



Delivering Perfection

Management Presentation

PT. Malindo Feedmill, Tbk [MAIN]

1H 2021 Results





MALINDO AT A GLANCE





Who We Are?

A modern food company originated from a fully integrated poultry producer that bring value adds to our customers



What We Do?

We provide best quality protein to people by producing variety of best quality poultry products and processed food



Why We Do It?

Poultry are great sources of protein. Consumed by most of populations. Our responsibility to bring our best to serve those target markets





Proven track records, always with progress, since 1997

1997

Established
PT Malindo Feedmill

2000

Established
PT Bibit Indonesia

2003

Expanded to East
Java by acquiring
feedmill in Surabaya

2006

Publicly listed
in Indonesia Stock
Exchange

2007

Established entity in
Broiler Chicken
business

2008

- Issued Bonds
- Built Banten feedmill plant
- Acquired Chicken Farm

2013

- Repaid Bonds I
- Started food
processing
business

2014

- Issued shares via
PMTHMETD.
- Grobogan Feedmill
plant began
operations.

2015

- Makasar Feedmill
began operations
- Rights issue
through HMETD

2017

- Built a corn dryer in
Makassar & Surabaya
plant.
- 20th year of operations
in Indonesia.

2018

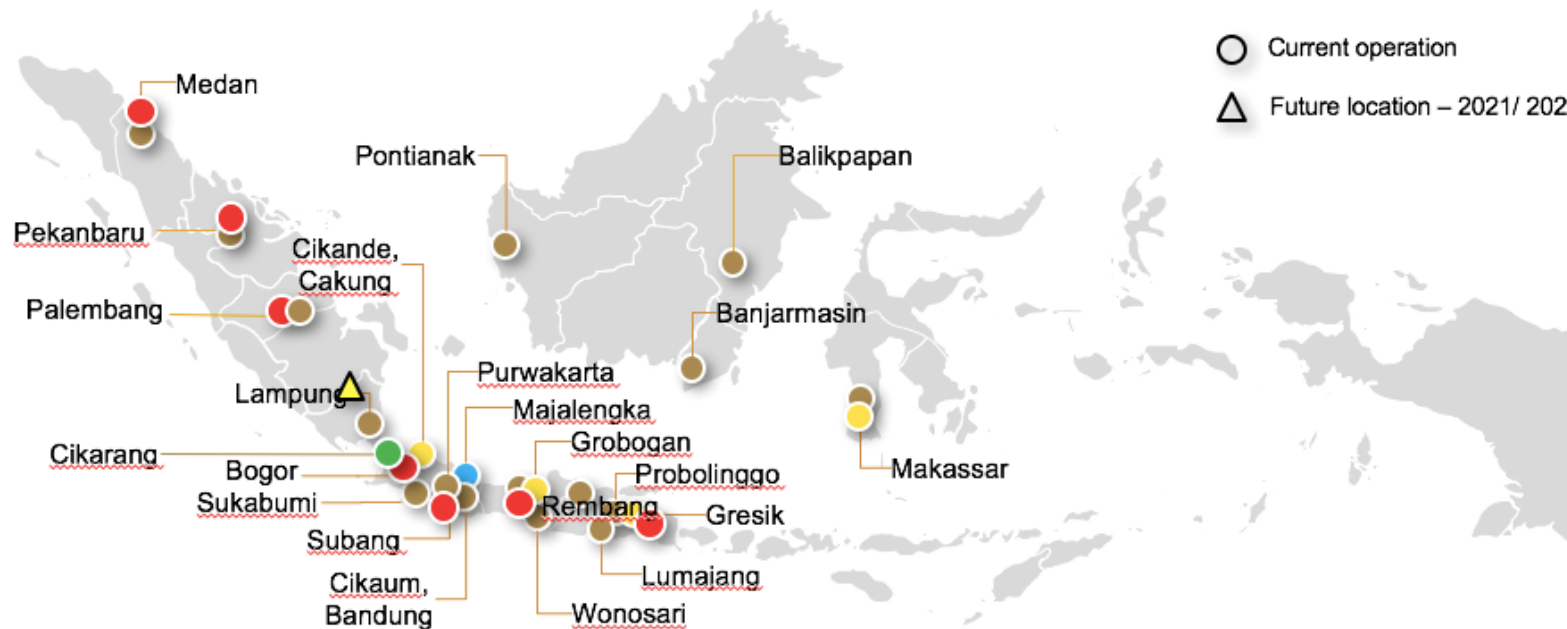
- Built additional corn dryer in
Makassar plant.
- Built breeding farms in Central
Java & East Kalimantan.
- Modernized broiler farms.

2019

- 5 new silos in Grobogan feedmill
- Additional corn dryer in Makassar
- Built broiler farm & egg hatchery in
South Sumatra



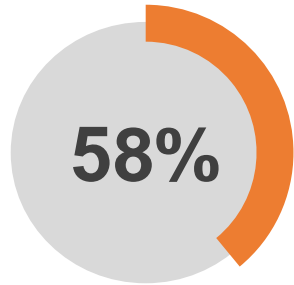
Operates across Indonesia, caters nationwide market needs



| Legends | Division | 2021 Capacity | Locations |
|---------|-----------------|--------------------|--|
| | Feedmill | 1,650,000 MT | Cikande, Grobogan, Gresik, Makassar, Lampung |
| | GPS Breeding | 3.1 million DOCs | Majalengka |
| | PS Breeding | 309.6 million DOCs | Medan, Lampung, Subang, Cikaum, Purwakarta, Wonosari, Probolinggo, Lumajang, Pontianak, Banjarmasin, Makassar, Pekanbaru, Palembang, Rembang, Deli Serdang |
| | Broiler | 76.1 million kg | Medan, Subang, Bogor, Palembang |
| | Food Processing | 6,000 MT | Cikarang |

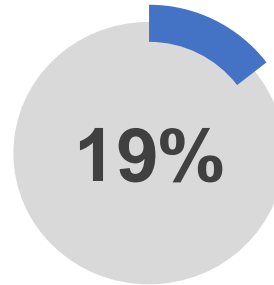


Comprises of 4 (four) solid and stable business segments



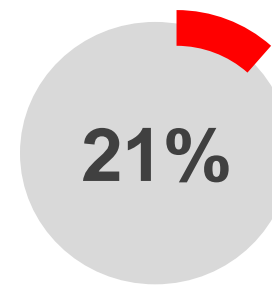
Animal Feed

- ❖ Core Line of Business
- ❖ 5 feed mills across Indonesia
- ❖ Located in Jakarta, Banten, East Java, Central Java and South Sulawesi
- ❖ Total Production capacity of 1.650.000 MT



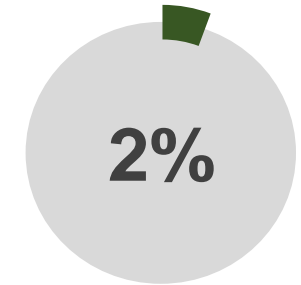
Chicken Breeding

- ❖ Produces & markets broiler & commercial layer chicken breeds
- ❖ Breeder farms spread in Sumatera, Java, Kalimantan & Sulawesi
- ❖ Total annual production capacity of 304.4 mio DOC
- ❖ GPS breeding 2.44 mio DOC in Majalengka
- ❖ PS breeding 302 mio DOC spread in several locations



Broiler Chicken

- ❖ Produces & markets chicken specifically for meat production
- ❖ Farms spread in Medan, Subang, Bogor & Palembang
- ❖ Total annual production capacity of 82 mio MT



Processed Food

- ❖ Produces & markets chicken for meat production (broilers)
- ❖ Carried out by PT Malindo Food Delight
- ❖ Factory is located in Cikarang, West Java
- ❖ Total annual production capacity of 6.000 MT



Vision, Mission & Values truly represent Corporate Identity

VISION

To be the leading poultry company in its chosen market segment

MISSION

To optimize our potential to enhance the value for our shareholders and other stakeholders

**GOOD
TEAMWORK**



**CUSTOMER
SATISFACTION**



**CORPORATE
VALUES**



INTEGRITY



COMMITMENT



Experienced management team with global standards



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**



Experienced management team with global standards



**Tan Sri Lau
Tuang Nguang
President Director**

**Year of Poultry
experience:
More than 30 years**



**Lau Joo Kiang
Director**

**Year of Poultry
experience:
More than 10 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**



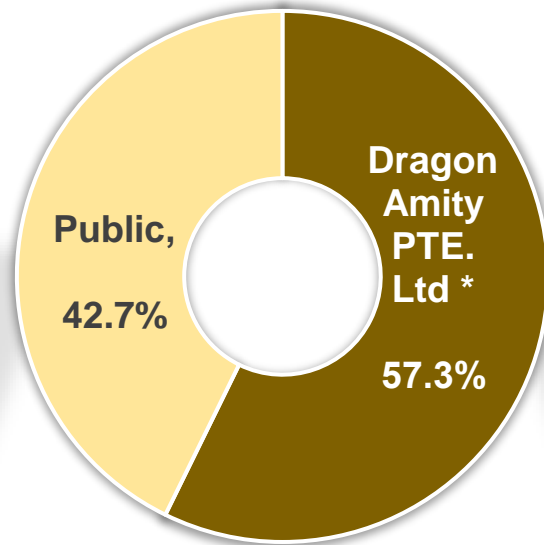
MAIN shares profile public listed company

