



2021 DFI Retail Group Full Year Results Presentation

4 March 2022

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- 1. Key Highlights**
2. Financial Results
3. Business Updates
4. Business Outlook

Encouraging Underlying Performance

- Sales lower by 2% following Group divestments
- Subsidiaries' underlying net profit up 35%, excluding subsidies
- Strong underlying Grocery Retail performance
- Encouraging Health and Beauty recovery in second half
- Improved Convenience performance
- Strong growth in IKEA network despite pandemic disruptions
- Total profitability adversely impacted by Yonghui
- Transformation plan established strong business foundations

Agenda

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Sales and Profit

(US\$' m)	FY2021	FY2020	%Δ
Total Sales			
Including Associates & JVs	27,684	28,159	-2
Subsidiaries	9,015	10,269	-12
Subsidiaries' Net Profit	145	200	-27
Share of Associates & JVs' Net Profit	(40)	76	n.m.
Profit Attributable to Shareholders	105	276	-62
Net Non-Trading Items	(2)	(5)	+60
Reported Profit Attributable to Shareholders	103	271	-62
EPS (US¢)	7.73	20.38	-62
Total Dividend Per Share (US¢)	9.50	16.50	-42

Sales Summary

(US\$' m)	FY2021	FY2020	%Δ
Food	6,394	7,447	-14
Grocery Retail	4,151	5,348	-22
Convenience Stores	2,243	2,100	+7
Health and Beauty	1,805	1,990	-9
IKEA	816	832	-2
<u>Key Associates*</u>			
Maxim's	2,455	2,064	+19
Yonghui	13,123	12,627	+4
RRHI	3,045	3,159	-4

*Includes 100% of Maxim's, Yonghui (12 months ending 30 September 2021) and RRHI's (12 months ending 30 September 2021) annual sales revenue.

Subsidiaries Operating Profit

(US\$' m)	FY2021	FY2020	\$Δ	%Δ
Food	197	324	-127	-39
Grocery Retail	143	267	-124	-46
Convenience Stores	54	57	-3	-5
Health and Beauty	56	66	-9	-14
IKEA	45	71	-26	-36
SG&A	(68)	(120)	52	+43
IFRS16 Adjustment – PBIT	83	71	12	+17
Operating Profit <i>(after IFRS16)</i>	314	412	-98	-24

Solid Cash Flow

(US\$' m)

	FY2021	FY2020
EBITDAR	1,199	1,395
Principal Elements of Lease Payments	(672)	(706)
Interest Elements of Lease Payments	(90)	(111)
ΔWorking Capital	(10)	(102)
Net Financing Costs	(26)	(32)
Dividends Received	46	68
Other Operating Cash Flow	(178)	(151)
Operating Cash Flow	270	361
Normal Capex	(212)	(248)
Free Cash Flow	58	113
Investments	87	161
Dividends Paid	(198)	(264)
Others	26	(6)
Net Cash Flow	(27)	4
Net Cash / (Debt)	(844)	(817)

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Transformation Plan Proving Critical

Strategic Priorities

Improvement Programmes



Fresh Supply Chain Efficiency	Labour Productivity
Assortment Optimisation	Procurement Centralisation

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MARKET PLACE



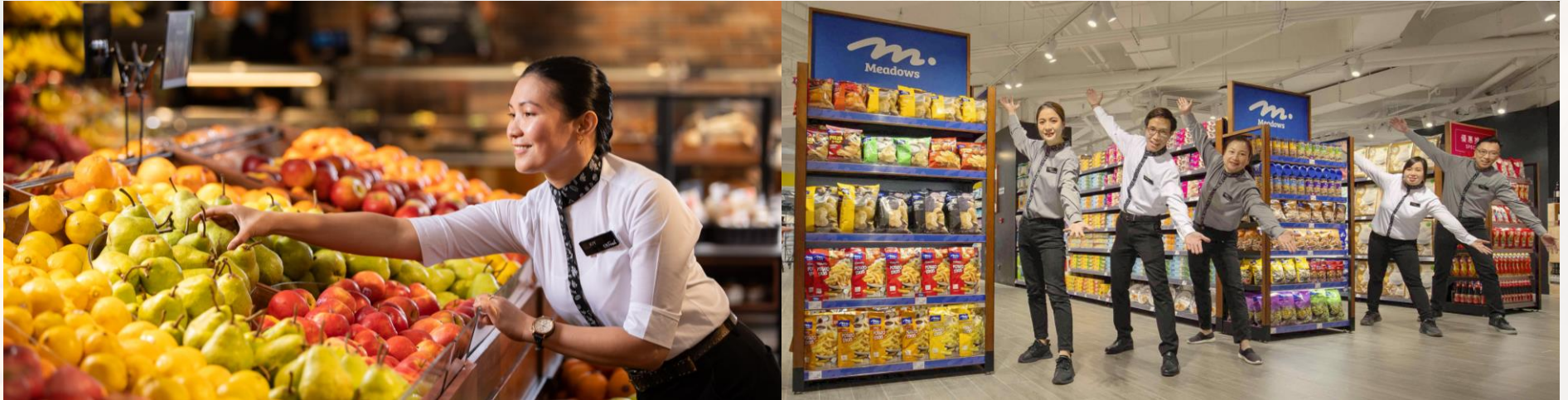
- Price investment resulting in significant customer savings
- Encouraging performance from new format development
- Strong uplift from upscale refreshes
- Own Brand momentum gathering pace
- Consistent improvement in key brand metrics
- Strong underlying sales outperformance and profit growth
- E-commerce pilots in place



