

DKSH Q2 2024 Analyst and Investor Presentation

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Delivering Growth – in Asia and Beyond.



Agenda



- 1. About DKSH Group**
- 2. DKSH Malaysia at a Glance**
- 3. Q2 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...



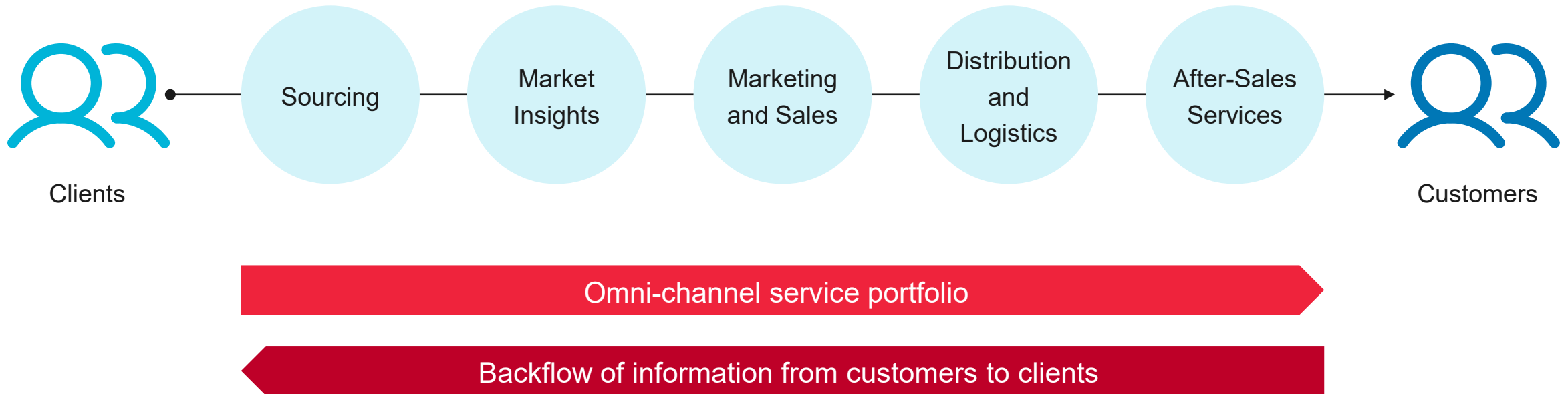
We ensure that our clients' products are visible at all times.

- 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



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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)

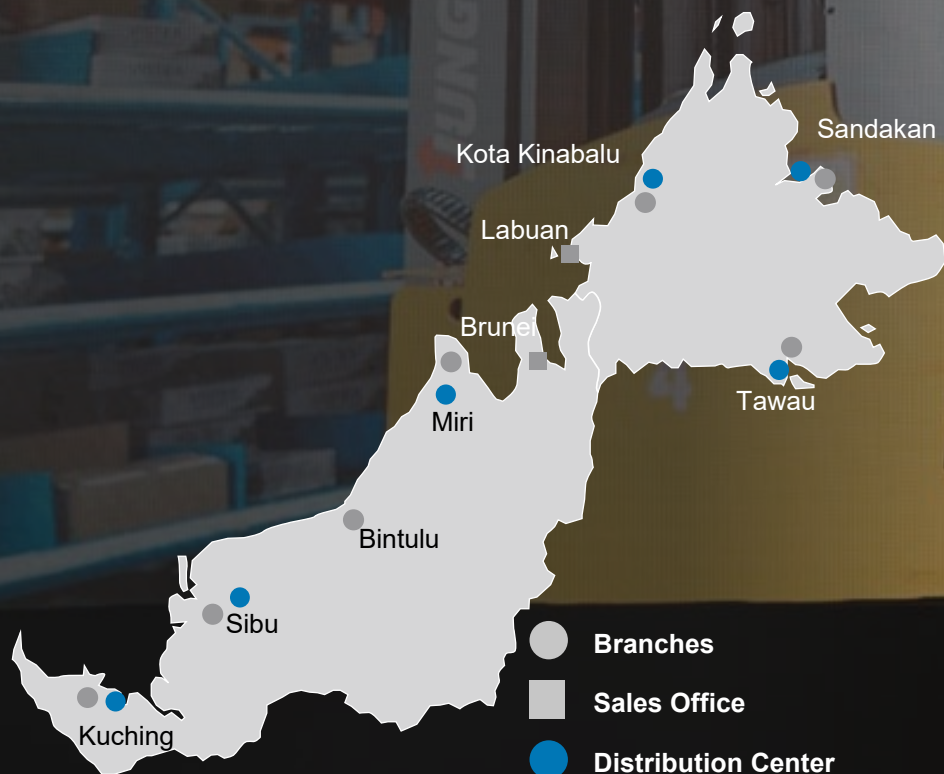
- Food (Nutritional products, snacks, beverages, dairy etc)
- Non-food (Personal care, home care, baby and child care, consumer health etc)
- Pet care

