



PT MALINDO FEEDMILL TBK

2Q 2019 RESULT PRESENTATION





COMPANY OVERVIEW

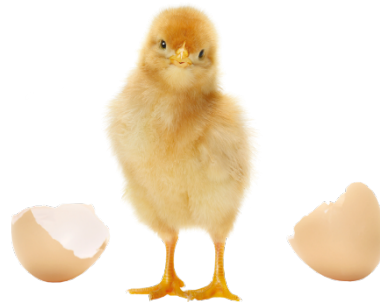
Vertically integrated business

UPSTREAM

FEED



BREEDING



MIDSTREAM

COMMERCIAL
FARMING



DOWNSTREAM

FOOD
PROCESSING



KEY INVESTMENT HIGHLIGHTS



Attractive, fast growing industry

Top 3 integrated player

Secured growth plan

Upside from Processed food (CBP) segment

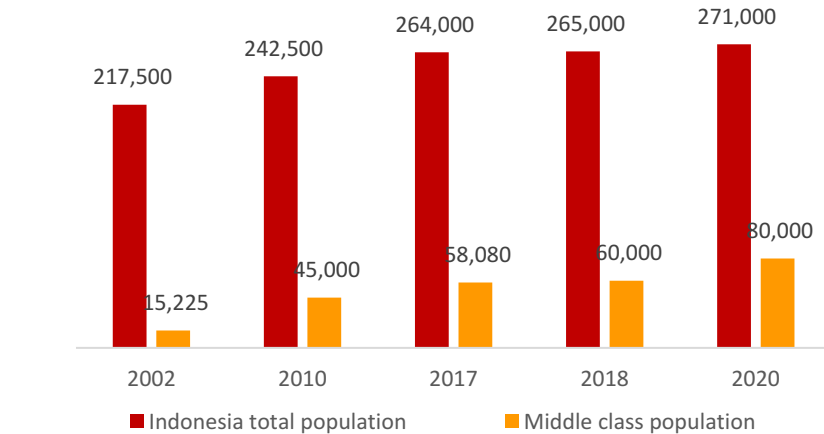
Highly experienced management with strong governance

Productive age employees

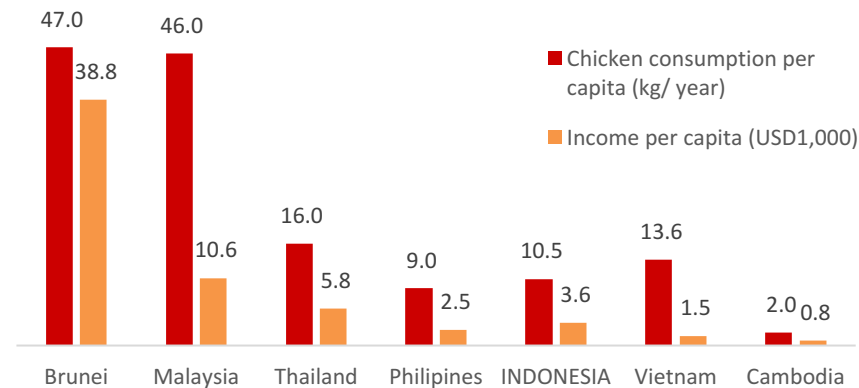
Investment highlight #1: Attractive, fast growing industry

Indonesia's middle class is growing, adding 80million people in the middle class by 2020

('000 people)

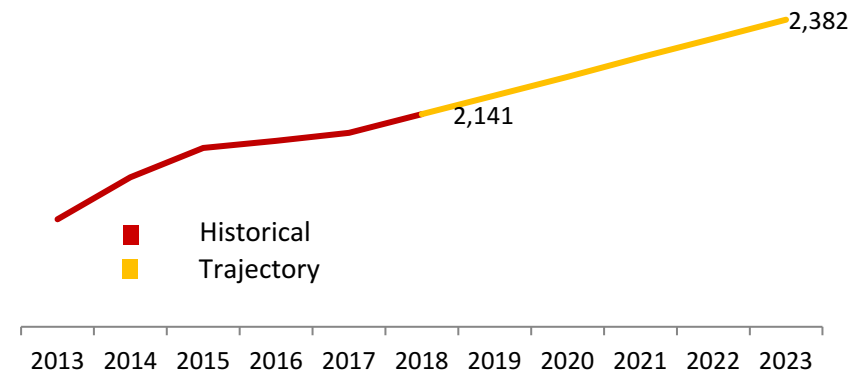


Indonesia has one of the lowest chicken consumption in SE Asia



Chicken consumption in Indonesia keeps growing and forecasted to be even stronger in 2023

('000 tons)

