

Ad hoc announcement pursuant to Art. 53 LR

## DKSH Delivers Growth<sup>1</sup> and Margin Expansion Alongside Strong Cash Conversion in Full-Year 2023

- Net sales reached CHF 11.1 billion (5.3% at CER<sup>1</sup>)
- Core EBIT grew to CHF 329.9 million (12.6% at CER<sup>1</sup>)
- Core EBIT margin expanded by >15 basis points to 3.0%
- Free Cash Flow of CHF 282.3 million (cash conversion at 137.0%)
- Dividend proposal of CHF 2.25 per share (+4.7%)<sup>2</sup>
- Capital Markets Day planned in H2 2024

Key Figures Group (CHF million)	2023	2022	Δ in % CHF	Δ in % CER <sup>1</sup>
Net sales	11,066.0	11,320.2	(2.2)	5.3
Core operating profit (Core EBIT)	329.9	319.2	3.4	12.6
Core EBIT margin	3.0%	2.8%	-	-
Operating profit (EBIT)	305.9	319.2	(4.2)	5.1
Core profit after tax	206.0	208.4	(1.2)	5.8
Profit after tax	189.9	207.6	(8.5)	(1.5)
Free Cash Flow	282.3	209.5	34.7	-
Dividend (in CHF)	2.25 <sup>2</sup>	2.15	4.7	-

Zurich, Switzerland, February 16, 2024 – DKSH’s full-year 2023 results are marked by above GDP<sup>3</sup> growth at CER<sup>1</sup>, further margin expansion, and effective cash generation. Net sales reached CHF 11.1 billion (5.3% at CER), Core EBIT grew to CHF 329.9 million (12.6% at CER), and Free Cash Flow reached CHF 282.3 million (137.0% cash conversion). All Business Units recorded Core EBIT growth at CER and higher Core EBIT margins.

DKSH CEO, Stefan P. Butz, said: “I am pleased to report that DKSH delivered a strong operational performance of GDP+<sup>3</sup> growth (at CER) and double-digit Core EBIT growth (+12.6% at CER) including further margin expansion in 2023 despite a challenging macro environment. These results add to our consistent track record of achieving +10.1% Core EBIT growth per year (at CER) and +60 basis points margin expansion since 2019 (pre-covid). The exceptionally strong appreciation of the Swiss franc resulted in a negative currency effect of 9.2% on Core EBIT. Capitalizing on diligent strategy execution and our resilient business model, our valued employees across the Group delivered these solid results. We continue to be the trusted partner for our clients and customers, making good progress towards meeting our long-term sustainability targets, and fulfilling our purpose of enriching people’s lives. In 2024, we will continue to grow Core EBIT (at CER).”

### DKSH Group

DKSH Group reported a net sales decrease by 2.2% to CHF 11.1 billion in 2023 and increase by 5.3% at CER. Organic growth contributed the most with 3.2%, acquisitions added 2.1%, and exchange rates -7.5% due to the strong appreciation of the Swiss franc.

<sup>1</sup> Constant exchange rates (CER): 2023 figures converted at 2022 exchange rates. <sup>2</sup> Proposal of the Board of Directors.

<sup>3</sup> Weighted GDP calculation based on DKSH 2023 Net sales market split.

\* For the definition of Alternative Performance Measures (APM), see Annual Report 2023.

Group Core EBIT reached CHF 329.9 million, 12.6% above 2022 levels (at CER). Core EBIT margin increased from 2.8% in the previous year to 3.0%. Core profit after tax was CHF 206.0 million. The difference between Core EBIT and EBIT (CHF -24.0 million) as well as Core profit after tax and profit after tax (CHF -16.1 million) are predominately non-cash and mainly due to the discontinuation of the non-profitable and non-core fashion retail business as well as from the share of non-operational loss in associates following fair value adjustments. Free Cash Flow reached CHF 282.3 million compared to CHF 209.5 million in 2022, with an improved cash conversion at 137.0%.

