

3rd Quarter & 9-Month 2016
Financial Results
(unaudited)

9 November 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 3rd Quarter and 9-Month ended 30 September 2016”.

Scope of Briefing

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9M 2016 Highlights

❖ Strong profit growth achieved despite continuing economic uncertainties and weakness in regional currencies:

PATMI	US\$22.5 million	▲ 55.1% in US\$ terms (▲ 60.4% constant currency terms)
EBITDA	US\$38.1 million	▲ 19.0% in US\$ terms (▲ 22.7% constant currency terms)
Revenue	US\$296.5 million	▼ 3.1% in US\$ terms (▲ 0.4% constant currency terms)

- Growth driven mainly by business in Indonesia (Revenue ▲ 3.6% constant currency terms) on trade customers replenishing their supply pipeline; and increased consumer spending
- Own Brands sales growth of 4.4% (in constant currency terms) achieved despite initiative to rationalize underperforming products with marginal contributions in Indonesia and the Philippines
 - This initiative is part of our on-going initiatives to streamline our Own Brands portfolio to focus on the core profit generators

9M 2016 Highlights (cont'd)

- Continued margin improvement - Y-o-Y GP Margin ▲ 4.0% pt and EBITDA margin ▲ 2.3% pt - Reflecting pricing adjustments and product resizing implemented; higher sales of premium Own Brands products; rationalization of Own Brands portfolio; and on-going cost containment initiatives
- We were able to balance the higher Gross Profit against investments in brand-building initiatives and to grow our distribution scale to deliver PATMI growth of 55.1% in US\$ terms (▲ 60.4% constant currency terms)
- ❖ **Annualized Group ROE of 13.5% achieved vs 5.7%* in FY2015 - Significant improvement driven by higher profitability achieved**
- ❖ **Free Cash Flow of US\$28.1 million generated on higher profitability achieved, tighter working capital management and reduced capital expenditure**

* Excludes Exceptional Items.

Our 3Q and 9M 2016 Performance in greater detail

(In US\$ Million)	3Q 2016	3Q 2015	Y-o-Y change	Local Currency Performance (Y-o-Y change)	9M 2016	9M 2015	Y-o-Y change	Local Currency Performance (Y-o-Y change)
Revenue	86.6	84.6	▲ 2.4%	▼ 0.7%	296.5	305.9	▼ 3.1%	▲ 0.4%
Indonesia	60.3	57.1	▲ 5.6%	▲ 0.3%	214.5	211.8	▲ 1.3%	▲ 3.6%
Regional Market	26.3	27.5	▼ 4.4%	▼ 2.8%	82.0	94.1	▼ 12.8%	▼ 6.6%
Gross Profit (GP)	30.7	24.0	▲ 27.9%	▲ 25.0%	99.2	90.0	▲ 10.2%	▲ 14.2%
GP Margin	35.5%	28.4%	▲ 7.1% pt	▲ 7.1% pt	33.4%	29.4%	▲ 4.0% pt	▲ 4.0% pt
EBITDA	9.4	4.3	▲ 120.2%	▲ 105.0%	38.1	32.0	▲ 19.0%	▲ 22.7%
EBITDA Margin	10.9%	5.1%	▲ 5.8% pt	▲ 5.4% pt	12.8%	10.5%	▲ 2.3% pt	▲ 2.3% pt
PATMI (Exclude Exceptional Items*)	5.9	(1.2)	NM	NM	22.5	14.5	▲ 55.1%	▲ 60.4%
PATMI (Include Exceptional Items*)	5.9	(20.7)	NM	NM	22.5	(5.5)	NM	NM

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

- ❖ **9M 2016 Own Brands Performance - Sales US\$190.9 million (▲4.4% in constant currency terms) growth driven mainly by Own Brands sales in Indonesia especially of premium products**
- ❖ **Agency Brands sales in Indonesia disrupted by increases in customs duties imposed on imported products in 2015, and by changes in regulatory standards. Our team is working with principals affected to successfully resolve the issues**
- ❖ **Lower 3Q and 9M 2016 sales in Regional Markets reflects our strategic initiatives - Closure of Singapore distribution business and rationalization of product portfolio in Philippines**
- ❖ **Profit growth achieved on higher Gross Profit Margin (▲4.0% pt) reflecting pricing adjustments for selected Own Brands products in 3Q 2015 and 2Q 2016; 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

Looking Forward

- Although we expect the challenging operating environment to persist in our core markets, we nevertheless remain cautiously optimistic about the prospects for the remainder of 2016
- Our focus is to drive sales growth, channel development and cost containment. Furthermore, our on-going strategy is to continually optimize 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

