

***1st Quarter 2016
Financial Results
(unaudited)***

11 May 2016



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 1st Quarter ended 31 March 2016”.

Scope of Briefing

	<u>Page No</u>
■ 1Q 2016 Highlights	4
■ Our 1Q 2016 Performance in greater detail	5
■ Capital Reduction approved by Shareholders	6
■ Looking Forward	7
■ Appendices	
➤ Group Financial Highlights	9
➤ Balance Sheet & Cash Flow Analysis	12

1Q 2016 Highlights

❖ A good start to the year despite continuing economic uncertainties and weakness in regional currencies:

- **PATMI** **US\$8.4 million** ▲ 9.1% in US\$ terms (▲ 20.4% constant currency terms)
- **EBITDA** **US\$14.3 million** ▲ 4.1% in US\$ terms (▲ 14.2% constant currency terms)
- **Revenue** **US\$103.6 million** ▼ 2.5% in US\$ term (▲ 6.5% constant currency terms)
 - Growth driven mainly by business in Indonesia (Revenue ▲ 11.7% constant currency terms) as our trade customers replenished their supply pipeline; and also due to seasonal sales ahead of Lebaran festivities and increased consumer spending
 - Margin improvement - GP Margin ▲ 1.6% pt and EBITDA margin ▲ 0.8% pt
- **Annualised Group ROE of 13.6%**
- **Free Cash Flow generated of US\$6.7 million generated**

Our 1Q 2016 Performance in greater detail

(In US\$ Million)	1Q 2016	1Q 2015	Y-o-Y change	Local Currency Performance (Y-o-Y change)
Revenue	103.6	106.2	▼ 2.5%	▲ 6.5%
Indonesia	75.9	73.5	▲ 3.2%	▲ 11.7%
Regional Market s	27.7	32.7	▼ 15.3%	▼ 5.0%
Gross Profit (GP)	33.1	32.2	▲ 2.6%	▲ 12.3%
GP Margin	31.9%	30.3%	▲ 1.6% pt	▲ 1.6% pt
EBITDA	14.3	13.8	▲ 4.1%	▲ 14.2%
EBITDA Margin	13.8%	13.0%	▲ 0.8% pt	▲ 0.9% pt
PATMI (exclude Exceptional Items*)	8.4	7.8	7.8%	18.9%
PATMI (include Exceptional Items*)	8.4	7.7	9.1%	20.4%

* These related to costs incurred pertaining to the dispute with Barry Callebaut which was settled on 28 August 2015.

- ❖ **Own Brands Performance - Sales US\$69.5 million (▲ 11.7% in constant currency terms)**
 - Growth driven mainly by Own Brands sales in Indonesia as trade customers replenished their supply chain on sales ahead of Lebaran festivities
 - Lower 1Q 2016 sales in regional markets reflects our strategic initiatives - Closure of Singapore distribution business
 - Excluding the discontinued Singapore distribution business (effective 31 August 2015), and in constant currency terms, regional markets' underlying revenue growth was 6.5% for 1Q 2016
- ❖ **Profit growth achieved on higher Gross Profit Margin (▲ 1.6% pt) reflecting pricing adjustments in 3Q 2015 and our on-going cost containment initiatives**
 - This was achieved despite higher cost inflation, weakness in regional currencies and higher A&P and Trade Promotions costs to drive consumer purchases of our products

Capital Reduction approved by Shareholders

- **At the Extraordinary General Meeting on 26 April 2016, our Shareholders approved the proposed Capital Reduction and Cash Distribution of approximately US\$60.0 million**
- **The documents required to effect this Capital Reduction have been submitted to the High Court of Singapore for approval**
- **The Company will keep Shareholders updated and further announcements will be made in due course**

Looking Forward

- Although we expect the challenging operating environment to persist in our core markets, we nevertheless remain cautiously optimistic about the prospects for 2016
- Our focus in 2016 is to drive sales growth, channel development and cost containment. Furthermore, our on-going strategy is to continually optimise our product portfolio - Trimming the slow moving SKU's while continuing to innovate into new categories with higher growth opportunities
- Through this combination of top line focus and stepped up productivity efforts, we expect, barring unforeseen circumstances, the Group's performance in FY2016 to be better
- For long term growth, we are constantly evaluating investment opportunities to either grow our presence in a new region or an adjacent category that we are not in yet, e.g. our recently announced joint venture with South Korea's Orion Corporation

