



DFI Retail Group

2022 Full Year Results Presentation

03 March 2023

Presentation Disclaimer

This Document (the “Document”) is for information purposes only. This Document is not intended to form the basis of any investment decision nor does it constitute a recommendation or advice as to how the reader should act on any matter.

The information in this Document is an overview only and does not contain or purport to contain information necessary for investment decisions. In making any investment decision, investors should rely on their own examination of DFI Retail Group and consult with their own legal, tax, business and/or financial advisors in connection with any acquisition of securities.

The information contained in this Document has been prepared in good faith by DFI Retail Group and it may contain forward looking statements including statements regarding our intent, belief or current expectations with respect to DFI Retail Group’s businesses and operations, market conditions, results of operational and financial conditions, capital adequacy, specific provisions and risk management practices. Readers are cautioned not to rely on these forward looking statements. DFI Retail Group does not undertake any obligation to publicly release the result of any revisions to these forward looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside DFI Retail Group’s control. Past performance is not a reliable indication of future performance.

This Document does not constitute or contain an offer for purchase or invitation to purchase any securities and neither this Document nor anything contained herein shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

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

Performance Highlights

- Subsidiaries sales in line with prior year
- Earnings recovery in second half
- Strong growth in Health and Beauty
- Underlying Grocery Retail sales encouraging
- Strong second half profit recovery in Convenience
- IKEA earnings remain stable despite significant challenges
- Associates' performance on improving trends
- Digital investment taking place to drive long-term value

Agenda

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

Revenue and Underlying Profit

(US\$' m)	FY2022	FY2021	%Δ	2022 H2	2H22 vs 1H22 \$Δ
Total Revenue					
Including Associates & JVs	27,597	27,861	-1	13,569	
Subsidiaries	9,174	9,188	-	4,691	
Subsidiaries Underlying Operating Profit	209	314	-33	133	+57
Subsidiaries Underlying Profit	64	145	-56	56	+48
Share of Associates & JVs' Underlying Profit	(35)	(40)	+14	25	+84
Underlying Profit Attributable to Shareholders	29	105	-72	80	+132
Net Non-Trading Items	(143)	(2)	n.m.	(137)	-131
Reported Profit Attributable to Shareholders	(115)	103	n.m.	(57)	+1
Underlying EPS (US¢)	2.14	7.73	-72		
Total Dividend Per Share (US¢)	3.00	9.50	-68		

Sales Summary

(US\$' m)

Food

Grocery Retail

Convenience Stores

Health and Beauty

IKEA

Key Associates*

Maxim's

Yonghui

RRHI

FY2022

FY2021

%Δ

6,138

6,394

-4

3,872

4,151

-7

2,266

2,243

+1

2,025

1,805

+12

839

816

+3

2,524

2,455

+3

12,697

13,123

-3

3,142

3,045

+3

*Includes 100% of Maxim's, Yonghui (12 months ending 30 September 2022) and RRHI's (12 months ending 30 September 2022) annual sales revenue.

Subsidiaries Operating Profit

(US\$' m)	FY2022	FY2021	%Δ	2022 H2	2H22 vs 1H22 \$Δ
Food	141	205	-31	94	+47
Grocery Retail	91	151	-40	44	-4
Convenience Stores	51	54	-6	51	+51
Health and Beauty	94	56	+66	54	+15
IKEA	46	45	+1	30	+15
SG&A	(147)	(76)	-93	(83)	-18
IFRS16 Adjustment – PBIT	76	83	-9	37	-2
Operating Profit (after IFRS16)	209	314	-33	133	+57

Solid Cash Flow

(US\$' m)	FY2022	FY2021
EBITDAR	1,070	1,199
Principal Elements of Lease Payments	(661)	(672)
Interest Elements of Lease Payments	(86)	(90)
ΔWorking Capital	(7)	(10)
Net Financing Costs	(34)	(26)
Dividends Received	45	46
Other Operating Cash Flow	(48)	(178)
Operating Cash Flow	279	270
Capex	(244)	(212)
Free Cash Flow	35	58
Investments	23	87
Dividends Paid	(101)	(198)
Others	22	26
Net Cash Flow	(22)	(27)
Net Cash / (Debt)	(866)	(844)

