Press Release
Kaiseraugst (Switzerland), Maastricht (Netherlands), July 30, 2024

dsm-firmenich reports H1 2024 results

Management Report

H1 2024 highlights

- Strong improvement of financial results
- Synergies and vitamin transformation program on track, with €95 million delivered in the first six months
- Mid-term strategy defined, including financial targets and sustainability ambitions
- Portfolio fine-tuning progressing with divestments of yeast extracts and marine lipids already announced
- Animal Nutrition & Health separation well advanced
- FY 2024 outlook increased: Adjusted EBITDA around €2 billion

Key figures

in € millions	H1 2024	Pro forma H1 2023[1]	% Change	Q2 2024	Pro forma Q2 2023[1]	% Change
Sales	6,298	6,152	2	3,227	3,030	7
Organic sales growth (%)	4			7		
Adj. EBITDA	976	929	5	513	408	26
Adj. EBITDA margin (%)	15.5	15.1		15.9	13.5	
Core adj. net profit	365	236	55			

[1] 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.

Key figures on an IFRS basis

in € millions	H1 2024	H1 2023[2]	% Change
Sales	6,298	4,470	41
Net profit (total group)	50	2,375	(98)

[2] Represents the figures on an IFRS basis, including the Firmenich results as of the merger date May 8, 2023.

Dimitri de Vreeze, CEO, commented: "We are pleased with our achievements in the first six months of the year. We launched our strategic plan at our capital markets day in June and are making good progress with the synergies and vitamin transformation programs. The separation of the Animal Nutrition & Health business is well underway, and we already announced two divestments as part of our portfolio fine-tuning.

At the same time, our relentless focus on operational excellence, combined with improving business conditions, resulted in better financial results. Perfumery & Beauty and Taste, Texture & Health both delivered a strong performance. Health, Nutrition & Care and Animal Nutrition & Health saw improved momentum.

We upgrade our full year outlook to around €2 billion based on the positive business momentum continuing into the third quarter and our commitment to deliver a €200 million Adjusted EBITDA contribution from a combination of synergy delivery and the vitamin transformation program, while we should remain cautious about the general economic conditions in which our customers operate."

Outlook 2024

The company increases its outlook and expects an Adjusted EBITDA of around €2 billion in FY 2024.

Strategy

At its capital markets day in Paris on June 3, 2024, dsm-firmenich defined its strategy to better leverage its unique portfolio and capabilities to further strengthen its position as a global leader in nutrition, health, and beauty, maximizing the synergistic potential of the merger.

The company will focus on its consumer activities after having announced plans to separate the Animal Nutrition & Health business from the Group. It will further fine-tune its consumer activities by deprioritizing certain activities, totaling more than €600 million in annual sales. To date, the company has already announced the sale of two of these activities, representing about €300 million in annual sales: the yeast extract business to Lesaffre and the marine lipids business to KD Pharma Group.

With these strategic actions, the company wants to accelerate its innovation-led growth by prioritizing the high-growth and high-margin segments of Perfumery & Beauty (P&B), Taste, Texture & Health (TTH) and Health, Nutrition & Care (HNC), with the following mid-term financial targets for dsm-firmenich in its new scope:

- Organic Sales Growth: 5-7%
- Adjusted EBITDA margin: 22-23%
- Cash-to-sales conversion: >10%

By operating as a “Category of One”, with a strong focus on science and sustainability and our innovation and creation-led approach, dsm-firmenich seeks to create what is essential for life as well as desirable for consumers yet simultaneously more sustainable for the planet. Working closely with customers, dsm-firmenich is poised to bring progress to life for billions of people around the world.

Delivering synergies through integration

dsm-firmenich is on track to achieve its target synergies of approximately €350 million Adjusted EBITDA per year. Around half of this is expected to come from cost efficiencies, with the full run rate achieved by the end of year 3. The remaining synergies are expected from incremental revenues of €500 million, generated by an acceleration of innovation with customers, with the full run rate expected by the end of year 4. These revenue synergies are driven by complementary capabilities and realized in all three business units of the Group’s new scope with roughly the following balance:

- 60% in TTH
- 25% in HNC
- 15% in P&B

In the first six months of this year, synergies contributed around €50 million to Adjusted EBITDA and dsm-firmenich expects to realize about €100 million for full year 2024.

Vitamin transformation program

Mid-2023, the company embarked on a major restructuring program in its vitamin activities to reduce costs and restore profitability. This program is expected to result in an estimated Adjusted EBITDA contribution of around €200 million per year with the full run rate to be reached by the end of 2024. These savings will be in addition to the previously announced €350 million Adjusted EBITDA synergies target. Neither of these targets will be disrupted by the separation of Animal Nutrition & Health. dsm-firmenich has already made strong progress in executing the program by closing the Vitamin B6 and Vitamin C plants in China and optimizing the premix sites, creating a more focused and agile organization model.

In the first six months of 2024, the program generated a contribution of about €45 million to Adjusted EBITDA. For full year 2024, dsm-firmenich expects to achieve a contribution of around €100 million to Adjusted EBITDA.

Separation of Animal Nutrition & Health from the Group

In February 2024, dsm-firmenich announced its intention to separate the Animal Nutrition & Health business from the company, having concluded a different ownership structure would best realize its full potential. Furthermore, through this process, the company would reduce its exposure to vitamins earnings volatility and reduce its capital intensity, in line with its newly defined long-term strategy.

Since then, the company has selected the team charged with preparing and executing the separation. The deal perimeter has been established together with the operational separation blueprint. The company expects to announce a transaction in the course of 2025.

