

# Purpose-led, Performance-driven

Factbook 2022

Introduction to DSM



**DSM**

BRIGHT SCIENCE. BRIGHTER LIVING.



# Content

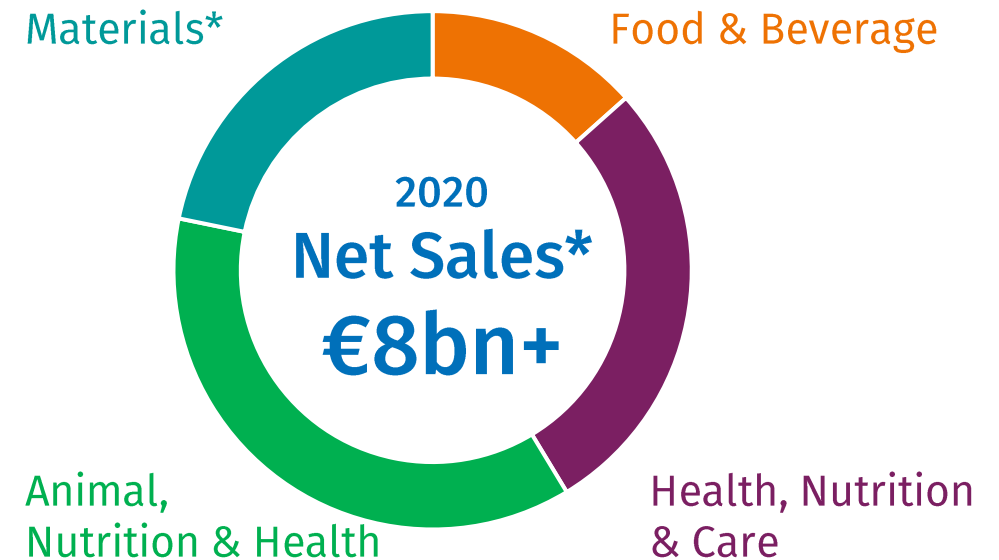
- DSM - Health, Nutrition & Bioscience
- DSM's Strategy
- DSM's businesses – with large addressable markets
- Annex I -Financial performance
- Annex II – Governance



