

An aerial photograph of a powerful ocean wave. The water is a vibrant turquoise color, and the crest of the wave is covered in thick, white foam. The background is a dark, almost black sky, creating a high-contrast scene.

**PT SARATOGA INVESTAMA SEDAYA TBK**

**1H2018 UPDATES**

# Disclaimer

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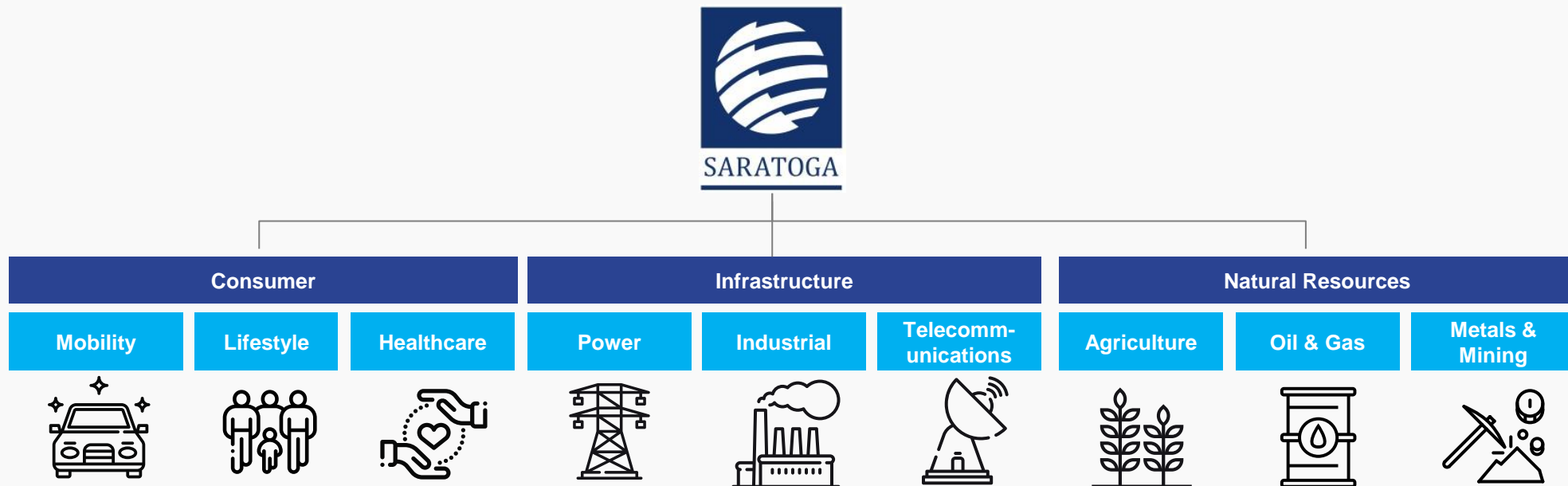
# CORPORATE INFORMATION



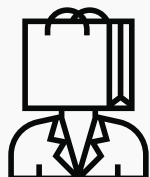
# Saratoga – A Leading Active Investment Company



- Leading active investment company in Indonesia with NAV of approximately US\$1.5 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



