

# DSM-Firmenich

## Deal announcement likely holds the key to re-rating

### Deal timeline unchanged. Formal announcement will be a key catalyst

The completion of the ANH disposal remains the key catalyst for DSFIR in our view, with the broader macroeconomic environment only adding to prior uncertainty surrounding the deal. While we are clearly in a buyers rather than a sellers market currently, the CFO mentioned during the Q1 conference call that the initial bids had been received, a shortlist had been drawn up for the progression to the due diligence stage and that the disposal process was on track to complete by 2025YE. It was also noted that DSFIR still intends to be able to announce the preferred bidder during the summer (i.e. June or July); as was previously communicated at the ESG Investor Event in March ([link](#)). There is clearly nervousness within the market more broadly that any M&A activity could be delayed (or pulled altogether) given the current macro backdrop and hence we do believe it will require the deal to be formally announced before the share price will react meaningfully positively. Under the assumption the deal announcement materialises as communicated, however, that catalyst is now likely a maximum of 3 months away.

### MSD% OSG in 'Remain Co' aligned with our expectations for F&F

One of the key arguments we heard from those investors more cautious on DSM-Firmenich heading into the print, was that the 2025 organic sales growth (OSG) and volume prospects for the 'Remain Co' (i.e. the combination of P&B, TTH and HNC) compared unfavourably to key peers in 2025. This does not appear to be the case for Q1, with DSM-Firmenich reporting ~4.8% OSG (5.5% volumes, -0.7% pricing); modestly ahead of Symrise (4.2% OSG; 2.8% volumes; [link](#)) and what consensus expects from IFF (2.9% OSG, 2.4% volumes) which is due to report post-market next Tuesday (6 May); albeit slightly below the 7.4% OSG (6.0% volumes) reported by Givaudan ([link](#)). Similarly, for FY25, we model 5.2% OSG (5.2% volumes and 0% pricing) for DSFIR, which again appears in the middle of pack on OSG but at the top end of peers on volumes. We model 6.0% OSG at Givaudan (5.0% vols) and 5.3% OSG (3.9% vols) at Symrise; whereas cons is modelling 2.5% OSG (2.2% vols) for IFF. The CFO reiterated an expectation for MSD% OSG for these assets during the conference call.

### Valuation: PT cut by 2% to €120 on peer derating

We lower our 2025/26 adj. EBITDA estimates by 2%/3% post Q1 results; a summary of our estimate changes is [inside](#). We lower our PT by 2% to €120 (from €122) due to our est. changes and recent peer valuation moves, which is reflected in our SOTP. Our valuation methodology of an equal-weighted blend of SOTP and DCF is unchanged.

Highlights (€m)	12/22	12/23	12/24	12/25E	12/26E	12/27E	12/28E	12/29E
Revenues	10,480	12,310	12,799	12,873	13,114	13,729	14,374	15,050
EBIT (UBS)	767	666	926	1,231	1,240	1,414	1,572	1,671
Net earnings (UBS)	454	539	819	1,125	1,181	1,319	1,460	1,567
EPS (UBS, diluted) (€)	2.63	2.03	3.10	4.28	4.58	5.16	5.71	6.13
DPS (net) (€)	2.50	2.50	2.50	2.55	2.68	2.81	2.95	3.10
Net (debt) / cash	(165)	(2,375)	(2,614)	(1,566)	(1,600)	(1,135)	(601)	1
Profitability/valuation	12/22	12/23	12/24	12/25E	12/26E	12/27E	12/28E	12/29E
EBIT (UBS) margin %	7.3	5.4	7.2	9.6	9.5	10.3	10.9	11.1
ROIC (EBIT) %	7.0	3.5	3.4	4.7	4.9	5.6	6.3	6.6
EV/EBITDA (UBS core) x	19.1	15.2	17.5	12.7	12.4	11.1	10.0	9.3
P/E (UBS, diluted) x	54.4	49.3	34.3	22.1	20.7	18.4	16.6	15.4
Equity FCF (UBS) yield %	1.3	4.3	3.3	3.3	4.2	4.2	4.6	5.0
Dividend yield (net) %	1.7	2.5	2.4	2.7	2.8	3.0	3.1	3.3

Source: Company accounts, LSEG Eikon, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price that year, (E): based on a share price of €94.66 on 30-Apr-2025 17:06:21 CEST

## Equities

Netherlands  
Chemicals, Commodity

12-month rating **Buy**

12m price target **€120.00**  
Prior : **€122.00**

Price (30 Apr 2025) **€94.10**

RIC: DSFIR.AS BBG: DSFIR NA

### Trading data and key metrics

52-wk range €123.65-84.04  
Market cap. €24.9b/US\$28.4b  
Shares o/s 265m (ORD)  
Free float 66%  
Avg. daily volume ('000) 524  
Avg. daily value (m) €50  
Common s/h equity (12/25E) €22.2b  
P/BV (12/25E) 1.1x  
Net debt to EBITDA (12/25E) 0.7x

### EPS (UBS, diluted) (EUR)

	From	To	% ch	Cons.
12/25E	4.30	4.28	-1	4.27
12/26E	4.74	4.58	-3	4.58
12/27E	5.33	5.16	-3	5.17

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## Change to UBS estimates and PT

Below we summarise the key changes to UBS estimates.

Following the 1Q25 results, we lower our Q2 sales estimate by ~3% to €3,225m, primarily linked to a M2M for FX. Our Q2 OSG estimate is lowered 33bps to 6.2% (vs 6.6% previously), albeit our ex-ANH, or 'Remain Co', OSG estimate actually increases 30bps to 5.2% (vs 4.9% previously). The cut to our group OSG estimate reflects lower pricing assumptions in ANH, and to a lesser extent HNC, than we previously assumed related to the temporarily higher vitamin prices. Our Q2 adj. EBITDA estimate is lowered 1.5% to €613m (€623m previously), with a higher margin assumption in the ANH division helping to partially offset the ~3% cut to our revenue estimate.

For 2025E, we decrease our sales estimate by ~2% to €12,873m with a larger FX headwind on sales than we previously modelled (-2% impact) and a 64bps lower OSG estimate of 5.2% (vs 5.9%) the key drivers of this cut. Our ex-ANH OSG estimate for 2025 is 5.2% (vs 4.9% previously). Our 2025 adj. EBITDA estimate is decreased by ~2% to €2,431m (€2,469m previously), representing an EBITDA margin of 18.9% (vs 18.7% previously).

We lower our PT by 2% to €120 (from €122) to reflect our estimate changes and recent peer valuation moves, which is reflected in our SOTP. Our valuation methodology of an equal-weighted blend of SOTP and DCF remains unchanged.

**Figure 1: Changes to UBS estimates**

DSM-Firmenich	2Q25E			FY25E			FY26E		
	Old	New	Δ	Old	New	Δ	Old	New	Δ
<b>Net sales</b>	<b>3,314</b>	<b>3,225</b>	<b>-2.7%</b>	<b>13,189</b>	<b>12,873</b>	<b>-2.4%</b>	<b>13,522</b>	<b>13,114</b>	<b>-3.0%</b>
Reported growth	2.7%	-0.1%	-275bps	3.0%	0.6%	-247bps	2.5%	1.9%	-66bps
M&A	-2.2%	-2.2%	0bps	-2.3%	-2.1%	22bps	-1.7%	-1.7%	-4bps
FX	-1.6%	-4.1%	-242bps	-0.5%	-2.6%	-204bps	-0.4%	-1.0%	-63bps
<b>Organic</b>	<b>6.6%</b>	<b>6.2%</b>	<b>-33 bps</b>	<b>5.9%</b>	<b>5.2%</b>	<b>-64 bps</b>	<b>4.7%</b>	<b>4.7%</b>	<b>1 bps</b>
P&B	4.2%	4.3%	10bps	4.1%	4.1%	-10bps	5.5%	5.5%	0bps
TTH	3.2%	5.6%	240bps	5.1%	6.1%	106bps	5.0%	5.0%	0bps
HNC	8.4%	6.4%	-200bps	6.9%	5.9%	-93bps	4.5%	4.5%	0bps
ANH	12.0%	9.4%	-260bps	8.2%	5.4%	-278bps	3.5%	3.5%	0bps
<b>Adjusted EBITDA</b>	<b>623</b>	<b>613</b>	<b>-1.5%</b>	<b>2,469</b>	<b>2,431</b>	<b>-1.6%</b>	<b>2,556</b>	<b>2,482</b>	<b>-2.9%</b>
Margin	19.7%	19.0%	-69bps	18.7%	18.9%	16bps	18.9%	18.9%	3bps
Change y/y	289bps	312bps	23bps	218bps	233bps	16bps	18bps	4bps	-13bps
P&B	230	225	-2%	935	914	-2%	1018	989	-3%
margin	22.0%	22.0%	0bps	22.8%	22.7%	-13bps	23.6%	23.5%	-10bps
TTH	167	163	-2%	672	665	-1%	742	737	-1%
margin	20.4%	20.0%	-40bps	20.4%	20.2%	-17bps	21.5%	21.5%	0bps
HNC	109	102	-6%	426	408	-4%	463	448	-3%
margin	19.4%	19.0%	-40bps	19.2%	18.8%	-34bps	20.0%	20.0%	0bps
ANH	140	146	4%	528	539	2%	423	398	-6%
margin	16.0%	17.5%	150bps	15.1%	16.2%	111bps	12.5%	12.5%	0bps
Corporate	-23	-23	0%	-92	-95	3%	-90	-90	0%
<b>Reported EBITDA</b>	<b>598</b>	<b>588</b>	<b>-1.6%</b>	<b>2,381</b>	<b>2,331</b>	<b>-2.1%</b>	<b>2,566</b>	<b>2,482</b>	<b>-3.3%</b>
Margin	19.0%	18.2%	-71bps	18.1%	18.1%	5bps	19.0%	18.9%	-5bps
Change y/y							92bps	82bps	-10bps
Finance costs				-136	-140	3%	-85	-83	-2%
Effective tax				-242	-240	-1%	-266	-255	-4%
Effective tax rate				22.0%	22.0%	0bps	22.0%	22.0%	0bps
<b>Core adjusted net profit</b>				<b>1,131</b>	<b>1,125</b>	<b>-0.5%</b>	<b>1,223</b>	<b>1,181</b>	<b>-3.4%</b>
<b>Core adjusted EPS</b>				<b>4.30</b>	<b>4.28</b>	<b>-0.5%</b>	<b>4.74</b>	<b>4.58</b>	<b>-3.4%</b>
capex				-791	-772	-2%	-811	-787	-3%
FCF to equity				773	809	5%	1,169	1,136	-3%

