Presentation to Investors

H1 2023 Results

August 2, 2023

dsm-firmenich

Co-CEOs statement

Dimitri de Vreeze
Co-CEO & COO

Geraldine Matchett
Co-CEO & CFO

"We are well advanced in the integration phase of the merger and excited by the positive response of customers to our enhanced business proposition, giving us even greater confidence in the delivery of our synergy targets. The performance of our Perfumery & Beauty and Taste, Texture & Health units in the first six months demonstrates the quality of these businesses and the synergy potential of the merger.

As communicated in our trading update of June 28, 2023, market conditions in our vitamin activities weakened throughout the first half, impacting in particular Animal Nutrition & Health, leading to an acceleration of our plans aimed primarily at structurally improving the earnings quality and reducing the volatility of our vitamins business. We expect these measures to deliver savings of around €200m annually. These are on top of our integration synergy cost savings.

Through principally the quality of our core activities, our targeted synergies and the decisive and impactful actions recently announced, we are confident that we will realize our mid-term financial targets. All of this is underpinned by the attractive opportunities presented by our highly complementary portfolio of ingredients, science and technologies enabling us to deliver superior innovation-led growth as the world leader in nutrition, health and beauty."

Innovators in health, nutrition and beauty

~30,000

passionate, talented, and diverse people in our global team

150+ years

of combined scientific discovery and innovation heritage

€12+ bn

combined revenue

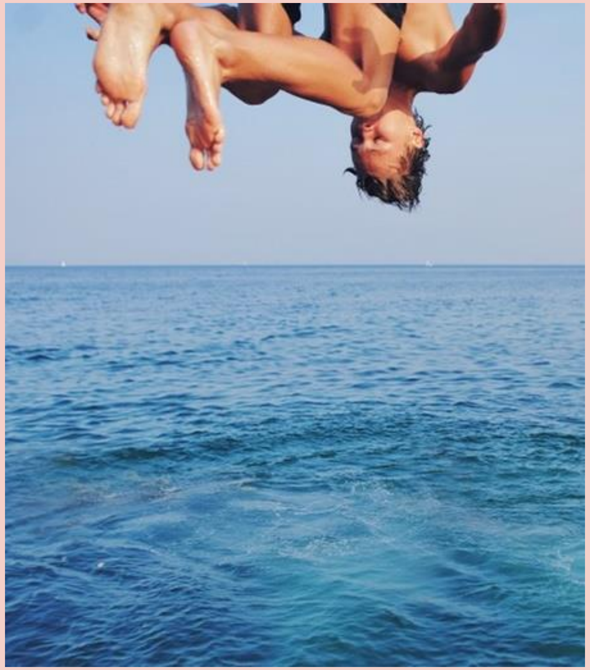
Four high-performing and complementary businesses

Perfumery & Beauty (P&B)

30%

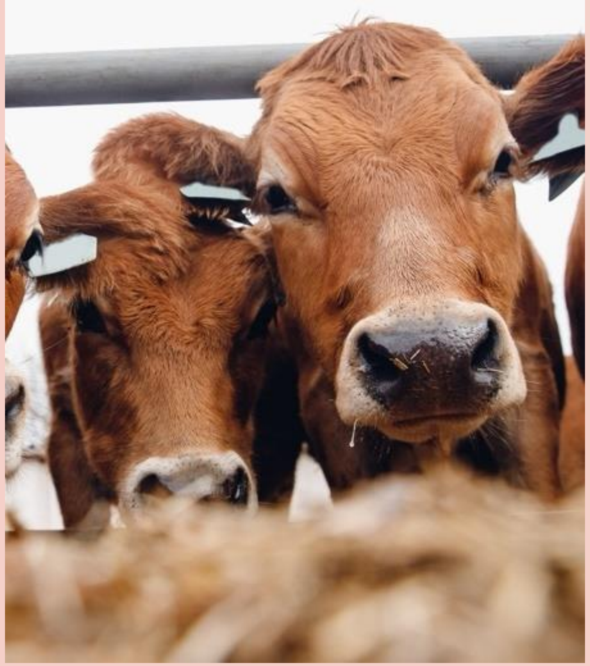
Taste, Texture & Health (TTH)

25%



Health, Nutrition & Care (HNC)