Shares Information

- 1997: Established in Jakarta
- 2006: Publicly listed in IDX

Shares info as of 30.06.2021

- # of Shares: 2,238,750,000
- Closing Price : IDR 710
- Market Cap: IDR 1,59 Trillion



Shareholders Composition
Per 30 June 2021



PT MALINDO FEEDMILL, TBK
Stock Code: MAIN

MAIN Subsidiaries

Bibit Indonesia - 99.87%

Parent stock DOC Chicken Farm

Leong Ayamsatu Primadona - 99.96%

DOC and broiler chicken farm

Mitra Bebek Persada - 99.00%

Duck Farm & Slaughterhouse

Prima Fajar - 99.99%

Broiler chicken farm

Malindo Food Delight - 99.99%

Meat Processing & Preserving

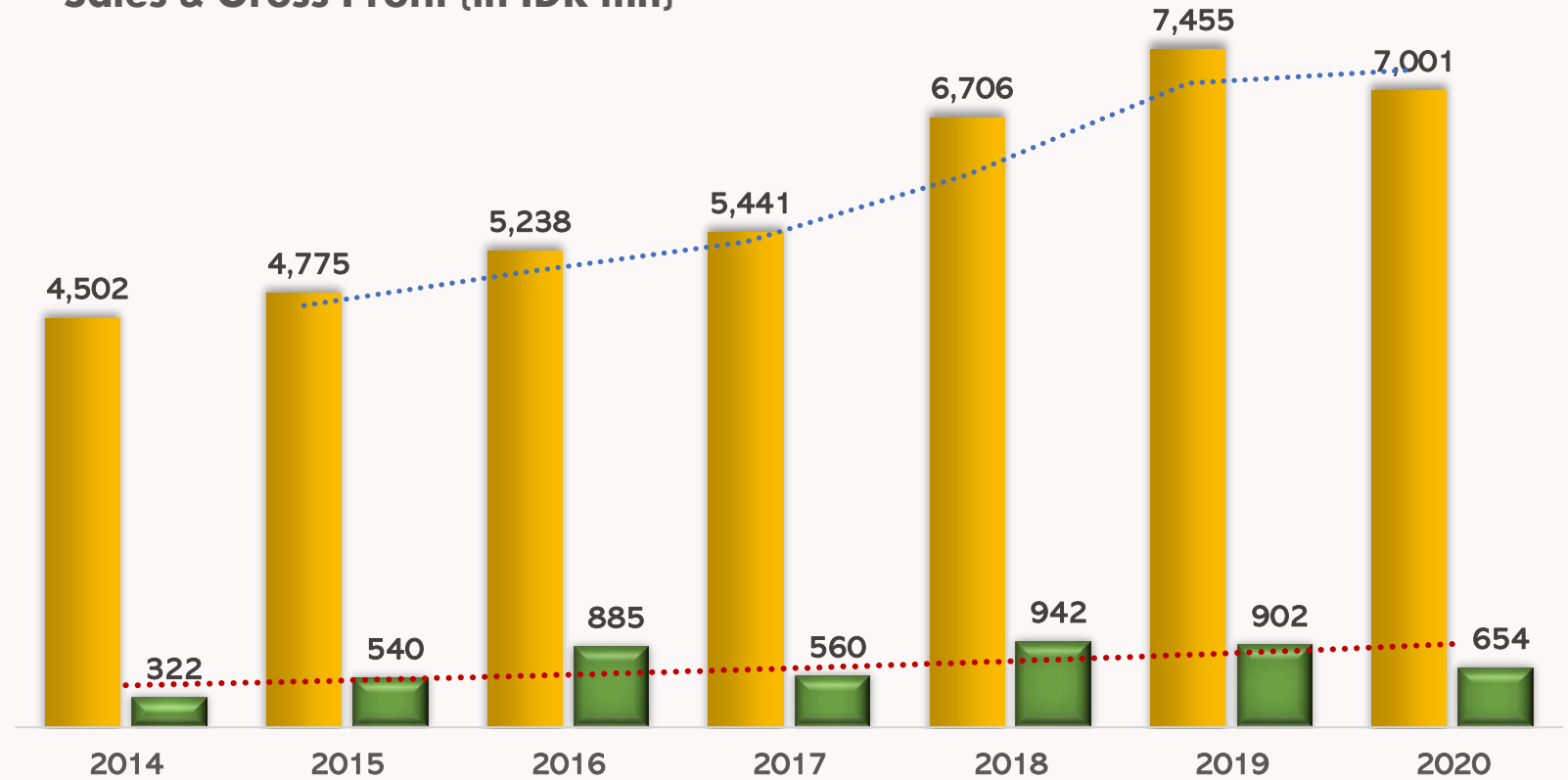


MAIN historic financial performance positively progressed over the years

Well managed business with prudent financial management

Our vertically integrated business model has created such value that impacted our top line and profitability improve progressively

Sales & Gross Profit (in IDR mn)





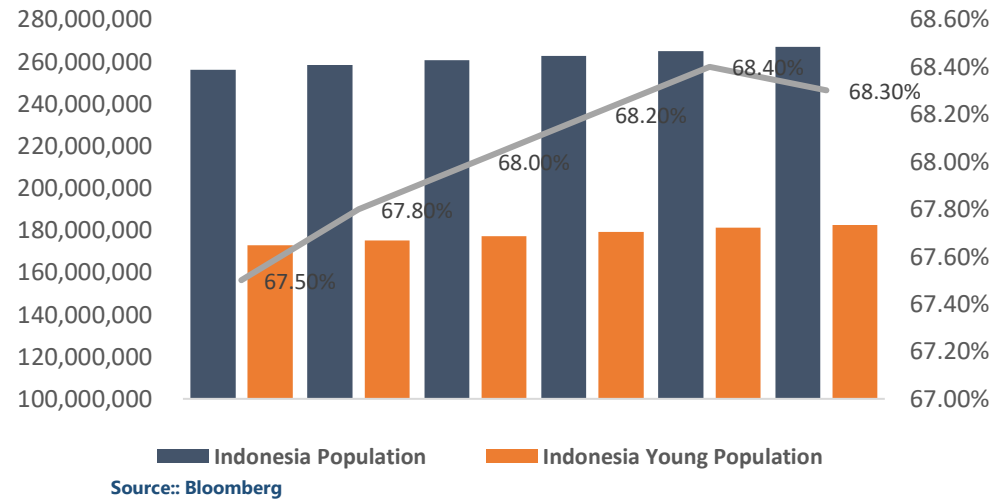
Why We Enter into **The Business**





What data reveals about Indonesia: potential in consumptions, huge markets for poultry, good for business, even after pandemic

Indonesia Population



Indonesia Population (2021)

275 Mn

68.30% of the total Indonesia population are young population, in which they are on their productive age to work

GDP Rate (2021)

3.7%

Projected Growth: 3.7% in 2021 from -2.07% in 2020

GDP per Capita (2021)

4.256,34 USD

Indonesia Private Consumption

- Grew 0.2% in 1Q/2021 during Covid-19 pandemic, which is better than other Asia countries, such as: Thailand (-3.81%), Japan (-1.25%), etc.

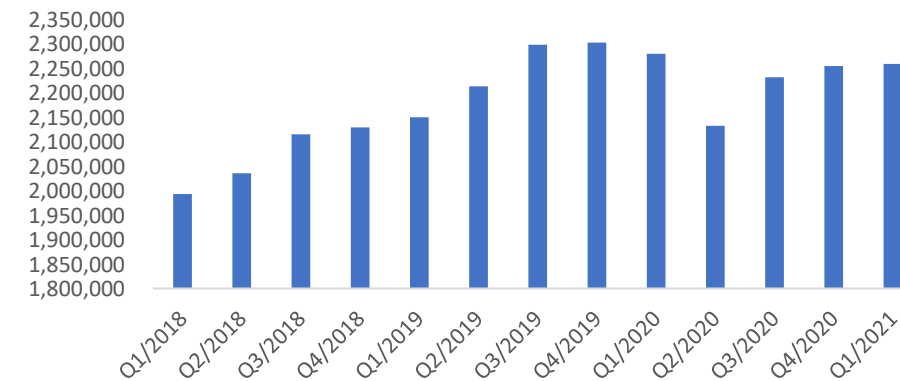
2021 POST COVID-19 CONSUMERS SURVEY

Bank of Indonesia Survey, March 2021

- High Consumer confidence index: 93.4%
- Rising Consumer perception & expectation
- Better handling of COVID-19

Source: Bank of Indonesia, March 2021

Indonesia private consumption (IDR Bio)

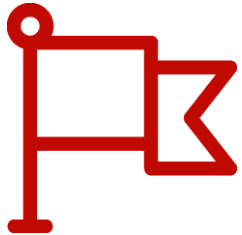


Source: Moody's analytics



What research reveals about Poultry in Indonesia:

Most preferred source of protein and most available & affordable ones



Significance

Poultry is a **major source of animal protein** for almost 90% of the country's **non-pork eating population**.