- Giant relaunched in Singapore and Malaysia
- Price investment campaigns driving improved price position
- Improving brand perception metrics
- Strong improvement in underlying sales productivity and profit
- Arresting share decline with strong outperformance in fresh
- Upscale upgrades continuing to generate strong uplift
- Brand optimisation pivot now complete in Indonesia
- E-commerce pilots in place



Upscale Refresh (Market Place, CS Fresh)





精選
SPECIAL

Own Brand Momentum Gathering Pace



- Over 2,000 SKUs since launch
- Relunched *Yu Pin King*, *Giant* brands
- *Meadows Essentials & Meadows Home* ranges added
- *Meadows* now No.1 snacks brand in Singapore
- Double-digit own brand penetration
- 1,200+ SKUs expected to be launched in 2022

Own Brand Momentum Gathering Pace

mannings

ESSENTIAL mannings

guardian

- Strong Health and Beauty Own Brand launches in Q4
- Strong double digit volume uplift in cotton & paper ranges
- Essential and beauty accessory ranges added
- Over 1,000 new Health and Beauty products planned in 2022

- Border closures still significant compromise to performance
- Price investment enhancing value perception
- Strong volume growth in key SKUs
- Consistent market share gains
- Strong LFL sales recovery in second half
- Triple digit e-commerce growth
- Strategic consolidation to South China now complete

- 2021 SEA lockdown restrictions more severe than 2020
- Over 100 new stores opened, despite COVID restrictions
- Price investment driving improved brand perception
- Strong volume growth in key SKUs
- Range optimisation program in place
- Guardian voted No.1 store in Malaysia
- Improved LFL sales as movement restrictions eased
- E-commerce order volume +90%
- Strong pipeline of new store growth

7-Eleven Update



- LFL sales recovery as restrictions eased
- Over 350 new stores opened
- Over 1,300 new products launched
- Digital system transformation in China complete
- O2O orders quadrupled in Guangdong
- O2O offering launched in Hong Kong
- Strong market share growth in key markets
- Strong store growth pipeline expected for 2022

- Indonesia and Taiwan impacted by trading constraints
- Global supply chain constraints impacting availability
- Solid sales despite trading days lost
- Double digit e-commerce growth
- Trading space more than doubled in Indonesia
- First Giant conversion in Bali opened in November
- Innovative smaller format sites trialed across markets
- Continued touchpoint expansion expected in 2022

IKEA Leading Global Innovation



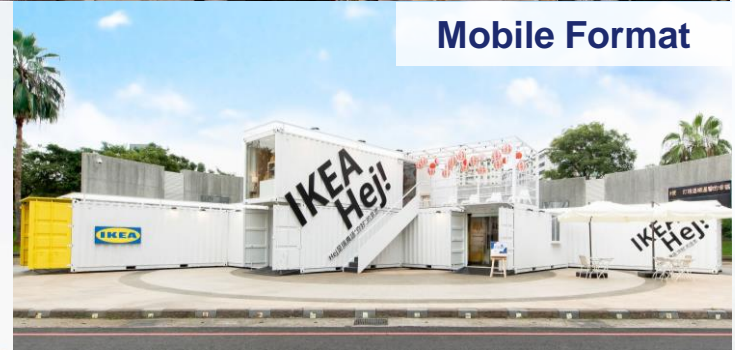
Pop Up Store



Store in Store



Blue Box Store



Mobile Format



Small Format

Creating a *yuu*-niverse



- Almost 4 million *yuu* members
- 99% brand awareness
- Strong membership retention
- Over 130 billion points issued since launch
- Over 50% increase in customers shopping cross banners
- *yuu* Insure launched in November
- Shell joined as fuel partner in February
- *yuu-to-me* in-app e-commerce gaining momentum

