



JAPFA LTD
Corporate Presentation 2019

Agenda

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Group Overview

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Group Overview



Feeding Emerging Asia



- Established in 1975
- 5 animal protein businesses in 5 countries
- Japfa Ltd's market capitalisation: approx US\$1.0 billion¹
- FY2018 revenue: US\$3.5 billion

¹ As at 31 December 2018



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

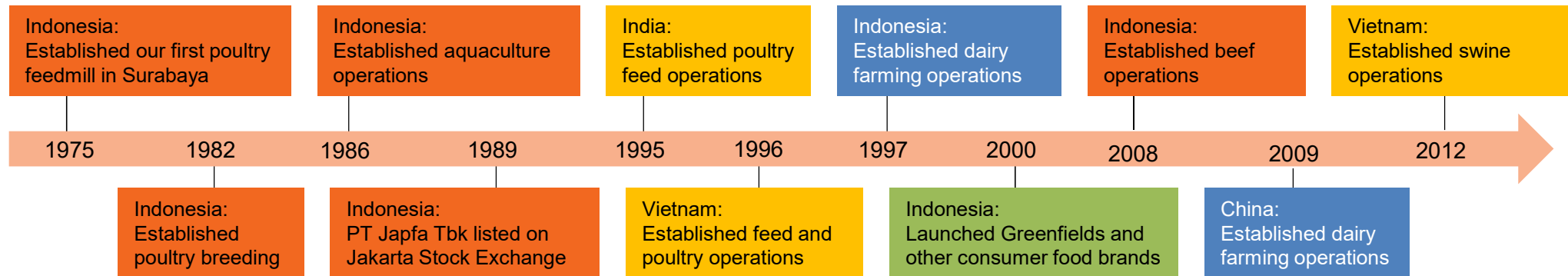
3 billion people living in our target markets
More than 40% of the world's total population

A leading pan-Asian, industrialised agri-food company dedicated to feeding emerging Asia with essential proteins

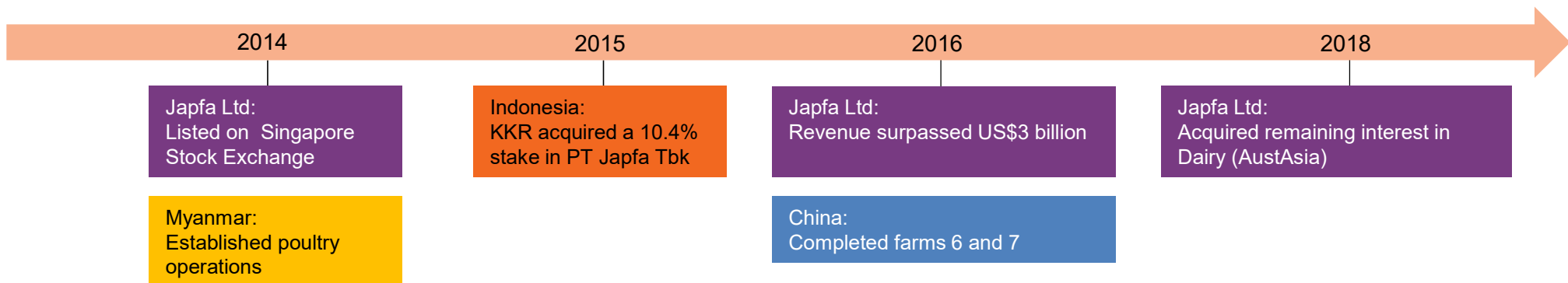
Over 40 Years of Growth

The Group has grown from a single poultry feedmill in Indonesia to a leading pan-Asian agri-food company operating in 5 countries. Its diversification strategy into new geographies and proteins positions the Group to be a long-term industry player.

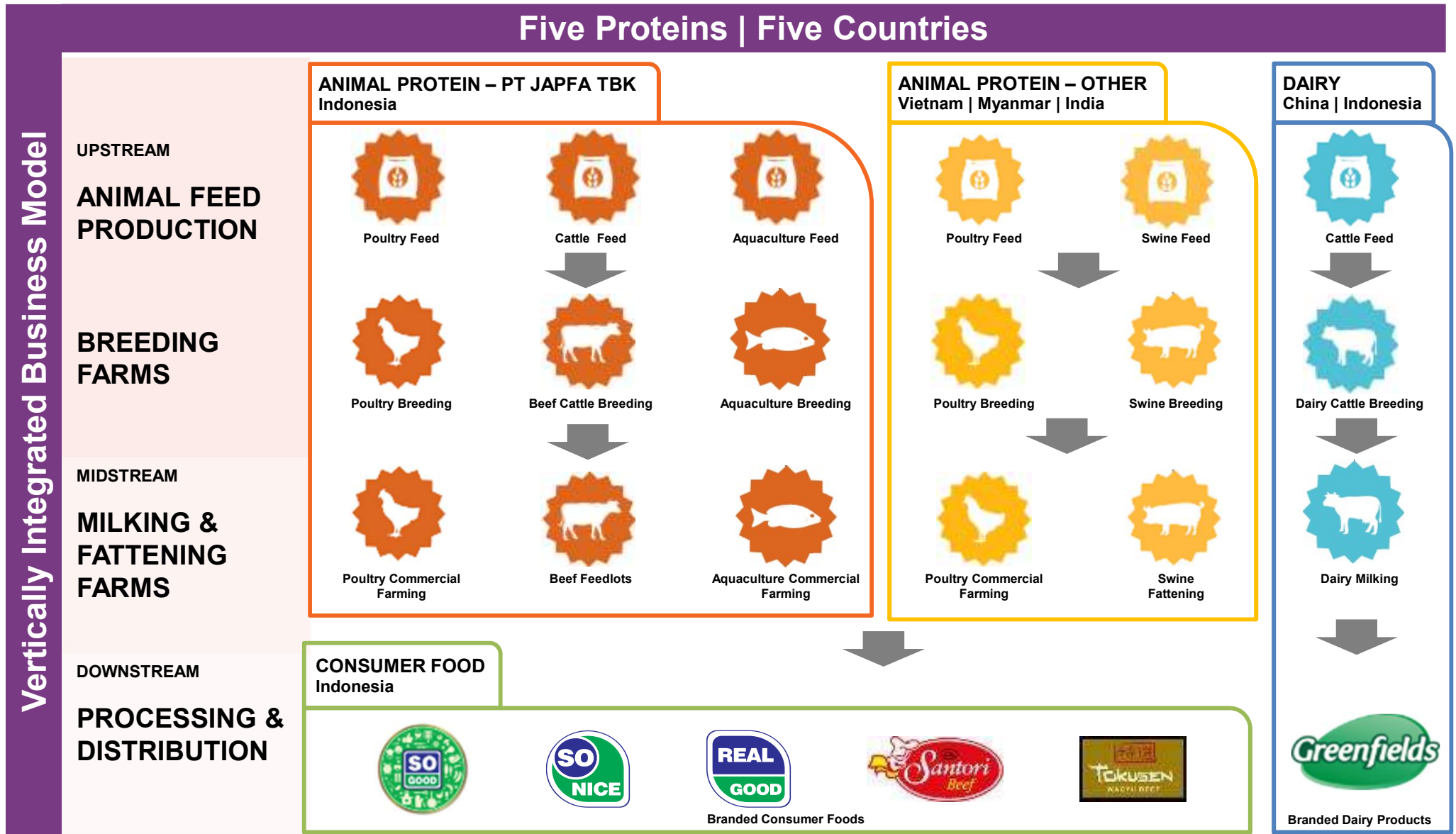
Track record by PT Japfa Tbk¹ and the Santosa family



Businesses above are now held under Japfa Ltd



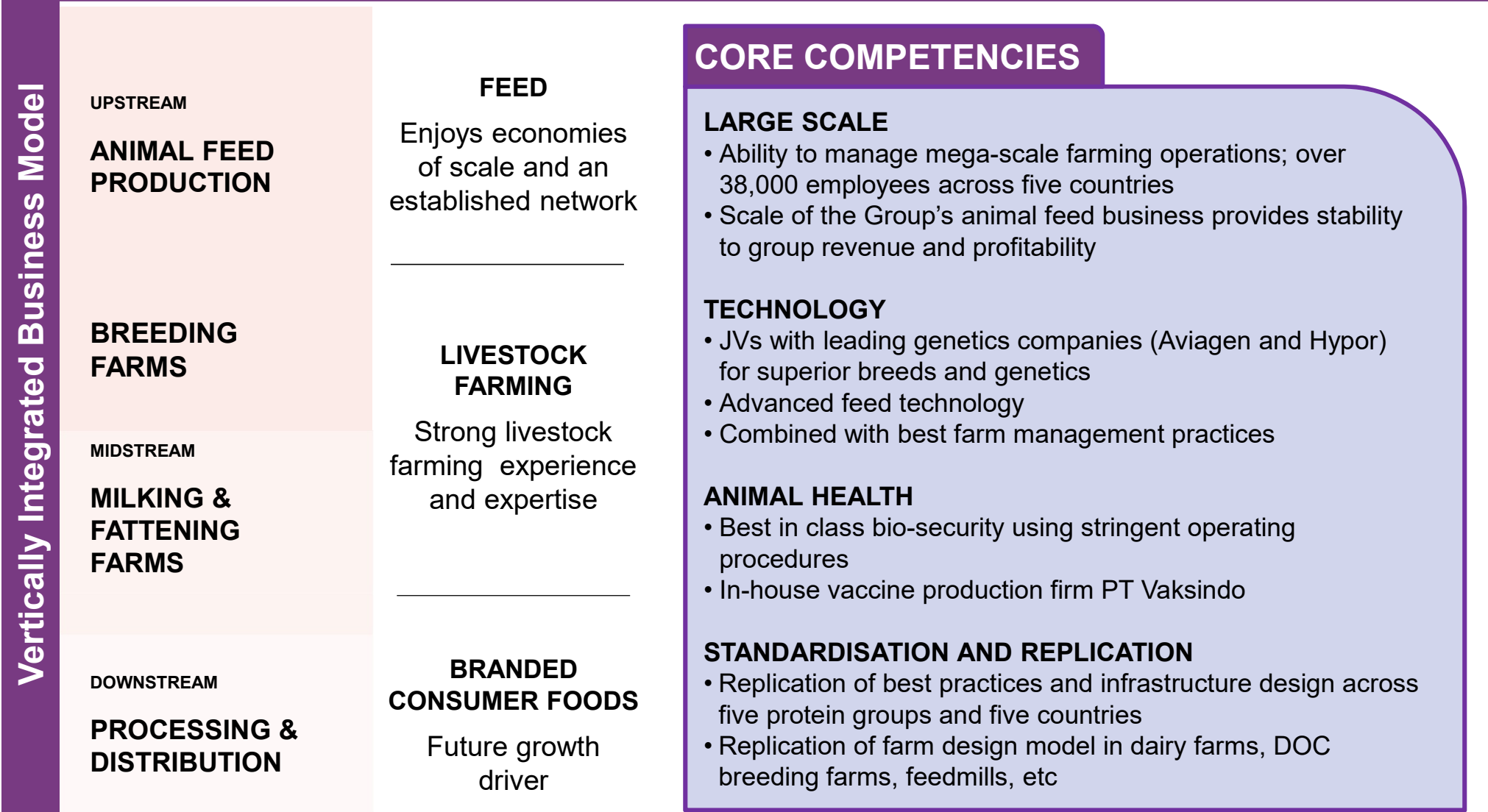
Vertically Integrated Business Across Entire Value Chain



