



INVESTOR PRESENTATION
9M 2015

PT Japfa Comfeed Indonesia Tbk

Company Overview

Key Investment Highlights

Financial Highlights

Appendix



Company Overview

Introduction to Japfa Tbk



Established vertically integrated agriculture business with dominant focus in Indonesia

- One of the largest poultry players in Indonesia with FY14 net sales of around US\$ 1.7billion⁽¹⁾ and EBITDA of US\$ 118million⁽¹⁾
- Strategically involved in aquaculture and beef offering diversification of revenues
- Listed on IDX for over 20 years with market cap of around US\$ 216million⁽²⁾
- Mostly focused in Indonesia, an attractive high growth animal protein market

Leading market share and strong growth

- Japfa has maintained high 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
- Strong historical net sales growth of 14% CAGR from 2007-2014
- As of May 2014, Japfa had market share of 22% for animal feed and 25% for DOC and top 2 market position across key business segments

Focused on producing affordable animal protein in Indonesia

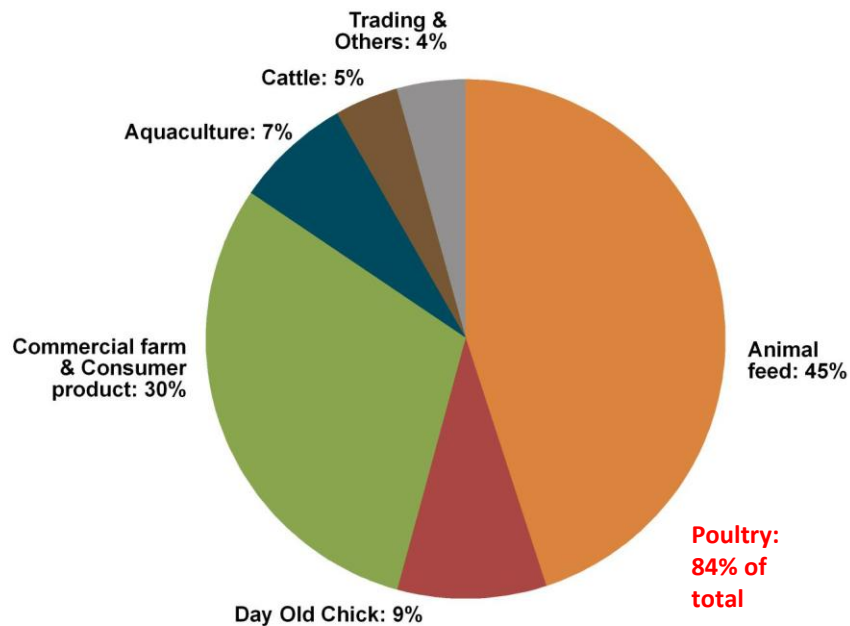
Note: (1) Exchange rate as of 30 September 2015 : IDR. 14,657US\$
(2) Based on 30 September 2015, share price Rp297/share and exchange rate: IDR. 14,657/US\$

Core Competencies Across The Value Chain



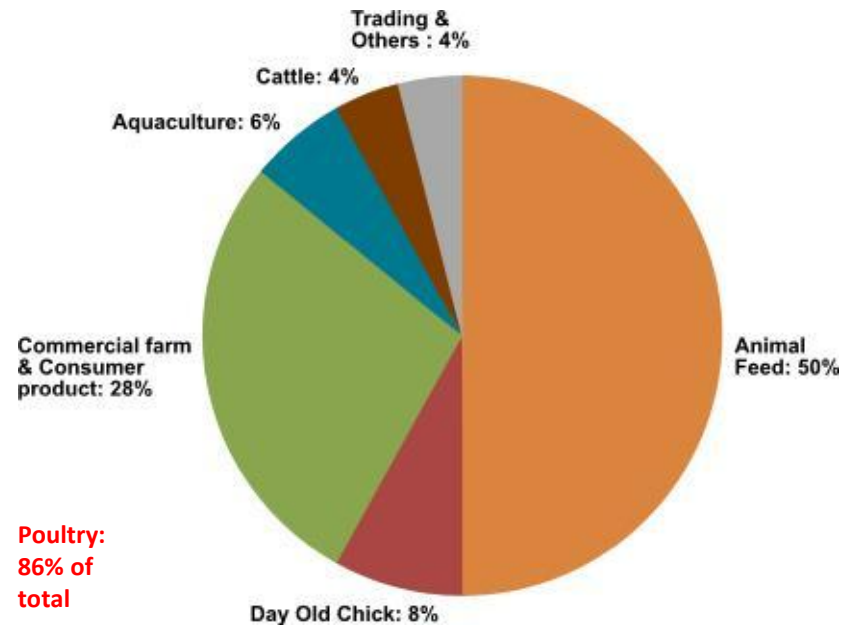
Poultry Contributes Bulk of Revenue and is our Core Business Focus

9M 2015 Sales Contribution Per Segment



Total 9M 2015 Revenue : Rp. 18.7 Trillion

FY14 Sales Contribution Per Segment



Total FY14 Revenue : Rp. 24.5 Trillion

Diversified business with a clear focus on the poultry sector given our expertise and favorable industry dynamics



