


# Investor Presentation

1H2021

**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$1.2 billion[1]
- FY2020 revenue: US$3.9 billion

[1] As at 30 June 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 |

We define our three key profit pillars as Poultry-Indonesia, Swine-Vietnam and Dairy-China. These profit pillars are included in our three business segments as follows: PT Japfa Tbk (which includes Poultry-Indonesia), Animal Protein Others (which includes Swine-Vietnam), and Dairy (which includes Dairy-China).

# 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

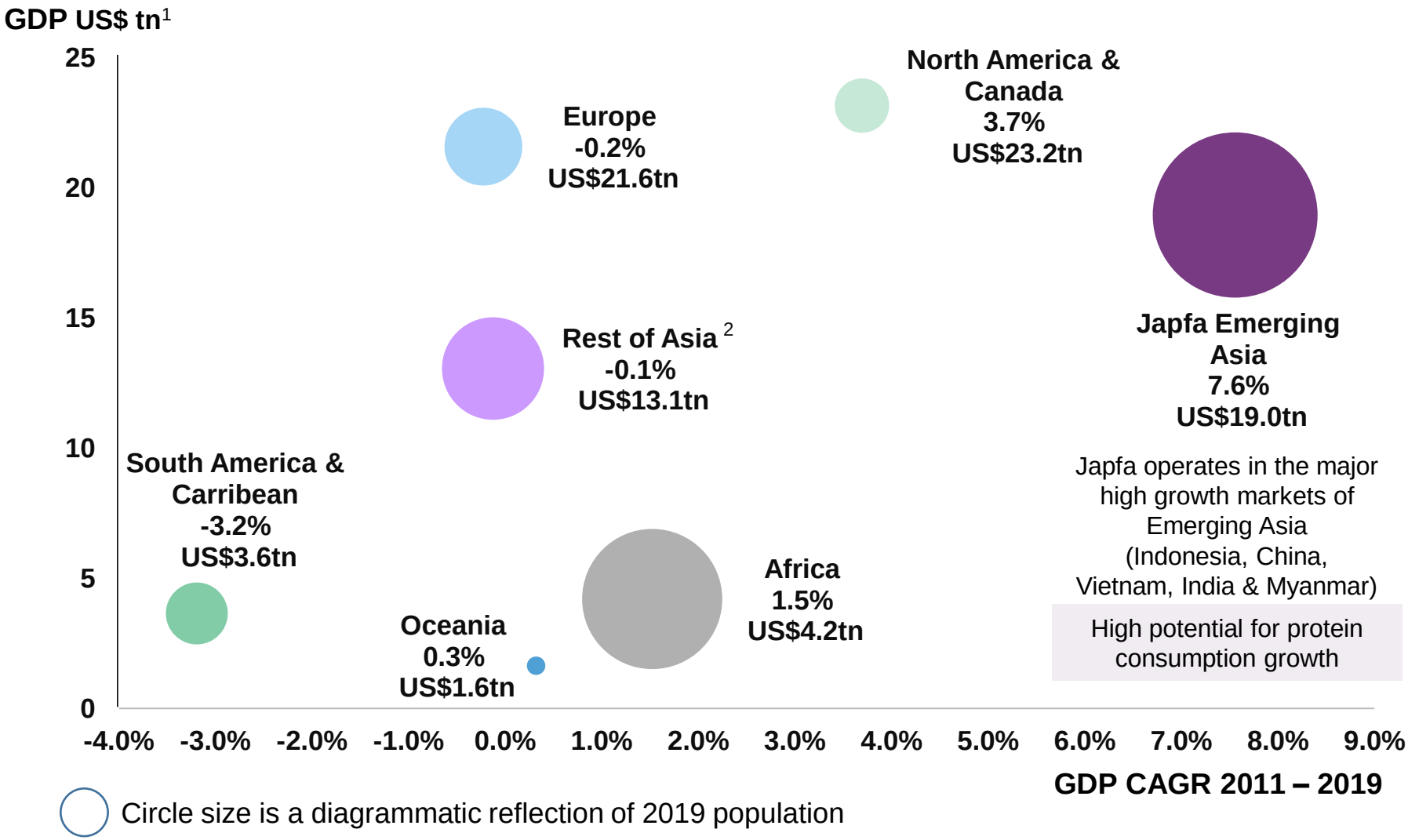
**LARGE SCALE**
- Ability to manage mega-scale farming operations; over 40,000 employees across five countries
- Scale of the Group's animal feed business provides stability to group revenue and profitability

**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 1H2021

- **Japfa continues to deliver strong results in 1H2021, following an excellent first quarter. Diversification strategy proven effective in an unpredictable Covid-19 environment**
- **Revenue and profits increase as all 3 segments delivered good results:**
  - **PT Japfa Tbk: Growth in our sales volumes together with more stable poultry prices in Indonesia following government initiatives to balance demand and supply**
  - **APO: Vietnam continues to drive the APO segment performance backed by higher swine fattening sales volumes**
  - **Dairy: Strong sales volumes and ASP for raw milk and beef in China**

| Revenue | Operating Profit | Operating Profit Margin |
|---|---|---|
| **US$2,262.4m** | **US$270.9m** | **12.0%** |
| +23.4% y-o-y | +84.8% y-o-y | +4.0pts y-o-y |
| **EBITDA** | **PATMI** | **Core PATMI w/o Forex** |
| **US$351.6m** | **US$118.5m** | **US$117.3m** |
| +59.2% y-o-y | +54.3% y-o-y | +31.1% y-o-y |

Feed remains a pillar of profitability despite global increase in raw material costs

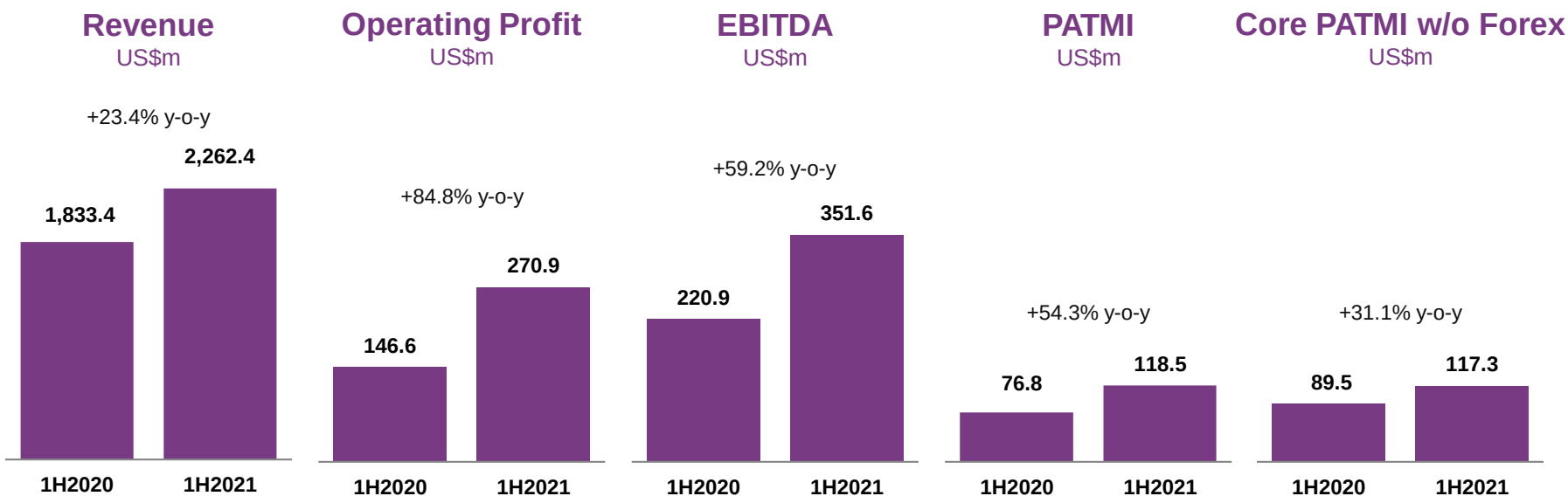
Poultry prices stabilised in 1H2021 but Covid-19 creates uncertainties going forward

Swine fattening volumes increase amid reducing ASPs

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.

# 1H2021 Group Financials




**All 3 segments recorded strong results, with a reinvigorated performance of PT Japfa Tbk**

- PT Japfa Tbk: Good results due to sales volumes growth and more stable poultry prices following government initiatives to balance demand and supply. The Covid-19 situation has recently worsened thus creating uncertainties which could further disrupt consumption of staples including poultry going forward
- APO: Vietnam continues to drive the performance of the APO segment on the back of higher sales volumes of swine fattening and swine feed. We continue to expand our swine farming capacity to capitalise on the attractive margins despite swine fattening selling prices retreating from record high
- Dairy: Revenue and profitability increased on the back of higher sales volumes and ASP of both raw milk and beef in China
- Rolling Core PATMI w/o Forex for the past 12 months ending 30 June 2021 continues to achieve record high (refer to page 12)

