

Half-year results 2015
Analyst and Investor Presentation



DKSH Holding Ltd.

July 13, 2015

Think Asia. Think DKSH.

Highlights half-year results 2015

Net sales increase by 7.6% to CHF 5.0 billion

Operating profit (EBIT) grows by 6.2% to CHF 139.5 million¹

Solid Free Cash Flow of CHF 86.5 million

Profit after tax rises double-digit by 15.5% to CHF 105.9 million¹

Transfer of two pharmaceutical brands to CMS and restructuring of luxury goods business

DKSH maintains its targets

DKSH continues to grow in the first half-year of 2015

¹ Incl. nearly offsetting effects from CMS transaction and luxury goods business

Solid operating development



Healthcare

- Further strong growth
- Good mix of existing clients and new business wins



Performance Materials

- Results impacted by challenging currency situation
- Reallocation effect



Technology

- Encouraging results
- Management change in the previous year



Consumer Goods

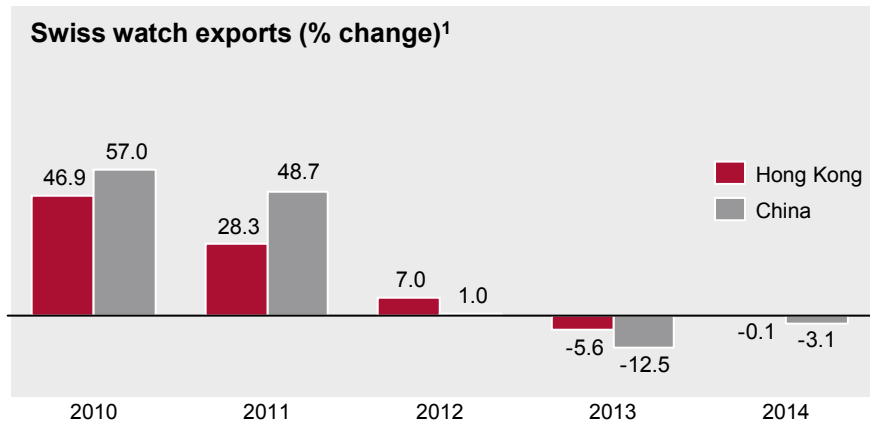
- Continued lower demand in Thailand, especially for premium products
- Decision to restructure luxury goods business

Dynamic growth despite challenging market situation

Strategic decisions

Luxury & Lifestyle sub-segment

- Watch brands impacted by continued lower demand in Asia, ongoing industry consolidation and appreciation of the Swiss franc
- Restructuring measures decided



Transfer of own pharma brands in China

- Transfer of Combizym and Hirudoid to CMS
- DKSH continues to source the products for the Chinese market
- Hirudoid will be further marketed by DKSH outside of China



