



# DFI Retail Group

## 2024 Half-Year Results Presentation

02 August 2024

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

# Performance Highlights

- Underlying profit of US\$76m, vs. US\$33m in 1H23
- Underlying subsidiaries sales -2% vs. 1H23 excluding Malaysia food divestment impact
- Encouraging profit improvement for Food retail
- Convenience posted double-digit operating profit growth across all markets
- Health & beauty revenue impacted by strong comparables, remain focused on improving margin
- Home Furnishings weighed on by high interest rate environment and macro softness
- Strong e-Commerce volume growth with substantial improvement in profit contribution
- Associates delivered improving underlying profit
- Continued net debt reduction

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# Revenue and Underlying Profit

(US\$' m)	1H 2024	1H 2023	Change
Total Revenue			
Including Associates & JVs	<b>12,643</b>	13,488	<b>-6%</b>
Subsidiaries <sup>1</sup>	<b>4,405</b>	4,574	<b>-4%</b>
Subsidiaries Underlying Operating Profit (pre-IFRS16)	<b>121</b>	86	<b>+40%</b>
Subsidiaries Underlying Profit	<b>73</b>	40	<b>+82%</b>
Share of Associates & JVs' Underlying Profit	<b>3</b>	(7)	<b>n.m.</b>
Underlying Profit Attributable to Shareholders	<b>76</b>	33	<b>+127%</b>
Net Non-Trading Items	<b>19</b>	(25)	<b>n.m.</b>
Reported Profit Attributable to Shareholders	<b>95</b>	8	<b>+1060%</b>
Underlying EPS (US¢)	<b>5.62</b>	2.47	<b>+128%</b>
Interim Dividend Per Share (US¢)	<b>3.50</b>	3.00	<b>+17%</b>

1. H1 2024 subsidiaries revenue down 2% year-on-year excluding the divestment impact of Malaysia Grocery retail business completed in March 2023

# Sales Summary

(US\$' m)	1H 2024	1H 2023	Change	LFL <sup>1</sup>
Food	1,579	1,688	-6%	-2%
Convenience	1,168	1,182	-1%	-3% <sup>2</sup>
Health and Beauty	1,211	1,210	+0%	-1%
Home Furnishings	349	400	-13%	-11%
<u>Key Associates<sup>3</sup></u>				
Maxim's	1,369	1,371	-0%	
Yonghui	5,004	5,758	-13%	
Robinsons Retail	1,744	1,744	+0%	

1. Like-for-like sales growth

2. Convenience LFL sales grew 4% excluding cigarette sales

3. Associates' sales include 100% of revenue from Maxim's, Yonghui (1 Oct - 31 March 2024) and RRHI's (1 Oct - 31 March 2024) sales revenue.

# Subsidiaries Operating Profit

(US\$' m)

Food

Convenience

Health and Beauty

Home Furnishings

SG&A

Operating Profit (*pre-IFRS16*)

IFRS16 Adjustment

Operating Profit (*post-IFRS16*)

*Operating Margin %*

1H 2024

1H 2023

Change

Change %

26

14

+12

+90%

47

27

+20

+73%

103

100

+3

+3%

3

14

-11

-77%

(57)

(68)

