

DSM accelerates its purpose-led, performance-driven strategic journey

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DSM

BRIGHT SCIENCE. BRIGHTER LIVING.

DSM accelerates its purpose-led, performance-driven strategic journey



Global food systems face multiple **challenges**. DSM has the capability and responsibility to make a meaningful impact



Addressing these food system challenges offer exciting new market opportunities for DSM



DSM will be a fully focused **Health, Nutrition & Bioscience** company and realigns its global organization accordingly



DSM is reviewing strategic options for the two **Materials** businesses

With a growing global population, the world is facing multiple systemic and interconnected food system challenges that impact the health and wellbeing of people, animals, and the planet



Global food systems face multiple systemic interconnected challenges



(Hidden) Hunger and malnutrition




Diet-related illnesses, overweight, obesity

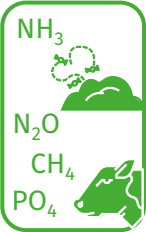


Vitamin and mineral deficiencies




Immunity incl. anti-microbial resistance


People 




Emissions from livestock
Green House Gasses (e.g. methane), nitrogen, ammonia, phosphorus



Loss of **biodiversity, deforestation**, loss **ecosystem on land** and in **the ocean**



Food loss & waste

Planet 



Inequality



Farmers not able to generate a **fair and stable income** in the value chain



Lacking **basic needs** such as food, healthcare and education



Livelihoods 

Increased awareness of the critical role of food, supported by the rapid developments in science & technology

Trends and societal challenges



Consumer



Society



Environment

Market opportunity for solutions that offer Health and Nutrition

Bioscience & technology breakthroughs



Biotechnology breakthroughs



Data & Digital



Precision & Personalization

Science & technology enabling Unprecedented Precision



DSM has the capability and therefore the responsibility to make a meaningful impact on the global food systems, while this also creates exciting new market opportunities

This way we are staying true to our purpose of creating brighter lives for all

More than 150 years of deep scientific heritage, with biotech facilities around the world

1930s

F. Hoffman La Roche's Vitamins

Chemical synthesis & biotechnology



1902

DSM

Chemical synthesis & biotechnology



1869

Gist-Brocades

Biotechnology



- DSM Biosciences Research & Development
- DSM Biosciences Production facility















- DSM is active in the major groups of microbial technologies, with bacteria, yeasts, fungi and microalgae
- Close to 50% of DSM's current sales of nutritional ingredients is produced out of biobased or natural input materials

Enhanced leadership in Health, Nutrition & Bioscience through high quality M&A



- **Strengthened bioscience** position by adding a/o algae & fungi-based fermentation
- Added **new product categories, building the most comprehensive portfolio** of nutritional ingredients
- Expanded global **geographic reach, becoming a global player**
- **Build a unique business model** with solutions/premix and expanded this business model in precision and personalization

DSM has a rich innovation pipeline, predominantly bioscience-based

Precision <i>Digitally enabled business models</i>	 Personalized Nutrition  Animal Precision Nutrition	Hologram Sciences, MixFit Sustell™
Prevention <i>Healthy solutions provided by nature</i>	 Healthy Gut  Immunity  Sugar Reduction  Cultures Powerhouse  Pharmaceutical Nutrition  Personal Care  Animal Gut Health	New HMOs, Culturelle® incl HMOs Ampli-D®, i-Health Avansya DSM-CSK Riboflavin for Hypertension Naturals, F&F Amyris Eubiotics, Balancius®
Proteins <i>Driving adoption of sustainable proteins to feed the population</i>	 Sustainable Food Proteins  Low-footprint Feed Proteins  Animal Emission Reduction	CanolaPro® Protease, Phytase, Cornzyme, Premix Bovaer™, VevoVital®
Pathways <i>Sustainable ingredient manufacturing</i>	 Bio-based Vitamins & Carotenoids  Sustainable Lipids	Farnesene, vitamins Veramaris

DSM has created a unique business model

Precision & Personalization

Digitization & Bioscience as a know-how multiplier



Global Products
Science, Scale, Quality

Local Solutions
Global network offering local (customized) solutions



DSM is well positioned to make a meaningful impact on the food system transformation, and to capture the exciting growth opportunities

