Delfi
LIMITED
Company Registration No.: 198403096C

4th Quarter & Full Year 2018 Financial Results
(unaudited)

27 February 2019

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 31 December 2018".

Scope of Briefing

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Overview

- **The Group achieved PATMI (excluding exceptional & non-recurring items) of US$5.4 million and US$23.0 million for 4Q and FY2018 respectively on the back of positive sales growth momentum and improved margins:**

  (i) **The strategic restructuring of our organization, product portfolio, supply chain and routes-to-market implemented are continuing to yield the desired results**

  (ii) **Higher Own Brands sales with our focus on higher sales velocity SKU's**
  - ▲10.4% and ▲16.0% for 4Q 2018 and FY2018 respectively in US$ terms

  (iii) **Higher margins achieved for FY2018**
  - Gross Profit Margin (▲60 basis points) and EBITDA Margin (▲40 basis points)

	4Q 2018		FY2018	
	US$ Million	Y-o-Y Chg (In US$ Terms)	US$ Million	Y-o-Y Chg (In US$ Terms)
Revenue	107.9	▲ 8.1%	427.0	▲ 12.0%
EBITDA	13.4	▲ 20.3%	51.3	▲ 15.5%
PATMI (excl exceptional & non-recurring items)*	5.4	▲ 60.0%	23.0	▲ 32.7%

* Exceptional & non-recurring items - (i) the charge of US$1.3 million and US$2.1 million incurred in 4Q and FY2018 (4Q 2017: US$1.0 million and FY2017: US$2.0 million) from improper and unsubstantiated transactions uncovered in the Philippines; and (ii) the gain of US$4.4 million (net of tax) on sale of 50% stake in Ceres Meiji Indotama recognized in 2Q 2017.

For more details on the improper and unsubstantiated transactions uncovered in the Philippines, please refer to the Group's "4Q and Full Year ended 31 December 2018 Financial Statement and Dividend Announcement".

4Q 2018 Highlights

- **4Q 2018 Revenue of US$107.9 million achieved** (▲8.1% Y-oY)**, despite weakness in regional currencies**

- **Higher Own Brands sales the key driver of Growth** ▲10.4% Y-o-Y
  - **Own Brands growth in Indonesia of 10.5% Y-o-Y reflected: (i) the strategic reorganization of our business implemented over the past two years; (ii) increased sales of our products in the premium format category; and (iii) benefits from our direct shipments initiative to some of our retail customers**

- **Gross Profit Margin of 35.7%** (▲60 basis points)
  - **Our GP margin performance reflects higher sales of our premium brands and our cost containment initiatives**
  - **In 3Q 2018, implemented right-sizing programme for selected Own Brands products and price increases for selected Agency Brands**

- **EBITDA US$13.4 million** ▲20.3% Y-o-Y
  - **Performance reflects the higher sales of premium products; higher GP margin and tighter costs control**
  - **4Q EBITDA margin of 12.4% achieved (▲120 basis points)**

- **PATMI** (as reported) **US$4.1 million**

FY2018 Highlights

- **FY2018 Revenue of US$427.0 million** (▲12.0% Y-o-Y)
- **Own Brands Performance - Sales US$281.3 million** (▲16.0% Y-o-Y)
  - **Own Brands sales growth in Indonesia of 17.5% Y-o-Y**
- **Gross Profit Margin of 34.6%** (vs 34.0%) - An increase of 60 basis points Y-o-Y
  - **Improvement reflected increased sales of our higher margin premium products**
- **EBITDA** **US$51.3 million** ▲15.5% Y-o-Y
  - **Performance reflects the higher sales and improved GP Margin overall**
  - **EBITDA margin of 12.0% achieved** (▲40 basis points)
- **PATMI** (as reported) **US$20.9 million** ▲6.0% Y-o-Y
- **Group ROE of 10.2%** ▲40 basis points vs FY2017
  - **Group ROE of 11.2% (excluding exceptional & non-recurring items)** ▲2.6% point
- **Proposing Final Dividend of 0.81 US cents (or 1.10 Singapore cents)** - Brings Full Year total to 1.89 US cents (2.57 Singapore cents)

