

JAPFA LTD

Investor Presentation

3Q2019 Financial Results

Agenda

1. Group Overview
2. Key Highlights
3. 3Q2019 Financial and Operational Analysis
4. Other Financial Highlights
5. African Swine Fever in Vietnam Update
6. Appendix: Segment Information and Other Information

GROUP OVERVIEW



Group Overview



Feeding Emerging Asia



- Established in 1975
- 5 animal protein businesses in 5 countries
- Japfa Ltd's market capitalisation: approx US$607 million[1]
- FY2018 revenue: US$3.5 billion







[1] As at 30 September 2019

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 38,000 people across Singapore, Indonesia, Vietnam, Myanmar, India and China



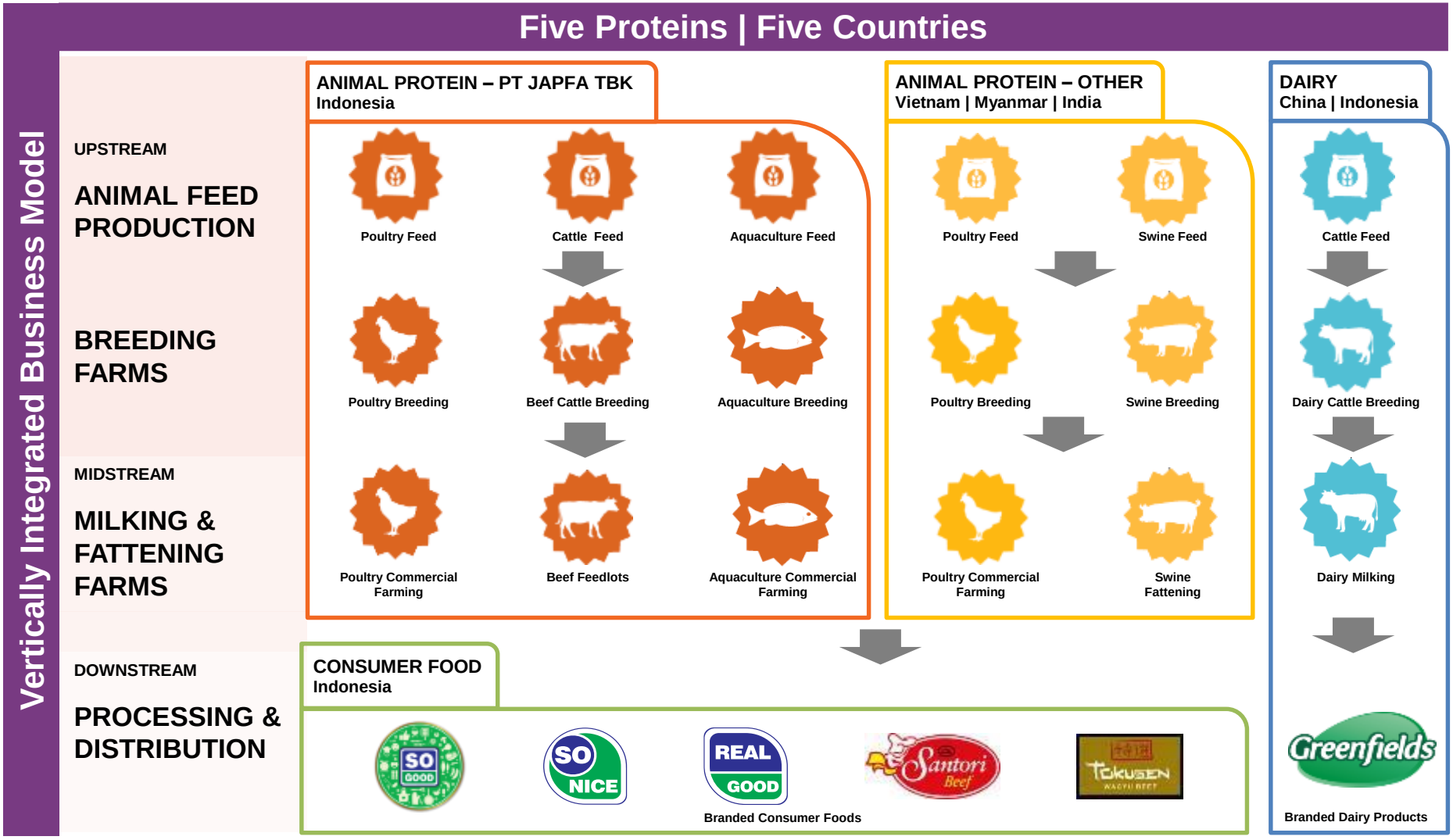
WHY WE DO IT

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



Notes:

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

Japfa's Core Competencies

Vertically Integrated Business Model

Industrialized approach to farming and food production

UPSTREAM

ANIMAL FEED PRODUCTION

BREEDING FARMS

MIDSTREAM

MILKING & FATTENING FARMS

DOWNSTREAM

PROCESSING & DISTRIBUTION

FEED

Enjoys economies of scale and an established network

LIVESTOCK FARMING

Strong livestock farming experience and expertise

BRANDED CONSUMER FOODS

Future growth driver

CORE COMPETENCIES

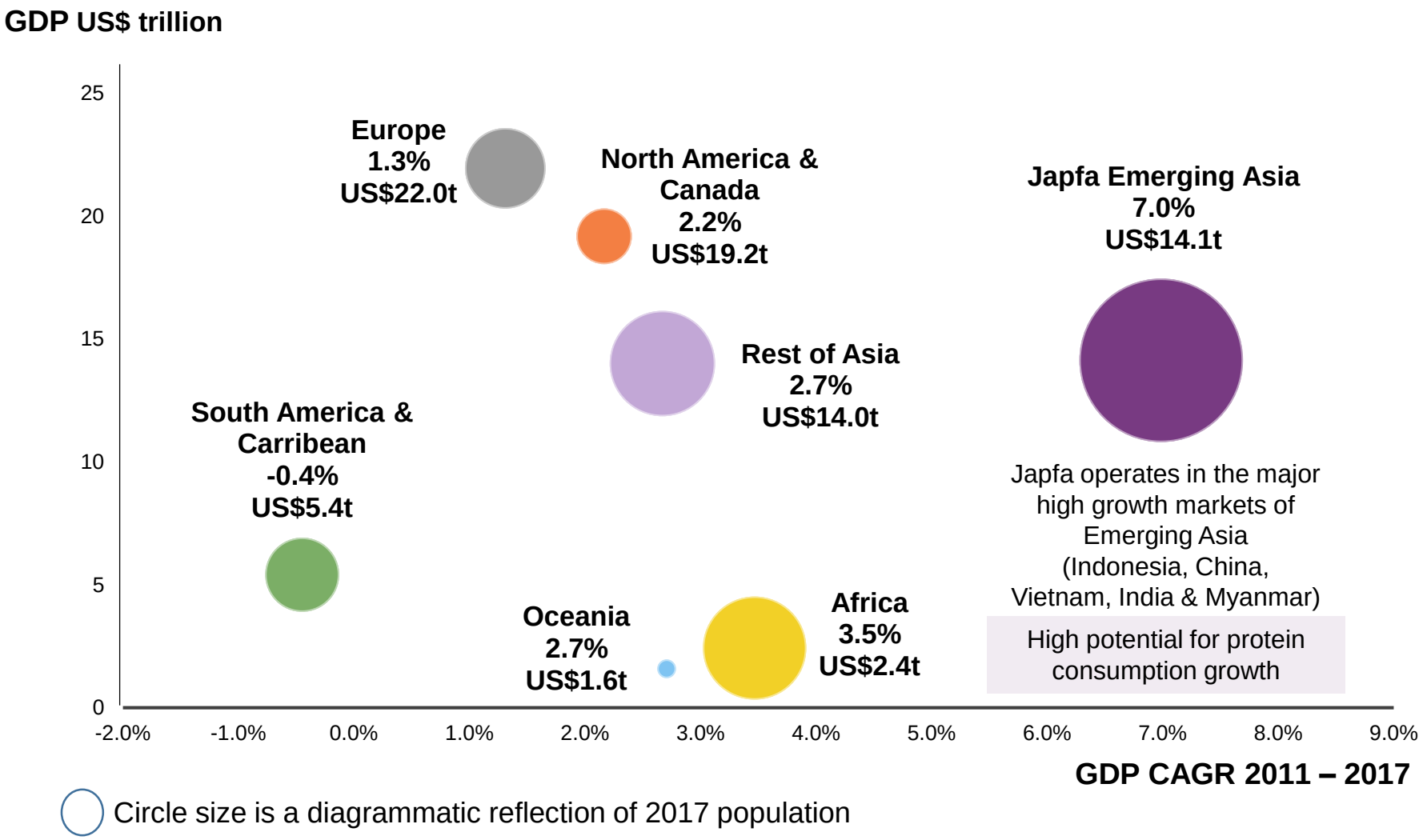
LARGE SCALE
- Ability to manage mega-scale farming operations; over 38,000 employees across five countries
- Scale of the Group's animal feed business provides stability to group revenue and profitability

TECHNOLOGY
- JVs with leading genetics companies (Aviagen and Hypor) for superior breeds and genetics
- Advanced feed technology
- Combined with best farm management practices

ANIMAL HEALTH
- Best in class bio-security using stringent operating procedures
- In-house vaccine production firm PT Vaksindo

STANDARDISATION AND REPLICATION
- Replication of best practices and infrastructure design across five protein groups and five countries
- Replication of farm design model in dairy farms, DOC breeding farms, feedmills, etc

Japfa's Emerging Asia: Market Growth



*All percentages (%) above refers to 2011- 2017 GDP CAGR

*GDP US$ trillion in each circle shows the 2017 GDP constant US$ value

*"Rest of Asia" refers to Asian countries excluding Japfa's Emerging Asia countries

*Source: World Bank Data

KEY HIGHLIGHTS



Key Highlights for 3Q2019

- **Revenue improved y-o-y on the back of higher animal feed sales volumes in main geographies**
- **Operating profit supported by steady contribution of the Dairy segment counterbalancing the impact of low Average Selling Prices (ASPs) for both Indonesia Poultry and Vietnam Swine**
- **Despite challenging market conditions in two core business segments, Japfa delivered a robust EBITDA as a result of its diversified and vertically-integrated business model**

Revenue	Operating Profit	Operating Profit Margin
US$952.2 million	US$48.1 million	5.1%
+8.5% y-o-y	-41.7% y-o-y	-4.3ppt y-o-y

EBITDA	PATMI	Core PATMI w/o Forex
US$87.8 million	US$9.6 million	US$11.8 million
-22.0% y-o-y	-32.5% y-o-y	-58.8% y-o-y



Animal feed business remains a stable pillar of profitability



Imbalance in broiler demand and supply in Indonesia affected profitability



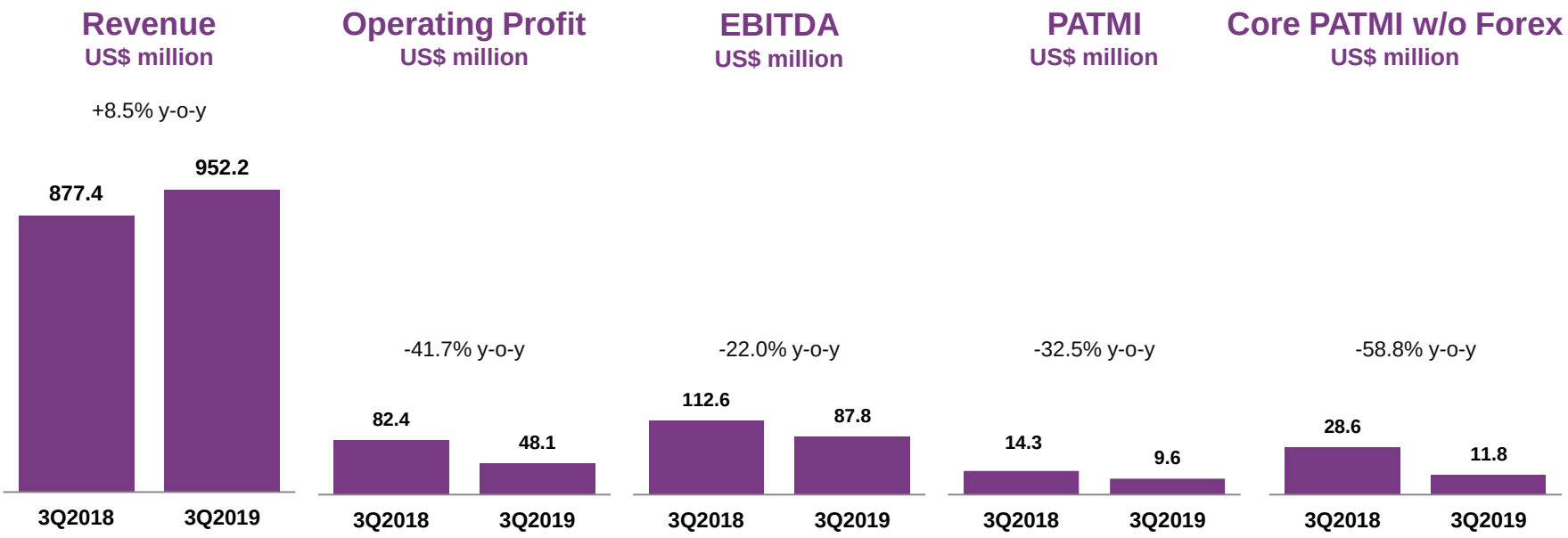
Vietnam impacted by lower ASPs due to African Swine Fever (“ASF”)



Dairy profitability driven by higher raw milk prices in China

- We define “**EBITDA**” as profit before tax from continuing operations, excluding interest income, finance costs, depreciation and amortisation expenses, and also excluding changes in fair value of biological assets and derivatives, which relate to foreign exchange hedging and foreign exchange adjustment gains/(losses).
- We derived “Core PATMI” from “Profit Attributable to Owners of the Parent, Net of Tax” by excluding changes in fair value of biological assets (net of tax) and derivatives, and by excluding extraordinary items attributable to 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 gains/losses. This is because the majority of the gains/losses are unrealised and arise from the translation of USD bonds in PT Japfa Tbk and USD loans in Dairy, which have no tax implication

