

# 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

22 Sep 2025

### BUY

Last Traded Price (22 Sep 2025): USD3.22 (STI : 4,312.62)

Price Target 12-mth: USD3.90 (21% upside)

#### Analysts

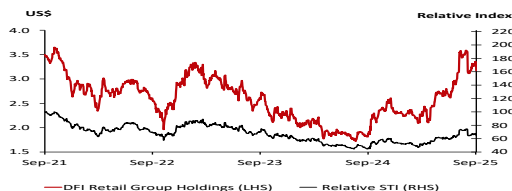
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#### What's New

- On-ground 7-Eleven store visits indicate (i) diverse RTE offerings, (ii) competitive meal pricing, and (iii) process automation, all of which support convenience margin uplift
- Extending hot pizza and smoothies to more stores should broaden appeal, while installation of self-checkout counters can reduce labour costs and lift store-level profit
- South China growth remains intact, underpinned by superior margins compared to local peers and store-expansion headroom beyond Tier 1 Guangdong cities
- Maintain BUY with TP of USD3.90

#### Price Relative



#### Forecasts and Valuation

FY Dec (USDmn)	2023A	2024A	2025F	2026F
Revenue	9,170	8,869	8,904	8,238
EBITDA	517	557	618	609
Pre-tax Profit	71.3	(210)	165	342
Net Profit	32.2	(245)	120	288
Net Pft (Pre Ex.)	154	201	270	288
Net Pft Gth (Pre-ex) (%)	nm	30.1	34.5	6.8
EPS (US cts.)	2.38	(18.1)	8.86	21.3
EPS Pre Ex. (US cts.)	11.4	14.8	19.9	21.3
EPS Gth Pre Ex (%)	nm	30	35	7
Diluted EPS (US cts.)	2.38	(18.1)	8.86	21.3
Net DPS (US cts.)	8.00	10.5	56.3	13.0
BV Per Share (US cts.)	72.5	43.0	(3.0)	6.34
PE (X)	135.3	nm	36.3	15.1
PE Pre Ex. (X)	28.3	21.7	16.1	15.1
P/Cash Flow (X)	4.2	4.5	4.1	4.4
EV/EBITDA (X)	9.6	8.7	7.1	7.1
Net Div Yield (%)	2.5	3.3	17.5	4.0
P/Book Value (X)	4.4	7.5	nm	50.8
Net Debt/Equity (X)	0.6	0.8	CASH	CASH
ROAE (%)	3.3	(31.3)	44.3	1,262.9

Earnings Rev (%):

Consensus EPS (US cts.):

Other Broker Recs:

B: 7

S: 0

H: 1

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

### Ready to eat at 7-Eleven

#### Investment Thesis:

Streamlined business portfolio well positioned to weather an increasingly uncertain macroeconomic climate. DFI has streamlined its operations by divesting low-margin, low-strategic value businesses and exiting associate stakes with limited control, including those in Yonghui and Robinsons Retail. Post divestments, the portfolio appears more resilient and better balanced, anchored by food, health & beauty, and convenience – segments typically less sensitive to macroeconomic swings. These strategic changes should offset the more cyclical home furnishing and restaurants businesses, which are poised to outperform when conditions improve.

On-ground 7-Eleven checks indicate headroom for RTE mix growth and process automation to lift convenience profitability. Our on-ground observations confirms that the business is highly sensitive to timing and location. Slurpee remains a popular mainstay near schools and tuition centres. Ready-to-eat (RTE) combos, such as onigiri with coffee, are most popular for breakfast around office clusters. We noted that selected stores have added hot pizza and smoothies, broadening their appeal to a wider customer base. Self-checkout counters have been installed in some outlets, which should reduce labour requirements and improve segment profitability.

Despite headlines regarding delivery wars, superior margins and store-expansion headroom should sustain growth in South China. RTE accounts for about 40% of the mix, compared to about 18% for local peers, providing DFI an est. 70bps operating-margin advantage. In addition, certain RTE lines are supplied by its associate, Maxim's, which offers indirect margin support. We also identify >2k incremental store opportunities (1H25: ~1,860 stores in South China) across three key cities outside the Tier 1 Guangdong cities, which are expected to drive multi-year top-line growth.

**Maintain BUY with TP of USD3.90.** We kept our TP unchanged, pegged to the 10-year average forward PE of 18x. In our view, the company could experience a valuation re-rating should it deliver on earnings growth supported by cost efficiencies and mix-driven margin expansion.

#### Key Risks

Prolonged food delivery subsidies in Mainland China could derail the growth trajectory and profitability of the company's convenience business.

#### At A Glance

Issued Capital (mn shrs)	1,352
Mkt. Cap (USDmn)	4,354
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	



Watchlist the stock on Insights Direct to receive prompt updates

## WHAT'S NEW

### Positioning to be a major QSR player in Asia

Based on conversations with investors, we sense a degree of scepticism regarding DFI's ready-to-eat (RTE) ambitions. However, we view RTE as a central growth pillar and expect this strategy to lead the next phase of growth (see Appendix 1). In response, we conducted an extensive nationwide site visit of 7-Eleven stores in Singapore to ascertain what is sold, who buys it, and how the company plans to grow profits.