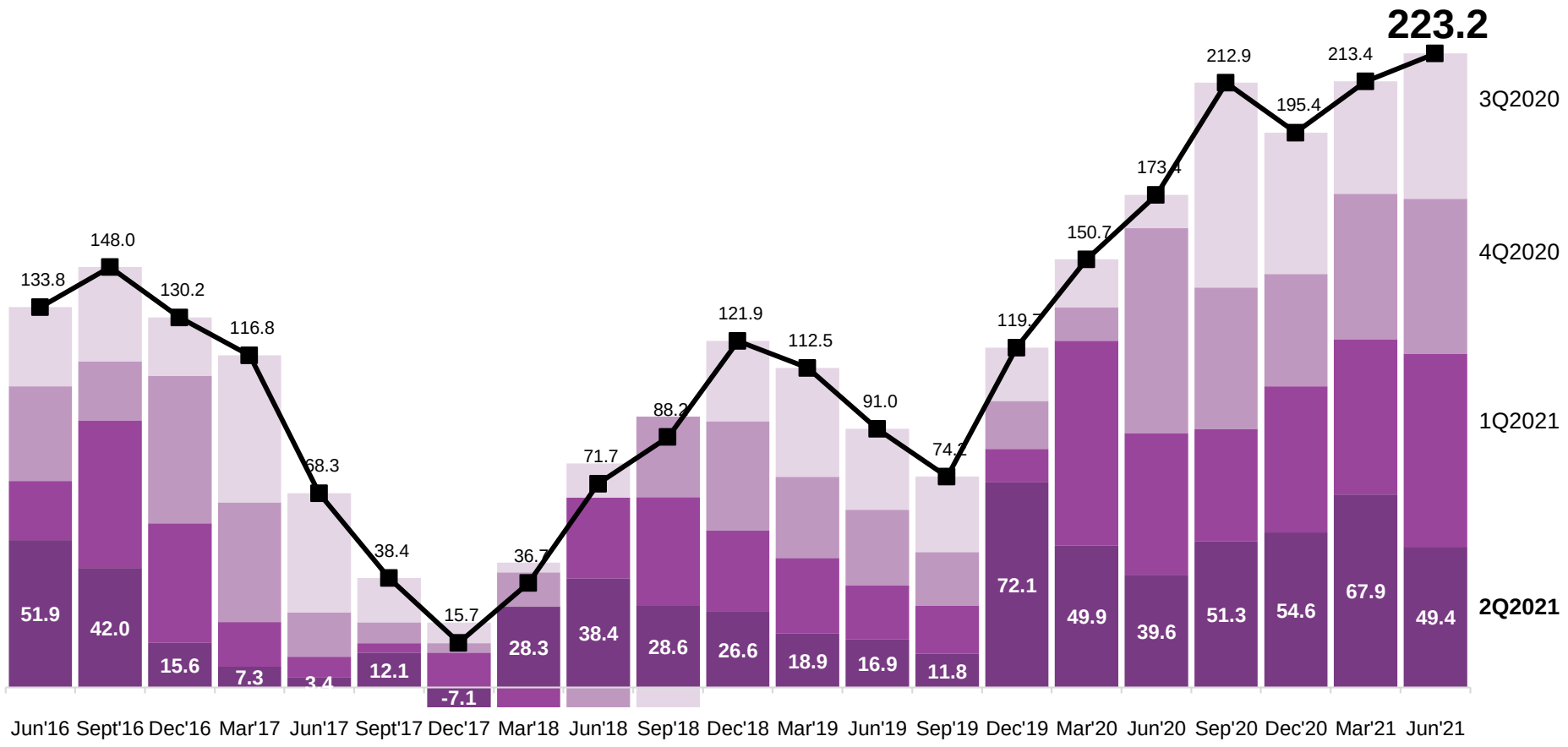


# CORE PATMI w/o FOREX
# ROLLING BASIS

JAPFA

# Rolling Core PATMI w/o Forex For The Group

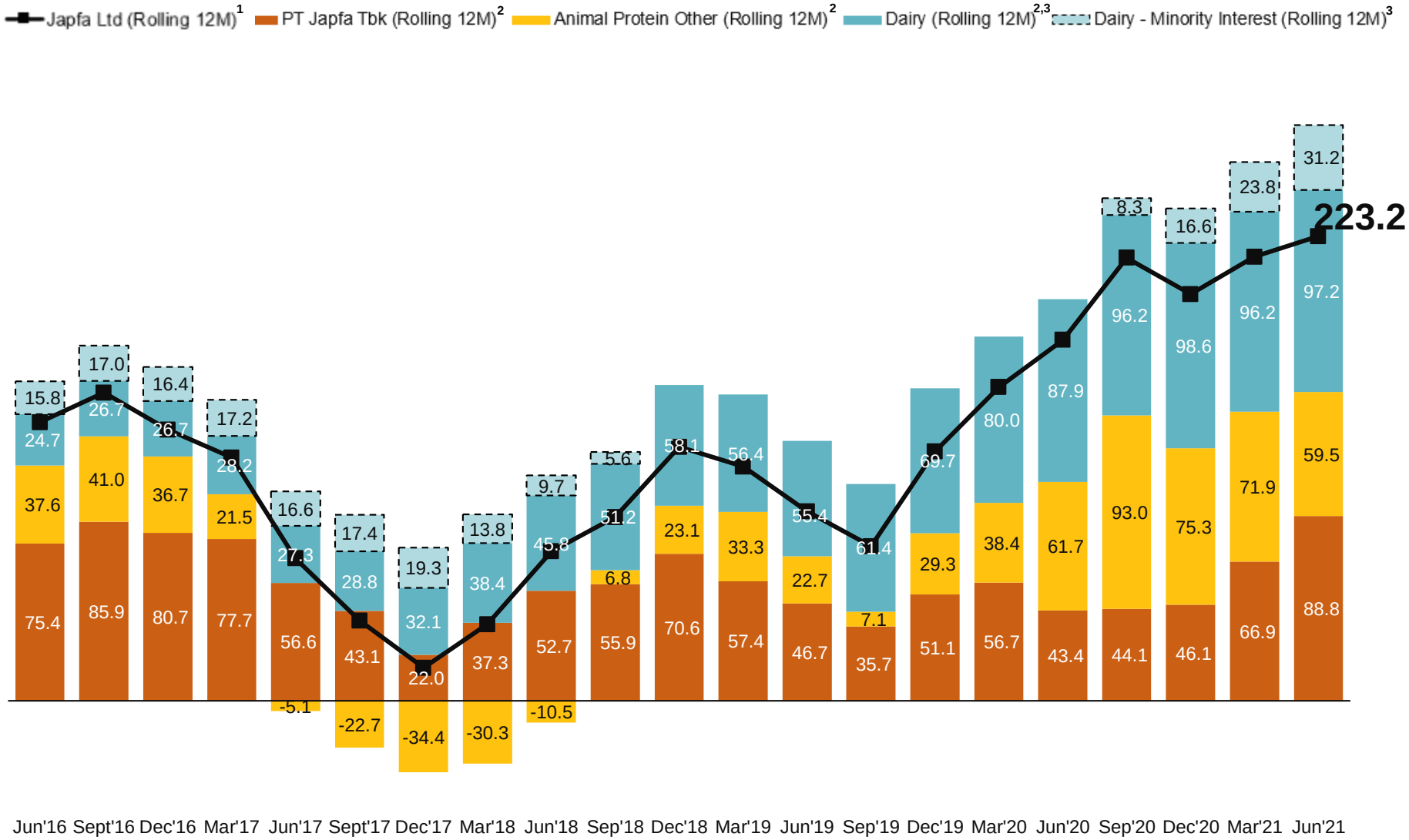
**All-time high since IPO**




**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



# 1H2021
# FINANCIAL & OPERATIONAL ANALYSIS

# 1H2021 Segmental Overview

**GROUP**

**Japfa Ltd**

| (US$m) | 1H2020 | 1H2021 | %change | |
|---|---|---|---|---|
| Revenue | 1,833.4 | 2,262.4 | 23.4% | ▲ |
| Operating Profit | 146.6 | 270.9 | 84.8% | ▲ |
| Operating Profit Margin | 8.0% | 12.0% | 4.0 pts | ▲ |
| EBITDA | 220.9 | 351.6 | 59.2% | ▲ |
| PAT | 82.6 | 191.5 | 131.9% | ▲ |
| PATMI | 76.8 | 118.5 | 54.3% | ▲ |
| Core PATMI w/o Forex | 89.5 | 117.3 | 31.1% | ▲ |

**BUSINESS SEGMENTS**

| (US$m) | | | | |
|---|---|---|---|---|
| **PT Japfa Tbk** | | | | |
| Revenue [1] | 1,226.0 | 1,539.6 | 25.6% | ▲ |
| Operating Profit | 52.6 | 183.8 | 249.7% | ▲ |
| Operating Profit Margin | 4.3% | 11.9% | 7.7 pts | ▲ |
| EBITDA | 94.5 | 224.0 | 137.1% | ▲ |
| PAT | 18.4 | 111.4 | 505.9% | ▲ |
| PATMI | 12.9 | 56.7 | 340.2% | ▲ |
| Core PATMI w/o Forex | 13.0 | 55.7 | 328.6% | ▲ |
| **Animal Protein Other** | | | | |
| Revenue [1] | 364.6 | 459.6 | 26.0% | ▲ |
| Operating Profit | 47.4 | 35.4 | -25.3% | ▼ |
| Operating Profit Margin | 13.0% | 7.7% | -5.3 pts | ▼ |
| EBITDA | 61.2 | 51.6 | -15.6% | ▼ |
| PAT | 43.1 | 13.0 | -69.9% | ▼ |
| PATMI | 42.9 | 12.9 | -70.0% | ▼ |
| Core PATMI w/o Forex | 38.3 | 22.6 | -41.1% | ▼ |
| **Dairy** | | | | |
| Revenue [2] | 244.5 | 260.7 | 6.6% | ▲ |
| Operating Profit | 46.5 | 53.1 | 14.1% | ▲ |
| Operating Profit Margin | 19.0% | 20.4% | 1.3 pts | ▲ |
| EBITDA | 66.3 | 76.8 | 15.8% | ▲ |
| PAT | 29.3 | 72.9 | 148.6% | ▲ |
| PATMI | 29.3 | 54.7 | 86.4% | ▲ |
| Core PATMI w/o Forex | 45.0 | 43.6 | -3.1% | ▼ |