Key Investment Highlights



1

Established market leader in poultry

2

Synergy and efficiency achieved through vertically integrated large scale businesses

3

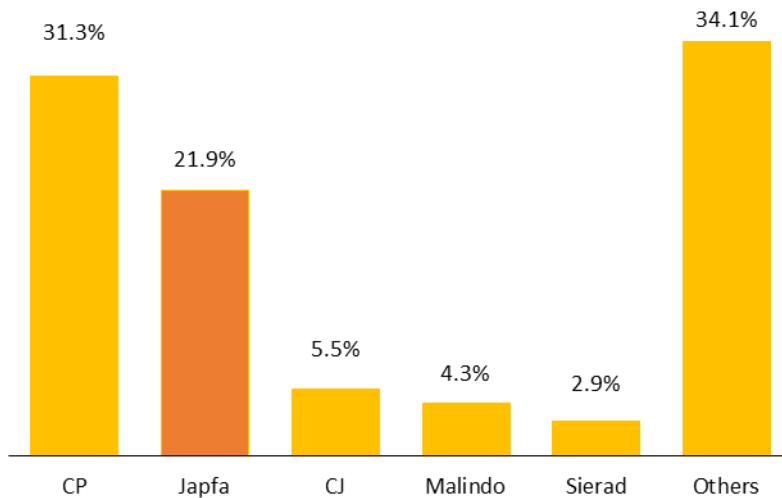
Quality operations supported by state-of-the-art bio security measures

4

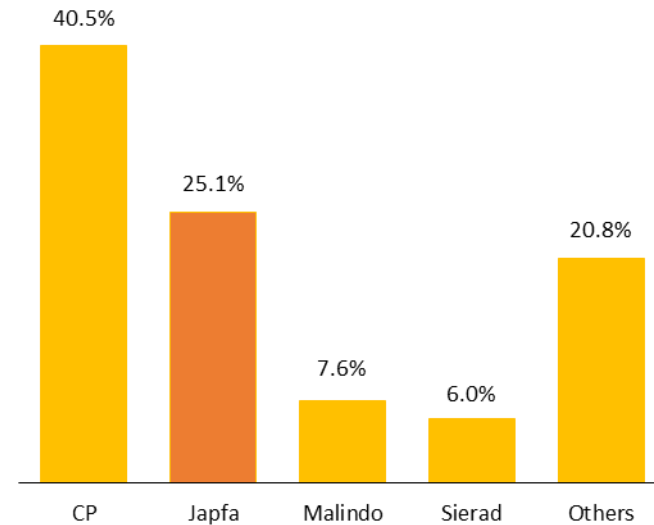
Experienced and professional leadership team

1 Established Market Leader in Poultry

Indonesia animal feed production capacity share ⁽¹⁾



Indonesia DOC production capacity share



Source: Company Annual Reports, Frost & Sullivan (May 2014)

Note: ⁽¹⁾ Market share calculation in the above table excludes aqua feed

- Stable and attractive industry dynamics with top 2 players, Charoen Pokphand (“CP”) and Japfa, controlling more than 50% of the animal feed and DOC breeding market
- Presence of smaller players limited to specific regions compared to Japfa’s national coverage
- Limited poultry imports due to halal considerations in Indonesia and consumers’ preference for live chicken

Japfa commands a strong market position in the animal feed and DOC breeding markets

2 Synergy and efficiency achieved through vertically integrated large scale business

Animal Feed

- ✓ Ability to control feed formulation to suit type of breed which Japfa produces
- ✓ Ability to control timing of delivery and availability of feed for breeding purposes



Day Old Chicks

- ✓ Exclusive rights to superior strain of DOC which is suited to Indonesian climate and consumer tastes
- ✓ Effective control over complete poultry breeding process, commencing from operation of great grandparent farms



Commercial Farming

- ✓ Right feed, superior breed and commercial farming techniques, resulting in robust performance



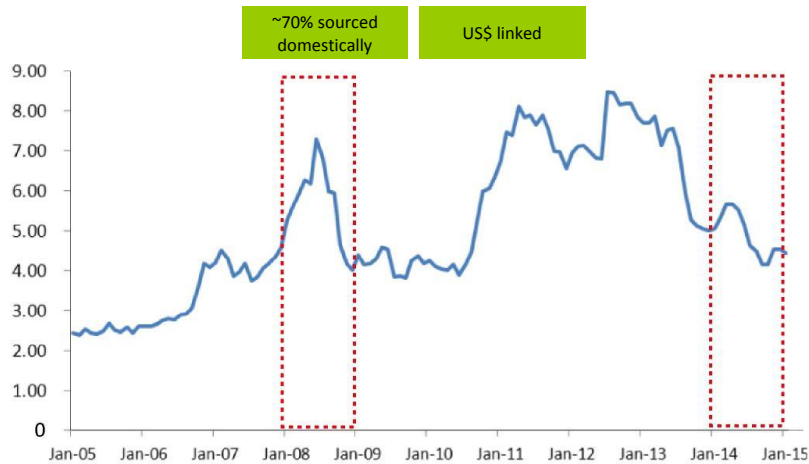
End Products

- ✓ Proximity to end customer market ensures supply of fresh chicken products
- ✓ Integrated chain enhances food safety, hygiene and traceability

