Purpose-led, Performance-driven

Factbook 2022

Introduction to DSM
Content

- DSM - Health, Nutrition & Bioscience
- DSM’s Strategy
- DSM’s businesses – with large addressable markets
- Annex I - Financial performance
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DSM - Health, Nutrition & Bioscience

• DSM is a global, purpose led company active in Health, Nutrition and Bioscience, with a long-term focused, innovation driven, growth strategy.

• DSM’s purpose is to apply its science to create Brighter Lives for All, with its products and solutions to create a positive societal impact on people, planet and livelihoods, while its operations have a best in class Environmental, Societal and Governance score. DSM want to create sustainable value for all stakeholders.

• DSM has a strong business model with a unique combination of Global Products, Local Solutions and Precision & Personalization.
  – **Global Products**: core being world’s largest portfolio of Nutritional ingredients.
  – **Local Solutions**: global network of facilities offering local solutions and integrated product offering.
  – **Precision & Personalization**, powered by data and biosciences as know-how multiplier.

* DSM is currently reviewing the strategic options for its Materials businesses including a possible change of ownership.

2021
Net Sales*
€9bn+
DSM has more than 150 years of deep scientific heritage, with bioscience facilities around the world.

Today

~1,250 scientists in 20 bioscience research laboratories worldwide

- DSM is active in the major groups of biosciences including microbial technologies with bacteria, yeasts, fungi and microalgae
- Close to 50% of DSM’s current (2021) sales of nutritional ingredients is produced out of biobased and/or input materials directly extracted from nature
Leadership in Health, Nutrition & Bioscience enhanced through high quality M&A

- **2011**: Added new product categories, building the most comprehensive portfolio of nutritional ingredients
- **2012**: Strengthened bioscience capabilities and expanded global reach
- **2013**: Built a unique business model with solutions/premix and extended this into precision and personalization

Timeline from 2011 to 2021 with acquisitions and partnerships.
Today’s global leader in Health, Nutrition & Bioscience

Net Sales* €9bn+

- Animal Nutrition (36%)
- Personal Care (5%)
- Early Life Nutrition (5%)
- Medical Pharma (6%)
- Food & Beverage Solutions (12%)
- Dietary Supplements (12%)
- Electrical/electronics (5%)
- Automotive/transport (6%)
- Other (12%)

Net Sales* by region

- North America (21%)
- Latin America (13%)
- China (13%)
- Rest of Asia (16%)
- Rest of the world (3%)
- Switzerland (2%)
- Rest of Europe (27%)
- The Netherlands (5%)

* Based on continuing operations, full year 2021
DSM has created a unique business model and rich innovation pipeline

**Extending our value proposition**

**Precision & Personalization**
Digitization & Bioscience as a know-how multiplier

**Global Products**
Science, Scale, Quality

**Local Solutions**
Global network offering local (customized) solutions

**Growth themes inform our innovation focus**

**Precision**
Digitally-enabled business models

**Prevention**
Healthy solutions provided by nature

**Proteins**
Driving adoption of sustainable proteins to feed the population

**Pathways**
Sustainable ingredient manufacturing
Our culture and how we live it

**Caring**
Being caring means we look out for the people and environment around us, go the extra mile to value and strengthen our diverse relationships, and take care of others and ourselves, so that everyone can be their best.

**Collaborative**
Being collaborative means we always look for the best ways to work and innovate together and with others, to listen and find common ground, and to apply our knowledge and skills in an inclusive and agile way.

**Courageous**
Being courageous means we are willing to make tough decisions, own our actions, embrace new ideas, take a stand when needed, and support others to do the same.

**Taking responsibility**
Taking responsibility means we act ethically and with integrity, always learning and improving, willing to be held accountable for our performance and the safety and wellbeing of the people and communities around us.

**Delivering value**
Delivering value means we use our speed, expertise and innovation to deliver results, meeting the needs and earning the trust of customers, employees, shareholders, communities and wider society.

**Championing sustainability**
Championing sustainability means we improve the quality of people’s lives by embedding sustainability in all that we do, applying our scientific know-how to address the challenges of today and tomorrow.
DSM’s Strategy
DSM has accelerated its purpose-led, performance-driven journey

Global food systems face multiple challenges. DSM has the capability and responsibility to make a meaningful impact.

Addressing these food system challenges offer exciting new market opportunities for DSM.

