

# Merger of DSM & Firmenich

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The Leading Creation and Innovation Partner in  
Nutrition, Beauty and Well-Being



MAY 31, 2022

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**Transaction conditions.** *Completion of the Proposed Combination is subject to the satisfaction of a number of conditions as more fully described in this presentation. Consequently, there can be no certainty that completion of the Proposed Combination will be forthcoming.*

*DSM refers to DSM N.V. and the DSM Group refers to DSM and its subsidiaries. Firmenich refers to Firmenich International SA and its subsidiaries. The Combined Group refers to DSM-Firmenich and its subsidiaries following completion of the Proposed Combination (including the DSM Group and Firmenich International SA).*

# Today's Presenters

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**Geraldine Matchett**  
*DSM Co-CEO*



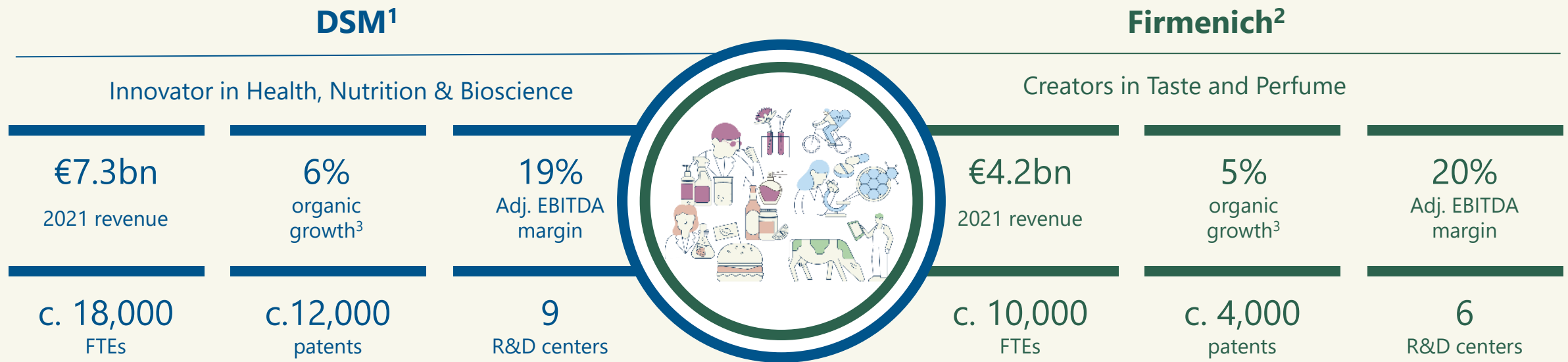
**Dimitri de Vreeze**  
*DSM Co-CEO*



**Gilbert Ghostine**  
*Firmenich CEO*

# Leadership Across Nutrition, Beauty and Well-Being

An €11bn+ revenue company supported by a superior foundation in science and technology and a world-class vertically integrated supply chain



Source: DSM and Firmenich information. (1) DSM financials and other data presented excl. Materials. (2) Firmenich financials are presented on the basis of December year-end in euros. As Firmenich's FY-end is June, all financials have been translated to December using the 1H FY22, FY21 and 1H FY21 results. Firmenich results have been converted from CHF to EUR using a single FX rate (CY21 average EUR to CHF of 1.081) for purposes of translation only. (3) 2017-2021 organic sales CAGR.

01

# Introduction to Firmenich

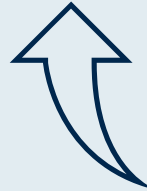
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# Firmenich at a Glance




**4.5**  
Billion CHF  
Revenues<sup>1</sup>



**5.0%**  
Revenue Growth CAGR<sup>2</sup>

**20%**  
Adjusted EBITDA Margin<sup>1</sup>

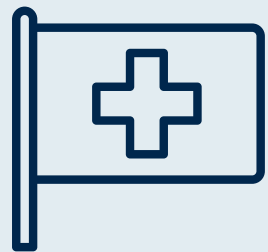


**9.3%**  
of Revenues Invested  
in R&D in 2021



Co-Leader in  
Perfumery &  
Ingredients<sup>3</sup>

**100+**  
Markets



**127**  
Years Swiss and  
Family-Owned

**~10,000**  
colleagues<sup>1</sup>



**7.5**  
**Sustainalytics Rating**  
*Industry-leading ESG  
position*



# Leadership Across Business Units

## TASTE & BEYOND



- Global player of scale
- Leading innovator in Natural / Clean Label Transformation, Better Nutrition (Sugar Reduction) and Plant-based foods

