

PT JAPFA COMFEED INDONESIA Tbk



PUBLIC EXPOSE

Jakarta, 5 April 2023

**Sinergi untuk Masa Depan
Yang Berkelanjutan**
*Synergy Towards
A Sustainable Future*



Table of Content

Company Overview

Operational Performance

Financial Highlights

Challenges & Strategies

Appendix



Company Overview

An Introduction to Japfa Tbk

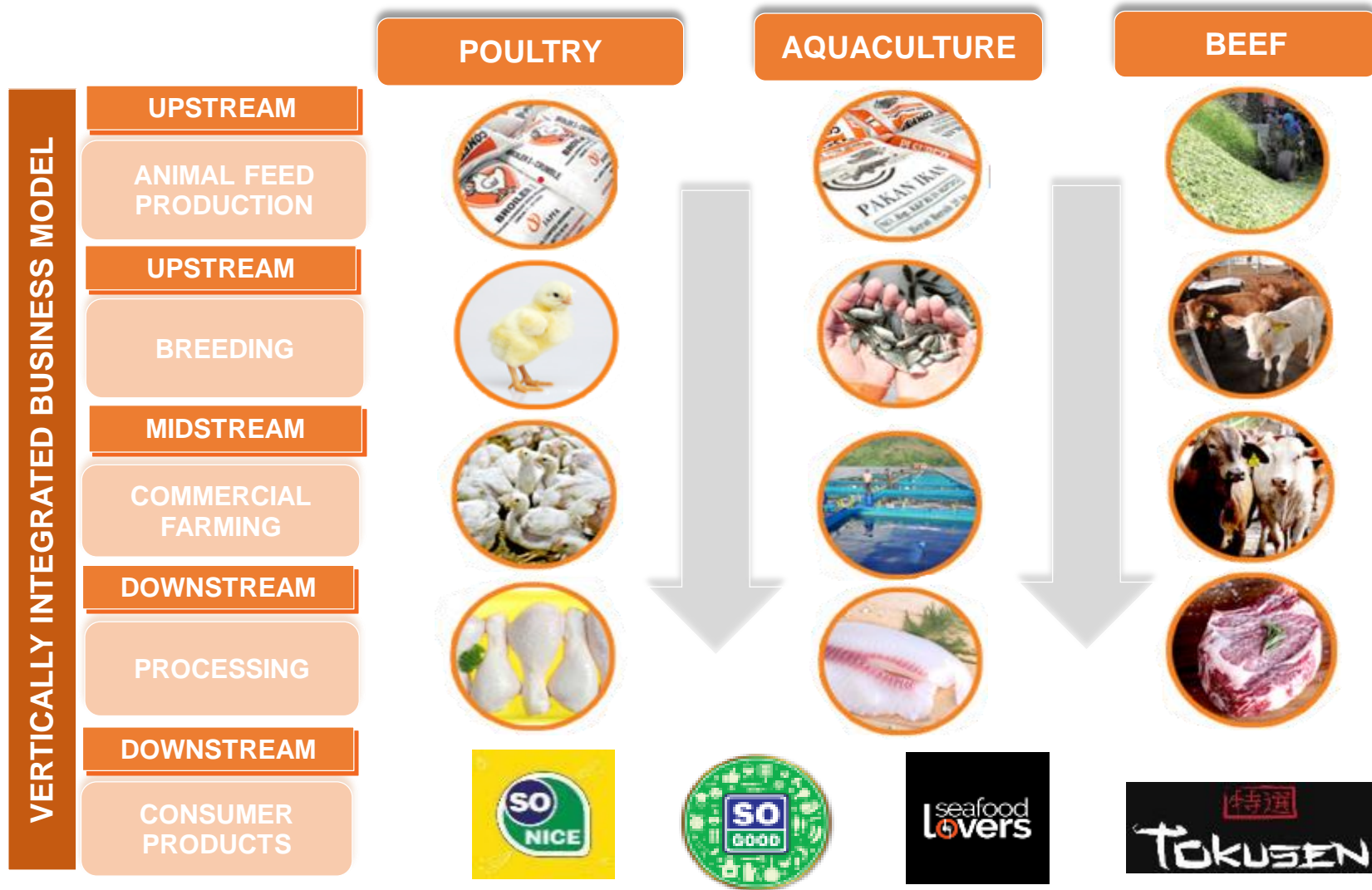
Vertically
integrated
poultry
company,
focused on
Indonesia

