
**UPDATE ON THE GROUP'S FIRST QUARTER FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2023**

The Board of Directors and Management of Delfi Limited (the "Company" or the "Group") would like to take this opportunity to provide a brief update on the Group's performance for our first quarter this year ("1Q 2023").

The Group recorded strong Revenue growth and EBITDA performance in 1Q 2023, driven by robust growth in both Own Brands and Agency Brands, and across both Indonesia and our Regional markets. Year on year ("Y-o-Y") our 1Q 2023 sales were up 20.8% and our EBITDA up 24.5% as our team continued to capture higher consumer demand by driving growth of our core strategic products as the post-COVID recoveries in our key markets continued into 2023.

(US\$ Million)	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	Y-o-Y Change 1Q '23 vs 1Q '22
Revenue	133.1	113.2	112.0	124.7	160.8	20.8%
Indonesia	92.9	74.3	70.0	80.3	110.8	19.2%
Regional Markets*	40.2	38.9	42.0	44.4	50.0	24.5%
Gross Profit Margin	29.1%	29.2%	29.2%	32.8%	30.4%	1.3% pt
EBITDA	20.5	14.1	13.7	25.6	25.5	24.5%

* Note: Comprises Malaysia, the Philippines and Singapore.

Group Revenue for 1Q 2023 increased by 20.8% to US\$160.8 million from US\$133.1 million in 1Q 2022. Within this, Revenue for Own Brands improved by 17.6% Y-o-Y to US\$100.3 million and for Agency Brands by 26.7% Y-o-Y to US\$60.5 million. In Indonesia, our revenue growth was driven mainly by *SilverQueen* and *Delfi Premium* products. Our Regional Markets also performed well in 1Q 2023, achieving growth of 24.5% compared to the prior year period.

Our Gross Profit Margin ("GPM") in 1Q 2023 grew by 130 basis points Y-o-Y to 30.4%, against 29.1% in 2022, mainly due to a higher contribution from our Premium brands in our sales mix. Compared to 4Q 2022's GPM of 32.8%, the 1Q 2023 figure was lower due mostly to higher levels of trade promotions in 1Q 2023 to drive the strong sales growth and higher consumer demand for Valentine's Day and Lebaran.

The Group achieved 1Q 2023 EBITDA of US\$25.5 million, compared to US\$20.5 million in the corresponding period in 2022, due to increased revenue, high profitability and tight control of operating expenses. The EBITDA margin for 1Q 2023 reached 15.9%, an improvement over the EBITDA margin in 1Q 2022 of 15.4%, higher by 50 basis points.

On the back of the higher profit achieved, the Group generated strong operating cash flow of US\$25.4 million for the quarter ended 31 March 2023, most of which has helped increase our cash balance to US\$95.3 million. Some of the cash flow was used to fund capital expenditures of US\$9.3 million.

Although our trade receivables increased by US\$7.4 million during the period, inventory and trade payables reduced by US\$13.7 million and US\$14.7 million respectively.

Balance Sheet as at	31 Mar 2023	31 Dec 2022	Change in
	<u>US\$ Million</u>	<u>US\$ Million</u>	<u>US\$ Million</u>
Cash and Cash Equivalent	95.3	77.1	18.1
Working Capital	145.3	136.9	8.4
Property, Plant & Equipment and Intangible Assets	107.7	99.6	8.1
Total Assets	429.6	395.1	34.5
Borrowings	22.2	19.0	3.1
Shareholders' Equity	270.4	246.2	24.2
Current Ratio	2.14	2.10	
Average Inventory Days	89	98	
Average Receivable Days	42	53	
Average Payable Days	35	48	
	<u>31 Mar 23</u>	<u>31 Mar 2022</u>	
Free Cash Flow generated	19.8	24.9	(5.2)

Note: Working Capital is equal to Account Receivables plus Inventories less Accounts Payable.

Outlook

Looking ahead, it remains unclear how prolonged the continuing global economic uncertainties (i.e. rising interest rates, currency volatility, geopolitical tensions and lingering inflationary pressures) might be. Despite the difficulties caused by these uncertainties, the Group achieved a positive start to 2023 based on continued demand and consumer sentiment in our key markets that still continues from the post-COVID recovery. Currently, we expect this momentum to carry through for most of 2023 and we remain focused on executing growth strategies for our core brands, strengthening our distribution capabilities and supporting growth in our Regional Businesses so as to continue to benefit from this expected growth in consumer demand in our key markets.

With our strong Balance Sheet and effective product and distribution strategies in place, barring unforeseen circumstances, we look forward to a good performance in 2023.

By Order of the Board

Siau Kuei Lian
Company Secretary

16 May 2023