



**JAPFA LTD**  
**Corporate Presentation**

June 2022



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**JAPFA**

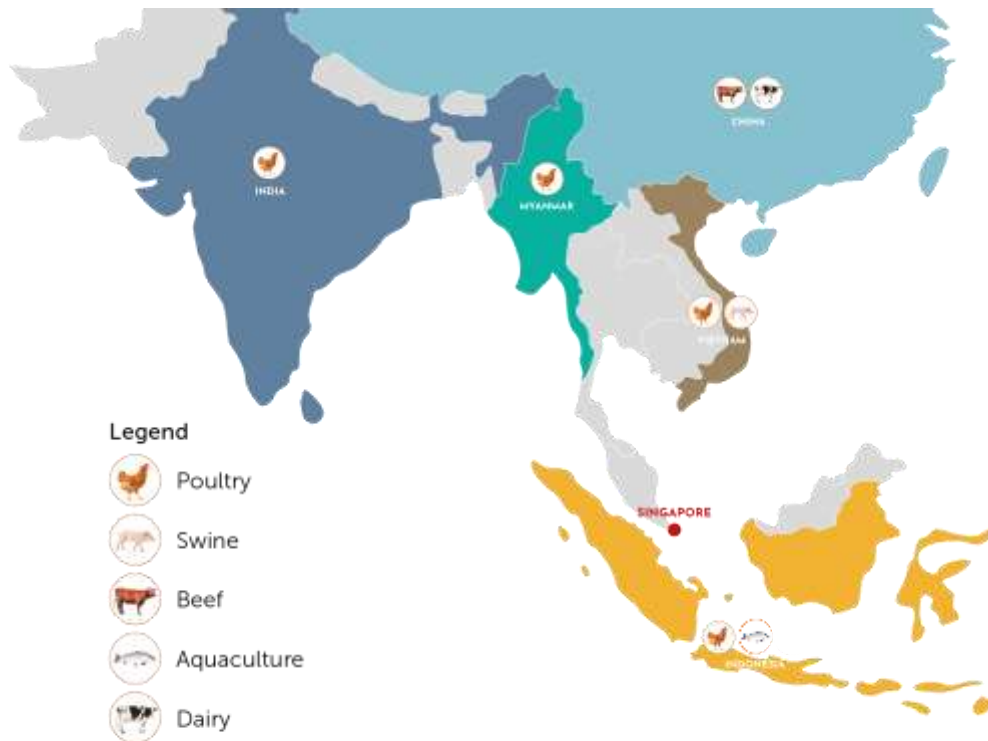
**Feeding Emerging Asia**

# **Group Overview**

# Group Overview

Japfa is a leading industrialised agri-food company dedicated to  
***Feeding Emerging Asia***  
with essential and affordable proteins

We aim to play our part to improve the nutrition of millions of people in a sustainable way



- Established in 1971: More than 50 years of experience
- Supply 20-25% of animal protein foods in our key markets
- FY2021 revenue: US\$4.6 billion

# Leading Pan-Asian Industrialised Agri-Food Company



## WHAT WE DO

We produce protein staples (poultry, swine, aquaculture, dairy, beef) and branded consumer food that nourish millions of people



## WHERE WE ARE

We employ approximately 40,000 people across Singapore, Indonesia, Vietnam, Myanmar, India, Bangladesh and China



## WHY WE DO IT

3 billion people living in our target markets  
More than 40% of the world's total population

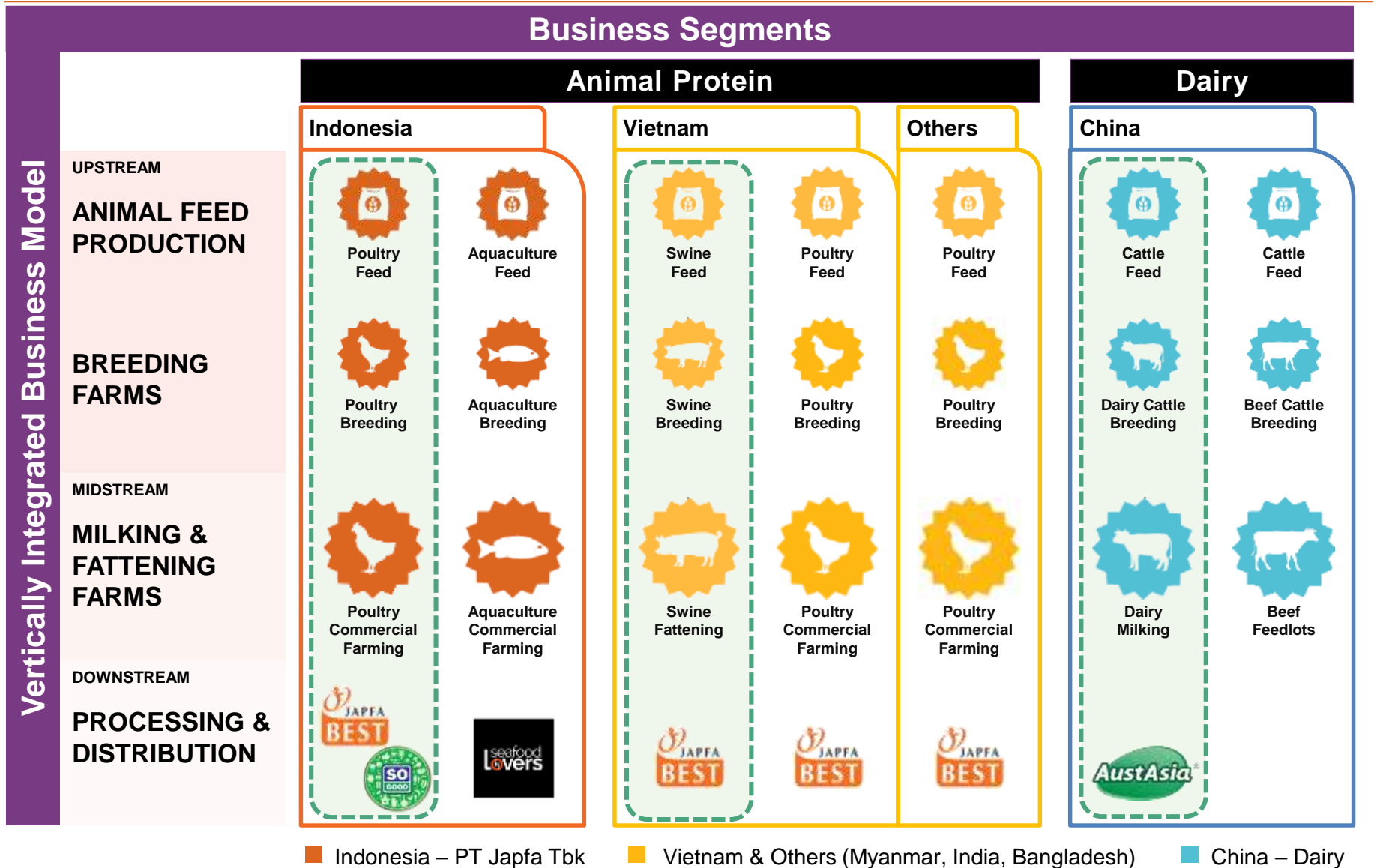
**A leading pan-Asian, industrialised agri-food company dedicated to Feeding Emerging Asia with essential proteins**



Feeding Emerging Asia

# Business Model & Strategies

# Vertically Integrated Business Across Entire Value Chain



# Japfa's Core Competencies

## Industrialised approach to farming and food production

Vertically Integrated Business Model

UPSTREAM

**ANIMAL FEED PRODUCTION**

**BREEDING FARMS**

MIDSTREAM

**MILKING & FATTENING FARMS**

DOWNSTREAM

**PROCESSING & DISTRIBUTION**

**FEED**

Enjoys economies of scale and an established network

**LIVESTOCK FARMING**

Strong livestock farming experience and expertise

**BRANDED CONSUMER FOODS**

Future growth driver

## CORE COMPETENCIES

### LARGE SCALE

- Ability to manage mega-scale farming operations; about 40,000 employees across five countries
- Scale of the Group's animal feed business provides stability to group revenue and profitability

### TECHNOLOGY

- JVs with leading genetics companies (Aviagen and Hypor) for superior breeds and genetics
- Advanced feed technology
- Combined with best farm management practices

### ANIMAL HEALTH

- Best in class bio-security using stringent operating procedures
- In-house vaccine production firm PT Vaksindo

### STANDARDISATION AND REPLICATION

- Replication of best practices and infrastructure design across five protein groups and five countries
- Replication of farm design model in dairy farms, DOC breeding farms, feedmills, etc



# Key Strategies

## Integrated Industrialised Business Model

We adopt a vertically integrated industrialised business model, across animal feed and breeding, fattening and consumer products, to **capture value** along the chain.

We leverage on our economies of scale in **feed, the backbone of our business**, and our **strong farming expertise** to achieve **efficiencies**.

## Diversification Across Proteins & Countries

We **replicate** our integrated industrialised business model for poultry production into other markets and proteins to build a portfolio of **uncorrelated revenue and profit streams**.

We focus on **staple proteins** and high **growth potential** markets in Asia.

## Prudent Growth

We execute our strategy **with financial discipline** to grow in a sustainable way.

## Our Mission

To be the leading dependable provider of affordable protein foods in Emerging Asia by building on the foundation of our excellent teamwork and proven experience for the benefit of all stakeholders

# Riding Through Cycles

## Produce Locally, Consume Locally

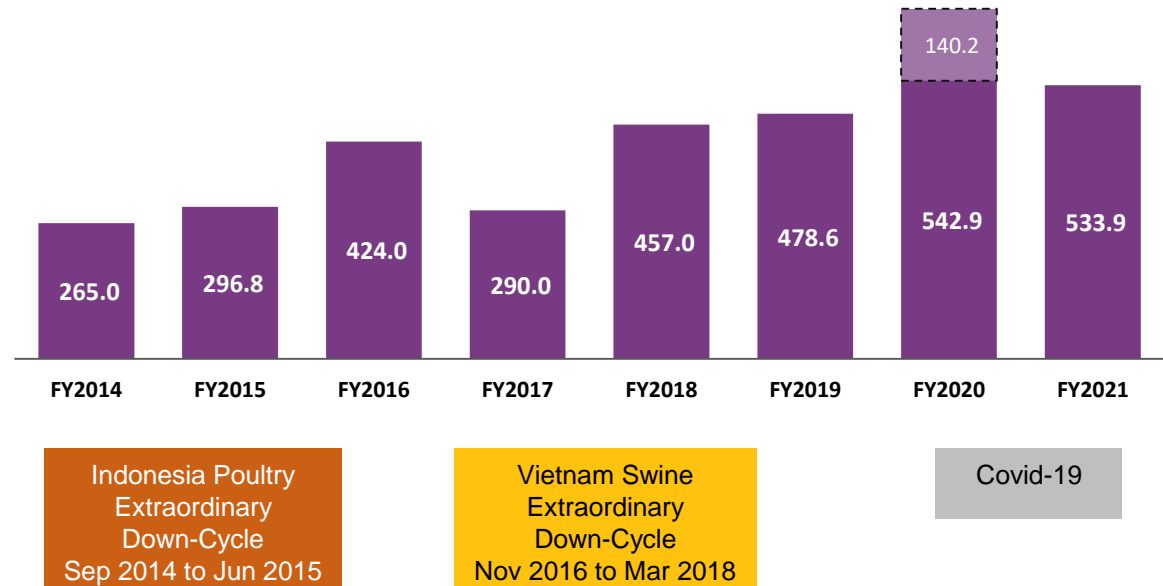
By being one of the most efficient and lowest cost producers, Japfa is able to ride through major down-cycles

