
**UPDATE ON THE GROUP'S THIRD QUARTER
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

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 2024") and Nine Months ("9M 2024") of this year.

In 3Q 2024, the Group recorded Net Sales of US\$117.6 million, reflecting a 5.5% Y-o-Y decline and bringing 9M 2024 Net Sales to US\$378.5 million, a 7.1% Y-o-Y decrease. The performance reflects the impact of weaker regional currencies, notably the Indonesian Rupiah, along with the effects from the termination of an agency brand in 3Q 2023. From a constant currency perspective, the decline was more moderate at 1.8% for 3Q and 2.8% for the 9M period.

US\$ Millions	Quarterly							9 Months ended 30 September				
	1Q 2023	2Q 2023	3Q 2023	1Q 2024	2Q 2024	3Q 2024	3Q Y-o-Y Change	3Q Y-o-Y Change Constant f/x	9M 2023	9M 2024	Y-o-Y Change	Y-o-Y Change Constant f/x
Net Sales	159.1	123.8	124.5	150.7	110.2	117.6	(5.5%)	(1.8%)	407.4	378.5	(7.1%)	(2.8%)
- Indonesia	110.7	79.4	78.7	103.5	66.3	70.5	(10.3%)	(4.6%)	268.8	240.3	(10.6%)	(5.8%)
- Regional Markets*	48.4	44.4	45.8	47.2	43.9	47.1	2.9%	3.0%	138.6	138.2	(0.3%)	2.9%
Gross Profit Margin	30.4%	28.6%	28.4%	30.2%	27.0%	26.4%	(200 bps)		29.0%	28.1%	(90 bps)	
EBITDA	25.5	14.5	12.9	23.3	9.5	8.8	(31.7%)	(26.1%)	52.8	41.6	(21.2%)	(16.2%)

Note: * Comprises Malaysia, the Philippines and Singapore.

** Figures may not add due to rounding.

By geographic segment, Net Sales in Indonesia for 3Q 2024 totalled US\$70.5 million, reflecting a 10.3% Y-o-Y decrease. On a constant currency basis, Net Sales in Indonesia declined by a more moderate 4.6%. On a quarter-on-quarter basis, there was improved momentum with an increase of 6.4% due to higher promotion spending which reflected investments to drive growth in core brands over the longer term.

In Regional Markets, Net Sales for 3Q 2024 increased by 2.9% primarily due to growth in Agency Brands in Malaysia and the Philippines.

For 9M 2024, Net Sales in Indonesia were reported at US\$240.3 million, reflecting a 10.6% Y-o-Y decrease in reported currency, while on a constant currency basis, the decrease for 9M 2024 was a more moderate 5.8%.

For 9M 2024, the Group reported an EBITDA of US\$41.6 million, a Y-o-Y decrease of 21.2% (and 16.2% lower in constant currency), driven by reduced Net Sales and lower GPM. The

Group's reported GPM for 9M 2024 was 28.1%, a Y-o-Y decrease of 90 basis points, due primarily to the lower Net Sales and higher raw materials costs impacted by regional currency weakness.

We generated US\$46.9 million in net cash from operations in 9M 2024, higher Y-o-Y by US\$9.2 million. The net cash was used to fund capital expenditures of US\$27.1 million, mainly for production equipment needed to meet operational needs in line with expected growth of the business in the future.

Balance Sheet as at	30-Sep-24	31-Dec-23	Change in
	<u>US\$ Million</u>	<u>US\$ Million</u>	<u>US\$ Million</u>
Cash and Cash Equivalent	40.5	59.4	(18.9)
Working Capital ¹	144.0	159.6	(15.6)
Property, Plant and Equipment and Intangible Assets	135.6	116.0	19.6
Total Assets	418.3	420.9	(2.6)
Borrowings	23.4	32.7	(9.3)
Foreign Currency Translation Reserves	(19.0)	(24.9)	5.9
Shareholders' Equity	268.9	266.2	2.7
Current Ratio	2.07	2.16	
Average Inventory Days	114	110	
Average Receivable Days	62	54	
Average Payable Days	47	45	
	<u>30-Sep-24</u>	<u>30-Sep-23</u>	
Free Cash Flow generated	19.8	18.0	

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

Outlook

As we approach the final months of a year which has been marked by heightened global uncertainties, we look ahead into 2025 with a clear awareness of escalating geopolitical tensions and challenging macroeconomic conditions that could further complicate the global business environment and further weigh on consumer confidence. In the coming year, we anticipate businesses to continue facing inflationary pressures, currency fluctuations, high commodity prices (particularly for cocoa) and ongoing disruptions in the global supply chain. Despite the challenging environment, we remain positive in our ability to proactively manage these risks.

Supported by our Group's solid business foundation, including leading brands, a strong culture of innovation, and extensive distribution capabilities, combined with our healthy balance sheet and cash flow generation, we remain cautiously positive in our ability to navigate uncertainties that may arise in the future.

By Order of the Board

Lee Wei Hsiung/Check Hui Yee
Company Secretaries

12 November 2024