

PT Pupuk Kalimantan Timur

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Dec-2016	Dec-2015	Dec-2014	Dec-2013
			(Un-audited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idAA+/Stable</i>	Total Adjusted Assets [IDR Bn]	29,573.5	23,940.9	22,355.7	18,028.9
Rated Issues		Total Adjusted Debt [IDR Bn]	9,324.8	9,698.2	7,875.8	7,534.3
N.A.		Total Adjusted Equity [IDR Bn]	16,775.8	9,684.0	8,800.5	7,402.2
Rating Period		Total Sales [IDR Bn]	15,974.2	16,543.1	17,202.0	13,825.7
February 17, 2017 – February 1, 2018		EBITDA [IDR Bn]	3,002.3	3,625.4	3,771.8	2,364.3
Rating History		Net Income after MI [IDR Bn]	1,315.6	2,109.8	2,572.1	1,029.6
DEC 2015	<i>idAA+/Stable</i>	EBITDA Margin [%]	18.8	21.9	21.9	17.1
SEP 2014	<i>idAA+/Stable</i>	Adjusted Debt/EBITDA [X]	3.1	2.7	2.1	3.2
SEP 2013	<i>idAA+/Stable</i>	Adjusted Debt/Adjusted Equity [X]	0.6	1.0	0.9	1.0
JAN 2013	<i>idAA+/Stable</i>	FFO/Adjusted Debt [%]	21.9	25.1	28.1	22.0
SEP 2012	<i>idAA+/Stable</i>	EBITDA/IFCCI [X]	6.1	5.9	7.0	7.3
SEP 2011	<i>idAA+/Stable</i>	USD Exchange Rate [IDR/USD]	13,436	13,795	12,440	12,189
SEP 2010	<i>idAA+/Stable</i>					
AUG 2009	<i>idAA-/Stable</i>					
SEP 2006	<i>idA+/Stable</i>					
JUN 2005	<i>idA+/Stable</i>					

Return on Permanent Capital = (Annualized EBIT) / Average (Total Adjusted Debt + Total Adjusted Equity + Minority Interest)
EBITDA = (Operating Profit + Depreciation Exp + Amortization Exp)
IFCCI = (Gross Interest Expense + Other Financial Charges + Capitalized Interest); FX Loss not included
MI = Minority Interest
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 "idAA+" rating to PT Pupuk Kalimantan Timur

PEFINDO has assigned its "idAA+" rating to PT Pupuk Kalimantan Timur (PPKT). The outlook for the Company's 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 plus (+) sign in a particular rating indicates that it is relatively strong within its rating category.

The rating reflects PPKT's strong support from the government given the strategic importance of the fertilizer industry to the country, its strong position in the fertilizer industry, and its secured and stable natural gas supply, leading to high utilization rate. However, the rating is constrained by the Company's high financial leverage and exposure to the volatility of global fertilizer prices.

The rating may be raised if the Company significantly improves its business performance after the operation of its Kaltim-5 plant, while improving its capital structure and cash flow measures on a sustainable basis. In contrast, the rating will be lowered if it aggressively finances its expansion with substantially larger debt than projected, without a corresponding improvement in business performance. Any unfavorable change in the subsidy scheme, the distribution area for subsidized urea, and global fertilizer prices will also put pressure on the Company's rating.

PPKT is considered as one of the largest fertilizer producers in the country with a focus on ammonia and urea. The Company operates several production facilities in Bontang, East Kalimantan, consisting of five ammonia and urea fertilizer plants with total annual capacity of 2.7 and 3.0 million tons of ammonia and urea, respectively, and two Nitrogen-Phosphorus-Potassium (NPK) plants with a total annual capacity of 350,000 tons (150,000 tons of mechanical blending NPK and 200,000 tons of fusion NPK). The plants in Bontang are integrated with ports and warehouses, which facilitate product distribution to both domestic and export markets. As of December 31, 2016, PPKT's major shareholder was PT Pupuk Indonesia (Persero), the state-owned holding company for the fertilizer sector, with 99.9% ownership.

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