



1st Half 2023 Financial Results

(unaudited)

7 August 2023

● ● Important Note on Forward-Looking Statements



The presentation herein may contain certain 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 “Condensed Financial Statements and Dividend Announcement for the 1st Half ended 30 June 2023”.

● ● Scope of Briefing



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● ● 1H 2023 Overview



- **The Group maintained its growth momentum as the release of pent-up demand in our key markets continued into 2023 and resulted in strong sales and profitability growth in 1H 2023 across all our markets**
 - Our strong performance reflects the strength of our Own Brands supported by our compelling portfolio of Agency Brands
- **We achieved robust Revenue growth of 16.2% to US\$286.2 million for 1H 2023, resulting in PATMI of US\$25.2 million vs. US\$19.4 million over the same period last year (Y-o-Y ▲ 30.1%), driven mainly by:**
 - GPM of 30.0% (Y-o-Y ▲ 60 bps), from strong sales, improved sales mix and pricing actions to help mitigate cost increases in ingredients
 - Improved EBITDA to US\$40.0 million (Y-o-Y ▲ 15.6%), despite higher selling & distribution costs and higher advertising & promotion expenses
 - In constant currency terms, our performance would have been higher than our reported performance
- **Our focus on core strategic products in 1H 2023 drove strong sales growth of our premium products and our continued control on operating costs supported our higher margin**
- **Own Brands and Agency Brands both performed strongly in 1H 2023, registering growth of 11.4% and 23.8% respectively**
 - Performance in Own Brands was driven by strong growth in both Indonesia and Philippines
 - Growth in Agency Brands was especially strong in Malaysia

● ● 1H 2023 Overview (cont'd)

- **We continued developing new products in the healthier snacking category and remained focused on offering more flavour options to Gen-Z and Millennials with plans to use more packaging designs that appeal directly to them**
- **Higher profit and tighter control on costs, collections and capital spending helped drive net cash generated from operations of US\$23.5 million**
 - Even with higher sales growth, we were able to keep tight control on Trade Receivables and Inventories
 - The Group cash position as at 30 June 2023 stood at US\$73.2 million, after dividend payment of US\$16.6 million and capital expenditure and advances for purchase of property, plant and equipment of US\$13.6 million
- **We remain mindful of challenges in the current macro environment including those from prolonged geo-political tensions, currency changes, supply chain bottlenecks and possible inflationary pressures in Indonesia and the Philippines**
 - To cushion these challenges, we continue to carefully manage our inventory levels, operating costs, collections and capital spending
- ❖ **Interim Dividend of 2.06 US cents (2.73 Singapore cents) per share declared (higher Y-o-Y by 30.4%). This will be payable 7 September 2023**

● ● 1H 2023 Highlights

- **1H 2023 Revenue of US\$286.2 million achieved** (▲ 16.2% Y-o-Y)
- **Gross Profit Margin of 30.0%** (▲ 60 basis points Y-o-Y)
- **EBITDA** **US\$40.0 million** (▲ 15.6% Y-o-Y)
 - Reflects higher net sales and improved GPM, partially off-set by higher S&D and A&P
- **PATMI** **US\$25.2 million** (▲ 30.1% Y-o-Y)
- **ROE (annualised)** **19.8%** (▲ 3.6% pt Y-o-Y)
- **Net cash generated by operations of US\$23.5 million**
- **Interim Dividend of 2.06 US cents (2.73 Singapore cents) declared (50% payout ratio)**

● ● Looking Forward



- Looking ahead to the rest of 2023, it remains unclear what impact current prolonged geopolitical tensions, stabilising but still high interest rates, continued pressures on supply chains, high commodity prices, and pronounced economic and political pressures on many lesser developed economies might have on the global economy and potentially on Southeast Asia's economies
- However, with most economic reports forecasting continued economic growth in 2023 for Indonesia and other parts of Southeast Asia, we expect positive momentum to carry through for the rest of 2023 in our key markets. We expect to benefit from the continued growth this year in consumer demand by remaining focused on executing our growth strategies that support our core brands, and drive growth in both our Own Brands and Agency Brands
- Despite the uncertainties lingering in the global macro-economic environment, we believe that our iconic brands, strong culture of innovation, focused strategies on our premium and value products and new products; and the extensive scope of our distribution network, combined with our strong Balance Sheet, tight control of costs, management of working capital and healthy Cash Flow generation, position us to confidently face any uncertainties that may lie ahead

