DSM Engineering Plastics

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ROYAL DSM
HEALTH NUTRITION MATERIALS

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Safe harbor statement

- This presentation 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 presentation, unless required by law.

- A more comprehensive discussion of the risk factors affecting DSM's business can be found in the company's latest Annual Report, which can be found on the company's corporate website, www.dsm.com

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DSM Engineering Plastics | A global engineering plastics player with a broad range of value-adding polyamides and polyesters

Key 'winning' segments targeted

Automotive

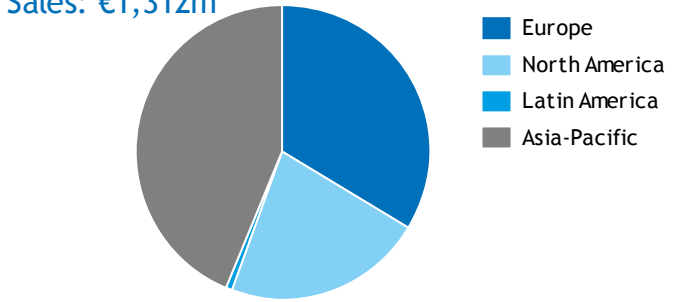
- Internal combustion engine vehicles
- Hybrid and electrical vehicles
- Autonomous driving

Electronics & Electricals

- Smartphones and tablets
- Servers
- Power distribution

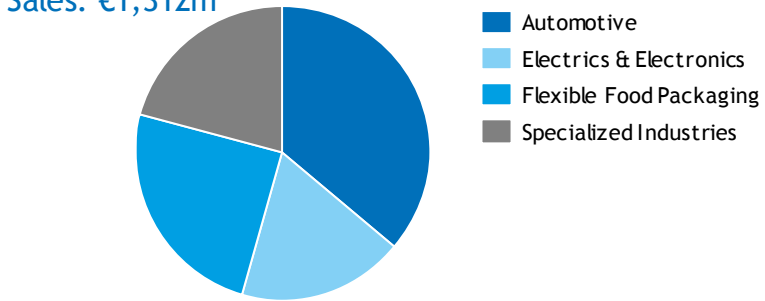
Sales by region (%) | 2016

Sales: €1,312m



Sales by end market (%) | 2016

Sales: €1,312m



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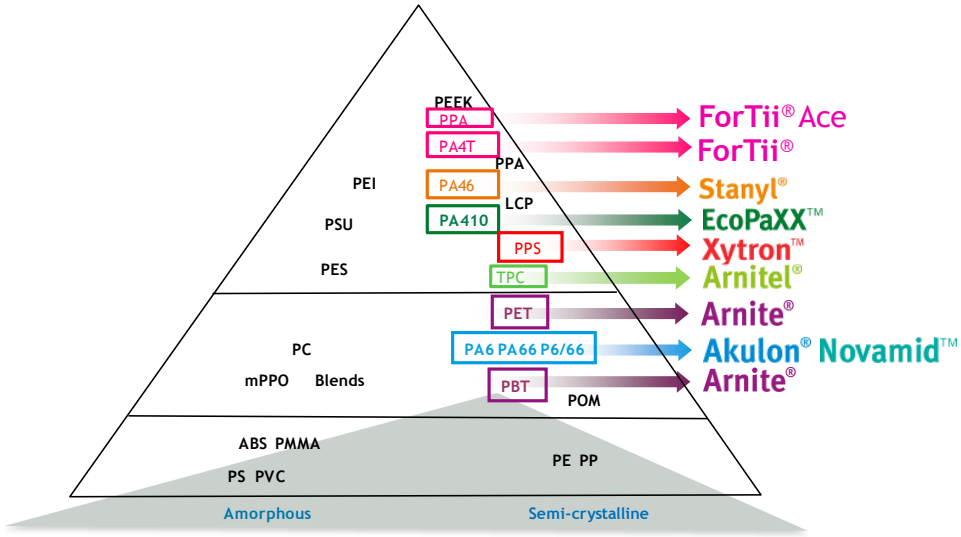
Extensive high-performance plastics portfolio



