



D&L's expansion site in
Batangas, Philippines



FILIPINO



MANUFACTURING



CUSTOMIZED
SPECIALTY
PRODUCTS



B2B2C



D&L INDUSTRIES

Investor Presentation

November 2022

D&L INDUSTRIES is a Filipino company that makes customized, specialty ingredients for food and chemicals

9M22

P34B *Revenues*

P2.5B *Net Income*



FOOD INGREDIENTS

Fats, oils and other specialty food ingredients



65%
Revenue

26%
Net Income



**OLEOCHEMICALS & OTHER
SPECIALTY CHEMICALS**
Coco-biodiesel, oleochemicals,
resins and powder coatings



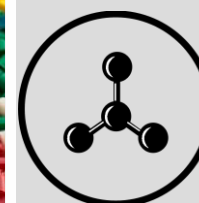
26%
Revenue

44%
Net Income



SPECIALTY PLASTICS

Pigment blends, color and
additive masterbatches and
engineered polymers



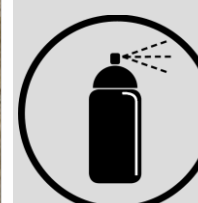
7%
Revenue

23%
Net Income



CONSUMER PRODUCTS ODM

Aerosol & non-aerosol products for
homecare, personal care and
maintenance chemicals



2%
Revenue

6%
Net Income

D&L

Due to rounding, numbers may not add up precisely

D&L parent is 0.4% of revenues through Management Service Fees / 1% of Net Income

Except for the D&L Industries consolidated balances, which are already net of eliminations, the rest are presented gross of intercompany sales and other elimination

KEY BUSINESS STRATEGIES



**Maintain Market
Leadership**



**Innovate
Continuously**



**Capitalize on Growing
Domestic Consumer Market**

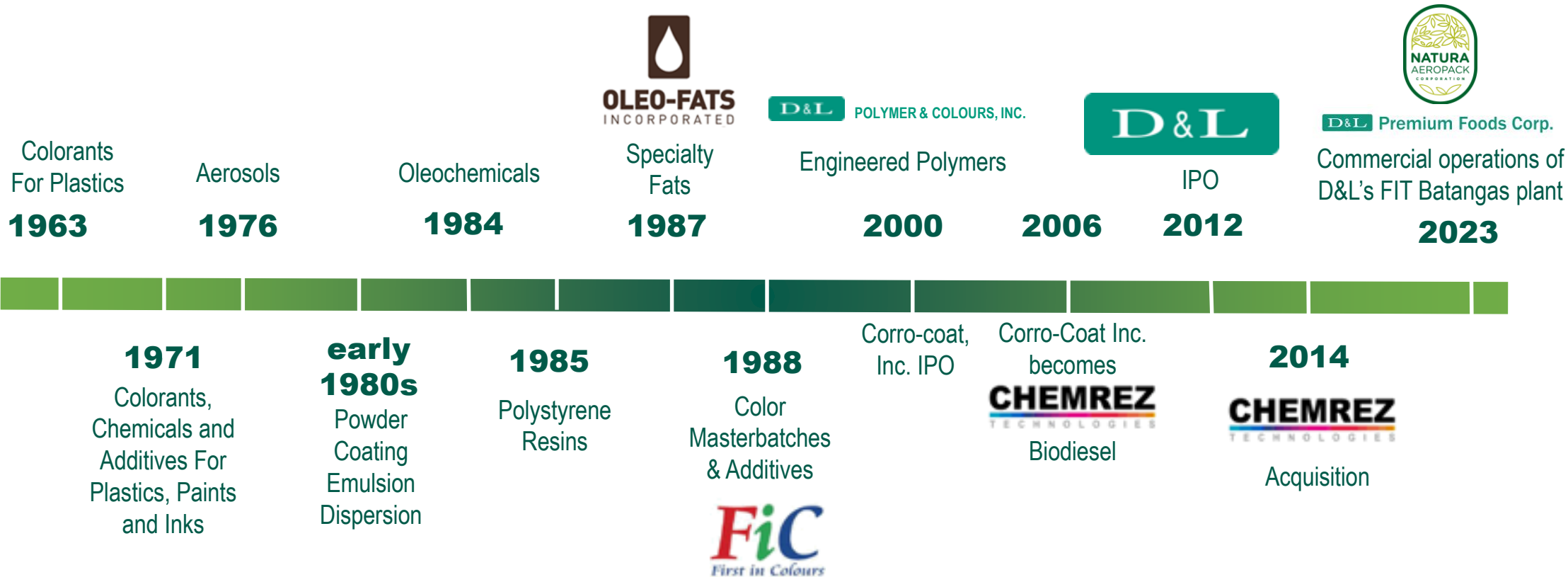


**Enhance Production and
Business Processes**



**Expand
Globally**

Our history of serving customers spans across almost 60 years



As the leading B2B2C company in the Philippines, we have longstanding customer relationships with mostly consumer companies

>70%

of sales are to
consumer companies

Length of Customer Relationships (in Years)

BOYSEN® The No. 1 PAINT	36
SUMITOMO ELECTRIC YAZAKI	29
Nestlé Monde Nissin CORPORATION UR	25
KFC bench/ Jollibee U	21
Max's RESTAURANT McDonald's	17
PETRON 3M neumann & mueller philippines, inc. PANCAKE HOUSE	13
Shakey's PIZZA PARLOR Krumpy Kreme DOUGHNUTS	11
EPSON®	8



Shortening
Flavored Toppings
Flavored Glazes
Icings



Frying Oils
Gravy Mixes
Breading
Dipping Sauces



Body Fragrance
Sprays
Insect Control Sprays
Spray Paints
Brake Cleaners



Flavored Coatings
Syrups & Fudges
Whipped Cream
Soft Ice Cream
Mix



Pancake Mix
Butter Compounds
Margarines
Maple Flavored
Syrups

Majority of the Board are independent directors while 3 out of 7 board members are female – highlights the importance we place on good corporate governance and gender diversity.

BOARD OF DIRECTORS*



Yin Yong L. Lao, 68 years old
Chairman & Director
 Trustee - Association of Petrochemical Manufacturers of the Philippines
 B.A. in General Studies
Ateneo de Manila University
 Years of D&L experience : 45



John L. Lao, 66 years old
Vice Chairman
 Chairman/President – Aero-Pack
 B.S. in Business Administration
University of the East
 Years of D&L experience: 44



Alvin D. Lao, 51 years old
CEO & President
 Director of Axis REIT; Former President of EO Philippine Chapter, member since 2000
 B.S. in IT (Honours) and Statistics from the *University of Western Australia*
 MBA from the *MIT Sloan School of Management*.
 Years of D&L experience: 21

INDEPENDENT DIRECTORS



Mercedita Nolleto, 80 years old
 Lawyer and CPA
 Former Senior Managing Director & Corporate Secretary of Ayala Corp.
 Chairman, BPI Investment Management;
 Director of Xurpas, Inc. ; Trustee, - Ayala Foundation and BPI Foundation
 B.S. Business Administration & Bachelor of Laws from the *University of the Philippines*



Filemon Berba, 83 years old
 Member of Institute of Corporate Directors
 Former President of Globe and Manila Water
 B.S. Electrical Engineering from the *University of the Philippines*
 MBA from the *Wharton School of the University of Pennsylvania*



Corazon S. Dela Paz-Bernardo, 80 years old
 CPA
 Former President & CEO of Social Security System
 Former Senior Partner and Chair at Joaquin Cunanan & Co (PricewaterhouseCoopers Philippines)
 First non-European President of the International Social Security Association
 B.S. Accountancy from *University of the East*
 MBA from *Cornell University*



Lydia Balatbat-Echaz, 73 years old
 Former President of Far Eastern University
 Director of Metro Pacific Investments
 A.B. in Economics and Mathematics from *St. Theresa's College*
 MBA from *Ateneo de Manila University*
 DBA from *De La Salle University*

Professional managers and second generation family members with more than 20 years of experience in sales, marketing & business development compose our Senior Management team.

SENIOR MANAGEMENT



Franco Diego Lao, 42 years old
Chief Financial Officer, Treasurer, & Chief Compliance Officer
Former Group Supply Chain Director at D&L
Bachelor of Commerce major in Accounting and Marketing from the *University of Western Australia*
Years of D&L experience: 21



Joselito P. Rivera, 58 years old
Chief Operating Officer
Former Global Head for Leadership at Ericsson Corporate HQ in Sweden
Lead Adviser for Marikina Local Government Chairperson, Board of Trustees, and OIC
President of Pamantasan Lungsod ng Marikina
A.B. Psychology from *Ateneo de Manila University*
Years of D&L experience: 3



Dean A. Lao, Jr., 54 years old
Managing Director of Chemrez
Chairman - United Coconut Association of the Phils; Director - ASEAN Oleochemical Manufacturing Group, President - Philippine Oleochemical Manufacturers Association & Philippine Biodiesel Association, Advanced Management Program of *Harvard Business School*
Years of D&L experience: 23



Lester A. Lao, 52 years old
Managing Director of FIC & DLPC
B. A. S. in Information Business from *Edith Cowan University*
Years of D&L experience: 30



Vincent D. Lao, 47 years old
Managing Director of Oleo-Fats
Previously Assistant Trader at Shuwa Co. Ltd. In Japan, 1994-1995
B.A. in Economics and Japanese Studies from *the University of Western Australia*
Years of D&L experience: 25

Our wholly owned subsidiaries are focused on core activities such as R&D, sales, supply chain, and manufacturing, with shared services* handled by the D&L group

Lao Family

61.6% Jadel Holdings Co., Inc.
(Lao Family holding company)

10.5% Individual Family Members

72%

Public

28%

D & L

*(legal, MIS, accounting and finance, HR)

100%



OLEO-FATS
INCORPORATED

FOOD INGREDIENTS

100%

CHEMREZ
TECHNOLOGIES

OLEOCHEMICALS, RESINS,
& SPECIALTY CHEMICALS

100%

FiC
First in Colours

D & L

POLYMER & COLOURS, INC.

