

Presentation to Investors

Q3 2024 trading update

October 31, 2024

dsm-firmenich 

Highlights Q3 2024

- Strong improvement of financial results
- Synergies and vitamin transformation programs firmly on track
- Animal Nutrition & Health separation well advanced
- Strategic portfolio fine-tuning progressing with the sale of marine lipids and yeast extracts
- Ambitious net-zero emissions targets validated by the Science Based Targets initiative
- Higher vitamin prices reflected in Animal Nutrition & Health results as of Q4
- Step-up in adjusted gross operating free cash flow
- Outlook increased: Adjusted EBITDA towards €2.1 billion

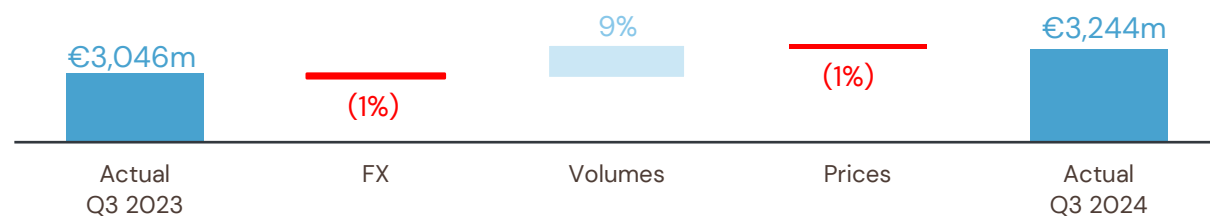


Q3 2024 Group financials

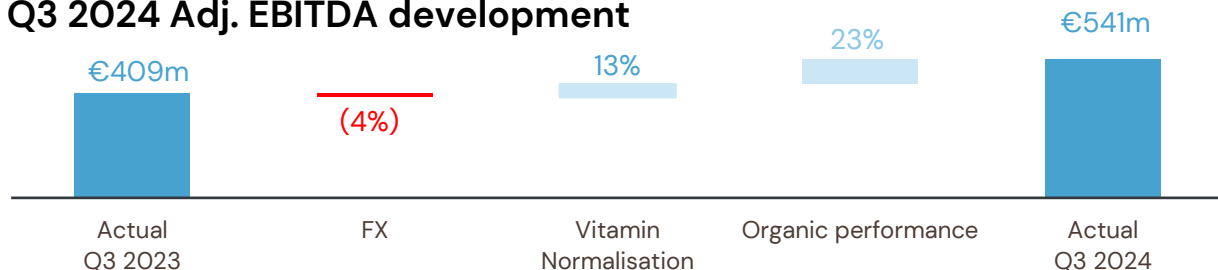
Key financials

in €m	Actual Q3 2024	Actual Q3 2023	% Change
Sales	3,244	3,046	7
Organic sales growth (%)	8		
Adj. EBITDA	541	409	32
Adj. EBITDA margin (%)	16.7	13.4	

Q3 2024 sales development



Q3 2024 Adj. EBITDA development



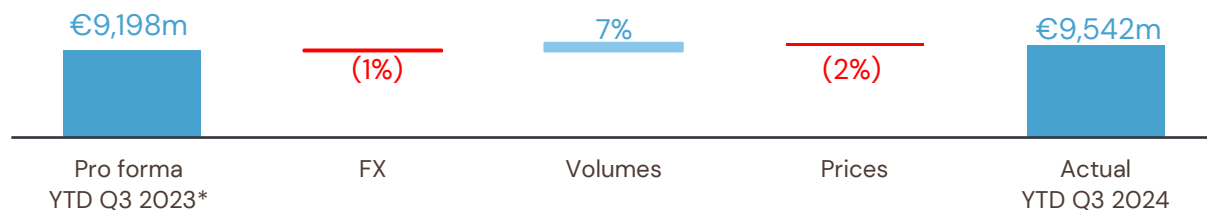
- Strong 8% **organic sales growth**
 - ✓ Strong performance in Perfumery & Beauty and in Taste, Texture & Health
 - ✓ Gradual improvement in Health, Nutrition & Care
 - ✓ Significant step-up in results in Animal Nutrition & Health
 - ✓ Q3 supply disruption in vitamin industry had very limited impact on Q3 results, but will support Q4
- **Adj. EBITDA:** up 32% versus Q3 2023 with:
 - ✓ About €55m from the vitamin transformation program and the merger synergies
 - ✓ About €50m from “normalization of vitamin profitability”
 - ✓ Very limited contribution from vitamin supply disruption
 - ✓ About minus €15m in FX
- **Adj. EBITDA margin:** 16.7%, up 330bps

YTD Q3 2024 Group financials

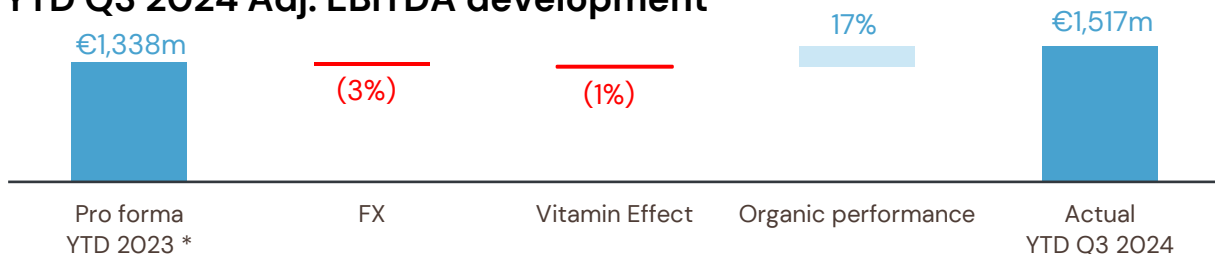
Key financials

in €m	Actual YTD Q3 2024	Pro forma YTD Q3 2023	% Change
Sales	9,542	9,198	4
Organic sales growth (%)	5		
Adj. EBITDA	1,517	1,338	13
Adj. EBITDA margin (%)	15.9	14.5	

