



**SunnyGold™**



INVESTOR PRESENTATION

November 2015

Agenda

Company Background

Industry Outlook

Business Lines

Company Financials



PT. MALINDO FEEDMILL Tbk.

Feeding Indonesia

COMPANY BACKGROUND



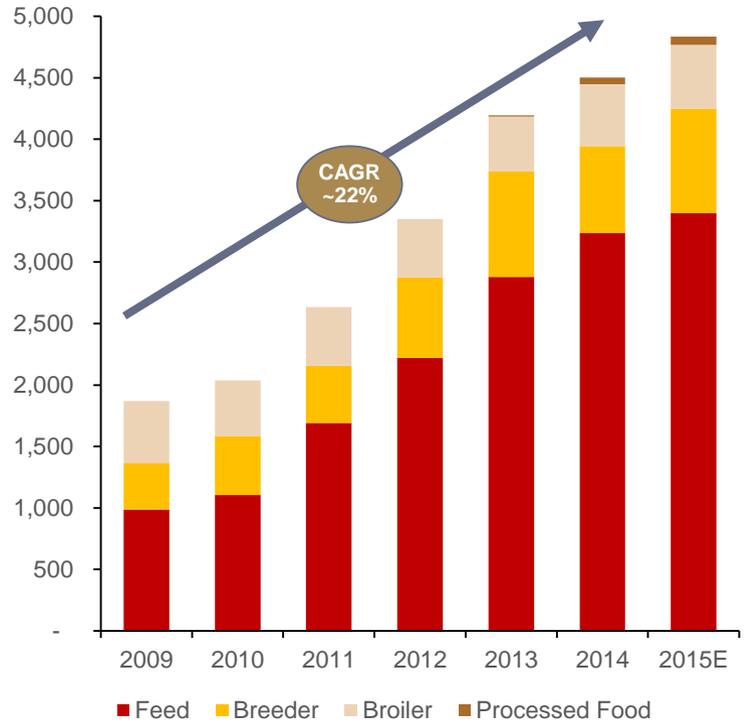
Introduction to Malindo

- Top 3 fully integrated poultry producer with revenues of IDR 4.5 tn, EBITDA of IDR 148 bn in 2014 (3% margin), IDR 2.1 tn market cap⁽¹⁾
- Above industry sales growth of ~19% CAGR⁽²⁾ from 2009-14, with further growth expected in 2015
- Continued growth trajectory, including branded food line – supported by projected chicken consumption CAGR of 8% - 11% until 2017
- Successful management team with 40+ years of industry experience in SE Asia
- Winner of the 2014 Forbes Indonesia Best of the Best award:

“...The number one company this year is Malindo... Malindo has stellar management and is growing like an Internet company, as the world’s fourth largest population can afford to buy more meat, and chicken ranks as one of the most popular and affordable meat choices...”

Forbes Indonesia, July 2014

Revenues (IDR bn)



Notes: (1) As of 03 November 2015; (2) Poultry consumption grew by 6.5% CAGR from 2009 – 2013
Source: IMF, USDA

Key Financial Highlights

Attractive, Fast Growing Industry

- Fast industry growth at c.15% CAGR from 2012 – 2022, driven by rising incomes⁽¹⁾
- Amongst the lowest consumption in SE Asia at 10 kg vs. Malaysia at 38 kg⁽²⁾
- The preferred protein due to its cultural, religious fit and affordability
- 2015: 4.8% GDP growth, stable political environment & improved government spending

Top-3 Integrated Player

- Vertically integrated player with 7-8% market share⁽³⁾
- Strong position in feed (70% of total revenues) with growing consumer branded products
- Reputation as high quality producer, solid track record with diverse customer base

Secured Capex Budget, Expanding Footprint

- Capex plan in place to sustain a 15% - 20% annual revenue growth in the medium term
- Increased footprint with new feedmills in Semarang and Makassar and additional 2 new feedmills projected over the next 3 years
- Further scale anticipated to increase EBITDA margin in 2-3 years

Quality Management & Governance

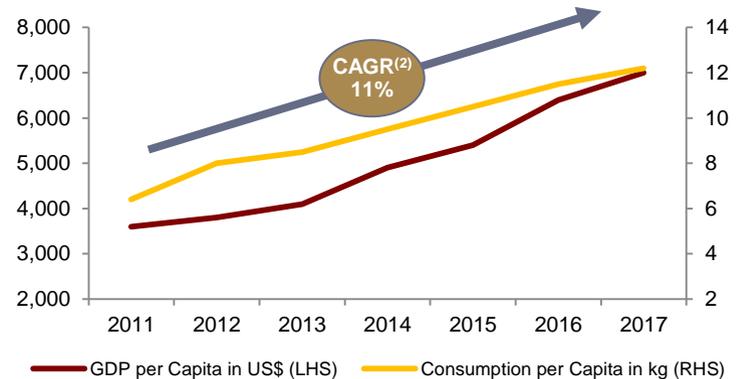
- The founding shareholder has 40+ years of industry experience in SE Asia
- Professional managers, independent board, best-in-class policies
- Historical dividend payout ratio in the range of 15-30% of net income