### Taste Segments

Sweet Goods



Beverage



Savory



### Focus Growth Categories

Plant-based Foods



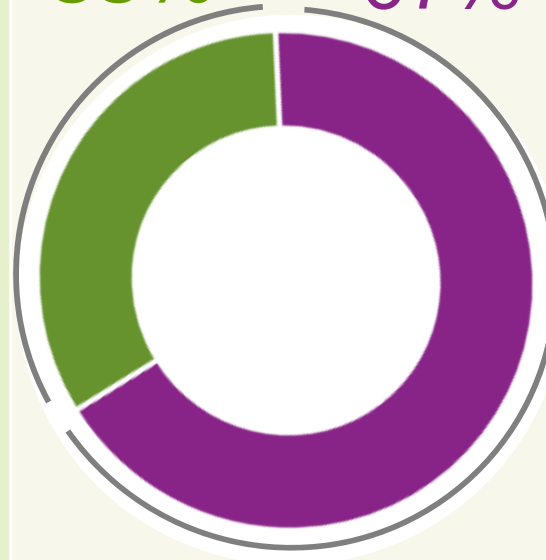
Sugar Reduction



Natural / Clean Label



33% 67%



- U.S., China and India are three of the top four countries by revenues
- These represent c. 35% of Firmenich revenues at FY 2021

## PERFUMERY & INGREDIENTS



- Co-leadership position across Perfumery and Ingredients segments
- Leading portfolio of sustainable, renewable, biodegradable and natural ingredients
- Global leader in F&F Ingredients
- Global leader in prestige Fine Fragrance

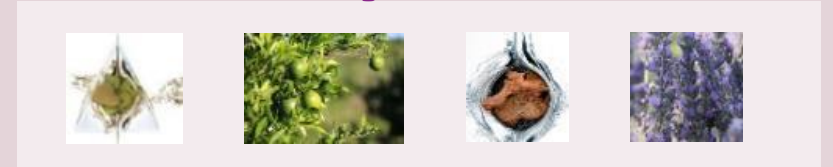
### Fine Fragrance



### Consumer Fragrance



### Ingredients





# Track-Record of Innovation-Driven Growth, Underpinned by World-Class Science



1939

NOBEL PRIZE  
FOR  
CHEMISTRY



6

R&D CENTERS

- Geneva
- Castets
- Princeton & San Diego
- Shanghai
- Gujarat



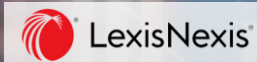
4,000+

PATENTS  
IN FORCE



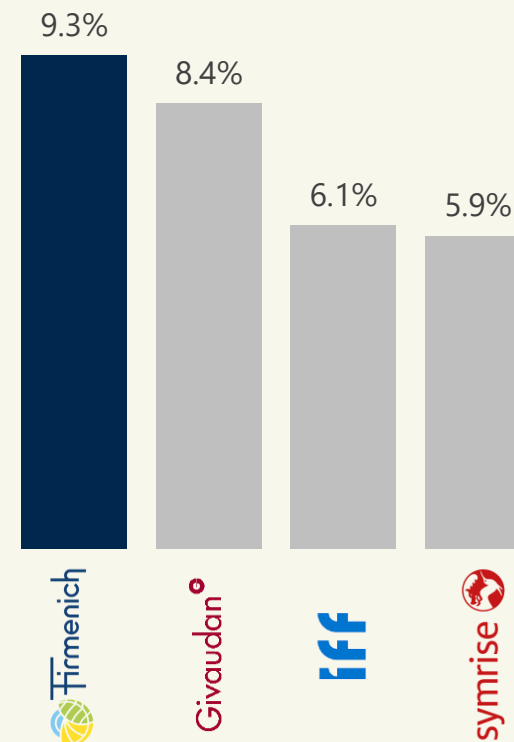
Top 100

INNOVATOR  
Patent  
Asset Index



We are driven by world-class research: our engine of growth

2021 R&D Spend as % of Revenues



Source: Firmenich filings  
Note: Calendarised to June year-end.





