

DKSH 9M 2021 analyst and investor presentation

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Delivering Growth – in Asia and Beyond.



Agenda



- 1. About DKSH Group**
- 2. DKSH Malaysia at a glance**
- 3. 9M 2021 results**
- 4. Outlook**

1 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

901 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

2 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 95 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



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9M 2021 results

9M 2021 results



Financials

(in RM millions)	9M 2021	9M 2020	Change %
Revenue	5,147.4	4,807.2	7.1%
Profit before interest and tax	105.7	76.7	37.8%
Profit before tax	84.3	50.4	67.2%
Profit after tax	61.0	31.6	93.1%
(in RM sen)			
Earnings per share (EPS)	38.7	20.0	93.1%
Cash earnings per share (EPS)	49.9	32.6	52.9%

Comments

- Revenue grew by 7.1% reflecting the ongoing organic growth of existing clients and new clients secured as well as recovery from the effects of the COVID-19 pandemic
- Operating costs increased by 6.6% reflecting improvements in cost efficiencies
- Profit before tax improved by 67.2% due to the abovementioned results, unrealized derivative gains from the interest rate swap and the decline in interest expenses resulting from reduced borrowings

Revenue improved due to the recovery from COVID-19 pandemic

Marketing and Distribution Services



Financials

(in RM millions)	9M 2021	9M 2020	Change %
Revenue	2,865.1	2,562.5	11.8%
Segment profit before interest and tax	78.3	60.2	30.1%

Comments

- Revenue grew by 11.8% as a result of contribution by the ongoing organic growth with existing clients and new clients secured as well as the continuous improved sales from own brands
- Segment profit improved 30.1% predominantly due to the higher contribution from new clients secured and own brands as well as improved operation efficiencies

1 FMCG

2 Food Services

3 Performance Materials

Strong focus on organic growth with new and existing clients continued to drive sales

Financials

(in RM millions)	9M 2021	9M 2020	Change %
Revenue	2,252.4	2,212.4	1.8%
Segment profit before interest and tax	36.3	33.7	7.8%

Comments

- Revenue improved by 1.8% due to the recovery from the effects of COVID-19 pandemic in 2020, offset by the exit of the telecommunications client in Q4 2020
- Segment profit improved 7.8% largely due to the movement in revenue as mentioned above

1 Healthcare

Revenue increased with recovery from the effects of the pandemic

Segment – Others



Financials

(in RM millions)	9M 2021	9M 2020	Change %
Revenue	29.8	32.6	(7.8%)
Segment profit before interest and tax	(9.0)	(17.2)	47.9%

Comments

- Revenue decreased by 7.8% due to the disruption to the business operations after the implementation of total lockdown and FMCO by the government
- Segment profit improved 47.9% largely due to the lower unrealized derivative losses on interest rate swap and cost savings from operational efficiencies

1 Famous Amos

2 Others – overheads

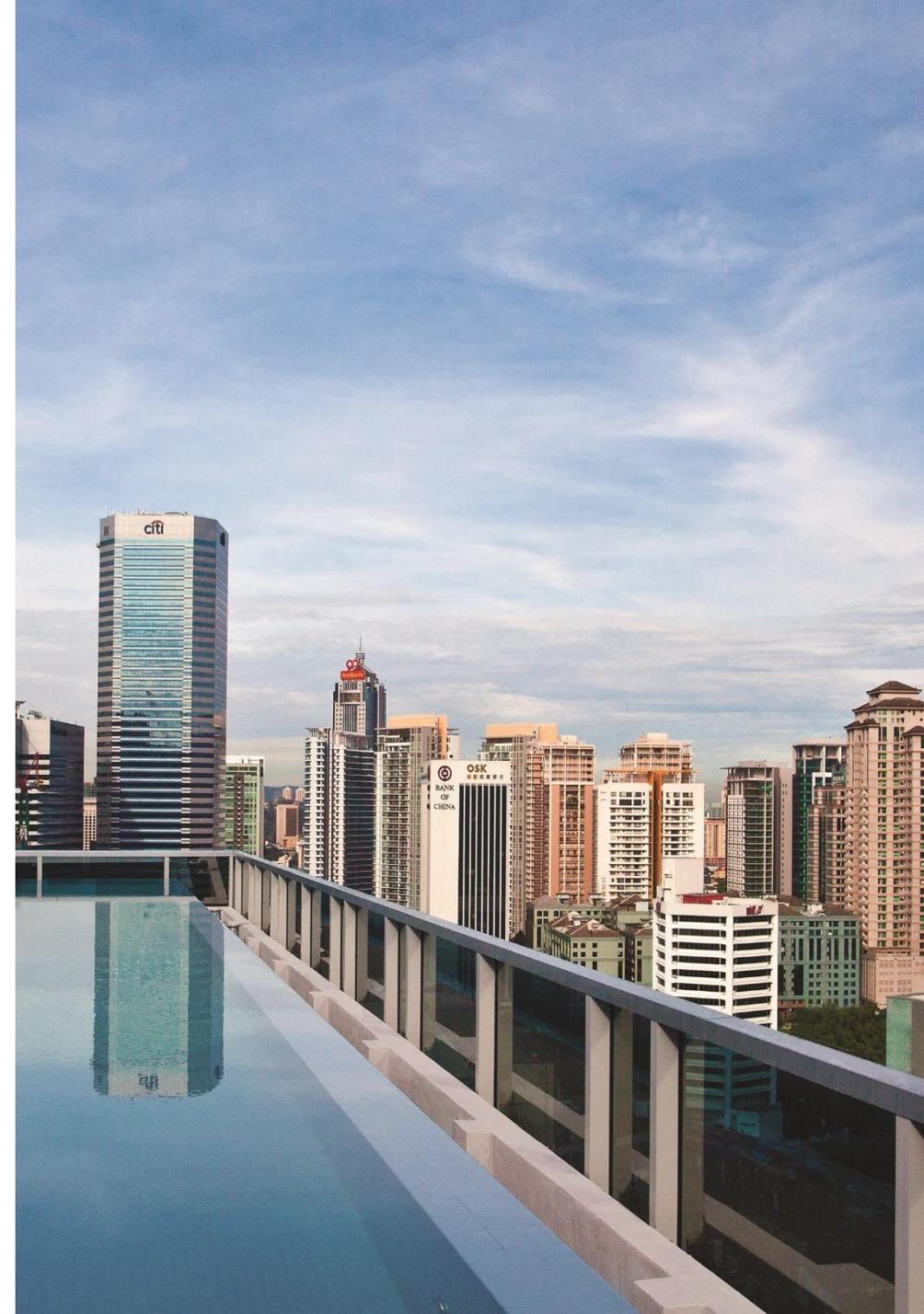
Implementation of total lockdown impacts revenue

4 Outlook

Outlook

- Despite improvement in the COVID-19 situation, the market remains somewhat uncertain and is anticipated to remain so over the coming quarter; consumer demand remains relatively stable but shows some fluctuations in relation to the current recovery phase
- The Group takes a cautiously optimistic outlook on the remainder of the year with demand expected to remain at current levels, although this is dependent on no significant deterioration of the COVID-19 situation
- We continue to focus on new business acquisition, cost efficiency improvements, working capital management, and other growth initiatives while closely monitoring the short-term outlook to ensure prudent navigation of the current situation
- The medium- and long-term outlook remains positive

The Group is well positioned for growth post-COVID-19



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



We welcome your questions

