

## PT Sumberdaya Sewatama

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### CREDIT PROFILE

<b>Corporate Rating</b>	<i>idCCC/Negative</i>
<b>Rated Issues</b>	
Bond I/2012	<i>idCCC</i>
Sukuk Ijarah I/2012	<i>idCCC(sy)</i>
<b>Rating Period</b>	
May 26, 2020 – September 1, 2020	
<b>Rating History</b>	
FEB 2020	<i>idCCC/CW Neg</i>
NOV 2019	<i>idCCC/CW Neg</i>
SEP 2019	<i>idCCC/CW Neg</i>
MAY 2019	<i>idB+/Negative</i>
SEP 2018	<i>idBB/Stable</i>
SEP 2017	<i>idBB+/Stable</i>
MAY 2017	<i>idBB+/Stable</i>
APR 2017	<i>idBB+/CW Neg</i>
FEB 2017	<i>idBBB-/CW Neg</i>
SEP 2016	<i>idA/Negative</i>
JUNE 2016	<i>idA/Negative</i>
2012-2015	<i>idA/Stable</i>

### FINANCIAL HIGHLIGHTS

As of/for the year ended	Dec-2019	Dec-2018	Dec-2017	Dec-2016
	(Audited)	(Audited)	(Audited)	(Audited)
Total Adjusted Assets [IDR Bn]	1,920.2	3,045.6	3,151.9	3,299.9
Total Adjusted Debt [IDR Bn]	2,666.6	2,771.2	2,767.7	1,805.7
Total Adjusted Equity [IDR Bn]	(1,009.3)	(156.6)	(67.9)	120.0
Total Sales [IDR Bn]	548.0	757.8	996.4	1,265.3
EBITDA [IDR Bn]	74.0	174.3	366.2	452.4
Net Income after MI [IDR Bn]	(830.8)	(289.7)	(182.6)	(315.2)
EBITDA Margin [%]	13.5	23.0	36.8	35.8
Adjusted Debt/EBITDA [X]	36.0	15.9	7.6	4.0
Adjusted Debt/Adjusted Equity [X]	NR	NR	NR	15.0
FFO/Adjusted Debt [%]	(2.0)	1.5	8.0	14.7
EBITDA/IFCCI [X]	0.6	1.3	2.4	2.2
USD Exchange Rate [IDR/USD]	13,901	14,481	13,548	13,436

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 NR = Not Relevant

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.

### PEFINDO changes SSMM's corporate rating outlook to "Negative" from "CreditWatch with Negative Implication". Ratings of corporate and its debt instruments are maintained at "idCCC"

PEFINDO has changed the outlook of PT Sumberdaya Sewatama (SSMM)'s rating to "Negative" from "CreditWatch with Negative Implication", in light of the agreement reached with its Bond and Sukuk-holders over debt restructuring terms and conditions during the General Bond and Sukuk-holders Meeting held on May 15, 2020. The ratings for SSMM and its Bond I/2012 are maintained at "idCCC". The rating of SSMM's Sukuk Ijarah I/2012 is also maintained at "idCCC(sy)". The Company is in the process to finalize the Bond's and Sukuk's restructuring documents. Its bond and sukuk ratings could be lowered to "idD" if there are interest and/or principal missed payments on their respective due dates, while the corporate rating could be lowered to "idSD" if it defaults on any of its financial obligations but remains current on others. Considering its idCCC rating, we view that its corporate rating outlook is limited to be revised to stable in the near term even though it has settled the debt restructuring issue and got creditor waivers for breach of covenant. We view SSMM should face challenges to manage its liquidity during the uncertain growth of temporary power rental business and Coronavirus Disease (COVID-19) pandemic. We will closely monitor its debt and interest services, and evaluate the consistent business improvements post restructuring.

An obligor rated idCCC is currently vulnerable, and dependent upon favorable business and financial conditions to meet its financial commitments.

The suffix (sy) means the rating mandates compliance with Islamic principles.

The corporate rating reflects SSMM's high dependence on a single buyer, the uncertain growth of the temporary power rental business, and its very weak financial profile and liquidity. The rating is offset by growing domestic demand for electricity in the medium term and its business synergy with its group.

SSMM's business is classified into temporary power rental, operations and maintenance, and energy efficiency (pillar) services. It terminated its independent power producer (IPP) business in 2017. At the end of 2019, PT ABM Investama Tbk held a 0.99% Series A stake in SSMM, while a new shareholder, PT Godra Investama Mandiri, owned a 99.01% Series B stake.

**DISCLAIMER**

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