



2nd Half and Full Year 2023 Financial Results

(unaudited)

27 February 2024



● ● Important Note on Forward-Looking Statements



The presentation herein may contain certain 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 “Condensed Financial Statements and Dividend Announcement for the 2nd Half and Full Year ended 31 December 2023”.

● ● Scope of Briefing



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● ● 2H and FY2023 Overview

- For 2H and FY2023, we achieved PATMI of US\$21.1 million and US\$46.3 million, respectively. This represented growth of 5.4% achieved in 2023, despite global uncertainties
- The performance during Full Year 2023 was driven by revenue growth that resulted in US\$538.2 million (a record level for our branded consumer business), an increase of 12.7% over FY2022. The key driver was the broad based growth in Own Brands especially from our Premium brands in Indonesia, mainly *SilverQueen*, *Delfi Premium* and *Van Houten* and *Take-It*, as well as *Goya* and *Knick Knacks* in the Philippines
- Strong growth in our Agency Brands also contributed to our growth for the year, driven primarily from the snacks and consumer category in Indonesia and from newly added Agency Brands in Malaysia

●● 2H and FY2023 Overview (cont'd)



- **The Group's Balance Sheet at end-2023 remains robust with cash and equivalents at US\$59.4 million, net assets of US\$266.2 million, higher compared to US\$246.2 million at end-2022**
 - We are well positioned to face uncertainties and take advantage of opportunities that may arise going forward

- ❖ **Proposed Final Dividend of 1.74 US cents/share and Special Dividend of 0.52 US cents/share proposed, which together with the interim dividend of 2.06 US cents paid, brings total dividends for FY2023 to 4.32 US cents**
 - This comprises Normal Dividend of 3.80 US cents/share, bringing our full year pay-out to 50%, in line with our previous practice; and a Special Dividend of 0.52 US cents/share
 - This brings total pay-out to 57% of PATMI
 - Payable on 15 May 2024, if approved by shareholders at the AGM

● ● FY2023 Highlights

- **FY2023 Net Sales of US\$538.2 million achieved** (▲12.7% Y-o-Y)
- **Gross Profit Margin of 28.5%** (▼200 basis points)
- **EBITDA** **US\$74.5 million** ▲0.7% Y-o-Y
- **PATMI** **US\$46.3 million** ▲5.4% Y-o-Y
- **ROE** **18.1%**
- **Net cash generated by operations of US\$23.9 million**

● ● Looking Forward



- **The beginning of 2024 brings with it increasing global uncertainties from heightened geopolitical tensions and escalating macroeconomic challenges. It is difficult to determine what might be the impact on the region or our key markets from these challenges**
- **The repercussions of prolonged geopolitical tensions, elevated interest rates, on-going strain on specific supply chains, elevated commodity prices, especially soaring cocoa prices, could potentially dampen consumer confidence in our key markets during 2024 and moderate our profit growth**
- **Barring unforeseen circumstances, we remain confident we can mitigate many of these potential risks by remaining focused on growing our core strategic products, further driving growth in our Premium format category, continuing to apply our strategy to mitigate rising input costs and to strengthen our distribution capabilities. In addition, we will tightly manage our operating costs, collections and working capital levels**
- **We believe we have solid business foundation with strong leading brands, culture of innovation and distribution capabilities, that when combined with our robust balance sheet, healthy cash position, prudent cost management, and cash flow generation keep us well positioned to tackle the uncertainties ahead**

Appendices



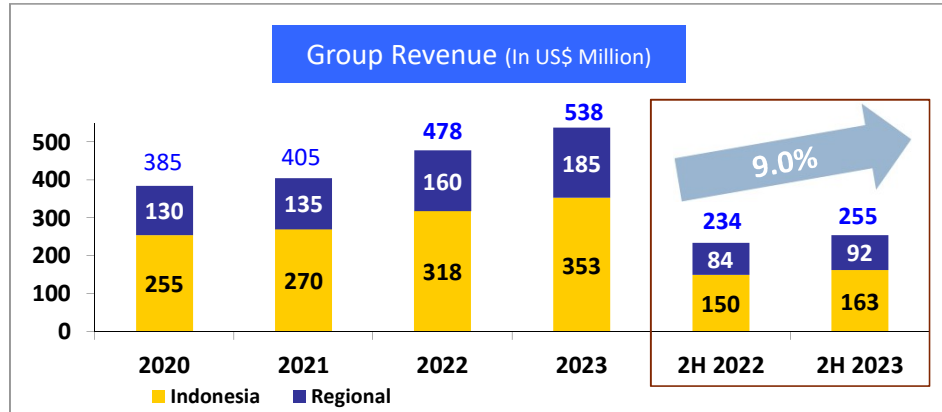
Group Financial Highlights

●● Our 2H and FY2023 Performance (in greater detail)