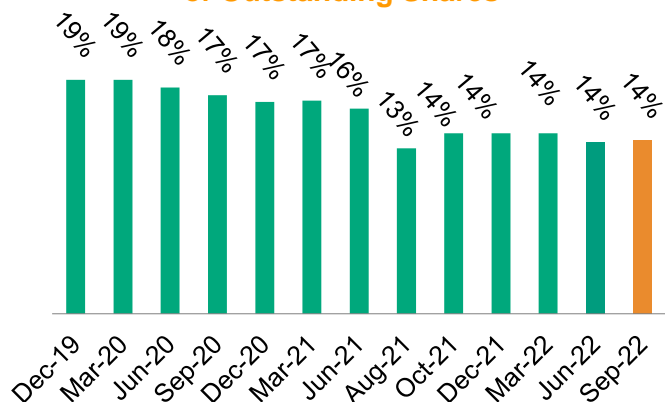
SPECIALTY PLASTICS

100%

AERO-PACK

AEROSOLS

Foreign Ownership as %
of Outstanding Shares

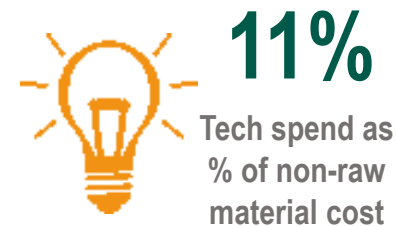
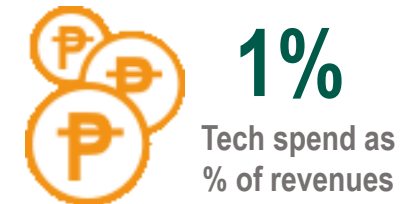
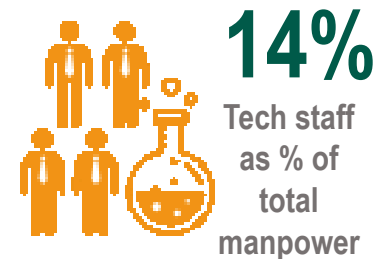


Source: Stock Transfer Service Inc.

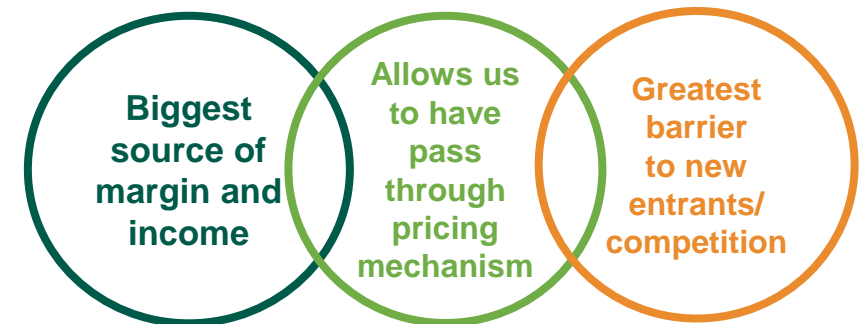
We are shaped and driven by R&D and disciplined innovation

OUR MISSION

- We are dedicated to growth. We are not complacent, timid, or satisfied with status quo
- We are committed to increase productivity and profitability, but not at the expense of ethics
- We will continuously enhance our reputation for quality and value. Our products and services must always represent good value for money and be competitive in the market place
- We will maintain our market leadership through creativity, innovation and excellence in performance tempered with experience
- We are proud of our employees. We consider them as our most valuable asset. We will maintain an atmosphere where our people can develop their abilities and potential while working together enthusiastically to achieve our goal
- We will contribute to the well-being of the communities in which we operate, and accept our responsibilities as citizens of the Philippines



We are research-oriented. We will keep abreast of the latest technology and have our fingers on the pulse of the market to identify the market needs that must be met



We have an integrated supply chain that maximizes efficiency of working capital management



FLEET OF BARGES

Direct access to fleet of 6 barges with an aggregate capacity of 10,000 metric tons to transport crude oils and raw materials to its refineries and storage tanks near the port



STORAGE CAPABILITY

Ability to store 33,000 metric tons of oil; refining facility of 300,000 metric tons per annum is strategically located near port, optimizing transportation efficiency



INTERCONNECTED GROUND TRANSPORT SYSTEM

Superior ground logistics of 42 road tankers with total capacity of over 1,064 metric tons; ensures just-in-time delivery to customer, thereby increasing supply chain efficiency

Key Benefits of Supply Chain Process

- Know-how of entire supply chain process ensures that the company can anticipate and allocate the optimal resources for transportation of its products
- Not dependent upon third-parties to provide logistics

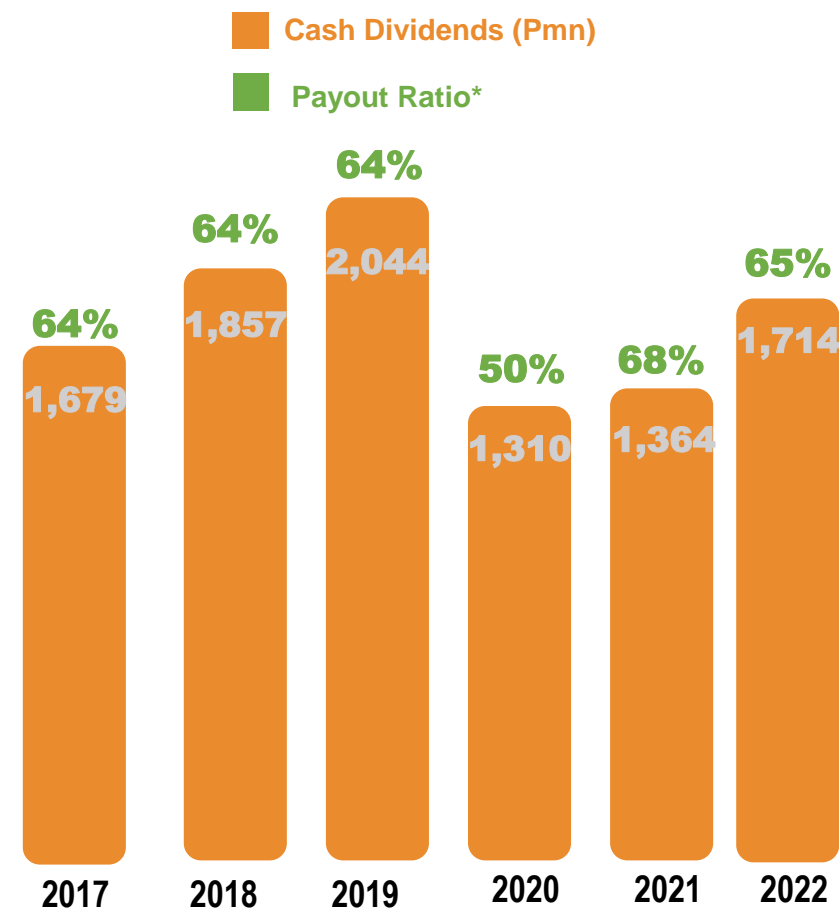
ASSET-LIGHT MODEL

Rental expenses (paid to affiliates)	Management and Shared Service Fees (MSSF)
land, facilities, warehouses, and barges	D&L provides management and shared services to its subsidiaries and affiliates, including executive management and admin support such as legal, MIS, accounting, human resource, and finance
	MSSF from subsidiaries are eliminated in consolidation
9M22: P322 mn 1% of total costs and expenses	9M22: 79 mn 0.2% of total revenues

Our dividend policy increased from a 25% to 50% payout ratio* (effective 2016)

Dividend Per Share	2017	2018	2019	2020	2021	2022
Total	P0.235	P0.26	P0.286	P0.183	P0.191	P0.24
Regular	P0.185	P0.205	P0.223	P0.183	P0.141	P0.185
Special	P0.05	P0.055	P0.063	-	P0.05	P0.055

Dividends	Cash
Ex-Date	June 16, 2022
Record Date	June 21, 2022
Payment Date	July 15, 2022



