

DKSH FY 2019 analyst and investor presentation

DKSH Holdings (Malaysia) Berhad

Nicholas McLaren

Head, Country Management Malaysia and Vice President, Country Finance

Petaling Jaya, February 24, 2020

Agenda

- About DKSH Group
- DKSH Malaysia at a glance
- FY 2019 results
- Outlook

Welcome to the DKSH FY 2019 analyst and investor presentation



Delivering growth – in Asia and beyond.

About DKSH Group

DKSH Group is a leading provider of supply chain solutions, serving a wide range of industries and markets across the Asia-Pacific region.

Our extensive network and expertise enable us to deliver tailored solutions that optimize supply chain efficiency and reduce costs for our clients.

With a strong focus on innovation and customer service, DKSH Group continues to drive growth and value for its stakeholders.

For more information about our services and solutions, please visit our website at www.dkshgroup.com.

DKSH Group is committed to sustainable growth and creating long-term value for all stakeholders.

Thank you for your interest in DKSH Group.

DKSH Group

DKSH Group is a leading provider of supply chain solutions, serving a wide range of industries and markets across the Asia-Pacific region.

Our extensive network and expertise enable us to deliver tailored solutions that optimize supply chain efficiency and reduce costs for our clients.

With a strong focus on innovation and customer service, DKSH Group continues to drive growth and value for its stakeholders.

For more information about our services and solutions, please visit our website at www.dkshgroup.com.

DKSH Group is committed to sustainable growth and creating long-term value for all stakeholders.

Thank you for your interest in DKSH Group.

DKSH Group

DKSH Group is a leading provider of supply chain solutions, serving a wide range of industries and markets across the Asia-Pacific region.

Our extensive network and expertise enable us to deliver tailored solutions that optimize supply chain efficiency and reduce costs for our clients.

With a strong focus on innovation and customer service, DKSH Group continues to drive growth and value for its stakeholders.

Being the trusted partner



DKSH is the No. 1 in
Market Expansion Services

We are the trusted partner for companies looking
to grow their business in Asia and beyond.

DKSH is a successful market leader

No. 1

Market Expansion Services
provider with a focus on Asia

1,900 clients

1,900 suppliers

22 million

transactions per year

CHF

11.6 billion

Net sales (2019)

>10 years

4 markets

average client relationship¹⁾

850

business locations

33,350

specialists

More than **150**

years in Asia

525,000

customers

¹⁾ Top 200 clients by net sales

We support companies to grow their business in and with Asia...



- Helping companies to grow their business in new and existing markets
- Providing business partners with the knowledge, advice, relationships and on-the-ground logistics to reach their individual growth goals
- Expanding their access to knowledge, their sourcing base, revenue opportunities, and ultimately, their market shares

**This is what we define as
Market Expansion Services**

...with a comprehensive, tailor-made portfolio of services

Market Expansion Services goes beyond offering individual services – it is about the integration of many different services to meet the needs of business partners



