

Press Release

Heerlen (NL), 16 February 2023

DSM reports 2022 results

Highlights^{1,2}

Continuing Operations:

- Health, Nutrition & Bioscience delivered solid full year results with sales up 16%, organic sales up 8% and Adjusted EBITDA up 2%
 - Animal Nutrition & Health: organic sales +6%
 - Health Nutrition & Care: organic sales +9%
 - Food & Beverages: organic sales +10%
- Adjusted net profit of €555m
- Adjusted Net Operating Free Cash Flow of €310m

Total Group:

- Net profit of €1,715m, including gain on disposal of DSM Protective Materials
- Good progress on environmental targets following further step-up in ESG ambitions

Key figures – Continuing Operations

in € million	Full year 2022	Full year 2021	% Change	Volume	Price/mix	FX	Other
Sales	8,390	7,269	15%	0%	7%	7%	1%
HNB	8,319	7,166	16%	1%	7%	7%	1%
ANH	3,788	3,347	13%	-1%	7%	7%	0%
HNC	2,939	2,516	17%	2%	7%	8%	0%
F&B	1,546	1,256	23%	3%	7%	5%	8%
Adjusted EBITDA	1,395	1,379	1%				
HNB	1,490	1,467	2%				
Corporate	-95	-88					
Adjusted EBITDA margin	16.6%	19.0%					
HNB	17.9%	20.5%					

Co-CEOs statement

Geraldine Matchett and Dimitri de Vreeze, Co-CEOs, commented: “DSM delivered a solid performance in 2022 against a background of continued global supply chain challenges and significantly higher energy and raw materials costs, consolidating the strong growth of 2021. Pricing actions to counter higher costs, supported top-line growth, however with a price-cost gap impacting near-term margins, especially in Animal, Nutrition & Health.

The fourth quarter saw overall continued resilient demand but also high raw materials costs, lower prices of some vitamins and customer de-stocking. These conditions have continued into 2023. We are navigating this near-term market volatility through ongoing pricing actions to mitigate residual inflation, reducing inventories and by focusing on operational costs. Given the positive structural long-term drivers of our business, underpinned by our strong pipeline of innovations, we confirm the mid-term targets for DSM.

We are pleased to have received overwhelming shareholder approval for the merger with Firmenich that will establish the leading creation and innovation partner in nutrition, beauty and well-being. With the integration plan in place, we now enter the final phase of the merger process and remind our shareholders to actively tender their shares in exchange for DSM-Firmenich shares.”

¹ Continuing Operations reflects the results of DSM's Health, Nutrition & Bioscience and Corporate Activities as of 1 January 2022. DSM's Materials businesses have been reclassified to Discontinued Operations effective as of 1 January 2022

² Adjusted EBITDA is an Alternative Performance Measure (APM) that reflects results from usual operations. Organic sales growth is the total impact of volume and price/mix.

Outlook full year 2023

Given the proposed merger process is advanced, it is intended that DSM-Firmenich will provide an outlook for 2023 once DSM and Firmenich have been consolidated and the combined business plan is approved.

Reporting changes in 2022

DSM became a Health, Nutrition & Bioscience ('HNB') company, organized, as of January 1, 2022, in three business groups: Animal Nutrition & Health; Health, Nutrition & Care; and Food & Beverage. Continuing Operations reflects the results of these three HNB businesses and Corporate Activities.

DSM has reclassified the Materials businesses as assets held for sale and presented them as Discontinued Operations in the Income Statement:

- On September 1, 2022, DSM completed the sale of its Protective Materials business to Avient Corporation for an Enterprise Value of €1.44 billion. DSM has received €1.363 billion net in cash. DSM recorded a book profit of around €1.018 billion.
- On May 31, 2022 DSM announced that it had reached an agreement to sell its Engineering Materials business to Advent International and LANXESS for an Enterprise Value of €3.85 billion. DSM expects to receive about €3.5 billion net in cash following closing, after transaction costs and capital gains tax. The transaction is ready for closing which is planned to take place no later than the beginning of April 2023.

DSM-Firmenich merger of equals

On May 31, 2022, DSM and Firmenich announced that they entered into a business combination agreement to establish through a merger of equals the leading creation and innovation partner in nutrition, beauty and well-being, DSM-Firmenich.

On November 22, 2022, DSM-Firmenich published the Offering Circular in relation to (i) the Exchange Offer pursuant to which eligible DSM shareholders are able to exchange their DSM ordinary shares for DSM-Firmenich ordinary shares, and (ii) the admission to listing and trading of DSM-Firmenich ordinary shares on Euronext Amsterdam.

On January 23, 2023, the Extraordinary General Meeting of DSM shareholders approved the transaction with an overwhelming majority of 99.86%.

DSM shareholders located outside the U.S., as well as DSM shareholders within the U.S. who are "qualified institutional buyers" as such term is defined under the U.S. Securities Act of 1933, are invited to tender their DSM ordinary shares in exchange for DSM-Firmenich ordinary shares under the Exchange Offer. The acceptance period during which eligible DSM shareholders can offer their DSM ordinary shares in exchange for DSM-Firmenich ordinary shares runs until at least 17.40 CET on March 7, 2023 and no later than 17.40 CET on April 11, 2023, depending on obtaining regulatory clearances as specified in the press release of 23 January 2023.

If, at the end of the acceptance period, all Transaction Conditions have been satisfied and DSM-Firmenich has accepted the tendered DSM ordinary shares unconditionally, DSM's eligible shareholders will receive DSM-Firmenich ordinary shares on the basis of a 1:1 exchange ratio. The DSM-Firmenich ordinary shares will be listed on Euronext Amsterdam and will trade on an as-if-and-when-delivered basis as from the date on which DSM-Firmenich declares the Exchange Offer unconditional.

Subsequently, the shares in the capital of Firmenich will be contributed to DSM-Firmenich in exchange for DSM-Firmenich ordinary shares and an amount of EUR 3.5 billion cash (subject to potential adjustment).

