

## MIRA INFORM REPORT

<b>Report No. :</b>	534008
<b>Report Date :</b>	11.10.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	P.T. PERKEBUNAN NUSANTARA IV
<b>Registered Office :</b>	Jalan Letjend Suprpto No. 2., Medan 20151, North Sumatra
<b>Country :</b>	Indonesia
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	11.03.1996
<b>Com. Reg. No.:</b>	AHU-AH.01.03-0181671
<b>Legal Form :</b>	P.T. (Perseroan Terbatas) or Limited Liability Company
<b>Line of Business :</b>	Oil Palm, Rubber, Cacao Plantation and Processing
<b>No. of Employees :</b>	Not available

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	A+
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Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	Clear

#### NOTES :

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

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**ECGC Country Risk Classification List**

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
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

**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.

Poverty and unemployment, inadequate infrastructure, corruption, a complex regulatory environment, and unequal resource distribution among its regions are still part of Indonesia's economic landscape. 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

## **COMPANY NAME**

**P.T. PERKEBUNAN NUSANTARA IV**

## **ADDRESS**

### Head Office

Jalan Letjend Suprpto No. 2.  
Medan 20151, North Sumatra  
Indonesia

Phones - (62-61) 415 4666 (hunting)  
Fax. - (62-61) 457 3117  
Email - [ptpnnusantara4@ptpn4.co.id](mailto:ptpnnusantara4@ptpn4.co.id)  
Website - <http://www.ptpn4.co.id>  
Land Area - 2 storey  
Building Area - 280 sq. meters  
Region - Commercial  
Status - Owned

### Jakarta Representative Office

Jalan Wijaya X No. 3,  
Jakarta 12160  
Indonesia

Phones - (62-21) 723 1662  
Fax. - (62-21) 723 1663  
Land Area - 2 storey  
Building Area - 140 sq. meters  
Region - Commercial  
Status - Rent

## **COMPANY SUMMARY**

### **Date of Incorporation :**

11 March 1996

### **Legal Form :**

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

### **Company Reg. No. :**

The Ministry of Justice and Human Rights

a. No. C2-8331.HT.01.01.TH.96

Dated 8 August 1996

b. No. AHU-60615.AH.01.02.Tahun 2008

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- Dated 10 September 2008  
c. No. AHU-02021.AH.01.02.Tahun 2013  
Dated 23 January 2013  
d. No. AHU-AH.01.10-01381  
Dated 13 January 2014  
  
e. No. AHU-AH.01.03-0087511  
Dated 08 October 2016  
f. No. AHU-AH.01.03-0181671  
Dated 18 October 2017

**Company Status :**  
State Owned Enterprises

**Permit by the Government Department :**  
The Department of Finance  
NPWP No. 01.061.129.1-051.000

**Subsidiary/Associates Companies :**

- a. P.T. SARANA AGRO NUSANTARA (Warehousing Services)  
b. P.T. AGRO SINERGI NUSANTARA (Plantation and Palm Oil Mill)  
c. P.T. SINERGI PERKEBUNAN NUSANTARA (Plantation and Palm Oil Mill)  
d. P.T. PRIMA MEDICA NUSANTARA (Healthcare Services)  
e. P.T. ESW NUSANTARA TIGA (Production of Palm Oil Wood Powder)  
f. P.T. PUPUK AGRO NUSANTARA (Fertilizer Processing Industry)

## ***CAPITAL AND OWNERSHIP***

**Capital Structure :**

Authorized Capital - Rp. 11,700,000,000,000.-  
Issued Capital - Rp. 2,942,116,000,000.-  
Paid up Capital - Rp. 2,942,116,000,000.-

**Shareholders/Owners :**

- a. The Government of the Republic of Indonesia - Rp 294,212,000,000.- (10.00%)  
b. PT. Perkebunan Nusantara III (Persero) - Rp 2,647,904,000,000.- (90.00%)

## ***BUSINESS ACTIVITIES***

**Lines of Business :**

Oil Palm, Rubber, Cacao Plantation and Processing

**Production Capacity :**

- a. Fresh Fruit Bunches - 2,209,707 tons p.a.