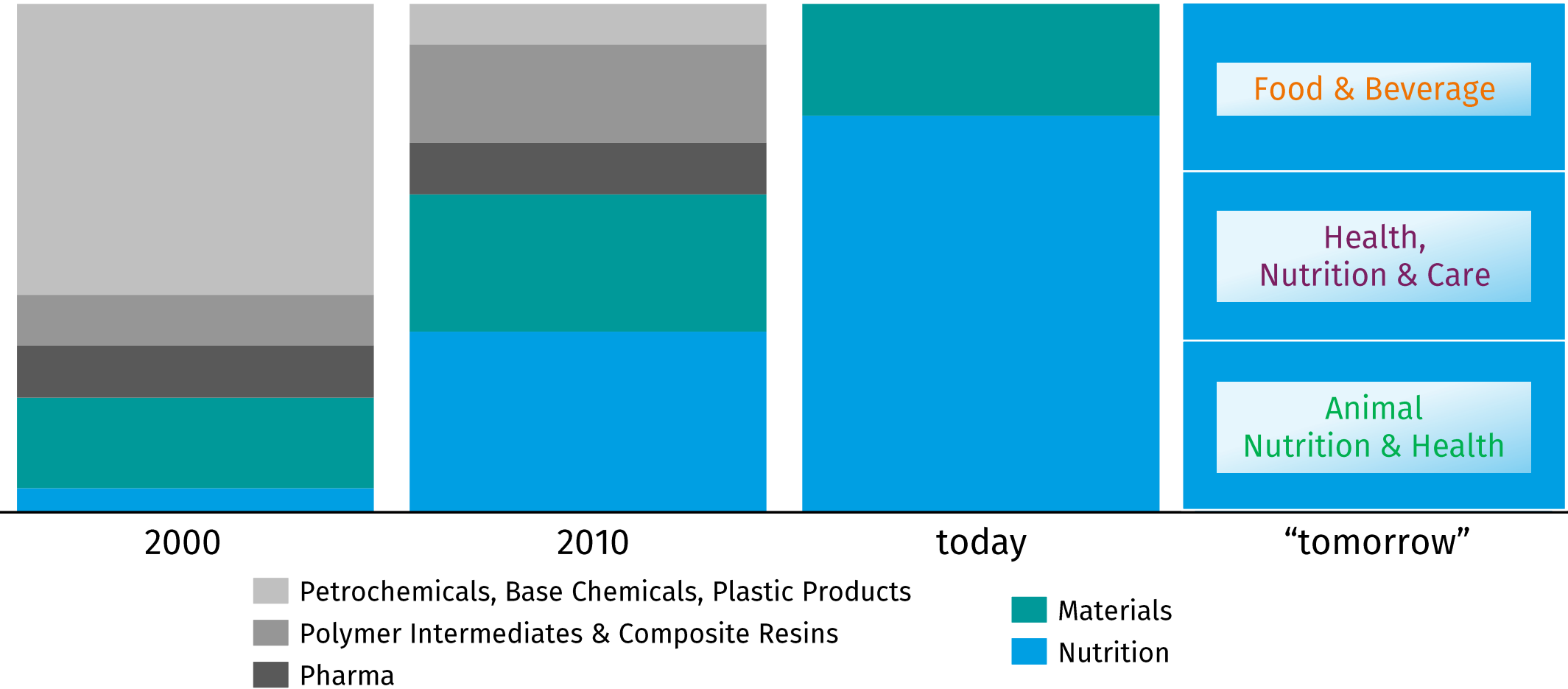
# DSM - Health, Nutrition & Bioscience

- 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



# Over two decades, DSM has transformed into a pure play health, nutrition and bioscience company





# DSM has more than 150 years of deep scientific heritage, with bioscience facilities around the world

1902

**Royal DSM**

Chemical synthesis & biotechnology



1869

**Gist-Brocades**

Biotechnology



1930s

**F. Hoffman La Roche's Vitamins**

Chemical synthesis & biotechnology



**Today**

**~1,700** scientists in **30** 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



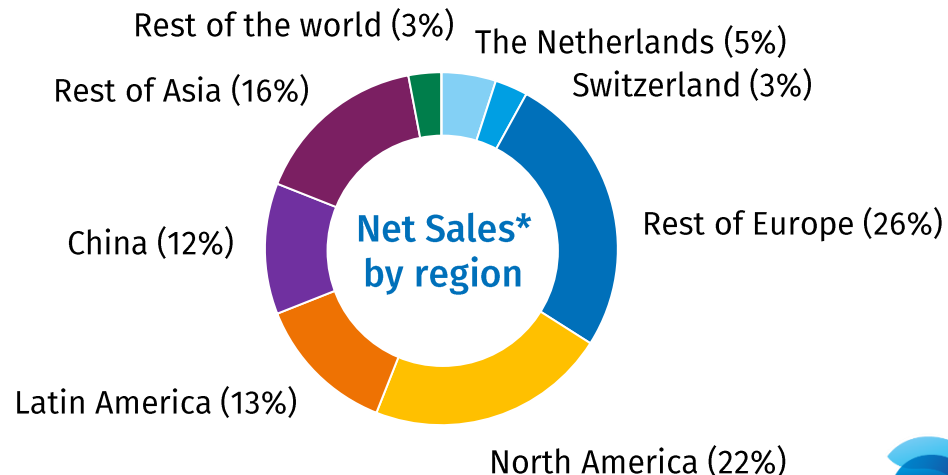
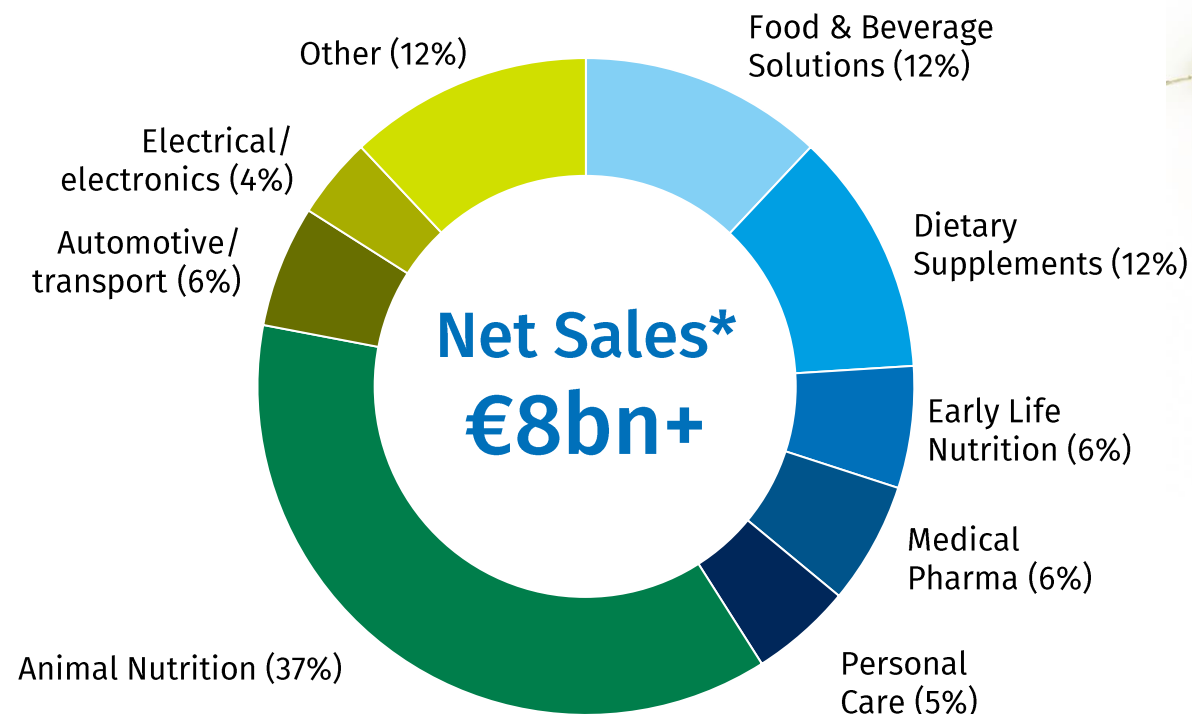
Added **new product categories**, building the most comprehensive **portfolio** of nutritional ingredients

**Strengthened bioscience capabilities** and **expanded global reach**

**Built a unique business model** with solutions/premix and extended this into precision and personalization



# DSM has a well-balanced presence by end-markets and geographies



\* Based on continuing operations, full year 2020



# 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



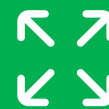
### Prevention

Healthy solutions provided by nature



### Proteins

Driving adoption of sustainable proteins to feed the population



### Pathways

Sustainable ingredient manufacturing





# 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**



Consumer



Society



Environment



Biotechnology



Data & Digital



Precision & Personalization

DSM uniquely positioned and has capabilities to **capture these opportunities**



Great **People**, unique **Culture**

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

**Responsibility for our own footprint and people**



**Caring for the world:**  
Ambitious **food systems** commitments

Health for People

Health for Planet

Healthy Livelihoods



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

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

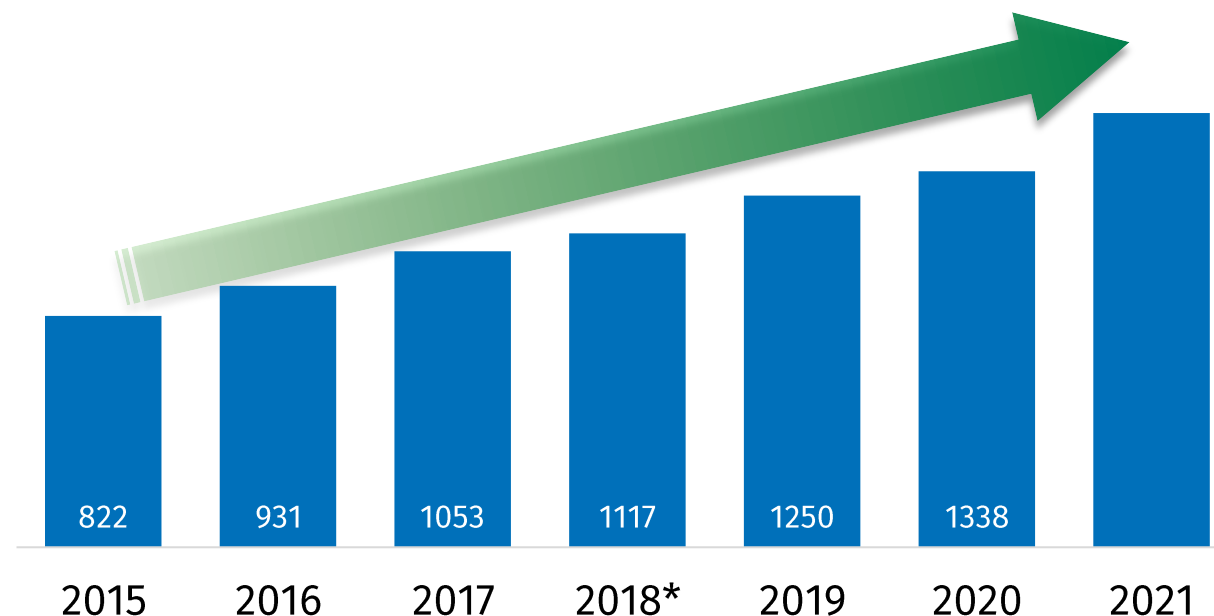
## Ambitious mid-term profit targets:

Mid-single digit % organic sales growth

Adj. EBITDA margins >20%

High-single digit % annual adjusted EBITDA growth

## Adj. EBITDA DSM Nutrition (€m)



\* Underlying business



# 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<sub>2</sub>, 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

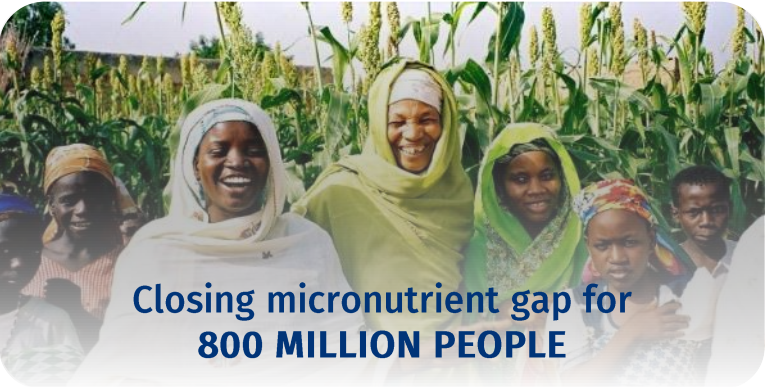
**Support farmers** to generate a fair and stable income with sustainable farming practices

