D&L Releases Full Year 2025 Financial Results

- FY25 net income +10.6% YoY; 4Q25 +20% YoY
- Strong volume resilience: +8% YoY despite surge in coconut oil prices
- Margins start improving with 4Q25 gross margins +2.1 ppts QoQ
- Lower capex and easing coconut oil prices provide room for deleveraging
- Geopolitical tensions pose risks, but also opportunities to reinforce role as a reliable supplier and partner

Key Figures Summary

	FY YoY			*4Q YoY*			*4Q QoQ*		
(In P mn)	**FY25**	**FY24**	*%change*	**4Q25**	**4Q24**	*% change*	**4Q25**	**3Q25**	*% change*
Sales	**55,388**	40,675	*36%*	**14,094**	11,192	*26%*	**14,094**	14,686	*-4%*
Gross Profit	**7,211**	6,255	*15%*	**1,871**	1,502	*25%*	**1,871**	1,658	*13%*
Net Income	**2,590**	2,342	*11%*	**640**	533	*20%*	**640**	554	*15%*
EBITDA	5,842	4,989	*17%*	1,605	1,152	*39%*	1,605	1,371	*17%*
EBIT	4,309	3,737	*15%*	1,116	736	*52%*	1,116	968	*15%*
EPS (in centavos)	**36.3**	32.8	*11%*	**9.0**	7.5	*20%*	**9.0**	7.8	*15%*
Gross Profit Margin	**13.0%**	15.4%	*-2.4 ppts*	**13.3%**	13.4%	*-0.1 ppts*	**13.3%**	11.3%	*2.0 ppts*

March 25, 2026 - D&L Industries' recurring income reached P2.6 billion, or earnings per share (EPS) of P0.363, in full year 2025 (FY25). Meanwhile, in the fourth quarter of 2025 (4Q25), recurring income reached P640 million or EPS of P0.09, higher by 20% YoY. Earnings growth for the year was primarily driven by resilient volume growth despite elevated coconut oil prices, reflecting the underlying strength of the business.

Management perspective and outlook

"Even as coconut oil prices, one of our key raw materials, reached an all-time high and nearly tripled from the lows recorded just two years ago, we delivered 10.6% earnings growth for the year. This underscores the resilience of our business model – supported by sustained investments in research and development, our ability to deliver customized solutions, and the deep partnerships we have built over time, " D&L President and CEO Alvin Lao remarked.

"Looking ahead, 2026 presents a new set of uncertainties, particularly with the ongoing war in the Middle East and its potential impact on crude oil prices, raw material costs, and global supply chains. Nonetheless, periods of disruption also create opportunities. We believe this environment allows us to further strengthen our position as a reliable supplier and trusted partner, supporting our customers with customized solutions as they navigate a more volatile operating landscape," Lao continued

"Our confidence in the company's long-term prospects is reflected in the Lao family's continued share accumulation through its holding company, Jadel Holdings, which has increased its stake

in DNL by around 5% since the pandemic. In 2024 and year-to-date 2025 alone, Jadel acquired 20 million and 116 million shares, respectively. At current market levels, the stock offers an attractive dividend yield of approximately 6.1%, based on dividends declared last year," Lao concluded.

Strong volume resilience: +8% YoY despite surge in coconut oil prices

Despite a challenging cost environment, volumes remained resilient, growing 8% year-on-year in FY25, supported by both high-margin specialty products (HMSP) and commodity segments. As margins normalize, the strength of this volume growth is expected to translate more visibly into earnings.

The completion of the Batangas plant provides significant capacity to support the company's next phase of expansion. The company is now better positioned to serve larger and more global customers. The company is accelerating its push into new markets through participation in key international trade shows and industry exhibitions.