Key figures and indicators

in € millions	H1 2024	Pro forma H1 2023[1]	% Change	Q2 2024	Pro forma Q2 2023[1]	% Change
Net sales	**6,298**	**6,152**	**2**	**3,227**	**3,030**	**7**
P&B	2,007	1,875	7	1,021	903	13
TTH	1,632	1,533	6	834	761	10
HNC	1,091	1,144	(5)	565	562	1
ANH	1,536	1,571	(2)	790	786	1
Corporate	32	29	10	17	18	(6)
Adj. EBITDA	**976**	**929**	**5**	**513**	**408**	**26**
P&B	454	379	20	220	169	30
TTH	309	289	7	159	137	16
HNC	173	220	(21)	94	100	(6)
ANH	87	85	2	63	17	271
Corporate	(47)	(44)	7	(23)	(15)	53
Adj. EBITDA margin (%)	**15.5**	**15.1**		**15.9**	**13.5**	
P&B	22.6	20.2		21.5	18.7	
TTH	18.9	18.9		19.1	18.0	
HNC	15.9	19.2		16.6	17.8	
ANH	5.7	5.4		8.0	2.2	
Adj. EBIT	**381**	**417**	**(9)**			
Core adj. EBIT	**525**	**459**	**14**			
Core adj. net profit	**365**	**236**	**55**			
Average number of shares (x millions)	265.0	265.2				
Core adj. EPS	1.35	0.87				
(Avg.) core capital employed	16,157	16,427				
Core adj. ROCE (%)	6.5	5.6				
Operating working capital	3,968	4,089				
Capital expenditures (cash)	337	348				
Adj. gross operating free cash flow	460	285				

[1] *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.*

Key figures and indicators on an IFRS basis

in € millions	H1 2024	H1 2023[2]	% Change
Net sales	6,298	4,470	41
EBITDA	846	317	167
EBITDA margin (%)	13.4	7.1	
EBIT	157	(371)	(142)
Net profit (total group)	50	2,375	
Basic EPS (total group)	0.16	11.77	
Effective tax rate (%)	26.0	27.7	
Net debt	3,449	1,831	
Workforce (headcount)	27,926	29,306	

[2] *Represents the figures on an IFRS basis, including the Firmenich results as of the merger date May 8, 2023.*

dsm-firmenich H1 2024 and Q2

in € millions	H1 2024	Pro forma H1 2023[1]	% Change	Q2 2024	Pro forma Q2 2023[1]	% Change
Sales	6,298	6,152	2	3,227	3,030	7
Organic sales growth (%)	4			7		
Adj. EBITDA	976	929	5	513	408	26
Adj. EBITDA margin (%)	15.5	15.1		15.9	13.5	

[1] 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.

H1 2024

- Strong performance of Perfumery & Beauty (P&B)
- Good performance of Taste, Texture & Health (TTH)
- Gradually improving business conditions for Health, Nutrition & Care (HNC)
- Increased profitability for Animal Nutrition & Health (ANH)

The company saw the overall business momentum improving during the first half. P&B had a strong performance throughout the entire period. TTH saw demand accelerating throughout the first half. HNC saw destocking effects fading with demand for dietary supplements picking up in the second quarter. ANH started to benefit from improved profitability in vitamins from Q2.

Adjusted EBITDA was up 5% with a contribution of €95m from the vitamin transformation program and cost synergies. The Adjusted EBITDA was still impacted by a negative vitamin effect, estimated at €65 million, and by negative foreign exchange effects estimated at about €25 million. The Adjusted EBITDA margin was 15.5%.

Gross free cash flow amounted to €460 million in H1, showing a 61% improvement versus the prior year. Inventories came down versus the prior year, despite ensuring sufficient stock levels to support an improving business momentum.

Q2 2024

- Very strong growth in P&B, including good contribution from recovery in Ingredients
- Strong performance of TTH
- HNC returned to volume growth on higher demand for dietary supplements
- Significantly improved results in ANH with strong growth in Performance Solutions and higher vitamin profitability

The second quarter saw P&B delivering exceptionally strong results across all its three business lines, with a good recovery in demand for Ingredients. TTH saw a further acceleration following a good first quarter, driven by higher demand for both Taste and Ingredient Solutions. HNC benefited from an improvement in demand for dietary supplements, while Early Life Nutrition saw continued customer destocking. In ANH, Performance Solutions delivered another strong quarter, while profitability in vitamins started to improve.

Adjusted EBITDA was up 26% with a contribution of €50 million from the vitamin transformation program and cost synergies. The Adjusted EBITDA included a negative foreign exchange effect, estimated at about €10 million, compensated by improved vitamin profitability, estimated at about €15 million. The Adjusted EBITDA margin was 15.9%.

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	H1 2024	Pro forma H1 2023[1]	% Change	Q2 2024	Pro forma Q2 2023[1]	% Change
Sales	2,007	1,875	7	1,021	903	13
Organic sales growth (%)	7			13		
Adj. EBITDA	454	379	20	220	169	30
Adj. EBITDA margin (%)	22.6	20.2		21.5	18.7	

[1] 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.

Sales and Adjusted EBITDA

H1 2024

P&B delivered strong financial results in the first half, with strong demand across its three segments and supported by a newly redesigned organization, better aligned to serve customers. The business delivered organic sales growth of 7%, with 10% higher volumes (including a 2% negative effect from the Pinova plant closure). Lower pricing (-3%) resulted from product mix effects and some pass-through of lower input costs.

Strong demand for Perfumery and Beauty & Care resulted in an excellent performance in the first six months of the year. Ingredients saw a gradual improvement of the results through the period with demand recovery.

In the first half, P&B launched several new innovations across its three segments. Perfumery launched PopScent® Clear for laundry care, combining the most advanced malodor-neutralizing technologies with encapsulation. It also added two new Haloscent® patented profragrance molecules giving an amplified fragrance effect, specifically designed for fine fragrance and hair care products. Beauty & Care experienced momentum in innovation with the launch of Eterwell™ Youth, an award-winning, holistic solution for healthy ageing skin, acting on the cellular level and efficient on any skin type, clearing senescent (zombie) cells. Ingredients launched the Sharing Innovation 2024 collection, featuring CLEARWOOD® PRISMA, a new captive ingredient made through biotechnology, which is 100% natural, 100% renewable and biodegradable.

Adjusted EBITDA was up 20%, driven by higher demand, contribution of synergies, and lower input costs. The Adjusted EBITDA margin was up 240 bps to 22.6%.

Q2 2024

P&B delivered organic sales growth of 13%, with 17% higher volumes (including a 2% negative effect from the Pinova plant closure), partly offset by 4% lower pricing from product mix effects and some pass-through of lower input costs.

P&B delivered an exceptionally strong result with double digit volume growth across all three business lines. Perfumery recorded continued good growth in Fine Fragrances, while demand for Consumer Fragrances was exceptionally strong, driven by a catch-up effect after destocking last year and customer preference for higher product superiority. Ingredients saw a strong demand in the quarter across all end-use segments. Beauty & Care saw continued positive momentum for both its beauty actives and for its hair, skin, and sun offerings, supported by sales synergies originating from the support of Perfumery. Adjusted EBITDA was up 30%, driven by higher volumes, lower costs, and the contribution from synergies. The Adjusted EBITDA margin was up 280 bps to 21.5%, supported by strong sales in the quarter, but somewhat impacted by negative product mix effects and one-off costs.