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

Japfa's Core Competencies

Industrialised approach to farming and food production



GROWTH PROSPECTS

Feeding

Emerging
Asia 



PT Japfa Tbk



Animal Protein Other



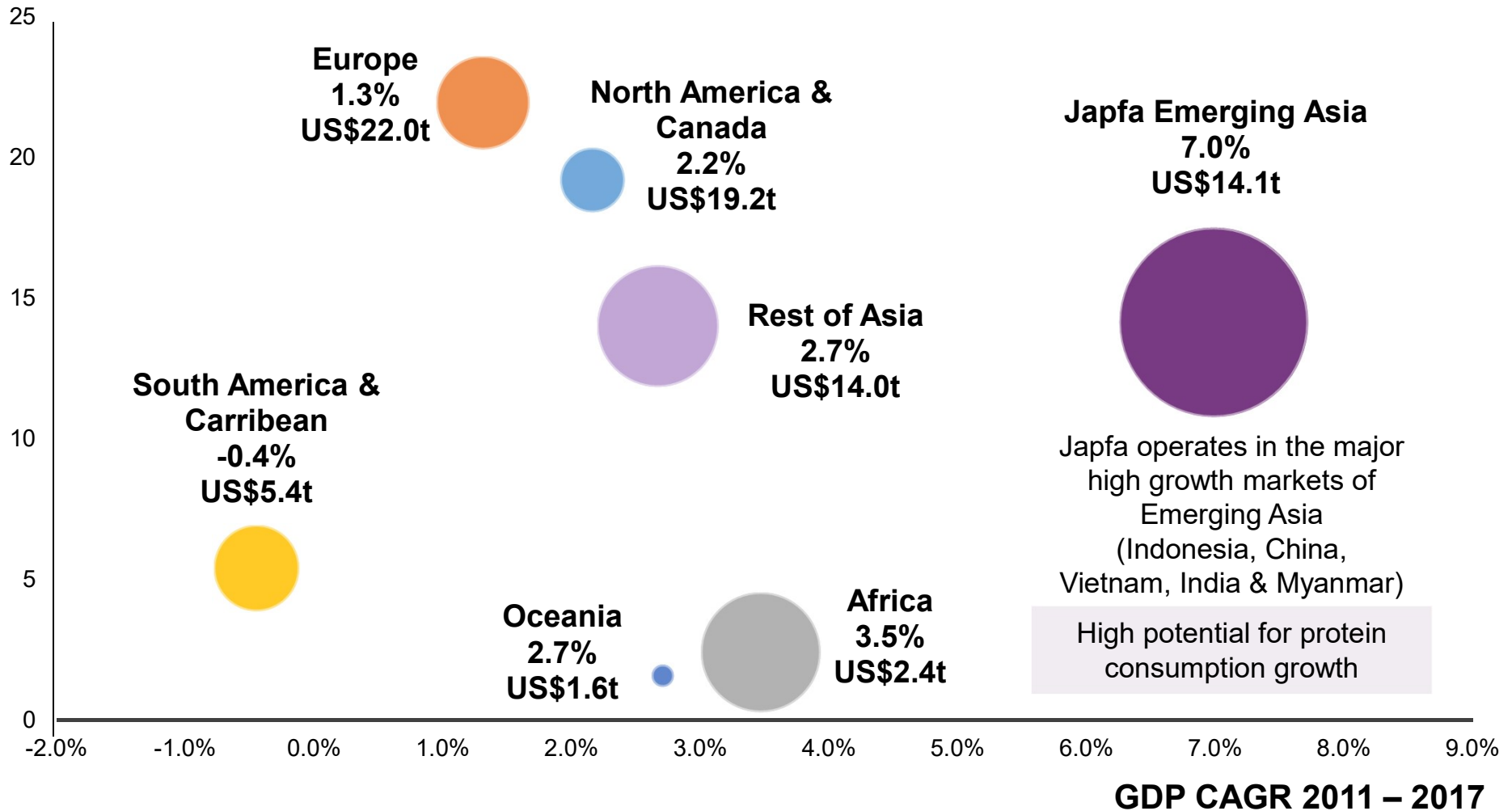
Dairy



Consumer Food

Japfa's Emerging Asia: Market Growth

GDP US\$ trillion



○ Circle size is a diagrammatic reflection of 2017 population



*All percentages (%) above refers to 2011- 2017 GDP CAGR
 *GDP US\$ trillion in each circle shows the 2017 GDP constant US\$ value

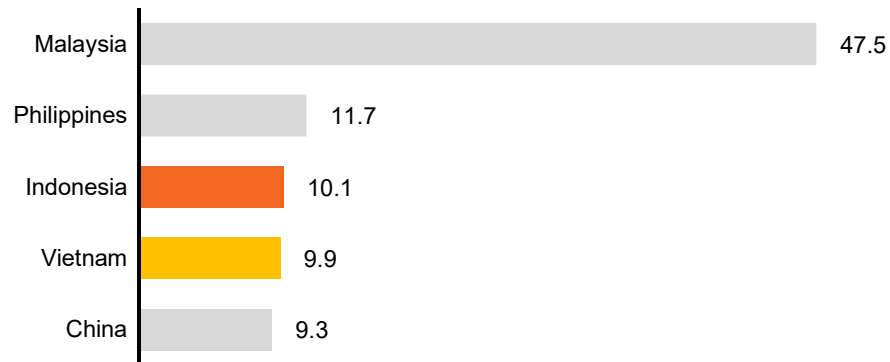
**"Rest of Asia" refers to Asian countries excluding Japfa's Emerging Asia countries
 *Source: World Bank Data

The Right Business in the Right Markets

Poultry

Poultry Meat Consumption per capita in Asia

(kg per capita - 2015)

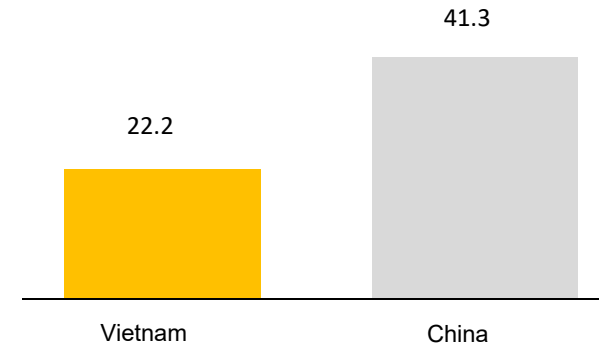


Source: Frost & Sullivan Estimates, 2017

Swine

Per capita consumption

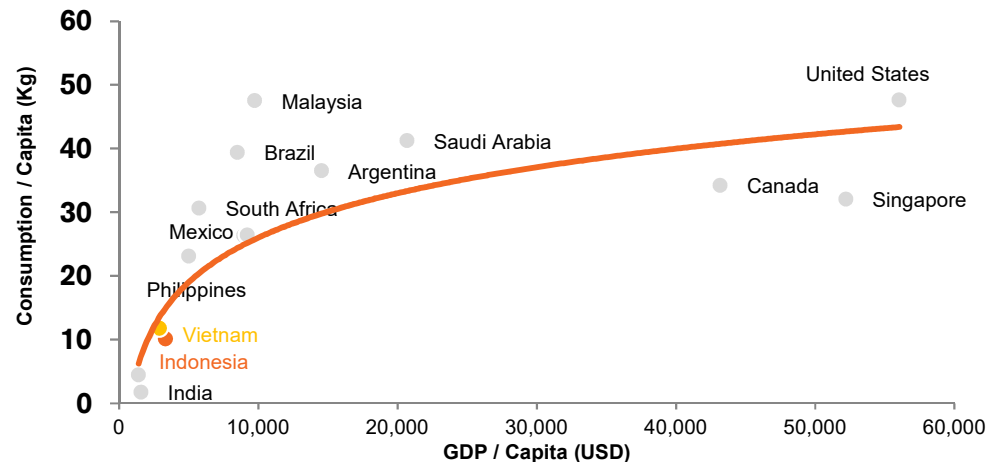
(kg per capita - 2015)



Source: Ipsos, Vietnam Meat Market, 2016¹

Rising consumption in emerging Asian markets

Positive correlation between GDP per capita and Poultry Meat Consumption (2015)



Source: OECD, UN, Frost & Sullivan Estimates, 2017

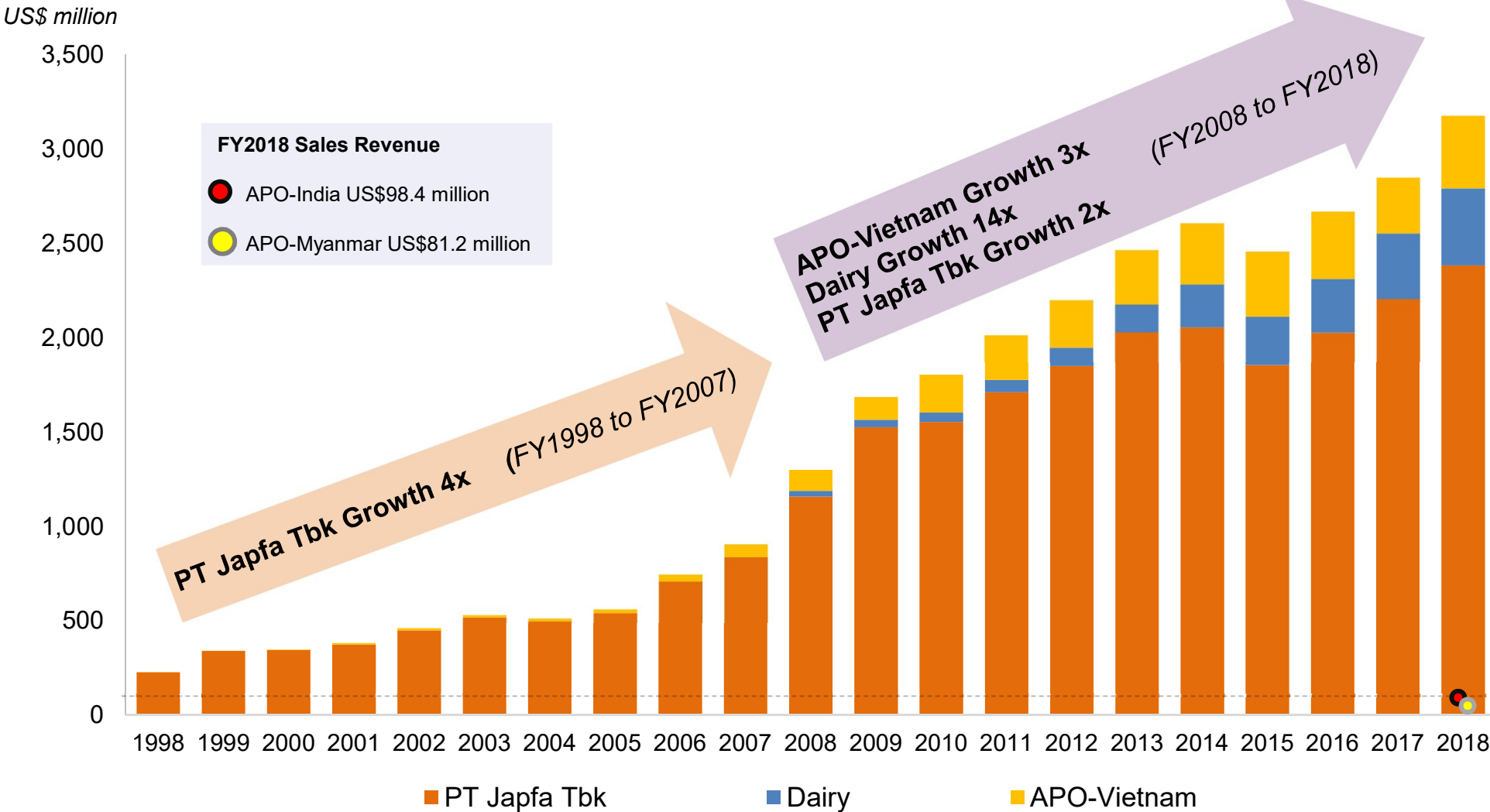
- Ample room for sustained growth in business locations with some of the lowest meat protein consumption per capita in Asia
- “Meat-of-choice” given poultry’s relative affordability, religious neutrality, consumer preference, increasing penetration and popularity of quick service restaurants
- Vietnam is one of the world’s top pork consumption countries and stands second in Asia, only after China²
- Strong projected growth in GDP per capita to underpin growing protein consumption
- Potential upside as diets evolve to include more meat-based protein from the currently carbohydrate-heavy diets

