



# PT MALINDO FEEDMILL TBK

## 3Q 2019 RESULT PRESENTATION





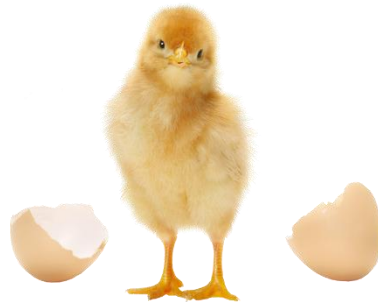
# COMPANY OVERVIEW

## Vertically integrated business

### UPSTREAM

FEED

BREEDING



### MIDSTREAM

COMMERCIAL  
FARMING



### DOWNSTREAM

FOOD  
PROCESSING



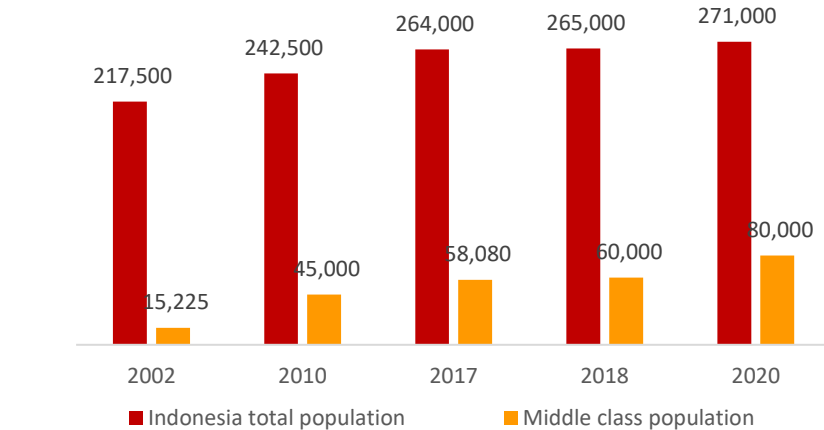
# KEY INVESTMENT HIGHLIGHTS

- 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

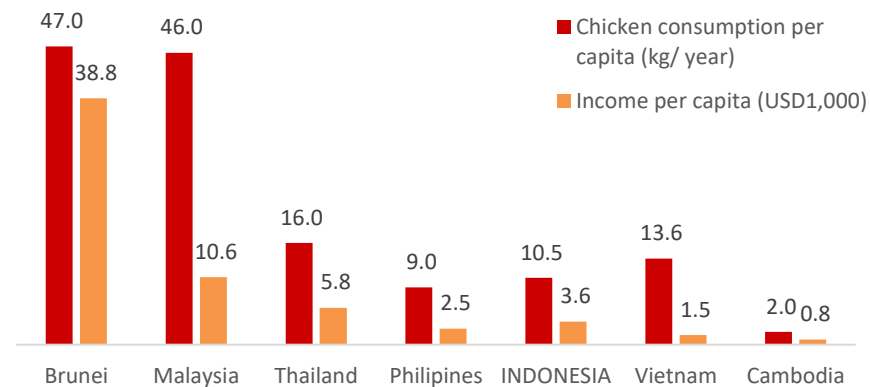
# Investment highlight #1: Attractive, fast growing industry

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

('000 people)

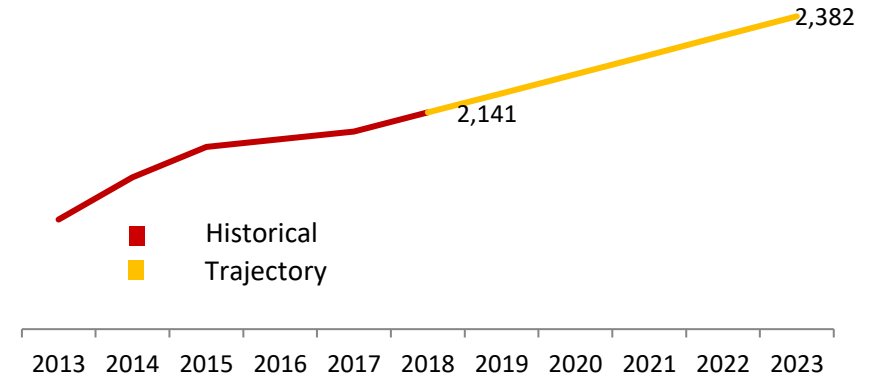


## Indonesia has one of the lowest chicken consumption in SE Asia



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

('000 tons)