- One of the largest poultry players in Indonesia with net sales of Rp48.97 trillion and EBITDA of Rp3.86 trillion in 2022
- Listed on Indonesia Stock Exchange (IDX) for over 30 years with market cap of Rp15.19 trillion as of 31 December 2022.
- Focus on Indonesia, an attractive animal protein market with high growth potential.

Market leader
with high
growth rate

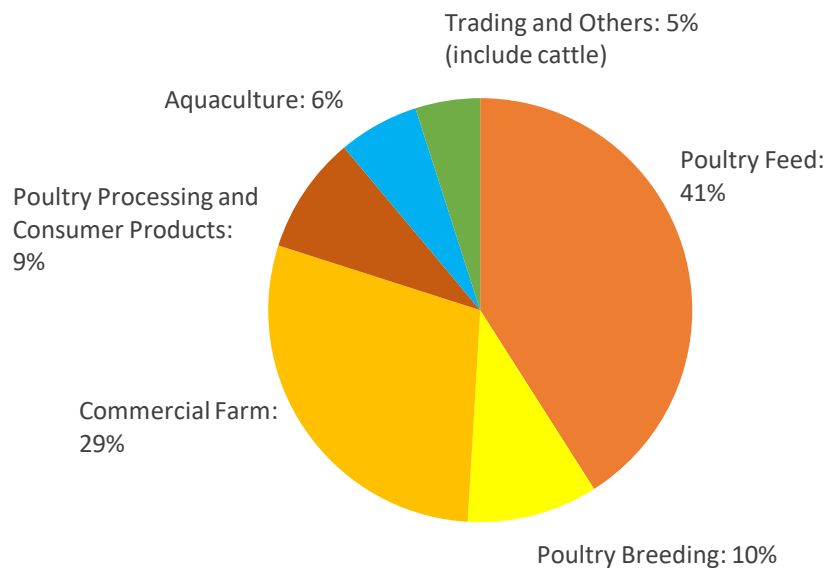
- Japfa has maintained a solid market over the past 50 years of operations.
- Economies of scale providing advantages in terms of raw material purchases and cost efficiencies.
- Deep geographical reach to be closer to customer base and raw material suppliers.
- Strong historical net sales CAGR growth of 10.6% from 2012-2022.
- Japfa has the second largest market share for poultry feed and DOC in Indonesia.*

Core Competencies Across the Value Chain



Poultry Contributes Bulk of Revenue and Feed is Core Pillar of Profitability

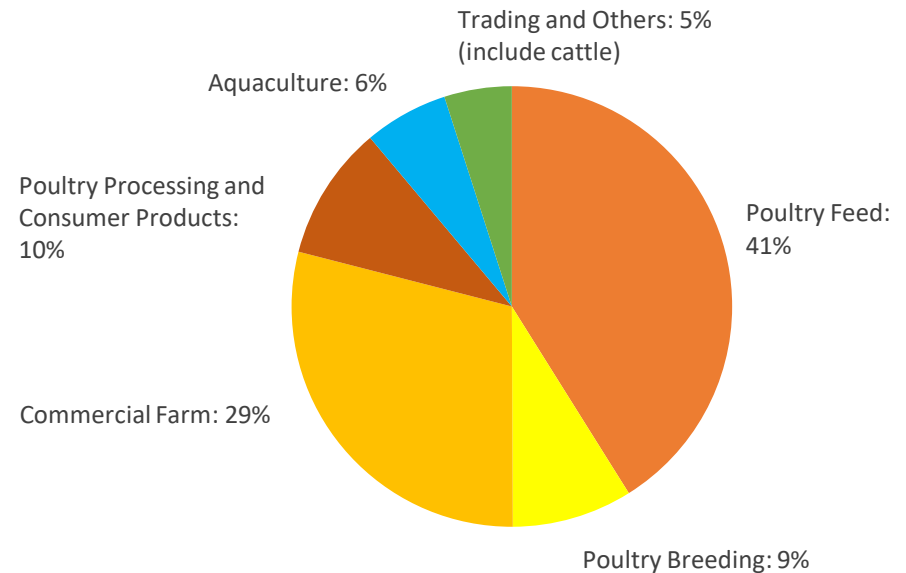
FY21 Sales Contribution Per Business Segment



