PEFINDO
CREDIT RATING AGENCY

Press Release
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PT BIO FARMA (PERSERO)

Analysts: *Emanuel Paco Tan / Agung Iskandar*
Phone/Fax/E-mail: *(62-21) 7278 2380 / 7278 2370 / emanuel.tan@pefindo.co.id / agung.iskandar@pefindo.co.id*

CREDIT PROFILE

Corporate Rating *idAAA/Stable*

Rated Issues
Proposed MTN 2018 *idAAA*
Proposed MTN Syariah Mudharabah 2018 *idAAA(sy)*

Rating Period
July 17, 2018 – July 1, 2019

Rating History
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FINANCIAL HIGHLIGHTS

As of/for the year ended	**Mar-2018 (Unaudited)**	**Dec-2017 (Audited)**	**Dec-2016 (Audited)**	**Dec-2015 (Audited)**
Total Adjusted Assets [IDR Bn]	6,650.4	6,388.5	5,871.3	5,623.4
Total Adjusted Debt [IDR Bn]	0.0	0.0	0.0	0.0
Total Adjusted Equity [IDR Bn]	5,739.0	5,589.0	5,251.0	4,986.9
Total Sales [IDR Bn]	546.3	3,011.6	2,315.8	2,345.9
EBITDA [IDR Bn]	223.9	840.4	807.4	971.8
Net Income after MI [IDR Bn]	144.8	525.4	501.0	670.6
EBITDA Margin [%]	41.0	27.9	34.9	41.4
Adjusted Debt to EBITDA [X]	*0.0	0.0	0.0	0.0
Adjusted Debt to Adjusted Equity [X]	0.0	0.0	0.0	0.0
FFO to Adjusted Debt [%]	N/A	N/A	N/A	N/A
EBITDA to IFCCI [X]	N/A	119.6	98.7	N/A
USD Exchange Rate [IDR/USD]	13,756	13,548	13,436	13,795

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 *N/A = Not apicable*
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 "$_{id}$AAA" ratings for PT Bio Farma (Persero) and its MTN Year 2018, and "$_{id}$AAA$_{(sy)}$" rating for MTN Syariah Mudharabah Year 2018

PEFINDO has assigned its **"$_{id}$AAA"** rating for PT Bio Farma (Persero) (BIOF). PEFINDO has also assigned its **"$_{id}$AAA"** rating to BIOF's proposed Medium-Term Notes (MTN) Year 2018 of IDR125 billion and **"$_{id}$AAA$_{(sy)}$"** rating to MTN Syariah Mudharabah Year 2018 of IDR325 billion. The proceeds of the MTN will be used to finance BIOF's capital expenditures (capex). The outlook for the corporate rating is **"stable"**.

An obligor rated $_{id}$AAA has the highest rating assigned by PEFINDO. The obligors' capacity to meet its long-term financial commitment, relative to that of other Indonesian obligors, is superior.

The suffix (sy) indicates that the rating mandates compliance with Islamic principles.

The corporate rating reflects BIOF's strategically important role in providing vaccines for the nation, its very strong market position in the vaccine industry, and its strong financial profile. However, the rating is constrained by the exposure to risks in regulatory changes and smaller export market shares.

The rating could be lowered if PEFINDO views a reduction in the government support, such as through a material divestment of the government's ownership and/or lower barrier to entry through the regulations, such as allowing other vaccines companies to supply vaccines for the government projects. The rating could also be under pressure if it incurs a substantially larger debt than projected and/or its capex are not well executed, resulting in a weaker financial profile, particularly if its debt to EBITDA ratio exceeds 2.5x on a sustained basis.

As Indonesia's sole state-owned vaccine producer, BIOF is focused on developing vaccine research and technology, conducting new vaccine research in ensuring self-sufficiency of vaccine needs in Indonesia as well as availability of vaccines to meet the world's vaccines needs in terms of quality and affordability. BIOF supplies all the vaccines for Indonesia's National Vaccine Program and it has a long-term contract to supply vaccines to various countries through UNICEF. Currently, 12 types of BIOF's vaccines have received prequalification from World Health Organization (WHO). It was 100% owned by Indonesian Government as of March 31, 2018.