



DSM Resins & Functional Materials

Helen Mets | President DSM Resins & Functional Materials

ROYAL DSM
HEALTH NUTRITION MATERIALS

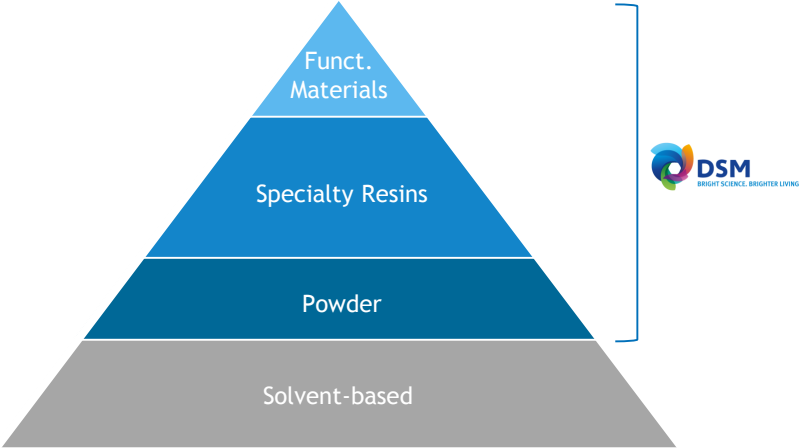


Safe harbor statement

- 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

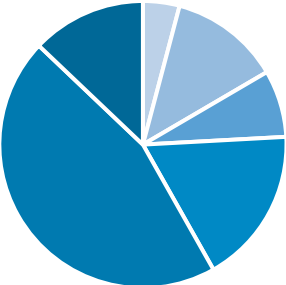
DSM Resins & Functional Materials | A global coatings producer with a well-balanced portfolio in sustainable coatings

Extensive portfolio in sustainable specialty resins



Sales by end market (%)

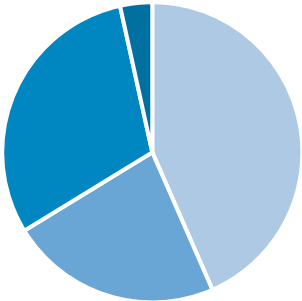
Sales: €904m



- Automotive
- Electronics
- Consumer Goods
- Food Packaging
- Construction
- Other

Sales by region (%)

Sales: €904m



- Europe
- North America
- Asia
- Latin America

Upgraded portfolio of sustainable and higher-value coatings solutions going into Strategy 2018

- Portfolio upgraded
 - From solvent-borne systems to sustainable and higher-value coatings solutions (water, powder, UV)
 - Set worldwide standard for UV-curable fiber-optic coatings for fiber protection

- Significant step-up in margins
 - Supported by successful implementation of by the 2012-14 Profit Improvement Program

