Nutrition
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President & CEO DSM Nutritional Products
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: True global leader in Nutrition, active over full value chain

Food/Feed value chain

- Raw Materials: 45% of Sales
- Application based formulations: 45% of Sales
- Nutritional Ingredients Solutions incl. premix: 10% of Sales

Sales by end-market (%)

- Animal Nutrition & Health
- Human Nutrition & Health
- Food Specialties
- Personal Care & Aroma Intermediates
- Other

Sales related to ingredient (%)

- Fat soluble vitamins
- Water soluble vitamins
- Carotenoids
- Marine PUFAs
- Microbial PUFAs
- Enzymes & cultures
- Minerals & phosphates
- Savory / yeast extracts
- Nutraceutical ingredients
- Aroma intermediates
- Other incl. premix

Sales by region (%)

- EMEA
- North America
- Latin America
- Asia

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)

- EBITDA 2010: 684
- Price Vitamin E: -3 (23%)
- FX: 280
- Acquisitions: 130
- Growth/synergies from acquisitions: 230
- Growth from pre-acquisition portfolio: 110
- 9% annual EBITDA growth
- 11% annual EBITDA growth on acquisitions
- EBITDA 2015: 823

Sales (€bn)
EBITDA-margi
2010-2015: Successful acquisitions strengthened the business model, boosted growth & made strong earnings contribution with further potential

Human Nutrition

- MARTEK
- OCEAN NUTRITIONS
- Fortitech premixes

Animal Nutrition

- Meat-scandal

Sales | EBITDA | Growth CAGR
---|---|---
Human Nutrition | Acq. date '17 | 2017 | Growth CAGR
| Acq. date '17 | +10% | ~10% |
| Acq. date '17 | +7% | ~10% |

Animal Nutrition | Acq. date '15 | 2017 | Growth CAGR
| Acq. date '17 | +4% | ~400m | ~10% |

Total | €225m | ~400m | ~10%
### 2010-2015: Organic growth from pre-acquisition portfolio excl. VE driven predominantly by Animal Nutrition

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<thead>
<tr>
<th></th>
<th>Nutrition</th>
<th>ANH</th>
<th>HNH</th>
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<tbody>
<tr>
<td><strong>Net sales (€m)</strong></td>
<td>+5%</td>
<td>+9%</td>
<td>0-1%</td>
</tr>
<tr>
<td><strong>EBITDA (€m)</strong></td>
<td>+9%</td>
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**Net sales (€m)**
- **Nutrition**: +5%
- **ANH**: +9%
- **HNH**: 0-1%
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
Strategy 2018 is working - Organic growth above market in main businesses

**Nutrition**

- **Net sales (€m)**
  - 2015: 4,963
  - 2016: 5,169
  - H1 2016: 2,545
  - H1 2017: 2,778

- **Market growth: 2-3%**

**Animal Nutrition**

- **Net sales (€m)**
  - 2015: 2,269
  - 2016: 2,399
  - H1 2016: 1,138
  - H1 2017: 1,263

- **Market growth: 2-3%**

**Human Nutrition**

- **Net sales (€m)**
  - 2015: 1,742
  - 2016: 1,822
  - H1 2016: 934
  - H1 2017: 1,019

- **Market growth: 2-3%**

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Market growth: 2-3%

Organic growth %
Comprehensive *Nutrition Improvement Program* to enhance performance

**Strategy 2018**

- **~5% organic growth per year**
  - Animal Nutrition
- **1% OWC/Sales reduction per year**
  - Integrated Business Planning
- **~€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
  - Platforms
  - Projects
  - More focused portfolio …
  - … and higher speed to market

**Nutrition**

- EBITDA back to range of 18-20%

**Staff & Services**

- DSM-wide
- Savings of €125-150m
Serving our customers globally via a unique business model relevant in both Animal Nutrition and Human Nutrition

GLOBAL PRODUCTS

Complete product portfolio

- Carotenoids
- Vitamins
- Omega 3 & 6 Nutritional Lipids
- Enzymes & Eubiotics
- Nutraceuticals & Specialties
- Minerals

LOCAL SOLUTIONS

Full value chain player

B2C & B2F

Nutritional Ingredients Solutions

Application-based formulations

The best of both worlds: economies of scale AND local customer intimacy
Resulting in above-market growth & EBITDA margins well within range

Outperforming Strategy 2018 aspirations

Above-market organic growth

EBITDA margins 18-20%

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<tr>
<th>Year</th>
<th>Organic Growth (%)</th>
<th>EBITDA Margins (%)</th>
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<tr>
<td>2016</td>
<td>5%</td>
<td>18.0%</td>
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<tr>
<td>H1 2017</td>
<td>6%</td>
<td>19.0%</td>
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Outperforming our Strategy 2018 targets on EBITDA and ROCE growth

Outperforming Strategy 2018 targets

- High single-digit percentage annual Adjusted EBITDA growth
  - 2015: 822, 2016: 931, +14%

- High double-digit basis point annual ROCE growth
  - 2015: 10.3%, 2016: 12.0%, H1 2016: 12.3%, H1 2017: 13.9%, +160
Confident on further organic growth & EBITDA margin improvement in coming years

Organic growth

- Animal Nutrition & Health: ~5%
- Human Nutrition & Health: ~5%
- Food Specialties: ~5%

EBITDA margins

Nutrition

- Growth
- Mix
- Cost
- Innovation

~20%