

Full Year Results 2020

February 9, 2021

Delivering growth – in Asia and beyond.

Agenda – FY 2020



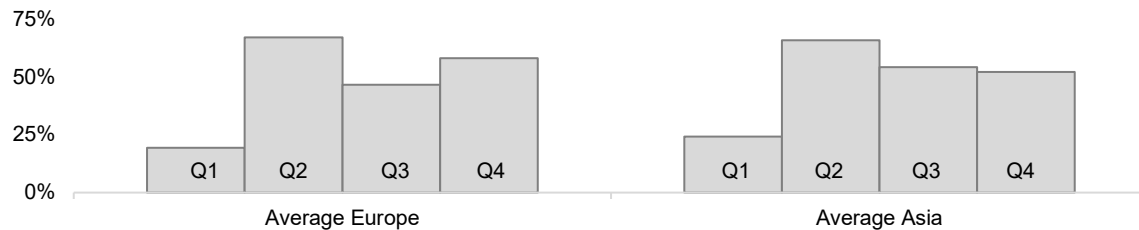
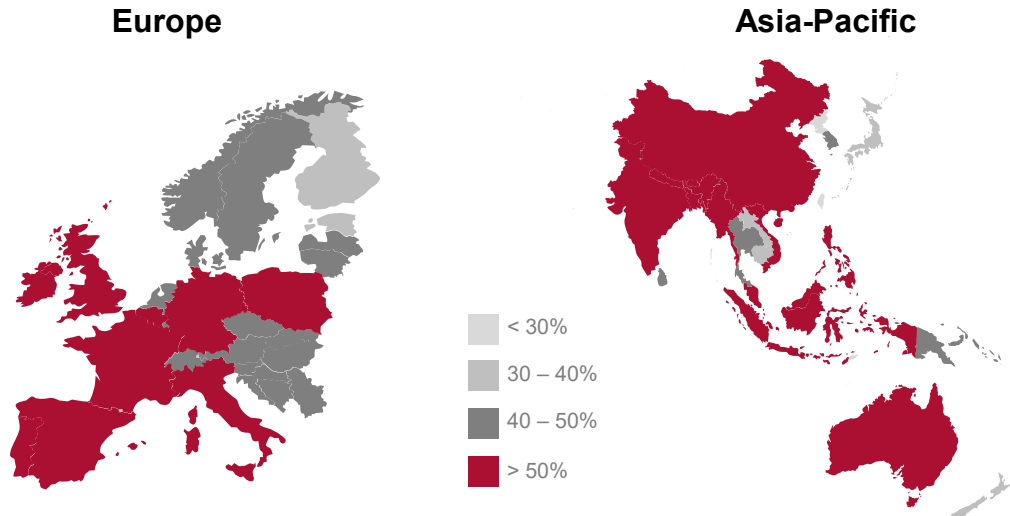
- 1. Performance and development**
- 2. Business Unit updates**
- 3. Financial review**
- 4. Outlook**

DKSH continues to successfully navigate the crisis

While the macro environment was very challenging...

... DKSH presents solid results in 2020

Intensity of COVID-19 restrictions¹



1 GDP+ performance
Net sales -2.1% vs. "Asian" GDP -5.0%²

2 Robust EBIT
On last year's level

3 Strong Free Cash Flow
+34.1% vs. last year

4 Dividend track record
CHF 1.95 per share (+2.6%)³

¹ Oxford Stringency Index for COVID-19 government measures

² DKSH net sales change at constant exchange rates vs. «Asian» GDP (latest ADB and IMF estimates weighted by DKSH market split)

