PEFINDO
CREDIT RATING AGENCY

Rating Summary

January 10, 2023

PT Putra Indotenaga

Credit Rating(s)

General Obligation (GO) $_{id}$A-/Stable

Rating Period

December 27, 2022 – December 1, 2023

Published Rating History

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PT Putra Indotenaga (PITG) rated $_{id}$A- with stable outlook

The corporate rating reflects PITG's strong integration with Perusahaan Listrik Negara (Persero) (PPLN, $_{id}$AAA/Stable), the strong profile of its strategic partners, and the growing demand for electricity. The rating is constrained by its indirect access to the operating cash flow of its joint venture companies, its limited access to direct funding from the PPLN group given the unrestricted subsidiary status, and the execution risks in its joint venture companies.

We may raise the rating if PITG's joint venture companies are able to generate significantly stronger cash flow than projected, reduce their financial leverage, and deliver higher dividend payment to PITG. We may also raise the rating if PITG manages to strengthen its market position by establishing other joint venture companies with favorable equity scheme. We may lower the rating if there is a strong indication of significant weakening support from the PPLN group, or if PITG becomes more aggressive in financing its projects by incurring higher level of debt than projected.

Established in December 2013, PITG is the first PPLN subsidiary with an unrestricted subsidiary status to the Parent's Indenture Global Bond covenant. The Company is the PPLN group's vehicle for developing a power generation business segment by forming joint control partnerships with strategic partners. Currently, PITG has three joint venture companies in the power generation segment. As of June 30, 2022, PITG's shareholder consisted of PT Indonesia Power (99.99%) and Yayasan Pendidikan dan Kesejahteraan – PT Indonesia Power (0.01%).

Financial Highlights

As of/for the year ended	Jun-2022 (Unaudited)	Dec-2021 (Audited)	Dec-2020 (Audited)	Dec-2019 (Audited)
Total adjusted assets [IDR bn]	5,926.3	4,534.5	3,444.8	1,546.3
Total adjusted debt [IDR bn]	171.2	109.9	95.8	120.9
Total adjusted equity [IDR bn]	5,722.9	4,349.7	3,288.2	1,396.0
Total sales [IDR bn]	0.7	17.0	0.5	1.1
EBITDA [IDR bn]	(5.5)	(13.1)	(14.9)	(11.6)
Net income after MI [IDR bn]	258.8	418.1	167.4	51.2
EBITDA margin [%]	(800.9)	(77.2)	(3,042.0)	(1,072.5)
Loan to Value (LTV) [%]	3.2	2.7	3.2	11.3
Adjusted debt/EBITDA [X]	*(15.5)	(8.4)	(6.4)	(10.4)
Adjusted debt/adjusted equity [X]	0.0	0.0	0.0	0.1
Recurring cash inflow to Nondiscretionary cash outflow [X]	0.1	0.5	0.0	0.1
FFO/adjusted debt [%]	*(18.7)	(4.4)	(5.7)	(6.6)
EBITDA/IFCCI [X]	(0.8)	(1.0)	(1.3)	(1.1)
USD exchange rate [IDR/USD]	14,848	14,269	14,105	13,901

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.

Rating Definition

An obligor rated $_{id}$A has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. The minus (-) sign indicates that the rating is relatively weak within its category.

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