



The Institute of  
Internal Auditors  
Indonesia

# 2014 ACIIA CONFERENCE BALI, INDONESIA

**ASIAN CONFEDERATION OF INSTITUTE OF INTERNAL AUDITORS**

**The Stones Hotel - Legian, Bali**

**24 - 25 November 2014**

Organized by:



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A large, light blue silhouette of a person in a dynamic, expressive pose, possibly a dancer or performer, is positioned on the left side of the slide. The person's arms are raised, and their body is angled towards the right. The background is a gradient of light blue and white, with a large white circle on the right side.

# **Internal Auditors from Private Equity Investor's Perspective**

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**Senior Managing Director, Creador**

**25 November 2014**

**Bali**





Internal Auditors' Role

# **PRIVATE EQUITY**



# What is Private Equity

*“Private equity is long-term investors in high-growth companies”*

*Stages of Investment (early, growth, mature)*

<b>1. Evaluate</b>	<ul style="list-style-type: none"><li>• Appropriate company size</li><li>• Promising sector</li><li>• Strong company performance</li><li>• High-growth potential</li><li>• Manageable risk</li><li>• Aligned owner’s aspiration</li></ul>
<b>2. Invest and Grow</b>	<ul style="list-style-type: none"><li>• Value add &amp; governance</li><li>• Operational improvements</li></ul>
<b>3. Exit</b>	<ul style="list-style-type: none"><li>• IPO</li><li>• Trade Sale</li></ul>



# Internal Auditors' Role in All Stages of Investment



## Evaluate the company – Due Diligence:

- **Attest accuracy and credibility of the data**
  - **Ensure compliance with regulations**
    - **Validate company data**
- **Acknowledge sector and business risks**



# Internal Auditors' Role in All Stages of Investment



**Invest and grow the business**

**Value Add ?**

- **Execute identified areas of improvement**
- **Monitor and reduce the risk of the business**
- **Improve governance & decision making**