19%



Animal Nutrition & Health (ANH)

26%

% of H1 2023 pro forma revenues

H1 2023 highlights

- DSM and Firmenich merger successfully completed on May 8, 2023
- Integration progressing in-line with plan, with initial benefits of synergies already being delivered
- Perfumery & Beauty and Taste, Texture & Health delivered good performances in a volatile macro-economic environment
- Weak vitamin market conditions primarily affected Animal Nutrition & Health, but also, to a lesser extent, Health, Nutrition & Care, leading to an acceleration of plans to structurally improve performance

Financial highlights on a pro forma basis[1]

Perfumery & Beauty and Taste, Texture & Health delivered good performances. Animal Nutrition & Health was significantly impacted by low vitamin prices, which also affected, but to a lesser extent, Health Nutrition & Care

The first half Adj. EBITDA reflects an estimated vitamin effect of around €200 million and a negative FX impact

Sales

H1 2023	Q2 2023
€6,152m	€3,030m
5% lower	9% lower

Organic Sales Growth

H1 2023	Q2 2023
-5%	-7%

Adj. EBITDA

H1 2023	Q2 2023
€929m	€408m
21% lower	30% lower

Adj. EBITDA Margin

H1 2023	Q2 2023
15.1%	13.5%
-300bps	-400bps

---

[1] Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred on January 1, 2022, and with purchase price allocation adjustments included as of May 8, 2023. The pro forma figures represent the results from continuing operations - please also refer to the section Definitions.

Outlook for FY 2023

dsm-firmenich expects on a pro forma basis:

