

PT MORA TELEMATIKA INDONESIA

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Dec-2017	Dec-2016	Dec-2015	Dec-2014	
		(Audited)	(Audited)	(Audited)	(Audited)	
Corporate Rating	<i>idA/Stable</i>					
Rated Issues						
Bond Year 2017	<i>idA</i>					
Rating Period						
May 22, 2018 – May 1, 2019						
Rating History						
SEP 2017	<i>idA</i>					
JUL 2017	<i>idA</i>					
		Total adjusted assets [IDR bn]	6,484.5	2,071.9	1,349.9	1,211.9
		Total adjusted debt [IDR bn]	4,105.6	698.0	460.6	188.9
		Total adjusted equity [IDR bn]	1,719.2	823.5	574.5	545.5
		Total sales [IDR bn]	2,659.8	1,128.4	685.8	547.0
		EBITDA [IDR bn]	380.5	291.5	190.3	174.0
		Net income after MI [IDR bn]	119.2	11.0	20.8	70.2
		EBITDA margin [%]	14.3	25.8	27.8	31.8
		Adjusted debt/EBITDA [X]	10.8	2.4	2.4	1.1
		Adjusted debt/adjusted equity [X]	2.4	0.8	0.8	0.3
		FFO to adjusted debt [%]	4.3	27.9	32.4	73.6
		EBITDA/IFCCI [X]	2.2	4.7	5.8	6.6
		USD exchange rate [IDR/USD]	13,548	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
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 affirms “*idA*” ratings to PT Mora Telematika Indonesia and its outstanding bond

PEFINDO has affirmed its “*idA*” ratings to PT Mora Telematika Indonesia (Moratel or MORA) and its outstanding Bond Year 2017. 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 corporate rating reflects Moratel's strong market position as a fiber optic backbone provider, potential cash flow from the Palapa Ring West and East packages, and diversified customers and services. However, the rating is constrained by its increasing financial leverage due to sizeable capex, its weakening cash flow protection measures in the near term, and the execution risks of new businesses.

The rating could be raised if Moratel significantly improves its capital structure on a sustainable basis, its business expansions are executed well, and its cash flows exceed projections. In contrast, the ratings may be lowered if the Company's revenue and/or EBITDA falls significantly below target, or if it incurs debt beyond what is projected.

Moratel is a telecommunications infrastructure and service provider. It has international links connecting Jakarta and Singapore, and domestic submarine and inland backbones serving mainly telecommunications operators and wholesale customers. It expanded its enterprise and retail segments by developing fiber to-the-home (FTTH) to maximize the use of its network under the “Oxygen” brand. Its subsidiaries, PT Palapa Ring Barat and PT Palapa Timur Telematika, have been awarded by the government to construct and manage two national priority projects, the Palapa Ring West package in 2015 and the Palapa Ring East package in 2016. Palapa Ring West package had been commercially operated in March 2018, while Palapa Ring East package is expected to operate in the fourth quarter of 2018 (Q42018). As of December 31, 2017, its shareholders were PT Candrakarya Multikreasi (57.5% stake), which belongs to PT Infrastruktur Bisnis Sejahtera; and PT Gema Lintas Benua (42.5%).

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