

DSM Capital Markets Day 2018

Nutrition

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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

How did we enter the 2016-18 strategic period?



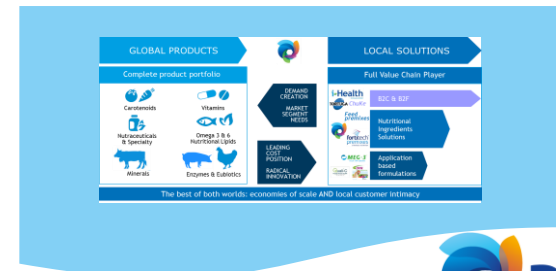
Further enhanced our **Nutrition portfolio** through 5 major acquisitions



Started a new comprehensive **Nutrition Improvement Program** accelerating growth & providing a step-up in EBITDA



Leveraging the power of **Nutrition's unique business model**



Outperforming our Strategy 2018 targets on organic sales and Adj. EBITDA growth from underlying business

Strategy 2018 Targets (2016-2018)

Organic Sales Growth per year

+5%

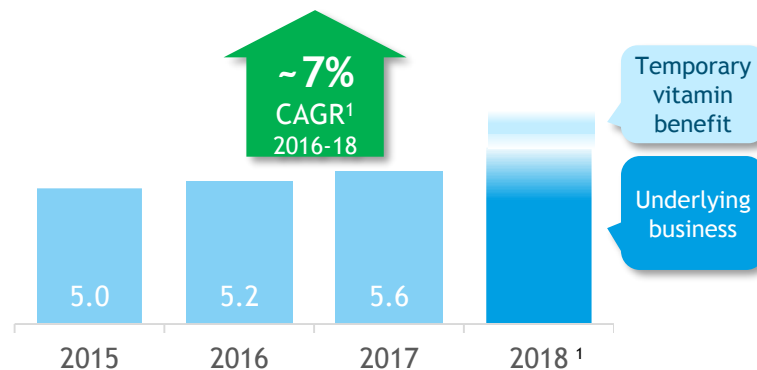
Annual Adjusted EBITDA growth in %

High single-digit %

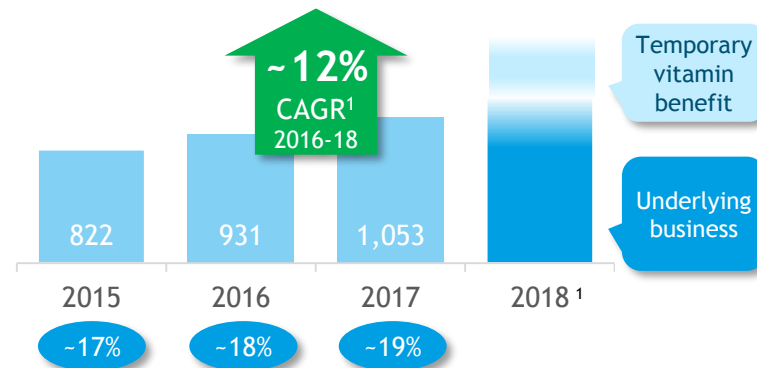
Adj. EBITDA margin

18-20%

Nutrition
Sales (€bn)



Nutrition
Adj. EBITDA (€m)