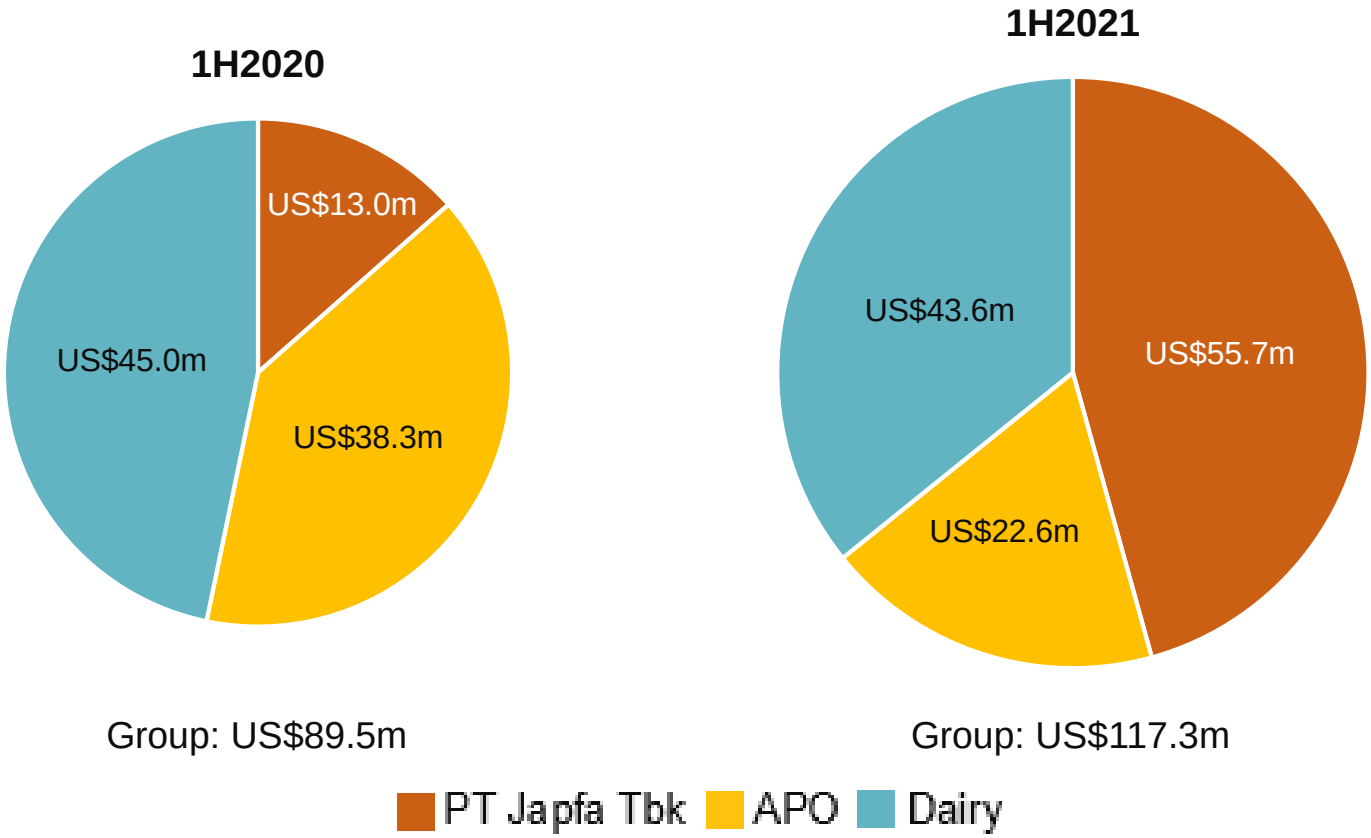
[1] The combined revenue for PT Japfa Tbk & Animal Protein Other includes inter-segment revenue of US$1.4m in 1H2021 (1H2020: US$2.5m)

[2] The Dairy segment revenue includes inter-segment revenue of nil in 1H2021 (1H2020: nil)

# Japfa's Business Segments:
# Core PATMI wo Forex attributable to Japfa Ltd

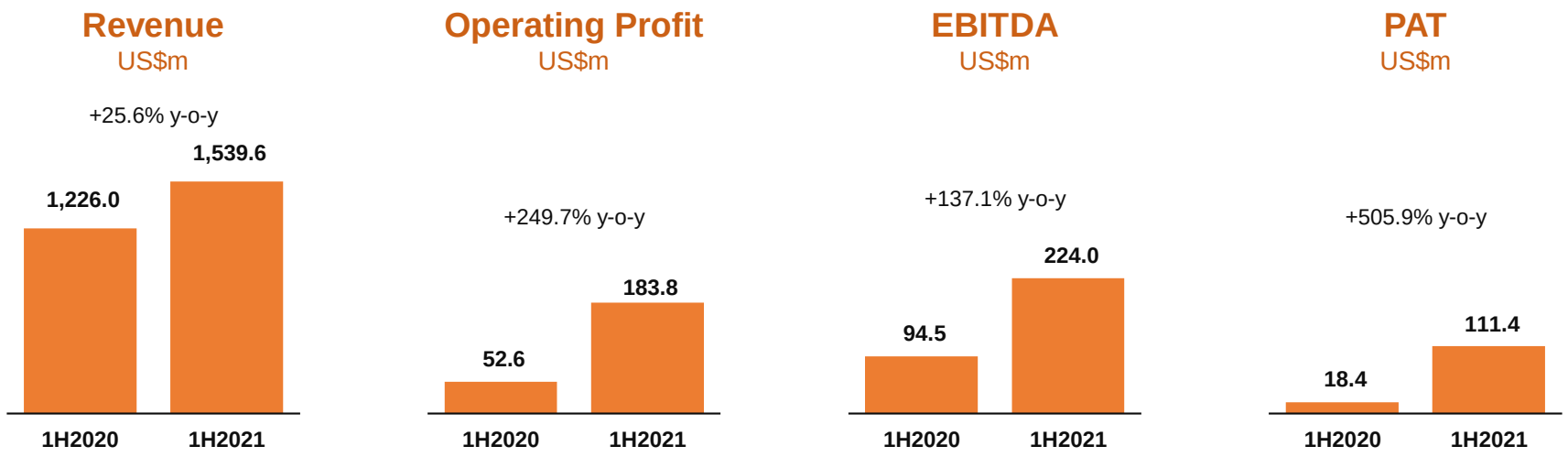
**Group's diversification strategy is effective:**

Strong results supported by all 3 segments,
with a reinvigorated performance of PT Japfa Tbk




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

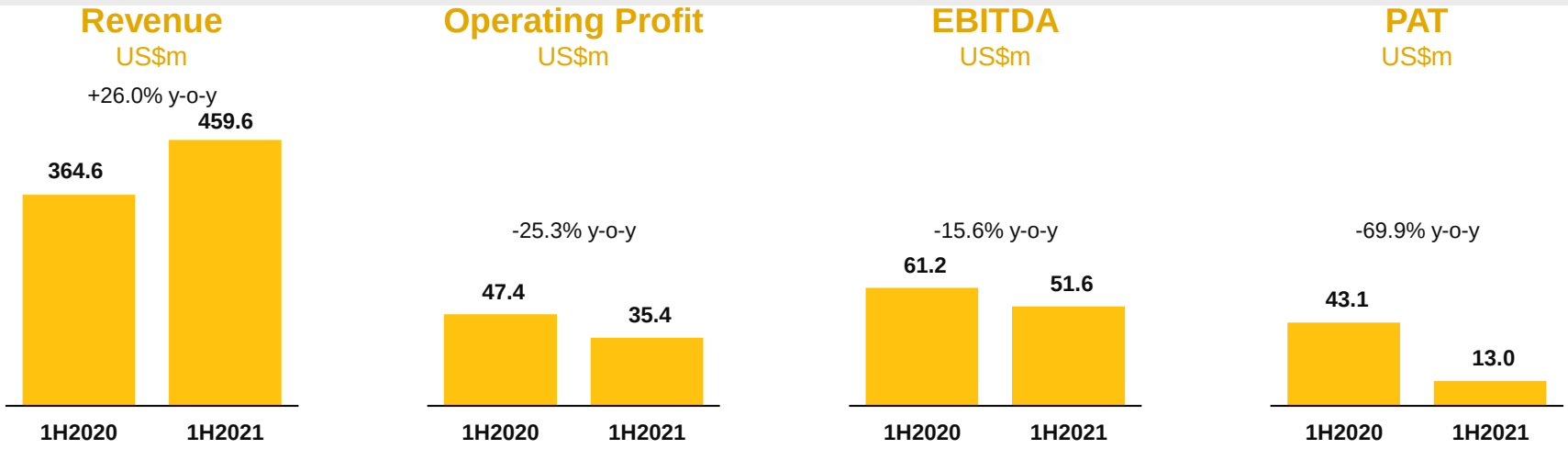
# PT Japfa Tbk – Financial Performance




**Strong 1H2021 results to buffer Covid-19 uncertainties ahead**

- Revenue increase mainly due to higher sales volumes for feed, DOC and broiler
- Strong 1H2021 results due to more stable poultry prices arising from effective culling initiatives which successfully balanced supply and demand. This was supported by increased demand during Lebaran
- Last year's 1H2020 performance was particularly weak due to the onset of Covid-19 in Indonesia which reduced demand of staples, including poultry
- As the Covid-19 situation has recently worsened in June/July 2021, this creates uncertainties which could further disrupt consumption of staples going forward
- Feed remains the stable pillar of profitability. However poultry and aqua feed margins have tightened due to higher raw material costs
- Movement restrictions linked to the pandemic are changing consumer patterns towards processed foods. Sales volumes for frozen and ambient products have increased in 1H2021 compared to last year

# APO – Financial Performance




**APO still delivers strong EBITDA on the back Vietnam performance**

Vietnam

- Revenue increase was driven mainly by higher sales volumes for swine fattening and swine feed
- The reduction in APO 1H2021 operating profit and EBITDA is mainly due to lower swine fattening ASPs in Vietnam. The swine fattening ASPs in 2020 were exceptionally high due to the supply shortage caused by ASF. As the supply of pork in the market has progressively increased since then, this has lowered swine fattening ASPs in 2021
- We continue to expand our swine farming capacity which should help counterbalance the tightening of swine fattening margins
- Feed also positively contributed to revenue and profitability with our ability to pass on increase in raw materials cost. The performance of feed, together with swine business, more than covered the weaker performance in poultry
- 1H2021 PAT was partially affected by a biological assets fair value loss due to reduced swine fattening ASPs