# Internal Auditors' Role in All Stages of Investment



## **Timely exit/ sell**

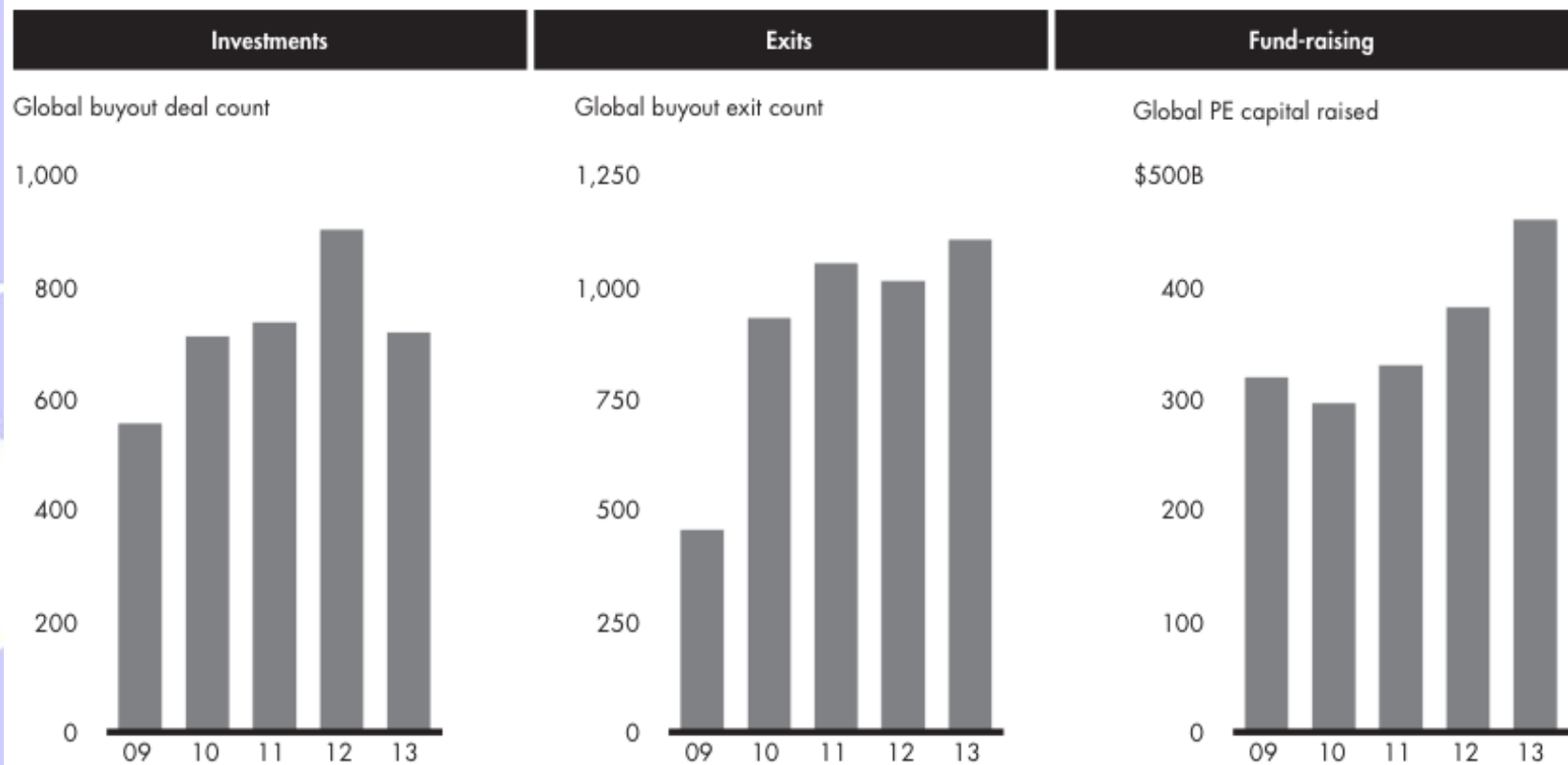
### **IPO or Trade Sale:**

- **Value creation due to improvement in corporate governance**