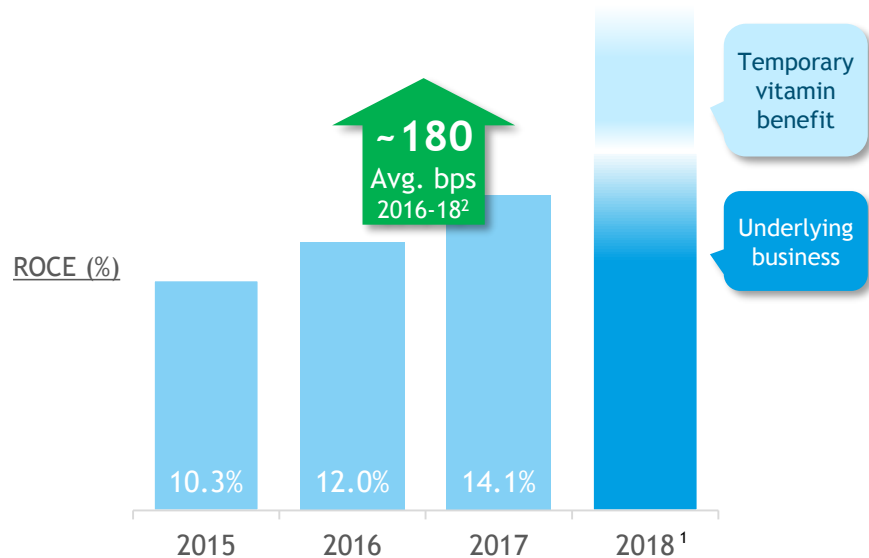
Adj. EBITDA %

1. Approximation using 2018E, based on underlying business corrected for best estimate of the temporary vitamin effect

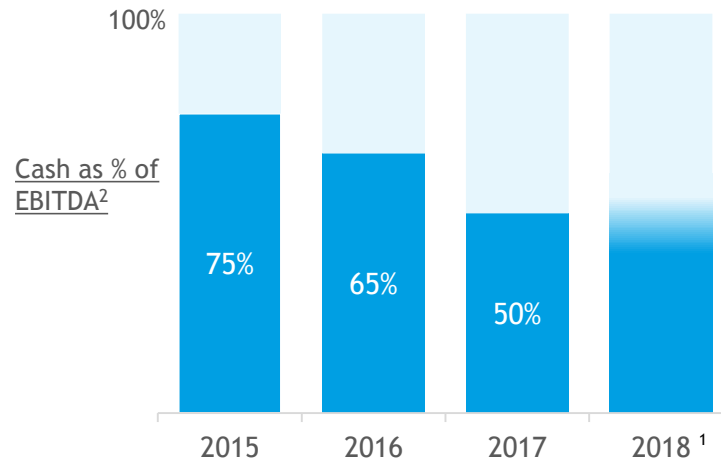
Outperforming ROCE target, but high OWC (inventory) reduced EBITDA-to-cash conversion

Outperforming ROCE targets

(high-double digit basis points annual ROCE growth)



Slipping EBITDA-to-cash conversion²



1. Approximation avg. annual growth using 2018E, based on underlying business corrected for best estimate of the temporary vitamin effect

2. Cash = EBITDA - Δ OWC - CAPEX

Both businesses accelerated their underlying organic growth significantly, but through different levers

Organic growth (CAGR)

Main levers (amongst others)