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b. Crude Palm Oil (CPO)	-	518,305 tons p.a.
c. Palm Kernel Oil (PKO)	-	93,267 tons p.a.
d. Fresh Tea Leaves	-	36,394 tons p.a.
e. Black Tea Production	-	8,148 tons p.a.

**Total Investment :**

a. Equity Capital	-	Rp. 6,948.2 billion
b. <u>Loan Capital</u>	-	Rp. 1,884.9 billion
c. Total Investment	-	Rp. 8,833.1 billion

**Started Operation :**

March 1996

**Brand Name :**

PTPN IV

**Technical Assistance :**

None

**Number of Employee :**

23,909 persons

**Marketing Area :**

Local - 40%

Export - 60%

**Main Customer :**

Buyers in Europe Union, Middle East, Asian countries etc

**Market Situation :**

Very Competitive

**Main Competitors :**

- P.T. ASIANAGRO AGUNGJAYA
- P.T. PERKEBUNAN NUSANTARA III
- P.T. PERKEBUNAN NUSANTARA V
- P.T. BUKIT KAPUR REKSA
- Etc.

**Business Trend :**

Fluctuating

## ***BANKER, AUDITOR & LITIGATION***

**Bankers :**

- P.T. Bank MANDIRI Tbk  
Jalan Imam Bonjol No. 7

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- Medan, North Sumatera  
Indonesia
- b. P.T. Bank NEGARA INDONESIA Tbk  
Jalan Iskandar Muda No. 95,  
Medan, North Sumatera  
Indonesia
- c. P.T. Bank RAKYAT INDONESIA Tbk  
Jalan A.H. Nasution No. 60  
Medan, North Sumatera  
Indonesia

**Auditor :**  
Purwantono, Sungkoro & Surya

**Litigation :**  
No litigation record in our database

## **FINANCIAL FIGURE**

**Net Sales/Revenues :**

2014 – Rp. 6,322.6 billion  
2015 – Rp. 5,195.2 billion  
2016 – Rp. 5,651.2 billion  
2017 – Rp. 5,620.8 billion

**Net Profit (Loss) :**

2014 – Rp. 750.2 billion  
2015 – Rp. 207.6 billion  
2016 – Rp. 528.7 billion  
2017 – Rp. 742.8 billion

**Payment Manner :**

Regular

**Financial Comments :**

Strong and sound

## **KEY EXECUTIVES**

**Board of Management :**

President Director - Mrs. Siwi Peni  
Directors - a. Mr. Rediman Silalahi  
b. Mr. Umar Affandi  
c. Mr. Rizal H. Damanik

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**Board of Commissioners :**

President Commissioner - Mr. Suwhono, SE.  
Commissioners - a. Mr. Andogo Wiradi  
b. Mr. Pos Marojahan Hutabarat  
c. Mr. Osmar Tanjung

**Signatories :**

President Director (Mrs. Siwi Peni) or one of the Directors (Mr. Rediman Silalahi, Mr. Umar Affandi or Rizal H. Damanik) which must be approved by Board of Commissioners (Mr. Suwhono, SE., Mr. Andogo Wiradi, Mr. P:os Marojahan Hutabarat and Mr. Osmar Tanjung)

## ***CAPABILITIES***

**Management Capability :**

Good

**Business Morality :**

Good

## ***OVERALL PERFORMANCE***

P.T. PERKEBUNAN NUSANTARA IV ("the Company") was established based on the Government Regulation No. 12 year 1996, as stated a based on the Notarial Deed No. 37 dated March 11, 1996 drawn up by Harun Kamil, SH., with an authorized capital of Rp. 1,700,000,000,000.- of which Rp. 430,000,000,000.- was issued and paid up. The founding shareholder of the company are the Government of the Republic of Indonesia (100%). The Deed of established was approved by the Minister of Justice of the Republic of Indonesia in its Decision Letter No. C2-8332.HT.01.01.TH.96 dated August 8, 1996.