Myanmar

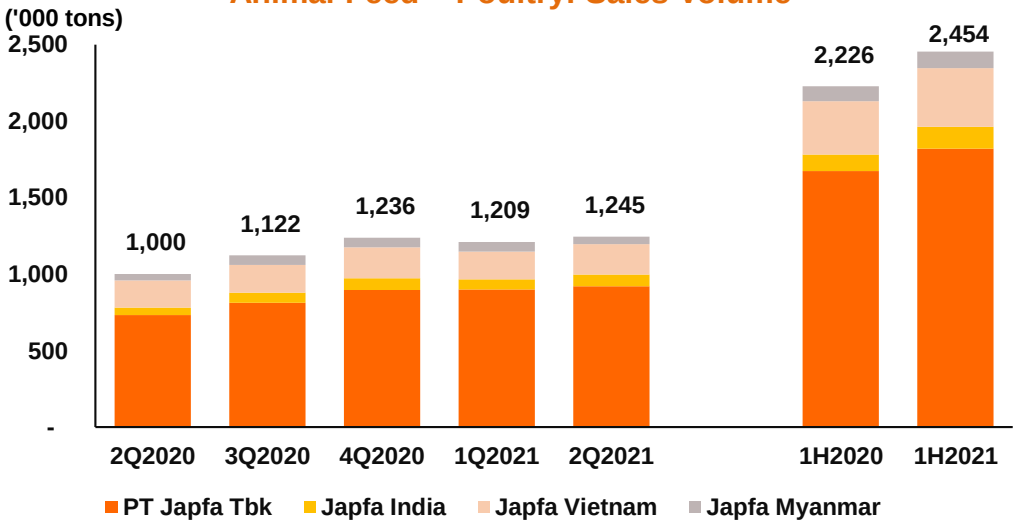
- APO-Myanmar saw an operating loss of US$5.3m as DOC and broiler prices remain low due to the impact of Covid-19 on the demand for poultry and the recent disruptions in the country. Management has recently introduced measures to control costs and adapt operations during this uncertain period and we continue to monitor the situation as it develops
- 1H2021 PAT includes a foreign exchange loss of US$5.9m due to depreciation of Kyat

India

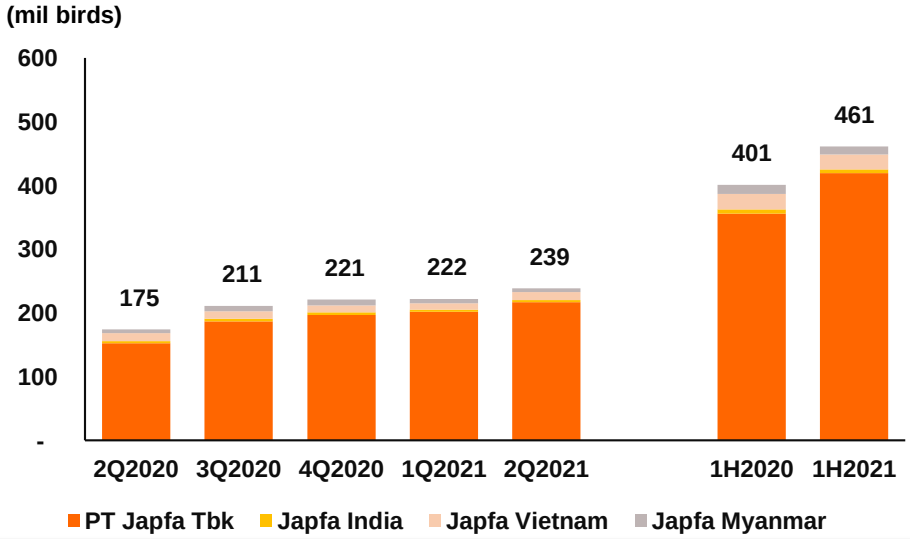
- Feed is the backbone of the business. Amid Covid-19 challenges, APO-India managed to remain profitable

# Animal Protein – Operational Performance

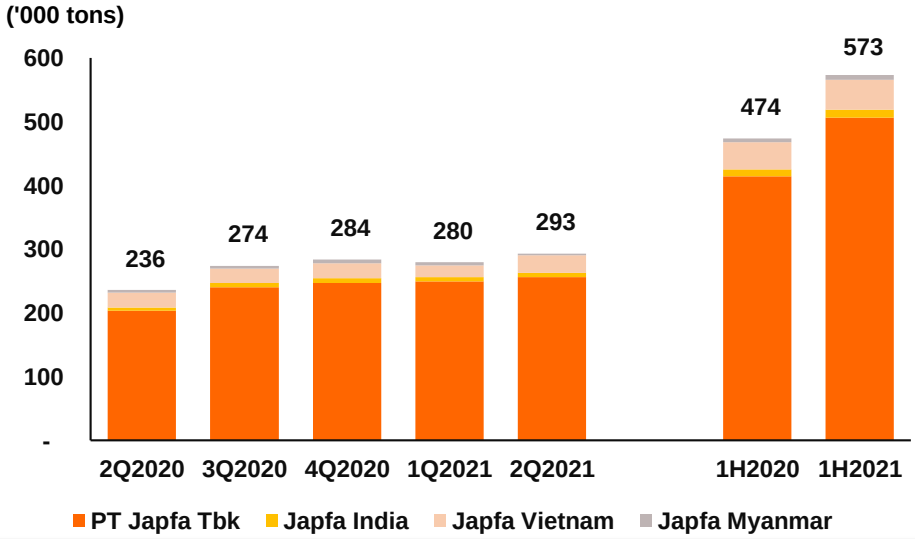
## Animal Feed – Poultry: Sales Volume




## DOC – Broiler: Sales Volume

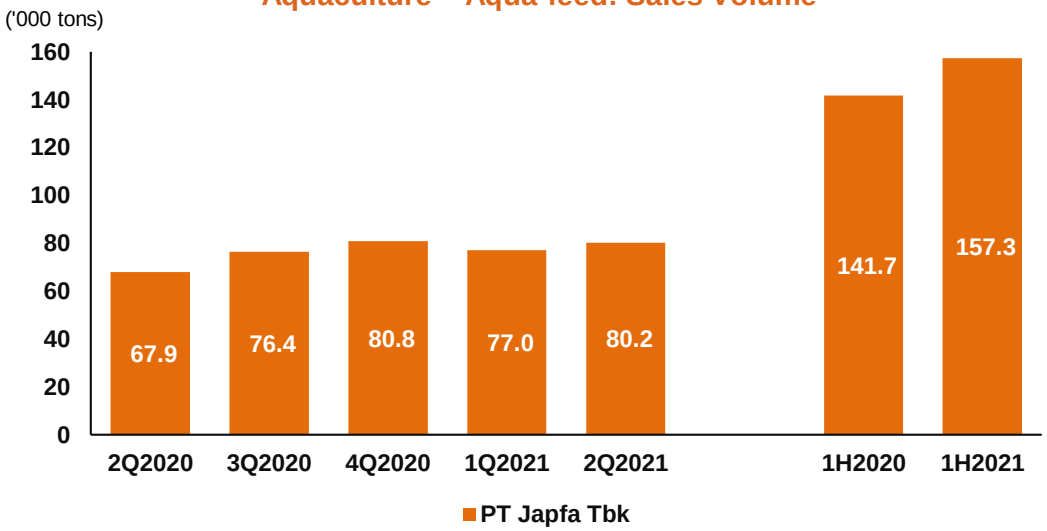



## Commercial Farm – Live Birds: Sales Volume

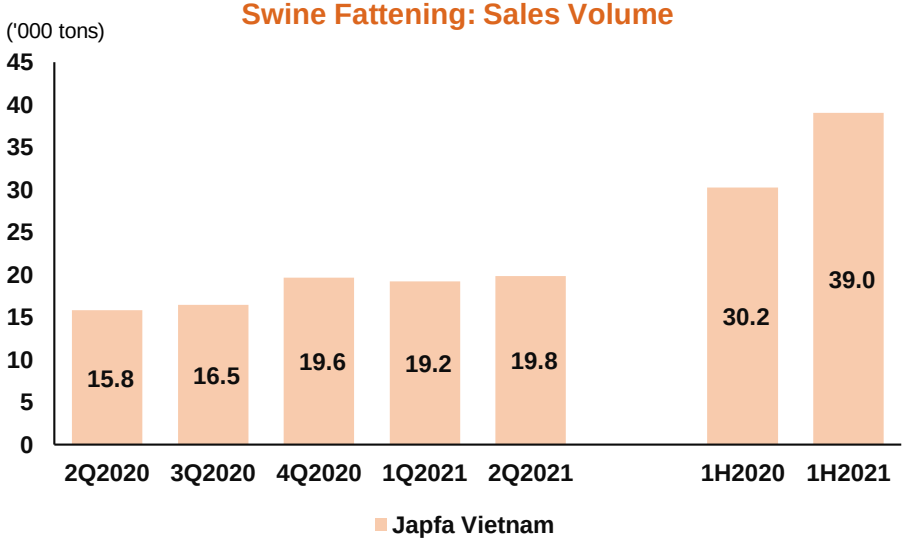


# Animal Protein – Operational Performance

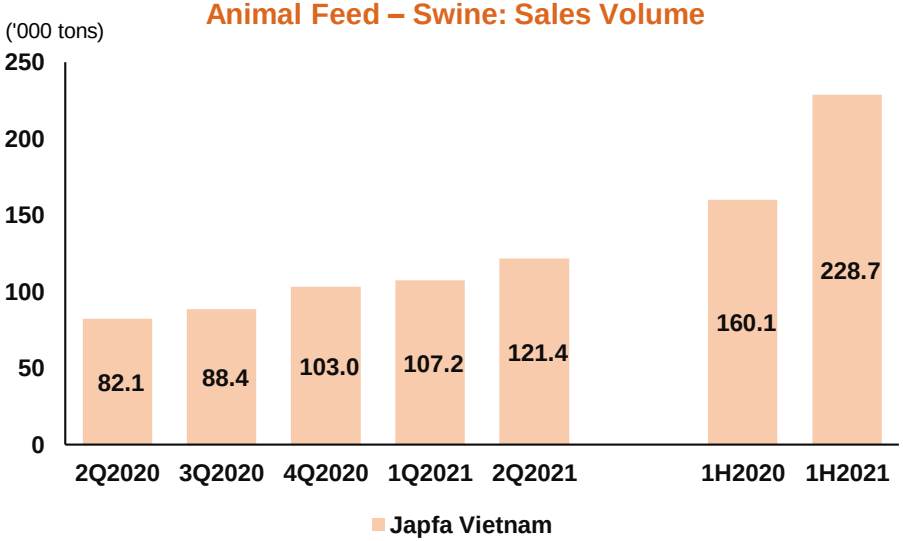
## Aquaculture – Aqua-feed: Sales Volume




