



2nd Half and Full Year 2022
Financial Results
(unaudited)

27 February 2023



L I M I T E D

Company Registration No.: 198403096C



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 2nd Half and Full Year ended 31 December 2022”.

Scope of Briefing

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FY2022 Highlights

- **FY2022 Revenue of US\$483.0 million achieved** (▲19.2% Y-o-Y)
 - Own Brands and Agency Brands growth of 19.0% and 19.6% achieved respectively

- **Gross Profit Margin of 30.7%** (▲120 basis points)
 - Fuller margins for our products and higher contribution from Premium brands in our sales mix

- **EBITDA** **US\$74.0 million** ▲27.2% Y-o-Y

- **PATMI (as reported)** **US\$43.9 million** ▲49.9% Y-o-Y
 - Results achieved surpassing 2019, which is essentially pre-COVID levels

- **ROE (annualised)** **18.1%** ▲5.5% pt

- **Strong Operating Cash Flow of US\$73.8 million generated which was utilized to fund higher working capital requirements**
 - The higher working capital, mainly inventory by US\$50.6 million, is in preparation for stronger 2023 sales

2H and FY2022 Overview

- **For 2022, we achieved 2H and Full Year PATMI of US\$24.5 million (Y-o-Y growth of 44.4%) and US\$43.9 million (Y-o-Y growth of 49.9%), respectively**
 - Excluding the non-recurring items in 2021, our PATMI growth from our core business in FY2022 would have been even higher at 68.7%

- **Our improved 2022 business performance can be attributed to: high growth in our Premium format segment, strong performance of both Own Brands and Agency Brands, higher gross profit margins and continued tight control of operating costs**

- **The strong performance was also driven by double-digit growth in our Premium brands in Indonesia, especially *SilverQueen* and *Cha Cha*, and continued focus on products designed for Millennials and Gen-Zs, particularly in the healthy snacking category**

- **The Group's Balance Sheet at end-2022 remains strong with a cash balance of US\$77.1 million, slightly lower compared to US\$86.2 million at end-2021**
 - With our strong Balance Sheet we are well placed to face uncertainties and take advantage of opportunities that may arise going forward

- ❖ **Proposed Final Dividend of 2.00 US cents/share and Special Dividend of 0.72 US cents/share proposed, and together with interim dividend of 1.58 US cents paid, total dividends for FY2022 will be 4.30 US cents**
 - This comprises Normal Dividend of 3.58 US cents/share (2021: 2.35 US cents/share) and Special Dividend of 0.72 US cents/share (2021: 0.48 US cents/share) - Increase of 51.9% Y-o-Y
 - Payable on 15 May 2023, if approved by shareholders at the AGM

- Looking ahead, it is unclear how prolonged economic uncertainties could weigh on consumers. Challenges remain from political uncertainty, currency volatility, higher interest rates and persistent inflation
- Despite these headwinds, we believe our strong brands, innovation and distribution capabilities position us well to navigate any uncertainties ahead. We remain confident we can mitigate many of these potential risks by:
 - a. *Investing in our Own Brands to transform and grow the portfolio to deepen and expand our customer base*
 - Remain focused on our core strategic products and drive growth in the Premium format category
 - Introduce products in our healthier snacking category that target and connect with Gen-Z and Millennial customers
 - b. *Leverage our strong distribution and route-to-market capabilities*
 - Continue expanding our logistics platform to enhance our reach in major cities and remote areas
 - Strengthen our advertising and promotion through more collaboration with our retail partners to improve the in-store experience for our customers
 - Strengthen Agency Brands through investments in distribution capabilities in our Regional Markets and launching distribution of new principal accounts
 - c. *Tightly managing our margins, operating costs, collections and working capital in an environment of growing sales*
 - Manage our margins through product resizing, and/ or price adjustment initiatives
 - Remain vigilant and tightly manage our rising working capital needs as our business grows
- We believe our healthy Balance Sheet, strong organization, and effective strategy will, barring unforeseen circumstances, prepare us for a better performance in 2023 compared to 2022