  - **Increase confidence in the company with transparency**
    - **Well functioning organization**



# Internal Auditors Importance is on the Rise

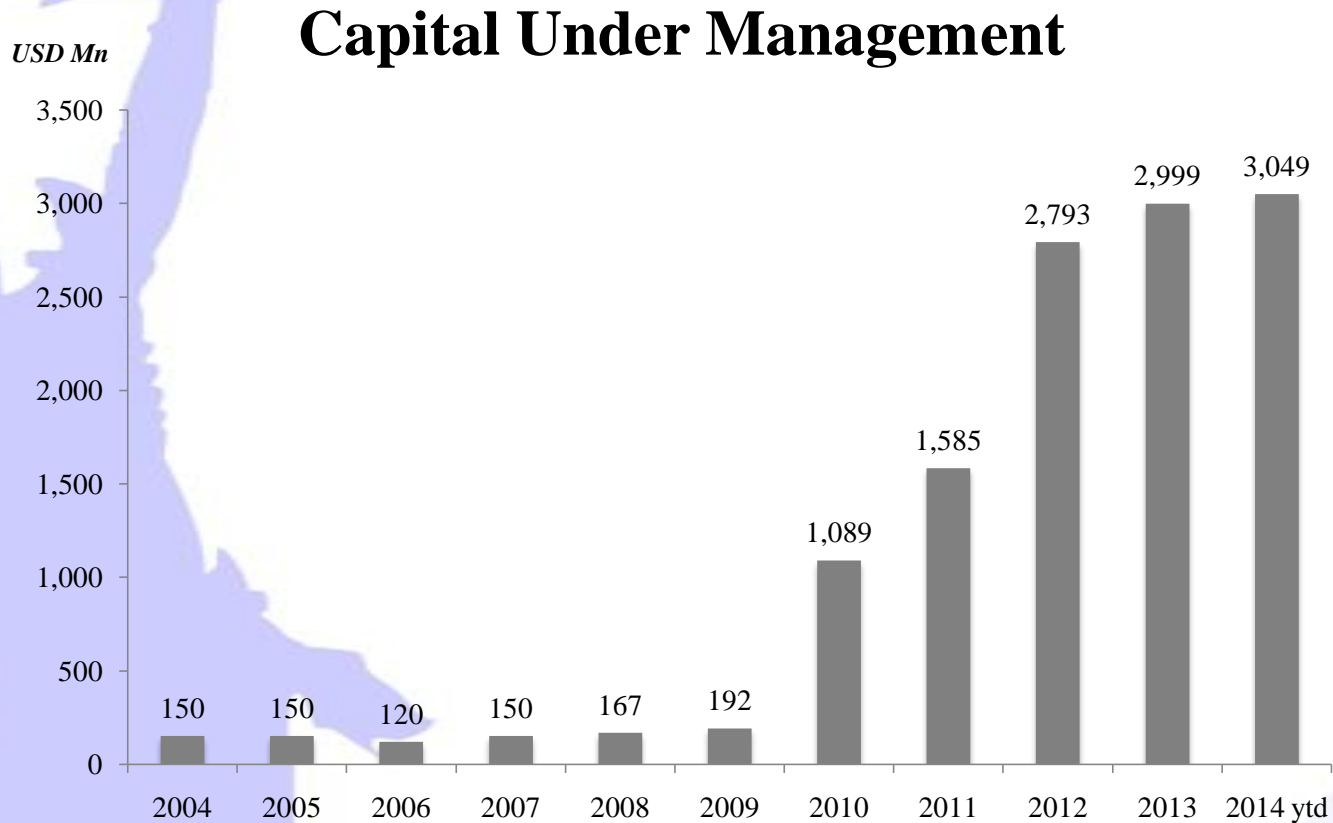
The global PE industry is showing signs of a return to health