- Global market leading positions in:
  - Stanyl®: High Temperature Polyamides PA46, PA4T
  - Arnitel®: Thermoplastic Elastomer TPC
  - Arnite®: Specialties Polyester PET
  - Akulon®: Polyamide PA6 in Injection Molding and Film

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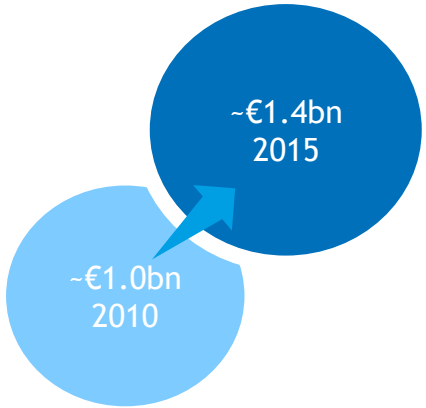
2010-2015 | Range of specialty materials expanded and application development capabilities strengthened

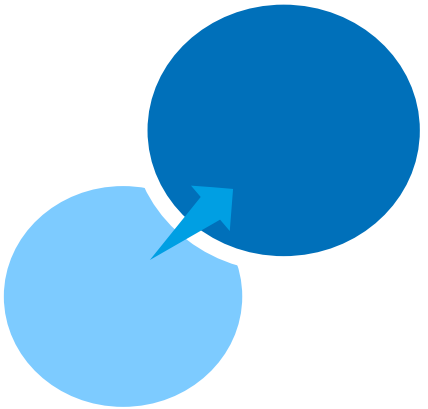
- Portfolio upgraded
  - Adding Stanyl ForTii and a new range of HPP products to the portfolio
  - Formed Joint Venture in PPS
- Strengthened application development capabilities
  - Increased global presence
  - Focus on ‘winning’ segments
- Step up in financial performance
  - Supported by successful implementation of by the 2012-14 Profit Improvement Program

Financial performance 2010-15

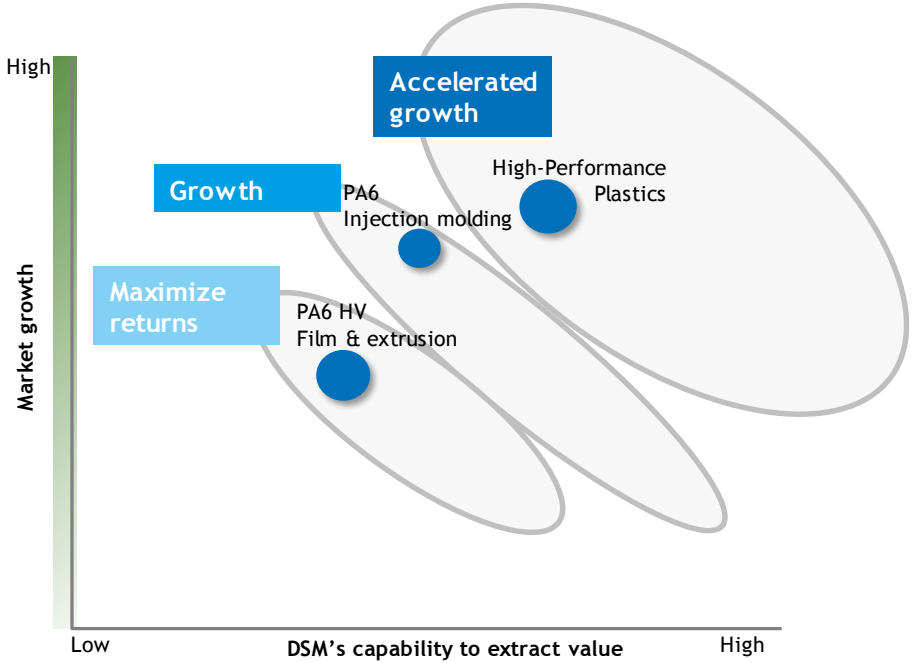
Revenues up ~40% in 5 years



Strong EBITDA growth



Strategy 2018 | Focus on broad high-performance plastics portfolio



- Maintain above market growth
- Drive higher margin businesses

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DSM Engineering Plastics aims to continue its application-driven growth path while continuously improving its operational efficiency