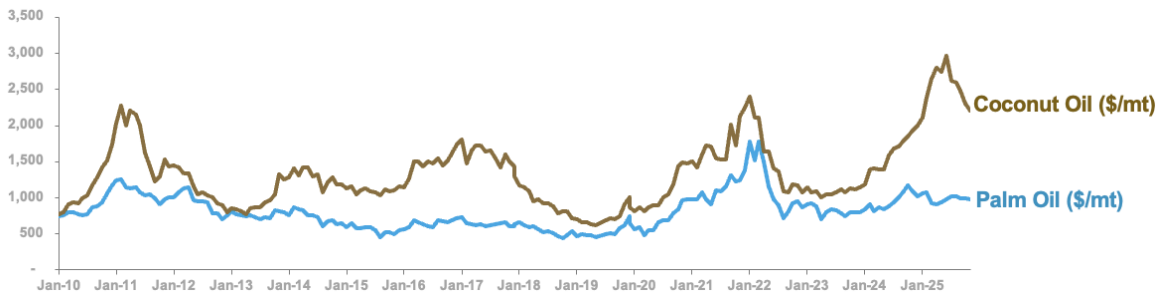
While geopolitical tensions remain a key risk to global growth and business sentiment, D&L believes the essential nature of its products provides a stable base of demand even amid economic uncertainty.

Margins start improving with 4Q25 gross margins +2.1 ppts QoQ

Coconut oil, a key raw material for the company, saw its average price surge by 62% year-on-year during the period, reaching an all-time high of nearly USD 3,000/mt—almost triple the lows recorded two years ago. This unprecedented spike weighed on the company's blended margins for the year.

Nonetheless, margins have begun to recover, with gross profit margin improving by 2.1 percentage points quarter-on-quarter in 4Q, alongside with the recent correction in coconut oil prices. While prices have since declined by 20% from their peak, they remain elevated by historical standards. The company expects margins to normalize as commodity prices stabilize. As shown in the chart below, sharp run-ups in coconut oil prices have historically been followed by equally swift corrections.

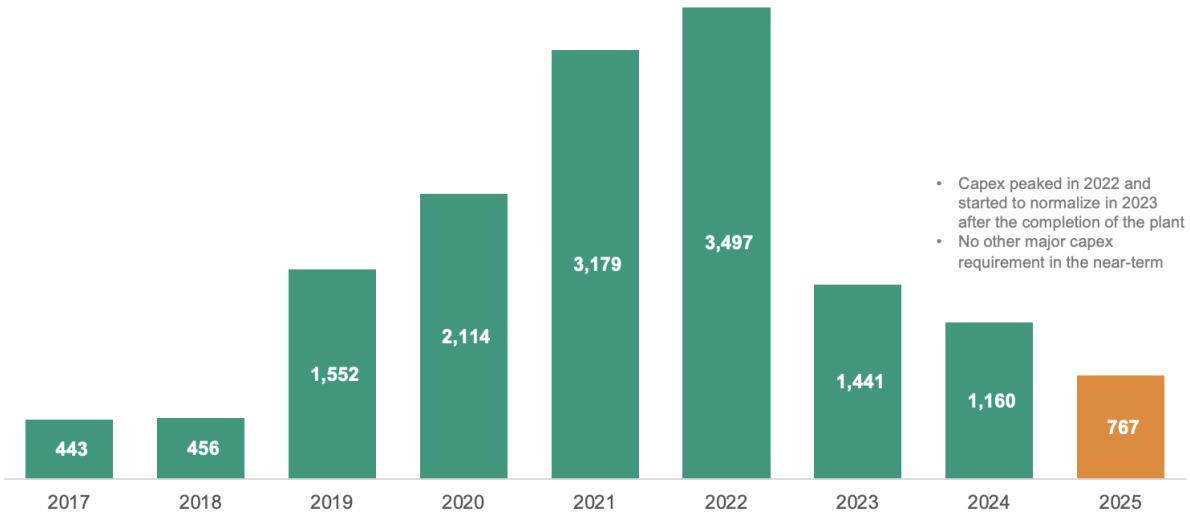
Rapid increases in coconut oil prices followed by equally swift corrections



Lower capex, net debt down by P3bn QoQ, with easing coconut oil prices supporting further deleveraging

Capex declined to below ₱1 billion in 2025 as spending normalized following the completion of the Batangas plant. With no major projects in the near term, capex is expected to remain modest. As commodity prices ease, the company sees room for deleveraging. Overall, the balance sheet remains solid, with interest coverage at 3x and net gearing at 96%. The average cost of debt slightly improved, declining to 6.01% from 6.29% at end-2024.

