



# **PT SARATOGA INVESTAMA SEDAYA TBK**

Company Presentation  
UBS Conference - March 2016

# Disclaimer

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# CORPORATE INFORMATION

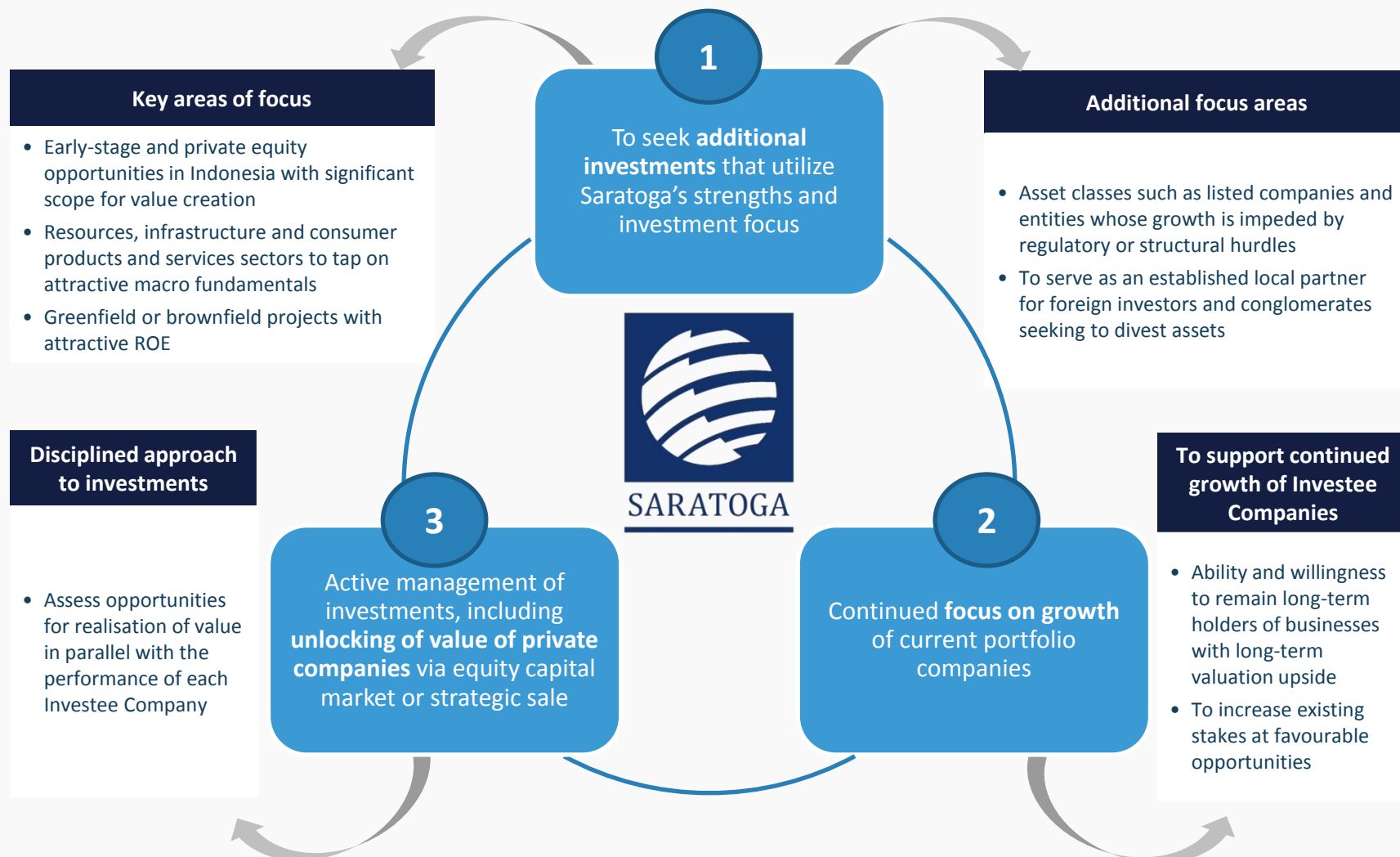
# Saratoga, a Leading Active Investment Company



- Leading active investment company in Indonesia with an estimated NAV of USD 1 billion
- Listed on the IDX in 2013 among the top 100 largest market capitalization stocks in IDX
- Focus on early-stage, growth-stage, and special situation opportunities
- Actively engaged with investee companies' management teams in unlocking value of investments
- Invest in key sectors of the Indonesian economy: Consumer, Infrastructure and Natural Resources



