



***1st Quarter 2017
Financial Results
(unaudited)***

8 May 2017



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 1st Quarter ended 31 March 2017”.

Scope of Briefing

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1Q 2017 Highlights

1Q 2017 Revenue of US\$93.1 million ▼10.1% in US\$ term (▼10.0% constant currency terms)

Own Brands Performance - Sales US\$57.5 million (▼18.1% in constant currency terms)

- Growth achieved in the Philippines (excluding rationalized products) although performance in Indonesia was weaker
- The Group's 1Q 2017 sales performance was affected by the on-going product portfolio rationalization which was implemented in 2016, and by an on-going review of Trading Terms
- In addition, the sales in 1Q 2016 reflected higher than usual deliveries to our trade customers as they undertook a programme to replenish their supply pipeline which in 2015 had been reduced as they minimized their orders on the back of weakening consumption in Indonesia
- ❖ Based on shelf space data in Indonesia, consumer demand for our Core Brands remains positive which we believe will continue into the coming quarters

1Q 2017 Highlights (cont'd)

Gross Profit Margin of 33.0% (vs 31.9%)

Y-o-Y improvement reflecting pricing adjustments and product resizing; and on-going cost containment initiatives

EBITDA US\$12.0 million ▼ 16.2% in US\$ terms (▼ 18.0% constant currency terms)

Performance reflects the lower sales achieved and other costs

PATMI US\$5.6 million ▼ 33.4% in US\$ terms (▼ 35.4% constant currency terms)

PATMI of US\$5.6 million reflected higher effective tax rate on higher withholding tax paid on dividend and royalty income received by the Company from our Indonesian subsidiaries

Group ROE of 11.0% ▼ 0.8% pt in US% terms vs FY2016

Capital Reduction of US\$60.0 million during 2016 benefits ROE in 2016 and later periods

Free Cash Flow of US\$8.1 million generated ▲ 20.9% in US\$ terms

Despite reduction in sales and PATMI, Y-o-Y generated 21% higher Free Cash Flow

Our 1Q 2017 Performance in greater detail

(In US\$ Million)	1Q 2017	1Q 2016	Y-o-Y change	Constant Currency Terms (Y-o-Y change)
Revenue	93.1	103.6	▼ 10.1%	▼ 10.0%
Indonesia	64.7	75.9	▼ 14.7%	▼ 16.6%
Regional Markets	28.4	27.7	▲ 2.7%	▲ 8.1%
Gross Profit (GP)	30.7	33.1	▼ 7.0%	▼ 7.1%
GP Margin	33.0%	31.9%	▲ 1.1% pt	▲ 1.1% pt
EBITDA	12.0	14.3	▼ 16.2%	▼ 18.0%
EBITDA Margin	12.9%	13.8%	▼ 0.9% pt	▼ 1.2% pt
PATMI	5.6	8.4	▼ 33.4%	▼ 35.4%

- ❖ Sales growth in Regional Markets on higher Agency Brands sales with satisfactory Own Brands performance despite product rationalization in the Philippines

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 for our core brands and products to replace sales lost due to the product portfolio rationalization; and to drive 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 financial performance in FY2017 to be similar to 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 and our recently announced joint venture with Japan's Yuraku Confectionery Company Ltd**

Appendices

Group Financial Highlights

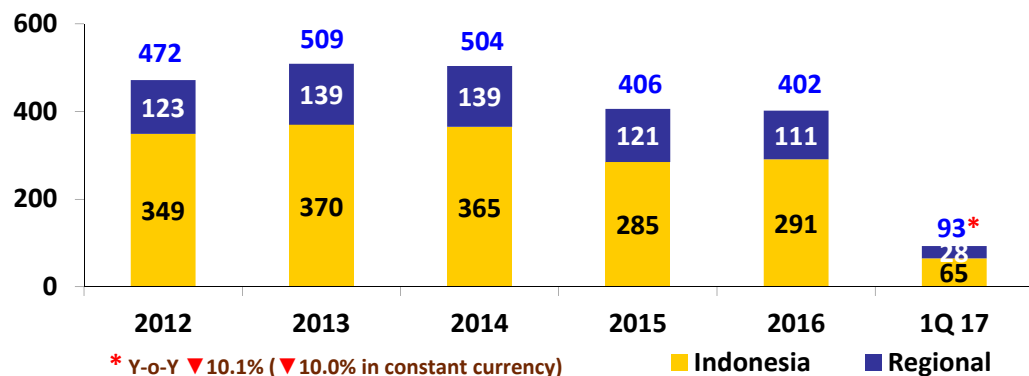
Group Financial Highlights - At a glance