# ESG at the Core of Firmenich's Mission and a Source of Competitive Advantage



1 of 2 companies globally rated at "Move" level



37<sup>th</sup> of nearly 15,000 companies worldwide and industry leader  
ESG Risk Rating: 7.5



1 of only 2 companies worldwide to be triple A for 4 consecutive years



Top 1% of 85,000+ companies worldwide  
Score: 88/100



Recognized by Ethisphere<sup>®</sup> as one of the world's most ethical companies (2022)

Powered by 100% renewable electricity since February 2020

02

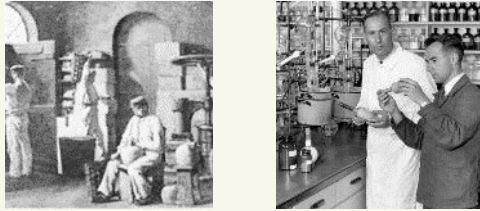
DSM's  
Journey

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# Transformation into a Leader in Health, Nutrition & Bioscience

More than 150 years of deep scientific heritage



**1902: Royal DSM**

Pioneer in (fine) chemistry

**1869: Gist-Brocades**

First yeast and enzyme production at scale

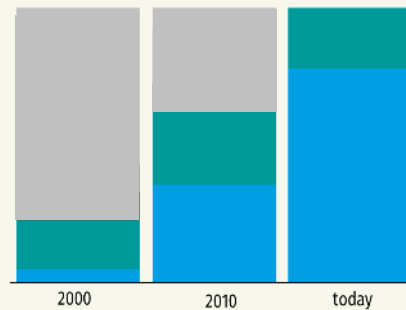
*(Gist-Brocades joins DSM in 1998)*

**1930s: F. Hoffmann-La Roche**

First synthesis of vitamins

*(DSM acquired Roche Vitamins & Fine Chemicals in 2003)*

Two decades of successful transformation

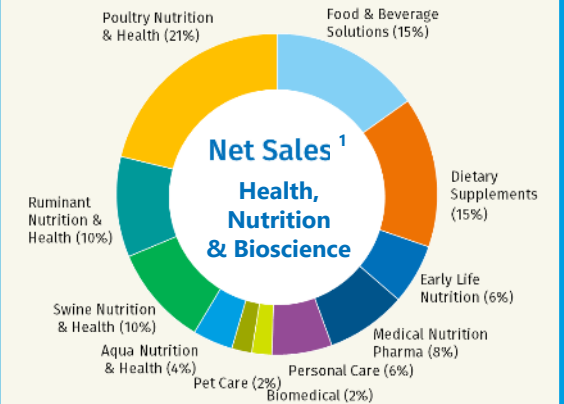


- Health, Nutrition & Bioscience
- Materials
- Petro- & bulk chemicals

Unique business model and rich innovation pipeline



Serving **highly attractive markets** for people and the planet



03

## DSM-Firmenich Strategic Vision

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# The Leading Creation and Innovation Partner in Nutrition, Beauty and Well-Being

Four **high-performing** businesses uniquely positioned to address consumer trends

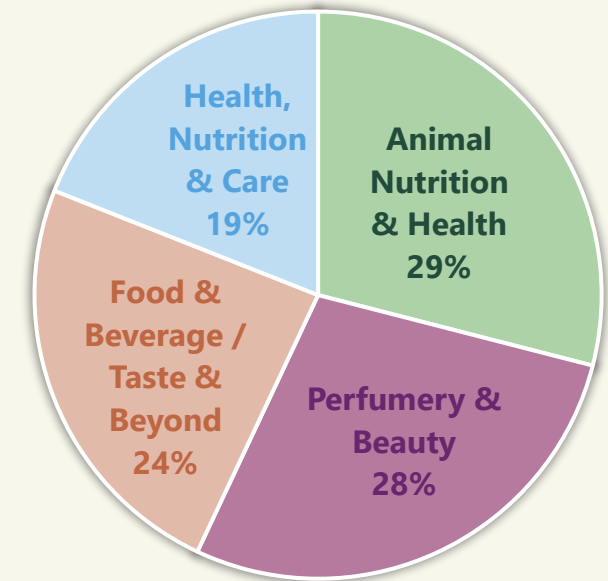
Unparalleled **(bio)science** and **technology** platforms