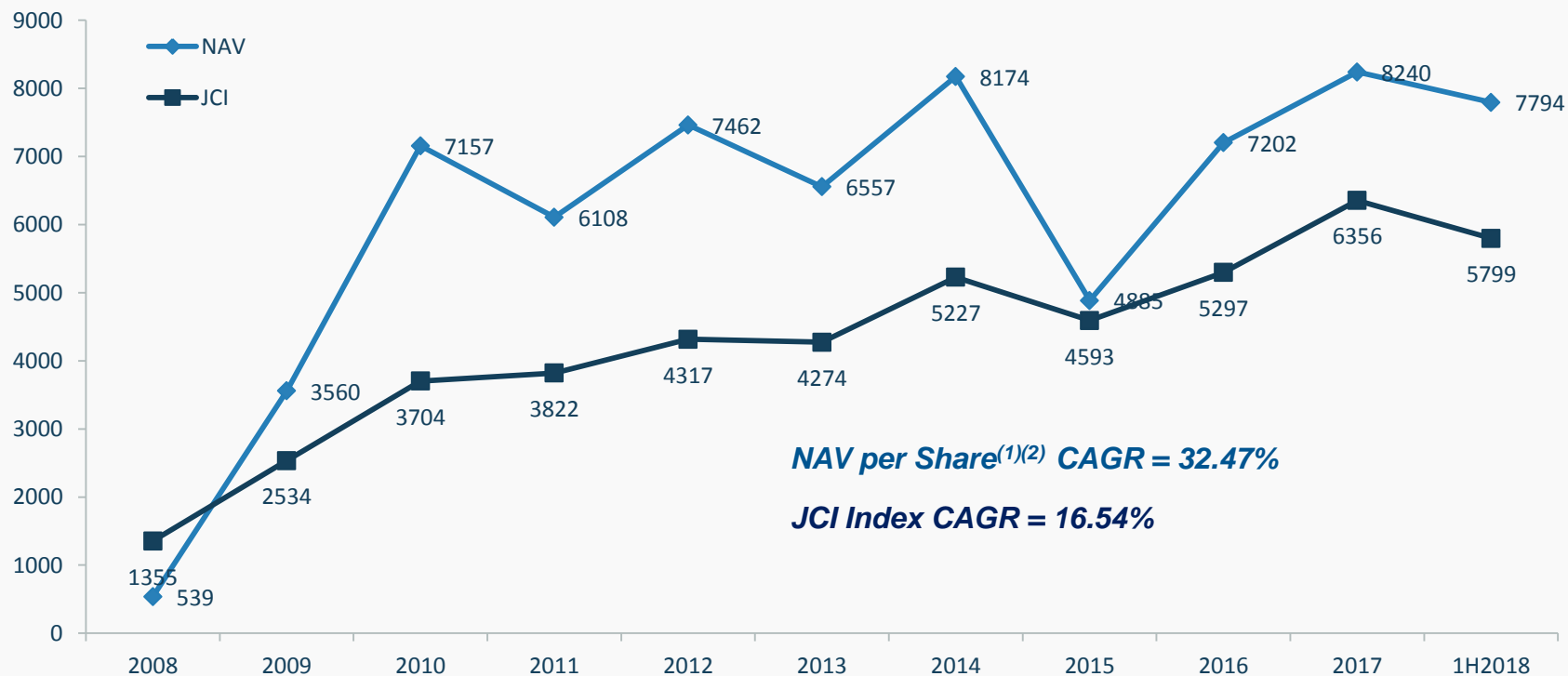
# Diversified Investment Portfolio



	Early Stage Companies		Growth Companies		Listed Blue Chip Companies		% Sum of the Parts (SOTP)
	<div>✓ Early-stage companies provide large upside potential</div> <div>✓ Ability to acquire larger stakes allows Saratoga to exert significant influence, develop company strategy and products and generate strong return</div>		<div>✓ Growth companies generate sustainable and healthy cash flows for Saratoga portfolio</div> <div>✓ Provide great upside potential when growth companies enter into mature phases</div>		<div>✓ Blue-chip Investee Companies are established industry leaders with growth and capital appreciation opportunities</div> <div>✓ Saratoga to remain a long-term shareholder in these businesses</div>		
Natural Resources	Sihayo Copper Gold <i>Gold</i> Sumatra Copper & Gold <i>Gold</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>		53%
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 <i>Telco Tower</i> Infrastruktur		33%
Consumer	SC Technology Investment II Provident Growth Fund		Mitra Pinasthika Mustika <i>Auto</i> Gilang Agung Persada <i>Lifestyle</i> Bumi Hijau Asri <i>Property</i> Mulia Bosco Logistik <i>Logistics</i> Awal Bros Hospital <i>Healthcare</i> Deltomed <i>Herbal Medicine</i>				14%

