

Letter to shareholders



Stefan P. Butz, CEO, and Marco Gadola, Chairman

Dear shareholders,

In 2024, DKSH navigated an environment characterized by geopolitical uncertainties and macroeconomic challenges. In our markets, we observed cautious consumer sentiment, a slowly normalizing specialty chemicals market, and a persistent high demand for healthcare services. Despite these challenges, we demonstrated resilience and continued to build on our trajectory of sustainable and profitable growth.

Core EBIT (at CER, constant exchange rates) increased by 8.4% to CHF 343.1 million, highlighting the strength and scalability of our business model. Free cash flow totaled CHF 256.5 million, enabling us to accelerate our M&A strategy and to propose an increased ordinary dividend to our shareholders.

Our strategic efforts over recent years have delivered measurable success. Since 2020, we have achieved a consistent annual Core EBIT growth of 13.0% (at 2020 exchange rates), expanded our Core EBIT margin by 70 basis points, and generated more than CHF 1.2 billion in Free cash flow. During the same period, we returned more than CHF 650 million to our shareholders through dividends and executed 29 acquisitions to strengthen our portfolio.

In 2024, we established new partnerships with key clients, customers, and suppliers. One of the new partnerships worth highlighting is our largest single contract in Business Unit Healthcare with Kyowa Kirin, a Japan-based global specialty pharmaceutical company. In close collaboration with Kyowa Kirin, DKSH will provide end-to-end healthcare so-

lutions with an emphasis on improving patient access to healthcare across six key markets to target diverse medical fields like nephrology. In addition to our strong business development activities, we have also grown through M&A, having closed four acquisitions in 2024. These initiatives have broadened our regional footprint, diversified our partner network, and enhanced our range of value-added services.

Digitalization remains high on our agenda. One of our most exciting projects in 2024 was the launch – together with Euris – of “ConnectPlus”, an advanced customer relationship management (CRM) and multi-channel engagement platform set to revolutionize healthcare distribution across Asia Pacific. This agile, data-driven solution streamlines operations by providing a 360-degree view of healthcare professionals and optimizing omnichannel strategies. In addition, we have grown our digital business by more than four times since 2019, achieving more than CHF 500 million of digitally initiated and transacted sales for the first time. This confirms DKSH’s consistent commitment to its digital strategy and the development of its performance marketing as well as eCommerce capabilities according to clients’ needs.

During 2024, we further advanced our Sustainability agenda. We continued to strengthen our social due diligence, reduced our Scope 1+2 CO₂ emissions, and report both higher numbers of women in senior leadership positions as well as increased employee engagement scores. We are proud that our sustainability achievements are recognized with an A rating in the MSCI ESG assessment.

In November 2024, DKSH held its third Capital Markets Day in London. At the event, DKSH outlined its mid-term roadmap based on the strategic priorities of growth, margin expansion, and accelerated M&A. We presented updated Business Unit strategies and communicated that we will continue to drive sustainability. Our performance reaffirms the robustness of our business model and our ability to navigate market complexities while delivering sustainable value to all stakeholders. With clear priorities and a strong financial foundation, we remain committed to achieving our mid-term objectives and driving long-term growth.

All Business Units Improved Performance

These achievements are reflected by the fact that all four Business Units increased their net sales and Core EBIT at CER compared to 2023.

Business Unit Healthcare recorded a net sales growth of 6.0% (at CER) and a stronger Core EBIT growth of 11.0% (at CER), corresponding to the fourth consecutive year of Core EBIT growth and resulting in a Core EBIT margin of 2.9% (+10 basis points). Major contributors were the strong underlying markets, the successful business expansion with both existing and new clients in key markets, the continued shift to the higher-margin Commercial Outsourcing business, as well as the continued focus on the Own Brands business. The Business Unit will continue to enhance its leading position and drive into higher-margin segments and services.

Business Unit Consumer Goods achieved a Core EBIT increase of 12.7% (at CER) and drove a net sales growth of 1.6% (at CER) to CHF 3.4 billion, aided by a combination of solid market share gains in Vietnam, Australia and New Zealand as well as a positive contribution from the beauty care acquisition (CS&Co). The focus has also been on further improving margins and scale through secondary growth engines, with a strong performance by the Own Brands business. DKSH exceeded its mid-term Core EBIT target of 2.5% reaching a Core EBIT margin of 2.6% in 2024. The Business Unit will further leverage its leadership position to drive profitable growth in Asia Pacific.

