

DKSH

Capital Markets Day 2024

London, November 18, 2024

Delivering Growth – in Asia and Beyond.

Today's Speakers



Marco Gadola
Chairman of the
Board of Directors



Stefan P. Butz
Chief Executive
Officer



Ido Wallach
Chief Financial
Officer



Bijay Singh
Head Business Unit
Healthcare



Hanno Elbraechter
Head Business Unit
Technology



Chris Ritchie
Head Business Unit
Consumer Goods



Thomas Sul
Co-Head Business Unit
Performance Materials



Natale Capri
Co-Head Business Unit
Performance Materials

Today's Agenda



Time	Theme	Speaker
13:05 – 13:20	Chairman's Address	Marco Gadola
13:20 – 13:50	CEO Note	Stefan P. Butz
13:50 – 14:20	Financial Framework	Ido Wallach
14:20 – 14:35	Break	
14:35 – 15:05	Business Unit Healthcare	Bijay Singh
15:05 – 15:35	Business Unit Technology	Hanno Elbraechter
15:35 – 16:00	Break	
16:00 – 16:30	Business Unit Consumer Goods	Chris Ritchie
16:30 – 17:00	Business Unit Performance Materials	Thomas Sul, Natale Capri
17:00 – 17:15	Break	
17:15 – 18:00	Q&A Session	CEO, CFO, Business Unit Heads
18:00	Dinner @ Los Mochis	



Marco Gadola
Chairman of the Board
of Directors

Joined DKSH:
2020

**DKSH is well positioned for its
next phase of growth, margin
expansion and accelerated M&A**

DKSH Is Well Positioned for Its Next Phase of Growth, Margin Expansion, and Accelerated M&A



Board of Directors fully aligned with management on future strategic priorities

Building on a Strong Foundation



Asia Pacific remains an attractive growth region outpacing the world



DKSH has a **resilient, asset-light**, and **cash generative** business model



Unmatched **~160 years legacy** with unique network and relationships

With a Proven Track Record



Core EBIT CAGR +10.1%¹



High Performance Culture established



Distributed **>CHF 650M** in **dividends** and invested in **28 M&As**²

Future Strategic Priorities





Stefan Butz
Chief Executive Officer

Joined DKSH:
2017

**DKSH mid-term roadmap:
Deliver growth, margin expansion,
and accelerated M&A**

Deliver on Our 2020 Promises: A Better, More Efficient Company



Our Promises at the CMD 2020

-  Drive Business Unit growth strategies
-  M&A and expand regional footprint
-  Nurture high-performance culture
-  Drive operational excellence
-  Champion digitalization
-  Strengthen and update supply chain

Our Delivery

-  Higher **strategic focus**, Core EBIT **ca. +50%**¹
-  **28 M&As** since 2019
-  **78** engagement score (from 74)
-  Core EBIT Margin **+60bps**
-  Digital Sales: **>3.5x**², Value Chain further digitized, AI test pilots
-  **Modernized** distribution centers, less paper, more digital payments

¹ Constant exchange rates (CER): Figures converted at 2019 exchange rates; ² Since 2019.

We Are the Leading Market Expansion Services Provider in Asia and Beyond



CHF 11.1 billion

Net sales, 2023



36

markets



28,186

specialists¹



CHF 329.9 million

Core EBIT, 2023



~400,000

customers



>4,000

suppliers



We are experts in **navigating agile, complex markets** with strict compliance to local regulations and consumer preferences



We provide unmatched **one-stop sales, marketing and distribution solutions** for companies expanding in Asia and beyond



With almost **160 years** of experience in Asia, we leverage a **strong network** of trusted partnerships

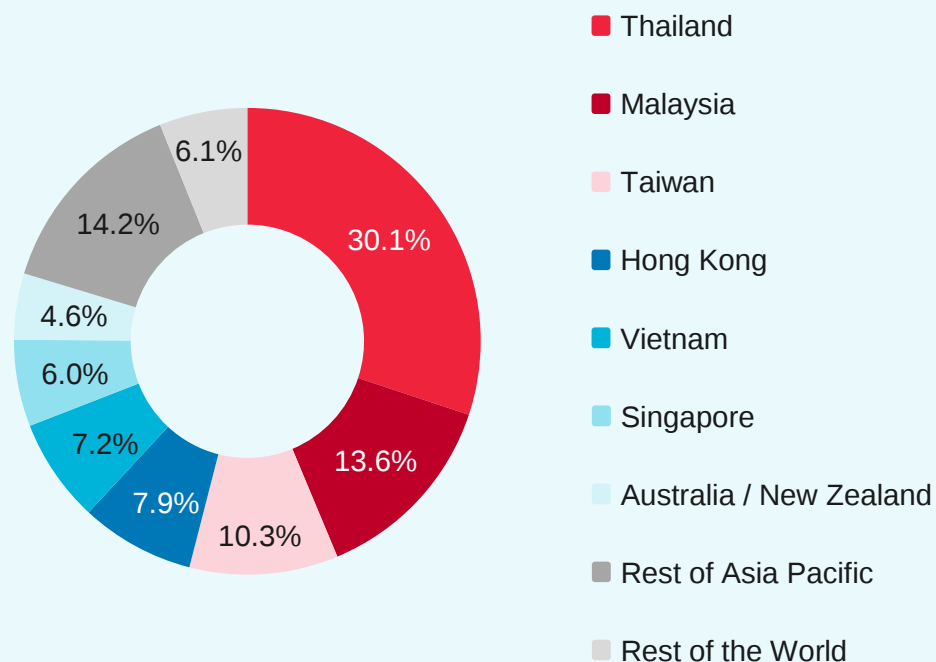


Our diverse portfolio across four Business Units provides **a high level of resilience** through global challenges and economic shifts

Further Expanded Regional Footprint Since 2019



Net Sales by Market 2023



Established **specialty chemicals distribution platform** in **North America**



Expanded business in **Australia & New Zealand**



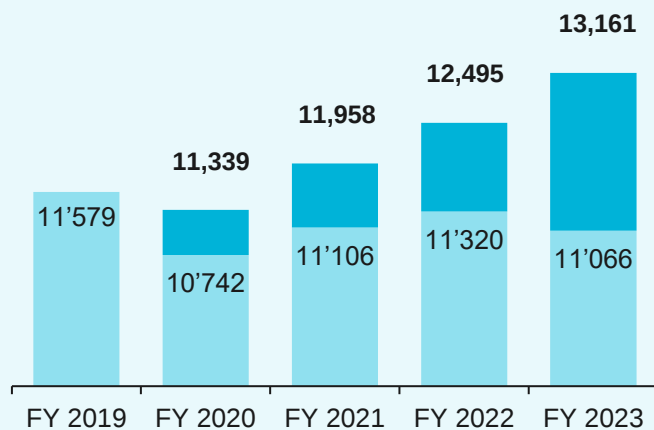
Focus on **fast-growing VIP markets***

Strong Long-Term Performance



Net Sales (in CHF million)

**CAGR
+3.3%¹**



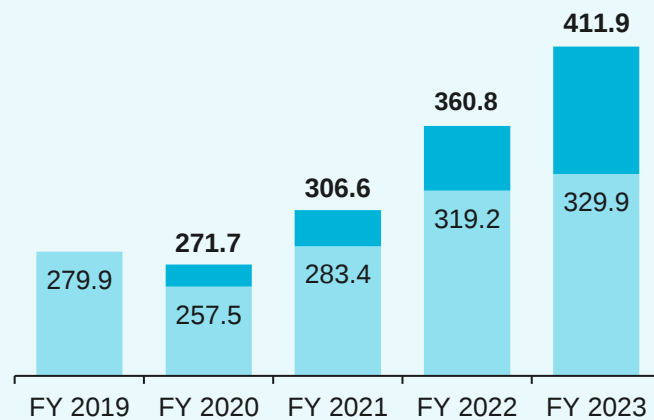
■ Net Sales ■ FX impact

Capex/ Net Sales (%)

0.4% 0.4% 0.5% 0.4% **0.3%**

Core EBIT (in CHF million)

**CAGR
+10.1%¹**



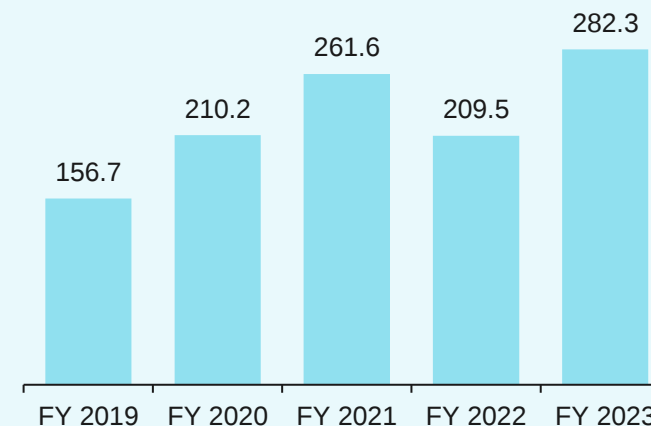
■ Core EBIT ■ FX impact

Core EBIT Margin (%)

2.4% 2.4% 2.6% 2.8% **3.0%**

Free Cash Flow (in CHF million)

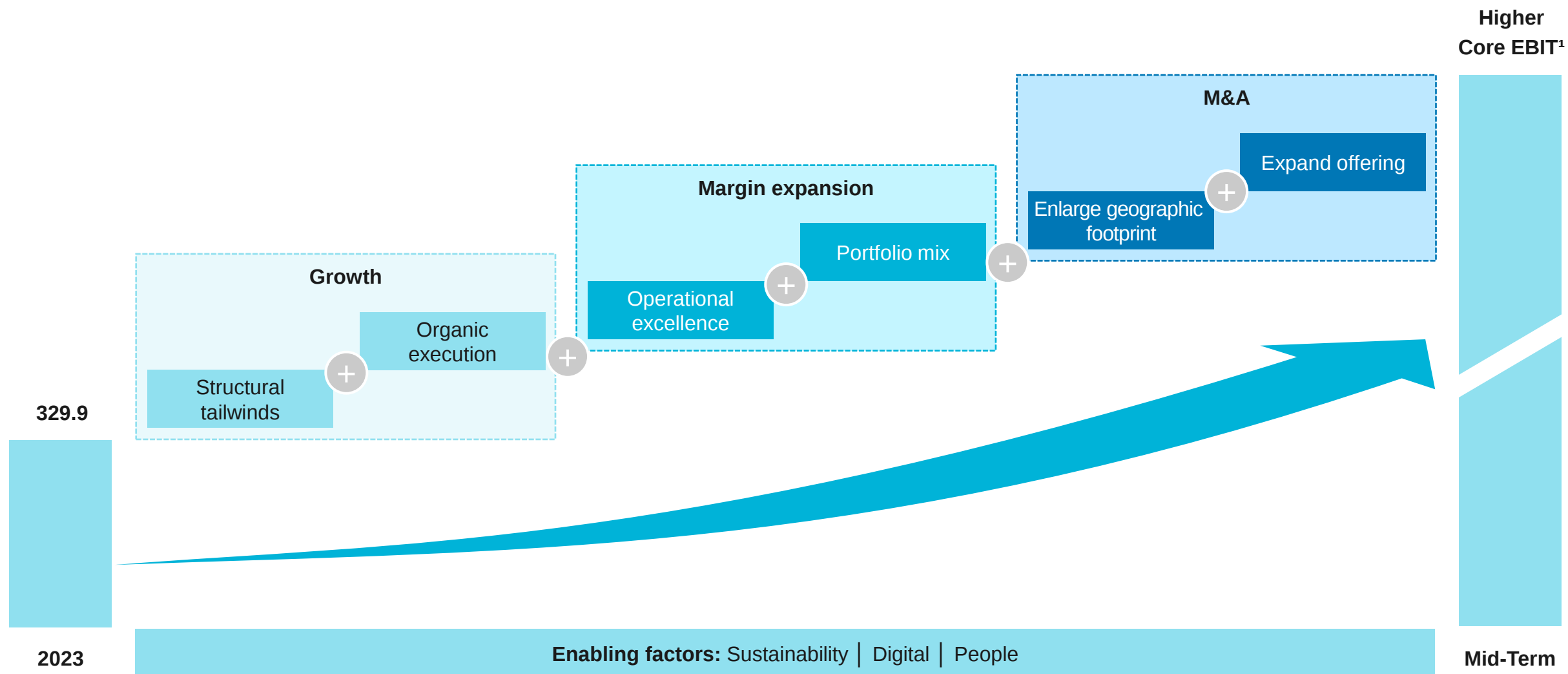
**CAGR
+15.9%¹**



Cash Conversion (%)

83.4% 135.4% 134.8% 100.5% **137.0%**

DKSH Mid-Term Roadmap: Our Strategic Priorities will Deliver Higher Core EBIT Levels¹



¹ Assumes economic growth in Asia Pacific, at constant exchange rates (CER), and barring any unforeseen events

Growth Through Strong Underlying Fundamentals and Business Unit Growth Strategies



Structural Tailwinds



Sound economic fundamentals



Favourable demographic trends



Outsourcing and digitalization



Higher complexity and regulation



Distributor network consolidation

Organic Execution (Business Unit Strategies)

Healthcare: Expand our strong market position and drive into higher value segments and services

Consumer Goods: Leverage on our leadership position to drive profitable growth in Asia Pacific

Performance Materials: Build leading global position in specialty chemicals distribution

Technology: Solidify our position as a leading Scientific Solutions provider in Asia and Beyond