3Q2019 Group Financials



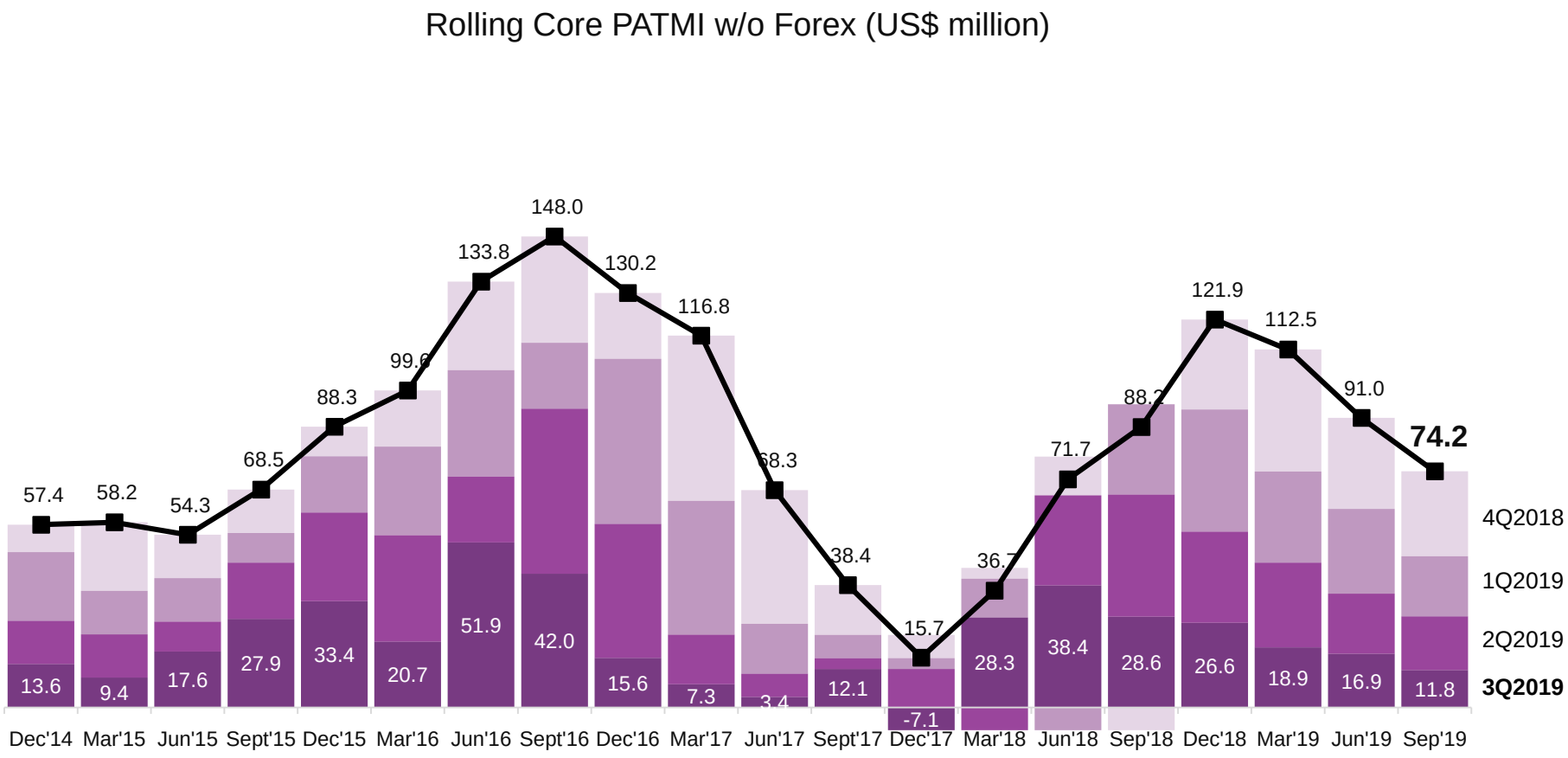
Revenue improved year-on-year but profitability weakened mainly due to Animal Protein – PT Japfa Tbk ("PT Japfa Tbk") and Animal Protein – Other ("APO") segments

- Revenue increase driven by volume growth in poultry feed and swine feed in Animal Protein segments and higher sales volumes in Dairy segment
- Profitability impacted by weaker performance of two core pillars in challenging market conditions, which was partly offset by the strong contribution of Dairy pillar
  - PT Japfa Tbk: Profitability dropped mainly due to low broiler ASPs as oversupply persists
  - APO : Profitability dropped mainly due to low swine fattening ASPs in Vietnam
  - Dairy : Profitability improved mainly attributed to the higher raw milk prices in China
- Despite lower profitability, the Group still recorded a healthy EBITDA of US$87.8 million for the quarter

CORE PATMI w/o FOREX
ROLLING BASIS

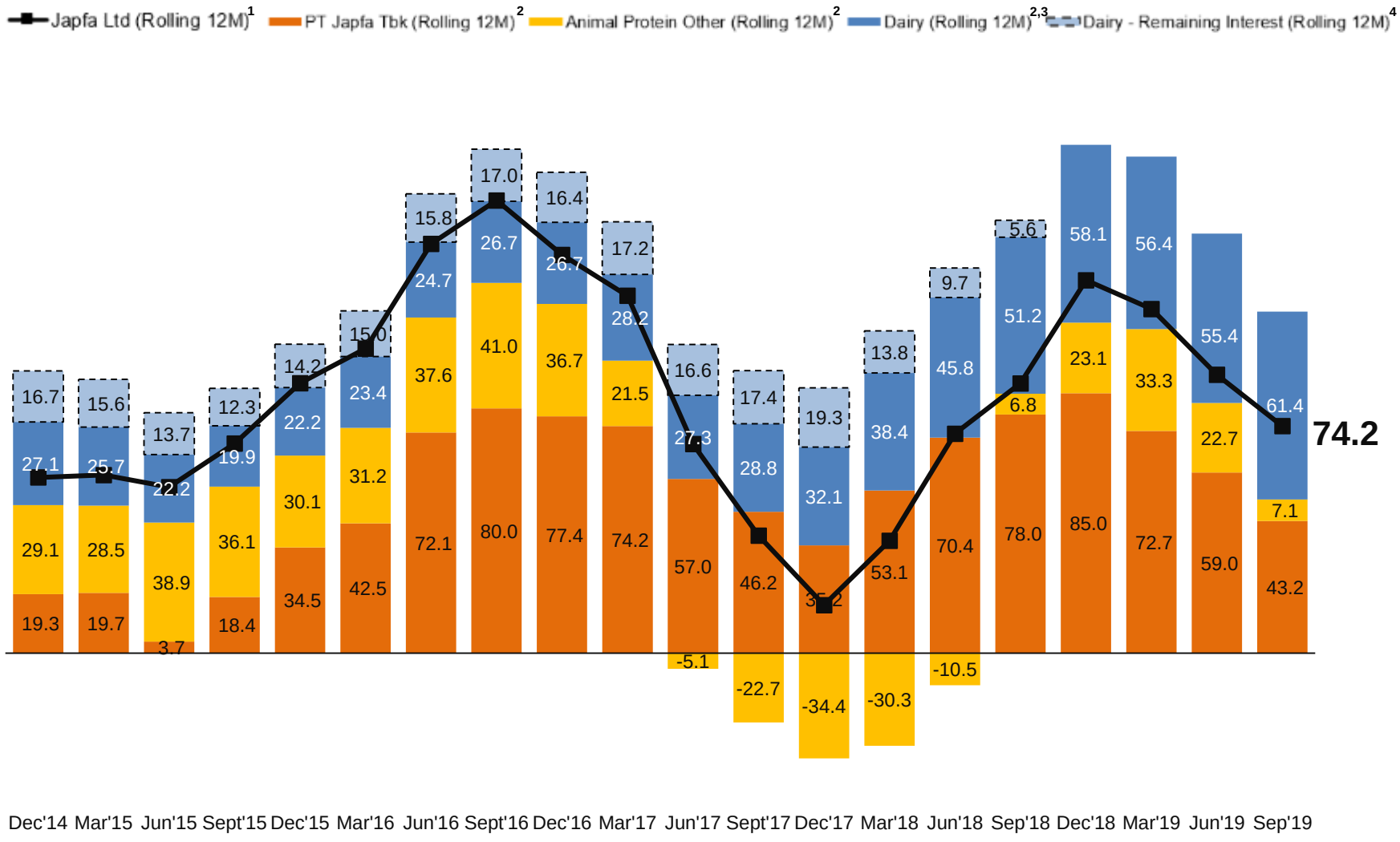


Rolling Core PATMI w/o Forex For The Group



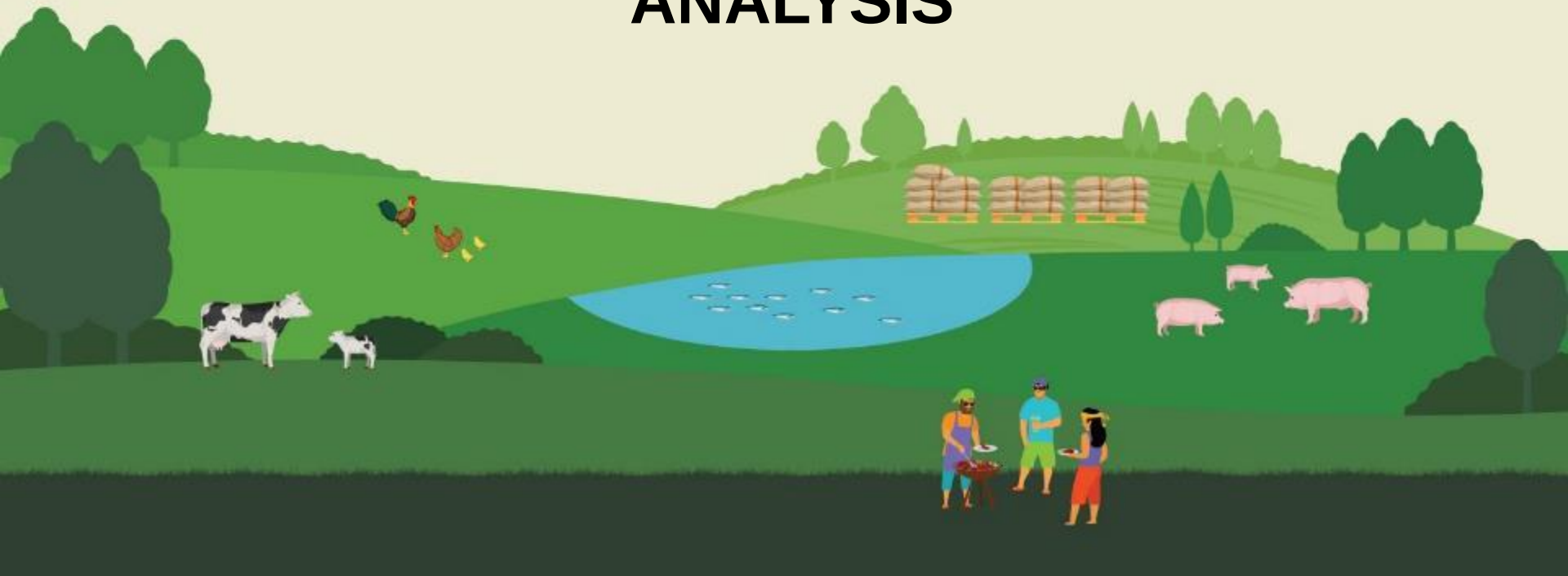
Note: The bar chart shown above comprises the Group's segments (PT Japfa Tbk, Animal Protein Other, Dairy and Consumer Food) plus its central purchasing subsidiary, headquarter costs and elimination adjustments between segments.

Rolling Core PATMI w/o Forex For The Core Pillars



[1] **Japfa Ltd (Rolling 12M)** line chart shown above comprises the Group's segments (PT Japfa Tbk, Animal Protein Other, Dairy and Consumer Food) plus its central purchasing subsidiary, headquarter costs and elimination adjustments between segments.
[2] The **Three Core Pillars** (PT Japfa Tbk, Animal Protein Other and Dairy) bar chart shown above excludes the Consumer Food segment, the Group's central purchasing subsidiary, headquarter costs and elimination adjustments between segments.
[3] Dairy in darker colour represents Core PATMI w/o Forex of 62% attributable to Japfa Ltd. With effect from 1 Jan 2018, Japfa Ltd consolidates100% of Dairy.
[4] Dairy as a whole (darker and lighter colour) represents 100% Core PATMI w/o Forex.

