



**JAPFA**

# **PUBLIC PT JAPFA COMFEED INDONESIA Tbk EXPOSE**

Jakarta, April 14<sup>th</sup>, 2015



**Company Overview**

**Operational Performance**

**Financial Highlights**

**Challenges & Strategies**

**Appendix**



# Company Overview

# An Introduction To Japfa Tbk



Vertically  
integrated  
agriculture  
Company

- One of the largest poultry players in Indonesia with net sales of Rp.24.5 trillion and EBITDA of Rp.1.8 trillion in 2014.
- Strategically involved in aquaculture and beef offering diversification of revenues.
- Listed on IDX for over 20 years with a market cap of Rp 10.1 trillion as of 31 December 2014.
- Focus on Indonesia, an attractive animal protein market with high growth potential.

Leading  
market share  
and  
growth

- Japfa has maintained solid market share over the past 30 years of operations.
- Economies of scale providing advantages in terms of raw material purchases and cost efficiencies.
- Deep geographical reach to be closer to customer base and raw material suppliers.
- Sales growth of 14%YoY in 2014.
- Japfa has the second largest market share for poultry feed and DOC.

**Focused on producing affordable animal protein in Indonesia**

# Integrated Business Segments

## UPSTREAM

## MIDSTREAM

## DOWNSTREAM

FEED

BREEDING

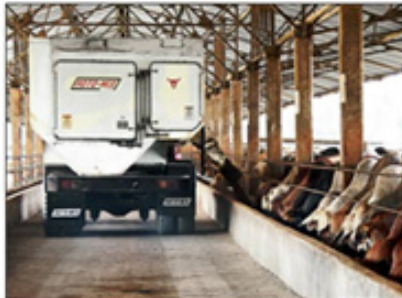
COMMERCIAL FARMING

PROCESSING

POULTRY



BEEF



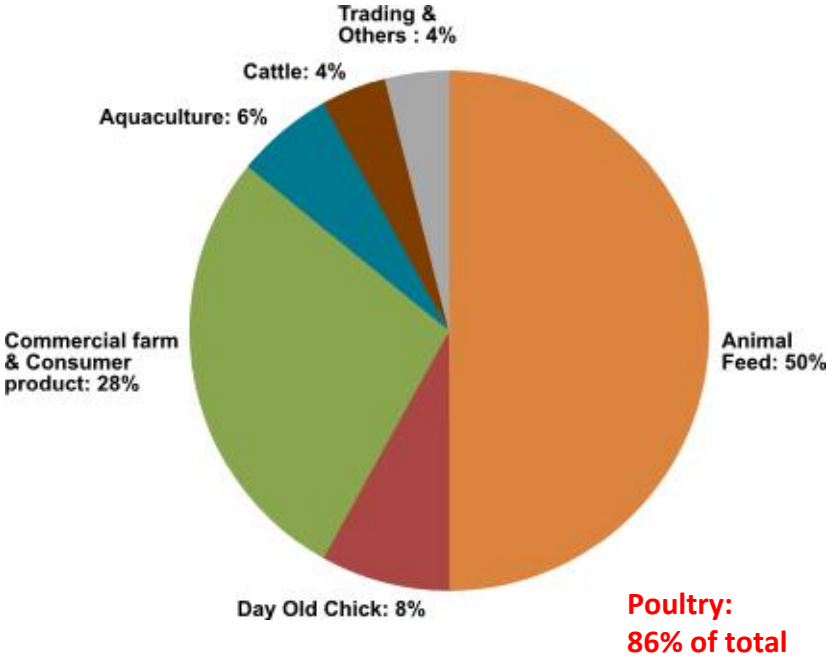
AQUACULTURE



# Poultry Contributes Bulk of Revenue and is our Core Business Focus

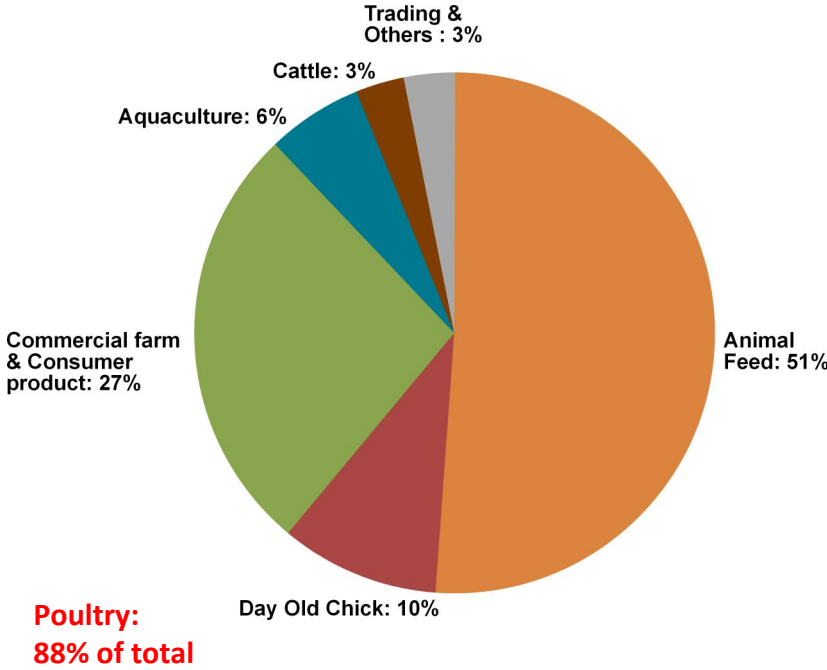