Higher quality portfolio created

Sustainable Coating Resins

Waterborne and UV specialty resins

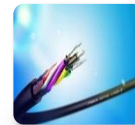


Powder coating resins

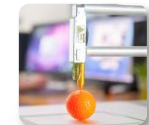


Functional Materials

Fiber-optic materials

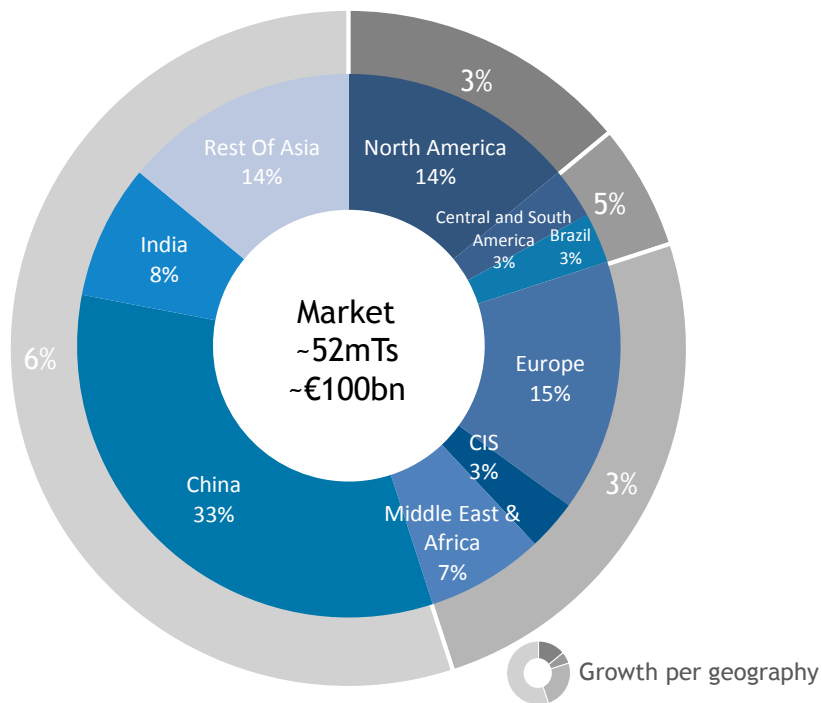


3D printing

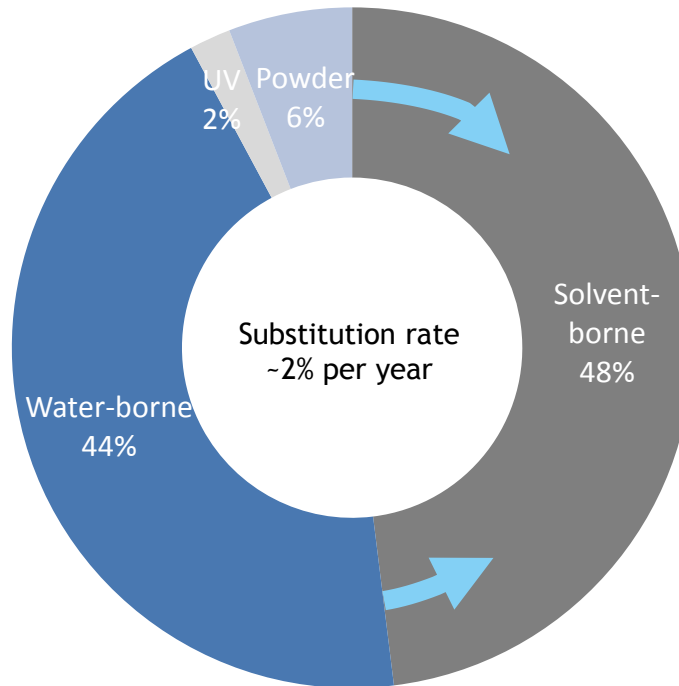


Market increasingly shifts away from solvent-borne coatings resins

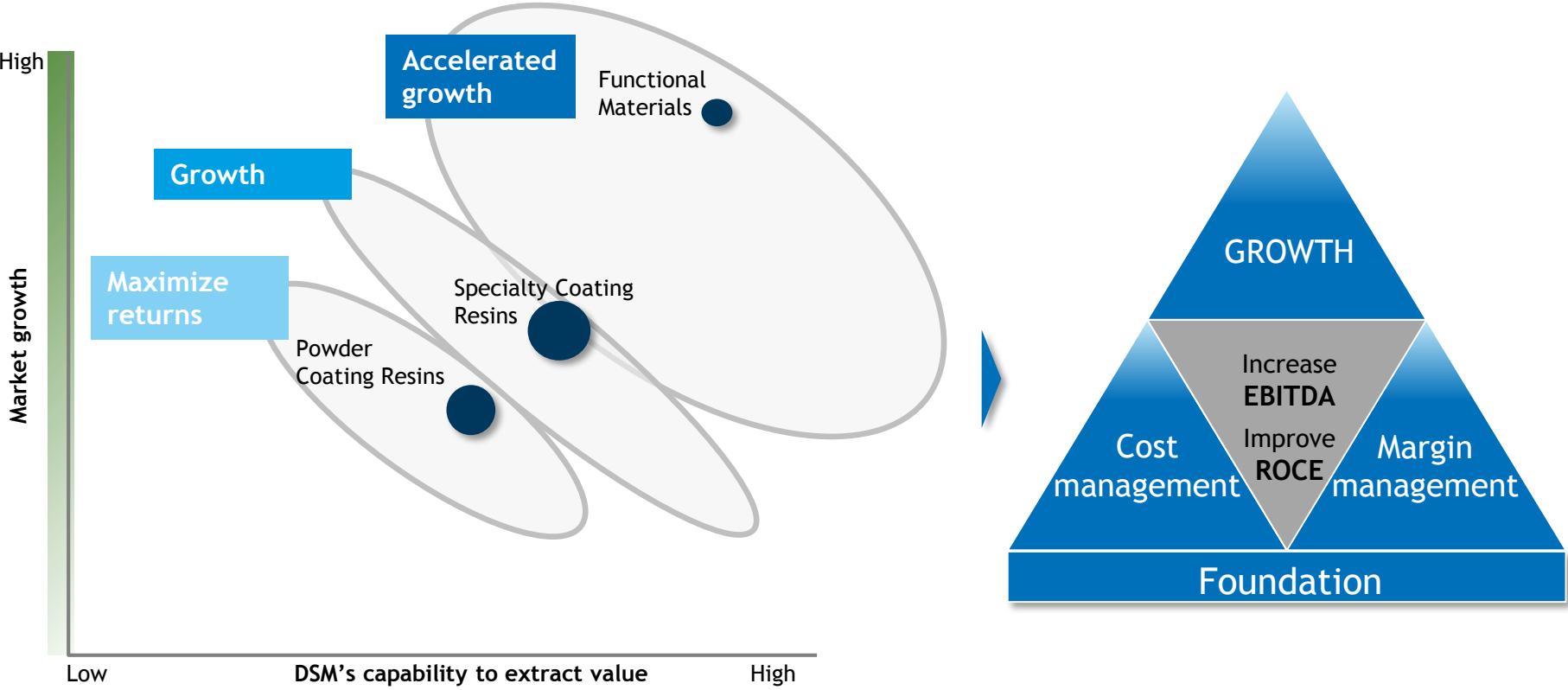
Sales by end market (value)