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

Health for People



Closing micronutrient gap for  
**800 MILLION PEOPLE**



Supporting immunity of  
**500 MILLION PEOPLE**

Health for Planet



**DOUBLE DIGITS**  
on-farm livestock emission reduction



Reaching **150 MILLION PEOPLE** with  
solutions for plant-based foods

Healthy Livelihoods



Supporting the livelihoods of **500,000**  
**SMALL-HOLDER FARMERS** across value  
chains

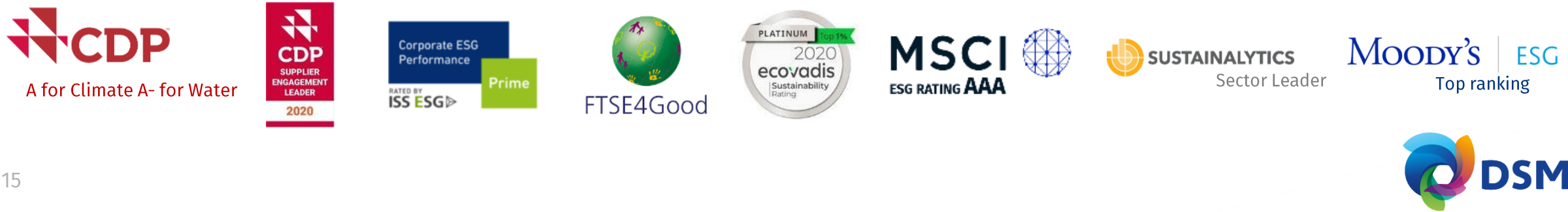
# Best-in-class ESG performance: taking full responsibility for our own footprint and people

ESG targets (set in 2018) accelerated in 2021



- Validated science-based target on Green House Gases emissions reduction (scope 1&2) changed to 50% vs. 2016 baseline (was 30%)
- Targeting NetZero across our operations and value chains by 2050
- Raised internal carbon price from €50 to €100 per mt of CO2 to further guide investments and operational decisions
- Water reduction target set with 10% efficiency improvement on water-intake at sites in areas of water stress by 2030

## DSM top ranked in leading ESG-ratings

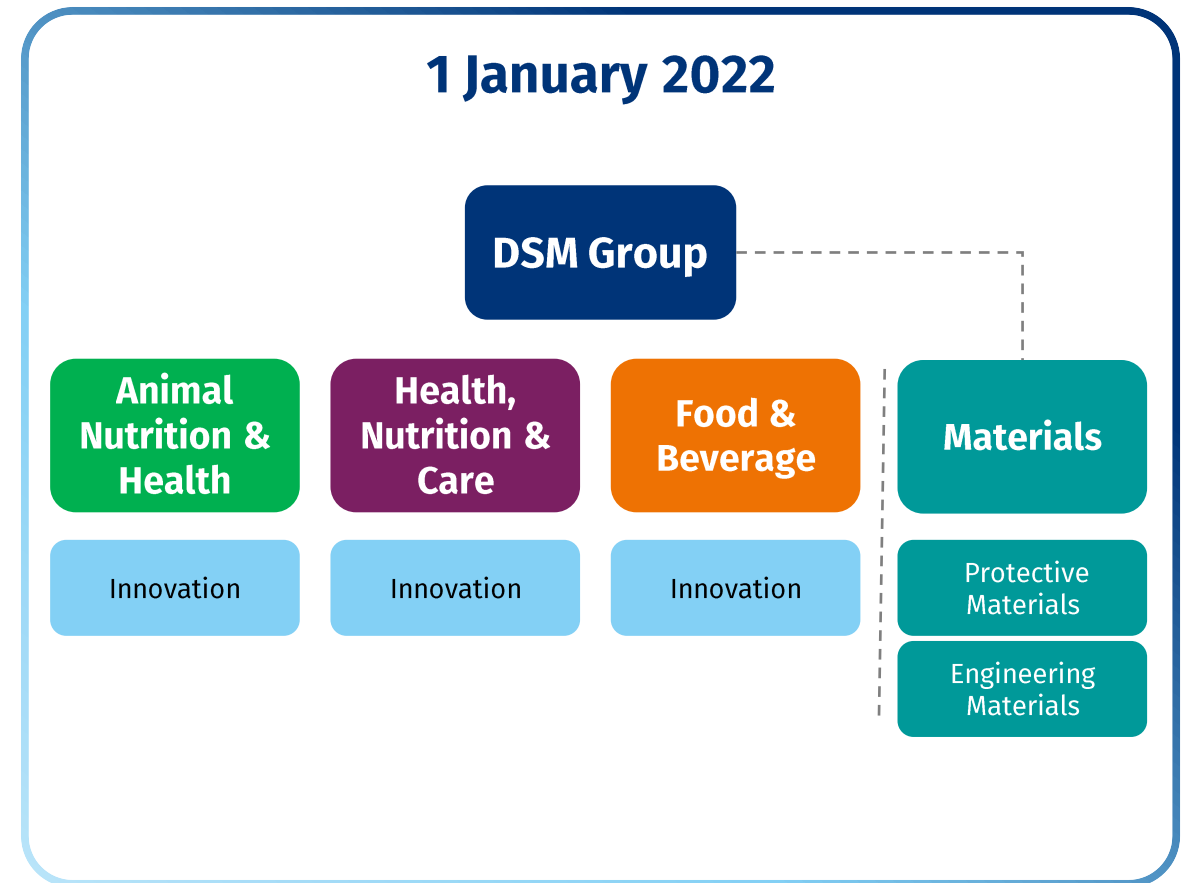
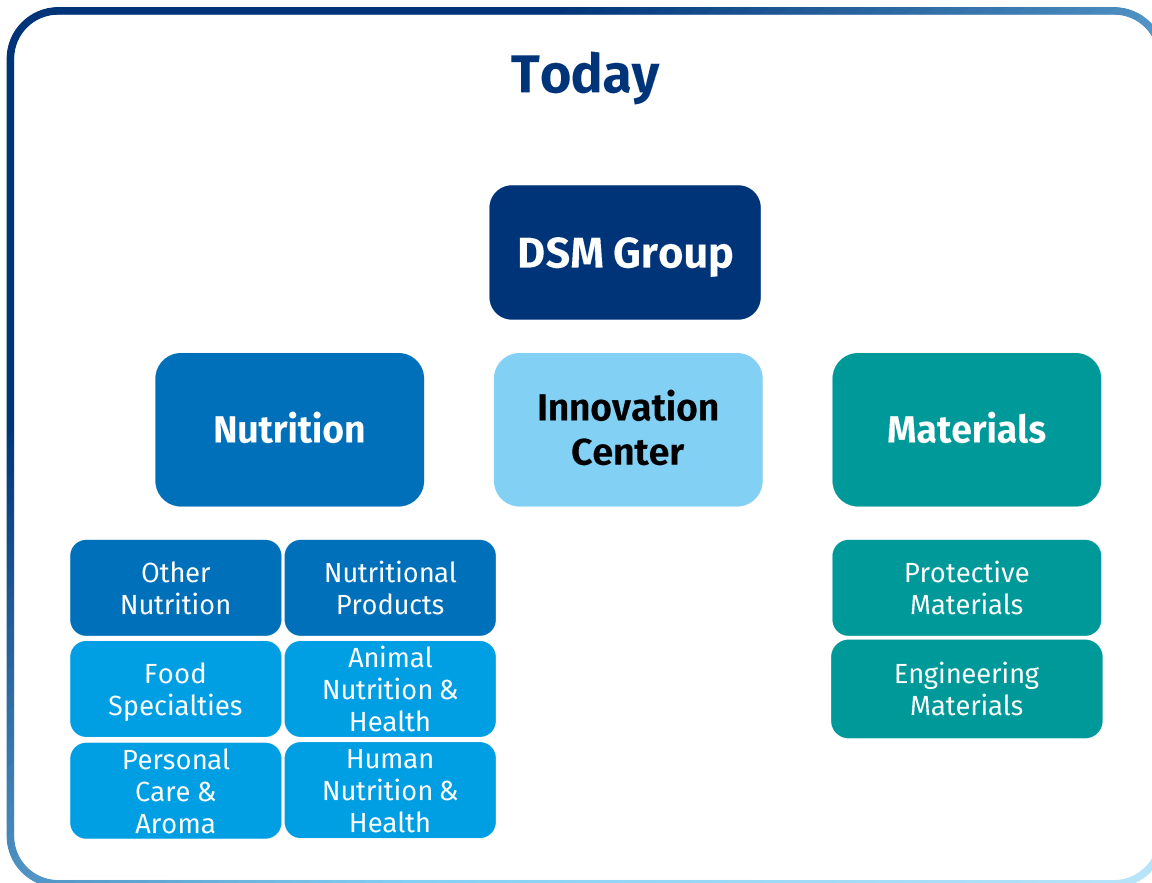






