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Press Release

Heerlen (NL), 5 November 2019

DSM reports results first nine months 2019

Highlights[1,2,3]

- DSM reports good first nine months, with a solid performance in Q3
- Results compared to Underlying business in first nine months 2018:
  - Group sales +3%, Adjusted EBITDA up 11% (including 3% from IFRS 16)
  - Nutrition: organic sales +4%, Adjusted EBITDA up 13% (including 3% from IFRS 16)
  - Materials: organic sales -7% (-5% volume), Adjusted EBITDA flat (including 2% from IFRS 16)
- Total Net profit €640m, up versus first nine months 2018 of €821m when correcting for the temporary vitamin effect of €290m EBITDA
- Adjusted Net Operating Free Cash Flow €550m, up 4% versus first nine months 2018 which included the temporary vitamin effect of €290m EBITDA
- Full year outlook maintained

Key figures and indicators

in € million	Jan - Sept 2019	Jan - Sept 2018			% Change				
		Underlying[1] business	Temp. vitamin effect	Total Group	Underlying[1] Organic growth	FX & 'other'[1]	Underlying[1] total growth	Temporary vitamin effect	Total Group
Sales	6,858	6,644	415	7,059	0%	3%	3%	-6%	-3%
Nutrition	4,573	4,278	415	4,693	4%	3%	7%	-10%	-3%
Materials	2,114	2,215		2,215	-7%	2%	-5%		-5%
Adjusted EBITDA	1,288	1,162	290	1,452			11%	-22%	-11%
Nutrition	956	847	290	1,137			13%	-29%	-16%
Materials	391	393		393			0%		0%
Innovation	16	1		1					
Corporate	-75	-79		-79					
EBITDA	1,239	1,124	290	1,414					
Adjusted EBITDA margin	18.8%	17.5%		20.6%					

CEO statement

Feike Sijbesma, CEO/Chairman DSM Managing Board, commented: *"I am pleased to report again a good nine-month performance, together with a solid third quarter.*

In the quarter, Nutrition delivered a good performance with 4% organic growth and Adjusted EBITDA up 12%, despite some softness in Human Nutrition. Materials experienced ongoing challenging conditions in some of its end-markets, especially in China. Dyneema continued to perform strongly. The earnings performance highlights the relative resilience of our specialty Materials portfolio with a slight Adjusted EBITDA decline of 2%. We made good progress, with our large innovation projects, like Veramaris, Clean Cow and Avansya.

We are on track to deliver 2019 in line with our targets, and therefore maintain our full year outlook. DSM continues to be well positioned to deliver its ambitious Strategy 2021, with its growth platforms together with increased customer centricity and its large innovation projects, while at the same time remaining focused on cost control and operational excellence."

[1] In 2018 DSM benefitted from a temporary vitamin effect (see page 5). Underlying (business) is defined as the performance measure sales and Adjusted EBITDA, corrected for DSM's best estimate of this temporary vitamin effect.
[2] Adjusted EBITDA is an Alternative Performance Measure (APM) that reflects continuing operations.
[3] DSM adopted IFRS 16 as per its effective date of 1 January 2019 and has not restated 2018 (see page 19).

Q3 Highlights[1,2,3]

- DSM reports a solid Q3
- Results compared to Underlying business in Q3 2018:
  - Group sales +3%, Adjusted EBITDA up 9% (including 3% impact from IFRS 16)
  - Nutrition: organic sales +4%, Adjusted EBITDA up 12% (including 3% impact from IFRS 16)
  - Materials: organic sales –7% (-3% volume), Adjusted EBITDA down 2% (including 2% impact from IFRS 16)

Key figures and indicators

in € million	Q3 2019	Q3 2018 Underlying[1] business	Q3 2018 Temp. vitamin effect	Q3 2018 Total Group	% Change Underlying[1] Organic growth	% Change FX & 'other'[1]	% Change Underlying[1] total growth	% Change Temporary vitamin effect	% Change Total Group
Sales	2,290	2,215	50	2,265	0%	3%	3%	-2%	1%
Nutrition	1,544	1,438	50	1,488	4%	3%	7%	-3%	4%
Materials	687	723		723	-7%	2%	-5%		-5%
Adjusted EBITDA	426	391	15	406			9%	-4%	5%
Nutrition	317	283	15	298			12%	-6%	6%
Materials	129	132		132			-2%		-2%
Innovation	5	1		1					
Corporate	-25	-25		-25					
EBITDA	416	370	15	385					
Adjusted EBITDA margin	18.6%	17.7%		17.9%					

Outlook 2019

DSM maintains its full year outlook: DSM expects to deliver a full year 2019 high single digit increase in Adjusted EBITDA compared to prior year Underlying Adjusted EBITDA (pre-temporary vitamin effect), together with an improvement in Underlying Adjusted Net Operating Free Cash Flow in line with its Strategy 2021 targets. This outlook excludes the impact of IFRS 16 (see page 19).

Share Buy-Back program

On 1 April 2019, DSM commenced its ordinary share repurchase program of an aggregate market value of €1 billion, with the intention to reduce its issued capital, as first announced on 14 February 2019. This program is in addition to the regular repurchase programs to cover commitments under share-based compensation plans and the stock dividend. Up to and including 31 October 2019 DSM has repurchased 5.3 million shares for a total consideration of €563 million; 2.6 million shares relate to the regular repurchase programs and 2.7 million shares relate to the €1 billion share buy-back program.