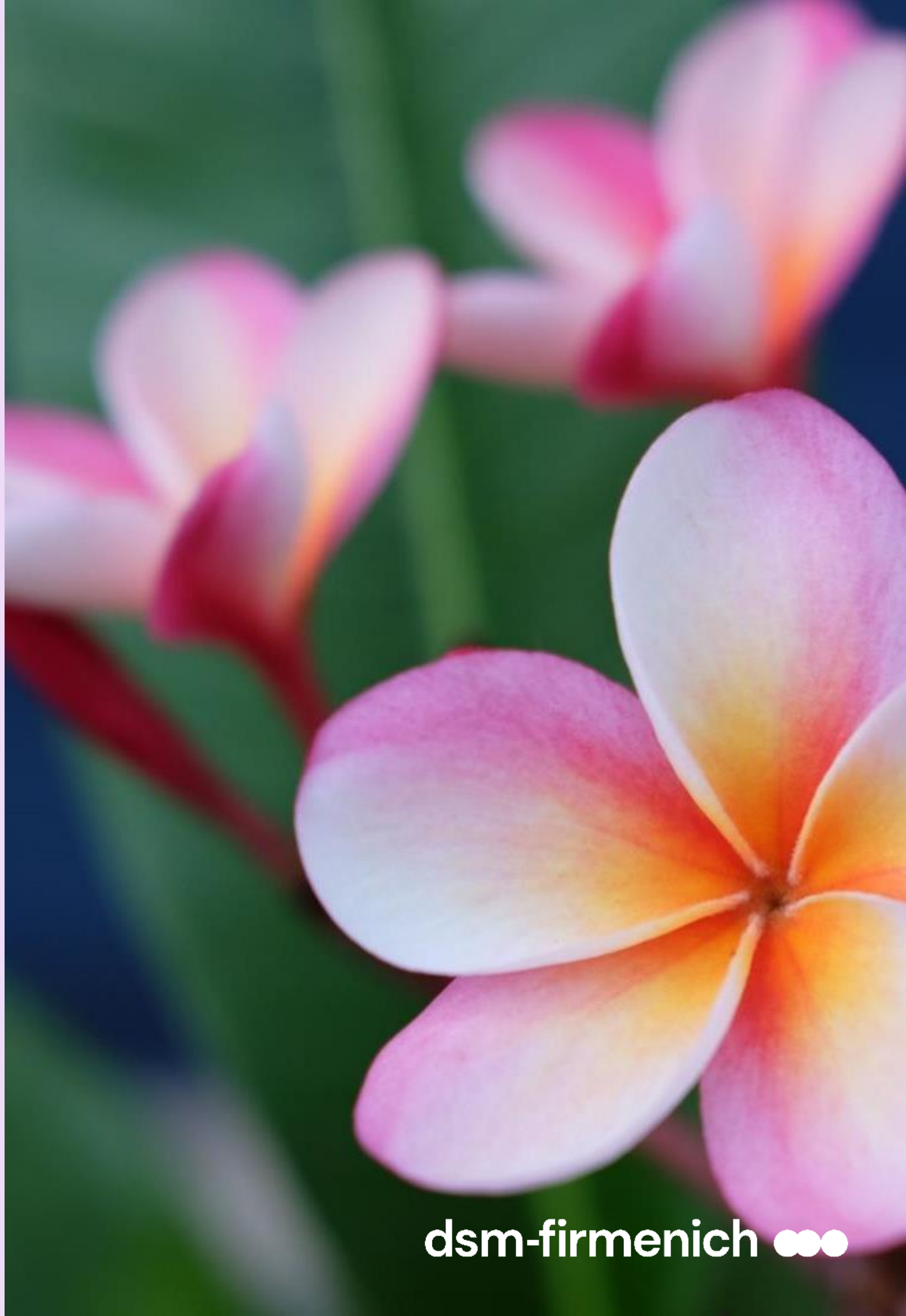
Adj. EBITDA 2023
€1,800–1,900m

Within this outlook, the company estimates a negative vitamin effect on full year Adj. EBITDA of about €400 million and a negative foreign exchange effect of about €100 million

Perfumery & Beauty (P&B)[1]

H1 Organic Sales Growth	H1 Adj. EBITDA	H1 Adj. EBITDA margin	Q2 Organic Sales Growth
0%	+4%	+80bps	-2%
€1,875m	€379m	20.2%	€903m

- Flat organic growth, with mid-single digit higher pricing, to counter higher input costs, offset by lower volumes in Ingredients
- Good performance in **Perfumery**, with strong growth in Fine Fragrances and solid growth in Consumer Fragrances
- **Ingredients** was weak, owing to destocking and the shutdown of the Pinova plant in Georgia, US in Q2 2023
- **Personal Care** performed well with good demand
- **Adj. EBITDA** up 4% vs H1 2022, despite negative FX, supported by strong pricing and continuous cost control. **Adj. EBITDA margin** up 80bps to 20.2%



---

[1] Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred on January 1, 2022, and with purchase price allocation adjustments included as of May 8, 2023. The pro forma figures represent the results from continuing operations - please also refer to the section Definitions in the H1 2023 Press Release

Innovations in Perfume & Beauty

EcoScent Compass® Next Generation

Enhanced sustainability data and greater traceability via digitalization

Sylvergreen™ innovation program

Sustainable transformation of ingredients palette

SkinPositive™ Biome

Fragrances that are gentle to the skin

Taste, Texture & Health (TTH)[1]

H1 Organic Sales Growth	H1 Adj. EBITDA	H1 Adj. EBITDA margin	Q2 Organic Sales Growth
+1%	+7%	+120bps	-2%
€1,533m	€289m	18.9%	€761m

- Mid-single digit price increase almost fully offset by lower volumes
- **Taste** delivered a strong performance, more than offsetting a decline in **Ingredients Solutions**
- Solid conditions in key markets, incl. beverages, confectionary, fresh bakery & cereals, albeit with ongoing destocking across the board
- In Ingredients Solutions: solid performance in enzymes and cultures, while nutrients, yeast extracts and colorants were weak. Volumes impacted by deliberate decision to step away from some low-margin business
- **Adj. EBITDA** up 7% vs H1 2022, despite negative FX. **Adj. EBITDA margin** up 120bps to 18.9% driven by strong pricing and strong growth in Taste

---

[1] Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred on January 1, 2022, and with purchase price allocation adjustments included as of May 8, 2023. The pro forma figures represent the results from continuing operations - please also refer to the section Definitions in the H1 2023 Press Release

Innovations in Taste, Texture & Health

TasteGEM®, ModulaSENSE®, and TastePRINT®
Removing calories from consumers' diets

SmartProteins® 3D Masking
Solutions to address specific off-notes in meat alternatives

Eversweet®
Advanced sugar reduction solutions with sustainable stevia

Health, Nutrition & Care (HNC)[1]

