



# PT SARATOGA INVESTAMA SEDAYA TBK

**9M2017 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



# Diversified Investment Portfolio

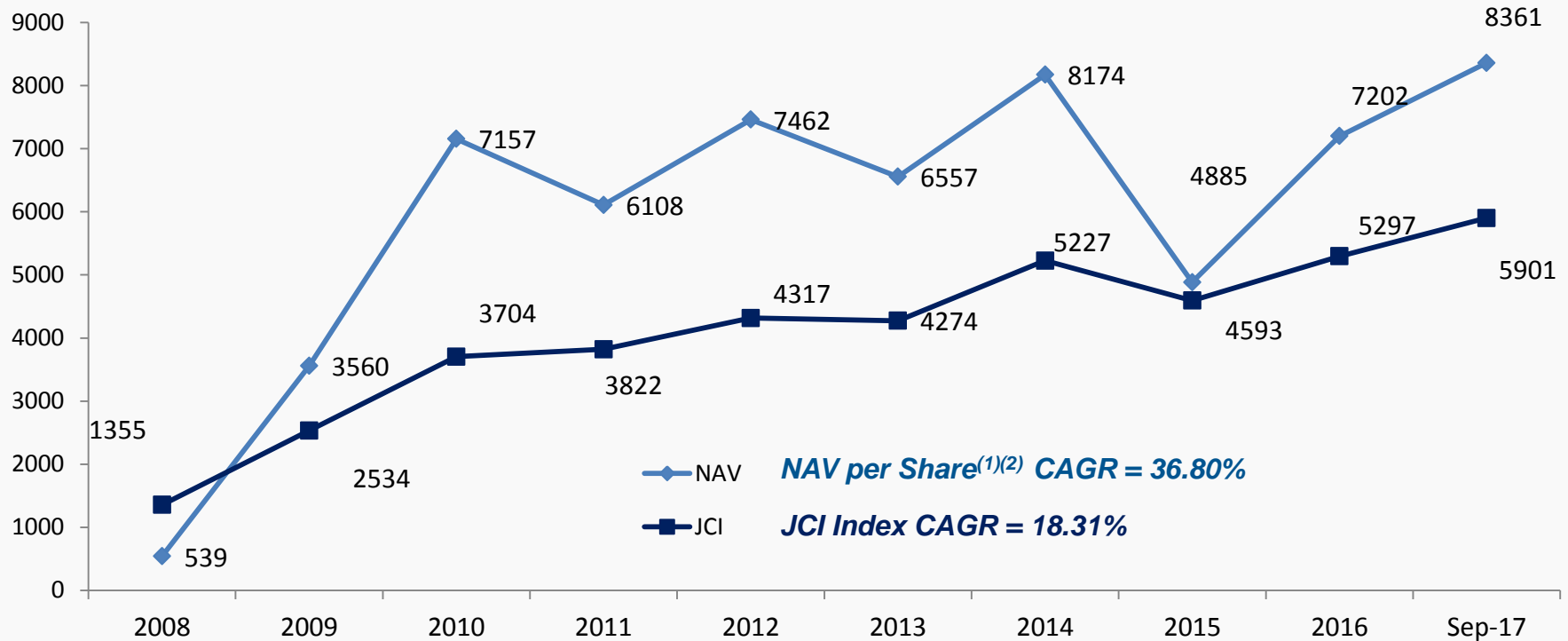


	Early Stage Companies	Growth Companies	Listed Blue Chip Companies	% Sum of the Parts (SOTP)
	<ul style="list-style-type: none"> <li>✓ Early-stage companies provide large upside potential</li> <li>✓ Ability to acquire larger stakes allows Saratoga to exert significant influence, develop company strategy 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>	<b>50%</b>
 Infrastructure	Tenaga Listrik Gorontalo <i>Power</i>	Medco Power Indonesia <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>	<b>40%</b>
 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>		<b>10%</b>