# Net Asset Value Growth

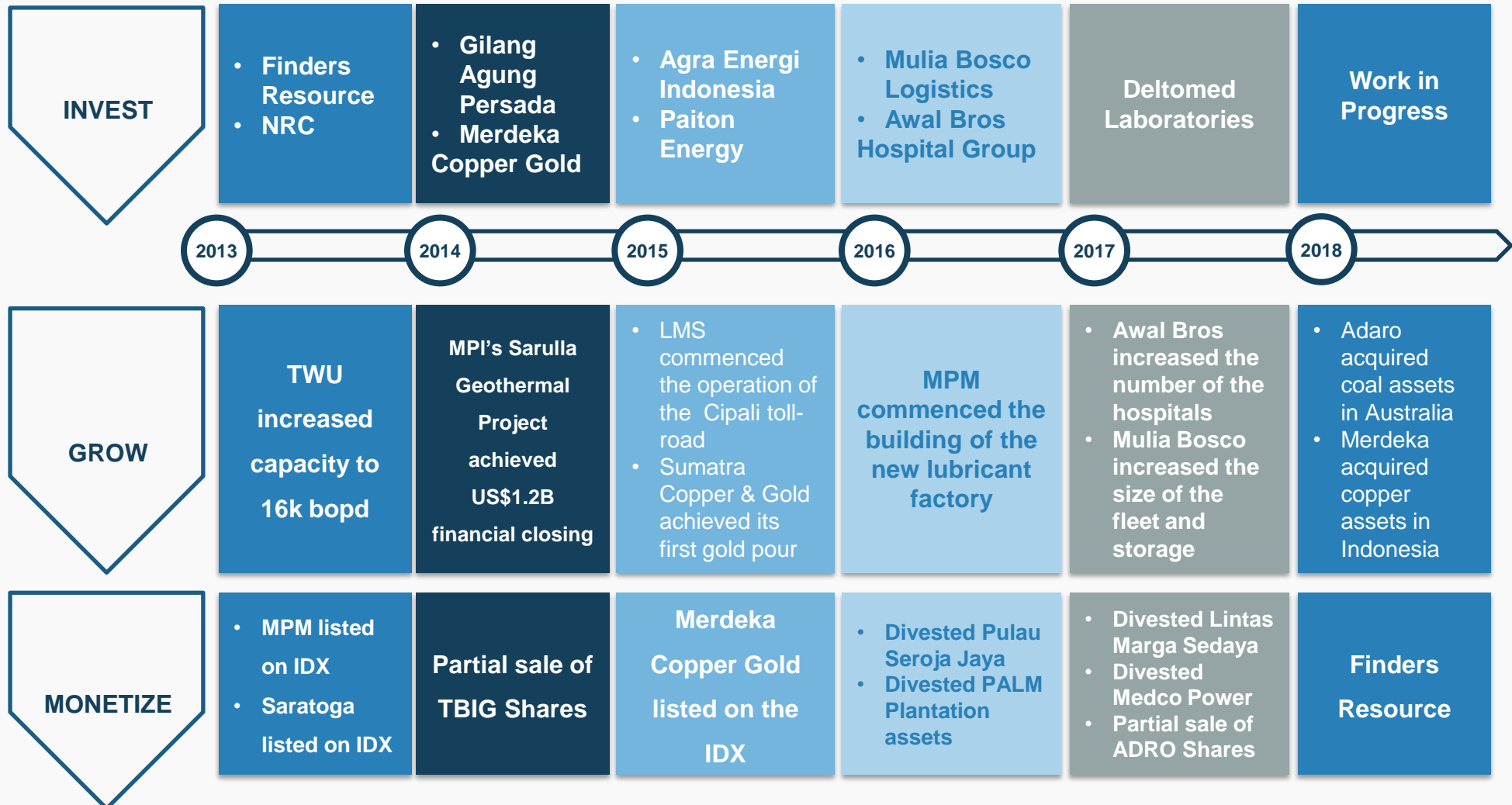
Figures in IDR



(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.

