



D&L's expansion site in Batangas, Philippines



FILIPINO



MANUFACTURING



CUSTOMIZED  
SPECIALTY  
PRODUCTS



B2B2C



# D&L INDUSTRIES

Investor Presentation

March 2025



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

**FY24**

**P41B** *Revenues*

**P2.4B** *Net Income*



**FOOD INGREDIENTS**  
Fats, oils and other specialty food ingredients



**64%**  
Revenue  
**34%**  
Net Income



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



**25%**  
Revenue  
**27%**  
Net Income



**SPECIALTY PLASTICS**  
Pigment blends, color and additive masterbatches and engineered polymers



**8%**  
Revenue  
**34%**  
Net Income



**CONSUMER PRODUCTS ODM**  
Aerosol & non-aerosol products for homecare, personal care and maintenance chemicals



**2%**  
Revenue  
**5%**  
Net Income

# KEY BUSINESS STRATEGIES



**Maintain Market  
Leadership**



**Innovate  
Continuously**



**Capitalize on Growing  
Domestic Consumer Market**

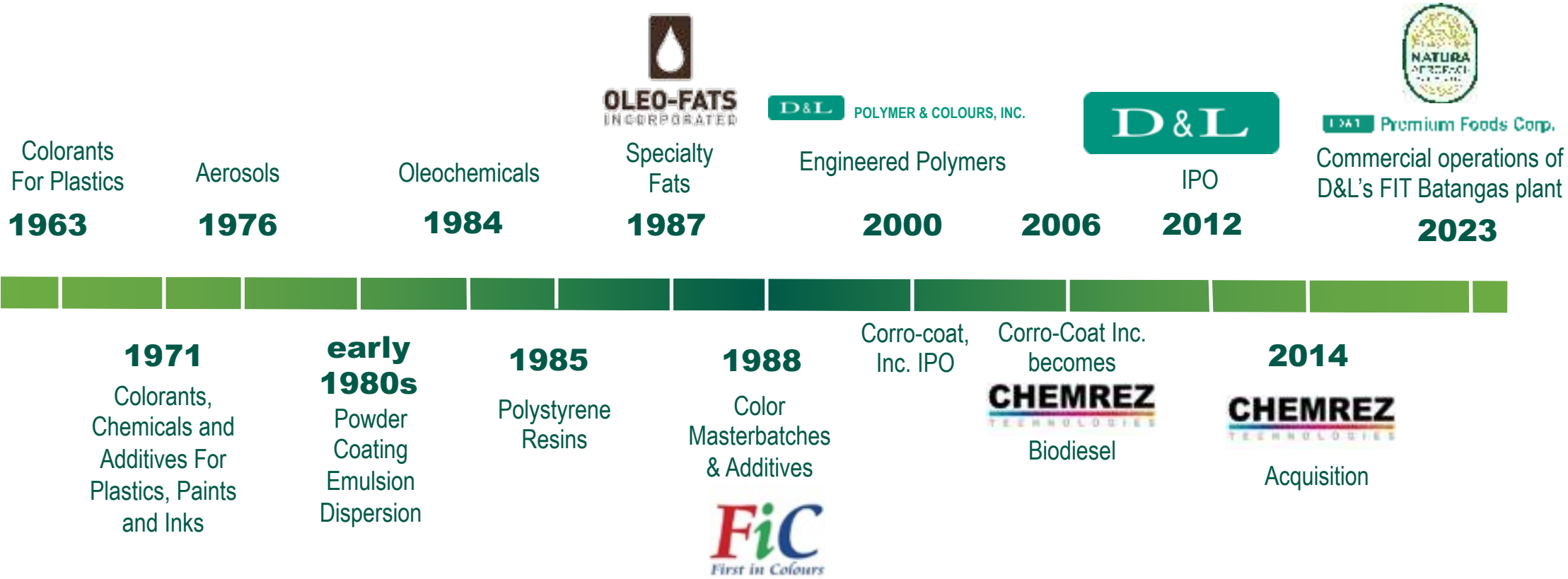


**Enhance Production and  
Business Processes**



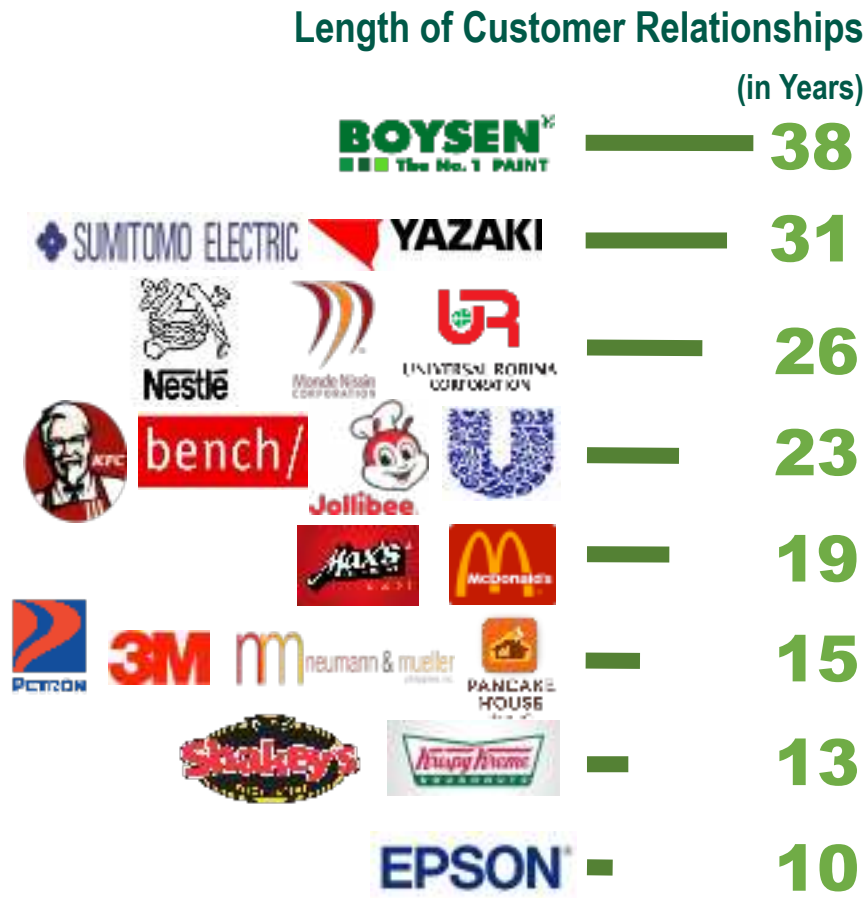
**Expand  
Globally**

# Our history of serving customers spans across 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



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, 70 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, 68 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, 53 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 Nolleddo, 82 years old**  
 Lawyer and CPA  
 Former Senior Managing Director & Corporate Secretary of Ayala Corp.  
 Chairman, BPI Investment Management;  
 Trustee, - Ayala Foundation and BPI Foundation  
 B.S. Business Administration & Bachelor of Laws from the *University of the Philippines*



**Karl Kendrick Chua, 44 years old**  
 Former World Bank Senior Economist for the Philippines  
 Former Secretary of the National Economic and Development Authority  
 Former Undersecretary for Strategy, Economics, and Results at the Department of Finance  
 Recipient of the 2018 Outstanding Young Men and Women of the Philippines (TOYM) Award in the field of Economic Development



**Corazon S. Dela Paz-Bernardo, 82 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-Echauz, 75 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*



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, 44 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: 23



**Dean A. Lao, Jr.**  
**55 years old**  
**President & CEO 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: 25



**Lester A. Lao,**  
**54 years old**  
**President & CEO of FIC & DLPC**  
B. A. S. in Information Business from *Edith Cowan University*  
Years of D&L experience: 32



**Vincent D. Lao,**  
**50 years old**  
**President & CEO 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: 27

# D&L Ownership Structure

**Lao Family**

- 62.3%** Jadel Holdings Co., Inc. (Lao Family holding company)
- 10.4%** Individual Family Members

