

# Singapore Company Update

## DFI Retail Group Holdings

Bloomberg: DFI SP | Reuters: DFIR.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

9 Jun 2025

### BUY

Last Traded Price (6 Jun 2025): USD2.66 (STI : 3,912.39)  
Price Target 12-mth: USD3.60 (35% upside) (Prev USD3.00)

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#### What's New

- Post RRHI and Giant SG sale, DFI has significant cash reserves for reinvestment, special dividends, and M&A
- Potential M&A targets remain expensive with high write-off risk; reinvestment and special dividends are better use of capital while waiting for the right opportunities
- Adjusted FY25F/26F core earnings by +4%/+3% to reflect divestments and strong 1Q25 performance
- Hike TP to USD3.60, largely on higher PE peg of 16.7x in line with peer median, supported by special dividend payouts

#### Price Relative



#### Forecasts and Valuation

FY Dec (USDmn)	2023A	2024A	2025F	2026F
Revenue	9,170	8,869	8,750	7,910
EBITDA	517	557	609	603
Pre-tax Profit	71.3	(210)	186	345
Net Profit	32.2	(245)	139	290
Net Pft (Pre Ex.)	154	201	269	290
Net Pft Gth (Pre-ex) (%)	nm	30.1	33.9	7.9
EPS (US cts.)	2.38	(18.1)	10.2	21.4
EPS Pre Ex. (US cts.)	11.4	14.8	19.9	21.4
EPS Gth Pre Ex (%)	nm	30	34	8
Diluted EPS (US cts.)	2.38	(18.1)	10.2	21.4
Net DPS (US cts.)	8.00	10.5	22.0	23.0
BV Per Share (US cts.)	72.5	43.0	42.7	42.1
PE (X)	111.8	nm	26.0	12.4
PE Pre Ex. (X)	23.3	17.9	13.4	12.4
P/Cash Flow (X)	3.4	3.7	3.5	3.9
EV/EBITDA (X)	8.2	7.3	5.0	5.3
Net Div Yield (%)	3.0	3.9	8.3	8.6
P/Book Value (X)	3.7	6.2	6.2	6.3
Net Debt/Equity (X)	0.6	0.8	CASH	CASH
ROAE (%)	3.3	(31.3)	23.9	50.5
Earnings Rev (%):			8	3
Consensus EPS (US			18.5	20.1
Other Broker Recs:		B: 7	S: 0	H: 1

Source of all data on this page: Company, DBS, Bloomberg

### Give some, Save some, Spend some

#### Investment Thesis:

**Streamlined business portfolio well positioned to deliver on ROCE and TSR metrics.** DFI has been actively reshaping its business portfolio to focus on operating control and improving return on capital employed (ROCE) and total shareholder return (TSR). Over the past few years, it has streamlined operations by divesting low-margin, low-advantage businesses, particularly the food segments in SEA. The exit from associate stakes in Yonghui and RRHI means that operations are now largely within management's control. Looking ahead, we see ample scope to drive earnings growth by improving operational efficiencies of >USD100mn, in line with the dual targets of ROCE and TSR uplift. Every 0.1% ppt improvement in operating margins mean c.2.2% upside to FY26F PATMI.

**FY25F/FY26F core earnings adjusted by +4%/+3% to reflect divestments and strong 1Q25.** Our updated FY25F earnings estimate stands at USD269mn, near the high end of management's guidance, supported by higher contribution from Maxim's and lower net interest expenses. For FY26F, we anticipate further margin expansion for the remaining businesses and continued interest savings, driven by a full-year impact from lower debt levels and reduced lease liabilities following the sale of DFI's SG Food business. These factors are expected to more than offset the USD14mn FY25F earnings contribution lost from the RRHI disposal.

**Focus on existing operations and special dividends over M&A due to high valuations.** Our screen of potential M&A targets that are a good strategic fit remain expensive, with elevated PE multiples and book value premiums. If consummated at premium valuations, risk of goodwill write-offs is elevated. We believe a more prudent and value-accretive approach is to reinvest in existing operations to enhance efficiency, while maintaining a manageable special dividend payout of 10UScts over the next few years as the company awaits better opportunities.