Drive sales growth in last mile of supply chain journey

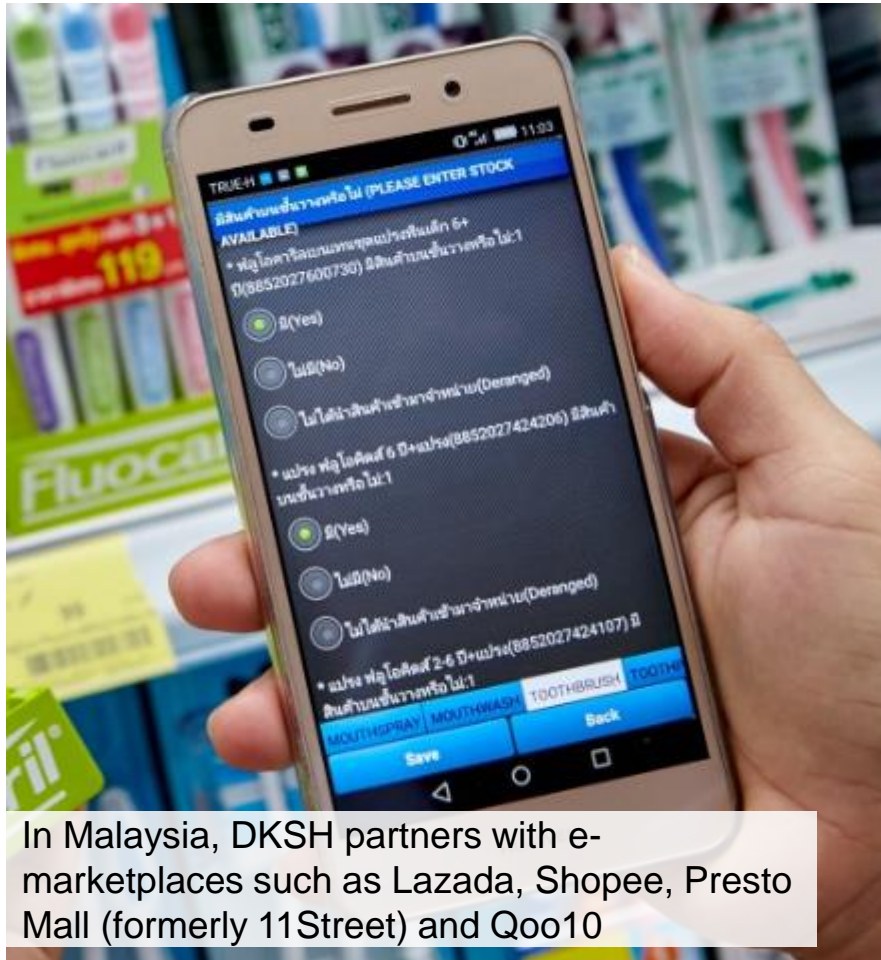
Our large sales force is equipped with handheld devices, which put real-time information at their fingertips



DKSH Smollan Field Marketing (DSFM)

- Joint venture with Smollan Group, leading retail solutions organization
- About 5,000 specialists servicing over 180,000 retail stores across Asia
- Present in ten markets
- Provides retail execution and brand activation services, backed by Smollan Mobile real-time reporting and retail insights

Omni-channel approach increases clients' access to market



- Offer an end-to-end portfolio of e-commerce services – from online channel management to performance marketing to e-fulfillment and customer service solutions
- Provide brands with access to over 100 online channels in Asia, from e-retailers to e-resellers to e-marketplaces to brand.com
- Operate across nine markets in Asia

In Malaysia, DKSH partners with e-marketplaces such as Lazada, Shopee, Presto Mall (formerly 11Street) and Qoo10

We link business partners and add value to businesses



Providing companies access and expertise to grow in and with Asia



With a strategy for growth and deep expertise gathered in specialized Business Units, we consistently deliver results

DKSH Malaysia at a glance

DKSH Malaysia at a glance

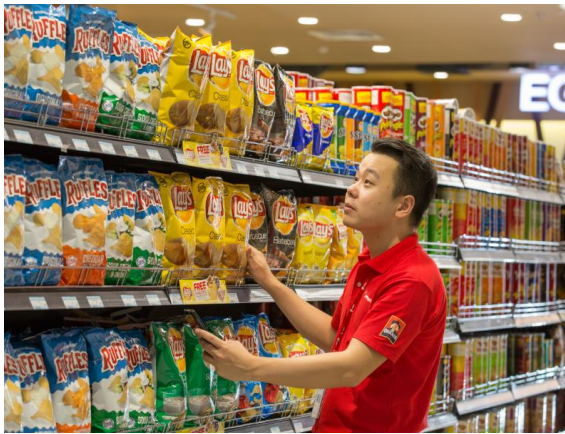


More than 90 years of success in Malaysia

Figures as of financial year 2018

Three specialized business segments

Marketing & Distribution Services



- Fast Moving Consumer Goods
- Food Services
- Performance Materials

Logistics Services



- Healthcare
- Telecommunications

Others



- Famous Amos

...leading the Market Expansion Services industry with tailored solutions across the value chain

Serving international clients...