Notes: (1) IMF,FAO
(2) USDA, Worldbank
(3) Company research

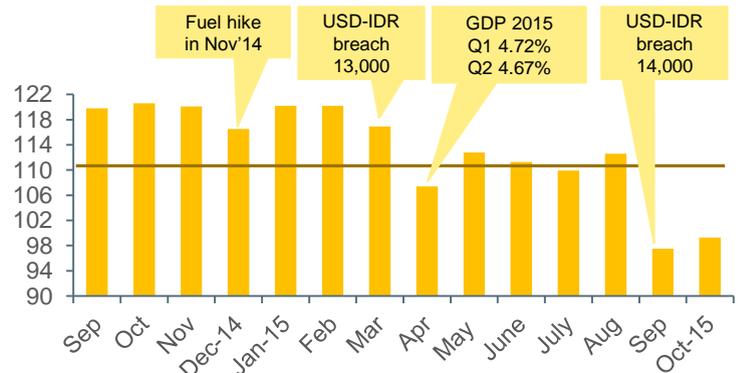
2015 Outlook

- **Continued feed volume growth contributed by new capacity in Semarang and Makassar**
- **Expected DOC price stabilization**
 - Government policy on GPS import & PS culling
 - Production cuts by producers
 - Cyclicalty in the sector
- **Projected processed food volume increase**
 - Increase retail channels for both modern and general trade
 - Strong focus on marketing in 2015 & 2016
- **Consumer demand projected to improve with strong support by macro conditions:**
 - GDP growth in 2016 projected at 5.3%
 - Consumer confidence expected to improve in 2H 2015 following increased government spending and government economic packages
 - Minimum wages hike of 18%⁽¹⁾ in 2015, with expected 10% increase in 2016
 - Expected stable or lower energy prices

Projected Poultry Consumption



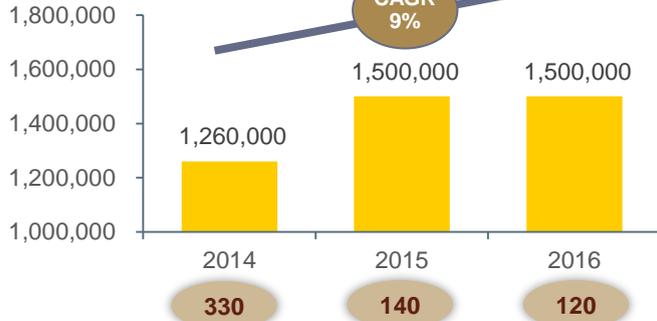
Consumer Confidence Index since September 2014



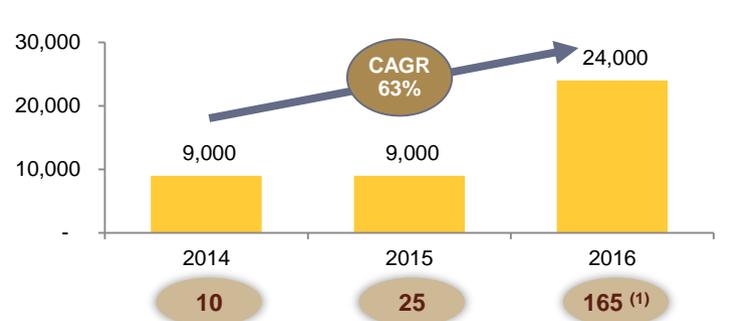
Notes: (1) at regions that MAIN is operating; (2) Poultry consumption per capita CAGR
 Source: IMF, USDA, Bank Indonesia

Planned capex sufficient to meet volume demand until 2018

Feed capacity (tons)



Processed foods capacity (tons)



DOC capacity (birds)



Broiler capacity (tons)

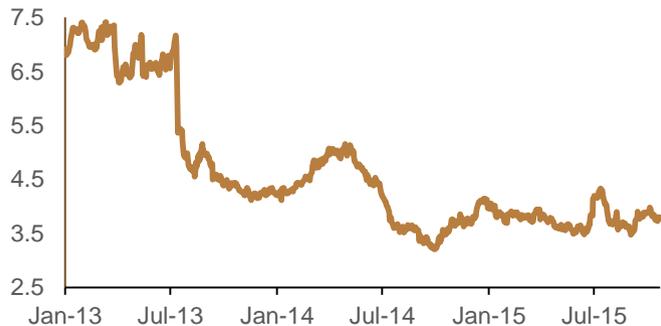


Projected capex of IDR 345 bn in 2015, IDR 635 bn in 2016 and a total of IDR 2.0 tn from 2017 - 2019 will enable Malindo to capture increased demand

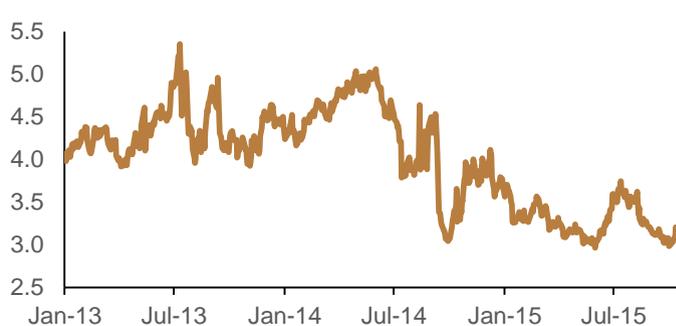
Notes: (1) Includes capex for slaughter house (IDR 100 bn)

Raw material volatility is passed through to consumers over time

Corn Price (\$ per bu)



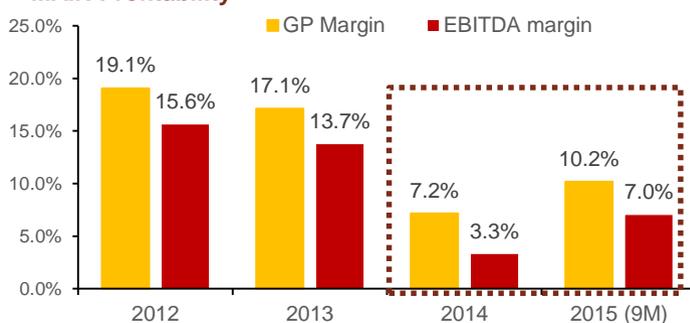
Soybean Meal Price (\$ per kg)



