# D&L INDUSTRIES

## INVESTOR PRESENTATION

9M26

FILIPINO

MANUFACTURING

CUSTOMIZED
SPECIALTY PRODUCTS

B2B2C










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

**9M26**

**P39.6 B** *Revenues*

**P2.3 B** *Net Income*



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

**56%** Revenue
**18%** Net Income



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

**32%** Revenue
**34%** Net Income



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

**8%** Revenue
**41%** Net Income



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

**3%** Revenue
**7%** 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

**1963** Colorants For Plastics

**1971** Colorants, Chemicals and Additives For Plastics, Paints and Inks

**1976** Aerosols

**early 1980s** Powder Coating Emulsion Dispersion

**1984** Oleochemicals

**1985** Polystyrene Resins

**1987** Specialty Fats

**1988** Color Masterbatches & Additives

**2000** Engineered Polymers

Corro-coat, Inc. IPO

**2006** Corro-Coat Inc. becomes CHEMREZ TECHNOLOGIES Biodiesel

**2012** IPO

**2014** CHEMREZ TECHNOLOGIES Acquisition

**2023** Commercial operations of D&L's FIT Batangas plant

# 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 | 38 |
| SUMITOMO ELECTRIC / YAZAKI | 31 |
| Nestlé / Monde Nissin Corporation / UR Universal Robina Corporation | 26 |
| KFC / bench/ / Jollibee / | 23 |
| Max's Restaurant / McDonald's | 19 |
| Petron / 3M / neumann & mueller / Pancake House | 15 |
| Shakey's Pizza Parlor / Krispy Kreme Doughnuts | 13 |
| EPSON | 10 |



- 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

D&L

# 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*



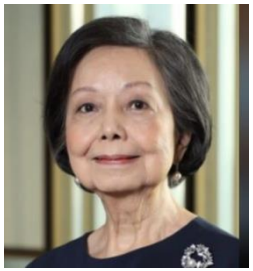
**Yin Yong L. Lao,**
**72 years old**
**Chairman & Director**
Trustee - Association of Petrochemical Manufacturers of the Philippines
B.A. in General Studies
*Ateneo de Manila University*
Years of D&L experience : 47



**John L. Lao,**
**71 years old**
**Vice Chairman**
Chairman/President – Aero-Pack Industries, Inc.
B.S. in Business *Administration*
*University of the East*
Years of D&L experience: 46



**Alvin D. Lao,**
**54 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: 22



**Mercedita Nolledo, 84 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*

## INDEPENDENT DIRECTORS



**Karl Kendrick Chua, 48 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



**Cesar G. Romero, 60 years old**
Former President & CEO of Pilipinas Shell Petroleum Corporation
B.S. in Mechanical Engineering from the *University of the Philippines*
MBA from the *University of Michigan*



**Richard Raymond B.Tantoco, 59 years old**
Former President of Energy Development Corporation
B.S. Management from *Ateneo de Manila University*
MBA from the *Wharton School of Business of the University of Pennsylvania*

# 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, 46 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: 25



**Dean A. Lao, Jr.**
**57 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: 27



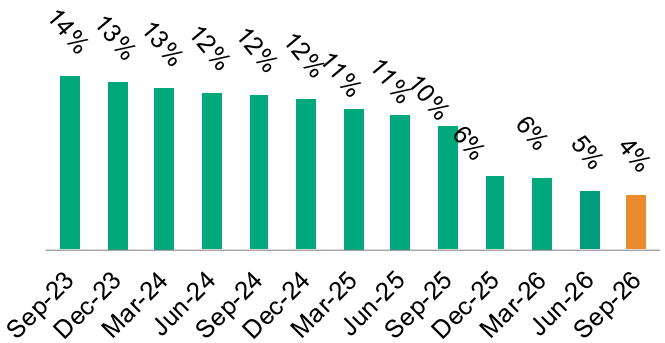
**Lester A. Lao,**
**56 years old**
**President & CEO of FIC & DLPC**
B. A. S. in Information Business from *Edith Cowan University*
Years of D&L experience: 34



**Vincent D. Lao,**
**51 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: 30

# D&L Ownership Structure

**Foreign Ownership as % of Outstanding Shares**




Source: Stock Transfer Service Inc.

## Lao Family

**63.9%** Jadel Holdings Co., Inc.
(Lao Family holding company)

**10.6%** Individual Family Members

**74.5%**

## Public

**25.5%**

## D&L

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

**100%** — FOOD INGREDIENTS
- OLEO-FATS INCORPORATED
- D&L PREMIUM FOODS

**100%** — OLEOCHEMICALS, RESINS, & SPECIALTY CHEMICALS
- CHEMREZ TECHNOLOGIES
- NATURA AEROPACK CORPORATION

**100%** — SPECIALTY PLASTICS
- FiC
- D&L POLYMER & COLOURS, INC.

**100%** — AEROSOLS
- AERO-PACK

# 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



**14%**
Tech staff as % of total manpower



**1%**
Tech spend as % of revenues

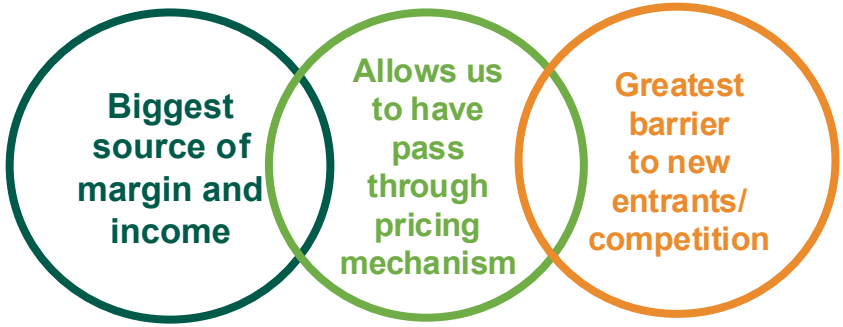


**11%**
Tech spend as % of non-raw material cost



**51%**
of revenues is driven by R&D

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

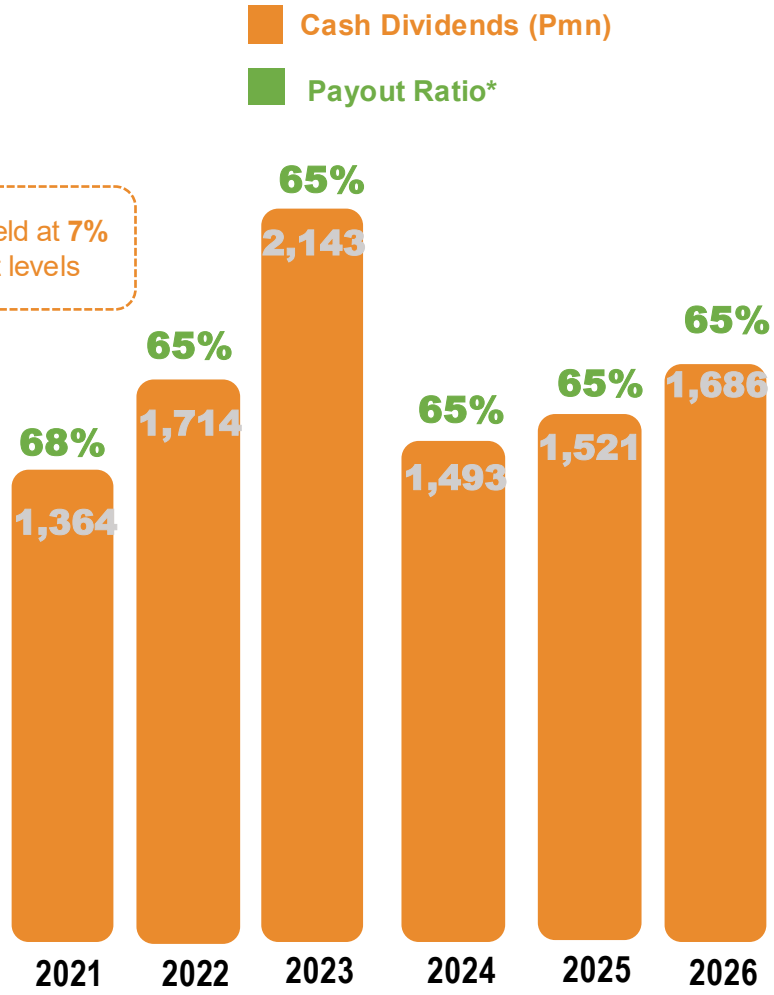
| Rental expenses (paid to affiliates) | Management and Shared Service Fees (MSSF) |
|---|---|
| land, facilities, warehouses, and barges | D&L provides management and shared services to its subsidiaries and affiliates, including executive management and admin support such as legal, MIS, accounting, human resource, and finance |
| | MSSF from subsidiaries are eliminated in consolidation |
| **9M26: 580 mn**<br>**2% of total costs and expenses** | **9M26: P80 mn**<br>**0.2% of total revenues** |