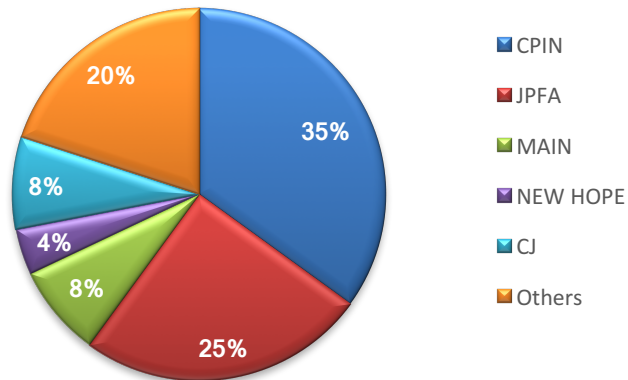


Chicken is the most affordable animal protein after eggs

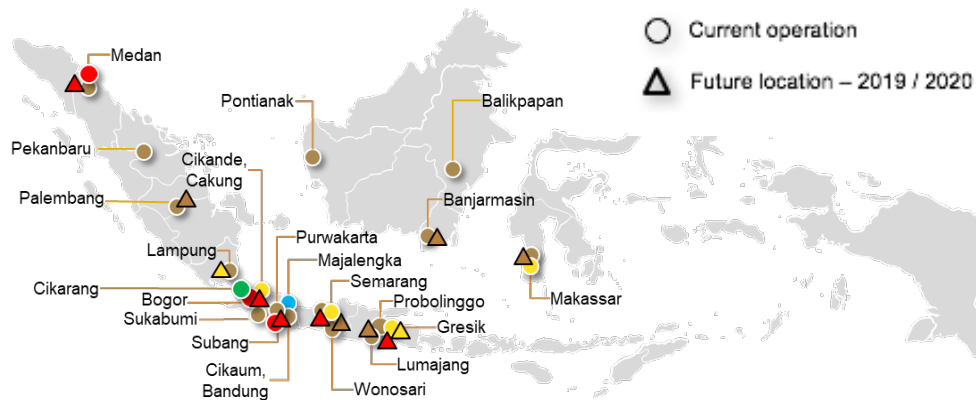
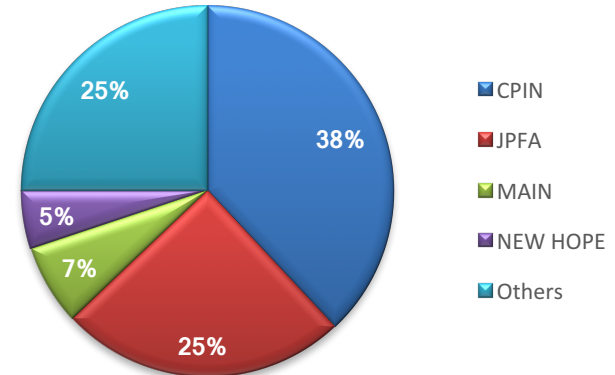
Protein source	Price/kg (IDR)	Protein content	Protein Price/g (IDR)
Egg	23,500	12.5%	188
Chicken (broiler)	35,000	18.5%	189
Fresh milk	25,000	3.5%	714
Beef	190,000	20.0%	950
Fish	167,500	17.5%	957

Investment highlight #2: Top 3 integrated player and well-positioned in the market supported by strategic locations

Indonesia feed production capacity share (2018)



Indonesia DOC production capacity share (2018)

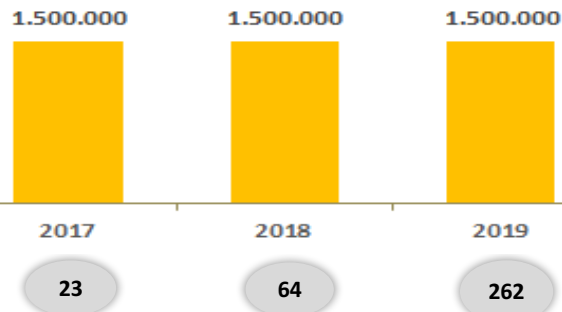


Legends	Division	2019 Annual Capacity	Locations
	Feedmill	1,500,000 MT	Cakung, Cikande, Gresik, Semarang, Makassar, Lampung
	GPS Breeding	3.2 mn DOCs	Majalengka
	PS Breeding	258 mn DOCs	Medan, Lampung, Subang, Cikaum, Purwakarta, Wonosari, Probolinggo, Lumajang, Pontianak, Banjarmasin, Makassar, Pekanbaru, Palembang, Rembang,
	Broiler	77.5 mn kg	Medan, Subang, Bogor
	Food Processing	9,000 MT	Cikarang

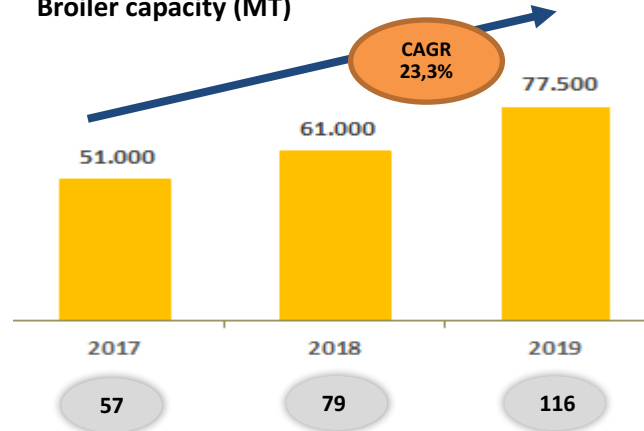
Investment highlight #3: Growth plan with sufficient cashflow to fund capex

Projected Capex of IDR 455 bn in 2019 will enable Malindo to capture the increasing demand

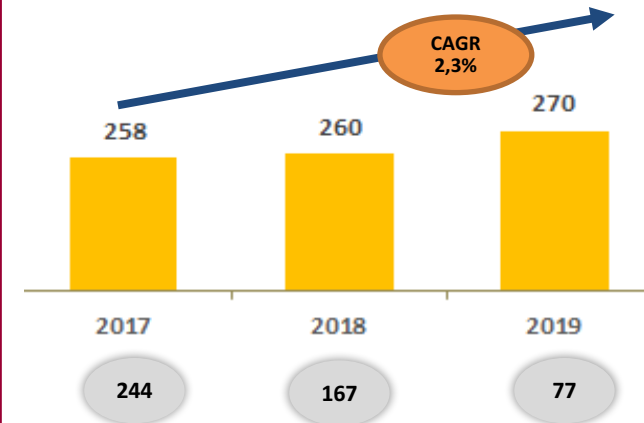
Feed capacity (MT)



Broiler capacity (MT)



DOC capacity (Mn birds)