Our 4Q and FY2018 Performance in greater detail

(In US$ Million)	4Q 2018	4Q 2017	Y-o-Y change	FY2018	FY2017	Y-o-Y change
Revenue	**107.9**	**99.8**	▲ 8.1%	**427.0**	**381.3**	▲ 12.0%
Indonesia	**76.6**	**70.4**	▲ 8.8%	**305.8**	**271.0**	▲ 12.8%
Regional Market	**31.3**	**29.4**	▲ 6.4%	**121.2**	**110.3**	▲ 9.9%
Gross Profit (GP)	**38.5**	**35.0**	▲ 9.9%	**147.9**	**129.6**	▲ 14.1%
GP Margin	35.7%	35.1%	▲ 0.6% pt	34.6%	34.0%	▲ 0.6% pt
EBITDA	**13.4**	**11.1**	▲ 20.3%	**51.3**	**44.4**	▲ 15.5%
EBITDA Margin	12.4%	11.2%	▲ 1.2% pt	12.0%	11.6%	▲ 0.4% pt
PATMI (excl exceptional & non-recurring items)	**5.4**	**3.4**	▲ 60.0%	**23.0**	**17.3**	▲ 32.7%
PATMI (incl exceptional & non-recurring items)	**4.1**	**2.4**	▲ 70.4%	**20.9**	**19.7**	▲ 6.0%

- **Sales growth in Regional Markets on higher Agency Brands sales with satisfactory Own Brands performance**

Looking Forward

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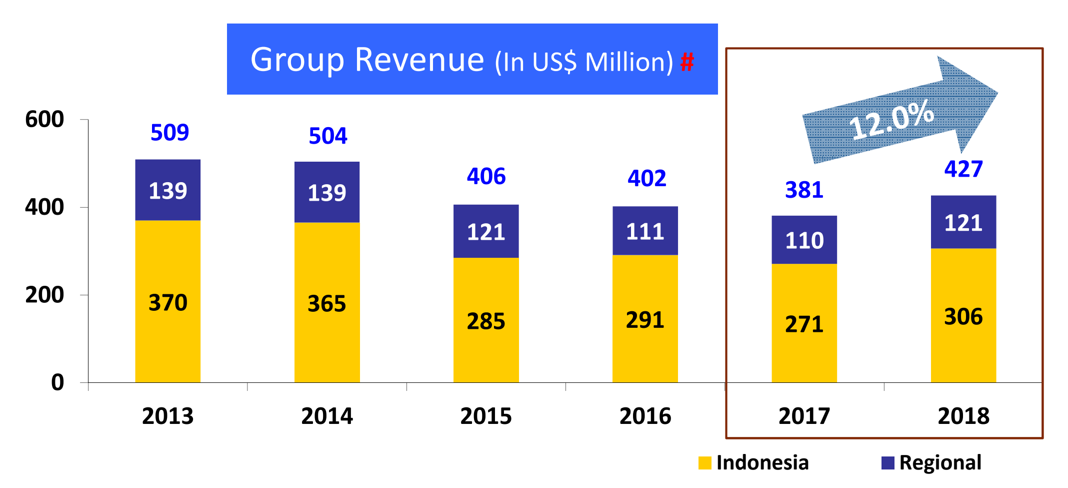
- **Today in our two priority markets of Indonesia and the Philippines, we are experiencing strong fundamentals, with steady growth in the consumption of chocolate confectionery supported by economic growth**

- **As we look to the future, absent any severe change in economic growth or severe devaluation of regional currencies, we believe the outlook for the consumption of chocolate confectionery to be positive in both of these priority markets supported by economic growth. In order to capture the growth opportunities, we will continue to invest in our Core Brands and focus on leveraging our core strengths so as to drive further growth in our business and profitability**

