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Delfi Limited

Weathering the next storm

SGX: P34 · Bloomberg: DELFI SP · RIC: DELF.SI

NON-RATED INITIATION

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PUBLICATION DATE
11 August 2026

CLASSIFICATION
Coverage Initiation Report

01 Investment Summary & Merits

Company description

Delfi Limited is a Singapore-listed, family-controlled chocolate confectionery manufacturer and consumer-goods distributor whose roots in Indonesia date to ~1950. It manufactures proprietary brands at its centralised Bandung hub and distributes them, alongside a third-party Agency Brands portfolio (established 1987), across Indonesia, Malaysia, the Philippines and Singapore. Delfi has held >30% market share of the Indonesia chocolate-confectionery market for over a decade. FY25 net sales were USD500mn (Indonesia 60%; Own Brands 59%), PATMI USD33mn, with net cash of USD71mn.

Investment merits & opportunities

Structural growth intact: Despite the sales slowdown of the past 2 years following record cocoa prices, Delfi has still grown sales at 5% CAGR over the past 4 years. Active work to prune underperforming brands has materialised through the company's operating efficiencies, with record ROE% achieved in 2022.

Conservative stance: The recent share price retracement suggests an unwinding of earlier expectations regarding a margin recovery after two difficult years with elevated cocoa prices, as cocoa prices rebound in 2Q26. Delfi's conservative capital structure and investment prudency should see them tide through this upcoming storm.

Key risks

Cocoa price re-spike: After two difficult years, hopes for a cocoa supply rebuild and normalisation of cocoa prices have narrowed following increased weather instability in 2026. An extended El Niño could keep the cocoa market in a low supply situation and support an input price rebound, which is detrimental for confectionaries like Delfi.

IDR depreciation: Persistent IDR depreciation against the USD and other currencies has served as a long-term headwind to Delfi.

Succession: Delfi remains meaningfully dependent on founder John Chuang, who now combines the roles of Executive Chairman and Group CEO, and the Chuang family who make up the leadership team. While the long operating histories are strengths of management, they increase key personnel risk as transition candidates have not been identified. Succession uncertainty may continue to weigh on the valuation multiple in the medium term.

Share Information	
Ticker	P34
Bloomberg	DELFI SP
Refinitiv	DELF.SI
Current price (DELF.SI)	0.87
Market cap (SGDmn)	532
Current shares O/S (mn)	611.2
Free float	45.9%

Trading Data	
52-week high	1.25
52-week low	0.74
3M avg daily volume (mn)	0.6
3M avg daily value (mn)	0.5
Beta	0.09

Valuation & Returns (as of 7 Aug 26)	
P/E (x)	12.3x
EV/EBITDA (x)	5.9x
P/B (x)	1.5x
Dividend yield (%)	4.0%
ROE (%)	12.2%

Price Performance (inc. dividend)	
1-month (%)	-7.0%
3-month (%)	-17.3%
12-month (%)	1.4%

Major Shareholders	%
Berlian Enterprises Ltd.	50.8%
First Pacific Advisors LP	6.0%
Fidelity Management & Research Company LLC	5.0%
Fidelity Institutional Asset Management	2.2%
Aylett & Company (Pty) Ltd	1.5%

02 Business Overview

Delfi Limited is a branded consumer-goods manufacturer-cum-distributor. The company runs an integrated Own Brands chocolate confectionary manufacturing business, combined with a third-party Agency Brands distribution business across Indonesia, Malaysia, the Philippines and Singapore.

History & corporate structure

Date	Milestone
1950	Chocolate manufacturing begins in Garut, later consolidated in Bandung, West Java; 2025 marked the company's 75th year in Indonesia's chocolate industry
1950s	SilverQueen chocolate bars and Ceres chocolate-rice topping (hagelslag) launched
1970s	Selamat chocolate biscuit brand launched
mid-1980s	Delfi premium master-brand introduced (launched in Singapore first)
1987	Agency Brands (third-party distribution) business established
2004	Listed on SGX as Petra Foods
2005	Acquired an established distribution network in Malaysia
2006	Acquired Nestlé's Philippines chocolate business: Goya and Knick Knacks brands, factory, accounts and workforce
Jun 2013	Sold Cocoa Ingredients division to Barry Callebaut to focus entirely on branded chocolate marketing and distribution business
2014–21	Planned multi-year rationalisation of the Owned Brands portfolio, most visible in the Philippines where country net sales fell from USD54mn (2014) to USD38mn (2021)
2016	Renamed from Petra Foods to Delfi Limited; Delfi-Orion JV (Choco Pie) formed with South Korea's Orion Corp
2017–19	Indonesia reset: product portfolio rationalisation, redesigned distribution and route-to-market, and a refreshed Indonesia sales and commercial management team
2018	Acquired exclusive, perpetual rights to the Van Houten brand for key Asian markets
3Q 2023	Terminated an Agency Brand, the single largest drag on FY24 net sales
2025	Continued clean-up: another Agency Brand terminated, plus disposal of some property assets and divestment of supply commitments

Source: Company

Corporate & legal structure. Delfi Limited as a Singapore-incorporated holdco owns nearly 100% of its operating entities. Operating assets sit in Indonesia, Malaysia and Philippines, with brand/IP-related entities in Switzerland. The two significant subsidiaries are PT Perusahaan Industri Ceres, the Bandung manufacturing hub with ~72,700sqm of leasehold industrial land, and PT Nirwana Lestari, the Indonesian distribution arm. There are 3 JVs and associates (Delfi-Orion, Delfi Yuraku, Alsa Industries) but they total to <USD3mn of book value with negligible P&L that is immaterial to Delfi's business today.

Capital structure is plain: a single class of ~611mn shares, one vote each and nearly unchanged since IPO in 2004, save for one private placement in 2010. There are no treasury shares, no share option scheme and no dilutive instruments. Control rests with the Chuang family: John Chuang at 52.3% deemed through the Johnsonville Holding Trust chain and Joseph Chuang at 50.8% deemed. First Pacific Advisors and FMR are the only other substantial shareholders.

Products, business groups & roadmap

Product / line	Description	Contribution
Own Brands	Proprietary manufacture + marketing + distribution: SilverQueen (flagship), Ceres, Selamat, Delfi master-brand (Cha Cha, Take-It, Top), Van Houten (super-premium), Goya/Knick Knacks (PH)	USD295.7mn, 59% of FY25 sales
Agency Brands	Distribution of third-party food/consumer/healthcare brands	USD204.4mn, 41% of FY25 sales

Source: Company

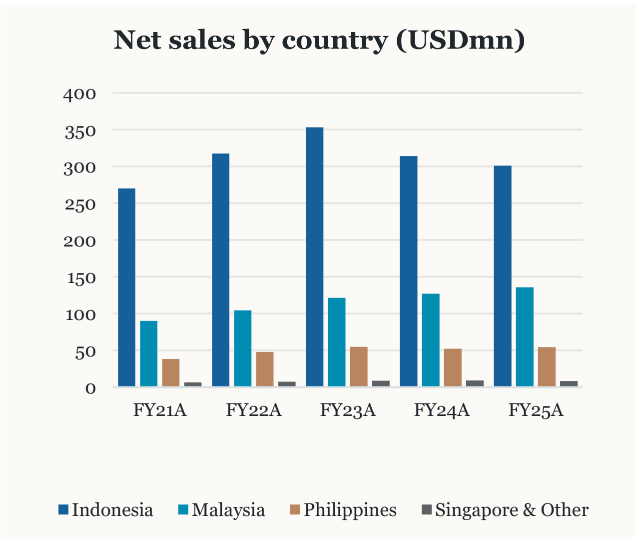
Delfi doesn't disclose brand-level revenue but describes SilverQueen as the company's most significant strategic brand with the largest share of the product portfolio. Delfi markets Ceres as having leading share of Indonesia's consumer hagelslag category. Delfi also owns the regional license to market and sell Van Houten chocolate, its premium brand offering, to key markets in Asia and Oceania.

