

# Our Businesses





# Perfumery & Beauty

Perfumery & Beauty (P&B) is a leading creation and innovation partner for the most iconic global and local brands in consumer goods, lifestyle, and luxury beauty. P&B is home to some of the finest industry talent, offers an unmatched palette of ingredients, including captives, and is supported by a vertically integrated supply chain.

2024 was a year of transformation and performance for P&B. We built a stronger foundation for future growth and created a new operating model to unleash the full potential of our new Business Unit. For the first time, we brought together all our businesses – Perfumery, Ingredients, Beauty & Care, Operations, and Business Partners – creating an integrated ecosystem that puts us in a uniquely strong position within the perfumery and beauty space.

We also start building a culture of operational excellence via programs focusing on core processes such as supply chain optimization, manufacturing competitiveness, enabled and accelerated by AI and data analytics. We intensified our focus on customer and consumer intimacy, and maintained our industry leadership position in science and innovation, while keeping our momentum on sustainability in the new company.

The year was one not only of transformation but also of performance. We further accelerated our innovation drive and allocated more resources to focus on the innovations in new ingredients, technology, and fragrance

design that will bring our vision to life. We increased overall uptake of our products by emphasizing their superior, innovative characteristics. This resulted in a strong growth performance throughout 2024 and reinforced our position in the market.

## Highlights

At P&B, we create essential, everyday products that deliver a superior consumer experience while having a positive impact on the planet.

- In 2024, we delivered +7% organic sales growth and +13% Adjusted EBITDA growth
- We won more than a dozen awards for our fragrance creations
- We were recognized at various supplier awards ceremonies by some of our biggest international clients
- Our well-ageing, holistic beauty solution ETERWELL™ YOUTH won accolades as a groundbreaking innovation
- We invested in cutting-edge ingredients plants and inaugurated new production units to facilitate future growth
- We launched a new suncare concept, Sunsense3, built on a vision to transform sun protection into a daily indulgence





# Our markets

- P&B now covers the entire perfumery and beauty market space.
- In Perfumery, we are a leading partner of our customers in Fine Fragrance and Consumer Brands
  - In Ingredients, we provide the broadest, backwards-integrated portfolio in the industry, with a world-class palette, including captives, that is the backbone of perfumery
  - In Beauty & Care, we are a leader in suncare and we offer our customers a differentiated portfolio of skincare actives

### Key market trends

The global perfumery and beauty market is experiencing continuous growth momentum based on three consumer macro trends:

- Increased focus on lifespan vitality: customers are now engaging sooner (teen beauty) and for longer (silver beauty), resulting in growth for established and target-specific (newcomer) brands
- Growing expectations around well-being: changing consumer attitudes provide additional upsides for discretionary categories
- The rise of the no-compromise consumer: this leads to a new willingness to invest in the scientific and sensorial quality of products while also emphasizing the importance of sustainability and regulatory restrictions

These market trends combined to contribute to strong results for our Business Unit in 2024.

### Performance

P&B delivered a very strong performance with 9% volume growth, driven by both global and regional accounts. The 2% negative pricing reflected lower input costs. Perfumery had an excellent year, with strong organic sales growth in both Fine Fragrances and Consumer Fragrances. These activities benefited from the continued good demand for differentiated and exclusive fragrance creations and from innovation delivering product superiority. Ingredients' performance was very strong. Beauty & Care delivered a good first half which was followed by a softer half, especially due to weak demand for suncare.

The strong results were supported by innovation in Perfumery, enabling the creation of superior consumer experiences and securing strong win rates, as well as new product launches in Ingredients and Beauty & Care.

Adjusted EBITDA was up 13% from the prior year, driven by strong innovation-driven volume growth, with the contribution synergies, resulting in a margin of 22.3%.

### Key performance figures

x € million	2024	Pro forma 2023'
Sales	3,964	3,709
Organic sales growth (in %)	7	
Adjusted EBITDA	882	783
Adjusted EBITDA margin (in %)	22.3	21.1

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.



*"What a year! The merger brought together great businesses and operations and made us think differently to implement a new, empowered organization. We*

*developed the strategy to achieve our mid-term targets, while focusing on customer needs, and growth and profitability results. In 2024, we were able to both transform and perform, and establish an even stronger foundation for future growth."*

**Emmanuel Butstraen,**  
Chief Operating Officer and Business Unit  
President Perfumery & Beauty



# The year in review

P&B is now the preferred partner for some of the most iconic brands in consumer goods, lifestyle, and beauty. Powered by scientific innovations in fragrance and skincare, we enable our customers to offer essential, desirable and sustainable products while delivering superior performance.

In June, during dsm-firmenich's Capital Markets Day, we outlined our value creation ambition. In the course of the year, we further detailed our new strategy 'Beyond well-being. Uniting delight and care'. We defined our where-to-play priorities in a thorough bottom-up process and identified the strategic levers and enablers that will allow us to win in the market and maintain leadership in the perfumery and beauty space. Implementation of the new strategy is scheduled for the first quarter of 2025.

## Perfumery awards

Our team comprises 110 multi-generational talented perfumers who received numerous awards in 2024, not only for their best-selling fragrances but also for their dedication and creativity. We won more than a dozen accolades, not only from the most prestigious award-giving bodies in the world, but also from leading magazines such as *Marie Claire*, *ELLE* and *Allure*. Highlights included:

- Burberry Goddess by Amandine Clerc-Marie, which won three major awards including Fragrance of the Year from the Fragrance Foundation Awards in the US.
- Valentino 'Born in Roma Intense' by Honorine Blanc and Amandine Clerc-Marie, which won Fragrance of the Year (Women's Luxury)

- Marc Jacobs Daisy Eau de Toilette, which won the Fragrance Hall of Fame award for Master Perfumer Alberto Morillas
- Givenchy Téméraire – La Collection Particulière by Nicolas Bonneville, which won Best Niche Perfume at the Fragrance Foundation Awards in France
- Finally, at Accademia del Profumo in Italy, we won five awards, including Best Perfume for women, with Narciso Rodriguez All of Me by Dora Baghriche and Daphné Bugey, and Best Perfume for men made in Italy with Dolce & Gabbana Light Blue Summer Vibes by Alberto Morillas.

## Beauty & Care awards

Our holistic beauty solution, ETERWELL™ YOUTH, powered by Senolytics Science, won five awards, including the Gold Award in Innovation for Best Active Ingredient at the in-Cosmetics Global Summit held in Paris (France), thanks to its remarkable product substantiation in in-vivo, ex-vivo, and in-vitro scientific studies.

## Client recognition awards

Alongside our perfume creators, we were also recognized by our biggest international clients, outperforming our competitors.

This year, Procter & Gamble honored us with the Supplier Impact Award 2024 for 'Most Impactful Equality & Inclusion Practices', reaffirming our efforts in support of Diversity, Equity & Inclusion (DE&I). We also received the Partnership Award of the Year from Unilever in recognition of our smooth integration and advancements in pricing adjustment, as well as the Best Innovation Contributor Award from

Henkel Consumer Brands in the laundry care category for our breakthrough technology in biodegradable profragrances. Finally, at Rituals, we were awarded Best-in-Class 2024 in the 'Innovation' category, among Rituals' top 80 suppliers.

## Investing for growth

Recent investments made by P&B are now paving the way for future growth and success.

In March 2024, we inaugurated two cutting-edge ingredients plants in south-west France. These state-of-the-art facilities support our strategic perfumery ambitions regarding the use of sustainable ingredients. The first facility is a multipurpose unit to produce various bio-sourced ingredients derived from pine, and the second, a brand-new plant dedicated to the production of our iconic biodegradable musk HABANOLIDE®.