More and more **people shift from carbohydrate** sources of food to higher quality foods such as proteins, fats and vitamins

Source: FAO Report



Availability

Most of region in Indonesia is **self-sufficient in the supply** of chicken meat

Chicken is the kind of meat which can become protein **from farm to table in the fastest process**;

**Source: USAID Report
Indonesia's Poultry
Value Chain**



Affordability

Meat **other than Poultry**, **must be imported** in large quantities and are **too expensive for many locals**

This fact contributes to making chicken among the **cheapest sources of protein**

**Source: USAID Report
Indonesia's Poultry Value
Chain**



Prospects

Indonesia is expected to play **growing role in world poultry production** in the next decade, together with other Asian countries

Indonesian consumer is more **preferred broiler meat rather than native chicken**

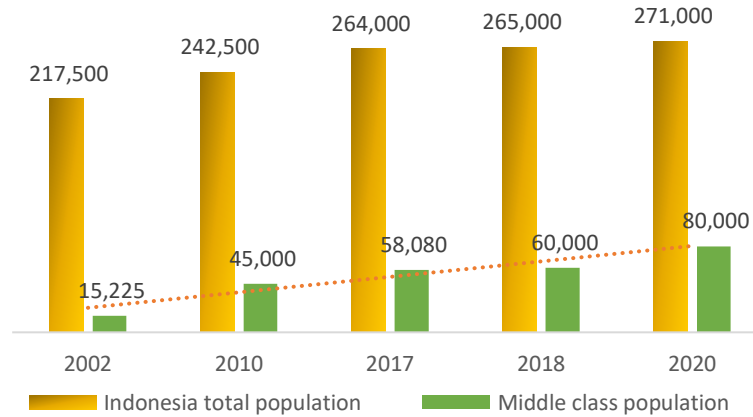
**Source: Center of Indonesia
Policy (CIPS) Report
Policy Reforms On Poultry
Industry In Indonesia**



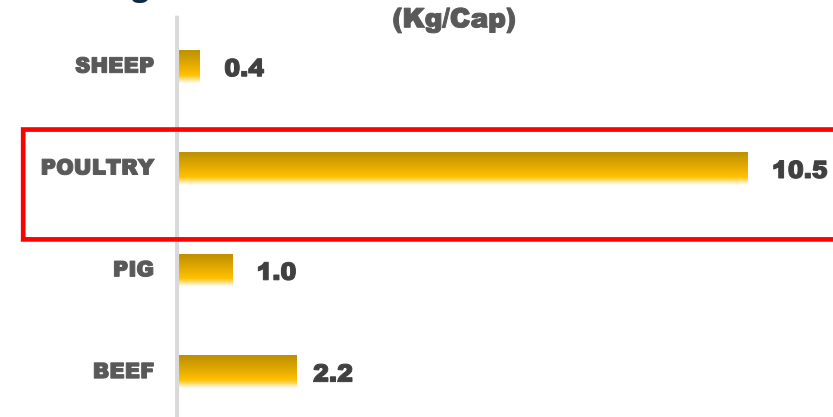
Indonesia's Poultry Stats: There is room to grow in the fast-growing industry with gaining share of consumption

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

('000 people)

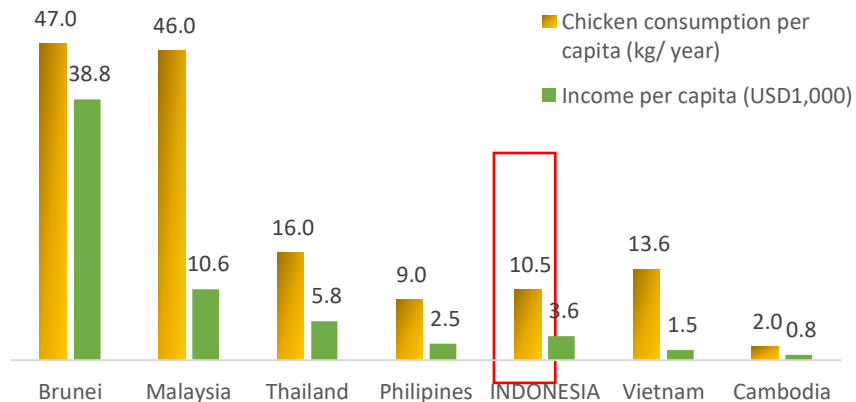


Poultry is in the top list in term of meat consumptions among others



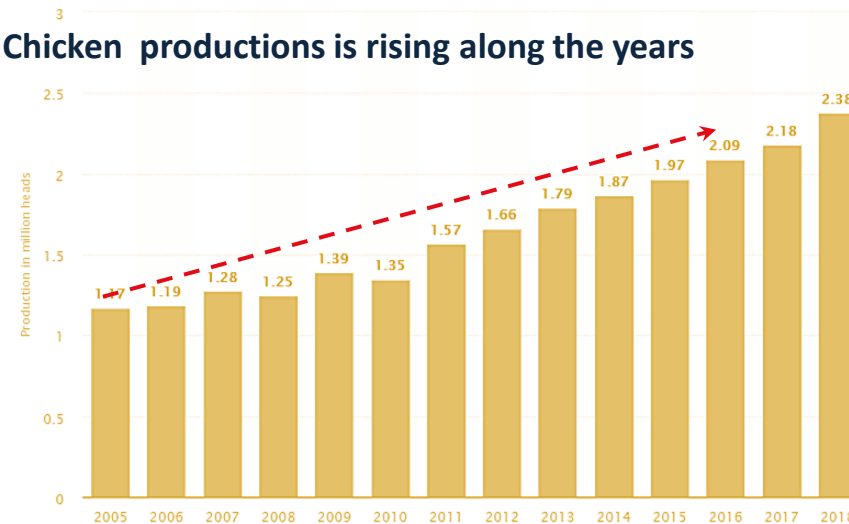
Source: OECD [data.oecd.org [2021]

Indonesia has one of the lowest chicken consumption in SE Asia



Source: OECD [data.oecd.org [2021], Badan Pusat Statistik (2018) and Indonesia Finance Ministry (2019)

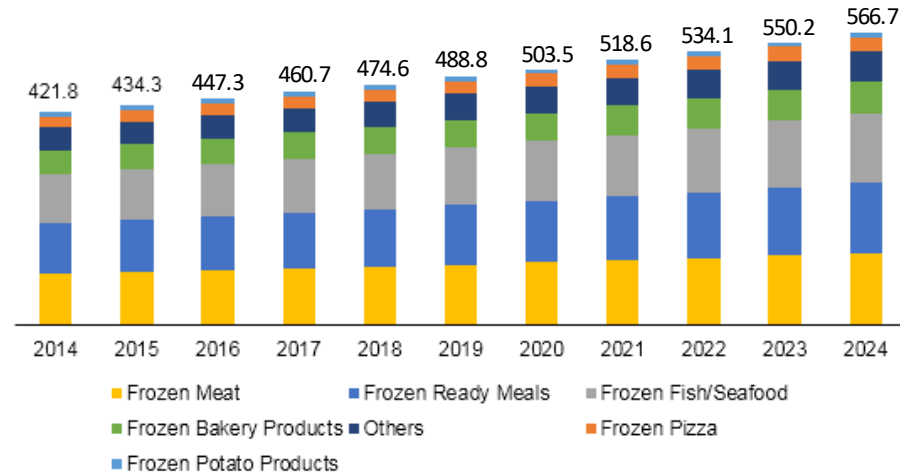
Chicken productions is rising along the years



Source: OECD [data.oecd.org [2021]



Poultry on downstream side: Positive prospects with rising markets along the years



Source: Indonesia Frozen Food Market Size and Forecast by Type; <https://www.hexaresearch.com>

01

New target market: 68 million youths in Indonesia (10-24 years) seek for ready-to-eat modern food >> 28% of total population >> one of the largest youth populations in the world

02

Consumers in general, seek for convenient and fast food without compromising on the health benefits.

03

Those conditions create demand for easy and nutritional processed food. the market is expected to grow over 2017 – 2024.

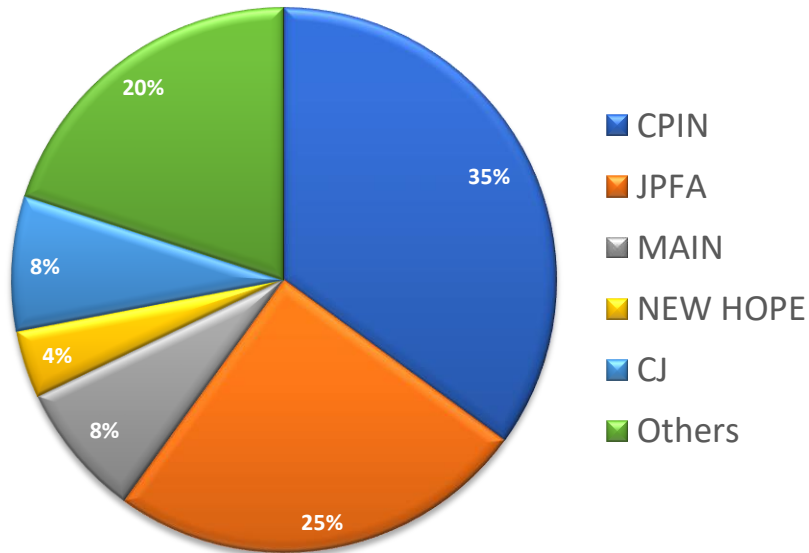
04

Frozen food is expected to be the best fit-in since reduces cooking time but offer most of the goodness of health and nutrition.

