 million).

1 In the first half of the 2019 fiscal year, costs of € 9.6 million were incurred in connection with the acquisition of ADF/IDF. In the following section, we use normalized results (EBIT(N)/EBITDA(N)) for the first half of 2019, adjusted for these one-off, non-recurring specific influences. No normalizations were made in the first half of the 2020 fiscal year.

ABOUT SYMRISE

Symrise is a global supplier of fragrances and flavorings, cosmetic active ingredients and raw materials, functional ingredients and product solutions for food production based on natural starting materials. Its clients include manufacturers of perfumes, cosmetics, food and beverages, the pharmaceutical industry 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 in 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 indispensable part of everyday life. Economic success and corporate responsibility are inextricably linked as part of this process. Symrise – always inspiring more ...

Interim Group Management Report for the period from January 1 to June 30, 2020

Business environment

The coronavirus pandemic represents a major challenge for the global economy. From the beginning of 2020, the novel coronavirus that can cause the lung disease COVID-19 spread from China and led to a dynamic increase in infections around the world. Almost all governments took drastic measures to contain the pandemic. These include restricting free movement and prohibiting personal contact, restricting travel and temporarily closing businesses, hotels, restaurants and retail outlets. In many countries, economic activity came to a temporary standstill in the first half of 2020.

The global recession triggered by the coronavirus pandemic is likely to be more severe than the economic slump caused by the 2008/2009 financial crisis, according to an assessment by the International Monetary Fund (IMF) in June 2020. The decline in global economic output could reach 4.9 % in 2020. On the supply side, there are production losses and disruptions in trade, while demand is suffering from the drop in private household income and a sharp rise in unemployment despite record-level government economic stimulus programs. With a gradual easing of measures to prevent the spread of the coronavirus in the course of 2020 and the resulting economic recovery, the IMF expects the global economy to grow by 5.4 % in 2021. Global economic output would then still be 6.5 percentage points below the growth scenario that IMF had set for 2021 prior to the pandemic.

The economic setback in industrialized countries is expected to amount to – 8.0 % in 2020, and the growth in economic output could then reach 4.8 % in 2021. As a result, the gross domestic product (GDP) of this group of countries in 2021 would be 4 % below the 2019 level. The eurozone has been particularly hard hit by the economic impact of the pandemic (GDP 2020: – 10.2 %), as have the United Kingdom (GDP 2020: – 10.2 %) and the USA (GDP 2020: – 8.0 %).

Economic output in the developing and emerging markets is also likely to decline significantly in 2020; the IMF expects a decrease of 3.0 %, followed by growth of 5.9 % in 2021. However, setbacks and recoveries in this group of countries are much more differentiated than in the industrialized countries depending on the course of the pandemic, the effectiveness of countermeasures and the economic structure. China is once again in a phase of economic recovery in the summer of 2020 and could even achieve slight growth of 1.0 % in 2020 as a whole. India’s GDP is expected to decline by 4.5 % in 2020. In Latin America, Brazil (GDP 2020: – 9.1 %) and Mexico (GDP 2020: – 10.5 %) have been particularly hard hit.

Impacts of the coronavirus pandemic

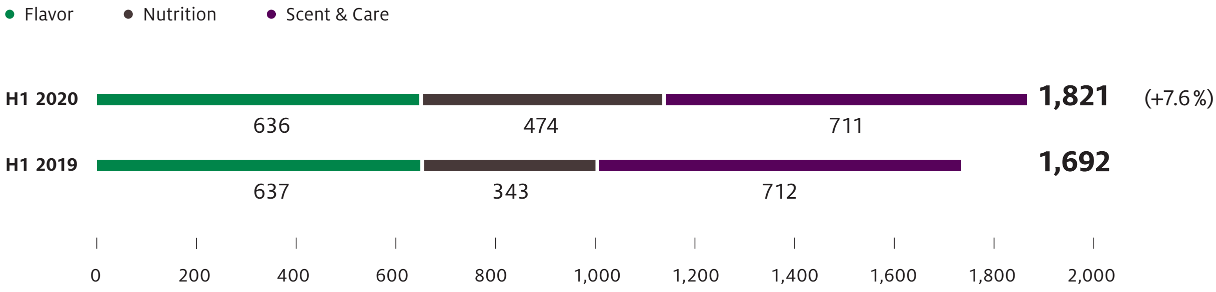
The consequences of the coronavirus pandemic have so far had little impact on business development. Due to the classification of our industry as system relevant, Symrise was able to continue production at all sites without significant interruptions and remained able to deliver to customers.

Nevertheless, the coronavirus pandemic has also posed challenges for Symrise. In addition to some interruptions in global supply chains, established work procedures had to be adapted to the current situation at short notice. For example, Symrise introduced comprehensive measures at all locations to provide the best possible protection for employees and business partners. These include home office solutions for the creation of physical distance, temporal separation of shifts and laboratory activities, and additional hygiene measures. At the same time, Symrise is largely dispensing with travel and relying instead on online meetings and video conferences.

With a wide range of product solutions for food as well as for personal care and hygiene, Symrise is meeting the needs of daily life, especially during these times. In addition, Symrise has a strong international orientation with its own production sites in the most important sales markets. Due to this diversified and balanced business model, Symrise believes it is in a position to limit the risks in individual markets and to consistently take advantage of business opportunities which are available in many places even in this difficult situation. At the same time, Symrise has assumed its social responsibility to combat the crisis by temporarily converting individual production areas to manufacture urgently needed disinfectants and distributing them to communities at no cost.

