


# Investor Presentation

9M2021

**Japfa Ltd**

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# GROUP OVERVIEW

50 JAPFA

# Group Overview



## Feeding Emerging Asia



- Established in 1971
- 5 animal protein businesses in 5 countries
- Japfa Ltd's market capitalisation: approx. US$1.0 billion[1]
- FY2020 revenue: US$3.9 billion

[1] As at 30 September 2021









# Leading Pan-Asian Industrialised Agri-Food Company




## WHAT WE DO

We produce quality protein staples, dairy, and packaged food that nourish millions of people



## WHERE WE ARE

We employ over 40,000 people across Singapore, Indonesia, Vietnam, Myanmar, India 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**

# Vertically Integrated Business Across Entire Value Chain

## Three Business Segments
## Five Proteins | Five Countries

Vertically Integrated Business Model

| | ANIMAL PROTEIN – PT JAPFA TBK<br>Indonesia | ANIMAL PROTEIN – OTHER<br>Vietnam \| Myanmar \| India | DAIRY<br>China |
|---|---|---|---|
| UPSTREAM<br>ANIMAL FEED PRODUCTION | Poultry Feed<br>Cattle Feed<br>Aquaculture Feed | Poultry Feed<br>Swine Feed | Cattle Feed<br>Cattle Feed |
| BREEDING FARMS | Poultry Breeding<br>Beef Cattle Breeding<br>Aquaculture Breeding | Poultry Breeding<br>Swine Breeding | Dairy Cattle Breeding<br>Beef Cattle Breeding |
| MIDSTREAM<br>MILKING & FATTENING FARMS | Poultry Commercial Farming<br>Beef Feedlots<br>Aquaculture Commercial Farming | Poultry Commercial Farming<br>Swine Fattening | Dairy Milking<br>Beef Feedlots |
| DOWNSTREAM<br>PROCESSING & DISTRIBUTION | SO GOOD<br>JAPFA BEST<br>BESTCHICKEN | JAPFA BEST | AustAsia<br>澳亚牧场 |

# Japfa's Core Competencies

**Industrialized 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

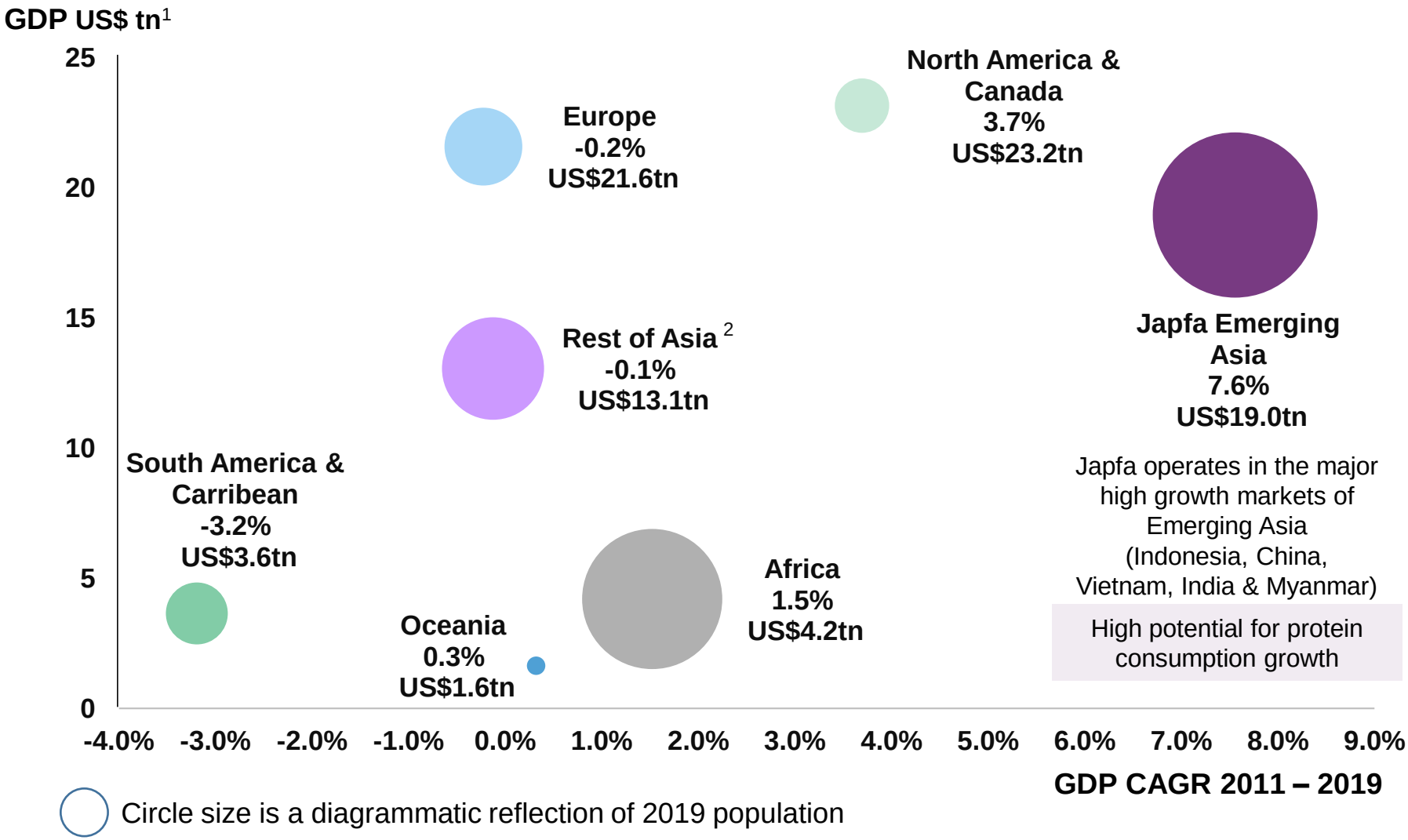
**LARGE SCALE**
- Ability to manage mega-scale farming operations; over 40,000 employees across five countries
- Scale of the Group's animal feed business provides stability to group revenue and profitability

**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

# Japfa's Emerging Asia: Market Growth




- All percentages (%) above refers to 2011- 2019 GDP CAGR
- GDP US$ trillion in each circle shows the 2019 GDP constant US$ value

[1] World Bank Data

[2] Rest of Asia refers to Asian countries excluding Japfa's Emerging Asia countries



# KEY HIGHLIGHTS

JAPFA

# Key Highlights for 9M2021

- **9M2021 performance remains steady despite weak 3Q2021, due to a strong first half**
- **Covid-19 flared up in two key markets in 3Q2021, causing strict lockdowns which hit demand and lowered prices for staple proteins**
  - **Indonesia: broiler prices dropped**
  - **Vietnam: broiler prices fell significantly below cost. Swine prices were also affected**
- **In addition, high feed raw material costs increased production costs**
- **Dairy-China continues to deliver**
- **Core PATMI w/o Forex has reduced 14.1% y-o-y, however EBITDA grew 16.1% y-o-y**

| | | |
|---|---|---|
| **Revenue**<br>**US$3,383.7m**<br>+22.2% y-o-y | **Operating Profit**<br>**US$266.5m**<br>+12.5% y-o-y | **Operating Profit Margin**<br>**7.9%**<br>-0.7pts y-o-y |
| **EBITDA**<br>**US$421.0m**<br>+16.1% y-o-y | **PATMI**<br>**US$113.9m**<br>-12.4% y-o-y | **Core PATMI w/o Forex**<br>**US$121.0m**<br>-14.1% y-o-y |



Feed remains a pillar of profitability however high raw material costs are impacting margins



Poultry prices down in Indonesia and Vietnam due to Covid-19 lockdowns in 3Q2021



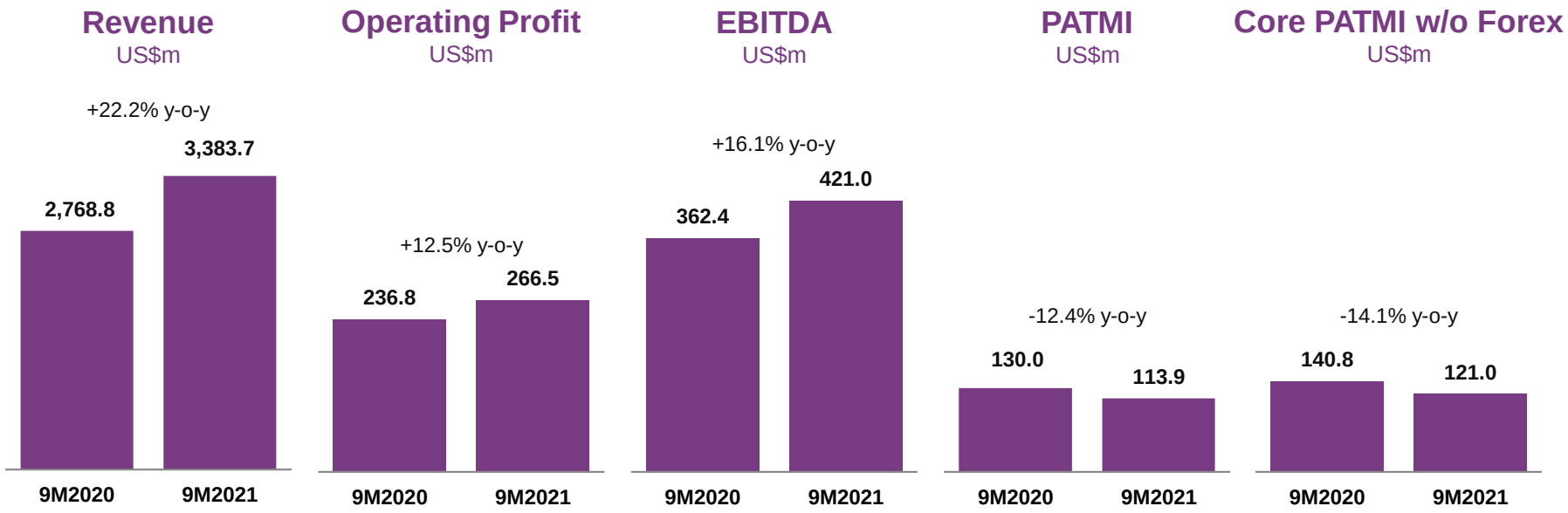
Swine fattening prices down in Vietnam due to Covid-19 lockdowns in 3Q2021



Raw milk prices remain strong since 2H2019 due to supply shortage in China

- 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) 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.

