

PT JAPFA COMFEED INDONESIA Tbk



PUBLIC EXPOSE

Jakarta, 3 April 2024



**Akselerasi Sinergi dan Kolaborasi
Untuk Pertumbuhan Yang Berkelanjutan**
*Accelerating Synergy and Collaboration
Towards Sustainable Growth*



Table of Content

Company Overview

Operational Performance

Financial Highlights

Challenges & Strategies

Appendix



COMPANY OVERVIEW

An Introduction to Japfa Tbk



Vertically integrated poultry company, focused on Indonesia

- One of the largest poultry players in Indonesia with net sales of Rp51.18 trillion and EBITDA of Rp3.37 trillion in 2023.
- Listed on Indonesia Stock Exchange for over 34 years with market cap of Rp13.8 trillion as of 31 December 2023.
- Focus on Indonesia, an attractive animal protein market with high growth potential.

Market leader with high growth rate

- Japfa has maintained a solid market over the past 53 years of operations.
- Economies of scale providing advantages in terms of raw material purchases.
- Deep geographical reach to be closer to customer base and raw material suppliers.
- Strong historical net sales CAGR growth of 8.5% from 2014-2023.
- Japfa has the second largest market share for poultry feed and DOC in Indonesia.*

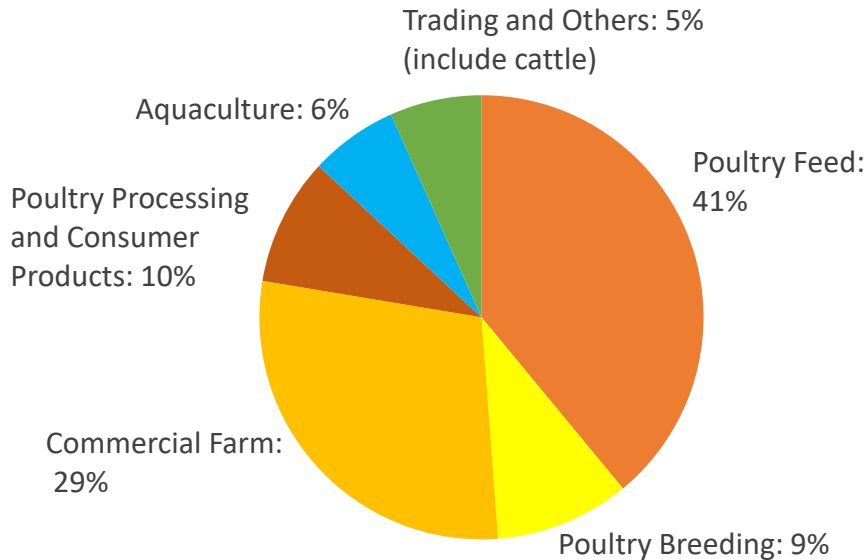
* Frost & Sullivan analysis, Data 2021

Core Competencies Across the Value Chain



Poultry Contributes Bulk of Revenues and Feed is Core Pillar of Profitability

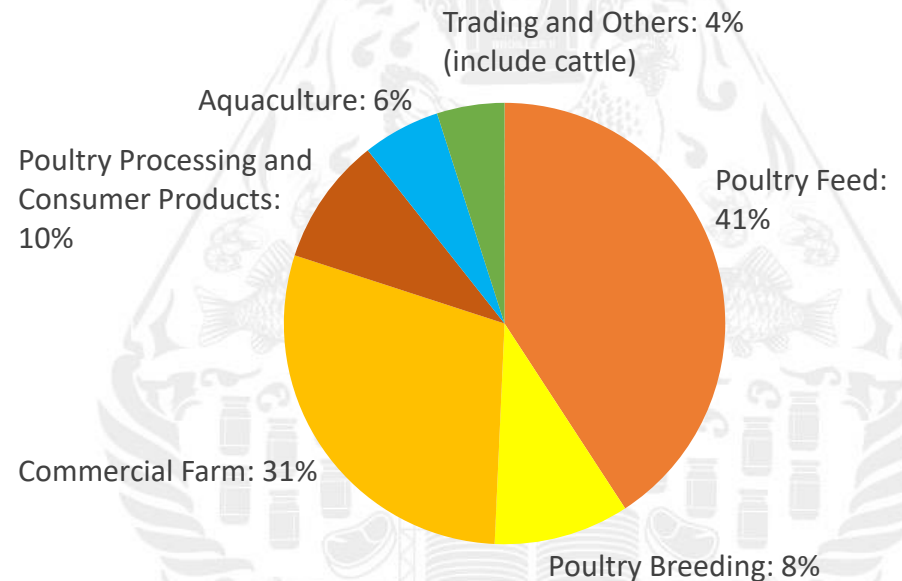
FY22 Sales Contribution Per Business Segment