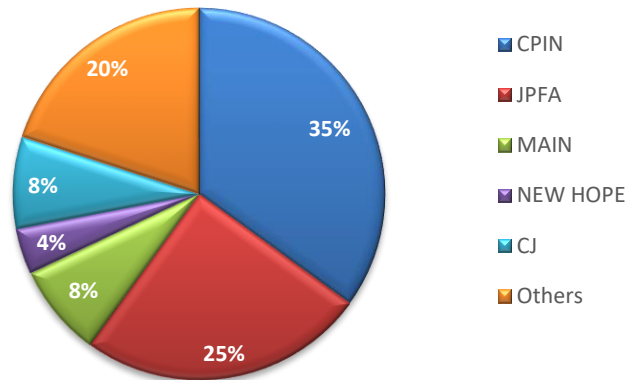


## Chicken is the most affordable animal protein after eggs

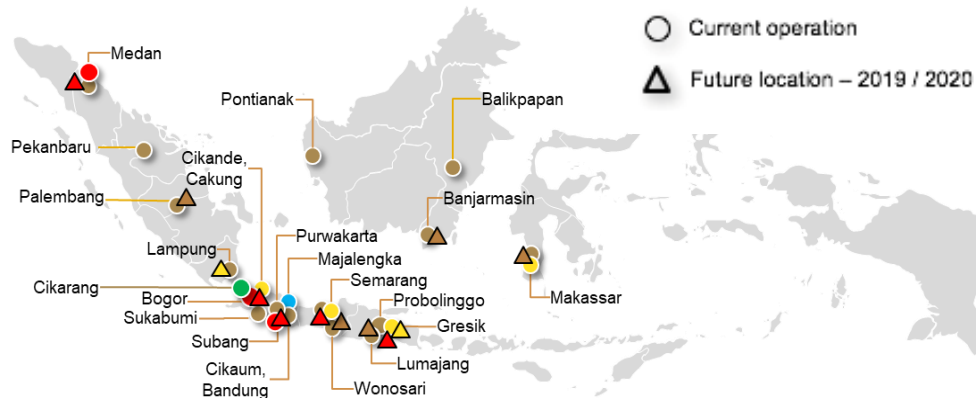
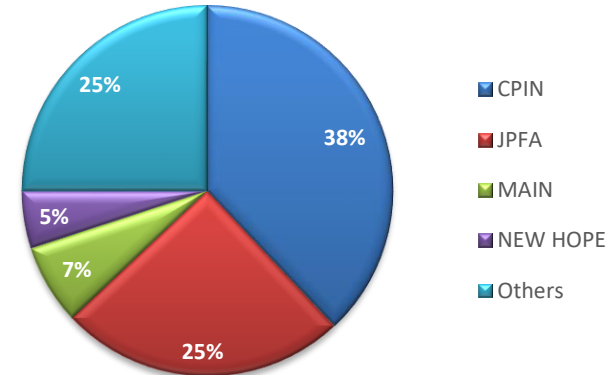
Protein source	Price/kg (IDR)	Protein content	Protein Price/g (IDR)
Egg	23,500	12.5%	188
Chicken (broiler)	35,000	18.5%	189
Fresh milk	25,000	3.5%	714
Beef	190,000	20.0%	950
Fish	167,500	17.5%	957

# 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)

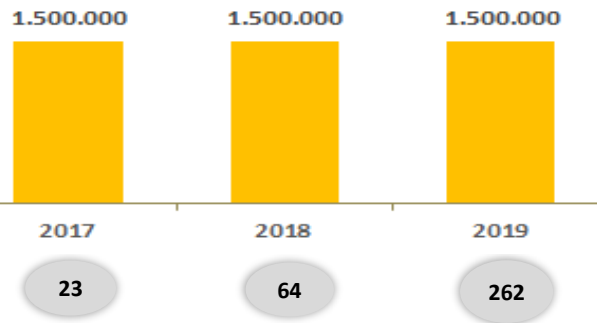


Legends	Division	2019 Annual Capacity	Locations
	Feedmill	1,500,000 MT	Cakung, Cikande, Gresik, Semarang, Makassar, Lampung
	GPS Breeding	3.2 mn DOCs	Majalengka
	PS Breeding	258 mn DOCs	Medan, Lampung, Subang, Cikaum, Purwakarta, Wonosari, Probolinggo, Lumajang, Pontianak, Banjarmasin, Makassar, Pekanbaru,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

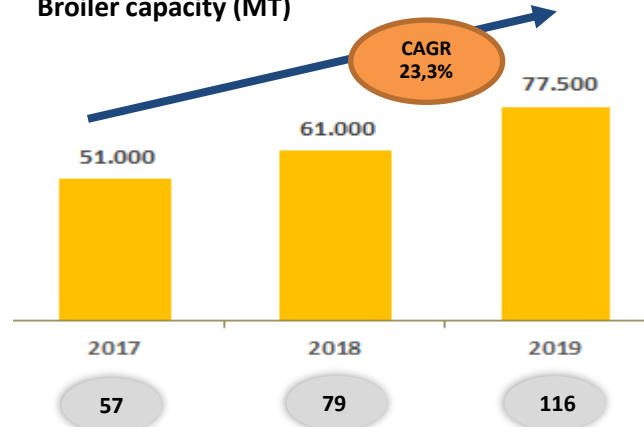
## Investment highlight #3: Growth plan with sufficient cashflow to fund capex

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

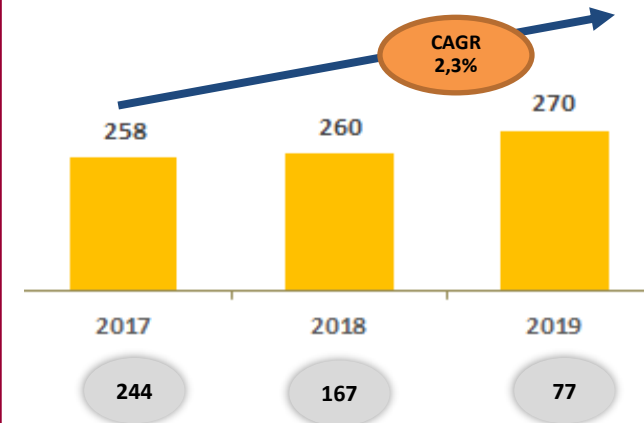
Feed capacity (MT)



Broiler capacity (MT)



DOC capacity (Mn birds)



