

INVESTOR
PRESENTATION

Malindo Feedmill






Content

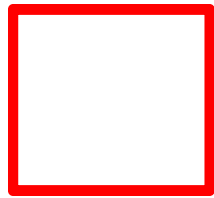
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Company

Background

GROWING THROUGH EXCELLENCE

20th year as a leading livestock company
in Indonesia.

Built significant milestones with
numerous achievements in the
agribusiness industry which
producing high quality of
chicken and eggs with over
IDR 2Tri of market cap.

Improvement in many aspects
from HR competencies to
utilization of modern technology

Healthy financial position with
gearing ratio (net) of 0,90x

Key Financial Highlights

Attractive, Fast Growing Industry

Amongst the lowest consumption in SE Asia at 11 kg vs Malaysia at 40 kg

The preferred protein due to its cultural & religious fit and affordability

GDP growth – 2018: 5.1%; 2017: 5.3%; stable political environment, improved government spending & lower bank lending rates

Top-3 Integrated Player

Vertically integrated player with 7-8% market share

Strong position in feed, breeder and broiler with growing branded consumer food products

Reputation as high quality producer, solid track record with diverse customer base

Key Financial Highlights

Secured Capex Budget

Capex plan in place to sustain 10% annual revenue growth

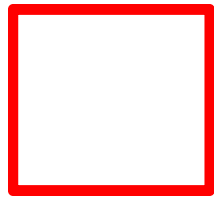
Further scale anticipated to improve EBITDA margins

Quality Management & Governance

The founding shareholder has 40+ years of industry experience in SE Asia

Professional managers, independent board, best-in-class policies

Historical dividend payout ratio in the range of 15-30% of net income



Q1/2018

Highlights

DOC & Broiler Average Selling Price

Government initiatives ensuring stable
DOC & chicken prices and supply-
demand dynamics

Consumer demand projected to improve with strong support by macro conditions

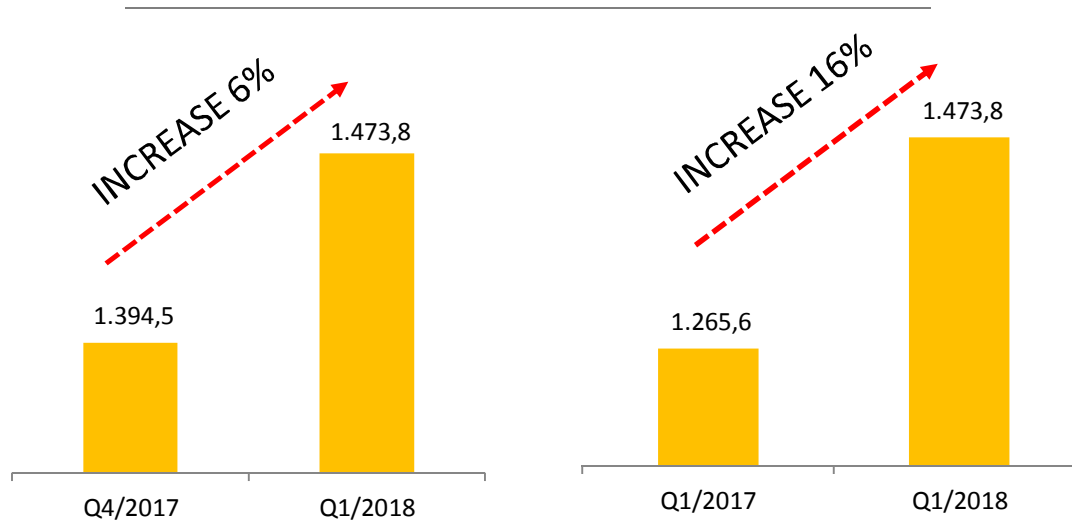
GDP growth: 2018 5.3% (2017 c. 5.1%)