H1 Organic Sales Growth	H1 Adj. EBITDA	H1 Adj. EBITDA margin	Q2 Organic Sales Growth
-5%	-18%	-300 bps	-7%
€1,144m	€220m	19.2%	€562m

- High-single digit volume decline from continued destocking across various market segments, as well as stepping away from some low-priced vitamin sales. Prices up low-single digits to compensate for higher costs, albeit largely offset by lower prices in vitamins

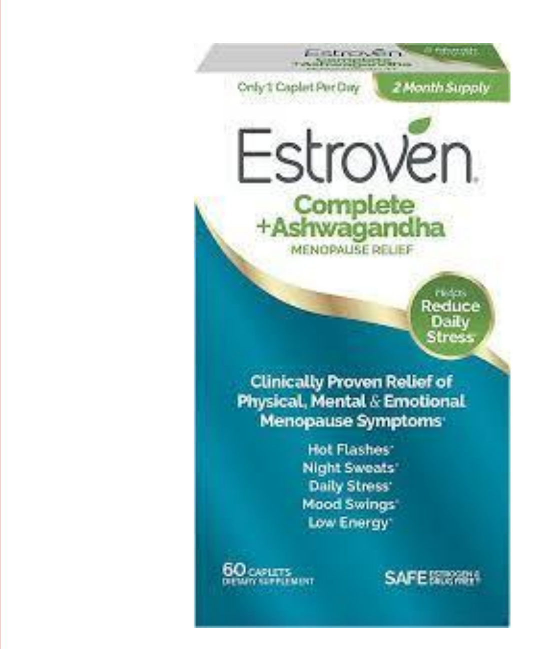
- **Dietary Supplements** remained weak, **i-Health** continued to deliver a solid performance with its gut health, brain health and women's health solutions in a growing market. **Pharma** was down on a tough year-on-year comparison. **Medical Nutrition** was good and **Biomedical** was very strong. **Early Life Nutrition** had a challenging comparable period. HMOs saw strong customer interest and is expecting regulatory approval in H2 2023

- **Adj. EBITDA** down 18% y-o-y, with a vitamin effect of roughly €50m, resulting in a drop in **Adj. EBITDA margins** to 19.2%

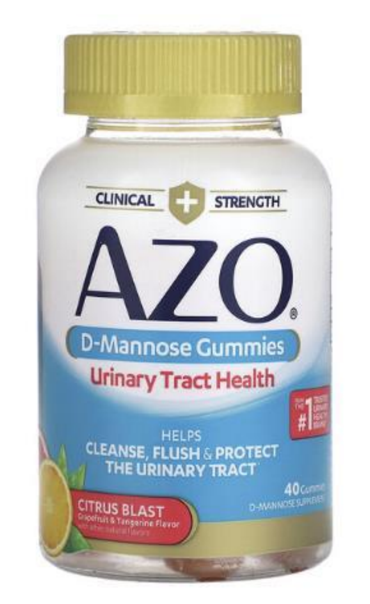
---

[1] Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred on January 1, 2022, and with purchase price allocation adjustments included as of May 8, 2023. The pro forma figures represent the results from continuing operations - please also refer to the section Definitions in the H1 2023 Press Release

Innovations in Health, Nutrition & Care



Estroven Complete+ Ashwagandha
Addresses menopausal symptoms and symptoms such as stress, fatigue and sleeplessness



AZO d-Mannose
Gummies offering additional protection to manage women's everyday urinary health

Adare Biome
Pioneer in the development and manufacturing of postbiotics
Acquisition completed
July 3, 2023

Animal Nutrition & Health (ANH)[1]

H1 Organic Sales Growth	H1 Adj. EBITDA	H1 Adj. EBITDA margin	Q2 Organic Sales Growth
-14%	-73%	-1170 bps	-16%
€1,571m	€85m	5.4%	€786m

- Pricing down mid-single digit, volumes down high-single digit, due to oversupply in a weak market, with soft feed demand particularly in China
- While animal protein consumption has remained resilient overall in a strong inflationary environment, farmers' economics remained under pressure, leading to extreme destocking. These conditions very negatively impacted ANH's straight vitamin sales
- In response to the weakening of vitamin prices, dsm-firmenich decided to accelerate a series of **actions to restructure its vitamin business**, see page 22
- Performance solutions, incl. enzymes, gut health solutions, and mycotoxin management, performed well, delivering higher volumes and prices
- **Adj. EBITDA** down 73% year-on-year, with a vitamin effect of at least €150m. **Adj. EBITDA margin** declined to 5.4%

