

DSM Capital Markets Day 2018

Materials

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ROYAL DSM CAPITAL MARKETS DAY | LONDON (UK) 20 JUNE 2018



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

Agenda

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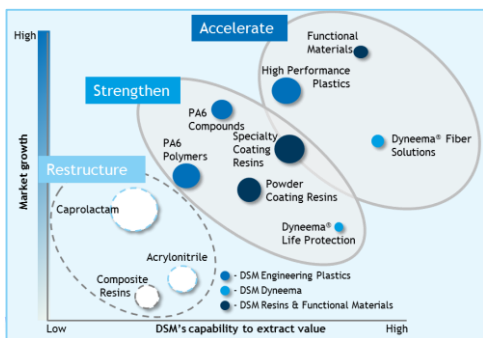
Strategy 2018 | Silent Transformation

2

Strategy Update | Growth & Value - Purpose Led, Performance Driven.

A continuous journey of portfolio upgrades - a silent transformation

2010-2013

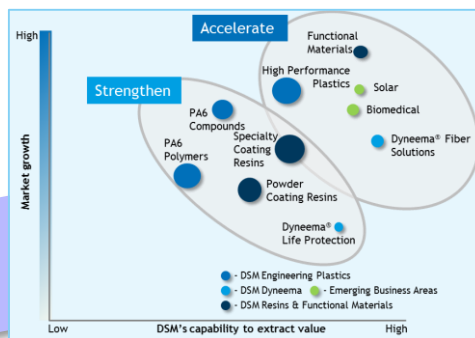


Divest



Portfolio restructuring
Exit of Bulk Chemicals

2014-2015

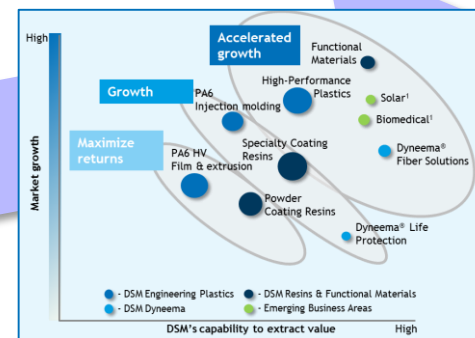


Value



Portfolio upgrade

2016-2018

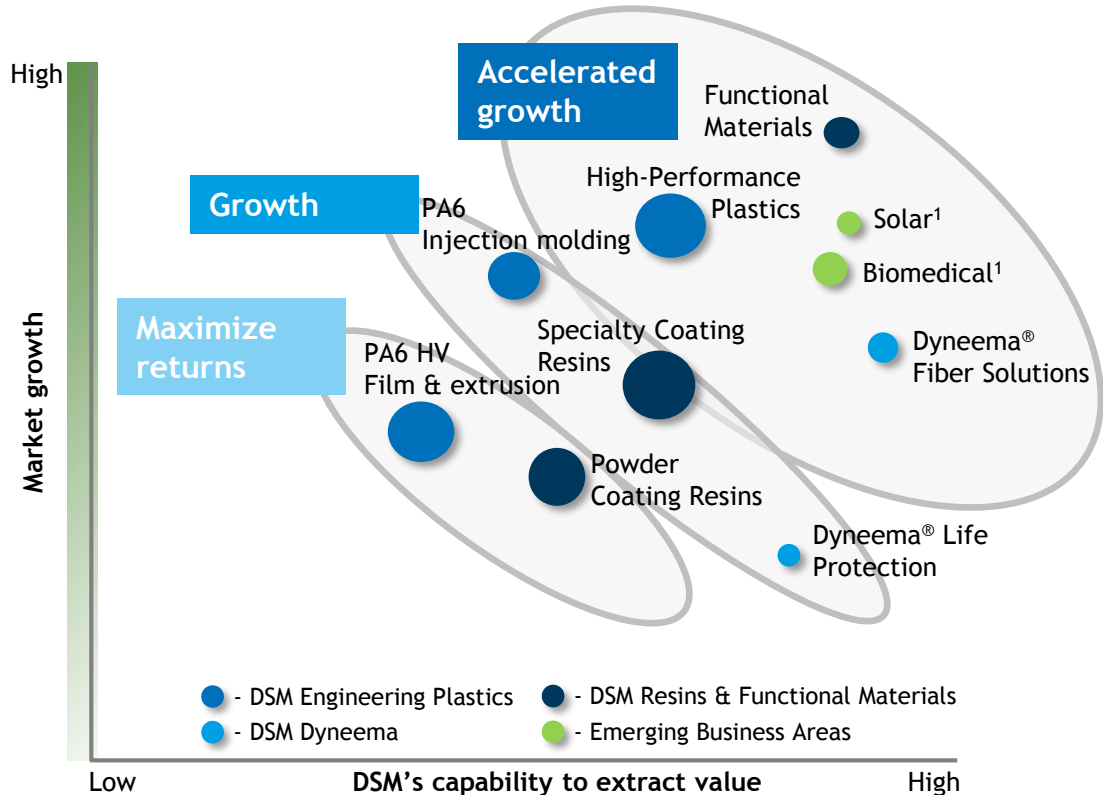


Grow



Differentiated approach to
drive growth

Strategy 2018: focusing on the higher-growth, specialty segments, using a differentiated approach



Strategy 2018 ambitions

