

## PT PELABUHAN INDONESIA I (PERSERO)

Analysts: Emanuel Paco Tan / Yogie Surya Perdana

Phone/Fax/E-mail: (62-21) 7278 2380 / 7278 2370 / [emanuel.tan@pefindo.co.id](mailto:emanuel.tan@pefindo.co.id) / [yogie.perdana@pefindo.co.id](mailto:yogie.perdana@pefindo.co.id)

CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Mar-2020 (Unaudited)	Dec-2019 (Audited)	Dec-2018 (Audited)	Dec-2017 (Audited)
<b>Corporate Rating</b>	<i>idAA-/Stable</i>	Total adjusted assets [IDR bn]	15,725.3	16,031.4	13,625.1	8,304.4
<b>Rated Issues</b>		Total adjusted debt [IDR bn]	7,113.6	6,913.8	4,555.1	1,387.1
<i>Bond I/2016</i>	<i>idAA-</i>	Total adjusted equity [IDR bn]	6,102.8	6,027.2	6,083.8	4,701.4
		Total sales [IDR bn]	725.4	3,060.2	3,113.5	2,751.1
<b>Rating Period</b>		EBITDA [IDR bn]	372.9	988.8	1,458.0	1,271.2
<i>June 10, 2020 – March 1, 2021</i>		Net income after MI [IDR bn]	111.0	369.5	911.8	803.6
		EBITDA margin [%]	51.4	32.3	46.8	46.2
<b>Rating History</b>		Adjusted debt/EBITDA [X]	*4.8	7.0	3.1	1.1
<i>MAR 2020</i>	<i>idAA-/Stable</i>	Adjusted debt/adjusted equity [X]	1.2	1.1	0.7	0.3
<i>DEC 2019</i>	<i>idAA-/Stable</i>	FFO to adjusted debt [%]	*10.5	6.3	20.5	73.0
<i>MAR 2019</i>	<i>idAA/Stable</i>	EBITDA/IFCCI [X]	2.5	1.9	4.7	12.6
<i>MAR 2018</i>	<i>idAA/Stable</i>	USD exchange rate [IDR/USD]	15,257	14,011	14,500	13,554
<i>MAR 2017</i>	<i>idAA/Stable</i>					
<i>MAR 2016</i>	<i>idAA/Stable</i>					
<i>DEC 2014</i>	<i>idAA/Stable</i>					

*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.*

### PEFINDO affirms the ratings of PT Pelabuhan Indonesia I (Persero) and its bond at "idAA-"

PEFINDO has affirmed the ratings of PT Pelabuhan Indonesia I (Persero), hereafter referred to as PIGN, and its bond I Year 2016 at "idAA-". 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 corporate rating reflects the potential strong government support for PIGN due to the strategic importance of seaports, its strong market position in the Sumatra region, and its high profitability margins compared to its peers. The corporate rating, however, is constrained by its high financial leverage and weakened cash flow protection measures, and the nature of the seaport industry, which is highly dependent on economic and regulatory conditions.

The rating could be raised if PIGN improves its business position within its service areas and realizes the expected returns from new investments, particularly from the expansion of Kuala Tanjung port and the Belawan container terminal, and improves its credit profile. The rating could be lowered if we view a reduction in government support, such as through a material divestment of ownership. The rating could also be under pressure if the Company incurs substantially larger debt than projected and/or its new investments in Kuala Tanjung port and Belawan port are not well executed, and if there are material decreases in the volume of container and cargo movement that result in a weaker financial profile, particularly if its debt to EBITDA ratio exceeds 6.5x on a sustained basis.

PEFINDO is of the view that the Coronavirus Disease (COVID-19) pandemic and containment measures worldwide expose global seaport operators to the risk of lower port activities, which could negatively impact their business growth, profitability, and financial profile in the near term. However, we are of the view that the Company's credit profile is still within the current rating category amid the pandemic. Although we expect slower international container and cargo traffic volume growth, we expect the domestic container and cargo traffic to remain resilient due to the necessity to ensure logistics for critical goods like food, medicine, and other daily needs. PEFINDO will closely monitor these conditions to continually assess the impact of the pandemic, and should there be any material development, we will conduct the necessary rating actions.

PIGN is a government-owned port operator that provides seaport service facilities through 17 ports in the provinces of Aceh, North Sumatra, Riau, and Riau Islands, as of March 31, 2020. Its flagship terminals are the Belawan International Container Terminal (BICT) and the Belawan port (TPKDB) in North Sumatra near the city of Medan. The port is the country's busiest outside Java.

**DISCLAIMER**

*The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.*