



# Nutrition

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President & CEO DSM Nutritional Products

ROYAL DSM  
HEALTH NUTRITION MATERIALS



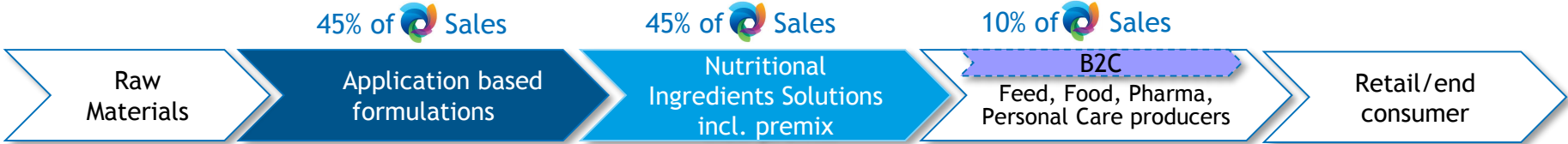
# Safe harbor statement

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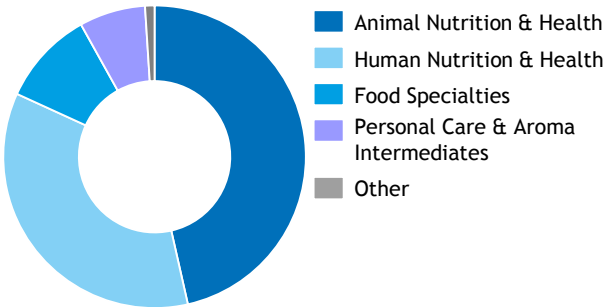
- This presentation may contain forward-looking statements with respect to DSM's future (financial) performance and position. Such statements are based on current expectations, estimates and projections of DSM and information currently available to the company. DSM cautions readers that such statements involve certain risks and uncertainties that are difficult to predict and therefore it should be understood that many factors can cause actual performance and 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](http://www.dsm.com)

# DSM: True global leader in Nutrition, active over full value chain

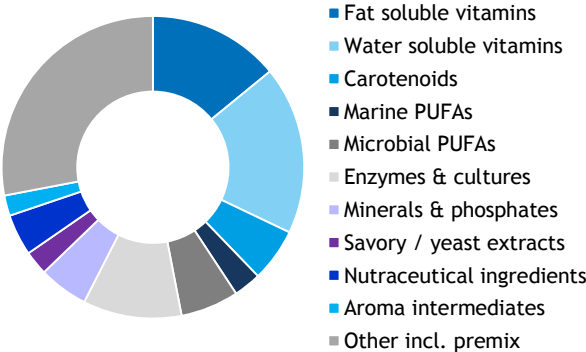
## Food/Feed value chain



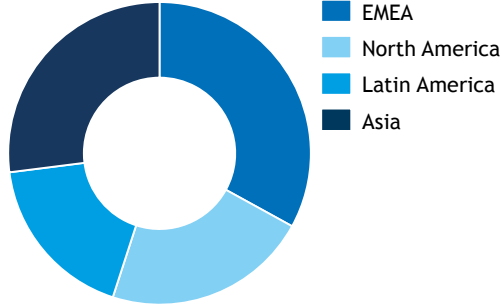
### Sales by end-market (%)