# Saratoga's Growth Strategy





















# Diversified Investment Portfolio

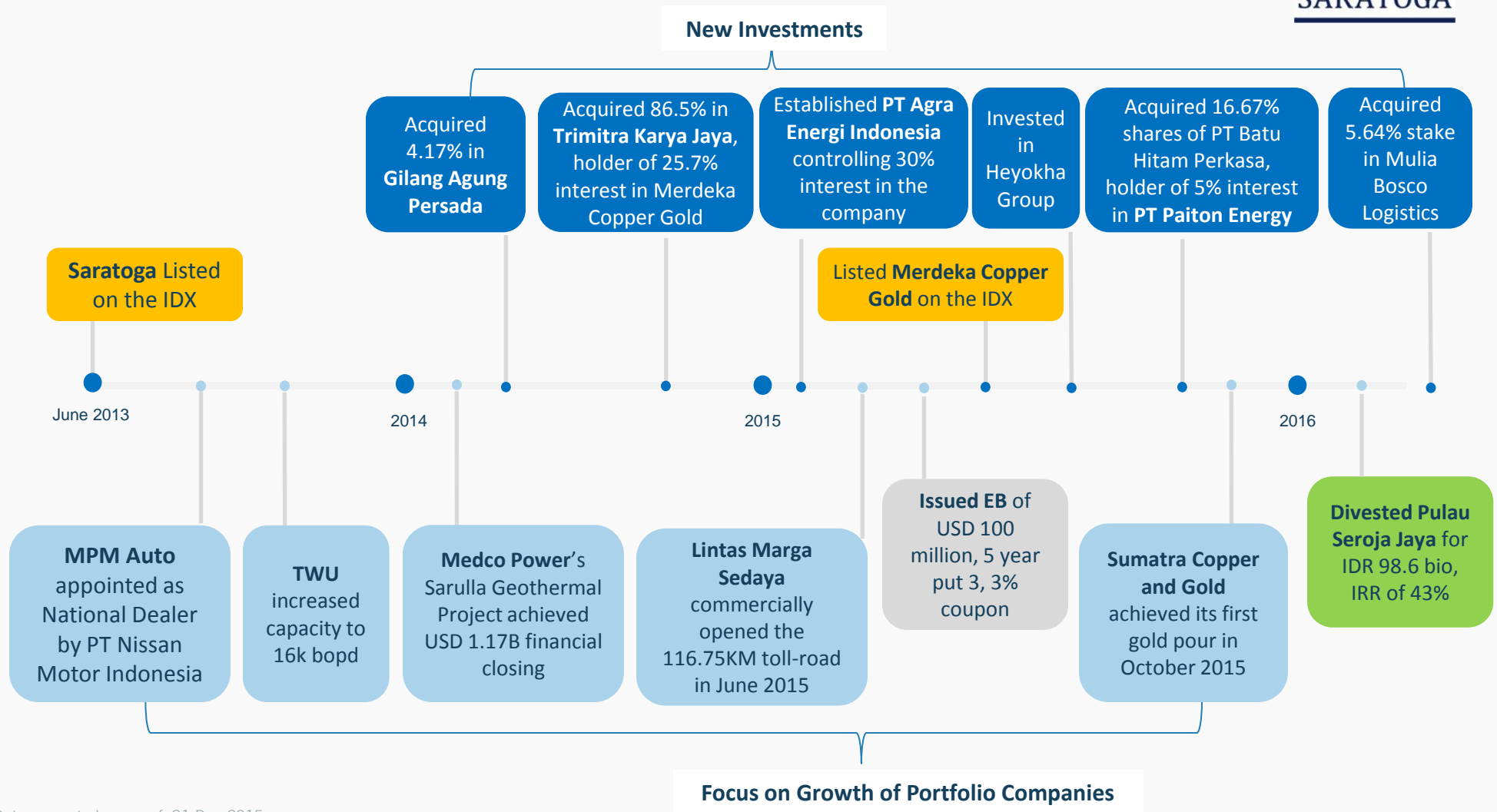


We invest across the three key sectors in early and growth stages and grow them into listed blue chip companies



		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 SIS 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 SIS' portfolio</li> <li>✓ Provides 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>✓ SIS to remain a long-term shareholder in these businesses</li> </ul>	
	Natural Resources	    	   		35%
	Infrastructure		     		59%
	Consumer		  		7%
SOTP		5%	32%	63%	

# We Invest and Grow through the Cycle



# New Investments in 2015



SARATOGA

## Agra Energi Indonesia

- An early stage upstream oil & gas exploration company, jointly established by ex-executives of Unocal.
- Focuses on creating leveraged optionality on early stage exploration assets, particularly deep sea opportunities based in East Indonesia

Date of Investment : Oct 2015  
Invested Capital : USD 5 mio  
Investment Amount : up to USD 7.5 mio  
Effective Interest : 30%

### Investment Thesis:

- **Experienced management team** with strong history in the region and successful track record.
- **Unique focus** on East Indonesia and deep water exploration
- **Capital efficient** entry points into upstream oil and gas assets

## Paiton Energy

- One of the largest IPP in Indonesia with 2,035MW power generating capacity
- Part of the 4GW Paiton power station serving the Java-Bali power grid.

