

FOR IMMEDIATE RELEASE

Delfi's growth momentum continues with strong increase in 1H 2023 sales and earnings

- *Attributes solid performance to robust consumer demand in key markets and the strength of its Own Brands, which are supported by a compelling portfolio of complementary Agency Brands and an extensive distribution network.*
- *Declares interim cash dividend of 2.06 US cents (2.73 Singapore cents) per ordinary share representing a dividend payout ratio of 50% of 1H 2023's PATMI.*

Financial Highlights (US\$ Million)	6 months ended 30 June		
	1H 2023	1H 2022	Change (%)
Total Revenue	286.2	246.3	16.2
- Indonesia	190.1	167.2	13.7
- Regional Markets	96.1	79.1	21.5
Gross Profit Margin (%)	30.0	29.4	0.6% pt
EBITDA	40.0	34.6	15.6
PATMI	25.2	19.4	30.1

SINGAPORE - 7 August 2023 - SGX Mainboard-listed chocolate confectionery company, Delfi Limited (“Delfi”, the “Company” or together with its subsidiaries, the “Group”) has achieved a strong performance for the six months ended 30 June 2023 (“1H 2023”) with growth in both top and bottom lines as compared to the corresponding six months in 2022 (“1H 2022”).

Continuing on its recent growth trajectory, the Group’s PATMI increased 30.1% Year-on-Year (“Y-o-Y”) to US\$25.2 million in 1H 2023 while EBITDA came in 15.6% higher at US\$40.0 million. The improved earnings was on the back of increased sales which expanded 16.2% Y-o-Y to US\$286.2 million during the period under review.

Delfi attributed the strong showing to several factors. In recent years, the Group has made significant investments in R&D to build up its Own Brands portfolio including introducing brand extensions and new items targeted at Gen-Zs and Millennials as well as a healthier range targeted at more health-conscious consumers. The Group also continued to manage a compelling range of Agency Brands to complement its Own Brands. Both segments are supported by an extensive network of distribution channels comprising both the Modern Trade and Traditional Trade.

Delfi's efforts culminated in higher sales from both its Own Brands and Agency Brands segments across all its markets, particularly in the premium category which contributed to the 0.6 percentage point uptick in gross profit margin to 30.0% in 1H 2023.

By business segment, the Group's Own Brands contributed US\$168.1 million to total revenue in 1H 2023 (1H 2022: US\$150.9 million) while Agency Brands contributed US\$118.1 million (1H 2022: US\$95.4 million).

By geographical segment, Indonesia continued to be the main revenue contributor in 1H 2023, pulling in US\$190.1 million in sales (1H 2022: US\$167.2 million) driven mainly by broad based growth in Own Brands especially its premium brands of *SilverQueen* and *Delfi Premium*. In the Regional Markets, revenue grew 21.5% Y-o-Y to US\$96.1 million led by demand for Agency Brands in Malaysia particularly in the confectionery and healthcare categories, combined with the contribution from the recently added Lee Kum Kee sauce products that were added to our portfolio of Agency Brands during the 2H 2022.

Mr John Chuang, Delfi's Chief Executive Officer, said: *"We are very encouraged by the growth momentum that has continued from FY2022¹. At mid-year, our 1H 2023 results are better than what we achieved in 1H 2022, so barring unforeseen circumstances and macroeconomic headwinds, we are optimistic about our performance for the full financial year.*

"Our premium products, with higher margins, continue to perform well. I am also pleased to report that our new products, for example our 7+ and Van Houten Vegan series, are performing well since launch".

¹ Financial year ended 31 December 2022.

After paying dividends of US\$16.6 million in May 2023, the Group's cash and cash equivalents stood at US\$73.2 million as at 30 June 2023, putting it in a healthy financial position to face uncertainties that may emerge.

With the good results in the first six months of the year, the Group has declared an interim cash dividend of 2.73 Singapore cents per ordinary share for 1H 2023 (1H 2022: 2.18 Singapore cents per ordinary share). This represents a pay-out ratio of 50% of the PATMI achieved in 1H 2023.

BUSINESS OUTLOOK

Looking ahead, Delfi is confident that it will be able to expect better performance for the year in 2023 compared to 2022's performance.

The Group intends to continue enlarging its core strategic products and drive further growth from its premium brand categories, while putting in ongoing efforts to strengthen its distribution capabilities. At the same time, it will prudently manage its costs and maintain a healthy financial position to support business growth.

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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 bagged 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.

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