Poultry: 89% of total

Total FY21 Net Sales: Rp44.88 Trillion

FY22 Sales Contribution Per Business Segment



Poultry: 89% of total

Total FY22 Net Sales: Rp48.97 Trillion

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

Note: The % sales contribution from operational segments shown above are based on gross sales, which exclude elimination adjustment between segments.

OPERATIONAL
PERFORMANCE



Flashback 2022

- ❑ The Company is saddened by the passing of the President Director, Mr. Handojo Santosa on September 25, 2022.
- ❑ External conditions, especially relating to the energy crisis and supply chain disruption as well as high raw material costs, were the Company's main challenges throughout 2022.
- ❑ Indonesia's economic growth managed to record a positive rate of 5.3% in 2022.
- ❑ Nevertheless, the condition of the livestock industry in FY2022 remained unstable, as DOC oversupply continued to persist. Hence, DOC and live bird prices experienced quite a decline during the year. On the other hand, consumer purchasing power had yet to improve, which led to reduces. As a result, many farmers had to reduce their production, which led to deceleration in animal feed consumption growth.
- ❑ In response to the situation, the Company formulated a strategy to improve sales margins through sales mapping of a various feed products by increasing market penetration. In addition, the Company enhanced the synergies between business units to maintain its profitability.
- ❑ In the Commercial Farm Segment, the Company continued to encourage farmer partners to adopt the closed-house method, which has been proven to be more productive and efficient by facilitating our farmers partner's access to banking services.
- ❑ For the Aquaculture Segment, the Company had expanded its production capacity and marketing coverage in FY2022. The Company also established new shrimp hatcheries to respond to market opportunities and this showed some growth. In addition, the Company successfully expanded its export market for fish processing products in FY2022.

Flashback 2022 (continued)

- ❑ The Company took some strategic steps, including among others :

Business and Operational

- Formulating a strategy to improve sales margins through sales mapping of a various feed products by increasing market penetration.
- Enhancing the synergies between business units to maintain its profitability
- Continue working on the downstream sector by opening various outlets, including Best Meat and Japfa Best. The outlets conduct retail sales for products produced by the Company's business units.
- Apart from working on the offline market, in line with technological developments, the Company is also developing online marketing, such as through Japfa Best. We have also collaborated with marketplaces and e-commerce to make our products available for purchase (such as among others GrabMart, GoShop, Tokopedia, Shopee, Blibli).

Flashback 2022 (continued)

Finance

- Prudently managing capital expenditures to maintain liquidity
- Management of working capital and costs through regular review
- Consistently perform prudent financial management and cash control
- The Company received a 5-year Sustainability-Linked Loan (SLL) of Rp1.425 trillion from PT Bank Negara Indonesia.

Social and Technology

- Growth: Digitalization initiatives aimed at supporting and enabling the Company's key business development directions and initiatives that strengthen the Company's strategic vertically integrated business model.
 - Sustainability: Digitalization initiatives aimed to further strengthen the Company's sustainability programs and initiatives.
 - Insights and Analytics: Digitalization initiatives aimed to provide data and meaningful insights appropriately, timely, and securely.
- The Covid-19 pandemic was a challenge in 2022. However, because the Company is in staple food business, the Company was able to get through the difficult period.