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	H1 2024	Pro forma H1 2023[1]	% Change	Q2 2024	Pro forma Q2 2023[1]	% Change
Sales	1,632	1,533	6	834	761	10
Organic sales growth (%)	8			11		
Adj. EBITDA	309	289	7	159	137	16
Adj. EBITDA margin (%)	18.9	18.9		19.1	18.0	

[1] 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.

Sales and Adjusted EBITDA

H1 2024

TTH saw a good market recovery after the destocking in 2023 and recorded 8% organic sales growth in the first six months of the year with 8% volume growth on good demand in both Taste and Ingredient Solutions across all regions and account categories. Prices were stable.

In the first six months, TTH launched several innovations, already seeing take up from customers. In the Sugar reduction platform, the business added carbonation modulation to its toolbox. This innovation helps increase consumer perception of CO_2 in sugar-reduced drinks while reducing CO_2 content, which in turn helps reducing the thickness of plastic bottles. The business also launched Novasense Alcohol Modulation. This technology replicates the sensation of alcohol in light or non-alcoholic drinks and has seen already some early adoptions by producers of non-alcoholic beer. Additionally, TTH enriched its portfolio of best-in-class milk solutions with new vegan dairy-like flavors. These include Dynarome® DA, the latest technology to replicate milk mouthfeel and mask plant-based off-notes to deliver a superior dairy experience for milk analogs. Finally, TTH launched its latest automated antibiotic residue test, Delvotest® Go, with user-friendly features supporting the dairy value chain to become more sustainable by preventing milk waste and ensuring that dairy products contain less antibiotics.

The Adjusted EBITDA was up 7% with a strong step-up in the second quarter due to higher volumes and the contribution from synergies. The Adjusted EBITDA margin was flat at 18.9%.

Q2 2024

TTH had a strong quarter with 11% organic growth. Volumes rose 12% with double digit growth in both Taste and Ingredient Solutions, on strong customer demand driven by catch-up effects after destocking last year and with the first benefits from sales synergies. Pricing (-1%) was broadly stable.

The Adjusted EBITDA was up 16% driven by the strong volume growth and the benefit from synergies. The Adjusted EBITDA margin was up 110bps to 19.1%.

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	H1 2024	Pro forma H1 2023[1]	% Change	Q2 2024	Pro forma Q2 2023[1]	% Change
Sales	1,091	1,144	(5)	565	562	1
Organic sales growth (%)	(4)			1		
Adj. EBITDA	173	220	(21)	94	100	(6)
Adj. EBITDA margin (%)	15.9	19.2		16.6	17.8	

[1] 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.

Sales and Adjusted EBITDA

H1 2024

HNC had a slow start to the year driven by negative vitamin effects and continued destocking. The business saw a gradual improvement in demand through the period. Overall, HNC reported -4% organic sales with volumes and price contributing in equal parts in the first six months.

In the first six months, HNC saw a very strong uptake for its algal omega-3 oils across all segments supported by the value proposition of a pure, clean, highly sustainable, and twice as concentrated algal omega-3 portfolio. In addition, HNC obtained important regulatory approvals for key ingredients during the period, e.g., for ampli-D from EFSA in Europe. The business also launched both in Europe and Asia the first "biotic" vitamin (i.e., reaching the colon), Humiome B2, which is gaining good traction. Specifically for early life nutrition, customers in China have launched the first products containing HMOs in stage-4 infant formulas. HNC expects further progress in China for the other infant formula categories in H2. i-Health very successfully launched several new products in the health from the gut space, such as Culturelle Weight Management and Bloating & Gas Defense and Estroven Weight Management.

Adjusted EBITDA was down 21%, as the contributions from the cost synergies and the vitamin transformation program were offset by a negative vitamin effect, which is estimated at €30 million, and by a negative foreign exchange effect, estimated at around €15 million. This resulted in an Adjusted EBITDA margin of 15.9%.

Q2 2024

HNC saw organic sales growth turning positive (+1%), with 2% volume growth. Business conditions for dietary supplements improved throughout the quarter. The volume growth in this segment was still largely offset by ongoing destocking in early life nutrition. i-Health performed well in the quarter. Overall, pricing (-1%) was stable.

Adjusted EBITDA was down 6% as the positive contribution from volume growth, cost synergies and the vitamin transformation program was more than offset by higher costs (especially for fish oils) and negative foreign exchange effects. This was reflected in the 120bps contraction in the Adjusted EBITDA margin to 16.6%.

Animal Nutrition & Health

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

Business unit results

in € millions	H1 2024	Pro forma H1 2023[1]	% Change	Q2 2024	Pro forma Q2 2023[1]	% Change
Sales	1,536	1,571	(2)	790	786	1
Organic sales growth (%)	(1)			2		
Adj. EBITDA	87	85	2	63	17	271
Adj. EBITDA margin (%)	5.7	5.4		8.0	2.2	

[1] 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.

Sales and Adjusted EBITDA

H1 2024

Organic sales in H1 were broadly in line with prior year (-1%). The business returned to volume growth (+3%) with strong growth in Performance Solutions and solid growth in premix. Vitamin volumes remained soft. Prices were down 4% due to lower vitamin prices in the first quarter, while in the second quarter, lower pricing was the result of mix effects.

Overall, demand for animal protein remained robust, though the swine industry in China remained under pressure, with sow herds down 7%, together with weak farm economics in the region. Poultry continued to show a healthy demand, while Ruminant demand returned to growth.

Adjusted EBITDA was up 2%. The performance increased significantly over the first half with strong organic growth in Performance Solutions, lower input costs, and the contribution from the cost synergies and the vitamin transformation program. This was partly offset by a negative foreign exchange effect, estimated at €5 million. The residual negative vitamin effect is estimated at €35 million. The Adjusted EBITDA margin was 5.7%.

Q2 2024

The quarter saw a significant improvement in profitability from lower costs, supported by the continued strong performance of Performance Solutions. Organic growth (+2%) turned positive in the quarter driven by volumes (+4%) from strong growth in Performance solutions, a solid growth in premixes, and limited growth from vitamins. Lower pricing (-2%) was the result of mix effects in the quarter with vitamin prices being overall stable.

Adjusted EBITDA increased to €63 million, driven by volume growth, including about €20 million from the cost synergies and the vitamin transformation program, and about €15 million from improved vitamin profitability. The Adjusted EBITDA margin was 8%.