## Swine Fattening: Sales Volume

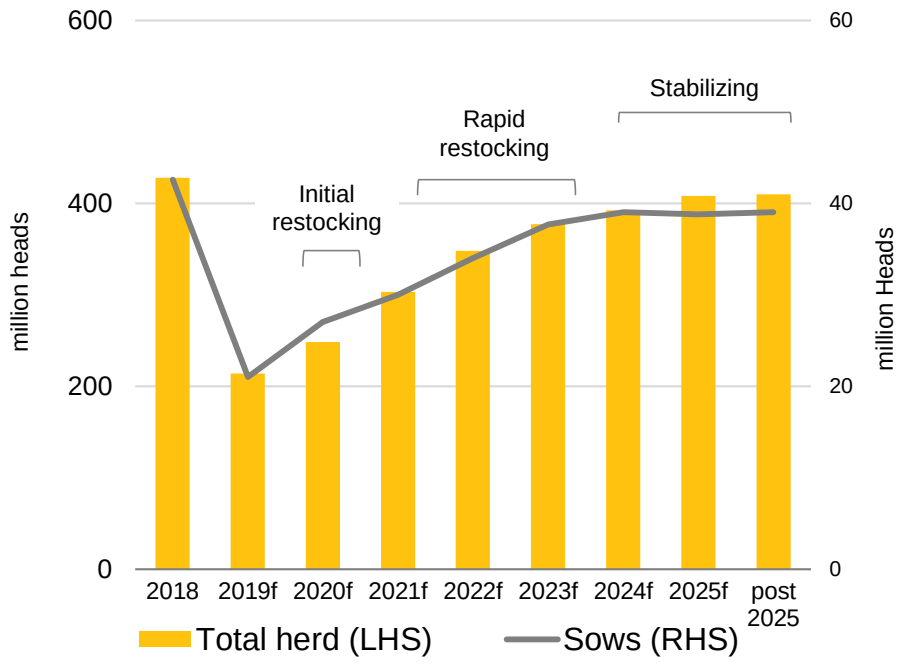



## Animal Feed – Swine: Sales Volume



# 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]

## 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, we are able to increase our swine fattening production as reflected by higher sales volumes in 1H2021

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

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

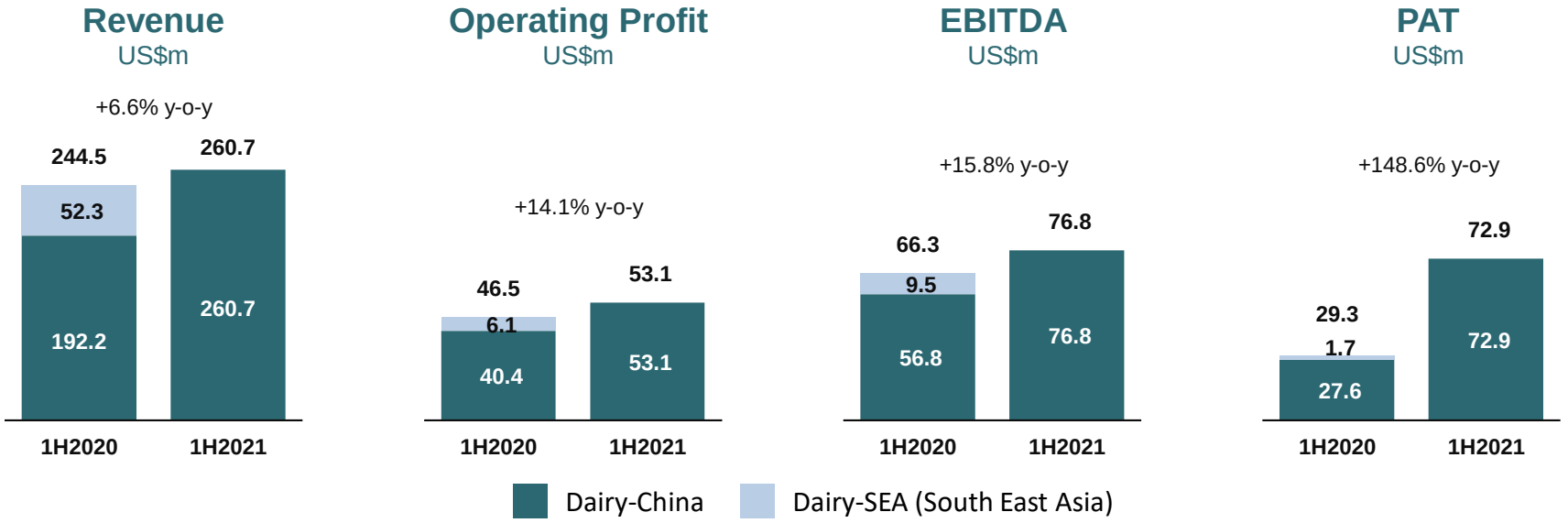
- Adjusting operating procedures to the new cash economy, including most sales and raw material purchases on cash terms
- Scaled down our breeding operations and plan to trim other parts of poultry operations to match the lower demand
- Sourcing raw materials from local suppliers in MMK as much as possible
- 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 1H2021

However, as we are in the business of supplying chicken, which is a staple and affordable protein food, the impact should be short-lived

We will continue to monitor the situation as it develops and adjust our operations accordingly

# Dairy – Financial Performance



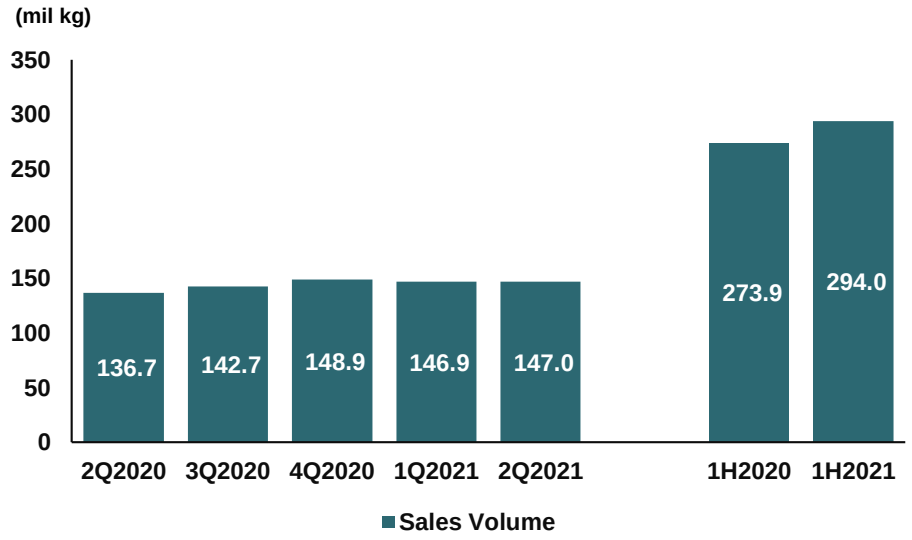

**Higher revenue and profitability following increases in sales volumes and ASPs**

- Excluding Dairy-SEA, Dairy-China revenue increased by 35.6% y-o-y
- Dairy revenue and profitability increased on the back of higher sales volumes and ASP of raw milk.
- Higher sales volumes of raw milk as farm 8 progressively heads towards “fully milking” stage
- 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
- Higher PAT partly contributed by a turnaround in biological asset fair value from a loss of US$12.9m in 1H2020 to a gain of US$14.6m in 1H2021
- Beef contributed US$41.2m to the segment’s revenue and US$8.2m to PAT on the back of higher sales volumes and ASPs
- Dairy and beef operations are complementary as we are able to leverage on our dairy genetic expertise, optimise farm management resources, and benefit from economies of scale