³ Proposal by Board of Directors

Key developments in 2020

Business
Units



Diligent **strategy** implementation

Markets



Higher share in **faster** growing markets

People



New **Identity** and HR strategy

Digital



All Business Units **online & digitizing**

Sustainability



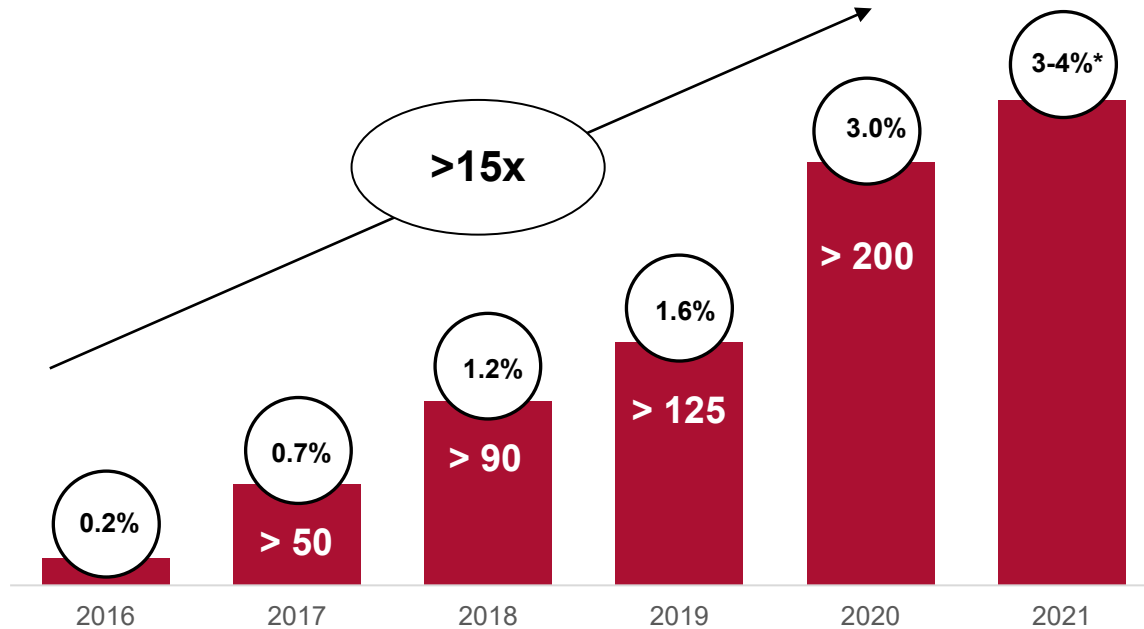
Stronger **Sustainability** progress



Accelerating digitization

Exceeding our eCommerce sales target in 2020...

eCommerce sales in CHF million



% eCommerce net sales as percent of DKSH addressable net sales¹

¹ Addressable net sales defined as DKSH Group net sales less net sales of Business Line Pharma (part of Business Unit Healthcare)
* Estimate

... while digitizing DKSH for the «new normal»



Shifting our sales and marketing capabilities online

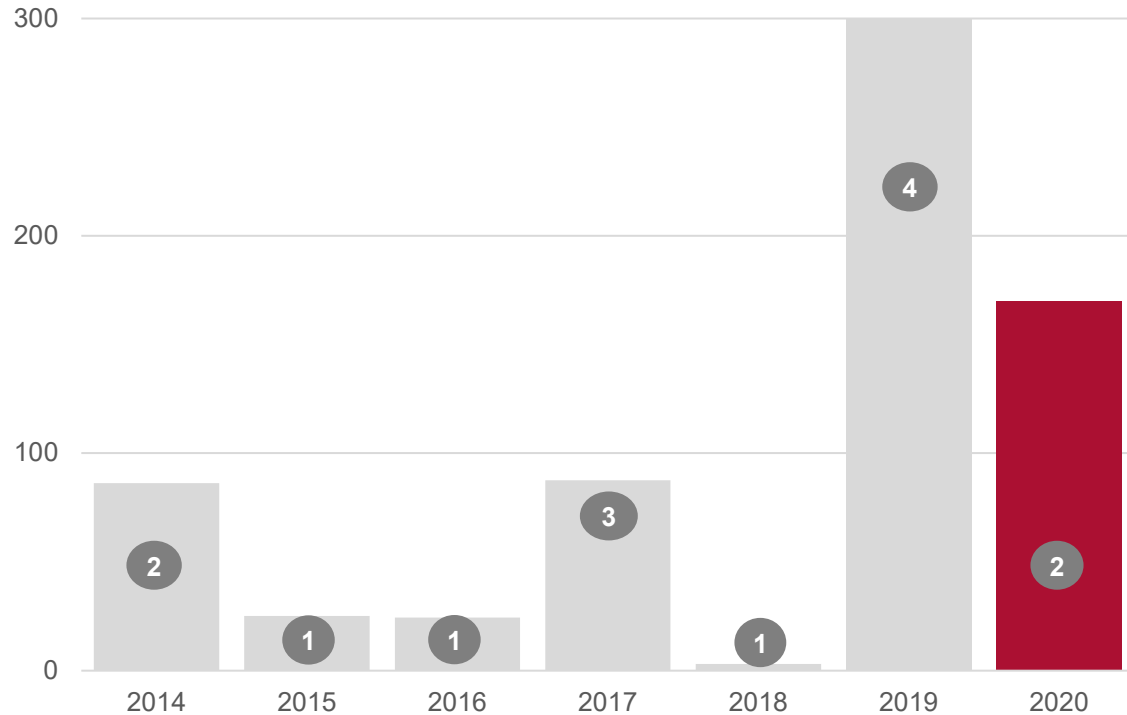
> 270 webinars

> 2,800 digital campaigns

> 6,000 specialty chemicals and ingredients accessible online

M&A strategy delivers shareholder value

M&A annualized net sales (in CHF million)



x Number of acquisitions closed during year

Benefits of recent acquisitions

- 1 Value accretive
- 2 Expansion potential
- 3 Attractive multiples

Acquisitions since 2017:



M&A activities slowed in Q2 and Q3 due to the lockdowns – but picked up during Q4

