



2nd Half and Full Year 2021
Financial Results
(unaudited)

22 February 2022



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 Half and Full Year ended 31 December 2021”.

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FY2021 Highlights

- **FY2021 Revenue of US\$405.1 million achieved** (▲ 5.2% Y-o-Y)
- **Gross Profit Margin of 29.5%** (▲ 90 basis points)
 - Fuller margins for our products and higher contribution from Premium brands in sales mix
- **EBITDA US\$58.1 million** ▲ 32.4% Y-o-Y
 - Excluding non-recurring items, EBITDA was US\$54.0 million ▲ 23.0% Y-o-Y
- **PATMI (as reported) US\$29.3 million** ▲ 67.5% Y-o-Y
 - Excluding non-recurring items, PATMI was US\$26.0 million ▲ 48.9% Y-o-Y
- **ROE (annualised) 12.6%** ▲ 4.9% pt
- **Free Cash Flow of US\$74.5 million generated, higher Y-o-Y by US\$35.8 million**
 - Higher profitability, our tight management of costs, collections and capital spending the key drivers
 - The higher cash flow generated was deployed to reduce our borrowings by US\$38.7 million

2H and FY2021 Overview

- **For 2021, we achieved 2H and Full Year PATMI (including non-recurring items) of US\$17.0 million (Y-o-Y growth of >100%) and US\$29.3 million (Y-o-Y growth of 67.5%) respectively**
 - Excluding the non-recurring items, profit growth from our core business was still strong. 2H 2021 and FY2021 PATMI growth would have been 111% and 49% respectively
- **Our improved 2021 business performance can be attributed to: Higher revenue driven by our Own Brands and Agency Brands portfolio, higher gross profit margins achieved, tight control of operating expenses and lower finance costs**
- **During the year, besides our new product initiatives encompassing packaging rejuvenation and launching of “Better-for-You” product lines, we continued working with our retail customers to capture the trend of consumer shopping closer to home**

2H and FY2021 Overview (cont'd)

- **The Group's cash balance of US\$86.2 million at end-2021 was higher compared to US\$65.5 million at end-2020. With our strong Balance Sheet, we are well placed to face the uncertainties going forward**

- ❖ **Final Dividend of 1.08 US cents/share and Special Dividend of 0.48 US cents/share proposed, and together with interim dividend of 1.27 US cents paid, total dividends for FY2021 will be 2.83 US cents**
 - This comprises Normal Dividends of 2.35 US cents/share (2020: 2.35 US cents/share) and Special Dividend of 0.48 US cents/share
 - Payable on 13 May 2022, if approved by shareholders

Looking Forward

- **Looking ahead, the operating environment is expected to be better compared to 2021 with the opening up of economies as the COVID situation improves. However, there are still uncertainties and challenges, for instance, political uncertainties, inflation, currency volatility, and supply chain bottlenecks**

- **Notwithstanding these uncertainties, we remain steadfastly focused on executing our strategic growth initiatives in the following areas:**
 - a. *Focus on core strategic products and drive further growth of our premium format category in the Modern Trade and launch new products to capture “Better-for-You” trends*
 - Our key focus on the Gen-Z and Millennials remains and we will continue to focus on flavours and packaging design that would appeal to these consumers

 - b. *Strengthen distribution and our route-to-market for our Modern Trade and General Trade businesses*
 - Strengthen our relationships with the Modern Trade retailers via better management of stock levels and explore more efficient and effective promotions to generate sales growth
 - For General Trade, we will increase collaboration with our regional distributors and strengthen our field team to drive penetration and increase sales of our products

 - c. *Tightly manage our operating costs, collections and capital spending*
 - We expect working capital requirements to increase in line with the growth of our business, but will continue to be vigilant and tightly manage it
 - Plans are in place to manage the anticipated cost increases in 2022 through product resizing and/or price adjustments

- **With our strong Balance Sheet and strategy in place, we can, barring unforeseen circumstances, look forward to a better performance in 2022**