3Q2019
FINANCIAL AND OPERATIONAL ANALYSIS



3Q2019 Segmental Overview

GROUP

Japfa Ltd

(US$m)	3Q2018	3Q2019	%change	9M2018	9M2019	%change
Revenue	877.4	952.2	8.5% ▲	2,624.0	2,838.4	8.2% ▲
Operating Profit	82.4	48.1	-41.7% ▼	264.5	184.4	-30.3% ▼
Operating Profit Margin	9.4%	5.1%	-4.3 pts ▼	10.1%	6.5%	-3.6 pts ▼
EBITDA	112.6	87.8	-22.0% ▼	356.4	290.3	-18.5% ▼
PAT	33.7	16.7	-50.4% ▼	124.8	63.3	-49.3% ▼
PATMI	14.3	9.6	-32.5% ▼	60.5	22.4	-62.9% ▼
Core PATMI w/o Forex	28.6	11.8	-58.8% ▼	95.3	47.5	-50.1% ▼

SEGMENTAL

(US$m)						
PT Japfa Tbk						
Revenue	587.2	630.8	7.4% ▲	1,792.2	1,915.4	6.9% ▲
Operating Profit	62.3	29.8	-52.2% ▼	208.3	130.6	-37.3% ▼
Operating Profit Margin	10.6%	4.7%	-5.9 pts ▼	11.6%	6.8%	-4.8 pts ▼
EBITDA	78.2	50.4	-35.5% ▼	259.3	184.5	-28.8% ▼
PAT	39.0	14.6	-62.6% ▼	126.1	77.9	-38.2% ▼
PATMI	19.5	7.3	-62.5% ▼	61.7	36.7	-40.5% ▼
Core PATMI w/o Forex	21.5	5.6	-73.9% ▼	72.6	30.8	-57.6% ▼
Animal Protein Other						
Revenue	153.8	169.3	10.0% ▲	418.7	481.6	15.0% ▲
Operating Profit	11.7	(3.6)	-130.5% ▼	21.6	6.8	-68.5% ▼
Operating Profit Margin	7.6%	-2.1%	-9.7 pts ▼	5.2%	1.4%	-3.8 pts ▼
EBITDA	14.4	4.1	-71.3% ▼	29.7	27.1	-8.6% ▼
PAT	9.1	(2.4)	-126.0% ▼	16.0	(0.8)	-105.1% ▼
PATMI	9.0	(2.2)	-124.4% ▼	16.0	(0.5)	-103.4% ▼
Core PATMI w/o Forex	9.9	(5.7)	-157.3% ▼	16.3	0.2	-98.5% ▼
Dairy						
Revenue	101.9	122.7	20.5% ▲	296.5	343.5	15.9% ▲
Operating Profit	15.3	22.1	44.0% ▲	51.4	55.9	8.8% ▲
Operating Profit Margin	15.0%	18.0%	2.9 pts ▲	17.3%	16.3%	-1.1 pts ▼
EBITDA	23.3	31.0	33.1% ▲	76.3	82.3	7.9% ▲
PAT	(0.4)	10.7	2958.0% ▲	15.4	17.7	15.0% ▲
PATMI	(0.4)	10.7	2958.0% ▲	15.4	17.7	15.0% ▲
Core PATMI w/o Forex	12.2	18.2	49.2% ▲	41.8	45.1	7.8% ▲
Consumer Food						
Revenue	53.8	50.4	-6.2% ▼	153.9	143.3	-6.9% ▼
Operating Profit	(5.6)	1.3	123.4% ▲	(12.9)	(4.2)	67.7% ▲
Operating Profit Margin	-10.4%	2.6%	13.0 pts ▲	-8.4%	-2.9%	5.5 pts ▲
EBITDA	(2.7)	3.5	229.2% ▲	(6.2)	3.4	155.5% ▲
PAT	(5.8)	0.6	109.6% ▲	(14.1)	(6.6)	53.4% ▲
PATMI	(5.8)	0.6	109.6% ▲	(14.1)	(6.6)	53.4% ▲
Core PATMI w/o Forex	(6.2)	0.4	106.4% ▲	(16.2)	(6.5)	59.9% ▲

3Q2019 Segmental Attributable Income

PT JAPFA TBK
- 52.4% Japfa Ltd
- 47.6% Public

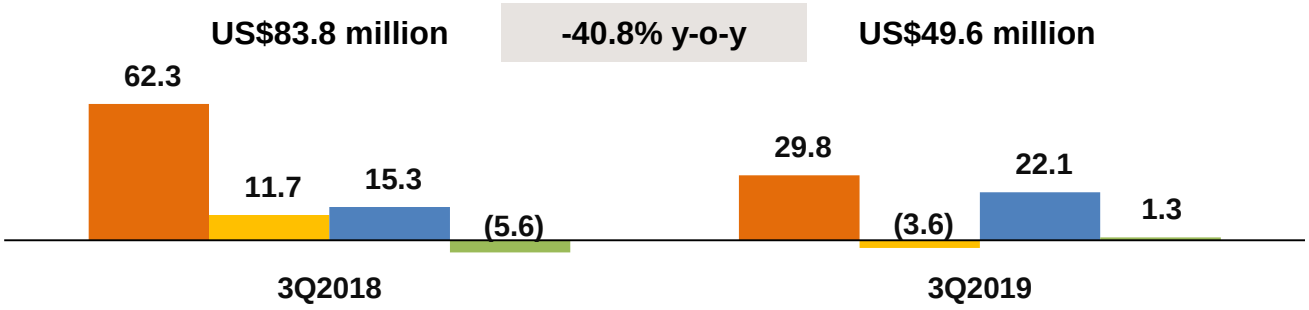
APO
- 100% Japfa Ltd

DAIRY
- 100% Japfa Ltd

CONSUMER FOOD
- 100% Japfa Ltd

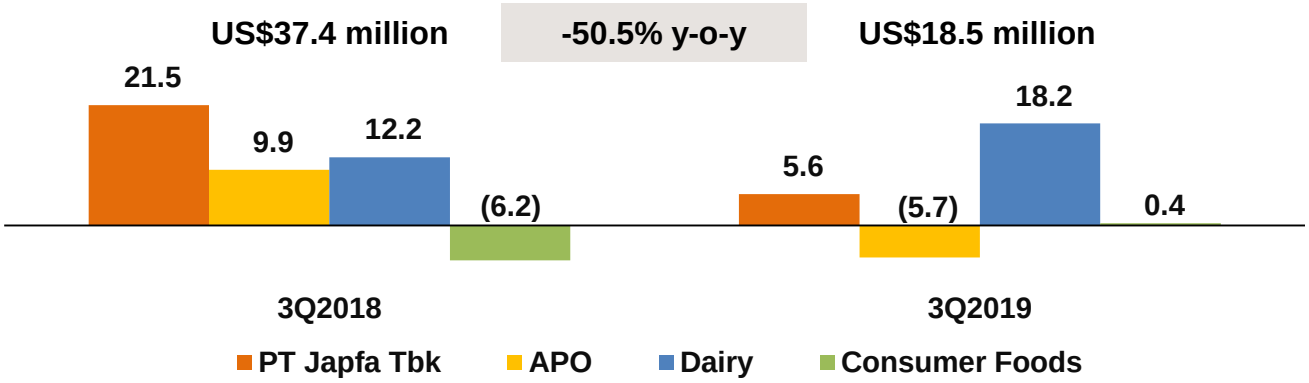
Operating Profit[1] (US$ million)

Group financials on consolidated basis



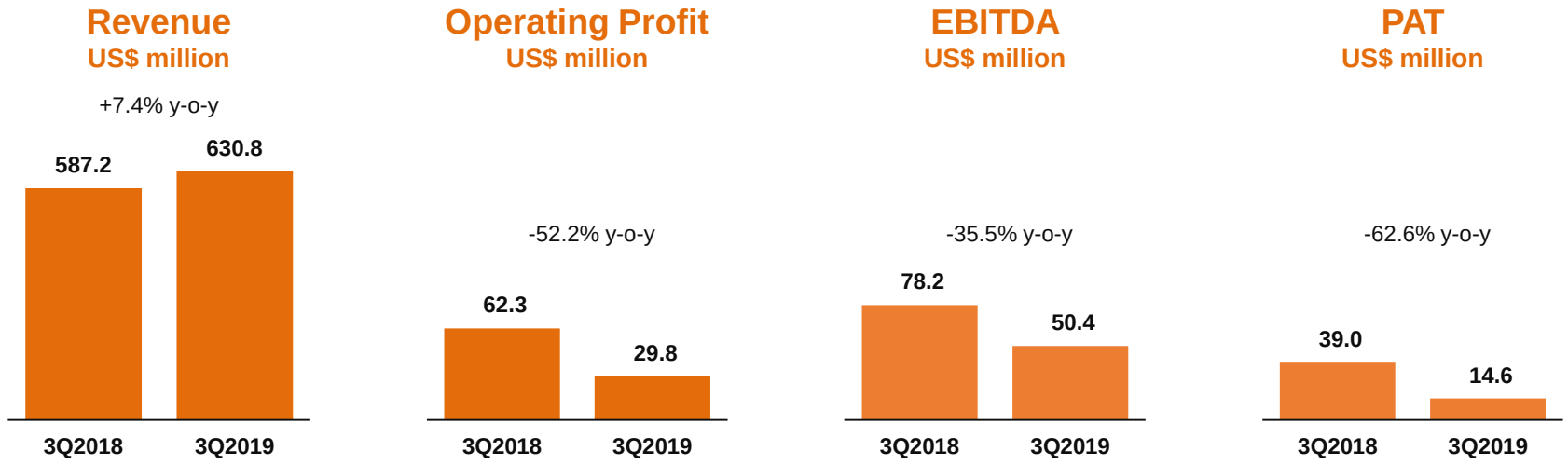
Core PATMI w/o Forex[1] (US$ million)

Attributable income to Japfa Ltd



[1] The Operating Profit and Core PATMI w/o Forex exclude the central purchasing subsidiary, headquarter costs and elimination adjustments between segments

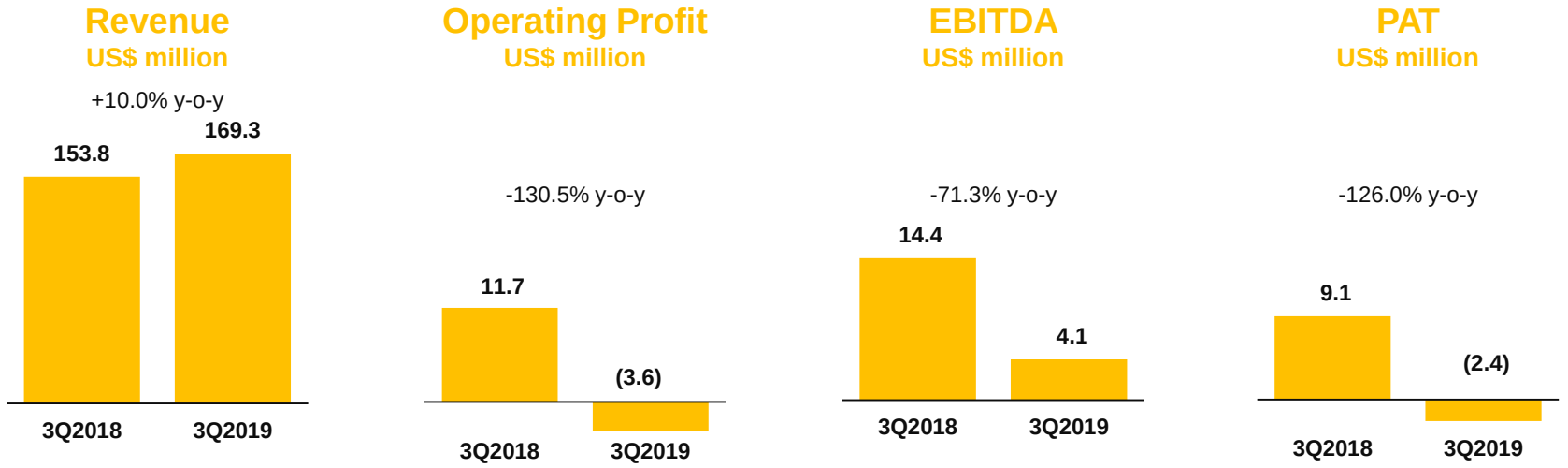
PT Japfa Tbk – Financial Performance



Low broiler ASPs persist for three consecutive quarters as a result of continued oversupply, compared to a strong 2018. Additional government culling program in 3Q2019 to stabilise DOC and broiler ASPs

- Revenue increase mainly contributed by higher sales volumes (~10%) and ASPs for poultry feed
- Poultry feed operating margin improved due to lower raw material costs mainly arising from a recent good local corn harvest
- With lower DOC ASPs, breeding operations broke-even compared to an operating profit of US$30.4 million last year
- The continued market oversupply kept broiler ASPs down in 3Q2019. Commercial farm operations recorded an operating loss of US$14.5 million compared to an operating profit of US$15.7 million last year, a reduction of US$30.2 million
- As a vertically integrated poultry business, the profit generated from feed operations has more than covered the losses in commercial farm operations
- The government has implemented additional culling measures in 3Q2019 to reduce DOC supply which is expected to stabilise DOC and broiler ASPs

APO – Financial Performance



Profitability impacted by lower poultry and swine ASPs

EBITDA remains positive on the back of stable profit generated from feed business

Vietnam

- Feed recorded higher margins due to lower raw material cost
- However, Vietnam reported an operating loss in 3Q2019 of US$4.3 million caused by:
  - Low swine fattening ASPs resulting from pre-emptive sales of swine located in high-risk ASF areas; and
  - Low poultry ASPs due to an oversupply in the market
- Despite the ASF, the operating profit for 9M2019 remains positive
- Swine fattening ASPs have recovered towards the end of 3Q2019. However, in the near term, it is expected that swine fattening sales volume will dip as a result of our delaying and/or reducing the re-stocking of piglets in our farms in high-risk ASF areas

Myanmar

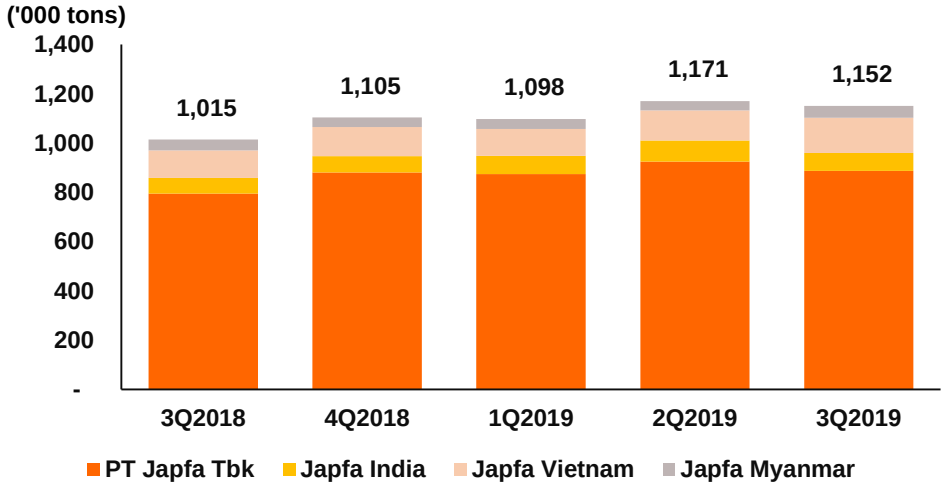
- Revenue increased driven by growth in poultry feed sales volumes (~10%), while profitability improved on the back of lower feed raw material costs