USD/IDR

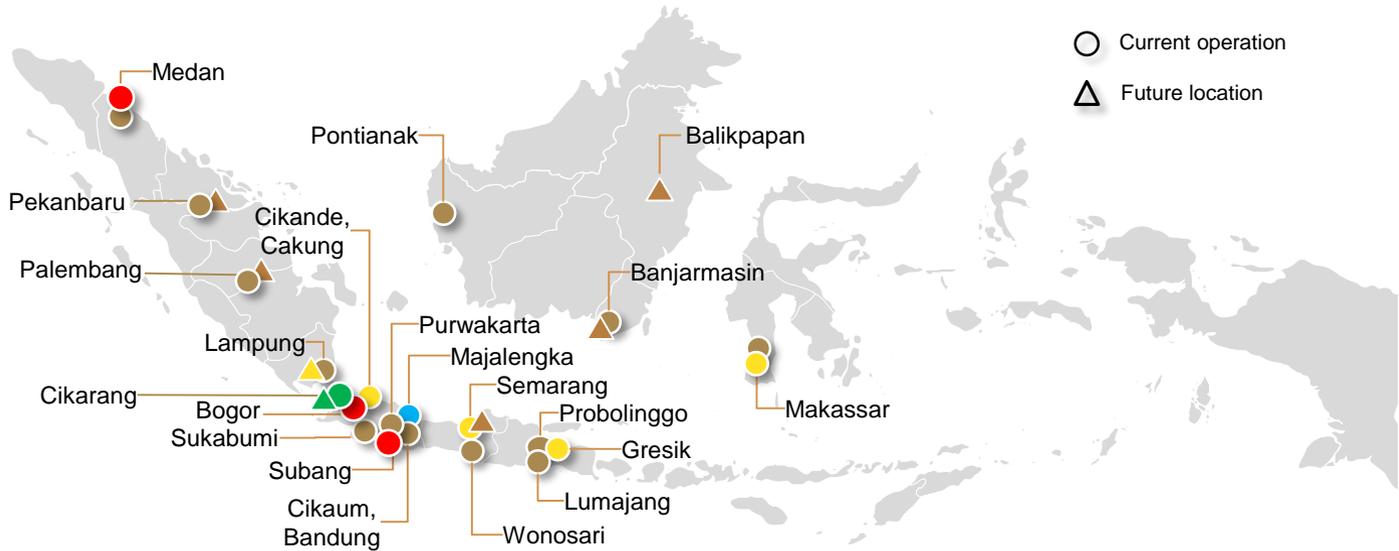


MAIN Profitability



2015 margin was still affected by the high volatility in USD/IDR since 2H 2013 and low DOC prices. Margin recovery expected to continue in 2H 2015 with lower raw material prices and stabilized DOC prices.

Strategic and diverse locations, and expanding presence



Legends	Annual Capacity	Locations
	Feedmill 1,500,000 MT *	Cakung, Cikande, Gresik, Semarang, Makassar
	GPS Breeding 3.2 mm DOCs	Majalengka
	PS Breeding 210 mm DOCs	Medan, Lampung, Subang, Bogor, Sukabumi, Cikaum, Bandung, Purwakarta, Wonosari, Probolinggo, Lumajang, Pontianak, Banjarmasin, Makassar
	Broiler 30 mm kg	Medan, Subang, Bogor
	Food Processing 9,000 MT	Cikarang

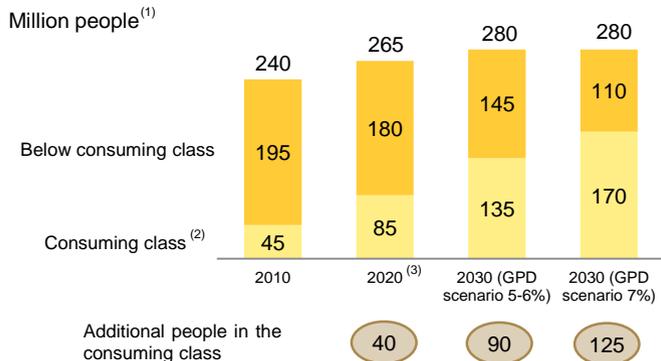
* based on mixed capacity



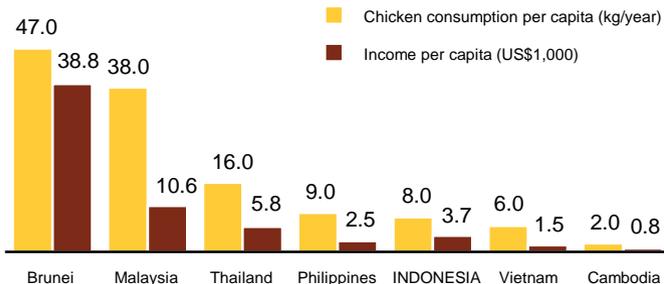
INDUSTRY OUTLOOK

Fast-growing industry driven by rising incomes

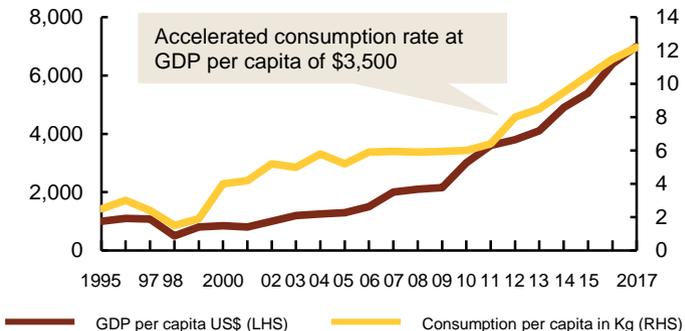
Indonesia's consuming class is growing, adding 90 million people in the consuming class by 2030