We also inaugurated a new superfluid extraction (SFE) technology plant in India with our long-term partner Jasmine Concrete, which will further strengthen our green extraction capabilities in the region. In September, we completed the construction of a new production unit in La Plaine, our historic Ingredients site in Geneva. This facility is designed to produce revolutionary biodegradable fragrance capsules for laundry care – a first on the world market.



# Sustainability, innovation, and partnerships

## Sustainability

Our dedicated Life Cycle Assessment (LCA) team has been screening our palette by tracking all 16 PEFCR LCA indicators aligned with global standards. This enables us to deliver robust carbon footprint data and tailored roadmaps for carbon reduction, supporting customers on their journey to net-zero. The advanced LCA data, which covers 98% of our ingredient portfolio was integrated into EcoScent Compass™, our science-based impact measurement eco-fragrance tool, allowing our perfumers to incorporate sustainability from the outset, and to select lower-impact ingredients, driving eco-conscious creation. Launched in 2018, it was expanded in 2023 to include 45 distinct fragrances and 20 ingredients claims, and is now advancing further with optimized data.

By focusing on ingredient discovery to optimize and future-proof our palette, we can create high-performance, renewable and biodegradable ingredients from biotech. These include CLEARWOOD® PRISMA and upcycled materials such as dihydroestragole RC, to lower carbon footprints. Advanced eco-extraction technologies, such as Firgood® also offer 100% natural extracts via a solvent-free, sustainable electromagnetic vibration process.

## Innovation

Backed by our expertise in Science & Research, HaloScent® is the fragrance amplifier that has pioneered profragrances since 1997. It is our proprietary and patented technology, activated by nature, and proven to deliver more noticeable and more delightful fragrances. In 2024, we strengthened our leadership in biodegradable profragrances by launching HaloScent® Pure you, the first profragrance specifically designed for performance in fine fragrance applications, which provides a personalized scent signal tailored by the skin microbiome. HaloScent® Pure you activates within minutes, and lasts throughout the day.

Popscent® eco is our most advanced generation of patented encapsulation technology, which delivers a top-performing, long-lasting fragrance while adhering to the highest sustainability standards. With stronger regulations and growing sustainability concerns, we are seeing broad adoption of our Popscent® eco range from global and local clients. In February, we launched Sunsense3 to address the importance of suncare for cancer prevention and skin protection and to realize our vision of transforming sun protection into a daily indulgence. The concept was brought to life with a line-up of the best of Beauty & Care's extensive UV protection portfolio and their expertise in sun protection, combined with Perfumery's innovation capabilities in fragrance.

Honoring our history of Ingredients innovation, our Firgood® extraction technology won the 2024 Editor's Award for Supplier Innovation, while our Jasmine Flower India SFE Abs won the 2024 Perfumery Ingredient Award from

*Cosmétique Mag*, in France. This ingredient is part of our 2024 Sharing Innovation collection, launched at the World Perfumery Congress in Geneva (Switzerland).

'Sharing Innovation' is a collection of perfumery ingredients that demonstrates our rich history of breakthrough scientific innovations and our expertise in natural extraction, as well as our sustainability drive. This year's collection featured six new ingredients, including CLEARWOOD® PRISMA, a formerly captive biotech ingredient launched in celebration of the 10<sup>th</sup> anniversary of CLEARWOOD®, one of our iconic, sustainable biotech ingredients.

## Partnerships

In 2024, we joined the Value of Beauty Alliance, which brings together key leaders from the European beauty and personal care value chain to raise awareness of our industry's economic and social impact. Members include L'Oréal, Beiersdorf, and PUIG. This platform showcases how our scientific leadership, cutting-edge innovations, and industry experts together help to shape the future. We also joined The Colors, an ecosystem dedicated to multicultural cosmetics and perfumery, which brings together companies, startups, and institutions around a common issue: promoting an inclusive offer. In October, we gathered industry leaders, some of our customers from multi-cultural fragrance brands, and members of the Fragrance Foundation US at the French Consulate in New York City (USA) for an event that facilitated an exchange of ideas on how to better understand and address the diverse needs of consumers from different cultural backgrounds.





# 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; accelerating diet transformation with products that offer appealing taste and texture; and nourishing the rapidly growing global population while minimizing food loss and waste.**

TTH consists of Taste, which includes the segments flavors, natural extracts, sugar reduction solutions, and Ingredients Solutions, which includes the segments food enzymes, hydrocolloids, cultures, natural colorants, nutritional ingredients, and plant-based proteins. Our four growth platforms – plant-based, sugar reduction, petfood, and health benefits solutions – deploy portfolios and application and creation capabilities across these two divisions.

We bring to market delicious, nutritious, and sustainable food and beverage solutions that are both appealing to consumers and better for People and Planet than the products they replace. We develop products with two key sustainability objectives: to help sustainably feed a growing population and minimize food loss and waste. To achieve these goals, we use creative processes involving our customers. Our passion for the science and emotion of food extends along the value chain from discovery to application to the end-consumer experience. This includes drinks with little or no sugar; dairy products with consumer-preferred

mouthfeel; succulent savory bites; and nutritious plant-based alternatives.

## Highlights

- In 2024, we delivered +8% organic sales growth and +11% Adjusted EBITDA growth
- Sales synergies gained momentum through cross-selling, concept-selling, and capability-sharing, resulting in a steadily growing pipeline in line with mid-term ambitions. We announced our strategic priorities at dsm-firmenich's Capital Markets Day in June and, as a result of our strategic review, we sold our yeast extract business to Lesaffre
- We continued to invest in our regional presence by building or expanding facilities around the world and successfully implementing continuous improvement initiatives
- We accelerated the next step in our integration process while maintaining high employee engagement and customer satisfaction throughout
- We prioritized climate actions to meet long-term science-based targets and demand for lower-carbon food and beverage solutions
- We accelerated, and were awarded for, the use of advanced digital technologies for food and beverage research and innovation. These include machine learning and artificial intelligence for fermentation, lab automation, and receptor technologies



# Our markets

With our global presence in all major regions and our synergistic, on-trend, broad portfolio predicated on taste, texture, and health, we support our customers in all food and beverage markets: beverages, dairy, baked goods and confectionery, savory, petfood, and plant-based. In these markets and regions, we work with a variety of customers, such as global key accounts, distributors, regional players, private labels, food services, and start-ups.

### Key market trends

The global food and beverage market is growing at a compound annual growth rate (CAGR) of 2.4%. This diverse market is built on local tastes and traditions, with global, regional, and local players. In 2024, it was shaped by these trends:

- Health as a key consumer need – with a focus on reduced sugar, salt, and fat, and on increased protein content, nutritional value, and health benefits (although taste remains the key driver in purchasing decisions)
- Alongside new products, food industry players are focusing on reformulating and optimizing recipes to respond to fluctuations in the market for raw materials
- Two-thirds of projected volume growth over the next five years will be attributable to Asia-Pacific, the Middle East and Africa
- Regulations focus on food safety, health, and sustainability – the latter supported by growing consumer concerns about climate

With our two divisions and the synergy between them, and the fundamental understanding of our products and their application, we combine a unique ability to co-create Taste solutions with the optimal Food and Beverage matrix.