---

[1] Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred on January 1, 2022, and with purchase price allocation adjustments included as of May 8, 2023. The pro forma figures represent the results from continuing operations - please also refer to the section Definitions in the H1 2023 Press Release

Innovations in Animal Nutrition & Health

Hiphorius, Proact 360,and **Balancius®,** innovations, all improving nutrient utilization and animal gut health

Bovaer®
Good progress, with successful global pilot projects and long-term agreements. First production from Scotland expected for 2025

Veramaris®
Strong demand for sustainable algae-derived omega-3 for salmon, pet food and human nutrition

Other financial highlights H1 2023 on a pro forma basis[1]

€0.87

Core Adj. Earnings per Share compared to €2.14 in H1 2022

5.6%

Core Return on Capital Employed down from 9.4% in H1 2022 due to lower Core Adj. EBIT and higher average Core Capital Employed

€3,321m

Total Working Capital, 27.4% of sales (vs H1 2022: 23.4%), up on inventories

€285m

Adj. Gross Operating Free Cash Flow impacted by the decrease in Adj. EBITDA and increase in operating working capital

€1,831m

Net Debt end of H1, (IFRS definition) is excluding ““hybrid note” and dividend payment (executed in July’23)

---

[1] Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred on January 1, 2022, and with purchase price allocation adjustments included as of May 8, 2023. The pro forma figures represent the results from continuing operations - please also refer to the section Definitions in the H1 2023 Press Release

Sustainability – integrating two industry leaders - Planet

GHG scope 1+2 emissions (Absolute) **reduction** 59% by 2030

GHG scope 3 emissions (Intensity) **reduction** 28% by 2030

Purchased renewable electricity 100% by 2030

GHG scope 1&2 emissions (Absolute) 50% reduction by 2025

GHG scope 3 emissions (Absolute) 8% reduction by 2025

Purchased renewable electricity 100% by 2025

dsm-firmenich H1 2023 realization @ DSM

-35%
vs 2016

-8%
vs 2016

80%

dsm-firmenich H1 2023 realization @ Firmenich

-37%
vs 2017

-1%
vs 2021
(Cat 1)

100%

Sustainability – integrating two industry leaders - Proud People

Safety & Health

New **Safety, Health, Environment and Security (SHE&S)** organization

Employee engagement

dsm-firmenich remains committed to addressing concerns, ensuring transparency, and supporting everyone throughout the transition period

PRIDE

83% of employees are proud to be part of dsm-firmenich.

WORK ENGAGEMENT

82% of employees feel passionate about their work and find it meaningful.

MANAGER

75% of employees are positive about their line manager.

Sustainable Portfolio Steering

dsm-firmenich is currently evaluating its **Sustainable Portfolio Steering (SPS)** methodology to ensure it is fitting the market environment of the newly formed company

Our purpose

We bring progress to life

dsm-firmenich on one page

We bring progress to life

Essential
NEED

Desirable
WANT

Sustainable
MUST

Together, with our customers

Shape the future

Be a force for good

Own the outcome

Synergies - driving substantial value creation with low integration risk

Revenue Synergy Breakdown

60%	Taste, Texture & Health
25%	Health, Nutrition & Care
15%	Perfumery & Beauty

Substantial Value Creation

Revenue synergies	~€500m Sales ~50 – 60%
+	
Cost synergies	~40 – 50%
=	
Total run-rate synergies	~€350m Adjusted EBITDA
Delivery phasing*	Revenue synergies at run-rate by year 4 / cost synergies by year 3
Implementation costs	~€250m

Gradual ramp up in run-rate expected to start from 2023

Vitamin transformation program: acceleration of strategic actions

dsm-firmenich will **accelerate actions to increase the earnings quality** by reducing its exposure to vitamins and resulting earnings volatility

Prioritize

Adaptation of ANH strategy

Organization

New separate vitamin unit

Asset

Vitamin footprint restructuring

Cash

Working capital reduction

Program

Vitamin Transformation Director

Estimated savings of around **€200 million per year** with the run rate to be reached by the end of 2024*