Corporate activities

in € millions	H1 2024	Pro forma H1 2023[1]	% Change	Q2 2024	Pro forma Q2 2023[1]	% Change
Sales	32	29	10	17	18	(6)
Adj. EBITDA	(47)	(44)		(23)	(15)	

[1] 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.

Corporate activities have been stable in H1 versus last year. The reported Adjusted EBITDA typically shows some fluctuations, but they do not reflect a change in overall cost levels.

Cash Flow and Working Capital

Cash Flow and Working Capital

in € millions	H1 2024	Pro forma H1 2023
Adj. gross operating free cash flow	460	285
Operating working capital (OWC)	3,968	4,089
OWC as % of sales - end of period	30.7	33.7
Total working capital (WC)	3,280	3,321
Total WC as % of sales - end of period	25.4	27.4

In the first six months of the year, the Adjusted gross operating free cash flow was up €175 million versus prior year, representing a cash conversion ratio of 7% on Sales. OWC improved to 30.7% of Sales from 33.7% in prior year, reflecting discipline in managing operational efficiency and continued commitment to progress on our cash ambitions.

Alternative Performance Measures (APMs)

The policy on Alternative Performance Measures (APMs) and a reconciliation between the APMs and the most directly reconcilable IFRS metric can be found in Note 2 to the Condensed consolidated interim financial statements.

In the first six months of the year, the main APM adjustments were:

- Acquisition (merger) and divestments costs of €86 million, mainly related to integration costs from the merger of DSM and Firmenich, and the sale of the Jiangshan Vitamin C business
- Restructuring costs of €44 million, mainly related to the vitamin transformation program
- Impairments of Property, Plants and Equipment (PPE), goodwill, and intangible assets of €94 million, mainly related to the impairment of the Marine Lipids business

Sustainability

Early in the year, dsm-firmenich launched its renewed sustainability program People.Planet.Progress. focusing on six themes in People and Planet.

People	Planet
Fuel healthy lives	Accelerate climate action
Empower people to thrive	Safeguard nature and biodiversity
Nurture well-being	Conserve our planet's resources

The company advances its sustainability ambition through its products, services, and solutions; and through how it creates, sources, and delivers. Through these six themes, dsm-firmenich brings progress to life by combining the essential, the desirable and the sustainable. A full set of commitments linked to the focus areas will be published in early 2025.

People

	H1 2024	2023
Safety		
Frequency index of recordable incidents - all	0.28	0.31
Engagement		
Employee Engagement	80%	82%
Value Awareness	83%	77%

dsm-firmenich is committed to fostering a world where people are healthy, well-nourished, where they thrive and feel well. In the first half of 2024, the company launched its Life Saving Rules, the Diversity, Equity and Inclusion policy, and a network of Mental Health First Aiders demonstrating its commitment to deliver a safe and inclusive work environment. The company took further steps in closing the micronutrient gap through several initiatives, including, among others, by participating in Millers for Nutrition and continuing the partnership with World Vision, and improving diversity and inclusion in the beauty industry through the new partnership with The Colors.

The January Employee Engagement Survey received a 79% response rate, providing insight into how employees are feeling and where the company needs to make improvements. Workplace engagement remained high at 80%, with employees remaining hopeful, curious and excited about the ongoing integration. Recognition of the company values increased, with 83% of employees stating that they recognize and embrace the values, while 89% of employees feel their contributions significantly impact the company's customers. The survey identified improvement areas on transparency, uncertainty, and inclusion. To address this, the company has focused on these areas in employee communications and leadership programs, and developed Business-unit- and function-specific plans and targets on DEI.

Planet

	H1 2024	2023
GHG Absolute reduction versus 2021[1]		
Scope 1 and 2[2]	21%	-
Purchased renewable electricity	92%	88%

[1] Our science-based targets (pending SBTi validation) were launched in late 2023. This is the first period of reporting progress, so no comparative information is available.
[2] Under scope 3, our H1 2024 over 2021 category 1 emission intensity has reduced by approximately 5 %. Absolute reduction will be reported for full year 2024.

The company takes its responsibility to accelerate climate action, as climate change is the most pressing environmental issue. In early 2024, dsm-firmenich submitted science-based targets for validation by the Science Based Targets initiative (SBTi), aiming to achieve net-zero by 2045, aligned with the ambition of keeping global warming below 1.5°C. The company's mid-term targets consist of an absolute emission reduction of 42% for Scope 1 and 2, and 25% for Scope 3, by 2030 from a 2021 baseline, without the use of carbon offsets, as well as a target to reach 100% purchased renewable electricity by 2025.

dsm-firmenich delivered good progress on its GHG reduction program. Approximately 50 projects that were implemented in 2023 contributed to GHG emissions reductions such as compressor optimization, boiler efficiency improvements, steam distribution improvements and steam generation from reactor heat. The increased share of purchased renewable electricity was due to a new renewable electricity contract in China, combined with an overall reduction in electricity demand. Within Scope 3, reductions are driven by emissions reduction delivered by our suppliers and optimizing our product/supplier mix. Driven by our Supplier Engagement Program, we now have 25% of our spend covered by our suppliers who have set SBTi targets, aligning with our ambition. The company also implemented projects on waste valorization, water savings, and other energy savings.

Progress

In the first half of 2024, dsm-firmenich was rated as having low ESG risk from Sustainalytics. It also maintained its AAA MSCI rating and its Prime rating from ISS. This places dsm-firmenich in the top decile of its industry for these ratings. Furthermore, dsm-firmenich maintained its listing as a constituent company in the FTSE4Good Index series. This Index was the first joint listing that dsm-firmenich received.

The company launched its Responsible Sourcing standard during the supplier event "Join Forces for Responsible Sourcing". The Standard outlines the company's engagement framework for suppliers and addresses both expectations of, and opportunities for, suppliers who engage with dsm-firmenich. From a supply chain due diligence perspective, the company continually screens its supply chains for potential or actual adverse impacts, and defines and implements action plans to cease, prevent or mitigate these impacts. More information on the due diligence approach can be found in the company's first Human rights report.

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 the management report to 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)

In monitoring the financial performance of dsm-firmenich, management uses certain Alternative performance measures (APMs) not defined by IFRS. These APMs should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. APMs do not have standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies.

To arrive at the Alternative Performance Measures (APMs) Adjusted EBITDA, Adjusted EBIT, and Adjusted net profit, 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.