### Performance

TTH delivered a very strong performance with 9% volume growth, with both Taste and Ingredients Solutions contributing equally. The strong demand was driven predominantly by regional and local accounts, which was also partly bolstered by a catch-up effect after destocking last year. Sales synergies saw good momentum, through cross-selling, concept-selling and capability-sharing, resulting in a steadily growing pipeline in line with our mid-term ambitions.

Throughout the year, the business created new concepts which were successfully launched across multiple platforms, driven by strong interest from customers.

The yeast extracts business was sold to Lesaffre in October 2024. TTH will continue to supply yeast extracts to Lesaffre under a co-manufacturing agreement until the end of 2025.

Adjusted EBITDA was up 11%, driven by strong volume growth and the contribution from the synergies, resulting in an Adjusted EBITDA margin of 19%.

### Key performance figures

x € million	2024	Pro forma 2023 <sup>1</sup>
Sales	3,245	3,038
Organic sales growth (in %)	8	
Adjusted EBITDA	615	556
Adjusted EBITDA margin (in %)	19.0	18.3

<sup>1</sup> 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.



*"2024 was an exciting year for us. We grew our two divisions, Taste and Ingredient Solutions, above the market rate and maintained our focus on achieving our synergy targets. We*

*unveiled our new strategy during Capital Markets Day, when we announced the sale of our yeast extracts business and accelerated the next step in our integration and transformation process."*

**Patrick Niels, Business Unit President, Taste, Texture & Health**





# The year in review

In 2024, we worked closely with customers to positively impact the daily lives of millions of consumers worldwide by creating foods and beverages that are healthier, more delicious, and better for People and Planet.

## Strategic priorities

In June 2024, during our Capital Markets Day, we presented our 'TTH Strategic Priorities '28' outlining our focus on high-growth, high-margin product groups and how we aim to outpace the market by growing our divisions and leveraging merger synergies. The divestment of our yeast extracts business, with annual sales of about €120 million, to Lesaffre was a direct result of our strategic review. The divestment was completed on 1 October 2024.

## Investment in facilities

To maintain market leadership and grow with our customers, we continued to invest in our regional presence. Key 2024 updates include:

- Constructing new facilities in Karawang (Indonesia) to increase capacity and invest in the latest technologies to meet increasing demand for flavors. The facility is expected to be operational in 2026
- Expanding our VKL Seasoning plant in Kerala (India) to contribute to expected growth in the Indian food industry, by developing sustainable seasonal and flavor solutions. Completion is due in 2025

- Opening a new research center in San Diego (USA) equipped with receptor technologies to unravel taste perception, sensory characteristics and consumer preference
- Making great progress with the construction of our state-of-the-art TTH headquarters and application laboratories at the Biotech Campus Delft (Netherlands) which is expected to be operational by mid-2025

## Merger synergies

We made significant progress to achieve €300 million in synergy sales through cross-selling, concept selling and joint capability sharing, per our mid-term strategic ambitions. Throughout the year, teams created new joint concepts and successfully launched several new products across multiple platforms and saw a lively collaboration with customers:

- In plant-based solutions for dairy applications, we developed a market-ready solution for oat and soy drinks that combines a gellan gum texturing agent to improve the mouthfeel and a new solution to achieve an authentic dairy taste
- In Savory, the business created a plant-based tuna sandwich filling. While many plant-based alternatives exist, there are few plant-based fish options at a time when overfishing is a consumer concern. We brought together our deep expertise in proteins, texture, taste and nutritional value: Vertis™ proteins to ensure the bite and texture of real fish. Color solutions for a natural appearance. Culinary top notes and yeast extracts to provide authentic tuna flavor. With omega-3 fatty acids, normally

found in oily fish, using our algae-derived *life's®OMEGA*

- In Beverages, marketing teams, flavorists and application specialists collaborated, leading to more wins at a leading Asian beverages company. From vitamin juice drinks to a new premium range with rich flavors and health benefits, the customer adopted new citrus flavors and mouthfeel enhancers, including a new orange flavor with a fresh, peely, juicy, sweet, green profile
- In Nigeria, the teams developed a new formula for the customer's flagship energy drink combining flavors, colors, vitamin premixes, modulators, and sweeteners
- In Europe, teams helped a global coffee leader with solutions with Flexarome® Almond Vanilla flavor technology and NutriGEM® V (B6) vitamins to achieve a superior and consistent product taste
- In Dairy, a renowned US dairy company launched new fruit-flavored low-sugar yogurts in different formats that combine TasteGEM® and TastePRINT® flavor solutions together with stevia sweeteners and enzymes. Teams also developed the final formula featuring TasteGEM® and Gellaneer® for avocado and oat flavored yogurts for a leading Chinese dairy producer

## Fine-tuning our organization

While we will retain our Taste and Ingredient Solutions divisions, we bring one voice to our customer through our regions led by newly appointed TTH regional heads. These heads are responsible for executing our Taste and Ingredient Solution strategy and will not only mean customers can utilize our combined capabilities, but also ensure we capture new

synergies together. We will accelerate and prioritize incoming briefs and commercial opportunities – looking through the lens of our joint portfolio and application capabilities.

Having continued to invest in people in 2024, we are pleased that 80% of TTH employees reported high engagement in our Employee Engagement Survey, even during times of change. We are also happy that a majority of customers experienced a positive impact of the merger. Through the Net Promoter Score (NPS) survey, customers expressed a high interest in our integrated solutions, such as flavor and premix blends, as well as sugar reduction and plant-based solutions. Most customers indicated that doing business with dsm-firmenich was flawless after the merger.

## Production

We saw increased demand thanks to our outstanding portfolio of food and beverage solutions, strong customer interest in synergies and new concepts, and positive developments in the market. We continuously improved our plants and carried out targeted investments. This resulted in production records in most plants around the world, while our safety and quality performance both improved.

## Investing in the future of flavor and taste

In January 2024, we welcomed the inaugural class to our revamped Flavorist school. Drawing on more than 100 years of history, school is dedicated to improving both the art and the science of flavor development. dsm-firmenich's commitment to sustainability helps to ensure that graduates will not only innovate in taste but also promote eco-friendly solutions.





# Sustainability, innovation, and partnerships

## Sustainability

In 2024, TTH prioritized climate actions to meet our long-term Science Based Targets (SBTs), as well as customer demand for lower-carbon food and beverage solutions.

To help us achieve our near-term climate goals and long-term net-zero ambitions, we carried out an assessment of TTH's total carbon footprint, including Scope 1, 2 & 3.1 emissions. We also developed a reduction pathway to address all impacts, taking into account business growth of 35–40% by 2030 compared to the 2021 baseline. In the coming years, we will focus on implementing this reduction path by continuing to invest in more sustainable practices and innovations.

We also reached an important sustainability milestone for EverSweet®, the first commercial product from Avansya, a 50/50 joint venture between dsm-firmenich and Cargill. A new life cycle assessment shows that, compared to sugar, EverSweet® stevia sweetener enables:

- 81% lower carbon footprint
- 96% less impact on land use
- 97% less water use

Combining the best-tasting stevia with impressive sustainability features, EverSweet® enables a significant reduction in sugars without sacrificing high-quality sweet taste. Earlier in 2024, EverSweet® stevia sweetener received a positive safety opinion from European and UK safety agencies.

## Innovation

Developing new food and beverage solutions increasingly depends on the effective use of advanced digital technologies, machine learning and AI for fermentation, laboratory automation, and receptor technologies. In 2023, Taste and Ingredient Solutions launched joint research programs in sugar reduction and plant-based products. In 2024, we strengthened efforts to exploit cross-divisional innovation opportunities and expanded the scope of these programs to all TTH segments.

