



PRESS RELEASE

JAPFA LTD

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9M2024 Financial Results

Japfa maintains strong momentum since the beginning of 2024

- Achieved a 9M2024 Core PATMI without Forex of US\$90.5 million.
- EBITDA in 9M2024 rose to US\$375.2 million, already surpassing the full-year 2023 EBITDA of US\$237.9 million.
- An interim dividend of 1.0 Singapore cent per share for 2024 is declared on 28 October 2024.

Singapore, 28 October 2024 – Leading industrialised agri-food company Japfa Ltd (“Japfa” or, together with its subsidiaries, the “Group”) today reported financial results for the nine months ended 30 September 2024 (“9M2024”).

In 9M2024, the Group’s performance improved substantially compared to a year ago driven by both PT Japfa Tbk and APO-Vietnam. Group’s revenue increased by 3.7% y-o-y to more than US\$3.4 billion. Operating profit rose to US\$293.0 million in 9M2024 compared to US\$105.6 million in 9M2023. EBITDA grew more than 90% to US\$375.2 million in 9M2024 compared to US\$195.8 million a year ago.

The main drivers of profitability were:

- Steady feed margins across our major markets;
- Higher DOC and broiler margins in Indonesia due to lower feed costs;
- Higher swine volumes and prices in Vietnam despite persistent general cost-of-living pressures; and
- 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\$90.5 million in 9M2024 compared to a negative US\$17.0 million in 9M2023.

Tan Yong Nang, Chief Executive Officer of Japfa, said: “After the challenging last two years, we are pleased that our profitability has improved since the beginning of 2024. This achievement results from the strong performance of PT Japfa Tbk, which has more than doubled its y-o-y profit, alongside the profitability turnaround of APO-Vietnam. Our performance was attributed to higher sales volumes and lower costs. Our strong 9M2024 performance sets a solid foundation as we approach the end of the year”.

The Company is pleased to declare a one-off interim dividend of 1.0 Singapore cent per share. This is on the back of a solid 9M2024 performance in our major markets, with a 9M2024 EBITDA that has already surpassed the full-year 2023 EBITDA, resulting in a stronger balance sheet and an improvement in gearing.

Financial Highlights

US\$ million	9M2023	9M2024	% Change
Revenue	3,293.2	3,415.0	3.7%
Operating profit	105.6	293.0	177.5%
Operating Profit Margin (%)	3.2%	8.6%	8.3pts
EBITDA¹	195.8	375.2	91.6%
Profit After Tax (“PAT”)	6.0	153.4	2457.3%
Net Profit Attributable to Owners (“PATMI”)	(22.7)	87.5	n/m
Core PATMI without Forex²	(17.0)	90.5	n/m

Segmental Results

PT Japfa Tbk

PT Japfa Tbk’s performance in 9M2024 improved substantially compared to a year ago due to higher sales volumes and lower costs, backed by steady feed margins.

Revenue increased 3.8% y-o-y to US\$2,596.0 million in 9M2024. Operating profit increased almost 80% to US\$232.9 million in 9M2024 from US\$129.7 million in 9M2023. The segment’s EBITDA rose to US\$285.8million compared to US\$188.7 million in 1H2023. PAT has more than doubled to US\$136.2 million in 9M2024 compared to US\$60.1 million a year ago.

Feed remains a pillar of profitability, with steady margins y-o-y. Breeding and commercial farming operations reported a profit in 9M2024 driven by higher prices and volumes for both DOC and broiler, as well as lower feed costs.

Animal Protein Other (“APO”)

The APO segment has managed a profitability turnaround in 9M2024, compared to losses last year, on the back of higher selling prices and volumes, as well as lower costs.

Revenue increased 3.4% to US\$798.6 million in 1H2024 compared to US\$772.5 million in 9M2023. The segment reported an operating profit of US\$50.5 million compared to an operating loss of US\$33.4 million a year ago. In 9M2024, EBITDA was positive at US\$83.3 million compared to a negative EBITDA of US\$1.6 million in 9M2023. APO posted a positive PAT of US\$22.2 million in 9M2024, compared to a negative PAT of US\$53.0 million in 9M2023.

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 9M2024 due to a combination of factors, including (i) higher swine fattening prices due to the drop of pork supply

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.

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.

APO-India, Myanmar, Bangladesh

For the remaining countries under APO, feed is the major business activity. Collectively these countries recorded a negative EBITDA of US\$0.7 million in 9M2024.

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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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