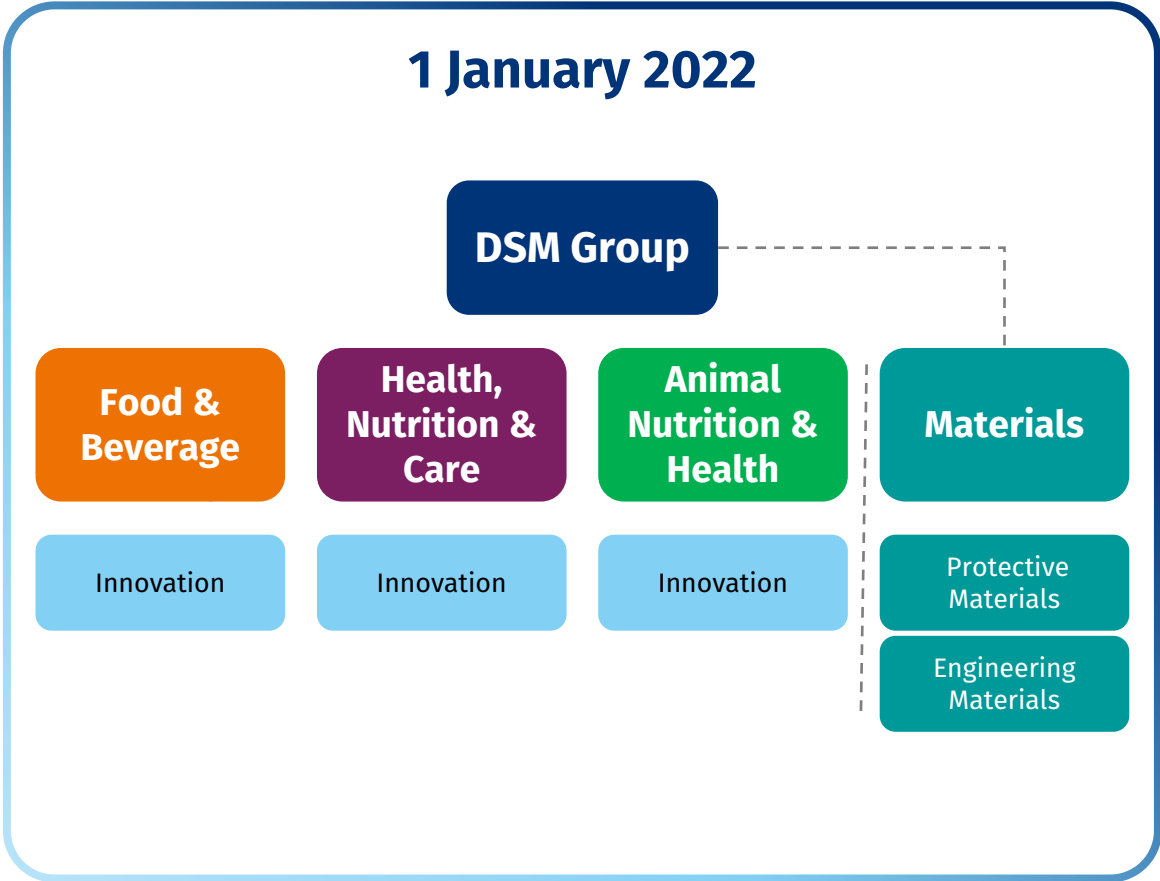
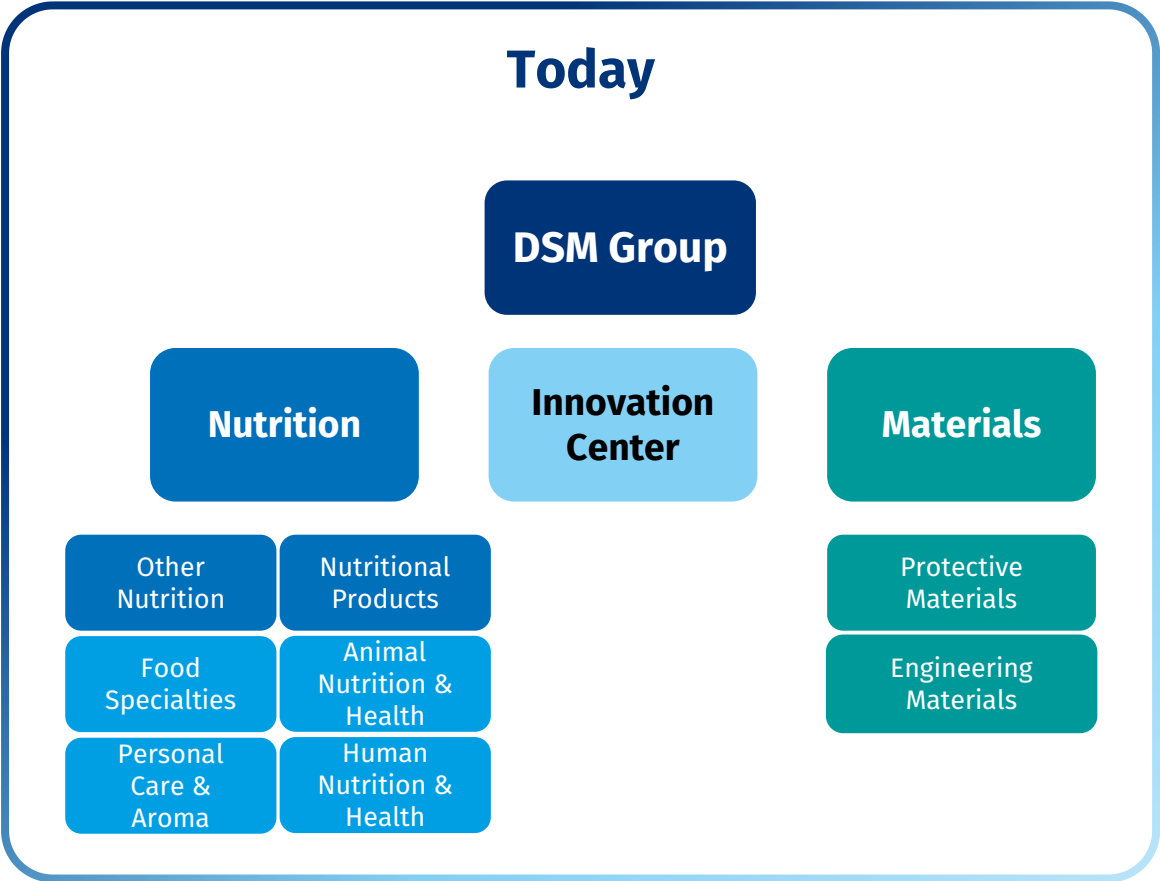
Therefore, DSM will exclusively focus on Health, Nutrition & Bioscience