Business Unit Healthcare

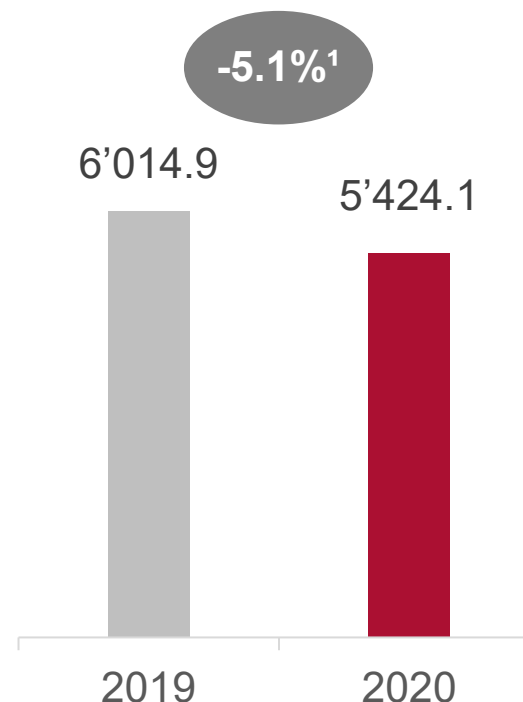
Healthcare

- Resilient sales performance despite lower patient traffic and lack of medical tourism
- Solid EBIT a result of new client wins and cost discipline
- Cementing leading position with entry in the Philippines
- More commercial outsourcing deals and higher-added value partnerships bode well for future expansion

Expand market position and drive into higher value segments and services

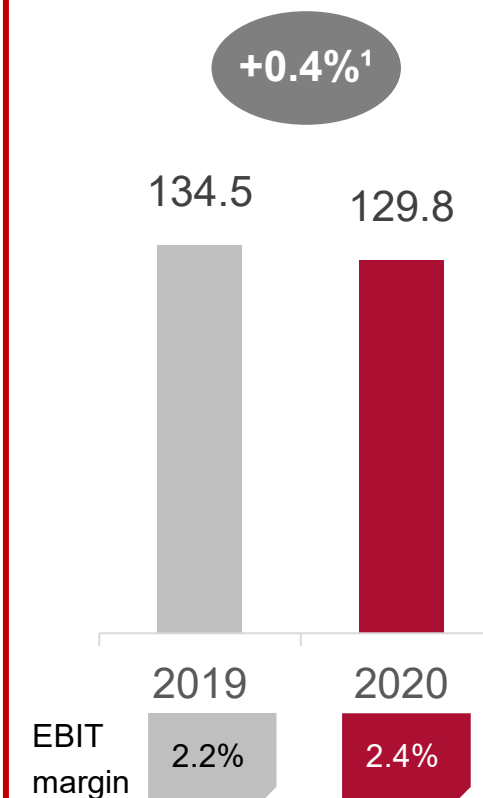
Net Sales

(in CHF million)



EBIT

(in CHF million)



EBIT margin

2.2%

2.4%

Business Unit Consumer Goods

Consumer Goods

Fast Moving Consumer Goods (FMCG)

- Transformation on track with FMCG delivering strong EBIT growth and higher margins
- Strategic client wins – eCommerce and Indonesia grow

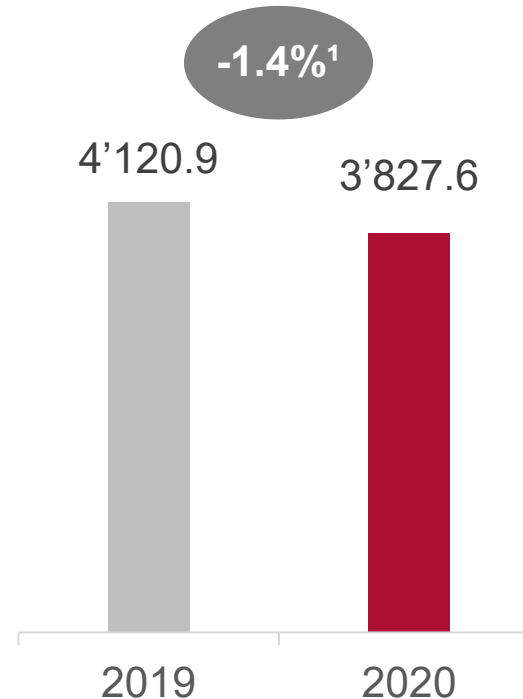
Luxury and Lifestyle

- Due to COVID-19 double-digit sales and EBIT drop
- Maurice Lacroix with market share gains and for the second consecutive year with a small profit

Capitalizing on our leadership in Asia Pacific

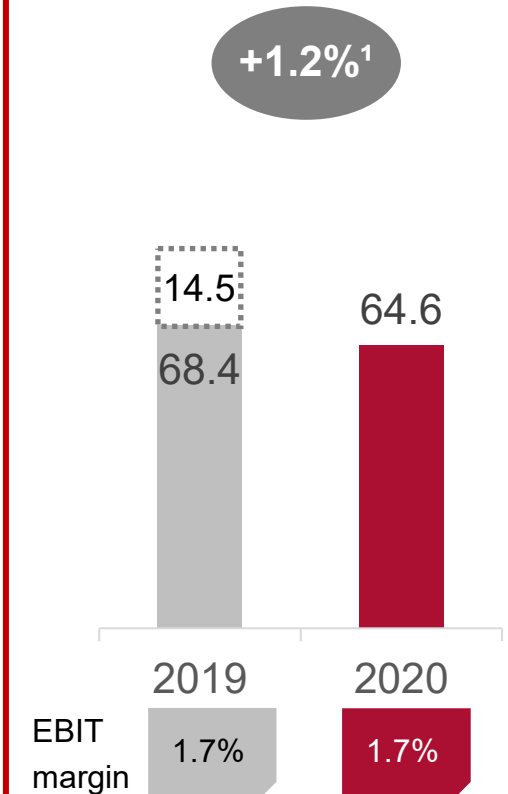
Net Sales

(in CHF million)



