

MIRA INFORM REPORT

Report No. :	523300
Report Date :	08.08.2018

IDENTIFICATION DETAILS

Name :	P.T. SCHNEIDER INDONESIA
Formerly Known As :	P.T. MERLIN GERIN INDONESIA
Registered Office :	Ventura Building, 7 th Floor, Jl. R.A. Kartini No. 26, Cilandak, Jakarta 12430
Country :	Indonesia
Financials (as on) :	2017 [Summarized]
Date of Incorporation :	08.07.1988
Com. Reg. No.:	AHU-AH.01.03-0112339
Legal Form :	Limited Liability Company
Line of Business :	Manufacturing of Distribution/Connection Accessories of Electricity Components and Sub Assemblies and Electronic Components, including Services for Installation and Maintenance Products
No. of Employees :	1,240

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Maximum Credit Limit :	US\$ 15,340,000
Status :	Satisfactory
Payment Behaviour :	Slow but correct

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Litigation :	Clear
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NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Indonesia	A2	A2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

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INDONESIA - ECONOMIC OVERVIEW

Indonesia, the largest economy in Southeast Asia, has seen a slowdown in growth since 2012, mostly due to the end of the commodities export boom. During the global financial crisis, Indonesia outperformed its regional neighbors and joined China and India as the only G20 members posting growth. Indonesia's annual budget deficit is capped at 3% of GDP, and the Government of Indonesia lowered its debt-to-GDP ratio from a peak of 100% shortly after the Asian financial crisis in 1999 to 34% today. In May 2017 Standard & Poor's became the last major ratings agency to upgrade Indonesia's sovereign credit rating to investment grade.

Indonesia still struggles with poverty and unemployment, inadequate infrastructure, corruption, a complex regulatory environment, and unequal resource distribution among its regions. President Joko WIDODO - elected in July 2014 – seeks to develop Indonesia's maritime resources and pursue other infrastructure development, including significantly increasing its electrical power generation capacity. Fuel subsidies were significantly reduced in early 2015, a move which has helped the government redirect its spending to development priorities. Indonesia, with the nine other ASEAN members, will continue to move towards participation in the ASEAN Economic Community, though full implementation of economic integration has not yet materialized.

Source : CIA

BASIC SEARCH

Name of Company :

P.T. SCHNEIDER INDONESIA

Address :

Head Office

Ventura Building, 7th Floor

Jl. R.A. Kartini No. 26

Cilandak, Jakarta 12430

Indonesia

Phones - (62-21) 750 4406 (hunting)

Fax - (62-21) 7504415 – 6

Email - yustinus.suryoko@schneider-electric.com

Website - <http://www.schneider-electric.com>

Building Area - 22 storey

Office Space - 260 sq. meters

Region - Commercial

Status - Rent

Factories

a. East Java Industrial Park (EJIP) Plot 4 B1-B-2

Lemahabang, Bekasi 17550

Cikarang, West Java

Indonesia

Phones - (62-21) 897 0203-8

Fax - (62-21) 897 0209, 897 0085

Land Area - 48,110 sq. meters

Building Space - 12,965 sq. meters

Region - Industrial Estate

Status - Rent

b. Jalan Pulo Buaran Raya Blok III EE Kav. 2-3-6

Kawasan Industri Pulogadung

Jakarta 13260

Indonesia

Phone - (62-21) 245 75700 (Hunting)

Fax - (62-21) 468 26942

Land Area - 6,900 sq. meters

Building Space - 2,200 sq. meters

Region - Industrial Estate

Status - Rent

Date of Incorporation :

a. 08 July 1988 as P.T. MERLIN GERIN INDONESIA

b. 01 December 1993 as P.T. SCHNEIDER INDONESIA

Legal Form :

P.T. (Perseroan Terbatas) or Limited Liability Company

Company Reg. No. :

The Ministry of Laws and Human Rights

- a. No. C-21838.HT.01.04.TH.2002
Dated 08 December 2002
- b. No. AHU-100632.AH.01.02.Tahun 2008
Dated 30 December 2008
- c. No. AHU-AH.01.10-05429
Dated 04 March 2010
- d. No. AHU-18442.AH.01.02.Tahun 2012
Dated 14 April 2012
- e. No. AHU-AH.01.10-13856
Dated 20 April 2012
- f. No. AHU-AH.01.10-04199
Dated 12 February 2014
- g. No. AHU-AH.01.03-0112339
Dated 16 March 2018

Company Status :

Foreign Investment Company (PMA)

Permits by the Government Department :

a. The Department of Finance (Tax License)

