

# INVESTOR PRESENTATION

November 2023

PT SARATOGA INVESTAMA SEDAYA TBK



# Disclaimer

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# COMPANY OVERVIEW



# Investment Approach

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## Strategy

Focus on early-stage, growth-stage, special-situation opportunities

## Sector

Focus on growing sectors that cater to the rising demand of the largest market in SE Asia

## Geography

Indonesia, South East Asia and opportunistic on other markets

## Why Saratoga

- ✓ **Proven** investment track record across key businesses
- ✓ Ability to **transform** early and growth-stage companies into established enterprises
- ✓ Access to **value accretion** from unlisted and listed entities
- ✓ **Strong** balance sheet and low operating costs
- ✓ **Partner of choice** of international renowned co-investors
- ✓ **Deep knowledge** about the local investment landscape

## Target annual capital deployment

USD 100 – 150mn

## Target IRR

Target IRR above 20%

## Investment Horizon

Medium to long-term

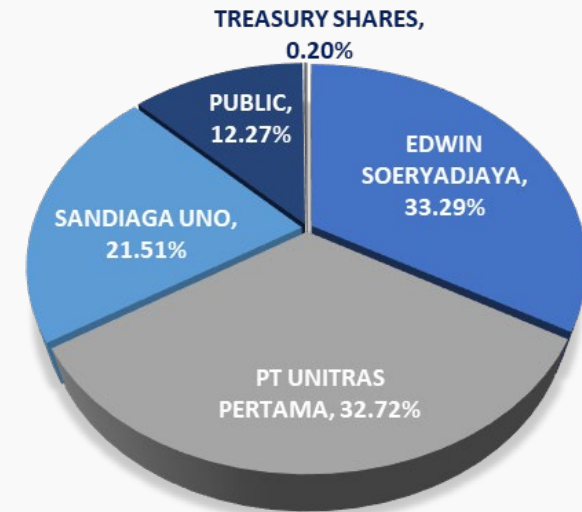
# Saratoga – A Leading Active Investment Company



## Company Overview

- Founded in **1997**, listed on IDX with ticker **SRTG** in 2013.
- Leading investment company in Indonesia with **Net Asset Value of IDR 45.5tn (USD 2.8bn)**.
- Focus on **early-stage, growth-stage**, and **special situation opportunities**.
- **Actively engage** with investee companies' management to unlock value and enhance growth quality.
- **Invest in growing sectors** that drive the Indonesian economy, including prominent sector players such as **ADRO, MDKA, TBIG**, and **MPMX**.

## Ownership Structure



# Quality Investment Portfolio Diversified Across Key Businesses



Growth Focused		Blue Chip Companies	
Mitra Pinasthika Mustika Tbk.	Automotive	Adaro Energy Indonesia Tbk.	Energy and Resources
Samator Indo Gas Tbk.	Industrial Gas	Merdeka Copper Gold Tbk.	Precious Metals
City Vision	Digital Advertising	Bersama Digital Infrastructure Asia*	Digital Infrastructure
Deltomed	Herbal Supplement		
Forest Carbon	Carbon Offset Developer		
MGM Bosco Logistics	Cold-Chain Logistics		
Xurya	Solar Energy		
ZAP	Beauty and Health Clinic		
Digital Technology			
Fuse	Insuretech		
Julo	Fintech		
Provident Growth Fund	Technology Fund		
SC Tech Investment	Technology Fund		

\*Tower Bersama Infrastructure Tbk. (TBIG) and AtriaDC are part of Bersama Digital Infrastructure Asia-BDIA  
Source: Company information

# YTD 2023 Highlights

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## **Saratoga (SRTG):**

- Invested in ZAP: Indonesia's leading beauty and health clinic chain, boasting more than 73 branches throughout the country. Founded in 2009 as a pioneer in permanent hair removal treatments, ZAP has evolved into a comprehensive laser clinic that offers routine care services with an online booking and data system across all branches, providing customers with seamless access to treatments at any ZAP location.
- Increased its ownership in the cold chain logistics portfolio-MGM Bosco Logistics (MBL) to 62.9% from previously 32.0%.
- Generated cash flow of IDR 3.7tn from dividend receipts and monetization proceeds in 9M23.

## **Adaro Energy (ADRO):**

- ADRO booked 9M23 revenue of USD 5bn (-16% Y-Y) with operational EBITDA reaching USD 1.9bn (-49% Y-Y) as 11% Y-Y higher sales volume was offset by a 25% Y-Y decline in ASP.
- ADRO's balance sheet remains healthy with a net cash position of USD 1.8bn in 9M23.

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

- MDKA recorded an improved gold sales of 49.2kt in 3Q23 (+32% Y-Y, +66% Q-Q) with a 7% Y-Y higher ASP of USD 1,946/oz, while copper sales reached 3.1kt (-46% Y-Y, -27% Q-Q) due to temporary delays in the delivery of explosives.
- NPI production increased to 21.7kt in 3Q23 (+110% Y-Y, +83% Q-Q) along with higher margin due to ZHN commissioning and lower costs.
- SCM Mine commenced saprolite ore delivery to MBMA's smelter in mid-Aug with volume reaching 44kt in 3Q23, increasing to 600-800kt in 4Q23 and 6mt by 2024.

## **Mitra Pinasthika Mustika (MPMX):**

- MPMX recorded solid revenue of IDR 10.5tn (+23% Y-Y) driven by 2W volume and ASP improvement, leading to GP margin improving to 8.9% (vs. 8.6%) and core profit increasing to IDR 422bn (+5% Y-Y)
- 2W distribution sales volume grew 22% Y-Y to 518k units in 9M23 due to recovery of the semiconductor shortage. Additionally, 2W retail sales also increased to 129 units (+34% Y-Y).
- MPM Rent's maintained a high fleet utilization of 95% in 9M23 with total fleet growing by 10% Y-Y. Used car sales volume also increased by 21% Y-Y, contributed mainly by external units.



