

## TAXI's ratings downgraded to "idA-", outlook revised to negative

PEFINDO has lowered the ratings for PT Express Transindo Utama Tbk (TAXI) and its Bond I/2014 to "idA-" from "idA". Downgrade in ratings were due to a lower-than-expected operating cash flow following a more intense competition in the taxi industry, particularly that coming from the transportation-based application services such as Go-Jek, Grab, and Uber, amid having high debt level. This consequently hampered the Company's profitability, particularly its cash flow protection measures, as fleet utilization from its aggressive expansion over the past years was lower than anticipated. We have also revised the outlook of the Company's corporate rating to "negative" from "stable" to anticipate further weakening in its financial profiles, including a tighter liquidity position. The ratings reflect TAXI's relatively strong market position in the taxi industry, favorable fleet profile, and extensive network coverage. However, the ratings are constrained by the Company's aggressive financial leverage, weak cash flows and liquidity profile, and a more intense competition resulting in lower fleet utilization.

Established in 1989, TAXI is one of the leading taxi operators in Indonesia, operating primarily in Greater Jakarta. With a fleet size of more than 11,000 units as of September 30, 2015, its services include regular taxis as its core business, premium taxis (Tiara Express), bus charter (Eagle High), and the value-added transportation businesses (VATB). As of September 30, 2015, it was owned by PT Rajawali Corpora (51%) and the public (49%).

Rating Period: March 8, 2016 – March 1, 2017  
Contact Analyst: Yogie Perdana & Martin Pandiangan  
[yogie.perdana@pefindo.co.id](mailto:yogie.perdana@pefindo.co.id) & [martin.pandiangan@pefindo.co.id](mailto:martin.pandiangan@pefindo.co.id)

### DISCLAIMER

*PT Peringkat Efek Indonesia (PEFINDO) does not guarantee the accuracy, completeness, timeliness or availability of the contents in this report or publication. PEFINDO cannot be held liable for its use, its partial use, lack of use, in combination with other products or used solely, nor can it be held responsible for the result from its use or lack of its use in any investment or other kinds of financial decision making on which this report or publication is based. In no event shall PEFINDO be held liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses including but not limited to lost profits and opportunity costs in connection with any use of the contents of this report or publication. Credit analyses, including ratings, and statements in this report or publication are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities or to make any investment decision. The contents cannot be a substitute for the skill, judgment and experience of its users, its management employees and/or clients in making investment or other business decisions. PEFINDO also assumes no obligation to update the content following publication in any form. PEFINDO does not act as fiduciary or an investment advisor. While PEFINDO has obtained information from sources it believes to be reliable, PEFINDO does not perform an audit and does not undertake due diligence or independent verification of any information used as the base of and presented in this report or publication. PEFINDO keeps the activities of its analytical units separate from its business units to preserve independence and objectivity of its analytical processes and products. As a result, certain units of PEFINDO may have information that is not available to other units. PEFINDO has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. PEFINDO may receive compensation for its ratings and other analytical work, normally from issuers of securities. PEFINDO reserves the right to disseminate its opinions and analyses. PEFINDO public ratings and analyses are made available on its Website, <http://www.pefindo.com> (free of charge) and through other subscription-based services, and may be distributed through other means, including via PEFINDO publications and third party redistributors. Information in PEFINDO's website and its use fall under the restrictions and disclaimer stated above. Reproduction of the content of this report, in full or in part, is subject to written approval from PEFINDO.*