

# DKSH FY2022 Analyst and Investor Presentation

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Delivering Growth – in Asia and Beyond.

**100** Years  
in Malaysia

# Agenda



- 1. About DKSH Group**
- 2. DKSH Malaysia at a glance**
- 3. FY2022 results**
- 4. Outlook**

# 1

## About DKSH Group



# Who We Are



## Your Trusted Partner

We enrich people's lives by providing access to goods, services, and insights. United by our vision to be the trusted partner, we help companies grow.



# DKSH Is a Successful Market Leader



Nearly  
**160** years' experience



**2,200** clients  
**2,100** suppliers



**32,600**  
specialists



**11.3 billion**  
Net sales (2022)



**>10 years**  
**4 markets**  
average client relationship<sup>1</sup>



**21.8**  
**million**  
transactions per year

<sup>1</sup> Top 200 clients by net sales

# We Support Companies to Grow Their Business...



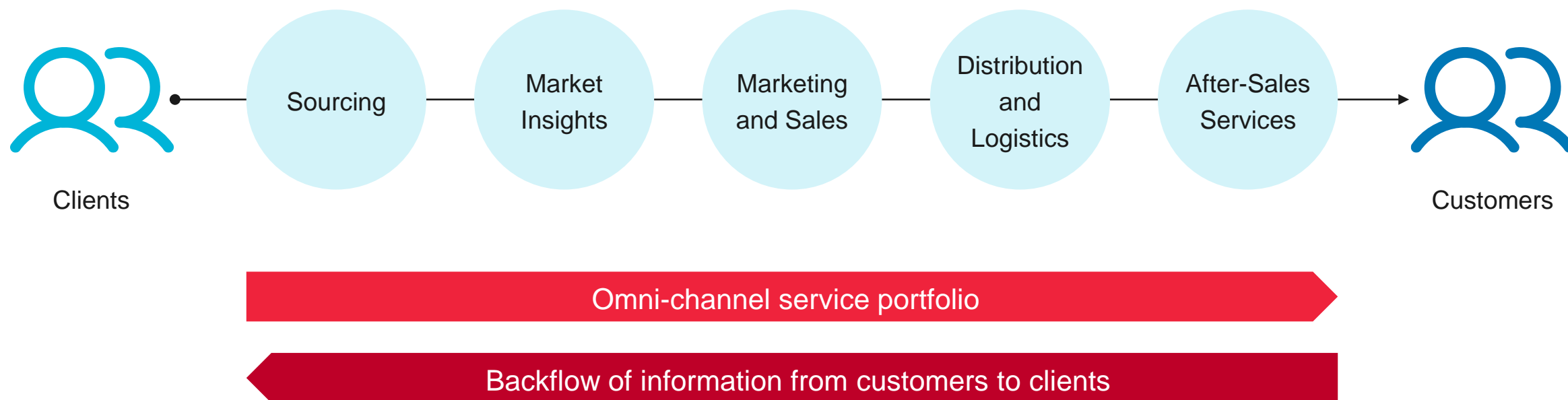
**We ensure that our clients' products are visible at all times.**

- 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



# 2

## DKSH Malaysia at a Glance



# DKSH Malaysia at a Glance



**7.2 billion**  
net sales (2022)



About **3,200** specialists



**25** business locations



**4** ISO-certified distribution centers

**15** regional distribution centers

**1** manufacturing plant



Network of more than **160** clients  
and thousands of customers



**Celebrating 100 Years in Malaysia**

# Three Specialized Business Segments



## Marketing & Distribution Services



- Fast Moving Consumer Goods
- Food Services

## Logistics Services



- Healthcare

## Others



- Famous Amos
- Others – overheads

...leading the Market Expansion Services industry with tailored solutions across the value chain



# Marketing & Distribution Segment



## Fast Moving Consumer Goods (FMCG)

- Food (Nutritional products, snacks, beverages, dairy etc)
- Non-food (Personal care, home care, baby and child care, consumer health etc)
- Pet care

## Food Services

- Provide customers high quality ingredients and the latest industry innovations from our world-class clients



# DKSH Expands Partnership With Disposable Soft Goods



DKSH has expanded its distribution agreement with Disposable Soft Goods (DSG), one of the largest providers of disposable diapers for babies and adult incontinence in Southeast Asia, to distribute its products in West Malaysia.



## Healthcare

- Pharmaceuticals
- OTC & Consumer Health
- Medical Devices





# Partnership with SPLAT® to Offer Natural Oral Care Solutions in Malaysia



DKSH has been appointed by SPLAT Asia Limited, a family-run company and a part of SPLAT Group, to drive growth for its high-quality and natural SPLAT® oral care products in Malaysia.

# Partnership with Nexus Pharma



DKSH has been appointed by Nexus Pharma, the globally recognized company specializing in the production and export of pharmaceuticals and cosmeceutical products from South Korea, to market and distribute its skincare brand, Glutanex, in Malaysia.