EBIT

(in CHF million)



¹ Constant exchange rates

Business Unit Performance Materials

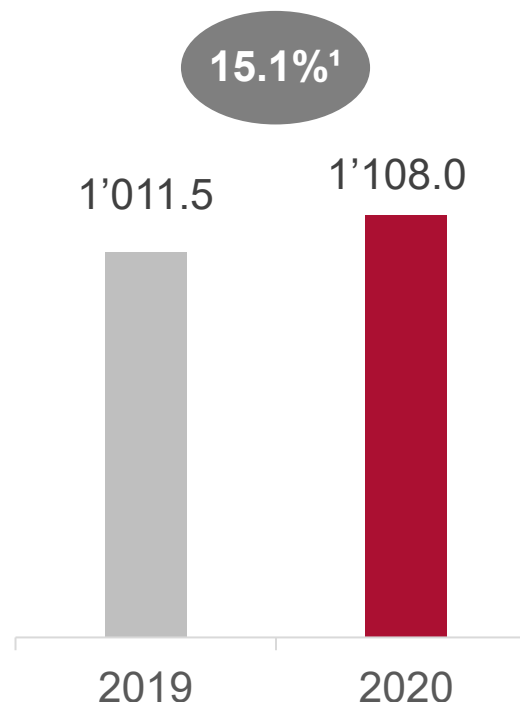
Performance Materials

- Another year of net sales and EBIT growth
- Further expanding position as a leading specialty chemicals and ingredients distributor
- Successful development of Axieo business in Australia and New Zealand
- Good pipeline for new business as well as consolidation opportunities provide further growth potential

Strengthen leading position in specialty chemicals and ingredients distribution

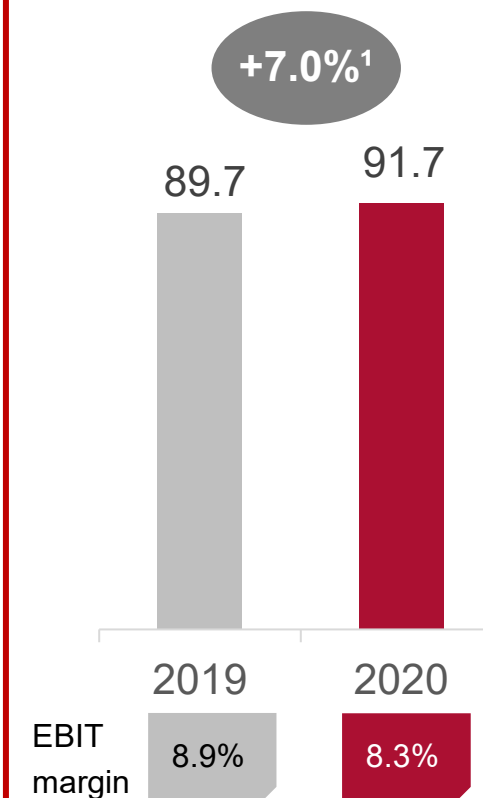
Net Sales

(in CHF million)



EBIT

(in CHF million)



Business Unit Technology



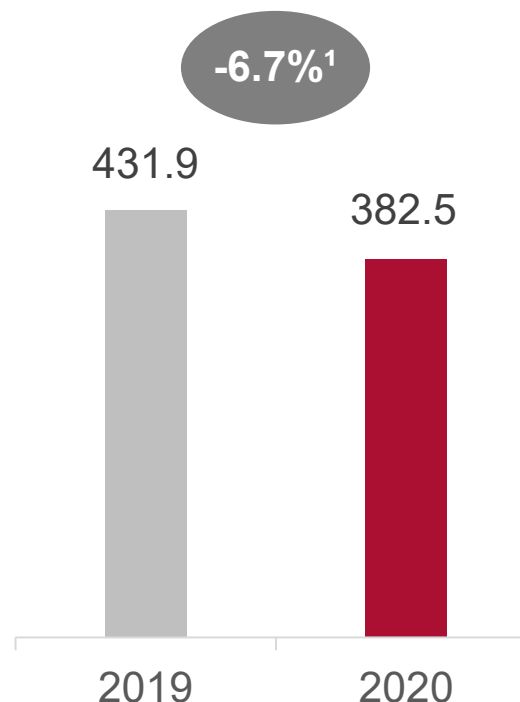
Technology

- Business impacted by COVID-19
- High single-digit million cost savings realized
- Focus on growing segments: scientific instrumentation, precision machinery and after-sales services
- Strategic transformation on track to increase resilience and deliver growth to exceed pre-COVID levels

