

PT ASDP Indonesia Ferry (Persero)

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Mar-2020	Dec-2019	Dec-2018	Dec-2017
			(Unaudited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idAA/Stable</i>	Total adjusted assets [IDR bn]	7,818.9	7,599.9	7,292.5	6,426.0
Rated Issues		Total adjusted debt [IDR bn]	459.3	462.6	396.6	73.0
<i>n/a</i>		Total adjusted equity [IDR bn]	6,543.9	6,475.8	6,223.3	5,878.0
Rating Period		Total sales [IDR bn]	807.4	3,125.3	2,800.0	2,610.0
<i>June 19, 2020 – November 1, 2020</i>		EBITDA [IDR bn]	143.0	528.5	448.3	468.8
Rating History		Net income after MI [IDR bn]	68.1	397.0	321.9	269.8
<i>NOV 2019</i>	<i>idAA/Stable</i>	EBITDA Margin [%]	17.7	16.9	16.0	18.0
<i>SEP 2018</i>	<i>idAA/Stable</i>	Adjusted debt to EBITDA [X]	*0.8	0.9	0.9	0.2
		Adjusted debt to adjusted equity [X]	0.1	0.1	0.1	0.0
		FFO to adjusted debt [%]	*127.6	120.2	127.9	718.0
		EBITDA to IFCCI [X]	16.1	14.7	65.8	40.4
		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.

PEFINDO affirms "idAA" rating to PT ASDP Indonesia Ferry (Persero)

PEFINDO has affirmed the corporate rating of PT ASDP Indonesia Ferry (Persero) (ASDP) at "idAA". 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 rating reflects ASDP's strong support from the government, established market presence in the foot passenger and vehicle ferry markets, and stable profitability. The rating, however, is constrained by competition from other modes of transportation and more aggressive credit profile from its current strong profile due to expansion and transformation initiatives amid slower cash-flow generation during the pandemic.

The rating will be raised if ASDP's expansion and transformation initiatives translate into stronger revenue generation and improved profitability on a sustained basis, while maintaining a prudent financial policy. On the other hand, we could lower the rating if there are significant capital cost overruns leading to unexpected increases in debt burden, and a material weakening in its cash flow protection measures. We could also lower the rating if there is a significant deterioration in government support, such as through a material divestment of ownership and/or a decrease in its public service role.

PEFINDO views that the transportation industry is one of the most impacted industries by Coronavirus Disease (COVID-19). The Company's ferry and port traffics has been sharply affected by the implementation of large-scale social restrictions (PSBB) imposed by the government to contain the spread of COVID-19, which disrupts its business operations and resulting in decreasing profitability and financial profile in the near term. However, we are of the view that the Company's credit profile is still within the current rating category amid the pandemic, considering the Company has a rich cash balance and a very conservative debt level. We also view that a prolonged outbreak will affect to ASDP's credit profile. PEFINDO will closely monitor these conditions to continually assess the impact of the pandemic, and should there be any material development, we will conduct the necessary rating actions.

Founded in 1973, ASDP is a port operator and provider of roll-on/roll-off (ro-ro) ferry transport services. As the only state-owned company in the sector, it takes on the responsibility of ensuring affordable sea transportation and logistics for the public throughout the archipelago. Its ferry services are divided into two categories: commercial and pioneering/non-commercial, with the latter providing transportation services to rural parts of Indonesia. As of March 31, 2020, ferry services contributed 61.0% to its revenue, followed by ferry port management (22.6%), and auxiliary services (16.4%). As of March 31, 2020, it was fully owned by the government of Indonesia.

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.