

PT Tridomain Performance Materials Tbk

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Sep-2020	Dec-2019	Dec-2018	Dec-2017
			(Audited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idCCC/C.W.Negative</i>	Total Adjusted Assets [USD Mn]	342.9	355.4	303.0	211.3
Rated Issues		Total Adjusted Debt [USD Mn]	133.1	145.5	121.2	70.1
Bond II/2019	<i>idCCC</i>	Total Adjusted Equity [USD Mn]	156.7	157.5	141.8	98.7
Bond I/2018	<i>idCCC</i>	Total Sales [USD Mn]	151.8	309.2	267.7	159.4
MTN III/2018	<i>idCCC</i>	EBITDA [USD Mn]	24.7	38.4	33.2	20.3
MTN II/2018	<i>idCCC</i>	Net Income after MI [USD Mn]	0.9	15.6	12.3	6.7
MTN I/2017	<i>idCCC</i>	EBITDA Margin [%]	16.3	12.4	12.4	12.7
Rating Period		Adjusted Debt to EBITDA [X]	*4.0	3.8	3.6	3.5
April 26, 2021 – June 1, 2021		Adjusted Debt to Adjusted Equity [X]	0.8	0.9	0.9	0.7
Rating History		FFO to Adjusted Debt [%]	*14.7	14.1	15.6	17.1
FEB 2021	<i>idA-/Stable</i>	EBITDA to IFCCI [X]	2.3	2.8	3.1	3.2
JUN 2020	<i>idA-/Stable</i>	USD Exchange Rate [IDR/USD]	14,918	13,901	14,481	13,548
FEB 2020	<i>idA-/Stable</i>					
OCT 2019	<i>idA-/Stable</i>					
APR 2019	<i>idA-/Stable</i>					
NOV 2018	<i>idA-/Stable</i>					
JUN 2018	<i>idA-/Stable</i>					

FFO = EBITDA – IFCCI + 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 *annualized*
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.

PT Tridomain Performance Materials Tbk lowered to “*idCCC*” with “CreditWatch with Negative Implication”

PEFINDO has lowered the ratings of PT Tridomain Performance Materials Tbk (TDPM) and its Medium-Term Notes (MTN) I Year 2017, MTN II Year 2018, MTN III Year 2018, Bond I Year 2018, and Bond II Year 2019 to “*idCCC*” from “*idA-*” due to heightened refinancing risk on its maturing MTNs in 2021. TDPM has failed to pay the principal of its MTN II/2018 of IDR410.0 billion due on April 27, 2021, following the Company’s initial plan to issue new debt instruments to refinance the maturing financial obligations has yet to materialize. TDPM has limited funding alternatives with the standby bridging loan of USD37.5 million has been utilized for other purposes. We revised the outlook for the corporate rating to “**CreditWatch with Negative Implication**”, to anticipate the Company’s inability to repay the MTN within the remedial period. The Company’s weaker credit profile and liquidity may curtail its external fundraising ability, resulting in further rating downgrade to default category.

Debt security rated *idCCC* is currently vulnerable to non-payment, and is dependent upon favorable business and financial conditions for the issuer to meet its long-term financial commitments on the debt security.

TDPM is one of the major companies in the chemical industry’s downstream sector. Aside from trading, it produces a wide range of products in the specialty resin, plasticizer, and acrylamide segments. It operates plants in Cikupa, Banten (specialty resins); Gresik, East Java (specialty resins and plasticizers); and Merak, Banten (acrylamide). It has a total annual production capacity of 106,000 tons of special resins, 78,000 tons of plasticizers, and 14,000 tons of acrylamide. In 2016, it acquired PT Petronika, a plasticizer manufacturer in Gresik. Following its initial public offering (IPO) in April 2018, its shareholders were DH Corporation Limited (72.51%), previously known as Royal Chemie Corporation Limited, and the public (27.49%) as of September 30, 2020.

DISCLAIMER

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.