Margin Expansion Through Operational Excellence and Portfolio Mix



Operational Excellence



Sales force excellence



Improve cost position



Drive simplification

Portfolio Mix



Increase share of full-service business

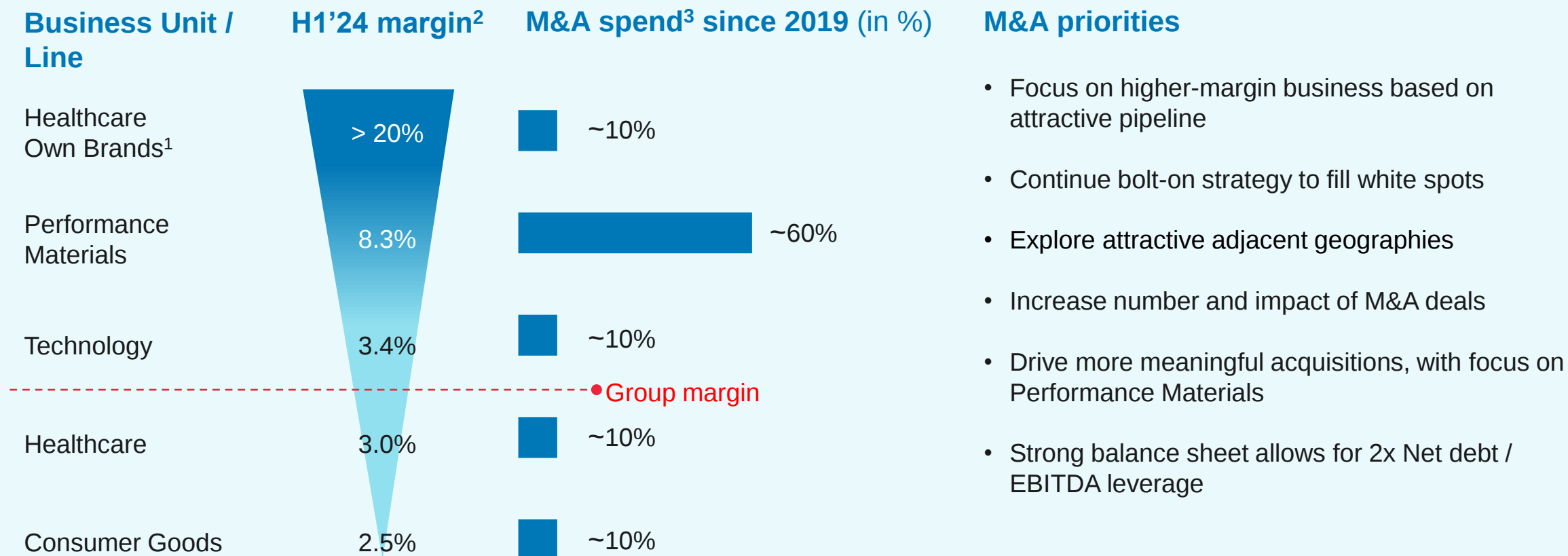


Drive higher-margin segments
(e.g. Own Brands)



Strategic healthy client mix

M&A: Accretive Acquisitions Supplementing Organic Growth



Commitment to continued strategic bolt-on M&A approach, with appetite for more impactful transactions

Our Commitment to Sustainability is Reflected in Strong Rating Results



Our Four Sustainability Objectives



Flourishing people



Achieve net zero emissions



Sustainable value chains

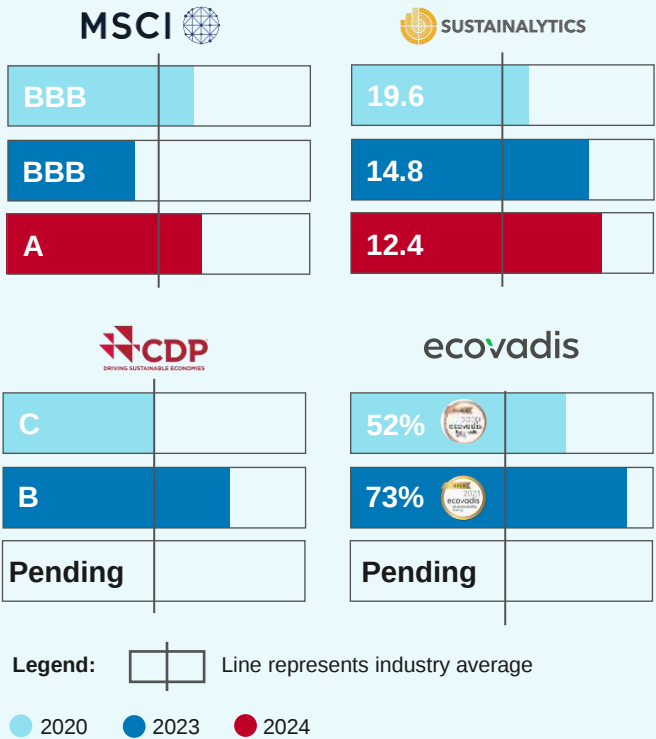


Positive local impact



Committed to set Science Based Target

Selection of Sustainability Ratings





Key Highlights



Digitalization
of distribution centers



>3.5x digital sales vs. 2019



83% digital payments in 2023,
up from 75% in 2022



Multiple **AI** pilot projects in progress



Ambition to innovate & incubate, drive digital transformation, and increase digital sales

Accelerating our Performance Culture – Investing in and Empowering our People



Key Highlights



37% females in senior leadership (from 29%)



Increased employee engagement score of **78** (from 74)



Award-winning **employer of choice**



We continue to attract, empower and develop talent for DKSH



Ido Wallach
Chief Financial Officer

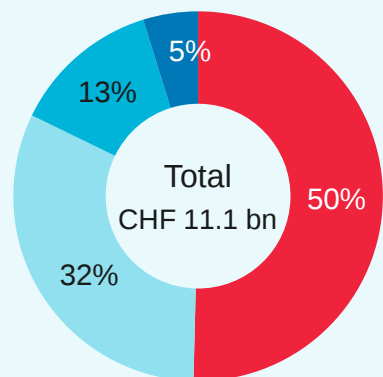
Joined DKSH:
2019

**Scaling our business for
further sustainable, profitable
growth in Asia and Beyond**

DKSH Operates a Resilient and Diversified Business Model

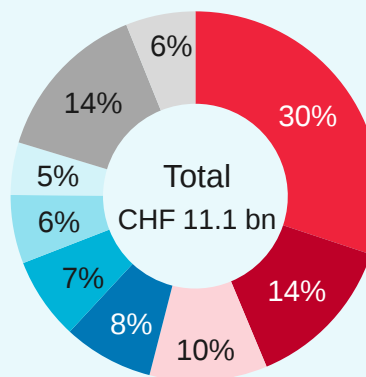


Net Sales by Business Unit¹



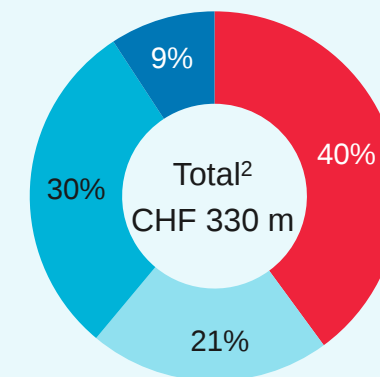
■ Healthcare
■ Consumer Goods
■ Performance Materials
■ Technology

Net Sales by Market¹



■ Thailand
■ Hong Kong
■ Australia / New Zealand
■ Malaysia
■ Vietnam
■ Rest of Asia Pacific
■ Taiwan
■ Singapore
■ Rest of the World

Core EBIT² by Business Unit¹



■ Healthcare
■ Consumer Goods
■ Performance Materials
■ Technology

Suppliers
>4,000¹



229
 Distribution centers¹



54
 Innovation centers³



>18 m
 Invoices p.a.³

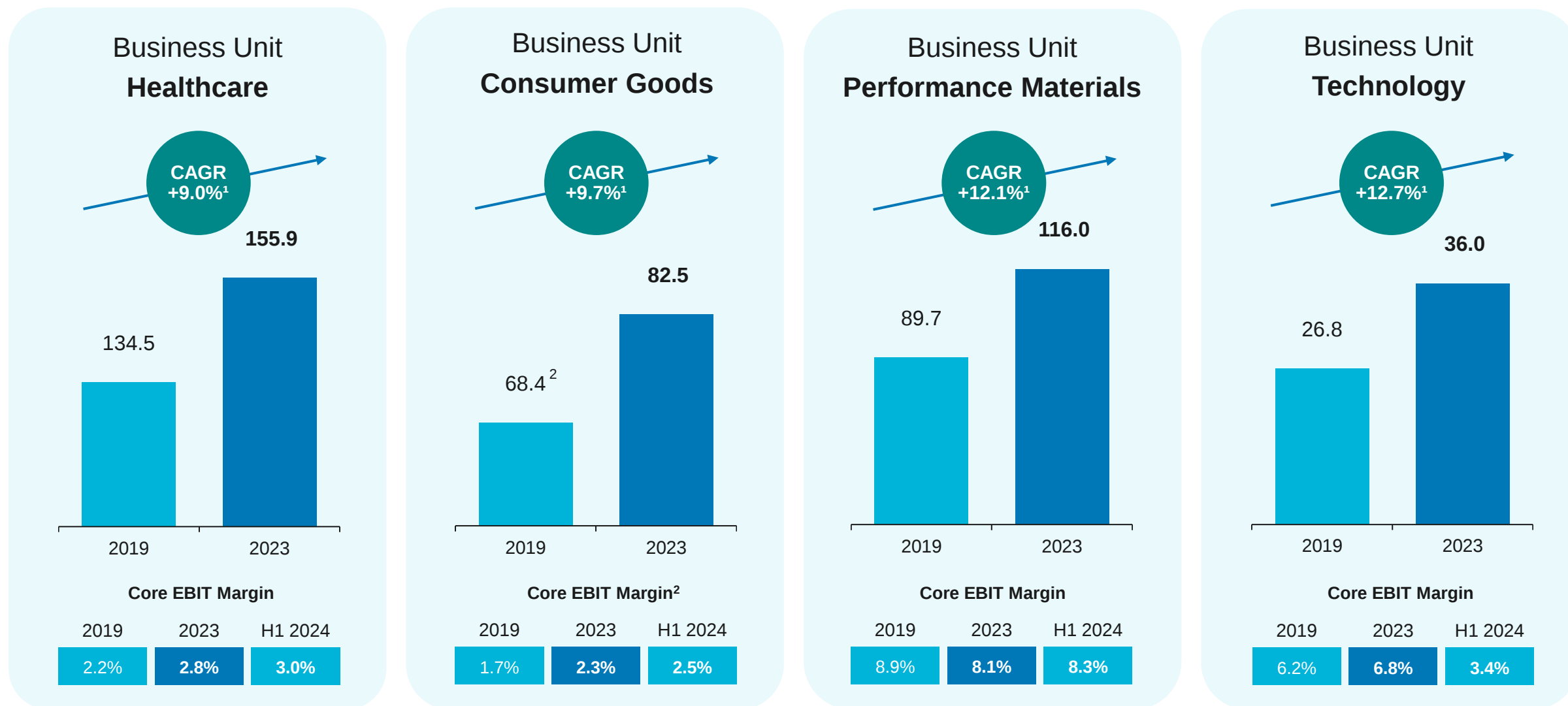


1 SAP
 for the Group + Finance
 & IT shared service
 center in Kuala Lumpur

Clients
~400,000¹

¹ Data for FY 2023. ² EBIT share excluding segment "Other". ³ Based on 2024e numbers.

Strong Core EBIT Development Driven by All Business Units



¹ Constant exchange rates (CER): Figures converted at 2019 exchange rates. ² The 2019 figure for Consumer Goods is based on EBIT. For the definition of Alternative Performance Measures (APM), see Annual Report 2023.

Core EBIT Growth Backed by Gross Profit Margin Increase and Lower OPEX



	FY 2019		FY 2023		Var.
	CHF million	% Net Sales	CHF million	% Net Sales	% Net Sales
Net Sales	11,579		11,066		
Gross Profit	1,616	14.0%	1,670	15.1%	1.1%
Personnel Costs	688	5.9%	756	6.8%	0.9%
Other Opex incl. Depreciation	566	4.9%	502	4.5%	-0.4%
Amortization	11	0.1%	24	0.2%	0.1%
Core EBIT	280	2.4%	330	3.0%	0.6%

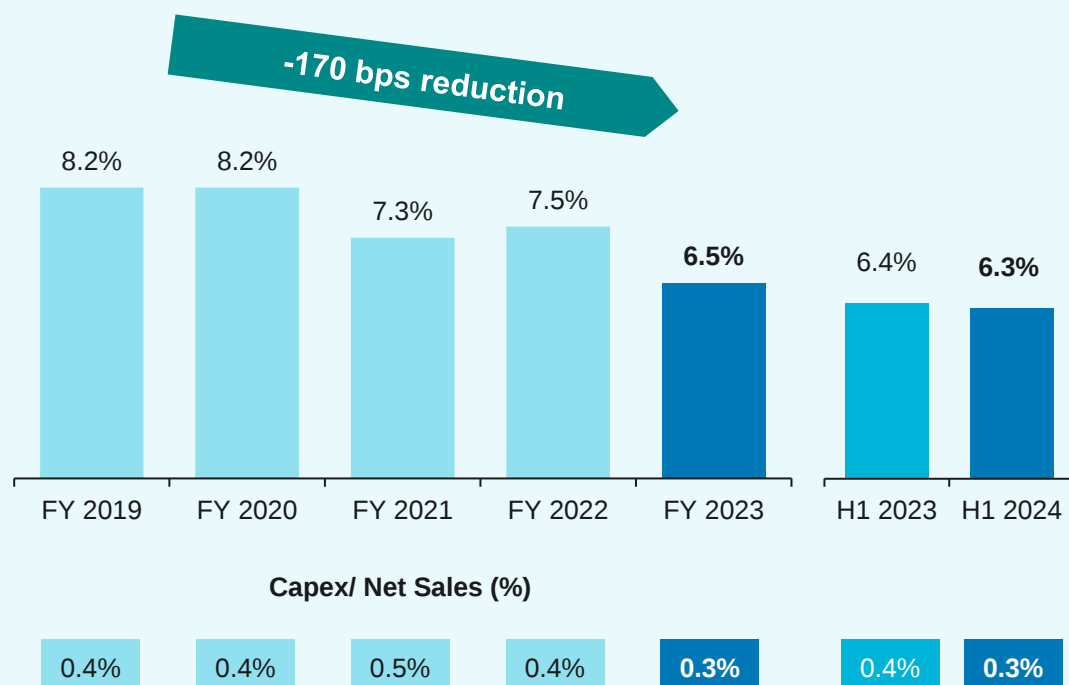


Continued focus on Gross Profit Margin growth and lower OPEX lead by supply chain efficiencies