If DSM-Firmenich does not acquire 100% of the DSM ordinary shares through the Exchange Offer, DSM-Firmenich may choose to implement the Buy-Out (if at least 95% of the DSM ordinary shares are acquired by DSM-Firmenich through the Exchange Offer) or the Post-Offer Merger and Liquidation (if at least 80% of the DSM ordinary shares are acquired by DSM-Firmenich through the Exchange offer). As a result, DSM-Firmenich will own all outstanding DSM ordinary shares and the DSM shareholders who did not tender, or were not eligible to tender their shares under the Exchange Offer will receive a cash payment (in case of the Buy-Out) or, eventually, DSM-Firmenich ordinary shares (in case of the Post-Offer Merger and Liquidation).

All information on the Exchange Offer and the merger of equals can be found at www.creator-innovator.com, subject to certain geographic restrictions on circulation of the Offering Circular set forth below under “*General restrictions*” and “*United States of America*”. DSM shareholders are urged to read all legal information, including the Offering Circular, relating to the Exchange Offer which can be found on that website. Terms used but not defined relating to the Exchange Offer have the same meaning as defined in the Offering Circular.

The distribution of the Offering Circular and/or the making of the Exchange Offer in jurisdictions other than the Netherlands may be restricted and/or prohibited by law. Please refer to the sections “*General restrictions*” and “*United States of America*” below for more details.

Dividend 2022

An interim dividend for the year 2022 of €0.93 per ordinary share was recognized as a liability in the second quarter of 2022. The total distribution amounted to €161m. This interim dividend was paid as from 26 August 2022 in cash after deduction of 15% Dutch dividend withholding tax.

Upon a successful completion of the merger transaction between DSM and Firmenich, DSM-Firmenich intends to offer a gross dividend to all DSM-Firmenich shareholders of in total €423m which is almost €1.60 per share as described in the [Offering Circular](#). Subject to the General Meeting of DSM-Firmenich resolving to pay this dividend, eligible DSM shareholders who tender their DSM ordinary shares for DSM-Firmenich ordinary shares will receive a total dividend of about €2.53 over 2022 (vs €2.50 over 2021).

Sustainability

In line with DSM’s long-term purpose-led, performance-driven strategy, DSM aims to create value for all stakeholders through the focused development of scientific innovation and application of a growing portfolio of solutions that positively impact people and the planet.

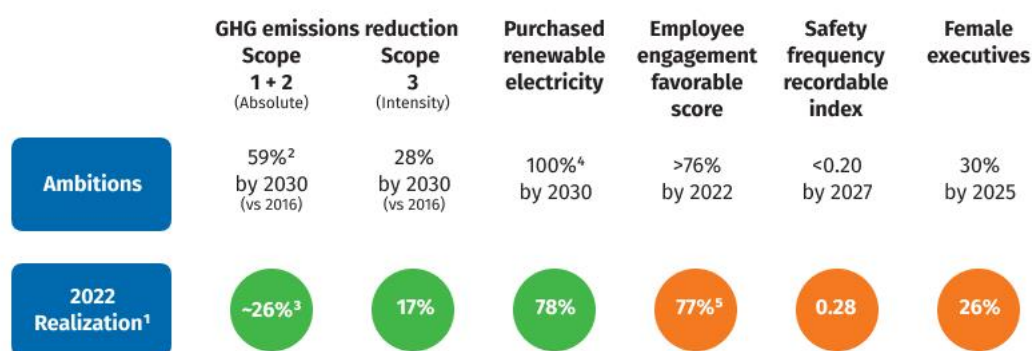
Planet targets progress

DSM routinely evaluates what it can do to go further and faster toward building a resilient business with a minimal environmental footprint. Consequently, the company increased its target for cutting greenhouse gas emissions from its operations (scope 1 and 2) for the second successive year. The new target of an absolute reduction of 59% from 2016 levels by 2030 has been independently validated by the Science Based Targets initiative as aligning with limiting global warming to 1.5°C. This is possible because of DSM’s rapid action, including switching to renewable energy, where DSM now targets purchasing 100% of its electricity needs worldwide from renewable sources by 2030. This, and accelerated progress in reducing value chain (scope 3) emissions along with partners, provides the foundation for DSM’s net-zero by 2050 commitment. These efforts have again been acknowledged by CDP, a leading evaluator of corporate environmental disclosure, which awarded the company’s climate change strategy and water stewardship A ratings, making DSM one of only a handful of companies in its sector worldwide to achieve such recognition.

People targets progress

The health and well-being of people is core to DSM’s long-standing purpose so, within the context of considerable workplace change and societal challenges, DSM implemented various initiatives throughout the year to support employees and their families, from nutrition and immunity care to mental health. Safety across the company will be further scrutinized in 2023 after the frequency of recordable Injuries returned to pre-pandemic levels whilst COVID-19 restrictions eased in most countries. DSM’s people ultimately demonstrated tremendous fortitude during 2022 with employee engagement remaining at an all-time high.

DSM made good progress on its diversity, equity and inclusion efforts, with the representation of women at executive level improving again (26%, up from 23%). Employee Resource Groups, which support a broader agenda including generational and identity diversity, visible and non-visible disabilities, and LGBTQ+ inclusion, are now well established and helping DSM better reflect its global customer base and the needs of end-consumers.



¹ Total Group unless otherwise stated; prepared in accordance with the reporting policies within DSM’s Integrated Annual Report 2021.

² Revised in 2022. Previously set at 30% by 2030 in 2019 and strengthened to 50% by 2030 in 2021.

³ Estimated underlying cumulative structural improvement. The total absolute reduction was 35% versus the 2016 baseline.

⁴ Revised in 2022. Previously set at 75% by 2030 in 2019.

⁵ Annual survey of payroll employees, excluding recent acquisitions, disposals and DSM Engineering Materials.