Indonesia has one of the lowest chicken consumption in SE Asia



Consumption per capita is projected to grow to 12 kg by 2017



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

Notes: (1) Rounded to the nearest five million; (2) Consuming class defined as individuals with an annual net income of above \$ 3,600 at 2005 purchasing power parity (PPP); (3) Based on annual GDP growth of between 5-6%

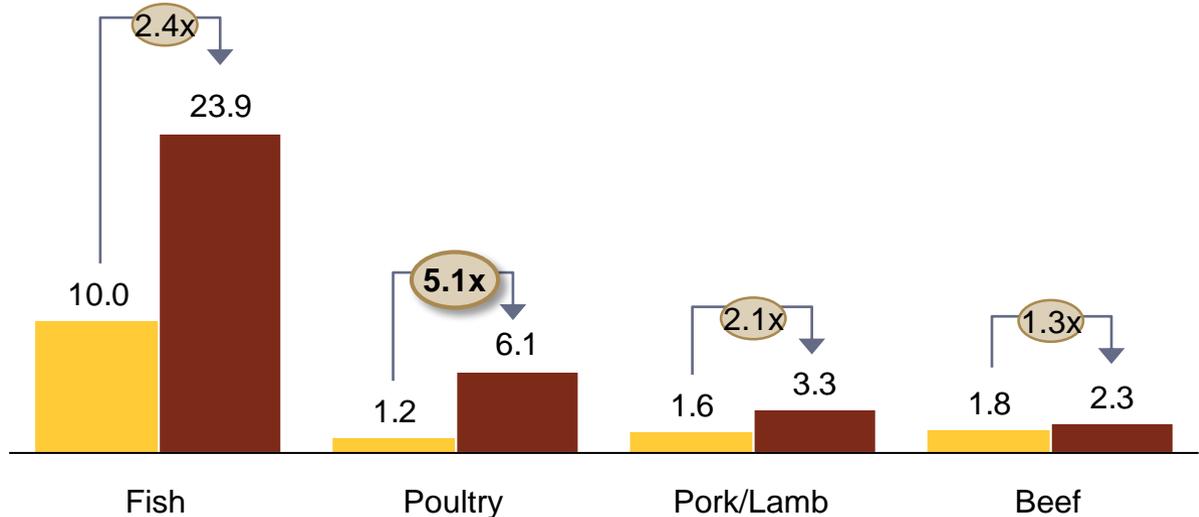
Source: FAOStats, BPS, IMF, USDA, World Bank, Kompas daily, LEK Consulting, McKinsey, Company

Poultry has been gaining share of consumption

Indonesia's consumption per capita by meat type (1980-2009)

Kilograms per capita

1980
2009



Share of meat consumption

69% → 67%

8% → 17%

11% → 9%

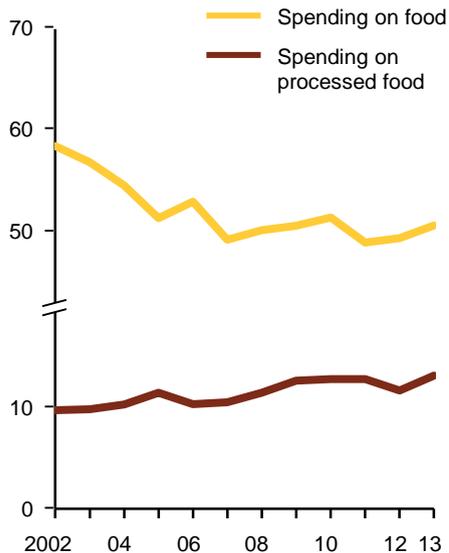
12% → 6%

Poultry is well-positioned to remain the dominant protein due to taste preference, affordability and compliance with religious dietary rules

Future opportunities in processed food

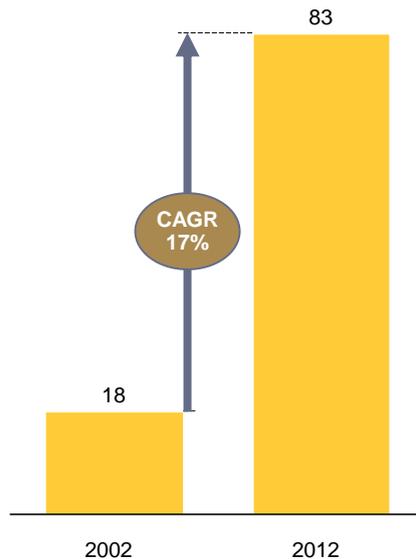
Food spending as portion of total income (2002-2013)

Percent of total income⁽¹⁾



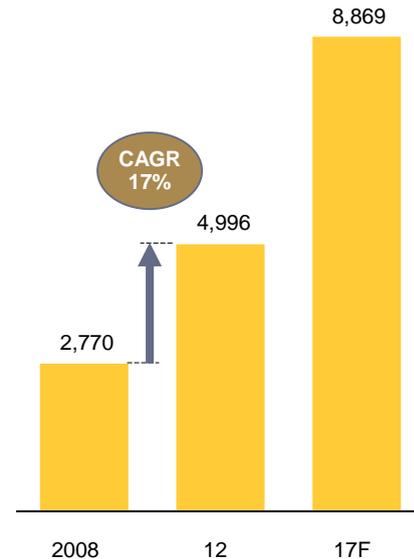
Processed food spend in Indonesia (2002-2012)⁽²⁾