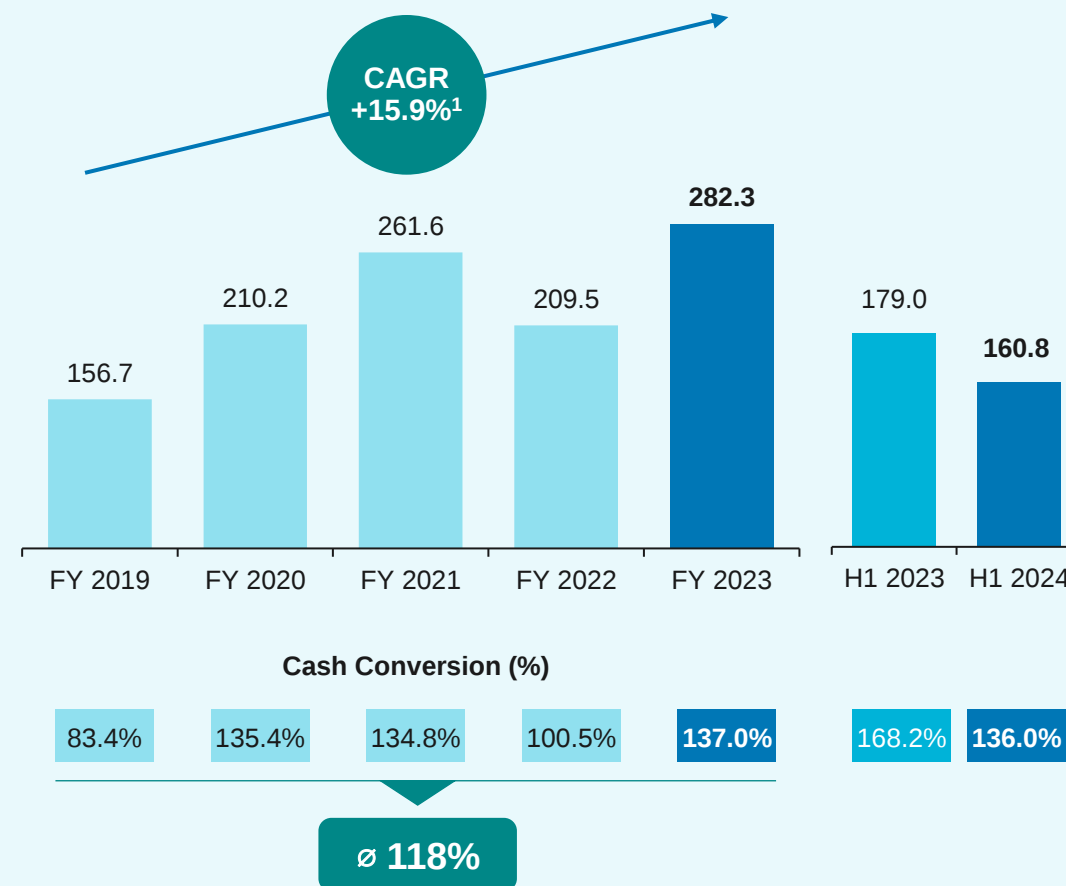
Working Capital Improvement Drives Strong Cash Generation



Net Working Capital in % of Net Sales



Free Cash Flow (in CHF million)



¹ Constant exchange rates (CER): Figures converted at 2019 exchange rates. For the definition of Alternative Performance Measures (APM), see Annual Report 2023

Strong Balance Sheet with Substantial Upside Potential



Balance sheet as of December 31, 2023

Assets (in CHF m)		Liabilities and Equity (in CHF m)	
Cash	687	Trade payables	2,025
Trade receivables	1,841	Other liabilities	750
Inventories	1,138	Lease liabilities	278
Other current & non-current assets	576	Borrowings	681
Intangibles / Goodwill	786	Equity and minority interests	1,738
PPE	144		
Right of use asset	262		
Financial assets	39		
	5,471		5,471

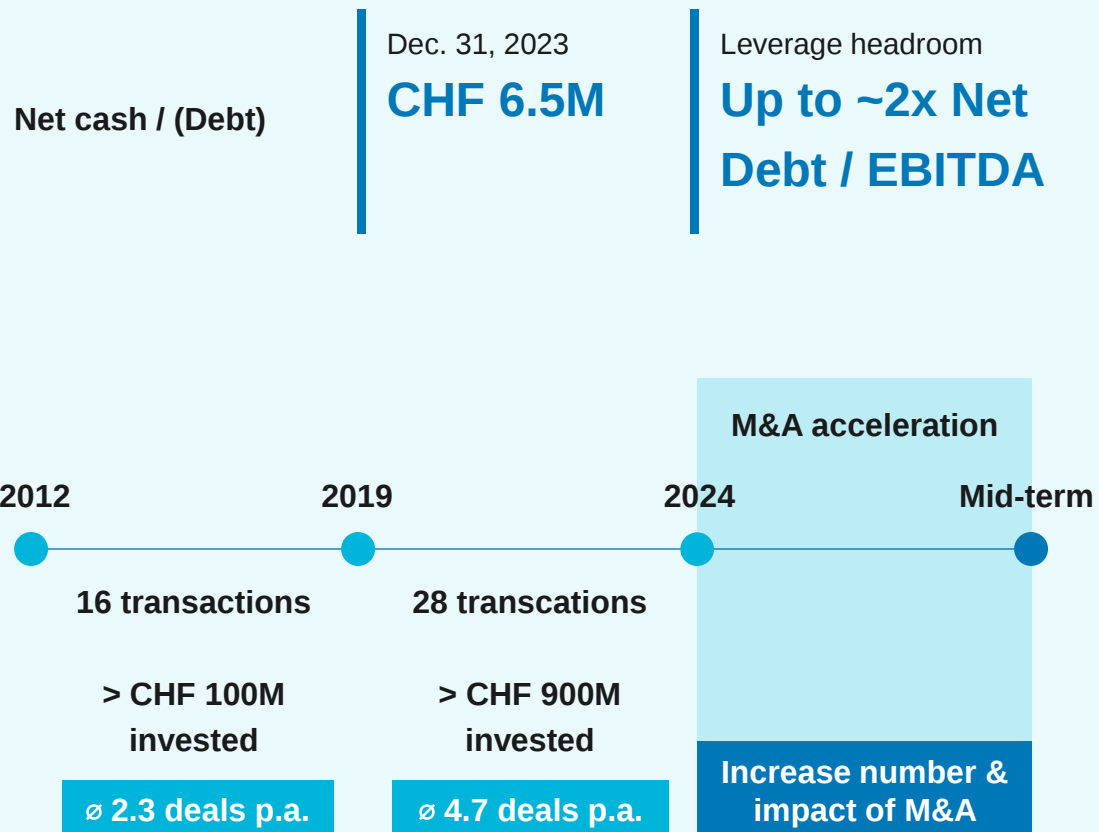
Key characteristics of our operating model

- Asset-light business model
- Solid return on capital – RONOC: **18.7%**
- Strong cash position
- Zero net debt
- Equity Ratio: **31.8%**

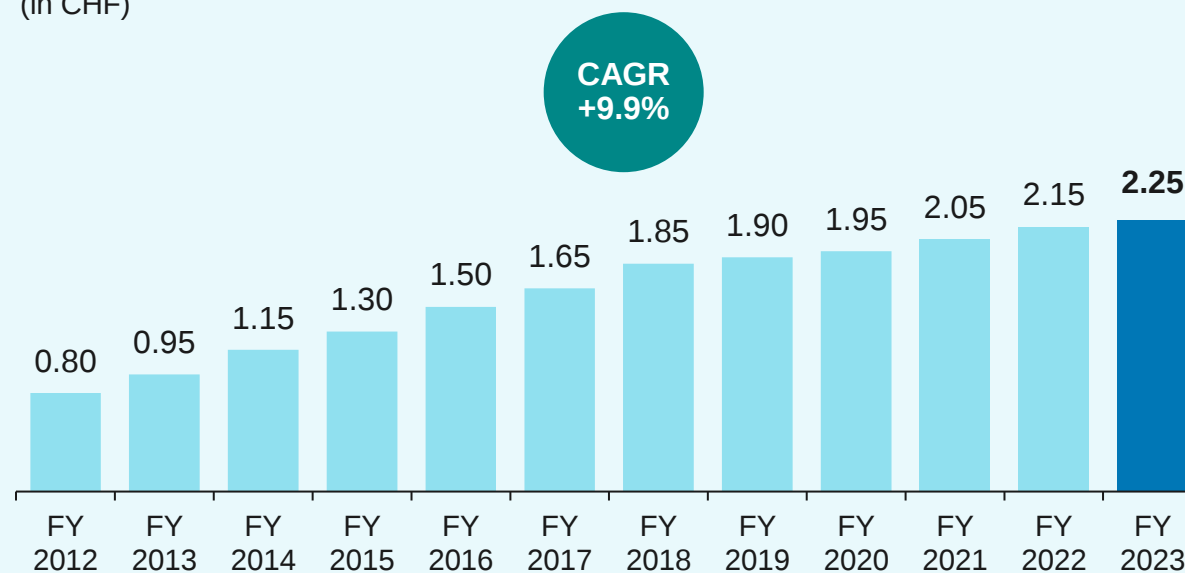
Strong Cash Generation Enables M&A Acceleration and a Progressive Dividend Policy



M&A Activity & Balance Sheet



Ordinary Dividend per Share (in CHF)



Dividend coverage = FCF¹ / Dividend



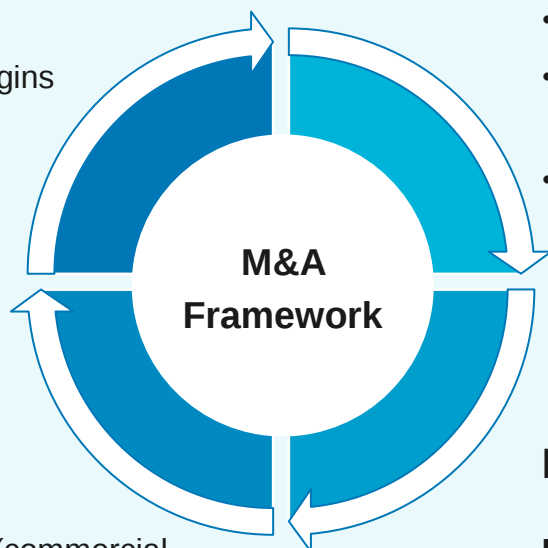
We pursue a progressive dividend policy

¹ According to published numbers.

Accelerated, More Meaningful M&A

Strategic & financial criteria

- Strategic value & cultural fit
- Margin accretive
- Focus on higher margins
- Risk management



M&A process

- Deep due-diligence (commercial, legal, financial, HR, regulatory)
- Full integration of acquired companies incl. move to our SAP
- Post-acquisition tracking

Financial Framework

- Continue bolt-on strategy
- More meaningful M&A possible
- Ambition to leverage up to ~2x Net Debt / EBITDA
- Continue with progressive dividend policy

Funding sources

Focus:

- Cash
- Debt

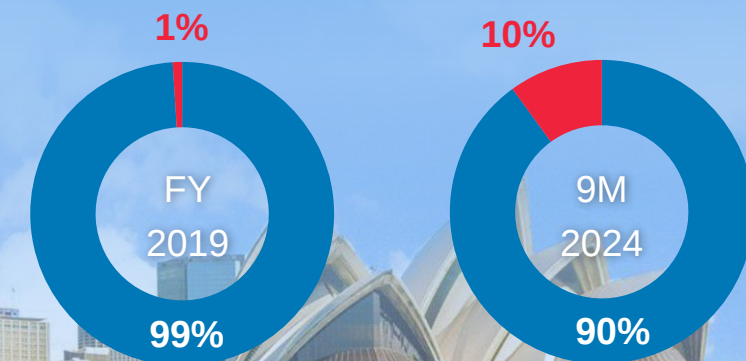
Optionality:

- Equity

Australia & New Zealand

Share of Core EBIT

■ Australia & New Zealand ■ Rest of DKSH Group

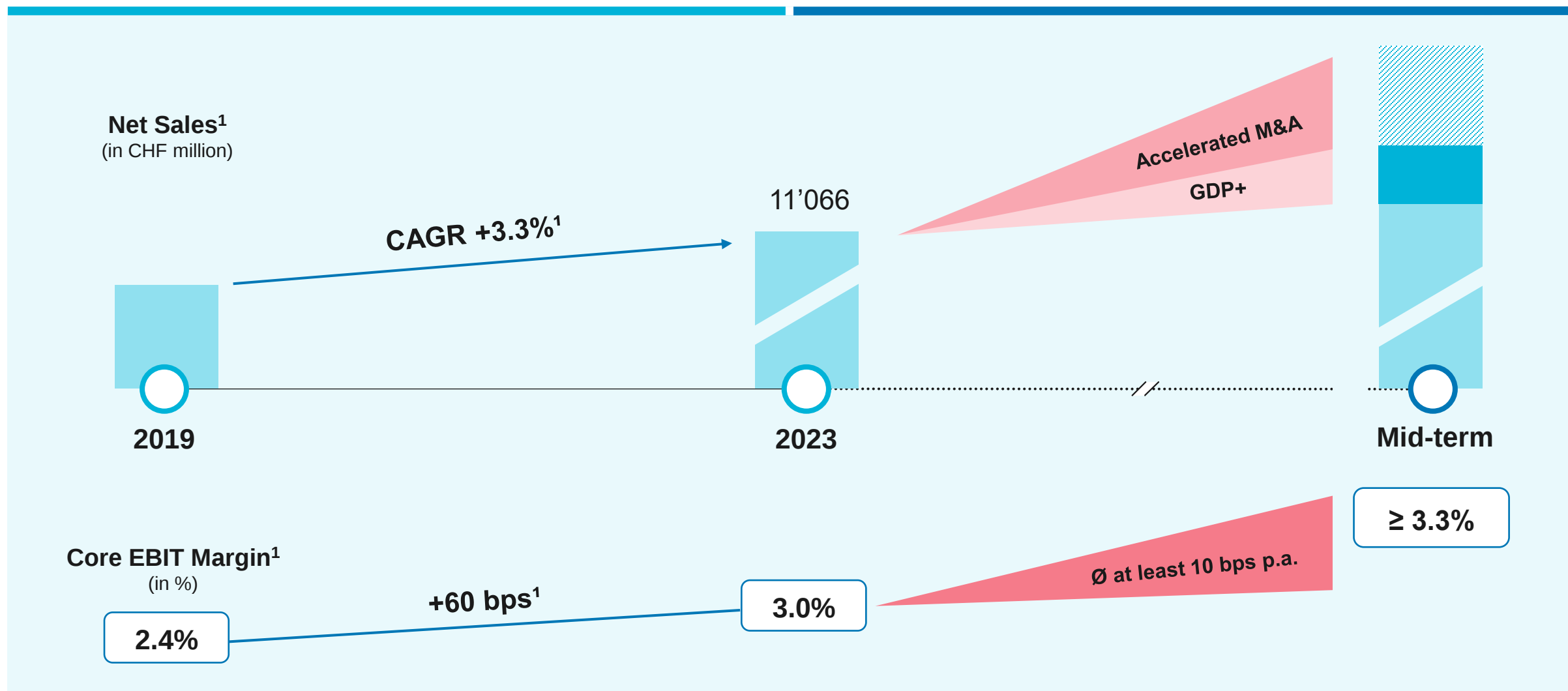


10 acquisitions since 2019

**Executed on geographical expansion:
ANZ Profit grew 10x driven by focused M&A strategy**

DKSH Mid-Term Roadmap

Growth, Margin Expansion and Accelerated M&A



¹ Assumes economic growth in Asia Pacific, at constant exchange rates (CER), and barring any unforeseen events.