## Green Economy and Downstream Initiatives

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### **Adaro Energy Indonesia (ADRO):**

In March 2023, the groundbreaking of the Mentarang Induk Hydropower Plant project in Kaltara took place. The power plant will generate 1,375 MW of electricity with estimated investments of USD 2.6 billion and is operated under PT Kayan Hydropower Nusantara (KHN), owned by ADRO (50%), Sarawak Energy Berhad (25%), and PT Kayan Patria Pratama (25%).

### **Merdeka Battery Materials (MBMA):**

- In Sep 2023, MBMA has signed a definitive agreement with Gem to construct a High-Pressure Acid Leach (HPAL) plant with a capacity of 30,000 tonnes per annum of contained nickel in Mixed Hydroxide Precipitate (MHP). The HPAL plant will be constructed in Indonesia Morowali Industrial Park (IMIP) and operated under PT ESG New Energy Material (MBMA owns 55% and GEM owns 45%) with a target commissioning date of end of 2024 for stage 1 and mid-2025 for stage 2. The plant will procure and process laterite nickel ore from MBMA's SCM Mine under a 20-year agreement.
- In June 2023, MBMA has acquired 60% stake (40% Tsingshan) in PT Huaneng Metal Industry (HNMI) for USD 75mn, a high-grade nickel matte (HGNM) conversion facility located within the Indonesia Morowali Industrial Park (IMIP). HNMI processes low-grade nickel matte (LGNM) produced by RKEF smelters to HGNM products containing more than 70% nickel. Historically, HNMI has sustained an annual production rate of 50kt.

### **Forest Carbon (FC)**

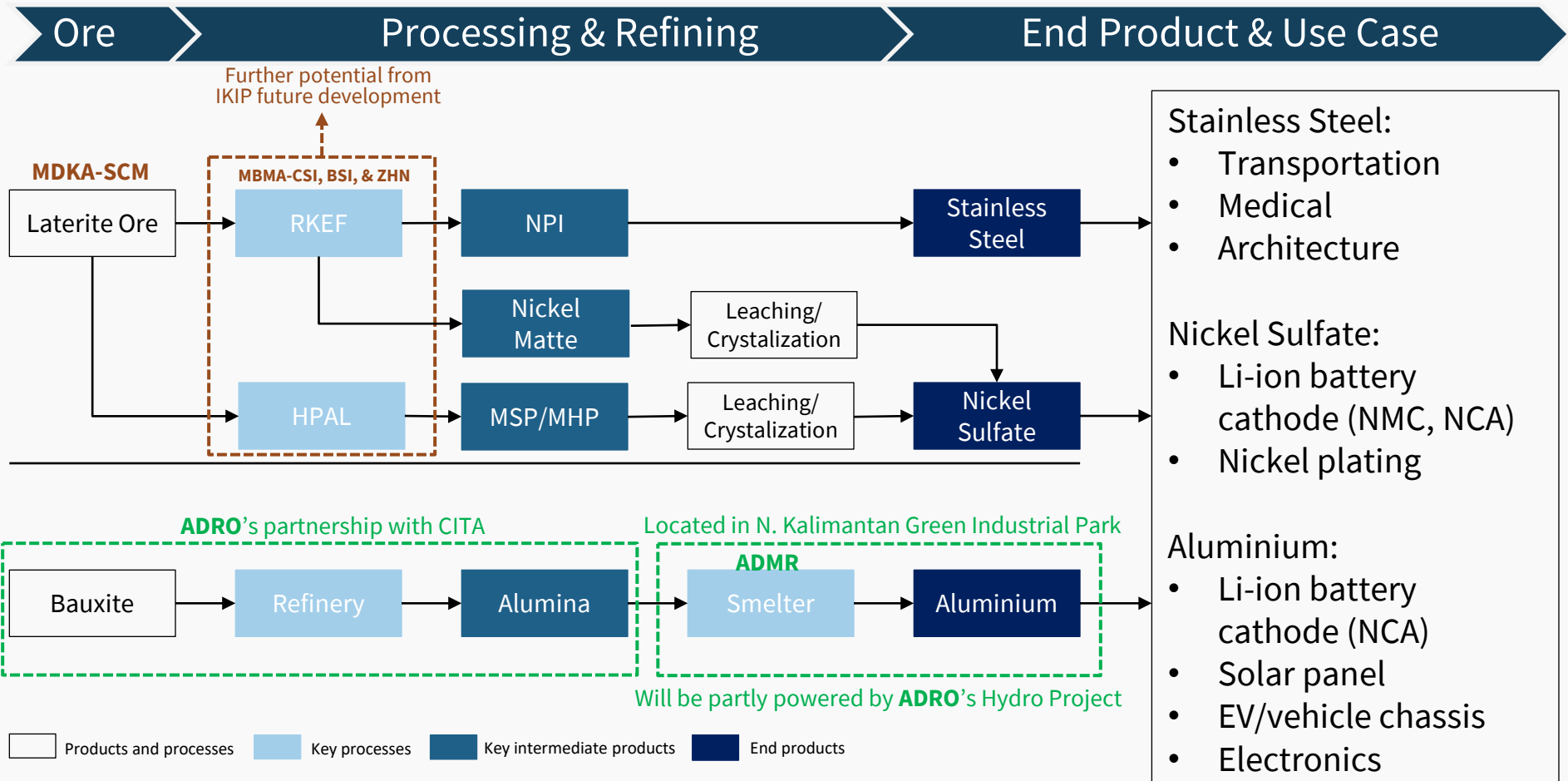
- FC is a premium carbon project developer established in 2012, which specializes in the full lifecycle of project development from securing investment, designing and delivering the project, and securing carbon sales.
- FC flagship project, the Sumatra Merang Peatland Project, is now a successful business model for peatland restoration. The 22,000 Ha project has increased forest cover in the area by 23%, protected endangered species, and supported local communities with health, education, and job opportunities.

### **Xurya Daya Indonesia (Xurya)**

- Xurya is a leading renewable energy company that provides ease of transition to solar energy for industry players through long-term lease contract.
- Operates 117 rooftop solar assets with another 46 sites in construction from various sectors (manufacturing, logistics, hotels, and shopping malls).
- Offers a one-stop-solution for solar energy needs from feasibility study and installation to operation and maintenance.



