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INTERIM MANAGEMENT STATEMENT

DFI RETAIL GROUP HOLDINGS LIMITED
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DFI Retail Group Holdings Ltd
30 October 2025

Announcement

The following announcement was issued today to a Regulatory Information Service approved by the Financial Conduct Authority in the United Kingdom.

DFI RETAIL GROUP HOLDINGS LIMITED
Interim Management Statement

30 October 2025 - DFI Retail Group Holdings Limited today issues its Interim Management Statement for the third quarter of 2025.

OVERVIEW
DFI Retail Group continues to drive improved results by addressing our customers' ongoing shift towards value. By enhancing the proportion of "value assortment" across all formats, the group has delivered steady recovery in like-for-like (LFL) subsidiary sales growth since the second quarter of 2025, following four consecutive quarters of decline. Gross margin was maintained by driving value-added services in key wellness categories in Health & Beauty and broadening our ready-to-eat (RTE) assortment towards higher-margin non-cigarette categories in Convenience. Focused price investment funded through better product sourcing, has driven gains in traffic and items per basket in our Food and Home Furnishings segments.

For the third quarter of 2025, the Group's underlying subsidiary sales excluding cigarettes were up 3% year-on-year and 2% on a LFL basis, led by strong performances in the Health & Beauty and Food segments. Improved profitability across subsidiary businesses led to a 23% increase in operating profit compared to the same period last year. Overall underlying profit for the third quarter of 2025 grew 48% year-on-year, supported by lower financing costs and higher underlying profit from associates following the divestment of Yonghui and Robinsons Retail.

The Group significantly strengthened its balance sheet with US$648 million net cash as of 30 September 2025, compared to US$468 million net debt at 31 December 2024. Reflecting its strategic progress, the Group declared a special dividend of US¢44.30 per share in July 2025, equivalent to US$600 million paid in October 2025. The Group continues to prioritise total shareholder return while maintaining financial flexibility to pursue inorganic growth opportunities, as it strategically pivots from a portfolio investor to a focused operating company. The Group is making good progress in achieving its mid-term goal of a return of capital employed (ROCE) above 10%.

OPERATING PERFORMANCE
Subsidiaries

LFL sales for the Health and Beauty division in the third quarter of 2025 increased 5% year-on-year, driven by strong growth in the healthcare category across all operating markets. In Hong Kong, Mannings performance was supported by strong growth in tourist store sales benefiting from higher tourist arrivals. In Southeast Asia, Guardian delivered a 5% LFL growth, led by effective promotional campaigns and an expanding e-commerce presence. Indonesia reported high single-digit LFL sales growth, with e-commerce sales penetration exceeding 10%. Singapore also saw growing online sales, with over 80,000 app downloads since the launch of its new Guardian app in July 2025. Improved operational efficiency contributed to a 7% growth in overall divisional profit compared to the same period last year.

LFL sales for the Convenience division declined by 2% year-on-year due to lower cigarette volume following tax increases in Hong Kong in February 2024. Overall, non-cigarette LFL sales were largely stable compared to the third quarter of 2024. In Hong Kong, the Group expects the profit impact from declining cigarette sales to be offset by continued growth in higher-margin non-cigarette categories, including RTE, in 2026 and beyond. 7-Eleven Singapore reported improved performance with positive LFL sales growth. South China delivered robust sales growth driven by network expansion, while LFL sales remained broadly stable. The team continues to focus on increasing footfall and sales by expanding its RTE proposition, with approximately 250 Food Bars launched during the first nine months of 2025. Favourable sales mix shift towards higher-margin RTE products supported a return to positive profit growth in the third quarter of 2025.

The Food division reported a 3% increase in LFL sales, with Singapore Food performance benefiting from the S$600 consumption vouchers distributed to eligible Singapore citizens in July 2025 to celebrate Singapore's 60th anniversary. In Hong Kong, with consumers' pivot to value, LFL sales were slightly higher compared to the same period last year, supported by the Group's initiatives to enhance the value of consumers' food basket. Investment in reduced pricing led to higher footfall and increased items per basket during the quarter. The Wellcome team's effort in strategic direct sourcing of the core basket, particularly fresh, will continue to drive both price reinvestment and operating margin expansion in the coming years. Overall Food profit doubled year-on-year, primarily driven by strong sales growth in Singapore and improved profitability of Hong Kong Food.

Overall LFL sales trend of Home Furnishings showed notable improvement despite a persistently challenging macro environment. Like the Food segment, the IKEA team's focus on a value-driven, omnichannel proposition resulted in increased transactions and items per basket. In Hong Kong, improving sales trend was driven by effective promotions, including a new lower-price campaign launched in August 2025. IKEA Taiwan also delivered solid LFL sales attributed to strong e-commerce performance. Effective cost control measures supported a significant improvement in overall underlying operating profit and margin.

The Group's expanded omnichannel ecosystem, including direct distribution channels and quick commerce partnership with third-party platforms, drove double-digit growth in e-commerce sales and a twofold increase in order volume. DFIQ Media continues to gain momentum, with 290 targeted advertising campaigns completed as of end of September 2025, compared to 45 for the same period last year. The DFIQ Media team is developing a unique omnichannel retail media solution that leverages DFI's proprietary data, expanded digital presence, and extensive store footprint to deliver targeted, high-impact advertising across multiple channels.

Associates

Maxim's, the Group's 50%-owned associate, reported revenue and profit slightly below the same period last year, primarily due to the later timing of the mid-autumn festival compared to last year and weaker restaurant performance in Hong Kong, partially offset by strong growth in Southeast Asia.

OUTLOOK

The Group remains focused on delivering greater value for customers and growing market share across all formats by enhancing assortment and strengthening Own Brand offering through data-driven insights, expanding omnichannel presence and accelerating monetisation of digital assets. Optimising our cost structure, including overhead reduction, will further enhance the Group's competitiveness by aligning resources with high-return growth opportunities. A sharpened business portfolio with greater operational focus supports subsidiary business growth both organically and inorganically should shareholder-accretive opportunities arise.

For the full year of 2025, the Group maintains its guidance of underlying profit attributable to shareholders between US$250 million and US$270 million, supported by an organic revenue growth of 0.5% to 1.0%.

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DFI Retail Group (the Group) is a leading Asian retailer, driven by its purpose to 'Sustainably Serve Asia for Generations with Everyday Moments'. At 30 June 2025, the Group and its associates operated over 7,500 outlets, of which over 5,500 stores were operated by subsidiaries. The Group, together with its associates, employed over 83,000 people, with over 45,000 employed by subsidiaries. The Group had total annual revenue in 2024 of US$24.9 billion and reported revenue of US$8.9 billion.

The Group is dedicated to delivering quality, value and service to Asian consumers through a compelling retail experience supported by an extensive store network and highly efficient supply chains.

The Group, including associates, operates a portfolio of well-known brands across five key divisions: health and beauty, convenience, food, home furnishings and restaurants.

The Group's parent company, DFI Retail Group Holdings Limited, is incorporated in Bermuda and has a primary listing in the equity shares (transition) category of the London Stock Exchange, with secondary listings in Bermuda and Singapore. The Group's businesses are managed from Hong Kong. DFI Retail Group is a member of the Jardine Matheson group.

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This and other Group announcements can be accessed via the DFI Retail Group corporate website at www.DFIretailgroup.com.

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