



Full Year 2013 Analyst and Investor Conference

DKSH Holding Ltd.

March 11, 2014

Think Asia. Think DKSH.

Welcome to the DKSH Full Year 2013 Analyst and Investor Conference



2013: another record year in a challenging environment

In CHF millions	2013	2012 ¹	Change in %	Change in % at CER ²
Net sales	9,559.0	8,808.8	8.5%	10.4%
Operating profit (EBIT)	282.2	275.3	2.5%	5.9%
EBIT incl. gain on sale of property ³	309.8	275.3	12.5%	16.7%
Profit after tax	214.1	183.6	16.6%	20.0%
Profit after tax incl. gains on sale ⁴	241.7	208.3	16.0%	20.1%
Free cash flow	409.4	252.0	62.5%	36.4%
Earnings per share	CHF 3.57	CHF 3.16	13.0%	n.a.
Total dividend⁵	CHF 1.10	CHF 0.95	15.8%	n.a.
Ordinary dividend ⁵	CHF 0.95	CHF 0.80	18.8%	n.a.
Extraordinary dividend ⁵	CHF 0.15	CHF 0.15	-	n.a.
Employees	26,693	25,788	3.5%	n.a.

Delivered on promise of sustainable, profitable growth

¹ 2012 restated to reflect the adoption of IFRS 11 and IAS 19 revised

² CER: constant exchange rates – 2013 figures translated with 2012 foreign exchange rates

³ Incl. gain of CHF 27.6m from sale of property in Malaysia in 2013

⁴ Incl. gain of CHF 27.6m from sale of property in Malaysia in 2013 and of CHF 24.7m from sale of contract manufacturing plant OLIC in Thailand in 2012

⁵ Proposed by the Board of Directors

Continuation of our track record

Highlights 2013

Sustainable, profitable growth – strong double-digit profit growth

Net sales growth exceeds projected 7.8%¹ growth rate in DKSH's addressable markets

Further market share gains

Proof for resilience of our business model

Excellent free cash flow (CHF 409.4 million) und RONOC (28.4%)

Completed two strategic bolt-on acquisitions in fast-growing markets

Performance reflects unique business model and strategy for growth

¹ Roland Berger Strategy Consultants, March 2014

Clear strategy for sustainable, profitable growth

Diligent implementation of our strategy for growth

- Organic growth
 - Expanding business with existing clients and customers
 - Multiplying success stories from country to country
 - New business development
- Bolt-on acquisitions
 - Miraecare, South Korea (Healthcare)
 - Primatek, Indonesia (Technology)
- Strengthen service offering
- Increase operational efficiency



Industry consolidator in fast-growing and highly fragmented industry

Industry with promising growth potential



Market Expansion Services (MES)

- Still considerable growth potential in DKSH's addressable markets: 7.8% p.a. until 2018¹
- Growth drivers:
 - Rise of the middle class in emerging markets
 - Stronger inner-Asian trade
 - Trend towards outsourcing

MES growth premium is driven by an increase in the outsourcing rate

¹ Roland Berger Strategy Consultants, March 2014

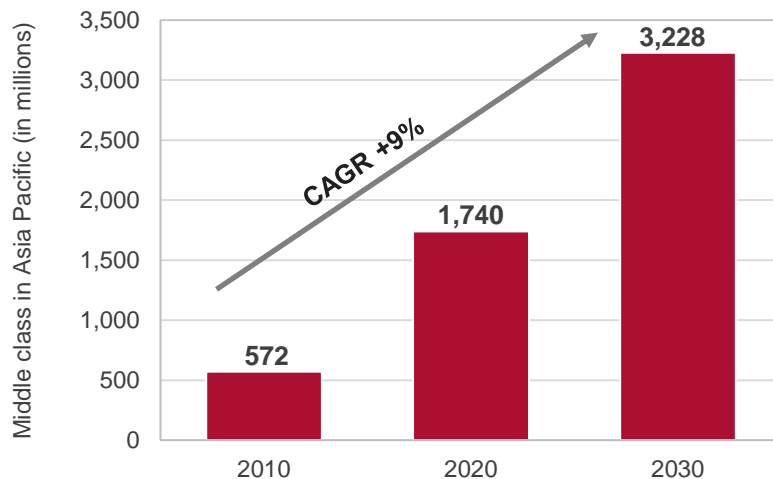
Rapidly growing middle class in Asia

Growing middle class in Asia Pacific¹

APAC middle class
in % of the global
middle class



- By 2030 middle class is expected to grow sixfold¹
- Growing middle class driving demand for local and international products
- DKSH is well positioned to benefit from these trends:
 - Direct positive impact on consumer spending
 - Indirect positive impact on industrial sectors