¹ <https://www.ipsos.com/sites/default/files/2016-08/meat-market-in-vietnam.pdf>

² USDA Foreign Agricultural Service, Vietnam, Grain and Feed Annual, 2017

Japfa's Business Segments: Revenue growth

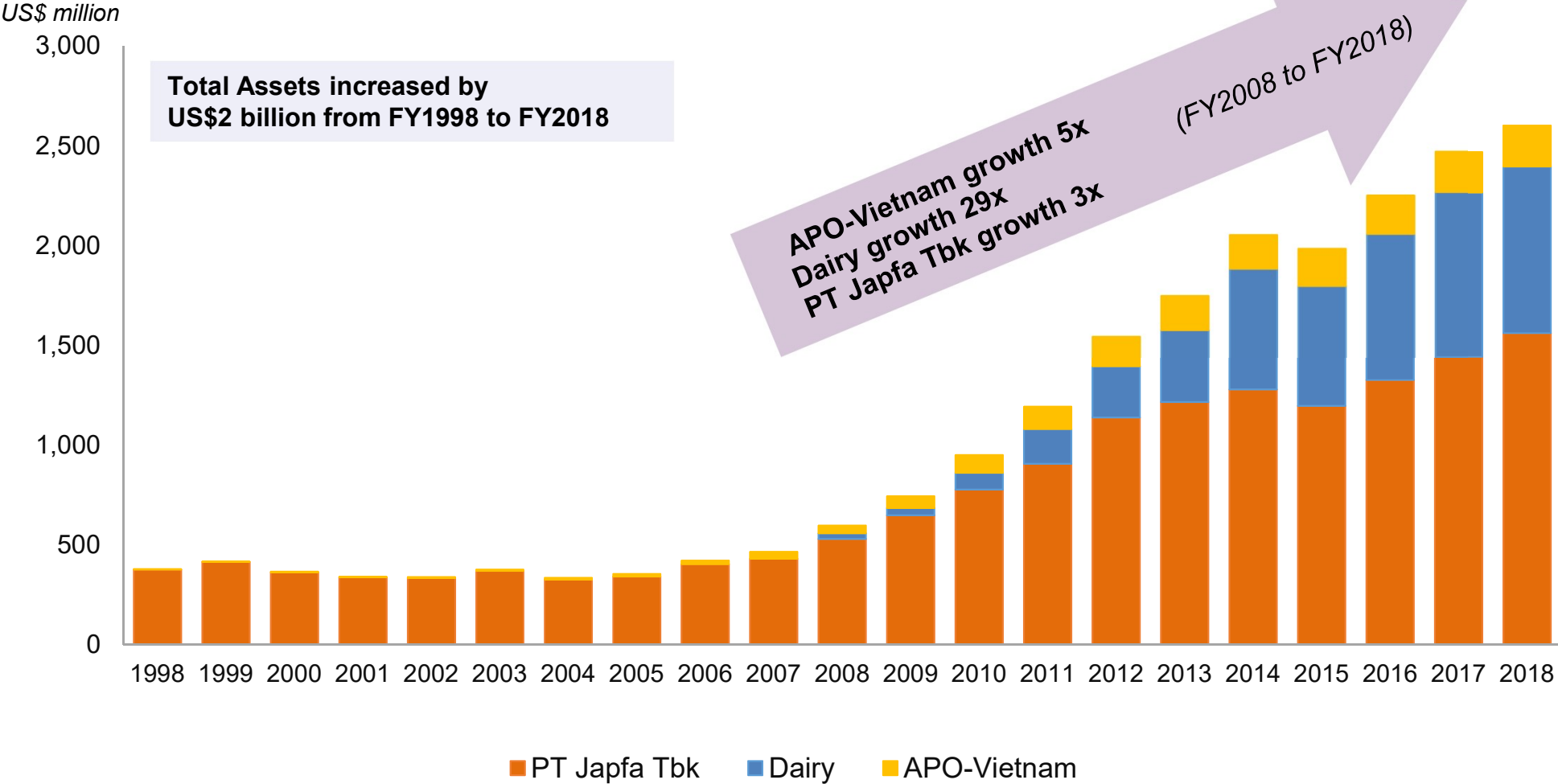
Revenue: PT Japfa Tbk, Dairy and APO-Vietnam



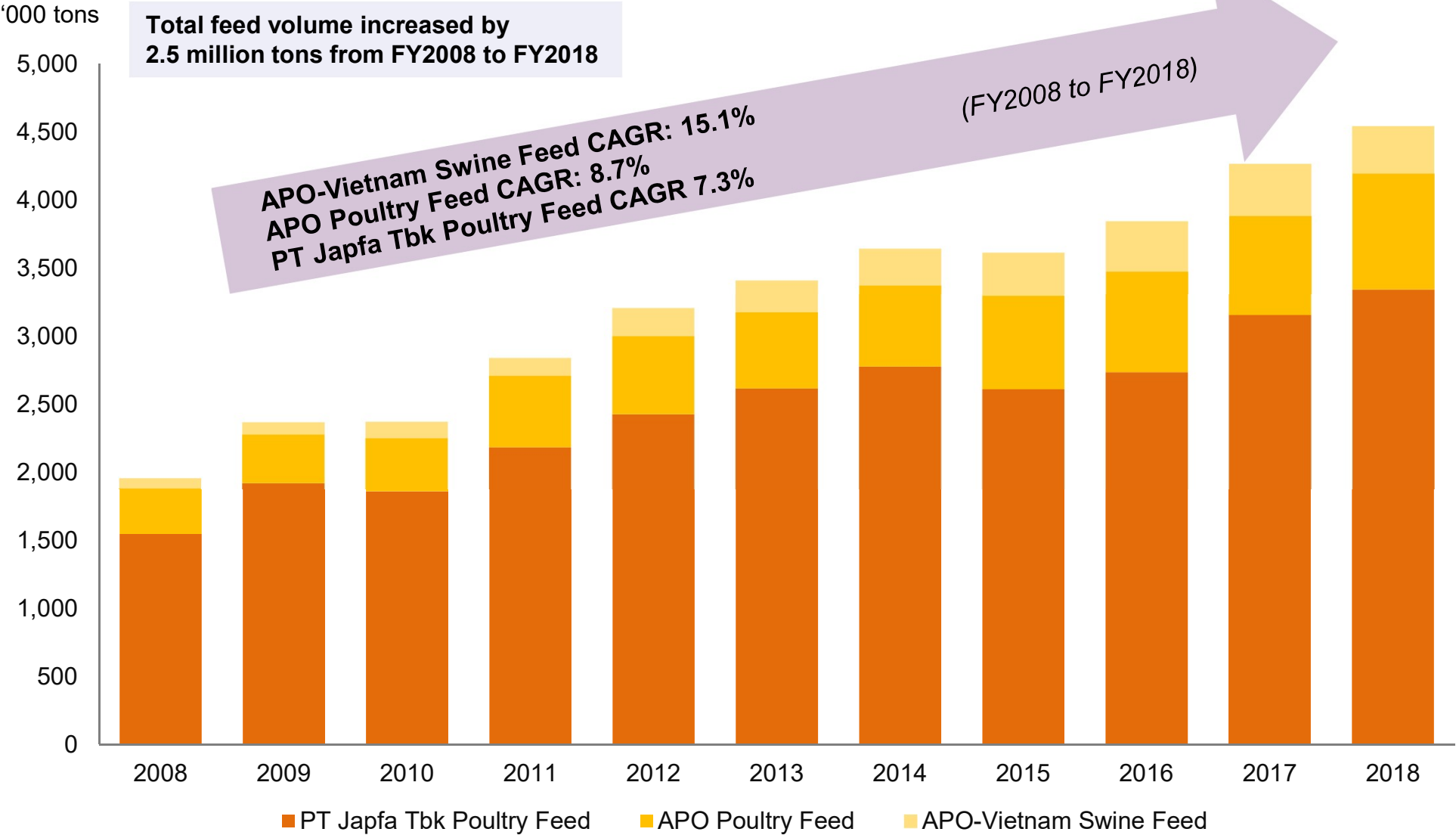
Note: Sales figures in foreign currencies translated to USD at each annual prevailing exchange rate

Japfa's Business Segments: Assets Growth

Total Assets: PT Japfa Tbk, Dairy and APO-Vietnam

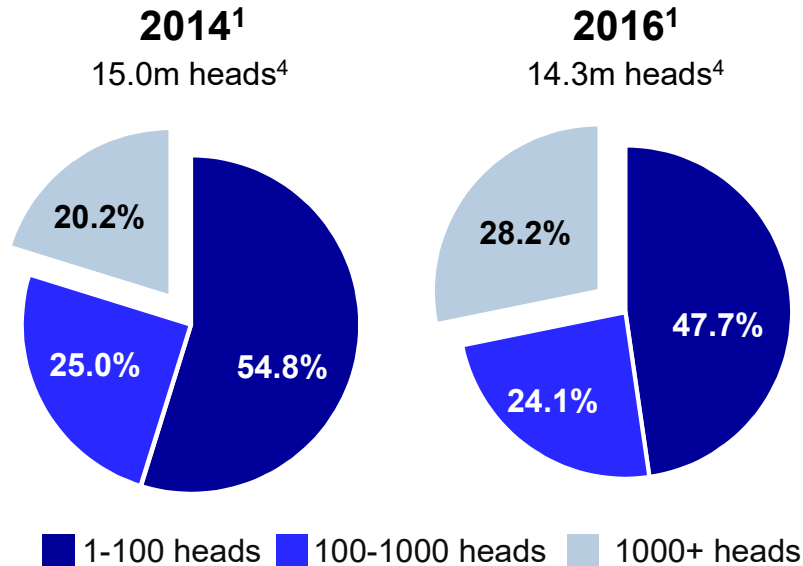


Japfa's Business Segments: Feed Volume Growth Rates



Market Share Shift to Industrialised Producers

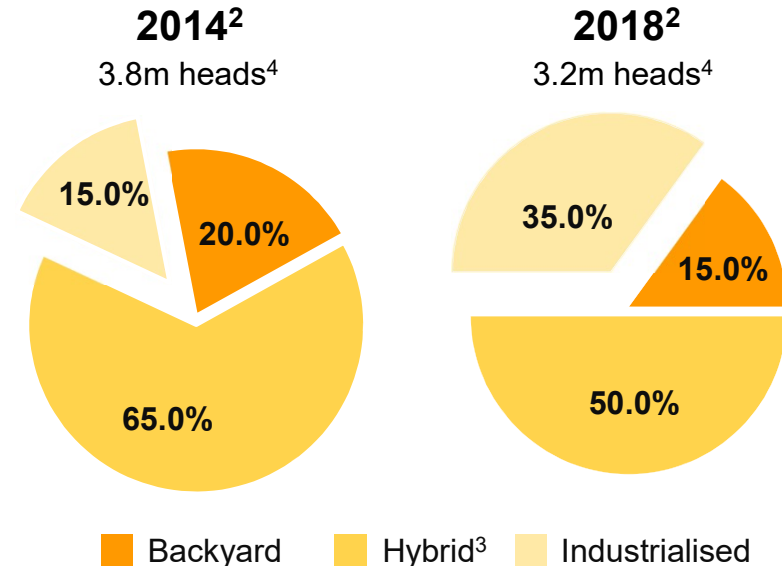
China Dairy Cattle Population



In China, industrialised dairy producers (1000+ heads) achieve better productivity (higher milk yields) and better milk quality (commanding higher selling prices).

As a result, the raw milk supply market share is shifting towards industrialised producers (1000+ heads).

Vietnam PS Sow Population



Similarly in Vietnam, industrialised swine producers achieve better productivity (breed more piglets) and better quality piglets, with a lower production cost.

The shift to industrialised producers was accelerated in 2017 due to the extraordinary reduction in demand after China closed its borders to the import of pigs from Vietnam.

It is estimated that the Parent Stock (PS) sow population shrank 16% from 2014 to 2018.

