

PT Sinar Mas Agro Resources and Technology Tbk

Credit Rating(s)

General Obligation (GO)	idAA-/Stable
Shelf Registered Bond II	idAA-
Shelf Registered Bond III	idAA-
Shelf Registered Bond IV	idAA-

Rating Period

November 13, 2023 – February 19, 2024

Published Rating History

MAR 2023	idAA-/Stable
JUL 2022	idAA-/Stable
MAR 2022	idAA-/Stable
NOV 2021	idA+/Stable
MAR 2021	idA+/Stable

Rating Definition

Debt security rated idAA differs from the highest-rated debt only to a small degree. The issuer's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian issuers, is very strong. The minus (-) sign indicates that the rating is relatively weak within its category.

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PEFINDO has affirmed its idAA- rating for PT Sinar Mas Agro Resources and Technology Tbk (SMAR)'s Shelf-Registered Bond II/2021 Phase III Serie B of IDR380 billion due on February 19, 2024. The Company plans to repay the maturing bonds by using internal fund. SMAR reported cash and cash equivalents of IDR1.96 trillion as of September 30, 2023.

SMAR is an integrated oil palm plantation company, which has operations in the upstream and downstream segments of the oil palm industry. Its plantation areas are located in Sumatra and Kalimantan with total planted areas (including plasma) of around 136,600 hectares (ha) as of September 30, 2023. Its downstream activity includes palm oil refineries with a total annual capacity of around 2.88 million tons producing refined products such as olein and stearin and other derivative products as well as biodiesel and oleo-chemicals plants. SMAR is listed on the Indonesia Stock Exchange, and as of September 30, 2023, 92.4% of its shares belonged to PT Purimas Sasmita, a holding company ultimately owned by Golden Agri Resources Ltd. The remaining portion of SMAR's shares is owned by the public.

Financial Highlights

As of/for the year ended	Sep-2023	Dec-2022	Dec-2021	Dec-2020
Consolidated Figure	(Unaudited)	(Audited)	(Audited)	(Audited)
Total adjusted assets [IDR bn]	39,055.8	42,508.6	40,240.8	34,931.5
Total adjusted debt [IDR bn]	15,902.0	18,274.7	19,759.2	17,993.1
Total adjusted equity [IDR bn]	18,574.7	19,155.6	14,313.6	12,429.0
Total sales [IDR bn]	48,908.4	75,045.6	57,004.2	40,434.3
EBITDA [IDR bn]	2,007.5	7,774.2	5,273.0	3,410.5
Net income after MI [IDR bn]	522.1	5,500.5	2,826.8	1,538.7
EBITDA margin [%]	4.1	10.4	9.3	8.4
Adjusted debt/EBITDA [X]	*5.9	2.4	3.7	5.3
Adjusted debt/adjusted equity [X]	0.9	1.0	1.4	1.4
FFO/adjusted debt [%]	*8.6	29.4	19.6	15.2
EBITDA/IFCCI [X]	2.1	5.8	4.7	4.6
USD exchange rate [IDR/USD]	15,526	15,731	14,269	14,105

FFO = EBITDA – IFCCI + Interest Income – Current Tax Expense

EBITDA = Operating Profit + Depreciation Expense + Amortization Expense

IFCCI = Gross Interest Expense + Other Financial Charges + Capitalized Interest; (FX Loss not included)

MI = Minority Interest

*annualized

The above ratios have been computed based on information from the company and published accounts. Where applicable, some items have been reclassified according to PEFINDO's definitions.

DISCLAIMER

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