

PT Voksel Electric Tbk

Company Rating

irA-/Stable

Rated Issues

Obligasi Berkelanjutan I Voksel Electric Tahun 2022

irA-

Obligasi Berkelanjutan II Voksel Electric Tahun 2023

irA-

Rating Period

August 1, 2024 – August 1, 2025

Rating History

July, 2023

irA-/Stable

July, 2022

irA-/Stable

“Debt Securities with *irA* 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.

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.

Kredit Rating Indonesia affirms ‘*irA-*’ rating to Obligasi Berkelanjutan I Voksel Electric Tahun 2022 totaling IDR350 Bn and Obligasi Berkelanjutan II Voksel Electric Tahun 2023 totaling IDR500 Bn

Kredit Rating Indonesia (KRI) affirms a Company Rating of ‘*irA-*’ for PT Voksel Electric Tbk (VOKS or the Company) with “Stable” outlook. At the same time, KRI affirms ‘*irA-*’ rating to Obligasi Berkelanjutan I Voksel Electric Tahun 2022 totaling IDR350 Bn and Obligasi Berkelanjutan II Voksel Electric Tahun 2023 totaling IDR500 Bn. The ratings still reflect its robust market position and strong financial flexibility. However, the ratings are constrained by the Company’s limited capacity to pay debt and its exposure to exchange rate risk.

VOKS is one of the largest cable manufacturers and providers in Indonesia with 50 years of experience in Indonesia. With a long track record, VOKS has become one of the suppliers of Power Cables for PT Perusahaan Listrik Negara (Persero) or PLN. VOKS’ revenue from PLN has been increasing these past few years from IDR949.0 Bn in 2022 to IDR1,358.3 Bn in 2023 or increasing around 43%. The Company’s revenue also increased to IDR3,055.4 Bn in 2023 or a rise 16% from its revenue of IDR2,628.6 Bn in 2022.

The Company has been listed on the Indonesia Stock Exchange and the Company’s shareholders composition has been changed with Hengtong Optic Electric International Co. Ltd (HOEI) increasing its shares ownership to 42.97% in 2023. As the main shareholder of VOKS, HOEI’s supports are shown by providing long-term of payment for material supplied and providing a corporate guarantee to the Company’s bank loan from China Construction Bank. Furthermore, the Company has benefited from its new shareholders as VOKS’ can learn from HOEI’s research and development team. VOKS was granted a technology transfer from HOEI to develop new products.

As VOKS follows the international prices in purchasing the main raw materials, the Company is exposed to exchange rate risk. Furthermore, cable price is influenced by the price of copper and aluminum as well as the exchange rate of USD to IDR. The company has mitigated exchange rate risk and fluctuation of raw materials prices through hedging foreign currency at KGI Securities using NDF.

The Company issued bonds of IDR350 Bn in 2023 resulting its adjusted debt-to-equity ratio (DER) slightly increased from 1.2x in 2022 to 1.35x in 2023. However, the Company managed to increase its EBITDA in 2023 resulting in a better profitability margin (adjusted EBITDA margin of 6.9%), yet its adjusted EBITDA to debt ratio of 0.21x indicated limited capacity in debt repayment. Going forward, the Company still projected relatively stable adjusted EBITDA to debt ratio that is still below 1x.

As of March 31, 2024, the Company’s shareholders were Hengtong Optic Electric International Co., Ltd. (42.97%), DBS VICKERS (HONG KONG) LIMITED A/C Hengtong Optic-Electric International Co., Ltd. (30.08%), SWCC Corporation (10.02%) and others (16.93%).

VOKS 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)	2,576.96	2,622.19	2,665.56	2,893.15
Total Adjusted Debt (IDR, Bn)	1,050.05	992.83	865.46	1,217.39
Total Adjusted Equity (IDR, Bn)	719.56	734.92	718.72	905.77
Total Sales (IDR, Bn)	494.81	3,055.44	2,628.55	1,710.09
Net Income After MI (IDR, Bn)	45.26	18.02	-191.04	-210.83
EBITDA Margin (%)	-5.44	6.87	-1.18	-1.22
Adjusted Debt/EBITDA (x)	-9.76	4.73	-27.88	-58.27
Adjusted Debt/Adjusted Equity (x)	1.46	1.35	1.20	1.34
EBITDA/IFCCI (x)	-1.23	2.20	-0.29	-0.19
FFO/Total Adjusted Debt (%)	0,01	0,16	-0.19	-0.12
USD Exchange Rate (IDR/USD)	15,853	15,416	14,269	14,105

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