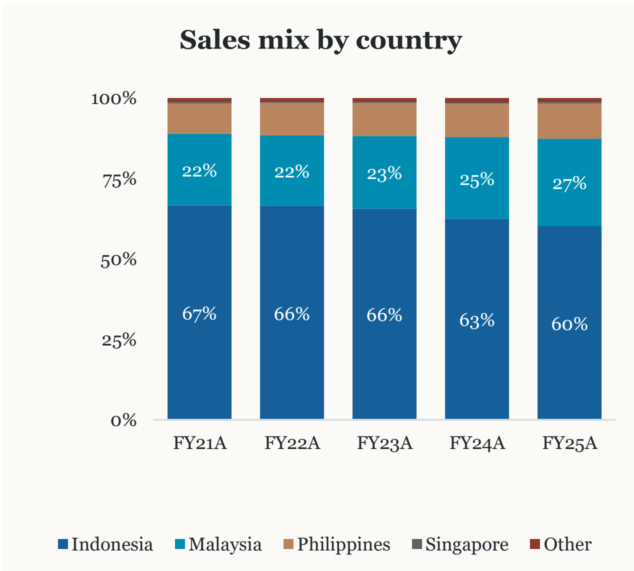
Delfi went through a period of heavy innovation in the early 2010s where the company launched 25–30 new products a year. The 2015 Indonesia consumer downturn exposed the portfolio bloat, and management responded with product rationalisation that eliminated more than 180 SKUs, ~40% of the portfolio (from 500 to c.300). Additionally, they revised their route-to-market to adapt towards Modern Trade, led by growing mini-mart penetration which favours fewer, faster-turning SKUs.

Delfi has been operating 2 factories: one at Bandung, Indonesia and another at Metro Manila, Philippines. However, in 2025 Delfi announced the consolidation of manufacturing operations in the Philippines, shifting the production output to their Indonesian manufacturing facility and third-party manufacturers. As such, production will be solely in Indonesia going forward, with regional markets serving as distribution infrastructure. This coincides with a ~9% annual production drop from 2022–2023's ~38k metric tonnes (MT) to 2024–2025's 34–35k.

Customers, distribution & economics

Delfi runs multiple channels of distribution across its core markets. In Indonesia, the multi-channel network consists of Modern Trade (supermarket, hypermarket, mini-markets), Modern Trade Independents (modern retail format, but independently owned), and Traditional Trade (warungs, kiosks, tokos). Extending into traditional trade networks extends Delfi's product reach into the remote regions of Indonesia.

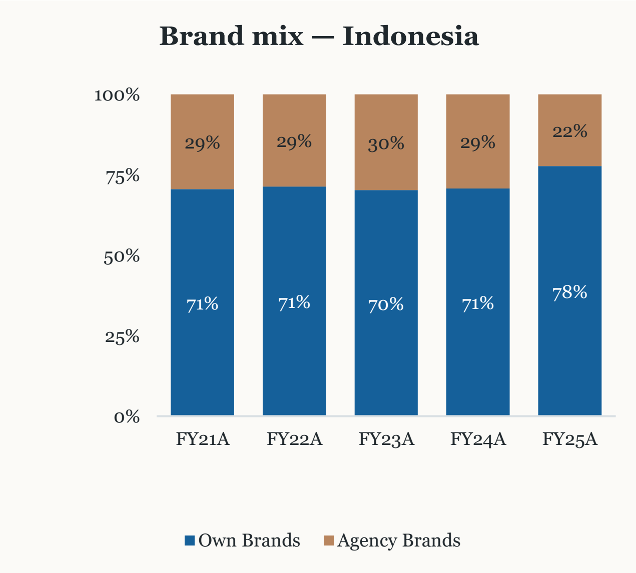


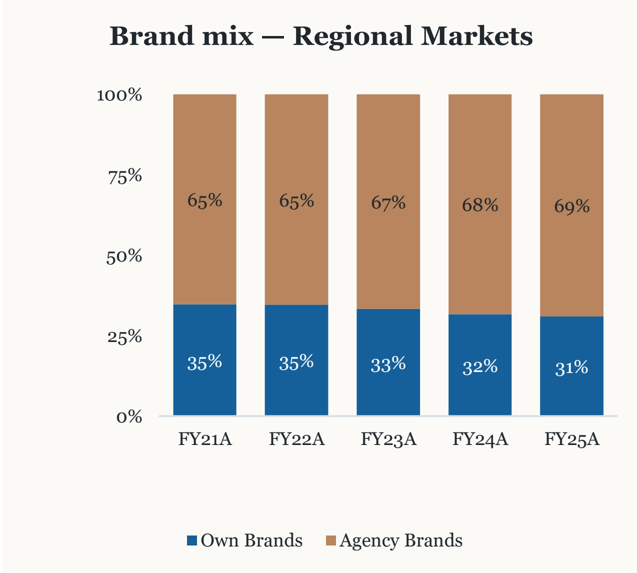


Source: Company

Outside of Indonesia, Delfi owns distribution platforms in Malaysia (since 2003) and Philippines (since 2006). Business in Malaysia is more streamlined to distribution of agency brands, while Philippines sees both manufacturing and distribution, given Goya and Knick Knacks were brand acquisitions from the Philippines. In recent years, sales growth has been driven steadily by Malaysia's agency brands. The sales mix has trended towards Malaysia, which is primarily

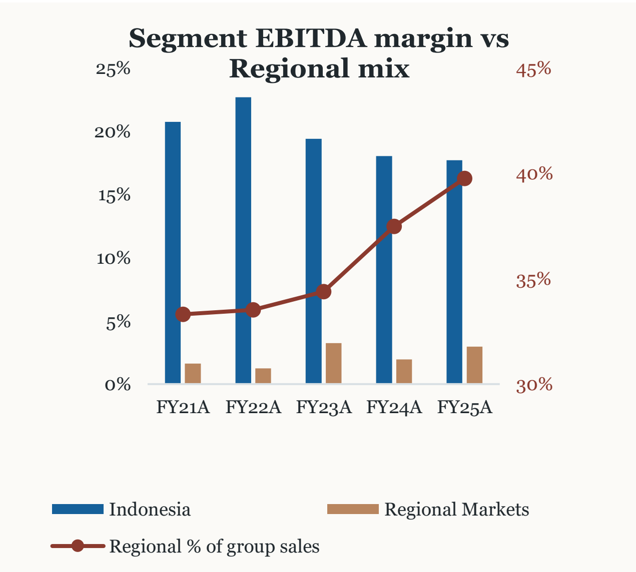
Agency Brands and less affected by the cocoa price issue. Singapore has been a minor market for Delfi where a third-party distributor is used to sell their products.





Source: Company

The two business lines display a different stream of economics, exhibited by the contrast between the Indonesian business and the Regional business. Delfi's domestic business has been primarily Own Brands, while the regional business has been driven by Agency Brand distribution sales. Profitability of the two segments are skewed, disclosed through geographical split rather than brand split: despite the 60:40 sales split between Indonesia and Regional Markets, the EBITDA split is 90:10, as EBITDA margin is 17–20% for Indonesia and 3% for Regional.

