

2nd Quarter & 1st Half 2018
Financial Results
(unaudited)

2 August 2018



L I M I T E D

Company Registration No.: 198403096C



Important Note on Forward-Looking Statements

The presentation herein may contain forward looking statements by the management of Delfi Limited (“Delfi”) that pertain to expectations for financial performance of future periods vs past periods.

Forward-looking statements involve certain risks and uncertainties because they relate to future events. Actual results may vary materially from those targeted, expected or projected due to several factors. Such factors are, among others, general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures as well as changes in tax regimes and regulatory developments. Such statements are not and should not be construed as management’s representation on the future performance of Delfi. Therefore, the actual performance of Delfi may differ significantly from expressions provided herein.

This Results Presentation should be read in conjunction with the full text of the “Unaudited Financial Statements and Dividend Announcement for the 2nd Quarter and 1st Half ended 30 June 2018”.

Scope of Briefing

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■ Key drivers of the Growth:

- (i) Growing chocolate confectionery markets in Indonesia and the Philippines; and
- (ii) Higher Own Brands sales and Gross Profit margins achieved

	2Q 2018		1H 2018	
	<u>US\$ Million</u>	<u>Y-o-Y Chg (In US\$ Terms)</u>	<u>US\$ Million</u>	<u>Y-o-Y Chg (In US\$ Terms)</u>
Revenue	109.1	▲ 8.5%	216.4	▲ 11.7%
EBITDA (excl exceptional/non-recurring items)*	13.1	▲ 11.2%	27.4	▲ 14.9%
PATMI (excl exceptional/non-recurring items)*	5.6	▲ 14.4%	13.2	▲ 24.5%

■ Interim Dividend of 1.08 US cents per cent declared and will be payable 7 September 2018

* Exceptional/non-recurring items - (i) the charge of US\$0.5 million incurred in 2Q 2018 and US\$1.0 million in 2Q 2017 resulting from alleged improper transactions uncovered in the Philippines; and (ii) the gain of US\$4.4 million (net of tax) on sale of 50% stake in Ceres Meiji Indotama recognized in 2Q 2017.

For more details on the alleged improper transactions uncovered in the Philippines, please refer to the Group's "2Q and Half Year Period Ended 30 June 2018 Financial Statement and Dividend Announcement".

1H 2018 Highlights

- **1H 2018 Revenue of US\$216.4 million** (▲11.7% in US\$ terms)
- **Own Brands Performance - Sales US\$142.7 million** (▲17.5% in US\$ terms)
 - Own Brands sales growth in Indonesia of 20.1% Y-o-Y reflected: (i) continued growth in the consumption of chocolate confectionery; (ii) higher sales growth of products in the premium format category; and (iii) benefits from our initiative of direct shipments to some of our retail customers
 - Included US\$3.9 million of Van Houten sales in 2Q 2018, previously classified as Agency Brands
- **Gross Profit Margin of 34.5%** (vs 33.1%) - An increase of 1.4% point Y-o-Y
 - Improvement reflected increased sales of our higher margin premium products
- **EBITDA** **US\$27.4 million** ▲14.9% in US\$ terms
 - Performance reflects the higher sales and improved GP Margin overall
 - EBITDA margin improved Y-o-Y by 0.4% point
- **PATMI** (as reported) **US\$12.7 million**
- **Group ROE of 12.4%** ▲2.0% point in US\$ terms vs FY2017
 - Group ROE of 12.8% (excluding exceptional/non-recurring items) ▲4.0% pt

Our 2Q and 1H 2018 Performance in greater detail

(In US\$ Million)	2Q 2018	2Q 2017	Y-o-Y change	Local Currency Performance (Y-o-Y change)	1H 2018	1H 2017	Y-o-Y change	Local Currency Performance (Y-o-Y change)
Revenue	109.1	100.5	▲ 8.5%	▲ 10.5%	216.4	193.8	▲ 11.7%	▲ 12.3%
Indonesia	80.6	73.5	▲ 9.5%	▲ 13.9%	156.8	138.4	▲ 13.3%	▲ 16.3%
Regional Market	28.5	27.0	▲ 5.8%	▲ 1.1%	59.6	55.4	▲ 7.7%	▲ 2.1%
Gross Profit (GP)	37.6	33.2	▲ 13.1%	▲ 15.4%	74.7	64.1	▲ 16.4%	▲ 17.2%
GP Margin	34.5%	33.1%	▲ 1.4% pt	▲ 1.4% pt	34.5%	33.1%	▲ 1.4% pt	▲ 1.4% pt
EBITDA (excl exceptional/non-recurring items)	13.1	11.7	▲ 11.2%	▲ 15.9%	27.4	23.8	▲ 14.9%	▲ 17.6%
EBITDA Margin	12.0%	11.7%	▲ 0.3% pt	▲ 0.6% pt	12.7%	12.3%	▲ 0.4% pt	▲ 0.6% pt
EBITDA (incl exceptional/non-recurring items)	12.6	15.3	▼ 17.7%	▼ 14.2%	27.0	27.4	▼ 1.7%	▲ 0.6%
PATMI (excl exceptional/non-recurring items)	5.6	4.9	▲ 14.4%	▲ 20.6%	13.2	10.6	▲ 24.5%	▲ 27.8%
PATMI (incl exceptional/non-recurring items)	5.1	8.2	▼ 37.4%	▼ 33.9%	12.7	13.9	▼ 8.4%	▼ 6.0%

