DKSH Holding Ltd.

Half-year results 2019

Today's agenda

Stefan P. Butz
CEO

- Highlights H1 2019
- Business Units update

Bernhard Schmitt
CFO

- Financial review H1 2019
- Outlook

Highlights H1 2019 and Business Units update

Stefan P. Butz
CEO

Setting the pace for DKSH's future

Growth strategy: deliver organic growth and supplement with M&A

Strategy

- Growth strategy and resilient business model
- Accelerated acquisition speed
- Increased focus on digitization

Business Units

- Growth in Healthcare, Performance Materials and Technology
- Restructuring in Consumer Goods well-advanced

Governance

- Renewed Board of Directors
- Strengthened Executive Committee

Already four successful acquisitions in 2019

1 Auric Pacific
- Consolidated per April 2019
- Active in Malaysia and Singapore
- Consumer Goods
- Net sales CHF 185 million

2 SPC Group
- Consolidated per April 2019
- Active in Thailand
- Technology
- Net sales CHF 50 million

3 Dols
- Consolidated per June 2019
- Active in the BeNeLux
- Performance Materials
- Net sales of almost CHF 10 million

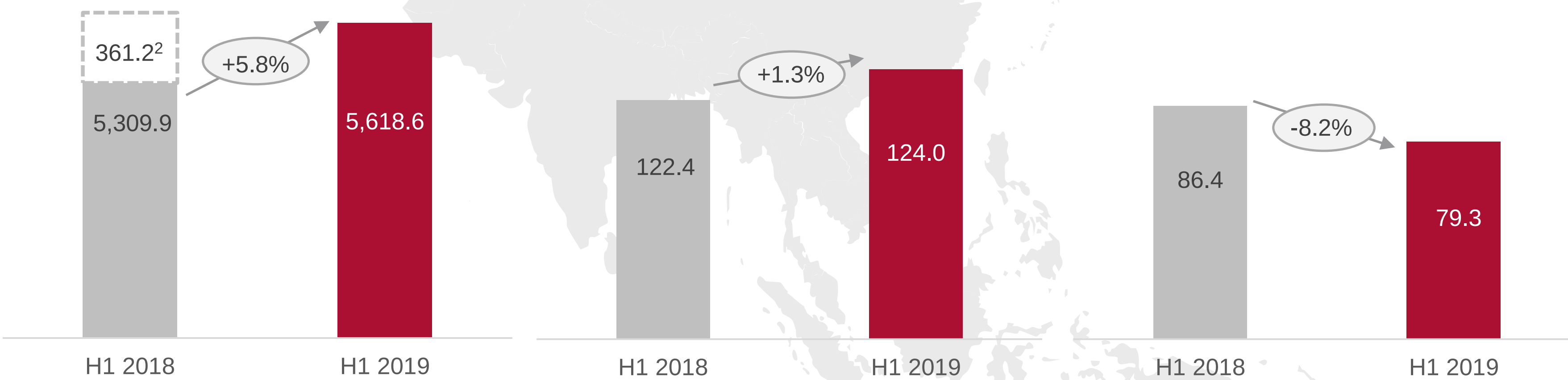
4 CTD
- Consolidated per July 2019
- Active in Australia and New Zealand
- Consumer Goods
- Net sales CHF 45 million

Acquisition speed in attractive segments accelerated – bodes well for future earnings generation

Net sales are on a full-year basis

Key figures H1 2019

Net sales[1] (in CHF million) | **Adjusted EBIT**[2] (in CHF million) | **Adjusted profit after tax**[2] (in CHF million)



[1] H1 2018: Excluding Healthcare business in China (Net sales: CHF 361.2 million)