NPWP No. 01.061.747.0-092.000

b. The Capital Investment Coordinating Board

- No. 68/I/PMA/1988
Dated 04 July 1988
- No. 44/II/PMA/1994
Dated 18 March 1994
- No. 35/II/PMA/1999
Dated 02 March 1999

Related/Affiliated Companies :

A Member of the SCHNEIDER Group of France

CAPITAL AND OWNERSHIP

Capital Structure :

Authorized Capital	- US\$. 134,660,000.- (Rp. 226,094,140,000)
Issued Capital	- US\$. 134,660,000.- (Rp. 226,094,140,000)
Paid up Capital	- US\$. 134,660,000.- (Rp. 226,094,140,000)

Shareholders/Owners :

a. SCHNEIDER ELECTRIC INDUSTRIES SAS - US\$. 214,789,433,000.- (95%)

Address: 89 Boulevard Franklin Roosevelt
92500 Rueil Malmai
France

b. PT. KARYA CAHAYA SEMPURNA - US\$. 11,304,707,000.- (5%)

Address: Jl. RA Kartini No. 26
Cilandak, South Jakarta
Indonesia

BUSINESS ACTIVITIES

Lines of Business :

Manufacturing of Distribution/Connection Accessories of Electricity Components and Sub Assemblies and Electronic Components, including Services for Installation and Maintenance Products

Production Capacity :

- a. MV Metal Enclosed Switchgears - 10,000 units p.a.
- b. MV Metal Clad Switchgears - 5,000 units p.a.
- c. LV Distribution Panels - 4,000 units p.a.
- d. LV Miniature Circuit Breakers - 9,000,000 poles p.a.

Total Investment :

- a. Equity Capital - US\$ 3.0 million
- b. Reinvested Profit - US\$ 8.8 million
- c. Loan Capital - US\$ 29.2 million
- d. Total Investment - US\$ 40.0 million

Started Operation :

1988

Brand Name :

MERLIN GEERIN, SQUARE-D and TELEMECANIQUE

Technical Assistance :

SCHNEIDER ELECTRIC INDUSTRIES SAS of France

Number of Employee :

1,240 persons

Marketing Area :

Domestic - 80%
Export - 20%

Main Customers :

- a. PT. Pertamina
- b. PT. Chevron Pacific Indonesia
- c. PT. ConocoPhillips Indonesia

- d. PT. Total Indonesia
- e. PT. Perusahaan Gas Negara (PGN)
- f. PT. Kaltim Methanol Indonesia
- g. PT. Chiyoda Indonesia
- h. PT. Nestle Indonesia
- i. Etc.

Market Situation :

Very Competitive

Main Competitors :

- a. P.T. ASATA UTAMA ELECTRIC
- b. P.T. INTIMUARA ELECTRINDO
- c. P.T. PANELINDO MAKMUR SENTOSA
- d. P.T. SIEMENS INDONESIA
- e. P.T. GIKOKO KOGYA INDONESIA
- f. P.T. METRO ABDIBINA SENTOSA
- g. P.T. SINAR ELEKTRONIKA
- h. P.T. UNILEC INDONESIA
- i. Etc.

Business Trend :

Growing

BANKER, AUDITOR & LITIGATION

Bankers :

- a. P.T. Bank MANDIRI Tbk
Mandiri Plaza
Jalan Jend. Gatot Subroto Kav. 36-38
Jakarta Selatan
Indonesia

- b. The Royal Bank of Scotland (Ex. ABN AMRO BANK)
RBS Building
Jalan Ir. H. Juanda No. 23-24
Jakarta Pusat
Indonesia

Auditor :

Internal Auditor

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Litigation :

No litigation record in our database

FINANCIAL FIGURE

Annual Sales (estimated) :

2013 – Rp. 1,169.0 billion
2014 – Rp. 1,270.0 billion
2015 – Rp. 1,420.0 billion
2016 – Rp. 1,590.0 billion
2017 – Rp. 1,780.0 billion

Net Profit (estimated) :

2013 – Rp. 52.6 billion
2014 – Rp. 57.0 billion
2015 – Rp. 64.0 billion
2016 – Rp. 72.0 billion
2017 – Rp. 80.6 billion

Payment Manner :

Slow but correct

Financial Comments :

Strong and sound

KEY EXECUTIVES

Board of Management :

President Director
Directors

- Mr. Xavier Andre Maurice
- a. Mr. Rijanto Mashan
- b. Mrs. Tan Shuen Lin Belinda
- c. Mrs. Tessa

Board of Commissioners :