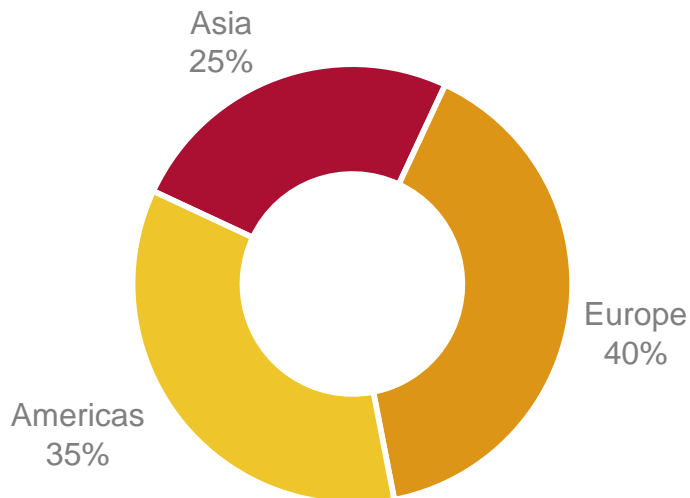


From the "extended workbench" of the West to attractive domestic sales markets

¹ UnctadSTAT, Roland Berger Strategy Consultants, March 2014

Strong inner-Asian trade

Origin of DKSH's key clients



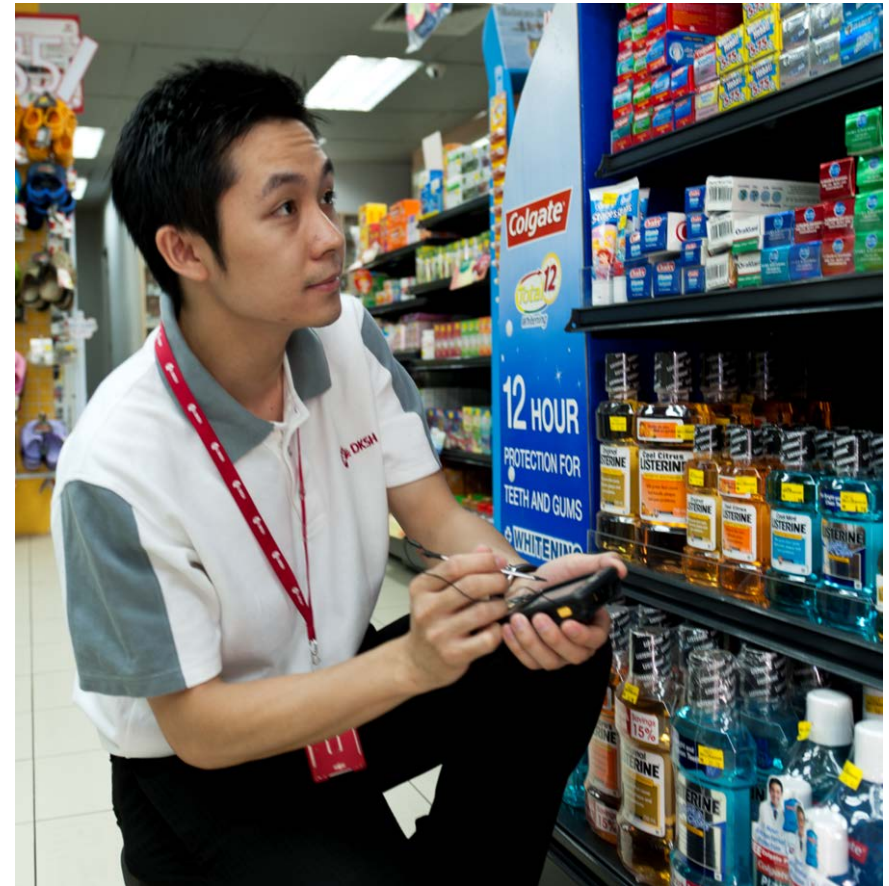
- Asia Pacific is today already the second largest trading area after Europe, having overtaken North America¹
- Inner-Asian trade is expected to rapidly grow as trade barriers between Asian nations decline (e.g. in ASEAN) and local consumer markets develop fast
- Out of our 400 major clients, already 25% are of Asian origin

