

PT Bintang Oto Global Tbk

Corporate rating *ir*BBB+/Stable

Rated Issues

Proposed Bond Obligasi Bintang
Oto Global Tbk Tahun 2020
Amounting to IDR1 Trillion

*ir*BBB+

“Debt securities with an *ir*BBB rating have an adequate level of certainty to honor the financial obligations. However, this certainty is more likely to diminish in the future than with the higher rating categories.

The positive sign (+) indicates that the rating has a high likelihood of an upward rating revision in the near to medium term compared to the lower rating category.

Rating Period

July 16, 2020 – August 1, 2021

Kredit Rating Indonesia assigns ‘*ir*BBB+’ rating to Proposed Bond Obligasi Bintang Oto Global Tbk Tahun 2020 totaling IDR1 trillion

Kredit Rating Indonesia (KRI) assigns a Corporate Rating of ‘*ir*BBB+’ for PT Bintang Oto Global Tbk (BOGA or the Company) with a ‘Stable’ outlook. At the same time, KRI assigns ‘*ir*BBB+’ to BOGA’s proposed Bonds 2020 of IDR1 trillion that will be used for business expansion. The ratings reflect the Company’s relatively strong market presence as a distributor of Honda new car in East Java region. BOGA’s moderate financial profile is also a rating consideration.

The Company focuses on selling new cars, specifically under the brand of Honda. BOGA sales value continuously increased from IDR357.8 billion in 2017, to IDR676 billion in 2019. As a result, BOGA controlled around 14.19% of Honda new car sales in East Java in 2019.

BOGA has a good level of capitalization, shown by the Debt to Equity (DER) ratio at the level of around 0.2x during 2017 - 2019. BOGA’s ability to cover interest payment is quite satisfactory as the Company’s EBITDA/IFCCI ratio stood at 4.4x at end 2019 (2018: 6.4x, 2017: 6.3x, 2016: 5.8x). However, the Company’s rating is constrained by its aggressive expansion plan to open numbers of workshops throughout Indonesia which will weaken its DER ratio to 2.2x in 2020F.

BOGA Financial Results Highlights

As of/For the year ended	Dec 2019 (Audited)	Dec 2018 (Audited)	Dec 2017 (Audited)	Dec 2016 (Audited)
Total Assets (IDR, bn)	570.7	562.7	520.2	431.4
Total Adjusted Debt (IDR, bn)	68.5	69.4	62.6	20.2
Total Adjusted Equity (IDR, bn)	418.2	408.4	405.7	397.2
Total Sales (IDR, bn)	790.8	692.2	395.4	446.0
EBITDA (IDR, bn)	31.6	33.1	20.4	17.7
Net Income After MI (IDR, bn)	9.8	11.7	8.2	9.8
EBITDA Margin (%)	4.0	4.8	5.2	4.0
Adjusted Debt/EBITDA (x)	2.2	2.1	3.1	1.1
Adjusted Debt /Adj. Equity (x)	0.2	0.2	0.2	0.1
EBITDA/IFCCI (x)	4.4	6.4	6.3	5.8
FFO/Total Adjusted Debt (x)	0.4	0.4	1.3	0.7
USD Exchange Rate (IDR/USD)	13,901	14,481	13,548	13,436

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