

PT Bintang Oto Global Tbk

Corporate rating

*ir*BBB+/Stable

Rated Issues

Proposed Bond Obligasi Bintang
Oto Global I Tahun 2021
Amounting to IDR1 Tn

*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

February 18, 2021 – August 1, 2021

Kredit Rating Indonesia affirms ‘*ir*BBB+’ rating to Proposed Bond Obligasi Bintang Oto Global I Tahun 2021 totaling IDR1 Tn

Kredit Rating Indonesia (KRI) affirms 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 affirms ‘*ir*BBB+’ to BOGA’s proposed Bond Obligasi Bintang Oto Global I Tahun 2021 of IDR1 Tn that will be used for business expansion. KRI performs a special review for these ratings due to the latest data of Financial Consolidated Audit Report as of October 31, 2020, submitted by the Company following the Bond ‘Obligasi Bintang Oto Global I Tahun 2021’ issuance to replace Bond ‘Obligasi Bintang Oto Global Tbk Tahun 2020’. The ratings reflect the Company’s relatively strong market presence as a distributor of Honda new car in East Java Province, and strategy to enter cities with less competition which results a sustainable profit. BOGA’s moderate financial profile is also a rating consideration.

The Company focuses on selling new cars, specifically under the brand of Honda. BOGA has a strong foothold in East Java Province with 14.19% market share for Honda new car sales in East Java in 2019 and in 3M20. The Company’s strategy to enter cities with low competition has benefitted the Company during the time of COVID-19 pandemic as the Company manages to sustain its profit margins.

BOGA has a conservative capital structure, shown by the Debt to Equity (DER) ratio of 0.1x as of October 31, 2020. BOGA’s ability to cover interest payment is also quite satisfactory as the Company’s EBITDA/IFCCI ratio stood at 4.8x in 10M20. However, the Company’s rating is constrained by its aggressive expansion plan to open numbers of workshops throughout Indonesia which will weaken its capital structure in 2021F.

BOGA’s Consolidated Financial Results Highlights

As of/For the year ended	Oct 2020 (Audited)	Dec 2019 (Audited)	Dec 2018 (Audited)	Dec 2017 (Audited)
Total Assets (IDR, Bn)	551.3	570.7	562.7	520.2
Total Adjusted Debt (IDR, Bn)	59.1	68.5	69.4	62.6
Total Adjusted Equity (IDR, Bn)	421.3	418.2	408.4	405.7
Total Sales (IDR, Bn)	378.1	790.8	692.2	395.4
Net Income After MI (IDR, Bn)	3.1	9.8	11.7	8.2
EBIT Margin (%)	2.1	2.3	3.0	3.6
Return of Permanent Capital (%)	1.9	3.7	4.4	3.2
EBITDA/Total Adjusted Debt (x)	0.4	0.5	0.5	0.3
Adjusted Debt /Adj. Equity (x)	0.1	0.2	0.2	0.2
EBITDA/IFCCI (x)	4.8	4.4	6.4	6.3
FFO/Total Adjusted Debt (x)	24.0	29.1	35.7	26.1
USD Exchange Rate (IDR/USD)	14,690	14,174	14,481	13,548

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