# End to End Play on the Growing EV Supply Chain in Indonesia



# Investments in Technology and Digital Companies

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- **Owns and operates in-town carrier-neutral data center in multiple strategic locations.**
- Strategically located and highly interconnected within the Jakarta area.
- 2 sites with total design capacity of up to 60MW (10MW for Phase 1) and more than 20k sqm of data hall space.



- **Fintech lending with technology enabled underwriting process.**
- Implements big data technology, machine learning, and cutting-edge algorithms in its underwriting assessment.
- Multiple usage channels: online, offline merchants, and bank transfer.



- **Leading and most innovative outdoor digital media company in Indonesia.**
- Leader in Public Transportation (Transit) Media with the acquisition of the biggest and busiest Commuter Line Train Stations in the Greater Jakarta area.

# Transforming Early and Growth Stage Companies Into Established Enterprises



## Adaro Energy Indonesia

2002	2008	2010	2016	2018	2022
Coal production of c.20mtpa	Listed on IDX Raised IDR12.2tn	Acquired 25% of IndoMet Coal Project (100% stake in 2016)	Commenced construction of 2x1GW Batang Power Plant	Jointly acquired 80% of Kestrel Coal Resources with EMR Capital	Coal production of 63mt USD 5.0bn record EBITDA IDR123tn mkt.cap.

## Tower Bersama

2004	2010	2012	2017	2018	2022
Founded with 7 operating towers	Listed on IDX Raised IDR1.1tn	Acquired 2,500 towers from Indosat	13.5k sites with 23k tenants	Acquired 50% of GHON and 51% of GOLD	22k operating sites with 41k total tenants IDR52tn mkt. cap.

## Merdeka Copper Gold

2012	2015	2017	2018	2019	2022
Single undeveloped gold project	Listed on IDX Raised IDR839bn	Tujuh Bukit Gold produced 141k oz of gold	Acquired 68% of Wetar Copper and 67% of Pani Gold Project	MoU with Tsingshan on Acid Iron Metal Project	Acquired leading nickel project, consolidated in MBM IDR99tn mkt. cap.

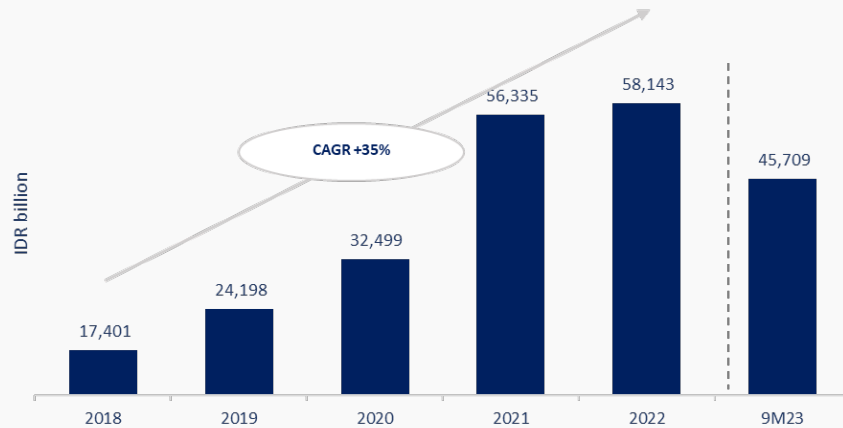
## Primaya Hospital

2016	2017	2018	2019	2020	2022
4 hospitals under the Awal Bros brand c. 800 beds	Launched RS Awal Bros East Bekasi	Launched RS Awal Bros Palangkaraya	Launched RS Awal Bros Inco Sorowako and North Bekasi	Rebranding to Primaya Hospital 9 hospitals, 1k beds	Listed on IDX IDR11tn mkt. cap. 15 hospitals, over 2k beds

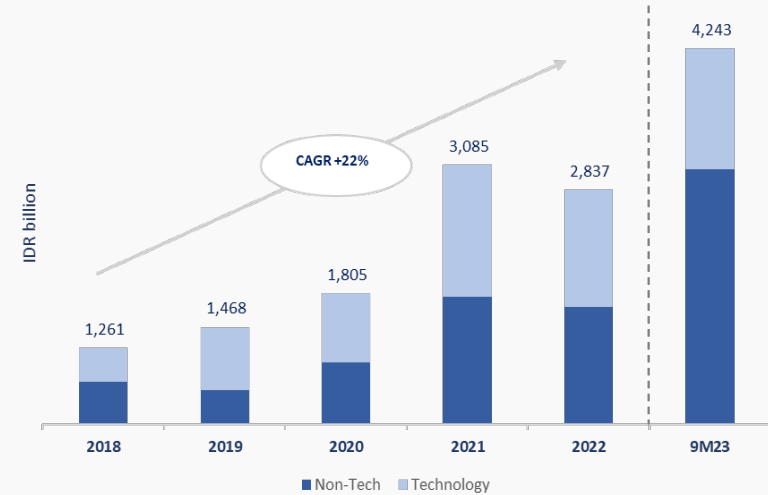
# Delivering Growth from Both Listed and Unlisted Investee Companies