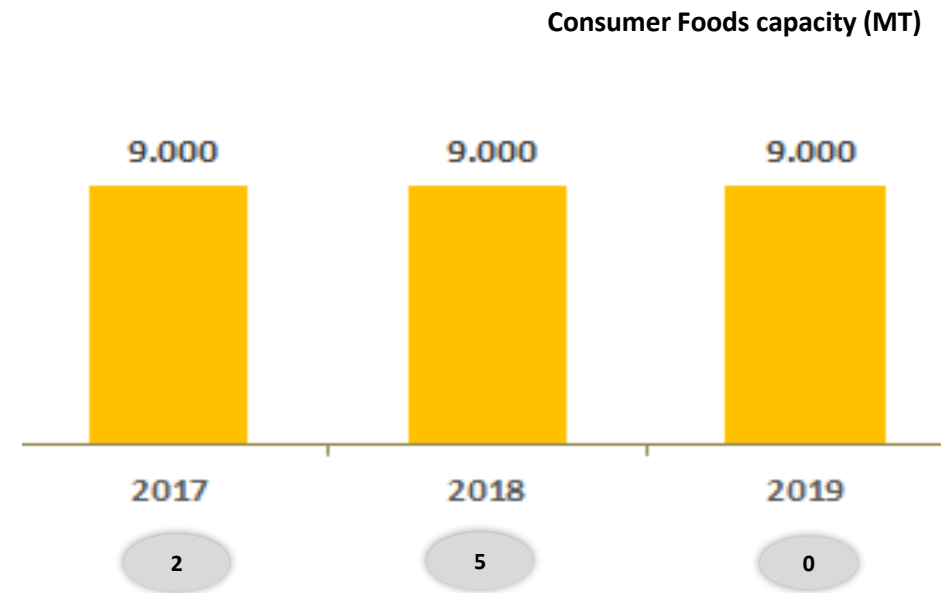
- Maximize the production utilization is expected to improve EBIT margin through economies of scale (target utilization in FY2019 : 75%-80% of optimal capacity)

- 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

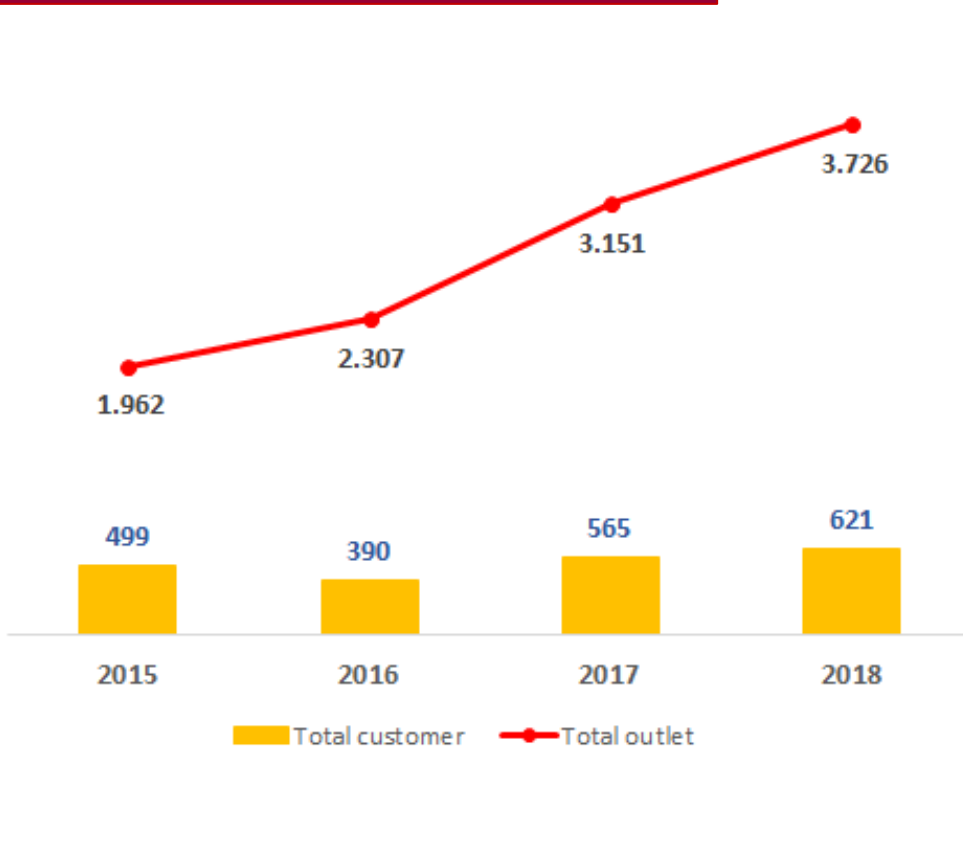




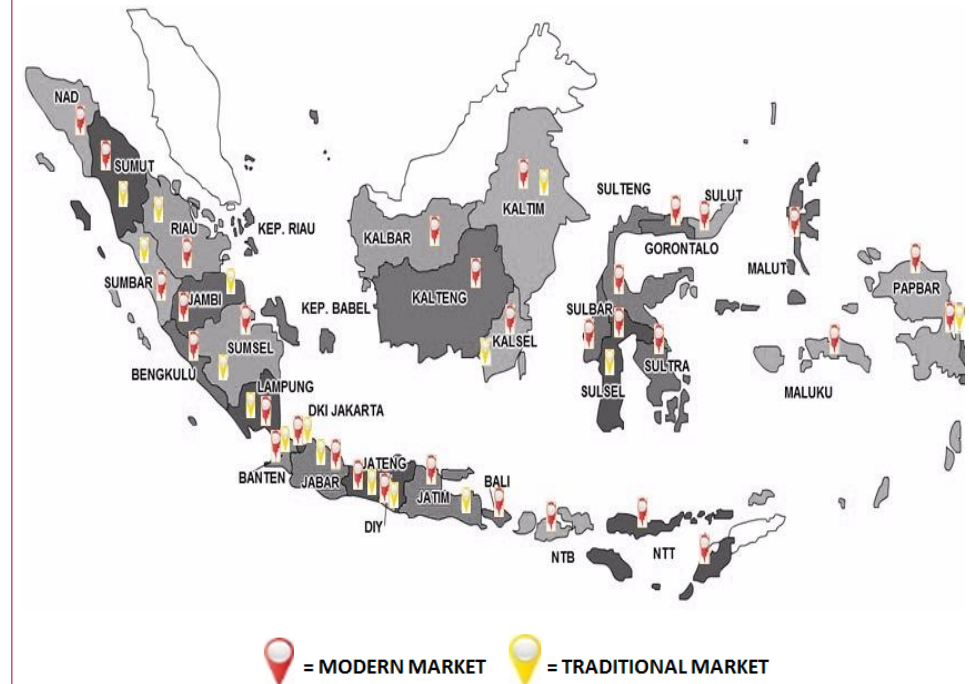
## Investment highlight #4: Upside from Processed food (CBP) segment