Group sales performance

SALES DEVELOPMENT IN THE SYMRISE GROUP in € million



The Symrise Group achieved sales growth of 7.6 % in the first half of 2020. The acquisition of ADF/IDF had a positive impact of € 106 million on sales performance. Excluding portfolio and currency effects, organic sales growth was 3.4 % despite the coronavirus pandemic. In the second quarter, the pandemic had both positive and negative effects on individual business units.

The Flavor segment achieved organic growth of 0.6 % in the first half of 2020. Taking currency translation effects into account, segment sales in the reporting currency were € 636 million, slightly below the previous year's figure (H1 2019: € 637 million). In the second quarter, a change in consumer behavior related to the coronavirus pandemic was observed for the first time. The trend toward cooking and eating at home led to a 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 led to a lower demand for beverage products and sweets.

In the EAME region, the segment suffered from significantly reduced demand for beverage products and sweets. Conversely, the Savory business unit recorded a high single-digit growth rate. Overall, however, sales in the region remained slightly below the figure for the first half of 2019. The largest growth was achieved in Germany and in the Gulf region. By contrast, markets in the United Kingdom, Italy, Ireland, Austria and Sweden were negatively affected by the coronavirus pandemic.

The effects in North America were similar to those in the EAME region. Savory product solutions were in great demand, whereas beverage products and sweets sold less. Overall, organic sales in the North America region were roughly on par with the same period of the previous year.

The Asia/Pacific region reported organic growth in the single-digit percentage range, driven primarily by very strong demand for products from the Savory business unit, which showed organic growth in the double-digit percentage range. In the Sweet business unit, demand also declined in the Asia/Pacific region, resulting in lower sales than in the previous year. Conversely, the Beverages business unit matched the previous year's level. The largest increases in the region were achieved in Indonesia, Thailand, Vietnam and Singapore. China, India and Japan, on the other hand, suffered more from the coronavirus pandemic.

The Latin America region achieved the highest growth in the segment in the first half of 2020 and was largely unaffected by the coronavirus pandemic. All business units achieved high organic growth in the single or double-digit percentage range. In particular, Brazil, Uruguay and Mexico developed positively and recorded strong growth.

The Nutrition segment achieved strong organic growth of 10.5 % in the first half of 2020. Accounting for portfolio and currency translation effects, sales in the reporting currency amounted to € 474 million and were 38.1 % above the previous year's level (H1 2019: € 343 million). The acquisition of ADF/IDF had a positive impact of € 106 million on sales performance.

The Pet Food business unit again proved to be the growth driver of the Nutrition segment, achieving high organic growth in the double-digit percentage range in all regions. Sales development was particularly dynamic in the USA, Mexico, Brazil and Russia, especially with our global and regional customers.

In the Food business unit, the Asia/Pacific region was characterized by organic growth in the double-digit percentage range, especially in China, India and Taiwan. Sales in the EAME region were at the same level as last year, while North and Latin America were slightly below the previous year.

Sales development in the Aqua business unit was also positive. Good growth was achieved, especially in the EAME and Asia/Pacific regions.

Probi reported organic growth in the single-digit percentage range, primarily in the North America and Asia/Pacific regions.

The **Scent & Care** segment achieved organic growth of 2.6 % in the first half of 2020. Taking currency translation effects into account, sales in the first half of 2020 in the reporting currency were € 711 million and were therefore slightly lower than in the same period of the previous year (H1 2019: € 712 million). Also in the Scent & Care segment, a change in consumer demand in the wake of the coronavirus pandemic became apparent, particularly in the second quarter. There was a strong demand for product solutions for cleaning and hygiene, while sales of luxury items like fine fragrances, cosmetics and sun protection products declined significantly.

Sales in the **Fragrance** division were driven by strong demand in the Consumer Fragrance and Oral Care business units, which recorded high organic growth in the single and double-digit percentage range respectively. Product solutions for personal care were particularly in demand. In the Fine Fragrances business unit, however, the effects of the coronavirus pandemic were clearly felt. A worldwide reduction in travel activity and closed stores due to lockdowns had a negative impact on the demand for luxury items. Overall, however, the Fragrance division achieved solid organic growth in the single-digit percentage range with increases in all regions.

Sales in the **Aroma Molecules** division in the first half of 2020 were slightly below the high level of the previous year, mainly due to lower demand for fragrances. In the same period of the previous year, the business unit had benefited from sharply rising commodity prices in times of raw material shortages. On the other hand, positive momentum came from the Menthols business unit, which achieved organic growth in the double-digit percentage range using newly created capacities in the USA. The highest sales growth was achieved in the EAME and North and Latin America regions.

Sales in the **Cosmetic Ingredients** division developed moderately in the first half of 2020 and suffered above all from reduced demand for sun protection products. This was mainly due to reduced travel activity during the coronavirus pandemic. The division's other business units showed good organic growth in the single or double-digit percentage range. The main growth markets here were Brazil, China and Korea in the Latin America and Asia/Pacific regions.