Its articles of association have subsequently been changed for several times. In 2013, based on notary Deed No. 36 dated November 27, 2013 drawn up by Notary Ihdina Nida Marbun, SH., the authorized capital was raised to Rp. 11,700,000,000,000.- of which Rp. 2,942,116,000,000.- was issued and paid up. The shareholder of the company is still the Government of the Republic of Indonesia (100%). The amendment to Deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia through Decree No. AHU-AH.01.10-01381 dated January 13, 2014.

The most recently by Notary Deed of Ferry Susanto Limbong, SH., No. 12 dated October 06, 2017, concerning the change in composition of the Company's board of Directors and Commissioners, and shareholders. Since then, the shareholders of the company are the Government of the Republic of Indonesia (10%) and P.T. PERKEBUNAN NUSANTARA III (90%). This amendment to Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through its Decree No. AHU-AH.01.03-0181671 dated October 18, 2017. Since then, no changes have been effected in term of its shareholding composition and capital structure to date.

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P.T. PERKEBUNAN NUSANTARA IV (P.T. PN IV) or "the Company" has been in operation since March 1996 dealing with agro business and agro industry. The Company was the result of the merger of three state-owned companies, PT. Perkebunan VI (Persero), PT. Perkebunan VII (Persero) and PT. Perkebunan VIII (Persero). The merger was based on the Regulation of the Government of the Republic of Indonesia No. 9 year 1996. Based on this regulation the three state-owned companies the merger are liquidated and all their rights and obligations are transferred to the Company.

In accordance with article 3 (three) of the articles of association contained in the deed of establishment, the Company's scope of activities companies of agro-business and agro-industry and also optimization of the Company's resources to produce high quality and competitive goods and services to seek profit and enhance the Company's value by applying the limited liability corporate principles.

Currently, the Company is mainly engaged in the development of palm oil plantations and production of palm oil that are located in Province of North Sumatera. The Company operates 33 business units comprising of 30 units of palm oil plantation with 17 units of palm oil mills, 2 units of palm kernel mill, 1 unit of tea plantations with tea processing plants, 1 unit development project of palm oil smallholding and 1 business unit of workshop.

#### Operational Highlight

##### Fresh Fruit Bunch Production

Source	Year			
	2013 (ton)	2014 (ton)	2015 (ton)	2016 (ton)
Owned Plantation	2,077,175	2,151,987	2,246,800	2,209,707
Purchased	668,226	738,195	486,934	381,436
Total	2,745,401	2,890,182	2,733,734	2,591,143

##### Crude Palm Oil and Palm Kernel Oil

Source	Year			
	2013 (ton)	2014 (ton)	2015 (ton)	2016 (ton)
<b>Owned Plantation</b>				
- Crude Palm Oil	482,385	502,234	528,246	518,305
- Palm Kernel Oil	87,515	95,335	96,894	93,267
<b>Purchased</b>				
- Crude Palm Oil	130,237	145,831	94,150	73,590
- Palm Kernel Oil	26,702	29,123	18,722	14,613

##### Fresh Tea Leaves Production

Source	Year			
	2013 (ton)	2014 (ton)	2015 (ton)	2016 (ton)
Owned Plantation	36,394	33,233	33,233	36,394
Purchased	1,939	2,080	2,080	1,939
Total	23,473	28,871	35,313	38,333
Black Tea Production	3,901	6,121	7,381	8,148

In addition, P.T. PN IV has ownership interest of more than 50% in the following subsidiaries which are engaged in warehousing, plantation and palm oil mill, healthcare services, production of palm oil wood powder and fertilizer processing. The table of P.T. PN IV's subsidiary companies shall be as follows:

**P.T. PERKEBUNAN NUSANTARA IV - 534008**

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Name of Subsidiary	Lines of Business	Start of Operations	Percentage of ownership 2017	Percentage of ownership 2016
PT. Sarana Agro Nusantara	Warehousing services	2001	50.08	50.08
PT. Agro Sinergi Nusantara	Plantation and palm oil mills	2011	64.77	64.77
PT. Sinergi Perkebunan Nusantara	Plantation and palm oil mills	2012	71.28	71.28
PT. Prima Medica Nusantara	Healthcare services	2015	99.99	99.99

