Interim Management Statement

Company information	DFI Retail Group
RNS Number	3052A
Released On	15:48:51 23 October 2026
Source	RNS
Share	

RNS Number : 3052A
DFI Retail Group Holdings Ltd
23 October 2026

Correction to the announcement made at 10:20 am (RNS number: 2425A) on 23 October 2026: In the Outlook section, the organic revenue growth of approximately 2-3% is corrected to approximately 3-4%. All other information in the announcement is the same as the announcement made at 10:20 am on 23 October 2026.

DFI RETAIL GROUP HOLDINGS LIMITED
Interim Management Statement

23 October 2026 – DFI Retail Group Holdings Limited today issues its Interim Management Statement for the third quarter of 2026.

OVERVIEW
The Group delivered a solid performance in the third quarter of 2026, demonstrating the resilience of an omnichannel retail platform focused on daily essential spending. The Group continued to build on its strategic priorities outlined at the 2025 Investor Day, supported by deepening market leadership in Hong Kong and a targeted growth plan in Southeast Asia.

Resilient consumer sentiment and higher tourist arrivals supported robust growth in Hong Kong retail sales year-to-date. The Group continued to gain market share by broadening its exclusive wellness assortment in Health & Beauty, driving higher traffic through ready-to-eat (RTE) and collectibles in Convenience, delivering greater Food value through expanded direct sourcing, and reinvesting in prices for high-volume home goods. In Southeast Asia, the Group continued to prioritise profitable growth with a clear, differentiated proposition, deep localisation and a disciplined focus on returns.

During the quarter, the Group announced to assume Maxim's existing interests in the Starbucks licensed business, which operates over 1,100 Starbucks coffeehouses across seven Asian markets, in addition to receiving a cash consideration of approximately US$340 million, subject to adjustments. Concurrently, the Group announced an increase in its 2027 dividend payout ratio to 80%, supporting continued growth in dividend per share. The reorganisation marks the final milestone in DFI's strategic pivot from a portfolio company to a focused operating company with full operational control across all businesses. As a global iconic coffee brand, Starbucks offers strong geographic and strategic complementarity with DFI's purpose of serving more 'Everyday Moments'. The transaction will expand the Group's presence in key growth markets and increase its share of customer wallet across its operating markets. The Starbucks licensed business is expected to be immediately accretive to the Group's revenue growth and operating margin, with further earnings upside from procurement, overheads and property synergies. The US$340 million cash proceeds will further strengthen the Group's balance sheet and support capital recycling into higher-return growth investments and shareholder returns.

The Group is well-positioned to exceed its 2025-28 revenue CAGR guidance of 2-3% with the expected revenue consolidation in the amount of US$600-650 million from the Starbucks licensed business in 2027[1] and approximately US$900 million in 2028. The Group also remains on track to deliver an underlying profit of US$310-350 million in 2028, as outlined at the 2025 Investor Day. This outlook is supported by continued solid momentum across its business segments as well as expected synergy benefits from the integration of Starbucks into DFI's operations.

For the third quarter of 2026, the Group's underlying subsidiary sales from continuing businesses[2] increased by 4% year-on-year and 2% on a like-for-like (LFL) basis. This was driven by strong performances in the Health & Beauty and Convenience segments. Underlying subsidiary profit from continuing businesses grew 17% year-on-year, representing a 40bps margin improvement. This was mainly due to higher profitability in Health & Beauty and Home Furnishings, as well as lower SG&A expenses from ongoing lean initiatives. Overall underlying profit growth from continuing businesses was supported by higher contribution from Maxim's, primarily due to the earlier timing of the mid-autumn festival compared with last year.

The Group continued to maintain a strong balance sheet with US$128 million net cash as of 30 September 2026, compared to US$22 million net debt as of 30 June 2026. The Group remains committed to enhancing total shareholder returns while maintaining financial flexibility to pursue inorganic opportunities that accelerate revenue growth and deliver long-term strategic value.

OPERATING PERFORMANCE

Digital

Powered by a large loyalty member base, an extensive physical footprint and deep customer insights captured from a significant share of daily essential spending in Hong Kong, the DFI Omni Platform continued to gain momentum by enabling more convenient and personalised shopping experiences, while unlocking high-margin value opportunities through DFIQ Media and Insights. Overall digital profitability close to tripled year-on-year, with e-commerce, DFIQ Media and Insights contributing to approximately one-third of total revenue growth in the first nine months of 2026. This performance was supported by an online sales penetration[3] of 7.0% and a more than threefold increase in DFIQ Media revenue compared with the same period last year.

Subsidiaries

The Health & Beauty division delivered strong sales growth of 7% in the third quarter of 2026, or 5% on a LFL basis across both Mannings and Guardian, supported by higher basket sizes as customers increasingly prioritise products of high functional value. In Hong Kong, accelerating LFL sales growth of Mannings was driven by strong performance in the wellness category and effective promotional campaigns. Momentum continued into the fourth quarter, with National Day Golden Week holiday sales[4] up by over 10% year-on-year. In Southeast Asia, Guardian's performance was led by LFL sales growth of over 20% in Indonesia and 9% in Vietnam, partially offset by a highly competitive market environment in Malaysia. Divisional profit increased by 12% year-on-year[5], with margin improving by 40 bps and remaining on track to deliver a stable full-year margin.

