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**UPDATE ON THE GROUP'S FIRST QUARTER FOR THE FINANCIAL PERIOD  
ENDED 31 MARCH 2024**

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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 the first quarter this year.

The Group recorded lower EBITDA for 1Q 2024 on the back of consolidated Net Sales lower Y-o-Y by 5.3% as reported for the period in the Group's US Dollar reporting currency. The reduction in sales was driven by lower Y-o-Y sales in Indonesia and Regional Markets by 6.6% and 2.5%, respectively. In constant currency terms, sales in Indonesia were lower by 4.7%, while they were higher in Regional Markets by 2.5%. When compared to Net Sales from the previous quarter of 4Q 2023, our 1Q 2024 performance was higher by 15.2% in our reporting currency.

(US\$ Millions)	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	Y-o-Y Change	Y-o-Y Change
						1Q 24 vs 1Q 23	@ Constant Rate 1Q 24 vs 1Q 23
<b>Net Sales</b>	159.1	123.8	124.5	130.8	150.7	-5.3%	-2.5%
Indonesia	110.7	79.4	78.7	84.3	103.5	-6.6%	-4.7%
Regional Markets*	48.4	44.4	45.8	46.5	47.2	-2.5%	2.5%
<b>Gross Profit Margin</b>	29.7%	28.6%	28.4%	26.9%	30.2%	0.5% pt	0.4% pt
<b>EBITDA</b>	25.5	14.5	12.9	21.6	23.3	-8.5%	-6.2%

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

Group Net Sales for 1Q 2024 decreased Y-o-Y by 5.3% to US\$150.7 million from US\$159.1 million compared to the same period in 2023. The lower Net Sales was primarily due to the decision to reduce and re-focus spending on trade promotions, combined with weakness in regional currencies against the US Dollar (our reporting currency).

In Indonesia, the lower sales performance can be attributed to lower Own Brands sales following the strategic decision to adopt lower but more targeted trade promotions. The performance in Own Brands was partially offset by more robust performance in Agency Brands which improved by 4.1%.

Regional Markets recorded a Y-o-Y decrease in Net Sales of 2.5% to US\$47.2 million compared to 1Q 2023. The weaker performance can be attributed to lower Own Brands performance in the Philippines, and the impact from weaker local currencies. The decrease was partially offset by growth in Agency Brands in the Philippines and low single-digit growth in Malaysia for the quarter. On a constant currency basis, Regional Markets would have recorded an increase in Net Sales of 2.5% for the period.

Our Gross Profit Margin (“GPM”) in 1Q 2024 was 30.2%, reflecting an increase of 50 basis points (bps) compared to 1Q 2023. The increase attributed to the deliberate decision to reduce our spending on trade promotions during this period.

The Group achieved 1Q 2024 EBITDA of US\$23.3 million, compared to US\$25.5 million in the corresponding period in 2023, due primarily to the lower revenue described above, although the reduction in EBITDA was limited by continued tight control of operating expenses. The EBITDA margin for 1Q 2024 was 15.5%, slightly below the 16.0% margin recorded in 1Q 2023.

The Group generated healthy net cash from operations (after working capital) of US\$35.0 million for the quarter ended 31 March 2024, which compared favourably to US\$27.0 million generated during 1Q 2023. The net cash from operations was utilised to fund capital expenditures of US\$11.9 million. Working capital decreased to US\$153.4 million, US\$6.2 million lower compared to the end-December 2023 figure, from a reduction in inventories of US\$18.4 million, partially offset by an increase in trade receivables of US\$7.0 million and a reduction of trade payables of US\$5.2 million.

The strong cash flow generated during the quarter resulted in a cash balance of US\$66.7 million at end-March 2024, which was higher by US\$7.3 million compared to US\$59.4 million at end-December 2023.

<b>Balance Sheet as at</b>	<b>31 Mar 2024</b>	<b>31 Dec 2023</b>	<b>Change in</b>
	<u><b>US\$ Million</b></u>	<u><b>US\$ Million</b></u>	<u><b>US\$ Million</b></u>
Cash and Cash Equivalent	<b>66.7</b>	59.4	7.3
Working Capital <sup>1</sup>	<b>153.4</b>	159.6	(6.2)
Property, Plant & Equipment and Intangible Assets	<b>118.2</b>	116.0	2.2
Total Assets	<b>424.3</b>	420.9	3.4
Borrowings	<b>18.3</b>	32.7	(14.5)
Foreign Currency Translation Reserves	<b>(30.9)</b>	(24.9)	(6.0)
Shareholders' Equity	<b>275.3</b>	266.2	9.1
Current Ratio	<b>2.25</b>	2.16	
Average Inventory Days	<b>93</b>	110	
Average Receivable Days	<b>56</b>	54	
Average Payable Days	<b>37</b>	46	
	<u><b>31 Mar 2024</b></u>	<u><b>31 Mar 2023</b></u>	
Free Cash Flow generated	<b>27.0</b>	19.7	7.3

Note:

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

## **Outlook**

Looking ahead through the remainder of this year, it remains unclear how heightened geopolitical tensions, macroeconomic challenges, high interest rates, supply chain disruptions and rising commodity prices may impact consumer confidence in our key markets in 2024.

Although these uncertainties are expected to carry through most of 2024, we remain confident we can mitigate these risks by remaining focused on growing our core brands and further driving growth in our Premium and Value format categories, as well as by implementing initiatives to mitigate higher input costs. We will continue strengthening collaboration with our retail partners to enhance consumer engagement and further drive demand. In addition, we will keep expanding our coverage of the rapidly growing Modern Trade Independents channel. We will also continue to tightly manage our operating costs, collections and working capital levels.

With our Group's solid foundations - comprising the strength of our leading brands, robust culture of innovation and strong distribution capabilities - combined with our strong balance sheet and cash flow generation, we believe we are well-positioned to tackle uncertainties that may lie ahead.

By Order of the Board

Siau Kuei Lian Company  
Secretary

28 May 2024