

PT Multi Sandang Tamajaya

Company Rating	<i>ii</i> BBB-/Stable	<p>“Debt securities with an <i>ii</i>BBB rating has an adequate level of certainty to honor its financial obligations. However, this certainty is more likely to diminish in the future than with the higher rating categories.</p> <p>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.</p>
Rated Issue		
Proposed Medium Term Notes II PT Multi Sandang Tamajaya Tahun 2024	<i>ii</i> BBB-	

Rating Period

October 10, 2024 – October 1, 2025

Rating History

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Kredit Rating Indonesia assigns ‘*ii*BBB-’ rating to Proposed Medium Term Notes II PT Multi Sandang Tamajaya Tahun 2024 totaling IDR150 Bn

Kredit Rating Indonesia (KRI) assigns a Company Rating of ‘*ii*BBB-’ for PT Multi Sandang Tamajaya (MSTM or the Company) with a ‘Stable’ outlook. At the same time, KRI has assigned ‘*ii*BBB-’ rating to MSTM’s proposed Medium Term Notes II PT Multi Sandang Tamajaya Tahun 2024 totaling IDR150 Bn that will be used for working capital. The ratings reflect the existence of the Company to the group with strong support from the shareholder. However, the ratings are constrained by the Company’s small market position and fierce competition in the industry.

MSTM is a prominent national textile trading and manufacturing company. As part of a larger group, MSTM leverages its affiliates, including PT Central Sandang Jayatama (CSJM), PT Alfa Sarana Insani (ASAI), PT Multitex Sarana Usaha (MTSU), and others, to produce a wide range of textile products from denim and greige fabrics to piece dyed and printed fabrics. As of June 30, 2024, MSTM’s shares were owned by PT Alfa Sarana Insani (76.47%), Mr. Karadi Hanam (15.29%), and Mr. Suradi Hanam (8.24%). MSTM receives a strong support from its management, as shown by the the Company’s financial policy of not paying dividend to the shareholders in 2020 – 7M2024. Else, the shareholders are committed to purchase the upcoming Medium Term Notes that will be issued by the Company.

Despite MSTM's gradual revenue growth, its market share within the textile industry remains relatively small. The Company also faces intense competition, both domestically and from imported fabrics, particularly from China. The ratings can be increased if MSTM manages to increase its market share on a sustainable basis, as well as expand its types of products trade. On the other hand, the ratings could be lowered if the Company finances its expansion plan with debt that is substantially larger than projected, without being compensated by improving business performance.

MSTM Financial Result Highlights

As of/For the years ended	July 2024 (Unaudited)	Dec 2023 (Audited)	Dec 2022 (Audited)	Dec 2021 (Audited)
Total Adjusted Assets (IDR, Bn)	371.1	425.6	399.5	363.8
Total Adjusted Debt (IDR, Bn)	184.8	262.8	246.0	202.5
Total Adjusted Equity (IDR, Bn)	94.8	96.1	81.8	77.3
Total Sales (IDR, Bn)	301.8	563.8	607.6	431.8
EBIT (IDR, Bn)	14.6	31.4	20.0	21.7
EBIT Margin (%)	4.9	5.6	3.3	5.0
Return on Permanent Capital (%)	8.9	9.3	6.6	7.5
Adjusted Debt/Adjusted Equity (x)	2.0	3.1	3.0	2.6
EBITDA/Total Adjusted Debt (x)	0.2	0.1	0.1	0.1
EBITDA/IFCCI (x)	1.4	1.6	1.2	N.m
FFO/Total Adjusted Debt (%)	5.2	3.8	3.1	2.3
USD Exchange Rate (IDR/USD)	16,320	15,416	15,731	14,105

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