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**UPDATE ON THE GROUP'S THIRD QUARTER FOR THE FINANCIAL PERIOD ENDED  
30 SEPTEMBER 2022**

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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 3rd Quarter ("3Q 2022") and nine months ("9M 2022") of this year.

Building on our growth momentum from the first six months of 2022, our increased brand investments in 3Q 2022 enabled us to capitalize on strong consumer demand and drive growth across our markets in 3Q 2022.

The Group achieved 3Q 2022 revenue of US\$112.0 million (higher Y-o-Y by 28.7%) and an even stronger PATMI growth to US\$7.5 million (higher Y-o-Y by 539%). We ended the nine months of 2022 with revenue of US\$358.3 million, representing Y-o-Y growth of 20.4%, and a near doubling of our PATMI to US\$26.9 million. As such, we have surpassed the performance for the same (pre-COVID) periods in 2019 when revenue was US\$105 million and US\$332 million for 3Q and 9M, respectively, and PATMI was US\$5.9 million and US\$21.3 million for the same periods, respectively. *(Note: Figures for 2019 reflected above are after FRS 15 reclassification.)*

	Quarterly							9 months ended 30 September		
	1Q 2021	2Q 2021	3Q 2021	1Q 2022	2Q 2022	3Q 2022	3Q Y-o-Y Change	9M 2021	9M 2022	Y-o-Y Change
<b>Revenue</b>	<b>119.5</b>	<b>91.0</b>	<b>87.0</b>	<b>133.0</b>	<b>113.2</b>	<b>112.0</b>	28.7%	<b>297.5</b>	<b>358.3</b>	20.4%
- Indonesia	84.8	59.2	53.1	92.8	74.3	70.0	31.9%	197.1	237.2	20.3%
- Regional Markets*	34.6	31.9	33.9	40.2	38.9	42.0	23.9%	100.4	121.1	20.6%
<b>Gross Profit Margin</b>	<b>29.2%</b>	<b>28.7%</b>	<b>27.0%</b>	<b>29.4%</b>	<b>29.5%</b>	<b>29.7%</b>	270 bps	<b>28.4%</b>	<b>29.5%</b>	110 bps
<b>EBITDA</b>	<b>18.0</b>	<b>8.5</b>	<b>6.4</b>	<b>20.5</b>	<b>14.1</b>	<b>13.7</b>	116.0%	<b>32.9</b>	<b>48.3</b>	47.1%

Note: \* Comprises Malaysia, the Philippines and Singapore.

\*\* Figures may not add due to rounding.

The growth achieved in 3Q 2022 reflects very strong Y-o-Y growth in revenue for both Indonesia at 31.9%, and Regional Markets at 23.9%, with revenue figures of US\$70.0 million and US\$42.0 million, respectively.

Overall, the higher sales growth of our Premium format category, combined with our disciplined cost control, improved operational efficiencies, while tighter control of costs helped drive our Gross Profit Margin (“GPM”) higher for 3Q 2022 by 270 basis points to 29.7%, and by 110 basis points to 29.5% for 9M 2022.

In 3Q 2022, we more than doubled our overall EBITDA to US\$13.7 million, on the back of (i) higher Y-o-Y sales of US\$25.0 million, (ii) higher GPM achieved, and (iii) continued tight control of our operating costs. The resulting EBITDA margin increased by 500 basis points on a Y-o-Y basis, to 12.3% from 7.3% previously. For 9M 2022, EBITDA increased to US\$48.3 million from US\$32.9 million, and the EBITDA margin increased to 13.5% from 11.0%, a Y-o-Y increase of 250 basis points.

For the nine months ended 30 September 2022, our Group generated Free Cash Flow (“FCF”) of US\$14.0 million on higher profitability combined with continued tight management of working capital. Capital investment for 9M 2022 was US\$2.0 million.

<b>Balance Sheet as at</b>	<b>30 Sep 2022</b>	31 Dec 2021	Change in
	<u>US\$ Million</u>	<u>US\$ Million</u>	<u>US\$ Million</u>
Cash and Cash Equivalent	<b>80.3</b>	86.2	(6.0)
Working Capital	<b>107.9</b>	95.8	12.1
Property, Plant and Equipment and Intangible Assets	<b>103.3</b>	115.5	(12.3)
Total Assets	<b>364.0</b>	363.9	0.1
Borrowings	<b>13.0</b>	10.1	2.9
Foreign Currency Translation Reserves	<b>(23.8)</b>	(10.2)	(13.6)
Shareholders' Equity	<b>233.2</b>	239.3	(6.1)
Current Ratio	<b>2.16</b>	2.15	
Average Inventory Days	<b>80</b>	91	
Average Receivable Days	<b>52</b>	68	
Average Payable Days	<b>43</b>	43	
	<u>30 Sep 2022</u>	<u>30 Sep 2021</u>	
Free Cash Flow generated	<b>14.0</b>	67.7	(53.7)

Note:

1 Working capital is equal to account receivables plus inventories less accounts payable.

## **Outlook**

Barring any unforeseen circumstances, Delfi expects the positive growth momentum to continue for the rest of the year. To leverage improved consumer sentiment and capture the uptrend in consumption patterns, the Group intends to continue its focus on its core strategic products as well as to leverage its distribution capabilities to drive higher sales. At the same time, it is mindful of challenges in the macro environment including heightened geopolitical tensions, currency volatility, supply chain bottlenecks and inflationary pressures in Indonesia and elsewhere which are expected to add to the rising cost of materials and overall prices later in 2022. To cushion these challenges, the Group will continue to closely manage its operating costs and collections.

By Order of the Board

Siau Kuei Lian  
Company Secretary

15 November 2022