# 9M2021 Group Financials




**Group performance in 9M2021 remains steady despite weak results of two segments in 3Q2021**

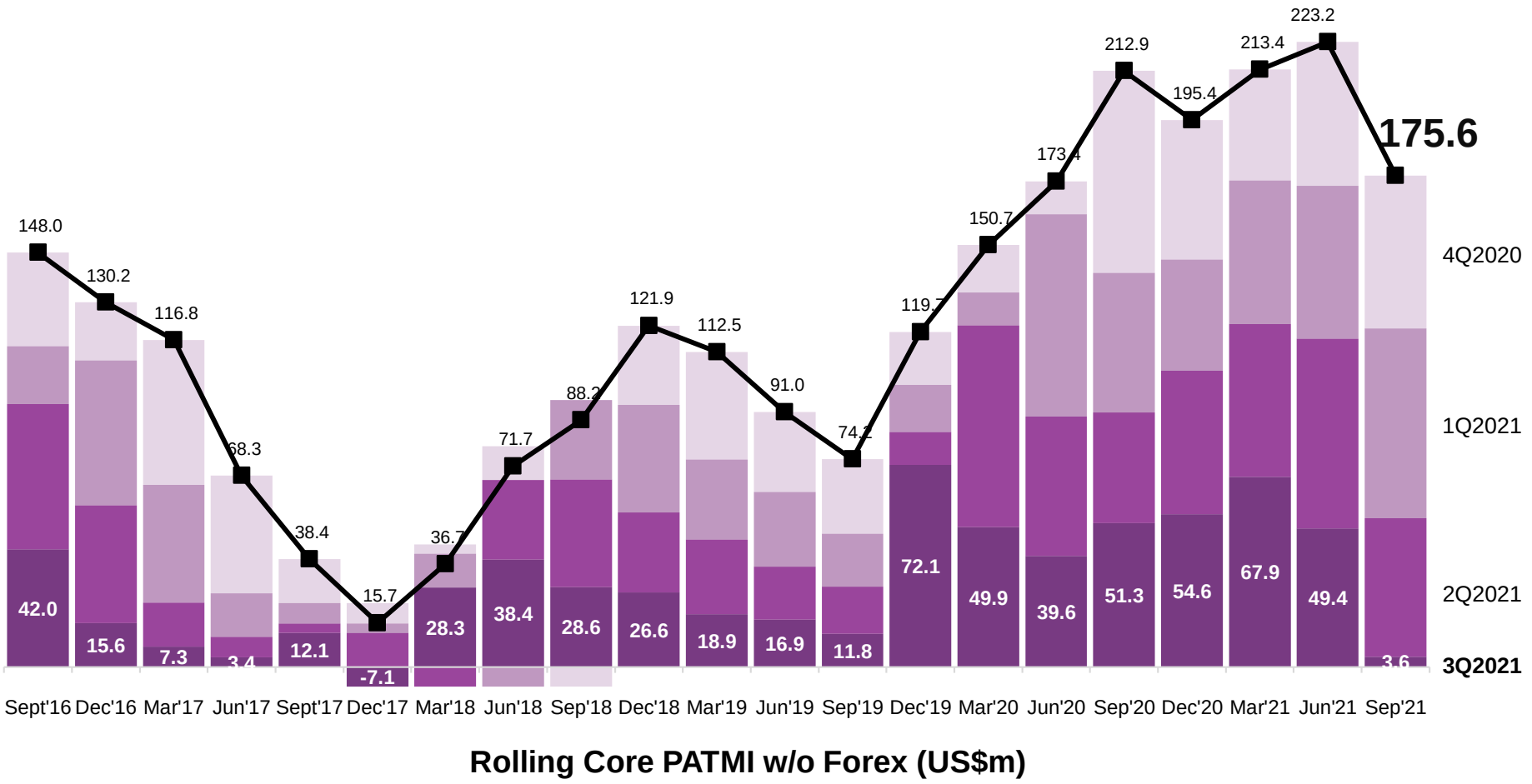
- PT Japfa Tbk: Lower demand for poultry due to lockdown in Indonesia, coupled with high raw materials costs, impacted profits in 3Q2021. Over 9M2021, results remained good on the back of revenue growth and strong 1H2021 results
- APO: Vietnam hit by Covid-19 with total lockdown in July/August significantly affecting demand and prices. As a result for 9M2021 poultry recorded losses, while swine broke even
- Dairy: Revenue and profitability increased on the back of higher sales volumes and ASP of both raw milk and beef in China



# CORE PATMI w/o FOREX
# ROLLING BASIS

JAPFA

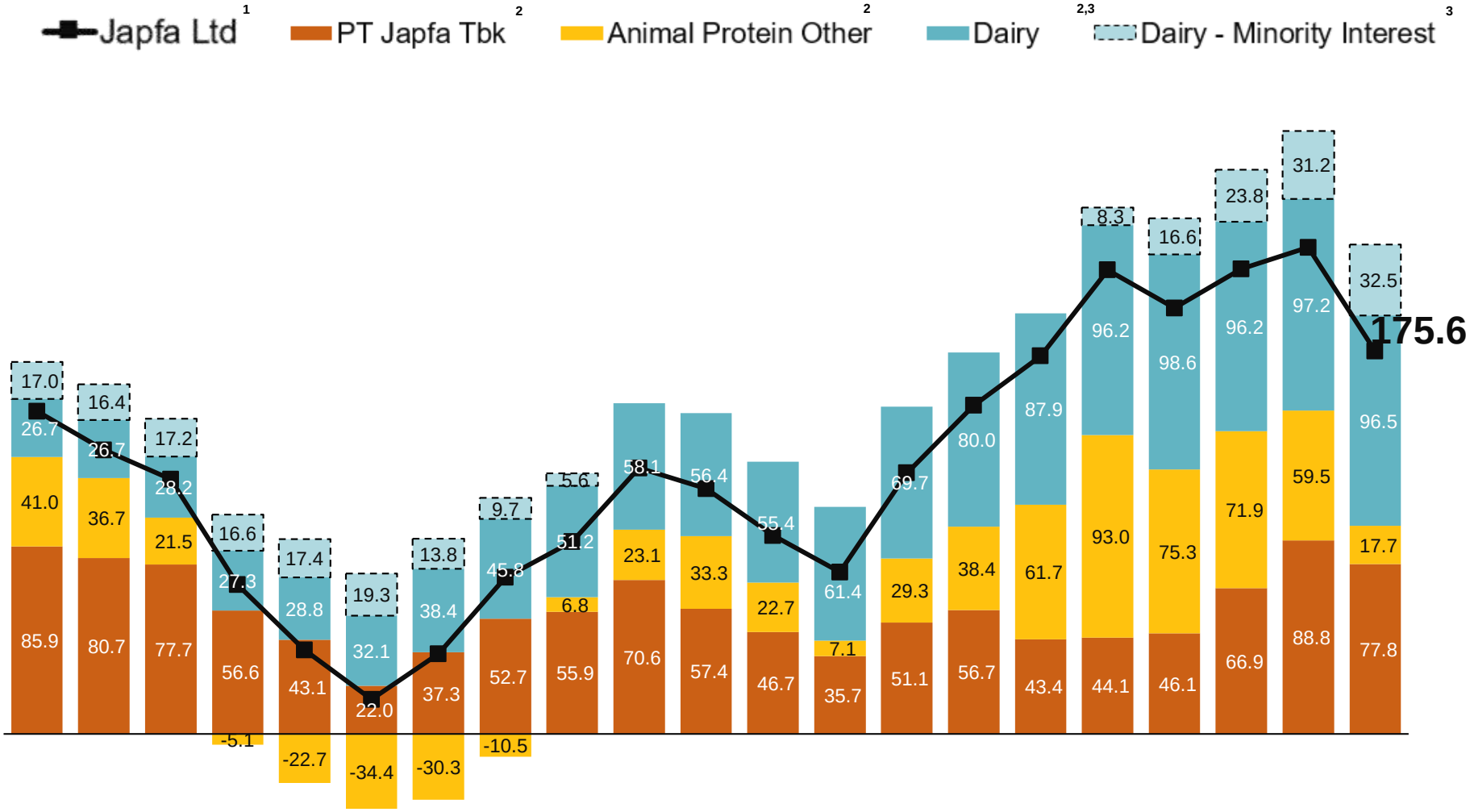
# Rolling Core PATMI w/o Forex For The Group




**Rolling Core PATMI w/o Forex (US$m)**

Note: The bar chart shown above comprises the Group's segments (PT Japfa Tbk, Animal Protein Other, and Dairy) plus its central purchasing subsidiary, headquarter costs and elimination adjustments between segments.

# Rolling Core PATMI w/o Forex by Business Segments




[1] **Japfa Ltd (Rolling 12M)** line chart shown above comprises the Group's segments (PT Japfa Tbk, Animal Protein Other, Dairy and Consumer Food) plus its central purchasing subsidiary, headquarter costs and elimination adjustments between segments.
[2] The **Three Core Pillars** (PT Japfa Tbk, Animal Protein Other and Dairy) bar chart shown above excludes the Consumer Food segment, the Group's central purchasing subsidiary, headquarter costs and elimination adjustments between segments.
[3] Dairy in dark blue represents Core PATMI w/o Forex attributable to Japfa Ltd and the light blue represents minority interest



# 9M2021
# FINANCIAL & OPERATIONAL ANALYSIS

# 9M2021 Segmental Overview

**GROUP**

**Japfa Ltd**

| (US$m) | 9M2020 | 9M2021 | %change | |
|---|---|---|---|---|
| Revenue | 2,768.8 | 3,383.7 | 22.2% | ▲ |
| Operating Profit | 236.8 | 266.5 | 12.5% | ▲ |
| Operating Profit Margin | 8.6% | 7.9% | -0.7 pts | ▼ |
| EBITDA | 362.4 | 421.0 | 16.1% | ▲ |
| PAT | 146.9 | 194.2 | 32.2% | ▲ |
| PATMI | 130.0 | 113.9 | -12.4% | ▼ |
| Core PATMI w/o Forex | 140.8 | 121.0 | -14.1% | ▼ |

**BUSINESS SEGMENTS**

**PT Japfa Tbk**

| (US$m) | | | | |
|---|---|---|---|---|
| Revenue [1] | 1,808.8 | 2,282.7 | 26.2% | ▲ |
| Operating Profit | 78.6 | 158.5 | 101.6% | ▲ |
| Operating Profit Margin | 4.3% | 6.9% | 2.6 pts | ▲ |
| EBITDA | 147.1 | 251.4 | 70.9% | ▲ |
| PAT | 30.3 | 107.5 | 255.0% | ▲ |
| PATMI | 20.8 | 54.5 | 161.9% | ▲ |
| Core PATMI w/o Forex | 19.9 | 51.6 | 159.6% | ▲ |

**Animal Protein Other**

| | | | | |
|---|---|---|---|---|
| Revenue [1] | 572.4 | 691.4 | 20.8% | ▲ |
| Operating Profit | 78.9 | 20.5 | -74.0% | ▼ |
| Operating Profit Margin | 13.8% | 3.0% | -10.8 pts | ▼ |
| EBITDA | 99.7 | 46.1 | -53.7% | ▼ |
| PAT | 69.8 | (11.7) | -116.7% | ▼ |
| PATMI | 69.4 | (11.8) | -117.0% | ▼ |
| Core PATMI w/o Forex | 63.9 | 6.4 | -90.0% | ▼ |

**Dairy**

| | | | | |
|---|---|---|---|---|
| Revenue | 391.0 | 407.7 | 4.3% | ▲ |
| Operating Profit | 80.5 | 82.9 | 3.0% | ▲ |
| Operating Profit Margin | 20.6% | 20.3% | -0.3 pts | ▼ |
| EBITDA | 113.6 | 124.7 | 9.7% | ▲ |
| PAT | 59.3 | 106.0 | 78.7% | ▲ |
| PATMI | 52.2 | 78.8 | 50.9% | ▲ |
| Core PATMI w/o Forex | 71.6 | 69.4 | -3.0% | ▼ |

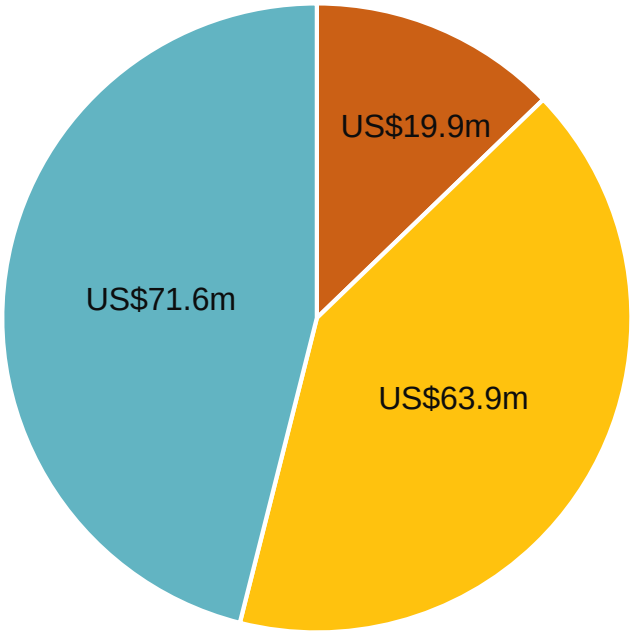
[1] The combined revenue for PT Japfa Tbk & Animal Protein Other includes inter-segment revenue of nil in 9M2021 (9M2020: US$4.1m)

# Japfa's Business Segments:
# Core PATMI w/o Forex attributable to Japfa Ltd

**Group's diversification strategy is effective:**

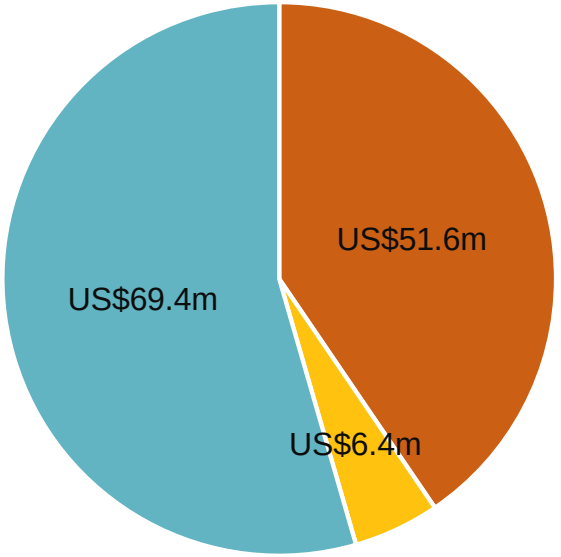
Dairy and PT Japfa Tbk performance
buffered the weaker performance of APO in Vietnam