- High single-digit percentage annual Adjusted EBITDA growth
 - High double-digit basis point annual ROCE growth
-
- EBITDA margin >15% over the period
 - Above-market sales growth (at stable prices)
 - Underpinned by Cost and Capital discipline

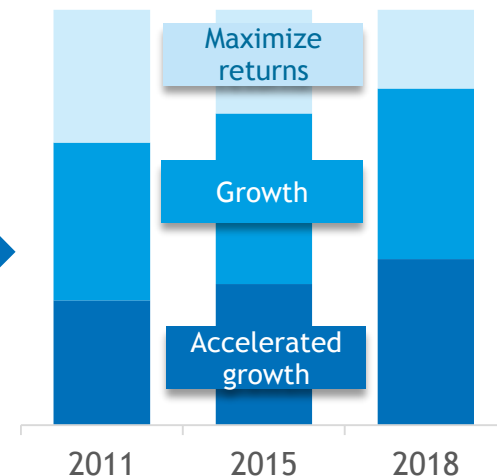
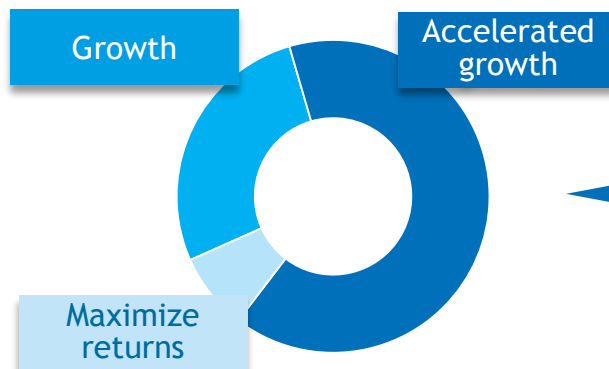
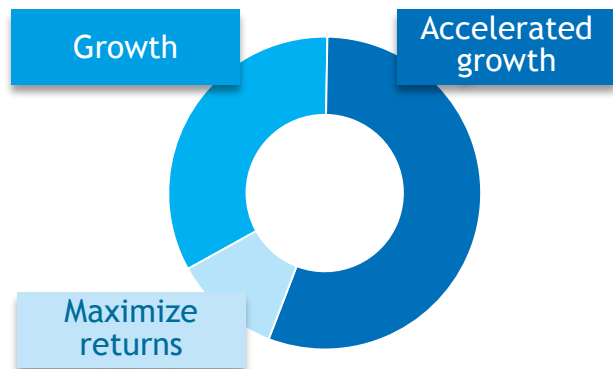
1. Whilst not part of the cluster, the Emerging Business Areas of DSM Biomedical and DSM Advanced Solar are also related to Materials and represent promising growth platforms for the longer term

With capital allocation concentrated on the high-growth segments ...

Capex 2016-2018
(~5% of sales over period)

R&D 2016-2018
(~5% of sales over period)

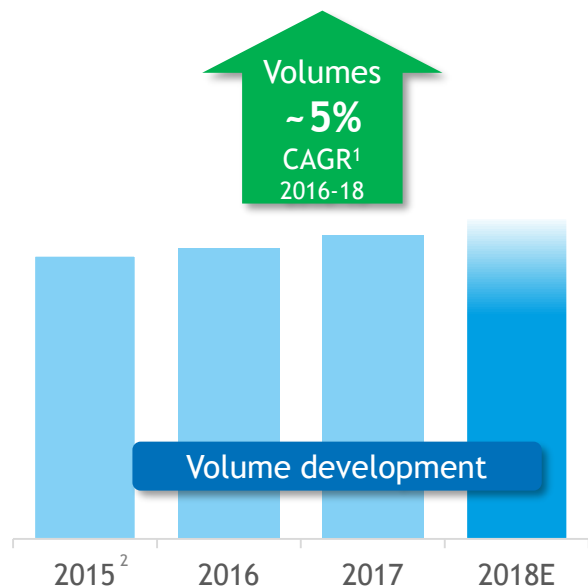
Portfolio mix¹
(2011-2018)



1. Portfolio mix development based on sales per segment

... resulting in above-market volume growth ...