Q1/2018

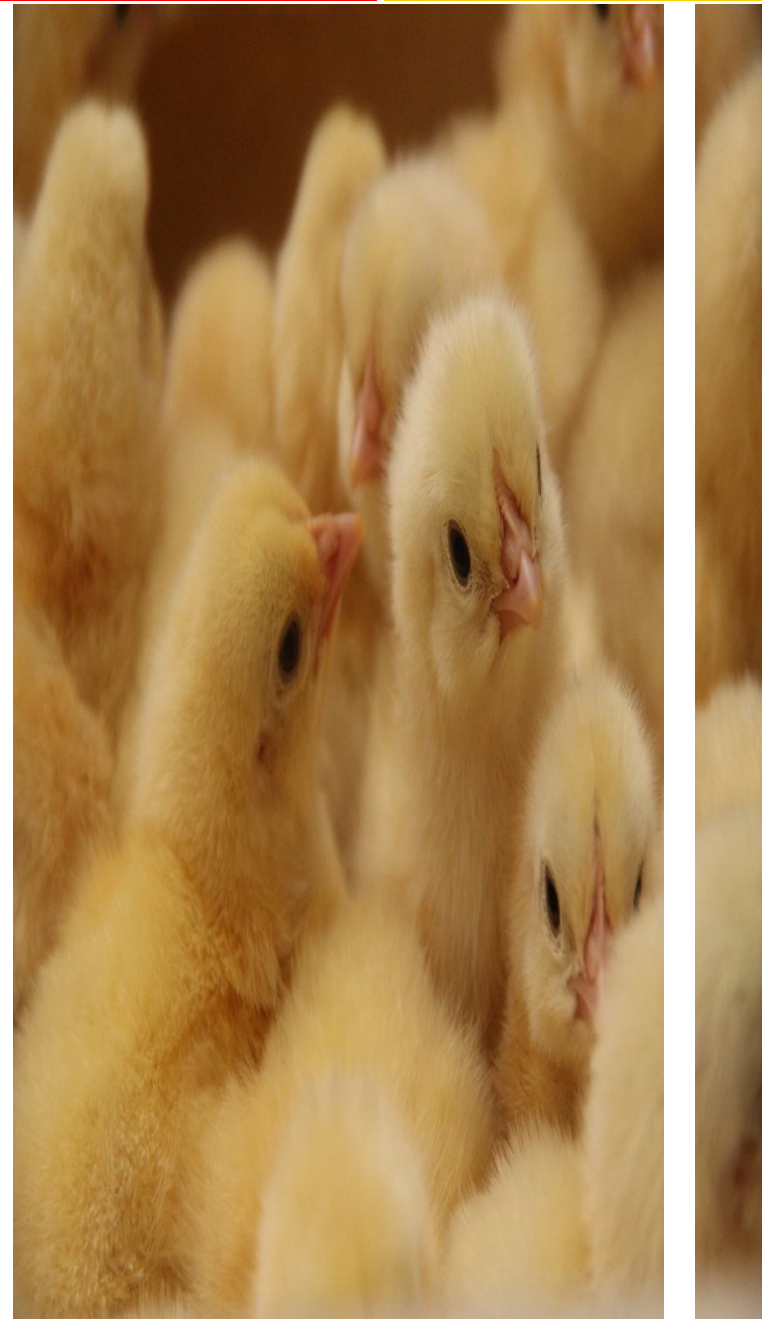
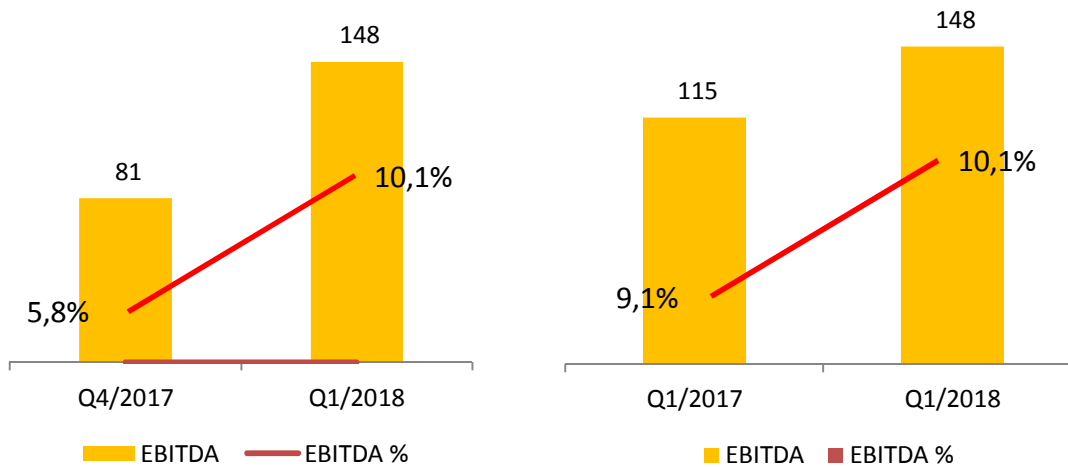
**Feed margins to benefit from volume
growth, particularly expanding to swine
feed and duck feed**