**9M2020**




Group: US$140.8m

**9M2021**

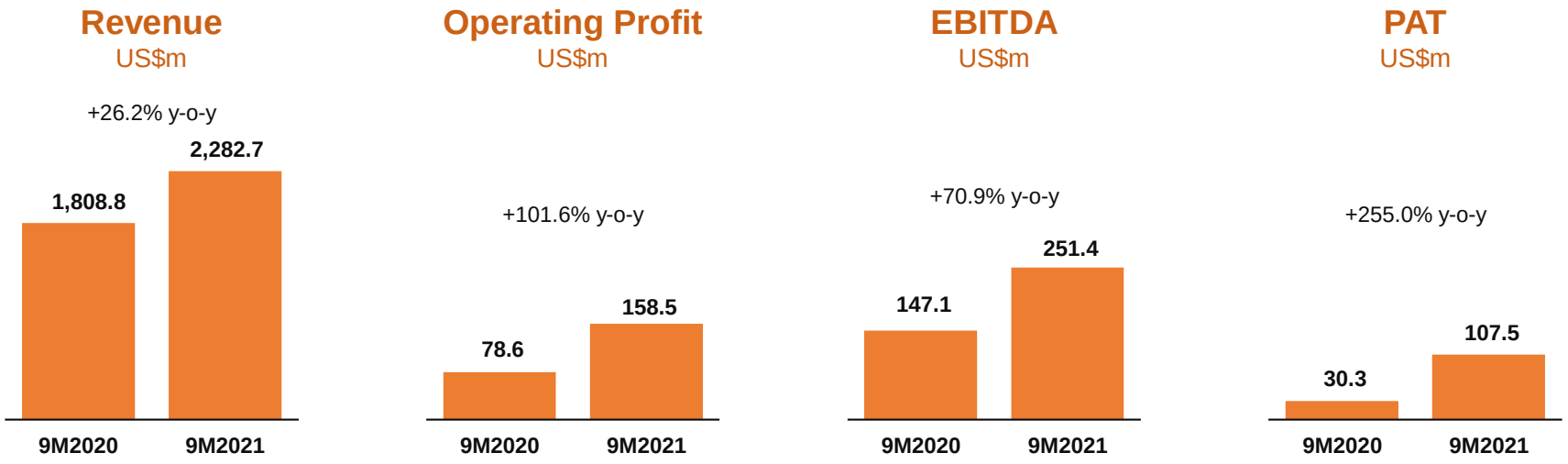



Group: US$121.0m

PT Japfa Tbk APO Dairy

Note:
- Group include Others which comprises of corporate office, central purchasing office in Singapore and consolidation adjustments between segments, including elimination of dividends received by Japfa Ltd from subsidiaries

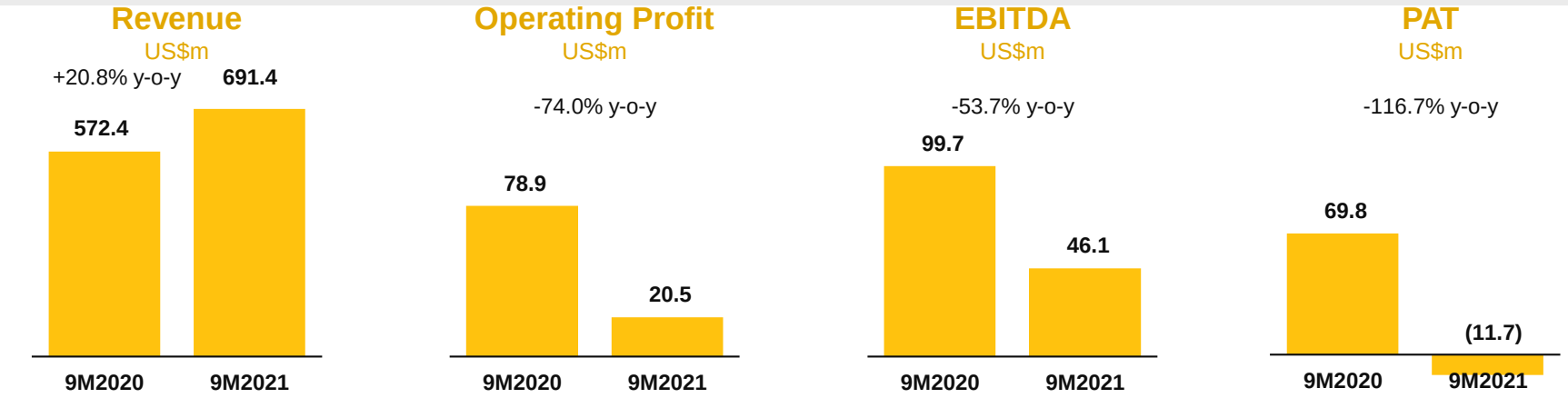
# PT Japfa Tbk – Financial Performance




**PT Japfa Tbk posted good 9M2021 results, despite harsher impact of Covid-19 in 3Q2021**

- Revenue growth driven by higher underlying sales volume
- Lockdowns in July 2021 due to the second wave of Covid-19 in Indonesia, saw a closing of food stalls, restaurants and shopping malls
- The lockdowns caused a significant drop in demand for poultry with broiler prices falling below cost in 3Q2021
- High feed raw material prices and global shipping costs have tightened feed margins
- Poultry prices remained fairly stable with government initiatives successfully balancing supply and demand
- Despite the negative impact of Covid-19 in 3Q2021, PT Japfa Tbk posted good results in 9M2021 on the back of a strong 1H2021. EBITDA grew more than 70% compared to the same period last year.
- The vaccination rate has been rising and the Covid-19 situation has improved with movement restrictions easing in September

# APO – Financial Performance




**Covid-19 lockdown hits Vietnam in 3Q2021, resulting in a 9M2021 PAT loss, 9M2021 EBITDA remains positive**

Vietnam

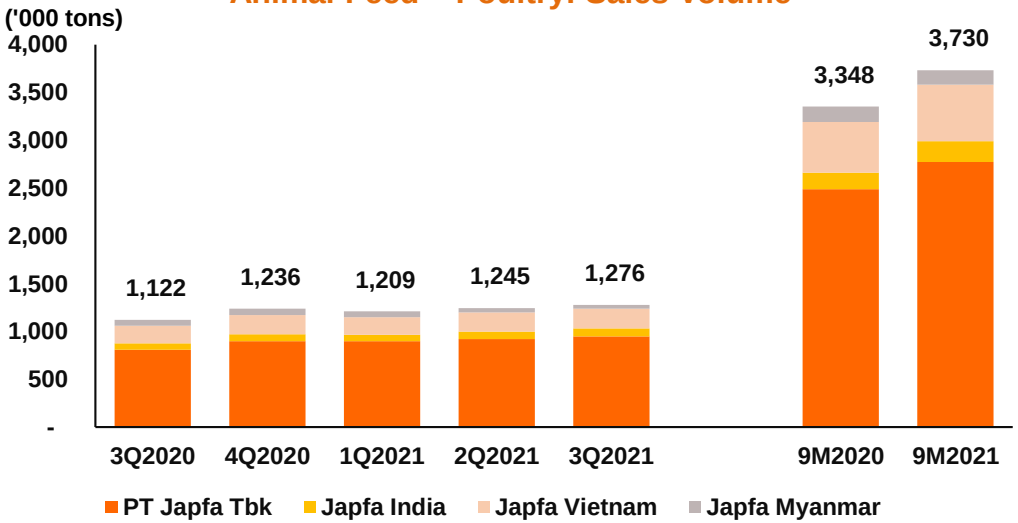
- A surge of Covid-19 triggered a total lockdown in July/August, with demand for staple proteins impacted by the closure of offices, factories, schools and food markets. This resulted in a loss in 3Q2021
- Broiler prices were well below cost in 3Q2021. Consumer demand for chicken dropped significantly due to the closure of canteens in factories and schools, where chicken is primarily consumed. In addition, supply chains were affected with wet markets and slaughterhouses closed, and movement across provinces limited
- Swine prices also dropped from the effect of the lockdown in 3Q2021. This contrasts with 2020, when prices were exceptionally high due to the supply shortage in the market caused by ASF
- Feed remains profitable although margins have tightened due to higher raw material costs and shipping costs
- 9M2021 PAT includes a bio-asset fair value loss of US$10.0m due to lower swine prices
- As the Covid-19 situation is still evolving in Vietnam, the impact on consumer demand and prices on our products going forward cannot be assessed with any certainty

Myanmar

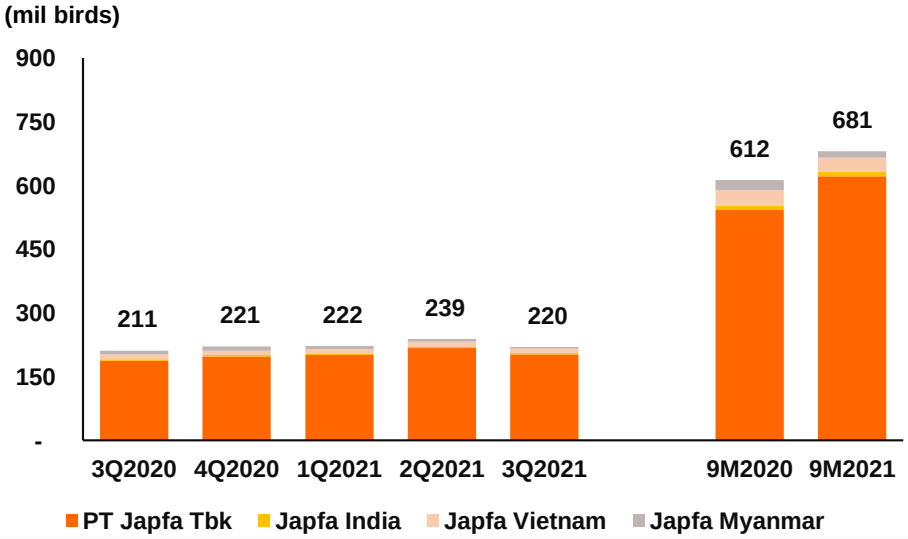
- APO-Myanmar saw an operating loss of US$8.3m as DOC and broiler prices remained low due the impact of Covid-19 on demand for poultry and the political disruptions in the country. Management has recently introduced measures to control costs and adapt operations during this uncertain period
- 9M2021 PAT includes a foreign exchange loss of US$11.4m due to the substantial depreciation of MMK
- As the political and Covid-19 situation is still evolving in Myanmar, the impact on the MMK currency, consumer demand and prices on our products going forward cannot be assessed with any certainty