Locally relevant **co-creation** and **innovation** with customers

Pioneering **digitally powered** business models

**World-class, vertically integrated portfolio** of naturals and renewable ingredients

Passionate, **talented** and diverse **people**



Revenues by business

**€11.4bn**  
FY 2021 PF Sales<sup>1</sup>

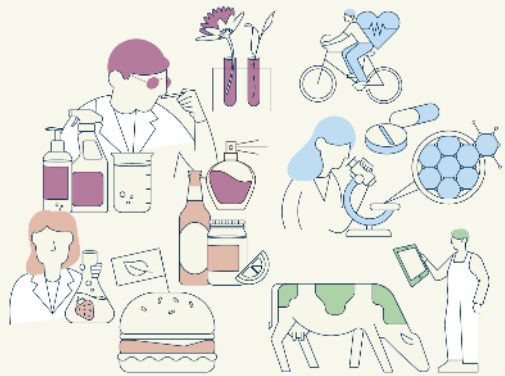
**€700m+**  
total R&D spend in 2021

Relevant presence in all  
**key markets**

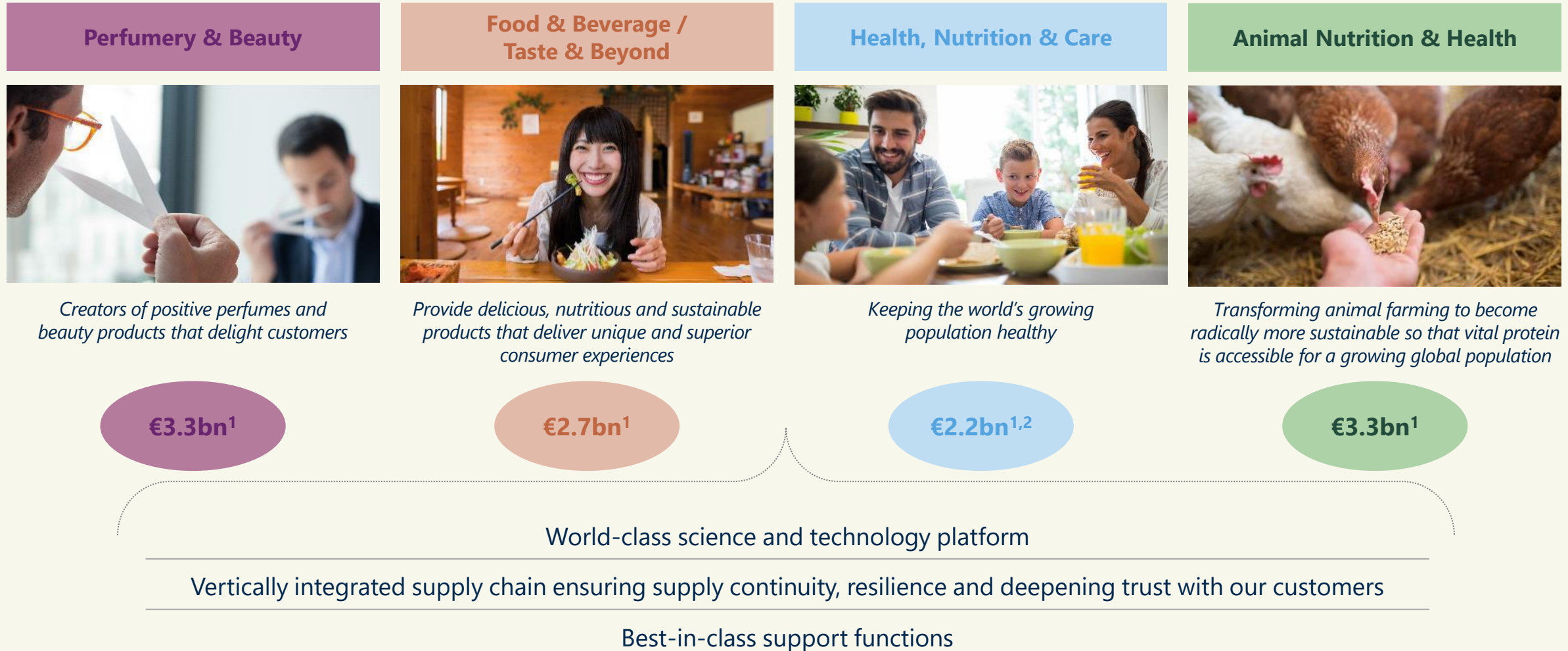
**5%**  
historical organic growth

**€2.2bn**  
FY 2021 PF Adj. EBITDA<sup>1</sup>

**~€350m**  
Adj. EBITDA total run-rate synergies



# Four High-Performing and Complementary Businesses



# Science Leader with Complementary Capabilities

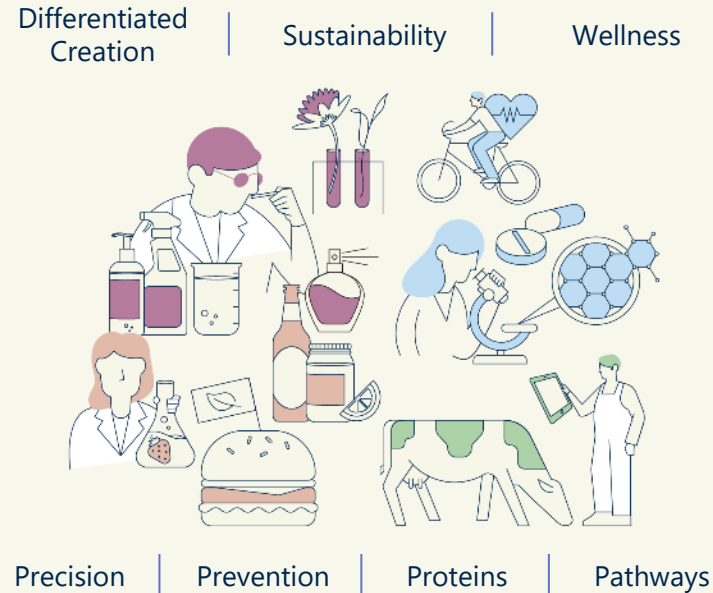
## Broadest Science Foundation



c. 2,000 employees in Science and Innovation  
15 global R&D facilities