- Sales growth driven by:

  - Demand for higher performance, more complex, sustainable materials
  - Substitution growth driven by desire to reduce weight and replace hazardous materials
  - Innovative new materials with improved characteristics
  - Development capabilities key for new, specified applications

- Continue to improve operating leverage via:

  - Continuous operating efficiency improvements
  - Maximizing returns strategy in PA6 film & extrusion
    - Focus on higher-end products, best in class operations and increase of captive use for injection molding

DSM Engineering Plastics continues to push for top quartile productivity performance

- Further leveraging our global footprint
- Singular focus on efficiency and de-complexing the organization in order to further improve productivity
- Clear targets, ownership and accountability
- Driving value and growth through technology and expertise
- Relentless customer focus

DSM Engineering Plastics is ideally positioned for growth

Broad portfolio of high performance plastics

- Broad range and know-how of high performance polyamides and polyesters offers solutions for many challenges driving substitution growth
- Broad range differentiator to service increasingly demanding customers

Strong innovation/ R&D capabilities

- Close cooperation with customers to develop breakthrough innovative solutions
- Continuous investments in new technologies
  - Multiple platform launches based on ForTii technology

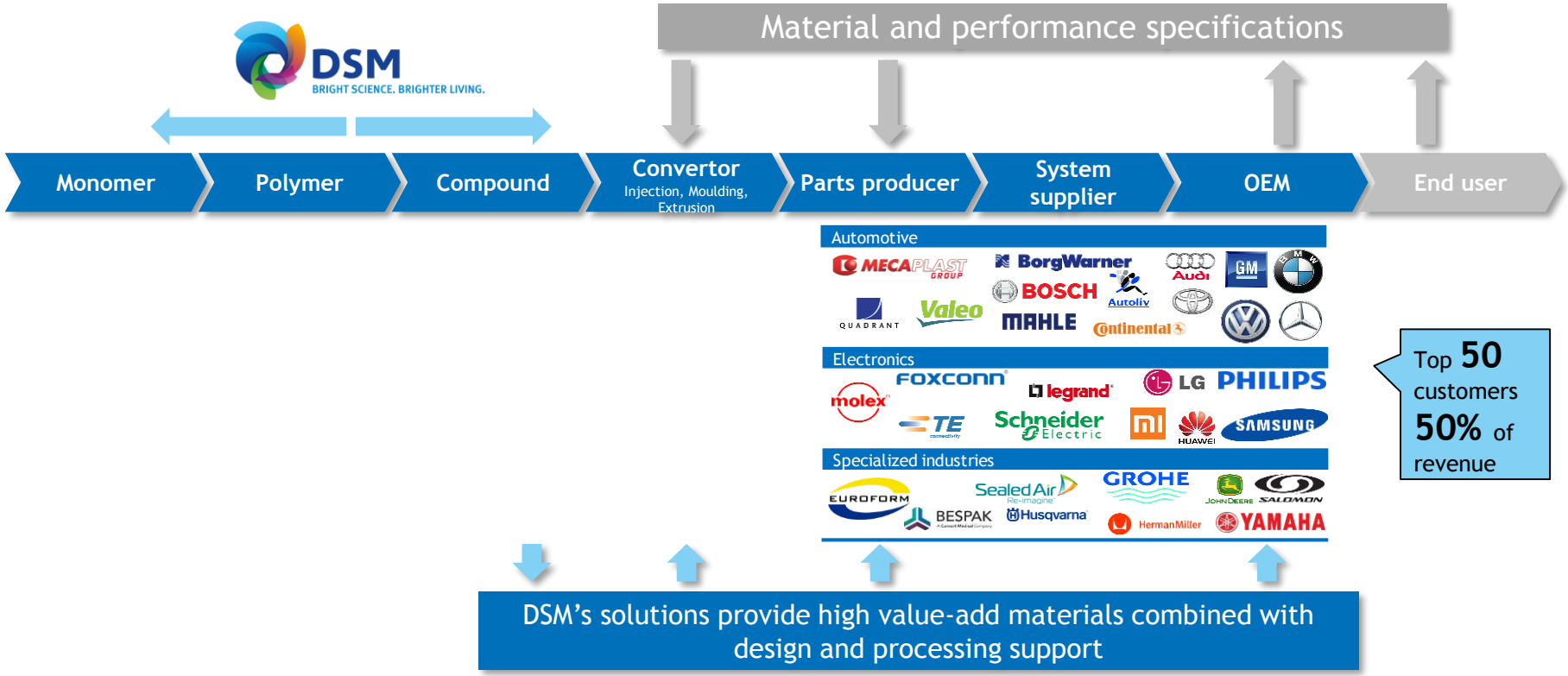
Global reach and leadership

- Global network provides application development capabilities and service for global OEM customers whenever, wherever
  - Increased footprint in HGE
  - Very strong presence in China

Specified application development

- 75% of business is highly specified by leading global brands (vs. 50% in 2015)
  - Customers as well as resilient income locked in

In the ‘winning segments’, value chains driven by leading OEMs and system integrators: close relationships are key



Automotive

Our customers respond to market expectations and use high performance plastics to re-design automotive components, creating lighter and connected cars

In Automotive, DSM Engineering Plastics offers solutions that help overcome challenges now

Traditional demand drivers

- Traditional automotive expected to grow 2-3% per year until 2030