Despite agribusiness cyclicality and major down-cycles, Japfa Ltd continues to deliver a healthy EBITDA each year

Japfa Ltd has gone through 3 major down-cycles:

- Indonesia Poultry
- Vietnam Swine
- Covid-19

### Japfa Ltd - EBITDA



# Achievements in 2021

## Integrated industrialised model and diversification effective in riding 2021 down-cycle

**Revenue** crossed the **US\$4 billion** milestone for the first time in FY2021  
**EBITDA** remained solid at above the **US\$500 million** mark

PT Japfa Tbk issued a US\$350 million **Sustainability Linked Bond (SLB)**.  
The first SLB in the agri-food industry globally and the first US\$-denominated SLB from Southeast Asia

APO-Vietnam inaugurated  
a swine breeding farm equipped  
with state-of-the-art technologies

Accelerated growth of Dairy-China  
with the **acquisition of two dairy  
farms** in Shandong, with  
additional capacity of 16,000 heads

Dairy formed strategic, synergistic  
**partnerships in China** with  
leading Chinese food  
and beverage companies

Launched **Japfa Feeds the Future** challenge  
to support startups to advance the agri-food industry in a sustainable way.  
Awarded 5 startups out of 80 candidates from 25 countries

Completed as a road-tester the **Social Life Cycle Assessment Project**  
initiated by the UNEP and Social LC Alliance.  
Japfa is the only company representing Southeast Asia and the agri-food sector globally



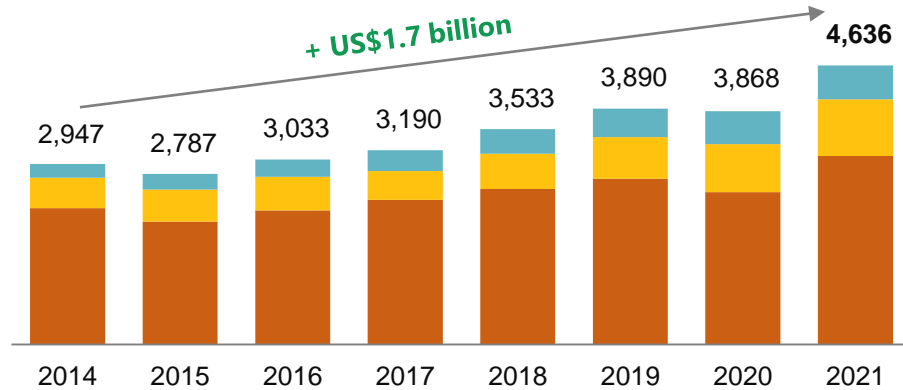
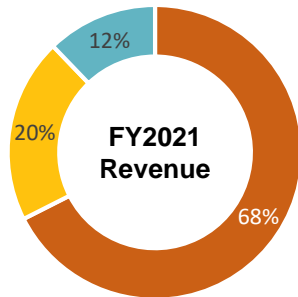
Feeding Emerging Asia

# Growth Prospects

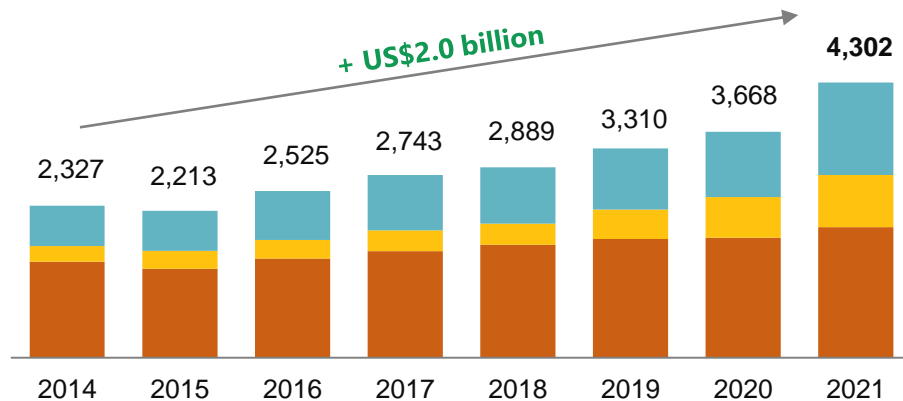
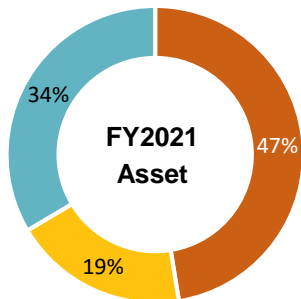
# Revenue and Assets Growth

■ PT Japfa Tbk ■ APO ■ Dairy

## Revenue (US\$m)

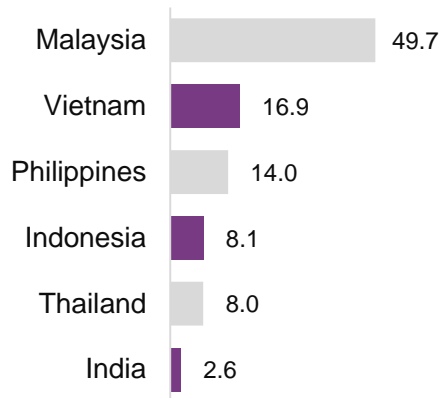


## Assets (US\$m)



# Growth Prospects – Animal Protein

## Poultry consumption per capita<sup>1</sup>



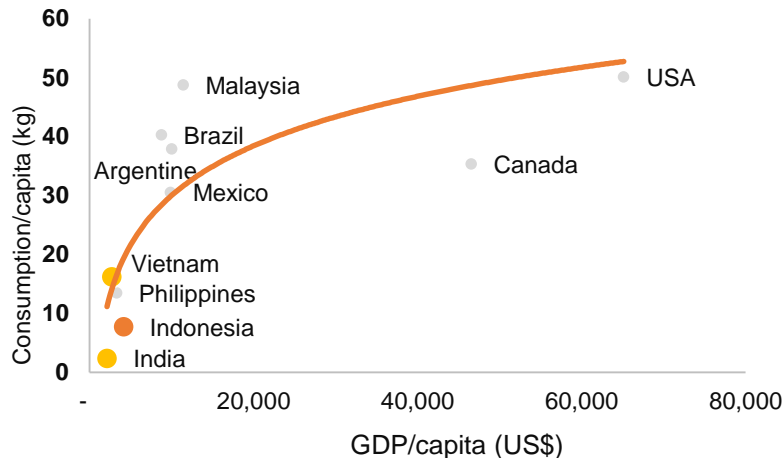
## Strong market position in its key markets

|                  | Poultry Feed   | Day Old Chicks (DOC)   |
|------------------|--|--|
| <b>Indonesia</b> | Ranking <sup>3</sup> : #2<br>Market Share <sup>2</sup> : 21% | Ranking <sup>3</sup> : #2<br>Market Share <sup>2</sup> : 25% |
| <b>Vietnam</b>   | Ranking <sup>2</sup> : #2<br>Market Share <sup>2</sup> : 20% | Ranking <sup>2</sup> : #2<br>Market Share <sup>2</sup> : 20% |
| <b>Myanmar</b>   | Ranking <sup>2</sup> : #1<br>Market Share <sup>2</sup> : 27% | Ranking <sup>2</sup> : #2<br>Market Share <sup>2</sup> : 26% |

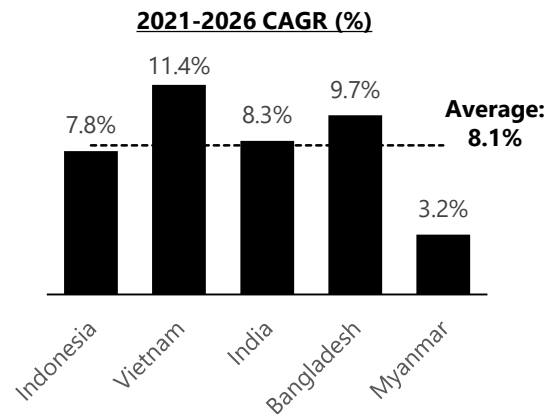
- As GDP per capita increases, there is more upside potential as diets evolve to include more meat-based protein from existing carbohydrate-heavy diets
- With an average GDP growth of 8.1%, it proves there are ample room for growth in the emerging Asia countries which Japfa operates
- Poultry is “meat-of-choice” given its relative affordability, religious neutrality, consumer preference and popularity of quick service restaurants

## Rising consumption in emerging Asian markets<sup>4</sup>

### Positive correlation between GDP/capita & Poultry Meat Consumption (2022)

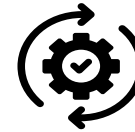
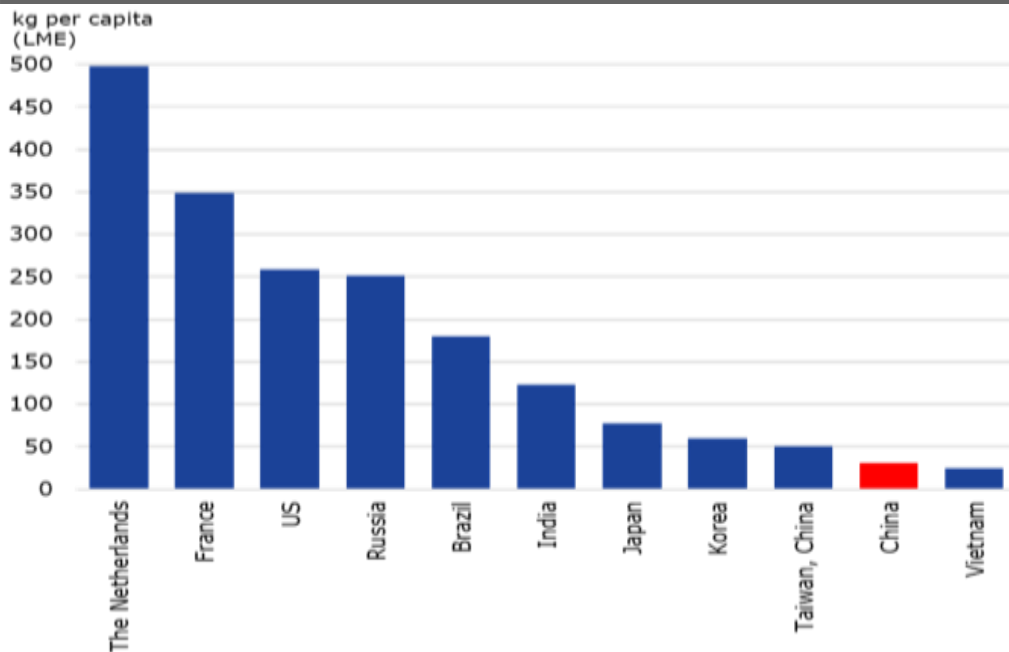


### GDP growth forecast in key markets<sup>5</sup>



# Growth Prospects – Dairy

Dairy per capita consumption across selected countries<sup>1</sup>



## High efficiency and productivity:

- Ranked No. 1 in China in terms of average milk yield per milkable cow for six consecutive years from 2015 to 2020
- Its 2020 annualised average milk yield per milkable cow reached 12.8 tons/year, far exceeding the industry average of 8.3 tons/year



**Top 10** dairy farming companies in China by raw milk production in 2020<sup>2</sup>



Leading dairy farm operator in China, providing **premium raw milk**



**Proven and synergistic business model with high growth prospects.** Replicability of the integrated business model spanning raw milk, beef cattle, and ancillary businesses to expand rapidly

# Growth Initiatives

## Sharpening our Value Chain

Leverage on our strength and scale in **animal feed**, providing a strong base of consistent profitability

Continue to increase efficiency of breeding and **farming** operations

**Expand downstream** capabilities, in B2B and B2C channels, to capture the full potential of our vertically integrated business

