

PT Adi Sarana Armada Tbk

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Sep-2019	Dec-2018	Dec-2017	Dec-2016	
		(Unaudited)	(Audited)	(Audited)	(Audited)	
Corporate Rating	<i>idA-/Stable</i>					
Rated Issues	-	Total adjusted assets [IDR bn]	4,605.1	4,053.8	3,301.7	3,024.2
		Total adjusted debt [IDR bn]	2,882.2	2,350.4	2,002.0	1,828.4
		Total adjusted equity [IDR bn]	1,232.5	1,129.6	980.2	898.1
		Total sales [IDR bn]	1,670.9	1,862.9	1,689.8	1,570.4
Rating Period		EBITDA [IDR bn]	628.1	775.8	696.2	625.8
<i>December 20, 2019 - December 1, 2020</i>		Net income after MI [IDR bn]	87.8	143.5	103.2	62.1
		EBITDA margin [%]	37.6	41.6	41.2	39.9
Rating History	-	Adjusted debt/EBITDA [X]	*3.4	3.0	2.9	2.9
		Adjusted debt/adjusted equity [X]	2.3	2.1	2.0	2.0
		FFO/adjusted debt [%]	*19.9	24.1	24.7	24.0
		EBITDA/IFCCI [X]	3.5	4.3	4.0	3.4
		USD exchange rate [IDR/USD]	14,174	14,481	13,548	13,436

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.

PEFINDO assigns "idA-" rating to PT Adi Sarana Armada Tbk

PEFINDO has assigned its "idA-" rating to PT Adi Sarana Armada Tbk (ASSA). The outlook for the corporate rating is "stable".

An obligor rated *idA* has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. The minus (-) sign in a particular rating indicates that it is relatively weak within the respective rating category.

The rating reflects ASSA's strong position in the vehicle rental industry, stable revenue stream with sound customer profile, and favorable fleet profile. The rating is constrained by its high financial leverage level, risks related to the development of courier business, and sensitivity to macroeconomic changes pressuring business growth.

The rating could be raised if ASSA exceeds its revenue and EBITDA targets, particularly on its courier and vehicles rental business. This should be accompanied by improving its financial leverage level on a sustained basis. The rating could be lowered if it fails to achieve its targeted revenue and/or EBITDA substantially. We could also lower the rating if the Company incurs significantly higher debt than projected without being compensated by improving business performance.

Established in 2003 with an initial fleet of 819 units, ASSA provides integrated transportation services for individuals and corporates, logistics transportation, driver management services, and an auction service. As of June 30, 2019, it managed more than 24,000 units vehicles. It has 17 branch offices and 25 representative offices across Indonesia. In March 2019, the Company started to operate its courier business under its subsidiary, PT Tri Adi Bersama (TAB). As of September 30, 2019, it was owned by PT Adi Dinamika Investindo (25.1%), PT Daya Adicipta Mustika (19.2%), Theodore Permadi Rachmat (5.0%), Prodjo Sunarjanto Sekar Pantjawati (10.0%), Erida (3.2%), Hindra Tanujaya (0.9%), Jany Candra (0.6%), Tjoeng Suyanto (0.1%), and the public (35.9%).

DISCLAIMER

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