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\*

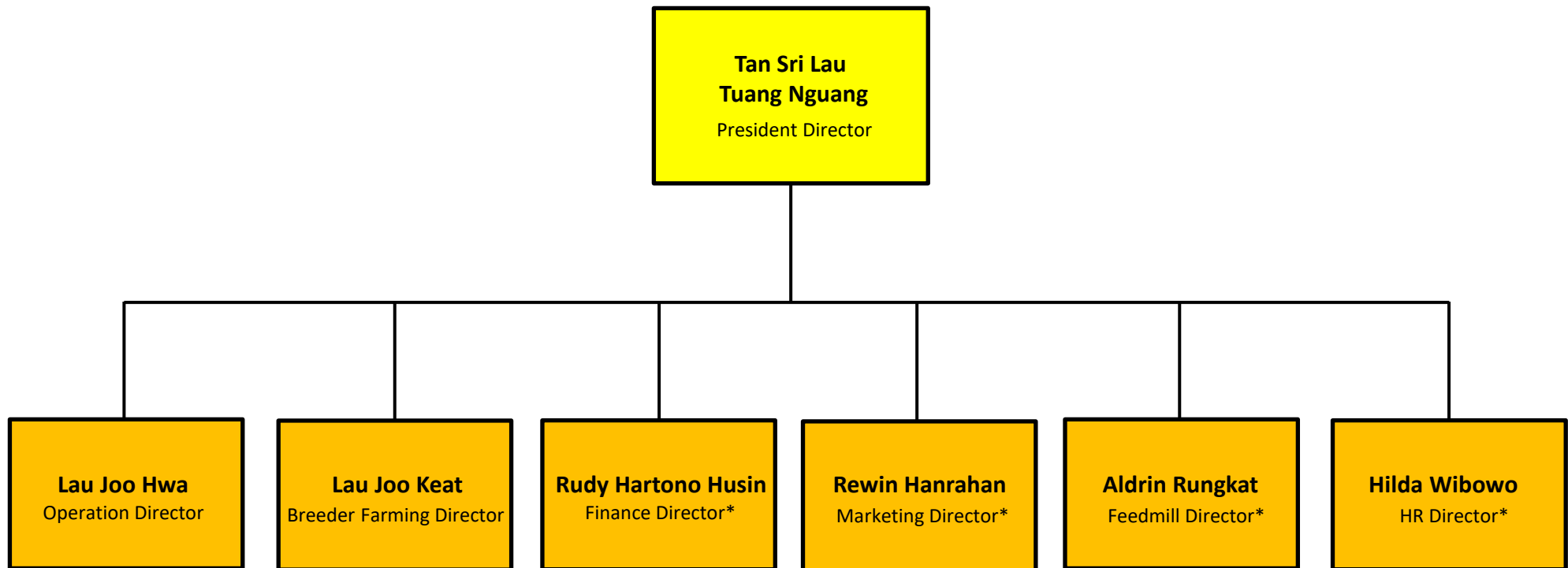
Year of Finance  
experience:  
More than 20 years



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

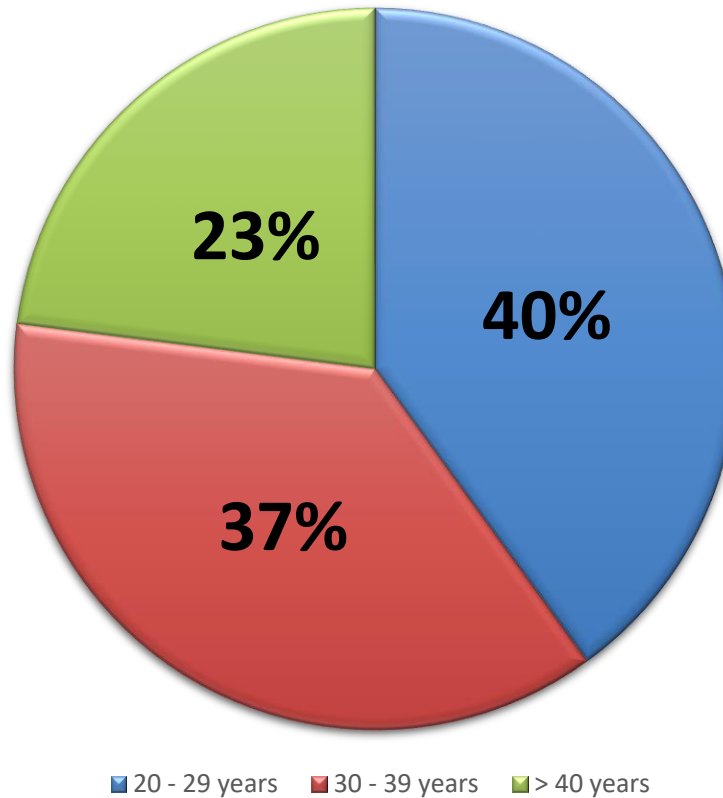
Year of Finance  
experience:  
More than 20 years

