



INVESTOR PRESENTATION  
1H 2014

**PT Japfa Comfeed Indonesia Tbk**

# Disclaimer

These materials have been prepared by PT Japfa Comfeed Indonesia Tbk (the “Company”) and have not been independently verified. No representation or warranty, expressed or implied, is made and no reliance should be placed on the accuracy, fairness or completeness of the information presented or contained in these materials. Neither the Company nor any of its affiliates, advisers or representatives shall have any liability whatsoever in negligence or otherwise from any use of these materials or contained in these materials or otherwise arising in connection with these materials. The information presented or contained in these materials is subject to change without notice and its accuracy is not guaranteed.

These materials contain statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the consolidated results of operations and financial condition of the Company. These statements can be recognized by the use of words such as “expects,” “plan,” “will,” “estimates,” “projects,” “intends,” or words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors and assumptions. The Company has no obligation and does not undertake to revise forward-looking statements to reflect future events or circumstances. These materials are highly confidential, are being given solely for your information only and may not be shared, copied, reproduced or redistributed to any other person in any manner. You agree to keep the contents of this presentation and these materials confidential.

These materials are for information purposes only and do not constitute or form part of an offer, solicitation or invitation to buy or subscribe for any securities of the Company in any jurisdiction, nor should these materials or any part of them form the basis of, or be relied upon in any connection with, any contract, commitment or investment decision whatsoever. The statements in these materials speak only as of the date as of which they are made, and the company expressly disclaims any obligation or undertaking to supplement, amend or disseminate any updates or revisions to any statements contained herein to reflect any change in events, conditions or circumstances on which any such statements are based.

# Agenda

**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 FY13 net sales of US\$ 1.8 billion<sup>(1)</sup> and EBITDA of US\$ 182 million<sup>(1)</sup>
- Strategically involved in aquaculture and beef offering diversification of revenues
- Listed on IDX for over 20 years with market cap of US\$ 1.1 billion<sup>(1)</sup>
- 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 18% CAGR from 2007-2013
- As of 2013, 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**