## Driving Growth

Leverage strong **expertise** in livestock farming and its “total solution” model for farmers, **driving growth** in feed volumes

Build on competitive strengths in animal health and biosecurity to develop **leading positions** in each market/protein segment

**Digital transformation** in farm and production management to drive efficiencies and productivity

## Delivering on Sustainability

### Efficient Production

**System:** Optimal use of resources while prioritising animal health and managing waste responsibly

### People Development:

Focus on employee well-being and upskill employees and contract farmers

### Improving Nutrition:

Provide access to safe, nutritious and affordable foods and help local communities maximise their potential





**Feeding Emerging Asia**

## **Our Business Segments**

**PT Japfa Tbk**

**Animal Protein Other**

**Dairy**

# Our Business Segments: PT Japfa Tbk



**PT Japfa Tbk**

*Listed on Indonesia Stock Exchange*

*Ownership: Japfa Ltd 55%, Public 45%*

- Vertically integrated animal protein operations, covering the entire value chain of animal protein production (feed, breeding, commercial farming, and consumer products)
- Partner world-leading genetics companies to breed high performance parent livestock in modern farm facilities using advanced management systems



*Day-old chicks*



*Feed*



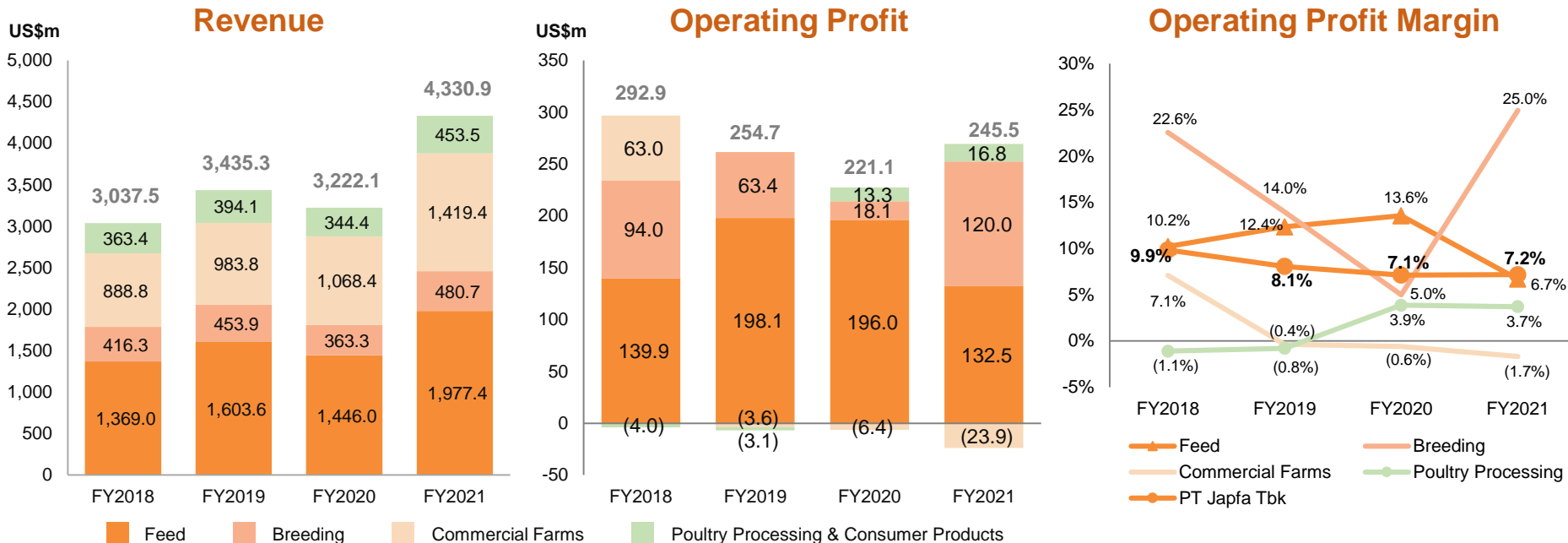
*Poultry Breeding Farm*

# Centre of Competence – Poultry Indonesia

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- 2<sup>nd</sup> largest poultry feed producer in Indonesia with significant scale
- Wide geographical reach across the archipelago offers unparalleled proximity to customers and raw material suppliers, especially corn
- Advanced feed technology to ensure consistent quality
- 2<sup>nd</sup> largest DOC producer in Indonesia
- Long term association with Aviagen (a leading global poultry genetic company) to source genetic breeding stock suited for the tropical climate and consumer preference
- Blueprint feedmill and farm designs allowing standardisation and replication
- Dedicated poultry research farm. We are currently conducting a study on nutrient density in poultry feed to suit local conditions
- Strong focus on animal health and biosecurity. We are the only poultry company in Indonesia with an in-house vaccine R&D and production unit for disease prevention and control. Vaksindo is Indonesia's leading animal health company that pioneered domestic research of endemic respiratory diseases in poultry. We have a dedicated team and modern laboratories to improve efficacy and hasten response time to disease outbreaks
- Dedicated training centre in Bogor to focus on continuous training for employees
- We stay abreast with evolving agrifood technologies by supporting startups selected through our global competition Japfa Feeds the Future, including: (i) real-time poultry health metrics to optimize feed consumption; (ii) testing and inspection certification of agricultural commodities; (iii) remote inventory of raw materials in silos to optimize logistics

# Segmental Trends: PT Japfa Tbk (Poultry)



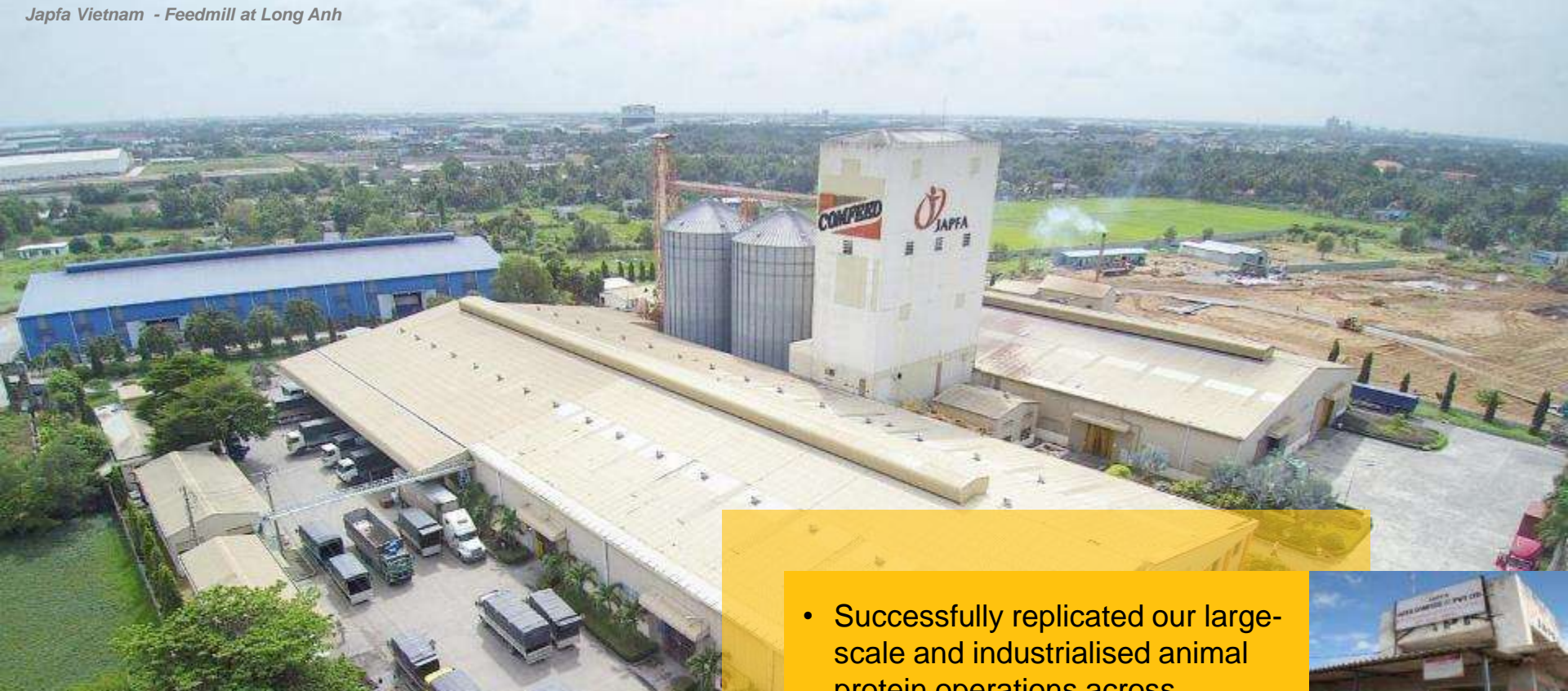
## Feed business continues to be a stable pillar of profitability in PT Japfa Tbk

- The poultry business (feed, breeding and commercial farms) represents the bulk of PT Japfa Tbk's revenue
- Operating profit in FY2020 decreased due to the low DOC and broiler price environment in 2Q2020 and 3Q2020 affected by Covid-19 related disruptions
- Operating profit remains steady despite weak results from commercial farming over the last 3 years. As we are vertically integrated, we can capture value at different points of the poultry supply chain
- We are able to generally pass on raw material costs increases in our feed selling prices, as reflected in our feed operating margins, even during the periods of Rupiah volatility and the poultry market downturn. In 2021, margins were impacted by higher raw materials prices and transportation costs globally
- In 2021, we recorded higher revenue on the back of higher sales volumes. Although margins have tightened, profitability has improved on the back of strong growth in volumes

Note: The revenue figures for the poultry operational units shown above include intersegmental sales.

# Our Business Segments: Animal Protein Other

Japfa Vietnam - Feedmill at Long Anh



## Animal Protein Other

Ownership: 100% Japfa Ltd

- Successfully replicated our large-scale and industrialised animal protein operations across emerging Asia markets
- Poultry and swine operations in Vietnam
- Poultry operations in Myanmar, and India
- Feed operations in Bangladesh



Japfa India - Breeding Pune



Japfa Vietnam - Feedmill



Japfa Vietnam - GP Swine Binh Phuoc

# Centre of Competence – Swine Vietnam

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- Advanced feed technology to ensure consistent quality, with a feed silo system to separate feed trucks from the farms for biosecurity purposes
- Joint-venture with Hypor (a leading global swine genetic company) in Great Grandparent (GGP) farms to produce highly selected pure line genetic breeding stock to enhance performance and swine genetics suited for the tropical climate and consumer preference
- The strategy to build a swine breeding pyramid starting from our own GGP farms allows us to replenish our swine breeding stock faster than the competition
- Stringent biosecurity protocols: isolation, traffic control and sanitation, to manage diseases and protect our livestock. For example in the recent ASF outbreak, Japfa established a separate swine selling centre and was a pioneer in Vietnam to set up truck washing bays with drying & baking system for trucks
- Pioneer in Vietnam to apply modern farming techniques and use advanced technology to fully automate processes, including closed-house systems with stringent biosecurity, automatic ventilation & feeding systems, wastewater treatment plants and water reservoirs
- Training center and a research & development farm facility for continuous improvements in our products and farm management practices
- Vertical integration from feed to farming to end products provides traceability and quality control to supply safe and sustainable pork in Vietnam

