

Half Year Results 2022

Media and Investor Conference

July 15, 2022

Delivering Growth – in Asia and Beyond.



Agenda



1. Recap on Strategy and Macro Scenario in Asia
2. Highlights Half-Year 2022
3. Business Units Review
4. Financial Update
5. ESG / Digitalization
6. Outlook



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Recap on Strategy and Macro Scenario in Asia

DKSH – Continued Value Creation for Stakeholders

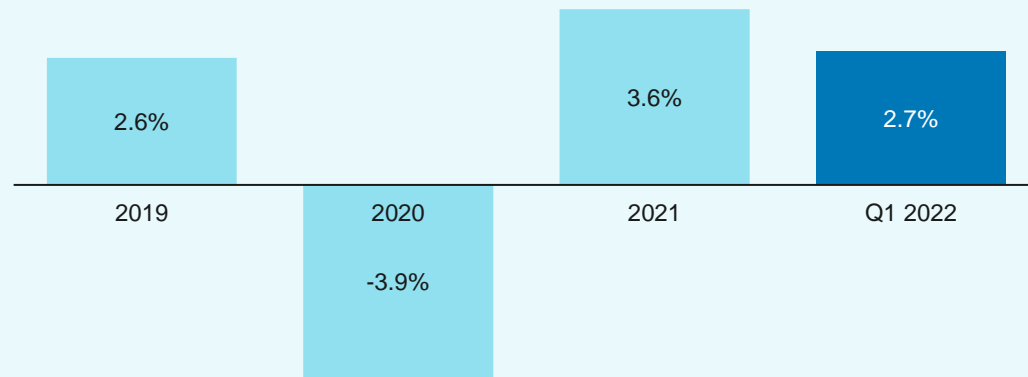


**Delivering Growth and Value
Creation in Asia and Beyond.**

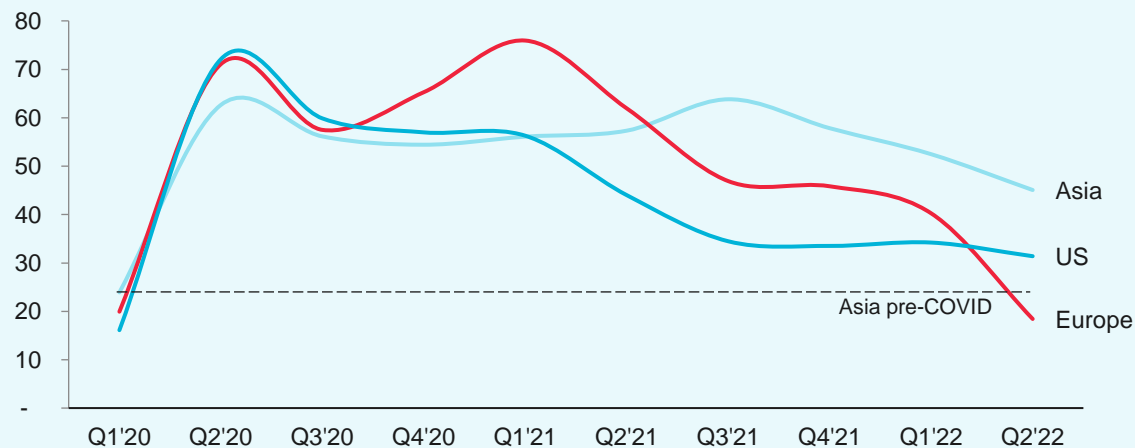


Macro Scenario in Asia

Weighted GDP evolution



Level of restrictions due to COVID (Oxford Stringency Index)



Sources: GDP: Asian Development Bank and International Monetary Fund (April 2022 update)
Stringency Index: Oxford COVID-19 Government Response Tracker

- Gradual recovery of economies in Asia continues, however speed still volatile
- Q1 2022 GDP at lower level (+2.7%)
- Inflation is a reality also in Asia, albeit at lower levels compared to US and Europe

- Level of restrictions in Asia due to COVID have reduced since peak in Q3 2021
- Current levels still high when compared to, e.g., Europe and US
- Situation expected to improve gradually

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Highlights Half-Year 2022



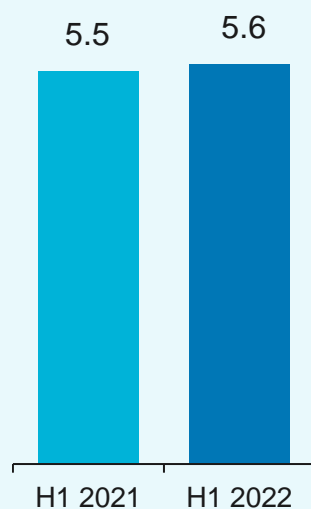
HY 2022 – Continued Good Results



Net Sales

(in CHF billion)

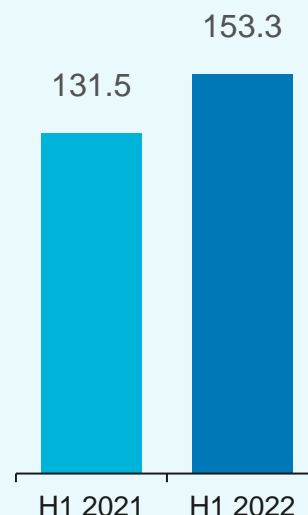
+3.7%¹



EBIT

(in CHF million)

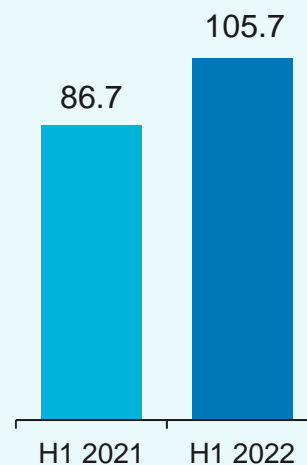
+19.9%¹



Profit after tax

(in CHF million)

