

PT Provident Investasi Bersama Tbk

Company Rating *ir*A+/Stable

Rated Issue

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Rating Period

July 19, 2024 – August 1, 2025

Rating History

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"Obligor 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 Obligor with a higher rating."

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

Kredit Rating Indonesia assigns '*ir*A+' rating to PT Provident Investasi Bersama Tbk

Kredit Rating Indonesia (KRI) assigns a Company Rating of '*ir*A+' with 'Stable' outlook for PT Provident Investasi Bersama Tbk ("PALM" or "the Company"). The rating reflects PALM's focus on investing in companies with good creditworthiness, and liquid assets. However, the Company's rating is limited by the fact that it generates very little recurring income.

As of March 31, 2024, based on the amount of total investment, PALM's investment portfolio primarily consisted of shares in three listed companies: PT Merdeka Battery Materials Tbk (MBMA) at 52.4%, PT Merdeka Copper Gold Tbk (MDKA) at 41.0%, and PT Mega Manunggal Property Tbk (MMLP) at 6.6%. Both MDKA and MBMA are considered to have strong creditworthiness, with ratings of *ir*A+ and *ir*A respectively. PALM focuses on highly tradable investments. Their holdings consist primarily of liquid assets, specifically shares in companies like MDKA and MBMA. Inclusion of these companies in the LQ45 Index confirms their active trading on the stock market.

However, It is important to note that PALM's recurring income is currently limited. This is because its subsidiaries have not yet begun distributing dividends. The Company has received some recurring income in the past, with figures of IDR2.1 Bn (FY2021), IDR2.2 Bn (FY2022), IDR3.1 Bn (FY2023), and IDR0.6 Bn (3M2024).

The rating could be raised if the Company secures higher recurring income on a sustainable basis. Conversely, the rating could be lowered if PALM takes on more debt than previously anticipated without a corresponding increase in assets value.

After the completed Rights Issue in April 2024, the Company's shareholders with voting rights are PT Provident Capital Indonesia (55.8%), PT Saratoga Sentra Business (9.0%), Garibaldi Thohir (15.4%), Winato Kartono (6.2%), Hardi Wijaya Liong (4.6%), Tri Boewono (0.4%), and public shareholders (8.6%).

PALM Financial Results Highlights (Consolidated)

As of/For the year ended	Mar 2024 (Unaudited)	Dec 2023 (Audited)	Dec 2022 (Audited)	Dec 2021 (Audited)
Total Adjusted Assets (IDR, Bn)	7,646.3	8,806.0	5,765.4	5,867.7
Total Adjusted Debt (IDR, Bn)	2,725.6	2,717.3	-	-
Total Adjusted Equity (IDR, Bn)	4,574.8	2,460.4	5,763.0	5,827.7
Net Gain (Loss) on Investment (IDR, Bn)	(1,089.1)	(3,138.7)	285.9	1,995.5
Net Income (Loss) (IDR, Bn)	(1,183.6)	(3,304.3)	239.6	2,014.4
Total Adjusted Debt / Total Adjusted Equity (x)	0.6	1.1	-	-
Recurring Cash Inflows (IDR, Bn) ¹	0.6	3.1	2.2	2.1
Nondiscretionary Recurring Cash Outflows (IDR, Bn) ²	63.2	159.0	84.5	176.3
Recurring Cash Inflows/Nondiscretionary Recurring Cash Outflows (%)	0.9	1.9	2.6	1.2
Loan to Value (%) ³	34.5	30.3	0.0	0.0
USD Exchange Rate (IDR/USD)	15,853	15,416	15,731	14,269

1. Recurring cash inflows is calculated from the summation of dividend, and interest income
2. Nondiscretionary recurring cash outflows is calculated by adding cash paid to suppliers and operating expenses, bank administration fee, finance costs, and tax
3. Loan to value is calculated from total net debt divided by fair value of investment

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