

Press Release

Holzminden, 31 January 2019

Symrise strengthens Pet Food activities and expands US footprint with acquisition of ADF/IDF

- ADF/IDF is a leading meat and egg-based protein specialist and pioneer in all natural nutrition ingredients generating annual sales of \$ 220 million
- The nutrition and taste solutions to the pet food and food segments are highly complementary to Symrise offerings
- A perfect fit in terms of culture and philosophy
- The investment amounts to \$ 900 million
- Fully EPS accretive from first year after closing

Symrise has signed a purchase agreement with the owners of ADF/IDF, a leading natural nutrition ingredient provider for pet food, regarding the acquisition of their business. ADF/IDF is a pioneer in clean label meat and egg-based taste and nutrition ingredients. With the acquisition, Symrise aims to broaden its activities in the fast growing pet food business and to expand its position in the attractive food nutrition market. The purchase price amounting to \$ 900 million will be financed by debt and equity. The acquisition is expected to be fully EPS accretive from the first year after closing. With its approximately 470 employees, ADF/IDF generated sales of \$ 220 million and an EBITDA margin of 23 %. The transaction is subject to satisfaction of customary closing conditions.

“The strategic acquisition of ADF/IDF perfectly delivers on our strategy to expand in fast growing, high-margin business areas. The complementary offering will further diversify our Diana portfolio in pet food and nutrition. The acquisition of the leading provider of natural pet food nutrition ingredients is a further breakthrough for Symrise into the pet food nutrition market. With our expertise in pet food palatability and competence in nutrition solutions, we will create an integrated partner for our pet food clients,” said Dr. Heinz-Jürgen Bertram, CEO of Symrise AG. “Through this acquisition, we will also broaden our global presence especially in the USA – a strategically important growth market for us – and strengthen our customer base.”

ADF/IDF (American Dehydrated Foods/International Dehydrated Foods) was founded in 1978 and is a specialized producer of sustainable meat and egg-based nutrition ingredients. Headquartered in Springfield, MO, the Company is a partner of choice for clients in the pet food, food and nutrition industries, offering a wide range of natural and clean label product solutions. In pet food applications, the Company has become a leading natural ingredient provider, offering taste and nutrition solutions as well as functional ingredients. With its highly recognized customer orientation, ADF/IDF has established a diverse client base consisting of many long-term, close relationships with global and regional pet food and food companies.

The combination of ADF/IDF and the Symrise Nutrition division Diana will create a leading global player in meat and egg-based protein specialties with focus on all natural and sustainable solutions.

Highly complementary acquisition offers cross-selling potential

With the acquisition, Symrise leverages its leadership position in pet food, extending its palatability know-how towards the Premium Nutrition segment. The ADF/IDF's brand IsoNova offers pet food solutions using egg protein specialties. It develops animal health, functional, and nutritional products. Thereby, Symrise becomes a unique player for pet food and nutrition. With ADF/IDF's expertise in clean label chicken and egg-based nutrition ingredients Symrise will form a fully integrated supplier of protein specialty ingredients. Customers will benefit from a highly efficient supply chain and natural quality products.

The combination of ADF/IDF and Symrise will furthermore result in an enhanced customer platform and strengthened international footprint. Symrise will reinforce partnerships with key multinational players as well as fast-growing regional brands in the United States, one of its key growth markets. In return, ADF/IDF will benefit from Symrise's resources and expertise outside the American market. The acquisition offers also cross-selling potential to accelerate long-term profitable growth, especially in the attractive application area of pet food.

Symrise and ADF/IDF will benefit from joint R&D capabilities and competences. Both companies share a strong reputation for investing in process and product innovation and the dedication to provide exceptional customer value.

William Darr, founder of ADF/IDF, added: "We are delighted to have found in Symrise a new strong owner for our Company, they share the same values and the same mindset on the further development of the business. In the starting phase of our company, we already worked very closely with Diana, which is today leading Symrise's nutrition activities. ADF/IDF and Symrise have many things in common. We are both committed to high-quality natural products derived from sustainable resources. And we both drive innovation to develop solutions that best serve our customers' needs. Our company will benefit from Symrise's scientific know-how to further improve our products. Also, Symrise's wide global presence and broad customer base will allow ADF/IDF to expand its business faster."

BNP Paribas is acting as sole financial advisor to Symrise. Clifford Chance is acting as legal advisor to Symrise. BNP Paribas and UniCredit will provide a bridge financing, which will be refinanced by a combination of equity and debt.

Houlihan Lokey is acting as sole financial advisor to ADF/IDF.

The transaction is subject to satisfaction of customary closing conditions.

About Symrise:

Symrise is a global supplier of fragrances, flavors, food 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 billion in the 2017 fiscal year make Symrise a leading global provider in the flavor, nutrition and fragrance markets. Headquartered in Holzminden, Germany, the Group is represented by around 100 sites 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 ...

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inspiring more...



About ADF/IDF:

ADF/IDF are industry leading suppliers of real, natural poultry ingredients for pet food and food applications. The companies produce a wide range of ingredients across three core pillars: flavor, nutrition and function. Customers of ADF/IDF include pet food, food and beverage, supplement and nutritional manufacturers.

Headquartered in Springfield, Missouri USA, ADF/IDF operates 11 manufacturing sites and 2 technical centers throughout North America. In 2018, the companies had sales of \$220m.

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