



# PT SARATOGA INVESTAMA SEDAYA TBK

**FY2017 Updates**

## Disclaimer

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# CORPORATE INFORMATION

# Saratoga – A Leading Active Investment Company






- Leading active investment company in Indonesia with NAV of approximately US\$1.7 billion
- Listed in 2013 and is among the top 100 largest market capitalization stocks on the IDX
- Focused on early-stage, growth-stage, and special situation opportunities
- Actively engaged with investee companies' management teams in unlocking value of investments
- Invested in key sectors of the Indonesian economy: Consumer, Infrastructure and Natural Resources



Data as of December 2017  
Source: Company information

# Diversified Investment Portfolio



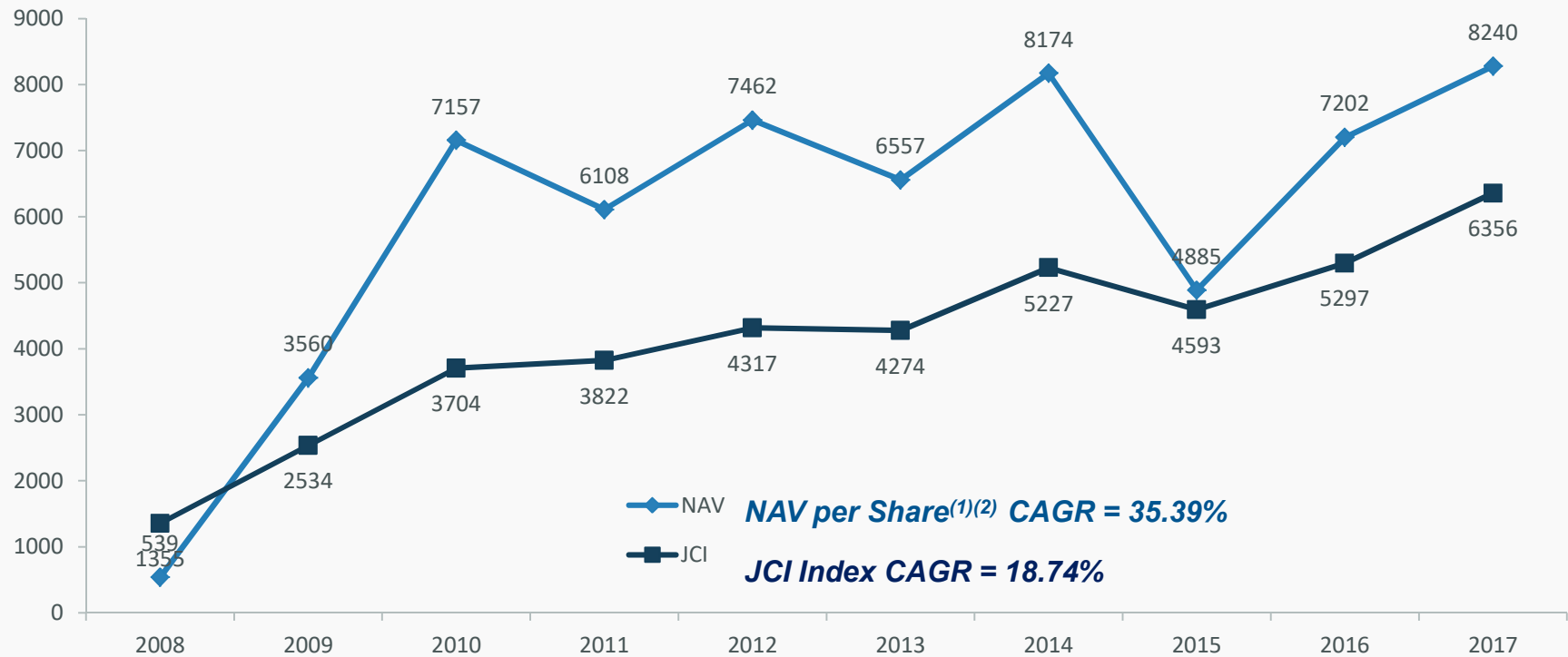
	Early Stage Companies	Growth Companies	Listed Blue Chip Companies	% Sum of the Parts (SOTP)
	<ul style="list-style-type: none"> <li>✓ Early-stage companies provide large upside potential</li> <li>✓ Ability to acquire larger stakes allows Saratoga to exert significant influence, develop company strategy and products and generate strong return</li> </ul>	<ul style="list-style-type: none"> <li>✓ Growth companies generate sustainable and healthy cash flows for Saratoga portfolio</li> <li>✓ Provide great upside potential when growth companies enter into mature phases</li> </ul>	<ul style="list-style-type: none"> <li>✓ Blue-chip Investee Companies are established industry leaders with growth and capital appreciation opportunities</li> <li>✓ Saratoga to remain a long-term shareholder in these businesses</li> </ul>	
 Natural Resources	Sihayo Copper Gold <i>Gold</i> Sumatra Copper & Gold <i>Gold</i> Finders Resources <i>Copper</i> Agro Maju Raya <i>Palm</i> Agra Energi Indonesia <i>Oil &amp; Gas</i>	Merdeka Copper Gold <i>Gold &amp; Copper</i> Provident Agro <i>Palm</i> Interra Resources <i>Oil &amp; Gas</i>	Adaro Energy <i>Coal &amp; Power</i>	48%
 Infrastructure	Tenaga Listrik Gorontalo <i>Power</i>	Paiton Energy <i>Power</i> Tri Wahana Universal <i>Refinery</i> Nusa Raya Cipta <i>Construction</i>	Tower Bersama Infrastructure <i>Telco Tower</i>	40%
 Consumer		Mitra Pinasthika Mustika <i>Auto</i> Gilang Agung Persada <i>Lifestyle</i> Etika Karya Usaha <i>Property</i> Mulia Bosco Logistik <i>Logistics</i> Awal Bros Hospital <i>Healthcare</i> Deltomed <i>Herbal Medicine</i>		12%

