



L I M I T E D

Company Registration No.: 198403096C

4th Quarter & Full Year 2016 ***Financial Results*** ***(unaudited)***

22 February 2017



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 4th Quarter and Full Year ended 31 December 2016”.

Scope of Briefing

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FY2016 Highlights

- ❖ **Strong profit growth driven by higher Own Brands sales and margin improvement, despite continuing economic uncertainties and weakness in regional currencies:**

PATMI* **US\$28.2 million** ▲ 83.5% in US\$ terms (▲ 84.3% constant currency terms)

EBITDA **US\$50.6 million** ▲ 35.0% in US\$ terms (▲ 35.7% constant currency terms)

Revenue **US\$402.1 million** ▼ 0.9% in US\$ terms (▲ 0.6% constant currency terms)

- Own Brands sales growth of 4.4% (in constant currency) was driven by Own Brands performance in Indonesia and the Philippines
 - In Indonesia, 4Q 2016 and FY2016 Own Brands sales grew by 6.5% and 5.9% respectively;
 - In the Philippines, 4Q 2016 and FY2016 core Own Brands sales grew by 10.1% and 12.1% respectively

* Exclude Exceptional Items.

FY2016 Highlights (cont'd)

- Continued margin improvement - Y-o-Y GP Margin ▲ 5.0% pt and EBITDA margin ▲ 3.4% pt - Reflecting (i) pricing adjustments and product resizing; (ii) higher sales of premium Own Brands products; and (iii) on-going cost containment initiatives
- As a result of strong performance of Own Brands sales and strong Gross Profit Margins achieved, PATMI* grew by 83.5% in US\$ terms (▲ 84.3% constant currency terms)
- ❖ **Group ROE* of 12.6% achieved vs 5.7% in FY2015 - Significant improvement driven by higher profitability achieved**
- ❖ **Free Cash Flow of US\$37.7 million generated on higher profitability achieved, tighter working capital management and reduced capital expenditure**
- ❖ **Propose Final Dividend of 0.95 US cents (or 1.35 SGD cents) per share - Brings full year total to 2.31 US cents (3.18 Singapore cents)**

* Exclude Exceptional Items.

Our 4Q and FY2016 Performance in greater detail

(In US\$ Million)	4Q 2016	4Q 2015	Y-o-Y change	Local Currency Performance (Y-o-Y change)	FY2016	FY2015	Y-o-Y change	Local Currency Performance (Y-o-Y change)
Revenue	105.6	100.0	▲ 5.6%	▲ 1.2%	402.1	405.9	▼ 0.9%	▲ 0.6%
Indonesia	76.4	73.2	▲ 4.5%	▼ 1.8%	290.9	285.0	▲ 2.1%	▲ 2.2%
Regional Market	29.2	26.8	▲ 8.6%	▲ 9.5%	111.2	120.9	▼ 8.0%	▼ 3.1%
Gross Profit (GP)	40.6	30.8	▲ 31.7%	▲ 27.1%	139.7	120.8	▲ 15.7%	▲ 17.5%
GP Margin	38.4%	30.8%	▲ 7.6% pt	▲ 7.6% pt	34.8%	29.8%	▲ 5.0% pt	▲ 5.0% pt
EBITDA	12.5	5.5	▲ 128.6%	▲ 111.4%	50.6	37.5	▲ 35.0%	▲ 35.7%
EBITDA Margin	11.9%	5.5%	▲ 6.4% pt	▲ 6.4% pt	12.6%	9.2%	▲ 3.4% pt	▲ 3.4% pt
PATMI (Exclude Exceptional Items*)	5.7	0.8	577.1%	498.8%	28.2	15.3	▲ 83.5%	▲ 84.3%
PATMI (Include Exceptional Items*)	3.7	0.8	356.8%	275.0%	26.2	(4.7)	NM	NM

* 2015: Costs incurred pertaining to the dispute with Barry Callebaut; 2016: Claims associated with the disposal of Delfi Cacau Brasil Ltda.

- ❖ **2016 Own Brands sales of US\$262.4 million achieved (▲ 4.4% in constant currency terms), driven mainly by Own Brands sales in Indonesia especially of premium products. Agency Brands performance disrupted by increases in customs duties imposed on imported products in 2015, and by changes in regulatory standards which our team has successfully resolved**
- ❖ **Lower FY2016 sales in Regional Markets reflects the closure of our Singapore distribution business during 2H 2015 and lower Agency Brands sales in the Philippines**
- ❖ **Profit growth achieved on higher Gross Profit Margin (▲ 5.0% 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 2017**
- **Our focus is to drive sales growth, channel development and cost containment. Through this combination of top line focus and stepped up productivity efforts, we expect, barring unforeseen circumstances, the Group's performance in FY2017 to be better than FY2016**
- **Staying agile in a dynamic marketplace is key to sustaining profitable growth over the longer term. In order to achieve this, we will:**
 - **Make targeted and disciplined investments to continuously grow our key brands in our markets through product innovation and continuous reinvention to create excitement at the shelf space;**
 - **Implement a multi-channel strategy to adapt to the continuously evolving retail landscape to capture the growth opportunities; and**
 - **Prudently invest to build capacity and capabilities where there are clear expansion opportunities**
- **In addition, we are constantly evaluating investment opportunities to either grow our presence in a new region or an adjacent category that we are not yet in, eg. our joint venture in 2016 with South Korea's Orion Corporation**

