

PT Nippon Indosari Corpindo Tbk

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Dec-2018	Dec-2017	Dec-2016	Dec-2015
			(Unaudited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idAA-/Stable</i>	Total adjusted assets [IDR Bn]	4,325.4	4,497.3	2,857.6	2,698.7
Rated Issues		Total adjusted debt [IDR Bn]	747.1	1,117.0	996.0	994.4
<i>Shelf Reg. Bond II/2015</i>	<i>idAA-</i>	Total adjusted equity [IDR Bn]	2,845.7	2,757.8	1,380.7	1,180.9
Rating Period		Total sales [IDR Bn]	2,767.4	2,491.1	2,521.9	2,174.5
<i>March 6, 2019 – March 1, 2020</i>		EBITDA [IDR Bn]	338.3	328.2	501.9	531.6
Rating History		Net income after MI [IDR Bn]	168.2	146.0	280.0	270.5
<i>MAR 2018</i>	<i>idAA-/Stable</i>	EBITDA margin [%]	12.2	13.2	19.9	24.4
<i>MAR 2017</i>	<i>idAA-/Stable</i>	Adjusted Debt/EBITDA [X]	2.2	3.4	2.0	1.9
<i>MAR 2016</i>	<i>idAA-/Stable</i>	Adjusted Debt/Adjusted Equity [X]	0.3	0.4	0.7	0.8
<i>MAR 2015</i>	<i>idAA-/Stable</i>	FFO/Adjusted Debt [%]	36.9	20.7	37.0	36.3
<i>MAR 2014</i>	<i>idAA-/Stable</i>	EBITDA/IFCCI [X]	4.1	3.6	5.5	5.9
<i>MAR 2013</i>	<i>idAA-/Stable</i>	USD exchange rate [IDR/USD]	14,481	13,548	13,436	13,795

FFO = EBITDA – IFCCI + interest income – current tax expense
EBITDA = (operating profit + depreciation exp. + amortization exp.)
IFCCI = (gross interest expense + other financial charges + capitalized interest); foreign exchange loss not included
MI = minority interest

PEFINDO affirms "idAA-" ratings to PT Nippon Indosari Corpindo Tbk. and its bond

PEFINDO has affirmed its "idAA-" ratings for PT Nippon Indosari Corpindo Tbk. (ROTI) and its Shelf-Registered Bond II Year 2015. The outlook for the corporate rating is "stable".

An obligor rated idAA differs from the highest rated obligors only to a small degree and has a very strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors.

The minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The rating reflects ROTI's very strong market position as a producer of bread in the mass market segment, strong cash flow protection measures, and operational support from its shareholding partners. However, the rating is constrained by the Company's exposure to the fluctuations of material costs, and the tight competition in the bakery industry.

The rating may be raised if ROTI exceeds revenue and/or EBITDA projections to maintain its very strong market position in the bread market. It should also improve its financial profile, as indicated by a debt to EBITDA ratio below 1.5x on a sustained basis, despite having high capital expenditure (capex) to support its business expansion. In contrast, the rating will be lowered if the results of its expansion are not realized as targeted and/or its capital structure becomes substantially more aggressive.

Established in 1995, ROTI produces several varieties of bread and cakes under the Sari Roti brand. It has 12 plants with 44 production lines. Revenue in 2018 came from the sales of white bread (62.4%), sweet bread (33.6%), and cakes and others (4.0%). As of December 31, 2018, its shareholders were PT Indoritel Makmur Internasional Tbk (25.77%), Bonlight Investments Limited (20.79%), Demeter Indo Investment Pte Ltd (18.05%), Pasco Shikishima Corporation (8.50%) and others including the public (26.89%).

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