[1] In 2018 DSM benefitted from a temporary vitamin effect (see page 5). Underlying (business) is defined as the performance measure sales and Adjusted EBITDA, corrected for DSM's best estimate of this temporary vitamin effect.
[2] Adjusted EBITDA is an Alternative Performance Measure (APM) that reflects continuing operations.
[3] DSM adopted IFRS 16 as per its effective date of 1 January 2019 and has not restated 2018 (see page 19).

Key figures and indicators
(comparison with January - September 2018 *excluding* temporary vitamin effect)

in € million	January - September 2019	2018	% Change	Volume	Price / mix	FX	Other
Sales	**6,858**	6,644	3%	0%	0%	2%	1%
Nutrition	**4,573**	4,278	7%	3%	1%	2%	1%
Materials	**2,114**	2,215	-5%	-5%	-2%	2%	0%
Innovation Center	**140**	118					
Corporate Activities	**31**	33					

in € million	Q3 2019	Q3 2018	% Change	Volume	Price / mix	FX	Other
Sales	**2,290**	2,215	3%	1%	-1%	2%	1%
Nutrition	**1,544**	1,438	7%	3%	1%	2%	1%
Materials	**687**	723	-5%	-3%	-4%	2%	0%
Innovation Center	**50**	43					
Corporate Activities	**9**	11					

in € million, including IFRS 16 impact	January - September					
	2019	2018	% Change	**Q3 2019**	Q3 2018	% Change
Sales	**6,858**	6,644	3%	**2,290**	2,215	3%
Adjusted EBITDA	**1,288**	1,162	11%	**426**	391	9%
Nutrition	**956**	847	13%	**317**	283	12%
Materials	**391**	393	0%	**129**	132	-2%
Innovation Center	**16**	1		**5**	1	
Corporate Activities	**-75**	-79		**-25**	-25	
Adjusted EBITDA margin	**18.8%**	17.5%		**18.6%**	17.7%	
ROCE (%)	**12.7%**	13.6%				

in € million, excluding IFRS 16 impact	January - September					
	2019	2018	% Change	**Q3 2019**	Q3 2018	% Change
Adjusted EBITDA	**1,250**	1,162	8%	**413**	391	6%
Nutrition	**934**	847	10%	**309**	283	9%
Materials	**386**	393	-2%	**127**	132	-4%
Innovation Center	**15**	1		**5**	1	
Corporate Activities	**-85**	-79		**-28**	-25	
Adjusted EBITDA margin	**18.2%**	17.5%		**18.0%**	17.7%	
ROCE (%)	**13.0%**	13.6%				

In this report:

- *'Organic sales growth' is the total impact of volume and price/mix;*
- *'Total Working Capital' refers to the total of 'Operating Working Capital' and 'non-Operating Working Capital';*
- *'Adjusted Net Operating Free Cash Flow' is the cash flow from operating activities, corrected for the cash flow of the APM adjustments, minus the cash flow of capital expenditures and drawing rights.*

Key figures and indicators (comparison with January - September 2018 *including* temporary vitamin effect)

in € million	2019	2018	% Change	Volume	Price / mix	FX	Other
	January - September						
Sales	**6,858**	7,059	-3%	1%	-7%	2%	1%
Nutrition	**4,573**	4,693	-3%	4%	-10%	2%	1%
Materials	**2,114**	2,215	-5%	-5%	-2%	2%	0%
Innovation Center	**140**	118					
Corporate Activities	**31**	33					

in € million	Q3 2019	Q3 2018	% Change	Volume	Price / mix	FX	Other
Sales	**2,290**	2,265	1%	2%	-4%	2%	1%
Nutrition	**1,544**	1,488	4%	4%	-4%	3%	1%
Materials	**687**	723	-5%	-3%	-4%	2%	0%
Innovation Center	**50**	43					
Corporate Activities	**9**	11					

in € million, including IFRS 16 impact, where applicable	January - September 2019	2018	% Change	Q3 2019	Q3 2018	% Change
Sales	**6,858**	7,059	-3%	**2,290**	2,265	1%
Adjusted EBITDA	**1,288**	1,452	-11%	**426**	406	5%
Nutrition	**956**	1,137	-16%	**317**	298	6%
Materials	**391**	393	0%	**129**	132	-2%
Innovation Center	**16**	1		**5**	1	
Corporate Activities	**-75**	-79		**-25**	-25	
Adjusted EBITDA margin	**18.8%**	20.6%		**18.6%**	17.9%	
EBITDA	**1,239**	1,414		**416**	385	
Adjusted EBIT	**844**	1,100	-23%	**276**	283	-2%
EBIT	**784**	1,049		**266**	249	
Capital Employed	**9,330**	8,221				
Average Capital Employed	**8,843**	7,960				
ROCE (%)	**12.7%**	18.4%				
Effective tax rate[1]	**18.0%**	18.0%				
Adjusted net profit[2]	**659**	852	-23%	**244**	209	17%
Net profit - Total DSM[2]	**640**	821	-22%	**239**	188	27%
Adjusted net EPS	**3.68**	4.82	-24%	**1.36**	1.18	15%
Net EPS - Total DSM	**3.57**	4.64		**1.33**	1.06	
Operating cash flow	**941**	933	1%	**434**	430	1%
Adjusted Net Operating Free Cash Flow	**550**	529	4%	**293**	303	-3%
Capital expenditures[3]	**410**	445		**146**	150	
Net debt[4]	**852**	680				
Average number of ordinary shares	**176.3**	175.2		**176.2**	175.7	
Workforce (headcount end of period)	**22,204**	20,977 [5]				