Trillions of IDR



Frozen processed chicken spend in Indonesia

Billions of IDR



Indonesians are spending a smaller proportion of their income on food but spending on processed food is increasing substantially

Notes: (1) The 2011 and 2012 data is an average of March and September, the 2013 data is from March only; (2) Total of Chilled, Dried, Frozen and Other Processed Food

Source: LEK Consulting

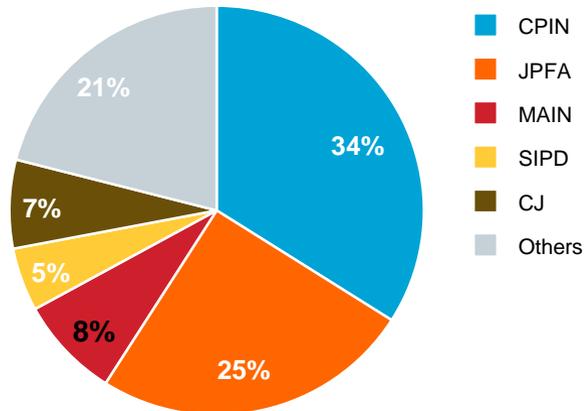


BUSINESS LINES

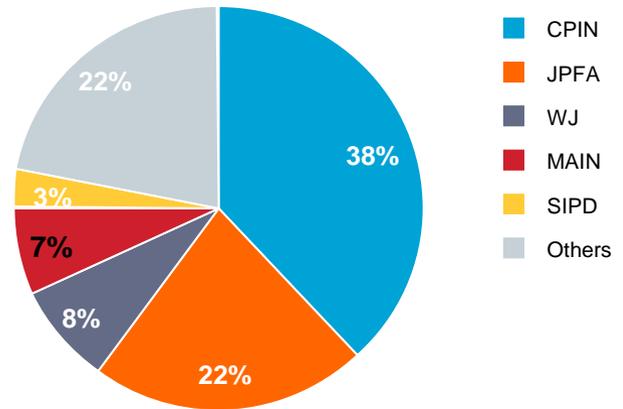
Emerging market leader in poultry

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

Indonesia feed production capacity share (2014)



Indonesia DOC production capacity share (2014)



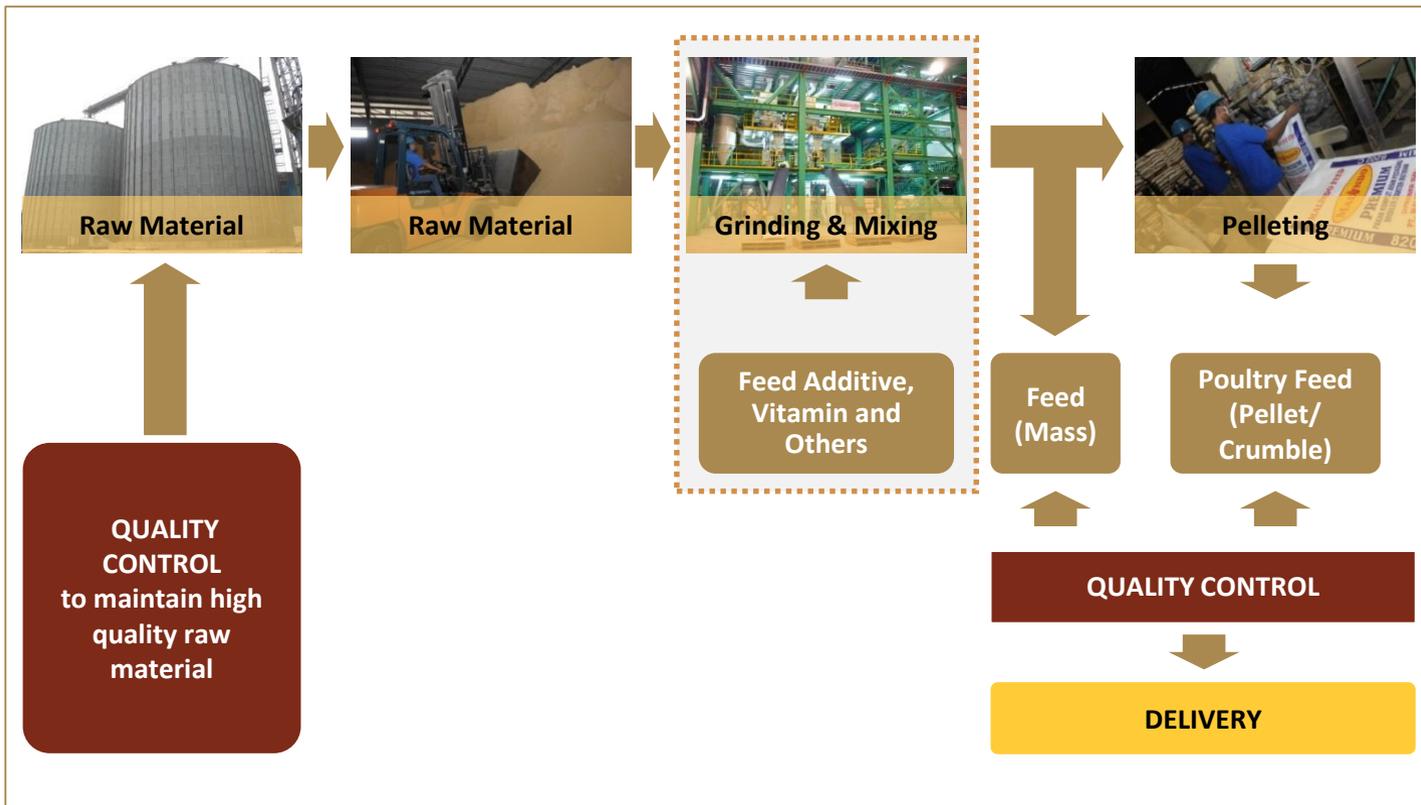
- Approximately 80% of the market is captured by the top 5 players
- The industry favors large, integrated players due to the significant capex requirements, technical capabilities and the long lead time to build trust with fragmented customer base
- Malindo has increased its market share in feed by 2-3% since 2008