#### Maintain BUY with higher TP of USD3.60 (vs. USD3.00 previously).

Our revised TP reflects a higher 16.7x PE peg on higher FY26F earnings, in line with the peer median given DFI's margin profile. We believe this is also justified by the potential for special dividends over the next few years. Assuming a 10UScts special payout for FY25/26F, total yield could reach an attractive 8% at SGD2.70 and represent ~6% yield at our revised TP.

#### Key Risks

Overpaying for acquisitions and hoarding excess cash for prolonged periods.

#### At A Glance

Issued Capital (mn shrs)	1,352
Mkt. Cap (USDmn/USDmn)	3,597 / 3,597
Major Shareholders (%)	
Jardine Matheson Holdings Ltd	77.5
Free Float (%)	22.5
3m Avg. Daily Val (USDmn)	3.1
GIC Industry: Consumer Staples / Food & Staples Retailing	



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## WHAT'S NEW

## Significant firepower for both special dividends and M&amp;A

## What has happened in the last 3 months?

On 24 Mar 2025, DFI announced the divestment of its Singapore Food business to Macrovalue – the same party that acquired its Malaysia Food operations in 2023. The transaction is **valued at SGD125mn (~USD93mn)** and is expected to be completed by 4Q25.

Shortly after, on 30 May 2025, DFI disclosed the **sale of its 22.2% minority stake in Robinsons Retail (RRHI) for PHP15.8bn (~USD283mn)**, executed as part of RRHI's share buyback programme. The deal was completed at a 36% premium to the last closing price, reflecting strong negotiation by management, in our view.

Including the ~USD617mn received from the earlier sale of its Yonghui stake, DFI has now generated approximately USD1bn in total divestment proceeds. Of this, USD617mn has already been used to repay debt, placing the company in a significantly stronger net cash position.

## What are the implications of the asset divestments and earlier-than-expected debt pare down?

We believe the implications can be broken down into operational and financial aspects, illustrated in following waterflow charts (see Figure 1).

**Figure 1: Core earnings revision waterflow charts (top: FY25F, bottom: FY26F)**



Source: DBS estimates

### Operations

**Associate contribution from RRHI** – Based on equity accounting of RRHI's earnings from 4Q24 to May 2025, we estimate a contribution of ~USD14mn, lower than our earlier forecast of USD17mn. However, this shortfall is expected to be more than offset by our revised forecast for Maxim's.

Previously, we had conservatively projected Maxim's contribution at USD61mn for FY25F, implying a 5% y/y decline. Following 1Q25 commentaries indicating a strong recovery in profit contribution, we now forecast Maxim's operating profit at USD67mn, representing a 5% y/y increase.

**Lower net interest expenses** – This improvement arises from three components: Interest income, debt interest expenses, and lease interest costs.

- 1. Interest income:** We assume a conservative ~2% yield on average cash reserves, leading to a projected uplift of SGD4.6mn in FY25F interest income. Whereas FY26F interest income is expected to remain stable for reasons elaborated later.
- 2. Interest expense:** With debt reduction occurring earlier and more aggressively than anticipated, we estimate savings of USD6mn and USD11mn in interest costs for FY25F and FY26F, respectively, versus our initial estimates.
- 3. Lease interest costs:** The disposal of DFI's SG Food business, expected to be completed in 4Q25, will reduce associated lease liabilities. As such, we estimate FY26F lease interest costs could be ~USD9mn lower than prior forecasts.

Overall, supported by strong 1Q25 performance, we believe DFI is well positioned to deliver robust core earnings growth of 34% y/y in FY25F and 8% y/y in FY26F.

After accounting for the final dividend payout on 14 May 25, and projected operational cash flow, we estimate that DFI should close the year with ~USD580mn in net cash.

### How will DFI use this surplus cash?

Management has signalled to the market that its cash could be deployed on three fronts: (i) M&As, (ii) dividends, and (iii) reinvestment into existing business.

### What are the potential strategic targets?

DFI's future acquisitions are likely to focus on resilient formats within the SEA region. We believe any potential acquisition will most likely be in the convenience store (CVS) or health & beauty (H&B) segments, given their more resilient operations and healthier operating margins. Within SEA, we narrow the focus to Vietnam, Indonesia, and Malaysia, where DFI already has an established presence and operational familiarity.