+11

-17%

121

86

+35

+40%

47

41

+6

+14%

168

128

+41

+32%

3.8%

2.8%

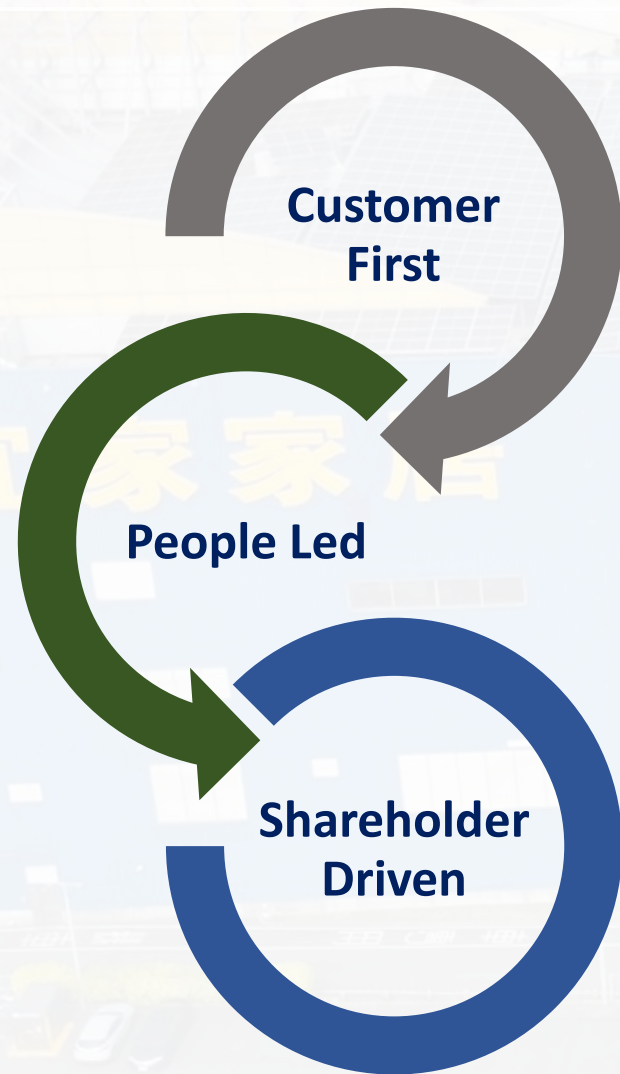
+100bps



# Cash Flow Statement

(US\$' m)	1H 2024	1H 2023
EBITDAR	580	542
Principal Elements of Lease Payments	(312)	(318)
Interest Elements of Lease Payments	(54)	(45)
ΔWorking Capital	(52)	(16)
Net Financing Costs	(19)	(23)
Dividends Received	30	23
Other Operating Cash Flow	(17)	(12)
Operating Cash Flow	155	149
Capex	(94)	(104)
Free Cash Flow	61	44
Investments	72	(31)
Dividends Paid	(67)	(27)
Others	4	(4)
Net Cash Flow	69	(17)
Net Cash / (Debt)	(549)	(883)

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## Customer First

- ✓ Competitive assortment & price
- ✓ Local relevance
- ✓ Strong digital proposition

## People Led

- ✓ Embedded values across Group
- ✓ Empowering decisions close to customer
- ✓ Servant leadership

## Shareholder Driven

- ✓ Improving shareholder returns
- ✓ Disciplined capital and resource allocation
- ✓ ESG committed

# Customer First – Key Progress



Double-digit sales growth in Ready-to-Eat for 7-Eleven



Optimised Own Brand range delivering stronger margins



Data-driven assortment decisions integrated into category reviews



Health and Beauty services expansion strategy developed



Accelerating omnichannel presence across all formats



Unlocking monetisation potential with Retail Media networks

# People Led – Key Progress



Disciplined control of SG&A costs



Systematic reset of training and development



Empowered leaders to maintain local competitiveness



Improving leadership diversity metrics



Robust succession plan in place for senior leaders

# Shareholder Driven – Key Progress



Disciplined capex investment to support organic growth



Property monetisation program improving capital efficiency



Net debt of US\$549m at June 2024, vs. US\$883m at June 2023



Interim dividend growth of 17%



Continued portfolio optimisation

# Food Update

惠康 wellcome

MARKET PLACE

Sammi  
新站超市

Lucky

DF  
RETAIL GROUP

Giant

COLD STORAGE CS Fresh

- Strong profit growth driven by improved margin mix and disciplined cost control
- Continued market share gain in Hong Kong
- Singapore Food reset supporting improved profits with minor share loss
- Double-digit e-commerce growth with strong profit improvement in Hong Kong & Singapore
- Quick-commerce partnership with Foodpanda Hong Kong live May 2024
- Own Brand reset driving profit accretion
- Hero Supermarket divestment completed June 2024

# Convenience Update

- LFL sales growth of 4% excluding cigarettes
- Profit grew by 73% year-over-year
- Double-digit Ready-to-Eat ('RTE') growth supporting margin expansion
- Fragmented QSR market supports significant opportunity for RTE growth
- Profitable e-Commerce business, new digital channels planned
- Store expansion focused in South China, +102 new stores to 1,765 as of June
- Growing franchisee store participation



# Health and Beauty Update

- 1H LFL +1% excluding Hong Kong consumption voucher impact in April 2023
- Strong revenue CAGR of 11% over the past 24 months
- Continued market share gains across key South East Asian markets
- South East Asia supported by strong Indonesia performance
- Health care market share continues to grow
- Own Brand reset in Health & Beauty
- 37 new stores opened in first half
- Strong e-commerce volume growth with profit contribution improvement



萬寧 MANY HEALTH RETURNS  
一萬種健康



# Home Furnishings Update



- Macro-driven softness in home furnishing demand
- Significant market share growth potential across key markets
- Good growth in e-commerce penetration to 13% of revenue
- Strong food proposition with expanding touchpoint network
- Well-positioned to capture rebound in heavy investment when market condition improves
- Resilient sales performance in Taiwan despite disruption caused by April earthquake
- Ongoing cost optimisation efforts across markets

# Accelerating O2O Presence

## Direct distribution channels

## yuu Platform

## Third-party platforms

### Website



### App/ Mini Program



### Marketplace\*



### Quick Commerce\*\*



**Total eCommerce daily order volume surpassed 52,000, up c.40% YoY**

\* For Mannings and Guardian only

\*\* Customers can place orders through the platform and choose either to pick up the products at an offline store or have them shipped to their home. The third-party platform will handle the last-mile delivery.

