

# Press Release

Heerlen (NL), 2 May 2023

## DSM provides Q1 2023 trading update

**As of 28 April 2023, DSM-Firmenich AG holds 96.1% of the ordinary shares in DSM N.V. On 8 May 2023, Firmenich International SA will become part of DSM-Firmenich AG through the Firmenich Contribution (as defined in the Offering Circular dated 22 November 2022). Until the delisting of the DSM ordinary shares from Euronext Amsterdam, DSM N.V. remains subject to the disclosure requirements under applicable law and reports today a Trading Update on the first quarter results of 2023.**

### Highlights<sup>1,2</sup>

Continuing Operations:

- Health, Nutrition & Bioscience delivered sales of €1,875m, with organic sales down 7% and Adjusted EBITDA of €302m, down 23%
  - Animal Nutrition & Health experienced exceptional conditions with continued low vitamin prices on higher input costs and soft demand in China
  - Health, Nutrition & Care and Food & Beverage maintained healthy margins through pricing initiatives and prioritizing profitability over volume

### Key figures - Continuing Operations

in € million	Q1 2023	Q1 2022	% Change	Volume	Price/mix	FX	Other
<b>Sales</b>	<b>1,889</b>	2,008	-6%	-8%	1%	1%	0%
HNB	<b>1,875</b>	1,987	-6%	-8%	1%	1%	0%
ANH	<b>786</b>	881	-11%	-8%	-4%	1%	0%
HNC	<b>725</b>	726	0%	-7%	5%	2%	0%
F&B	<b>356</b>	362	-2%	-11%	7%	2%	0%
<b>Adjusted EBITDA</b>	<b>278</b>	367	-24%				
HNB	<b>302</b>	391	-23%				
Corporate	<b>-24</b>	-24					
<b>Adjusted EBITDA margin</b>	<b>14.7%</b>	18.3%					
HNB	<b>16.1%</b>	19.7%					

### Co-CEOs statement

Geraldine Matchett and Dimitri de Vreeze, Co-CEOs commented: “Our first quarter results are reported against a comparable period that had not yet been impacted by the high rate of global inflation, the effects of which remained elevated into 2023. Low vitamin prices, especially vitamin A, have also remained, despite resilient end-user demand. In this environment our focus across businesses remains on pricing actions and prioritising profitability over sales volumes. This approach has supported our margins, which improved sequentially into the first quarter of this year.

<sup>1</sup> 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

<sup>2</sup> 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.

We do not foresee a significant improvement in these conditions in the second quarter. However, we anticipate a stronger second half of the year across all businesses as inflationary pressure eases, as volumes recover, especially in China, and vitamin prices start to normalize.

Looking to the future, we are very pleased at the overwhelmingly positive response to the exchange of DSM shares for DSM-Firmenich shares. DSM-Firmenich stock has been trading on Euronext Amsterdam as of 18 April and with the contribution of Firmenich on 8 May, we will have completed our merger, creating the leading global creation and innovation partner in nutrition, health, and beauty.”

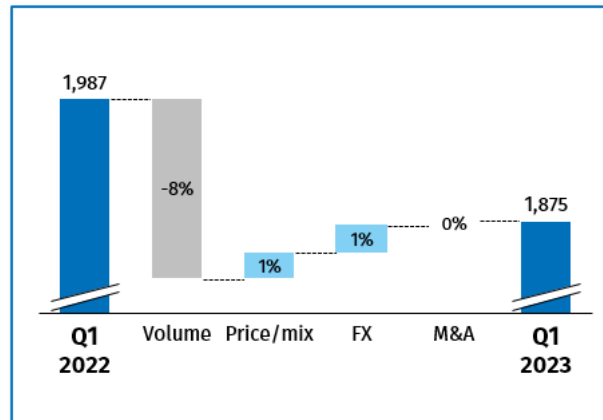
## Outlook 2023

With the imminent completion of the merger, once DSM and Firmenich’s activities have been consolidated and the combined business plan approved by the DSM-Firmenich Board, it is intended that DSM-Firmenich will provide an outlook for the remainder of 2023 at the publication of its Half Year results on 2 August 2023.

## Health, Nutrition & Bioscience

### Sales development

in € million	Q1 2023	Q1 2022	% Change
Sales	<b>1,875</b>	1,987	-6%
Adjusted EBITDA	<b>302</b>	391	-23%
Adjusted EBITDA margin	<b>16.1%</b>	19.7%	



### Q1 2023 Sales

Health, Nutrition & Bioscience saw similar trading conditions in the first quarter to those in the final period of 2022, resulting in an organic decline in sales of 7%, with net positive pricing on lower volumes. Including a currency exchange impact of 1%, total sales reached €1,875m.

End-user demand remained overall resilient, however destocking in the value chain continued. Inflationary cost pressures, together with low prices in vitamins, persisted through the first quarter leading to a decision by DSM to step away from low-priced volumes to protect profitability.