India

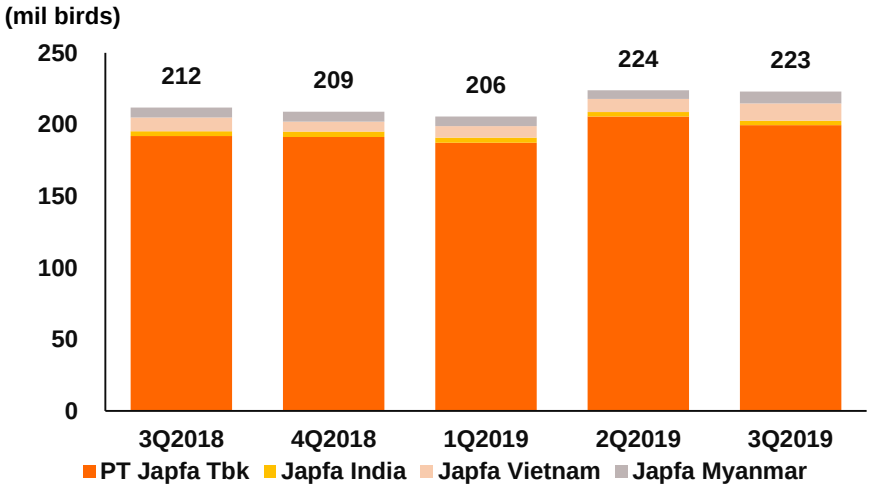
- Revenue increased driven by growth in poultry feed sales volumes (~15%)

Animal Protein – Operational Performance

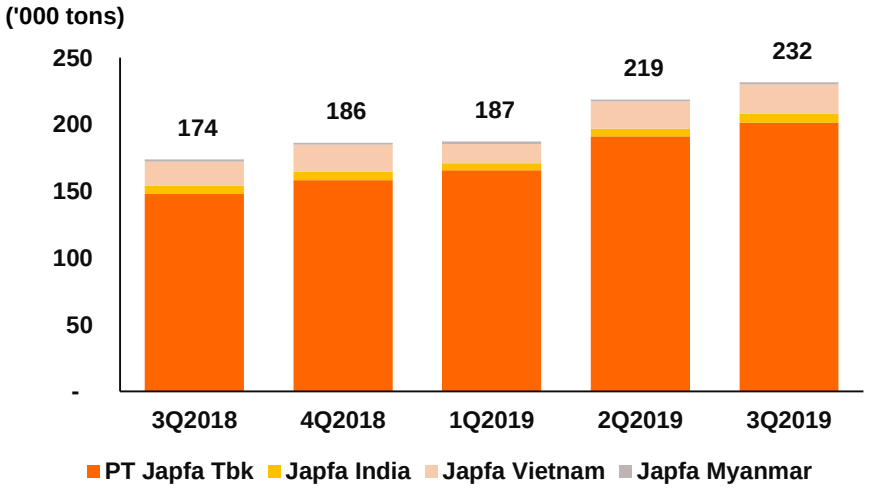
Animal Feed – Poultry: Sales Volume ('000 tons)



DOC – Broiler: Sales Volume (mil birds)

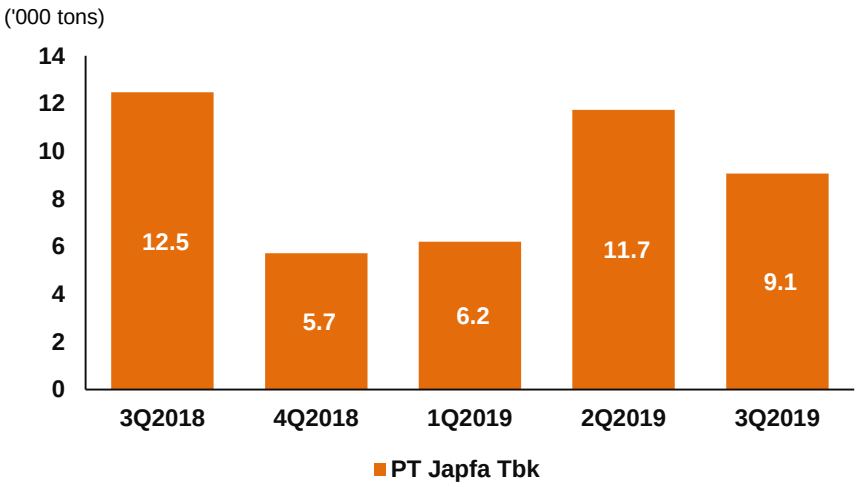


Commercial Farm – Live Birds: Sales Volume ('000 tons)

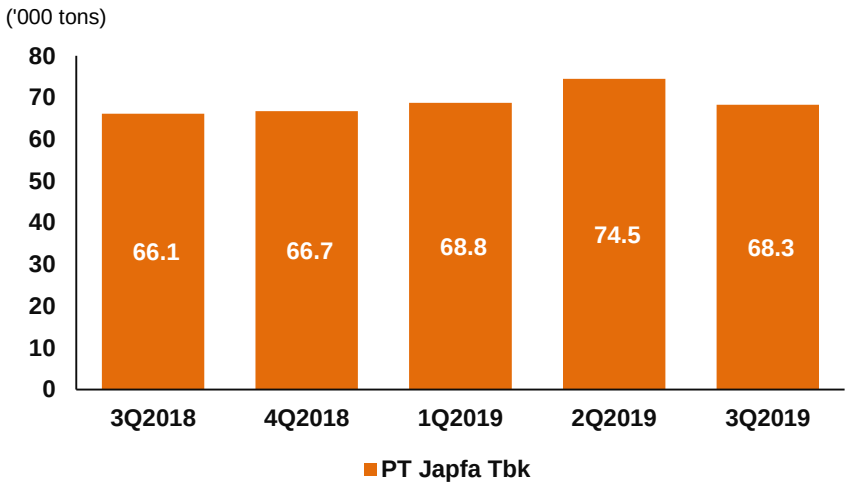


Animal Protein – Operational Performance

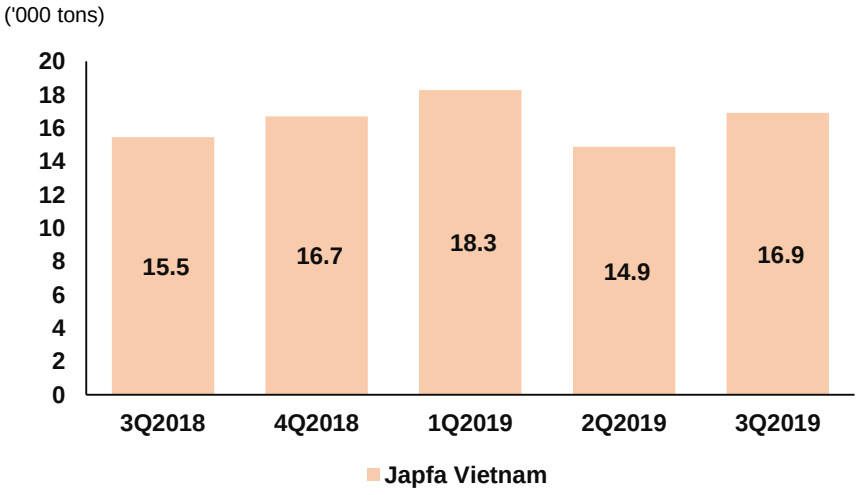
Beef – Live Cattle: Sales Volume ('000 tons)



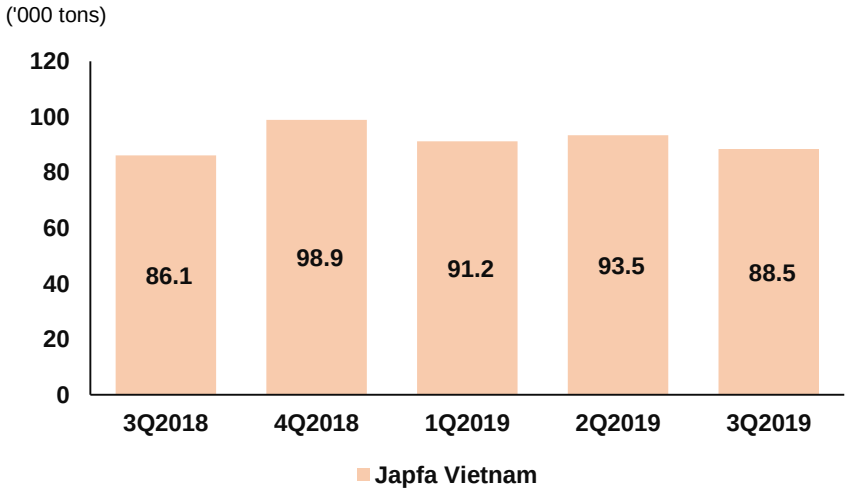
Aquaculture – Aqua-feed: Sales Volume ('000 tons)



Swine Fattening: Sales Volume ('000 tons)

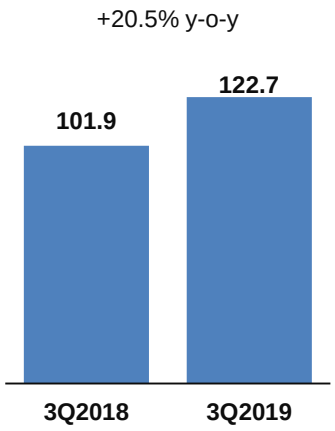


Animal Feed – Swine: Sales Volume ('000 tons)

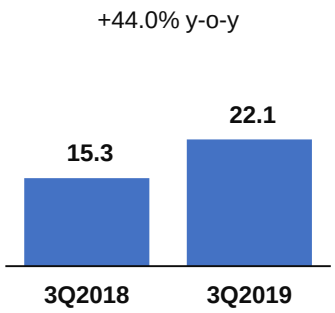


Dairy – Financial Performance

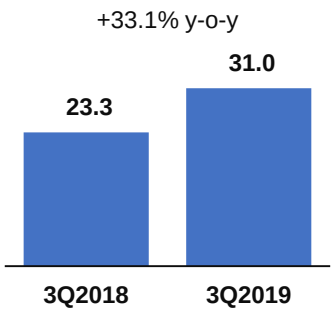
Revenue
US$ million



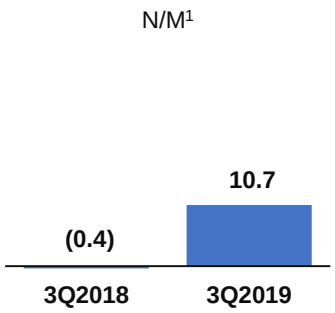
Operating Profit
US$ million



EBITDA
US$ million



PAT
US$ million



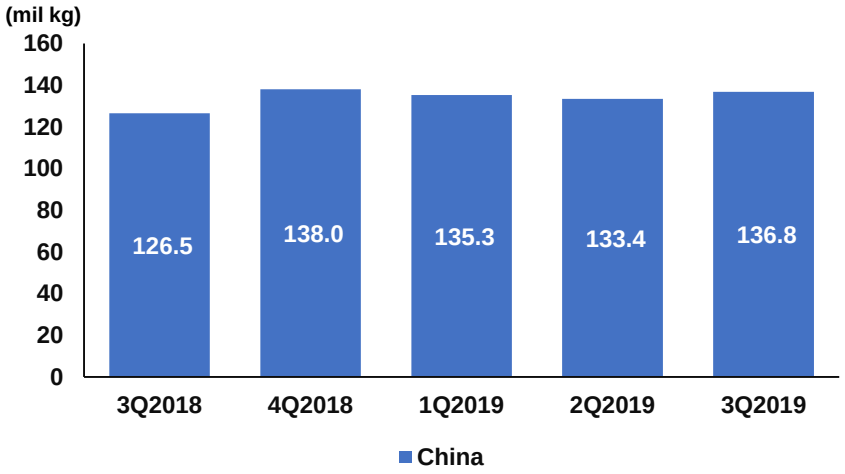
The increase in China raw milk price drives up profitability

- Revenue growth was driven by the rise in total sales volume in both China and SEA (ESL[2], UHT[3], yogurts, and other dairy products)
- Profitability has improved mainly due to the higher raw milk prices (13.0%) in China arising from the low milk supply especially during summer
- China raw milk prices has increased more than the rise in feed cost
- In Indonesia, we continue to invest into A&P for the wider range of dairy products to improve brand visibility and market share

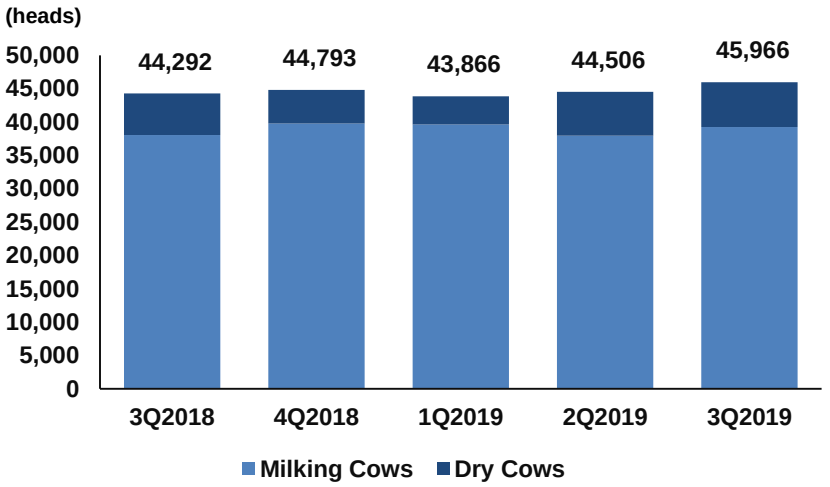
[1] N/M refers to not meaningful
[2] ESL refers to fresh milk with extended shelf life
[3] UHT refers to long shelf life milk processed in ultra-high temperature