### Sales related to ingredient (%)



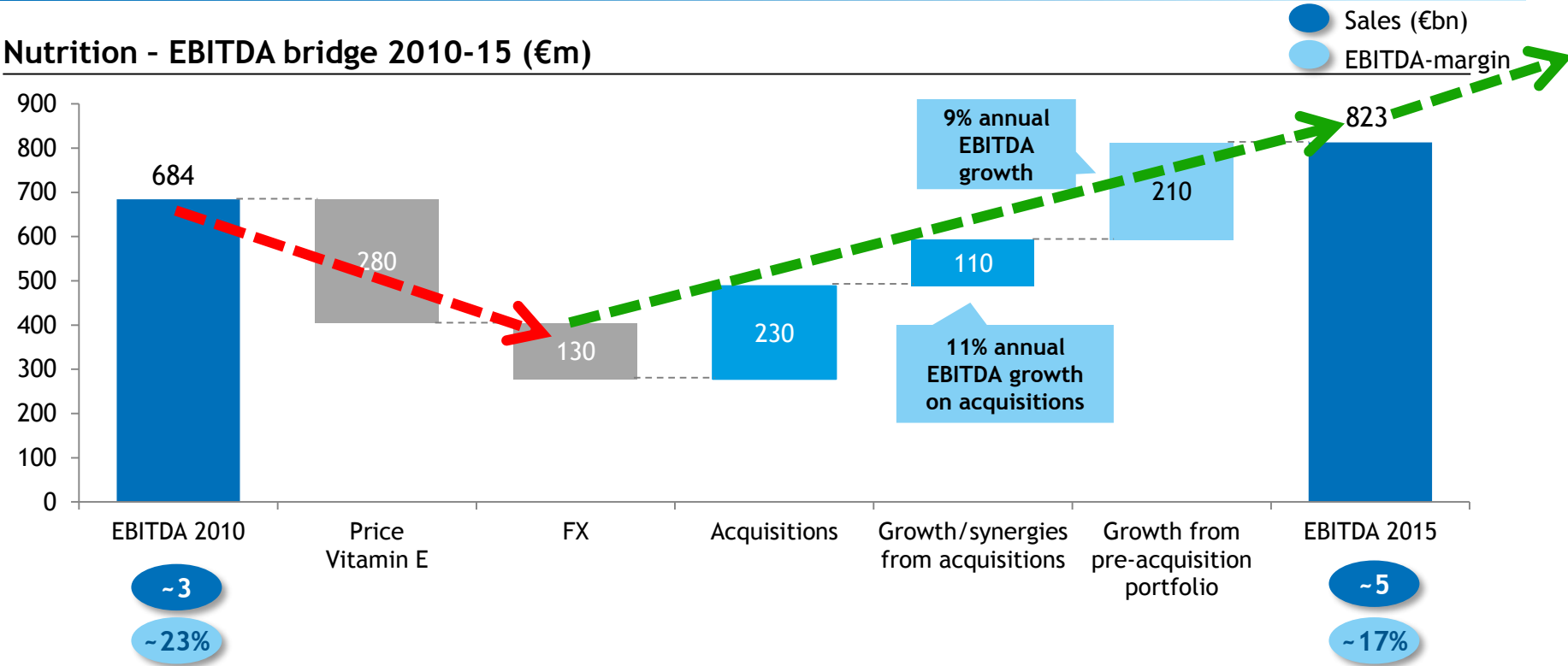
### Sales by region (%)



