

PT Aneka Tambang Tbk

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| CREDIT PROFILE | | FINANCIAL HIGHLIGHTS | | | | |
|---|----------------------------|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| | | As of/for the year ended | Jun-2020 | Dec-2019 | Dec-2018 | Dec-2017 |
| | | | (Unaudited) | (Audited) | (Audited) | (Audited) |
| Corporate Rating | <i>idA/Stable</i> | Total adjusted assets [IDR bn] | ^29,920.8 | ^30,083.6 | ^32,042.7 | ^28,671.4 |
| Rated Issues | | Total adjusted debt [IDR bn] | 8,242.0 | 8,557.5 | 9,921.2 | 9,398.9 |
| <i>Shelf-Registration Bonds I/2011</i> | <i>idA</i> | Total adjusted equity [IDR bn] | ^17,991.2 | ^18,022.1 | ^18,295.7 | ^17,035.9 |
| Rating Period | | Total sales [IDR bn] | 9,226.1 | 32,718.5 | 25,275.2 | 12,653.6 |
| <i>September 10, 2020 – September 1, 2021</i> | | EBITDA [IDR bn] | 937.3 | 2,074.8 | 2,408.1 | 1,374.4 |
| Rating History | | Net income after MI [IDR bn] | 84.8 | 193.9 | 1,636.0 | 136.5 |
| <i>MAY 2020</i> | <i>idA/Negative</i> | EBITDA Margin [%] | 10.2 | 6.3 | 9.5 | 10.9 |
| <i>SEP 2019</i> | <i>idA/Stable</i> | Adjusted debt to EBITDA [X] | 4.4 | 4.1 | 4.1 | 6.8 |
| <i>SEP 2018</i> | <i>idA-/Stable</i> | Adjusted debt to adjusted equity [X] | 0.5 | 0.5 | 0.5 | 0.6 |
| <i>SEP 2017</i> | <i>idBBB+/Stable</i> | FFO to adjusted debt [%] | 17.8 | 13.8 | 17.9 | 10.1 |
| <i>SEP 2016</i> | <i>idBBB+/Stable</i> | EBITDA to IFCCI [X] | 4.2 | 3.6 | 4.1 | 2.2 |
| <i>SEP 2015</i> | <i>idA-/Negative</i> | USD exchange rate [IDR/USD] | 14,302 | 13,901 | 14,481 | 13,548 |
| <i>SEP 2014</i> | <i>idA/Negative</i> | | | | | |
| <i>APR 2014</i> | <i>idA/Negative</i> | | | | | |
| <i>JAN 2014</i> | <i>idAA-/C.W. Negative</i> | | | | | |
| <i>SEP 2013</i> | <i>idAA-/Negative</i> | | | | | |
| <i>SEP 2012</i> | <i>idAA-/Negative</i> | | | | | |
| <i>SEP 2011</i> | <i>idAA/Stable</i> | | | | | |
| <i>SEP 2002</i> | <i>idAA-/Stable</i> | | | | | |
| <i>SEP 2000</i> | <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; * = Annualized; ^ Includes exploration and evaluation assets
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.*

PT Aneka Tambang Tbk's rating affirmed at "idA", outlook revised to stable

PEFINDO has affirmed its "idA" ratings for PT Aneka Tambang Tbk (ANTM) and its Shelf Registered Bond I Year 2011. At the same time, the outlook of ANTM's corporate rating has been revised to "stable" from "negative" in light of expected stable financial performance. ANTM has reduced its gold export sales and is focusing on the high-margin domestic retail market, and we expect that the gold segment continues to generate higher profit on the back of increasing gold price. By focusing on the sales of lower ticket size of gold ANTM could tap wider customer base as it is considered to be more affordable. The unfavorable circumstances particularly during coronavirus disease (COVID-19) pandemic has triggered increasing demand for gold as a safe haven investment. In terms of nickel, we expect that ANTM's initiatives of strategic partnership with other smelters in Indonesia could somewhat compensate declining sales of nickel ore with the ban of nickel ore export from Indonesia on top of better nickel price that started to rebound. In addition, we expect that ANTM's other initiatives in maintaining its low cost position could mitigate lower EBITDA in the near term through cost efficiency and synergy with its Parent.

An obligor rated *idA* has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, it 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 reserves and resources, strong position within the industry backed by diversified mining products, and vertically integrated mining operations. The rating is constrained by high financial leverage and exposure to fluctuating commodity prices.

We may raise the rating if ANTM improves its business profile substantially, as reflected by higher than projected revenue and EBITDA on a sustained basis, and its financial leverage to a conservative level. The rating could also be raised if it receives strong support from INALUM such as in the form of capital injections, shareholder loans, and/or business synergy, which substantially increases ANTM's operating performance. We could lower the rating if the prolonged pandemic results in slower than expected global economic recovery and a negative impact on commodity prices and demand, which could weaken ANTM's business operations and financial profile. The rating could also be under pressure if it incurs higher than projected debt and/or fails to complete its expansion projects as scheduled.

We view that COVID-19 pandemic has a moderate impact to ANTM's overall credit profile, triggered by lower demand and commodity price, particularly nickel. However, nickel price has started to improve in line with the rebound of economic activities in China as the largest market for nickel. Moreover, ANTM should also benefit from the high trend of gold price. We will closely monitor the effect of the pandemic on the Company's business operations and/or financial profile in the near to medium term, such as any significant disruption on its cash flow generation.

Founded in July 1968, ANTM is a mining company in Indonesia producing nickel ore and ferronickel, gold, bauxite, alumina and coal. As of June 30, 2020, it was 65% owned by PT Indonesia Asahan Aluminium (Persero), which is wholly owned by the Indonesian government. The Government of Indonesia also owns class A share of ANTM at below than 0.1%, while the remaining ownership were held by the directors, Mr Aprilandi Hidayat Setia and Hartono (less than 0.1%), as well as the public (35%).

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.