Appendices

Group Financial Highlights

Group Financial Highlights - At a glance

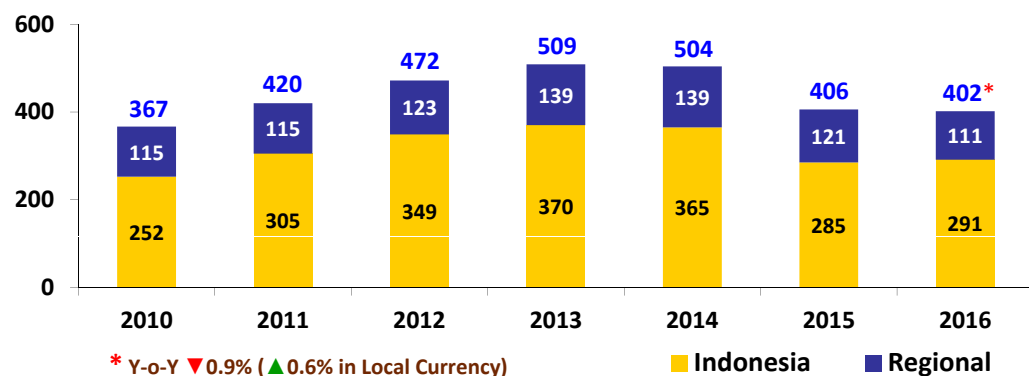
(In US\$ Million)	4Q 2016	4Q 2015	Y-o-Y Change	Local Currency Performance (Y-o-Y change)	FY2016	FY2015	Y-o-Y Change	Local Currency Performance (Y-o-Y change)
Revenue	105.6	100.0	▲ 5.6%	▲ 1.2%	402.1	405.9	▼ 0.9%	▲ 0.6%
- Indonesia	76.4	73.2	▲ 4.5%	▼ 1.8%	290.9	285.0	▲ 2.1%	▲ 2.2%
- Regional Market	29.2	26.8	▲ 8.6%	▲ 9.5%	111.2	120.9	▼ 8.0%	▼ 3.1%
EBITDA	12.5	5.5	▲ 128.6%	▲ 111.4%	50.6	37.5	▲ 35.0%	▲ 35.7%
PATMI	5.7	0.8	▲ 577.1%	▲ 498.8%	28.2	15.3	▲ 83.5%	▲ 84.3%
Exceptional Items*	(2.0)	-	NM	NM	(2.0)	(20.0)	(90.0)	(90.0)
Group PATMI	3.7	0.8	▲ 356.8%	▲ 275.0%	26.2	(4.7)	NM	NM
EPS (US cents)								
- Including Exceptional Items	0.60	0.13	356.8%		4.28	(0.77)	NM	
- Excluding Exceptional Items	0.93	0.14	577.1%		4.61	2.51	83.5%	
ROE (%)								
- Including Exceptional Items					11.8%	(1.8%)**	13.6% pt	
- Excluding Exceptional Items					12.6%	5.7%**	6.9% pt	

* 2015: Costs incurred pertaining to the dispute with Barry Callebaut; 2016: Claims associated with the disposal of Delfi Cacau Brasil Ltda.

** Relates to FY2015 audited figures.

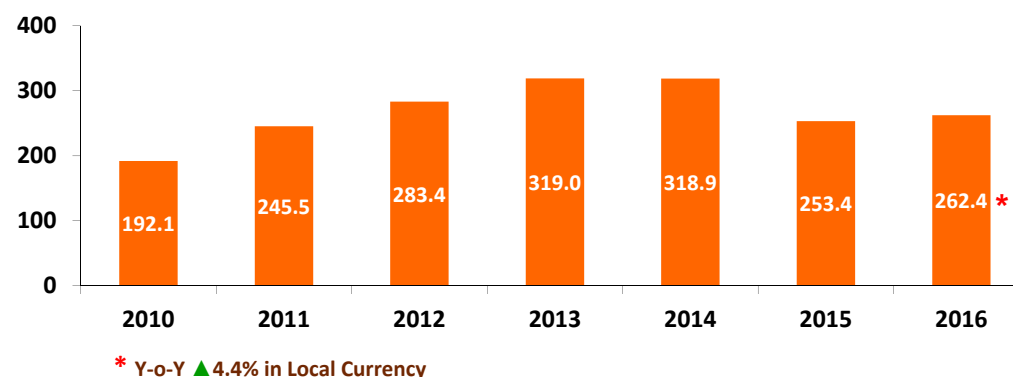
Group Financial Highlights (cont'd)