# Swine Vietnam New Breeding Farms



Barns Aerial View



Breeding House



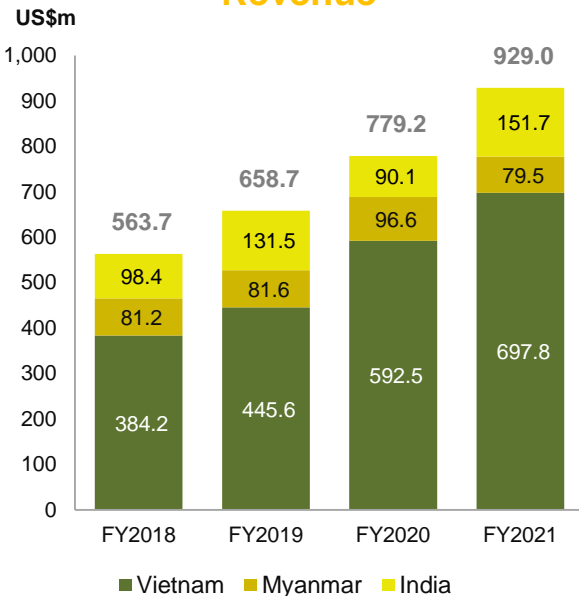
Farrowing House



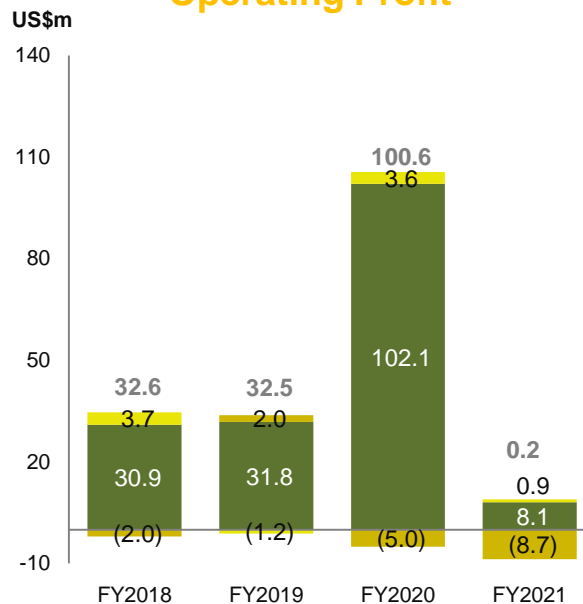
Gestation Group Housing

# Segmental Trends: APO

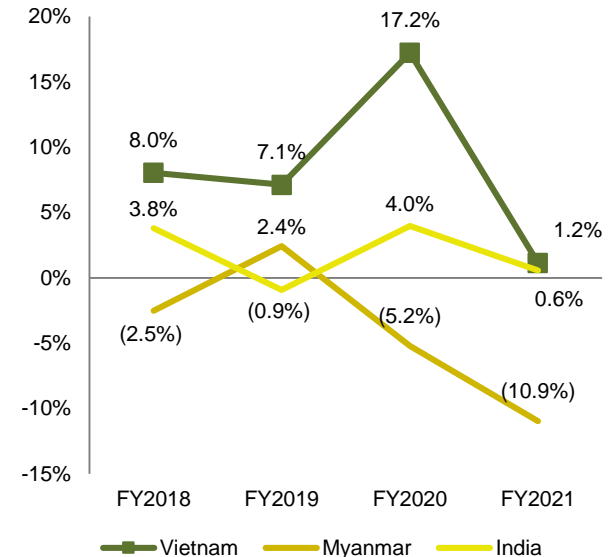
## Revenue



## Operating Profit



## Operating Profit Margin



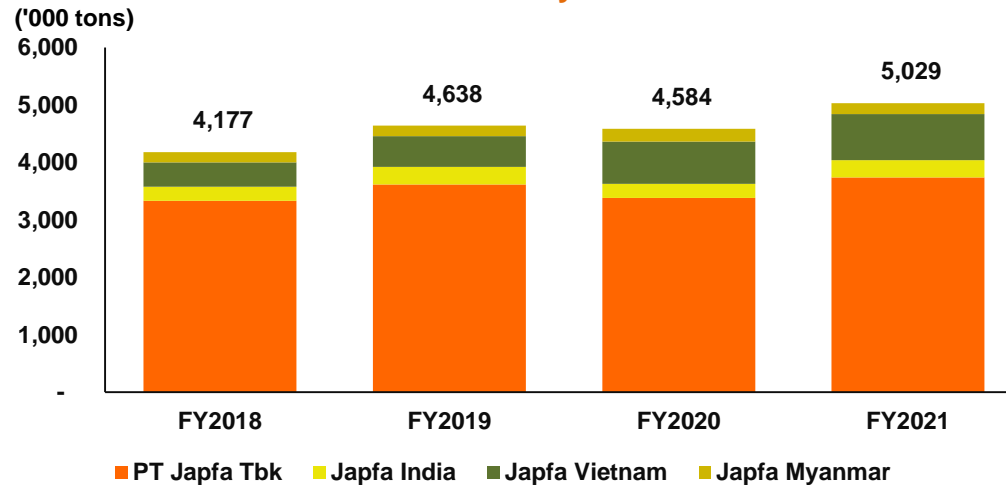
### APO FY2021 profits affected by Covid-19 and ASF<sup>1</sup> in Vietnam, as well as disruptions in Myanmar

- In 2019, Vietnam was hit by ASF, which significantly reduced the total domestic swine population. With its stringent biosecurity, APO-Vietnam managed to minimize the negative effect of the ASF. Our strategy to build a swine breeding pyramid, starting from our own Great Grand Parent (GGP) farms, allows us to quickly replenish our swine breeding stock.
- In 2020, our full-year fattening volumes were maintained amid a swine population declining in Vietnam. This allowed us to take advantage of high ASPs. In addition, APO-Vietnam surpassed the 1-million-ton milestone in feed sales volume
- In 2021, consumer demand for staple proteins was dampened by strict lockdown measures in Vietnam due to Covid-19. This impacted prices of poultry and swine. Swine prices were also impacted by an ASF flare-up towards the end of the year. In addition, higher feed raw material costs tightened margins across our vertically integrated operations in Vietnam
- The political and Covid-19 disruptions since 2020 have impacted our APO-Myanmar operations
- APO-India is another key growth market in the longer term, and our current focus is on growing the feed business



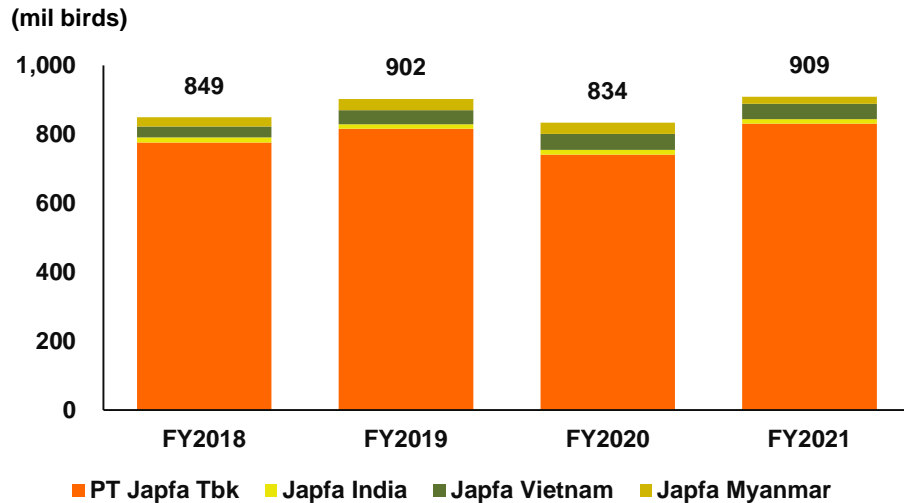
# Animal Protein – Operational Performance

