

PT Sumberdaya Sewatama

Analysts: Martin Pandiangan / Aryo Perbongso

Phone/Fax/E-mail: (62-21) 7278 2380 / 7278 2370 / martin.pandiangan@pefindo.co.id / aryo.perbongso@pefindo.co.id

CREDIT PROFILE

Corporate Rating	<i>idCCC/Negative</i>
Rated Issues	
Bond I/2012	<i>idCCC</i>
Sukuk Ijarah I/2012	<i>idCCC(sy)</i>
Rating Period	
July 2, 2020 – September 1, 2020	
Rating History	
MAY 2020	<i>idCCC/Negative</i>
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	Mar-2020	Dec-2019	Dec-2018	Dec-2017
	(Unaudited)	(Audited)	(Audited)	(Audited)
Total Adjusted Assets [IDR Bn]	1,886.1	1,920.2	3,045.6	3,151.9
Total Adjusted Debt [IDR Bn]	2,723.8	2,666.6	2,771.2	2,767.7
Total Adjusted Equity [IDR Bn]	(1,129.9)	(1,009.3)	(156.6)	(67.9)
Total Sales [IDR Bn]	98.2	548.0	757.8	996.4
EBITDA [IDR Bn]	10.9	75.6	174.3	366.2
Net Income after MI [IDR Bn]	(119.4)	(830.8)	(289.7)	(182.6)
EBITDA Margin [%]	11.1	13.8	23.0	36.8
Adjusted Debt/EBITDA [X]	*62.4	35.3	15.9	7.6
Adjusted Debt/Adjusted Equity [X]	NR	NR	NR	NR
FFO/Adjusted Debt [%]	*(3.2)	(1.9)	1.5	8.0
EBITDA/IFCCI [X]	0.3	0.6	1.3	2.4
USD Exchange Rate [IDR/USD]	16,367	13,901	14,481	13,548

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 *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.

PEFINDO affirms "idCCC" rating to PT Sumberdaya Sewatama with "Negative" outlook

PEFINDO has affirmed its "idCCC" ratings to PT Sumberdaya Sewatama (SSMM) and its Bond I/2012, and its "idCCC(sy)" rating to the Company's Sukuk Ijarah I/2012. SSMM had restructured its outstanding debts on May 15, 2020, including its outstanding bond and sukuk, which the maturity date is now extended to December 31, 2034. The Company will start paying the principal installment and coupon using new scheme on September 30, 2020. We maintain a "Negative" outlook for its corporate rating to anticipate SSMM's continued 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. 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.

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

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

The corporate rating reflects SSMM's very weak financial profile and liquidity, its high dependence on a single buyer, and the uncertain growth of the temporary power rental business. 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 March 2020, PT ABM Investama Tbk held a 0.99% Series A stake in SSMM, while PT Godra Investama Mandiri, owned a 99.01% Series B stake.

DISCLAIMER

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.