Q3 YTD 2024 sales development



YTD Q3 2024 Adj. EBITDA development



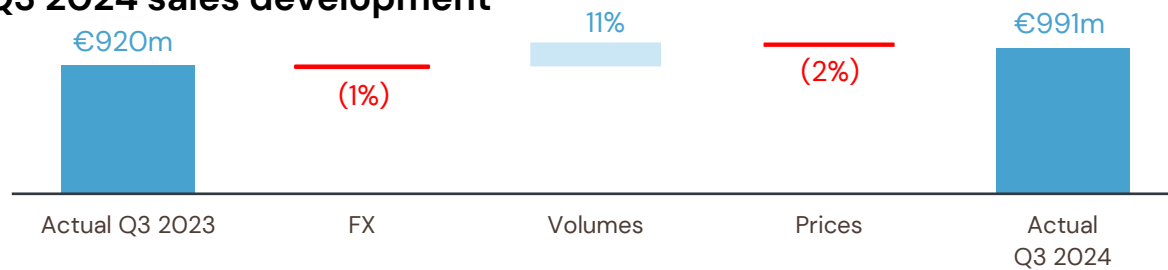
- 5% YTD **organic sales growth**, driven by 7% volume growth
 - ✓ Strong performance in Perfumery & Beauty and in Taste, Texture & Health
 - ✓ Gradual improvement in Health, Nutrition & Care
 - ✓ Increasing profitability in Animal Nutrition & Health
- **Adj. EBITDA**: up 13% versus YTD Q3 2023 with:
 - ✓ About €150m from the vitamin transformation program and the merger synergies
 - ✓ Limited vitamin impact YTD
 - ✓ About minus €40m in FX
- **Adj. EBITDA margin**: 15.9% YTD Q3, a 140-bps step-up versus same period last year
- Good step up in **Adj. gross operating free cash flow** to €879 million

Q3 2024 Perfumery & Beauty

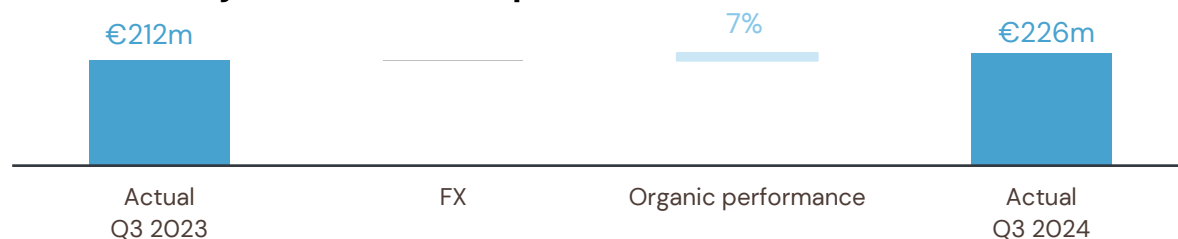
Key financials

in €m	Actual Q3 2024	Actual Q3 2023	% Change
Sales	991	920	8
Organic sales growth (%)	9		
Adj. EBITDA	226	212	7
Adj. EBITDA margin (%)	22.8	23.0	

Q3 2024 sales development



Q3 2024 Adj. EBITDA development



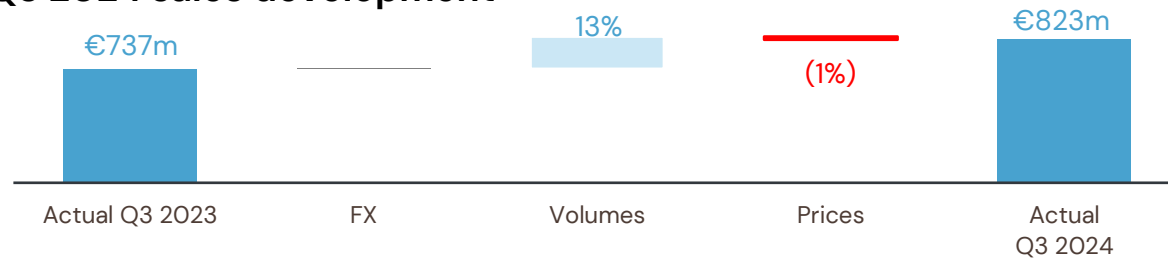
- Third consecutive strong quarter for P&B
- **Organic sales growth** of 9%, with 11% higher volumes
- Perfumery recorded continued strength in both Fine Fragrances and Consumer Fragrances, supported by customers seeking greater product superiority
- Beauty & Care had a solid quarter, and Ingredients saw good demand across all end-use segments
- **Adj. EBITDA** up 7%, driven by strong organic sales growth and the contribution from synergies
- **Adj. EBITDA margin** of 22.8% was in line with the prior year period, supported by a positive product mix

Q3 2024 Taste, Texture & Health

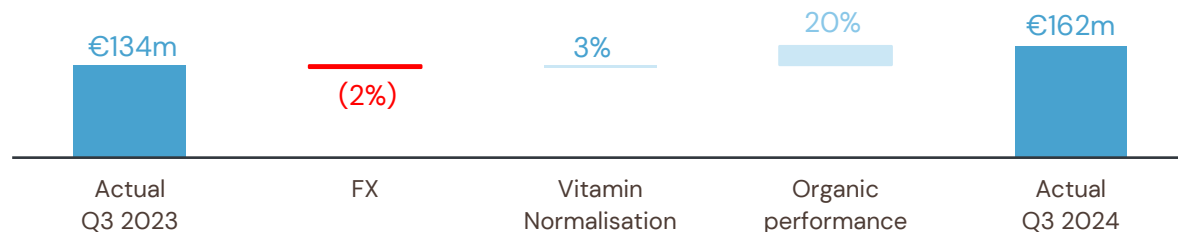
Key financials

in €m	Actual Q3 2024	Actual Q3 2023	% Change
Sales	823	737	12
Organic sales growth (%)	12		
Adj. EBITDA	162	134	21
Adj. EBITDA margin (%)	19.7	18.2	

Q3 2024 sales development



Q3 2024 Adj. EBITDA development

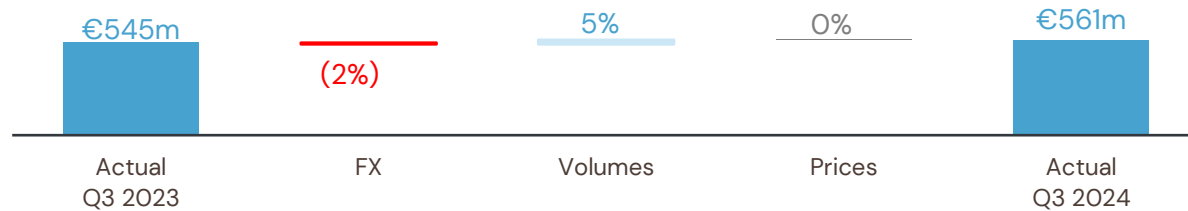


- Very strong quarter with **organic sales growth of 12%**, volume driven, across all geographies and account categories, and partly bolstered by catch-up effect after destocking last year
- Sales synergies continued to gain traction highlighting the strong rationale of combining Taste and Ingredients Solutions
- **Adj. EBITDA:** up 21% on higher volumes and synergies, and a small vitamin normalisation effect
- **Adj. EBITDA margin:** up 150 bps to 19.7%
- On October 1, 2024, the sale of the yeast extract business to Lesaffre was completed