INVESTOR RELATIONS



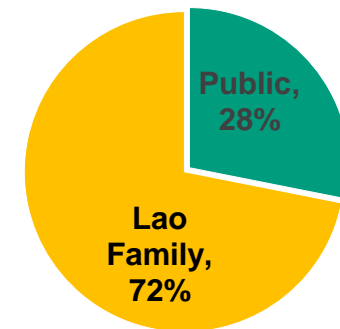
P48 bn*

Ranked 48th
among
Philippines'
largest companies
by market cap

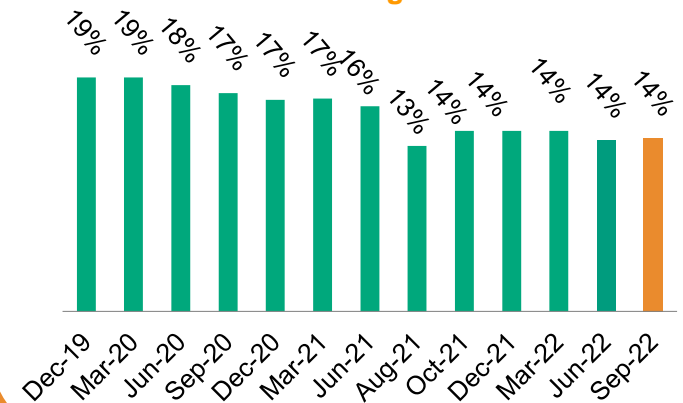
12-Month Daily Trading Average*



**Ownership as of
September 2022**



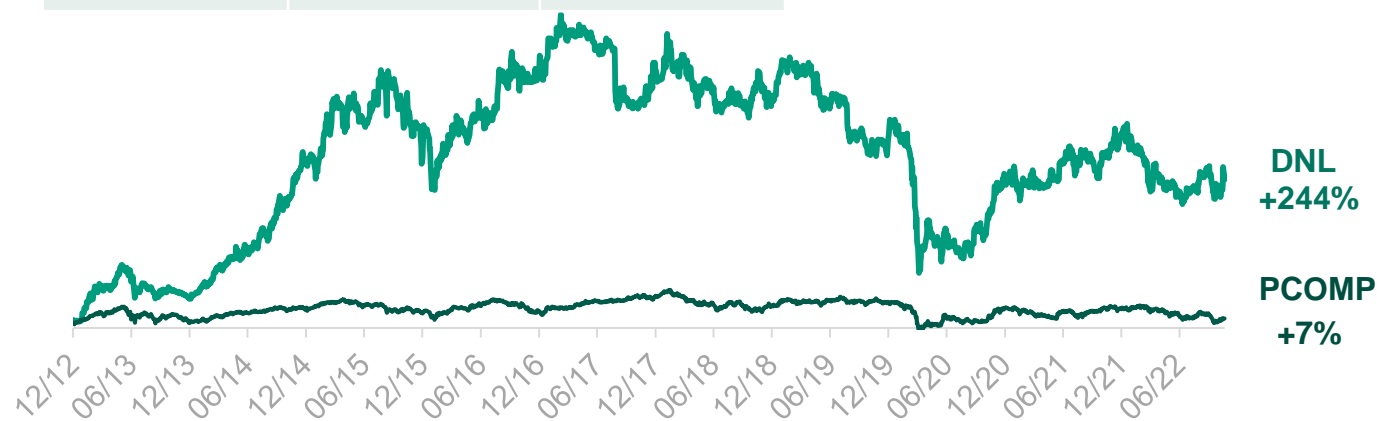
**Foreign Ownership as %
of Outstanding Shares**



INVESTOR RELATIONS

Return since IPO

	Price Change	Total Return
DNL PM	+244%	+335%
PCOMP Index	+7%	+22%



Price as of 11/02: P7.40
 Market Cap as of 11/02: P53bn
 USD 905 mn (USD1:P58.43)
 Outstanding Shares: 7,142,857,990

DLNDY:US
 Un-sponsored ADR
 (BNY Mellon & Citi)
 1ADR = 25 Ordinary

DATE	EVENT	VENUE
September 19-20, 2022	NDR	London (in-person)
November 15, 2022	UBS PH CEO/CFO Forum	Manila (in-person)

We have been awarded and recognized both locally and internationally

Institutional Investor

2022 – ASEAN Honored Company; Crissa Bondad as Best Investor Relations Professional in Asia ex-China, Japan, Consumer Staples Sector

2020 – ASEAN Honored Company; Alvin D. Lao as Best CEO in Phils; Crissa Bondad as 2nd Best Investor Relations Professional in the Philippines; 3rd Best IR Team, 3rd Best ESG

2019 – ASEAN Honored Company; Alvin D. Lao as Best CEO in Phils, ranked 2nd in ASEAN; Best Investor Relations Program in Phils; Crissa Bondad as 3rd Best Investor Relations Professional in the Philippines; 2nd Best ESG and Corporate Governance initiatives

2017 – Most Honored Company; Alvin D. Lao as Best CEO; 3rd Best Investor Relations Program

campden **FB**

2017 – Top 50 Global Challengers (2nd place)

ASIAMONEY

2014- Best Managed Company– Small Cap Category (Philippines) candidate

2021 – Most Outstanding Company in the Philippines (Industrial Sector)

MSCI

2013 - Global Small Cap Index

CLSA

2014 - Top 10 Corporate Governance and Sustainability Report

FTSE

2015 - Global Equity Index Asia Pacific ex Japan All Cap & Small Cap

Finance Asia

2019 – Best Mid-Cap Company, 7th Best Investor Relations

2018 – 2nd Best Mid-Cap Company
2015 & 2016 – Best Mid-Cap Company

2015 –Alvin D. Lao as Best CFO – 2nd Place; Best Investor Relations – 9th place

2014 – 3rd Best Mid-Cap

DOWJONES

2013- Islamic Market ASEAN Index

Forbes Asia Best Under A Billion

2016 & 2015 - Asia's 200 Best Under a Billion

IR
magazine

2021 – Crissa Bondad, IR Rising Star

2015 – Alvin D. Lao, CFO Best IR by a senior management team Small & mid-cap – South East Asia

ADB

ASIAN DEVELOPMENT BANK

2014 & 2015 - Top 50 Best Performing Philippine-listed Companies - ASEAN Corporate Governance Scorecard

CORPORATE SOCIAL RESPONSIBILITY



LAO FOUNDATION

1%

of D&L's annual net income is committed to corporate social responsibility programs through the foundation

2020

AREAS OF FOCUS



Education



Values formation

P21M

Committed amount from D&L

164

Direct scholars in 4 communities

272

Educational Assistance scholars supported through partners

P10M

Donated to COVID-related relief efforts

Our CSR projects focus on education and values formation

PROGRAM	BENEFICIARIES
Partner Based Educational Program	College, TechVoc, High School, Elementary and Hearing Impaired students nationwide
Community Based Educational Program	Various communities and elementary schools where D&L plants are located
ELL Teachers Welfare Program	Sponsoring stipends of retired teachers of Grace Christian High School
LBL Educational Program	Scholarships for the Most In-Need Children & Dependents of D&L Employees Educational Excellence Grants for Children of D&L employees

9M22 Results

9M22 Highlights

1

9M22 earnings of P2.5bn higher by 17% YoY, 3Q22 earnings of P910mn higher by 18% YoY, record level earnings despite a confluence of macroeconomic headwinds

2

HMSP margins continue to recover, up 2.5ppts from the low in 1Q22

3

ROE and ROIC up significantly from the low in 2Q20
ROE higher by 8ppts to 17%, ROIC higher by 2ppts to 13.8%

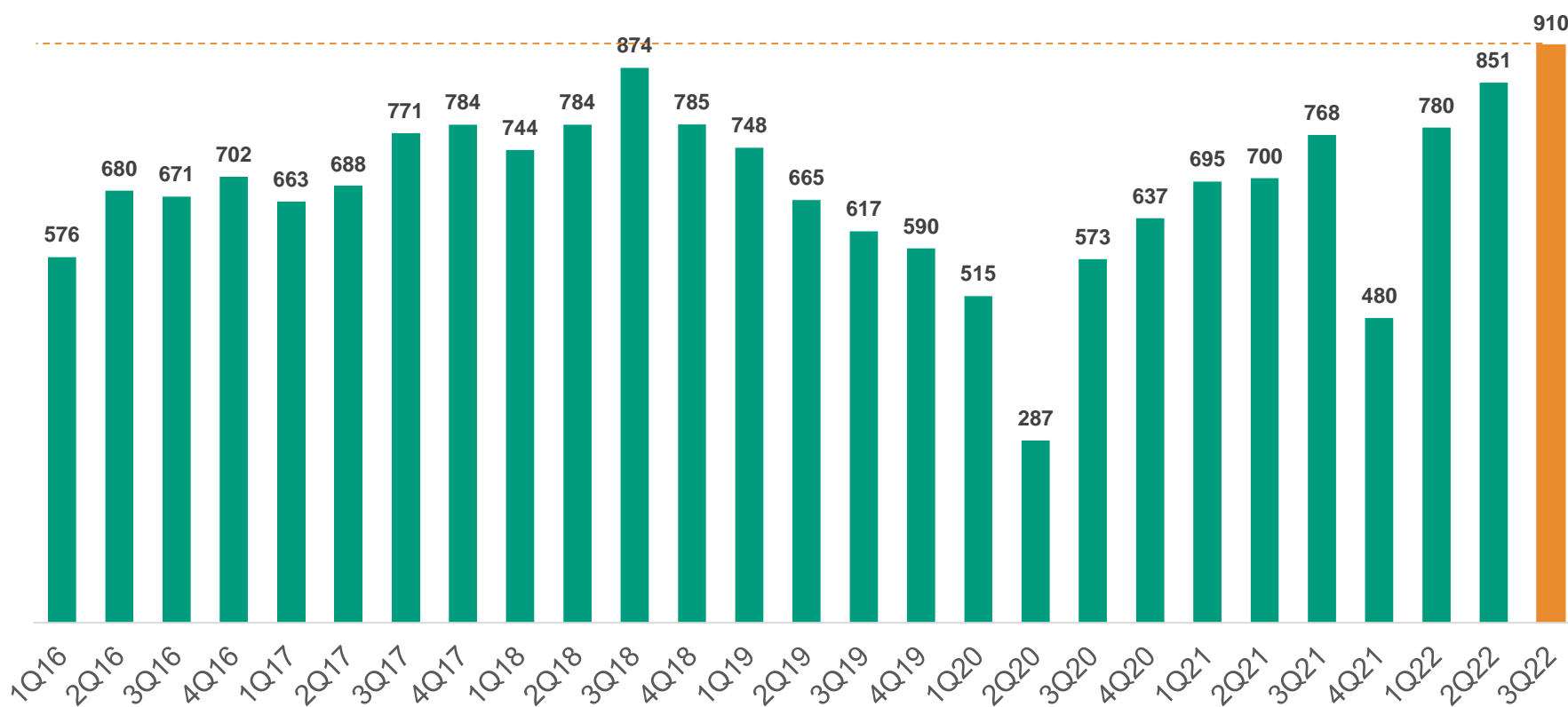
4

With the strong momentum, earnings are on-track to possibly exceed full-year record income achieved in 2018