Dairy – Operational Performance

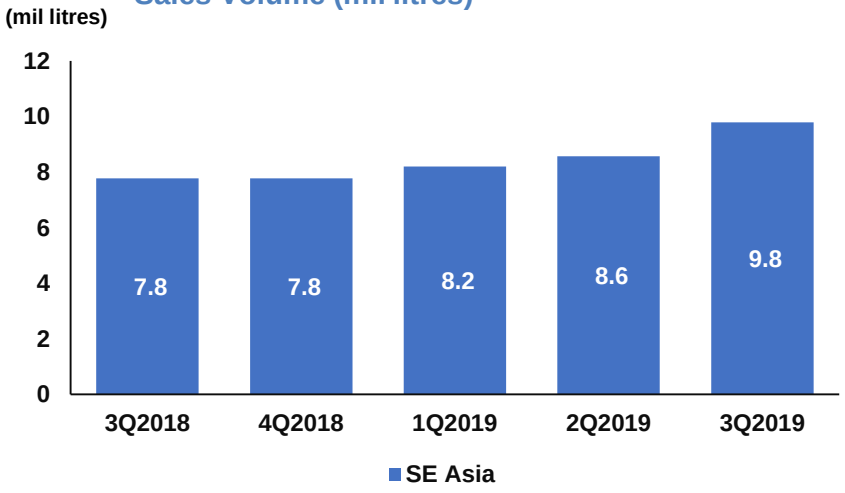
China Raw Milk: Sales Volume (mil kg)



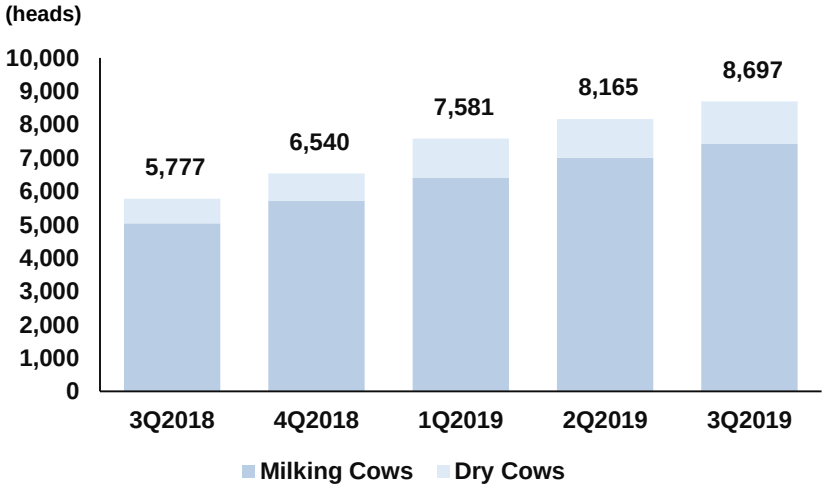
Milkable cows – China (heads)[1]



SE Asia Extended Shelf Life Branded Milk: Sales Volume (mil litres)



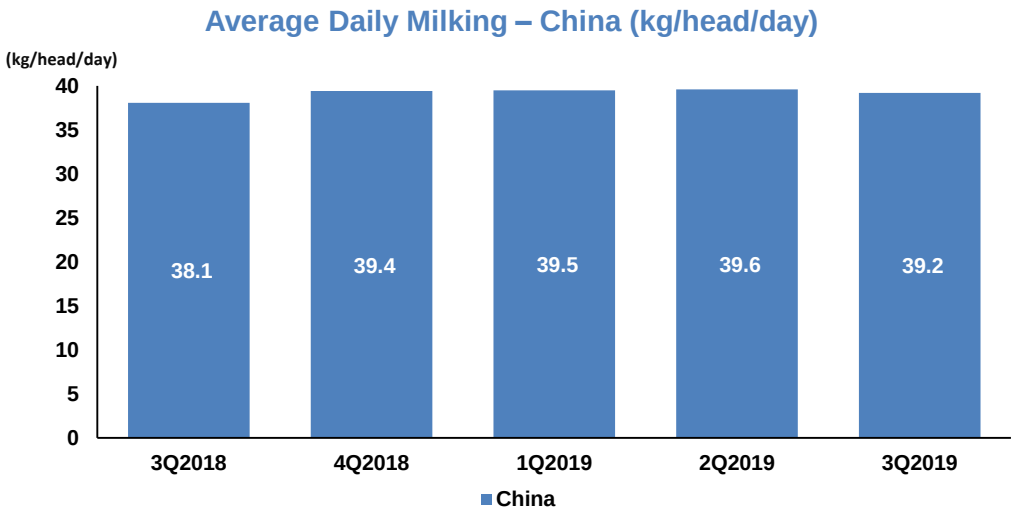
Milkable cows – SE Asia (heads)[1]

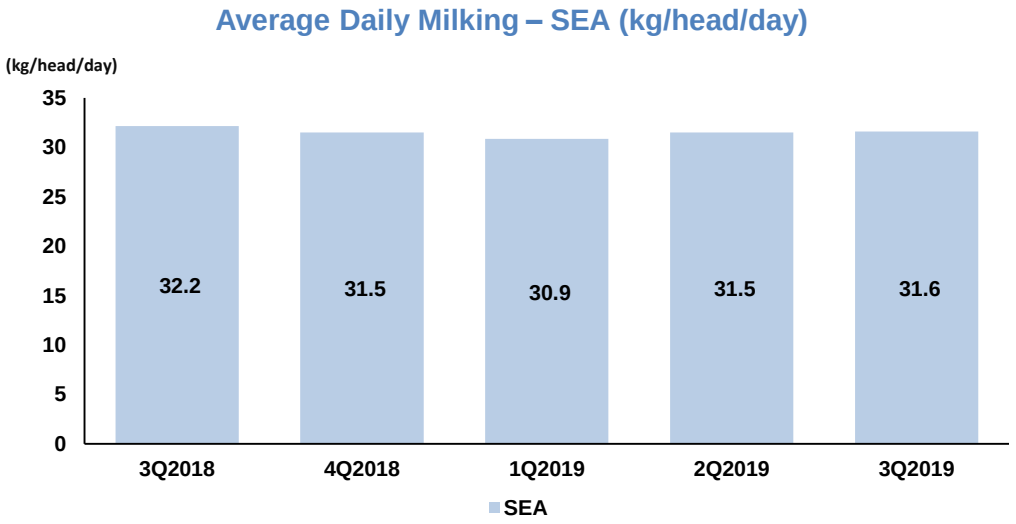


[1] Number of milkable cows as at the end of each quarter in question.

Note: Total dairy herd population (which includes heifers and calves) in China and Indonesia as at end of 2Q2019: 92,840 heads.

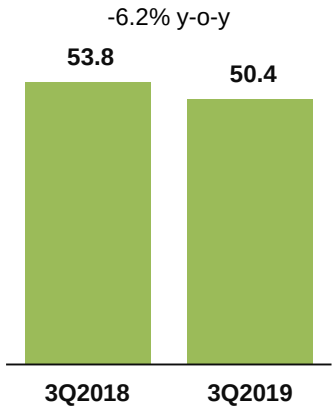
Dairy – Operational Performance



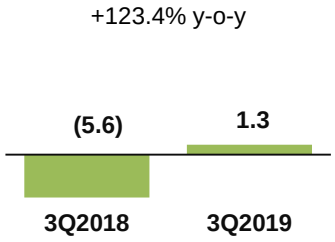


Consumer Food – Financial Performance

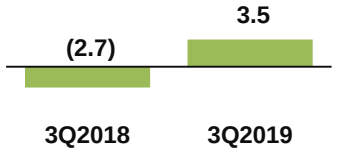
Revenue
US$ million



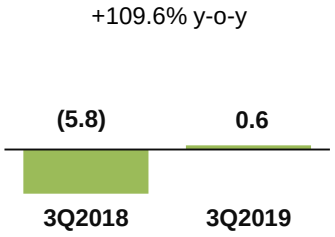
Operating Profit
US$ million



EBITDA
US$ million



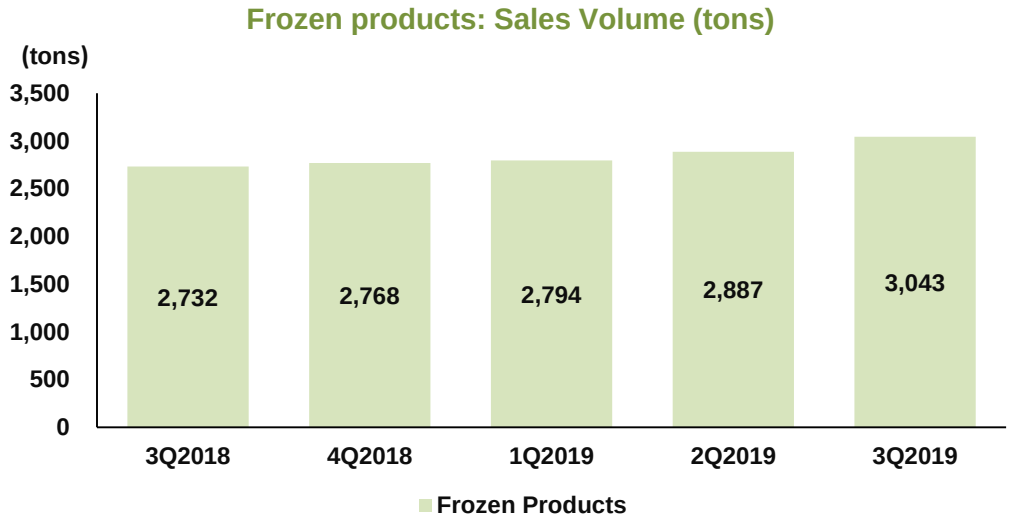
PAT
US$ million

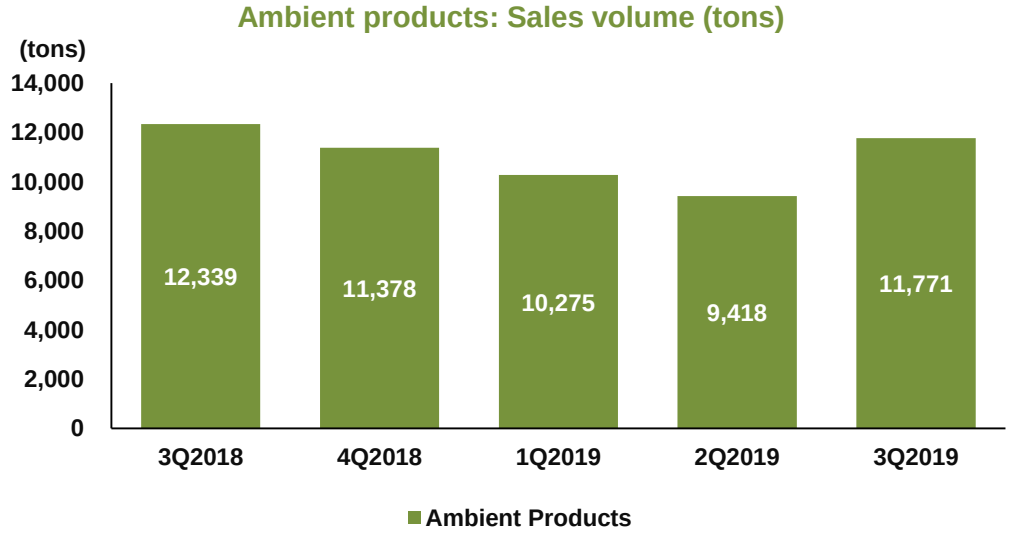


Operating landscape in Indonesia remains competitive, especially in the ambient food sector, where the Group's dominant position continues to be contested

- Profitability improved in frozen products range in 3Q2019 mainly due to lower chicken input costs
- Strategies to lift the performance of Consumer Food:
  - To sharpen our competitive edge, we have embarked on various long-term strategic initiatives including brand rejuvenation and widening our market position for ambient products
  - Implemented cost efficiency measures in supply chain and distribution
  - Refocusing advertising and promotion efforts

Consumer Food – Operational Performance





OTHER FINANCIAL HIGHLIGHTS



Other Financial Highlights

Balance Sheet Highlights (US$m)	As at 30 Sep 19	As at 31 Dec 18	% change
Total Assets	**3,177.4**	**2,889.3**	**10.0%**
Cash and cash equivalent	136.8	168.3	-18.7%
Total Inventory	863.0	817.3	5.6%
- Inventory (excluding fattening livestock)	*698.5*	*656.5*	***6.4%***
- Inventory - Fattening Livestock	*164.5*	*160.8*	***2.3%***
Total Liabilities	**2,024.3**	**1,758.9**	**15.1%**
Total Debt	1,548.6	1,217.9	27.1%
- Loan and borrowings [1]	*1,446.4*	*1,217.6*	*18.8%*
- Lease liabilities	*102.1* [2]	*0.3*	*33945.2%*
Total Equity	**1,153.0**	**1,130.4**	**2.0%**
Key Ratios			
Net Debt / Equity Ratio (x)	1.2	0.9	
Net Debt (w/o lease liabilities) / Equity Ratio (x)	1.1	0.9	
Inventory Turnover days[3]	101.0	106.5	
NAV per share (US$)	0.42	0.42	
NAV per share (S$)	*0.58*	*0.58*	

Cash Flows (US$m)	9 months YTD 30 Sep 19	9 months YTD 30 Sep 18
Net Cash Flows From Operating Activities	100.3	153.0
Net Cash Flows Used in Investing Activities	(215.7)	(164.5)
Net Cash Flows From/(Used in) Financing Activities	85.9	(85.8)
Net Decrease in Cash and Cash Equivalents	**(29.5)**	**(97.3)**

[1] This includes the debt of (i) Annona Pte Ltd (the Group's central purchasing subsidiary) amounting to US$118.2 million for working capital purposes and (ii) Japfa Ltd's acquisition loan of US$252.8 million being the syndicated loan for the acquisition of the remaining interest in its Dairy Segment (AustAsia) and an additional interest in PT Japfa Tbk

[2] The Group has adopted the new SFRS(I) 16 Leases, which took effect on 1 January 2019, correspondingly increases in lease liabilities of approximately US$102.1 million as at 30 September 2019

[3] Inventory turnover days is calculated based on the total inventory

Debt Profile*

	PT Japfa Tbk	Animal Protein Other	Dairy	Consumer Food	Others	Total
Bonds & other Term loans	405[1]	22	171[2]	23		621
Working capital loans	275	81	19	17	181[3]	573
Cash	71	36	12	7	11[3]	137
Net Debt	**609**	**67**	**178**	**33**	**169**	**1,057**
Acquisition Loan					253[4]	253
Total	**609**	**67**	**178**	**33**	**422**	**1,310**