Q4 Highlights

Continuing Operations results:

- Health, Nutrition & Bioscience delivered sales up 10%, organic sales up 3% and Adjusted EBITDA down 11%, reflecting challenging conditions in Animal, Nutrition and Health
 - Animal Nutrition & Health: flat organic sales growth
 - Health, Nutrition & Care: +6% organic sales growth
 - Food & Beverage: +8% organic sales growth
- Good Adjusted Net Operating Free Cash Flow of €320m, supported by planned inventory reduction actions

Key figures – Continuing Operations

in € million	Q4 2022	Q4 2021	% Change	Volume	Price/mix	FX	Other
Sales	2,093	1,928	9%	-4%	6%	6%	1%
HNB	2,074	1,894	10%	-3%	6%	6%	1%
ANH	974	917	6%	-2%	2%	5%	1%
HNC	705	624	13%	-5%	11%	7%	0%
F&B	388	339	14%	0%	8%	3%	3%
Adjusted EBITDA	293	339	-14%				
HNB	316	357	-11%				
Corporate	-23	-18					
Adjusted EBITDA margin	14.0%	17.6%					
HNB	15.2%	18.8%					

The fourth quarter saw overall continued resilient demand while organic sales growth was impacted by near-term challenges, as indicated in the [Q3 Trading Update](#) in November 2022.

Volumes were down 3%, following strong volume growth of +10% in the prior year in Animal, Nutrition & Health and Food & Beverage. Health, Nutrition & Care saw soft demand in some dietary supplements categories in the quarter, as well as some de-stocking.

Pricing was up 6% in the quarter, which was incremental to a 4% increase in Q4 2021 and highlighted continued good momentum.

Despite a +6% contribution from foreign exchange effects, Adjusted EBITDA was down 11% due to high raw materials costs, lower vitamin prices and DSM's inventory reduction actions. This decline was driven by Animal Nutrition & Health, whereas Health, Nutrition & Care, and Food & Beverage contributed positively.

The resulting Adjusted EBITDA margin of 15.2% had a 120bps dilutive mathematical effect from the price increases in the quarter.

Key figures and indicators

in € million	Full year						
	2022	2021	% Change	Volume	Price / mix	FX	Other
Sales - continuing operations	8,390	7,269	15%	0%		7%	1%
HNB	8,319	7,166	16%	1%		7%	1%
ANH	3,788	3,347	13%	-1%		7%	0%
HNC	2,939	2,516	17%	2%		7%	0%
F&B	1,546	1,256	23%	3%		7%	8%
Corporate Activities	71	103					

Continuing operations in € million	FY 2022	FY 2021	% Change
Sales	8,390	7,269	15%
Adjusted EBITDA	1,395	1,379	1%
HNB	1,490	1,467	2%
Corporate Activities	-95	-88	
Adjusted EBITDA margin	16.6%	19.0%	
EBITDA	1,304	1,288	
Adjusted EBIT	767	808	-5%
EBIT	682	711	
Capital Employed	10,660	10,014	
Average Capital Employed	10,586	9,273	
ROCE (%)	7.3%	8.7%	
Effective tax rate¹	20.2%	20.9%	
Adjusted Net profit - continuing operations²	555	583	-5%
Net profit - continuing operations²	475	830	-43%
Adjusted net EPS	3.10	3.33	-7%
Net EPS	2.64	4.76	
Operating cash flow	775	1,040	-25%
Adj. Net Operating Free Cash Flow	310	626	-50%
Capital expenditures³	576	505	
Total Group in € million	FY 2022	FY 2021	% Change
Net profit^{2 4}	1,715	1,680	2%
Net EPS	9.80	9.68	1%
Operating cash flow	965	1,427	-32%
Adj. Net Operating Free Cash Flow	425	941	-55%
Net debt	87	1,019	
Average number of ordinary shares	172.8	172.6	
Workforce (headcount end of period)	20,682	21,358	

¹ Over Adjusted taxable result

² Including result attributed to non-controlling interest

³ Cash, net of customer funding, investment grants and excluding leases

⁴ Net profit FY 2021 includes the net book profit of RFM of €570m

⁴ Net profit FY 2022 includes the net book profit of DPM of €1,018m

Health, Nutrition & Bioscience

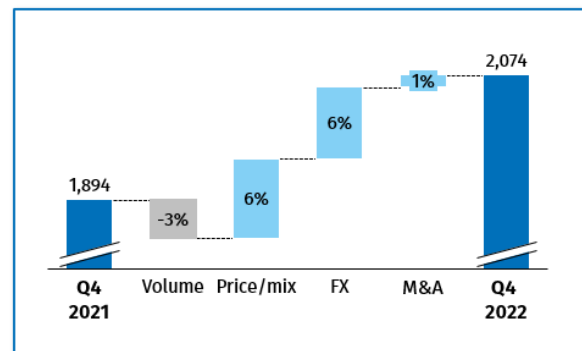
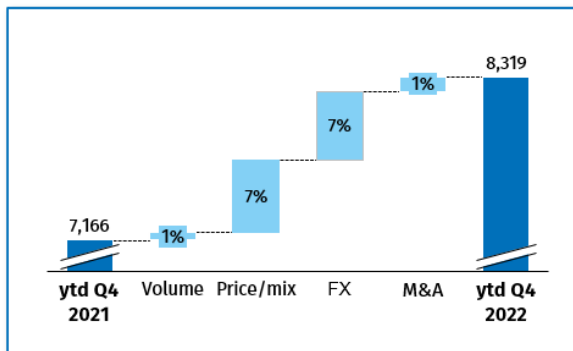
DSM's Health, Nutrition & Bioscience ('HNB') consists of three business groups:

- **Animal Nutrition & Health** drives the development of sustainable animal farming through its essential products, performance solutions, and precision services serving the Poultry, Swine, Ruminants and Aquaculture market segments around the globe.
- **Health, Nutrition & Care** provides health, nutrition, and care solutions for markets such as Early Life Nutrition, Dietary Supplements, Pharma, Medical Nutrition, Personal Care & Aroma, and Biomedical.
- **Food & Beverage** supports healthy diets through nutritious, delicious, and sustainable solutions for several market segments including Bakery, Beverages & Brewing, Dairy, Savory, Plant-based Proteins, and Pet Food.

