SYMRISE AG

HRB 200436

CORPORATE

BBB

ISSUER RATING
LongTerm

OUTLOOK
Positive

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Rating Action and Rationale

- EthiFinance Ratings affirms Symrise AG's long-term rating at BBB, changing its outlook from stable to positive.
- Symrise is a Germany-based company supplying fragrances, flavors, cosmetic and functional ingredients.
- Our rating affirmation is supported by Symrise's resilient operating performance, strong cash generation, and disciplined financial policy. The group maintains a solid financial profile, reflected in an interest coverage ratio of 13.6x and adjusted net leverage of 1.9x in FY25 (vs 2.3x in FY24). Its strong deleveraging from a level of 3.2x in FY23 resulted mainly from robust internal cash flow generation, which totaled €764m over FY23-25. Working capital optimisation, procurement initiatives, and disciplined CapEx management sustained this level of cash generation. The €400m share buyback announced for FY26e will weigh on annual internal FCF generation amid muted EBITDA growth expected for the full year. We therefore anticipate a slight deterioration in credits metrics, which we consider temporary. However, management's explicit commitment to maintaining an investment-grade rating and its net leverage guidance range of 1.5x-2.5x supports our expectations. From FY27e, assuming no significant M&A, additional share buyback, or exceptional dividend, we expect credit metrics to improve strongly to levels consistent with BBB+ thresholds, all else being equal, supporting a positive outlook. The outlook also captures improving operating momentum, accelerating execution of the 'One Sym' transformation, strengthening portfolio quality, and the prospect of sustainably higher growth and cash generation.
- Symrise continues to demonstrate the characteristics of a strong investment-grade issuer through its leading positions in flavors, fragrances, cosmetic ingredients and nutrition solutions. Despite a softer industry environment, the company outpaced market growth in FY25, with organic sales growth of 2.8%. This momentum continued in 1H26 with 2.0% of organic sales growth and an acceleration to 4.5% organic growth in 2Q26. The adjusted EBITDA margin for the LTM ended June 2026 improved by 60bps yoy, supported by c. €50m of efficiency gains from the 'One Sym' transformation. Symrise is also actively reshaping its portfolio toward higher-growth and higher-margin businesses. This is reflected in the divestments of 'Aqua Feed' and 'Terpenes' from the Taste, Nutrition and Health and Scent & Care segments, respectively, as well as the planned acquisition of Floral Concept, which operates in premium naturals and fine fragrances.
- However, the rating remains constrained by the negative ESG impact associated with the chemicals industry and by geopolitical tensions in the Middle East, which are driving higher freight, as well as logistics and certain raw material costs. A potential slowdown in volumes, whether from customer destocking or a broader weakening of end-markets, particularly in the pet nutrition segment, represents a further rating constraint.
- In line with our methodology, the materials & chemicals industry has high ESG risks (heatmap score of between 4 and 5) given its impact on the environment, which constrains our industry assessment. Regarding environmental factors, the industry has a significant environmental impact in terms of climate change and pollution, including high GHG emissions and risks of air, water and hazardous-waste pollution.
- Our assessment of the company's ESG policy has improved from 'neutral' to 'positive' (company ESG score of between 1.0 and 1.5), which positively impacts the group's financial risk profile. The industry's ESG negative assessment, therefore, outweighs the positive impact of the company's ESG assessment, resulting in a still negative impact on Symrise's anchor rating.

Issuer Description

Symrise AG is a leading global supplier of fragrances, flavors, cosmetic active ingredients, raw materials, and functional ingredients serving the health, wellbeing and beauty markets. Headquartered in Holzminden, Germany, the group operates a global network of more than 100 sites across approximately 70 countries and employs around 12,900 people worldwide. Symrise develops and manufactures approximately 35,000 products based on around 9,000 raw materials and serves more than 6,000 customers in over 150 countries. The company's customer base includes large multinational corporations as well as leading regional and local manufacturers in the food, beverage, pet food, fine fragrance, personal care, cosmetics, cleaning products and household care sectors. The group operates through two segments: Taste, Nutrition & Health, which accounted for 61% of FY25 sales, and Scent & Care, representing the remaining 39%.

