Media release

DKSH presents good half-year results – remaining successful in challenging markets

- **Net sales grow by 3.8% to CHF 5.3 billion (+3.0% at CER)**
- **Operating profit (EBIT) increases by 2.3% to CHF 138.8 million**
- **Profit after tax slightly above last year's level**
- **Higher Free Cash Flow of CHF 56.7 million**
- **DKSH achieves strategic market entry in Indonesia for Consumer Goods and Healthcare**
- **Further net sales and profit growth expected**

Key figures Group (in CHF millions)	**H1 2017**	**H1 2016**	**Δ in % CHF**	**Δ in % CER [1]**
Net sales	5,278.7	5,084.1	3.8%	3.0%
Operating profit (EBIT)	138.8	135.7	2.3%	2.5%
Profit after tax	93.3	91.7	1.7%	2.0%
Free Cash Flow	56.7	42.0	35.0%	–
Number of specialists	30,890	29,010	6.5%	–

[1] Constant exchange rates: 2017 figures converted at 2016 exchange rates

Zurich, Switzerland, July 13, 2017 – DKSH, the leading Market Expansion Services provider with a focus on Asia, exceeded last year's figures again in the first half of 2017. DKSH managed to succeed despite challenging conditions in key markets which required full management attention. Compared to the prior period, net sales increased by 3.8% to CHF 5.3 billion and profit after tax grew by 1.7% to CHF 93.3 million.

The conditions in important consumer goods markets continued to be challenging. Lasting political uncertainty and high household debt levels in Thailand resulted in noticeable consumer restraint. In Hong Kong, the overall economic stagnation has not been overcome. However, DKSH has achieved further strong, primarily organic growth, in Vietnam, Myanmar, Laos and Cambodia. In addition, DKSH made three acquisitions in fast-growing markets across South East Asia and further drove market consolidation in Asia.

Of the three acquisitions, the most important is the partnership and agreed upon takeover of 60-65% of shares in PT Wicaksana, an established distributor of consumer goods and pharmaceutical products. As communicated recently, DKSH enters Indonesia with its two largest Business Units Consumer Goods and Healthcare. DKSH expands its position in the most populous country in South East Asia through this majority acquisition of the company. Founded in 1973, PT Wicaksana has been listed on the Indonesian Stock Exchange since 1994. With 870 specialists and 32 distribution centers across major cities in Indonesia, the profitable company generated net sales of more than CHF 60 million in 2016. The acquisition will be effective as of the second half of 2017.

Stefan P. Butz, CEO, DKSH Holding, said: "Thanks to the diligent implementation of our strategy and robust business model, DKSH continued to grow despite challenging market conditions in the first half of 2017. This was primarily achieved through the focused work of our more than 30,000 specialists. DKSH has again proved how successful the company can be, even within difficult markets. At the same time, we developed in South East Asia, not only from a commercial perspective, but also strategically through the market entry for Business Unit Consumer Goods and Healthcare in Indonesia. In the future, we will continue with our proven strategy focusing on organic growth in Asia while simultaneously considering further value-enhancing acquisitions."

DKSH Group
Consolidated net sales increased by 3.8% to CHF 5.3 billion in the first half-year of 2017. Organic growth was 2.8% and 0.2%-points were derived from acquisitions. Exchange rate fluctuations had a positive impact of 0.8%.

Operating profit (EBIT) was CHF 138.8 million. Profit after tax of CHF 93.3 million grew by 1.7% compared to last year. Free Cash Flow was CHF 56.7 million, up from the figure in the prior year.

Business Unit Consumer Goods
Net sales in Business Unit Consumer Goods slightly contracted by 3.1% (-3.4% at CER) to CHF 1.8 billion. The continued political uncertainty and high household debt levels in Thailand as well as the economic stagnation in Hong Kong resulted in subdued consumption levels.

The EBIT of CHF 45.5 million was slightly higher than in the previous year. A generally low consumer demand and exceptional set-up costs for new client contracts in Hong Kong and Thailand impacted profitability.

DKSH continued restructuring the luxury goods business and further improved results for this segment compared to last year.

