

PT Aneka Tambang Tbk

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Dec-2019	Dec-2018	Dec-2017	Dec-2016
			(Audited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idA/Negative</i>	Total adjusted assets [IDR bn]	29,424.8	31,349.1	27,976.8	29,062.2
Rated Issues		Total adjusted debt [IDR bn]	8,557.5	9,921.2	9,398.9	9,904.6
Shelf-Registration Bonds I/2011	<i>idA</i>	Total adjusted equity [IDR bn]	17,363.4	17,602.1	16,341.3	17,489.4
Rating Period		Total sales [IDR bn]	32,718.5	25,275.2	12,653.6	9,106.3
May 28, 2020 – September 1, 2020		EBITDA [IDR bn]	2,074.8	2,408.1	1,374.4	678.4
Rating History		Net income after MI [IDR bn]	193.9	1,636.0	136.5	64.8
SEP 2019	<i>idA/Stable</i>	EBITDA Margin [%]	6.3	9.5	10.9	7.4
SEP 2018	<i>idA-/Stable</i>	Adjusted debt to EBITDA [X]	4.1	4.1	6.8	14.6
SEP 2017	<i>idBBB+/Stable</i>	Adjusted debt to adjusted equity [X]	0.5	0.6	0.6	0.6
SEP 2016	<i>idBBB+/Stable</i>	FFO to adjusted debt [%]	13.8	17.9	10.1	5.1
SEP 2015	<i>idA-/Negative</i>	EBITDA to IFCCI [X]	3.6	4.1	2.2	1.3
SEP 2014	<i>idA-/Negative</i>	USD exchange rate [IDR/USD]	13,901	14,481	13,548	13,436
APR 2014	<i>idA-/Negative</i>					
JAN 2014	<i>idAA-/C.W. Negative</i>					
SEP 2013	<i>idAA-/Negative</i>					
SEP 2012	<i>idAA-/Negative</i>					
SEP 2011	<i>idAA/Stable</i>					
SEP 2002	<i>idAA-/Stable</i>					
SEP 2000	<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;

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 revises PT Aneka Tambang Tbk's rating outlook to Negative, affirms rating at "idA"

PEFINDO has affirmed its "idA" ratings to PT Aneka Tambang Tbk (ANTM) and its Shelf-Registration Bond I/2011. However, the outlook for the corporate rating has been revised to "negative" from "stable" to anticipate lower EBITDA due to lower than expected selling price of nickel and lower sales volume of gold. The unprecedented situation of Coronavirus disease (COVID-19) pandemic has led us to revise ANTM's expected sales volume and commodity price to be lower than our last projection. Since COVID-19 was first identified at the end of December of 2019, the global nickel price has dropped by 12% from USD13,723 per ton to USD12,128 per ton on May 27, 2020. The pandemic resulting in lockdown in several countries has also affected ANTM's gold export sales, which is expected to decline. Although the management will focus on increasing local gold sales, which offer higher margin than export sales, however, demand from domestic retail gold market may somewhat weaken due to high gold price amid weaker purchasing power nowadays. Although ANTM is taking several initiatives to maintain low cost position and mitigate lower EBITDA through cost efficiency, the prolonged COVID-19 pandemic may affect ANTM's credit profile in the near to medium term.

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 corporate rating reflects ANTM's sizeable reserve and resource, strong position within industry backed by a diversified mining product, and its vertically integrated mining operation. However, the rating is constrained high financial leverage and exposure to fluctuating commodity prices.

The rating could be lowered if the pandemic continues until 2021 that could delay global economic recovery and gives a negative impact to commodity price and global demand, which could affect ANTM's business operation and financial profile. The rating could also be under pressure if the Company incurs higher than projected debt without being compensated by improving EBITDA and/or fails to complete its expansion projects as scheduled. We could revise the outlook to stable if the Company is able to strengthen its EBITDA generation amidst unfavorable condition nowadays and improve its credit matrix to be more conservative. We will keep monitoring the COVID-19 pandemic impact on the Company's performance and financial profile in the near to medium term.

Founded in July 1968, ANTM is a mining company in Indonesia producing nickel ore and ferronickel, gold, bauxite, alumina and coal. As of December 31, 2019, it was 65% owned by PT Indonesia Asahan Aluminium (Persero), which is wholly owned by the Indonesian government, and the rest was held by the public (35%).

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.