

DKSH Q1 2018 analyst and investor presentation

DKSH Holdings (Malaysia) Berhad

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Agenda

- About DKSH Group
- DKSH Malaysia at a glance
- Q1 2018 results
- Outlook

Welcome to the DKSH Q1 2018 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 the Asia-Pacific region.

Our extensive network and expertise enable us to deliver comprehensive logistics, trade, and supply chain management services to our clients.

With a strong commitment to innovation and excellence, DKSH Group continues to drive growth and value for its stakeholders.

For more information about our services and the company, 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 various other key markets across the region.

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Who we are

DKSH is the No. 1 in
Market Expansion Services

We help companies to grow their business
in new and existing markets



DKSH is a successful market leader

No. 1

Market Expansion Services
provider with a focus on Asia

1,600

 clients

1,900

 suppliers

>16

 million
transactions per year

CHF

11.0 billion

Net sales (2017)

>10 years

4 countries

average client relationship¹⁾

825

business locations

31,970

specialists

More than

150

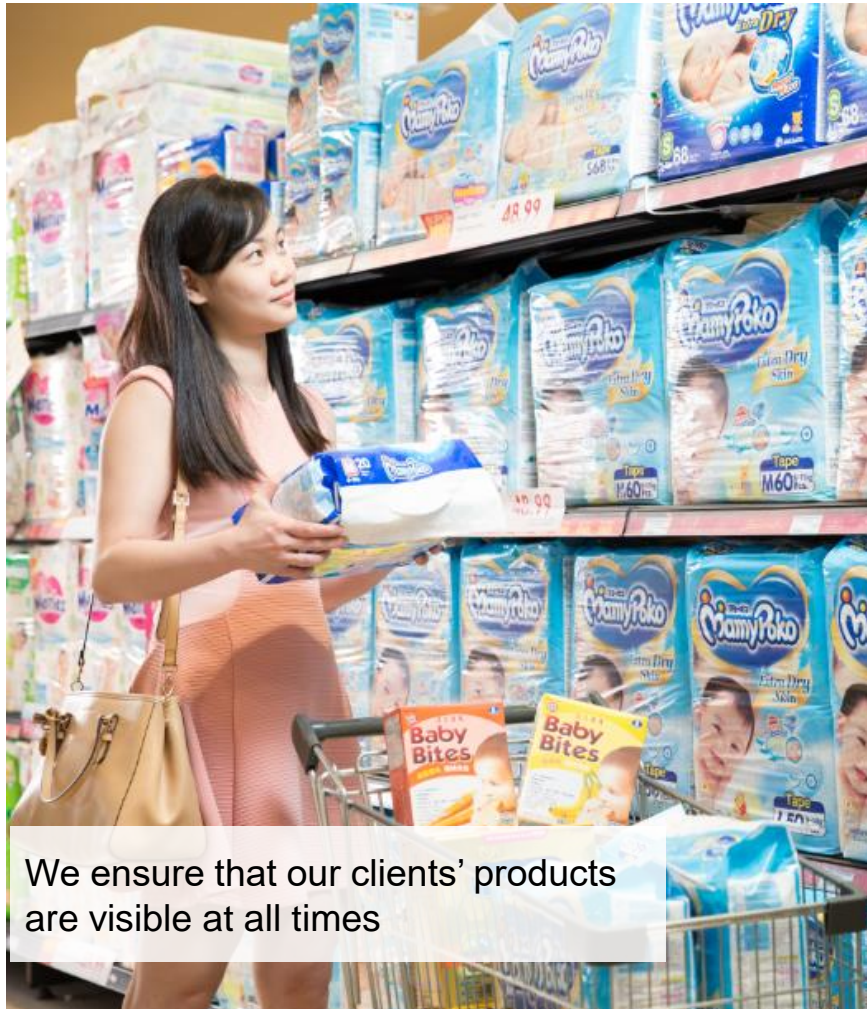
years in Asia

500,000

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



Drive sales growth in last mile of supply chain journey



DKSH Smollan Field Marketing (DSFM)

- Joint venture with Smollan Group, leading retail solutions organization
- More than 4,000 specialists servicing over 70,000 retail stores across Asia
- Present in eight countries
- Provides retail marketing and brand activation services, backed by SMART device for real-time reporting

