

PT Hakaaston

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CREDIT PROFILE

Corporate Rating *idBBB+/Stable*

Rated Issues

MTN 2018

idBBB+

Rating Period

August 9, 2018 – August 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]	933.4	799.2	477.2	309.5
Total adjusted debt [IDR bn]	186.5	151.9	141.0	84.4
Total adjusted equity [IDR bn]	205.1	191.6	151.4	111.4
Total sales [IDR bn]	155.7	550.8	371.4	232.4
EBITDA [IDR bn]	21.9	90.4	76.4	26.5
Net income after MI [IDR bn]	10.8	40.2	34.0	18.2
EBITDA margin [%]	14.1	16.4	20.6	11.4
Adjusted debt/EBITDA [X]	*2.1	1.7	1.9	3.2
Adjusted debt/adjusted equity [X]	0.9	0.8	0.9	0.8
FFO/adjusted debt [%]	*36.0	43.5	48.4	24.4
EBITDA/IFCCI [X]	4.5	6.3	105.1	664.2
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 assigns “*idBBB+*” ratings for PT Hakaaston and its MTN

PEFINDO has assigned its “*idBBB+*” ratings for PT Hakaaston (HKAS) and its Medium-Term Notes (MTN) of IDR400 billion, which will be used for capital expenditure or capex (73.9%), shareholder loan payment (6.9%), arranger fee (0.5%) and additional working capital (18.7%). The outlook for the corporate rating is “**stable**”.

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 weaken its capacity to meet its financial commitments.

The plus (+) sign indicates that the rating is relatively strong within the respective rating category.

The corporate rating reflects HKAS's strong synergy with Hutama Karya (PTHK) group and benefits from accelerated infrastructure development, diversified product, and expected moderate capital structure and cash flow protection measures. The rating is constrained as a small precast manufacturer compared to its state-owned enterprise (SOE) related peers, concentration risks in the Trans Sumatera Toll Road (JTTS), and relatively volatile business environment.

The rating may be raised if HKAS improves its business profile through executing its capex plan successfully, and increasing its hotmix and precast plant capacity as projected to support JTTS. It would also have to demonstrate a more conservative capital structure and stronger cash flow protection measures. The rating could be lowered if there is project delay in JTTS and it incurs more debt than projected to finance expansion and/or working capital requirements, resulting in a deterioration of its financial profile.

HKAS is a hotmix, precast, and ready-mix manufacturer in Indonesia. As of March 31, 2018, PT Hutama Karya (Persero) (PTHK) was its majority shareholder with 99.75% ownership, followed by PTHK's employee welfare foundation with 0.25%.

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