

PT INDONESIA POWER

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Jun-2019	Dec-2018	Dec-2017	Dec-2016	
		(Unaudited)	(Audited)	(Audited)	(Audited)	
Corporate Rating	<i>idAAA/Stable</i>	Total adjusted assets [IDR bn]	199,076.4	196,133.1	218,339.0	220,888.0
Rated Issues	<i>n/a</i>	Total adjusted debt [IDR bn]	0.0	0.0	145.8	251.9
		Total adjusted equity [IDR bn]	190,356.8	188,037.4	209,130.2	213,222.5
Rating Period		Total sales [IDR bn]	19,398.3	43,038.3	39,436.4	36,706.0
<i>August 1, 2019 – August 1, 2020</i>		EBITDA [IDR bn]	4,087.1	8,638.5	8,055.0	8,903.3
Rating History		Net income after MI [IDR bn]	2,292.1	3,499.5	3,220.2	2,885.0
<i>AUG 2018</i>	<i>idAAA/Stable</i>	EBITDA margin [%]	21.1	20.1	20.4	24.3
<i>AUG 2017</i>	<i>idAAA/Stable</i>	Adjusted debt/EBITDA [X]	*0.0	0.0	0.0	0.0
		Adjusted debt/adjusted equity [X]	0.0	0.0	0.0	0.0
		FFO to adjusted debt [%]	*0.0	0.0	5,615.3	3,530.8
		EBITDA/IFCCI [X]	0.0	138.3	132.9	211.7
		USD exchange rate [IDR/USD]	14,141	14,481	13,548	13,436

FFO = EBITDA – IFCCI + interest income – current tax expense
EBITDA = operating profit + depreciation expense + amortization expense
IFCCI = gross interest expense + other financial charges + capitalized interest; (FX loss not included)
*MI = minority interest n/a = not applicable *annualized*
The above ratios have been computed based on information from the company and published accounts. Where applicable, some items have been reclassified according to PEFINDO's definitions.

PEFINDO assigns “idAAA” rating to PT Indonesia Power

PEFINDO has assigned its “idAAA” rating to PT Indonesia Power (PT IP). The outlook for the corporate rating is “stable”.

An obligor rated *idAAA* has PEFINDO’s highest rating. Its capacity to meet its long-term financial commitments, relative to that of other Indonesian obligors, is superior.

The corporate rating reflects PT IP’s integrated operations and finances with its parent company, PT Perusahaan Listrik Negara (Persero) (PPLN, *idAAA/Stable*); its strong market position as a power generator; and the growing demand for electricity. The rating is constrained by a high reliance on funding from its Parent for sizeable capital expenditure (capex). The rating could be lowered if PEFINDO views a significant reduction in linkage with or support from the Parent.

PT IP is a power generation company fully owned by PPLN. Its main business is to produce electricity to the Parent. It also provides operation and maintenance (O&M) services for PPLN’s power plants. It manages 5 (five) Generating Units (GU) in Suralaya, Saguling, Mrica, Semarang, and Bali; 3 (three) Generating Units and Services (GGSU) in Priok, Kamojang, and Perak Grati; 13 (thirteen) Generating Service Units (GSU) throughout Indonesia; and 4 (four) power plants under subsidiaries. One subsidiary is designated as a power plant investment company, PT Putra Indotenaga, which actively has joint cooperation with other private companies to inject capital to build power plants, including PT Indo Raya Tenaga (joint controlled with PT Barito Wahana Lestari) to build coal-fired power plants (PLTU) Jawa 9-10. PT IP plans to develop 20 power plants with a total capacity of 5,662 MW.

PT IP has securitized its future flow of account receivables from Component A revenue for the five years (2017-2022) in the Suralaya coal-fired power plants units 1-4 (PLTU Suralaya units 1-4) with an asset-backed securities scheme. The value of the first phase of the securitization was IDR4.9 trillion at a value price of IDR4.0 trillion. Component A revenue is the payment made by PPLN to PT IP as a capital cost refund, which is calculated based on net capability capacity (DMN) at the level of a particular unit or power plant readiness (Equivalent Availability Factor – EAF). It consists of the depreciation cost of productive assets, corporate tax, and profit margin on production, which are stated in the tariff each year. The proceeds of the securitization were used to finance the completion of power plant projects and capital injections in several subsidiaries.

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