***DSM's businesses***

# DSM is realigning its global organizational set-up & reporting





# 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

€2.3bn\*



## Food & Beverage

Healthy diets for all through nutritious, delicious and sustainable solutions

€1.2bn\*

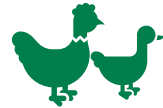
\* Based on 2 times H1 2021



# Animal Nutrition & Health

*Global population growth & need for radically more sustainable animal farming drive sales growth*

Sales  
**€3.3bn**



**Poultry**

45%



**Swine**

25%



**Ruminants**

20%

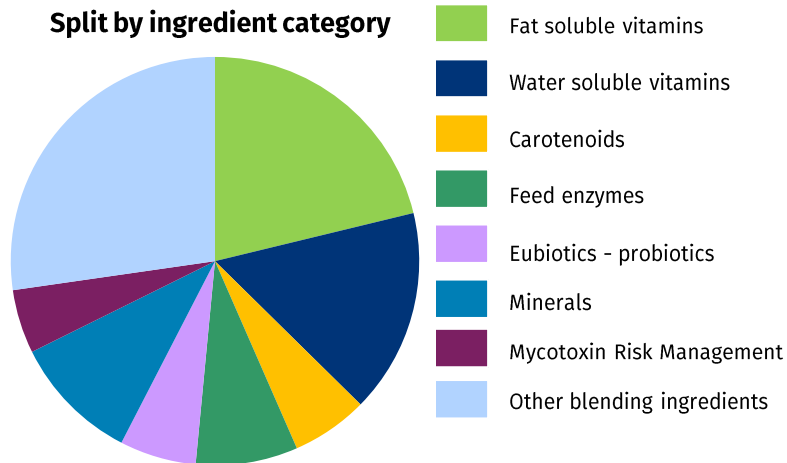


**Aqua**

10%

## DSM offering broad range of ingredients ...

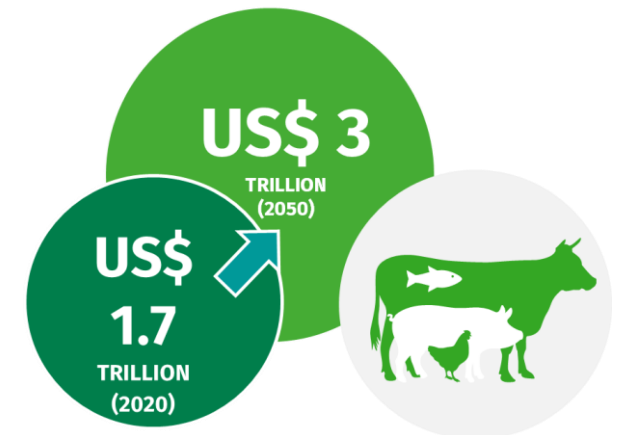
Split by ingredient category



## ... holding a strong market position ...

- **30%** market share
- Unique global premix network, strong representation in all regions in the world
- **65%** of sales as solutions

## ... in attractive markets



# The opportunity for Animal Nutrition & Health

*Productivity & sustainability drive specialty feed ingredients*

## Key trends



## Offering new opportunities ...

- Digital:
  - Precision farming, labeling
- Advanced biotech
  - New sustainable solutions
- Gut health sciences
  - Alternative for antibiotics
- Professionalization farming in developing countries
- Radical more sustainable farming

## ... for which DSM is uniquely positioned

- Sustell®, Verax, Erber Diagnostics (Romer Labs)
- Veramaris, Balancius, Midori US Inc.
- Probiotics, Prebiotics, enzymes and eubiotics for gut health
- Global network benefiting from higher inclusion rates. Strong position in LATAM and Asia
- We make this possible; with our current unique portfolio and our science-based innovation program