### What are the offerings at 7-Eleven stores?

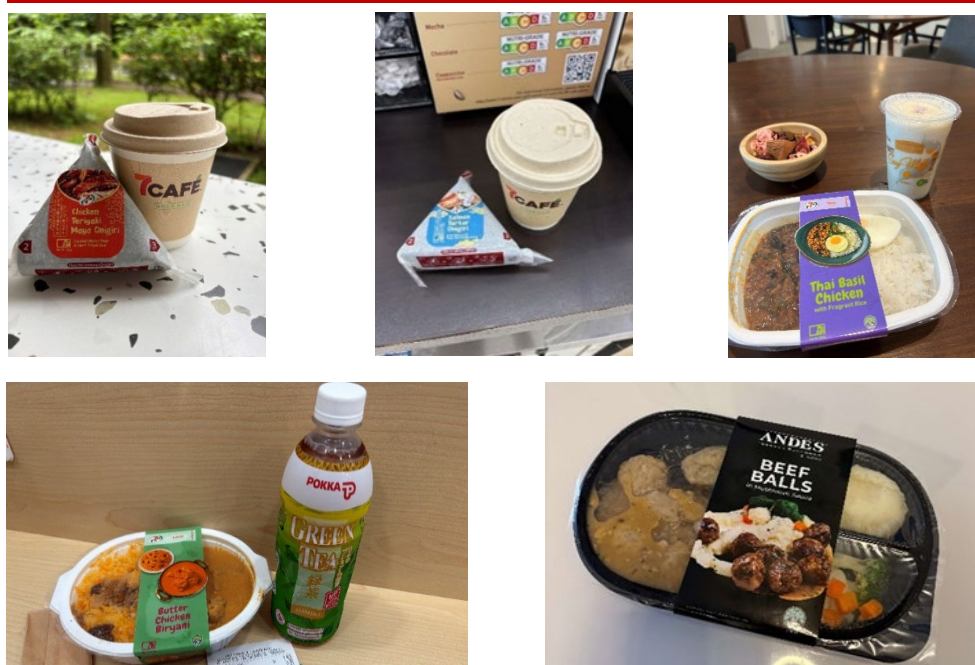
There are a few 7-Eleven mainstays, namely onigiri, sandwiches, burgers, set meals, and coffee. Our team visited outlets nationwide and sampled the various RTE options on offer. We summarised our key findings below.

**Variety** – The range of offerings varies by store, but the mainstays were available in all locations visited. Smaller outlets offered fewer flavour variants. Slurpee machines were present only in selected stores.

**Taste** – We sampled onigiri with hot coffee, a Thai basil chicken rice and soymilk set, chicken biryani with green tea, and Andes beef balls with mushroom sauce (see Figure 1). While taste is subjective, the food was generally palatable, though portions tended to be small.

**Price** – Pricing is competitive, especially with meal bundle discounts. For example, onigiri with coffee costs SGD3.50, and the Thai basil chicken rice with soy milk set costs SGD5.50. The more premium Andes beef balls are priced at SGD7.90 (comparable in taste to standard IKEA Swedish meat balls priced at SGD11.50). Overall, price points are comparable with affordable food court options (SGD3.50 for a kaya toast, egg, and hot coffee set at Kopitiam) and fast-food options (SGD5 for a McChicken value meal).

**Figure 1: RTE meals we tried at 7-Eleven**



Source: DBS; from top left to bottom right: SGD3.50 chicken mayo onigiri and coffee set (Red Hill), SGD3.50 salmon tartar onigiri and coffee set (Tanjong Katong Road), SGD5.50 Thai basil chicken and soymilk set (Marina One), SGD6.50 butter chicken biryani with bottled green tea (UE Square), SGD7.90 Andes beef balls (Shenton House)

### Who patronises 7-Eleven stores?

Based on our on-site observations of certain stores, we believe the key customer demographics can be divided into three groups:

**Students** – Typically seeking a beverage or snack after school or tuition. Outlets near schools and tuition centres often have Slurpee machines to serve this segment (Figure 2).

**Office workers** – Usually seeking light bites at breakfast, lunch, or tea. They tend to pick up sandwiches or other small bites with a drink. Stores near the CBD carried solid stocks of RTE items and beverages (Figure 3), although the smaller stores had a more limited range of flavours.