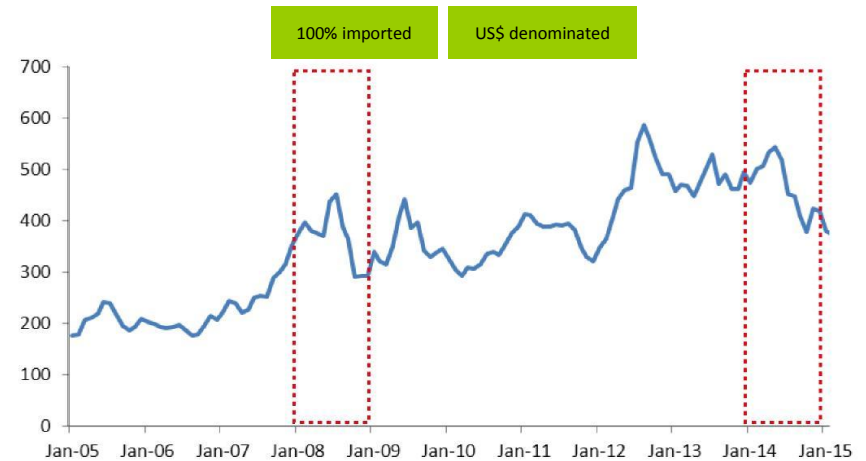


2 Synergy and efficiency achieved through vertically integrated large scale business

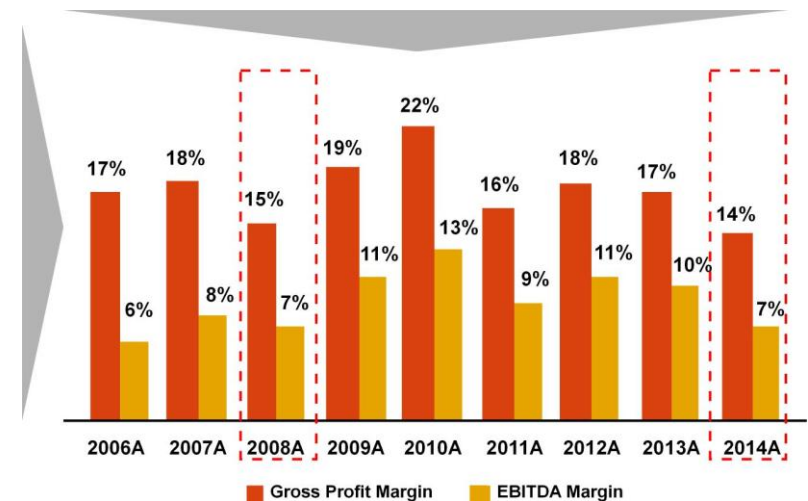
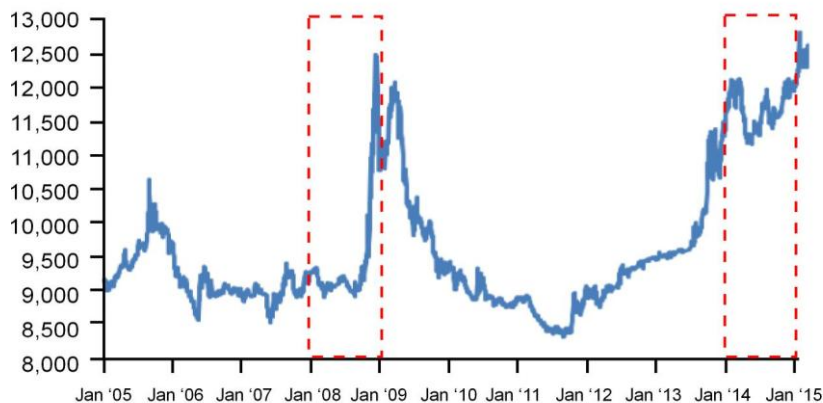
Corn prices (US\$/Bushel)



Soybean meal prices (US\$/ST)



IDR/US\$ exchange rate






Japfa is able to effectively pass on increases in raw material prices for feed to end consumers

3 Quality Operations Supported by State-Of-The-Art Bio Security Measures

A Minimize exposure from the elements

Isolation <ul style="list-style-type: none"> ▪ Remote location ▪ Geographical spread 	Sanitation and Disinfection	Full body immersion 	Spray and fumigation 	Traffic Control	Monorail 	Conveyor system 
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B Optimizing flock resistance from diseases

Farm Management <ul style="list-style-type: none"> ▪ Sophisticated animal husbandry practice 	Constant Monitoring <ul style="list-style-type: none"> ▪ Vaksindo - Animal vaccine research and production company - The only poultry company in Indonesia with the ability and facilities to research viruses (including AI) and produce autogenous vaccines - Constructed a new BSL 3 Animal Trial Facility  
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4 Experienced and professional leadership team

