PEFINDO
CREDIT RATING AGENCY

Press Release
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PT Estika Tata Tiara Tbk

Analysts: *Christyanto Wijaya / Ayuningtyas Nur Paramitasari*

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

CREDIT PROFILE

Corporate Rating *idBBB/Stable*

Rated Issues
n/a

Rating Period
May 29, 2019 – May 1, 2020

Rating History
n/a

FINANCIAL HIGHLIGHTS

As of/for the year ended	**Mar-2019** (Unaudited)	**Dec-2018** (Audited)	**Dec-2017** (Audited)	**Dec-2016** (Audited)
Total adjusted assets [IDR bn]	690.1	546.6	494.5	193.6
Total adjusted debt [IDR bn]	277.4	278.9	228.1	84.0
Total adjusted equity [IDR bn]	355.7	211.6	191.1	88.5
Total sales [IDR bn]	278.3	895.9	846.5	790.1
EBITDA [IDR bn]	35.0	87.5	56.8	36.5
Net income after MI [IDR bn]	14.9	17.4	29.6	15.4
EBITDA Margin [%]	12.6	9.8	6.7	4.6
Adjusted debt to EBITDA [X]	*2.0	3.2	4.0	2.3
Adjusted debt to adjusted equity [X]	0.8	1.3	1.2	0.9
FFO to adjusted debt [%]	*28.0	13.0	13.0	27.3
EBITDA to IFCCI [X]	3.4	2.2	2.8	4.6
USD exchange rate [IDR/USD]	14,244	14,481	13,548	13,473

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*
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" rating to PT Estika Tata Tiara Tbk

PEFINDO has assigned its **"idBBB"** rating to PT Estika Tata Tiara Tbk (BEEF). 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 corporate rating reflects BEEF's relatively integrated business operations, well-diversified revenue stream and customer profile, and steady demand for beef in Indonesia. The rating is constrained by expectation of a more aggressive capital structure and weak cash flow protection measures, tight competition in the beef and processed food segment, and exposure to the fluctuation of live cattle prices and foreign exchange rates.

The rating could be raised if BEEF successfully executes its capital expenditure (capex) plan and generates revenue as well as higher EBITDA than projected. This should also be followed by a less aggressive capital structure and stronger cash flow protection measures, as indicated by a debt to EBITDA ratio of less than 2.5x and funds from operations (FFO) to debt ratio of more than 20.0% on a sustained basis. The rating could be lowered if its revenue and/or EBITDA are significantly lower than projected, while realizing most or all of its sizable capex. The rating could also be under pressure if it incurs significantly higher debt than projected, which could deteriorate its financial performance.

BEEF was established in 2001 and started its first operational activities in 2008. Its business activities include the distribution and sale of live cattle, carcasses of cattle, meat, offal, and processed food products. It has production facilities in Subang, Cikarang, and Salatiga. As of March 31, 2019, its shareholders were PT Tiga Tunggal Adimulya (56.36%), PT Tiga Tunggal Kapital (0.17%), and the public (43.47%).