

2nd Quarter & 1st Half 2017
Financial Results
(unaudited)

7 August 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 2nd Quarter and 1st Half ended 30 June 2017”.

Scope of Briefing

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1H 2017 Revenue of US\$193.3 million ▼7.9% in US\$ term (▼7.0% constant currency terms)

Own Brands Performance - Sales US\$121.2 million (▼12.3% in constant currency terms)

- Group sales were lower Y-o-Y, however, core products such as *Delfi Cha Cha*, *SilverQueen Classic* in Indonesia and Regional Markets continue to achieve growth
- The Group's 1H 2017 sales performance was affected by the on-going product portfolio rationalization which was implemented in 2016, and the weak retail environment in Indonesia with softer consumer spending during the Lebaran period
- Our Own Brands sales in 2Q 2017 started on a soft note although for the remaining months, achieved double digit growth. Based on shelf space data in Indonesia, consumer demand for our Core Brands remains positive which we believe will continue into the coming quarters

1H 2017 Highlights (cont'd)

Gross Profit Margin of 33.1% (vs 32.6%)

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

EBITDA US\$23.8 million ▼ 16.9% in US\$ terms (▼ 17.8% constant currency terms)

Performance reflects the lower sales achieved - which generated lower Gross Profit - and other costs

PATMI US\$14.9 million ▼ 10.0% in US\$ terms (▼ 11.0% constant currency terms)

PATMI of US\$14.9 million reflected the net gain of US\$4.4 million on disposal of our 50% stake in CMI and lower 2Q effective tax rate as the gain on disposal of CMI was tax exempt in Singapore, which offset the withholding tax paid on dividend and royalty income received by the Company from our Indonesian subsidiaries

Group ROE of 14.4% ▲ 2.6% 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\$7.6 million generated ▲ 4.1% in US\$ terms

Despite reduction in sales and PATMI, Y-o-Y generated 4% higher Free Cash Flow

Our 2Q and 1H 2017 Performance in greater detail

(In US\$ Million)	2Q 2017	2Q 2016	Y-o-Y change	Local Currency Performance (Y-o-Y change)	1H 2017	1H 2016	Y-o-Y change	Local Currency Performance (Y-o-Y change)
Revenue	100.2	106.3	▼ 5.8%	▼ 4.1%	193.3	209.9	▼ 7.9%	▼ 7.0%
Indonesia	73.4	78.3	▼ 6.3%	▼ 6.7%	138.1	154.2	▼ 10.4%	▼ 11.6%
Regional Market	26.8	28.0	▼ 4.5%	▲ 3.1%	55.2	55.7	▼ 0.9%	▲ 5.6%
Gross Profit (GP)	33.3	35.4	▼ 5.9%	▼ 3.9%	64.0	68.4	▼ 6.4%	▼ 5.5%
GP Margin	33.2%	33.3%	▼ 0.1% pt	▼ 0.1% pt	33.1%	32.6%	▲ 0.5% pt	▲ 0.5% pt
EBITDA	11.8	14.3	▼ 17.6%	▼ 17.5%	23.8	28.6	▼ 16.9%	▼ 17.8%
EBITDA Margin	11.8%	13.5%	▼ 1.7% pt	▼ 1.9% pt	12.3%	13.6%	▼ 1.3% pt	▼ 1.5% pt
PATMI	9.3	8.1	▲ 14.4%	▲ 14.3%	14.9	16.6	▼ 10.0%	▼ 11.0%

- ❖ 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**
- **As we focus on growing sales of our continuing Own Brands products to replace sales lost due to the portfolio rationalization, 2H 2017 sales are expected to be in line with that of 1H 2017. Full year sales are expected to be lower Y-o-Y and this combined with our higher expenditure to grow our distribution capabilities and our core brands will result in our FY2017 results likely to be lower Y-o-Y**
- **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 business in a new region or an adjacent category**