(In US\$ Million)	1Q 2017	1Q 2016	Y-o-Y Change	Constant Currency Terms (Y-o-Y change)
Revenue	93.1	103.6	▼ 10.1%	▼ 10.0%
- Indonesia	64.7	75.9	▼ 14.7%	▼ 16.6%
- Regional Market	28.4	27.7	▲ 2.7%	▲ 8.1%
EBITDA	12.0	14.3	▼ 16.2%	▼ 18.0%
PATMI	5.6	8.4	▼ 33.4%	▼ 35.4%
ROE				
- Including Exceptional Items	11.0%	11.8%*	(0.8% pt)	
- Excluding Exceptional Items	11.0%	12.6%*	(1.6% pt)	

* Relates to FY2016 audited figures.

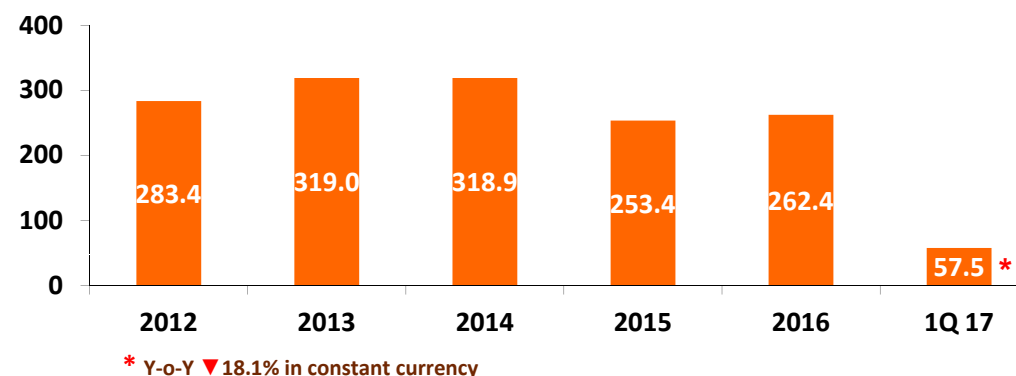
Group Financial Highlights (cont'd)

Group Revenue (In US\$ Million)



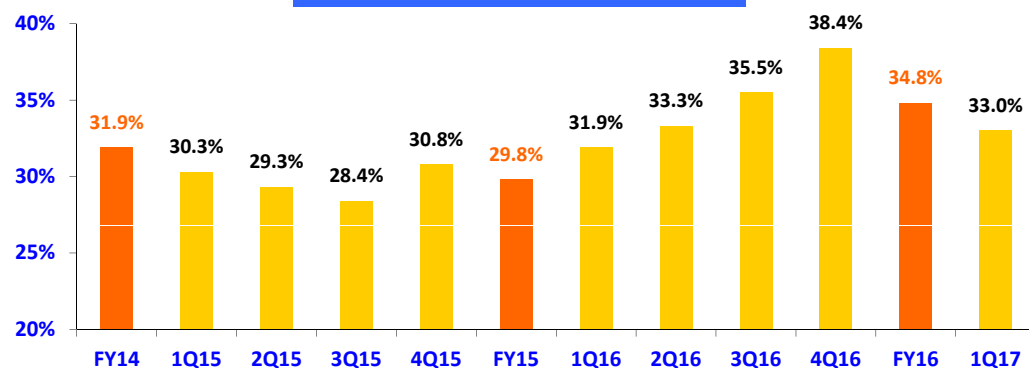
- Strong position in Indonesia complemented by a growing regional footprint
- In constant currency, CAGR of 4.0% per annum achieved over the 2012-2016 period