**72.6%**

**Public**

**27.3%**

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

**FOOD INGREDIENTS**

**100%**

**OLEOCHEMICALS, RESINS, & SPECIALTY CHEMICALS**

**100%**

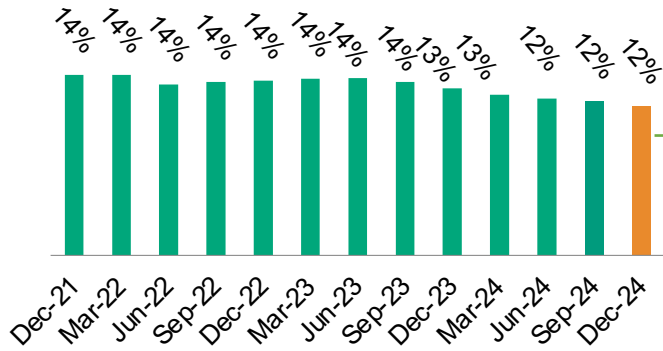
**SPECIALTY PLASTICS**

**100%**

**AEROSOLS**

**100%**

Foreign Ownership as % of Outstanding Shares



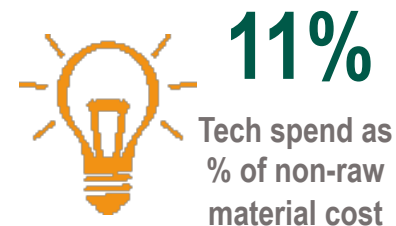
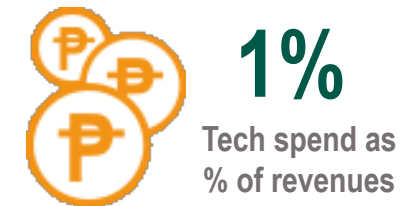
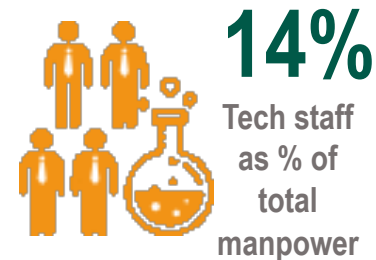
Source: Stock Transfer Service Inc.



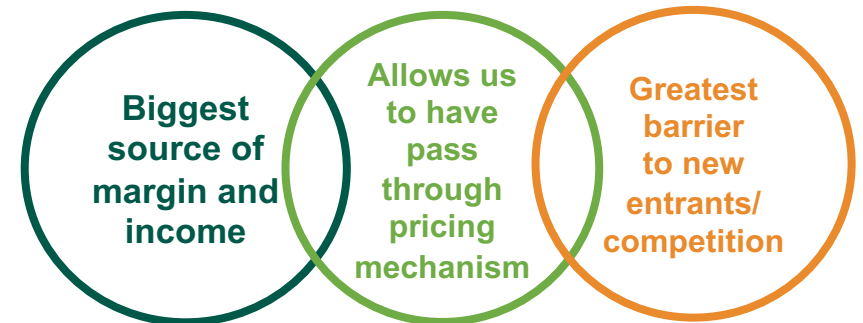
# We are shaped and driven by R&D and disciplined innovation

## 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

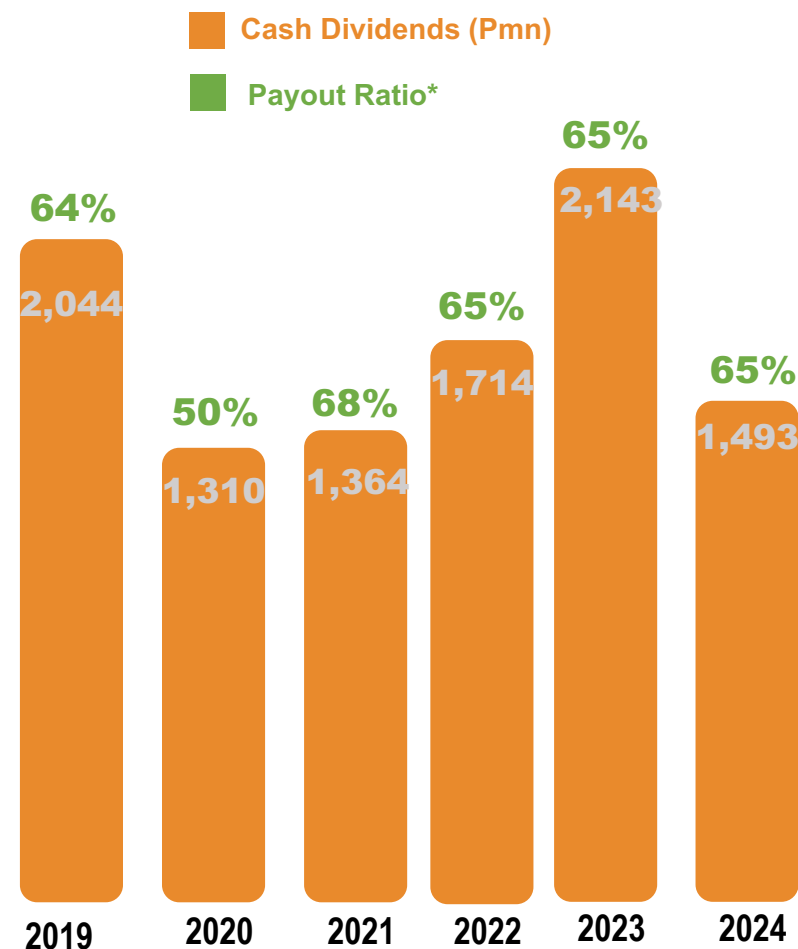
# ASSET-LIGHT MODEL

Rental expenses (paid to affiliates)	Management and Shared Service Fees (MSSF)
land, facilities, warehouses, and barges	<p>D&amp;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</p> <p>MSSF from subsidiaries are eliminated in consolidation</p>
<p><b>FY24: P633 mn</b> 2% of total costs and expenses</p>	<p><b>FY24: P88 mn</b> 0.2% of total revenues</p>

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

Dividend Per Share	2019	2020	2021	2022	2023	2024
<b>Total</b>	<b>P0.286</b>	<b>P0.183</b>	<b>P0.191</b>	<b>P0.24</b>	<b>P0.30</b>	<b>P0.209</b>
Regular	P0.223	P0.183	P0.141	P0.185	P0.24	P0.161
Special	P0.063	-	P0.05	P0.055	P0.06	P0.048

Dividends	Cash
Ex-Date	June 18, 2024
Record Date	June 19, 2024
Payment Date	July 03, 2024



\*based on previous year's recurring net income



# INVESTOR RELATIONS



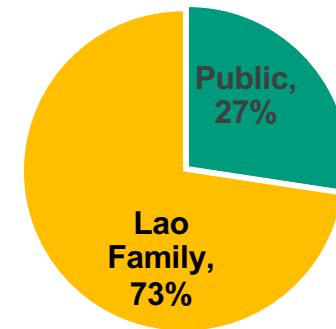
**P42 bn\***

Ranked 53rd among Philippines' largest companies by market cap

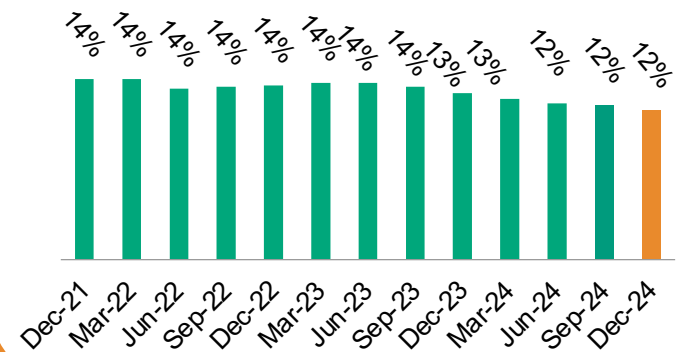
12-Month Daily Trading Average\*



Ownership as of December 2024



Foreign Ownership as % of Outstanding Shares



# INVESTOR RELATIONS

Return since IPO

	Price Change	Total Return
DNL PM	+170%	+284%
PCOMP Index	+23%	+38%



Price as of 02/26: P5.80  
 Market Cap as of 02/26: P42bn  
 USD 716 mn (USD1:P57.89)  
 Outstanding Shares: 7,142,857,990

**DLNDY:US**  
 Unsponsored ADR  
 (BNY Mellon & Citi)  
 1ADR = 25 Ordinary

DATE	EVENT	VENUE
March 20, 2025	PSE Inaugural Philippine Investor Conference	Manila