Poultry: 89% of total

Total FY22 Sales: Rp. 77.13 Trillion

FY23 Sales Contribution Per Business Segment



Poultry: 90% of total

Total FY23 Sales: Rp. 80.71 Trillion

Diversified business with a clear focus on the poultry sector given our expertise and poultry industry dynamics

Note: The total sales and % sales contribution from operational segments shown above are based on gross sales, which exclude elimination adjustment between segments



**OPERATIONAL
PERFORMANCE**

Flashback 2023



- ❑ The global economic landscape in 2023 was marked by various uncertainties, with the ongoing Russia-Ukraine conflict, escalating benchmark interest rates, and persistent inflationary pressures, contributing to a deceleration in global economic growth.
- ❑ Amid global economic uncertainty, Indonesia's economy has demonstrated robust and stable growth. According to data from the Central Statistics Agency (BPS), Indonesia's economic growth in 2023 reached 5.05%, a slight decrease from the previous year's growth of 5.31%.
- ❑ In 2023, the national livestock industry grappled with formidable challenges. The industry faced issues such as the scarcity and elevated costs of raw materials, diminished purchasing power, and the fluctuating exchange rate dynamics between the Rupiah and the US Dollar.
- ❑ The impact of El Niño in Indonesia disrupted the corn supply, a crucial raw material for animal feed production, resulting in a significant surge in prices. Concurrently, the Government upheld its policy against corn imports into Indonesia, compelling the Company to explore alternative raw materials without compromising product quality
- ❑ The oversupply of Day-Old-Chick (DOC) persisted, particularly in early 2023, leading to fluctuating prices for DOC and live birds throughout the year.
- ❑ The fluctuating live bird prices added complexity, causing financial setbacks for numerous farmers. In response, the Company adopted a discerning approach in marketing to minimise accounts receivable and optimised the performance of the technical service team to assist farmers in achieving best results.

Flashback 2023 (continued)

The Company took some strategic steps, including among others :

Business and Operational

- ❑ The Company continued its efforts to expand and develop its markets, particularly in regions with substantial market potential, including export.
- ❑ Continuous efficiency measures included workforce cost reduction and enhanced digitalisation programmes.
- ❑ Expanding market reach by venturing into traditional markets. This initiative is further fortified by integrating the distribution of processed products
- ❑ The Company executed a diverse range of promotional initiatives to maintain customers loyalty, primarily by leveraging above-the-line advertising across various media channels.

Finance

- ❑ Prudently managing capital expenditures to maintain liquidity
- ❑ Management of working capital and costs through regular review
- ❑ Consistently perform prudent financial management and cash control

Flashback 2023 (continued)



