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| Press ReleaseHeerlen (NL), 4 August 2020 |  |

**DSM reports H1 2020 results**

**H1 Highlights1**

* DSM reports a solid first half in a challenging COVID-19 environment
* Group sales -1% and Adjusted EBITDA -4%
	+ Nutrition: sales +6%, organic sales +5%, Adjusted EBITDA +5%
	+ Materials: sales -16%, volumes -14%, Adjusted EBITDA -28%
* Adjusted net profit down 4% to €399m. Net profit: €270m
* Adjusted Net Operating Free Cash Flow of €342m, up 33% year to date
* Interim dividend of €0.80 per ordinary share
* Outlook 2020 unchanged: DSM expects Nutrition to deliver at least a mid-single digit increase in Adjusted EBITDA, but given current limited visibility in Materials the overall earnings outlook remains suspended

Key figures and indicators

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| in € million | **H1 2020** | H1 2019 | % Change | Volume | Price/mix | FX | Other |
| **Sales** | **4,532** | 4,568 | -1% | -1% | -1% | 0% | 1% |
|  Nutrition | **3,224** | 3,029 | 6% | 5% | 0% | -1% | 2% |
|  Materials | **1,194** | 1,427 | -16% | -14% | -3% | 1% | 0% |
| **Adjusted EBITDA** | **825** | 862 | -4% |  |  |  |  |
|  Nutrition | **674** | 639 | 5% |  |  |  |  |
|  Materials | **189** | 262 | -28% |  |  |  |  |
|  Innovation | **11** | 11 |  |  |  |  |  |
|  Corporate | **-49** | -50 |  |  |  |  |  |
| EBITDA | **746** | 823 |  |  |  |  |  |
| **Adjusted EBITDA margin** | **18.2%** | 18.9% |  |  |  |  |  |

1 Adjusted EBITDA is an Alternative Performance Measure (APM) that reflects continuing operations.

 Organic sales growth is the total impact of volume and price/mix.

 Adjusted Net Operating Free Cash Flow is the cash flow from operating activities, corrected for the cash flow of the APM

 adjustments, minus the cash flow of capital expenditures and drawing rights

Co-CEOs statement

Geraldine Matchett and Dimitri de Vreeze, Co-CEOs, commented: “*Our teams continued to successfully navigate the challenging global environment, with Q2 developments in line with the expectations we set out in May. Business conditions for Nutrition were good overall in the first half, with spikes in demand for Animal Nutrition in Q1 and Human Nutrition in Q2 as end-markets reacted in response to COVID-19. Trading conditions in Materials deteriorated abruptly at the end of Q1 as customers’ operations and end user demand were impacted by COVID-19, with these effects continuing throughout Q2.*

*Having taken early actions to limit capital expenditure and minimize operating costs in Materials, we have now also initiated the next phase of our profit improvement actions aimed at delivering annualized recurring savings of €25-30 million.*

*Early in the year we launched the Fit for Growth program in Nutrition. The new organizational structure, which enables a more differentiated go-to-market approach, is in place and we are now working on further building out our specialty business. Our recent acquisitions all add to our specialty solutions offerings, accelerating our growth strategy.*

*The global human impact of the COVID-19 pandemic is a clear lesson and therefore we have joined several of the ‘Build Back Better’ initiatives. As a purpose-led organization, we believe it is more important than ever for the world to commit to a more sustainable, fair and resilient future.”*

Q2 Highlights

* Group sales -2% and Adjusted EBITDA –8%:
	+ Nutrition: sales +9%, organic sales +9%, Adjusted EBITDA +8%
	+ Materials: sales –25%, volumes –21%, Adjusted EBITDA –47%
* Adjusted net profit down 15% to €183m. Total net profit: €102m
* Adjusted Net Operating Free Cash Flow of €191m, compared to €197m in Q2 2019

Key figures and indicators

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| in € million | **Q2 2020** | Q2 2019 | % Change | Volume | Price/mix | FX | Other |
| **Sales** | **2,239** | 2,276 | -2% | -2% | 0% | -1% | 1% |
|  Nutrition | **1,649** | 1,512 | 9% | 6% | 3% | -2% | 2% |
|  Materials | **534** | 710 | -25% | -21% | -4% | 0% | 0% |
| **Adjusted EBITDA** | **402** | 438 | -8% |  |  |  |  |
|  Nutrition | **350** | 323 | 8% |  |  |  |  |
|  Materials | **71** | 135 | -47% |  |  |  |  |
|  Innovation | **6** | 5 |  |  |  |  |  |
|  Corporate | **-25** | -25 |  |  |  |  |  |
| EBITDA | **388** | 407 |  |  |  |  |  |
| **Adjusted EBITDA margin** | **18.0%** | 19.2% |  |  |  |  |  |

Trading conditions during Q2 were in line with expectations as communicated in May with the Q1 results.

