



## Press Release

Kaiseraugst (Switzerland), Maastricht (Netherlands), October 31, 2024

# dsm-firmenich Q3 2024 trading update

## Management Report

### Q3 2024 highlights

- 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
- Higher vitamin prices reflected in Animal Nutrition & Health contracts as of Q4
- Full-year outlook increased: Adjusted EBITDA towards €2.1 billion

### Key figures

in € millions	Pro forma					
	Q3 YTD 2024	Q3 YTD 2023 <sup>1</sup>	% Change	Q3 2024	Q3 2023	% Change
Sales	9,542	9,198	4	3,244	3,046	7
Organic sales growth (%)	5			8		
Adj. EBITDA	1,517	1,338	13	541	409	32
Adj. EBITDA margin (%)	15.9	14.5		16.7	13.4	

<sup>1</sup> Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred as of the beginning of the year. The pro forma figures represent the results from continuing operations – please also refer to the section Definitions.

**Dimitri de Vreeze, CEO, commented:** “Our business maintained positive momentum through the third quarter, supported by our own improvement programs and strong performances in Perfumery & Beauty and Taste, Texture & Health. Health, Nutrition & Care saw a further gradual improvement in organic sales growth, while Animal Nutrition & Health saw good momentum in its business.

Our comprehensive program of sales and cost synergies, together with the vitamin transformation program continue to deliver according to our expectations, driving good financial performance and underpinning our innovation-driven growth strategy. At the same time, our strategic actions, including the carve-out of Animal Nutrition & Health and divestments of de-prioritized activities, are progressing well.

Recently, we marked a key milestone in sustainability with our ambitious net-zero emissions targets receiving validation from the Science Based Targets initiative.”

### Outlook 2024

During the quarter, 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.



## Key figures

in € millions	Q3 YTD 2024	Pro forma Q3 YTD 2023 <sup>1</sup>	% Change	Q3 2024	Q3 2023	% Change
<b>Sales</b>	<b>9,542</b>	<b>9,198</b>	<b>4</b>	<b>3,244</b>	<b>3,046</b>	<b>7</b>
P&B	2,998	2,795	7	991	920	8
TTH	2,455	2,270	8	823	737	12
HNC	1,652	1,689	(2)	561	545	3
ANH	2,394	2,394	-	858	823	4
Corporate	43	50		11	21	
<b>Adj. EBITDA</b>	<b>1,517</b>	<b>1,338</b>	<b>13</b>	<b>541</b>	<b>409</b>	<b>32</b>
P&B	680	591	15	226	212	7
TTH	471	423	11	162	134	21
HNC	269	295	(9)	96	75	28
ANH	167	96	74	80	11	627
Corporate	(70)	(67)	4	(23)	(23)	-
<b>Adj. EBITDA margin (%)</b>	<b>15.9</b>	<b>14.5</b>		<b>16.7</b>	<b>13.4</b>	
P&B	22.7	21.1		22.8	23.0	
TTH	19.2	18.6		19.7	18.2	
HNC	16.3	17.5		17.1	13.8	
ANH	7.0	4.0		9.3	1.3	

<sup>1</sup> Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred as of the beginning of the year. The pro forma figures represent the results from continuing operations – please also refer to the section Definitions.

### Q3 2024

- Strong performance in Perfumery & Beauty and in Taste, Texture & Health
- Health, Nutrition & Care saw a further gradual improvement in business conditions
- Significant step-up in financial results of Animal Nutrition & Health

In the third quarter, positive business conditions continued, driving 8% organic sales growth and a further improvement in financial results.

In early August, a supply disruption in the industry led to price increases in some vitamins, especially affecting vitamins A and E. This had a very limited impact on the third quarter results as volumes were already largely contracted and production capacity was limited due to planned stops. These higher prices will be reflected in the fourth quarter.

Adjusted EBITDA increased 32%, owing to strong organic sales growth, contributions from the synergies and the vitamin transformation program and despite a negative foreign exchange effect of around €15 million. Adjusted EBITDA margin was 16.7%, up 330 bps versus the same period last year.

The company remains focused on cash flow generation improvement and delivered a good step up in Adjusted gross operating free cash flow to €879 million in the first nine months of the year.



# Business Unit Review

## Perfumery & Beauty

Perfumery & Beauty (P&B) is the leading creation and innovation partner for the most iconic global and local brands in consumer goods, lifestyle, and luxury beauty. The business unit is home to some of the best talent in the industry, boasts an unmatched palette of captive ingredients, and is supported by a vertically integrated supply chain. Powered by our science-based innovations in Fragrance and Beauty & Care, we make our customers' products more desirable, essential, and sustainable, driving consumers' preference.