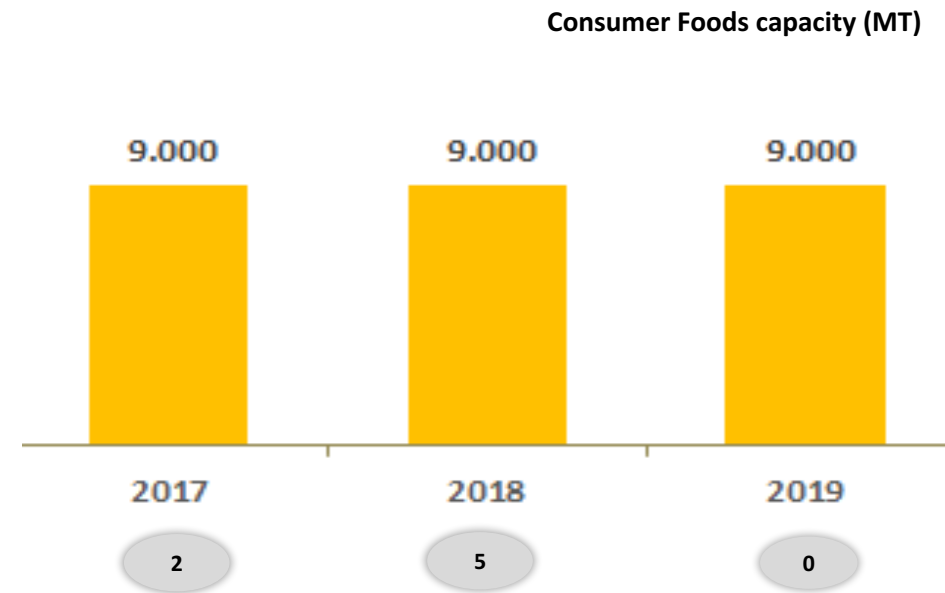


- Maximize the production utilization is expected to improve EBIT margin through economies of scale (target utilization in FY2019 : 75%-80% of optimal capacity)

- Expanding capacity to 77,500 tons in FY2019 to support the growth in processed food & chicken consumption

- Expanding production capacity with a target of 270 Mio chicks in FY2019
- Malindo expects to add 7% - 10% production volume per annum to support projected market recovery.

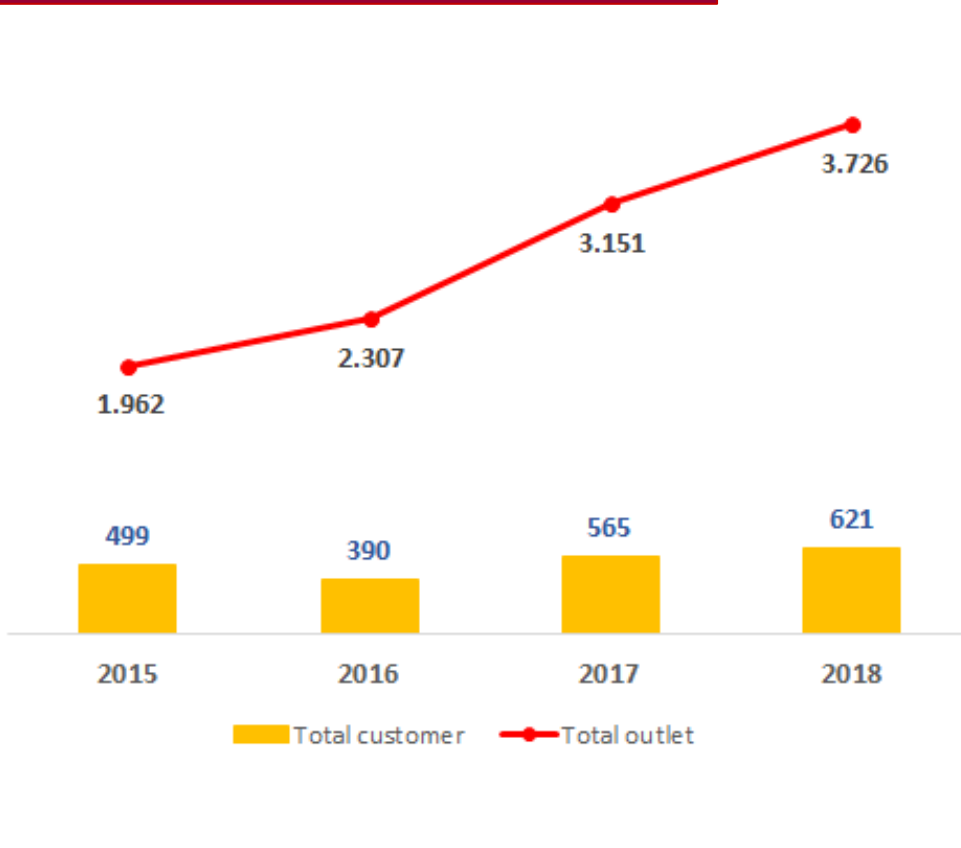
Investment highlight #4: Upside from Processed food (CBP) segment