## Customer

- 5m+ members in Hong Kong
- 1.7m members in Singapore
- New insurance partner in HK
- More partners in pipeline

## Vendor

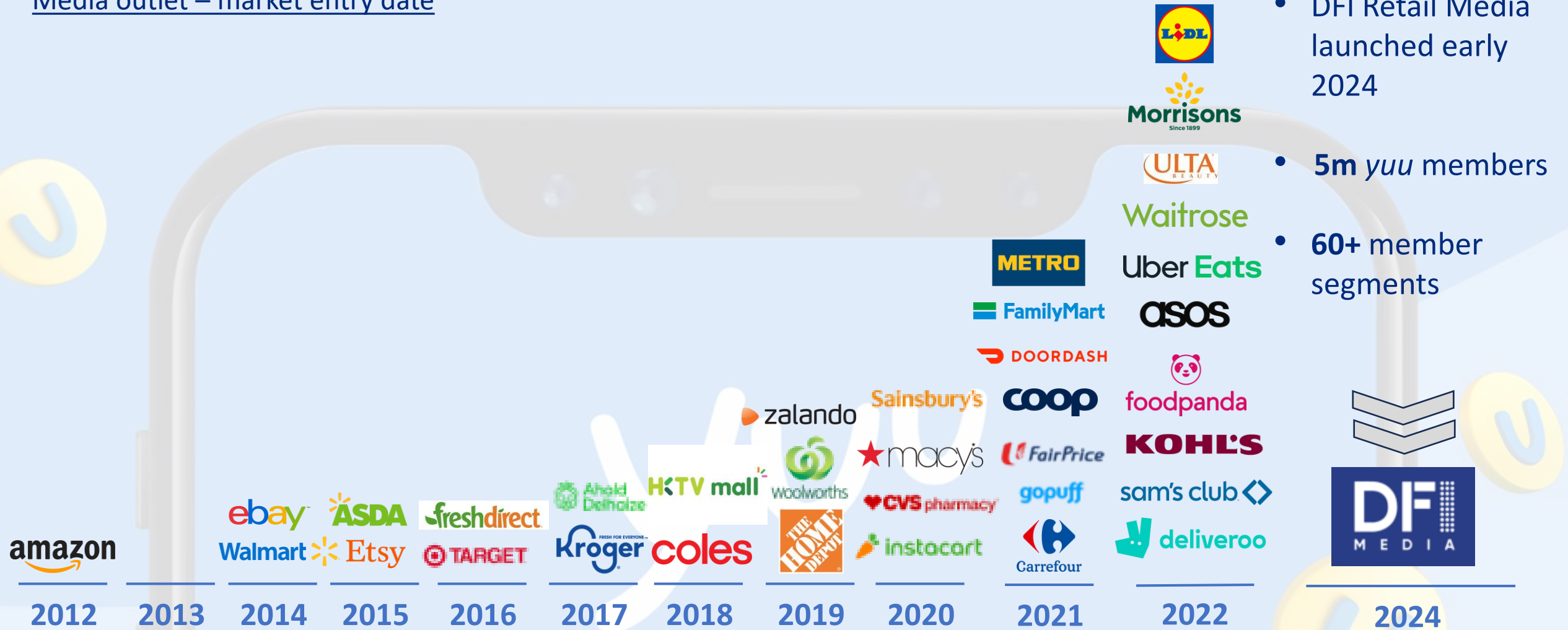
- DFI Retail Media launched
- Over 10 successful retail media campaigns in H1
- Data insight collaboration opportunities

## Productivity

- Introduced data and analytics into retail assortment decisions
- Encouraging sales and gross profit uplift

# DFI Retail Media – Compelling Proposition for Advertisers

Media outlet – market entry date



- DFI Retail Media launched early 2024
- 5m yuu members
- 60+ member segments

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# Full-Year 2024 Outlook

**Subsidiaries Revenue**

*Similar trend to 1H24*

**Underlying Profit  
Attributable to Shareholders**

*US\$180-220m*

**Capex**

*US\$200-240m*

**Net Debt**

*Continued reduction*

**Dividend**

*Absolute dividend growth*



# Q&A

2024 Half-Year Results Presentation





# Thank you

If you have any queries, please email  
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