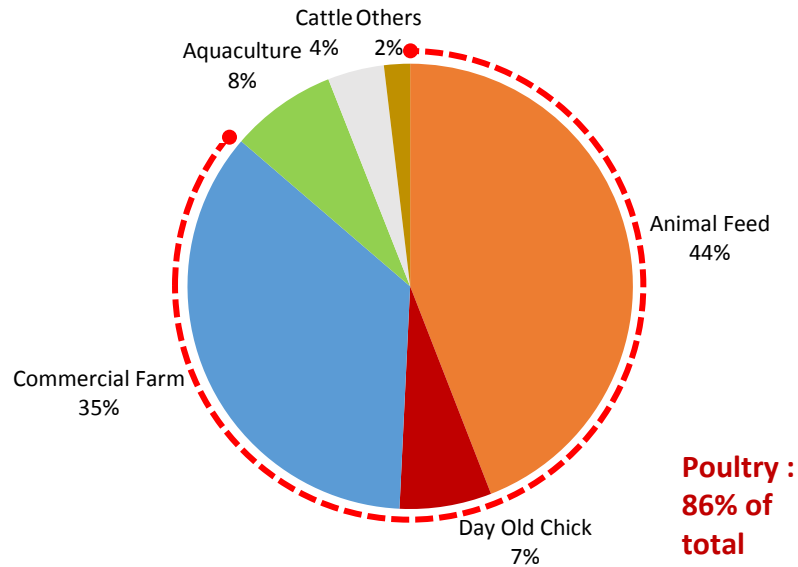


# Core Competencies Across The Value Chain



# Poultry Contributes Bulk of Revenue and Profitability and is the Focus of Future Growth

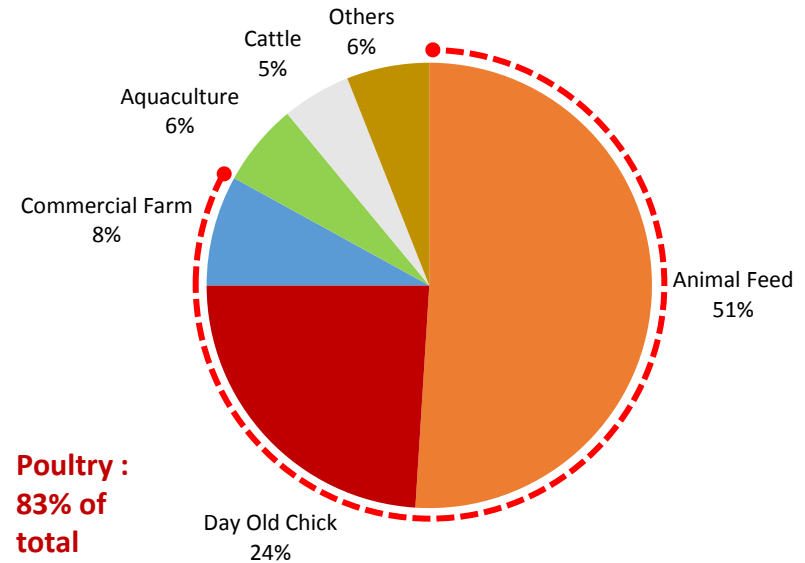
## FY13 net sales breakdown



**Total FY13 net sales<sup>(1)</sup>: US\$2,030 million**

Note: (1) Average rate FY 2013 US\$1.00 = IDR10,552

## FY13 gross profit breakdown



**Total FY13 gross profit<sup>(1)</sup>: US\$343 million**

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





# Key Investment Highlights

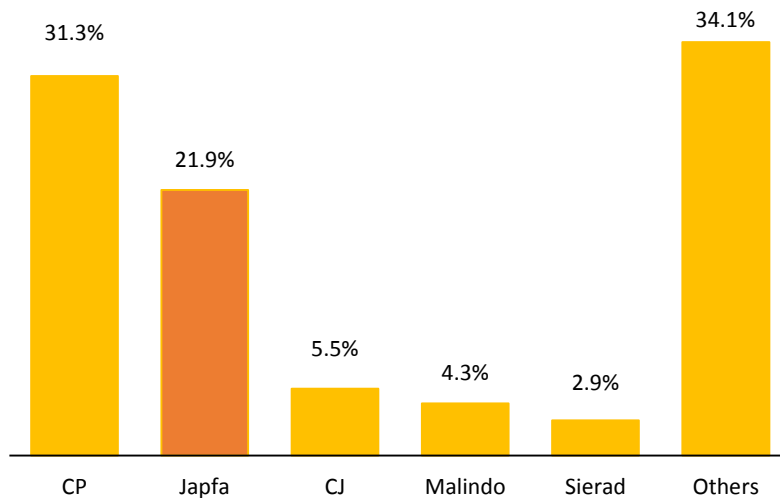




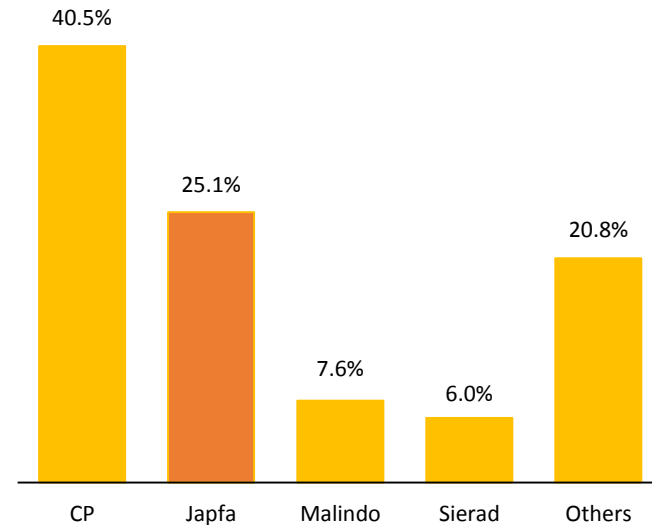
- 1 Established market leader in agribusiness
- 2 Synergy and efficiency achieved through vertically integrated large scale businesses
- 3 Quality operations supported by state-of-the-art bio security measures
- 4 Experienced and professional leadership team

