

DSM-Firmenich merger to create largest fragrance, beauty, well-being and nutrition supplier

Swiss ingredients maker Firmenich and Dutch chemicals giant DSM are set to merge to become "the leading creation and innovation partner in nutrition, beauty and well-being". The merger, to form DSM-Firmenich, will join two companies that have been independent manufacturers for more than a century.



Source: Firmenich

DSM-Firmenich will benefit from complementary capabilities across fragrance, taste, texture and nutrition, fuelled by world-class science.

The deal will form a new global-scale partner to serve the food and beverage industry, combining DSM's Food & Beverage and Firmenich's Taste & Beyond businesses. Firmenich's global Perfumery and Ingredients business will expand further into Beauty through the addition of DSM's Personal Care & Aroma business. These new combined businesses will be joined by DSM's Health, Nutrition & Care and Animal Nutrition & Health businesses.

DSM-Firmenich's headquarters will be in Switzerland and the Netherlands. DSM shareholders will own 65.5% of the new Dutch-Swiss group, while current owners of Firmenich will own the rest of the shares and will receive €3.5bn in cash.

R&D capacity

The combined company's global footprint will provide customers with access to an extensive network of R&D, creation and application capabilities, informed by local consumer preferences, across regional and local hubs around the world.

Both companies bring scientific excellence across a network of 15 global R&D facilities, addressing major and emerging disciplines in the markets served. According to the companies, the merged entity brings together a continued commitment to discovery, scale-up and commercialisation including a portfolio of more than 16,000 patents across approximately 2,600 patent families.



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4 business units

DSM-Firmenich will be arranged in four strategic business units:

- **Perfumery & Beauty**, with combined revenues of €3.3bn, will be a creator of fragrances and beauty products and a global aroma ingredients business that together have leadership in renewable, natural, proprietary biodegradable and biotechnology-derived ingredients. Firmenich's global Perfumery and Ingredients business will expand into Beauty through the addition of DSM's Personal Care & Aroma business "to delight consumers with superior sensorial experiences and differentiated performance," the companies said.

- **Food & Beverage/Taste & Beyond**, with combined revenues of €2.7bn, will form a global-scale partner to the food and beverage industry with capabilities in taste, nutrition and functionality in order to provide delicious, nutritious and sustainable products that deliver unique and superior consumer experiences. The new business will create healthier, great-tasting, accessible food and beverages with more natural and sustainable ingredients, including market and innovation leadership in naturals and clean label products; in plant-based foods; and in supporting a superior taste experience whilst enhancing food's nutritional profile.

- **Health, Nutrition & Care**, with revenues of €2.2bn, will continue its development as an end-to-end partner providing customised solutions that support the health of people at every life stage. It will aim to keep the world's growing population healthy through a broad portfolio of sustainable, science-backed innovative solutions, addressing consumers' health and lifestyle needs, for customers in the dietary supplements, early-life nutrition, pharmaceuticals, medical nutrition, nutrition improvement for the under-nourished, and medical devices markets.

- **Animal Nutrition & Health**, with revenues of €3.3bn, will continue to focus on specialty science- and technology-driven solutions to the ever-increasing demand for protein such as meat but also eggs, fish and dairy, while also alleviating the pressure on the planet's finite natural resources. The business aims to make animal farming worldwide radically more sustainable by empowering farmers with essential products such as vitamins. It is one of the world's largest suppliers of eubiotics, enzymes, and mycotoxin risk management, as well as a wide range of innovations such as methane inhibitor Bovaer and fish-oil algae-alternative Veramaris.

Co-creation and innovation

At DSM-Firmenich's core will be deep science capabilities, with significant cross-fertilisation opportunities in bioscience, fermentation, green chemistry, receptor biology, sensory perception and formulation, augmented by analytical sciences, data sciences and artificial intelligence.

Geraldine Matchett and Dimitri de Vreeze, co-CEOs of DSM, commented: "We are honoured to propose the combination of DSM and Firmenich, and the opportunity to bring together 28,000 passionate people with a common commitment to

enable our customers to realise their ambitions as we better the health and well-being of people and the planet.

“Together DSM-Firmenich will enjoy complementary capabilities, including one of the largest creation communities in the industry, enabling us to unlock new opportunities for customers as well as position us to deliver enhanced long-term growth and shareholder value, sustainably.”



Libstar on the lookout for innovative food businesses to incubate

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The companies said that DSM-Firmenich will bring locally differentiated co-creation and innovation to best serve global companies, regional champions, and emerging brands and startups to bring new ideas to market with agility, and that the merged entity will enable further competitive advantages through critical mass in creation and application capabilities in all regional and local hubs worldwide to address specific consumer preferences and serve customers anywhere they operate.

Gilbert Ghostine, CEO of Firmenich, said: “This is the natural next step in Firmenich’s evolution. We are excited to build on Firmenich’s tradition of entrepreneurial excellence and create a global leader that will be able to bring breakthrough innovation and technologies to our customers, addressing the most pressing needs of consumers.

“DSM shares our purpose-led values and, like us, creates value for its customers through its science-based approach and pioneering technologies, making a real difference to people and planet. I am excited that the legacy of Firmenich will shape a new industry leader that will innovate for a better world.”

DSM’s Geraldine Matchett and Dimitri de Vreeze will run the combined firm. DSM’s chair Thomas Leysen will continue in his role at the new company, and Patrick Firmenich, currently chairman of Firmenich, will be vice chair of the board.

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