

## PT Timah 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>idA/Negative</i>	Total Adjusted Assets [IDR Bn]	20,361.3	15,220.7	11,718.7	9,504.2
<b>Rated Issues</b>		Total Adjusted Debt [IDR Bn]	11,560.5	6,144.0	3,691.8	1,733.3
<i>Shelf-Reg Bond I</i>	<i>idA</i>	Total Adjusted Equity [IDR Bn]	5,258.4	6,148.4	6,045.3	5,682.9
<i>Shelf-Reg Sukuk Ijarah I</i>	<i>idA(sy)</i>	Total Sales [IDR Bn]	19,302.6	11,016.7	9,069.5	6,968.3
<b>Rating Period</b>		EBITDA [IDR Bn]	771.7	731.1	1,224.3	1,021.4
<i>June 10, 2020 – June 1, 2021</i>		Net Income after MI [IDR Bn]	(611.3)	132.3	457.1	251.8
<b>Rating History</b>		EBITDA Margin [%]	4.0	6.6	13.5	14.7
<i>JUN 2019</i>	<i>idA+/Stable</i>	Adjusted Debt/EBITDA [X]	15.0	8.4	3.0	1.7
<i>JUN 2018</i>	<i>idA+/Stable</i>	Adjusted Debt/Adjusted Equity [X]	2.2	1.0	0.6	0.3
<i>JUN 2017</i>	<i>idA+/Stable</i>	FFO/Adjusted Debt [%]	0.0	6.4	22.8	41.8
<i>FEB 2013</i>	<i>idAA/Stable</i>	EBITDA/IFCCI [X]	1.0	2.1	6.1	8.6
		USD Exchange Rate [IDR/USD]	13,901	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  
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 lowers ratings of PT Timah Tbk and its Bond to "idA", its Sukuk to "idA(sy)", and revises outlook to "Negative"

PEFINDO has lowered the ratings for PT Timah Tbk (TINS) and its Shelf-Registered Bond I to "idA" from "idA+" and the rating of its Shelf-Registered Sukuk Ijarah I to "idA(sy)" from "idA+(sy)". The downgrade reflects our view that TINS' financial performance has been weaker than our previous expectation as a result of lower EBITDA margin and higher debt drawdown, amidst slower global tin demand conditions affected by Coronavirus Disease (COVID-19) outbreak. We have also revised its rating outlook to "negative" from "stable" to anticipate weak EBITDA due to lower than expected tin selling price if COVID-19 prolongs and further lowers the global demand for tin. We also have a concern on the Company's ability to repay its maturing Bond and Sukuk Series A totaled IDR600 billion, that will be matured in third quarter of 2020.

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.

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.

The corporate rating reflects TINS position as the largest tin mining permit (IUP) holder in Indonesia, vertical integrated operations, and decreasing illegal mining practices in Indonesia. These strengths are partly offset by the threat of its moderate capital structure, adequate cash flow protection measures, and its exposure to the volatility of tin prices.

The rating could be lowered if the Company's weakened financial performance continues in the near term, particularly from cash flow protection capacity in servicing financial obligations. The rating could also be under pressure if it incurs significantly higher debt than projected without being compensated by better business performance, and if the fluctuation of global tin price significantly impairs its revenue and/or profitability. We could revise the outlook to "stable" if the Company is able to strengthen its EBITDA generation amidst unfavorable condition nowadays and improve its credit matrix to be more conservative. We will keep monitoring the COVID-19 pandemic impact on the Company's business performance and financial profile in the near to medium term.

Founded in August 1976, TINS is a vertically integrated mining company in Indonesia focused on producing tin ingots. Its main mining operations are in Pangkal Pinang, Bangka Belitung. As of December 31, 2019, its A class shares were owned by the Indonesian government, and its B class shares by PT Indonesia Asahan Aluminium (Persero) (65.0%) and the public (35.0%).

**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.*