# Animal Protein – Operational Performance

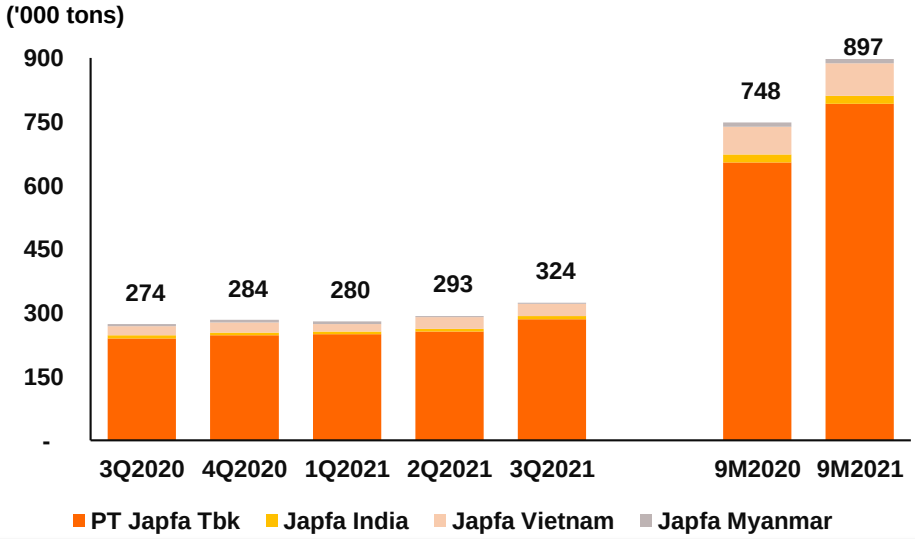
## Animal Feed – Poultry: Sales Volume




## DOC – Broiler: Sales Volume

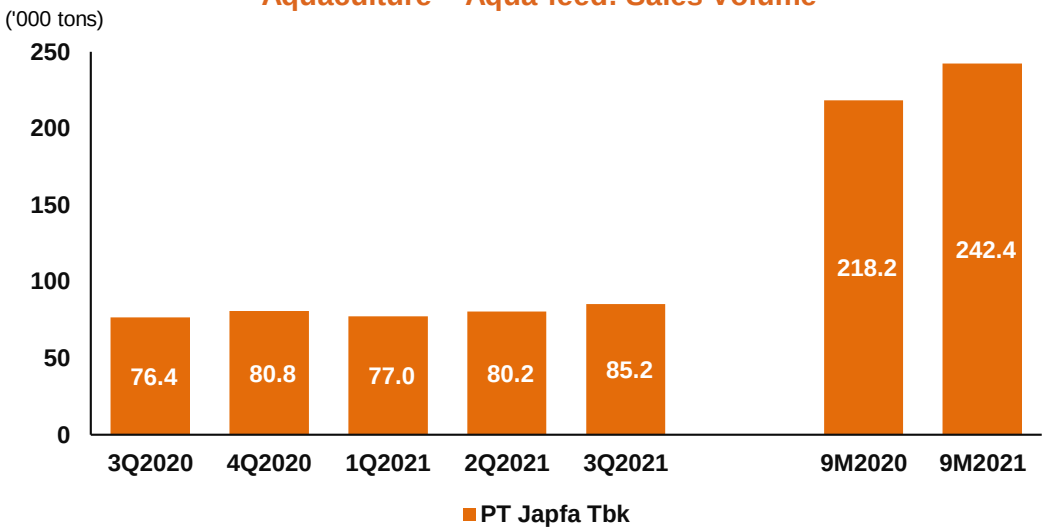



## Commercial Farm – Live Birds: Sales Volume

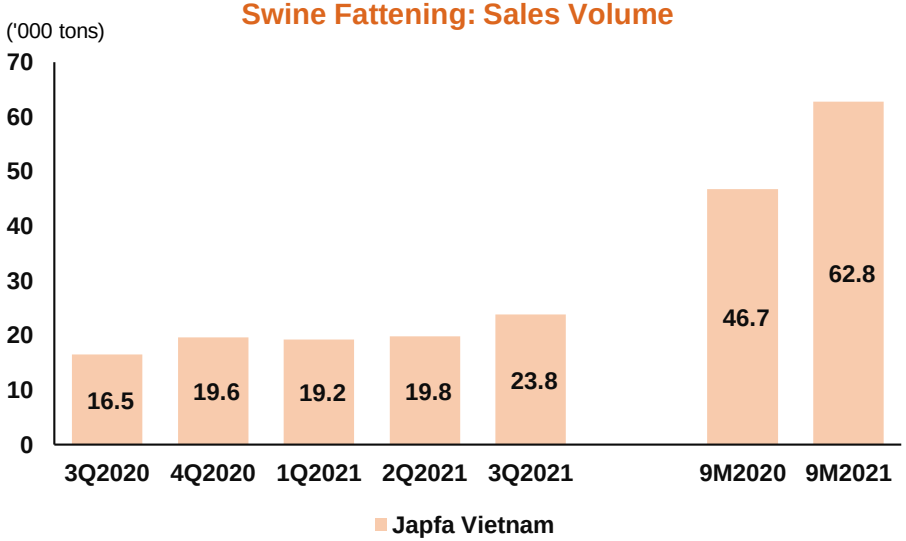


# Animal Protein – Operational Performance

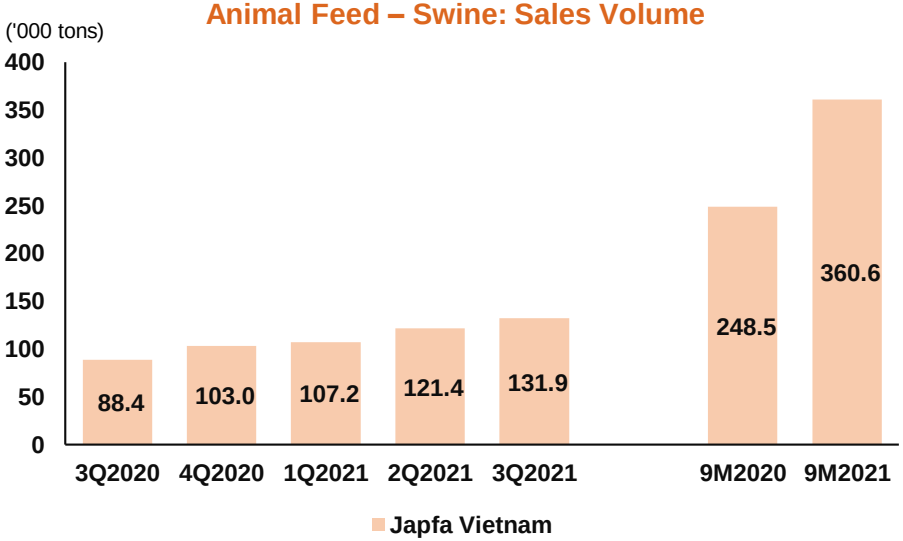
## Aquaculture – Aqua-feed: Sales Volume




## Swine Fattening: Sales Volume

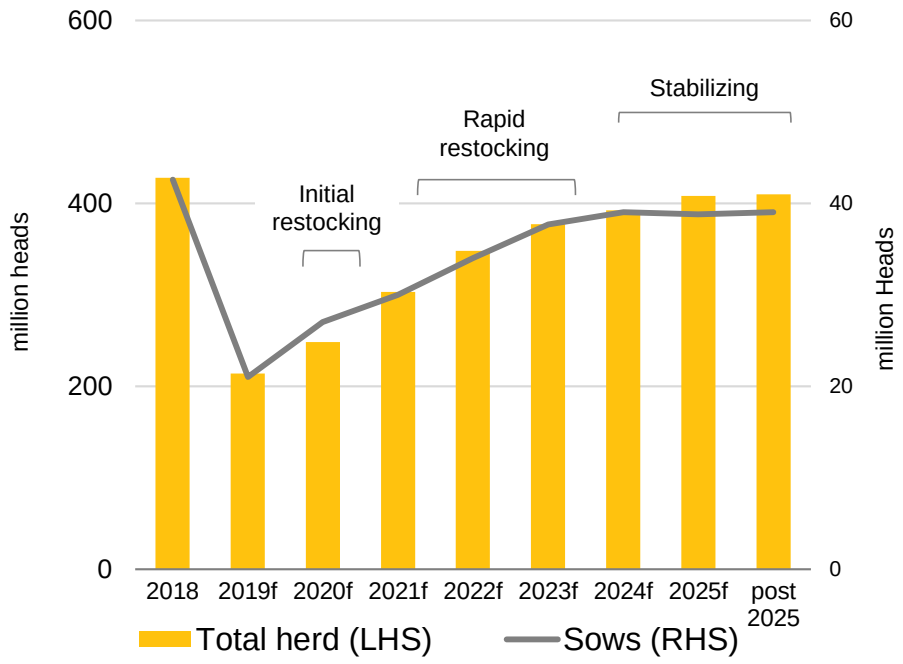



## Animal Feed – Swine: Sales Volume



# Swine Supply Shortage and Recovery

## China Swine ASF Impact[1]




Rabobank: "It will likely take around five years of restocking for the whole farming sector to recover."[2]

As the pork supply progressively increases, we can expect the swine fattening price to decrease progressively

## Japfa Vietnam Swine Operation

ASF has significantly reduced the total domestic swine population in Vietnam and the lack of supply has increased swine fattening ASPs

The producers in Vietnam market are restocking (similar to the Rabobank forecast) and the increased supply into the market is reducing swine fattening ASPs

Through our strong farm management and stringent biosecurity, the adverse effect of ASF on our swine population has been minimized

Our strategy to build a swine breeding pyramid, starting from our own Great Grand Parent (GGP) farms, allows us to replenish our swine breeding stock faster than the competition

As a result of our long-term expansion strategy, we can expect swine fattening volumes to progressively increase

With these strategic initiatives, APO-Vietnam has set a strong base for growth

[1] Rabobank presentation "China Pork Production in Transition" held at Japfa Swine Conference, Jan 2021

[2] Rabobank report "China's Recovery From African Swine Fever: Rebuilding, Relocating, and Restructuring", Nov 2019

# APO-Myanmar Update

The consumer demand has been affected by Covid-19 and political situation

The economy of Myanmar now operates in cash

MMK has depreciated 45% from the start of the year. The MMK remains volatile and currency hedging is not available especially in this cash economy

Actions taken by local management to adapt to the current situation:

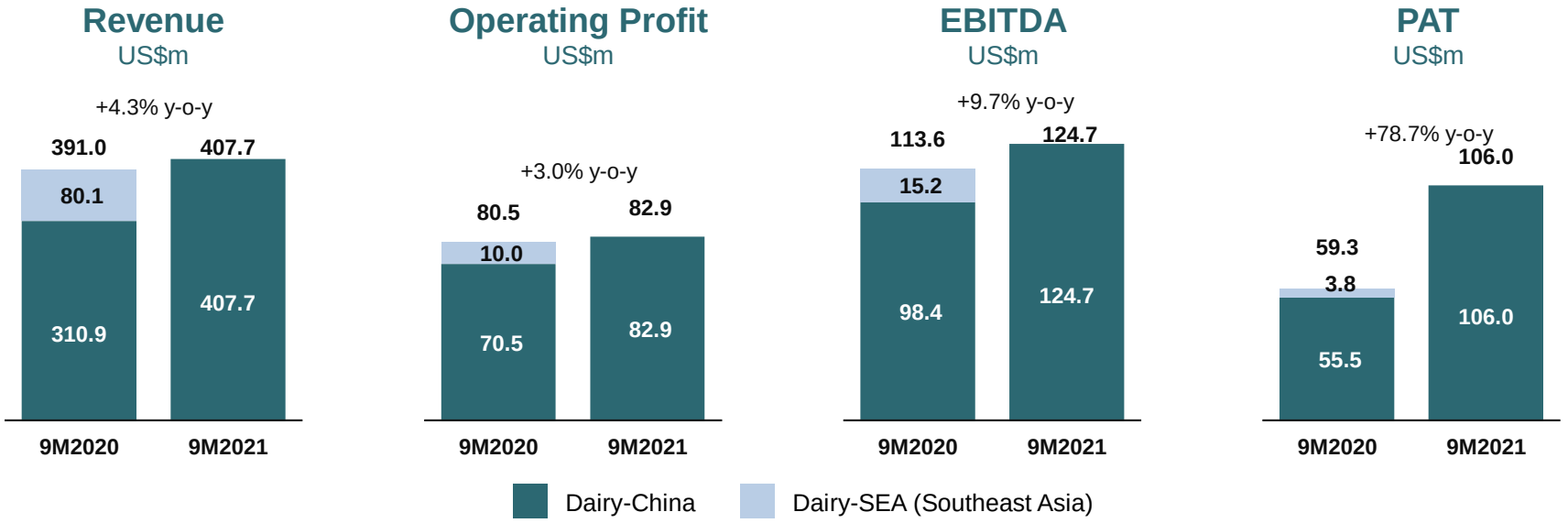
- Adjusting operating procedures to the new cash economy, including most sales and raw material purchases on cash terms
- Scaled down our feed and breeding operations to match the lower demand
- Sourcing raw materials from local suppliers in MMK as much as possible
- Adjusting our feed selling prices to accommodate rising raw material costs and currency depreciation
- Cost reduction initiatives, including labour

Our operations in Myanmar remain challenging and are expected to record losses during this uncertain period. The Group's business in Myanmar is not material, representing 2% of Group revenue and assets in 9M2021

However, as we are in the business of supplying chicken, which is a staple and affordable protein food, the impact should be short-lived. Our operations in Myanmar continue to deliver staple food even during these uncertain times. We believe that our role as a major supplier of chicken will continue over the long term

We will continue to monitor the situation as it develops and will make an impairment provision if and when necessary

