

PT Asahimas Flat Glass Tbk

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CREDIT PROFILE

Corporate Rating *idA/Stable*

Rated Issues

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Rating Period

January 18, 2018 – January 1, 2019

Rating History

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FINANCIAL HIGHLIGHTS

As of/for the year ended	Sept-2017 (unaudited)	Dec-2016 (audited)	Dec-2015 (audited)	Dec-2014 (audited)
Total Adjusted Assets [IDR Bn]	5,873.4	5,499.4	4,264.1	3,939.9
Total Adjusted Debt [IDR Bn]	1,277.8	698.7	0.0	0.0
Total Adjusted Equity [IDR Bn]	3,572.1	3,593.8	3,384.0	3,095.3
Total Sales [IDR Bn]	2,856.0	3,724.1	3,666.0	3,672.2
EBITDA [IDR Bn]	361.5	608.2	600.9	731.5
Net Income after MI [IDR Bn]	63.3	260.4	341.3	464.2
EBITDA Margin [%]	12.7	16.3	16.4	19.9
Adjusted Debt/EBITDA [X]	*2.7	1.1	0.0	0.0
Adjusted Debt/Adjusted Equity [X]	0.4	0.2	0.0	0.0
FFO/Adjusted Debt [%]	*34.1	72.4	n/a	n/a
EBITDA/IFCCI [X]	22.6	37.3	n/a	n/a
USD Exchange Rate [IDR/USD]	13,492	13,436	13,795	12,440

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

** Annualized*

n/a = not applicable

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 "idA" rating to PT Asahimas Flat Glass Tbk

PEFINDO has assigned its "idA" rating to PT Asahimas Flat Glass Tbk (AMFG). The outlook for the corporate rating is "stable".

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.

The rating reflects our view on AMFG's favorable business synergy with its Parent group and strong likelihood of support from Asahi Glass Co Ltd (AGC) Japan, its strong market position in the domestic market, and moderate cash flow protection measures. The rating is constrained by AMFG's more aggressive capital structure in the near to medium term, its exposure to fluctuating price of raw materials for production, and its exposure to the volatility of the property and automotive end-markets.

The rating could be raised if AMFG successfully executes its expansion strategy, thus enhancing its market position and improving its key credit metrics. However, the rating could be lowered if it incurs greater debt than projected, and/or if it experiences lower-than-projected revenue growth and/or profitability margin, which would worsen its financial profile. The rating will also be under pressure if we view a likelihood of deterioration of support from AGC.

Established in 1971, AMFG manufactures and distributes glass products, mainly flat glass and automotive glass. It has production plants in Cikampek, Jakarta, and Sidoarjo, with total annual production capacities of 630,000 tons of flat glass, 5.8 million square meters (sqm) of automotive glass, and 1.2 million sqm of mirror glass. As of September 30, 2017, it was owned by AGC (43.9%), PT Rodamas (41.0%) and the public (15.1%).

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