

FOR IMMEDIATE RELEASE

Delfi Limited's earnings up 20.7% at half-year

- Performance improvement driven by margin and revenue growth across all markets in 1H 2019.
- Declares interim dividend of 1.27 US cents (1.73 Singapore cents) per share.

Financial Highlights (US\$ Million)	3 months ended 30 June			6 months ended 30 June		
	2Q 2019	2Q 2018	Change (%)	1H 2019	1H 2018	Change (%)
Indonesia	81.6	80.6	1.3	175.2	156.8	11.8
Regional Markets	30.7	28.5	7.8	65.4	59.6	9.5
Total Revenue	112.3	109.1	3.0	240.6	216.4	11.2
Gross Profit Margin (%)	36.2	34.5	1.7 pt	36.0	34.5	1.5 pt
EBITDA	13.9	13.1	6.2	31.4	27.4	14.7
PATMI (excluding exceptional items) *	6.2	5.6	11.0	15.6	13.2	18.0
PATMI (including exceptional items) *	6.1	5.1	19.4	15.4	12.7	20.7

* As disclosed in 2Q 2018, the Group discovered improper and unsubstantiated transactions in one of its wholly owned subsidiaries, Delfi Marketing, Inc in the Philippines. Included in 2Q 2018 was the loss associated with the improper transactions. For 2Q and 1H 2019, exceptional losses were legal and professional fees incurred for ongoing work carried out for the subsidiary.

SINGAPORE - 13 August 2019 - Mainboard-listed chocolate confectionery company, Delfi Limited (“Delfi”, or together with its subsidiaries, the “Group”) achieved a 14.7% year-on-year (“Y-o-Y”) increase in EBITDA to US\$31.4 million for the six months ended 30 June 2019 (“1H 2019”), while PATMI (including exceptional items) expanded 20.7% over the same period to US\$15.4 million as revenue rose 11.2% to US\$240.6 million.

On a quarterly basis, the Group’s revenue was up 3.0% Y-o-Y to US\$112.3 million in the second quarter ended 30 June 2019 (“2Q 2019”), while EBITDA and PATMI (including exceptional items) were 6.2% and 19.4% higher at US\$13.9 million and US\$6.1 million respectively.

Continuing the positive momentum from FY2018, the Group's Own Brands increased 11.5% Y-o-Y in 1H 2019 with the growth driven by the strong demand for its products in the premium format category mainly in Indonesia despite the Group's strategic initiative to exit low yielding price points in its Value Segment portfolio in the General Trade channel. Excluding the pruned value products, the sales growth would have been higher by 21.1%. Sales of its Own Brands continue to be the major contributor to the business, forming more than 65.0% of the Group's revenue. Over the years, the Group has progressively expanded its Own Brands product portfolio and today it extends into the categories of chocolate confectionery, biscuits and wafers, breakfast, beverages and baking.

In addition to revenue growth, the Group's profit growth was driven mainly by the higher margin achieved with Gross Profit Margin ("GPM") higher Y-o-Y by 1.7% point for 2Q 2019 and 1.5% point for 1H 2019 for its Own Brands and Agency Brands products across its markets. For 1H 2019, gross profit margin was 36.0% (1H 2018: 34.5%), the highest it has achieved in three years, despite currency headwinds.

Market Review - Indonesia

In its main Indonesia market, the Group achieved healthy Y-o-Y revenue growth of 11.8% to US\$175.2 million in 1H 2019 driven by increase in sales of its premium products including SilverQueen, Delfi Premium and Selamat growing in excess of 20.0% due to the success of promotional activities to capture strong consumer demand for Valentine's Day and Muslim Lebaran festivities.

The strong revenue generated was despite the elimination of value products from its General Trade channel in Indonesia to achieve improvement in overall margins for Own Brands products in the market. The long term objective of this initiative is to improve the overall profitability of our Own Brands portfolio although in the short term it will have an impact on sales in Indonesia. Excluding the impact of these Value Segment products exited, the Group sales in Indonesia would have been higher Y-o-Y by 22.6% in 1H 2019.