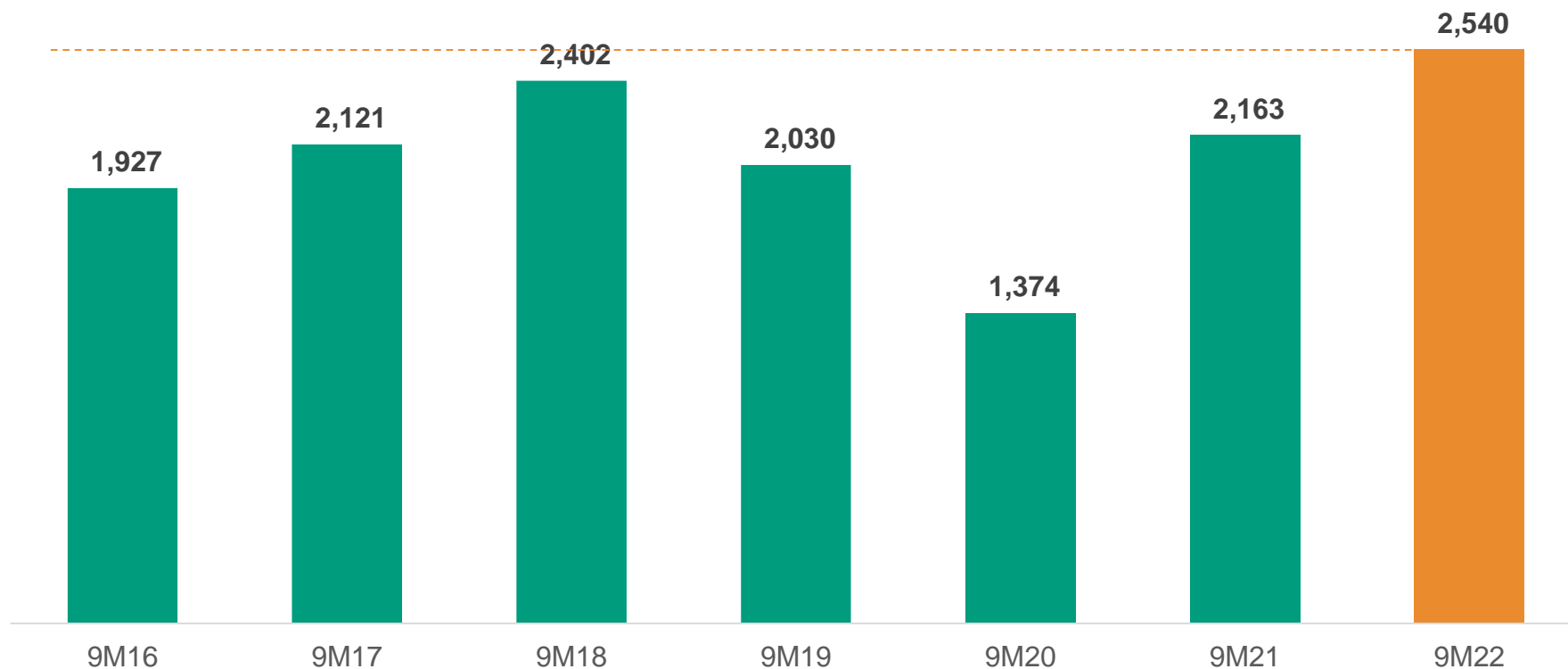
Record quarterly earnings

Net Income (P mn)



Record 9M earnings

Net Income (P mn)

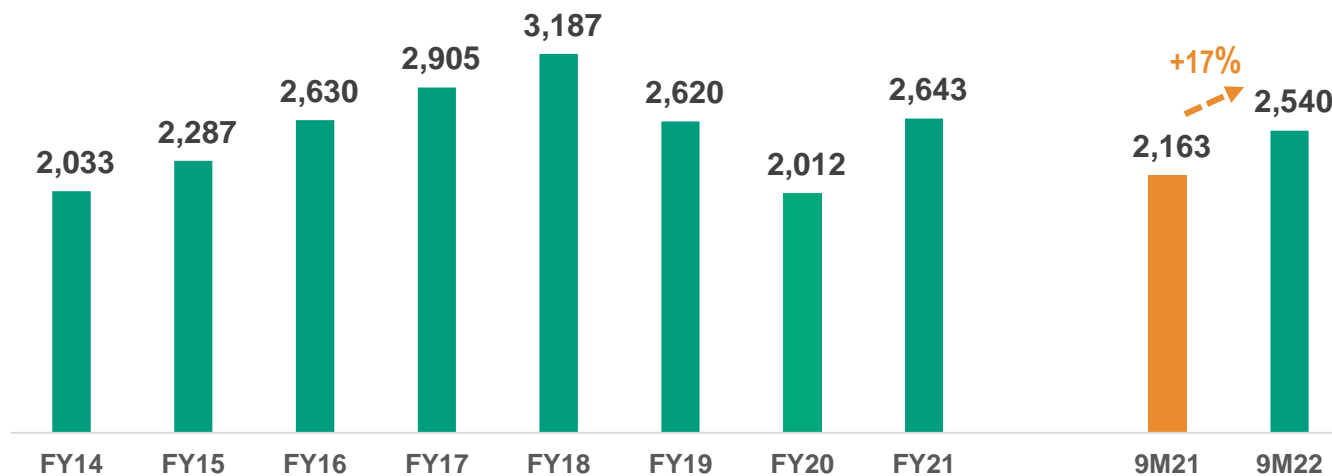


Condensed Income Statement

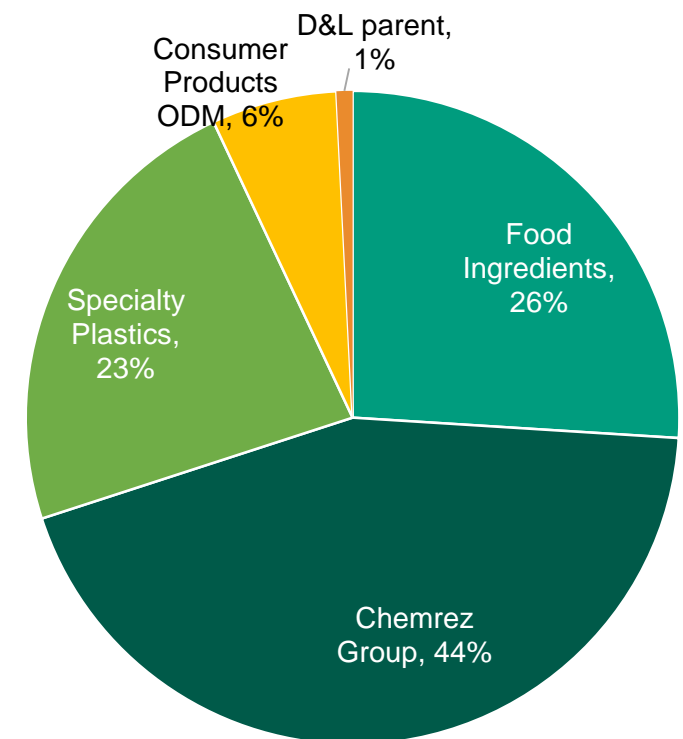
(In P mn)	9M22 vs 9M21, 9M19, 9M18							3Q22 vs 3Q21, 2Q22				
	9M22	9M21	9M19	9M18	% change vs 9M22			3Q22	3Q21	2Q22	% change vs 3M22	
					9M21	9M19	9M18				YoY	QoQ
Sales	33,902	21,531	16,555	20,172	57%	105%	68%	11,578	7,627	12,329	52%	-6%
COGS & Cost of Service	(29,485)	(17,997)	(13,051)	(16,500)	64%	126%	79%	(10,084)	(6,405)	(10,742)	57%	-6%
Gross Profit	4,417	3,534	3,503	3,672	25%	26%	20%	1,494	1,221	1,586	22%	-6%
Operating expenses	(1,306)	(926)	(829)	(762)	41%	58%	71%	(454)	(330)	(454)	37%	0%
Other operating income	283	102	24	114	178%	1098%	148%	181	78	58	130%	214%
Interest expense	(230)	(104)	(155)	(136)	120%	48%	68%	(72)	(29)	(126)	149%	-42%
Profit before tax	3,164	2,606	2,544	2,887	21%	24%	10%	1,148	940	1,059	22%	8%
Income tax	(624)	(443)	(513)	(485)	41%	22%	29%	(238)	(172)	(213)	38%	12%
Net Income	2,540	2,163	2,030	2,402	17%	25%	6%	910	768	851	18%	7%
Gross Profit Margin	13.0%	16.4%	21.2%	18.2%	(3.4)	(8.1)	(5.2)	12.9%	16.0%	12.9%	(3.1)	0.0
Net Profit Margin	7.5%	10.0%	12.3%	11.9%	(2.6)	(4.8)	(4.4)	7.9%	10.1%	6.9%	(2.2)	1.0
EPS* (in cents)	35.6	30.3	28.4	33.6	17%	25%	6%	12.7	10.8	11.9	18%	7%