# 1 Established Market Leader in Poultry

Indonesia animal feed production capacity share <sup>(1)</sup>



Indonesia DOC production capacity share



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

Note: <sup>(1)</sup> 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**

### 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

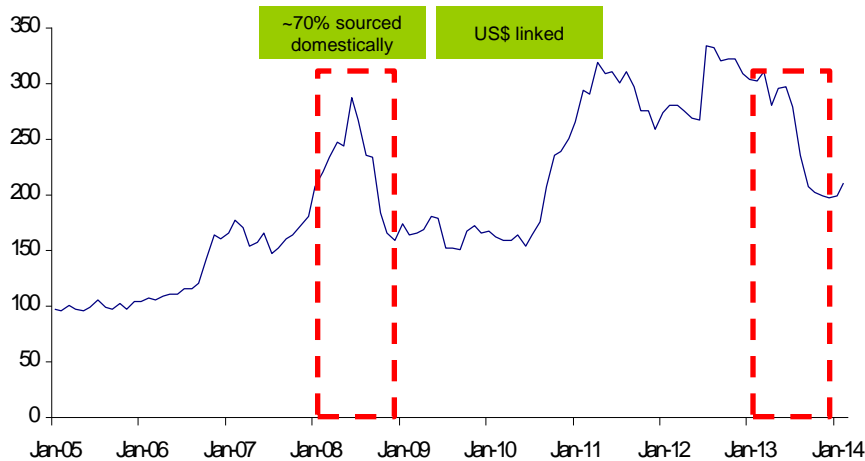
- ✓ Proximity to end customer market ensures supply of fresh chicken products
- ✓ Integrated chain enhances food safety, hygiene and traceability



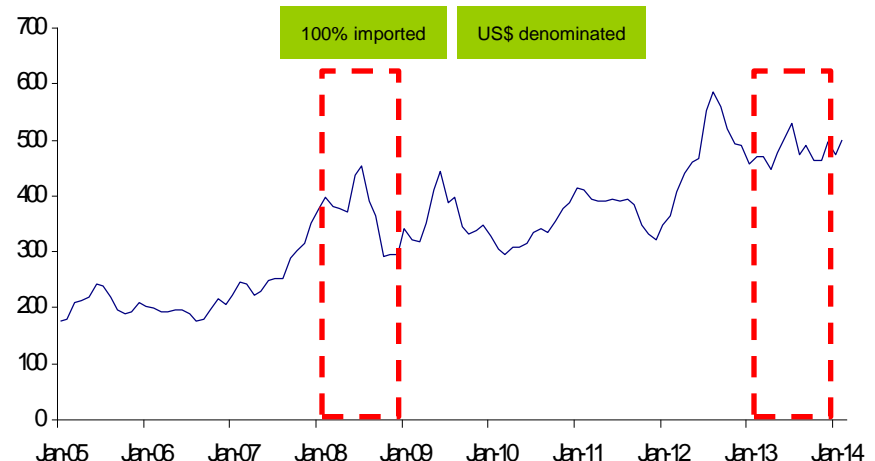


## 2 Synergy and efficiency achieved through vertically integrated large scale business

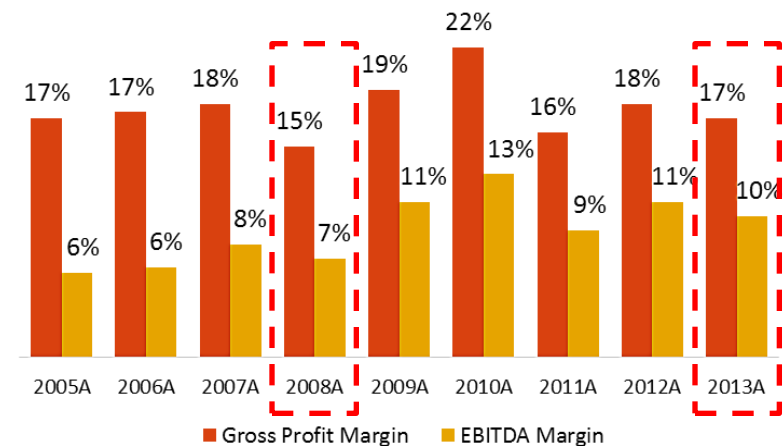
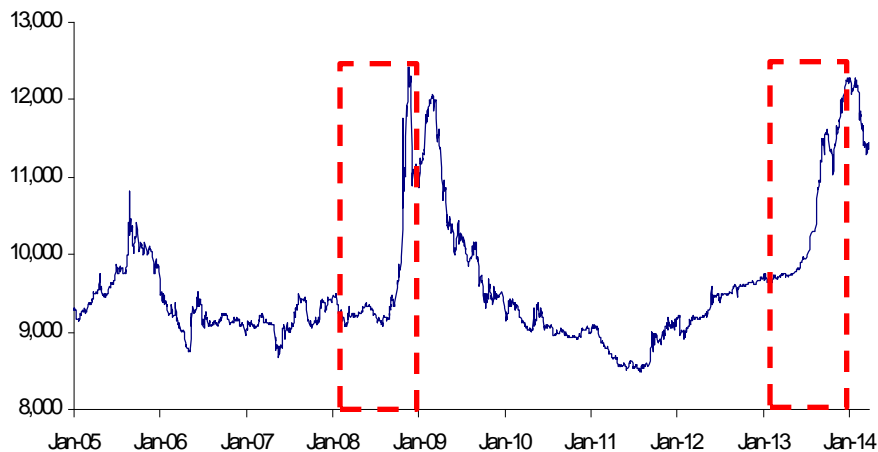
**Corn prices (US\$/MT)**



