
**UPDATE ON THE GROUP'S FIRST QUARTER
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

The Board of Directors and Management 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 our first quarter this year.

On the back of a strong revenue growth of 11.4% Y-o-Y, the Group also recorded strong EBITDA performance in 1Q 2022. The Group’s overall performance in 1Q 2022 surpassed that of 1Q 2020, which was the quarter when COVID became more widely known.

The growth achieved reflects the Company’s focus on growing core strategic products to capture the momentum from higher consumer demand supported by improved sentiment in its markets as economies opened up.

(In US\$ Million)	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	Y-o-Y Change 1Q '22 vs 1Q '21
Revenue	119.4	91.0	87.0	107.7	133.0	11.4%
- Indonesia	84.8	59.2	53.1	73.1	92.8	9.5%
- Regional Markets*	34.6	31.9	33.9	34.6	40.2	16.1%
Gross Profit Margin	29.2%	28.7%	27.0%	32.7%	29.4%	0.7%
EBITDA	18.0	8.5	7.4	25.3	20.5	13.9%

* Note: Comprises of Malaysia, the Philippines and Singapore

Group Revenue for 1Q 2022 increased by 11.4% to US\$133.0 million from US\$119.4 million in 1Q 2021. Revenue for Indonesia increased by 9.5% to US\$92.8 million and Regional Markets improved to US\$40.2 million, an increase of 16.1%. In Indonesia, growth was driven mainly by Own Brands which registered double digit Y-o-Y growth. Regional Markets also performed well in 1Q 2022 with both Malaysia and the Philippines achieving strong growth compared to 1Q 2021.

EBITDA was strong for the period with higher sales and continued tight control of operating costs. The Group achieved 1Q 2022 EBITDA of US\$20.5 million, compared to US\$18.0 million in the corresponding period in 2021. For the quarter, an EBITDA margin of 15.4% was achieved (higher by 40 basis points compared to 1Q 2021’s 15.0%)

Compared to 4Q 2021, EBITDA was lower in 1Q 2022 due primarily to higher spending on seasonal trade promotions to capture the consumer sales for Valentine’s day and the earlier than usual Lebaran period (as reflected in the lower Q-o-Q Gross Profit Margin), combined with higher distribution costs in line with the higher Q-o-Q sales achieved.

The Group generated Free Cash Flow of US\$24.9 million for the quarter ended 31 March 2022 from higher profitability and a positive movement in working capital.

Balance Sheet as at	31 Mar 2022	31 Dec 2021	Change in
	<u>US\$ Million</u>	<u>US\$ Million</u>	<u>US\$ Million</u>
Cash and Cash Equivalent	109.1	86.2	22.9
Working Capital	92.7	95.8	(3.1)
Property, Plant and Equipment and Intangible Assets	112.0	115.5	(3.5)
Total Assets	389.0	363.9	25.1
Borrowings	9.2	10.1	(0.8)
Foreign Currency Translation Reserves	(11.6)	(10.2)	(1.4)
Shareholders' Equity	250.2	239.3	10.9
Current Ratio	2.13	2.15	
Average Inventory Days	60	91	
Average Receivable Days	50	68	
Average Payable Days	39	43	
	<u>31 Mar 22</u>	<u>31 Mar 2021</u>	
Free Cash Flow generated	24.9	35.2	(10.3)

The positive impact to cash from working capital was achieved by a reduction in inventory of US\$6.4 million, and an increase in trade payables of US\$3.7 million. An increase in trade receivables of US\$7.0 million, due to the business growth achieved for the quarter, offset the overall working capital figure.

As at 31 March 2022, the Group's cash position increased by US\$22.9 million to US\$109.1 million compared to US\$86.2 million as at 31 December 2021.

Outlook

We expect an improved operating environment for the remainder of the year compared to 2021 with economies continuing to open up and improving consumer sentiment in our markets. However, there are still uncertainties and challenges, for instance, political uncertainties, currency volatility and supply chain bottlenecks leading to continued raw materials inflation in the coming year. However, with our strong Balance Sheet and commercial strategies in place, we can, provided these uncertainties and challenges can be managed, and barring any unforeseen circumstances, be cautiously optimistic of a better performance in 2022.

By Order of the Board

Siau Kuei Lian
Company Secretary

18 May 2022