Appendices

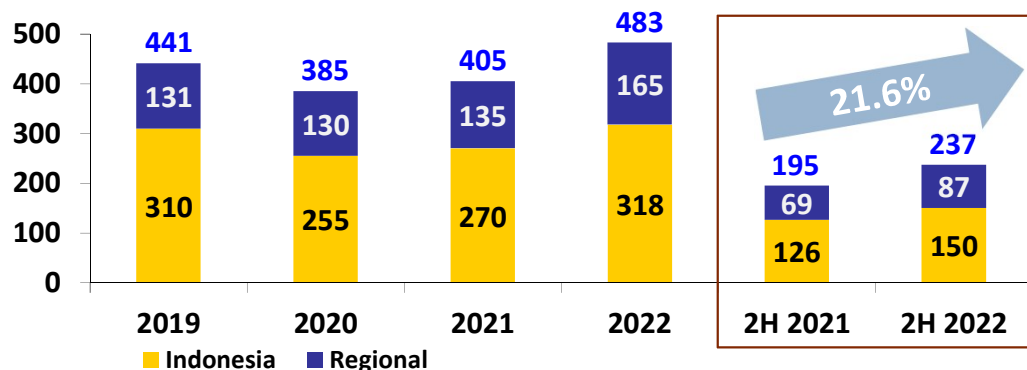
Group Financial Highlights

Our 2H and FY2022 Performance in greater detail

(In US\$ Million)	2H 2022	2H 2021	Y-o-Y change	Local Currency Performance (Y-o-Y change)	FY2022	FY2021	Y-o-Y change	Local Currency Performance (Y-o-Y change)
Revenue	236.7	194.6	▲ 21.6%	▲ 30.6%	483.0	405.1	▲ 19.2%	▲ 24.7%
Indonesia	150.3	126.2	▲ 19.1%	▲ 26.4%	317.5	270.2	▲ 17.5%	▲ 21.3%
Regional Markets	86.4	68.4	▲ 26.3%	▲ 38.3%	165.5	134.9	▲ 22.7%	▲ 31.6%
Gross Profit (GP)	75.8	58.7	▲ 29.2%	▲ 38.4%	148.3	119.7	▲ 23.9%	▲ 29.6%
GP Margin	32.0%	30.2%	▲ 1.8% pt	▲ 1.8% pt	30.7%	29.5%	▲ 1.2% pt	▲ 1.2% pt
EBITDA	39.4	31.6	▲ 24.5%	▲ 32.7%	74.0	58.1	▲ 27.2%	▲ 32.5%
EBITDA Margin	16.6%	16.3%	▲ 0.3% pt	▲ 0.3% pt	15.3%	14.3%	▲ 1.0% pt	▲ 1.0% pt
PATMI (excluding non-recurring items)	24.5	14.0	▲ 74.5%	▲ 86.5%	43.9	26.0	▲ 68.7%	▲ 76.0%
PATMI (including non-recurring items)	24.5	17.0	▲ 44.4%	▲ 54.3%	43.9	29.3	▲ 49.9%	▲ 56.5%

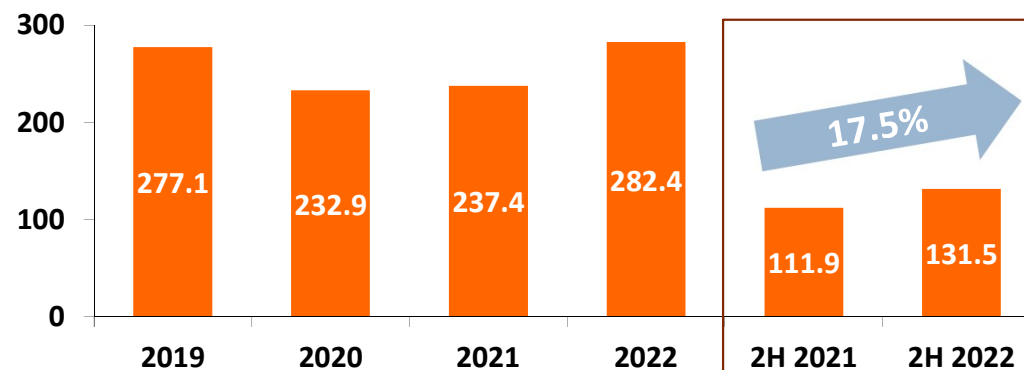
Group Financial Highlights

Group Revenue (In US\$ Million)



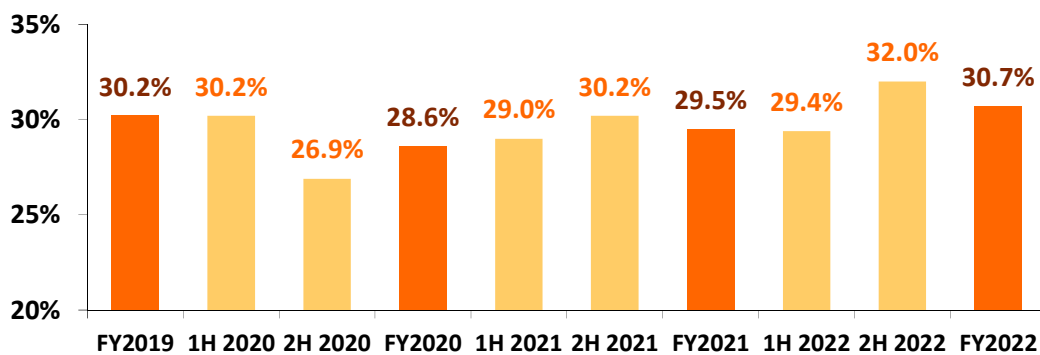
- FY2022 performance was stronger compared to 2021 as economies reopened in our key markets and demand returned
- 2H 2022 strong performance driven by high double-digit growth in 3Q 2022 of 28.7%

