



DFI Retail Group

2023 Full Year Results Presentation

08 March 2024

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

Performance Highlights

- Subsidiaries sales in line with last year and +5% excluding Malaysian divestment impact
- Underlying profit improved significantly
- Food impacted by evolving customer behaviours with trend improving in second half
- Health and Beauty profit more than doubled
- Strong profit growth across all Convenience markets
- Home Furnishings gained share but affected by reduced home furnishing demand

Agenda

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Revenue and Underlying Profit

(US\$' m)	FY 2023	FY 2022	Change
Total Revenue ¹			
Including Associates & JVs	26,471	27,597	-4%
Subsidiaries	9,170	9,174	-
Subsidiaries Underlying Operating Profit (pre-IFRS16)	212	133	+59%
Subsidiaries Underlying Profit	112	64	+75%
Share of Associates & JVs' Underlying Profit	43	(35)	n.m.
Underlying Profit Attributable to Shareholders	155	29	+437%
Net Non-Trading Items	(123)	(143)	-15%
Reported Profit Attributable to Shareholders	32	(115)	n.m.
Underlying EPS (US¢)	11.49	2.14	+437%
Total Dividend Per Share for The Year (US¢)	8.00	3.00	+167%

1. Total revenue includes other operating income that was separately classified a part from sales by format, primarily consisting of concession income and service income etc.

Sales Summary

(US\$' m)	FY 2023	FY 2022	Change	LFL ¹
Food	3,285	3,872	-15% ²	-7%
Convenience	2,441	2,266	+8%	+5%
Health and Beauty	2,445	2,025	+21%	+21%
Home Furnishings	794	839	-5%	-7%
<u>Key Associates³</u>				
Maxim's	3,109	2,524	+23%	
Yonghui	10,697	12,697	-16%	
RRHI	3,416	3,142	+9%	

1. Like-for-like sales growth

2. Food sales reduced 5% excluding the divestment of Malaysia Grocery Retail business (FY23 sales 82m for two months, FY22 sales 512m)

3. Associates' sales include 100% of revenue from Maxim's, Yonghui (12 months ending 30 September 2023) and RRHI's (12 months ending 30 September 2023) annual sales revenue.

Subsidiaries Operating Profit

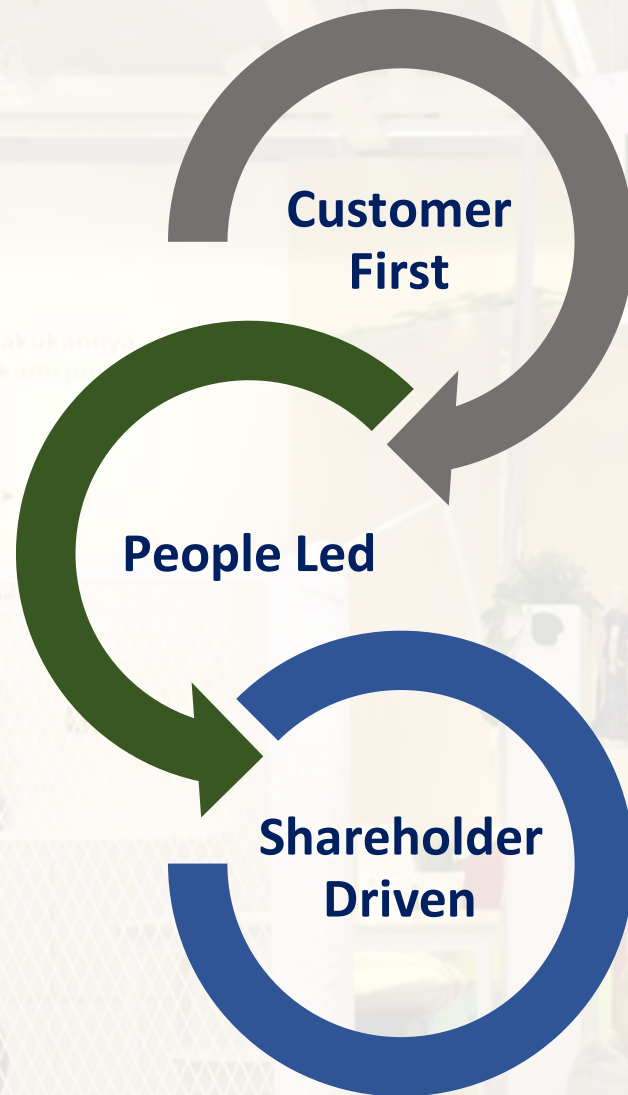
(US\$' m)