DKSH enables and benefits from growing inner-Asian trade

¹ Roland Berger Strategy Consultants, March 2013

Trend towards outsourcing

- Asia as a target region for companies seeking to grow their business
- Strong focus on core competencies – R&D, manufacturing, marketing – leads to increasing demand for outsourcing services related to market entry and expansion
- DKSH is a reliable partner for the successful, rapid and low-risk expansion to and within Asia



Focus on core competencies leads to increasing demand for Market Expansion Services

Excellent result in 2013

Financials				
(in CHF million)	2013	2012 ¹	Change %	Change % at CER ²
Net sales	9,559.0	8,808.8	8.5%	10.4%
EBIT	282.2	275.3	2.5%	5.9%
EBIT incl. gain on sale of property ³	309.8	275.3	12.5%	16.7%
Profit after tax	214.1	183.6	16.6%	20.0%
Profit after tax incl. gains on sale ⁴	241.7	208.3	16.0%	20.1%
RONOC	28.4%	25.4%		
Return on equity	17.9%	17.3%		

Comments

- Net sales growth of 10.4% at CER
- Profit after tax growth of 20.0% (at CER)
 - Operational efficiency and economies of scale
 - Hedging gains booked below EBIT
 - Lower interest expenses
- RONOC and return on equity strongly improved

Sustainable value creation with strong profit growth and increased RONOC/ROE

¹ 2012 restated to reflect the adoption of IFRS 11 and IAS 19 revised

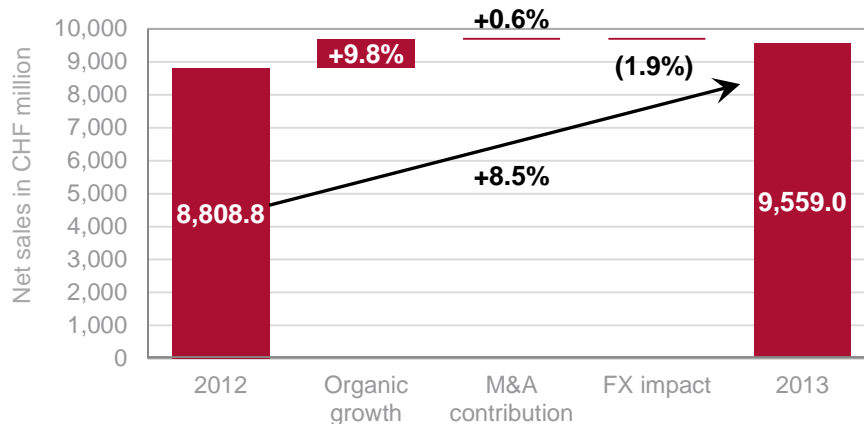
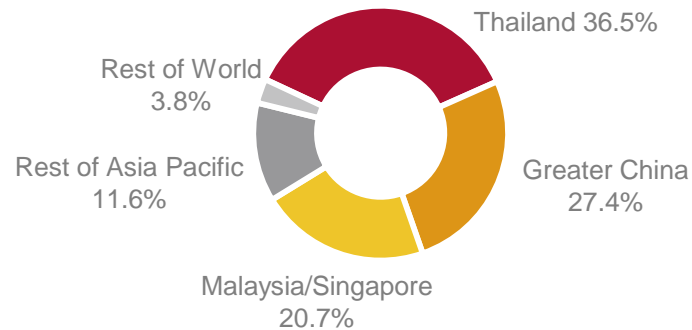
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Strong organic growth

Net sales by region and breakdown



Comments

- Deeply rooted in one of the world's fastest growing markets: 96% of net sales generated in Asia Pacific
- Net sales growth of 8.5% (10.4% at CER¹), mainly driven by organic growth
 - Growth at CER¹ in both half-years higher than addressable market growth of 7.8%²
 - 0.6%-points of net sales growth from acquisitions
 - Strong impact from FX changes, particularly in the second half 2013, of -1.9%-points