### Business Unit Healthcare

Business Unit Healthcare accelerated net sales growth (6.5% at CER) in 2023 and further increased Core EBIT margin from 2.6% to 2.8%. A key driver for these excellent results was business development with existing and new clients in Thailand, Malaysia, and Vietnam as well as the strong underlying market. The continued focus on value-added segments and services, such as the Own Brands and Medical Device businesses, as well as Full Agency services also contributed to the Business Unit's strong year. With the two acquisitions of Partizan in Australia as well as Medipharm in Brunei (early 2024), Business Unit Healthcare further strengthened its market presence and is well positioned for future profitable growth.

Healthcare (in CHF million)	2023	2022	Δ in % CHF	Δ in % CER
Net sales	5,578.2	5,636.9	(1.0)	6.5
Core EBIT	155.9	146.2	6.6	14.5
EBIT	155.9	146.2	6.6	14.5

### Business Unit Consumer Goods

The focus of Business Unit Consumer Goods on its core activities resulted in net sales growth (2.2% at CER) to CHF 3.5 billion. Core EBIT grew (at CER) and the Core EBIT margin was 2.3%. Following a detailed analysis of the portfolio, the strategic direction has evolved to an even stronger focus on the FMCG (Fast Moving Consumer Goods) business. Subsequently, DKSH decided to discontinue the non-profitable and non-core fashion retail business, which is already fully reflected in the 2023 results. With these steps, the Unit will continue capitalizing on its position in Asia Pacific and driving growth and profitability in its core business under the leadership of the new Business Unit Head.

Consumer Goods (in CHF million)	2023	2022	Δ in % CHF	Δ in % CER
Net sales	3,515.5	3,708.7	(5.2)	2.2
Core EBIT	82.5	86.9	(5.1)	2.2
EBIT	66.9	86.9	(23.0)	(15.8)

### Business Unit Performance Materials

Business Unit Performance Materials delivered net sales growth of 6.1% (at CER) in a very challenging market environment. Driven by gross margin expansion and strong cost control, Core EBIT in 2023 was CHF 116.0 million and grew double-digit at CER with a strong Core EBIT margin increase of 40 basis points to 8.1%. To provide additional disclosure and enhance industry comparability: DKSH increased Core EBITA from CHF 115.7 million to CHF 125.6 million (+17.4% at CER) and expanded the Core EBITA margin from 7.9% to 8.7% (+80 basis points), with positive contributions by all regions. At the same time, the Unit successfully reduced inventory levels and improved working capital days.

In Asia Pacific and Europe, the Unit benefited from robust demand across the life science sector (food and beverages, pharma, personal care). A scalable and global business model, its business development pipeline, and further industry consolidation potential provide future growth opportunities.

<b>Performance Materials</b> (in CHF million)	<b>2023</b>	<b>2022</b>	<b>Δ in % CHF</b>	<b>Δ in % CER</b>
Net sales	1,439.7	1,461.4	(1.5)	6.1
Core EBIT	116.0	112.2	3.4	12.1
EBIT	116.0	112.2	3.4	12.1

### **Business Unit Technology**

Business Unit Technology again achieved remarkably strong results in 2023. Both net sales and Core EBIT increased double-digit (at CER), resulting in a higher Core EBIT margin of 6.8%. Business Unit Technology continued to grow key areas such as scientific instrumentation, precision machinery, and equipment for the semiconductor industry. The consumables and service segments continued to be important growth drivers. With the acquisition of Bio-Strategy in Australia and New Zealand, Business Unit Technology strengthened its leading position in the scientific instrumentation space in Asia Pacific. With further market consolidation potential ahead, the Business Unit will keep fostering its position in key industries and higher margin segments and services.

<b>Technology</b> (in CHF million)	<b>2023</b>	<b>2022</b>	<b>Δ in % CHF</b>	<b>Δ in % CER</b>
Net sales	532.6	513.2	3.8	12.5
Core EBIT	36.0	33.2	8.4	17.8
EBIT	36.0	33.2	8.4	17.8

### **Sustainability**

DKSH also published its Sustainability Report 2023 today, highlighting the good progress made on its Sustainability Strategy based on four objectives People, Value Chain, Climate, and Local Impact. DKSH increased the percentage of women in senior leadership positions to 34%, which benchmarks strongly in its industry and region. Bringing it closer to its target of climate neutrality by 2030, DKSH achieved a 50% reduction of Scope 1+2 greenhouse gas emissions compared to its 2020 baseline. DKSH launched a Social Impact Strategy and organized 94 local community projects. All efforts resulted in receiving the second EcoVadis Gold rating with an increased score.