Board of Commissioners



Syamsir Siregar
President
Commissioner

Year of agri
experience: 10



Hendrick Kolonas
Vice President
Commissioner

Year of agri
experience: 19



Retno Astuti Wibisono
Independent
Commissioner

Year of agri
experience: 14



Ignatius Herry Wibowo
Independent
Commissioner

Year of agri
experience: 16

Board of Directors



Handojo Santosa
President
Director

Year of agri
experience: 28



**Bambang
Budi Hendarto**
Vice President
Director

Year of agri
experience: 36



**Koesbyanto
Setyadharma**
Director

Year of agri
experience: 26



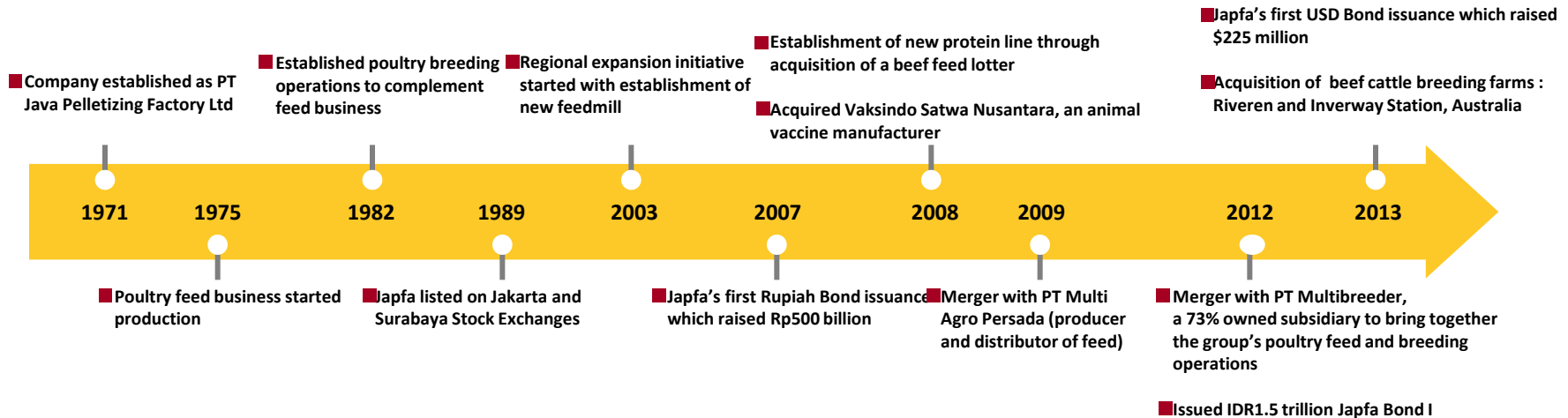
Tan Yong Nang
Director

Year of agri
experience: 7



Rachmat Indrajaya
Independent
Director

Year of agri
experience: 7



Japfa's management team has significant industry experience and has successfully led the Company through various cycles



Financial Highlights

Performance Overview

(In Mln. Rp.)	3Q 2015	3Q 2014	% change		9M 2015	9M 2014	% change	
PT Japfa Comfeed								
Revenue	6,586,844	6,501,373	+1.3%	▲	18,735,623	18,693,839	+0.2%	▲
Gross Profit	1,205,232	788,777	+52.8%	▲	2,708,445	2,617,791	+3.5%	▲
Gross profit margin	18.3%	12.1%	+6.2ppt	▲	14.5%	14.0%	+0.5ppt	▲
Operating profit	675,054	259,504	+160.1%	▲	1,027,399	1,002,128	+2.5%	▲
Operating profit margin	10.2%	4.0%	+6.2ppt	▲	5.5%	5.4%	+0.1ppt	▲
PAT	149,899	19,575	+665.8%	▲	-101,674	379,908	-126.8%	▼
PAT margin	2.3%	0.3%	+2.0ppt	▲	-0.5%	2.0%	-2.5ppt	▼