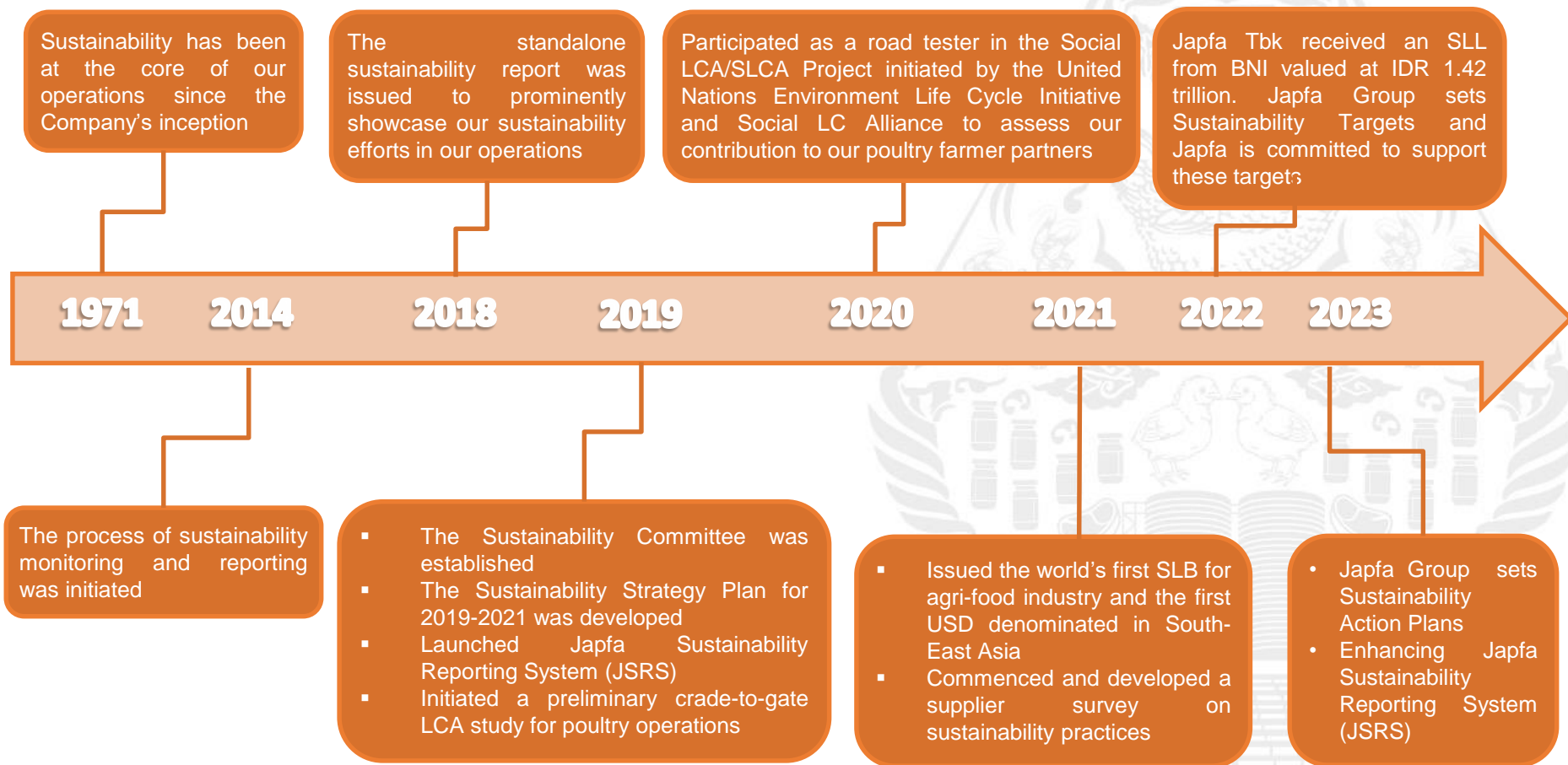
Technology

- ❑ Technological improvement through “mobile”, “data integration”, “data science platform”, internet, will be more dominate digitalization projects.

Sustainability

- ❑ The Company actively supports the Japfa Group Sustainability Targets and contributes towards these goals by formulating strategic action plans.
- ❑ We also fulfil our Sustainability-linked Bond (SLB) commitment. As of 2023, we have successfully completed eight out of nine waste water recycling facilities.
- ❑ We enhanced the Japfa Sustainability Reporting System (JSRS) expanding the coverage of JSRS, significantly improving data completeness and accuracy, as well as adding data analytics feature. These upgrades were systematically executed based on a structured matrix and subsequently analysed using Japfa Sustainalytics.

