

FOR IMMEDIATE RELEASE

Delfi's PATMI up 5.4% to US\$46.3 million as sales rises 12.7% to US\$538.2 million in FY2023

- *Healthy full year performance boosted by strong net sales of Own Brands and Agency Brands across Indonesia and Regional Markets, reaching a record level¹.*
- *Proposes final dividend of 1.74 US cents and a special dividend of 0.52 US cents per ordinary share, which together with the interim dividend of 2.06 US cents, brings total dividend in respect of FY2023 to 4.32 US cents per ordinary share.*

Financial Highlights (US\$ Million)	6 months ended 31 Dec			12 months ended 31 Dec		
	2H 2023	2H 2022	Change (%)	FY2023	FY2022	Change (%)
Total Revenue	255.2	234.0	9.0	538.2	477.5	12.7
- Indonesia	163.0	150.3	8.5	353.1	317.5	11.2
- Regional Markets	92.2	83.7	10.1	185.1	160.0	15.6
Gross Profit Margin	27.3%	31.8%	(4.5% pt)	28.5%	30.5%	(2.0% pt)
EBITDA	34.5	39.4	(12.4)	74.5	74.0	0.7
EBITDA Margin	13.5%	16.8%	(3.3% pt)	13.8%	15.5%	(1.7% pt)
PATMI	21.1	24.5	(14.1)	46.3	43.9	5.4

SINGAPORE - 27 February 2024 - Boosted by robust net sales of Own Brands and Agency Brands across its Indonesia and Regional Markets, SGX Mainboard-listed chocolate confectionery company, Delfi Limited ("Delfi", the "Company" or together with its subsidiaries, the "Group") has delivered healthy revenue growth and higher PATMI for the 12 months ended 31 December 2023 ("FY2023"), despite global uncertainties brought on by escalation in geopolitical tensions, significant increase in commodity prices and volatility in regional currencies.

¹ FY2023 record net sales of US\$538.2 million refers to the historical results of Delfi's consumer branded business.

Year-on-Year (“Y-o-Y”), Delfi’s topline rose 12.7% Y-o-Y to US\$538.2 million from FY2022’s US\$477.5 million, while PATMI came in 5.4% higher at US\$46.3 million. On a half-year basis, PATMI declined 14.1% to US\$21.1 million mainly due to higher trade promotions during the year to counter increase competition but more significantly to strategically increase investment to strengthen our core brands, as well as investing in building products which we believe have the strongest growth opportunities.

Mr. John Chuang, Delfi’s Chief Executive Officer, said: *“Whilst Y-o-Y top and bottom-line growth slowed in FY2023 as compared to FY2022, it is important to note that although the Group’s performance occurred in a more challenging environment, we were still able to drive our on-going efforts in product innovation and the development of our premium and value categories. This enabled us to benefit from the economic growth and resilient consumer demand in our two key markets during a higher level of uncertainty. We also attribute our performance to the continuous efforts to strengthen our distribution network across both traditional and modern trades. Amidst the uncertain economic climate caused by geopolitical tensions and more competition within our markets, our proven and longstanding strategies helped to tackle increasing costs, higher inflation and interest rates, enabling us to deliver healthy results despite rising input costs.”*

As at 31 December 2023, Delfi maintained a strong balance sheet with cash and cash equivalents of US\$59.4 million (as at 31 December 2022: US\$77.1 million). This was after dividend payments of US\$29.1 million during the year as well as US\$23.6 million in capital expenditure mainly for production equipment.

DIVIDENDS

As a reflection of business confidence and as part of the Group’s commitment to return value to shareholders, Delfi’s Board of Directors has proposed a final dividend of 1.74 US cents per share (equivalent to US\$10.7 million), bringing our full year pay-out to 50%, in line with our previous practice. The Board has also proposed a special dividend of 0.52 US cents per share. Therefore, the final dividend proposed, and the special dividend, together with the interim dividend of 2.06 US cents per share, brings the total dividend in respect of FY2023 to 4.32 US cents per share, representing 57% of PATMI.

PERFORMANCE REVIEW BY MARKETS

In FY2023, the Group continued to enjoy strong growth in Indonesia where it holds a leading position in the country's chocolate confectionery market. Driven by broad base growth in its Own Brands segment, particularly in the premium category, and robust net sales of Agency Brands, particularly in the snacks and consumer categories, net sales from the Indonesian market rose 11.2% Y-o-Y to US\$353.1 million in FY2023 (2H 2023: up 8.5% Y-o-Y to US\$163.0 million).

Meanwhile, the Group's Regional Markets also reported good performance in FY2023 with a Y-o-Y increase in net sales of 15.6% to US\$185.1 million (2H 2023: up 10.1% Y-o-Y to US\$92.2 million). This was mainly driven by higher contribution in the Philippines from strong sales of *Goya* and *Knick Knacks* and contributions from new Agency Brands secured in Malaysia.

BUSINESS OUTLOOK

Delfi expects ongoing uncertainties in the global economy amidst heightened geopolitical tensions and escalating macroeconomic challenges, which have caused a strain on specific supply chains and sent commodity prices, especially cocoa, soaring. Although interest rates have come off the highs reached in 2022/2023, they remain elevated, and this may continue to weigh on market sentiments in 2024 and beyond.

Barring unforeseen circumstances, Delfi is optimistic that it can mitigate many of these potential risks by remaining focused on growing its core strategic products, further driving growth especially in its Premium format category, and using effective strategies to help mitigate ingredients costs. The Group remains committed to strengthening its distribution capabilities, and tightly managing operating costs, collections and working capital levels to cushion any impact of rising input costs.

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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, the Philippines, Malaysia, Singapore, Hong Kong, Australia, Thailand 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 bagged a Bronze award for “Best Managed Board” under the “companies with S\$1 billion and above in market capitalization” category. In 2023, Delfi was named “Winner of the Most Transparent Company Award” at the SIAS Investor Choice Awards 2023 in recognition of its efforts in corporate governance and transparency.

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.

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