Date of Investment : Aug 2015  
Invested Capital : USD 2 mio  
Effective Interest : 0.83%

### Investment Thesis:

- **Growing power industry in Indonesia**  
25GW of the 35 GW generators to be built over the next 5 years would be allocated to IPPs.
- **Strong financials and predictable cash flows**  
PPA's stable and long term nature provides strong and stable cash flow.
- **Partners' Extensive IPP experience**  
PE's sponsors are world's leading power players extensive experience in power plant operations.

## Heyokha Group

An investment fund providing expanded capability to invest in public equities and private equities with a focus on middle-market companies in Indonesia. Invested Capital: USD 10 million, Date of Investment: May 2015



# New Investment in 2016

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## Mulia Bosco Logistik

- Provider of a refrigerated trucking service serving blue-chip clients in the FMCG industry based in Surabaya and Jakarta connecting over 20 cities and operates cold storage facilities in North Jakarta
- MBL aims to scale up its business to deliver end-to-end cold chain logistics benefits for its clients.

Date of Investment	: January 2016 (first tranche)
Invested Capital	: IDR 18.4 billion (~USD 1.3 million)
Effective Interest	: 5.63%

### Investment Thesis:

- **High Demand on Vital Logistics Infrastructure**

The transaction provides excellent opportunity for Saratoga to build a platform in the high-growth cold chain logistic sector, an interesting sector which aligns with the increasing demand of vital logistics infrastructure in the country.

- **Scalable Business**

Ample potential and untapped demand in other major and secondary cities in Indonesia

- **Reputable Brand**

Company serves a large group of blue-chip clients with a proven record of contract renewals.

- **Limited Players**

Barrier of entry to the industry is high due to significant capital needed to set up a cold storage facility and build up a truck fleet of significant size.

# Significant Milestones of Our Investee Companies



- Commercially opened the 116KM Cipali Toll-Road, a 10% addition to Indonesia's total toll road length.
- We invested in PT Lintas Marga Sedaya, the concession holder of the Cipali toll road, since 2006.
- We dribbled in our investment through equity (IDR 215B) and mezzanine loan (USD 8.3M), with an effective interest of 18.0% (excludes mezz)



- Listed Merdeka Copper Gold on the IDX in June 2015 with market capitalization of IDR 7T.
- Its Tujuh Bukit Project is considered one of the largest untapped mineral resources in Indonesia, with geological conditions allowing for low cost processing.
- The project is expected to start its commercial production end of 2016.
- We invested a total of IDR 580B, with an effective interest of 18.7% (post IPO).



- Achieved first gold pour at Tembang Gold project, Sumatra Copper & Gold's flagship project.
- SUM is a listed gold producer on the ASX with projects located in several locations in Sumatera, Indonesia.
- We made first investment in December 2012 and continued to hold 27.4% effective ownership in the company.

# New & Follow On Investments

We support continued growth of investee companies while added new investments to strengthen portfolio

<i>In IDR (billions)</i>	<b>2013</b>		<b>2014</b>		<b>2015</b>	
<b>New Investments</b>	NRC & Finders	189	GAP & Merdeka	336	Agra, Paiton, Heyokha	300
<b>Follow-On Investments</b>	<b>Natural Resources</b> (Adaro, Amara, PALM, Sihayo, Sumatra, SMP, MDM)	1,258	<b>Natural Resources</b> (Amara, Finders, Sihayo, Sumatra, SMP)	156	<b>Natural Resources</b> (Merdeka, Sumatra)	168
	<b>Infrastructure</b> (TBIG, TLG, TWU)	139	<b>Infrastructure</b> (LMS, TLG)	63	<b>Infrastructure</b> (LMS)	53
	<b>Consumer</b> (MPM)	1,155	<b>Consumer</b> (MPM, Others)	42	<b>Consumer</b>	0
		2,552		247		221
<b>Divestments</b>		-	TBIG	-51		-
<b>Total Investments</b>		2,741		532		521

**Total New Investments of IDR 825B**  
**Total Investments of IDR 3,845B**



# INVESTMENT PORTFOLIO

# Infrastructure Sector



*Indonesia's GDP growth target of 6-7% per year will not be achieved without improvement in infrastructure in various fields such as telecommunication, transportation, and energy*



## *Telecommunication Infrastructure*

### **PT Tower Bersama Infrastruktur Tbk (ticker code: TBIG)**

- One of two leading independent tower business in Indonesia
- Over 12,000 sites and 19,000 tenants, colocation ratio: 1.65
- 85% EBITDA Margin; 83% of Revenue coming from 4 highly rated telcos
- Effective ownership: 30.08%

## *Toll-road*

### **PT Lintas Marga Sedaya & PT Nusa Raya Cipta (ticker code: NRCA)**

- Toll road concession holder of 116km Cikopo-Palimanan (Trans Java)
- Successfully completed and opened for commercial use on schedule
- Effective ownership in LMS: 18.00% (equity only) & NRCA: 7.01%