A good example of cross-divisional innovation is our new alcohol taste solutions, which provide a multi-sensory, believable alcohol perception for low- and non-alcoholic beverages. These solutions create a potentially cost-saving scenario for both producers and consumers by reducing costs associated with taxes and raw materials.

In 2024, at the world's largest annual food and beverage tradeshow, Gulfood Manufacturing, we won the Digital Transformation Innovation of the Decade Award for Delvo®ONE. Our Delvo®ONE portfolio of all-in-one functional cultures for fermented milk products not only simplifies culture selection through AI-driven technology, but also optimizes taste, texture, and shelf life, delivering enhanced sensory and functional benefits for dairy producers.

## Partnerships

### Yili Group

In 2023, we signed an agreement with Chinese dairy producer Yili Group to cooperate in research, innovation, and sustainability. In 2024, we followed this by signing a Global Strategic Cooperation Memorandum specifically for our Taste division, focused on taste innovations in dairy and health. In the highly competitive Chinese market, our combined capabilities are particularly attractive to Yili.

### ArtSci Biology Technologies Co., Ltd

We acquired the outstanding minority shareholding in ArtSci Biology Technologies Co., Ltd ('ArtSci'), taking our ownership to 100% in 2024. We have been partners with ArtSci since 2019, when we took a minority stake in the company, followed by a majority stake in 2022. ArtSci, founded in 2005, is a Chinese flavor company specializing in dairy and beverages, as well as baked goods and confectionery. This will further strengthen TTH's ability to serve the fast-growing Chinese local market and will expand TTH's geographic reach throughout China.



# Health, Nutrition & Care

Health, Nutrition & Care (HNC) helps people improve their health by supplementing their diet with critical nutrients. Working across segments like Early Life Nutrition, Dietary Supplements, Pharmaceuticals, Medical Nutrition, and Biomedical materials, we drive nutrition science and medical innovation forward, optimizing immunity, accelerating recovery, and enhancing quality of life.

At HNC, we elevate global patient and consumer health at every life stage by creating and delivering next-generation products, customized solutions, and expert services. As an end-to-end partner, we work closely with our customers from product conception to launch, providing unique consumer insights, a broad portfolio of nutritional ingredients, and innovative solutions. This year, we added an array of delivery systems and masking and flavor capabilities to support solutions specifically for our market applications.

Think combining evidence-based, synergistic hero ingredients with convenient and unique formats such as powders, gummies, and gels. Or accelerating product launches with our regulatory affairs and formulation expertise. Or again, elevating the user experience with cutting-edge sensory technologies that tackle off-notes and build appealing flavor profiles. That is how we work, delivering more effective solutions that meet the ever-evolving needs of patients and consumers worldwide.

## Highlights

- In 2024, we delivered +1% organic sales growth. The reported Adjusted EBITDA was down 5% from the previous year
- With new regulatory approvals in place, we grew our HMO portfolio and announced a groundbreaking partnership with Lallemand to drive synergistic symbiotic solutions for Early Life Nutrition
- We accelerated our strategic portfolio transformation from fish oil to our proprietary and highly sustainable algal-based omega-3s
- We significantly expanded our 'Health from the Gut' leadership solutions with several new launches in prebiotics, probiotics, and postbiotics
- We achieved several industry approvals and strategic launches, addressing key global consumer trends and needs with innovative solutions and market-specific approaches
- Our Biomedical business expanded its facilities on the basis of strong growth in recent years, while new application and development launches helped improve patient outcomes
- i-Health launched several innovative activities and new products that helped to build strong brand awareness and to address frequently overlooked health issues





# Our markets

HNC offers solutions for a range of markets, including early life nutrition, dietary supplements, pharmaceuticals, medical nutrition, and biomedical materials. We address specific nutritional and wellness needs with our direct-to-consumer i-Health business. We also serve the nutrition improvement sector, providing affordable and accessible nutrition fortification solutions for some of the world’s most vulnerable populations.

We serve these industries with a portfolio of high-quality vitamins, nutritional lipids, minerals, carotenoids, botanical nutraceuticals, digestive enzymes, postbiotics, probiotics and prebiotics (including human milk oligosaccharides (HMOs), active pharmaceutical ingredients (APIs), and a range of biomedical solutions.

### Key market trends

- There is a gap of almost a decade between life span and health span – meaning that almost a decade of people’s lives is impacted by poor health
- Growing awareness around preventative and holistic approaches to health management (e.g., the interconnectedness of gut health, cognitive function, and overall well-being) is fueling demand for innovative self-care health products
- Consumers are seeking sustainable and evidence-based solutions; focusing on the environmental impact of producing ingredients, on which forms are better for them, and on how absorption of active ingredients impacts effectiveness
- Small, disruptive new brands, especially in the dietary supplements category, are enjoying strong growth

### Performance

HNC delivered 2% volume growth during the year. Medical Nutrition, i-Health, and Biomedical performed well throughout the period. Dietary Supplements and Early Life Nutrition improved during the second half of the year, driving 5% volume growth in the period for the Business Unit, owing to good demand for algal omega-3 oils and Early Life Nutrition premix and HMOs.

The reported Adjusted EBITDA was down 5% from the previous year. Corrected for the negative foreign exchange effect and the divestment of the marine lipids activities (– 10%), the underlying Adjusted EBITDA growth was up 5%.

### Key performance figures

x € million	2024	Pro forma 2023 <sup>1</sup>
Sales	2,214	2,270
Organic sales growth (in %)	1	
Adjusted EBITDA	371	389
Adjusted EBITDA margin (in %)	16.8	17.1

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.



*“2024 was an exciting year of growth, consistently improved business performance, and bold strategic choices to elevate global health. We launched several new products*

*and format innovations – and achieved significant new regulatory approvals, while accelerating progress on our synergy journey with our expanded HNC Taste organization.”*

**Philip Eykerman, Business Unit President Health, Nutrition & Care**



# The year in review

## Expanding our HMO portfolio

Following the approval of our 2FL and LnNT HMOs as infant formula ingredients in China in 2023, major infant formula players have been introducing our ingredients in their formulas and are awaiting final consumer product approval by the Chinese authorities. We also continued to extend the portfolio with new HMO approvals in the UK and EU in 2024.

This development reflects a growing understanding of the potential benefits of HMOs in early life, infancy and beyond, and creates unprecedented opportunities for tailored nutrition solutions.

In April 2024, we announced our partnership with probiotics pioneers Lallemand Health Solutions to launch a range of new synergistic symbiotic solutions. These will combine HMOs and probiotics to benefit infant health by enabling a microbiome closer to that of breast-fed infants, thereby supporting immune system functionality and optimal developmental trajectories.

## Accelerating the algal shift

In October 2024, we transferred the majority of our MEG-3® fish oil business to KD Pharma Group. This allows us to focus on growing our algal omega-3 *life's®OMEGA* portfolio, which is backed by our world-leading IP, scientifically-proven nutritional equivalency to fish oil,

secured supply, and sustainability data. In 2024, *life's®OMEGA* O3O2O – the first algal-based lipid with high EPA content – became available in the EU and USA for use in the category 'Food for Special Medical Purposes', and we launched a variety of *life's®OMEGA* products tailored to the requirements of individual customers.