# Investment Track Record





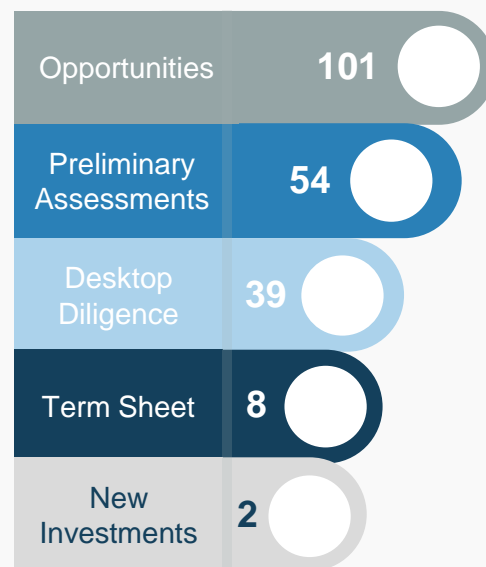
A photograph of a rocky shoreline. In the foreground, a large, dark, textured rock sits on a bed of smaller, greyish-blue stones. The background shows a body of water with a bright, white, irregular shape on its surface, possibly a reflection or a patch of ice. The overall tone is cool and somewhat somber.

# INVESTMENT ACTIVITIES



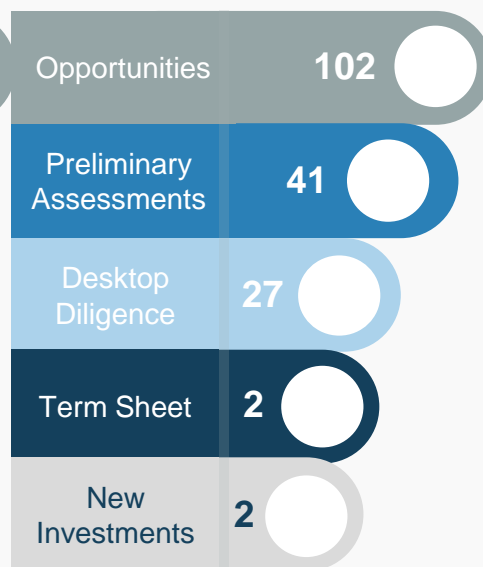
# Investment Opportunity Selection Process

