

## PT Siantar Top Tbk

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<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>	<b>Sep-2020</b>	<b>Dec-2019</b>	<b>Dec-2018</b>	<b>Dec-2017</b>
			(Unaudited)	(Audited)	(Audited)	(Audited)
<b>Corporate Rating</b>	<i>idA+/Stable</i>	Total Adjusted Assets [IDR Bn]	3,307.0	2,880.7	2,630.1	2,342.4
<b>Rated Issues</b>		Total Adjusted Debt [IDR Bn]	199.6	230.6	517.7	541.7
<i>Shelf Reg. Bond I/2016</i>	<i>idA+</i>	Total Adjusted Equity [IDR Bn]	2,521.8	2,147.2	1,645.3	1,384.8
<b>Rating Period</b>		Total Adjusted Sales [IDR Bn]	2,818.0	3,512.5	2,827.0	2,825.4
<i>January 11, 2021 – January 1, 2022</i>		EBITDA [IDR Bn]	603.7	689.5	411.9	392.7
<b>Rating History</b>		Net Income after MI [IDR Bn]	479.4	482.6	255.2	216.4
<i>JAN 2020</i>	<i>idA+/Stable</i>	EBITDA Margin [%]	21.4	19.6	14.6	13.9
<i>JAN 2019</i>	<i>idA/Positive</i>	Adjusted Debt/EBITDA [X]	*0.2	0.3	1.3	1.4
<i>JAN 2018</i>	<i>idA/Stable</i>	Adjusted Debt/Adjusted Equity [X]	0.1	0.1	0.3	0.4
<i>JAN 2017</i>	<i>idA/Stable</i>	FFO/Adjusted Debt [%]	*325.8	238.4	61.0	48.7
<i>JAN 2016</i>	<i>idA/Stable</i>	EBITDA/IFCCI [X]	36.7	22.4	7.6	5.5
<i>JAN 2015</i>	<i>idA/Stable</i>	USD exchange rate [IDR/USD]	14,918	13,901	14,481	13,548
<i>JAN 2014</i>	<i>idA/Stable</i>					

*FFO = EBITDA – IFCCI + interest income – current tax expense*  
*EBITDA = (operating profit + depreciation exp. + amortization exp.)*  
*IFCCI = (gross interest expense + other financial charges + capitalized interest); foreign exchange loss not included*  
*\* annualized 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.*

### PEFINDO affirms "idA+" ratings to PT Siantar Top Tbk and its bond

PEFINDO has affirmed its "idA+" ratings to PT Siantar Top Tbk (STTP) and its Shelf-Registered Bond I/2016. The outlook for the corporate rating is "stable". At the same time, we have also affirmed our "idA+" rating for its Shelf-Registered Bond I Year 2016 Phase II Series B of IDR200.0 billion, which will mature on April 12, 2021. The Company plans to repay the bond using internal funds. As of September 30, 2020, it had cash of IDR102.1 billion and short-term investment of IDR364.4 billion in time deposits.

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

The rating reflects STTP's stable business growth backed by good operating management, strong financial profile, and well-diversified product offers. The rating is constrained by the highly competitive nature of the packaged foods market, and exposure to raw material cost fluctuations.

The rating may be raised if STTP significantly exceeds revenue and EBITDA targets on sustain basis, as well as strengthen its market position in both domestic and export markets amid intense competition. This should be accompanied by maintaining conservative financial leverage and stable profitability margins. The rating could be lowered if it fails to substantially achieve its targeted revenue and/or EBITDA. We could also lower the rating if it incurs significantly higher debt than projected, without being compensated by improving business performance.

We are of the view that STTP has been moderately impacted by the COVID-19 pandemic. It engages in a favorable food and beverage industry, which is relatively resilient to economic changes. However, a prolonged pandemic still may disrupt demand and business operation going forward. We will closely monitor the effects of the pandemic on its business operations and/or financial profile in the near to medium term.

Established in 1987, STTP is a manufacturer of packaged food products. It has production facilities in Sidoarjo (East Java), Bekasi (West Java), Medan (North Sumatra), and Makassar (South Sulawesi). As of September 30, 2020, its shares were 56.8% owned by PT Shindo Tiara Tunggal, and 40.0% and 3.2% held by the public and others, respectively. PT Shindo Tiara Tunggal is owned by Mr Shindo Sumidomo, the founder and ultimate owner of STTP.

**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.*