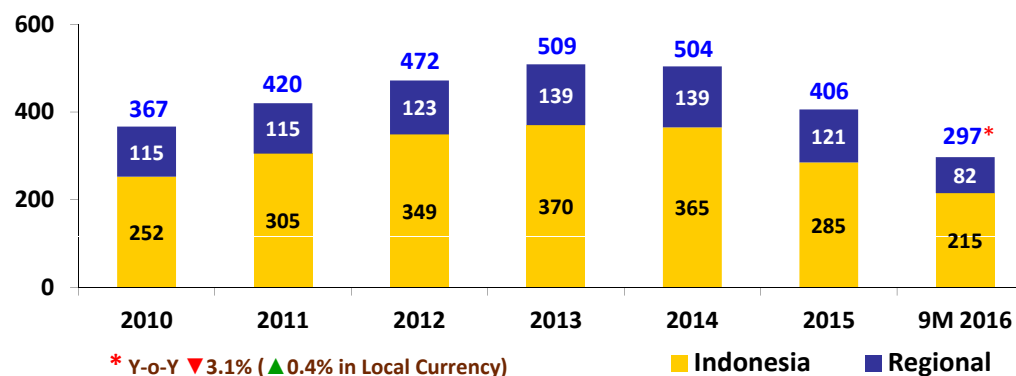
(In US\$ Million)	3Q 2016	3Q 2015	Y-o-Y Change	Local Currency Performance (Y-o-Y change)	9M 2016	9M 2015	Y-o-Y Change	Local Currency Performance (Y-o-Y change)
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- Indonesia	60.3	57.1	▲ 5.6%	▲ 0.3%	214.5	211.8	▲ 1.3%	▲ 3.6%
- Regional Market	26.3	27.5	▼ 4.4%	▼ 2.8%	82.0	94.1	▼ 12.8%	▼ 6.6%
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PATMI	5.9	(1.2)	NM	NM	22.5	14.5	▲ 55.1%	▲ 60.4%
Exceptional Items	-	(19.5)*	NM	NM	-	(20.0)*	NM	NM
Group PATMI	5.9	(20.7)	NM	NM	22.5	(5.5)	NM	NM
EPS (US cents)								
- Include Exceptional Items	0.97	(3.39)	NM		3.68	(0.90)	NM	
- Exclude Exceptional Items	0.97	(0.20)	NM		3.68	2.37	55.1%	
ROE (%)								
- Include Exceptional Items					13.5%	(1.8%)**	15.3% pt	
- Exclude Exceptional Items					13.5%	5.7%**	7.8% pt	

* Costs incurred pertaining to the dispute with Barry Callebaut.

** Relates to FY2015 audited figures.

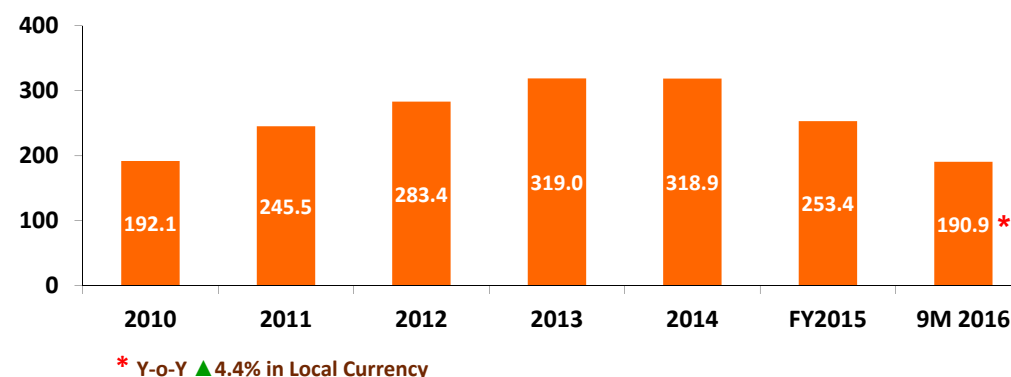
Financial Highlights (cont'd)

Group Revenue (In US\$ Million)