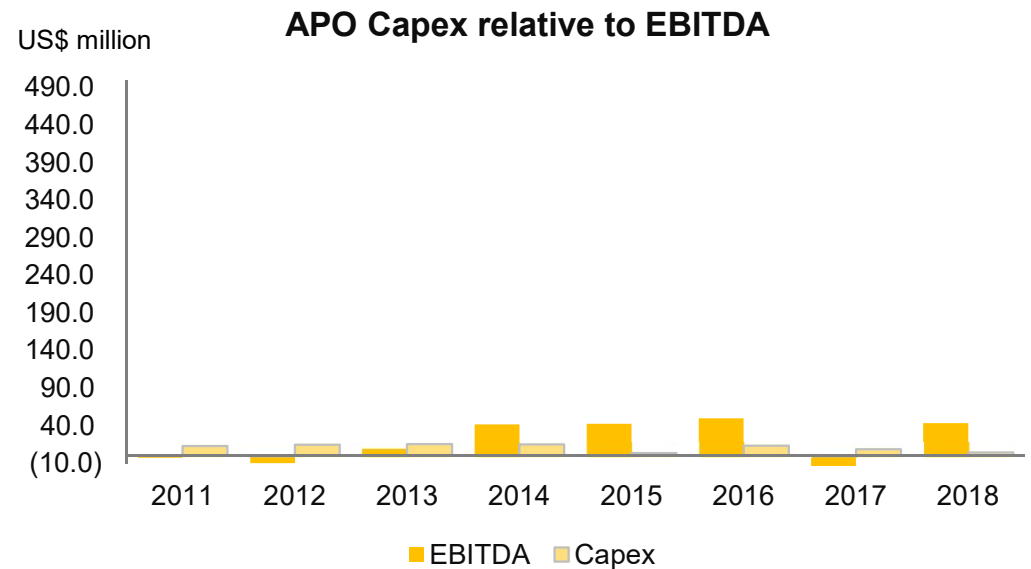
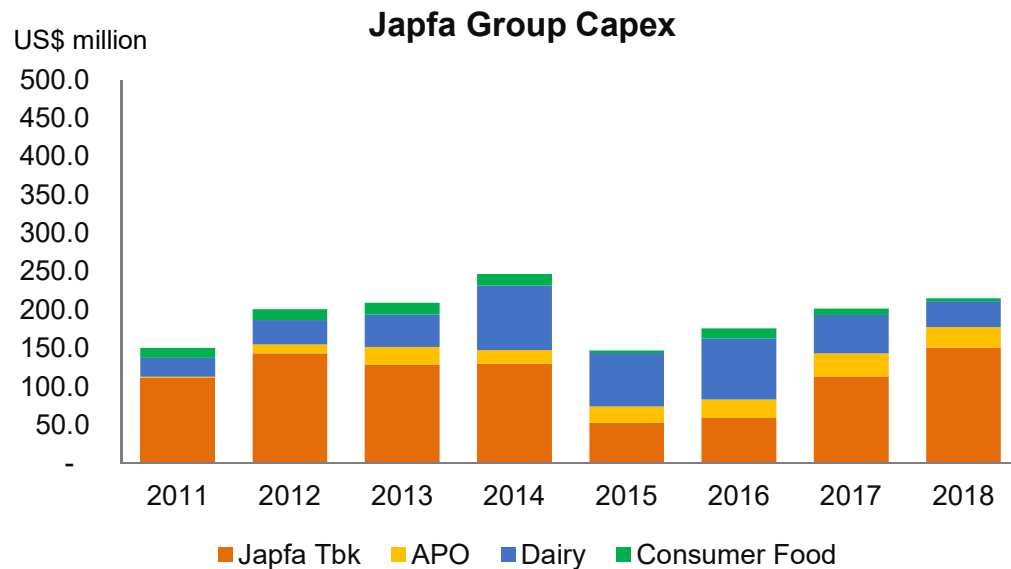
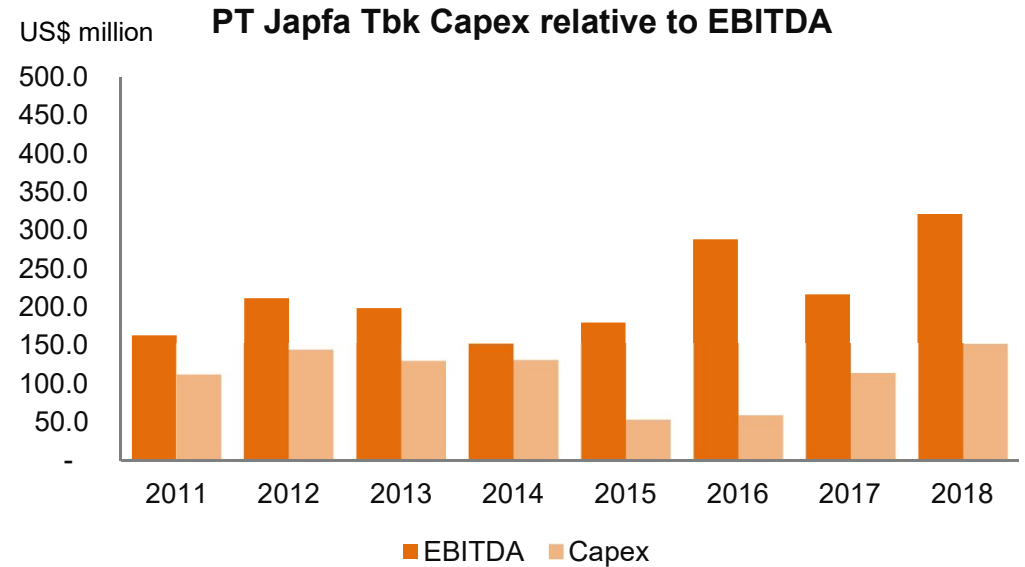
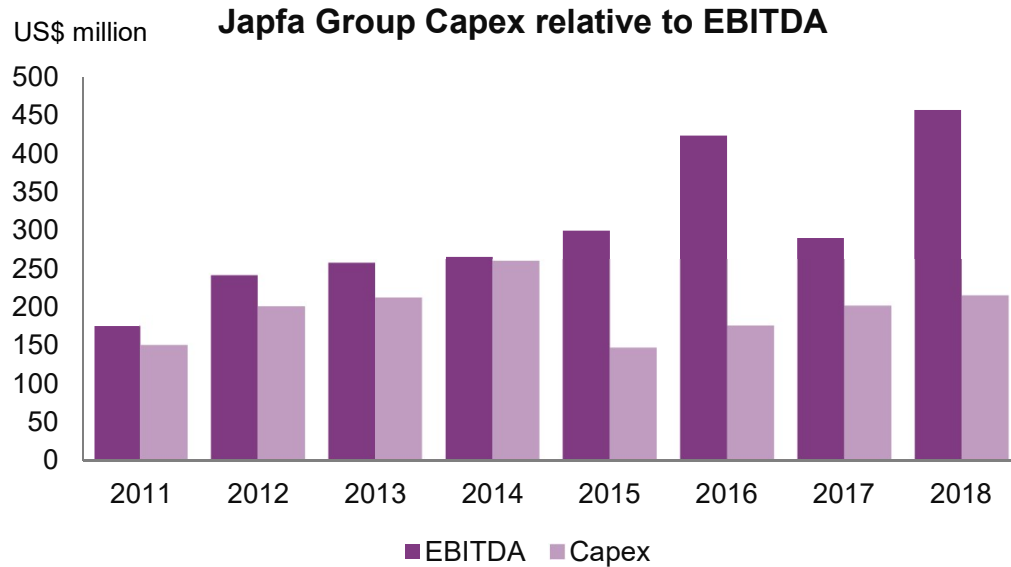
¹ Source: China Dairy Statistical Summary 2018, Rabobank

² Source: Market shares above based on the Company's own estimates

³ Industrialised breeders use strict breeding methodology and systems, in comparison to Hybrid breeders that allow uncontrolled crossbreeding

⁴ The number of heads represents total population in each respective country

Responsible Growth



Note: Capex refers to new capital investment in property, plant and equipment

OUR BUSINESS SEGMENTS

Feeding

Emerging
Asia 



PT Japfa Tbk



Animal Protein Other



Dairy



Consumer Food

Leading Market Positions in Multiple Protein Staples


Leading upstream regional market positions

Milk Yield ¹	China	37 kg/day	#1
Poultry Feed Production Capacity ²	Indonesia	24%	#2
DOC Production ²	Indonesia	29%	#2
DOC Production ³	Vietnam	20%	#3
Poultry Feed Production Capacity ³	Myanmar	31%	#2
DOC Production Capacity ³	Myanmar	21%	#2



Leading downstream consumers brands that are key drivers for future growth

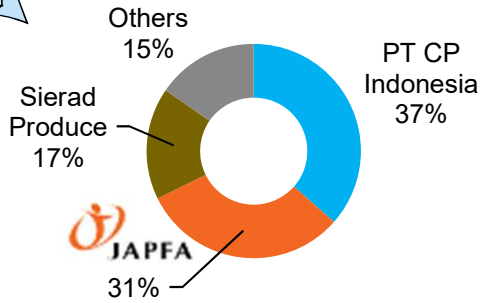
Dairy



Greenfields, #1 brand of Fresh Pasteurized Milk in Indonesia⁵

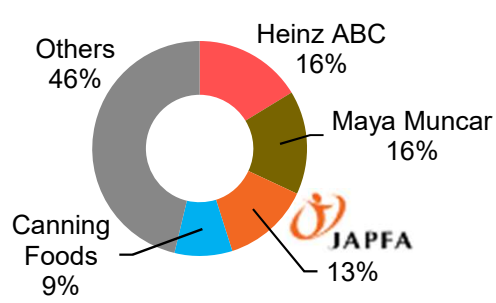
Frozen Consumer Food⁴

#2



Ambient Temperature Consumer Food⁴

#3





1. Sources: Rabobank, IFCN, annual reports 2016 by respective listed corporates
2. Source: Frost & Sullivan Analysis, 2015 data.
3. Source: Company estimates, 2016 data.
4. Source: Frost & Sullivan Analysis, 2013 data.
5. PT Austasia Foods calculation and claim based on value and volume sales data provided by Nielsen Scan Track Service for the Indonesian market's Pasteurized Milk category for the 12 months ending September 2016. (Copyright © 2016, Nielsen).

Agri-food Business Cyclicity

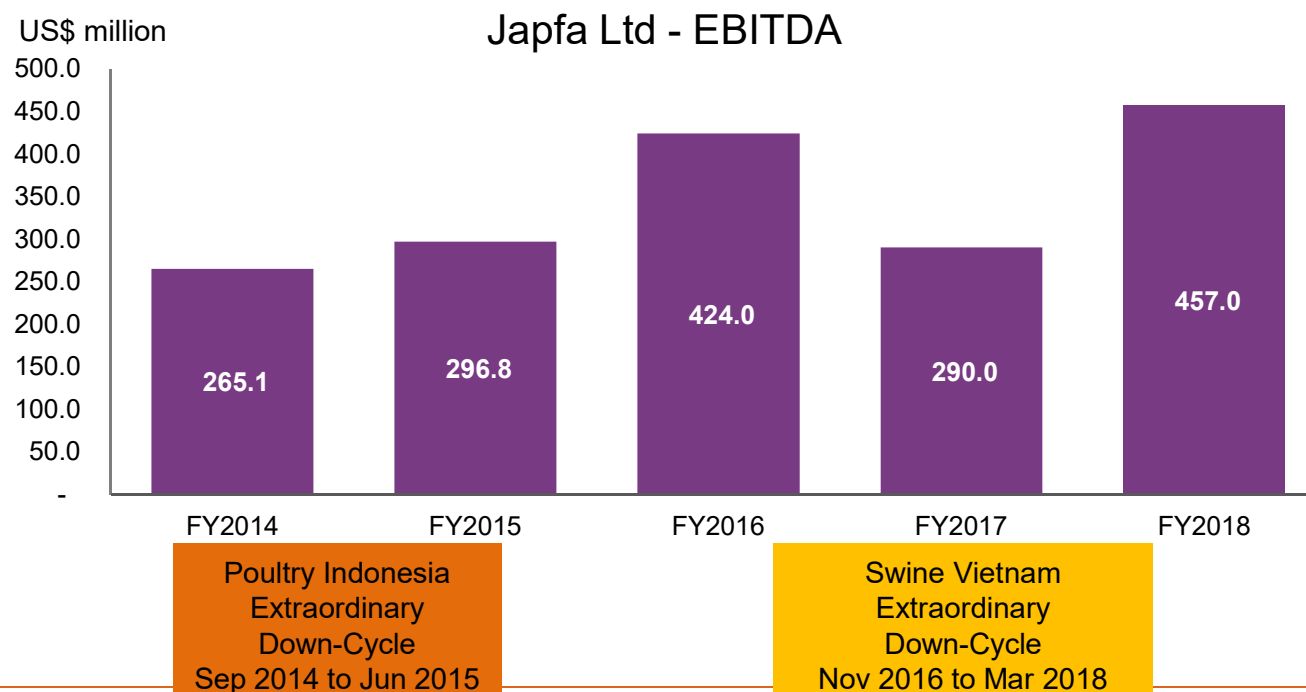
- The agri-food business is inevitably subject to cyclicity which impacts revenue and profitability. Cyclicity is dependent on a variety of external factors which are beyond the Group's control including the seasonality of harvests and festivals, as well as macroeconomic factors that affect purchasing 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 cyclicity 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 cyclicity