Earnings situation

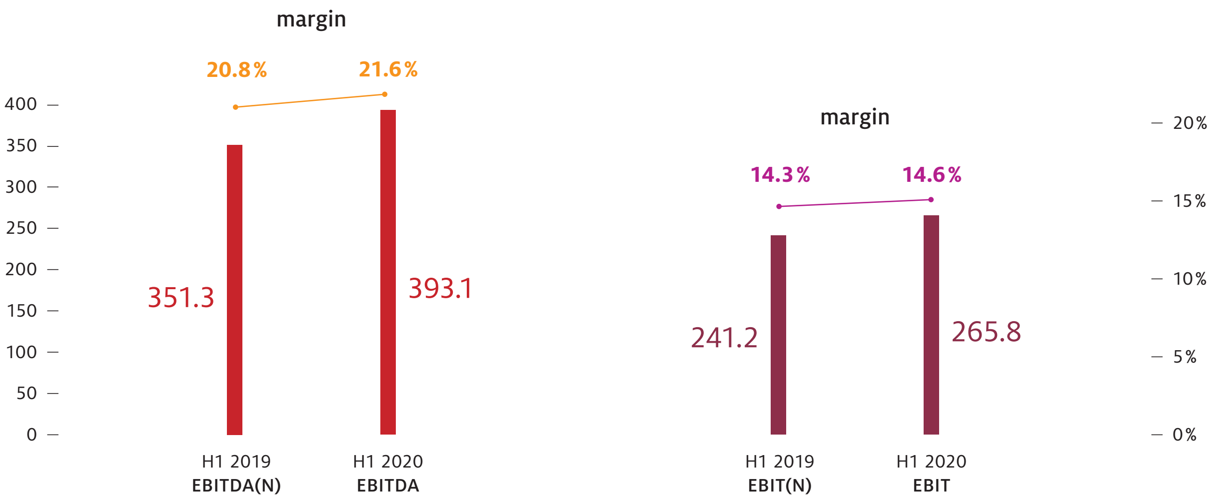
Operating result[2]

Despite the global coronavirus pandemic, the overall earnings performance in the first half of 2020 was positive. Compared to the same period of the previous year, **gross profit** also improved significantly by 5.5 % to € 730 million (H1 2019: € 692 million). At 40.1 %, the **gross margin** was down from the same period in the previous year (H1 2019: 40.9 %), mainly as a result of higher production costs following the inclusion of ADF/IDF. The **cost of goods sold** showed a particularly strong increase of 9.1 % to € 1,091 million, primarily due to the inclusion of ADF/IDF and portfolio shifts resulting from changes in consumer behavior related to the coronavirus pandemic. The increase in **selling and marketing expenses** to € 272 million was disproportionately low at 4.0 %. **R&D expenses** were € 104 million, 1.5 % below the previous year's level. The R&D ratio amounted to 5.7 %, compared to 6.2 % in the first half of the previous year. The development of R&D expenses reflects reduced project activity in connection with the coronavirus pandemic as well as proportionally lower research expenses for ADF/IDF. **Administration expenses** amounted to € 107 million and were 9.6 % higher than in the previous year (H1 2019 normalized for one-time effects of the ADF/IDF acquisition: € 98 million).

In the first six months of 2020, the Group generated **earnings before interest, taxes, depreciation and amortization (EBITDA)** of € 393 million. Compared to the same period of the previous year, an increase of 11.9 % was achieved, both through profitable sales growth and the inclusion of ADF/IDF. The **EBITDA margin** improved by 0.8 percentage points to 21.6 % (EBITDA(N) H1 2019: 20.8 %).

2 In the first half of the 2019 fiscal year, costs of € 9.6 million were incurred in connection with the acquisition of ADF/IDF. In the following section, we use normalized results (EBIT(N)/EBITDA(N)) for the first half of 2019, adjusted for these one-off, non-recurring specific influences. No normalizations were made in the first half of the 2020 fiscal year.

EARNINGS OVERVIEW in € million/in %



The EBITDA of the **Flavor** segment totaled € 147 million in the reporting period (H1 2019: € 144 million), putting it 2.2 % over the previous year's figure. The EBITDA margin improved from 22.6 % in the first half of the previous year to 23.2 % in the current fiscal year, mainly due to proportionally lower raw material costs.

The **Nutrition** segment generated an EBITDA of € 100 million in the first half of 2020 (H1 2019 EBITDA(N): € 67 million). The segment's EBITDA margin reached 21.0 %, which is 1.5 percentage points above the figure from the previous year (EBITDA(N) margin H1 2019: 19.5 %). The increase in profitability is mainly due to the good performance of Pet Food and the inclusion of ADF/IDF.

Scent & Care generated EBITDA of € 146 million in the first half of 2020, € 6 million higher than in the same period of the previous year (H1 2019: € 140 million). The segment's EBITDA margin was 20.6 %, up 0.9 percentage points from the figure for the first half of 2019 (19.7 %).

Financial result

The financial result for the first six months of 2020 was € –29 million and was therefore € 1 million below the result from the same period of the previous year.

Taxes

In the first half of 2020, the income tax expense amounted to € 64 million. This corresponds to a tax rate of 27.0 % (previous year: 27.0 %).

Net income for the period and earnings per share

The net income for the period attributable to shareholders of Symrise AG for the first six months of 2020 amounted to € 169 million, which was € 16 million above the normalized figure from the previous year of € 153 million. Basic earnings per share reached € 1.25, up from € 1.14 (normalized) in the first half of the previous year (+9.6 %).

Cash flow

The cash flow from operating activities for the first half of 2020 of € 219 million was € 78 million higher than the previous year's level of € 141 million. The increase is mainly due to the improved operating result and the inclusion of ADF/IDF.

The business free cash flow increased significantly from € 139 million to € 190 million in the first six months of the current fiscal year compared to the same period in the previous year.

Financial position

Over the course of the first half of 2020, Symrise reduced financial liabilities in the amount of € 68 million on a net basis due to the strong cash flow. This mainly relates to bank loans taken out as part of the ADF/IDF acquisition financing.

As a general liquidity provision in light of the coronavirus pandemic and the associated uncertainty about business and liquidity developments, Symrise arranged additional bilateral credit lines with banks totaling € 250 million in the first half of 2020. Together with the revolving line of credit, which was also unused as of the reporting date, they serve as liquidity reserves for the Symrise Group.

Net debt increased by € 28 million to € 1,645 million compared to the reporting date of December 31, 2019. The ratio of net debt including lease liabilities to EBITDA(N) thus amounts to 2.2. Including pension obligations and lease liabilities, net debt equaled € 2,261 million, which corresponds to a ratio of net debt (including lease liabilities and provisions for pensions and similar obligations) to EBITDA(N) of 3.0.