Japfa Sustainability Journey



Our mission to be a leading dependable provider of affordable protein foods is aligned to **the United Nations Sustainable Development Goal (SDG) No.2: Zero Hunger**



FINANCIAL HIGHLIGHTS

Financial Highlights



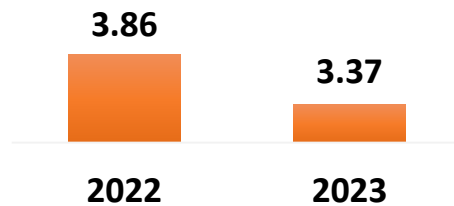
NET SALES

(in IDR Trillion)



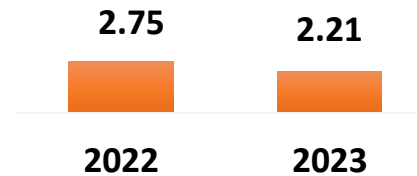
EBITDA

(in IDR Trillion)



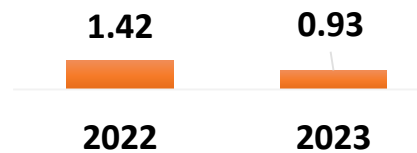
PROFIT FROM OPERATIONS

(in IDR Trillion)



PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT

(in IDR Trillion)



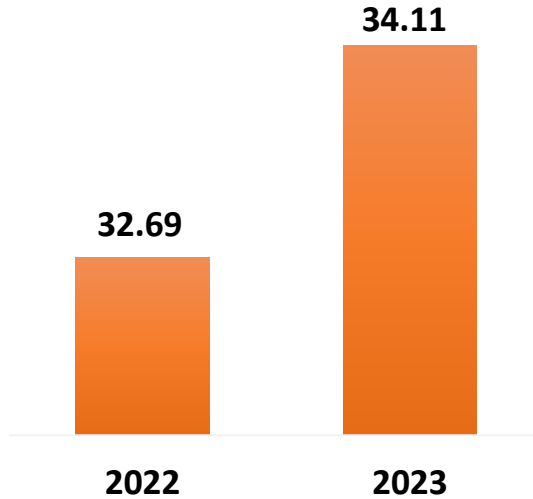
Note: Based on the Company's Financial Statement as of 31 December 2023

Financial Highlights

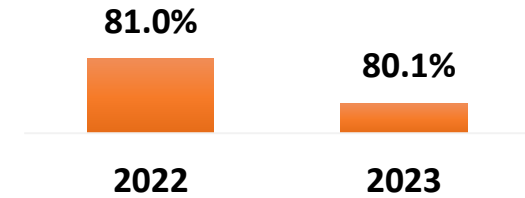


TOTAL ASSETS

(in IDR Trillion)

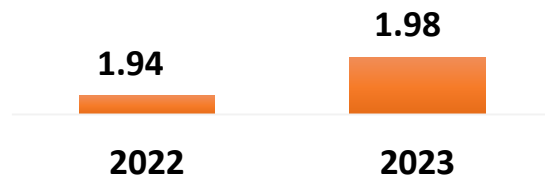


NET DEBT/EQUITY



CAPITAL EXPENDITURE (CAPEX)

(in IDR Trillion)



Note: Based on the Company's Financial Statement as of 31 December 2023



**CHALLENGES
AND
STRATEGIES**

Challenges and Strategies

Challenges

1. Major global factors we are facing in 2023, are among others:
 - Geopolitical tensions between Russia and Ukraine, has disrupted global economies, supply chains and commodities prices, impacted the cost of raw materials and consumer purchasing power.
 - Global inflationary pressures urge central banks in various countries to maintain high interest rates for a longer period.
2. The global factors above will also affect the national economy and Indonesian poultry industry.
3. The changing in consumer's consumption pattern due to Covid-19 Pandemic.

Challenges and Strategies

Strategies

1. Encourage employees to undertake training for self development.
2. Technological improvement through “mobile”, “data integration”, “data science platform”, internet, will be more dominate digitalization projects.
3. The Company will remain prudent in reviewing its capital investment (capex).
4. Consistency in applying prudent financial management.
5. The Company will continue to focus in improving its efficiency and profitability.
6. The Company will continuously strengthening its downstream business through the development of its poultry processing and consumer products business, as well as encouraging retail sales growth through its retail outlets both offline and online.

