

Presentation to Investors

FY 2022 results

16 February 2023

HEALTH · NUTRITION · BIOSCIENCE



DSM

BRIGHT SCIENCE. BRIGHTER LIVING.

Co-CEOs statement

“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.”

Geraldine Matchett and Dimitri de Vreeze



Health, Nutrition & Bioscience delivered a solid performance¹

FY 2022

Organic Sales
Growth

+8%

€8,319m

Adj.
EBITDA

+2%

€1,490m

Adj. EBITDA
margin

17.9%

(-260bps)

- Increasingly inflationary environment, exacerbated by ongoing supply chain volatility. Volumes consolidated exceptionally strong prior year growth. Inflation partially offset by multiple price increases
- Adj. EBITDA impacted by strong cost inflation. Adj. EBITDA margin declined 260bps with around half of decline due to price-cost gap and remainder from dilutive mathematical effect of the price increases and FX

Volumes
+1%

Price/Mix
+7%

FX
+7%

M&A
+1%

Q4 2022

Organic Sales
Growth

+3%

€2,074m

Adj.
EBITDA

-11%

€316m

Adj. EBITDA
margin

15.2%

(-360bps)

- End-user demand resilient, but OSG impacted by strong prior year growth in volumes, lower vitamin prices and destocking
- Adj. EBITDA lower owing to price-cost gap, lower vitamin prices, inventory reduction actions. Margin impacted by the dilutive mathematical effect
- Good cash generation including reduction of inventories when input costs are highest

Volumes
-3%

Price/Mix
+6%

FX
+6%

M&A
+1%

Overall resilient demand underpinned by strong pricing actions



Animal Nutrition & Health (ANH)

FY 2022
Organic Sales
Growth

+6%

€3,788m

Q4 2022
Organic Sales
Growth

0%

€974m



Health, Nutrition & Care (HNC)

FY 2022
Organic Sales
Growth

+9%

€2,939m

Q4 2022
Organic Sales
Growth

+6%

€705m



Food & Beverage (F&B)

FY 2022
Organic Sales
Growth

+10%

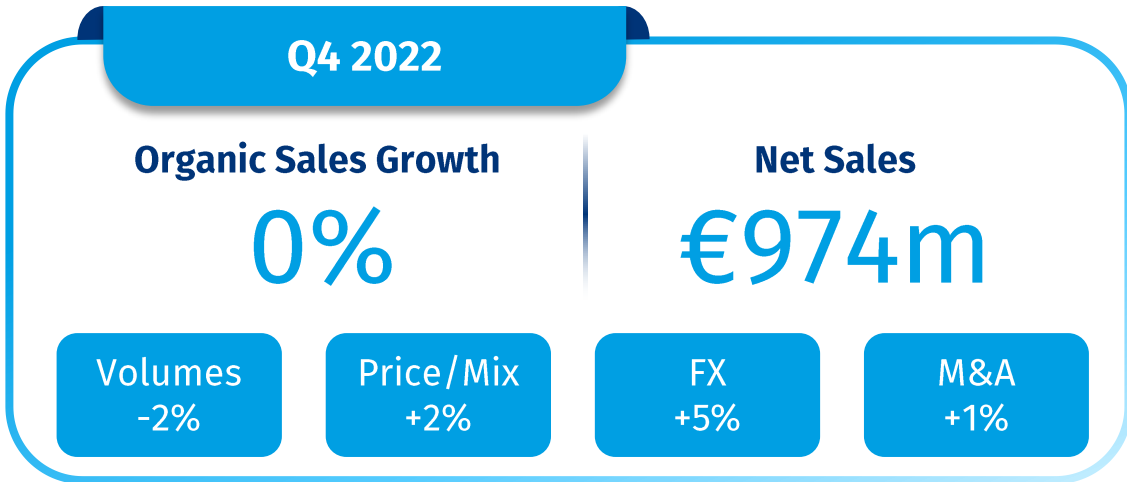
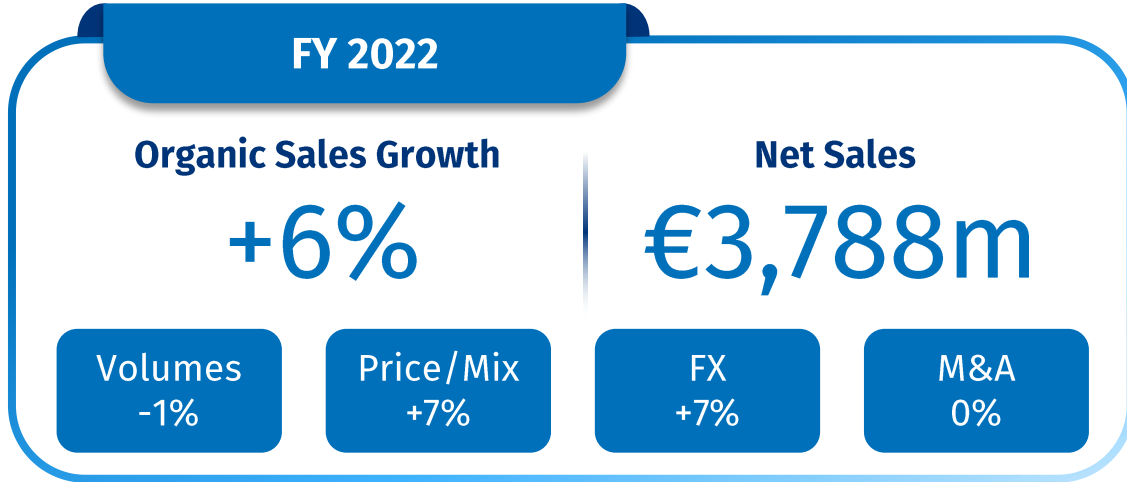
€1,546m