Volume growth - above market
(>2-3%)



Volumes in
“Accelerated growth”

+8%



Innovation sales³

>20%



High Growth Economies³

~40%



Brighter Living Solutions³

>65%

1. CAGRs based on volume growth, CAGR 2016-18 is approximation using 2018E
2. Continuing operations
3. Please see DSM's Integrated Annual Report 2017 for definitions and additional information
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... and a clear outperformance on profitability ambitions

EBITDA margin >15%



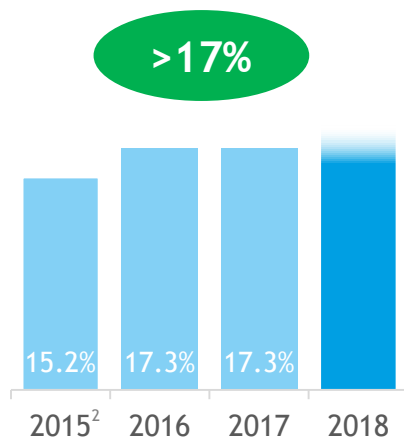
High single-digit
Adj. EBITDA growth



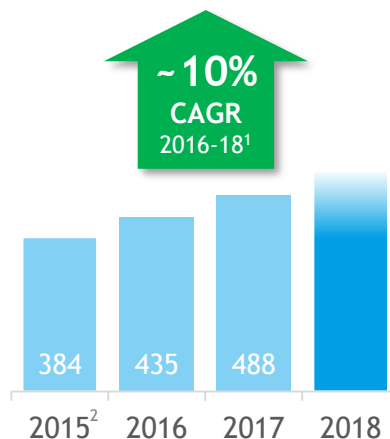
High double-digit basis
points annual ROCE growth



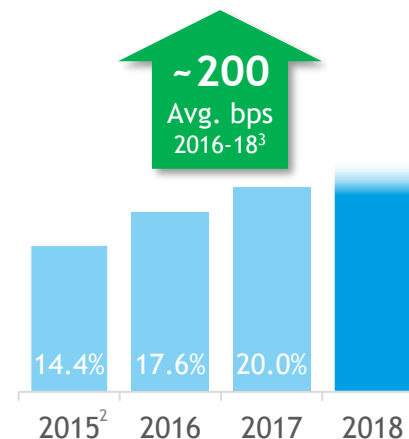
EBITDA margin (%)



Adj. EBITDA (€ million)



ROCE (%)



1. Approximation using 2018E
2. Continuing operations
3. Approximation avg. annual growth using 2018E
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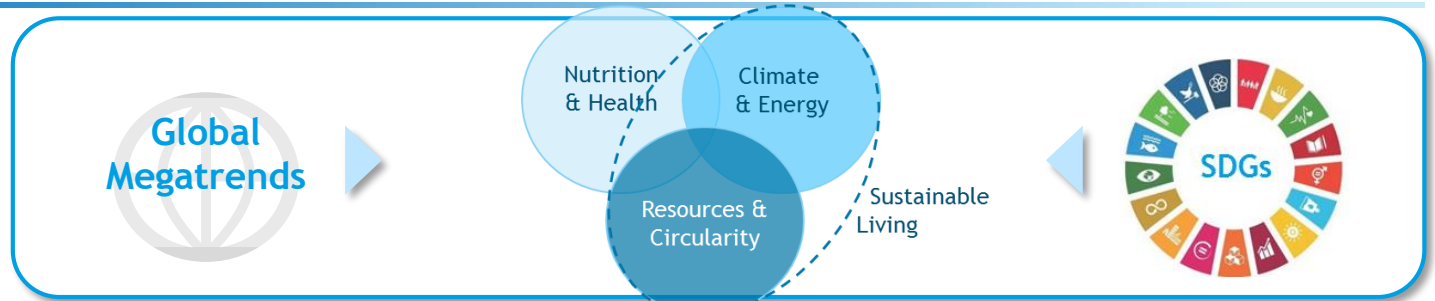
Strategy 2018 | Silent Transformation