FY14 Sales Contribution Per Segment



Total FY14 Revenue: Rp. 24.5 Trillion

FY13 Sales Contribution Per Segment



Total FY13 Revenue: Rp. 21.4 Trillion





**Operational Performance**

There was downward pressure on the selling prices of DOC and broiler chickens across the entire poultry industry in Indonesia in 2014. This was primarily due to an increase in the supply in DOCs without a corresponding growth in demand for chicken.

As the demand for chicken has been growing steadily over a number of years leading up to 2014, Japfa along with all other industry players, invested in capital expenditure which added to the supply of DOCs in 2014. The demand for chicken in 2014 however did not increase as anticipated because of a weaker purchasing power across the low income consumer band in Indonesia.

Overall, our integrated Poultry operations in Indonesia were profitable in 2014, as Feed generated a stable operating profit, mitigating the impact of the operating losses in DOCs and broiler chickens.

In terms of operational performance, the Company remains one of the most efficient poultry operators in Indonesia. The Company's lower profitability in 2014 was a result of industry supply dynamics and general purchasing power. We remain confident of the long term prospects and growth of the poultry industry in Indonesia.





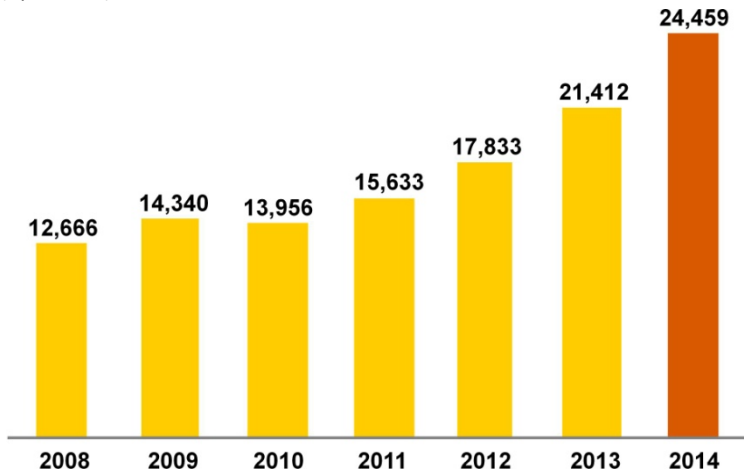
# Financial Highlights

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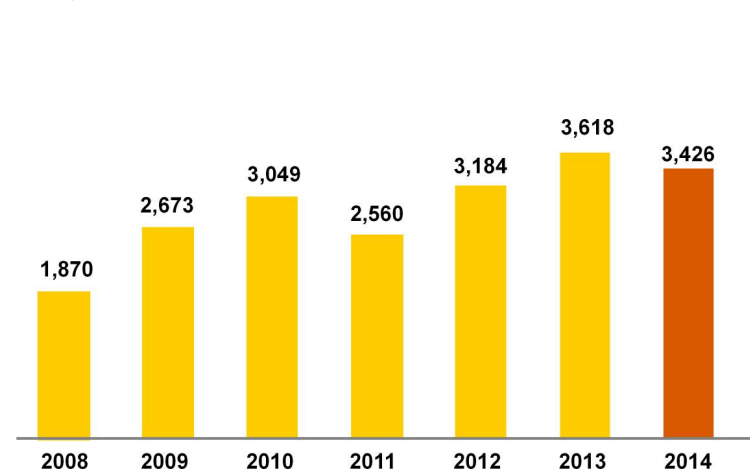
## NET REVENUES