Employees

As of June 30, 2020, the Group employed 10,413 people (full-time employees not including trainees and apprentices) worldwide. In comparison to December 31, 2019 (10,264), this represents an increase of 149 full-time employees.

Opportunities and risk report

No risks in accordance with Section 91 (2) of the German Stock Corporation Act (AktG) that could endanger the continued existence of the Symrise Group can be identified at present.

A detailed discussion of the opportunities and risks as well as a description of the risk management system can be found in the 2019 Group management report (see the 2019 Financial Report on pages 42 et seq.). The statements made there remain essentially unchanged.

Symrise is continuously monitoring the future implications of the global coronavirus pandemic. The crisis has partially changed consumer behavior and led to a shift in the portfolio. A variety of products for which there is currently stronger demand meet essential needs in terms of nutrition, personal care and hygiene. Furthermore, more complex logistics lead to delayed supply chains. The resulting opportunities and risks are monitored and evaluated as part of the risk management process. If necessary, appropriate countermeasures are taken.

Outlook

With its global presence, steadily growing portfolio and broad customer base, the Group considers itself to be robust and securely positioned even in the current challenging market environment. Symrise is fully operational worldwide and is able to supply customers sustainably. The coronavirus pandemic has partially changed consumer behavior and has already led to a shift in demand in our portfolio. A variety of products for which there is currently stronger demand meet essential needs in terms of nutrition, personal care and hygiene.

Even in the still difficult situation caused by the coronavirus pandemic, Symrise was able to increase its sales and also its profitability in the first half of the year. The Group therefore remains confident about the current fiscal year. Even though the effects of the pandemic can only be estimated to a limited extent, the company continues to expect to grow faster than the relevant market again for the rest of the year. The market growth is estimated to be around 3 to 4 %. Symrise considers itself to be well positioned to achieve the sales goals confirmed at the beginning of 2020.

In the medium term, the company aims to increase its sales to € 5.5 to 6.0 billion by 2025. Annual organic growth of 5 to 7 % (CAGR) as well as additional targeted acquisitions should contribute to this. Profitability should remain within a target corridor of 20 to 23 % in the long term. Assuming a stable Euro/US Dollar exchange rate, the Group is increasing its EBITDA margin forecast for 2020 from over 20 % previously to 21 % to 22 %.

Subsequent report

Symrise successfully issued a Eurobond for € 500 million with a value date of July 1, 2020, on the capital market to refinance the borrowings with maturities in November and December 2020 (around € 320 million). The Eurobond has a term of seven years and an annual coupon of 1.375 %. The funds in excess of the amount required to repay the liabilities are available to the company for further liquidity protection.

Condensed Consolidated Interim Financial Statements as of June 30, 2020

Consolidated income statement

T€	H1 2019	H1 2020
Sales	1,692,330	1,821,205
Cost of goods sold	– 999,993	– 1,091,122
Gross profit	**692,337**	**730,083**
Selling and marketing expenses	– 261,382	– 271,944
Research and development expenses	– 105,466	– 103,854
Administration expenses	– 107,542	– 107,273
Other operating income	15,692	18,971
Other operating expenses	– 2,066	– 1,586
Result of companies accounted for using the equity method	0	1,445
Income from operations/EBIT	**231,573**	**265,842**
Financial income	3,220	1,592
Financial expenses	– 31,014	– 30,553
Financial result	**– 27,794**	**– 28,961**
Earnings before income taxes	**203,779**	**236,881**
Income taxes	– 55,060	– 63,972
Net income for the period	**148,719**	**172,909**
of which attributable to shareholders of Symrise AG	146,015	169,185
of which attributable to non-controlling interests	2,704	3,724
Earnings per share (€)[1]		
basic	1.09	1.25
diluted	1.07	1.22

1 For the calculation of basic and diluted earnings, please refer to note 2.5 of the 2019 consolidated financial statements.

Consolidated statement of comprehensive income

T€	H1 2019	H1 2020
Net income for the period	**148,719**	**172,909**
of which attributable to shareholders of Symrise AG	146,015	169,185
of which attributable to non-controlling interests	2,704	3,724
Items that may be reclassified subsequently to the consolidated income statement		
Exchange rate differences resulting from the translation of foreign operations[1]	18,817	– 71,869
Cash flow hedge (currency hedges)	– 296	4
Income taxes payable on these components	– 1,430	4,367
Items that will not be reclassified to the consolidated income statement		
Remeasurement of defined benefit pension plans and similar obligations	– 86,338	– 6,112
Income taxes payable on these components	24,923	1,528
Other comprehensive income	**– 44,324**	**– 72,082**
Total comprehensive income	**104,395**	**100,827**
of which attributable to shareholders of Symrise AG	102,502	97,183
of which attributable to non-controlling interests	1,893	3,644

1 The most relevant exchange rates for the Symrise Group are presented in note 2.1.

Consolidated statement of financial position

T€	December 31, 2019 adjusted*	June 30, 2020
ASSETS		
Current assets		
Cash and cash equivalents	445,900	360,717
Trade receivables	647,675	698,828
Inventories	891,689	924,341
Other non-financial assets and receivables	79,445	104,820
Other financial assets	11,919	16,206
Income tax assets	22,224	12,039
	2,098,852	**2,116,951**
Non-current assets		
Intangible assets	2,387,721	2,325,393
Property, plant and equipment	1,244,747	1,218,188
Other non-financial assets and receivables	17,817	23,136
Other financial assets	12,473	11,911
Investments in companies accounted for using the equity method	90,789	90,135
Deferred tax assets	100,749	98,749
	3,854,296	**3,767,512**
TOTAL ASSETS	**5,953,148**	**5,884,463**

* Regarding the details of the adjustment, please refer to note 5.

