

PT TBS Energi Utama Tbk

Credit Rating(s)

General Obligation (GO) idA/Negative
Bond I idA

Rating Period

February 5, 2025 – February 1, 2026

Published Rating History

NOV 2024	idA/Negative
OCT 2024	idA/Negative
APR 2024	idA/Stable
NOV 2023	idA/Stable
NOV 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 rating to PT TBS Energi Utama Tbk (TBS) and the Company's Bond I Year 2023. We maintained the negative outlook for the corporate rating in anticipation of a delay or cancellation of TBS' acquisition plan, which may aggravate its overall credit profile, assuming the realization of its divestment plans. The Company is in the process to acquire 100% shares of Sembcorp Environment Pte Ltd (SEPL), a waste management company based in Singapore, following the divestment of PT Minahasa Cahaya Lestari (MCL) and PT Gorontalo Listrik Perdana (GLP), all expected to be finalized in the first half of 2025.

The rating reflects TBS' well diversified business, conservative capital structure as well as strong business profile from new businesses. The rating is constrained by the risk of developing new projects and exposure to fluctuating commodity prices.

We may lower TBS' rating if the Company fails to realize the acquisition of SEPL without adequately being compensated by acquiring new companies to maintain its business and financial profile while successfully divesting MCL and GLP. We may revise the outlook back to stable without any rating changes if the Company realizes the acquisition of SEPL in the near term.

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 and Indonesia, mini-hydro power plant in Lampung, floating solar power plant in Batam, and electric vehicle. The Company also plans to grow its business in renewable energy in the near to medium term. As of September 30, 2024, its shareholders were Highland Strategic Holdings Pte., Ltd (61.017%), PT Toba Sejahtra (8.869%), PT Bara Makmur Abadi (5.472%), and public (24.642%).

Financial Highlights

As of/for the year ended	Sep-2024 (Unaudited)	Dec-2023 (Audited)	Dec-2022 (Audited)	Dec-2021 (Audited)
Total adjusted assets [USD mn]	878.5	891.8	898.3	853.5
Total adjusted debt [USD mn]	356.4	403.9	367.8	394.6
Total adjusted equity [USD mn]	401.2	367.7	422.7	349.7
Total sales [USD mn]	336.6	501.3	635.8	462.7
EBITDA [USD mn]	50.8	21.1	111.7	71.5
Net income after MI [USD mn]	34.8	7.9	57.8	48.1
EBITDA margin [%]	15.1	4.2	17.6	15.4
Loan to Value (LTV) [%]	18.2	17.9	14.6	18.6
Adjusted debt/EBITDA [X]	*5.3	19.1	3.3	5.5
Adjusted debt/adjusted equity [X]	0.9	1.1	0.9	1.1
Recurring cash inflow to Nondiscretionary cash outflow [X]	2.9	2.3	6.3	3.0
FFO/adjusted debt [%]	*4.0	(5.1)	17.6	9.5
EBITDA/IFCCI [X]	1.9	0.6	3.9	2.7
USD exchange rate [IDR/USD]	15,129	15,416	15,731	14,269

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.

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