

PT Sinar Mas Agro Resources and Technology Tbk

Analysts: Marshall Tatuhas / Niken Indriarsih

Phone/Fax/E-mail: (62-21) 50968469 / 50968468 / marshall.tatuhas@pefindo.co.id / niken.indriarsih@pefindo.co.id

CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Mar-2021	Dec-2020	Dec-2019	Dec-2018	
		(Unaudited)	(Audited)	(Audited)	(Audited)	
Corporate Rating	<i>idA+/Stable</i>	Total adjusted assets [IDR Bn]	36,186.8	35,003.9	27,716.8	29,250.4
Rated Issues		Total adjusted debt [IDR Bn]	19,036.4	17,993.1	13,173.4	13,782.8
<i>Shelf Reg. Bond II/2020 Phase II</i>		Total adjusted equity [IDR Bn]	12,712.4	12,501.4	10,862.4	12,189.3
<i>Serie A</i>	<i>idA+</i>	Total sales [IDR Bn]	11,099.6	40,434.3	36,198.1	37,391.6
Rating Period		EBITDA [IDR Bn]	838.2	3,411.5	2,005.1	2,496.9
<i>July 22, 2021 – November 2, 2021</i>		Net income after MI [IDR Bn]	250.0	1,538.7	898.6	597.3
Rating History		EBITDA margin [%]	7.6	8.4	5.5	6.7
<i>JAN 2020 – 2021</i>	<i>idA+/Stable</i>	Adjusted debt to EBITDA [X]	*5.7	5.3	6.6	5.5
<i>APR 2017</i>	<i>idA+/Stable</i>	Adjusted debt to adjusted equity [X]	1.5	1.4	1.2	1.1
<i>SEP 2016</i>	<i>idA+/Stable</i>	FFO to adjusted debt [%]	*12.2	15.2	11.6	15.0
<i>APR 2016</i>	<i>idAA-/Negative</i>	EBITDA to IFCCI [X]	3.2	4.6	3.5	4.2
<i>DEC 2015</i>	<i>idAA-/Negative</i>	USD exchange rate [IDR/USD]	14,572	14,105	13,901	14,481
<i>APR 2014 - 2015</i>	<i>idAA-/Stable</i>					
<i>APR 2013</i>	<i>idAA-/Stable</i>					
<i>APR 2012</i>	<i>idAA-/Stable</i>					

FFO = EBITDA – IFCCI + gross interest income – current tax expense
EBITDA = (operating profit + depreciation exp. + amortization exp.)
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.

PT Sinar Mas Agro Resources and Technology Tbk maturing bond rated “*idA+*”

PEFINDO has affirmed its “*idA+*” rating for PT Sinar Mas Agro Resources and Technology Tbk. (SMAR)’s Shelf Registered Bond II/2020 Phase II Serie A of IDR572 billion due on November 2, 2021. The Company will refinance the maturing bond using fund proceeds of Shelf Registered Bond III/2021 Phase I of IDR1.5 trillion issued on June 11, 2021. SMAR reported cash and cash equivalents of IDR2.9 trillion by the end of March 2021.

Debt security rated *idA* indicates that the obligor’s capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian obligors, is strong, however, the debt security is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated debt. The Plus (+) sign indicates that the rating is relatively strong within the respective rating category.

SMAR is an integrated oil palm plantation company, which has operations in the upstream and downstream segments of the oil palm industry. Its plantation areas are located in Sumatra and Kalimantan with total planted areas (including plasma) of around 137,582 hectares (ha). Its downstream activity includes palm oil refineries with a total annual capacity of around 2.88 million tons producing refined products such as olein and stearin. Furthermore, it will have production facilities to produce biodiesel and oleo-chemical. It is listed on the Indonesia Stock Exchange, of which 92.4% of its share belonged to PT Purimas Sasmita, a holding company ultimately owned by Golden Agri Resources Ltd. The remaining portion of SMAR’s shares is owned by the public.

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.