DKSH Mid-Term Roadmap for the Future Growth, Margin Expansion, and Accelerated M&A



Deliver **accelerated net sales growth above GDP^{1,2}**

Expand **margin** on average by **at least 10 basis points** annually²

Target of at **least 90% cash conversion²**

Accelerate **more impactful M&A** and continue with **progressive dividend policy**



Scaling our business for further sustainable, profitable growth in Asia and Beyond

¹ Weighted GDP calculation based on DKSH Net sales market split. Organic growth supplemented with M&A. ² Assumes economic growth in Asia Pacific, at constant exchange rates (CER), and barring any unforeseen events. For the definition of Alternative Performance Measures (APM), see Annual Report 2023



Bijay Singh
Head Business Unit
Healthcare

Joined DKSH:
2015

**Expand our strong market
position and drive into higher
value segments and services**

Our Healthcare Business: Proven Capabilities & Performance



 **Leading** in Commercial Outsourcing

 **CHF 5.6 billion**
Net sales, 2023

 **CHF 155.9 million**
Core EBIT, 2023

 **Top 2** in Distribution

 **16**
markets

 **8,140**
specialists

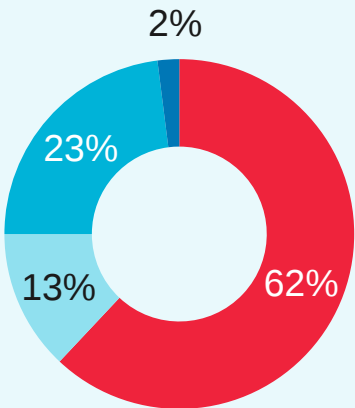
 **131,000**
customers

 **575**
clients



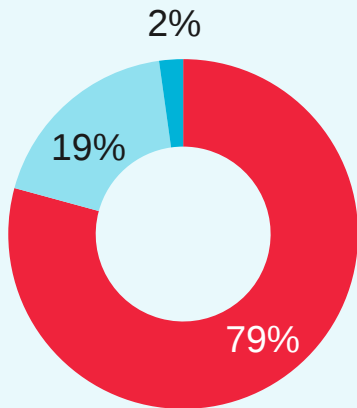
Net Sales by Business Line

- Pharma
- OTC / Consumer Health
- Medical Devices
- Own Brands



Net Sales by Growth Engine

- Distribution & Logistics
- Commercial Outsourcing
- Own Brands
- Value Added Services



Deliver on Our 2020 Promise: Strong Core EBIT Growth and Continued Margin Increase



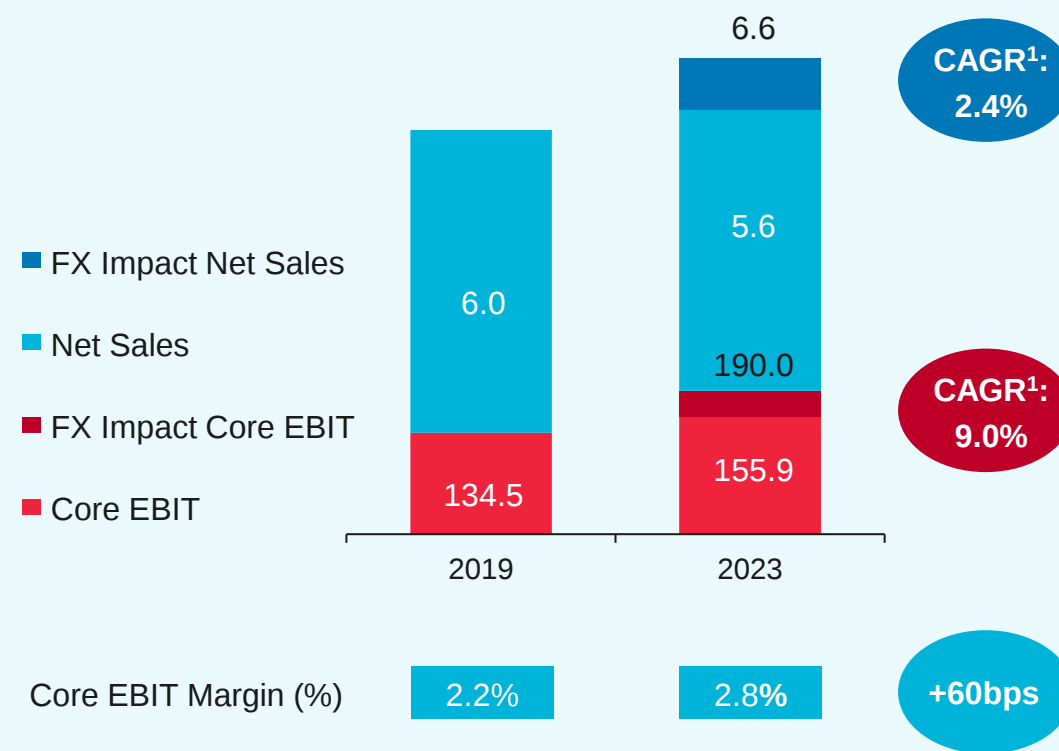
Our CMD 2020 Promise

“Expand our strong market position and drive into higher value segments and services”

Our Delivery

- ✓ Expanded coverage to **16** markets across APAC
- ✓ Core EBIT > **40%**¹
- ✓ Increased share of **Commercial Outsourcing, Own Brands** and **Value-added Services**

Net Sales (in CHF billion), Core EBIT (in CHF million)



Attractive Asian Healthcare Markets Offer Abundant Growth Opportunities



Key Market Trends



3.5 bn Asian middle class by 2030
(2020: 2.0 bn)



75% of deaths from NCDs¹ by 2030
(2020: 60%)



2x population aged 65+ by 2030

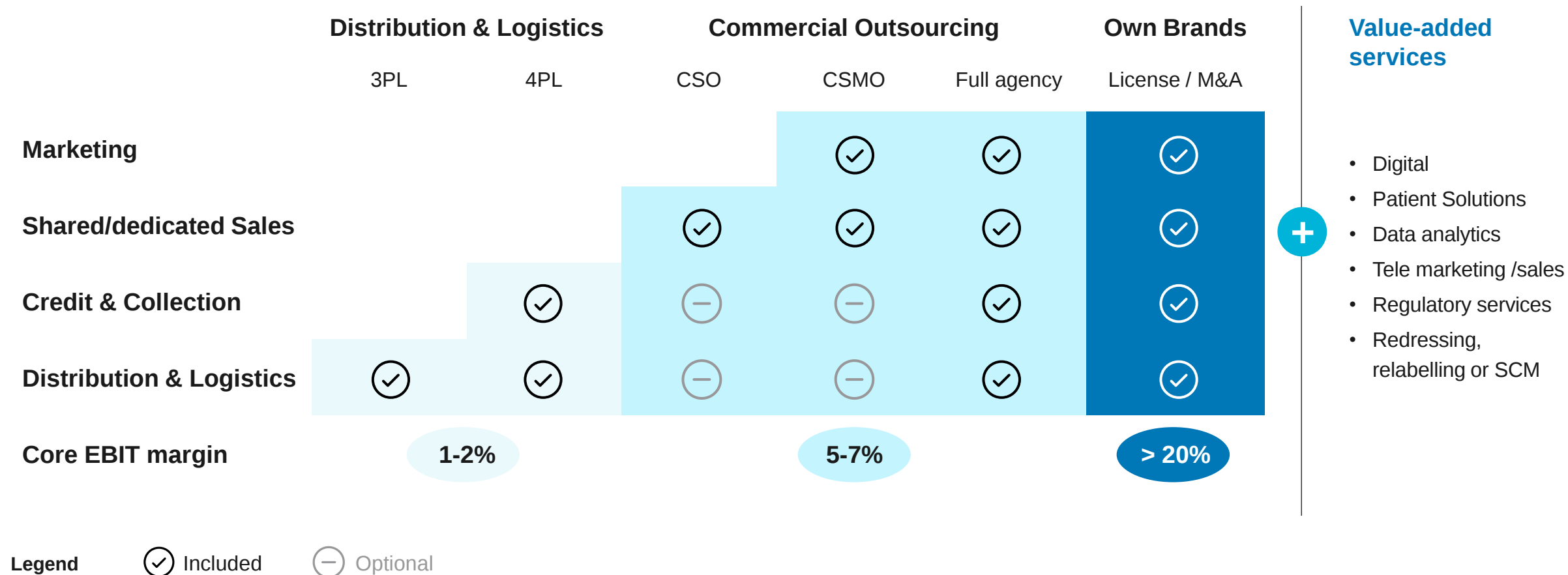


70% rise in healthcare spending by 2030

Growth Across Clusters



DKSH Provides a Variety of Flexible Business Models, Creating Value for Business Partners and Shareholders



Commercial Outsourcing and Own Brands drive transformation towards higher margin levels

Four Strategic Priorities to Further Accelerate Top Line Growth and Margin Expansion



Lead in Commercial Outsourcing

- Expand focus to high-margin multi-country deals
- Drive top-line growth and productivity



Accelerate Own Brands

- Grow core categories
- Focus on M&A
- Accelerate tier two markets



Increase Market Share of Distribution

- Focus on priority wins for Business development
- Emphasize digitalization & automation services
- Improve operational efficiency



Differentiate through New Services

- Enter new white spaces i.e., home care, patient monitoring
- Scale services under development



Purpose and Mission – Enriching People’s Lives by Providing Healthcare for All

We exist to help patients, in Asia Pacific and Beyond, get reliable and efficient access to the best healthcare possible, with an emphasis on quality and compliance, leveraging technology wherever possible.

Commercial Outsourcing Success Story: Securing the Largest Deal in DKSH Healthcare History With Kyowa Kirin



Key Highlights

- Covering **six markets**
- **> CHF 100 million** annual net sales
- **Business acceleration** for Korea and Taiwan
- **72 Kyowa Kirin employees** joining DKSH

Increase competitiveness in medical affairs and shift perception from OTC player to specialized portfolio expert

Own Brands Success Story: Smooth Integration of Eisai Brands Across Nine APAC Markets



Myonal[®]

Maximize your
MOBILITY



Key Highlights

- Covering **nine markets**
- **> CHF 15 million** annual net sales
- **Ahead of business plan**
above initial EBIT target
- **Increased market share**
in Thailand, Malaysia and Philippines

Demonstrated strong capability in integrating brands, fueling M&A aspirations

Distribution (3/4 PL): Our Right to Play and Turbo-Charger for Commercial Outsourcing



Role of Distribution

- Contribute EBIT to the BU (>30%)
- Leverage as stand-alone service
- Build critical mass, meet client needs
- Be entry point for client relationships
- High Return on Investment



Nurture our existing profitable business and further drive **competitiveness and capabilities** across all markets



Leverage distribution business to **turbo-charge commercial outsourcing and Own Brands**

Disciplined Bolt-On Acquisitions Will Continue



Seven Bolt-on Acquisitions Since 2021

2021



2022



2023



2024



■ Commercial Outsourcing ■ Own Brands ■ Value-added services ■ Distribution

M&A priorities

- Own Brands
- Commercial Outsourcing
- Value-added services
- Distribution



Geographies

- APAC white spots
- Own Brands: APAC & DACH
- Actively exploring expansion into India etc.