Feed

- **Highest contributor to revenues and EBITDA**
 - 2014 sales of IDR 3.2 tn (\$246 mm) with sales growth of 12% at 70%+ of optimal utilization
 - 71% of total revenue, EBIT margin of 8%
- **Expanding capacity from 1.26 mm tons to 1.5 mm tons by 2015 (19%)**
 - 360,000 MT feedmill in Semarang commenced production in July 2014
 - 240,000 MT feedmill in Makassar commenced production in June 2015
 - The new capacity is sufficient to meet projected demand until 2018
- **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 EBITDA margin through economies of scale**



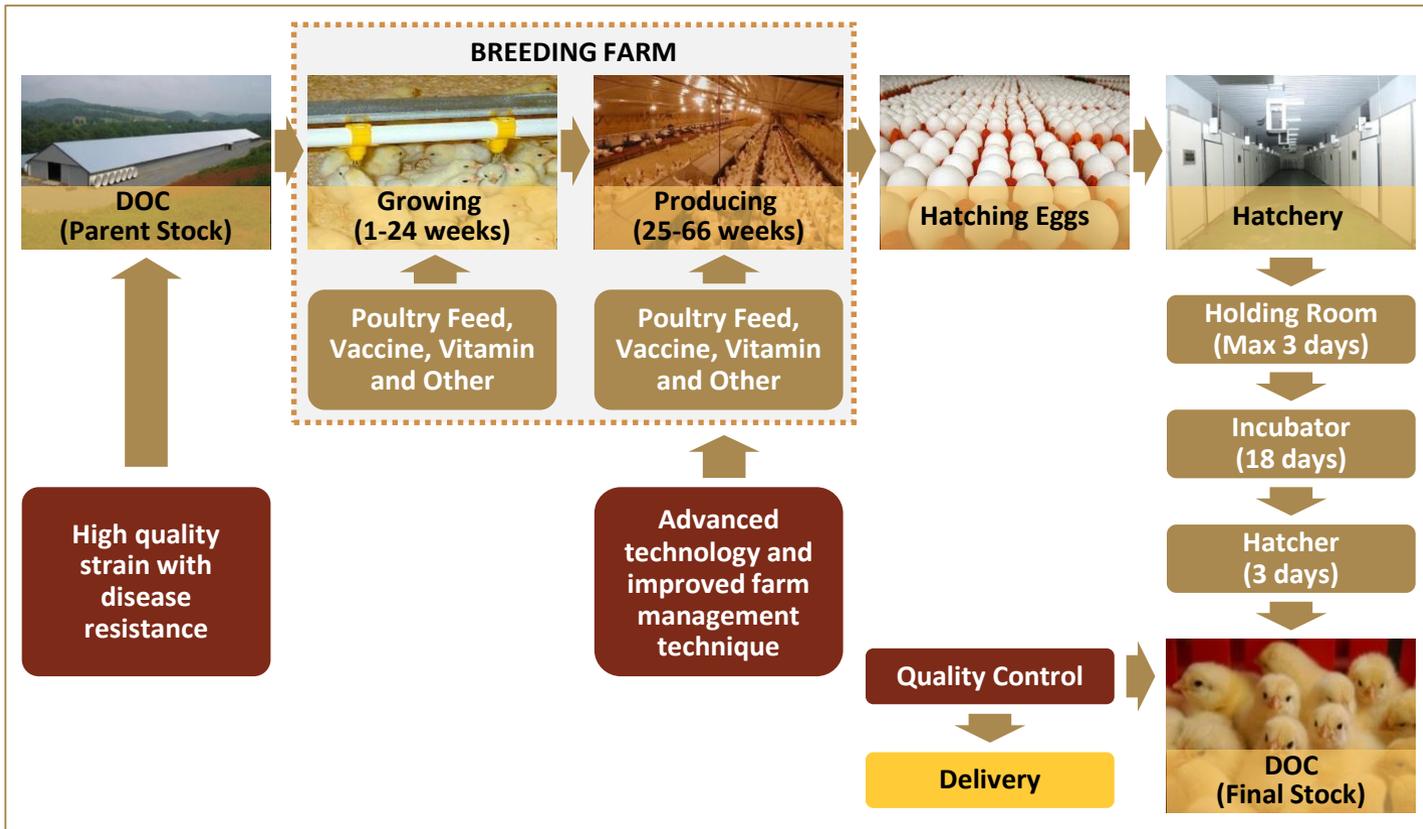
Production Process – Poultry Feed



- **2014 sales of IDR 708 bn (\$54 mm)**
 - 16% of revenues; expected market stabilization in 2015
- **High quality, disease-resistant DOC sourced 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 in 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**
 - 18+ 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
- **Expanding capacity with a target of 260 mm birds by 2016**
 - Malindo expects to add 6-7% production volume per annum beyond 2015 to support projected demand