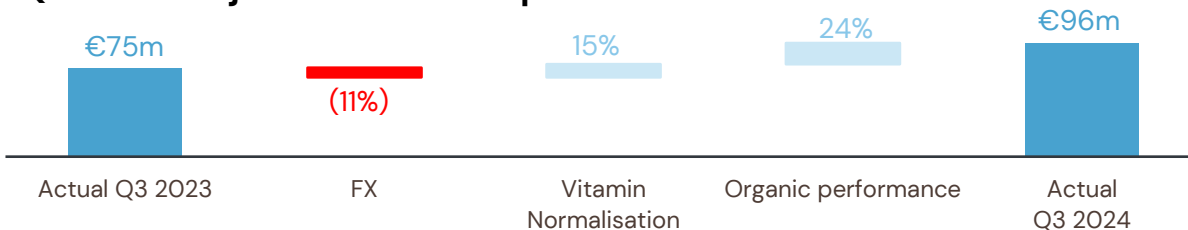
Q3 2024 Health, Nutrition & Care

in €m	Actual Q3 2024	Actual Q3 2023	% Change
Sales	561	545	3
Organic sales growth (%)	5		
Adj. EBITDA	96	75	28
Adj. EBITDA margin (%)	17.1	13.8	

Q3 2024 sales development



Q3 2024 Adj. EBITDA development



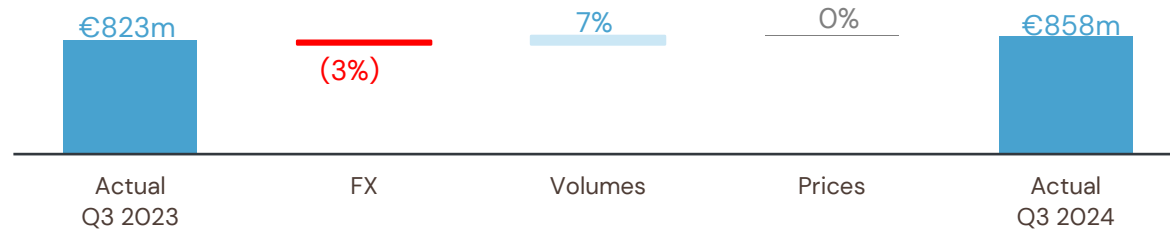
- Further gradual improvement in business conditions with **5% organic sales growth** fully driven by volumes
 - ✓ *Dietary Supplements*: good growth with improving demand for vitamins, minerals and algal omega-3 oils
 - ✓ *Early Life Nutrition*: good organic growth, but from a low prior year comparable level
 - ✓ *i-Health*: good performance, with especially strong demand in women's health
 - ✓ *Biomedical*: delivered a good performance
- **Adj. EBITDA**: up 28% on higher sales, synergies, the vitamin transformation program, and despite a negative FX. Q3 included some normalization of vitamin profitability
- **Adj. EBITDA margin**: up 330 bps to 17.1%.
- On September 30, 2024, the sale of the marine lipids (MEG-3®) business to KD Pharma Group SA was closed

Q3 2024 Animal Nutrition & Health

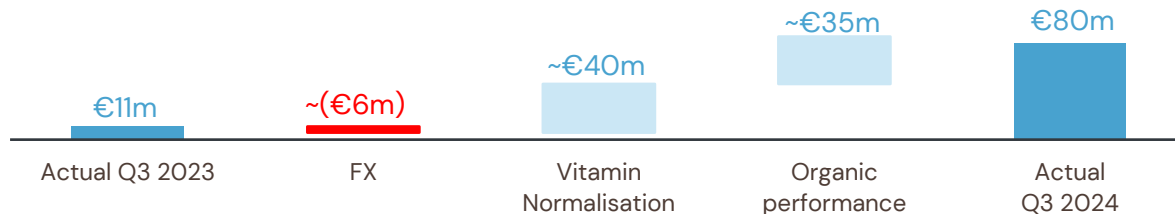
Key financials

in €m	Actual Q3 2024	Actual Q3 2023	% Change
Sales	858	823	4
Organic sales growth (%)	7		
Adj. EBITDA	80	11	627
Adj. EBITDA margin (%)	9.3	1.3	

Q3 2024 sales development



Q3 2024 Adj. EBITDA development



- Continued improvement, both in customer demand as well as in further normalization of vitamin profitability
- **Organic sales growth: 7%**, driven entirely by higher volumes
 - ✓ Premix business picking up good momentum. Demand for Performance Solutions strong with Bovaer® and Veramaris® doing particularly well
 - ✓ China's pork industry remained under pressure, poultry markets remained good, and ruminant business saw good growth and higher beef exports from LATAM
- Q3 supply disruption in vitamin industry had very limited impact on results
- **Adj. EBITDA:** increased to €80m, driven by the vitamin transformation program, higher sales, lower input costs, and some normalization of vitamin profitability. The strong profit increase was partly offset by plant shutdown costs and negative FX
- **Adj. EBITDA margin:** improved to 9.3%

Outlook for FY 2024 increased

During Q3 2024, the vitamin market experienced a supply disruption event. The resulting increase in some vitamin prices will lead to a significant temporary profit contribution of around €80 million in the fourth quarter

Consequently, the company increases its FY 2024 outlook and now expects:

Adjusted EBITDA towards €2.1 billion

2024 'housekeeping' for H2'24

- **D&A** – around €235m/quarter
- **PPA adjustments** – around €290m/year
- **Core Finex** – around €30m/quarter
- **Core Income Tax** – around 24%
- **Shares outstanding** – around 265m
- **Capex** – around €0.8bn