Source: UBS estimates

Figure 2: Pro forma financials - DSM-Firmenich

€m	1Q23	2Q23	3Q23	4Q23	1H23	2H23	2023	1Q24	2Q24	3Q24	4Q24	1H24	2H24	2024	1Q25	2Q25E	3Q25E	4Q25E	1H25E	2H25E	2025E	2026E	2027E	2028E
<b>Sales</b>																								
P&B	972	903	920	914	1,875	1,834	3,709	986	1,021	991	966	2,007	1,957	3,964	1,015	1,024	1,015	977	2,039	1,992	4,031	4,209	4,441	4,685
y/y sales growth	4.3%	-5.2%	-7.2%	-0.2%	-0.5%	-3.8%	-2.2%	1.4%	13.1%	7.7%	5.7%	7.0%	6.7%	6.9%	2.9%	0.3%	2.5%	1.1%	1.6%	1.8%	1.7%	4.4%	5.5%	5.5%
<b>Organic sales growth</b>	<b>2.3%</b>	<b>-2.2%</b>	<b>0.0%</b>	<b>1.6%</b>	<b>0.0%</b>	<b>0.8%</b>	<b>0.6%</b>	<b>2.0%</b>	<b>13.0%</b>	<b>9.0%</b>	<b>7.3%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>	<b>2.0%</b>	<b>4.3%</b>	<b>5.2%</b>	<b>4.7%</b>	<b>3.2%</b>	<b>5.0%</b>	<b>4.1%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>5.5%</b>
volumes	-2.7%	-6.2%	-3.0%	-1.0%	-4.5%	-2.0%	-3.4%	4.0%	17.0%	11.0%	5.0%	10.3%	8.0%	9.0%	3.0%	4.3%	5.2%	4.7%	3.7%	5.0%	4.3%	5.0%	5.0%	5.0%
2-yr / 3-yr stack								101	110	108	104	105	106	105	107	114	113	109	109	111	110			
price	5.0%	4.0%	3.0%	2.6%	4.5%	2.8%	4.0%	-2.0%	-4.0%	-2.0%	0.0%	-3.0%	-1.0%	-2.0%	-1.0%	0.0%	0.0%	0.0%	-0.5%	0.0%	-0.2%	0.5%	0.5%	0.5%
2-yr / 3-yr stack								103	100	101	103	101	102	102	97	100	101	103	101	102	102			
M&A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FX	2.0%	-3.0%	-6.0%	-2.0%	-0.5%	-4.1%	-2.8%	-0.6%	0.1%	-1.3%	0.7%	-0.3%	-0.3%	-0.1%	0.9%	-4.0%	-2.7%	-3.6%	-1.6%	-3.1%	-2.4%	-1.1%	0.0%	0.0%
TTH	772	761	737	768	1,533	1,505	3,038	798	834	823	790	1,632	1,613	3,245	851	817	821	809	1,668	1,629	3,297	3,427	3,598	3,778
y/y sales growth	5.0%	-4.5%	-11.8%	-4.7%	0.1%	-8.3%	-4.3%	3.4%	9.6%	11.7%	2.9%	6.5%	7.2%	6.8%	6.6%	-2.0%	-0.3%	2.3%	2.2%	1.0%	1.6%	3.9%	5.0%	5.0%
<b>Organic sales growth</b>	<b>3.0%</b>	<b>-1.5%</b>	<b>-5.0%</b>	<b>-1.0%</b>	<b>0.7%</b>	<b>-3.0%</b>	<b>-1.3%</b>	<b>6.0%</b>	<b>11.0%</b>	<b>12.0%</b>	<b>4.0%</b>	<b>8.5%</b>	<b>7.9%</b>	<b>8.0%</b>	<b>7.0%</b>	<b>5.6%</b>	<b>6.1%</b>	<b>5.9%</b>	<b>6.3%</b>	<b>6.0%</b>	<b>6.1%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>
volumes	-4.0%	-4.5%	-7.0%	-5.0%	-4.3%	-6.0%	-6.3%	6.0%	12.0%	13.0%	4.0%	7.9%	8.4%	9.0%	7.0%	5.6%	6.1%	5.9%	6.3%	6.0%	6.1%	5.0%	5.0%	5.0%
2-yr / 3-yr stack								102	107	105	99	103	102	102	113	113	112	105	110	108	108			
price	7.0%	3.0%	2.0%	4.0%	4.9%	3.0%	5.0%	0.0%	-1.0%	-1.0%	0.0%	-0.5%	-0.5%	-1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2-yr / 3-yr stack								107	102	101	104	104	102	104	100	102	101	104	104	102	104			
M&A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.0%	0.0%	-0.5%	-0.3%	-1.0%	-3.6%	-3.6%	0.0%	-2.3%	-1.9%	-2.1%	0.0%	0.0%	0.0%
FX	2.0%	-3.0%	-6.5%	-4.0%	-0.6%	-5.3%	-3.0%	-2.6%	-1.4%	-0.3%	-0.1%	-2.0%	-0.2%	-0.9%	0.6%	-4.0%	-2.7%	-3.6%	-1.7%	-3.1%	-2.4%	-1.1%	0.0%	0.0%
HNC	582	562	545	581	1,144	1,126	2,270	526	565	561	562	1,091	1,123	2,214	528	536	536	567	1,064	1,104	2,168	2,242	2,342	2,448
y/y sales growth	-1.7%	-8.3%	-12.9%	-1.0%	-5.1%	-7.2%	-6.1%	-9.6%	0.5%	2.9%	-3.3%	-4.6%	-0.3%	-2.5%	0.4%	-5.1%	-4.4%	0.9%	-2.5%	-1.7%	-2.1%	3.4%	4.5%	4.5%
<b>Organic sales growth</b>	<b>-2.7%</b>	<b>-6.8%</b>	<b>-8.0%</b>	<b>3.9%</b>	<b>-4.8%</b>	<b>-2.2%</b>	<b>-4.4%</b>	<b>-9.0%</b>	<b>1.0%</b>	<b>5.0%</b>	<b>4.6%</b>	<b>-4.1%</b>	<b>4.8%</b>	<b>1.0%</b>	<b>7.0%</b>	<b>6.4%</b>	<b>5.9%</b>	<b>4.5%</b>	<b>6.7%</b>	<b>5.2%</b>	<b>5.9%</b>	<b>4.5%</b>	<b>4.5%</b>	<b>4.5%</b>
volumes	-7.7%	-11.8%	-10.0%	4.6%	-9.8%	-2.9%	-6.4%	-6.0%	2.0%	5.0%	4.6%	-2.1%	4.8%	2.0%	8.0%	5.4%	4.9%	3.5%	6.7%	4.2%	5.4%	4.5%	4.5%	4.5%
2-yr / 3-yr stack								87	90	95	109	88	102	95	102	95	99	113	94	106	101			
price	5.0%	5.0%	2.0%	-0.7%	5.0%	0.7%	2.0%	-3.0%	0.0%	0.0%	-2.0%	0.0%	0.0%	-1.0%	-1.0%	1.0%	1.0%	1.0%	0.0%	1.0%	0.5%	0.0%	0.0%	0.0%
2-yr / 3-yr stack								102	104	102	99	103	101	101	96	105	103	100	103	102	102			
M&A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-8.0%	0.0%	-4.1%	-3.0%	-7.0%	-7.5%	-7.6%	0.0%	-7.3%	-3.8%	-5.5%	0.0%	0.0%	0.0%
FX	1.0%	-1.5%	-5.0%	-5.0%	-0.3%	-5.0%	-1.7%	-0.6%	-0.5%	-2.1%	0.1%	0.0%	-0.9%	-0.5%	0.4%	-4.0%	-2.7%	-3.6%	0.0%	-3.1%	-2.5%	-1.1%	0.0%	0.0%
ANH	785	786	823	833	1,571	1,656	3,227	746	790	858	930	1,536	1,788	3,324	874	833	888	731	1,707	1,619	3,326	3,181	3,293	3,408
y/y sales growth	-11.0%	-17.5%	-15.8%	-14.2%	-14.4%	-15.0%	-14.7%	-5.0%	0.5%	4.3%	11.6%	-2.2%	8.0%	3.0%	17.2%	5.4%	3.6%	-21.4%	11.1%	-9.4%	0.1%	-4.3%	3.5%	3.5%
<b>Organic sales growth</b>	<b>-13.0%</b>	<b>-15.5%</b>	<b>-13.0%</b>	<b>-12.0%</b>	<b>-14.3%</b>	<b>-12.5%</b>	<b>-13.4%</b>	<b>-3.0%</b>	<b>2.0%</b>	<b>7.0%</b>	<b>15.3%</b>	<b>-0.5%</b>	<b>11.1%</b>	<b>5.0%</b>	<b>19.0%</b>	<b>9.4%</b>	<b>6.3%</b>	<b>-9.8%</b>	<b>14.1%</b>	<b>-2.1%</b>	<b>5.4%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.5%</b>
volumes	-9.0%	-8.5%	-6.0%	-7.0%	-8.8%	-6.5%	-6.4%	3.0%	4.0%	7.0%	0.7%	3.5%	3.8%	3.0%	2.0%	1.8%	2.2%	2.8%	1.9%	2.5%	2.2%	3.5%	3.5%	3.5%
2-yr / 3-yr stack								94	95	101	94	94	97	96	105	97	103	96	96	100	99			
price	-4.0%	-7.0%	-7.0%	-5.0%	-5.6%	-6.0%	-7.0%	-6.0%	-2.0%	0.0%	14.6%	-4.0%	7.3%	2.0%	17.0%	7.6%	4.1%	-12.6%	12.2%	-4.6%	3.2%	0.0%	0.0%	0.0%
2-yr / 3-yr stack								90	91	93	109	91	101	95	110	98	97	95	102	96	98			
M&A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-8.1%	0.0%	-4.2%	-2.3%	-6.8%	0.0%	0.0%
FX	2.0%	-2.0%	-5.0%	-2.0%	-0.1%	-3.5%	-1.3%	-2.0%	-1.5%	-2.7%	-3.6%	-1.7%	-3.2%	-2.0%	-1.8%	-4.0%	-2.7%	-3.6%	-3.0%	-3.2%	-3.1%	-1.1%	0.0%	0.0%
Corporate	11	18	21	16	29	37	66	15	17	11	9	32	20	52	6	15	15	15	21	30	51	55	55	55
<b>Total</b>	<b>3,122</b>	<b>3,030</b>	<b>3,046</b>	<b>3,112</b>	<b>6,152</b>	<b>6,158</b>	<b>12,310</b>	<b>3,071</b>	<b>3,227</b>	<b>3,244</b>	<b>3,257</b>	<b>6,298</b>	<b>6,501</b>	<b>12,799</b>	<b>3,274</b>	<b>3,225</b>	<b>3,276</b>	<b>3,099</b>	<b>6,499</b>	<b>6,374</b>	<b>12,873</b>	<b>13,114</b>	<b>13,729</b>	<b>14,374</b>
check	3,122																							
y/y sales growth	-1.3%	-9.1%	-11.6%	-5.6%	-5.3%	-8.6%	-7.0%	-1.6%	6.5%	6.5%	4.7%	2.4%	5.6%	4.0%	6.6%	-0.1%	1.0%	-4.9%	3.2%	-1.9%	0.6%	1.9%	4.7%	4.7%
<b>Organic sales growth</b>	<b>-2.7%</b>	<b>-6.7%</b>	<b>-6.4%</b>	<b>-2.6%</b>	<b>-4.8%</b>	<b>-4.5%</b>	<b>-4.8%</b>	<b>-0.3%</b>	<b>7.3%</b>	<b>8.4%</b>	<b>7.4%</b>	<b>3.5%</b>	<b>7.9%</b>	<b>5.6%</b>	<b>8.0%</b>	<b>6.2%</b>	<b>5.8%</b>	<b>0.8%</b>	<b>7.2%</b>	<b>3.3%</b>	<b>5.2%</b>	<b>4.7%</b>	<b>4.7%</b>	<b>4.7%</b>
volumes	-5.7%	-7.5%	-6.1%	-2.7%	-6.6%	-4.4%	-5.5%	2.4%	9.5%	9.3%	3.5%	5.6%	6.3%	6.1%	4.0%	4.2%	4.6%	4.2%	4.4%	4.4%	4.4%	4.5%	4.5%	4.5%
price	2.9%	0.8%	-0.3%	0.1%	1.8%	-0.1%	0.7%	-2.7%	-2.1%	-0.8%	3.9%	-2.4%	1.5%	-0.5%	4.0%	2.0%	1.3%	-3.4%	2.8%	-1.1%	0.8%	0.2%	0.2%	0.2%
M&A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.9%	0.0%	-0.9%	-0.6%	-2.0%	-2.2%	-2.2%	-2.3%	-1.9%	-2.3%	-2.1%	-1.7%	0.0%	0.0%
FX/Other	1.5%	-2.5%	-5.3%	-2.9%	-0.5%	-4.1%	-2.2%	-1.3%	-0.8%	-1.9%	-2.7%	-1.1%	-1.4%	-1.0%	0.6%	-4.1%	-2.6%	-3.4%	-2.2%	-3.0%	-2.6%	-1.0%	0.0%	0.0%
Sales ex-ANH	2,337	2,244	2,223	2,279	4,581	4,502	9,083	2,325	2,437	2,386	2,327	4,762	4,713	9,475	2,400	2,392	2,387	2,368	4,792	4,755	9,547	9,933	10,436	10,966
OSG ex-ANH								0.6%	9.2%	8.9%	4.5%	4.8%	6.7%	5.8%	4.8%	5.2%	5.7%	5.0%	5.0%	5.3%	5.2%	5.1%	5.1%	5.1%
volumes								2.2%	11.4%	10.1%	4.5%	6.3%	7.3%	7.2%	5.5%	5.0%	5.4%	4.8%	5.2%	5.1%	5.2%	4.9%	4.9%	4.9%
price								-1.6%	-2.2%	-1.2%	0.0%	-1.9%	-0.6%	-1.4%	-0.7%	0.2%	0.2%	0.2%	-0.2%	0.2%	0.0%	0.2%	0.2%	0.2%
<b>Adj EBITDA</b>																								
P&B	210	169	212	192	379	404	783	234	220	226	202	454	428	882	230	225	239	220	455	458	914	989	1,066	1,148
% margin	21.6%	18.7%	23.0%	21.0%	20.2%	22.0%	21.1%	23.7%	21.5%	22.8%	20.9%	22.6%	21.9%	22.3%	22.7%	22.0%	23.5%	22.5%	22.3%	23.0%	22.7%	23.5%	24.0%	24.5%
bps y/y																								
TTH	152	137	134	133	289	267	556	150	159	162	144	309	306	615	168	163	168	166	331	334	665	737	788	842
% margin	19.7%	18.0%	18.2%	17.3%	18.9%	17.7%	18.3%	18.8%	19.1%	19.7%	18.2%	18.9%	19.0%	19.0%	19.7%	20.0%	20.5%	20.5%	19.9%	20.5%	20.2%	21.5%	21.9%	22.3%
bps y/y																								
HNC	120	100	75	94	220	169	389	79	94	96	102	173	198	371	92	102	105	109	194	214	408	448	506	539
% margin	20.6%	17.8%	13.8%	16.2%	19.2%	15.0%	17.1%	15.0%	16.6%	17.1%	18.1%	15.9												