## *Cold Chain Logistics – New Investment in 2016*

### **Multi Bosco Logistik**

- Provider of refrigerated trucking service serving FMCG blue-chip clients in Surabaya and Jakarta connecting over 20 cities and operates cold storage facilities in North Jakarta
- Effective ownership 5.63%

# Infrastructure Sector



*Government of Indonesia initiated a plan to build 35 GW over the next five years, out of which 25GW would be allocated to IPPs.*



## Power

### PT Medco Power Indonesia

- Clean and renewable 220MW power generator
- Successfully divested 49% of its ownership in Sarulla
- Effective ownership: 12.30%

### PT Tenaga Listrik Gorontalo

- Operating the 2x12 MW coal power plant, plan expansion of 2x50MW
- Effective ownership: 46.25%



## Power

### Paiton Energy

- One of the largest IPP in Indonesia with 2,035MW power generating capacity
- Part of the 4GW Paiton power station serving the Java-Bali power grid
- Invested 16.67% stake in PT Batu Hitam Perkasa, holder of 5% in Paiton Energy



## Oil Refinery

### PT Tri Wahana Universal

- The only private oil refinery company in Indonesia
- Production capacity increased from 6,000 bopd to 16,000 bopd
- Effective ownership: 35.00%



# Natural Resources Sector



*Indonesia is one of the largest natural resources producers and exporters in the world*



## Coal & Energy

### **PT Adaro Energy Tbk (ticker code: ADRO)**

- Coal mining with Pit to Power business model
- 2016 Guidance: Production 52-54Mt, Strip Ratio 4.71x, coal cash cost \$26-28/ton
- Effective ownership: 16.38%



## Palm Oil Plantation

### **PT Provident Agro (ticker code: PALM)**

- 46.7k ha planted, 12% plasma
- FFB annual production 475k ton, 15.22 t/ha
- Effective ownership: 44.16%

### **PT Agro Maju Raya**

- Development stage, 34k ha planted
- Effective ownership: 25.00%



## Oil & Gas

### **Interra Resources (ticker code: ITRR)**

- Engaged in the business of oil and gas exploration and production in Myanmar (production) & Indonesia (exploration)
- Effective ownership: 17.66%

### **PT Agra Energi Indonesia**

- Capital efficient, early stage upstream oil & gas exploration company, jointly established by ex-executives of Unocal.
- Effective ownership: 30%

# Natural Resources Sector

## *Gold and Copper Mining*



### **Sumatra Copper & Gold (ticker code: SUM)**

- Achieved first gold pour at Tembang Gold project, Central Sumatera.
- SUM is a listed gold producer on the ASX with projects located in 7 locations in Sumatera, Indonesia covering 3,219 km<sup>2</sup> area.
- Effective ownership: 27.41%



### **Merdeka Copper Gold (ticker code: MDKA)**

- Listed on the IDX in June 2015 with market capitalization of IDR 7T
- Its Tujuh Bukit Project considered one of the largest untapped mineral resources in Indonesia, with geological conditions allowing for low cost processing.
- Achieved USD 130 mio financing in Feb 2016 to support commercial production end of 2016
- Effective ownership: 18.73%



### **Sihayo Gold Limited (ticker code: SIH)**

- An Indonesia-focused operator with its primary mining activity carried out in the Sihayo Pungkut Gold Project
- Effective ownership: 18.14%



### **Finders Resources (ticker code: FIN)**

- Copper production of 3,000 ton/year to increase to 25,000 ton/year
- Effective ownership: 6.94%



# Consumer Sector



*Indonesia's economy growth is driven by its young population with growth of 2.5 million people each year. The consuming class continues to increase and is projected to achieve 135 million people by 2030\*.*



## *Automotive*

### **PT Mitra Pinasthika Mustika Tbk (ticker code: MPMX)**

- Integrated consumer automotive company covering four major business pillars: distribution and retail, auto consumer parts, auto services, and financial services.
- Effective ownership: 47.62%



## *Property*

### **PT Etika Karya Usaha**

- Property project: The Residence at Dharmawangsa 2
- Project had been completed and achieved breakeven point
- Effective ownership: 29.4%

## *Lifestyle*

### **PT Gilang Agung Persada**

- Lifestyle company managing 16 international brands such as Celine, Guess, GAP, Watch Zone, La Senza and others with 149 store/island.
- Effective ownership: 4.17% with option to increase to 5.83%



# VALUE PROPOSITION

# Key Investment Highlights

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# 1 Strong Sourcing Capability

- Our founders and management team's long-standing experience and network of contacts in the Indonesian investment landscape and multiple sourcing channels provide us with business opportunities that are not available to others
- Proven track record in adding value to and growing our investee companies through stronger access to potential business partners, financing channels and improved corporate governance