Coming soon

dsm-firmenich

Sustainability Investor Event

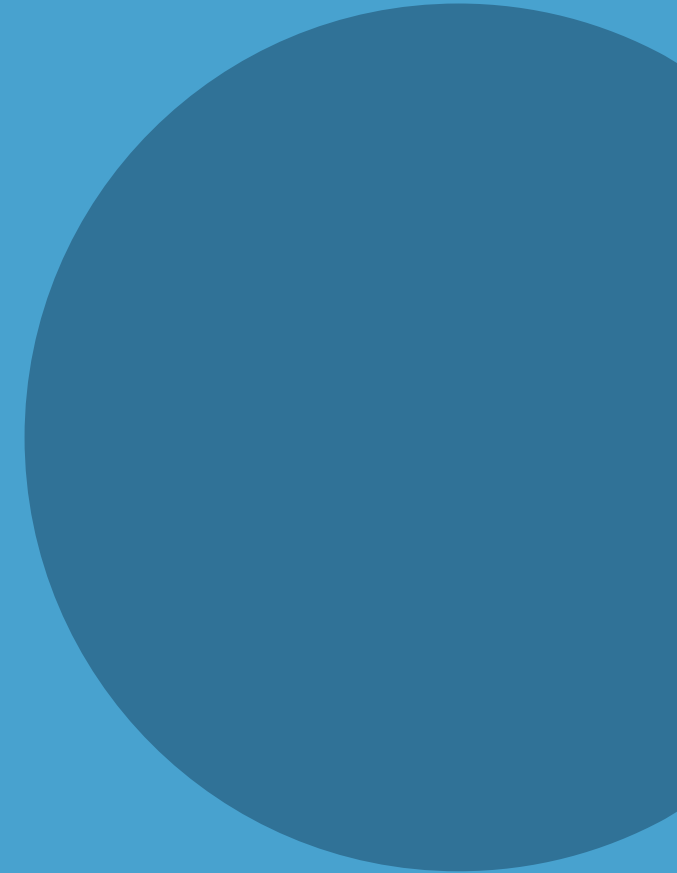
Manage ESG risk, best governance

Positive Societal & Environmental Impact

Sustainability as business driver

best in class performance on all 3 dimensions

Strategy



Our journey towards bringing progress to life

Dream



Bringing progress to life

By combining the Essential, Desirable & Sustainable

Merge



2 iconic companies coming together

Focus



Full focus on building a leading consumer company in Nutrition, Health & Beauty

Separating Animal Nutrition & Health

Tune



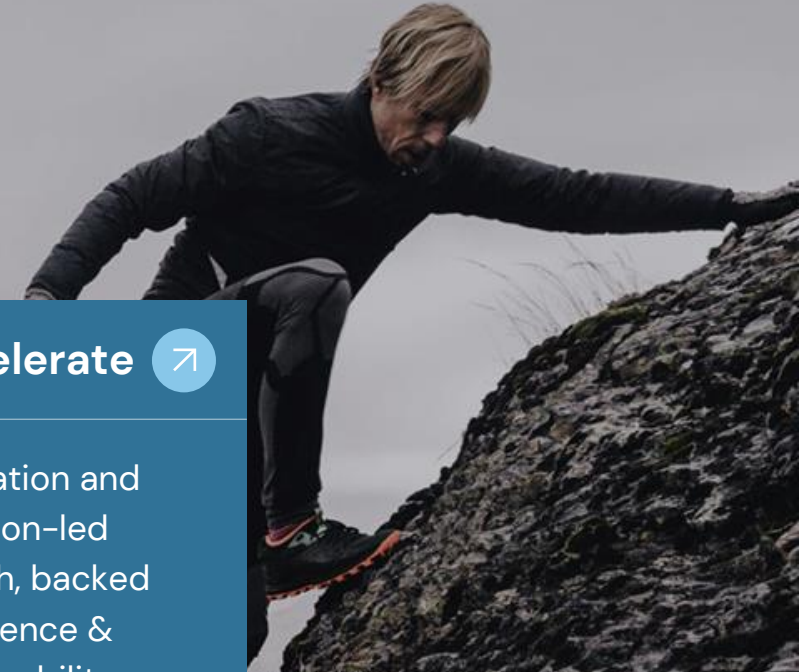
Prioritization of high growth, high margin segments with a calibrated steering approach

Accelerate



Innovation and Creation-led growth, backed by science & sustainability

A Category of One



We have been operating in a challenging macro environment...

Unprecedented dynamics in vitamins

High inflation environment

Changing geopolitical dynamics

Weak demand / Destocking

... and we took decisive and immediate actions



Integration acceleration

Seamless operations with one common Operating Model & culture

Acceleration of total run rate synergies of €350m



Vitamin transformation

Simpler 'Go-to Market model'

