

PT Sumberdaya Sewatama

Credit Rating(s)

General Obligation (GO)	^{id} B+/Stable
Bond I/2012 Series B	^{id} B+
Sukuk Ijarah I/2012	^{id} B+ _{sy}

Rating Period

Sep 12, 2022 – Sep 1, 2023

Published Rating History

SEP 2021	^{id} CCC/Negative
SEP 2020	^{id} CCC/Negative
JUL 2020	^{id} CCC/Negative
MAY 2020	^{id} CCC/Negative
FEB 2020	^{id} CCC/CW Neg

PEFINDO has raised the ratings of PT Sumberdaya Sewatama (SSMM) and its Bond I/2012 to "^{id}B+" from "^{id}CCC", and the rating for its Sukuk Ijarah I/2012 to "^{id}B+_(sy)" from "^{id}CCC_(sy)". We also revised the outlook for the corporate rating to "stable" from "negative". The ratings actions reflect SSMM's improving financial profile following the Company's corporate action in buying back the outstanding bonds and sukuk at the price of 45% of principal value using the proceeds from external funding. After the corporate action, SSMM's recorded remaining outstanding balance of bonds and sukuk of IDR 43.0 billion and IDR887.2 million, respectively, as of August 30, 2022, much lower compared to before buyback at IDR515.5 billion and IDR177.4 billion, respectively.

The rating reflects SSMM's credit strengths from its business synergy with its group and potential room for higher electricity demand. However, those strengths are constrained by the Company's persistently weak financial indicators, high dependence on a single buyer, and the uncertain growth of the temporary power rental business.

The rating may be raised if SSMM could improve its business position through successful execution of its new businesses, and at the same time strengthen its capital structure and cash flow protection measures. The rating may be lowered if the Company suffers from substantially lower-than-expected revenue generation from its new ventures, triggering further pressure on its debt repayment capability.

SSMM's business is classified into temporary power rental, operations and maintenance, and energy efficiency (pillar) services. At the end of June 2022 PT ABM Investama Tbk held a 0.97% Series A stake in SSMM, PT Godra Investama Mandiri owned a 97.09% Series B stake and PT Tiara Marga Trakindo owned a 1.94% Series B stake.

Rating Definition

Debt security rated ^{id}B denotes weak protection parameters relative to other Indonesian debt securities. The issuer's capacity to meet long-term financial commitments on the debt security, relative to other Indonesian issuers, would likely be impaired by any adverse business, financial, or economic conditions. The plus (+) sign indicates that the rating is relatively strong within its category.

The suffix (sy) indicates Islamic principles compliant.

Financial Highlights

As of/for the year ended	Jun-2022 (Unaudited)	Dec-2021 (Audited)	Dec-2020 (Audited)	Dec-2019 (Audited)
Total adjusted assets [IDR bn]	1,201.1	1,222.7	1,557.4	1,920.2
Total adjusted debt [IDR bn]	2,638.9	2,673.8	2,757.2	2,666.6
Total adjusted equity [IDR bn]	(1,950.4)	(1,862.8)	(1,435.1)	(1,009.3)
Total sales [IDR bn]	232.0	414.1	444.1	548.0
EBITDA [IDR bn]	35.9	49.6	24.9	75.6
Net income after MI [IDR bn]	(87.3)	(431.3)	(421.5)	(830.8)
EBITDA margin [%]	15.5	12.0	5.6	13.8
Adjusted debt/EBITDA [X]	*36.8	53.9	110.5	35.3
Adjusted debt/adjusted equity [X]	(1.4)	NR	NR	NR
FFO/adjusted debt [%]	*(0.8)	(3.3)	(3.5)	(1.9)
EBITDA/IFCCI [X]	0.6	0.4	0.2	0.6
USD exchange rate [IDR/USD]	14,848	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 *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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