[1] Over Adjusted taxable result
[2] Including result attributed to non-controlling interest
[3] Cash, net of customer funding, investment grants and excluding leases
[4] Net debt end of September 2019 includes €217 million following the adoption of IFRS 16 on 'Leases'
[5] Year-end 2018

Review by Cluster

Nutrition

Underlying business

'Underlying' business is defined as the sales and Adjusted EBITDA, corrected for the temporary vitamin effect due to exceptional supply disruptions in the industry which occurred in the first nine months of 2018. This event provided additional sales for €415 million and a corresponding Adjusted EBITDA of €290 million in the first nine months of 2018, as estimated and reported last year.

in € million (estimated)	January - September 2019	2018		Q3 2019	Q3 2018	
Sales	**4,573**	4,278	7%	**1,544**	1,438	7%
Adjusted EBITDA[1]	**956**	847	13%	**317**	283	12%
Adjusted EBITDA margin (%)[1]	**20.9%**	19.8%		**20.5%**	19.7%	
ROCE (%)	**14.6%**	15.1%				

Temporary vitamin effect

in € million (estimated)	temp. vit.effect 2018	temp. vit.effect Q3 2018
Sales	415	50
Adjusted EBITDA	290	15

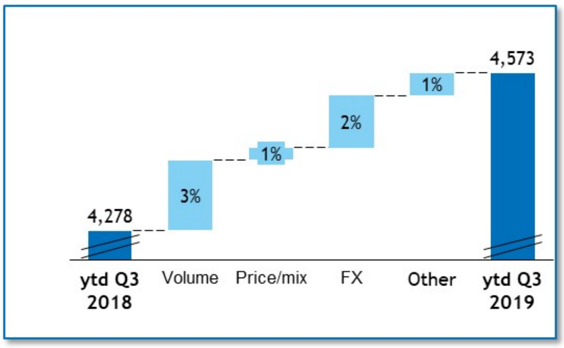
Total cluster

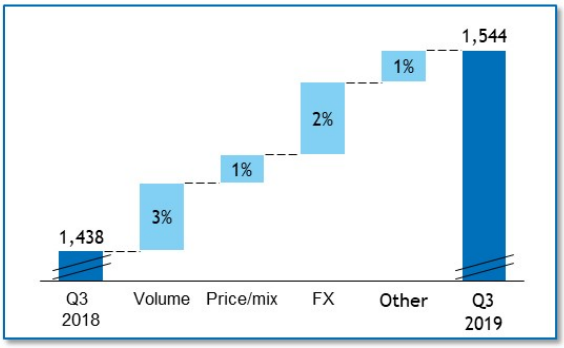
in € million	January - September 2019	2018	% Change	Q3 2019	Q3 2018	% Change
Sales	**4,573**	4,693	-3%	**1,544**	1,488	4%
Adjusted EBITDA[1]	**956**	1,137	-16%	**317**	298	6%
Adjusted EBITDA margin (%)[1]	**20.9%**	24.2%		**20.5%**	20.0%	
Adjusted EBIT	**687**	918	-25%	**225**	220	2%
Capital Employed	**6,626**	5,671				
Average Capital Employed	**6,251**	5,546				
ROCE (%)	**14.6%**	22.1%				
Total Working Capital	**1,746**	1,567				
Average Total Working Capital as % of Sales	**27.8%**	24.9%				

[1] Including IFRS 16 impact of €8 million in Q3 2019 and €22 million in the first nine months of 2019

Nutrition

Sales development





All comparisons on this page are versus the Underlying business in the first nine months of 2018

Nine months 2019 sales
Nutrition realized 4% organic growth against a strong +9% in same period last year. Total sales were 7% higher compared to first nine months 2018 including 1% from the consolidation of Andre Pectin and 2% from exchange rates driven by the US dollar.

Q3 2019 sales
Nutrition reported 4% organic growth, with volumes up 3% and prices +1%. Animal Nutrition sales were solid, Human Nutrition showed some softness and the other nutrition activities were strong, especially Food Specialties.

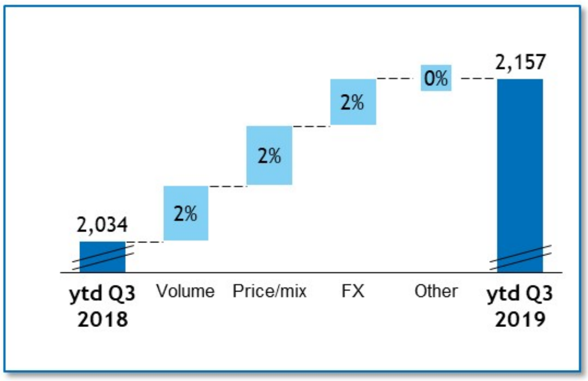
Nine months 2019 Adjusted EBITDA
The Adjusted EBITDA growth was 13%, including a 3% contribution from IFRS 16 and 2% from Andre Pectin (€19 million), driven by higher volumes, lower costs and a small positive foreign exchange effect. The adjusted EBITDA margin was 20.9% (including 0.5% impact from IFRS 16) versus 19.8% in same period last year.

