

PT Aneka Tambang Tbk.

Analysts: Yogie Surya Perdana / Niken Indriarsih

Phone/Fax/E-mail: (62-21) 72782380 / 72782370 / yogie.perdana@pefindo.co.id / niken.indriarsih@pefindo.co.id

CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Jun-2018	Dec-2017	Dec-2016	Dec-2015	
		(Limited Review)	(Audited)	(Audited)	(Audited)	
Corporate Rating	<i>idA-/Stable</i>	Total adjusted assets [IDR bn]	30,533.5	29,221.7	29,062.2	29,461.3
Rated Issues		Total adjusted debt [IDR bn]	10,349.9	9,398.9	9,904.6	10,110.3
<i>Shelf-Registration Bonds I/2011</i>	<i>idA-</i>	Total adjusted equity [IDR bn]	18,046.7	17,697.9	17,489.4	17,421.1
Rating Period		Total sales [IDR bn]	11,815.8	12,653.6	9,106.3	10,531.5
<i>September 12, 2018 – September 1, 2019</i>		EBITDA [IDR bn]	1,497.5	1,443.9	678.4	62.9
Rating History		Net income after MI [IDR bn]	344.5	136.5	64.8	(1,440.9)
<i>SEP 2017</i>	<i>idBBB+/Stable</i>	EBITDA Margin [%]	12.7	11.4	7.4	0.6
<i>SEP 2016</i>	<i>idBBB+/Stable</i>	Adjusted debt to EBITDA [X]	*3.5	6.5	14.6	160.7
<i>SEP 2015</i>	<i>idA-/Negative</i>	Adjusted debt to adjusted equity [X]	0.6	0.5	0.6	0.6
<i>SEP 2014</i>	<i>idA-/Negative</i>	FFO to adjusted debt [%]	*22.0	10.9	5.1	(3.8)
<i>APR 2014</i>	<i>idA-/Negative</i>	EBITDA to IFCCI [X]	5.3	2.3	1.3	0.1
<i>JAN 2014</i>	<i>idAA-/C.W. Negative</i>	USD exchange rate [IDR/USD]	14,404	13,548	13,436	13,795
<i>SEP 2013</i>	<i>idAA-/Negative</i>					
<i>SEP 2012</i>	<i>idAA-/Negative</i>					
<i>SEP 2011</i>	<i>idAA-/Stable</i>					
<i>SEP 2002</i>	<i>idAA-/Stable</i>					
<i>SEP 2000</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.*

PEFINDO raises the ratings for PT Aneka Tambang Tbk and its bond to "idA-"

PEFINDO has raised the ratings for PT Aneka Tambang Tbk (ANTM) and its Shelf-Registration Bond I/2011 to "idA-" from "idBBB+", including the rating for its Bond Series A of IDR900 billion, which will mature on December 14, 2018. ANTM is expected to fully repay its maturing bond using proceeds from new bank loan. Upgrade in ratings was due to the improvement in ANTM's cash flows in line with increased operating and sales performance of its main commodities: nickel, gold, and bauxite. This was supported by new quotas for ore exports granted by the government amid improving global commodity prices, nickel and gold in particular. In 2018, ANTM obtained an export quota of 3.9 million wet metric ton (wmt) nickel ore and 840 thousand wmt of bauxite ore. The outlook for the corporate rating is "stable".

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.

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

The corporate rating reflects ANTM's diverse mining products backed by a sizable amount of resources and reserves, its vertically integrated mining operation, and improved cash flows. The rating, however, is constrained by its high financial leverage for the rating category, significant contribution from export quotas to earnings, and its exposure to fluctuating commodity prices.

We could raise the rating if ANTM improves its profitability and capital structure measures as reflected by debt to EBITDA ratio of below 4.0x on a sustained basis. We could also raise the rating if PT Indonesia Chemical Alumina (ICA) delivers profitable earnings as expected. ANTM is currently in discussion to consolidate its ownership in ICA, of which it currently holds 80% shares, with its Japanese partner, Showa Denko K.K (SDK). ANTM currently applies equity method to ICA. We may lower the rating if the Company's capital structure and cash flow protection measures deteriorate as a result of lower-than-expected commodity prices, particularly nickel, rise in fuel price, which may increase its cash cost position, and if it fails to meet the targeted sales volume of its products. The rating could also be under pressure if ANTM incurs higher-than-projected debt and fails to complete its expansion projects as scheduled.

Founded in July 1968, ANTM is a state-owned mining company in Indonesia producing nickel ores and ferronickel, gold, bauxite, and coal. As of June 30, 2018, ANTM was 65% owned by PT Indonesia Asahan Aluminium (Paser), which is wholly owned by the Government of Indonesia, and the rest was held by the public (35%).

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