

DKSH Q1 2019 analyst and investor presentation

DKSH Holdings (Malaysia) Berhad

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Agenda

- About DKSH Group
- DKSH Malaysia at a glance
- Q1 2019 results
- Outlook

Welcome to the DKSH Q1 2019 analyst and investor presentation



About DKSH Group

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

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 commitment to innovation and customer service, DKSH Group continues to expand its global reach and enhance its service offerings.

For more information about DKSH Group and its services, please visit our website at www.dksh.com.

DKSH Group is a public company listed on the Singapore Exchange (SGX) under the ticker symbol DKSH.

Our headquarters are located in Singapore, and we have a presence in over 30 countries across Asia, Europe, and the Americas.

DKSH Group is a member of the Singapore Exchange (SGX) and is committed to transparency and ethical business practices.

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Who we are



DKSH is a successful market leader

No. 1

Market Expansion Services
provider with a focus on Asia

1,700 clients

1,800 suppliers

19 million

transactions per year

CHF

11.3 billion

Net sales (2018)

>10 years

4 countries

average client relationship¹⁾

825

business locations

33,000

specialists

More than **150**

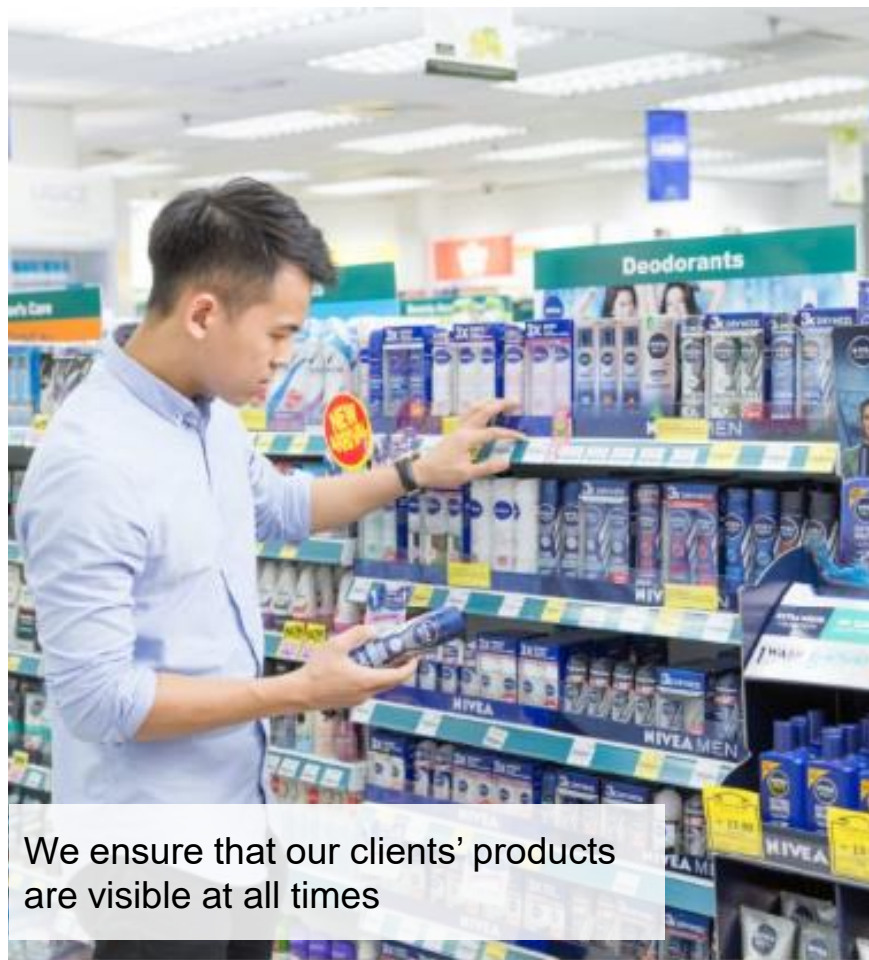
years in Asia

450,000

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

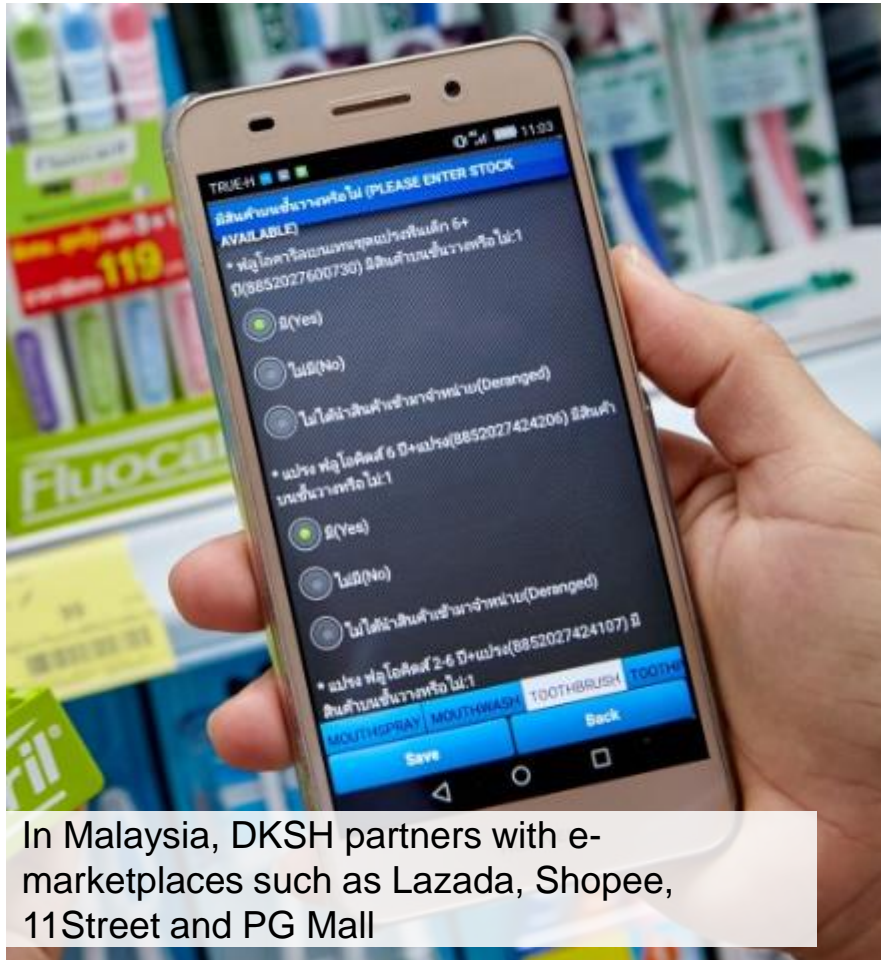
Our large sales force is equipped with handheld devices, which put real time information at their fingertips