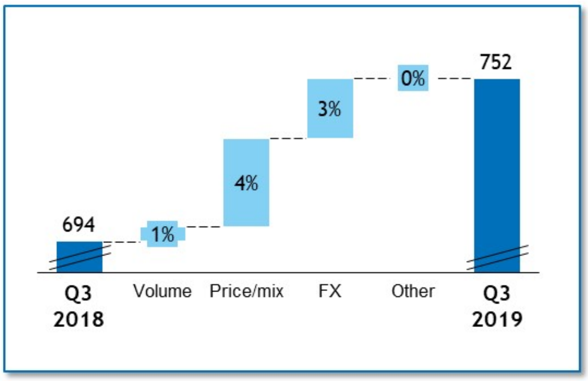
Q3 2019 Adjusted EBITDA
Nutrition reported 12% growth in Adjusted EBITDA (including 3% from IFRS 16), in line with H1 2019, with same earnings drivers. The Q3 2019 Adjusted EBITDA margin was 20.5% (including 0.5% impact from IFRS 16) versus 19.7% in Q3 2018.

Partnership with Nenter
DSM completed the transaction with Nenter as first announced on 29 January 2019. The new subsidiary will produce vitamin E exclusively for DSM. The production facilities and related assets are currently being upgraded to ensure compliance with DSM's safety, health and environmental standards, to secure high-quality and sustainable supply of Vitamin E. The plant is not expected to resume production activities before Q3 2020.

Animal Nutrition & Health

Sales development





All comparisons on this page are versus the Underlying business in the first nine months of 2018

Nine months 2019 sales

Animal Nutrition reported 4% organic growth, against a strong 12% in the same period last year. Volumes were up 2% and prices +2%. Total sales were 6% higher compared to first nine months 2018 including 2% positive exchange rate effect.

Q3 2019 sales

Animal Nutrition delivered an organic growth of 5%, with sales volumes up 1% and prices up 4%. Volumes were impacted by the continued spread of African swine fever in China and South East Asia, with the region representing more than 50% of global pork production. The rapid spread of this condition has disrupted the global equilibrium of animal protein in the short term, and as a result DSM is currently unable to fully offset the decline in pork production in the region from increases in production from other regions and species. Business conditions in all other species and regions remained strong.

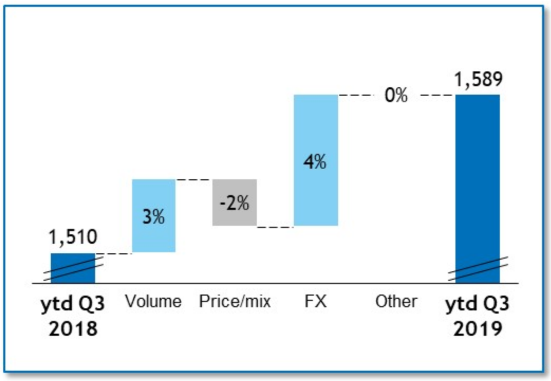
Prices were up due to positive sales mix effects, as well as price increases initiated for some ingredients earlier in the year to compensate for higher costs.

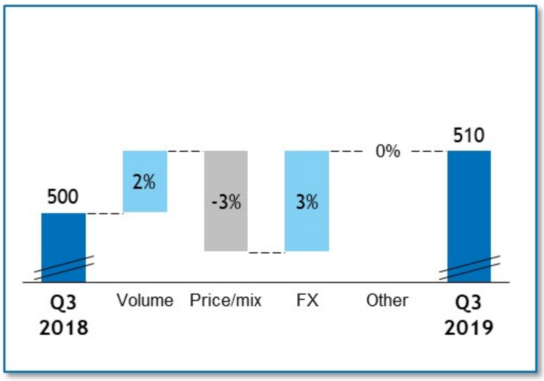
Good progress was made on large innovation programs:

- **Veramaris** – In July, the JV started commercial production of its algae-based omega-3 fatty acids for aquaculture, supplying three of the largest salmon feed producers and used by the two largest salmon farmers. Sales volumes are expected to develop in line with ramp-up of the plant with targeted production capacity to be reached in about eighteen months.
- **‘Clean Cow’** –In July, DSM reached a key milestone, filing for European registration to commercialize the product, targeted by late 2020/early 2021. This feed additive reduces methane emissions from ruminants by about 30%. The agricultural sector and legislators alike are increasingly discussing the necessity of introducing a pricing of methane emissions.

Human Nutrition & Health

Sales development





All comparisons on this page are versus the Underlying business in the first nine months of 2018

Nine months 2019 sales

Organic growth was 1% against a tough comparison of +7% organic growth in the first nine months of 2018. Volumes were up 3% and prices were down 2%. Total sales were up 5% as sales growth was supported by a 4% foreign exchange effect which was largely US dollar related.

Q3 2019 sales

Human Nutrition reported minus 1% organic growth, with volumes up 2% and prices down 3%. Sales were somewhat soft in food & beverage while early life nutrition, medical nutrition and dietary supplements (especially i-Health, DSM's business-to-consumer business), all performed well. Geographically, sales in China, North America and Europe were soft, Asia was good and Latam was strong.

The minus 3% price effect resulted from lower prices for vitamin C and negative mix effects.

Other nutrition activities

DSM's other nutrition activities which include Food Specialties, Personal Care, Aroma Ingredients and Hydrocolloids, delivered a good performance with 7% organic sales growth in the first nine months 2019, with 5% organic growth in Q3. Food Specialties enjoyed good growth in enzymes and cultures in the dairy and baking segments in the quarter.

