

## EXECUTIVE SUMMARY

PT MAGNiVY Indonesia's core business activity is the **rehabilitation** and **utilization** of **mangrove ecosystem** across Indonesia. Each project area will call for different form of utilization. The monetary profit obtained from the utilization activity will be used to do more rehabilitation, thus expanding the mangrove area and also the potential to utilize it. This forms a continuous cycle and creates sustainability for the business.

The pilot project will be conducted on a piece of land in Aceh Singkil region, which was hit by the Aceh tsunami in 2004 and Nias earthquake in 2005. The area is currently abandoned. The most suitable form of utilization to be carried out in this area is mud crab (*Scylla serrata*) aquaculture. MAGNiVY supports local economic growth and creates a favorable situation for the business by optimizing local people's participation in the company as employees.

The mud crabs will be exported fresh (live) under the brand MAGNiCRAB to several Asian countries that possess significant demand potential and attractive market price, namely Malaysia, Taiwan, Hongkong, and China. MAGNiVY creates supply continuity and product consistency as its competitive advantages. MAGNiVY will achieve these by operating its own hatchery and tightly scheduling its aquaculture operation. The competitive advantages differentiate MAGNiVY from other mud crab suppliers, who are affected by the seasonality issue. As a result of the supply continuity, MAGNiVY will be able to sell its mud crabs at a more stable price.

Within the first 10 years, MAGNiVY's sales volume is projected to grow 18% in average every year. The projected net sales value during the first year is Rp 5.7 billion (USD 630 million), growing at a rate of 28% in average for the first 10 years of sales projection. The NMC (Net Marketing Contribution) is 48% of gross revenue and the MROS (Marketing Return on Sales) grows 3% in average every year.

MAGNIVY needs Rp 9 billion (USD 1 million) of initial investment for its first project. The business will generate Rp 26,743 billion (USD 3 million) of NPV. The founders are investing Rp 5.4 billion (USD 600,000). Another Rp 3.6 billion (USD 400,000) is needed from other investors, with 43.11% IRR, 36.92% MIRR, and a payback period of 5.03 years.