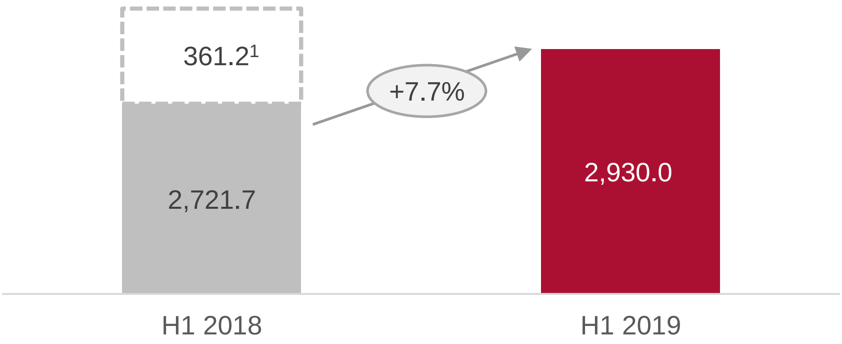
[2] H1 2018: Excluding Healthcare business in China (EBIT: CHF 17.1 million, profit after tax: CHF 11.1 million)
H1 2019: Excluding restructuring costs in Consumer Goods (EBIT: CHF 13.3 million, profit after tax: CHF 11.0 million)

Business Unit Healthcare

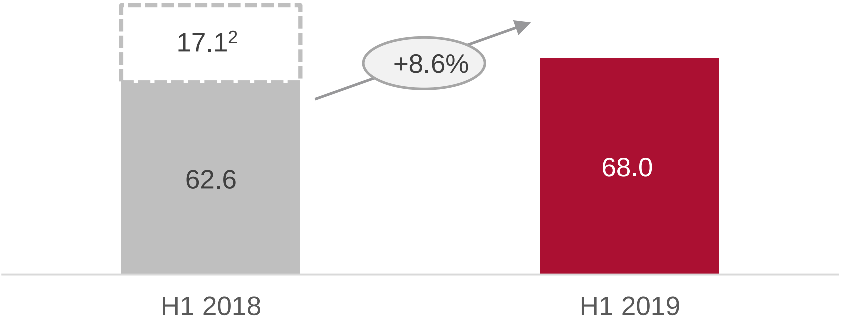
Underlying Healthcare business continues to grow across Asian markets

- Exit Chinese Healthcare market in 2018
- Underlying business with good growth
  – Medical devices strengthened
  – Entered Philippines with own brands
  – New distribution center in Singapore

Net sales[1]
in CHF million



Adjusted EBIT[2]
in CHF million

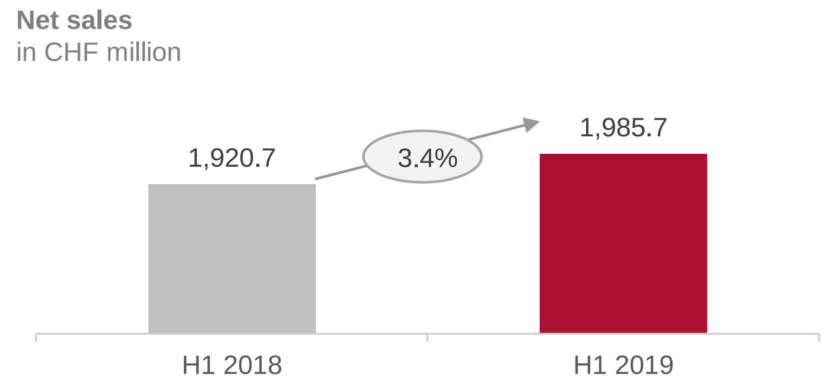


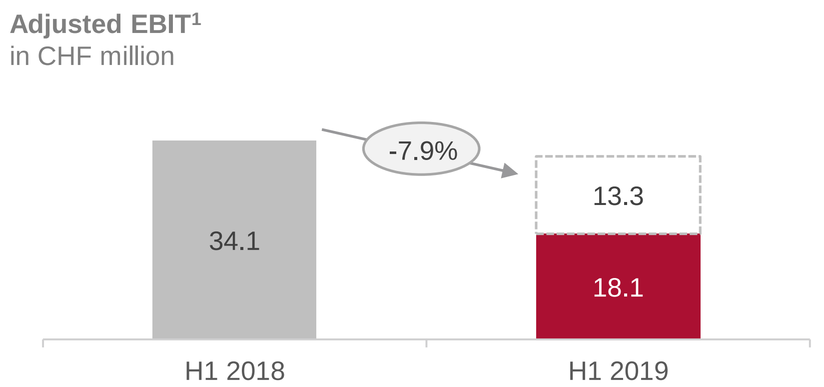
[1] H1 2018: Excluding Healthcare business in China (Net sales: CHF 361.2 million)
[2] H1 2018: Excluding Healthcare business in China (EBIT: CHF 17.1 million)