We have been awarded and recognized both locally and internationally

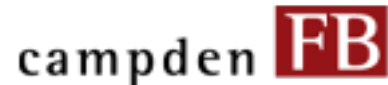
## Institutional Investor

**2024** – ASEAN Honored Company; Crissa Bondad as 3<sup>rd</sup> Best Investor Relations Professional in Asia ex-China, Japan, Consumer Staples Sector

**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 2<sup>nd</sup> Best Investor Relations Professional in the Philippines; 3<sup>rd</sup> Best IR Team, 3<sup>rd</sup> Best ESG

**2019** – ASEAN Honored Company; Alvin D. Lao as Best CEO in Phils, ranked 2<sup>nd</sup> in ASEAN; Best Investor Relations Program in Phils; Crissa Bondad as 3<sup>rd</sup> Best Investor Relations Professional in the Philippines; 2<sup>nd</sup> Best ESG and Corporate Governance initiatives  
**2017** – Most Honored Company; Alvin D. Lao as Best CEO; 3<sup>rd</sup> Best Investor Relations Program



**2017** – Top 50 Global Challengers (2<sup>nd</sup> place)



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

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



**2013** - Global Small Cap Index



**2014** - Top 10 Corporate Governance and Sustainability Report



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

## Finance Asia

**2019** – Best Mid-Cap Company, 7<sup>th</sup> Best Investor Relations

**2018** – 2<sup>nd</sup> Best Mid-Cap Company  
**2015 & 2016** – Best Mid-Cap Company

**2015** –Alvin D. Lao as Best CFO – 2<sup>nd</sup> Place; Best Investor Relations – 9<sup>th</sup> place

**2014** – 3<sup>rd</sup> Best Mid-Cap



**2013-** Islamic Market ASEAN Index



**2023, 2016 & 2015** - Asia's 200 Best Under a Billion



**2021** – Crissa Bondad, IR Rising Star

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



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

2024

## AREAS OF FOCUS



Education



Values formation

**P31.2M**

Committed amount from D&L

**103**

Direct scholars in 5 communities

**388**

Educational Assistance scholars supported through partners

**16,872**

Total beneficiaries across all LFI Programs in 2021



## Our CSR projects focus on education and values formation

<b>PROGRAM</b>	<b>BENEFICIARIES</b>
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

# FY24 Results

# FY24 Highlights

1

FY24 earnings up 2% YoY to P2.3 bn;  
4Q24 earnings +5% YoY, +7% QoQ to P530 mn

2

Batangas plant booked P244 mn in profits for the full year; ahead of expectations

3

Export continues to drive overall earnings with sales +37% YoY,  
gross profits + 37% YoY, GPM higher by 4 pts vs domestic sales

4

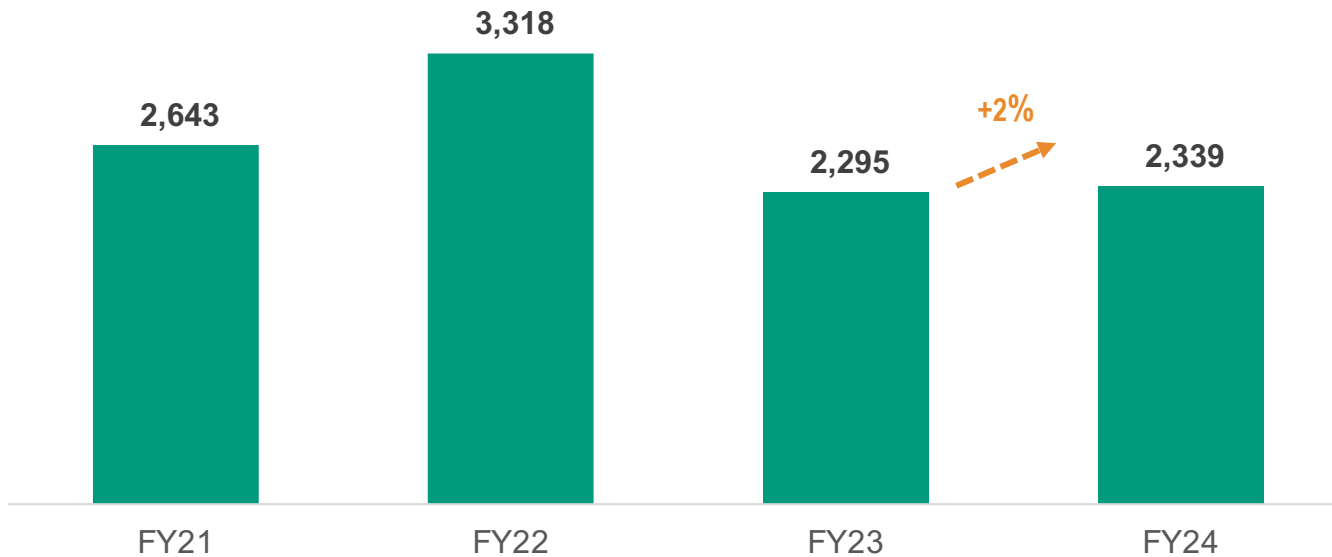
CAPEX to continue to trend lower following the completion of Batangas plant,  
stood at P1.2bn in FY24, down from peak of P3.5bn in FY22

5

Management is optimistic that the momentum of the strong growth in Q4 will carry  
over to FY25

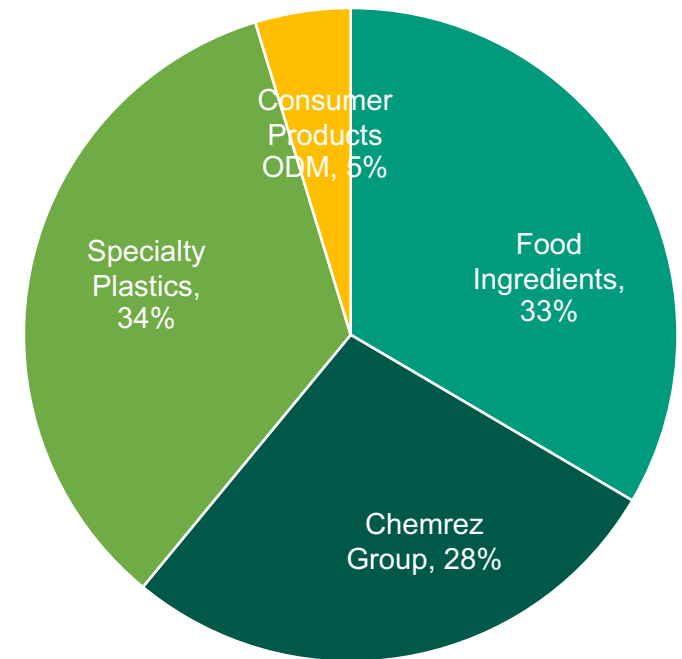
# FY24 earnings up 2% YoY

## Net Income (Php mn)



Start of commercial operations of Batangas plant. Incremental expenses weighed on earnings.