Earnings before interest, tax, depreciation and amortization (EBITDA)

EBITDA is defined as IFRS metric operating profit plus depreciation, amortization, and impairments.

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

Adjusted EBITDA is the EBITDA adjusted for material items of profit or loss, as defined under 'APM adjustments'.

EBITDA margin

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

Adjusted EBITDA margin (Adj. EBITDA margin)

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

Adjusted operating profit (Adj. EBIT)

Adjusted operating profit (Adj. EBIT) is the IFRS metric operating profit adjusted for material items of profit or loss, as defined under 'APM adjustments'.

Core adjusted EBIT (Core adj. EBIT)

Core adjusted EBIT is calculated as the IFRS metric operating profit adjusted for material items of profit or loss, as defined under 'APM adjustments', and adjusted for the impact of the Firmenich purchase price allocation (PPA).

Adjusted net profit (Adj. net profit)

Adjusted net profit is the IFRS metric net profit adjusted for material items of profit or loss, as defined under 'APM adjustments'.

Core adjusted net profit (Core adj. net profit)

Core adjusted net profit is the IFRS metric net profit (from continuing operations) adjusted for material items of profit or loss, as defined under 'APM adjustments', and adjusted for the impact of the Firmenich purchase price allocation (PPA).

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.

Adjusted earnings per share (Adj. EPS)

Adjusted earnings per share (Adjusted EPS) is calculated as the net profit available to holders of ordinary shares adjusted for material items of profit or loss, as defined under 'APM adjustments', divided by the average number of ordinary shares outstanding.

Core adjusted earnings per share (Core adj. EPS)

Core adjusted earnings per share (Core adjusted EPS) is calculated as the net profit (from continuing operations) available to holders of ordinary shares adjusted for material items of profit or loss, as defined under 'APM adjustments', and adjusted for the impact of the Firmenich purchase price allocation (PPA), divided by the average number of ordinary shares outstanding.

Capital employed

Capital employed is the total of the carrying amount of intangible assets and property, plant and equipment, inventories, trade receivables and other receivables, less trade payables, other current liabilities, investment grants and customer funding. Average capital employed is calculated as the average of the capital employed at the end of the preceding five quarters, including the current quarter.

Core capital employed

Core capital employed is defined as capital employed, adjusted for the impact of the Firmenich purchase price allocation (PPA). Average core capital employed is calculated as the average of the core capital employed at the end of the preceding five quarters, including the current quarter.

Return on capital employed (ROCE)

Return on capital employed (ROCE) is the adjusted operating profit (from continuing operations) as a percentage of average capital employed.

Core adjusted return on capital employed (Core adj. ROCE)

Core adjusted return on capital employed (Core adj. ROCE) is core adjusted EBIT as a percentage of average core capital employed.

Operating working capital

The total of inventories and trade receivables, less trade payables.

Capital expenditures (CAPEX)

Capital expenditures include all investments in intangible assets and property, plant and equipment.

Net debt

Net debt is the total of current and non-current borrowings less cash and cash equivalents, current investments and the net position of derivatives.

Statement of the Board of Directors

This document represents dsm-firmenich's half yearly report containing the management report as well as the condensed consolidated interim financial statements for the purpose of the Dutch Act on Financial Supervision (Wet Financieel Toezicht), section 5:25d.

Per the Dutch Decree on Transparency for issuing entities subject to the Dutch Act on Financial Supervision (Besluit Transparantie uitgevende instellingen Wft) article 10, the Directors declare that, to the best of their knowledge:

- The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the international Accounting Standards Board
- The interim management report gives a fair review of important events during the first six months of the financial year that impact the Company's business.

Thomas Leysen, Chairman of the Board of Directors

Dimitri de Vreeze, Chief Executive Officer

Condensed consolidated interim financial statements H1 2024

Condensed consolidated interim income statement

	H1 2024	H1 2023
Continuing operations		
Net sales	6,298	4,470
Gross profit	**2,184**	**1,408**
Operating profit	**157**	**(371)**
Financial income and expense	(46)	(77)
Profit before tax	**111**	**(448)**
Income tax expense	(59)	36
Share of net profit of associates and joint ventures	(2)	–
Net profit from continuing operations	**50**	**(412)**
Net profit from discontinued operations	–	2,787
Net profit for the period	**50**	**2,375**
Attributable to:		
– Holders of shares	42	2,361
– Non-controlling interests	8	8
– Dividend on cumulative preference shares	–	6
Earnings per share (EPS) total (in €):		
– Basic EPS	0.16	11.77
– Diluted EPS	0.16	11.76
Earnings per share (EPS) continuing operations (in €):		
– Basic EPS	0.16	(2.12)
– Diluted EPS	0.16	(2.12)

Condensed consolidated interim statement of comprehensive income

in € millions	H1 2024	H1 2023
Net profit for the period	**50**	**2,375**
Other comprehensive income		
Remeasurements of defined benefit liability	53	(19)
Change in fair value reserve	4	(24)
Exchange differences on translation of foreign operations relating to non-controlling interests	–	(7)
Related tax	(10)	4
Items that will not be reclassified to profit or loss	**47**	**(46)**
Exchange differences on translation of foreign operations	(87)	(153)
Change in hedging reserve	(18)	10
Equity accounted investees – share of other comprehensive income	(1)	4
Related tax	3	–
Items that may subsequently be reclassified to profit or loss	**(103)**	**(139)**
Total comprehensive income for the period, net of tax	**(6)**	**2,190**