Q4 2022
Organic Sales
Growth

+8%

€388m

ANH | Consolidating strong prior year growth



FY 2022

- Pricing actions to counter cost inflation
- Solid volumes, consolidating strong 2021 growth
- Farmers continued to focus on driving yields, resulting in good growth for DSM's performance solutions
- Poultry and eggs performed well, whilst pork recovered; ruminants and aquaculture impacted by weak consumer purchasing power
- Adj. EBITDA of €546m and Adj. EBITDA margin of 14.4%, due to lower vitamin prices and inventory reduction actions and the dilutive mathematical effect from rising prices and FX.

Q4 2022

- Good pricing momentum, on top of last years +7%
- Reported volumes impacted by unwinding of +11% in prior year
- Adj. EBITDA margins below full year level, driven by lower vitamin prices and inventory reduction actions



HNC | Good performance led by price momentum

FY 2022

Organic Sales Growth

+9%

Net Sales

€2,939m

Volumes
+2%

Price/Mix
+7%

FX
+8%

M&A
0%

Q4 2022

Organic Sales Growth

+6%

Net Sales

€705m

Volumes
-5%

Price/Mix
+11%

FX
+7%

M&A
0%

FY 2022

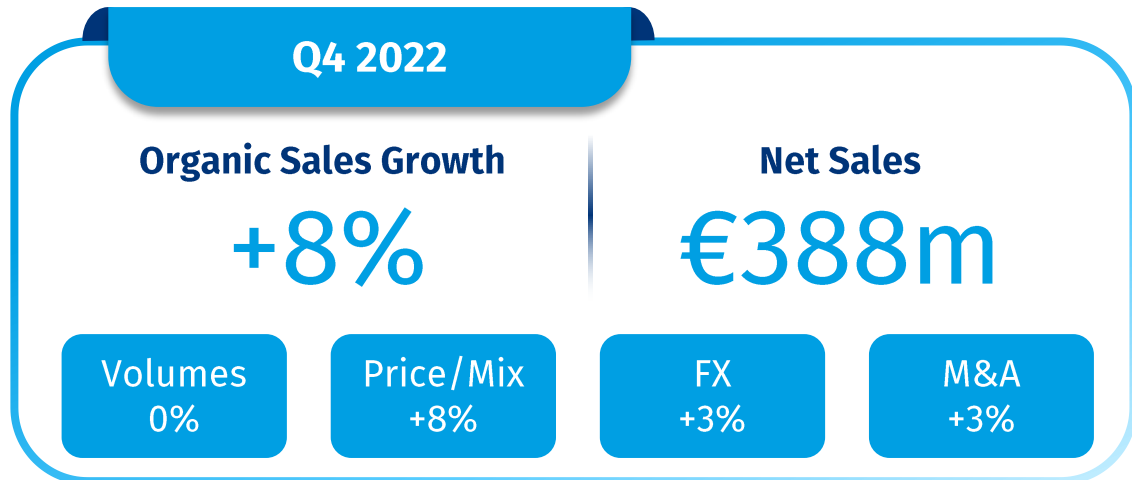
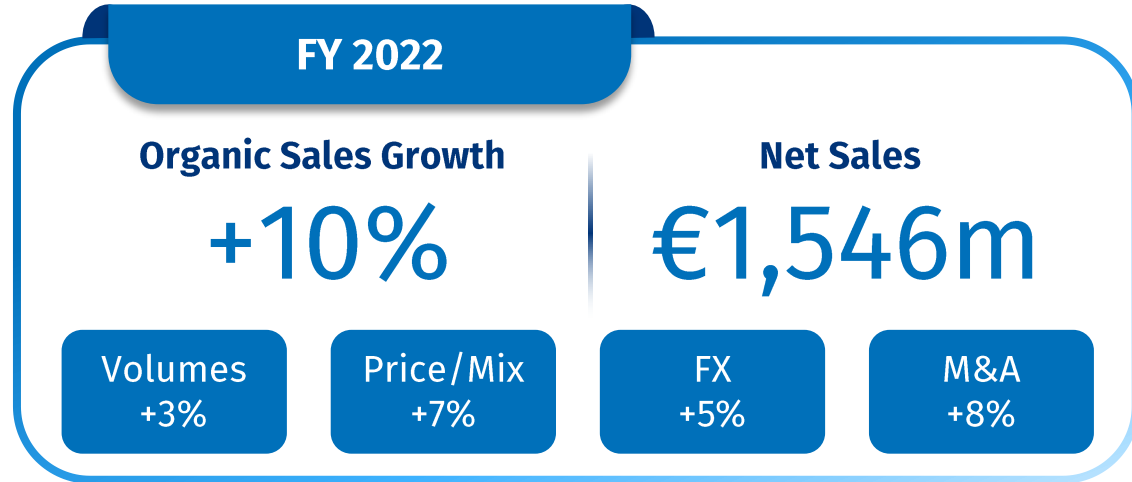
- Strong organic sales growth, driven by strong price momentum through the year
- Demand overall was good in dietary supplements, albeit immunity-optimizing products normalized versus peak-COVID
- Pharma and Medical Nutrition performed well. Biomedical and Personal Care & Aroma delivered strong performances
- Adj. EBITDA of €676m and Adj. EBITDA margin of 23.0%, includes the dilutive mathematical effect from rising prices and FX