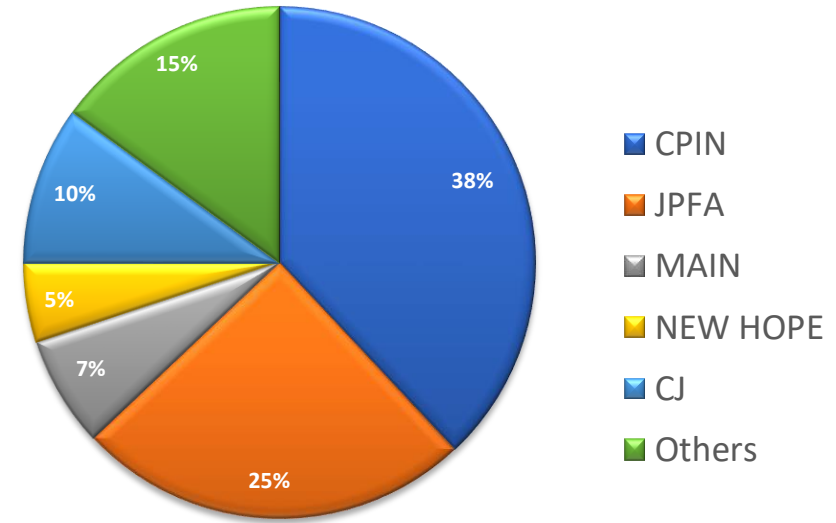


How we see our markets ...

Indonesia feed production capacity share (2020)



Indonesia DOC production capacity share (2020)



We are among of top 3 integrated players and well-positioned in the market supported by strategic locations

In Summary...



