Delfi LIMITED
Company Registration No.: 198403096C

UPDATE ON THE GROUP'S FIRST QUARTER
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

The Board of Directors and Management of Delfi Limited (the "Company" or the "Group") would like to take this opportunity to provide a brief update on the Group's operations for the first quarter of 2025 ("1Q 2025").

Amid ongoing challenges in the chocolate industry and uncertain economic conditions due to trade concerns and persistent geopolitical tensions, the Group reported resilient Net Sales for 1Q 2025 of US$149.8 million (0.5% Y-o-Y decline) in its US dollar reporting currency. However, on a constant currency basis, Group Net Sales increased by 1.5%.

The performance was affected by weaker regional currencies, particularly the Indonesian Rupiah, and the impact from lower sales in our Agency Brands business following decisions by certain agency partners in Indonesia which reduced promotional spending for their products during the period. More significantly, Own Brands sales for Indonesia were higher, particularly for our premium products segment, which partially offset the decreased sales in Agency Brands. The higher Own Brands sales were driven by greater promotional investment, which helped counter stronger competition during the quarter and sustained the momentum from 2H 2024 to further increase our market share in Indonesia.

(US$ Million)	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025	Y-o-Y Change 1Q 25 vs 1Q 24	Y-o-Y Change @ Constant Rate 1Q 25 vs 1Q 24
Net Sales	150.7	110.2	117.6	124.2	**149.8**	(0.5%)	1.5%
Indonesia	103.5	66.3	70.5	74.0	**99.3**	(4.0%)	0.0%
Regional Markets*	47.2	43.9	47.1	50.2	**50.5**	7.0%	4.7%
Gross Profit Margin	30.2%	27.0%	26.4%	25.4%	**28.0%**	(2.2% pt)	(2.1% pt)
EBITDA	23.3	9.5	8.8	18.7	**17.0**	(27.2%)	(24.7%)

** Note: Comprises Malaysia, the Philippines and Singapore.*

The growth in Regional Markets was driven by robust Own Brands performance in the Philippines, and improved Agency Brands sales in both Malaysia and the Philippines.

The Group's Gross Profit Margin ("GPM") for 1Q 2025 was 28.0%, down 220 basis points compared to 1Q 2024, due primarily to the impact from weaker regional currencies, the promotional investments in our key brands and the lower Agency Brands margin. EBITDA for the quarter was US$17.0 million, compared to US$23.3 million a year earlier.

The Group generated net cash from operations (after working capital) of US$37.6 million in 1Q 2025, which compared favourably to US$35.0 million generated during 1Q 2024. This cash was used to fund capital expenditures of US$3.2 million and repay US$6.1 million in debt. Working capital declined by US$5.3 million to US$155.3 million, mainly due to a US$41.3 million reduction of inventories, partially offset by an increase in trade receivables of US$11.0 million and a reduction of trade payables of US$25.0 million.

As a result, the Group's cash balance rose by US$26.6 million to US$70.4 million at end-March 2025, up from US$43.8 million at end-December 2024. This excludes US$7.4 million paid on 15 May 2025 for the FY2024 final dividend.

Balance Sheet as at	**31 Mar 2025**	31 Dec 2024	Change in
	US$ Million	US$ Million	US$ Million
Cash and Cash Equivalent	**70.4**	43.8	26.6
Working Capital[1]	**155.3**	160.7	(5.3)
Property, Plant & Equipment and Intangible Assets	**123.5**	127.4	(4.0)
Total Assets	**428.2**	428.2	(0.0)
Borrowings	**18.7**	24.8	(6.1)
Foreign Currency Translation Reserves	**(39.0)**	(34.4)	(4.7)
Shareholders' Equity	**269.4**	264.6	4.8
Current Ratio	**2.01**	1.95	
Average Inventory Days	**94**	124	
Average Receivable Days	**56**	64	
Average Payable Days	**38**	51	
	31 Mar 2025	31 Mar 2024	
Free Cash Flow generated	**34.4**	23.1	11.3

Note: [1] Working capital is equal to account receivables plus inventories less accounts payable.

Outlook

The challenging global environment is expected to persist through 2025, driven by ongoing geopolitical tensions, trade uncertainties from tariff pressures, and macroeconomic headwinds such as currency volatility, slowing economic growth, and inflation. At the same time, high cocoa bean prices continue to be the most significant headwind for chocolate manufacturers globally and are expected to continue exerting pressure on industry earnings.

Although rising cocoa and chocolate prices are likely to continue weighing on both demand and costs across the chocolate industry - impacting profitability - we remain focused on our long-term objectives as we navigate these short-term challenges. Backed by a solid business foundation, including deep cocoa and chocolate expertise, well-established brands, a strong culture of innovation, robust distribution networks, a healthy balance sheet, and consistent cash flow, we are well-positioned to manage the evolving environment. While uncertainties persist, we will continue to monitor developments closely and take timely, strategic actions to stay on course.

By Order of the Board

Lee Wei Hsiung/Cheok Hui Yee
Company Secretaries

20 May 2025