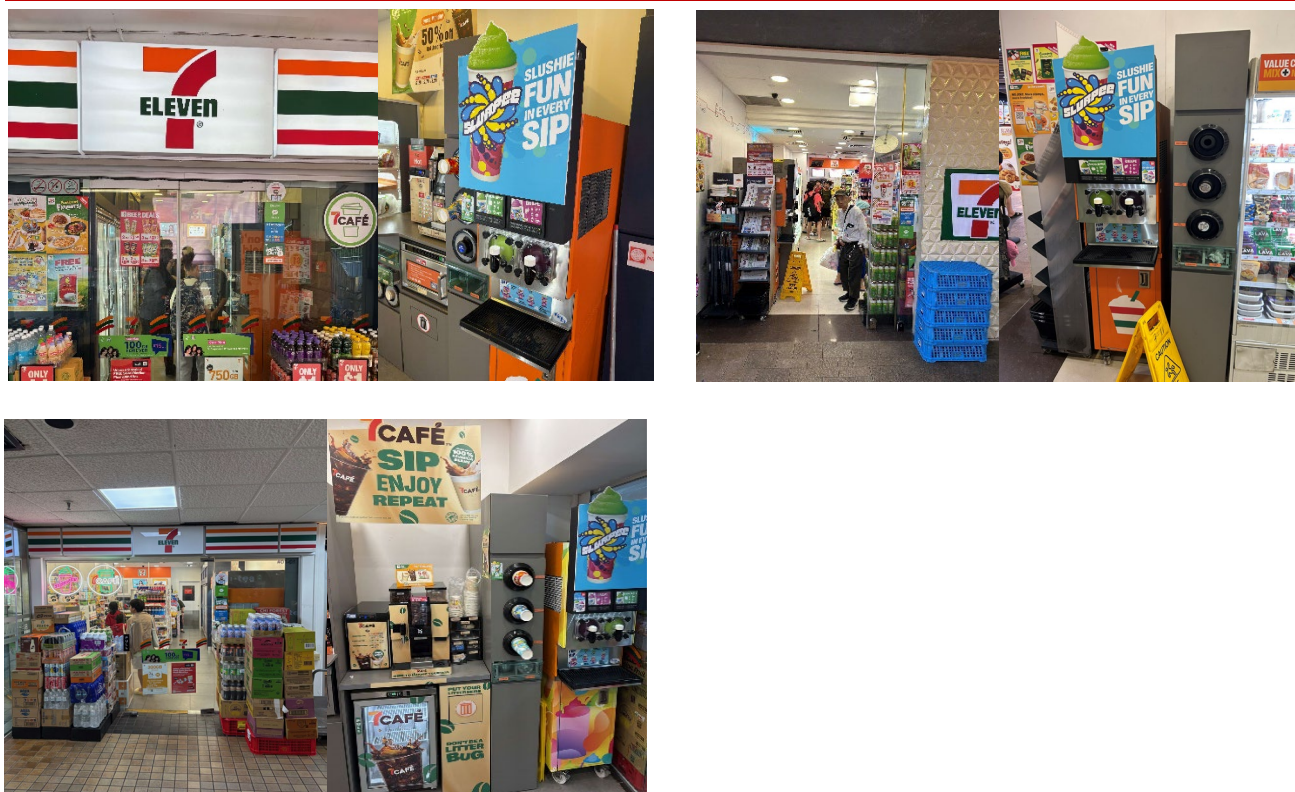
**Tourists** – Looking for grab-and-go snacks or drinks. The Changi Airport outlet offered the widest range of RTE items and beverages, likely tailored to visitors (Figure 4).

### How is the company planning to drive profitability?

We visited a revamped 7-Eleven at The Metropolis, an office catchment area, and noted changes that could be extended to other stores to enhance profitability. Key takeaways include:

**Broaden RTE offerings to include sliced pizza and smoothies to cater to wider demographics.** The company has partnered with Korean brand Go-Pizza to offer instant pizza at SGD5.50 per slice, versus roughly SGD7-10 at pizza chains (Figure 5). Regarding taste, our pepperoni slice was decent and comparable to Pizza Hut. According to Go-Pizza's website, this offering is available in 17 of 467 7-Eleven outlets as at end-2024, ~4%, implying ample room for scalability. The store also sells smoothies at SGD4.50 (Figure 5). This represents good value compared with a similar Boost drink at SGD5.50, and should appeal to health-conscious students and adults.

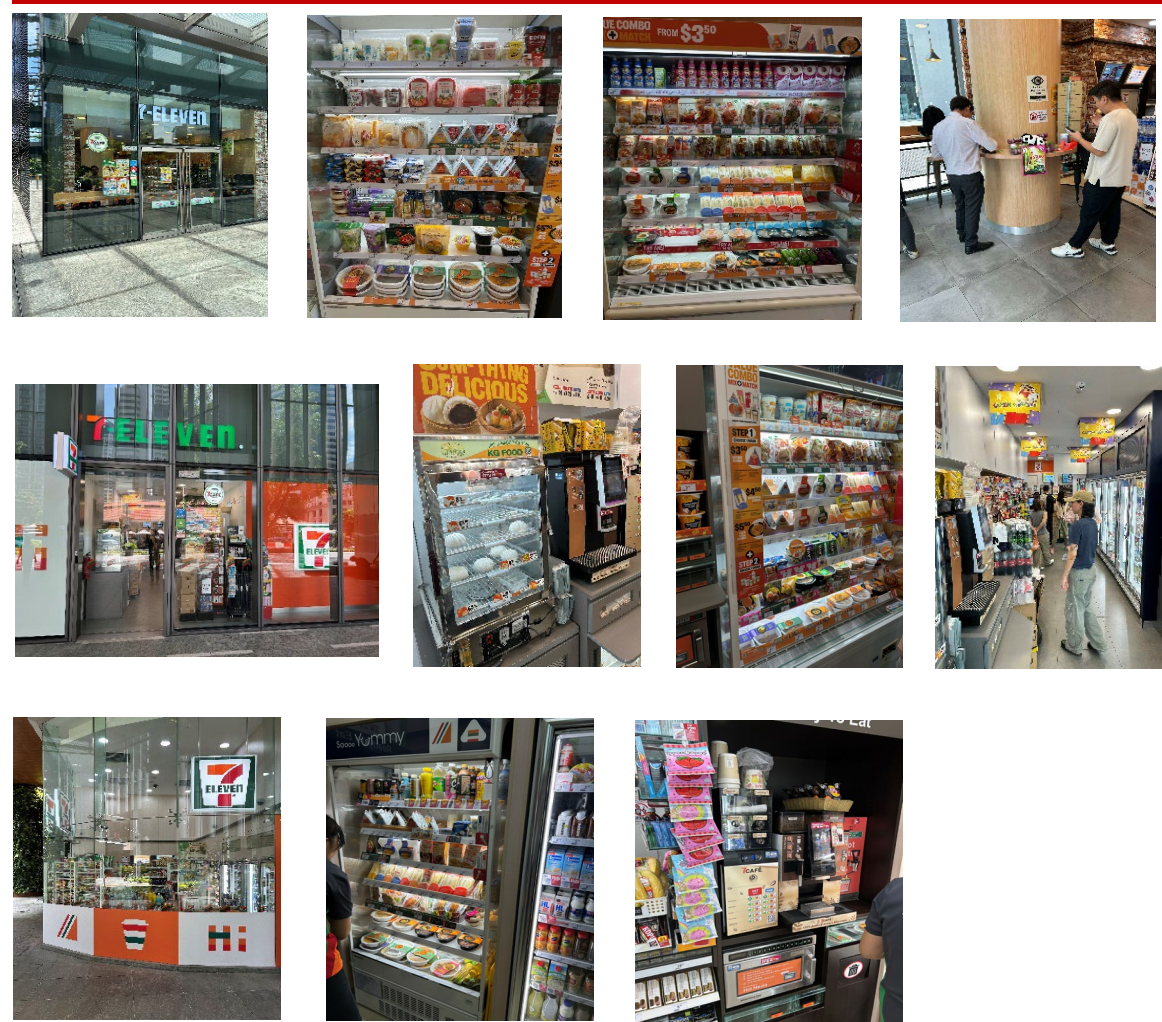
Figure 2: 7-Eleven outlets we visited with Slurpee machines



