



## PRESS RELEASE

### JAPFA LTD

391B Orchard Road, #18-08, Ngee Ann City Tower B, Singapore 238874  
Tel: (65) 6735 0031 Fax: (65) 6735 4465  
Company Registration No: 200819599W

### 1Q2024 Financial Results

## Japfa improves performance with US\$99.2 million EBITDA in 1Q2024

- This result was driven by both PT Japfa Tbk and APO-Vietnam, stemming from:
  - Feed, consistently delivering profits;
  - Higher poultry and swine prices during Ramadhan in Indonesia and Tết in Vietnam;
  - Lower production costs across poultry and swine operations in Vietnam, arising from our streamlining initiatives.
- In 1Q2024, Japfa recorded a positive Core PATMI without Forex of US\$13.4 million compared to a negative US\$37.9 million a year ago.
- Although the improvement in performance is encouraging, we continue to be prudent.

**Singapore, 30 April 2024** – Leading industrialised agri-food company Japfa Ltd (“Japfa” or, together with its subsidiaries, the “Group”) today reported financial results for the quarter ended 31 March 2024 (“1Q2024”).

In 1Q2024, the Group’s performance improved substantially year-on-year (“y-o-y”) driven by both PT Japfa Tbk and APO-Vietnam. Group’s revenue was up by 11.6% y-o-y to US\$1.1 billion. Operating profit stood at US\$76.6 million in 1Q2024 compared to an operating loss of US\$28.6 million in 1Q2023. EBITDA increased to US\$99.2 million in 1Q2024 compared to US\$2.3 million a year ago.

The key catalysts of this improvement were:

- Feed, that consistently delivered profits, with stable margins across our major markets;
- Higher poultry and swine selling prices during Ramadhan in Indonesia and Tết in Vietnam, which revitalised demand amid persisting cost-of-living pressures;
- Our streamlining initiatives introduced since early 2023, which have proved effective in lowering production costs across poultry and swine operations in Vietnam.

As a result, Japfa recorded a Positive Core PATMI without Forex of US\$13.4 million in 1Q2024 compared to a negative US\$37.9 million in 1Q2023.

**Tan Yong Nang, Chief Executive Officer of Japfa**, said: “The positive results for 1Q2024, marked by an EBITDA exceeding US\$99 million, are encouraging. Despite cost-of-living pressures, we made the most of increased demand during Ramadhan in Indonesia and Tết in Vietnam, leveraging higher selling prices of both poultry and swine. Also, the y-o-y improvement in performance underscores the effectiveness of our streamlining initiatives in reducing production costs, particularly in our poultry and swine operations in Vietnam. While the current results are promising, our commitment to prudent management remains steadfast, especially given the uncertain global conditions, and we remain focused on being one of the lowest costs producers of animal proteins in Asia”.

## **Financial Highlights**

<b>US\$ million</b>	<b>1Q2023</b>	<b>1Q2024</b>	<b>% Change</b>
<b>Revenue</b>	<b>1,016.5</b>	<b>1,134.4</b>	<b>11.6%</b>
<b>Operating profit</b>	<b>(28.6)</b>	<b>76.6</b>	<b>n/m</b>
<b>Operating Profit Margin (%)</b>	<b>-2.8%</b>	<b>6.8%</b>	<b>9.6pts</b>
<b>EBITDA<sup>1</sup></b>	<b>2.3</b>	<b>99.2</b>	<b>4276.6%</b>
<b>Profit After Tax (“PAT”)</b>	<b>(50.6)</b>	<b>33.7</b>	<b>n/m</b>
<b>Net Profit Attributable to Owners (“PATMI”)</b>	<b>(43.0)</b>	<b>12.4</b>	<b>n/m</b>
<b>Core PATMI without Forex<sup>2</sup></b>	<b>(37.9)</b>	<b>13.4</b>	<b>n/m</b>

## **Segmental Results**

### **PT Japfa Tbk**

PT Japfa Tbk’s performance improved substantially in 1Q2024 compared to a year ago due to higher prices and sales volumes.

Revenue increased 13.4% y-o-y to US\$882.8 million in 1Q2024 mainly as a result of higher selling prices for DOC and broiler due to higher demand during Ramadhan in Indonesia.

