

## PT Medco Energi Internasional Tbk

*Analysts: Niken Indriarsih/Gifar Indra Sakti*

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

<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>				
		<b>Mar-2019</b>	<b>Dec-2018</b>	<b>Dec-2017</b>	<b>Dec-2016</b>	
		(Unaudited)	(Audited)	(Audited)	(Audited)	
<b>Corporate Rating</b>	<i>idA+ /Stable</i>	Total Adjusted Assets [USD Mn]	5,013.7	5,185.4	5,093.8	3,580.8
<b>Rated Issues</b>		Total Adjusted Debt [USD Mn]	2,842.8	2,854.8	2,664.3	2,064.6
<i>Shelf Reg. Bond II Ph. II/2016 Serie A</i>		Total Adjusted Equity [USD Mn]	1,352.1	1,320.2	1,335.6	874.2
<i>idA+</i>		Total Sales [USD Mn]	283.9	1,218.3	905.1	590.0
<b>Rating Period</b>		EBITDA [USD Mn]	159.5	582.0	432.6	267.8
<i>August 1, 2019 – September 30, 2019</i>		Net Income after MI [USD Mn]	28.1	(51.3)	127.1	184.8
<b>Rating History</b>		EBITDA Margin [%]	56.2	47.8	47.8	45.4
<i>JAN 2019</i>	<i>idA+ /Stable</i>	Adjusted Debt/EBITDA [X]	*4.5	4.9	6.2	7.7
<i>JAN 2018</i>	<i>idA+ /Stable</i>	Adjusted Debt/Adjusted Equity [X]	2.1	2.2	2.0	2.4
<i>NOV 2017</i>	<i>idA+ /Stable</i>	FFO/Adjusted Debt [%]	*9.2	8.1	7.0	6.1
<i>APR 2016 – MAY 2017</i>	<i>idA+ /Negative</i>	EBITDA/IFCCI [X]	3.4	2.7	2.9	2.7
<i>OCT 2015</i>	<i>idA+ /Stable</i>	USD Exchange Rate [IDR/USD]	14,244	14,481	13,548	13,436
<i>JUN 2015</i>	<i>idAA- /Negative</i>					
<i>2012 – 2014</i>	<i>idAA- /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 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 II Year 2016 Serie A of IDR549 billion, which will mature on September 30, 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 March 31, 2019, the unused proceeds of the USD bonds were placed in restricted time deposits and cash in banks at Standard Chartered Bank amounting to USD159.9 million, while MEDC also had cash and cash equivalents of USD322.5 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 the first quarter of 2019, 84.4% of its revenue was generated from oil and gas, followed by the power business (15.4%), and other services at (0.2%). At the end of March 2019, 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 (1.2%), and the public (26.5%).

#### DISCLAIMER

PT Pemeringkat Efek Indonesia (PEFINDO) does not guarantee the accuracy, completeness, timeliness or availability of the contents in this report or publication. PEFINDO cannot be held liable for its use, its partial use, lack of use, in combination with other products or used solely, nor can it be held responsible for the result from its use or lack of its use in any investment or other kinds of financial decision making on which this report or publication is based. In no event shall PEFINDO be held liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses including but not limited to lost profits and opportunity costs in connection with any use of the contents of this report or publication. Credit analyses, including ratings, and statements in this report or publication are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities or to make any investment decision. The contents cannot be a substitute for the skill, judgment and experience of its users, its management employees and/or clients in making investment or other business decisions. PEFINDO also assumes no obligation to update the content following publication in any form. PEFINDO does not act as fiduciary or an investment advisor. While PEFINDO has obtained information from sources it believes to be reliable, PEFINDO does not perform an audit and does not undertake due diligence or independent verification of any information used as the base of and presented in this report or publication. PEFINDO keeps the activities of its analytical units separate from its business units to preserve independence and objectivity of its analytical processes and products. As a result, certain units of PEFINDO may have information that is not available to other units. PEFINDO has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. PEFINDO may receive compensation for its ratings and other analytical work, normally from issuers of securities. PEFINDO reserves the right to disseminate its opinions and analyses. PEFINDO public ratings and analyses are made available on its Website, <http://www.pefindo.com> (free of charge) and through other subscription-based services, and may be distributed through other means, including via PEFINDO publications and third party redistributors. Information in PEFINDO's website and its use fall under the restrictions and disclaimer stated above. Reproduction of the content of this report, in full or in part, is subject to written approval from PEFINDO.