# UBS Model Summary

Figure 3: SOTP for DSM-Firmenich

Segment	2025e Performance (€ m)					Valuation (€ m)			Valuation basis		
	Sales	% of group Sales	EBITDA	EBITDA margin	% of group EBITDA	Low	Mid	High	Low EV/ EBITDA	Mid EV/ EBITDA	High EV/ EBITDA
P&B	4,031	31%	914	22.7%	38%	17,361	<b>17,269</b>	22,386	19.0x	<b>18.9x</b>	24.5x
TTH	3,297	26%	665	20.2%	27%	8,318	<b>8,651</b>	11,978	12.5x	<b>13.0x</b>	18.0x
HNC	2,168	17%	408	18.8%	17%	4,895	<b>5,303</b>	7,138	12.0x	<b>13.0x</b>	17.5x
ANH	3,326	26%	539	16.2%	22%	4,039	<b>4,416</b>	5,655	7.5x	<b>8.2x</b>	10.5x
of which:											
Veramaris	50	0%	6	12.5%	0%	124	<b>155</b>	217	20.0x	<b>25.0x</b>	35.0x
Bovaer	30	0%	0	0.5%	0%	60	<b>90</b>	135	400.0x	<b>600.0x</b>	900.0x
Feed Enzyme Alliance	300	2%	70	23.3%	3%	1,500	<b>1,500</b>	1,500	21.4x	21.4x	21.4x
ANH ex-Veramaris & Bovaer	3,246	25%	532	16.4%	22%	3,855	<b>4,171</b>	5,303	7.2x	<b>7.8x</b>	10.0x
ANH ex-Veramaris, Bovaer & Feed Enzyme Alliance	2,946	23%	462	15.7%	19%	2,355	<b>2,671</b>	3,803	5.1x	<b>5.8x</b>	8.2x
Agro Ingredients	40	0%	6	13.8%	0%	33	<b>44</b>	55	6.0x	<b>8.0x</b>	10.0x
Aroma Ingredients	170	1%	25	14.7%	1%	150	<b>200</b>	250	6.0x	<b>8.0x</b>	10.0x
Non-differentiated vitamins	115	1%	12	10.0%	0%	29	<b>46</b>	69	2.5x	<b>4.0x</b>	6.0x
Fully scope of assets for sale	3,571	28%	574	16.1%	24%	4,067	<b>4,461</b>	5,677	7.1x	<b>7.8x</b>	9.9x
Assets for sale ex Feed Enzyme Alliance	3,271	25%	504	15.4%	21%	2,567	<b>2,961</b>	4,177	5.1x	<b>5.9x</b>	8.3x
Corporate	51	0%	(95)		-4%	(1,359)	<b>(1,587)</b>	(1,834)	14.3x	<b>16.7x</b>	19.3x
<b>DSM-Firmenich</b>	<b>12,873</b>	<b>100%</b>	<b>2,431</b>	<b>18.9%</b>	<b>100%</b>	<b>33,254</b>	<b>34,052</b>	<b>45,323</b>	<b>13.7x</b>	<b>14.0x</b>	<b>18.6x</b>
Less: Net debt 31 Dec 2024						(2,613)	<b>(2,613)</b>	(2,613)			
Less: Hybrid bonds						(750)	<b>(750)</b>	(750)			
Less: Pension Deficits						(487)	<b>(487)</b>	(487)			
Less: Cash relevant provisions						(87)	<b>(87)</b>	(87)			
Less: Other (i.e. transaction fees)						(100)	<b>(100)</b>	(100)			
Less: Minority Interest						(1,115)	<b>(1,115)</b>	(1,115)			
Add: Associates and JV's						(342)	<b>(342)</b>	(342)			
Add: NPV of synergies						0	<b>826</b>	1,652			
<b>Implied Market Value</b>						<b>27,760</b>	<b>29,384</b>	<b>41,481</b>			
No. of shares, m						<b>260.0</b>	<b>260.0</b>	<b>260.0</b>			
<b>Implied value per share (€)</b>						<b>107</b>	<b>113</b>	<b>160</b>			

Source: UBS estimates

**Figure 4: DSM-Firmenich valuation summary**

	IFRS 2023	IFRS 2024	IFRS 2025E	IFRS 2026E	IFRS 2027E	IFRS 2028E	IFRS 2029E
<b>DSM Valuation</b>							
	<b>At current share price</b>						
Share price	97	115	94	94	94	94	94
No of shares	265	265	260	256	256	256	256
Mkt Cap	25,821	30,429	24,467	24,070	24,070	24,070	24,070
Net debt/ (cash)	2,374	2,613	1,565	1,599	1,134	600	(2)
Share buybacks	0	0	0	0	0	0	0
Pension funding/lease liabilities	520	487	487	487	487	487	487
Pref shares	0	0	0	0	0	0	0
Cash-relevant provisions	142	87	87	87	87	87	87
Minority interest	766	1,115	352	329	292	264	246
Associates	(130)	(342)	(342)	(342)	(342)	(342)	(342)
<b>Enterprise value</b>	<b>29,493</b>	<b>34,389</b>	<b>26,616</b>	<b>26,230</b>	<b>25,728</b>	<b>25,166</b>	<b>24,546</b>
<b>Adjusted EBITDA</b>	1,777	2,118	2,431	2,482	2,698	2,899	3,045
EV/Sales	2.4	2.7	2.1	2.0	1.9	1.8	1.6
<b>EV/EBITDA</b>	<b>16.6</b>	<b>16.2</b>	<b>11.0</b>	<b>10.6</b>	<b>9.5</b>	<b>8.7</b>	<b>8.1</b>
EV/EBIT	44.3	37.1	21.6	21.2	18.2	16.0	14.7
EV/FCF	50.8	33.9	28.0	21.5	20.8	19.2	17.9
EBIT Margin	5.4%	7.2%	9.6%	9.5%	10.3%	10.9%	11.1%
EPS (pre-exc)	2.0	3.1	4.3	4.6	5.2	5.7	6.1
<b>PE</b>	<b>47.9</b>	<b>37.2</b>	<b>22.0</b>	<b>20.6</b>	<b>18.3</b>	<b>16.5</b>	<b>15.4</b>
<b>Dividend yield</b>	<b>2.6%</b>	<b>2.2%</b>	<b>2.7%</b>	<b>2.8%</b>	<b>3.0%</b>	<b>3.1%</b>	<b>3.3%</b>
FCF/share	2.0	3.6	3.1	4.4	4.5	4.9	5.3
FCF yield	2.0%	3.1%	3.3%	4.7%	4.8%	5.2%	5.6%
EV FCF yield	2.0%	2.9%	3.6%	4.6%	4.8%	5.2%	5.6%
Net debt (cash)	2,374	2,613	1,565	1,599	1,134	600	-2
Net debt+pensions/EBITDA	1.6	1.5	0.8	0.8	0.6	0.4	0.2
Net debt/EBITDA	1.3	1.2	0.6	0.6	0.4	0.2	0.0