Group Revenue (In US\$ Million)



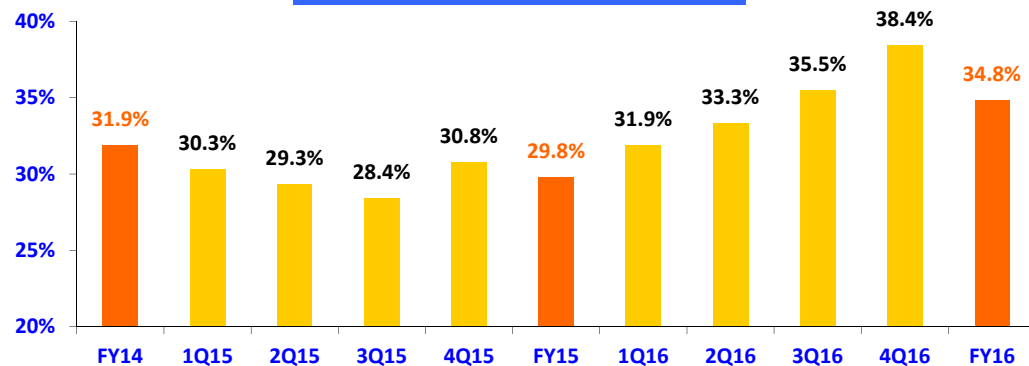
- Strong position in Indonesia complemented by a growing regional footprint

Own Brands Revenue (In US\$ Million)



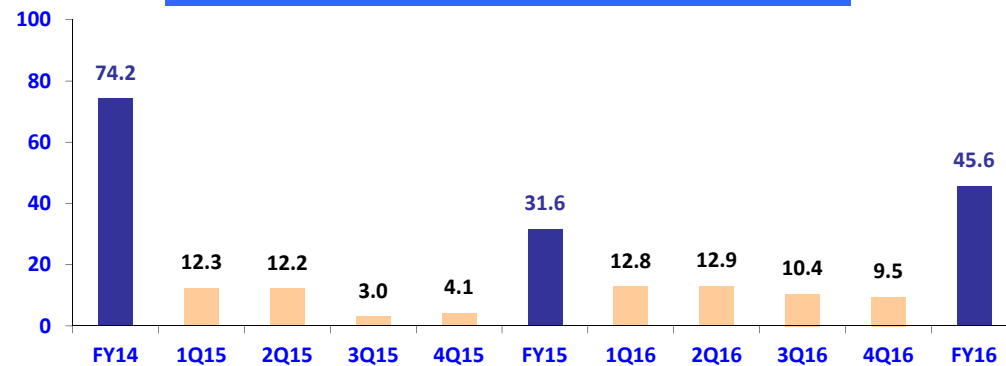
- Our market-leading brands are in growth categories. We have a strong innovation culture and efficient route-to-market structure

Gross Profit Margin Trends



- Higher 4Q & FY2016 margin reflects 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 FY2016 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)	31 Dec 2016	31 Dec 2015	Comments
Cash and Cash Equivalents	67.7	119.5	▪ Reflects the capital reduction of US\$60.0 million.
Trade Receivables	61.7	56.3	▪ Increase on the back of festive sales.
Inventories	54.7	59.6	▪ Tighter working capital management in light of uncertain economic conditions.
Other Assets	23.4	27.8	
Fixed Assets, Intangible Assets & Investments	134.8	124.4	▪ Capital expenditure of US\$16.8 million on most critical and immediately income generating projects.
Total Assets	342.3	387.6	
Trade Payables	34.7	25.9	
Other Liabilities	52.5	44.8	
Total Borrowings	53.8	74.7	▪ Reduced borrowings with positive free cash flow generated.
Working Capital Facilities/Trade Finance	28.4	24.8	
Term Loan	24.1	45.9	
Lease Liabilities	1.3	4.0	
Total Equity	201.3	242.2	▪ Reflects the Capital Reduction exercise.
Key Ratios			
Current Ratio	1.71	2.23	
Return on Equity			
- Include Exceptional Items	11.8%	(1.8%)	
- Exclude Exceptional Items	12.6%	5.7%	
Inventory Days	79	85	} ▪ Tighter working capital management.
Receivables Days	54	62	
Payable Days	42	37	

❖ Generated operating cash flow to fund Capex and repay Borrowing

(In US\$ Million)	31 Dec 2016
EBITDA	50.6
Changes in Operating Cash Flow	
Decrease in Working Capital	17.8
Tax Expense paid	(13.4)
Interest Expense paid	(4.1)
Operating Cash Flow	50.9
Capex, Patents & Trademarks, Net of Proceeds	(17.1)
Interest Income received	3.9
Free Cash Flow	37.7
Repayment of Borrowings	(24.7)
Proceeds from Working Capital Financing	3.5
Interim Dividend Payment	(8.3)
Capital Reduction	(60.0)
Net Cash Movement	(51.8)

Thank You