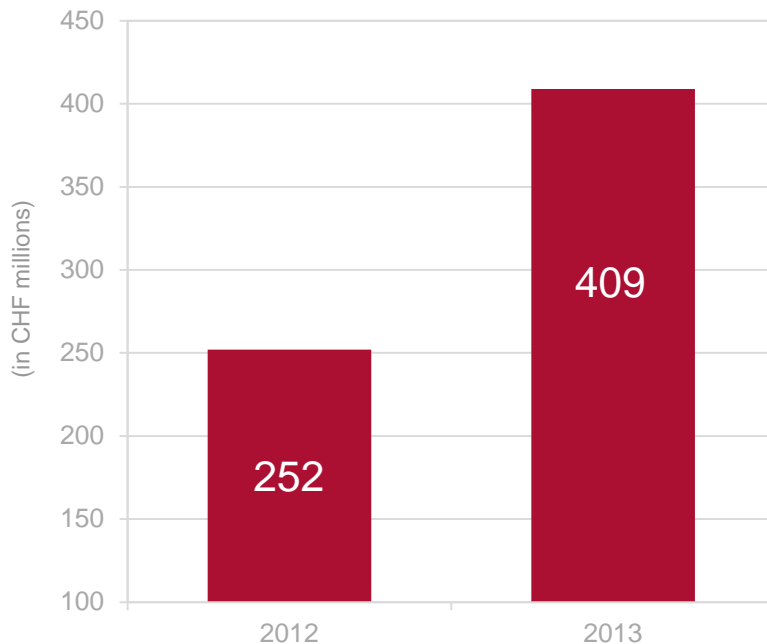
Deeply rooted in one of the world's fastest growing markets

¹ CER: constant exchange rates – 2013 figures translated with 2012 foreign exchange rates

² Roland Berger Strategy Consultants, March 2014

Excellent free cash flow

Free cash flow (EBITDA - Capex - Δ SWC¹)



Comments

- Record free cash flow despite strong sales growth
- Strong free cash flow increase in 2013 supported by
 - High EBITDA
 - Decrease in working capital
 - Positive FX developments
- Result: balance sheet further strengthened
 - Low counterparty risk is key differentiating factor for our clients

Healthy balance between sales growth and free cash flow

¹ Specific working capital (SWC) = Trade receivables + Inventory - Trade payables

Business Unit Consumer Goods

Financials				
(in CHF million)	2013	2012 ¹	Change %	Change % at CER ²
Net sales	4,171.2	3,947.4	5.7%	7.1%
EBIT	158.1	161.0	-1.8%	-0.6%
<i>EBIT margin</i>	<i>3.8%</i>	<i>4.1%</i>		

Comments

- Strong net sales growth in a challenging market environment with a variety of markets and clients
- Solid organic growth
 - Increased volumes with existing clients
 - Rolling out success stories from country to country
 - New business development
- EBIT impacted from temporary weakening in Luxury and Lifestyle in China and political unrest in Thailand

Solid organic growth

¹ 2012 restated to reflect the adoption of IFRS 11 and IAS 19 revised

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Business Unit Healthcare

Financials				
(in CHF million)	2013	2012 ¹	Change %	Change % at CER ²
Net sales	4,254.7	3,698.8	15.0%	15.8%
EBIT	106.7	81.9	30.3%	30.6%
<i>EBIT margin</i>	<i>2.5%</i>	<i>2.2%</i>		

Comments

- Excellent net sales growth of 15.8% and outstanding EBIT growth of 30.6% (both at CER)
- Solid organic growth in all markets
 - Increased volumes with existing clients
 - Rolling out success stories from country to country
 - New business development
- Economies of scale resulted in significant increase in profitability
- Strategic bolt-on acquisitions of Miraecare in South Korea and Glory in Macao

Business Unit Healthcare showing best performance in 2013

¹ 2012 restated to reflect the adoption of IFRS 11 and IAS 19 revised

² CER: constant exchange rates – 2013 figures translated with 2012 foreign exchange rates

Business Unit Performance Materials

Financials				
(in CHF million)	2013	2012 ¹	Change %	Change % at CER ²
Net sales	770.1	751.0	2.5%	11.1%
EBIT	54.4	58.0	-6.2%	5.2%
<i>EBIT margin</i>	<i>7.1%</i>	<i>7.7%</i>		

Comments
<ul style="list-style-type: none"> • Net sales growth of 11.1% (at CER) • Negative FX impact caused by strong depreciation of yen including associated booking of hedging gains (reallocation from EBIT to profit after tax) • Some projects being postponed or cancelled in view of FX-related price increases • Further expansion of collaboration with leading specialty chemicals manufacturers • Successful integration of Swiss Staerke & Nagler, acquired in 2012

