PEFINDO assigns “idAAA” ratings for PT Bio Farma (Persero) and its MTN Year 2018, and “idAAA(sy)” rating for MTN Syariah Mudharabah Year 2018

PEFINDO has assigned its “$_{id}$**AAA**” rating for PT Bio Farma (Persero) (BIOF). PEFINDO has also assigned its “$_{id}$**AAA**” rating to BIOF’s proposed Medium-Term Notes (MTN) Year 2018 of IDR125 billion and “$_{id}$**AAA**$_{(sy)}$” rating to MTN Syariah Mudharabah Year 2018 of IDR325 billion. The proceeds of the MTN will be used to finance BIOF’s capital expenditues (capex). The outlook for the corporate rating is “**stable**”.

An obligor rated $_{id}$AAA has the highest rating assigned by PEFINDO. The obligors’ capacity to meet its long-term financial commitment, relative to that of other Indonesian obligors, is superior.

The suffix (sy) indicates thath the rating mandates compliance with Islamic principles.

The corporate rating reflects BIOF’s strategically important role in providing cavvines for the nation, its very strong market position in the vaccine industry, and its strong financial profile. However, the rating is constrained by the exposure to risks in regulatory changes and smaller export market shares.

The rating could be lowered if PEFINDO views a reduction in the government support, such as through a material divestment of the government’s ownership and/or lower barrier to entry through the regulations, such as allowing other vaccines companies to supply vaccines for the government projects. The rating could also be under pressure if it incurs a substantially larger debt than projected and/or its capex are not well executed, resulting in a weaker financial profile, particularly if its debt to EBITDA ratio exceeds 2.5x on a sustained basis.

As indonesia’s sole state-owned vaccine producer, BIOF is focused on developing vaccine research and technology, conductiong new vaccine research in ensuring self-sufficiency of vaccine nedds in Indonesia as well as availibility of vaccines to meet the world’s vaccines needs in terms of quality and affordability. BIOF supplies all the vaccines for Indinesua’s National Vaccine Program and it has a long-term contract to supply vaccines to various countries through UNICEF. Currently, 12 types of BIOF’’s vaccines have received prequalification from World Health Organization (WHO). It was 100% owned by Indonesian Government as of March 31, 2018.