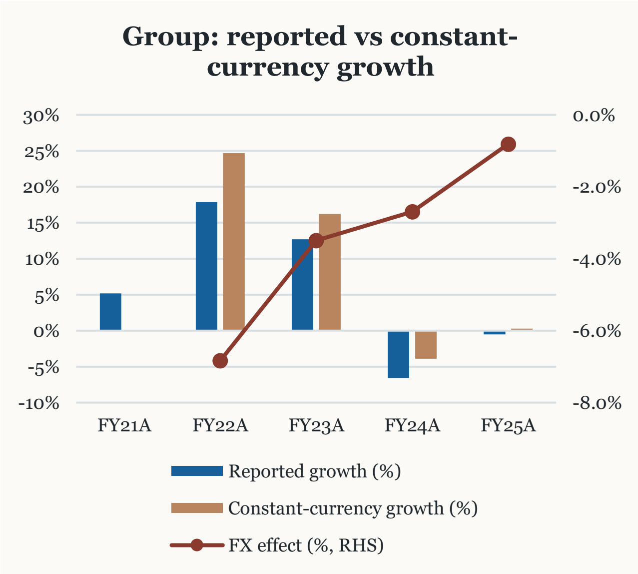


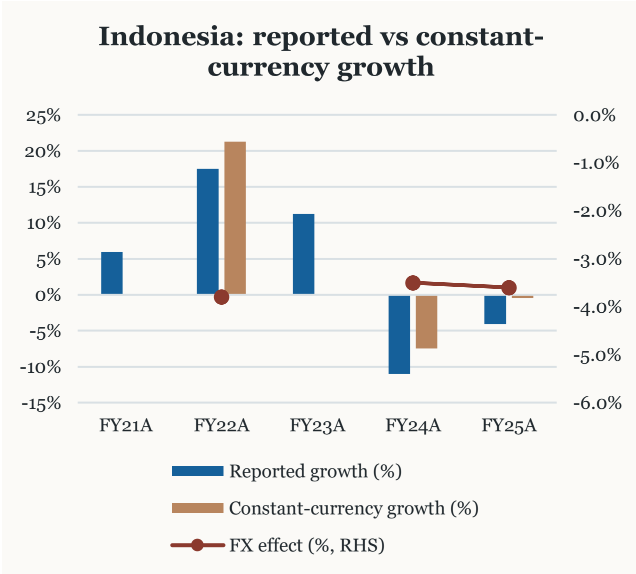
Source: Company

Roadmap / newer products

In recent years, to combat against the sharp increase in cocoa bean prices, Delfi has raised prices on their products to protect margins. Going forward, Delfi has dedicated its focus on core brand investments, targeting product innovation within main brands. It has also looked to expand its distribution network to improve service standards, such as a direct shipment model for mini-mart chains.

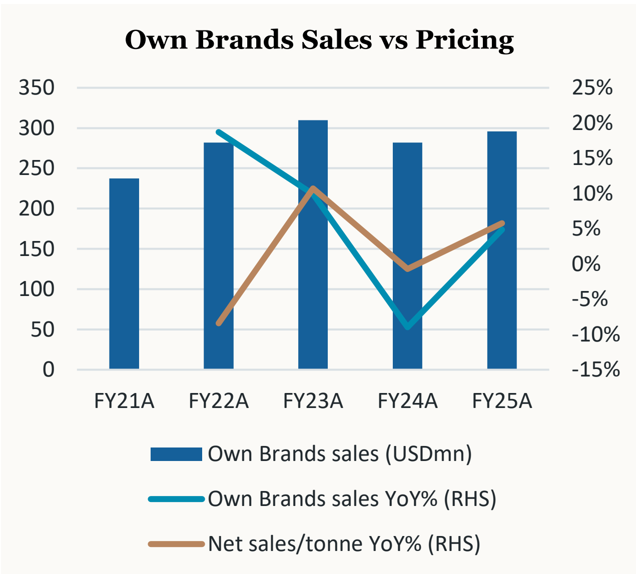
Financial analysis

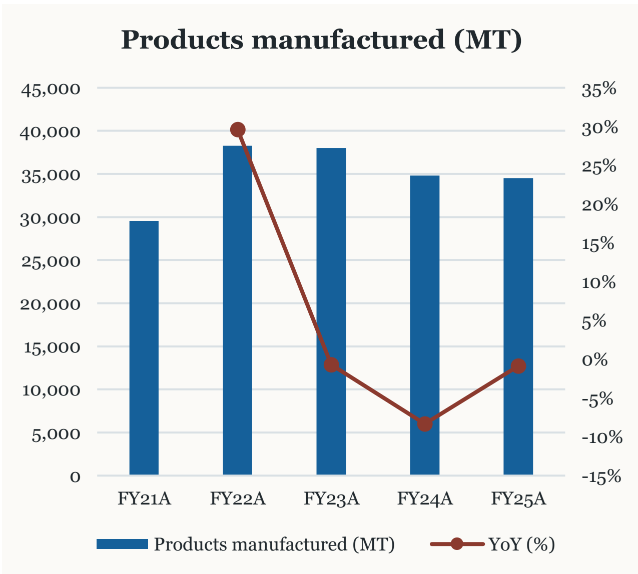




Source: Company

Delfi reports its financials in USD, with the bulk of sales proceeds in ASEAN currencies, primarily IDR. As a result, net sales growth has had an annual ~3% headwind from IDR depreciation against USD, albeit this is largely translational effect at top line.

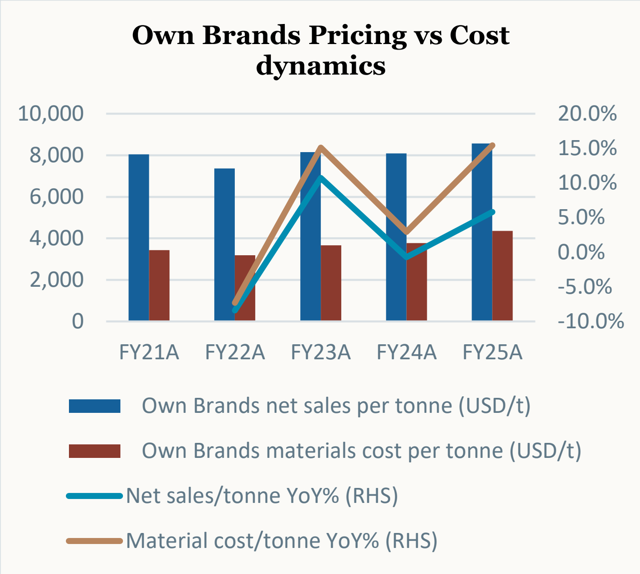


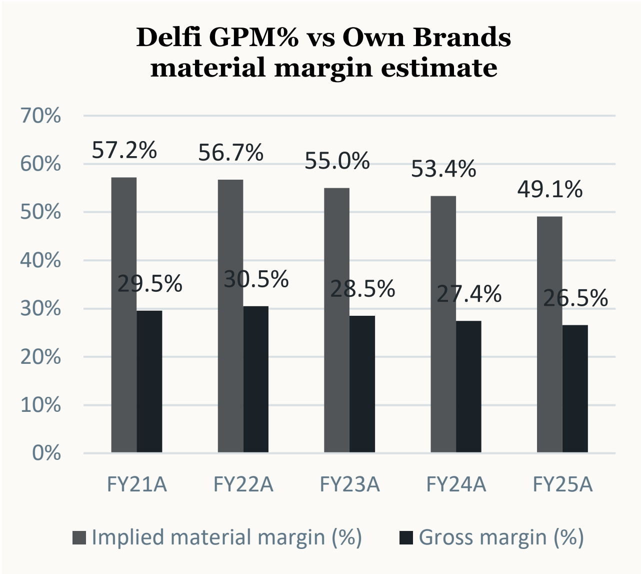


Source: Company

A deeper look into price and volume dynamics of Own Brands illustrates the current situation. Since 2022, Own Brands' net sales grew 5% from USD282mn to USD296mn; sales/tonne has risen 16% in the same period, while production volume fell 9%. It is notable that Delfi CEO mentioned volume growth for Own Brands in FY25 despite the falling total metric tonnes of products manufactured, suggesting that repackaging into smaller formats might be taking place to help with pricing power.

