

## PT Kapuas Prima Coal Tbk

*Analysts: Martin Pandiangan / Christyanto Wijaya*

*Phone/Fax/E-mail: (62-21) 7278 2380 / 7278 2370 / [martin.pandiangan@pefindo.co.id](mailto:martin.pandiangan@pefindo.co.id) / [christyanto.wijaya@pefindo.co.id](mailto:christyanto.wijaya@pefindo.co.id)*

<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>	<b>Jun-2019</b>	<b>Dec-2018</b>	<b>Dec-2017</b>	<b>Dec-2016</b>
			(Unaudited)	(Audited)	(Audited)	(Audited)
<b>Corporate Rating</b>	<i>idBBB/Stable</i>	Total Adjusted Assets [IDR Bn]	1,300.2	1,317.3	712.2	556.0
<b>Rated Issues</b>		Total Adjusted Debt [IDR Bn]	481.1	472.1	153.5	144.8
<i>Bond I Seri A</i>	<i>idBBB</i>	Total Adjusted Equity [IDR Bn]	691.1	588.1	478.8	146.2
<i>Bond I Seri B</i>	<i>idBBB</i>	Total Sales [IDR Bn]	432.7	754.6	435.9	138.3
<b>Rating Period</b>		EBITDA [IDR Bn]	184.7	217.9	109.1	22.7
<i>October 30, 2019 – January 21, 2020</i>		Net Income after MI [IDR Bn]	112.9	110.2	45.2	(34.9)
<b>Rating History</b>		EBITDA Margin [%]	42.7	28.9	25.0	16.4
<i>OCT 2019</i>	<i>idBBB/Stable</i>	Adjusted Debt/EBITDA [X]	*1.3	2.2	1.4	6.4
<i>OCT 2018</i>	<i>idBBB/Stable</i>	Adjusted Debt/Adjusted Equity [X]	0.7	0.8	0.3	1.0
		FFO/Adjusted Debt [%]	*53.3	36.5	50.8	3.9
		EBITDA/IFCCI [X]	6.9	9.2	8.0	1.4
		USD Exchange Rate [IDR/USD]	14,141	14,481	13,548	13,436

*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 \*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 "idBBB" ratings of PT Kapuas Prima Coal Tbk's maturing bonds

PEFINDO has affirmed its "idBBB" ratings to PT Kapuas Prima Coal Tbk's (ZINC) maturing Bond I 2018 Seri A of IDR4.6 billion that will mature on December 31, 2019 and Bond I 2018 Seri B of IDR26 billion that will mature on January 21, 2020. The Company plans to pay its maturing bonds from its cash and cash equivalent of IDR63.6 billion at the end of September 2019.

Debt security rated idBBB denotes adequate protection parameters relative to other Indonesian debt securities. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity on the part of the obligor to its long-term financial commitments on the debt security.

Established in 2005, ZINC is engaged in exploration and production activities for industrial metals: zinc (Zn), lead (Pb), silver (Ag), and iron ore (Fe). In 2008-2014, it only produced and sold Fe. Since 2015, it had focused on Zn and Pb, mainly due to the price of Fe, which is deemed too low. It currently operates five underground pits in Lamandau, Central Kalimantan, with an estimated raw ore production capacity of 450,000 tons per annum in 2019. Publicly listed in 2017, its shareholders were PT Sarana Inti Selaras (21.36%), Sim Anthony (15.13%), Kioe Nata (13.05%), Budimulio Utomo (10.54%), Haroen Soedjatmiko (9.57%), William (9.56%), and the public 20.79% as of June 30, 2019.

**DISCLAIMER**

*The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.*