Appendices



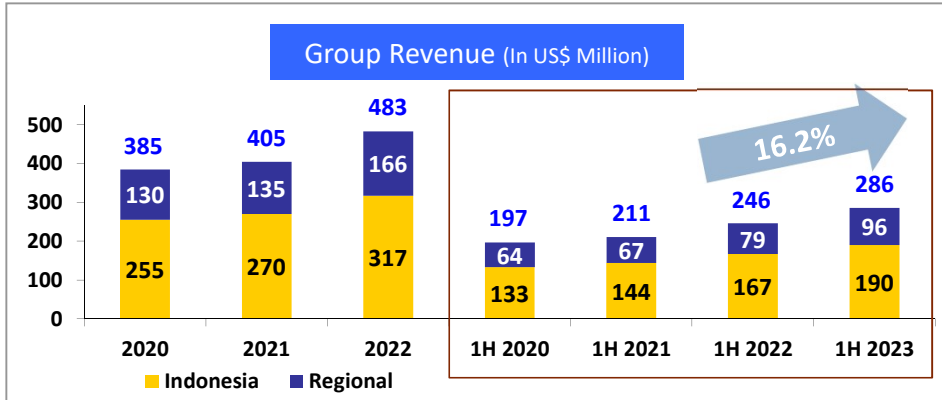
Group Financial Highlights

●● 1H 2023 Performance (in detail)

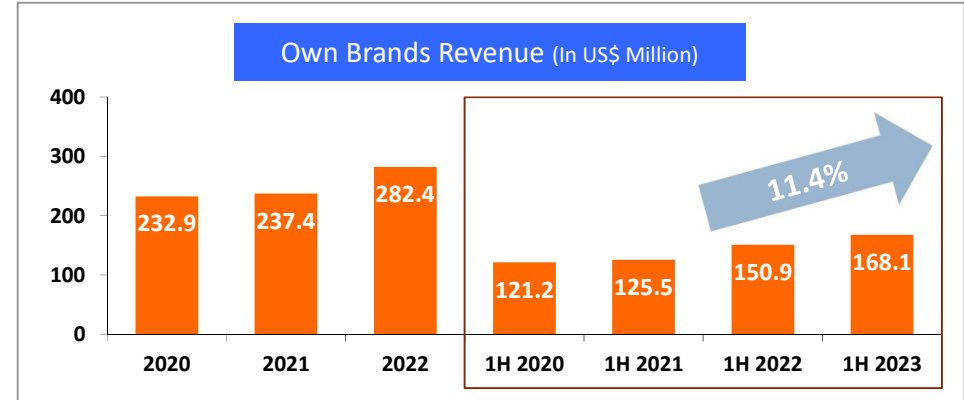


(In US\$ Million)	1H 2023	1H 2022	Y-o-Y Change	Local Currency Performance (Y-o-Y change)
Revenue	286.2	246.3	▲ 16.2%	▲ 22.2%
Indonesia	190.1	167.2	▲ 13.7%	▲ 19.6%
Regional Markets	96.1	79.1	▲ 21.5%	▲ 27.8%
Gross Profit (GP)	85.9	72.5	▲ 18.5%	▲ 24.7%
GP Margin	30.0%	29.4%	▲ 0.6% pt	▲ 0.6% pt
EBITDA	40.0	34.6	▲ 15.6%	▲ 22.4%
EBITDA Margin	14.0%	14.0%	-	-
PATMI	25.2	19.4	▲ 30.1%	▲ 38.2%

