

DKSH Holdings (Malaysia) Berhad 28th Annual General Meeting

Kuala Lumpur, June 24, 2020

DKSH Holdings (Malaysia) Berhad

28th Annual General Meeting

Business review 2019

**By Nicholas McLaren, Head, Country Management and
Vice President, Country Finance**

Kuala Lumpur, June 24, 2020

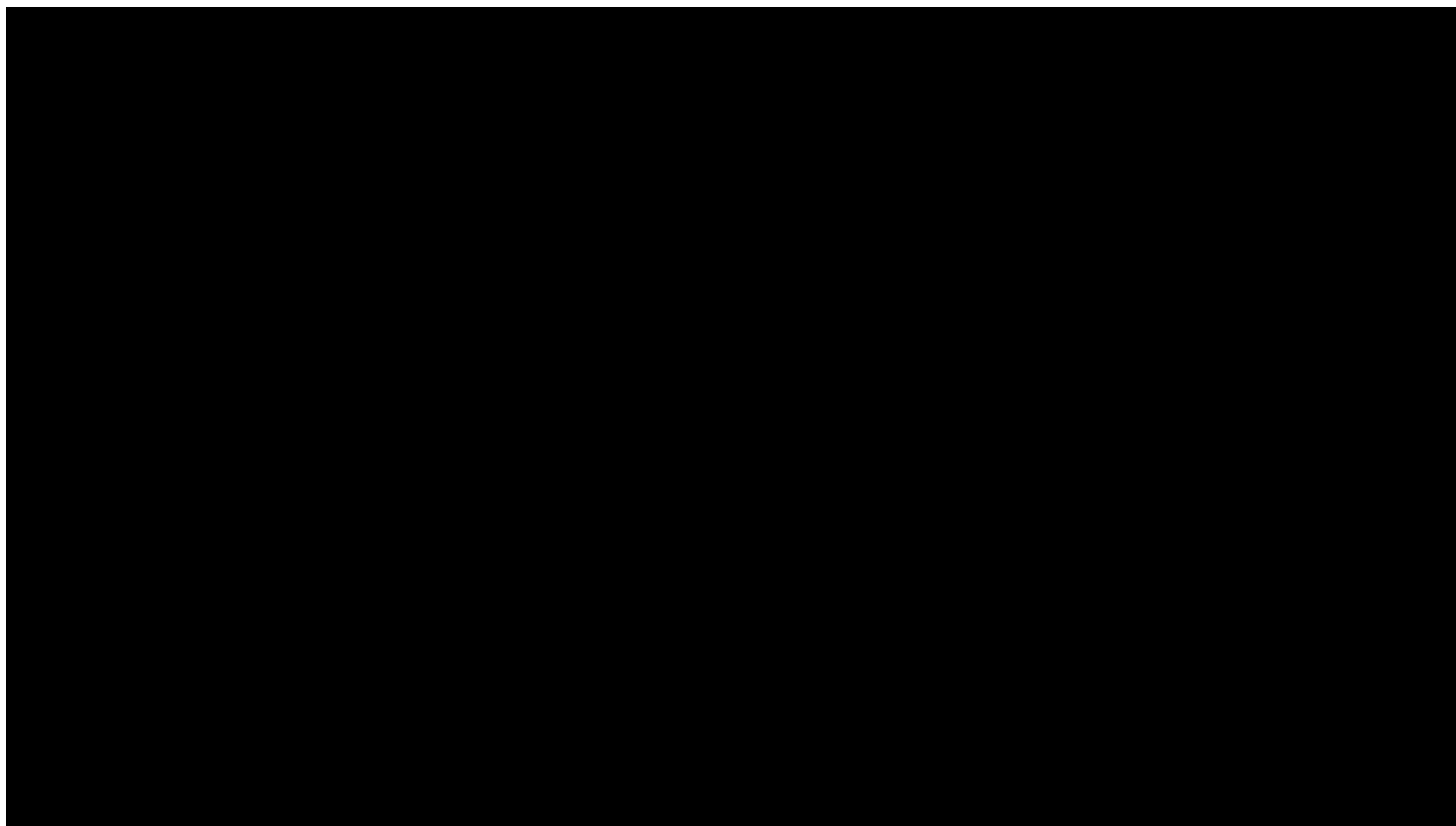
Agenda

- **About DKSH Group**
- DKSH Malaysia at a glance
- FY 2019 performance review
- 2019 highlights – organic growth and a successful strategic integration
- Outlook
- Resolutions
- Outcome of Annual General Meeting (AGM)

