

## PT Venteny Fortuna International Tbk

### Company rating

*ir*BBB+/Stable

### Rated Issues

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### Rating Period

August 22, 2023 – September 1, 2024

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

The plus sign (+) indicates that the rating given is closer to the rating scale above it.

### Kredit Rating Indonesia assigns a Company Rating of '*ir*BBB+' for PT Venteny Fortuna International Tbk

Kredit Rating Indonesia (KRI) assigns a Company Rating of '*ir*BBB+' for PT Venteny Fortuna International Tbk (VTNY or the Company) with "Stable" outlook. The rating reflects VTNY's well-diversified revenue streams and robust financial backing from its parent company for funding. The rating is constrained by factors such as the company's relatively small market share and moderate profitability.

VTNY is a company engaged in lending activities to companies and individuals through third-party platforms. Additionally, the company offers various services such as online training modules and insurance channels through its applications. As of June 30, 2023, the composition of the stockholders is Carta Holdings, Inc. (Carta/*ir*A+) (21.06%), Junichiro Waide (20.84%), Ocean Capital Inc. (11.10%), Fintech Business Innovation LPS (9.88%), KK Investment Holdings Pte. Ltd. (8.82), Relo Club Limited (7.51%), SV-Fintech 1, LPS (2.48%), PT Karya Bersama Bangsa (1.04%), Public (15%), and other (2.27%).

The company has strategically diversified its revenue streams through engagement in lending activities and the provision of supplementary services via its digital platforms. As of June 2023, financial income remains the principal contributor to the company's revenue, accounting for 62.4% (FY21: 74.5%; FY22: 99.2%) of VTNY's total revenue. The company's future projections indicate a shift, with non-financial income projected to assume the majority share in 2025. VTNY's strategic diversification has the potential to enhance financial stability and mitigate dependence on a singular revenue source.

The company derives substantial advantages from the robust financial backing furnished by its parent company (Carta/*ir*A+). As a subsidiary of Carta (*ir*A+), the company receives support through loans and equity injections for working capital, along with access to a network for sourcing alternative funding. We see that this support strengthens its financial position, enabling it to face market challenges and take advantage of growth opportunities.

VTNY's current market share in the lending sector remains relatively modest. In terms of financing receivables in multifinance industry, VTNY holds a market share of 0.07% as of June 2023 (FY22: 0.06%; FY21: 0.05%). This might limit its competitive position against larger players and potentially hinder its revenue expansion.

The company maintains a favorable net income margin of 13.62% as of June 2023 (FY22: 1.03%; FY21: 0.90%). This positive margin is primarily bolstered by non-operating income, notably gains from foreign exchange (1H23: IDR26.16 Bn; FY22: IDR4.13 Bn; FY21: IDR5.89 Bn), which remains the pivotal factor in sustaining the positive ratio. However, during the June 2023 period, VTNY's non-interest expenses to net interest income ratio surpassed 100%, indicating that the company is in an expansion stage aimed at broadening its business scope.

The company rating may be raised if VTNY successfully expands its business scope while upholding asset quality, thereby generating greater and more sustainable revenues. Conversely, the rating could be lowered if the company aggressively finances working capital with a large proportion of debt which will weaken its capital structure.

## VTNY Financial Results Highlights (Consolidated)

As of/For the year ended	Jun 2023 (Unaudited)	Dec 2022 (Audited)	Dec 2021 (Audited)
Total Adjusted Assets (IDR, Bn)	889.79	728.51	239.87
Total Adjusted Debt (IDR, Bn)	482.55	331.63	201.38
Total Adjusted Equity (IDR, Bn)	382.09	381.48	30.94
Total Revenue (IDR, Bn)	58.89	73.18	40.07
Net Income (IDR, Bn)	8.02	0.75	0.36
Debt to Equity Ratio (x)	1.26	0.87	6.51
Equity/Assets (%)	42.94	52.36	12.90
Cost/Income (%)	121.90	83.63	82.85
Net Income Margin (%)	13.62	1.03	0.90
Return On Average Asset (%)	5.84	5.67	NM
NPF (%)	1.76	1.96	1.82
USD Exchange rate (IDR/USD)	15,025	15,730	14,269

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