The true FX impact for Delfi applies at the gross margin level as cocoa, cocoa butter and industrial chocolate are priced in USD, thus a weaker IDR raises input cost. This is further compounded by the cocoa price spike of 2024–2025, leading to a 15-year low GPM% of 26.6% in 2025, c.4% below 2022's recent peak.





Source: Company, Swaen Capital

We use a flat 15% Agency Brands GPM% estimate to illustrate the impact on Own Brands. Following the cocoa price spike, Delfi has raised prices, modified product formulations and targeted new product variants to reduce reliance on materials with volatile costs. However, growth in material cost per tonne continued to outpace sales per tonne of chocolate produced, leading to further margin compression.

(USD, millions unless stated)	FY21A	FY22A	FY23A	FY24A	FY25A
CASH FLOW					
Pretax profit/(loss)	43	63	65	49	50
Depreciation & amortisation	14	12	11	13	13
Change in working capital	30	(51)	(27)	11	30
Other operating / non-cash	0	0	0	0	(2)
Tax paid	(11)	(17)	(26)	(21)	(14)
Cash flow from operations	**76**	**7**	**24**	**51**	**77**
Capex	(3)	(4)	(24)	(29)	(9)
Other investing	3	0	(0)	0	(16)
Cash flow from investing	**(0)**	**(4)**	**(24)**	**(29)**	**(25)**
Free cash flow	**73**	**3**	**0**	**22**	**68**

Source: LSEG

Cash conversion from profit has been uneven, with record profit years of FY22-FY23 having weaker CFO. Both years have been due to working capital build-up, albeit for different reasons each year: FY22's change was largely from inventory build-up in anticipation for a strong FY23, while FY23 saw rising receivables and one-off falling payables, illustrated by a drop of Days Payable Outstanding from the 90s to 72 in FY23 which has since normalised back.

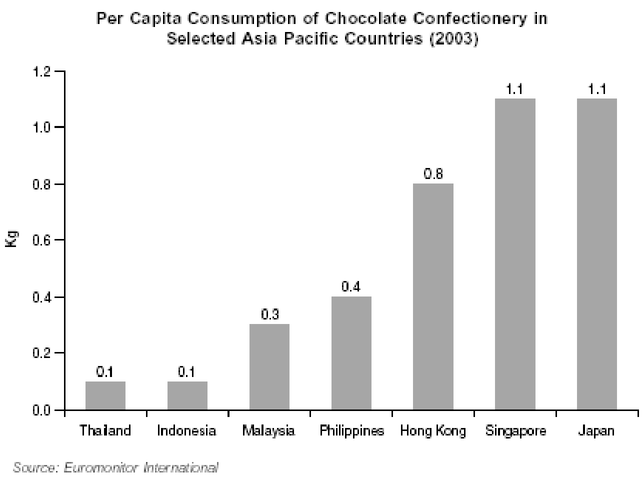
FY25 saw strong FCF generation following the reduction in Capex and reduction of inventories from an Agency Brand termination, together with tight control of trade receivables and payables.

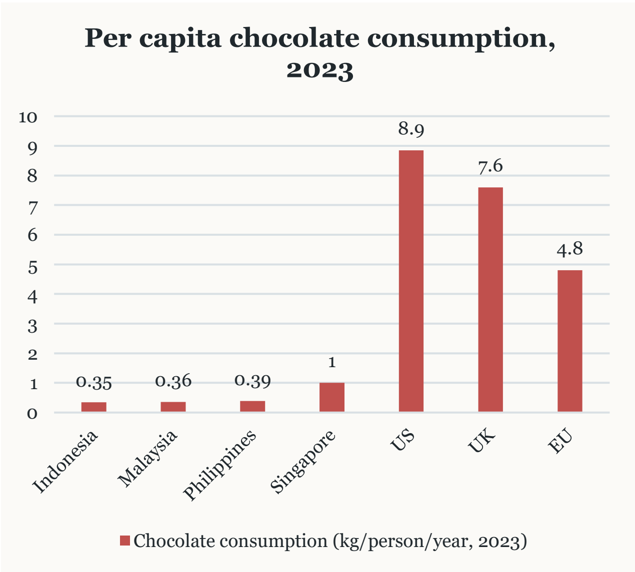
03 Industry Overview

Market structure & size

Delfi participates in a sizeable, predominantly domestically supplied Indonesian confectionery market. Euromonitor estimates demand for the broad ISIC 1543 chocolate and sugar confectionery manufacturing sector at USD2.3bn in 2024, making Indonesia the sixth-largest market within Euromonitor's regional comparison. Imports represented about 30% of market size, with domestic suppliers accounting for most of the supply. Separately, Euromonitor forecasts Indonesian chocolate confectionery retail sales to compound at 5% in current-value terms (3% constant value) over the next 5 years (2025–2029).

Indonesia's confectionery manufacturing base is fragmented, but production value is concentrated among the leading firms. Euromonitor estimates that the top five accounted for 49.8% of ISIC 1543 production value in 2024, led by Delfi's Indonesian manufacturing subsidiary, PT Perusahaan Industri Ceres, at 19.8%. These industry figures cover both chocolate and sugar confectionary and are broader than the retail chocolate confectionary market, where Delfi still holds approximately 1/3 of share in 2024.



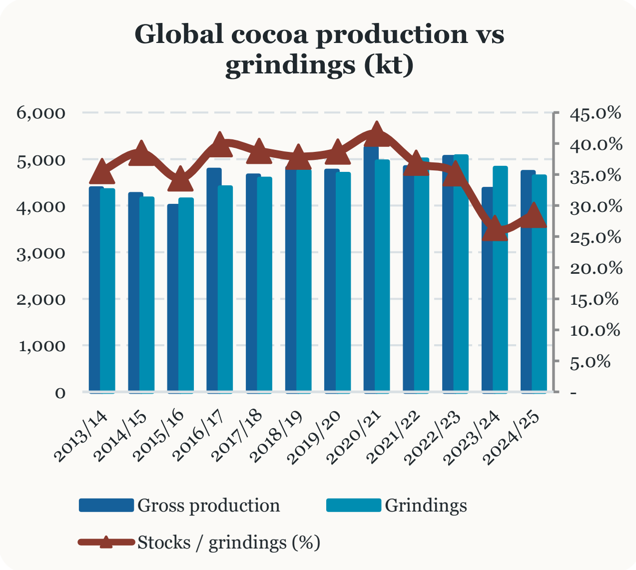


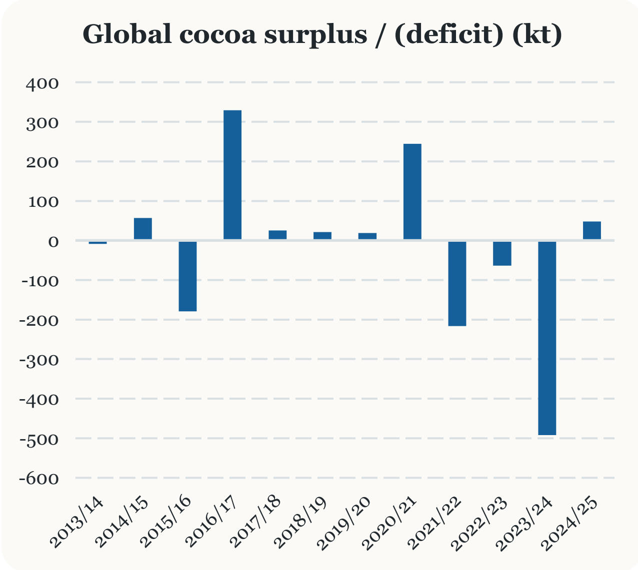
Source: Company, Euromonitor, The Global Tribune

Chocolate remains underpenetrated in Asia, especially in developing countries. Within Delfi's core markets, Indonesia has seen per capita consumption of chocolate catch up to Malaysia and Philippines over the past 20 years. However, per capita consumption has stayed stagnant for SG, MY and PH, with no significant catch-up to developed markets. Across Asia, per-capita chocolate confectionary consumption remains below 2kg a year against the 5–9kg in the West.