Source: Company data, UBS estimates

Figure 5: DCF summary: DSM-Firmenich

Year to end December	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	Norm.
Sales	12,310	12,799	12,873	13,114	13,729	14,374	15,050	15,802	16,593	17,422	18,293	19,208	20,168	21,177	22,236	23,347	24,515	22,791
Growth %	-8.3%	4.0%	0.6%	1.9%	4.7%	4.7%	4.7%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	2.5%
<b>EBITA</b>	<b>850</b>	<b>1,213</b>	<b>1,521</b>	<b>1,530</b>	<b>1,704</b>	<b>1,862</b>	<b>1,961</b>	<b>2,107</b>	<b>2,262</b>	<b>2,427</b>	<b>2,603</b>	<b>2,791</b>	<b>2,991</b>	<b>3,204</b>	<b>3,431</b>	<b>3,673</b>	<b>3,930</b>	<b>3,647</b>
growth %	-10.7%	42.7%	25.4%	0.6%	11.4%	9.2%	5.4%	7.4%	7.4%	7.3%	7.3%	7.2%	7.2%	7.1%	7.1%	7.0%	7.0%	-0.7%
Margin %	6.9%	9.5%	11.8%	11.7%	12.4%	13.0%	13.0%	13.3%	13.6%	13.9%	14.2%	14.5%	14.8%	15.1%	15.4%	15.7%	16.0%	16.0%
less: restructuring	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
<b>EBITA pre R&amp;D, post restruct.</b>	<b>850</b>	<b>1,213</b>	<b>1,521</b>	<b>1,530</b>	<b>1,704</b>	<b>1,862</b>	<b>1,961</b>	<b>2,107</b>	<b>2,262</b>	<b>2,427</b>	<b>2,603</b>	<b>2,791</b>	<b>2,991</b>	<b>3,204</b>	<b>3,431</b>	<b>3,673</b>	<b>3,931</b>	<b>3,647</b>
growth %	-10.7%	42.7%	25.4%	0.6%	11.4%	9.2%	5.4%	7.4%	7.4%	7.3%	7.3%	7.2%	7.2%	7.1%	7.1%	7.0%	7.0%	-0.7%
Margin %	6.9%	9.5%	11.8%	11.7%	12.4%	13.0%	13.0%	13.3%	13.6%	13.9%	14.2%	14.5%	14.8%	15.1%	15.4%	15.7%	16.0%	16.0%
Less: Prov for taxes	-179	-275	-240	-255	-294	-333	-364	-463	-498	-534	-573	-614	-658	-705	-755	-808	-865	-802
<b>NOPLAT</b>	<b>671</b>	<b>938</b>	<b>1,281</b>	<b>1,276</b>	<b>1,411</b>	<b>1,528</b>	<b>1,597</b>	<b>1,643</b>	<b>1,764</b>	<b>1,893</b>	<b>2,031</b>	<b>2,177</b>	<b>2,333</b>	<b>2,499</b>	<b>2,676</b>	<b>2,865</b>	<b>3,066</b>	<b>2,844</b>
growth %	-9.8%	39.8%	36.6%	-0.4%	10.6%	8.3%	4.5%	2.9%	7.4%	7.3%	7.2%	7.2%	7.1%	7.1%	7.0%	7.0%	6.3%	6.3%
Plus: Depreciation	1,307	1,430	910	952	994	1,037	1,083	1,011	1,045	1,063	1,079	1,095	1,109	1,122	1,134	1,191	1,250	1,140
dep /sales	10.6%	11.2%	7.1%	7.3%	7.2%	7.2%	7.2%	6.4%	6.3%	6.1%	5.9%	5.7%	5.5%	5.3%	5.1%	5.1%	5.1%	5.0%
<b>Gross Cash flow</b>	<b>1,978</b>	<b>2,368</b>	<b>2,191</b>	<b>2,227</b>	<b>2,404</b>	<b>2,566</b>	<b>2,681</b>	<b>2,655</b>	<b>2,809</b>	<b>2,956</b>	<b>3,110</b>	<b>3,272</b>	<b>3,442</b>	<b>3,622</b>	<b>3,810</b>	<b>4,055</b>	<b>4,316</b>	<b>3,984</b>
Less: Capex	-684	-764	-772	-787	-824	-862	-903	-853	-896	-923	-970	-1,018	-1,069	-1,122	-1,178	-1,237	-1,299	-1,140
Capex / Sales	5.6%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	5.4%	5.4%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.0%
Capex/Depreciation	0.5x	0.5x	0.8x	0.8x	0.8x	0.8x	0.8x	0.8x	0.9x	0.9x	0.9x	0.9x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x
Change in Working Capital	160	198	-169	-22	-145	-193	-203	-173	-182	-191	-200	-201	-211	-222	-233	-245	-257	-122
WC % of sales								23.0%	23.0%	23.0%	23.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
<b>Enterprise Free Cash Flow</b>	<b>1,454</b>	<b>1,802</b>	<b>1,249</b>	<b>1,419</b>	<b>1,435</b>	<b>1,510</b>	<b>1,575</b>	<b>1,628</b>	<b>1,732</b>	<b>1,842</b>	<b>1,940</b>	<b>2,053</b>	<b>2,162</b>	<b>2,277</b>	<b>2,399</b>	<b>2,573</b>	<b>2,760</b>	<b>2,722</b>
Terminal Value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	57,492
<b>Total Cash Flow</b>	<b>1,454</b>	<b>1,802</b>	<b>1,249</b>	<b>1,419</b>	<b>1,435</b>	<b>1,510</b>	<b>1,575</b>	<b>1,628</b>	<b>1,732</b>	<b>1,842</b>	<b>1,940</b>	<b>2,053</b>	<b>2,162</b>	<b>2,277</b>	<b>2,399</b>	<b>2,573</b>	<b>2,760</b>	<b>60,214</b>
<b>Cash flows to be discounted</b>	<b>1,454</b>	<b>1,802</b>	<b>838</b>	<b>1,419</b>	<b>1,435</b>	<b>1,510</b>	<b>1,575</b>	<b>1,628</b>	<b>1,732</b>	<b>1,842</b>	<b>1,940</b>	<b>2,053</b>	<b>2,162</b>	<b>2,277</b>	<b>2,399</b>	<b>2,573</b>	<b>2,760</b>	<b>60,214</b>
<b>Time factor</b>				0.67	1.67	2.67	3.67	4.67	5.67	6.67	7.67	8.67	9.67	10.67	11.67	12.67	13.67	15.67
<b>Discount factor</b>			0.95	0.89	0.83	0.77	0.72	0.67	0.62	0.58	0.54	0.50	0.47	0.44	0.41	0.38	0.35	0.33

Valuation		
NPV of Terminal Value	53%	18,911
NPV of Free Cash Flows	47%	16,691
<b>Enterprise value</b>	<b>100%</b>	<b>35,601</b>
Less: Net Debt (prior year)		-2,613
Less: Pension/post-retirement deficits		-487
Less: Cash relevant provisions		-87
Less: Other post retirement liabilities		0
Less: Minority Interest		-1,115
Add: Investments		342
<b>DCF-derived Equity Value</b>		<b>31,641</b>
Estimated Equity value per share now		119.6
Expected dividend per share upcoming		2.5
<b>DCF-derived Valuation (€m)</b>		<b>127</b>
Current Market Price		94
Premium / (Discount) to Market Price		35%
<b>UBS Target Price</b>		<b>120</b>
Total number of shares, excl convertible dilution		264.6

Assumptions	
WACC	7.4%
Terminal growth	2.5%
Terminal Ebita margin	15.0%
Tax rate	22.0%
Dep't sales	5.0%
Capex / sales	5.0%

Discount factor time stamp	
Valuation date	30/04/2025
Financial year end	31/12/2025
Stub period	67%

WACC Calculation	
Risk free rate	3.50%
Beta (levered)	0.80
Equity Risk Premium	6.0%
<b>Cost of Equity</b>	<b>8.3%</b>
Debt Rating	NA
Pre tax cost of debt	3.5%
Tax rate	22.0%
<b>Post-tax debt cost</b>	<b>2.7%</b>
Debt/Total capital	17.0%
<b>WACC</b>	<b>7.4%</b>