Business Unit Performance Materials recorded a net sales growth of 1.2% (at CER) in a challenging market environment, with a stronger momentum in the second half. Driven by gross margin expansion, Core EBIT in 2024 was CHF 114.0 million and grew by 2.4% (at CER) with a slightly higher Core EBIT margin of 8.1%. Core EBITA was CHF 123.3 million (+2.1% at CER) and the Core EBITA margin expanded from 8.7% to 8.8%, with a strong performance in Asia Pacific, where the Business Unit grew both its life science and industrial segments. This scalable and global business model combined with further industry consolidation potential provide future growth opportunities to the Business Unit.

Business Unit Technology delivered a strong second half of 2024, achieved net sales growth of 6.9% (at CER) and marginally increased Core EBIT by +0.6% (at CER). In a difficult macro environment, this result reflects the continued resilience and strong strategy execution, following the record performance in 2023. Business Unit Technology will continue to focus investments in its Business Lines Scientific Solutions, Semiconductor and Electronics, Precision Machinery, as well as its Consumables and Services business. At the same time, the Business Unit will continue to capitalize on market consolidation opportunities, as recently demonstrated with the acquisition of CLMO.

Proposed Dividend Increase Reflects Strong Financial Performance

In light of our solid financial results for the past fiscal year, the Board of Directors will propose an ordinary dividend of CHF 2.35 per share at the upcoming Ordinary General Meeting. This represents an increase of CHF 0.10 per share com-

pared to the previous year, corresponding to a year-over-year growth of 4.4%. Subject to approval at the Ordinary General Meeting, the payment date for the dividend is set to start on April 2, 2025 with a record date of April 1, 2025, and an ex-dividend date of March 31, 2025. Since the listing in 2012, we will then have paid a higher ordinary dividend 12 years in a row, making DKSH one of the few Swiss companies with a track record of at least ten years of consecutive dividend increases. We also remain committed to advancing our M&A strategy to drive long-term value creation for our shareholders.

DKSH is committed to its mid-term roadmap, highlighting that its outlook for 2025 aligns with these goals. The company expects Core EBIT in 2025 to be higher than in 2024. This outlook assumes economic growth in Asia Pacific, constant exchange rates, and barring any unforeseen events. The Group remains confident about Asia Pacific's long-term potential and is well-positioned to benefit from favorable market, industry, and M&A consolidation trends.

As a leading provider of distribution services, we benefit from a deep understanding of local markets and a robust regional infrastructure. This enables us to deliver tailored solutions that meet the diverse needs of our clients and customers. We will continue to drive business development through executing our strategy, embracing digitalization, fostering cultural transformation, prioritizing sustainability, and pursuing strategic M&A opportunities, all while maintaining a focus on operational excellence.

We sincerely thank our employees for their valuable contributions and our stakeholders for their ongoing support and trust. As we enter 2025, we are especially excited to celebrate DKSH's 160th anniversary in Japan and look forward to strengthening our partnerships and achieving new milestones together.

Sincerely yours,



Marco Gadola
Chairman



Stefan P. Butz
CEO

Key figures

Consolidated Income Statement				At CER¹	
in CHF millions	2024	2023	Change in %	Change in %	
Net sales	11,093.6	11,066.0	0.2	4.0	
Core operating profit (EBIT)	343.1	329.9	4.0	8.4	
Operating profit (EBIT)	333.9	305.9	9.2	13.9	
Core profit after tax	225.7	205.0	10.1	13.9	
Profit after tax	220.9	189.9	16.3	20.4	
Free cash flow	256.5	282.3	(9.1)	n/a	

Consolidated Statement of Financial Position			
in CHF millions		December 31, 2024	December 31, 2023
Total assets		5,848.3	5,471.2
Equity attributable to the shareholders of DKSH Holding Ltd.		1,820.6	1,686.9
Net operating capital (NOC)		1,788.0	1,692.4
Net cash		48.1	6.5
Core return on net operating capital (RONOC) (in %)		19.7	18.7
Core return on equity (ROE) (in %)		12.1	11.7

Earnings per Share			
in CHF		2024	2023
Basic earnings per share		3.31	2.80
Diluted earnings per share		3.30	2.80

Other			
		December 31, 2024	December 31, 2023
Headcount		28,063	29,040
Full-time equivalents		26,167	27,062

¹ Constant exchange rates (CER): 2024 figures converted at 2023 exchange rates.

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