President Commissioner
Commissioner

- Mrs. Brigitte Veronique Blanc
- Mr. Leong Hon Foong

Signatories :

President Director (Mr. xavier Andre Maurice) or one of the Directors (Mr. rijanto Mashan, Mrs. Tan Sheun Lin Belinda or Mrs. Tessa) which must be approved by the Board of Commissioners (Mrs. Brigitte Veronique Blanc and Mr. Leong Hon Foon)

CAPABILITIES

Management Capability :

Good

Business Morality :

Good

Credit Risk :

Below Average

Credit Recommendation :

Credit should be proceeded normally

Proposed Credit Limit :

Moderate amount

Maximum Credit Limit :

US\$ 15,340,000 on the 90 days of payments

OVERALL PERFORMANCE

Initially named P.T. MERLIN GERIN INDONESIA, it was established in Jakarta on July 8, 1988 with an authorized capital of US\$ 3,000,000.- (Rp 5,037,000,000) entirely was issued and paid up. The original founding shareholders of the company are P.T. OMETRACO of Indonesia and MERLIN GERIN S.A. of France. Its articles of association have subsequently been changed for several times. On December 1, 1993 the company was renamed P.T. SCHNEIDER INDONESIA (P.T. SI), and in December 2000 the whole shares had been controlled by SCHNEIDER ELECTRIC INDUSTRIES SAS (95%) and ELECTRO PORCELAINE SAS (5%), both of France. The amendment to Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia by virtue of Decision Letter No. AHU-100632.AH.01.02.Year 2008 dated December 30, 2008 and No. AHU-AH.01.10-05429 dated 04 March 2010.

On March 19, 2012 ELECTRO PORCELAINE SAS pulled out and the whole shares are sold to P.T. KARYA CAHAYA SEMPURNA. Since then, the shareholders of the company are SCHNEIDER ELECTRIC INDUSTRIES SAS (95%) and P.T. KARYA CAHAYA SEMPURNA (5%). The amendment to Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia by virtue of Decision Letter No. AHU-AH.01.10-13856 dated 20 April 2012. In April 2012 based on Notarial Deed of Siti Safarijah, SH., dated January 2, 2014, concerning the change in composition of the Company's board of Commissioners and Directors. This amendment to Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through Decree No. AHU-AH.01.10-04199 dated February 12, 2014. The most recently by Notarial Deed of Nurhasanah, SH., dated March 12, 2018, the authorized capital was raised to US\$ 134,660,000 (Rp 226,094,140,000) entirely was issued and paid up. No changes have been effected in term of its shareholding composition to date. This amendment to Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through Decree No. AHU-AH.01.03-0112339 dated March 16, 2018.

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P.T. SCHNEIDER INDONESIA (P.T. SI) obtained a Foreign Capital Investment (PMA) license in the manufacturing of electrical equipment for various use. The has been operating since 1988 in electrical device manufacturing industry, such as Low voltage Distribution Panel, Motor Control Center, Control Panel, Medium Voltage (Primary & Secondary) Distribution Panel, Miniature Circuit Breaker, Retrofit and Retrofill solution. Its plant is located at EJIP estate Plot 4B1-B2, Lemahabang, Cikarang, Bekasi, West Java. Factory has up to 48,110 sq. meters land area consist o f 9,675 sq. meters factory area and 3,290 sq. meter office area. The electrical devices produced by the company are known with various brands like Merlin Gerin, Square D and Telemecanique. The Merlin Gerin product specializes in electrical energy protection from low voltage to extra high voltage system. Square D specializes in electrical distribution and control, and Telemecanique specializes in industrial control.

The above products are marketed locally to PT. Pertamina, PT. Chevron Pacific Indonesia, PT. Conoco Philips Indonesia, PT. Total Indonesia, PT. Perusahaan Gas Negara (PGN), etc. Some 15% of the products are exported to China, Taiwan, Philippines, Japan, Vietnam, Brunei, Thailand, Korea, Myanmar, Qatar, India and others. Besides, the company also provides the services of engineering and assembling of low-medium voltage panel, after sales service (spare parts, maintenance contract revision, retrofit, modification and at once giving technical training.

In December 2010, P.T. SI taking over all assets of P.T. AREVA T&D, an electrical panel manufacturing with its plant located at Jl. Pulo Buaran Raya Blok III EE Kav. 2-3-6, Pulogadung Industrial Estate, East Jakarta. The company's plant produces electrical equipments like air insulated switchgears, capacitors, circuit breakers, generator circuit breakers, controls, monitoring systems, facts, fuses, instrument transformers, LV switch boards, measuring, recording products, protection relay, substation automation, transformers, and others. Other Facilities of Schneider Electric in Indonesia is PT. Schneider Electric Manufacturing Batam located in Batamindo Industrial Park with land space 320 hectares and factory space 585,446 sq. meters.