Welcome to DKSH's 28th Annual General Meeting



DKSH corporate video presentation



About DKSH Group

Being the trusted partner

Enriching people's lives

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**

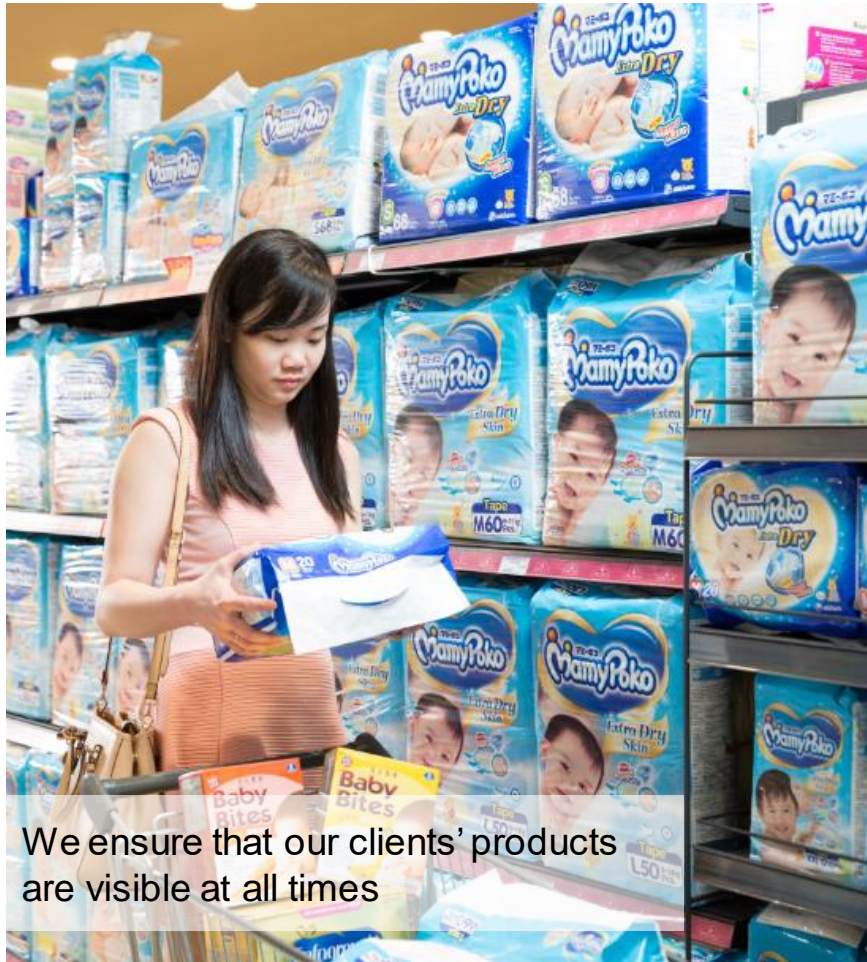
years in Asia

525,000

customers

¹⁾ Top 200 clients by net sales

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



We ensure that our clients' products are visible at all times

- 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

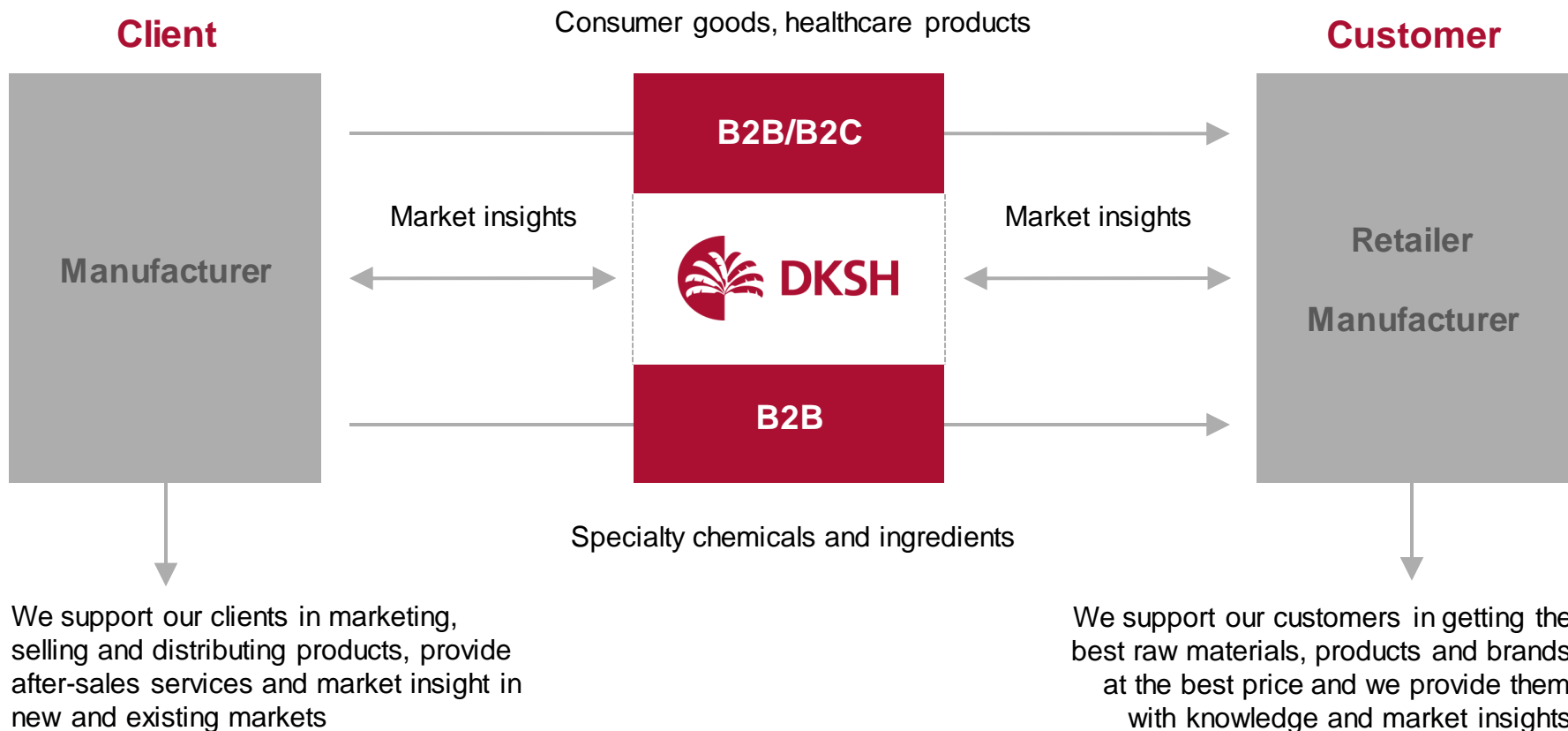
**This is what we define as
Market Expansion Services**

...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 businesses



Clear strategy for sustainable, profitable growth

Focus on existing Business Units

Focus on growing existing markets and existing Business Units where we leverage our leader position for our business partners

Strengthen service offering

Continuously strengthen and extend our service offerings to ensure long-term success of our customers and clients

Increase operational efficiency

Successively improve efficiency and effectiveness of our processes to serve our business partners best

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 2019

Delivering growth – in Asia and beyond.

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 performance review

FY 2019 results

Financials

(in RM millions)	FY 2019	FY 2018	Change %
Net sales	6,457.1	6,010.3	7.4%
Profit before interest and tax	98.5	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 business segment

Marketing and Distribution Services

Financials

(in RM millions)	FY 2019	FY 2018	Change %
Net sales	3,145.0	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%

Food Services business segment 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	68.4	61.7	10.7%
Result	(6.0)	(1.5)	(>100%)