**Consumer food volume continues
increasing by boosting the sales through
TV Commercial and social media**

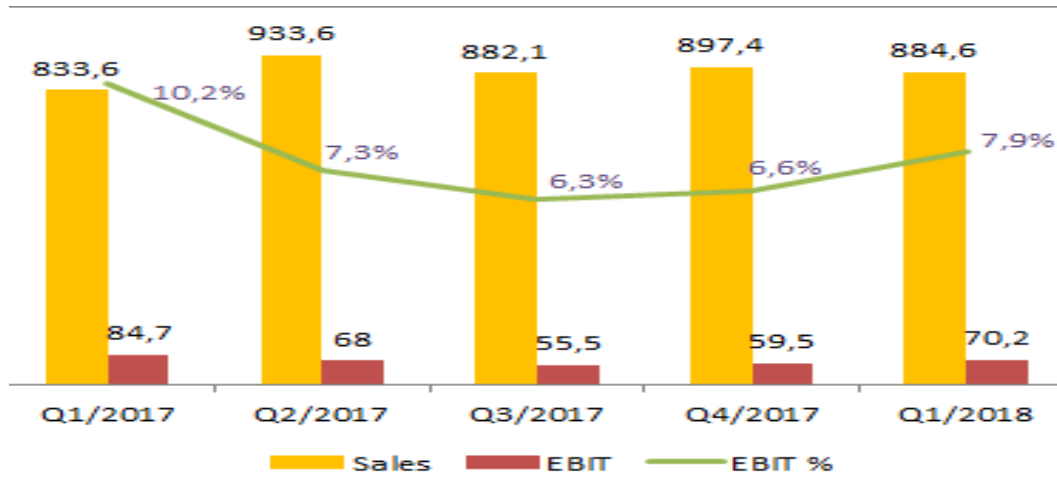
SALES



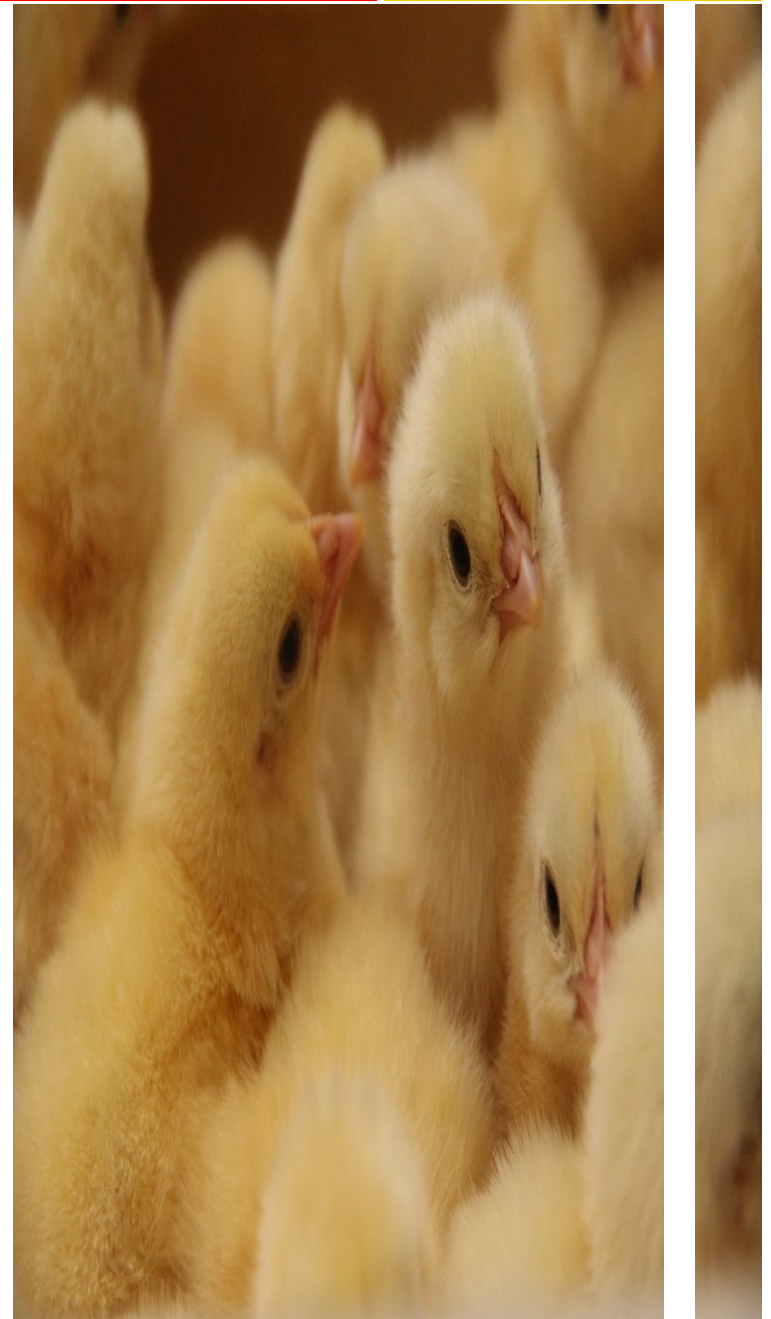
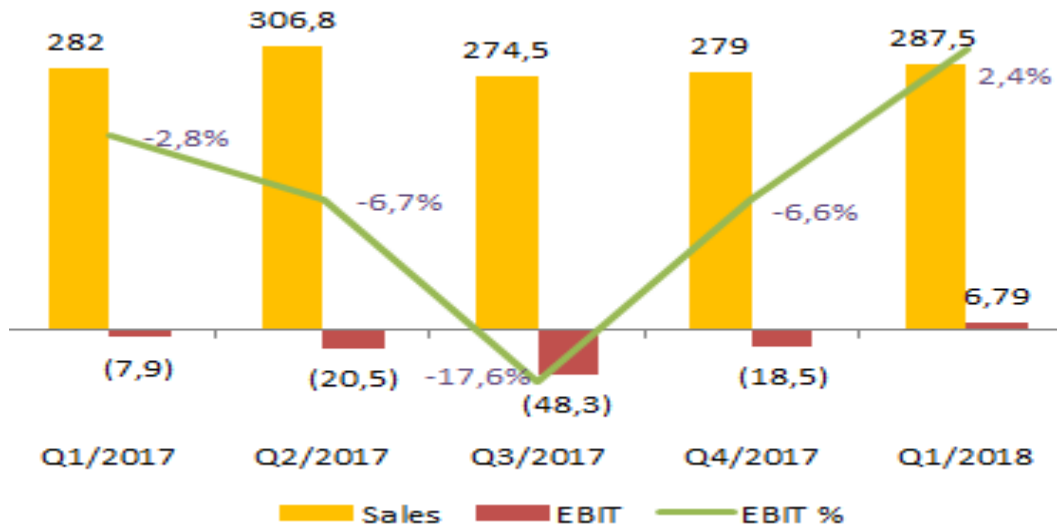
EBITDA



