

Perum Lembaga Penyelenggara Pelayanan Navigasi Penerbangan Indonesia

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Jun-2017	Dec-2016	Dec-2015	Dec-2014
			(Unaudited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idAAA/Stable</i>	Total Adjusted Assets [IDR Bn]	4,887.2	4,903.3	4,315.6	3,076.7
Rated Issues	-	Total Adjusted Debt [IDR Bn]	-	-	-	-
		Total Adjusted Equity [IDR Bn]	4,109.6	3,841.9	3,420.8	2,416.1
Rating Period	<i>November 8, 2017 – November 1, 2018</i>	Total Sales [IDR Bn]	1,337.5	2,522.7	2,351.9	1,873.9
		EBITDA [IDR Bn]	392.5	612.0	798.4	909.4
Rating History	-	Net Income After MI [IDR Bn]	267.5	419.5	626.4	215.2
		EBITDA Margin [%]	29.3	24.3	33.9	48.5
		Adjusted Debt to EBITDA [X]	-	-	-	-
		Adjusted Debt to Adjusted Equity [X]	-	-	-	-
		FFO to Adjusted Debt [%]	-	-	-	-
		EBITDA to IFCCI [X]	-	-	-	-
		USD Exchange Rate [IDR/USD]	13,319	13,436	13,795	12,440

*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.*

PEFINDO assigns "idAAA" rating to Perum LPPNPI

PEFINDO has assigned its "idAAA" rating to Perum Lembaga Penyelenggara Pelayanan Navigasi Penerbangan Indonesia (LPPNPI), also known as AirNav Indonesia (ARNV). The outlook for the corporate rating is "stable".

An obligor rated idAAA has the highest rating assigned by PEFINDO. The obligors' capacity to meet its long-term financial commitment, relative to that of other Indonesian obligors, is superior.

The rating reflects our view on ARNV's critical role to the government, hence the high likelihood of extraordinary support being provided by the government in the event of financial distress; its legislated monopoly over air traffic control services in Indonesia; its fairly predictable revenue and cash flow generation; and solid core credit measures and strong liquidity. These strengths are partially offset by its susceptibility to event risks, including a decline in traffic volume.

The rating could be lowered if its linkage with the government weakens to the degree that it changes our view on the likelihood of extraordinary support from the government, implied by a substantially reduced shareholding in ARNV and/or privatization in the provision of air navigation services.

ARNV, founded in 2012 through Government Decree no. 77/2012, was formed after the merger of the three main Indonesia air traffic management services previously provided by PT Angkasa Pura I (Persero) (APAI), PT Angkasa Pura II (Persero) (APIA), and the government operated air traffic services (ATS) under the Directorate General of Civil Aviation (DGCA). ARNV started operations in 2013 and is responsible for providing all air traffic control services, domestic and international traffic, including over-flights, across the Indonesian flight information region (FIR), except for airspace sector ABC above Riau Islands (Batam, Tanjung Pinang, Karimun, and Natuna), which is currently managed by Singapore's Civil Aviation Authority (CAAS). There are about 10,000 flight movements passing through Indonesian airspace daily. In 2016, ARNV controlled about one million flights. As of June 30, 2017, its shares were wholly owned by the government of Indonesia. ARNV is currently the sole air navigation service provider in Indonesia.

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