## Animal Feed – Poultry: Sales Volume

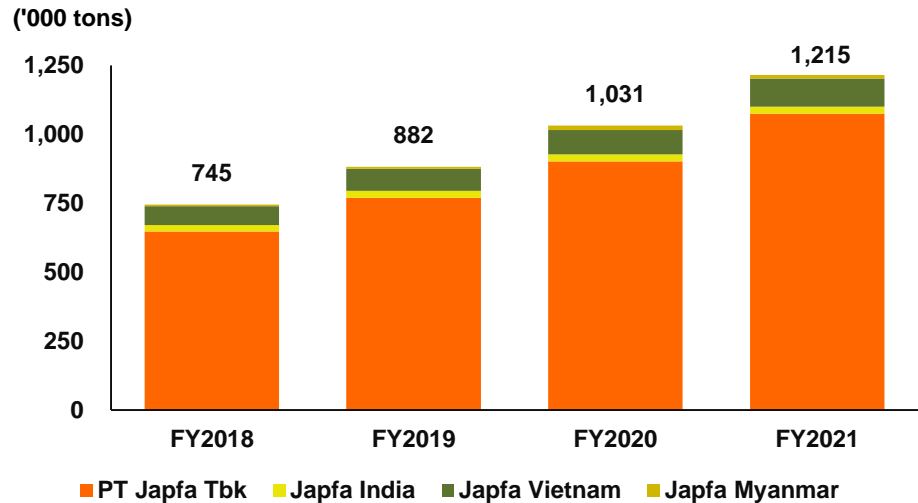


Poultry feed sales surpassed 5m tons milestone

## DOC – Broiler: Sales Volume

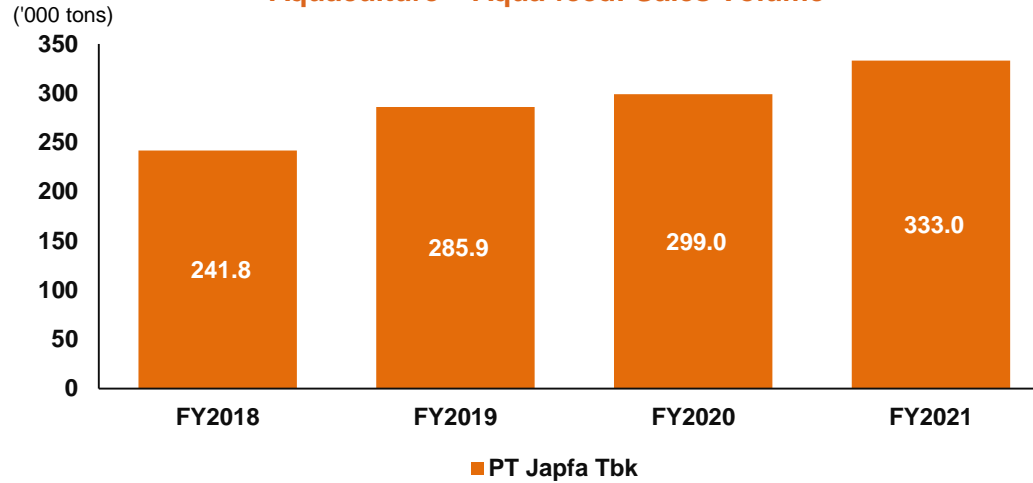


## Commercial Farm – Live Birds: Sales Volume

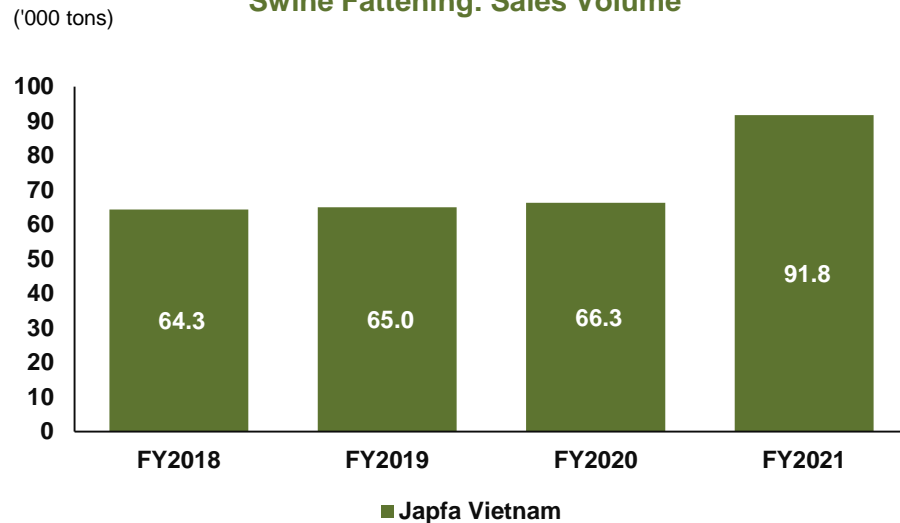


# Animal Protein – Operational Performance

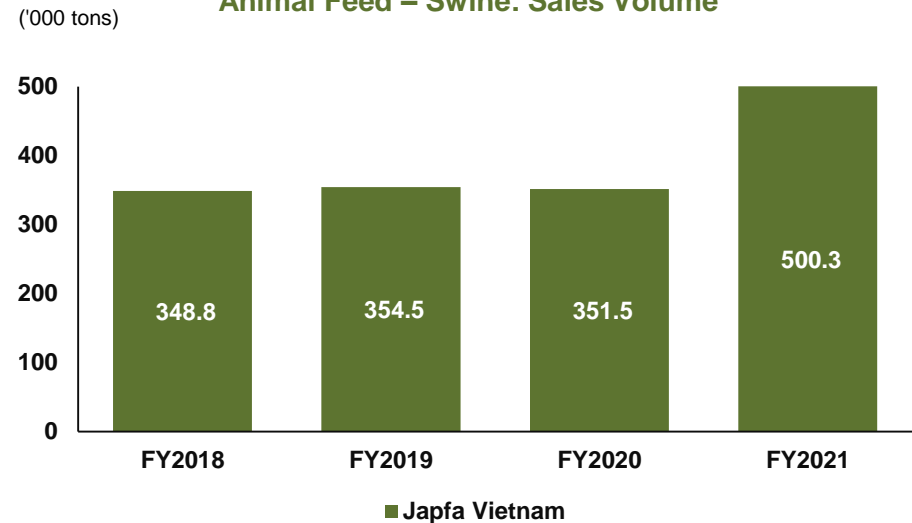
## Aquaculture – Aqua-feed: Sales Volume



## Swine Fattening: Sales Volume

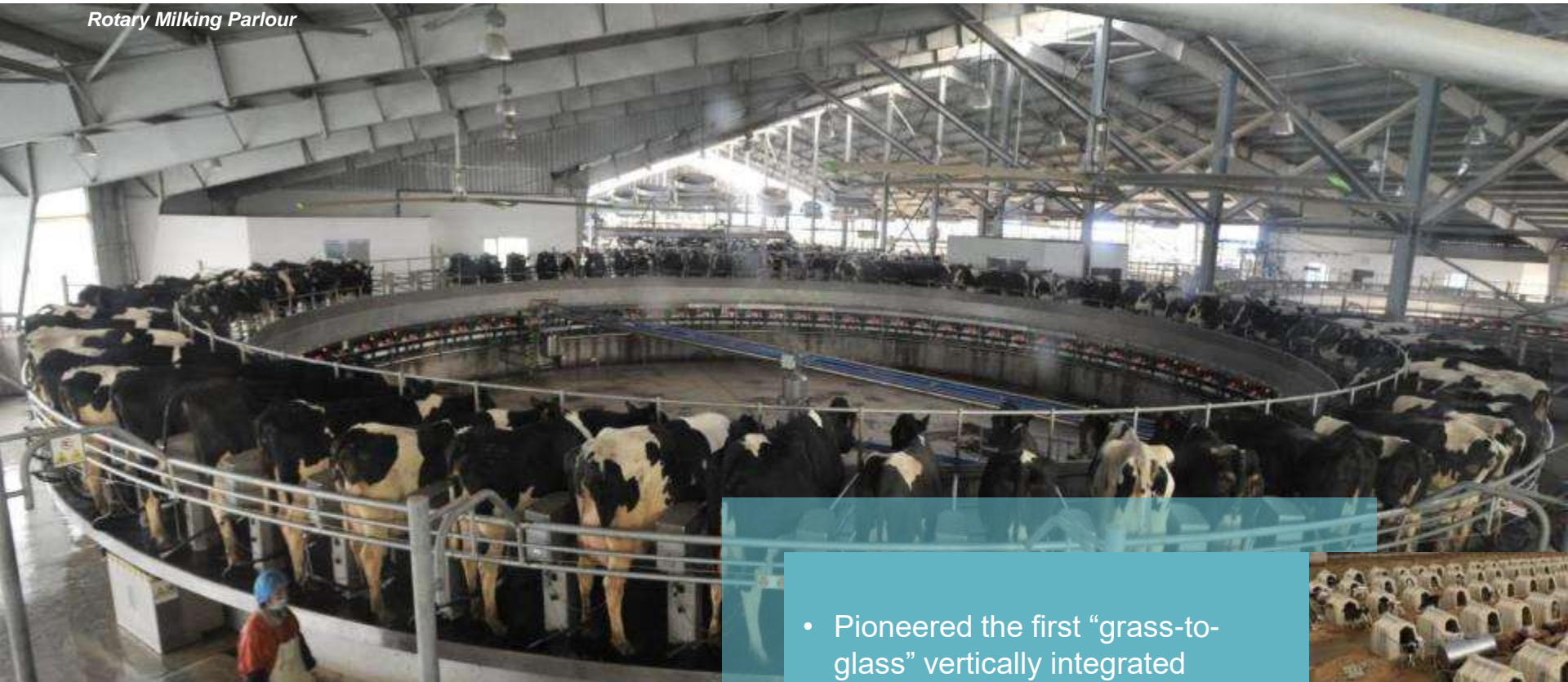


## Animal Feed – Swine: Sales Volume



# Our Business Segments: Dairy

*Rotary Milking Parlour*



## Dairy

62.5% Japfa Ltd  
25% Meiji Co. Ltd

12.5% New Hope Dairy, Genki Forest, Honest Dairy

- Pioneered the first “grass-to-glass” vertically integrated modern dairy in Indonesia in 1997
- 10 world-class dairy farms that are designed, equipped and managed to meet and exceed international standards in productivity and bio-security



*Breeding Hutches*



*Feeding Farms*



*Hay Barns*

# Centre of Competence: Dairy China

Our dairy farms achieve highest milk yields

**Milk yield** X **Milk price** = **Profitability**



**625.5**  
Raw Milk Sales Volume  
(mil kg)<sup>1</sup>

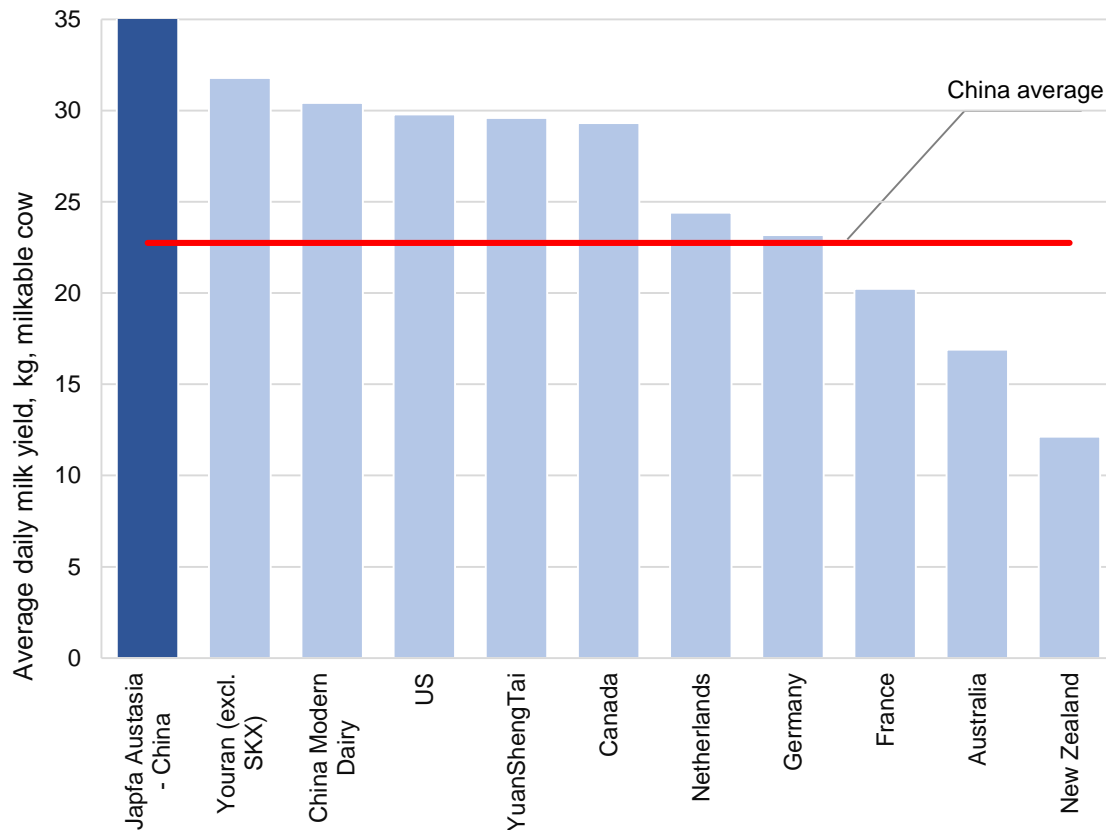
**40.0**  
Average Daily Milking  
(kg/head/day)<sup>2</sup>

**106,174**  
Total Cattle Population<sup>3</sup>  
(heads)

**53,735**  
Milkable cows  
(heads)

Our milk yields continue to surpass listed Chinese producers<sup>4</sup>

Milk yield comparison, kg/day



Sources: IFCN, USDA, Canadian Dairy Information Center, CLAL, Dairy Australia, DairyNZ, ZuvieINL, Companies reports, China Dairy Statistics Summary, Rabobank est.