Food Services

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



DKSH Launches Relocated and Expanded Distribution Center in Kuching



Healthcare Segment



Healthcare

- Pharmaceuticals
- OTC & Consumer Health
- Medical Devices



Healthcare Onboarded New Clients



In Q2 2024, DKSH Malaysia Healthcare onboarded the following clients: SciGen, Sunward, Alvimedica, Botrem, Alcon (additional portfolio), and PeopleBio

Others Segment



At the end of Q22024, there were a total of 94 outlets located in West and East Malaysia as well as two outlets in Brunei

DKSH Malaysia Has Been Certified as a Great Place To Work® for the Second Consecutive Year



DKSH Malaysia has been acknowledged once more as one of the top workplaces by Great Place to Work®, boasting an impressive employee satisfaction rate of 83%, based on a comprehensive anonymous survey conducted by the research and consulting firm.

This recognition marks a significant achievement for DKSH Malaysia, as it has been certified for the second year in a row.

DKSH Secures Prestigious Titles at “The Asset Triple A Treasurise Awards 2024” for Malaysia and Thailand



DKSH has clinched three “Best Payments and Collections Solution” awards at the prestigious **Asset Triple A Treasurise (Treasury, Trade, Supply Chain, Risk, ESG) Awards 2024** for Malaysia and Thailand, underscoring its exceptional performance, innovation, and leadership in the realm of treasury and finance.



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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Q2 2024 Results

Q2 2024 Results



Financials

(in RM millions)	Q2 2024	Q2 2023	Change %
Revenue	1,863.4	1,821.5	2.3%
Profit before interest and tax	42.0	39.0	7.7%
Profit before tax	35.8	32.4	10.4%
Profit after tax	26.7	23.8	12.3%
(in RM sen)			
Earnings per share (EPS)	17.0	15.1	12.6%
Cash earnings per share (Cash EPS)	18.9	19.0	(0.5%)

Comments

- Revenue improved by 2.3% due to:
 - ✓ Strong growth from new and existing clients in Healthcare segment
 - ✓ Higher outlet sales for the Others segment
- Solid cost control improved operating efficiency and benefitted Profit before tax
- Profit before tax improved due to the factors above
- Marginal decline in Cash EPS as amortisation of intangible assets recognised at the Auric acquisition concluded

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

Consumer Goods Segment



Financials			
(in RM millions)	Q2 2024	Q2 2023	Change %
Revenue	1,009.5	999.7	1.0%
Segment profit before interest and tax	25.2	24.5	2.8%

Comments

- Revenue slightly improved due to growth from existing and newly secured clients
- Segment profit was 2.8% higher mainly from increased revenue and bringing merchandisers in house, along with amortisation savings.

1 FMCG

2 Food Services

Operating profit improved on higher sales and merchandising service cost

Healthcare Segment



Financials			
(in RM millions)	Q2 2024	Q2 2023	Change %
Revenue	828.3	800.7	3.4%
Segment profit before interest and tax	16.9	15.6	7.9%

Comments

- Revenue improved by 3.4% due to strong growth from existing and newly secured clients
- Segment profit increased by 7.9% driven by sales growth and cost efficiency initiatives in logistics and distribution

1 Healthcare

Sales growth led to increased revenue and better operating result

Others Segment



Financials			
(in RM millions)	Q2 2024	Q2 2023	Change %
Revenue	25.6	21.1	21.1%
Segment loss before interest and tax	(0.0)	(1.1)	97.3%

Comments

- Revenue grew by 21.1%, contributed by stronger festive sales and price adjustments (from mid-June 2023)
- Segment break-even 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)	Q2 2024	Q2 2023
Net cash flows generated from operating activities	205.7	127.1
Net cash flows used in investing activities	(5.5)	(6.3)
Net cash flows used in financing activities	(164.9)	(79.5)
Cash and cash equivalents	74.3	77.3

Comments

- Higher cash flows generated from operating activities driven by improved operating profit coupled with better working capital management for both Consumer Goods and Healthcare segments.
- As a result, lower short-term borrowings were required to fund the working capital

Improved operating profit and better working capital management

4 Outlook

Outlook

- Economy continues to be resilient; the Group maintains a well-diversified portfolio.
- To sustain our success, we will continue to focus on enhancing our people capabilities, accelerating digitization, and leveraging automation.
- Continue to prioritize in gaining new businesses, optimizing productivity, and managing working capital.

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