DSM will be a fully focused Health, Nutrition & Bioscience company and realigns its global organization accordingly.

DSM is reviewing strategic options for the two Materials businesses.
DSM’s strategy is to deliver strong financial returns, creating a positive societal impact, while having best-in-class ESG performance.

Food systems face huge environmental and societal challenges and offer opportunities.

DSM uniquely positioned and has capabilities to capture these opportunities.

This creates long-term purpose-led positive impact on people and planet.

Building a growth company that delivers long-term, performance-driven profitable growth.

Great People, unique Culture

Responsibility for our own footprint and people

Caring for the world: Ambitious food systems commitments

Ambitious mid-term profit targets

- MSD % organic sales growth
- Adj. EBITDA margins >20%
- HSD % annual adj. EBITDA growth
Strong financial returns: a sustainable growth company that delivers long-term, performance-driven profitable growth

Ambitious mid-term profit targets:

- Mid-single digit % organic sales growth
- Adj. EBITDA margins >20%
- High-single digit % annual adjusted EBITDA growth

Adj. EBITDA DSM Nutrition (€m)

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* Underlying business
Taking full responsibility for our OWN footprint and people

**ESG ambitions (set in 2019) accelerated in 2021**

- **GHG scope 1+2 emissions reduction**: 50% by 2030
- **GHG scope 3 emissions reduction**: 28% by 2030
- **Energy efficiency**: >1% avg. p/yr. till 2030
- **Purchased renewable electricity**: 75% by 2030
- **Employee engagement**: 76% by 2022
- **Safety Frequency Recordable Incidents**: <0.20 by 2027
- **Female executives**: 30% by 2025
- **Brighter Living Solutions**: >65% by 2021

**2021 realization**

- **23% Absolute Reduction**
- **8% Intensity Reduction**
- **6% Improvement**
- **72%**
- **76%**
- **0.22**
- **23%**
- **64%**

**Certifications and Awards**

- CDP: A for Climate, A for Water
- Corporate ESG Performance 2021: Prime
- FTSE4Good
- MSCI: ESG Rating AAA
- Sustainalytics: Sector Leader
- Moody’s Top ranking

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Positive societal impact: creating a better world with its products and solutions

Support affordable, accessible, aspirational healthy nutrition for a growing global population

Fight hunger and malnutrition worldwide

Provide for healthy diets and combat diet-related diseases

Support good health and immunity through diets and supplementation

Reduce the risk of anti-microbial resistance

Reduce emissions from livestock: greenhouse gas (CO\textsubscript{2}, methane), nitrogen/ammonia, phosphorous

Limit impact on natural resources, reduce pressure on biodiversity, conserve forests & oceans

Drive sustainable proteins from farming whilst improving animal health & welfare

Develop and enable alternatives for animal proteins, that are nutritious, tasty and sustainably produced

Support farmers to generate a fair and stable income with sustainable farming practices

Promote a healthy supply chain for food and feed production that provide welfare for the local communities in which they operate

Promote education, equality, equity, human rights
Caring for the world through our **2030 Food System Commitments**

- **Closing the micronutrient gap for 800 MILLION PEOPLE by 2030**
- **Supporting the immunity of 500 MILLION PEOPLE by 2030**
- **DOUBLE DIGITS on-farm livestock emissions reduction by 2030**
- **Reaching 150 MILLION PEOPLE with solutions for plant-based foods by 2030**
- **Supporting the livelihoods of 500,000 SMALLHOLDER FARMERS by 2030**
DSM’s businesses
DSM is realigning its global organizational set-up & reporting

**Today**
- **DSM Group**
  - **Nutrition**
    - Other Nutrition
    - Food Specialties
    - Personal Care & Aroma
  - **Innovation Center**
  - **Materials**
    - Protective Materials
    - Engineering Materials

**1 January 2022**
- **DSM Group**
  - **Animal Nutrition & Health**
  - **Health, Nutrition & Care**
  - **Food & Beverage**
  - **Materials**
    - Protective Materials
    - Engineering Materials
Three BGs created with clear end-market orientation and large addressable markets

**Animal Nutrition & Health**
Radically more sustainable animal farming
€3.3bn

**Health, Nutrition & Care**
Keeping the world’s growing population healthy
€2.6bn

**Food & Beverage**
Healthy diets for all through nutritious, delicious and sustainable solutions
€1.3bn
Animal Nutrition & Health
Radically more sustainable animal farming: We make it possible!