Categories

- Pharma, OTC, Medical Device
- VAS: Data, digital, services

Regular opportunities in targeted growth areas, ongoing strategic evaluation of margin-accretive businesses



Hanno Elbraechter
Head Business Unit
Technology

Joined DKSH:
2014

**Solidify our position as a
leading scientific solutions
provider in Asia and Beyond**

A Leading Technology Provider With Focus on Scientific Solutions



CHF 532.6 million

Net sales, 2023



CHF 36.0 million

Core EBIT, 2023



16

markets



1,965

specialists

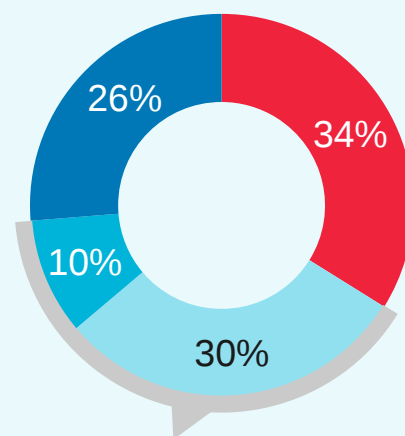


29,000

customers

Net Sales by Business Line

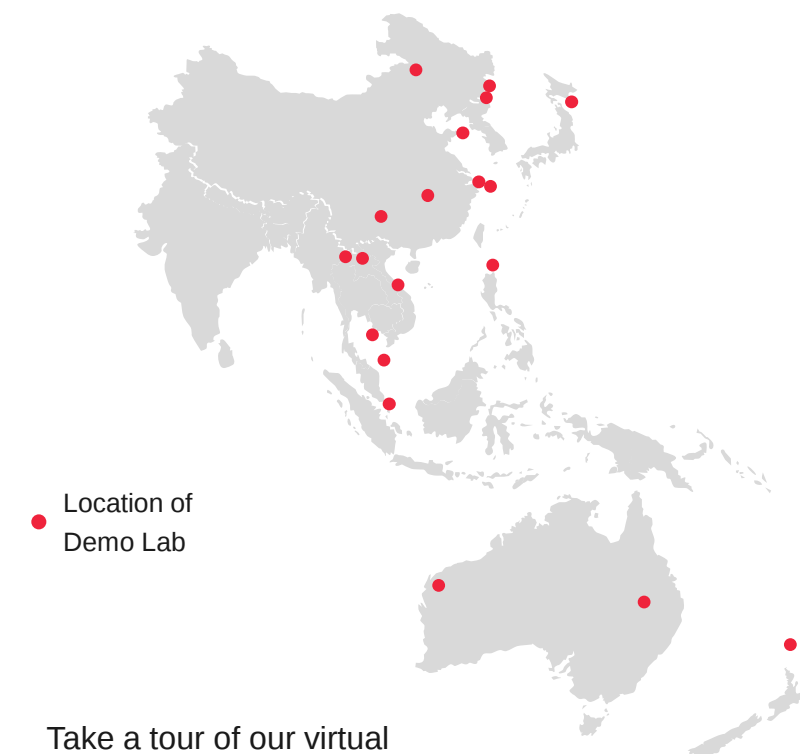
- Scientific Solutions
- Precision Machinery
- Semiconductor & Electronics
- Commercial & Industrial Applications



Hi-Tech Industries

Extensive Demo Lab Network

19 labs across Asia Pacific



Take a tour of our virtual demo labs [here](#)

Deliver on Our 2020 Promise: Double-Digit Growth



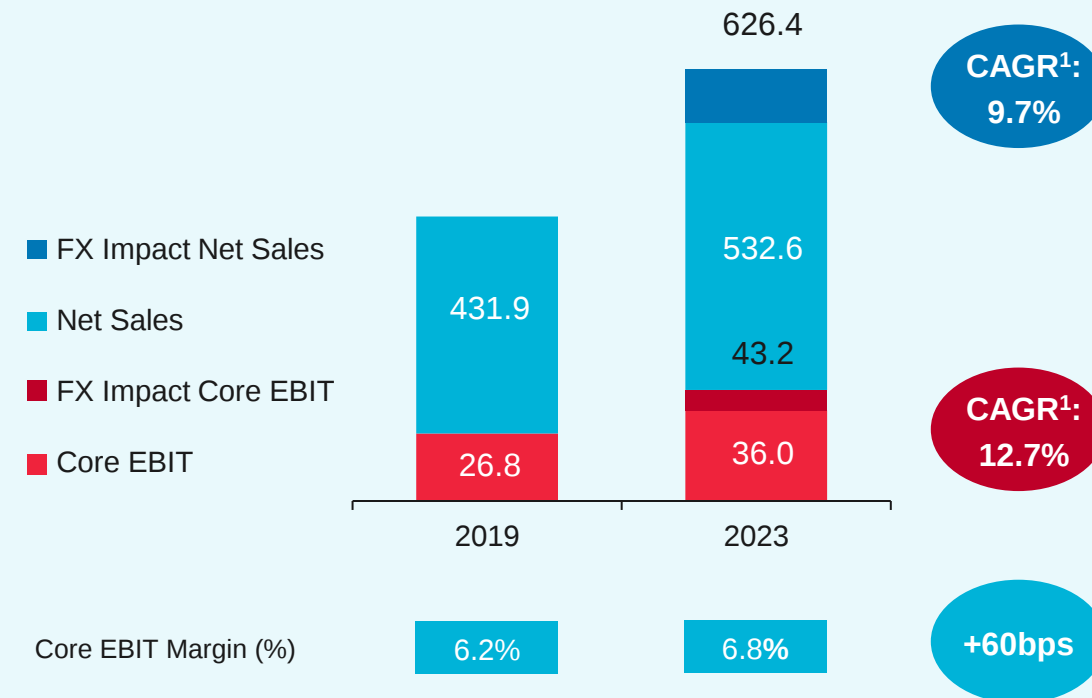
Our CMD 2020 Promise

“Build resilience, deliver growth to exceed pre-COVID-19 levels”

Our Delivery

- ✓ **Resilience:** Higher share of consumables, and services
- ✓ **Growth:** Net sales **>45%¹** incl. 4 acquisitions
- ✓ **Exceed:** Core EBIT **>60%¹**

Net Sales and Core EBIT (in CHF million)



Structural Growth Across Key Industries in Asia



Key Industries

-  Food & Beverage
-  Life Science
-  Pharmaceuticals
-  Material Science

Key Trends

- **Growing middle class** fuels demand for quality products and advanced technologies
- **Rising health needs** drive demand for biotech solutions
- **Growth in food industry** boosts demand for quality control and safety testing solutions
- The **rise of high-tech industries** requires innovative materials

Our Capabilities

- ✓ Extensive sales coverage
- ✓ Process development
- ✓ Solutions portfolio
- ✓ Industry-specific workflows
- ✓ After-sales services

Example Workflow: Genomics



Sample
Collection



Sample
Extraction



PCR



Sequencing



Other Sequencing
Services

Blood
Swab saliva
Viral specimen

DNA extraction kit
RNA¹ extraction kit

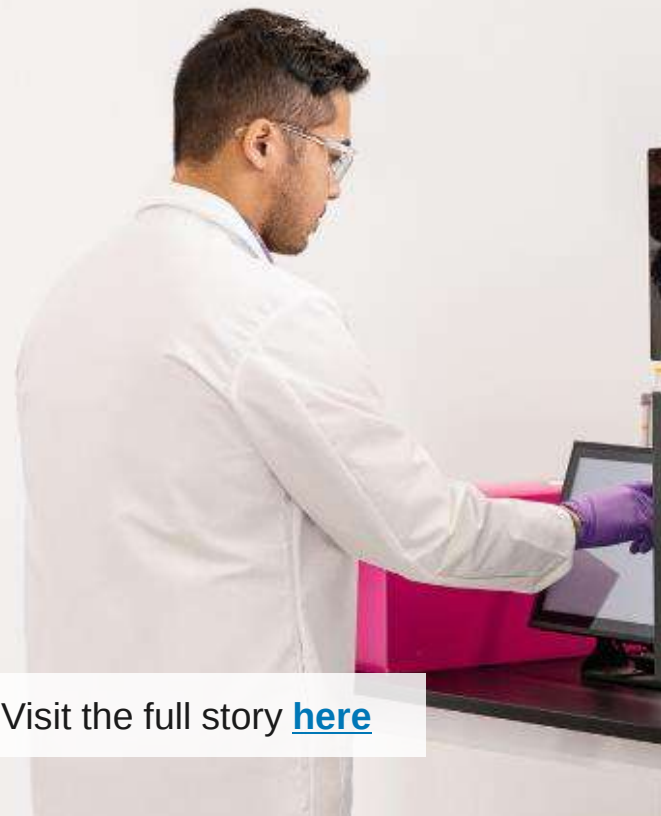
PCR¹ reagents
Digital PCR¹

Long-read sequencing
Short-read sequencing
NGS¹ reagents & consumables

Whole genome
Whole exome
Targeted sequencing

¹ RNA: Ribonucleic Acid, PCR: Polymerase Chain Reaction, NGS: Next-Generation Sequencing

Case Study: Enable Life Science Researches in Southeast Asia With Strategic Partnership With PacBio



Challenge

Genomic research in Southeast Asia needs to access advanced sequencing technology for precision medicine and cancer diagnostics.

Approach

Regulatory advice and market access, collaborating with local key opinion leaders to promote advanced sequencing solutions.

Result

Partnership in 5 markets
~CHF 30 million expected net sales next 3-5 years

Visit the full story [here](#)

Thailand

Chulalongkorn University
Advanced cancer testing

Indonesia

Dharma Setia Foundation
Population genomics

Philippines

Mariano Marcos State University
Human gut microbiome research

Singapore

National Cancer Institute
Oncology research

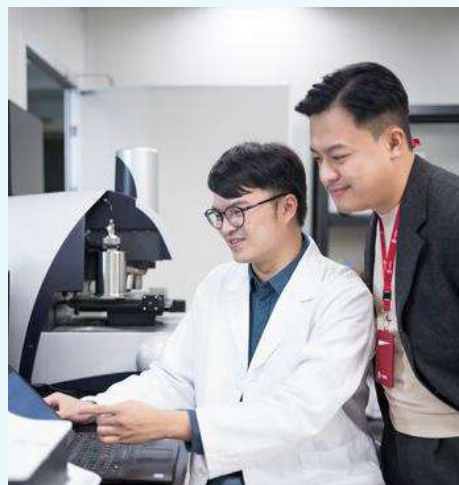
Vietnam

KTest
Prenatal diagnostics

Five Strategic Pillars to Drive Top and Bottom-Line Growth

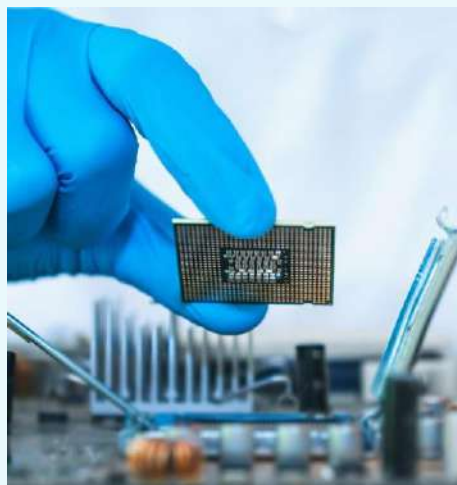


Mission: Provide sustainable growth through systematic market development and in-depth technical expertise in Asia-Pacific



Scientific Solutions

Solidify position as a leading solution provider in Asia-Pacific



Hi-Tech Industry Segments

Focus on precision machinery, semiconductor & electronics



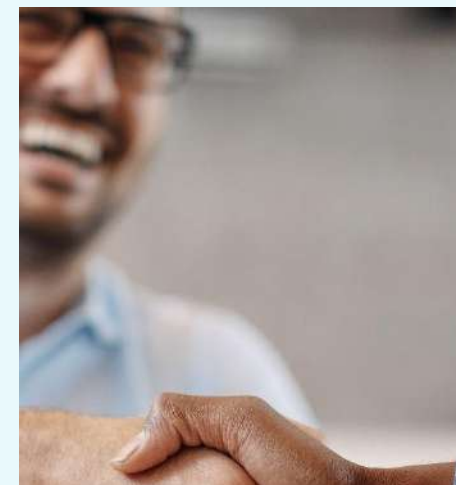
Consumables and Services

Expand higher-margin consumables and service business



Digital Transformation

Integrated digital platform and establish leading eCommerce platform for labs



M&A

Acquire scientific solution providers in Asia-Pacific and screen adjacent geographies

Solidify Position in Scientific Solutions, Focus on Hi-Tech, and Drive Consumables & Services



Scientific Solutions

- 34% of Business Unit Net Sales¹
- Double-digit growth (CER)
- Higher consumables share (from ~10% to ~30%)
- Three acquisitions: Thailand, Korea, and ANZ

Mid-term Vision

- Business development for regional partnership
- Further grow consumables and services share
- Strong M&A pipeline in APAC, screen adjacent geographies



ProxiMate by Büchi Labortechnik, [Link](#)

Hi-Tech Industries

- 40% of Business Unit Net Sales¹
- Fostered a high-tech niche strategy
- Capitalized on tailwinds for Precision Machinery in China
- DNIV acquisition in Semiconductors/Electr.