Agenda

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

Transformation Plan Strengthened Fundamentals

Strategic Priorities



Improvement Programmes

Fresh
Supply Chain
Efficiency

Labour Productivity

Assortment
Optimisation

Procurement
Centralisation

惠康 **wellcome**

MARKET PLACE



- Solid LFL sales growth
- Strong underlying profit growth
- Financial performance supported by improving service metrics
- Market share continues to grow
- Digital investment strengthening e-commerce sales
- Double-digit growth from new store formats
- Double-digit growth in Own Brand sales
- Investment in value maintained through Own Brand and EDLP



- Sales impacted by annualisation of movement restrictions
- Strong improvement in LFL sales trends in second half
- Price investment campaigns improving value perception
- Strong customer response to revitalised Cold Storage brand
- *yuu* Rewards successfully launched in Singapore
- Severe inflationary pressures impacted profit
- Market leading position in Cambodia with almost 100 stores

Own Brand Update - Grocery

- Over 3,000 Grocery SKUs now introduced
- Over 230 quality awards won
- Meadows No.1 snack brand in Singapore
- Improved customers' quality perception year over year
- Double digit volume growth with market leading penetration
- Products now launching into iconic categories
- Further 500+ SKUs planned for 2023
- B2B export opportunities being explored



- Double-digit LFL sales growth in Hong Kong
- Strong profit growth
- Strongest market share position
- EDLP supporting promotion optimisation
- Mannings brand equity driving growth in healthcare product mix
- Strong Own Brand growth underpinned by new product launches
- Macau and China sales recovering in Q1

- Double-digit LFL sales growth across key markets
- Strengthening LFL sales in second half
- Profit doubled year on year
- Proactive management of inflationary pressures
- 150+ new stores opened
- Own Brand sales increased by over 30%
- Ongoing store expansion in 2023
- Strong e-commerce growth underpinned by extended online reach

Own Brand Update - Health and Beauty

- Over 1,000 product launches in 2022
- Cotton & Paper named Retail Product of the Year
- Over 80 million units sold
- Strongest Own Brand penetration ever
- No. 1 brand across multiple Health and Beauty categories
- Over 900 SKUs under pipeline for 2023
- B2B opportunities servicing retail partners being considered

7-Eleven Update



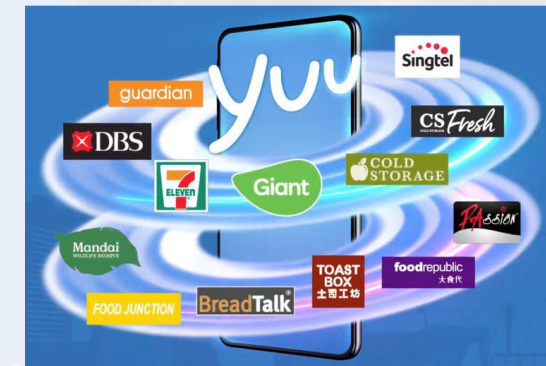
- Encouraging quarterly LFL sales trend
- Strong profit recovery in second half
- Double-digit LFL sales growth in Singapore
- Improved sales momentum in Hong Kong
- China severely impacted by COVID disruptions and improving in 1Q
- Around 250 new stores opened

- Stable profitability despite 5,000+ trading hours lost
- Supply chain disruptions continued to impact availability
- IKEA format innovation continues with strong e-commerce growth
- Now 49 touchpoints with net 9 additions added in second half
- Indonesia trading space more than tripled since 2017
- New Taiwan fulfillment centre of 620k+ sqft operational in end 2022

Digital Investments to Drive Long-Term Value

- No.1 loyalty brand in Hong Kong
- Over 4.3 million *yuu* Hong Kong members
- Over 2.3 million personalised offers to customers
- Market leading partners in banking, fuel, insurance and travel
- Best-in-class customer retention rate
- *yuu* Rewards Singapore launched in October 2022
- No.1 downloaded app in Singapore
- Over 1 million *yuu* Singapore members since launch

