Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Delfi Limited

Stock code: P34

Meeting details:
Date: 30 April 2020
Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Q1. As noted in the Five-year financial highlights & review (pages 6 & 7 of the annual report), the group embarked on a product rationalisation programme that saw the elimination of more than 180 SKUs or 40% of the group's total portfolio. After experiencing the short-term pains in 2015-2017 during which sales declined, the group has experienced stronger sales in the past two years even as the Indonesia Rupiah depreciated against the USD (the reporting currency). This increase was also due to the group's revised route-to-market strategy.

For 2019, the group achieved the highest revenue and margins in the past five years. A snapshot of the group's five-year financial highlights is reproduced below.

For The Year (US$ million)	2019	2018	2017	2016	2015
BRANDED CONSUMER					
Revenue	471.6	427.0	381.3	402.1	405.9
Gross Profit	170.7	147.9	129.6	139.7	120.8
Gross Profit Margin (%)	36.2%	34.6%	34.0%	34.8%	29.8%
EBITDA	59.6	51.3	44.4	50.6	37.5
Net profit attributable to shareholders	**28.5**	**23.0**	**17.3**	**28.2**	**15.3**

(Source: company annual report)

(i) **Having rolled out the strategic initiatives in Indonesia since 2015, what are the other critical operational and structural challenges that the group will be addressing in the next 2-3 years?**

Q2. While the group's regional markets have also turned profitable, EBITDA from regional markets amounted to US$4.6 million compared to EBITDA of US$55.0 million from Indonesia. Revenue generated from regional markets added up to US$134.1 million in FY2019, approximately 40% of the revenue from Indonesia (US$337.4 million).

In other words, the EBITDA margin from the regional markets was a relatively low 3.4% compared to the 16.3% EBITDA margin achieved in Indonesia.

(i) **Can management help shareholders understand the reasons for the difference in EBITDA margins achieved in Indonesia and that from the regional markets?**

(ii) **Specifically, what are the key value drivers to further improve profitability in the Philippines which has very similar characteristics to the Indonesia market?**

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Q3. As noted in the Corporate governance report, the company conducts regular board meetings and when directors are not able to be physically present, they can attend and participate through telephonic or video-conferencing. This enables the directors to provide direction, guidance and advice to management quickly and sometimes at short notice (as and when the need arises), in the best interests of the company and the businesses. Attendance at board meetings via audio and visual means are provided for in the company's Constitution (page 53).

The attendance of directors at board and board committee meetings is shown on page 52 (reproduced below).

		Committees				
	Board	AC	NC	RC	RMC	MSSC
Pedro Mata-Bruckmann	5/5	5/5	1/1	1/1	1/1	2/3
John Chuang	5/5	NA	1/1	NA	1/1	3/3
Chuang Tiong Liep	5/5	NA	NA	NA	NA	3/3
Chuang Tiong Kie	5/5	NA	NA	NA	NA	NA
Mike Dean	5/5	5/5	1/1	NA	1/1	NA
Davinder Singh	4/5	NA	1/1	1/1	NA	NA
Koh Poh Tiong	4/5	4/5	1/1	1/1	1/1	2/3
Doreswamy Nandkishore	4/5	NA	1/1	1/1	NA	3/3

Note:
Number of meetings attended / number of meetings held

(Source: company annual report)

During the financial year, three directors missed a board meeting each and directors were also absent at some of the board committee meetings. For FY2018, the attendance of directors showed a similar pattern.

(i) **Can the company help shareholders understand if directors participated in the meetings through telephonic or video-conferencing? If not, why not?**

(ii) **How can the company secretary and the directors improve the scheduling of the board and board committee meetings so that directors' attendance can be further improved?**

^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM before 30 April 2020 must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the

^ Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings)

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer's website, through "live" webcast and on SGXNet.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

Join our mailing list here to receive latest news and upcoming events.

CONNECT WITH US