Notes: Investments: exclude add-ons, loan-to-own transactions and acquisitions of bankrupt assets; based on announcement date; include announced deals that are completed or pending, with data subject to change; Exits: exclude bankruptcies; Fund-raising: includes funds with final close; represents year funds held their final close  
Sources: Dealogic; Preqin



# Indonesia PE Landscape

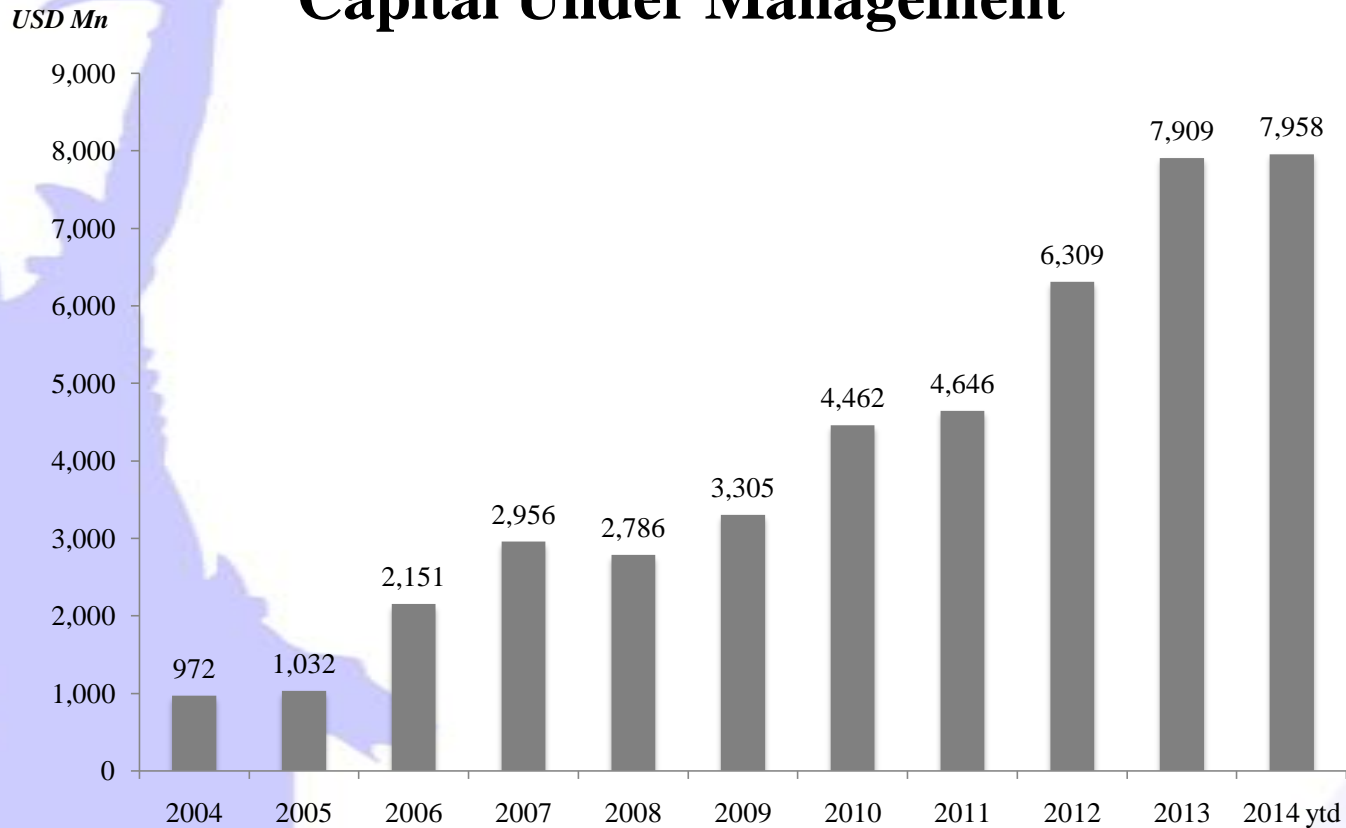


**The industry in Indonesia is poised to expand further as it is still low in relation to the economy and the national stock market**



# Malaysia PE Landscape

## Capital Under Management



**Malaysia PE Industry has been growing at 23% per annum and likely continue to grow**



Overview

# CREADOR



# Who we are

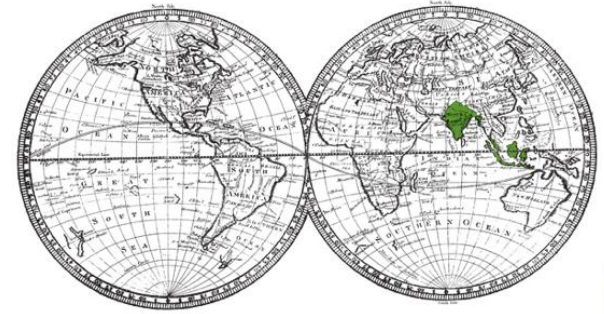
Creador is a **regional private equity firm** focused on long-term investments in **high growth markets of South East Asia**

Current AUM is **USD 460 Mn** (~Rp5.5 Trillion) with ~45% of fund to be invested in **Indonesia**

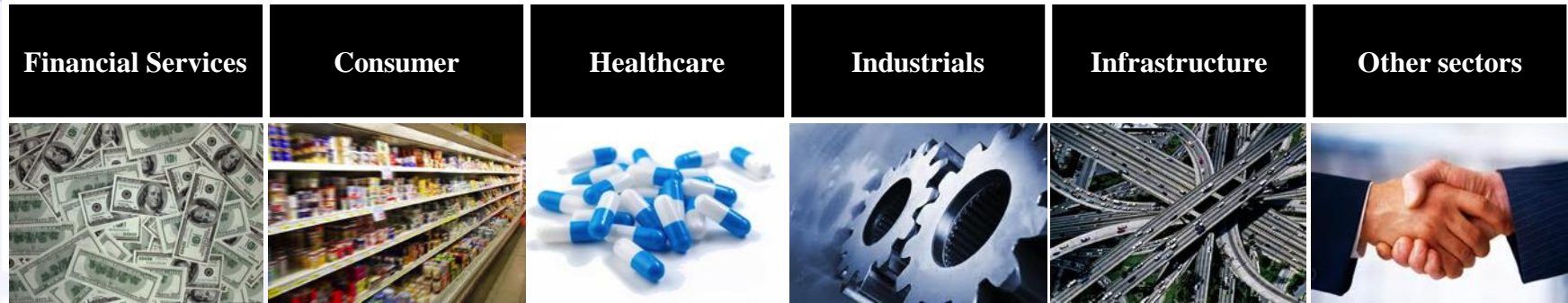
Creador has a strong management team with investment and operating experience:

- Cohesive team who have worked together since 2011
- Demonstrable track record across core markets
- **Creador+**: Adding value through active management

We proactively help create and participate in growth initiatives of our portfolio companies leading to long term value creation



# Our investment focus and our unique business model



**Investment characteristics**

Large market & high growth potential

+

Scalable business model & proven execution capability

+

Growth funding requirement

+

Strong management team & committed owners

*Creador's investment approach is to support great management in realizing shareholder objectives*

Non-executive board seat

Long-term perspective (5-7 years)

Minority investment

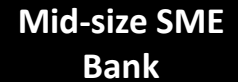
Creador+ (dedicated value creation team)