**The company has financial capacity to support a sizeable acquisition.** Based on our net cash projections and assuming a prudent 30% debt-to-equity ratio, we estimate that DFI could allocate up to ~USD500mn towards acquiring a majority stake (≥50%) in a target. Among listed or recently delisted players with publicly available financials, Big Pharmacy in Malaysia and Long Châu in Vietnam emerge as strong strategic fits with DFI's existing portfolio (see Table 1).

**High valuations and structural limitations present significant risks to any potential acquisition.** Despite strategic alignment, current valuations for potential targets remain elevated, typically in the 25-30x P/E range. As is common with retail formats, most store locations are leased, resulting in relatively low net asset bases, increasing the risk of overpaying relative to book value. While our analysis is based on a limited set of companies identified from Euromonitor's market research, we expect similar valuation premiums for comparable targets across the region.

**Patience and internal reinvestment remain prudent.** Given the potential for significant goodwill and the risk of future write-downs – echoing prior experiences with Yonghui and RRHI – we believe DFI may be better served by waiting for more favourable valuations. In the meantime, reinvesting in core operations and distributing a portion of excess cash via special dividends offers a more balanced and shareholder-friendly approach.

Table 1: Overview of potential M&amp;A candidates

Company	Segment	Market Share of Segment (%)	Revenue (FY24) in USD mn	FY25F earnings in USD mn	PE ratio (x)	Likelihood
<b>Indonesia</b>						
Alfamart*	CVS	46.3%	7,348	228	28x	Unlikely
Indomaret	CVS	44.0%	~6,983	~217	~30x	Unlikely
Kimia Farma	H&B	6.2%	~647	NA	NA	Loss-making
K-24	H&B	3.3%	~344	~17		Plausible, limited info
<b>Malaysia</b>						
99 Speedmart*	CVS	51.3%	2,234	141	29x	Unlikely
7-Eleven*	CVS	16.2%	655	17	33x	Possible but expensive and losing share to 99Speedmart
Kedai Mesra	CVS	7.0%	~305	8	20-30x	Unlikely, limited market share gains over last 10 years and likely expensive
KK Super Mart	CVS	6.1%	~266	7	20-30x	Unlikely, lost market share over last 10 years
Caring + Big Pharmacy	CVS	6.9%	~395	12-20	25-30x	Plausible, limited info but likely expensive
<b>Vietnam</b>						
Circle K	CVS	41.0%	~178	Limited Info	Limited Info	Plausible, assuming no non-conflict of terms with existing 7-11 relationship
Family Mart	CVS	16.2%	~70	Limited Info	Limited Info	Plausible, assuming no non-conflict of terms with existing 7-11 relationship
GS25	CVS	15.2%	~66	Limited Info	Limited Info	Plausible, assuming no non-conflict of terms with existing 7-11 relationship
Ministop	CVS	13.2%	~57	Limited Info	Limited Info	Plausible, assuming no non-conflict of terms with existing 7-11 relationship
7-Eleven	CVS	8.8%	~38	Limited Info	Limited Info	Plausible, limited info
Long Chau**	H&B	4.6%	972	~41	~26x	Possible with earnings on track to double in FY25, but expensive
Pharmacy	H&B	2.4%	~507	NA	Limited Info	Plausible, limited info but likely expensive
An Khang	H&B	0.8%	~169	~0	Limited Info	Plausible, limited info but likely expensive

Source: Euromonitor, Refinitiv, DBS estimates (as of 2 Jun 25) (Note: \*refers to listed entities; \*\*Long Chau is a subsidiary of a listed entity, our FY25 earnings estimates is based on continuation of its 1Q25 performance for the next 3 quarters and valuation is based on assumption of 98% FPT Digital Retail's market cap value and corresponding 80.74% ownership of Long Chau business)

## DFI Retail Group Holdings

### Why is a patient approach to M&As advisable for the company?

**No earnings gap from RRHI divestment.** As highlighted above, a combination of organic growth and net interest savings could more than offset the loss of RRHI's earnings from FY26F onwards. With earnings still growing at a healthy high single digit in FY26F, the company may be in no rush to acquire for growth.

**While revenue growth may be constrained, there is substantial upside in earnings through operational efficiency gains.** With the bulk of DFI's revenue coming from the relatively mature Hong Kong market, top-line growth is expected to remain limited. However, we see potential of >USD100mn in earnings growth driven by improvements in operational efficiency. This upside can be unlocked through disciplined execution and reinvestment into the existing business, although some gains will depend on a more supportive macroeconomic environment (see Table 2).

