



1st Half 2024 Financial Results

(unaudited)

13 August 2024



● ● Important Note on Forward-Looking Statements



The presentation herein may contain certain forward-looking looking statements by the management of Delfi Limited (“Delfi”) that pertain to expectations for financial performance of future periods vs past periods.

Forward-looking statements involve certain risks and uncertainties because they relate to future events. Actual results may vary materially from those targeted, expected or projected due to several factors. Such factors are, among others, general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures as well as changes in tax regimes and regulatory developments. Such statements are not and should not be construed as management’s representation on the future performance of Delfi. Therefore, the actual performance of Delfi may differ significantly from expressions provided herein.

This Results Presentation should be read in conjunction with the full text of the “Condensed Interim Financial Statements and Dividend Announcement for the 1st Half ended 30 June 2024”.

● ● Scope of Briefing



	Page No.
■ 1H 2024 Overview	4
■ 1H 2024 Highlights	6
■ Looking Ahead	7
■ Appendices	
• 1H 2024 Performance (in detail)	10
• Group Financial Highlights	11
• Balance Sheet Analysis	13
• Cash Flow Applications	14

●● 1H 2024 Overview



- **We reported a satisfactory set of results for 1H 2024 with revenue and PATMI of US\$260.8 million and US\$19.6 million respectively. The following factors impacted our performance:**
 - Weakness in regional currencies during the period against the US Dollar, especially in the Indonesian Rupiah
 - Lower Own Brands sales on reduced promotion spending as part of our strategy to optimize our promotional spending
 - Termination of an Agency Brand in Indonesia

- **Own Brands and Agency Brands revenue declined in 1H 2024 by 11.8% and 2.1% respectively**
 - From a constant currency perspective, Own Brands declined by 7.8% while Agency Brands increased by 3.2% Y-o-Y
 - Decline in Own Brands revenue impacted primarily by reduced spending in trade promotion, particularly in Indonesia
 - Reduction in Agency Brands was due principally to the termination of an Agency Brand in Indonesia
 - Excluding the termination of the Agency Brand, revenue for Agency Brands in 1H 2024 for Indonesia would have experienced an increase of 18.5%, driven mainly by higher growth in snacking

- **We remain focused on investing in brands that will show stronger growth and strengthen collaboration with retail partners to enhance consumer engagement**

●● 1H 2024 Overview (cont'd)



- **Tight control on costs, improvements of collections of trade receivables and reduced holdings of inventory helped increase net cash generated from operations to US\$37.6 million, higher by US\$14.1 million compared to 1H 2023**
 - The Group cash position as at 30 June 2024 stood at US\$54.8 million, after the dividend payment of US\$13.8 million in May 2024 and capital expenditure and advances for purchase of property, plant and equipment of US\$25.7 million

- **We continue to strengthen our distribution and manufacturing capabilities, and focus on improving productivity and efficiency targets**

- **We remain mindful of challenges in the current macro environment including those from prolonged geo-political tensions, persistently high interest rates, supply chain issues and elevated commodity prices**
 - To cushion these challenges, we continue to carefully manage our inventory levels, trade receivables, collections, operating costs and capital spending

- ❖ **Interim Dividend of 2.06 US cents per share declared, the same as 1H 2023 in US Dollar terms. This will be payable 12 September 2024**

● ● 1H 2024 Highlights

- **1H 2024 Revenue of US\$260.8 million** (▼7.8% Y-o-Y)
- **Gross Profit Margin of 28.8%** (▼40 basis points Y-o-Y)
- **EBITDA** **US\$32.8 million** (▼17.8% Y-o-Y)
 - Reflects lower net sales and lower gross margin
- **PATMI** **US\$19.6 million** (▼22.3% Y-o-Y)
- **ROE (annualised)** **14.9%** (▼4.9% pt Y-o-Y)
- **Net cash generated by operations of US\$37.6 million**
- **Interim Dividend of 2.06 US cents declared**



Looking Ahead

- **Notwithstanding the recent resilient economic growth in Indonesia, throughout 2024 we have witnessed increasing global uncertainties from worsening geopolitical tensions and unpredictable macroeconomic conditions which makes it difficult to determine the outlook for the region and our key markets for the remainder of this year**
- **The repercussions of increased geopolitical instability, higher-for-longer interest rates, continued pressure on supply chains, and elevated cocoa prices, could potentially taper consumer confidence in our key markets, which could moderate our profit growth**
- **Barring unforeseen circumstances, we remain positive we can mitigate these risks by continuing to effectively manage our trade promotion spend, remaining focused on growing sales of our core strategic products, further driving growth in our Premium format category, continuing to implement our strategy to mitigate rising input costs and further strengthening our distribution capabilities. In addition, we will continue to tightly manage our operating costs, collections and working capital levels**
- **The solid foundation of our Group - comprising strong leading brands, an effective culture of innovation and strong distribution capabilities, combined with our strong balance sheet, healthy cash position, prudent cost management, and cash flow generation, keep us well positioned to tackle uncertainties that may lie ahead**



