

## Announcement

*The following announcement was issued today to a Regulatory Information Service approved by the Financial Conduct Authority in the United Kingdom.*

### **DFI RETAIL GROUP HOLDINGS LIMITED** **Interim Management Statement**

19 May 2025 - DFI Retail Group Holdings Limited today issues its Interim Management Statement for the first quarter of 2025.

#### **OVERVIEW**

Overall macroeconomic conditions continue to evolve across the globe with rising uncertainty caused by geopolitical tensions. Guided by its purpose statement, the Group remains steadfast in its commitment to providing consumers with a stable supply of quality products and great value across its operating markets. The Group is closely monitoring consumer sentiment as the implications of the latest tariff development continue to unfold. While the situation remains fluid, the Group sees a manageable impact given that most procurement is done close to consumption, with U.S. imports representing less than 2% of underlying subsidiary sales in 2024. With enhanced sourcing capability and agile supply chain management, the Group is confident in its ability to navigate changing consumer behaviours and sentiment amidst macroeconomic headwinds.

For the first quarter of 2025, the Group's underlying subsidiary sales, excluding the impact of cigarette tax and the divestment of the Hero Supermarket business in Indonesia, were 1% below the same period in 2024 and stable on a like-for-like (LFL) basis. Strong sales performance in the Health and Beauty segment was offset by lower contributions from other divisions. Within its home market of Hong Kong, the Group continued to demonstrate resilience against a challenging retail backdrop, with reported and LFL sales down by approximately 2% year-on-year, or stable when excluding the impact of cigarette tax. While cross-border travel continues, growth has slowed noticeably in the first quarter. Underlying profit, excluding divestments, increased by 28% year-on-year for the first quarter of 2025. However, after accounting for the divestment of Yonghui, which contributed US 23 million in earnings in the prior comparable period, underlying profit declined 18% year-on-year.

The Group continues to evolve its portfolio to deliver long-term shareholder value by focusing capital on high-growth, high-margin businesses. This includes the recently announced divestment of the Singapore Food business. In February 2025, the Group completed the divestment of Yonghui stake, with net proceeds redeployed in a US 617 million debt payment, resulting in a net cash position of US 127 million at 31 March 2025, compared to US 468 million net debt at 31 December 2024.

#### **OPERATING PERFORMANCE**

##### *Subsidiaries*

LFL sales for the Health and Beauty division in the first quarter were up 4% year-on-year, with all operating markets reporting positive LFL sales growth. Mannings Hong Kong's performance was supported by increased basket size due to effective promotional campaigns. Guardian continued to deliver strong LFL performance across key markets, partly due to the timing of Raya Festive sales. Indonesia, in particular, achieved double-digit growth in both LFL sales and profit. Guardian Malaysia introduced its loyalty programme in March, with 1.4 million members within the first month of launch. Improved operational efficiency contributed to a 10% growth in overall Health and Beauty profit.

LFL sales for the Convenience division declined 6% year-on-year due to lower cigarette sales following a tax increase in Hong Kong beginning in late February 2024. Overall, non-cigarette LFL sales were down 2% compared to the first quarter of 2024. The Group expects mitigating sales impact from reduced cigarette volumes upon annualisation of the tax effect and continued growth in higher-margin ready-to-eat (RTE) businesses. LFL sales for Macau, Southern China and Singapore were slightly behind the same period of last year. The team remains focused on expanding its product range and enhancing its omnichannel shopping experience, including the launch of a new 7-Eleven app in Singapore in February. Despite a favourable sales mix shift towards higher-margin RTE products, profit for the division declined year-on-year due to lower reported sales as a result of cigarette tax impact.

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The Food division reported LFL sales marginally below the first quarter of 2024. Despite consumers' pivot to value, Hong Kong LFL sales remained largely stable year-on-year, benefiting from increased traffic and growing omnichannel sales. In line with the Group's expectation, cross-border travel into the Chinese mainland showed early signs of stabilisation with moderating year-on-year growth in the first quarter of 2025. Overall, Food profit increased by approximately 14% year-on-year, supported by improved profitability in Singapore Food.

