

## PT Bio Farma (Persero)

### Credit Rating(s)

General Obligation (GO) idAA/Negative

### Rating Period

May 30, 2024 – May 1, 2025

### Published Rating History

JUL 2021	idAAA/Stable
JUL 2020	idAAA/Stable
JUL 2019	idAAA/Stable
JUL 2018	idAAA/Stable
JUL 2021	idAAA/Stable

### Rating Definition

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.

**PEFINDO has assigned its idAA rating with negative outlook to PT Bio Farma (Persero).**

The negative outlook reflects the ongoing pressure on Bio Farma's subsidiaries' cash flow and liquidity, and its capacity to service its debt will largely depend on the PT Kimia Farma Tbk (KAFF)'s restructuring plans, which are expected to conclude in the second half of 2024 and aimed at reducing any short-term vulnerabilities by reprofiling its principal payment and current maturities, including interest payment deferral, to correspond with the cash flows and recovery prospects. In addition, PT Indofarma Tbk (INAF) was in an extended period for temporary postponement of debt payment obligations (PKPU) for a period of 45 days until August 8, 2024. We also anticipate if the long collection period persists, it could further weaken the Company's business and financial performance.

The rating reflects Bio Farma's strong likelihood of support from the Indonesian government, its very strong market position, and its favorable product mix. The rating is constrained by its aggressive capital structure and cash flow protection measures.

The rating may be lowered if its subsidiaries fail to reach an agreement with creditors or if the terms fall short of expectations. The rating may also be under pressure if there is no improvement in its leverage and cash flow protection measures stemming from failure to shorten its receivable days and better manage its inventory level or if it incurs higher than expected debt to finance its capital expenditure (capex). We may also lower the rating if we view a reduction in government support, such as a material divestment of ownership or weakening of the Company's role to the government. The outlook may be revised to stable if its subsidiaries are able to reach an agreement with its creditors on the debt restructuring and homologation settlement, as it will reduce the pressure on the cash flow available to serve its financial obligations.

Established in 1890, Bio Farma is Indonesia's sole state-owned vaccine producer and acts as a parent of the state-owned pharmaceutical holding, which consists of KAFF, INAF, and PT Industri Nuklir Indonesia (INUKI). It has 95 production facilities and 78 branches nationwide. As of December 31, 2023, Bio Farma is wholly owned by the government of Indonesia.

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## Financial Highlights

As of/for the year ended	Dec-2023 (Unaudited)	Dec-2022 (Audited)	Dec-2021 (Audited)	Dec-2020 (Audited)
Total adjusted assets [IDR bn]	32,936.2	34,458.8	40,135.5	32,394.4
Total adjusted debt [IDR bn]	8,790.8	8,969.5	8,830.7	11,348.7
Total adjusted equity [IDR bn]	17,613.7	19,708.6	17,197.6	15,635.6
Total sales [IDR bn]	15,587.5	21,539.3	43,460.0	14,328.0
EBITDA [IDR bn]	0.5	1,820.7	4,184.6	1,347.4
Net income after MI [IDR bn]	(2,256.7)	539.5	1,932.4	284.6
EBITDA margin [%]	0.0	8.5	9.6	9.4
Adjusted debt/EBITDA [X]	16,723.2	4.9	2.1	8.4
Adjusted debt/adjusted equity [X]	0.5	0.5	0.5	0.7
FFO/adjusted debt [%]	(8.3)	15.5	25.5	4.1
EBITDA/IFCCI [X]	0.0	3.0	5.1	1.8
USD exchange rate [IDR/USD]	15,416	15,731	14,269	14,105

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.

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