

PT Perkebunan Nusantara X

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CREDIT PROFILE

Corporate Rating *idBBB/Stable*

Rated Issues

Bond I/2013 idBBB

Rating Period

June 20, 2018 – July 5, 2018

Rating History

FEB 2018 *idBBB/Stable*
 FEB 2017 *idBBB/Stable*
 APR 2016 *idBBB+/Stable*
 APR 2015 *idBBB+/Stable*
 DEC 2014 *idBBB+/Negative*
 AUG 2014 *idA/Negative*
 APR 2014 *idA+/Stable*
 APR 2013 *idA+/Stable*

FINANCIAL HIGHLIGHTS

As of/for the year ended

	Mar-2018	Dec-2017	Dec-2016	Dec-2015
	(Un-audited)	(Audited)	(Audited)	(Audited)
Total Adjusted Assets [IDR Bn]	12,863.2	12,993.0	12,976.4	12,251.1
Total Adjusted Debt [IDR Bn]	2,284.6	2,350.3	2,319.4	1,709.4
Total Adjusted Equity [IDR Bn]	8,900.5	8,973.5	8,963.6	9,209.6
Total Sales [IDR Bn]	416.8	2,593.9	2,260.4	2,531.6
EBITDA [IDR Bn]	(25.6)	427.7	163.9	540.0
Net Income after MI [IDR Bn]	(58.7)	56.3	(158.1)	119.1
EBITDA Margin [%]	(6.2)	16.5	7.2	21.3
Adjusted Debt/EBITDA [X]	*(22.3)	5.5	14.2	3.2
Adjusted Debt/Adjusted Equity [X]	0.3	0.3	0.3	0.2
FFO/Adjusted Debt [%]	*(5.4)	13.2	(0.1)	18.6
EBITDA/IFCCI [X]	(1.9)	3.1	0.8	3.5
USD Exchange Rate [IDR/USD]	13,756	13,548	13,436	13,795

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 affirms "idBBB" rating for Perkebunan Nusantara X's maturing bond

PEFINDO has affirmed its "idBBB" rating for PT Perkebunan Nusantara X's (PPNX) maturing Bond I/2013 amounting to IDR700 billion that is due on July 5, 2018. The Company will repay the maturing bond using a combination of internal cash flow and external funding. As of March 31, 2018, the Company had cash and cash equivalent of IDR226.8 billion. PPNX had also secured funds from its new medium term notes (MTN) issuance in 2018 amounting to IDR500 billion.

An obligor rated idBBB has an adequate capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

Located in East Java, PPNX is a plantation company engaged in the sugar and tobacco industry. It processes sugar cane, largely from farmers' plantations, in its sugar cane mills. It operates 10 sugar cane mills and one bio-ethanol plant. At the end of March 2018, it had a total area of 65,259 hectares (ha) (including farmers), consisting of 64,798 ha of sugar cane plantations and 461 ha of a tobacco plantation. As of March 31, 2018, it was 90.0% owned by PT Perkebunan Nusantara III (Persero) and 10.0% by the Indonesian government.

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