Key figures

in € million	FY 2022	FY 2021	% Change	Q4 2022	Q4 2021	% Change
Sales	8,319	7,166	16%	2,074	1,894	10%
Adjusted EBITDA	1,490	1,467	2%	316	357	-11%
Adjusted EBITDA margin (%)	17.9%	20.5%		15.2%	18.8%	
Adjusted EBIT	916	951	-4%	166	212	-22%
Capital Employed	10,639	10,011				
Average Capital Employed	10,592	9,266				
ROCE (%)	8.7%	10.3%				
Total Working Capital	2,181	1,797				
Average Total Working Capital as % of Sales	27.5%	26.3%				

Sales development



Full year 2022 Sales

Health, Nutrition & Bioscience was confronted with an increasingly inflationary environment during the year, exacerbated by ongoing supply chain volatility. The increases in the cost of energy and raw materials were partially offset by multiple price increases.

Demand in the markets in which DSM operates remained resilient overall. Sales volumes were solid considering tough prior year comparison (+8%), especially in Animal Nutrition & Health.

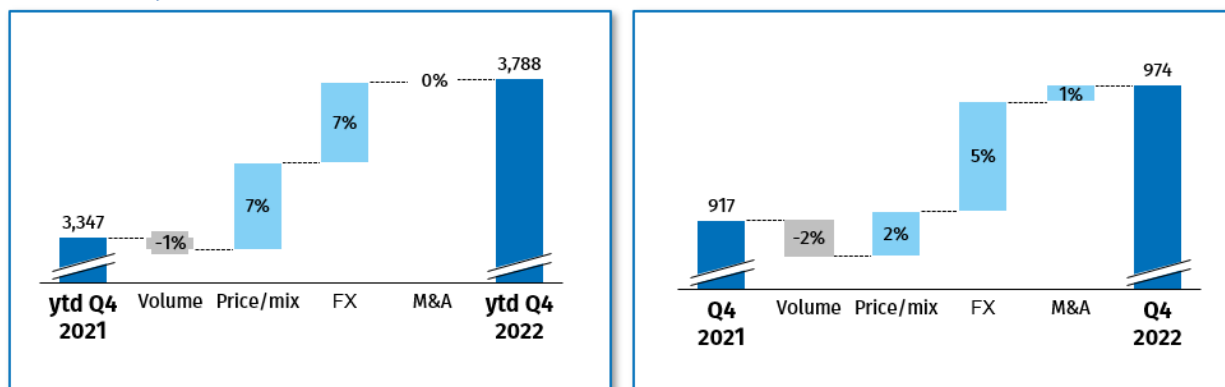
Full year 2022 Adjusted EBITDA

Health, Nutrition & Bioscience reported +2% Adjusted EBITDA, with +7% contribution from M&A and foreign exchange effects. The underlying performance was the result of the price-cost gap, with limited operational leverage contribution from volume growth (+1%). Lower vitamin prices impacted the results negatively from September 2022.

The business recorded an Adjusted EBITDA margin of 17.9%, with around half of the 260bps decline coming from the price-cost gap and the remainder from the dilutive mathematical effect of the price increases and foreign exchange effects.

Animal Nutrition & Health

Sales development



Q4 2022 Sales

As in previous quarters, reported sales volumes reflected a comparison to the strong growth of the prior year (+11%), which had seen strong stock building by customers on supply chain uncertainties.

Pricing was up 2% in the quarter, which was incremental to a 7% increase in Q4 2021 and highlighted continued good momentum. Further price increases in the quarter were offset by lower vitamin prices.

Full year 2022 Sales

2022 saw the unwinding of the exceptional 10% volume growth of 2021 that had been driven by COVID-19 related supply chain disruptions. With a modest decline for the full year, the resulting average rate of growth over the past three-year period of around 4.5% is in line with DSM's long-term growth rate. As farmers continue to focus on optimizing feed efficiency yields, DSM's performance solutions, such as enzymes, gut health solutions and mycotoxins, showed good growth.

Continuous pricing actions were taken through the year to mitigate rising cost inflation. Overall, the business realized a 7% price increase for the year, albeit with a continued price-cost gap as energy and raw materials cost inflation accelerated. Lower vitamin prices impacted pricing as from September.

Demand for animal protein overall remained resilient. Poultry and eggs performed well, whilst pork improved in the year, helped by the normalization of the swine market in China. Ruminants and aquaculture saw more challenging conditions, owing to their relatively high price points against weakening consumer purchasing power.

Full year 2022 Adjusted EBITDA

The business realised an Adjusted EBITDA of €546m with a full year Adjusted EBITDA margin of 14.4%, which includes a dilutive mathematical effect from rising prices and foreign exchange. Q4 margins were further negatively impacted by lower vitamin prices and inventory reduction actions.

Innovation

Bovaer®, a novel methane inhibitor for ruminants, received landmark EU market approval at the start of the year. Good momentum has developed with numerous commercialization pilots across Europe, Latam and Oceania, as well as the creation of a strategic alliance with Elanco, a leading animal health company, granting it exclusive license to register, manufacture and commercialize Bovaer® in the US. In November 2022, DSM began construction of its new manufacturing facility at Dalry, Scotland, which will significantly increase global production of Bovaer®, with first production expected in 2025.

Veramaris®, the 50/50 partnership with Evonik, saw a strong upswing in demand for sustainable algae-derived omega-3 for salmon farming during the year, whilst also seeing increased interest for applications in pet food and human nutrition.