Cocoa industry dynamics

Given the recent materiality of cocoa prices to Delfi's business, we look upstream to further understand the supply and demand dynamics of the cocoa industry.



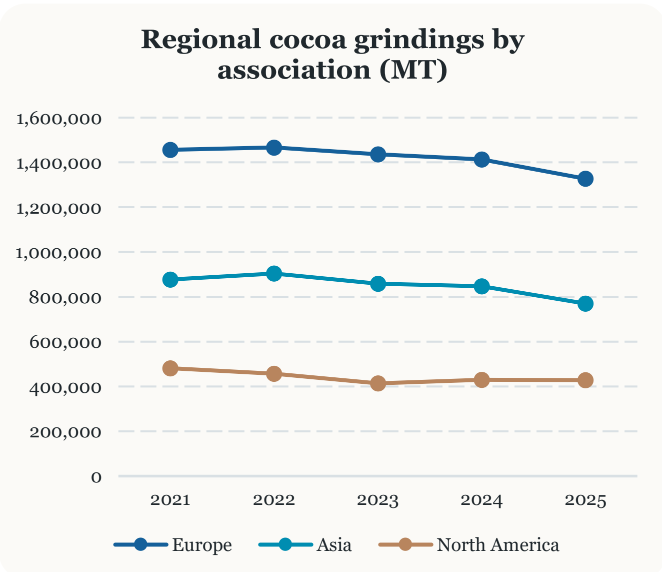


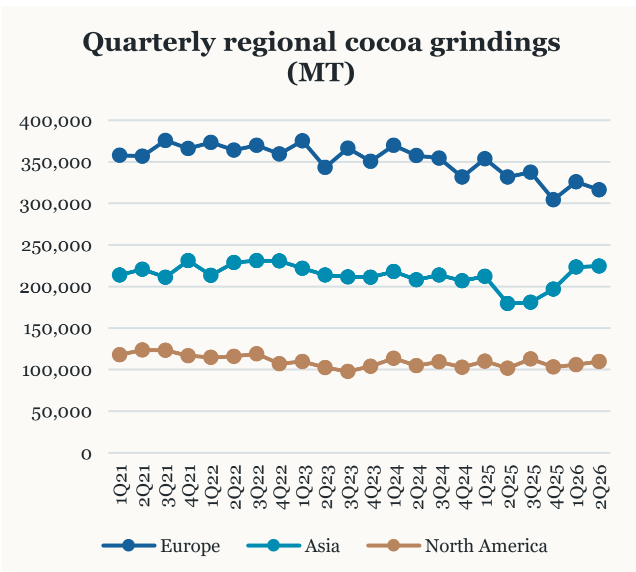
Source: ICCO

The cocoa midstream industry focuses on stocks and grindings as key datapoints to follow supply and demand. Cocoa bean supply is now primarily from West Africa where Côte d'Ivoire, Ghana, Nigeria and Cameroon together account for approximately **64.5% of global output.** Grindings measure the volume of cocoa beans processed into liquor, butter, powder and cake. Because beans are ground only once a manufacturer intends to make chocolate, grindings are the market's cleanest real-time proxy for end demand. Stocks are the beans held at origin, at port and in processor inventory at the close of a season and are best read as a ratio to grindings: the stocks-to-grindings ratio expresses the buffer in months of consumption rather than in absolute tonnage, so it is comparable across cycles. **A ratio in the high-30s historically signalled comfort while the mid-20s signals scarcity pricing.**

The two interact in a way that matters for a manufacturer like Delfi. A deficit will draw down stocks and compress the stocks-to-grindings ratio, leading to a rising cocoa price. This will then have a negative impact on grindings, causing demand destruction. However, the transmission impact tends to be delayed as confectionary manufacturers typically hedge cocoa and carry contracted inventories. As such, grindings may respond gradually to changing cocoa prices.

Global cocoa balance has swung violently. 2023/24 closed with a deficit of 489kt, the largest in more than 60 years; ICCO's revised estimates in May 26 put 2024/25 back into surplus at 48k tons, on production of 4.723mn tons against grindings of 4.628mn tons. This was supposed by gross production recovery (+8.3% YoY) and a continued fall in grindings (-3.8% YoY). End-of-season stocks recovered to 1.32mt, leading to a stocks-to-grindings ratio of 28.5%, a slight improvement over the 26.4% ratio in 2023/2024 but still in scarcity territory.





Source: ECA, CAA, NCA

Demand has seen a mixed response in 2026, depending on region. European grindings continue to fall in early 2026, one of the weakest starts to a year since 2009. Meanwhile, 2Q26 grindings rebounded sharply in Asia (+25% YoY, highest in 3 years) and North America (+7.7% YoY). On a combined basis, 2Q26 grindings are +6.1% YoY. Asia's grinding rebound comes with capacity expansion in Malaysia, signalling improved demand.

The dynamic has remained volatile in 2026. ICE New York cocoa price fell from its Dec 24 peak above USD12,000/t to ~USD2,900/t in early Mar 26 on early recovery signs, then rallied more than 60% in under a month back above USD5,000/t on West African flooding and below-average cherelle formation for the 2026/27 main crop. The case for a strong El Niño – the warming phase of sea surface temperature – has strengthened over the course of 2026. On its 9 July update, the US National Oceanic and Atmospheric Administration (NOAA) raised its probability of a "very strong" event to 81% from 63% in June. Peak intensity is now projected for Oct–Dec 26, with 97% probability that El Niño persists through 1Q27. Trade-house surplus estimates have been cut in step: StoneX sees 2026/27 surplus at 149kt now, from 267kt.

For Delfi and other downstream confectionary manufacturers, the read-through is two-sided: input relief relative to the 2024/25 peak but **potentially seeing an extended volatile regime** for input costs. Hedging discipline and shifting reliance away from cocoa would serve as key risk mitigants for the companies.