<sup>1</sup> For the year ended 31 December 2021 ("FY2021")

<sup>2</sup> Company's milk yield calculation based on number of milking cows

<sup>3</sup> Including heifers and calves

<sup>4</sup> Rabobank presentation to Japfa Ltd, Feb 2022. Rabobank's milk yield calculation based on number of milkable cows

# Key Milestones

**1997**

## First Farm in Indonesia

- Commenced dairy farm operations in Malang, East Java, Indonesia
- Pioneered large-scale industrialised dairy farming

**2015 - 2019**

## Expansion into Inner Mongolia

- 2 additional 10,000-heads farms

## Expansion into Processing

- Constructed a milk processing plant in JV with Food Union

**2004**

## First Farm in China

- Approached by Mengniu to establish and manage a joint venture 10,000-head dairy farm in Inner Mongolia
- Subsequently sold to joint venture partner

**2020 - 2021**

## Developments

- Commenced construction of Farm 8 in Inner Mongolia, China
- Strategic Partnership in SEA with TPG and Northstar, Japfa retains a 20% stake
- Strategic partnerships in China with Meiji, Genki Forest, Honest Dairy, and New Hope Dairy. Japfa retains a 62.5% stake
- The implied valuation of our dairy business in China and SEA arising from these transactions is approximately US\$1.3bn
- Acquisition of two state-of-the-art dairy farms in Shandong, China

**2009 - 2015**

## 5 Farm Hub in Shandong, China

- 10,000 heads in each dairy farm
- Produces superior quality raw milk with a per kg price premium to the industry average
- Best-in-class dairy farm management with higher average yield to the industry

# Key Success Factors for our High Milk Yields

## Forage

- Understanding and developing localised forage supply in an Asian context
- Scientific development of feed formulation for optimal nutrition for cow health and milk output
- Results in highest quality milk output



## Farm design

- Proven Asian 10,000-head dairy farm blue-print
- Infrastructure and standardised systems, which are designed to maximise cattle welfare, operational efficiency and milk quality
- Farms located in targeted areas within optimal environmental parameters

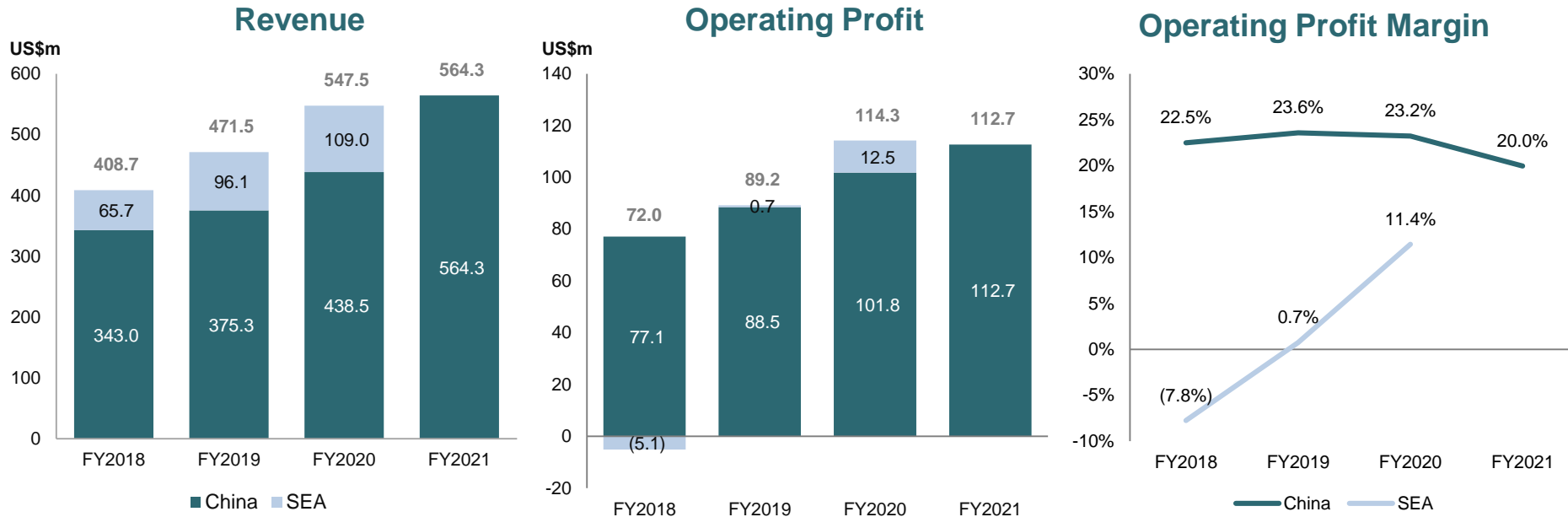


## Farm management

- Retention of experienced management over 20 years
- Continuous recruitment and training of employees to industry best practices
- Key focus on genetic improvements
- Biosecurity
- Best practices in farm management



# Segmental Trends: Dairy

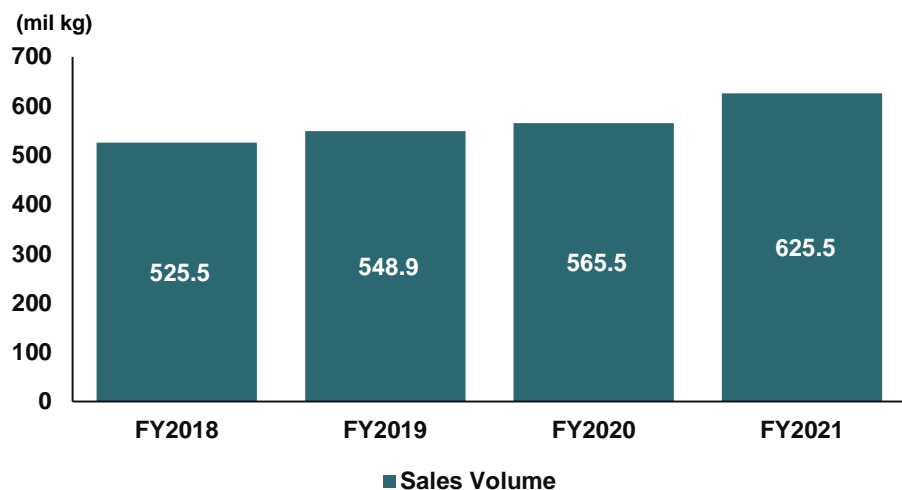


## High raw milk price in China and our continued focus on productivity bode well for growth

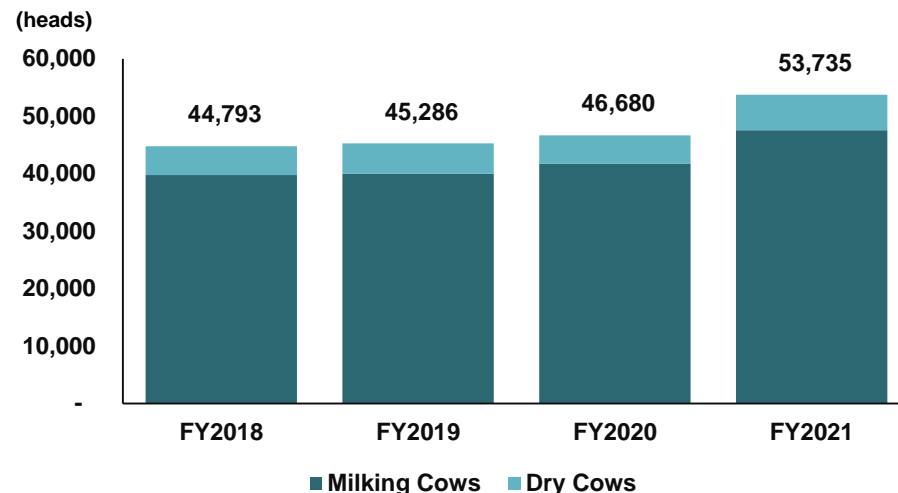
- In the past few years, we grew our Dairy segment in China by increasing our raw milk production with new farms as well continuous improvements in our milk yields, on the back of our industrialised business model. In FY2020, ADM surpassed 40kg/day/head
- China raw milk prices have gained upward momentum since 2H2019 due to a shortage in milk supply in the market, driving profitability for the Dairy segment. The strong raw milk price environment is expected to stay over the medium term as it takes time for the industry to build new dairy farms and reach the “fully milking” stage, except for any unforeseen fallout that could arise from the coronavirus outbreak
- In December 2020, Japfa sold its Dairy business in South East Asia (“Dairy-SEA”). Accordingly, from 1 January 2021 equity accounting will be applied for the 20% stake retained
- In FY2021, we continue to grow our dairy segment with the acquisition of two farms in Shandong. In addition, we also forged new strategic partnerships with Chinese food and beverage companies
- FY2021 Revenue, Operating Profit, EBITDA, & PAT have matched the same levels of FY2020, even without Dairy-SEA (Greenfields)<sup>1</sup>

# Dairy-China – Operational Performance

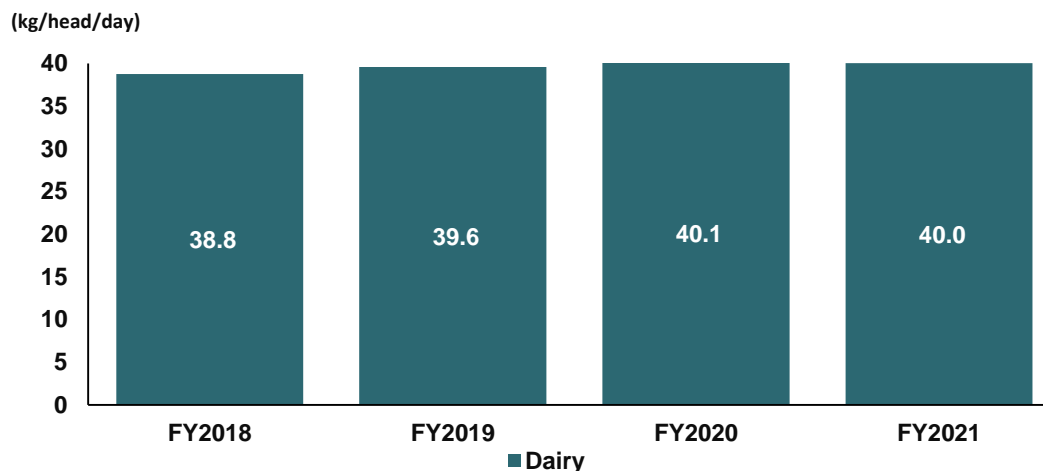
## Raw Milk: Sales Volume



## Milkable cows<sup>1</sup>



## Average Daily Milking



<sup>1</sup> Number of milkable cows as at the end of each quarter in question

Note: Total dairy herd population (which includes heifers and calves) in China as at 31 December 2021: 106,174 heads





Feeding Emerging Asia

# Our Sustainability Journey

# The Inception of Our Sustainability Journey

It is our mission to be a leading, trustworthy provider of affordable nutritious proteins in emerging Asia, contributing to the **UN Sustainable Development Goal 2: Zero Hunger**, to achieve food security, improve nutrition and promote sustainable agriculture

1971

Mr Ferry Teguh Santosa established the business incorporating a broad **sustainability philosophy**

The sustainability philosophy is embodied in our motto  
***Growing Towards Mutual Prosperity***

1990s

the vision which we practice and uphold with Japfa's various stakeholder groups:



Shareholders



Suppliers



Employees



Business Partners



Customers



Local Communities

2000



Our corporate logo, depicting a “happy person” reflects our commitment in building mutually rewarding relationships with stakeholders