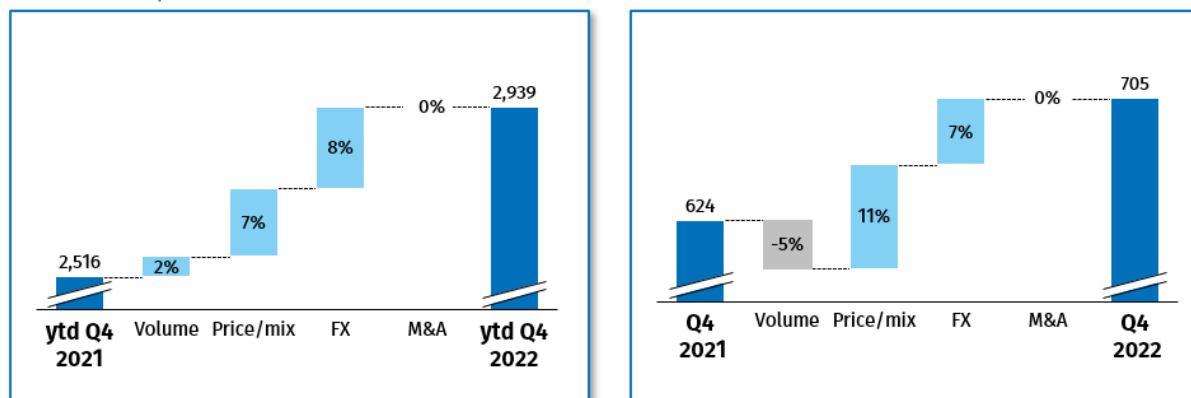
Sustell™ introduced its digitally-enabled farm-level sustainability solutions to the aquaculture industry to help producers meet an increasing need to demonstrate they have accurate, reliable and transparent methods to measure and credibly reduce the environmental footprint of farmed fish thus protecting marine biodiversity.

DSM extended the availability of its market-leading mycotoxin deactivators by securing US FDA approval of fumonisins esterase for poultry and swine. As a result, **FUMzyme®**, the only purified enzyme that detoxifies fumonisins, became the first product ever approved for mycotoxin degradation in the US.

In September 2022, DSM completed the acquisition of **Prodap**, Brazil's leading animal nutrition and technology company that combines technology offerings, consulting services, and customized nutritional solutions to drive efficiency and sustainability in animal farming. By harnessing Prodap's digital solutions, DSM will take another step forward in its precision & personalization strategy.

Health, Nutrition & Care

Sales development



Q4 2022 Sales

Health, Nutrition & Care delivered a good quarter led by continued strong pricing momentum (+11%) to counter cost inflation and so delivered a solid increase in Adjusted EBITDA.

Volumes were down 5% in the quarter against a strong prior year comparison (+6%), reflecting softer demand in dietary supplements as well as some destocking.

Full year 2022 Sales

The business had a good year with a strong organic sales growth of 9%, driven by strong price momentum through the year (+7%).

The dietary supplements market was soft predominantly in North America, as demand for immunity boosting supplements moderated from the elevated levels seen during the COVID-19 pandemic. At the same time, demand for other dietary supplements for gut health and women's health products (i-Health) remained resilient. Pharma and Medical Nutrition performed well, while Biomedical had a very strong performance.

Early Life Nutrition saw a good recovery after a soft 2021 with good interest in its human-milk oligosaccharides (HMOs) products, buoyed by expectations of further regulatory approvals around the world.

Personal Care & Aroma delivered strong growth, driven by high demand for skin, sun and hair care as well as fine fragrances owing to greater international mobility and high demand for bio-based aroma ingredients.

Full year 2022 Adjusted EBITDA

Health, Nutrition & Care delivered €676m Adjusted EBITDA with a full year Adjusted EBITDA margin of 23%, which includes a dilutive mathematical effect from rising prices and foreign exchange.

Innovations

ampli-D®, an innovative more bio-available form of vitamin D that works faster, has been well received by several leading dietary supplement brands around the world to expand their product offerings.

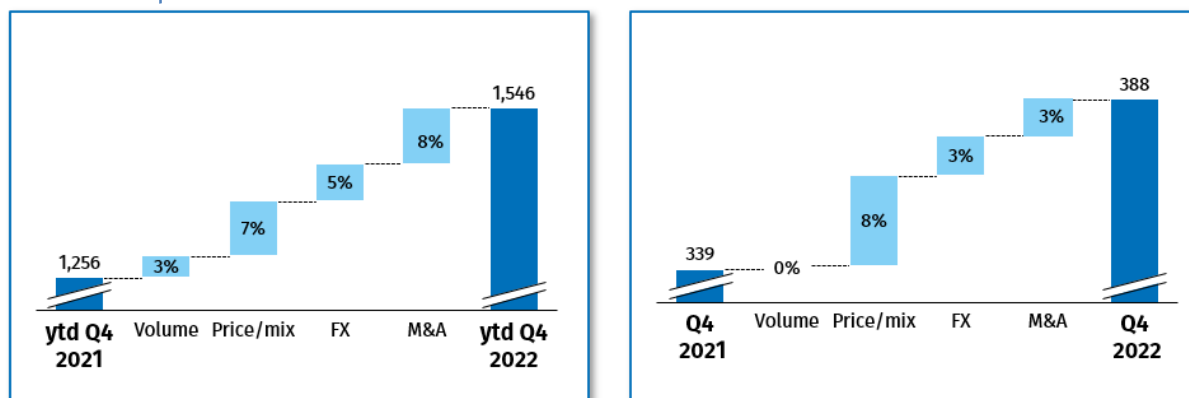
i-health expanded its product range to a new category: vision-health. The launch product was a **Culturelle®** gummy product for children which combines lutein-based, **FloraGLO®** for vision-health, with probiotics and vitamins for digestion and immunity support.

In Dietary Supplements and Early Life Nutrition, DSM launched a new range of algal omega-3s under the brand **life's®OMEGA** as an alternative to fish oil. Life's®OMEGA is 100% vegan, naturally derived from non-GMO marine microalgae, which reduces the pressure on global fish stocks.

Hologram Sciences launched a new consumer brand, **Phenology™**, which offers advanced at-home diagnostics, hormone tracking and custom insights for women during menopause. Users can follow a targeted wellness program with appropriate supplements and science-backed, naturally powerful health and beauty essentials.

Food & Beverage

Sales development



Q4 2022 Sales

Food & Beverage delivered a good quarter with 8% organic sales growth, driven by pricing to counter the effect of cost inflation, and a strong Adjusted EBITDA increase. Volumes held up well against approximately +17% growth in the prior year comparable period, which had benefitted from the reopening of the out of home channels after the lifting of COVID-19 restrictions.