# Dairy – Financial Performance



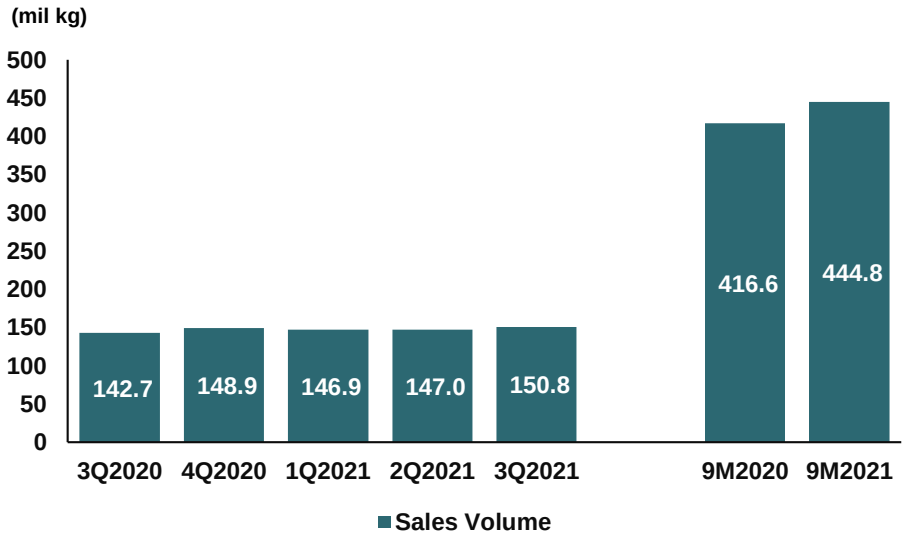

**Higher revenue and profitability driven by sales volumes and ASPs**

- Excluding Dairy-SEA[1], Dairy-China revenue increased by 31.1% y-o-y with additional contribution from Farm 8 and the 2 newly acquired farms in Shandong
- Dairy revenue and profitability increased on the back of high sales volumes and ASP of raw milk
- Buoyant raw milk ASP mitigated rising global feed costs. Raw milk ASP remains strong due to supply shortage in the market, as the industry takes time to build new dairy farms and reach the “fully milking” stage
- PAT in 9M2021 includes (i) a biological asset fair value gain of US$27.9m compared to a loss of US$6.8m in 9M2020, and (ii) other income from the acquisition of the 2 Dairy farms in Shandong of US$7.2m (recorded as negative goodwill, as the fair value of the fixed assets acquired is higher than the acquisition price). The fixed assets will be depreciated over their useful life
- Beef contributed US$57.6m to the segment’s revenue and US$12.4m to PAT on the back of higher sales volumes and ASPs

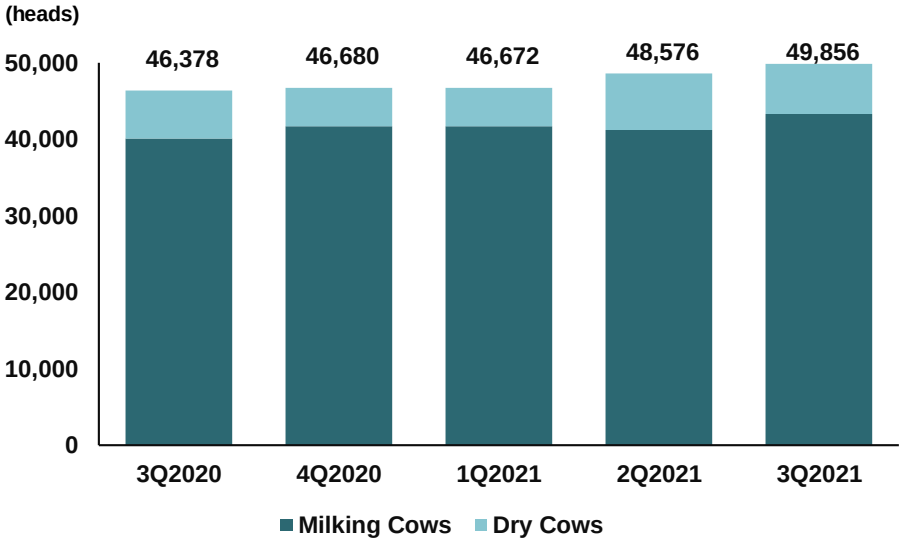
[1] In 2020, 100% of Dairy-SEA was consolidated into the Dairy segment. Starting from 1 January 2021, the 2021 numbers above do not include Dairy-SEA after the effective sale of 80% of Dairy-SEA, for which we apply equity accounting for our 20% stake at Japfa Group level.

# Dairy-China – Operational Performance

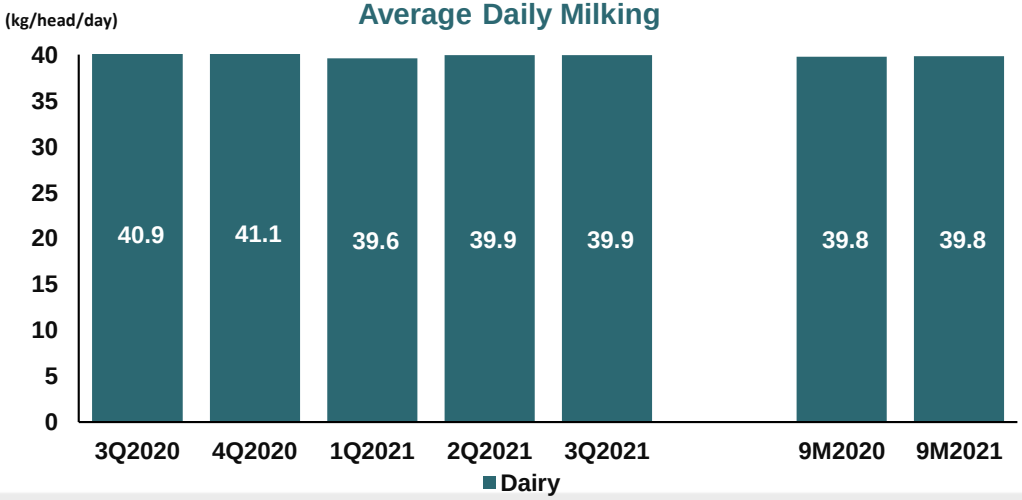
## Raw Milk: Sales Volume




## Milkable cows[1]



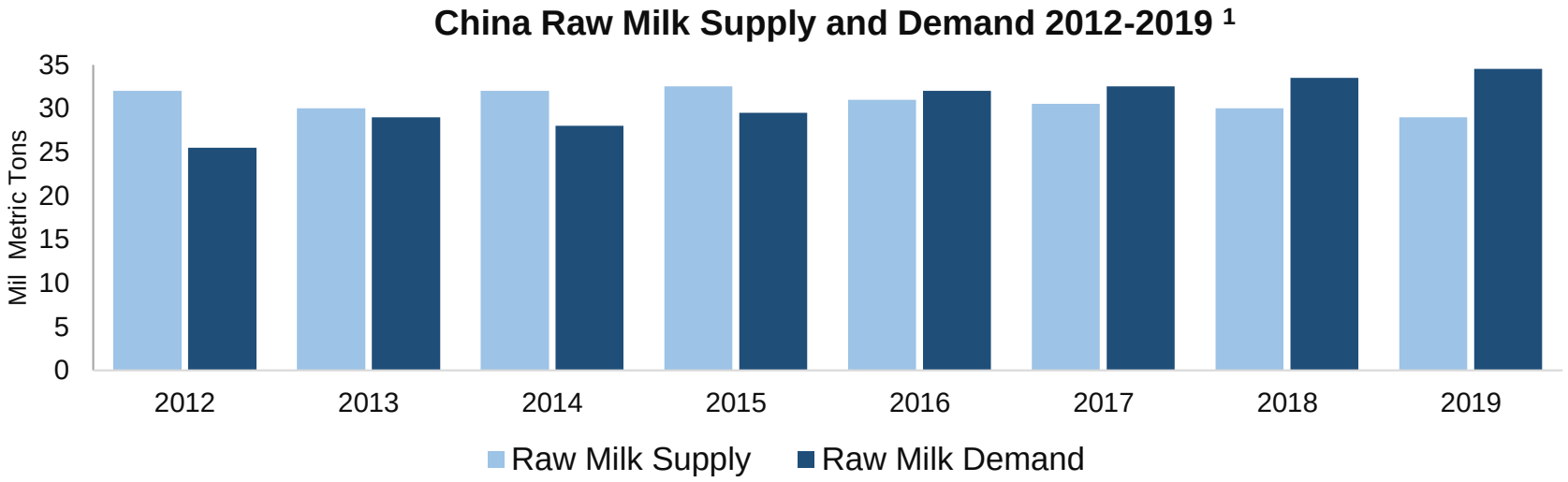

## Average Daily Milking




[1] 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 30 September 2021: 89,195 heads

# China's Raw Milk Supply Remains in Shortage as Demand Continues to Grow




*Moody's 2019 [2]:*

"Domestic demand for raw milk is growing, while supply continues to decline, as small milk farms are closing due to rising feed costs and higher environmental spending required by the Chinese government"

*UOB KayHian 2020 [3]:*

"According to China Modern Dairy (CMD) management, the raw milk shortage may last for another 2-3 years as more and more independent dairy farmers give up cow-raising."

*Rabobank 2020 [4]:*

"Gap between domestic supply and demand is unlikely to close over the medium term"

[1] Moody's Investors Service "Sector In-Depth, Raw milk – China", 27 June 2019 citing Bloomberg, Chinese National Bureau of Statistics, and Company estimates
[2] Moody's "Raw milk prices will continue to rise in China; rated companies that rely on raw milk have mitigants", 27 June 2019
[3] UOB KayHian, "Sector Update Dairy-China", 23 January 2020
[4] Rabobank report "China Dairy: A Market and Industry in Transition", Aug 2020

# Forging Strategic Partnerships

Japfa's dairy segment ("AustAsia") forges new strategic partnerships as part of its plans to grow into the largest independent raw milk producer in China

**Genki Forest (5%) & Honest Dairy (2.5%)**

These transactions were completed as at 30 September 2021

**New Hope Dairy (5%)**

This transaction is not yet completed as at 30 September 2021, subject to the satisfaction of conditions precedent

**Overview**

Genki Forest, Honest Dairy and New Hope Dairy are growing Chinese food and beverage companies and existing customers of AustAsia, with strong potential for future growth. These transactions will allow AustAsia to team up with premium Chinese downstream players as shareholders. In addition, the milk supply agreements entered in connection with the transactions, will provide a steady revenue stream into the future

The aggregate consideration of US$146.0 million arising from the proposed aggregate sale of 12.5% of AustAsia to Genki Forest, Honest Dairy and New Hope Dairy, implies a 100% equity value of US$1,168 million for AustAsia

In July 2020, Meiji came on board as a strategic partner with a 25% equity stake. After the closing of the transactions with Genki Forest, Honest Dairy and New Hope Dairy, Japfa Ltd will remain the single largest and controlling shareholder with a 62.5% stake, in line with the Group's strategy of diversifying the shareholder base of AustAsia with strategic investors, while maintaining AustAsia's independence and management control

# Dairy Farming Expansion in China

The acquisition of two state-of-the-art dairy farms in Shandong is an important step in the execution of the Group's strategy to become the leading independent raw milk producer in China

- The acquisition of two dairy farms, with a total capacity of 16,000 heads of cattle, allows us to expand capacity in a shorter time compared with building new farms from scratch
- This enables us to accelerate the expansion in the dynamic Chinese dairy market, where the demand for quality and healthy dairy products is expected to increase, and take advantage of the favourable raw milk price environment due to the current supply shortage in the market
- The farm design and construction match our standards
- The farms are strategically located in Shandong Province, which places them in close proximity with our Hub 1 farms, with benefits from operational synergies and the sharing of infrastructure
- Expansion in Shandong Province, which is one of the most suitable Chinese provinces for dairy production, is becoming more difficult due to increasing lack of available space
- The final purchase consideration is US$123.5 million, funded by bank financing
- The Transaction was completed on 30 June 2021 and we took control over the operations of the farms from 1 July 2021
- An assessment of the fair value of the fixed assets acquired was conducted post-completion. The fair value is higher than the acquisition price by US$7.2m which is recorded as negative goodwill, under other income. The fixed assets will be depreciated over their useful life



# COVID-19 UPDATE

JAPFA

# Covid-19 Impact

On the back of a business model and a strategy that are built to handle market's challenges and cyclicality, Japfa was able to continue to deliver during these difficult times marked by the Covid-19 pandemic