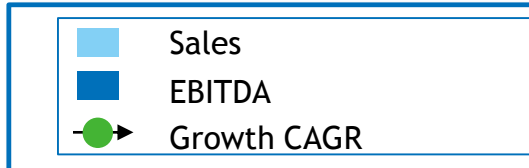
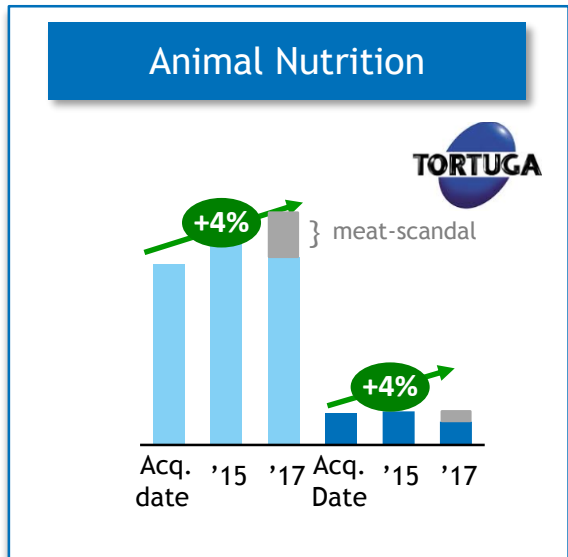
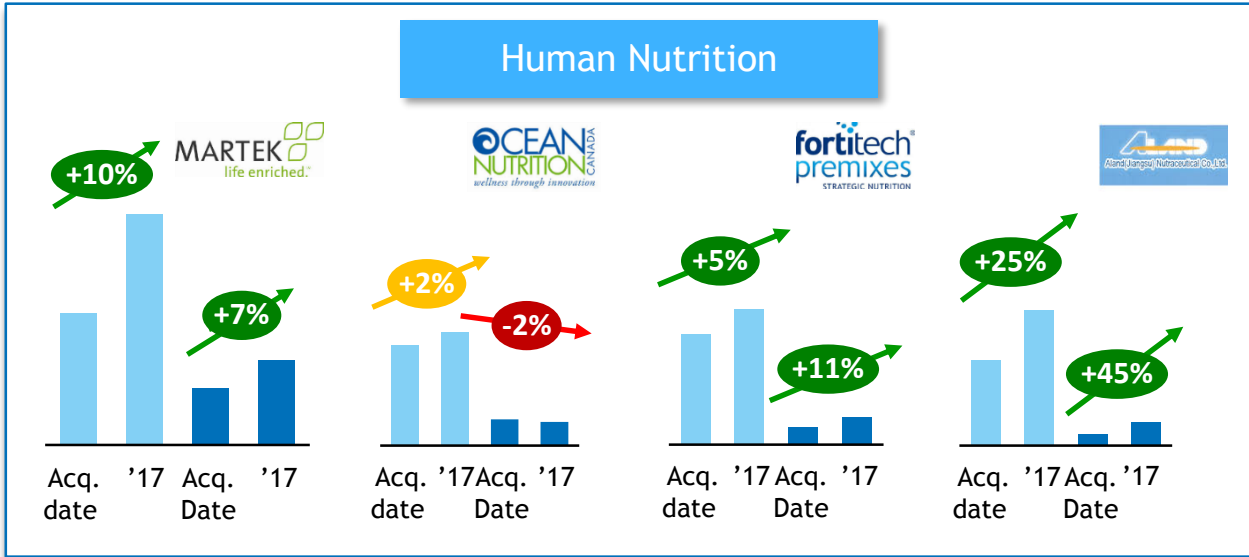
2016: €5,170m sales - €930m EBITDA - 13,260 employees globally

# 2010-2015: Underlying EBITDA growth driven by successful acquisitions and good volume growth in Animal Nutrition

Nutrition - EBITDA bridge 2010-15 (€m)



# 2010-2015: Successful acquisitions strengthened the business model, boosted growth & made strong earnings contribution with further potential



EBITDA	Acq. date	2017	Growth CAGR
Total	€225m	~€400m	~10%

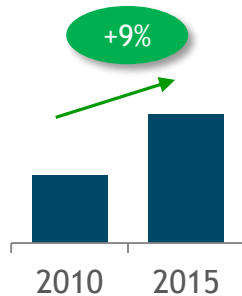
# 2010-2015: Organic growth from pre-acquisition portfolio excl. VE driven predominantly by Animal Nutrition

## Nutrition

Net sales (€m)



EBITDA (€m)



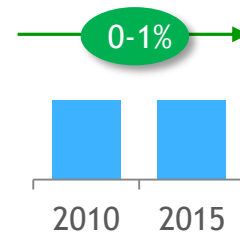
## ANH

Net sales (€m)



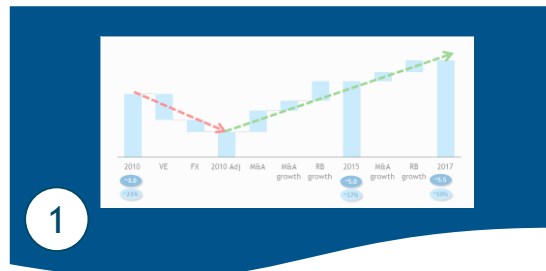
## HNH

Net sales (€m)

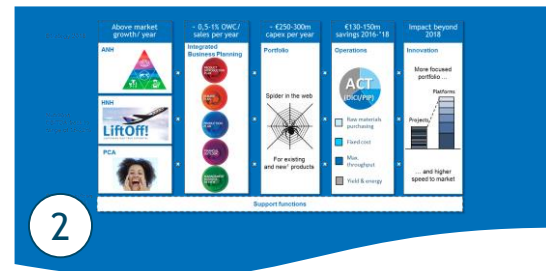


# What made us confident in 2015 on delivering on Strategy 2018 targets?

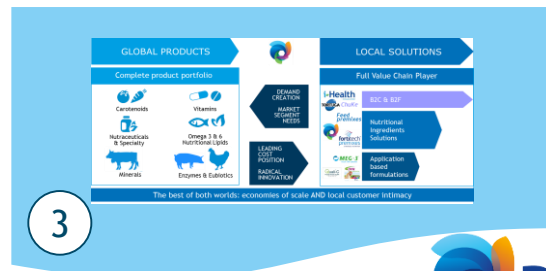
- ✓ The *track record* from our broad portfolio excl. VE & FX delivering good sales & EBITDA growth