The Investments in associate companies presented using the equity method:

Name of Subsidiary	Lines of Business	Start of Operations	Percentage of ownership 2017	Percentage of ownership 2016
PT. Esw Nusantara Tiga	Production of palm oil wood powder	Under development stage	23.86	23.86
PT. Pupuk Agro Nusantara	Fertilizer processing industry	Under development stage	34.00	34.00

Generally outlook we find that integrated palm oil processing industry had been growing rapidly by about 10% to 12% per year within the last five years. The crisis has made a sharp Rupiah depreciation which finally increased the prices of capital goods and packaging materials. Tight money policy caused high rate of bank interest which has badly affected business sector in the country including integrated palm oil processing industry to get working capital. It is estimated that palm oil industry will be increasing within the coming two years. Business position of P.T. PN IV is favorable for it has controlled a wide marketing network at home and abroad and their product has been widely known among consumers in the country.

According to statement of income, the net sales/revenues of P.T. PN IV ("the Company") in 2014 amounted to Rp 6,322.6 billion with a net profit of Rp 750.2 billion declined to Rp.5,195.2 billion with a net profit of Rp. 207.6 billion in 2015 to Rp. 5,651.2 billion with a net profit of Rp. 528.7 billion in 2016 and dropped again to Rp. 5,620.8 billion with a net profit of Rp. 742.8 billion in 2017. The summary of financial information of P.T. PN IV in 2014, 2015, 2016 and 2017 are below. So far we did not hear that the P.T. PP (Persero) has been black listed by Bank Indonesia (Central Bank) or having detrimental cases being settled in local district court. The company usually pays its debts punctually to suppliers.

(in billion Rupiah)

DESCRIPTION	31 December 2017	2016	2015	2014
<b>ASSETS</b>				
- Total current assets	1,856.3	2,039.9	1,622.8	2,186.8
- Total Non-current assets	12,755.1	12,518.9	12,272.1	8,797.0
<b>Total Assets</b>	<b>14,611.4</b>	<b>14,558.8</b>	<b>12,894.9</b>	<b>10,983.8</b>
<b>LIABILITIES AND EQUITY</b>				
- Total current liabilities	2,188.9	1,884.9	1,863.3	1,971.6
- Total non-current liabilities	5,257.7	5,725.7	5,220.6	4,813.5
- Total Equity	7,164.8	6,948.2	6,811.0	4,198.7
<b>Total Liabilities &amp; Equity</b>	<b>14,611.4</b>	<b>14,558.8</b>	<b>12,894.9</b>	<b>10,983.8</b>

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**INCOME STATEMENT**

- Net Sales/Revenues	5,620.8	5,651.2	5,195.2	6,322.6
- Gross Profit	2,557.8	2,263.7	1,643.2	2,620.0
- Net Profit (Current Year Profit)	742.8	528.7	207.6	750.2

*Note: Audited by Purwantono, Sungkoro & surya (Registered Public Accounts)*

The management of PTPN III is headed by Mrs. Siwi Peni (48) a professional manager with has experienced for more than 16 years in agro business and agro industry. In daily activities, she is assisted by three directors namely Mr. Rediman Silalahi (53), Mr. Umar Affandi (55) and Mr. Rizal H. Damanik (56). We observed that management's reputation in the agro business is fairly good. The management of the company is handled by experienced professional manager having wide relation with private businessmen of home and overseas as well as with the government sectors. 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. PERKEBUNAN NUSANTARA IV is fairly good for business transaction. However, in view of the unstable economic condition in the country we recommend to treat prudently in extending a loan to the company.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 74.13
UK Pound	1	INR 97.63
Euro	1	INR 85.26
IDR	1	INR 0.0049

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

**INFORMATION DETAILS**

Analysis Done by :	NIY
Report Prepared by :	SYL

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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)