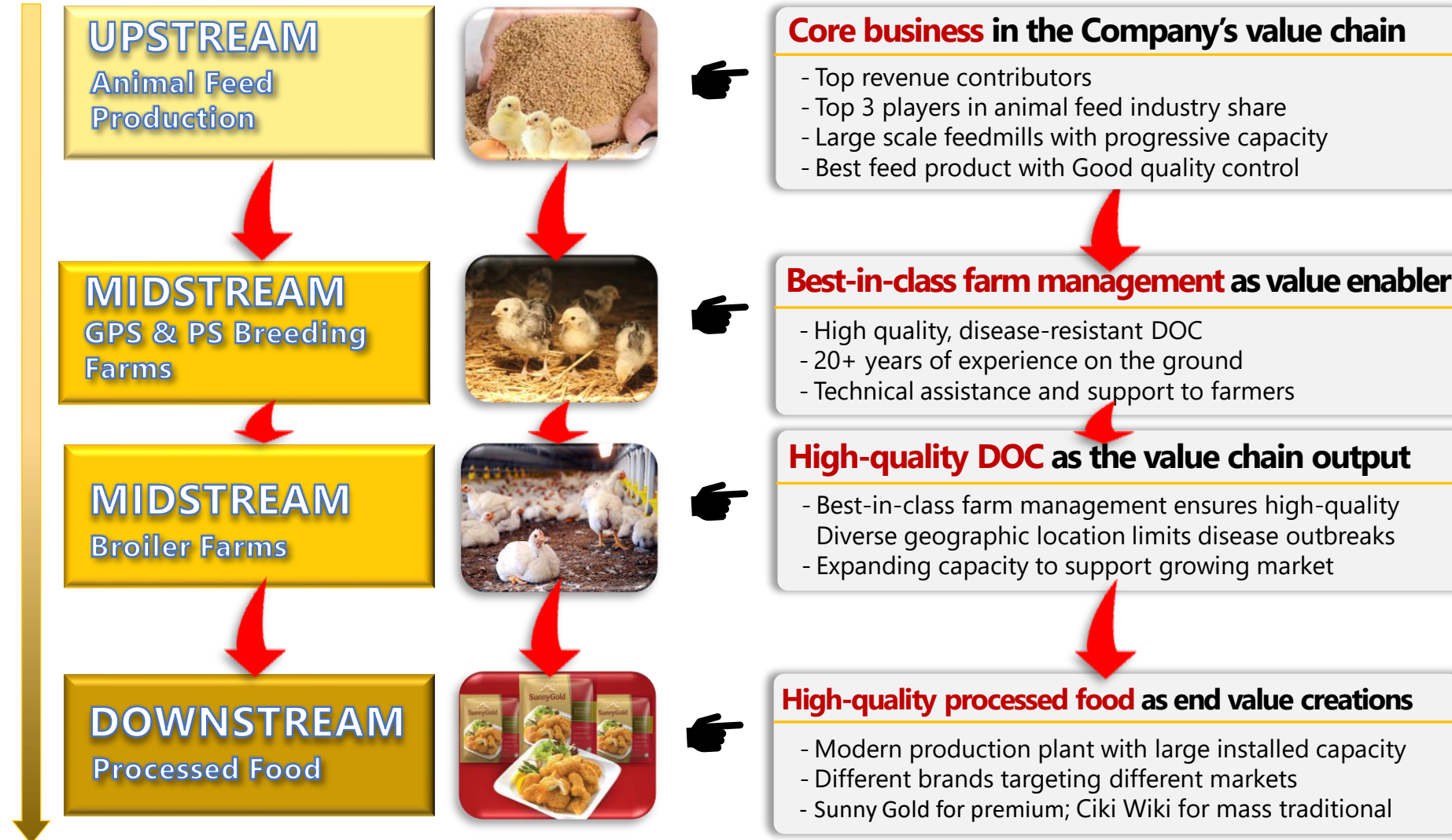


Our Business Model Delivering **Strategy into Actions**

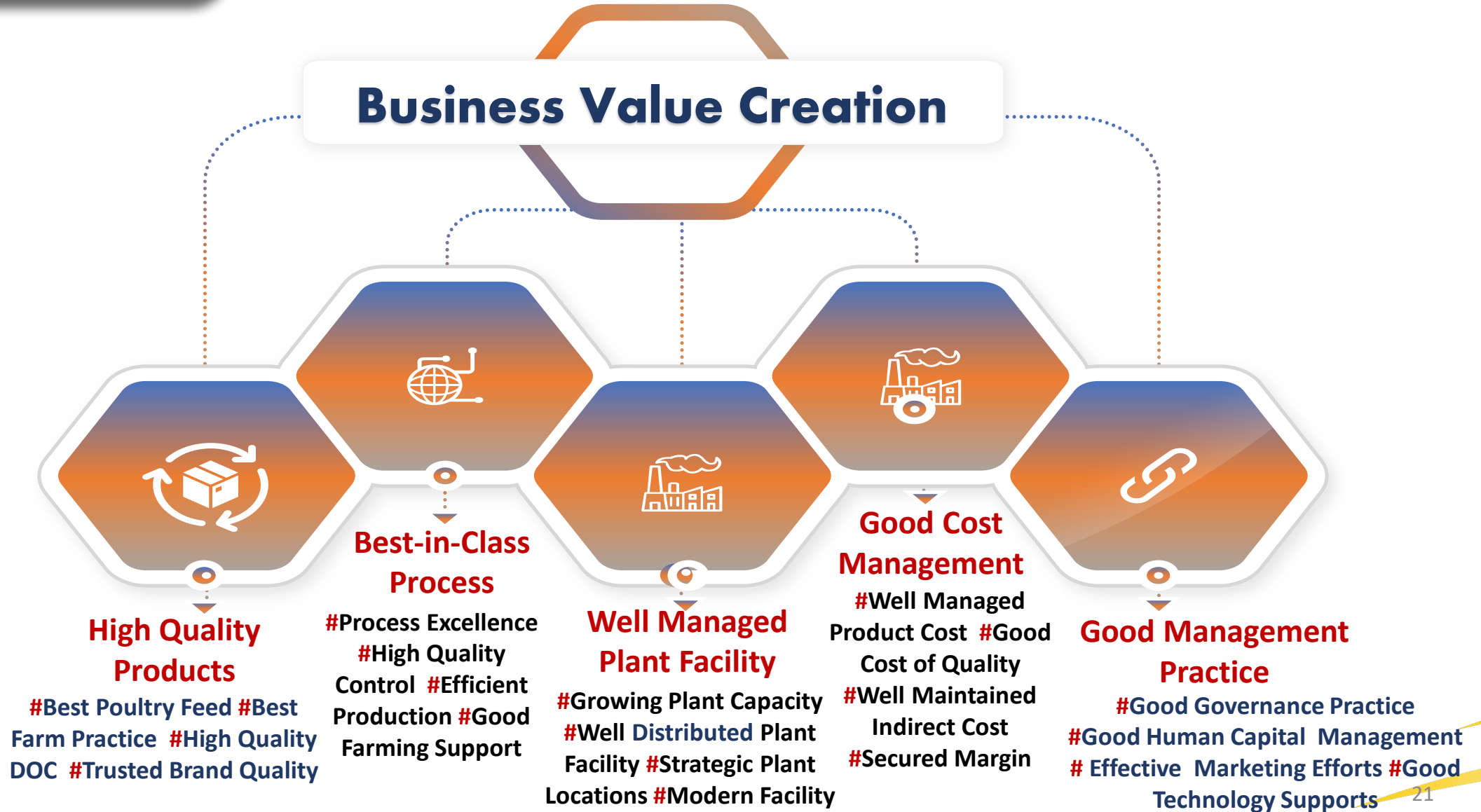




We drive our business through vertically integrated business model



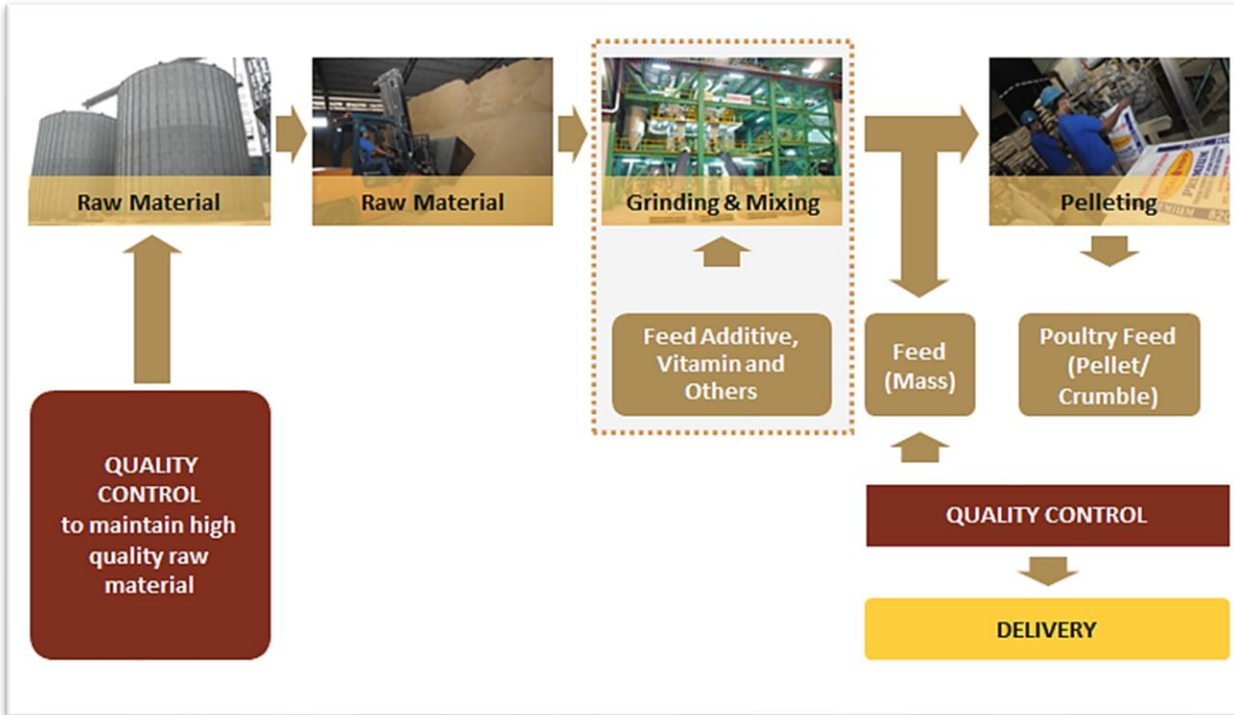
Our Business Strategy compels best in executions



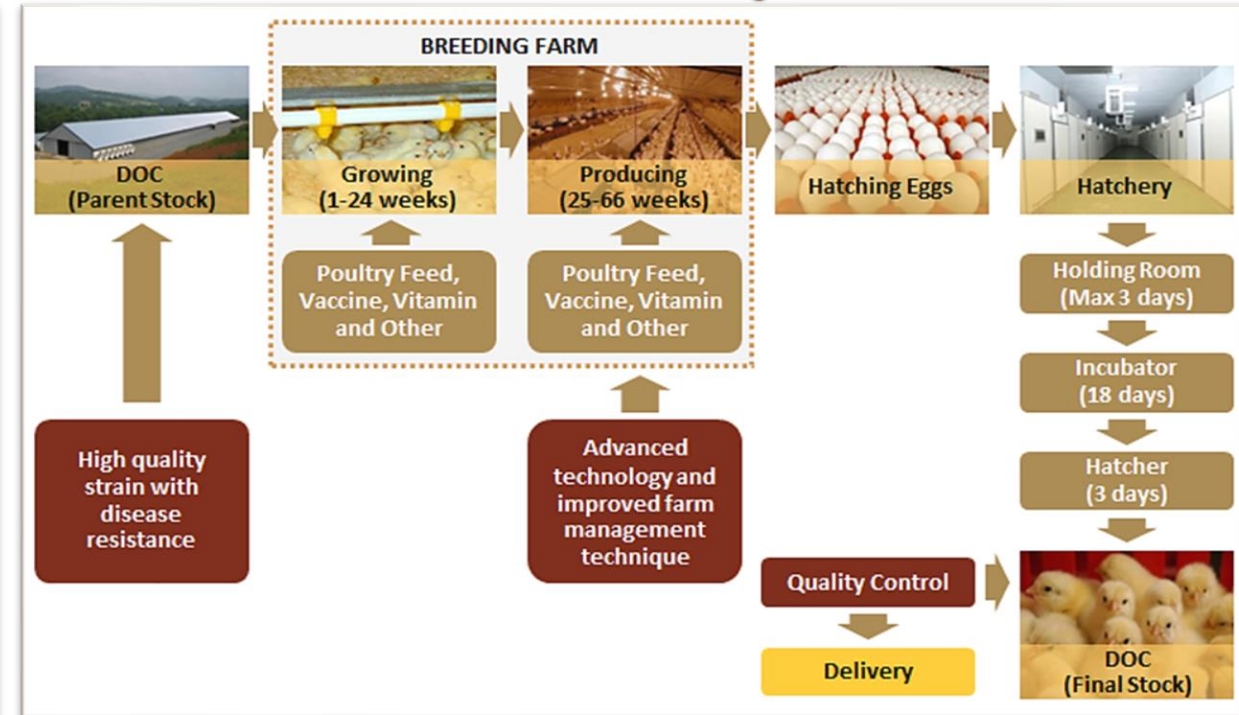


Our business processes adhere to best practice models

Animal Feed Business Process



Breeding Farm Business Process



High
Quality
Processed
Food



Highly
Nutritious
Processed
Food



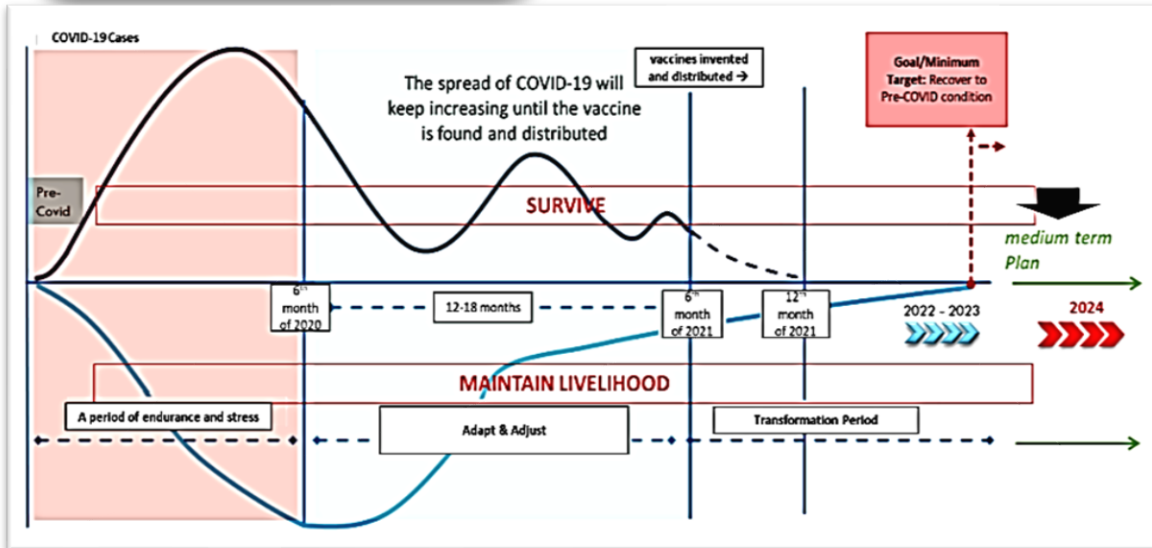
Operating Performance

Effective Strategy with **Efficient & Prudent**
Execution



COVID-19 impact to Indonesia Economy:

Pandemic Covid-19 continues, yet confidence began to emerge

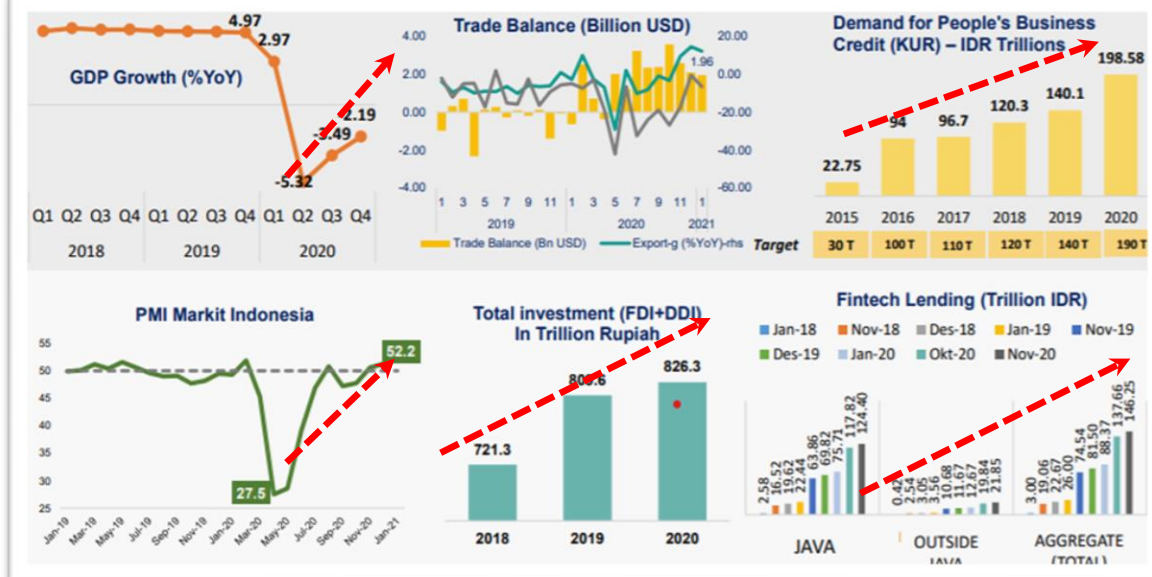


1 Covid-19 Vaccination as Game Changer for Economic Recovery.
Economic recovery and Covid-19 handling requires a medium-term plan. Government has set well-planned roadmap to speed up recovery

2 Indonesia's Economic Improvement Trend Continues.
GDP forecast in positive trend, All PMI Manufacture & Consumer Confidence Index, Direct Investments has recovered.