Data as of December 2017  
 Source: Company information

# Net Asset Value Growth



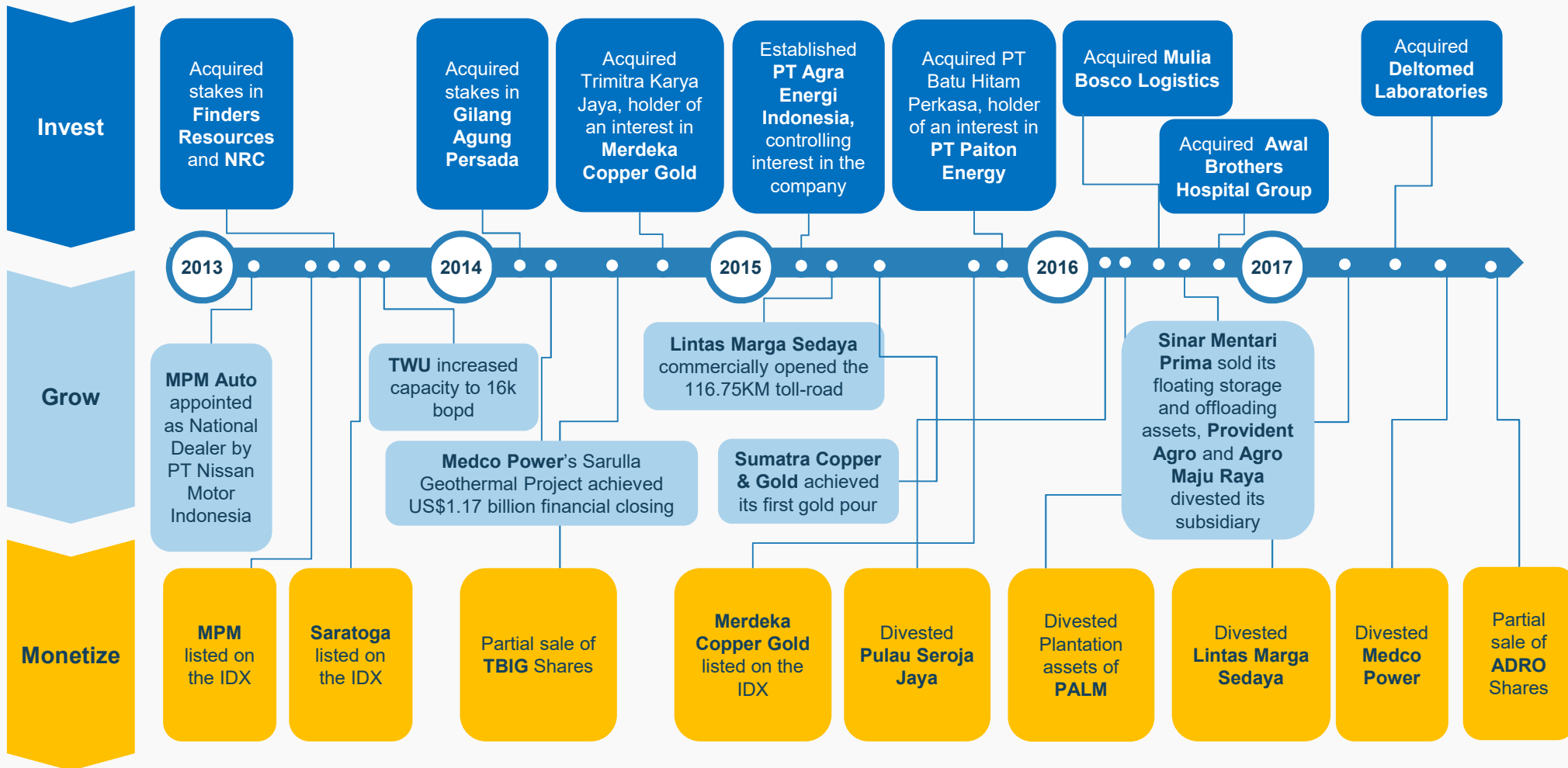
Figures in IDR



- (1) NAV per Share is adjusted for capital raising. The information contained in this document is intended solely for the use of the internal reference. Saratoga makes no representations or warranties, expressed or implied, with respect to the information herein.
- (2) For NAV per Share between 2008 and 2014, valuation of listed investee companies are calculated based on 2W VWAP as of year end close. Due to the