Production Process – DOC



Broiler

- **11% of total revenues in 2014 with sales of IDR 502 bn; sales growth of 12%**
- **High quality DOC and best-in-class farm management ensures high-quality broiler**
- **Diverse geographic location limits disease outbreaks**
- **Extensive network of distributors and wholesalers to access both traditional and modern retail channels**
- **Expanding capacity to 45,000 tons by 2016 to support the growth in processed food**
 - Increased focus on supplying internal processed food division to ensure high quality chickens for its branded consumer products



Processed Food

- **Processed food commenced operations in Q3 2013; 1% of total revenues in 2014**
- **State-of-the-art production plant with installed production capacity of 9,000 tons per annum**
 - Current installed capacity will be sufficient to cover projected demand for the next 2-3 years
 - An additional 15,000 tons per annum to be added in 2016. Additional capacity can be installed modularly in the existing plant
- **Launched 2 brands to target diverse customer base:**
 - Sunny Gold: premium brand targeting modern trade, estimated to generate 40% of revenues. Currently available at Lottemart, Hero, Giant, Superindo, Hypermart, Carrefour
 - Ciki Wiki: mass brand targeting traditional market, estimated to generate 60% of sales
- **Plans for 2015 & 2016:**
 - commence construction of a slaughterhouse to further integrate operations and increase cost efficiencies
 - increase distribution channels by further 200 - 250 outlets