Challenges and Strategies

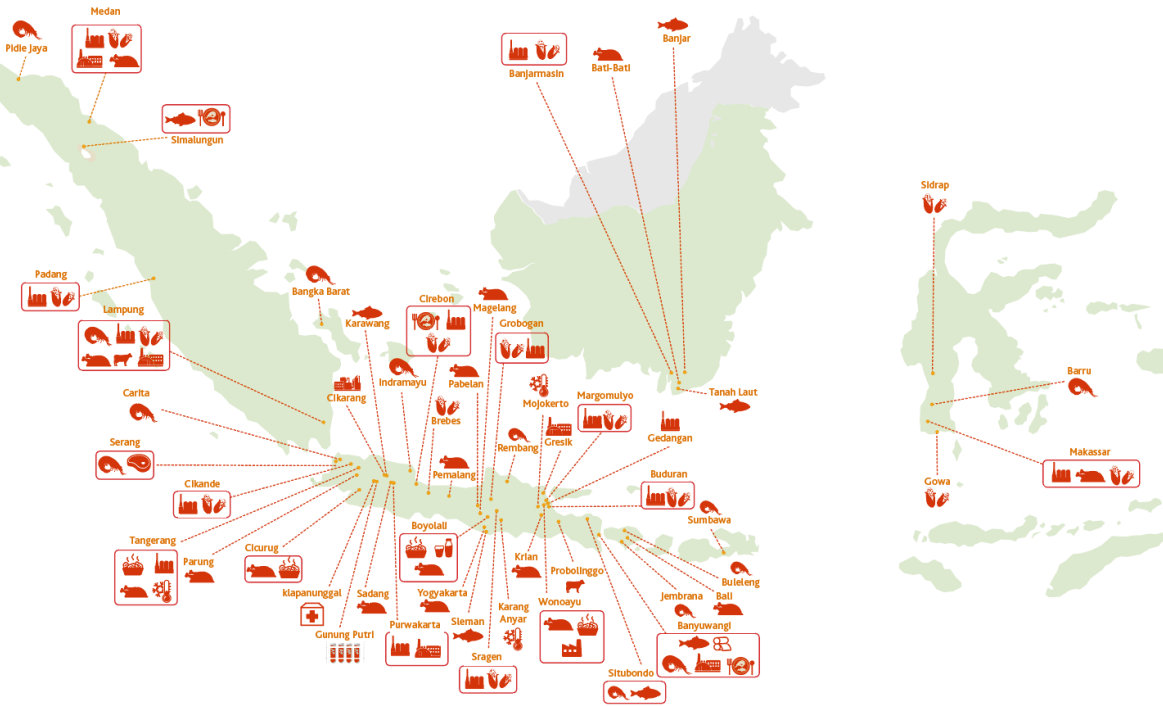
Strategies

7. The Company will also educate its farmers so they can produce high quality products and have strong competitiveness.
8. Moreover, the Company will still be focusing on its core business. It will keep improving its products penetration while educating the people on how important animal protein for health, along with the Government's programme in reducing malnutrition and stunting.
9. Both livestock and aquaculture industries have a big growth potential, considering Indonesia's large population. Indonesia's low animal protein consumption we believe is a business opportunity for the Company's long term and sustainable growth in the future.