3 GDP growth of Indonesia improving quarterly.
2021 GDP is projected at 4.3%, while household consumption increasing in 3Q20 and getting much better in 2021

4 Demand drop for poultry due to pandemic began to stabilize.
Governments' efforts to maintain price stability by reducing hatching egg production and DOC, are considered effective.





Increased 1H21 top line with healthy profitability; costs are strictly maintained to be most efficient

1

Increased top line with stable segment contribution, even during ongoing pandemic

- Strong revenue growth by 43.4% during 1H 2021. Mainly driven by effective operational strategy that imposed high standard of feedmill and DOC quality.
- QoQ revenue showed a positive trendline that indicated recovered demand after pandemic shock last year
- Effective government policy to stabilize market price are also main landscape factor that induce higher topline
- Feedmills is still stable segment to be main revenue generators. Likewise, Breeders and broilers with high quality of DOC
- Pandemic recovery and recovered poultry consumption will be the catalysts.

2

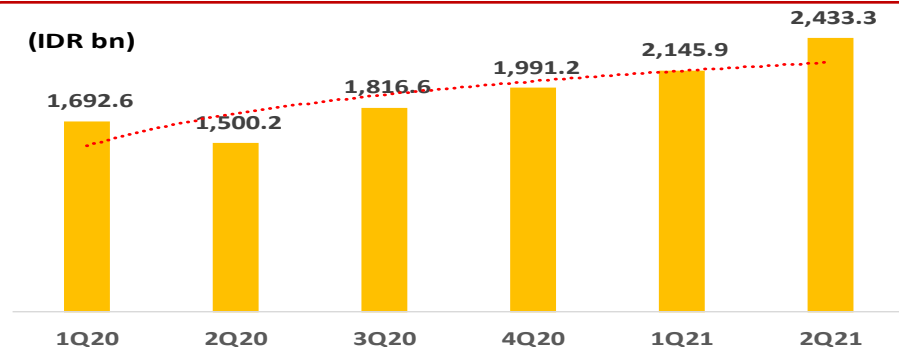
Healthy profitability with increased margin; Efficiency is the key during this pandemic

- Profitability in most parameters are increased after pandemic shock last year.
- Cost is closely maintained to be the most efficient to keep profitability intact during this pandemic

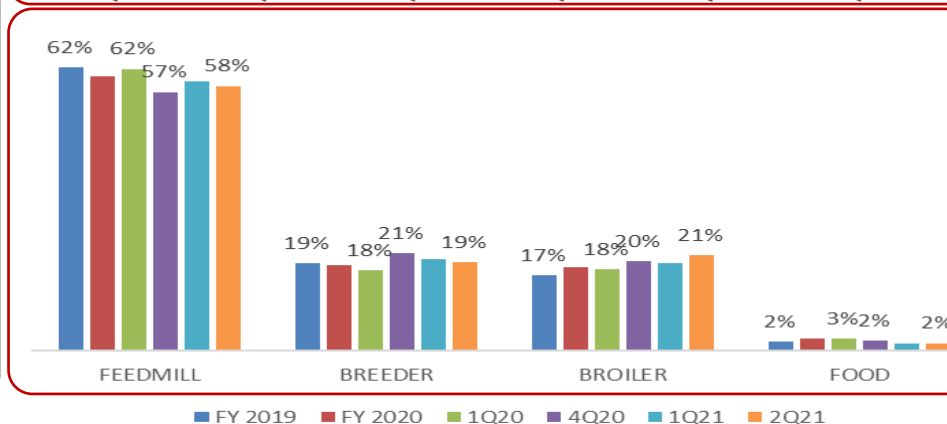
1Q 2021 Profit and Loss

| (IDR billion) | | | |
|----------------------|-----------|-----------|--------|
| Profit & Loss | 30-Jun-21 | 30-Jun-20 | Change |
| Net Sales | 4,579.2 | 3,192.8 | 43.4% |
| Gross Profit | 454.2 | 232.4 | 95.4% |
| Margin (%) | 9.9% | 7.3% | |
| EBITDA | 363.7 | 190.8 | 90.6% |
| Margin (%) | 7.9% | 6.0% | |
| Net Profit After Tax | 128.6 | -44.2 | P |
| Margin (%) | 2.8% | -1.4% | |