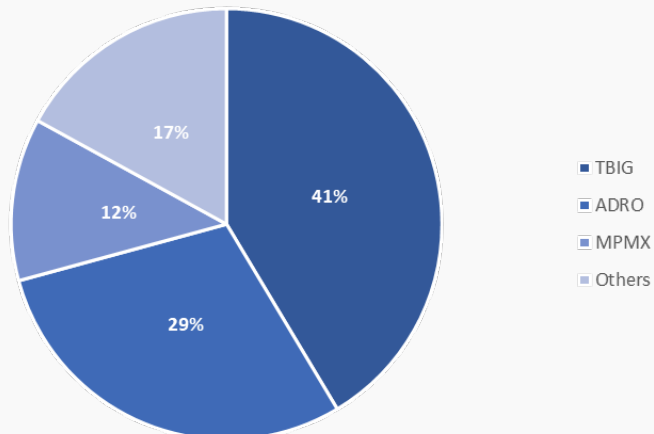
## Robust Growth of Listed Portfolio



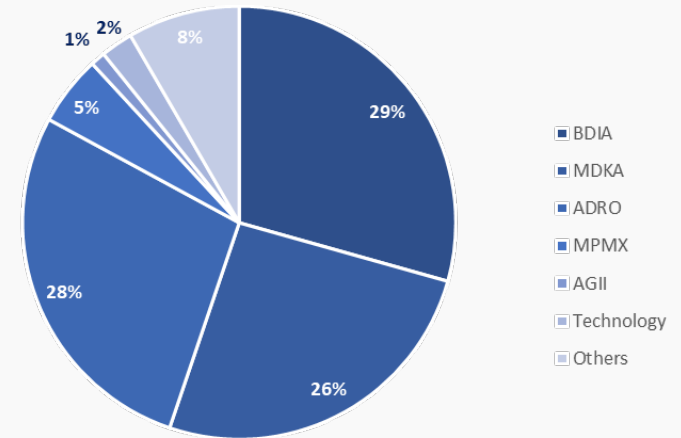
## Access to Upside Potential from Unlisted Portfolio



## Dec 2013 - IDR 20.1tn Portfolio Breakdown



## Sep 2023 - IDR 50tn Portfolio Breakdown\*

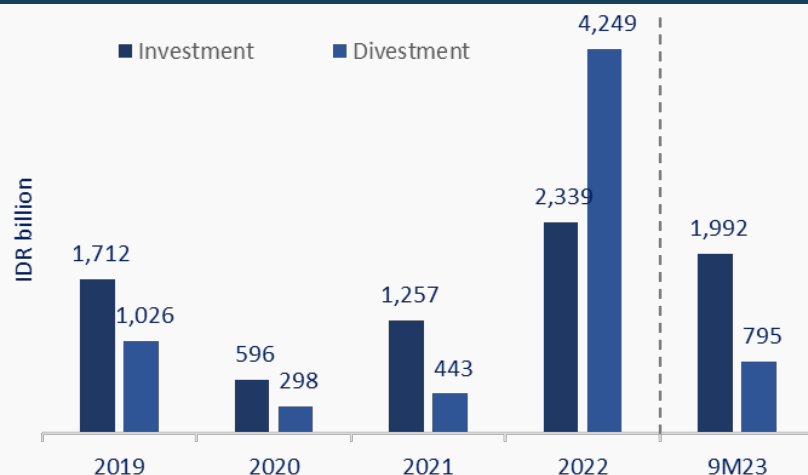


\*BDIA includes investment in TBIG; Source: Company information

# Active Investment and Divestment with Diversified Dividend Stream



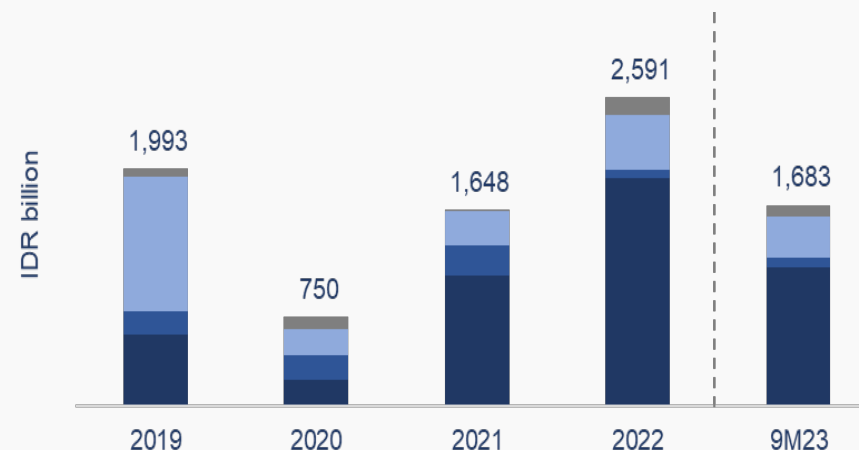
## Investment and Divestment\*



## Summary

- Saratoga increased its stake in MBL to 62.9% from 32.0% and invested in one new company, ZAP.
- Received dividend income of IDR 1.7tn in 9M23 driven by ADRO, MPMX, and TBIG.

## Dividend Income



Company	2019	2020	2021	2022	9M23
ADRO	593	215	1,098	1,906	1,167
TBIG	206	214	248	76	74
MPMX	1,118	210	291	455	342
Others	76	111	11	154	100
<b>Total</b>	<b>1,993</b>	<b>750</b>	<b>1,648</b>	<b>2,591</b>	<b>1,683</b>