APPENDIX

The Company's Operational Areas

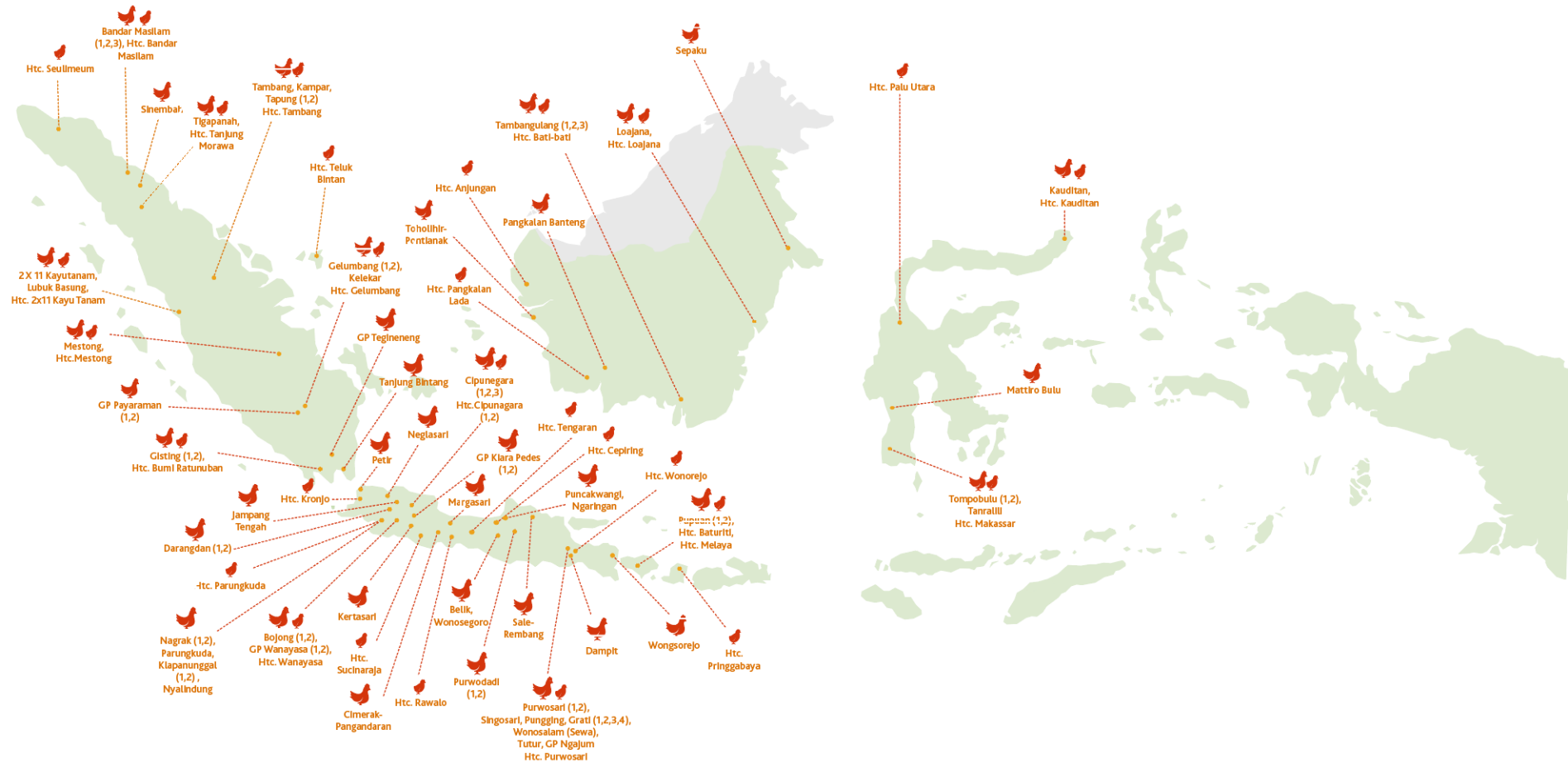


	Pabrik Pakan Ikan dan Pakan Udang <i>Aquafeed Mills</i>	Deli Serdang, Lampung Selatan, Purwakarta, Gresik, Banyuwangi
	Pembibitan Udang dan Tambak Udang <i>Shrimp Hatcheries and Shrimp Farms</i>	Pembibitan Udang/Shrimp Hatcheries: Pidie Jaya, Bangka Barat, Lampung Selatan, Serang, Carita, Indramayu, Rembang, Banyuwangi, Buleleng, Jembrana, Sumbawa, Barru Tambak Udang/Shrimp Farms: Situbondo (2), Banyuwangi (2)
	Pembibitan Ikan Air Tawar dan Tambak Ikan <i>Freshwater Fish Hatcheries and Fish Farms</i>	Pembibitan Ikan Air Tawar/Freshwater Fish Hatcheries: Simalungun, Karawang, Sleman, Situbondo, Banjar, Tanah Laut Tambak Ikan/Fish Farms: Simalungun, Situbondo, Banyuwangi (2)
	Pabrik Pengolahan Hasil Ikan dan Udang <i>Fish and Shrimp Processing Plants</i>	Simalungun, Cirebon, Banyuwangi