**Soybean meal prices (US\$/MT)**



**IDR/US\$ exchange rate**



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

A

## Minimize exposure from the elements

### Isolation

- Remote location
- Geographical spread

### Sanitation and Disinfection

#### Full body immersion



#### Spray and fumigation

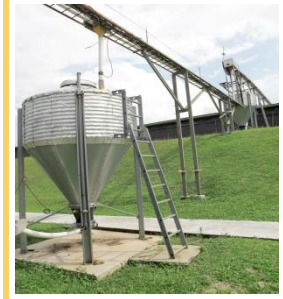


### Traffic Control

#### Monorail



#### Conveyor system



B

## Optimizing flock resistance from diseases

### Farm Management

- Sophisticated animal husbandry practice



### Constant Monitoring

- 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



# Production capacity and outlook

## Existing production capacity

---

- We operate 16 poultry feedmills in nine locations across Indonesia, of which three feedmills are dedicated to producing only breeder feed. The initiative to isolate breeder feed production is part of our efforts to enhance our bio security
- We operate 61 DOC breeding farms and 24 hatcheries which are spread throughout Indonesia, providing wider geographical coverage (to reach our farmer customers) and geographical separation (for bio security)

## Future plans

---

- We plan to continue to build breeding farms and expand our DOC production by approximately 30% in the next two years
- In line with our vertical integration model for poultry, we expect to also grow our feed and commercial farming operations to match the growth in DOC production in the two years ahead



