

DKSH Q1 2024 Analyst and Investor Presentation

Stephen Ferraby, Head Corporate Affairs & Strategic Investments and Non-Independent Non-Executive Chairman, DKSH Malaysia

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Delivering Growth – in Asia and Beyond.



Agenda



- 1. About DKSH Group**
- 2. DKSH Malaysia at a Glance**
- 3. Q1 2024 Results**
- 4. Outlook**

1 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



Nearly
160 years' experience



4,800
clients & suppliers



29,040
specialists



11.1 billion
Net sales (2023)



>10 years
4 markets
average client relationship¹



19.9
million
transactions per year

¹ Top 200 clients by net sales

We Support Companies to Grow Their Business...



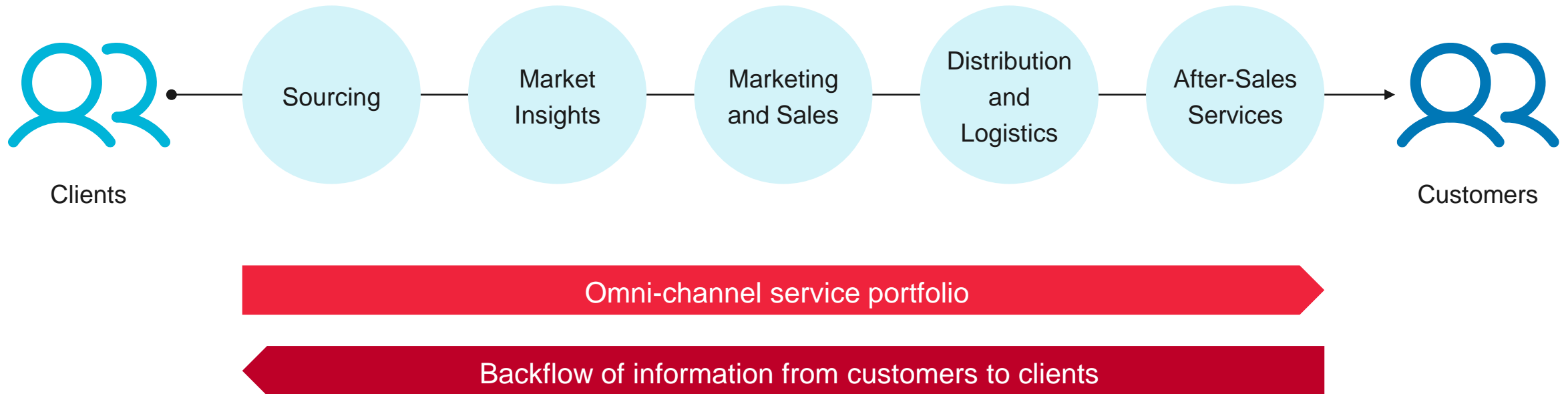
We ensure that our clients' products are visible at all times.

- 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



2 DKSH Malaysia at a Glance

DKSH Malaysia at a Glance



7.5 billion
net sales (2023)



About **3,400** specialists



24 business locations



4 ISO-certified distribution centers

11 regional distribution centers

1 manufacturing plant



Network of more than **170** clients
and thousands of customers



Three Specialized Business Segments

Consumer Goods



- Fast Moving Consumer Goods
- Food Services

Healthcare



- Healthcare

Others



- Famous Amos
- Others – overheads

Leading the Market Expansion Services industry with tailored solutions across the value chain

Consumer Goods Segment



Fast Moving Consumer Goods (FMCG)

- Food (Nutritional products, snacks, beverages, dairy etc)
- Non-food (Personal care, home care, baby and child care, consumer health etc)
- Pet care

Food Services

- Provide customers high quality ingredients and the latest industry innovations from our world-class clients



DKSH Malaysia Achieves TAPA FSR Certification for Consumer Goods Distribution Center



DKSH Malaysia's Consumer Goods (CGL) 3 distribution center in Shah Alam has achieved a level "C" certification for Facility Security Requirements (FSR) from Transported Asset Protection Association (TAPA), marking the third certification within the organization since the initiation of such strategic efforts in 2019.