Appendices

Group Financial Highlights

Group Financial Highlights - At a glance

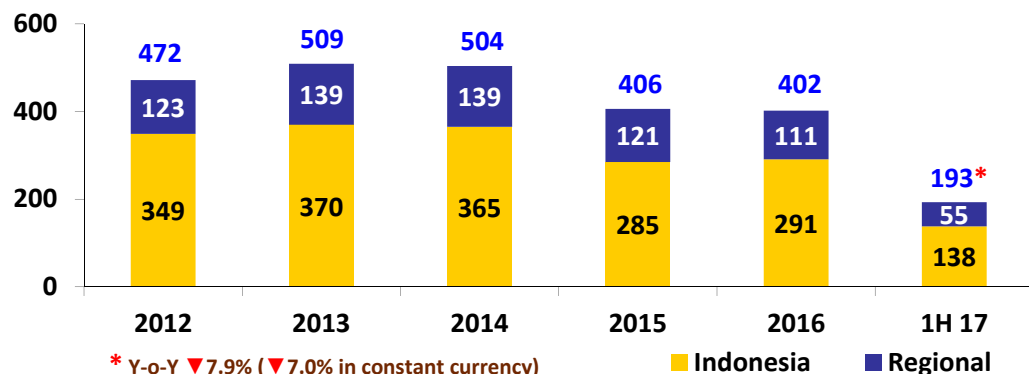
(In US\$ Million)	2Q 2017	2Q 2016	Y-o-Y Change	Local Currency Performance (Y-o-Y change)	1H 2017	1H 2016	Y-o-Y Change	Local Currency Performance (Y-o-Y change)
Revenue	100.2	106.3	▼ 5.8%	▼ 4.1%	193.3	209.9	▼ 7.9%	▼ 7.0%
- Indonesia	73.4	78.3	▼ 6.3%	▼ 6.7%	138.1	154.2	▼ 10.4%	▼ 11.6%
- Regional Market	26.8	28.0	▼ 4.5%	▲ 3.1%	55.2	55.7	▼ 0.9%	▲ 5.6%
EBITDA	11.8	14.3	▼ 17.6%	▼ 17.5%	23.8	28.6	▼ 16.9%	▼ 17.8%
PATMI	9.3	8.1	▲ 14.4%	▲ 14.3%	14.9	16.6	▼ 10.0%	▼ 11.0%
ROE (%)								
- Include Exceptional Items					14.4%	11.8%*	2.6 pt	
- Exclude Exceptional Items					10.2%**	12.6%*	(2.4 pt)	

* Relates to FY2016 audited figures.

** Excludes US\$4.4 million gain, net of tax on disposal of CMI.

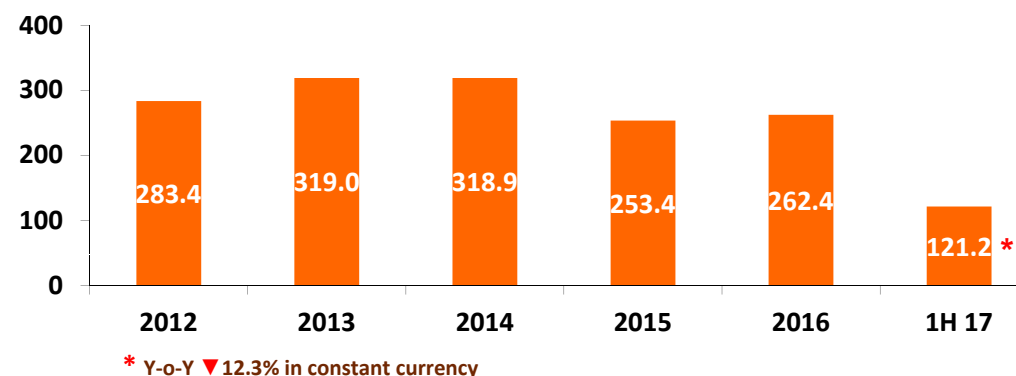
Group Financial Highlights (cont'd)

Group Revenue (In US\$ Million)



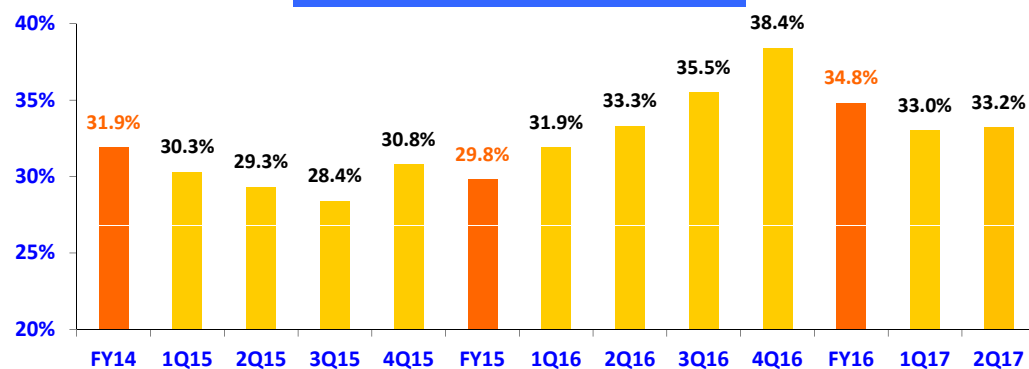
- Strong position in Indonesia complemented by a growing regional footprint
- In constant currency, CAGR of 4.0% per annum achieved over the 2012-2016 period

