

PT Perikanan Nusantara (Persero)

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Sep-2020	Dec-2019	Dec-2018	Dec-2017
			(Unaudited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idBB-/C.W. Negative</i>	Total Adjusted Assets [IDR Bn]	813.4	748.3	759.5	823.2
Rated Issues		Total Adjusted Debt [IDR Bn]	374.8	344.9	308.9	182.1
<i>MTN I/2017</i>	<i>idBB-</i>	Total Adjusted Equity [IDR Bn]	256.7	321.9	395.4	442.5
Rating Period		Total Sales [IDR Bn]	127.7	340.5	580.1	377.5
<i>November 10, 2020 – February 10, 2021</i>		EBITDA [IDR Bn]	(18.3)	(48.9)	(2.8)	18.0
Rating History		Net Income after MI [IDR Bn]	(51.2)	(69.3)	(35.2)	14.5
<i>SEP 2020</i>	<i>idBB-/C.W. Negative</i>	EBITDA Margin [%]	(14.4)	(14.4)	(0.5)	4.8
<i>JUN 2020</i>	<i>idBB-/C.W. Negative</i>	Adjusted Debt/EBITDA [X]	*(15.3)	(7.0)	(109.2)	10.1
<i>NOV 2019</i>	<i>idBB/Negative</i>	Adjusted Debt/Adjusted Equity [X]	1.5	1.1	0.8	0.4
<i>SEP 2019</i>	<i>idBB+/Negative</i>	FFO/Adjusted Debt [%]	*(14.6)	(21.8)	(4.6)	12.7
<i>NOV 2018</i>	<i>idBBB-/Stable</i>	EBITDA/IFCCI [X]	(0.7)	(1.5)	(0.1)	16.3
<i>NOV 2017</i>	<i>idBBB-/Stable</i>	USD Exchange Rate [IDR/USD]	14,918	13,901	14,481	13,548

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 n.a.=not applicable*
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 Perikanan Nusantara (Persero) and its maturing MTN at "idBB-", and maintains Credit Watch with Negative Implications

PEFINDO has affirmed its "idBB-" ratings to PT Perikanan Nusantara (Persero) (PRKN) and its Medium-Term Notes (MTN) I Year 2017 that will be due on December 4, 2020. The corporate rating is still placed at "CreditWatch with Negative Implication", to reflect our existing concern over the repayment of the maturing MTN. The Company is still in the process to obtain the approval from the MTN holders to restructure the MTN by extending the maturity date by two years. In the next few days PRKN will conduct another general meeting of unitholders (RUPUP) to finalize the restructuring process. If the restructuring plan fails to materialize and the Company could not obtain other funding sources before the MTN maturity date, we are of the view that PRKN may be vulnerable to default in its MTN principal and coupon repayment given the Company's limited cash flow generation from its operational activities.

An obligor rated idBB has a somewhat weak capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. It faces ongoing uncertainties or exposure to adverse business, financial or economic conditions which could result in an inadequate capacity to meet its financial commitments. The minus (-) sign indicates that the rating is relatively weak within its category.

The rating reflects its weak liquidity, unfavorable boats condition, and exposure to the risk of weather condition and the changes on government's policies. However, the rating is offset by PRKN's benefit as a state-owned enterprise and high potential market from overseas as well as domestic.

The rating may be lowered if the restructuring process takes longer time than expected and the uncertainty continues to linger with a more limited time before the MTN maturity date. We may revise the CreditWatch with Negative implication if PRKN could finalize its restructuring plan as expected and in a timely manner and demonstrate its ability to fulfill its upcoming financial obligations.

PRKN is a state-owned fisheries company established in 2006 as a result of the merger of four state-owned fisheries companies: PT Usaha Mina (Persero), PT Perikani (Persero), PT Tirta Raya Mina (Persero), and PT Perikanan Samodra Besar (Persero). PRKN business is engaged in fishery sales, ice beam sales, docking, repair of the boat, and other supporting businesses related with fishery. Since its establishment, it was wholly owned by the Government of Indonesia.

DISCLAIMER

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