

DKSH Q1 2021 analyst and investor presentation

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May 31, 2021

Agenda



1. About DKSH Group
2. DKSH Malaysia at a glance
3. Q1 2021 results
4. Outlook

Welcome to DKSH's Q1 2021
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...



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 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

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



Q1 2021 results

Q1 2021 results



Financials

(in RM millions)	Q1 2021	Q1 2020	Change %
Revenue	1,755.1	1,723.5	1.8%
Profit before interest and tax	41.8	27.9	49.8%
Profit before tax	33.6	18.5	81.3%
Profit after tax	24.1	10.1	138.3%
(in RM sen)			
Earnings per share (EPS)	15.27	6.41	138.3%
Cash earnings per share (EPS)	19.0	10.57	79.8%

Comments

- Revenue grew by 1.8% due to the ongoing organic growth of existing clients and new clients in the Marketing and Distribution segment, which was offset by the exit of a telecommunications client in the Logistics segment as well as effects of the COVID-19 pandemic in the Others segment
- Operating costs increased by 1.0% in line with the movement in revenue
- Profit before tax improved by 81.3% due to the abovementioned results and the higher unrealized derivative loss recorded in the first quarter of 2020

Revenue increased due to ongoing organic growth of existing clients and new clients

Marketing and Distribution Services



Financials			
(in RM millions)	Q1 2021	Q1 2020	Change %
Revenue	996.8	840.3	18.6%
Segment profit before interest and tax	31.7	22.4	41.1%

Comments
<ul style="list-style-type: none">Revenue increased 18.6% reflects the ongoing organic growth of existing clients mainly due to the upcoming festive season and new clients secured as well as increased consumer demand during various stages of the Movement Control OrderOperating result increased 41.1% mainly due to the increase in revenue, improved margin mix from Own Brands and lower operating expenses due to improved operational efficiencies

1 FMCG

2 Food Services

3 Performance Materials

Underlying demand for FMCG products remains stable

Logistics Services



Financials

(in RM millions)

Q1 2021

Q1 2020

Change %

Revenue

747.1

870.1

(14.1%)

**Segment profit before
interest and tax**

12.9

14.9

(13.2%)

Comments

- Revenue reduced 14.1% mainly due to the exit of a telecommunications client in Q4 2020 and the effects of the COVID-19 pandemic in March 2020
- Operating result decreased 13.2%, largely due to the movement in revenue as mentioned above

1

Healthcare

Revenue affected by exit of a telecommunications client and effects of the pandemic

Segment – Others



Financials

(in RM millions)	Q1 2021	Q1 2020	Change %
Revenue	11.2	13.1	(14.2%)
Segment profit before interest and tax	(2.7)	(9.4)	70.8%

Comments

- Revenue declined 14.2% due to business operations being affected by the COVID-19 pandemic
- Operating result improved 70.8% predominantly due to the higher unrealized derivatives loss recorded in Q1 2020
- At the end of Q1 2021, there were a total of 99 Famous Amos outlets nationwide and two outlets in Brunei

1 Famous Amos

2 Others – overheads

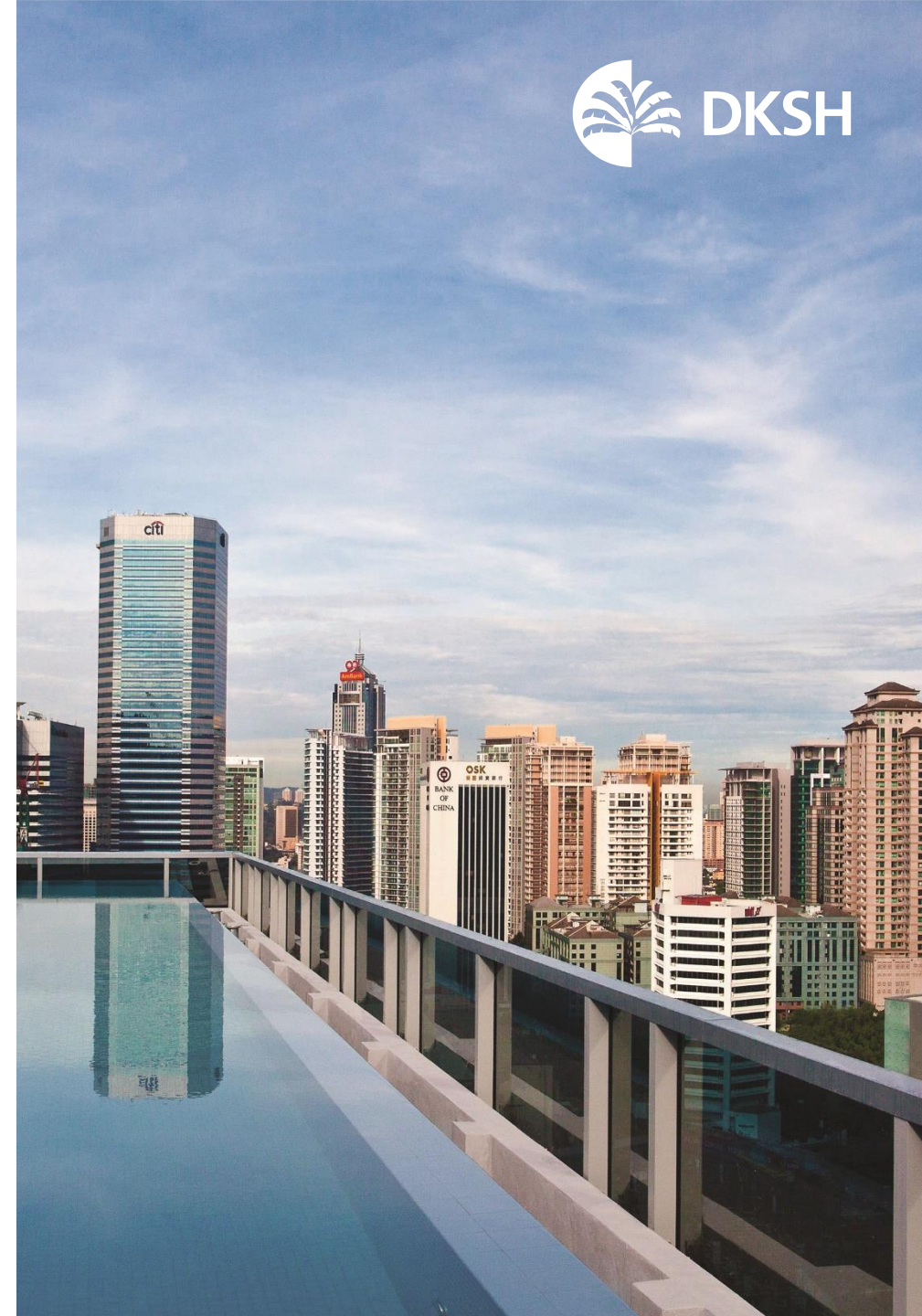
The COVID-19 pandemic continues to affect business operations

Outlook

Outlook

- 2021 begins with a large amount of uncertainty due to the ongoing COVID-19 pandemic
- Underlying demand for consumer goods and healthcare products remains stable and fluctuations in more discretionary products depends on the acute state of the Movement Control Order
- However, 2021 is expected to be more stable with relatively stable market demand
- Amidst uncertainties, the Group is confident about the growth opportunities in the medium to long term
- The Group continues to focus on new business acquisition, cost efficiency improvements, working capital management and other growth initiatives
- The medium- and long-term outlook remains positive

The Group's portfolio mix has proven resilient



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





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