

PT Chandra Asri Petrochemical Tbk.

Analysts: Niken Indriarsih / Umar Hareddy

Phone/Fax/E-mail: (62-21) 7278 2380 / 7278 2370 / niken.indriarsih@pefindo.co.id / umar.hareddy@pefindo.co.id

| CREDIT PROFILE | | FINANCIAL HIGHLIGHTS | | | | |
|--|-----------------------|--|-----------------|-----------------|-----------------|-----------------|
| | | As of/for the year ended | Jun-2020 | Dec-2019 | Dec-2018 | Dec-2017 |
| | | | (Unaudited) | (Audited) | (Audited) | (Audited) |
| Corporate Rating | <i>idAA-/Negative</i> | Total adjusted assets [USD mn] | 3,326.9 | 3,451.2 | 3,173.5 | 2,987.3 |
| Rated Issues | | Total adjusted debt [USD mn] | 941.6 | 787.9 | 608.1 | 630.9 |
| <i>Bond I/2016</i> | <i>idAA-</i> | Total adjusted equity [USD mn] | 1,726.2 | 1,761.0 | 1,770.1 | 1,668.8 |
| <i>Shelf Reg. Bond I/2017-2018</i> | <i>idAA-</i> | Total sales [USD mn] | 841.4 | 1,881.0 | 2,543.2 | 2,418.5 |
| <i>Shelf Reg. Bond II/2018-2019</i> | <i>idAA-</i> | EBITDA [USD mn] | 3.3 | 174.2 | 396.6 | 543.7 |
| <i>Shelf Reg. Bond III</i> | <i>idAA-</i> | Net income after MI [USD mn] | (29.9) | 22.9 | 181.7 | 318.6 |
| Rating Period | | EBITDA margin [%] | 0.4 | 9.3 | 15.6 | 22.5 |
| <i>August 28, 2020 – June 1, 2021</i> | | Adjusted debt/EBITDA [X] | *141.2 | 4.5 | 1.5 | 1.2 |
| | | Adjusted debt/adjusted equity [X] | 0.5 | 0.4 | 0.3 | 0.4 |
| | | FFO/adjusted debt [%] | *(5.9) | 13.3 | 44.7 | 64.4 |
| <i>Shelf Reg. Bond I Phase I/2017 Series A</i> | | EBITDA/IFCCI [X] | 0.1 | 3.1 | 7.7 | 15.1 |
| <i>August 28, 2020 – December 12, 2020</i> | | USD exchange rate [IDR/USD] | 14,302 | 13,901 | 14,481 | 13,548 |
| Rating History | | <i>FFO = EBITDA – IFCCI + interest income – current tax expense</i> <i>EBITDA = operating profit + depreciation expense + amortization expense</i> <i>IFCCI = gross interest expense + other financial charges + capitalized interest; (FX loss not included)</i> <i>MI = Minority Interest *annualized</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> | | | | |
| <i>JUN 2020</i> | <i>idAA-/Negative</i> | | | | | |
| <i>OCT 2019</i> | <i>idAA-/Stable</i> | | | | | |
| <i>OCT 2018</i> | <i>idAA-/Stable</i> | | | | | |
| <i>OCT 2017</i> | <i>idAA-/Stable</i> | | | | | |
| <i>OCT 2016</i> | <i>idA+/Stable</i> | | | | | |

PEFINDO affirms "idAA-" rating for PT Chandra Asri Petrochemical Tbk's maturing Shelf Registered Bond I Phase I/2017 Series A

PEFINDO has affirmed its "idAA-" rating to PT Chandra Asri Petrochemical Tbk (TPIA)'s Shelf Registered Bond I Phase I/2017 Series A of IDR150 billion that will mature on December 12, 2020. The Company plans to repay the maturing bond with internal cash. As of June 30, 2020, it had cash and cash equivalent of USD649 million.

A debt security rated idAA differs from the highest-rated debt only to a small degree. The issuer's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian issuers, is very strong. The minus (-) sign indicates that the rating is relatively weak within its category.

The rating reflects our view of TPIA's leading position in the domestic petrochemical industry that is supported by synergies with its strategic partners, vertically integrated operations with satisfactory supporting facilities, and strong liquidity and financial flexibility. Its sensitivity to industry cyclicality and exposure to the volatility of the spread between the feedstock costs and the petrochemical product prices, risks related to the expansion of petrochemical facilities, and adequate cash flow protection constrain its rating, in our view.

TPIA is an integrated petrochemical producer, providing olefins, polyolefin, styrene monomer, and butadiene. It owns the only naphtha cracker, styrene monomer and butadiene plants in the country. Its production facilities include a naphtha cracker with a total production capacity of 2,138 kilo tons per annum (KTA), a polyethylene plant with 736 KTA capacity, a styrene monomer plant with 340 KTA capacity, a polypropylene plant with 590 KTA capacity, and a butadiene plant with 137 KTA capacity. As of June 30, 2020, it was owned by PT Barito Pacific Tbk (41.9%), SCG Chemicals Co Ltd (30.6%), Prajogo Pangestu (15.0%), Marigold Resources Pte Ltd (4.8%), and the public (7.7%).

DISCLAIMER

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