Continued substitution shift



Strategy 2018 now focused on getting optimum performance from the portfolio



DSM Resins & Functional Materials ideally positioned as the industry is expected to continue to move to more sustainable coatings



- Sales growth driven by:



Demand for **sustainable solutions**;



Leading to **substitution** for environmental friendly materials;



While continuous **innovation** further enhances the characteristics of the offering;



And **new applications** are being developed using that expertise and know-how

- Improving operating leverage through:



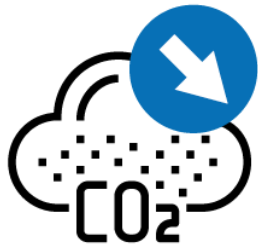
Maximizing returns in powder coating resins



Prudent cost and capital allocation

Leading the transformation to sustainable solutions

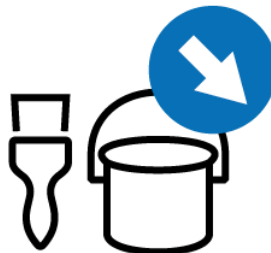
Integral value chain approach



Changing the value chain actively with lower carbon footprint products



Creating demand for lower carbon footprint products



Reducing the use of solvent-borne paints where possible



Exploring in bio-based/renewable value chains

How we grow | Powder Coating Resins

- A sustainable alternative compared to solvent-borne
- Strong partner with all global players



- Focus on:
 - Maximize return growth through commercial and operational excellence
 - Adjacent innovation growth

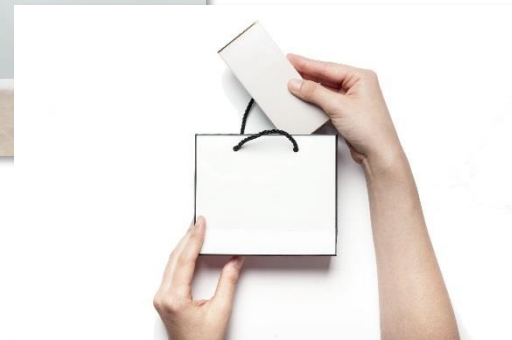


How we grow | Specialty Resins

- Full range of waterborne technology
- Strong end user market focus
- Unique ability to combine waterborne technologies



- Focus on:
 - Switch from solvent
 - Innovation growth in key market segments (e.g. haptics - ‘the feel of coatings’)