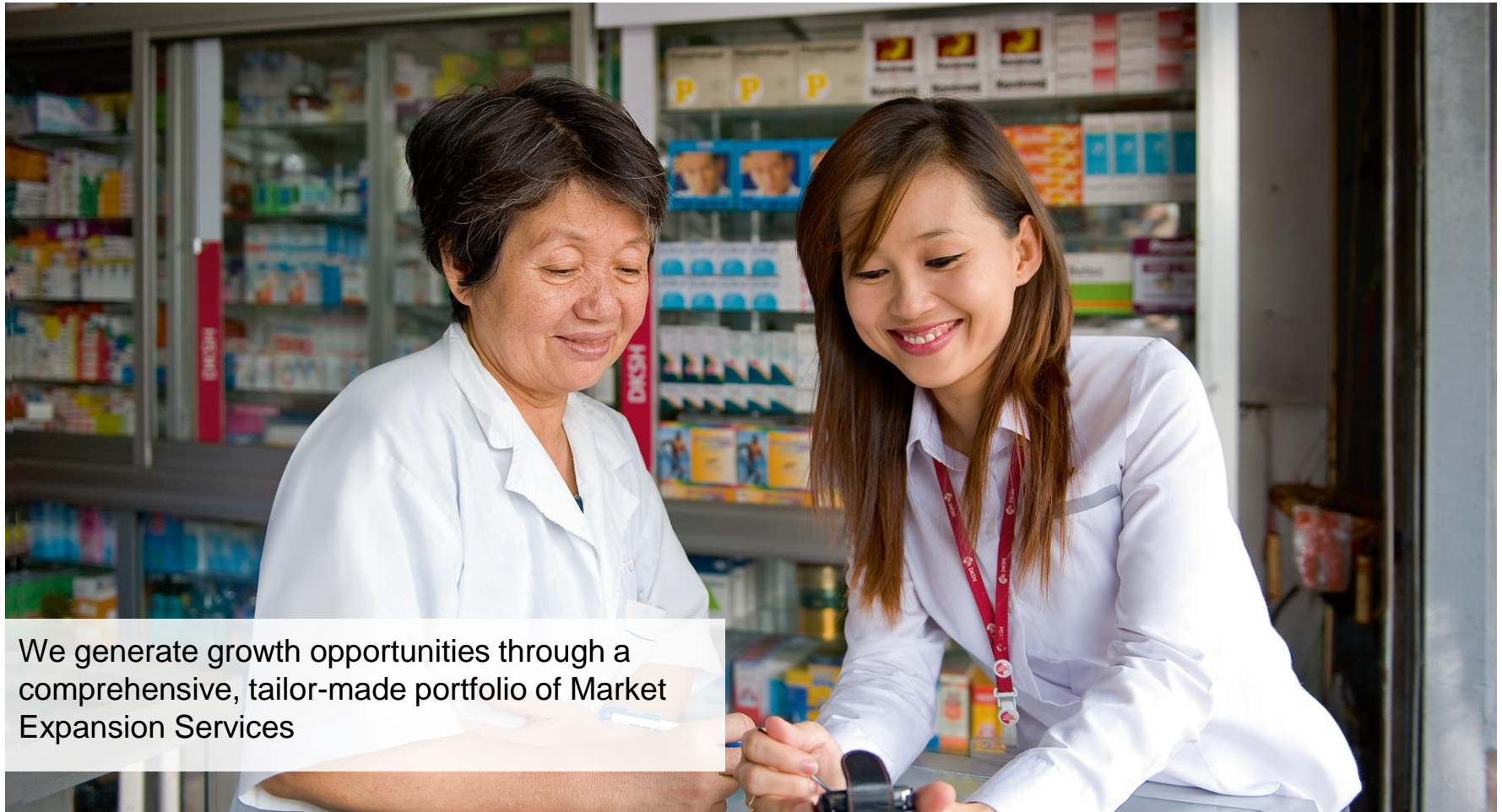
Omni-channel approach increases clients' access to market



In Malaysia, DKSH partners with e-retailers Lazada, 11 Street, PG Mall and Shopee

- Offer an end-to-end portfolio of e-commerce services – from online channel management to digital marketing to e-fulfillment and customer service solutions
- Provide brands with access to over 100 online channels, from e-retailers to e-resellers to e-marketplaces to brand.com
- Operate across eight markets in Asia, driven by close-knit team of over 60 specialists

