

PT Multi Sandang Tamajaya

Company Rating

*BBB-/Stable*

Rated Issue

Medium Term Notes II PT Multi Sandang Tamajaya Tahun 2024

*BBB-*

Rating Period

September 26, 2025 – October 1, 2026

Rating History

October, 2024

*BBB-/Stable*

"Debt Securities with *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."

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.

Kredit Rating Indonesia affirms "*BBB-*" rating to Medium Term Notes II PT Multi Sandang Tamajaya Tahun 2024 totaling IDR 150 billion

Kredit Rating Indonesia ("KRI" or "we") affirms a Company Rating of "*BBB-*" for PT Multi Sandang Tamajaya ("MSTM" or "the Company") with a "Stable" Outlook. At the same time, KRI has affirmed "*BBB-*" rating to MSTM's Medium Term Notes II PT Multi Sandang Tamajaya Tahun 2024 totaling IDR 150 billion. The ratings still reflect the Company's vertical integration within the group and strong support from the shareholder. However, the ratings are constrained by the Company's small market position and weak financial profile.

MSTM is a prominent national textile trading and manufacturing company, which continues to leverage the integration within its group, namely with 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, the Company then sells its products within the group as well as to other non-related parties. Given the importance of its existence to the group, 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 – 6M2025. Else, the shareholders have shown commitment by being a standby buyer of MSTM's Medium Term Notes that were issued in 2024.

Despite MSTM's gradual revenue growth, its market share within the textile industry remains small or only 1.2% in 2024. The Company still faces intense competition, both domestically and from imported fabrics, particularly from China. We are also of the view that the Company had a weak financial profile as the debt repayment capacity (indicated by debt/Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) ratio) were 9.5x in 2024 and 11.7x in 6M2025. Furthermore, the interest coverage ratio was also considered the weakest in the industry or only amounted to 2.9x in 6M2025.

The ratings can be increased if MSTM manages to increase its market share and improve the debt repayment capacity as well as the interest payment capacity on a sustainable basis. 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	Jun 2025 (Unaudited)	Dec 2024 (Audited)	Dec 2023 (Audited)	Dec 2022 (Audited)
Total Adjusted Assets (IDR, billion)	319.7	481.1	425.6	399.5
Total Adjusted Debt (IDR, billion)	167.6	270.2	262.8	246.0
Total Adjusted Equity (IDR, billion)	90.3	88.1	96.1	81.8
Total Sales (IDR, billion)	245.5	619.4	563.8	607.6
EBIT (IDR, billion)	5.1	25.1	31.4	20.2
EBIT Margin (%)	2.1	4.1	5.6	3.3
Return on Permanent Capital (%)	3.3	7.1	9.3	6.6
Adjusted Debt/Adjusted Equity (x)	1.9	3.1	3.1	3.0
EBITDA/Total Adjusted Debt (x)	0.1	0.1	0.1	0.1
EBITDA/IFCCI (x)	2.9	1.3	1.6	1.2
FFO/Total Adjusted Debt (%)	5.6	4.1	3.8	3.1
USD Exchange Rate (IDR/USD)	16,233	16,612	15,416	15,731

**Analysts** : Cut Nabila Saraziva ([cut.nabila@kreditratingindonesia.com](mailto:cut.nabila@kreditratingindonesia.com))  
Rizky Fajri Nursahadi ([rizky.nursahadi@kreditratingindonesia.com](mailto:rizky.nursahadi@kreditratingindonesia.com))

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