

PT Global Mediacom Tbk

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS			
		As of/for the year ended			
		Mar-2019	Dec-2018	Dec-2017	Dec-2016
		(Unaudited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idA+/Negative</i>	24,803.0	24,796.3	23,441.1	20,815.5
Rated Issues		11,435.7	11,973.1	10,655.7	8,240.2
<i>Shelf Reg. Bond I/2017</i>	<i>idA+</i>	10,566.0	10,130.6	9,872.7	10,103.1
<i>Shelf Reg. Sukuk Ijarah I/2017</i>	<i>idA+(sy)</i>	2,907.3	11,695.2	10,829.5	10,459.6
Rating Period		1,145.7	4,729.8	4,292.6	3,481.8
<i>July 9, 2019 – July 1, 2020</i>		263.7	826.6	493.8	203.9
Rating History		39.4	40.4	39.6	33.3
<i>JUL 2018</i>	<i>idA+/Negative</i>	Adjusted Debt/EBITDA [X]	*2.5	2.5	2.4
<i>APR 2018</i>	<i>idA+/Stable</i>	Adjusted Debt/Adjusted Equity [X]	1.1	1.2	1.1
<i>APR 2017</i>	<i>idA+/Stable</i>	Adjusted Debt/Adjusted Equity [X]	1.1	1.1	0.8
<i>APR 2016</i>	<i>idA+/Negative</i>	FFO/Adjusted Debt [%]	*26.5	27.1	26.8
<i>APR 2015</i>	<i>idA+/Stable</i>	EBITDA/IFCCI [X]	4.8	5.1	5.2
<i>APR 2014</i>	<i>idA+/Stable</i>	EBITDA/IFCCI [X]	4.8	5.1	5.2
<i>APR 2013</i>	<i>idA+/Stable</i>	USD Exchange Rate [IDR/USD]	14,244	14,481	13,548
<i>APR 2012</i>	<i>idA+/Stable</i>	USD Exchange Rate [IDR/USD]	14,244	14,481	13,548

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 affirms “idA+” rating of PT Global Mediacom Tbk, maintains outlook at negative

PEFINDO has affirmed its “idA+” rating for PT Global Mediacom Tbk (BMTR) and its Shelf Registered Bond I Year 2017, and its “idA+(sy)” rating for its Shelf Registered Sukuk Ijarah I Year 2017. However, the outlook for the corporate rating has been maintained at “negative” to anticipate weakened capital structure and cash flow protection measures on a sustained basis, with potential higher debt for its pay-TV business expansion, particularly in the broadband segment, with increased refinancing risk at its satellite based pay TV subsidiary if it fails to reduce the debt using the proceeds of its corporate action plan. BMTR is in the process to have strategic investors through a private placement at PT MNC Vision Network Tbk (IPTV), which has also been listed through an initial public offering in early July 2019. In addition, most of the loans, including subsidiary loans, are denominated in US dollars, which could increase foreign exchange risk should the rupiah depreciate. This could apply pressure on the rating, particularly if it fails to realize its corporate action plan in the form of private placement as expected in the near term. BMTR plans to use part of the proceeds of the corporate action plan to reduce the debt at BMTR and PT MNC Sky Vision Tbk (MSKY). MSKY has a loan refinancing risk as it has to repay a USD93.5 million syndicated loan due in September and December 2019.

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to 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 plus (+) sign indicates that the rating is relatively strong within the respective rating category.

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

The corporate rating reflects BMTR's major stakes in Indonesia's leading and largest media companies; the wide range of media services from television, pay TV, content, online media, and broadband internet provided by its subsidiaries; and its good operating profitability. The rating is constrained by its indirect access to operating cash flow, moderately high financial leverage with exposure to foreign currency volatility through its subsidiaries' US dollar-denominated debt, and intense competition in the media industry.

The rating will be lowered if BMTR fails to realize its corporate action plan in the near term in the form of private placement from strategic partners at PT MNC Vision Networks Tbk, the proceeds of which will be used to reduce its debt; if it and/or its subsidiaries incur debt beyond what is projected resulting in a debt to EBITDA ratio of more than 3x and a funds from operations to debt ratio of less than 25% on a sustained basis; if the cash flow stream from its major subsidiaries declines due to their weakening credit profiles on a sustained basis; and/or if there are future legal proceedings that could adversely affect its cash flow. The outlook will be revised to stable if BMTR reduces its debt using the proceeds from the private placement plan.

BMTR is a holding company with major subsidiaries engaged in media content, advertising, subscriber and online-based media businesses. As of March 31, 2019, its shareholders were PT MNC Investama Tbk (50.1%), management (0.4%) and the public (49.5%, below 5% each).

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