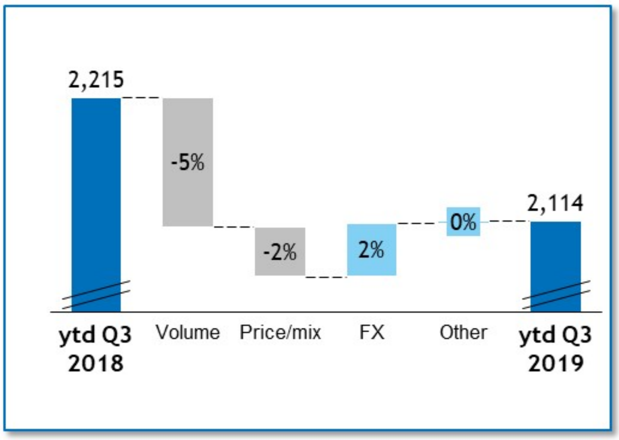
Good progress was made with **Avansya**, the large innovation program in Food Specialties. Avansya is ready to start commercial production of its fermentative stevia at its plant in Blair, Nebraska by mid-November. The response from customers on stevia samples supplied in recent quarters has been very positive. Avansya expects first customer products containing its stevia solutions to arrive in designated test markets soon.

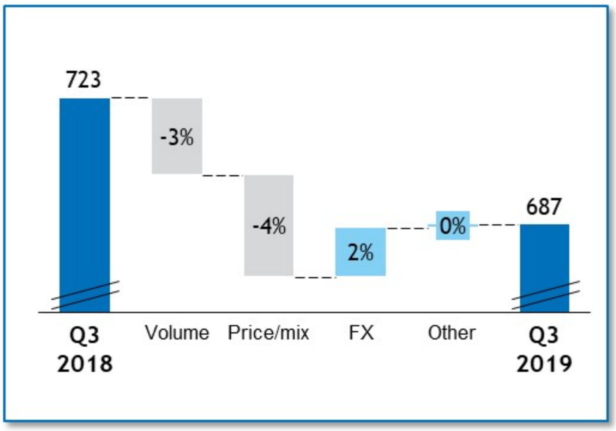
Materials

in € million	January - September 2019	2018	% Change	Q3 2019	Q3 2018	% Change
Sales	**2,114**	2,215	-5%	**687**	723	-5%
Adjusted EBITDA[1]	**391**	393	0%	**129**	132	-2%
Adjusted EBITDA margin (%)[1]	**18.5%**	17.7%		**18.8%**	18.3%	
Adjusted EBIT	**285**	298	-4%	**92**	99	-7%
Capital Employed	**2,028**	1,890				
Average Capital Employed	**1,956**	1,850				
ROCE (%)	**19.5%**	21.5%				
Total Working Capital	**450**	415				
Average Total Working Capital as % of Sales	**15.4%**	13.2%				

[1] Including IFRS 16 impact of €2 million in Q3 2019 and €5 million in the first nine months of 2019

Sales development





Nine months 2019 sales
Organic growth was down 7%, with volumes down 5% and prices minus 2%, while margins were slightly up. Total sales were down 5% as a result of a 2% positive exchange rate effect, which was largely US dollar related.

Q3 2019 sales
The reported organic growth was minus 7% with volumes down 3% and prices down 4%. This price decline reflected developments in input cost.

Materials experienced ongoing challenging conditions in some of the end-markets. Dyneema continued to perform strongly.

- DSM Engineering Plastics saw continued softness in automotive (China and Europe). Electrical & electronics (Asia) seem to have bottomed out. Business conditions in other end-segments were solid.

- DSM Resins & Functional Materials saw some improved business conditions for coating resins, while building & construction markets in Europe and North America continued to be soft, and some signs of stabilization in China.

- DSM Dyneema showed a strong performance once again, driven by continued high demand in personal protection. A new production line in the Netherlands was started up in the quarter, which will allow the business to continue its growth.

Nine months 2019 Adjusted EBITDA was flat compared to previous year (including 2% from IFRS 16). The slight Adjusted EBITDA decline and increase in margins demonstrated the strong resilience of DSM's portfolio in the current market circumstances. The impact from lower volumes was partly compensated by the strong performance of Dyneema. Earnings were further supported by good margin management on lower input costs, cost control and a small benefit from currencies. The Adjusted EBITDA margin was 18.5% (including 0.2% from IFRS 16) compared to 17.7% achieved in the previous year.

Q3 2019 Adjusted EBITDA was minus 2% compared to previous year (including 2% from IFRS 16). Q3 2019 Adjusted EBITDA margin was 18.8% (including 0.3% from IFRS 16) compared to 18.3% in Q3 2018.

Innovation Center

in € million	January - September 2019	2018	% Change	Q3 2019	Q3 2018	% Change
Sales	**140**	118	19%	**50**	43	16%
Adjusted EBITDA[1]	**16**	1		**5**	1	
Adjusted EBIT	**-11**	-16		**-5**	-4	
Capital Employed	**621**	587				

[1] Including IFRS 16 impact of €0 million in Q3 2019 and €1 million in the first nine months of 2019

Q3 2019 was again a strong quarter in line with H1. Biomedical delivered good top and bottom-line growth. Bio-based Products & Services continued to benefit from the license income for yeast technologies used for bio-based fuels. Solar showed continued softness due to the subdued Chinese market. The Adjusted EBITDA increased to €16 million in the first nine months of 2019.

Corporate Activities

in € million	January - September 2019	2018	Q3 2019	Q3 2018
Sales	**31**	33	**9**	11
Adjusted EBITDA[1]	**-75**	-79	**-25**	-25
Adjusted EBIT	**-117**	-100	**-36**	-32

[1] Including IFRS 16 impact of €3 million in Q3 2019 and €10 million in the first nine months of 2019

Nine months 2019 Adjusted EBITDA slightly increased compared to previous year, predominantly driven by the adoption of IFRS 16 partly offset by somewhat higher cost. EBIT was negatively impacted by some asset impairments.