## Investment highlight #5: Highly experienced management with strong governance



## Investment highlight #6: Productive age employees

Company's employee category by age



# 3Q/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%)

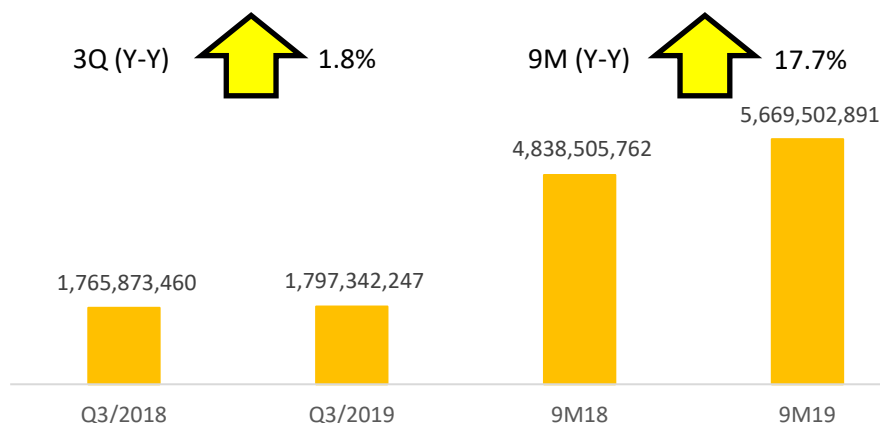


**Feed margins to benefit from volume  
growth, particularly expanding to swine  
feed and duck feed**

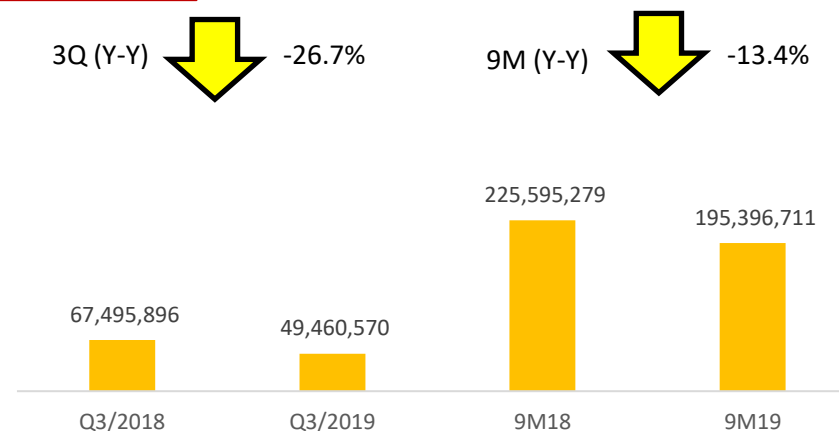
**Consumer food volume continues increasing  
by boosting the sales through social media**

