

PT TBS Energi Utama Tbk

Credit Rating(s)

General Obligation (GO)	idA/Stable
Bond I	idA

Rating Period

April 1, 2024 – April 1, 2025

Published Rating History

NOV 2023	idA/Stable
NOV 2022	idA/Stable
OCT 2022	idA/Stable

Rating Definition

Debt security rated idA indicates that the issuer's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian issuers, is strong. However, the issuer's capacity is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated issuers.

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PEFINDO has affirmed its idA ratings to PT TBS Energi Utama Tbk (TBS) and its Bond I Year 2023. Outlook for the corporate rating is stable. The rating reflects TBS' well diversified business, conservative capital structure and strong cash flow protection, as well as strong demand from new businesses. The rating is constrained by the 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 and profit margins than projected, while maintaining its conservative capital structure. The rating may be lowered if the Company generates lower revenue and profit margins than projected due to underperformed new projects. TBS' policy to be more aggressive to finance its investment strategy or capital expenditure with substantial debt without compensating by a higher revenue may also negatively affect its credit rating. Delays in construction projects and 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 2008 and has several operating subsidiaries engaged in coal industry in East Kalimantan, coal-fired power plants in Gorontalo and North Sulawesi, waste management in Singapore, mini-hydro power plant in Lampung, and electric vehicle. The Company also plans to grow its business in renewable energy in the near to medium term. As of December 31, 2023, its shareholders were Highlands Strategic Holdings Pte., Ltd (61.478%), PT Toba Sejahtra (8.936%), PT Bara Makmur Abadi (5.514%), and public (24.073%).

Financial Highlights

As of/for the year ended	Dec-2023 (Audited)	Dec-2022 (Audited)	Dec-2021 (Audited)	Dec-2020 (Audited)
Total adjusted assets [USD mn]	891.8	898.3	853.5	756.4
Total adjusted debt [USD mn]	403.9	367.8	394.6	393.2
Total adjusted equity [USD mn]	367.7	422.7	349.7	275.5
Total sales [USD mn]	501.3	635.8	462.7	331.9
EBITDA [USD mn]	20.3	111.7	71.5	30.7
Net income after MI [USD mn]	7.9	57.8	48.1	24.6
EBITDA margin [%]	4.1	17.6	15.4	9.3
Loan to Value (LTV) [%]	17.9	14.6	18.6	41.9
Adjusted debt/EBITDA [X]	18.2	3.3	5.5	12.8
Adjusted debt/adjusted equity [X]	1.1	0.9	1.1	1.4
Recurring cash inflow to Nondiscretionary cash outflow [X]	2.3	6.3	3.0	2.0
FFO/adjusted debt [%]	(5.8)	17.6	9.5	1.2
EBITDA/IFCCI [X]	0.5	3.9	2.7	1.3
USD exchange rate [IDR/USD]	15,416	15,731	14,269	14,105

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.

DISCLAIMER

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