Business Unit Consumer Goods

Restructuring and acquisitions basis for stronger second half-year

- Sales growth in difficult markets and challenging consumer goods industry
- EBIT impacted by one-time costs
- Three main CG initiatives:
  - – Investments
  - – M&A
  - – Restructuring
- Integration of Auric Pacific on track
- Take over of CTD in Australia in July





[1] H1 2019: Excluding restructuring costs in Consumer Goods (EBIT: CHF 13.3 million)

Consumer Goods restructuring program

Three main work streams:

Revenue & sales improvement
- Client portfolio
- Contract optimization
- Review Business Lines
- SKU management
- Business development to drive sales

Supply chain
- Distribution center operations
- Transport management system

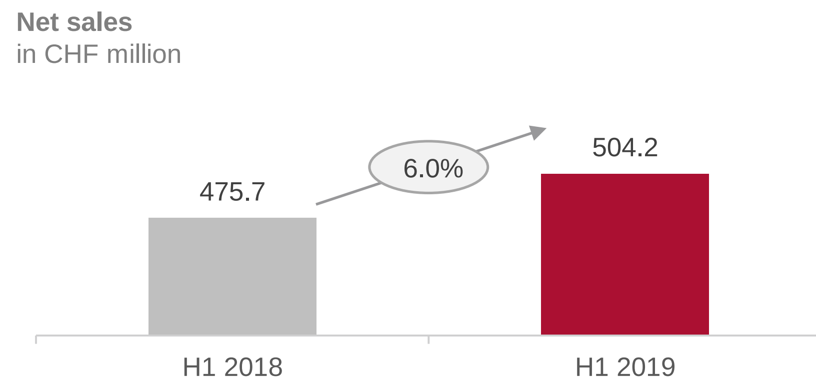
Internal efficiencies
- Lean organization structure
- Internal processes
- Stock levels

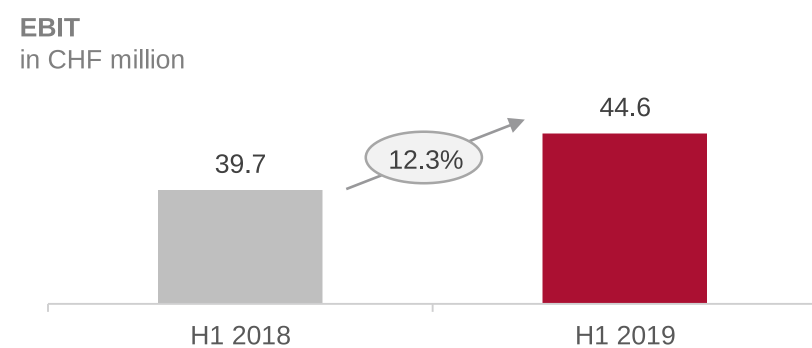
Restructuring well-advanced

Business Unit Performance Materials

Continued strong performance

- Positive operating leverage: double-digit EBIT growth
- Good growth in Asia
- Successful expansion of existing relationships coupled with onboarding of new clients
- Number of innovation centers up to 44
- Acquisition of Dols in BeNeLux