Appendices

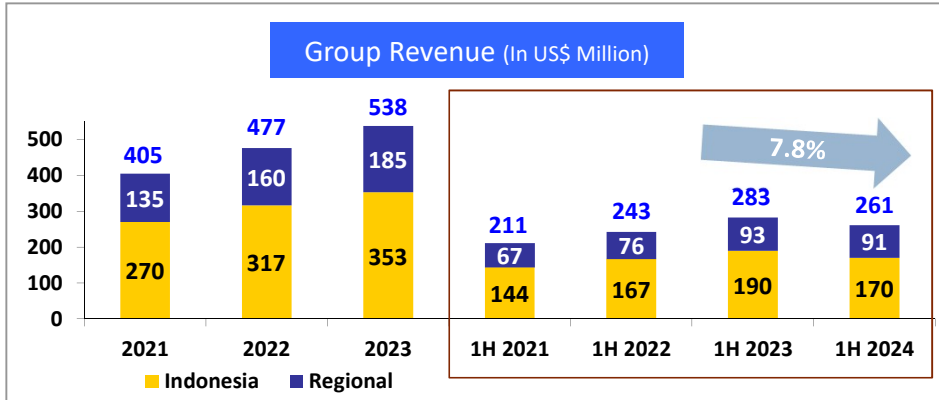
Group Financial Highlights

●● 1H 2024 Performance (in detail)

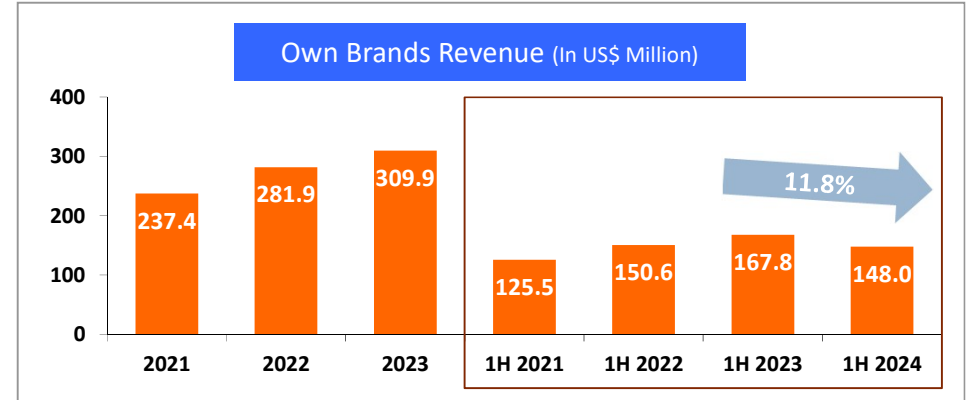


(In US\$ Million)	1H 2024	1H 2023	Y-o-Y Change	Local Currency Performance (Y-o-Y change)
Revenue	260.8	283.0	▼ 7.8%	▼ 3.3%
Indonesia	169.7	190.1	▼ 10.7%	▼ 6.3%
Regional Markets	91.1	92.9	▼ 1.9%	▲ 2.9%
Gross Profit (GP)	75.2	82.7	▼ 9.0%	▼ 4.6%
GP Margin	28.8%	29.2%	▼ 0.4% pt	▼ 0.4% pt
EBITDA	32.8	40.0	▼ 17.8%	▼ 13.0%
EBITDA Margin	12.6%	14.1%	▼ 1.5% pt	▼ 1.5% pt
PATMI	19.6	25.2	▼ 22.3%	▼ 17.4%