9M22 Net Income Breakdown

Net Income (Php mn)

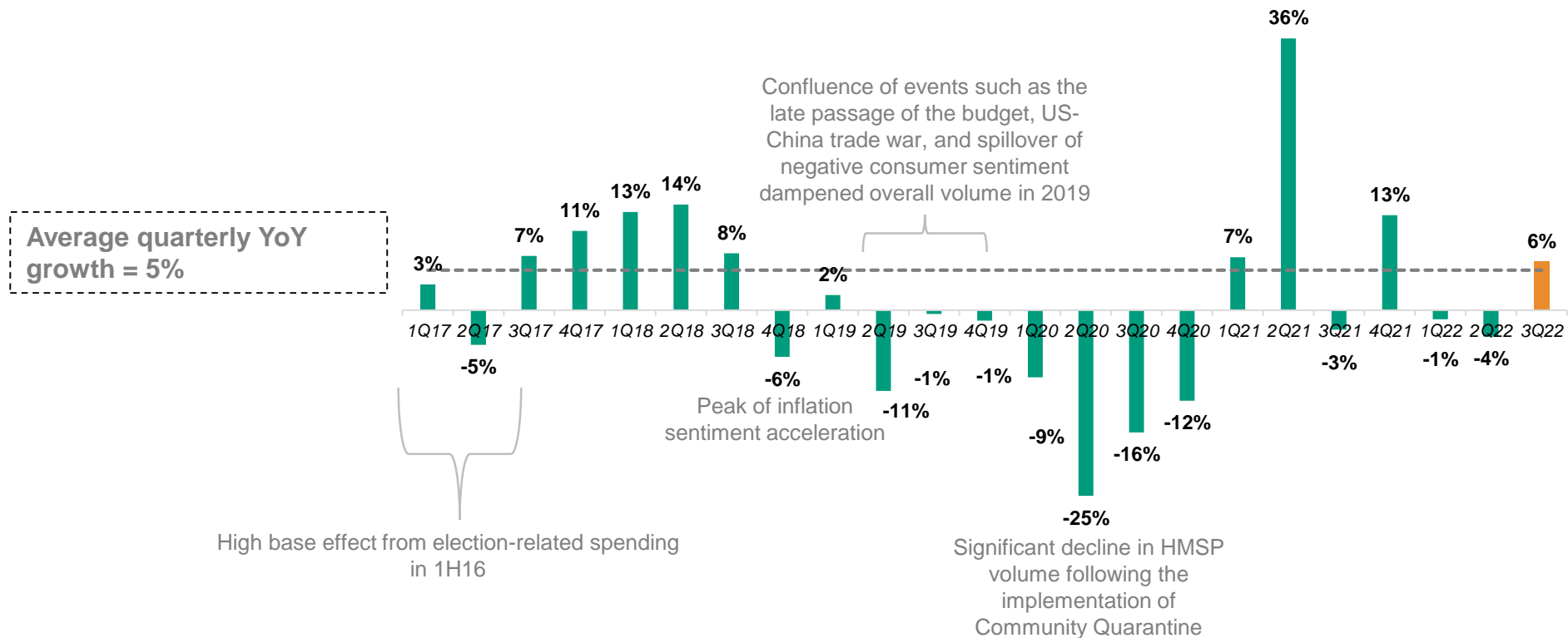


Net income breakdown



HMSP Volume Growth (YoY)

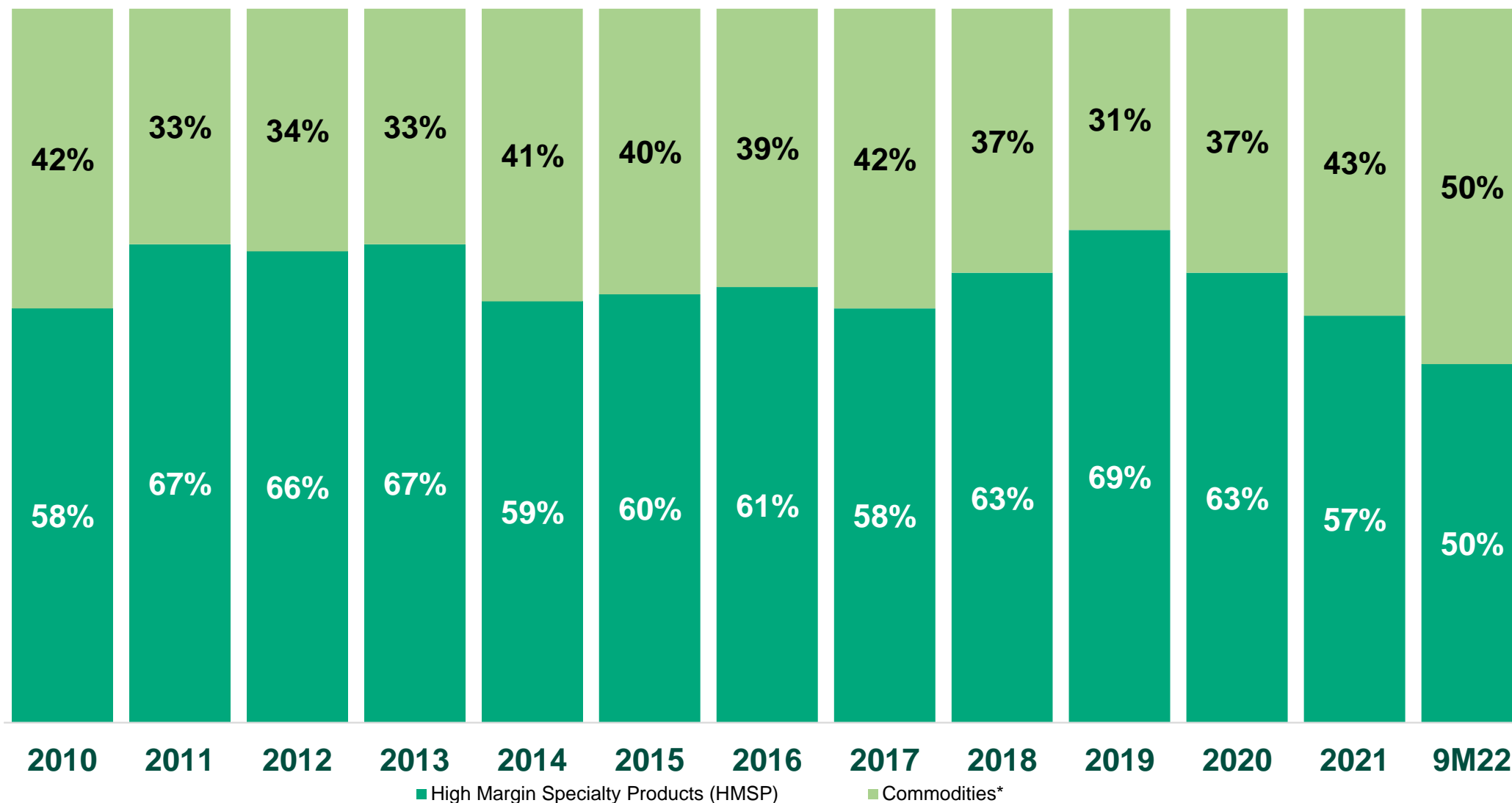
HMSP volume growth (YoY)



Sales mix

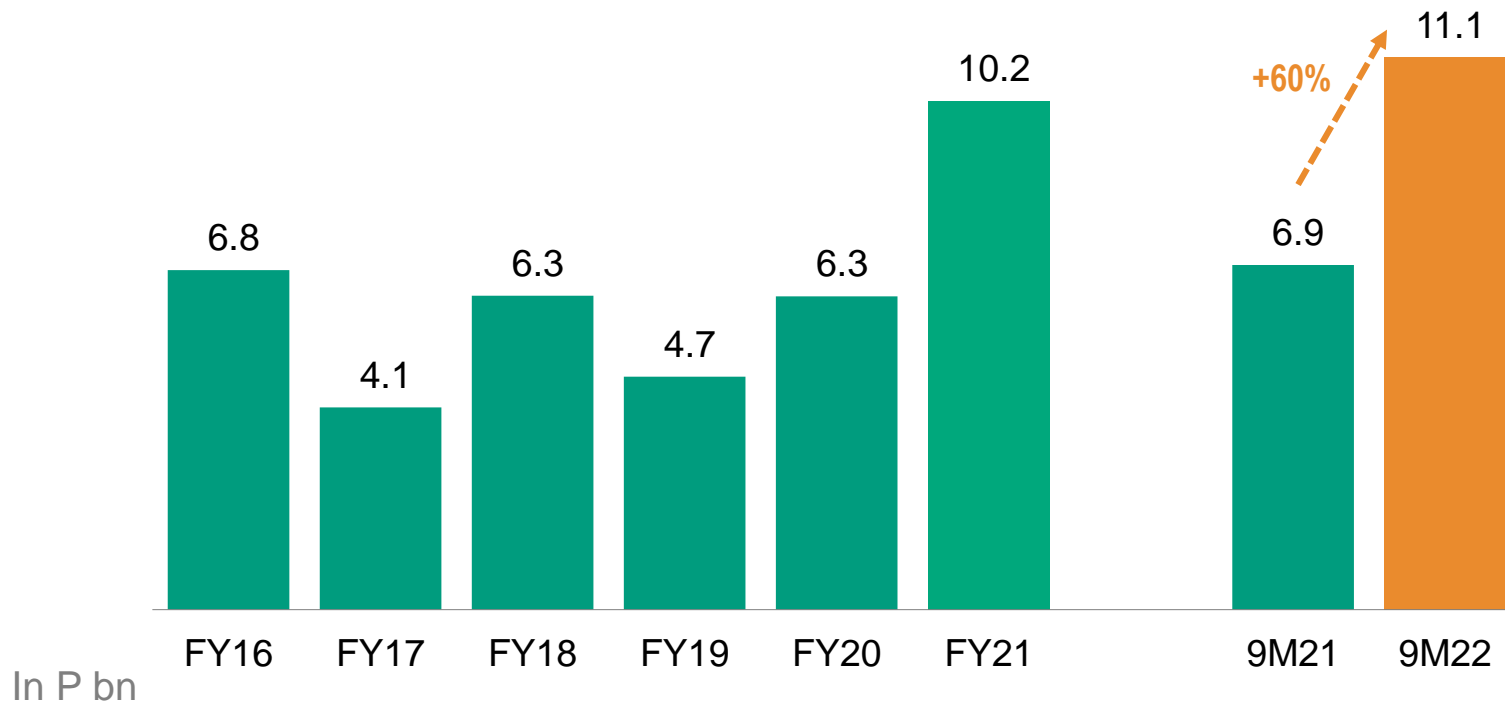
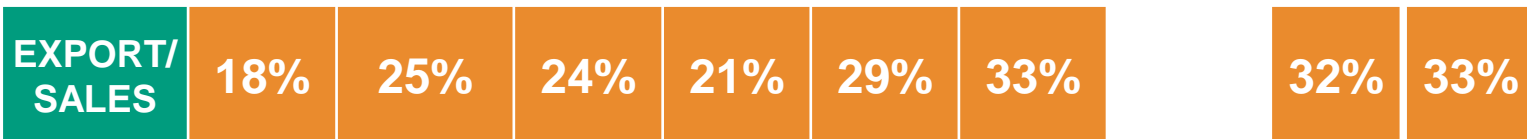
REVENUES