## Others Segment



At the end of FY2022, there were a total of 89 outlets located in West and East Malaysia as well as two outlets in Brunei

# Serving International Clients...



## Trusted Partner for Well-Known International Brands

### Consumer Goods:



### Healthcare:





## ...and Local Brands

### Reliable Partner for Asian Brands



### In Malaysia for Malaysia





# Agency of the Year for Second Consecutive Year at Asia eCommerce Awards 2022



**Renowned industry acknowledgement on DKSH's consistent advancements in catering to its clients' needs**

DKSH's acclaimed clients and customers, such as 7-Eleven, Roche, and Omron, have gained a total of 12 prestigious industry accolades, including four Gold, three Silver, and five Bronze at the Asia eCommerce Awards 2022.

Additionally, DKSH won the highly sought-after eCommerce Agency of the Year award, acknowledging its excellence across all categories, for the second consecutive year.

# 3

## **FY2022 Results**

# FY2022 Results



## Financials

(in RM millions)	FY2022	FY2021	Change %
<b>Revenue</b>	<b>7,162.7</b>	6,738.4	6.3%
<b>Profit before interest and tax</b>	<b>173.3</b>	154.9	11.8%
<b>Profit before tax</b>	<b>145.3</b>	126.9	14.5%
<b>Profit after tax</b>	<b>106.5</b>	91.3	16.7%
(in RM sen)			
<b>Earnings per share (EPS)</b>	<b>67.5</b>	57.9	16.7%
<b>Cash earnings per share (Cash EPS)</b>	<b>83.0</b>	73.4	13.0%

## Comments

- Revenue improved by 6.3% mainly due to the ongoing growth of existing clients and new clients secured as well as recovery from the effects of COVID-19 pandemic in all segments
- Operating costs increased by 6.0%, reflecting improvements in cost efficiencies
- Profit before tax improved by 14.5% due to increased revenues
- Excluding the one-off gain recognized on internal reorganization of the business of the Performance Materials of MYR 8.5 million in 2021, profit before tax improved by 22.7%

**Continued profit improvement driven by revenue growth and operational efficiencies**

# Marketing and Distribution Services



## Financials

(in RM millions)	FY2022	FY2021	Change %
Revenue	4,016.6	3,800.0	5.7%
Segment profit before interest and tax	116.5	103.1	13.0%

## Comments

- Revenue grew by 5.7% as a result of ongoing growth of existing clients and effective cost management
- This is despite short-term pressure on own brands margins from rising commodity prices
- Segment profit increased by 13.0%, largely driven by sales growth

1 FMCG

2 Food Services

Revenue increased due to effective cost management and sales growth

## Financials

(in RM millions)	FY2022	FY2021	Change %
<b>Revenue</b>	<b>3,083.3</b>	2,891.0	6.7%
<b>Segment profit before interest and tax</b>	<b>61.4</b>	52.3	17.5%

## Comments

- Revenue improved by 6.7% mainly due to the growth in existing clients and new clients secured in the fourth quarter of 2021
- Segment profit improved 17.5% due to sales growth and improved margin mix
- Improved margin mix is a result of the focus on selling value-added services
- Integration of Acutest acquisition has proceeded smoothly, and the business is performing in line with expectations

1

Healthcare

**Sales growth and improved margin mix led to better operating result**



# Segment – Others



Financials			
(in RM millions)	FY2022	FY2021	Change %
Revenue	62.8	47.5	32.3%
Segment profit before interest and tax	(4.9)	(0.5)	>(100.0%)

Comments
<ul style="list-style-type: none"> <li>Revenue grew by 32.3% mainly due to the recovery from the effects of COVID-19 pandemic</li> <li>Prior year segment result includes a one-off gain recognized on internal reorganization of the Performance Materials business of MYR 8.5 million in 2021</li> <li>Excluding the above one-off gain, the operating result improved by 48.0%, predominantly from higher sales recorded</li> </ul>

1 Famous Amos

2 Others – overheads

Operating result improved if one-off gain from internal reorganization is excluded

# Cash Flows



Financials		
(in RM millions)	FY2022	FY2021
Net cash flows generated from operating activities	109.9	189.0
Net cash flows used in investing activities	(30.6)	10.4
Net cash flows generated from financing activities	(161.2)	(145.3)
Cash and cash equivalents	27.7	109.5

Comments
<ul style="list-style-type: none"> <li>• Lower cash flows generated from operating activities due to higher receivables from increased sales and increased stock holding in anticipation of early Lunar New Year celebration in 2023</li> <li>• Higher cash outflows in investing activities arising from acquisition of AcuTest while positive cash flows in 2021 due to proceeds from internal reorganization of the Performance Materials</li> <li>• Repayment of borrowings led to higher cash outflow in financing activities</li> </ul>

**Increase in working capital to support existing and future growth and repayment to reduce total borrowings**

# 4 Outlook

# Outlook

- This year, DKSH celebrates 100 years of presence in Malaysia.
- Overall, consumer demand remains stable despite inflationary pressure with some fluctuations in relation to the current phase of recovery
- Continue to focus on winning new businesses, cost efficiency improvements, working capital management, and closely monitoring the short-term outlook to ensure prudent navigation of the current environment

**The Group is well positioned to benefit from favorable long-term market, industry, and consolidation trends in Asia Pacific**



# Two market trends...

**1 Growing middle class in Malaysia**

**2 Trend towards outsourcing**

**Increased spending on value-for-money  
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**

# Thank you for your attention