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

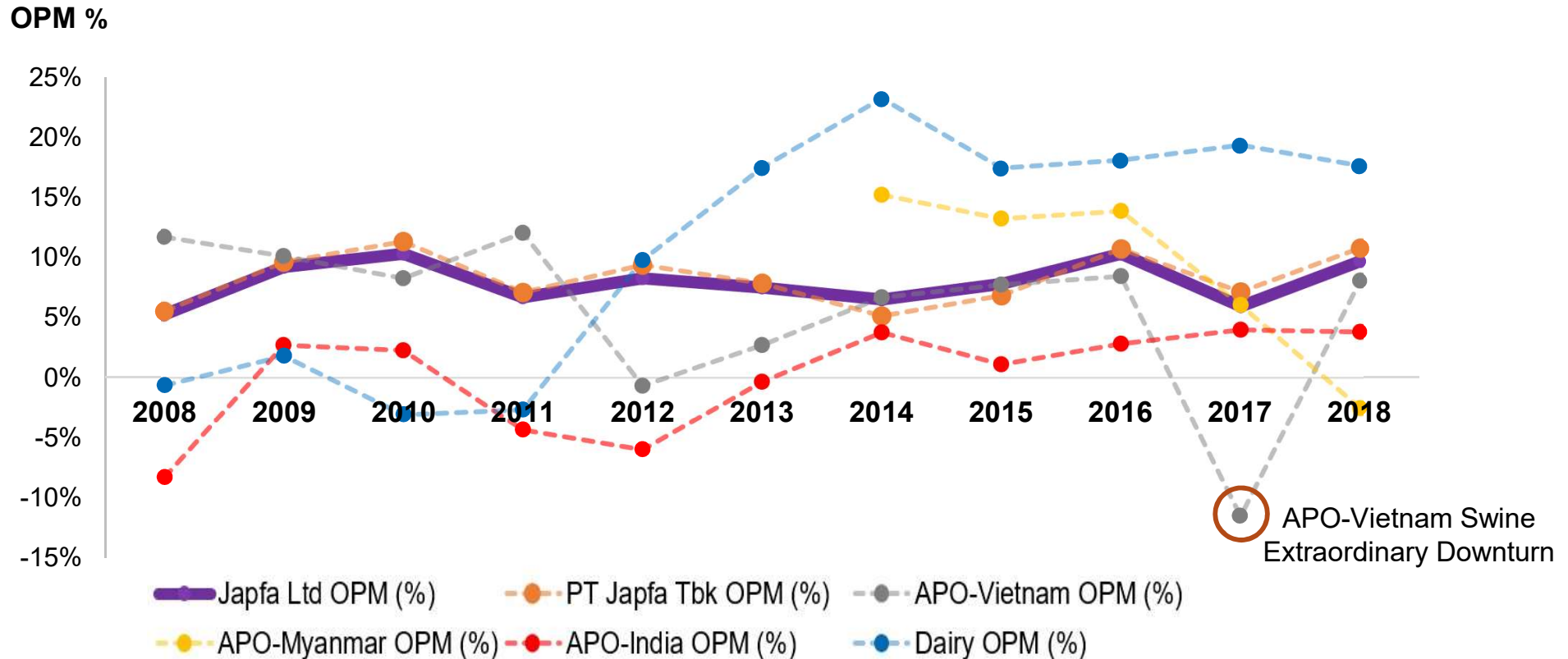
1. Poultry Indonesia
2. Swine Vietnam

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



Diversification Smoothens Agri-business Cyclicalty

Operating Profit Margin FY2008-FY2018



- Agri-food business is subject to cyclicalty which impacts revenue and profitability. Cyclicalty is dependent on a variety of external factors which are beyond the Group's control (seasonality of harvest and festivals, macroeconomic factors that affect purchasing power and government policies)
- Diversification evens out the impact of cyclicalty in any one market or protein group

Our Business Segments: PT Japfa Tbk

Poultry Breeding Farm



PT Japfa Tbk

Ownership: 52% Japfa Ltd

- Vertically integrated animal protein operations, covering the entire value chain of high quality animal protein production (poultry, beef and aquaculture)
- Partner world-leading genetics companies to breed high performance parent livestock in modern farm facilities using advanced management systems



Hatchery

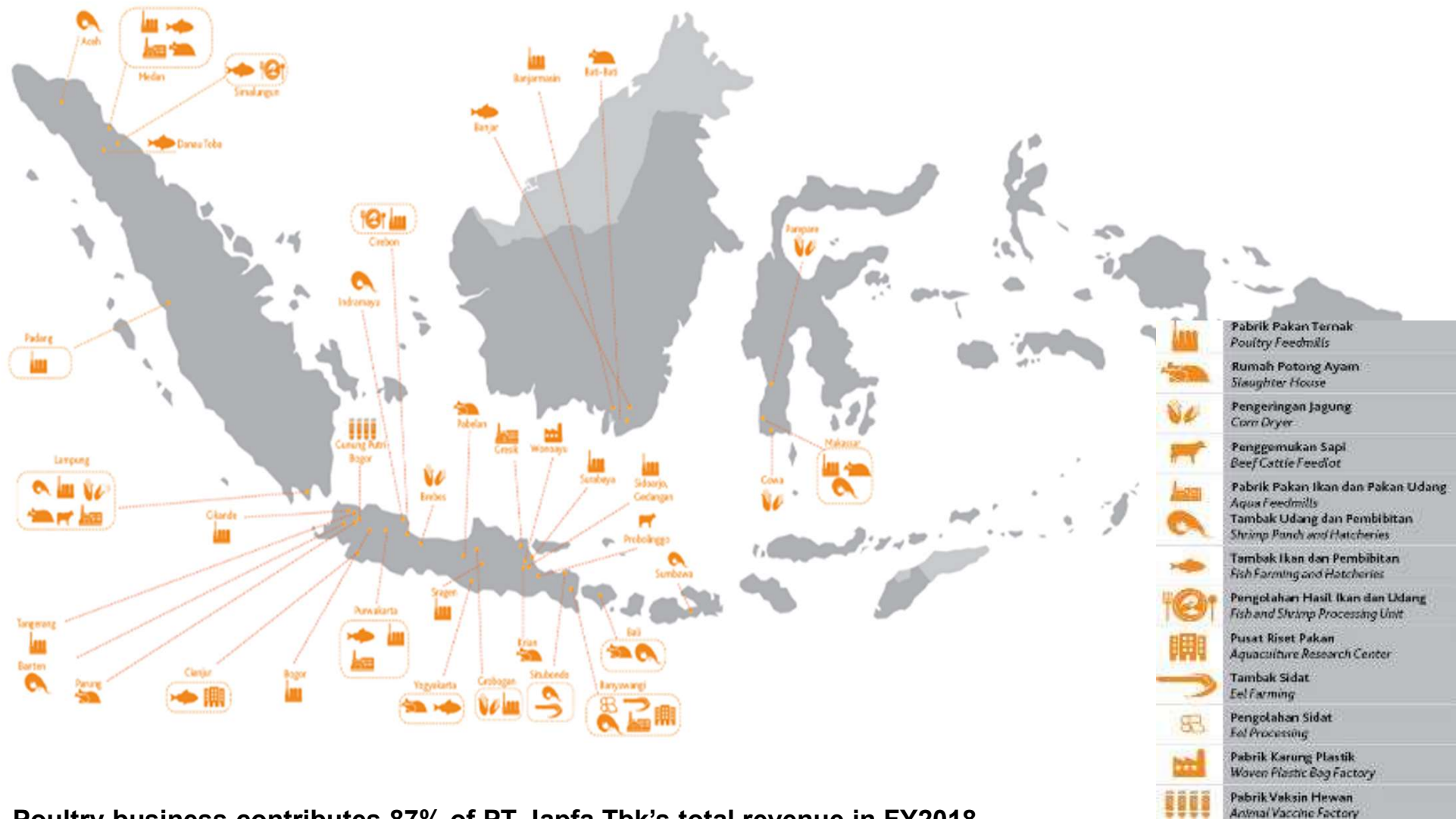


Day-old chicks



Hatchery

PT Japfa Tbk Nationwide Footprint



Poultry business contributes 87% of PT Japfa Tbk's total revenue in FY2018

PT Japfa Tbk: Feed as Stable Pillar of Profitability

Feed

- Economies of scale including geographical reach
- Ability to pass on raw material cost increases
- Consistent quality of feed formulation



Fattening

- Proven farm management and technical know-how
- Poultry commercial farming operations mostly through contract farming, and sold as live birds
- Broilers produced by own farms are mainly used in the Company's own slaughterhouses and further processing

Breeding

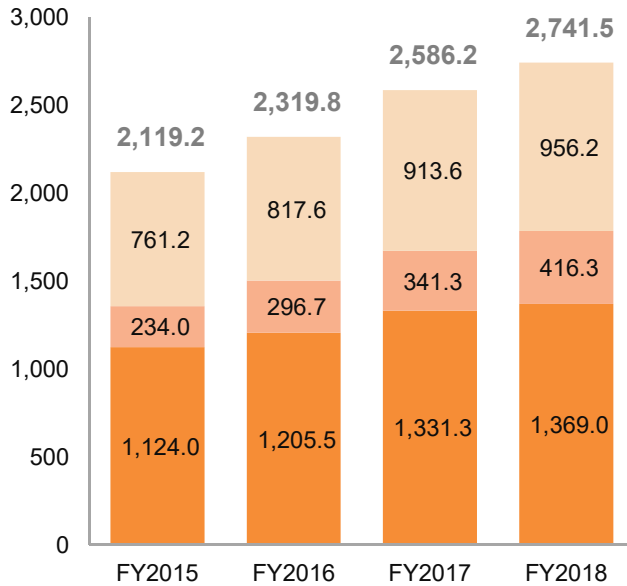
- Superior genetics
- Highly efficient breeding process
- Best in-class bio-security with in-house animal vaccine



We strive to be one of the most efficient animal protein producers in Indonesia

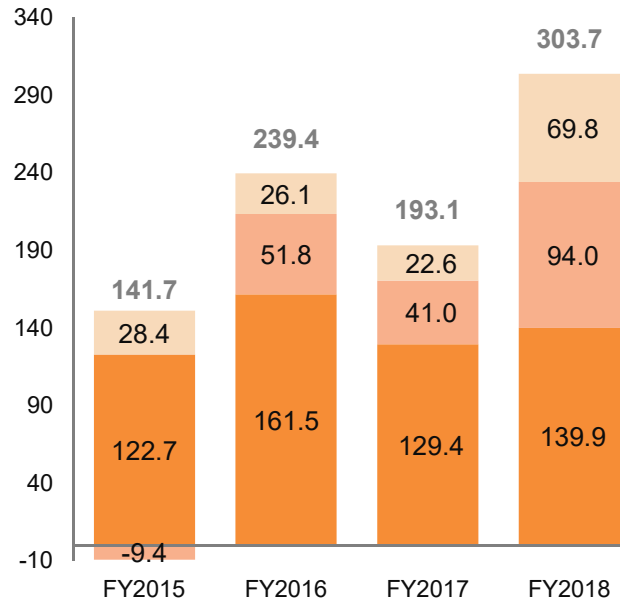
Segmental Trends: PT Japfa Tbk (Poultry)