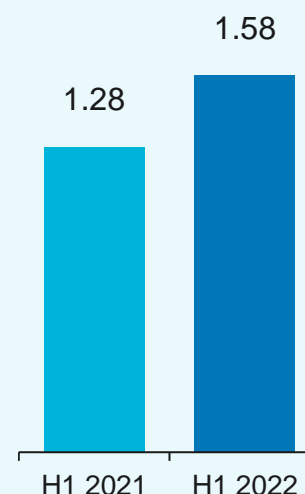
+24.5%¹



EPS

(in CHF)

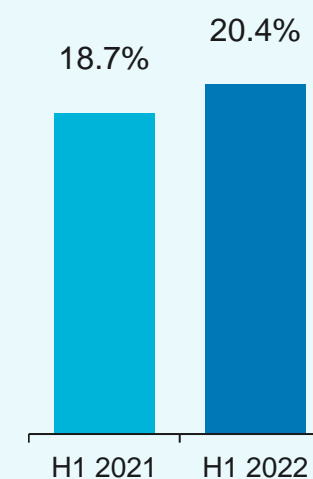
+23.4%



RONOC

(in percent)

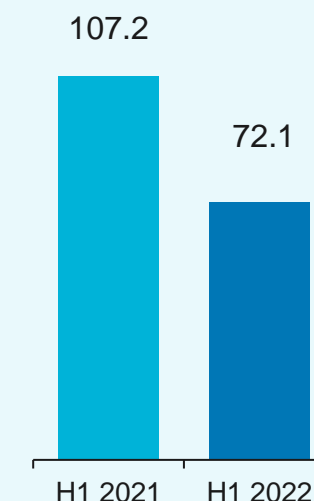
+170bps



Free Cash Flow

(in CHF million)

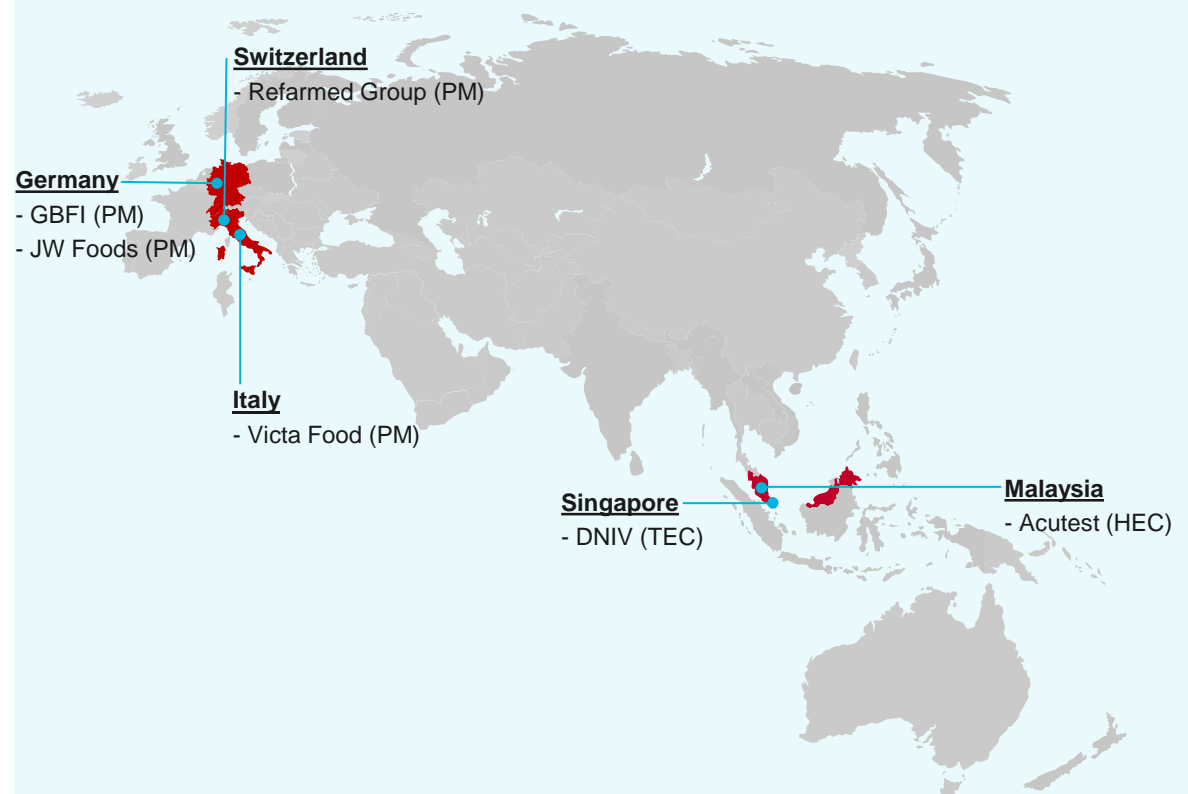
(32.7)%



Continued good results following improving trends

M&A an additional growth driver

Six acquisitions so far in 2022



- 15 acquisitions signed since 2020
- In 2022
 - Victa Food, Refarmed Group, GBFI and JW Foods (PM)
 - DNIV (TEC)
 - Acutest (HEC)
- Solid project pipeline for H2 2022 and beyond
- Continued fragmented markets

Acquisitions since 2017:

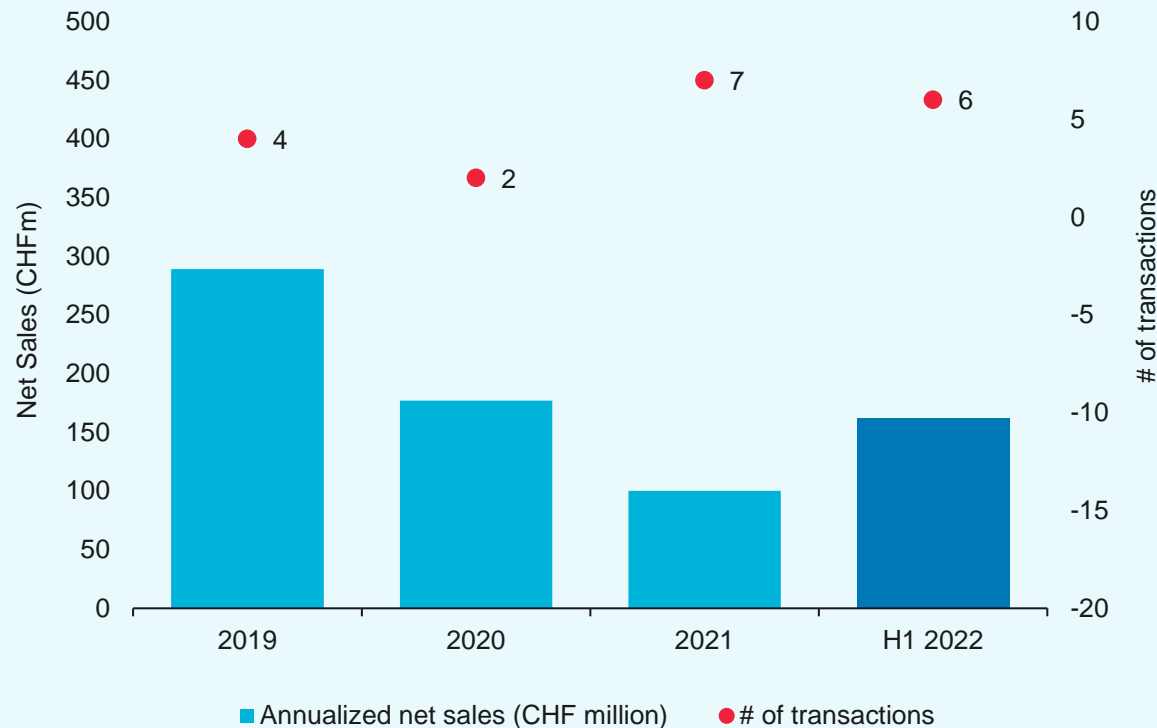


Accelerated M&A execution

DKSH approach to M&A



M&A a clear focus; strong project pipeline



- **DKSH approach to M&A**
 - Disciplined approach to M&A
 - All levels of the organization involved and multi-disciplinary approach: BoD, Executive Committee, BUs, M&A, Legal
 - M&A team located in Europe and Asia-Pacific
- **Value-enhancing transactions**
 - Bottom-up business plan
 - Focus on returns
 - Deals in the last two years averaging <8x EV/EBITDA
- **Strong focus on due diligence**
- **Integration**
 - Key for the success of transactions
 - Plans laid out before signing
- **Fragmented markets offer several M&A opportunities**



Disciplined approach to M&A lead to value-enhancing transactions

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Business Units Review





Business Unit Healthcare

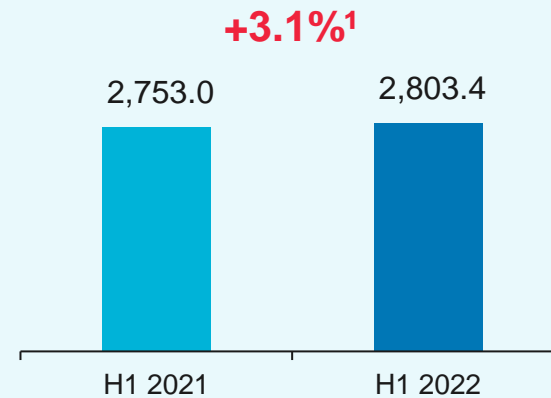


- Solid results with organic growth and EBIT margin improvement
- Leaner structure, acquisitions and higher share of values-added products
- Catch-up effect after the pandemic
- Temporary higher demand for COVID medications
- Acquisitions of Acutest in Malaysia

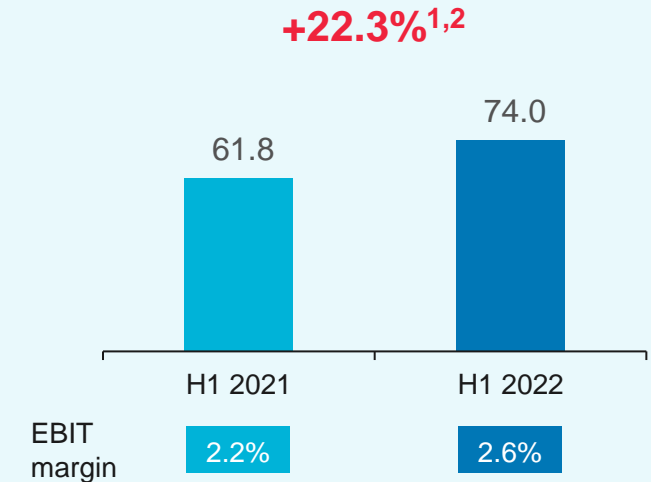


➤ Expand strong market position and drive into higher value segments and services

Net Sales (in CHF million)



EBIT (in CHF million)