- ✓ New comprehensive *Nutrition Improvement Program* accelerating growth & providing a step-up in EBITDA



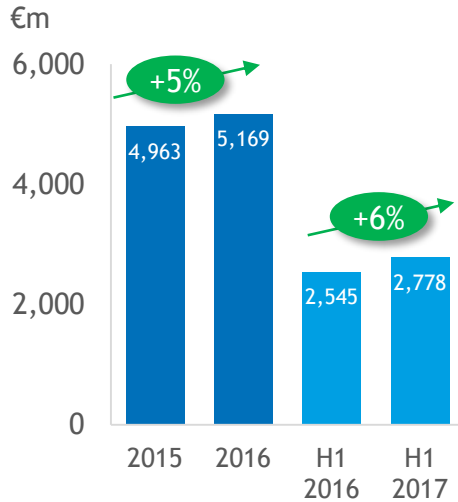
- ✓ The power of *DSM's unique business* model further strengthened by acquisitions



# 1 Strategy 2018 is working - Organic growth above market in main businesses

## Nutrition

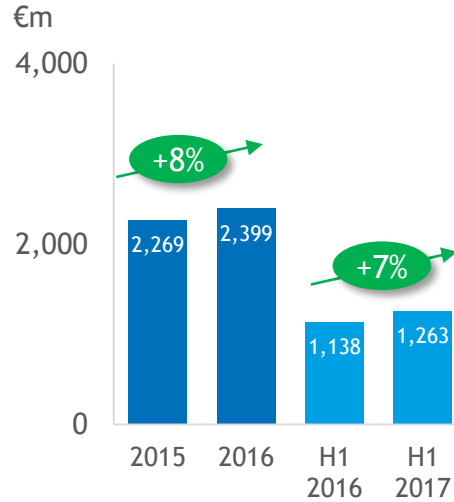
### Net sales (€m)



Market growth: 2-3%

## Animal Nutrition

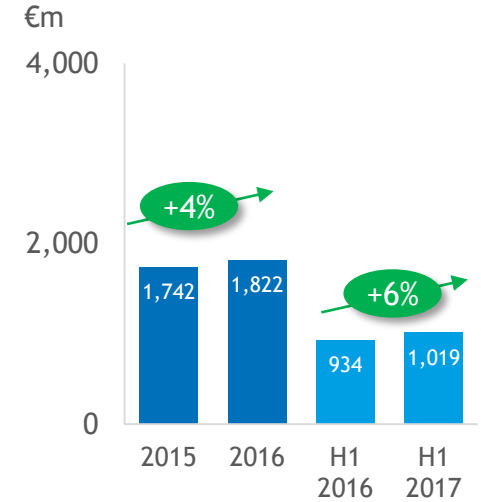
### Net sales (€m)