c. 16,000 patents across c. 2,600 patent families

## Proven Track Record and Established Innovation Pipeline



Significant cross-fertilization opportunities

Track record of delivering ground-breaking innovations

## Continued Commitment to Innovate

**€700m+**  
annual DSM-Firmenich  
R&D investment



Balanced pipeline of near- and long-term opportunities

Discovery through commercialization

# Continued Purpose-Led Commitment to People and Planet

**Sustainability as a core value** embedded across both organizations' strategies



Focused on generating **positive and measurable impact** for people, climate and nature



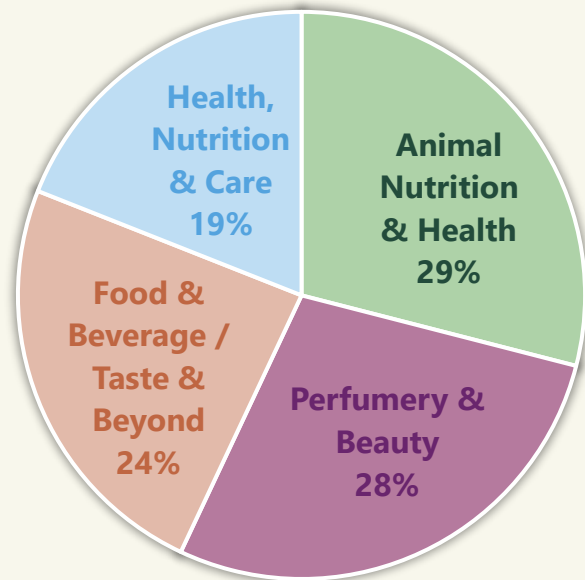
# 04

## DSM-Firmenich Financial & Governance Highlights

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# Robust Financial Profile for Superior Shareholder Value Creation



