

# DKSH Holdings (M) Berhad 32<sup>nd</sup> Annual General Meeting

Sandeep Tewari  
Executive Director, DKSH Malaysia

May 17, 2024

Delivering Growth – in Asia and Beyond.

**100** Years  
in Malaysia

DIETHELM & CO  
SIEGE SOCIAL: ZURICH  
BRANCHES: SAIGON, HAIPHONG, P. PENH, BANARON, SINGAPORE, PENANG

From humble beginnings as trading houses...



A woman with dark hair, wearing a black floral-patterned shirt and a red lanyard, is sitting on a red leather couch. She is smiling and looking towards a man on the right. The man is holding a laptop, and they appear to be in a meeting. The background shows a large window with a view of a city and mountains. The text "To being the leading Market Expansion Services Provider" is overlaid in white on the image.

**To being the leading  
Market Expansion Services Provider**

**100** Years  
in Malaysia

1923 - 2023

**Celebrating A Century of  
Enriching People's Lives**

# Agenda



- 1. About DKSH Group**
- 2. DKSH Malaysia at a Glance**
- 3. FY2023 in Retrospective**
- 4. 2023 Highlights**
- 5. Outlook**
- 6. Resolutions**
- 7. Outcome of Annual General Meeting (AGM)**

# 1

## About DKSH Group

# 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 relationship<sup>1</sup>



**19.9**  
**million**  
transactions per year

<sup>1</sup> 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

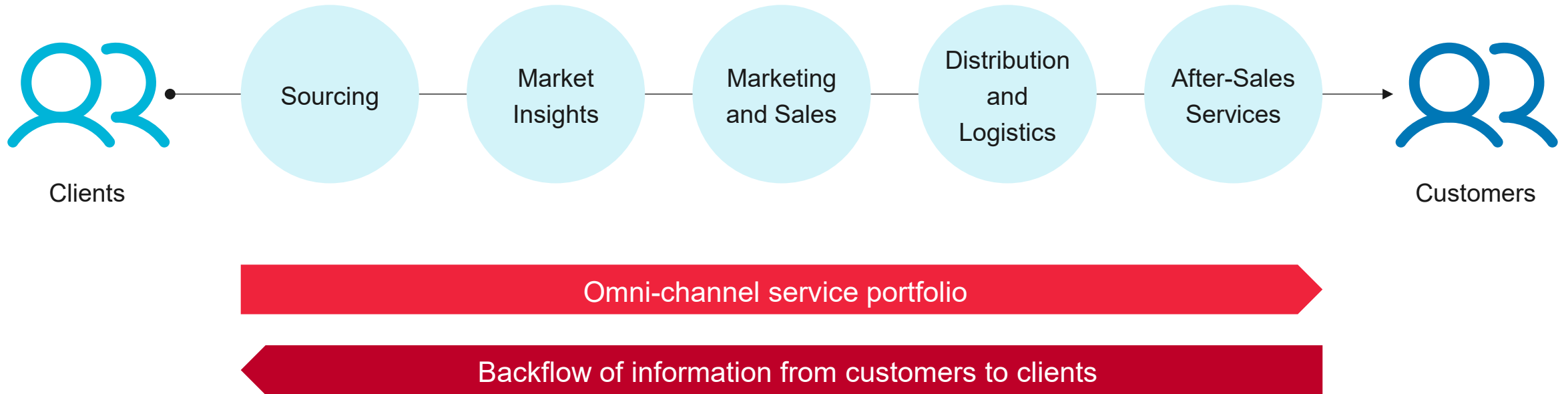
This is what we define as  
**Market Expansion Services.**



# ...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



**Celebrating 100 Years in Malaysia**

# 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

# DKSH Consumer Goods - Key Facts, Comprehensive Network, Customized and Integrated Business Growth Solutions




-  **DKSH HQ**
-  **13 branches**
-  **5 Sales Office**
-  **Distribution Centre**

