

PT AB Sinar Mas Multifinance (ABSM)

Corporate rating

*ir*A-/Stable

Rated Issues

*Obligasi AB Sinar Mas
Multifinance 2020*

*ir*A-

"Debt Securities with *ir*A rating has a high level of certainty to honor its financial obligations, but it can be affected by adverse changes in business and economic conditions, relative to debt securities with a higher rating."

Rating Period

May 25, 2023 – September 4, 2023

The minus sign (-) indicates that the rating is still higher than the rating category below, although it is closer to the lower rating than it is to the higher rating category.

Rating History

May, 2022

*ir*A-/Stable

April, 2021

*ir*A-/Stable

May, 2020

*ir*A-/Stable

Kredit Rating Indonesia has affirmed '*ir*A-' rating to Obligasi AB Sinar Mas Multifinance 2020 amounting to IDR 300 billion.

Kredit Rating Indonesia (KRI) has affirmed a Company Rating of '*ir*A-' for PT AB Sinar Mas Multifinance (ABSM or the Company) with "stable" outlook. At the same time, KRI has affirmed '*ir*A-' rating to Obligasi AB Sinar Mas Multifinance 2020 amounting to maximum IDR300 billion.

The rating reflects strong support to ABSM from the parent company (PT Sinar Mas Multiartha Tbk – SMMA/*ir*AA) and its financing growth. However, the rating is constrained by aggressive leverage level in 2022.

Began its operation in 1995, ABSM is a subsidiary of PT Sinar Mas Multiartha Tbk which focuses its business in financing, particularly factoring and leasing targeting corporate market segment.

KRI views that ABSM rating is a reflection of commitment from its majority shareholder, SMMA (*ir*AA), to provide operational support to ABSM. The Company distributed most of its financing to SMMA's business partners in the last 5 years.

It is important to note that ABSM's rating is sensitive to both the company's profitability and leverage level. Therefore, maintaining a favorable profitability performance and effectively managing leverage will play a crucial role in preserving the company's rating.

ABSM Financial Results Highlights

For the year ended	Dec 2022 (Audited)	Dec 2021 (Audited)	Dec 2020 (Audited)	Dec 2019 (Audited)	Dec 2018 (Audited)
Total Assets (IDR, Bn)	2,428.2	1,729.3	847.1	789.1	917.9
Total Debt (IDR, Bn)	1,832.2	1,192.8	353.6	325.6	473.7
Total Equity (IDR, Bn)	586.0	530.1	468.8	452.0	436.4
Net Interest Revenue (IDR, Bn)	116.6	91.9	87.7	55.3	63.8
Net Income (IDR, Bn)	61.8	49.0	36.0	15.4	17.9
Debt to Equity Ratio (x)	3.1	2.3	0.8	0.7	1.1
Equity/Asset (%)	24.1	30.7	55.3	57.3	47.6
Return On Asset (%)	3.0	3.8	4.4	1.8	1.8
Return On Equity (%)	11.1	9.8	7.8	3.5	4.2
NPF (%)	0.0	0.0	0.0	0.0	0.0

Analyst : Gromy Pilipi Pranata Purba (gromy.purba@kreditratingindonesia.com)
Cut Nabila Saraziva (cut.nabila@kreditratingindonesia.com)

DISCLAIMER

PT Kredit Rating Indonesia (KRI) does not represent or warrant or guarantee the accuracy, completeness, timeliness or availability of the contents of this report or publication. KRI does not perform an audit and does not undertake due diligence or independent verification of any information used as the basis of and presented in this report or publication. Although the information upon which KRI rating report are based, and any other contents provide in this rating report is obtained by KRI from sources which KRI believes to be reliable.

KRI will be held harmless against any responsibility arising from its use, its partial use, or its lack of use, in combination with other products or used solely, nor can it be held responsible for the result of its use or lack of its use in any investment or other kind of financial decision making on which this report or publication is based. The issuance of a solicited or unsolicited rating report does not supply financial, legal, tax or investment consultancy. The rating report is not an opinion as to the value of securities, therefore KRI is not responsible for any credit, loan or investment decision, damages or other losses resulting from the reliance upon or use of this report.

In no event shall KRI be held liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses including but not limited to lost profits and opportunity costs in connection with any use of the contents of this rating report or publication.

Credit analyses, including ratings, and statements in this report or publication are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities or to make any investment decision. Therefore, this report may not reflect any event or circumstances which occur after the date of this report.

KRI also assumes no obligation to update the content following publication in any form. KRI does not act as fiduciary or an investment advisor. KRI keeps the activities of its analytical units separate from its business units to preserve independence and objectivity of its analytical process and products. As a result, certain units of KRI may have information that is not available to other units. KRI has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. KRI may receive compensation for its ratings and other analytical work, normally from issuers of securities. KRI reserves the right to disseminate its opinions and analyses. KRI's public ratings and analyses are made available on its website, <http://www.kreditratingindonesia.com> (free of charge) and through other subscription based services, and may be distributed through other means, including via KRI publications and third party redistributors. Information in KRI's website and its use fall under the restrictions and disclaimer stated above. No part of KRI's website, the content of this report, may be reproduced or transmitted by any means, electronic or non-electronic whether in full or in part, will be subjected to written approval from KRI.