In March, DKSH acquired Innovative Marketing Actions (IMA), an established field marketing provider in Vietnam. Through the acquisition, DKSH positioned itself for further growth in this dynamic South East Asian market. On July 11, DKSH entered Indonesia by acquiring PT Wicaksana, an established Indonesian distributor of consumer goods.

Key figures Consumer Goods (in CHF millions)	**H1 2017**	**H1 2016**	**Δ in % CHF**	**Δ in % CER [1]**
Net sales	1,755.1	1,810.4	-3.1%	-3.4%
Operating profit (EBIT)	45.5	45.4	0.2%	-0.9%

Business Unit Healthcare
Business Unit Healthcare reported a significant increase in net sales of 8.4% (7.1% at CER) to CHF 2.9 billion, thereby recording net sales growth in almost all relevant Asian markets. The operating profit (EBIT) rose to CHF 76.0 million.

In January, DKSH acquired the specialized healthcare distributor Europ Continents Cambodia. With the acquisition, DKSH expanded its leading market position in healthcare in Cambodia.

Key figures Healthcare (in CHF millions)	**H1 2017**	**H1 2016**	**Δ in % CHF**	**Δ in % CER [1]**
Net sales	2,888.4	2,665.4	8.4%	7.1%
Operating profit (EBIT)	76.0	70.8	7.3%	8.2%

Business Unit Performance Materials
Net sales in Business Unit Performance Materials stood at CHF 449.6 million, up 3.5% compared to the first half-year of 2016 (3.7% at CER).

EBIT of CHF 37.4 million was at last year's level. In 2016, EBIT was positively impacted by the appreciation of the Euro and Yen. Costs for specialty raw materials – converted into Euro and Yen – decreased last year due to appreciation of these currencies, resulting in a higher operating profit. Adjusted for this effect, EBIT would have increased in the first half-year of 2017.

Key figures Performance Materials (in CHF millions)	**H1 2017**	**H1 2016**	**Δ in % CHF**	**Δ in % CER [1]**
Net sales	449.6	434.2	3.5%	3.7%
Operating profit (EBIT)	37.4	38.5	-2.9%	-2.6%

Business Unit Technology
Business Unit Technology reached net sales of CHF 185.9 million, which were 6.5% higher (4.6% at CER) than last year. Especially in China, Taiwan and Japan, the business recorded a high demand for capital investment goods and analytical instruments.

EBIT of CHF 5.7 million improved versus last year's level. The order backlog for the remaining months of 2017 indicates more deliveries of higher-margin products which will have a positive effect on results.

Key figures Technology (in CHF millions)	**H1 2017**	**H1 2016**	**Δ in % CHF**	**Δ in % CER [1]**
Net sales	185.9	174.6	6.5%	4.6%
Operating profit (EBIT)	5.7	4.5	26.7%	22.2%

Outlook
From today's perspective, net sales and profit growth should continue for DKSH.

Further information
The live webcast of today's analyst and investor call will be held at 11:00 a.m. CET (in English). A recording of the webcast will be available on the DKSH website, along with the Half-Year Report 2017.

About DKSH Group
DKSH is the leading Market Expansion Services provider with a focus on Asia. As the term "Market Expansion Services" suggests, DKSH helps other companies and brands to grow their business in new or existing markets. Publicly listed on the SIX Swiss Exchange since 2012, DKSH is a global company headquartered in Zurich. With 780 business locations in 36 countries – 750 of them in Asia – and 30,320 specialized employees, DKSH generated net sales of CHF 10.5 billion in 2016.

The company offers a tailor-made, integrated portfolio of sourcing, marketing, sales, distribution and after-sales services. It provides business partners with expertise as well as on-the-ground logistics based on a comprehensive network of unique size and depth. Business activities are organized into four specialized Business Units that mirror DKSH fields of expertise: Consumer Goods, Healthcare, Performance Materials and Technology.

DKSH was founded in 1865. With strong Swiss heritage, the company has a long tradition of doing business in and with Asia and is deeply rooted in communities and businesses across Asia Pacific.

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