Market growth: 2-3%

## Human Nutrition

### Net sales (€m)



Market growth: 2-3%

+

Organic growth %






# 2 Comprehensive Nutrition Improvement Program to enhance performance


Strategy 2018

**~5% organic growth per year**

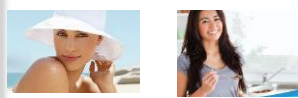
**Animal Nutrition**



**Human Nutrition**



**Personal Care | Food Specialties**



Nutrition EBITDA back to range of 18-20%

Staff & Services DSM-wide Savings of €125-150m

**1% OWC/Sales reduction per yr**


**Integrated Business Planning**

- PRODUCT INTRODUCTION PLAN
- DEMAND PLAN
- PRODUCTION PLAN
- FINANCIAL OUTLOOK
- MANAGEMENT BUSINESS REVIEW

**~€300m capex per year**

**Product Portfolio**

Spider in the web



For existing and new products

**€130-150m savings**

**Operations**

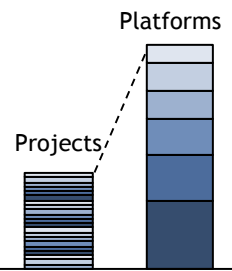
**ACT (DICI/PIP)**

- Raw materials purchasing
- Fixed cost
- Max. throughput
- Yield & energy

**Major impact beyond 2018**

**Innovation**

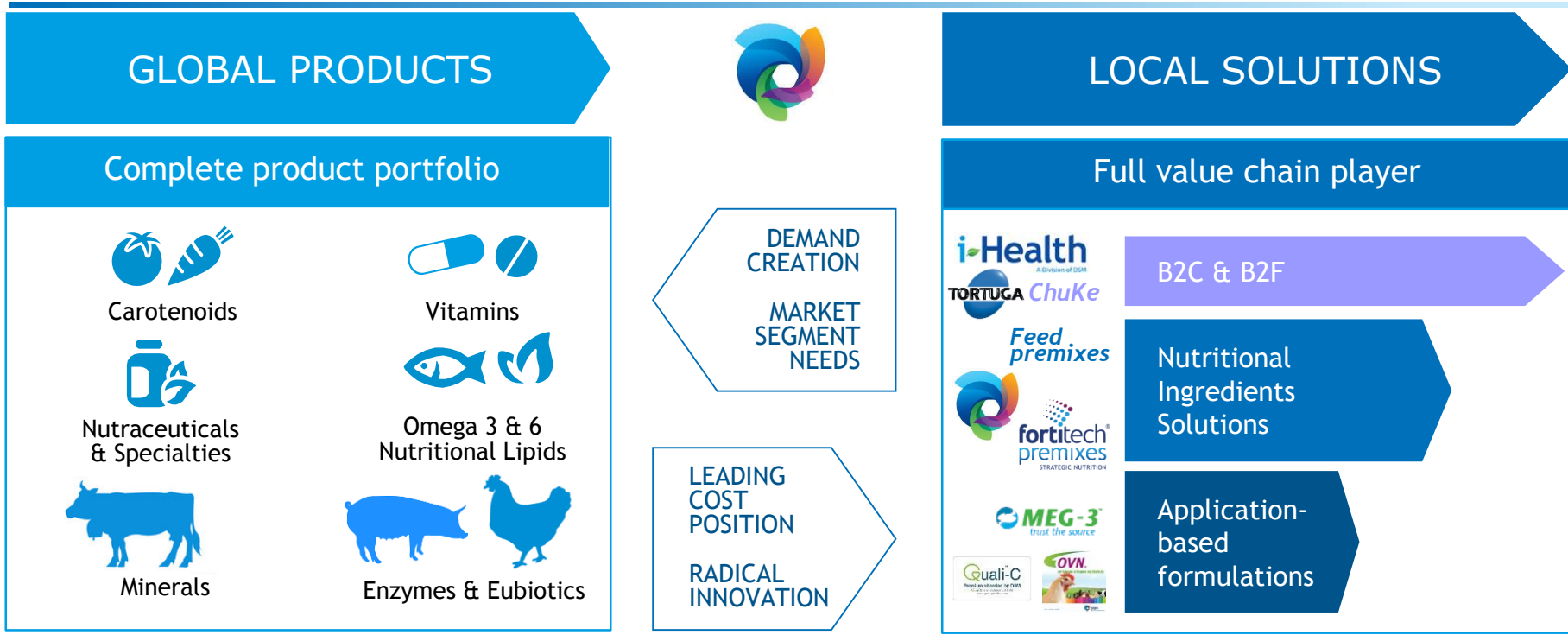
More focused portfolio ...