- New economies are bringing cars up to Western standards (in terms of safety, efficiency and environmental impact)
  - Continued substitution push increases degree of high performance plastics in a car (drive train improvement, fuel efficiency)
- Cars are becoming more ‘connected’
  - DSM Engineering Plastics is a global leader in high performance plastics in electronics

Stanyl Diablo in Integrated Air Inlet Mainfolds

Arnitel HT in high temperature Airducts

87% of new cars already use DSM technology

In Automotive, DSM Engineering Plastics offers solutions that help overcome challenges in the future

Longer-term demand drivers

- Electrification leads to further shift to light-weighting other parts to expand the range of the car
- Higher performance, more complex materials needed for energy storage and autonomous systems
  - High pressure composite tank for hydrogen introduced recently
  - High-heat thermoplastic connectors for use in autonomous cars

SMT connectors

Akulon Fuellock in CNG and H2 Tanks

Work in close cooperation with customers to develop new solutions and applications

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Electronics

Consumers expect electronics industry to provide thinner, more convenient and more connected devices

With DSM technology in nearly every mobile device, DSM Engineering Plastics is ideally positioned to profit from digitization and mobility trends

DSM Engineering Plastics has a global leading position in connectivity

- Connectors
- Frames and enclosures for electronic devices
- More environmentally friendly miniature components
- Printed electronics

Ongoing push for digitization and mobility will further drive growth

- Smart homes
- Smart cities
- Online retailing
- Cloud computing

With its portfolio of high-performance plastics, DSM Engineering Plastics supports growth of all leading electronic manufacturers around the world

Why do we win

- Broad portfolio of high performance plastics meeting market needs
- Global reach and leadership
- Strong innovation/ R&D capabilities
- Specified application development capable to meet unmet market trends
- Productivity culture driving operating leverage

- DSM Engineering Plastics is ideally positioned to continue to outgrow existing markets, while extending applications into new profitable, specialty segments

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