Accelerate to a fully focused Health, Nutrition & Bioscience company

- **Materials businesses** managed largely on a **standalone basis**; **reviewing strategic options**, including a possible change of ownership
- New **simplified** Health, Nutrition & Bioscience **organization** through:
 - **Creation of 3 Business Groups** with strong market focus
 - **Food & Beverage**
 - **Health, Nutrition & Care**
 - **Animal Nutrition & Health**
 - **Integration of innovation activities** of DSM Innovation Center in 3 Business Groups: Fully equipped to drive impactful innovations
 - **Alignment of global enabling functions** and **top structure**



DSM will realign its global organizational set up & reporting



Three BGs created with clear end-market orientation



**Healthy diets for all
through nutritious,
delicious and
sustainable solutions**

**Food & Beverage
€1.2bn***



**Keeping the world's
growing population
healthy**

**Health, Nutrition & Care
€2.3bn***



**Radically more
sustainable animal
farming**

**Animal Nutrition & Health
€3.3bn***

* Based on 2 times H1 2021

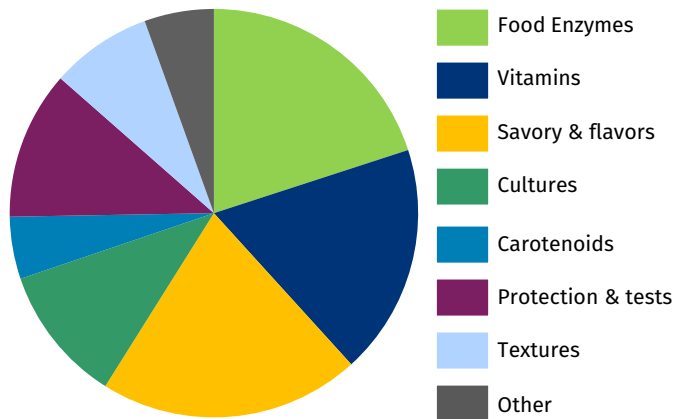
Food & Beverage (F&B)

Healthy diets for all through nutritious, delicious and sustainable solutions



DSM offering broad range of ingredients ...