... and higher speed to market

Staffs & Support functions

### 3 Serving our customers globally via a unique business model relevant in both Animal Nutrition and Human Nutrition

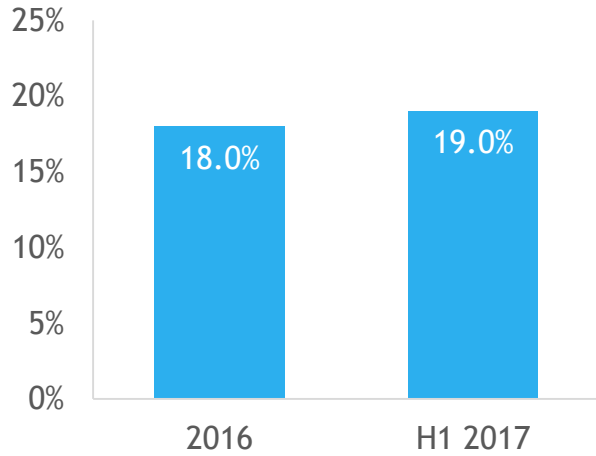
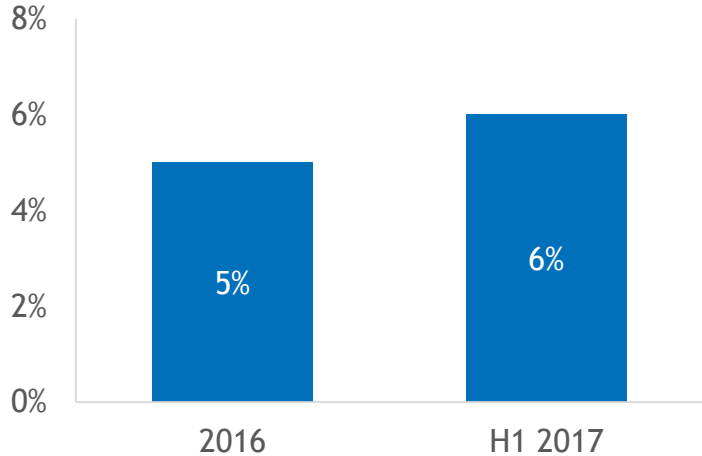


# Resulting in above-market growth & EBITDA margins well within range

## Outperforming Strategy 2018 aspirations

Above-market organic growth ✓

EBITDA margins 18-20% ✓

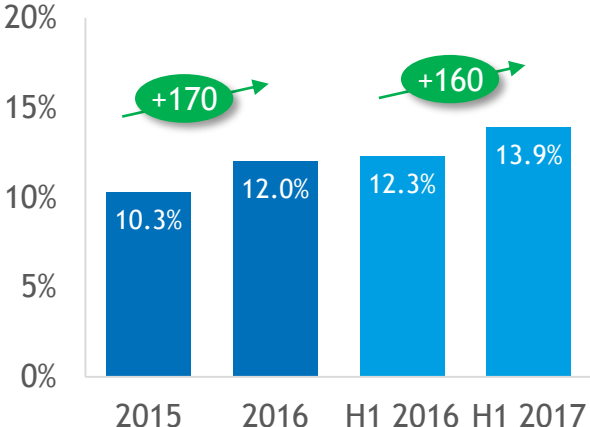
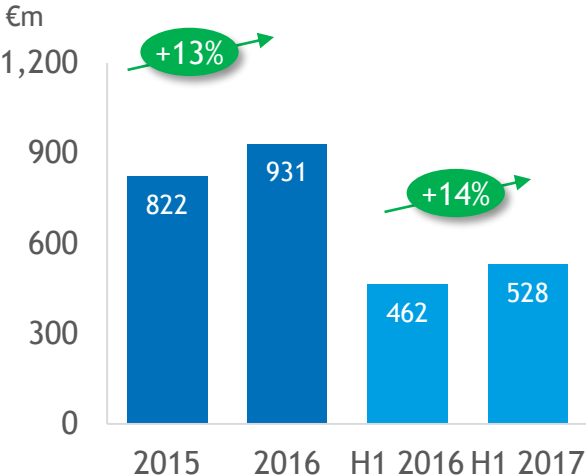


# Outperforming our Strategy 2018 targets on EBITDA and ROCE growth

## Outperforming Strategy 2018 targets

High single-digit percentage annual Adjusted EBITDA growth ✓

High double-digit basis point annual ROCE growth ✓



# Confident on further organic growth & EBITDA margin improvement in coming years

Organic growth

EBITDA margins

Animal Nutrition & Health

~5%

Human Nutrition & Health

~5%

Food Specialties

~5%

## Nutrition

- ✓ Growth
- ✓ Mix
- ✓ Cost
- ✓ Innovation

~20%



**BRIGHT SCIENCE. BRIGHTER LIVING.™**