Sales
€3.3bn

- Poultry: 46%
- Swine: 22%
- Ruminants: 23%
- Aqua: 9%

DSM offering broad range of ingredients...

- Fat soluble vitamins
- Water soluble vitamins
- Carotenoids
- Feed enzymes
- Eubiotics - probiotics
- Minerals
- Mycotoxin Risk Management
- Sourced Nutritional Ingredients
- Sourced Amino Acids and other ingredients

...holding a strong market position...

- ~30% market share in our markets
- Unique global premix network (>50 sites), strong representation in all regions in the world
- 65% of sales as premix solutions

...in attractive end markets

- Global animal protein market

The revenue segmentation is provided for illustrative purposes only, not reflective of how the company is managed.
Health, Nutrition & Care

*Keeping the world’s growing population healthy*

Sales

€2.6bn

- Early Life Nutrition: 20%
- Dietary Supplements, i-Health: 35%
- Pharma/ Medical Nutrition: 15%
- Nutritional improvement for the most vulnerable: 5%
- Personal Care & Aroma: 20%
- Biomedical Solutions: 5%

DSM offering broad range of ingredients ...

- Split by ingredient category
  - Fat soluble vitamins
  - Water soluble vitamins
  - Lipids, HMOs
  - Probiotics (i-Health)
  - Aroma Intermediates
  - Personal Care
  - Biomedical solutions
  - Other blending ingredients

... holding a strong market position ...

- Science leader in specialty nutritional and personal care ingredients and biomedical materials focusing on immunity, gut, brain and skin health, and solutions for orthopedics and cardiovascular
- 30% market share in attainable specialty markets
- Strong B2C business (i-Health) with globally leading brands (Culturelle®, AZO®, Estroven®)
- 25% of sales through solutions (premix, market-ready solutions, personalized nutrition solutions and B2C products)

... in attractive end-markets

- Early Life/Medical
  - US$ 100bn (2020)
  - US$ 65bn (2020)
- Personal Care
  - US$300bn (2020)

The revenue segmentation is provided for illustrative purposes only, not reflective of how the company is managed.
Personal Care & Aroma Ingredients

Supercharge customers' success with DSM’s suite of services and ingredients

Tailored to the evolving needs of customers and the planet
Food & Beverages
Healthy diets for all through nutritious, delicious and sustainable solutions

Sales
€1.3bn

Dairy
30%

Beverages
25%

Savory
20%

Baking, confectionery
10%

Plant-based, sugar reduction
5%

Pet
10%

DSM offering broad range of ingredients ...

Split by ingredient category

- Vitamins
- Taste
- Enzymes
- Hydrocolloids
- Protection & tests
- Cultures
- Carotenoids
- Other

... holding a strong market position ...

- 10% market share
- Strong bioscience competences
- Top-3 player in Food Enzymes and Cultures
- Market leader in food premixes
- Integrated solutions supply capabilities

... in attractive markets

Expected to grow in line with GDP

Food & Beverage
€3 trillion (2020)

Pet Food
€90bn (2020)

The revenue segmentation is provided for illustrative purposes only, not reflective of how the company is managed.
Examples of DSM’s rich innovation pipeline addressing global food system challenge, contributing to sustainable growth

**Supporting the Immunity of people with micronutrient supplements**

- COVID-19 has highlighted the need for easily accessible dietary solutions that support proactive immune health; sufficient nutrient intake is vital for people’s immunity
- Nutritional ingredients including Quali®-C, Quali®-D, Quali®-B, Life’s®OMEGA, ampli-D®, Culturelle®
- Available in reliable and efficacious formulations, premixes, market-ready solutions, B2C

**EVERSWEET™ Stevia: Calorie-free sweetness, inspired by nature**

- Reduced- and zero-calorie options for food & beverage
- No compromise on taste,
- Support good health and well-being in our societies
- Consumer end-products launched successfully by our customers, with many more product development projects underway

**Nutritious, tasty and sustainably produced plant-based meat, dairy and fish alternatives**

- Authentic taste
- Compelling texture & mouthfeel
- Improve nutritional profile
- Managed salt, sugar, fat, allergens
Examples of DSM’s rich innovation pipeline addressing global food system challenge, contributing to sustainable growth