% share to total group revenues

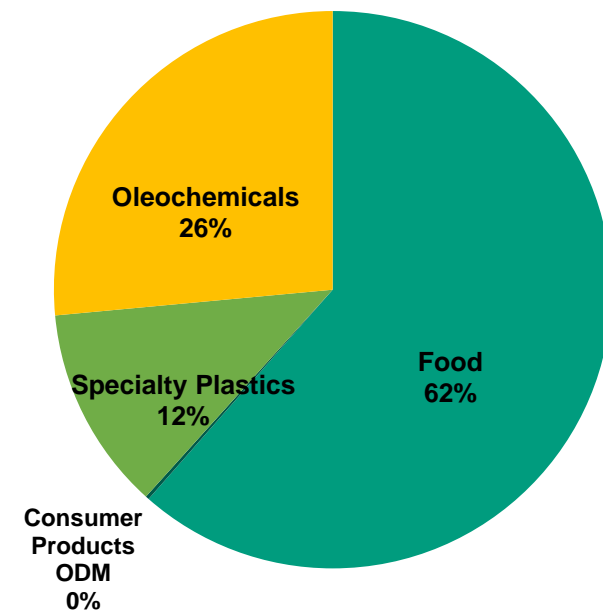


Exports contribution stood at 33% in 9M22

9M22 export revenues have already exceeded FY21 level



Breakdown of exports



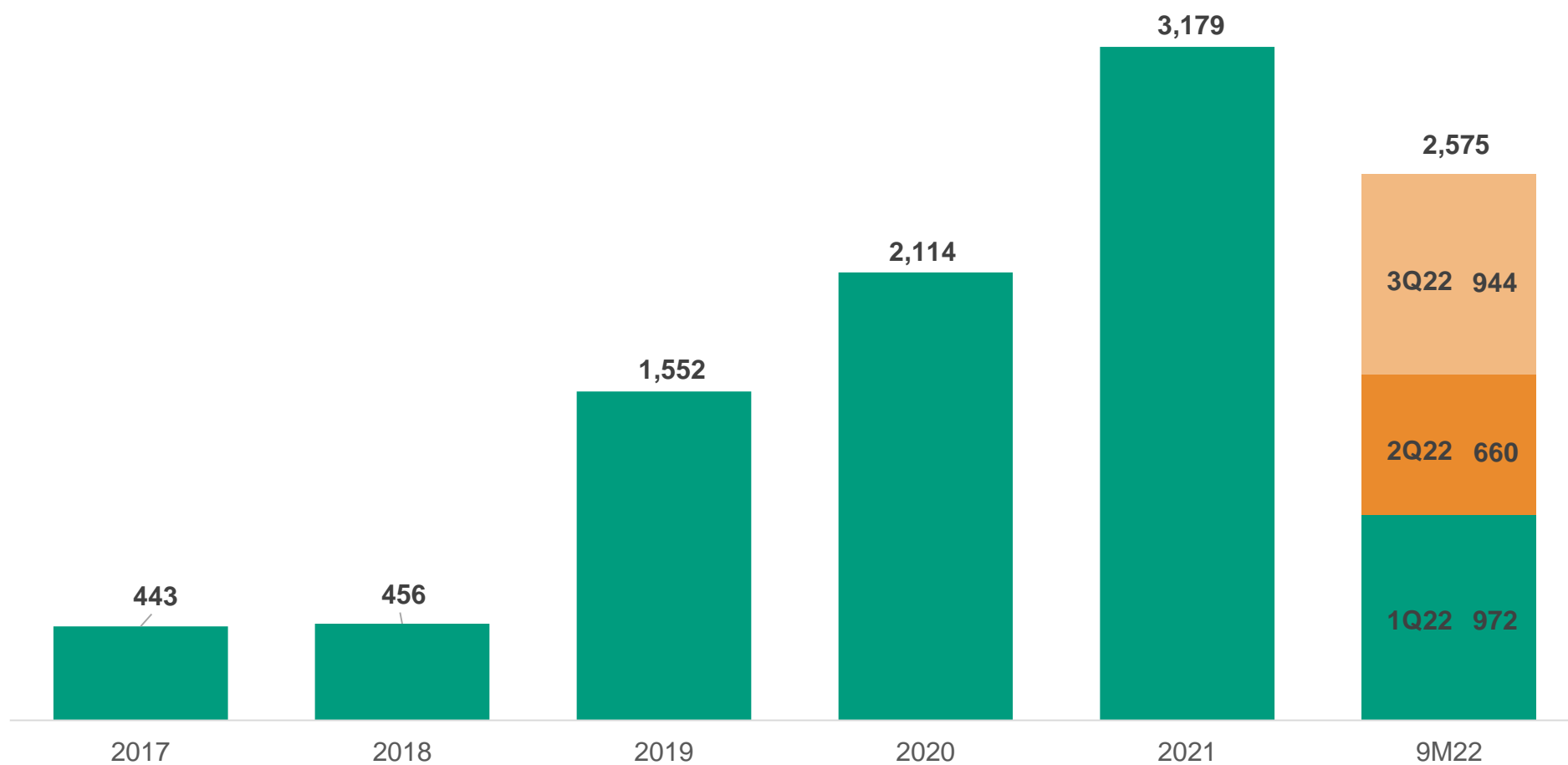
Financial & Operating Highlight

Condensed Statement of Cash Flows

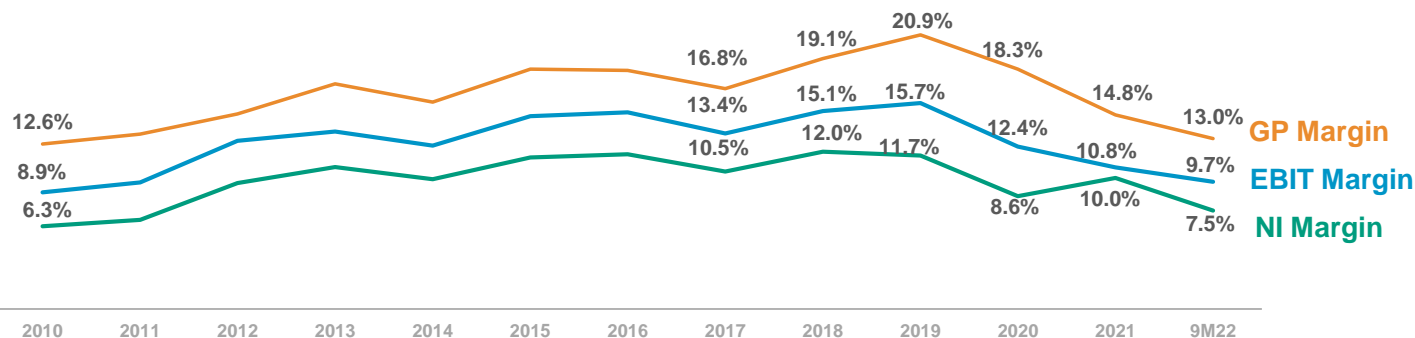
In PMN	9M22	FY21
EBITDA	3,839	4,088
Interest Received	3	5
Paid taxes	(317)	(388)
Non cash items	(9)	50
Change in working capital	(3,212)	(3,551)
Net Operating Cash Flow	304	203
Capex	(2,502)	(3,593)
Free Cash Flow	(2,198)	(3,389)

Capex

Capex (P mn)