## Founders



**EDWIN SOERYADJAYA**  
Founder & President Commissioner

- Joined PT Astra International in 1978 and worked within the family business for over 15 years, serving as Vice President and Director
- Ernst & Young Indonesia Entrepreneur Of the Year in 2010



**SANDIAGA S. UNO**  
Founder

- Chairman of the Association of Indonesian Market Traders
- Vice president of Micro, Small and Medium Enterprises and Cooperatives of the Indonesian Chamber of Commerce and Industry
- Chairman of the Indonesian Young Entrepreneurs Association

## Management Team

**MICHAEL SOERYADJAYA**  
President Director

- Appointed President Director in 2015, Director since 2013
- Commissioner of PT Multi Pinasthika Mustika Rent since 2012 and Director of PT Bareika Capital since 2010

**JERRY NGO**  
Finance Director

- Appointed Independent Director in 2013, CFO since 2012
- Previously Executive Director of Institutional Banking at PT ANZ Bank Indonesia and held a number of senior positions at Standard Chartered Bank in Singapore, London and Vietnam

**ANDI ESFANDIARI**  
Portfolio Director

- Appointed Director in 2014
- Commissioner of PT MPM Finance and PT MPM Insurance, PT Agro Maju Raya, and Director of PT Bareika Capital
- Previous experience include Austindo Group, Olympus Capital Holdings Asia, and Peregrine Securities

## Investee Companies

Investee Companies offer us opportunities to partner with them for larger transactions and often refer other opportunities to us

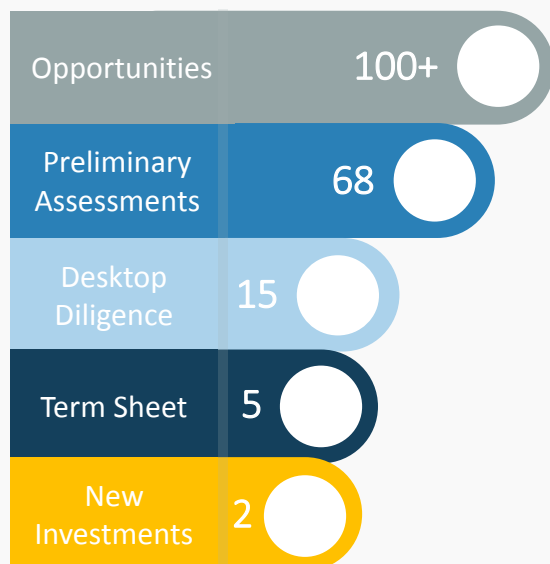
## Financial advisors

We frequently meet with investment banks and other parties that are representing entities seeking a purchaser or strategic investment partner

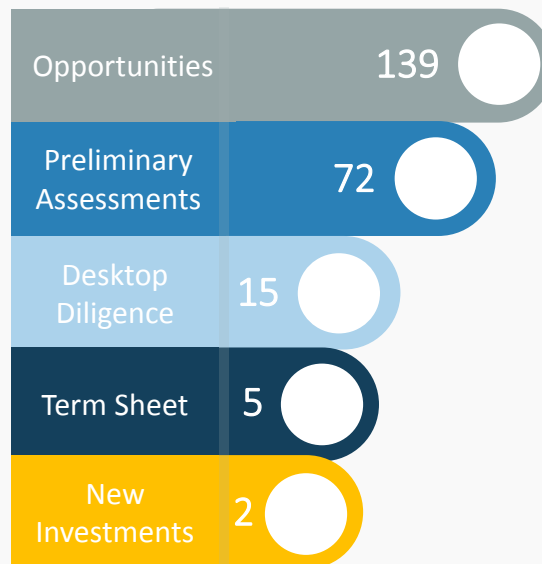
## 2 Disciplined Execution in Investment Selection

Despite market conditions, we select new investments in a disciplined and prudent approach  
We consistently managed to gather 100+ opportunities and executed 2-3 new investments annually

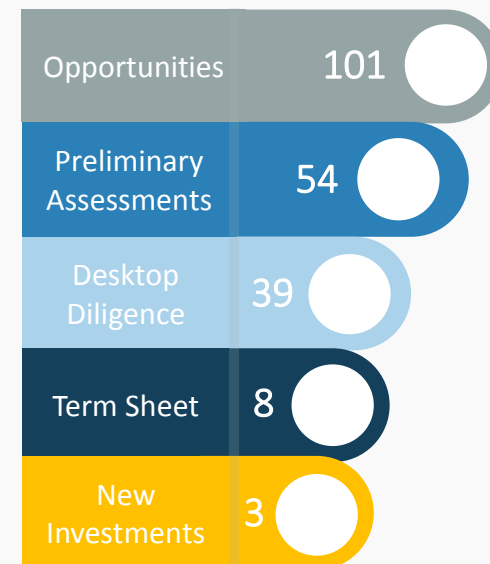
### 2013



### 2014



### 2015



### 3 Growing through Partnership

Together with our partners, we grow our businesses to lead in their respective industries



Dato' Izzadin Idris  
Group Managing Director  
CEO, UEM Group Berhad

“We sought for a partner whose business focus and principles are aligned with ours and one that we can trust.