FEED

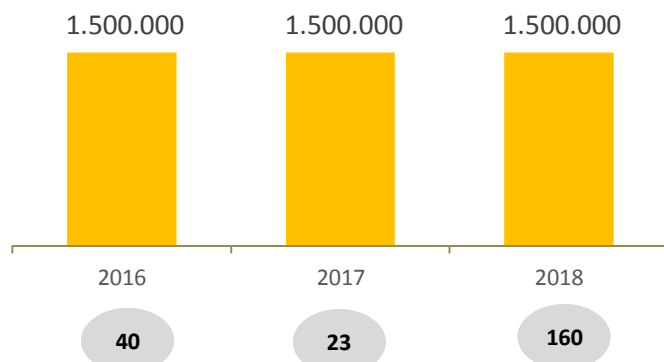


BREEDER

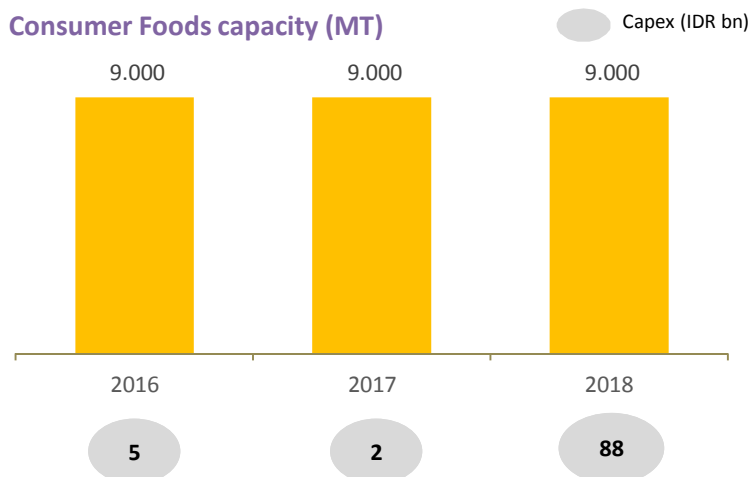


CAPEX PLANS 2017 – 2019

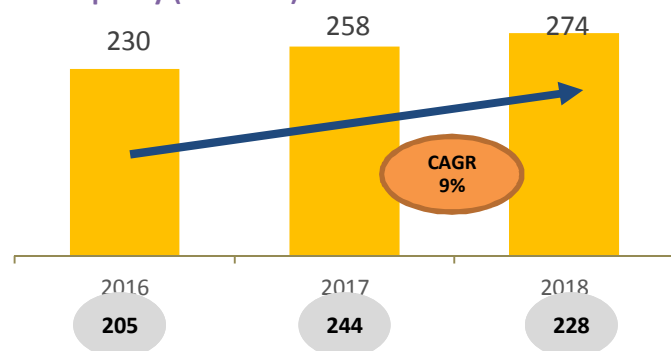
Feed capacity (MT)



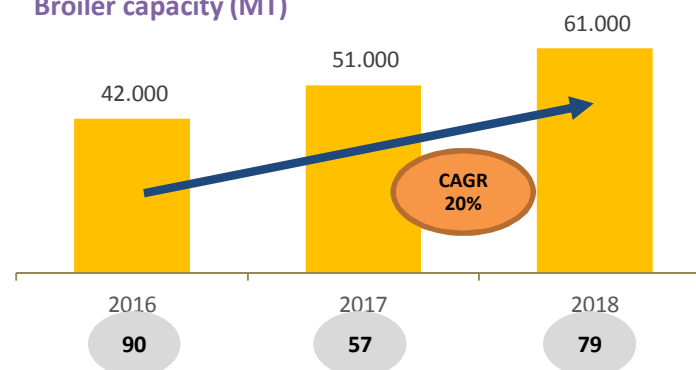
Consumer Foods capacity (MT)



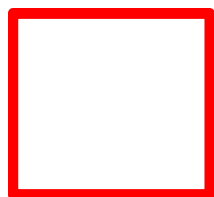
DOC capacity (Mn birds)



Broiler capacity (MT)

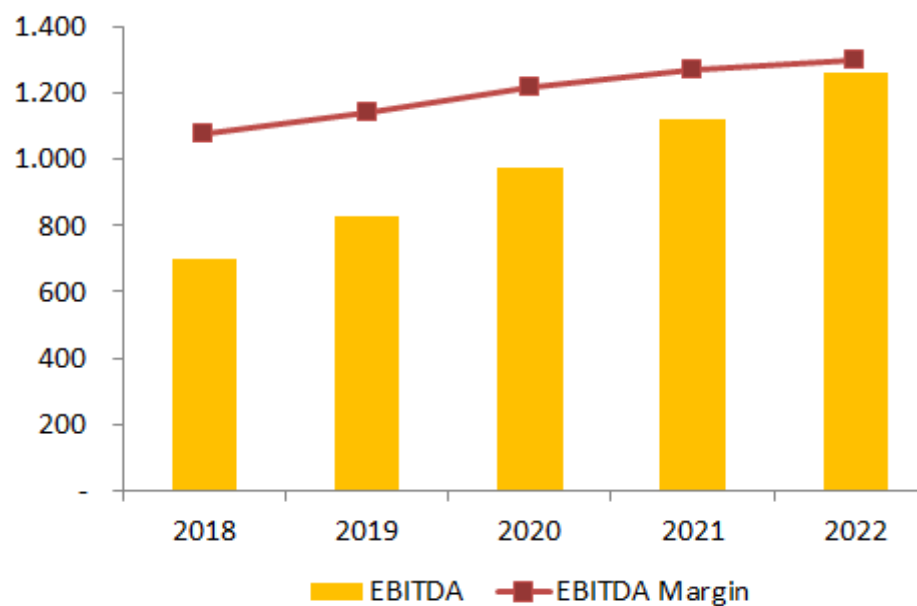


Projected Capex of IDR 555 bn in 2018 will enable Malindo to capture increased demand as the general economy & market grows