**Biomint**

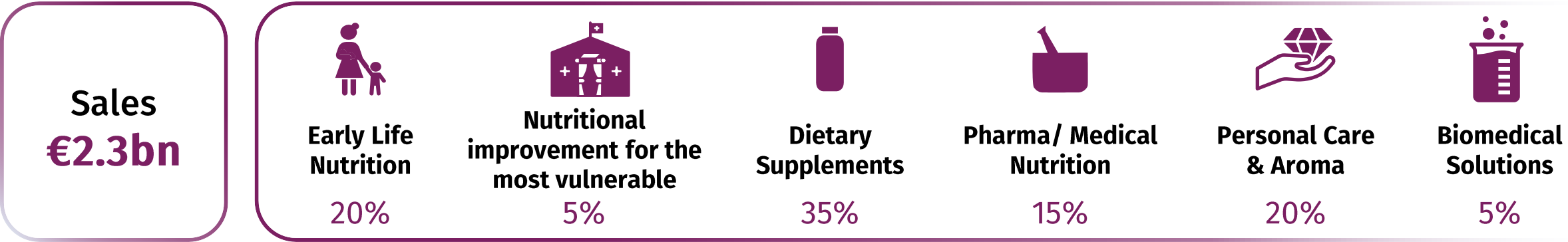


**Midori**  
ANIMAL HEALTH™

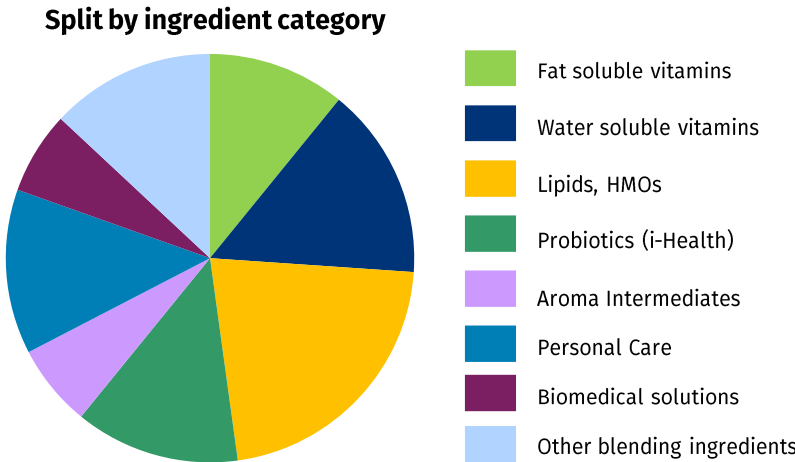


# Health, Nutrition & Care

Keeping the world's growing population healthy



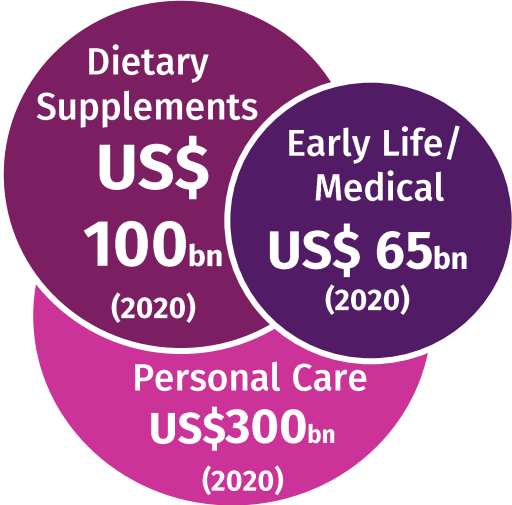
## DSM offering broad range of ingredients ...



## ... 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®)
- **40%** of sales through solutions (premix, market-ready solutions, personalized nutrition solutions and B2C products)

## ... in attractive markets



# Health, Nutrition & Care

*Population growth & need for preventative and affordable nutrition and health drive growth*

## Key trends



## Offering new opportunities ...

- Ingredients and solutions for improving immunity, gut, brain and skin health
- Fermentative/ advanced biotech technologies for replicating nature at scale and affordable cost in a sustainable way
- Advanced materials and proven solutions to improve orthopedic and cardiovascular interventions
- Opportunities for broadening the portfolio horizontally and vertically across the value chain
- Science-based, data-driven personalized nutrition & care solutions

## ... for which DSM is uniquely positioned

- Broadest science-backed portfolio of vitamins, lipids, pre- and probiotics, personal care & aroma ingredients, and natural materials for medical devices
- Leading player for fermentation/ advanced biotech solutions
- Truly global business and premix network and global market-ready solutions capability across all activities
- Nutritional improvement for most vulnerable, supporting growth outside traditional markets (e.g., Africa)
- Personalized Nutrition (Hologram Science, Analytical/diagnostic services)





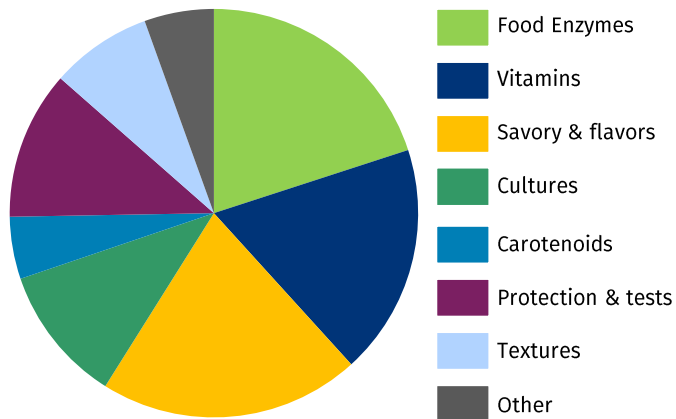
# Food & Beverage

*Healthy diets for all through nutritious, delicious and sustainable solutions*



## DSM offering broad range of ingredients ...

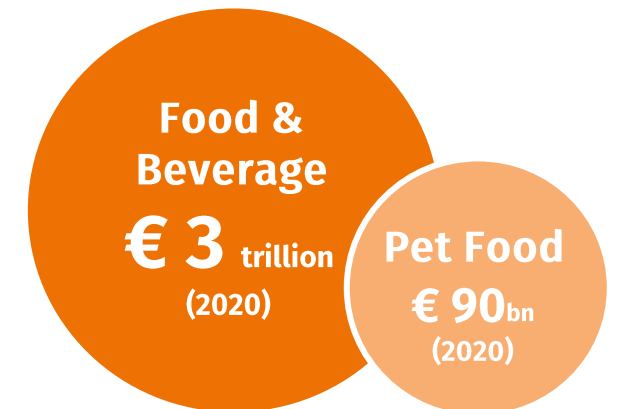
Split by ingredient category



## ... holding a strong market position ...

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

## ... in attractive markets



# The opportunity for Food & Beverage

*Serving a growing global population with healthy nutrition with the right taste and texture, sustainably produced*

## Key trends



## Offering new opportunities ...

- F&B companies seek new product solutions for tasty and at the same time healthier and sustainable products with fast time to market
- New innovative companies disrupting the market, e.g. with plant-based meat and dairy alternatives, seeking development partners that can supply integrated solutions

## ... for which DSM is uniquely positioned

- Ability to partner with customers to develop healthier products with the right taste and texture through integrated solutions
- Based on a broad ingredient portfolio for taste, texture and health, including new innovations such as EverSweet sweetener and CanolaPro
- Fueled by strong expertise in nutrition, F&B application, biotechnology, sustainability





# 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
- 1kg Veramaris oil is equivalent to 60kg 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





A wide-angle photograph of the London skyline across the River Thames. On the left, the large dome of St Paul's Cathedral is prominent. To its right, several modern skyscrapers rise, including the distinctive, bullet-shaped Gherkin. A bridge with red-painted arches spans the river in the foreground. Several boats, including a large white ferry, are visible on the water. A semi-transparent blue circle is overlaid on the left side of the image, containing the text.

