

PT Pelabuhan Indonesia I (Persero)'s Corporate rating is "idAA"

PEFINDO has assigned its "idAA" ratings to PT Pelabuhan Indonesia I (Persero). The outlook for the corporate rating is "stable". The rating reflects the strong potential of government support to the Company due to the strategic importance of seaports, its strong market position in the Sumatra region, and stable profitability margins. The rating, however, is constrained by its financial leverage level and cash flow, which are expected to weaken in the near to medium term due to its sizable capital expenditure (capex) requirement and the nature of the seaport industry, which is highly dependent on economic and regulatory conditions.

The Company is a government-owned port operator, providing seaport service facilities through 24 ports located across four provinces in Aceh, North Sumatra, Riau, and Riau Islands, as of December 31, 2015. Its flagship terminals are Belawan International Container Terminal (BICT) and the port of Belawan, located in North Sumatra near the city of Medan. The port is regarded as the country's busiest port outside Java. Container related services accounted for nearly half of the Company's 2015 operating revenue.

Rating Period: March 8, 2016 – March 1, 2017
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