**2015**



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

**2016**



- ❖ Mulia Bosco Logistik
- ❖ Awal Bros Hospital

**2017**



- ❖ Deltomed Laboratories

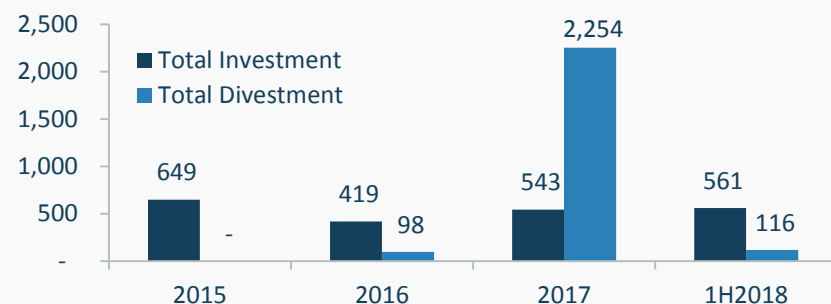
**1H2018**



# Investment Activity Summary 1H2018

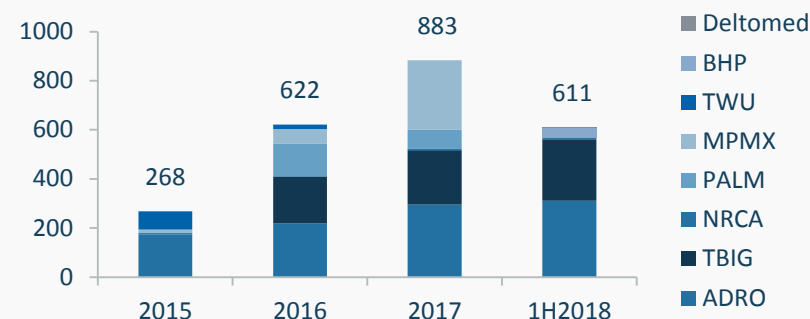
## Investment and Divestment

Figures in IDR billion



## Dividend Income Breakdown

Figures in IDR billion



## Summary

- ❖ Total Investment is on track to reach the annual target.
- ❖ Healthy pipeline for new investment and divestment for the remainder of the year.
- ❖ Dividend income contributed by the investee companies has been growing, positive sign of strong business growth and operation of the investee companies.

IDR billion	2015	2016	2017	1H18
ADRO	174	219	295	311
TBIG	-	190	222	251
NRCA	5	3	5	7
PALM	-	132	79	-
MPMX	15	59	282	-
TWU	74	19	-	-
BHP	-	-	-	40
Deltomed	-	-	-	2
Total dividends	268	622	883	611
# of investees	4	6	5	5

# Investee Companies Highlights 1H2018



Investee Company	Adaro Energy (ADRO)	Merdeka Copper Gold (MDKA)	Mitra Pinasthika Mustika (MPMX)
Activity	Acquisition	Acquisition	Divestment
Amount	2.25B USD	Ongoing	436M USD
Date	August 2018	Ongoing	June 2018
Investment/Divestment Summary	Adaro Energy and EMR Capital completed the acquisition of Rio Tinto's 80% interest in the Kestrel Coal Mine in Australia	Through public tender Merdeka is in the process of acquiring Finders Resources, an Australian public listed entity with copper assets in Indonesia	A strategic divestment of MPM's lubricant business to Esso Petroleum Company, Limited and ExxonMobil UK Limited ("ExxonMobil")





# FINANCIAL HIGHLIGHTS



# Financial Highlight 1H 2018



Consolidated Statement of Profit and Loss (IDR billions)	1H 2018	1H 2017	% variance
Income (loss)	(1,007)	2,106	(148%)
Expenses	(229)	(655)	(65%)
(Loss) profit before tax	(1,236)	2,475	(150%)
Income tax	34	184	(81%)
<b>(Loss) profit for the period</b>	<b>(1,202)</b>	<b>2,659</b>	<b>(145%)</b>
<i>Attributable to owners of the Company</i>	<i>(1,303)</i>	<i>2,750</i>	<i>(147%)</i>
<i>Attributable to non-controlling interests</i>	<i>101</i>	<i>(91)</i>	<i>211%</i>
Other comprehensive income	-	-	-
Total comprehensive income for the period	(1,202)	2,659	(145%)
<i>Attributable to owners of the Company</i>	<i>(1,303)</i>	<i>2,750</i>	<i>(147%)</i>
<i>Attributable to non-controlling interests</i>	<i>101</i>	<i>(91)</i>	<i>211%</i>

Key Balance Sheet Items (IDR billions)	1H 2018	Dec 2017	% variance
Investment in equity securities	23,865	24,755	(4%)
Cash and cash equivalents	446	902	(51%)
Borrowings, MTN and EB	3,356	3,424	(2%)
Total liabilities	4,304	4,342	(1%)
Equity attributable to owners of the Company	20,531	22,033	(7%)

## Summary

- ❖ Net loss after tax IDR 1.3T, mainly contributed by the unrealized loss on investment equity securities.
- ❖ Loss on investment in equity securities IDR 1.6T, mainly contributed by the decline of the market price of ADRO, TBIG and PALM shares.
- ❖ Dividend income amounting to IDR 611B. The main contributors for the dividends came from ADRO IDR 311B, TBIG IDR 251B and other investee companies IDR 47B.
- ❖ Cash and Debt level remain stable throughout the first half of the year.
- ❖ The majority of the Exchangeable Bond was redeemed in May 2018.