**Bovaer™ - Reducing emissions from livestock**
- Reducing methane emissions from ruminants by at least 30%
- Helping the dairy and beef value chain to significantly de-carbonize
- Supporting sustainable animal farming

**Veramaris® - reducing our reliance on marine resources**
- Contributing to preserving marine biodiversity
- Essential for health Human & Animal: Fatty Omega-3 acids EPA & DHA
- 1 kg Veramaris oil is equivalent to 60 kg wild catch

**Balancius™ - helping tackle antimicrobial resistance**
- Safe alternative to antibiotics use
- Improves feed conversion by ~3%, improves weight gain ~5%
- More efficient use of natural resources and reduction of emissions
Annex I

DSM’s financial performance
*2018 figures show the results of the underlying business. This excludes an estimated €295m additional Adjusted EBITDA contribution from an exceptional temporary vitamin price environment, due to a force majeure situation in the industry. See Integrated Annual Report 2018.
Key financials – DSM Group (incl. Materials)
Strong track record of delivering on financial targets

Sales (€m)

- 7722 (2015)  
- 7920 (2016)  
- 8632 (2017)  
- 8852 (2018)  
- 9010 (2019)  
- 9038 (2020)  
- 9468 (2021)

+5% Organic Growth

Adj. EBITDA (€m)

- 1075 (2015)  
- 1262 (2016)  
- 1445 (2017)  
- 1532 (2018)  
- 1684 (2019)  
- 1650 (2020)  
- 1842 (2021)

+9% Adj. EBITDA growth

Adj. EBITDA margin (%)

- 14 (2015)  
- 16 (2016)  
- 17 (2017)  
- 17 (2018)  
- 19 (2019)  
- 19 (2020)  
- 20 (2021)

+600 bps

*2018 figures show the results of the underlying business. This excludes an estimated €295m additional Adjusted EBITDA contribution from an exceptional temporary vitamin price environment, due to a force majeure situation in the industry. See Integrated Annual Report 2018.

*Light blue represents discontinued operations. For more information see Integrated Annual Report 2020.
Key financials - DSM Group (incl. Materials) continued

**ROCE (%)**

- 2015: 7.6
- 2016: 10.4
- 2017: 12.3
- 2018: 13.3
- 2019: 12.0
- 2020: 10.4
- 2021: 11.1

**Adjusted Net Operating Free Cash Flow (€m)**

- 2018: 545
- 2019: 801
- 2020: 955
- 2021: 941

**Adj. net EPS (€)**

- 2015: 2.14
- 2016: 2.90
- 2017: 3.92
- 2018: 5.84
- 2019: 4.64
- 2020: 4.12
- 2021: 4.92

*2018 figures show the results of the underlying business. This excludes an estimated €295m additional Adjusted EBITDA contribution from an exceptional temporary vitamin price environment, due to a force majeure situation in the industry. See Integrated Annual Report 2018. The Adj. net EPS for 2018 includes a €295m additional Adjusted EBITDA contribution from an exceptional temporary vitamin price environment. See Integrated Annual Report 2018.*
Financial policies and cash allocation priorities

1st: Disciplined capex for organic growth
- 50-60% focused on growth

2nd: Dividend
- Stable, preferably rising.
- Average payout 40–50% of Adj. earnings

3rd: M&A
- Purposed and primarily focused on Nutrition

4th: Share buy-backs
- To be considered in the absence of value-creating M&A
Healthy Balance Sheet

**Net Debt (€ million)**

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<th>Year</th>
<th>2016</th>
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**Net Debt / Adj. EBITDA**

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<th>Year</th>
<th>2016</th>
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Mid-term capital structure: 1.5-2.5x net debt / Adj. EBITDA
Committed to maintaining a strong investment grade credit rating
Determined to create sustainable value for all stakeholders

Stock Performance %

Dividend €

- DSM
- AEX
- EURO STOXX 50

- 2011: 1.45
- 2012: 1.50
- 2013: 1.65
- 2014: 1.65
- 2015: 1.65
- 2016: 1.75
- 2017: 1.85
- 2018: 2.30
- 2019: 2.40
- 2020: 2.40
- 2021: 2.50
Annex II

DSM’s governance
The Supervisory Board supervises the policy pursued by the Managing Board, its performance and the company's general course of affairs. The SB approves the annual financial statements. It is organized around committees including Audit, Nomination, Remuneration and Sustainability Committees. Members are appointed for a period of four years, after which they may be reappointed for a further four years. They may subsequently be reappointed for a period of two years, and this appointment may be extended by at most two years.