* These savings will be in addition to the €350m Adj. EBITDA merger synergies target

dsm-firmenich is confident it will realize its mid-term financial targets

Mid-Term Financial Objectives		
	Sales	Mid-single digit percentage of organic sales growth moving to a 5-7% range, supported by revenue synergies and innovations
	EBITDA	Adjusted EBITDA Margin moving to the 22-23% range, supported by synergies and innovations

Financial Policy		
	Balance sheet	Net debt/Adjusted EBITDA ratio of 1.5-2.5x Commitment to a strong investment grade credit rating
	Dividends	Average dividend pay-out of 40–60% of total net income

[This slide has been added to the presentation to investors on August 7, 2023]

Annex

H2 Cash flow and Net Debt projection based on adj. EBITDA outlook guidance (August 2, 2023)

[This slide has been added to the presentation to investors on August 7, 2023]

IFRS Net debt end of H1 2023	€1.8bn[1]	
Adj. Gross Operating Free Cash Flow	**€0.55-0.6bn**	Operating cash generation (Adj. EBITDA, OWC, Capex)
- Income Tax	(€0.1bn)	
Adj. Net Operating Free Cash Flow	**€0.45-0.5bn**	
- APM (merger costs, integration, vitamin program)[2]	(€0.4bn)	Depending on phasing APM cash spend, likely to be closer to (€0.2bn) in H2 2023
- Dividend	(€0.4bn)	
- Other	(€0.2bn)	Including interest, hedging management share plans, leases, associates/JVs
Free Cash Flow	**(€0.5)-(0.55bn)**	
- Buy-Out of remaining DSM BV shareholders[3]	(€0.8bn)	Timing dependent on legal procedure; can be H2 2023 or 2024
- PM: Small acquisitions	(€0.2bn)	Placeholder for potential buy-out of minority positions in dsm-firmenich subsidiaries
- Divestment	(€0.1bn)	Remaining costs and taxes related to Materials divestment
Net Cash Flow	**(€1.6)-(1.65bn)**	
Projected IFRS Net debt end of H2 2023	**€3.4-3.5bn**	Note: the cash-outflow on APM's could likely be €0.2bn lower in H2 2023 (phasing). Furthermore, the cash-outflows of €0.2bn for potential small acquisitions and €0.8bn for the Buy-Out could likely be in 2024. Timing of these one-off items can significantly lower the projected end of year 2023 IFRS net debt

[1] Per IFRS definition, the Net Debt excludes the €750m "Hybrid note". The cash-out of Adare Biome acquisition occurred in Q2 2023, and is therefore included in the H1 2023 Net Debt

[2] Merger related APM/exceptional costs are about €550m (of which about €300m transaction related costs and about €250m integration synergy costs), and another €200m APM are related the to the vitamin restructuring program, over the period 2023-2025. Of this about in total €750m, €0.2bn have already been spent in period 2022-2023 H1 and are therefore included in H1 2023 Net Debt. For H2 2023, €0.4bn cash outflow has been budgeted, though it is likely, dependent on phasing, that the figure will be closer to €0.2bn in H2 2023

[3] On May 25, 2023, dsm-firmenich executed a share placement of 6.7 million ordinary shares that had been created at the incorporation of dsm-firmenich, but which had not been tendered for by DSM NV shareholders. dsm-firmenich intends to use these total proceeds of €733 million (included in H1 2023 Net Debt) to fund the cash consideration payable in relation to the buy-out procedure of the DSM NV shareholders that had not tendered

This presentation may contain forward-looking statements with respect to dsm-firmenich's future performance and position. Such statements are based on current expectations, estimates and projections of dsm-firmenich and information currently available to the company. dsm-firmenich 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-firmenich 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 and may contain information from various sources meant for illustrative purposes only

More details on dsm-firmenich's H1 2023 performance can be found in the H1 2023 results press release. A more comprehensive discussion of the risk factors affecting dsm-firmenich's business can be found on the company's corporate website, www.dsm-firmenich.com

This presentation to Investors includes information that is presented on a pro forma basis ('pro forma figures') as well as other alternative performance measures (APMs), and information that is presented in accordance with IFRS as issued by the International Accounting Standard Board ('IFRS figures').

We bring progress to life™

dsm-firmenich