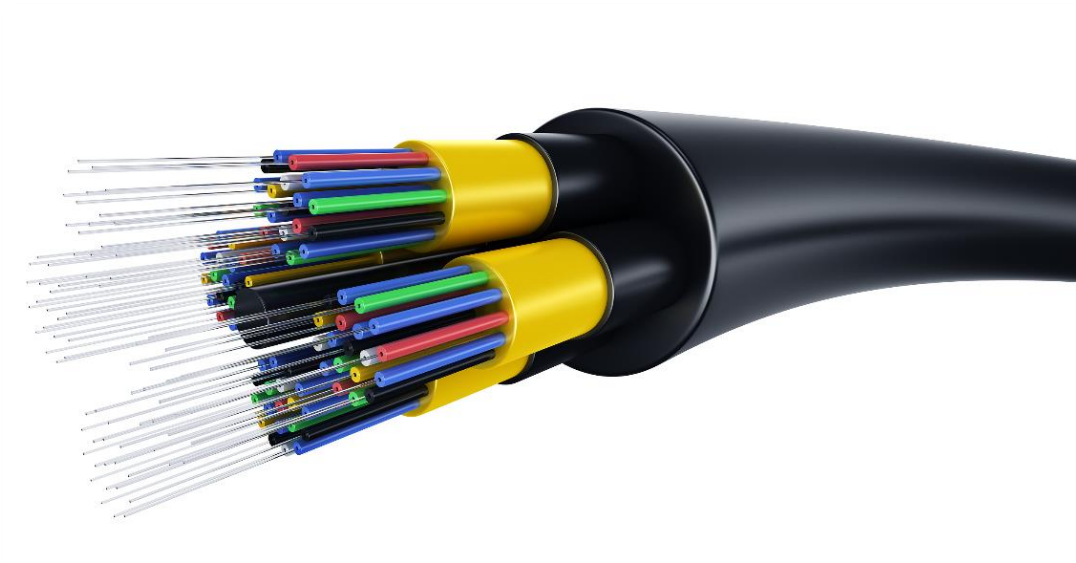


How we grow | Functional Materials

- Technology leader in fiber-optic coatings
- Strong global market position
- Market growth with 4G, well positioned for 5G



- Focus on:
 - Outgrow market through best in class offering
 - Key partnerships for innovation
 - Expand global manufacturing network

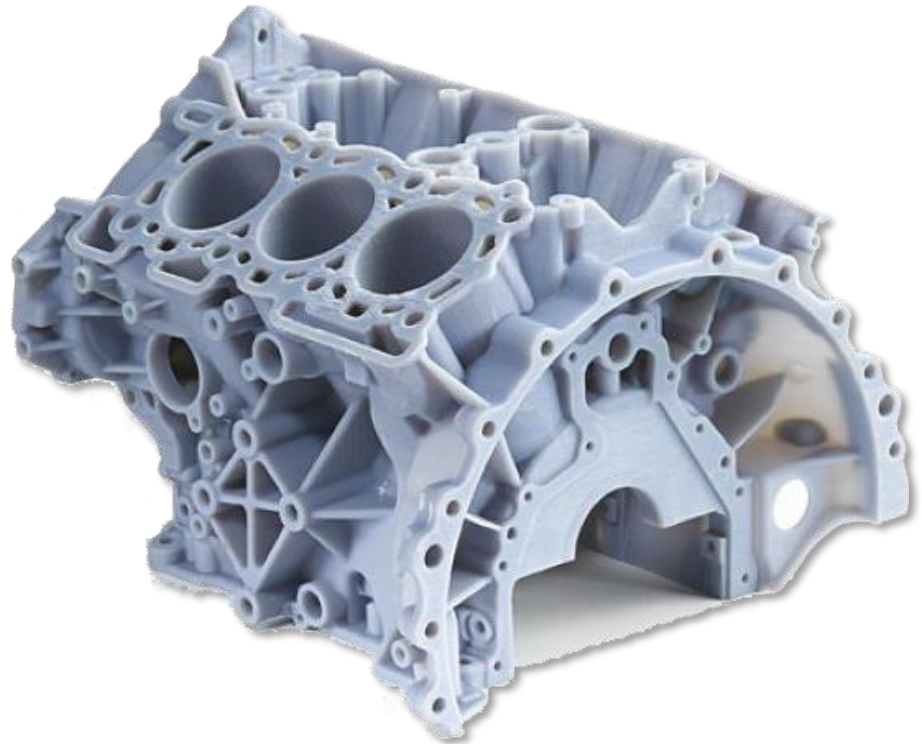


3D printing as new application for Functional Materials

- Markets growing rapidly
- Materials play an essential role
- Building on Functional Materials expertise
 - SOMOS technology is key for prototyping
 - Well positioned with all key materials for 3D printing



- Focus on:
 - New application growth in:
 - Healthcare
 - Automotive
 - Aviation
 - Bring together all DSM technologies



Driving radical innovation growth with Niaga®

- Combination of unique capabilities and technologies
- Total sustainable solutions
- Disrupting value chains



- Focus on:
 - Radically change markets for:
 - Carpets
 - Mattresses
 - Shoes
 - ...?



DSM Resins & Functional Materials is well positioned for growth

- Sales growth driven by:



Demand shifts from sustainability trends



Substitution growth away from solvents



Targeted innovation growth



Application growth with new technologies

- Relentlessly aiming for improving operating leverage through:



Maximizing returns in powder coating resins



Commercial and operational excellence

Well-set to outgrow existing markets and to find new growth segments for new applications



BRIGHT SCIENCE. BRIGHTER LIVING.™