Q-o-Q Revenue Trend



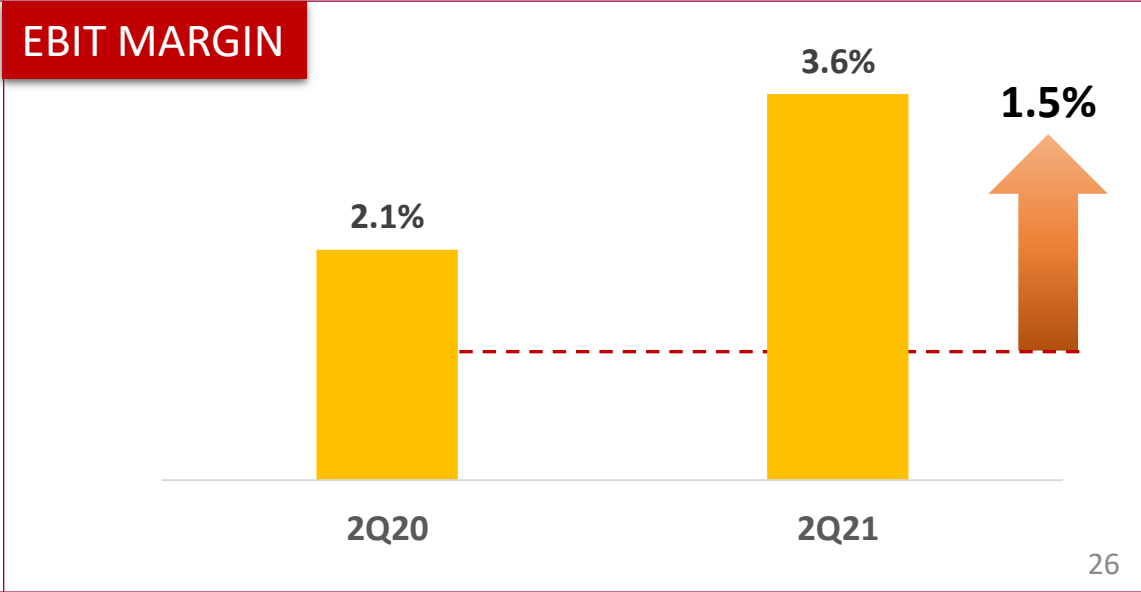
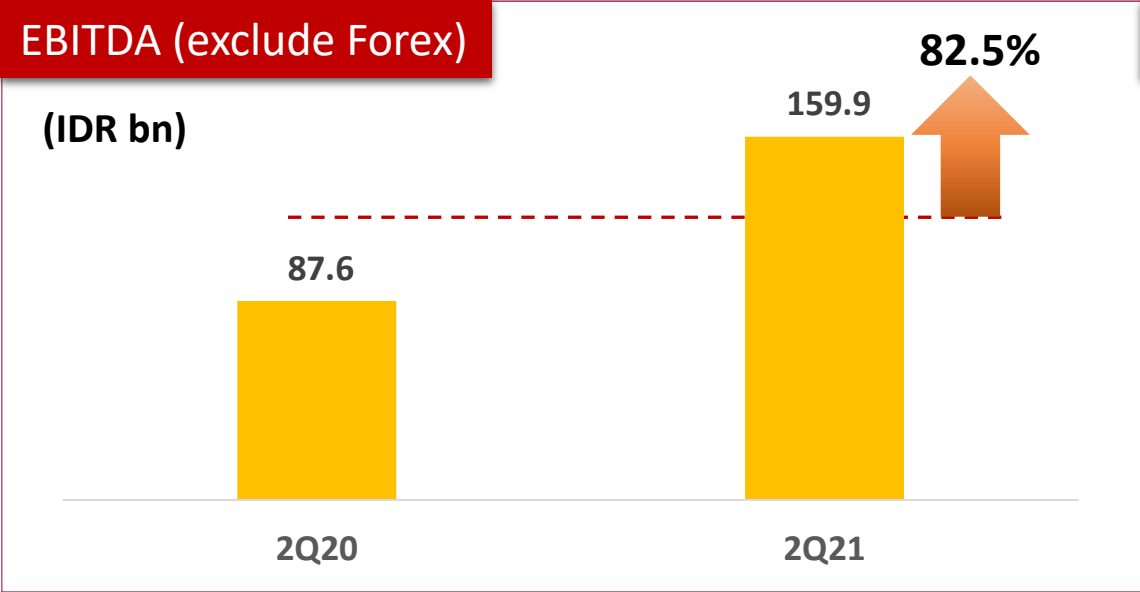
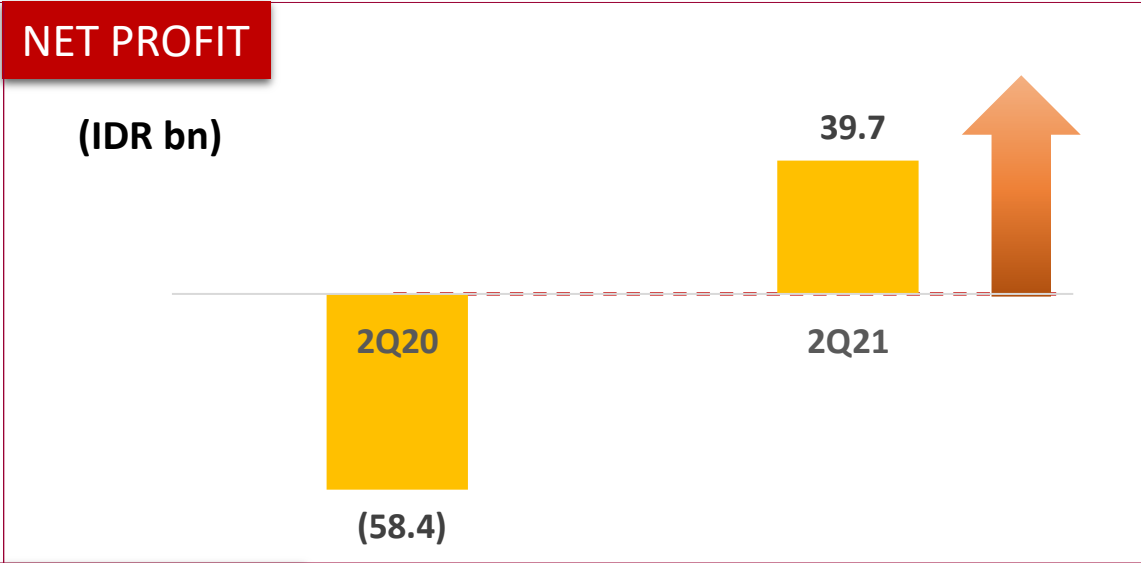
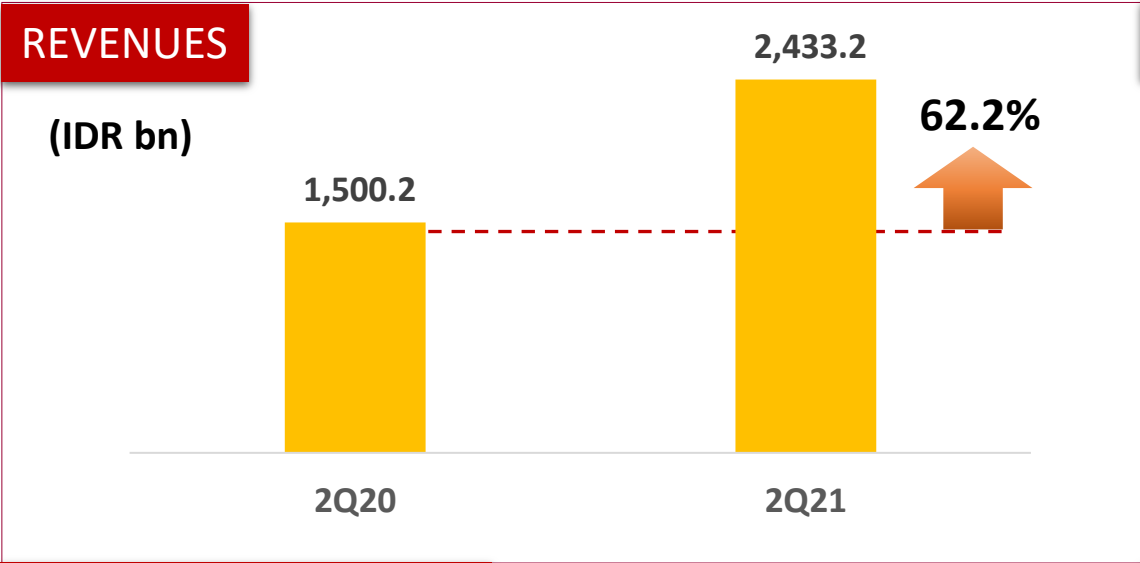
Q-o-Q Segmental Revenue Comparison





Q2 2021 Profitability Performance

- Profit & Loss Statements [YoY Comparative Figures] -



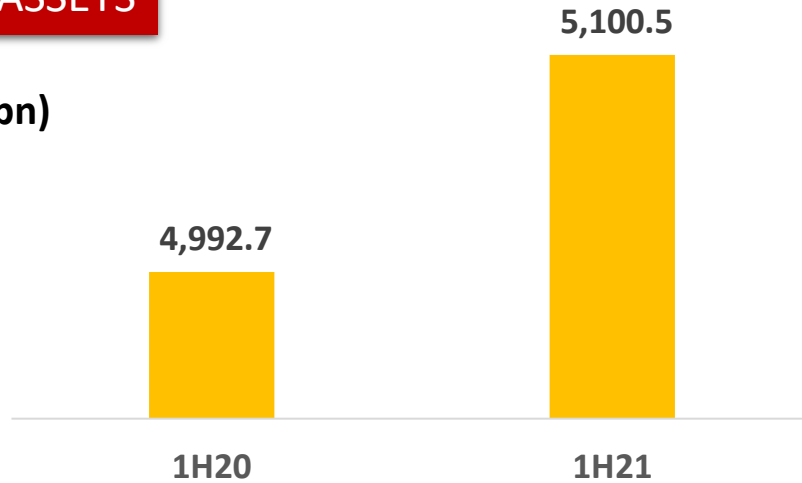


1H 2021 Financial Positions

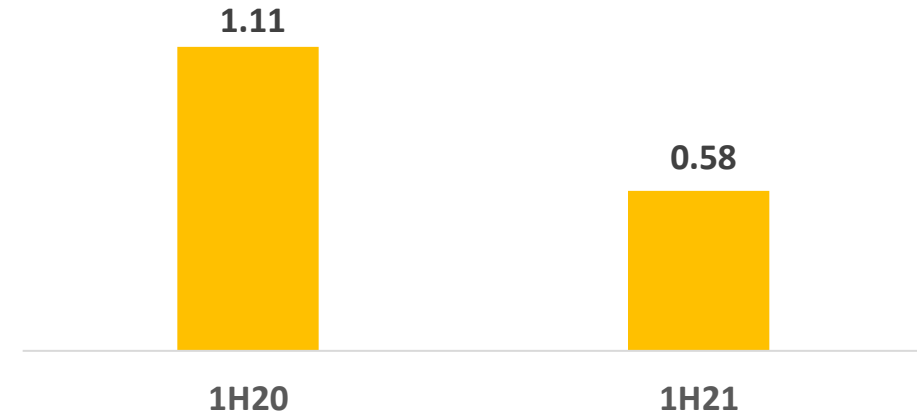
- YoY Comparative Figures -

TOTAL ASSETS

(IDR bn)

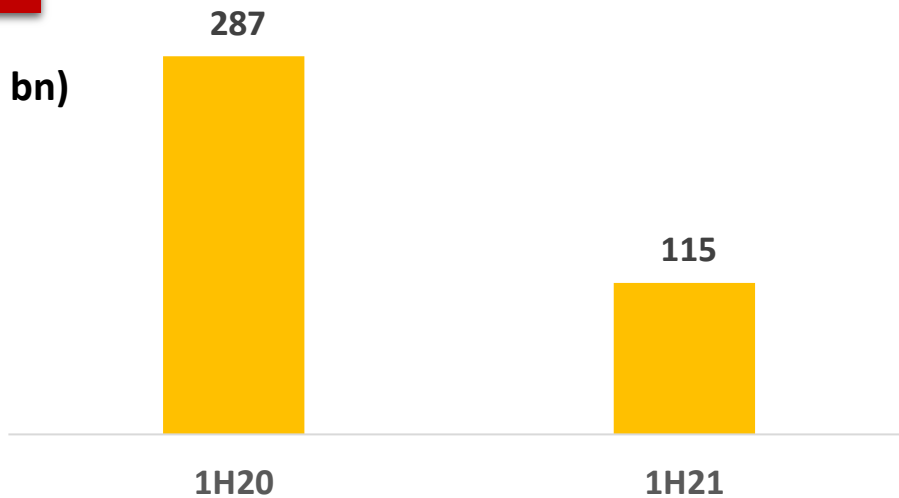


NET DEBT TO EQUITY

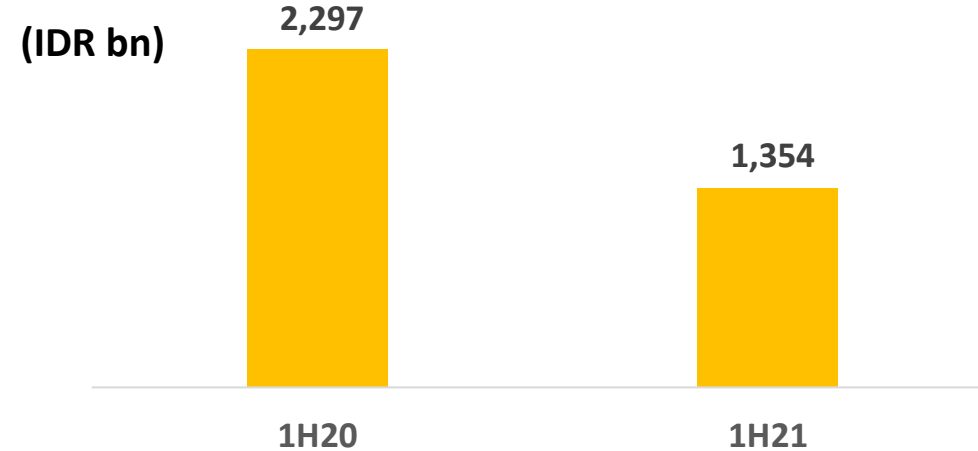


CAPEX

(IDR bn)