# Net Asset Value Growth



Figures in IDR

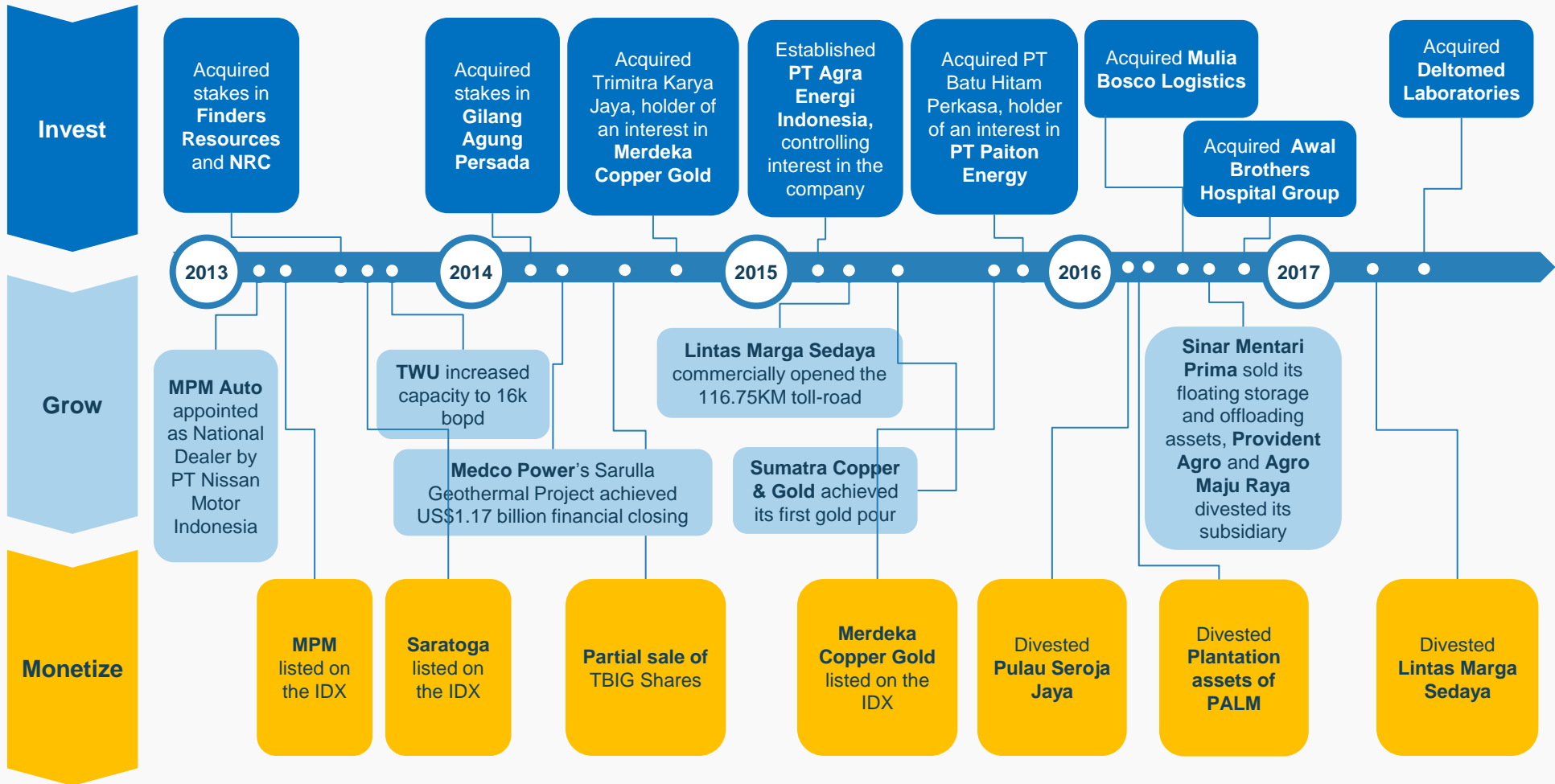


(1) NAV per Share is adjusted for capital raising. The information contained in this document is intended solely for the use of the internal reference. Saratoga makes no representations or warranties, expressed or implied, with respect to the information herein.