\*For 2022, investment and divestment related to TBIG restructuring are netted

Figures are in IDR billion, unless otherwise stated

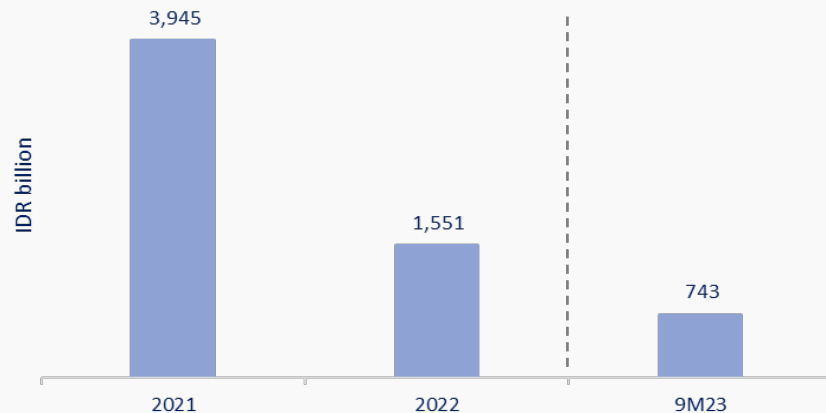
Data as of September 2023

Source: Company information

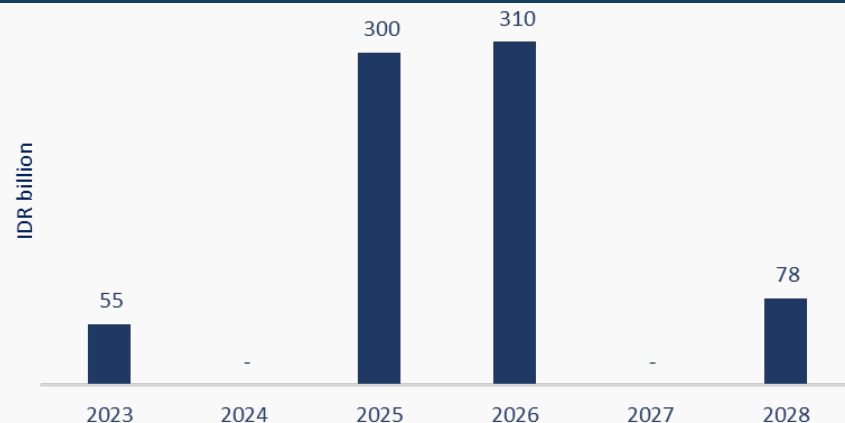
# Strong Financial Profile and Multiple Sources of Funding



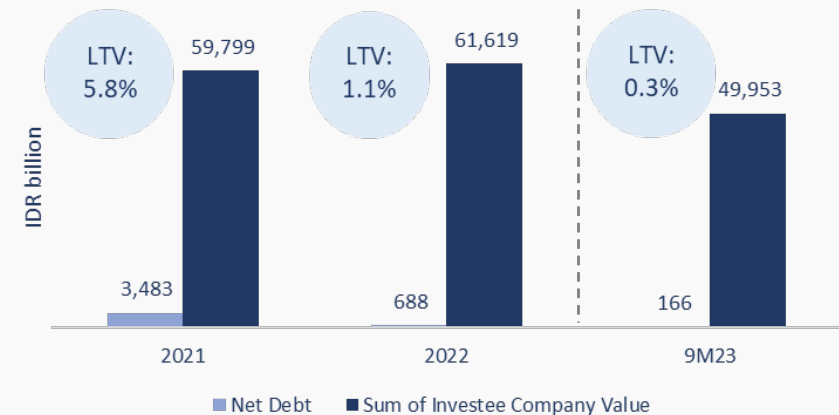
## Significant Debt Reduction



## Loan Maturity Profile



## Solid Capital Structure



## Access to Multiple Sources of Funding

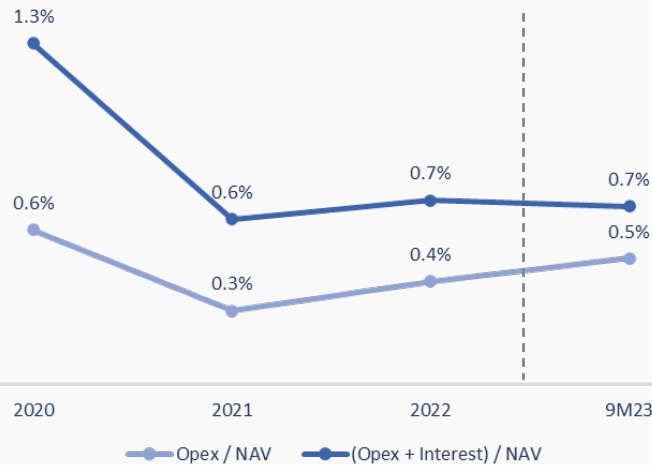
Banking partners for revolving credit facility and bilateral loans:



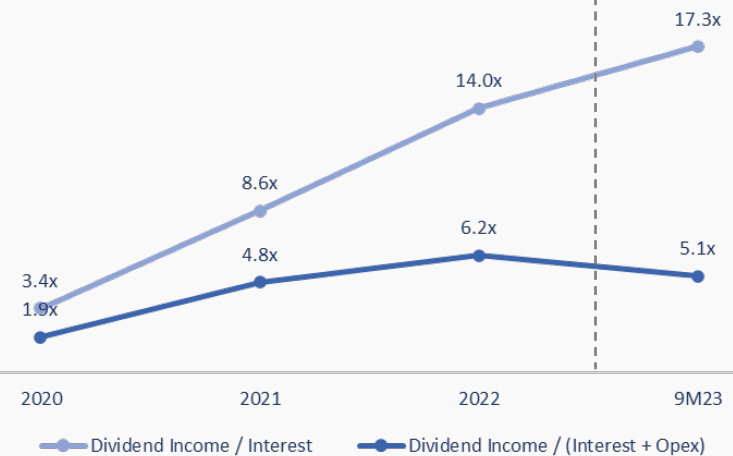
# Low Cost-Structure and Healthy Coverage Ratio Allow Consistent Dividend Disbursement