Annex I

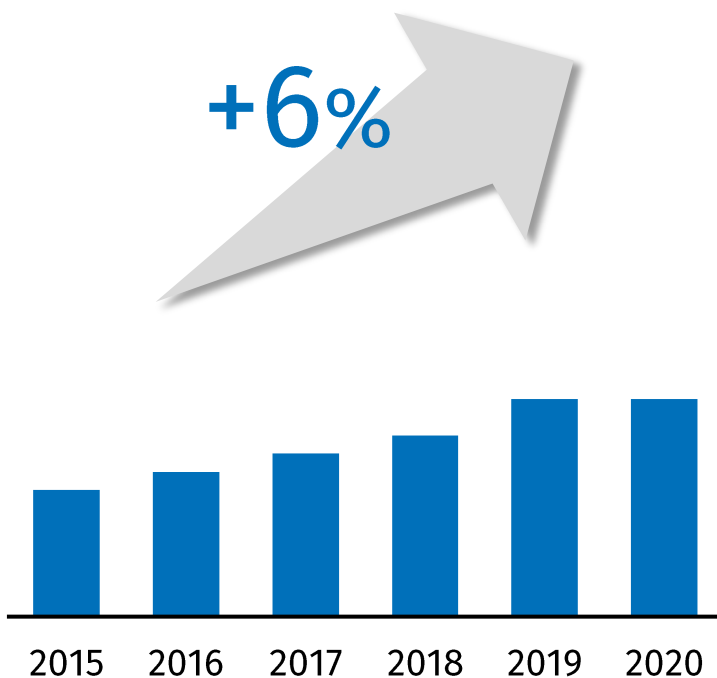
# *DSM's financial performance*



# Key financials - Nutrition

*Strong track record of delivering on financial targets*

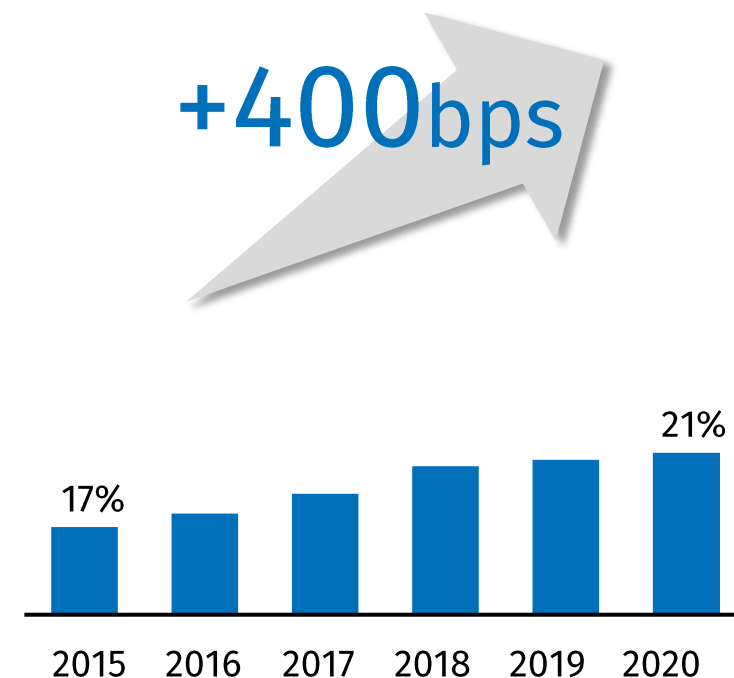
**Organic sales growth  
CAGR 2015-'20**



**Adj. EBITDA growth  
CAGR 2015-'20**



**EBITDA margin % improvement  
2015-'20**

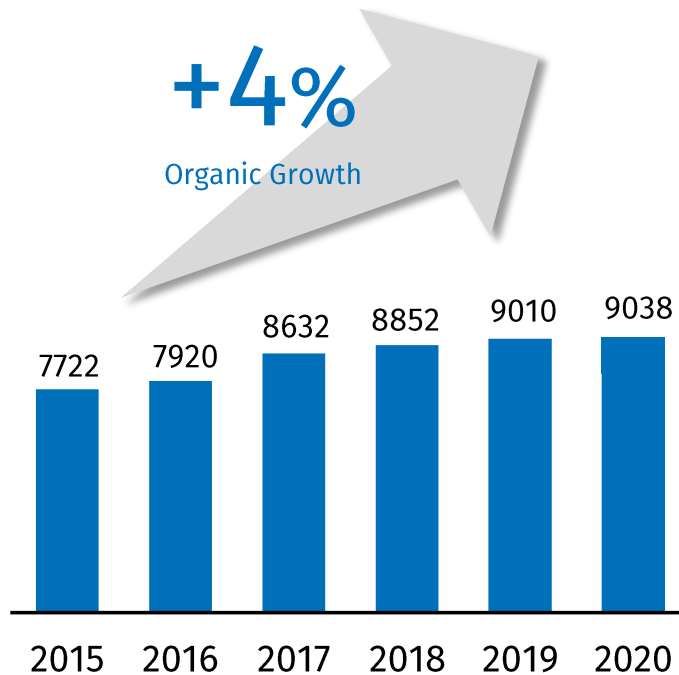


\*2018 figures show the results of the underlying business. This excludes an estimated €295m additional Adjusted EBITDA contribution from an exceptional temporary vitamin price environment, due to a force majeure situation in the industry. See Integrated Annual Report 2018.

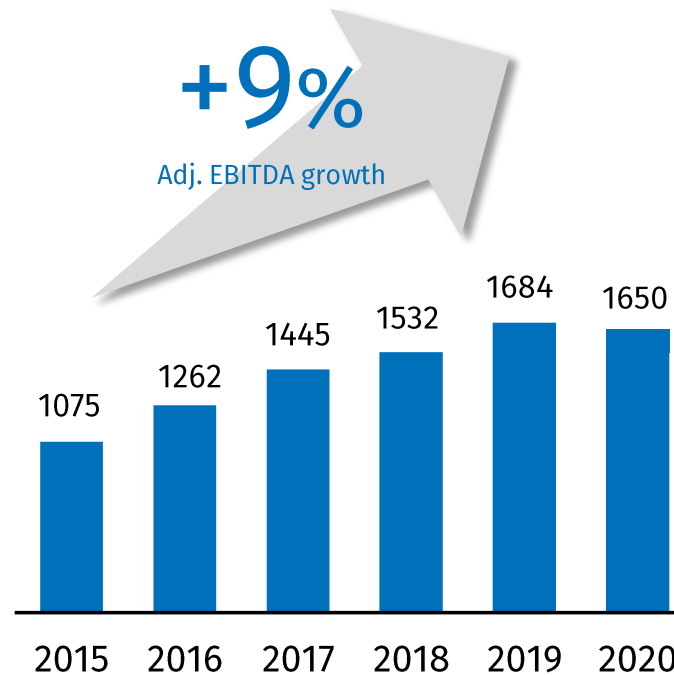
# Key financials – DSM Group (incl. Materials)

*Strong track record of delivering on financial targets*

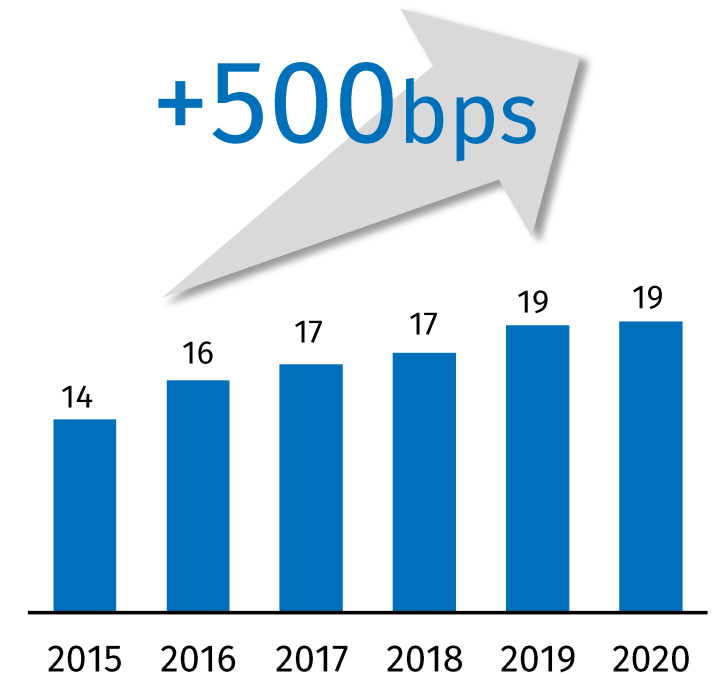
**Sales (€m)**



**Adj. EBITDA (€m)**



**Adj. EBITDA margin (%)**



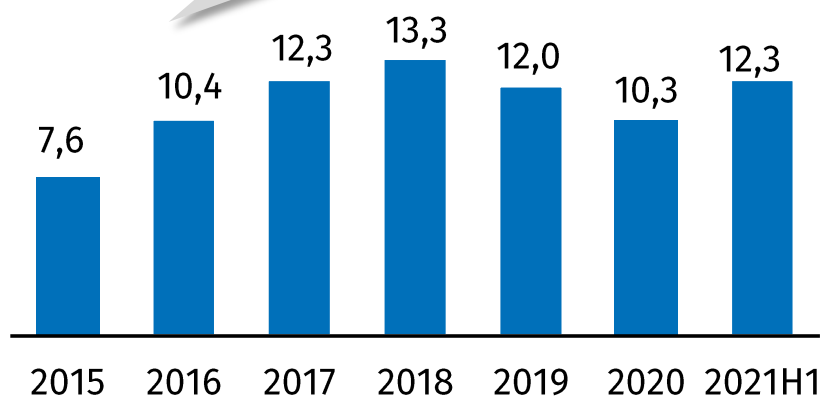
\*2018 figures show the results of the underlying business. This excludes an estimated €295m additional Adjusted EBITDA contribution from an exceptional temporary vitamin price environment, due to a force majeure situation in the industry. See Integrated Annual Report 2018.