Source: Company data, UBS estimates

Figure 6: Interim P&L - DSM-Firmenich

	2024				2024				2023				2022			
	Q1	Q2	Q3	Q4	H1/24	H2/24	FY24	Q1	Q2	Q3	Q4	H1/23	H2/23	FY23	FY22	FY21
HN&Nutrition																
Research																
PhR	986	1,021	991	966	2,007	1,957	3,964	1,015	1,024	1,015	977	2,039	1,992	4,031	4,209	4,441
TH	788	834	821	780	1,613	1,613	3,245	851	817	821	809	1,668	1,629	3,297	3,417	3,588
HNC	526	565	561	562	1,091	1,123	2,214	528	536	536	567	1,064	1,104	2,168	2,242	2,342
ANH	746	790	858	930	1,536	1,788	3,324	874	833	888	731	1,707	1,619	3,325	3,181	3,293
Other / Corporate (old format)																
Corporate New format	18	17	11	8	53	36	108	16	15	10	11	49	35	109	92	100
Total sales from cont. ops.	3,091	3,227	3,244	3,257	6,288	6,501	12,789	3,274	3,225	3,276	3,089	6,489	6,374	12,873	13,114	13,729
PhR	1.4%	13.1%	7.7%	5.7%	7.0%	6.7%	6.9%	2.5%	6.3%	2.5%	1.1%	1.5%	1.8%	1.7%	4.4%	5.5%
Volumes	6.0%	17.0%	11.0%	5.0%	10.3%	8.0%	9.0%	3.0%	6.3%	3.2%	4.7%	3.7%	5.0%	4.3%	5.0%	5.0%
Prices	-2.0%	-4.0%	-2.0%	0.0%	-3.0%	-1.0%	-2.0%	-1.0%	0.0%	0.0%	0.0%	-0.5%	0.0%	-0.2%	0.5%	0.5%
Organic sales growth	2.0%	13.0%	9.0%	5.0%	7.3%	7.0%	7.0%	2.0%	6.3%	3.2%	4.7%	3.7%	5.0%	4.1%	5.5%	5.5%
M&A	-0.6%	0.1%	-1.3%	0.7%	-0.3%	0.3%	-0.1%	0.9%	-4.0%	-2.7%	-3.6%	-1.6%	-3.1%	-2.4%	-1.1%	0.0%
TH	3.4%	9.6%	11.7%	2.9%	5.4%	7.2%	6.8%	6.6%	-2.0%	-0.3%	2.3%	2.2%	1.0%	1.6%	3.9%	5.0%
Volumes	6.0%	12.0%	13.0%	4.0%	7.5%	8.4%	9.0%	7.0%	5.6%	6.1%	5.9%	6.3%	6.0%	6.1%	5.0%	5.0%
Prices	0.0%	-1.0%	-1.0%	0.0%	-0.5%	-0.5%	-1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Organic sales growth	5.0%	11.0%	12.0%	4.0%	7.4%	7.9%	8.0%	7.0%	5.6%	6.1%	5.9%	6.3%	6.0%	6.1%	5.0%	5.0%
FX	-2.3%	-1.4%	-0.3%	-0.1%	-2.0%	-0.2%	-0.5%	-0.8%	-4.0%	-2.7%	-3.6%	-1.7%	-3.1%	-2.4%	-1.1%	0.0%
M&A	0.0%	0.0%	0.0%	-1.0%	0.0%	-0.5%	-0.3%	-1.0%	-3.6%	-3.6%	0.0%	-2.3%	-1.9%	-2.1%	0.0%	0.0%
HNC	4.6%	0.5%	2.5%	-3.2%	4.1%	-2.5%	-0.5%	4.4%	-5.1%	-4.4%	0.5%	-0.6%	1.7%	2.1%	3.4%	4.5%
Volumes	-6.0%	-2.0%	5.0%	4.6%	-2.1%	4.8%	2.0%	8.0%	5.4%	4.9%	3.5%	6.7%	4.2%	5.4%	4.5%	4.5%
Prices	10.0%	-1.0%	0.0%	0.0%	10.0%	0.0%	-1.0%	-1.0%	1.0%	1.0%	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%
Organic sales growth	-9.0%	-1.0%	5.0%	4.6%	-4.1%	4.8%	1.0%	7.0%	6.4%	5.9%	4.5%	6.7%	5.2%	5.9%	4.5%	4.5%
FX	-0.6%	-0.5%	-2.1%	0.1%	-0.0%	-0.9%	-0.5%	0.4%	-4.0%	-2.7%	-3.6%	0.0%	-3.1%	-2.5%	-1.1%	0.0%
M&A	0.0%	0.0%	0.0%	-8.0%	0.0%	-4.1%	-3.0%	-7.0%	-7.5%	-7.6%	0.0%	-7.3%	-8.8%	-6.5%	0.0%	0.0%
ANH	5.0%	0.5%	4.3%	11.6%	-2.2%	8.0%	3.0%	17.2%	5.4%	3.6%	-21.4%	11.1%	-0.4%	0.1%	4.3%	3.5%
Volumes	7.0%	4.0%	7.0%	0.7%	6.3%	3.8%	3.0%	2.0%	1.8%	2.2%	-2.8%	1.9%	2.5%	2.2%	3.5%	3.5%
Prices	-6.0%	-2.0%	0.0%	14.6%	-4.0%	7.3%	2.0%	17.0%	7.6%	4.1%	-12.6%	12.2%	-4.6%	3.2%	0.0%	0.0%
Organic sales growth	1.0%	2.0%	7.0%	15.3%	0.5%	11.1%	5.0%	19.0%	9.4%	6.3%	-9.6%	14.1%	-2.1%	5.4%	3.5%	3.5%
M&A	-2.0%	-1.5%	-2.7%	-3.6%	-1.7%	-3.2%	-2.0%	-1.8%	-4.0%	-2.7%	-3.6%	-3.0%	-3.2%	-3.1%	-1.1%	0.0%
TH	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-8.1%	0.0%	-2.3%	-2.3%	-6.9%	0.0%
Total sales change	1.6%	6.5%	6.5%	4.7%	2.4%	5.6%	4.0%	6.6%	-0.1%	1.0%	-4.9%	3.2%	-1.9%	0.6%	1.9%	4.7%
Volume	2.4%	9.5%	9.3%	3.5%	5.6%	6.7%	6.1%	4.0%	4.2%	4.6%	4.2%	4.4%	4.4%	4.4%	4.5%	4.6%
Price	-2.7%	-2.1%	-0.8%	3.9%	-2.4%	1.5%	-0.5%	4.0%	1.9%	1.9%	-3.4%	2.8%	1.1%	0.8%	0.2%	0.2%
Organic sales growth	-0.3%	7.3%	8.4%	7.4%	3.2%	7.9%	5.6%	8.0%	6.2%	5.8%	0.8%	7.2%	3.3%	5.3%	4.7%	4.7%
FX	-1.3%	-0.8%	-1.5%	-0.7%	-1.1%	-0.7%	-1.1%	-2.6%	-4.1%	-3.4%	-2.3%	-0.7%	-4.1%	-2.4%	-1.1%	0.0%
M&A + change in corporate line	0.0%	0.0%	0.0%	-2.0%	0.0%	-0.9%	-0.6%	-2.0%	-2.2%	-2.3%	-1.9%	-2.3%	-2.1%	-1.7%	0.0%	0.0%
EBITDA																
HN&Nutrition																
Research																
PhR	234	220	226	202	454	428	882	230	225	239	220	455	458	914	989	1,066
TH	150	159	162	144	309	306	615	168	163	168	168	331	334	665	737	788
HNC	79	94	96	102	173	198	371	82	102	103	109	184	214	408	468	538
ANH	24	63	80	176	257	343	643	186	146	116	91	332	207	539	398	428
Corporate	248	228	223	223	497	460	957	235	223	223	223	489	460	958	960	960
Adjusted EBITDA	463	513	541	601	976	1,142	2,118	650	613	604	563	1,263	1,167	2,431	2,482	2,698
EBITDA growth from cont. ops.	14.8%	2.1%	8.7%	8.1%	19.2%	17.6%	18.5%	19.4%	15.2%	15.2%	13.9%	19.4%	16.5%	18.5%	18.5%	19.2%
EBITDA growth ex vt. pricing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Report op.	463	513	541	601	976	1,142	2,118	650	613	604	563	1,263	1,167	2,431	2,482	2,698
Total EBITDA	463	513	541	601	976	1,142	2,118	650	613	604	563	1,263	1,167	2,431	2,482	2,698
EBITDA Margin	23.7%	21.5%	22.8%	20.9%	22.6%	21.9%	22.3%	22.7%	22.0%	23.5%	22.5%	22.3%	23.0%	22.7%	23.5%	24.0%
PhR	18.8%	19.1%	19.7%	18.2%	18.9%	19.0%	19.0%	19.7%	20.0%	20.5%	20.5%	19.9%	20.5%	20.2%	21.5%	21.9%
TH	19.0%	18.6%	17.1%	18.1%	19.3%	17.6%	16.8%	17.4%	19.0%	19.5%	19.3%	18.2%	19.4%	18.8%	20.0%	21.6%
HNC	13.2%	16.6%	17.1%	18.1%	15.9%	17.6%	16.8%	17.4%	19.0%	19.5%	19.3%	18.2%	19.4%	18.8%	20.0%	21.6%
ANH	0.3%	8.0%	9.3%	18.9%	5.7%	14.3%	10.5%	21.3%	17.5%	13.0%	12.5%	19.4%	12.8%	16.2%	12.5%	13.0%
Total EBITDA margin cont.	15.1%	15.5%	16.2%	16.1%	15.5%	17.6%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%
Adjustments to arrive at reported EBITDA																
PhR	998	998	2	2	(130)	3	(127)	949	950	950	(25)	(50)	(50)	(1000)	0	0
TH	398	440	443	563	946	1,146	1,591	625	588	579	538	1,213	1,117	2,331	2,482	2,698
HNC	13.0%	15.8%	15.7%	16.5%	13.4%	17.6%	15.6%	19.1%	18.2%	17.7%	17.4%	18.7%	17.5%	16.1%	18.5%	20.2%
PPA Adjustment	(47)	(47)	(77)	(77)	(94)	(154)	(248)	(50)	(50)	(50)	(50)	(100)	(100)	(200)	(200)	(200)
Central Costs	166	216	242	303	381	545	926	350	313	304	264	663	568	1,231	1,240	1,414
Adjusted EBIT	166	216	242	303	381	545	926	350	313	304	264	663	568	1,231	1,240	1,414
% change	0	0	0	0	0	0	0	0	0	0	0	0	0	2.8%	1%	17%
Report op.	166	216	242	303	381	545	926	350	313	304	264	663	568	1,231	1,240	1,414
Total EBITA	166	216	242	303	381	545	926	350	313	304	264	663	568	1,231	1,240	1,414
Adjusted EBIT margin	7.7%	8.9%	9.7%	11.5%	8.3%	10.6%	9.5%	12.9%	12.0%	11.5%	10.8%	12.4%	11.2%	11.8%	11.7%	12.4%
Core Adjusted EBIT	238	288	314	374	525	688	1,213	423	386	376	336	808	713	1,521	1,530	1,704
Core Adjusted EBIT margin	7.7%	8.9%	9.7%	11.5%	8.3%	10.6%	9.5%	12.9%	12.0%	11.5%	10.8%	12.4%	11.2%	11.8%	11.7%	12.4%
PPA to arrive at Core Adjusted EBIT	72	72	72	71	144	143	287	73	73	73	73	145	145	290	290	290
Reported EBIT	56	106	169	230	162	399	561	275	238	229	189	513	418	931	1,040	1,214
Adjustments in EBIT but not in EBITDA																
D&A (ex impairment)	15	15	15	15	30	30	60	15	15	15	15	30	30	60	60	60
Corporate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Discontinued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DSM & Firmenich - FRS	211	211	212	212	421	424	845	212	212	212	212	425	425	850	892	934
% of sales	6.8%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
Total cont D&A (ex PPA & impairment)	226	226	227	227	451	454	905	227	227	227	227	455	455	910	952	994
Adjusted operating profit	166	216	242	303	381	545	926	350	313	304	264	663	568	1,231	1,240	1,414
Financial income and expense	(23)	(23)	(44)	(44)	(46)	(88)	(134)	(35)	(35)	(35)	(35)	(70)	(70)	(140)	(83)	(57)
Associates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments in financial income and expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjustments / one-offs	(110)	(110)	(73)	(73)	(219)	(146)	(365)	(75)	(75)	(75)	(75)	(150)	(150)	(300)	(200)	(200)
Adjusted net profit before tax	143	89	128	259	335	457	792	315	278	269	229	594	488	1,091	1,157	1,334
Profit before tax	33	83	125	186	116	311	427	240	203	194	154	444	348	791	957	1,134
Tax	(20)	(58)	(20)	(58)	(99)	(88)	(147)	(53)	(45)	(42)	(34)	(88)	(70)	(174)	(211)	(250)
Tax adjustment related to one-offs	(15)	(15)	(10)	(4)	(30)	(14)	(44)	(17)	(17)	(17)	(17)	(33)	(33)	(66)	(44)	(44)
Effective tax rate	24.1%	22.0%	22.0%	22.0%	24.1%	22.0%	22.0%	22.0%	22.0%							

Figure 7: Summary P&L - DSM-Firmenich

P&L (EUR mn)	2023	2024	2025E	2026E	2027E	2028E
<b>Total sales continuing</b>	<b>12,310</b>	<b>12,799</b>	<b>12,873</b>	<b>13,114</b>	<b>13,729</b>	<b>14,374</b>
Sales growth	(7.0%)	4.0%	0.6%	1.9%	4.7%	4.7%
Organic growth	(4.8%)	5.6%	5.3%	4.7%	4.7%	4.7%
Cost of goods sold	(8,888)	(9,241)	(8,651)	(8,721)	(9,017)	(9,441)
<b>Gross profit</b>	<b>3,422</b>	<b>3,558</b>	<b>4,222</b>	<b>4,393</b>	<b>4,712</b>	<b>4,933</b>
<b>Gross margin</b>	<b>27.8%</b>	<b>27.8%</b>	<b>32.8%</b>	<b>33.5%</b>	<b>34.3%</b>	<b>34.3%</b>
R&D	(677)	(704)	(708)	(721)	(755)	(791)
<b>% of sales</b>	<b>5.5%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>5.5%</b>
S,G&A	(2,253)	(2,342)	(2,356)	(2,400)	(2,512)	(2,630)
<b>% of sales</b>	<b>18.3%</b>	<b>18.3%</b>	<b>18.3%</b>	<b>18.3%</b>	<b>18.3%</b>	<b>18.3%</b>
Other operating income	120	120	120	120	120	120
Other operating cost	54	294	(48)	(152)	(150)	(61)
<b>Total operating costs</b>	<b>(2,756)</b>	<b>(2,632)</b>	<b>(2,991)</b>	<b>(3,153)</b>	<b>(3,298)</b>	<b>(3,362)</b>
PPA to arrive at Core Adjusted EBIT	0	(287)	(290)	(290)	(290)	(290)
check EBITDA 2	<b>1,777</b>	<b>1,831</b>	<b>2,141</b>	<b>2,192</b>	<b>2,408</b>	<b>2,609</b>
<b>EBITDA continuing</b>	<b>1,777</b>	<b>2,118</b>	<b>2,431</b>	<b>2,482</b>	<b>2,698</b>	<b>2,899</b>
<b>grth%</b>	<b>14.4%</b>	<b>16.5%</b>	<b>14.8%</b>	<b>2.1%</b>	<b>8.7%</b>	<b>7.5%</b>
EBITDA margin	14.4%	16.5%	18.9%	18.9%	19.7%	20.2%
Depreciation & Amortisation	(1,111)	(905)	(910)	(952)	(994)	(1,037)
PPA adjustment	(135)	(248)	(200)	(200)	(200)	(200)
PPA adjustment	0	0	0	0	0	0
<b>Core Adjusted EBIT</b>	<b>850</b>	<b>1,213</b>	<b>1,521</b>	<b>1,530</b>	<b>1,704</b>	<b>1,862</b>
y/y change			25.4%	0.6%	11.4%	9.2%
<b>Adjusted EBIT</b>	<b>666</b>	<b>926</b>	<b>1,231</b>	<b>1,240</b>	<b>1,414</b>	<b>1,572</b>
y/y change	-30.0%	39.0%	32.9%	0.7%	14.0%	11.1%
DSM	(80)					
Firmenich	(70)					
Financing	(150)	(134)	(140)	(83)	(80)	(57)
Adjustments in finance costs	34	0	0	0	0	0
<b>Adjusted pre-tax Profit</b>	<b>550</b>	<b>792</b>	<b>1,091</b>	<b>1,157</b>	<b>1,334</b>	<b>1,515</b>
Tax	(124)	(191)	(240)	(255)	(294)	(333)
<b>Normalised tax rate %</b>	<b>22.5%</b>	<b>24.1%</b>	<b>22.0%</b>	<b>22.0%</b>	<b>22.0%</b>	<b>22.0%</b>
Associates & JVs	0	0	0	4	4	4
<b>Net profit from continued ops</b>	<b>426</b>	<b>601</b>	<b>851</b>	<b>907</b>	<b>1,045</b>	<b>1,186</b>
Discontinued	2,789	0				
PPA adjustments	(135)	(248)	(290)	(290)	(290)	(290)
Tax adjustment associated with one-offs	(142)		(66)	(44)	(44)	(44)
Dividends to prefs	(6)	(0)	(0)	(0)	(0)	(0)
Minorities	(16)	(30)	(16)	(16)	(16)	(16)
Other adj.s. between adj & reported	(785)	(73)				
<b>Net income</b>	<b>2,131</b>	<b>250</b>	<b>545</b>	<b>601</b>	<b>739</b>	<b>880</b>
<b>IFRS Net income</b>	<b>2,131</b>	<b>250</b>	<b>601</b>	<b>735</b>	<b>873</b>	<b>1,014</b>
<b>Adjusted net profit continuing ops</b>	<b>404</b>	<b>571</b>	<b>835</b>	<b>891</b>	<b>1,029</b>	<b>1,170</b>
<b>Core adjusted net profit continuing ops</b>	<b>539</b>	<b>819</b>	<b>1,125</b>	<b>1,181</b>	<b>1,319</b>	<b>1,460</b>
Core adjusted EPS	2.03	3.10	4.28	4.58	5.16	5.71
Adjusted net EPS	1.52	2.16	3.18	3.45	4.02	4.57
Reported EPS	9.14	0.94	2.29	2.85	3.41	3.96
grth%			142.1%	24.6%	19.8%	16.1%
<b>Ordinary Dividend</b>	<b>2.50</b>	<b>2.50</b>	<b>2.55</b>	<b>2.68</b>	<b>2.81</b>	<b>2.95</b>
Pay-out ratio	123%	81%	60%	58%	55%	52%
y/y growth			2%	5%	5%	5%
Extraordinary dividend	1.60	0.00	0.00	0.00	0.00	0.00
<b>No of shares (m) year end</b>	<b>266.0</b>	<b>264.6</b>	<b>260.0</b>	<b>255.7</b>	<b>255.7</b>	<b>255.7</b>
<b>No of shares (m) average</b>	<b>265.1</b>	<b>264.6</b>	<b>262.8</b>	<b>257.8</b>	<b>255.7</b>	<b>255.7</b>