Comments

- Sales up 10.7% 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

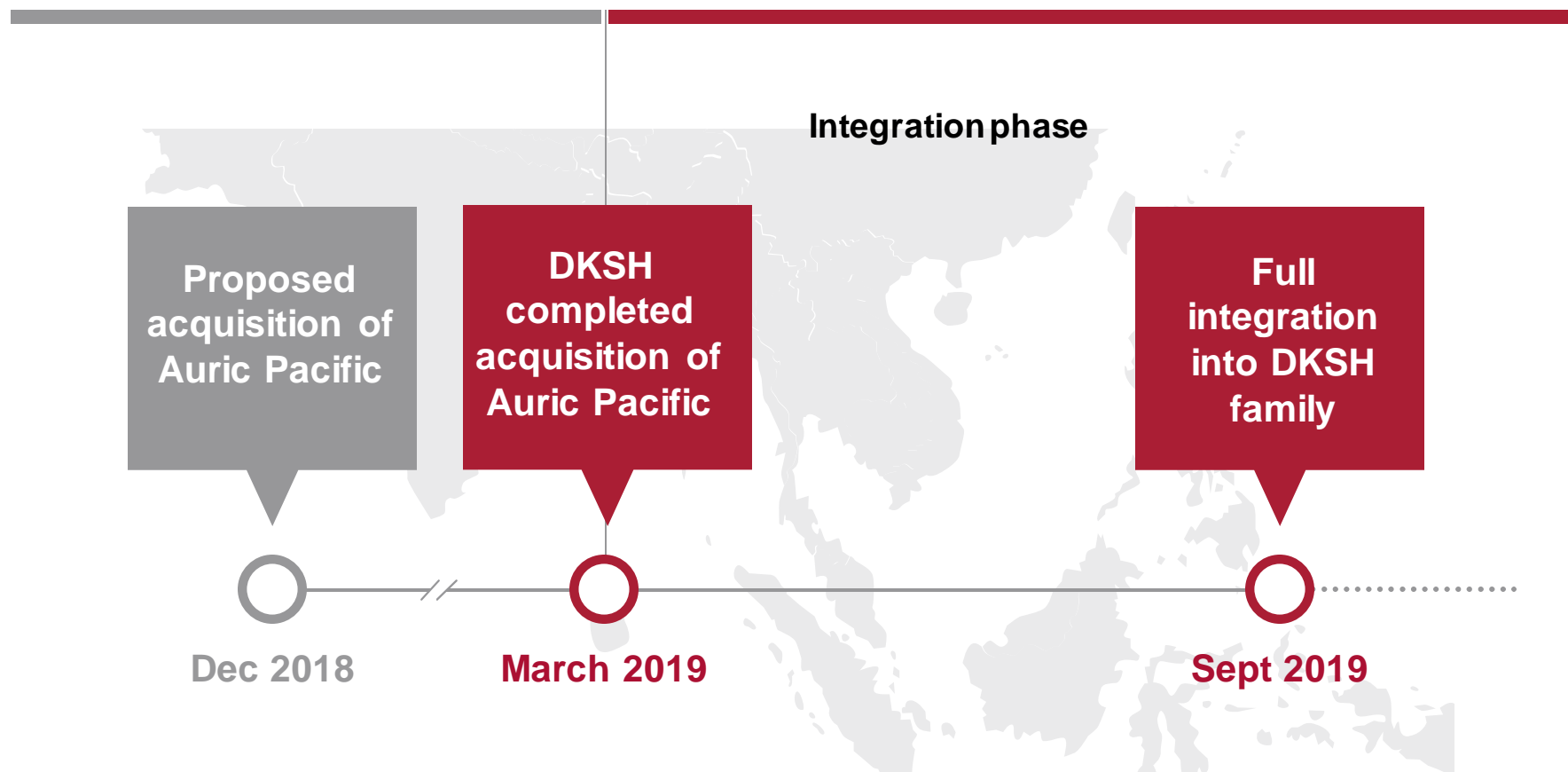
Strategic expansion boost revenue per store