Consolidated statement of financial position

T€	December 31, 2019 adjusted*	June 30, 2020
LIABILITIES		
Current liabilities		
Trade payables	332,497	324,007
Borrowings	503,324	438,733
Lease liabilities	21,058	21,249
Other non-financial liabilities	192,723	210,827
Other provisions	10,857	12,532
Other financial liabilities	6,373	4,862
Income tax liabilities	79,533	83,926
	1,146,365	**1,096,136**
Non-current liabilities		
Borrowings	1,462,833	1,465,987
Lease liabilities	75,378	79,223
Other non-financial liabilities	5,033	5,643
Other provisions	29,212	28,114
Provisions for pensions and similar obligations	604,851	616,375
Other financial liabilities	1,597	3,019
Deferred tax liabilities	167,492	160,276
Income tax liabilities	3,263	3,263
	2,349,659	**2,361,900**
TOTAL LIABILITIES	**3,496,024**	**3,458,036**
EQUITY		
Share capital	135,427	135,427
Capital reserve	1,798,030	1,798,030
Reserve for remeasurements (pensions)	– 217,187	– 221,771
Cumulative translation differences	– 194,047	– 261,569
Accumulated profit	874,443	913,195
Other reserves	3,197	3,212
Symrise AG shareholders' equity	**2,399,863**	**2,366,524**
Non-controlling interests	57,261	59,903
TOTAL EQUITY	**2,457,124**	**2,426,427**
LIABILITIES AND EQUITY	**5,953,148**	**5,884,463**

* Regarding the details of the adjustment, please refer to note 5.

Consolidated statement of cash flows

T€	H1 2019	H1 2020
Net income for the period	**148,719**	**172,909**
Result of companies accounted for using the equity method	0	– 1,445
Income taxes	55,060	63,972
Interest result	23,135	27,727
Depreciation, amortization and impairment of non-current assets	110,112	127,296
Increase (+)/decrease (–) in non-current liabilities	5,492	8,282
Increase (–)/decrease (+) in non-current assets	6,518	– 4,943
Dividends from companies accounted for using the equity method	0	2,053
Other non-cash expenses and income	– 5,413	19,105
Cash flow before working capital changes	**343,623**	**414,956**
Increase (–)/decrease (+) in trade receivables and other current assets	– 74,505	– 110,297
Increase (–)/decrease (+) of inventories	– 38,596	– 57,980
Increase (+)/decrease (–) in trade payables and other current liabilities	– 28,870	27,092
Income taxes paid	– 60,609	– 55,047
Cash flow from operating activities	**141,043**	**218,724**
Payments for business combinations and for subsequent contingent purchase price components as well as for investments in companies accounted for using the equity method	– 8,443	88
Payments for investing in intangible assets and property, plant and equipment as well as for non-current financial assets	– 82,488	– 58,847
Cash flow from investing activities	**– 90,931**	**– 58,759**
Proceeds from (+)/redemption of (–) bank borrowings	– 53,020	– 67,881
Proceeds from (+)/redemption of (–) other borrowings	748,478	– 134
Transaction costs related to debt financing	– 2,532	0
Issue of new shares/capital increase	400,000	0
Transaction costs related to equity financing	– 2,030	0
Interest received (+)/paid (–)	– 10,888	– 9,670
Dividends paid by Symrise AG	– 121,884	– 128,655
Dividends paid to non-controlling interests	– 1,370	– 995
Acquisition of non-controlling interests	– 195	– 1,875
Principal portion of lease payments	– 9,164	– 10,418
Cash flow from financing activities	**947,395**	**– 219,628**
Net change in cash and cash equivalents	997,507	– 59,663
Effects of changes in exchange rates	7,234	– 24,470
Loss on the net monetary position (hyperinflation)	– 1,812	– 1,050
Total changes	**1,002,929**	**– 85,183**
Cash and cash equivalents as of January 1	279,595	445,900
Cash and cash equivalents as of June 30	**1,282,524**	**360,717**

Consolidated statement of changes in equity

T€	Share capital	Capital reserve	Reserve for remea-surements (pensions)	Cumulative translation differences	Accumulated profit	Other reserves	Symrise AG share-holders' equity	Non-controlling interests	Total equity
January 1, 2019	129,813	1,405,085	– 161,694	– 189,413	705,668	2,533	1,891,992	52,416	1,944,408
Adjustment due to IFRS 16	–	–	–	3	97	–	100	73	173
January 1, 2019 (adjusted)	129,813	1,405,085	– 161,694	– 189,410	705,765	2,533	1,892,092	52,489	1,944,581
Total comprehensive income	–	–	– 61,415	18,089	146,015	– 187	102,502	1,893	104,395
Dividends paid	–	–	–	–	– 121,884	–	– 121,884	– 1,370	– 123,254
Issue of ordinary shares less transaction costs	5,614	392,945	–	–	–	–	398,559	–	398,559
Other changes	–	–	–	– 6	– 532	–	– 538	343	– 195
June 30, 2019	135,427	1,798,030	– 223,109	– 171,327	729,364	2,346	2,270,731	53,355	2,324,086

T€	Share capital	Capital reserve	Reserve for remea-surements (pensions)	Cumulative translation differences	Accumulated profit	Other reserves	Symrise AG share-holders' equity	Non-controlling interests	Total equity
January 1, 2020 adjusted*	135,427	1,798,030	– 217,187	– 194,047	874,443	3,197	2,399,863	57,261	2,457,124
Total comprehensive income	–	–	– 4,584	– 67,433	169,185	15	97,183	3,644	100,827
Dividends paid	–	–	–	–	– 128,655	–	– 128,655	– 995	– 129,650
Other changes	–	–	–	– 89	– 1,778	–	– 1,867	– 7	– 1,874
June 30, 2020	135,427	1,789,030	– 221,771	– 261,569	913,195	3,212	2,366,524	59,903	2,426,427

* Regarding the details of the adjustment, please refer to note 5.