Human Nutrition & Health

Animal Nutrition & Health

2010-2015

~1%



2016-2018

~5%¹

2010-2015

~5%

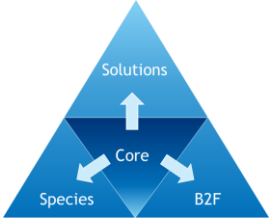


2016-2018

~8%¹

M&S Excellence + Invest in B2C

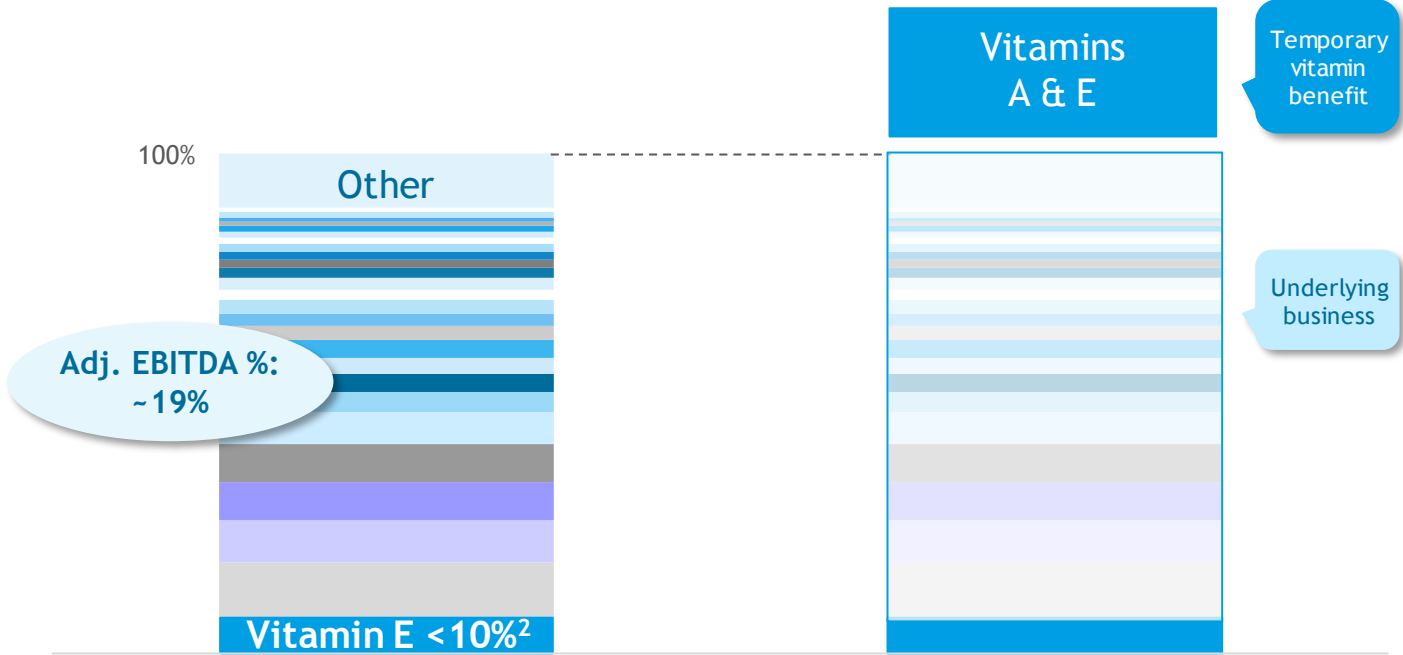
Biz-model leverage + Auctus Strategy



1. Approximation using 2018E, based on underlying business corrected for best estimate of the temporary vitamin effect

Our overall Gross Margin today relies on many products and therefore tends to be more resilient - Temporary vitamin benefit 2018 separated!