2019 highlights – organic growth and a successful strategic integration

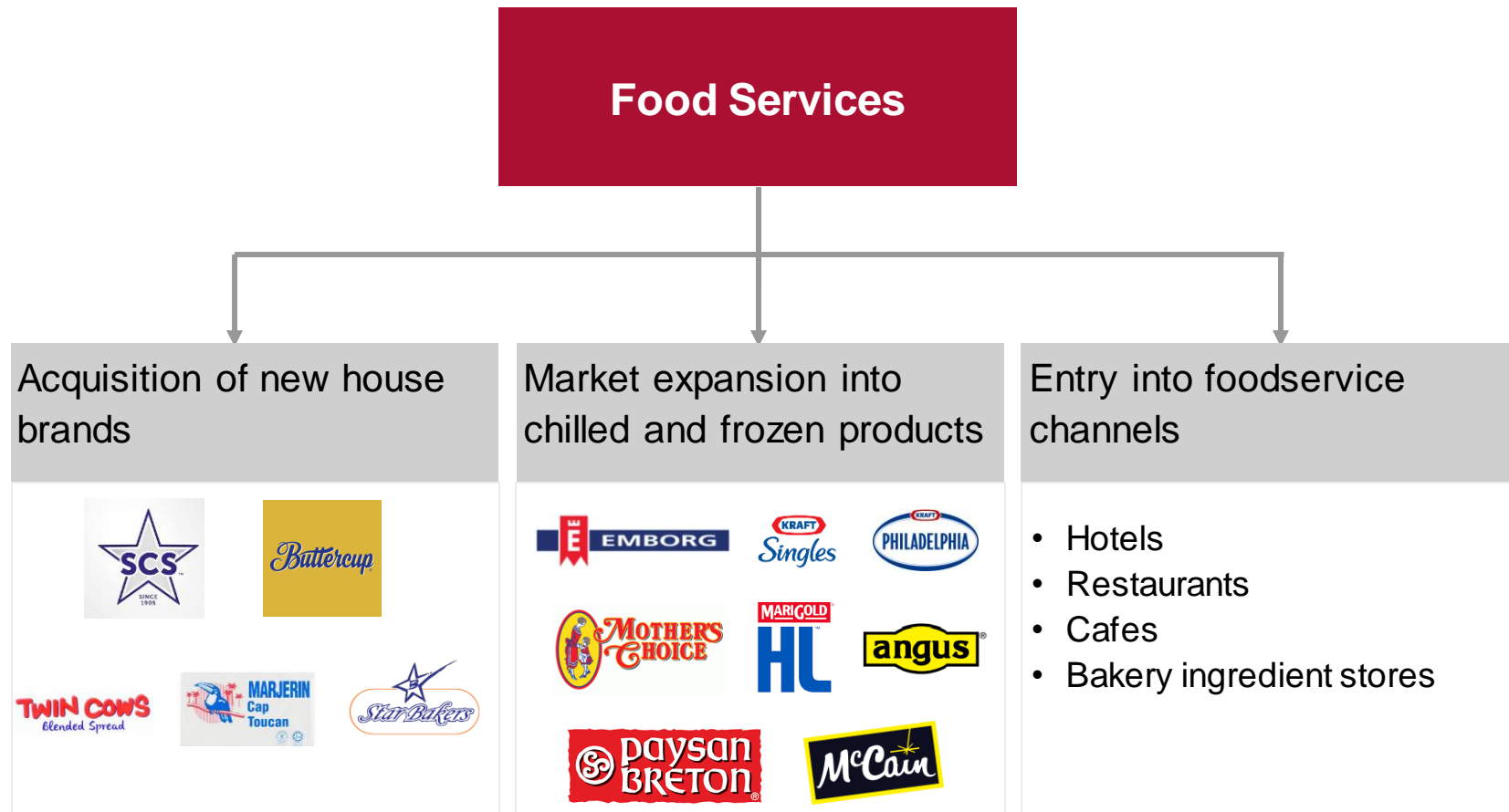
Winning new clients and partnership expansions in 2019