Notes

1. GENERAL INFORMATION

The condensed consolidated interim financial statements as of June 30, 2020, for Symrise Aktiengesellschaft (Symrise AG, hereafter also referred to as "Symrise"), were approved for submission to the Supervisory Board's Auditing Committee and subsequent publication by a resolution of the Executive Board on July 21, 2020.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of the interim financial statements

Symrise has prepared its condensed consolidated interim financial statements as of June 30, 2020, in accordance with the International Financial Reporting Standards (IFRS) and their related interpretations (IFRIC) published by the International Accounting Standards Board (IASB) as mandatorily applicable within the European Union (EU). The existing deviations from the applicable IFRS that were approved by the IASB and those endorsed by the EU have no effect on this report. The condensed consolidated interim financial statements have been prepared in compliance with International Accounting Standard (IAS) 34 "Interim Financial Reporting." Accordingly, the condensed consolidated interim financial statements do not provide the full information and disclosures that are required in the consolidated financial statements for the full fiscal year and the condensed consolidated interim financial statements should therefore be read in conjunction with the consolidated financial statements as of December 31, 2019.

The following table shows the changes in exchange rates against the Euro for the most important currencies relevant to the Symrise Group:

		Closing rate = € 1		Average rate = € 1	
Currency		December 31, 2019	June 30, 2020	H1 2019	H1 2020
Brazilian Real	BRL	4.516	6.167	4.342	5.418
Chinese Renminbi	CNY	7.819	7.945	7.667	7.747
British Pound	GBP	0.847	0.909	0.874	0.875
Mexican Peso	MXN	21.197	25.953	21.648	23.862
US Dollar	USD	1.123	1.123	1.130	1.102

Due to rounding, small differences may arise in this report when total amounts are disclosed or percentages are calculated.

2.2 Accounting policies

The same accounting policies that were used in preparing the consolidated financial statements as of December 31, 2019, which are described in detail in the Notes section of that report under note 2, were also used for this report. The amendments to various standards to be applied as of January 1, 2020, and the reference to the financial reporting framework did not have a material effect on the consolidated financial statements of Symrise AG.

3. SCOPE OF CONSOLIDATION

The number of fully consolidated companies in the Symrise Group remains unchanged at 106. The merger of a Group company in the first half of the year is offset by the acquisition of SMP GmbH, based in Munich (Germany). The shares in SMP GmbH were acquired at a purchase price of T€ 80. One joint venture and three associated companies are still accounted for using the equity method.

4. SIGNIFICANT EVENTS IN THE REPORTING PERIOD

IMPACT OF COVID-19 ON SYMRISE

The consequences of the COVID-19 pandemic have so far had a minor impact on business development. Due to Symrise's classification as a system-relevant company, production at all sites could be continued without significant interruptions, thus maintaining the ability to supply customers. Due to a diversified and balanced business model, Symrise believes it is in a position to limit the risks in individual markets and to consistently take advantage of business opportunities which are available in many places even in this difficult situation. Symrise achieved organic sales growth of 3.4 % in the first half of 2020 and an EBITDA margin of 21.6 %, which is significantly higher than the one for the same period in the previous year. Even though the effects of the pandemic can only be estimated to a limited extent, Symrise assumes to grow faster than the relevant market again for the rest of the year and to reach the mid-term goals as described in the management report. With that in mind, it was decided not to carry out separate impairment tests.

ADF/IDF BUSINESS COMBINATION

Symrise acquired all shares in the ADF/IDF Group on November 1, 2019. The transaction was described in detail in the previous consolidated financial statements in the notes under note 2.4 (Scope of consolidation). Against this background, only the changes from the previous description are presented in these interim financial statements.

The final acquisition costs amount to USD 864.0 million and are thus USD 3.6 million above the preliminary consideration reported as of December 31, 2019. The payment amount to be made as of the acquisition date consisted of an underlying component, which was adjusted on the acquisition date by contractually fixed items in the statement of financial position. At the time of payment, preliminary figures were used as the basis for the amount. This slight increase in the purchase price was based on the final figures. As of the reporting date of June 30, 2020, there are no outstanding payments, with the exception of a partial amount of USD 104.0 million held in a fiduciary account. The amount still held in the fiduciary account will go to the seller following the expiration of a guarantee and warranty period. Symrise therefore shows neither a receivable against the trustee nor a liability toward the seller as of the end of the reporting period.

The purchase price allocation for this transaction has not yet been finalized. The preliminary goodwill of USD 755.4 million recognized in the consolidated financial statements as of December 31, 2019, changed mainly by the intangible assets identified and the changed fair values of property, plant and equipment and inventories. Investments in companies accounted for using the equity method were also revalued as part of the purchase price allocation as of the acquisition date and are carried at fair value on first-time consolidation. Based on this, they are updated on an ongoing basis using the equity method. The recognized goodwill is fully deductible for tax purposes in the USA.