¹ Constant exchange rates

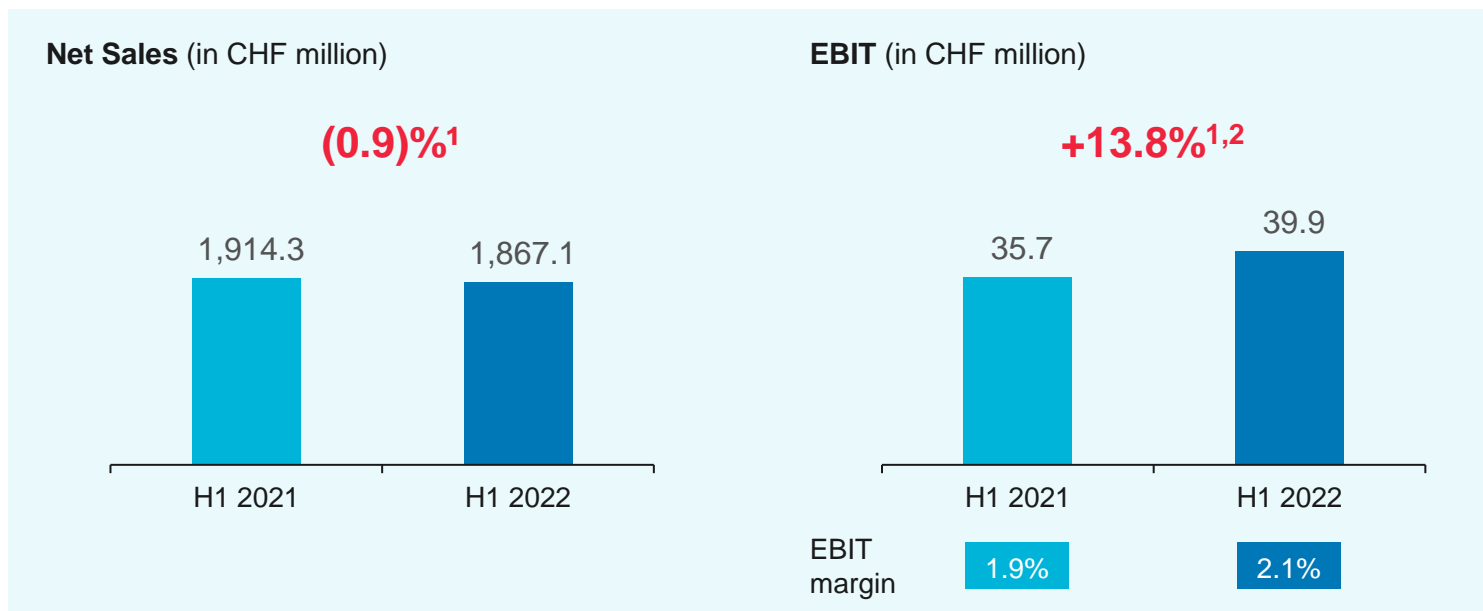
² Expenses for Long Term Incentive Plans (LTIP) and share of profit and loss of associates are reclassified to be consistent with changes made in the internal reporting. Expenses for LTIP are partly reclassified from Other to the four operating segments. Share of profit and loss of associates are reclassified from segment Consumer Goods to Other. The reclassification has been applied retrospectively to the 2021 information.



Business Unit Consumer Goods



- Continue benefitting from a leaner and more agile structure, the ongoing product portfolio rationalization, and consistent strategy execution across markets
- Net sales remained broadly unchanged compared to last year
- Reasonable product price increases and lower volumes combined with lockdowns as well as supply chain disruptions in some Asian markets balanced each other out



> Capitalizing on our leadership in Asia Pacific

¹ Constant exchange rates

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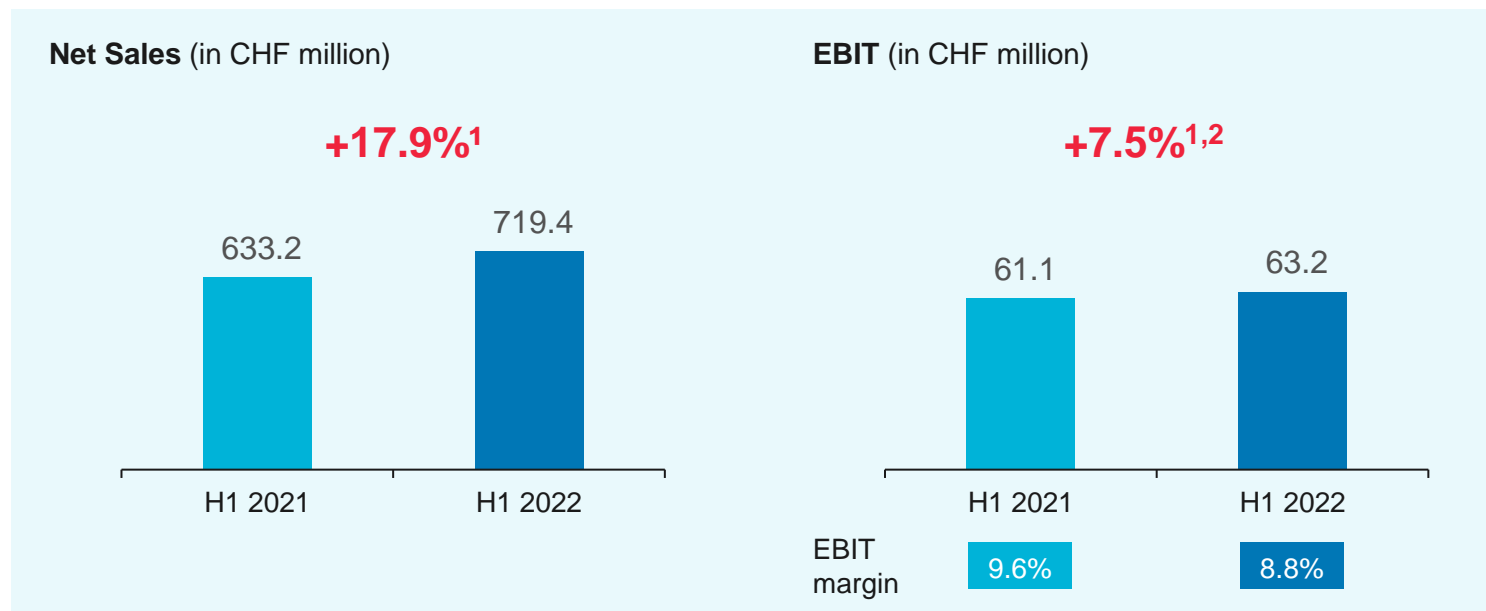


Business Unit Performance Materials



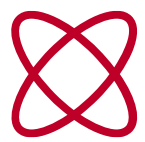
➤ Strengthen leading position in specialty chemicals and ingredients distribution

- Continued Net Sales and EBIT growth benefitting from positive industry demand
- EBIT increased by 7.5%¹, and excluding Japan, EBIT was up by 16.5%¹
- Acquisition of Victa Food in Italy, Refarmed Group in Switzerland, and GBFI and JW Foods in Germany
- Good pipeline for new business and consolidation opportunities provide further growth potential