Own Brands Revenue (In US\$ Million)



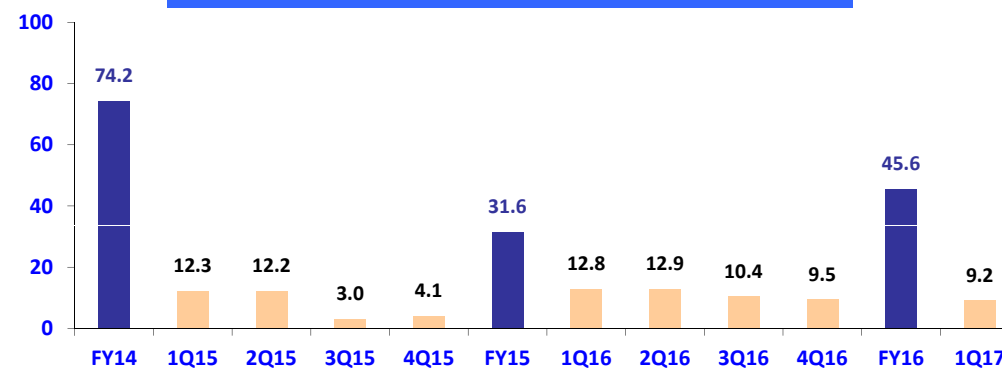
- Our leading brands are in growth categories. We have a strong innovation culture and efficient route-to-market structure
- In constant currency, CAGR of 6.2% per annum achieved over 2012-2016 period

Gross Profit Margin Trends



- 1Q 2017 margin higher Y-o-Y reflecting pricing adjustments in 3Q 2015 and 2Q 2016; and our on-going containment initiatives
- 4Q 2016 margin reflected higher sales of premium products for Own Brands; pricing adjustments and cost containment initiatives

Operating Profit Performance (In US\$ Million)



- Profit performance reflects continued investments in brand building and routes-to-market capabilities to capture long term growth
- Lower 1Q 2017 Y-o-Y performance reflects the weaker sales performance

Balance Sheet & Cash Flow Analysis

Balance Sheet Analysis (Figures are at period end)

(In US\$ Million)	31 Mar 2017	31 Dec 2016	Comments
Cash and Cash Equivalents	67.6	67.7	
Trade Receivables	56.5	61.7	▪ Improved cash collection.
Inventories	56.2	54.7	
Other Assets	20.6	23.4	▪ Received tax refund of US\$4.6 million.
Fixed Assets, Intangible Assets & Investments	137.4	134.8	▪ Capital expenditure of US\$3.1 million.
Total Assets	338.3	342.3	
Trade Payables	27.3	34.7	
Other Liabilities	57.3	52.5	
Total Borrowings	45.6	53.8	▪ Reduced borrowings with positive free cash flow generated.
Working Capital Facilities/Trade Finance	19.2	28.4	
Term Loan	25.4	24.1	
Lease Liabilities	1.0	1.3	
Total Equity	208.1	201.3	
Key Ratios			
Current Ratio	1.86	1.71	
Return on Equity			
- Include Exceptional Items	11.0%	11.8%	
- Exclude Exceptional Items	11.0%	12.6%	
Inventory Days	81	79	} ▪ Continue to tighten working capital management.
Receivables Days	58	54	
Payable Days	45	42	

❖ Generated operating cash flow to fund Capex and repay Borrowing

(In US\$ Million)	31 Mar 2017
EBITDA	12.0
Changes in Operating Cash Flow	
Increase in Working Capital	(2.5)
Tax Refund/Net of Payment	2.3
Interest Expense paid	(0.8)
Operating Cash Flow	11.0
Capex, Patents & Trademarks, Net of Proceeds	(3.1)
Interest Income received	0.2
Free Cash Flow	8.1
Proceeds from Borrowings, Net of Repayment	1.6
Repayment of Working Capital Financing	(9.8)
Net Cash Movement	(0.1)

Thank You