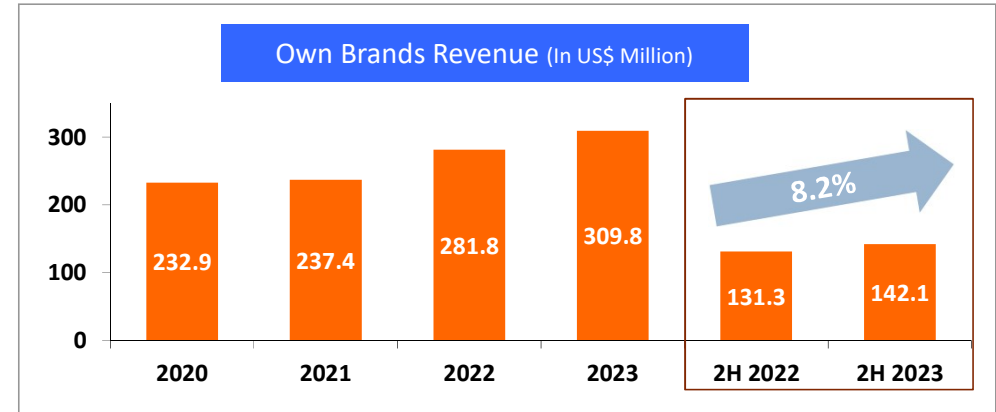


(In US\$ Million)	2H 2023	2H 2022	Y-o-Y change	Local Currency Performance (Y-o-Y change)	FY2023	FY2022	Y-o-Y change	Local Currency Performance (Y-o-Y change)
Revenue	255.2	234.0	▲ 9.0%	▲ 9.9%	538.2	477.5	▲ 12.7%	▲ 16.2%
<i>Indonesia</i>	163.0	150.3	▲ 8.5%	▲ 9.1%	353.1	317.5	▲ 11.2%	▲ 14.6%
<i>Regional Markets</i>	92.2	83.7	▲ 10.1%	▲ 11.3%	185.1	160.0	▲ 15.6%	▲ 19.3%
Gross Profit (GP)	69.6	74.5	▼ 6.5%	▼ 6.1%	153.2	145.5	▲ 5.3%	▲ 8.5%
GP Margin	27.3%	31.8%	▼ 4.5% pt	▼ 4.5% pt	28.5%	30.5%	▼ 2.0% pt	▼ 2.0% pt
EBITDA	34.5	39.4	▼ 12.4%	▼ 11.8%	74.5	74.0	▲ 0.7%	▲ 4.2%
EBITDA Margin	13.5%	16.8%	▼ 3.3% pt	▼ 3.3% pt	13.8%	15.5%	▼ 1.7% pt	▼ 1.7% pt
PATMI	21.1	24.5	▼ 14.1%	▼ 13.6%	46.3	43.9	▲ 5.4%	▲ 9.3%