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

| Dividend Per Share | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|
| **Total** | **P0.191** | **P0.24** | **P0.30** | **P0.209** | **P0.213** | **P0.236** |
| Regular | P0.141 | P0.185 | P0.24 | P0.161 | P0.164 | P0.182 |
| Special | P0.05 | P0.055 | P0.06 | P0.048 | P0.049 | P0.054 |

| Dividends | Cash |
|---|---|
| Ex-Date | June 22, 2026 |
| Record Date | June 23, 2026 |
| Payment Date | July 08, 2026 |

Dividend yield at **7%** at current levels




*based on previous year's recurring net income

# INVESTOR RELATIONS

#70

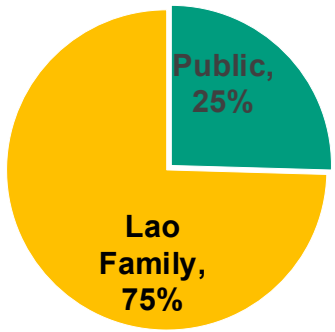
**P24 bn***

**Ranked 70th among Philippines' largest companies by market cap**

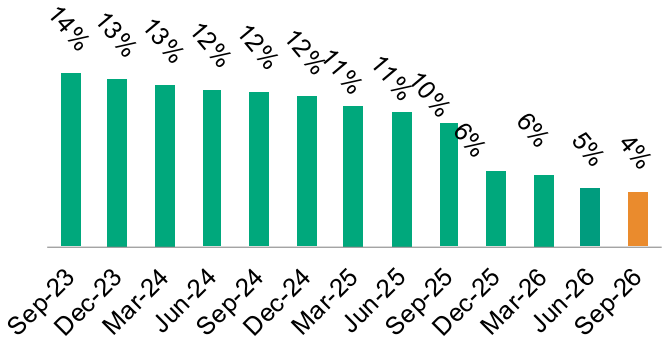
## Shares bought back by the Lao Family

| Year | # of Shares *(in mn)* | % of outstanding shares |
|---|---|---|
| Since IPO | 642 | 9% |
| 2025 | 106 | 1.6% |
| 2026 | 12 | 0.17% |

**Ownership as of September 2026**




**Foreign Ownership as % of Outstanding Shares**

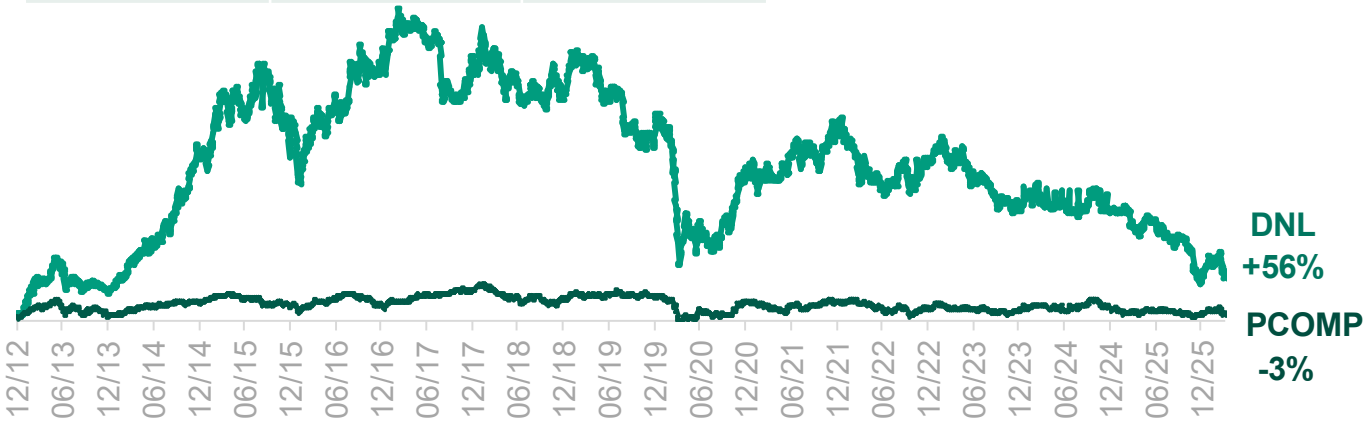



*as of November 3, 2026

# INVESTOR RELATIONS

Return since IPO

| | Price Change | Total Return |
|---|---|---|
| DNL PM | +56% | +191% |
| PCOMP Index | -3% | +12% |




**Price as of 11/03: P3.36**
**Market Cap as of 11/03: P24bn**
**USD 376 mn (USD1:P63.47)**
**Outstanding Shares: 7,142,857,990**

Dividend yield at **7.0%** at current levels

| DATE | EVENT | VENUE |
|---|---|---|
| March 17-18,2026 | PSE InvestPH Conference | Manila |
| August 17, 2026 | PSE Star Investor Conference | Virtual |
| November 27, 2026 | PSE Star Investor Conference | Virtual |

# We have been awarded and recognized both locally and internationally

**Institutional Investor**

**2024** – ASEAN Honored Company; Crissa Bondad as 3rd 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 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

**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

**CLSA**

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

**FTSE**

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

**DOWJONES**

**2013**- Islamic Market ASEAN Index

**Forbes Asia Best Under A Billion**

**2023, 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

LAOFOUNDATION

**1%**

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

## AREAS OF FOCUS



Education



Values formation

## 2025

**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

| 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<br>Educational Excellence Grants for Children of D&L employees |

# 9M26 Results

# 9M26 Highlights

1. 9M26 net income reached P2.2 bn, up 15% YoY;
   3Q26 net income reached P735 mn, up 32% YoY
2. Food Ingredients delivered a significant earnings improvement, with 9M26 earnings rising 77% YoY as margins continued to recover
3. Blended gross margins rose 1.4 ppts, driven by HMSP and commodities, with HMSP accounting for 51% of sales
4. Return ratios continued to improve, with ROE at 12.7% and ROIC at 9.8%, up 1.4 ppts and 0.5 ppt, respectively, from FY25 levels
5. The essential nature of our business, coupled with our strong financial position and return to positive free cash flow, positions us well to navigate macroeconomic headwinds