DKSH Enters Strategic Partnership with Iscon Balaji Foods in West Malaysia



DKSH has started a new partnership with Iscon Balaji Foods to facilitate the growth and expansion of Pommetos frozen fries product line in the West Malaysia Food Services industry.

Healthcare

- Pharmaceuticals
- OTC & Consumer Health
- Medical Devices



DKSH and Glenmark Expand Partnership to Distribute Healthcare Products in Malaysia



DKSH expanded partnership with Glenmark, a global pharmaceutical firm, to offer a wide range of its products focusing on dermatology, respiratory, and women health in Malaysia.

This marks the third partnership between DKSH and Glenmark, following their initial collaboration in Cambodia and Vietnam.

Others Segment



At the end of FY2023, there were a total of 91 outlets located in West and East Malaysia as well as two outlets in Brunei

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



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Q1 2024 Results

Q1 2024 Results



Financials

(in RM millions)	Q1 2024	Q1 2023	Change %
Revenue	2,068.1	1,963.4	5.3%
Profit before interest and tax	60.6	56.4	7.3%
Profit before tax	54.1	49.6	9.1%
Profit after tax	40.5	37.0	9.2%
(in RM sen)			
Earnings per share (EPS)	25.7	23.5	9.2%
Cash earnings per share (Cash EPS)	29.6	27.4	7.8%

Comments

- Revenue improved by 5.3% due to:
 - ✓ Strong growth from existing clients and sales from new clients in the Healthcare segment
 - ✓ Higher outlet sales for the Others segment
 - ✓ Sales for the Consumer Goods segment remained resilient
- Operating expenses increased largely in line with the revenue growth, with lower logistic costs
- Profit before tax improved due to the factors above

Revenue improved due to HEC growth and higher sales in Others segment

Consumer Goods Segment



Financials

(in RM millions)	Q1 2024	Q1 2023	Change %
Revenue	1,127.3	1,136.7	(0.8%)
Segment profit before interest and tax	38.8	37.8	2.7%

Comments

- Revenue remained resilient, with soft consumer demand
- Segment profit was 2.7% higher due to lower logistic costs and personnel costs

1 FMCG

2 Food Services

Improvements in personnel costs led to improved operating profit

Healthcare Segment



Financials			
(in RM millions)	Q1 2024	Q1 2023	Change %
Revenue	916.3	806.5	13.6%
Segment profit before interest and tax	21.9	19.2	14.2%

Comments

- Revenue improved by 13.6% due to strong growth from existing and newly secured clients
- Segment profit increased by 14.2% as a result of sales growth

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Healthcare

Sales growth led to increased revenue and better operating result

Others Segment



Financials			
(in RM millions)	Q1 2024	Q1 2023	Change %
Revenue	24.4	20.2	20.7%
Segment loss before interest and tax	(0.1)	(0.5)	73.3%

Comments
<ul style="list-style-type: none"> Revenue grew by 20.7%, contributed by stronger festive sales and benefit of price adjustment (from mid-June 2023) Segment loss improved by 73.3% as a result of strong sales in the current quarter

1 Famous Amos

2 Others – overheads

Revenue improved due to strong festive sales

Cash Flows



Financials		
(in RM millions)	Q1 2024	Q1 2023
Net cash flows used in operating activities	(15.5)	(94.6)
Net cash flows used in investing activities	(3.4)	(4.4)
Net cash flows from financing activities	13.1	165.1
Cash and cash equivalents	33.2	102.1

Comments

- Lower cash flows used in operating activities driven by improved inventory management from both Consumer Goods and Healthcare segments.
- As a results of improved cash flows from operating activities, lower short-term borrowings were required to fund the working capital