2

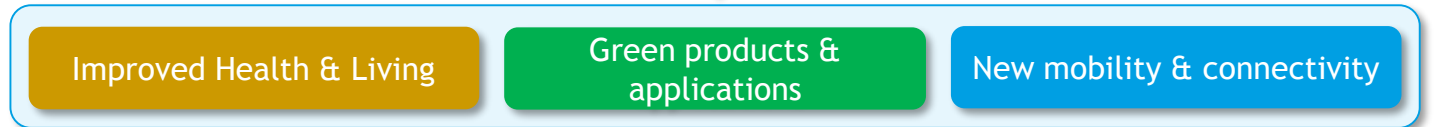
Strategy Update | Growth & Value - Purpose Led, Performance Driven.

Purpose drives new growth opportunities

Addressing Focus Domains ...



... provides growth platforms ...



... that are propelled by our current growth drivers ...



... and have strong fit with DSM's competences



Improved Health & Living drives new opportunities

Improved Health & Living

Global aging population

Active lifestyle & wellness

Consumer demand for sustainable solutions

Healthcare costs

New applications and innovative materials needed:

- Need for safer, less invasive medical procedures that are also more cost-effective
- Consumer-driven demand to more sustainable, safer, longer-lasting, higher performing and healthier materials solutions

DSM ideally positioned to benefit from this trend:

Biomedical materials and devices business addressing unmet health needs



3D-Additive Manufacturing for medical applications



Sustainable & safer solvent-free resins for wall paints



Green products & applications drive move towards bio-based resources

Green products & applications

Circular/ sharing economy

Consumer demand for sustainable solutions

Regulatory pressure
(Governments/NGOs)

Bio-based
Biotechnology

Increased substitution to bio-based solutions:

- Consumer-driven demand for innovative, sustainable materials with lower footprint
- New circular business models focused on recovery, recycling and sharing

DSM ideally positioned to benefit from this trend:

Advanced solutions for Solar energy



Bio-based solutions
Green polymers



Dyneema® slings/ lines make wind farm operations more efficient and reliable



New mobility & connectivity calls for new applications

New mobility & connectivity

Electrification

Autonomous driving

Light-weighting

Data-integrated value chains

New applications and innovative materials needed:

- Increasing demand for lighter-weight, higher-performance materials that can be used in new form factors:
 - Increased innovation challenge
 - Increased complexity
- Demand for new unforeseen applications including radically new designs

DSM ideally positioned to benefit from this trend:

Leadership in light weight high-performance plastics



Switchgears connectors, lighting, thinnovation

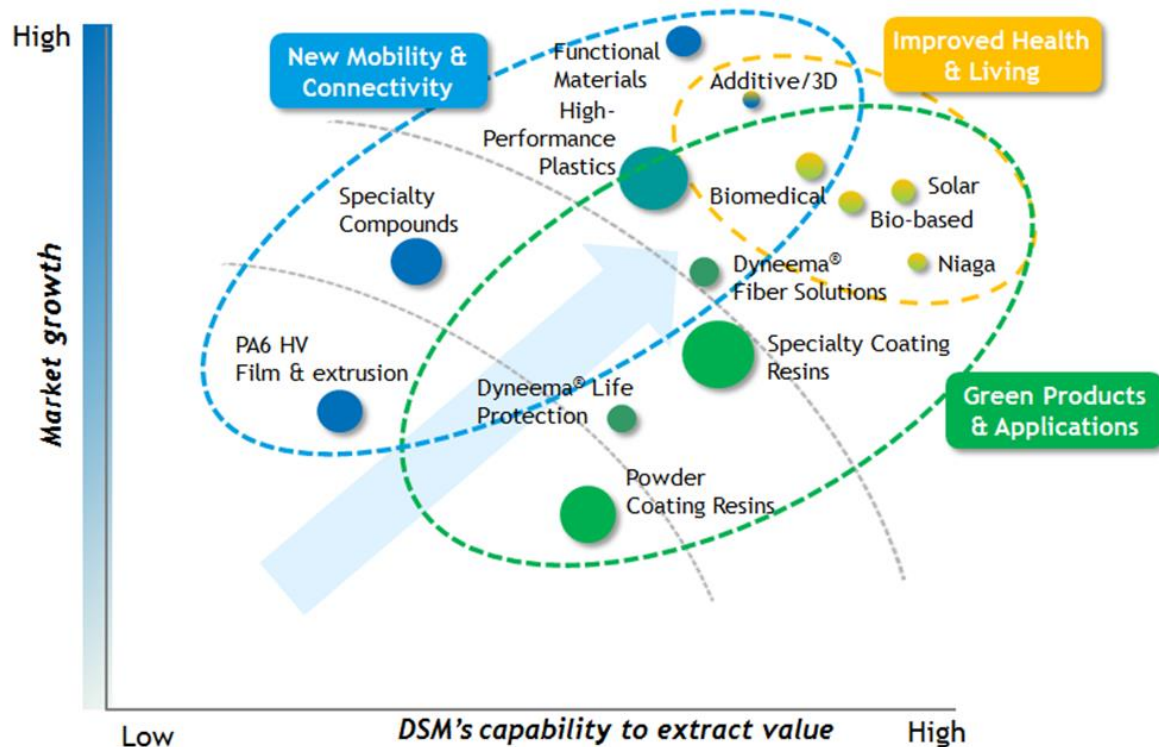


Fiber-optic materials for high-speed internet connecting the world



Strategy - Growth & Value

Capturing opportunities in Sustainable Living



Strategic ambitions

- Above-market sales growth, resulting in ~5% sales growth
- Adj. EBITDA margin 18-20%
- High single-digit % annual Adjusted EBITDA growth

Enhanced by programs

- Global customer centricity
- Commercialization of large innovation programs

Customer centricity focused on delivering organic growth



Commercialization of large innovation programs



New biomedical products
Tissue repair
Ophthalmology



3D Printing - Additives
New world manufacturing



Advanced solar materials
Coatings/ Backsheets



Niaga®
Redesign for full circular



Enzymes/Yeasts
1.5-2G bio-ethanol



High performance materials
ForTii®, Stanyl®, Arnitel®
Next generation high performance polymers

Programs combined leading to:
Expected Sales after 2020: ~€250m and expected Adj. EBITDA after 2020: ~€100m

Future-proofing Materials through focus on Sustainable Living

Growth driven by winning segments:



Focus on capturing growth from macro themes & SDG's, well aligned with DSM's strengths in Sustainable Living:

1. Improved Health & Living
2. Green Products & Applications
3. New Mobility & Connectivity



Substitution, Sustainability & Innovation



Growth enhanced by:



Commercialization large innovation programs



Customer centricity and agility programs



~5% annual organic sales growth



High single-digit annual Adj. EBITDA growth



Adj. EBITDA margin of 18-20%

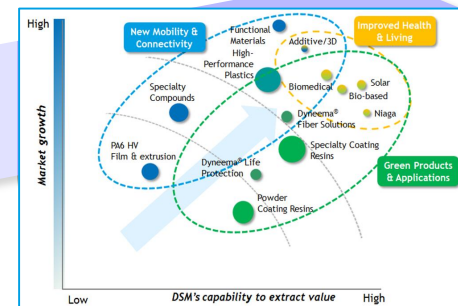
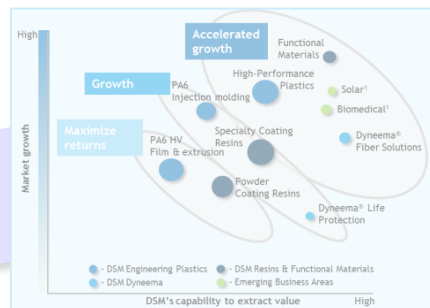
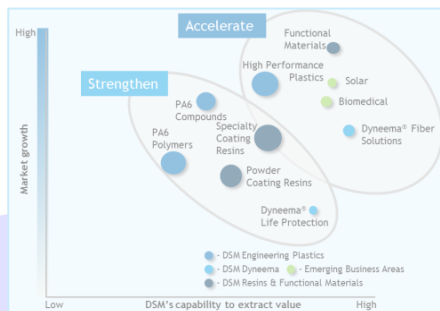
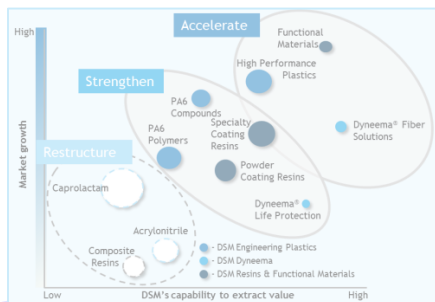
The successful journey continues

2010-2013

2014-2015

2016-2018

2018-2021



Divest



Portfolio restructuring
Exit of Bulk Chemicals

Value



Portfolio upgrade

Grow



Differentiated approach to
drive growth

Growth & Value

Focus on higher-growth,
higher-margin applications



BRIGHT SCIENCE. BRIGHTER LIVING.™