Source: DBS; Marine Parade Central store (top left) and Causeway Point store (top right), which are frequented by students from schools nearby; Beauty World Centre store (bottom centre), which is frequented by students post tuition

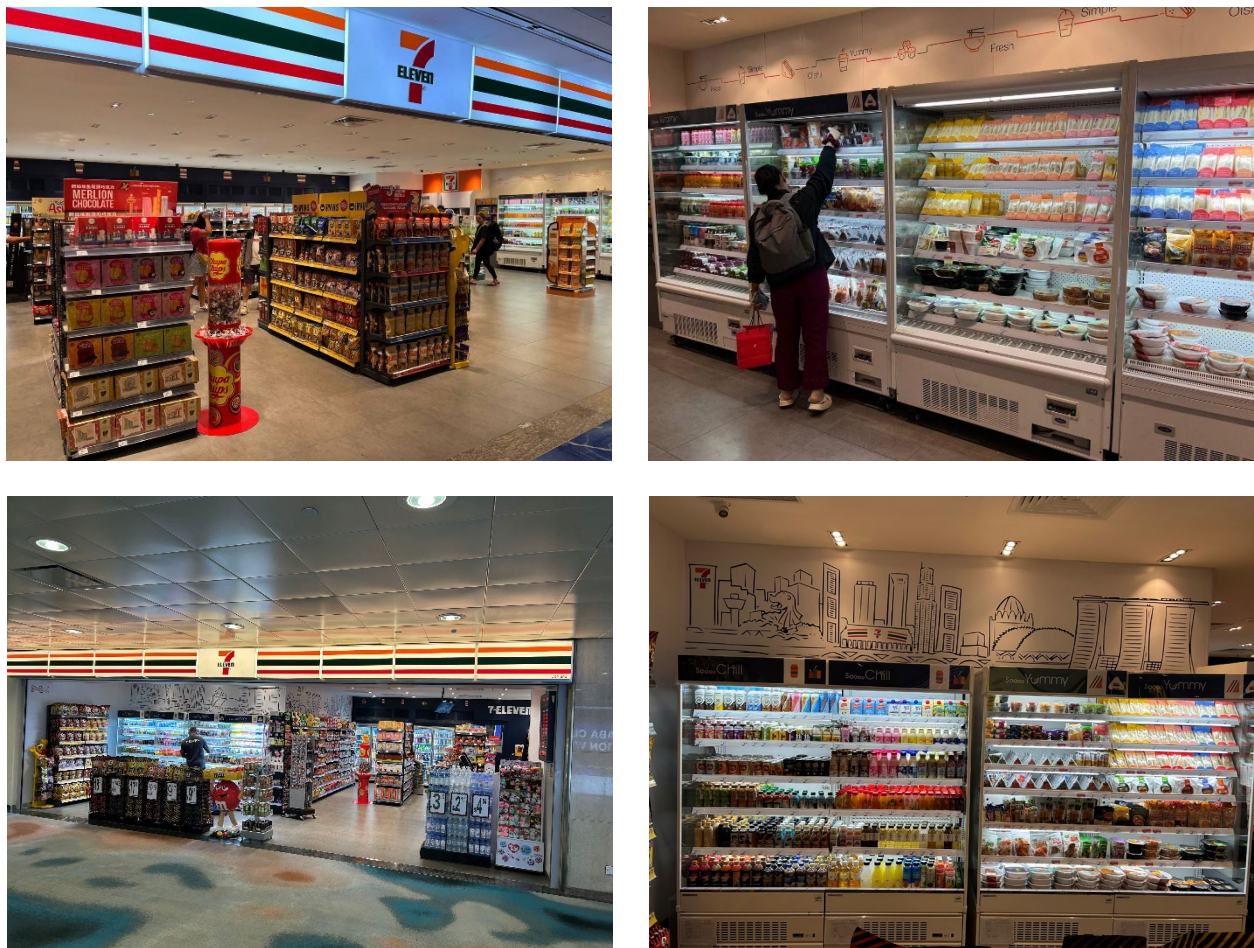


Figure 3: 7-Eleven outlets we visited around the CBD area



Source: DBS; top: Marina One, centre: IOI Central Boulevard Towers, bottom: One Shenton