### **Outlook**

DKSH is committed to deliver GDP+<sup>1</sup> sales growth (at CER) and expects Core EBIT (at CER) in 2024 to be higher than in 2023 based on its resilient business model, successful strategy execution, and strong balance sheet. This outlook assumes economic growth in Asia Pacific, exchange rates at current levels, and barring any unforeseen events. The Group remains confident about Asia's long-term potential and is well-positioned to benefit from favorable market, industry, and M&A consolidation trends.

### **Capital Markets Day 2024**

DKSH is delighted to announce that its Capital Markets Day 2024 will be held in London in the second half of 2024. Further information on the date and location of the event will be announced at a later stage.

### **Further Information**

The conference and webcast for media and investors will take place today at 11:00 a.m. CET. The [Annual Report 2023](#), the [Sustainability Report 2023](#), and the recording will be available on the DKSH website.

<sup>1</sup> Weighted GDP calculation based on DKSH 2023 Net sales market split.

## Appendix\*:

### Net Sales Growth Components

(in CHF million)	2023	2022	% CHF	% Organic	% M&A	% FX
Healthcare	5,578.2	5,636.9	(1.0)	6.2	0.3	(7.5)
Consumer Goods	3,515.5	3,708.7	(5.2)	1.9	0.3	(7.4)
Performance Materials	1,439.7	1,461.4	(1.5)	(6.7)	12.8	(7.6)
Technology	532.6	513.2	3.8	7.6	4.9	(8.7)
<b>DKSH Group</b>	<b>11,066.0</b>	<b>11,320.2</b>	<b>(2.2)</b>	<b>3.2</b>	<b>2.1</b>	<b>(7.5)</b>

### EBIT to Core EBIT – 2023

(in CHF million)	Operating profit (EBIT)	Discontinuation of fashion retail business	Goodwill impairment	Fair value adjustment related to employee benefit expenses	Share of result in associates	Core operating profit (Core EBIT)
Healthcare	155.9	-	-	-	-	155.9
Consumer Goods	66.9	11.7	3.9	-	-	82.5
Performance Materials	116.0	-	-	-	-	116.0
Technology	36.0	-	-	-	-	36.0
Other/Elimination	(68.9)	-	-	0.9	7.5	(60.5)
<b>Group Total</b>	<b>305.9</b>	<b>11.7</b>	<b>3.9</b>	<b>0.9</b>	<b>7.5</b>	<b>329.9</b>

### Profit after tax to Core profit after tax

(in CHF million)	2023	2022
Profit after tax	189.9	207.6
Discontinuation of fashion retail business	9.8	-
Goodwill impairment	3.9	-
Fair value adjustment related to employee benefit expenses	0.9	-
Share of results in associates	7.5	-
Loss on sale of subsidiaries	2.0	0.1
Expense/(Income) from financial instruments	(8.0)	0.7
<b>Core profit after tax</b>	<b>206.0</b>	<b>208.4</b>

\* For the definition of Alternative Performance Measures (APM), see Annual Report 2023.

**About DKSH**

DKSH's purpose is to enrich people's lives. For almost 160 years, DKSH has been delivering growth for companies in Asia and beyond across its Business Units Healthcare, Consumer Goods, Performance Materials, and Technology. As a leading Market Expansion Services provider, DKSH offers sourcing, market insights, marketing and sales, eCommerce, distribution and logistics as well as after-sales services. DKSH is a participant of the United Nations Global Compact and adheres to its principles-based approach to responsible business. Listed on the SIX Swiss Exchange, DKSH operates in 35 markets with 29,040 specialists, generating net sales of CHF 11.1 billion in 2023. [www.dksh.com](http://www.dksh.com)

**For further information, please contact:****DKSH Holding Ltd.****Till Leisner**

Head, Investor & Media Relations, Sustainability

Phone +41 44 386 7315

[till.leisner@dksh.com](mailto:till.leisner@dksh.com)

**Melanie Grüter**

Manager, Group Media Relations

Phone +41 44 386 7211

[melanie.grueter@dksh.com](mailto:melanie.grueter@dksh.com)