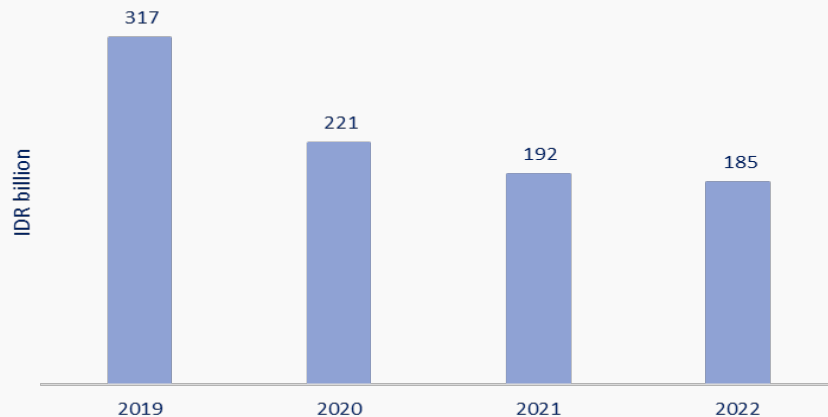
## Low Cost Ratio



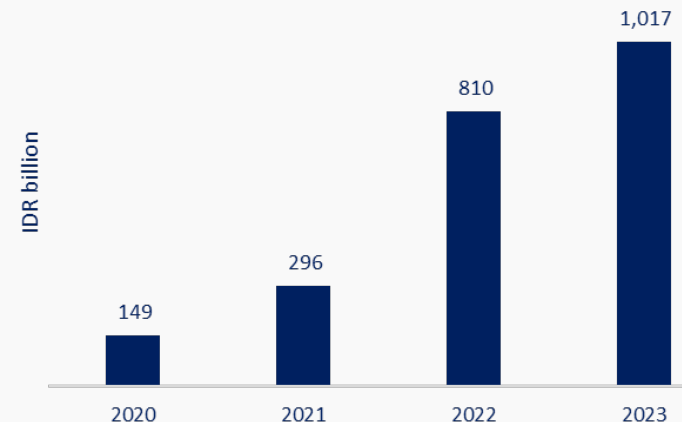
## Healthy Interest Coverage Ratio



## Interest Cost Trending Down

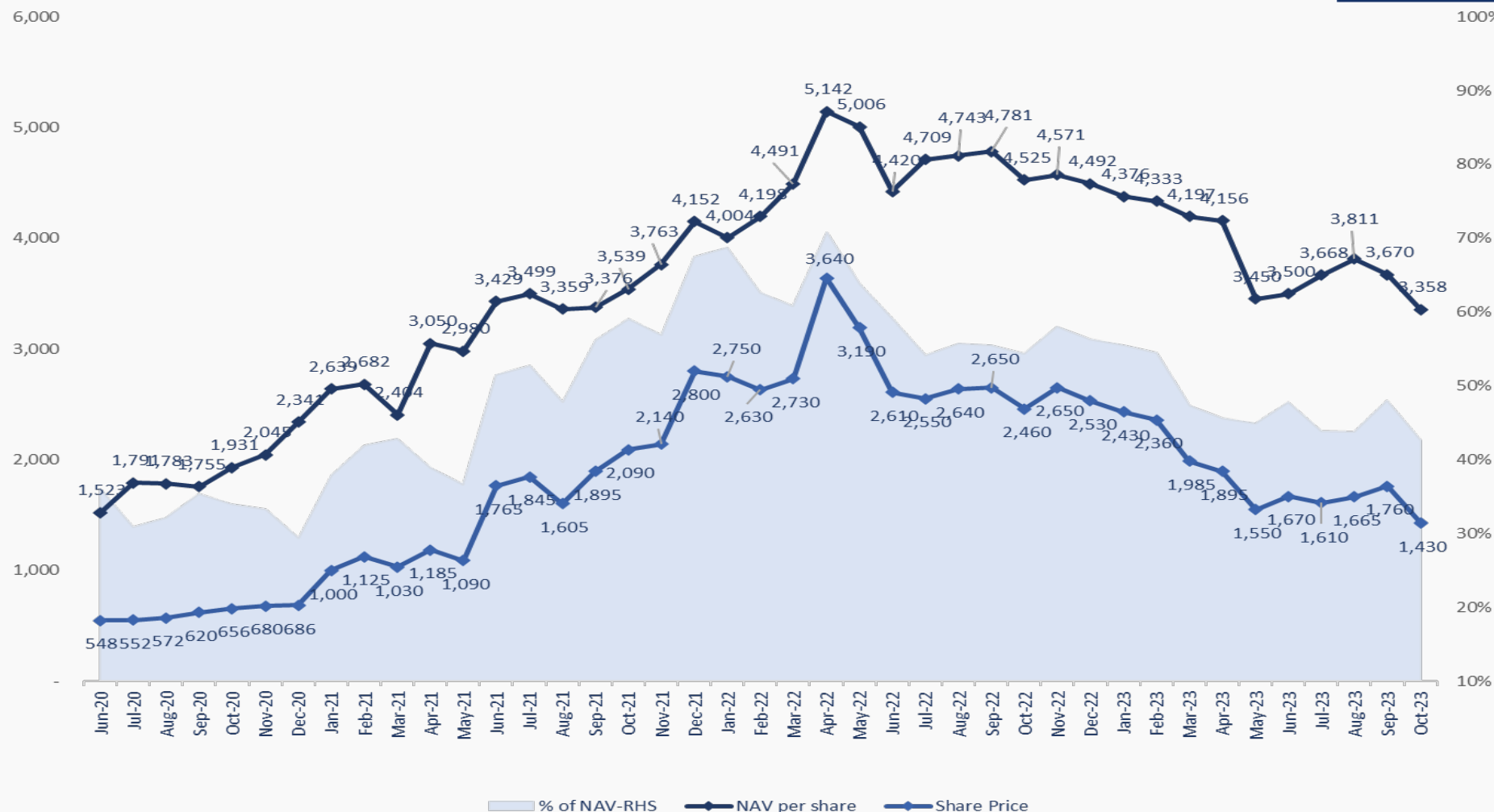


## Consistent Dividend Disbursement





# SRTG Share Price Still Lagging Despite Robust NAV Growth



NAV is calculated using the sum of the parts methodology, adjusted for debt and cash balance; Listed companies were valued based on market price for the day; Unlisted companies were valued based on cost method (investments under one year) and fair value (beyond one year); FX rates used were based on Bank Indonesia mid rates as published during the day