Appendices

Group Financial Highlights

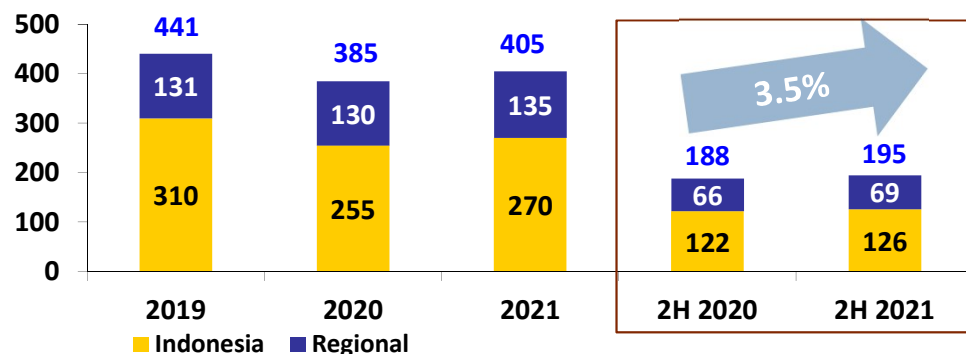
Our 2H and FY2021 Performance in greater detail

(In US\$ Million)	2H 2021	2H 2020	Y-o-Y change	Local Currency Performance (Y-o-Y change)	FY2021	FY2020	Y-o-Y change	Local Currency Performance (Y-o-Y change)
Revenue	194.6	188.0	▲ 3.5%	▲ 3.1%	405.1	385.1	▲ 5.2%	▲ 3.3%
Indonesia	126.2	121.9	▲ 3.5%	▲ 2.4%	270.2	255.2	▲ 5.9%	▲ 3.9%
Regional Markets	68.4	66.1	▲ 3.6%	▲ 4.3%	134.9	129.9	▲ 3.9%	▲ 2.2%
Gross Profit (GP)	58.7	50.6	▲ 16.1%	▲ 15.6%	119.7	110.1	▲ 8.7%	▲ 6.8%
GP Margin*	30.2%	26.9%	▲ 3.3% pt	▲ 3.3% pt	29.5%	28.6%	▲ 0.9% pt	▲ 0.9% pt
EBITDA	31.6	18.3	▲ 72.7%	▲ 70.5%	58.1	43.9	▲ 32.4%	▲ 29.5%
EBITDA Margin	16.3%	9.7%	▲ 6.6% pt	▲ 6.6% pt	14.3%	11.4%	▲ 2.9% pt	▲ 2.9% pt
PATMI (excluding non-recurring items)	14.0	6.7	▲ 111.0%	▲ 107.3%	26.0	17.5	▲ 48.9%	▲ 44.6%
PATMI (including non-recurring items)	17.0	6.7	▲ 155.0%	▲ 150.5%	29.3	17.5	▲ 67.5%	▲ 62.8%

* See page 12 for further details.

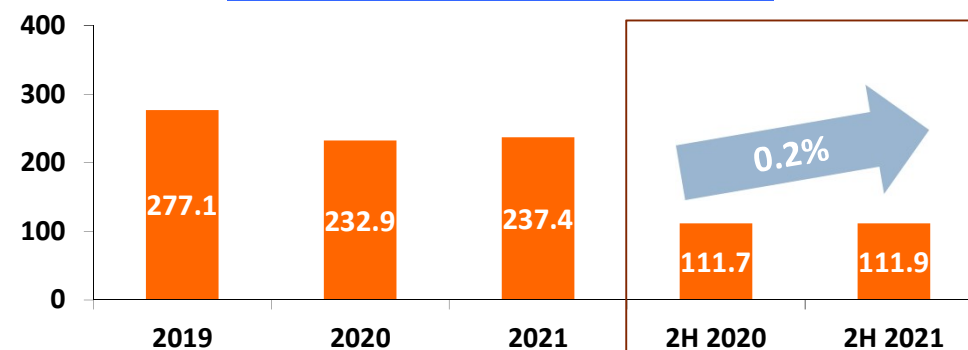
Group Financial Highlights

Group Revenue (In US\$ Million)



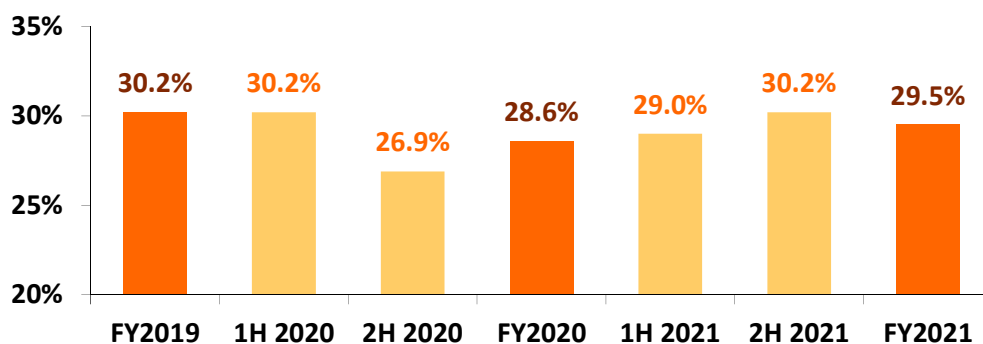
- FY2021 performance was better compared to 2020, when lockdowns were significantly stricter
- 2H 2021 partially impacted due to rising infection in 3Q 2021, with 4Q 2021 Revenue up by 24% Q-o-Q as lockdowns eased