Mid-term Vision

- Continue to follow a high-tech niche strategy
- Focus on Northeast Asia for Precision Machinery, Southeast Asia for Semiconductor & Electronics
- Expand with key accounts



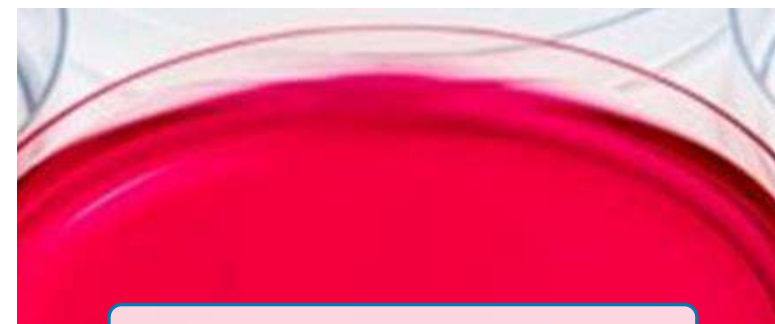
Klingelberg Precision Machinery, [Link](#)

Consumables & Services

- 27% of Business Unit Net Sales^{1,2}
- Higher stickiness through repetitive interactions
- Implementation of state-of-the-art services management tool
- Expanded calibration business

Mid-term Vision

- Expand installed base
- Grow own brands consumables (LabPro)
- Target firms with high share of consumables
- eCommerce platform (LabShop)



Petri Dishes Labpro, [Link](#)

Digital Transformation Drives Productivity, Customer Satisfaction, and New Revenue Streams

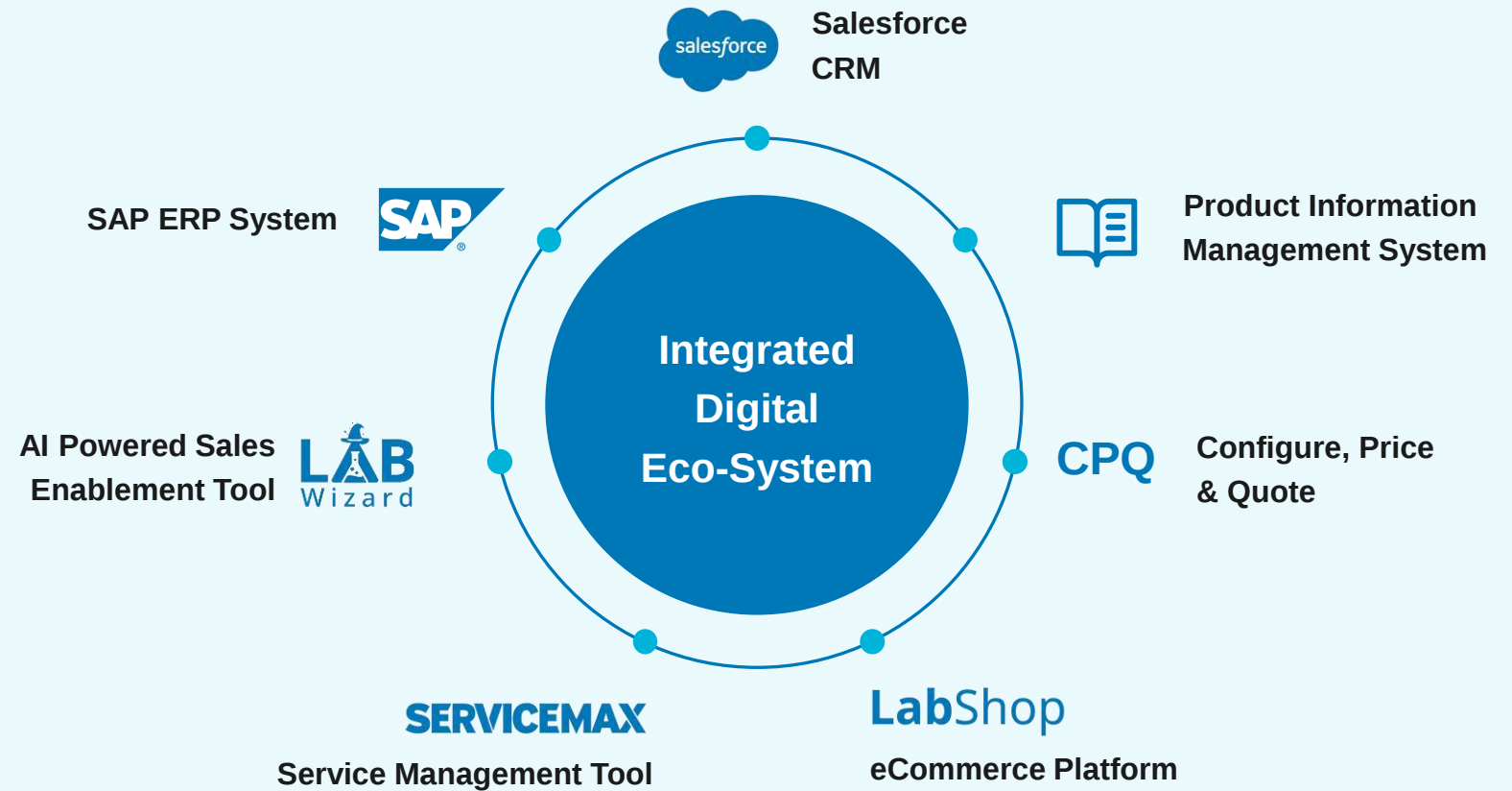
2015

SAP ERP System

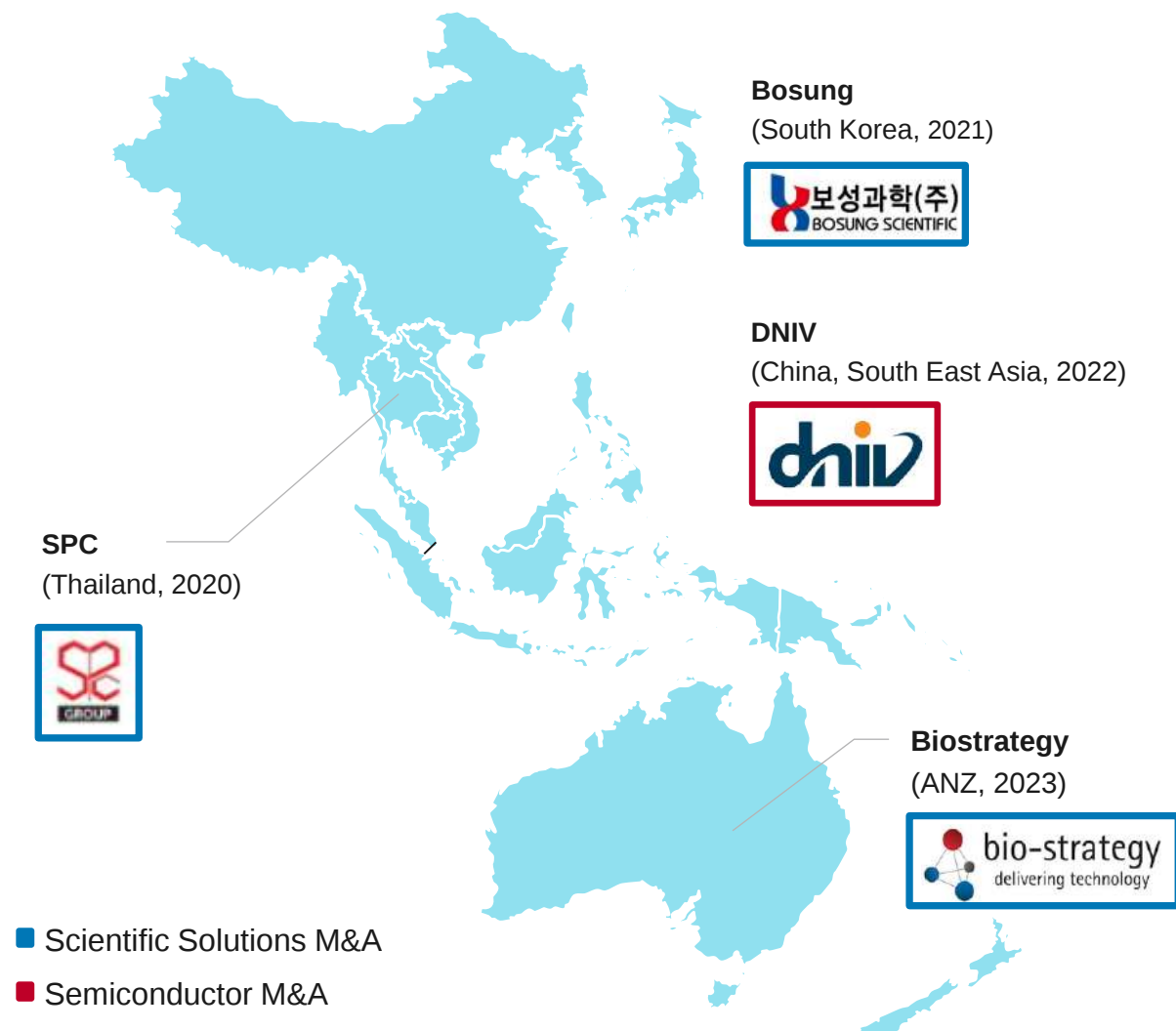


Z

2025



DKSH Technology Accelerates Market Consolidation of the Scientific Solutions Industry



16
markets

4
M&A

800
specialists

530 sales
270 service

M&A priorities

Continuous screening of scientific solutions & semiconductor targets

Geographies

Focus on Asia-Pacific, investigating expansion in adjacent geographies such as India / Middle East etc.



Chris Ritchie
Head Business Unit
Consumer Goods

Joined DKSH:
2023

**Leverage on our leadership
position to drive profitable
growth in Asia Pacific**

DKSH Consumer Goods at a Glance



Leading regional player



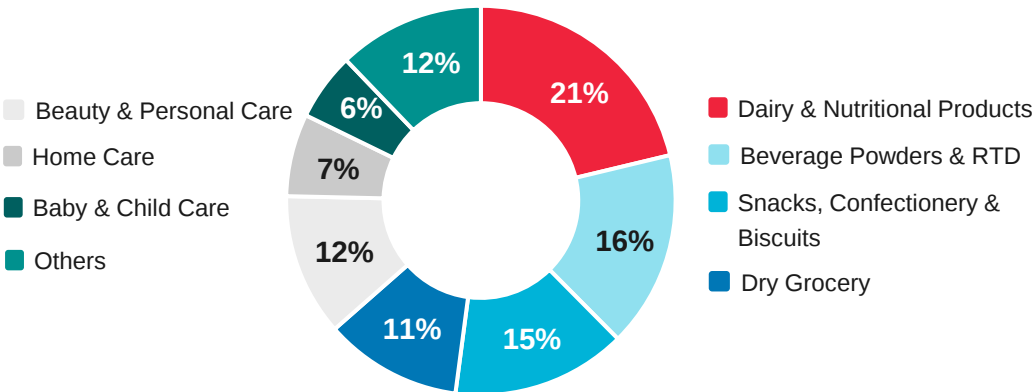
20 markets

~11'320
FTEs¹

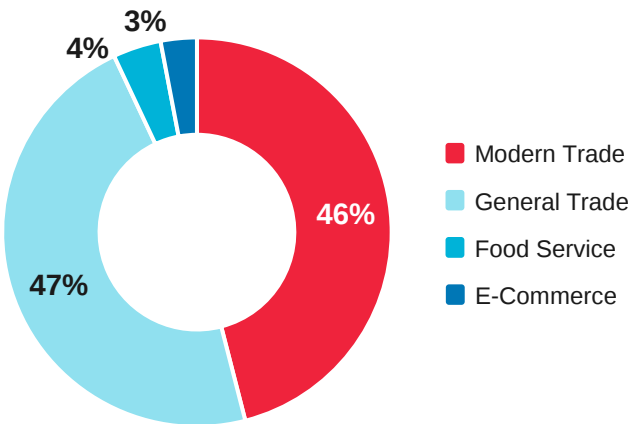
~925
clients¹

Sales Contribution²

by product category

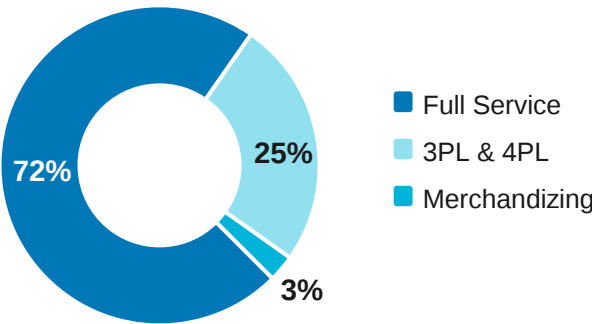


by channel



Business Model Split²

by revenue



by EBIT



¹ FTE & client numbers as of October 2024. ² Figures based on September Year-to-date 2024

As a Leading Market Expansion Service Provider in Asia, We Support our Clients with Tailored One-Stop-Shop Solutions



How do we support companies?



Entering Asia



Expanding across Asia



Scaling within Asia

What are our clients' needs?

Pan-Asian
expansion

Scale & access to
relevant trade
channels

Consistent go-to-
market approach

Insights and
analytics

Core EBIT
Margin

What services do we offer?

>4.5%

Value-added services

Field activation + Merchandising
Local repacking requirements



>2.5%

Full Service Route to Market

Sales & Marketing strategy + activation
Full local supply chain + requirements



>0.5%

Credit, collection, regulatory: 4 PL



~0.5%

Distribution and logistics: 3 PL



Major Wins Since Last CMD



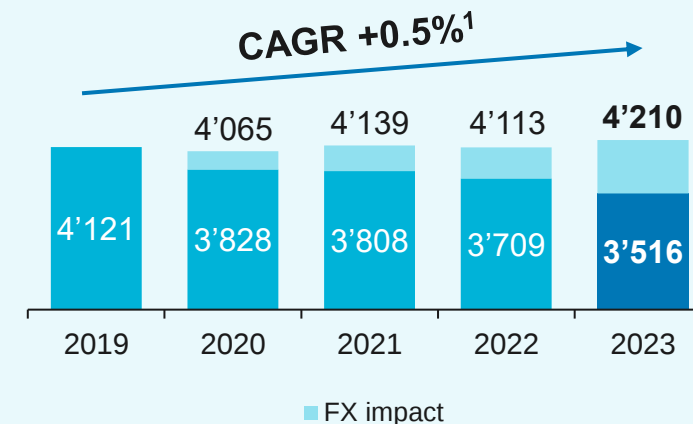
Initiatives & Recap

- **2.5% Margin target achieved** in H1 2024
- More **agile & efficient** organization
- Client portfolio optimization **completed**
- **New leadership** on board
- **Strategy** for the future **defined**

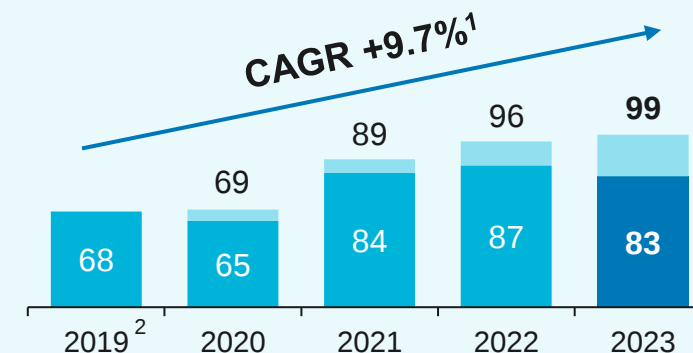
Focus for the future

Profitable Growth Acceleration

Net Sales (in CHF million)



Core EBIT (in CHF million)



Core EBIT Margin² (in %)



¹ Constant exchange rates (CER): Figures converted at 2019 exchange rates. ² The 2019 figure for Consumer Goods is based on EBIT.