### What is an appropriate amount to distribute as special dividend?

**Dividend yield >7% could reinforce management's commitment to TSR.** With local banks and REITs offering 6%-7% yields in FY25F, a yield of >7% based on a SGD2.70 share price could highlight DFI's focus on enhancing shareholder value. In our view, it could also help address investor concerns about the

potential misallocation of excess cash reserves. This payout level would correspond to a special dividend of ~7UScts per share.

**Payout range of 7-10 UScts balances shareholder returns with financial flexibility.** While rewarding shareholders is important, maintaining a healthy equity base is equally critical. As debt-to-equity remains a key investor metric, an overly aggressive dividend could shrink the equity base and reduce future debt headroom. Based on our estimates, a special dividend within the 7-10 UScts range, on top of normal dividends from ongoing operations, should keep the equity base stable while preserving ample cash reserves for future M&A opportunities.

**Assumed a 10UScts payout, implying an 8% yield and reinforcing capital discipline.** Our forecast assumes a 10UScts special dividend, at the high end of the potential range. This, together with normal dividends of c.12 UScts, would deliver an attractive 8% yield based on a SGD2.70 share price. In our view, such a payout would provide meaningful value to shareholders and demonstrate management's prudent capital allocation strategy.

**Table 2: Scenario - Potential net profit earnings uplift based on assumed margins**

Segment	FY26F Rev in USD 'mn	FY 26 OP in USD 'mn	FY26 OP margin (%) (a)	Historical Peak OP margin (%)	Assumed Potential OP margin (%)	Potential OP in USD 'mn (b)	Potential Net Earnings uplift in USD 'mn ((a)-(b))*80%	Comments
Food	2,121	60	2.9%	5.9%	4.0%	85	20	Improved mix, increased scale with market share gain in HK
CVS	2,396	113	4.7%	5.6%	6.0%	144	25	Higher RTE and lower cig mix vs during peak margin year (2008)
H&B	2,545	173	9.2%	10.9%	10.0%	255	65	Improved mix in HK with lower infant formula sales and market share gain
Home Furnishing	646	19	3.0%	11.8%	5.0%	32	10	Unlikely to recover to previous highs due to overcapacity and competitive landscape; may require improved macro environment
Restaurant*	3,039	70	4.6%	11.8%	6.0%	91	21	Recovery back to re-COVID margin during HK riot period (2019)
Total							141	
% of FY26F							49%	

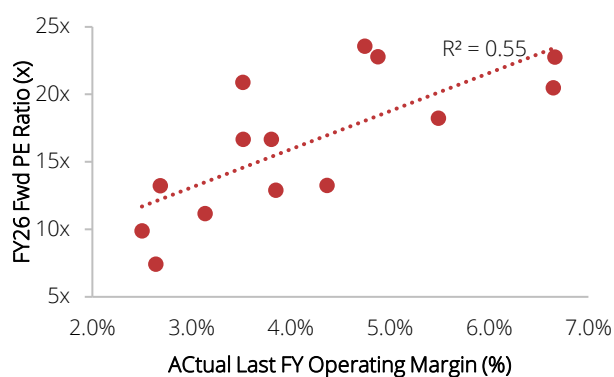
Source: Company, DBS estimates (\*As restaurants refers to associate, Maxim's contribution, OP refers to net profit)

## DFI Retail Group Holdings

### How do we value the company?

Lift TP to USD3.60 on higher earnings and higher PE peg of 16.7x in line with peer median. Our analysis shows a moderate correlation ( $R = 0.55$ ) between forward P/E ratios (FY26) and operating margins (see Chart 1), supporting our use of the peer median as a reasonable benchmark (see Table 3). This valuation is further supported from a yield perspective – if the company issues a 10UScts special dividend, the total dividend for FY25F would be 22UScts, translating to a 6.1% yield on our USD3.60 TP, which is broadly comparable to local REIT and bank yields.

