

EXECUTIVE SUMMARY

The risk of accidents in the workplace cannot be predicted. Provide workplace safety an important aspect that must be considered by the Company. As is well known, the Company is required to provide a safe working environment for employees. One of control the risk for workplace accidents is requiring employees to use personal protective equipment that provided by the company. One commonly use type of personal protective equipment is safety shoes. Using safety shoes aims to minimize the occurrence of foot injuries among employees caused by various risks, such as being struck by heavy objects, cut, or punctured by sharp objects, exposed to chemicals, and others. However, the use of safety shoes brings up several issues for both the company and the employees. From the company's perspective, most safety shoes currently have short durability because some parts on safety shoes like the outsole do not last long. From the employees' perspective, the safety shoes currently in use are uncomfortable because the insoles do not fit the shape of their feet.

The issues that have arisen have led MAGHMA to offer safety shoes with exchangeable technology and insoles tailored to the shape of the user's foot. MAGHMA's value proposition through its safety shoe product is comfort by technology and renewability. The safety shoes produced by MAGHMA will undergo testing in accordance with applicable standards to ensure the quality of the products. Additionally, MAGHMA has identified companies in the manufacturing and construction industries as its target market. This target market determination is based on the work processes in both industries, which require every employee to wear safety shoes while working and have a relatively high consumption rate of safety shoes.

In conducting its business, MAGHMA has developed several strategies to support the achievement of vision and mission. In terms of marketing strategy, MAGHMA has identified its target market segments and set competitive pricing. Additionally, MAGHMA has established differentiating points from competitor products to ensure that MAGHMA's position in the market is clear for consumers. This strategy is expected to meet the sales target of 47,222 pairs of shoes in the first year and 113,189 pairs by the fifth year. To support this target, MAGHMA has also set operational strategies to ensure production capacity can meet consumer demand and continuously conduct research and development to produce better products in the market. Some of the operational strategies employed by MAGHMA include maintaining the supply chain of raw materials to sustain the production process rhythm, using the

capacity lead strategy so the marketing target can always be met and ensuring the produced products meet the quality standards. To implement these two strategies, competent human resources and efficient financial management are essential. MAGHMA's strategy in managing human resources begins with planning employee needs and determining wages or salaries. In the first year, MAGHMA aims to employ 43 staff, increasing to 69 staff by the fifth year. Each employee will have opportunities to enhance and develop their skills to achieve good career progression.

With an initial investment of Rp6 billion for factory and logistics infrastructure, MAGHMA projects a Net Present Value (NPV) of IDR 19 billion, with an investment payback period of less than four years. The company expects its revenue to grow at an average annual rate of 30% over the next five years. Operating profit is forecasted to increase significantly, with a Compound Annual Growth Rate (CAGR) of 37%, driven by the large market size and high demand. Net income is projected to rise substantially, ensuring higher returns for shareholders, while positive cash flow projections indicate robust financial health and operational efficiency.

MAGHMA's feasibility analysis, considering pessimistic, most likely, and optimistic scenarios, shows a positive NPV in all cases, ensuring project profitability. The Internal Rate of Return is above the Weighted Average Cost of Capital, highlighting efficient capital utilization, with a payback period within four years, demonstrating a quick return on investment.