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**UPDATE ON THE GROUP'S FIRST QUARTER FOR THE FINANCIAL PERIOD  
ENDED 31 MARCH 2021**

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The Board of Directors of Delfi Limited (the "Company" or the "Group") would like to take this opportunity to provide a brief update on the Group's operations for the 1<sup>st</sup> quarter this year ("1Q 2021").

The Group achieved 1Q 2021 EBITDA of US\$18.0 million on revenue of US\$119.4 million. This is marginally lower than 1Q 2020 (EBITDA of US\$19.1 million on revenue of US\$126.6 million) but 1Q 2020 was essentially pre-COVID and was a relatively strong quarter.

When compared to the previous quarter, 4Q 2020, our 1Q 2021 results show strong continued improvement. EBITDA is up 37.7% from 4Q 2020's EBITDA of US\$13.1 million and Revenue is up 14.4% from 4Q 2020's Revenue of US\$104.4 million. This strong recovery reflects the progress made in the economies in the region after the initial impact of the large-scale lockdowns due to COVID-19.

(In US\$ Million)	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	Y-o-Y Change
<b>Revenue*</b>	126.6	70.5	83.6	104.4	<b>119.4</b>	-5.7%
- Indonesia	91.6	41.6	51.7	70.2	<b>84.8</b>	-7.4%
- Regional Markets	35.0	28.9	31.9	34.2	<b>34.6</b>	-1.0%
<b>Gross Profit Margin*</b>	30.7%	28.9%	24.4%	28.9%	<b>29.2%</b>	-1.5% pt
<b>EBITDA</b>	19.1	6.5	5.3	13.1	<b>18.0</b>	-6.0%

*\*Note: From 4Q 2020, our results reflect the reclassification of certain trade-related promotional items from Advertising & Promotion previously to net of revenue. This reclassification, though having no impact to Net Profit, resulted in lower revenue, gross profit and gross profit margin. Correspondingly 1Q - 3Q 2020 figures have also been adjusted.*

Group Revenue was lower by 5.7% Y-o-Y mainly as a result of a 7.4% sales decline in Indonesia. Although some categories, such as the Baking and Breakfast, and Food Service, posted steady growth of 1.3% and 1.9% Y-o-Y, respectively (highlighting the stay-home consumption and trends exhibited by consumers since last year), this was insufficient to mitigate the decline in other categories.

EBITDA for 1Q 2021 was at US\$18.0 million, lower by 6% against the same period last year, as a result of lower sales and gross margins, mitigated partially by lower operating expenses, mainly Selling & Distribution expenses. Consequently, EBITDA margin for the quarter was at 15.0%, which was steady vis-à-vis the 15.1% achieved in the same period last year.

Despite a lower EBITDA, the Group had a net cash inflow of US\$6.5 million in the quarter, increasing our cash balance to US\$72.1 million as at end-March 2021, compared to US\$65.5 million at end-December 2020. This arose mainly from a higher Free Cash Flow (“FCF”) of US\$35.2 million as we continued our tight cash flow management through closely managing our costs, working capital and capital spending.

On the back of this strong FCF, the Group was able to reduce its borrowings by US\$30.4 million.

<b>Balance Sheet as at</b>	<b>31 Mar 2021</b>	31 Dec 2020	Change in
	<u>US\$ Million</u>	<u>US\$ Million</u>	<u>US\$ Million</u>
Cash and Cash Equivalent	72.1	65.5	6.5
Working Capital	107.1	128.6	(21.5)
Property, Plant and Equipment & Intangible Assets	120.0	128.1	(8.1)
Total Assets	361.3	382.5	(21.2)
Borrowings	18.3	48.7	(30.4)
Total Equity	229.2	225.6	3.6
Current Ratio	2.03	1.75	
Average Inventory Days	76	109	
Average Receivable Days	59	81	
Average Payable Days	32	44	
<b>3-months ending</b>	<b>31 Mar 2021</b>	31 Mar 2020	
Free Cash Flow generated	35.2	15.2	20.0

## **Outlook**

Our results for 1Q 2021 are encouraging and show that the recovery that started in 3Q last year is continuing. However, uncertainties and challenges still persist, particularly from the uneven or slow pace of vaccination, reinstatement of lockdowns, and the possible onset of new variants. The macroeconomic and operating environments in our markets will therefore continue to remain challenging.

With these uncertainties continuing throughout this year and most likely into next year, we will continue to maintain tight control of our operating costs, working capital and capital spending. We will focus on our cash flow generation and maintain our cash holdings.

Under this uncertain operating environment, the Group's solid foundation (the strength of our leading brands, our strong innovation culture and strong distribution) coupled with our strong Balance Sheet and Cash Flow generation means we are well placed to tackle the uncertainties ahead and should achieve growth in our business albeit at a slower rate in the short term.

Barring any unforeseen circumstances, we continue to be cautiously optimistic that our financial performance in FY2021 should be better compared to FY2020.

By Order of the Board

Chuang Yok Hoa/Siau Kuei Lian  
Company Secretaries

18 May 2021