- With the Covid-19 outbreak, continuity of food supply has been a major concern of most people. As Japfa supplies about 20-25% of animal protein foods[1] in many countries where we operate, we play an essential role in maintaining supply of staple foods in these unprecedented times
- Our operations have not been materially affected and we continue to run our farms and feed mills safely
- Our supply chains and logistics have not been materially impacted in the past. However the recent disruptions in global logistics have translated into higher transportation costs for our raw materials

We have been able to continue to produce safe and affordable proteins even during Covid-19 on the strength of our three key strategies:

Industrialised Business Model

Diversification Across 5 Proteins, 5 Countries

Prudent Growth

1. Indonesia: 21% Poultry Feed Production (Frost & Sullivan 2021); 25% DOC production (Frost & Sullivan 2021)
   Vietnam: 20% DOC production (as per Company's own estimates)
   Myanmar: 27% Poultry Feed Production and 26% DOC production (as per Company's own estimates)

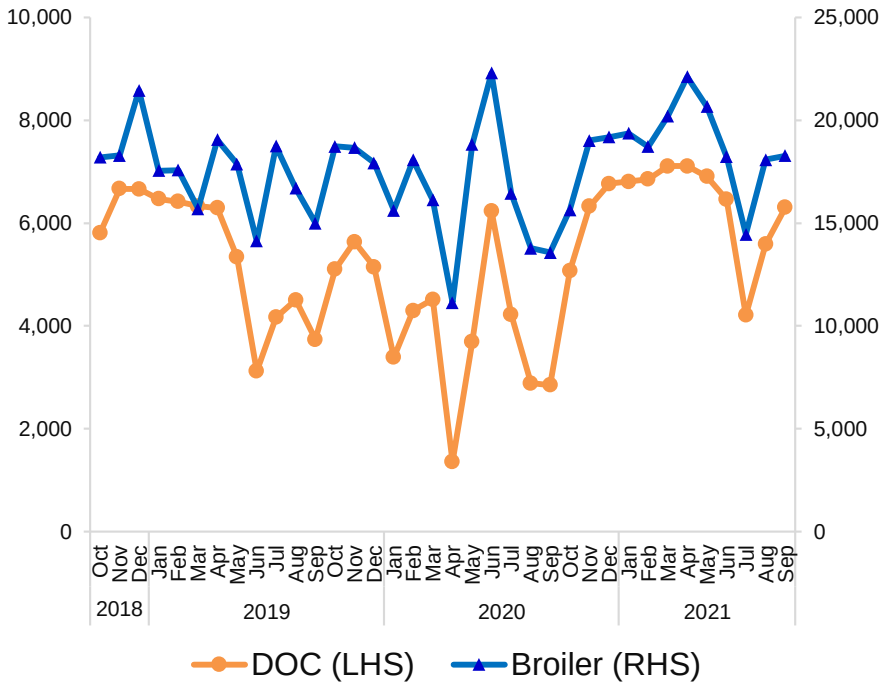
# Covid-19 Impact on Demand

In 3Q2021, demand for staple proteins is affected by the lockdown imposed in Indonesia and Vietnam to curb Covid-19 with the closure of F&B, weakened economy and reduced consumer purchasing power, particular in the low and middle-income band.

**Poultry Indonesia**

- In April 2020, broiler and DOC[2] prices dropped to one of the lowest levels since Japfa Ltd IPO in 2014. This was likely due to an industry oversupply in anticipation of Ramadan coupled with a lower demand due to Covid-19
- The July 2021 lockdown caused by the second wave of Covid-19 in Indonesia brought a closing of food stalls, restaurants, shopping malls, etc.
- This resulted in a huge drop in demand for chicken, causing broiler prices to plunge below cost in 3Q2021
- Government continues with its initiatives to manage supply of DOC which helps stabilise poultry prices
- As the demand and supply imbalance persists in the market, together with Covid-19 uncertainties, broiler and DOC prices remain volatile

**Average Monthly Prices of Broiler & DOC[1]**




1. Average monthly prices of West Java, based on market data collected by the Company
   Broiler prices refer to prices of live birds in the weight range of 1.6 kg to 1.8 kg. LHS and RHS refer to IDR price per bird.
2. DOC refers to day-old-chicks.

# Covid-19 Impact on Demand

**Poultry and Swine Vietnam**

- Vietnam managed to contain Covid-19 since the pandemic started. However, in 3Q2021 the country was hit by its worst wave of Covid-19 infections, starting in the North and spreading to the South
- Total lockdowns were imposed with strict movement control and social restrictions, including the closure of offices, factories, schools and food markets
- These measures severely dampened demand for staple proteins
- Chicken consumption was particularly affected as it is a low-cost protein typically served in canteens of factories and schools, which were shut down. This severely impacted demand for poultry which dragged selling prices below cost, resulting in a significant loss in our poultry operations
- Swine prices in 2021 were lower compared to 2020 when the prices was exceptionally high due to supply shortage caused by ASF. The lockdown in 3Q2021 has added further downward pressure on swine prices
- The restrictions imposed to curb Covid-19 infections impacted the economy, registering its sharpest contraction in 3Q2021[1] since records started
- As the Covid-19 situation is still evolving in Vietnam, the impact on consumer demand cannot be assessed with any certainty. Swine and poultry prices may take some time to stabilise especially with a two-speed recovery between the North and South of the country, as movement restrictions are progressively lifted

**Dairy China**

- The Covid-19 impact in China on demand for raw milk has been minimal so far

1. The Business Times, 27 Sep. 2021, Vietnam's economy suffers record contraction in Q3

# Covid-19 Impact – Concluding Remarks

The performance of Japfa is mainly driven by three key pillars: Poultry Indonesia, Swine Vietnam and Dairy China

In 3Q2021, 2 out of 3 pillars were affected by the recent flare up in Indonesia and Vietnam. This reflects the unpredictability of Covid-19 going forward, which could impact demand in any of our markets at any time

Covid-19, including movement restrictions, affects the purchasing power of consumers especially in the low income band in emerging economies, dampening demand and impacting selling prices of our products

As this pandemic is an unprecedented and persisting event, the ultimate effect on demand, logistics and distribution cannot be reliably estimated with any certainty. The Group continues to keep a close watch on the situation. We believe that we are well placed to manage the situation due to our experience, scale and industrialised approach



# OTHER FINANCIAL HIGHLIGHTS

JAPFA

# Other Financial Highlights

| Balance Sheet Highlights (US$m) | As at 31 Dec 20 | As at 30 Sep 21 | % change |
|---|---|---|---|
| **Total Assets** | **3,667.9** | **4,271.0** | **16%** |
| Cash and cash equivalent | 224.7 | 358.2 | 59% |
| Total Inventory | 787.9 | 1,085.6 | 38% |
| *- Inventory (excluding fattening livestock)* [1] | *599.1* | *849.8* | *42%* |
| *- Inventory - Fattening Livestock* [2] | *188.9* | *235.9* | *25%* |
| **Total Liabilities** | **1,705.9** | **2,220.6** | **30%** |
| Total Debt | 1,164.1 | 1,682.9 | 45% |
| *- Loan and borrowings* | *1,001.1* | *1,396.7* | *40%* |
| *- Lease liabilities* | *163.0* | *286.3* | *76%* |
| **Total Equity** | **1,962.0** | **2,050.4** | **5%** |
| **Equity attributable to the Owners of the Parent** [3] | **1,419.7** | **1,393.5** | **-2%** |
| **Key Ratios** | | | |
| Net Debt / Equity Ratio (x) | 0.5 | 0.6 | |
| Net Debt (w/o lease liabilities) / Equity Ratio (x) | 0.4 | 0.5 | |
| Inventory Turnover days * | 94.2 | 106.0 | |
| NAV per share (US$) | 0.70 | 0.68 | |
| *NAV per share (S$)* | *0.93* | *0.93* | |

1. The 42% increase in inventory (excluding fattening livestock) is mainly due to (i) higher feed raw material costs throughout; (ii) higher feed sales volumes in PT Japfa Tbk in 2021; and (iii) Inventory levels in December are typically low being pre-corn harvest in Indonesia
2. The 25% increase in inventory fattening livestock is mainly due to swine fattening in Vietnam
3. Equity attributable to the Owners of the Parent decreased by US$26.2m mainly as a result of (i) dividends paid in 2021 of US$166.2m (special interim dividend of S$0.10 and final dividend of S$0.01); (ii) 9M2021 PATMI of US$113.9m; and (iii) a gain of US$30.8m from the sale of the 7.5% stake in Dairy-China recorded in Equity

* Inventory turnover days is calculated based on the total inventory

# Net Debt Profile

| | PT Japfa Tbk | Animal Protein Other | Dairy | Others | Total |
|---|---|---|---|---|---|
| Bonds & other term loans | 592 [1] | 27 | 303 [3] | | 922 |
| Working capital loans | 176 [2] | 151 | 18 | 129 | 474 |
| **Total Debt** | **768** | **179** | **321** | **129** | **1,397** |
| Cash | 73 | 43 | 129 [3] | 113 [4] | 358 |
| **Net Debt** | **695** | **135** | **192** | **16** | **1,038** |

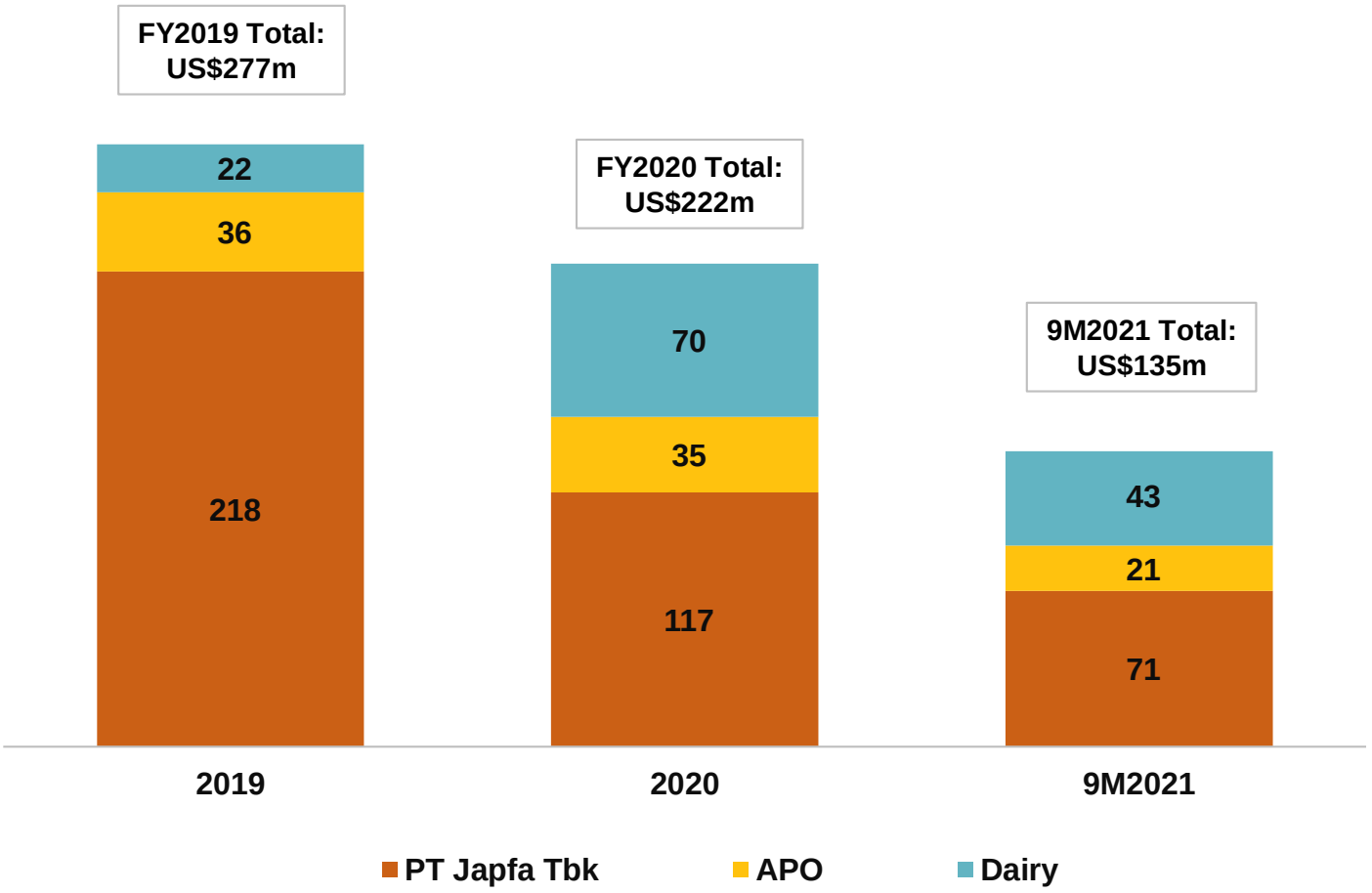
Major changes from 31 December 2020 to 30 September 2021:

1. PT Japfa Tbk USD Bonds: Increase of US$100m from upsized US$350m Sustainability-linked Bonds ("SLB") to replace previous US$250m bond. The new SLB was issued in March 2021 and is fully hedged on its US$350m principal, up to all time high of USD/IDR 16,650 till maturity in 2026
2. PT Japfa Tbk working capital facilities: Increase of US$146m utilized to purchase feed raw materials
3. Dairy took up new offshore and onshore loans totalling US$130m to finance the purchase of 2 new farms in Shandong.

