

## Press Release

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# DSM to acquire First Choice Ingredients to accelerate growth in food and beverage

**Royal DSM, a global science-based company in Nutrition, Health and Sustainable Living, announces today that it has signed an agreement to acquire First Choice Ingredients, a leading supplier of dairy-based savory flavorings for an enterprise value of US\$453 million. This transaction represents an EV/EBITDA multiple of 19.8x based on the estimated 2021 Adjusted EBITDA. The estimated 2021 sales amount to about US\$75 million.**

With headquarters in Germantown (WI, USA) and three manufacturing facilities in the vicinity, First Choice Ingredients and its approximately 100 employees have built a leading position in the US taste market as a developer of clean label, fermented dairy and dairy-based savory flavorings for taste and functional solutions across a wide range of applications.

The company ferments and blends a variety of natural dairy products with cultures and enzymes to create clean label taste solutions integrating sensory and functional benefits. Leveraging its R&D and application expertise, First Choice Ingredients works as an innovation partner with food producers, flavor houses and food service suppliers in applications such as soups, snacks, salad dressings and sauces, prepared meals, sweet baking, as well as dairy products and plant-based meat and dairy alternatives.

DSM is a leading global solutions provider to the food and beverage industry, with unique capabilities in nutritional ingredients (such as nutritional lipids, vitamins and nutrient premixes) and a global product portfolio of specialty ingredients (such as cultures, enzymes, yeast extracts, process flavors, and texturizing hydrocolloids). DSM's deep expertise in application and formulation, nutritional science, as well as fermentation and biotechnology know-how, enable customers to improve taste and texture, and optimize nutritional profiles and health appeal, while boosting process efficiencies and reducing loss and waste.

This acquisition by DSM will be highly synergetic for both companies. DSM can further accelerate the growth of First Choice Ingredients by offering their products outside the US to DSM's broad global customer base and integrating their solutions in DSM's full offering for F&B customers. The acquisition gives First Choice Ingredients access to DSM's world-leading biotechnology toolbox, fermentation know-how, and global customer relationships.

Geraldine Matchett and Dimitri de Vreeze, co-CEOs of Royal DSM, commented: *"We look forward to welcoming the First Choice Ingredients people to DSM. Our companies are a great fit, with a shared passion for science-based solutions for delicious, nutritious, and sustainable food and beverage products. This acquisition is an attractive next step for DSM as we continue to build our health, nutrition, and biosciences capabilities."*

Patrick Niels, President of DSM Food Specialties, added: *"We are very pleased with the addition of First Choice Ingredients and its skilled workforce to our business. It will enable us to extend our integrated*

### Forward-looking statements

This press release 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 press release, unless required by law. The English language version of the press release is leading.

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*solutions offering in food and beverage, and provide our customers with innovative taste solutions for the new and improved end-products today's discerning consumers continually demand."*

Jim Pekar, President of First Choice Ingredients, said: *"This is the right time in First Choice Ingredients' journey to become part of a company such as DSM. The people of First Choice Ingredients will continue to deliver our legendary products and customer service with can-do attitude and relentless focus on product integrity and innovation. They are some of the most hard-working and loyal teammates ever assembled under one roof."*

Roger Mullins, Executive VP of First Choice Ingredients, continued: *"We are excited to join DSM. This will enable us to accelerate our growth by adding our taste solutions to DSM's broad portfolio of global products and integrated offerings to meet the needs of our customers and create new opportunities. This combination will allow access to DSM'S powerful toolbox of fermentation technology."*

Subject to regulatory approval, the transaction is expected to close in Q4 2021. More details can be found in the [Presentation to Investors](#).

### **DSM – Bright Science. Brighter Living.™**

Royal DSM is a global, purpose-led, science-based company active in Nutrition, Health and Sustainable Living. DSM's purpose is to create brighter lives for all. Our products and solutions address some of the world's biggest challenges while simultaneously creating economic, environmental and societal value for all its stakeholders - customers, employees, shareholders, and society at large.

DSM delivers innovative solutions for human nutrition, animal nutrition, personal care and aroma, medical devices, green products and applications, and new mobility and connectivity. DSM and its associated companies deliver annual net sales of about €10 billion with approximately 23,000 employees. The company is listed on Euronext Amsterdam. More information can be found at [www.dsm.com](http://www.dsm.com).

Or find us on:    

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