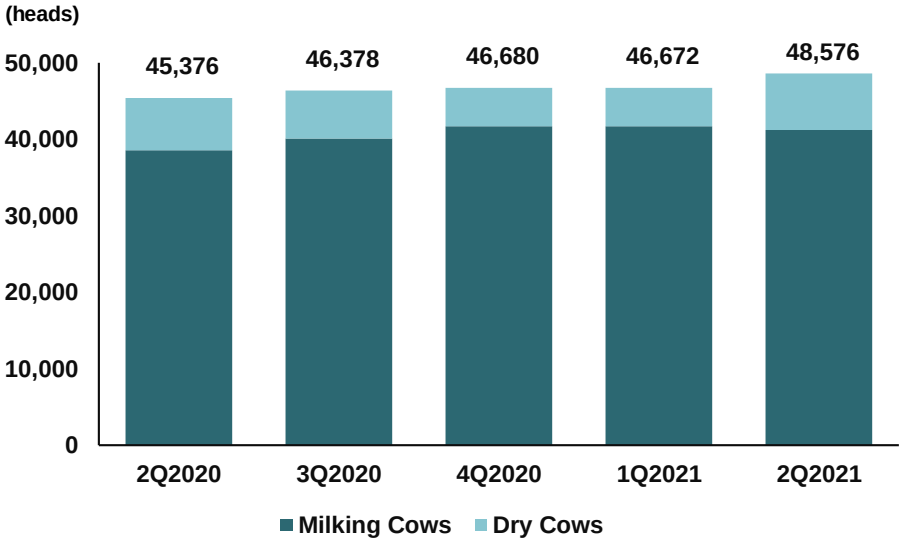
In 2020, 100% of Dairy-SEA was consolidated into the Dairy segment. Starting from 1 January 2021, the 2021 numbers above do not include Dairy-SEA after the effective sale of 80% of Dairy-SEA, for which we apply equity accounting for our 20% stake at Japfa Group level

# Dairy-China – Operational Performance

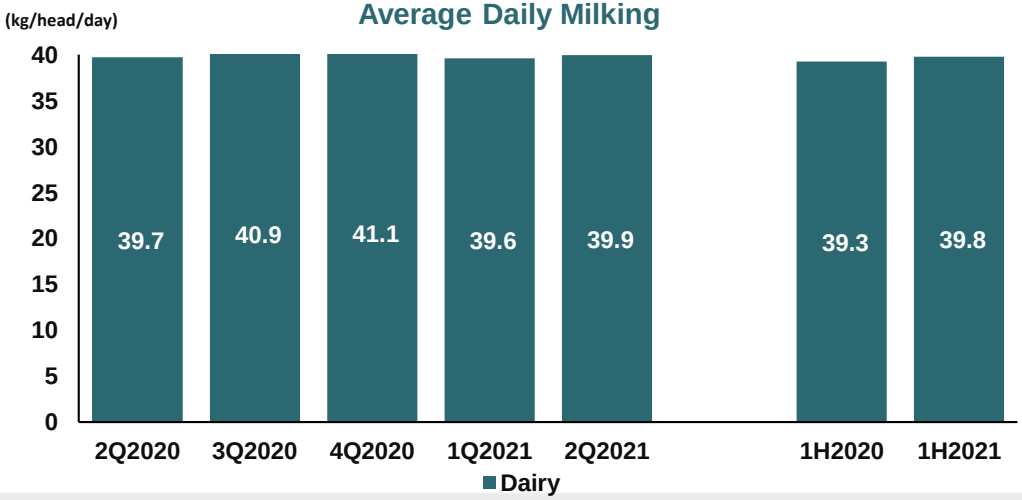
## Raw Milk: Sales Volume




## Milkable cows[1]



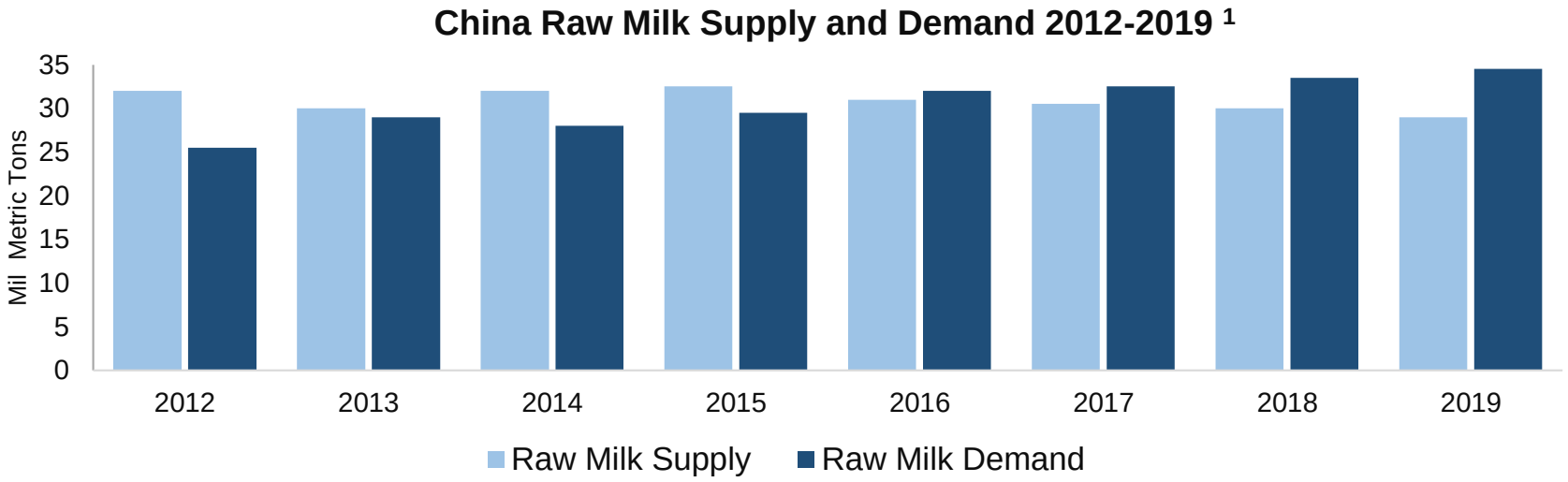

## Average Daily Milking




[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 June 2021: 86,614 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

# 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



# 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 manage an extraordinary challenging year 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
- In providing an essential service which is supported by respective governments, our supply chains and logistics have not been significantly disrupted by movement restrictions and we continued to operate our farms and feed mills safely
- As a result, our day-to-day operations and supply chains have not been materially impacted by Covid-19

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)

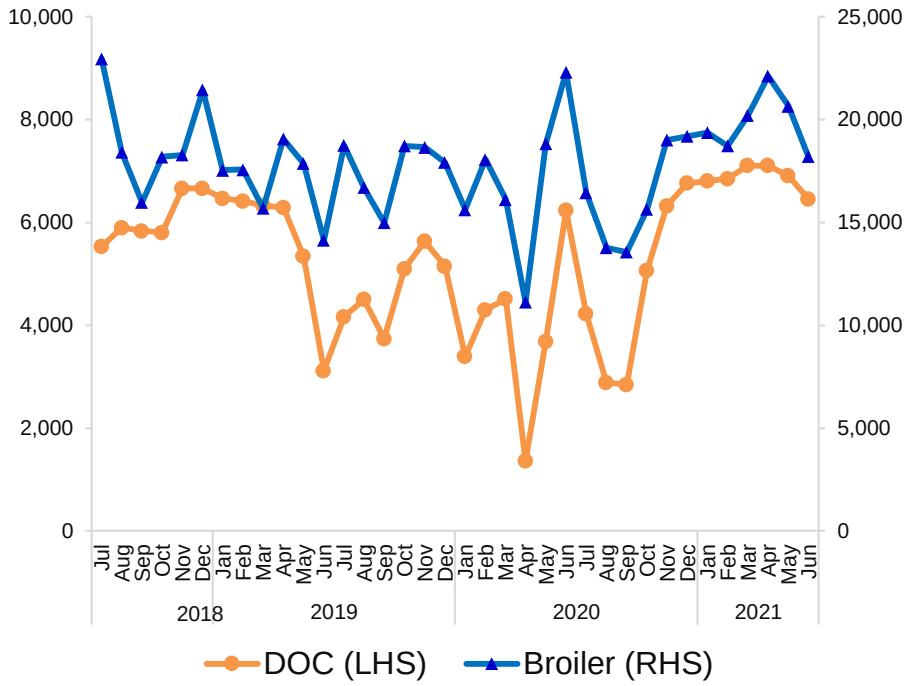
# Covid-19 Impact

While our operations and supply chain have not thus far been materially impacted, the demand has been affected as a consequence of the weakened economy and reduced purchasing power.

**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. This widened the demand-supply gap causing prices to drop dramatically in April 2020
- As the demand and supply imbalance persists in the market, broiler and DOC prices remain volatile
- The Government took culling initiatives to reduce supply and stabilise poultry prices, which saw a recovery starting from 4Q2020
- Such government's initiatives have continued in 1H2021

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




**Swine Vietnam**

- To date, the demand for pork is relatively stable as a consequence of the substantial drop in pork supply due to African Swine Fever ("ASF")

**Dairy China**

- The Covid-19 impact in China appears to be fairly stable with a minimal impact on demand for raw milk

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 – Concluding Remarks

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

In Indonesia, the Covid-19 situation has worsened in June/July 2021, and this is likely to impact consumer purchasing power and hence demand for poultry in the next few months. However, the strong 1H2021 Poultry Indonesia results should help to buffer Covid-19 uncertainties ahead. Moreover, as we mainly supply chicken, which is a staple and affordable protein food, hopefully the impact will be short-lived.

In Vietnam, the Covid-19 situation has recently worsened and is likely to impact our Swine and Poultry operations going forward.

In China, the Covid-19 situation has had a minimal impact so far to our Dairy operations.