In August 2011, P.T. SI acquires 100% shares of PT. DUTA ELEKTRINDO at undisclosed price consideration. P.T. DUTA ELEKTRINDO is engaged in electrical component and parts manufacturing. Mrs. Ekawati, a staff of the company said that some 80% of the company's products are marketed to various companies like PT. Indonesia Power, PT. Perusahaan Listrik Negara (PLN), PT. Pertamina, PT. Chevron Pacific Indonesia and other electrical contracting companies in major cities in the country while the rest is exported to Asian and European countries. We observed that P.T. SCHNEIDER INDONESIA is classified as a large-sized company of its kind in the country of which the operation has been growing in the last five years.

Generally we find the demand for electrical equipment and components has been increasing in the last five years. Planning electricity in Indonesia could barely be carried out by simply having national consideration. The growth rate is now estimated at 6% to 8% per year. The solid and steady domestic economy, Indonesia with the rising of Country Rating to Investment Grade, and also supported by Indonesia's economic indicators such as inflation, exchange rates and interest rates are expected to encourage the business sectors. Macroeconomic indicators from China showed downward trend. In contrary, macroeconomic indicators of the US and India showed improvement. Both of these indicated continued uncertainties. The global economic crisis that accompanied the decline of the Indonesian Rupiah (IDR) against the US Dollar in the past two months, resulting in Indonesian people's purchasing power declined sharply. The value of the Rupiah from Rp. 11,800.- per US dollar at the end of 2014, has now slumped to Rp. 14.300 per US Dollar.

Table of Indonesian Economic Indicators from 2013 to 2017

Indonesian Economic Indicators	2013	2014	2015	2016	2017
Gross Domestic Product (PDB)	5.6	5.0	4.8	5.0	5.1

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Consumer Price Index (inflation)	8.4	8.4	3.4	3.0	3.6
Government Debt	28.7	24.7	27.0	27.9	28.5
Exchange Rate (IDR/USD)	11,563	11,800	13,400	13,309	13,381
Current Account Balance	-3.3	-3.1	-2.1	-1.8	-1.7
Population (in millions)	251	254	258	261	264
Poverty (percentage of population)	11.5	11.0	11.2	10.7	10.1
Unemployment (percentage of workforce)	6.3	5.9	6.2	5.6	5.5
Reserves (in billion USD)	99.4	111.9	105.9	116.4	130.2

Until this time P.T. SI has not been registered with Indonesian Stock Exchange, so that they shall not obliged to announce their financial statement. We have checked to Department of Trade and Industry and found that no financial statement has been reported. P.T. SI's management adopts very reclusive attitude towards outsiders and spurned to unveil its financial condition, but we estimated the total sales turnover in 2014 amounted to Rp 1,270.0 billion increased to Rp 1,420.0 billion in 2015 to Rp. 1,590.0 billion in 2016 and rose again to Rp. 1,780.0 billion in 2017. It is estimated will be higher by at least 8% in 2018. The Company's operation in 2017 yielded a total net profit of about Rp 80.6 billion, with a total net worth of Rp 580.0 billion. We did not hear that the company has been black listed by Central Bank (Bank Indonesia) and having detrimental cases being settled in the courts.

Since March 2018, the company's management is headed by Mr. Xavier Andre Maurice (appr.52) of France, replacing Mr. Rijanto Mashan (54) as president director and CEO of the company. In daily operation he is assisted by three directors namely Mr. Rijanto Mashan (54) of Indonesia, Mrs. Tan Shuen Lin Belinda (appr.45) of Singapore and Mrs. Tessa (44) of Indonesia. The management, which is evaluated quite creative and dynamic, also has succeeded in expanding their overseas marketing network. They have close relations with many high-ranking government officials as well as with private businessmen within and outside the country. So far, we did not hear that the company's management involved in a dirty business practice or detrimental cases that settled in the country. The company's litigation record is clean and it has not registered with the black list of Bank of Indonesia.

P.T. SCHNEIDER INDONESIA is appraised to be good for business transaction. However, in view of the economic condition in the country is still unstable, we recommend to treat prudently in extending any new loan to the company.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.65
UK Pound	1	INR 88.82
Euro	1	INR 79.72
IDR	1	INR 0.0048

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	TPT

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)