

## PT Barata Indonesia (Persero)

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<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>	<b>Mar-2020</b>	<b>Dec-2019</b>	<b>Dec-2018</b>	<b>Dec-2017</b>
			(Un-audited)	(Audited)	(Audited)	(Audited)
<b>Corporate Rating</b>	<i>idBBB/Negative</i>	Total Adjusted Assets [IDR Bn]	5,378.3	4,927.3	4,538.9	2,951.0
<b>Rated Issues</b>		Total Adjusted Debt [IDR Bn]	1,503.8	1,493.3	823.6	567.6
<i>MTN II/2019</i>	<i>idBBB</i>	Total Adjusted Equity [IDR Bn]	1,251.6	1,252.0	1,186.5	1,130.0
<i>MTN III/2019</i>	<i>idBBB</i>	Total Sales [IDR Bn]	495.1	2,227.6	2,176.9	1,193.3
<b>Rating Period</b>		EBITDA [IDR Bn]	25.8	217.6	168.7	94.1
<i>July 13, 2020 – September 14, 2020</i>		Net Income After MI [IDR Bn]	0.8	71.2	67.8	51.6
<b>Rating History</b>		EBITDA Margin [%]	5.2	9.8	7.8	7.9
<i>APR 2020</i>	<i>idBBB/Negative</i>	Adjusted Debt to EBITDA [X]	*14.6	6.9	4.9	6.0
<i>OCT 2019</i>	<i>idBBB/Stable</i>	Adjusted Debt to Adjusted Equity [X]	1.2	1.2	0.7	0.5
<i>OCT 2018</i>	<i>idBBB/Stable</i>	FFO to Adjusted Debt [%]	*2.5	8.0	11.1	13.8
<i>NOV 2017</i>	<i>idBBB/Stable</i>	EBITDA to IFCCI [X]	1.9	3.5	4.0	3.5
		USD Exchange Rate [IDR/USD]	16,367	13,901	14,481	13,548

*FFO = EBITDA – IFCCI + Gross 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.*

### Barata Indonesia's maturing MTN rated "idBBB"

PEFINDO has affirmed its "idBBB" ratings for PT Barata Indonesia (Persero) (Barata Indonesia) MTN III/2019 of IDR100 billion maturing on September 14, 2020, early redemption of its MTN II/2019 Phase I Seri A of IDR50 billion on July 20, 2020 and early redemption of its MTN II/2019 Phase I Seri B of IDR50 billion on July 28, 2020, respectively. As of May 2020, Barata Indonesia had cash and cash equivalent of IDR182 billion as of May 2020. In addition, it has unused credit facilities of IDR300 billion from several state-owned banks and potential cash flow from operation of IDR66 billion as of August 2020. New debt securities issuance is also one of the options to partially refinance its maturing financial obligations

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 weaken the issuer's capacity to meet its long-term financial commitments on the debt security.

The rating reflects our view on Barata Indonesia's strong support from the government, its good market position as a manufacturer of iron and steel castings in its main end markets, and our expectation for continued demand from infrastructure projects. The rating is constrained by its high dependency on the state budget, albeit indirectly, making it vulnerable to government procurement processes and budget cuts especially amid COVID-19 pandemic, as well as its high financial leverage and exposure to the fluctuation of raw material prices and their availability.

PT Barata Indonesia (Persero) is a state foundry and manufacture company, the shares of which were 100% owned by the Government as of March 31, 2020. It manufactures iron and steel castings and forged components for sale to industrial and energy companies. As a midstream player, its industrial castings are engineered and produced for applications to be used in a range of industry sectors, such as agro, oil and gas, rolling stock, hydro mechanical, industry process, as well as construction and material handling equipment. Barata Indonesia also positions itself as an engineering, procurement, and construction (EPC) company, leveraging its long experience in foundry and manufacturing for greater job acquisitions, with focus on sugar and agro, oil and gas, generator, water resources, and component machinery.

**DISCLAIMER**

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