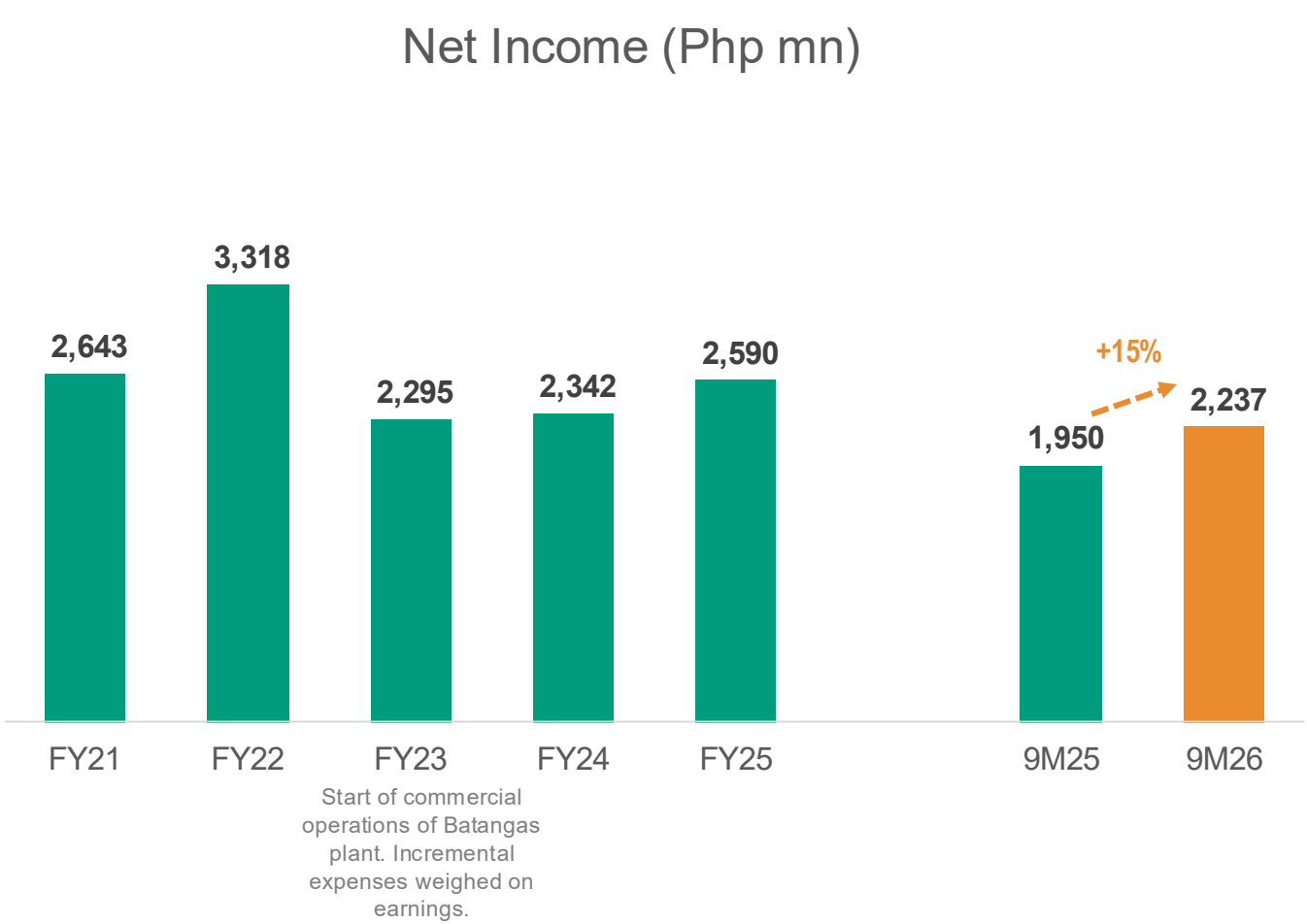
# 9M26 Net income reached ₱2.2 bn, up 15% YoY

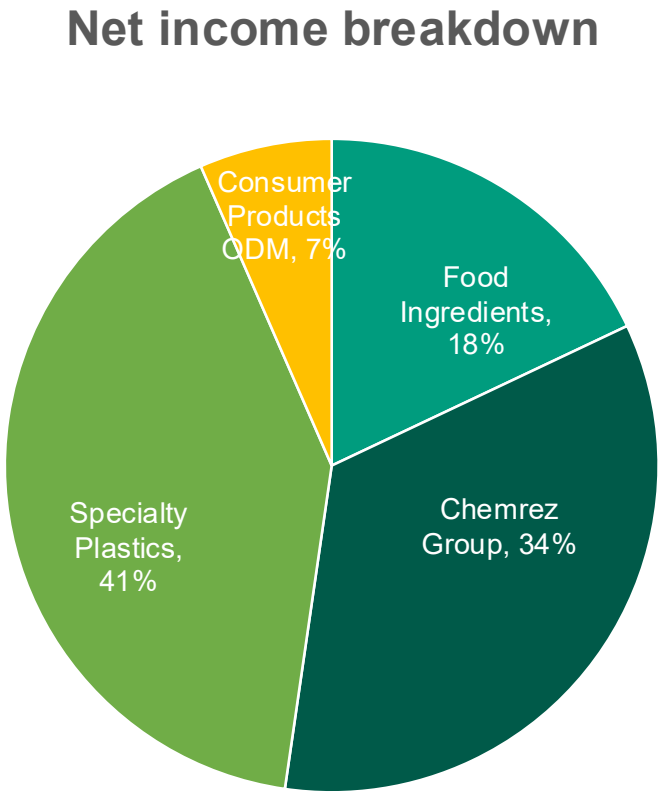
| | 9M YoY | | | 3Q YoY | | | 3Q QoQ | | |
|---|---|---|---|---|---|---|---|---|---|
| *(In P mn)* | **9M26** | 9M25 | *%change* | **3Q26** | 3Q25 | *% change* | **3Q26** | 2Q26 | *% change* |
| Sales | **39,646** | 41,294 | *-4%* | **12,873** | 14,686 | *-12%* | **12,873** | 13,944 | *-8%* |
| COGS & Cost of Service | **(33,966)** | (35,953) | *-6%* | **(10,907)** | (13,028) | *-16%* | **(10,907)** | (11,947) | *-9%* |
| Gross Profit | **5,680** | 5,340 | *6%* | **1,966** | 1,658 | *19%* | **1,966** | 1,997 | *-2%* |
| Operating expenses | **(2,260)** | (2,150) | *5%* | **(823)** | (721) | *14%* | **(823)** | (769) | *7%* |
| Other operating income | **137** | 2 | *6553%* | **34** | 31 | *8%* | **34** | 13 | *164%* |
| Interest expense | **(1,000)** | (962) | *4%* | **(329)** | (346) | *-5%* | **(329)** | (320) | *3%* |
| Profit before tax | **2,558** | 2,231 | *15%* | **847** | 623 | *36%* | **847** | 921 | *-8%* |
| Income tax | **(321)** | (281) | *14%* | **(113)** | (68) | *65%* | **(113)** | (136) | *-17%* |
| Net Income | **2,237** | 1,950 | *15%* | **735** | 554 | *32%* | **735** | 786 | *-6%* |
| EPS* (in cents) | **31.3** | 27.3 | *15%* | **10.3** | 7.8 | *32%* | **10.3** | 11.0 | *-6%* |
| EBITDA | **4,806** | 4,237 | *13%* | 1,584 | 1,371 | *16%* | 1,584 | 1,680 | *-6%* |
| EBIT | **3,557** | 3,193 | *11%* | 1,176 | 968 | *21%* | 1,176 | 1,241 | *-5%* |
| Gross Profit Margin | **14.3%** | 12.9% | *1.4* | **15.3%** | 11.3% | *4.0* | **15.3%** | 14.3% | *0.9* |
| Net Profit Margin | **5.6%** | 4.7% | *0.9* | **5.7%** | 3.8% | *1.9* | **5.7%** | 5.6% | *0.1* |
| EBITDA Margin | **12.1%** | 10.3% | *1.9* | **12.3%** | 9.3% | *3.0* | **12.3%** | 12.0% | *0.3* |
| EBIT Margin | **9.0%** | 7.7% | *1.2* | **9.1%** | 6.6% | *2.5* | **9.1%** | 8.9% | *0.2* |

