

PT TBS Energi Utama Tbk

Credit Rating(s)

General Obligation (GO)

idA/Stable

Rating Period

October 26, 2022 - October 1, 2023

Published Rating History

-

PEFINDO has assigned the rating of PT TBS Energi Utama Tbk (TBS) at "idA" with stable outlook.

The corporate rating reflects TBS' well diversified business profile with conservative capital structure as well as strong cash flow protection and liquidity measures. The rating is constrained by risk of developing new projects and exposure to fluctuating commodity prices.

The rating may be raised if TBS successfully operates its new projects and generates higher revenue than projected, followed by maintaining its profit margins and conservative capital structure that will improve TBS' credit profile on a sustained basis. The rating may be lowered if the Company generates lower revenue and/or profit margins than projected due to underperformed new projects, and if it aggressively finances its capital expenditure with substantial debt, which may trigger a more aggressive capital structure and cash flow protection measures. A significant deterioration of the commodity prices, particularly coal, may also trigger a rating downgrade, as this will adversely affect its financial profile.

PT TBS Energi Utama Tbk was founded in 2007 and has several operating subsidiaries engaged in coal industry in Sanga-sanga, East Kalimantan, and power plants in Gorontalo and North Sulawesi. In the medium-term, the Company plans to expand the business by entering electric vehicle and renewable energy. As of September 30, 2022, its shareholders were Highlands Strategic Holdings Pte., Ltd (61.91%), Bintang Bara B.V. (8.75%), PT Toba Sejahtera (10.00%), PT Bara Makmur Abadi (5.55%), and Public (13.79%).

Rating Definition

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.

Financial Highlights

As of/for the year ended	Jun-2022 (Unaudited)	Dec-2021 (Audited)	Dec-2020 (Audited)	Dec-2019 (Audited)
Total adjusted assets [USD mn]	877.2	853.5	756.4	620.2
Total adjusted debt [USD mn]	396.9	394.6	393.2	258.3
Total adjusted equity [USD mn]	390.2	349.7	275.5	249.7
Total sales [USD mn]	279.5	462.7	331.9	525.5
EBITDA [USD mn]	56.5	71.5	30.7	74.4
Net income after MI [USD mn]	34.7	48.1	24.6	26.5
EBITDA margin [%]	20.2	15.4	9.3	14.2
Adjusted debt/EBITDA [X]	*3.5	5.5	12.8	3.5
Adjusted debt/adjusted equity [X]	1.0	1.1	1.4	1.0
FFO/adjusted debt [%]	*17.7	9.5	1.2	17.3
EBITDA/IFCCI [X]	4.8	2.7	1.3	3.3
USD exchange rate [IDR/USD]	14,848	14,269	14,105	13,901

FFO = EBITDA - IFCCI + Interest Income - Current Tax Expense

EBITDA = Operating Profit + Depreciation Expense + Amortization Expense

IFCCI = Gross Interest Expense + Other Financial Charges + Capitalized Interest; (FX Loss not included)

MI = Minority Interest

*annualized

The above ratios have been computed based on information from the company and published accounts. Where applicable, some items have been reclassified according to PEFINDO's definitions.

Contact Analysts:

kresna.wiryawan@pefindo.co.id

martin.pandiangan@pefindo.co.id

DISCLAIMER

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.