Covid-19, including movement restrictions, affects the purchasing power of consumers in the lower income band, especially 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

50 JAPFA

# Other Financial Highlights

| Balance Sheet Highlights (US$m) | As at 31 Dec 20 | As at 30 Jun 21 | % change |
|---|---|---|---|
| **Total Assets** | **3,667.9** | **3,975.8** | **8%** |
| Cash and cash equivalent | 224.7 | 234.2 | 4% |
| Total Inventory | 787.9 | 1,095.5 | 39% |
| *- Inventory (excluding fattening livestock)* | *599.1* | *859.9* | *44%* |
| *- Inventory - Fattening Livestock* | *188.9* | *235.6* | *25%* |
| **Total Liabilities** | **1,705.9** | **2,026.9** | **19%** |
| Total Debt | 1,164.1 | 1,459.0 | 25% |
| *- Loan and borrowings* | *1,001.1* | *1,274.0* | *27%* |
| *- Lease liabilities* | *163.0* | *185.0* | *13%* |
| **Total Equity** | **1,962.0** | **1,948.9** | **-1%** |
| **Equity attributable to the Owners of the Parent** | **1,419.7** | **1,363.2** | **-4%** |
| **Key Ratios** | | | |
| Net Debt / Equity Ratio (x) | 0.5 | 0.6 | |
| Net Debt (w/o lease liabilities) / Equity Ratio (x) | 0.4 | 0.5 | |
| Inventory Turnover days [1] | 94.2 | 115.3 | |
| NAV per share (US$) | 0.70 | 0.67 | |
| *NAV per share (S$)* | *0.93* | *0.90* | |

Equity attributable to the Owners of the Parent decreased by US$50.1m mainly due to dividends paid amounting to US$166.2m (special interim dividend of S$0.10 and final dividend of S$0.01) offset by a 1H2021 PATMI of US$124.9m

[1] Inventory turnover days is calculated based on the total inventory

# Net Debt Profile

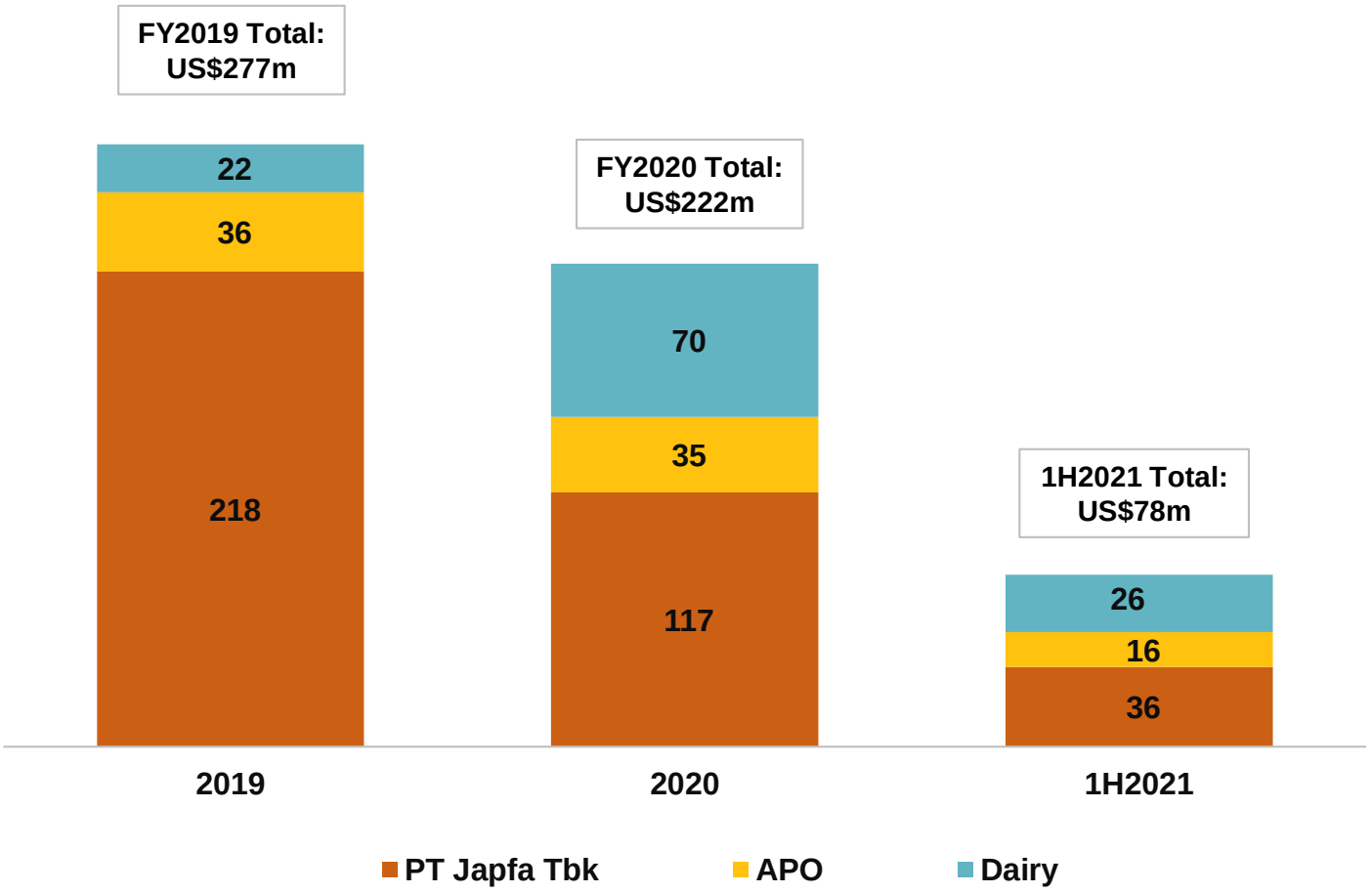
| | PT Japfa Tbk | Animal Protein Other | Dairy | Others | Total |
|---|---|---|---|---|---|
| Bonds & other term loans | 595 [1] | 27 | 238 [2] | | 860 |
| Working capital loans | 102 | 111 | 11 | 190 [3] | 414 |
| **Total Debt** | **697** | **138** | **250** | **190** | **1,274** |
| Cash | 78 | 61 | 53 | 42 | 234 |
| **Net Debt** | **619** | **77** | **197** | **147** | **1,040** |

Additional information as of 30 June 2021:

1. The new US$350m SLB was partially utilized to repay in full the US$250m bond on 10 May 2021. The SLB is fully hedged for the principal of US$350m up to all time high of USD/IDR 16,650 till the bond maturity in 2026
2. This includes the term loan of US$126m for the purchase of 2 farms in China
3. Others refers to the debt and cash of Japfa Ltd and its subsidiary Annona Pte Ltd. The debt of Annona Pte Ltd (the central purchasing subsidiary in Singapore) of US$190m is for working capital purposes, costs of which are fully charged out to its customers

Note:
Net Debt Profile above excludes lease liabilities of US$184m

# Capex FY2019 – 1H2021

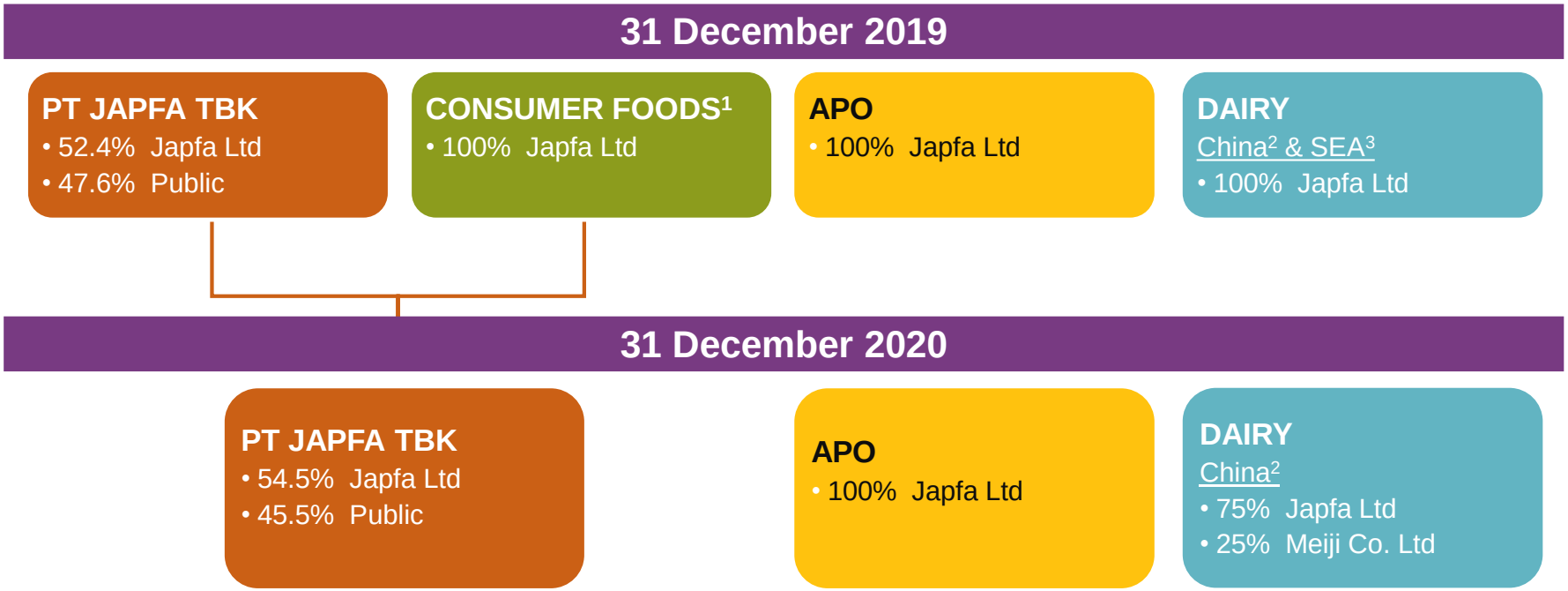



The chart above refers to capital expenditure for new property, plant and equipment as well as maintenance capex



# APPENDIX

# Japfa Ltd Business Segments & Ownership




Key changes in shareholding in FY2020:

1. Consumer Foods transferred to PT Japfa Tbk as part of an intragroup reorganisation on 30 November 2020. Throughout this presentation, we have combined the Consumer Food segment into the PT Japfa Tbk to allow comparability
2. Disposal of 25% interest in Dairy-China to Meiji Co. Ltd on 3 July 2020
3. Disposal of Dairy Southeast Asia ("SEA") to TPG & Northstar Group, post-transaction Japfa Ltd will continue to own 20% and apply equity accounting method from 1 January 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

