

PT Elnusa Tbk

Credit Rating(s)

General Obligation (GO) idAA/Stable
SR Sukuk I Phase I/2020 idAA(sy)

Rating Period

April 10, 2023 – April 1, 2024

Published Rating History

2019 - 2022 idAA-/Stable
2016-2017 idA+/Stable
AUG 2010 idA/Stable
2006-2007 idA-/Stable

Rating Definition

An obligor rated idAA differs from the highest-rated obligors only to a small degree, and has a very strong capacity to meet its long-term financial commitments relative to those of other Indonesian obligors.

PT Elnusa Tbk raised to idAA with stable outlook

PEFINDO has also raised ELSA's Shelf Registered Sukuk I Phase I Year 2020 to idAA(sy). The rating actions reflects our view on stronger degree of support from its ultimate shareholder PT Pertamina (Persero). Following the new holding structure since September 2021, Pertamina is expected to have an agile, focused organization and therefore bring more benefit and support to its subsidiaries. Elnusa is considered as a strategic subsidiary to support all activities of Pertamina's upstream businesses under its subholding PT Pertamina Hulu Energi (PHE) that include exploration and production of oil and gas taking place across all business locations of Pertamina both domestically and abroad. In addition, Elnusa also serves activities from other subholding, namely PT Pertamina Patra Niaga, of which Elnusa was appointed as official distributor for subsidized fuel and gas for areas outside Java, Madura, and Lampung.

The rating reflects Elnusa's strong support likelihood from Pertamina Group, strong presence and diversification in the oil and gas services business, and very strong financial profile. The rating is constrained by the exposure to oil price volatility and exposure to project risk.

The rating may be raised if Elnusa significantly strengthens its business position, validated by significant growth in revenue and earnings, while maintaining its conservative capital structure and strong cash flow protection measures on a sustained basis. However, the rating may be lowered if Elnusa aggressively finances its expansion with debt that is substantially larger than projected, which may weaken its capital structure and cash flow protection measures, without being compensated for by stronger business performance, and if we view a significant weakening support from and ownership by its Parent. The rating may also be under pressure in the event of significantly lower service fee, resulting in significantly lower revenue, cash flow, or profitability.

Established in January 1969, Elnusa is engaged in integrated upstream oil and gas services, upstream oil and gas support services, and logistics and distribution services related to the downstream oil and gas sector. As of December 31, 2022, PHE was Elnusa's major shareholder with a 51.1% stake. The remaining shares were owned by others, including the public with ownership stakes below 5% each, with 48.9% stake.

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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]	8,828.0	7,219.6	7,554.5	6,791.3
Total adjusted debt [IDR bn]	1,405.0	1,132.0	1,753.5	1,127.0
Total adjusted equity [IDR bn]	4,109.1	3,762.8	3,732.6	3,563.0
Total sales [IDR bn]	12,305.7	8,136.6	7,726.9	8,385.1
EBITDA [IDR bn]	1,146.4	984.7	1,166.6	966.0
Net income after MI [IDR bn]	378.1	108.9	249.1	356.5
EBITDA margin [%]	9.3	12.1	15.1	11.5
Adjusted debt/EBITDA [X]	1.2	1.1	1.6	1.2
Adjusted debt/adjusted equity [X]	0.3	0.3	0.5	0.3
FFO/adjusted debt [%]	66.5	69.1	55.1	68.8
EBITDA/IFCCI [X]	10.3	8.8	10.9	17.4
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.

DISCLAIMER

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