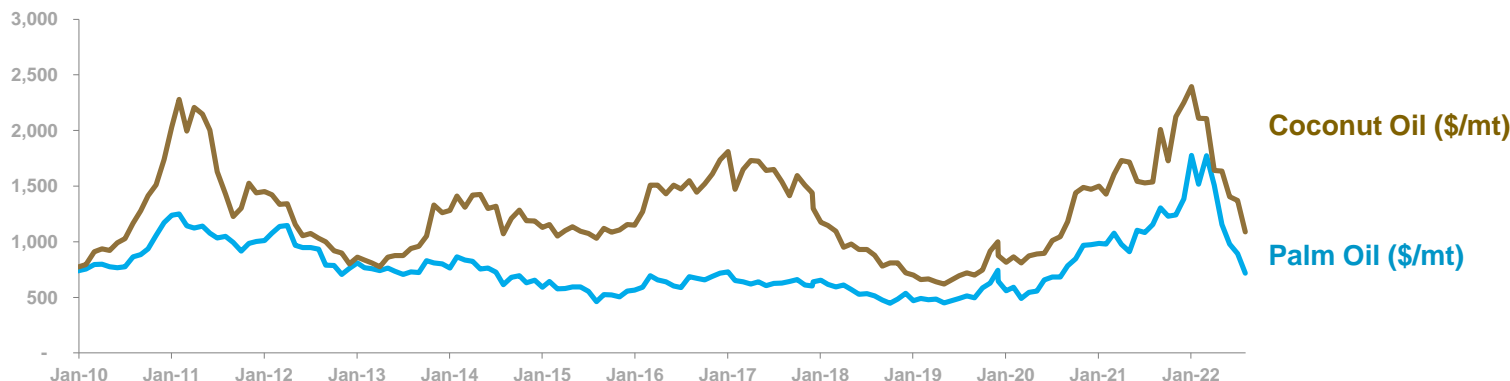


Pass-through pricing mechanism as natural hedge against volatility in forex and commodity prices



Rapid increase in raw material prices resulted in a temporary margin contraction

We expect margins to continue to improve over time as we further invest in R&D



Average 9M22 Prices
Coconut Oil +14% y-o-y
Palm Oil +27% y-o-y

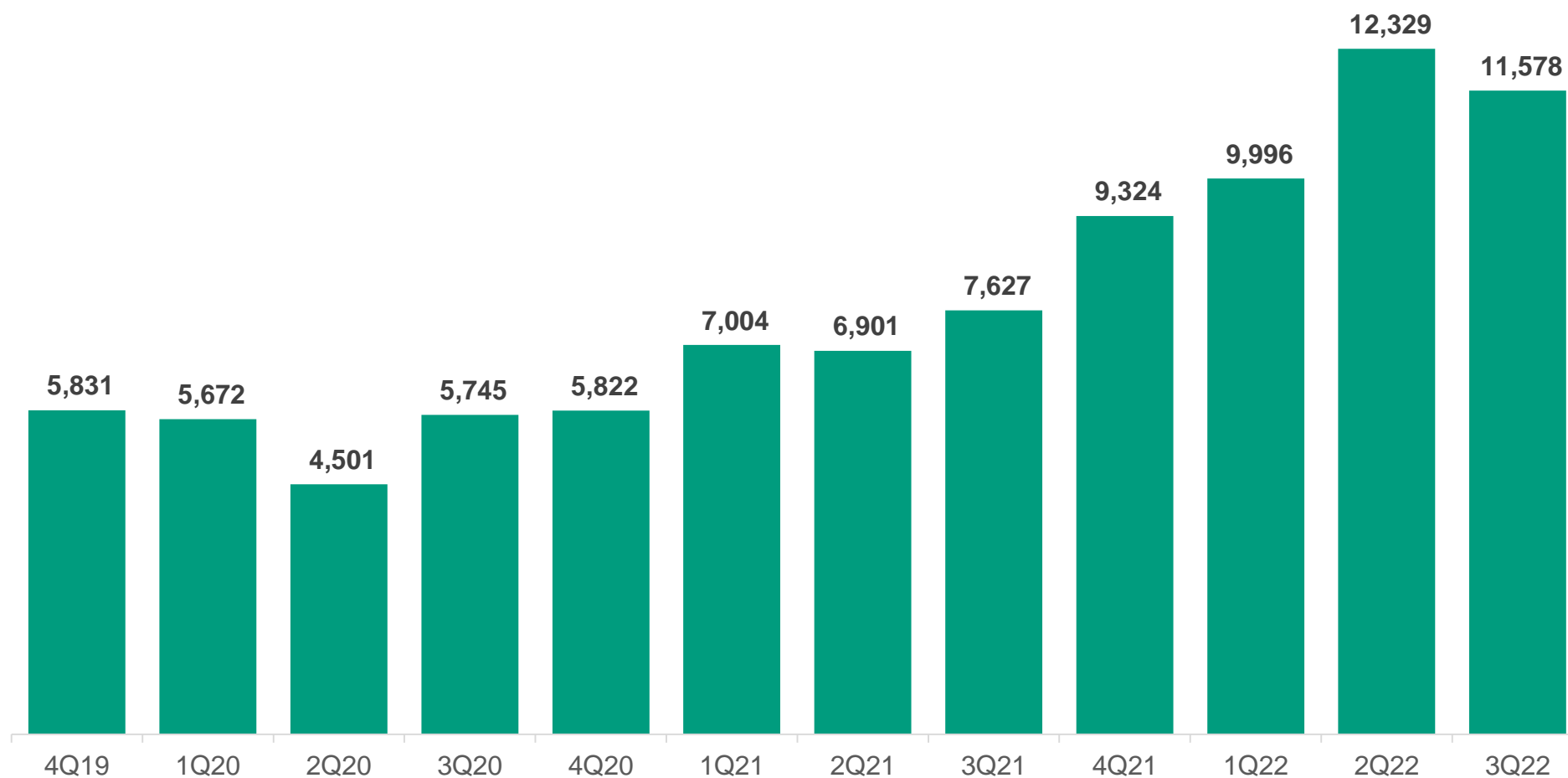


Average PhP:US\$
9M22: P53.72
9M21: P48.95



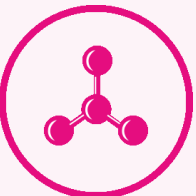


Increasing quarterly revenues

Evidencing the company's ability to pass on higher raw material prices

Sales (P mn)

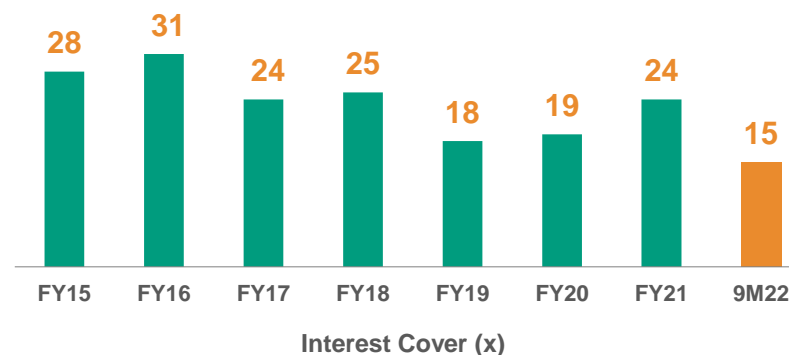
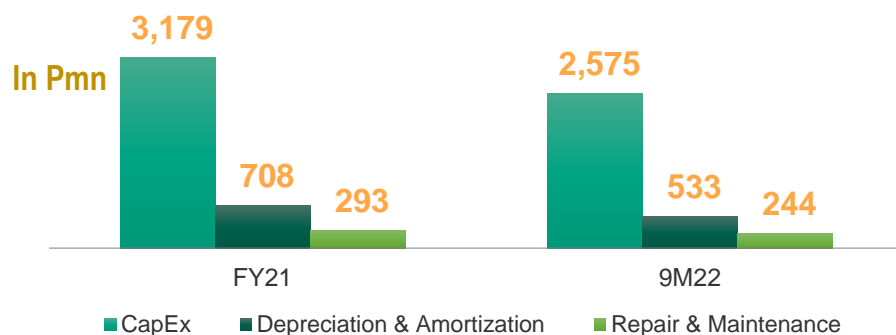
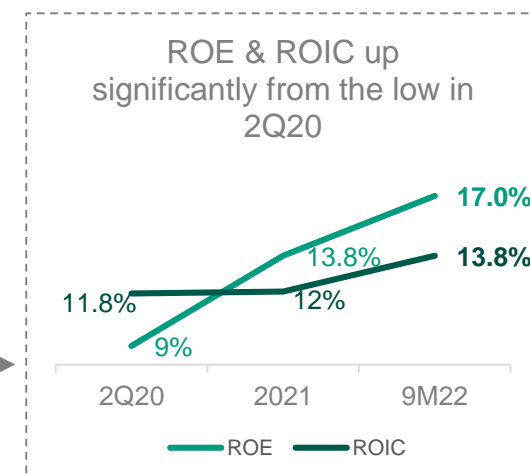


9M22 Group Results

	 Food Ingredients	 Oleochemicals & Other Specialty Chemicals	 Specialty Plastics	 Consumer Products ODM	 D&L Industries - Consolidated
% change in Revenues	68%	63%	5%	(6%)	57%
% change in Net Income*	(6%)	53%	12%	(23%)	17%