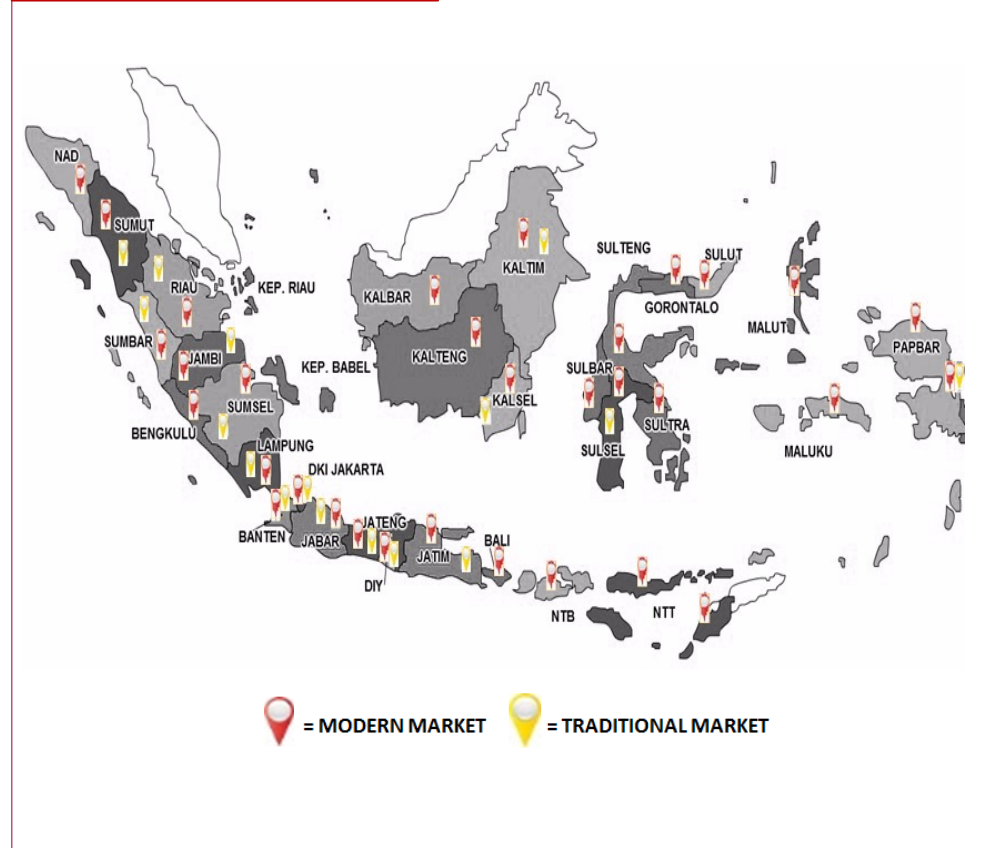
Investment highlight #4: Upside from Processed food (CBP) segment

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

CUSTOMER AND OUTLET GROWTH



DISTRIBUTION MAP



Investment highlight #5: Highly experienced management with strong governance



Lau Chia Nguang
President Commissioner

Year of Poultry
experience:
More than 40 years



Tan Lai Kai
Commissioner*

Year of Poultry
experience:
More than 25 years



Yongkie Handaya
Independent Commissioner*

Year of Manufacture
experience:
More than 25 years



Brian M. O'Connor
Independent Commissioner*

Year of Finance
experience:
More than 20 years



**Koh Bock Swi
(Raymond Koh)**
Independent Commissioner*

Year of Finance
experience:
More than 40 years



**Tan Sri Lau
Tuang Nguang**
President Director

Year of Poultry
experience:
More than 30 years



Mazlan Bin A. Talib
Director*

Year of Agriculture
experience:
More than 30 years



Rewin Hanrahan
Director*

Year of Poultry
experience:
More than 25 years



Lau Joo Hwa
Director

Year of Poultry
experience:
More than 15 years



Lau Joo Keat
Director

Year of Poultry
experience:
More than 15 years



Rudy Hartono Husin
Director*

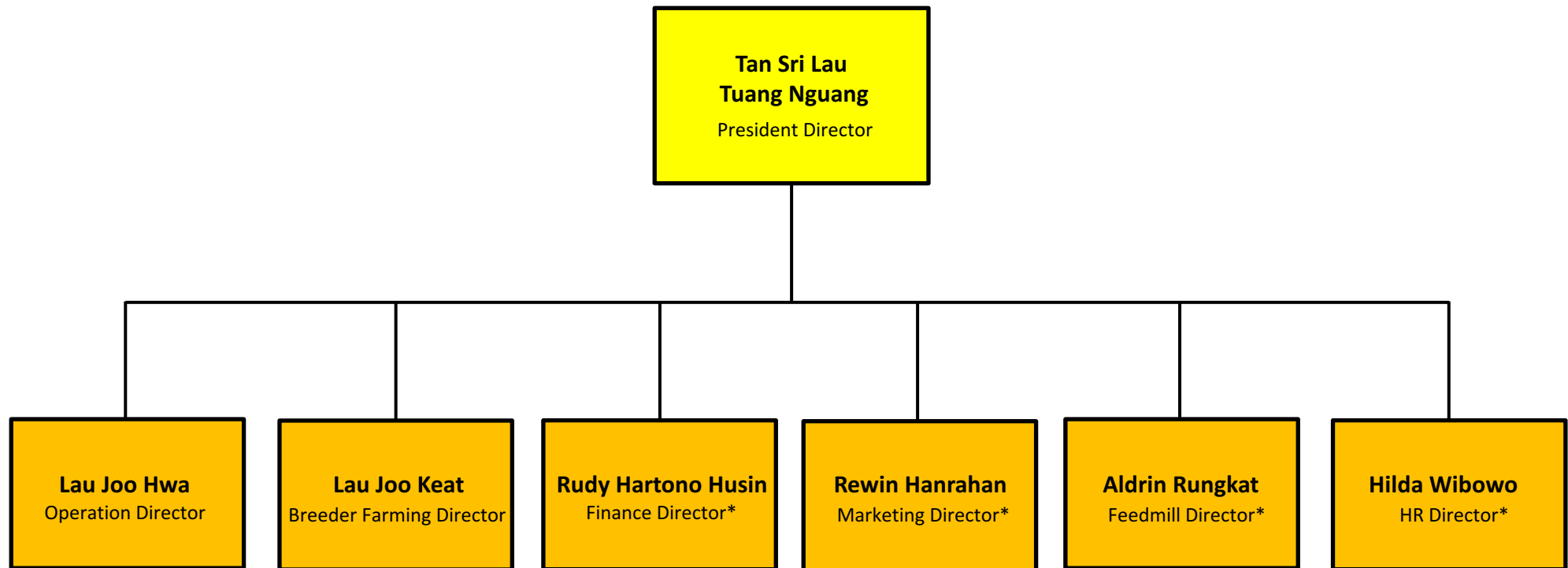
Year of Finance
experience:
More than 20 years



