

PT KIMIA FARMA Tbk

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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>idAA-/Negative</i>	Total Adjusted Assets [IDR Bn]	17,500.6	18,165.6	11,143.9	6,088.9
Rated Issues		Total Adjusted Debt [IDR Bn]	8,256.7	8,296.7	4,870.2	2,019.5
<i>MTN 2018 Phase II</i>	<i>idAA-</i>	Total Adjusted Equity [IDR Bn]	6,728.3	7,225.6	3,961.0	2,565.3
Rating Period		Total Sales [IDR Bn]	7,045.7	9,400.5	8,459.2	6,127.5
<i>January 12, 2021 – March 15, 2021</i>		EBITDA [IDR Bn]	587.7	633.4	1,088.7	543.0
Rating History		Net Income after MI [IDR Bn]	37.2	(12.7)	491.6	326.8
<i>May 2020</i>	<i>idAA-/Negative</i>	EBITDA Margin [%]	8.3	6.7	12.9	8.9
<i>May 2019</i>	<i>idAA-/Stable</i>	Adjusted Debt to EBITDA [X]	*10.5	13.1	4.5	3.7
<i>JUL 2018</i>	<i>idAA-/Stable</i>	Adjusted Debt to Adjusted Equity [X]	1.2	1.1	1.2	0.8
<i>JUL 2017</i>	<i>idAA-/Stable</i>	FFO to Adjusted Debt [%]	*0.9	0.0	12.2	17.0
<i>AUG 2016</i>	<i>idAA-/Stable</i>	EBITDA to IFCCI [X]	1.2	1.1	3.5	5.2
<i>SEP 2015</i>	<i>idAA-/Stable</i>	USD Exchange Rate [IDR/USD]	14,918	13,901	14,481	13,548
<i>SEP 2014</i>	<i>idAA-/Stable</i>					
<i>JUL 2014</i>	<i>idAA-/Stable</i>					
<i>APR 2013</i>	<i>idAA-/Stable</i>					

FFO = EBITDA – IFCCI + Gross 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.

Kimia Farma's maturing MTN Year 2018 Phase II rated "idAA-"

PEFINDO has affirmed its "idAA-" rating to PT Kimia Farma Tbk (Kimia Farma)'s maturing Medium Term Notes (MTN) Year 2018 Phase II amounting to IDR600 billion due on March 15, 2021. Kimia Farma plans to repay its maturing MTN using its internal cash, as of December 31, 2020, it had about IDR1.2 trillion of cash.

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.

As Indonesia's largest state-owned pharmaceutical company, Kimia Farma is focused on drug manufacturing, trading and distribution, and retail. Its trading and distribution activities are handled by its subsidiary, PT Kimia Farma Trading and Distribution (KFTD), which had 49 branches nationwide, including Institution Business Unit, as of December 31, 2019. Its retail activities are carried out by two other subsidiaries: PT Kimia Farma Apotek (KFA), which managed 1,279 drugstores, 565 health clinics, 64 laboratories, 3 beauty clinics, and 10 optics as of December 31, 2019, and Kimia Farma Dawaa Co. Ltd., which managed 24 drugstores and two warehouses in Saudi Arabia as of December 31, 2019. Kimia Farma manages 12 production facilities in Jakarta, Bandung, Banjaran, Semarang, Watudakon, Medan, Cikarang, and Denpasar, to manufacture consumer health products, generics, branded ethical, antiretroviral, narcotics, contraceptives, and pharmaceutical raw materials. Its shareholders as of September 30, 2020 were the PT Bio Farma (Persero) (90.025%) and the public (9.975%).

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.