implementation of new accounting standards in 2016, the 2015 and 2016 calculations for listed investee companies are based on their respective closing share price as of 31 December 2016.

Data as of December 2017  
 Source: Company information

# Invest-Grow-Monetize Investment approach



Data as of December 2017  
Source: Company information



# INVESTMENT ACTIVITIES



# Investment Opportunity Selection Process

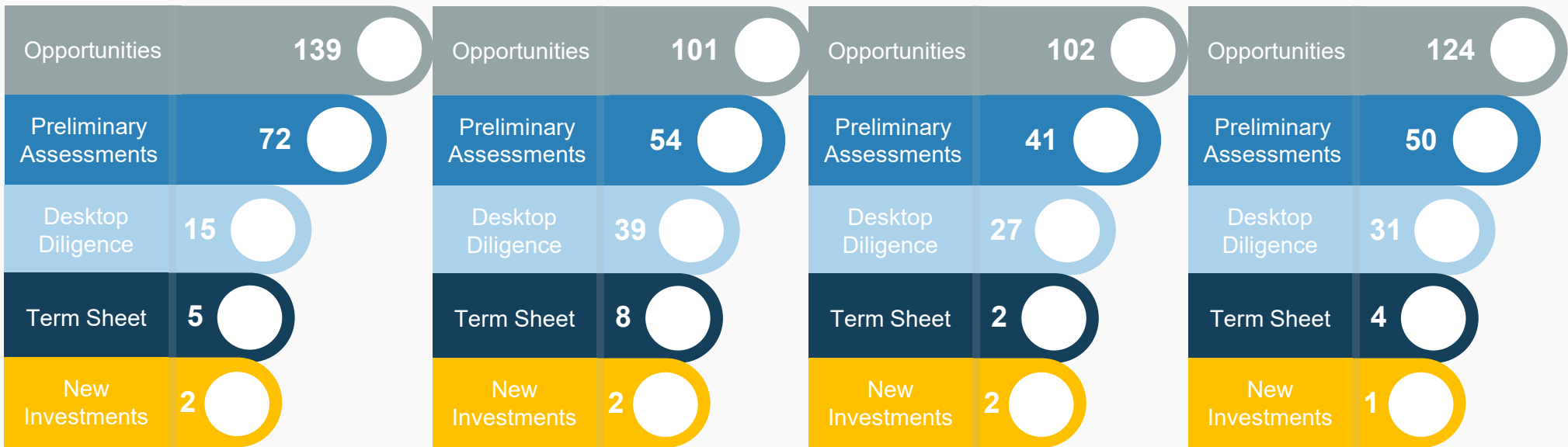


2014

2015

2016

2017



- ❖ PT Gilang Agung Persada
- ❖ PT Trimitra Karya Jaya (Merdeka Copper Gold)

