

PT Perikanan Nusantara (IKAN)

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Jun-2017 (Un-audited)	Dec-2016 (Audited)	Dec-2015 (Audited)	Dec-2014 (Audited)
Corporate Rating	<i>idBBB-/Stable</i>	Total Adjusted Assets [IDR Bn]	579.9	544.9	535.6	330.1
Rated Issues		Total Adjusted Debt [IDR Bn]	81.5	59.3	61.3	94.8
<i>Proposed MTN I/2017</i>	<i>idBBB-</i>	Total Adjusted Equity [IDR Bn]	444.4	436.3	428.7	181.5
Rating Period		Total Sales [IDR Bn]	143.0	114.0	139.3	186.6
<i>November 7, 2017 – November 1, 2018</i>		EBITDA [IDR Bn]	7.7	1.3	10.8	44.0
Rating History		Net Income after MI [IDR Bn]	7.9	5.5	21.3	19.5
-		EBITDA Margin [%]	5.4	1.1	7.7	23.6
		Adjusted Debt/EBITDA [X]	*5.3	47.3	5.7	2.2
		Adjusted Debt/Adjusted Equity [X]	0.2	0.1	0.1	0.5
		FFO/Adjusted Debt [%]	*31.8	25.0	20.9	46.9
		EBITDA/IFCCI [X]	n.a	n.a	n.a	1,616.6
		USD Exchange Rate [IDR/USD]	13,319	13,436	13,795	12,440

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 assigns “idBBB-” ratings for PT Perikanan Nusantara (Persero) and its proposed MTN

PEFINDO has assigned “idBBB-” ratings to PT Perikanan Nusantara (Persero) and its proposed MTN 1 year 2017 amounting to IDR200 billion. The proceeds will be used to finance its business expansion. The outlook for the corporate rating is “Stable”.

An obligor rated idBBB has an adequate capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The ratings reflect IKAN's strong government support, strong expertise in fish capture business in Indonesia, and potential cash inflow from the development of new businesses and the improvement of existing facilities. However, the ratings are constrained by aggressive capital structure, exposure to the risk of lower fish caught, and exposure to the risk of changes in government policies.

The rating could be raised if IKAN could improve its business profile as a result of strengthening its business while improving its financial leverage on a sustainable basis. However, the rating may be lowered if IKAN incurs new debts significantly larger than projected without being compensated by better business performance and if its revenue and EBITDA are significantly lower than projected, which could negatively affect its capital structure and cash flow protection.

IKAN is a merger of a state-owned fishery company established in 2006 as a result of the unification of four state-owned fisheries companies: PT Usaha Mina (Persero), PT Perikani (Persero), PT Tirta Raya Mina (Persero), and PT Perikanan Samodra Besar (Persero). Since its inception, the Company's shares are owned by the Government of the Republic of Indonesia. The Company's business activities are equipped with supporting facilities such as ice beam factory, docking slip way, fishery port, fish processing unit, freezing unit (ABF), cold storage, fish-capturing vessel and fish-collecting vessel totaling 17 units spread across 6 cities in Indonesia, namely Sorong, Ambon, Bitung, Bacan, Benoa, and Makassar.

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