\*Light blue represents discontinued operations. For more information see Integrated Annual Report 2020.

# Key financials - DSM Group (incl. Materials) continued

ROCE (%)

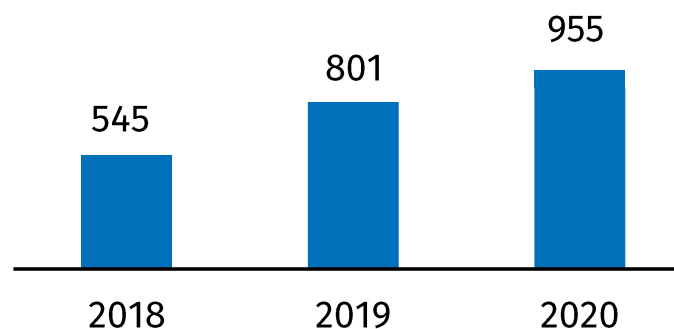
+200bps



ROCE Continuing Operations corrected for M&A amounted to 12.2% in 2020 and 12.7% in 2019

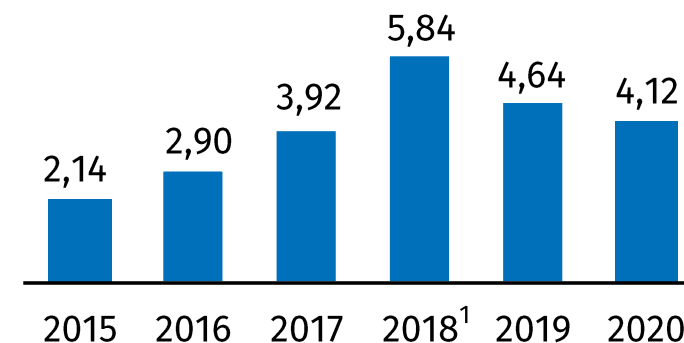
Adjusted Net Operating Free Cash Flow (€m)

+32%  
CAGR



Adj. net EPS (€)

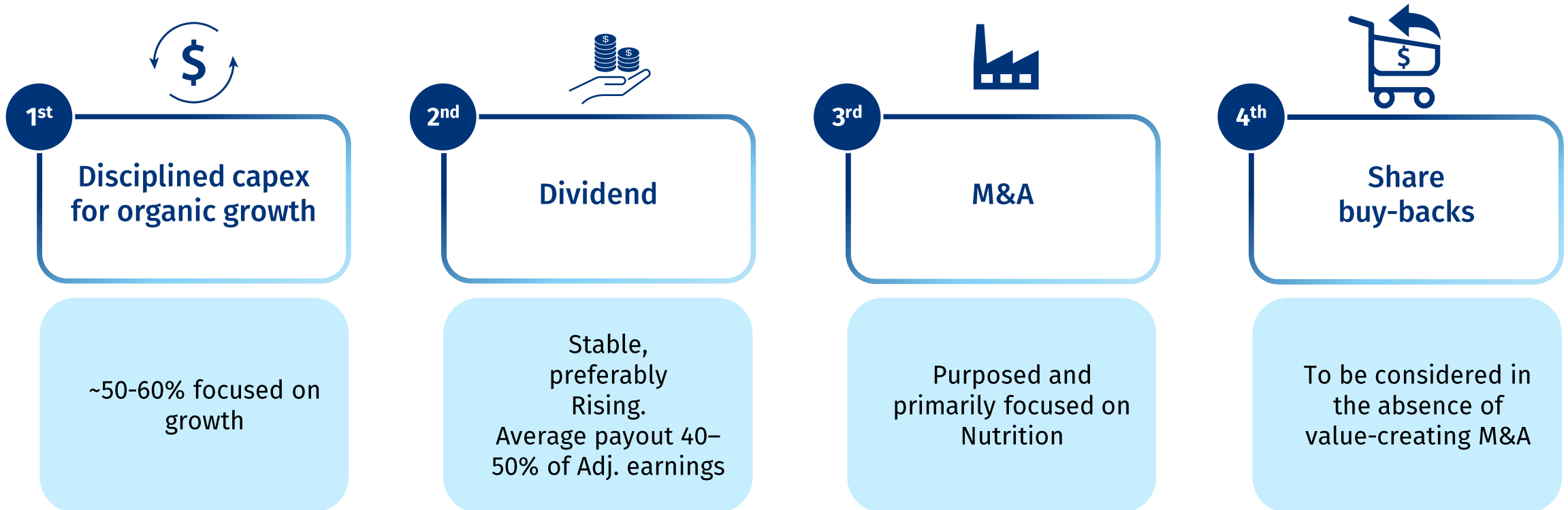
+16%  
CAGR



\*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. <sup>1</sup>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