**Dato' Seri Abdul
Azim Bin
Mohd Zabidi**
Director*

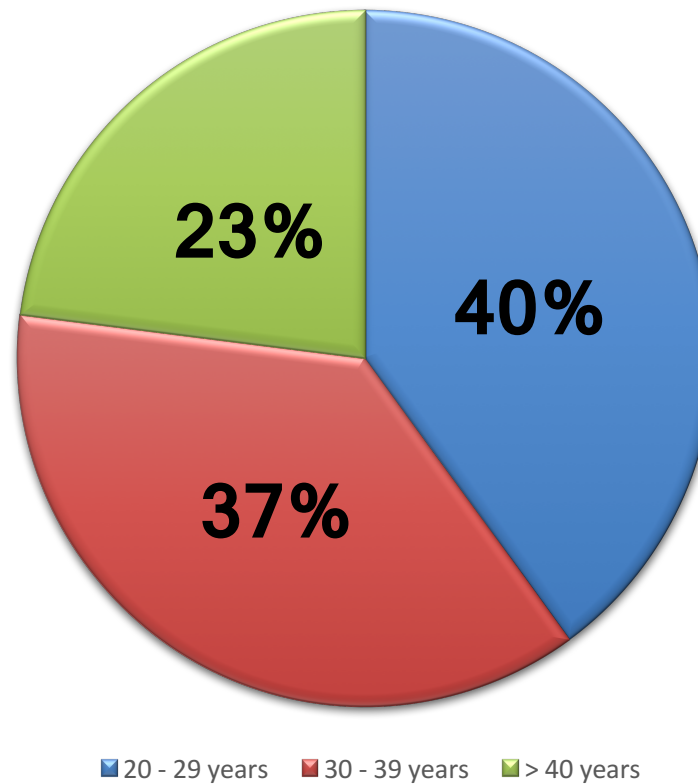
Year of Finance
experience:
More than 20 years

Investment highlight #5: Highly experienced management with strong governance



Investment highlight #6: Productive age employees

Company's employee category by age



2Q/2019 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: 2020 5.3 – 5.6% (2019 c. 5.3%)

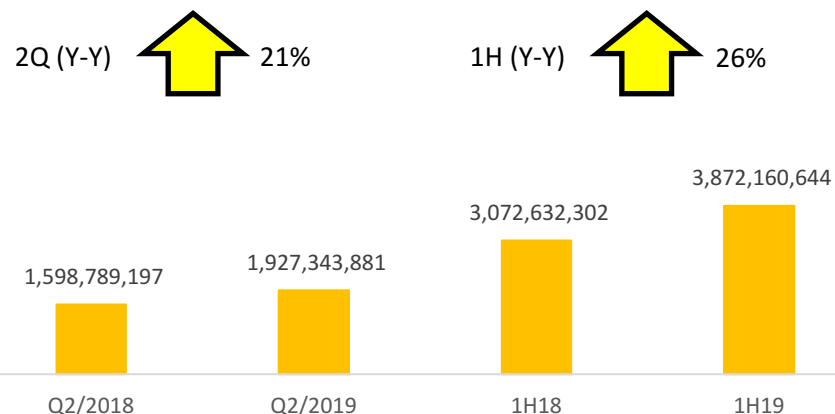


**Feed margins to benefit from volume
growth, particularly expanding to swine
feed and duck feed**

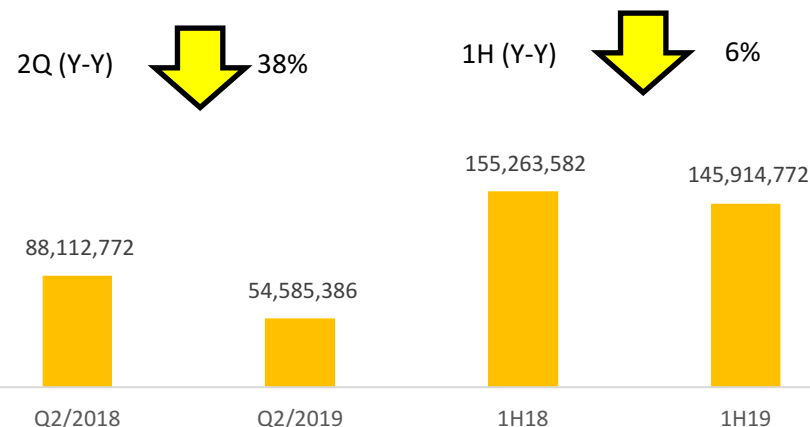
**Consumer food volume continues increasing
by boosting the sales through social media**