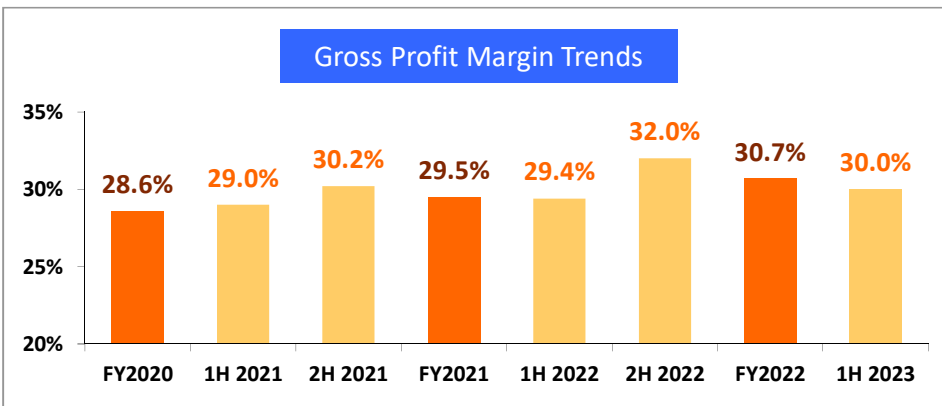
●● Group Financial Highlights



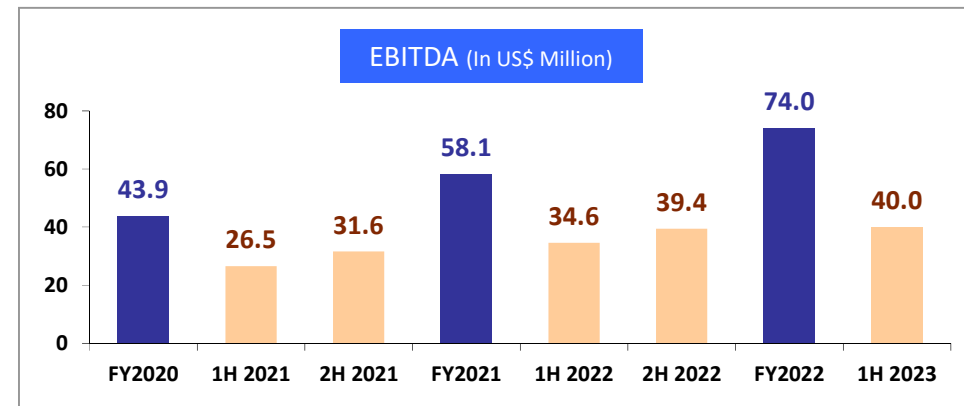
- 1H 2023 performance was better compared to 2022 as economies in our key markets remained buoyant
- 1H 2023 revenues higher Y-o-Y by 16.2% driven by strong performance in both Own Brands and Agency Brands



- Own Brands performance improved in 1H 2023 vs 1H 2022, driven by strong contribution from Indonesia and the Philippines



- Gross margin improved in 1H 2023 by 60 basis point vs 1H 2022 from strong sales, improved sales mix combined with pricing actions to help mitigate increases in ingredients costs



- 1H 2023 EBITDA up by 15.6% Y-o-Y on strong sales growth, higher Gross Margin and tight control of operating and administrative costs

Balance Sheet & Cash Flow Analysis

●● Balance Sheet Analysis (Figures are at period end)



(In US\$ Million)	30 Jun 2023	31 Dec 2022	Comments
Cash and Cash Equivalents	73.2	77.1	
Trade Receivables	76.0	71.2	<ul style="list-style-type: none"> Although trade receivables were higher in line with business growth, tight management limited the increase
Inventories	98.0	115.5	<ul style="list-style-type: none"> Reduced inventory mainly from strong sales off-take in 1Q 2023 high season and on tighter control in Indonesia
Other Assets	36.5	29.1	
Fixed Assets, Intangible Assets & Investments	111.1	102.2	<ul style="list-style-type: none"> Although higher capital expenditure than past three years, there was a conservative increase as we assess timing to increase capacity to meet expected stronger demand
Total Assets	394.8	395.1	
Trade Payables	27.4	49.7	<ul style="list-style-type: none"> In line with lower inventories
Other Liabilities	81.5	80.2	
Total Borrowings	24.1	19.0	<ul style="list-style-type: none"> Higher due to more trade finance facilities to fund working capital requirements
Working Capital Facilities/Trade Finance	22.5	14.4	
Term Loan	1.6	4.6	
Total Equity	261.8	246.2	
Key Ratios			
Current Ratio	2.33	2.10	
Return on Equity	19.8%	18.1% *	
Inventory Days	97	98	} The improvement is attributed to continued control of collections and inventory management
Receivables Days	47	53	
Payable Days	35	48	

* Relates to FY2022 audited figures.

● ● Cash Flow Applications



- ❖ While continuing to achieve strong growth, we have maintained tight control of cash flow management through strong cost controls, focused collections management and disciplined capital spending

(In US\$ Million)	30 Jun 2023
EBITDA	40.0
Changes in Operating Cash Flow	
Increase in Working Capital	(4.8)
Income Tax Paid	(13.2)
Interest Income Received	1.5
Operating Cash Flow	23.5
Capital Expenditure	(9.3)
Other Investing Activities	(4.3)
Free Cash Flow	9.9
Financing Activities:	
Proceeds from Borrowings, Net of Repayment	5.3
Repayment of Working Capital Financing	(1.9)
Interest Expense Paid	(0.6)
Dividend Payment	(16.6)
Net Cash Movement	(3.9)



Thank You