Building resilience and deliver growth to exceed pre-COVID levels

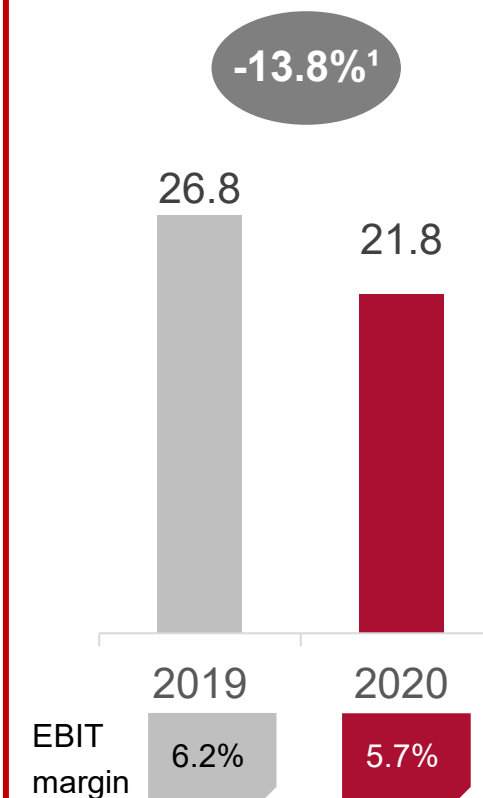
Net Sales

(in CHF million)



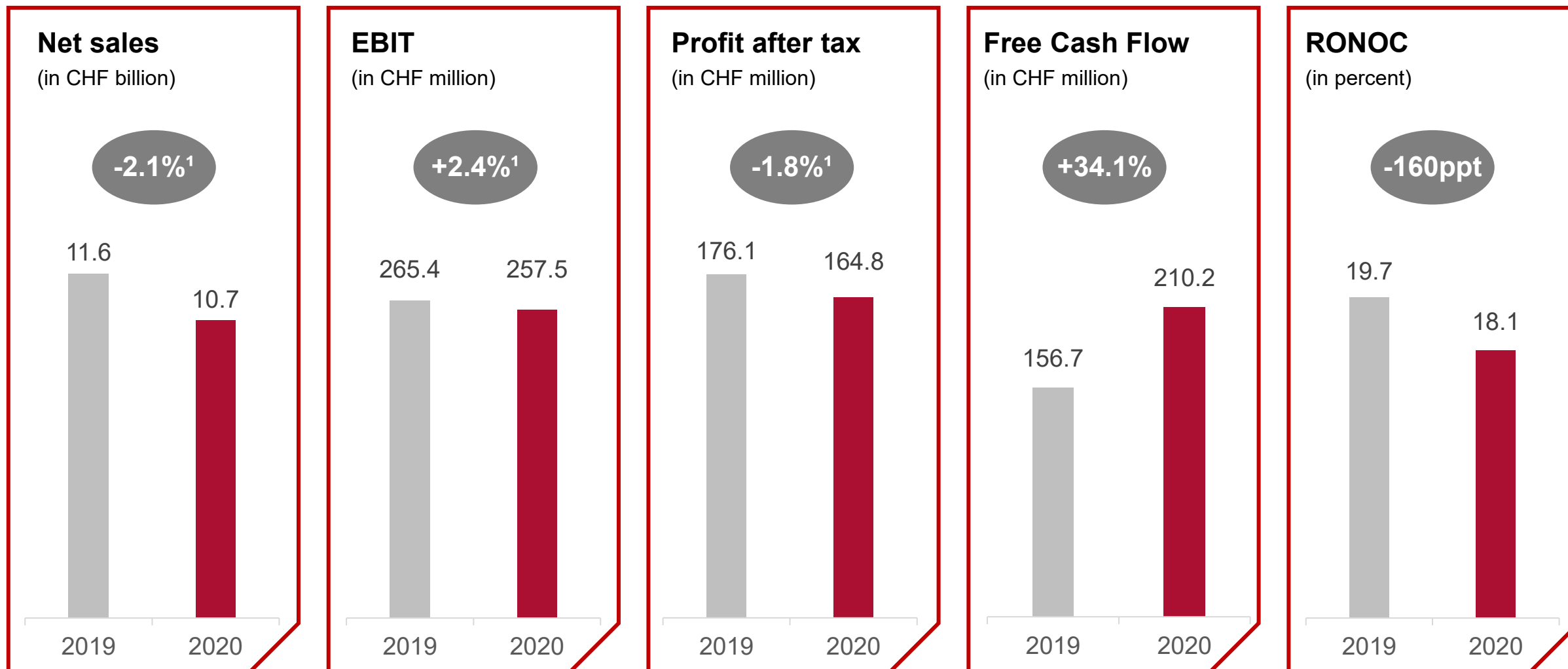
EBIT

(in CHF million)