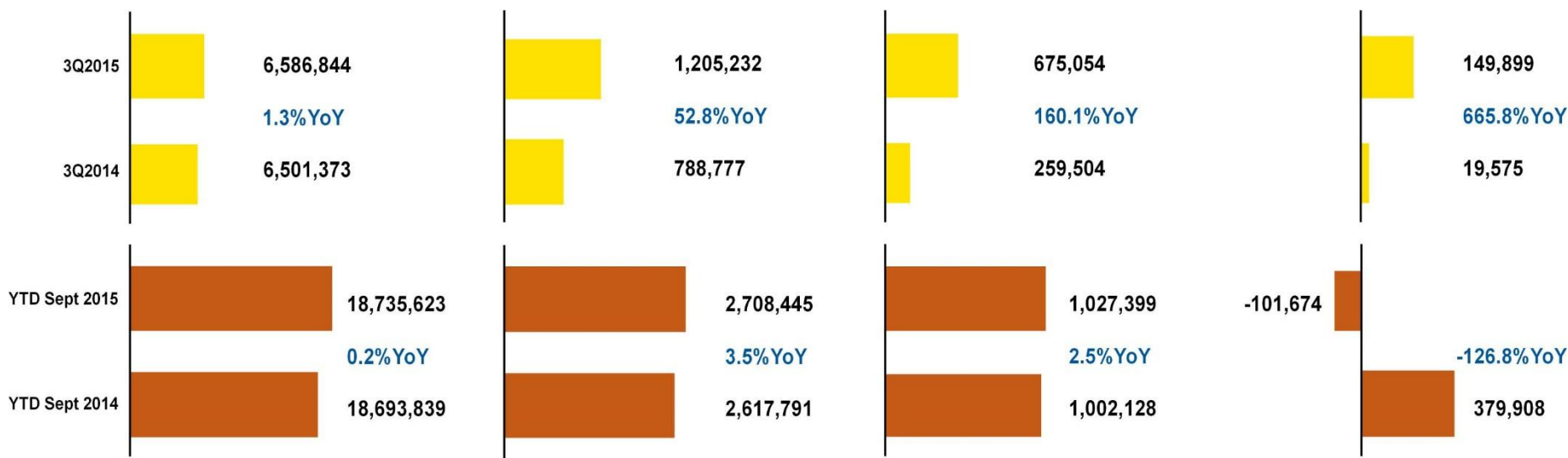
Financial Performance

Revenue (In Mln Rp.)

Gross Profit (In Mln Rp.)

Operating Profit (In Mln Rp.)

PAT (In Mln Rp.)



3Q2015

- 3Q 2015 was the best profit quarter so far in 2015; PT Japfa Tbk recorded its first positive PAT since 3Q 2014
- Operating profit margin improved mainly due to a reduction in raw material prices especially corn and soya bean meal
- Operating profit in 3Q 2015 was a significant improvement from 1Q 2015 and 2Q 2015. Commercial farming operating profit rose significantly due to improved broiler selling prices, as a result of a lower market supply as broiler farmers reduced their production post-Hari Raya as they were expecting a drop in demand for chicken
- In 3Q 2015, included in the PBT was a gain of US\$5m arising from the buyback of USD bonds with a face value of US\$18m
- The 10% depreciation of the Rupiah in 3Q 2015 resulted in forex loss of US\$25.3m (note unrealised forex loss of US\$20m from the translation of the US\$207m bond outstanding (US\$225m minus US\$18m bond buyback))
- Despite the forex loss, PT Japfa Tbk still recorded a PAT of Rp149,899 mln in 3Q 2015
- There continues to be an oversupply of DOC in Indonesia, with lower purchasing power of low-income consumers

As at end September 2015 USD millions	PT Japfa Tbk IDR book
Loans in USD	231
Loans in Local Currency (US\$ equivalent)	280
Total Loans	511
% USD Loans to Total Loans	45%

As at end September 2015 USD millions	PT Japfa Tbk
USD Debt (gross)	231
USD Bond Buybacks (face value)	(18)
USD Debt (net)	213
Currency Hedging - Operational	80
Currency Hedging - Principal and/or Interest	8
USD Cash	25
Total Hedging + Cash	113

PT Japfa Tbk

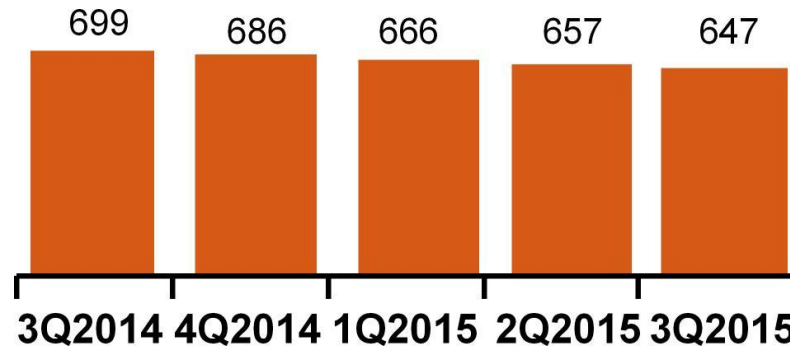
1. Minimal operational currency exposure as able to pass on Rupiah changes by increasing feed selling prices
2. Operational hedges are applied in effect to cover the USD bond exposure
3. We have a natural hedge as we typically hold more than US\$150m of USD-linked raw material inventory
4. Buyback of USD bonds from secondary market also reduces USD debt exposure