-  **MYR 4 Billion**  
Net Sales
-  **> 1,500**  
specialized staff
-  **3** distribution center in **West Malaysia**  
**6** warehouses in **East Malaysia**
-  **> 41,000**  
distribution points
-  **71 clients** including **31 Food Services clients**

# The Proven Leader in Integrated Healthcare Solutions in Malaysia



**3.3** billion  
net sales



**>500**  
specialized staff



**3** (ISO, GDPMD &  
GMP-certified)  
distribution centers



**>80**  
clients



**>13,000**  
customers



## Branch operations in\*

Region	States
North	Penang, Ipoh
South	Malacca, Johor Bahru
East Malaysia	Kota Kinabalu, Kuching

# 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





# 3

## FY2023 in Retrospective

# Key Financial Highlights



Solid PAT improvement in a challenging, inflationary environment



Fifth successive year on year growth



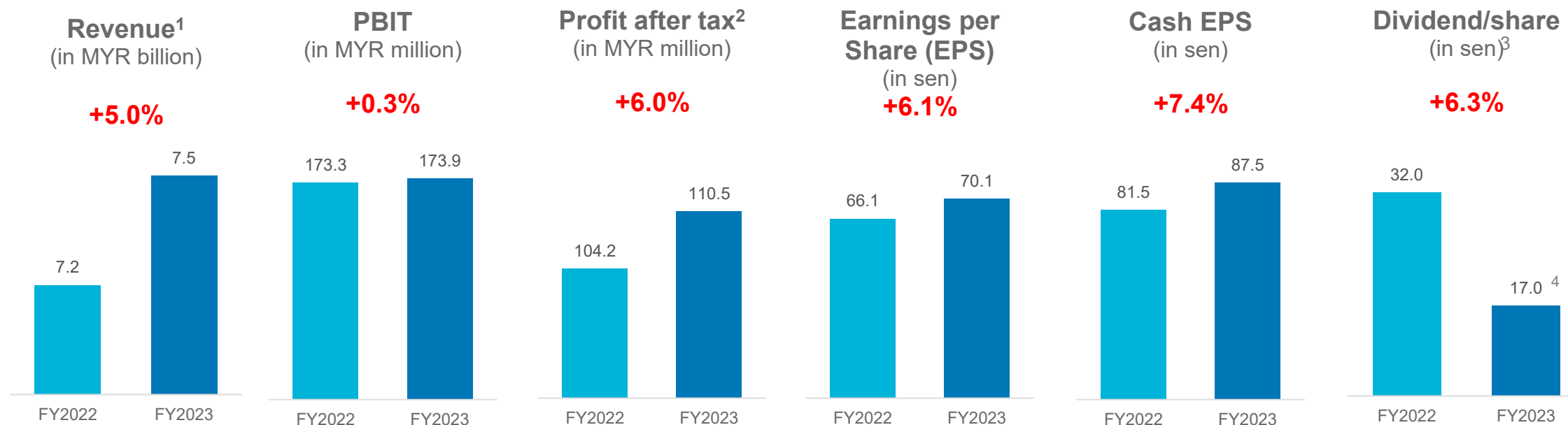
Excellent performance in HEC, whilst CG impacted by one-offs



