

DKSH FY2020 analyst and investor presentation

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Agenda



- 1. About DKSH Group**
- 2. DKSH Malaysia at a glance**
- 3. FY2020 results**
- 4. Outlook**

**Welcome to DKSH's FY2020
analyst and investor presentation**



About DKSH Group

DKSH is a successful market leader



No. 1

Market Expansion Services provider
with a focus on Asia

2,000 clients

2,000 suppliers

24 million

transactions per year

CHF

10.7 billion

Net sales (2020)

>10 years

4 markets

average client relationship¹

870

business locations

32,450

specialists

More than **150** years
in Asia

550,000

customers

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



We link business partners and add value to business...



Client

Typically a manufacturer:

We support our clients in marketing, selling and distributing products, provide after-sales services and market insight in new and existing markets



Healthcare



Consumer Goods



Performance Materials



Technology



Customer

Typically a retailer or manufacturer:

We support our customers in getting the best raw materials, products and brands at the best price and we provide them with knowledge and market insights

Hospitals,
clinics and
pharmacies

Retailers,
supermarkets,
hypermarkets and
grocers

Food & Beverage,
Personal Care,
Pharmaceuticals and
Specialty Chemicals

Diverse
industrial
manufacturers

Drive sales growth in last mile of supply chain journey



Our large field marketing sales force drives sales growth in the last mile of the supply chain journey

DKSH Smollan Field Marketing (DSFM)

- Joint venture with Smollan Group, leading retail solutions organization
- More than 8,000 specialists across Asia
- Present in 11 markets
- Provides retail execution and brand activation services, backed by Smollan mobile real-time reporting and retail insights

DKSH's omni-channel approach well received



**Extensive
Omni-channel coverage**

Consumer access

970 brands

>900 performance marketing campaigns

>5,000 performance ads

>7,000 creative artwork

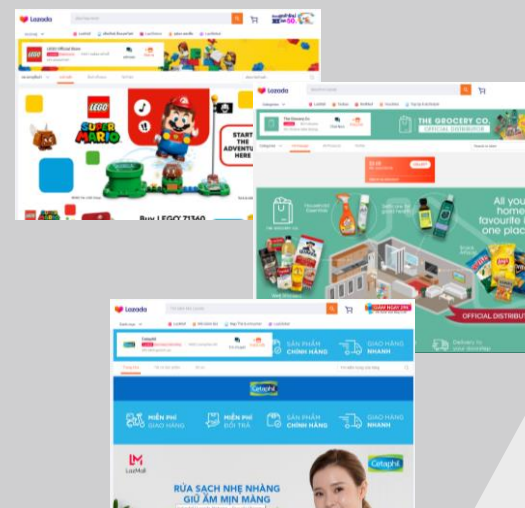
All top channels



Partnership with



169 flagship stores



9 markets



> CHF 200 million
eCommerce sales

DKSH won nine awards at Marketing Interactive's Asia eCommerce Awards 2020

DKSH Malaysia at a glance

DKSH Malaysia at a glance



Net sales:
RM 6.4 billion



About 3,300
specialists



26 business
locations



4 ISO-certified distribution centers,
16 regional distribution centers and
1 manufacturing plant



Network of more than 220 clients
and 16,000 customers



More than 90 years of success in Malaysia

Three specialized business segments

Marketing & Distribution Services



- Fast Moving Consumer Goods
- Food Services
- Performance Materials

Logistics Services



- Healthcare
- Telecommunications

Others



- Famous Amos
- Others – overheads

...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



FY2020 results

FY2020 results



Financials

(in RM millions)	FY2020	FY2019	Change %
Revenue	6,355.7	6,457.1	(1.6%)
Profit before interest and tax	107.8	98.5	9.4%
Profit before tax	73.3	61.0	20.3%
Profit after tax	47.7	39.0	22.2%
(in RM sen)			
Earnings per share (EPS)	30.3	24.8	22.1%
Cash earnings per share (EPS)	46.7	40.0	16.8%

Comments

- Revenue decreased by 1.6% as a result of the effects of the COVID-19 pandemic
- Operating costs decreased by 1.6% in line with the decline in revenue
- Profit before tax improved by 20.3% due to the full-year contribution from the Auric Malaysia business, ongoing organic growth of existing clients and new clients secured. Costs relating to the growth and efficiency improvement project and purchase price allocation adjustments in 2019, offset by the effects of the COVID-19 pandemic in 2020

Revenue was impacted by the COVID-19 pandemic, mostly in Logistics and Others segments

Marketing and Distribution Services



Financials

(in RM millions)	FY2020	FY2019	Change %
Revenue	3,447.2	3,145.0	9.6%
Segment profit before interest and tax	81.4	41.8	94.7%

Comments

- Revenue increased 9.6% due to the positive contribution from the Auric Malaysia business, ongoing organic growth with existing clients and new clients secured
- Operating result increased 94.7% predominantly due to contribution from the Auric Malaysia business, ongoing organic growth of existing clients and new clients secured, and the non-recurring costs for the growth and efficiency improvement project and purchase price allocation adjustment in 2019

1 FMCG

2 Food Services

3 Performance Materials

Steady growth continued in the Marketing & Distribution segment

Logistics Services



Financials

(in RM millions)	FY2020	FY2019	Change %
Revenue	2,864.9	3,243.7	(11.7%)
Segment profit before interest and tax	47.5	62.8	(24.3%)