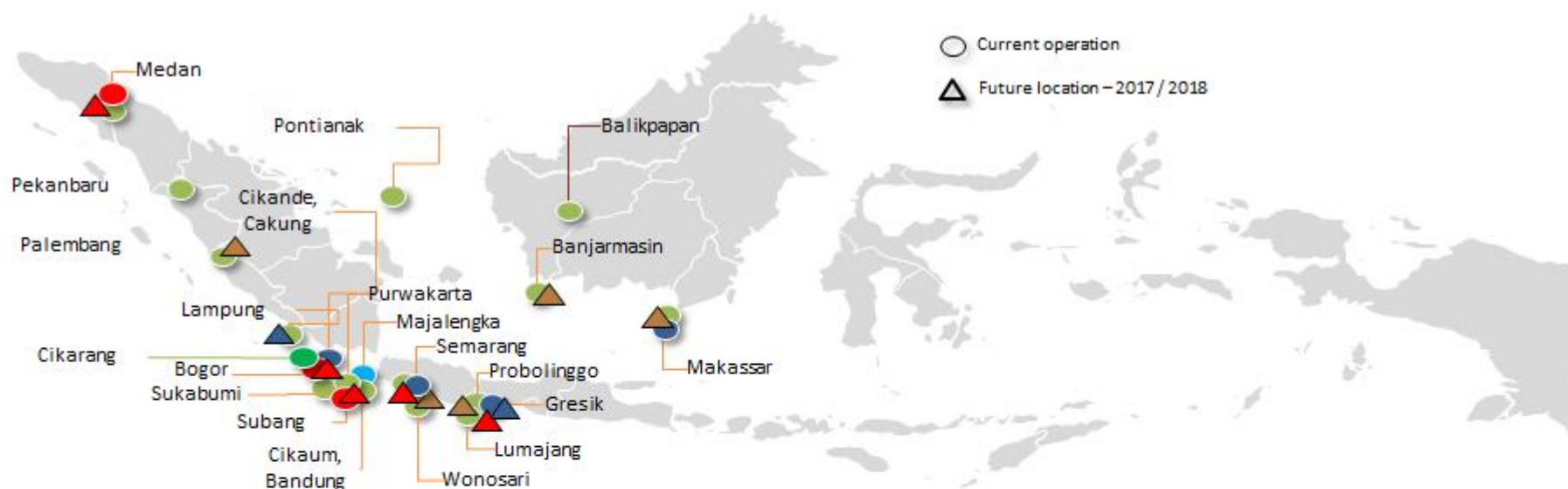


PROFIT FORECAST

2018 – 2022



Strategic & Diverse Locations

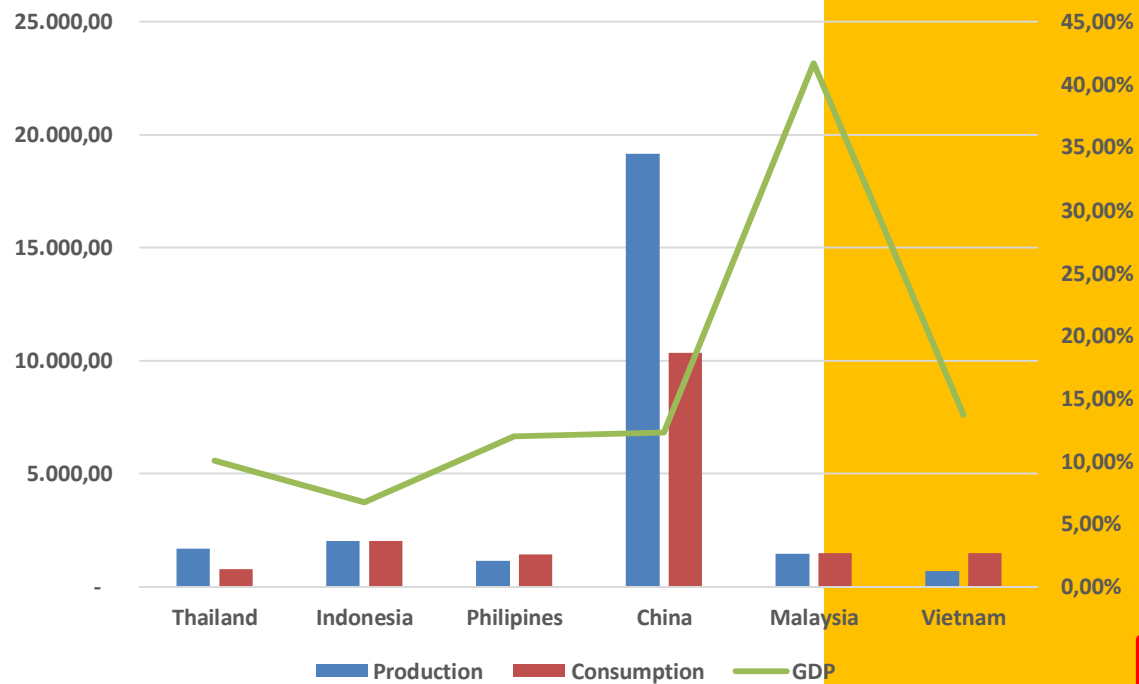


Legends	Division	2017 Annual Capacity	Additional Capacity	Locations
	Feedmill	1,500,000 MT *	-	Cakung, Cikande, Gresik, Semarang, Makassar, Lampung
	GPS Breeding	3.2 mn DOCs	-	Majalengka
	PS Breeding	258 mn DOCs	16 mn DOCs	Medan, Lampung, Subang, Cikaum, Purwakarta, Wonosari, Probolinggo, Lumajang, Pontianak, Banjarmasin, Makassar, Pekanbaru, Palembang, Rembang
	Broiler	51 mn kg	10 mn kg	Medan, Subang, Bogor
	Food Processing	9,000 MT	-	Cikarang