- ❖ Sales growth in Regional Markets on higher Agency Brands sales with satisfactory Own Brands performance despite product rationalization in the Philippines

Looking Forward

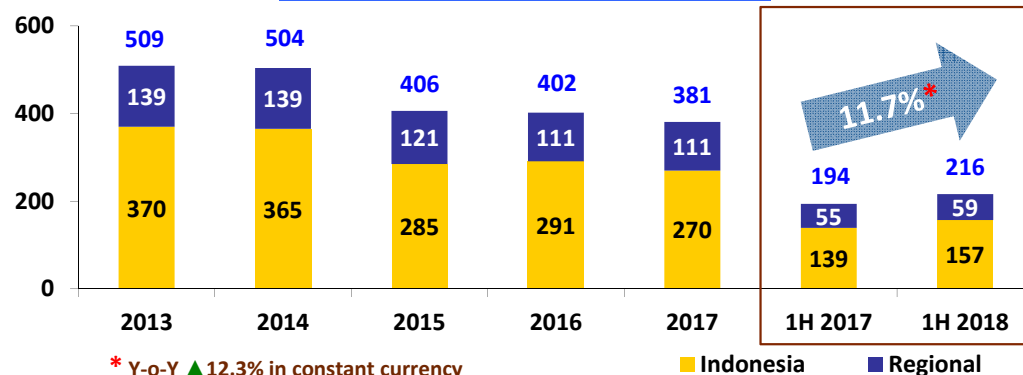
- **Today in our two core markets of Indonesia and the Philippines, we are experiencing strong fundamentals, with steady growth in the consumption of chocolate confectionery supported by economic growth. These positive fundamentals together with the actions we have taken during the last two years have contributed to the growth in our Own Brands sales in 1H 2018.**
- **As we look to the future, absent any severe change in economic growth or severe devaluation of regional currencies, we feel the outlook for the consumption of chocolate confectionery to be positive in both of these core markets and we will continue to focus on consolidating our core strengths, containing our costs and investing in our Core Brands and key markets to as to drive further growth in our business and profitability.**

Appendices

Group Financial Highlights

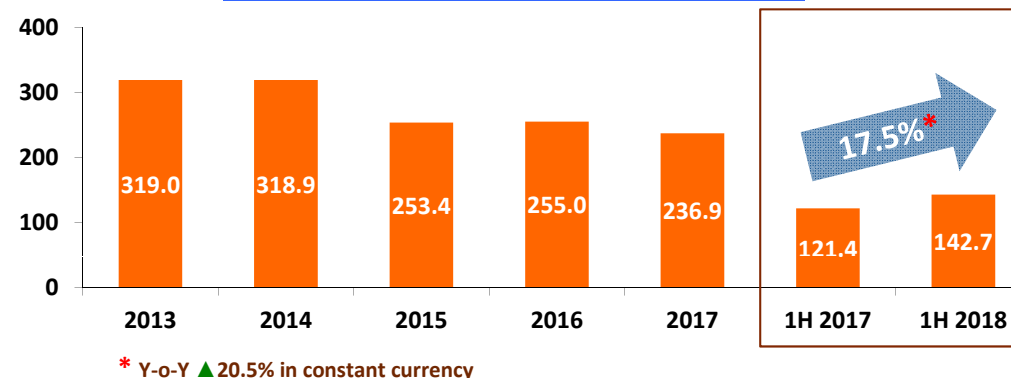
Group Financial Highlights

Group Revenue (In US\$ Million) #



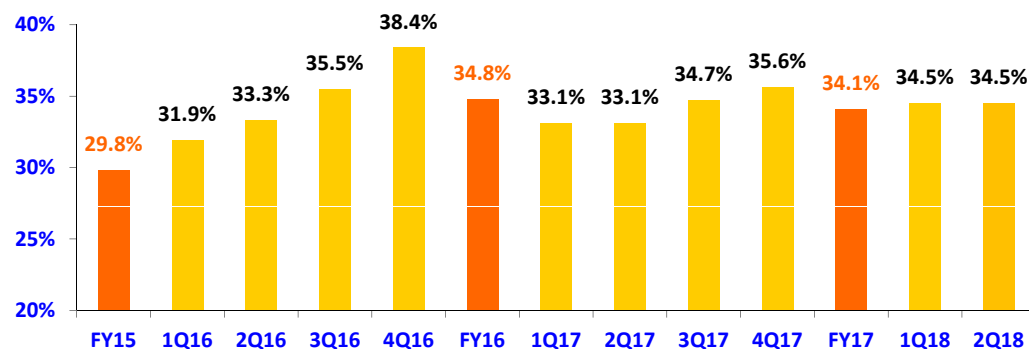
- Strong position in Indonesia complemented by a growing regional footprint
- In constant currency, CAGR of 4.0% per annum achieved over the 2012-2016 period