Summary of Sustainability-Linked Loan (SLL)

- PT Japfa Tbk took another step on its sustainability journey by securing the first Sustainability-Linked Loan (SLL) within the Japfa Group.
- The SLL of Rp1.425 trillion is a 5-year bilateral credit facility for general corporate purposes. We are pleased to be part of this milestone for PT Bank Negara Indonesia Tbk, Persero (“BNI”) as this is the first SLL in the agri-food sector for BNI
- This SLL comes after the Sustainability-Linked Bonds (SLB) issued by PT Japfa Tbk in 2021. The underlying basis of our sustainability-linked funding has been a Life Cycle Assessment (LCA) on its poultry operations. The LCA is a formal science-based assessment of the company's vertically integrated production cycle from feed to chicken products sold. Based on the LCA, wastewater treatment and water management have been identified as key focus areas where positive impacts can be made.

The Asset Triple A Sustainable Capital Markets Country & Regional Awards 2021

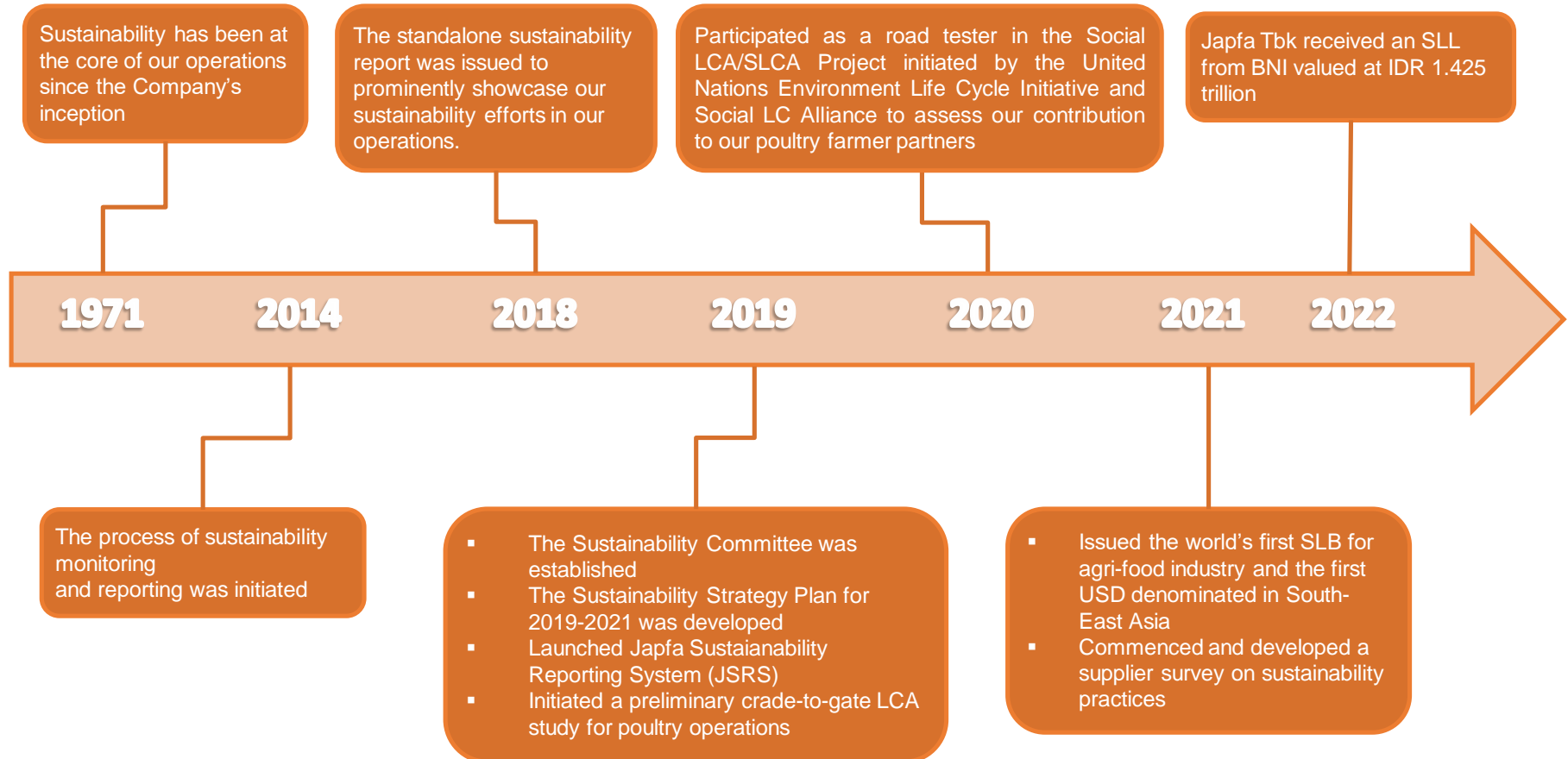