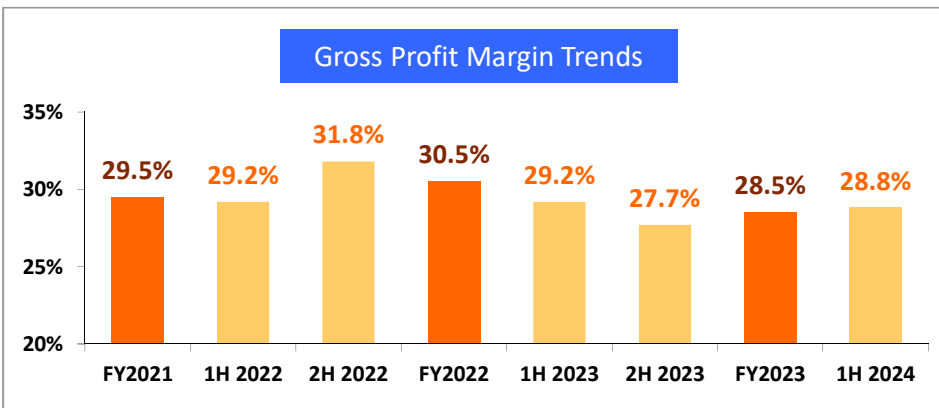
●● Group Financial Highlights



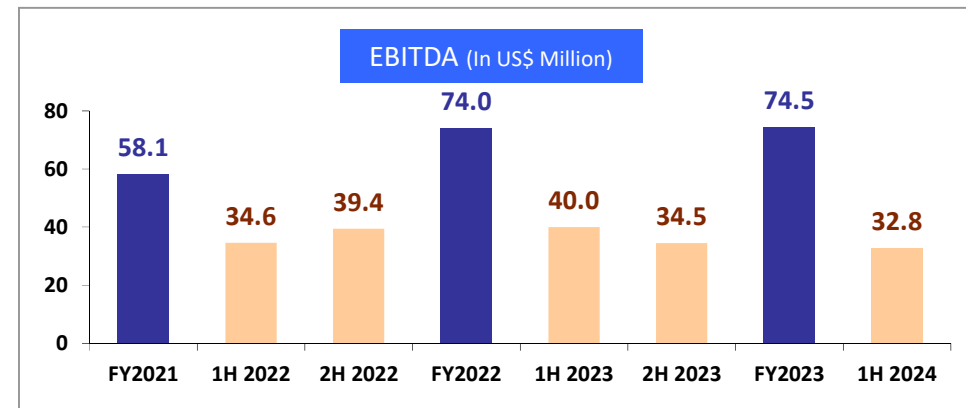
- 1H 2024 revenues lower Y-o-Y by 7.8% driven by the weakened local currencies and the reduction in trade promotion spending, particularly in Indonesia



- Own Brands performance declined in 1H 2024 vs 1H 2023, driven mainly by weaker currencies and lower net sales in Indonesia and the Philippines



- Gross margin declined in 1H 2024 by 40 basis point vs 1H 2023 due to the weakness in regional currencies, which impacted the prices of our raw material purchases



- 1H 2024 EBITDA down by 17.8% Y-o-Y on lower sales, lower gross margin

Balance Sheet & Cash Flow Analysis

●● Balance Sheet Analysis (Figures are at period end)



(In US\$ Million)	30 Jun 2024	31 Dec 2023	Comments
Cash and Cash Equivalents	54.8	59.4	
Trade Receivables	78.2	88.8	▪ In line with lower net sales
Inventories	94.2	115.9	▪ Reduction in inventory from sales activity during 1H 2024 that coincided with the festive period
Other Assets	51.1	38.5	
Fixed Assets, Intangible Assets & Investments	124.5	118.3	▪ Increase in capital expenditures to implement capacity increase and process improvements
Total Assets	402.8	420.9	
Trade Payables	38.5	45.1	▪ In line with lower inventories
Other Liabilities	73.1	76.9	
Total Borrowings	32.2	32.7	
Working Capital Facilities/Trade Finance	26.1	25.6	
Term Loan	6.1	7.1	
Total Equity	259.0	266.2	
Key Ratios			
Current Ratio	2.12	2.16	
Return on Equity	14.9%	18.1% *	
Inventory Days	103	110	
Receivables Days	58	54	
Payable Days	41	45	

* Relates to FY2023 audited figures.

●● Cash Flow Applications



- ❖ We have maintained tight control of cash flow management through effective inventory management and disciplined capital spending

(In US\$ Million)	30 Jun 2024
EBITDA	32.8
Changes in Operating Cash Flow	
Decrease in Working Capital	15.1
Income Tax Paid	(11.9)
Interest Income Received	1.6
Operating Cash Flow	37.6
Capital Expenditure	(18.6)
Other Investing Activities	(7.0)
Free Cash Flow	12.1
Financing Activities:	
Repayment of Borrowings, Net of Proceeds	(2.2)
Proceeds from Working Capital Financing	0.1
Interest Expense Paid	(0.7)
Dividend Payment	(13.8)
Net Cash Movement	(4.5)



Thank You