Famous Amos bounced back with record performance



# FY2023 – Continued Good Financial Performance



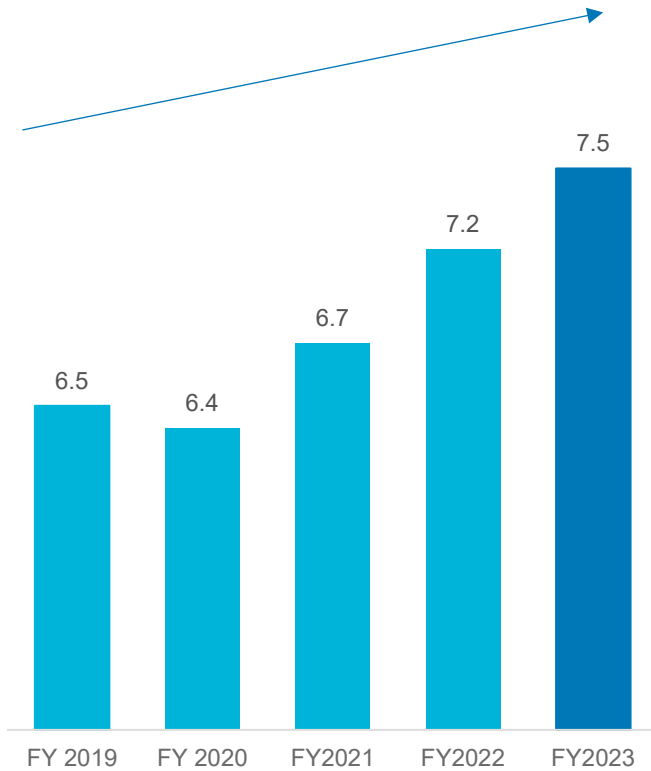
## DKSH maintains track record of growth

1. Organic growth of existing clients and new clients from Consumer Goods and Healthcare Segments and resumption of batter supply in Famous Amos
2. PAT further improved with non-recurring of prosperity tax imposed in previous year
3. Excluding special dividend of 16.0 sen per share for FY 2022, Dividend per share increased by 6.3% to 17.0 sen per share
4. Proposal of the Board of Directors of 17.0 sen single tier final dividend

# Strong Long-Term Performance

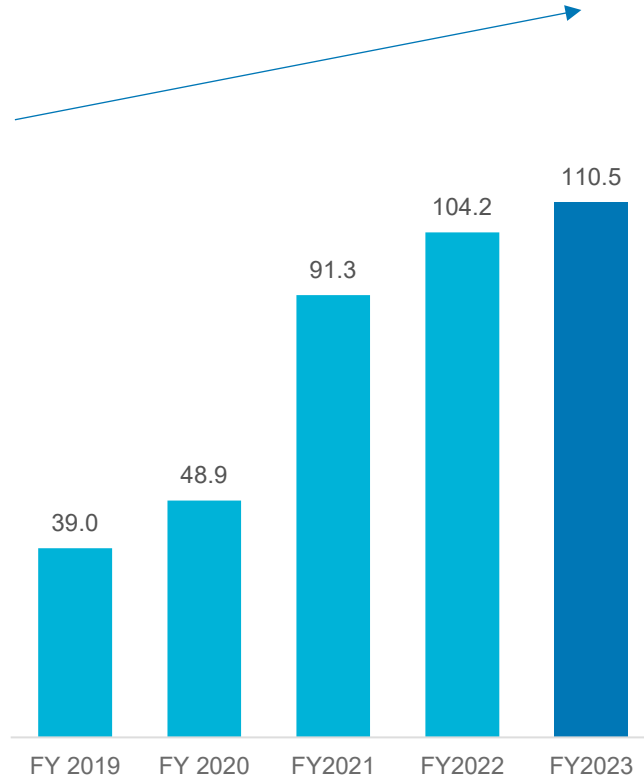
**Revenue**  
(in MYR billion)

