Delfi LIMITED
Company Registration No.: 198403096C

FOR IMMEDIATE RELEASE

Delfi reports earnings of US$10.8 million despite challenging environment

- *Decline in consumer mobility and retail operations brought about by the COVID-19 pandemic resulted in lower sales in 1H 2020*
- *Generated strong cashflow and remains financially stable with a healthy cash balance of US$68.7 million as at 30 June 2020*
- *Declares interim cash dividend of 1.76 Singapore cents per ordinary share to be paid on 7 September 2020*

Financial Highlights (US$ Million)	6 months ended 30 June		
	1H 2020	1H 2019	Change (%)
Indonesia	**145.6**	175.2	(16.9)
Regional Markets	**65.8**	65.4	0.6
Total Revenue	**211.4**	**240.6**	**(12.1)**
Gross Profit Margin	**36.3%**	36.0%	0.3% pt
EBITDA	**25.6**	31.4	(18.7)
PATMI	**10.8**	15.4	(29.6)

SINGAPORE - **11 August 2020** - Mainboard-listed chocolate confectionery company, Delfi Limited ("**Delfi**", the "**Company**" or together with its subsidiaries, the "**Group**"), reported EDITDA of US$25.6 million and PATMI of US$10.8 million for the six months ended 30 June 2020 ("**1H 2020**").

The weaker earnings performance was on the back of lower sales, lower Y-o-Y by 12.1% as a direct impact of lockdown measures imposed within the Group's markets to contain the spread of COVID-19. In varying degrees, these large-scale social restriction measures curtailed consumer mobility and affected the operations of our retail customers. For our Modern Trade customers, the impact was from the perspective of shorter operating hours and even the temporary closure of some retail malls. Likewise, the Group's General Trade customers were also affected by the temporary closures of many wholesalers and distributors during this period.

At the height of lockdown measures in our key markets, specifically in the months of April and May 2020, our sales were substantially lower compared to the same period in 2019. This was partially mitigated by significant growth in the sales of certain product categories such as spreads and baking products as people cooked and ate more at home.

Sales in 1Q 2020 were largely unaffected and showed a modest Y-o-Y growth. Sales in the Group's market in Indonesia were lower 16.9% Y-o-Y to US$145.6 million in 1H 2020, while its Regional markets managed a modest 0.6% growth due to higher sales in Malaysia and the strong performance of the Van Houten brand, which alone contributed US$3.0 million in revenue from these markets.

Mr John Chuang, Delfi's Chief Executive Officer, said: *"The global COVID-19 pandemic has brought about significant changes as well as new challenges. On our part, we immediately took comprehensive measures to protect the safety of our people which was our foremost priority.*

And it is thanks to the tireless dedication of all the Delfi team that we were able to maintain operations as smoothly as possible during these challenging times in order to meet the requirements of our customers.

Since June 2020, these restrictions are gradually being eased in our regional markets and we are pleased that sales are starting to pick up from the height of the lockdowns, although not back to pre-COVID 19 levels. We have observed the emergence of new trends during these unprecedented times, including increase in demand for products that are seen to improve consumer health. We plan to speed up innovation to capture these growth opportunities."

Despite the lower profit, the Group generated strong Free Cash Flow in 1H 2020 of US$25.7 million as we tightened our cash flow management through watching closely our costs, collections and capital spending. Our Free Cash Flow generated was higher by US$6.7 million compared to the same period last year. In addition, the Group's cash balance of US$68.7 million at 30 June 2020 is more than adequate to support the Group's foreseeable near-term business and investment needs.

As at 30 June 2020, the Group's earnings per share and net asset value per share was at 1.77 US cents and 36.7 US cent respectively (as at 30 June 2019: 2.51 US cents and 37.2 US cents respectively).

The Group has declared an interim cash dividend in US dollars that is the same as for 1H 2019. In Singapore dollars, this is 1.76 Singapore cents per ordinary share for 1H 2020, which is 1.7% higher than the 1.73 Singapore cents per share declared in 1H 2019. This represents a payout ratio of 71.7% of the PATMI achieved in 1H 2020.

BUSINESS OUTLOOK

The macroeconomic and operating environments in our regional markets are likely to remain challenging, but the recent easing of controls on large scale social movement and the resumption of many businesses have been positive for the local economies. The regional currencies, especially the IDR against the USD, are however expected to remain volatile.

Since the lifting of the lockdowns, there is increased consumer mobility and we are already seeing signs of recovery in June, although not yet back to pre-COVID 19 levels. Given the continued volatility and uncertainty from the COVID-19 pandemic, it is too early to project what our full year results might be.

Going forward, we will continue to monitor the situation closely and prioritise our resources, including financial resources, on tacking further challenges brought about by the COVID-19 pandemic.

More significantly, with the solid foundation (the strength of our leading brands, our strong innovation culture and strong distribution) that the Group is built on coupled with our strong Balance Sheet and Cash Flow generation, we believe we are well placed to tackle the uncertainties ahead. We believe we can overcome this economic downturn and emerge stronger post recovery.

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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 begged 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.

***Issued by August Consulting on behalf of* Delfi Limited**

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