D&L

**number of outstanding shares: 7,142,857,990*

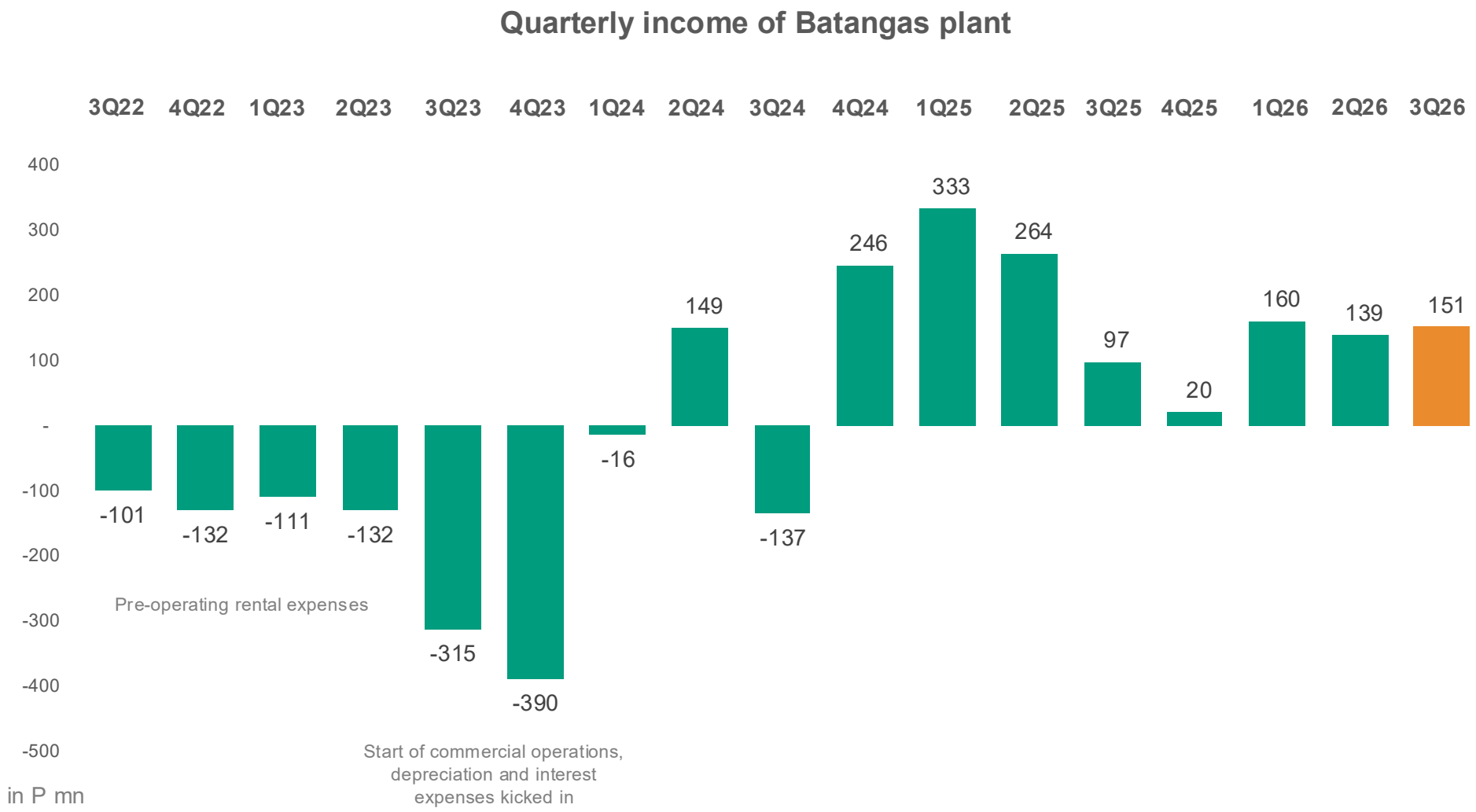
# 9M26 Net Income up 15% YoY



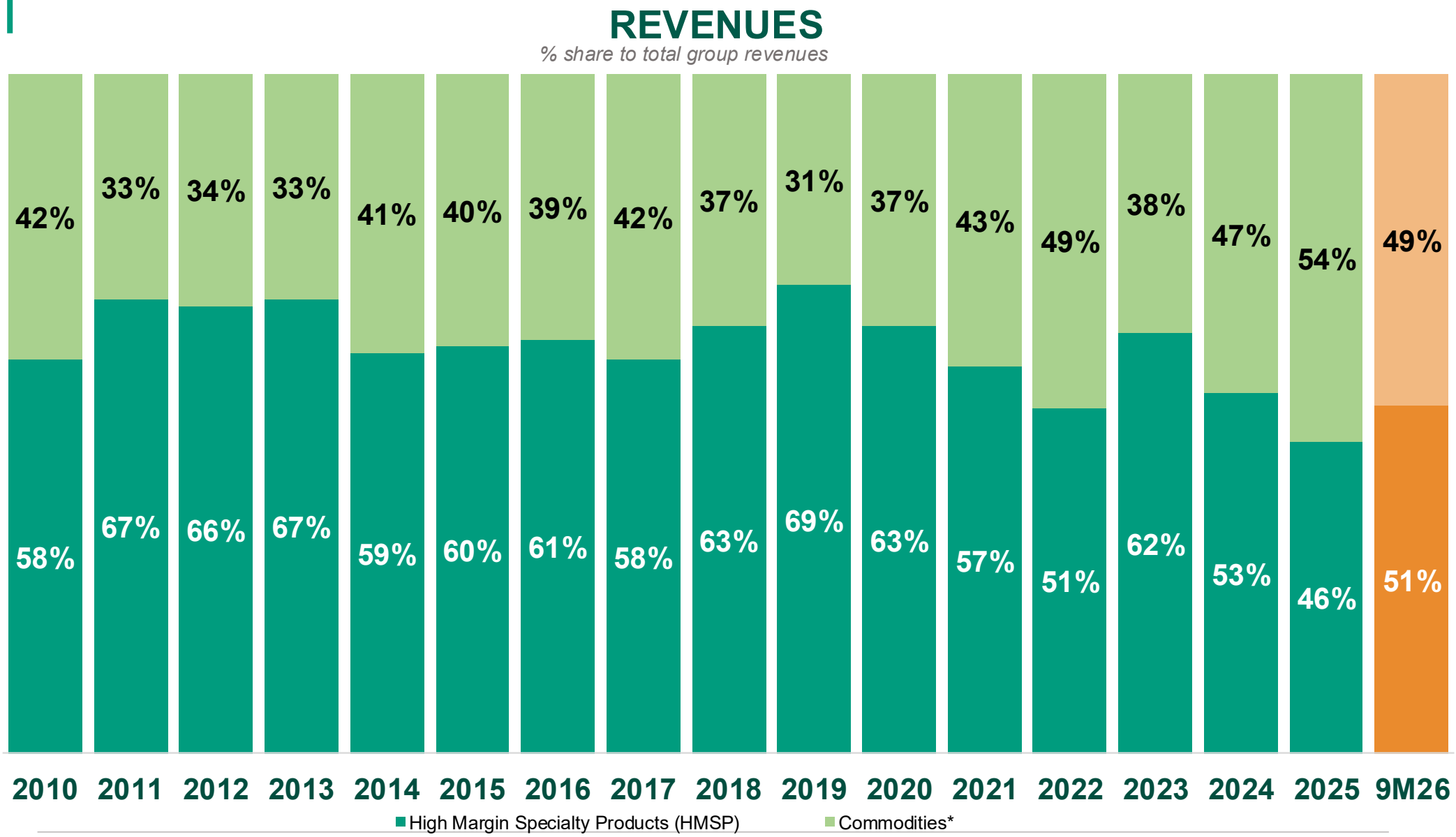




*Net income breakdown is based on the sum of the stand-alone income of the four segments. This excludes the impact of elimination entries upon consolidation and the income/losses of the parent company

