

PT Energi Mitra Investama (EMI)

Company rating

*ir*BBB-/Stable

“Debt securities with an *ir*AA rating is only slightly lower than the highest rating. The Obligor has a very high capability in fulfilling its financial obligations.”

Rated Issues

Obligasi Energi Mitra Investama I Tahun 2022

*ir*AA

Medium Term Notes Energi

Mitra Investama Tahun 2020

*ir*AA

Rating Period

December 30, 2022 – January 1, 2024

Rating History

December, 2021

*ir*BBB-/Stable

August, 2021

*ir*BBB-/Stable

April, 2021

*ir*BBB-/Stable

May, 2020

*ir*BBB-/Stable

Kredit Rating Indonesia affirms ‘*ir*AA’ rating to Obligasi Energi Mitra Investama I Tahun 2021 totaling IDR800 billion.

Kredit Rating Indonesia (KRI) affirms a Company Rating of ‘*ir*BBB-’ for PT Energi Mitra Investama (EMI or the Company) with “stable” outlook. At the same time, KRI affirms ‘*ir*AA’ rating to Energi Mitra Investama I Tahun 2021 totaling IDR800 billion. 100% of its total outstanding debt and interest amounting to IDR1.29 trillion is guaranteed by PT Asuransi Sinar Mas (*ir*AAA/Stable). KRI also affirms a rating of ‘*ir*AA’ for the Company’s MTN Energi Mitra Investama Tahun 2020 amounting to maximum IDR600 billion. 75% of its total outstanding debt and interest amounting to IDR583.7 billion is guaranteed by PT Asuransi Sinar Mas (*ir*AAA/Stable).

Established in 2017, EMI is a holding company with 3 direct subsidiaries: PT Surya Utama Nuansa (SUN/*ir*BBB-), PT Sumberdaya Indonesia Pratama and PT Sumberdaya Pembangunan Energi. Through its subsidiaries, the Company focuses on Commercial, Residential & Industrial solar energy development.

KRI evaluates EMI’s rating based on the credit quality of its subsidiary, SUN/*ir*BBB-. The credit profile of SUN is the main anchor of EMI’s credit rating as the revenue contributor of the Company.

As of September 2022, SUN is owned by EMI by 99.99% and offers solar panel installation and services to its clients. SUN recorded a net loss of IDR6.9 billion in September 2022, equivalent to a net income margin of -12.4%. Meanwhile, in terms of EBITDA margin, it has been recorded as positive since 2021 of 12.6% due to increased capacity installation.

The rating also takes into account SUN’s leverage and demand potentials for the solar power services which indicated from projects won in early 2022. SUN’s DER of 0.6x in 2021 is relatively lower than its peers.

The rating could be raised if SUN could improve its profitability, combined with a high growth in demand for its solar installation leasing (PPA) and direct purchase that would generate substantial incoming cash flows from operations and strengthen SUN’s business position.

The rating could be lowered if the Company added debt in an excessive amount above the projected debt levels which could jeopardize its leverage position.

EMI Financial Results Highlights (Consolidated)

| As of/For the years Ended | Sept 2022 (Unaudited) | Dec 2021 (Audited) | Dec 2020 (Audited) | Dec 2019 (Audited) | Dec 2018 (Audited) |
|---------------------------------|--------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Adjusted Assets (IDR, Bn) | 1,476.4 | 1,021.5 | 768.8 | 0.8 | 0.6 |
| Total Adjusted Debt (IDR, Bn) | 1,086.7 | 642.4 | 585.7 | 0.0 | 0.0 |
| Total Adjusted Equity (IDR, Bn) | 298.7 | 358.3 | 156.1 | 0.2 | 0.1 |
| Total Sales (IDR, Bn) | 40.9 | 29.6 | 23.8 | 0.4 | 0.1 |
| Net Income (IDR, Bn) | (59.4) | (57.9) | (48.2) | 0.2 | (0.01) |
| EBIT Margin (%) | (85.3) | (125.8) | (126.6) | 53.8 | (11.3) |
| Return on Permanent Capital (%) | (3.9) | (4.3) | (8.1) | 159.3 | (38.6) |
| Debt to Equity Ratio (X) | 3.6 | 1.8 | 3.8 | 0.0 | 0.0 |
| EBITDA/Total Adjusted Debt (X) | (0.04) | (0.05) | (0.05) | - | - |
| EBITDA/IFCCI (X) | (0.5) | (0.5) | (0.7) | - | - |

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