

PT Medco Power Indonesia

Credit Rating(s)

General Obligation (GO) Bond I	idA/Stable
Sukuk Wakalah I	idA
Sukuk Wakalah II	idA _(sy)
SR Sukuk Wakalah I	idA _(sy)
SR Bond I	idA _(sy)

Rating Period

April 16, 2025 – April 1, 2026

Published Rating History

MAY 2024	idA/Stable
MAY 2023	idA/Stable
MAY 2022	idA/Stable
MAR 2022	idA/Stable
MAR 2021	idA/Stable

Rating Definition

Debt security rated idA indicates that the issuer's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian issuers, is strong. However, the issuer's capacity is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated issuers.

A syariah based financing instrument rated idA_(sy) indicates that the issuer's capacity to meet its long-term financial commitments under the syariah financing contract, relative to other Indonesian issuers, is strong. However, it is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated instruments.

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PEFINDO has assigned its idA rating to PT Medco Power Indonesia (MEDP)'s proposed Shelf Registered Bond I Year 2025 of a maximum IDR3.0 trillion, with initial issuance of Phase I of IDR500 billion. The proceeds of the bond will be used to refinance its existing debt and to finance its capital expenditure. At the same time, PEFINDO has affirmed its idA ratings for MEDP and its Bond I Year 2018, and idA_(sy) ratings for MEDP's Sukuk Wakalah I Year 2018, Sukuk Wakalah II Year 2019, and its Shelf-Registered Sukuk Wakalah I Year 2022. Outlook for the corporate rating is stable.

The rating reflects our view on MEDP's position as a strategically important subsidiary of its controlling parent, PT Medco Energi Internasional Tbk (MEDC, idAA-/Stable). The rating is also supported by MEDP's stable revenue stream, relatively consistent profit margins, and potential growth opportunities from domestic electricity demand. However, the rating remains constrained by execution and operational risks associated with its power projects, an aggressive capital structure, and weak cash flow protection metrics.

We may consider a rating upgrade if MEDP demonstrates a material improvement in its capital structure and cash flow protection metrics. This could be achieved through enhanced operational efficiency, additional revenue sources, or a significant deleveraging effort. On the other hand, the rating may be lowered if MEDP incurs additional debt beyond projections or continues to divest its shares on strategic assets, thereby reducing its ability to generate cash flow and weakening its overall business and financial profile. The rating will also be under pressure if we view that MEDP is no longer considered as a strategically important subsidiary of MEDC, as reflected by the material divestment.

MEDP is an independent power producer (IPP) focusing on clean energy power plants, mainly gas, geothermal, and renewable, supplying electricity to the state-owned electricity company, PT Perusahaan Listrik Negara (Persero) (PPLN, idAAA/Stable), especially in the western part of Indonesia. It also provides operation and maintenance (O&M) services, mainly through TJB Power Services. As of December 31, 2024, its shareholders were PT Medco Power Internasional (51.0%) and PT Medco Energi Internasional Tbk (49.0%).

Financial Highlights

As of/for the year ended	Dec-2024 (Audited)	Dec-2023 (Audited)	Dec-2022 (Audited)	Dec-2021 (Audited)
Total adjusted assets [IDR bn]	18,393.7	15,901.1	15,492.5	13,205.3
Total adjusted debt [IDR bn]	9,019.6	7,410.6	6,936.9	5,492.1
Total adjusted equity [IDR bn]	6,626.9	6,524.8	6,703.3	5,800.9
Total sales [IDR bn]	3,271.3	4,321.6	1,740.1	1,809.6
EBITDA [IDR bn]	722.4	685.6	577.5	556.2
Net income after MI [IDR bn]	(262.9)	(167.0)	(160.8)	228.6
EBITDA margin [%]	22.1	15.9	33.2	30.7
Adjusted debt/EBITDA [X]	12.5	10.8	12.0	9.9
Adjusted debt/adjusted equity [X]	1.4	1.1	1.0	0.9
FFO/adjusted debt [%]	0.3	1.2	1.0	1.5
EBITDA/IFCCI [X]	1.1	1.2	1.3	1.3
USD exchange rate [IDR/USD]	16,162	15,416	15,731	14,278

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.

DISCLAIMER

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