¹ Constant exchange rates

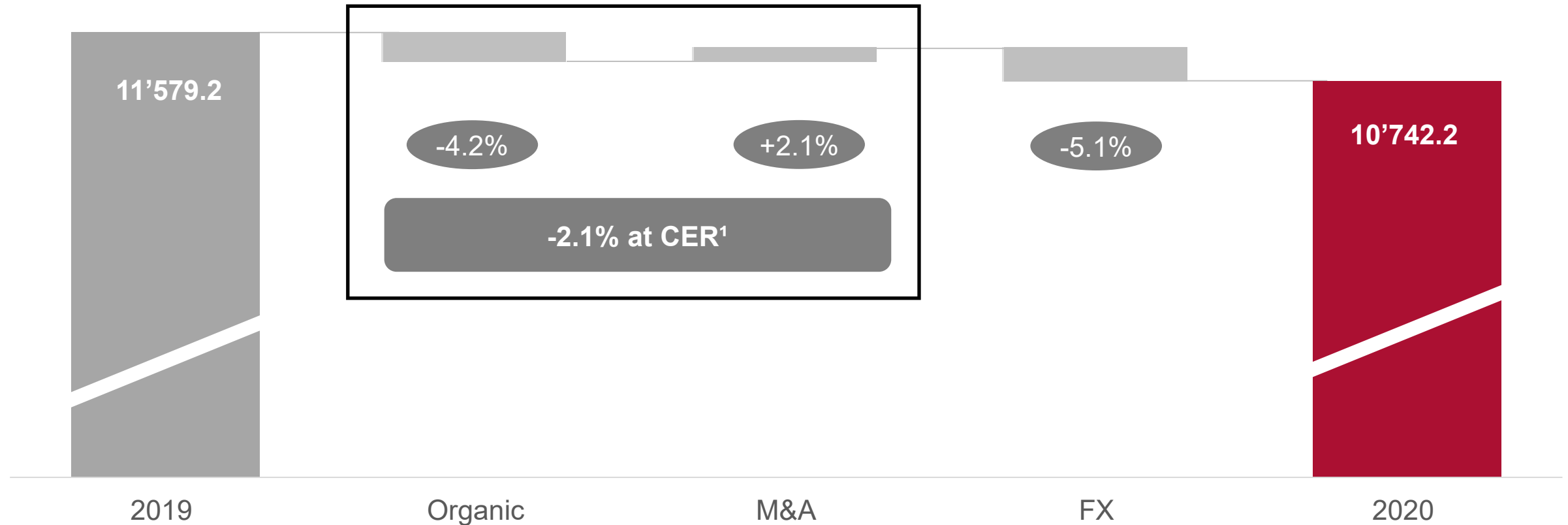
Solid financial results 2020



¹ At constant exchange rates

Stable net sales¹ in unprecedented times

Net sales (in CHF million)



¹ At constant exchange rates (CER)

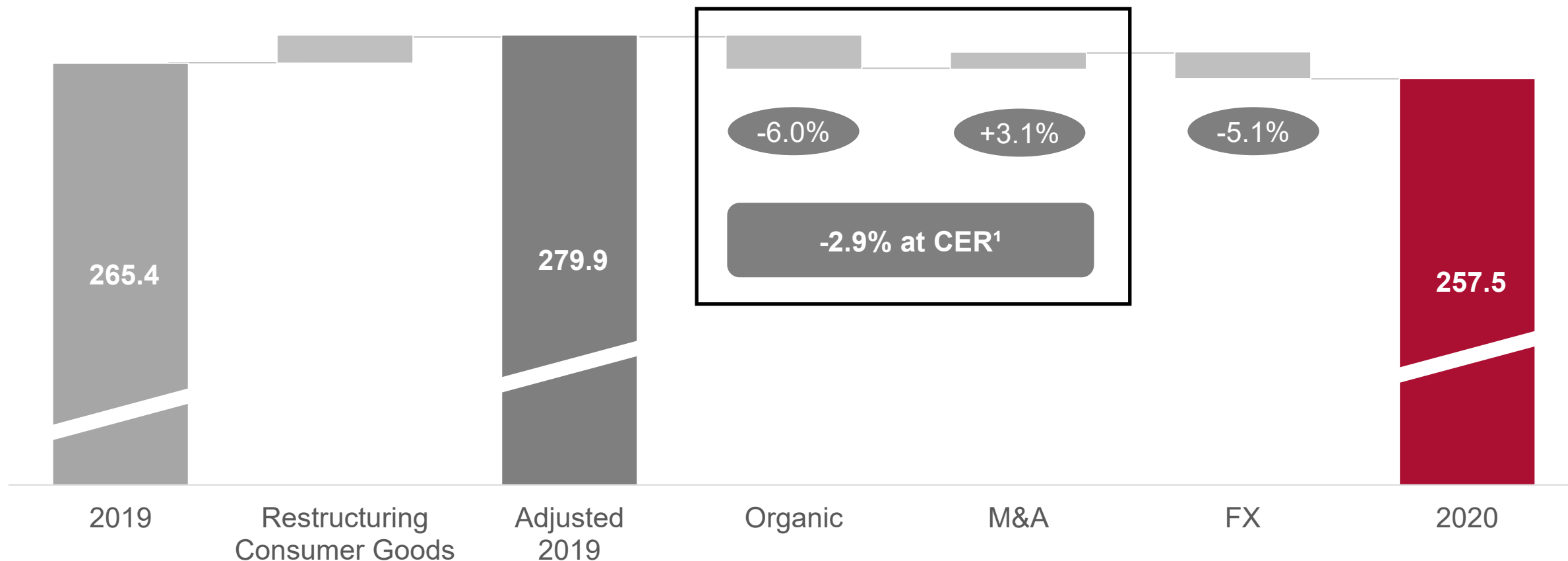
Organic: Difference 2020 figures to 2019 figures excluding M&A and FX