**Chart 1: Operating margin partially explains valuation premium for retail operators with moderate 0.55 correlation between forward PE ratio and operating margin**



Source: Refinitiv, DBS (Walmart, AEON and Sheng Siong were excluded due to being valuation outliers relative to its operating margin profile)

**Table 3: Peer comparison of listed developed market retail operators**

Company	Main country of biz	Share CUR	Share price in LCY CUR	Mkt cap in USD mn	Fwd PE (FY25) (x)	Fwd PE (FY26) (x)	EBIT Margin (%)
DFI Retail	Hong Kong	USD	2.71	3,668	14.8x	13.6x	3.9%
Kroger	United States	USD	68.20	45,411	14.4x	13.2x	2.7%
Albertsons	United States	USD	22.02	12,678	10.2x	9.9x	2.5%
Alimentation Couche-Tard	Canada	CAD	73.18	50,601	19.8x	18.2x	5.5%
Loblaw	Canada	CAD	234.11	50,946	24.6x	22.8x	6.7%
Metro	Canada	CAD	107.96	17,226	22.6x	20.5x	6.6%
Empire Company	Canada	CAD	53.99	9,140	18.3x	16.7x	3.8%
Tesco	United Kingdom	GBp	390.60	34,932	14.8x	13.3x	4.4%
J Sainsbury	United Kingdom	GBp	286.60	8,954	12.9x	11.2x	3.1%
Woolworths	Australia	AUD	32.10	25,218	28.1x	23.6x	4.7%
Coles	Australia	AUD	21.84	18,839	26.5x	22.8x	4.9%
Carrefour	France	EUR	13.18	11,012	8.8x	7.4x	2.6%
Koninklijke Ahold Delhaize	Netherlands	EUR	37.12	38,453	13.9x	12.9x	3.8%
Jeronimo Martins	Portugal	EUR	21.88	15,624	19.8x	16.6x	3.5%
Seven & i Holdings	Japan	JPY	2,194.00	39,672	21.5x	20.9x	3.5%
				<b>Median</b>	<b>19.0x</b>	<b>16.7x</b>	<b>3.8%</b>
Walmart	United States	USD	99.77	798,248	38.0x	34.0x	4.3%
Aeon	Japan	JPY	4,412.00	26,707	71.0x	60.2x	2.3%
Sheng Siong	Singapore	SGD	1.83	2,132	18.9x	17.2x	10.9%

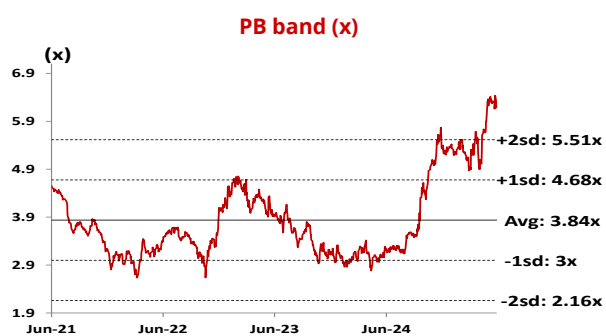
Source: Refinitiv, DBS (as of 2 Jun 25) (Walmart, AEON, and Sheng Siong were excluded from median calculation due to being valuation outliers relative to its operating margin profile)

## DFI Retail Group Holdings

### Company Background

Dairy Farm (DFI) is a Pan Asian retailer operating over 6,400 supermarkets, hypermarkets, health and beauty stores, convenience stores, home furnishing stores, and restaurants under well-known brand names in Hong Kong, Taiwan, China, Macau, Singapore, the Philippines, Cambodia, Brunei, Malaysia, Indonesia, and Vietnam.

### Historical PB band



Source: Bloomberg, DBS estimates



## DFI Retail Group Holdings

### Key Assumptions

FY Dec	2022A	2023A	2024A	2025F	2026F
Number of outlets	5,420	5,616	5,506	5,655	5,701
Sales per store blended	1,693	1,633	1,611	1,547	1,387

### Segmental Breakdown

FY Dec	2022A	2023A	2024A	2025F	2026F
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#### Revenues (USDmn)

Food	3,872	3,285	3,131	3,098	2,121
Convenience	2,266	2,441	2,379	2,326	2,396
Health & Beauty	2,025	2,445	2,457	2,459	2,545
Home Furnishing	839	794	701	666	646
Others	172	205	201	201	201
<b>Total</b>	<b>9,174</b>	<b>9,170</b>	<b>8,869</b>	<b>8,750</b>	<b>7,910</b>