   *Please note that the Dairy debt of US$303m and cash of US$129m are both overstated by US$60m due to the timing of a new onshore loan to repay the offshore loan of the same amount. The new onshore loan was drawn on 30 Sep but repayment of the offshore loan was on 2 Oct after quarter-end cut-off.*
4. Others – Cash increased mainly from sale proceeds of US$88m from Genki Forest and Honest Dairy

Note:
Net Debt Profile above excludes lease liabilities of US$286m
Others includes Japfa Ltd and Annona debt of US$129m is for working capital purposes, costs of which are fully charged out to its customers

# Capex FY2019 – 9M2021




The chart above refers to capital expenditure for new property, plant and equipment as well as maintenance capex



# APPENDIX

# Japfa Ltd Business Segments & Ownership

## 31 December 2020

**PT JAPFA TBK**
- 52.4% Japfa Ltd
- 47.6% Public

**APO**
- 100% Japfa Ltd

**DAIRY**
- 75% Japfa Ltd
- 25% Meiji Co. Ltd

## 30 September 2021

**PT JAPFA TBK**
- 54.7% Japfa Ltd
- 45.3% Public

**APO**
- 100% Japfa Ltd

**DAIRY**
- 67.5% Japfa Ltd
- 25% Meiji Co. Ltd
- 5% Genki Forest
- 2.5% Honest Dairy

Key changes in shareholding:

1. Disposal of 25% interest in Dairy to Meiji Co. Ltd in July 2020
2. Disposal of 5% & 2.5% interest in Dairy to Genki Forest and Honest Dairy in September 2021

The chart above is intended for illustrative purposes

# Agri-food Business Cyclicality

- The agri-food business is inevitably subject to cyclicality which impacts revenue and profitability. Cyclicality is dependent on a variety of external factors which are beyond the Group's control including the seasonality of harvests and festivals, as well as macroeconomic factors that affect purchasing power, and government policies
- Japfa focuses on being one of the most efficient animal protein producers in each of the countries in which it operates
  - Efficiency is achieved from Japfa's large-scale operations, use of technology to raise productivity, and being one of the lowest cost producers in the region
- Diversification across 5 proteins and 5 countries cushions the Group against cyclicality in any one market or protein group

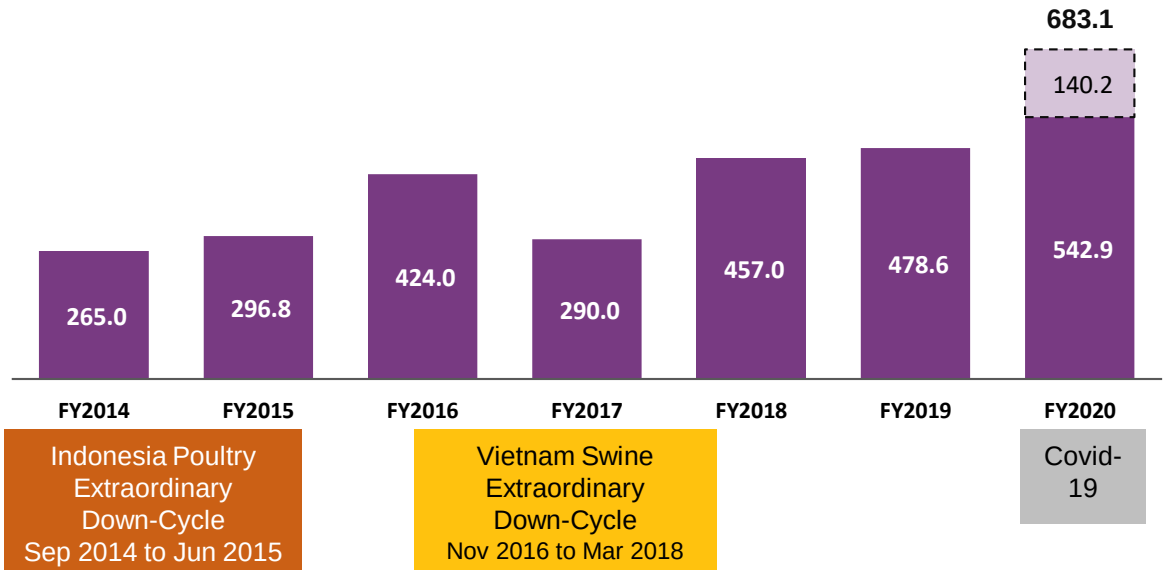
**By being one of the most efficient and lowest cost producers, Japfa is able to ride through agri-business cyclicality**

Japfa Ltd has gone through 2 major down-cycles:

1. Indonesia Poultry
2. Vietnam Swine

Despite these major down-cycles, Japfa Ltd managed to deliver healthy EBITDA each year

**Japfa Ltd - EBITDA**




An extraordinary net gain of US$140.2m from the effective sale of 80% in Dairy Southeast Asia in 2020

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

***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 and the dairy downstream business in Southeast Asia.*
- ***Others*** *include corporate office, central purchasing office in Singapore 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. 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.*

# Segment Information – 9M2021

| | YTD SEP Y2021 | | | | | |
|---|---|---|---|---|---|---|
| | ANIMAL PROTEIN | | | DAIRY | OTHERS | TOTAL |
| | TBK | AP Other | Total | | | |
| External Revenue | 2,282.7 | 691.4 | 2,974.2 | 407.7 | 1.8 | **3,383.7** |
| Inter Segment Sales | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | **0.0** |
| **TOTAL REVENUE** | **2,282.7** | **691.4** | **2,974.2** | **407.7** | **1.8** | **3,383.7** |
| **OPERATING PROFIT** | **158.5** | **20.5** | **179.1** | **82.9** | **4.5** | **266.5** |
| *% to sales* | *6.9%* | *3.0%* | *6.0%* | *20.3%* | *250.3%* | *7.9%* |
| **EBITDA** | **251.4** | **46.1** | **297.5** | **124.7** | **(1.2)** | **421.0** |
| | *11.0%* | *6.7%* | *10.0%* | *30.6%* | *-68.4%* | *12.4%* |
| Depreciation & Amortization | (73.9) | (24.9) | (98.8) | (15.8) | (0.7) | **(115.3)** |
| Net Interest Expense | (42.0) | (10.7) | (52.7) | (13.6) | (2.0) | **(68.3)** |
| Forex Gain(loss) | 3.0 | (10.2) | (7.2) | (4.2) | (4.8) | **(16.2)** |
| 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 | (10.0) | (7.8) | 12.7 | 0.0 | **4.9** |
| **PBT** | **140.8** | **(9.7)** | **131.1** | **107.3** | **(5.0)** | **233.4** |
| Tax | (33.3) | (2.0) | (35.3) | (1.3) | (2.6) | **(39.2)** |
| **PAT** | 107.5 | (11.7) | 95.8 | 106.0 | (7.6) | **194.2** |
| **PAT w/o Bio A** | 105.2 | (3.7) | 101.6 | 93.3 | (7.6) | **187.3** |
| *% ownership* | *54.8%* | *100.0%* | | *67.5%* | | |
| **PATMI** | 54.5 | (11.8) | 42.7 | 78.8 | (7.6) | **113.9** |
| **Core PATMI** | 53.2 | (3.8) | 49.5 | 66.2 | (11.2) | **104.5** |
| **Core PATMI w/o Forex** | 51.6 | 6.4 | 58.0 | 69.4 | (6.4) | **121.0** |

***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 – 9M2020

| JAPFA | YTD SEP Y2020 | | | | | |
|---|---|---|---|---|---|---|
| | ANIMAL PROTEIN | | | DAIRY | OTHERS | TOTAL |
| | TBK | AP Other | Total | | | |
| External Revenue | 1,804.7 | 572.4 | 2,377.1 | 391.0 | 0.7 | **2,768.8** |
| Inter Segment Sales | 4.1 | 0.0 | 4.1 | 0.0 | (4.1) | **0.0** |
| **TOTAL REVENUE** | **1,808.8** | **572.4** | **2,381.2** | **391.0** | **(3.4)** | **2,768.8** |
| **OPERATING PROFIT** | **78.6** | **78.9** | **157.5** | **80.5** | **(1.3)** | **236.8** |
| *% to sales* | *4.3%* | *13.8%* | *6.6%* | *20.6%* | *37.3%* | *8.6%* |
| **EBITDA** | **147.1** | **99.7** | **246.8** | **113.6** | **2.1** | **362.4** |
| | *8.1%* | *17.4%* | *10.4%* | *29.1%* | *-60.5%* | *13.1%* |
| Depreciation & Amortization | (68.1) | (20.1) | (88.2) | (18.1) | (0.1) | **(106.4)** |
| Net Interest Expense | (41.9) | (7.9) | (49.8) | (13.9) | (14.6) | **(78.3)** |
| Forex Gain(loss) | 1.7 | 2.0 | 3.7 | (2.6) | (0.0) | **1.0** |
| Fair Value Gain(Loss) Derivative for forex hedging | 0.0 | 0.0 | 0.0 | 1.0 | 0.0 | 1.0 |
| Fair Value Gain(Loss) Bio A | 0.1 | 4.3 | 4.4 | (18.3) | 0.0 | **(14.0)** |
| **PBT** | **38.9** | **78.0** | **116.8** | **61.6** | **(12.7)** | **165.7** |
| Tax | (8.6) | (8.2) | (16.8) | (2.3) | 0.2 | **(18.8)** |
| **PAT** | 30.3 | 69.8 | 100.1 | 59.3 | (12.4) | **146.9** |
| **PAT w/o Bio A** | 30.5 | 66.4 | 96.9 | 77.7 | (12.4) | **162.2** |
| *% ownership* | *53.5%* | *100.0%* | | *75.0%* | | |
| **PATMI** | 20.8 | 69.4 | 90.2 | 52.2 | (12.4) | **130.0** |
| **Core PATMI** | 20.9 | 65.9 | 86.9 | 68.8 | (15.2) | **140.5** |
| **Core PATMI w/o Forex** | 19.9 | 63.9 | 83.8 | 71.6 | (14.6) | **140.8** |

***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 and the dairy downstream business in Southeast Asia.*
- ***Others*** *include corporate office, central purchasing office in Singapore 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. 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.*