Trusted partner for well-known international brands

Consumer Goods:



Healthcare:



Performance Materials:



...and local brands

Reliable partner for Asian brands



In Malaysia for Malaysia



FY 2019 results



FY 2019 results

Financials

(in RM millions)	FY 2019	FY 2018	Change %
Net sales	6,455.1	6,010.3	7.4%
Profit before interest and tax	98.6	68.7	43.4%
Profit before tax	61.0	60.6	0.7%
Profit after tax (PAT)	39.1	44.6	(12.3%)
Adjusted operating PAT	88.0	47.5	85.3%
Comparative PAT	62.7	47.5	32.1%
Earnings per share (EPS)	24.8	28.3	(12.3)
Cash earnings per share (EPS)	40.0	34.0	17.8%

Comments

- Revenue growth of 7.4% results from positive contribution from Auric Malaysia and underlying organic growth with existing clients
- Operating costs increased by 7.0%
- Profit before tax increased by 0.7% as a result of abovementioned costs incurred, additional finance costs on borrowings for Auric Malaysia acquisition and impact of MFRS16
- Comparative profit after tax (PAT) was 32.1% above last year's

Positive contribution from Food Services segment

Marketing and Distribution Services

Financials

(in RM millions)	FY 2019	FY 2018	Change %
Net sales	3,143.5	2,826.3	11.2%
Result	41.8	21.6	93.8%
Comparative results	33.6	25.4	32.6%

1 FMCG

2 Food Services

3 Performance Materials

Comments

- Net sales increased 11.2% due to the acquisition of Auric Malaysia, ongoing organic growth with existing clients and new clients wins in Q4 2018
- Operating result increased 93.8% predominantly due to acquisition of Auric Malaysia with higher operating margins, revenue growth as highlighted above and operating efficiency improvements
- Comparative result (adjusted for Auric Malaysia, MFRS 16 impact and unusual items) was up 32.6%

Auric Malaysia's acquisition and organic growth drives revenue

Logistics Services

Financials

(in RM millions)	FY 2019	FY 2018	Change %
Net sales	3,243.7	3,122.3	3.9%
Result	62.8	48.7	28.9%

Comments

- Increase in net sales of 3.9% was organically driven
- Growth in operating result attributed to strong revenue supported by improving margin mix and continued gain from operational efficiencies

1 Healthcare

2 Telecommunications business

Steady revenue growth as a result of organic growth

Segment – Others

Financials

(in RM millions)	FY 2019	FY 2018	Change %
Net sales	67.9	61.7	10.0%
Result	(6.0)	(1.5)	(>100%)

Comments

- Sales up 10.0% due to improved per-store revenue growth as a result of strategically driven outlet openings
- Operating result decreased due to a one-off cost relating to the acquisition of Auric Malaysia
- At the end of Q4 2019, Famous Amos operated 97 outlets nationwide and two outlets in Brunei

1 Famous Amos

2 Others – central overheads

Strategic expansion boost revenue per store

Outlook

Outlook

- The Group takes an optimistic outlook on 2020, with some caution relating to current market conditions
- Prospects remain good for the Logistics and Others segments
- The Marketing and Distribution segment is well placed with Auric Malaysia fully integrated into the Group and delivering strong profit
- Long-term outlook remains positive, supported by two market trends



Strengthening our leading position in the FMCG industry

Two market trends...

1

Growing middle class in Malaysia

2

Trend towards outsourcing

Increasing spending on consumer goods and healthcare products

Investments in local infrastructure and industries

...boost expansion, consumer/industrial spending as well as MES industry



An increasingly urbanized population continues to boost consumer spending.

Question-and-answer



Having been truly at home in Asia for more than 150 years, DKSH has unparalleled relationships and networks across Asia and an unmatched depth of knowledge, experience and understanding.

Thank you for your attention

Disclaimer

Due care has been used in preparation of this presentation and DKSH makes every effort to provide accurate and up-to-date information. Nevertheless, this presentation may be subject to technical inaccuracies, information that is not up-to-date or typographical errors.

DKSH does not assume liability for relevance, accuracy and completeness of the information provided. DKSH reserves the right to change, supplement, or delete some or all of the information on this presentation without notice.

The layout, graphics and other contents in this presentation are protected by copyright law and should not be reproduced or used without DKSH's written permission.