While LFL sales of Home Furnishings remained challenged due to intense competition and basket mix change, the division reported a significant recovery in underlying profit, helped by effective cost control measures across markets. Similar to the Food format, the IKEA Hong Kong business is strengthening its value-driven omni-channel proposition to compete better with Chinese mainland digital players. In Indonesia, the IKEA team remains focused on driving sales through expanded digital channels and a more effective marketing strategy. The Group believes that IKEA remains well-positioned to capitalise on a recovery in demand for home furnishings when market conditions improve, given its strong brand equity and commitment to consumer protection and product safety.

The Group continues to expand its digital presence. Daily e-commerce order volume reached 86,500, representing an increase of over 70% year-on-year, with improving profit contributions. Retail Media continues to build momentum, with over 60 targeted advertising campaigns completed during the quarter, compared to 101 for the full year of 2024.

#### *Associates*

Maxim's, the Group's 50%-owned associate, reported a substantial recovery in profit contribution due to cost optimisation. Sales were stable year-on-year with strong growth in Southeast Asia offset by weaker restaurant performance on the Chinese mainland and store closures in Hong Kong.

Robinsons Retail reported 3% LFL sales growth driven by the Food, Drugstore and Department Store segments. The reported profit dropped 85% year-on-year due to a one-time gain from the Bank of the Philippine Island and Robinsons Bank merger booked early last year.

The divestment of the Group's stake in Yonghui was completed in February 2025.

### **RECENT BUSINESS DEVELOPMENT**

On 24 March 2025, the Group announced that it had entered into a definitive agreement with Macrovalue, a leading Southeast Asian retail group, with respect to the divestment of its Singapore Food business, which includes the Cold Storage, CS Fresh, Jason's Deli and Giant brands, for a total cash consideration of SGD125 million or approximately US 93 million, subject to adjustments. The transaction aligns with the Group's strategic and capital allocation framework, further strengthening the Group's balance sheet while focusing capital to drive the growth of subsidiary businesses across its markets including Guardian and 7-Eleven in Singapore. The transaction is subject to customary closing conditions and is expected to be completed by the end of 2025.

### **OUTLOOK**

The Group remains focused on executing its strategic framework to grow market share across all formats through a stronger value proposition, expanding omnichannel presence and accelerating monetisation of *yuu*. The Group will review the use of divestment proceeds to ensure alignment with its capital allocation priorities. The Group maintains its full-year guidance of underlying profit attributable to shareholders between US 230 million and US 270 million, supported by an organic revenue growth of approximately 2%.

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DFI Retail Group (the 'Group') is a leading Asian retailer, driven by its purpose to 'Sustainably Serve Asia for Generations with Everyday Moments'. As at 31 December 2024, the Group, its associates and joint ventures operated over 10,700 outlets, of which more than 5,000 stores were operated by subsidiaries. The Group, together with associates and joint ventures, employed over 190,000 people, with over 45,000 employed by subsidiaries. The Group had total annual revenue in 2024 of US 24.9 billion and reported revenue of US 8.9 billion.

The Group is dedicated to delivering quality, value and service to Asian consumers through a compelling retail experience supported by an extensive store network and highly efficient supply chains.

The Group, including associates and joint ventures, operates a portfolio of well-known brands across six key divisions: health and beauty, convenience, food, home furnishings, restaurants and other retailing.

The Group's parent company, DFI Retail Group Holdings Limited, is incorporated in Bermuda and has a primary listing in the equity shares (transition) category of the London Stock Exchange, with secondary listings in Bermuda and Singapore. The Group's businesses are managed from Hong Kong. DFI Retail Group is a member of the Jardine Matheson Group.

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For further information, please contact:

Karen Chan (Investor Relations)

(852) 2299 1380

Christine Chung (Corporate Communications and Affairs)

(852) 2299 1056

William Brocklehurst (Brunswick Group Limited)

(852) 5685 9881

This and other Group announcements can be accessed via the DFI Retail Group corporate website at [www.DFIretailgroup.com](http://www.DFIretailgroup.com).

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