Capacity, cost and cash focus expected to contribute €200m



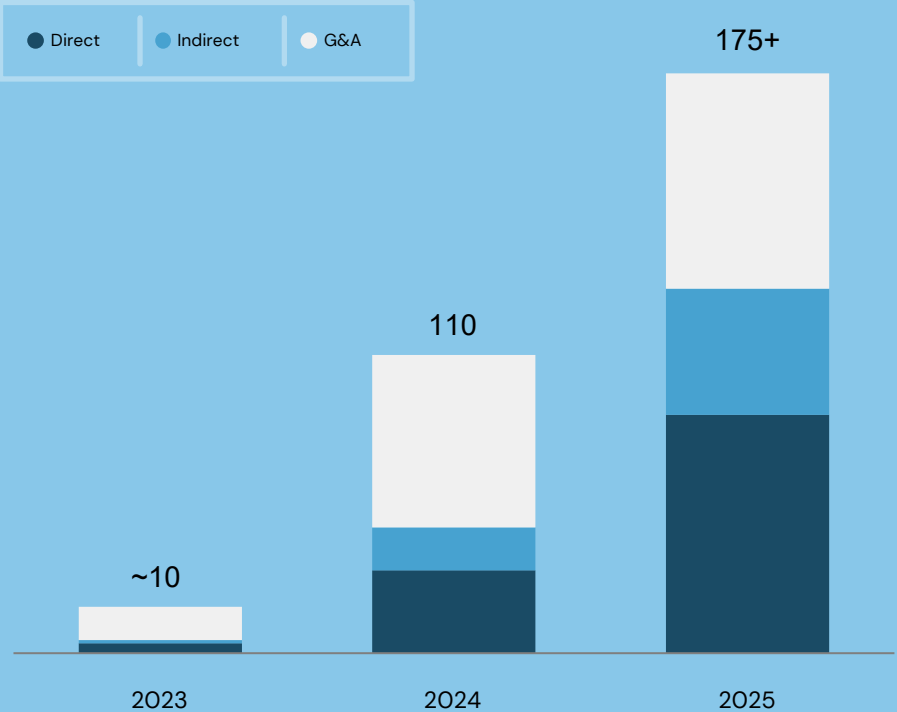
Portfolio review

Prioritization of high growth / higher margin segments

Separation of Animal Nutrition & Health

Cost synergy delivery with target delivery of €175+ million

Cumulative cost synergies, € million



Cost synergy implementation ahead of planning

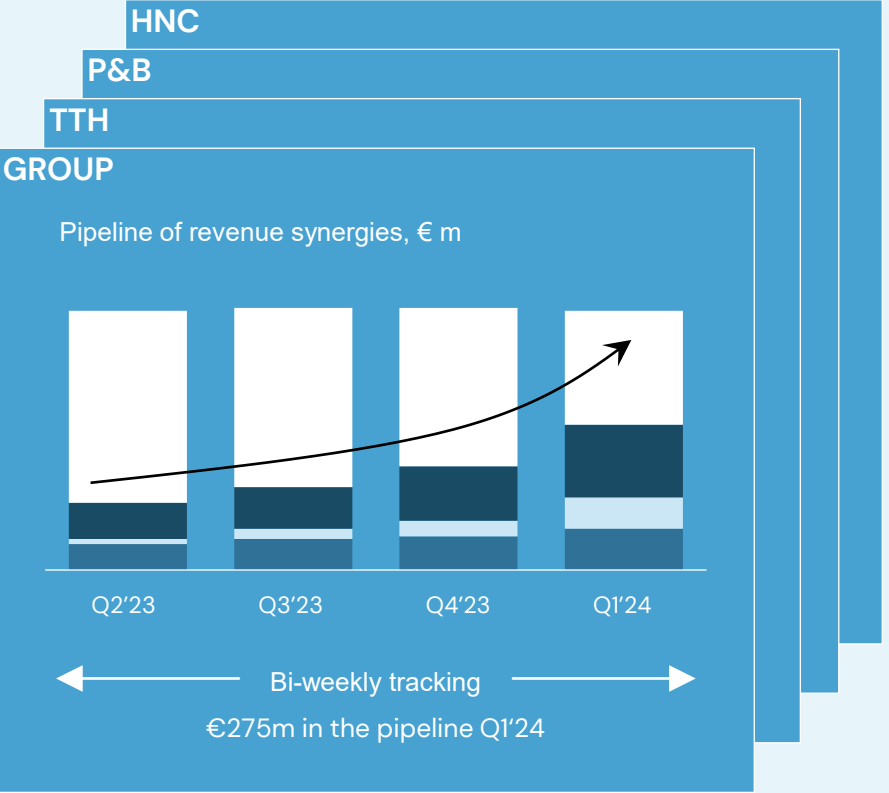
Examples include

-  **G&A: remove role duplications, leverage GES**
Remove management roles duplication, leverage Global Enterprise Services across both organizations, optimize costs
-  **Integration of insurance**
Merger of insurance policies, leveraging scale to negotiate better policies
-  **Renegotiation of supplier contracts**
All purchasing categories in scope. Supply Chain Warehousing / Logistics / Air Freight most important contributors to date

Strong progress on revenue synergy with customers

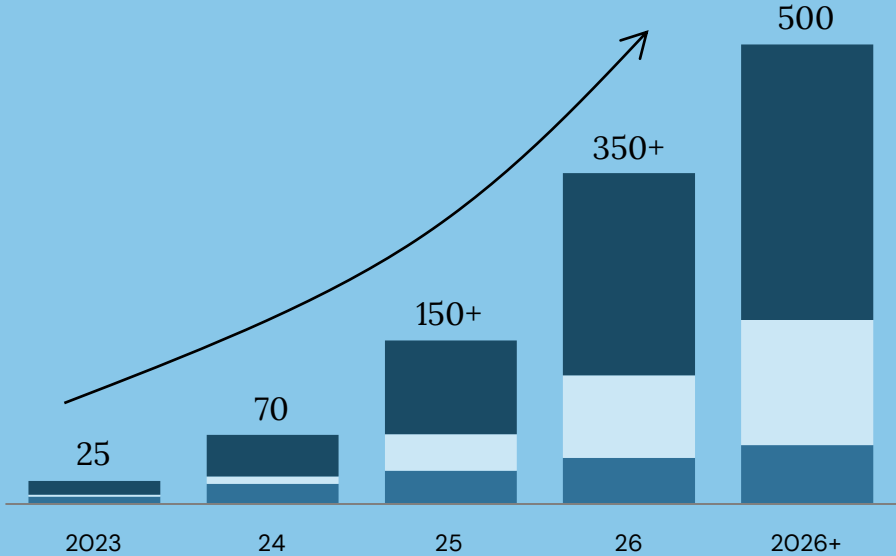


Strong pipeline of revenue synergies...



... translates into confidence to reach targets according to plan

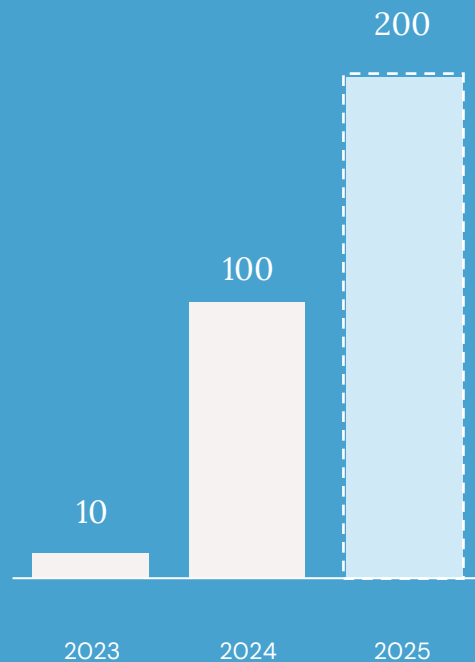
Revenue growth synergies, € m



All BUs significantly contributing to synergy delivery
Confidence with pipeline to deliver €70 m in 2024

Vitamin Transformation with €200m profit improvement, well under way

Cumulative profit improvement, € million



Optimization of site network

Vitamin B6 plant
Xinghuo closed

Vitamin C plant
Jiangshan closed

Premix sites optimization

Reduction of ~1,400 FTEs

Continued review
of our operations costs



Streamlined organization

More focused and agile
organization model
(creation of Vitamins
unit and demand vs
supply organization)