	Pabrik Pakan Ternak <i>Poultry Feedmills</i>	Medan (2), Padang, Lampung, Cikande-Serang, Tangerang, Purwakarta, Cirebon (2), Grobogan, Sragen, Buduran-Sidoarjo, Gedangan-Sidoarjo, Margomulyo-Surabaya, Banjarmasin, Makassar
	Pengerinan Jagung <i>Corn Dryer</i>	Medan, Padang, Lampung, Cikande-Serang, Cirebon, Grobogan, Sragen, Buduran, Margomulyo-Surabaya, Banjarmasin, Makassar, Gowa, Sidrap
	Rumah Potong Ayam <i>Slaughterhouse</i>	Medan, Lampung, Cikupa-Tangerang, Parung-Bogor, Cicurug-Sukabumi, Sadang-Purwakarta, Pemalang, Pabelan-Salatiga, Magelang, Yogyakarta, Boyolali, Krian-Sidoarjo, Wonoayu-Sidoarjo, Tabanan-Bali, Bati-Bati-Banjarmasin, Makassar
	Poultry Cold Storage <i>(Di luar RPA/Outside Slaughterhouse)</i>	Tiga Raksa-Tangerang Selatan, Karang Anyar-Surakarta, Mojokerto
	Unit Pengolahan Daging (SGF) <i>Meat Processing Unit (SGF)</i>	Cikupa-Tangerang, Cicurug-Sukabumi, Boyolali, Wonoayu-Sidoarjo
	Unit Pengolahan Susu (SGF) <i>Milk Processing Unit (SGF)</i>	Boyolali

	Penggemukan Sapi <i>Beef Cattle Feedlot</i>	Lampung
	Unit Rumah Potong Hewan dan Pengolahan Daging Sapi <i>Abattoir and Meat Processing Unit</i>	Serang
	Pabrik Karung Plastik <i>Plastic Bag Factory</i>	Wonoayu-Sidoarjo
	Pabrik Vaksin Hewan <i>Animal Vaccine Factories</i>	Gunung Putri-Kab. Bogor (2)
	Unit Kesehatan Hewan dan Peralatan Kandang <i>Animal Health and Livestock Equipment Unit</i>	Klapanunggal-Kab. Bogor
	Pabrik Premix <i>Premix Plant</i>	Cikarang

The Company's Operational Areas



FARM PBD-JAPFA

Bandar Masilam (1,2,3), Tiga Panah, Senembah TMH, Tambang, Kampar, Tapung (1, 2), 2X11 Kayutanam, Lubuk Basung, Mestong, Gelumbang (1,2), Kelekar, GP Payaraman (1,2), Gisting (1,2) Tanjung Bintang, GP Tegineneng, Petir, Darangdan (1,2), Bojong (1,2), Cipunegara (1,2,3), Nagrak (1,2), Kalapanunggal (1,2), Cimerak, Nyalindung, Jampang Tengah, Sukatani, Parung Kuda, GP Wanayasa (1,2), GP Kiara Pedes (1,2), Bojong, Belik, Wonosegoro, Puncakwangi, Ngaringan, Sale, Margasari, Purwodadi (1,2), Purwosari (1,2), Singosari, Pungging, Grati (1,2,3,4), Wonosalam (Sewa), Wongsorejo, Dampit, Tutur, GP Ngajum, Pupan (1,2), Toho, Tambang Ulang (1,2,3), Loajana, Sepaku, Pangkalan Banteng, Tompobulu (1,2), Tanralili, Mattiro Bulu, Kauditan.



HATCHERY PBD-JAPFA

Htc. Seulimeum, Htc. Tanjung Morawa, Htc. Bandar Masilam, Htc. Tambang, Htc. Teluk Bintan, Htc. 2x11 Kayu Tanam, Htc. Mestong, Htc. Gelumbang, Htc. Bumi Raturuban, Htc. Kronjo, Htc. Cipunegara (1,2), Htc. Parungkuda, Htc. Sucinaraja, Htc. Wanayasa, Htc. Tengaran, Htc. Rawalo, Htc. Cepiring, Htc. Wonorejo, Htc. Purwoasri, Htc. Baturiti, Htc. Melaya, Htc. Pringgabaya, Htc. Anjungan, Htc. Bati-Bati, Htc. Pangkalan Lada, Htc. Loajana, Htc. Tanralili, Htc. Palu Utara, Htc. Kauditan.

THANK YOU



PT JAPFA COMFEED INDONESIA Tbk



PUBLIC EXPOSE

Jakarta, 3 April 2024



**Akselerasi Sinergi dan Kolaborasi
Untuk Pertumbuhan Yang Berkelanjutan**
*Accelerating Synergy and Collaboration
Towards Sustainable Growth*