



FEEDING EMERGING ASIA

CONTINUING TO DELIVER

Japfa Ltd
Annual General Meeting
15 April 2021



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Group Overview



Feeding Emerging Asia



- Established in 1971
- 5 animal protein businesses in 5 countries
- Japfa Ltd's market capitalisation: approx US\$1.4 billion¹
- FY2020 revenue: US\$3.9 billion



¹ As at 31 December 2020

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

Vertically Integrated Business Model

Five Proteins | Five Countries

UPSTREAM

ANIMAL FEED PRODUCTION

BREEDING FARMS

MIDSTREAM

MILKING & FATTENING FARMS

DOWNSTREAM

PROCESSING & DISTRIBUTION

ANIMAL PROTEIN – PT JAPFA TBK
Indonesia

Poultry Feed



Cattle Feed



Aquaculture Feed



Poultry Breeding



Beef Cattle Breeding



Aquaculture Breeding



Poultry Commercial Farming



Beef Feedlots



Aquaculture Commercial Farming

ANIMAL PROTEIN – OTHER
Vietnam | Myanmar | India

Poultry Feed



Swine Feed



Poultry Breeding



Swine Breeding



Poultry Commercial Farming



Swine Fattening

DAIRY
China

Cattle Feed



Cattle Feed



Dairy Cattle Breeding



Beef Cattle Breeding



Dairy Milking



Beef Feedlots



Notes:

- **Five Proteins** refers to Poultry, Beef, Aquaculture, Swine and Dairy.
- **Five Countries** refers to Indonesia, Vietnam, Myanmar, India and China.



Financial Highlights



Key Highlights for FY2020

- Japfa continues to deliver a solid bottom-line with a 63.3% increase in Core PATMI w/o Forex, proving resilience during Covid-19
- Group's diversification strategy is effective: strong results of swine in Vietnam and dairy in China more than offset the weaker performance of PT Japfa Tbk in Indonesia
- Two major transactions in the Dairy segment resulted in cash inflow of almost US\$500m. On the basis of these transactions, the combined implied equity value of the Dairy segment is over US\$1.3bn
- From the sale of Dairy-SEA, an extraordinary net gain of US\$140.2m was recorded, increasing EBITDA and PATMI. The Company paid in March 2021 a special interim dividend of 10 Singapore cents per share for FY2020
- Even excluding the extraordinary net gain, EBITDA exceeded the US\$500m mark for the first time
- In addition, the Company recommends a final dividend of 1 Singapore cent per share for FY2020

Revenue
US\$3.9bn
-0.6% y-o-y

Operating Profit
US\$363.8m
+7.3% y-o-y

Operating Profit Margin
9.4%
+0.7ppt y-o-y

EBITDA
US\$683.1m
+42.7% y-o-y

PATMI
US\$322.0m
+168.4% y-o-y

Core PATMI w/o Forex
US\$195.4m
+63.3% y-o-y



Animal feed business remains a stable pillar of profitability



Covid-19 impacted consumer demand in Indonesia and resulted in poultry price volatility



Swine fattening ASPs remain strong due to the supply shortage resulting from African Swine Fever ("ASF")



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



Key Strategies & Achievements



Key Strategies

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

Prudent Growth

Industrialised Business Model

We drive expansion by replicating our integrated industrialised business model, which covers from animal feed and breeding to fattening and consumer products.

We leverage our strength in feed, which is the backbone of our business, as well as our core competencies in large scale operations, technology, animal health, standardization and replication. We build solid breeding pyramids through a scientific approach and leverage our strong farming mentality, strict biosecurity protocols and operational expertise to consistently produce high-quality proteins

	Unit	2014 IPO	2020	Increase %
Daily milk yields (China)	kg/head	34.2	40.1	17.3
Total poultry & swine feed volume	million tons	3.6	4.9	35.3
Aquaculture feed sales volume	thousand tons	205.9	299.0	45.2
APO-Vietnam revenue	US\$ m	323.6	592.6	83.1
APO-Vietnam feed sales volume	Surpassed 1 million ton milestone in FY2020			
APO-Vietnam Swine breeding stock	Through our strong farm management and stringent biosecurity, the adverse effects of ASF have been minimised			

Ability to Build Scalable Market Leading Businesses

Market Leading Businesses

Our Dairy business was started from scratch 24 years ago when we built the first industrialised dairy farm in Indonesia.