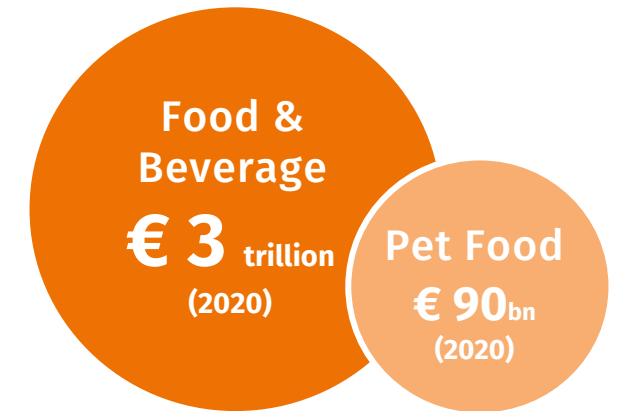
Split by ingredient category



... holding a strong market position ...

- **10%** market share
- Strong biotechnology competences
- Top 3 player in Food Enzymes and Cultures
- Market leader in food premixes
- Integrated solutions supply capabilities

... in attractive markets



The opportunity for F&B

Serving a growing global population with healthy nutrition with the right taste and texture, sustainably produced

Key trends



Offering new opportunities ...

- F&B companies seek new product solutions for tasty and at the same time healthier and sustainable products with fast time to market
- New innovative companies disrupting the market, e.g. with plant-based meat and dairy alternatives, seeking development partners that can supply integrated solutions

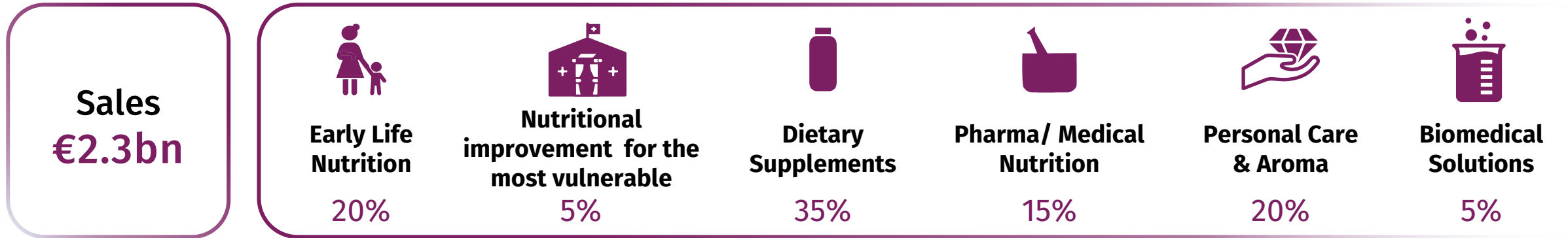
... for which DSM is uniquely positioned

- Ability to partner with customers to develop healthier products with the right taste and texture through integrated solutions
- Based on a broad ingredient portfolio for taste, texture and health, including new innovations such as EverSweet sweetener and CanolaPro
- Fueled by strong expertise in nutrition, F&B application, biotechnology, sustainability



Health, Nutrition & Care (HNC)

Keeping the world's growing population healthy

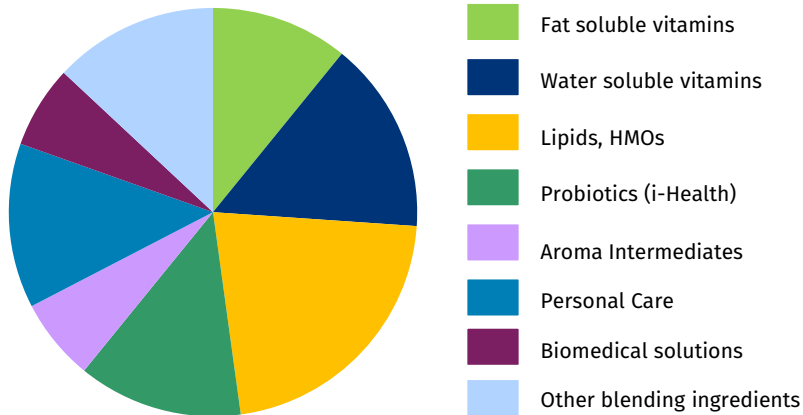


DSM offering broad range of ingredients ...