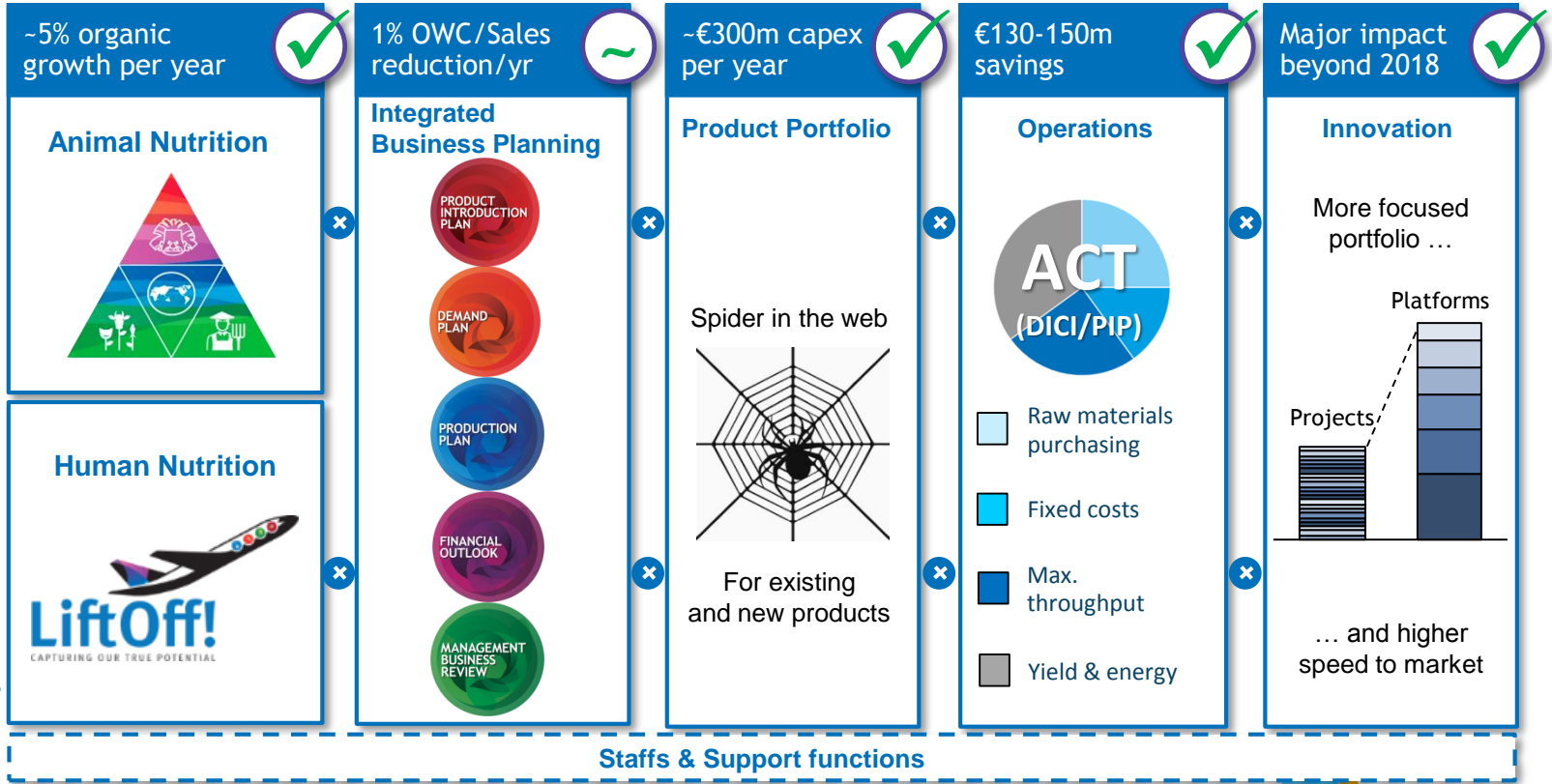
GPx distribution by product¹



1. Excluding mixing margin
 2. Of Nutrition GPx; GPx is Gross Profit
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The comprehensive *Nutrition Improvement Program* did mostly work ...