The business has grown from a single dairy farm into a vertically integrated dairy business:

- Dairy-China where we have consistently achieved the highest average milk yields in China. We are building our 8th 10,000-head dairy farm in China which will add to our existing 80,000 heads of cattle
- Dairy-SEA where Greenfields is #1 brand for fresh pasteurised milk in Indonesia and is distributed in South East ASia

Value Creation

In Dairy-China, we entered into a strategic partnership where Meiji took a 25% stake, for a cash consideration of US\$254.4m, indicating an implied value of US\$1 billion for the Dairy-China business. Japfa remains the single largest shareholder and continues to control and manage its farming operations in China. This synergistic partnership will support our growth into the largest independent raw milk producer in China.

In Dairy-SEA, Japfa divested 80% of the business to TPG/Northstar for a cash consideration of US\$236m, indicating an implied value of US\$295 million for the Dairy-SEA business. Japfa continues to benefit from the upside potential with its 20% stake.

Based on the two transactions in 2020, our dairy business has an implied valuation of US\$1.3 billion in total.

Proceeds from the transactions were used to deleverage and strengthen balance sheet, as well as pay an interim special dividend of S\$0.10 per share to shareholders.

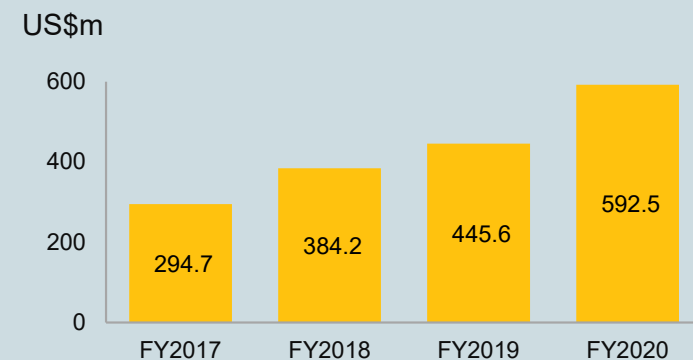
Diversification Across 5 Proteins, 5 Countries

In line with our purpose of *Feeding Emerging Asia*, Japfa's growth strategy is to diversify and expand across multiple protein segments in multiple emerging markets in Asia, building a portfolio of uncorrelated revenue and profit streams.

We focus on staple animal proteins: poultry, swine, beef, aquaculture and dairy. Our strategy is based on capturing the high growth potential for protein consumption in five key markets, namely Indonesia, Vietnam, Myanmar, India and China, which together account for more than 40% of the world's total population.

- Despite global challenging market conditions due to Covid-19, Japfa's FY2020 **EBITDA reached a record high of US\$683.1m**
- Today **APO-Vietnam** has become one of our three **key business pillars**.