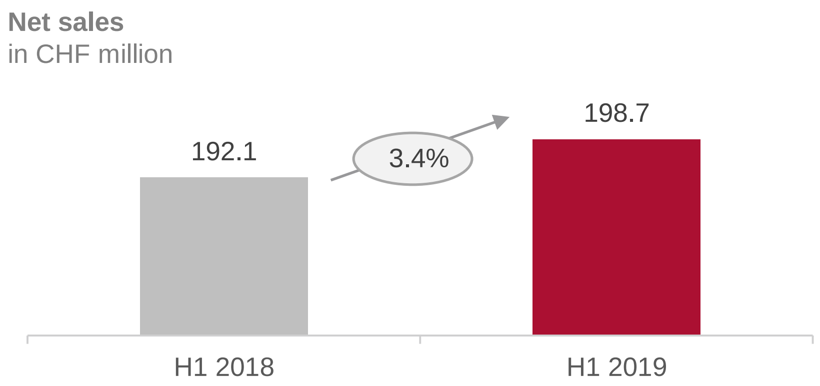


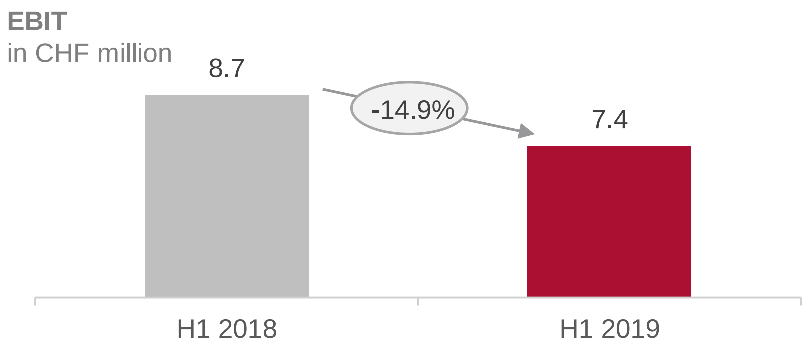


Business Unit Technology

Focus on expanding the business

- Higher demand for our services especially in China and Korea
- EBIT below last year – more project business expected to be realized in second half of 2019
- Acquisition of SPC – leader in scientific instrumentation in Thailand





Financial review and Outlook

Bernhard Schmitt
CFO

Financial results H1 2019

in CHF million	H1 2019[1]	H1 2018	% CHF	in % CER[2]
Net sales	**5,618.6**	5,671.1	(0.9)	(2.1)
Adjusted operating profit (EBIT)[3]	**124.0**	122.4	1.3	0.4
Operating profit (EBIT)	**110.7**	139.5	(20.6)	(21.4)
Adjusted profit after tax[3]	**79.3**	86.4	(8.2)	(9.3)
Profit after tax	**68.3**	97.5	(29.9)	(30.9)
Free Cash Flow	**32.1**	69.6	(53.9)	-
RONOC (in %)	**16.4**	22.1	-	-

[1] Including impact from IFRS 16
[2] Constant exchange rates: 2019 results converted at 2018 exchange rates
[3] H1 2018: Excluding Healthcare business in China (EBIT: CHF 17.1 million, profit after tax: CHF 11.1 million)
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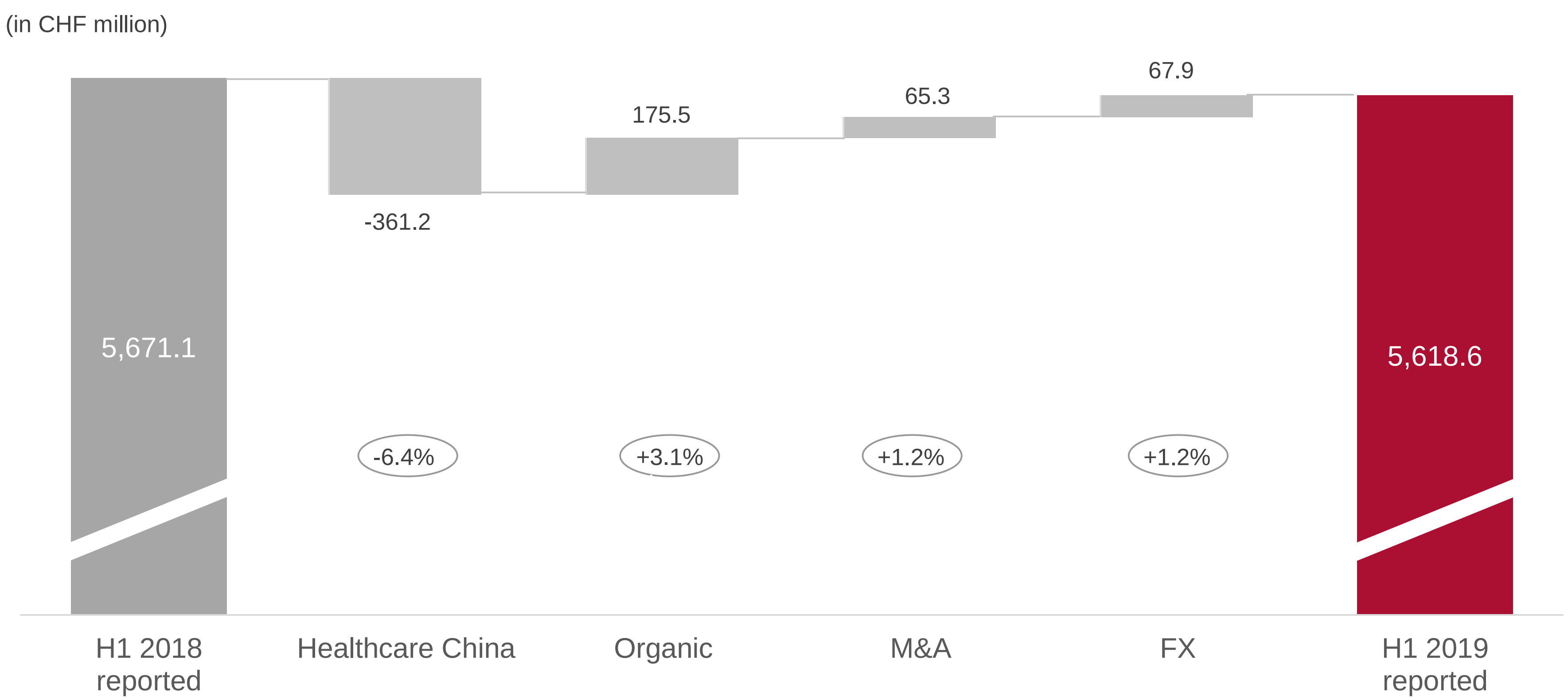
Net sales H1 2019