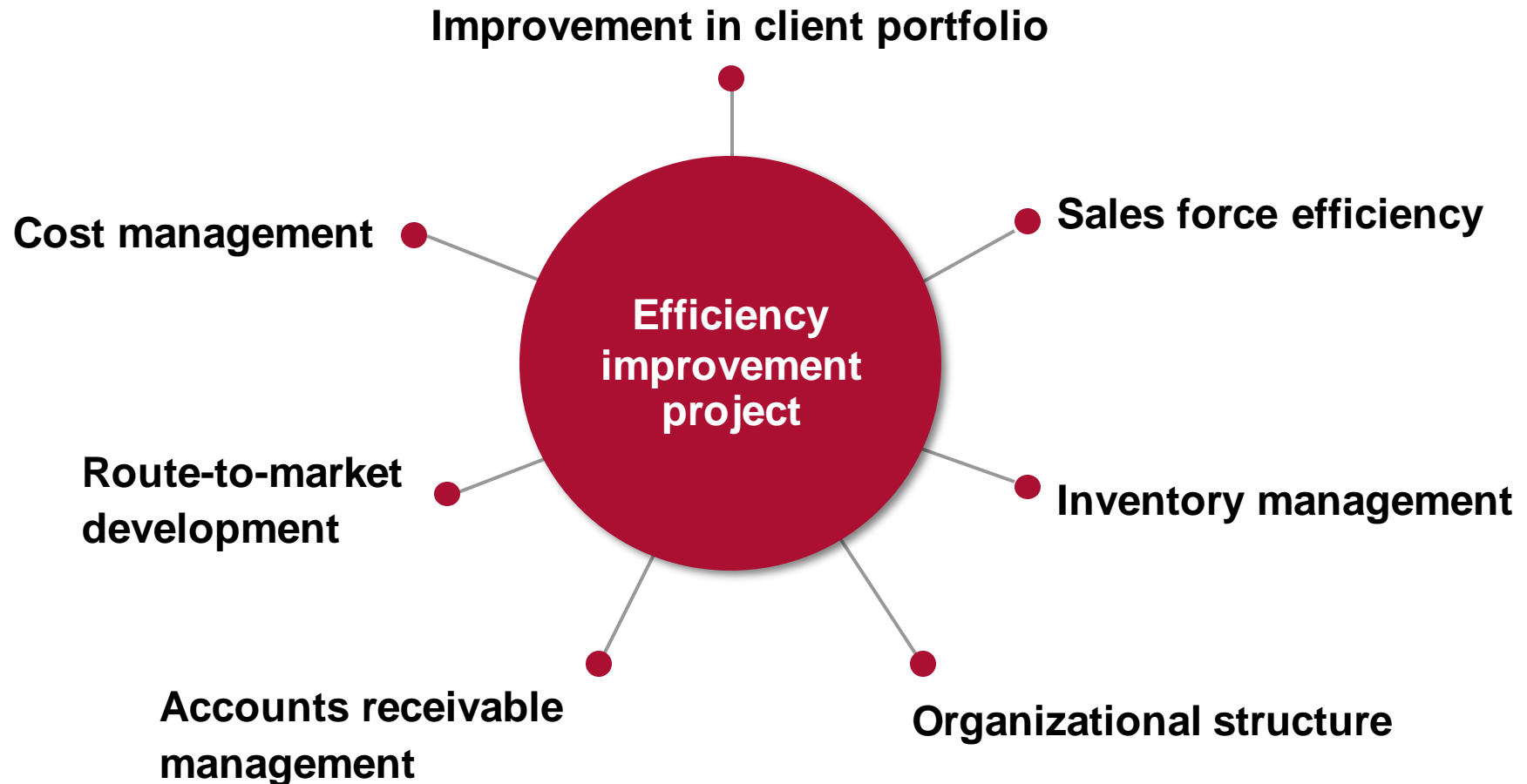
Auric Pacific: integration completed



Strengthening our leading position in the FMCG industry with Food Services business segment



Overall uplift of profitability



Outlook

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

Outlook

- The Group is well positioned to continue its growth trajectory from 2019 as a result of the positive transformation of the Marketing and Distribution segment as well as continued steady and stable growth in the Logistics and Others segments
- As longer-term market effects are unclear in view of the COVID-19 pandemic, the Group is planning conservatively while ensuring that no opportunities are overlooked
- Despite the current uncertainties, the Group is confident about the growth opportunities in the medium to long term, supported by two market trends



Focus on core competencies as Market Expansion Services (MES) provider

Thank you for your continuous support



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.

Resolutions

Resolutions

Agenda 1

Audited Financial Statements 2019

To receive the Audited Financial Statements of the Company for the financial year ended December 31, 2019 and the Reports of the Directors and Auditors thereon.

Agenda 2

Approval of Directors' fees

Ordinary Resolution 1

To approve the Directors' fees payable up to an amount of RM 280,000 for the period from June 25, 2020 until the next Annual General Meeting of the Company to be held in 2021.

Agenda 3
Re-election of Director
Ordinary Resolution 2

To re-elect Stephen John Ferraby who retires pursuant to Article 105 of the Constitution of the Company.

Agenda 4
Re-election of Director
Ordinary Resolution 3

To re-elect Jason Michael Nicholas McLaren who retires pursuant to Article 105 of the Constitution of the Company.

Agenda 5

Re-appointment of Auditors

Ordinary Resolution 4

To re-appoint Messrs Ernst & Young as Auditors of the Company for the financial year ending December 31, 2020 and to authorize the Directors to fix their remuneration.

Agenda 6

Proposed Shareholders' Mandate for Recurrent Related Party Transactions

Ordinary Resolution 5

To approve the renewal of the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

Q & A

Polling procedures

Outcome of AGM

Chairman's closing and conclusion of the meeting

Thank you for your attention

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