On Tuesday, 22 March 2022, PT Japfa Comfeed Indonesia Tbk has been honoured with the following awards at The Asset Triple A Sustainable Capital Markets Country & Regional Awards 2021:

1. Best Issuer for Sustainable Finance and
2. Best Sustainability-linked Bond

The Asset Triple A Sustainable Capital Markets Awards represent the industry's most prestigious awards for the primary market for best issuers, best deals, and best advisers in equity, debt, loans, M&A, and structured finance

Japfa Sustainability Journey



Our mission to be a leading dependable provider of affordable protein foods is aligned to **the United Nations Sustainable Development Goal (SDG) No.2: Zero Hunger**



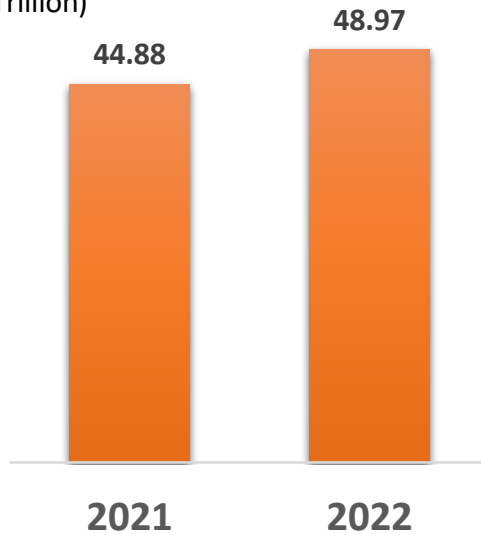
FINANCIAL
HIGHLIGHTS

Financial Highlights



NET SALES

(in IDR Trillion)



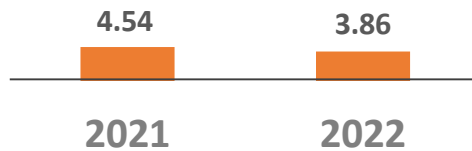
PROFIT FROM OPERATIONS

(in IDR Trillion)



EBITDA

(in IDR Trillion)



PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT

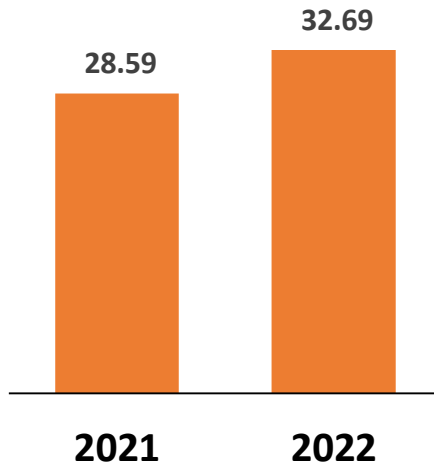
(in IDR Trillion)



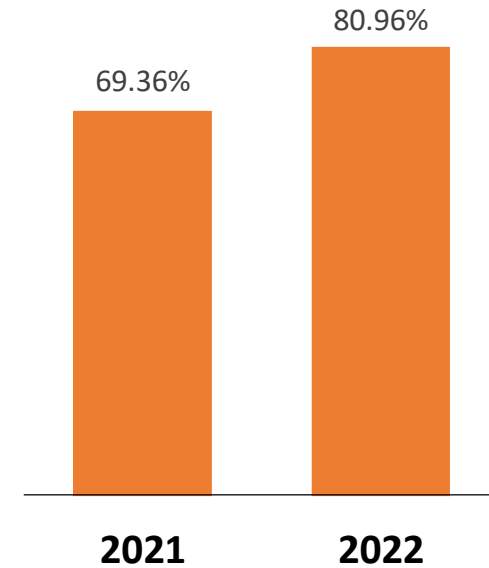
Note: Based on the Company's Financial Statement as of 31 December 2022