#### Operating profit

Food	90.9	31.0	57.8	63.5	60.5
Convenience	50.5	87.7	102	105	113
Health & Beauty	93.6	208	211	221	234
Home Furnishing	45.5	18.5	16.1	18.7	19.4
Others	(71.3)	(52.3)	(43.9)	(49.6)	(49.5)
<b>Total</b>	<b>209</b>	<b>293</b>	<b>343</b>	<b>359</b>	<b>377</b>

#### Operating profit

Food	2.3	0.9	1.8	2.1	2.9
Convenience	2.2	3.6	4.3	4.5	4.7
Health & Beauty	4.6	8.5	8.6	9.0	9.2
Home Furnishing	5.4	2.3	2.3	2.8	3.0
Others	(41.5)	(25.6)	(21.8)	(24.7)	(24.6)
<b>Total</b>	<b>2.3</b>	<b>3.2</b>	<b>3.9</b>	<b>4.1</b>	<b>4.8</b>

### Income Statement (USDmn)

FY Dec	2022A	2023A	2024A	2025F	2026F
Revenue	9,174	9,170	8,869	8,750	7,910
Cost of Goods Sold	(6,108)	(5,957)	(5,640)	(5,548)	(5,315)
<b>Gross Profit</b>	<b>3,066</b>	<b>3,213</b>	<b>3,229</b>	<b>3,203</b>	<b>2,594</b>
Other Opng (Exp)/Inc	(2,822)	(2,919)	(2,886)	(2,844)	(2,217)
<b>Operating Profit</b>	<b>244</b>	<b>294</b>	<b>343</b>	<b>359</b>	<b>377</b>
Other Non Opng (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	(212)	43.4	42.5	80.9	69.9
Net Interest (Exp)/Inc	(122)	(144)	(151)	(124)	(102)
Exceptional Gain/(Loss)	0.0	(122)	(445)	(130)	0.0
<b>Pre-tax Profit</b>	<b>(89.3)</b>	<b>71.3</b>	<b>(210)</b>	<b>186</b>	<b>345</b>
Tax	(31.3)	(40.9)	(29.5)	(47.0)	(55.0)
Minority Interest	(6.0)	1.80	(4.7)	0.0	0.0
Preference Dividend	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>(127)</b>	<b>32.2</b>	<b>(245)</b>	<b>139</b>	<b>290</b>
Net Profit before Except.	(127)	154	201	269	290
EBITDA	215	517	557	609	603

#### Growth

Revenue Gth (%)	(0.2)	0.0	(3.3)	(1.3)	(9.6)
EBITDA Gth (%)	(51.8)	141.0	7.7	9.3	(0.9)
Opg Profit Gth (%)	(21.4)	20.3	16.8	4.5	5.2
Net Profit Gth (Pre-ex) (%)	nm	nm	30.1	33.9	7.9

#### Margins & Ratio

Gross Margins (%)	33.4	35.0	36.4	36.6	32.8
Opg Profit Margin (%)	2.7	3.2	3.9	4.1	4.8
Net Profit Margin (%)	(1.4)	0.4	(2.8)	1.6	3.7
ROAE (%)	(11.4)	3.3	(31.3)	23.9	50.5
ROA (%)	(1.7)	0.4	(3.4)	2.2	5.3
ROCE (%)	5.3	2.8	8.5	7.9	10.6
Div Payout Ratio (%)	N/A	336.1	N/A	214.7	107.4
Net Interest Cover (x)	2.0	2.0	2.3	2.9	3.7