FINANCIAL PERFORMANCE

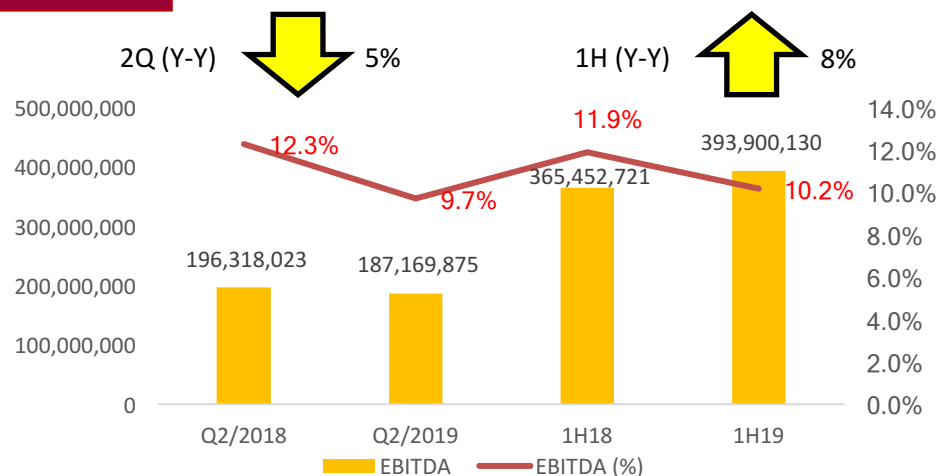
REVENUE



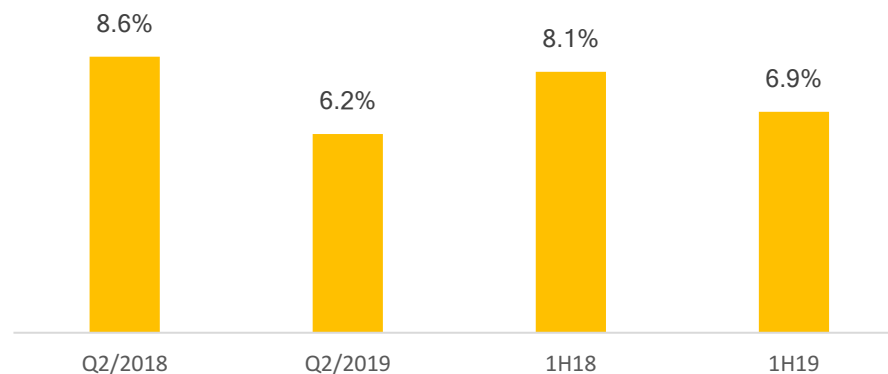
NET PROFIT



EBITDA

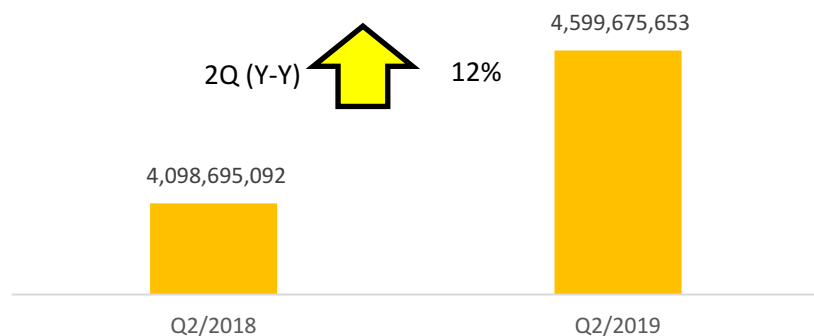


EBIT MARGIN

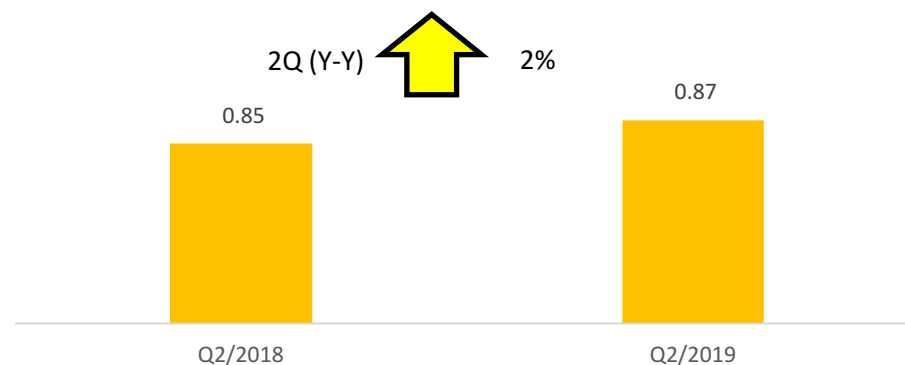


FINANCIAL PERFORMANCE

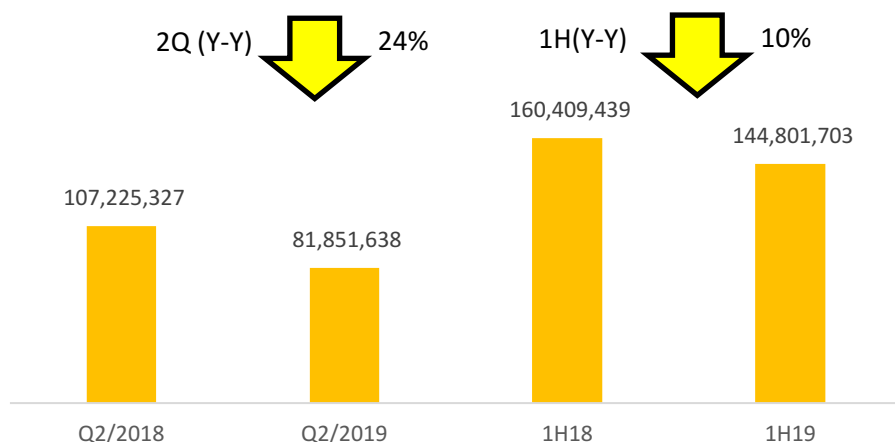
TOTAL ASSETS



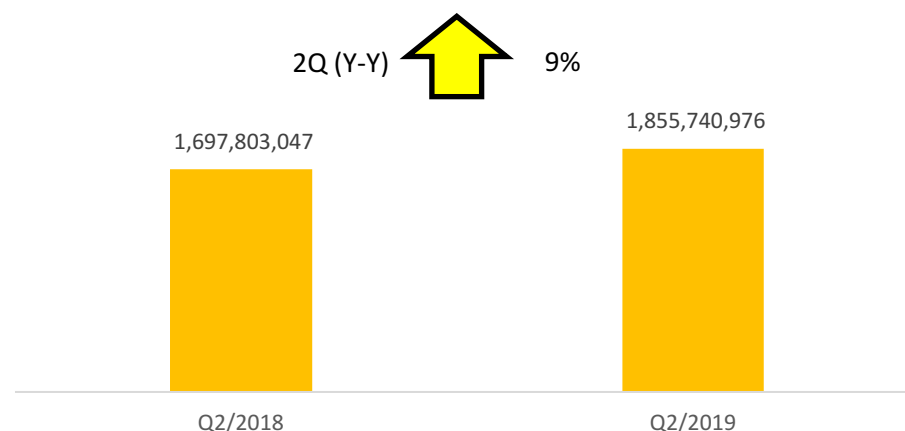
NET DEBT/ EQUITY



CAPEX