Revenue US\$ million

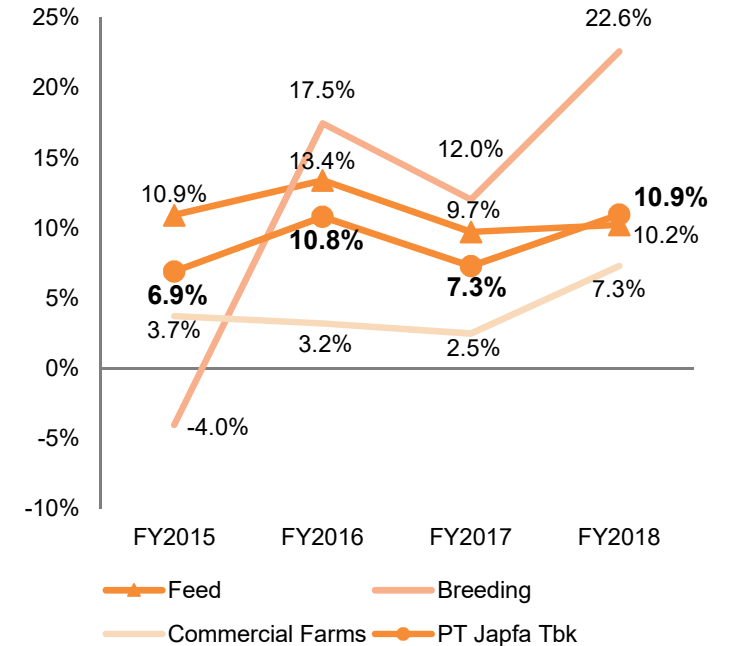


■ Feed ■ Breeding ■ Commercial Farms

Operating Profit US\$ million



Operating Profit Margin %

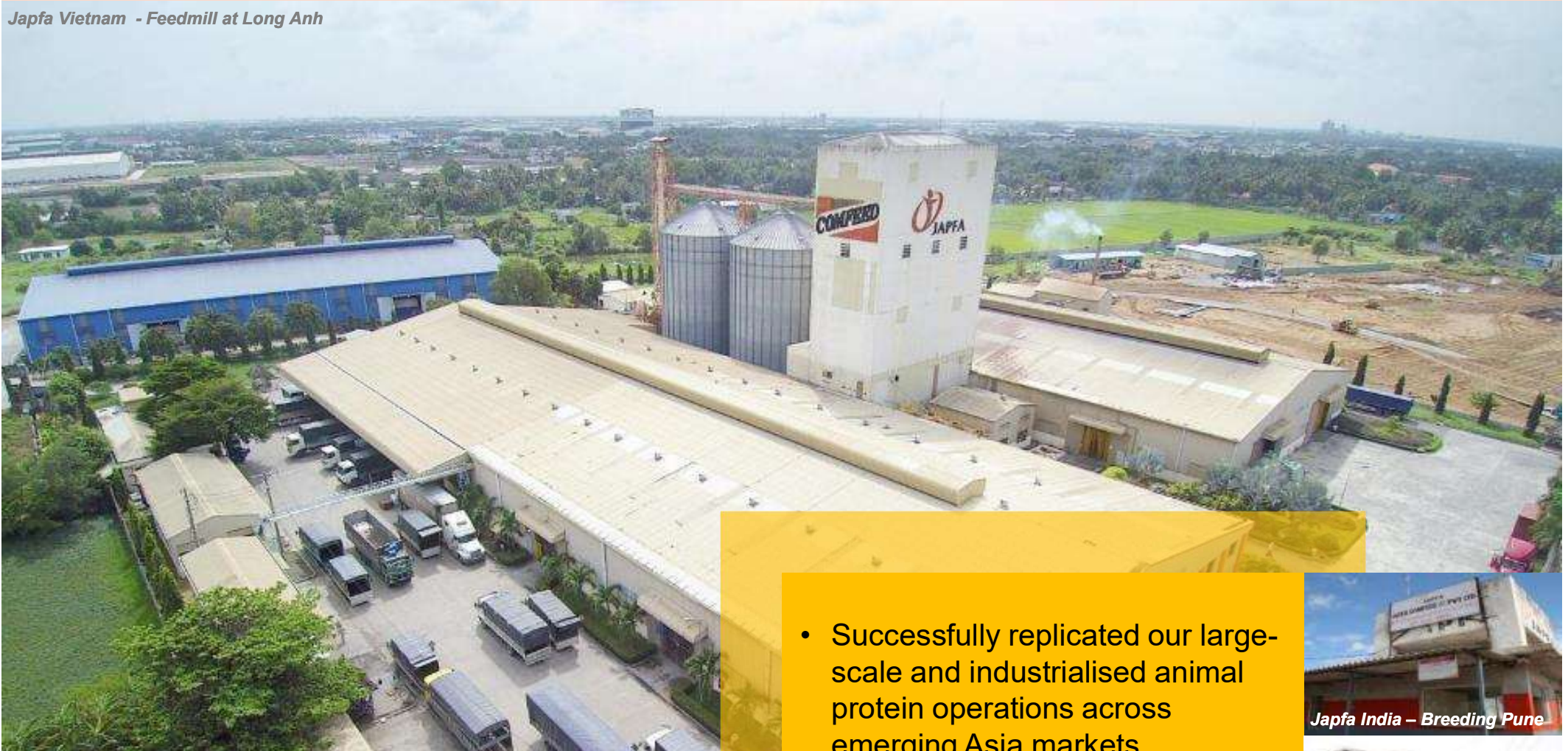


PT Japfa Tbk is one of the core pillars of the Group's business

- The poultry business (feed, breeding and commercial farms) represents the bulk of PT Japfa Tbk's revenue
- Revenue and profitability in FY2015 were affected by the poultry market downturn
- The high operating profit in FY2016 was mainly due to feed driven by the exceptionally high poultry feed operating margin of 13.4% arising from a lower COGS
- The high operating profit in FY2018 was mainly due to high ASPs for DOC and broiler driven by lack of DOC supply
- Our ability to generally pass on raw material costs increases in our feed selling prices is reflected in our stable feed operating margins, even during the periods of Rupiah volatility and the poultry market downturn
- Feed business continues to be the stable pillar of our profitability

Our Business Segments: Animal Protein Other

Japfa Vietnam - Feedmill at Long An



Animal Protein Other

Ownership: 100% Japfa Ltd

- Successfully replicated our large-scale and industrialised animal protein operations across emerging Asia markets
- Poultry operations in Vietnam, Myanmar and India
- Swine operations in Vietnam
- Beef cattle operations in China



Animal Protein Other

Replicating across New Markets and New Proteins

Poultry

Feed contributes to more than 50% of revenues in all three countries

VIETNAM

- 5 poultry/swine feedmills
- 13 poultry breeding farms
- 3 hatcheries
- Over 300 company-managed and contract commercial farms



MYANMAR

- 2 poultry feedmills
- 3 poultry breeding farms
- 2 hatcheries
- 11 company-managed commercial farms



INDIA

- 7 poultry feedmills
- 1 poultry breeding farm
- 2 hatcheries
- Over 400 contract commercial farms



Swine

Diversified into swine breeding and fattening operations in Vietnam

VIETNAM

- 5 poultry/swine feedmills
- 1 Great Grand Parent (“GGP”) breeding swine farm
- 6 Grand Parent (“GP”) breeding swine farms
- 22 Parent Stock (“PS”) breeding swine farms
- Over 280 company-managed and contract fattening farms



Beef

Replicating our Indonesian beef feedlotting experience in China

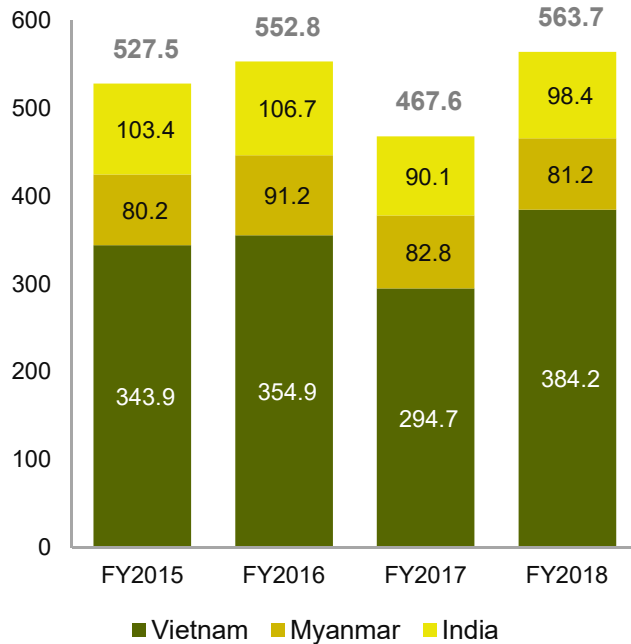
CHINA

- 1 cattle fattening farm

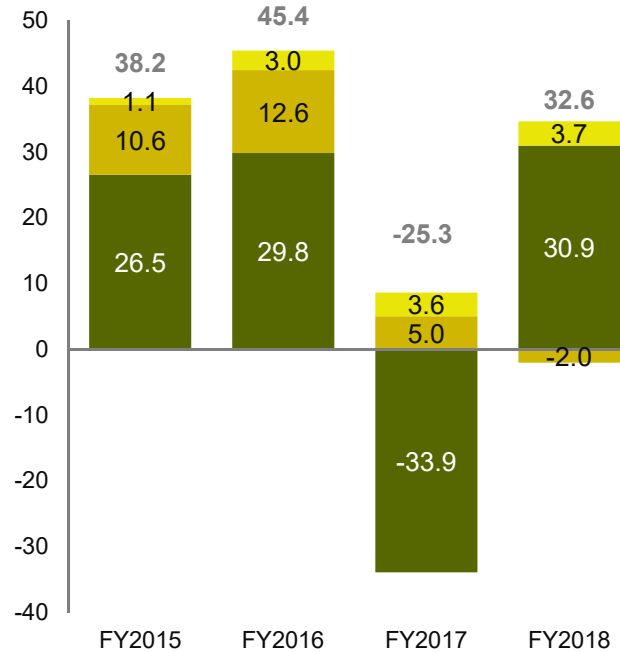


Segmental Trends: Animal Protein Other

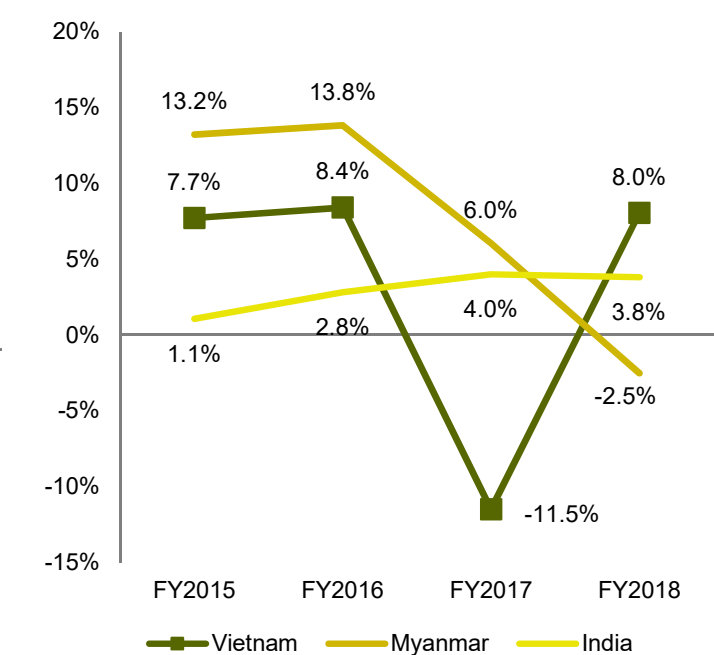
Revenue
US\$ million



Operating Profit
US\$ million



Operating Profit Margin
%



APO turnaround to an operating profit in FY2018 after the recovery of swine prices in Vietnam

- FY2017 was an extraordinary year for APO-Vietnam when China imposed an import restriction in 4Q2016 which significantly reduced demand in the overall Vietnam market. As a result, APO-Vietnam recorded a significant loss
- APO-Vietnam turnaround to an operating profit in FY2018 after the recovery of Vietnam swine prices in 2Q2018 reflects the re-balancing of demand-supply in Vietnam's domestic swine market
- Myanmar recorded an operating loss in FY2018 due to higher local corn prices as well as inability to pass on the higher productions costs in an increasingly competitive poultry environment
- In the longer term, India is seen as another key growth market and our current focus in growing the feed business

Our Business Segments: Dairy

Rotary Milking Parlour



Dairy (AustAsia)

Ownership: 100% Japfa Ltd

- Pioneered the first “grass-to-glass” vertically integrated modern dairy in Indonesia in 1998
- 8 world-class dairy farms and one processing plant that are designed, equipped and managed to meet and exceed international standards in productivity and bio-security