(Rp. Billion)



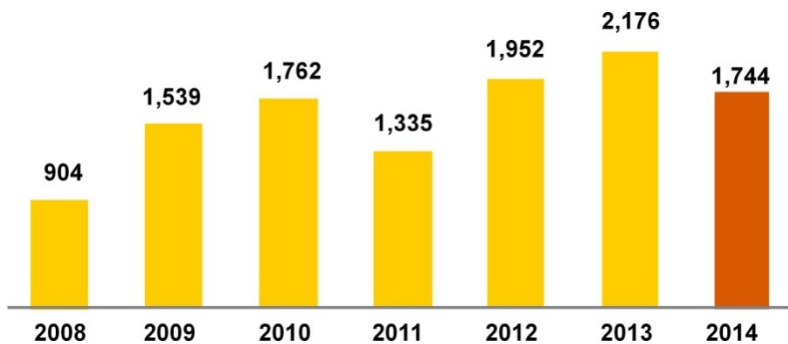
## GROSS PROFIT

(Rp. Billion)



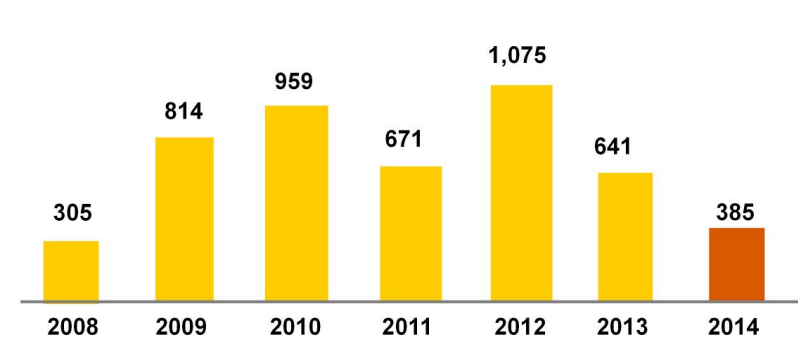
## EBITDA

(Rp. Billion)



## NET PROFIT

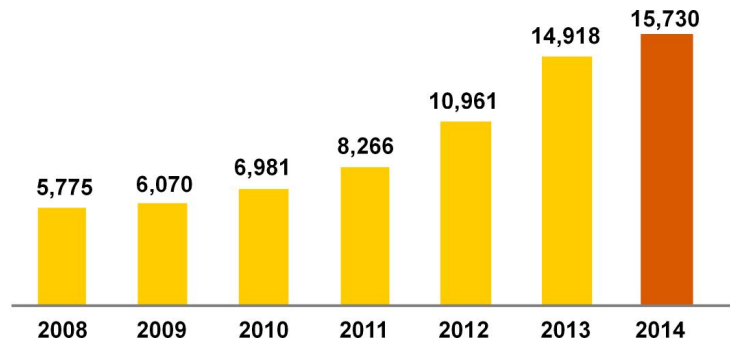
(Rp. Billion)



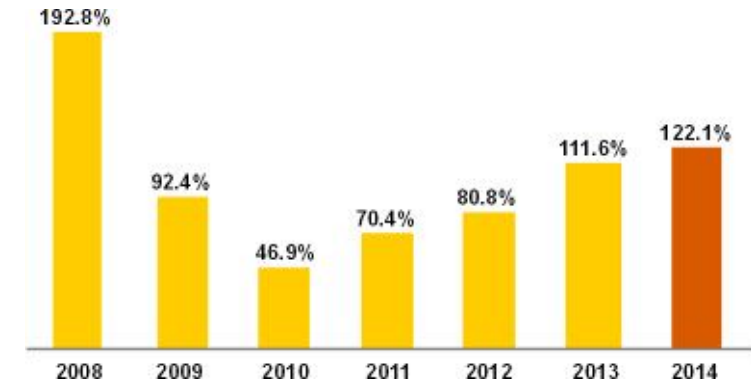
# Financial Highlights

## TOTAL ASSETS

(Rp. Billion)