Condensed consolidated interim statement of changes in equity

x € millions	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Shareholders' equity	Non-contr. interests	Total Equity
Balance at January 1, 2023	**328**	**471**	**(196)**	**363**	**9,777**	**10,743**	**102**	**10,845**
Total comprehensive income	–	–	–	(178)	2,367	**2,189**	1	**2,190**
Dividend	–	(424)	–		(158)	**(582)**	–	**(582)**
Options / performance shares granted	–	–	–	10	–	**5**	–	**5**
Options / performance shares vested / canceled	–	–	–	(5)		**–**	–	**–**
Repurchase / cancellation of shares	(67)	(2)	89	–	(277)	**(257)**	–	**(257)**
Transfer minority shareholding DSM B.V. from equity to liability	(10)	(18)	–	–	(597)	**(625)**	–	**(625)**
Issue new shares (including swap DSM N.V. into DSM-Firmenich AG)	(248)	11,729	–	–	–	**11,481**	–	**11,481**
Reissued shares	–	–	55	–	(34)	**21**	–	**21**
Changes in non-controlling interests	–	–	–	–	–	**–**	44	**44**
Remuneration on deeply subordinated fixed rate resettable perpetual notes	–	–	–	–	–	**–**	–	**–**
Other changes	–	–	–	–	39	**39**	5	**44**
Balance at June 30, 2023	3	11,756	(52)	190	11,117	**23,014**	152	**23,166**
Balance at January 1, 2024	**3**	**11,731**	**(44)**	**474**	**10,744**	**22,908**	**162**	**23,070**
Total comprehensive income	–	–	–	(77)	63	**(14)**	8	**(6)**
Dividend	–	(414)	–	–	(248)	**(662)**	(3)	**(665)**
Options / performance shares granted	–	–	–	15	–	**15**	–	**15**
Options / performance shares vested / canceled	–	–	–	(25)	25	**–**	–	**–**
Repurchase / cancellation of shares	–	–	(157)	–	–	**(157)**	–	**(157)**
Reissued shares	–	–	52	–	(32)	**20**	–	**20**
Changes in non-controlling interests	–	–	–	–	–	**–**	(1)	**(1)**
Remuneration on deeply subordinated fixed rate resettable perpetual notes	–	–	–	–	–	**–**	–	**–**
Other changes	–	(4)	–	–	14	**10**	–	**10**
Balance at June 30, 2024	3	11,313	(149)	387	10,566	**22,120**	166	**22,286**

Condensed consolidated interim balance sheet at June 30

in € millions	June 30 2024	December 31 2023
Assets		
Goodwill and intangible assets	18,197	18,738
Property, plant and equipment	5,474	5,549
Deferred tax assets	337	228
Share in associates and joint ventures	163	130
Derivatives	59	46
Other non-current assets	797	735
Non-current assets	**25,027**	**25,426**
Inventories	3,405	3,390
Trade receivables	2,771	2,553
Income tax receivables	182	107
Other receivables	142	183
Derivatives	21	42
Financial investments	116	107
Cash and cash equivalents	970	2,456
Sub-total	**7,607**	**8,838**
Assets held for sale	176	6
Current assets	**7,783**	**8,844**
Total assets	**32,810**	**34,270**
Equity and liabilities		
Shareholders' equity	22,120	22,908
Non-controlling interest	166	162
Equity	**22,286**	**23,070**
Deferred tax liabilities	1,702	1,751
Employee benefit liabilities	456	520
Provisions	110	142
Borrowings	3,610	4,114
Derivatives	6	8
Other non-current liabilities	104	146
Non-current liabilities	**5,988**	**6,681**
Employee benefit liabilities	32	49
Provisions	20	34
Borrowings	972	716
Derivatives	27	28
Trade payables	2,208	2,071
Income tax payables	302	177
Other current liabilities	947	1,436
Sub-total	**4,508**	**4,511**
Liabilities held for sale	28	8
Current liabilities	**4,536**	**4,519**
Total equity and liabilities	**32,810**	**34,270**

Condensed consolidated interim cash flow statement

in € millions	H1 2024	H1 2023[1]
Cash and cash equivalents (at beginning of period)	**2,456**	**2,755**
Operating activities		
Net profit for the period	50	2,375[2]
Share of profit of associates and joint ventures	2	-
Income tax expenses	59	8
Profit before tax	**111**	**2,383**
Finance income and expense	46	78
Operating profit	**157**	**2,461**
Depreciation, amortization and impairments	689	688
EBITDA	**846**	**3,149**
Changes in working capital	(179)	(105)
Income tax	(122)	(100)
Other cash provided by / used in operating activities	(65)	(2,651)
Cash provided by operating activities	**480**	**293**
Investing activities		
Payments for intangible assets and property, plant and equipment	(337)	(322)
Acquisition of subsidiaries	(5)	(3,619)
Disposal of subsidiaries	(59)	3,608
Proceeds from disposal of other non-current assets	5	(1)
Change in short-term financial investments	(9)	(272)
Interest received	15	27
Dividend received and capital (re)payments	(1)	(4)
Other cash from / used in investing activities	(24)	15
Cash used in investing activities	**(415)**	**(568)**
Financing activities		
Dividends paid	(664)	(6)
Interest paid	(26)	(21)
Repurchase of shares	(468)	(256)
Proceeds from (re)issued treasury shares	20	754
Change in commercial paper	150	-
Proceeds from / repayment of corporate bonds	(500)	-
Payment of lease liabilities	(53)	(34)
Proceeds from / repayment of debt to credit institutions	10	18
Other cash from / used in financing activities	(47)	(20)
Cash (used in) / from financing activities	**(1,578)**	**435**
Change in cash and cash equivalents	**(1,513)**	**160**
Exchange differences relating to cash held	27	(17)
Cash and cash equivalents at June 30	**970**	**2,898**

[1] The condensed consolidated interim cash flow statement includes an analysis of all cash flows in total, therefore including both continuing and discontinued operations.

[2] Refers to net profit total group, which includes both continuing and discontinued operations. Net profit of continuing operations is -€412 million.

Notes to the condensed consolidated interim financial statements

Note 1 - General Information

dsm-firmenich Group

dsm-firmenich is domiciled in Switzerland with the seat of the principal in Kaiseraugst (Switzerland) and listed on Euronext Amsterdam. These condensed consolidated interim financial statements comprise DSM-Firmenich AG and its subsidiaries (the 'Group').

Basis of preparation

The accounting policies applied in these interim financial statements are the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the accounting policies as included in the Integrated Annual Report 2023.

New or amended IFRS that became effective on or after 1 January 2024 did not have a significant impact on the interim financial statements of dsm-firmenich.

The comparative numbers included in these condensed consolidated interim financial statements include the combined results of the Group as of the date of the merger between DSM and Firmenich, 8 May 2023.

Audit

The condensed consolidated interim financial statements and other reported data in this press release have not been audited.

Seasonality

The Group operates in markets where generally no significant seasonal or cyclical variations in revenue are experienced during the financial year. However, in cases where businesses are significantly affected by seasonal or cyclical fluctuations in sales, this is discussed in the business review sections earlier in this report.

Note 2 - Alternative performance measures

In presenting and discussing dsm-firmenich's financial position, operating results and net results, management uses certain Alternative performance measures not defined by IFRS. These Alternative performance measures (APMs) should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. Alternative performance measures do not have standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies.