# Batangas plant consistently books profits

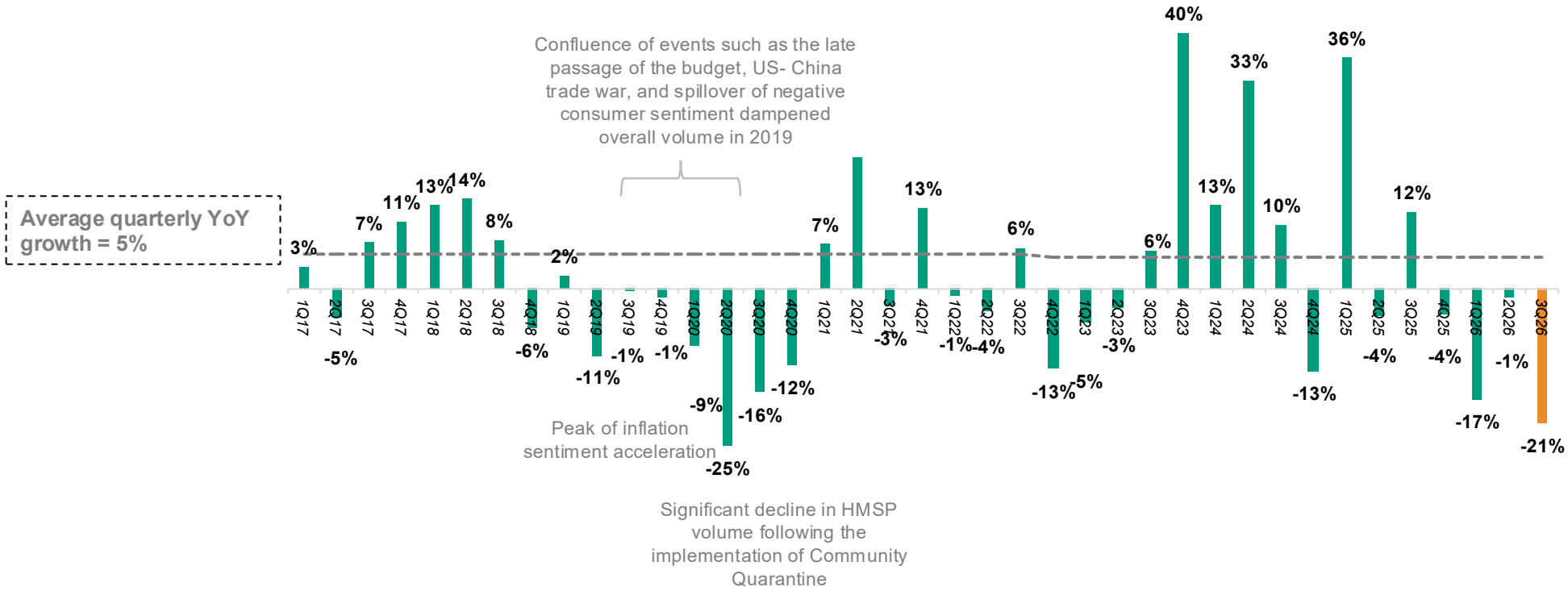


# Sales mix



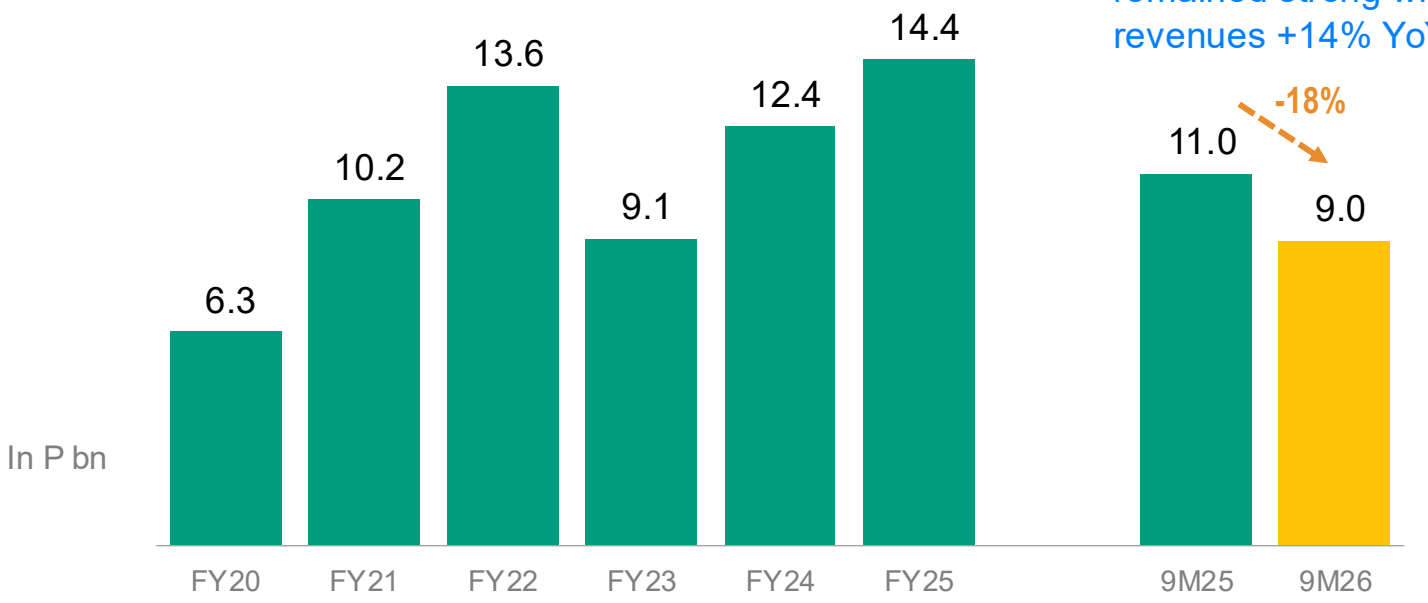

*Commodities = Refined Vegetable Oils & Biodiesel*

# HMSP Quarterly Volume Growth (YoY)



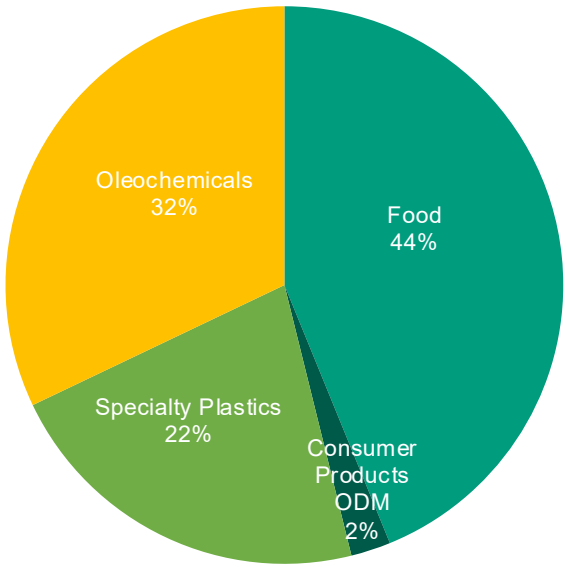
# Exports sales

| | FY19 | FY20 | FY21 | FY22 | FY23 | FY25 | 9M25 | 9M26 |
|---|---|---|---|---|---|---|---|---|
| EXPORT/ SALES | 29% | 33% | 31% | 27% | 30% | 26% | 27% | 23% |