Growth drivers

Driver	Details
Demographics	Large, young populations in Indonesia and Philippines with rising urbanisation rate and disposable income. Rising household budgets support more variety in diets; more diversity outside of staples to include indulgences like chocolate
Per-capita chocolate consumption	Chocolate consumption remains low in Delfi's 3 main developing markets, relative to developed Asia and the West. Increased exposure to Western habits should drive increased chocolate consumption
Cocoa input cost	Cocoa prices are coming off 2024–2025 record highs following supply recovery

Source: Company, Swaen Capital

04 Management Overview

Leadership

Name (age)	Role	Since	Share ownership
John Chuang (Chuang Tiong Choon) (77)	Group CEO; Executive Chairman	Group CEO since 5 Nov 04; on the Board since 1984; roles unified 28 Apr 26	52.3% deemed (1.2% direct)
Joseph Chuang (Chuang Tiong Liep) (74)	Group Chief Growth & Marketing Officer; Executive Director; director of PT Freyabadi Indotama (related party)	Executive Director since 2001; CGMO since 2017; 30+ years in the industry	50.8% deemed (0.1% direct)
William Chuang (Chuang Tiong Kie) (67)	Executive Director; Business Development Director	Executive Director since 2001; formerly President, Joint Ventures and COO, Branded Consumer Division (Indonesia)	0.1% direct
Richard Chung (61)	Group CFO	Since Sep 2020; ex-banker with over 30 years experience	n/d
Tan Chay Kee (57)	Group COO	Since 2022; previously COO of Seabridge TFX and CFO of JB Foods; earlier financial controller of Delfi's Cocoa Ingredients Division	n/d
Nancy Florensia (67)	President Director and Director of Finance, PT Perusahaan Industri Ceres	With Delfi since 1991. Current role since 2017	n/d
Amos Moses Yang (52)	Director of Business Strategy	With Delfi since 2012. Extensive FMCG experience, focused on sales and marketing	n/d

Source: Company

The founding executive bench is family-led and long-tenured. John Chuang has run the group for decades, led the regional expansion and the 2013 cocoa-ingredients divestment, and is a beneficiary of the controlling family trust. Joseph Chuang, Executive Director, has been in the cocoa and chocolate industry since 1979. William Chuang, Executive Director, built the pre-2013 Cocoa Ingredients Division. Richard Chung is Group CFO that has previously worked with Delfi for over 20 years.

Succession is the natural question for a founder-led group of this vintage, and Delfi is not unusual among Southeast Asian family businesses in keeping the answer internal. The Board discloses succession planning as an ongoing Nominating Committee responsibility; no CEO-designate has been named and no timetable has been given. The only next-generation family member disclosed in an executive role is David Chuang, son of the CEO, as Director of IT. There is also no equity or long-term incentive plan typically used to attract an external candidate.

Capital allocation

Use (USDm)	FY23	FY24	FY25	Notes
Capex	23.7	28.9	9.4	Capacity expansion
M&A	0	0	0	
Buybacks	0	0	0	
Dividends	(29.1)	(26.5)	(13.3)	Informal 50% PATMI payout ratio

Source: Company

Capital allocation has skewed conservative for the most part. FY23–FY24 was a capacity-expansion phase, with two-year capex of ~USD53mn directed at capacity, technology upgrades, automation and sustainability; FY25 stepped down to USD9.2mn under what management describes as a more targeted expenditure model. There has been no

M&A since the acquisition of Van Houten rights in 2018, no buyback notices, and debt has been paid down over the years - a USD10.2mn repayment in FY25 after a USD7.0mn reduction in FY24. Year-end net cash rose to USD71.3mn (including the USD17.9mn fixed deposits) from USD19.0mn.

The dividend is the primary return channel and it has flexed with earnings. Delfi runs an informal 50% PATMI payout ratio, with specials paid FY21–FY23 at around a 10% payout ratio as a top-up to their regular dividend.

05 Risks

Cocoa price volatility: Cocoa prices have been stable before 2023, assisted by stable global inventory. The major supply deficit of 2022–2024 led to the price volatility of recent years, raising input costs for cocoa purchasers like Delfi. While confectionaries can use forward purchasing to hedge immediate volatility, risk is now introduced to the company as insufficient hedging doesn't protect margins while excessive hedging could see a slower recovery of margins. Delfi's management has explicitly flagged the latter scenario in Apr 26.

Global cocoa supply should improve structurally toward 2027/28 as recent high prices incentivise farm investment and as new Latin American crop acreage begins to mature. Forecasts for 2026/27 still focus on a surplus year. However, the recovery is unlikely to be linear: West African production remains exposed to El Niño, poor pod development, ageing trees and disease, creating meaningful downside risk for the 2026/27 crop.

IDR Depreciation: Delfi has a structural FX mismatch as most of the sales are in local currencies (mainly IDR), while a significant proportion of inputs and imported finished goods are in USD or other foreign currencies. Indonesia accounted for approximately 60% of sales and 90% of EBITDA in FY25, making the rupiah the company's most important currency exposure.

This exposure becomes especially problematic when rupiah weakness coincides with pressure on Indonesian household purchasing power. Delfi may be unable to pass the full cost increase to consumers without weakening volumes or encouraging trade-down to cheaper products. This double impact has occurred before in 2015, Delfi's only loss-making year in its listed history. In FY25, reported PATMI declined 2.1%, compared with a 1.5% increase on a constant-currency basis, illustrating how currency movements can obscure underlying operating progress.

Succession: There remains a medium-term risk for succession as Delfi remains dependent on the founding Chuang family and on Executive Chairman / Group CEO John Chuang. The combined leadership team's long tenure and deep involvement in brand development, distribution, supplier relationships and the Indonesian operating environment suggest that a significant portion of the company's competitive advantage may reside in key management's knowledge and relationships.

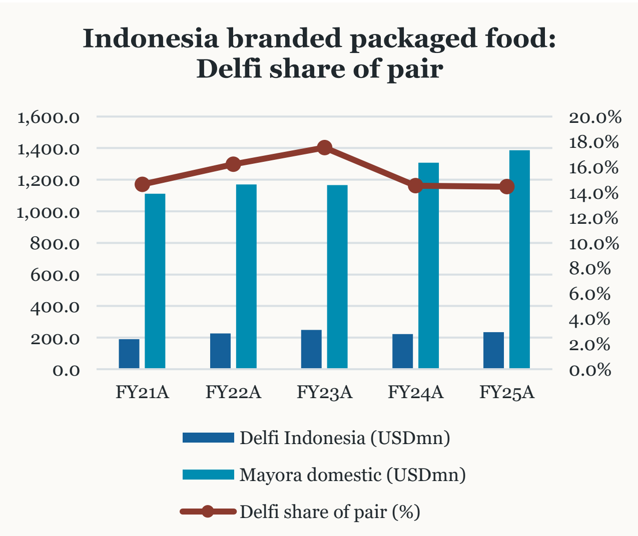
While Delfi has disclosed succession-planning processes, the company has not publicly identified a CEO-designate or provided a clear timetable for leadership transition. The risk is less about an immediate disruption and more of uncertainty over Delfi's ability to transit and handover to the next generation. An unplanned or poorly managed transition could weaken decision-making and lead to less disciplined capital allocation. Until Delfi demonstrates a credible next-generation leadership bench and an orderly separation of oversight from day-to-day management, succession uncertainty may continue to constrain the valuation multiple that investors are willing to assign to the business.