### Board of Commissioners



**Syamsir Siregar**  
President  
Commissioner

Year of agri  
experience: 9



**Hendrick Kolonas**  
Vice President  
Commissioner

Year of agri  
experience: 18



**Retno Astuti Wibisono**  
Independent  
Commissioner

Year of agri  
experience: 13

### Board of Directors



**Handojo Santosa**  
President  
Director

Year of agri  
experience: 27



**Bambang Budi Hendarto**  
Vice President  
Director

Year of agri  
experience: 35



**Koesbyanto Setyadharma**  
Director

Year of agri  
experience: 25



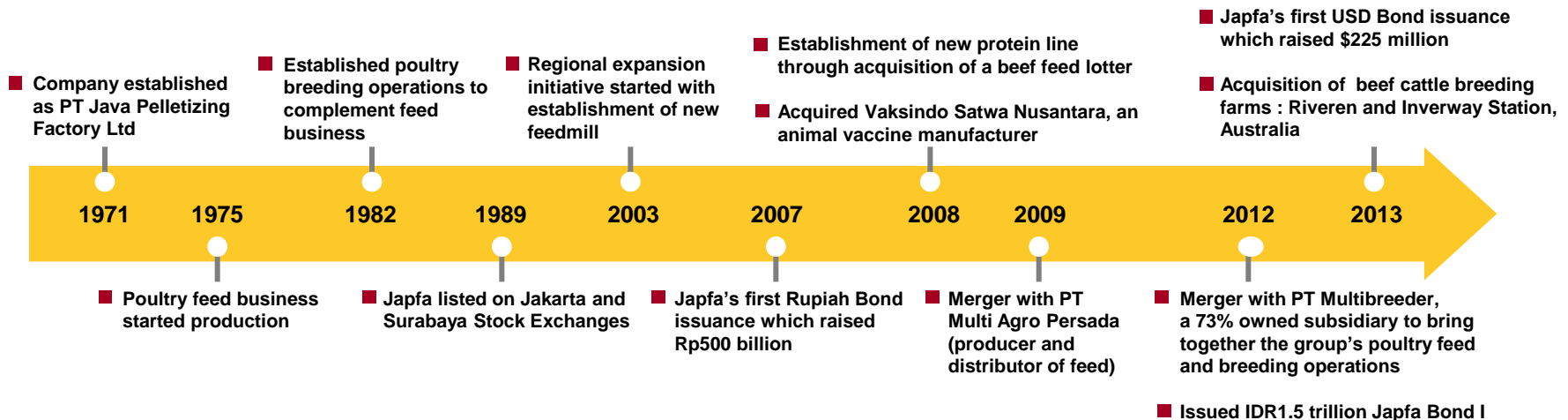
**Tan Yong Nang**  
Director

Year of agri  
experience: 6



**Rachmat Indrajaya**  
Independent  
Director

Year of agri  
experience: 6



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

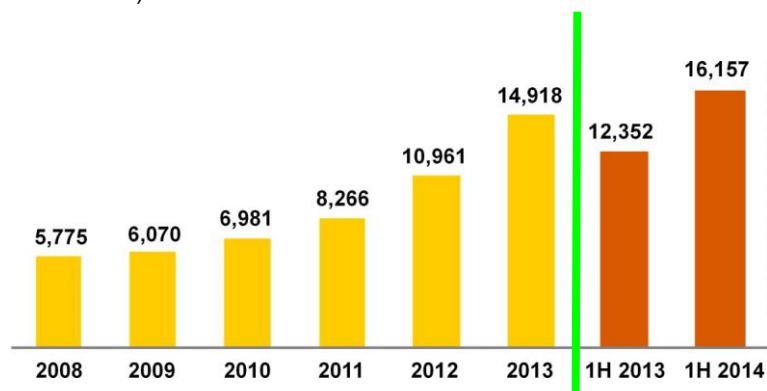


# Financial Highlights

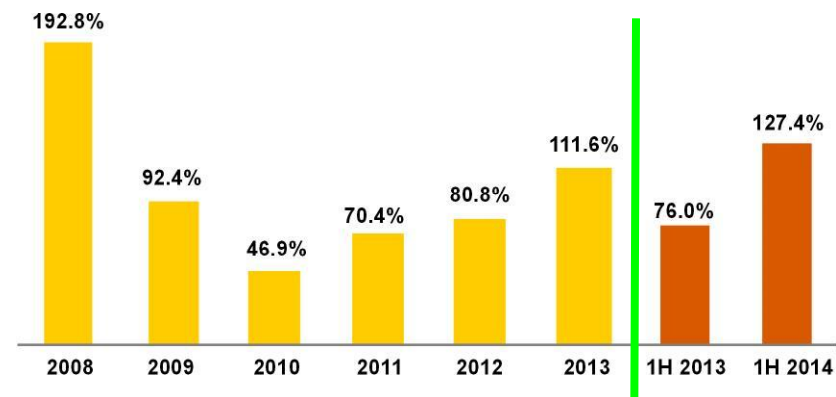
# Proven financial track record

## Total Assets

(In IDR billion)

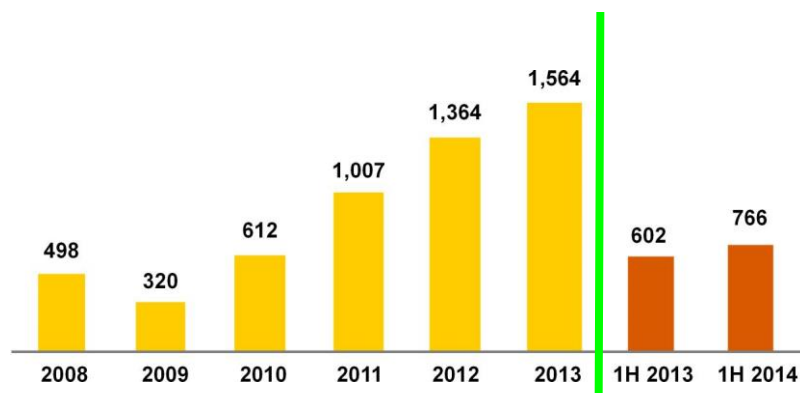


## Net Debt / Equity



## CAPEX

(In IDR billion)