(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 September 2017  
 IDR/USD as of 30 September 2017 = 13,492  
 Source: Company information

# Invest-Grow-Monetize Investment approach





# INVESTMENT ACTIVITIES



# Investment Opportunity Selection Process

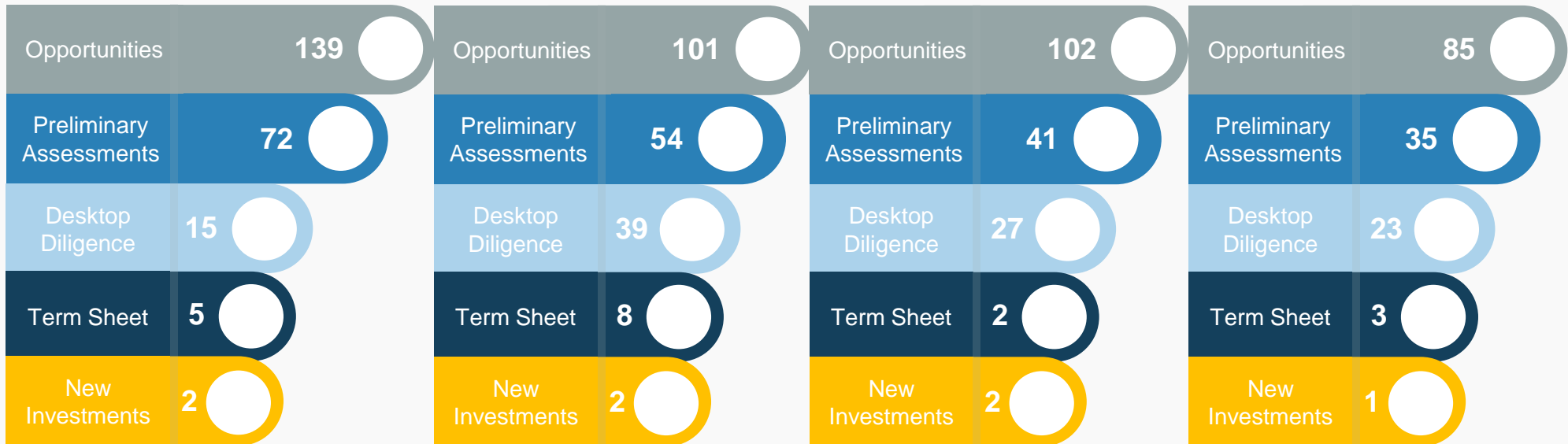


2014

2015

2016

9M17



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

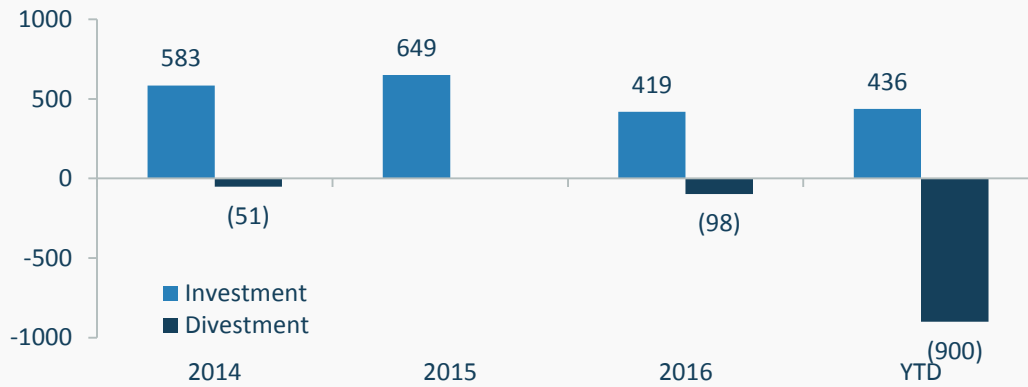
- ❖ PT Agra Energi Indonesia
- ❖ PT Batu Hitam Perkasa (Paiton Energy)

