

May 30, 2013

**Trading & Investment  
Not rated**

**Offering Price** Rp6.100-7800  
**Number of Shares** 430 mn  
**Target Proceeds** 2.6-3.3 tn

**Indicative Timeable**

Book building 29 Mei – 6 Juni  
Effectic Statement 14 Juni  
Offering Period 18-20 Juni  
Allotment 21 Juni  
Distribution & Refund 24 Juni  
Listing 24 Juni  
25 Juni

**Use pf Proceeds (%)**

Pay off Subsidiaries Debt. 18  
Pay off Others Debt 14  
Invesmnet Funding 68

**Shareholders Post IPO (%)**

PT Unitras Pratama 29.85  
Edwin Soeryadjaya 27.57  
Sandiaga S. Uno 27.57  
PT Saratoga Intiperkasa 0.01  
Public 15

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**Key Take Away From Public Expose  
Saratoga Investama Sedaya  
Finding Attractive Investment**

▪ **Saratoga Investama, Partner for Investing in Indonesia**

Saratoga Investama is an active investment holding company, which focus on growth phase, development phase and special situation in Indonesia. It runs operation of three key sectors in Indonesia economy such as; Natural Resources, Infrastructure and Consumer. Established in 1998 by Sandiaga S. Uno and Edwin Soeryadjaya, the company is being transformed to be strong holding investment company in Indonesia which has specialty to create added value and increasing investment. As for listed investee, Saratoga is investing in *blue-chip* company that will have strong potential growth and better risk management in portfolio such as Adaro Energy (ADRO IJ) and Tower Bersama (TBIG IJ).

▪ **Good Track Record in Investment Cycle**

The company has shown consistent attractive result after going through some investment cycle in primary sector in Indonesia Economy. This good track record in investment had brought good profit despite it was early stages development or growth fase. Book value and market capitalization of investee has grown up consistently while listing of investee companies created significant added value. In natural resources, Saratoga started initial investment of Rp875 bn and grew up by about 8,9x after 5 years. In Infrastructure, it started investment of Rp852 miyar and grew up about 9,5x in 3 years. As for natural resources, company focus in Amara plantation, Interra Resources, MedCo power Indonesia. Of infrastructure investment, it focus on Lintas Marga Sedaya which build toll road Cikopo-Palimanan. The company will upgrade petroleum production of investee company Tri Wahana universal (TWU) from 6.000 barrel to 8.000 barrel. In short term, company will more focus in consumer segmen to developing Mitra Pinasthika Mustika.

▪ **Impressive Performance in FY12**

In 2012, the company had stellar performances with revenue doubling yoy to Rp2.35 tn, helping a turnaround in operating income from loss of Rp92 bn in 2011 to profit of Rp147 bn in 2012. This further boosted net profit jumping more than double to Rp1.8 tn. Historically, the company saw a 32% and 58% CAGR in revenue during 2008-2012.

▪ **Offering 15% Stake at Rp6,100-7,800/Share**

The company will float up to 15% of its enlarged capital at the offer price of Rp6,100-7,800 per share. Of total IPO proceed, US\$50 m will be used for subsidiary debt payment, around 15% of proceed will be used to pay liabilities from Mitra Pinasthika Mustika acquisition, and the rest will be used for investment purpose including USD8.3m mezzanine loan to Lintas Marga Sedaya . Based on underwriter guidance, the IPO price implies 23%-0% discount to NAV or 13x-17x 2013PE based on underwriter consensus.

**Financial Highlights**

FYE Dec	2008	2009	2010	2011	2012
Revenue	775.3	967.1	755.7	1130	2358.1
Gross Profit	478.9	694.6	511.1	46.9	284.6
Operating Income	419.7	638.5	453.7	-91.9	146.8
Net Income	289.3	736.1	1068.1	797.5	1816.6
Total Asset	3440.6	5190.9	5590.6	9403.9	12911.4
Total Liabilities	2302.3	1847.6	716.6	2281.9	3181.1
Total Equity	1138.3	3343.3	4874	7122	9730.3
ROE (%)	25.42	22.02	21.91	11.20	18.67
ROA (%)	8.41	14.18	19.11	8.48	14.07

Source: Company

**Sucorinvest rating definition, analysts certification, and important disclosure****Ratings for Sectors**

- Overweight : We expect the industry to perform better than the primary market index (JCI) over the next 12 months.  
Neutral : We expect the industry to perform in line with the primary market index (JCI) over the next 12 months.  
Underweight : We expect the industry to underperform the primary market index (JCI) over the next 12 months.

**Ratings for Stocks**

- Buy : We expect this stock to give return (excluding dividend) of above 10% over the next 12 months.  
Hold : We expect this stock to give return of between -10% and 10% over the next 12 months.  
Sell : We expect this stock to give return of -10% or lower over the next 12 months.

**Analyst Certification**

The research analyst(s) primarily responsible for the preparation of this research report hereby certify that all of the views expressed in this research report accurately reflect their personal views about any and all of the subject securities or issuers. The research analyst(s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

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