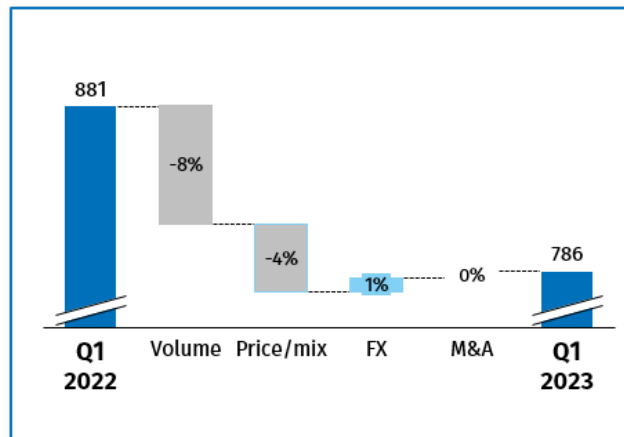
### Q1 2023 Adjusted EBITDA

Health, Nutrition & Bioscience reported a 23% decline in Adjusted EBITDA, with a 3% contribution from foreign exchange, compared to a strong Q1 2022 that had not yet been impacted by the high inflation. This decline is driven by Animal Nutrition & Health due to lower vitamin prices, especially vitamin A, together with higher costs.

During the quarter, DSM prioritized profitability over volumes, which can be seen in an Adjusted EBITDA margin of 16.1%, up from 15.2% in Q4 2022, driven by Health, Nutrition & Care and Food & Beverage.

## Animal Nutrition & Health

### Sales development



### Q1 2023 Sales

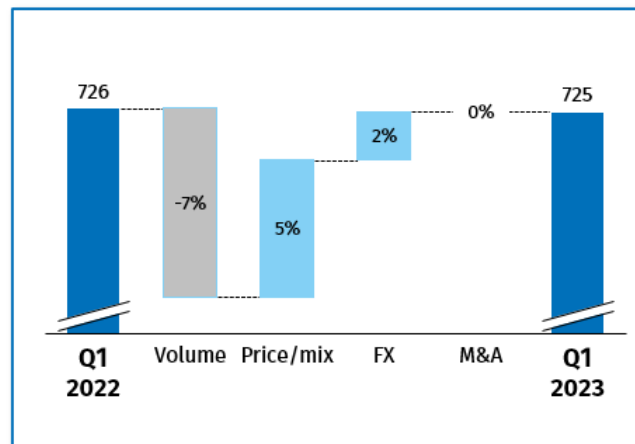
The exceptional conditions experienced towards the end of 2022 in Animal Nutrition & Health, continued throughout the first quarter, with soft demand in China, high input costs and a further decline in vitamin prices, especially vitamin A. This led to organic sales down 12%, driven by volumes down 8% and pricing down 4% including prioritizing profitability over volumes in vitamins.

DSM's performance solutions, such as enzymes, gut health solutions and mycotoxins continued to perform well owing to greater customer focus on optimising feed efficiency yields, as farmers continue to be confronted by challenging economics owing to high feed costs.

Overall global end-user demand for animal protein continued to be resilient, with an ongoing preference for lower priced poultry and eggs.

## Health, Nutrition & Care

### Sales development



### Q1 2023 Sales

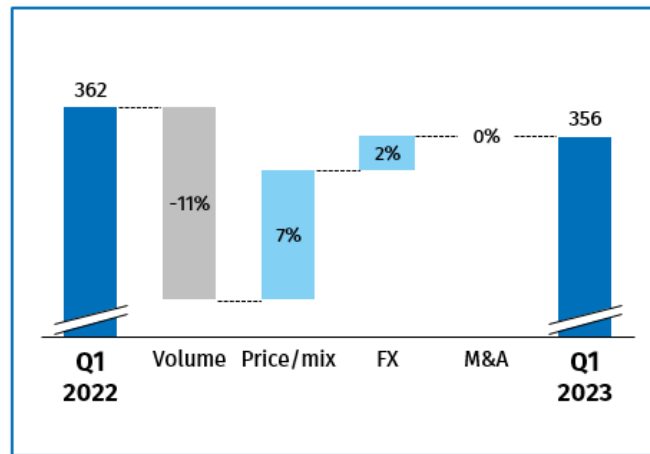
Health, Nutrition & Care delivered organic sales down 2%, a solid performance against the comparable period in 2022 of 11% organic sales growth. Pricing momentum of +5% was maintained, mitigating higher inflation-led input costs. Volumes were down 7% on destocking in the value chain, especially in North America, as well as the decision by DSM to step away from some low-priced volumes to protect profitability.

End-use demand in immunity-optimizing Dietary Supplements was weak, especially in North America, although DSM's i-Health portfolio for gut health, brain health and women's health, continued to perform well.

Pharma, Medical and Early Life Nutrition saw robust end-use demand, with the latter against a strong prior-year demand in North America on product shortages. Personal Care and Biomedical saw continued good market conditions.

## Food & Beverage

### Sales development



### Q1 2023 Sales

Against a strong comparable period of 10% organic sales growth in the first quarter last year, organic sales were down 4%, driven by 11% lower volumes (versus +7% in Q1 2022). These lower volumes reflected destocking in the value chain, as well as the decision by DSM to step away from some low-priced vitamin volumes to protect profitability.

A continued positive price momentum of 7% helped to offset higher costs and resulted in a positive margin development.

Food & Beverage once again demonstrated resilience. End-use demand in Dairy, Baking, Beverages, Savoury and Pet food markets was solid. Hydrocolloids demand remained strong.

### Notes to this trading update

The financial reporting in this trading update is prepared in accordance with the accounting policies as applied in DSM's 2022 Integrated Annual Report. The reported financial and non-financial data in this trading update have not been audited.

Heerlen, 2 May 2023

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

## Financial Calendar for DSM-Firmenich

**2 August 2023** – First half 2023 results of DSM-Firmenich

**31 October 2023** – Q3 trading update of DSM-Firmenich

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## 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 position 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.