Reduction of ~500 FTEs

Cost optimization
program in place



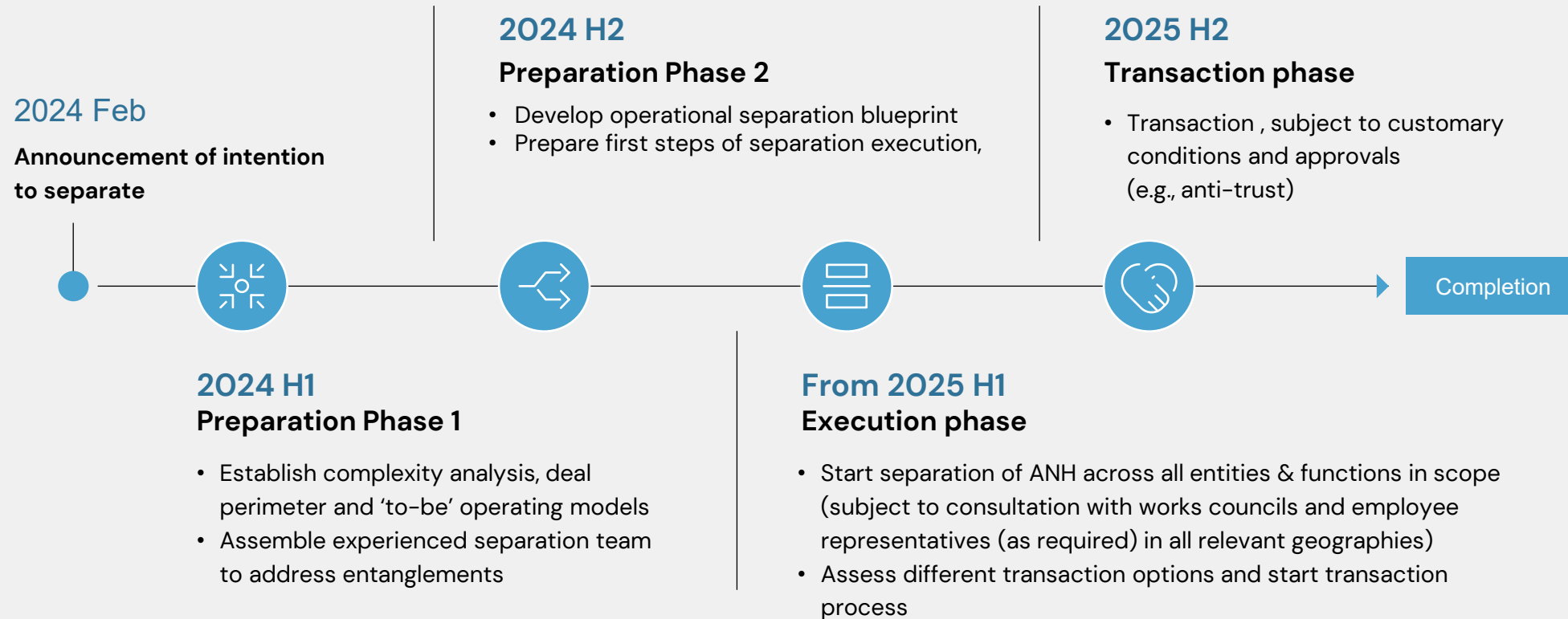
Improved cash management

Inventories reduced
by ~€100m through
extended production
site shut-downs, E2E
collaboration and tighter
sourcing practices

Improved cash flow by
stricter expenditure
controls and working
capital

ANH transaction in the course of 2025.

With ANH team focusing on delivering strong results



Separation & Transaction costs: First estimate of cost to complete separation and transaction is around ~€100m

Macro-trends give rise to holistic well-being, fueling market opportunities

Increasing focus on Lifespan vitality

Driven by growing older population (“>60s” from 12% to 22% by 2050) as well as by younger population

Growing awareness for Preventative healthcare

Fueling need for self-care amongst rising group of non-compromise consumers looking for clinically-proven, natural, convenient and sustainable solutions

Rising expectations around well-being

Further accelerated from a growing middle-class (>50% of world population by 2030) that commands increasing purchasing power



Of global consumers attribute high importance to a healthy, natural & clean diet, influencing the **Nutrition** space



Share of spend on preventative **Health** vs curing is expected to increase from 20% today to 50% in the future



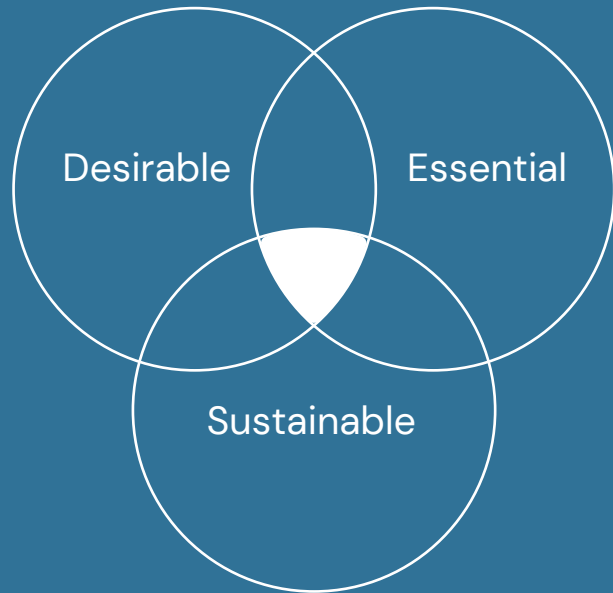
Demand for Fragrances & **Beauty** accelerating, with higher spend amongst younger generation – 73% of consumers saying scent is a purchase driver

Our purpose is to bring progress to life, combining what is essential, desirable and sustainable.

We live and feel that

We are a Category of One

We bring progress to life



We are innovators and creators in well-being

Nutrition



Health



Beauty



Fueled and backed by Science

Post separation, we will strengthen our leadership position in Nutrition, Health and Beauty