Digital Initiatives Remain Key Focus

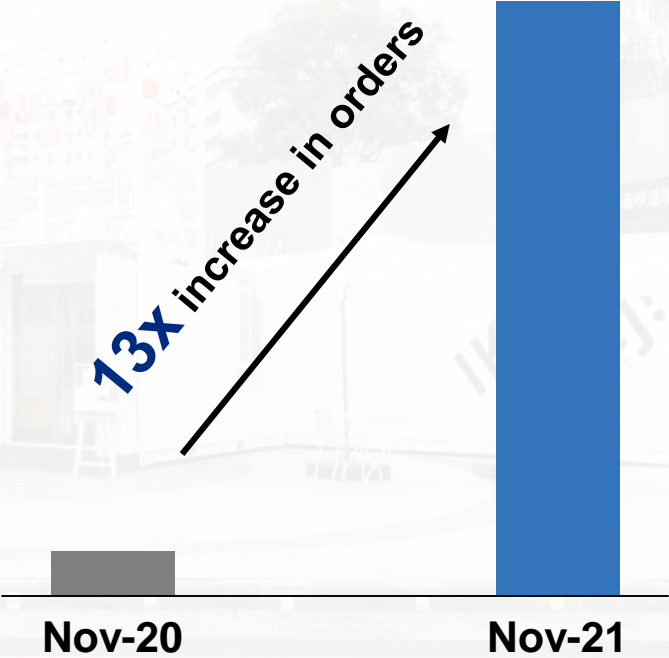


Creating a yuu-niverse



- Ecommerce pilots launched across key markets
- 160% increase of daily e-commerce orders across Group
- Fulfillment across combination of dark store and local stores
- Additional digital and CRM capabilities introduced
- Double digit e-commerce penetration for IKEA

11.11 Online Orders*



*For Wellcome and Mannings Hong Kong

OUR MISSION

PROVIDE COMMUNITIES WE SERVE WITH BENEFITS THAT HELP THEM AND HELP THE ENVIRONMENT TOO

OUR APPROACH

BUILD CHANGE THAT MATTERS, HARNESS OUR TEAM'S PASSION AND STRIVE TO MAKE A DIFFERENCE

OUR KEY PILLARS

SERVING COMMUNITIES

SUSTAINING THE PLANET

SOURCING RESPONSIBLY

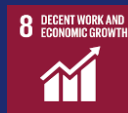
FOCUS AREAS

REDUCING HUNGER
REDUCING THE COST OF LIVING
RAISING SELF-ESTEEM

REDUCING PLASTIC USAGE
REDUCING FOOD WASTE
REDUCING ENERGY
ELIMINATING HARMFUL REFRIGERANTS

IMPROVING ANIMAL WELFARE
IMPROVING HUMAN WELFARE
IMPROVING LAND WELFARE

RELATIONSHIP WITH THE U.N. SUSTAINABLE DEVELOPMENT GOALS



OUR FOUNDATION

WE PUT OUR CUSTOMERS FIRST ALWAYS. WE RESPECT EACH OTHER.
WE CARE PASSIONATELY. WE DO THE RIGHT THING.

Wellcome X FoodLink CSR Campaign

惠康 wellcome
Foodlink
膳心連

食咗飯未?

讓米變成祝福
幫助有需要的人

To feed those in need



買全線御品皇米
Purchase any Yu Pin King rice

每公斤 every KG sold

\$0.5 捐款 donation



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Reshaping DFI Retail Group

	Building a Strong Base	Delivering Consistently Well	Driving the DFI Difference
Performance ↑	1. Build a strong leadership team	1. Establish leadership strength in depth	1. High performing teams with strong succession plans
	2. Define store brand customer proposition by sector and country	2. Store portfolio structured to customer needs (online and offline)	2. Strong and dynamic market proposition
	3. End-to-end supply chain review	3. Efficient, well-run stores supported by strong supply chain	3. Strong, efficient supply chain a core competence
	4. Implement scale leverage	4. Scale sourcing a standard practice	4. Optimised product sourcing strategy
	5. Improve IT infrastructure & digital capability	5. Strong digital capacity and IT backbone	5. Strong, omni-channel, personalisation capability
	6. Align resource to business challenges	6. Central support aligned to business need	6. High capability, streamlined support centres servicing customers and stores
	7. Establish cultural values	7. Motivated, well-trained teams	7. An engaged, motivated, customer-focused workforce, appreciative of each other
	1-2 years	3-4 years	5+ years

- Successfully migrating to 3rd phase of transformation
- Continued investment in new format development
- Increasing digital emphasis across the company
- Confidence in underlying business strength
- COVID crisis will continue to add performance volatility
- Confident progress will continue in 2022
- DFI well positioned for growth when conditions normalise



Q&A session

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Presentation