06 SWOT & Competitive Positioning

Strengths	Weaknesses
• Category leadership in Indonesia • Self-funding with net-cash balance sheet position and consistent free cash flow, even through a difficult 2023 and 2024	• Earnings are concentrated in a single market: Indonesia still 90% of EBITDA • Persistent IDR depreciation serves as a structural headwind to Delfi's earnings power, which hedging policies can delay but not fix • Recent growth driven by pricing rather than volume. However, margins still compressed • Succession risk with no new CEO-designate at the moment
Opportunities	**Threats**
• Demographic story still structurally attractive – Indonesia and Philippines have large young populations with rising disposable income • Per-capita consumption of chocolate in Asia is still low, especially for developing markets like ID/MY/PH • Cocoa is well off its Dec 24 peak. With hedges rolling off, FY27 gross margin recovers without requiring any volume assumption • Premiumisation and smaller pack formats offer a route to recover lost volume while defending price per kilogram • The agency-brand portfolio is a low-capital way to add distribution density and attract additional third-party principals	• Recent years of cocoa volatility now force chocolate producers to deal with a consistent, material source of uncertainty in their budget and forecasting • Renewed pressure from multinational confectioners and local challengers in the core Indonesian channel. • Changing consumer preferences based on health, sugar and affordability require continuous product reformulations • Legacy Brazilian claims still serve as one-off overhangs

Source: Swaen Capital

Competitor Analysis



Source: LSEG, Swaen Capital

There are no publicly listed, like-for-like comparisons against Delfi in the packaged-foods segment: Delfi is a pure-play chocolate confectioner with a dominant single-country franchise, whereas the multinationals present in the category (e.g. Mondelez through Cadbury and Nestlé) carry chocolate within far larger diversified portfolios, and the nearest domestic challenger, PT Mayora Indah, spans biscuits, coffee and wafers rather than chocolate alone. Euromonitor nonetheless confirms Delfi's category leadership: its Indonesian manufacturing subsidiary, PT Ceres, led ISIC 1543 at 19.8%, while Delfi has held roughly a third of the retail chocolate-confectionery market for over a decade.

That position is increasingly contested by Mayora: comparing Delfi Indonesia's Own Brands versus Mayora's overall domestic sales, Delfi's share of the two-company pair peaked at 17.5% in FY23A before easing to 14.5% (FY24A) and 14.4% (FY25A), a relative share loss of ~3% in 2 years as Mayora out-grew Delfi through the post-cocoa-spike pricing cycle. This proxy captures only the two companies and is built on billed net sales, so it is directional rather than a true category share as Mayora's business includes both food and beverages; the trajectory nonetheless aligns with signs of domestic pressure. However, Delfi's Indonesia Own Brands sales grew 21% YoY in 1Q26. Should the company be able to keep up this momentum, there could be share recapture for Delfi.

07 Valuation Framework

Public comps

		Capital Structure		Growth		Valuation						Profitability			
Packaged Foods Peers	Name	MktCap (USDmn)	Net Debt / (Cash) to MktCap	Profit FY26F %	Profit FY27F %	EV/Sales	EV/ EBITDA	P/E	P/B	PE Z-score	P/B Z-score	GPM%	NPM %	ROIC%	Dividend yield
DELF.SI	Delfi Ltd	415	-17%	-3%	16%	0.6	5.1	11.5	1.5	-2.0	-2.8	27	7	11	3.9%
MYOR.JK	Mayora Indah Tbk PT	2,079	7%	16%	14%	1.3	10.3	16.6	2.0	-1.8	1.3	22	8	13	3.6%
ICBP.JK	Indofood CBP Sukses Makmur Tbk PT	4,726	20%	3%	11%	3.0	12.9	10.4	1.6	-2.0	-2.8	34	14	9	3.6%
CMRY.JK	Cisarua Mountain Dairy Tbk PT	2,092	-5%	13%	18%	4.0	17.3	22.1	5.3	-1.8	1.3	45	19	30	4.2%
MDLZ.O	Mondelez International Inc	79,897	24%	2%	9%	2.3	16.1	28.5	3.0	0.8	-1.9	28	6	6	3.4%
HSY	The Hershey Company	36,082	12%	35%	15%	3.5	20.6	41.9	5.8	2.0	-1.1	34	8	11	3.2%
	Core Median (ex-Delfi)					3.0	12.9	16.6	2.0			33.9	14.4	12.9	3.6%
	Core Mean (ex-Delfi)					2.8	13.5	16.3	3.0			33.7	13.6	17.4	3.8%

Source: LSEG. Retrieved 6 Aug 26

Apart from Mayora, we include other Indonesia-focused packaged foods names that use cocoa/chocolate as an input as a wider snapshot. Delfi trades at a valuation discount to its IDX-listed peers, especially when using Enterprise Value-based methods that take into account the companies' capital structures.

For reference, we also include major confectionary companies like Mondelez and Hershey here. Both companies trade at a greater premium to the Indonesia core group.

REVERSE DCF

Inputs	
Current stock price (share ccy)	0.87
Shares outstanding (mn)	611.2
FX – share ccy per reporting ccy	1.300
Discount rate (required return)	12.0%
Perpetuity growth rate	2.0%
FCF Year 0 base ($mn, reporting)	67.7
Forecast horizon (years)	10
Dilution / share count	
Realized net dilution CAGR (FY22 -FY25)	0.0%
Gross SBC issuance rate (p.a., applied)	0.0%
Implied FCF growth (Yr 1–N) [solved]	-6.2%

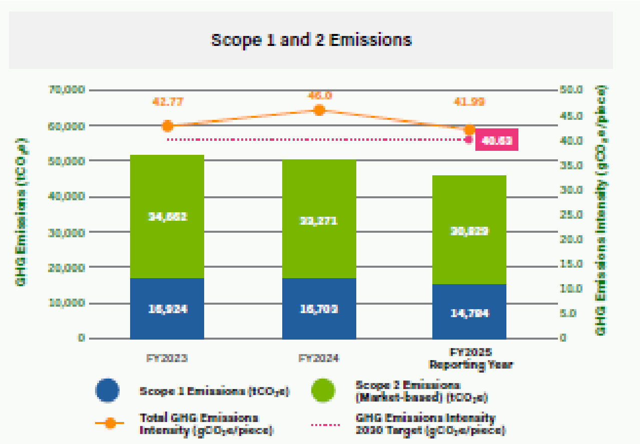
Source: LSEG, Swaen Capital

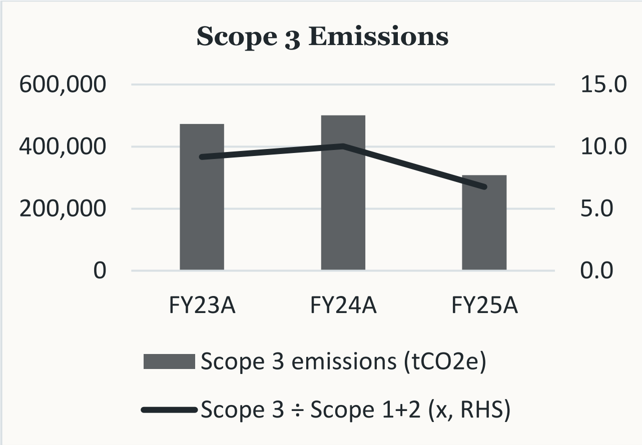
A reverse DCF suggests expectations of Delfi's FCF declining from USD68mn in FY25 to ~USD36mn in FY35, using a 12% discount rate and 2% perpetuity growth rate estimate.

08 ESG / Sustainability

Environmental

Delfi has shorter term targets for their environmental goals, with a 2030 timeline for most objectives. The operational footprint is small and largely improving. GHG intensity is on track (-1.8% vs -5% target), energy intensity is ahead, single-use plastic tracking to target (-16.8% vs -20%), virgin paper achieved early (-23.6% vs -20%). However, water withdrawal intensity (137.28 vs 122.84) and waste intensity (2.70 vs 2.38) are tracking away from target.





Source: Company

Disclosed emissions profile highlights how the bulk of climate risk is upstream: Scope 3's emission of ~308k tCO2e in FY25 is nearly 7x the operational Scope 1+2 footprint of 45,613 tCO2e, dominated by Purchased goods and Upstream Transportation. This 308k is already -38.5% YoY, attributed to the unwinding of prior-year stockpiled ingredients.