Q4 2022

- Continued strong pricing momentum to counter cost inflation helped deliver a solid increase in Adj. EBITDA
- Volumes down against strong comparison, reflecting softer demand in immunity-optimizing dietary supplements and some destocking



F&B | Strong pricing and good volume performance



FY 2022

- Strong pricing with a good volume performance given a tough prior year comparison
- 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, texture, and nutritional functionality
- Adj. EBITDA of €266m and Adj. EBITDA margin of 17.2%, which includes a dilutive mathematical effect of the price increases and FX

Q4 2022

- Good organic sales growth, driven by pricing to counter the effect of cost inflation
- Volumes held up well against a tough comparable period (approx. 17%) which had benefitted from the reopening of the out of home channels



CanolaPRO®

EverSweet™



Other Financial Highlights¹

FY 2022

Total Working Capital
as % of sales

23.8%

+370bps

OWC
as % of sales

29.0%

+290bps

**Return on Capital
Employed
(excluding M&A)**

9.6%

-100bps

- **(Operating) Working capital** both absolute and as % of sales increased due to higher inventory levels reflecting higher production cost and supply chain issues.
- As announced in the Q3 trading update, DSM implemented inventory reduction actions as of Q4'2022
- **ROCE** excluding M&A amounted to 9.6% in 2022, 100bps lower compared to 2021 (10.6%) due to higher Capital Employed inflated by FX, and higher OWC.