- ❖ PT Agra Energi Indonesia
- ❖ PT Batu Hitam Perkasa (Paiton Energy)

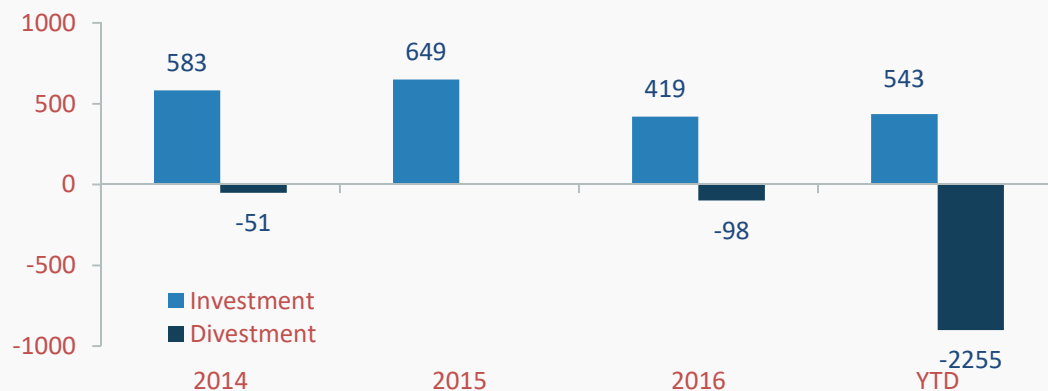
- ❖ Mulia Bosco Logistik
- ❖ Awal Bros Hospital

- ❖ Deltomed Laboratories

Data as of December 2017  
Source: Company information

## Investment Activity Summary 2017

Figures in IDR billion



	2014	2015	2016	2017
Investment	<ul style="list-style-type: none"> <li>Gilang Agung Persada</li> <li>Merdeka Copper &amp; Gold (MDKA)</li> </ul>	<ul style="list-style-type: none"> <li>Agra Energi</li> <li>Paiton Energy</li> </ul>	<ul style="list-style-type: none"> <li>Mulia Bosco Logistik</li> <li>Famon Awal Bros Sedaya</li> </ul>	Deltomed
Divestment	Partial sale of investee company		<ul style="list-style-type: none"> <li>Pulau Seroja Jaya</li> <li>Palm plantation assets</li> </ul>	<ul style="list-style-type: none"> <li>Lintas Marga Sedaya (LMS)</li> <li>Medco Power</li> </ul>
Listing		<ul style="list-style-type: none"> <li>MDKA</li> </ul>		<ul style="list-style-type: none"> <li>PALM</li> <li>ADRO</li> </ul>

IDR billion		2016	2017
New investments		131	120
Follow-on investments	Natural Resources	130	308
	Infrastructure	129	101
	Consumer	26	12
Share buy back		3	2
<b>Total investments</b>		<b>419</b>	<b>543</b>

Data presented are as of December 2017  
Source: Company information

# Investment Activities Summary



## New investments



### Investment details

Date of Investment: March 2017  
Committed Capital: IDR 85.75 billion

### Investment / divestment thesis

- Leading player in herbal remedy industry
- Established brand equity.
- Scalability and ample growth opportunity through increasing healthy living trends and growing middle income.

### Company description

- Deltomed is one of the leading herbal remedy players in Indonesia. Deltomed's product, Antangin, is the second largest herbal wind flu remedy brand by market share, while OB Herbal is the market leader for herbal cough medicine in Indonesia.
- Uniquely positioned as one of the few producers with vertically integrated operations and strong distribution network.

## Divestments



Date of Investment: 2006  
Date of Divestment: 2017  
Sale proceeds: IDR900 billion

A long term investment project since 2006. As the toll-road has been built and the operation has commenced the firm decided to divest and deploy capital elsewhere.