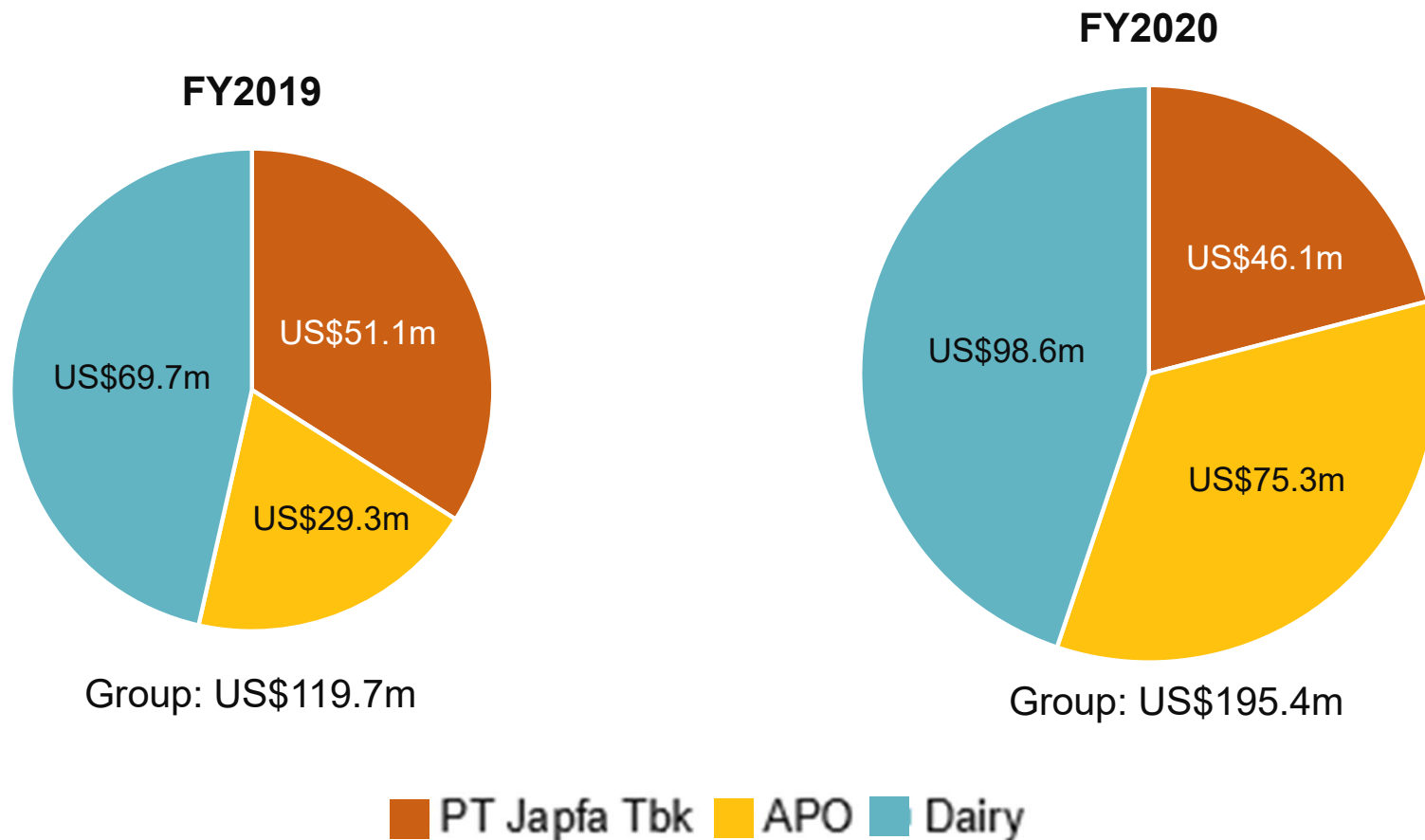
APO-Vietnam Revenue Growth



Group's Diversification Strategy is Effective

Strong results of swine in APO-Vietnam and Dairy-China more than offset the weaker performance of PT Japfa Tbk in Indonesia due to Covid-19

Core PATMI wo Forex attributable to Japfa Ltd



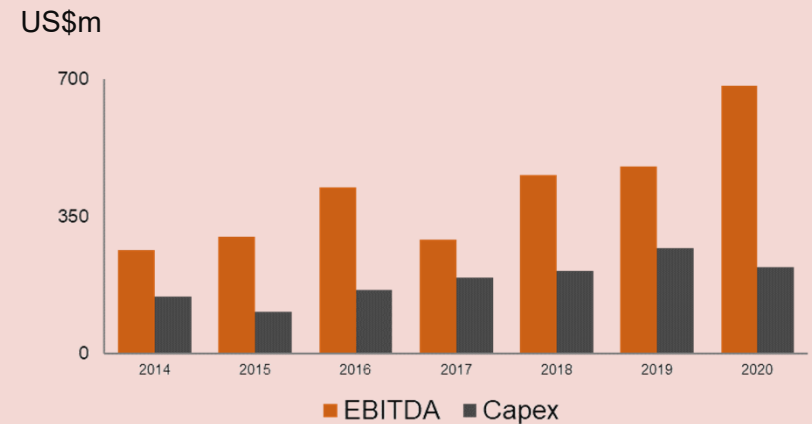
Note:

- 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
- FY2020 Core PATMI wo Forex attributable to Japfa Ltd excludes an extraordinary net gain of US\$140.2m from the sale of Dairy-SEA

Prudent Growth

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

- Rights issue in February 2020 raised US\$66.7m additional equity to improve leverage
- Sales proceeds from both dairy transactions further deleveraged and strengthened the balance sheet
- Our Capex roll-out remains within the EBITDA generated by the different business segments





Q&A

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For more information, you may refer to:

<http://japfa.com/investors/general-report/agm-egm>

<https://sias.org.sg/qa-on-annual-reports>



Resolutions



Resolution 1

Adoption of the Directors' Statement, the Audited Financial Statements and the Auditor's Report

Resolution 1

Adoption of the Directors' Statement, the Audited Financial Statements and the Auditor's Report

	No. of Votes	Percentage
For	1,815,522,904	100.00
Against	0	0.00

Resolution 2

Declaration of final one-tier tax exempt dividend of 1.0 Singapore cent per ordinary share for the financial year ended 31 December 2020

