

PT Medco Energi Internasional Tbk

Analysts: Gifar Indra Sakti / Niken Indriarsih

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

CREDIT PROFILE

Corporate Rating *idA+/Stable*

Rated Issues

Shelf Registration Bond II
Phase IV 2017 Serie A

idA+

Rating Period

February 5, 2020 – March 30, 2020

Rating History

JAN 2020

idA+/Stable

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

	Sep-2019 (Audited)	Dec-2018 (Audited)	Dec-2017 (Audited)	Dec-2016 (Audited)
Total Adjusted Assets [USD Mn]	6,148.3	5,185.4	5,093.8	3,580.8
Total Adjusted Debt [USD Mn]	3,364.7	2,854.8	2,664.3	2,064.6
Total Adjusted Equity [USD Mn]	1,293.2	1,320.2	1,335.6	874.2
Total Sales [USD Mn]	1,015.9	1,218.3	905.1	561.9
EBITDA [USD Mn]	476.5	585.3	433.0	264.8
Net Income after MI [USD Mn]	19.3	(51.3)	127.1	184.8
EBITDA Margin [%]	46.9	48.0	47.8	47.1
Adjusted Debt/EBITDA [X]	*5.3	4.9	6.2	7.8
Adjusted Debt/Adjusted Equity [X]	2.6	2.2	2.0	2.4
FFO/Adjusted Debt [%]	*6.0	8.2	7.1	6.1
EBITDA/IFCCI [X]	2.5	2.7	3.0	2.7
USD Exchange Rate [IDR/USD]	14,174	14,481	13,548	13,436

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 IV Year 2017 Serie A of IDR380 billion, which will mature on March 30, 2020. MEDC plans to repay the maturing bond using internal fund. It has secured funds in escrow account in Standard Chartered Bank from the USD-denominated bond issuance in May 2019 by its fully-owned subsidiary Medco Oak Tree Pte. Ltd. As of September 30, 2019, its cash and cash equivalent amounted to USD573.6 million (including USD259.7 million restricted time deposit and cash in banks).

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 indicates that the rating is relatively strong within the respective rating category.

MEDC is a publicly listed, integrated energy and natural resources company, with three main businesses in its core business of oil and gas exploration and production (E&P) activities in Indonesia, the Middle East, North Africa, and Southeast Asia; power generation; and mining. During the first nine months of 2019, 83.9% of its revenue was generated from oil and gas, followed by revenue from power business at 15.9%, and other services at 0.2%. At the end of September 2019, its shareholders were PT Medco Daya Abadi Lestari (50.5%), Diamond Bridge Pte Ltd (21.6%), PT Medco Duta (0.2%), PT Multifabrindo Gemilang (0.1%), management (1.3%), and public (26.3%).

DISCLAIMER

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.