M&A: Acquisition Auric Pacific, CTD and Crossmark (Consumer Goods), Dols and Axieo (Performance Materials) as well as SPC (Technology)

FX: Impact from currency translation on net sales

Resilient EBIT performance

EBIT (in CHF million)



¹ At constant exchange rates

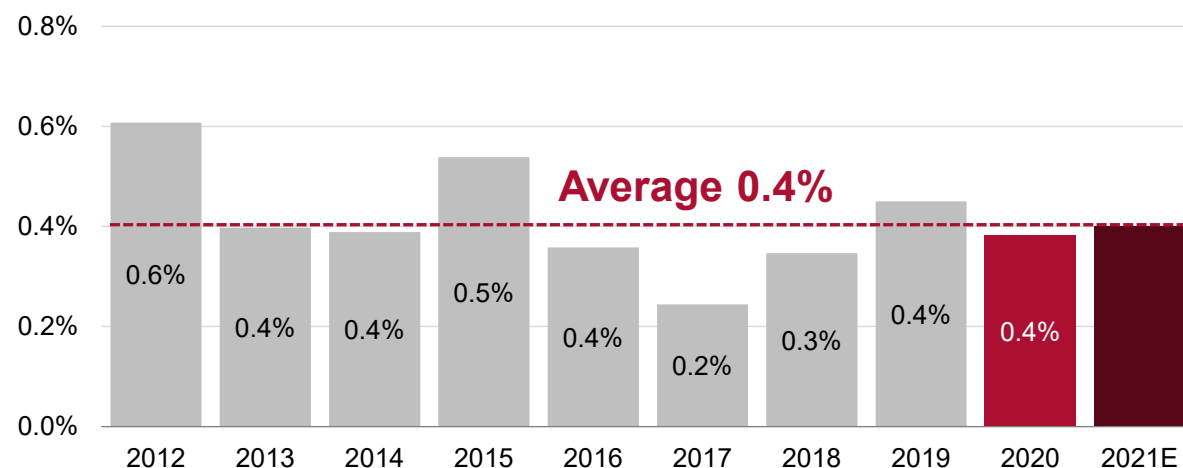
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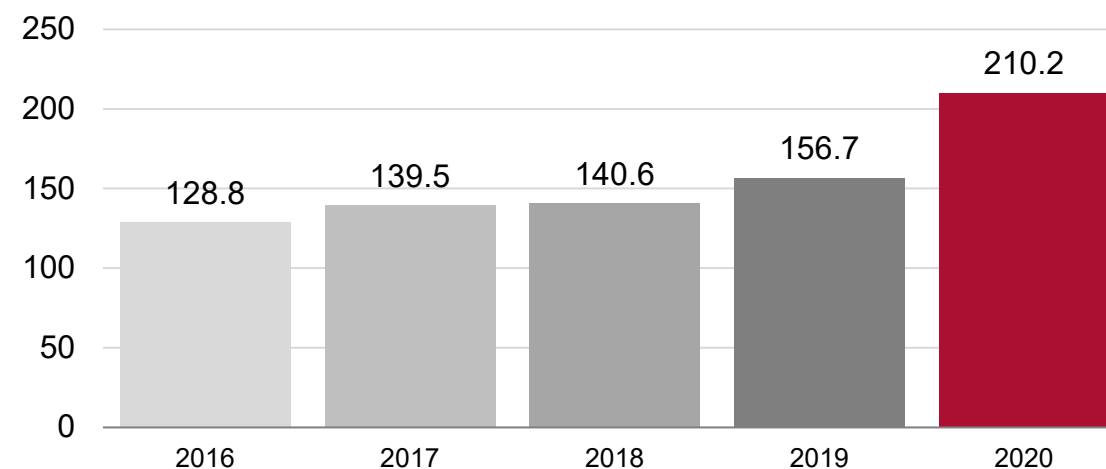
Low capital intensity and sound cash generation

Capex / net sales (in %)



Asset-light model: average 0.4% capex to net sales

Free Cash Flow (in CHF million)¹



Cash conversion²

60.5%

65.4%

76.0%

89.0%

127.5%

Focus on stronger cash generation

¹ Free Cash Flow is Net Cash flows from operating activities less Repayment leases, Purchase of Property, plant and equipment, purchase of intangible assets and Advance payments to purchase intangible assets (see Annual Report 2020 on page 45 for further details)

² Cash conversion defined as Free Cash Flow as percentage of Profit after tax (2018 Profit after tax excluding gain on sale of Healthcare business China)