Sales of the Convenience division grew 5% year-on-year, or 2% on a LFL basis, driven by continued growth in higher-margin categories, particularly ready-to-eat (RTE) and collectibles. In Hong Kong, 7-Eleven delivered its second consecutive quarter of positive LFL sales growth at 1%, or 2% excluding cigarettes. Growth was supported by stronger engagement, particularly among younger consumers, through successful brand collaborations and product innovation. In Singapore, LFL sales growth accelerated to 11% with increased customer traffic and continued expansion of differentiated non-food categories, including *Pokémon* trading cards, reflecting the appeal of an increasingly relevant and distinctive offering. In South China, sales grew 10% year-on-year or 3% in constant currency, driven by network expansion, continued roll-out of Food Bars and growth in own brand products. Store network surpassed the 2,000-store milestone in September. While LFL sales were 1% lower year-on-year, this largely reflected a strong prior-year comparison that benefited from increased demand driven by third-party food delivery platform subsidy campaigns. Excluding the high base effect, underlying customer demand remained healthy, with transactions up 4% year-on-year. Profit declined by 2%[6] due to targeted investment to strengthen customer acquisition, partially offset by favourable sales mix shift towards higher-margin non-cigarette categories. Continued category innovation, including own brand development, capex-light network expansion and ongoing mix improvement are expected to support full-year profit growth and a broadly stable margin of approximately 4%.

Sales of the Food division were flat year-on-year, or down 2% on a LFL basis in the third quarter, reflecting a high base from strong stock-up sales ahead of the September typhoon last year. Excluding this one-off impact, LFL sales were broadly stable. The Wellcome team remains committed to its Everyday Low Price strategy, offering customers a more competitive basket relative to the Greater Bay Area. Despite intensifying competition in Hong Kong and continued price investment across the sector, Wellcome increased volume sold by 0.5%. In Cambodia, Lucky delivered double-digit sales and profit growth, attributed to continued network expansion and strong LFL performance. Macau Food remained challenging as a result of cross-border grocery shopping. Overall divisional profit grew 4% year-on-year[7], supported by cost discipline and improved sourcing efficiencies.

The Home Furnishings division sustained its strong recovery with LFL sales growth of 4%, supported by 3% LFL growth in Taiwan and 7% in Hong Kong. Hong Kong's reported sales increased by 10% year-on-year, driven by stronger home furnishings demand amid the continued recovery in property market transactions, along with incremental contributions from pop-up stores. Price reinvestment in fast-moving SKUs drove increased transactions and total volume sold across markets. IKEA Indonesia's performance continued to improve with LFL sales returning to positive growth of 3%, underpinned by strong online sales growth of 55%. Strong sales recovery and effective cost control measures contributed to 17% growth[6] in overall profit.

Associates

Maxim's, the Group's 50%-owned associate, reported 6% revenue growth year-on-year, primarily driven by strong performance in Japanese chain restaurants and earlier timing of the mid-autumn festival compared to last year. This was partially offset by weaker sales in Chinese restaurants and quick service restaurants. Continued cost optimisation drove a 14% year-on-year growth in underlying profit.

RECENT BUSINESS DEVELOPMENT

On 30 September 2026, the Group announced that it had entered into a conditional sale and purchase agreement with Maxim's Caterers Limited in relation to the reorganisation of the parties' respective interests in Maxim's. Under the agreement, Maxim's will buy back all of the shares in Maxim's owned by DFI. In return, DFI will assume Maxim's interests in the operation of Starbucks across seven Asian markets namely Thailand, Hong Kong SAR, Macau SAR, Vietnam, Singapore, Cambodia and Laos. In addition, DFI will receive approximately US$340 million in cash consideration, subject to adjustments.

The transaction is expected to be completed by end of March 2027, subject to customary closing conditions. DFI and Maxim's will remain as strategic partners across yuu, procurement, among other areas. Upon completion of the transaction, Andrew Wong will lead both the licensed businesses of Starbucks and IKEA at DFI.

PEOPLE

On 1 September 2026, the Group announced the appointment of Kshitij Mulay as Group Chief Digital & Loyalty Officer, effective 17 September 2026. He succeeds Wee Lee Loh, who is returning to Singapore to be closer to his family. Kshitij joins DFI from Sephora Asia, where he served as Chief Information Officer, bringing more than 25 years of international experience leading digital, technology and business transformation across global leading consumer and retail companies, including Sephora and Procter & Gamble.

The Group thanks Wee Lee for his leadership in scaling DFI's digital ecosystem and building new growth avenues in retail media and insights monetisation.

OUTLOOK

The Group continues to execute its strategic initiatives to drive market share gains through a sharpened value proposition, greater omnichannel scale and deeper customer engagement. Full operational control over all DFI businesses strengthens its ability to drive synergies across the five business segments and deliver superior shareholder returns through sustained, profitable growth. The Group is well-positioned to further strengthen its market leadership in Hong Kong by realising greater efficiency gains at scale, while expanding presence selectively in high-growth Southeast Asian markets where it has a clear right to win.

The Group raises its full-year 2026 guidance for underlying profit attributable to shareholders to be between US$295 million and US$305 million (up from the previous range of US$285 million to US$305 million), supported by organic revenue growth of approximately 3-4%[8], and a dividend payout ratio of 70%. The Group also announced an increase in its dividend payout ratio to 80% for the financial year 2027.

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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'. As at 30 June 2026, the Group and its associates operated 7,659 outlets and employed over 81,000 people across 12 markets.

The Group is committed to delivering quality, value and service to consumers across the region through trusted brands, strong local market positions, and a broad retail ecosystem supported by extensive store networks, digital capabilities and efficient supply chains.

DFI Retail Group and its associates operate 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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[1] Assuming completion of the transaction by end of March 2027

[2] Excluding impacts of divestment of Singapore Food business and closure of Mannings China offline stores

[3] Excluding cigarettes under Convenience and IKEA food

[4] From 1 October – 7 October 2026

[5] Excluding the impact of cost reallocation and closure of Mannings China offline stores

[6] Excluding the impact of cost reallocation

[7] Excluding the impact of cost reallocation and divestment of Singapore Food

[8] Excluding Singapore Food and Mannings China business

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