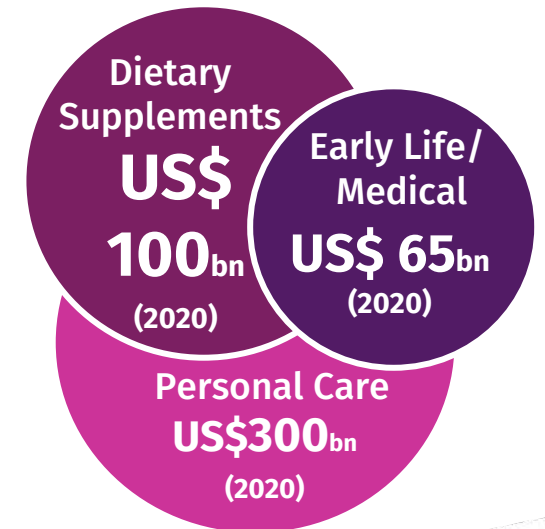
... holding a strong market position ...

... in attractive markets

Split by ingredient category



- Science leader in specialty nutritional and personal care ingredients and biomedical materials focusing on immunity, gut, brain and skin health, and solutions for orthopedics and cardiovascular
- **30%** market share in attainable specialty markets
- Strong B2C business (i-Health) with globally leading brands (Culturelle®, AZO®, Estroven®)
- **40%** of sales through solutions (premix, market-ready solutions, personalized nutrition solutions and B2C products)



The opportunity for HNC

Population growth & need for preventative and affordable nutrition and health drive growth

Key trends



Offering new opportunities ...

- Ingredients and solutions for improving immunity, gut, brain and skin health
- Fermentative/ advanced biotech technologies for replicating nature at scale and affordable cost in a sustainable way
- Advanced materials and proven solutions to improve orthopedic and cardiovascular interventions
- Opportunities for broadening the portfolio horizontally and vertically across the value chain
- Science-based, data-driven personalized nutrition & care solutions

... for which DSM is uniquely positioned

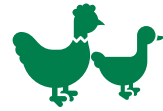
- Broadest science-backed portfolio of vitamins, lipids, pre- and probiotics, personal care & aroma ingredients, and natural materials for medical devices
- Leading player for fermentation/ advanced biotech solutions
- Truly global business and premix network and global market-ready solutions capability across all activities
- Nutritional improvement for most vulnerable, supporting growth outside traditional markets (e.g., Africa)
- Personalized Nutrition (Hologram Science, Analytical/diagnostic services)



Animal Nutrition & Health (ANH)

Global population growth & need for radically more sustainable animal farming drive sales growth