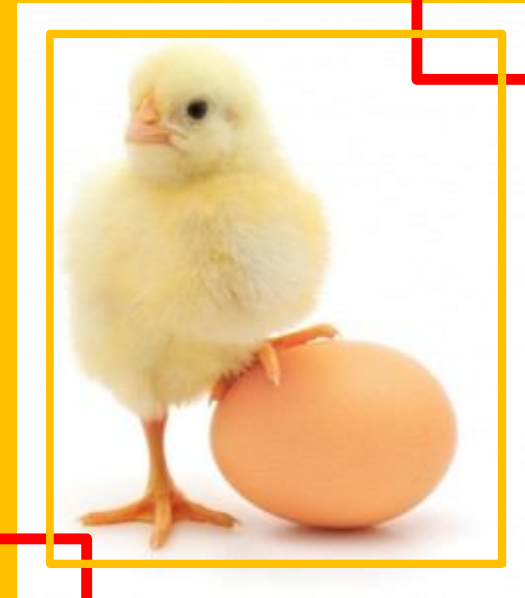
* based on mixed capacity

Industry Outlook

Poultry Consumption

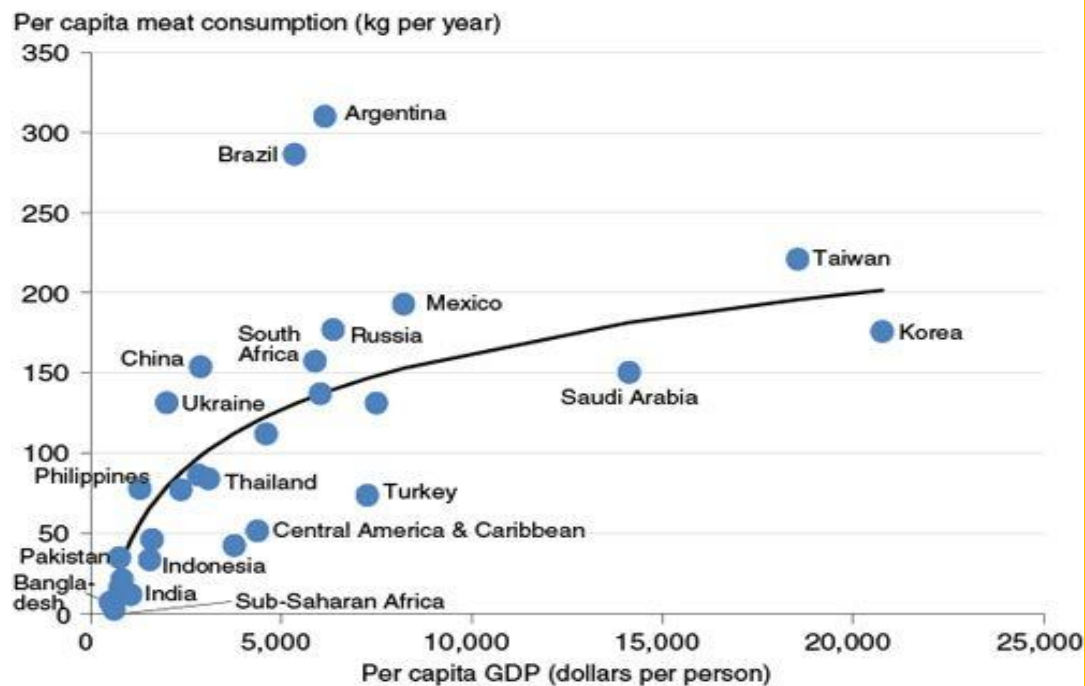


Source: FAOStat (2018)



Industry Outlook

Meat consumption generally increases with higher income

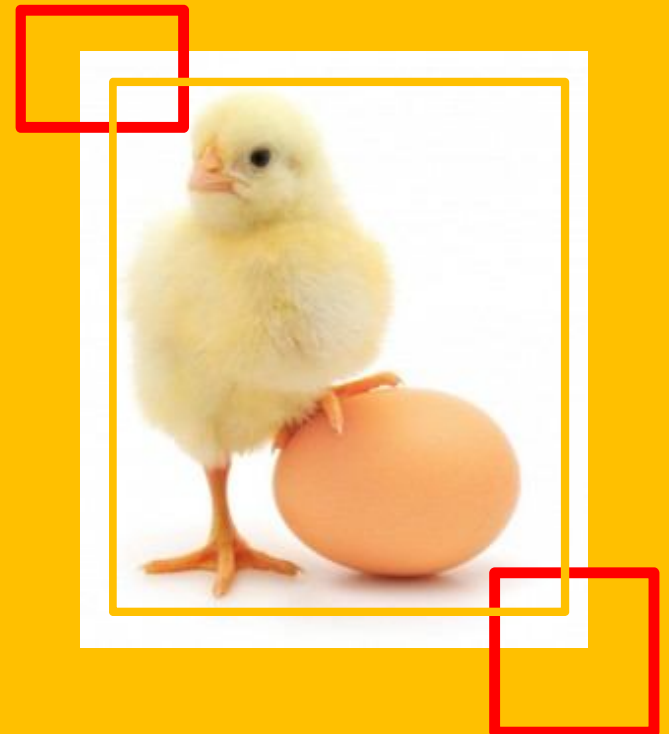


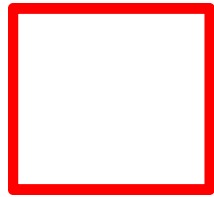
Notes :

Data are 2009 – 2011 averages for selected developing countries.

Logarithmic growth curve based on both developing and developed countries.