The main APM adjustments in the first half of 2024 are listed below:

- Acquisition (merger) and divestments costs of €86 million, mainly related to integration costs from the merger of DSM and Firmenich, and the sale of Jiangshan Vitamin C business
- Restructuring costs of €44 million, mainly related to the vitamin transformation program
- Impairments of Property, Plants and Equipment (PPE), goodwill, and intangible assets of €94 million, mainly related to the impairment of the Marine Lipids business

The below table provides a reconciliation of the APMs to the most directly reconcilable IFRS metric for the first half of the reporting period.

in € millions	H1 2024	H1 2023
Operating profit (EBIT)	**157**	**(371)**
Depreciation, amortization and impairments	689	688
EBITDA	**846**	**317**
Acquisitions/divestments	86	160
Restructuring	29	95
Other	15	23
Total APM adjustments to EBITDA	130	278
Adj. EBITDA	**976**	**595**
Operating profit (EBIT)	**157**	**(371)**
APM adjustments to EBITDA	130	278
Impairments of PPE and Intangible assets	94	274
Total APM adjustments to operating profit (EBIT)	224	552
Adj. operating profit (EBIT)	**381**	**181**
PPA adjustments dsm-firmenich	144	42
Core adjusted EBIT	**525**	**223**
Net profit from continuing operations	**50**	**(412)**
APM adjustments to operating profit (EBIT)	224	552
APM adjustments to financial income and expense	–	6
Income tax related to APM adjustments	(28)	(67)
APM adjustments to share of the profit of associates/jointly controlled entities	–	–
Total APM adjustments to net profit from continuing operations	196	491
Adj. Net profit from continuing operations	**246**	**79**
PPA adjustments dsm-firmenich	119	38
Core adj. net profit from continuing operations	**365**	**117**
Net profit continuing operations available to holders of ordinary shares	**42**	**(426)**
Total APM adjustments to net profit from continuing operations	196	491
Adj. Net profit continuing operations available to holders of ordinary shares	**238**	**65**
PPA adjustments dsm-firmenich	119	38
Core adj. net profit continuing operations available to holders of ordinary shares	**357**	**103**

	H1 2024		H1 2023	
	Continuing operations	Total	Continuing operations	Total
Earnings per share (EPS)				
Average number of ordinary shares outstanding (x million)	265.0	**265.0**	200.6	200.6
x € million				
Net profit available to holders of ordinary shares	42	**42**	(426)	2,361
Adj. net profit available to holders of ordinary shares	238	**238**	65	66
Core adj. net profit available to holders of ordinary shares	357	**357**	103	104
in €				
Basic EPS	0.16	**0.16**	(2.12)	11.77
Adj. EPS	0.90	**0.90**	0.32	0.33
Core adj. EPS	1.35	**1.35**	0.51	0.52

in € millions	**H1 2024**	**H1 2023**
Adjusted EBITDA	**976**	**595**
Change working capital, total group	(179)	(105)
Capital expenditures, total group	(337)	(322)
Excluding discontinued operations	-	(55)
Adj. gross operating free cash flow	**460**	**113**

Note 3 - Change in the scope of consolidation

Acquisitions

In the first half of 2024, dsm-firmenich finalized the purchase price allocations (PPAs) related to the merger between DSM and Firmenich and the acquisition of Adare Biome without any changes in relation to the PPAs as disclosed in the Integrated Annual Report 2023.

Divestments

Divestments in the first half of 2024 resulted in a total (net) loss of €37 million.

Assets and liabilities held for sale

On 12 June 2024, dsm-firmenich announced an agreement to sell its yeast extract business to Lesaffre, a key global player in fermentation and micro-organisms. This business is part of dsm-firmenich's Taste, Texture & Health business unit. In addition, dsm-firmenich announced on 18 July 2024 the sale of its fish oil business to KD Pharma Group SA (see also Note 8 - Events after the balance sheet date). The fish oil business is part of dsm-firmenich's Health, Nutrition & Care business unit. The assets and liabilities related to the sale of both these businesses met the criteria for classification as held for sale at the end of the reporting period. Therefore, the assets and liabilities are classified as held for sale.

The impact of the reclassification of these activities on the dsm-firmenich consolidated balance sheet is presented in the following table.

in € millions	June 30, 2024
Assets	
Non-current assets	
Property, plant & equipment	33
Current assets	
Inventories	138
Receivables and other current assets	5
Total assets	**176**
Liabilities	
Non-current liabilities	–
Current liabilities	28
Total Liabilities	**28**
Net assets	**148**

Note 4 – Segment Information

Operating segments

dsm-firmenich is organized into four distinct Business Units, which have been identified as the reportable operating segments of dsm-firmenich:

- **Perfumery & Beauty** (P&B) creates premium scents with proven benefits, using the best and largest palette of natural, synthetic, and biotech ingredients.
- **Taste, Texture & Health** (TTH) helps customers create food and beverage products that are delicious, nutritious, affordable, and sustainable. Providing enjoyment and nourishment for consumers, business success for customers, and better health for people and planet.
- **Health, Nutrition & Care** (HNC) provides people a way to look after their health by adding critical nutrients to their diet. Driving medical innovation forward, speeding up recovery, and enhancing quality of life.
- **Animal Nutrition & Health** (ANH) delivers healthy animal proteins efficiently and sustainably, harnessing power of data to make animal farming practices more sustainable, productive, and transparent.

Any consolidated activities outside the four reportable operating segments above are reported as the reportable segment 'Corporate Activities'. These consist of corporate operating and service activities that are not further allocated to the operating segments.

x € millions	Perfumery & Beauty	Taste, Texture & Health	Health, Nutrition & Care	Animal Nutrition & Health	Corporate Activities	Total continuing operations	Discontinued operations	Total
H1 2023								
Net sales	788	962	1,119	1,572	29	**4,470**	46	**4,516**
Adj. EBITDA[1]	175	170	208	85	(43)	**595**	(2)	**593**
Adj. operating profit[1]	103	74	93	(19)	(70)	**181**	(2)	**179**
Adj. EBITDA margin (in %)	22.2	17.7	18.6	5.4	-	**13.3**	-	**13.1**
H1 2024								
Net sales	2,007	1,632	1,091	1,536	32	**6,298**	-	**6,298**
Adj. EBITDA[1]	454	309	173	87	(47)	**976**	-	**976**
Adj. operating profit[1]	266	141	78	(26)	(78)	**381**	-	**381**
Adj. EBITDA margin (in %)	22.6	18.9	15.9	5.7	-	**15.5**	-	**15.5**