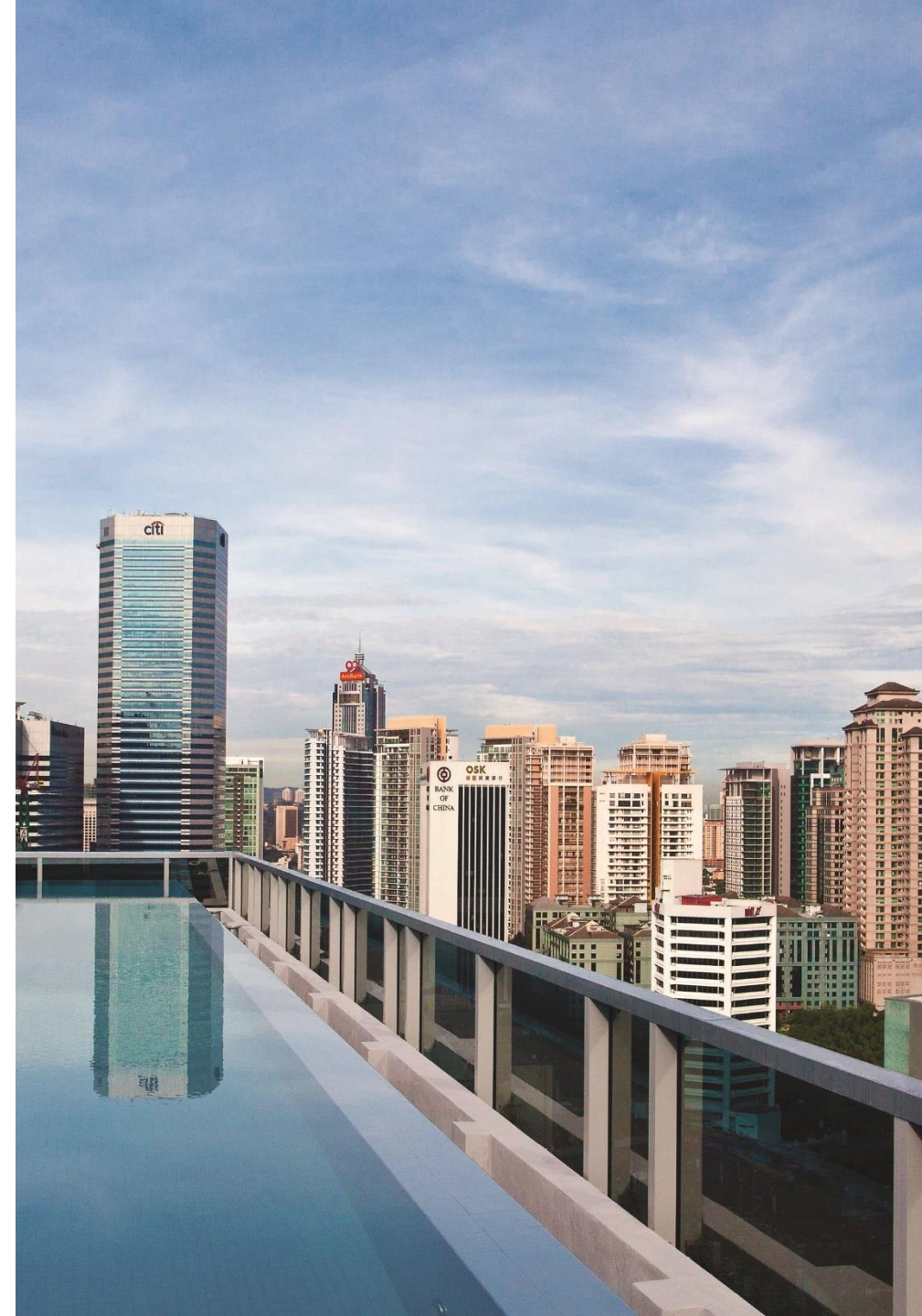
Improved working capital from better inventory management

4 Outlook

Outlook

- While the current macroeconomic environment poses certain challenges, the Group has a well-diversified portfolio.
- Continue to prioritize in gaining new businesses, optimizing productivity, and managing working capital.
- To sustain our success, we will continue to focus on enhancing our people capabilities, accelerating digitization, and leveraging automation.

With a well diversified portfolio, the Group is well positioned to benefit from favorable long-term market, industry, and consolidation trends in Asia Pacific



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