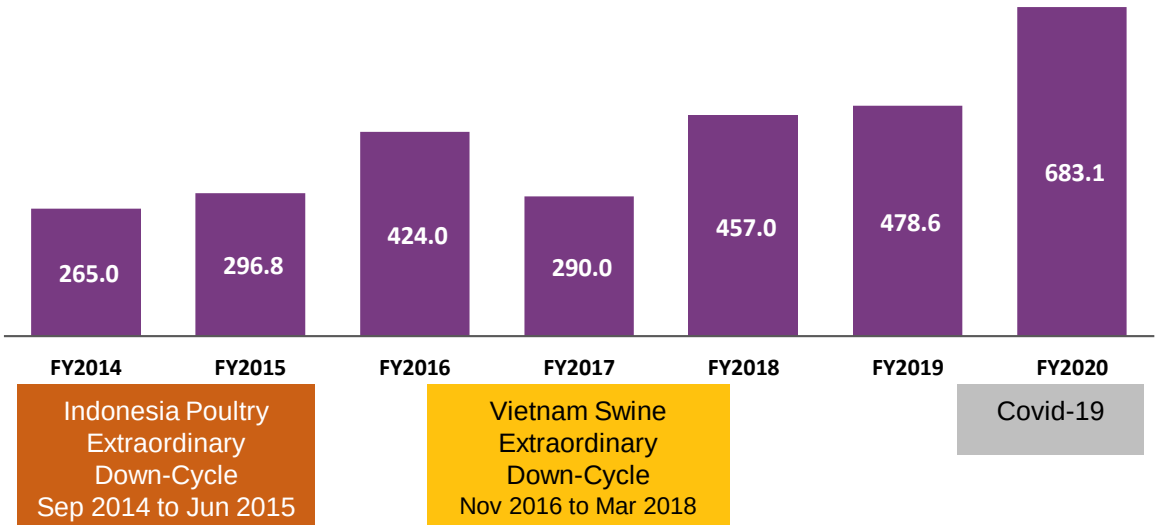
**By being one of the most efficient and lowest cost producers, Japfa is able to ride through agri-business cyclicality**

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**



# 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 – 1H2021

| | YTD JUN Y2021 | | | | | |
|---|---|---|---|---|---|---|
| | ANIMAL PROTEIN | | | DAIRY | OTHERS | TOTAL |
| | TBK | AP Other | Total | | | |
| External Revenue | 1,539.6 | 458.2 | 1,997.8 | 260.7 | 3.8 | **2,262.4** |
| Inter Segment Sales | 0.0 | 1.4 | 1.4 | 0.0 | (1.4) | **0.0** |
| **TOTAL REVENUE** | **1,539.6** | **459.6** | **1,999.2** | **260.7** | **2.5** | **2,262.4** |
| **OPERATING PROFIT** | **183.8** | **35.4** | **219.2** | **53.1** | **(1.4)** | **270.9** |
| *% to sales* | *11.9%* | *7.7%* | *11.0%* | *20.4%* | *-56.2%* | *12.0%* |
| **EBITDA** | **224.0** | **51.6** | **275.6** | **76.8** | **(0.7)** | **351.6** |
| | *14.5%* | *11.2%* | *13.8%* | *29.4%* | *-28.7%* | *15.5%* |
| Depreciation & Amortization | (49.2) | (15.9) | (65.1) | (9.9) | (0.4) | **(75.5)** |
| Net Interest Expense | (29.9) | (6.5) | (36.5) | (7.5) | (1.4) | **(45.3)** |
| Forex Gain(loss) | (0.3) | (5.4) | (5.7) | (3.9) | (4.7) | **(14.3)** |
| 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 | 2.1 | (5.4) | (3.3) | 14.6 | 0.0 | **11.2** |
| **PBT** | **146.6** | **18.4** | **165.0** | **73.7** | **(3.7)** | **235.1** |
| Tax | (35.2) | (5.4) | (40.6) | (0.9) | (2.0) | **(43.5)** |
| **PAT** | 111.4 | 13.0 | 124.4 | 72.9 | (5.7) | **191.5** |
| **PAT w/o Bio A** | 109.3 | 17.3 | 126.6 | 58.3 | (5.7) | **179.2** |
| *% ownership* | *54.5%* | *100.0%* | | *75.0%* | | |
| **PATMI** | 56.7 | 12.9 | 69.6 | 54.7 | (5.7) | **118.5** |
| **Core PATMI** | 55.6 | 17.2 | 72.7 | 40.7 | (9.3) | **104.1** |
| **Core PATMI w/o Forex** | 55.7 | 22.6 | 78.3 | 43.6 | (4.6) | **117.3** |

***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 – 1H2020

| | YTD JUN Y2020 | | | | | |
|---|---|---|---|---|---|---|
| | ANIMAL PROTEIN | | | Dairy | OTHERS | TOTAL |
| | TBK | AP Other | Total | | | |
| External Revenue | 1,223.5 | 364.6 | 1,588.1 | 244.5 | 0.7 | **1,833.4** |
| Inter Segment Sales | 2.5 | 0.0 | 2.5 | 0.0 | (2.5) | **0.0** |
| **TOTAL REVENUE** | **1,226.0** | **364.6** | **1,590.7** | **244.5** | **(1.8)** | **1,833.4** |
| **OPERATING PROFIT** | **52.6** | **47.4** | **99.9** | **46.5** | **0.1** | **146.6** |
| *% to sales* | *4.3%* | *13.0%* | *6.3%* | *19.0%* | *-6.8%* | *8.0%* |
| **EBITDA** | **94.5** | **61.2** | **155.6** | **66.3** | **(1.0)** | **220.9** |
| | *7.7%* | *16.8%* | *9.8%* | *27.1%* | *56.1%* | *12.0%* |
| Depreciation & Amortization | (44.4) | (13.1) | (57.5) | (11.8) | (0.0) | **(69.3)** |
| Net Interest Expense | (27.0) | (5.3) | (32.3) | (8.9) | (8.3) | **(49.4)** |
| Forex Gain(loss) | 0.4 | 0.9 | 1.3 | (3.1) | 0.2 | **(1.6)** |
| Fair Value Gain(Loss) Derivative for forex hedging | 0.0 | 0.0 | 0.0 | 1.4 | 0.0 | 1.4 |
| Fair Value Gain(Loss) Bio A | (1.0) | 4.6 | 3.6 | (12.9) | 0.0 | **(9.2)** |
| **PBT** | **22.5** | **48.3** | **70.8** | **31.0** | **(9.2)** | **92.6** |
| Tax | (4.1) | (5.2) | (9.3) | (1.7) | 0.9 | **(10.0)** |
| **PAT** | 18.4 | 43.1 | 61.5 | 29.3 | (8.2) | **82.6** |
| **PAT w/o Bio A** | 19.2 | 39.5 | 58.7 | 42.3 | (8.2) | **92.8** |
| *% ownership* | *52.4%* | *100.0%* | | *100.0%* | *100.0%* | |
| **PATMI** | 12.9 | 42.9 | 55.7 | 29.3 | (8.2) | **76.8** |
| **Core PATMI** | 13.3 | 39.2 | 52.5 | 41.9 | (6.8) | **87.6** |
| **Core PATMI w/o Forex** | 13.0 | 38.3 | 51.3 | 45.0 | (6.8) | **89.5** |

***Notes:***

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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 – 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:***

- ***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.*
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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.*

# 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:***

- ***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 – 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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- ***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.*
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# Segment Information – 2Q2020

| | 2Q Y2020 | | | | | |
|---|---|---|---|---|---|---|
| | ANIMAL PROTEIN | | | DAIRY | OTHERS | TOTAL |
| | TBK | AP Other | Total | | | |
| External Revenue | 570.8 | 188.0 | 758.8 | 124.0 | 0.7 | **883.4** |
| Inter Segment Sales | 1.1 | (0.0) | 1.0 | 0.0 | (1.0) | **0.0** |
| **TOTAL REVENUE** | **571.8** | **188.0** | **759.8** | **124.0** | **(0.3)** | **883.4** |
| **OPERATING PROFIT** | **11.6** | **28.8** | **40.4** | **22.9** | **(0.5)** | **62.9** |
| *% to sales* | *2.0%* | *15.3%* | *5.3%* | *18.5%* | *154.8%* | *7.1%* |
| **EBITDA** | **32.1** | **35.4** | **67.5** | **33.1** | **(0.2)** | **100.4** |
| | *5.6%* | *18.9%* | *8.9%* | *26.7%* | *58.2%* | *11.4%* |
| Depreciation & Amortization | (22.9) | (6.7) | (29.6) | (5.9) | 0.1 | **(35.3)** |
| Net Interest Expense | (14.4) | (2.9) | (17.2) | (4.4) | (3.8) | **(25.5)** |
| Forex Gain(loss) | (6.8) | 0.8 | (6.0) | 1.6 | 0.1 | **(4.4)** |
| 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 | 0.1 | 5.4 | 5.5 | (1.5) | 0.0 | **3.9** |
| **PBT** | **(11.8)** | **32.0** | **20.2** | **22.9** | **(3.8)** | **39.2** |
| Tax | 3.5 | (5.4) | (2.0) | (1.1) | (1.0) | **(4.1)** |
| **PAT** | (8.4) | 26.6 | 18.2 | 21.8 | (4.9) | **35.1** |
| **PAT w/o Bio A** | (8.5) | 22.3 | 13.8 | 22.8 | (4.9) | **31.7** |
| *% ownership* | *52.4%* | *100.0%* | | *100.0%* | | |
| **PATMI** | (1.9) | 26.4 | 24.5 | 21.8 | (4.9) | **41.4** |
| **Core PATMI** | (2.0) | 22.1 | 20.1 | 22.7 | (5.0) | **37.7** |
| **Core PATMI w/o Forex** | 2.0 | 21.4 | 23.3 | 21.1 | (4.9) | **39.6** |

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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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