¹ Constant exchange rates

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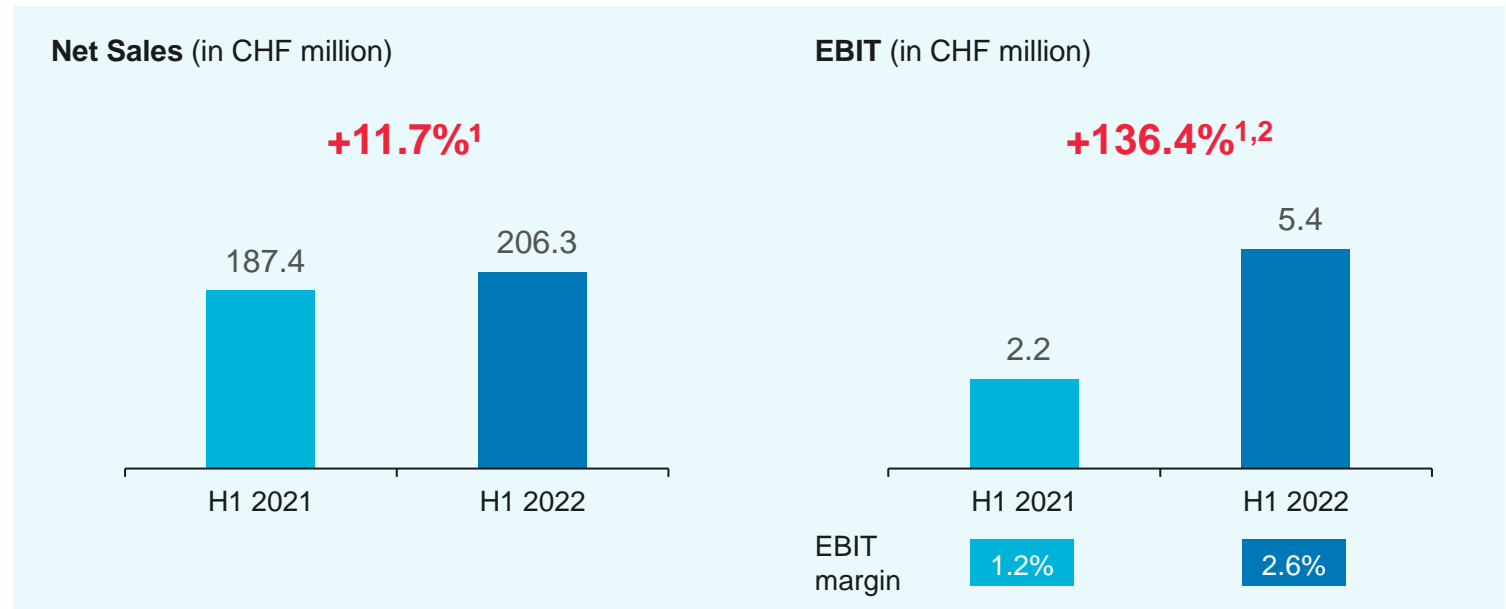


Business Unit Technology



➤ Building resilience and deliver growth to exceed pre-COVID levels

- Strong organic growth and EBIT margin expansion in H1 2022
- As pandemic-related movement restrictions faded, the service part of the business started returning to normality and boosted the results
- DKSH is confident that it will continue to rebound from the pandemic and deliver a strong second half of 2022
- Acquisition of DNIV in Singapore in May (consolidation from July 1, 2022)



¹ Constant exchange rates

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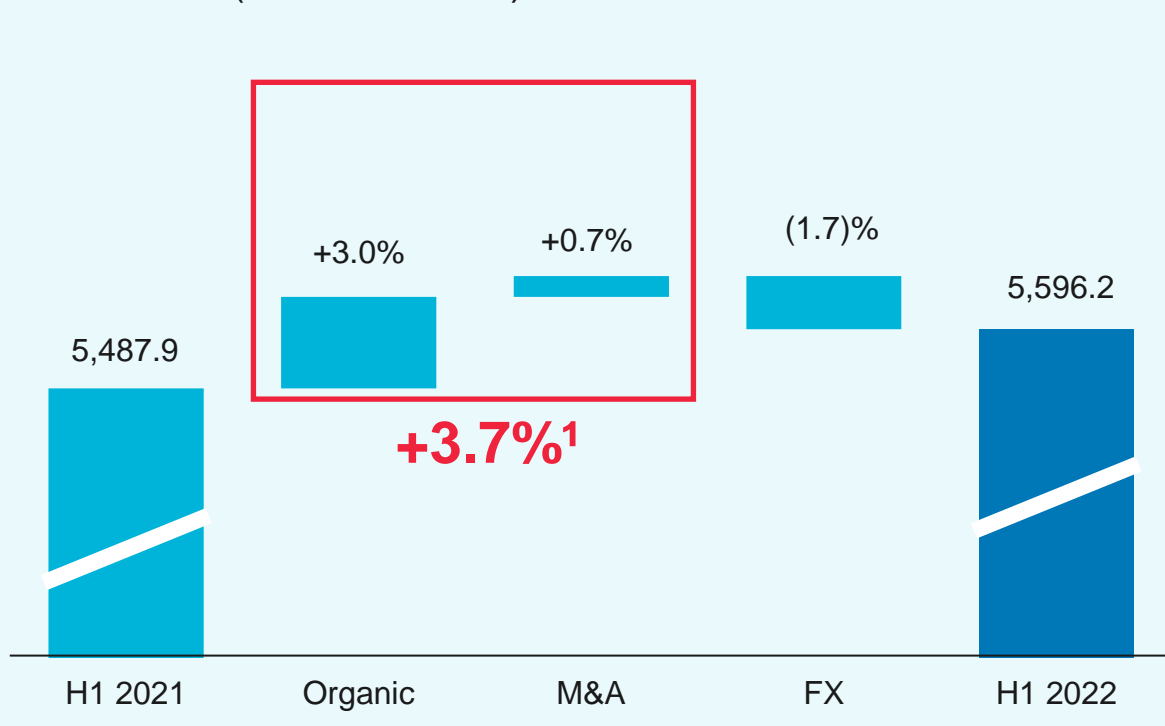
Financial Update



Solid Net Sales Growth



Net sales (in CHF million)



Organic

- Organic growth of +3.0%
- Post-COVID recovery in most markets in Asia

M&A

- Six acquisitions with pro-forma annual net sales of over CHF 150 million
- Sound multiples paid and margins accretive
- Additional projects in the pipeline