Well-being

Nutrition



Health



Beauty



Fueled and backed by Science

€9 bn

Sales

3

Complementary BUs

~21,000

Employees

~5%

OSG CAGR^{1,2}

~20%

Adj. EBITDA margin²

~7%

Sales in R&D

60

Countries

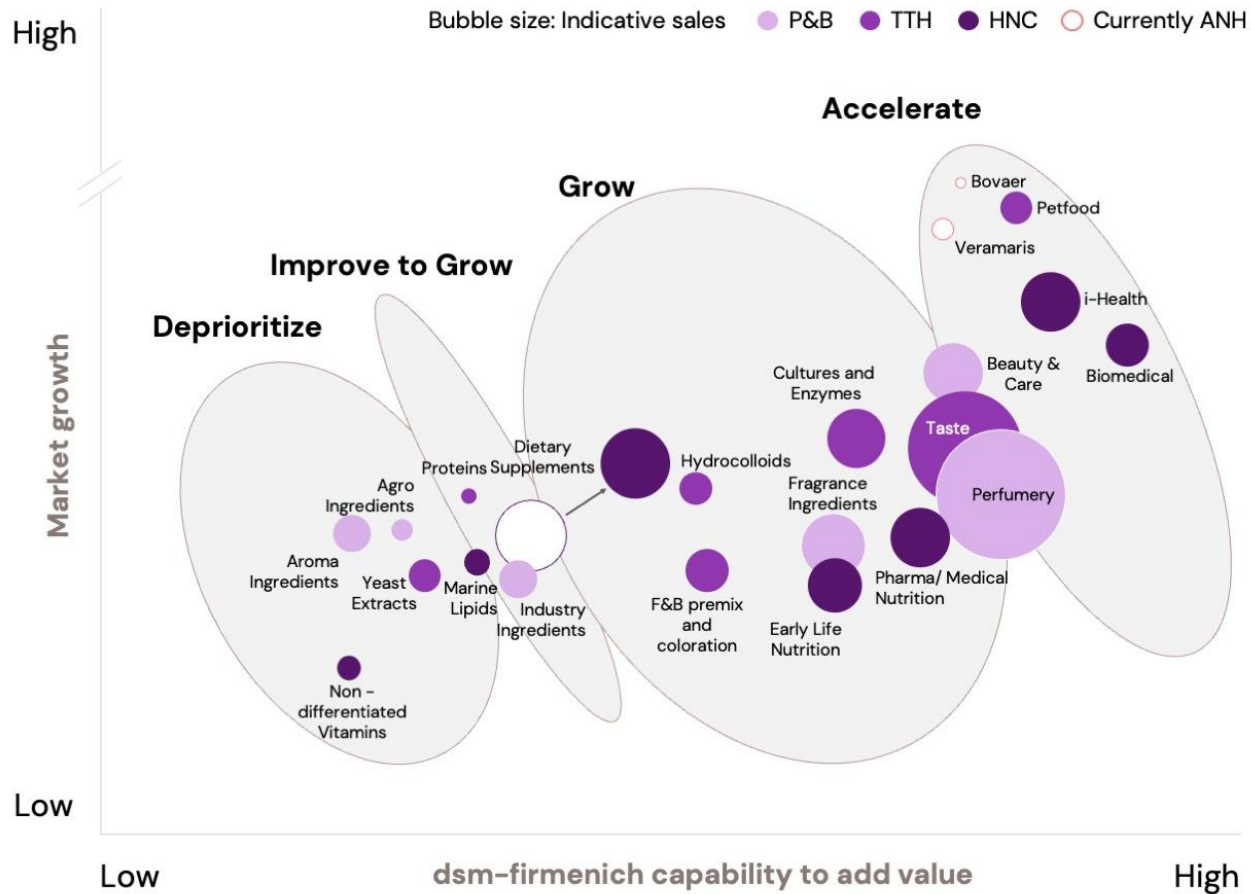
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Research hubs

1. Organic Sales Growth
2. Pro forma numbers, L10Y

Leading consumer company in Nutrition, Health & Beauty

We focus on high growth, high margin segments with proven capability to add value



Calibrated portfolio steering

- Accelerated portfolio review to focus on high growth, high margin segments
- Thorough assessment of Market Attractiveness, Right to Win and Capital Efficiency
- Cornerstone of differentiated portfolio management going forward

We deprioritize several businesses across our portfolio

Non-differentiated
Vitamins



>€100m

Aroma
Ingredients



~€170m

Agro
Ingredients



~€40m

Yeast
Extracts



~€120m

Marine
Lipids



~€170m



Total sales

>€600m

Organic Sales Growth

Low growth

Adj. EBITDA Margin

~10%

A focused group consisting of 3 complementary Business Units

dsm-firmenich, building a company with over €10 bn sales

Perfumery & Beauty



5-6%

22-24%

Taste, Texture & Health



6-8%

21-23%

Health, Nutrition & Care



4-6%

21-23%



Organic sales growth, mid-term



Adj. EBITDA Margin, mid-term

Committed to our mid-term objectives



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

Cash →

- Cash-to-sales conversion of >10%



ESG Targets

People →

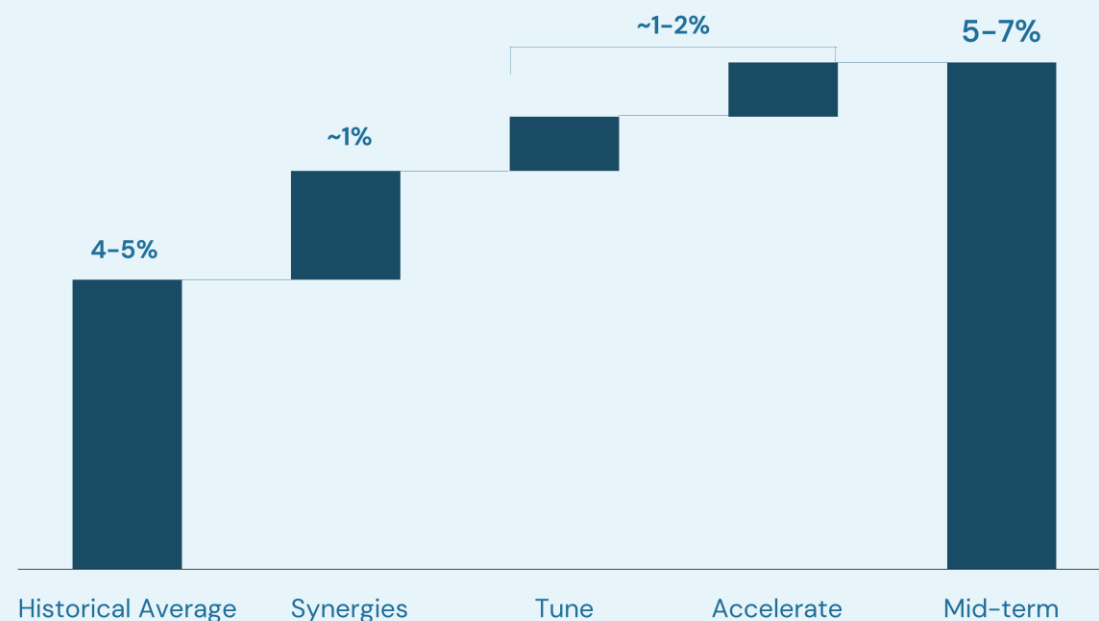
- 36% female or non-binary colleagues / 41% of ethnically diverse leaders
- <0.25 for the total recordable incident rate
- Employee engagement score above 80%

Planet →

- Net-zero emission (i.e. Scope 1, 2, and 3) by 2045
- Absolute emission reduction of 42% for Scope 1 and 2, and 25% for Scope 3, by 2030 from a 2021 baseline, without the use of carbon offsets