# Segment Information – 3Q2021

| | 3Q Y2021 | | | | | |
|---|---|---|---|---|---|---|
| | ANIMAL PROTEIN | | | DAIRY | OTHERS | TOTAL |
| | TBK | AP Other | Total | | | |
| External Revenue | 743.2 | 233.2 | 976.3 | 147.0 | (2.1) | **1,121.3** |
| Inter Segment Sales | 0.0 | (1.3) | (1.3) | 0.0 | 1.3 | **0.0** |
| **TOTAL REVENUE** | **743.2** | **231.8** | **975.0** | **147.0** | **(0.7)** | **1,121.3** |
| **OPERATING PROFIT** | (25.3) | (14.8) | **(40.1)** | 29.8 | 5.9 | **(4.5)** |
| *% to sales* | *-3.4%* | *-6.4%* | *-4.1%* | *20.3%* | *-828.5%* | *-0.4%* |
| **EBITDA** | **27.4** | **(5.5)** | **21.9** | **47.9** | **(0.5)** | **69.3** |
| | *3.7%* | *-2.4%* | *2.2%* | *32.6%* | *72.5%* | *6.2%* |
| Depreciation & Amortization | (24.6) | (9.0) | (33.6) | (5.9) | (0.2) | **(39.7)** |
| Net Interest Expense | (12.1) | (4.2) | (16.2) | (6.1) | (0.6) | **(22.9)** |
| Forex Gain(loss) | 3.3 | (4.8) | (1.5) | (0.4) | (0.0) | **(1.9)** |
| Fair Value Gain(Loss) Derivative for forex hedging | 0.0 | 0.0 | 0.0 | (0.0) | 0.0 | **(0.0)** |
| Fair Value Gain(Loss) Bio A | 0.2 | (4.6) | (4.4) | (1.9) | 0.0 | **(6.4)** |
| **PBT** | **(5.8)** | **(28.1)** | **(33.9)** | **33.6** | **(1.3)** | **(1.6)** |
| Tax | 1.9 | 3.4 | 5.3 | (0.5) | (0.6) | **4.3** |
| **PAT** | (3.9) | (24.7) | (28.6) | 33.1 | (1.9) | **2.7** |
| | | | | | | |
| **PAT w/o Bio A** | (4.1) | (21.0) | (25.1) | 35.0 | (1.9) | **8.1** |
| *% ownership* | *54.8%* | *100.0%* | | *67.5%* | | |
| **PATMI** | (2.2) | (24.7) | (26.9) | 24.1 | (1.9) | **(4.6)** |
| **Core PATMI** | (2.3) | (21.0) | (23.3) | 25.5 | (1.9) | **0.3** |
| **Core PATMI w/o Forex** | (4.1) | (16.1) | (20.3) | 25.8 | (1.8) | **3.6** |

***Notes:***

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- ***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 – 2Q2021

| | 2Q Y2021 | | | | | |
|---|---|---|---|---|---|---|
| | ANIMAL PROTEIN | | | DAIRY | OTHERS | TOTAL |
| | TBK | AP Other | Total | | | |
| External Revenue | 786.2 | 238.0 | 1,024.2 | 131.8 | 3.2 | **1,159.2** |
| Inter Segment Sales | 0.0 | 1.3 | 1.3 | 0.0 | (1.3) | **0.0** |
| **TOTAL REVENUE** | **786.2** | **239.3** | **1,025.5** | **131.8** | **1.9** | **1,159.2** |
| **OPERATING PROFIT** | **82.4** | **14.6** | **97.0** | **26.6** | **(2.5)** | **121.1** |
| *% to sales* | *10.5%* | *6.1%* | *9.5%* | *20.2%* | *-133.4%* | *10.4%* |
| **EBITDA** | **107.7** | **22.6** | **130.3** | **38.5** | **(2.8)** | **166.1** |
| | *13.7%* | *9.5%* | *12.7%* | *29.2%* | *-146.5%* | *14.3%* |
| Depreciation & Amortization | (24.5) | (7.8) | (32.3) | (5.1) | (0.2) | **(37.5)** |
| Net Interest Expense | (19.4) | (3.3) | (22.7) | (3.5) | (0.7) | **(26.9)** |
| Forex Gain(loss) | 0.9 | (3.1) | (2.2) | 0.3 | (1.7) | **(3.6)** |
| Fair Value Gain(Loss) Derivative for forex hedging | 0.0 | 0.0 | 0.0 | 0.0 | 3.6 | **3.7** |
| Fair Value Gain(Loss) Bio A | 1.1 | (3.8) | (2.7) | 31.2 | 0.0 | **28.5** |
| **PBT** | **65.8** | **4.7** | **70.5** | **61.5** | **(1.7)** | **130.3** |
| Tax | (16.7) | (1.8) | (18.5) | (0.4) | (1.9) | **(20.8)** |
| **PAT** | 49.1 | 2.9 | 52.0 | 61.0 | (3.6) | **109.4** |
| | | | | | | |
| **PAT w/o Bio A** | 48.0 | 5.9 | 53.9 | 29.8 | (3.6) | **80.1** |
| *% ownership* | *54.5%* | *100.0%* | | *75.0%* | | |
| **PATMI** | 24.9 | 2.9 | 27.8 | 45.8 | (3.6) | **70.0** |
| **Core PATMI** | 24.3 | 5.9 | 30.2 | 22.3 | (7.2) | **45.3** |
| **Core PATMI w/o Forex** | 23.9 | 9.0 | 32.8 | 22.1 | (5.5) | **49.4** |

***Notes:***

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- ***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 – 1Q2021

| | 1Q Y2021 | | | | | |
|---|---|---|---|---|---|---|
| | ANIMAL PROTEIN | | | DAIRY | OTHERS | TOTAL |
| | TBK | AP Other | Total | | | |
| External Revenue | 753.4 | 220.3 | 973.6 | 128.9 | 0.6 | **1,103.1** |
| Inter Segment Sales | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | **0.0** |
| **TOTAL REVENUE** | **753.4** | **220.3** | **973.6** | **128.9** | **0.6** | **1,103.1** |
| **OPERATING PROFIT** | **101.4** | **20.7** | **122.2** | **26.5** | **1.1** | **149.8** |
| *% to sales* | *13.5%* | *9.4%* | *12.5%* | *20.6%* | *186.6%* | *13.6%* |
| **EBITDA** | **116.3** | **29.0** | **145.3** | **38.2** | **2.0** | **185.6** |
| | *15.4%* | *13.2%* | *14.9%* | *29.7%* | *342.2%* | *16.8%* |
| Depreciation & Amortization | (24.7) | (8.1) | (32.9) | (4.9) | (0.2) | **(38.0)** |
| Net Interest Expense | (10.6) | (3.2) | (13.8) | (3.9) | (0.8) | **(18.5)** |
| Forex Gain(loss) | (1.1) | (2.3) | (3.5) | (4.2) | (3.0) | **(10.7)** |
| Fair Value Gain(Loss) Derivative for forex hedging | 0.0 | 0.0 | 0.0 | 3.6 | 0.0 | **3.6** |
| Fair Value Gain(Loss) Bio A | 1.0 | (1.6) | (0.6) | (16.6) | 0.0 | **(17.3)** |
| **PBT** | **80.8** | **13.7** | **94.5** | **12.3** | **(2.0)** | **104.8** |
| Tax | (18.5) | (3.6) | (22.1) | (0.4) | (0.1) | **(22.7)** |
| **PAT** | 62.3 | 10.1 | 72.4 | 11.8 | (2.1) | **82.1** |
| | | | | | | |
| **PAT w/o Bio A** | 61.3 | 11.4 | 72.7 | 28.5 | (2.1) | **99.1** |
| *% ownership* | *54.5%* | *100.0%* | | *75.0%* | | |
| **PATMI** | 31.8 | 10.0 | 41.8 | 8.9 | (2.1) | **48.5** |
| **Core PATMI** | 31.2 | 11.3 | 42.5 | 18.4 | (2.1) | **58.8** |
| **Core PATMI w/o Forex** | 31.9 | 13.6 | 45.5 | 21.5 | 0.9 | **67.9** |

***Notes:***

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- ***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 – 4Q2020

| | 4Q Y2020 | | | | | |
|---|---|---|---|---|---|---|
| | ANIMAL PROTEIN | | | DAIRY | OTHERS | TOTAL |
| | TBK | AP Other | Total | | | |
| External Revenue | 717.4 | 223.6 | 941.0 | 156.5 | 1.9 | **1,099.5** |
| Inter Segment Sales | 1.2 | 0.0 | 1.2 | 0.0 | (1.2) | **0.0** |
| **TOTAL REVENUE** | **718.7** | **223.6** | **942.3** | **156.5** | **0.7** | **1,099.5** |
| **OPERATING PROFIT** | **95.3** | **19.1** | **114.4** | **33.7** | **(21.1)** | **127.0** |
| *% to sales* | *13.3%* | *8.5%* | *12.1%* | *21.6%* | *-3073.8%* | *11.5%* |
| **EBITDA** | **110.4** | **27.6** | **138.0** | **45.8** | **136.8** | **320.6** |
| | *15.4%* | *12.3%* | *14.6%* | *29.3%* | *19918.1%* | *29.2%* |
| Depreciation & Amortization | (24.2) | (8.0) | (32.2) | (6.7) | (0.6) | **(39.5)** |
| Net Interest Expense | (13.0) | (2.8) | (15.8) | (4.7) | (0.7) | **(21.1)** |
| Forex Gain(loss) | (1.8) | (0.0) | (1.8) | 2.8 | (1.9) | **(0.9)** |
| Fair Value Gain(Loss) Derivative for forex hedging | 0.0 | 0.0 | 0.0 | (1.8) | (3.6) | **(5.4)** |
| Fair Value Gain(Loss) Bio A | (1.7) | (2.9) | (4.6) | 7.6 | 0.0 | **3.0** |
| **PBT** | **69.7** | **13.8** | **83.5** | **43.1** | **130.1** | **256.7** |
| Tax | (22.7) | (5.2) | (27.9) | 1.3 | (5.5) | **(32.0)** |
| **PAT** | 47.0 | 8.7 | 55.7 | 44.4 | 124.6 | **224.7** |
| | | | | | | |
| **PAT w/o Bio A** | 48.2 | 11.1 | 59.4 | 36.5 | 124.6 | **220.5** |
| *% ownership* | *54.5%* | *100.0%* | | *75.0%* | | |
| **PATMI** | 24.4 | 8.8 | 33.2 | 34.3 | 124.6 | **192.0** |
| **Core PATMI** | 25.1 | 11.3 | 36.3 | 29.6 | (12.0) | **53.9** |
| **Core PATMI w/o Forex** | 26.2 | 11.3 | 37.5 | 27.1 | (10.0) | **54.6** |

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- ***Dairy*** *refers to the dairy and beef farming operations in China and the dairy downstream business in Southeast Asia.*
- ***Others*** *include corporate office, central purchasing office in Singapore 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. 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.*

# Segment Information – 3Q2020

| | 3Q Y2020 | | | | | |
|---|---|---|---|---|---|---|
| | ANIMAL PROTEIN | | | DAIRY | OTHERS | TOTAL |
| | TBK | AP Other | Total | | | |
| External Revenue | 581.2 | 207.8 | 788.9 | 146.5 | (0.0) | **935.4** |
| Inter Segment Sales | 1.6 | 0.0 | 1.6 | 0.0 | (1.6) | **0.0** |
| **TOTAL REVENUE** | **582.8** | **207.8** | **790.5** | **146.5** | **(1.6)** | **935.4** |
| **OPERATING PROFIT** | **26.1** | **31.5** | **57.6** | **34.0** | **(1.4)** | **90.2** |
| *% to sales* | *4.5%* | *15.2%* | *7.3%* | *23.2%* | *86.5%* | *9.6%* |
| **EBITDA** | **52.7** | **38.5** | **91.2** | **47.3** | **3.1** | **141.6** |
| | *9.0%* | *18.5%* | *11.5%* | *32.3%* | *-191.2%* | *15.1%* |
| Depreciation & Amortization | (23.7) | (7.0) | (30.7) | (6.3) | (0.0) | **(37.1)** |
| Net Interest Expense | (14.9) | (2.6) | (17.5) | (5.0) | (6.3) | **(28.9)** |
| Forex Gain(loss) | 1.3 | 1.1 | 2.4 | 0.5 | (0.2) | **2.6** |
| Fair Value Gain(Loss) Derivative for forex hedging | 0.0 | 0.0 | 0.0 | (0.4) | 0.0 | **(0.4)** |
| Fair Value Gain(Loss) Bio A | 1.0 | (0.3) | 0.7 | (5.5) | 0.0 | **(4.7)** |
| **PBT** | **16.4** | **29.7** | **46.0** | **30.6** | **(3.5)** | **73.1** |
| Tax | (4.5) | (3.0) | (7.5) | (0.6) | (0.7) | **(8.8)** |
| **PAT** | 11.9 | 26.6 | 38.5 | 30.0 | (4.2) | **64.3** |
| | | | | | | |
| **PAT w/o Bio A** | 11.3 | 26.9 | 38.2 | 35.4 | (4.2) | **69.4** |
| *% ownership* | *53.5%* | *100.0%* | | *75.0%* | | |
| **PATMI** | 7.9 | 26.5 | 34.4 | 22.9 | (4.2) | **53.1** |
| **Core PATMI** | 7.6 | 26.8 | 34.4 | 26.9 | (8.4) | **52.9** |
| **Core PATMI w/o Forex** | 6.9 | 25.7 | 32.5 | 26.6 | (7.8) | **51.3** |

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# THANK YOU

***IMPORTANT NOTICE:*** *This investor presentation 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 this investor presentation 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.*

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