Capex 2014-2015

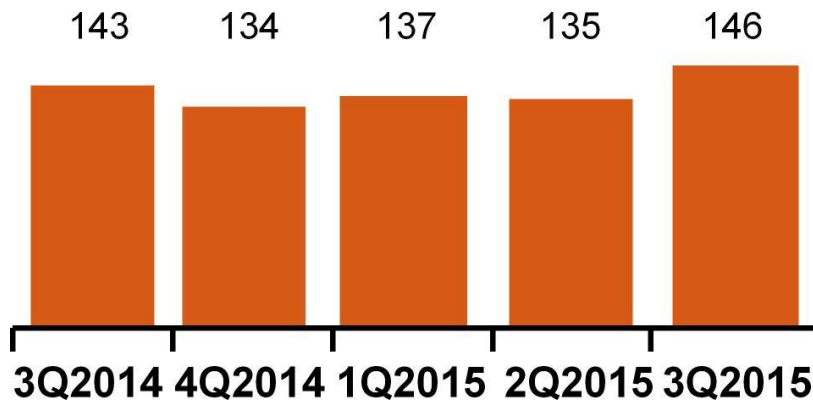
(In IDR billion)



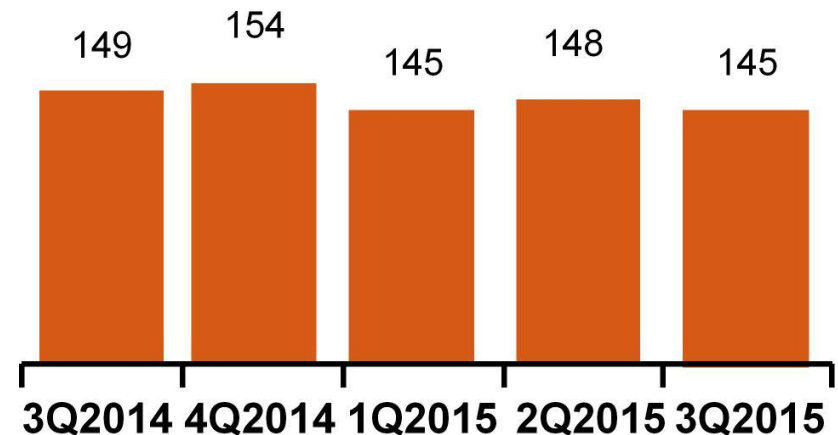
Animal Feed – Poultry: Sales Volume ('000 tons)



DOC – Broiler: Sales Volume (mil birds)

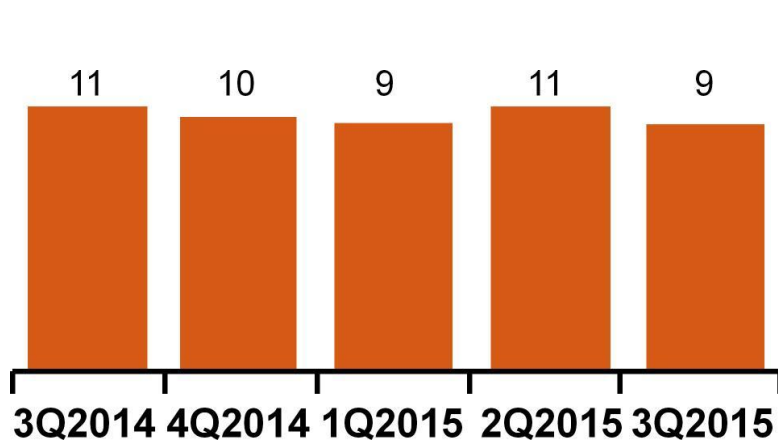


Commercial Farm- Live Birds : Sales Volume ('000 tons)

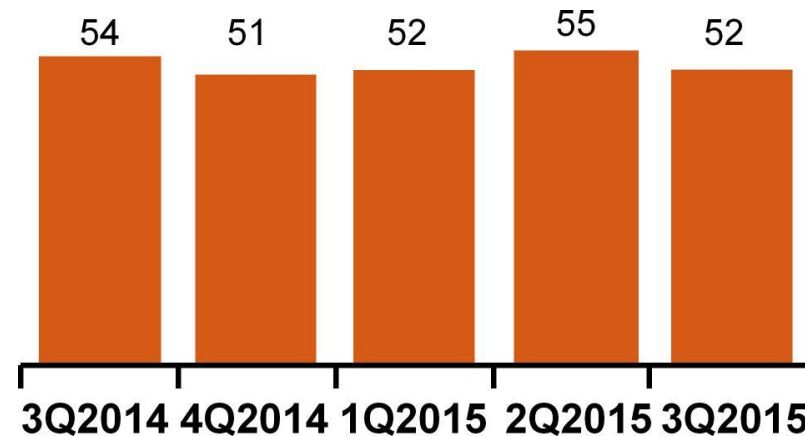


Operational Performance

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



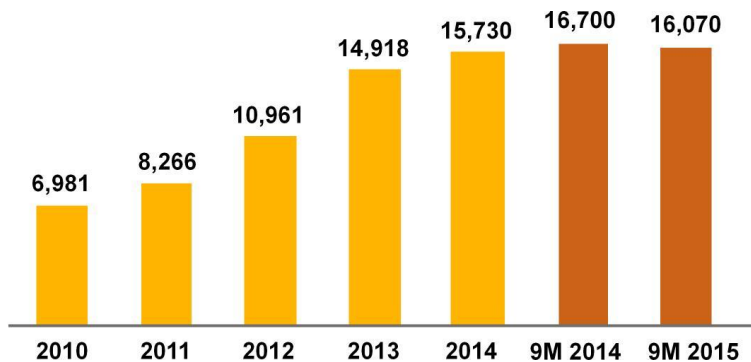
Aquaculture – Aqua-feed: Sales Volume ('000 tons)