[1] *A reconciliation between the Alternative performance measures (APMs) and the most directly reconcilable IFRS metric can be found in Note 2 to the Condensed consolidated interim financial statements.*

Geographical information

	Switzer-land	Nether-lands	Rest of EMEA	North America	Latin America	China	Rest of Asia	Total
H1 2023								
Net sales (by destination)								
In € millions	84	199	1,283	1,023	717	422	742	**4,470**
In %	2	4	29	23	16	9	17	**100**
Workforce at year-end (headcount)	3,647	1,849	7,846	4,264	3,617	4,664	3,480	**29,367**
Intangible assets and property, plant and equipment at year-end (carrying amount)	15,474	1,665	3,147	2,600	506	612	283	**24,287**
H1 2024								
Net sales (by destination)								
In € millions	102	231	1,930	1,466	905	526	1,138	**6,298**
In %	2	4	31	23	14	8	18	**100**
Workforce at period-end (headcount)	3,658	1,760	7,895	4,279	3,587	3,384	3,363	**27,926**
Intangible assets and property, plant and equipment at period-end (carrying amount)	15,015	1,679	3,118	2,515	466	592	286	**23,671**

Note 5 – Financial Instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for the financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of the fair value.

For methods and assumptions used to determine the fair value as well as information on the fair value hierarchy used, please refer to the Integrated Annual Report 2023.

	Carrying amount					Fair value[1]			
in € millions	Amortized cost	Fair value of hedging instr.	Fair value through Profit & Loss	Fair value Other Compreh. Income	Total	Level 1	Level 2	Level 3	Total
Assets at December 31, 2023									
Non-current derivatives	–	2	44	–	**46**	–	46	–	**46**
Other participating interests	–	–	–	576	**576**	467	78	31	**576**
Non-current loans to associates and JVs	11	–	–	–	**11**				
Other non-current receivables	104	–	–	–	**104**				
Trade receivables	2,553	–	–	–	**2,553**				
Other current receivables	183	–	–	–	**183**				
Current derivatives	–	42	–	–	**42**	–	42	–	**42**
Current investments	107	–	–	–	**107**				
Cash and cash equivalents	1,526	–	931	–	**2,456**	931	–	–	**931**
Liabilities at December 31, 2023									
Non-current borrowings	(4,114)	–	–	–	**(4,114)**	(3,482)	–	–	**(3,482)**
Non-current derivatives	–	(3)	(5)	–	**(8)**	–	(3)	(5)	**(8)**
Other non-current liabilities	(101)	–	(45)	–	**(146)**	–	–	(45)	**(45)**
Current borrowings	(716)	–	–	–	**(716)**	(498)	–	–	**(498)**
Current derivatives	–	(28)	–	–	**(28)**	–	(28)	–	**(28)**
Trade payables	(2,071)	–	–	–	**(2,071)**				
Other current liabilities	(1,436)	–	–	–	**(1,436)**				
Assets at June 30, 2024									
Non-current derivatives	–	4	55	–	**59**	–	59	–	**59**
Other participating interests	–	–	–	570	**570**	465	78	27	**570**
Non-current loans to associates and JVs	11	–	–	–	**11**				
Other non-current receivables	216	–	–	–	**216**				
Trade receivables	2,771	–	–	–	**2,771**				
Other current receivables	142	–	–	–	**142**				
Current derivatives		21			**21**	–	21	–	**21**
Current investments	116	–	–	–	**116**				
Cash and cash equivalents	970	–	–	–	**970**				
Liabilities at June 30, 2024									
Non-current borrowings	(3,610)	–	–	–	**(3,610)**	(3,439)	–	–	**(3,439)**
Non-current derivatives	–	(4)	(2)	–	**(6)**	–	(4)	(2)	**(6)**
Other non-current liabilities	(88)	–	(16)	–	**(104)**	–	–	(16)	**(16)**
Current borrowings	(972)	–	–	–	**(972)**	(490)	–	–	**(490)**
Current derivatives	–	(27)	–	–	**(27)**	–	(27)	–	**(27)**
Trade payables	(2,208)	–	–	–	**(2,208)**				
Other current liabilities	(947)	–	–	–	**(947)**				

[1] Level 1: Quoted prices in active markets for identical assets or liabilities
Level 2: Other techniques for which all inputs that have a significant effect on the fair value are observable, either directly or indirectly
Level 3: Techniques that use inputs that have a significant effect on the fair value that are not based on observable market data

Note 6 – Related-party transactions

dsm-firmenich purchased and sold goods and services to various related parties in the first half of 2024. dsm-firmenich has identified its key management personnel and its associates and joint ventures as related parties. Within dsm-firmenich, the members of the Board of Directors and the Members of the Executive Committee of dsm-firmenich meet the definition of key management personnel.

There were no material changes in the related-party transactions in the first half year of 2024, compared to the transactions as included in the Integrated Annual Report 2023.

Note 7 – Contingent Liabilities

Compared to the situation as disclosed in its integrated annual report as at 31 December 2023, dsm-firmenich has not identified any changes to its contingent liabilities.

Note 8 – Events after the balance sheet date

On July 2, 2024, DSM B.V. issued bonds, guaranteed by DSM-Firmenich AG, in the amount of €800 million at an issue price of 99.456%. The EUR bonds 2024-2034 have a fixed interest rate of 3.625% and are listed on the Luxembourg Stock Exchange regulated market.

On 18 July 2024, dsm-firmenich announced the sale of its MEG-3® fish oil business to KD Pharma Group SA ("KD Pharma"), a contract development and manufacturing organization active in pharmaceutical and nutritional lipids. As part of the transaction, dsm-firmenich will obtain a minority stake of 29% in KD Pharma's parent company O³ Holding GmbH. This transaction is expected to be completed towards the end of 2024, and is subject to customary regulatory approvals.

Financial calendar

October 31, 2024, 7:00 CET – publication of dsm-firmenich Q3 2024 trading update
February 13, 2025, 7:00 CET – publication of dsm-firmenich FY 2024 results

Additional information

Today dsm-firmenich will hold a webcast for **investors and analysts** at 9 am CEST. Details on how to access this call can be found on the dsm-firmenich website, www.dsm-firmenich.com.

For more information

Media relations
Robin Roothans
tel. +41 (0)79 280 0396
e-mail media@dsm-firmenich.com

Investor relations
Dave Huizing
tel. +31 (0)45 578 2864
e-mail investors@dsm-firmenich.com

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

Forward-looking statements
This press release contains 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.