Data as of October 2023

Source: Company information, Bloomberg

# Financial Highlights



Consolidated Statement of Profit and Loss	FY22	FY21	% Y-Y	9M23	9M22	% Y-Y
Net gain (loss) on investment in shares and other equity securities	3,726	24,408	(85%)	(12,871)	7,582	n.m.
Dividend and interest income	2,613	1,657	58%	1,699	1,390	22%
Interest expenses	(185)	(192)	(4%)	(73)	(151)	(52%)
Operating expenses	(232)	(153)	51%	(175)	(163)	7%
<b>Profit (loss) before tax</b>	<b>5,859</b>	<b>25,696</b>	<b>(77%)</b>	<b>(11,405)</b>	<b>8,586</b>	<b>n.m.</b>
Income tax benefit (expense)	(1,232)	(804)	53%	802	(1,426)	n.m.
<b>Profit (loss) for the year attributable to owners of the Company</b>	<b>4,616</b>	<b>24,890</b>	<b>(81%)</b>	<b>(10,603)</b>	<b>7,160</b>	<b>n.m.</b>
Key Balance Sheet Items	FY22	FY21	% Y-Y	9M23	9M22	% Y-Y
Investment in shares, equities, and others	61,619	59,799	3%	49,953	65,443	(24%)
Cash and cash equivalents	863	462	87%	577	1,081	(47%)
<b>Total assets</b>	<b>63,771</b>	<b>61,152</b>	<b>4%</b>	<b>50,717</b>	<b>66,612</b>	<b>(24%)</b>
Borrowings	1,544	3,935	(61%)	734	1,660	(56%)
<b>Total liabilities</b>	<b>3,955</b>	<b>5,137</b>	<b>(23%)</b>	<b>2,403</b>	<b>4,267</b>	<b>(44%)</b>
<b>Equity attributable to owners of the Company</b>	<b>59,816</b>	<b>55,994</b>	<b>7%</b>	<b>48,236</b>	<b>62,344</b>	<b>(23%)</b>

Figures are in IDR billion, unless otherwise stated

Data as of September 2023

Source: Company information

## Summary

- SRTG booked a net profit of IDR 1.6tn in 3Q23, improving from the IDR 16.6tn net loss in 2Q23 driven by recovery in the mark-to-market portfolio value especially ADRO.
- This brings 9M23 net loss to IDR 10.6tn, mainly driven by YTD decrease in ADRO and MDKA share price.
- SRTG further deleveraged its debt position to IDR 743bn in 9M23 from IDR 944bn in 1H23, bringing net debt to IDR 166bn (-72% Y-Y). This also resulted in interest expenses declining 52% Y-Y in 9M23.

# Thank you

For more information please contact [investor.relations@saratoga-investama.com](mailto:investor.relations@saratoga-investama.com)