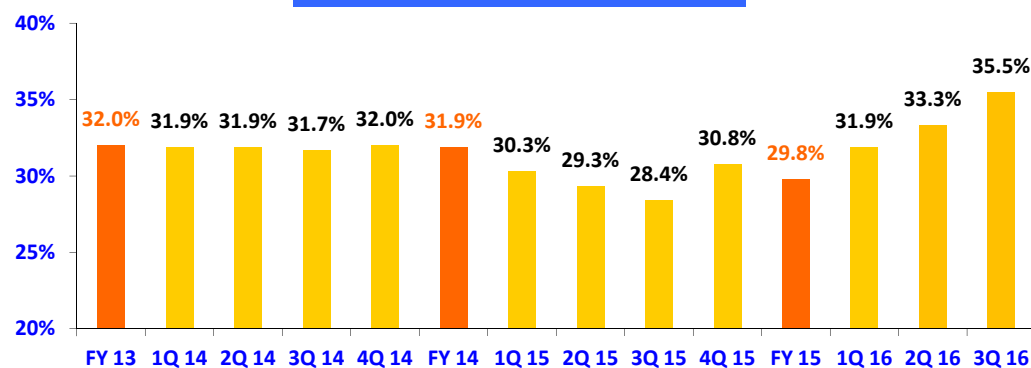
- Strong position in Indonesia complemented by a growing regional footprint

Own Brands Revenue (In US\$ Million)



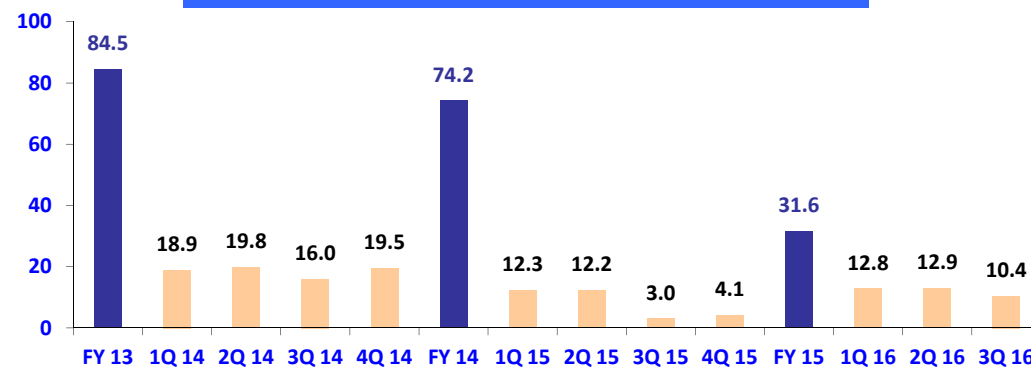
- Our market-leading brands are in growth categories. We have a strong innovation culture and efficient route-to-market structure

Gross Profit Margin Trends



- Higher 3Q 2016 margin reflected pricing adjustments in 3Q 2015 and 2Q 2016; higher sales of premium Own Brands products and our on-going containment initiatives

Operating Profit Performance (In US\$ Million)



- Higher 3Q 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)	30 Sep 2016	31 Dec 2015	Comments
Cash and Cash Equivalents	64.4	119.5	■ Reflects the capital reduction of US\$60.0 million.
Trade Receivables	54.7	56.3	
Inventories	53.7	59.6	■ Tighter working capital management in light of uncertain economic conditions.
Other Assets	29.0	27.8	
Fixed Assets, Intangible Assets & Investments	137.9	124.4	■ Capital expenditure of US\$12.5 million on most critical and immediately income generating projects.
Total Assets	339.7	387.6	
Trade Payables	25.8	25.9	
Other Liabilities	48.6	44.8	
Total Borrowings	61.7	74.7	■ Reduced borrowings with positive free cash flow generated.
Working Capital Facilities/Trade Finance	24.6	24.8	
Term Loan	35.3	45.9	
Lease Liabilities	1.8	4.0	
Total Equity	203.6	242.2	■ Reflects the Capital Reduction exercise.
Key Ratios			
Current Ratio	1.80	2.23	
Return on Equity			
- Include Exceptional Items	13.5%	(1.8%)*	
- Exclude Exceptional Items	13.5%	5.7%*	
Inventory Days	79	85	} ■ Tighter working capital management.
Receivables Days	51	62	
Payable Days	36	37	

* Relates to FY2015 audited figures.

Cash Flow Applications

(In US\$ Million)		30 Sep 2016
EBITDA		38.1
Changes in Operating Cash Flow		
Increase in Working Capital		10.9
Tax Expense paid		(9.2)
Interest Expense paid		(3.1)
Operating Cash Flow		36.7
Capex, Patents & Trademarks, Net of Proceeds		(12.3)
Interest Income received		3.7
Free Cash Flow		28.1
Capital Reduction		(60.0)
Repayment of Borrowings		(14.8)
Proceeds from Working Capital Financing		(0.1)
Interim Dividend Payment		(8.3)
Net Cash Movement		(55.1)

Thank You