Condensed Cash Flow Statement and (Operating) Working Capital

in € million	January - September 2019	2018	Q3 2019	Q3 2018
Cash provided by Operating Activities	941	933	434	430
- Cash from APM adjustments	37	66	14	25
- Cash from capital expenditures*	-420	-452	-151	-151
- Cash from drawing rights	-8	-18	-4	-1
Adjusted Net Operating Free Cash Flow	550	529	293	303
Operating Working Capital	2,472	2,341		
Average Operating Working Capital as % of Sales	26.3%	23.8%		
Operating Working Capital as % of Sales - end of period	27.0%	25.8%		
Total Working Capital	2,060	1,853		
Average Total Working Capital as % of Sales	21.1%	18.5%		
Total Working Capital as % of Sales - end of period	22.5%	20.4%		

*January – September 2018: excluding €18 million payment of lease liability

Adjusted Net Operating Free Cash Flow amounted to €550 million for the three quarters in 2019 up 4% versus €529m in 2018, which included the impact from the temporary vitamin effect of €290 million EBITDA.

Operating Working Capital and Total Working Capital end of September 2019 increased versus 2018 following the consolidation of acquisitions in the period and exchange rate effects. The cash outflow from working capital movements was €207 million versus €448 million in the comparable period last year. As a result, combined with some timing effects in tax payments, Working Capital as a percentage of sales increased versus last year.

Overview of Alternative Performance Measures (APM) adjustments to EBIT(DA)

The following overview gives a summary of the APM adjustments for the first nine months of 2019 (for reconciliation see page 14).

Nutrition: EBITDA adjustments amounted to -€10 million of which -€5 million related to restructuring costs and -€5 million to acquisition related costs. EBIT adjustments amounted to €-21 million including -€11 million asset impairment.

Materials: EBITDA adjustments amounted to -€5 million (EBIT -€5 million) of which -€4 million related to restructuring costs and -€1 million to acquisition related costs.

Innovation Center: EBITDA adjustments amounted to -€2 million (EBIT -€2 million) related to restructuring cost.

Corporate Activities: EBITDA adjustments amounted to -€32 million (EBIT -€32 million) of which -€30 million related to restructuring costs and -€2 million to divestment related costs.

Share of the profit of associates: Net result includes a positive book result of €23 million on its existing share of 29% following the acquisition of an additional 46% of the shares of Andre Pectin in Q1 2019.

Sustainability performance

Q3 2019 sustainability highlights

Planet
DSM further *improved* the environmental impact of its own operations:
- DSM is well on track this year with respect to its greenhouse gas, energy efficiency and purchased renewable electricity targets.

DSM *enabled* its customers to deliver more sustainable solutions to their (end) consumers:
- DSM made good progress in its large innovation projects such as Veramaris, Avansya, Project Clean Cow and NIAGA®.
- DSM's Engineering Plastics business *announced* it will offer a full alternative range of its existing portfolio that will contain at least 25% recycled and/or bio-based content by weight in the final product by 2030.

DSM *advocated* for topics such as the role of business in society, putting a responsible price on carbon, and climate adaptation:
- In September DSM gathered leaders from the private and public sector as well as civil society in New York on the topic of the role of business in society, to identify initiatives that have the potential to be a game-changer toward more purposeful capitalism.
- DSM CEO Feike Sijbesma co-chaired the report published in September by the High-Level Commission on Carbon Pricing and Competitiveness convened by the Carbon Pricing Leadership Coalition (CPLC). This report calls for long-term and ambitious carbon pricing policies, and provides the evidence that a well-designed carbon price policy will not negatively influence economic competitiveness.
- DSM CEO Feike Sijbesma is one of the commissioners of the Global Commission on Adaptation which published its flagship report in September, calling for urgent action on climate adaptation and finding that adaptation can deliver USD 7.1 trillion in benefits at USD 1.8 trillion costs.
- DSM India together with Confederation of Indian Industry launched the Climate Action Program 2.0° awards, an initiative to make Indian companies climate resilient.

People
- DSM CEO Feike Sijbesma was listed number 42 on the Harvard Business Review Top 100 best performing global CEOs.
- DSM continued its Inclusion & Diversity journey:
  - DSM advocated for the acceleration of female participation in science and technology in its *Women in science & technology* campaign.
  - Helen Mets, President DSM Resins & Functional Materials, has earned the prestigious 2019 World Business Council for Sustainable Development (WBCSD) Leading Women Award in the Excellence category for her sustained and outstanding contribution to advancing sustainability in DSM
  - DSM further increased the diversity in its leadership with the appointment of Shruti Singhal as President of DSM Engineering Plastics to be based in Singapore and Martha Buffington as Chief Procurement Officer DSM.
- DSM and Singapore Management University (SMU) affirmed their commitment to educate the next generation of leaders in sustainability. The collaboration will offer experiential learning courses on sustainability and nutrition improvement.