+3.1% organic growth

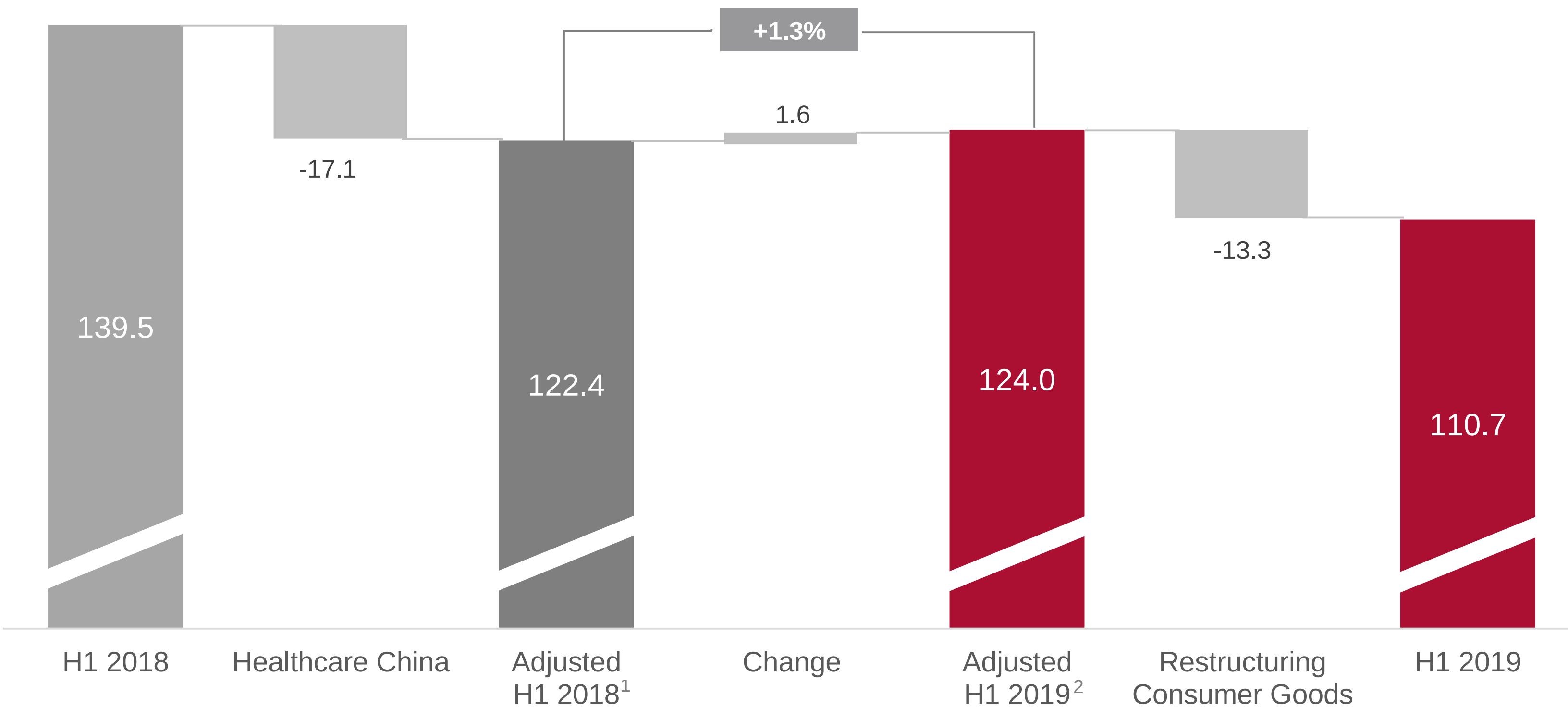


Organic: Difference 2019 figures to 2018 figures excluding M&A, FX and Healthcare China
M&A: Acquisition Auric Pacific (Consumer Goods), Dols International (Performance Materials) and SPC (Technology)