Historical Capex (in P mn)



Segment Results

Food Ingredients

The unprecedented surge in commodity prices weighed on the Food Ingredients segment, which recorded a 61% YoY decline in earnings for the year. Nonetheless, the segment's underlying strength remains evident, with High Margin Specialty Products (HMSP) volumes growing 13% YoY.

While the company generally passes on input cost movements to customers, the rapid increase in coconut oil prices led to a temporary margin contraction due to a typical lag of 30–45 days before price adjustments. As coconut oil prices begin to normalize, coupled with pricing adjustments and ongoing portfolio optimization—rationalizing commodity exposure while increasing focus on HMSP—the company expects a recovery in profitability and margins.

Chemrez

Chemrez delivered strong results in FY25, with volumes increasing by 24% year-on-year and net income rising 96% year-on-year. Growth was supported by sustained global demand for coconut oil–derived products, as well as the implementation of the higher mandated biodiesel blend from 2% to 3% effective October 1, 2024.

A proposed measure seeking the temporary suspension of the biodiesel blending mandate is currently under deliberation in Congress. The bill would allow the President to suspend the locally sourced biofuel blending requirement under the Biofuels Act of 2006 for up to one year during periods of abnormal fuel price movements. The company does not expect any material impact from this development.

Based on prevailing market conditions, the price differential between biodiesel-blended diesel and pure diesel remains well below the five percent threshold indicated in the proposed legislation. As such, the company does not expect any material impact under current market conditions. Chemrez also has the flexibility to redirect production toward higher-value coconut-based oleochemical exports should domestic biodiesel demand temporarily soften.

Looking ahead, Chemrez remains optimistic about its medium-term outlook, particularly in the export market. The company continues to pursue new market opportunities and product applications to expand its portfolio and enhance its technical capabilities. With the Batangas plant now fully operational, Chemrez is well-positioned to serve a broader international customer base and deliver higher value-added, sustainable solutions.

Specialty Plastics

The Specialty Plastics division continued to go from strength to strength, delivering 9% year-on-year earnings growth in FY25, following a robust 32% increase in FY24. Successful new product developments—built on decades of R&D—continued to drive margins higher, reaching record levels in 2025. The segment remains well-positioned for continued growth, supported by ongoing investments in research and development and the company's focus on delivering innovative and sustainable plastic solutions aligned with evolving customer needs.

Consumer Products ODM

The Consumer Products ODM segment posted a strong recovery, with earnings up 80% year-on-year as Batangas operations continued to ramp up. Exports have likewise become a key growth driver, now contributing 16% of total sales from virtually zero six years ago. With continued operational ramp-up and a broader market base, the segment is well-positioned for sustained growth.

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D&L Industries is a Filipino company engaged in product customization and specialization for the food, chemicals, plastics and consumer products ODM industries. The company's principal business activities include manufacturing of customized food ingredients, specialty raw materials for plastics, and oleochemicals for personal and home care use. Established in 1963, D&L has the largest market share in most of the industries it serves, as well as long-standing customer relationships with the Philippines' leading consumer and manufacturing companies. It was listed on the Philippine Stock Exchange in December 2012. For more information, please visit https://www.dnl.com.ph/investors/.

This press release may contain some "forward-looking statements" which are subject to a number of risks and uncertainties that could affect D&L's business and results of operations. Although D&L believes that expectations reflected in any forward-looking statements are reasonable, D&L does not guarantee future performance, action or events.

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