## Improving 'Health from the Gut'

Our Humiome® portfolio supports gut health with a range of powerful prebiotics, probiotics, and postbiotics. In 2024, we launched:

- Humiome® B2 MTT a first-of-its-kind 'biotic' with patented Microbiome Targeted Technology™, delivering 90% of vitamin B2 directly to the gut microbiome in the colon
- Humiome® *B. lactis* with probiotics – the [most documented](#) *Bifidobacterium* in the world, with strong clinical proof of improving digestive tract health and immune function, and supporting healthy aging

## Bringing progress to life across our segments

Within our Dietary Supplements business, we expanded our 'Health from the Gut' platform and launched our partnership with Indena, broadening our portfolio with science-backed botanicals.

Strong regional successes included approval from European regulatory body EFSA for ampli-D®, our faster, more effective form of vitamin D, and the roll-out of two global carotenoids in China and Asia-Pacific. Rising demand for medical nutrition products means tackling poor palatability and consequential low compliance is critical. To achieve this, we introduced targeted solutions to significantly elevate the

consumer experience and support adherence to nutritional care plans. These solutions included the taste-masking of amino-acids, omega-3s, and plant-based proteins, as well as novel protein delivery formats.

In Nutrition Improvement, we launched our powerful '[Making Hidden Hunger SEEN](#)' [campaign](#) with a hugely successful webinar. We also became the first company on the African continent to achieve 36 months of stability data with [UNIMAP MMS](#). Through our [Millers 4 Nutrition](#) collaboration, we additionally helped to achieve increased compliance in the production of fortified flour in Kenya and Nigeria and to accelerate consumer access to adequately fortified flour.

## Healthy growth in Biomedical

Our Biomedical business again delivered strong results. In February, we started expanding our facilities and digital infrastructure to enable us to improve our offer during 2025, while new application and development launches across product lines helped improve patient outcomes.

Biomedical launched several new portfolio innovations and extensions in 2024, including new fiber product lines in the Ulteeva Purity™ family – the gold standard in medical orthopedic and vascular applications. In the field of natural materials, we expanded our global market share of naturally derived regenerative materials for supporting wound care and reconstructive surgery. This was driven by growth in applications for sports medicine, led by Asia-Pacific.

## i-Health performance fueled by North America

i-Health, our direct-to-consumer business, grew in North America, fueled by Amazon and the Medical Channel across brands. Key US launches included the AZO® Urinary and Vaginal infection test kit and the Amazon launch of Lactéol® diarrhEase™, a postbiotic for natural recovery from diarrhea.

Culturelle® achieved double-digit growth in US hospitals and long-term care facilities as well as on Amazon, and continued to gain market share in Canada, Brazil, and Turkey, driven by health-care professionals (HCP) recommendations and consumer marketing investments. Meanwhile, our AZO® and Estroven® brands grew across all channels thanks to increasing consumer interest and category momentum in women's health.





# Sustainability, innovation, and partnerships

## Sustainability

In 2024, we strengthened our management of Global Key Accounts, positioning HNC as a strategic partner to help our customers achieve their Scope 3 targets through leveraging our strong emission reduction commitments.

Sustainability is now fully integrated into our HNC experts' services, reflecting our customers' growing commitment and showcasing our strong expertise. We transparently communicate the environmental footprint and other sustainability features of our solutions through our [Sustainability Imp'Act Card™](#), now covering 100% of core HNC straight ingredients.

We also launched onsite [Climate Fresk](#) workshops for employees, raising awareness about climate change and activating collective intelligence within the organization.

## Innovation

We defined key strategic innovation priorities based on consumer trends and needs across all business segments.

These include providing novel ingredient solutions as well as novel premix and market-ready solutions that deliver nutritional support in segments such as gut health, healthy aging, and women's health. In 2024, we accelerated the shift from fish oil to algal sources with the launch of our *life's®OMEGA* portfolio, led the market in infant nutrition innovation in HMOs, and significantly expanded our Humiome® gut health portfolio.

Other notable innovation achievements included:

- VAP 250, a new form of dry vitamin A – as a stable, clean-label solution for combating malnutrition and widespread nutrient deficiency through flour fortification
- CBtru™, a premium formulated CBD drug intermediate and patented solution enhancing patient compliance, increasing API loading and optimizing bioavailability for superior therapeutic outcomes
- The launch in Japan's pharmaceutical market of Sprinkle It Technology™ (SIT™), our patented multi-layered micronutrient granules designed to address nutritional insufficiencies among seniors, in support of healthy aging

## Partnerships

HNC is committed to tackling major global challenges in human health and nutrition, but real progress requires strong partners with a shared mission. We are working closely with the Bill & Melinda Gates Foundation and the World Food Programme, among other partners, to combat hunger and malnutrition in some of the world's most vulnerable populations, including children and pregnant women. Read more about dsm-firmenich's partnerships [here](#).

By sharing our knowledge and expertise, we are making progress toward our shared goal of benefiting as many people as possible with cost-effective large-scale food fortification (LSFF) – tackling malnutrition via the provision of essential, high-quality, and affordable micronutrients incorporated into the most widely consumed staple foods.



# Animal Nutrition & Health

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

Our global team of over 6,000 talented people is spread across more than 60 countries, delivering annual revenues of over €3.3 billion. Our pioneering spirit and rich heritage have delivered many groundbreaking nutritional innovations including vitamins, carotenoids, feed enzymes, eubiotics, mycotoxin deactivators, and AI for livestock management.

We are a leading provider of vitamins, advanced feed additives (Performance Solutions), and premixes, empowered by cutting-edge AI-driven Precision Services. We enhance livestock health and performance, improve feed efficiency and safety, reduce emissions and antibiotic use, and enable data-driven decision-making. Our solutions help animal farmers face a range of challenges in meeting growing global demand for healthy and sustainable proteins, including:

- The need for increased productivity and cost efficiency to support their incomes and offset the effects of food inflation
- Concerns about the environment and increasing pressures on it
- The use of antibiotics and the dangers posed by antimicrobial resistance (AMR)
- The need for expertise and data analytics to leverage data to address these challenges

The composition of nutrition and feed also impacts animal health, productivity, and environmental footprint, but advances in precision nutrition, innovative feed additives, and farm data analytics offer new ways to tackle these complex, interconnected issues.

In 2024, it was recognized that our ANH business would thrive better under different ownership. This led to the announcement in February 2024 to separate our Business Unit from the Group.

## Highlights

- In 2024, we delivered +5% organic sales growth, with Adjusted EBITDA up significantly from the previous year
- Preparations for the carve-out of our ANH business advanced well
- Continued strong growth of innovation sales in Performance solutions and Precision Services, with new strategic customer agreements strengthening our competitive edge
- Our vitamin business delivered a step-up in profitability, clearly showing its resilience
- The inauguration of two new premix plants in Egypt and Brazil marked a milestone toward growth
- New partnerships established in the ecosystem of Sustell™ included Deloitte, IFC, and feed formulation software providers
- Veramaris® doubled production volumes, becoming a viable alternative to fish oil





# Our markets

ANH's key market segments are poultry, swine, ruminants, and aquaculture. With a highly synergistic portfolio, we serve the entire animal protein value chain: feed millers, farmers, and integrators. In addition, we have created an ecosystem of strategic partnerships to make environmental foot-printing easy and rewarding for the entire animal protein value chain, including farmers, processors, investors, feed millers, and retailers.

### Key market trends

Poultry market conditions remained positive in 2024, with lower feed costs and firm demand supporting higher supply. The pork industry continues to face significant pressure, with animal protein demand in China remaining weak. The ruminant business saw good growth due to higher beef exports from Latin America. In addition, in the fourth quarter, the vitamin business benefited from the additional temporary vitamin price effect related to a supply disruption in the vitamin market, especially impacting the contract price for vitamins A and E in the fourth quarter.