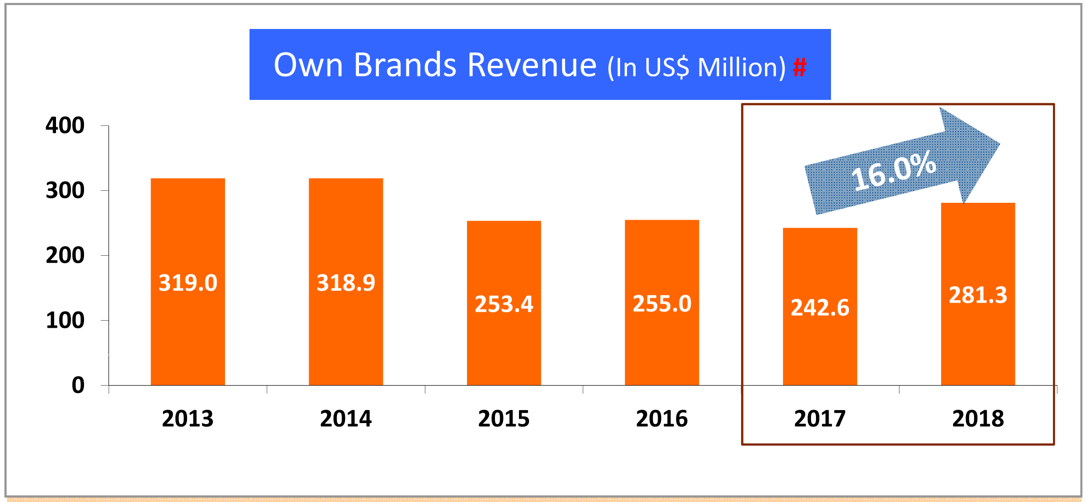
Appendices

Group Financial Highlights

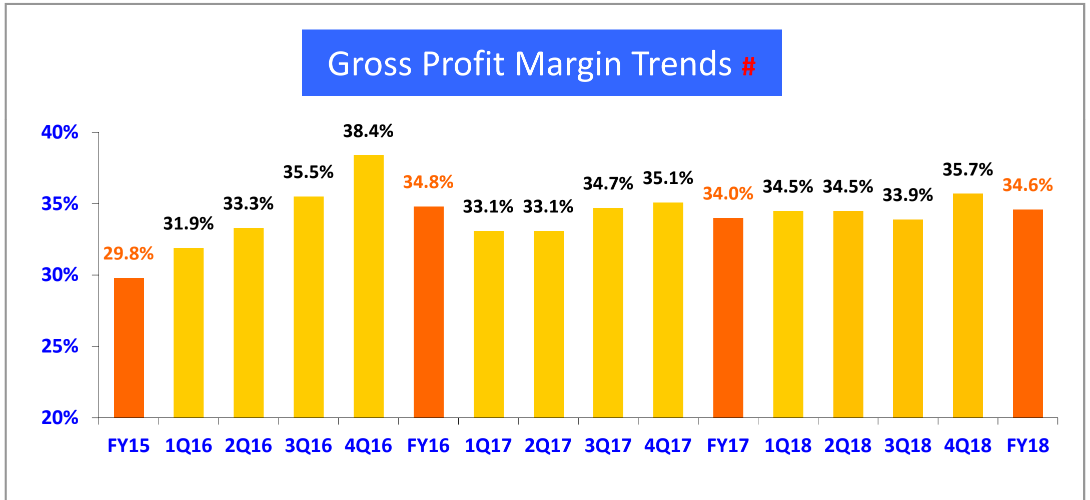
Group Financial Highlights



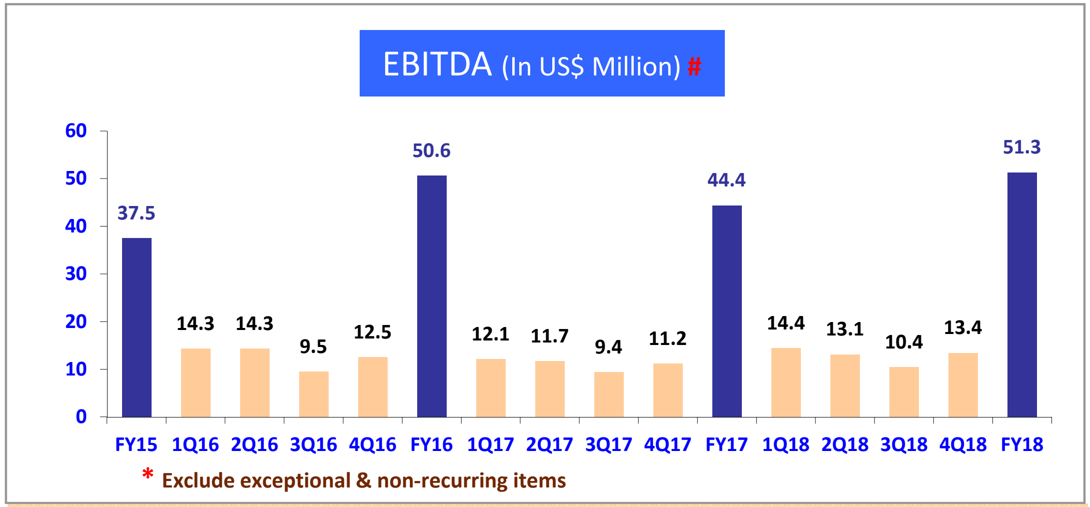
- Strong position in Indonesia complemented by a growing regional footprint
- FY2016 and 2017 reflected the rationalization of underperforming products from our Own Brands portfolio



- Our leading brands are in growth categories. We have a strong innovation culture and efficient routes-to-market structure
- FY2018 growth Y-o-Y driven by higher Own Brands sales in Indonesia



- For last 3 years, we achieved >34% GP margin
- Reflecting higher sales of Own Brands premium products and cost containment initiatives



- Profit performance reflects continued investments in brand building and routes-to-market capabilities to capture long term growth
- Performance for FY2018 reflects higher sales and improvement in GP margin

As reported

Balance Sheet & Cash Flow Analysis

Balance Sheet Analysis (Figures are at period end)

(In US$ Million)	31 Dec 2018	31 Dec 2017	Comments
Cash and Cash Equivalents	54.7	67.4	After acquisition of Van Houten licence for US$13.0 million and dividend payment of US$10.1 million in 2018.
Trade Receivables	72.5	59.8	Higher sales to Modern Trade customers.
Inventories	76.2	65.1	Higher inventories level in Indonesia to support the direct shipment model and run-up to the Valentine's Day and Lebaran festivities in 2019.
Other Assets	22.3	24.9	
Fixed Assets, Intangible Assets & Investments	135.4	135.5	Addition of Van Houten and US$6.5 million capital expenditure offset by foreign currency translation loss.