PT Saratoga Investama Sedaya fits the criteria perfectly and seven years later, our partnership is stronger than ever. In many ways, a business partnership is similar to a marriage, and we have found our partner in Saratoga.”

\* UEM is Saratoga's partner in building the 116KM Cipali toll-road



### Operational Improvement & Expansion



Studied online purchasing and digital marketing to increase market share



Explored potential expansion capacity for additional 2x50 MW



Formulated growth strategy and funding plan to increase capacity from 6k to 16k bopd

### Funding Access and Market Positioning



Provided strategic direction in achieving funding for expansion and asset quality improvement



Supported to reach IDR 385 bio project financing



Assisted in achieving financial closing to support its production activity.

### Strengthening Stakeholder Engagement



Provided assistance and coordination to resolve project issues including land acquisition and permitting matters. Worked together with management to build strong relationship with local communities.

### Qualified and Experienced Talent Pool



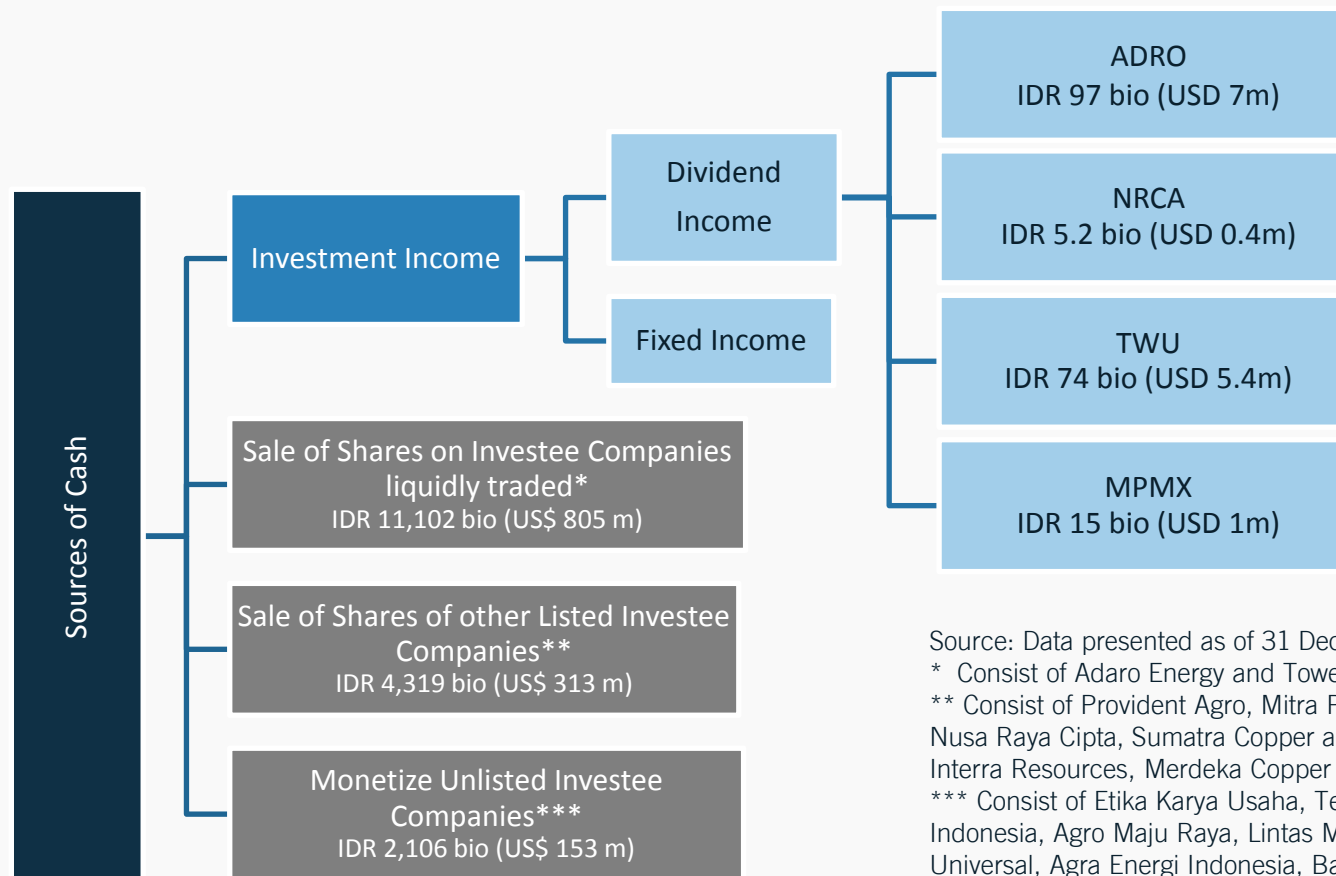
Appointed Herman Setyabudi  
Appointed Budi Purwahjo