TOTAL ASSETS

(In IDR Trillion)

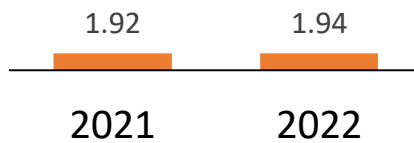


NET DEBT/EQUITY



CAPITAL EXPENDITURE (CAPEX)

(In IDR Trillion)



Note: Based on the Company's Financial Statement as of 31 December 2022



CHALLENGES AND STRATEGIES

Challenges and Strategies

Challenges

1. Major global factors we are facing :
 - Geopolitical tensions between Russia and Ukraine, may disrupt global economies, supply chains and commodities prices. This may impact the cost of raw materials and consumer purchasing power.
 - Global inflationary pressures, supply chain bottle necks and soaring production costs, are threatening to put upward pressure on prices, fuel and ultimately affecting consumer purchasing power
2. The global factors above will also affect the national economy and Indonesian poultry industry.
3. The changing in consumer's consumption pattern due to Covid-19 Pandemic
4. The level of animal protein consumption per capita in Indonesia is still low compared to other Southeast Asian countries.
5. High borrowing cost amid global initiatives to fight inflation

Challenges and Strategies

Strategies

1. Improvements to technical services to customers to enhance efficiency and productivity at the farmer level
2. Technological improvement through “mobile”, “data integration”, “data science platform”, internet, will be more dominate digitalization projects.
3. The Company will remain prudent in reviewing its capital investment (capex), whereby the capex will be prioritized for investments that are short-medium term and routine particularly in downstream sector, with adjustment possibility, taking into account the country’s economic recovery.
4. Consistency in applying prudent financial management.
5. The Company will continue to focus in improving its efficiency and profitability.

Challenges and Strategies

Strategies

6. The Company will continuously strengthening its downstream business through the development of its poultry processing and consumer products business, as well as encouraging retail sales growth through its retail outlets both offline and online.
7. The Company will also educate its farmers so they can produce high quality products and have strong competitiveness.
8. Moreover, the Company will still be focusing on its core business. It will keep improving its products penetration while educating the people on how important animal protein for health, along with the Government's programme in reducing malnutrition and stunting.
9. Both livestock and aquaculture industries have a big growth potential, considering Indonesia's large population. Indonesia's low animal protein consumption we believe is a business opportunity for the Company's long term and sustainable growth in the future.



The Company's Operational Areas



Wilayah Operasional Perseroan The Company's Operational Areas

	Pabrik Pakan Ikan dan Pakan Udang Aquafarm/MLU	Belu Serang, Lampung Selatan, Purwakarta, Gresik, Banyuwangi
	Pembibitan Udang dan Tambak Udang, Shrimp Hatcheries and Shrimp Farms	Pembibitan Udang/Shrimp Hatcheries: Palar Jaya, Bangka Barat, Lampung Selatan, Serang, Indramayu, Bantul, Banyuwangi, Bantul, Cirebon, Simatama, Bantul
	Pembibitan Ikan Air Tawar dan Tambak Ikan Freshwater Fish Hatcheries and Fish Farms	Tambak Udang/Shrimp Farms: Situbondo (2), Banyuwangi (2)
	Pabrik Pengolahan Hasil Ikan dan Udang Fish and Shrimp Processing Plant	Pembibitan Ikan Air Tawar/Freshwater Fish Hatcheries: Simulungan, Karawang, Serang, Situbondo, Bantul, Tanah Laut
	Pengolahan Sifat Est Processing	Tambak Ikan/Fish Farms: Simulungan, Situbondo, Banyuwangi
		Simulungan, Cirebon, Banyuwangi
		Banyuwangi