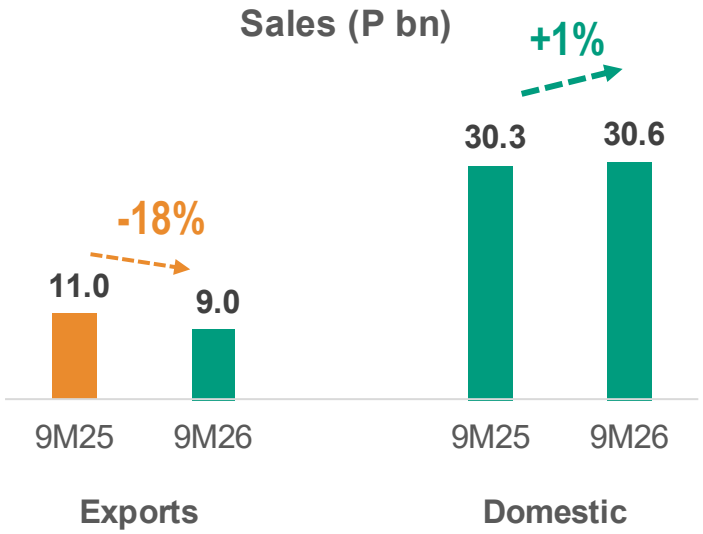


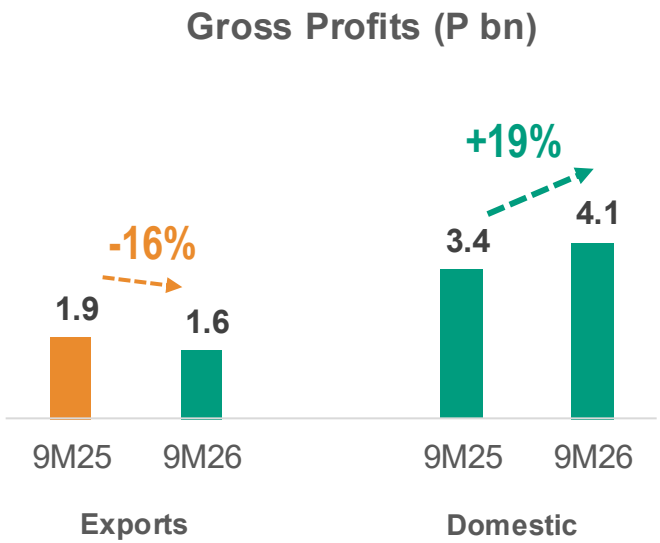

HMSP exports remained strong with revenues +14% YoY

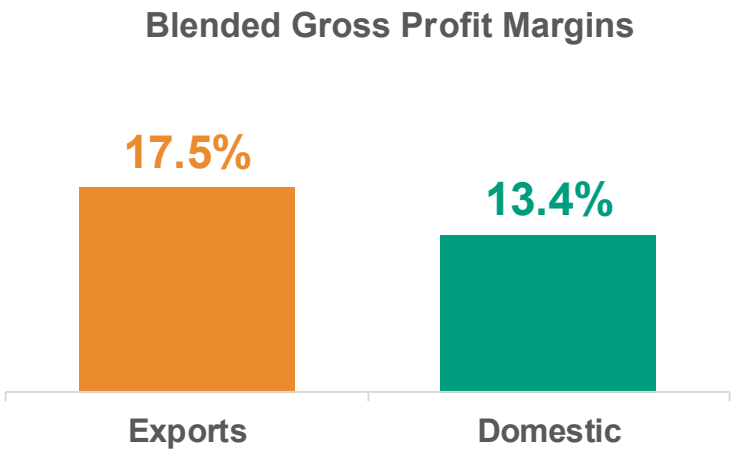
## Breakdown of exports



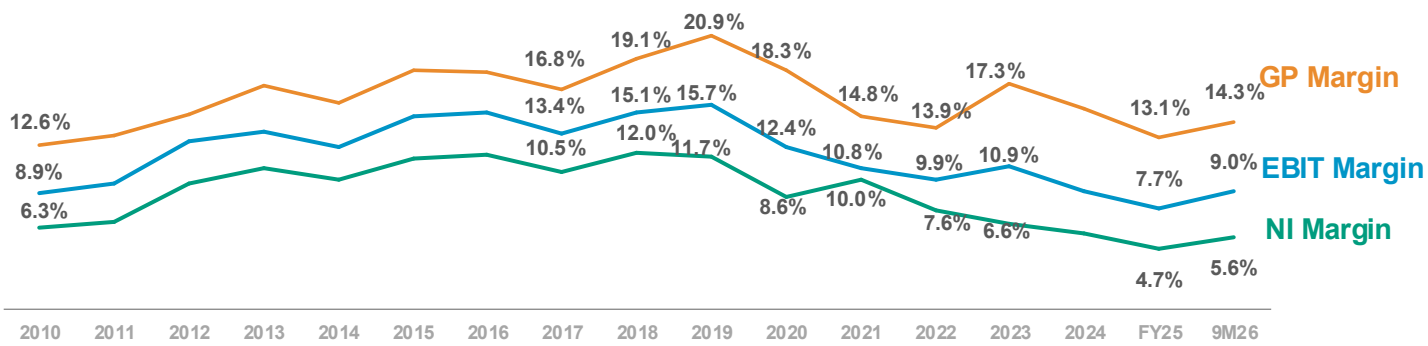
# Export vs Domestic Market



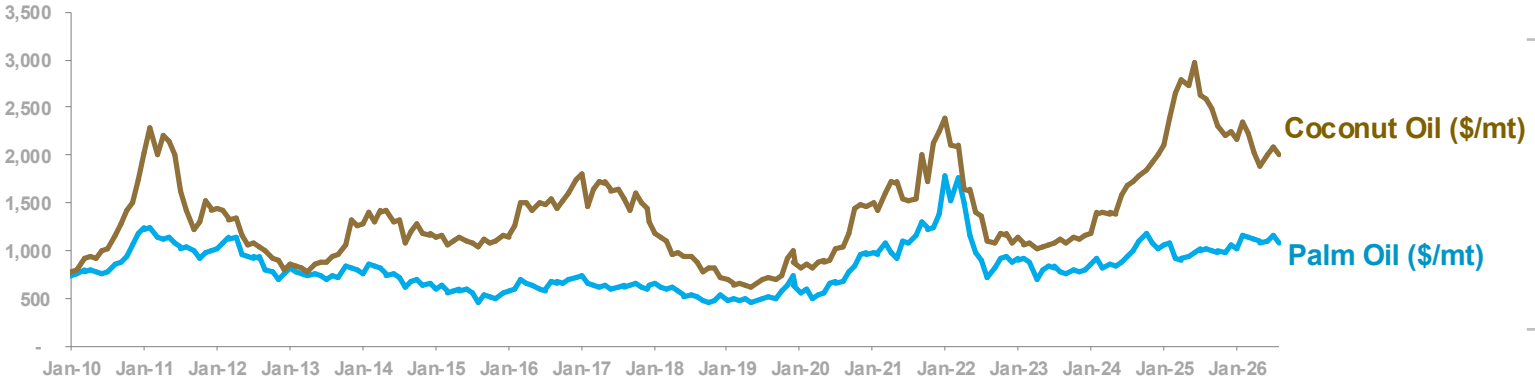



# Pass-through pricing mechanism as natural hedge against volatility in forex and commodity prices




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




*Average 9M26 Prices*
Coconut Oil -17% y-o-y
Palm Oil +11% y-o-y




*Average Php:US$*
9M26: P60.87
9M25: P57.24

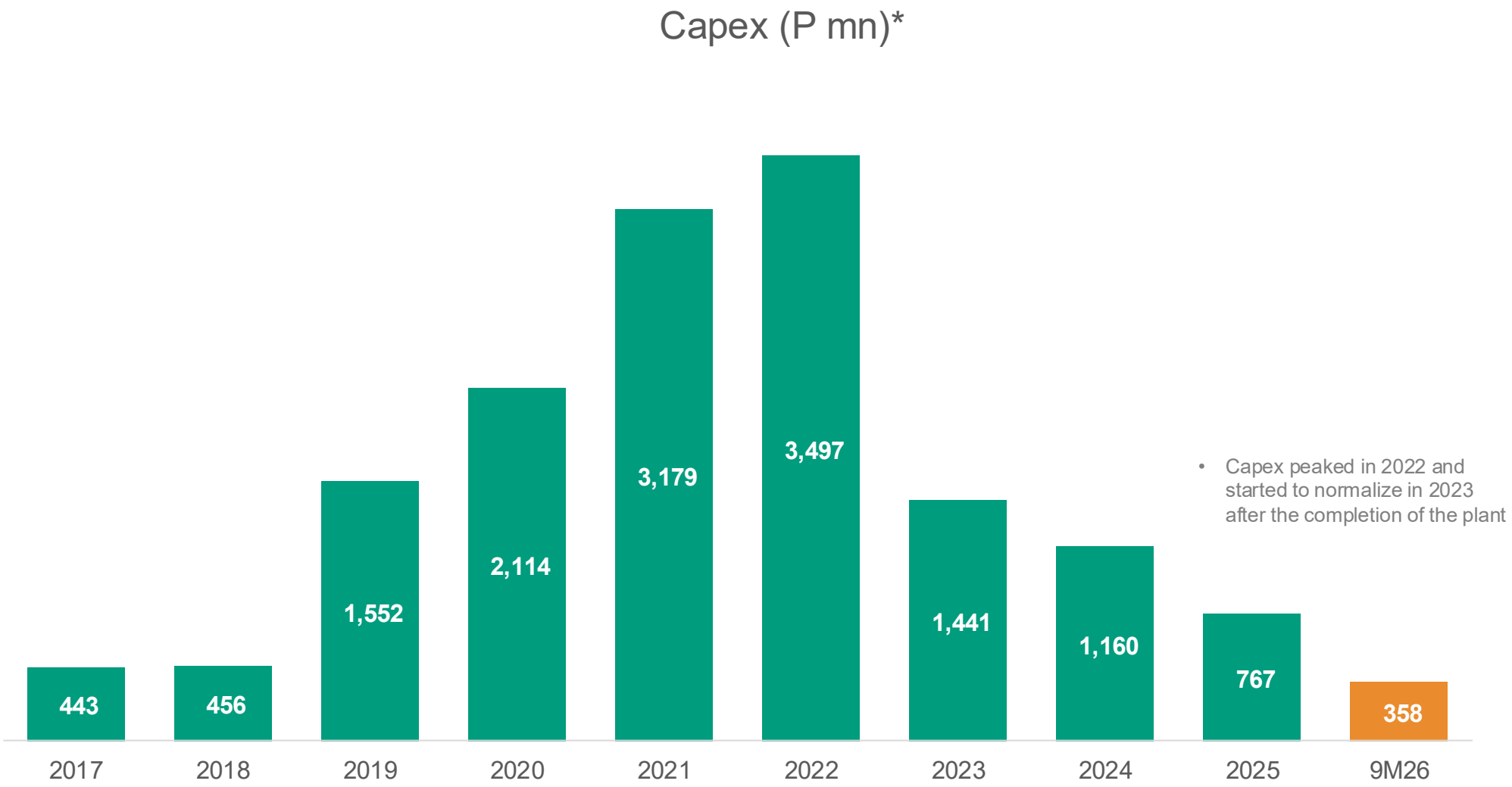
Source: D&L data, Bloomberg

# FCF turned positive in 9M26

| In P mn | 9M26 | FY25 |
|---|---|---|
| EBITDA | 4,806 | 5,852 |
| Interest Received | 13 | 3 |
| Paid taxes | (318) | (315) |
| Non cash items | 2 | 170 |
| Change in working capital | (2,356) | (5,143) |
| **Net Operating Cash Flow** | **2,148** | **567** |
| Capex | (237)* | (849)* |
| **Free Cash Flow** | **1,911** | **(281)** |

*cash basis capex

# Capex normalizing after the completion of Batangas plant



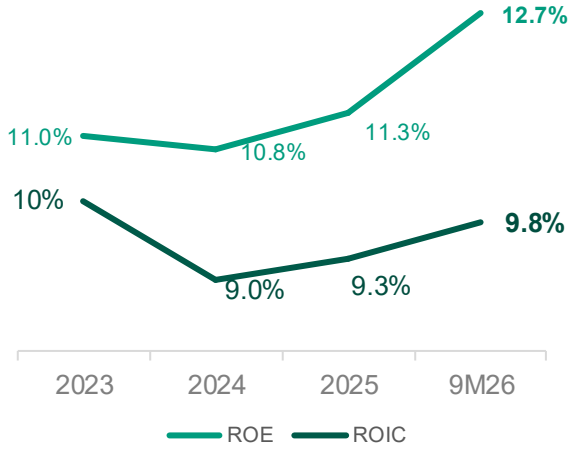

*accrual basis capex