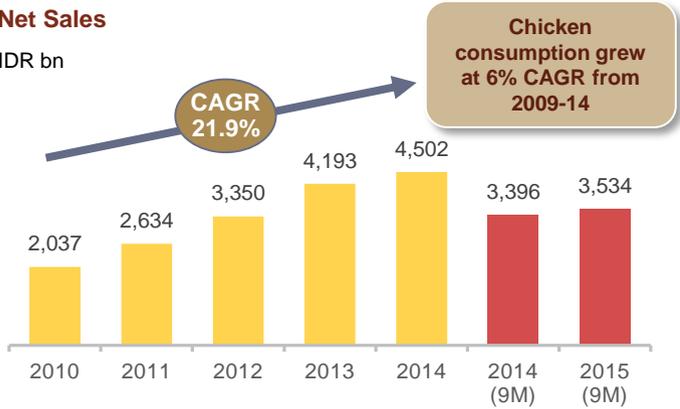


COMPANY FINANCIALS

Financial Performance

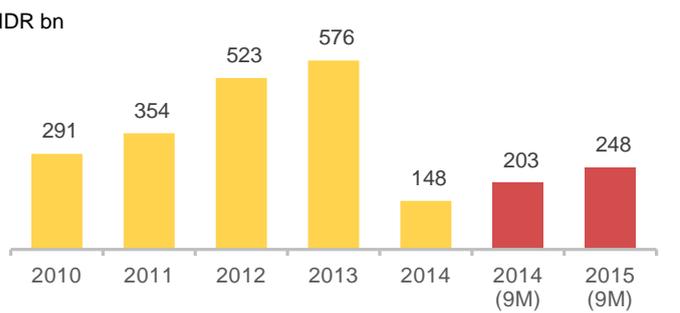
Net Sales

IDR bn



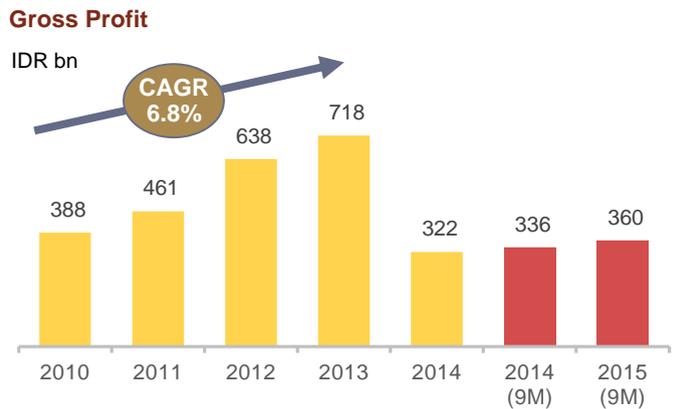
EBITDA

IDR bn



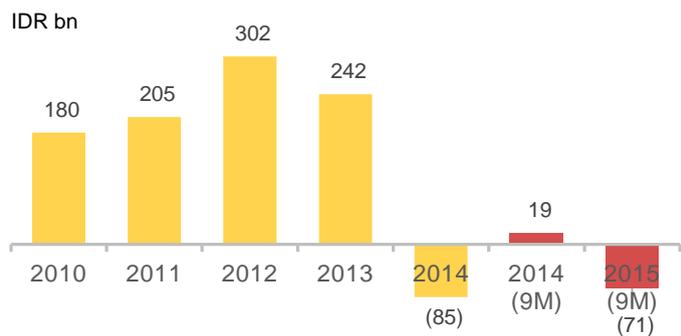
Gross Profit

IDR bn



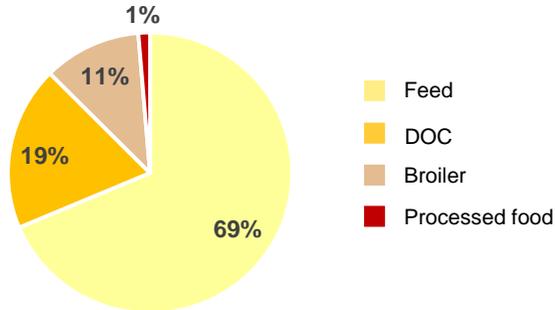
Net Income

IDR bn

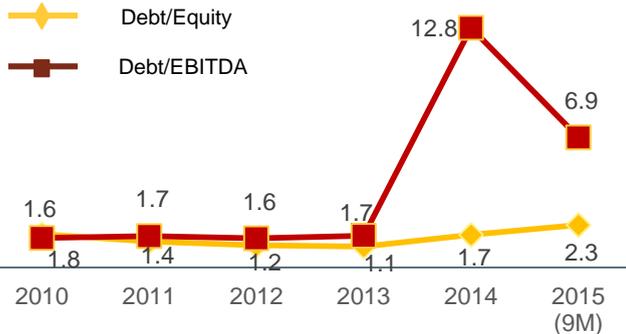


Financial Performance

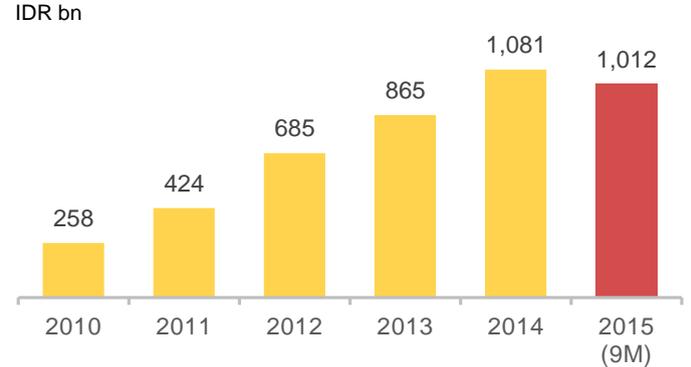
2015 (9M) Revenue Breakdown



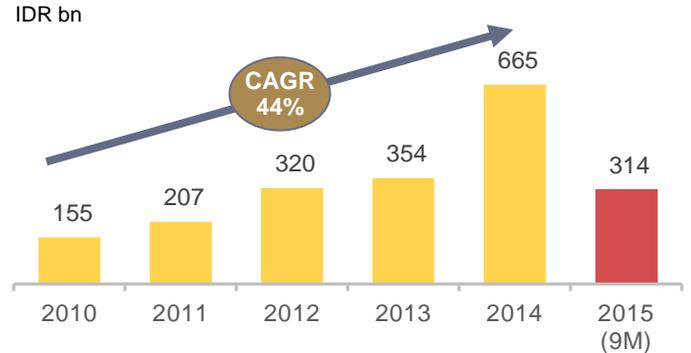
Leverage Ratio



Shareholders' Equity



Historical Capex





APPENDIX

Experienced professional team with recognized track record



- Founding shareholders have more than 40 years of experience in the industry in South East Asia
- Senior management has 15-20 years of industry experience
- Winner of Forbes Indonesia's Top 50 Best of the Best Companies award 4 times in a row

18 Years of Excellence

1997-98	2000	2003	2006	2007-08
<ul style="list-style-type: none"> Established PT. Gymtech Feedmill Indonesia in 1997 Commenced commercial activity in 1998 	<ul style="list-style-type: none"> Acquired feedmill business from Subur Group (150,000 MT annual installed capacity) in 2000 Changed name to PT Malindo Feedmill in 2000 Purchased a 80 Ha chicken husbandry area from PT Artacitra Terpadu Feedmill (50 million DOC annual capacity) in 2001 	<ul style="list-style-type: none"> Acquired a feedmill from PT Unggul Sari Citra Topfeed (300,000 MT annual capacity) and a breeding farm from PT Unggul Sari Citra Perdana Established a new subsidiary, PT Bibit Indonesia 	<ul style="list-style-type: none"> Listed in JSX Started Grand Parent Stock (GPS) farm 	<ul style="list-style-type: none"> Established a subsidiary for commercial broilers, PT Prima Fajar, in 2007 Issued Rp 300 billion bond in March 2008 Acquired PT Leong Hup Ayam Prima in April 2008
2010	2011 - 2012	2013	2014	2015
<ul style="list-style-type: none"> Added 1 feedmill in Cikande, Banten (450,000 MT) Added 2 Parent Stock DOC farms in Banjarmasin, Kalimantan and Lampung, Sumatra (15 million DOCs) Added 1 GPS farm in Majalengka (720,000 PS) 	<ul style="list-style-type: none"> Split shares from nominal value Rp. 100/share to Rp. 20/share in June 2011 Included in MSCI Indonesia Index list Runner-up of Asian Feed Millers Award by Asian Feed Magazine The Best of the Best Top 50 List on Forbes Indonesia Improved corporate rating from BBB+ to A- 	<ul style="list-style-type: none"> included in the LQ45 Index by IDX for the first time Repaid Bonds 08/13 in March Top Performance 2013 Award for agriculture company with market cap below Rp 10 trillion by Investor Magazine Started processed food business in Q3 	<ul style="list-style-type: none"> Completed non-pre-emptive rights issue in April Awards from Investor Daily and Bisnis Indonesia #1 in Forbes Indonesia's Top 50 Best of the Best Companies list Commenced feedmill operations in Semarang (360,000 MT) 	<ul style="list-style-type: none"> Commenced feedmill operations in Makassar (240,000 MT) Rights issue involving 447,750,000 new shares at Rp1,200 per share

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