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	No. of Votes	Percentage
For	1,815,831,194	100.00
Against	0	0.00

Resolution 3

Re-election of Handojo Santosa @ Kang Kiem Han as a Director

Resolution 3

Re-election of Handojo Santosa @ Kang Kiem Han as a Director

	No. of Votes	Percentage
For	1,810,895,824	99.73
Against	4,935,370	0.27

Resolution 4

Re-election of Hendrick Kolonas as a Director

Resolution 4

Re-election of Hendrick Kolonas as a Director

	No. of Votes	Percentage
For	1,810,970,624	99.73
Against	4,860,570	0.27

Resolution 5

Re-election of Tan Yong Nang as a Director

Resolution 5

Re-election of Tan Yong Nang as a Director

	No. of Votes	Percentage
For	1,811,649,124	99.77
Against	4,182,070	0.23

Resolution 6

Re-election of Kevin John Monteiro as a Director

Resolution 6

Re-election of Kevin John Monteiro as a Director

	No. of Votes	Percentage
For	1,808,999,924	99.62
Against	6,831,270	0.38

Resolution 7

Re-election of Ng Quek Peng as a Director

Resolution 7

Re-election of Ng Quek Peng as a Director

	No. of Votes	Percentage
For	1,811,566,204	99.77
Against	4,264,990	0.23

Resolution 8

Re-election of Lien Siaou-Sze as a Director

Resolution 8

Re-election of Lien Siaou-Sze as a Director

	No. of Votes	Percentage
For	1,805,950,718	99.46
Against	9,880,476	0.54

Resolution 9

Re-election of Manu Bhaskaran as a Director

Resolution 9

Re-election of Manu Bhaskaran as a Director

	No. of Votes	Percentage
For	1,774,114,676	97.70
Against	41,716,518	2.30

Resolution 10

Re-election of Tan Kian Chew as a Director

Resolution 10

Re-election of Tan Kian Chew as a Director

	No. of Votes	Percentage
For	1,811,856,334	99.78
Against	3,974,860	0.22

Resolution 11

Re-election of Chia Wee Boon as a Director

Resolution 11

Re-election of Chia Wee Boon as a Director

	No. of Votes	Percentage
For	1,815,831,194	100.00
Against	0	0.00

Resolution 12

To approve the increase in Directors' Fee for Non-Executive Directors commenting 2Q2021

Resolution 12

To approve the increase in Directors' Fee for Non-Executive Directors commenting 2Q2021

	No. of Votes	Percentage
For	1,815,648,194	99.99
Against	183,000	0.01

Resolution 13

To approve payment of Directors fee up to 31 March 2022 based on new Directors' fee structure

Resolution 13

To approve payment of Directors fee up to 31 March 2022 based on new Directors' fee structure

	No. of Votes	Percentage
For	1,815,648,194	99.99
Against	183,000	0.01

Resolution 14

To approve payment of Directors fee up to 31 March 2022 based on existing Directors' fee structure in the event Resolution 12 is not passed

As shareholders have approved Resolution 12, Resolution 14 will not be put to vote

Resolution 15

To re-appoint Ernst & Young LLP as Auditors of the Company and authorise the Directors to fix their remuneration

Resolution 15

To re-appoint Ernst & Young LLP as Auditors of the Company and authorise the Directors to fix their remuneration

	No. of Votes	Percentage
For	1,815,434,794	99.98
Against	396,400	0.02

Resolution 16

Authority for Directors to issue additional shares and convertible instruments pursuant to Section 161 of the Companies Act, Cap 50

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Authority for Directors to issue additional shares and convertible instruments pursuant to Section 161 of the Companies Act, Cap 50

	No. of Votes	Percentage
For	1,749,294,374	96.34
Against	66,536,820	3.66

Resolution 17

Authority for Directors to offer and grant awards and issue shares in accordance with the provision of Japfa Performance Share Plan and pursuant to Section 161 of the Companies Act, Cap 50

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Authority for Directors to offer and grant awards and issue shares in accordance with the provision of Japfa Performance Share Plan and pursuant to Section 161 of the Companies Act, Cap 50

	No. of Votes	Percentage
For	1,718,937,327	94.66
Against	96,893,867	5.34

Resolution 18

To approve the proposed renewal of Share Purchase Mandate

Resolution 18

To approve the proposed renewal of Share Purchase Mandate

	No. of Votes	Percentage
For	1,815,699,964	100.00
Against	0	0.00



THANK YOU

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