The acquired assets and liabilities including contingent liabilities are recognized at the following preliminary fair values:

	Preliminarily recognized fair value in TUSD as of the acquisition date	Preliminarily recognized fair value in T€ as of the acquisition date
Cash and cash equivalents	22,683	20,332
Trade receivables	32,290	28,942
Inventories	36,662	32,862
Intangible assets	359,505	322,238
Property, plant and equipment	112,832	101,136
Investments in companies accounted for using the equity method	99,359	89,058
Other assets	6,833	6,126
Borrowings	– 26,237	– 23,518
Liabilities arising from transaction-related one-time payments	– 35,545	– 31,861
Trade payables	– 1,575	– 1,412
Other liabilities	– 16,965	– 15,206
Acquired net assets	**589,842**	**528,697**
Consideration transferred for acquiring the interests	**864,013**	**774,448**
Goodwill	**274,171**	**245,751**

5. ADJUSTMENT OF THE PREVIOUS YEAR'S FIGURES

The purchase price allocation for the business combination of the ADF/IDF Group described in note 4 has not yet been completed. The amounts preliminary recognized in the consolidated financial statements as at December 31, 2019, were retrospectively corrected based on the current results. The new information has been taken into account as if it had already been known at the time of acquisition.

In the following, the line items from the statement of financial position published as of December 31, 2019, in which changes have occurred and their adjusted values as of December 31, 2019, are tabulated:

T€	December 31, 2019 published	Changes	December 31, 2019 adjusted
ASSETS			
Current assets			
Inventories	889,239	2,450	891,689
Income tax assets	22,480	– 256	22,224
Non-current assets			
Intangible assets			
Goodwill	1,863,856	– 428,723	1,435,133
Recipes and technologies	101,905	10,544	112,449
Other intangible assets	505,343	305,218	810,561
Property, plant and equipment			
Land and buildings	475,796	809	476,605
Plants and machinery	473,706	24,804	498,510
Equipment	94,775	4,124	98,899
Investments in companies accounted for using the equity method	15,396	75,393	90,789
Deferred tax assets	99,173	1,576	100,749
TOTAL ASSETS	**5,957,209**	**– 4,061**	**5,953,148**
LIABILITIES			
Current liabilities			
Other non-financial liabilities	192,470	253	192,723
Other financial liabilities	3,124	3,249	6,373
Non-current liabilities			
Deferred tax liabilities	167,748	– 256	167,492
TOTAL LIABILITIES	**3,492,776**	**3,248**	**3,496,024**
EQUITY			
Cumulative translation differences	– 193,991	– 56	– 194,047
Accumulated profit	881,696	– 7,253	874,443
Symrise AG shareholders' equity	**2,407,172**	**– 7,309**	**2,399,863**
TOTAL EQUITY	**2,464,433**	**– 7,309**	**2,457,124**
LIABILITIES AND EQUITY	**5,957,209**	**– 4,061**	**5,953,148**

The change in equity is the result of the depreciation on the adjusted fair value of property, plant and equipment and amortization on the intangible assets identified that were retrospectively recognized for the fourth quarter of 2019. In addition, the higher cost of goods sold attributable to 2019 as a result of the remeasurement of inventories and the change in deferred taxes from all corrections are taken into account. The translation of this adjusted figure from the reporting currency of US Dollar to the Group currency of the Euro resulted in slight currency translation effects, which are included in other comprehensive income. The statement of comprehensive income for the first half of 2019 is not affected due to the later date of the acquisition. The same applies to the statement of cash flows for the first half of 2019.

6. SEGMENT INFORMATION

Business activity in the Scent & Care, Flavor and Nutrition segments is hardly seasonal, but there are occasional limited seasonal effects. For the development of these individual segments, please refer to the accompanying interim Group management report.

T€	H1 2019	H1 2020
Sales	**1,692,330**	**1,821,205**
Scent & Care	711,686	710,909
Flavor	637,376	636,409
Nutrition	343,268	473,887
EBITDA	**341,685**	**393,138**
Scent & Care	140,227	146,102
Flavor	144,301	147,461
Nutrition	57,157	99,575
Depreciation, amortization and impairment of non-current assets	**– 110,112**	**– 127,296**
Scent & Care	– 35,897	– 39,219
Flavor	– 28,691	– 30,212
Nutrition	– 45,524	– 57,865
EBIT	**231,573**	**265,842**
Scent & Care	104,330	106,883
Flavor	115,610	117,249
Nutrition	11,633	41,710
Financial result	**– 27,794**	**– 28,961**
Earnings before income taxes	**203,779**	**236,881**

The EBITDA of the Nutrition segment for the previous year is adjusted for the transaction costs incurred in connection with the acquisition of ADF/IDF in the interim Group management report and presented as EBITDA(N).

In addition, sales growth by segment – based on the previous year’s sales – is broken down into and reported as the components “organic growth,” “portfolio effects” and “exchange rate effects.” Uniform exchange rates are used to determine organic growth for the sales of the reporting year and the previous year, so that sales are presented as organic growth before changes to currency translation rates. Portfolio-related changes include the effects of additions to and disposals from the scope of consolidation. The remaining change is due to exchange rate movements.

The following table shows these components for the three segments:

T€	Scent & Care	Flavor	Nutrition
Sales June 30, 2019	**711,686**	**637,376**	**343,268**
Organic growth	18,191	3,929	36,192
Portfolio effects	–	–	105,943
Exchange rate differences	– 18,968	– 4,896	– 11,516
Sales June 30, 2020	**710,909**	**636,409**	**473,887**

The customers of Symrise include large, multinational companies as well as important regional and local manufacturers of food, beverages, pet food, perfumes, cosmetics, personal care products and cleaning products as well as laundry detergents. Sales are recognized at a specific point in time and due within one year.

7. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS AND THE MEASUREMENT OF FAIR VALUE

INFORMATION ON FINANCIAL INSTRUMENTS ACCORDING TO CATEGORY

		Value recognized under IFRS 9			
June 30, 2020 T€	Carrying amount	Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss	Fair value
TOTAL ASSETS					
Financial assets measured at amortized cost (FAAC)	**1,032,433**	**1,032,433**	**–**	**–**	**1,032,433**
Cash	318,743	318,743	–	–	318,743
Trade receivables	698,828	698,828	–	–	698,828
Other financial assets	14,862	14,862	–	–	14,862
Financial assets at fair value through profit or loss (FVTPL)	**55,147**	**–**	**–**	**55,147**	**55,147**
Cash equivalents	41,974	–	–	41,974	41,974
Securities	739	–	–	739	739
Equity instruments	5,433	–	–	5,433	5,433
Derivative financial instruments without hedge relationship	7,001	–	–	7,001	7,001
Derivative financial instruments with hedge relationship (n.a.)	**82**	**–**	**82**	**–**	**82**
LIABILITIES AND EQUITY					
Financial liabilities at amortized cost (FLAC)	**2,240,148**	**2,240,148**	**–**	**–**	**2,275,856**
Trade payables	328,162	328,162	–	–	328,162
Borrowings	1,904,720	1,904,720	–	–	1,940,428
Other financial liabilities	7,266	7,266	–	–	7,266
Financial liabilities at fair value through profit or loss (FVTPL)	**551**	**–**	**–**	**551**	**551**
Derivative financial instruments without hedge relationship	551	–	–	551	551
Derivative financial instruments with hedge relationship (n.a.)	**64**	**–**	**64**	**–**	**64**

FAIR VALUE ACCORDING TO HIERARCHY LEVELS
The following describes the hierarchy levels pursuant to IFRS 13 “Fair Value Measurement” for financial instruments that are measured at fair value on a recurring basis.

The short-term deposits and securities classified at fair value through profit or loss are assigned to Level 1 and the equity instruments to Level 3. The equity instruments include two holdings whose valuation and thus the present value of the expected benefit from these investments is based on a discounted cash flow calculation. Non-observable input factors were based on a weighted average cost of capital of 9.5 % or 15.9 % and a long-term growth rate of 1.0 %. The fair value of equity instruments decreased from T€ 5,520 to T€ 5,433 as of the reporting date due to exchange rate effects. The valid forward exchange rates are used as the valuation rates for the mark-to-market valuation of currency forward contracts in Level 2 for currency forwards. These are established by the interest difference of the currencies involved while accounting for term duration. There are no significant ineffective parts as of the reporting date. The fair values were not adjusted for the components of counterparty-specific risk and its own credit risk (credit valuation adjustment – CVA/debt valuation adjustment – DVA) and the liquidity premium for the respective foreign currency (cross currency basis spread – CCBS) for reasons of materiality. There were no transfers between Levels 1 and 2 during the period under review. The determination of fair values is unchanged.

The fair values of financial liabilities are determined as the present value of future payments relating to these financial liabilities based on the corresponding valid reference interest rates and are adjusted by a corresponding credit spread (risk premium). The determination of the fair values of other financial instruments is unchanged. This did not cause any considerable deviations between their carrying amount and fair value.

8. EVENTS AFTER THE REPORTING PERIOD

Symrise successfully issued a Eurobond for € 500.0 million with a value date of July 1, 2020, on the capital market to refinance the borrowings with maturities in November and December 2020 (around € 320.0 million). The Eurobond has a term of seven years and an annual coupon of 1.375 %. The funds in excess of the amount required to repay the liabilities are available to the company for further liquidity protection.

Holzminden, Germany, July 21, 2020

Symrise AG
The Executive Board

Dr. Heinz-Jürgen Bertram   Olaf Klinger   Achim Daub

Dr. Jean-Yves Parisot   Heinrich Schaper

Responsibility Statement

To the best of our knowledge and in accordance with the applicable reporting principles, for the half-year reporting, the consolidated interim financial statements of the Symrise Group give a true and fair view of the net assets, financial position and results of operations of the Group, and the Group interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected developments of the Group for the remainder of the fiscal year.

Holzminden, Germany, July 21, 2020

Symrise AG
The Executive Board

Dr. Heinz-Jürgen Bertram   Olaf Klinger   Achim Daub

Dr. Jean-Yves Parisot   Heinrich Schaper

Review Report of the Independent Auditor

To Symrise AG

We have reviewed the interim condensed consolidated financial statements, comprising the condensed income statement, the condensed statement of comprehensive income, the condensed statement of financial position, the condensed statement of cash flows, the condensed statement of changes in equity and selected explanatory notes, and the interim group management report of Symrise AG, Holzminden, for the period from January 1, 2020, to June 30, 2020, which are part of the six-monthly financial report pursuant to Section 115 WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act]. The preparation of the interim condensed consolidated financial statements in accordance with IFRSs [International Financial Reporting Standards] on interim financial reporting as adopted by the EU and of the group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the Company's management. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Hanover, July 22, 2020
Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Ludwig	Dr. Janze
Wirtschaftsprüfer [German Public Auditor]	Wirtschaftsprüfer [German Public Auditor]

Financial Calendar

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Trading Statement January – September 2020

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The German version of this Interim Report is legally binding. German and English online versions are available on the Web at www.symrise.com.

The latest version of the Interim Report is available on our website.

Disclaimer
This document contains forward-looking statements, which are based on the current estimates and assumptions by the corporate management of Symrise AG. Forward-looking statements are characterized by the use of words such as expect, intend, plan, predict, assume, believe, estimate, anticipate, and similar formulations. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and the results actually achieved by Symrise AG and its affiliated companies depend on a number of risks and uncertainties, and may, therefore, differ materially from the forward-looking statements. Many of these factors are outside Symrise's control and cannot be accurately estimated in advance, such as the future economic environment and the actions of competitors and others involved in the marketplace. Symrise neither plans nor undertakes to update any forward-looking statements.

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