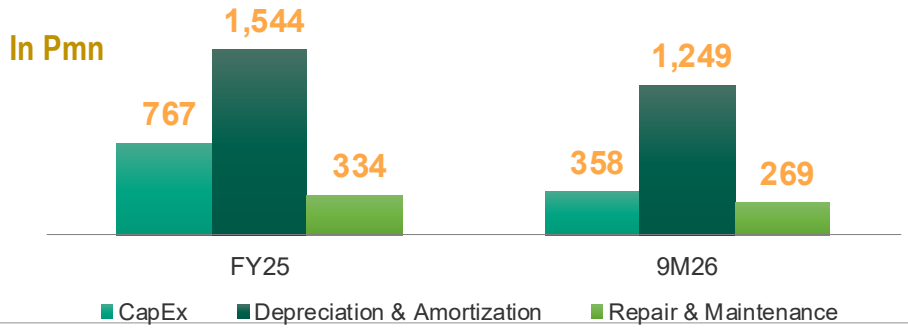
# 9M26 Group Results

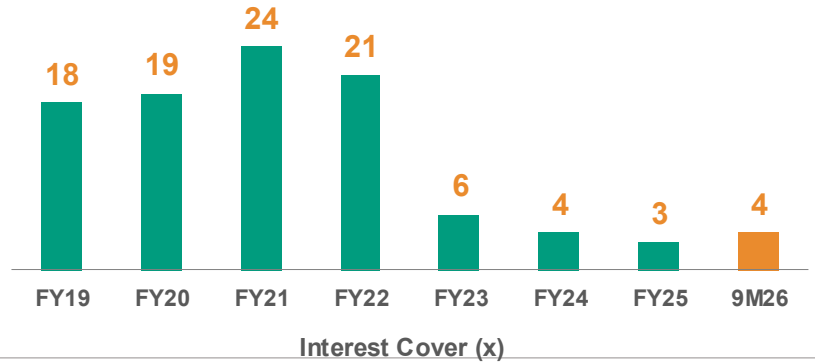
| | Food Ingredients | Oleochemicals & Other Specialty Chemicals | Specialty Plastics | Consumer Products ODM | D&L Industries - Consolidated |
|---|---|---|---|---|---|
| % change in Revenues | (15%) | (2%) | +19% | +17% | (4%) |
| % change in Net Income | +77% | (27%) | +30% | +3% | +15% |

# Balance Sheet remains robust

| In Pmn | As of end Sept-26 | As of end Dec-25 | In P mn | As of end Sept-26 | As of end Dec-25 |
|---|---|---|---|---|---|
| Cash | 2,529 | 3,394 | Book Value<br>BVPS[1] (in P) | 23,420<br>3.28 | 22,869<br>3.20 |
| Current Assets | 34,931 | 32,795 | Debt-to-EBITDA | 4.0x | 4.3x |
| Total Assets | 54,835 | 53,012 | Debt-to-equity<br>(Borrowings/ Equity) | 1.10x | 1.11x |
| Borrowings | 25,757 | 25,296 | Return on Equity | 12.7% | 11.3% |
| Total Liabilities | 31,414 | 30,143 | Return on Invested Capital[2] | 9.8% | 9.3% |

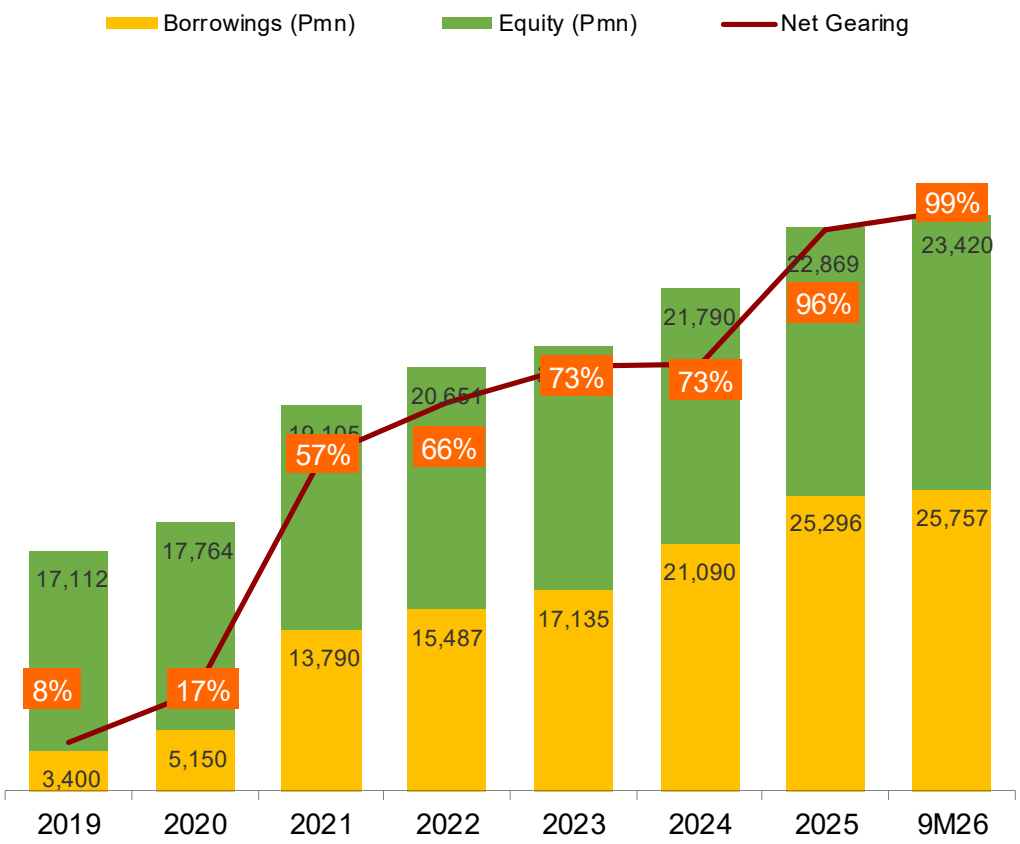



[1]number of outstanding shares: 7,142,857,990
[2]Return on Invested Capital = Pre tax income / Invested Capital
Invested Capital = Total Assets – Cash – Non-interest bearing liabilities