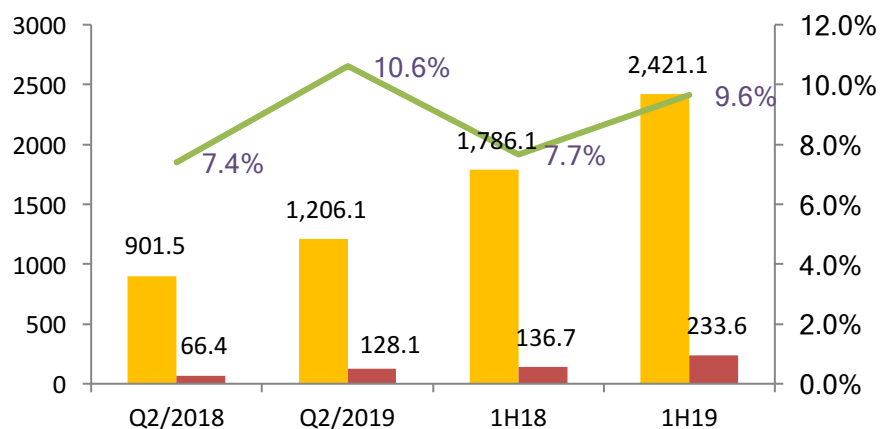
TOTAL INTEREST BEARING DEBT




SEGMENT PERFORMANCE

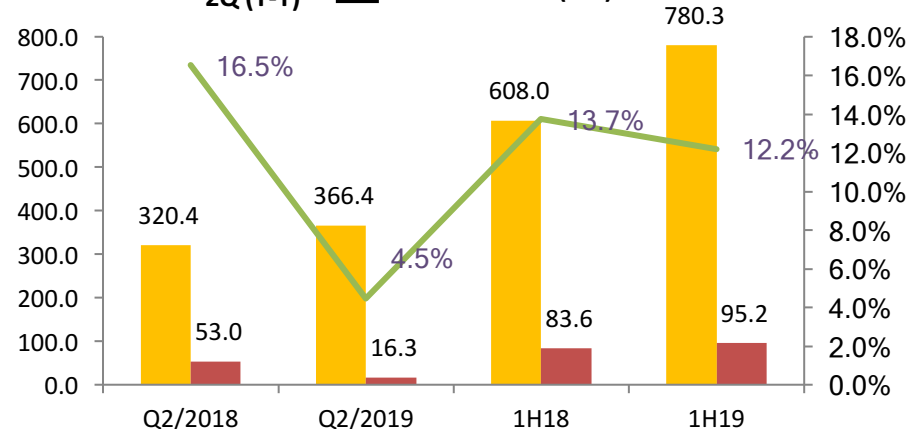
FEEDMILL

SALES 2Q (Y-Y)  34 % SALES 1H (Y-Y)  36 %





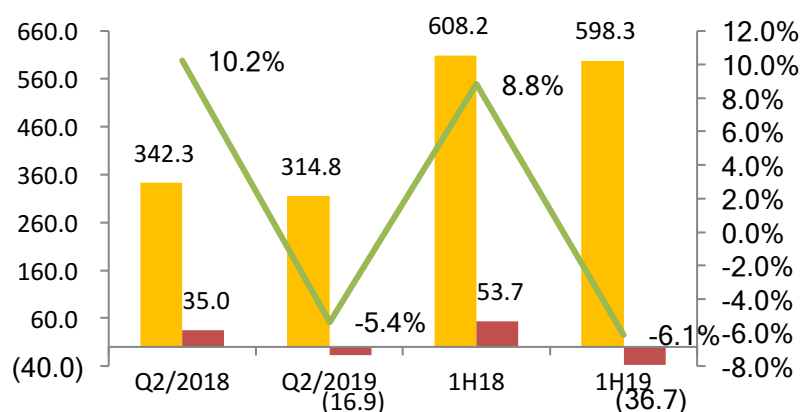
BREEDER

SALES 2Q (Y-Y)  14% SALES 1H (Y-Y)  28%





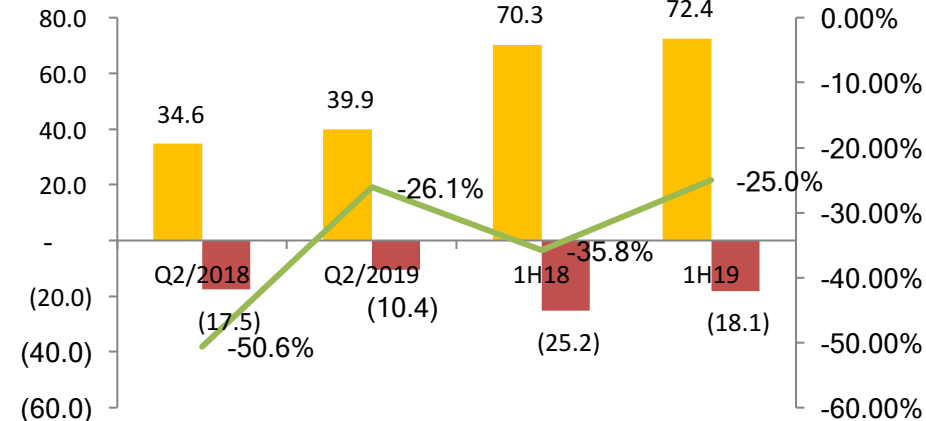
BROILER

SALES 2Q (Y-Y)  8 % SALES 1H (Y-Y)  2 %



FOOD