LMS is an infrastructure company established in 2005 to construct and operate a 116 kilometer toll road that will connect Cikampek and Palimanan in West Java and that will eventually become part of the Trans Java Toll Road network.



Date of Investment: 2011  
Date of Divestment: 2017  
Sale proceeds: IDR 547 billion

A 5.5 year investment project in assisting MPI with the development of the various projects. As MPI has moved to the next level in size and capacity and is well on the right track to continue the commercial operation of the existing assets and construction of the on-going projects, the firm decided to divest and deploy capital elsewhere.

MPI is the operator of 9 power plants with a total gross generating capacity of 400.7 MW. Apart from developing and operating power plants, MPI also provides Engineering, Procurement and Construction (EPC) and Operations and Management ("O&M") services.



# FINANCIAL HIGHLIGHTS

# Financial Highlight 2017



Consolidated Statement of Profit and Loss (IDR billions)	2017	2016	% variance
Income	3,815	7,105	(46%)
Expenses	(628)	(519)	21%
Profit before tax	3,187	6,585	(51%)
Income tax	(79)	(882)	(91%)
<b>Profit for the period</b>	<b>3,108</b>	<b>5,703</b>	<b>(45%)</b>
<i>Attributable to owners of the Company</i>	<i>3,232</i>	<i>5,670</i>	<i>(42%)</i>
<i>Attributable to non-controlling interests</i>	<i>(124)</i>	<i>33</i>	<i>(475%)</i>
Other comprehensive income	52	384	(86%)
Total comprehensive income for the period	3,160	6,088	(48%)
<i>Attributable to owners of the Company</i>	<i>3,272</i>	<i>6,079</i>	<i>(46%)</i>
<i>Attributable to non-controlling interests</i>	<i>(112)</i>	<i>9</i>	<i>(1344%)</i>

Key Balance Sheet Items (IDR billions)	Dec 2017	Dec 2016	% variance
Investment in equity securities	24,755	23,802	4%
Cash and cash equivalents	902	488	84%
Borrowings, MTN and EB	3,424	4,575	(25%)
Total liabilities	4,342	5,778	(24%)
Equity attributable to owners of the Company	22,033	18,984	16%

## YOY Comparison

- ❖ **Decrease in consolidated income and profits compared to last year**  
*Due to there was one off adjustment in prior year income during implementation of accounting treatment SFAS 65 (IFRS 10).*
- ❖ **Decrease in other comprehensive income**  
*Due to mark to market changes from AFS portfolio especially realization from partial sale of ADRO shares.*

## Current year income and profit

- ❖ **Gain on investment in equity securities: IDR 2.5 trillion**  
*Mainly contributed by the strong performance of TBIG, ADRO and MPM shares .*
- ❖ **Gain on divestment in equity securities: IDR 620 billions**  
*Mainly contributed by the sale of investment in LMS and Saratoga Power.*
- ❖ **Dividend income amounting to IDR 882 billions**  
*The contributors for the dividends came from ADRO IDR 295 bio, MPMX IDR 282 bio, TBIG IDR 221bio, PALM IDR 79 bio and NRCA IDR 5 bio.*
- ❖ **Profit after tax to IDR 3.359 trillion**  
*Brings total assets to IDR 26.9 trillion and investment in equity securities to IDR 24.9 trillion.*