Comments

- Revenue reduced 11.7% mainly due to effects of the COVID-19 pandemic and the timing of government tenders
- Operating result decreased 24.3%, reflecting slightly lower sales levels due to the abovementioned

1 Healthcare

2 Telecommunications business

The COVID-19 pandemic continues to affect revenue

Segment – Others



Financials

(in RM millions)	FY2020	FY2019	Change %
Revenue	43.6	68.4	(36.3%)
Segment profit before interest and tax	(21.1)	(6.0)	(>100.0%)

Comments

- Revenue declined 36.3% due to business operations being affected by the imposition of Movement Control Orders by the government
- Operating result decreased predominantly due to lower sales recorded as mentioned above, the additional unrealized derivatives loss recorded for interest rate swap and financing cost incurred for acquisition of Auric Malaysia
- At the end of FY2020, there were a total of 100 Famous Amos outlets nationwide and two outlets in Brunei

1 Famous Amos

2 Others – overheads

Business operations affected by imposition of the related Movement Control Orders

Outlook

Outlook

- 2021 begins with Malaysia still in the midst of the COVID-19 pandemic and the situation remains dynamic and uncertain
- The Group successfully navigated the pandemic to-date with no significant operational disruptions with well-prepared business continuity plans and total quarantine solutions
- The Group has a well-diversified portfolio of clients across various industries, channels and product categories, and continues to focus on business growth, cost efficiencies, maintaining stability and caution while taking a cautious, yet growth-oriented approach to the present situation
- Amidst uncertainties, the Group is confident about the growth opportunities in the medium to long term
- The Group remains focused on product innovation, business development and capturing cost efficiencies

Focus on maintaining stability and caution while ensuring preparedness to adapt as situation normalizes



Two market trends...

1 Growing middle class in Malaysia

2 Trend towards outsourcing

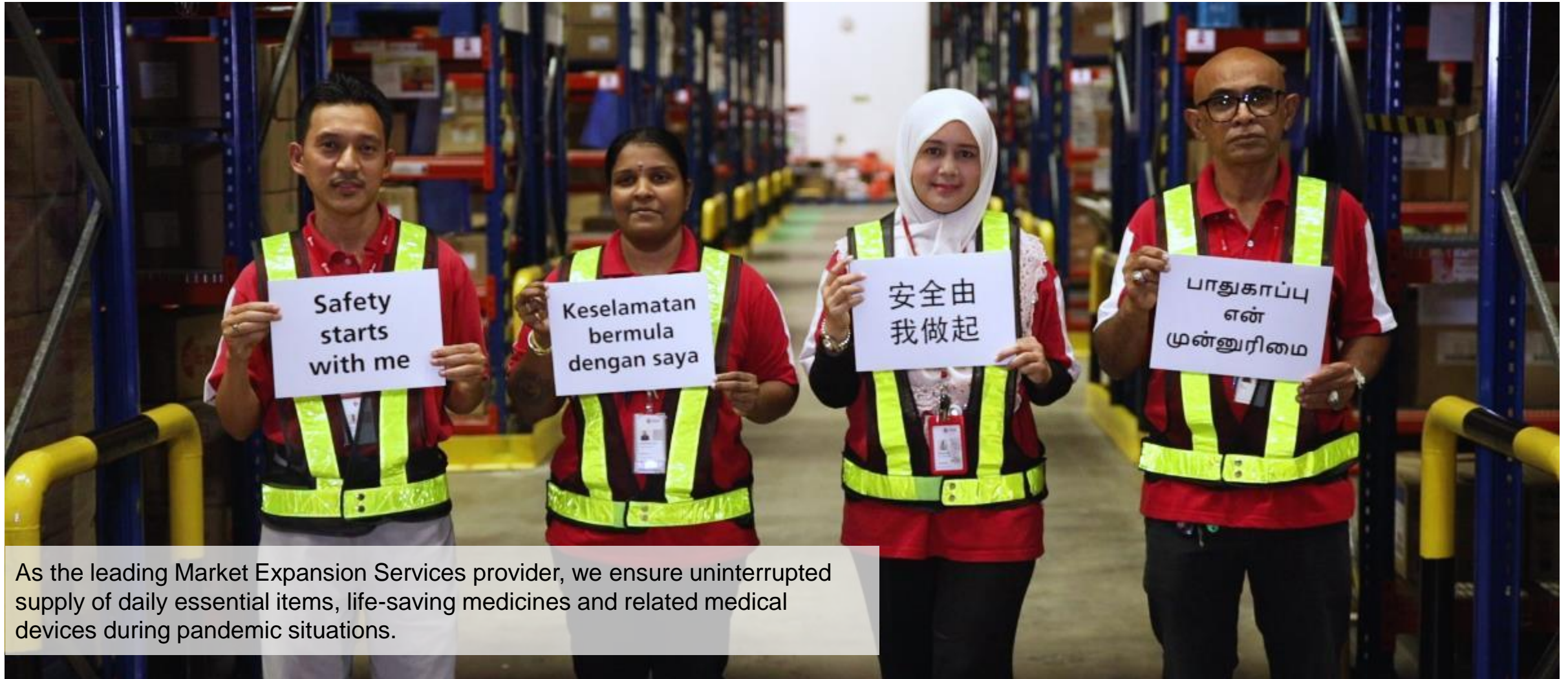
Increased spending on consumer goods and healthcare products

Investments in local infrastructure and industries

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



Question-and-answer



As the leading Market Expansion Services provider, we ensure uninterrupted supply of daily essential items, life-saving medicines and related medical devices during pandemic situations.

Thank you for your attention