Condensed consolidated statement of income for the first nine months

in € million	January - September 2019	2018
Sales	6,858	7,059
EBITDA	1,239	1,414
Operating profit (EBIT)	784	1,049
Financial income and expense	-81	-75
Profit before income tax expense	703	974
Income tax expense	-122	-171
Share of the profit of associates/ joint control entities	59	18
Net profit	640	821
Of which:		
Profit attributable to non-controlling interests	-5	-2
Net profit attributable to equity holders of DSM	635	819
Dividend on cumulative preference shares	-6	-6
Net profit available to holders of ordinary shares	629	813
Depreciation and amortization	455	365

Reconciliation to Alternative Performance Measures for the first nine months

in € million	January - September 2019	2018
EBITDA	1,239	1,414
Acquisitions/divestments	8	-12
Restructuring	41	51
Other	0	-1
Sub-total APM adjustments to EBITDA	49	38
Adjusted EBITDA	1,288	1,452
Operating profit (EBIT)	784	1,049
APM adjustments to EBITDA	49	38
Impairments of PPE and Intangible assets	11	13
Sub-total APM adjustments to operating profit (EBIT)	60	51
Adjusted operating profit (EBIT)	844	1,100
Net profit	640	821
APM adjustments to operating profit (EBIT)	60	51
APM adjustments to financial income and expense		0
Income tax related to APM adjustments	-15	-14
APM adjustments to share of the profit of associates/joint control entities	-26	-6
Sub-total APM adjustments to net profit	19	31
Adjusted net profit	659	852
Net profit available to holders of ordinary shares	629	813
APM adjustments to net profit	19	31
Adjusted net profit available to holders of ordinary shares	648	844

Condensed consolidated statement of income for the third quarter

in € million	Q3 2019	Q3 2018
Sales	2,290	2,265
EBITDA	416	385
Operating profit (EBIT)	266	249
Financial income and expense	-24	-32
Profit before income tax expense	242	217
Income tax expense	-42	-40
Share of the profit of associates/ joint control entities	39	11
Net profit	239	188
Of which:		
Profit attributable to non-controlling interests	-3	0
Net profit attributable to equity holders of DSM	236	188
Dividend on cumulative preference shares	-2	-2
Net profit available to holders of ordinary shares	234	186
Depreciation and amortization	150	136

Reconciliation to Alternative Performance Measures for the third quarter

in € million	Q3 2019	Q3 2018
EBITDA	416	385
Acquisitions/divestments	4	2
Restructuring	6	19
Other	0	0
Sub-total APM adjustments to EBITDA	10	21
Adjusted EBITDA	426	406
Operating profit (EBIT)	266	249
APM adjustments to EBITDA	10	21
Impairments of PPE and Intangible assets	0	13
Sub-total APM adjustments to operating profit (EBIT)	10	34
Adjusted operating profit (EBIT)	276	283
Net profit	239	188
APM adjustments to operating profit (EBIT)	10	34
APM adjustments to financial income and expense	0	0
Income tax related to APM adjustments	-3	-6
APM adjustments to share of the profit of associates/joint control entities	-2	-7
Sub-total APM adjustments to net profit	5	21
Adjusted net profit	244	209
Net profit available to holders of ordinary shares	234	186
APM adjustments to net profit	5	21
Adjusted net profit available to holders of ordinary shares	239	207

Condensed Consolidated Balance Sheet

in € million	30 Sept. 2019	year-end 2018
Intangible Assets	3,430	3,090
Property, Plant & Equipment	3,932	3,511
Deferred Tax Assets	192	248
Share in Associates & Joint Ventures	159	205
Financial derivatives	11	14
Other Financial Assets	296	263
Non-Current Assets	8,020	7,331
Inventories	2,118	1,993
Trade Receivables	1,719	1,575
Income tax receivables	85	83
Other Current Receivables	60	80
Financial Derivatives	31	21
Current Investments	853	1,277
Cash & Cash Equivalents	926	1,281
Current Assets	5,792	6,310
Total Assets	13,812	13,641
Shareholders' Equity	8,063	7,782
Non-controlling interest	99	33
Equity	8,162	7,815
Deferred Tax Liabilities	270	254
Employee Benefits Liabilities	451	413
Provisions	109	116
Borrowings	2,459	2,272
Financial derivatives	11	3
Other Non-current Liabilities	143	197
Non-current liabilities	3,443	3,255
Employee Benefits	46	46
Provisions	36	37
Borrowings	126	380
Financial Derivatives	77	51
Trade Payables	1,365	1,430
Income tax payable	91	100
Other Current Liabilities	466	527
Current Liabilities	2,207	2,571
Total Equity and Liabilities	13,812	13,641
Net debt*	852	113
Equity/Total Assets	59%	57%

* Net debt end of September 2019 includes €217 million following the adoption of IFRS 16 on 'Leases'

Condensed Consolidated Cash Flow Statement

in € million	January - September 2019	2018
Cash, Cash Equivalents and Current Investments (at beginning of period)	2,558	1,853
Current Investments (at beginning of period)	1,277	954
Cash & Cash Equivalents (at beginning of period)	1,281	899
Operating Activities		
EBITDA	1,239	1,414
Change in Working Capital	-207	-448
Income Tax	-67	-59
Other	-24	26
Cash provided by Operating Activities (Operating cash flow)	941	933
Investing Activities		
Capital Expenditures	-420	-470
Payments regarding drawing rights	-8	-18
Acquisitions	-411	-10
Disposal of Subsidiaries, Businesses & Associates	16	27
Disposal of Other Non-current Assets	4	13
Change in Fixed-term Deposits	424	-46
Interest Received	7	16
Dividend and capital (re)payments	12	-41
Other	12	24
Cash used in Investing Activities	-364	-505
Dividend	-277	-223
Interest Paid	-52	-39
Repurchase of shares	-448	-213
Proceeds from re-issued treasury shares	164	91
Proceeds from / repayments of corporate bonds	-300	
Payment of lease liabilities	-40	0
Other Cash from/ used in Financing Activities	12	48
Cash from / used in Financing Activities	-941	-336
Exchange Differences	9	6
Cash and Cash Equivalents (end of period)	926	997
Current Investment (end of period)	853	1,001
Cash and Cash Equivalents & Current Investments (end of period)	1,779	1,998