# Key Financial Statement 2017

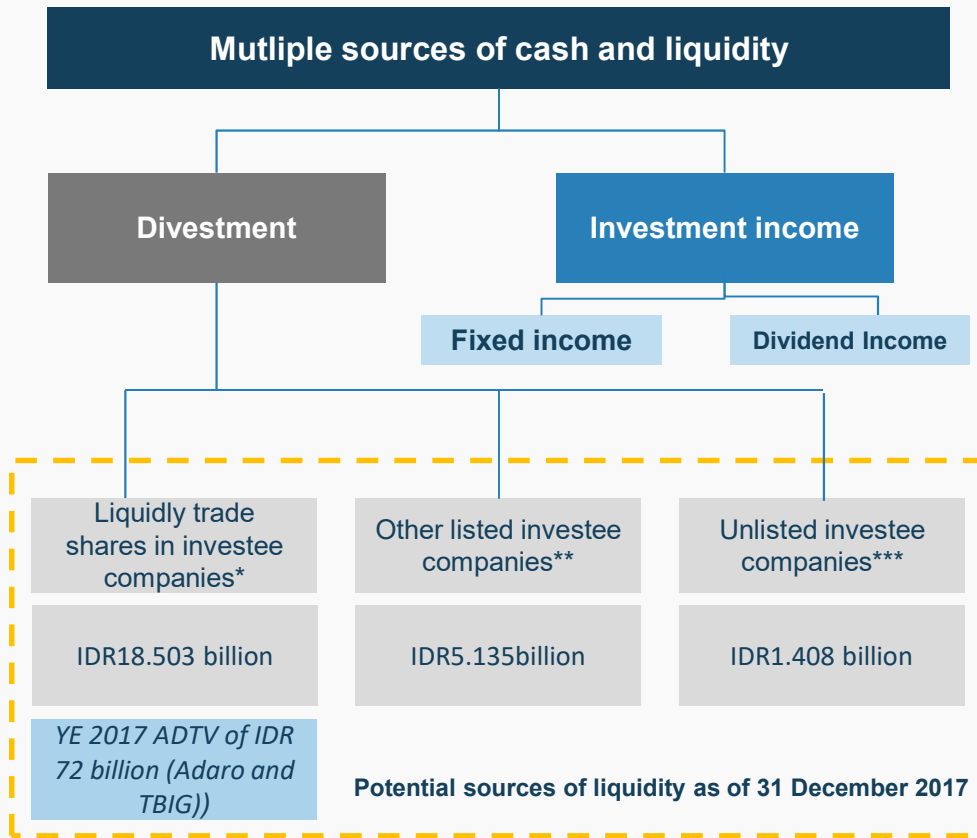


Figures in IDR billion

Profit & Loss Statement		Statement of Financial Position	
Net gain on investment in equity securities	2,293	Cash and cash equivalents	902
Dividend, Interest and Investment Income	1,540	Receivables	623
Other income (losses)	(18)	Investment in equity securities	24,755
<b>Total Income</b>	<b>3,815</b>	Advances for investment in equity securities	94
Interest Cost	(348)	Others	256
Operating Expenses (incl. Salary)	(213)	<b>Total Assets</b>	<b>26,630</b>
Other Costs	(67)	Borrowings	2,465
<b>Total Expenses</b>	<b>(628)</b>	Exchangeable Bond	959
<b>Profit for the period attributable to owners of the Company</b>	<b>3,187</b>	Deferred Tax	752
		Others	166
		<b>Total Liabilities</b>	<b>4,342</b>
		<b>Net Equity attributable to owners of the Company</b>	<b>22,033</b>
		<b>Net Asset Value of investment portfolio<sup>(1)</sup></b>	<b>22,356</b>

(1) NAV accounted exchangeable bond on a cash basis instead of fair value

# Diversified Sources of Cash and Liquidity



\* Consist of Adaro Energy and Tower Bersama

\*\* Consist of Provident Agro, Mitra Pinasthika Mustika, Seroja Investment Limited, Nusa Raya Cipta, Sumatra Copper and Gold, Sihayo Gold, Finders Resources and Interra Resources, Merdeka Copper Gold