# Key Financial Statement 1H 2018



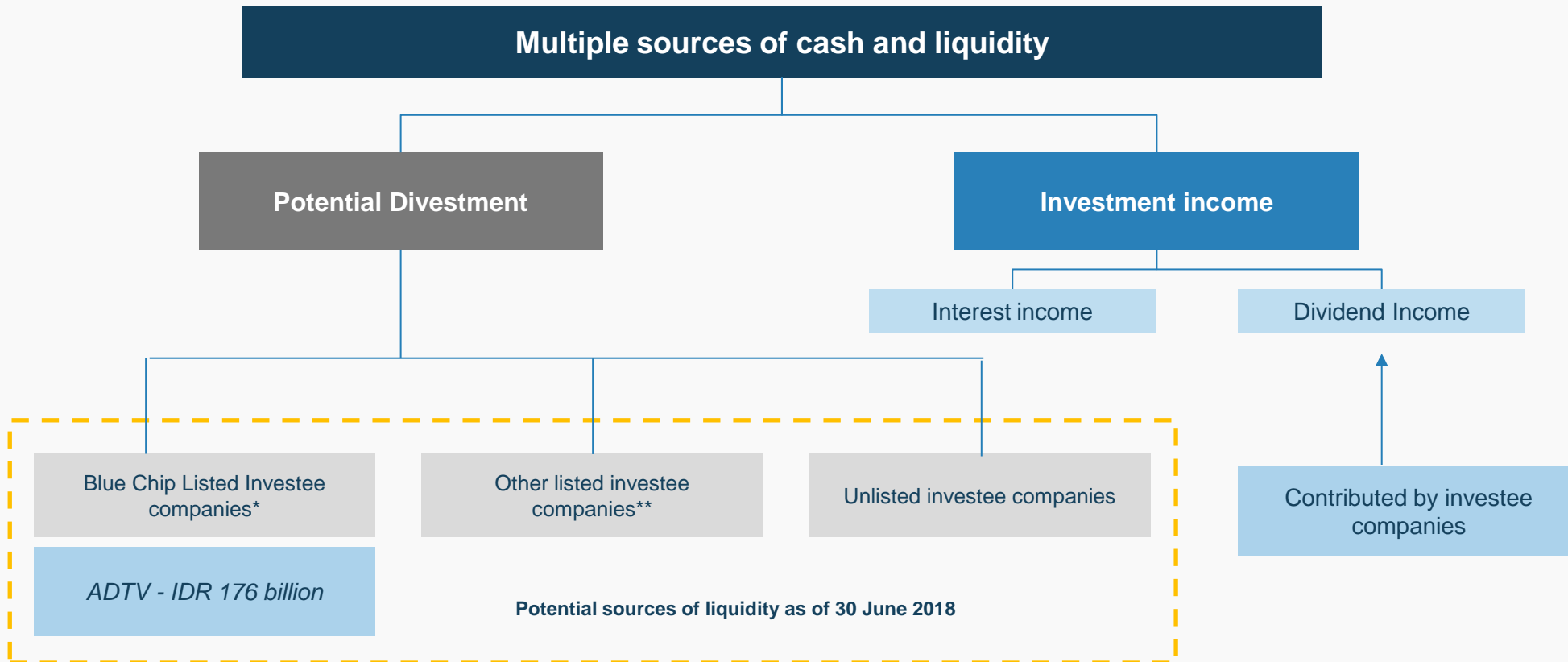
Figures in IDR billion

Profit & Loss Statement		Statement of Financial Position	
Net loss on investment in equity securities	(1,586)	Cash and cash equivalents	446
<b>Dividend, Interest and Investment Income</b>	631	Receivables	502
Loss on exchange rate	(137)	Investment in equity securities	23,865
Interest Cost	(118)	Advances for investment in equity securities	167
Operating Expenses (incl. Salary)	(75)	Others	210
Other income (expenses)	49	<b>Total Assets</b>	<b>25,190</b>
<b>Loss before tax</b>	<b>(1,236)</b>	Borrowings	3,341
<b>Loss for the period attributable to owners of the Company</b>	<b>(1,202)</b>	Exchangeable Bond	15
		Deferred Tax	683
		Dividends payable	200
		Others	65
		<b>Total Liabilities</b>	<b>4,304</b>
		<b>Net Equity attributable to owners of the Company</b>	<b>20,531</b>
		<b>Net Asset Value of investment portfolio*</b>	<b>21,144</b>