Figure 4: 7-Eleven outlets located at airports have a significantly larger RTE footprint, offering unique Singaporean products



Source: DBS; top: Changi Terminal 1, bottom: Changi Terminal 3

Figure 5: New RTE offerings at 7-Eleven Metropolis outlet



Source: DBS

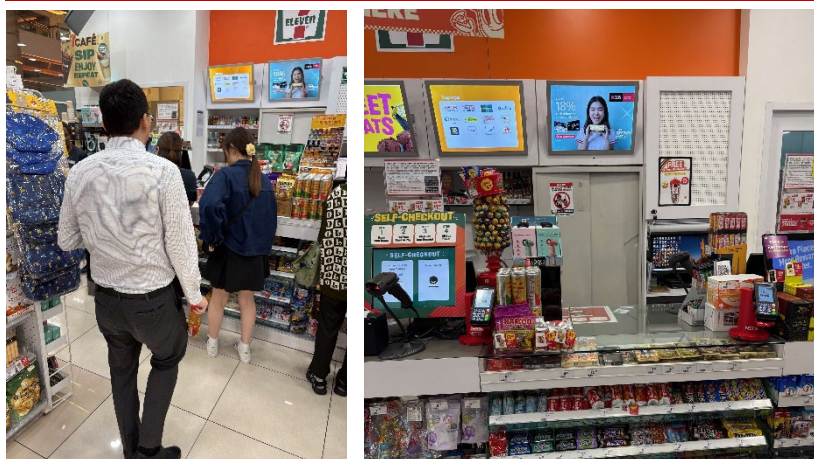


**DFI Retail Group Holdings**

**Installation of self-checkout counters to reduce labour costs.** We observed self-checkout counters at UE Square and The Metropolis. At The Metropolis, there was one staff member on duty, versus the typical two, with one at the till and another restocking (Figure 6). At UE Square, there were two staff members, and the self-checkout was unused despite a long queue (Figure 6), suggesting a learning period as customers adapt to the new process.

Strategically, the company is moving in the right direction to enhance its RTE mix by broadening the offering range and improving cost efficiency through self-checkout. We expect margins to improve progressively as adoption scales and consumers become familiar with the format.

**Figure 6: Self checkout counters in 7-Eleven stores**



Source: DBS; left: UE Square, right: The Metropolis

## DFI Retail Group Holdings

### South China

#### Near-term challenge with competition from food delivery platforms.

JD's entry into food delivery in Feb 25 has sparked a food delivery war, with companies offering massive subsidies on food and beverage at very low prices. This indirectly reduces foot traffic and negatively impacts convenience store businesses.

Accordingly, investors are justifiably concerned about the company's expansion plan in the region. Recent industry data also indicates increased profitability challenges in 1H25 (refer to Chart 1) likely linked to the ongoing food delivery war.

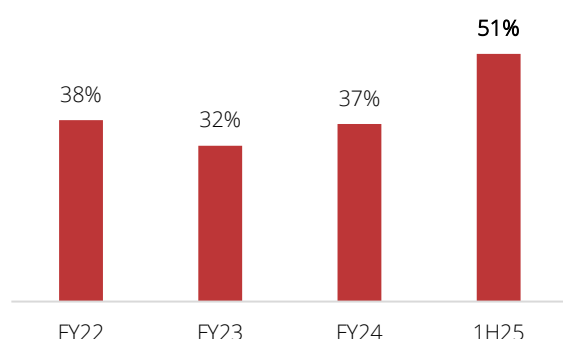
#### Why we believe China remains a great opportunity

There are three key reasons: (1) current food delivery war is unsustainable and transitory, (2) sales mix and value chain integration provide a margin buffer to outlast competitors, and (3) headroom for growth exists outside Tier 1 cities.

#### Delivery price war unsustainable and likely to ease sooner than later.

History suggests that price wars in China typically last around two years. This pattern was observed in previous cases such as Didi versus Uber and Mobike versus Ofo. However, the current food delivery war may prove to be shorter. The government intervened early in May 25, calling for fair competition across the industry. In response, all three major players – Meituan, Alibaba, and JD – have publicly committed in Aug 25 to curb aggressive pricing tactics. With this regulatory pressure and industry alignment, we believe subsidies are likely to start winding down in the coming months. As promotions ease, foot traffic is expected to recover gradually, with a clearer pickup by late 2025 or early 2026.

**Chart 1: Convenience store enterprises in China indicating lower profits y/y**



Source: China Chain Store & Franchise Association, DBS

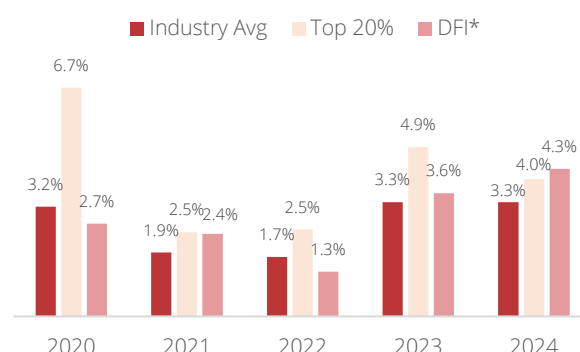
#### Superior margin profile versus industry due to much higher RTE mix.