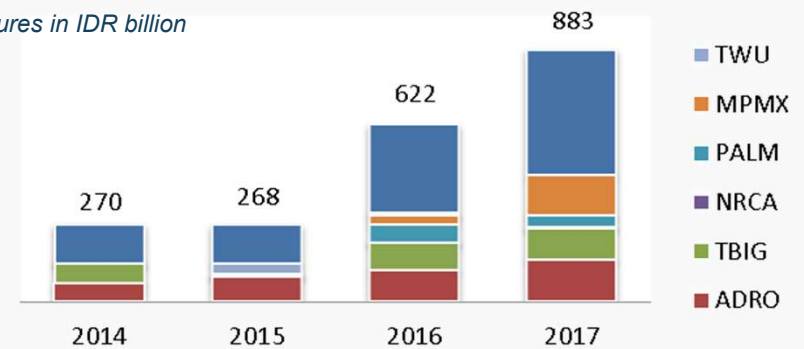
Data as of December 2017

IDR/USD as of 31 December 2017 = 13,548

Source: Company information

## Dividend income breakdown

Figures in IDR billion



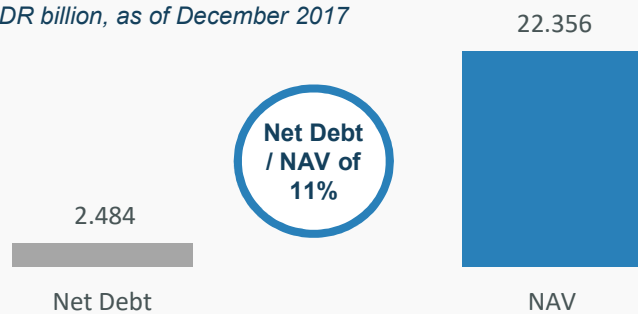
IDR billion	2014	2015	2016	2017
<b>ADRO</b>	129	174	219	295
<b>TBIG</b>	136	-	190	222
<b>NRCA</b>	5	5	3	5
<b>PALM</b>	-	-	132	79
<b>MPMX</b>	-	15	59	282
<b>TWU</b>	-	74	19	-
<b>Total dividends</b>	270	268	622	883
<b># of investees</b>	3	4	6	5

# Strong Capital Structure



## Capital structure

Figures in IDR billion, as of December 2017



## Funding sources

Continue to tap diverse funding sources whilst managing cost effective and conservative leverage is a key part of our active investment operating model

### Bank Loans

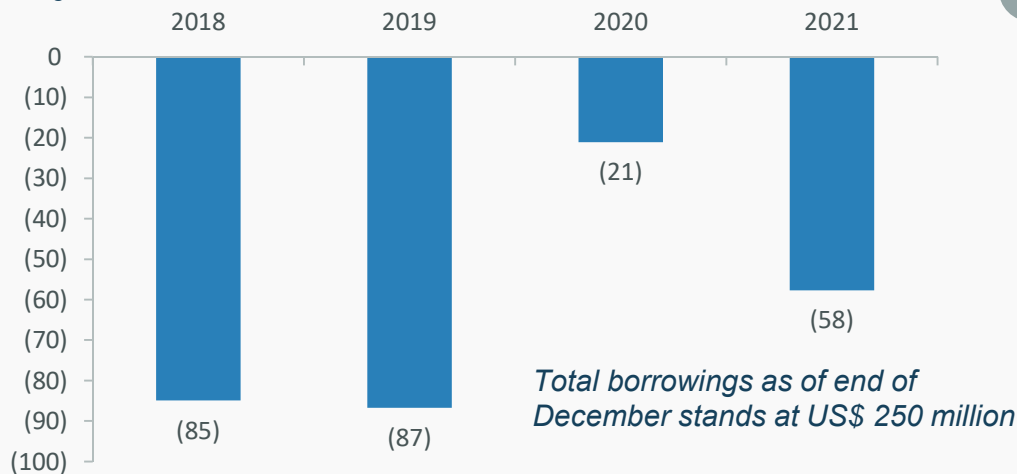
- Types: Revolving credit facility. Bilateral Loan
- Banks: ING, Natixis, BTMU and DBS

### Exchangeable Bond

- Issued a 5-year, put option at year 3, US\$100 million EB in May 2015 with a coupon of 3%, YTM 3,75%
- Exchangeable to TBIG common shares at IDR 10.707
- As of December 2017, the EB outstanding was at US\$68.7 million.

## Loan maturity profile\*

Figures in US\$ million



Data as of December 2017  
Source: Company information



# Expense Coverage Ratios



Cost ratio & Coverage ratio	Opex/NAV	Opex + Interest/NAV	Dividend/ Interest	Dividend/ Interest + Opex
2013	0.61%	1.73%	1.1x	0.7x
2014	0.45%	1.43%	1.2x	0.8x
2015	1.03%	2.81%	1.1x	0.6x
2016	0.73%	2.19%	2.3x	1.5x
2017	0.95%	2.51%	2.5x	1.6x

## Operating Expense

- Maintain low operating expense to below 1%.
- Expenses include salary, rental, professional fees, and other operating expenses.
- The increase in Opex/NAV ratio in 2017 was driven by the increase of Opex related to investment and divestment activities.



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