

PT Adi Sarana Armada Tbk

Credit Rating

General Obligation (GO) idA-/Stable
 Convertible Bond I/2021 idA-

Rating Period

April 5, 2023 – April 1, 2024

Published Rating History

APR 2022 idA-/Stable
 APR 2021 idA-/Stable
 SEP 2020 idA-/Stable
 DEC 2019 idA-/Stable

PEFINDO has affirmed its idA- rating to PT Adi Sarana Armada Tbk (ASSA) and its Convertible Bond I/2021. The outlook for the corporate rating is stable. The rating reflects ASSA's strong position in the car rental industry, stable revenue stream with diversifying business offering, and favorable fleet profile. The rating is constrained by its moderate financial leverage level, tight competition in the delivery business, and sensitivity to changes in macroeconomics conditions.

The rating may be raised if ASSA substantially exceeds its revenue and EBITDA targets on a sustained basis, particularly from its delivery, sales of used car, and vehicle rental businesses, which are expected to be its major revenue generators in the near to medium term. This should be accompanied by a continuous improvement in its financial leverage. The rating may be lowered if ASSA fails in achieving its targeted revenue or EBITDA. We may also lower the rating if the Company incurs significantly higher debts than projected, without being compensated for by improving business performance.

Started its commercial operation in 2003, ASSA provides integrated transportation services for individuals and corporates, logistics transportation, driver management services, sales of used vehicle, and auction service. In March 2019, it commenced the operation of its delivery business under its subsidiary, PT Tri Adi Bersama (TAB), with a brand name "Anteraja". As of December 31, 2022, it managed more than 28,000 vehicles through its 18 branch offices across Indonesia. At the end of 2022, ASSA's shareholders consisted of PT Adi Dinamika Investindo (23.89%), PT Daya Adicipta Mustika (18.26%), Prodjo Sunarjanto Sekar Pantjawati (9.59%), Erida (3.02%), Jany Candra (0.51%), Tjoeng Suyanto (0.10%), and the public (44.63%).

Rating Definition

Debt security rated idA indicates that the obligor's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian obligors, is strong, however, the debt security is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated debt. The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

Suffix (sy) indicates Islamic principles compliant.

Financial Highlights

As of/for the year ended	Dec-2022 (Audited)	Dec-2021 (Audited)	Dec-2020 (Audited)	Dec-2019 (Audited)
Total adjusted assets [IDR bn]	7,084.1	5,884.4	5,035.3	4,715.0
Total adjusted debt [IDR bn]	4,060.7	3,585.4	2,986.8	2,910.2
Total adjusted equity [IDR bn]	2,286.5	1,618.0	1,303.8	1,204.0
Total sales [IDR bn]	5,870.1	5,088.1	3,037.4	2,334.2
EBITDA [IDR bn]	1,076.5	1,147.6	906.7	853.9
Net income after MI [IDR bn]	103.0	142.6	87.1	110.4
EBITDA margin [%]	18.3	22.6	29.9	36.6
Adjusted debt/EBITDA [X]	3.8	3.1	3.3	3.4
Adjusted debt/adjusted equity [X]	1.8	2.2	2.3	2.4
FFO/adjusted debt [%]	19.4	24.4	21.2	20.1
EBITDA/IFCCI [X]	4.1	4.8	3.6	3.5
USD exchange rate [IDR/USD]	15,731	14,269	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

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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