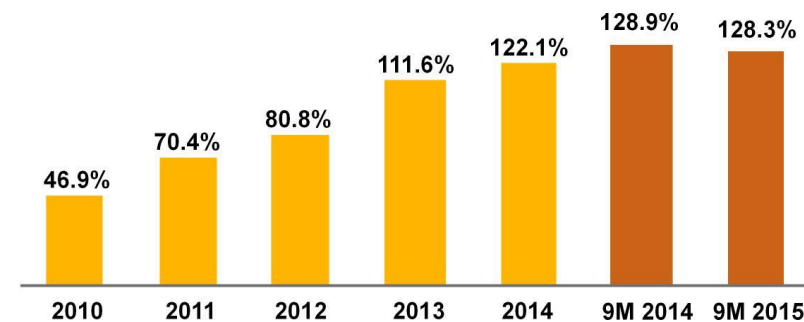
Proven financial track record

Total Assets

(In IDR billion)

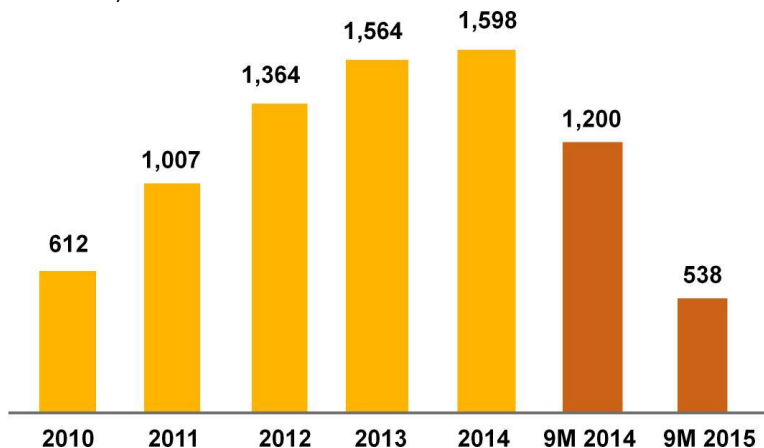


Net Debt / Equity



CAPEX

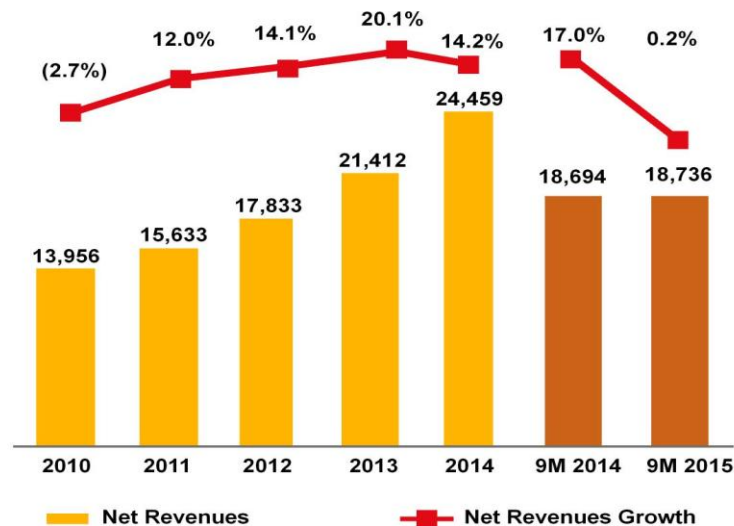
(In IDR billion)



Proven Financial Track Record

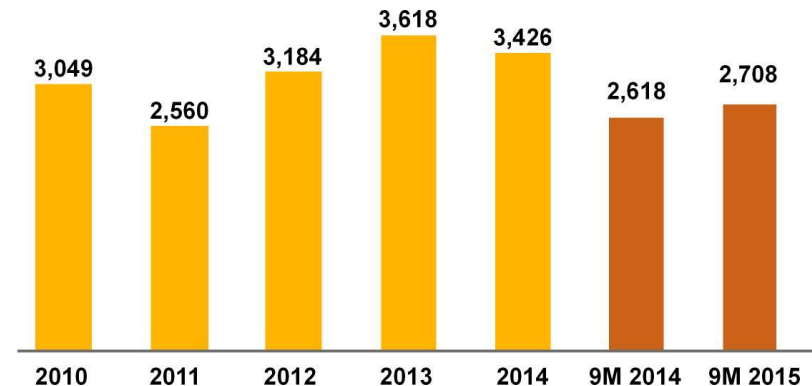
Net Revenues

(In IDR billion)



