

## PT MORA TELEMATIKA INDONESIA

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<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>				
		<b>Dec-2019</b>	<b>Dec-2018</b>	<b>Dec-2017</b>	<b>Dec-2016</b>	
		<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Audited)</b>	
<b>Corporate Rating</b>	<i>idA/Stable</i>	Total Adjusted Assets [IDR Bn]	12,817.8	9,097.6	6,484.5	2,071.9
<b>Rated Issues</b>		Total Adjusted Debt [IDR Bn]	*9,377.6	*6,462.1	*4,902.6	698.0
<i>Bond I/2017</i>	<i>idA</i>	Total Adjusted Equity [IDR Bn]	2,222.8	1,529.7	922.2	823.5
<i>Shelf Registered</i>		Total Sales [IDR Bn]	4,067.5	4,663.7	2,659.8	1,128.4
<i>Sukuk Ijarah/2019</i>	<i>idA(sy)</i>	EBITDA [IDR Bn]	1,535.0	1,231.8	380.5	291.5
<b>Rating Period</b>		Net Income after MI [IDR Bn]	608.4	504.5	119.2	11.0
<i>March 10, 2020 – March 1, 2021</i>		EBITDA Margin [%]	37.7	26.4	14.3	25.8
<b>Rating History</b>		Adjusted Debt/EBITDA [X]	6.1	5.2	12.9	2.4
<i>JUN 2019</i>	<i>idA/Stable</i>	Adjusted Debt/Adjusted Equity [X]	4.2	4.2	5.3	0.8
<i>MAR 2019</i>	<i>idA/Stable</i>	FFO/Adjusted Debt [%]	7.9	10.8	3.6	27.9
<i>MAY 2018</i>	<i>idA/Stable</i>	EBITDA/IFCCI [X]	2.1	2.3	2.2	4.7
<i>SEP 2017</i>	<i>idA/Stable</i>	USD Exchange Rate [IDR/USD]	13,901	14,481	13,548	13,436
<i>JUL 2017</i>	<i>idA/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*  
*\*includes shareholder loan representing the deposits for future stock subscription from shareholder to be converted into equity*

*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, and affirms “idA(sy)” rating for its Shelf-Registered Sukuk Ijarah

PEFINDO has affirmed its “idA” ratings for PT Mora Telematika Indonesia (Moratel or MORA) and its Bond I Year 2017. We have also affirmed our “idA(sy)” rating to Moratel’s Shelf-Registered Sukuk Ijarah Year 2019. 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 suffix (sy) means the rating mandates compliance with Islamic principles.

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 high financial leverage due to its sizeable capital expenditure, its weak cash flow protection measures in the near term, and the execution risks related to new businesses.

The rating could be raised if Moratel significantly improves its capital structure on a sustained basis, and if its business expansions are executed well with significant cash flows that exceed projections. In contrast, the rating may be lowered if Moratel’s revenue and/or EBITDA are significantly below targets, and/or if it incurs more debt than 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 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 started its commercial operations in August 2019. As of December 31, 2019, its shareholders were PT Candrakarya Multikreasi (57.5% stake); and PT Gema Lintas Benua (42.5%).

**DISCLAIMER**

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