Full year 2022 Sales

Food & Beverage had a good year with strong organic sales growth of +10%. Pricing initiatives (+7%) could only partly offset inflation, leaving the business with a price-cost gap throughout the year. 3% volume growth was a good performance taking into account high single digit growth in previous year. Dairy, Baking and Beverages performed well. Savory was solid, while Hydrocolloids delivered a very strong performance. Pet food performed well, with increased interest in palatability offering and texture alongside nutritional functionality.

First Choice Ingredients, consolidated since October 2021, which develops clean label fermented dairy and dairy-based flavour for various applications in savoury as well as dairy, performed well in its full first year as a part of DSM, delivering €82m sales.

Full year 2022 EBITDA

The business delivered an Adjusted EBITDA of €266m with a full year Adjusted EBITDA margin of 17.2%, which includes a dilutive mathematical effect of the price increases and foreign exchange effects.

Innovation

Avansya, the 50/50 joint venture with Cargill, continues to see increasing interest for its fermentative stevia sweetener **EVERSWEET™** with a growing number of customers, driven by an increasing preference by end-consumers for healthier foods and beverages. **EVERSWEET™** received further approvals which opens the regulatory path for additional geographies, with registrations in the EU and elsewhere also underway.

CanolaPro™ met major milestones with the new commercial size plant in start-up phase and the introduction of **Vertis™** Textured Pea Canola Protein. This product is the world's first textured vegetable protein that contains sufficient levels of all nine essential amino acids to count as a complete protein, possessing unique textural and functional benefits, as well as being soy, gluten and dairy-free.

DSM expanded its plant-based offering through a new solution combining **Maxavor®** vegan fish flavours with DSM's nutritional lipids **Life's®OMEGA**, its vegan EPA and DHA omega-3 fatty acids capability. The product combines taste and fortification for the fast-growing fish alternative segment,

allowing manufacturers to further increase the nutritional value of their plant-based alternatives without impacting the marine ecosystem.

Corporate Activities

in € million	FY 2022	FY 2021	Q4 2022	Q4 2021
Sales	71	103	19	34
Adjusted EBITDA	-95	-88	-23	-18
Adjusted EBIT	-149	-143	-38	-33

Full year Adjusted EBITDA is largely in line with prior year when adjusting for a one-off profit following the termination of a non-strategic activity in the fourth quarter in 2021.

Discontinued Operations¹

in € million	FY 2022	FY 2021	Q4 2022	Q4 2021
Sales	2,090	1,935	425	489
Adjusted EBITDA	330	435	21	101
Adjusted EBIT	304	331	21	71

Discontinued Operations includes the results of DSM Protective Materials up until August 31, 2022, and DSM Engineering Material for the full year which were previously included in the Materials segment. The sale of DSM Protective Materials was closed on September 1, 2022, and the sale of DSM Engineering Materials is pending final regulatory approvals and is expected to be completed in H1 2023.

¹ Discontinued Operations excludes DSM Resins & Functional Materials and associated businesses (divested per April 1, 2021)

Cash Flow and (Operating) Working Capital

in € million	Continuing operations	
	FY 2022	FY 2021
Cash provided by Operating Activities	775	1,040
- Cash from APM adjustments	111	91
- Cash from capital expenditures	-576	-505
Adjusted Net Operating Free Cash Flow	310	626
Operating Working Capital (OWC)	2,432	2,018
Average OWC as % of Sales	29.9%	28.0%
OWC as % of Sales - end of period	29.0%	26.1%
Total Working Capital (WC)	1,992	1,551
Average Total WC as % of Sales	24.3%	22.3%
Total WC as % of Sales - end of period	23.8%	20.1%

Adjusted Net Operating Free Cash Flow from continuing operations benefited from a good performance in the final quarter following three quarters of limited cash generation owing to high inventory levels to provide our customers security of supply in an environment of supply chain uncertainty.

(Operating) Working capital increased both in absolute terms and as a percentage of sales due to higher inventory levels reflecting higher production cost and supply chain issues. Actions, announced earlier with our Q3 Trading Update in November, resulted in a reversal of this trend towards the end of the year.

Overview of Alternative Performance Measures (APM) adjustments

The following overview provides a summary of the APM adjustments for the full year 2022 (for the reconciliation see page 18).

Human, Nutrition & Bioscience: EBITDA adjustments amounted to -€53 million (EBIT -€53 million) of which -€50 million related to restructuring costs and -€3 million to acquisition related costs.

Corporate Activities: EBITDA adjustments amounted to -€38 million (EBIT -€38 million) fully related to restructuring costs.

Discontinued Operations: EBITDA adjustments amounted to +€1,012 million (EBIT +€1,008 million) which relate mainly to the book profit of DSM Protective Materials.

Condensed Consolidated Statement of Income

	FY 2022	FY 2021
Continuing operations in € million		
Sales	8,390	7,269
Gross Margin	2,690	2,612
Operating profit (EBIT)	682	711
Financial income and expense	-88	-100
Profit before income tax expense	594	611
Income tax expense	-124	-123
Share of the profit of associates/ jointly controlled entities	5	342
Net profit from continuing operations	475	830
Net profit from discontinuing operations	1,240	850
Net profit for the period	1,715	1,680
Of which:		
Attributable to non-controlling interests	15	4
Dividend on cumulative preference shares	6	6
Available to holders of ordinary shares	1,694	1,670
Earnings per share (EPS) total (in €):	172.8	172.6
- Net basic EPS	9.80	9.68
- Net diluted EPS	9.77	9.63
Earnings per share (EPS) continuing operations (in €):		
- Net basic EPS	2.64	4.76
- Net diluted EPS	2.63	4.74

The 2021 figures are restated due to DSM Engineering Materials and DSM Protective Materials businesses moving to Discontinued Operations.

The 2021 net profit figure includes the €570 million net book profit from the sale of DSM's Resins & Functional Materials business to Covestro AG closed in H1 2021.