\*NAV accounted exchangeable bond on a cash basis instead of fair value



# Diversified Sources of Cash and Liquidity



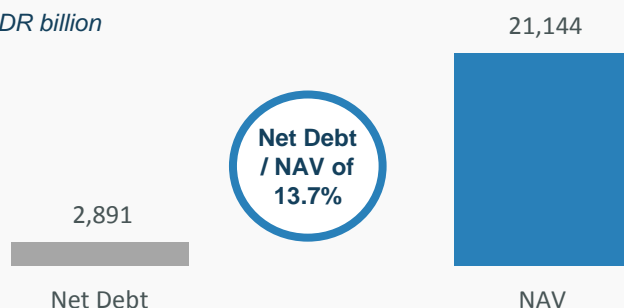
\* Consist of Adaro Energy and Tower Bersama

\*\* 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 and etc.

# Strong Capital Structure

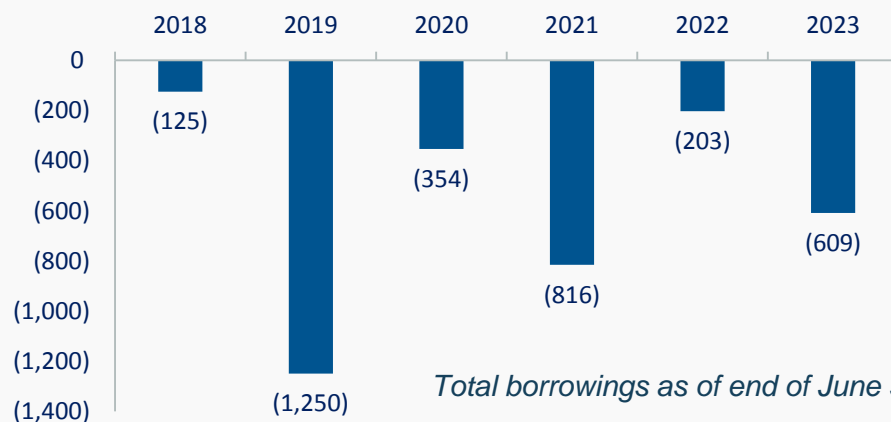
## Capital structure

Figures in IDR billion



## Loan maturity profile\*

Figures in IDR billion



Total borrowings as of end of June stands at IDR 3.3T

## 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

### Current Funding Structure

- ❖ Bank Loans
  - Revolving credit facility
  - Bilateral Loan
- ❖ Banking partners: ING, Natixis, DBS, BTMU and HSBC

### Alternative Funding sources

- ❖ Convertible Bond
- ❖ Exchangeable Bond
- ❖ Medium Term Notes and others

# Expense Coverage Ratios

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Cost ratio & Coverage ratio	Opex/NAV	Opex + Interest/NAV	Dividend/ Interest	Dividend/ Interest + Opex
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
1H 2018	0.71%	1.83%	2.6x	1.6x

## Operating Expense (Opex) - Annualized

- ❖ Maintain low operating expense to below 1%.
- ❖ Expenses include salary, rental, professional fees, and other operating expenses.





PT Saratoga Investama Sedaya Tbk.

Correspondence Address:

Menara Karya 15<sup>th</sup> Floor

Jl. H.R. Rasuna Said Kav. 1-2

Jakarta 12950

For further information, please contact:

Investor Relations at [Investor.relations@Saratoga-investama.com](mailto:Investor.relations@Saratoga-investama.com)