**SARATOGA**

# Appendix

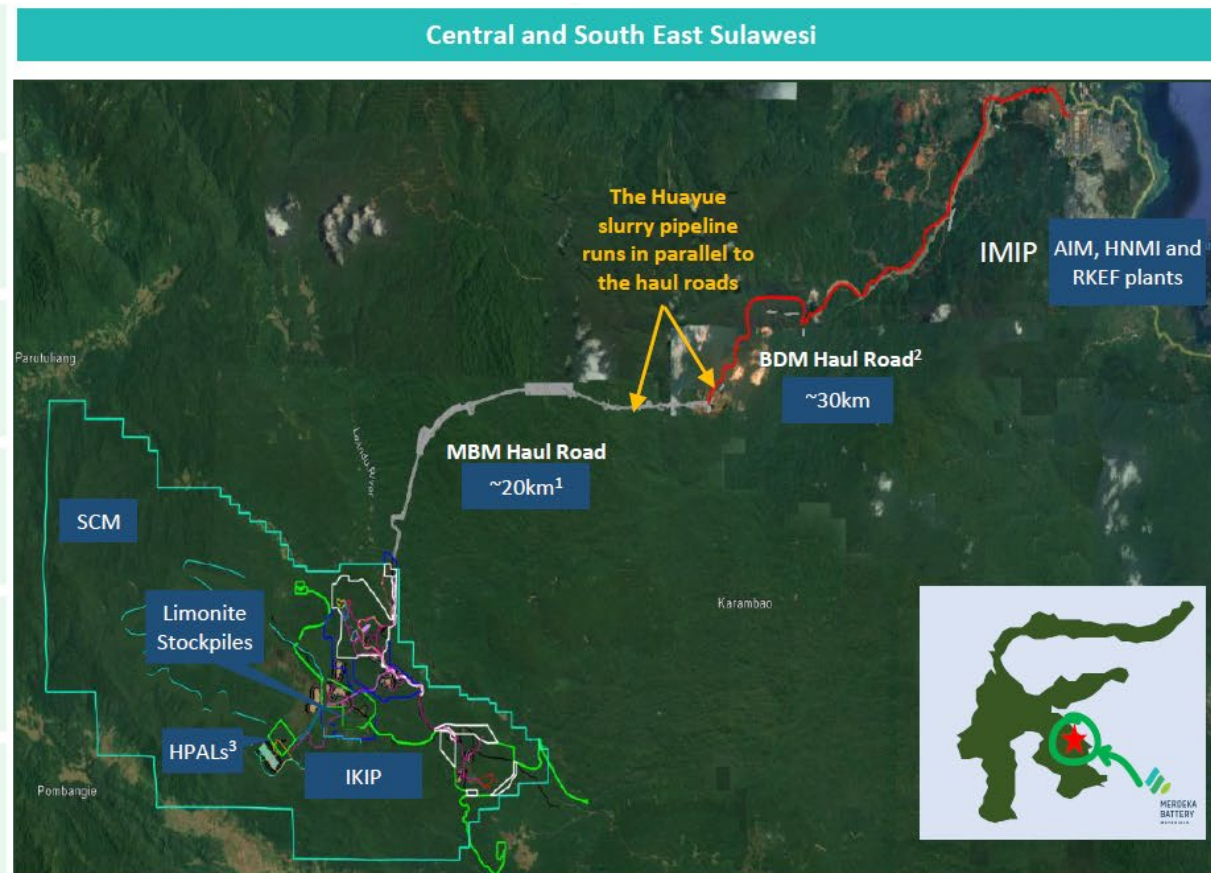


# Merdeka Battery Materials Assets Overview

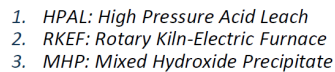


51%	SCM Mine	<ul style="list-style-type: none"> <li>Mineral resource of 1.1 billion dmt containing 13.8Mt of nickel (77% limonite) and 1.0Mt of cobalt</li> </ul>
Various	HPALs	<ul style="list-style-type: none"> <li>Developing multiple HPAL plants in partnership with leading battery material companies such as GEM and CATL</li> </ul>
50%	RKEF Plants	<ul style="list-style-type: none"> <li>Three operating plants with a combined nickel in NPI production capacity of 88ktpa</li> </ul>
60%	Ni Matte Converter	<ul style="list-style-type: none"> <li>Nickel matte conversion facility processing low-grade nickel matte to produce on average 50ktpa of high-grade nickel matte</li> </ul>
80%	AIM Project	<ul style="list-style-type: none"> <li>AIM will produce multiple products including acid and steam for use in HPAL plants</li> </ul>
32%	IKIP	<ul style="list-style-type: none"> <li>A battery materials focused industrial park to be constructed inside the 21,100 ha SCM mine concession area</li> </ul>

1. 20km is from SCM's IUP boundary to BDM's haul road; it excludes the roads inside SCM's IUP
2. MBM's haul road connects to BDM's haul road, and MBM has signed a long-term agreement to use BDM's haul road for transporting nickel ore
3. HPALs future location within IKIP



- % MBM Ownership in Tsingshan JV
- % MBM ownership in HPAL JVs



# Adaro Energy Indonesia Business Pillars



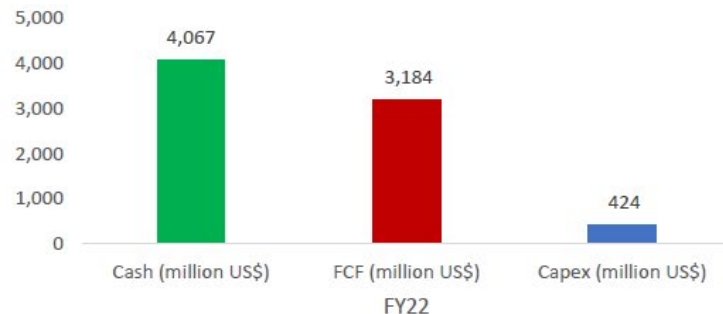
**Main operating pillar: pit-to-power integration to provide reliable and affordable energy**  
 Core thermal coal operations in Indonesia supported by the group's mining services and logistics contractors  
 Operates coal-fired power plants in several areas in Indonesia  
 Forest for carbon capture, water treatment and water management



**Growth pillar: metallurgical coal and other metals and minerals for green economy**  
 Metallurgical coal operations in Indonesia through PT Adaro Minerals Indonesia Tbk (IDX: ADMR)  
 Developing green industrial park and aluminum smelter for EV battery ecosystem in Indonesia



**Growth pillar: renewable energy to support**  
 Developing green energy sources: hydro, solar, wind  
 Actively participate in tender of renewable power plants in Indonesia and in the region



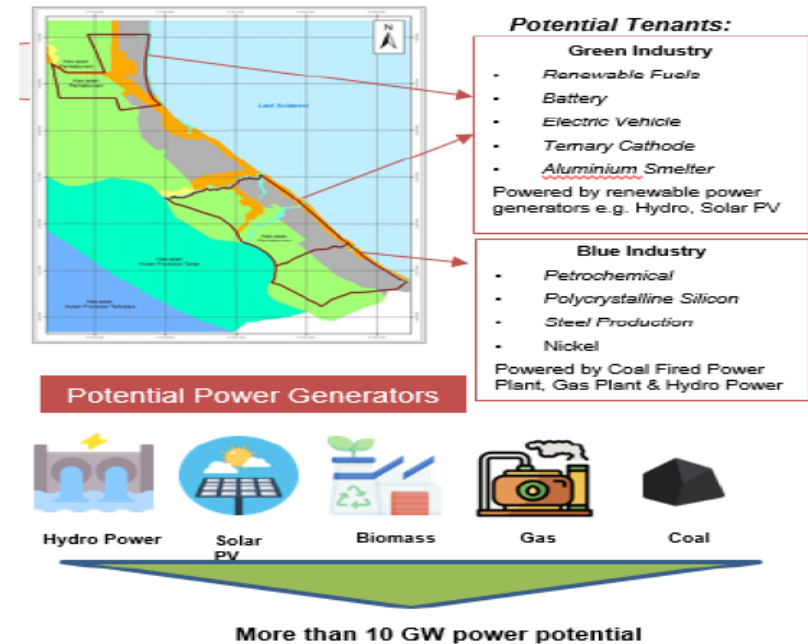
**Solid financial position and strong liquidity  
 enable the group to capture growth  
 opportunities across the energy ecosystem**



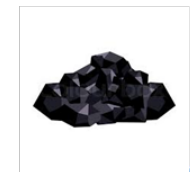
# The World's Largest Green Industrial Park – Located in N. Kalimantan



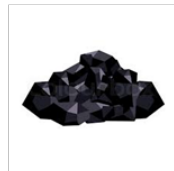
- Located in a very strategic location in terms of export & import, and potential supply of mineral sources and smelting industries.
- Total area of 16,000 Ha, consists of 2 (two) large overlay area – 11,500 Ha and 4,700 Ha.
- Potential development of a large-scale public port to support the industrial logistics.
- Huge potential of Hydro Power Plants development to power the industrial estate.



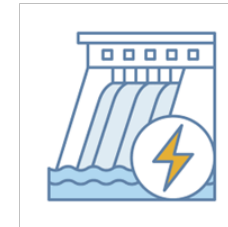
# Aluminum Smelter in Kaltara Industrial Park



Production capacity: **500,000 tpa aluminum**. Adaro plans to invest in the smelter's power generation.



Potential replication of Phase I: **Additional production capacity of up to 500,000 tpa aluminum**. Adaro may invest in the smelter's power generation. Power generation will likely be a hybrid of coal and renewables



**Additional capacity of up to 500,000 tpa of Green Aluminum**. Adaro plans for this to be powered by hydro.