

PT Medco Energi Internasional Tbk

Analysts: Niken Indriarsih/Gifar Indra Sakti

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

CREDIT PROFILE

Corporate Rating *idA+/Stable*

Rated Issues

Shelf Reg. Bond II Ph. I/2016 Seri A idA+

Rating Period

May 13, 2019 – July 15, 2019

Rating History

JAN 2019 idA+/Stable
JAN 2018 idA+/Stable
NOV 2017 idA+/Stable
APR 2016 – MAY 2017 idA+/Negative
OCT 2015 idA+/Stable
JUN 2015 idAA-/Negative
2012 - 2014 idAA-/Stable

FINANCIAL HIGHLIGHTS

As of/for the year ended

	Dec-2018 (Audited)	Dec-2017 (Audited)	Dec-2016 (Audited)	Dec-2015 (Audited)
Total Adjusted Assets [USD Mn]	5,185.4	5,093.8	3,580.8	2,864.5
Total Adjusted Debt [USD Mn]	2,854.8	2,664.3	2,064.6	1,737.8
Total Adjusted Equity [USD Mn]	1,320.2	1,335.6	874.2	656.3
Total Sales [USD Mn]	1,218.3	905.1	590.0	583.3
EBITDA [USD Mn]	582.0	432.6	267.8	220.1
Net Income after MI [USD Mn]	(51.3)	127.1	184.8	(188.1)
EBITDA Margin [%]	47.8	47.8	45.4	37.7
Adjusted Debt/EBITDA [X]	4.9	6.2	7.7	7.9
Adjusted Debt/Adjusted Equity [X]	2.2	2.0	2.4	2.6
FFO/Adjusted Debt [%]	8.1	7.0	6.1	6.3
EBITDA/IFCCI [X]	2.7	2.9	2.7	2.7
USD Exchange Rate [IDR/USD]	14,481	13,548	13,436	13,795

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

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 affirms "idA+" rating for PT Medco Energi Internasional Tbk's maturing bond

PEFINDO has affirmed its "idA+" rating for PT Medco Energi Internasional Tbk (MEDC)'s Shelf Registration Bond II Phase I Year 2016 Seri A of IDR327 billion, which will mature on July 15, 2019. MEDC plans to repay the maturing bond using net cash proceeds of the USD500 million global bonds issuance back in January 2018, in which one of the use of proceeds is to refinance the maturing bond. As of December 31, 2018, the unused proceeds of USD bonds were placed in restricted time deposits and cash in banks at Standard Chartered Bank amounting to USD159.3 million, while its cash and equivalents amounted to USD418.1 million.

A debt security rated idA indicates that the obligor's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian obligors, is strong. However, the debt security is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated debt.

The plus (+) sign in a particular rating indicates that it is relatively strong within the respective rating category.

MEDC is a publicly listed, integrated energy and natural resources company, with its core business in oil and gas E&P activities in Indonesia, the Middle East, North Africa, and the United States (US); and interests in power generation; support services; and mining. In 2018, 80.4% of its revenue was generated from oil and gas, followed by the power business (19.4%), and other services at (0.2%). At the end of 2018, its shareholders were PT Medco Daya Abadi Lestari (50.4%), Diamond Bridge Pte Ltd (21.6%), PT Medco Duta (0.2%), PT Multifabrindo Gemilang (0.1%), management (1.3%), and the public (26.4%).

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