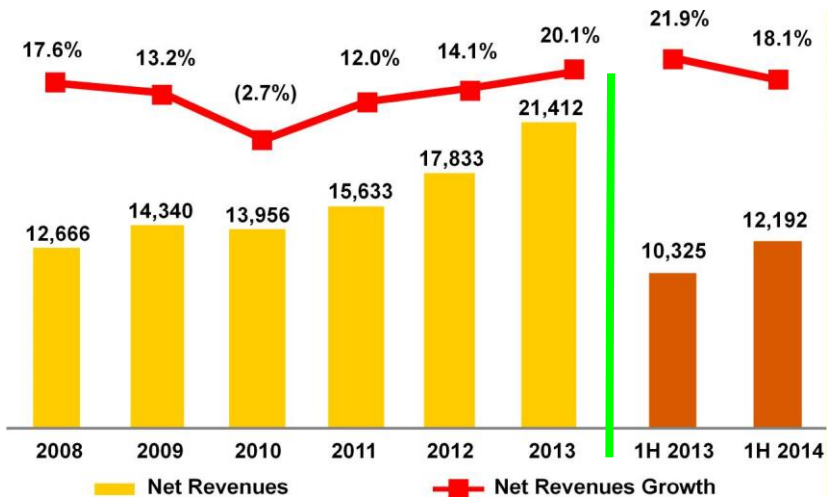




# Proven Financial Track Record

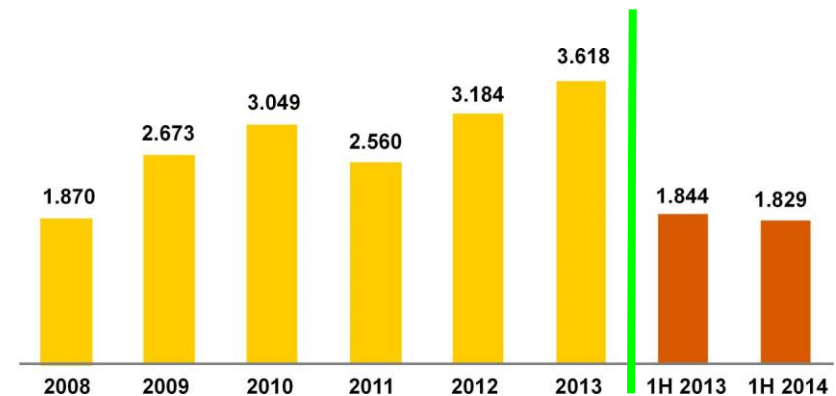
## Net Revenues

(In IDR billion)



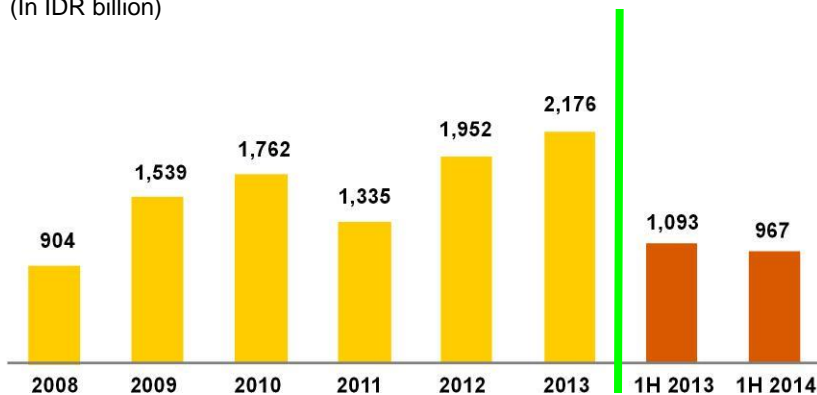
## Gross Profit

(In IDR billion)



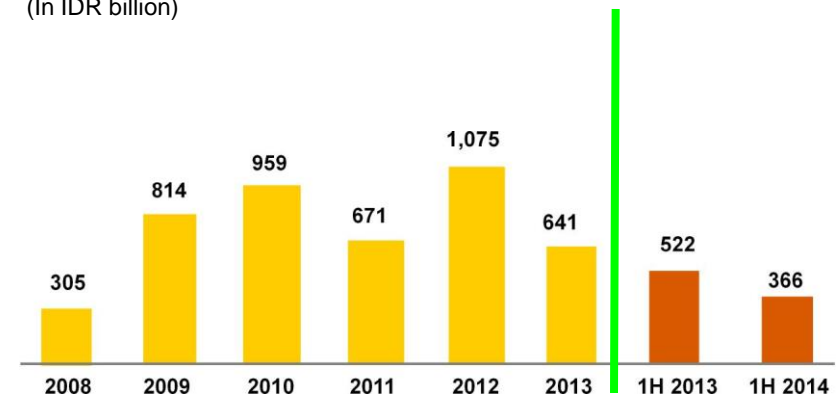
## EBITDA

(In IDR billion)