- ❖ Mulia Bosco Logistik
- ❖ Awal Bros Hospital

- ❖ Deltomed Laboratories

# Investment Activity Summary 9M17

Figures in IDR billion



	2014	2015	2016	9M17
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>	Lintas Marga Sedaya (LMS)
Listing		<ul style="list-style-type: none"> <li>MDKA</li> </ul>		

IDR billion		2016	9M17
New investments		131	78
Follow-on investments	Natural Resources	130	184
	Infrastructure	129	160
	Consumer	26	12
Share buy back		3	2
<b>Total investments</b>		<b>419</b>	<b>436</b>

Data presented are as of September 2017  
Source: Company information

# Investments and Divestments in 9M17



## New investments



### Investment details

Date of Investment: March 2016  
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  
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 decide 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.



# FINANCIAL HIGHLIGHTS

# Financial Highlight 9M17



SARATOGA

Consolidated Statement of Profit and Loss (IDR billions)	9M 2017	9M 2016	% variance
Income	3,164	6,471	(51%)
Expenses	(449)	(350)	28%
Profit before tax	2,715	6,120	(56%)
Income tax	(17)	(25)	(32%)
<b>Profit for the period</b>	<b>2,697</b>	<b>6,096</b>	<b>(56%)</b>
<i>Attributable to owners of the Company</i>	2,812	5,933	(53%)
<i>Attributable to non-controlling interests</i>	(115)	163	(171%)
Other comprehensive income	528	(466)	213%
Total comprehensive income for the period	3,225	5,630	(43%)
<i>Attributable to owners of the Company</i>	3,312	5,495	(40%)
<i>Attributable to non-controlling interests</i>	(87)	134	(165%)

Key Balance Sheet Items (IDR billions)	Sep 2017	Dec 2016	% variance
Investment in equity securities	26,122	23,802	10%
Cash and cash equivalents	1,066	488	118%
Borrowings, MTN and EB	4,622	4,575	1%
Total liabilities	5,539	5,778	(4%)
Equity attributable to owners of the Company	22,062	18,984	16%

## YOY Comparison

- ❖ **Decrease in consolidated income and profits compared to last year**  
*Due to the implementation of accounting treatment SFAS 65 (IFRS 10).*
- ❖ **Increase in other comprehensive income**  
*Due to mark to market changes of ADRO and MDKA from AFS portfolio.*

## Current period income and profit

- ❖ **Gain on investment in equity securities: IDR 2.6 trillion**  
*Mainly contributed by the strong performance of TBIG shares – an increase of 33%.*
- ❖ **Dividend income amounting to IDR 371 billions**  
*The contributors for the dividends came from TBIG IDR 222bio, ADRO 90 bio, MPMX 54 bio and NRCA 5 bio.*
- ❖ **Profit after tax to IDR 2.697 trillion**  
*Brings total assets to IDR 27.8 trillion and investment in equity securities to IDR 26.1 trillion.*