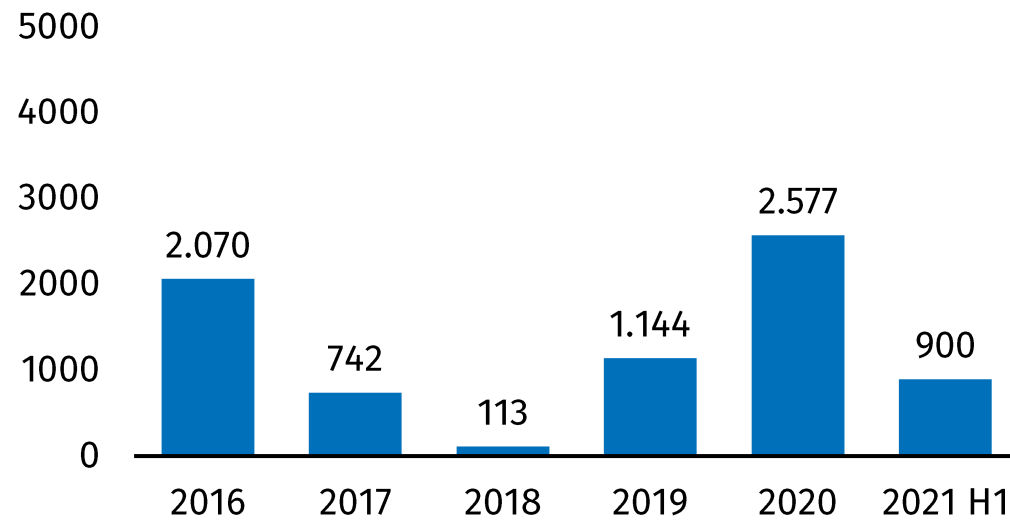


# Financial policies and cash allocation priorities

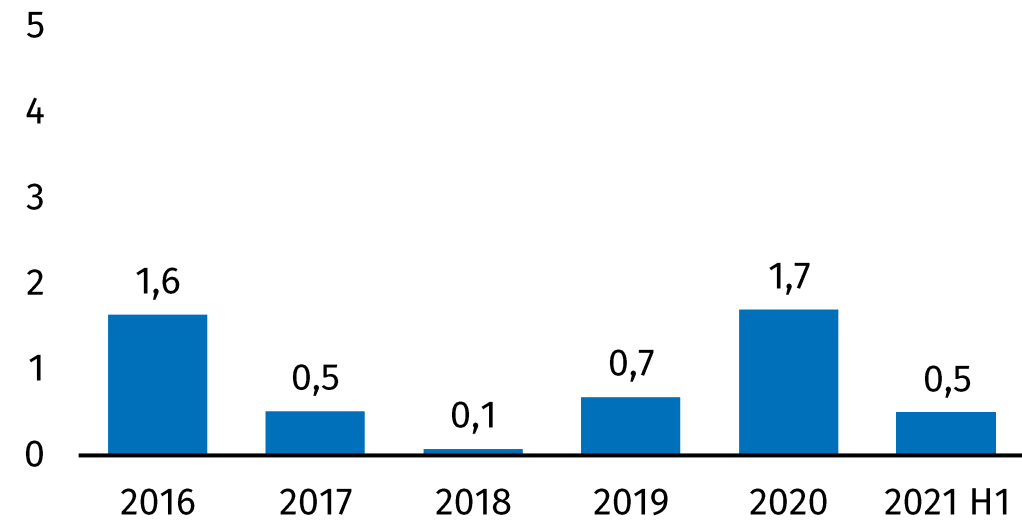


# Healthy Balance Sheet

**Net Debt (€ million)**



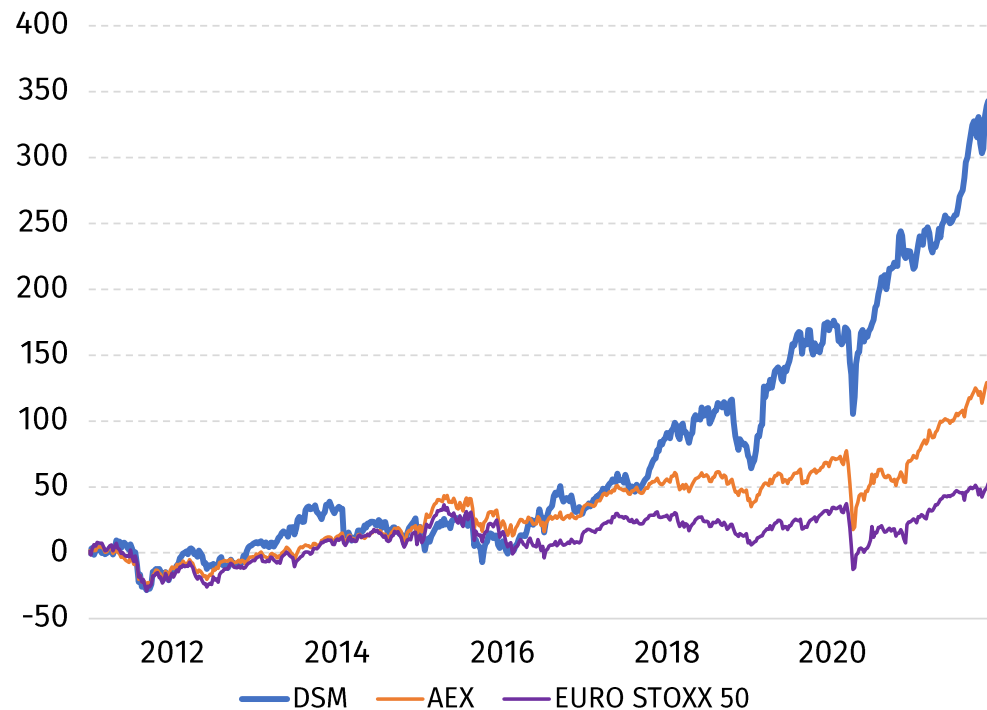
**Net Debt / Adj. EBITDA**



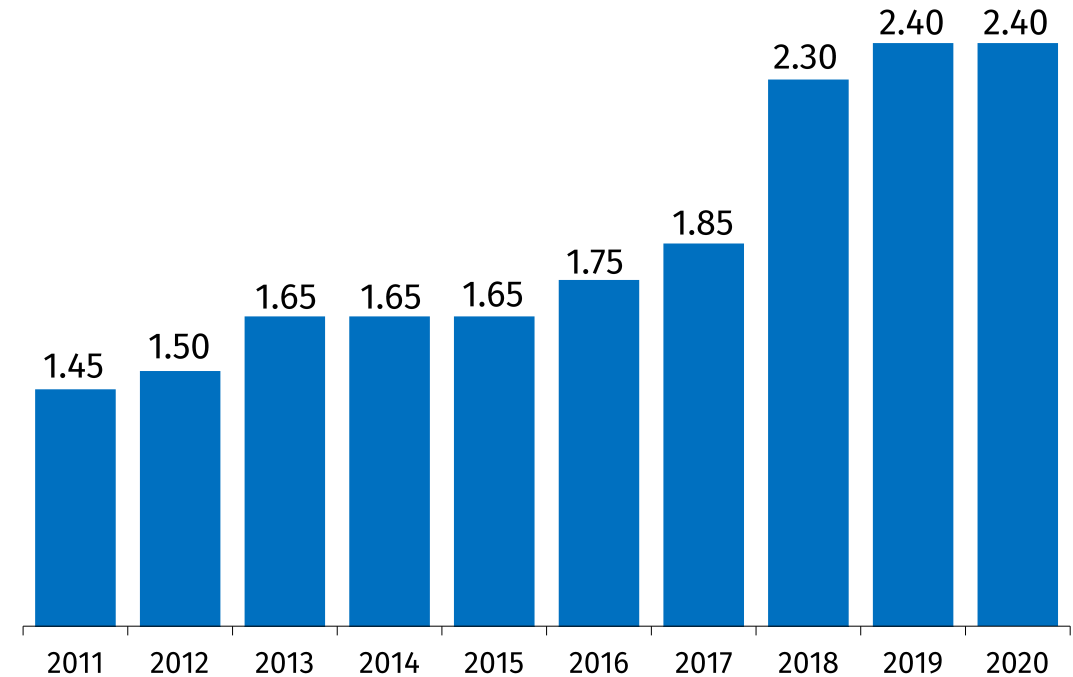
Mid-term capital structure: 1.5-2.5x net debt / Adj. EBITDA  
Committed to maintaining a strong investment grade credit rating

# Determined to create sustainable value for all stakeholders

## Stock Performance %



## Dividend €







M·AGRIPPA·L·F·COSTERTIVM·FECIT

Annex II

## ***DSM's governance***

# Supervisory Board

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 Mondelez 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 2022.

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).



# Executive Committee



**Helen Mets**

*Materials  
Strategy & Digital*



**André Bos**

*Global Products &  
Strategic Alliances*



**Ivo Lansbergen**

*Animal Nutrition & Health*



**Philip Eykerman**

*Health, Nutrition & Care  
Mergers & Acquisitions*



**Geraldine  
Matchett**  
CFO



**Dimitri de  
Vreeze**  
COO

**Co-CEOs**



**Luca Rosetto**

*Operations*



**Trish Malarkey**

*Science*



**Patrick Niels**

*Food & Beverage*



**Cristina Monteiro**

*People & Organization*

# 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

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](http://www.dsm.com)



**BRIGHT SCIENCE. BRIGHTER LIVING.™**