Breeding Hutches



Feeding Farms



Hay Barns

Overview of AustAsia

China



525.5

Raw Milk Sales Volume (mil kg)¹

77,856

Total Cattle Population (heads)²

44,793

Milkable cows
(heads)²

38.9

Average Daily Milking
(kg/head/day)¹

Southeast Asia



43.8

SE Asia Branded Milk Sales Volume (mil litres)¹

13,984

Total Cattle Population (heads)²

6,540

Milkable cows
(heads)²

31.2

Average Daily Milking
(kg/head/day)¹

¹ For the year ended 31 December 2018 ("FY2018")

² As at 31 December 2018

AustAsia's Achievements

Indonesia – Downstream

- Launched **Greenfields** brand of milk in 2000
- Successful brand-building

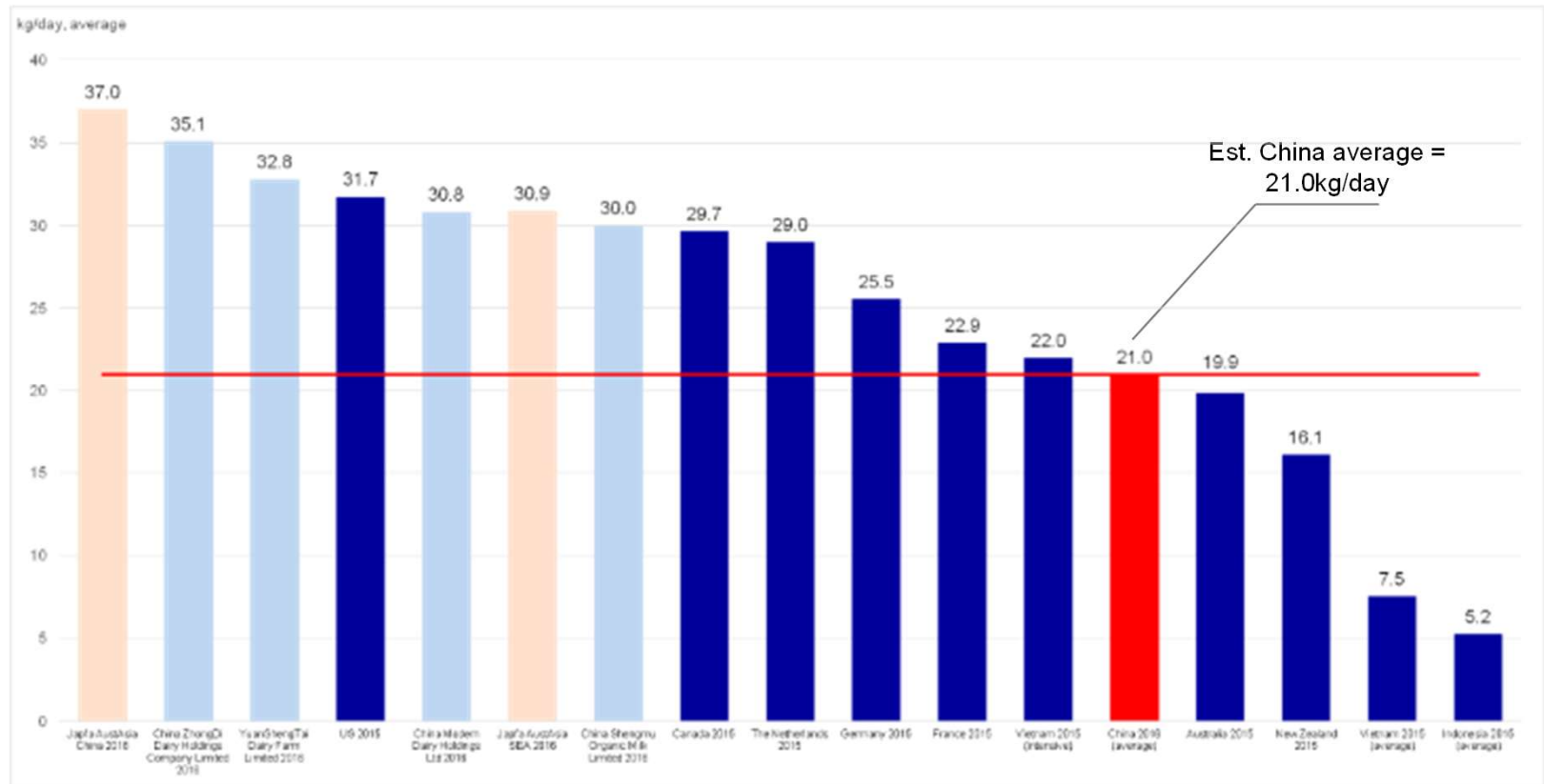


Greenfields, #1 brand of Fresh Pasteurized Milk in Indonesia¹

China – Enjoys Highest Milk Yield

$$\text{Milk yield} \times \text{Milk price} = \text{Profitability}$$

Japfa's yield continues to surpass listed China competitors²



1 PT Austasia Food calculation and claim based on value and volume sales data provided by Nielsen Scan Track Service for Pasteurized Milk category for the 12 months ending September 2016 for Indonesia market. (Copyright © 2016, Nielsen)

2 Sources: Rabobank, IFCN, annual reports 2016 by respective listed corporates

Key Milestones

1997

Indonesia – Farm

- Commenced operations at dairy farm in Malang, East Java, Indonesia



2009

China – 5 Farm Hub in Shandong

- 10,000-heads in each dairy farm
- Produces superior quality raw milk with a per kg price premium to the industry average
- Best-in-class dairy farm management with higher average yield to the industry

2000

Indonesia – Downstream

- Launched our **Greenfields** brand of milk



Since 2015

Expansion in China and SE Asia

- Expansion into Inner Mongolia, China with 2 additional farms each 10,000-heads
- Construction of milk processing plant in joint venture with Food Union completed in June 2018
- Dairy processing facility in East Java completed in May 2017
- Construction of the second dairy farm in Indonesia is well underway

2004

China – Joint Venture

- Approached by Mengniu to establish and manage a joint venture 10,000-head dairy farm in Inner Mongolia
- Subsequently sold to joint venture partner

Key Success Factors for our High Milk Yields

Forage

- Understanding and developing localised forage supply in an Asian context
- Scientific development of feed formulation for optimal nutrition for cow health and milk output
- Results in highest quality milk output



Farm design

- Proven Asian 10,000-head dairy farm blue-print
- Infrastructure and standardised systems, which are designed to maximise cattle welfare, operational efficiency and milk quality
- Farms located in targeted areas within optimal environmental parameters



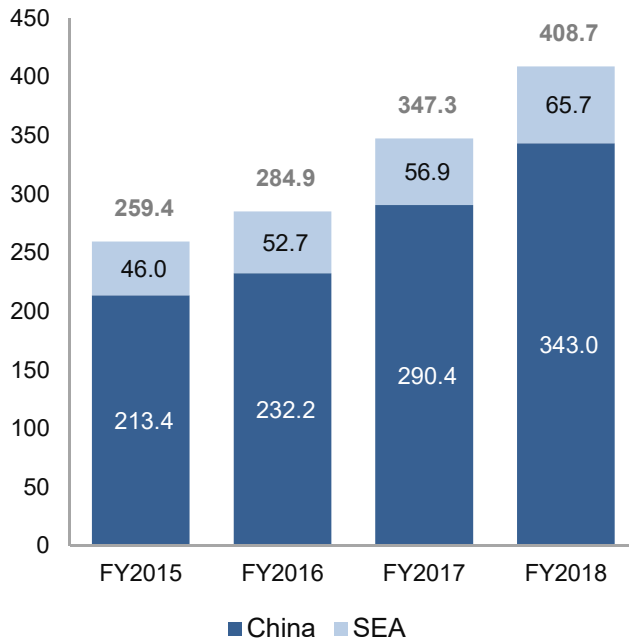
Farm management

- Retention of experienced management over last 20 years
- Continuous recruitment and training of employees to industry best-practices
- Key focus on genetic improvements
- Bio-security
- Best practices in farm management

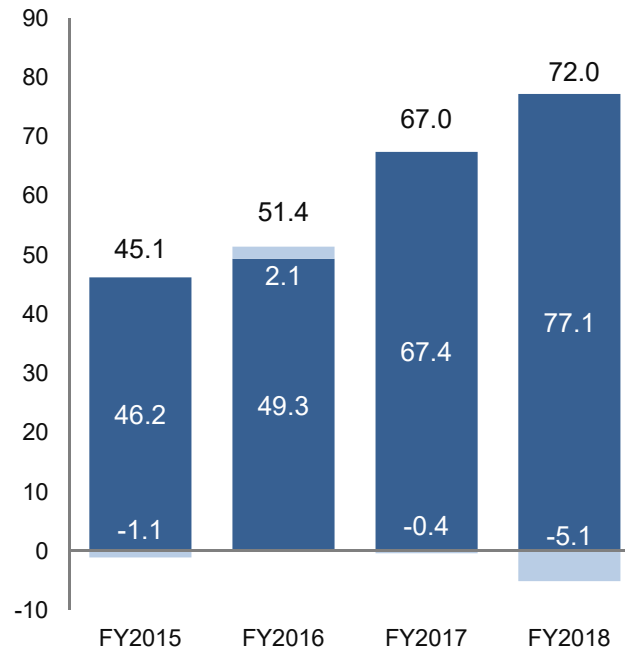


Segmental Trends: Dairy

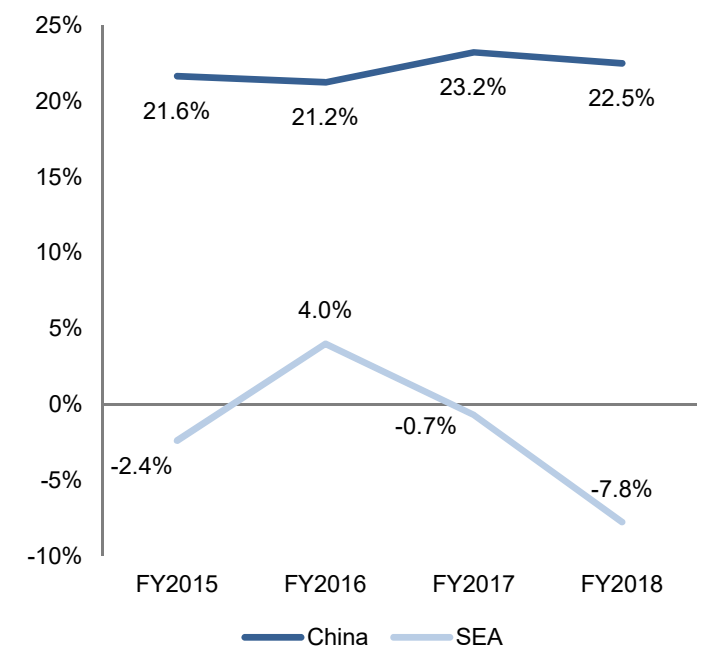
Revenue
US\$ million



Operating Profit
US\$ million



Operating Profit Margin
%



Dairy business generated consistent profitability and is poised to be a strong pillar for the Group

- Raw milk sales in China drove the growth in revenue and consolidated profit of our dairy business
- The prevailing low raw milk price environment in China presents upside potential
- Our South East Asia business has moved beyond dairy farming to downstream processing and the building of our Greenfields brand
- In South East Asia, we invest in advertising and promotion to expand our new dairy products range as part of our long term brand-building strategy

Acquisition of Remaining Interest in AustAsia

A 100% ownership in our Dairy business anchors our position in the exciting milk industry

- **Historical profitability of AustAsia**
 - On 30 April 2018, Japfa Ltd acquired the remaining interest of the Dairy segment
 - 100% ownership will enable the Group to enjoy full contribution from its strong dairy business
 - AustAsia has recorded consistent profitability, despite prevailing low raw milk price environment
- **Market leadership in milk yields in China and Indonesia**
 - In China, AustAsia commands leadership position in milk yields
 - With its upstream business substantially in place, the Group is now focusing on strengthening its downstream capabilities
- **Prevailing raw milk price environment**
 - The current low raw milk prices present upside potential
- **Intrinsic “Greenfields” brand equity of downstream products in Indonesia**
 - In Indonesia, the Group enjoys strong brand equity where Greenfields is the top fresh milk brand
- **Enhance overall profile**
 - Gaining full control over the business will enable the Group to align AustAsia’s objectives with its long-term strategic goal of becoming a fully integrated milk and food player in emerging markets
- **Tap full potential of the fast growing milk industry in emerging Asia**
 - The Group will continue to invest resources to further solidify its position in the dairy industry



Dairy Business in SE Asia



- Continue to improve the cost of production of milk through farm operation improvement
- Greenfields now holds a clear dominant position in strategically important Fresh Milk category in Indonesia, which opens up opportunity for the company to diversify its products range
- Dairy Processing facility in East Java opened in May 2017; our strategy is to enter new dairy product categories such as yogurt in addition to Liquid Milk
- New plant has an infrastructure to cater up to 3 farms output and is expected to run more cost efficiently, thus lowering conversion cost
- Strategy of branded consumer goods business for next 5 years is to focus on Liquid Milk, Yogurt and Fresh Cheeses and capitalise on Greenfields Premium Brand positioning
- Greenfields was voted as Singapore's favorite brand within the milk category in the 2018 Superbrands awards

Dairy Indonesia: New Products

In Indonesia, we successfully launched our stirred yogurt range in November 2017 and a new dairy category “drinking yogurt” and the widening Greenfields UHT milk range in 2018.