Geographical Information

January - September 2019	The Netherlands	Rest of Western Europe	Eastern Europe	North America	Latin America	China	India	Japan	Rest of Asia	Rest of the World	Total
Net Sales by Origin											
in € million	1,680	2,137	147	1,186	495	739	68	93	245	68	**6,858**
in %	25	31	2	17	7	11	1	1	4	1	**100**
Net Sales by Destination											
in € million	294	1,617	414	1,568	840	813	181	226	688	217	**6,858**
in %	4	24	6	23	12	12	3	3	10	3	**100**
Total Assets (total DSM) in € million	4,382	3,042	147	2,980	949	1,389	182	167	460	114	**13,812**
Workforce (headcount, end of period)	3,801	5,158	547	3,380	2,209	5,032	677	212	885	303	**22,204**

January - September 2018	The Netherlands	Rest of Western Europe	Eastern Europe	North America	Latin America	China	India	Japan	Rest of Asia	Rest of the World	Total
Net Sales by Origin											
in € million	1,742	2,586	147	1,012	432	689	76	84	236	55	**7,059**
in %	25	37	2	14	6	10	1	1	3	1	**100**
Net Sales by Destination											
in € million	280	1,746	466	1,560	811	851	181	242	702	220	**7,059**
in %	4	25	7	22	11	12	3	3	10	3	**100**
year-end 2018:											
Total Assets in € million	5,094	2,732	143	2,778	939	1,064	132	170	482	107	**13,641**
Workforce (headcount)	3,827	5,069	523	3,281	2,214	4,104	556	204	904	295	**20,977**

Notes to the condensed financial statements

Accounting policies and presentation

The consolidated financial statements of DSM for the year ended 31 December 2018 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. These accounting policies are applied in these interim financial statements and need to be read in conjunction with the Integrated Annual Report 2018 (IAR 2018) and the report by the Managing Board earlier in this press release. As reported in the Integrated Annual Report 2018, as of January 2019 DSM has adopted IFRS 16 on 'Leases' using the modified retrospective approach. This resulted in the following impact on DSM's condensed consolidated balance sheet:

in € million	1 January 2019	Change	30 Sept. 2019
Lease liability	215	2	217
Right of Use ('RoU') assets	215	-1	214

In addition to the balance sheet impact, the nature of expenses related to leases changed as IFRS 16 replaces the operating lease expense with a straight-line depreciation charge for RoU assets, and interest expenses on lease liabilities. The table below summarizes the impact of IFRS 16 on the consolidated income statement for the first nine months of 2019:

in € million	Reported	IFRS 16 impact	Excluding IFRS 16 impact
Adjusted EBITDA	1,288	38	1,250
- Nutrition	956	22	934
- Materials	391	5	386
- Innovation	16	1	15
- Corporate Activities	-75	10	-85
Depreciation	444	36	408
Adjusted EBIT	844	2	842
Financial income and expense	-81	-5	-76
Net profit	640	-3	643
EPS	3.57	0.00	3.57
Capital employed	9,330	214	9,116
Average capital employed	8,843	209	8,634
ROCE	12.7%	-0.3%	13.0%
Net debt	852	217	635
Cash flow			
- Operating cash flow	941	40	901
- Payment of lease liabilities in Financing Activities	-40	-40	0

Under IAS 17 operating lease cash flows were presented as operating cash flows, while under IFRS 16, these are now reported as financing cash flows.

Audit

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

Heerlen, 5 November 2019
The Managing Board

Feike Sijbesma, CEO/Chairman
Geraldine Matchett, CFO
Dimitri de Vreeze

Financial calendar

13 February 2020	Publication of full year 2019 results
7 May 2020	Publication of the results of the first three months of 2020
8 May 2020	Annual General Meeting of Shareholders
4 August 2020	Publication of the half year results of 2020
3 November 2020	Publication of the results of the first nine months of 2020

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Additional Information

Today DSM will hold a conference call for **media** at 08:00 CET and a conference call for **investors and analysts** at 09:00 CET. Details on how to access these calls can be found on the DSM website, www.dsm.com.

DSM - Bright Science. Brighter Living.™

Royal DSM is a global, purpose-led, science-based company active in Nutrition, Health and Sustainable Living. DSM's purpose is to create brighter lives for all. DSM addresses with its products and solutions some of the world's biggest challenges while simultaneously creating economic, environmental and societal value for all its stakeholders – customers, employees, shareholders, and society at large. DSM delivers innovative solutions for human nutrition, animal nutrition, personal care and aroma, medical devices, green products and applications, and new mobility and connectivity. DSM and its associated companies deliver annual net sales of about €10 billion with approximately 23,000 employees. The company was founded in 1902 and is listed on Euronext Amsterdam. More information can be found at www.dsm.com.

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Forward Looking Statements

This press release may contain forward-looking statements with respect to DSM's future (financial) performance and position. Such statements are based on current expectations, estimates and projections of DSM and information currently available to the company. DSM cautions readers that such statements involve certain risks and uncertainties that are difficult to predict and therefore it should be understood that many factors can cause actual performance and position to differ materially from these statements. DSM has no obligation to update the statements contained in this press release, unless required by law. The English language version of the press release is leading.