Thomas Leysen, Chair (Belgian, 1960)
- First appointed: 2020. Audit Committee (member) Nomination Committee (member)
- Last position held: CEO of Umicore

Eileen Kennedy (American, 1947)
- First appointed: 2012. Sustainability Committee (Chair), Nomination Committee (member)
- Position: Professor Nutrition Friedman School of Nutrition Science & Policy (Tufts, Boston, USA)

Fritz van Paasschen (Dutch and American, 1961)
- First appointed: 2017. Audit Committee (member), Remuneration Committee (member)
- Last position held: CEO of Starwood Hotels and Resorts

Carla Mahieu (Dutch, 1960)
- First appointed: 2021
- Position: Global Head of Human Resources and Member of the Management Board of Aegon N.V.

John Ramsay, Deputy Chair (British, 1957)
- First appointed: 2017. Audit Committee (Chair), Remuneration Committee (member)
- Last position held: Chief Financial Officer (CFO) and interim CEO of Syngenta AG.

Pradeep Pant (Singaporean, 1953)
- First appointed: 2016. Audit Committee (member), Sustainability Committee (member)
- Last position held: EVP & President, APAC and EMEA of Mondelēz International

Erica Mann (Australian, 1958)
- First appointed: 2019. Sustainability Committee (member), Audit Committee (member)
- Last position held: Member of the Board of Management of the Bayer Group and Global President of Bayer’s Consumer Health Division.

Corien M. Wortmann-Kool (Dutch, 1959)
- First appointed: 2021
- Position: Chair of the Board of ABP Pension Fund (The Netherlands), Vice-Chair of the Supervisory Board of Aegon N.V. and Chair of the Supervisory Board of Save the Children NL.
Managing Board

The Managing Board is responsible for the strategy, portfolio management, deployment of human and financial capital, risk management, financial and sustainability performance.

Geraldine Matchett
Joined Board August 2014, appointed CFO December 2014, appointed Co-CEO February 2020

Geraldine Matchett (1972, British; French; Swiss) is Co-Chief Executive Officer & Chief Financial Officer and Member of the Managing Board of Royal DSM. She was appointed as Co-CEO on 15 February 2020. Geraldine joined DSM’s Managing Board in August 2014 and became CFO on 1 December 2014. Her current term will end in 2026.

Before joining DSM, Geraldine worked with the SGS Group where she held various positions including Senior Vice President Group Financial Controller, before being appointed Global Chief Financial Officer in March 2010. In this role, she was voted CFO of the year in Switzerland for large companies. Before joining SGS she worked for Deloitte in Switzerland and for KPMG in the UK, obtaining her Chartered Accountant qualification while working in London.

Geraldine holds a bachelor’s degree in Physical & Human Geography from Reading University (UK) and a master’s degree in Sustainable Development from Cambridge University (UK).

Dimitri de Vreeze
Joined Board September 2013, appointed Co-CEO February 2020

Dimitri de Vreeze (1967, Dutch) is Co-Chief Executive Officer & Chief Operating Officer and Member of the Managing Board of Royal DSM. He was appointed as Co-CEO on 15 February 2020 and joined DSM’s Managing Board in 2013. His current term will end in 2025.

Dimitri joined DSM in 1990 in Finance in DSM Fine Chemicals. After several positions in Finance, he moved to the area of sales management and took on increasingly bigger roles, including that of Global Business Manager Sizing & Binders based in Italy. In 2002 he became Business Director Composite Resins Europe, based in Switzerland and built his career further in the DSM Resins & Functional Materials business group. Dimitri was Business Unit Director Coating Resins between 2005 and 2007 and Business Unit Director NeoResins between 2007 and 2010. In 2010, he became Business Group Director DSM Resins.

Dimitri studied Business Economics at the University of Groningen (Netherlands) and has Postgraduate degree in Chartered Controlling from Maastricht University (Netherlands).
Safe harbor

This document may contain forward-looking statements with respect to DSM’s future 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. The numbers included in this presentation have not been audited.

More details on DSM’s performance can be found in the results press releases. 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.
BRIGHT SCIENCE. BRIGHTER LIVING.