*Creador provides "smart capital" as an active minority investor*

# Our portfolio companies



Indonesia



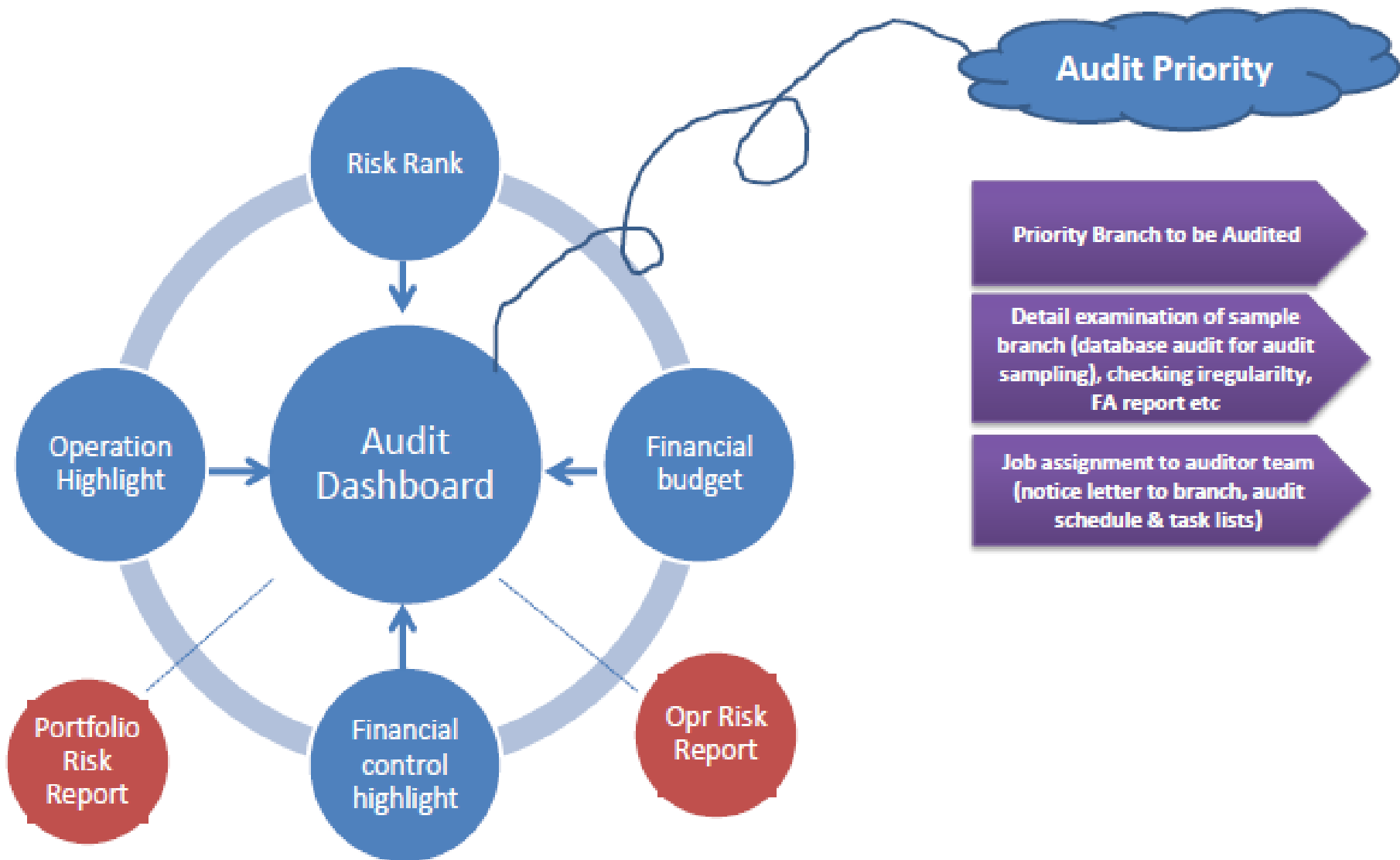
Malaysia



India



# INTERNAL AUDIT DASHBOARD & SCOPE OF WORK



# Conclusion

## PE Investor Expectation's from Internal Auditors:

- ✓ Identification and mapping the risks
  - set priority and immediate focus
- ✓ Analyze data without much disturb operation →
  - optimize elements in the existing report (improve efficiency)
  - valuable information for action
- ✓ Prevent risks including fraud





**THANK YOU**

