

PT Pintar Nusantara Sejahtera

Corporate rating *BBB*/Stable

Rated Issues
Proposed MTN 2019

BBB

"Debt securities with an *BBB* have an adequate level of certainty to honor the financial obligations. However, this certainty is more likely to diminish in the future than with the higher rating categories."

Rating Period

September 2, 2019 – September 1, 2020

Kredit Rating Indonesia assigns '*BBB*' rating to PT Pintar Nusantara Sejahtera proposed MTN 2019 of USD50.0 million that will be used for financing working capital.

Kredit Rating Indonesia (KRI) assigns the rating of '*BBB*' to Pintar Nusantara Sejahtera (PINTAR) with a 'Stable' outlook.

The above ratings reflect PINTAR's strong business preposition, through its 100%-owned subsidiary namely PT Pasifik Nusantara Sejahtera ('PSN') that operate telecommunication satellite business, in the midst of robust country demand for mobile and internet subscription rates in line with the growth in per capita income, and a unique player as the only commercial telecommunication satellite operator in the country that is backed by the Indonesian Government and is under the mission to support the Government's broadband internet coverage all over the country, especially in the eastern part of the archipelago countries with more than 17,000 islands.

The rating also reflect the dominant market share and strong demand potentials for the satellite-based internet connection and the virtual private network as well as Government-related institutional programs that use telecommunication satellite.

Current capital strengthening program will help alleviating PINTAR's current negative equity position as opposed to high minority interest portion. The ratings, however, also take into account PINTAR current substantially high leverage, declining profitability, leverage and coverage expected to occur for the whole year of FYE 2019, as income generation from the operation of Nusantara Satu satellite will only fully rendering revenues in FYE 2020.

The ratings could be raised if PINTAR has successfully completed its capital strengthening program, combined with a high growth in demand for its internet broadband connections, virtual private network IP connection and transponder leasing that would generate substantial incoming cashflows from operations, beyond the targeted funds from operations.

On the other hand, the ratings could be lowered if the Company has aggressively added substantial debt in an excessive amount above the projected debt levels, hence could jeopardize its leverage position again.

PINTAR Financial Results Highlights

For the years ended	Jun-2019 (Audited)	Dec-2018 (Audited)	Dec-2017 (Audited)	Dec-2016 (Audited)
Total Adjusted Assets (USD Mn)	421.43	356.85	210.83	113.39
Total Adjusted Debt (USD Mn)	421.63	3,670.34	228.35	98.66
Total Adjusted Equity (USD Mn)	(69.55)	(65.64)	(61.90)	(61.01)
Total Sales (USD Mn)	17.89	47.68	39.03	0.30
Net Income (USD Mn)	(5.05)	0.58	0.27	19.52
EBIT Margin (%)	(0.22)	13.68	14.37	45.04
Return on Permanent Capital (ROPC) (%)	(0.003)	3.94	2.17	0.12
Debt-to-Total Assets (x)	1.00	1.04	1.08	0.87
EBITDA-to-Total Adjusted Debt (%)	0.4	2.6	4.6	0.2
EBITDA/IFCCI (x)	0.10	0.72	2.46	2.29
FFO/Total Debt (%)	(2.0)	1.0	2.3	21.6

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