

## PT TIGA PILAR SEJAHTERA FOOD Tbk

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<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>idCCC/C.W.Negative</i>	9,315.7	8,916.6	8,526.2	6,937.8	
<b>Rated Issues</b>		4,580.6	4,344.2	4,112.7	3,083.9	
Sukuk Ijarah II/2016	<i>idCCC(sy)</i>	4,098.3	3,926.4	3,432.1	3,158.8	
Bond I/2013	<i>idCCC</i>	4,109.0	6,545.7	6,010.9	5,140.0	
Sukuk Ijarah I/2013	<i>idCCC(sy)</i>	647.9	1,148.2	877.9	764.8	
<b>Rating Period</b>		173.5	593.5	323.4	331.8	
May 16, 2018 – August 16, 2018		15.8	17.5	14.6	14.9	
<b>Rating History</b>		Adjusted debt to EBITDA [X]	*5.3	3.8	4.7	4.0
MAR 2018	<i>idCCC/Stable</i>	Adjusted debt to adjusted equity [X]	1.1	1.1	1.2	1.0
FEB 2018	<i>idCCC/C.W. Negative</i>	FFO to adjusted debt [%]	*7.6	12.6	8.3	12.2
JAN 2018	<i>idBB+/C.W. Negative</i>	EBITDA to IFCCI [X]	1.9	2.7	2.1	2.7
DEC 2017	<i>idBBB/C.W. Negative</i>	USD exchange rate [IDR/USD]	13,492	13,436	13,795	12,440
NOV 2017	<i>idBBB/C.W. Negative</i>					
NOV 2017	<i>idA/C.W. Negative</i>					
JUL 2017	<i>idA/Stable</i>					
MAY 2017	<i>idA/Stable</i>					
MAY 2016	<i>idA/Stable</i>					
JAN 2016-2013	<i>idA-/Stable</i>					

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 puts PT Tiga Pilar Sejahtera Food Tbk's rating on "Credit Watch with Negative Implications"

PEFINDO has placed PT Tiga Pilar Sejahtera Food Tbk's (AISA) "idCCC" corporate rating on "Credit Watch with Negative Implications" to address AISA's liquidity risk to fulfill the coupon payments of its Bond I/2013, Sukuk Ijarah I/2013, and Sukuk Ijarah II/2016 in July 2018. The Company's liquidity is weak, as its cash as of mid-May 2018 of around IDR30 billion up to IDR40 billion and the expected accumulated EBITDA amount may not be sufficient to cover the coupon payments of IDR109.3 billion in July 2018. PEFINDO will closely monitor the Company's readiness to pay the maturing coupons. PEFINDO has maintained the ratings of AISA and its outstanding Bond I/2013 at "idCCC", its Sukuk Ijarah II/2016 and Sukuk Ijarah I/2013 at "idCCC(sy)". Its bond and sukuk ratings could be lowered to "idD" if there are interests and/or principals' mispayment on their respective due dates, while the corporate rating could be lowered to "idSD" if the Company defaults on any of its financial obligations but remains current on others.

An obligor rated idCCC is currently vulnerable, and is dependent upon favorable business and financial conditions to meet its financial commitments.

The suffix (sy) means the rating mandates compliance with Islamic principles.

Post debt restructuring in March 2018, AISA is still in the process to execute the settlement of rice divestment and loans refinancing until due date on April 5, 2019. We are closely monitoring the development of AISA's repayment actions, as any delayed on rice subsidiaries divestment will significantly impact AISA's capability to repay its maturing bond and sukuk.

The corporate rating also reflects the Company's weak liquidity and cash flow protection, its aggressive capital structure, its exposure to fluctuating raw material costs, and the tight competition in the industry. However, the rating is offset by AISA's relatively diversified products and its above average position in the domestic food market.

AISA will focus on its food business (basic and consumer food) after divesting its rice business. Its food production facilities are in Java. As of September 30, 2017, its shareholders were PT Tiga Pilar Corpora (26.10%), JP Morgan Chase Bank Non-Treaty Clients (9.33%), Trophy 2014 Investors Limited (9.09%), Morgan Stanley & Co. LLC-Client Account (6.52%), Maybank Kim Eng Securities (5.48%), Primanex Pte. Limited (5.38%), and the public (38.09%).

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