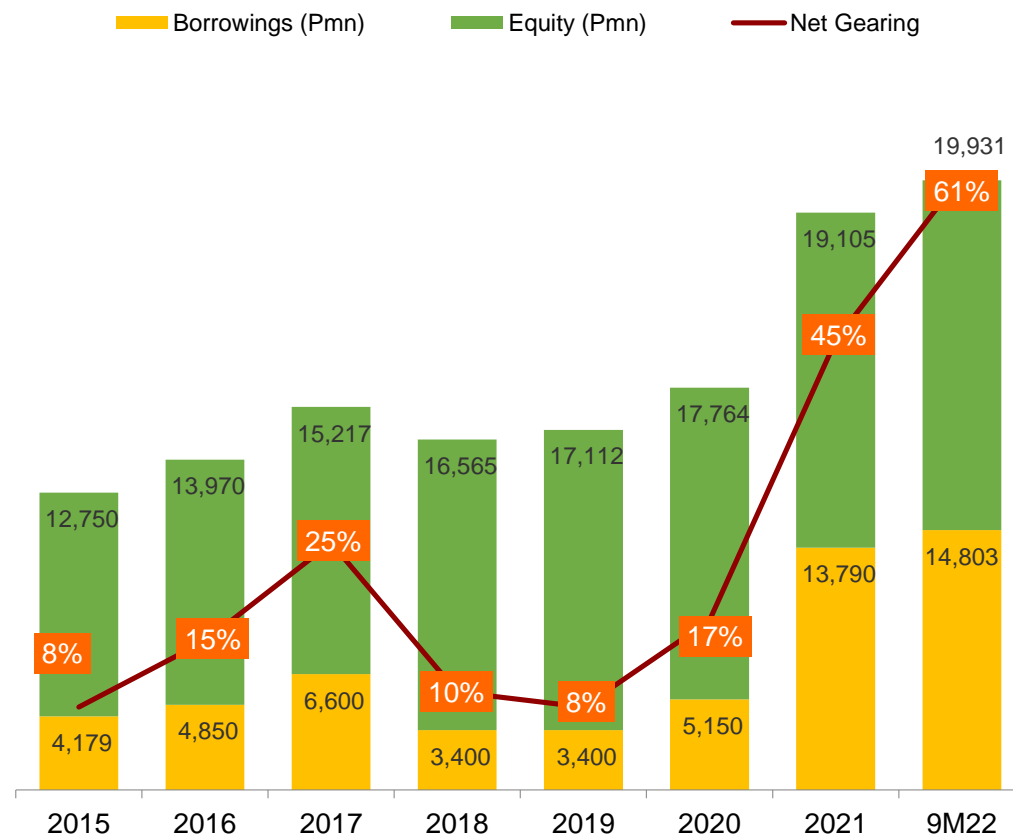
Balance Sheet remains robust

In Pmn	As of end Sept-22	As of end Dec-21	In Pmn	As of end Sept-22	As of end Dec-21
Cash	2,591	5,223	Book Value	19,930	19,105
Current Assets	22,696	21,786	BVPS ¹ (in P)	2.79	2.67
Total Assets	39,190	36,326	Debt-to-equity (Borrowings/ Equity)	0.74x	0.72x
Borrowings	14,803	13,790	Return on Equity	17%	13.8%
Total Liabilities	19,259	17,221	Return on Invested Capital ²	13.8%	12%



Capital Structure

Balance sheet in a solid position to withstand external pressure



15x

interest
cover

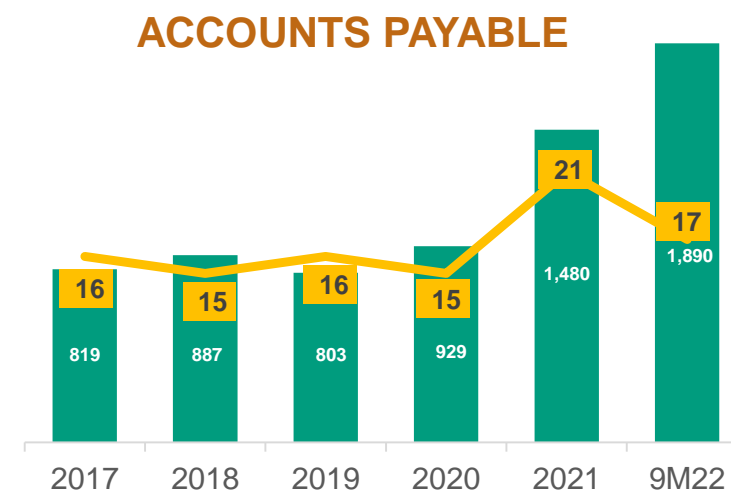
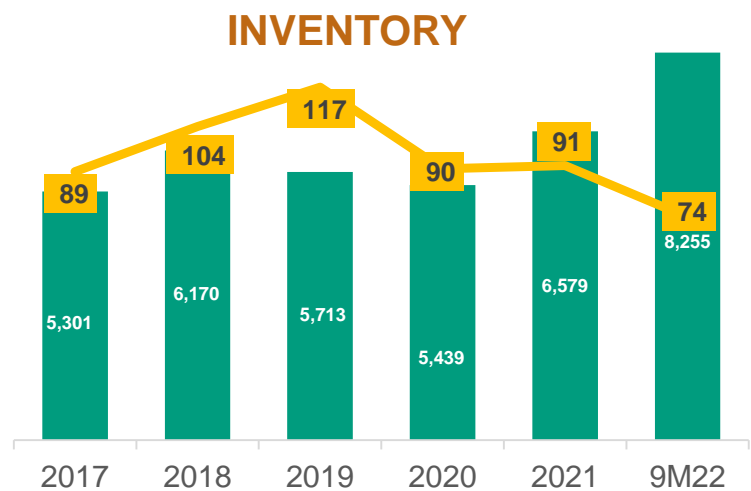
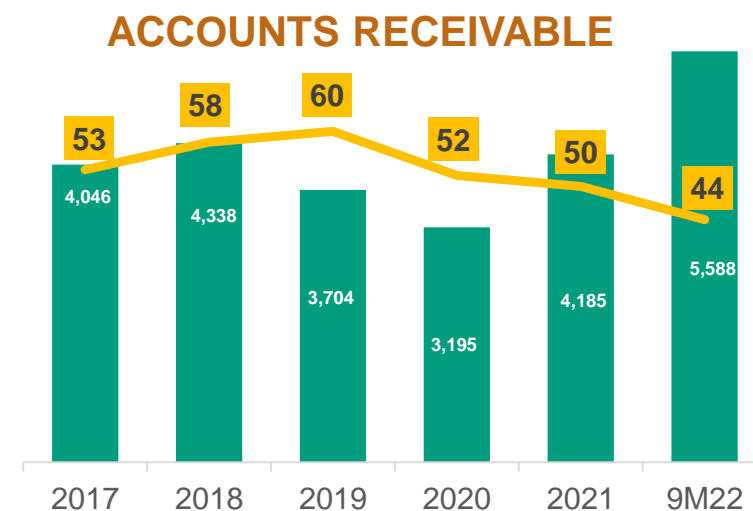
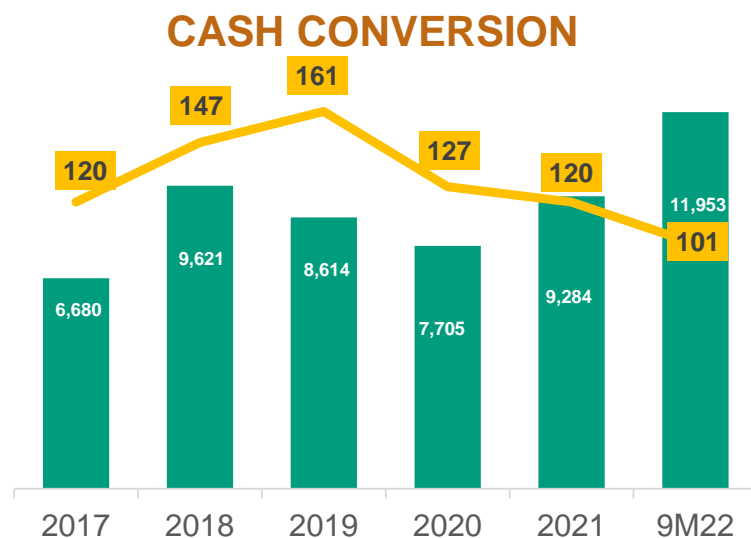
P12
Billion

net
debt

~4.2%
p.a.

average
cost of debt*

Working Capital Cycle



Average balance (P mn)
 Cycle (in days)

Foundation of future growth

High value, high margin products:
Expansion in export zones & “Pack at source” initiative

Status of FIT Expansion

as of November 3, 2022



Natura Aeropack

An aerial photograph of an industrial facility. A large, long, light-blue building is outlined in blue. To its north and south are two yellow-outlined areas representing planned expansions. The northern area contains a smaller, more complex structure. The southern area contains a large, rectangular building with a central section. The surrounding area includes parking lots, other industrial buildings, and green fields.

D&L Premium
Foods

Natura Aeropack

APPENDIX

CNO & CPO Normalized 1-yr Chart



CNO & CPO Normalized 2-yr Chart





MAIDEN BOND OFFERING

***Awarded Best New Bond (Philippines) by the Asset Magazine**

Offer Size

Base offer: **P3bn** (Series A)

Oversubscription option: **P2bn** (Series B)

Interest Rate

2.7885% p.a.

3.5962% p.a.

Tenor

3 years

5 years

Spread over BVAL

+50 bps

+60 bps

Bond Rating **PRS Aaa with Stable Outlook**

Use of Proceeds **Financing of Batangas expansion & repayment of bridge loans**

Other Terms & Conditions

- Date of listing: September 14, 2021
- Issue price at 100% of face value
- Interest payment: payable quarterly in arrears
- Covenants
 - D/E of not more than 2.5x
 - Current ratio of not less than 1.0x

3yr and 5yr BVAL rates