Our Business Segments: Consumer Food



Consumer Food

Ownership: 100% Japfa Ltd

Leading “So Good” and “So Nice” Brands in Indonesia

- Stronger position in frozen ready to cook and shelf-stable product categories by gaining market share
- Continuous innovation with new product launches
- Increase customer coverage through direct and indirect distribution



Scaled Consumer Food Production and Distribution Platform in Indonesia



5 poultry slaughterhouses



4 meat processing plants



1 UHT milk processing plant



Distribution network of **7** regional sales branches, **44** sales office

Regional Sales Branches PT So Good Food



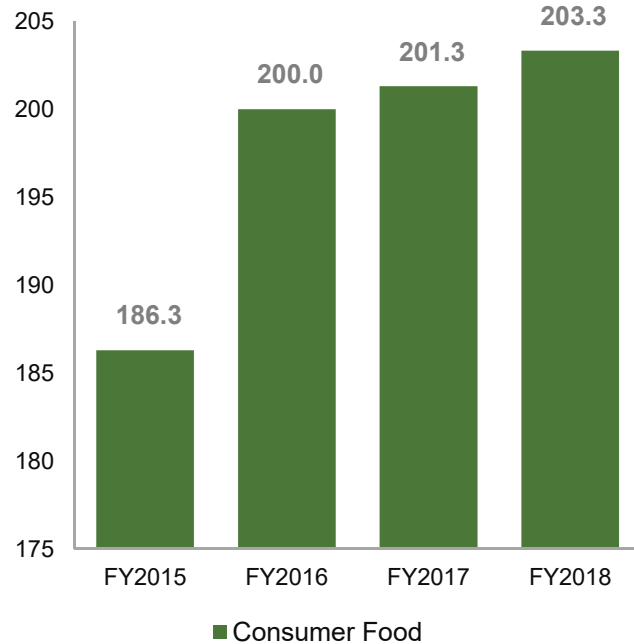
Highlights

- PT So Good Food produced more than 50,000 tones of processed poultry and meat products under So Good and So Nice brands and 47 million liters of UHT milk under Real Good brand in 2018
- Increased from 80,830 outlets in 2017 to 104,143 outlets in 2018 served by our direct and indirect distribution network
- PT Cahaya Gunung Foods, a joint venture company between PT So Good Food and Cargill, has started supplying to McDonald's Indonesia with chicken products (e.g. Chicken McNuggets, McChicken, McSpicy etc.) and launched So Good Spicy Chicken Strip in Q3 2018, an innovative product to address the consumer trend of spicy taste experience

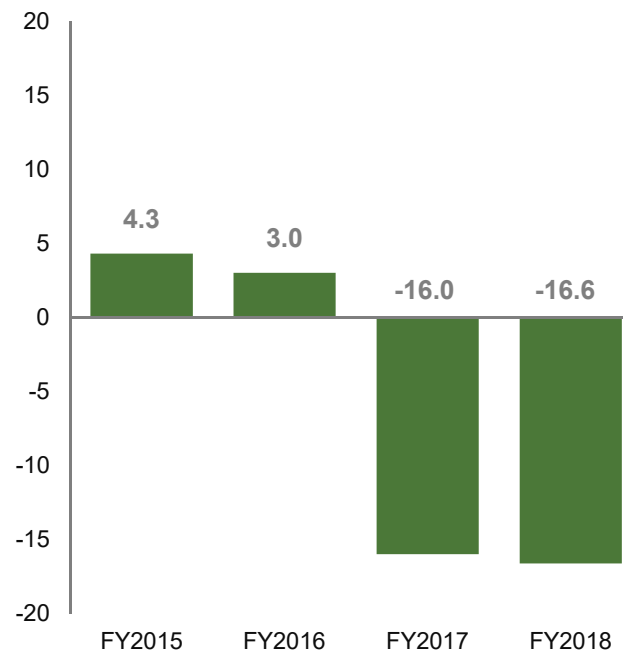


Segmental Trends: Consumer Food

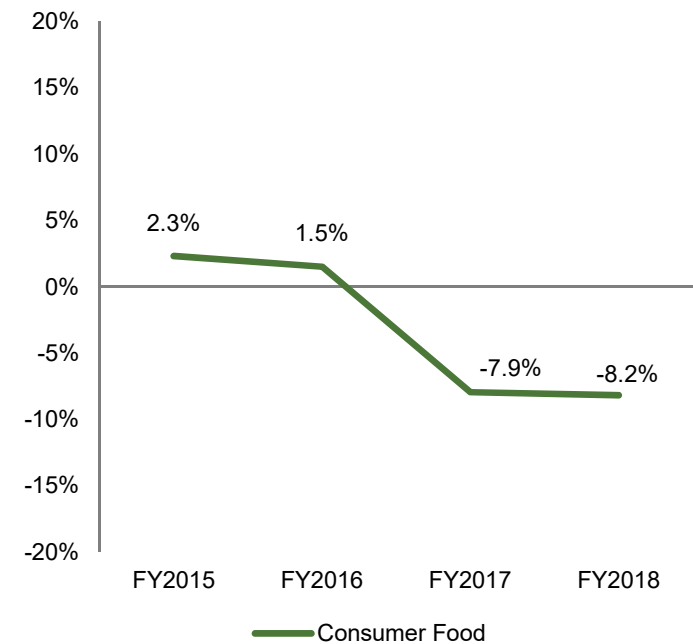
Revenue
US\$ million



Operating Profit
US\$ million



Operating Profit Margin
%



Tap the changing consumer dynamics for downstream consumer food products by investing strategically to build brands in Indonesia

- So Good Food is gaining market share¹ in frozen ready to cook and shelf-stable sausage categories, even though the FMCG market growth is slowing down in past 2 years² (FMCG value growth : +3% in 2017 and +1% in 2018)
- The decline in profitability in 2017/2018 was primarily due to higher cost of major raw materials and heightened competition in Indonesia's ambient food sector
- We continue to invest in A&P to promote and strengthen our brands in Indonesia market
- Moving forward, the changing consumption preference in emerging economies will see a shift from wet markets to chilled and frozen distribution channels and growing consumption trend of healthy and convenience food products. This augurs well for the Group's Consumer Food segment in the long term

¹ Kantar World Panel Indonesia (based on value of branded in-home purchases)

² The Nielsen Company Indonesia (based on 58 FMCG categories in Indonesian market)

LOOKING AHEAD

Feeding

Emerging
Asia 



PT Japfa Tbk



Animal Protein Other



Dairy



Consumer Food

Growth Strategies

In all the markets that we operate in, we strive to be one of the lowest cost industrialised producers as this places us in a stronger position to benefit from industry consolidation opportunities

Focus on Industrialisation and Diversification

Leverage our track record in replicating our industrialized and scalable business, to build our three key business pillars – poultry in Indonesia, poultry and swine in Indochina, and dairy in China

Mitigating Market Challenges

Continue to enhance efficiency and profitability of our operations to counter price fluctuations

Improve milk yields and productivity to mitigate lower average selling prices of raw milk in China

Maximising Returns from Our Assets

Long term fundamentals for the Group remain favorable

Large-scale business enables us to tap on growth opportunities

Strategic investments in selected markets to capture rise in consumer demand

Investment Highlights



- 1 Attractive industry dynamics driven by strong structural growth in protein consumption
- 2 Leading integrated platform with growing geographical footprint
- 3 Core feed business offers stable profitability
- 4 Clear growth strategy across multiple proteins and markets
- 5 Experienced and tenured management team

APPENDIX

Feeding

Emerging Asia



PT Japfa Tbk



Animal Protein Other




Dairy



Consumer Food


Segment Information – FY2018

	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
<i>% to sales</i>	<i>10.7%</i>	<i>5.7%</i>	<i>9.7%</i>	<i>17.6%</i>	<i>-8.2%</i>	<i>5.8%</i>	<i>9.7%</i>
EBITDA	321.1	43.5	364.6	102.9	(7.9)	(2.7)	457.0
	<i>13.5%</i>	<i>7.5%</i>	<i>12.3%</i>	<i>25.2%</i>	<i>-3.9%</i>	<i>6.0%</i>	<i>12.9%</i>
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
<i>% ownership</i>	<i>52.4%</i>	<i>100.0%</i>		<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	
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

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 of property, plant and equipment, depreciation of investment properties and amortisation of intangible assets, and also excluding changes in fair value of biological assets and derivative relates to foreign exchange hedging and foreign exchange adjustments 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.

Segment Information – FY2017

	YTD DEC Y2017						
	ANIMAL PROTEIN			DAIRY	CONSUMER	OTHERS	TOTAL
	TBK	AP Other	Total		FOOD		
External Revenue	2,167.1	475.4	2,642.5	345.2	200.6	1.6	3,189.9
Inter Segment Sales	38.8	0.0	38.8	2.0	0.7	(41.6)	(0.0)
TOTAL REVENUE	2,205.9	475.4	2,681.3	347.3	201.3	(40.0)	3,189.9
OPERATING PROFIT	157.1	(26.9)	130.2	67.0	(16.0)	7.5	188.6
<i>% to sales</i>	<i>7.1%</i>	<i>-5.7%</i>	<i>4.9%</i>	<i>19.3%</i>	<i>-7.9%</i>	<i>-18.7%</i>	<i>5.9%</i>
EBITDA	216.5	(18.7)	197.8	93.9	(8.2)	6.5	290.0
	<i>9.8%</i>	<i>-3.9%</i>	<i>7.4%</i>	<i>27.0%</i>	<i>-4.1%</i>	<i>-16.4%</i>	<i>9.1%</i>
Depreciation & Amortization	(56.7)	(9.2)	(65.9)	(24.3)	(7.2)	(0.3)	(97.7)
Net Interest Expense	(35.2)	(5.2)	(40.4)	(15.6)	(5.7)	(1.4)	(63.2)
PBT before Forex & Bio-Asset & Derivative related to F	124.6	(33.1)	91.4	54.0	(21.2)	4.9	129.2
Forex Gain(loss)	(3.7)	0.8	(3.0)	7.5	0.4	0.2	5.1
Fair Value Gain(Loss) Derivative for forex hedging	4.7	0.0	4.7	(9.4)	0.0	0.0	(4.7)
Fair Value Gain(Loss) Bio A	(0.4)	(4.8)	(5.2)	(16.9)	0.0	0.0	(22.1)
PBT	125.1	(37.1)	88.0	35.2	(20.8)	5.1	107.5
Tax	(47.1)	(0.3)	(47.5)	(1.5)	0.8	(3.1)	(51.3)
PAT	78.0	(37.5)	40.5	33.7	(19.9)	2.0	56.2
PAT w/o Bio A	78.3	(33.6)	44.7	50.7	(19.9)	2.0	77.4
<i>% ownership</i>	<i>51.0%</i>	<i>100.0%</i>		<i>61.9%</i>	<i>100.0%</i>	<i>100.0%</i>	
PATMI	35.6	(37.5)	(1.9)	21.2	(19.9)	2.0	1.3
Core PATMI	33.3	(33.7)	(0.3)	36.8	(19.9)	3.3	19.9
Core PATMI w/o Forex	35.2	(34.4)	0.8	32.1	(20.3)	3.1	15.7

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.
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- Dairy ownership of 61.9% refers to AIH. Ownership of AIH2 is 64.5%.

THANK YOU

Feeding

Emerging
Asia 



PT Japfa Tbk



Animal Protein Other



Dairy



Consumer Food