

DKSH Q1 2022 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. Q1 2022 results**
- 4. Outlook**

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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



No. 1

Market Expansion Services
provider with a focus on Asia



2,100 clients
2,000 suppliers



23 million
transactions per year



11.1 billion
Net sales (2021)



>10 years
4 markets
average client relationship¹



870
business locations



33,100
specialists



More than
150 years in Asia



530,000
customers

¹ Top 200 clients by net sales

We Support Companies to Grow Their Business In and With Asia...



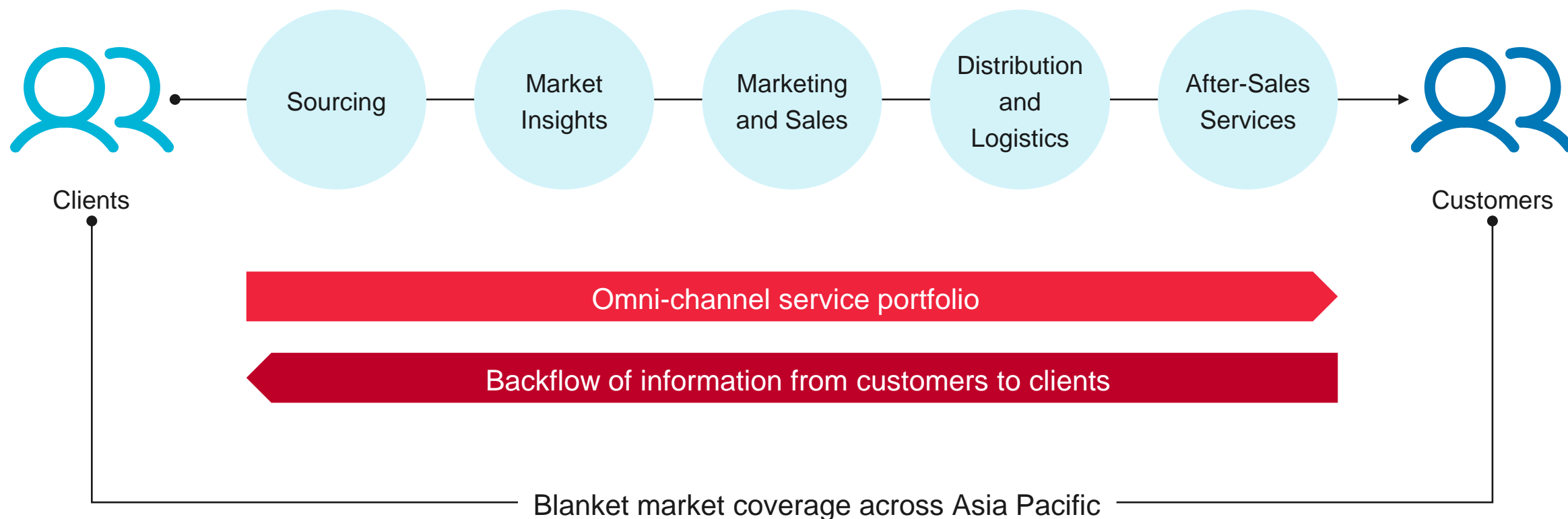
We ensure that our clients' products are visible at all times.

- 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



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DKSH Malaysia at a Glance

DKSH Malaysia at a Glance



Net sales:
RM 6.7 billion



About 3,250 specialist



25 business locations



**4 ISO-certified distribution centers,
15 regional distribution centers, and
1 manufacturing plant**



**Network of more than 170 clients
and 14,000 customers**



More than 95 years of success 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

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



DKSH Malaysia's Omni-channel Approach



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Q1 2022 Results

Q1 2022 Results



Financials

(in RM millions)	Q1 2022	Q1 2021	Change %
Revenue	1,814.9	1,755.1	3.4%
Profit before interest and tax	44.3	41.8	5.9%
Profit before tax	37.8	33.6	12.4%
Profit after tax	28.4	24.1	17.8%
(in RM sen)			
Earnings per share (EPS)	18.0	15.3	17.8%
Cash earnings per share (EPS)	21.5	19.0	13.4%

Comments

- Revenue grew by 3.4% reflecting the ongoing organic growth of existing clients from both the Marketing and Distribution and Logistics segments, as well as recovery of customer demand from the COVID-19 pandemic for all segments
- Operating costs increased by 3.4% delivering an overall platform effect
- Profit before tax improved by 12.4% due to the increase in revenue and lower financing cost

Profit improvement driven by increased revenue, platform effects, and lower financing costs

Marketing and Distribution Services



Financials

(in RM millions)	Q1 2022	Q1 2021	Change %
Revenue	1,025.0	996.8	2.8%
Segment profit before interest and tax	31.3	31.7	(1.1%)

Comments

- Revenue grew by 2.8% as a result of ongoing organic growth of existing clients and recovery from the effects of the COVID-19 pandemic
- Segment profit is broadly flat year on year, with upward pressure on own brands input prices offset by tight control of overheads/operating expenses

1 FMCG

2 Food Services

Organic growth of existing clients continued to drive sales

Financials

(in RM millions)

Q1 2022

Q1 2021

Change %

Revenue

776.1

747.1

3.9%

**Segment profit before
interest and tax**

14.3

12.9

11.0%

Comments

- Revenue improved by 3.9% due to the organic growth of the existing clients and new clients secured in Q4 2021
- Segment profit improved 11.0% due to revenue growth and improved margin mix, along with the platform effect