Solid result despite unfavorable FX fluctuations

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Business Unit Technology

Financials					Comments
(in CHF million)	2013	2012 ¹	Change %	Change % at CER ²	
Net sales	363.9	416.0	-12.5%	-7.9%	<ul style="list-style-type: none"> • Strong negative impact from FX fluctuations and associated booking of hedging gains • Certain operational problems have contributed to disappointing result – respective measures started • Market entry into Indonesia with acquisition of Primatek
EBIT	16.2	21.9	-26.0%	-23.7%	
<i>EBIT margin</i>	<i>4.5%</i>	<i>5.3%</i>			

Weak performance 2013 – appropriate actions taken

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Good start into 2014

- Uncertain political situation in Thailand – additional opportunities for DKSH in the long-term
- Targeted support enhanced for Japanese companies entering South East Asia
- Cooperation with various clients extended
- Acquisition of healthcare distributor Glory in Macao allowing us to serve both Hong Kong and Macao out of one hand
- Based on current market assumptions, 2014 is expected to be another record year



Further cemented market leading position of DKSH

Attractive business model with three major growth drivers

1 Growing middle class in Asia

2 Increasing inner-Asian trade

3 Trend towards outsourcing

Long-term trends support our business model

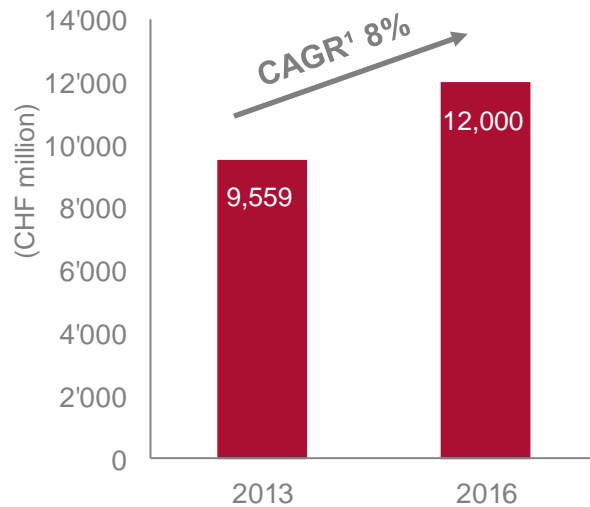
Organic growth coupled with selected bolt-on acquisitions

2014 is expected to be another record year

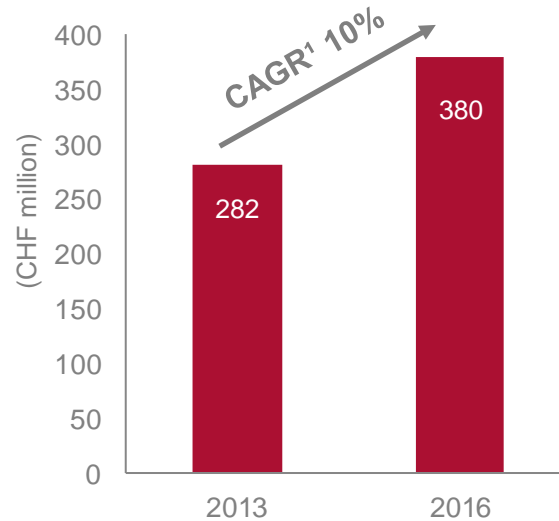
Three-year targets up to 2016

Double-digit profitable growth until 2016

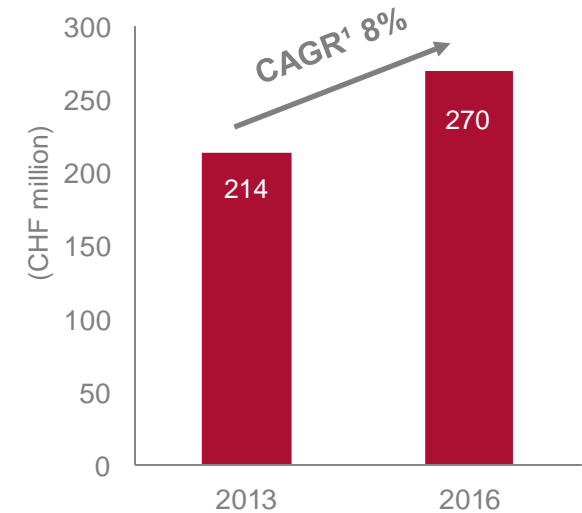
Net sales



EBIT



Profit after tax



CAGR of 8% in net sales and 10% in EBIT until 2016 expected

¹ CAGR is compound annual growth rate



Thank you for your attention.

Think Asia. Think DKSH.

Disclaimer

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