The 2022 net profit includes the €1,018 million net book profit from the sale of DSM Protective Materials businesses as per September 1, 2022.

Reconciliation to Alternative Performance Measures

in € million	FY 2022	FY 2021
	Cont. Ops	Cont. Ops
EBITDA	1,304	1,288
Acquisitions/divestments	4	21
Restructuring	87	76
Other	0	-6
Sub-total APM adjustments to EBITDA	91	91
Adjusted EBITDA	1,395	1,379
Operating profit (EBIT)	682	711
APM adjustments to EBITDA	91	91
Impairments of PPE and Intangible assets	-6	6
Sub-total APM adjustments to operating profit (EBIT)	85	97
Adjusted operating profit (EBIT)	767	808
Net profit	475	830
APM adjustments to operating profit (EBIT)	85	97
APM adjustments to financial income and expense	8	0
Income tax related to APM adjustments	-15	-25
APM adjustments to share of the profit of associates/jointly controlled entities	2	-319
Sub-total APM adjustments to net profit	80	-247
Adjusted net profit	555	583
Net profit available to holders of ordinary shares	456	822
APM adjustments to net profit	80	-247
Adjusted net profit available to holders of ordinary shares	536	575

Condensed Consolidated Balance Sheet

in € million	year-end 2022	year-end 2021
Intangible Assets	5,147	5,309
Property, Plant & Equipment	3,576	3,964
Deferred Tax Assets	95	203
Employee benefits	19	75
Share in Associates & Joint Ventures	61	64
Financial derivatives	82	48
Other Financial Assets	295	227
Non-Current Assets	9,275	9,890
Inventories	2,339	2,297
Trade Receivables	1,508	1,604
Income tax receivables	36	61
Other Current Receivables	78	32
Financial Derivatives	42	30
Current Investments	125	489
Cash & Cash Equivalents	2,755	1,561
Sub-total	6,883	6,074
Assets Held for Sale	1,245	56
Current Assets	8,128	6,130
Total Assets	17,403	16,020
Shareholders' Equity	10,743	9,318
Non-controlling interest	102	79
Equity	10,845	9,397
Deferred Tax Liabilities	476	490
Employee Benefits Liabilities	241	323
Provisions	74	96
Borrowings	2,978	2,995
Financial derivatives	4	9
Other Non-current Liabilities	205	280
Non-current liabilities	3,978	4,193
Employee Benefits	22	21
Provisions	50	68
Borrowings	86	103
Financial Derivatives	23	40
Trade Payables	1,415	1,571
Income tax payable	64	77
Other Current Liabilities	490	540
Sub-total	2,150	2,420
Liabilities associated with the assets held for sale	430	10
Current Liabilities	2,580	2,430
Total Equity and Liabilities	17,403	16,020
Net debt	87	1,019
Equity/Total Assets	62%	59%

Condensed Consolidated Cash Flow Statement

in € million	FY 2022	FY 2021
Cash & Cash Equivalents (at beginning of period)	1,561	871
Operating Activities		
EBITDA	2,646	2,370
Change in Working Capital	-497	-144
Income Tax	-131	-133
Proceeds divestments	-1,031	-640
Other	-22	-26
Cash provided by Operating Activities (Operating cash flow)	965	1,427
of which provided by continuing operations	775	1,040
Investing Activities		
Capital Expenditures	-644	-570
Payments regarding drawing rights	-7	-7
Acquisitions	-74	-704
Disposal of Subsidiaries, Businesses & Associates	1,366	1,791
Disposal of Other Non-current Assets	47	150
Change in Fixed-term Deposits	363	-445
Interest Received	6	5
Dividend and capital (re)payments	-29	-31
Other	-152	19
Cash used in Investing Activities	876	208
Financing Activities		
Dividend	-345	-266
Interest Paid	-52	-65
Repurchase of shares	-210	-165
Proceeds from re-issued treasury shares	25	34
Proceeds from / repayments of corporate bonds	0	-500
Payment of lease liabilities	-57	-54
Other Cash from/ used in Financing Activities	-6	32
Cash from / used in Financing Activities	-645	-984
Exchange Differences	-2	39
Cash and Cash Equivalents (end of period)	2,755	1,561

The condensed consolidated Cash flow Statement includes an analysis of all cash flows in total, therefore including both Continuing and Discontinued Operations.

Proceeds divestments represent mainly the book profit on the divestments of DSM Protective Materials in 2022 and Resins & Functional Materials in 2021.

Geographical Information¹

FY 2022	The Netherlands	Switzerland	Rest of Europe	North America	Latin America	China	Rest of Asia	Rest of the World	Total
Continuing Operations									
Net Sales by Destination									
in € million	402	156	2,154	1,869	1,507	803	1,188	311	8,390
in %	5	2	26	22	18	10	14	4	100
Intangible assets and Property, plant and equipment (carrying amount) (in €m)	1,304	1,852	2,099	2,143	404	774	113	34	8,723
Headcount, end of period *	2,642	2,232	4,211	2,618	2,302	4,591	1,742	344	20,682
FY 2021									
Continuing Operations									
Net Sales by Destination									
in € million	355	157	1,912	1,535	1,170	792	1,074	274	7,269
in %	5	2	26	21	16	11	15	4	100
Total Group									
Intangible assets and Property, plant and equipment (carrying amount) (in €m) *	1,990	1,733	2,079	2,201	291	836	113	30	9,273
Headcount, end of period *	3,006	2,174	4,161	3,018	2,290	4,704	1,709	296	21,358

* Refers to total Group

¹ Intangible assets and Property, plant and equipment 2021 are not restated for Continuing Operations and is based on Total Group.

Notes to the Condensed Consolidated Financial Statements

Accounting policies and presentation

The condensed consolidated financial statements of DSM for the year ended 31 December 2022 in this press release are prepared in accordance with the accounting policies as stated in the Integrated Annual Report (IAR) 2021, including the adoption of new standards and amendments to standards which will be reflected in the company's consolidated IFRS financial statements for the year ending 31 December 2022 as included in the IAR 2022.

