

## PT Nippon Indosari Corpindo Tbk

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<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>	<b>Dec-2019</b>	<b>Dec-2018</b>	<b>Dec-2017</b>	<b>Dec-2016</b>
			(Audited)	(Audited)	(Audited)	(Audited)
<b>Corporate Rating</b>	<i>idAA-/Stable</i>	Total adjusted assets [IDR Bn]	4,613.1	4,332.4	4,497.3	2,857.6
<b>Rated Issues</b>		Total adjusted debt [IDR Bn]	757.7	747.1	1,117.0	996.0
<i>Shelf Reg. Bond II/2015</i>	<i>idAA-</i>	Total adjusted equity [IDR Bn]	3,023.6	2,855.5	2,757.8	1,380.7
<b>Rating Period</b>		Total sales [IDR Bn]	3,337.0	2,766.5	2,491.1	2,521.9
<i>March 9, 2020 – March 1, 2021</i>		EBITDA [IDR Bn]	461.7	277.3	328.2	501.9
<b>Rating History</b>		Net income after MI [IDR Bn]	301.0	172.7	146.0	280.0
<i>MAR 2019</i>	<i>idAA-/Stable</i>	EBITDA margin [%]	13.8	10.0	13.2	19.9
<i>MAR 2018</i>	<i>idAA-/Stable</i>	Adjusted Debt/EBITDA [X]	1.6	2.7	3.4	2.0
<i>MAR 2017</i>	<i>idAA-/Stable</i>	Adjusted Debt/Adjusted Equity [X]	0.3	0.3	0.4	0.7
<i>MAR 2016</i>	<i>idAA-/Stable</i>	FFO/Adjusted Debt [%]	46.4	28.8	20.7	37.0
<i>MAR 2015</i>	<i>idAA-/Stable</i>	EBITDA/IFCCI [X]	7.0	3.4	3.6	5.5
<i>MAR 2014</i>	<i>idAA-/Stable</i>	USD exchange rate [IDR/USD]	13,901	14,481	13,548	13,436
<i>MAR 2013</i>	<i>idAA-/Stable</i>					

*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*

*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 "idAA-" ratings for PT Nippon Indosari Corpindo Tbk and its Bond

PEFINDO has affirmed its "idAA-" ratings for PT Nippon Indosari Corpindo Tbk (ROTI) and its Shelf-Registered Bond II Year 2015. The outlook for the corporate rating is "Stable".

An obligor rated idAA differs from the highest rated obligors only to a small degree, and has a very strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The rating reflects ROTI's very strong market position as a mass market bread producer, strong cash flow protection measures, and operational support from its shareholding partners. However, the rating is constrained by the Company's exposure to the fluctuations of its material cost and the tight competition in the bakery industry.

The rating may be raised if ROTI exceeds revenue and/or EBITDA projections to maintain its very strong market position in the bread market. It should also improve its financial profile, as indicated by a debt to EBITDA ratio below 1.5x on a sustained basis, despite having high capital expenditure to support its business expansion. In contrast, the rating will be lowered if the results of its expansion are not realized as targeted and/or if its capital structure becomes substantially more aggressive.

Established in 1995, ROTI produces several varieties of bread and cakes under the Sari Roti brand. As of December 31, 2019, the Company had 14 plants with 47 production lines. Its revenue in 2019 came from the sales of white bread (63.8%), sweet bread (33.0%), and cakes and others (3.2%). As of December 31, 2019, its shareholders were PT Indoritel Makmur Internasional Tbk (25.77%), Bonlight Investments Limited (20.79%), Demeter Indo Investment Pte Ltd (18.05%), Pasco Shikishima Corporation (8.50%) and others including the public (26.89%).

**DISCLAIMER**

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