FX: Impact from currency translation on net sales
Healthcare China: Without Healthcare business in China in 2018

EBIT impacted by several effects

Adjusted EBIT above prior year

(in CHF million)



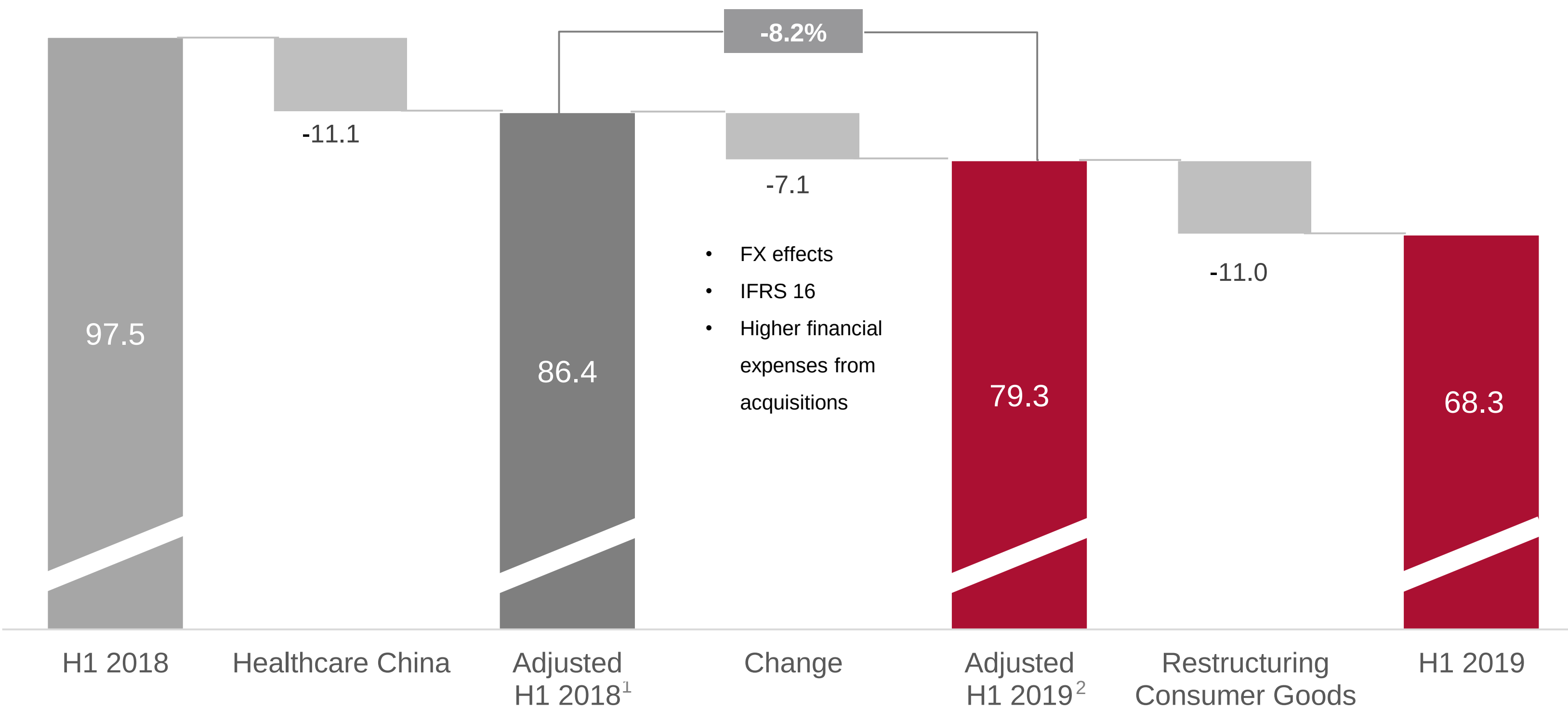
[1] H1 2018: Excluding Healthcare business in China (CHF 17.1 million)

