

PT Energi Mitra Investama (EMI)

Corporate rating ***ir*BBB-/Stable**

Rated Issues

Proposed Obligasi Energi Mitra

Investama I Tahun 2022

MTN Energi Mitra Investama Tahun 2020 ***ir*AA**

“Debt securities with an *ir*AA rating have a rating that is only slightly lower than the highest rating. The obligor has a very high capability to fulfill its financial obligations.”

Rating Period

December 16, 2021 – January 1, 2023

Rating History

August 2021

***ir*BBB-/Stable**

April 2021

***ir*BBB-/Stable**

May 2020

***ir*BBB-/Stable**

Kredit Rating Indonesia assigns ‘*ir*AA’ rating to Proposed Obligasi Energi Mitra Investama I Tahun 2022 totaling IDR800 billion.

Kredit Rating Indonesia (KRI) affirms a Corporate 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 Proposed Obligasi Energi Mitra Investama I Tahun 2022 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 has also affirmed 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).

EMI was established in 2017 and has 3 direct subsidiaries: PT Surya Utama Nuansa (*ir*BBB-), PT Sumberdaya Indonesia Pratama and PT Sumberdaya Pembangunan Energi. Through its subsidiaries, EMI has businesses in solar panel services. Its main revenue driver is PT Surya Utama Nuansa (SUN) with revenue of IDR10.64 billion as of 1H21 (2020: IDR23.77 bn).

As of June 2021, SUN is owned by EMI by 99.99% and offers solar panel installation and services to its clients. In 2020 SUN Net Income margin dropped to -64.66% from -80.46% in the previous year. The company suffered negative EBITDA Margin in the last 5 years which caused capital deficiency of Rp -6.26Bn in 2019. In 2020, EMI injected IDR170Bn to SUN which help alleviating SUN’s negative equity position in 2019.

The rating also takes into account SUN’s improved leverage and strong demand potentials for the solar power services which indicated from new projects won in early 2021. SUN’s DER of 0.35x in 2020 is lower than its peers. The unique solar installation leasing model that SUN applied generates a recurring income and will continue to increase along with current additional 6.65MW ongoing projects as of 1H2021. The purposes of EMI’s bond issuance are to repay MTN and to continue developing Solar PV business. As of 1H2021, EMI increased its DER level to 4.62x (FY2020: 3.74x). Current capital strengthening program to add capital of IDR260Bn will help improving EMI’s leverage. KRI assumes the plan will be realized in the second quarter of 2021.

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 HIGHLIGHTS	Jun-2021 (Audited)	Dec-2020 (Audited)	Dec-2019 (Audited)	Dec-2018 (Audited)
Total Adjusted Assets (IDR Bn)	741.74	768.79	0.78	0.58
Total Adjusted Debt (IDR Bn)	592.95	583.29	0.00	0.00
Total Adjusted Equity (IDR Bn)	128.47	156.11	0.21	0.05
Total Sales (IDR Bn)	11.17	23.77	0.39	0.09
Net Income (IDR Bn)	(29.27)	(48.24)	0.16	(0.01)
EBIT Margin (%)	(149.51)	(126.57)	53.75	(11.28)
Return on Permanent Capital (%)	(4.57)	(8.14)	159.25	(38.55)
Debt to Equity Ratio (X)	4.62	3.74	-	-
EBITDA/Total Adjusted Debt (X)	(0.06)	(0.05)	-	-
EBITDA/IFCCI (X)	(0.60)	(0.79)	-	-

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