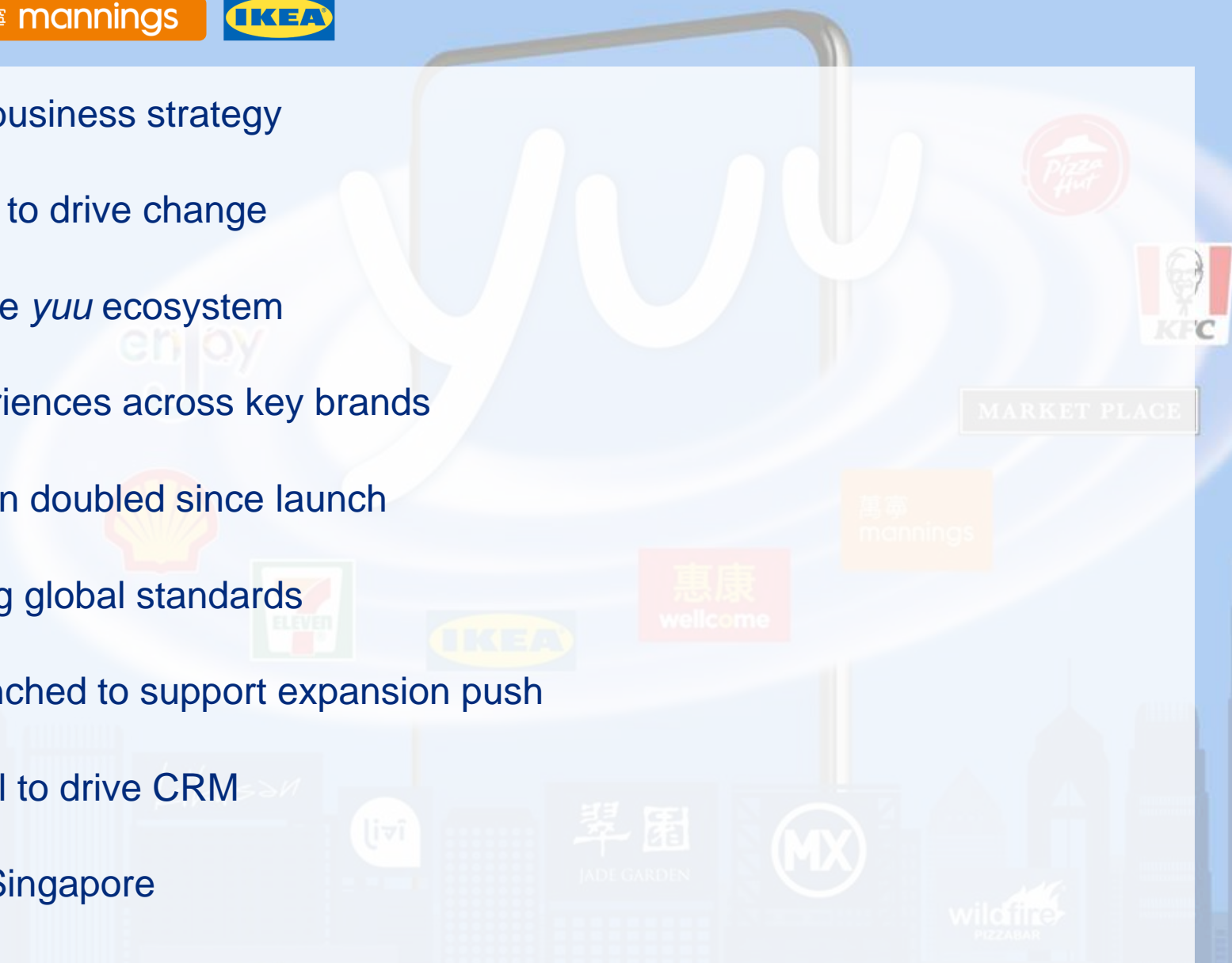
Best Rewards Club Ever!



Digital Investments to Drive Long-Term Value



- Investment in O2O capability key business strategy
- Highly experienced team recruited to drive change
- *yuu-to-me* developed to support the *yuu* ecosystem
- Offering one-shop, one-drop experiences across key brands
- E-commerce sales in HK more than doubled since launch
- Customer service metrics matching global standards
- E-commerce fulfillment centre launched to support expansion push
- Increased personalisation potential to drive CRM
- Multi-banner CART introduced in Singapore



Group CSR Efforts

- Group commitment to halve carbon emissions by 2030
- Target net zero carbon emissions by 2050
- Focus on reducing food waste, food hunger and plastic usage
- Key programmes introduced across business units to serve communities

Agenda

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

- Cautiously optimistic for 2023 trading prospects
- Encouraging performance trends in second half 2022 and 1Q 2023
- Positive performance potential given HK/China border reopening
- Strong brands in key markets support trading recovery
- Investments in offline and online will strengthen market positions
- Broader macroeconomic challenges remain
- Confidence in the Group's long-term competitive position



Q&A session

2022 Full Year Results Presentation