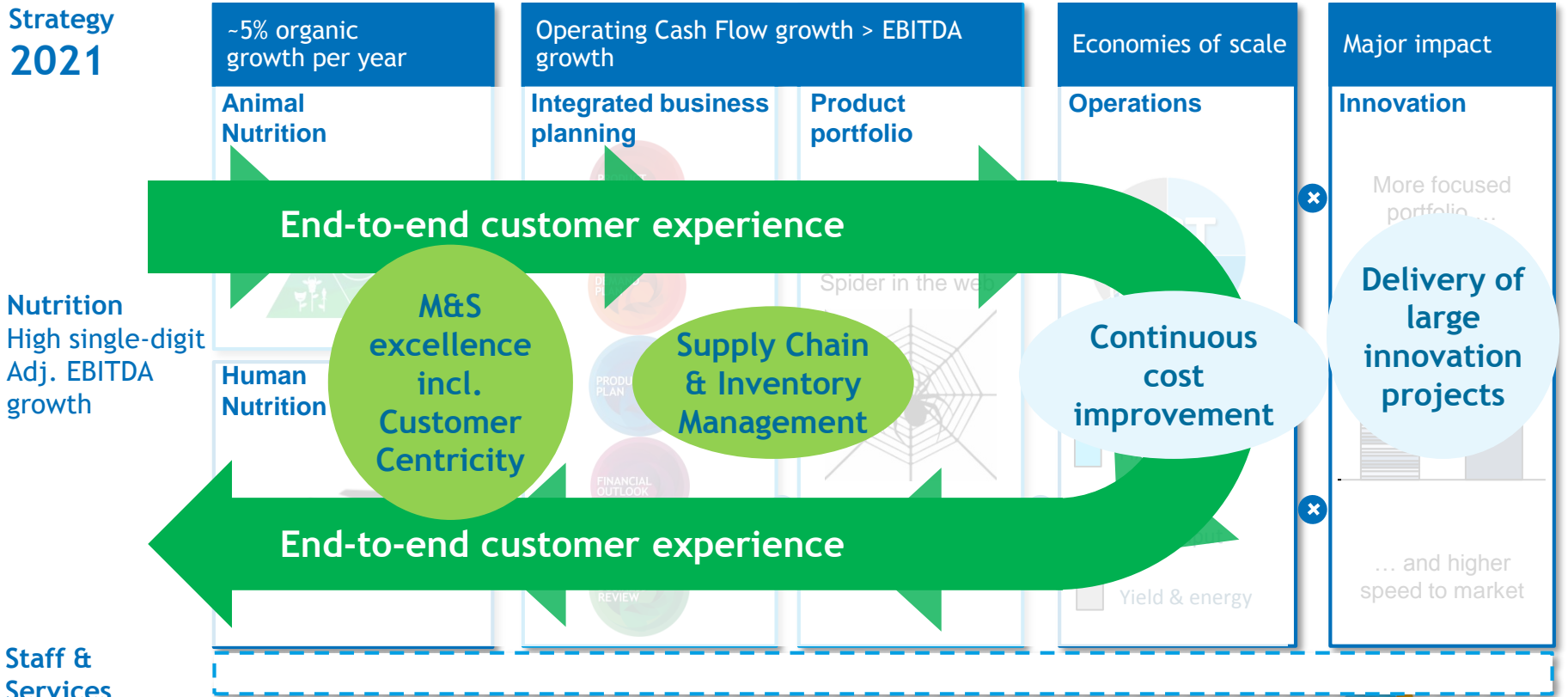
Strategy
2018



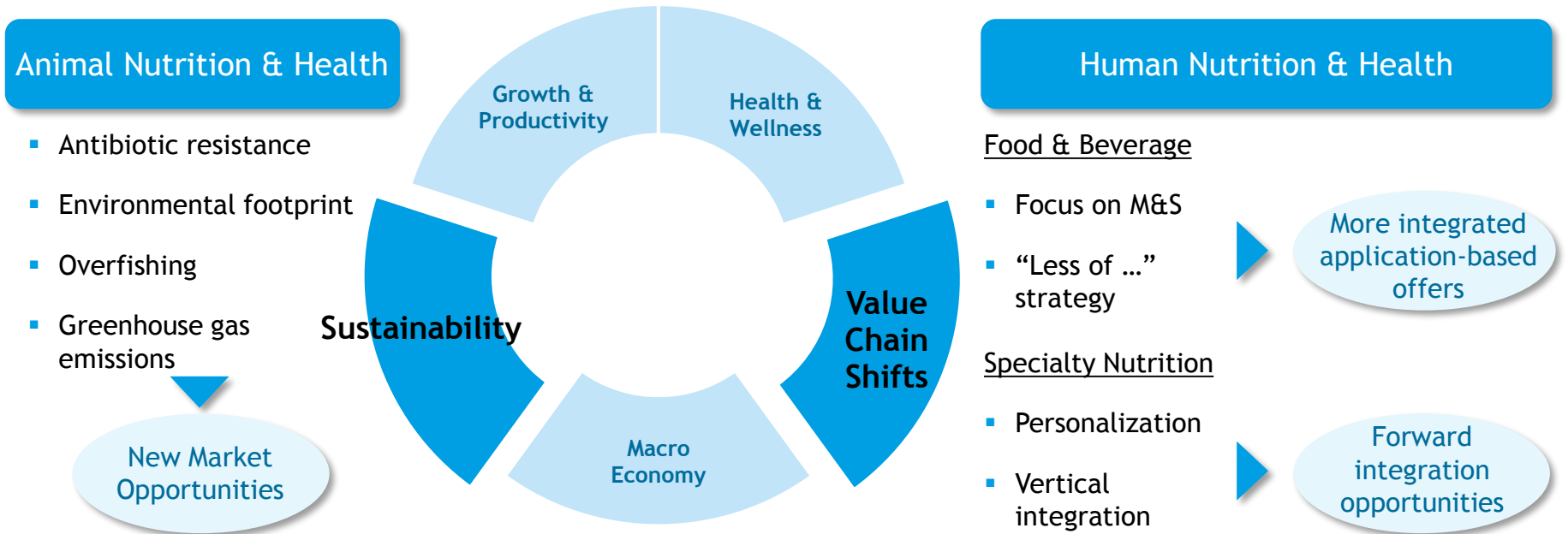
Nutrition
Adj. EBITDA
back to range
of 18-20%

