COMPANIES & MARKETS

Delfi Q1 Ebitda down 6% year on year to US$18m, sees uptick from previou quarter

TUE, MAY 18, 2021 - 6:46 PM

UMA DEVI umadevi@sph.com.sg @UmaDeviBT

CHOCOLATE confectionery company Delfi posted earnings before interest, taxes, depreciation and amortisation (Ebitda) of US$18.0 mil million) for the first fiscal quarter ended March, down 6 per cent from Ebitda of US$19.1 million in the corresponding quarter last year.

The group attributed the decline to lower sales and gross margins, which were partially mitigated by lower operating expenses, mainly distribution ones.

Revenue for the quarter fell 5.7 per cent to US$119.4 million from US$126.6 million in the year-ago period.

Segmentally, revenue contributions from Indonesia slipped 7.4 per cent year on year (yoy) to US$84.8 million, while revenue from regio fell 1 per cent to US$34.6 million.

Although categories such as baking and breakfast and food service posted y-o-y growths of 1.3 per cent and 1.9 per cent respectively o stay-home consumption and other trends exhibited by consumers since last year, Delfi said this was unable to offset the decline in oth

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On a quarter-on-quarter basis, however, Delfi's financial results showed signs of improvement. Revenue rose 14.4 per cent, while Ebitd per cent as the group benefited from progress made in economies across the region after the initial impact of large-scale lockdowns du Covid-19 pandemic.

Gross profit margin for the quarter fell 1.5 percentage points yoy to 29.2 per cent, but also showed a slight uptick from 28.9 per cent in

Ebitda margin for the quarter, meanwhile, held fairly steady at 15 per cent compared to 15.1 per cent in the corresponding period last y

Delfi had a net cash inflow of US$6.5 million in Q1, which increased its cash balance to US$72.1 million as at end-March.

The group said this was due mainly to a higher free cash flow of US$35.2 million as it continued its "tight cash flow management" throu managing costs, working capital and capital spending. Delfi was also able to reduce its borrowings by US$30.4 million.

In its outlook statement, Delfi termed its Q1 results "encouraging", but acknowledged that the macroeconomic and operating environm markets would continue to remain challenging.

The group identified certain uncertainties and challenges in the form of the uneven or slow pace of vaccination, reinstatement of lockd possible onset of new variants of the coronavirus.

"With these uncertainties continuing throughout this year and most likely into next year, we will continue to maintain tight control of ou costs, working capital and capital spending. We will focus on our cash flow generation and maintain our cash holdings."

Barring any unforeseen circumstances, Delfi is cautiously optimistic that its financial performance in FY 2021 should be "better compar 2020".

Shares in Delfi closed at 81.5 Singapore cents on Tuesday, up 0.6 per cent or 0.5 cent.

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