TOTAL INTEREST-BEARING DEBT

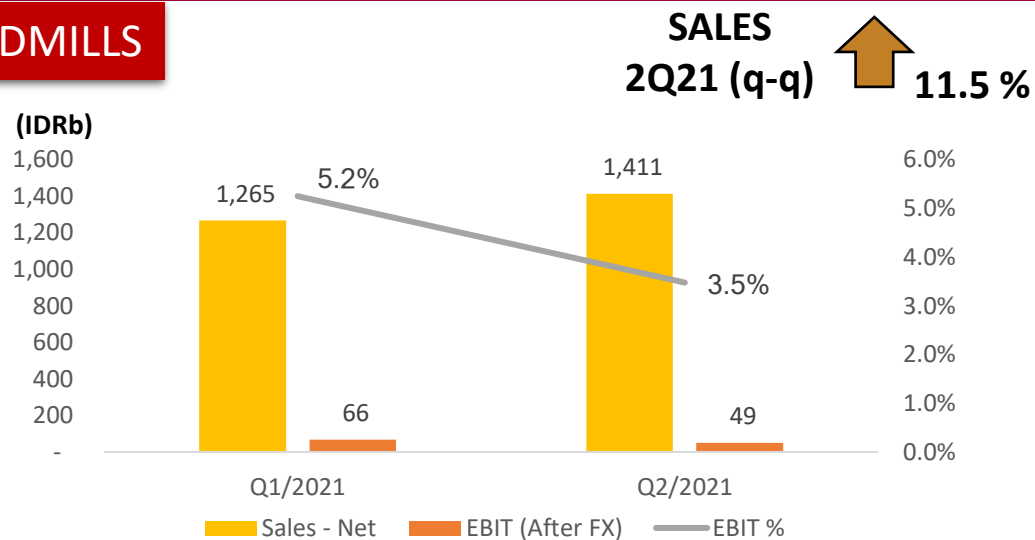




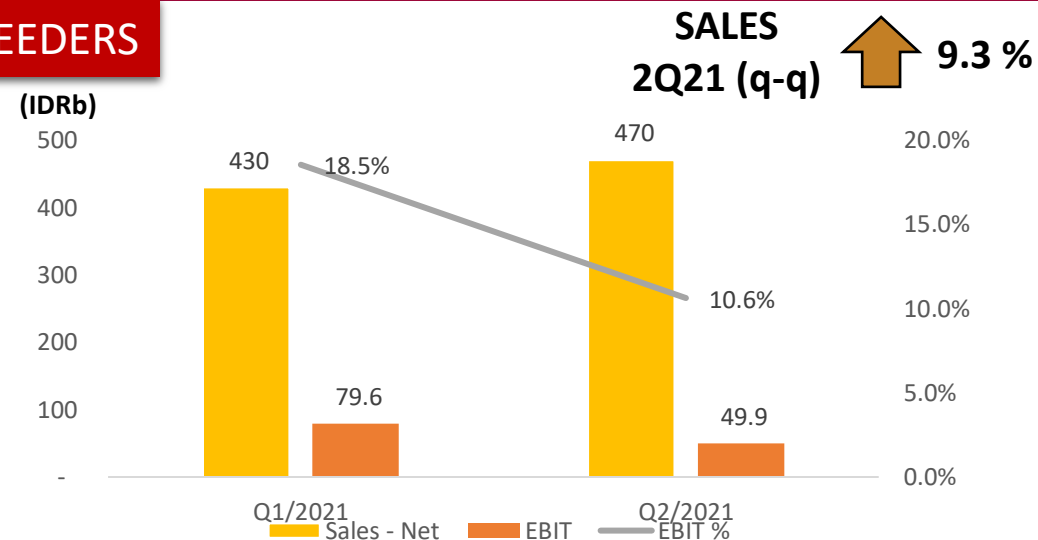
Q2 2021 Segment Financial Performance

- QoQ Comparative Figures -

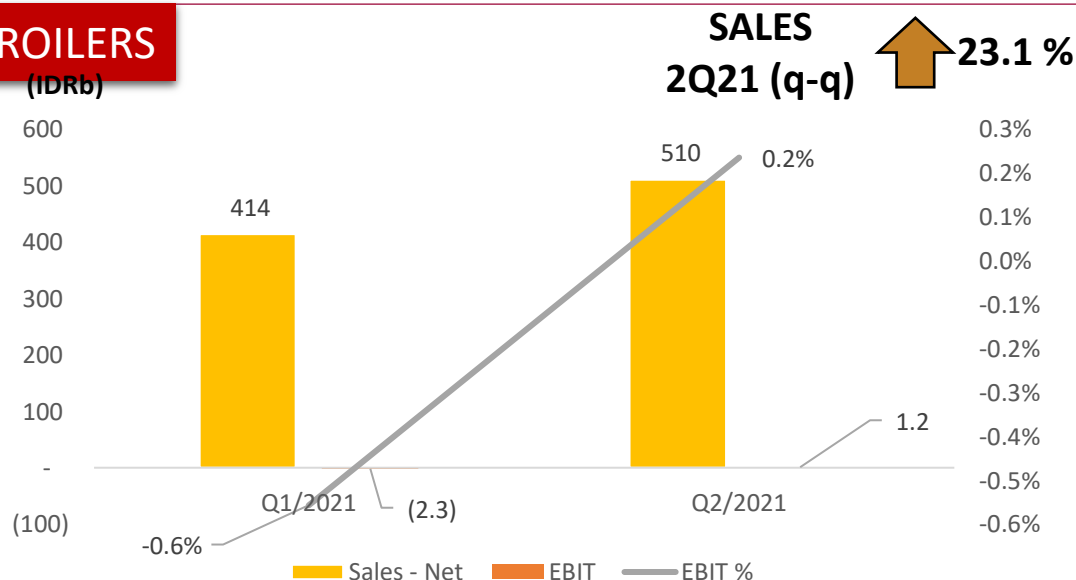
FEEDMILLS



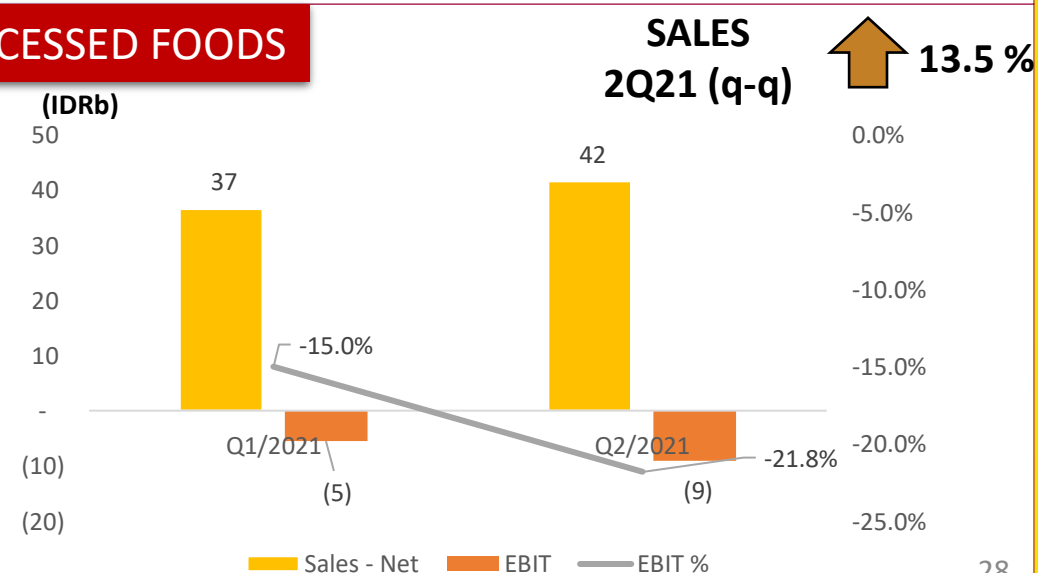
BREEDERS



BROILERS



PROCESSED FOODS





PT Malindo Feedmill Tbk

Jl. RS Fatmawati No. 15
Komplek Golden Plaza Blok G No. 17 – 22
Jakarta Selatan, 12420
Phone: +62-21 766 1727
Fax: +62-21 766 1728
mail: bibitindo@malindofeedmill.co.id



www.malindofeedmill.com



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@sunnygoldid



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Thank you