# Key Financial Statement 9M17

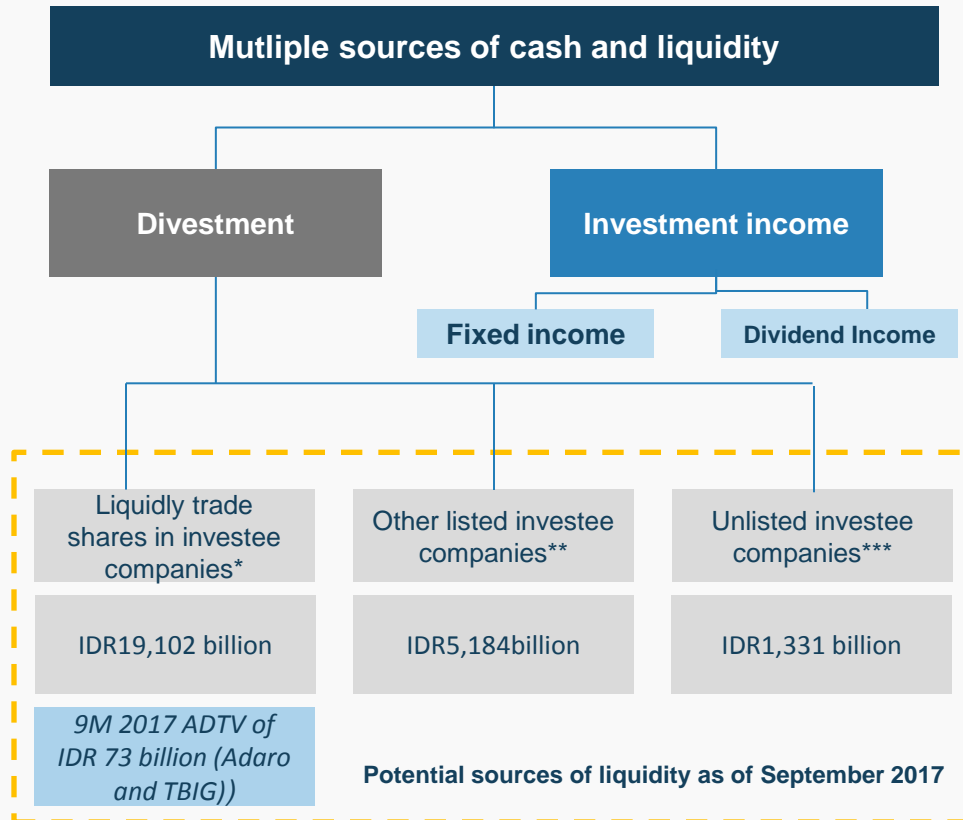


Figures in IDR billion

Profit & Loss Statement		Statement of Financial Position	
Net gain on investment in equity securities	2,618	Cash and cash equivalents	1,066
Dividend, Interest and Investment Income	662	Receivables	404
Net loss on FX differences	(14)	Investment in equity securities	26,122
Other income (losses)	(102)	Advances for investment in equity securities	99
<b>Total Income</b>	<b>3,164</b>	Others	196
Interest Cost	(238)	<b>Total Assets</b>	<b>27,887</b>
Operating Expenses (incl. Salary)	(129)	Borrowings	2,759
Other Costs	(82)	Medium Term Notes	725
<b>Total Expenses</b>	<b>(449)</b>	Exchangeable Bond	1,139
<b>Profit for the period attributable to owners of the Company</b>	<b>2,812</b>	Deferred Tax	754
		Others	162
		<b>Total Liabilities</b>	<b>5,539</b>
		<b>Net Equity attributable to owners of the Company</b>	<b>22,062</b>
		<b>Net Asset Value of investment portfolio<sup>(1)</sup></b>	<b>22,684</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

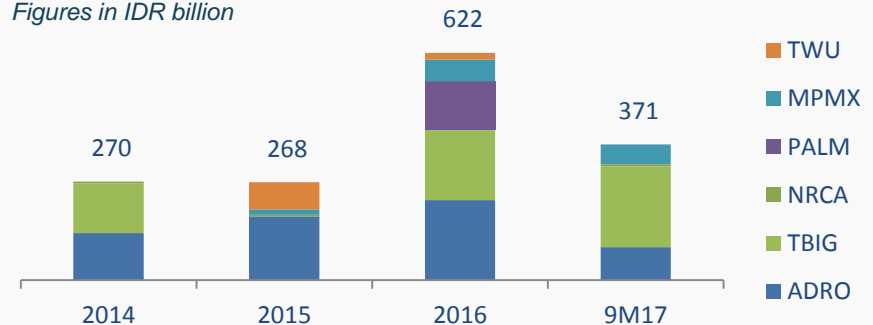
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Source: Company information