DKSH Smollan Field Marketing (DSFM)

- Joint venture with Smollan Group, leading retail solutions organization
- More than 5,000 specialists servicing over 75,000 retail stores across Asia
- Present in ten countries
- 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



In Malaysia, DKSH partners with e-marketplaces such as Lazada, Shopee, 11Street and PG Mall

- 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

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

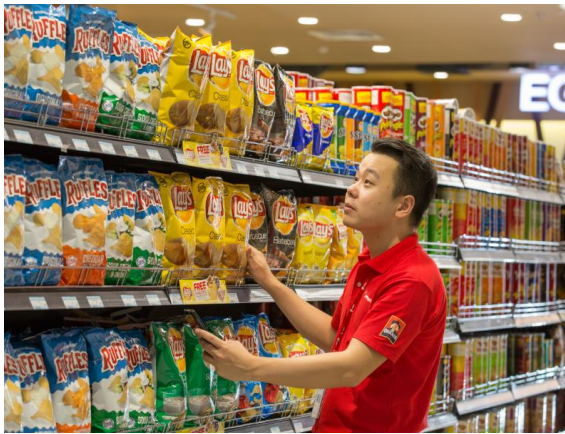


More than 90 years of success in Malaysia

Figures as of financial year 2018

Three specialized business segments

Marketing & Distribution Services



- Fast Moving Consumer Goods
- 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



Q1 2019 results



Q1 2019 results

Financials

(in RM millions)	Q1 2019	Q1 2018	Change %
Net sales	1,562.7	1,455.7	7.4%
Profit from operations	8.2	16.2	(49.1%)
Profit before tax	0.8	14.5	(94.3%)
Profit/(loss) after tax	(0.7)	10.8	(105.7%)
Net profit/(loss) attributable to owners of parent	(0.7)	10.8	(105.7%)
Earnings per share	(0.39)	6.86	(105.7%)

Comments

- Revenue growth of 7.4% reflects stable sales and underlying organic growth of existing clients in all segments
- Operating costs increased by 7.7% as a result of commencement of a major growth and efficiency improvement project as well as increased warehousing cost, both in the marketing and distribution segment
- Profit before tax declined 94.3% as a result of abovementioned costs incurred

Stable sales and ongoing organic growth maintains revenue

Marketing and Distribution Services

Financials

(in RM millions)	Q1 2019	Q1 2018	Change %
Net sales	736.2	690.6	6.6%
Result	(0.4)	5.2	(107.4%)

Comments

- Net sales increased 6.6% as a result of stable sales as well as ongoing organic growth of existing clients and new clients in Q4 2018
- Year-to-date operating results declined predominantly due to commencement of a growth and efficiency improvement project in Q4 2018 and increased warehousing cost

1 FMCG

2 Performance Materials

Profitability expected to improve from Q2 2019

Logistics Services

Financials

(in RM millions)	Q1 2019	Q1 2018	Change %
Net sales	810.6	751.4	7.9%
Result	12.7	12.4	3.0%

Comments

- Increase in net sales of 7.9% was organically driven
- Growth in operating results attributed to strong revenue growth supported by improved margin mix and continued gains from operational efficiencies

1 Healthcare

2 Telecommunications business

Steady revenue growth in Logistics segment

Segment – Others

Financials

(in RM millions)	Q1 2019	Q1 2018	Change %
Net sales	15.9	13.7	15.6%
Result	(4.1)	(1.4)	(>100%)

Comments

- Strategic outlet openings improved per store revenue growth, resulting in net sales increase of 15.6%
- Operating result decreased predominantly due to a one-off cost relating to the acquisition of Auric Malaysia which was completed on March 29, 2019
- At the end of Q1 2019, Famous Amos operated 91 outlets nationwide and one outlet in Brunei

1 Famous Amos

2 Others – central overheads

Strategic outlet expansions boost revenue

Outlook

Outlook

- The Group takes a cautiously optimistic outlook on 2019
- Prospects remain positive for the Logistics and Others segments
- The Marketing and Distribution segment is expected to positively benefit from the acquisition of Auric Pacific (M) Sdn. Bhd. as well as the ongoing growth and profitability project
- Client and customer portfolio remains well-diversified and supported by strong sales, marketing and distribution infrastructure with capillary distribution reach and comprehensive portfolio of services along the value chain
- 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

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