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Healthcare

Revenue growth and improved margin mix led to profit growth

Segment – Others



Financials

(in RM millions)

Q1 2022

Q1 2021

Change %

Revenue

14.3

11.2

27.4%

**Segment profit before
interest and tax**

(1.3)

(2.7)

51.5%

Comments

- Revenue grew by 27.4% was mainly due to business operations being affected by movement control order imposed by the government in 2021
- Segment result improved 51.5% largely due to higher sales as Famous Amos returned to profitability following the COVID-19 disruptions

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Famous Amos

2

Others – overheads

Revenue improved due to the recovery from the COVID-19 effects

Cash Flows



Financials

(in RM millions)

Q1 2022

Q1 2021

Net cash flows (used in)/ generated from operating activities

(83.5)

34.1

Net cash flows used in investing activities

(2.6)

(2.3)

Net cash flows generated from financing activities

55.8

35.8

Cash and cash equivalents

79.2

123.0

Comments

- Higher cash flows used in operating activities due to forward month sales growth and increase stock holding to offset the impact of supply chain disruptions
- Increased short-term borrowings to fund the working capital requirements
- Expected to partially unwind in Q2

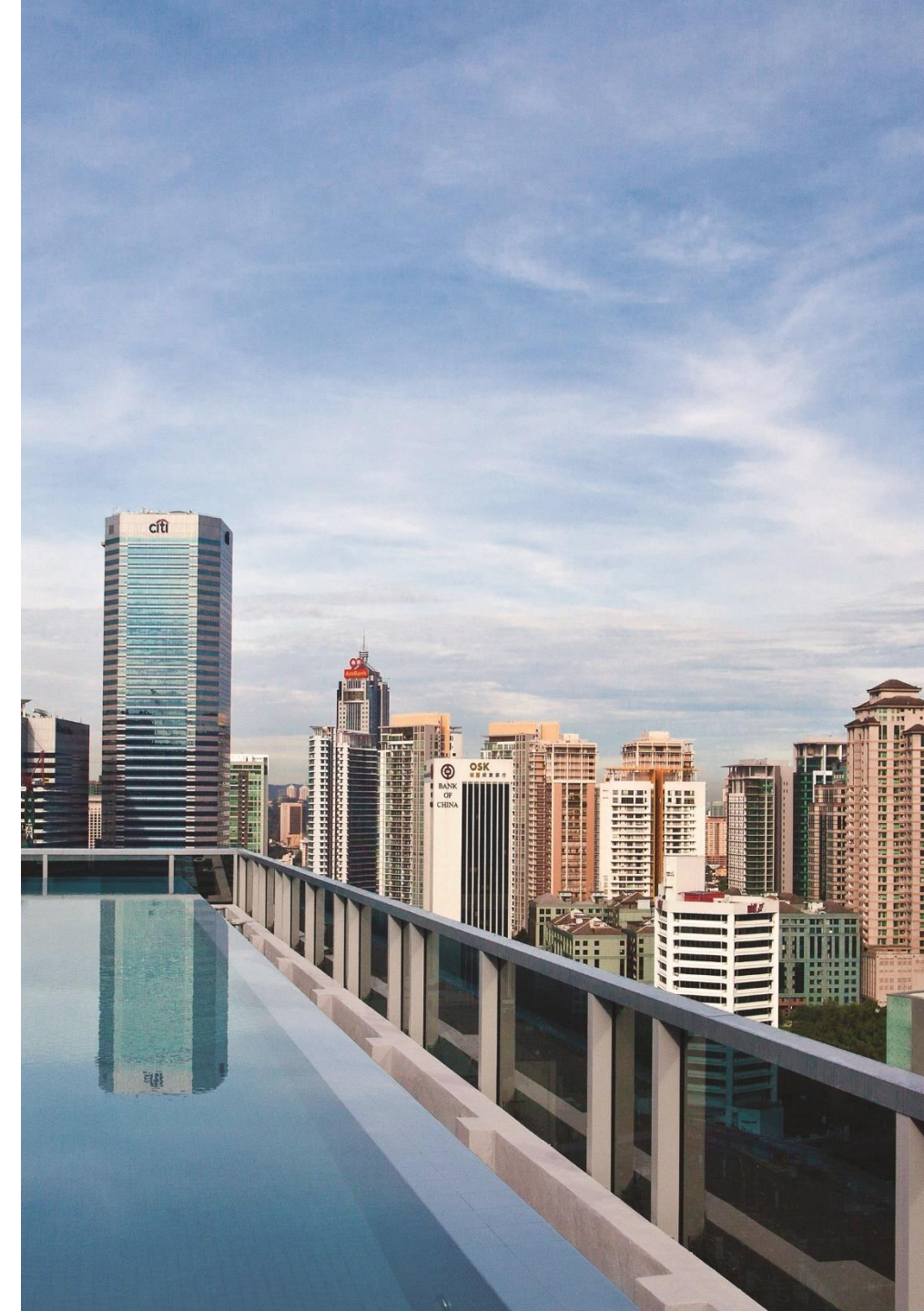
Increase in Working Capital to support existing and future growth

4 Outlook

Outlook

- Consumer demand remains stable with some fluctuations in relation to the current phase of recovery.
- Focus on winning new businesses, mitigating inflation impacts, 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 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