## Dividend income breakdown

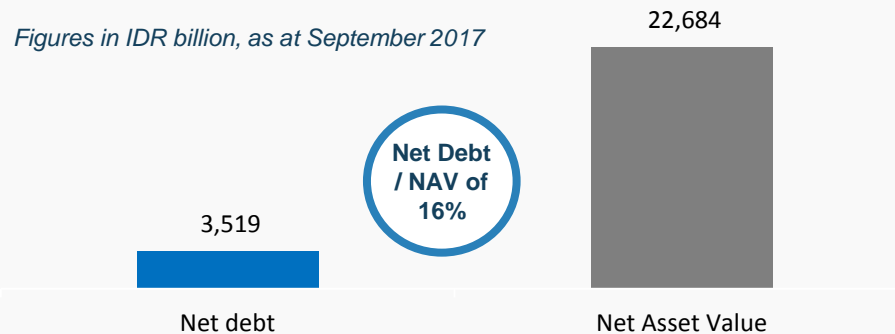
Figures in IDR billion



IDR billion	2014	2015	2016	9M17
<b>ADRO</b>	129	174	219	90
<b>TBIG</b>	136	-	190	222
<b>NRCA</b>	5	5	3	5
<b>PALM</b>	-	-	132	-
<b>MPM</b>	-	15	59	54
<b>TWU</b>	-	74	19	-
<b>Total dividends</b>	270	268	622	371
<b># of investees</b>	3	4	6	4

# Strong Capital Structure Backed by Diverse Funding Sources

## Capital structure



## 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

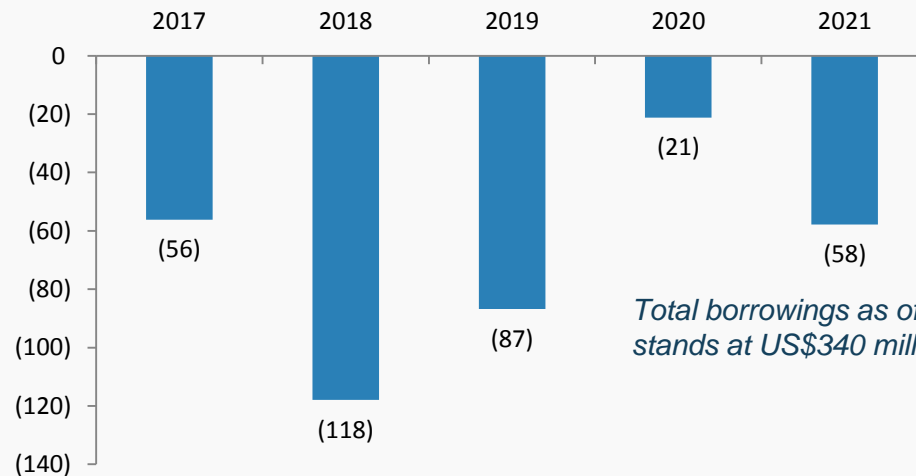
- Bank Loans
  - Types: Revolving Credit Facility, Bilateral Loan
  - Banks: SCB, ING, and Natixis

- Medium Term Notes
  - Issued a 3-year IDR 725 billion MTN in October 2014 with a fixed rate of 11.75%
  - Offered under private placement
  - Arranger: DBS Vickers

- 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

## Loan maturity profile

Figures in US\$ million



Total borrowings as of September 2017 stands at US\$340 million



# 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	0.74%	2.18%	2.3x	1.5x
Annualized 9M 2017	0.76% (0.67%)	2.17%	1.5x	1.0x

## 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 9M2017 was driven by the increase of Opex related to investment and divestment activities.



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