Consumer Goods Strategy Going Forward



Vision

DKSH is acknowledged as the best Sales & Distribution force of any FMCG player across APAC

Strategic priorities

Grow sales & market share for existing clients

- Sales Force Effectiveness to win at shelf
- Route to Market & General Trade coverage focused on top pareto outlets

Drive new client acquisition

- For sustained mid- and long-term growth
- Attract & hunt clients from defined priority segments with higher embedded growth & margin opportunities
- Continually seek margin enhancing opportunities with existing clients

Accelerate margins & scale with secondary growth engines

- Own Brands, Food Service, eCommerce and Field Activation
- Supplement with M&A
- Breadth of geographic coverage

Priority programs for continual development towards our “best sales force” vision



Right plans: integrated commercial planning:

- Building sales by successfully integrating individual brand plans at individual customer outlets



Right outlets and SKUs:

- Prioritizing top outlets and top SKU mix to drive sales, margin, and share growth



Right selling skills, practices, and incentives:

- Capability development programs to capture and build group best practice
- Priority focus on modern and general trade, while expanding capabilities within eCommerce and Food Service



Right operating analytics for continual improvement:

- Performance management based on detailed KPI metrics linked to incentive-based sales remuneration
- Underpinned with digital enablement of the Sales and Merchandising teams

Sales Force Effectiveness: What Are the In-Market Results?

Consumer Goods Thailand Example



	From	To
 Cost-to-serve	Costly 360 reps, lower productivity	Efficient 220 reps, higher productivity
 SFE	Inconsistent Varied approach to SFE	Comprehensive Aligned metrics and tools
 Route to market	Complex 11 sales teams to 1 customer	Simplified 6 teams to 1 customer
 Marketing	Generic One-size-fits-all approach	Tailored Catered to retailer & shopper

DKSH Company Results:

+11% Sales¹ in General Trade

+29% Active Stores per Rep²

Top Client Result: Ichitan *Leading beverage company*

+15% Net Sales

+25% in General Trade

+3pts in Market Share

Driving Business Development for Profitable Growth



Scale and efficiency builders

- High volume / frequency products
- Build scale within current outlets



Underlying margins and growth builders

- Higher margin segments & services
- Higher underlying segment growth



Strategic long-term capabilities builders

- Smaller scale adjacent categories, provide long term margin opportunities



Reputational builders

- Marquee brand name clients
- Create category anchors for future client attraction



First Achievement: Net sales of top clients +8.5%¹ (versus Business Unit Consumer Goods +2%)

Focus Areas and Their Growth Opportunities

Key Categories	Size of the Category	Growth Forecast	Opportunity to Win	Where to Win
 Chilled & Frozen	CHF 20 bn	+	++	Modern trade, Food Service
 Dairy & Alternatives	CHF 33 bn	+	+++	Modern trade Food Services
 Consumer Health	CHF 24 bn	++	+++	Pharmacy, e-Commerce, modern & general trade
 Premium Beauty Care	CHF 19 bn	++	+	e-Commerce beauty specialty
 Pet Care	CHF 9 bn	+	+	e-Commerce specialty retail

Accelerate with Secondary Growth Engines

	Opportunity	
Own Brands	Portfolio examples  Future growth priorities • Geographic & subcategory expansion • Supply chain & procurement efficiency + M&A	>15% Margin
Field Activation	Current service portfolio Merchandising & display management Future Opportunities of Expanded Service Offering • Brand ambassador & promoter management • Store Audit + M&A	Accelerated top line growth + Margin expansion 
Food Services	Net sales in 2023 > CHF 100 m Key enablers to win • M&A, business development • DKSH own brand leverage + M&A	
eCommerce	Net Sales Contribution ~3 % → >5% Now Mid-term Top Categories for Growth • Beauty • Personal Care • Baby/Nutrition • Consumer Health	

Highlights Business Unit Consumer Goods



- Nearly **160 years of experience** in Asia
- DKSH is the **only player** with **comprehensive regional coverage**
- We **generate growth opportunities** through a **comprehensive, tailor-made portfolio** of Market Expansion Services
- **Resilient, asset-light** and **cash-generative** business model
- Clear **strategy** for **profitable growth**

Business Unit Performance Materials



Thomas Sul
Co-Head Business Unit
Performance Materials

Joined DKSH:
1996

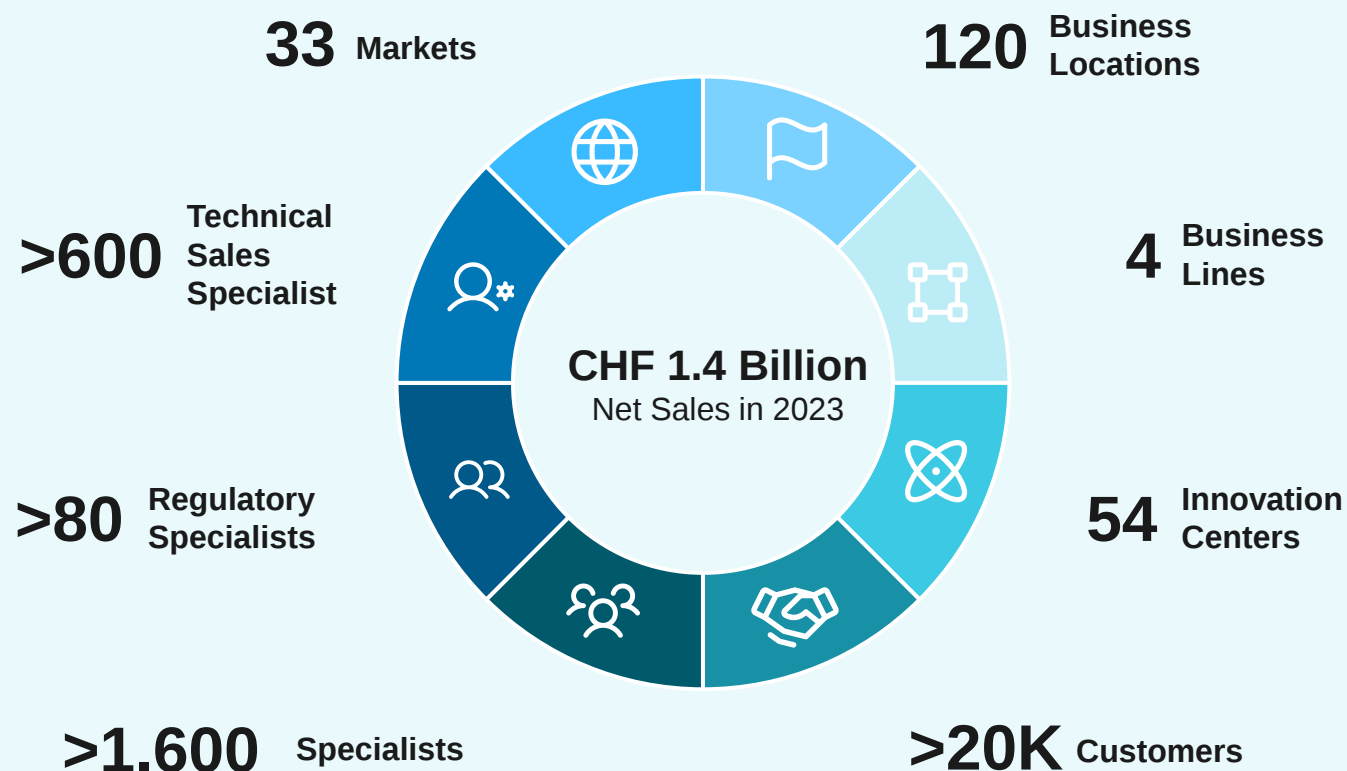


Natale Capri
Co-Head Business Unit
Performance Materials

Joined DKSH:
1998

**Build leading global position
in specialty chemicals and
ingredients distribution**

World-Class Solutions for Performance Materials



Asia Pacific



Our position in the pure-play specialty chemicals & ingredients market



Indicates number of innovation centers in each market.

Europe



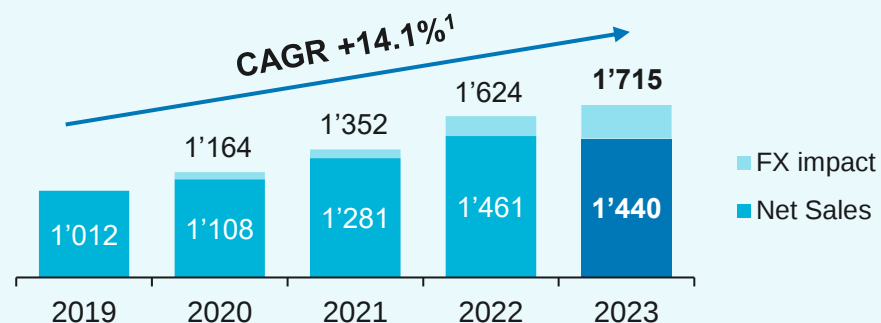
North America



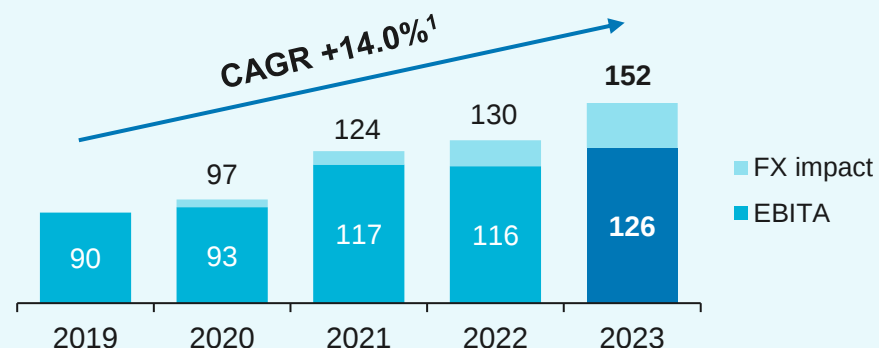
Proven capabilities, strong industry know-how and local networks

Delivering Results: Achievements Since Last CMD

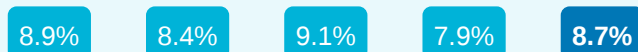
Net Sales (in CHF million)



Core EBITA (in CHF million)



EBITA Margin (in %)



Key Highlights

- **Global expansion on track**
 - Presence in North America increased by **6x**
- **Business scaling success**
 - Net Sales **1.7x** (at CER) vs 2019
- **Enhanced resilience**
 - Stronger, diversified, and more resilient business
- **Scaled our digital business**
 - More than **50x revenue increase** with our digital business DKSH Discover



¹ Constant exchange rates (CER): Figures converted at 2019 exchange rates.

Strategy: Build Leading Global Position in Attractive Specialty Chemicals Distribution Market



Mission

To be the sustainable partner of choice for our specialty chemicals and ingredients clients and customers for being innovative, successful, growth-driven and entrepreneurial

¹ CASE = Coatings, adhesives, sealants, and elastomers

Globalize Our Core Business & Boost the Future Stars



Regions

Europe (13 markets)



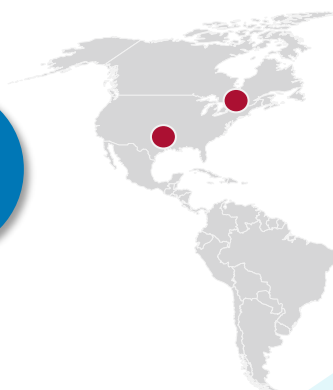
Last CMD:
30%

Asia Pacific (18 markets)



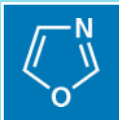
Last CMD:
68%

Americas (2 markets)



Last CMD:
2%

Business Lines



Industrial / CASE¹

Industrial
43%

Life Sciences
57%



Food &
Beverage



Personal
Care



Pharma



Note: Bubble sizes represent 2023 net sales split. Red dots indicates markets in which we have offices.

¹ CASE = Coatings, adhesives, sealants, and elastomers

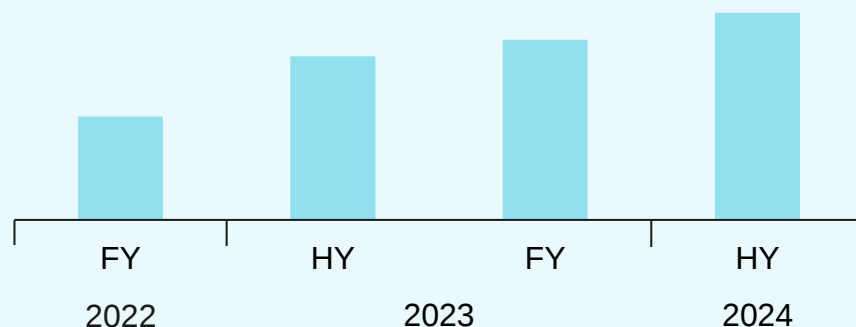
Operational Excellence with a Focus on Gross Profit Margin Growth



Gross Profit Margin FY 2022 to H1 2024



Gross Profit Margin
+230 basis points



Gross Margin Drivers:

- One ERP system with global standardized business analytics and performance management
- Significantly improved pricing process incl. Gross profit margin incentivation
- Focus on favorable portfolio mix, e.g. increasing share of Life Science business
- Optimized sales and inventory planning

Digital Business as a Strong Organic Growth Driver



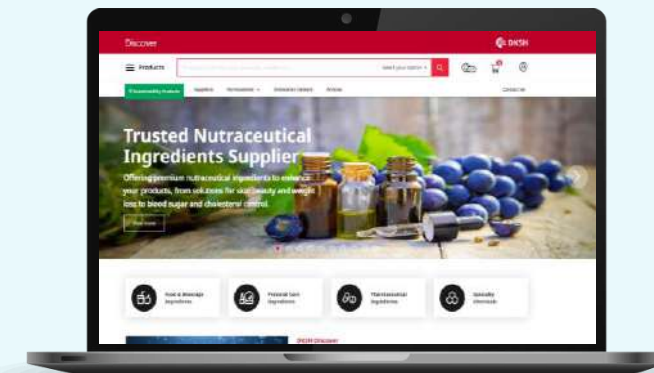
- **Digital as a Service** for customers and clients
- Creating **leads, opportunities**, and projects
- DKSH is the **#1 distributor** in chemical market places¹
- A **cloud-based ecosystem supported by AI** for our customers and clients

USP for customers:

