

PT MORA TELEMATIKA INDONESIA

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Dec-2018	Dec-2017	Dec-2016	Dec-2015	
		(Audited)	(Audited)	(Audited)	(Audited)	
Corporate Rating	<i>idA/Stable</i>	Total adjusted assets [IDR bn]	9,097.6	6,484.5	2,071.9	1,349.9
Rated Issues		Total adjusted debt [IDR bn]	5,617.7	4,105.6	698.0	460.6
<i>Bond I/2017</i>	<i>idA</i>	Total adjusted equity [IDR bn]	2,374.1	1,719.2	823.5	574.5
		Total sales [IDR bn]	4,663.7	2,659.8	1,128.4	685.8
		EBITDA [IDR bn]	1,231.1	380.3	291.5	190.3
Rating Period		Net income after MI [IDR bn]	504.5	119.2	11.0	20.8
March 14, 2019 – March 1, 2020		EBITDA margin [%]	26.4	14.3	25.8	27.8
		Adjusted debt/EBITDA [X]	4.6	10.8	2.4	2.4
Rating History		Adjusted debt/adjusted equity [X]	2.4	2.4	0.8	0.8
<i>MAY 2018</i>	<i>idA</i>	FFO to adjusted debt [%]	12.4	4.3	27.9	32.4
<i>SEP 2017</i>	<i>idA</i>	EBITDA/IFCCI [X]	2.3	2.2	4.7	5.8
<i>JUL 2017</i>	<i>idA</i>	USD exchange rate [IDR/USD]	14,481	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
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 affirms "idA" ratings to PT Mora Telematika Indonesia and its outstanding bond

PEFINDO has affirmed its "idA" ratings to PT Mora Telematika Indonesia (Moratel or MORA) and its Bond I Year 2017. The outlook for the corporate rating is "stable".

An obligor rated *idA* has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.

The corporate rating reflects Moratel's strong market position as a fiber optic backbone provider, potential cash flow from the Palapa Ring West and East packages, and diversified customers and services. However, the rating is constrained by its increasing financial leverage due to sizeable capital expenditure, its weakening cash flow protection measures in the near term, and the execution risks of new businesses.

The rating could be raised if Moratel significantly improves its capital structure on a sustained basis, its business expansions are well-executed and generates significant cash flows exceed projections. In contrast, the rating may be lowered if the Company's revenue and/or EBITDA are significantly below targets, and/or if it incurs debt beyond what is projected.

Moratel is a telecommunications infrastructure and service provider. It has international links connecting Jakarta and Singapore, and domestic submarine and inland backbones serving mainly telecommunications operators and wholesale customers. It expanded its enterprise and retail segments by developing a fiber-to-the-home (FTTH) business to maximize the use of its network under the "Oxygen" brand. Its subsidiaries, PT Palapa Ring Barat and PT Palapa Timur Telematika, were awarded government contracts to construct and manage two national priority projects, the Palapa Ring West package in 2015 and the Palapa Ring East package in 2016. The Palapa Ring West package began commercial operations in March 2018, while the Palapa Ring East package is expected to start operating in the second quarter of 2019. As of December 31, 2018, its shareholders were PT Candrakarya Multikreasi (57.5% stake), which belongs to PT Infrastruktur Bisnis Sejahtera, and PT Gema Lintas Benua (42.5%).

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