Own Brands Revenue (In US\$ Million)



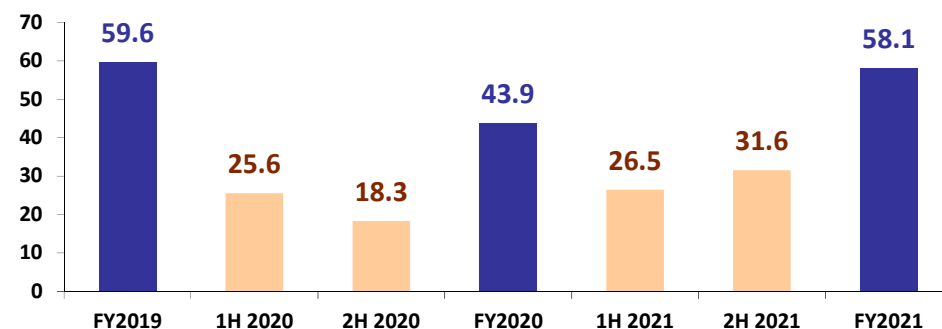
- FY2021 performance improved over FY2020 driven by Indonesia, while Regional Markets were affected by Philippines due to persistent lockdowns

Gross Profit Margin Trends



- Gross margin improved on better margins for our products, higher contribution from Premium brands in sales mix

EBITDA (In US\$ Million)



- FY2021 EBITDA a result of higher sales, better gross margins and operating leverage
- 4Q 2021 had non-recurring item relating to employee retirement defined benefit obligations amounting to US\$3.8 million

Balance Sheet & Cash Flow Analysis

Balance Sheet Analysis (Figures are at period end)

(In US\$ Million)	31 Dec 2021	31 Dec 2020	Comments
Cash and Cash Equivalents	86.2	65.5	▪ Increase from higher cash flow generated.
Trade Receivables	69.0	81.7	▪ Lower trade receivables due to tighter credit management and faster collections
Inventories	64.8	76.8	▪ Lower inventory on tighter management.
Other Assets	25.5	27.9	
Fixed Assets, Intangible Assets & Investments	118.4	130.5	▪ Capex limited to essential programmes given uncertain outlook, reduction mainly due to depreciation.
Total Assets	363.9	382.4	
Trade Payables	38.0	29.9	▪ In line with higher sales and costs compared to FY2020
Other Liabilities	76.5	78.1	
Total Borrowings	10.1	48.7	▪ Reduction due to repayment of borrowings.
Working Capital Facilities/Trade Finance	6.1	12.2	
Term Loan	4.0	36.5	
Total Equity	239.3	225.7	
Key Ratios			
Current Ratio	2.15	1.75 *	
Return on Equity	12.6%	7.7%	
Inventory Days	91	109	} The improvement in ratios is a result of our tight management of collections amid the uncertain outlook due to the pandemic
Receivables Days	68	81	
Payable Days	43	44	

* Relates to FY2020 audited figures.

Cash Flow Applications

- ❖ **We tightened our cash flow management through watching closely our costs, collections and capital spending**

(In US\$ Million)	31 Dec 2021
EBITDA	58.1
Changes in Operating Cash Flow	
Decrease in Working Capital	29.3
Tax Expense Paid	(10.7)
Interest Income Received	0.6
Operating Cash Flow	77.3
Capital Expenditure	(2.8)
Free Cash Flow	74.5
Other Investing Activities	2.5
Financing Activities:	
Repayment of Borrowings, Net of Proceeds	(39.3)
Repayment of Working Capital Financing	(1.5)
Interest Expense Paid	(1.1)
Repayment to Minority Shareholder	(0.1)
Dividend Payment	(14.3)
Net Cash Movement	20.7

Thank You