- DIY access to all ingredients
- Connect with an expert
- One-click re-ordering

USP for clients:

- Power BI client report with live results
- Live management of supplier information
- Connected: Integrated to our CRM



Scan to visit
DKSH Discover

>13k

Leads generated
in 2023

2.4M

DKSH Discover Visits
(2023)

+64%

Digital Business in
2024 vs 2023

35%

Business opportunities
are digitally initiated

~860

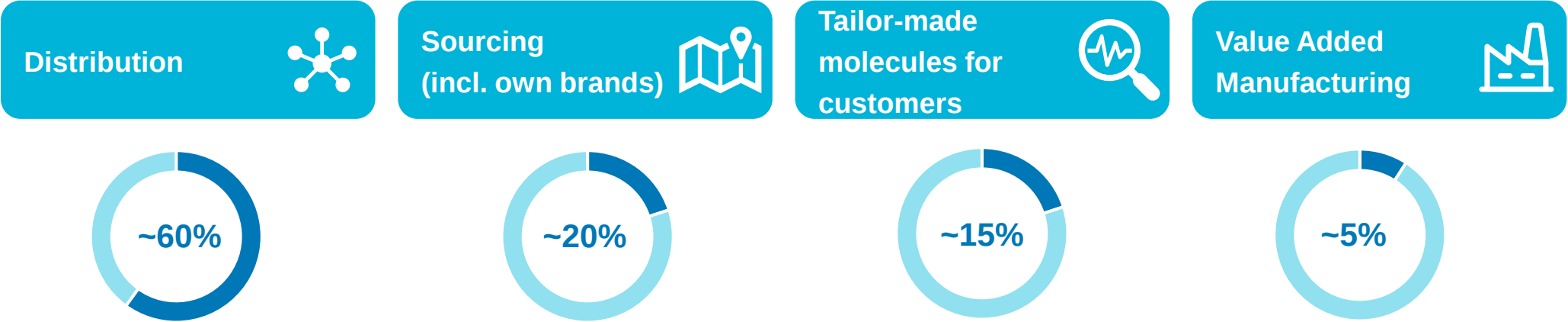
New Purchasing
Customers

¹ Source: Leading material selection platforms www.specialchem.com and www.ulprospector.com.

Expand Margin with Focus on Value Added Manufacturing



Exclusive distribution business complemented by additional service offering



Key characteristics

- | | | | |
|--|---|--|--|
| <ul style="list-style-type: none">• CORE business• Exclusive distribution• Client driven• Regionalization | <ul style="list-style-type: none">• Customer driven service offering• Local sourcing experts in key markets• Close portfolio gaps | <ul style="list-style-type: none">• Custom development of critical ingredients• Projects can last multi-years• More present in Pharma & Electronics business | <ul style="list-style-type: none">• Food Blending for food industry• Agri Solutions |
|--|---|--|--|

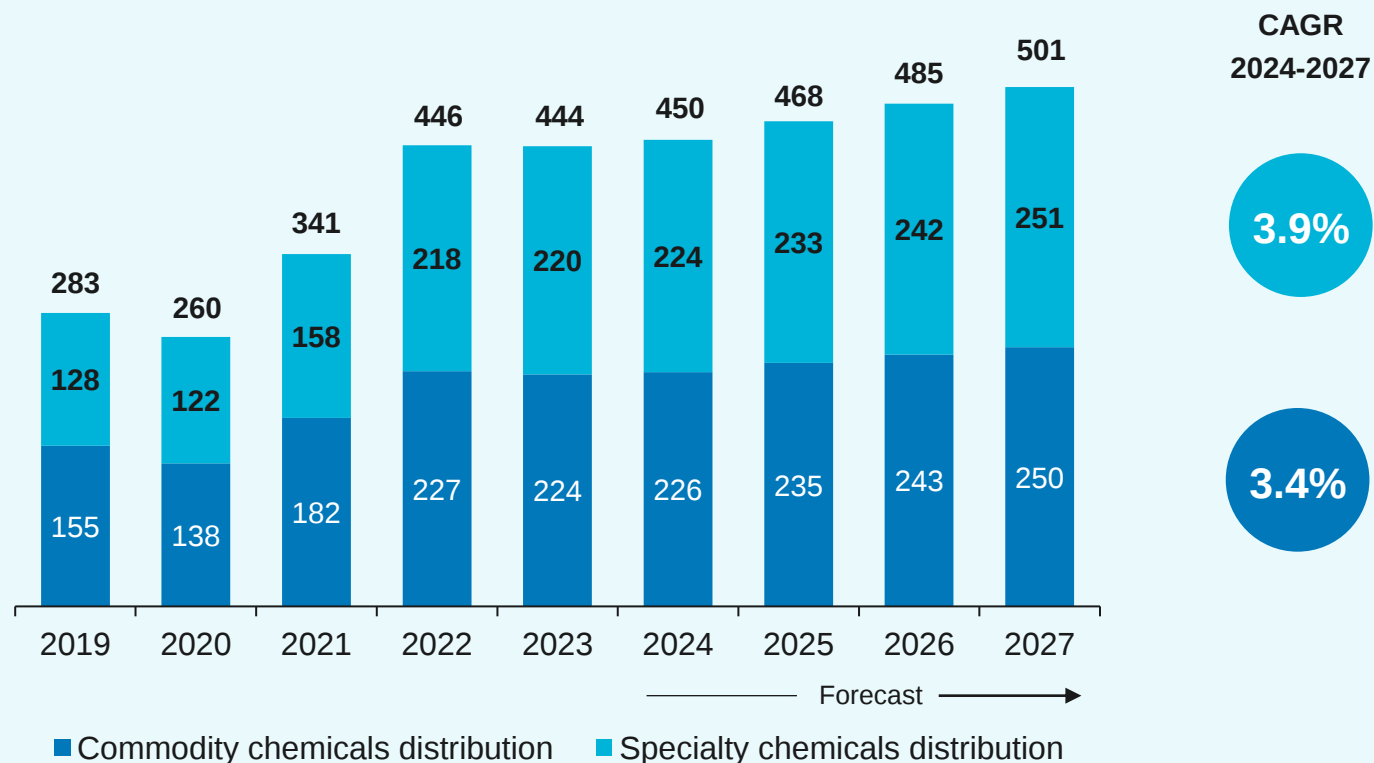


Positive Outlook for Specialty Chemicals Distribution



Global third-party chemical distribution market size and CAGRs by segment¹

(in EUR billion)



Key Highlights

- The global specialty chemical distribution market is projected to grow with a **CAGR of 3.9% from 2024 to 2027**
- **>70% of global chemicals growth until 2035+ from Asia²**
- An **increasing outsourcing share** comes along with a set of expectations toward distributors
- Life sciences industry is **non-cyclical** with consistent **demand growth**

DKSH Positioned to Drive Forward the Consolidation of the Global Specialty Chemicals Distribution Market



Sizeable M&A opportunity



Large global market size:
EUR 220 billion (2023)



20.000 estimated number of distributors world-wide



Fragmented market:
share of Top 7 distributions < 15%



Distributor network reduction
driving market consolidation



Footprint: most large players generate >80% in the **EMEA / Americas** region



Leverage headroom:
DKSH with up to CHF 1 billion firepower

DKSH strategic M&A rational and track record



Expand geographic footprint:
e.g. Terra Firma (America), Axieo (ANZ)



Fill business lines white spots,
e.g. Refarmed, Elite Organic & GBFI



Solidify existing business line,
e.g. Food with Victa, RBC



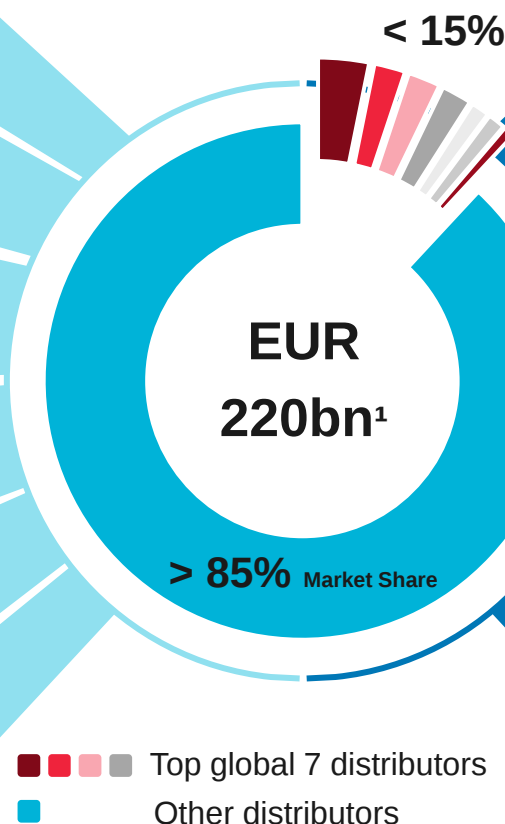
New value-added services,
e.g. SACOA (Blending), JW Foods



Acquired > CHF 500m sales across bolt-on, medium-size & large deals² ...



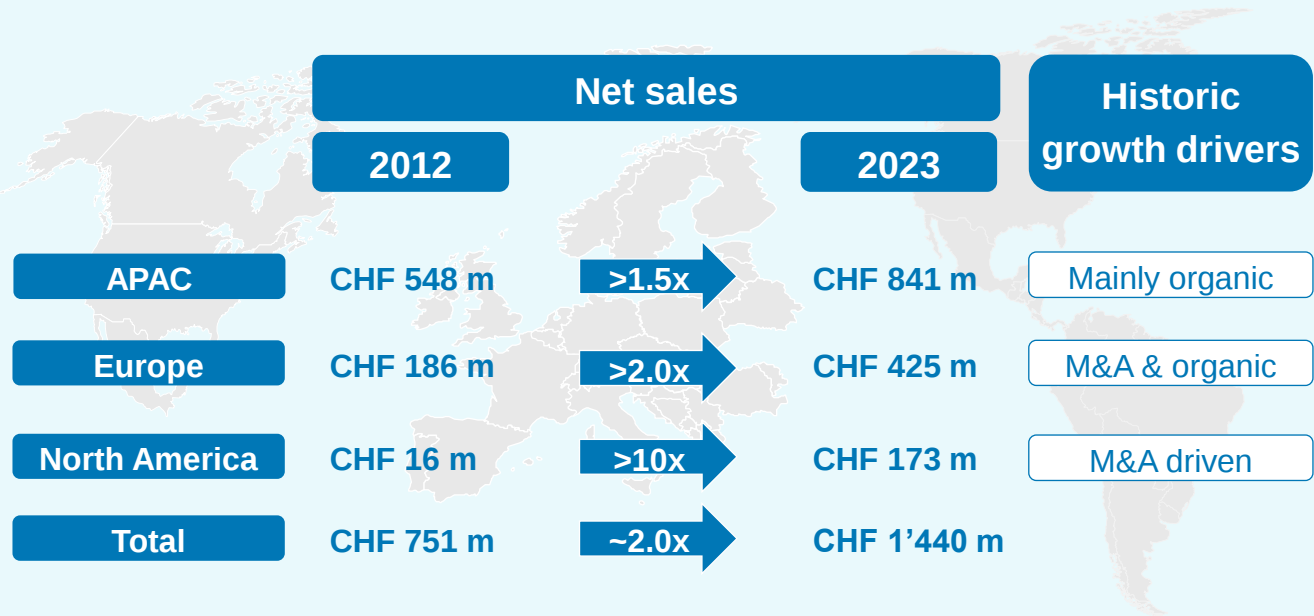
... as well as across **key regions:**
APAC, EMEA and Americas



Organic Growth Complemented with M&A Delivers Value



Geographic expansion progressing well

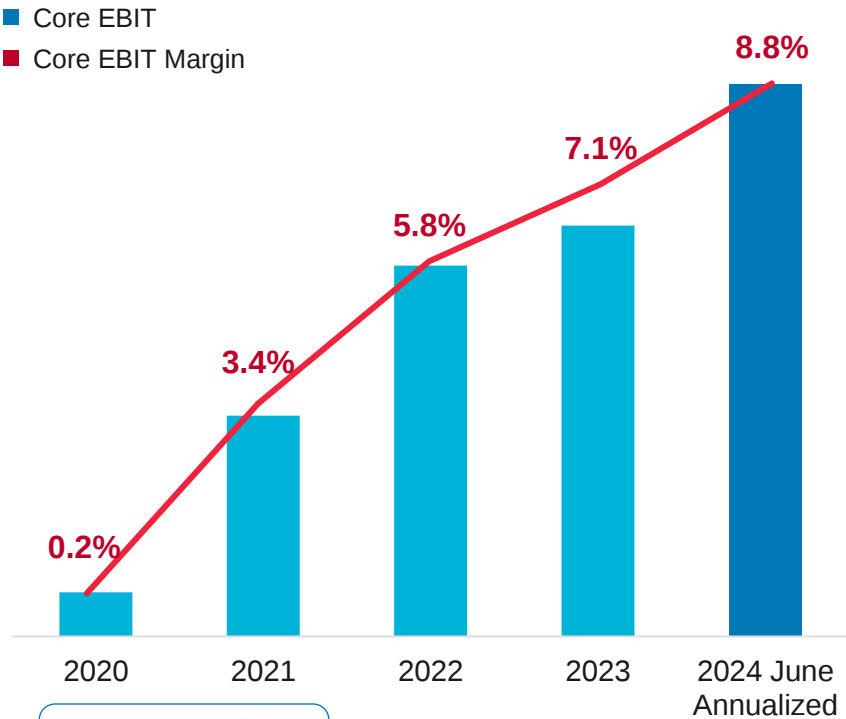


Track record of delivering value via organic and M&A growth

Example: Australia & New Zealand

CHF m at CER¹

Case study



¹ Constant exchange rates (CER): Figures converted at 2019 exchange rates.

Attractive Investment Opportunity



We address **promising market & industry trends** in **Asia Pacific**

Resilient, asset-light, and **cash-generative** business model

We hold **leading scalable positions** in our industries

We focus on **people, digital,** and **sustainability**

Attractive investment – backed by a demonstrated **track record** – with **substantial upside** through **M&A**

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