Revenues by business

**€11.4bn**

FY 2021 PF Sales<sup>1</sup>

**5%**

historical organic growth

**€700m+**

total R&D spend in 2021

**€2.2bn**

FY 2021 PF Adj. EBITDA<sup>1</sup>

**~€350m**

Adj. EBITDA total run rate synergies

Relevant presence in all **key markets**

<b>Mid-Term Ambition<sup>2</sup></b>	<b>Sales</b>	<ul style="list-style-type: none"> <li>Mid-single-digit organic sales growth to gradually accelerate to a 5-7% range, supported by revenue synergies and innovation</li> </ul>
	<b>EBITDA</b>	<ul style="list-style-type: none"> <li>20%+ adj. EBITDA margins at the outset, with a medium-term outlook of 22-23%, supported by synergies</li> </ul>
<b>Financial Policy</b>	<b>Balance sheet</b>	<ul style="list-style-type: none"> <li>Debt/EBITDA of 1.5-2x over the medium term</li> <li>Commitment to strong investment grade credit rating</li> </ul>
	<b>Dividends</b>	<ul style="list-style-type: none"> <li>Payout ratio of 40-60% of adjusted earnings</li> </ul>
<b>Returns</b>	<b>Accretion</b>	<ul style="list-style-type: none"> <li>DSM-Firmenich EPS, including run-rate synergies, expected to be:               <ul style="list-style-type: none"> <li>Accretive versus current DSM Group EPS<sup>3</sup> and</li> <li>Double-digit accretive to DSM Group EPS when adjusted for the disposal of Materials<sup>4</sup></li> </ul> </li> </ul>

(1) FY 2021 pro-forma sales and EBITDA for DSM Nutrition and Firmenich combined based on their respective accounting policies. Firmenich financials are presented on the basis of FY 2021 year-end converted in euros. As Firmenich's FY-end is in June, the FY 2021 financials are based on Firmenich's FY 2021/22 half-year financials. The pro-forma financials exclude any pro-forma adjustment for synergies and other pro-forma adjustments. The pro-forma financials have not been audited or reviewed by an external auditor. Firmenich results have been converted from CHF to EUR using a single FX rate (CY21 average EUR to CHF of 1.081) for purposes of translation only. (2) We have not defined and do not intend to define by reference to specific periods the terms "mid-term" or "medium-term" and the ambitions and outlooks should not be read as indicating that we represent or otherwise commit to achieve any of these metrics for any particular fiscal year or reporting period. These ambitions and outlook should not be regarded as forecasts or expected results or otherwise as a representation by DSM, Flomer or any other person that we will achieve these ambitions or outlook in any financial year or reporting period. Our ability to meet these ambitions or outlook are based on various assumptions and we may be unable to achieve these ambitions or outlook. (3) EPS impact compares pro forma DSM-Firmenich EPS assuming full disposal of Materials (in line with the pro forma framework for DSM-Firmenich financials presented in the presentation to investors), relative to DSM Group EPS including Materials. (4) EPS impact compares pro forma DSM-Firmenich EPS assuming full disposal of Materials (in line with the pro forma framework for DSM-Firmenich financials presented in the presentation to investors), relative to DSM Group EPS excluding Materials.

# Merger of Equals

## Transaction Structure

- Merger of equals between DSM and Firmenich through a DSM-Firmenich domiciled in Switzerland
- Public offer for DSM shares in exchange for DSM-Firmenich shares

## DSM-Firmenich Ownership

- At inception, DSM's shareholders will own 65.5% of DSM-Firmenich
- At inception, the various shareholders of Firmenich will own in aggregate 34.5% of DSM-Firmenich and receive €3.5bn in cash
- Shareholders of Firmenich will be long-term, committed shareholders of DSM-Firmenich

## Board

- 12 non-executive directors in Board of Directors (under Swiss governance) comprised of:
  - 3 nominees from the Firmenich shareholders
  - 7 independent directors from DSM's Supervisory Board
  - 1 independent director from the existing Firmenich Board
  - 1 new independent member
- Thomas Leysen, current Chairman of the Supervisory Board of DSM, to be appointed Chairman of DSM-Firmenich and Patrick Firmenich, currently Chairman of Firmenich, to be appointed Vice Chairman

## Key Transaction Steps

- The Firmenich Board supports and recommends the transaction. The Firmenich shareholders have approved the transaction
- DSM's Boards support and recommend the transaction
- A prospectus and offer document is expected to be made public in H2 2022
- DSM EGM to be convened simultaneously, to, among others, discuss and approve the transaction
- Expected completion ultimately in the first half of 2023



# Creation and Innovation Partner with Market-Leading Capabilities to Better Serve Our Customers

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Perfumery & Beauty

Food & Beverage /  
Taste & Beyond

Health, Nutrition &  
Care

Animal Nutrition &  
Health