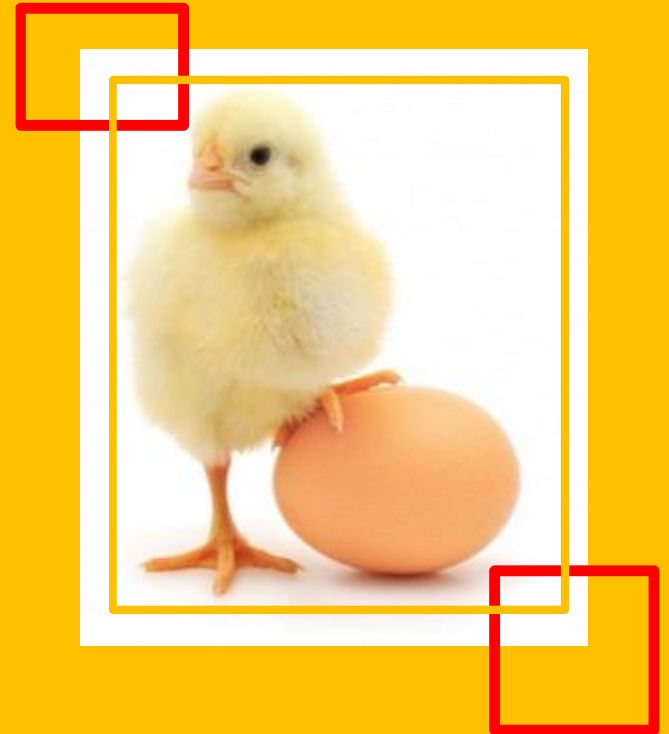
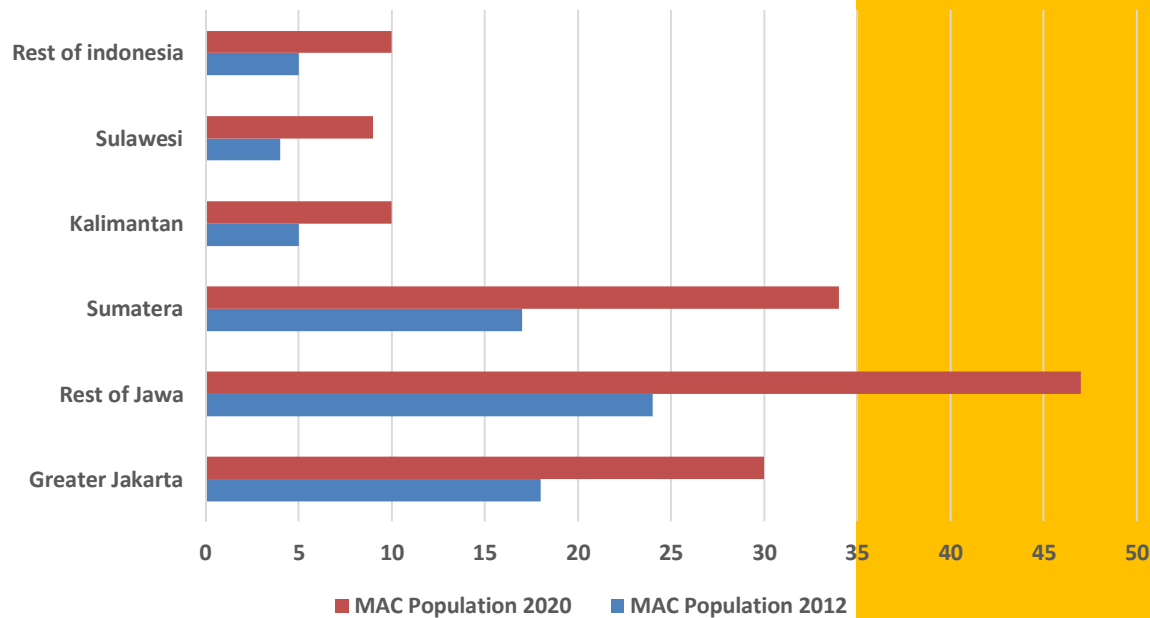
Sources : USDA, Economic Research Service using USDA Agricultural Projections to 2022 and supporting data





Industry Outlook

Consuming Class (Middle and Affluent)



Notes :

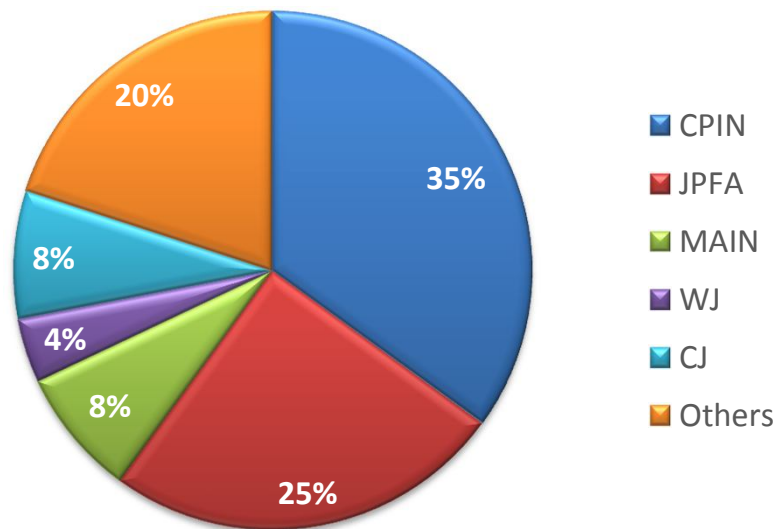
In line with McKinsey research in defining Indonesian consuming class, BCG reported Middle and Affluent Class is growing, which Jawa and Sumatera dominate and will continue so.

Sources : BCG Analysis 2012

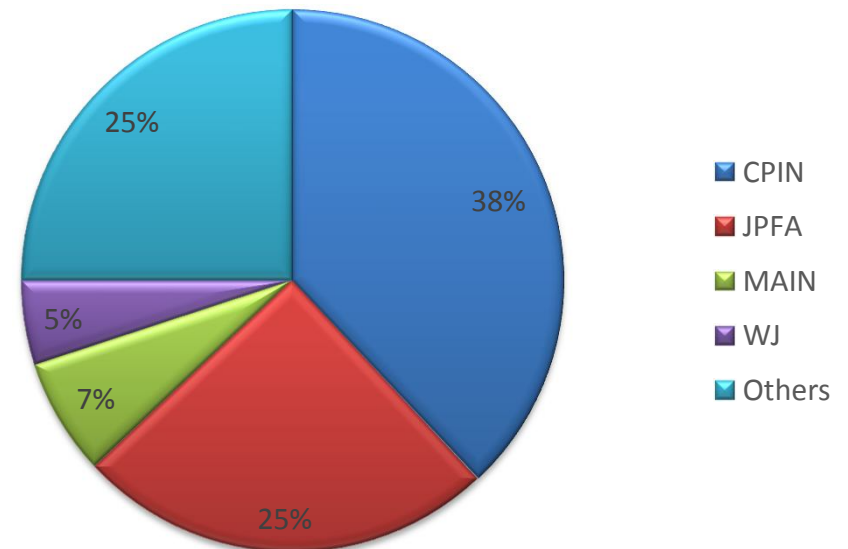
Business Lines

Emerging Market Leader in Poultry

Indonesia feed production capacity share (2017)