*"2024 was an outstanding year. I am very proud of our performance and the exceptional commitment of the team that lives our vision every day. We stepped up profitability*

*in vitamins and continued the strong growth of our innovation sales, while preparing for the carve-out and separation of ANH."*

**Ivo Lansbergen, Business Unit President  
Animal Nutrition & Health**

### Performance

ANH delivered a strongly improved performance versus the previous year with 5% organic sales growth, with 3% volume growth and prices up 2%.

Performance Solutions delivered strong results throughout the year, especially in mycotoxin risk management products, which are now offered together with Precision Service complementary offerings through the premix network. Bovaer® and Veramaris® had an excellent year. In the second half of the year, demand for Essential Products increased as farmer economics improved and vitamin profitability started to normalize, highlighting the quality of the underlying business. In addition, in the fourth quarter the business benefited from the additional temporary vitamin price effect from vitamins A and E related to a supply disruption in the vitamin market.

Adjusted EBITDA was up significantly from the previous year, owing to good organic sales growth, the contributions from the vitamin transformation program, and the temporary vitamin price effect in the fourth quarter.

### Key performance figures

x € million	2024	Pro forma 2023 <sup>1</sup>
Sales	3,324	3,227
Organic sales growth (in %)	5	
Adjusted EBITDA	343	128
Adjusted EBITDA margin (in %)	10.3	4.0

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.



# The year in review

## Step-up in profitability of vitamins

Our vitamin business saw a continued improvement, reflected both in customer demand and normalization of profitability. The vitamin transformation program, launched in mid-2023, was implemented according to plan, with the cost of goods reduced, savings delivered, and inventory optimized. We were simultaneously able to further improve our industry-leading performance in quality and safety, health & environment (SHE). In addition, in the fourth quarter, our business benefited from the additional temporary vitamin price effect related to a supply disruption in the vitamin market. This especially affected vitamins A and E during the fourth quarter.

## Continued strong growth of innovation sales

We further strengthened our position as an innovation leader in precision nutrition by expanding and combining our portfolio of Performance Solutions (advanced feed additives) and Precision Services (AI-driven farm data analytics).

This unique combined offering led to several strategic customer agreements, including those with industry-leading players such as Conforto Farm, Bounty Fresh Group, and Charoen Pokphand Foods. Through these novel agreements, we further empower customers to proactively reduce their environmental footprint and enhance their profitability. This involves leveraging the advanced analytics and intelligence of Sustell™, FarmTell™, and Verax™, while upselling advanced feed additives, vitamins, and premixes.

Sales of ANH innovations grew across the portfolio, with outstanding market penetration from Mycofix® and Hy-D®. In addition, we strengthened our position as an innovation leader by launching important Precision Services and Performance Solutions (see [Innovation](#) on the following page).

## Enhancing future growth and global reach

The inauguration of two new premix plants represented important milestones pointing to further progress and growth.

Our new plant in Sete Lagoas in the State of Minas Gerais (Brazil) will produce supplements to support the nutrition and health of beef and dairy cattle, underscoring the importance of Brazil's agribusiness.

Our new plant in Sadat City (Egypt) will serve customers in Egypt, the wider Middle East, Southern Europe, and Africa. It reflects our commitment to meeting the increasing demand from mid-range and large livestock farms and feed millers for premixes and innovative feed additives.

## The power of the past is the force of the future

While our running business grew during 2024, preparations for the carve-out reached an advanced stage. This puts ANH in a position to unleash further growth under new ownership, with a fully customer- and innovation-focused set-up and a fit-for-purpose organization.

As a global market leader in vitamins and advanced feed additives, an innovation leader in precision nutrition, and also benefiting from a unique scientific heritage, ANH is well positioned to take its business to the next level.





# Sustainability, innovation, and partnerships

## Sustainability

To meet growing demand for animal protein while reducing the environmental impact of farming innovative, science-based solutions are of vital importance. Our strategic approach tackles this challenge through six sustainability and business platforms that are key to the animal protein industries and aligned with the UN Sustainable Development Goals (SDGs):

- Improving the lifetime performance of farm animals
- Making efficient use of natural resources
- Reducing emissions from livestock
- Helping tackle antimicrobial resistance
- Reducing our reliance on marine resources
- Improving the nutritional quality of meat, milk, fish, and eggs while reducing food loss and waste

Sustell™, our leading life-cycle assessment platform (LCA) for animal protein, further grew its ecosystem of partners along the value chain and is now widely recognized as the leading solution for full environmental foot printing of animal protein. Sustell™ provides our customers with data and expertise to unlock the value of sustainability, improve operations, and meet increasingly stringent sustainability reporting requirements.

In 2024, our ANH Science & Research team was invited to the UN meeting on Antimicrobial Resistance (AMR), resulting in a declaration to fight AMR. Our eubiotics portfolio, OVN Optimum Vitamin Nutrition®, and Verax™ all have important roles to play in this ongoing effort.

Bovaer®, our solution for methane emissions reduction in dairy cows and beef cattle, is now available in more than 65 countries and has saved an estimated 215,000 tons of CO<sub>2</sub>e.

Veramaris® (the trademark is owned by Veramaris V.O.F.), our algal oil and alternative source of Omega-3 EPA and DHA for aquafeed, doubled production volumes becoming a viable alternative to fish oil, secured Canadian authorization and joined the consortium of the Dutch retail giant Albert Heijn to promote sustainable seafood.

## Innovation

We further strengthened our position as an innovation leader in our industry with our Precision Services and Performance Solutions. This involved the launch of additions to our portfolio as well as the continued development of existing offerings.

- Sustell™ expanded into the beef and shrimp industries with modules to meet their respective environmental foot printing needs
- FarmTell™, our complete software suite for data-driven decision-making, added its first AI for livestock management, using Lore™'s cutting-edge technology platform
- In Europe, we launched three advanced feed additives: ProAct 360™, our new enzyme technology developed jointly with Novozymes to drive feed efficiency; Hy-D®, our specific vitamin D3 metabolite to provide animals with a fast track to a strong skeleton and better performance; and HiPhorius™, our complete phytase to enable precision nutrition, improve animal performance, reduce feed costs, and

minimize environmental impact. On 11 February 2025, dsm-firmenich announced the sale of its stake in the Feed Enzymes Alliance to its equal partner Novonesis, a global leader in biosolutions, for €1.5 billion

- FUMzyme® sol, the only enzyme designed to target fumonisin mycotoxins, was launched for use in distiller dried grains
- Our Verax™ DBS analytics tool offers users an easy-to-use, non-invasive way to assess vitamin D3 status

## Partnerships

In 2024, we continued to grow the partner ecosystem of Sustell™, enabling value creation for all players and their partners across the animal protein value chain.

By partnering with Deloitte, we are leveraging Deloitte's GenAI solution to unlock new ways of enhancing food sustainability and value creation – from feed to farm to fork.

Our collaboration with IFC (member of the World Bank Group) demonstrates how banks can use Sustell™ to identify and manage financed emissions in the agriculture and food sectors.

The integration of Sustell™ in Format Solutions' top-tier feed formulation software, such as the BESTMIX® software suite from BESTMIX Software, permits the easy leveraging of existing data and assists feed producers in addressing future feed labelling demands. At the same time, it helps farmers to accurately quantify the environmental impact of products such as eggs, meat, milk, and farmed seafood.