Own Brands Revenue (In US\$ Million)



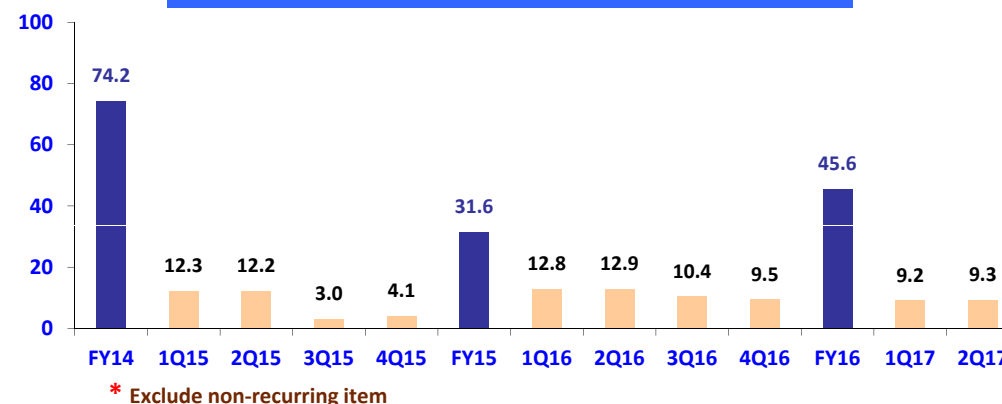
- Our leading brands are in growth categories. We have a strong innovation culture and efficient route-to-market structure
- In constant currency, CAGR of 6.2% per annum achieved over 2012-2016 period

Gross Profit Margin Trends



- 2Q 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 2Q 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)	30 Jun 2017	31 Dec 2016	Comments
Cash and Cash Equivalents	73.2	67.7	▪ Net proceeds of US\$8.2 million received from sale of CMI after 2016 final dividend payment of US\$5.8 million.
Trade Receivables	69.6	61.7	▪ Collection affected by the Lebaran holiday in Malaysia and Indonesia.
Inventories	52.3	54.7	
Other Assets	23.2	23.4	▪ Received tax refund of US\$4.6 million.
Fixed Assets, Intangible Assets & Investments	133.2	134.8	▪ Capital expenditure of US\$4.6 million and US\$0.9 million investment in Delfi-Orion offset by disposal of CMI of US\$2.8 million.
Total Assets	351.5	342.3	
Trade Payables	33.6	34.7	
Other Liabilities	55.8	52.5	
Total Borrowings	49.7	53.8	▪ Reduced borrowings with positive free cash flow generated.
Working Capital Facilities/Trade Finance	26.1	28.4	
Term Loan	22.8	24.1	
Lease Liabilities	0.8	1.3	
Total Equity	212.4	201.3	
Key Ratios			
Current Ratio	1.82	1.71	
Return on Equity			
- Include Exceptional Items	14.4%	11.8% *	
- Exclude Exceptional Items	10.2% **	12.6% *	
Inventory Days	76	79	
Receivables Days	62	54	
Payable Days	48	42	

* Relates to FY2016 audited figures.

** Excludes US\$4.4 million gain, net of tax on disposal of CMI.

❖ Generated operating cash flow to fund Capex and repay Borrowing

(In US\$ Million)	30 Jun 2017
EBITDA	23.8
Changes in Operating Cash Flow	
Increase in Working Capital	(6.2)
Tax Expense Paid/Net of Refund	(3.9)
Interest Expense Paid	(1.6)
Operating Cash Flow	12.1
Capex, Patents & Trademarks, Net of Proceeds	(4.5)
Free Cash Flow	7.6
Interest Income received	0.4
Proceeds from Disposal of Associated Company	8.2
Investment in JV	(0.9)
Repayment of Borrowings, Net of Proceeds	(2.4)
Repayment of Working Capital Financing	(1.7)
Dividend Payment	(5.8)
Net Cash Movement	5.4

Thank You
