

Business Model and Strategy

Our Business Model

DCC is a sales, marketing, distribution and business support services group. The Group is organised and managed in five separate divisions, each focused on specific market sectors.

DCC Energy

Oil and LPG sales, marketing and distribution

DCC SerCom

IT, communications and home entertainment products sales, marketing and distribution and supply chain management services

DCC Healthcare

Pharmaceuticals and medical devices sales, marketing and distribution
Outsourced services to brand owners in the health & beauty sector

Our Strategic Priorities

Creating and sustaining leading positions in each of the markets in which we operate

DCC aims to be the number 1 or 2 operator in each of its markets. This is achieved through a consistent focus on increasing market shares organically and via value enhancing acquisitions. DCC has a long and successful track record of bolt-on acquisitions which have strengthened our market positions and generated attractive returns on capital invested.

Continuously benchmarking and improving the efficiency of our operating model in each of our businesses

DCC strives to be the most efficient business in each of the sectors in which it operates. We continuously benchmark our businesses against those specific KPIs which we judge are important indicators in our drive for superior returns on capital in the short, medium and longer term.

DCC Environmental

Recycling, waste management and resource recovery services to commercial, industrial and public sector customers

DCC Food & Beverage

Food & beverage product sales, marketing and distribution

Our Objective

To continue building a growing, sustainable and cash generative business which consistently provides returns on total capital employed significantly ahead of its cost of capital.

Successful delivery of this objective will result in:

- increased employment opportunities and greater capacity for DCC to provide development opportunities for all its employees;
- enhanced levels of customer service to DCC's commercial, industrial, retail, domestic and public sector customers;
- strengthening of the "partnership" nature of our relationships with our local, regional, national and global suppliers; and
- increased opportunity for DCC to have a positive impact on the wider communities in which it operates.

Carefully extending our geographic footprint, thereby providing new horizons for growth



In the year ended 31 March 2013, 74% of DCC's operating profits were derived from the UK, 15% from Continental Europe and the rest of the world and 11% from Ireland. In recent years we have been expanding certain of the Group's businesses into European markets which we believe will provide good opportunity for future growth. We will look to further extend our business in these markets and to enter new geographic markets in the coming years.

Maintaining financial strength through a disciplined approach to balance sheet management



In pursuing our strategic objective, we will only do so in the context of maintaining relatively low levels of financial risk in the Group. We believe that this not only provides the greatest likelihood of generating value for shareholders in the long term but also leaves the Group best placed to react quickly to commercial opportunities as they arise.

Attracting and empowering entrepreneurial leadership teams, capable of delivering outstanding performance, through the deployment of a devolved management structure

DCC strives to attract, motivate and empower entrepreneurial leadership teams across the Group. Given the diverse market sectors which we operate in, we believe that providing appropriate short and long term incentives to these leaders, based on the performance of the businesses which they manage, is the best way to drive returns for shareholders. Very often post-acquisition, we retain entrepreneurial managers who have sold their businesses to DCC and through our devolved management structure we ensure they are empowered to continue to develop those businesses. We then overlay this with both the close involvement of our small divisional teams with the businesses and strong Group financial and capital allocation controls.