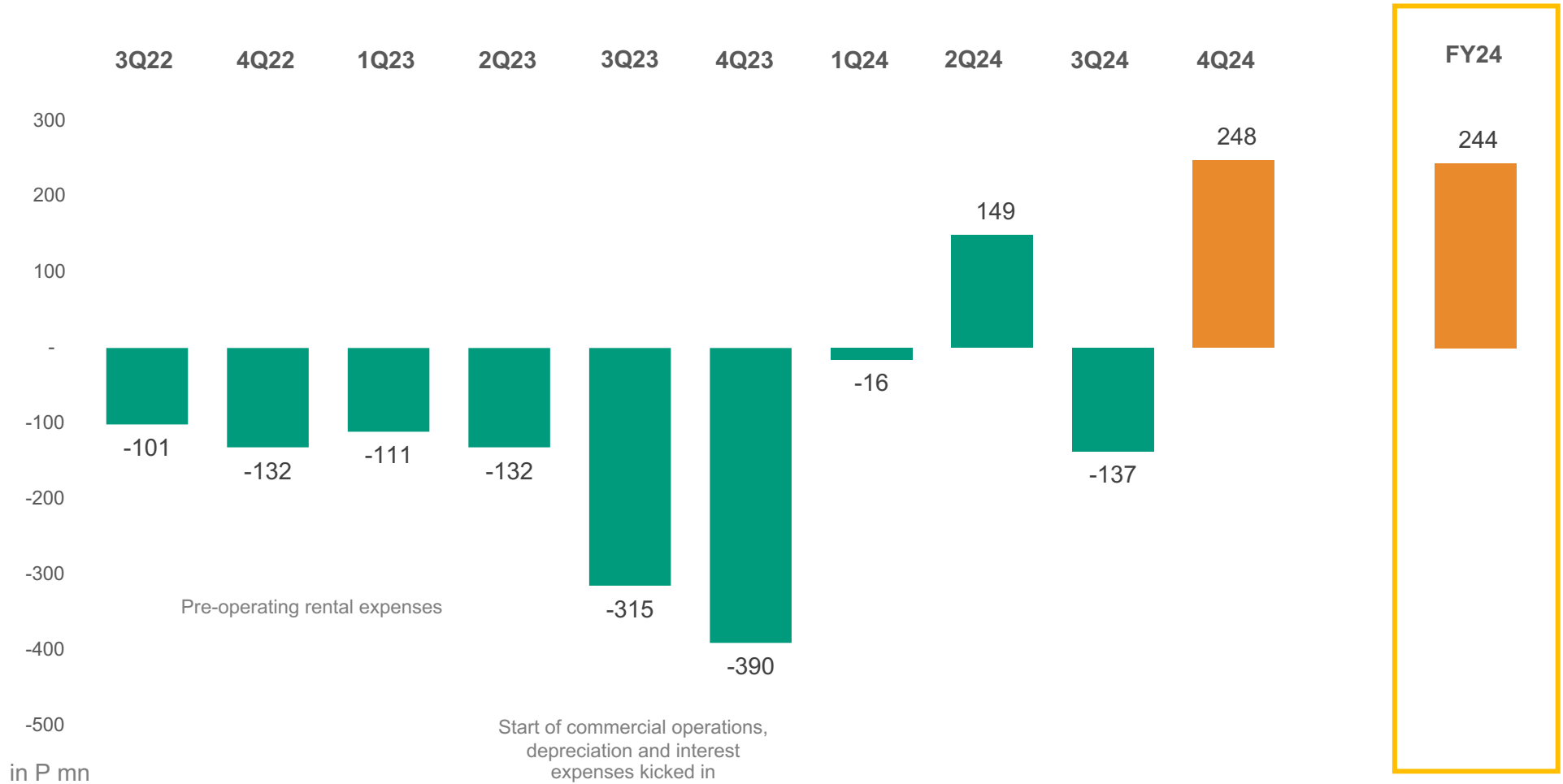
## Net income breakdown





# Batangas plant booked income for the full year; ahead of expectations

Quarterly & YTD income/losses of Batangas plant



# Batangas Plant – D&L's next leg of growth



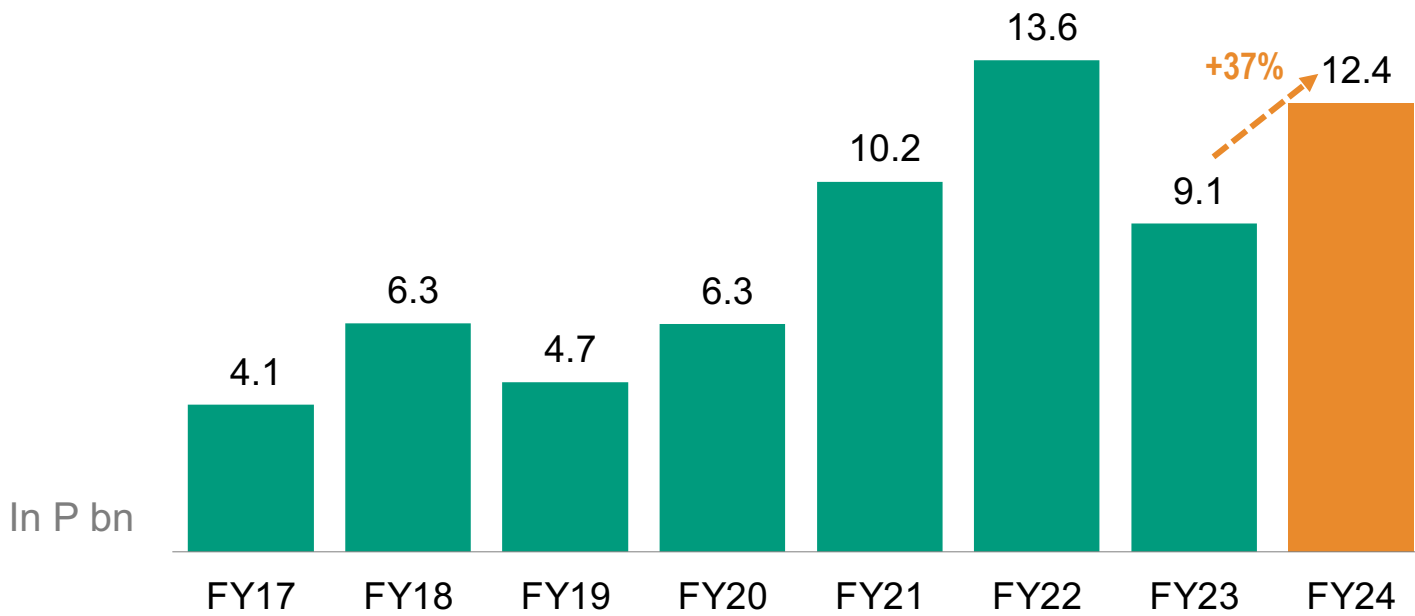
# Condensed Income Statement

(In P mn)	FY YoY			4Q YoY			4Q QoQ		
	FY24	FY23	%change	4Q24	4Q23	% change	4Q24	3Q24	% change
Sales	40,675	33,502	21%	11,192	8,787	27%	11,192	10,508	7%
COGS & Cost of Service	(34,420)	(27,789)	24%	(9,691)	(7,378)	31%	(9,691)	(8,819)	10%
Gross Profit	6,255	5,713	9%	1,502	1,409	7%	1,502	1,689	-11%
Operating expenses	(2,613)	(2,113)	24%	(817)	(586)	40%	(817)	(670)	22%
Other operating income	95	34	181%	52	(21)		52	(80)	
Interest expense	(971)	(613)	58%	(318)	(225)	41%	(318)	(225)	41%
Profit before tax	2,766	3,020	-8%	418	577	-28%	418	714	-41%
Income tax	(427)	(725)	-41%	112	(74)		112	(220)	
<b>Net Income</b>	<b>2,339</b>	<b>2,295</b>	<b>2%</b>	<b>530</b>	<b>503</b>	<b>5%</b>	<b>530</b>	<b>493</b>	<b>7%</b>
EPS* (in cents)	32.7	32.1	2%	7.4	7.0	5%	7.4	6.9	7%
EBITDA	4,989	4,415	13%	1,152	838	38%	1,152	1,248	-8%
EBIT	3,737	3,634	3%	736	803	-8%	736	939	-22%
Gross Profit Margin	15.4%	17.1%	(1.7)	13.4%	16.0%	(2.6)	13.4%	16.1%	(2.7)
Net Profit Margin	5.8%	6.9%	(1.1)	4.7%	5.7%	(1.0)	4.7%	4.7%	0.0
EBITDA Margin	12.3%	13.2%	(0.9)	10.3%	9.5%	0.8	10.3%	11.9%	(1.6)
EBIT Margin	9.2%	10.8%	(1.7)	6.6%	9.1%	(2.6)	6.6%	8.9%	(2.4)

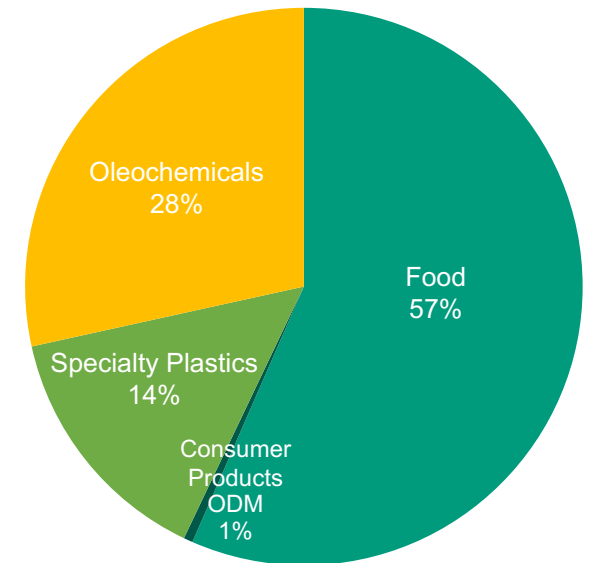
# Exports sales

Sharp recovery in exports following a soft FY2023

EXPORT/ SALES	25%	24%	21%	29%	33%	31%	27%	30%
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## Breakdown of exports