Other Financial Highlights¹

FY 2022

Adj. Net Operating Free
Cash Flow¹

€310m

Total Dividend
over 2022

approx. €2.53

Net
Debt

€87m

€1,019m (end of 2021)

- **Adj. Net Operating Free Cash Flow** from continuing showed improvement as of the second half, also supported by planned inventory reduction actions
- DSM recognized an interim dividend of €0.93 per share for 2022 which was paid in cash in August 2022 after deduction of 15% Dutch dividend withholding tax.
- Upon a successful completion of the merger, DSM-Firmenich intends to offer a gross dividend to all DSM-Firmenich shareholders of in total €423m which is almost **€1.60** per share, subject to adoption by the General Meeting of DSM-Firmenich as described in the Offering Circular
- **Net Debt** decreased to €87m, mainly due to divestment proceeds of DSM Protective Materials €1.4bn



Full Year 2023 outlook

- 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

Sustainability

Planet & People
Target Progress

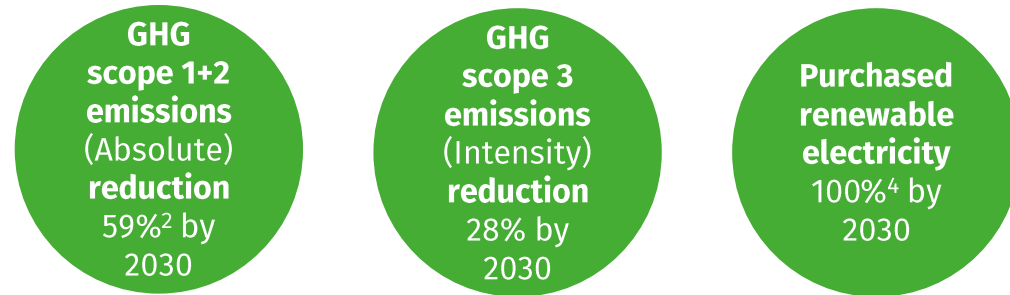


DSM

BRIGHT SCIENCE. BRIGHTER LIVING.

Building a resilient business with a minimal environmental footprint

2019/2022 ESG ambitions



FY 2022 realization¹



- Increased target for cutting **scope 1 and 2** greenhouse gas emissions for the second successive year. New target of **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**
- Switching to **100% renewable sources of purchased electricity** worldwide by 2030
- DSM has a **net-zero by 2050** commitment
- **CDP** awarded DSM's **climate change strategy and water stewardship with A ratings**, making DSM one of only a handful of companies in its sector worldwide to achieve such recognition

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

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

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

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

Health and well-being of people is core to our long-standing purpose

2019/2022 ESG ambitions



FY 2022 realization¹



- 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 representation of women at executive level improving again. Employee Resource Groups, supporting a broader agenda including generational and identity diversity, visible and non-visible disabilities, and LGBTQ+ inclusion, are now well established

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

²Annual survey of payroll employees, excluding those working within recently acquired or divested businesses, or discontinued operations.

Safe harbor

This presentation may contain forward-looking statements with respect to DSM's future 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 position to differ materially from these statements. DSM has no obligation to update the statements contained in this presentation, unless required by law

More details on DSM's 2022 FY performance can be found in the 2022 FY results press release. A more comprehensive discussion of the risk factors affecting DSM's business can be found in the company's latest Annual Report, which can be found on the company's corporate website, www.dsm.com

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