

PT Marga Lingkar Jakarta

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Jun-2018	Dec-2017	Dec-2016	Dec-2015	
		(Unaudited)	(Audited)	(Audited)	(Audited)	
Project Rating	<i>idAAA(sf)</i>	Total Adjusted Assets [IDR Bn]				2,002.5
Rated Issues		Cash [IDR Bn]				80.7
<i>Bond I Year 2017</i>	<i>idAAA(sf)</i>	Restricted Cash [IDR Bn]				0.0
Rating Period		Total Adjusted Debt [IDR Bn]				1,292.2
<i>August 8, 2018 – August 1, 2019</i>		Total Adjusted Equity [IDR Bn]				411.6
Rating History		Total Sales [IDR Bn]				189.6
<i>AUG 2017</i>	<i>idAAA(sf)</i>	EBITDA [IDR Bn]				147.2
		Net Income after MI [IDR Bn]				(61.7)
		EBITDA Margin [%]				77.7
		Adjusted Debt/EBITDA [X]				8.9
		Adjusted Debt/Adjusted Equity [X]				3.1
		EBITDA-Tax+Beginning Cash+ Restricted Cash/IFCCI+Beginning				
		Short Term Debt [X]				1.4
		FFO/Adjusted Debt [%]				(1.3)
		EBITDA/IFCCI [X]				0.9
		USD Exchange Rate [IDR/USD]				13,795

*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
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 "idAAA(sf)" rating to PT Marga Lingkar Jakarta's bond

PEFINDO has affirmed its "idAAA(sf)" rating to PT Marga Lingkar Jakarta (MLJK)'s Bond I Year 2017. The proceeds of the bond have been fully used to refinance its bank loans (90%) and the rest for reserve account of interest payment and working capital. The bonds are issued in five tranches with different maturity dates: 2020 (a maximum of IDR200 billion), 2022 (IDR217 billion), 2024 (IDR299 billion), 2027 (IDR320 billion), and 2029 (IDR464 billion).

A debt security rated idAAA has the highest rating assigned by PEFINDO. The obligor's capacity to meet its long-term financial commitments on the debt security, relative to that of other Indonesian obligors, is superior.

The rating suffix (sf) means the rating is for a structured-finance transaction.

The rating reflects the strong transaction structures of the bond, the project's good economy of service area as part of the Jakarta Outer Ring Road's (JORR) toll road, and a stable revenue stream with a strong EBITDA margin. The rating is constrained by exposure to toll road traffic volume volatility and high financial leverage.

The rating will be lowered if MLJK's final transaction structures are weaker than expected, and if revenue and/or EBITDA significantly drops due to a combination of a decrease in traffic volume, lower than expected toll fee adjustment, and/or higher costs than estimated. We could also lower the rating if it fails to meet the required transaction structures and/or if its debt service coverage ratio, as calculated by EBITDA and beginning cash including restricted cash divided by interest payment and bond repayment during the year, is less than 2x every year-end.

MLJK operates the 7.67-kilometer (km) JORR W2 North toll road for the Ulujami-Kebon Jeruk section, under a concession agreement with the Indonesian Toll Road Authority, which terminates at end of 2044. The JORR W2 North toll road has been in operation since July 2014, so there is no construction risk. Established in 2009, it is a subsidiary of PT Jasa Marga (Persero) Tbk (JSMR, idAA/Stable), which is the leading toll road operator in Indonesia with 40 years of experience since its establishment in 1978. At the end of June 2018, its shareholders were PT Jasa Marga (Persero) Tbk (65%) and PT Jakarta Marga Jaya (35%).

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