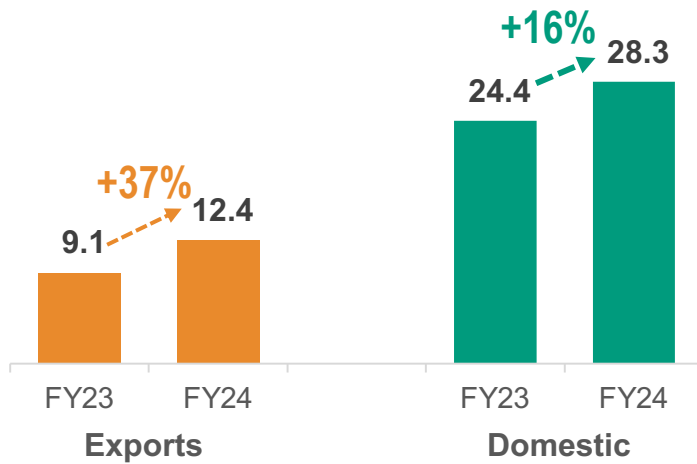




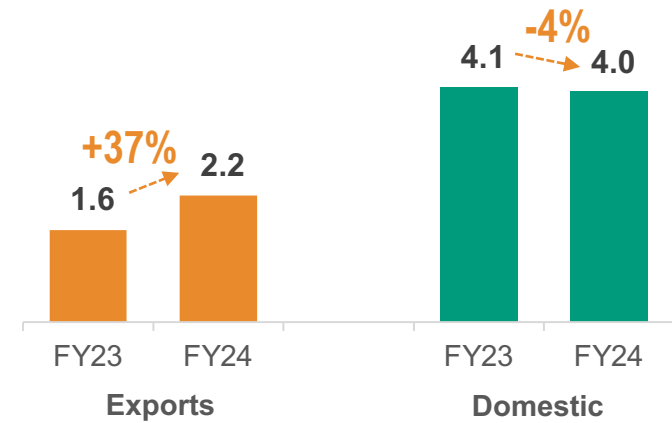
# Export vs Domestic Market

Export is a bright spot, outpacing the performance of the domestic market

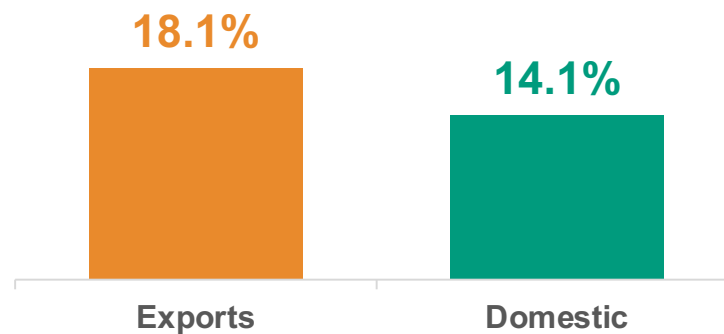
### Sales (P bn)



