

Press Release

Heerlen (NL), 13 May 2019

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DSM expands in India with acquisition of SRF Ltd.'s Specialty Materials business

Royal DSM, a global science-based company in Nutrition, Health and Sustainable Living, announces that it has reached agreement with SRF Ltd., to acquire its Engineering Plastics business, a leading player in India in the development, production and sale of specialty materials. DSM will pay a consideration of INR 3.2 billion (about €38 million) to SRF Ltd. The acquisition is expected to close in Q3 2019, subject to customary closing conditions.

The acquisition will further cement DSM Material's position in India as the leading player in among others engineering plastics in this fast-growing economy and fits with its strategic aim of generating leading positions in fast-growing economies. SRF's Engineering Plastics business, founded in 1979, with its main operations located in Pantnagar (India), realized sales of about US\$ 37 million in 2018 and has seen double-digit growth in recent years.

The company's customers are well-known brands in the Automotive and Electrical & Electronics industries in India. Its business is highly complementary to DSM's business in India and will allow DSM to further grow its business without having to significantly invest in capital expenditures. With strong anticipated market growth in the coming years, fueled by increasing domestic demand from a growing middle class and weight reduction/metal replacement in automotive, this acquisition will help DSM to meet the current and future needs of its customers in India and saves DSM a capacity investment required for further growth in India.

In 2018, DSM's total sales in India, realized with about 550 employees, amounted to about €250 million, an increase of 17% compared to 2017. DSM is active in both Nutrition and Materials in the country. DSM Engineering Plastics operates a compounding facility and an R&T center in Pune.

DSM - Bright Science. Brighter Living.™

Royal DSM is a purpose-led global science-based company in Nutrition, Health and Sustainable Living. DSM is driving economic prosperity, environmental progress and social advances to create sustainable value for all stakeholders. DSM delivers innovative business 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.

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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.