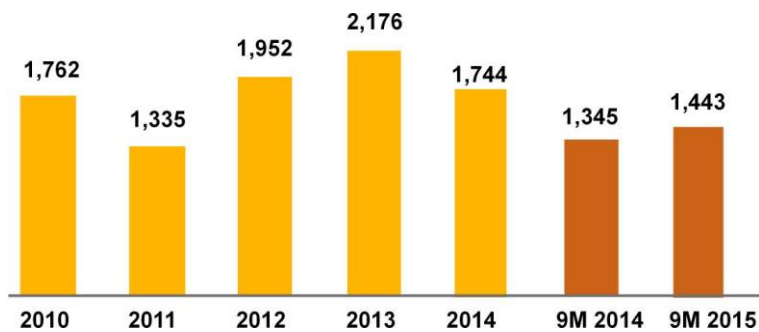
Gross Profit

(In IDR billion)



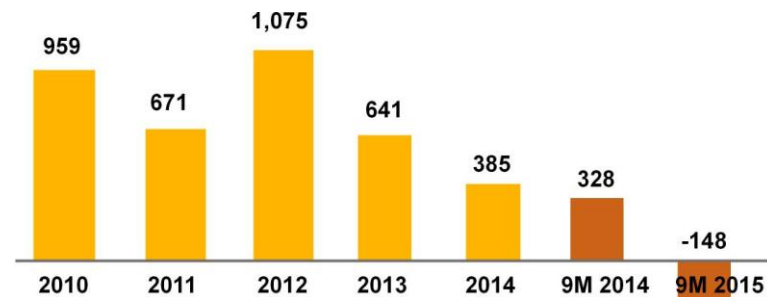
EBITDA

(In IDR billion)



Net Profit

(In IDR billion)

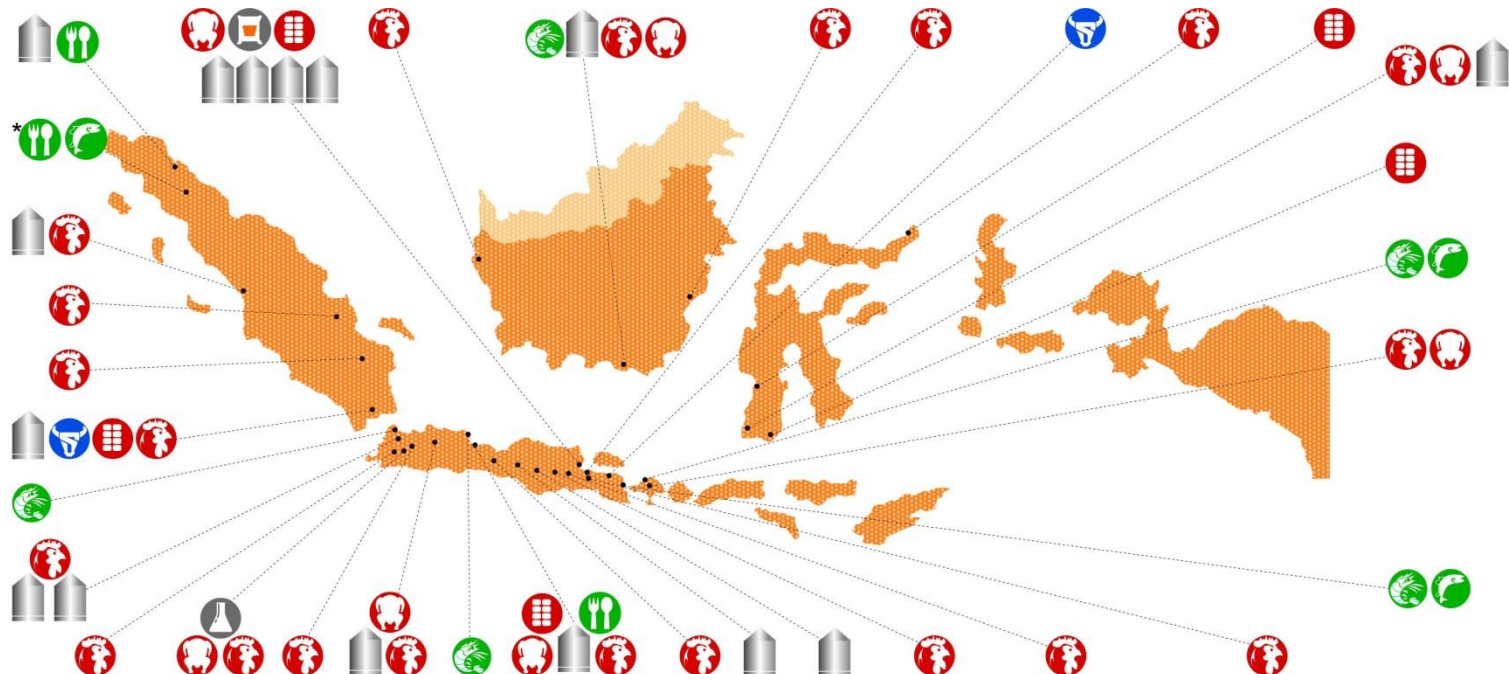






Appendix

Pan-national distribution platform

Deep national coverage with strong local knowledge



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

Note: Japfa has 65 breeding farms and not all the farms are reflected on the map.

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