### Gross Profits (P bn)



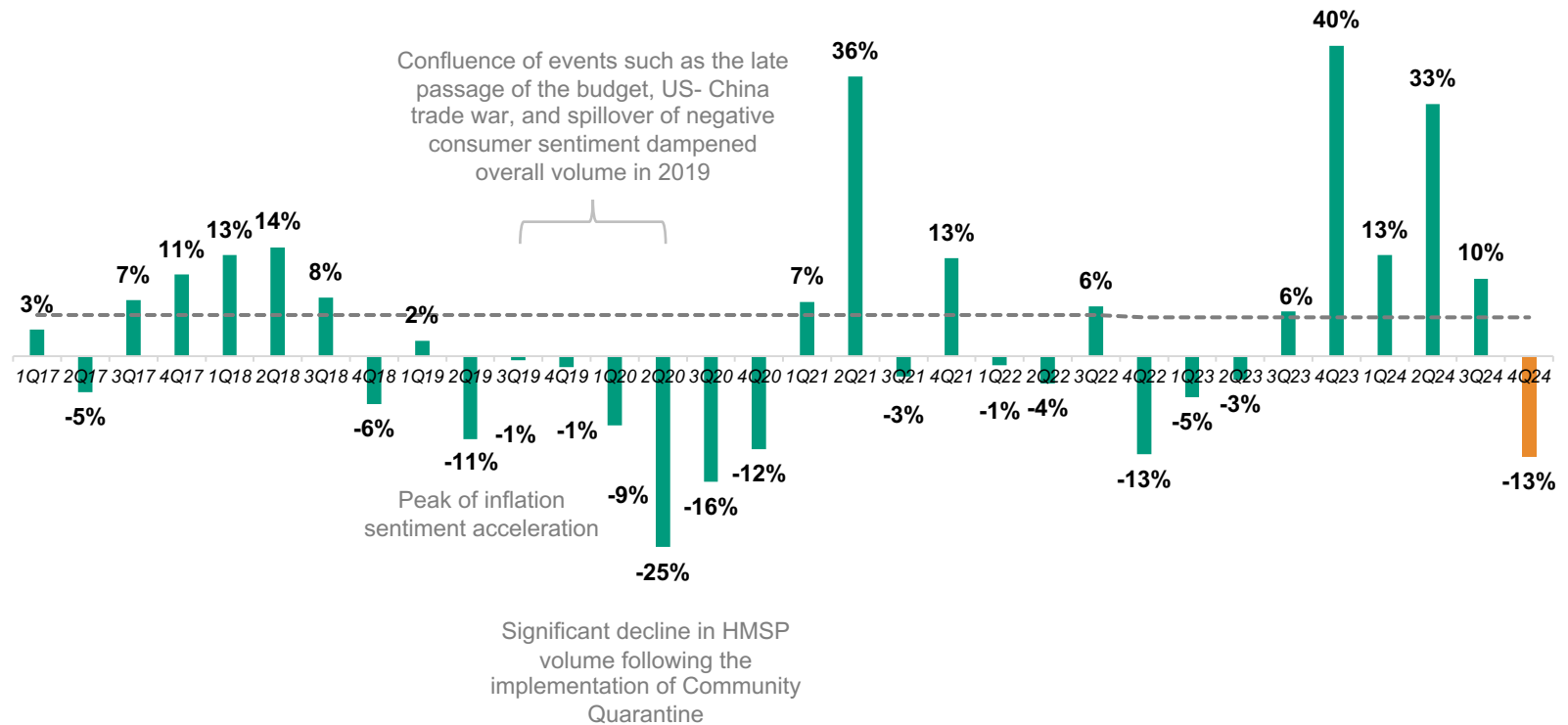
### Blended Gross Profit Margins



# HMSP Volume Growth (YoY)

*HMSP volume growth (YoY)*

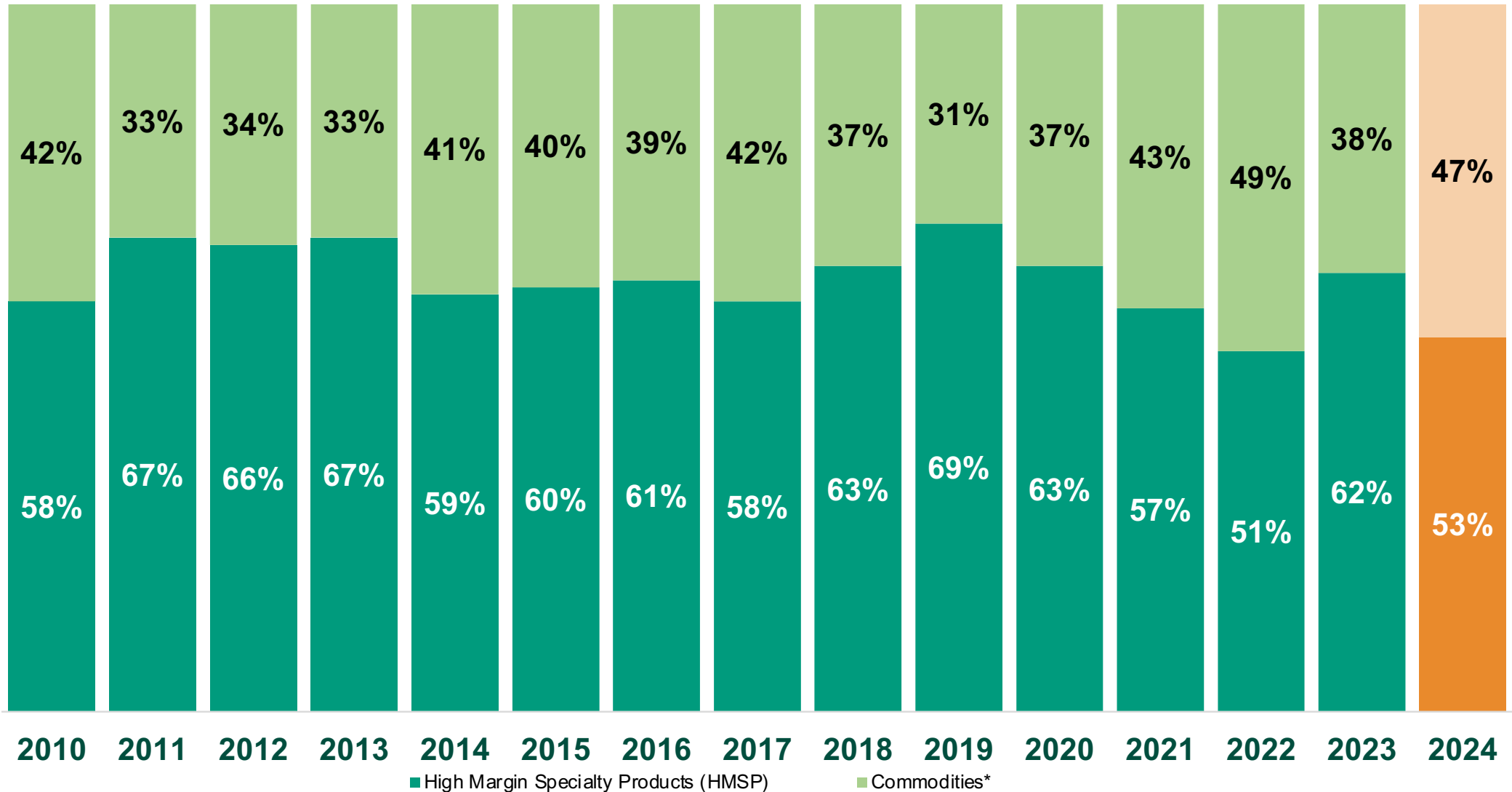
Average quarterly YoY growth = 5%



# Sales mix

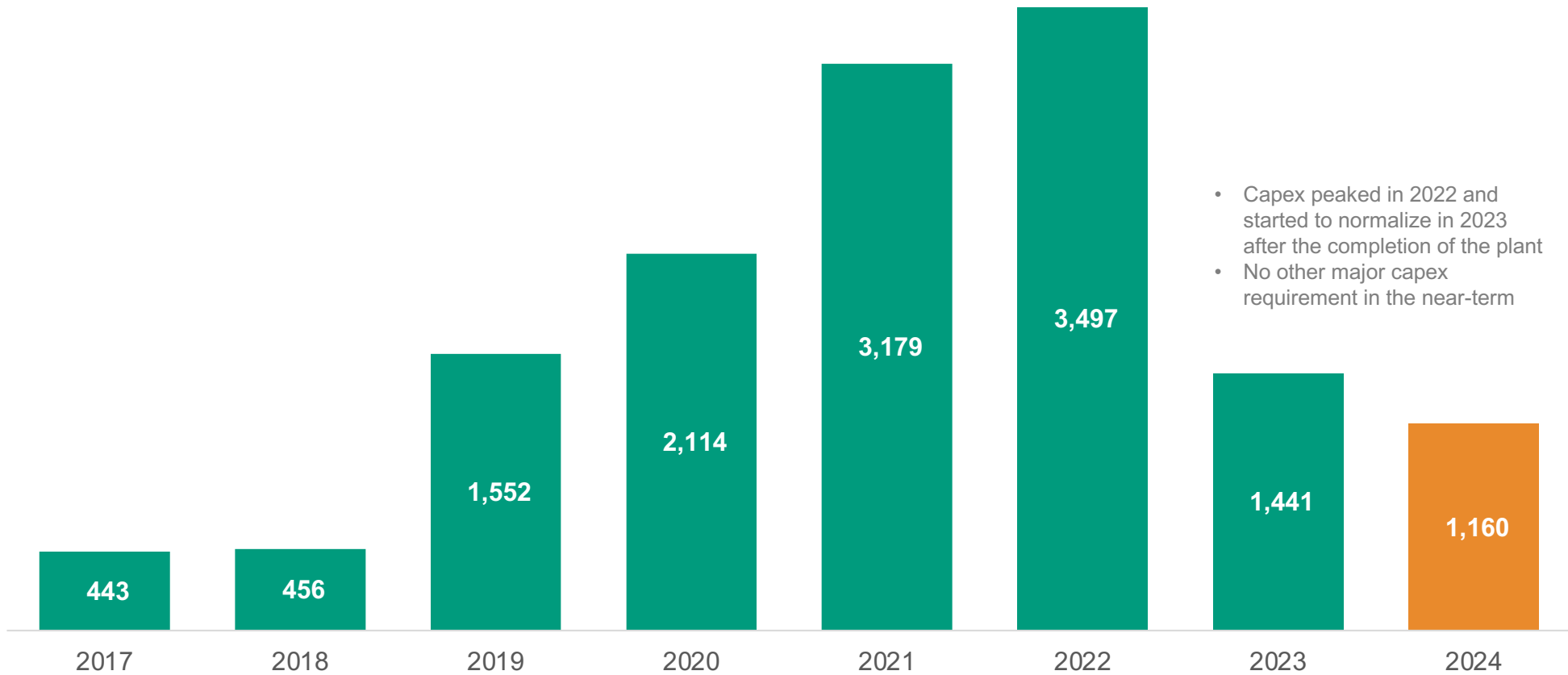
## REVENUES

% share to total group revenues

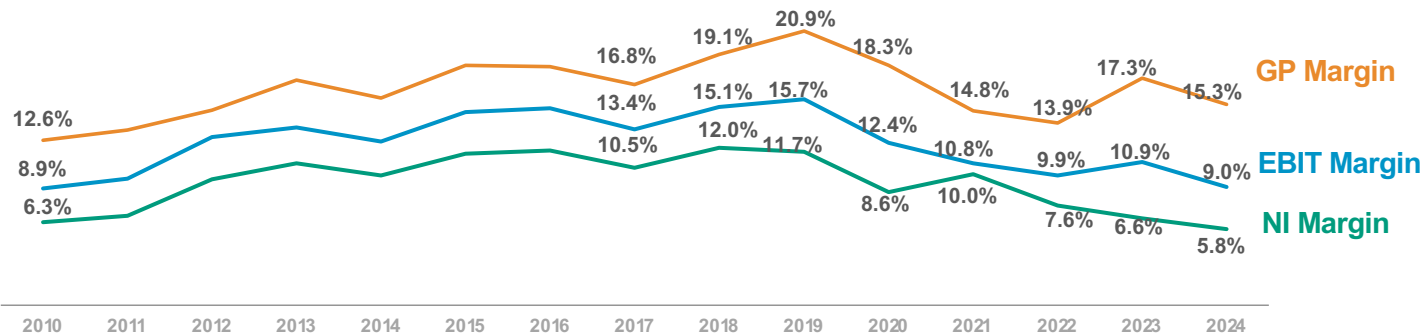


# Capex normalizing after the completion of Batangas plant

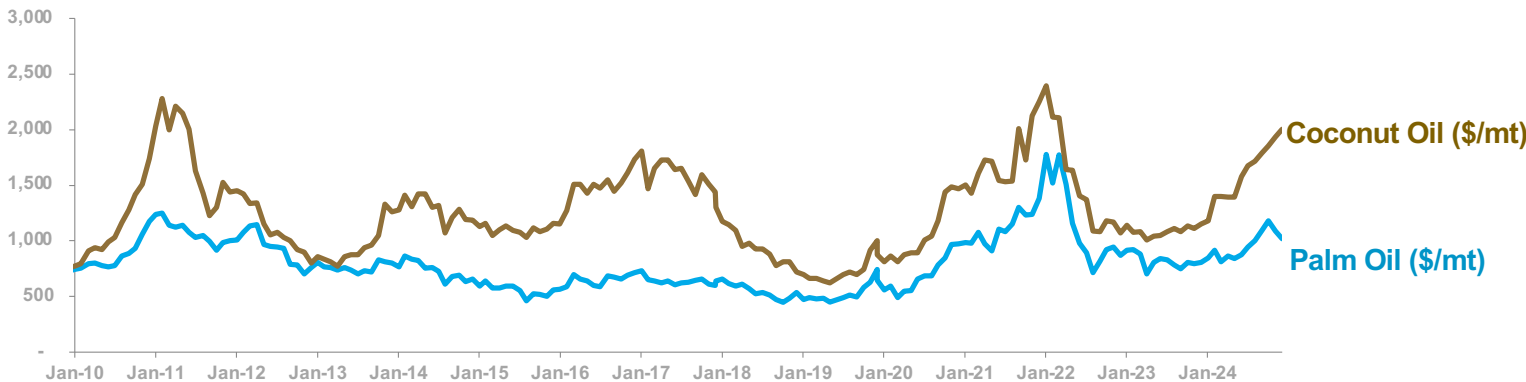
Capex (P mn)\*



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



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



Average FY24 Prices  
Coconut Oil +42% y-o-y  
Palm Oil +14% y-o-y



Average PhP:US\$  
FY24: P57.40  
FY23: P55.57





# FY24 Group Results

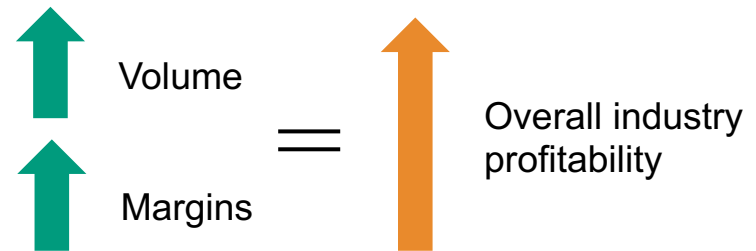
	 <b>Food Ingredients</b>	 <b>Oleochemicals &amp; Other Specialty Chemicals</b>	 <b>Specialty Plastics</b>	 <b>Consumer Products ODM</b>	 <b>D&amp;L Industries - Consolidated</b>
<b>% change in Revenues</b>	<b>+31%</b>	<b>+18%</b>	<b>+7%</b>	<b>-13%</b>	<b>+22%</b>
<b>% change in Net Income</b>	<b>+16%</b>	<b>+7%</b>	<b>+18%</b>	<b>-51%</b>	<b>+2%</b>