Market Review - Regional Markets

Sales from the Regional Market also rose 9.5% Y-o-Y driven by stronger sales in Malaysia and the stellar performance of Van Houten products, which contributed US\$2.3 million in the

Regional Markets. In the Philippines, the Group's Goya Mini Tubes, Goya Spread and Delfi Premium products continue to drive double digit growth.

Mr John Chuang, Delfi's Chief Executive Officer, said: *"We are pleased with our half year results for 2019. However, looking ahead, we expect the operating environment to become more challenging. Through our continued focus on top line expansion by further growing our core premium brands, extending into the snacking category and strengthening our value segment in the General Trade channel; together with stepped up productivity efforts and the growth momentum achieved todate, we are cautiously optimistic about the growth prospects for the full year, barring unforeseen circumstances."*

Earnings per share for 1H 2019 was at 2.51 US cents, 20.7% higher than in 1H 2018 when it was 2.08 US cents. Net asset value per share as at 30 June 2019 was 36.0 US cents compared to 33.7 US cents as at 31 December 2018.

Delfi's financial position remains strong with a cash balance of US\$53.7 million as at 30 June 2019, which is more than adequate to support its near term business and investment needs.

The Group has declared an interim dividend of 1.27 US cents or 1.73 Singapore cents per share (last year 1.08 US cents or 1.47 Singapore cents), which based on 611,157,000 ordinary shares in issue, represents a dividend payout ratio of 50% of the PATMI achieved in 1H 2019.

Business Outlook

Despite an increasingly challenging operating environment with intensifying competition and growing demands from the trade customers and consumers, Delfi remains focused on capturing growth opportunities by investing in its Core Brands and product innovation to excite the market and to extend its market reach by having better channel segmentation for both the Modern and General trade retail formats. In addition, the Group will continue to focus on building capacity and capabilities prudently wherever there are opportunities to expand into new and attractive categories and to increase its productivity and efficiency targets. Meanwhile, Delfi will continue to look out for suitable and synergistic opportunities to enter new markets and extend to new product categories.

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ABOUT DELFI LIMITED

Headquartered in Singapore and listed on the SGX-ST since 5 November 2004, Delfi Limited and its subsidiaries (the "Group") manufactures and/or distributes branded consumer products that are sold in over 17 countries including Indonesia, Singapore, Malaysia, Hong Kong, Australia, Thailand, the Philippines and China.

Formerly called Petra Foods Limited until an official name change that took effect on 9 May 2016, Delfi has an established portfolio of chocolate confectionery brands which are household names in Indonesia. Its flagship brands in Indonesia include "SilverQueen" and "Ceres" that were introduced in the 1950s and "Delfi" in the 1980s. In addition, the Group also distributes a portfolio of well-known agency brands in Indonesia, Malaysia and the Philippines.

The Group was awarded the top spot in the annual Singapore Enterprise 50 Award in 2003 and was recognized as the "Best Newly Listed Singapore Company in 2004" in AsiaMoney's Best Managed Companies Poll 2004. It was named the "Enterprise of the Year 2004" by the 20th Singapore Business Awards on 30 March 2005 and was named one of "Singapore's 15 Most Valuable Brands" in November 2005 by IE Singapore.

Over the years, Delfi Limited has clinched awards in various categories at the annual Singapore Corporate Awards. The Group won a Silver award for its inaugural annual report in the "Best Annual Report/Newly Listed Company" category in 2006. In April 2009, it clinched a Gold award in the "Best Annual Report/Companies with \$300 million to less than \$1 billion in market capitalization" category. In May 2010, it bagged two Silver awards for "Best Managed Board" and "Best Investor Relations" under the "companies with \$300 million to less than \$1 billion in market capitalization" category. In 2015, the Group won a Bronze award for "Best Managed Board" under the "companies with S\$1 billion and above in market capitalization" category.

Delfi Limited's Chief Executive Officer, Mr John Chuang, was also recognized for his leadership and management of the Group. He was named "Best Chief Executive Officer" at the 2011 Singapore Corporate Awards, "Businessman of the Year" at the 2012 Singapore Business Awards and he was one of the recipients of the SG50 Outstanding Chinese Business Pioneers Awards in 2015.

Issued by August Consulting on behalf of Delfi Limited

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