Source: Company data, UBS estimates



**Figure 8: Balance Sheet - DSM-Firmenich**

	2023	2024	2025E	2026E	2027E	2028E
<b>ASSETS</b>						
Intangibles	18,738	18,078	18,078	18,078	18,078	18,078
o/w Good will	10,039	10,039	10,039	10,039	10,039	10,039
PPE	5,549	5,725	4,188	4,023	3,853	3,678
Pension costs	83	83	83	83	83	83
Deferred Tax Assets	228	299	299	299	299	299
Share in associates & JV	130	342	342	342	342	342
Other Financial Assets	698	421	421	421	421	421
<b>Total Fixed assets</b>	<b>25,426</b>	<b>24,948</b>	<b>23,411</b>	<b>23,246</b>	<b>23,076</b>	<b>22,901</b>
Inventories	3,390	3,290	3,180	3,187	3,295	3,450
Receivables	2,843	2,769	2,575	2,623	2,746	2,875
o/w trade receivables	2,553	2,589	2,395	2,443	2,566	2,695
o/w other	290	180	180	180	180	180
Current Investments	107	50	50	50	50	50
Cash & cash equivalents	2,456	2,667	3,715	3,681	4,146	4,680
Others	48	23	23	23	23	23
<b>Current assets</b>	<b>8,844</b>	<b>8,799</b>	<b>9,542</b>	<b>9,563</b>	<b>10,259</b>	<b>11,077</b>
<b>Total assets</b>	<b>34,270</b>	<b>33,747</b>	<b>32,953</b>	<b>32,809</b>	<b>33,335</b>	<b>33,978</b>
Inventories as a % of sales	27.5%	25.7%	24.7%	24.3%	24.0%	24.0%
Receivables as a % of sales	20.7%	20.2%	20.0%	20.0%	20.0%	20.0%
<b>Current liabilities</b>						
Provisions	34	77	77	77	77	77
Short term borrowings	716	836	836	836	836	836
Trade payables	2,071	2,276	1,802	1,836	1,922	2,012
Others	1,698	1,171	1,171	1,171	1,171	1,171
<b>Total</b>	<b>4,519</b>	<b>4,360</b>	<b>3,886</b>	<b>3,920</b>	<b>4,006</b>	<b>4,096</b>
Trade payables/sales	16.8%	17.8%	14.0%	14.0%	14.0%	14.0%
Pension Provisions	520	487	487	487	487	487
Debt	4,114	4,444	4,444	4,444	4,444	4,444
Other long term Provisions	142	87	87	87	87	87
Other long term Liabilities	1,905	1,672	1,672	1,672	1,672	1,672
<b>Long-term liabilities</b>	<b>6,681</b>	<b>6,690</b>	<b>6,690</b>	<b>6,690</b>	<b>6,690</b>	<b>6,690</b>
<b>Total liabilities</b>	<b>11,200</b>	<b>11,050</b>	<b>10,576</b>	<b>10,610</b>	<b>10,696</b>	<b>10,786</b>
<b>GROUP EQUITY</b>						
Shareholders' equity	22,908	22,511	22,175	21,985	22,413	22,954
Minority interests	162	186	202	214	226	238
<b>Group equity</b>	<b>23,070</b>	<b>22,697</b>	<b>22,377</b>	<b>22,199</b>	<b>22,639</b>	<b>23,192</b>
<b>Error</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Working Capital</b>						
Stocks	3,390	3,290	3,180	3,187	3,295	3,450
Debtors	2,843	2,769	2,575	2,623	2,746	2,875
Creditors	(2,071)	(2,276)	(1,802)	(1,836)	(1,922)	(2,012)
<b>TOTAL</b>	<b>4,162</b>	<b>3,783</b>	<b>3,952</b>	<b>3,974</b>	<b>4,119</b>	<b>4,312</b>
Change	(482)	(379)	169	22	145	193
Working Capital	4,162	3,783	3,952	3,974	4,119	4,312
% of sales	40.0%	40.0%	32.0%	30.3%	30.0%	30.0%
Trade working capital						
% of sales						

Source: Company data, UBS estimates

**Figure 9: Cash flow summary - DSM-Firmenich**

	2023	2024	2025E	2026E	2027E	2028E
<b>Reported EBIT</b>	430	926	931	1,040	1,214	1,372
less: net pension credit						
Depreciation & Amortisation	1,307	1,430	910	952	994	1,037
PPA	190	248	290	290	290	290
Working Capital change	160	198	(169)	(22)	(145)	(193)
Discont. Income	0	0	0	0	0	0
Other adjustments / restructuring costs	(643)	(749)	0	0	0	0
Provisions, pensions etc	0	0				
<b>Operating cash flow, pre tax &amp; interest % Sales</b>	<b>1,444</b>	<b>2,053</b>	<b>1,962</b>	<b>2,260</b>	<b>2,353</b>	<b>2,506</b>
Interest	(61)	(67)	(140)	(83)	(80)	(57)
Tax	(179)	(275)	(240)	(255)	(294)	(333)
Dividends	(582)	(667)	(662)	(670)	(690)	(719)
Capital Expenditure of tangibles/intangibles	(684)	(764)	(772)	(787)	(824)	(862)
<b>Trading cash flow</b>	<b>(62)</b>	<b>280</b>	<b>148</b>	<b>466</b>	<b>465</b>	<b>534</b>
Acquisitions	(3,691)	(5)				
Disposals	3,533	42	1,400			
Increase in Share Capital/Repurchases	501	(685)	(500)	(500)		
Other adjustments	70	129				
<b>Change in Net Cash (Debt)</b>	<b>351</b>	<b>(239)</b>	<b>1,048</b>	<b>(34)</b>	<b>465</b>	<b>534</b>
check B/S	(2,374)	(2,613)	(1,565)	(1,599)	(1,134)	(600)
<b>Net cash (debt) year end</b>	<b>(2,374)</b>	<b>(2,613)</b>	<b>(1,565)</b>	<b>(1,599)</b>	<b>(1,134)</b>	<b>(600)</b>
Net cash (debt) average	(2,549)	(2,493)	(2,089)	(1,582)	(1,367)	(867)
Capex to sales	6.4%	6.2%	6.0%	6.0%	6.0%	6.0%
Capex/depreciation	0.5	0.5	0.8	0.8	0.8	0.8
<b>FCF to equity</b>	<b>520</b>	<b>947</b>	<b>809</b>	<b>1,136</b>	<b>1,155</b>	<b>1,253</b>
EV FCF	581	1,014	949	1,219	1,235	1,310
<b>Operating Cashflow</b>	<b>1,204</b>	<b>1,711</b>	<b>1,582</b>	<b>1,923</b>	<b>1,979</b>	<b>2,116</b>
Gross cash flow	1,265	1,778	1,721	2,006	2,059	2,172
Cash conversion on EBITDA	30%	40%	44%	57%	52%	52%

