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| Press Release  Heerlen (NL), 3 November 2020 | 33E |

**DSM reports results first nine months 2020**

Nine months highlights1

Continuing operations results2:

* DSM reports a solid first nine months in a challenging COVID-19 environment, with a continuing robust performance in Q3, despite significant negative foreign exchange effects
* Group sales stable and Adjusted EBITDA -3%
  + Nutrition: sales +4%, organic sales +5%, Adjusted EBITDA +6%
  + Materials: sales -18%, volumes -13%, Adjusted EBITDA -33%
* Adjusted net profit down 8% to €544m

Total Group:

* Net profit: €453m
* Adjusted Net Operating Free Cash Flow of €639m, up 16% year to date
* Outlook 2020 unchanged

Key figures and indicators – continuing operations2

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| in € million | **Jan-Sept 2020** | Jan-Sept 2019 | % Change | Volume | Price/mix | FX | Other |
| **Sales** | **6,026** | 6,064 | -1% | 1% | -1% | -2% | 1% |
| Nutrition | **4,771** | 4,573 | 4% | 5% | 0% | -3% | 2% |
| Materials | **1,092** | 1,327 | -18% | -13% | -5% | -1% | 1% |
| **Adjusted EBITDA** | **1,144** | 1,178 | -3% |  |  |  |  |
| Nutrition | **1,014** | 956 | 6% |  |  |  |  |
| Materials | **187** | 278 | -33% |  |  |  |  |
| Innovation | **16** | 19 |  |  |  |  |  |
| Corporate | **-73** | -75 |  |  |  |  |  |
| EBITDA | **1,020** | 1,133 |  |  |  |  |  |
| **Adjusted EBITDA margin** | **19.0%** | 19.4% |  |  |  |  |  |

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.

2 Results excluding business held for sale

Co-CEOs statement

Geraldine Matchett and Dimitri de Vreeze, Co-CEOs, commented: “*The first nine months of 2020 were impacted by the COVID-19 pandemic, with Nutrition overall performing well in this environment and Materials significantly affected. During this period, we have taken timely actions to protect profitability and cash flow generation while we continued to execute our long term strategy. We closed two acquisitions in Nutrition, including the Erber Group in October, and announced the divestment of our Resins and Functional Materials businesses.*

*Our businesses performed in line with our expectations for the third quarter, as we set out in early August. Conditions were overall good in Nutrition, with momentum in Materials improving.*

*With a surge of COVID-19 cases in recent weeks impacting near term visibility, we remain vigilant and focused on the health and safety of our employees. We thank them for their commitment and for ensuring continued security of supply to our customers.”*

Outlook 2020

DSM suspended its overall earnings outlook for the full year 2020 earlier this year owing to COVID-19 related uncertainties in Materials. For Nutrition, DSM indicated it expected to deliver at least a mid-single digit increase in Adjusted EBITDA for 2020, which is unchanged.

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 and continues to protect the wellbeing of its employees and partners while ensuring customer orders are met.

In the first nine months, DSM estimates that Nutrition saw a slightly positive impact on sales from COVID-19 overall. Materials saw a negative effect of slightly above 15% on volumes in that period and in response limited capital expenditure and minimized operating costs. As part of a wider restructuring initiative to leverage synergies and increase operating agility without compromising the potential of the business, DSM started to execute a next phase of the program as from September that will deliver annualized recurring cost savings of €15-20 million in Materials, excluding the portion previously attributable to the Resins and Functional Materials businesses. 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 the distribution of immunity-optimizing products to communities, healthcare workers and employees and their families, as well as the production of viral test equipment and disinfectant. DSM has also joined several global collaborative ‘Build Back Better’ initiatives.

Recent acquisitions and disposals

On 30 September 2020, DSM [announced](https://www.dsm.com/corporate/news/news-archive/2020/30-20-dsm-announces-sale-of-resins-and-functional-materials-businesses.html) an agreement to sell DSM Resins & Functional Materials, including DSM Niaga®, DSM Additive Manufacturing and the coatings activities of DSM Advanced Solar to Covestro AG for an Equity Value of €1.6 billion. These businesses represented €1,012 million of DSM’s 2019 total annual net sales and €133 million of DSM’s 2019 total Adjusted EBITDA. The transaction is expected to close in H1 2021 and DSM expects to receive approximately €1.4 billion net in cash following closing. As of Q3, the divested businesses are classified as ‘held for sale’ and the net result from these discontinued operations is separately reported in the income statement.

On 1 October 2020, DSM [completed](https://www.dsm.com/corporate/news/news-archive/2020/31-20-dsm-completes-acquisition-of-erber-group.html) 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.

Virtual investor event

DSM has created an online conference venue to hold its Virtual Investor Event. The venue, which opens today (3 November 2020, 10:00 CET), offers information on DSM’s innovation-driven Nutrition growth platforms. This is in preparation for the live event tomorrow (4 November 2020, 14:00-17.15 CET), when DSM’s Co-CEOs and other executives will present an update on the company’s strategic progress and innovation pipeline, as well as discuss emerging opportunities and growth platforms in Nutrition. The event will end with a Q&A session hosted by DSM’s Co-CEOs. Details on how to access this venue can be found on the DSM website [www.dsm.com/corporate/investors.html](http://www.dsm.com/corporate/investors.html).

Q3 Highlights

Continuing operations results:

* DSM reports a solid Q3 despite significant negative foreign exchange effects
* Group sales -4% and Adjusted EBITDA -1%:
  + Nutrition: sales stable, organic sales +4%, Adjusted EBITDA +7%
  + Materials: sales -17%, volumes -6%, Adjusted EBITDA -31%
* Adjusted net profit down 20% to €176m.

Total Group:

* Total net profit: €183m
* Adjusted Net Operating Free Cash Flow of €297m, up 1% compared to Q3 2019

Key figures and indicators – continuing operations

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| --- | --- | --- | --- | --- | --- | --- | --- |
| in € million | **Q3 2020** | Q3 2019 | % Change | Volume | Price/mix | FX | Other |
| **Sales** | **1,961** | 2,035 | -4% | 1% | -1% | -5% | 1% |
| Nutrition | **1,547** | 1,544 | 0% | 3% | 1% | -6% | 2% |
| Materials | **362** | 435 | -17% | -6% | -8% | -3% | 0% |
| **Adjusted EBITDA** | **383** | 388 | -1% |  |  |  |  |
| Nutrition | **340** | 317 | 7% |  |  |  |  |
| Materials | **62** | 90 | -31% |  |  |  |  |
| Innovation | **5** | 6 |  |  |  |  |  |
| Corporate | **-24** | -25 |  |  |  |  |  |
| EBITDA | **337** | 378 |  |  |  |  |  |
| **Adjusted EBITDA margin** | **19.5%** | 19.1% |  |  |  |  |  |

Trading conditions during Q3 were in line with expectations as communicated in August with the Q2 results. Nutrition performed well, despite a significant negative foreign exchange effect of minus 6%. Materials, whilst still impacted by COVID-19, showed an improving volume trend relative to the prior quarter, especially in September.

Note for the editors: for the full text of the press release see enclosed pdf or [click here>](https://www.dsm.com/content/dam/dsm/corporate/en_US/documents/33-20-dsm-q3-2020-results.pdf)

**Financial calendar**

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/).

Find us on: 

**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.