

PT INDONESIA POWER

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Mar-2017	Dec-2016	Dec-2015	Dec-2014
			(Unaudited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idAAA/Stable</i>	Total adjusted assets [IDR bn]	222,193.9	220,888.0	226,720.2	53,248.1
Rated Issues	<i>n/a</i>	Total adjusted debt [IDR bn]	-	251.9	352.1	-
		Total adjusted equity [IDR bn]	214,052.2	213,222.5	214,756.3	44,649.6
Rating Period	August 21, 2017 – August 1, 2018	Total sales [IDR bn]	8,745.4	36,706.0	32,020.2	35,723.6
		EBITDA [IDR bn]	2,245.7	8,903.3	4,914.3	4,870.7
Rating History	<i>n/a</i>	Net income after MI [IDR bn]	740.7	2,885.0	4,668.4	1,642.4
		EBITDA margin [%]	25.7	24.3	15.3	13.6
		Adjusted debt/EBITDA [X]	*n/a	0.0	0.1	n/a
		Adjusted debt/adjusted equity [X]	n/a	0.0	0.0	n/a
		FFO to adjusted debt [%]	*n/a	3,530.8	1,193.2	n/a
		EBITDA/IFCCI [X]	7,618,008.0	211.7	90.5	14,241.9
		USD exchange rate [IDR/USD]	13,321	13,436	13,795	12,440

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 n/a = not applicable *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 assigns “idAAA” rating to PT Indonesia Power

PEFINDO has assigned its “idAAA” rating to PT Indonesia Power (IDPW). The outlook for the corporate rating is “stable”.

An obligor rated idAAA has PEFINDO's highest rating. Its capacity to meet its long-term financial commitments, relative to that of other Indonesian obligors, is superior.

The rating reflects IDPW's integrated operations and finances with its parent company (PT Perusahaan Listrik Negara (Persero) (PPLN, idAAA/Stable), its strong market position as a power generator, and the growing demand for electricity. The rating is constrained by a high reliance on funding from the Parent for sizeable capital expenditure (capex). The rating could be lowered if PEFINDO views a significant reduction of linkage with or support from the Parent.

IDPW is a power generation company fully owned by PPLN. Its main business is to produce and supply electricity to PPLN. It also provides operation and maintenance (O&M) services for PPLN's power plants. It managed power plants with installed capacity of 14,826 megawatts (MW) in 2016 across Indonesia. It manages six generating units (GU) in Suralaya, Saguling, Mrica, Semarang, Perak Grati, and Bali; two generating units and services (GGSU) in Priok and Kamojang; and 11 generating service units (GSU) in Banten 1 Suralaya, Banten 2 Labuan, Banten 3 Lontar, Jawa Barat 2 Pelabuhan Ratu, Jawa Tengah 2 Adipala, Pangkalan Susu, Cilegon, Barru, Jeranjang, Sanggau, and Houltcamp.

IDPW is in the process of securitizing its future flow of Component A revenue for the next five years (2017-2022) in the Suralaya coal fired power plant (PLTU Suralaya) with an asset-backed securities scheme. The estimated value for the first phase of revenue securitization is IDR4.9 trillion. Component A revenue is the payment made by PPLN to IDPW as a capital cost refund, which is calculated based on net capability capacity (*Daya Mampu Netto/DMN*) at the level of a particular unit or power plant readiness. It consists of the depreciation cost of productive assets, and corporate tax, and profit margin on production, which are stated in the tariff each year. The proceeds of securitization will be used to finance completing power plant projects and capital injections in several subsidiaries.

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