### Business unit results

in € millions	Q3 YTD 2024	Pro forma Q3 YTD 2023 <sup>1</sup>	% Change	Q3 2024	Q3 2023	% Change
Sales	2,998	2,795	7	991	920	8
Organic sales growth (%)	8			9		
Adj. EBITDA	680	591	15	226	212	7
Adj. EBITDA margin (%)	22.7	21.1		22.8	23.0	

<sup>1</sup> Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred as of the beginning of the year. The pro forma figures represent the results from continuing operations – please also refer to the section Definitions.

### Q3 2024

Perfumery & Beauty delivered a third consecutive strong quarter with 11% volume growth. 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.

Adjusted EBITDA was up 7%, driven by strong organic sales growth and the contribution from synergies. The Adjusted EBITDA margin of 22.8% was in line with the prior year period, supported by a positive product mix.



## Taste, Texture & Health

Taste, Texture & Health (TTH) brings progress to life by tackling some of society's biggest challenges: providing nutritious, healthy and sustainable food and beverages, and accelerating the diet transformation with appealing taste and texture, and nourishing a growing global population whilst minimizing food loss and waste. TTH consists of Taste, which includes flavors, natural extracts, sugar reduction solutions, and Ingredients Solutions, which includes food enzymes, hydrocolloids, cultures, natural colorants, nutritional ingredients, and plant-based proteins.

### Business unit results

in € millions	Q3 YTD 2024	Pro forma Q3 YTD 2023 <sup>1</sup>	% Change	Q3 2024	Q3 2023	% Change
Sales	2,455	2,270	8	823	737	12
Organic sales growth (%)	9			12		
Adj. EBITDA	471	423	11	162	134	21
Adj. EBITDA margin (%)	19.2	18.6		19.7	18.2	

<sup>1</sup> Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred as of the beginning of the year. The pro forma figures represent the results from continuing operations – please also refer to the section Definitions.

### Q3 2024

Taste, Texture & Health had a very strong quarter with 12% organic sales growth, driven by volume growth of 13% across all geographies and account categories, and partly bolstered by a catch-up effect after destocking last year. Sales synergies continued to gain traction with increasing momentum, highlighting the strong rationale of offering combined Taste and Ingredients Solutions to customers.

Adjusted EBITDA was up 21% on higher volumes and the contribution from the synergies. Adjusted EBITDA margin was up 150 bps to 19.7%.

On October 1, 2024, dsm-firmenich completed the sale of its yeast extract business to Lesaffre which will be no longer contributing as of the fourth quarter.



## Health, Nutrition & Care

Health, Nutrition & Care (HNC) enables people to improve their health by supplementing their diet with critical nutrients and driving medical innovation forward, so helping to optimize immunity, speed up recovery and enhancing quality of life.

### Business unit results

in € millions	Q3 YTD 2024	Pro forma Q3 YTD 2023 <sup>1</sup>	% Change	Q3 2024	Q3 2023	% Change
Sales	1,652	1,689	(2)	561	545	3
Organic sales growth (%)	(1)			5		
Adj. EBITDA	269	295	(9)	96	75	28
Adj. EBITDA margin (%)	16.3	17.5		17.1	13.8	

<sup>1</sup> Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred as of the beginning of the year. The pro forma figures represent the results from continuing operations – please also refer to the section Definitions.

### Q3 2024

Health, Nutrition & Care saw a further gradual improvement in business conditions resulting in 5% organic sales growth in the quarter, fully driven by volumes.

Dietary Supplements saw good growth, driven by improving demand for vitamins and minerals, as well as algal omega-3 oils. Early Life Nutrition recorded good organic growth, but from a low comparable level last year. i-Health delivered a good performance, with especially strong demand in its women's health product range. Biomedical reported a good quarter.

Adjusted EBITDA was up 28% on higher sales, the contribution from synergies and the vitamin transformation program, and despite a negative foreign exchange effect of €8 million. The Adjusted EBITDA margin was up 330 bps to 17.1%.

On September 30, 2024, dsm-firmenich completed the sale and transfer of the marine lipids (MEG-3® fish oil) business to KD Pharma Group SA. As part of the transaction, dsm-firmenich received a minority stake of 29% in KD Pharma's parent company MidCo Omega GmbH.



## Animal Nutrition & Health

Animal Nutrition & Health (ANH) helps to deliver healthy animal proteins efficiently and sustainably, while harnessing the power of data to make animal farming practices more sustainable, productive, and transparent.

