



PRESS RELEASE

JAPFA LTD

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1H2024 Financial Results

Japfa turned around Core PATMI without Forex in 1H2024 compared to 1H2023

- In 1H2024, Japfa posted a positive Core PATMI without Forex of US\$53.4 million compared to a negative US\$49.3 million a year ago.
- Japfa delivered US\$247.3 million EBITDA in 1H2024, already surpassing the full-year 2023 EBITDA of US\$237.9 million.
- Group's enhanced performance was driven by all divisions, with major contributions from PT Japfa Tbk and APO-Vietnam.

Singapore, 31 July 2024 – Leading industrialised agri-food company Japfa Ltd (“Japfa” or, together with its subsidiaries, the “Group”) today reported financial results for the first half ended 30 June 2024 (“1H2024”).

In 1H2024, the Group's performance improved substantially year-on-year (“y-o-y”) driven by both PT Japfa Tbk and APO-Vietnam. Group's revenue increased by 6.3% y-o-y to more than US\$2.2 billion. Operating profit was US\$196.1 million in 1H2024 compared to US\$3.8 million in 1H2023. EBITDA increased almost fourfold to US\$247.3 million in 1H2024 compared to US\$64.0 million a year ago. 1H2024 EBITDA has already surpassed the total FY2023 EBITDA of US\$237.9 million.

The key drivers of improvement were:

- Higher feed margins across our major markets due to lower raw material costs;
- Higher poultry and swine selling prices despite persistent general cost-of-living pressures;
- Lower production costs in poultry and swine operations in Vietnam, as our streamlining initiatives continue to yield results.

As a result, Japfa recorded a positive Core PATMI without Forex of US\$53.4 million in 1H2024 compared to a negative US\$49.3 million in 1H2023.

Tan Yong Nang, Chief Executive Officer of Japfa, said: “We are pleased to report that our EBITDA for the first half of 2024 has already exceeded the full-year EBITDA for 2023. This significant improvement is due to the outstanding performance of PT Japfa Tbk, which saw a fourfold increase in operating profit, and the turnaround in operating profit for APO-Vietnam. The substantial improvement in our 1H2024 results was driven by higher selling prices and lower costs. Our solid position in the feed business, our consistent pillar of profitability, once again proved advantageous. In Vietnam, our well-established livestock genetic pyramid gives us a strong competitive advantage by providing a steady supply of livestock despite the challenges posed by the resurgence of African Swine Fever. Additionally, our cost reduction initiatives in Vietnam have proved effective. While we remain prudent amid ongoing global uncertainties,

these results demonstrate our execution capabilities and position us favourably for the rest of the year”.

Financial Highlights

US\$ million	1H2023	1H2024	% Change
Revenue	2,118.9	2,252.7	6.3%
Operating profit	3.8	196.1	5095.9%
Operating Profit Margin (%)	0.2%	8.5%	8.3pts
EBITDA ¹	64.0	247.3	286.4%
Profit After Tax (“PAT”)	(50.8)	98.1	n/m
Net Profit Attributable to Owners (“PATMI”)	(53.6)	51.7	n/m
Core PATMI without Forex ²	(49.3)	53.4	n/m

Segmental Results

PT Japfa Tbk

PT Japfa Tbk’s performance improved substantially in 1H2024 compared to a year ago due to higher feed margins, poultry prices and sales volumes.

Revenue increased 7.1% y-o-y to US\$1,723.6 million in 1H2024. PT Japfa Tbk recorded an operating profit of US\$161.7 million in 1H2024 from an operating profit of US\$41.8 million in 1H2023. The segment’s EBITDA increased to US\$195.9 million compared to US\$81.1 million in 1H2023. PAT stood at US\$95.6 million in 1H2024 compared to US\$3.7 million a year ago.

Feed margins improved y-o-y due to lower raw material costs. Breeding and commercial farming operations reported a profit in 1H2024 driven by higher prices and volumes for both DOC and broiler. Poultry prices continued to remain strong post Lebaran. Commercial farming has returned to profit after recording losses over the last 3 years.

Animal Protein Other (“APO”)

The APO segment has managed a turnaround in operating profit in 1H2024 on the back of lower costs and higher selling prices.

Revenue increased 3.0% to US\$515.4 million in 1H2024 compared to US\$500.6 million in 1H2023. The segment reported an operating profit of US\$28.1 million compared to an operating loss of US\$43.7 million a year ago. In 1H2024, EBITDA was positive at US\$49.8 million compared to a negative EBITDA of 22.5 million in 1H2023. APO posted a positive PAT of US\$8.6 million in 1H2024, compared to a negative PAT of US\$53.6 million in 1HQ2023.

¹ 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.

² We derived “Core PATMI” from “Profit Attributable to Owners of the Parent, Net of Tax” by excluding (a) changes in fair value of biological assets (net of tax), (b) changes in fair value of derivatives, and (c) extraordinary items, attributable to the owners of the parent. “Core PATMI w/o Forex” is an estimate derived from Core PATMI by excluding foreign exchange gains/losses (before tax) attributable to the owners of the parent. We have not made an estimate of the tax impact on foreign exchange gain/losses.

APO-Vietnam

Feed margins improved y-o-y due to lower raw material costs.

Swine and poultry operations recorded a turnaround in operating profit in 1H2024 due to a combination of factors, including (i) higher swine fattening prices due to the drop of pork supply in the market arising from African Swine Fever (“ASF”); (ii) our well-established breeding pyramid, which provides us a steady supply of livestock, coupled with our focus on biosecurity, enabled us to maintain our swine fattening sales volumes despite a resurgence of ASF in Vietnam since 4Q2023; and (iii) lower costs, as the streamlining initiatives implemented by the management have successfully reduced poultry and swine production costs.

This contrasts with 1H2023, when Vietnam recorded an operating loss due to low selling prices for both poultry and swine, as well as high feed costs.

APO-India, Myanmar, Bangladesh

For the remaining countries under APO, feed is the major business activity. Collectively these countries recorded an EBITDA of US\$1.5 million in 1H2024.

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About Japfa Ltd

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

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