Additional information as of 30 September 2019:

1. This comprises of USD and IDR bonds. The USD bonds of US$250 million are hedged up to all time high of USD/IDR at 16,650

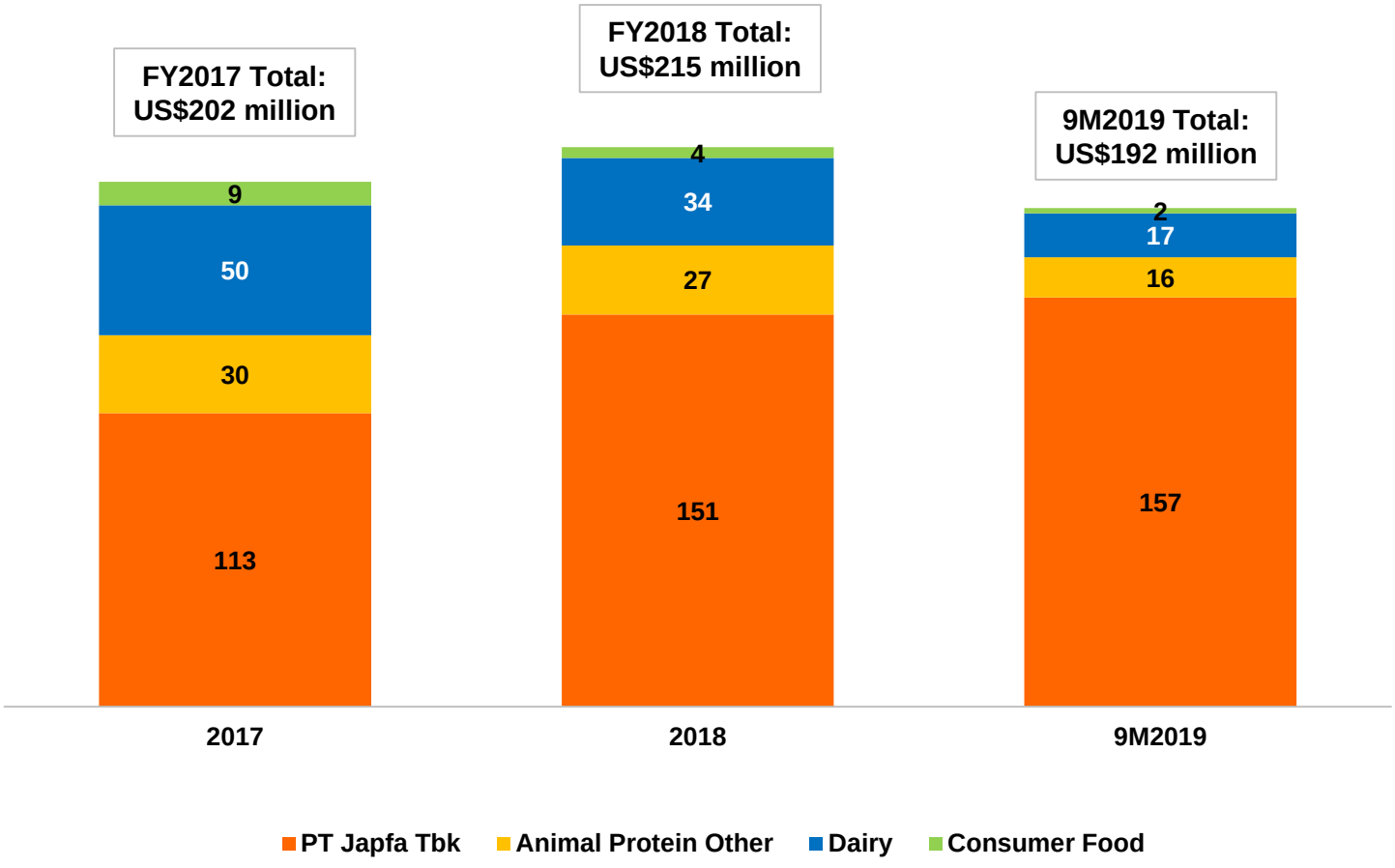
2. This comprises of USD and RMB loans. The USD loans of US$93 million are hedged against RMB and also hedged via interest rate swaps

3. Others refers to the debt and cash of Japfa Ltd and its subsidiary Annona Pte Ltd. The debt of Annona Pte Ltd (the central purchasing subsidiary in Singapore) is for working capital purposes, costs of which are fully charged out to its customers

4. Japfa Ltd's Acquisition Loan refers to the syndicated loan for the acquisition of the remaining interest in its Dairy Segment (AustAsia) and an additional interest in PT Japfa Tbk. The acquisition loan of US$253 million is fully hedged via interest rate swaps

Note:
Debt profile above excludes lease liabilities of US$102 million

Capex FY2017 – 3Q2019



The chart above refers to capital expenditure for property, plant and equipment

AFRICAN SWINE FEVER IN VIETNAM UPDATE



ASF in Vietnam

- February 2019: First reported cases of African Swine Fever (“ASF”) in North Vietnam
- April 2019: First reported cases of African Swine Fever (“ASF”) in South Vietnam
- October 2019: More than 5.4 million[1] pigs culled due to ASF
- Total swine population in Vietnam is estimated at 30 million[2] pigs
- Pigs culled correspond to 18% of the total swine population
- Actions taken by Vietnam Government:
  - National Committee for ASF prevention
  - Quarantine stations to control transportation of pigs between provinces
  - Public awareness campaign to clarify:
    - Pork is safe for human consumption
    - ASF cannot be transmitted to humans, so it is not a public health or food safety concern

1. Food and Agriculture Organisation of the United Nations, 10 October 2019
2. Reuters, 5 Mar 2019

Japfa Bio-Security Measures

There is no vaccine or treatment for ASF at the moment. As a result, biosecurity is the key to manage ASF

Japfa, as an industrialised farmer, implements extensive bio-security measures based on three major components: isolation, traffic control and sanitation





Japfa Heightened Bio-security Measures

Due to the ASF outbreak in China in Aug 2018, Japfa has pre-emptively heightened its already stringent bio-security protocols to minimise any direct impact of ASF to our farms

- trucks go through additional sanitization before entering our farm premises
- extra shower and sanitized clothes/footwear when entering farms
- surveillance camera to monitor adherence to biosecurity protocols
- wider usage of disinfectant in and around the farms
- tighter pest control measures









Backyard vs Industrialised Farms

Industrialised Farms with higher biosecurity levels and geographical distribution should have a lower probability of infection in comparison to Backyard Farms

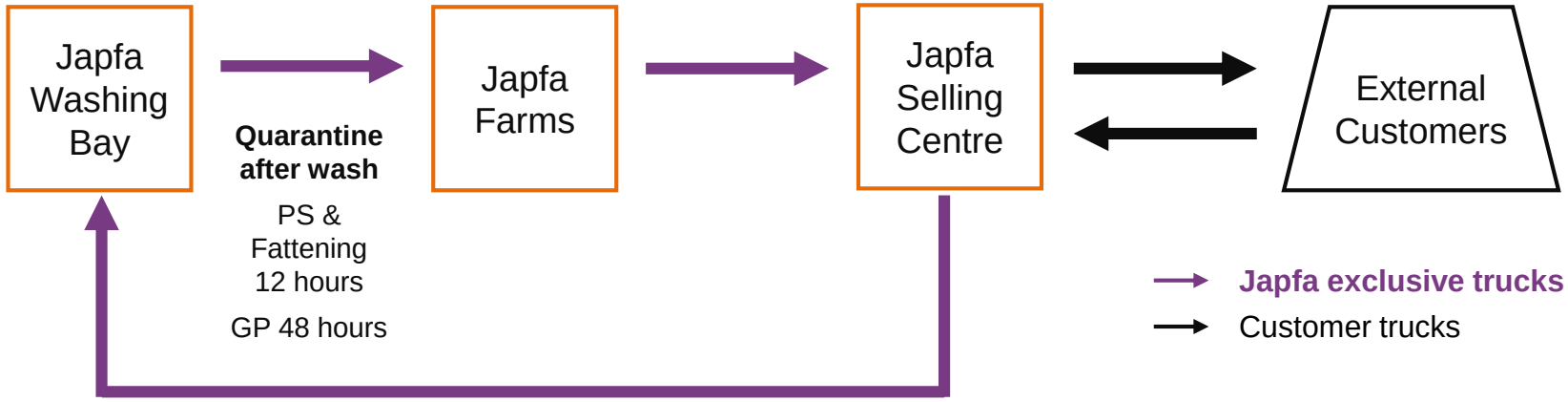
Backyard swine fattening farm



Japfa swine fattening farm



Japfa Enhances Swine Bio-security



Japfa is a pioneer in Vietnam:

- To set up truck washing bays with extra cleaning and disinfectant
- Quarantine system for trucks



Note:
PS refers to Parent Stock
GP refers to Grand Parent Stock

Possible ASF impact based on China experience

In order to gauge the possible impact on Vietnam, we look at the recent China ASF experience. Industry specialists expect that the potential impact to be a reduction of the total pork production in China by 25-35% in 2019.

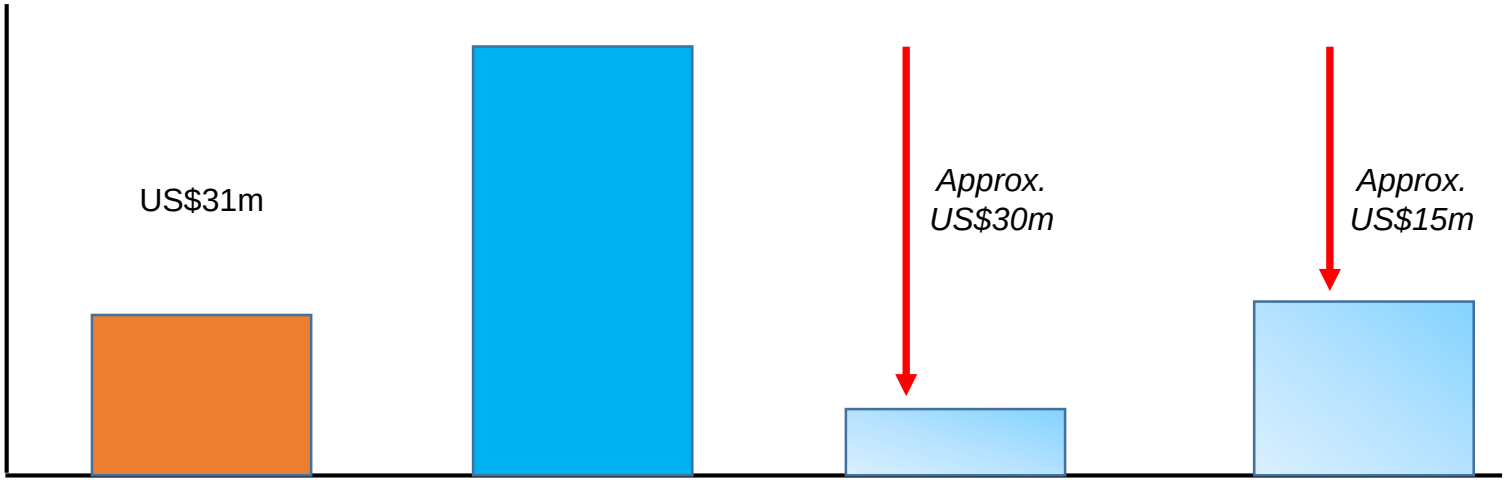
It is reasonable to expect Japfa farms to be hit by ASF. As an industrialised farmer, with extensive bio-security levels and wide geographical distribution of our farms, the extent of a negative impact is likely to be towards the lower end at 25%.

The total value of swine bio-assets in Japfa Vietnam is US$45.8 million as at 31 March 2019. Assume 25% of our swine livestock will be culled, the estimated impact to our assets will be approximately US$11.5 million. This represents 1.8% of Japfa Group's Total Bio-assets and 0.4% of its Total Assets as at 31 March 2019.

APO Vietnam: ASF Scenario Analysis

APO Vietnam operating profit for 9M2019 remains positive
ASF scenario analysis remains unchanged

APO Vietnam Operating Profit

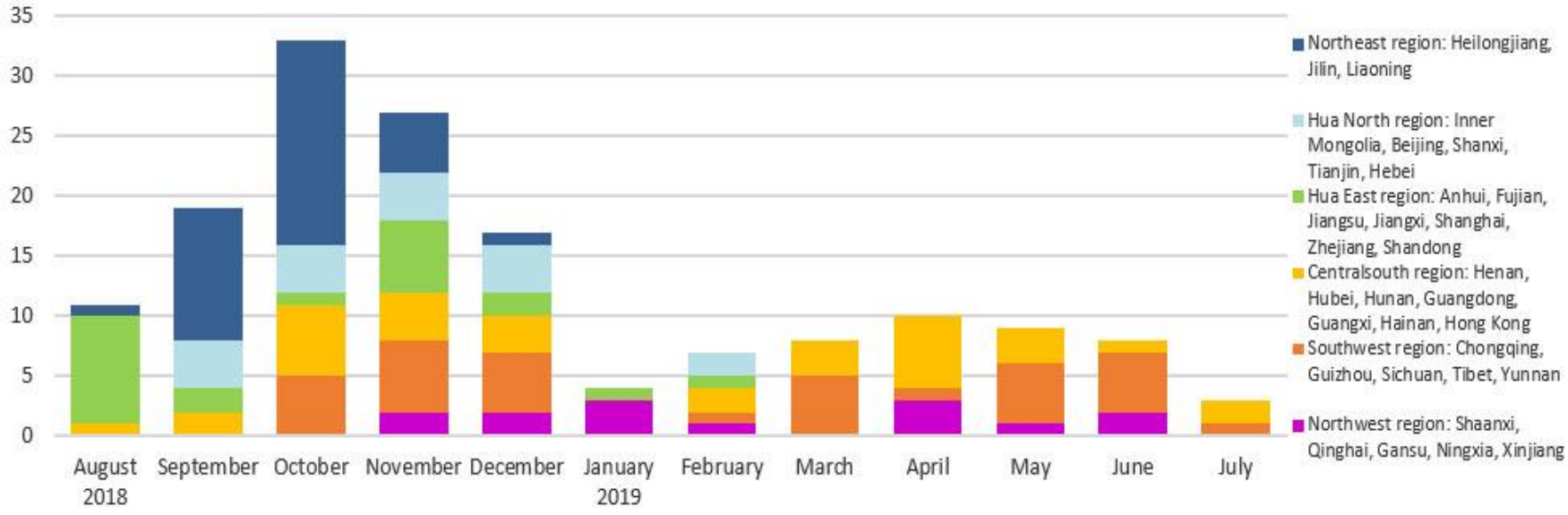


	FY2018A	FY2019F	FY2019F Worse Case Scenario	FY2019F Moderate Case Scenario
Scenario Assumptions:			25% culling 1H19: ASP low 2H19: ASP stays low	25% culling 1H19: ASP low 2H19: ASP recovers

The above is for illustrative purposes only and is not drawn to scale.