Source: Company, DBS

## DFI Retail Group Holdings

### Balance Sheet (USDmn)

FY Dec	2022A	2023A	2024A	2025F	2026F
Net Fixed Assets	803	708	618	680	754
Invts in Associates & JVs	1,781	1,794	839	511	441
Other LT Assets	3,302	3,223	2,945	2,792	2,747
Cash	231	303	274	709	551
Inventory	871	764	686	623	597
Debtors	253	256	215	192	184
Net Intangibles Assets	412	290	138	107	75.7
Other Current Assets	85.2	62.9	1,695	32.5	32.5
<b>Total Assets</b>	<b>7,326</b>	<b>7,111</b>	<b>7,272</b>	<b>5,539</b>	<b>5,307</b>
ST Debt	837	771	505	87.9	87.9
Creditor	2,170	2,096	1,896	1,824	1,748
Other Current Liab	666	660	1,690	650	658
LT Debt	259	153	237	36.5	36.5
Other LT Liabilities	2,453	2,443	2,350	2,350	2,194
Shareholder's Equity	947	980	581	578	570
Minority Interests	(5.7)	7.90	13.3	13.3	13.3
<b>Total Cap. &amp; Liab.</b>	<b>7,326</b>	<b>7,111</b>	<b>7,272</b>	<b>5,539</b>	<b>5,307</b>
Non-Cash Wkg. Capital	(1,627)	(1,674)	(990)	(1,626)	(1,591)
Net Cash/(Debt)	(865)	(621)	(468)	584	427
Debtors Turn (avg days)	9.6	10.1	9.7	8.5	8.7
Creditors Turn (avg days)	130.9	134.7	133.2	126.2	126.3
Inventory Turn (avg days)	50.9	51.6	48.4	44.4	43.2
Asset Turnover (x)	1.2	1.3	1.2	1.4	1.5
Current Ratio (x)	0.4	0.4	0.7	0.6	0.5
Quick Ratio (x)	0.1	0.2	0.1	0.4	0.3
Net Debt/Equity (X)	0.9	0.6	0.8	CASH	CASH
Net Debt/Equity ex MI (X)	0.9	0.6	0.8	CASH	CASH
Capex to Debt (%)	20.4	18.8	20.7	160.8	160.8

Source: Company, DBS

## DFI Retail Group Holdings

### Cash Flow Statement (USDmn)

FY Dec	2022A	2023A	2024A	2025F	2026F
Pre-Tax Profit	(89.3)	71.3	(210)	186	345
Dep. & Amort.	861	827	837	826	747
Tax Paid	(18.0)	(41.1)	(35.5)	(33.7)	(47.0)
Assoc. & JV Inc/(loss)	212	(43.4)	(42.5)	(80.9)	(69.9)
Chg in Wkg.Cap.	(6.7)	45.4	(79.1)	13.8	(42.7)
Other Operating CF	(19.2)	184	503	130	0.0
<b>Net Operating CF</b>	<b>940</b>	<b>1,044</b>	<b>973</b>	<b>1,041</b>	<b>932</b>
Capital Exp.(net)	(224)	(173)	(153)	(200)	(200)
Other Invt.(net)	0.0	0.0	0.0	0.0	0.0
Invt. in Assoc. & JV	(8.3)	(18.4)	(6.4)	993	0.0
Div from Assoc & JV	0.0	0.0	0.0	0.0	0.0
Other Investing CF	31.2	97.2	96.1	0.0	0.0
<b>Net Investing CF</b>	<b>(201)</b>	<b>(94.6)</b>	<b>(63.6)</b>	<b>793</b>	<b>(200)</b>
Div Paid	(101)	(67.3)	(114)	(142)	(298)
Chg in Gross Debt	53.4	(166)	(172)	(617)	0.0
Capital Issues	0.0	0.0	0.0	0.0	0.0
Other Financing CF	(681)	(634)	(644)	(639)	(592)
<b>Net Financing CF</b>	<b>(728)</b>	<b>(868)</b>	<b>(930)</b>	<b>(1,398)</b>	<b>(890)</b>
Currency Adjustments	(6.8)	3.10	(3.3)	0.0	0.0
Chg in Cash	3.70	84.5	(24.4)	435	(157)
Opg CFPS (US cts.)	70.0	73.8	77.8	75.9	72.1
Free CFPS (US cts.)	52.9	64.3	60.6	62.2	54.1

Source: Company, DBS

### Target Price & Ratings 12-mth History



Note : Share price and Target price are adjusted for corporate actions.

S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	05 Aug 24	1.74	2.30	BUY
2:	26 Sep 24	1.99	3.00	BUY
3:	12 Mar 25	2.28	3.00	BUY

Source: DBS

Analysts: Zheng Feng CHEE

Andy SIM, CFA

DBS Group Research recommendations are based on an Absolute Total Return\* Rating system, defined as follows:

**STRONG BUY** (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

**BUY** (>15% total return over the next 12 months for small caps, >10% for large caps)

**HOLD** (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

**FULLY VALUED** (negative total return, i.e., > -10% over the next 12 months)

**SELL** (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

\*Share price appreciation + dividends

Completed Date: 9 Jun 2025 06:47:21 (SGT)

Dissemination Date: 9 Jun 2025 07:11:33 (SGT)

Sources for all charts and tables are DBS unless otherwise specified.

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