Restructuring of luxury goods business leads to improved profitability in 2016

¹ Federation of the Swiss watch industry FH

Rapidly growing middle class in Asia

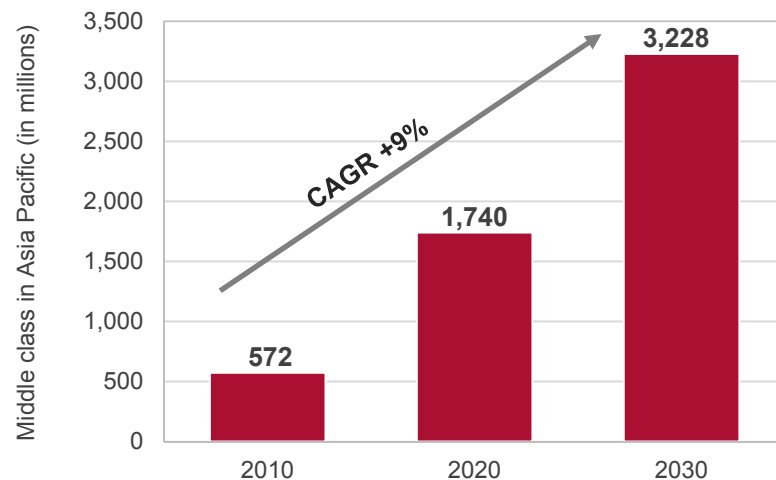
Growing middle class in Asia Pacific¹

APAC middle class
in % of global
middle class

28%

54%

66%



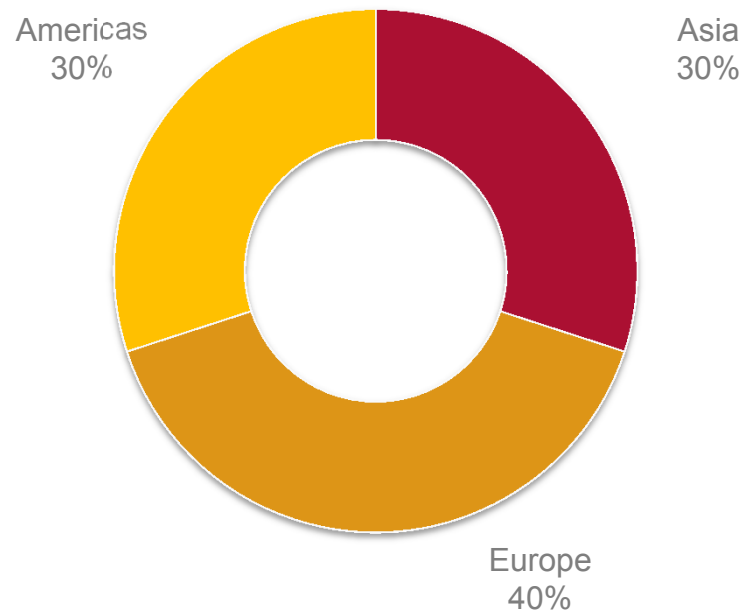
- By 2030 middle class expected to grow sixfold¹
- Growing middle class driving demand for local and international products
- DKSH well positioned to benefit from these trends
 - Direct positive impact on consumer markets
 - Indirect positive impact on industrial sectors

From the "extended workbench" of the West to attractive domestic sales markets

¹ UnctadSTAT, Roland Berger Strategy Consultants, March 2013

Strong inner-Asian trade

Origin of DKSH's key clients



- Asia is today already the second largest trading area after Europe, having overtaken America¹
- Inner-Asian trade is expected to rapidly grow as trade barriers between Asian nations fall and local consumer markets develop fast
- Establishment of the ASEAN Economic Community (AEC) supports this trend
- Out of our major clients, already 30% are of Asian origin

DKSH enables and benefits from growing inner-Asian trade

¹ Roland Berger Strategy Consultants, March 2013

Trend towards outsourcing

- Asia as a target region for companies seeking to grow their business
- Strong focus on core competencies leads to increasing demand for outsourcing services
- Clients are increasingly outsourcing sales and distribution of their products in Asia to partners like DKSH. This further drives our business development activities
- DKSH is a reliable partner for the successful, rapid and low-risk expansion to and within Asia



Focus on core competencies leads to increasing demand for Market Expansion Services

HY 2015: Results further improved

In CHF millions	In CHF		At CER ¹		In CHF
	H1 2015	Δ in %	H1 2015	Δ in %	
Net sales	4,968.9	7.6%	4,877.2	5.6%	4,618.4
Operating profit (EBIT)²	139.5	6.2%	137.8	4.9%	131.4
Profit after tax²	105.9	15.5%	104.4	13.8%	91.7
RONOC (%)²	24.7	-	-	-	23.9
Free Cash Flow	86.5	-13.8%	-	-	100.4
Earnings per share (in CHF)²	1.70	20.6%	-	-	1.41
Number of specialists	27,837	1.0%	-	-	27,550 ³

Profit growth in challenging environment

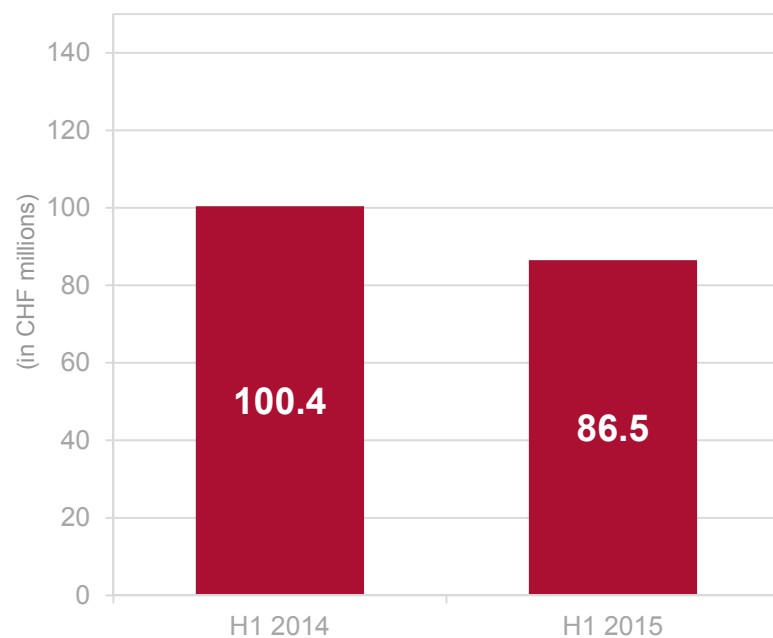
¹ Constant exchange rates: 2015 figures converted with 2014 exchange rates (CER)