# Japfa's Sustainability Organisation & Pillars



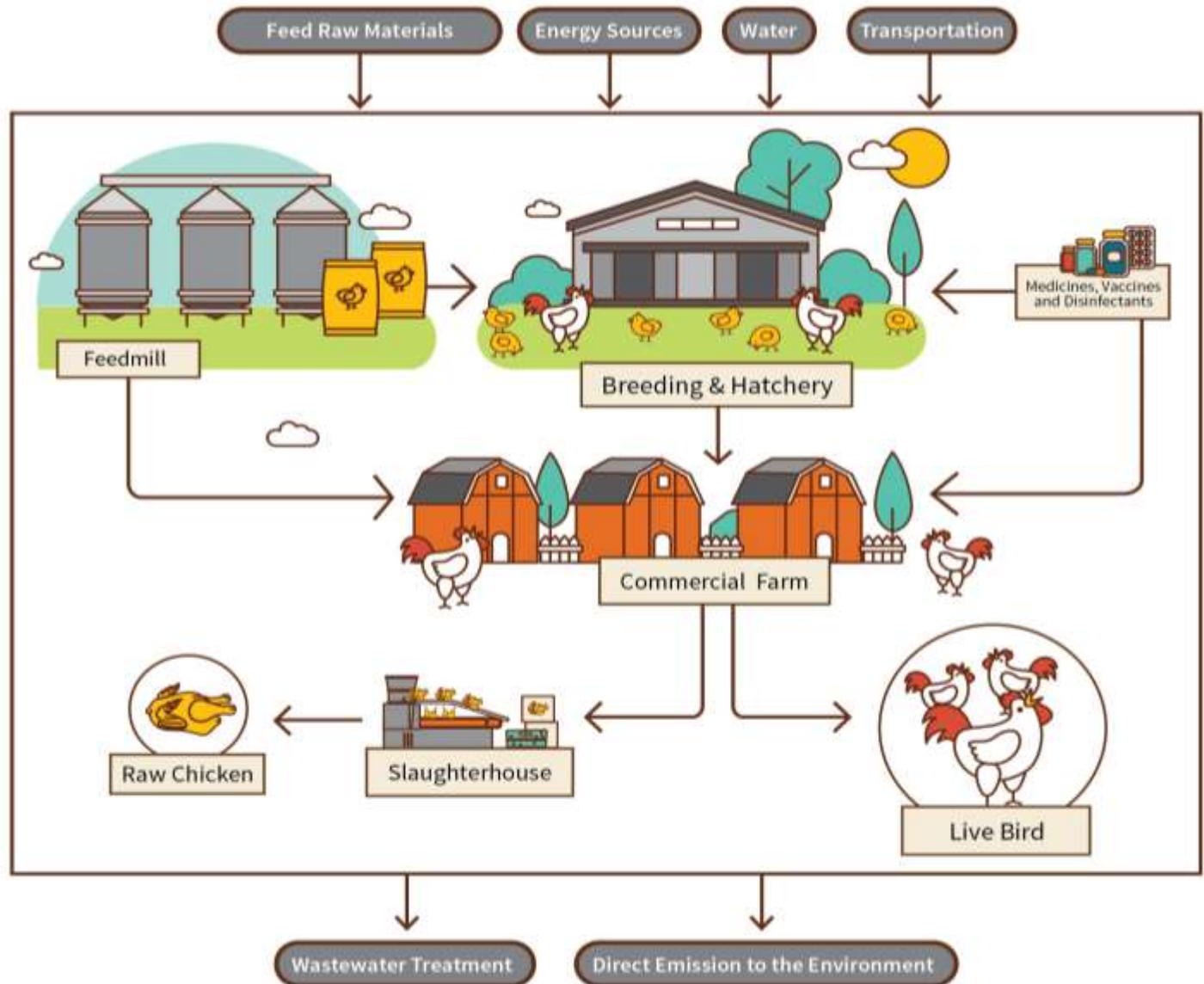
We have established a **Sustainability Committee** and developed strong **Sustainability Pillars** to guide us on this journey and we will continue to review and improve on our efforts to Feeding Emerging Asia, while nurturing sustainable, growth orientated relationships with all our stakeholders

In an effort to embed sustainability within the organisation, we have embarked on socialisation programmes with senior management as well as identified **Sustainability Champions** across all levels and functions, including our operations

Our HR division, in collaboration with the IT division, has set up the **Japfa Sustainability Reporting System** to collect quantitative data on sustainability KPIs throughout the organisation

# Poultry Environmental Life Cycle Assessment

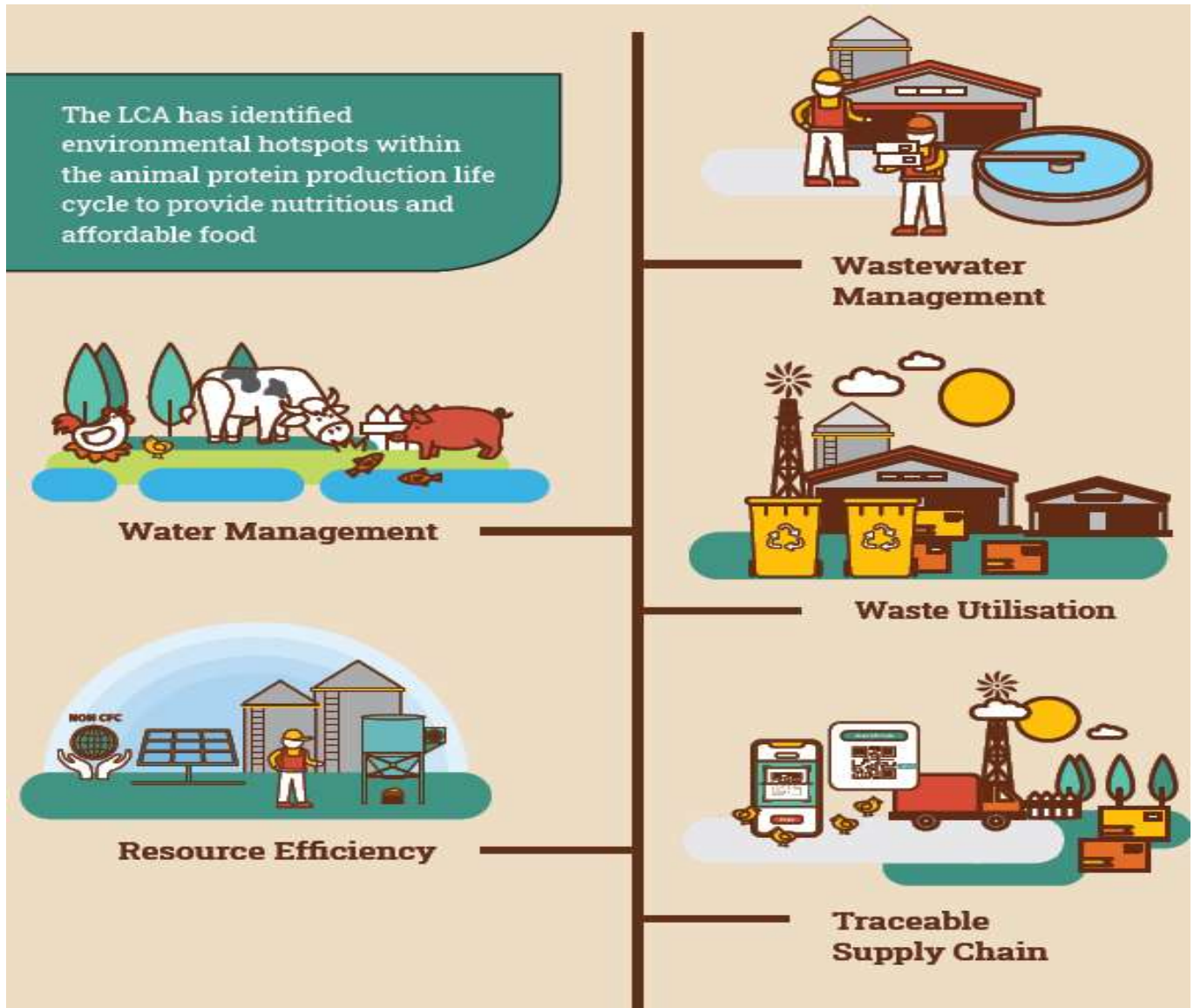
First vertically integrated poultry producer in Indonesia to formally conduct an environmental Life Cycle Assessment (LCA) initiated a cradle-to-gate LCA study for poultry operations in Indonesia



# LCA Environmental Focus Areas

The LCA exercise commenced in 2019 and took over 2 years to complete

The LCA identified environmental hotspots



# Social Life Cycle Assessment

Japfa participated as a **road tester** in the **Social LCA Project** initiated by the United Nations Environment Life Cycle Initiative and Social LC Alliance



## Measuring the social impact of our farmers partnership programme

Social LCA is a technique to assess the social impacts of products and organisations from raw material extraction to final disposal

Japfa is the only company globally that represented the food and agricultural sector and the only company representing Southeast Asia that participated in this Social LCA project to adapt the revised Social LCA guidelines

The project commenced in 2020 and the Social LCA report was published by UNEP in May 2022

# PT Japfa Tbk Sustainability-Linked Bond (SLB)

## US\$350m 5.375% 5NC3 Senior Unsecured SLB (Reg S) due March 2026

- Orderbook was over 3 times oversubscribed
- Well-distributed final allocation with high quality institutional investors. Fund managers, insurers and pension funds bought 88% and private banks 12%
- Strong support from institutional European investors taking up more than 50% of the final allocation. Out of the top 20 investors, 18 were ESG-related funds
- Upsized transaction to US\$350m (from previous US\$250m bond) and lowered coupon to 5.375%

|   |  |
|---|--|
| Issuer Rating                           | BB- (Stable) / BB- (Stable) by S&P and Fitch respectively  |
| Key Performance Indicator (KPI)         | Water Recycling Facilities for Sustainable Water and Wastewater Management at Poultry Operations   |
| Sustainability Performance Target (SPT) | Construction of:<br>(i) 8 water recycling facilities at any of its poultry slaughterhouses; and<br>(ii) 1 water recycling facility at any of its hatcheries within the poultry breeding unit |
| SPT Rating (Vigeo Eiris)                | Robust (KPI relevance) / Robust (SPT ambition)   |
| Step-up Event                           | Failure to satisfy the SPT in 3 years and 9 months   |
| Coupon Step-up                          | One-time 25bps coupon step-up for any interest periods following   |

## SPT Status

- PT Japfa Tbk will annually publish an independent verification assurance report by EY on the progress of the SPT, which will be available on our website
- We are pleased to report that as at 23 March 2022, we have completed 2 water recycling facilities in our poultry slaughterhouse in Cikupa and poultry hatchery in Subang

# Sustainability-Linked Bond (SLB)

In 2021, our subsidiary PT Japfa Comfeed Indonesia Tbk issued an SLB with a Sustainability Performance Target (SPT) linked to wastewater treatment, recycling and ultimately to improve water circularity and reduce water withdrawal

The SLB is the first of its kind for the agri-food industry in the world and the first US\$-denominated SLB issuance from Southeast Asia

## Why was Japfa able to be first?

Sustainability was ingrained into our daily operations, with strong support from senior management. Over time, more and more people across Japfa have embraced sustainability in their daily activities. We believe that we can only grow if we grow together towards mutual prosperity with all stakeholders

In 2019, we initiated a LCA of our poultry operations in Indonesia. The exercise took over 2 years as extensive data was collected, which helped to identify key focus areas in our business, as well as opportunities to improve our processes

The LCA provided a basis for a Sustainability-Linked Financing Framework and helped to establish SPTs based on key focus areas. These SPTs were assessed as “Robust” in an independent Second Party Opinion from Vigeo Eiris