Indonesia DOC production capacity share (2017)



Malindo is well-positioned to capture market share from the overall growth in the poultry industry, including the growing branded processed poultry segment

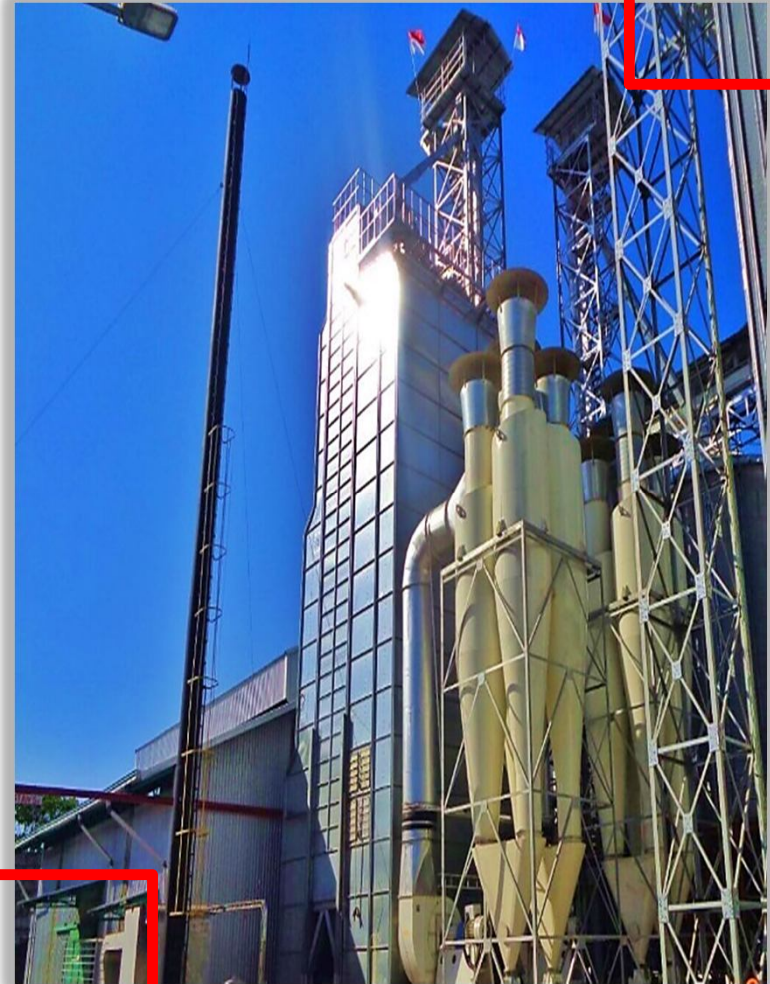
Source: Company (2018)

Feed Updates

Installation of additional corn dryers & silos in 2018 to **increased utilization of local corn**

Malindo is able to manage price and FX volatility of imported raw materials over time due to its scale and favorable industry dynamics

Additional capacity is expected to **improve EBIT margin** through economies of scale (target utilization in FY2018 : 60%-65% of optimal capacity)





Breeder Updates

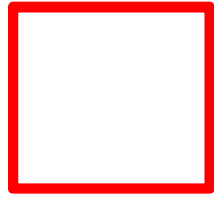


High Quality DOC from Cobb – Vantress

- Efficient Feed Conversion Ratio (FCR) low mortality rates, high uniformity and fast weight gain
- Technical expertise and strict sanitation and biosecurity standards results on low-mortality rate
- Efficient and proven farm house management techniques
- Strong R&D capabilities ensures continued improvements and quality control

Strong customer relationships and extensive distribution network

- 20 years of experience on the ground, dedicated customer support team
- Offer a full range of products and services including bundled feed and DOC, vitamins and vaccines
- Provide technical assistance and support to farmers

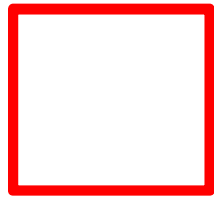


Breeder Updates



Expanding production capacity with a target of 274Mio chicks in FY2018

- Malindo expects to **add 8% - 10% production volume** per annum beyond 2018 to support projected market recovery.



Broiler Updates

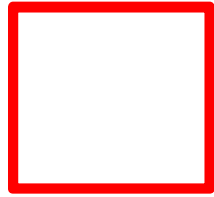
High quality DOC and best-in-class farm management ensures high-quality broiler

Diverse geographic location limits disease outbreaks

Expanding capacity to 61,000 tons in FY2018 to support the growth in processed food & chicken consumption

Focus on supplying internal processed food division to ensure high quality chickens for its branded consumer products





Processed Food Updates



Production plant with installed production capacity of 9,000 tons per annum

- With market recovery & improved sales from 2017, **additional capacity will be added in 2019**

2 main brands, targeting diverse customer base

- **Sunny Gold**
premium brand targeting modern trade, estimated to generate 40% of revenues. Available at major supermarket chains e.g. Lottemart, Hero, Giant, Superindo, Hypermart, Carrefour.
- **CikiWiki**
mass brand targeting traditional market, estimated to generate 60% of sales

TV Commercial

- In April 2017 launched the TVC which supported the growth of 55% in FY2017
- TVC launch again on May 2018 to **absorb market demand** in the upcoming Lebaran season.

THANK YOU



INVESTOR RELATION



www.malindofeedmill.com



Sunny Gold



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