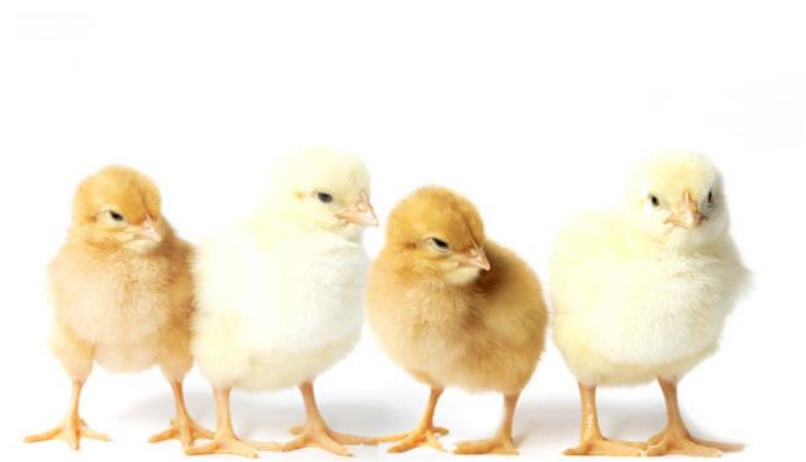
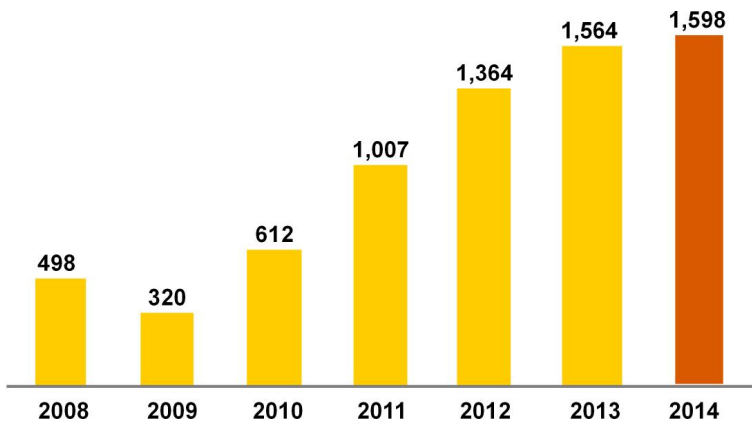


## NET DEBT/EQUITY



## CAPITAL EXPENDITURE (CAPEX)

(Rp. Billion)





## Challenges & Strategies

## Challenges

The challenges of 2014 are expected to persist, including a flat consumer demand growth and an oversupply of DOCs in Indonesia. In addition, the Rupiah has weakened in 2015 against the US Dollar.