Sales
€3.3bn



Poultry

45%



Swine

25%



Ruminants

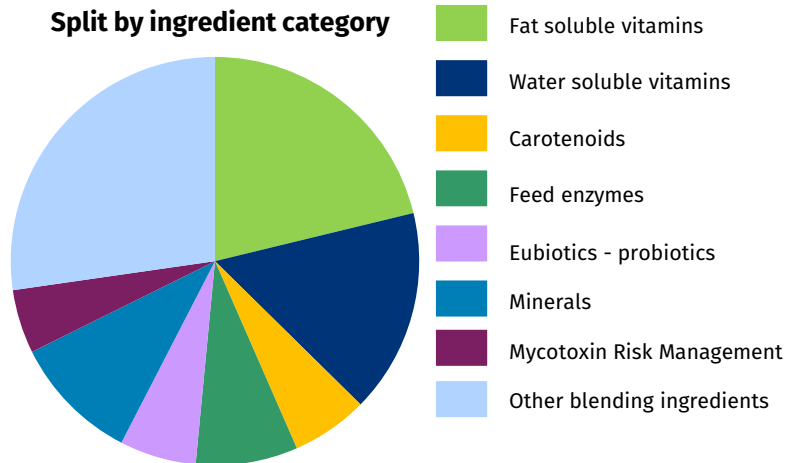
20%



Aqua

10%

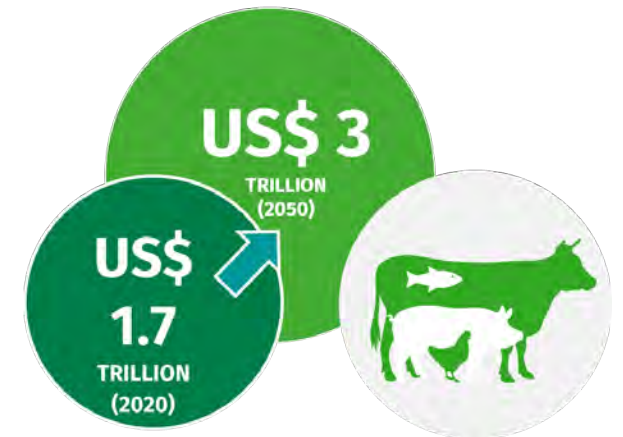
DSM offering broad range of ingredients ...



... holding a strong market position ...

- 30% market share
- Unique global premix network, strong representation in all regions in the world
- 65% of sales as solutions

... in attractive markets



The opportunity for ANH

Productivity & sustainability drive specialty feed ingredients

Key trends



Offering new opportunities ...

- Digital:
 - Precision farming, labeling
- Advanced biotech
 - New sustainable solutions
- Gut health sciences
 - Alternative for antibiotics
- Professionalization farming in developing countries
- Radical more sustainable farming

... for which DSM is uniquely positioned

- Sustell®, Verax, Erber Diagnostics (Romer Labs)
- Veramaris, Balancius, Midori US Inc.
- Probiotics, Prebiotics, enzymes and eubiotics for gut health
- Global network benefiting from higher inclusion rates. Strong position in LATAM and Asia
- We make this possible; with our current unique portfolio and our science-based innovation program

 **Biomim**

 **ROMER**
Romer Labs®

 **Midori**
ANIMAL HEALTH™



We will underpin our HNB journey by taking responsibility for our own footprint and people, and by taking care for the world through courageous food system commitments

By doing so, we will build a sustainable growth company

Building a growth company that delivers long term, performance driven profitable growth

Food systems face huge **environmental** and **societal** challenges and offer **opportunities**



Consumer



Society



Environment



Biotechnology



Data & Digital



Precision & Personalization

DSM uniquely positioned and has capabilities to **capture these opportunities**



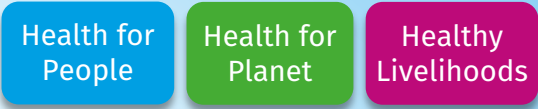
Great **People**, unique **Culture**

This creates long-term **purpose-led** positive impact on **people** and **planet**

Responsibility for our own footprint and people



Caring for the world:
Ambitious **food systems** commitments



Building a growth company that delivers long-term, **performance-driven** profitable growth

Ambitious mid-term profit targets

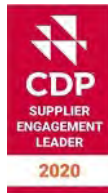
MSD % organic sales growth

Adj. EBITDA margins >20%

HSD % annual adj. EBITDA growth



Taking full responsibility for our OWN footprint and people

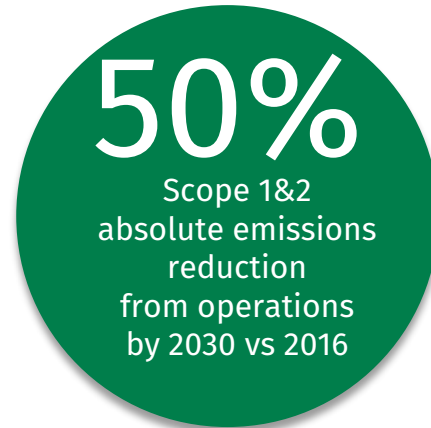


DSM top ranked in leading ESG-ratings



Accelerated our route to Net Zero by 2050

DSM is committed to achieve Net Zero GHG emissions across operations and value chains by 2050



- **Validated science-based 2030 targets on Green House Gas emission reduction** (scope 1&2) increased to **50%** versus baseline 2016 (was 30%)
- **Renewable electricity** target China at 60% by 2030
- Increased **internal price on carbon** from €50 per mt of CO₂ to €100 per mt, to further guide its investments and operational decisions towards carbon neutral operations
- **Biodiversity/water** - reduction target set on water in H1-> 10% efficiency improvement on water-intake in our water stress sites by 2030