Audit

The financial statements and other reported data in this press release have not been audited.

Heerlen, 16 February 2023
The Managing Board

Geraldine Matchett, co-CEO
Dimitri de Vreeze, co-CEO

Financial calendar

March 2023

Publication of the Integrated Annual Report 2022

Additional information

Today DSM will hold a webcast for **investors and analysts** at 14:00 CET. Details on how to access this call can be found on the DSM website, www.dsm.com.

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DSM

Royal DSM is a global, purpose-led company in Health, Nutrition & Bioscience, applying science to improve the health of people, animals and the planet. DSM's purpose is to create brighter lives for all. DSM's products and solutions address some of the world's biggest challenges while simultaneously creating economic, environmental and societal value for all its stakeholders – customers, employees, shareholders, and society at large. The company was founded in 1902 and is listed on Euronext Amsterdam. More information can be found at www.dsm.com.

Or find us on:    

Forward Looking Statements

This press release may contain forward-looking statements with respect to DSM's future (financial) performance and position. Such statements are based on current expectations, estimates and projections of DSM and information currently available to the company. DSM cautions readers that such statements involve certain risks and uncertainties that are difficult to predict and therefore it should be understood that many factors can cause actual performance and positions to differ materially from these statements. DSM has no obligation to update the statements contained in this press release, unless required by law. The English language version of the press release is leading.

General restrictions

The Exchange Offer is being made in and from the Netherlands with due observance of such statements, conditions and restrictions as are included in the Offering Circular. The Company reserves the right to accept any tender under the Exchange Offer, which is made by or on behalf of a DSM Shareholder, even if it has not been made in the manner set out in the Offering Circular.

The distribution of the Offering Circular and/or the making of the Exchange Offer in jurisdictions other than the Netherlands may be restricted and/or prohibited by law. In particular, subject to certain exceptions, the Offering Circular is not for general circulation in the United States. The Exchange Offer is not being made, and the DSM Ordinary Shares will not be accepted for purchase from or on behalf of any DSM Shareholder, in any jurisdiction in which the making of the Exchange Offer or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of the Offering Circular. Persons obtaining the Offering Circular are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents (to the extent applicable). Outside of the Netherlands, no actions have been taken (nor will actions be taken) to make the Exchange Offer possible in any jurisdiction where such actions would be required. In addition, the Offering Circular has not been filed with nor recognised by the authorities of any jurisdiction other than the Netherlands. Neither the Company, nor DSM, nor Firmenich, nor any of their advisers accept any liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who forwards or intends to forward the Offering Circular or any related document to any jurisdiction outside the Netherlands should carefully read section 16 (Restrictions) and section 17 (Important Information) of the Offering Circular

before taking any action. The release, publication or distribution of the Offering Circular and any documentation regarding the Exchange Offer, the making of the Exchange Offer or the issuance and offering of the DSM-Firmenich Ordinary Shares in jurisdictions other than the Netherlands may be restricted by law and therefore persons into whose possession the Offering Circular comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the law of any such jurisdiction.

United States of America

Unless otherwise determined by the Company, the Exchange Offer is not being, and will not be, made, directly or indirectly, in or into, or by the use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of, interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States except to DSM Shareholders who (i) are "qualified institutional buyers" as such term is defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act, and each such person, a QIB) and (ii), to the Company's satisfaction (in its sole discretion), have duly completed and returned to the Company a letter confirming that it is a QIB and agreeing to certain transfer restrictions applicable to the DSM-Firmenich Ordinary Shares (a U.S. Investor Letter) available from the Company (each an Eligible U.S. Holder). Accordingly, to be eligible to receive DSM-Firmenich Ordinary Shares under the Exchange Offer, each DSM Shareholder that is a U.S. Person and that is a QIB must make their acceptance known through their custodian, bank or stockbroker by executing and delivering a U.S. Investor letter to such custodian or intermediary no later than 17:40 hours CET on the Acceptance Closing Date. The custodian, bank or stockbroker may set an earlier deadline for communication by DSM Shareholders in order to permit the custodian, bank or stockbroker to communicate its acceptances to the Settlement Agent (ABN AMRO) in a timely manner. Accordingly, Eligible U.S. Holders holding DSM Ordinary Shares through a financial intermediary should comply with the dates communicated by such financial intermediary, as such dates may differ from the dates and times noted in the Offering Circular.

The form of a U.S. Investor Letter will be distributed to custodians, nominees and other financial intermediaries to distribute to those they hold for in due course and is also available to QIBs from the Company. Any U.S. Person who is not a QIB, or in respect of whom no U.S. Investor Letter is received before 17:40 hours CET on the Acceptance Closing Date, will be a Restricted Shareholder and will be treated as set out under section 14.35 (Notice to DSM Shareholders in certain jurisdictions) of the Offering Circular.

The DSM-Firmenich Ordinary Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and accordingly, the DSM-Firmenich Ordinary Shares may not be reoffered, resold or transferred, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Any DSM Shareholder located in the United States at the time of the Transactions will be required to make certain representations, warranties and undertakings in respect of their status as QIB (the QIB Confirmations), in order to receive the DSM-Firmenich Ordinary Shares on the Post-Closing Acceptance Settlement Date.

If a beneficiary to DSM Ordinary Shares located in the United States is unable to make the QIB Confirmations on behalf of itself or the person on whose behalf such DSM Ordinary Shares are held, any DSM-Firmenich Ordinary Shares allotted to such person will instead be transferred to a sales agent, and such DSM-Firmenich Ordinary Shares will be sold on his, her or its behalf with the proceeds being remitted to such person within five days of the Settlement Date, for DSM-Firmenich Ordinary Shares allotted in exchange for DSM Ordinary Shares tendered during the Acceptance Period, or within five days of the Post-Closing Acceptance Settlement Date, for DSM-Firmenich Ordinary Shares allotted in exchange for DSM Ordinary Shares tendered during any Post-Closing Acceptance Period.

Additional information is included in section 16.1 (United States of America) of the Offering Circular.