Foreign convenience stores are not permitted to sell cigarettes in China. This restriction has contributed to a significantly higher RTE product mix in South China operations. As of 2024, we understand that RTE accounts for about 40% of sales for DFI in South China, compared to an 18.3% industry average (which includes fresh food, coffee, and own-brand offerings). Although DFI does not disclose South China profitability separately, the higher RTE mix (with much higher margin relative to cigarettes) suggests a stronger margin profile. Its EBIT margin is likely among the top 20% of peers at an est. 4%. This compares favourably to the est. industry average of 3.3% (see Chart 2).

#### Vertical integration with RTE supplier provides further indirect margin headroom.

The company sources certain RTEs directly from its 50% associate in Maxim's, which has existing central kitchen facilities. This provides an additional source of indirect margin headroom versus its competitors, which largely rely on independent external suppliers. Should the delivery price war be prolonged, we believe DFI, with its margin headroom is well positioned to ride through the war and emerge stronger.

**Chart 2: Estimated China convenience store average EBIT margin trend, relative to top 20% of industry and DFI's convenience segment margin**



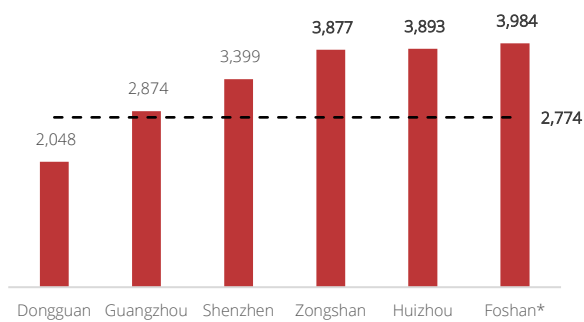
Source: China Chain Store & Franchise Association, KPMG, DBS estimates (\*Note: DFI's overall convenience segment margin)

**Headroom for growth beyond Tier 1 cities.** Based on population per store statistics, we believe there is significant store network expansion headroom outside Tier 1 cities with a population count of 3,800 to 4,000 per store. This is relative to Tier 1 Guangdong cities (Guangzhou and Shenzhen) and Dongguan, which have a lower average population count of ~2,770 per store (refer to Chart 3). In total, we believe there could be headroom for >2,100 new stores outside Tier 1 cities (Zongshan, Huizhou, and Foshan), supporting multi-year store network expansion at ~200 stores per annum.

**Traditional franchise model to support rapid store expansion.** Under this model, franchisees bear the rental costs and the majority of capex. This positions the company to expand rapidly with limited capex outlay. With rapid store network expansion, we believe the company could benefit from procurement and distribution economics of scale.

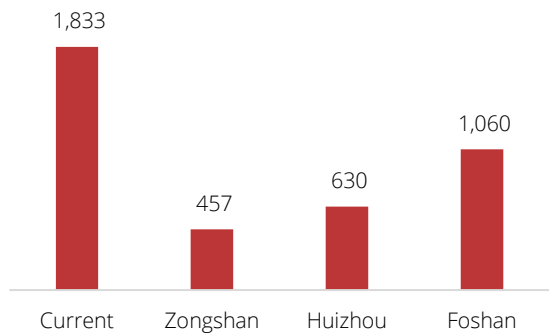
Overall, we expect store expansion across under-penetrated South China to position the company for a return to top-line growth from FY26F. In addition, its scaled-up RTE strategy will be a key driver of multi-year high-single-digit to low-double-digit earnings growth (Appendix 1: USD137mn in operational efficiencies upside will materialise over four to five years, implying an 8%-10% CAGR).

**Chart 3: Population count per store data indicates higher growth headroom in Tier 2 cities like Zongshan, Huizhou, and Foshan**



Source: China Chain Store & Franchise Association, DBS estimates (\*Note: estimated on Baidu data, Foshan Municipal Bureau of Statistics, CEIC, DBS) (as of 2024)

**Chart 4: Total store count growth headroom in three Tier 2 cities relative to DFI's current South China store count**



Source: Company, DBS estimates (as of 2024) (Note: estimated based on these cities reaching comparable population count per store of top 3 Guangdong cities)