# Capital Structure



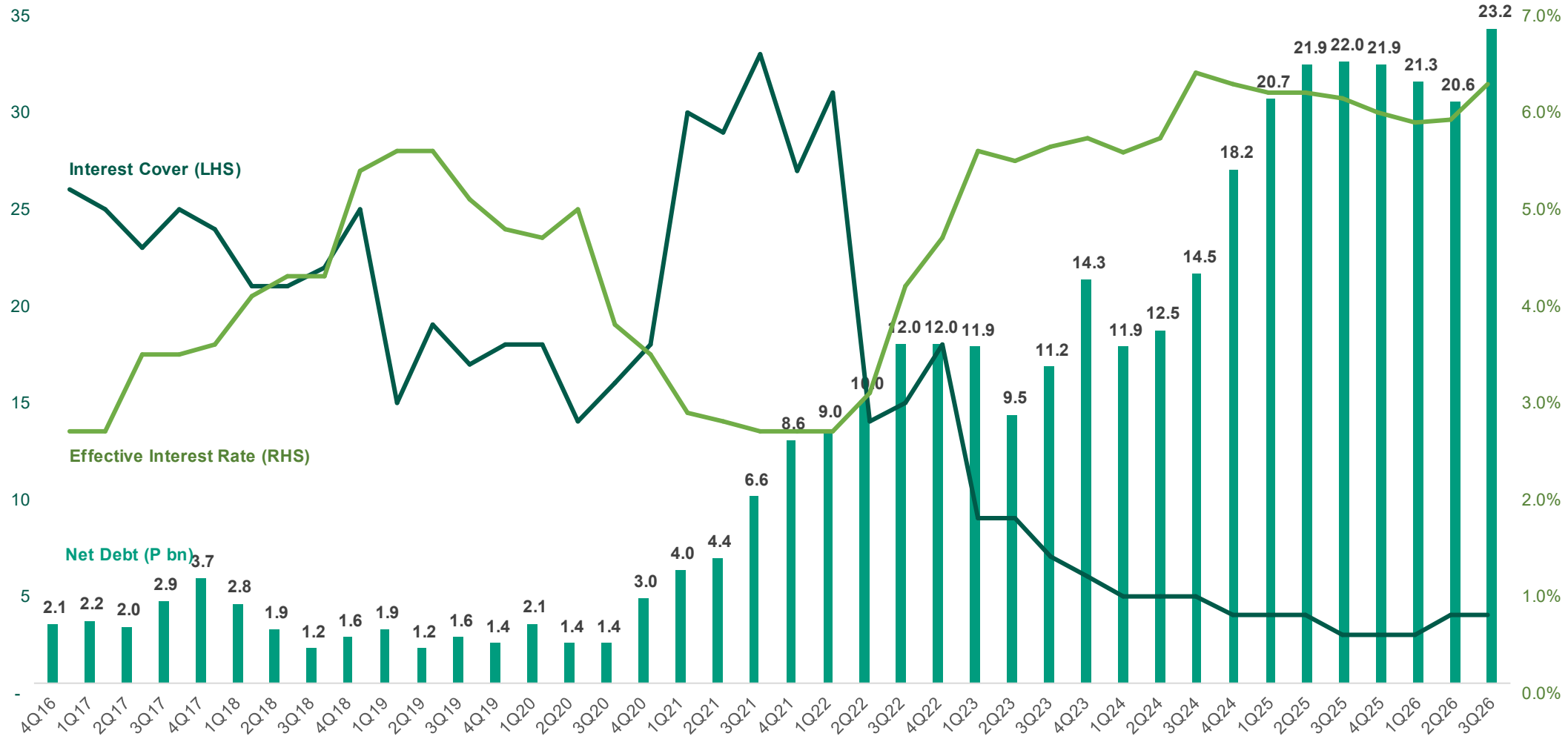

**4x** interest cover

**P23.2 Billion** net debt

**~6.3% p.a.** average cost of debt*

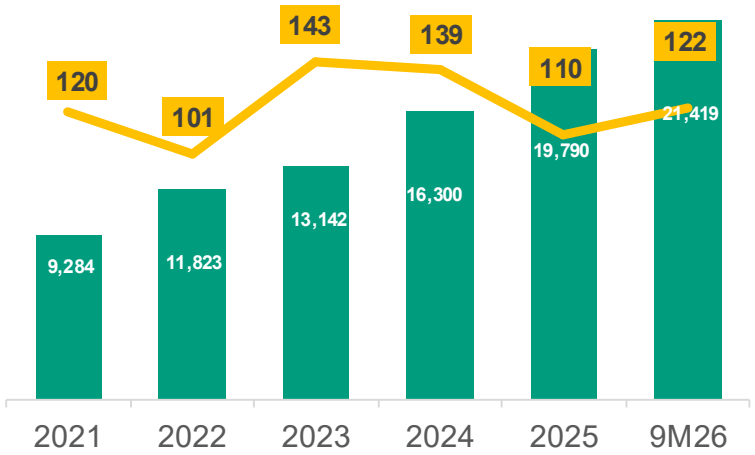
*Numbers are as of September 30, 2026*
**inclusive of DST*

# Net debt, effective interest rate, and interest cover

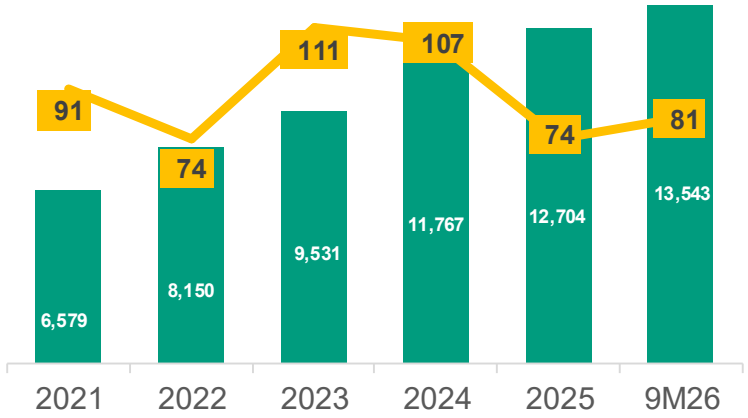


# Working Capital Cycle

## CASH CONVERSION



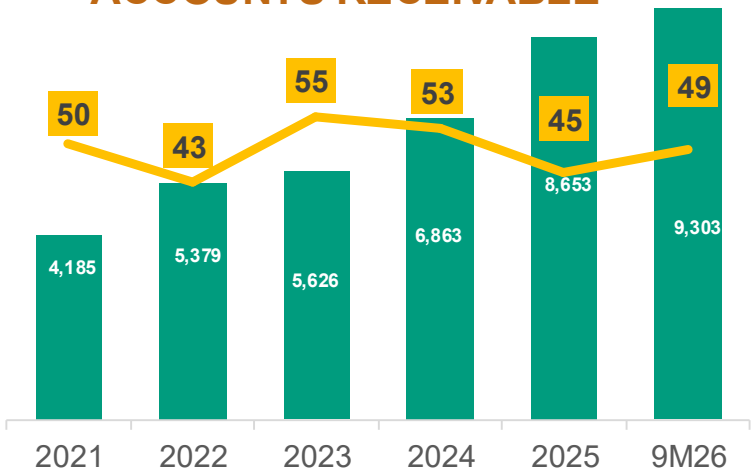

## INVENTORY




## ACCOUNTS PAYABLE




## ACCOUNTS RECEIVABLE




Average balance (P mn)  Cycle (in days)

*Working Capital Cycle in prior periods were recalculated to exclude impact of VAT*
*Due to rounding, numbers may not add up precisely*

-end-