Feeding Emerging Asia

# Appendix


# Segment Information – FY2021

|  | YTD DEC Y2021  |               |                |              |               |                |
|--|----------------|---------------|----------------|--------------|---------------|----------------|
|  | ANIMAL PROTEIN |               |                | DAIRY        | OTHERS        | TOTAL          |
|  | TBK            | AP Other      | Total          |              |               |                |
| External Revenue   | 3,123.9        | 939.5         | 4,063.4        | 564.3        | 8.6           | 4,636.4        |
| Inter Segment Sales  | 4.7            | 0.0           | 4.7            | 0.0          | (4.7)         | 0.0            |
| <b>TOTAL REVENUE</b>   | <b>3,128.5</b> | <b>939.6</b>  | <b>4,068.1</b> | <b>564.3</b> | <b>3.9</b>    | <b>4,636.4</b> |
| <b>OPERATING PROFIT</b>  | <b>217.9</b>   | <b>(0.6)</b>  | <b>217.3</b>   | <b>112.7</b> | <b>1.8</b>    | <b>331.9</b>   |
| <i>% to sales</i>  | <i>7.0%</i>    | <i>-0.1%</i>  | <i>5.3%</i>    | <i>20.0%</i> | <i>46.2%</i>  | <i>7.2%</i>    |
| <b>EBITDA</b>  | <b>335.7</b>   | <b>35.0</b>   | <b>370.7</b>   | <b>159.9</b> | <b>3.3</b>    | <b>533.9</b>   |
|  | <i>10.7%</i>   | <i>3.7%</i>   | <i>9.1%</i>    | <i>28.3%</i> | <i>83.3%</i>  | <i>11.5%</i>   |
| Depreciation & Amortization  | (99.2)         | (34.6)        | (133.8)        | (21.9)       | (0.6)         | (156.3)        |
| Net Interest Expense   | (55.2)         | (14.5)        | (69.7)         | (21.0)       | (2.5)         | (93.2)         |
| Forex Gain(loss)   | 3.3            | (6.7)         | (3.3)          | (3.2)        | (5.0)         | (11.6)         |
| Fair Value Gain(Loss) Derivative for forex hedging                               | 0.0            | 0.0           | 0.0            | 3.7          | 3.6           | 7.3            |
| Fair Value Gain(Loss) Bio A  | 2.3            | (5.2)         | (2.9)          | (10.5)       | 0.0           | (13.4)         |
| <b>PBT</b>   | <b>186.9</b>   | <b>(25.9)</b> | <b>161.0</b>   | <b>107.0</b> | <b>(1.2)</b>  | <b>266.8</b>   |
| Tax  | (46.2)         | 0.7           | (45.5)         | (2.4)        | (6.2)         | (54.1)         |
| <b>PAT</b>   | <b>140.7</b>   | <b>(25.2)</b> | <b>115.5</b>   | <b>104.6</b> | <b>(7.4)</b>  | <b>212.7</b>   |
| <b>PAT w/o Bio A</b>   | <b>138.5</b>   | <b>(21.0)</b> | <b>117.5</b>   | <b>115.0</b> | <b>(7.4)</b>  | <b>225.1</b>   |
| <i>% ownership</i>   | <i>55.0%</i>   | <i>100.0%</i> |                | <i>62.5%</i> |               |                |
| <b>PATMI</b>   | <b>72.7</b>    | <b>(25.2)</b> | <b>47.6</b>    | <b>78.6</b>  | <b>(7.4)</b>  | <b>118.8</b>   |
| <b>Core PATMI</b>  | <b>71.5</b>    | <b>(21.0)</b> | <b>50.5</b>    | <b>80.8</b>  | <b>(11.0)</b> | <b>120.4</b>   |
| <b>Core PATMI w/o Forex</b>  | <b>69.7</b>    | <b>(14.3)</b> | <b>55.4</b>    | <b>83.3</b>  | <b>(6.0)</b>  | <b>132.7</b>   |

## Notes:

- **Animal Protein – PT Japfa Tbk** refers to animal protein operations through IDX-listed PT Japfa Comfeed Indonesia Tbk (“PT Japfa Tbk”).
- **Animal Protein – Other (APO)** refers to the animal protein operations in Vietnam, India, and Myanmar.
- **Dairy** refers to the dairy and beef farming operations in China.
- **Others** include corporate office, central purchasing office in Singapore, equity accounting for 20% stake in “Greenfields” dairy business and consolidation adjustments between segments, including elimination of dividends received by Japfa Ltd from subsidiaries.
- We define “**EBITDA**” as profit before tax, excluding interest income, finance costs, depreciation and amortisation expenses. We also exclude a) foreign exchange adjustments gains/(losses), b) changes in fair value of derivatives relating to foreign exchange hedging, and c) fair value of biological assets, other than gains/(losses) from the sale of beef in China.
- We derived **Core PATMI** from “Profit Attributable to Owners of the Parent, Net of Tax” by excluding a) changes in fair value of biological assets (net of tax), other than gains/(losses) from the sale of beef in China, b) changes in fair value of derivatives, and c) any extraordinary items, attributable to the owners of the parent.
- “**Core PATMI w/o Forex**” is an estimate derived from Core PATMI by excluding foreign exchange gains/losses (before tax) attributable to the owners of the parent. We have not made an estimate of the tax impact on foreign exchange gains/losses.

# Segment Information – FY2020

|  | YTD DEC Y2020  |               |                |              |                 |                |
|--|----------------|---------------|----------------|--------------|-----------------|----------------|
|  | ANIMAL PROTEIN |               |                | DAIRY        | OTHERS          | TOTAL          |
|  | TBK            | AP Other      | Total          |              |                 |                |
| External Revenue   | 2,522.1        | 796.0         | 3,318.1        | 547.5        | 2.7             | <b>3,868.3</b> |
| Inter Segment Sales  | 5.4            | 0.0           | 5.4            | 0.0          | (5.4)           | <b>0.0</b>     |
| <b>TOTAL REVENUE</b>   | <b>2,527.5</b> | <b>796.0</b>  | <b>3,323.5</b> | <b>547.5</b> | <b>(2.7)</b>    | <b>3,868.3</b> |
| <b>OPERATING PROFIT</b>  | <b>173.9</b>   | <b>98.0</b>   | <b>271.9</b>   | <b>114.3</b> | <b>(22.4)</b>   | <b>363.8</b>   |
| <i>% to sales</i>  | <i>6.9%</i>    | <i>12.3%</i>  | <i>8.2%</i>    | <i>20.9%</i> | <i>820.8%</i>   | <i>9.4%</i>    |
| <b>EBITDA</b>  | <b>257.5</b>   | <b>127.3</b>  | <b>384.7</b>   | <b>159.5</b> | <b>138.9</b>    | <b>683.1</b>   |
|  | <i>10.2%</i>   | <i>16.0%</i>  | <i>11.6%</i>   | <i>29.1%</i> | <i>-5093.9%</i> | <i>17.7%</i>   |
| Depreciation & Amortization  | (92.3)         | (28.2)        | (120.5)        | (24.8)       | (0.6)           | <b>(145.9)</b> |
| Net Interest Expense   | (54.9)         | (10.7)        | (65.5)         | (18.6)       | (15.3)          | <b>(99.5)</b>  |
| Forex Gain(loss)   | (0.1)          | 2.0           | 1.8            | 0.1          | (1.9)           | <b>0.1</b>     |
| Fair Value Gain(Loss) Derivative for forex hedging                               | 0.0            | 0.0           | 0.0            | (0.8)        | (3.6)           | <b>(4.4)</b>   |
| Fair Value Gain(Loss) Bio A  | (1.6)          | 1.4           | (0.2)          | (10.8)       | 0.0             | <b>(11.0)</b>  |
| <b>PBT</b>   | <b>108.5</b>   | <b>91.8</b>   | <b>200.4</b>   | <b>104.7</b> | <b>117.4</b>    | <b>422.4</b>   |
| Tax  | (31.3)         | (13.4)        | (44.6)         | (1.0)        | (5.2)           | <b>(50.8)</b>  |
| <b>PAT</b>   | <b>77.3</b>    | <b>78.4</b>   | <b>155.7</b>   | <b>103.7</b> | <b>112.1</b>    | <b>371.6</b>   |
| <b>PAT w/o Bio A</b>   | <b>78.8</b>    | <b>77.5</b>   | <b>156.3</b>   | <b>114.3</b> | <b>112.1</b>    | <b>382.7</b>   |
| <i>% ownership</i>   | <i>54.5%</i>   | <i>100.0%</i> |                | <i>75.0%</i> |                 |                |
| <b>PATMI</b>   | <b>45.2</b>    | <b>78.1</b>   | <b>123.3</b>   | <b>86.5</b>  | <b>112.1</b>    | <b>322.0</b>   |
| <b>Core PATMI</b>  | <b>46.0</b>    | <b>77.2</b>   | <b>123.2</b>   | <b>98.4</b>  | <b>(27.2)</b>   | <b>194.5</b>   |
| <b>Core PATMI w/o Forex</b>  | <b>46.1</b>    | <b>75.3</b>   | <b>121.3</b>   | <b>98.6</b>  | <b>(24.6)</b>   | <b>195.4</b>   |

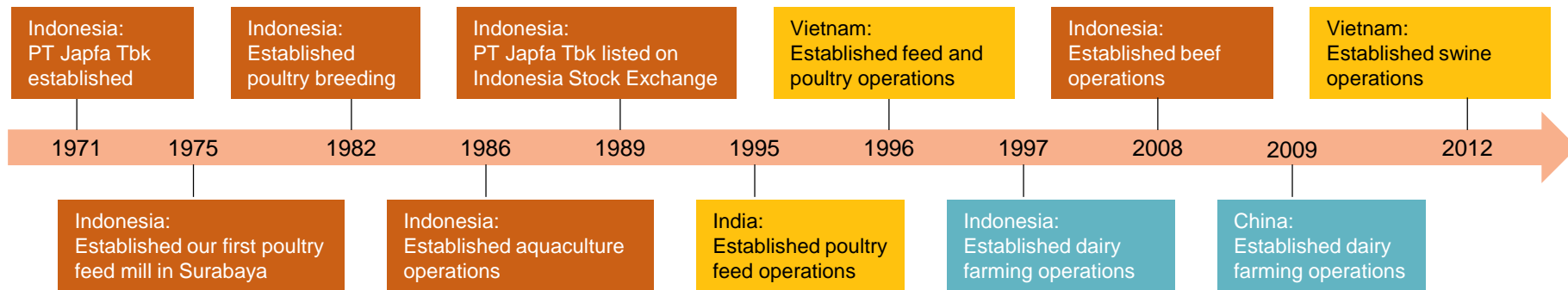
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- “**Core PATMI w/o Forex**” is an estimate derived from Core PATMI by excluding foreign exchange gains/losses (before tax) attributable to the owners of the parent. We have not made an estimate of the tax impact on foreign exchange gains/losses. This is because the majority of the gains/losses are unrealised and arise from the translation of USD loans in Dairy, which have no tax implication.

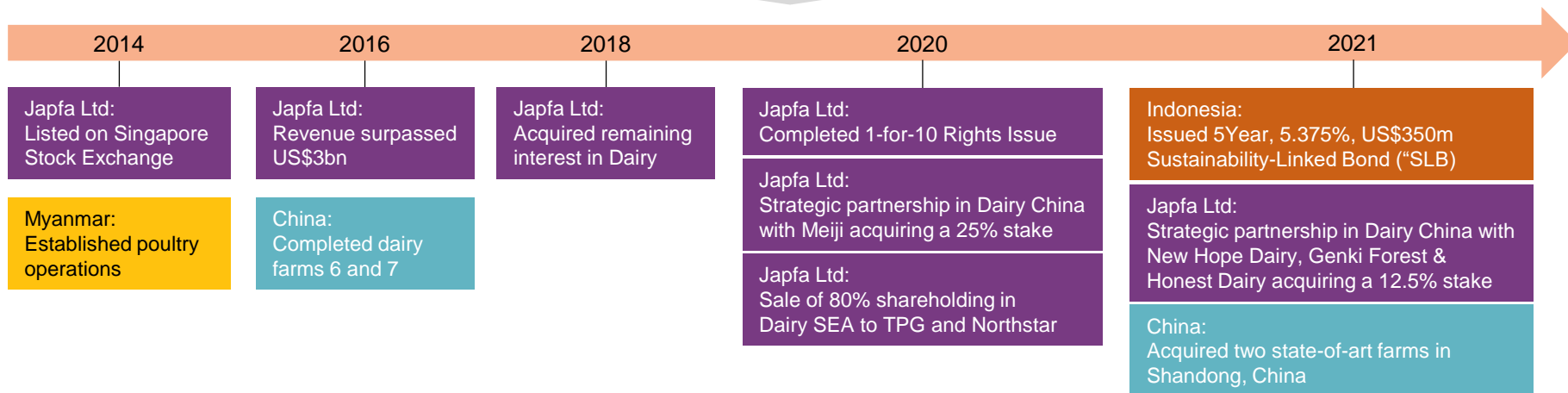
# Over 50 Years of Growth

The Group has grown from a single poultry feed mill in Indonesia to a leading pan-Asian agri-food company operating in 5 countries. Its diversification strategy into new geographies and proteins positions the Group to be a long-term industry player.

## Track record by PT Japfa Tbk and the Santosa family



## Businesses above are now held under Japfa Ltd





Feeding Emerging Asia

**THANK YOU**

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