# Corporate activities

Any consolidated activities within continuing operations that are outside the four Business Units are reported as corporate activities. These comprise operating and service activities, as well as a number of costs that cannot be allocated directly to the Business Units. While this segment reports net sales to third parties from its service units, it normally has a negative operating result.

Corporate activities include various holding companies, regional holdings, and corporate overheads. The most significant cost elements are corporate departments and the share-based compensation for the company.

### Insurances

We retain a limited part of our material damage, business interruption, (product) liability, and other risks via captive insurance companies. In 2024, the total retained damages were €29 million (2023: €25 million).

### Corporate research

We invest in a number of disruptive technology platforms, managed by our Senior Science Fellows, through which we aim to create greater differentiation in the long-term. These investments underpin early-stage innovation projects co-funded with the relevant business. They follow the principles of co-leadership, milestone-based funding, and assumption-based working, to provide market-ready scientific breakthroughs in the future.

### Share-based payments

Corporate executives participate in a Long-Term Incentive (LTI) scheme, which links their compensation to the long-term interests of our stakeholders. It is also a vehicle for attracting and retaining the talent we require in order to thrive as a company. For more information, see [Note 27 Share-based compensation](#) to the Consolidated Financial Statements.

## Our performance

x € million	2024	Pro forma 2023 <sup>1</sup>
Sales	52	66
Adjusted EBITDA	(93)	(79)

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





# Financial performance

## 2024 at a glance

Compared to 2023 on a pro forma basis:

- 2024 sales up 4% versus 2023, organic sales up 6%
- Adjusted EBITDA 19% up versus 2023
- Adjusted EBITDA margin 16.5% in 2024
- Adjusted Gross Operating Free Cash Flow €1,552 million (versus €999 million in 2023), with Sales to cash conversion 12.1%
- €849 million Core Adjusted Net Profit, up 53% versus 2023
- €280 million Net profit (total Group)
- 0.94 Net EPS (total Group)

## Delivering on our commitments

The challenging macro-economic environment we navigated in 2023 led us to accelerate some of our actions to drive profit improvement and cost reductions and advance the strategic portfolio review in 2024.

We accelerated our merger synergies and vitamin program, which delivered a €200 million Adjusted EBITDA contribution. We announced the separation of Animal Nutrition & Health, and we made good progress with the tuning of our portfolio with the sale of marine lipids, yeast extracts, and our minority stake in Robertet. Business conditions markedly improved during the year, reflected in strong volumes. We delivered strongly improved

financial results and we were also successful in substantially improving our cash flow ahead of our mid-term target.

## Delivering synergies

In 2024, we completed our merger and began delivering the targeted synergies. At our Capital Markets Day in June 2024, we confirmed we are on track to deliver around €500 million sales synergies and approximately €350 million Adjusted EBITDA in the mid-term.

Around half of the €350 million Adjusted EBITDA contribution is expected to come from cost efficiencies. The other half is expected from the incremental revenues of €500 million realized in all three Business Units of the Group's new scope: 60% in TTH, 25% in HNC and 15% in P&B.

Since the merger, the company has realized over €120 million contribution to Adjusted EBITDA from synergies. In 2025, the company expects to realize a further contribution of around €100 million to Adjusted EBITDA.

## Vitamin transformation program

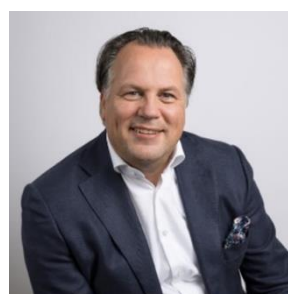
Mid-2023, the company launched a program to reduce costs and restore profitability in its vitamin activities, expected to generate an estimated contribution to Adjusted EBITDA of around €200 million. These savings are

incremental to the €350 million Adjusted EBITDA target from synergies.

In 2024, the vitamin transformation program contributed around €100 million to Adjusted EBITDA. In 2025, the company expects to realize the remaining 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 its capital intensity, in line with its long-term strategy.



*"We are focused on creating substantial value and have taken tangible action to meet our cost synergy ambitions. In addition, a robust pipeline of revenue synergies is in place, creating the conditions for strong growth ahead. This makes us confident about reaching our mid-term targets."*

**Ralf Schmeitz, Chief Financial Officer**



# Financial results

Perfumery & Beauty and Taste, Texture & Health recorded a very strong performance. Better business conditions led to a solid performance of Health, Nutrition & Care through the second half of the year. Animal Nutrition & Health delivered a significant step-up in financial results.

Business conditions markedly improved during the year. Perfumery & Beauty and Taste, Texture & Health saw very strong demand throughout the year. Health, Nutrition & Care saw business momentum improving in the second half of the year with demand for Dietary Supplements and Early Life Nutrition picking up. Animal Nutrition & Health delivered a strong performance owing to continued strong demand for Performance Solutions throughout the year, together with the normalization of vitamin profitability during the second half of the year.

In addition, in Q4 the business benefited from the additional temporary vitamin price effect related to a supply disruption in the vitamin market.

Adjusted EBITDA was up 19% owing to the good organic sales growth, and the contributions from the synergies, the vitamin transformation program and the temporary vitamin price effect in Q4. The Adjusted EBITDA includes a negative foreign exchange effect estimated at €50 million.

In 2024, synergies contributed around €105 million to Adjusted EBITDA, predominantly cost-led. The revenues from the sales synergies accounted for about €50 million in 2024. In 2025, the company expects an additional €100 million Adjusted EBITDA contribution from cost and sales synergies.

Adjusted gross operating free cash flow amounted to €1,552 million, up 55% from the prior period, driven by Adjusted EBITDA growth and operating working capital discipline.

## Income statement and key data

x € million	2024	Pro forma 2023 <sup>1</sup>	Change
Continuing operations			
Sales	12,799	12,310	4%
Adjusted EBITDA	2,118	1,777	19%
Adjusted operating profit	926	666	39%
Operating profit (loss)	561	(173)	-424%
Net profit (loss)	280	(321)	-187%
Adjusted net profit	601	365	65%
Core adjusted net profit	849	555	53%
Adjusted gross operating free cash flow	1,552	999	55%
Adjusted EBITDA margin (in %)	16.5	14.4	
Core adjusted ROCE (in %)	7.6	5.2	

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.

## Net sales and Adjusted EBITDA per Business Unit

x € million	Net sales			Adjusted EBITDA			Adjusted EBITDA margin	
	2024	Pro forma 2023 <sup>1</sup>	% change	2024	Pro forma 2023 <sup>1</sup>	% change	2024	Pro forma 2023 <sup>1</sup>
Perfumery & Beauty	3,964	3,709	7%	882	783	13%	22.3	21.1
Taste, Texture & Health	3,245	3,038	7%	615	556	11%	19.0	18.3
Health, Nutrition & Care	2,214	2,270	-2%	371	389	-5%	16.8	17.1
Animal Nutrition & Health	3,324	3,227	3%	343	128	168%	10.3	4.0
Corporate Activities	52	66	-21%	(93)	(79)	18%		
Total, continuing operations	12,799	12,310	4%	2,118	1,777	19%	16.5	14.4

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.





# Net profit

Adjusted net profit from continuing operations of €601 million was up by €411 million versus 2023. Besides the full-year effect of the former Firmenich, this was mainly attributable to improved business results. The net profit available to DSM–Firmenich AG’s equity holders decreased by €1,887 million to €250 million.