# FINANCIAL PERFORMANCE

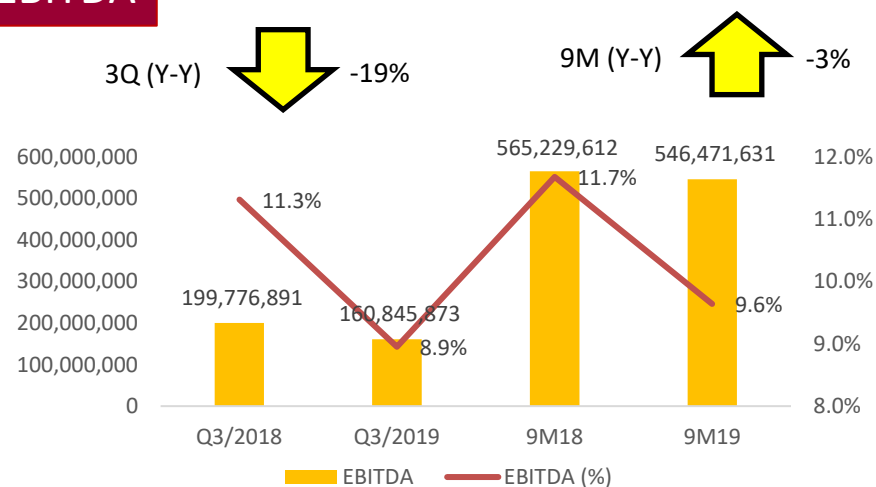
## REVENUE



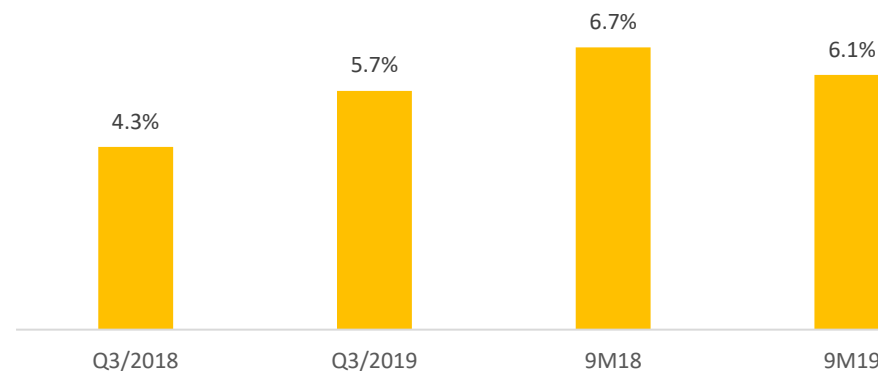
## NET PROFIT



## EBITDA



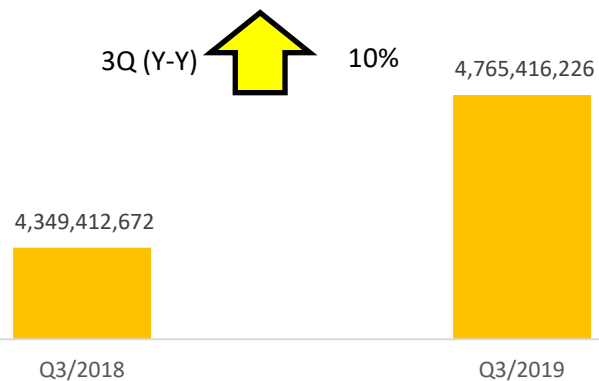
## EBIT MARGIN



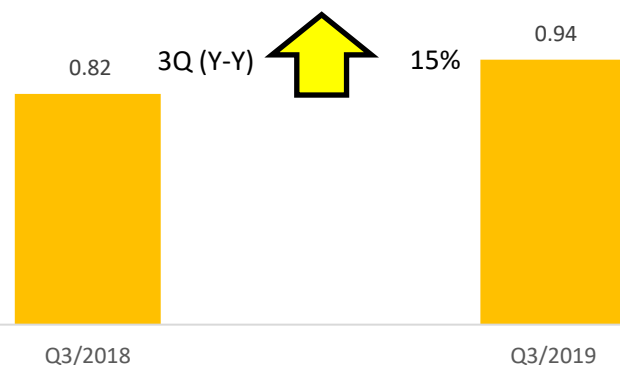


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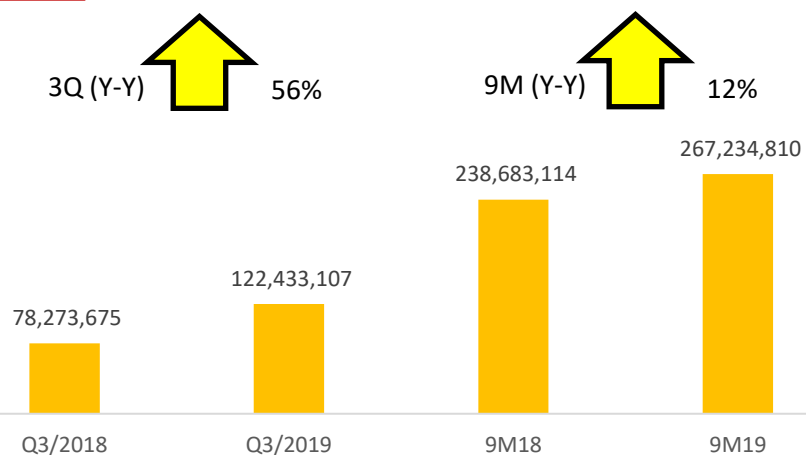
## TOTAL ASSETS