# DOE finally increased Biodiesel blend to 3% (B3) from 2% (B2) last October 1, 2024; targets B4 by October 2025 and B5 by October 2026

## Biofuels industry short overview

- 2006 – Biofuels law was passed with the intention of a **5% biodiesel blend (B5)**
- 2007 – implementation of **1% blend (B1)**
- 2009 – implementation of **2% blend (B2)**
- } *After 15 years*
- 2024 – blend to increase to **3% (B3)**
- 2025 – blend to increase to **4% (B4)**
- 2026 – blend to increase to **5% (B5)**

## Impact of a higher biodiesel blend to the industry

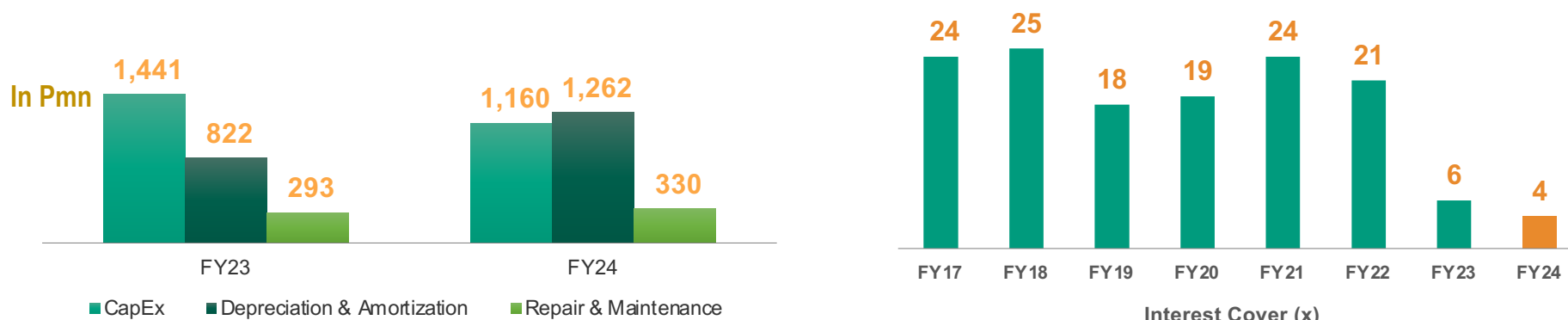


### Other benefits:

- Lower pollution
- Import substitution
- Value adding of coconut oil
- Mileage improvement

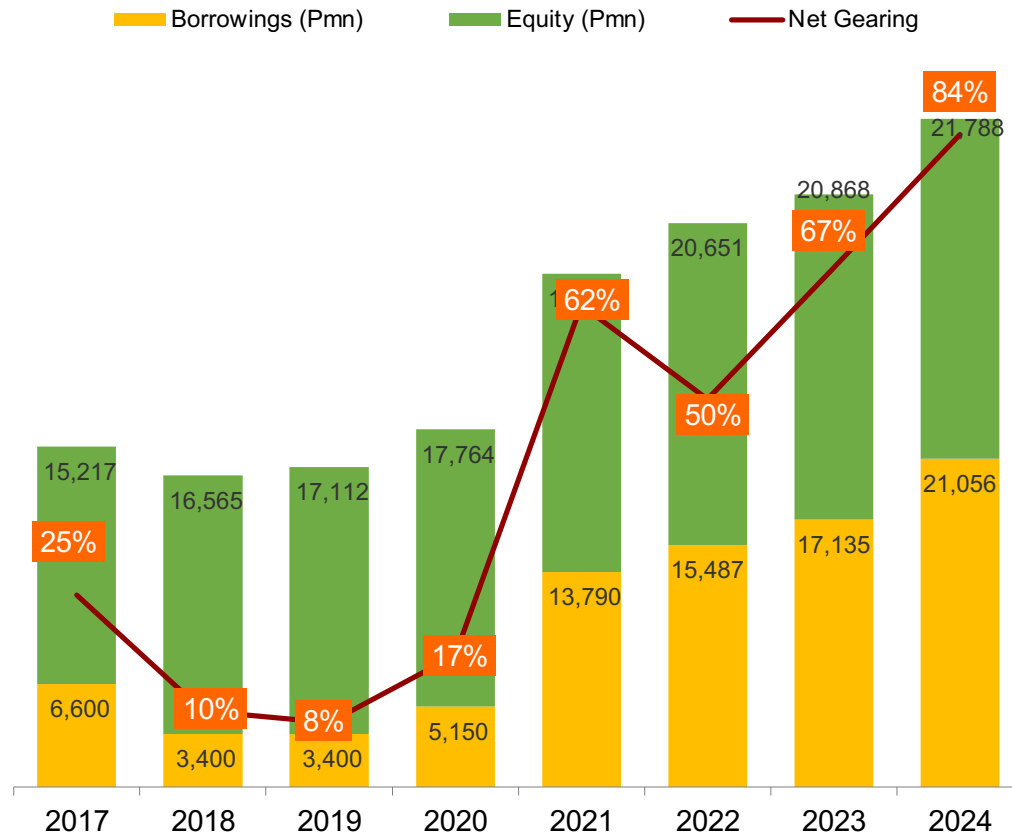
## Balance Sheet remains robust

In Pmn	As of end Dec-24	As of end Dec-23	In P mn	As of end Dec-24	As of end Dec-23
Cash	2,830	2,844	Book Value	21,788	20,868
Current Assets	28,324	22,583	BVPS <sup>1</sup> (in P)	3.05	2.92
Total Assets	48,447	42,625	Debt-to-equity (Borrowings/Equity)	0.97x	0.82x
Borrowings	21,056	17,135	Return on Equity	10.8%	11%
Total Liabilities	26,658	21,758	Return on Invested Capital <sup>2</sup>	9.0%	10.1%



