

PT Pelindo Marine Service

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS			
		As of/for the year ended			
		Jun-2019	Dec-2018	Dec-2017	Dec-2016
		(Unaudited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idA-Stable</i>				
Rated Issues	<i>N/A</i>	Total adjusted assets [IDR bn]	1,329.1	1,298.1	1,144.6
		Total adjusted debt [IDR bn]	285.0	336.4	300.8
		Total adjusted equity [IDR bn]	535.1	414.2	381.9
		Total sales [IDR bn]	750.9	1,689.5	1,178.2
Rating Period	<i>October 23, 2019 - October 1, 2020</i>	EBITDA [IDR bn]	211.3	321.7	202.6
		Net income after MI [IDR bn]	136.1	194.7	97.3
		EBITDA margin [%]	28.1	19.0	17.2
Rating History	<i>JUN 2016</i>	Adjusted debt/EBITDA [X]	*0.7	1.0	1.5
	<i>idBBB+/Stable</i>	Adjusted debt/adjusted equity [X]	0.5	0.8	0.8
		FFO to adjusted debt [%]	*118.6	76.2	52.8
		EBITDA/IFCCI [X]	13.4	11.8	16.0
		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 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 assign "idA-" rating to PT Pelindo Marine Service

PEFINDO has assigned its "idA-" rating to PT Pelindo Marine Service (PLMS). 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 other Indonesian obligors. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.

The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The rating reflects the Company's strategic importance to its parent, PT Pelabuhan Indonesia III (Persero) or PELINDO III; its favorable business profile as it benefits from PELINDO III's strong coverage areas; and its improved profitability margins. However, the rating is constrained by the exposure of the Company's trade volumes to local economic trends, its exposure to macroeconomic conditions and fluctuating commodity prices, and its moderate financial flexibility.

The rating may be raised if PLMS exceeds its projected revenue growth and strengthens its profitability margins by successfully implementing its capital expenditure (capex) plans, while maintaining a conservative financial profile, with a debt to EBITDA ratio of no more than 2.0x on a sustained basis. The rating could be lowered if its debt to EBITDA ratio exceeds 3.0x on a sustained basis as a result of weaker revenue and/or profitability, or if it incurs higher debt than anticipated due to significant capex.

Established in late 2011, PLMS is a subsidiary of PELINDO III, a leading port operator with 43 ports in seven provinces in central and eastern Indonesia, including the Tanjung Perak port in Surabaya – the second largest and busiest port in the country behind Jakarta's Tanjung Priok port. PELINDO III owned 97.9% of PLMS's shares as of June 30, 2019, while the remainder was owned by Koperasi Pegawai PT Pelindo III.

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.