FX

- Translational FX impact of (1.7)%
- Impact from the strengthening of the Swiss Franc in the period



DKSH expects to deliver GDP+ growth in the mid-term

¹ Constant exchange rates

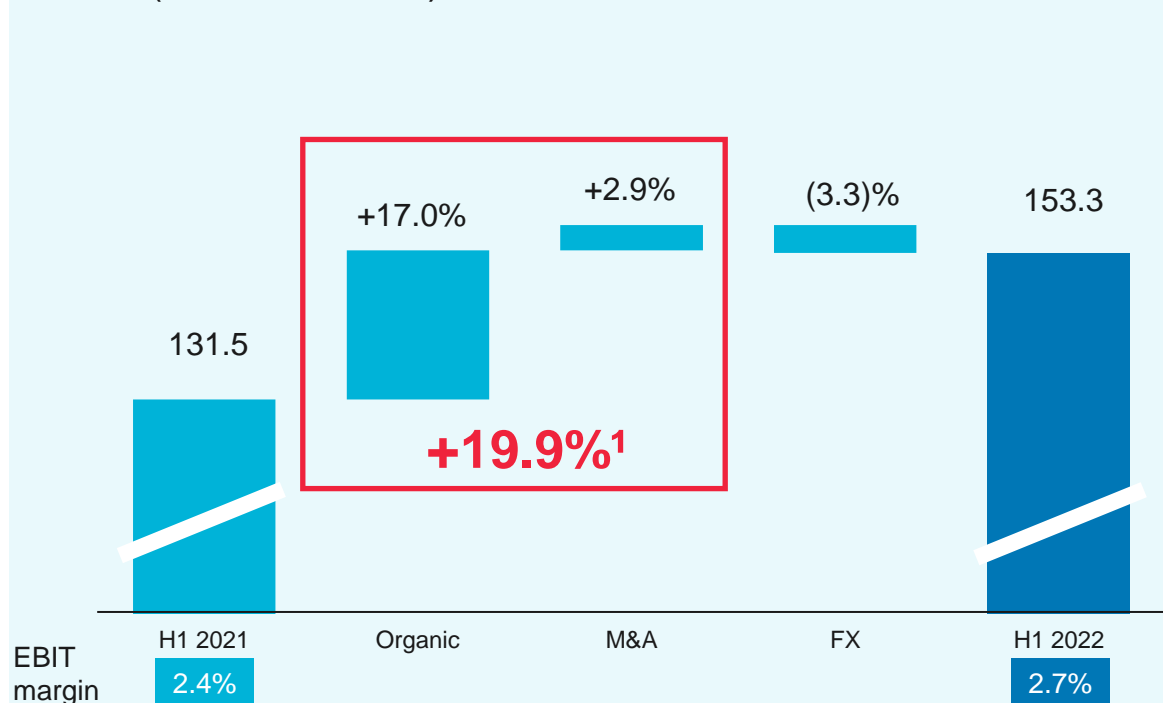
Organic: Difference 2022 figures to 2021 figures excluding M&A and FX

M&A: Hahn Healthcare and Medworkz (Healthcare), STP (Consumer Goods), Sacoa, HTBA and RBC (Performance Materials) as well as Bosung (Technology)

FX: Impact from currency translation on net sales

Double Digit EBIT Growth

EBIT (in CHF million)



- EBIT of CHF 153.3 million corresponds to a **double-digit growth in organic terms**

- EBIT growth in all Business Units

- **M&A** is margin-accretive



Profitability increasing

¹ At constant exchange rates (CER)