What we do



We generate growth opportunities through a comprehensive, tailor-made portfolio of Market Expansion Services

Tailor-made Market Expansion Services

Business partners' needs

CEOs and Corporate Boards across the world want to grow their businesses and margins in existing markets and to expand into new markets

Market Expansion Services

We help our business partners grow their business in new and existing markets with a comprehensive, tailor-made package of services across the entire value chain

Capturing growth opportunities

Improve
revenue
opportunities

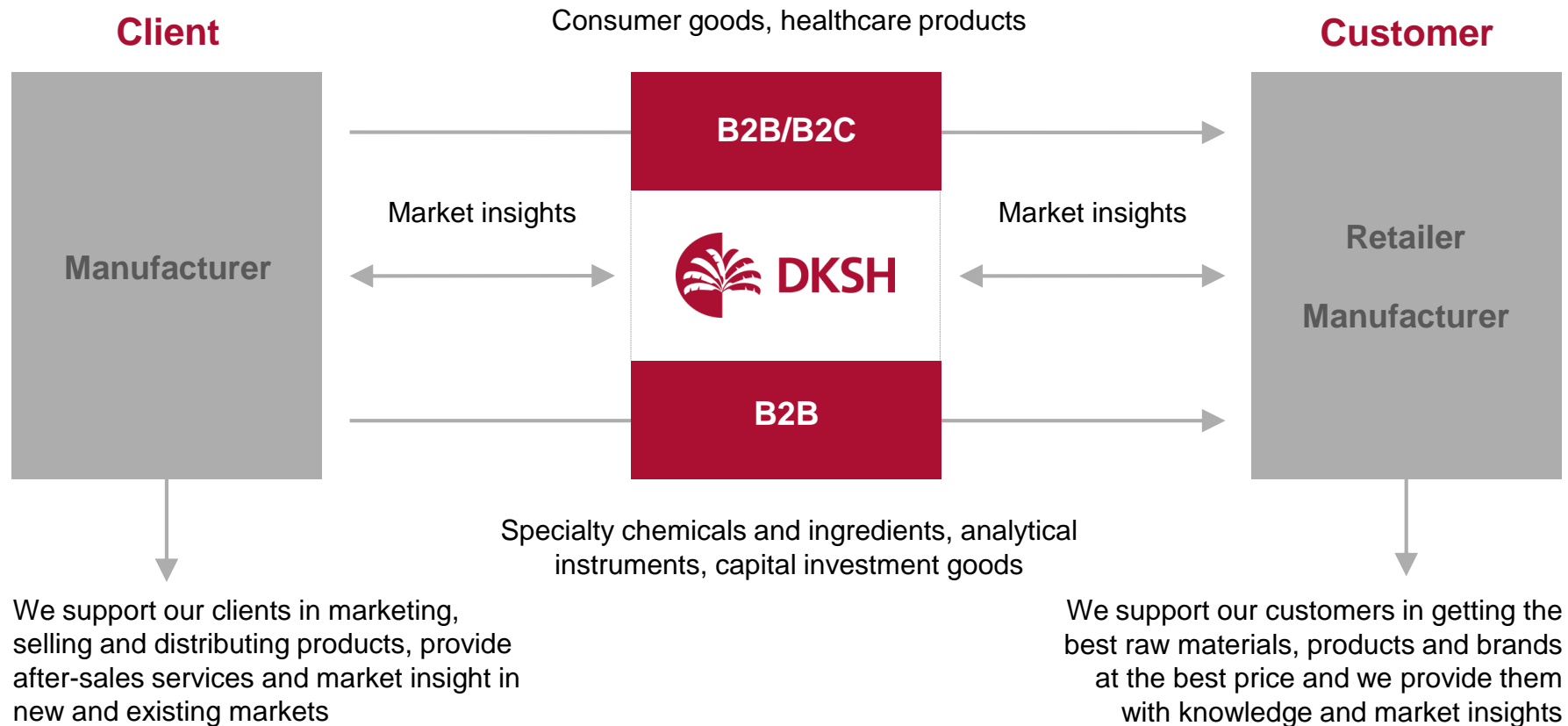
Increase
market share

Enhance
efficiency

Advance
access to
knowledge

Expand
sourcing base

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

Do more of the same and... do it more efficiently

DKSH Malaysia at a glance



DKSH Malaysia at a glance



More than 90 years of success in Malaysia

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 both international and local brands