## Appendix 1: Revised earnings uplift potential from base-case operational efficiency improvement scenario

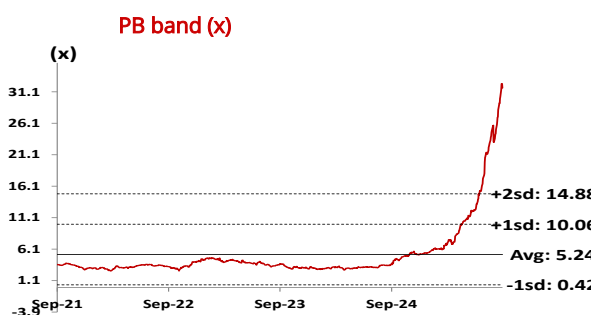
Segment	FY26F Rev in USD 'mn	FY 26 OP in USD 'mn	FY26 OP margin (%) (a)	Historical Peak OP margin (%)	Assumed Potential OP margin (%)	Potential OP in USD 'mn (b)	Potential Net Earnings uplift in USD 'mn ((a)-(b))*80%	Comments
Food	2,317	60	2.6%	5.9%	4.0%	93	26	Improved mix, increased scale with market share gain in HK
CVS	2,409	104	4.3%	5.6%	6.0%	145	33	Higher RTE and lower cigarette mix vs. during peak margin year (2008)
H&B	2,664	229	8.6%	10.9%	10.0%	266	30	Improved mix in HK with lower infant formula sales and market share gain
Home Furnishing	646	28	4.3%	11.8%	5.0%	32	4	Unlikely to recover to previous highs due to overcapacity and competitive landscape; may require improved macro environment
Restaurant*	3,070	74	4.8%	11.8%	6.0%	92	18	Recovery to re-COVID margin during HK riot period (2019)
Head office costs		-132	-1.6%	-0.30%	-1.2%	-99	27	Unlikely to recover to 0.3% of sales due to digitalisation costs, but 1.2% is likely achievable with leaner cost structure and digital spend (achieved in 2020)
Total							137	
% of FY26F							48%	

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

## 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 PE and 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	5,773	5,971
Sales per store blended	1,693	1,633	1,611	1,542	1,380

Accounted for lower Food store count post CS Singapore divestment, which will be largely offset by H&B and CVS store count growth

## Segmental Breakdown

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

Food	3,872	3,285	3,131	3,098	2,317
Convenience	2,266	2,441	2,379	2,348	2,409
Health & Beauty	2,025	2,445	2,457	2,591	2,664
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>8,904</b>	<b>8,238</b>

Sharp decline in Food revenue due to sale of CS Singapore, which will deliver est. ~USD750mn in revenue for FY25F

## Operating profit (USDmn)

Food	90.9	31.0	57.8	55.8	60.3
Convenience	50.5	87.7	102	96.3	104
Health & Beauty	93.6	208	211	220	229
Home Furnishing	45.5	18.5	16.1	23.3	27.8
Others	(71.3)	(52.3)	(43.9)	(38.5)	(46.8)
<b>Total</b>	<b>209</b>	<b>293</b>	<b>343</b>	<b>357</b>	<b>374</b>

## Operating profit Margins (%)

Food	2.3	0.9	1.8	1.8	2.6
Convenience	2.2	3.6	4.3	4.1	4.3
Health & Beauty	4.6	8.5	8.6	8.5	8.6
Home Furnishing	5.4	2.3	2.3	3.5	4.3
Others	(41.5)	(25.6)	(21.8)	(19.1)	(23.3)
<b>Total</b>	<b>2.3</b>	<b>3.2</b>	<b>3.9</b>	<b>4.0</b>	<b>4.5</b>

## Income Statement (USDmn)

FY Dec	2022A	2023A	2024A	2025F	2026F
Revenue	9,174	9,170	8,869	8,904	8,238
Cost of Goods Sold	(6,108)	(5,957)	(5,640)	(5,645)	(5,536)
<b>Gross Profit</b>	<b>3,066</b>	<b>3,213</b>	<b>3,229</b>	<b>3,259</b>	<b>2,702</b>
Other Opng (Exp)/Inc	(2,822)	(2,919)	(2,886)	(2,902)	(2,328)
<b>Operating Profit</b>	<b>244</b>	<b>294</b>	<b>343</b>	<b>357</b>	<b>374</b>
Other Non Opng (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	(212)	43.4	42.5	88.6	73.7
Net Interest (Exp)/Inc	(122)	(144)	(151)	(131)	(106)
Exceptional Gain/(Loss)	0.0	(122)	(445)	(150)	0.0
<b>Pre-tax Profit</b>	<b>(89.3)</b>	<b>71.3</b>	<b>(210)</b>	<b>165</b>	<b>342</b>
Tax	(31.3)	(40.9)	(29.5)	(45.3)	(53.6)
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>120</b>	<b>288</b>
Net Profit before Except.	(127)	154	201	270	288
EBITDA	215	517	557	618	609

## Growth

Revenue Gth (%)	(0.2)	0.0	(3.3)	0.4	(7.5)
EBITDA Gth (%)	(51.8)	141.0	7.7	10.9	(1.4)
Opg Profit Gth (%)	(21.4)	20.3	16.8	4.1	4.7
Net Profit Gth (Pre-ex) (%)	nm	nm	30.1	34.5	6.8

## Margins &amp; Ratio

Gross Margins (%)	33.4	35.0	36.4	36.6	32.8
Opg Profit Margin (%)	2.7	3.2	3.9	4.0	4.5
Net Profit Margin (%)	(1.4)	0.4	(2.8)	1.3	3.5
ROAE (%)	(11.4)	3.3	(31.3)	44.3	1,262.9
ROA (%)	(1.7)	0.4	(3.4)	2.0	5.9
ROCE (%)	5.3	2.8	8.5	8.5	13.0
Div Payout Ratio (%)	N/A	336.1	N/A	635.4	61.0
Net Interest Cover (x)	2.0	2.0	2.3	2.7	3.5