Symrise generated LTM revenue of €4.9bn as of 1H26, with adjusted EBITDA of €1.06bn (margin of 21.6%). As of 30 June 2026, the company's adjusted net debt stood at €2.3bn, corresponding to a net leverage ratio of 2.2x. Symrise is listed on the Frankfurt Stock Exchange with a free float of 95% and had a market capitalisation of €12.4bn as of 17 September 2026.

Liquidity

We assess the liquidity profile of Symrise AG as ‘Good’ reflecting its strong refinancing profile and a ‘high’ level of liquidity.

Main Financial Figures

Main financial figures. Millions of EUR						
	FY24	FY25	FY26e	FY27e	FY28e	25vs24%
Revenue	4 999	4 929	5 028	5 239	5 475	*-1.4%*
Adj EBITDA [(1)]	1 023	1 072	1 016	1 096	1 189	*4.8%*
Adj EBITDA Margin [(1)]	20.5%	21.7%	20.2%	20.9%	21.7%	*1.3pp*
EBIT	718	465	717	784	863	*-35.2%*
EBIT Margin	14.4%	9.4%	14.3%	15.0%	15.8%	*-4.9pp*
EBT	639	386	639	711	791	*-39.6%*
Total Assets	8 325	7 904	7 455	7 785	8 105	*-5.1%*
Equity	3 981	3 720	3 617	3 928	4 274	*-6.6%*
Adj Total Financial Debt [(2)]	3 052	3 098	2 754	2 753	2 706	*1.5%*
Adj Net Financial Debt [(2)]	2 343	2 088	2 188	1 910	1 702	*-10.9%*
Equity/Adj TFD [(2)]	130.4%	120.1%	131.4%	142.7%	157.9%	*-10.4pp*
Adj NFD/EBITDA [(1)(2)]	2.3x	1.9x	2.2x	1.7x	1.4x	*-0.3x*
Funds From Operations	835	733	775	842	916	*-12.2%*
FFO/ Adj NFD [(2)]	35.7%	35.1%	35.4%	44.1%	53.8%	*-0.5pp*
Adj EBITDA/Interest [(1)]	13.1x	13.6x	12.9x	15.0x	16.5x	*0.5x*

(1) Adjusted EBITDA excludes other income from government grants

(2) Total adjusted debt includes provisions and lease liabilities as adjusted by the company

Credit Rating

Credit Rating	
Business Risk Profile	**BBB-**
Industry risk assessment	*BB*
Industry's ESG	*Negative*
Competitive Positioning	*BBB*
Governance	*BBB*
Financial Risk Profile	**A-**
Cash flow and leverage	*BBB+*
Capitalisation	*A-*
Company's ESG	*Positive*
Anchor Rating	**BBB**
Modifiers	*-*
Rating	**BBB**

Rating Sensitivity

- List of ratings:
  - LT Rating: BBB

Factors that may (individually or collectively) impact the rating:

- **Positive factors (↑)**

Given the positive outlook, we could upgrade Symrise’s rating if its credit metrics improve in line with our expectations. An upgrade would require adjusted net leverage of 1.7x or below on a sustained basis, together with an interest coverage ratio above 16.0x. A company ESG score below 1.0 would represent an additional upgrade driver.

- **Negative factors (↓)**

A rating downgrade is unlikely at present. However, a shift from the group’s current conservative financial policy to a more aggressive policy that would materially weakens its credit profile on a sustained basis could lead to a negative rating action. This could occur if the net adjusted leverage ratio were to rise above management’s upper guidance threshold of 3.0x and the interest coverage ratio were to fall below 10.0x on a sustained basis. An ESG score above 1.5 would represent an additional downgrade driver in such a scenario.

Sources of information

The credit rating issued in this report is unsolicited. The credit rating is based exclusively on public information, being the main sources the following:

1. Annual Audit Report.
2. Corporate Governance Report.
3. Corporate Website.
4. Information published in the Official Bulletins.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Level of the rated entity participation in the rating process

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
  - Corporate Rating Methodology - General : https://www.ethifinance.com/download/corporate-rating-methodology-general/?wpdmdl=35203
- The rating scale used in this report is available at https://www.ethifinance.com/en/ratings/ratingScale.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.