Source: Company data, UBS estimates

## DSM-Firmenich (DSFIR.AS)

	12/22	12/23	12/24	12/25E	%ch	12/26E	%ch	12/27E	12/28E	12/29E
<b>Income Statement (€m)</b>										
<b>Revenues</b>	<b>10,480</b>	<b>12,310</b>	<b>12,799</b>	<b>12,873</b>	<b>0.6</b>	<b>13,114</b>	<b>1.9</b>	<b>13,729</b>	<b>14,374</b>	<b>15,050</b>
Gross profit	2,961	3,422	3,558	4,222	18.7	4,393	4.0	4,712	4,933	5,165
<b>EBITDA (UBS)</b>	<b>1,395</b>	<b>1,777</b>	<b>1,831</b>	<b>2,141</b>	<b>16.9</b>	<b>2,192</b>	<b>2.4</b>	<b>2,408</b>	<b>2,609</b>	<b>2,755</b>
Depreciation & amortisation	(628)	(1,111)	(905)	(910)	-0.5	(952)	-4.6	(994)	(1,037)	(1,083)
<b>EBIT (UBS)</b>	<b>767</b>	<b>666</b>	<b>926</b>	<b>1,231</b>	<b>32.9</b>	<b>1,240</b>	<b>0.7</b>	<b>1,414</b>	<b>1,572</b>	<b>1,671</b>
Associates & investment income	0	0	0	0	-	4	-	4	4	4
Other non-operating income	5	0	0	0	-	0	-	0	0	0
Net interest	(88)	(150)	(134)	(140)	-4.3	(83)	40.7	(80)	(57)	(18)
Exceptionals (incl goodwill)	(85)	34	0	0	-	0	-	0	0	0
<b>Pre-tax profit</b>	<b>599</b>	<b>550</b>	<b>792</b>	<b>1,091</b>	<b>37.8</b>	<b>1,161</b>	<b>6.4</b>	<b>1,338</b>	<b>1,519</b>	<b>1,657</b>
Tax	(124)	(124)	(191)	(240)	-25.7	(255)	-6.1	(294)	(333)	(364)
<b>Profit after tax</b>	<b>475</b>	<b>426</b>	<b>601</b>	<b>851</b>	<b>41.6</b>	<b>907</b>	<b>6.5</b>	<b>1,045</b>	<b>1,186</b>	<b>1,293</b>
Preference dividends	(6)	(6)	0	0	0.0	0	0.0	0	0	0
Minorities	(15)	(16)	(30)	(16)	46.7	(16)	0.0	(16)	(16)	(16)
Extraordinary items	1,240	0	0	0	-	0	-	0	0	0
<b>Net earnings (local GAAP)</b>	<b>1,694</b>	<b>404</b>	<b>571</b>	<b>835</b>	<b>46.3</b>	<b>891</b>	<b>6.6</b>	<b>1,029</b>	<b>1,170</b>	<b>1,277</b>
<b>Net earnings (UBS)</b>	<b>454</b>	<b>539</b>	<b>819</b>	<b>1,125</b>	<b>37.4</b>	<b>1,181</b>	<b>4.9</b>	<b>1,319</b>	<b>1,460</b>	<b>1,567</b>
Tax rate (%)	20.7	22.5	24.1	22.0	-8.8	21.9	-0.3	21.9	21.9	21.9
<b>Per Share (€)</b>										
EPS (UBS, diluted)	2.63	2.03	3.10	4.28	38.3	4.58	7.0	5.16	5.71	6.13
EPS (local GAAP, diluted)	9.81	1.52	2.16	3.18	47.2	3.45	8.7	4.02	4.57	5.00
EPS (UBS, basic)	2.63	2.03	3.10	4.28	38.3	4.58	7.0	5.16	5.71	6.13
DPS (net) (€)	2.50	2.50	2.50	2.55	2.0	2.68	5.0	2.81	2.95	3.10
Cash EPS (UBS, diluted) <sup>1</sup>	6.27	6.22	6.52	7.74	18.8	8.27	6.8	9.04	9.76	10.37
Book value per share	62.17	86.41	84.92	85.30	0.5	85.97	0.8	87.64	89.76	92.15
Average shares (diluted)	173	265	265	263	-0.7	258	-1.9	256	256	256
<b>Balance Sheet (€m)</b>										
Net tangible fixed assets	3,576	5,549	5,725	4,188	-26.9	4,023	-3.9	3,853	3,678	3,498
Net intangible fixed assets	5,147	18,738	18,078	18,078	0.0	18,078	0.0	18,078	18,078	18,078
Investments	1,367	130	342	342	0.0	342	0.0	342	342	342
Other assets	0	1,009	803	803	0.0	803	0.0	803	803	803
<b>Total fixed assets</b>	<b>10,090</b>	<b>25,426</b>	<b>24,948</b>	<b>23,411</b>	<b>-6.2</b>	<b>23,246</b>	<b>-0.7</b>	<b>23,076</b>	<b>22,901</b>	<b>22,721</b>
<b>Net working capital</b>	<b>1,920</b>	<b>2,585</b>	<b>2,608</b>	<b>2,777</b>	<b>6.5</b>	<b>2,799</b>	<b>0.8</b>	<b>2,944</b>	<b>3,137</b>	<b>3,340</b>
Cash	2,922	2,456	2,667	3,715	39.3	3,681	-0.9	4,146	4,680	5,282
Short term debt	(109)	(716)	(836)	(836)	0.0	(836)	0.0	(836)	(836)	(836)
Long term debt	(2,978)	(4,114)	(4,444)	(4,444)	0.0	(4,444)	0.0	(4,444)	(4,444)	(4,444)
Preferred shares	0	(1)	(1)	(1)	0.0	(1)	0.0	(1)	(1)	(1)
<b>Net (debt) / cash</b>	<b>(165)</b>	<b>(2,375)</b>	<b>(2,614)</b>	<b>(1,566)</b>	<b>40.1</b>	<b>(1,600)</b>	<b>-2.2</b>	<b>(1,135)</b>	<b>(601)</b>	<b>1</b>
Other debt-deemed liabilities	(926)	(2,047)	(1,759)	(1,759)	0.0	(1,759)	0.0	(1,759)	(1,759)	(1,759)
Provisions & non-debt deemed liabs	(74)	(520)	(487)	(487)	0.0	(487)	0.0	(487)	(487)	(487)
<b>Total equity</b>	<b>10,845</b>	<b>23,069</b>	<b>22,696</b>	<b>22,376</b>	<b>-1.4</b>	<b>22,198</b>	<b>-0.8</b>	<b>22,638</b>	<b>23,191</b>	<b>23,815</b>
Minority interests	(102)	(161)	(185)	(201)	-8.6	(213)	-6.0	(225)	(237)	(249)
<b>Common s/h equity</b>	<b>10,743</b>	<b>22,908</b>	<b>22,511</b>	<b>22,175</b>	<b>-1.5</b>	<b>21,985</b>	<b>-0.9</b>	<b>22,413</b>	<b>22,954</b>	<b>23,566</b>
<b>Operating invested capital</b>	<b>10,569</b>	<b>27,278</b>	<b>26,644</b>	<b>25,276</b>	<b>-5.1</b>	<b>25,132</b>	<b>-0.6</b>	<b>25,108</b>	<b>25,126</b>	<b>25,149</b>
<b>Total capital employed</b>	<b>11,936</b>	<b>27,408</b>	<b>26,986</b>	<b>25,618</b>	<b>-5.1</b>	<b>25,474</b>	<b>-0.6</b>	<b>25,450</b>	<b>25,468</b>	<b>25,491</b>
<b>Cash Flow (€m)</b>										
EBIT (UBS)	767	666	926	1,231	32.9	1,240	0.7	1,414	1,572	1,671
Depreciation & amortisation	628	1,111	905	910	0.5	952	4.6	994	1,037	1,083
Net change in working capital	(497)	160	198	(169)	-	(22)	87.3	(145)	(193)	(203)
Net interest	(106)	(61)	(67)	(140)	-108.7	(83)	40.7	(80)	(57)	(18)
Tax paid	(168)	(179)	(275)	(240)	12.7	(255)	-6.1	(294)	(333)	(364)
Other operating	341	0	0	0	-	0	-	0	0	0
<b>Operating cash flow</b>	<b>965</b>	<b>1,697</b>	<b>1,687</b>	<b>1,592</b>	<b>-5.7</b>	<b>1,833</b>	<b>15.2</b>	<b>1,889</b>	<b>2,026</b>	<b>2,170</b>
Tangible capital expenditure	(651)	(684)	(764)	(772)	-1.1	(787)	-1.9	(824)	(862)	(903)
Intangible capital expenditure	0	0	0	0	-	0	-	0	0	0
<b>Equity free cash flow</b>	<b>314</b>	<b>1,013</b>	<b>923</b>	<b>819</b>	<b>-11.2</b>	<b>1,046</b>	<b>27.7</b>	<b>1,065</b>	<b>1,163</b>	<b>1,267</b>
Net (acquisitions) & disposals	0	(158)	37	1,400	NM	0	-	0	0	0
Equity dividends paid	(345)	(582)	(667)	(661)	0.8	(670)	-1.3	(690)	(719)	(755)
Share issues / (buybacks)	(33)	501	(685)	(500)	27.0	(500)	0.0	0	0	0
Net other cash flows	(378)	0	0	0	0.0	0	0.0	0	0	0
<b>Cash flow (inc)/dec in net debt</b>	<b>(442)</b>	<b>774</b>	<b>(392)</b>	<b>1,058</b>	<b>-</b>	<b>(124)</b>	<b>-</b>	<b>375</b>	<b>444</b>	<b>512</b>
FX / non cash items	1,339	(2,984)	153	(10)	-	90	-	90	90	90
<b>Balance sheet (inc)/dec in net debt</b>	<b>897</b>	<b>(2,210)</b>	<b>(239)</b>	<b>1,048</b>	<b>-</b>	<b>(34)</b>	<b>-</b>	<b>465</b>	<b>534</b>	<b>602</b>

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.<sup>1</sup> Cash EPS (UBS, diluted) is calculated using UBS net income adding back depreciation and amortization.

## DSM-Firmenich (DSFIR.AS)

Valuation (x)	12/22	12/23	12/24	12/25E	12/26E	12/27E	12/28E	12/29E
P/E (local GAAP, diluted)	14.6	65.8	49.2	29.6	27.2	23.4	20.6	18.8
P/E (UBS, diluted)	54.4	49.3	34.3	22.0	20.6	18.2	16.5	15.4
P/CEPS	22.8	16.1	16.3	12.2	11.4	10.4	9.6	9.1
Equity FCF (UBS) yield %	1.3	4.3	3.3	3.3	4.2	4.3	4.7	5.1
Dividend yield (net) %	1.7	2.5	2.4	2.7	2.8	3.0	3.1	3.3
P/BV	2.3	1.2	1.3	1.1	1.1	1.1	1.0	1.0
EV/revenues (core)	2.5	2.2	2.5	2.1	2.1	1.9	1.8	1.7
EV/EBITDA (UBS core)	19.1	15.2	17.5	12.6	12.3	11.0	9.9	9.2
EV/EBIT (core)	34.8	40.6	34.6	21.9	21.8	18.8	16.5	15.2
EV/OpFCF (core)	30.1	26.1	30.9	19.6	19.5	17.0	15.1	13.9
EV/op. invested capital	2.4	1.4	1.2	1.0	1.1	1.1	1.0	1.0
<b>Enterprise value (€m)</b>	<b>12/22</b>	<b>12/23</b>	<b>12/24</b>	<b>12/25E</b>	<b>12/26E</b>	<b>12/27E</b>	<b>12/28E</b>	<b>12/29E</b>
Market cap.	24,679	23,513	28,160	24,946	24,946	24,946	24,946	24,946
Net debt (cash)	165	2,374	2,613	1,565	1,599	1,134	600	(2)
Buy out of minorities	676	766	1,115	352	329	292	264	246
Pension provisions/other	1,136	520	487	487	487	487	487	487
<b>Total enterprise value</b>	<b>26,657</b>	<b>27,173</b>	<b>32,375</b>	<b>27,350</b>	<b>27,361</b>	<b>26,859</b>	<b>26,297</b>	<b>25,677</b>
Non core assets	0	(130)	(342)	(342)	(342)	(342)	(342)	(342)
<b>Core enterprise value</b>	<b>26,657</b>	<b>27,043</b>	<b>32,033</b>	<b>27,008</b>	<b>27,019</b>	<b>26,517</b>	<b>25,955</b>	<b>25,335</b>
<b>Growth (%)</b>	<b>12/22</b>	<b>12/23</b>	<b>12/24</b>	<b>12/25E</b>	<b>12/26E</b>	<b>12/27E</b>	<b>12/28E</b>	<b>12/29E</b>
Revenue	13.9	17.5	4.0	0.6	1.9	4.7	4.7	4.7
EBITDA (UBS)	1.2	27.4	3.0	16.9	2.4	9.8	8.4	5.6
EBIT (UBS)	(5.1)	(13.2)	39.0	32.9	0.7	14.0	11.1	6.3
EPS (UBS, diluted)	(47.0)	(22.7)	52.2	38.3	7.0	12.6	10.7	7.4
Net DPS	0.0	0.0	0.0	2.0	5.0	5.0	5.0	5.0
<b>Margins &amp; Profitability (%)</b>	<b>12/22</b>	<b>12/23</b>	<b>12/24</b>	<b>12/25E</b>	<b>12/26E</b>	<b>12/27E</b>	<b>12/28E</b>	<b>12/29E</b>
Gross profit margin	28.3	27.8	27.8	32.8	33.5	34.3	34.3	34.3
EBITDA margin	13.3	14.4	14.3	16.6	16.7	17.5	18.2	18.3
EBIT (UBS) margin	7.3	5.4	7.2	9.6	9.5	10.3	10.9	11.1
Net earnings (UBS) margin	4.3	4.4	6.4	8.7	9.0	9.6	10.2	10.4
ROIC (EBIT)	7.0	3.5	3.4	4.7	4.9	5.6	6.3	6.6
ROIC post tax	5.7	2.9	2.6	3.7	3.8	4.4	4.9	5.2
ROE (UBS)	4.5	3.2	3.6	5.0	5.3	5.9	6.4	6.7
<b>Capital structure &amp; Coverage (x)</b>	<b>12/22</b>	<b>12/23</b>	<b>12/24</b>	<b>12/25E</b>	<b>12/26E</b>	<b>12/27E</b>	<b>12/28E</b>	<b>12/29E</b>
Net debt / EBITDA	0.1	1.3	1.4	0.7	0.7	0.5	0.2	0.0
Net debt / total equity %	1.5	10.3	11.5	7.0	7.2	5.0	2.6	0.0
Net debt / (net debt + total equity) %	1.5	9.3	10.3	6.5	6.7	4.8	2.5	0.0
Net debt/EV %	2.3	4.7	7.7	7.6	5.8	5.1	3.3	1.2
Capex / depreciation %	103.7	61.6	84.4	84.9	82.7	82.9	83.1	83.3
Capex / revenue %	6.2	5.6	6.0	6.0	6.0	6.0	6.0	6.0
EBIT / net interest	8.7	4.4	6.9	8.8	15.0	17.7	27.8	NM
Dividend cover (UBS)	1.1	0.8	1.2	1.7	1.7	1.8	1.9	2.0
Div. payout ratio (UBS) %	95.1	123.0	80.8	59.6	58.5	54.5	51.7	50.6
<b>Revenues by division (€m)</b>	<b>12/22</b>	<b>12/23</b>	<b>12/24</b>	<b>12/25E</b>	<b>12/26E</b>	<b>12/27E</b>	<b>12/28E</b>	<b>12/29E</b>
Others	10,480	12,310	12,799	12,873	13,114	13,729	14,374	15,050
<b>Total</b>	<b>10,480</b>	<b>12,310</b>	<b>12,799</b>	<b>12,873</b>	<b>13,114</b>	<b>13,729</b>	<b>14,374</b>	<b>15,050</b>
<b>EBIT (UBS) by division (€m)</b>	<b>12/22</b>	<b>12/23</b>	<b>12/24</b>	<b>12/25E</b>	<b>12/26E</b>	<b>12/27E</b>	<b>12/28E</b>	<b>12/29E</b>
Others	767	666	926	1,231	1,240	1,414	1,572	1,671
<b>Total</b>	<b>767</b>	<b>666</b>	<b>926</b>	<b>1,231</b>	<b>1,240</b>	<b>1,414</b>	<b>1,572</b>	<b>1,671</b>