ASF evolution - China

Number of ASF reported village by region by onset month in China[1]



[1] Food and Agriculture Organization of the United Nations, 25 July 2019

Possible Counterbalancing Effects Based On China Experience

Extracts from industry specialist reports on ASF in China:

- Production will shift towards large scale commercial model
  - Many small farms have exited the market due to losses
  - An official from China's Agriculture Ministry has recently said, "more than 80% of farms are deciding not to restock."[1]

- Markets will turn to other proteins (beef, poultry, seafood) to meet pork deficit
  - Poultry will benefit most from pork substitution
  - Poultry prices reached record highs in Nov 2018, and rose again in March 2019

- Available global protein supplies will be insufficient to meet China's protein deficit
  - We see scope for China to import an additional 1.5 to 2.0 million tons of pork
  - Pork prices in China will need to rise to very high levels to capture a larger share of global pork supply
  - An official from China's Agriculture Ministry stated, "if confidence among breeders fails to recover, it will hurt consumers. Pork supplies could start to tighten and prices will hit record levels in the second half of the year and then tighten further next year."[1]

[1] Source: Bloomberg, 22 April 2019

APPENDIX



Agri-food Business Cyclicality

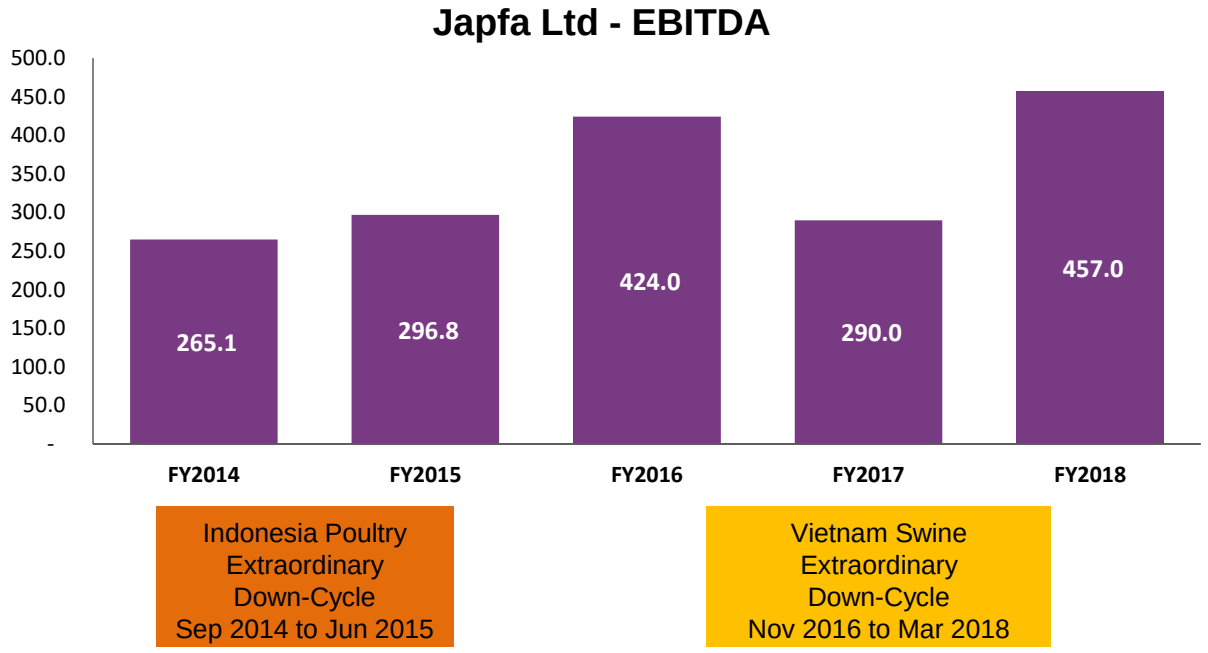
- The agri-food business is inevitably subject to cyclicality which impacts revenue and profitability. Cyclicality is dependent on a variety of external factors which are beyond the Group's control including the seasonality of harvests and festivals, as well as macroeconomic factors that affect purchasing power, and government policies
- Japfa focuses on being one of the most efficient animal protein producers in each of the countries in which it operates
  - Efficiency is achieved from Japfa's large-scale operations, use of technology to raise productivity, and being one of the lowest cost producers in the region
- Diversification across 5 proteins and 5 countries cushions the Group against cyclicality in any one market or protein group

By being one of the most efficient and lowest cost producers, Japfa is able to ride through agri-business cyclicality

Japfa Ltd has gone through 2 recent major down-cycles:

1. Indonesia Poultry
2. Vietnam Swine

Despite these major down-cycles, Japfa Ltd managed to deliver healthy EBITDA each year



Segment Information – 9M2019

JAPFA	YTD SEP Y2019						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	OTHERS	TOTAL
	TBK	AP Other	Total				
External Revenue	1,883.5	472.7	2,356.2	335.1	142.9	4.3	**2,838.4**
Inter Segment Sales	32.0	8.9	40.8	8.4	0.4	(49.7)	**(0.0)**
TOTAL REVENUE	**1,915.4**	**481.6**	**2,397.0**	**343.5**	**143.3**	**(45.4)**	2,838.4
OPERATING PROFIT	**130.6**	**6.8**	**137.4**	**55.9**	**(4.2)**	**(4.7)**	**184.4**
% to sales	*6.8%*	*1.4%*	*5.7%*	*16.3%*	*-2.9%*	*10.4%*	*6.5%*
EBITDA	**184.5**	**27.1**	**211.7**	**82.3**	**3.4**	**(7.0)**	**290.3**
	9.6%	*5.6%*	*8.8%*	*23.9%*	*2.4%*	*15.5%*	*10.2%*
Depreciation & Amortization	(51.3)	(20.0)	(71.3)	(24.5)	(6.6)	(0.5)	**(102.9)**
Net Interest Expense	(37.7)	(6.8)	(44.5)	(13.8)	(3.5)	(14.4)	**(76.2)**
PBT before Forex & Bio-Asset & Derivative related to F	**95.6**	**0.3**	**95.9**	**44.0**	**(6.7)**	**(22.0)**	111.3
Forex Gain(loss)	7.4	0.4	7.8	(4.5)	(0.1)	0.1	**3.3**
Fair Value Gain(Loss) Derivative for forex hedging	4.1	0.0	4.1	4.8	0.0	(0.0)	**8.9**
Fair Value Gain(Loss) Bio A	(0.1)	(1.5)	(1.6)	(25.5)	0.0	0.0	**(27.2)**
PBT	**107.1**	**(0.8)**	**106.2**	**18.7**	**(6.8)**	**(21.9)**	96.3
Tax	(29.2)	0.0	(29.2)	(1.0)	0.2	(3.0)	**(33.0)**
PAT	77.9	(0.8)	77.1	17.7	(6.6)	(24.9)	**63.3**
PAT w/o Bio A	78.0	0.4	78.4	43.3	(6.6)	(24.9)	**90.3**
% ownership	*52.4%*	*100.0%*		*100.0%*	*100.0%*	*100.0%*	
PATMI	36.7	(0.5)	36.2	17.7	(6.6)	(24.9)	**22.4**
Core PATMI	34.7	0.7	35.3	40.6	(6.6)	(22.0)	**47.3**
Core PATMI w/o Forex	30.8	0.2	31.0	45.1	(6.5)	(22.1)	**47.5**

Notes:

- *Animal Protein – where PT Japfa Comfeed Indonesia Tbk (TBK) is shown separately from Animal Protein Other (AP Other).*
- *Animal Protein Other (AP Other) – refers to the animal protein operations in Vietnam, India, Myanmar and China.*
- *Dairy – includes the operations in China, Indonesia and Southeast Asia.*
- *Consumer Food – includes the operations in Indonesia and Vietnam.*
- *Others – include corporate office, central purchasing office in Singapore and consolidation adjustments between segments, including elimination of dividends received by Japfa Ltd from subsidiaries.*
- *We define "**EBITDA**" as profit before tax from continuing operations, excluding interest income, finance costs, depreciation and amortisation expenses, and also excluding changes in fair value of biological assets and derivatives, which relate to foreign exchange hedging and foreign exchange adjustment gains/(losses).*
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- *"**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 gains/losses. This is because the majority of the gains/losses are unrealised and arise from the translation of USD bonds in PT Japfa Tbk and USD loans in Dairy, which have no tax implication.*

Segment Information – 9M2018

JAPFA	YTD SEP Y2018						
	ANIMAL PROTEIN			Dairy	CONSUMER FOOD	OTHERS	TOTAL
	TBK	AP Other	Total				
External Revenue	1,754.8	416.7	2,171.5	287.9	153.3	11.3	**2,624.0**
Inter Segment Sales	37.4	2.1	39.5	8.6	0.6	(48.7)	**(0.0)**
TOTAL REVENUE	**1,792.2**	**418.7**	**2,210.9**	**296.5**	**153.9**	**(37.3)**	**2,624.0**
OPERATING PROFIT	**208.3**	**21.6**	**229.9**	**51.4**	**(12.9)**	**(4.0)**	**264.5**
% to sales	*11.6%*	*5.2%*	*10.4%*	*17.3%*	*-8.4%*	*10.6%*	*10.1%*
EBITDA	**259.3**	**29.7**	**289.0**	**76.3**	**(6.2)**	**(2.7)**	**356.4**
	14.5%	*7.1%*	*13.1%*	*25.7%*	*-4.0%*	*7.1%*	*13.6%*
Depreciation & Amortization	(44.1)	(7.7)	(51.8)	(20.7)	(6.0)	(0.1)	**(78.5)**
Net Interest Expense	(26.8)	(4.9)	(31.7)	(11.9)	(4.1)	(10.0)	**(57.8)**
PBT before Forex & Bio-Asset & Derivative related to F	**188.4**	**17.1**	**205.4**	**43.7**	**(16.2)**	**(12.8)**	**220.1**
Forex Gain(loss)	(32.4)	(3.2)	(35.6)	(8.1)	2.0	(0.2)	**(42.0)**
Fair Value Gain(Loss) Derivative for forex hedging	11.8	0.0	11.8	5.0	0.0	(0.0)	**16.8**
Fair Value Gain(Loss) Bio A	(0.8)	3.7	2.9	(25.5)	0.0	0.0	**(22.6)**
PBT	**167.0**	**17.5**	**184.6**	**15.0**	**(14.2)**	**(13.0)**	**172.3**
Tax	(40.9)	(1.6)	(42.5)	0.4	0.0	(5.4)	**(47.5)**
PAT	126.1	16.0	142.1	15.4	(14.1)	(18.5)	**124.8**
PAT w/o Bio A	126.5	13.0	139.5	40.4	(14.1)	(18.5)	**147.3**
% ownership	*52.4%*	*100.0%*		*100.0%*	*100.0%*	*100.0%*	
PATMI	61.7	16.0	77.7	15.4	(14.1)	(18.5)	**60.5**
Core PATMI	55.7	13.0	68.7	33.7	(14.1)	(19.5)	**68.8**
Core PATMI w/o Forex	72.6	16.3	88.8	41.8	(16.2)	(19.2)	**95.3**

Notes:

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Segment Information – 3Q2019

	3Q Y2019						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	OTHERS	TOTAL
	TBK	AP Other	Total				
External Revenue	619.0	163.1	782.1	119.0	50.2	0.9	**952.2**
Inter Segment Sales	11.9	6.2	18.1	3.8	0.2	(22.0)	**(0.0)**
TOTAL REVENUE	**630.8**	**169.3**	**800.1**	**122.7**	**50.4**	**(21.1)**	**952.2**
OPERATING PROFIT	29.8	(3.6)	**26.2**	22.1	1.3	(1.5)	**48.1**
% to sales	*4.7%*	*-2.1%*	*3.3%*	*18.0%*	*2.6%*	*7.0%*	*5.1%*
EBITDA	**50.4**	**4.1**	**54.5**	**31.0**	**3.5**	**(1.2)**	**87.8**
	8.0%	*2.4%*	*6.8%*	*25.2%*	*7.0%*	*5.8%*	*9.2%*
Depreciation & Amortization	(17.8)	(7.8)	(25.7)	(8.2)	(2.1)	(0.2)	**(36.1)**
Net Interest Expense	(14.5)	(2.5)	(17.0)	(4.6)	(1.1)	(4.9)	**(27.6)**
PBT before Forex & Bio-Asset & Derivative related to Fo	**18.0**	**(6.2)**	**11.8**	**18.2**	**0.3**	**(6.3)**	**24.1**
Forex Gain(loss)	(0.6)	0.1	(0.4)	(3.9)	0.2	(0.0)	**(4.2)**
Fair Value Gain(Loss) Derivative for forex hedging	4.9	0.0	4.9	4.2	0.0	(0.0)	**9.2**
Fair Value Gain(Loss) Bio A	(1.0)	4.2	3.2	(7.3)	0.0	0.0	**(4.1)**
PBT	**21.4**	**(1.9)**	**19.5**	**11.2**	**0.5**	**(6.4)**	**24.9**
Tax	(6.8)	(0.5)	(7.3)	(0.6)	0.1	(0.3)	**(8.1)**
PAT	14.6	(2.4)	12.2	10.7	0.6	(6.7)	**16.7**
PAT w/o Bio A	15.7	(5.7)	10.0	18.4	0.6	(6.7)	**22.2**
% ownership	*52.4%*	*100.0%*		*100.0%*	*100.0%*	*100.0%*	
PATMI	7.3	(2.2)	5.1	10.7	0.6	(6.7)	**9.6**
Core PATMI	5.3	(5.6)	(0.2)	14.3	0.6	(6.8)	**7.9**
Core PATMI w/o Forex	5.6	(5.7)	(0.1)	18.2	0.4	(6.8)	**11.8**