- Pabrik Pakan Ternak Poultry Feed Mills**
- Pengerings Jagung Corn Dryer**
- Rumahan Potong Ayam Slaughterhouse**
- Poultry Cold Storage (Di luar RPA/Outside Slaughterhouse)**
- Unit Pengolahan Daging (SGF) Meat Processing Unit (SGF)**
- Unit Pengolahan Susu (SGF) Milk Processing Unit (SGF)**

Medan (2), Padang, Lampung, Cikande, Serang, Tangerang, Purwakarta, Cirebon (2), Grobogan, Serang, Bantul, Situbondo, Gedangan-Sidoarjo, Magelang-Sidoarjo, Mangrove/Surabaya, Banjarmasin, Makassar
Medan, Padang, Lampung, Cikande, Serang, Cirebon, Grobogan, Serang, Bantul, Magelang-Sidoarjo, Surabaya, Banjarmasin, Makassar, Gowa, Sidoarjo
Medan, Lampung, Cikapi-Tangerang, Pering-Bogor, Cikarang-Sukabumi, Sedang-Purwakarta, Peralong, Pabelan-Salatiga, Magelang, Yogyakarta, Boyolali, Krian-Sidoarjo, Wonorejo-Sidoarjo, Takanan-Bali, Bali-Bali-Surabaya, Makassar
Tiga Reka-Tangerang Selatan, Cikarang Anyar-Sukawati, Mojokerto
Cikapi-Tangerang, Cikarang Sukabumi, Boyolali, Wonorejo-Sidoarjo
Boyolali

- Penggemukan Sapi Beef/Cattle Feedlot**
- Unit Rumah Potong Hewan dan Pengolahan Daging Sapi Abattoir and Meat Processing Unit**
- Pabrik Karung Plastik Plastik Bag Factory**
- Pabrik Vaksin Hewan Animal Vaccine Factories**
- Unit Kesehatan Hewan dan Peralatan Kandang Animal Health and Livestock Equipment Unit**
- Pabrik Premis Premis Plant**

Lampung (2), Probolinggo
Serang
Wonorejo-Sidoarjo
Cikarang Putri-Ras Bogor (2)
Kapanareggi-Pab. Bogor
Cikarang

The Company's Operational Areas

FARM PBD and HATCHERY PBD-JAPFA



FARM PBD-JAPFA

Kabupaten Tulun Karac, Bandamanstam (1,2,3,4), Pekanbaru (1,2,3,4), Padang (1,2), Jambi, GP Palembang (1,2), Palembang (1,2,3), Gating, Campang, GP Lampung, Serang, Citahan, Garungin, Neglasari, Kertasant, Pematang, CP Watasaya (1,2,3,4), Bojeng, Nagrak (1,2), Cabungugal (1,2), Nyalending, Jampang Tengah, Subang (1,2,3), Cimerak-Pangardian, Pangakuda, Pematang, Tegal, Penalang, Wonorejo, Pat, Ngaringan, Grobogan, Sale, Rembang, Purwodadi (1,2), Tulu, Purwodari (1,2), Singosari, Dampit, GP Cawang Kawi, Mojassar, Jombang (Sewa), Gndi (1,2,3,4), Banyuwangi, Sali (1,2), Tohohli/Pantianek, Lojohari-Samarinda, Sepatu-Kuta Sentanegara, Landasan Ulin-Banjarnegara, Tambora (1,2), Pangkalan Benteng Marau (1,2,3), Manado.



HATCHERY PBD-JAPFA

Htc. Aceh, Htc. Medan (Tanjung Morawa), Htc. Bandar Mestam, Htc. Padang, Htc. Pekanbaru, Htc. Sorol, Htc. Jambi, Htc. Palembang, Htc. Sukawati/Lampung, Htc. Kerjo, Htc. Ciawang, Htc. Watasaya, Htc. Subang (1,2), Htc. Ganit, Htc. Rawalo, Htc. Kandal, Htc. Singaran, Htc. Kaki, Htc. Wonorejo, Htc. Bati (1,2), Htc. Lombok, Htc. Pontianak, Htc. Pangkalan Lada, Htc. Bati-Sabi-Banjarnegara, Htc. Samarinda, Htc. Makassar, Htc. Bali, Htc. Manado.

PBD : Asby, Bawing, Dwiast

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