This decrease was mainly a result of the net book profit of €2,796 million in 2023 on the sale of DSM Engineering Materials, partly offset by the lower Alternative performance measures (APM) adjustments of €505 million, due to lower acquisition and restructuring costs, as well as the aforementioned improved business results and full-year effect of the former Firmenich. As a result, net earnings per share from continuing operations increased to €0.94 in 2024 (2023: –€2.82), and for total dsm–firmenich it decreased to €0.94 (2023: €9.14), due to the book result on the sale of DSM Engineering Materials in 2023.

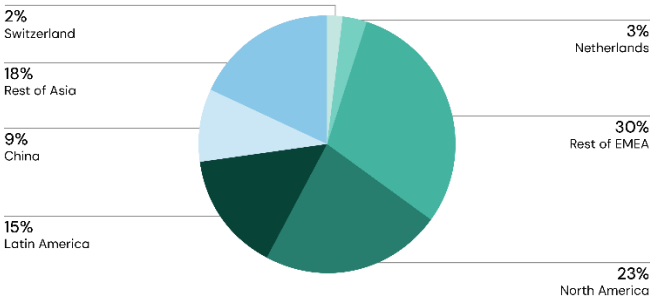
Financial income and expense decreased by €16 million year-on-year to a net expense of €134 million. This was mainly caused by the decrease of the exchange differences by €39 million, partly offset by the full-year effect of Firmenich.

The total effective tax rate over taxable result 2024 for continuing operations was 34.4% (2023: 2.8%); excluding APM adjustments, this was 24.1% (2023: 37.3%). This was mainly caused by the strong improvement of the financial results.

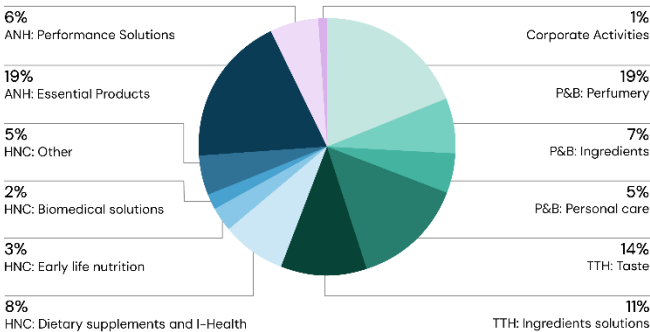
## Adjustments in calculating our Alternative performance measures

Total adjustments from continuing operations for the full year amounted to a loss of €321 million (2023: a loss of €826 million), consisting of a loss in EBITDA of €127 million (including restructuring costs of €42 million and acquisition, divestment or integration costs of €42 million), impairments of €238 million (including relating to the divestment of the marine lipids business of €74 million and the yeast extract business of €73 million), financial expenses of €5 million, a related tax impact of –€45 million and other results relating to associates of –€4 million.

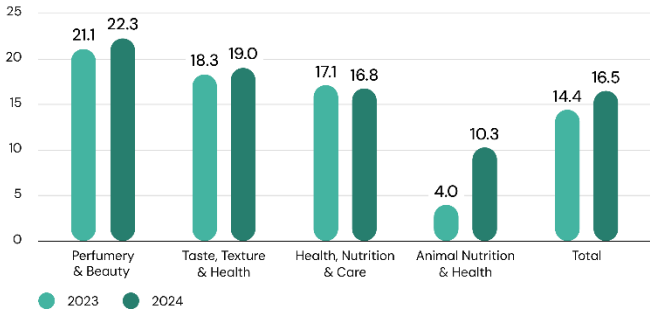
## Sales by destination



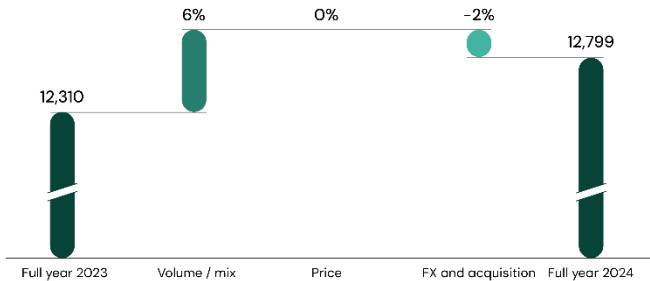
## Sales by business segment



## Adjusted EBITDA margin



## Sales bridge 2024



# Cash flow statement

Cash provided by operating activities of €1,782 million mainly consists of the EBITDA for the year (€1,991 million) and the change in working capital of €198 million, partly offset by the income tax payment of €275 million.

Overall, the full-year operating cash flow increased by €513 million. This was mainly caused by the improved EBITDA, due to the full-year effect of former Firmenich, and improved business results.

The cash used in investing activities consisted mainly of the capital expenditures (–€764 million), partly offset by the €397 million proceeds from disposals of other non-current assets, which was primarily caused by the divestment of the Robertet shares. The cash used in financing activities included the dividend paid (–€667 million), repayment of borrowings (–€623 million), and the repurchase of shares (–€706 million), partly offset by the issuance of a corporate bond (€800 million).

For the full cash flow statement, see the [Consolidated Financial Statements](#).

## Cash flow statement

x € million	2024	2023
Cash and cash equivalents at 1 January	2,456	2,755
Cash provided by operating activities	1,778	1,265
Cash from / (used in) investing activities	(252)	(726)
Cash from / (used in) financing activities	(1,334)	(820)
Effect of exchange differences	19	(18)
Cash and cash equivalents at 31 December	2,667	2,456





# Balance sheet

The balance sheet total (total assets) reached €33.7 billion at year-end (2023: €34.3 billion).

Equity decreased by €373 million, which was mainly caused by the dividend payments of –€667 million, offset partly by the net profit of €280 million. Equity as a percentage of total assets remained on 67%.

Capital expenditure on intangible assets and property, plant and equipment amounted to €830 million for continuing operations in 2024 (€764 million on a cash basis). Including new leases, the additions to intangible assets and property, plant and equipment was €1,010 million, which is around €130 million lower than the level of amortization, depreciation and impairments, excluding the impact of the purchase price allocation (PPA) of Firmenich.

Total working capital from continuing operations amounted to €2,734 million compared to €3,198 million at year-end 2023 (excluding the liability relating to the statutory buy-out of non-tendered shares of DSM N.V.). This represents 21.0% as a percentage of annualized fourth-quarter 2024 sales (2023: 25.7%). The decrease is mainly thanks to improved inventory management, together with increased payables (mainly employee- and tax-related). Cash-wise, the operating working capital (OWC) from continuing operations decreased by €41 million compared to last year. The OWC percentage decreased from 30.3% at year-end 2023 to 27.7% of annualized sales at year-end 2024 (mainly thanks to the improved inventory management). Cash and cash equivalents came to €2,667 million; including financial investments, this amounted to €2,717 million (2023: €2,563 million).

## Balance sheet profile

	2024		2023	
	x € million	in %	x € million	in %
Goodwill and intangible assets	18,078	54	18,738	55
Property, plant and equipment	5,725	17	5,549	16
Other non-current assets	1,145	3	1,139	3
Cash and cash equivalents	2,667	8	2,456	7
Other current assets	6,132	18	6,388	19
<b>Total assets</b>	<b>33,747</b>	<b>100</b>	<b>34,270</b>	<b>100</b>
Equity	22,697	67	23,070	67
Provisions	164	–	176	1
Other non-current liabilities	6,603	20	6,539	19
Other current liabilities	4,283	13	4,485	13
<b>Total equity and liabilities</b>	<b>33,747</b>	<b>100</b>	<b>34,270</b>	<b>100</b>