# Capital Structure

Philratings reaffirmed its highest credit rating (PRS Aaa with a stable outlook) on D&L's maiden bond offering

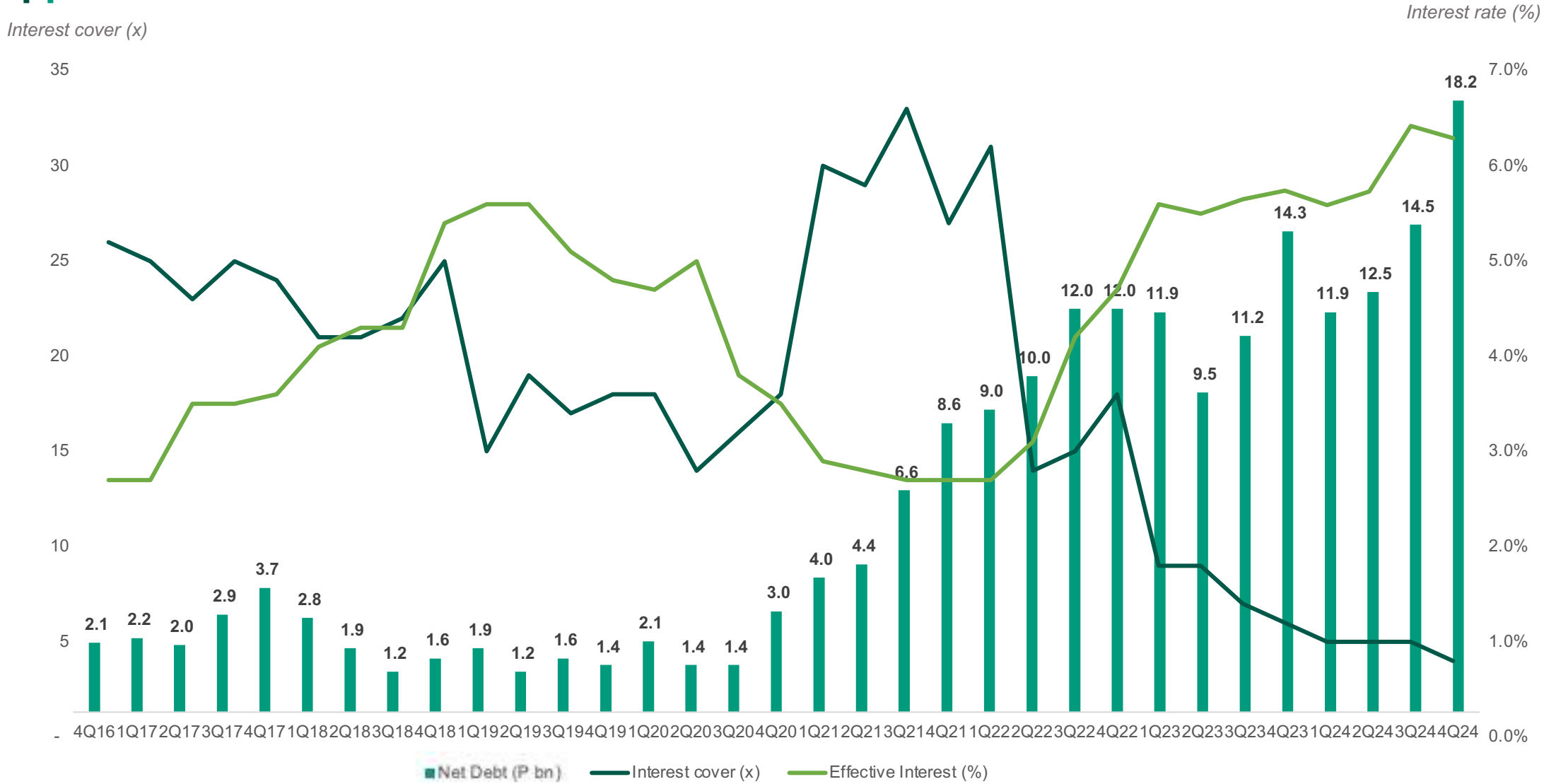


**4x** interest cover

**P18.2 Billion** net debt

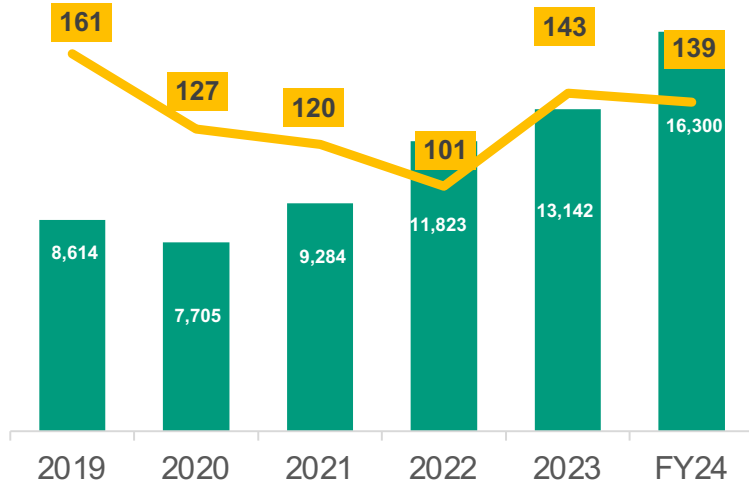
**~6.29%** average cost of debt\*  
p.a.

# Net debt, effective interest rate, and interest cover

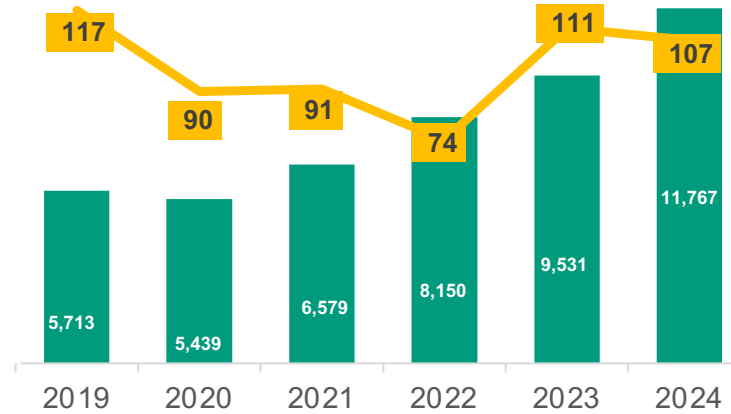


# Working Capital Cycle

## CASH CONVERSION



## INVENTORY

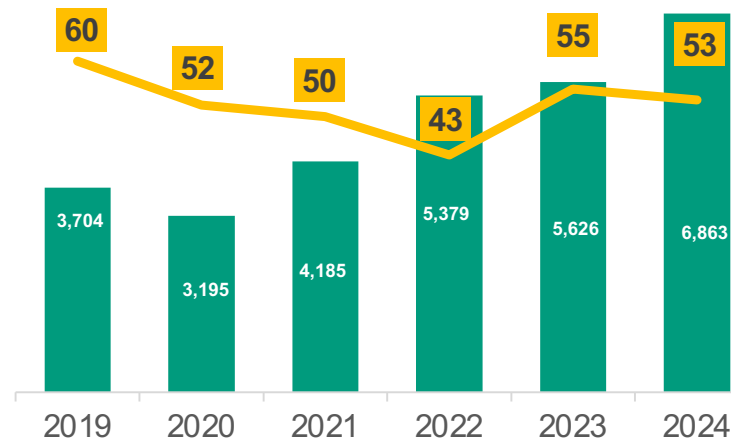


With the commercial operations of the Batangas plant, the company has started ramping up investing in raw materials inventory

## ACCOUNTS PAYABLE



## ACCOUNTS RECEIVABLE



Average balance (P mn)
  Cycle (in days)



# Q & A

# Foundation of future growth

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

# FIT Expansion



**Natura Aeropack**

**D&L Premium Foods**

**Natura Aeropack**

# CNO & CPO 2-yr Price Chart





# CNO & CPO 5-yr Price 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

