

FOR IMMEDIATE RELEASE

Delfi achieves top and bottom-line growth driven by cautious recovery across markets in 1H 2021

- Total revenue increases 6.8% to US\$210.5 million led by stronger sales in Indonesia and Malaysia.
- Higher Free Cash Flow of US\$48.0 million generated in 1H 2021 as compared to US\$25.7 million in 1H 2020.
- Declares interim cash dividend of 1.27 US cents (1.71 Singapore cents) per ordinary share representing a dividend payout ratio of 63.1% of PATMI in 1H 2021.

Financial Highlights (US\$ Million)	6 months ended 30 June		
	1H 2021	1H 2020	Change (%)
Indonesia	144.0	133.2	8.1
Regional Markets	66.5	63.9	4.1
Total Revenue	210.5	197.1	6.8
Gross Profit Margin	29.0	30.2	(1.2% pt)
EBITDA	26.5	25.6	3.6
PATMI	12.3	10.8	13.7

SINGAPORE - 10 August 2021 - With the gradual recovery of its key markets, SGX Mainboard-listed chocolate confectionery company, Delfi Limited (“Delfi”, the “Company” or together with its subsidiaries, the “Group”), has recorded higher sales and earnings for the six months ended 30 June 2021 (“1H 2021”). Year-on-Year (“Y-o-Y”), the Group’s EBITDA rose 3.6% to US\$26.5 million while PATMI increased 13.7% to US\$12.3 million as compared to the corresponding six months in 2020 (“1H 2020”).

Delfi’s improved 1H 2021 performance was on the back of a 6.8% Y-o-Y growth in revenue to US\$210.5 million driven by improvements from large scale lockdowns a year ago due to COVID-

19. This was led by performance in the second quarter of 2021 that saw a 29.1% Y-o-Y increase in sales compared to 2Q 2020 which was the height of the initial large-scale lockdowns a year ago in Indonesia and the Philippines.

The Group has declared an interim cash dividend of 1.27 US cents (1.71 Singapore cents) per ordinary share for 1H 2021, the same as last year's interim dividend in US dollar terms (1H 2020: 1.27 US cents or 1.76 Singapore cents per ordinary share). This represents a payout ratio of 63.1% of the PATMI achieved in 1H 2021, which is higher than historical distributions reflecting the Board's confidence in the cash flow generation of the Group and the Board's stated position to return excess cash to shareholders.

PERFORMANCE REVIEW

In 1H 2021, Delfi's Own Brands and Agency Brands both performed well across its markets, achieving growth of 3.6% and 11.9% respectively, as compared to the same period last year.

In Indonesia, where the Group is a market leader, sales grew 8.1% Y-o-Y to US\$144.0 million in 1H 2021. The Group's Own Brands posted improvements particularly in its chocolate confectionery category, while sales of brands in the snacking and breakfast categories remained healthy.

Across its Regional Markets, revenue rose 4.1% Y-o-Y to US\$66.5 million mainly driven by the performance of its Malaysian operations.

Mr John Chuang, Delfi's Chief Executive Officer, said: *"In 1H 2021, we were focused on capturing the recovery in our markets and have responded successfully to ever-changing conditions brought on by the fluid COVID-19 situation. With cases rising due to a more infectious variant, we are currently seeing a return to stricter restrictions on movement. As such, we have worked successfully with our channel partners and retail customers to ensure that our products are even more easily accessible to consumers who are now shopping closer to home. We have also leveraged social media to engage more with the Gen-Z and Millennials consumers in order to communicate our Brands experience."*

With greater attention to costs, collections and capital spending since the onset of the pandemic and despite the uncertain operating environment, Delfi generated higher Free Cash Flow of US\$48.0 million in 1H 2021 as compared to US\$25.7 million in 1H 2020. As a result, the Group's cash balance stood at US\$74.8 million as at 30 June 2021, which is sufficient to support the Group's foreseeable near-term business and investment.

As at 30 June 2021, the Group's earnings per share and net asset value per share was at 2.01 US cents and 37.1 US cent respectively (as at 30 June 2020: 1.77 US cents and 36.7 US cents respectively).

BUSINESS OUTLOOK

The Group expects the macroeconomic and operating environments in its regional markets to remain challenging through the rest of 2021 and beyond. The return to normality will be determined by the effectiveness of the measures to combat the virus' spread coupled with the speed of the vaccine rollout but set against the threat of new variants. This is also reflected in the Asian Development Bank's recent revision of their 2021 growth forecast for Southeast Asia from 4.4% to 4.0%.

Mr Chuang said: *"Despite this uncertain operating environment, the Group's strong 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 can quickly seize any opportunities that may arise and in an upturn."*

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ABOUT DELFI LIMITED

Headquartered in Singapore and listed on the SGX-ST since 5 November 2004, Delfi Limited and its subsidiaries (the “Group”) manufactures and/or distributes branded consumer products that are sold in over 17 countries including Indonesia, Singapore, Malaysia, Hong Kong, Australia, Thailand, the Philippines and China.

Formerly called Petra Foods Limited until an official name change that took effect on 9 May 2016, Delfi has an established portfolio of chocolate confectionery brands which are household names in Indonesia. Its flagship brands in Indonesia include “SilverQueen” and “Ceres” that were introduced in the 1950s and “Delfi” in the 1980s. In addition, the Group also distributes a portfolio of well-known agency brands in Indonesia, Malaysia and the Philippines.

The Group was awarded the top spot in the annual Singapore Enterprise 50 Award in 2003 and was recognized as the “Best Newly Listed Singapore Company in 2004” in AsiaMoney’s Best Managed Companies Poll 2004. It was named the “Enterprise of the Year 2004” by the 20th Singapore Business Awards on 30 March 2005 and was named one of “Singapore’s 15 Most Valuable Brands” in November 2005 by IE Singapore.

Over the years, Delfi Limited has clinched awards in various categories at the annual Singapore Corporate Awards. The Group won a Silver award for its inaugural annual report in the “Best Annual Report/Newly Listed Company” category in 2006. In April 2009, it clinched a Gold award in the “Best Annual Report/Companies with \$300 million to less than \$1 billion in market capitalization” category. In May 2010, it bagged two Silver awards for “Best Managed Board” and “Best Investor Relations” under the “companies with \$300 million to less than \$1 billion in market capitalization” category. In 2015, the Group bagged a Bronze award for “Best Managed Board” under the “companies with S\$1 billion and above in market capitalization” category.

Delfi Limited’s Chief Executive Officer, Mr John Chuang, was also recognized for his leadership and management of the Group. He was named “Best Chief Executive Officer” at the 2011 Singapore Corporate Awards, “Businessman of the Year” at the 2012 Singapore Business Awards and he was one of the recipients of the SG50 Outstanding Chinese Business Pioneers Awards in 2015.

Issued by August Consulting on behalf of Delfi Limited

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