**CAGR +3.9%**



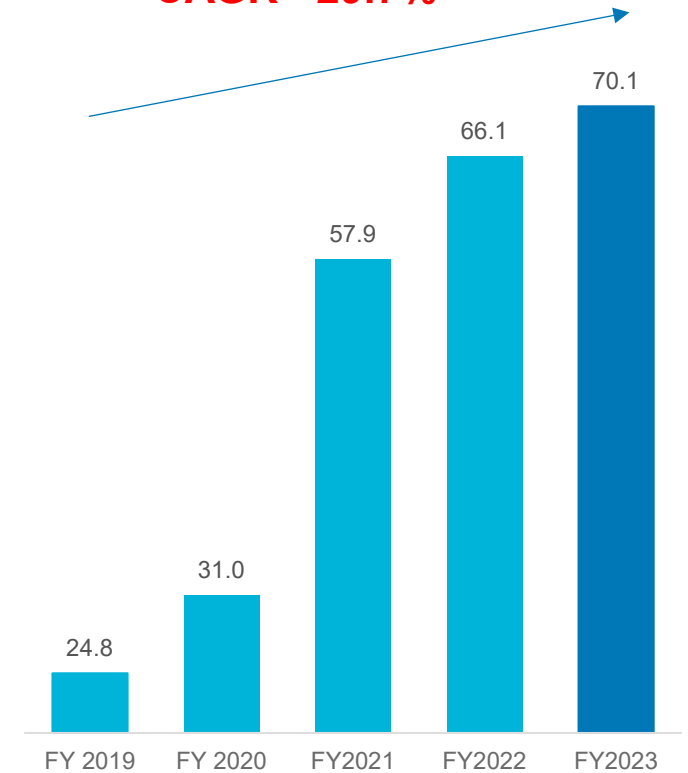
**Profit after tax**  
(in MYR million)

**CAGR +29.7%**



**Earnings per Share (EPS)**  
(in sen)

**CAGR +29.7%**



# 4 2023 Highlights

# 4.1

## Key Partnerships & Contract Renewals

# Key Partnerships & Contract Renewals 2023



## Consumer Goods:

- Disposable Soft Goods
- Grand Universal Trading
- Hills Pet Nutrition
- Cavico
- Carlsberg (renewal)
- Beiersdorf (renewal)
- Wyeth (renewal)

## Healthcare

- Organon
- Mundipharma
- Embecta
- Becton Dickinson
- Korean Ginseng
- Roche Diagnostics (renewal)
- Abbott Nutrition (renewal)



# 4.2 Sustainability in DKSH Malaysia



# Sustainability – Part of our DKSH Values

Integrity

Empowerment

Collaboration

Entrepreneurship

Sustainability

Sustainability is one of DKSH's five values.

We take responsibility for the environmental, social, and economic impacts of our business activities determined through our materiality assessment.

Our commitment to creating a sustainable future means that we want to achieve long-term, profitable growth in a responsible manner.

# DKSH's Sustainability Strategy: Four Objectives



Our ambition is for each Business Unit to take a proactive and competitive approach to sustainability.

## Enable Our People to Flourish

Human rights    Developing our talent    Embracing diversity    Employee engagement

## Make Our Value Chains More Sustainable

Human rights    Responsible procurement    Waste management    Solar panels

## Become Climate-Neutral by 2030 (Scope 1+2)

Climate-neutral operations    Emission transparency

## Make a Positive Local Impact

Local community    Social impact strategy



# 2023 Sustainability Highlights



## Flourishing People

- Scored **73** in employee survey (+1 vs 2022)
- 93%** employee participation in training
- Managerial internal mobility up **34.8%**
- 15.95** training hours (vs 14.2 in 2022)
- Right mix of **diversity** and **inclusiveness** – including hearing-impaired community

- Maintained **ethical standards** and comply with **health, safety, environmental**
- Recorded **zero** non-compliance
- Sourced from **99%** of local vendors
- Reduced waste by switching to **ORCA** Multi-Use boxes
- Initiated **paperless** operations and digital processes

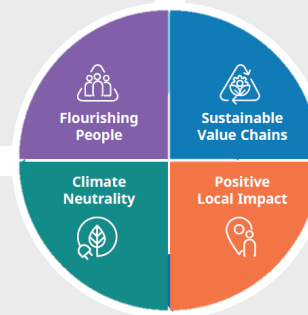
## Sustainable Value Chains

## Climate Neutrality

- Installation of **Solar PV system** at Shah Alam Distribution Center and FACC The Hub
- Introduced **Environment Month** campaign to raise environmental awareness
- Decreased electricity consumption by **39.88%** (with renewable energy offset)
- Verified **GHG emissions data** with third-party auditor, SGS

- Invested **MYR 202,580** in CSR initiatives (up 56%)
- Adopted **7** schools and provided monthly school expenses for 120 Orang Asli children
- Donated **144,802kg** products to reduce landfills waste and methane emissions
- Organized **Gotong-royong** along slip roads

## Positive Local Impact





# Enriching People's Lives



# 4.3

## Awards & Achievements

# Awards & Achievements



## Great Place To Work® 2023-2024

Recognized as a great workplace by Great Place to Work®, with a remarkable satisfaction rate of 88%



## The Edge Malaysia Centurion Club Awards 2023

Won Highest Growth in Profit After Tax Over Three Years Award at The Edge Malaysia Centurion Club Awards 2023.