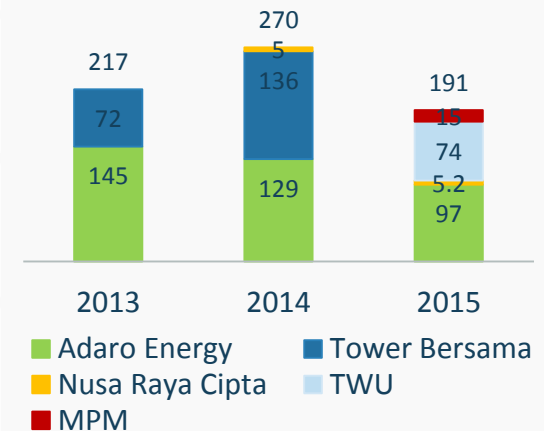
PT Mulia Bosco Logistik

Appointed a CFO, Director, and/or financial controller

Saratoga has multiple internal sources of cash and liquidity



**Dividend Income  
(in IDR Billion)**



Source: Data presented as of 31 December 2015

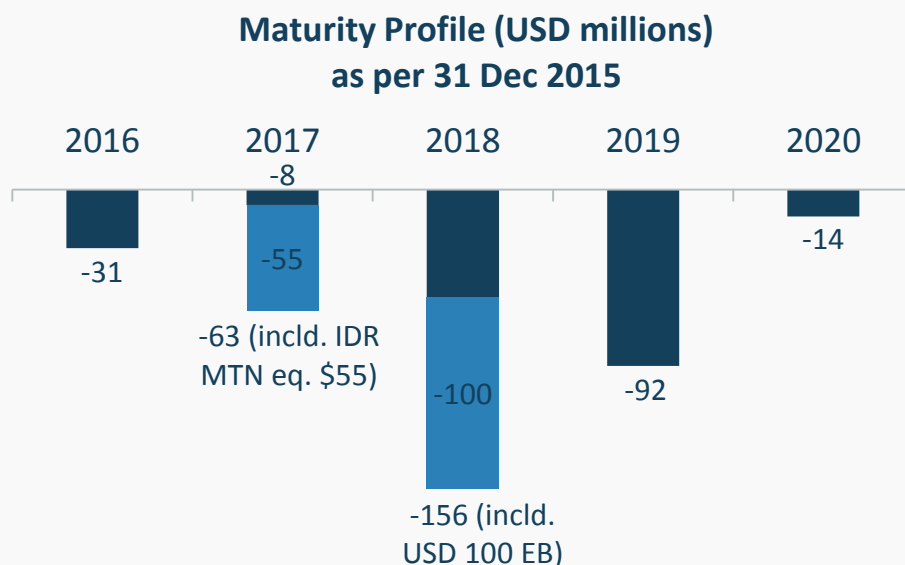
\* Consist of Adaro Energy and Tower Bersama

\*\* 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

\*\*\* Consist of Etika Karya Usaha, Tenaga Listrik Gorontalo, Medco Power Indonesia, Agro Maju Raya, Lintas Marga Sedaya, Sinar Mentari Prima, Tri Wahana Universal, Agra Energi Indonesia, Batu Hitam Perkasa and Pulau Seroja Jaya



### Aligning Loan Maturity Profile with Investment Duration



#### Cash Availability:

- Maintain Cash at Saratoga's parent level sufficient to cover our borrowing principal.
- Availability Bank facility
- Additional cash flows from investee company dividends and divestments are expected in 2016.

### Diversifying Funding Sources

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

1

#### Bank Loans

- Types: Revolving Credit Facility, Bilateral Loan, Syndicated Loan
- Banks: SCB, ING, Natixis, HSBC, and others

