

**PT MAYORA INDAH Tbk.**

*Analysts:* Martin Pandiangan / Emanuel Paco Tan

*Phone/Fax/E-mail:* (62-21) 72782380 / 72782370 / [martin.pandiangan@pefindo.co.id](mailto:martin.pandiangan@pefindo.co.id) / [emanuel.tan@pefindo.co.id](mailto:emanuel.tan@pefindo.co.id)

<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>	<b>Sep-2017</b>	<b>Dec-2016</b>	<b>Dec-2015</b>	<b>Dec-2014</b>
			(Unaudited)	(Audited)	(Audited)	(Audited)
<b>Corporate Rating</b>	<i>idAA/Stable</i>	Total Adjusted Assets [IDR Bn]	13,865.7	12,921.2	11,342.5	10,297.4
<b>Rated Issues</b>		Total Adjusted Debt [IDR Bn]	4,852.7	4,075.7	3,808.3	4,602.8
<i>Bond IV/2012</i>	<i>idAA</i>	Total Adjusted Equity [IDR Bn]	6,731.6	6,264.0	5,194.2	4,076.5
<i>Shelf Registered Bond I/2017</i>	<i>idAA</i>	Total Sales [IDR Bn]	14,298.8	18,350.0	14,818.7	14,169.1
<b>Rating Period</b>		EBITDA [IDR Bn]	1,869.7	2,829.9	2,331.5	1,301.8
<i>November 7, 2017 – November 1, 2018</i>		Net Income after MI [IDR Bn]	927.9	1,355.0	1,220.0	403.4
<b>Rating History</b>		EBITDA Margin [%]	13.1	15.4	15.7	9.2
<i>NOV 2016</i>	<i>idAA-/Stable</i>	Adjusted Debt to EBITDA [X]	*1.9	1.4	1.6	3.5
<i>FEB 2016</i>	<i>idAA-/Stable</i>	Adjusted Debt to Adjusted Equity [X]	0.7	0.7	0.7	1.1
<i>DEC 2015</i>	<i>idAA-/Stable</i>	FFO to Adjusted Debt [%]	*34.7	48.5	40.5	16.6
<i>FEB 2015</i>	<i>idAA-/Negative</i>	EBITDA to IFCCI [X]	6.2	7.2	5.6	2.9
<i>DEC 2014</i>	<i>idAA-/Negative</i>	USD Exchange Rate [IDR/USD]	13,492	13,436	13,795	12,440
<i>FEB 2012-2014</i>	<i>idAA-/Stable</i>					
<i>MAY 2010-2011</i>	<i>idAA-/Stable</i>					
<i>JUN 2009</i>	<i>idA+/Stable</i>					
<i>APR 2008</i>	<i>idA+/Stable</i>					

*FFO = EBITDA – IFCCI + gross interest income – current tax expense*  
*EBITDA = (operating profit + depreciation exp. + amortization exp.)*  
*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 upgrades the ratings of PT Mayora Indah Tbk and its bonds to “idAA”**

PEFINDO has upgraded the ratings of PT Mayora Indah Tbk (MYOR), its Bond IV/2012, and its Shelf Registered Bond I/2017 to “idAA” from “idAA-”. The ratings upgrade reflect our expectation that the Company will maintain its conservative financial leverage and profitability margin in near to medium term amid intense competition. Its financial leverage, in our view, will remain conservative as its capital expenditure (capex) is expected to be internally funded, resulted in projected debt to EBITDA ratio of maximum 2.1x in the near to medium term. The Company has consistently managed its profitability margin and maintained its conservative capital structure over the past three years. 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 ratings reflect the Company's strong position in the domestic packaged food market, well-diversified products, and high contribution from overseas markets, and strong financial profile. However, the ratings are constrained by its exposure to the fluctuation of raw material costs and tight competition in the industry.

The rating may be further raised if MYOR is able to strengthen its position in both domestic and international markets amid intense competition while maintaining a conservative financial leverage and stable profitability margins. In contrast, the rating will be lowered if the Company aggressively finances its expansion with substantially larger debt than projected, without being compensated by stronger business performance.

MYOR is a well-known manufacturer of packaged foods and snacks in Indonesia. It has a wide range of products divided into six categories: biscuits, candies, wafers, coffee, chocolates, and instant cereal. Its flagship brands include Roma, Royal Choice, and Danisa for biscuits; Kopiko and Kis for candies; Torabika and Kopiko for coffee; Astor and Beng-Beng for wafers; Choki-Choki for chocolates; and Energen for instant cereal. Its production facilities are located in Banten and West Java. As of September 30, 2017, its shareholders consisted of PT Unita Branindo (32.93%), PT Mayora Dhana Utama (26.14%), Jogi Hendra Atmadja (25.22%), and public (15.71%).

**DISCLAIMER**

*PT Pemeringkat Efek Indonesia (PEFINDO) does not guarantee the accuracy, completeness, timeliness or availability of the contents of this report or publication. PEFINDO cannot be held liable for its use, its partial use, or its lack of use, in combination with other products or used solely, nor can it be held responsible for the result of its use or lack of its use in any investment or other kind of financial decision making on which this report or publication is based. In no event shall PEFINDO be held liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses including but not limited to lost profits and opportunity costs in connection with any use of the contents of this report or publication. Credit analyses, including ratings, and statements in this report or publication are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities or to make any investment decision. The contents cannot be a substitute for the skill, judgment and experience of its users, its management employees and/or clients in making investment or other business decisions. PEFINDO also assumes no obligation to update the content following publication in any form. PEFINDO does not act as fiduciary or an investment advisor. While PEFINDO has obtained information from sources it believes to be reliable, PEFINDO does not perform an audit and does not undertake due diligence or independent verification of any information used as the basis of and presented in this report or publication. PEFINDO keeps the activities of its analytical units separate from its business units to preserve independence and objectivity of its analytical processes and products. As a result, certain units of PEFINDO may have information that is not available to other units. PEFINDO has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. PEFINDO may receive compensation for its ratings and other analytical work, normally from issuers of securities. PEFINDO reserves the right to disseminate its opinions and analyses. PEFINDO's public ratings and analyses are made available on its website, <http://www.pefindo.com> (free of charge) and through other subscription-based services, and may be distributed through other means, including via PEFINDO publications and third party redistributors. Information in PEFINDO's website and its use fall under the restrictions and disclaimer stated above. Reproduction of the content of this report, in full or in part, is subject to written approval from PEFINDO.*