Making positive impact on food systems

Contributing to the achievement of the UN Sustainable Development Goals

Health for People



Our ambitions

- Support affordable, accessible, aspirational healthy nutrition for a growing global population
- Fight hunger and malnutrition worldwide
- Provide for healthy diets and combat diet-related diseases such as type 2-diabetes and heart disease
- Support good health and immunity through good nutrition via diets and supplementation
- Reduce the risk of anti-microbial resistance

Our commitments

- Closing the micronutrient gaps of 800 million vulnerable people by 2030
- Supporting immunity of half a billion people by 2030

Health for Planet



Our ambitions

- Reduce greenhouse gas, ammonia and phosphorous emissions from livestock
- Limit the use of natural resources, reduce pressure on biodiversity: on land and in the oceans, conserve forests and oceans
- Drive sustainable animal proteins from within the livestock sector whilst improving animal health and welfare
- Develop and enable alternatives for animal proteins, that are nutritious, tasty and sustainably produced

Our commitments

- Double digits on-farm livestock emission reduction by 2030 by using our feed ingredients
- Reaching 150 million people with solutions for nutritious, sustainably produced plant-based protein foods by 2030

Healthy Livelihoods



Our ambitions

- Support farmers to generate a fair and stable income with sustainable farming practices
- Promote a healthy supply chain for food and feed production that provide welfare for the local communities in which they operate
- Promote education; equality; equity, human rights

Our commitments

- Supporting the livelihoods of 500,000 small-holder farmers across value chains by 2030

We are building a growth company that delivers long-term, performance-driven profitable growth

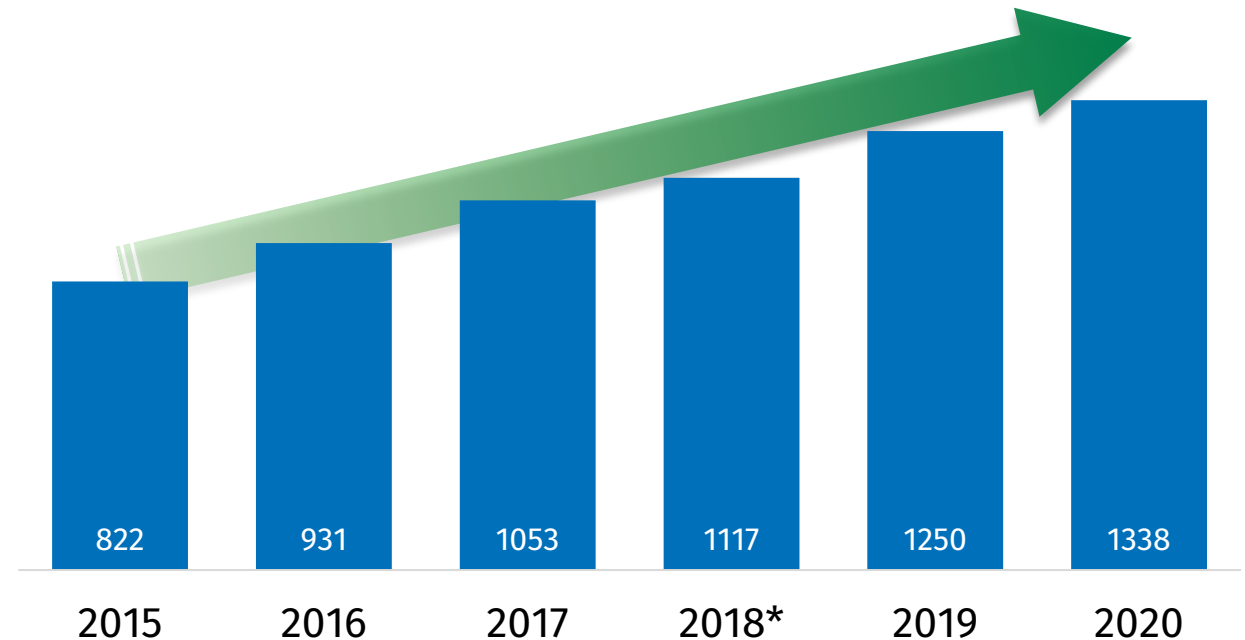
Ambitious mid-term profit targets:

Mid-single digit % organic sales growth

Adj. EBITDA margins >20%

High-single digit % annual adjusted EBITDA growth

Adj. EBITDA DSM Nutrition (€m)



* Underlying business



*We are building a growth company that creates
brighter lives for all*



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

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