Organic: Difference 2022 figures to 2021 figures excluding M&A and FX

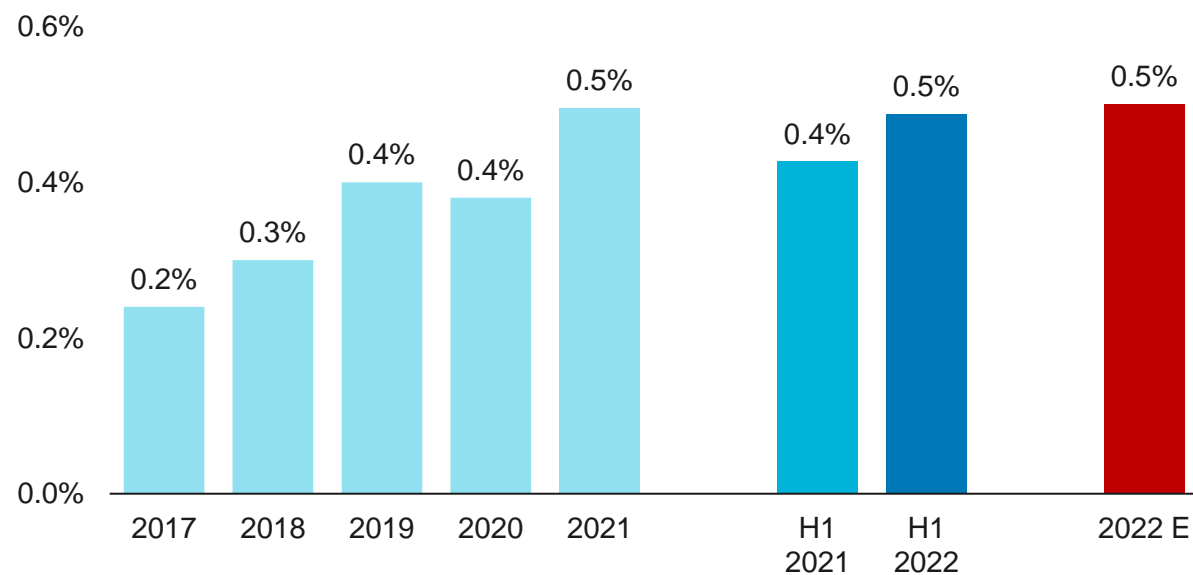
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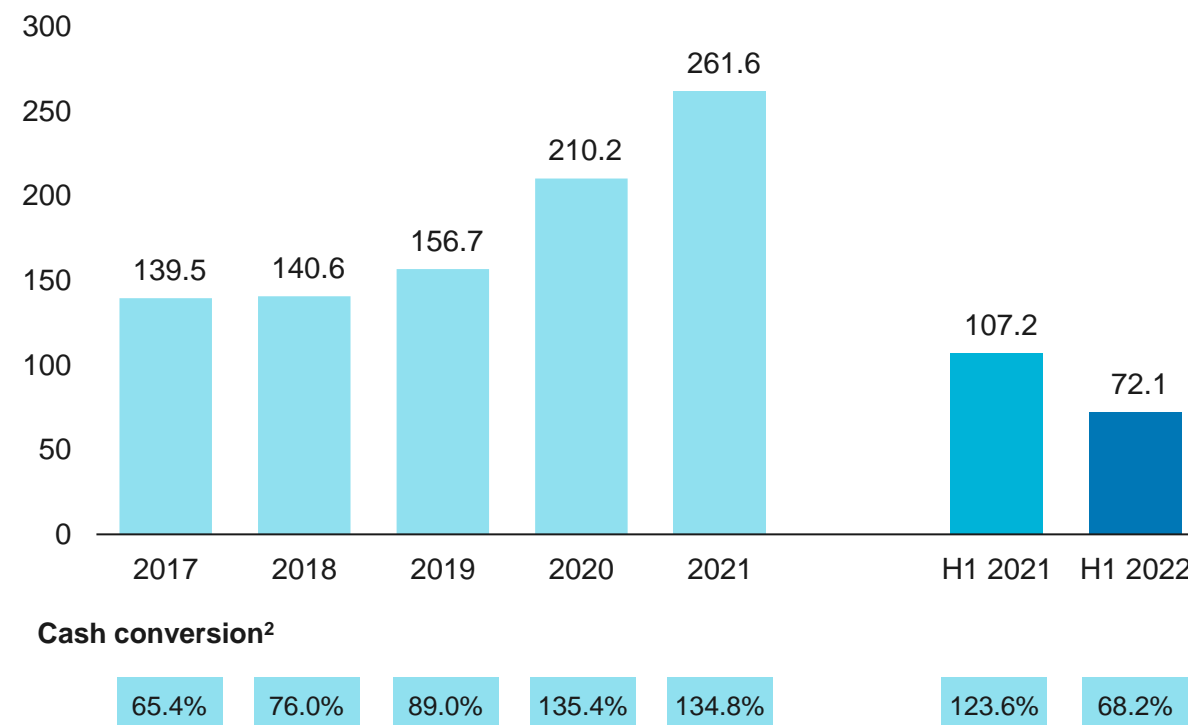
Continued Strong Cash Generation



Capex / net sales (%)



Free Cash Flow¹ (in CHF million) and Cash Conversion (%)



¹ See definition of Free Cash Flow in the Half-Year Report 2022

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; 2020: Profit after tax excluding revaluation gain of aCommerce (CHF 9.6 million); 2021: Profit after tax excluding gain on sale to aCommerce (CHF 10.3 million) and non-recurring share of loss in associate (CHF -9.1 million) as well as revaluation gain of aCommerce (CHF 34.8 million))

Continued Strong Balance Sheet with Significant Leverage Potential

in CHF million	H1 2021	H1 2022
Cash/Liquid assets	606.3	598.5
Trade receivables	2,113.3	2,000.9
Inventories	1,238.1	1,322.1
Intangibles	354.6	388.3
Right-of-use assets	238.1	266.3
Other assets	751.0	857.2
Trade payables	2,351.1	2,358.7
Borrowings	337.8	292.2
Lease liabilities	241.3	276.8
Other liabilities	609.2	651.1
Total equity	1,762.0	1,854.5
Total equity and liabilities	5,301.4	5,433.3



Main changes H1 2022 vs. H1 2021:

- Net cash position¹ higher despite higher dividend
- Lower working capital despite sales growth and increased inventories, following continuous improvement in trade receivables management

Continued strong financial metrics:

- Net cash position¹ of CHF 306.3 million
- Strong Equity ratio of 34.1%
- Significant leverage headroom

Additional Financial Indications



	FY 2020	FY 2021	H1 2022	FY 2022 estimate	Mid-term estimate
M&A (net sales contribution)	+2.1%	+0.8%	+0.7%	+1.0% ¹	Further M&A ambitions
FX (net sales contribution)	-5.1%	-2.0%	-1.7%	-1.5% to -2% ²	n.a.
Tax rate (% of profit before tax)	26.1%	27.8% ³	28.3%	27% to 29%	27% to 29%
Capex (% of net sales)	0.4%	0.5%	0.5%	0.5%	0.5%

¹ Based on the acquisitions of: Hahn Healthcare, Medworkz and Acutest (Healthcare), STP (Consumer Goods), Sacoa, HTBA, RBC, Victa Food, Refarmed Group, GBFI and JW Foods (Performance Materials) as well as Bosung and DNIV (Technology)

² Assuming that current spot rates prevail for the remainder of the year

³ In FY 2021 excludes gain on sale to aCommerce (CHF 10.3 million) and non-recurring share of loss in associate (CHF -9.1 million) as well as revaluation gain of aCommerce of (CHF 34.8 million)

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ESG / Digitalization



Sustainability Highlights 2022



Our People

- 75-point score in employee engagement survey
- 29% Women in Senior Leadership (June 2022)
 - Target of achieving 33%