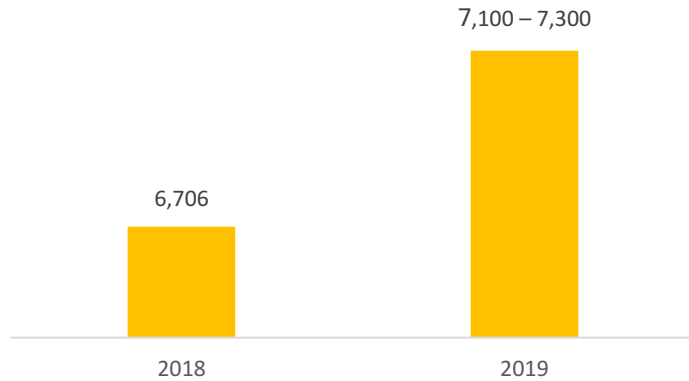
SALES 2Q (Y-Y)  15 % SALES 1H (Y-Y)  3 %



GUIDANCE FOR FY2019

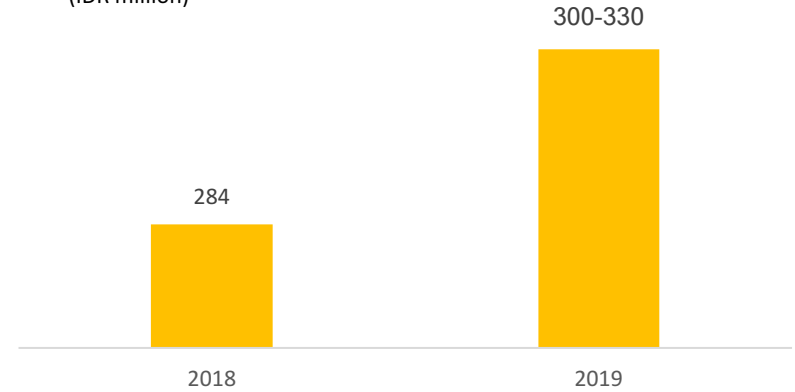
REVENUE

(IDR million)



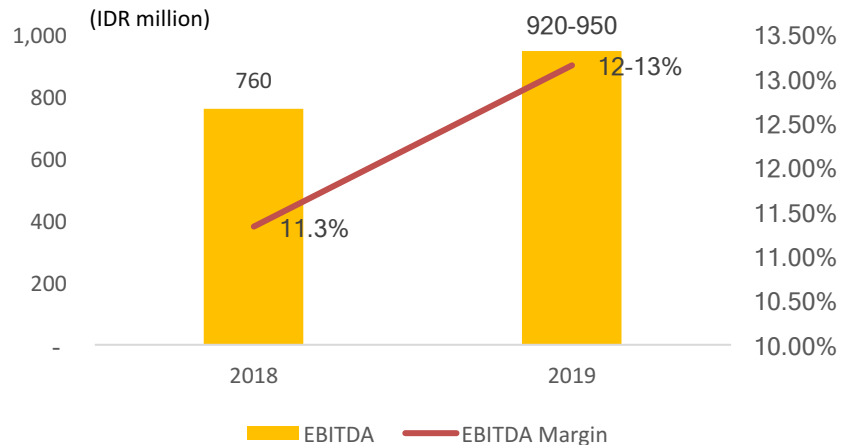
NET PROFIT

(IDR million)



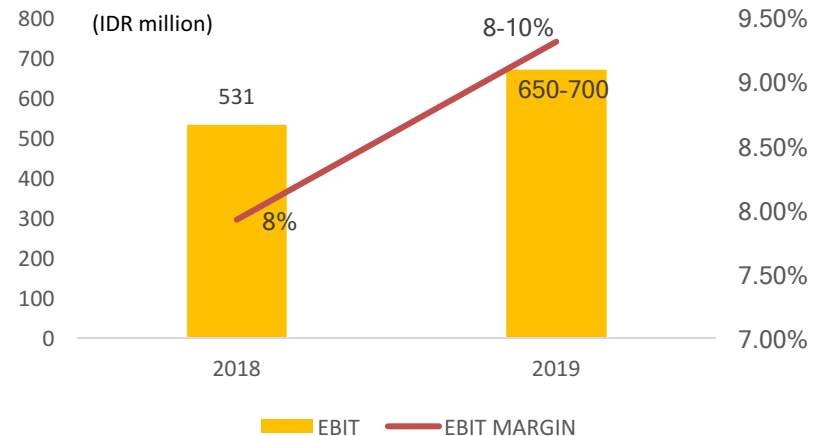
EBITDA

(IDR million)



EBIT

(IDR million)



THANK YOU



www.malindofeedmill.com



Sunny Gold



@sunnygoldid



@sunnygoldid