### Business unit results

in € millions	Q3 YTD 2024	Pro forma Q3 YTD 2023 <sup>1</sup>	% Change	Q3 2024	Q3 2023	% Change
Sales	2,394	2,394	-	858	823	4
Organic sales growth (%)	2			7		
Adj. EBITDA	167	96	74	80	11	627
Adj. EBITDA margin (%)	7.0	4.0		9.3	1.3	

<sup>1</sup> Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred as of the beginning of the year. The pro forma figures represent the results from continuing operations – please also refer to the section Definitions.

### Q3 2024

Animal Nutrition & Health saw a continued improvement in business conditions both in customer demand as well as in some normalization of vitamin profitability.

In early August, a supply disruption in the industry led to price increases in some vitamins, especially affecting vitamins A and E. This had a very limited impact on the third quarter results as volumes were already largely contracted and production capacity was limited due to planned stops. These higher prices will be reflected in the fourth quarter.

The business reported organic sales growth of 7%, driven entirely by higher volumes in comparison with prior year Q3, especially with the premix business picking up good momentum. Demand for Performance Solutions remained strong with Bovaer® and Veramaris® doing particularly well.

Regarding animal protein demand, business conditions in China remained weak with the pork industry still under pressure. Poultry market conditions remained good, while the ruminant business saw good growth due to higher beef exports from Latin American customers.

Adjusted EBITDA increased to €80 million, driven by the contribution from the vitamin transformation program, higher sales, and lower input costs, leading to improved margins. The strong profit increase was partly offset by the cost of vitamin plant shutdowns in the quarter.



## Definitions

This press release 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 press release 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.

### Alternative Performance Measures (APMs)

To arrive at the Alternative Performance Measures (APMs), adjustments are made for material items of income and expense arising from circumstances such as acquisitions and divestments, restructuring, impairments and other events (i.e., APM adjustments). Other APM adjusting events include site closure costs, environmental cleaning, litigation settlements or other non-operational (contractual) arrangements. Other than items related to acquisition and integration costs incurred in the first year from the acquisition date (including non-recurring inventory value adjustments) as well as adjustments due to previously recognized APM adjusting events, the threshold is €10 million.

The APMs used throughout this press release are:

#### Organic sales growth (OSG)

Organic sales growth is the sales growth excluding the impact of acquisitions, divestments, and currency impacts.

#### Adjusted earnings before interest, tax, depreciation and amortization (Adj. EBITDA)

Adjusted EBITDA is the IFRS metric operating profit plus depreciation, amortization, and impairments, adjusted for material items of profit or loss, as defined under 'Alternative Performance Measures (APMs)'.

#### Adjusted EBITDA margin (Adj. EBITDA margin)

Adjusted EBITDA margin is adjusted EBITDA expressed as a percentage of net sales.

#### Adjusted gross operating free cash flow (AGOFCF)

Adjusted gross operating free cash flow (AGOFCF) is defined as the IFRS metric operating profit plus depreciation, amortization, and impairments, adjusted for material items of profit or loss, as defined under 'APM adjustments', corrected for changes in the working capital, minus capital expenditures. This metric is based on continuing operations.

## Notes to this trading update

The reported financial data in this trading update have not been audited.



## Financial calendar

February 13, 2025, 7:00 CET – publication of dsm-firmenich FY 2024 results

April 30, 2025 – publication of dsm-firmenich Q1 2025 trading update

May 6, 2025 – AGM

## Additional information

Today dsm-firmenich will hold a webcast for **investors and analysts** at 9:00 am CET. Details on how to access this call can be found on [www.dsm-firmenich.com](http://www.dsm-firmenich.com).

## For more information

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## About dsm-firmenich

As innovators in nutrition, health, and beauty, dsm-firmenich reinvents, manufactures, and combines vital nutrients, flavors, and fragrances for the world's growing population to thrive. With our comprehensive range of solutions, with natural and renewable ingredients and renowned science and technology capabilities, we work to create what is essential for life, desirable for consumers, and more sustainable for the planet. dsm-firmenich is a Swiss-Dutch company, listed on the Euronext Amsterdam, with operations in almost 60 countries and revenues of more than €12 billion. With a diverse, worldwide team of nearly 30,000 employees, we bring progress to life™ every day, everywhere, for billions of people.

[www.dsm-firmenich.com](http://www.dsm-firmenich.com)

### Forward-looking statements

This press release 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 press release, 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.