

PT Merdeka Copper Gold Tbk

Credit Rating(s)

General Obligation (GO) idA+/Stable
SR Bond I Phase I Series B idA+

Rating Period

May 29, 2023 – July 30, 2023

Published Rating History

SEP 2022	idA+/Stable
AUG 2022	idA+/Stable
DEC 2021	idA/Stable
JAN 2021	idA/Stable
OCT 2020	idA/Stable

PEFINDO has affirmed its idA+ rating to PT Merdeka Copper Gold Tbk (MDKA)'s maturing Shelf Registered Bond I Phase I Year 2020 Series B of IDR726.35 billion due on July 30, 2023. MDKA plans to fully repay its maturing bond using its internal cash. As of April 30, 2023, the Company and its subsidiaries had cash and cash equivalent of USD712 million.

MDKA was established in 2012 and is engaged in mining activities. It has several projects located in Tujuh Bukit at Banyuwangi and Pani at Gorontalo for gold mining, Wetar Island, Maluku, for copper mining, Konawe at Southeast Sulawesi for nickel mining, Acid Iron Metal (AIM) project at Indonesia Morowali Industrial Park, and RKEF smelters in Morowali, Central Sulawesi. As of April 30, 2023, its shareholders consisted of PT Saratoga Investama Sedaya Tbk (18.345%), PT Mitra Daya Mustika (12.058%), Garibaldi Thohir (7.358%), PT Suwarna Arta Mandiri (5.588%), ISV SA Brunp & CATL Co., Limited (5.000%), and others, including the public and MDKA's treasury shares (51.651%).

Rating Definition

Debt security rated idA indicates that the issuer's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian issuers, is strong. However, the issuer's capacity is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated issuers. The plus (+) sign indicates that the rating is relatively strong within its category.

Contact Analysts:

kresna.wiryawan@pefindo.co.id
martin.pandiangan@pefindo.co.id

Financial Highlights

As of/for the year ended	Dec-2022 (Audited)	Dec-2021 (Audited)	Dec-2020 (Audited)	Dec-2019 (Audited)
Total adjusted assets [USD mn]	3,551.7	1,278.6	929.6	951.3
Total adjusted debt [USD mn]	1,359.4	377.8	269.2	286.7
Total adjusted equity [USD mn]	1,699.9	779.4	563.6	524.2
Total sales [USD mn]	869.9	381.0	321.9	402.0
EBITDA [USD mn]	235.4	208.0	152.3	228.3
Net income after MI [USD mn]	58.4	36.1	36.2	70.8
EBITDA margin [%]	27.1	54.6	47.3	56.8
Adjusted debt/EBITDA [X]	5.8	1.8	1.8	1.3
Adjusted debt/adjusted equity [X]	0.8	0.5	0.5	0.5
FFO/adjusted debt [%]	10.8	45.6	38.0	57.7
EBITDA/IFCCI [X]	4.4	11.4	6.6	9.6
USD exchange rate [IDR/USD]	15,731	14,278	14,105	13,901

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.

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.