

For Immediate Release

Duty Free International Limited Reports 2Q2020 Performance

- 2Q2020 revenue increased to RM114.71 million, bolstered by higher contribution from its newly acquired Brand Connect Group
- Prudent capital management, healthy cash position
- Declares interim dividend of S\$0.005 per share

SINGAPORE, 09 October 2019 – SGX Mainboard listed Duty Free International Limited (SGX: 5SO) (“**DFI**”, the “**Company**”, or collectively with its subsidiaries, the “**Group**”), the largest multi-channel duty free and duty paid retail group in Malaysia with strategic locations across Peninsular Malaysia, today announced its financial results for its second quarter (“**2Q2020**”) and half year (“**1H2020**”) ended 31 August 2019.

Financial Highlights

<i>RM (million)</i>	2Q2020	2Q2019	Change	1H2020	1H2019	Change
Revenue	114.7	114.4	0.2%	250.4	231.8	8.0%
Profit Before Income Tax	7.7	16.9	-54.3%	19.9	31.3	-36.3%
Net Profit	5.3	13.6	-60.8%	13.2	23.6	-44.2%
Net Profit Attributable to Shareholders	4.9	12.3	-60.0%	12.1	21.3	-43.3%

For the first 6 months of FY2020, the Group’s revenue increased by approximately 8.0% or RM18.6 million to RM250.4 million from RM231.8 million in 1H2019. The revenue increase was primarily attributable from the newly acquired Brand Connect Group, partly offset by decrease in revenue from the trading of duty-free goods and non-dutiable merchandise (“Duty Free”) segment.

The Group reported a profit before income tax of RM19.9 million for 1H2020, which was 36.3% lower than the profit before income tax of RM31.3 million recorded in 1H2019. This was mainly due to lower profit margin, lower net gain in foreign currency and higher professional fees, however this was partly mitigated by a decrease in donations. Resultantly, the Group achieved a profit attributable to shareholders of RM12.1 million for 1H2020, down 43.3% from its previous corresponding period.

Balance Sheet and Cash Flow Highlights

The Group saw its total equity increased to RM579.0 million as at 31 August 2019.

During 2Q2020, the Group's net cash generated from operating activities was RM24.6 million. Net cash generated from investing activities was RM2.1 million in 2Q2020, mainly due to interest received of RM2.7 million. Net cash used in financing activities for 2Q2020 of RM3.9 million was primarily attributable to lease payments of RM2.7 million and purchase of treasury shares of RM1.8m, partially offset by the net proceeds from short-term borrowings of RM0.8 million.

Overall, the cash and cash equivalents of the Group increased by RM22.7 million in 2Q2020, ending the period in a healthy cash position of RM297.2 million.

Business Outlook

During the quarter, the group declared an interim dividend of S\$0.005 per share. In addition to dividends return, DFI returned value to shareholders through numerous share buybacks over the last few years. During 2Q2020, DFI purchased another 3.3 million shares, showing confidence in the company's progress and development.

With the present economic condition and variation in foreign currencies, especially the Ringgit Malaysia against the US Dollar coupled with the competitive business environment, the Group's business performance is anticipated to remain challenging for the following 12 months. The Group will continue its efforts to enhance the range of its products and quality services, together with close monitoring of the key cost drivers. Additionally, the Group will also continue to strengthen its operational efficiency and tighten its cost control measures to remain competitive and profitable.

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About Duty Free International Ltd. and DFZ Capital Sdn Bhd

DFZ Capital Sdn Bhd, a group subsidiary of DFI with an operating history of more than 40 years, is the largest multi-channel duty free and duty paid retailing group in Malaysia. The Company through its “ZON” brand of retail shops serves both Malaysian and international customers across all major entry and exit points in Peninsular Malaysia including operations at international and domestic airports, duty free zones, seaports, border towns, duty free islands and other tourist destinations. For more information, please visit <http://dfi.com.sg>

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