

PT Nippon Indosari Corpindo Tbk

Analysts: Christyanto Wijaya / Martin Pandiangan

Phone/Fax/E-mail: (62-21) 72782380/72782370 / christyanto.wijaya@pefindo.co.id / martin.pandiangan@pefindo.co.id

CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Dec-2016	Dec-2015	Dec-2014	Dec-2013	
		(Unaudited)	(Audited)	(Audited)	(Audited)	
Corporate Rating	<i>idAA-/Stable</i>	Total adjusted assets [IDR bn]	2,920.1	2,698.7	2,135.9	1,820.1
Rated Issues		Total adjusted debt [IDR bn]	996.0	994.4	835.4	656.4
<i>Shelf Reg. Bond I/2013</i>	<i>idAA-</i>	Total adjusted equity [IDR bn]	1,466.9	1,180.9	946.7	774.4
<i>Shelf Reg. Bond II/2015</i>	<i>idAA-</i>	Total sales [IDR bn]	2,521.8	2,174.5	1,880.3	1,505.5
Rating Period		EBITDA [IDR bn]	563.2	531.6	361.2	274.3
<i>March 7, 2017 – March 1, 2018</i>		Net income after MI [IDR bn]	280.8	270.5	188.6	157.9
Rating History		EBITDA margin [%]	22.3	24.4	19.2	18.2
<i>MAR 2016</i>	<i>idAA-/Stable</i>	Adjusted Debt/EBITDA [X]	1.8	1.9	2.3	2.4
<i>MAR 2015</i>	<i>idAA-/Stable</i>	Adjusted Debt/Adjusted Equity [X]	0.7	0.8	0.9	0.8
<i>MAR 2014</i>	<i>idAA-/Stable</i>	FFO/Adjusted Debt [%]	40.1	36.3	29.0	26.7
<i>MAR 2013</i>	<i>idAA-/Stable</i>	EBITDA/IFCCI [X]	7.6	5.9	5.0	5.8
		USD exchange rate [IDR/USD]	13,436	13,795	12,440	12,819
		<i>FFO = EBITDA – IFCCI + interest income – current tax expense</i>				
		<i>EBITDA = (operating profit + depreciation exp. + amortization exp.)</i>				
		<i>IFCCI = (gross interest expense + other financial charges + capitalized interest); foreign exchange loss not included</i>				
		<i>MI = minority interest</i>				
		<i>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.</i>				

PEFINDO affirms "idAA-" ratings to PT Nippon Indosari Corpindo Tbk

PEFINDO has affirmed its "idAA-" ratings for PT Nippon Indosari Corpindo Tbk (ROTI) and its Shelf-Registered Bond I/2013 and II/2015. 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 Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The ratings reflect ROTI's very strong market position as a mass producer of bread, strong cash flow protection and liquidity measures, and operational support from shareholding partners. However, the ratings are constrained by the Company's exposure to the fluctuations of raw material and packaging material costs, as well as the tight competition in the bakery industry.

The rating may be raised if the Company is able to maintain its market position in the entire bread market. The Company should also improve its financial profile, despite having high capital expenditure to finance its business expansion. In contrast, the rating will be lowered if the results of its expansion are not realized as targeted and/or its capital structure becomes substantially more aggressive.

Established in 1995, ROTI produces several varieties of breads and cakes under the Sari Roti brand. It has 10 plants with 35 production lines in total. Revenue in 2016 came from the sales of white bread (61%), sweet bread (37%), and cakes and others (2%). As of December 31, 2016, ROTI's shareholders consisted of PT Indoritel Makmur Internasional Tbk (31.504%); Bonlight Investments Limited (25.121%); Pasco Shikishima Corporation (8.501%); Sojitz Corporation (4.251%); and others including the public (30.623%).

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