

PT Multi Sandang Tamajaya

Company Rating

*ir*BBB-/Positive

Rated Issue

Medium Term Notes II PT Multi Sandang
Tamajaya Tahun 2024*ir*BBB-

Rating Period

September 30, 2026 – October 1, 2027

Rating History

September 2025
October 2024*ir*BBB-/Stable*ir*BBB-/Stable

"Debt securities with an *ir*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 "*ir*BBB-" rating to PT Multi Sandang Tamajaya with Outlook revised from "Stable" to "Positive"

Kredit Rating Indonesia ("KRI") affirms a Company Rating of "*ir*BBB-" for PT Multi Sandang Tamajaya ("MSTM" or "the Company"). The Outlook of the Company Rating is revised from "Stable" to "Positive". At the same time, KRI has affirmed "*ir*BBB-" rating to MSTM's Medium Term Notes II PT Multi Sandang Tamajaya Tahun 2024 totaling IDR 150 billion. The revised outlook reflects gradual improvement of the Company's business scale, and healthier capital structure. The ratings are constrained by the Company's small profitability margin in the industry and weak cash flow protection.

The revised outlook reflects MSTM demonstrated steady top-line expansion, generating revenue of IDR 696.6 billion in 2025 and IDR 245.5 billion in 6M2026. The 2025 figure marks the Company's highest annual revenue since 2020, reflecting the growing market relevance of its product portfolio. Consequently, its market share expanded to 1.6% in 2025, up from 1.2% in 2024. Simultaneously, MSTM strengthened its balance sheet by deleveraging its capital structure. The Debt to Equity Ratio (DER) improved to 1.7x as of June 30, 2026, down from 2.4x in 2025. Moving forward, revenue growth is expected to accelerate, driven by rising customer demand and broader industry tailwinds.

However, MSTM's profitability remains muted compared to industry peers, with Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) Margins recorded at 4.61% in 2025 and 6.1% in 6M2026—the lowest in the trading sector. These thin margins require strict cost discipline, as any sudden surge in expenses could severely impair earnings. Additionally, cash flow protection remains weak relative to sector benchmarks, with an Interest Coverage Ratio of just 1.7x as of 6M2026.

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 is a prominent national textile trading and manufacturing company, from denim and greige fabrics to piece dyed and printed fabrics. As of June 30, 2026, MSTM's shares were owned by PT Alfa Sarana Insani (76.47%), Mr. Karadi Hanam (15.29%), and Mr. Suradi Hanam (8.24%).

MSTM Financial Result Highlights

As of/For the years ended	Jun 2026 (Unaudited)	Dec 2025 (Unaudited)	Dec 2024 (Audited)	Dec 2023 (Audited)
Total Adjusted Assets (IDR, billion)	303.3	408.3	481.1	425.6
Total Adjusted Debt (IDR, billion)	151.8	231.5	270.2	262.8
Total Adjusted Equity (IDR, billion)	91.3	96.0	88.1	96.1
Total Sales (IDR, billion)	245.5	696.6	619.4	563.8
EBIT (IDR, billion)	12.9	28.4	25.1	31.4
EBIT Margin (%)	5.3	4.1	4.1	5.6
Return on Permanent Capital (%)	9.0	8.3	7.19.3	9.3
Adjusted Debt/Adjusted Equity (x)	1.6	2.4	3.1	3.1
EBITDA/Total Adjusted Debt (x)	0.2	0.1	0.1	0.1
EBITDA/IFCCI (x)	1.6	1.5	1.3	1.6
FFO/Total Adjusted Debt (%)	7.6	4.5	4.1	3.8
USD Exchange Rate (USD/IDR)	17,856	16,782	16,162	15,416

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