Own Brands Revenue (In US\$ Million) #



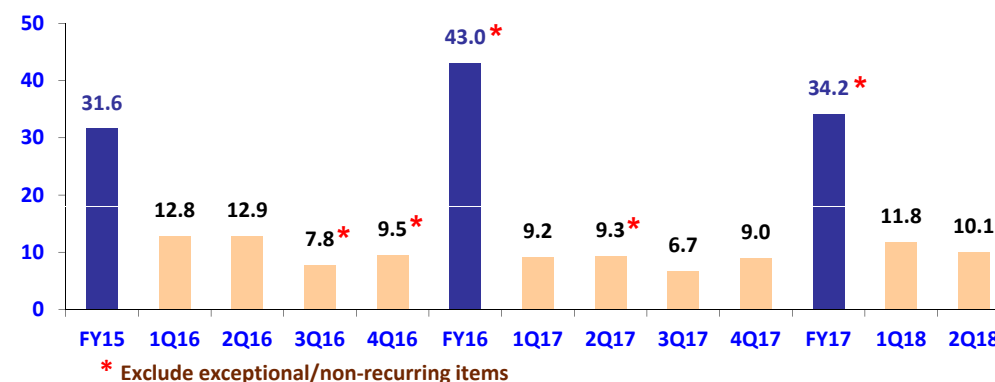
- Our leading brands are in growth categories. We have a strong innovation culture and efficient routes-to-market structure
- 1H 2018 growth Y-o-Y driven by higher Own Brands sales in Indonesia

Gross Profit Margin Trends #



- 2016, 2017 and 1H 2018 margin are the highest we have achieved over the last 5 years
- Reflecting higher sales of Own Brands premium products and cost containment initiatives

Operating Profit Performance (In US\$ Million) #



- Profit performance reflects continued investments in brand building and routes-to-market capabilities to capture long term growth
- 1Q and 2Q 2018 performance reflects higher sales and improvement in GP margin

Balance Sheet & Cash Flow Analysis

Balance Sheet Analysis (Figures are at period end)

(In US\$ Million)	30 Jun 2018	31 Dec 2017	Comments
Cash and Cash Equivalents	53.8	67.4	- Acquired Van Houten licence of US\$13.0 million and 2017 final dividend payment of US\$3.5 million. - Collection affected by the Lebaran holiday in Malaysia and Indonesia and higher sales to Modern Trade customers.
Trade Receivables	77.5	59.8	
Inventories	59.8	65.1	
Other Assets	26.3	25.6	
Fixed Assets, Intangible Assets & Investments	137.4	135.5	Addition of Van Houten and US\$2.4 million capital expenditure offset by foreign currency translation loss.
Total Assets	354.8	353.4	
Trade Payables	30.9	30.6	Reduced borrowings with operating cash flow generated.
Other Liabilities	69.8	64.7	
Total Borrowings	48.8	52.2	
Working Capital Facilities/Trade Finance	22.9	27.4	
Term Loan	25.6	24.3	
Lease Liabilities	0.3	0.5	
Total Equity	205.3	205.9	
Key Ratios			
Current Ratio	1.59	1.66	
Return on Equity			
- Exclude exceptional/non-recurring items *	12.8% **	8.8% **	
- Include exceptional/non-recurring items	12.4%	10.4% **	
Inventory Days	80	87	
Receivables Days	58	58	
Payable Days	40	47	

* Exceptional and non-recurring items (after tax) were: (1) US\$0.5 million in 2Q 2018 and US\$1.0 million in 2Q 2017 as a result of alleged improper transactions uncovered in the Philippines; and (2) US\$4.4 million gain on sale of CMI.

** Relates to restatement of FY2017 audited figures.

Cash Flow Applications

- ❖ **Generated operating cash flow to fund higher working capital, Capex and repay borrowing**
- ❖ **Lower cash due to acquisition of Van Houten licence rights**

(In US\$ Million)	1H 2018
EBITDA	27.4
Changes in Operating Cash Flow	
Increase in Working Capital	(12.1)
Tax Expense Paid	(7.3)
Interest Expense Paid	(1.5)
Operating Cash Flow	6.5
Capex, Intangible Assets, Net of Proceeds	(2.4)
Acquisition of the Perpetual and Exclusive Rights to Van Houten	(13.0)
Free Cash Flow	(8.9)
Interest Income received	0.6
Repayment of Borrowings, Net of Proceeds	1.2
Repayment of Working Capital Financing	(3.0)
Dividend Payment	(3.5)
Net Cash Movement	(13.6)

Thank You