## Net Profit

(In IDR billion)

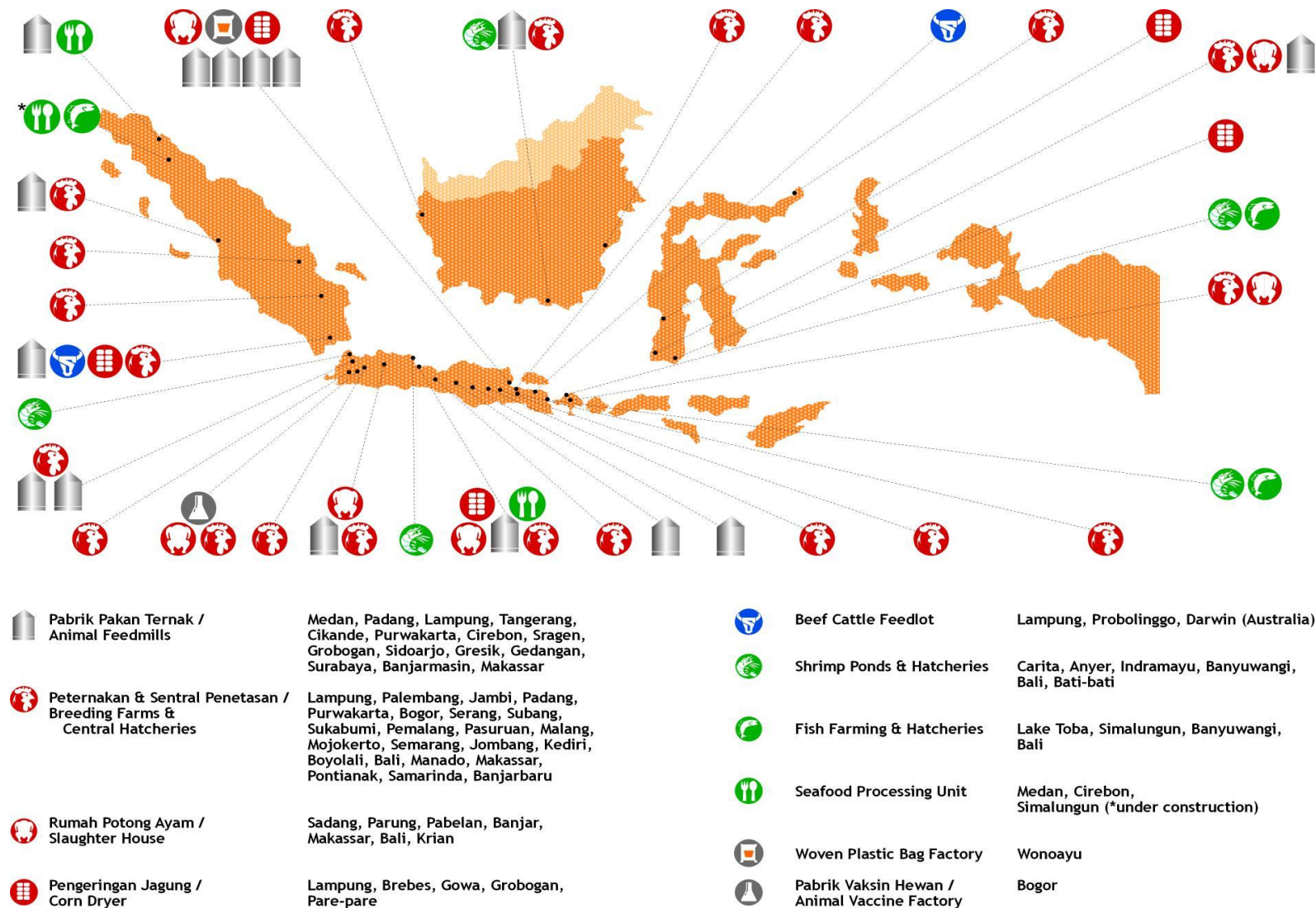




# Appendix

# Pan-national distribution platform

## Deep national coverage with strong local knowledge



Note: (1) Japfa has 61 breeding farms and not all the farms are reflected on the map.