Appendices

Group Financial Highlights

Group Financial Highlights - At a glance

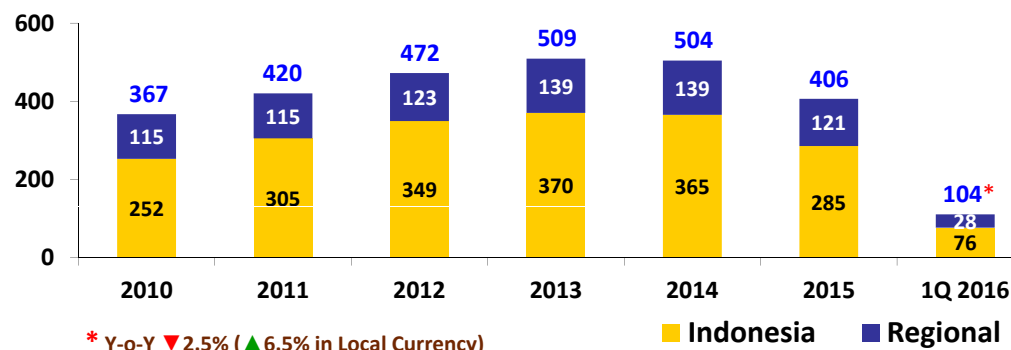
(In US\$ Million)	1Q 2016	1Q 2015	Y-o-Y Change	Local Currency Performance (Y-o-Y change)
Revenue	103.6	106.2	▼ 2.5%	▲ 6.5%
- Indonesia	75.9	73.5	▲ 3.2%	▲ 11.7%
- Regional Market	27.7	32.7	▼ 15.3%	▼ 5.0%
EBITDA	14.3	13.8	▲ 4.1%	▲ 14.2%
PATMI	8.4	7.8	▲ 7.8%	▲ 18.9%
Exceptional Items	-	(0.1)*	NM	NM
Group PATMI	8.4	7.7	▲ 9.1%	▲ 20.4%
EPS (US cents)				
- Including Exceptional Items	1.38	1.27	9.1%	
- Excluding Exceptional Items	1.38	1.28	7.8%	
ROE				
- Including Exceptional Items	13.6%	(1.8%)**		
- Excluding Exceptional Items	13.6%	5.7%**		

* These related to costs incurred pertaining to the dispute with Barry Callebaut.

** Relates to FY2015 audited figures.

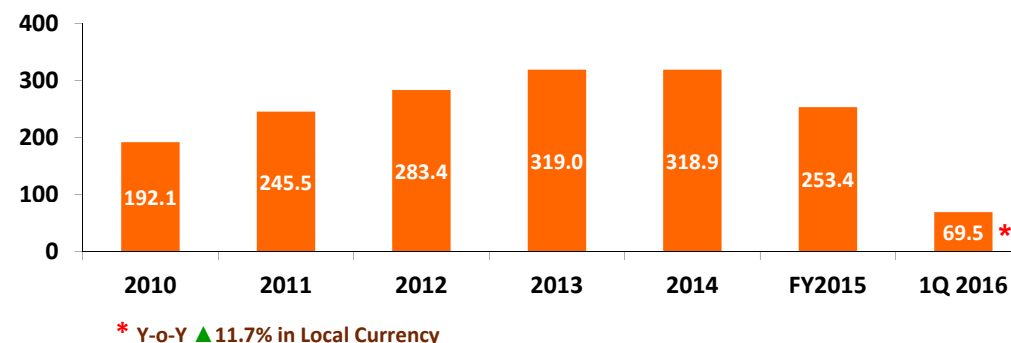
Financial Highlights (cont'd)

Group Revenue (In US\$ Million)



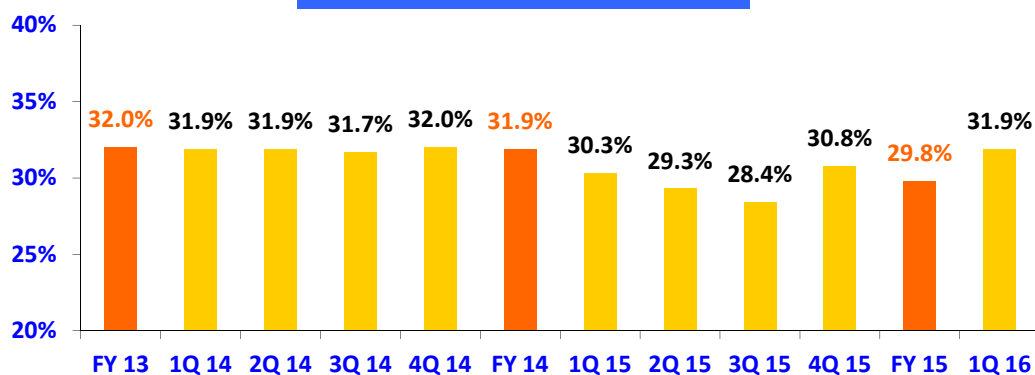
- Strong position in Indonesia complemented by a growing regional footprint

