PEFINDO
CREDIT RATING AGENCY

Press Release
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PT Intiland Development Tbk

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CREDIT PROFILE

Corporate Rating	*idA-/Negative*
Rated Issues	
Bond I/2013	*idA-*
Bond II/2016	*idA-*
Rating Period	
April 7, 2017 – April 1, 2018	
Rating History	
APR 2016	*idA-/Negative*
DEC 2015	*idA/Negative*
APR 2015	*idA/Stable*
APR 2014	*idA/Stable*
APR 2013	*idA/Stable*

FINANCIAL HIGHLIGHTS

As of/for the year ended	**Dec-2016** (Audited)	**Dec-2015** (Audited)	**Dec-2014** (Audited)	**Dec-2013** (Audited)
Total adjusted assets [IDR bn]	11,833.9	10,282.4	9,001.5	7,530.1
Total adjusted debt [IDR bn]	4,455.1	3,199.5	2,126.6	1,507.1
Total adjusted equity [IDR bn]	5,051.3	4,764.6	4,462.3	4,095.1
Total sales [IDR bn]	2,276.5	2,200.9	1,827.9	1,510.0
EBITDA [IDR bn]	584.6	605.0	636.9	439.8
Net income after MI [IDR bn]	298.9	401.5	430.5	323.7
EBITDA Margin [%]	25.7	27.5	34.8	29.1
Adjusted debt to EBITDA [X]	7.6	5.3	3.3	3.4
Adjusted debt to adjusted equity [X]	0.9	0.7	0.5	0.4
FFO to adjusted debt [%]	0.5	7.2	18.0	17.3
EBITDA to IFCCI [X]	1.3	2.2	3.8	3.7
USD exchange rate [IDR/USD]	13,436	13,795	12,440	12,189

FFO = EBITDA – IFCCI + gross 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
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.

PEFINDO affirms "idA-" ratings to Intiland and its bonds

PEFINDO has affirmed **"idA-"** ratings for PT Intiland Development Tbk (DILD) and its bond I 2013 and bond II 2016. We have maintained our **"negative"** outlook to the corporate rating in anticipation if the Company's financial profile, particularly its cash flow protection measures of funds from operations (FFO) to debt and EBITDA to interest coverage, do not improve to the level that is comfort for an "A" rating category, over the upcoming quarters.

An obligor rated idA indicates that the obligor has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.

The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The ratings reflect DILD's relatively strong market position in the property industry, its favorable asset quality, and its sizeable land bank. The ratings, however, are constrained by its aggressive capital structure and weak cash flow protection measures, lower margins compared to peers, and higher business risk due to the low contribution from recurring income.

The rating could be lowered if DILD's revenue and EBITDA are significantly lower than projected due to weak sales performance from its existing high-rise developments and delays in the completion of key projects. The rating could also be under pressure if DILD adds debt significantly larger than projected without being compensated by higher revenue and EBITDA generation, resulting in its capital structure and cash flow protection ratios to deteriorate. The outlook could be revised to stable if DILD improves its capital structure and cash flow protection measures on a sustained basis backed by improving presales performance as well as lower inventory level.

DILD is engaged in property development and investment activities. Its portfolio includes superblock developments, residential (landed and high-rise), industrial estates, and investment properties. Most of its projects are strategically located in the Jakarta and Surabaya areas, while its industrial estate is located in Mojokerto, East Java. At the end of 2016, its shareholders were Credit Suisse Singapore (19.89%), DB Singapore (12.60%), UBS AG Singapore (9.65%), and the public (57.86%).