² Incl. nearly offsetting effects from CMS transaction and luxury goods business

³ As at December 31, 2014

Solid Free Cash Flow

Free Cash Flow (Cash Flow from Operations – Capex)



Comments

- Free Cash Flow of CHF 86.5 million achieved
- Balance sheet further strengthened
- Low counterparty risk a competitive advantage for client negotiations and collaboration

Balance sheet further strengthened

Business Unit Consumer Goods

Financials					
(in CHF millions)	In CHF		At CER ¹		In CHF
	H1 2015	Δ in %	H1 2015	Δ in %	H1 2014
Net sales	2,013.9	4.2%	1,982.2	2.6%	1,932.3
EBIT²	42.9	-26.9%	41.8	-28.8%	58.7
EBIT margin²	2.1%		2.1%		3.0%

Comments
<ul style="list-style-type: none"> • Net sales increased by 4.2% • Profitability impacted by continued lower demand for premium products, in particular in Thailand, China and Hong Kong • FMCG with changed product mix • Restructuring of luxury goods business leads to improved profitability in 2016

Restructuring will improve profitability in 2016

¹ Constant exchange rates: 2015 figures converted with 2014 exchange rates (CER)

² Excl. one-time effect from luxury goods business (-CHF 59.4 million)

Business Unit Healthcare

Financials					
(in CHF millions)	In CHF		At CER ¹		In CHF
	H1 2015	Δ in %	H1 2015	Δ in %	H1 2014
Net sales	2,408.9	12.4%	2,328.6	8.6%	2,143.8
EBIT²	83.0	21.9%	80.6	18.4%	68.1
EBIT margin²	3.4%		3.5%		3.2%

Comments
<ul style="list-style-type: none"> • Increase of net sales by 12.4% and EBIT growth of 21.9% • Strong organic growth <ul style="list-style-type: none"> – Increased volumes with existing clients – Multiplying success stories from country to country – Successful new business development • Economies of scale resulted in profitability increase • Successful transfer of two own pharma brands to CMS in China

Business Unit Healthcare with further strong performance

¹ Constant exchange rates: 2015 figures converted with 2014 exchange rates (CER)

² Excl. CMS transaction (CHF 60.4 million)

Business Unit Performance Materials

Financials					
(in CHF millions)	In CHF		At CER ¹		In CHF
	H1 2015	Δ in %	H1 2015	Δ in %	H1 2014
Net sales	386.6	1.3%	407.0	6.6%	381.7
EBIT	25.0	-10.7%	26.3	-6.1%	28.0
EBIT margin	6.5%		6.5%		7.3%

Comments
<ul style="list-style-type: none"> • Net sales growth reached 1.3% • EBIT impacted by FX effects <ul style="list-style-type: none"> – Costs of raw materials from Asia and Europe, converted into Yen and Euro, increased – Foreign exchange effects hedged, but gains recorded in net finance result below EBIT line – Reallocation from EBIT to profit after tax • Successful acquisition of specialty chemicals distributor Andreas Jennow

Results impacted by challenging currency developments

¹ Constant exchange rates: 2015 figures converted with 2014 exchange rates (CER)

Business Unit Technology

Financials					Comments
(in CHF millions)	In CHF		At CER ¹		In CHF
	H1 2015	Δ in %	H1 2015	Δ in %	H1 2014
Net sales	159.7	-0.7%	159.7	-0.7%	160.8
EBIT	11.2	148.9%	11.3	151.1%	4.5
EBIT margin	7.0%		7.1%		2.8%

- Net sales slightly declined by 0.7%
- Management change results in a doubled EBIT

Results significantly improved

¹ Constant exchange rates: 2015 figures converted with 2014 exchange rates (CER)

Further growth expected

- GDP growth of around 3% for Thailand expected
- Opening of new distribution centers creates capacity for further expansion
- Strong growth of frontier markets: Vietnam, Myanmar and Cambodia
- Bolt-on acquisition of speciality chemicals distributor Andreas Jennow
- Decision to restructure Luxury & Lifestyle business improves profitability as of 2016
- DKSH maintains its targets



Focus on core competencies as a Market Expansion Services provider

Thank you for your attention.

150 OF MARKET
YEARS EXPANSION
SERVICES



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