Our Partners

- DKSH joined United Nations Global Compact

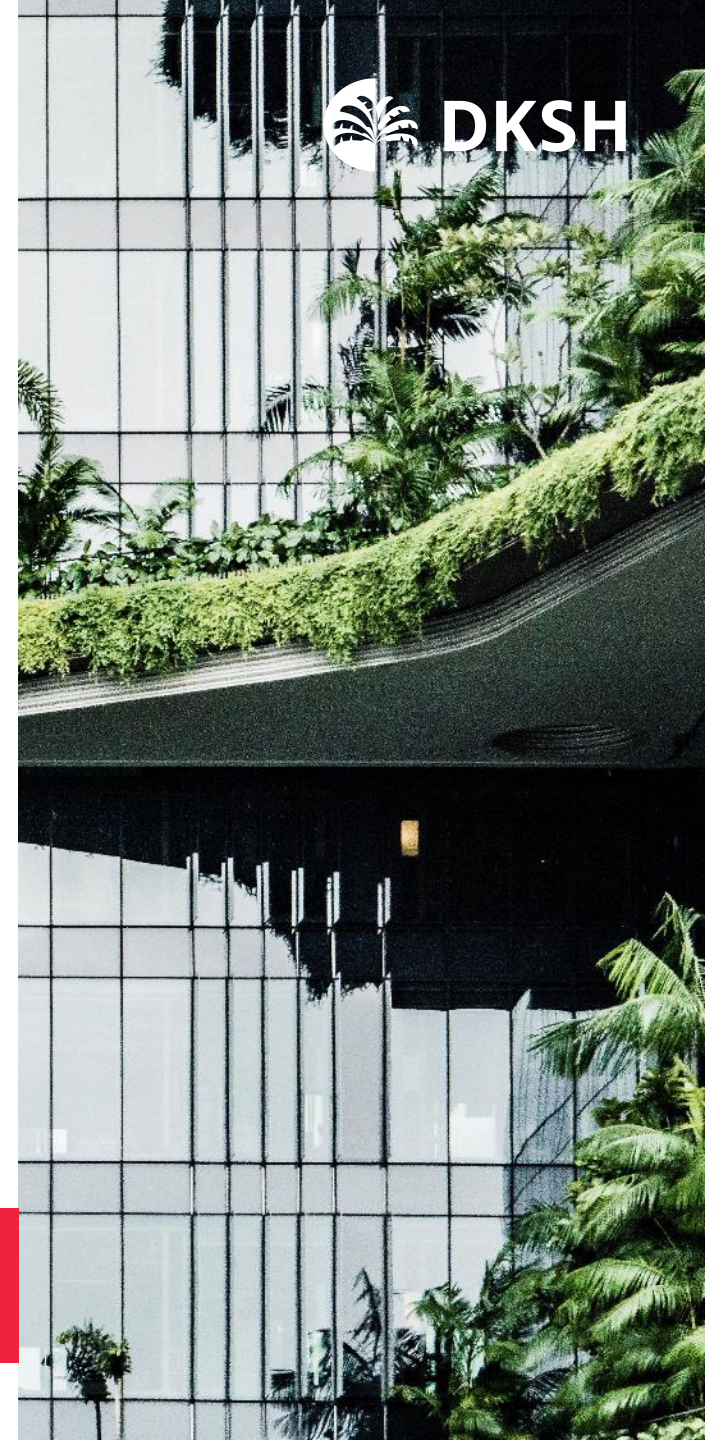
Our Planet

- Reduction of own CO₂ emission by 40% in 2021 (compared to 2020 baseline)¹
- Increased CO₂ reduction target from previously 35% to 65% by 2025



Continued good progress on our ESG journey

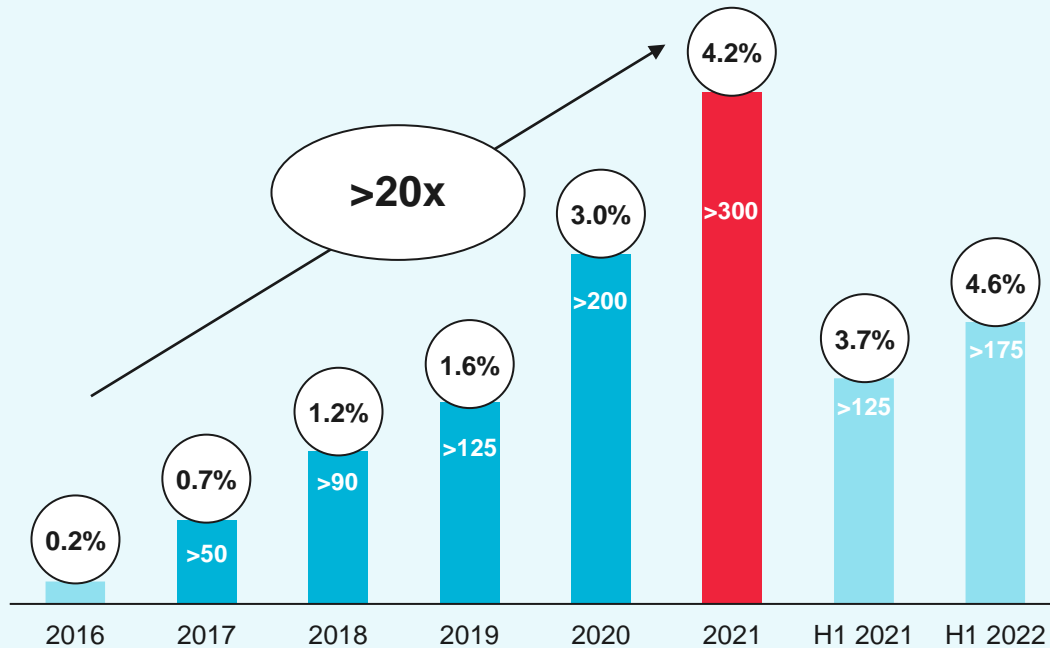
¹ Scope 1 and Scope 2



Accelerating Digitalization



Significant evolution of DKSH's eCommerce business (in CHF million)



% eCommerce net sales as percent of DKSH addressable net sales¹

Partnership with aCommerce

- Since 2015 investment in aCommerce, a leading online B2C specialist in Southeast Asia
- Successful partnership basis to transfer our eCommerce B2C fulfilment in some markets
- DKSH continues its proven omni-channel model and now offers a larger B2C platform to clients
- Strategic ownership in aCommerce of 21.6%



DKSH confident to further benefit from Asia Pacific's digitalization

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

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Outlook

Future Prospects

Outlook for 2022

- EBIT growth in 2022 expected, assuming:
 - Economic growth in Asia Pacific
 - Exchange rates prevail for the remainder of the year
 - Barring unforeseen events (excluding special items)
- Well positioned to benefit from favorable long-term market, industry and consolidation trends in APAC
- Focus on disciplined strategy execution



DKSH Positioned for Future Value Generation



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