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

... and will be followed up by an ambitious phase-2



Five key macro-trends - Two have a disruptive impact on strategy



Distinct organic & inorganic growth drivers per business for 2019 - 2021

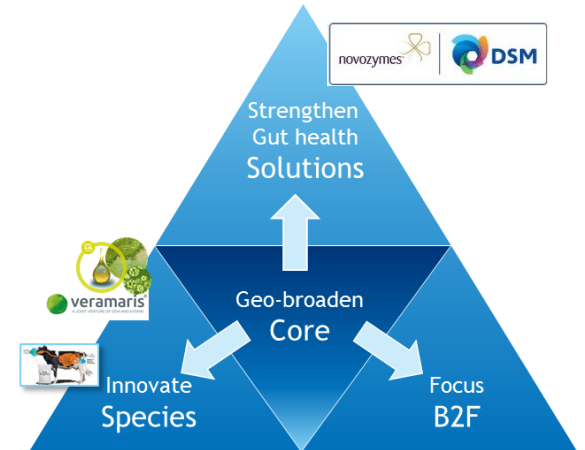
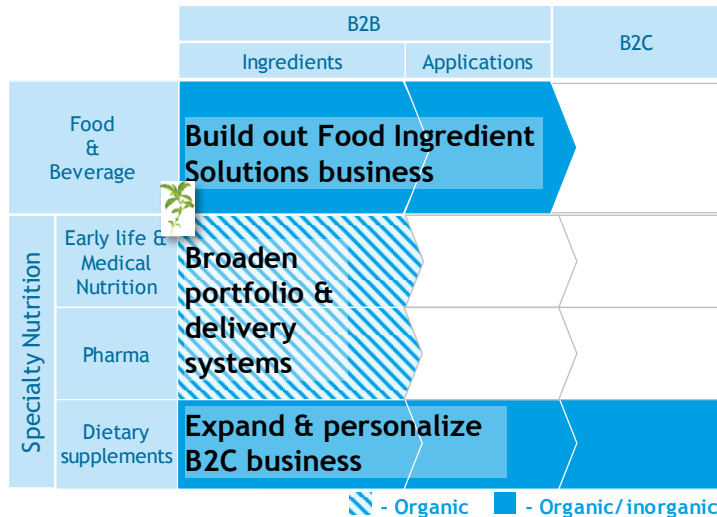
Human Nutrition & Health

Animal Nutrition & Health

M&S
Excellence



Strategic
Growth
fields



Ambitions for Nutrition underpinning DSM's 2021 Targets

Organic Sales growth



~5%

Adjusted EBITDA growth



High single-digit %

Adjusted EBITDA margin



>20%



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