Feed stands out as a pillar of profitability, and we continue to pass on raw material price increases in our selling prices. Feed margins remained stable y-o-y.

PT Japfa Tbk recorded an operating profit of US\$68.9 million in 1Q2024 from an operating loss of US\$6.1 million in 1Q2023. Breeding and commercial farming operations reported a profit in 1Q2024 driven by higher DOC and broiler prices. In 1Q2023, the combination of high raw material costs, weak consumer purchasing power and prolonged supply and demand imbalance in Day-Old-Chicks (“DOCs”) and broilers, resulted in an operating loss.

EBITDA increased to US\$84.7 million compared to US\$13.3 million in 1Q2023. PAT stood at US\$43.6 million in 1Q2024 compared to a PAT loss of US\$17.8 million a year ago.

### **Animal Protein Other (“APO”)**

The segment performance improved in 1Q2024 on the back of higher selling prices and lower costs.

Revenue increased 4.7% to US\$245.9 million in 1Q2024 compared to US\$234.9 million in 1Q2023. The segment reported an operating profit of US\$6.1 million compared to an operating loss of US\$26.5 million a year ago. In 1Q2024, EBITDA was positive at US\$17.2 million compared to a negative EBITDA of 15.7 million in 1Q2023. Nevertheless, the segment posted a negative, albeit improved, PAT of US\$3.8 million in 1Q2024, compared to a negative PAT of US\$34.1 million in 1Q2023. It should be noted that the PAT loss includes interest expenses of US\$7.3 million and a forex loss of US\$2.1 million in 1Q2024.

<sup>1</sup> 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.

<sup>2</sup> 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), (b) changes in fair value of derivatives, and (c) 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 gain/losses.

## APO-Vietnam

Feed remains a steady contributor to profitability.

Swine and poultry operations recorded a profit in 1Q2024 mainly due to higher selling prices for both poultry and swine following higher demand during Tết, as well as lower costs. The streamlining initiatives implemented by the management since early 2023 have successfully reduced broiler, color bird and swine fattening production costs in 1Q2024. This contrasts with 1Q2023, when Vietnam recorded an operating loss due to low selling prices for both poultry and swine, as well as high feed costs.

## APO-India, Myanmar, Bangladesh

For the remaining countries under APO, feed is the major business activity. Collectively these countries recorded a negative EBITDA of US\$0.9 million in 1Q2024 mainly due to weak poultry prices.

###

## About Japfa Ltd

Headquartered in Singapore, Japfa Ltd is a leading vertically integrated agri-food company listed on the SGX Main Board since 2014. Established in 1971, the Group has grown into one of Asia's leading low-cost producers of protein staples including poultry, swine and aquaculture as well as protein-based consumer products across fast-growing emerging Asian economies such as Indonesia, Vietnam, India, Myanmar and Bangladesh. Japfa embraces an integrated industrial approach to livestock and food production across the value chain. Its operations span from Feed & Breeding (upstream), Fattening (midstream) and Processing and Distribution (downstream). For more information, please visit [www.japfa.com](http://www.japfa.com)

## Contacts

### **Japfa Investor Relations and Corporate Communication**

Tel. +65 67350031 - Email: [investorcontact@japfa.com](mailto:investorcontact@japfa.com)

**IMPORTANT NOTICE:** *This press release is for information only and should not be relied upon to make any investment or divestment decision with respect to securities of the Japfa Group. Shareholders and potential investors are advised to seek independent advice in the making of any investment or divestment decision. Where the press release includes opinions, judgements, or forward-looking statements, these involve assumptions, risks and uncertainties that may or may not be realised. Any references to industry prices or price trends are Company estimates due to the absence of centralised public sources. Industry related data quoted has not been independently verified. For the voluntary disclosure of the Company's Income Statement, Statement of Comprehensive Income and Statement of Financial Position for 1Q2024 please refer to Japfa Ltd's Unaudited Financial Statements. A limited discussion of these results can be found in the Company's Investor Presentation 1Q2024 Financial Results. All aforementioned documents can be found on the SGXnet and on the Company's website [www.japfa.com](http://www.japfa.com).*

###