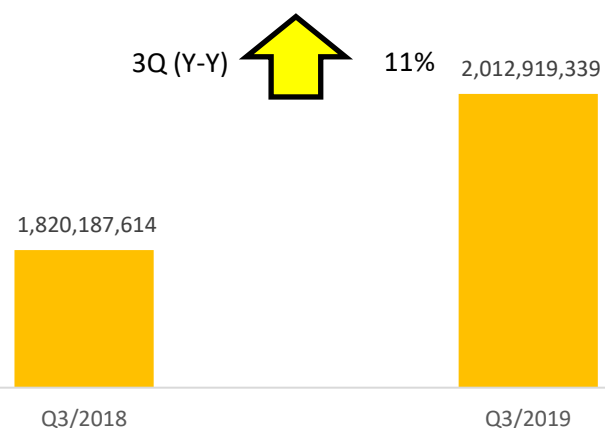
## NET DEBT/ EQUITY



## CAPEX

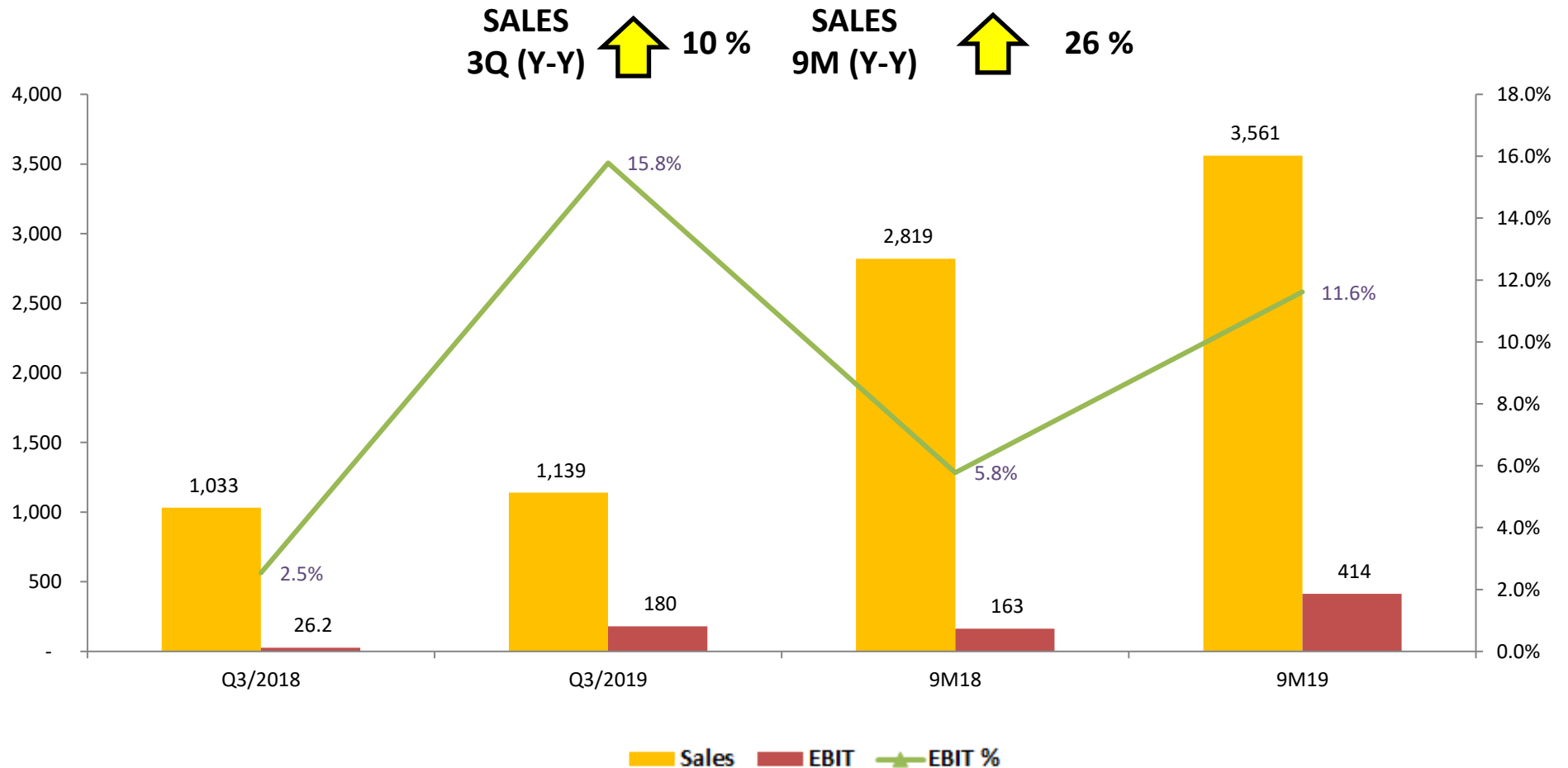


## TOTAL INTEREST BEARING DEBT



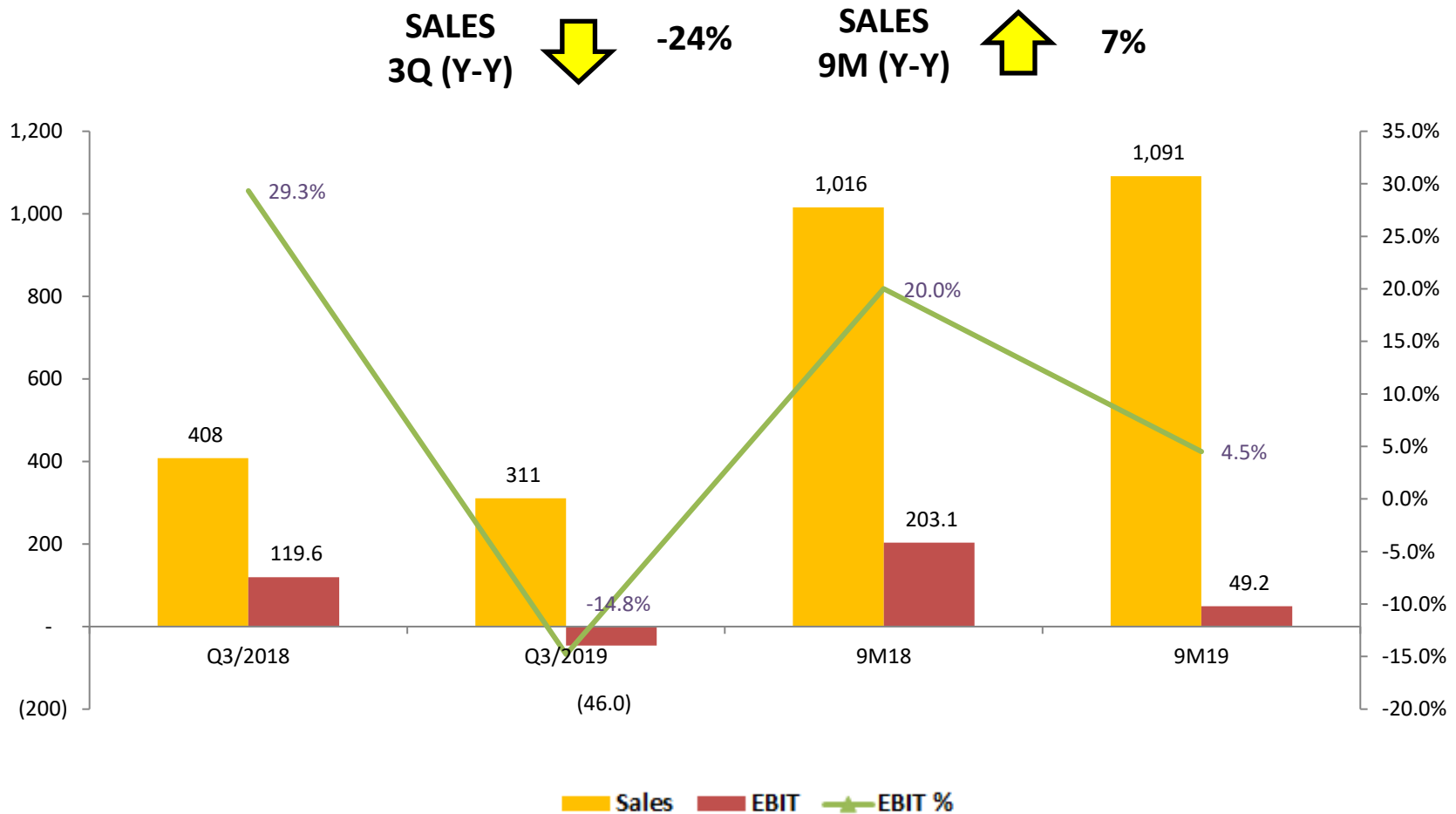
# SEGMENT PERFORMANCE

## FEEDMILL



# SEGMENT PERFORMANCE

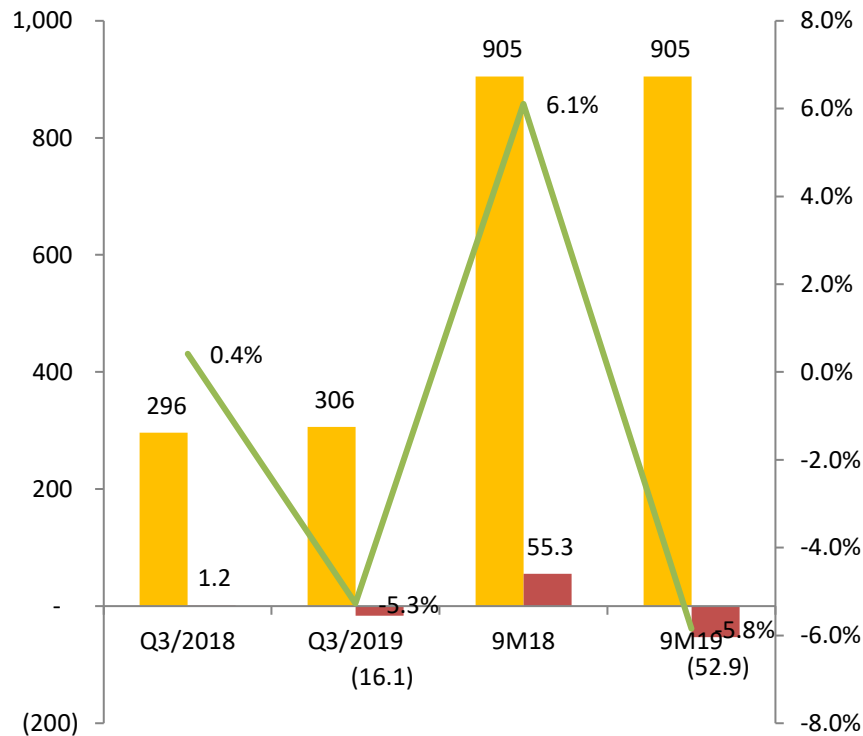
## BREEDER





# SEGMENT PERFORMANCE

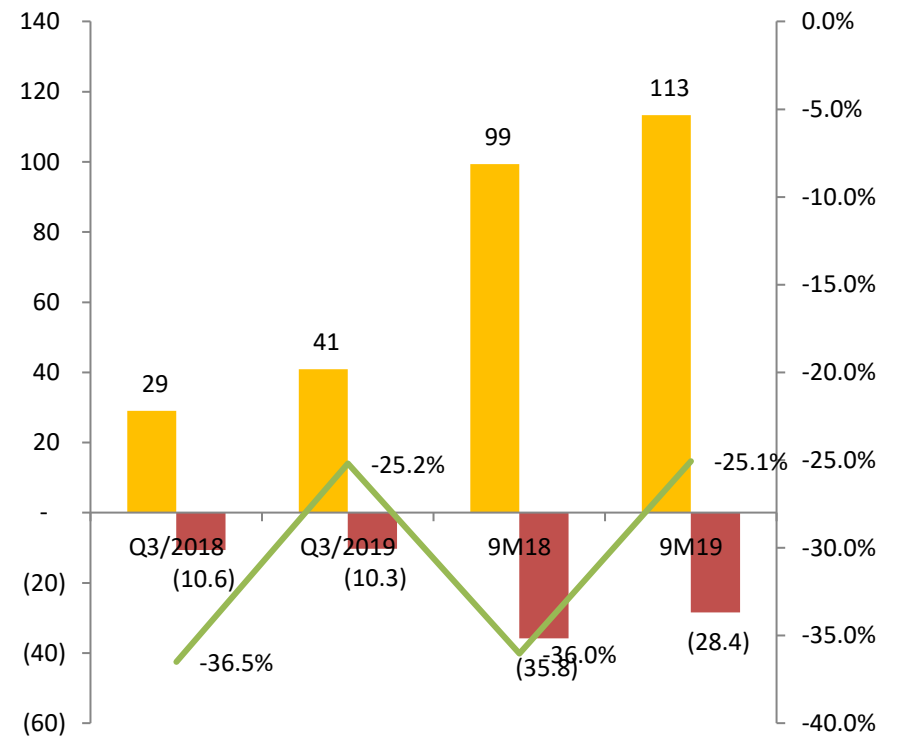
## BROILER

SALES 3Q (Y-Y)  3 %    SALES 9M (Y-Y)  0.0005 %



## FOOD

SALES 3Q (Y-Y)  41 %    SALES 9M (Y-Y)  14 %



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# THANK YOU



[www.malindofeedmill.com](http://www.malindofeedmill.com)



Sunny Gold



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