Notes:

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Segment Information – 2Q2019

JAPFA	2Q Y2019						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	OTHERS	TOTAL
	TBK	AP Other	Total				
External Revenue	670.2	152.5	822.6	106.3	43.8	2.3	**975.0**
Inter Segment Sales	9.1	2.7	11.8	2.7	0.1	(14.6)	**0.0**
TOTAL REVENUE	**679.2**	**155.1**	**834.4**	**109.0**	**43.9**	**(12.3)**	**975.0**
OPERATING PROFIT	**65.2**	**(0.1)**	**65.0**	**16.2**	**(2.6)**	**(1.4)**	**77.2**
% to sales	*9.6%*	*-0.1%*	*7.8%*	*14.9%*	*-6.0%*	*11.8%*	*7.9%*
EBITDA	**81.5**	**6.4**	**87.9**	**25.6**	**0.5**	**(3.4)**	**110.5**
	12.0%	*4.1%*	*10.5%*	*23.5%*	*1.0%*	*27.9%*	*11.3%*
Depreciation & Amortization	(17.2)	(6.2)	(23.4)	(8.2)	(2.4)	(0.2)	**(34.3)**
Net Interest Expense	(12.2)	(2.2)	(14.4)	(4.6)	(1.2)	(4.8)	**(24.9)**
PBT before Forex & Bio-Asset & Derivative related to Fo	**52.1**	**(2.0)**	**50.1**	**12.8**	**(3.2)**	**(8.3)**	**51.3**
Forex Gain(loss)	2.9	(0.0)	2.9	(2.3)	(0.1)	0.1	**0.7**
Fair Value Gain(Loss) Derivative for forex hedging	(1.8)	0.0	(1.8)	2.2	0.0	0.0	**0.5**
Fair Value Gain(Loss) Bio A	0.9	(4.0)	(3.1)	(7.0)	0.0	0.0	**(10.1)**
PBT	**54.2**	**(6.0)**	**48.2**	**5.7**	**(3.3)**	**(8.2)**	**42.4**
Tax	(12.7)	0.8	(11.9)	(0.2)	0.1	(2.5)	**(14.6)**
PAT	41.5	(5.2)	36.3	5.5	(3.2)	(10.8)	**27.8**
PAT w/o Bio A	40.5	(2.0)	38.5	12.2	(3.2)	(10.8)	**36.7**
% ownership	*52.4%*	*100.0%*		*100.0%*	*100.0%*	*100.0%*	
PATMI	18.6	(5.1)	13.4	5.5	(3.2)	(10.8)	**5.0**
Core PATMI	19.0	(1.9)	17.0	10.9	(3.2)	(8.6)	**16.1**
Core PATMI w/o Forex	17.4	(1.9)	15.5	13.2	(3.1)	(8.7)	**16.9**

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Segment Information – 1Q2019

JAPFA	1Q Y2019						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	OTHERS	TOTAL
	TBK	AP Other	Total				
External Revenue	594.3	157.1	751.5	109.8	48.8	1.1	**911.2**
Inter Segment Sales	11.0	0.0	11.0	2.0	0.1	(13.2)	**(0.0)**
TOTAL REVENUE	**605.4**	**157.1**	**762.5**	**111.8**	**49.0**	**(12.0)**	**911.2**
OPERATING PROFIT	**35.6**	**10.5**	**46.1**	**17.7**	**(2.9)**	**(1.8)**	**59.2**
% to sales	*5.9%*	*6.7%*	*6.1%*	*15.8%*	*-5.8%*	*14.9%*	*6.5%*
EBITDA	**52.6**	**16.6**	**69.2**	**25.7**	**(0.6)**	**(2.4)**	**92.0**
	8.7%	*10.6%*	*9.1%*	*23.0%*	*-1.2%*	*20.0%*	*10.1%*
Depreciation & Amortization	(16.2)	(6.0)	(22.2)	(8.1)	(2.0)	(0.2)	**(32.5)**
Net Interest Expense	(10.9)	(2.1)	(13.1)	(4.6)	(1.2)	(4.7)	**(23.6)**
PBT before Forex & Bio-Asset & Derivative related to Fo	**25.5**	**8.5**	**33.9**	**13.0**	**(3.8)**	**(7.3)**	**35.9**
Forex Gain(loss)	5.0	0.3	5.4	1.7	(0.2)	(0.0)	**6.8**
Fair Value Gain(Loss) Derivative for forex hedging	0.9	0.0	0.9	(1.7)	0.0	(0.0)	**(0.8)**
Fair Value Gain(Loss) Bio A	(0.0)	(1.8)	(1.8)	(11.2)	0.0	(0.0)	**(13.0)**
PBT	**31.5**	**7.0**	**38.5**	**1.8**	**(4.0)**	**(7.3)**	**29.0**
Tax	(9.6)	(0.3)	(9.9)	(0.2)	0.0	(0.1)	**(10.3)**
PAT	21.8	6.7	28.5	1.6	(4.0)	(7.4)	**18.7**
PAT w/o Bio A	21.9	8.1	30.0	12.7	(4.0)	(7.4)	**31.4**
% ownership	*52.4%*	*100.0%*		*100.0%*	*100.0%*	*100.0%*	
PATMI	10.9	6.8	17.6	1.6	(4.0)	(7.4)	**7.8**
Core PATMI	10.4	8.2	18.6	15.4	(4.0)	(6.6)	**23.3**
Core PATMI w/o Forex	7.7	7.9	15.6	13.7	(3.8)	(6.6)	**18.9**

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Segment Information – 4Q2018

	4Q Y2018						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	OTHERS	TOTAL
	TBK	AP Other	Total				
External Revenue	582.9	163.8	746.6	109.4	49.3	4.0	**909.3**
Inter Segment Sales	7.5	0.6	8.2	2.8	0.2	(11.2)	**0.0**
TOTAL REVENUE	**590.4**	**164.4**	**754.8**	**112.2**	**49.5**	**(7.2)**	**909.3**
OPERATING PROFIT	47.7	11.5	**59.2**	20.4	(3.7)	1.4	**77.3**
% to sales	*8.1%*	*7.0%*	*7.8%*	*18.2%*	*-7.4%*	*-18.9%*	*8.5%*
EBITDA	**61.9**	**13.8**	**75.6**	**26.7**	**(1.7)**	**(0.0)**	**100.6**
	10.5%	*8.4%*	*10.0%*	*23.8%*	*-3.5%*	*0.0%*	*11.1%*
Depreciation & Amortization	(15.9)	(2.7)	(18.7)	(7.2)	(1.8)	(0.0)	**(27.7)**
Net Interest Expense	(8.8)	(1.5)	(10.3)	(3.9)	(1.3)	(5.1)	**(20.6)**
PBT before Forex & Bio-Asset & Derivative related to Fo	**37.1**	**9.5**	**46.6**	**15.5**	**(4.8)**	**(5.1)**	**52.3**
Forex Gain(loss)	9.0	0.1	9.1	0.6	(0.4)	(0.0)	**9.3**
Fair Value Gain(Loss) Derivative for forex hedging	(0.5)	0.0	(0.5)	(0.7)	0.0	(0.0)	**(1.3)**
Fair Value Gain(Loss) Bio A	(2.0)	0.8	(1.2)	12.2	0.0	(0.0)	**11.0**
PBT	**43.6**	**10.4**	**54.0**	**27.6**	**(5.2)**	**(5.1)**	**71.3**
Tax	(13.7)	(3.1)	(16.7)	(0.9)	(0.2)	(0.1)	**(17.9)**
PAT	29.9	7.3	37.3	26.7	(5.3)	(5.2)	**53.4**
PAT w/o Bio A	31.7	6.4	38.1	15.2	(5.3)	(5.2)	**42.7**
% ownership	*52.4%*	*100.0%*		*100.0%*	*100.0%*	*100.0%*	
PATMI	15.9	7.9	23.8	26.7	(5.3)	(5.2)	**39.9**
Core PATMI	17.1	7.0	24.1	16.9	(5.3)	(3.9)	**31.7**
Core PATMI w/o Forex	12.4	6.9	19.3	16.3	(5.0)	(3.9)	**26.6**

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Segment Information – 3Q2018

	3Q Y2018						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	OTHERS	TOTAL
	TBK	AP Other	Total				
External Revenue	573.7	151.8	725.4	94.2	53.6	4.1	**877.4**
Inter Segment Sales	13.5	2.1	15.6	7.7	0.2	(23.4)	**(0.0)**
TOTAL REVENUE	**587.2**	**153.8**	**741.0**	**101.9**	**53.8**	**(19.4)**	**877.4**
OPERATING PROFIT	62.3	11.7	**74.0**	15.3	(5.6)	(1.3)	**82.4**
% to sales	*10.6%*	*7.6%*	*10.0%*	*15.0%*	*-10.4%*	*6.8%*	*9.4%*
EBITDA	**78.2**	**14.4**	**92.6**	**23.3**	**(2.7)**	**(0.6)**	**112.6**
	13.3%	*9.4%*	*12.5%*	*22.9%*	*-5.1%*	*3.0%*	*12.8%*
Depreciation & Amortization	(14.2)	(2.6)	(16.8)	(6.9)	(1.9)	(0.0)	**(25.6)**
Net Interest Expense	(7.4)	(1.5)	(8.9)	(4.0)	(1.4)	(5.0)	**(19.3)**
PBT before Forex & Bio-Asset & Derivative related to Fo	**56.5**	**10.3**	**66.8**	**12.5**	**(6.0)**	**(5.6)**	**67.6**
Forex Gain(loss)	(11.2)	(2.6)	(13.7)	(3.8)	0.5	(0.1)	**(17.1)**
Fair Value Gain(Loss) Derivative for forex hedging	6.7	0.0	6.7	4.3	0.0	(0.0)	**11.0**
Fair Value Gain(Loss) Bio A	1.0	2.1	3.1	(14.1)	0.0	0.0	**(11.0)**
PBT	**53.1**	**9.8**	**62.9**	**(1.1)**	**(5.6)**	**(5.7)**	**50.5**
Tax	(14.1)	(0.7)	(14.8)	0.7	(0.2)	(2.5)	**(16.8)**
PAT	39.0	9.1	48.0	(0.4)	(5.8)	(8.2)	**33.7**
PAT w/o Bio A	38.2	7.4	45.6	13.0	(5.8)	(8.2)	**44.6**
% ownership	*52.4%*	*100.0%*		*100.0%*	*100.0%*	*100.0%*	
PATMI	19.5	9.0	28.6	(0.4)	(5.8)	(8.2)	**14.3**
Core PATMI	15.6	7.4	23.0	8.4	(5.8)	(8.9)	**16.8**
Core PATMI w/o Forex	21.5	9.9	31.4	12.2	(6.2)	(8.8)	**28.6**

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Segment Information – FY2018

JAPFA	YTD DEC Y2018						
	ANIMAL PROTEIN			DAIRY	CONSUMER FOOD	OTHERS	TOTAL
	TBK	AP Other	Total				
External Revenue	2,337.7	580.4	2,918.1	397.3	202.6	15.3	3,533.3
Inter Segment Sales	44.9	2.7	47.6	11.4	0.8	(59.8)	**(0.0)**
TOTAL REVENUE	**2,382.6**	**583.1**	**2,965.7**	**408.7**	**203.3**	**(44.5)**	**3,533.3**
OPERATING PROFIT	**256.0**	**33.1**	**289.2**	**71.8**	**(16.6)**	**(2.6)**	**341.8**
% to sales	*10.7%*	*5.7%*	*9.7%*	*17.6%*	*-8.2%*	*5.8%*	*9.7%*
EBITDA	**321.1**	**43.5**	**364.6**	**102.9**	**(7.9)**	**(2.7)**	**457.0**
	13.5%	*7.5%*	*12.3%*	*25.2%*	*-3.9%*	*6.0%*	*12.9%*
Depreciation & Amortization	(60.0)	(10.5)	(70.4)	(27.9)	(7.8)	(0.1)	**(106.3)**
Net Interest Expense	(35.6)	(6.4)	(42.1)	(15.8)	(5.3)	(15.1)	**(78.3)**
PBT before Forex & Bio-Asset & Derivative related to F	**225.5**	**26.6**	**252.1**	**59.2**	**(21.0)**	**(17.9)**	**272.4**
Forex Gain(loss)	(23.4)	(3.1)	(26.5)	(7.6)	1.7	(0.3)	**(32.7)**
Fair Value Gain(Loss) Derivative for forex hedging	11.3	0.0	11.3	4.2	0.0	(0.0)	**15.5**
Fair Value Gain(Loss) Bio A	(2.8)	4.5	1.7	(13.3)	0.0	(0.0)	**(11.6)**
PBT	**210.6**	**27.9**	**238.5**	**42.5**	**(19.3)**	**(18.2)**	**243.6**
Tax	(54.6)	(4.6)	(59.2)	(0.5)	(0.1)	(5.5)	**(65.4)**
PAT	156.0	23.3	179.3	42.1	(19.5)	(23.7)	**178.2**
PAT w/o Bio A	158.2	19.4	177.6	55.6	(19.5)	(23.7)	**190.0**
% ownership	*52.4%*	*100.0%*		*100.0%*	*100.0%*	*100.0%*	
PATMI	77.6	23.9	101.5	42.1	(19.5)	(23.7)	**100.4**
Core PATMI	72.8	20.0	92.8	50.6	(19.5)	(23.4)	**100.5**
Core PATMI w/o Forex	85.0	23.1	108.1	58.1	(21.1)	(23.1)	**121.9**

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THANK YOU