	FY 2023	FY 2022	Change	Change
Food	45	91	-46	-50%
Convenience	88	51	+37	+74%
Health and Beauty	213	94	+119	+127%
Home Furnishings	19	46	-27	-59%
SG&A	(152)	(147)	-5	+3%
Operating Profit (<i>pre-IFRS16</i>)	212	133	+79	+59%
Operating Margin % (<i>pre-IFRS16</i>)	2.3%	1.5%		
IFRS16 Adjustment	82	76	+6	+8%
Operating Profit (<i>post-IFRS16</i>)	294	209	+85	+40%

Cash Flow Statement

(US\$' m)	FY 2023	FY 2022
EBITDAR	1,121	1,070
Principal Elements of Lease Payments	(625)	(661)
Interest Elements of Lease Payments	(96)	(86)
ΔWorking Capital	45	(7)
Net Financing Costs	(49)	(35)
Dividends Received	46	45
Other Operating Cash Flow	(23)	(47)
Operating Cash Flow	419	279
Capex	(197)	(244)
Free Cash Flow	222	35
Investments	92	23
Dividends Paid	(67)	(101)
Others	0	22
Net Cash Flow	247	(22)
Net Cash / (Debt)	(618)	(866)

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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 Action Points



Data-driven assortment, pricing and promotion decisions across formats



Optimisation of Own Brand across formats



Leverage store footprint and expand retail primary health care service



Increased alignment of store-format design with customer focus groups



Continue to innovate and drive ready-to-eat at 7-Eleven



Drive home décor and omnichannel during high interest rate environment



Digital reset with target to achieve DFI's fair share across markets

People Led – Key Principles



Empowered leaders & locally competitive



Lean overhead with focus on reducing SG&A



Centralise only if proven value to P&L



Diversity – we reflect our customers



Employer of choice



Develop & train future skills



Robust succession & leadership development

Shareholder Driven – Capital Allocation Priorities



Investment in organic growth



Disciplined capex



Debt reduction



Sustainable dividend growth



Portfolio management



Return cash to shareholders through special dividend and share buybacks

Food Update



- Continued market share gains in Hong Kong
- Continued innovation in store development
- Refined digital proposition with new website & app launch in Q4'23
- Wellcome H2 profit increased year-on-year
- SEA performance affected by intense competition and weakening customer sentiment
- Partnership with Foodpanda in Singapore strengthening digital proposition
- Own Brand reset for driving differentiation and margin growth

Health and Beauty Update

- Double-digit LFL sales growth
- Profit more than doubled
- Strong in-store execution drove market share strength in Hong Kong
- Health category driving sales and margin growth across markets
- Malaysia and Indonesia led SEA performance
- Continued network expansion with 130+ store openings in 2023
- Upgraded fulfilment capability supporting 70+% ecommerce order growth in SEA

Convenience Update



- Strong LFL sales recovery across all markets as foot traffic rebounded
- Underlying profit increased over 60%
- Over 4,000 new products introduced in the year
- Strong ready-to-eat offerings reinforcing differentiation and margin
- Over 300 new stores opened across markets
- South China delivering 24,000+ omnichannel orders/day
- Strong store expansion pipeline led by South China growth plan

- Macro-driven reduced home renovation and furniture demand impacting sales
- Format innovation with 3 small-space, digitally-enabled stores opened in the year
- Touchpoints more than quadrupled to 56 within last 5 years despite COVID
- Strong e-commerce growth in Taiwan supported by new fulfilment centre
- Good growth in Food segment
- Omni experience with increased store digitalisation remaining key strategic focus
- Confidence in long-term growth with significant whitespace opportunities

- *yuu* Hong Kong membership now 4.9 million; 76% of adult population
- Over 100 billion *yuu* points issued in 2023
- New partner launches in pipeline
- Implementing analytics to enhance merchandising decisions
- Insights monetisation plans in place with suppliers
- Ambitious Retail Media growth plans to drive profitability off apps
- *yuu* Rewards Singapore now over 1.5 million members; 30% of adult population

- Significant improvement in ESG rating by Morningstar Sustainalytics
- Greenhouse gas emission targets validated by Science Based Targets initiative in Oct 2023
- Committed carbon emission reduction by 2030:
 - 50% reduction in Scope 1 & 2 emissions
 - 25% reduction in Scope 3 emissions
- Committed to achieve net zero in Scope 1 & 2 emissions by 2050
- 54% waste diversion rate achieved in 2023 with 80% target set by 2030
- 57% Own brand products with recyclable packaging in 2023 with 100% target set by 2030

Conclusion

- Evolving customer behaviours and macroeconomic challenges remain
- Strategic framework reset to drive sustained growth
- New organisation structure moving decision-making closer to customers at lower SG&A cost
- Focused on driving enhanced shareholder returns
- Confidence in short, medium and long-term prospects

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Full-Year 2024 Outlook

Subsidiaries Revenue

Flat to low single-digit growth

**Underlying Profit
Attributable to Shareholders**

US\$180-220m

Capex

US\$200-240m

Net Debt

Continued reduction

Dividend

Absolute dividend growth



Q&A

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