

## PT Sari Murni Abadi

**Company rating** *ir*BBB+/Stable

**Rated Issues**

Medium Term Notes I Sari Murni Abadi Tahun 2022 *ir*BBB+

**Rating Period**

September 29, 2023 – October 1, 2024

**Rating History**

November, 2022 *ir*BBB+

September, 2022 *ir*BBB+

"Debt Securities with *ir*BBB rating have an adequate level of certainty to honor its financial obligations. However, this certainty is more likely to diminish in the future than with the higher rating categories".

The plus sign (+) indicates that the rating given is closer to the rating scale above it.

### Kredit Rating Indonesia affirms '*ir*BBB+' rating to Medium Term Notes I Sari Murni Abadi Tahun 2022 amounting to IDR200 Bn

Kredit Rating Indonesia (KRI) affirms a Company Rating of '*ir*BBB+' with 'Stable' outlook to PT Sari Murni Abadi ("SMA" or "the Company"). At the same time, KRI affirms '*ir*BBB+' rating to SMA's Medium Term Notes I Sari Murni Abadi Tahun 2022 amounting to IDR200 Bn. The ratings reflect the Company's strong brand equity position, wide distribution area and several marketing activities. However, the ratings are constrained by the company's financial profile.

SMA has been operating for more than 20 years, and has received several awards for its brand recognition from other parties. The Company's revenue reached IDR610 Bn in FY22 from IDR555 Bn in FY21 or equivalent an increase of 10%. The Company also has the capacities to distribute the products to all over Indonesia covering 40,000 outlets using major and sub-distributors. Furthermore, the Company has been exporting its products to several countries, such as Cambodia, Kuwait, Taiwan, Guinea, New Zealand, Israel, Yamen, Liberia, United Arab Emirates and Oman with total export sales contribution of 1.6% in FY22. In terms of marketing strategy, the Company has used digital marketing. Besides, the Company continues to market its products through offline marketing activities such as school visits, public area marketing, etc.

However, we are of the view that the Company has an aggressive capital structure as its adjusted debt to adjusted equity ratio stood at 43.96x as of June 30, 2023. The Company also has a weak coverage ratio with EBITDA to interest ratio of 0.91x as of June 30, 2023. The ratings can be increased if the Company manages to improve its financial profile.

SMA is a non-public listed company, and as of June 30, 2023, the Company's shares were owned by Metaside Global Holding Pte Ltd (99.9997%), and PT Metro Dinamika Indotama (0.0003%).

#### SMA Financial Results Highlights (Consolidated)

| As of/For the year ended          | June 2023<br>(Unaudited) | Dec 2022<br>(Audited) | Dec 2021<br>(Audited) | Dec 2020<br>(Audited) |
|-----------------------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| Total Adjusted Assets (IDR, Bn)   | 373.6                    | 276.2                 | 178.8                 | 169.7                 |
| Total Adjusted Debt (IDR, Bn)     | 145.7                    | 124.7                 | 30.8                  | 40.8                  |
| Total Adjusted Equity (IDR, Bn)   | 3.3                      | -30.6                 | -17.2                 | 33.5                  |
| Total Sales (IDR, Bn)             | 352.5                    | 610.4                 | 554.6                 | 500.0                 |
| Net Income (IDR, Bn)              | -0.5                     | -21.5                 | 22.5                  | 7.3                   |
| EBITDA Margin (%)                 | 1.9                      | 2.2                   | 6.0                   | -2.0                  |
| EBIT Margin (%)                   | 1.6                      | 1.9                   | 5.7                   | 3.7                   |
| EBITDA/Adjusted Debt (x)          | 0.1                      | 0.1                   | 1.0                   | 0.5                   |
| Adjusted Debt/Adjusted Equity (x) | 44.0                     | N.R                   | N.R                   | 1.2                   |
| FFO/ Adjusted Debt (%)            | 0.5                      | 0.4                   | -2.2                  | 1.2                   |
| EBITDA/IFCCI (x)                  | 0.9                      | 3.0                   | 9.7                   | -1.6                  |
| USD Exchange Rate (IDR/USD)       | 15,062                   | 15,731                | 14,269                | 14,105                |

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