Pathway to achieve 5-7% Organic Sales Growth

Pro forma Organic Sales Growth Bridge, %

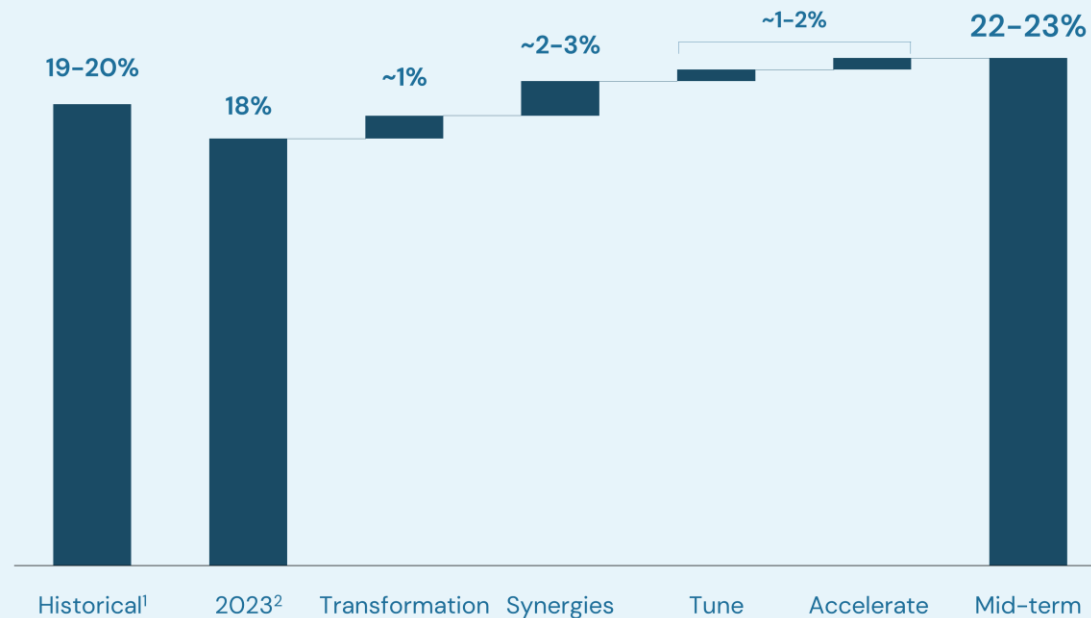


Overview

- Historically, Group has been delivering **sustainable organic growth of 4-5%**
- Delivery of **revenue synergies** will contribute **~1pp** to yearly organic sales growth in foreseeable future
- Tune and acceleration growth will contribute additional **~1pp** across the 3 BUs, following portfolio tuning
- Together, group to reach **mid-term ambition of 5-7%** as a focused Category of One

Pathway to achieve 22-23% Adj. EBITDA Margin

Pro forma Adj. EBITDA Margin Bridge, %



1. L10Y 2. Excluding ANH

Overview

- Historically, Group has been delivering **19-20% Adj. EBITDA margin %**
- **2023 margin of 18%** will benefit from **Vitamin transformation** to gain **~1pp**, mainly in HNC and to lesser extent in TTH
- Delivery of **synergy** will add benefits and is expected to contribute **~2-3pp** in foreseeable future, while **tune/acceleration** across 3 BU's will deliver another **1-2pp** combined
- Combined, **all 3 business units** are ready with plans to deliver Adj. EBITDA performance in line with group ambition to **reach mid-term ambition of 22-23%** as a **focused Category of One**

Accelerating growth as a Category of One

Where?

In the right space

The rise of holistic well-being fuels new market opportunities in Nutrition, Health, and Beauty at the intersection of

Lifespan Vitality | Preventative Health | Well-being



Of global consumers attribute high importance to a healthy, natural & clean Nutrition



Share of spend on preventative Health vs curing is expected to increase to 50% vs 20% today



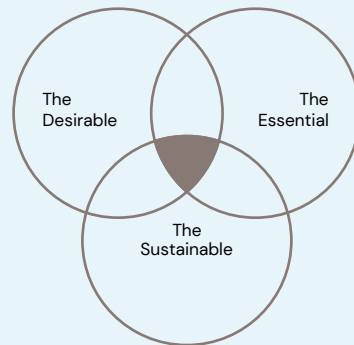
Demand for fragrances & **Beauty** accelerating, with higher spend amongst younger generation – 73% of consumers saying scent is a purchase driver

Why?

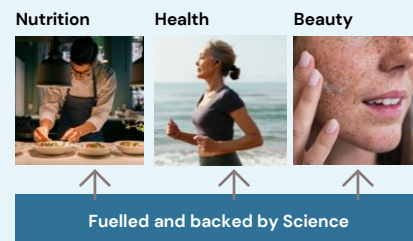
We bring progress to life

We capture these as a consumer company in Nutrition, Health & Beauty in a Category of One

We bring progress to life



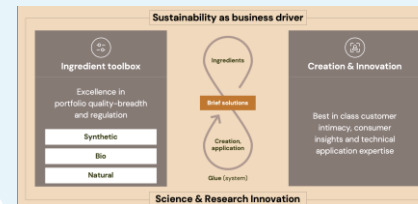
We are Creators and Innovators in well-being



How?

Unique business model

We operate from a common, customer-focused business model, backed by science



What?

Our mid-term targets

We have confidence in achieving our mid-term objectives

Organic Sales Growth	5-7%
Adj. EBITDA margin	22-23%
Cash-to-Sales conversion	>10%
People	Diverse GMT TRIR < 0.25 EES > 80%
Planet	-42% Scope 1 and 2 and -25% Scope 3 by 2030

This presentation may contain forward-looking statements with respect to dsm-firmenich's future (financial) 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, transaction progress and positions to differ materially from these statements. dsm-firmenich has no obligation to update the statements contained in this presentation, unless required by law. This communication contains information that qualifies as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation. The English language version of this press release prevails over other language versions.

More details on dsm-firmenich's Q3 2024 financial performance can be found in the dsm-firmenich Q3 2024 trading update. 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 as well as in the companies Integrated Annual Report 2023.

This presentation includes information that is presented in accordance with IFRS as issued by the International Accounting Standard Board and alternative performance measures (APMs). Please refer to the section below for the definitions as applied. The comparatives in this presentation contain information that is presented on a pro forma basis ('pro forma'), which includes the Firmenich results as if the merger had occurred on January 1, 2022. The pro forma figures represent the results from continuing operations – please also refer to the Integrated Annual Report 2023.

We bring progress to life™