Total Assets	**361.1**	**352.7**	
Trade Payables	34.6	31.2	In line with higher inventories.
Other Liabilities	61.3	65.0	
Total Borrowings	**59.0**	**52.2**	Increase in borrowings to fund higher working capital.
Working Capital Facilities/Trade Finance	30.3	27.4	
Term Loan	28.4	24.3	
Lease Liabilities	0.3	0.5	
Total Equity	**206.2**	**204.3**	
Key Ratios			
Current Ratio	1.54	1.64	
Return on Equity			
- Exclude exceptional & non-recurring items *	11.2%	8.6% **	
- Include exceptional & non-recurring items	10.2%	9.8% **	
Inventory Days	92	87	
Receivables Days	57	58	
Payable Days	43	48	

* Exceptional & non-recurring items (after tax) were: (1) US$2.1 million in FY2018 and US$2.0 million in FY2017 as a result of improper and unsubstantiated transactions uncovered in the Philippines; and (2) US$4.4 million gain on sale of CMI.

** Relates to restatement of FY2017 audited figures.

Cash Flow Applications

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- Generated operating cash flow to fund higher working capital and Capex
- Reflected acquisition of Van Houten licence rights

(In US$ Million)	FY2018
EBITDA	**51.3**
Changes in Operating Cash Flow	
Increase in Working Capital	(26.1)
Tax Expense Paid	(15.4)
Interest Expense Paid	(2.9)
Operating Cash Flow	**6.9**
Capex, Intangible Assets, Net of Proceeds	(6.3)
Free Cash Flow	**0.6**
Interest Income received	1.2
Proceeds from Borrowings, Net of Proceeds	8.6
Dividend Payment	(10.1)
Net Cash Movement before Investments	**0.3**
Acquisition of the Perpetual and Exclusive Rights to Van Houten	(13.0)
Net Cash Movement after Investments	**(12.7)**

Thank You