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.

## Forecast returns

Forecast price appreciation	27.5%
Forecast dividend yield	2.7%
Forecast stock return	30.2%
Market return assumption	6.8%
Forecast excess return	23.4%

## Company Description

DSM merged with Firmenich in early May 2023, creating a global leader in flavours and fragrances, animal nutrition and key ingredients for a range of human health products (such as vitamins, supplements and infant milk formula). DSM-Firmenich has communicated an intention to exit its Animal Nutrition & Health (ANH) division in 2025, which would leave DSFIR as a consumer end-markets pure play with three divisions; Perfumery & Beauty (P&B), Taste, Texture & Health (TTH) and Health, Nutrition & Care (HNC). The company has two head offices: one in the Netherlands and one in Switzerland.

## Valuation Method and Risk Statement

Despite the Firmenich transaction a significant portion of DSM-Firmenich's normalised earnings (10-15% on our est.) is still subject to swings in selling price-to-raw material price discrepancies and supply/demand volatilities of capacity sensitive commodity product lines, including bulk vitamins. This however would disappear with the disposal of the ANH assets.

Key downside risks include; 1) failing to deliver on the €350m synergies associated with the merger; 2) not delivering the €200m vitamins restructuring cost savings; or 3) failing to dispose of the ANH division which was announced in conjunction with the FY23 results.

We use an equal weighted blend of DCF and a SOTP valuation for our PT. We assume a WACC of 7.4% and terminal growth rate of 2.5%

## Quantitative Research Review

UBS Global Research publishes a quantitative assessment of its analysts' responses to certain questions about the likelihood of an occurrence of a number of short term factors in a product known as the 'Quantitative Research Review'. The views for this month can be found below. Views contained in this assessment on a particular stock reflect only the views on those short term factors which are a different timeframe to the 12-month timeframe reflected in any equity rating set out in this note. For previous responses please make reference to (i) previous UBS Global Research reports; and (ii) where no applicable research report was published that month, the Quantitative Research Review which can be found at <https://neo.ubs.com/quantitative>, or contact your UBS sales representative for access to the report or the Quantitative Research Team on [ubs-quant-answers@ubs.com](mailto:ubs-quant-answers@ubs.com). A consolidated report which contains all responses is also available and again you should contact your UBS sales representative for details and pricing or the Quantitative Research Team on the email above.

### DSM-Firmenich

Question	Response
1. Is the industry structure facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting worse, 3 = no change, 5 = getting better, N/A = no view)	2
2. Is the regulatory/government environment facing the firm likely to improve or deteriorate over the next six months? Rate on a scale of 1-5 (1 = getting tougher, 3 = no change, 5 = getting better, N/A = no view)	3
3. Over the last 3-6 months in broad terms have things been improving/no change/getting worse for this stock? Rate on a scale of 1-5 (1 = getting a lot worse, 3 = not much change, 5 = getting a lot better, N/A = no view)	3
4. Relative to the current CONSENSUS EPS forecast, is the next company EPS update likely to lead to: (1 = negative surprise vs consensus, 3 = in-line with consensus, 5 = positive surprise vs consensus expectations, N/A = no view)	3
5. What's driving the difference?	
6. Relative to YOUR current earnings forecast, is there relatively greater risk at the next earnings result of: (1 = downside skew risk to earnings, 3 = equal upside or downside risk to earnings, 5 = upside skew risk to earnings, N/A = no view)	N/A
7. What's driving the difference?	
8. Is there an upcoming catalyst for the company over the next three months?	Positive Catalyst
9. Is there an actual or approximate date for the catalyst?	July 1, 2025
10. Is the catalyst date an actual or approximate date?	Actual
11. What is the catalyst?	Announcement of the details of the ANH disposal

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12-Month Rating	Definition	Coverage <sup>1</sup>	IB Services <sup>2</sup>
Buy	FSR is > 6% above the MRA.	52%	24%
Neutral	FSR is between -6% and 6% of the MRA.	40%	20%
Sell	FSR is > 6% below the MRA.	8%	22%
Short-Term Rating	Definition	Coverage <sup>3</sup>	IB Services <sup>4</sup>
Buy	Stock price expected to rise within three months from the time the rating was assigned because of a specific catalyst or event.	<1%	<1%
Sell	Stock price expected to fall within three months from the time the rating was assigned because of a specific catalyst or event.	<1%	<1%

Source: UBS. Rating allocations are as of 31 March 2025.

1:Percentage of companies under coverage globally within the 12-month rating category.

2:Percentage of companies within the 12-month rating category for which investment banking (IB) services were provided within the past 12 months.

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**UBS AG London Branch:** Charles Eden, ACA, Geoff Haire, Priyanka Patel.

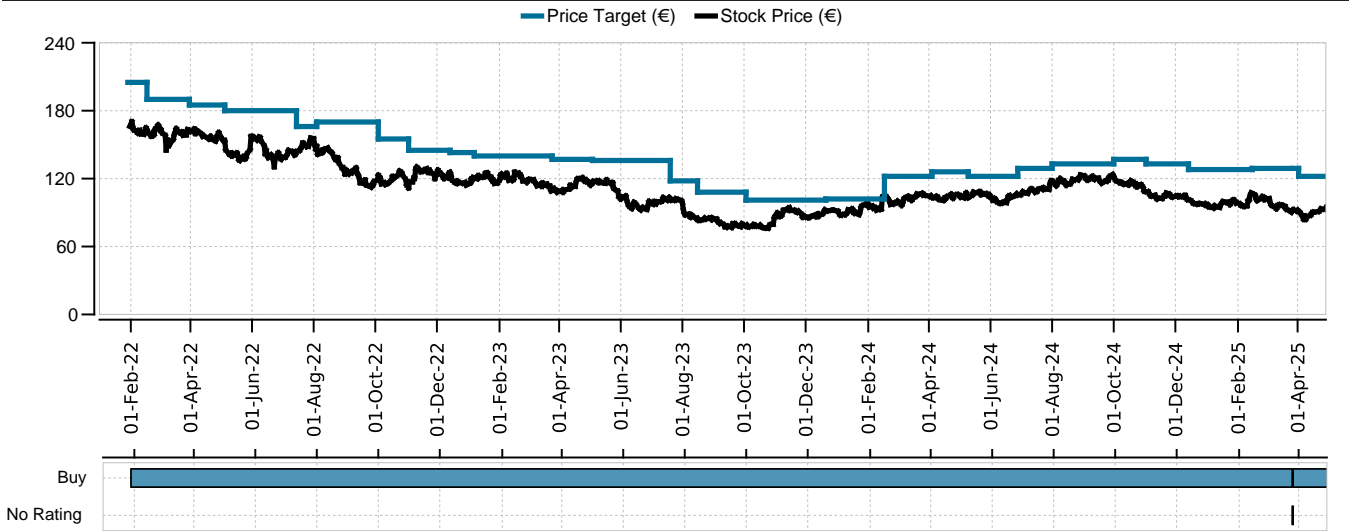
Company Disclosures

Company Name	Reuters	12-month rating	Price	Price date
DSM-Firmenich <sup>12,2,4,5,28,7</sup>	DSFIR.AS	Buy	€94.58	29 Apr 2025

- Source: UBS Global Research; LSEG Eikon. All prices as of local market close. Ratings in this table are the most current published ratings prior to this report. They may be more recent than the stock pricing date.
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DSM-Firmenich (€)





Date	Stock Price (€)	Price Target (€)	Rating
2022-01-28	164.40	205.00	Buy
2022-02-16	164.75	190.00	Buy
2022-03-30	162.80	185.00	Buy
2022-05-04	153.30	180.00	Buy
2022-07-14	141.55	166.00	Buy
2022-08-03	146.05	170.00	Buy
2022-10-03	118.60	155.00	Buy
2022-11-02	113.75	145.00	Buy
2022-12-13	124.80	143.00	Buy
2023-01-06	121.00	140.00	Buy
2023-03-24	109.20	137.00	Buy
2023-05-03	116.00	136.00	Buy
2023-07-19	103.30	118.00	Buy
2023-08-15	84.26	108.00	Buy
2023-10-02	78.26	101.00	Buy
2023-12-20	92.42	102.00	Buy
2024-02-16	103.02	122.00	Buy
2024-04-03	104.90	126.00	Buy
2024-05-09	104.95	122.00	Buy
2024-06-27	106.60	129.00	Buy
2024-07-31	118.05	133.00	Buy
2024-09-30	123.65	137.00	Buy
2024-11-01	108.55	133.00	Buy
2024-12-13	101.45	128.00	Buy
2025-02-14	107.40	129.00	Buy
2025-03-25	91.06	-	No Rating
2025-03-26	90.34	129.00	Buy
2025-04-01	92.12	122.00	Buy

Source: UBS Global Research; LSEG Eikon as of 29-Apr-2025. All prices as of local market close. Ratings as of date shown.

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