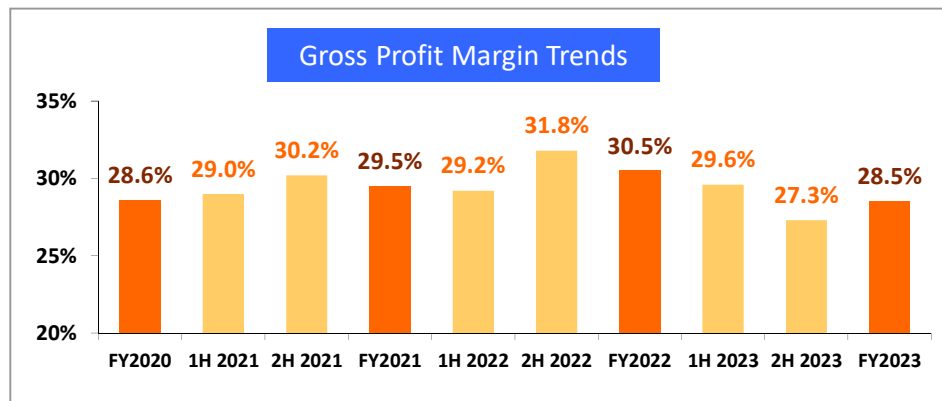
●● Group Financial Highlights



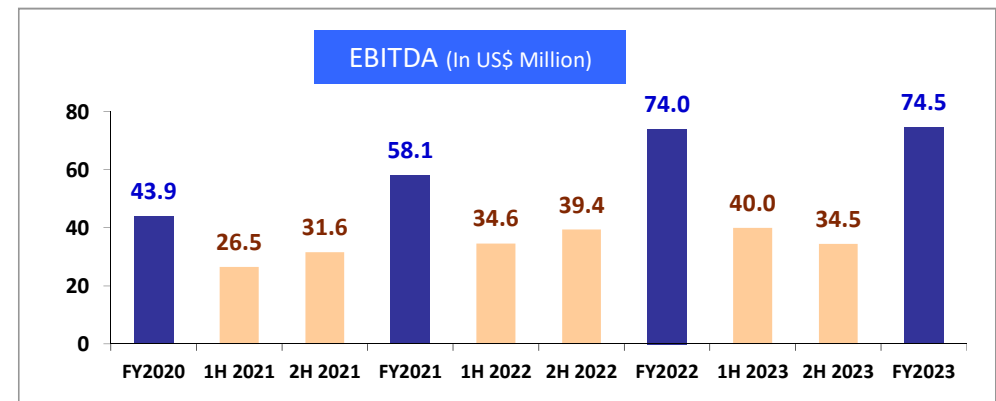
- FY2023 performance was stronger compared to 2022 as economies in our key markets remained buoyant throughout the year
- Strong net sales growth in 3Q 2023 boosted 2H 2023 performance



- FY2023 performance improved over FY2022 driven primarily by broad based net sales growth in Indonesia and the Philippines



- FY2023 gross profit margin supported primarily by higher 1H 2023 margin from Premium brands and timely implementation of cost mitigation initiatives



- FY2023 EBITDA supported by record level of full year net sales and tight control of operating costs, offset in part by increase in promotion costs to thwart competition and strategic spending in core brands

Balance Sheet & Cash Flow Analysis

●● Balance Sheet Analysis (Figures are at period end)



(In US\$ Million)	31 Dec 2023	31 Dec 2022	Comments
Cash and Cash Equivalents	59.4	77.1	<ul style="list-style-type: none"> ▪ The decrease is mainly attributed to capital expenditures and dividend payouts
Trade Receivables	88.8	71.2	<ul style="list-style-type: none"> ▪ Higher trade receivables from stronger sales, in line with business growth
Inventories	115.9	115.5	
Other Assets	38.5	29.1	
Fixed Assets, Intangible Assets & Investments	118.3	102.2	<ul style="list-style-type: none"> ▪ Reflects the level of capital expenditures more in line with our historical pre-COVID levels
Total Assets	420.9	395.1	
Trade Payables	45.1	49.7	
Other Liabilities	76.9	80.2	
Total Borrowings	32.7	19.0	<ul style="list-style-type: none"> ▪ Higher due to more trade finance facilities to fund working capital requirements
Working Capital Facilities/Trade Finance	25.6	14.4	
Term Loan	7.1	4.6	
Total Equity	266.2	246.2	
Key Ratios			
Current Ratio	2.16	2.10	
Return on Equity	18.1%	18.1% *	
Inventory Days	110	99	<ul style="list-style-type: none"> ▪ Despite stronger sales, increase was limited due to continued tight management control
Receivables Days	54	54	
Payable Days	45	48	

* Relates to FY2022 audited figures.

● ● Cash Flow Applications



- ❖ In FY2023, we maintained tight cash flow management through strict cost controls, effective collections management and disciplined capital spending, although at higher levels more in line with historical investment

(In US\$ Million)	31 Dec 2023
EBITDA	74.5
Changes in Operating Cash Flow	
Increase in Working Capital	(28.0)
Tax Expense Paid	(25.7)
Interest Income Received	3.1
Operating Cash Flow	23.9
Capital Expenditure	(16.3)
Free Cash Flow	7.6
Other Investing Activities	(7.7)
Financing Activities:	
Proceeds from Borrowings, Net of Repayment	8.9
Proceeds from Working Capital Financing	3.7
Interest Expense Paid	(1.2)
Dividend Payment	(29.1)
Net Cash Movement	(17.8)



Thank You