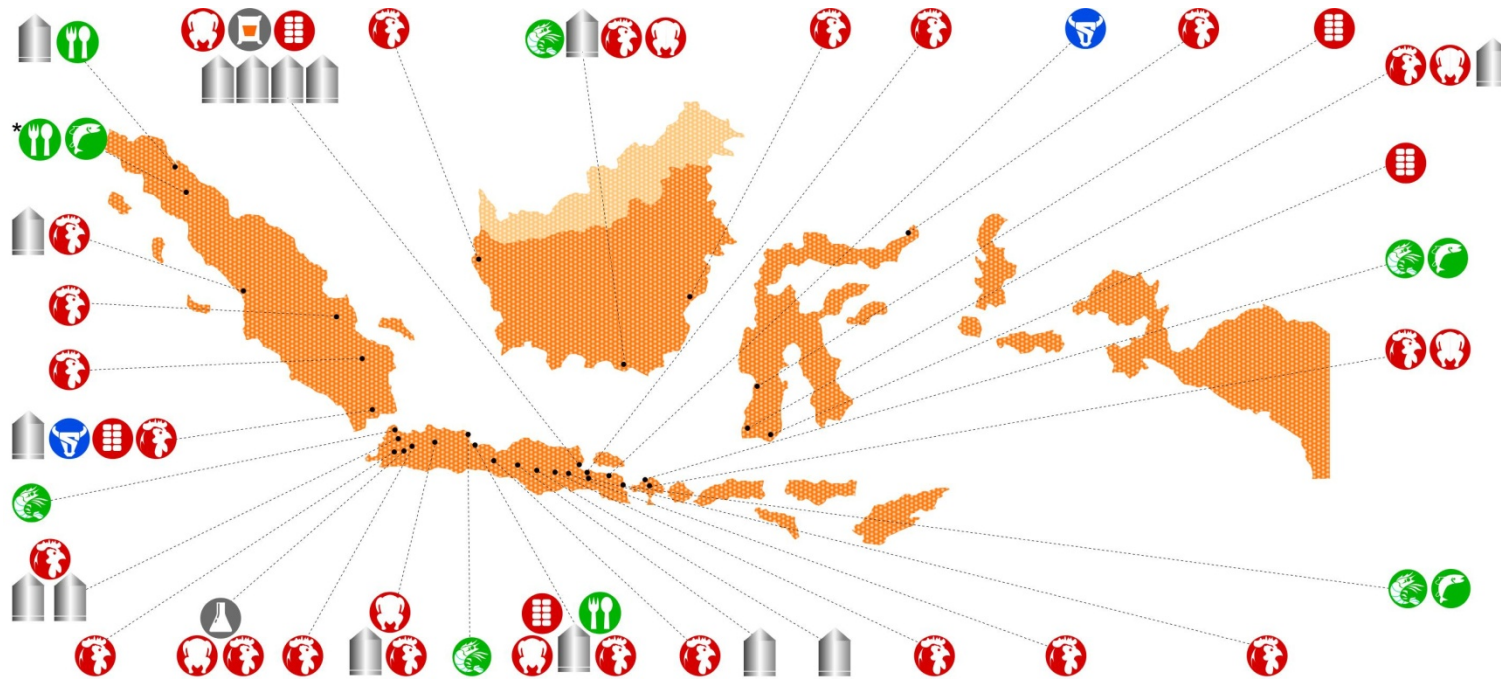
## Strategies

1. Company has temporarily scaled back its capital expenditure (*capex*) plans for 2015.
2. Company has reduced its production of DOCs for the time being.
3. Company continues to partly hedge its foreign currency exposure on its USD Bonds to mitigate the impact of Rupiah fluctuation against the US Dollar.
4. Company will focus on enhancing its operational efficiency and profitability, including improving working capital efficiencies.



# Appendix

# Pan-national distribution platform



 <b>Pabrik Pakan Ternak / Animal Feedmills</b>	Medan, Padang, Lampung, Tangerang, Cikande, Purwakarta, Cirebon, Sragen, Grobogan, Sidoarjo, Gresik, Gedangan, Surabaya, Banjarmasin, Makassar	 <b>Beef Cattle Feedlot</b>	Lampung, Probolinggo, Darwin (Australia)
 <b>Peternakan &amp; Sentral Penetasan / Breeding Farms &amp; Central Hatcheries</b>	Lampung, Palembang, Jambi, Padang, Purwakarta, Bogor, Serang, Subang, Sukabumi, Pemalang, Pasuruan, Malang, Mojokerto, Semarang, Jombang, Kediri, Boyolali, Bali, Manado, Makassar, Pontianak, Samarinda, Banjarbaru	 <b>Shrimp Ponds &amp; Hatcheries</b>	Carita, Anyer, Indramayu, Banyuwangi, Bali, Bati-bati
 <b>Rumah Potong Ayam / Slaughter House</b>	Sadang, Parung, Pabelan, Makassar, Bali, Krian, Bati-Bati	 <b>Fish Farming &amp; Hatcheries</b>	Lake Toba, Simalungun, Banyuwangi, Bali
 <b>Pengeringan Jagung / Corn Dryer</b>	Lampung, Brebes, Gowa, Grobogan, Pare-pare	 <b>Seafood Processing Unit</b>	Medan, Cirebon, Simalungun (*under construction)
		 <b>Woven Plastic Bag Factory</b>	Wonoayu
		 <b>Pabrik Vaksin Hewan / Animal Vaccine Factory</b>	Bogor

Note: Japfa has 65 breeding farms and not all of them can be included in the map.



**Thank You**