Social

Following 2013's divestment of the cocoa ingredients business, Delfi now manages social exposure at arm's length. The group buys chocolate inputs rather than grinding beans, so farm-level labour risk i.e. child labour issues from West African cocoa are carried at supplier level. Delfi's partners are bound to Delfi's Prescribed Standards, which reference the core UN human-rights conventions including the Convention on the Rights of the Child. Key suppliers complete a self-assessment every three years, and Delfi's own Indonesian facility is SEDEX-audited under SMETA. Supply chain certification, however, extends only to the Van Houten line, whose cocoa is Rainforest Alliance certified, and there is no farm-level traceability programme of the kind the global majors have built.

Delfi has 2,800 staff employed across its 4 markets with a 13-year average tenure and a male-to-female ratio of 3:2. 0 fatalities and 0 lost-time incidents have been reported in FY25 for the 2nd consecutive year. Following Philippines' streamlining, expect higher employee turnover at Delfi Foods, Inc, where 26% of staff are covered by collective bargaining agreements. On the consumer side, Delfi reported no material non-compliance with health, safety or labelling regulation, holds FSSC 22000 across manufacturing and added ISO 22000 certification for Malaysian warehousing in Apr 25.

Governance

Committee	Chair	Independence
Audit	Graham Nicholas Lee - relinquishing under the 2026 AGM changes	Independent majority
Nominating	Lee Meng Tat	Independent majority
Remuneration	Lim Seok Bee	Independent majority
Risk Management	Chin Koon Yew (Lead Independent Director)	Independent majority
Sustainability	Lim Seok Bee	Independent majority

Committee	Chair	Independence
Executive	John Chuang (Executive Chairman & CEO)	Not independent

Source: Company

The formal architecture is sound with six committees operating: Audit, Nominating, Remuneration, Risk Management, Sustainability and Executive. There are independent majorities on all but the Executive Committee. The 2026 AGM saw a board reshuffle with Doreswamy Nandkishore, Independent Director since 2017 and Chairman from 2024, retire at the nine-year independence limit, and the Board unified the Chairman and CEO roles in John Chuang. The company explains the CEO-Chairman unification by appointing Chin Koon Yew as Lead Independent Director and retaining an independent-majority Board and independent-majority committees, excluding the Executive Committee.

Delfi's recent board shuffle also saw Lim Seok Bee, Independent Director and Chairwoman of the Remuneration Committee take on a 2nd hat as Chairwoman of the Sustainability Committee following Pedro Mata-Bruckmann's retirement. The Sustainability Committee meets monthly with members of management, including the Audit Committee Chair and sustainability leads at headquarters, to discuss operational developments and stakeholder expectations, with the Risk Management Committee chair joining in the meetings from Sep 25 onwards.

PWC is the main auditor of the company. The two key audit matters are the Barry Callebaut-notified Brazil tax claims of BRL93.4mn (USD17.2mn) and the USD17.9mn indefinite-life brand carrying value, which have been longstanding flags where no impairment was taken. There are no restatements and no material litigation beyond Brazil.

Delfi has longstanding Interested Party Transactions (IPT) with 3 suppliers: PT Freyabadi Indotama (industrial chocolate), PT Tri Keeson Utama (cocoa cake/powder blends) and PT Fajar Mataram Sedayu (chocolate rice/consumer chocolate). The Chuang family hold a 49% deemed interest in PT Freyabadi Indotama and interests in PT Tri Keeson Utama and PT Fajar Mataram Sedayu. A conflict-management architecture has been in place since 2004: call options allowing Delfi to acquire 49%/100%/51% of the three respectively, and a deed of undertaking requiring the directors to divest if the Audit Committee determines a conflict. Material concentration is with Freyabadi Indotama: FY25 related-party purchases were USD19.2mn (FY24: USD18.8mn), c.5% of COGS, conducted under an IPT mandate last renewed in Apr 26.

Financial Summary

(USD, millions unless stated)	FY22A	FY23A	FY24A	FY25A
INCOME STATEMENT				
Revenue	477	538	503	500
Cost of goods sold	(332)	(385)	(365)	(367)
Gross profit	**146**	**153**	**138**	**133**
SG&A expenses	(85)	(90)	(91)	(93)
Other operating income/(expense)	2	1	1	8
EBIT (adj.)	**62**	**64**	**48**	**48**
Net interest (expense)/income	1	2	1	2
FX gain/(loss)	0	-	0	(2)
Other non-operating income/(expense)	-	-	-	-
Associates & JV	(0)	(0)	(0)	(0)
Exceptionals / one-offs	-	-	-	(1)
Pretax profit/(loss)	**63**	**65**	**49**	**48**
Income tax	(19)	(19)	(15)	(14)
Minority interests	-	-	-	-
Reported net profit	**44**	**46**	**34**	**33**
Core net profit	**44**	**46**	**34**	**34**
EBITDA (adj.)	74	75	60	61

Source: LSEG

(USD, millions unless stated)	FY22A	FY23A	FY24A	FY25A
BALANCE SHEET				
Cash & ST investments	77	59	44	86
Accounts receivable	88	107	109	93
Inventory	115	116	132	117
Other current assets	5	13	6	6
Total current assets	**286**	**295**	**291**	**302**
Property, plant & equipment (net)	81	98	109	101
Intangibles & goodwill	18	18	18	18
Investments in associates & JV	3	3	3	2
Other non-current assets	7	7	7	13
Total non-current assets	**109**	**126**	**137**	**135**
Total assets	**395**	**421**	**428**	**437**
Accounts payable	84	76	96	105
Short-term debt	20	36	29	17
Other current liabilities	32	25	25	22
Total current liabilities	**136**	**137**	**149**	**144**
Long-term debt	1	5	2	1
Other non-current liabilities	12	13	13	13
Total liabilities	**149**	**155**	**164**	**157**
Shareholders' equity	246	266	265	279
Minority interests	-	-	-	-
Total equity	**246**	**266**	**265**	**279**
Total liabilities & equity	**395**	**421**	**428**	**437**

Source: LSEG

(USD, millions unless stated)	FY22A	FY23A	FY24A	FY25A
CASH FLOW				
Pretax profit/(loss)	63	65	49	50
Depreciation & amortisation	12	11	13	13
Change in working capital	(51)	(27)	11	30
Other operating / non-cash	0	0	0	(2)
Tax paid	(17)	(26)	(21)	(14)
Cash flow from operations	**7**	**24**	**51**	**77**
Capex	(4)	(24)	(29)	(9)
Other investing	0	(0)	0	(16)
Cash flow from investing	**(4)**	**(24)**	**(29)**	**(25)**
Free cash flow	**3**	**0**	**22**	**68**
Dividends paid	(19)	(29)	(27)	(13)
Change in borrowings	7	8	(7)	(14)
Equity raised / (bought back)	-	-	-	-
Other financing	-	-	-	-
Cash flow from financing	**(12)**	**(22)**	**(34)**	**(28)**
Net change in cash	**(9)**	**(21)**	**(11)**	**24**

Source: LSEG

(USD, millions unless stated)	FY22A	FY23A	FY24A	FY25A
VALUATION / KEY METRICS				
Market cap	354	519	349	383
Enterprise value (EV)	298	501	336	314
P/E – Core (x)	8.1x	11.2x	10.3x	10.8x
P/BV (x)	1.4x	1.9x	1.3x	1.4x
EV/Sales (x)	0.6x	0.9x	0.7x	0.6x
EV/EBITDA (x)	4.1x	6.7x	5.6x	5.0x
EV/EBIT (x)	4.8x	7.9x	7.1x	6.4x
Dividend yield (%)	7.5%	2.7%	7.5%	4.8%
FCF yield (%)	0.9%	0.1%	6.4%	17.7%

Source: LSEG, retrieved 7 Aug 26

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