Trusted partner for well-known international brands

Consumer Goods:



Healthcare:



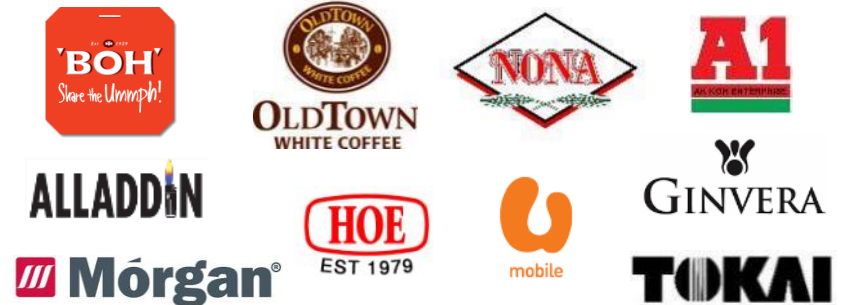
Performance Materials:



Reliable partner for Asian brands



In Malaysia for Malaysia



Q1 2018 results



Q1 2018 results

Financials

| (in RM millions) | Q1 2018 | Q1 2017 | Change % |
|--|----------------|---------|----------|
| Net sales | 1,455.7 | 1,369.7 | 6.3% |
| Profit from operations | 16.2 | 15.3 | 5.9% |
| Profit before tax | 14.5 | 13.5 | 7.2% |
| Profit after tax | 10.8 | 10.0 | 7.6% |
| Net profit attributable to owners of parent | 10.8 | 10.0 | 7.6% |
| Earnings per share | 6.86 | 6.37 | 7.7% |

Comments

- Revenue grew 6.3% as a result of underlying organic growth in existing clients
- In line with the growth in revenue, operating costs increased by 6.5%
- Profit before tax increased 7.2% as a result of organic growth in existing clients and one-off debts recovery

Organic growth in existing clients boosts revenue

Marketing and Distribution Services

Financials

| (in RM millions) | Q1 2018 | Q1 2017 | Change % |
|------------------|--------------|---------|----------|
| Net sales | 690.6 | 665.1 | 3.8% |
| Result | 5.2 | 8.7 | (39.8%) |

Comments

- Net sales increased 3.8% as a result of organic growth in existing clients and timing of Chinese New Year being later in 2018
- Year-to-date operating results declined as a result of product mix shift, effect of one-off debt provision and slightly increased cost base

1 FMCG

2 Performance Materials

Revenue increase attributable to organic growth

Logistics Services

Financials

| (in RM millions) | Q1 2018 | Q1 2017 | Change % |
|------------------|--------------|---------|----------|
| Net sales | 751.4 | 691.0 | 8.7% |
| Result | 12.4 | 6.9 | 80.3% |

Comments

- Increase in net sales of 8.7% was organically driven
- Growth in operating results attributed to improved margin mix and one-off debts recovery

1 Healthcare

2 Telecommunications business

Logistics segment contributes largely to revenue

Segment – Others

Financials

| (in RM millions) | Q1 2018 | Q1 2017 | Change % |
|------------------|--------------|---------|----------|
| Net sales | 13.7 | 13.6 | 0.6% |
| Result | (1.4) | (0.3) | 447.3% |

Comments

- Net sales increase of 0.6% reflects improving consumer demand
- Operating result was RM 1.2 million lower attributable to relatively low sales growth and rising expenses as well as minor accounting adjustments in central costs in 2017
- At the end of Q1 2018, Famous Amos operated 80 outlets nationwide

1 Famous Amos

2 Others – central overheads

Consumer demand gradually driving up revenue

Outlook

Two major growth drivers...

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.

Outlook

- Long-term growth drivers intact
- The Group takes a cautiously optimistic outlook on 2018
- Although some short-term volatility is expected during transition to zero GST, long-term outlook is positive following this change
- Cost base remains stable with no major expenses or infrastructure upgrades planned in near future
- 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



Focus on core competencies as a Market Expansion Services provider

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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