## Business & Brands Awards

- Best Fast-Moving Consumer Goods (FMCG) Distribution Partner at **The Global Economics Awards 2023**
- Winning awards for Pharmaton, Lactacyd, Vantelin, and Alpro.



## Asia eCommerce Awards 2023

DKSH and its represented brands have been recognized in nine different categories and has won the eCommerce Agency of the Year award for the third year in a row.



# 5 Outlook

# A Strong Today for a Stronger Tomorrow

A photograph of a young woman with long dark hair and red-rimmed glasses, smiling and pointing upwards with her right hand. The image is overlaid with a semi-transparent grey box containing text.

## Our People

The Enablers of Our Strategy

- Develop Talent
- Reduce Attrition
- Strengthen Engagement

A photograph of a city skyline at night, with illuminated buildings and a prominent golden pagoda-like structure in the foreground. The image is overlaid with a semi-transparent grey box containing text.

## Growth

Our DKSH Promise

- Organic Growth
- Business Development
- Own Brands
- Merger & Acquisition

A photograph of a man in a red polo shirt standing in front of a white delivery truck. He is holding a large cardboard box. The image is overlaid with a semi-transparent grey box containing text.

## Operational Excellence

Boost Efficiency & Reduce Waste

- Distribution Excellence 2.0
- Sales & Marketing Excellence
- Streamline Operation
- Market Hygiene



# 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**



# Outlook 2024

- While the current macroeconomic environment poses certain challenges, the Group maintains a balanced portfolio of Consumer Goods and Healthcare sectors, contributing to overall resilience.
- The Healthcare segment demonstrates strong growth momentum.
- Continue to prioritize in gaining new businesses, optimizing productivity, and managing working capital.

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



# 6 Resolutions

# **Agenda 1**

## **Audited Financial Statements 2023**

To receive the Audited Financial Statements of the Company for the financial year ended December 31, 2023 and the Reports of the Directors and Auditors thereon.

## **Agenda 2**

# **Approval of Directors' Fees**

### **Ordinary Resolution 1**

To approve the Directors' fees payable up to an amount of RM 280,000 for the period from May 18, 2024 until the next Annual General Meeting of the Company to be held in 2025.

## **Agenda 3**

# **Re-election of Director**

### **Ordinary Resolution 2**

To re-elect Stephen John Ferraby who retires pursuant to Article 105 of the Constitution of the Company.

# Agenda 4

## Re-election of Director

### Ordinary Resolution 3

To re-elect Fa'izah Binti Mohamed Amin who retires pursuant to Article 105 of the Constitution of the Company.

## **Agenda 5**

### **Re-election of Director**

#### **Ordinary Resolution 4**

To re-elect Sandeep Tewari who retires pursuant to Article 101 of the Constitution of the Company.



# Agenda 6

## Re-appointment of Auditors

### Ordinary Resolution 5

To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending December 31, 2024, and to authorize the Directors to fix their remuneration.

# Agenda 7

## Proposed Final Single Tier Dividend

### Ordinary Resolution 6

To approve the payment of a final single tier dividend of 17.0 sen per share for the financial year ended December 31, 2023.

## **Agenda 8**

# **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions**

### **Ordinary Resolution 7**

To approve the renewal of the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

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# Q & A

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# Polling Procedures

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# Poll Verification in Progress



# Outcome of AGM



# **Chairman's Closing and Conclusion of the Meeting**



**Thank you for your participation**