Source: Company, DBS

## DFI Retail Group Holdings

## Interim Income Statement (USDmn)

FY Dec	1H2023	2H2023	1H2024	2H2024	1H2025
Revenue	4,574	4,596	4,405	4,464	4,387
Cost of Goods Sold	(3,021)	(2,936)	(2,833)	(2,807)	(2,804)
<b>Gross Profit</b>	<b>1,553</b>	<b>1,659</b>	<b>1,572</b>	<b>1,657</b>	<b>1,583</b>
Other Oper. (Exp)/Inc	(1,426)	(1,493)	(1,404)	(1,483)	(1,409)
<b>Operating Profit</b>	<b>128</b>	<b>166</b>	<b>168</b>	<b>175</b>	<b>175</b>
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	(6.7)	50.1	3.00	39.5	30.5
Net Interest (Exp)/Inc	(69.4)	(74.5)	(72.3)	(78.5)	(69.0)
Exceptional Gain/(Loss)	(23.2)	(98.8)	19.5	(465)	(143)
<b>Pre-tax Profit</b>	<b>28.3</b>	<b>43.0</b>	<b>118</b>	<b>(329)</b>	<b>(6.5)</b>
Tax	(23.0)	(17.9)	(23.8)	(5.7)	(30.9)
Minority Interest	2.90	(1.1)	0.50	(5.2)	(0.2)
<b>Net Profit</b>	<b>8.20</b>	<b>24.0</b>	<b>95.1</b>	<b>(340)</b>	<b>(37.6)</b>
Net profit bef Except.	31.4	123	75.6	125	105
EBITDA	121	216	171	214	205
<b>Growth</b>					
Revenue Gth (%)	(2.5)	0.5	(4.1)	1.3	(1.7)
EBITDA Gth (%)	452.1	78.9	(20.9)	25.2	(4.3)
Opg Profit Gth (%)	(24.4)	30.3	1.2	4.0	(0.2)
Net Profit Gth (%)	(113.0)	192.7	296.2	(457.1)	(88.9)
<b>Margins</b>					
Gross Margins (%)	34.0	36.1	35.7	37.1	36.1
Opg Profit Margins (%)	2.8	3.6	3.8	3.9	4.0
Net Profit Margins (%)	0.2	0.5	2.2	(7.6)	(0.9)

## Balance Sheet (USDmn)

FY Dec	2022A	2023A	2024A	2025F	2026F
Net Fixed Assets	803	708	618	677	747
Invt in Associates & JVs	1,781	1,794	839	498	432
Other LT Assets	3,302	3,223	2,945	2,780	2,709
Cash	231	303	274	134	160
ST Investment	0.0	0.0	0.0	0.0	0.0
Inventory	871	764	686	634	622
Debtors	253	256	215	195	192
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>4,951</b>	<b>4,894</b>
ST Debt	837	771	505	124	124
Creditor	2,170	2,096	1,896	1,856	1,820
Other Current Liab	666	660	1,690	648	656
LT Debt	259	153	237	0.0	0.0
Other LT Liabilities	2,453	2,443	2,350	2,350	2,194
Shareholder's Equity	947	980	581	(40.1)	85.8
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>4,951</b>	<b>4,894</b>
Non-Cash Wkg. Capital	(1,627)	(1,674)	(990)	(1,642)	(1,630)
Net Cash/(Debt)	(865)	(621)	(468)	9.24	35.3
Debtors Turn (avg days)	9.6	10.1	9.7	8.4	8.6
Creditors Turn (avg days)	130.9	134.7	133.2	125.1	124.8
Inventory Turn (avg days)	50.9	51.6	48.4	44.0	42.6
Asset Turnover (x)	1.2	1.3	1.2	1.5	1.7
Current Ratio (x)	0.4	0.4	0.7	0.4	0.4
Quick Ratio (x)	0.1	0.2	0.1	0.1	0.1
Net Debt/Equity (X)	0.9	0.6	0.8	CASH	CASH
Net Debt/Equity ex MI (X)	0.9	0.6	0.8	0.2	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)	165	342
Dep. & Amort.	861	827	837	841	778
Tax Paid	(18.0)	(41.1)	(35.5)	(33.7)	(45.3)
Assoc. & JV Inc/(loss)	212	(43.4)	(42.5)	(88.6)	(73.7)
Chg in Wkg.Cap.	(6.7)	45.4	(79.1)	31.5	(20.4)
Other Operating CF	(19.2)	184	503	150	0.0
<b>Net Operating CF</b>	<b>940</b>	<b>1,044</b>	<b>973</b>	<b>1,065</b>	<b>980</b>
Capital Exp.(net)	(224)	(173)	(153)	(200)	(200)
Other Invs.(net)	0.0	0.0	0.0	0.0	0.0
Invs 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)	(741)	(162)
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>(1,998)</b>	<b>(754)</b>
Currency Adjustments	(6.8)	3.10	(3.3)	0.0	0.0
Chg in Cash	3.70	84.5	(24.4)	(140)	26.0
Opg CFPS (US cts.)	70.0	73.8	77.8	76.4	74.0
Free CFPS (US cts.)	52.9	64.3	60.6	63.9	57.7

Source: Company, DBS

## Target Price &amp; Ratings 12-mth History



S.No.	Date	Closing Price	Target Price	Rating
1	26 Sep 24	1.99	3.00	BUY
2	12 Mar 25	2.28	3.00	BUY
3	09 Jun 25	2.80	3.60	BUY
4	24 Jul 25	3.55	4.30	BUY
5	21 Aug 25	3.55	3.90	BUY

Source: DBS

Analysts: Zheng Feng CHEE

Andy SIM, CFA

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**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: 22 Sep 2025 19:24:15 (SGT)

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**DFI Retail Group Holdings**

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