Nutrition delivered strong organic sales growth of 9% (including an up to 2% COVID-19 effect), with a very good performance in Human Nutrition (11% organic growth) which saw additional COVID-19 driven demand across all end markets. Part of this was driven by stocking (especially packaged foods in food and beverage and early life nutrition), while end user demand for immunity-optimizing products remained strong. By the end of the quarter, Human Nutrition saw more normalized trading conditions. Animal Nutrition (9% organic growth) saw continued overall solid business conditions, though the large stock building effects of Q1 began to partly reverse in the second half of the quarter.

Materials reported 21% lower volumes as the abrupt deterioration in demand at the end of Q1 continued through Q2, with customers’ operations impacted by COVID-19 driven lockdowns around the world and weakened end user demand. High performance plastics sales were severely impacted by the poor market conditions in their largest end-market, global automotive, while Protective Materials (Dyneema) saw a substantial part of their contracted personal protection orders being deferred. These effects exacerbated the Adjusted EBITDA drop for the quarter. While volumes were down about 20-25% in April-May overall, market conditions improved gradually towards the end of the quarter in most end markets with June exit volumes being about -15%.

Outlook 2020

DSM reiterates the full year outlook given at Q1 2020 results, which reflects the considerable uncertainty as to how the COVID-19 pandemic will develop and what will be the global ramifications. Within this context, DSM expects Nutrition to deliver at least a mid-single digit increase in Adjusted EBITDA for 2020 compared to prior year, but given current limited visibility in Materials it feels prudent not to express an overall earnings outlook.

COVID-19 impact

DSM has maintained stringent hygiene and safety precautions in its facilities and supply chain since the outbreak of the COVID-19 pandemic. DSM is closely monitoring the local circumstances and responding accordingly. Through these swift actions, DSM continues to protect the wellbeing of its employees and partners while keeping production facilities running.

DSM estimates that Nutrition saw overall a slightly positive impact on first half sales from COVID-19 of about 1-2%. Materials saw a far more negative effect of somewhat above 15% on sales in that period.

In response, Materials limited capital expenditure and minimized operating costs. The next phase, as part of a wider restructuring initiative to leverage synergies and increase operating agility, will be implemented in the second half of the year and aims to deliver annualized recurring cost savings of €25-30 million without compromising the potential of the business. DSM will continue to monitor the evolution of COVID-19, and its potential impact on the different end markets it operates in and is prepared to take further actions if needed.

DSM continues to apply its scientific know-how and resources to support the fight against COVID-19 through various global and local initiatives. These include manufacturing and delivering 2.8 million nose swabs and 390,000 liters of disinfectant in the Netherlands as well as vital test kit equipment and distributing millions of immunity-optimizing products to communities, healthcare workers, as well as all DSM employees and their families worldwide. DSM has also joined global collaborative ‘Build Back Better’ initiatives advocating for economic recovery policies that trigger investments and behavioral changes to increase society’s resilience to global emergencies such as climate change. More details on these initiatives are included in the sustainability highlights.

Erber Group acquisition

On 12 June 2020, DSM announced the acquisition of the majority of assets of the Erber Group, an important step in the expansion of its specialty Animal Nutrition and Health solutions, for an enterprise value of €980 million. Biomin and Romer Labs, the acquired businesses of the Erber Group, will give DSM the market leadership in mycotoxin prevention, consolidate its position as one of the world’s largest suppliers of eubiotics to animals and bring a complementary capability in diagnostic technology and innovative testing solutions. The acquisition is expected to complete in Q4 2020 subject to regulatory approval. To finance the acquisition, DSM has issued two long term bonds for €1 billion.

Note for the editors: for the full text of the press release see enclosed pdf or click [here>](https://www.dsm.com/corporate/news/news-archive/2020/25-20-dsm-h1-2020-results.html)

**Financial calendar**

3 November 2020 Publication of the results of the first nine months of 2020

4 November 2020 Virtual Investor Event

16 February 2021 Publication of full year 2020 results

5 May 2021 Publication of the results of the first three months of 2021

6 May 2021 Annual General Meeting of Shareholders

3 August 2021 Publication of the half year results of 2021

2 November 2021 Publication of the results of the first nine months of 2021

**Contact Information**

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**Additional Information**

Today DSM will hold a conference call for **media** at 08:00 CET and a conference call for **investors and analysts** at 09:00 CET. Details on how to access these calls can be found on the DSM website, [www.dsm.com](http://www.dsm.com).

**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. DSM addresses with its products and solutions 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 was founded in 1902 and is listed on Euronext Amsterdam. More information can be found at [www.dsm.com](http://www.dsm.com/).

**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.