Strong Own Brands Revenue Growth (In US\$ Million)



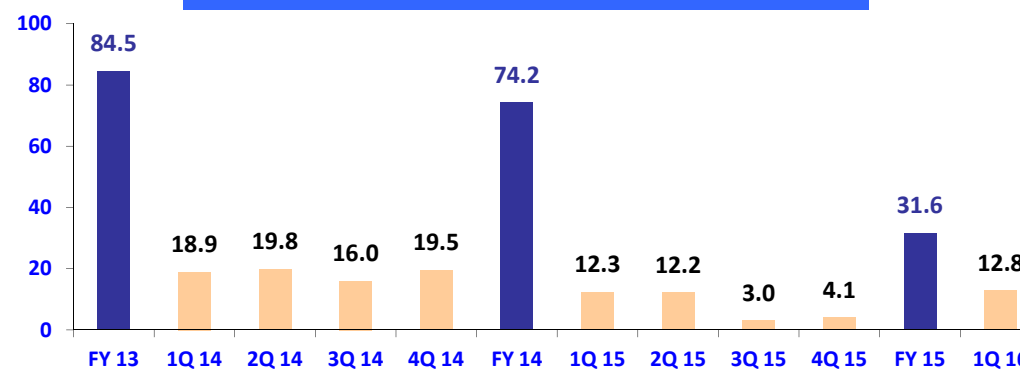
- Strong growth driven by our market-leading brands in fast growing categories; our strong innovation culture and efficient route-to-market

Gross Profit Margin Trends



- Higher 1Q 2016 margin reflected pricing adjustments in 3Q 2015 and our on-going containment initiatives

Operating Profit Performance (In US\$ Million)



- Higher 1Q 2016 Y-o-Y performance reflected the higher margins achieved

Balance Sheet & Cash Flow Analysis

Balance Sheet Analysis (Figures are at period end)

(In US\$ Million)	31 Mar 2016	31 Dec 2015	Comments
Cash and Cash Equivalents	122.5	119.5	■ Increase due to positive cash flow.
Trade Receivables	64.2	56.3	■ Due to seasonal sales in March 2016 for Lebaran festivities.
Inventories	57.9	59.6	■ Tighter inventory management in light of uncertain economic conditions.
Other Assets	30.1	27.8	
Fixed Assets, Intangible Assets & Investments	129.4	124.4	■ Capital expenditure of US\$2.0 million on most critical and immediately income generating projects.
Total Assets	404.1	387.6	■ Strengthening of regional currencies against USD resulted in higher translated amount in USD.
Trade Payables	28.8	25.9	
Other Liabilities	46.6	44.8	
Total Borrowings	72.5	74.7	■ Reduced borrowings.
Working Capital Facilities/Trade Finance	32.0	24.8	
Term Loan	37.6	45.9	
Lease Liabilities	2.9	4.0	
Total Equity	256.2	242.2	■ Proposed capital reduction and cash distribution of US\$60.0 million is now pending High Court of Singapore approval.
Key Ratios			
Current Ratio	2.27	2.23	
Return on Equity			
- Including Exceptional Items	13.6%	(1.8%)*	
- Excluding Exceptional Items	13.6%	5.7%*	
Inventory Days	76	85	} ■ Reflected tighter working management in view of economic uncertainties.
Receivables Days	53	62	
Payable Days	35	37	

* Relates to FY2015 audited figures.

Cash Flow Applications

(In US\$ Million)		31 Mar 2016
EBITDA		14.3
Changes in Operating Cash Flow		
Decrease in Working Capital		(1.6)
Tax Expense paid		(3.4)
Interest Expense paid		(1.1)
Operating Cash Flow		8.2
Capex, Patents & Trademarks, Net of Proceeds		(2.0)
Interest Income received		0.5
Free Cash Flow		6.7
Repayment of Borrowings		(9.0)
Proceeds from Working Capital Financing		5.3
Net Cash Movement		3.0

Thank You

