

## PT Bintang Oto Global Tbk

## Corporate rating

*ir*BBB+/Stable

## Rated Issues

Proposed MTN Bintang  
Oto Global Tahun 2021  
Amounting to IDR500 Bn

*ir*BBB+

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

The positive sign (+) indicates that the rating has a high likelihood of an upward rating revision in the near to medium term compared to the lower rating category.

## Rating Period

August 13, 2021 – August 1, 2022

Kredit Rating Indonesia assigns ‘*ir*BBB+’ rating to Proposed MTN Bintang Oto Global Tahun 2021 totaling IDR500 Bn

Kredit Rating Indonesia (KRI) assigns a Corporate Rating of ‘*ir*BBB+’ for PT Bintang Oto Global Tbk (BOGA or the Company) with a ‘Stable’ outlook. At the same time, KRI also assigns ‘*ir*BBB+’ to BOGA’s proposed MTN Bintang Oto Global Tahun 2021 of IDR500 Bn that will be used for business expansion. The ratings reflect the Company’s relatively strong market presence as a distributor of Honda car in East Java Province as a result of its strategy to enter cities with limited number of competitors, and healthy capital structure. However, the rating is constrained by the Company’s aggressive financial leverage in relation to its expansion plans to enter the commercial car rental business in the future.

The Company focuses on selling new cars, specifically under the brand of Honda. BOGA has a strong foothold in East Java Province with 14.19%, and 15.0% market shares for Honda’s new car sales in East Java in 2019 and 2020, respectively. BOGA’s strategy to enter cities with limited competitors has fruited such position for the Company. Going forward, BOGA plans to expand its business by entering the commercial car rental business following its cooperation with one of the logistics companies in Indonesia.

BOGA has a good level of capitalization, shown by its 0.1x Debt-to-Equity Ratio (DER) as of March 31, 2021. BOGA also has a strong ability to cover its interest expense as the Company’s interest coverage ratio stood at 8.4x as of March 31, 2021 (the strongest since 2016).

Established in 2011, BOGA is a national Honda car dealer company, with its shareholder ownership composition as of March 31, 2021, was PT Capital Life Syariah (17.9%), PT Sinar Solusindo Sejahtera (29.5%), and public (52.6%).

## BOGA’s Consolidated Financial Results Highlights

As of/For the year ended	March 2021 (Unaudited)	Dec 2020 (Audited)	Dec 2019 (Audited)	Dec 2018 (Audited)
Total Assets (IDR, Bn)	597.0	585.9	570.7	562.7
Total Adjusted Debt (IDR, Bn)	62.5	69.8	68.5	69.4
Total Adjusted Equity (IDR, Bn)	431.7	427.8	418.2	408.4
Total Sales (IDR, Bn)	140.0	478.0	790.8	692.2
Net Income After MI (IDR, Bn)	3.9	14.6	23.4	11.7
EBIT Margin (%)	3.1	1.3	2.3	3.0
Return of Permanent Capital (%)	3.5	1.3	3.7	4.4
EBITDA/Total Adjusted Debt (x)	0.1	0.3	0.5	0.5
Adjusted Debt /Adj. Equity (x)	0.5	0.2	0.2	0.2
EBITDA/IFCCI (x)	8.4	3.3	4.4	6.4
FFO/Total Adjusted Debt (x)	70.0	11.1	29.1	35.7
USD Exchange Rate (IDR/USD)	14,572	14,105	13,901	13,436

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