2

#### 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

3

#### Exchangeable Bond

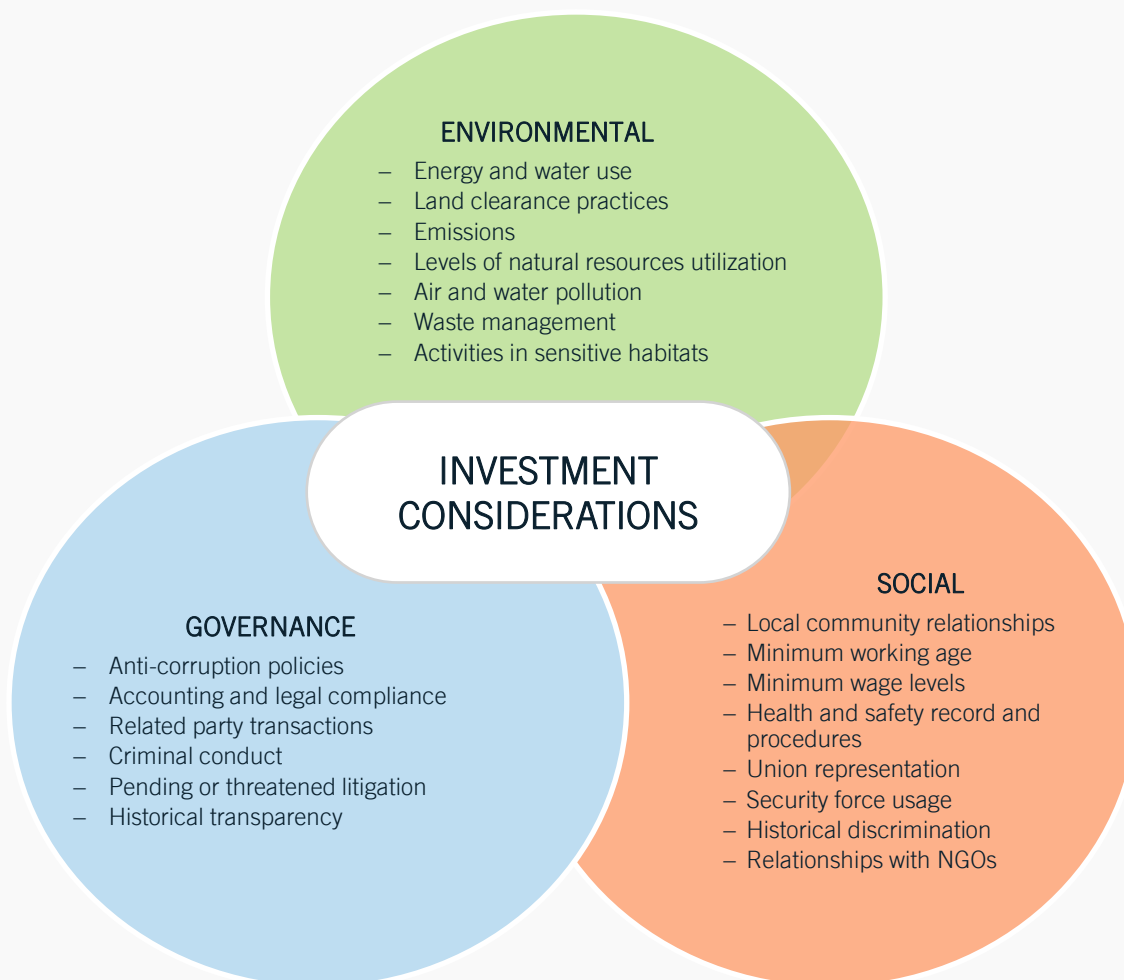
- Issued a 5-year, put option at year 3, USD 100 million EB in May 2015 with a coupon of 3%, YTM 3.75%
- Exchangeable to TBIG common shares at IDR 10,707



# Sound Investment Strategy and Corporate Governance Framework



SIS is highly committed to ensuring that its investments satisfy its strict corporate governance framework and also cooperates with the International Finance Corporation to develop similar practices in investee companies



## INVESTMENT COMMITTEE

- Provide independent recommendations on systems, procedures and implementation thereof in areas related to investment, capitalization of investment and divestments activities, monitoring of investment performance and active monitoring of investment risk profile

## NOMINATION AND REMUNERATION COMMITTEE

- Provide independent recommendations on the systems and procedures related to succession programs and identification of candidates for the Board of Commissioners and Board of Directors
- Provide independent recommendations on the determination of remuneration of members of the Board of Commissioners and Board of Directors

## AUDIT COMMITTEE

- Assist in implementing supervisory function, especially in financial information management, effectiveness of internal control systems, effectiveness of internal and independent audit, implementation of risk management and compliance with prevailing laws and regulations

## **Saratoga, a partner for investors who wish to participate in the growth of early stage opportunities in Indonesia**

### **PROVEN TRACK RECORD**

- Proven track record of investment success in Indonesia
- Founders and management team's long-standing experience and network of contacts in the investment landscape provide business opportunities that are not available to others
- Consistently adding value and growing our investee companies as evidenced in the completion of the Cipali toll-road project.

### **HIGH GROWTH POTENTIAL**

- Focus on early stage, growth, and special situation opportunities with high growth potential. Our investments in Merdeka Copper Gold and Agra Energi Indonesia are cases in point.
- Continuously explore additional investments where Saratoga can add value

### **PRUDENT APPROACH**

- Major portion of our investment portfolio consists of investments in the stable, established, blue chip companies
- Good Corporate Governance and Prudent Investment Process
- Conservative leverage and effective risk management



## PT Saratoga Investama Sedaya Tbk.

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