[2] H1 2019: Excluding restructuring costs in Consumer Goods (CHF 13.3 million)

Development of adjusted profit after tax

Adjusted profit after tax below last year

(in CHF million)



[1] H1 2018: Excluding Healthcare business in China (CHF 11.1 million)

[2] H1 2019: Excluding restructuring costs in Consumer Goods (CHF 11.0 million)

Impact of IFRS 16

Income statement H1 2019 (in CHF million)

Rent expense (Other operating expenses)	↓	44.9
Depreciation & amortization	↑	42.4
Operating profit (EBIT)	↑	2.5
Interest	↑	4.8
Profit after tax	↓	1.7

- First year application has slight positive impact on EBIT of CHF 2.5 million

Healthcare	CHF 0.6 million
Consumer Goods	CHF 1.5 million
Performance Materials	CHF 0.1 million
Technology	CHF 0.1 million
Others	CHF 0.2 million

- Due to the higher interest costs, in sum, negative impact on profit after tax of CHF 1.7 million
- Full-year 2019 impact from IFRS 16 most likely to double – depending on the development of the leasing portfolio

Balance Sheet

Continued strong balance sheet

in CHF million	HY 2019	FY 2018
Cash/Liquid asset	480.1	614.3
Trade receivable	2,228.1	2,219.1
Inventories	1,296.6	1,177.7
Intangibles	269.0	130.5
Right-of-use asset	238.1	-
Other assets	779.0	753.8
Trade payables	2,531.4	2,436.1
Borrowings	278.0	140.5
Lease liability	234.0	-
Other liabilities	522.8	550.2
Total equity	1,724.7	1,768.6
Total equity and liabilities	**5,290.9**	**4,895.4**

- Dividend payment of CHF 120.3 million
- Payments for acquisitions of 175.1 million
- Impact from IFRS 16
  - Right-of-use assets of CHF 238.1 million
  - Lease liability of CHF 234.0 million

Free Cash Flow and RONOC

Free Cash Flow

in CHF million	H1 2019	H1 2018
Net cash flows from operating activities	**101.7**	**82.9**
Capital expenditure*	(27.0)	(13.3)
Repayment of lease liabilities	(42.6)	-
Free Cash Flow (FCF)	**32.1**	**69.6**

- Lower profit after tax
- Shift of CAPEX into first half of 2019
- FCF (post IFRS 16) includes repayment of leases under financing cash flow

RONOC

in percentage (%)	H1 2019	H1 2018
RONOC reported	**16.4%**	**22.1%**
Healthcare China	-	3.1%
Restructuring	2.0%	
M&A effect	0.3%	
RONOC adjusted	**18.7%**	**19.0%**

- Healthcare China affected RONOC in H1 2018
- Restructuring in Consumer Goods and M&A affected RONOC in H1 2019
- Adjusted for these effects, RONOC on last year's level

*H1 2019: Purchase of PPE CHF -25.2 million; Purchase of intangible assets CHF -1.8 million
H1 2018: Purchase of PPE CHF -12.2 million; Purchase of intangible assets CHF -1.1 million

Outlook 2019

1	Assuming stable markets, higher operating result expected
2	Tax rate 27-29%
3	CAPEX around CHF 40 million

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