Continued strong balance sheet

in CHF million	2019	2020
Cash/Liquid assets	592.6	680.8
Trade receivables	2,241.2	2,015.9
Inventories	1,236.9	1,151.8
Intangibles	298.5	295.3
Right-of-use assets	226.6	222.7
Other assets	757.2	751.5
Trade payables	2,415.0	2,133.6
Borrowings	279.7	338.6
Lease liabilities	221.2	227.0
Other liabilities	602.5	619.2
Total equity	1,834.6	1,799.6
Total equity and liabilities	5,353.0	5,118.0

Major changes in 2020:

- Dividend payment of CHF 123.6 million
- Acquisition payments of CHF 63.7 million

Continued strong financial metrics:

- Net cash position of CHF 342.2 million
- Equity ratio of 35.2%
- Significant leverage headroom

Additional financial indications

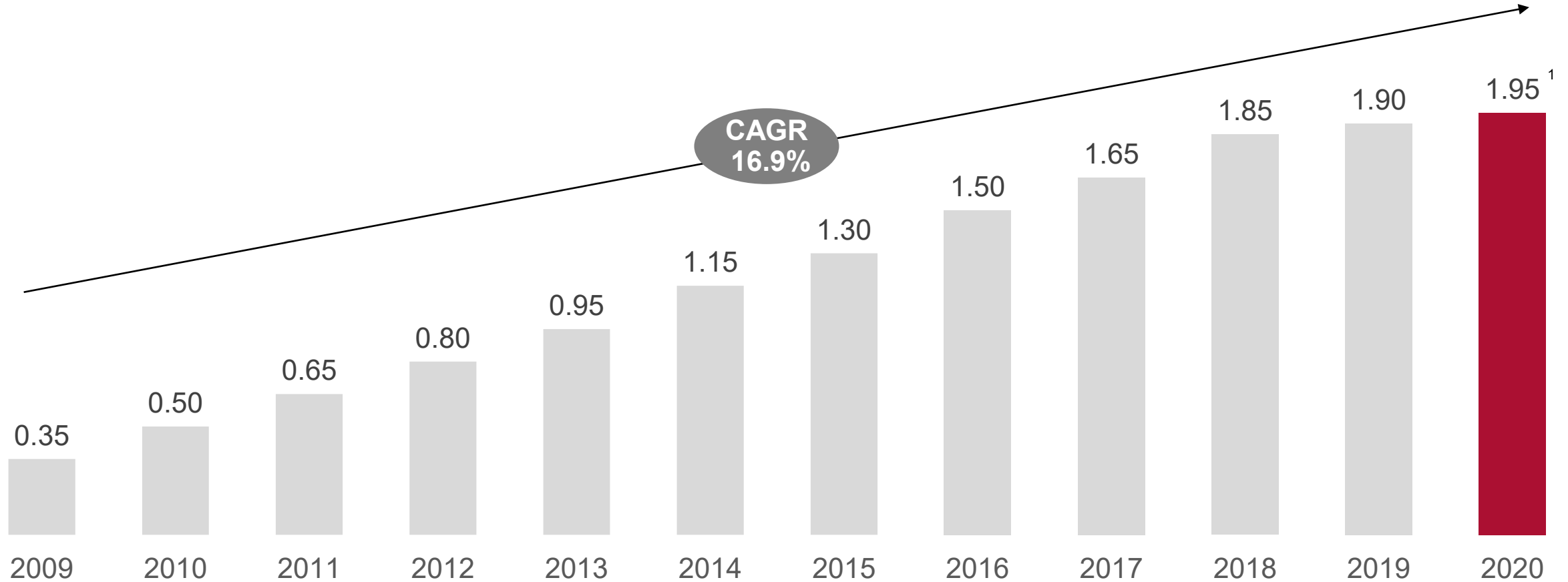
	2019	2020	2021 estimate	Mid-term estimate	Comments
M&A (net sales contribution)	+1.8%	+2.1%	+0.1% ¹	Further M&A ambitions	Contributions of closed acquisitions
FX (net sales contribution)	+1.8%	-5.1%	0% ²	n.a.	Mainly translational effect to Swiss franc
Tax rate (% of profit before tax)	25.3%	26.1%	27% to 29%	27% to 29%	
Capex (in CHF million)	52.1	41.1	40 to 45	40 to 50	Excl. larger M&A

¹ Based on previously integrated acquisitions of Axieo and Crossmark

² Based on current spot rates



Ordinary dividend 2020 is 2.6% higher than last year



Note: Ordinary dividend per share. The chart takes into account share split 1:100, effective since the Annual General Meeting 2011

¹ Dividend 2020 as proposed by the Board of Directors

Future prospects

Limited visibility on the evolution of the pandemic

- **Duration and impact of COVID-19 remain unclear**
- **EBIT in 2021 expected above last year, assuming:**
 - An easing of the impact of COVID-19
 - Rebounding tourism numbers
 - Stable currency conditions
- Well positioned to benefit from **favorable long-term market, industry and consolidation trends in Asia**

DKSH positioned for future value generation

- Proven asset-light and cash-generative business model
- High share of resilient business segments
- Focus on **diligent strategy implementation, digitization, sustainability and M&As** as well as operational excellence and cost discipline
- Strong balance sheet with M&A leverage potential
- **Dividend track record**

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