

PT Ricobana Abadi

Credit Rating(s)

General Obligation (GO) ^{id}CCC/C.W.Neg
MTN I ^{id}CCC

Rating Period

March 21, 2023 – June 21, 2023

Published Rating History

JAN 2022 ^{id}CCC/C.W.Neg
DEC 2022 ^{id}CCC/C.W.Neg
OKT 2022 ^{id}CCC/C.W.Neg
JUL 2022 ^{id}BB-/C.W.Neg
DEC 2021 ^{id}BB+/Negative

PEFINDO has affirmed its ^{id}CCC ratings to PT Ricobana Abadi (RICO) and its Medium-Term Notes (MTN) I Year 2017. The outlook for the corporate rating is maintained at "CreditWatch with negative implication". Following the end of remedial period on March 20, 2023, RICO has obtained approval from the MTN holders to extend its remedial period for another 90 days to finalize the restructuring process, following the Company's inability to address its maturing MTN amounting of IDR400 billion due on December 20, 2022.

The corporate rating reflects the Company's high customer concentration risk, aggressive capital structure and vulnerable cash flow protection measures with limited financial flexibility, and exposure to fluctuation of coal price. Those concerns are partially offset by its established presence in the industry.

The rating may be lowered if the Company fails to finalize the restructuring process within remedial period. We may revise the outlook to stable if the Company successfully resolves its MTN restructuring process.

RICO was established in February 1981 and operated as coal mining contractor since 2007 with activities including overburden removal, coal hauling, and heavy equipment rental. RICO is an indirect subsidiary of PT SMR Utama Tbk through PT Ricobana and is ultimately owned by PT Trada Alam Minera Tbk. As of September 30, 2022, the Company was owned by PT Ricobana (100.00%) and Mr. Wijaya Mulia (0.00%).

Rating Definition

Debt security rated ^{id}CCC is currently vulnerable to non-payment and is dependent upon favorable business and financial conditions for the issuer to meet its long-term financial commitments on the debt security.

Financial Highlights

As of/for the year ended	Sep-2022	Dec-2021	Dec-2020	Dec-2019
Consolidated Figure	(Unaudited)	(Audited)	(Audited)	(Audited)
Total adjusted assets [IDR bn]	832.1	917.8	1,003.7	1,253.7
Total adjusted debt [IDR bn]	444.0	454.1	469.3	549.4
Total adjusted equity [IDR bn]	187.8	240.5	289.8	499.6
Total sales [IDR bn]	367.7	541.9	492.4	699.2
EBITDA [IDR bn]	87.9	165.3	78.9	182.1
Net income after MI [IDR bn]	(53.9)	(51.1)	(204.0)	(135.6)
EBITDA margin [%]	23.9	30.5	16.0	26.0
Adjusted debt/EBITDA [X]	*3.8	2.7	6.0	3.0
Adjusted debt/adjusted equity [X]	2.4	1.9	1.6	1.1
FFO/adjusted debt [%]	*14.9	25.0	4.0	21.8
EBITDA/IFCCI [X]	2.3	3.2	1.3	2.9
USD exchange rate [IDR/USD]	15,427	14,278	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.

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