Own Brands Revenue (In US\$ Million)



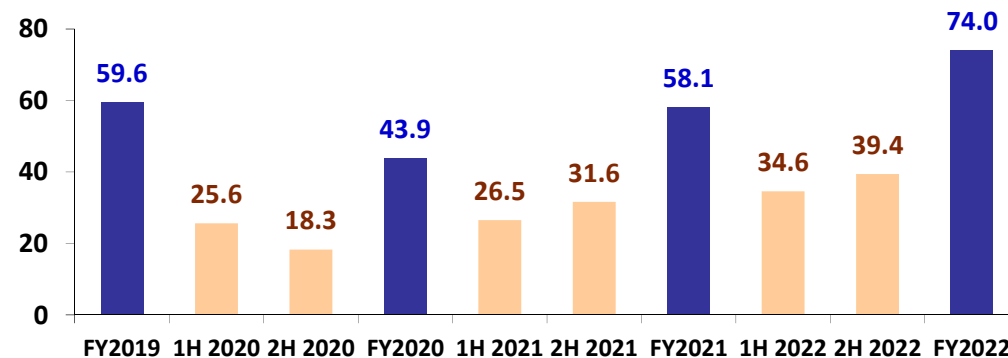
- FY2022 performance improved over FY2021 driven primarily by double-digit growth in Indonesia

Gross Profit Margin Trends



- Gross profit margin driven by higher contributions from Premium brands and timely implementation of cost mitigation initiatives

EBITDA (In US\$ Million)



- FY2022 EBITDA was driven primarily by higher sales, improved gross margin through control of our ingredients and packaging costs, and tight control of operating costs

Balance Sheet & Cash Flow Analysis

Balance Sheet Analysis (Figures are at period end)

(In US\$ Million)	31 Dec 2022	31 Dec 2021	Comments
Cash and Cash Equivalents	77.1	86.2	<ul style="list-style-type: none"> Decrease from higher working capital needs to support stronger sales
Trade Receivables	71.2	69.0	<ul style="list-style-type: none"> Although higher trade receivables from stronger sales, tight management limited the increase
Inventories	115.5	64.8	<ul style="list-style-type: none"> Higher inventories to support expected sales in 2023
Other Assets	29.1	25.5	
Fixed Assets, Intangible Assets & Investments	102.2	118.4	<ul style="list-style-type: none"> Capex limited in line with prudent approach during uncertain COVID time - Expected to increase as uncertainty dissipates
Total Assets	395.1	363.9	
Trade Payables	49.7	38.0	<ul style="list-style-type: none"> Increase consistent with higher sales
Other Liabilities	80.2	76.5	
Total Borrowings	19.0	10.1	<ul style="list-style-type: none"> Increase attributed to higher trade finance facilities to fund working capital requirements
Working Capital Facilities/Trade Finance	14.4	6.1	
Term Loan	4.6	4.0	
Total Equity	246.2	239.3	
Key Ratios			
Current Ratio	2.10	2.15	
Return on Equity	18.1%	12.6%	
Inventory Days	98	91	<ul style="list-style-type: none"> Higher figure due to need for higher inventory to support sales
Receivables Days	53	68	<ul style="list-style-type: none"> Improvement from tight management of collections even with stronger sales
Payable Days	48	43	<ul style="list-style-type: none"> Higher figure related to higher sales and costs

Cash Flow Applications

- ❖ **We have invested cash into Working Capital to support higher expected sales into 2023 while still managing costs and collections**

(In US\$ Million)	31 Dec 2022
EBITDA	74.0
Changes in Operating Cash Flow	
Increase in Working Capital	(50.6)
Tax Expense Paid	(17.1)
Interest Income Received	1.5
Operating Cash Flow	7.8
Capital Expenditure	(3.1)
Free Cash Flow	4.7
Other Investing Activities	(0.5)
Financing Activities:	
Proceeds from Borrowings, Net of Repayment	6.6
Repayment of Working Capital Financing	(0.1)
Interest Expense Paid	(0.6)
Dividend Payment	(19.2)
Net Cash Movement	(9.1)

Thank You
