

PT PP PROPERTI 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>idBBB-/Negative</i>	Total Adjusted Assets [IDR Bn]	18,462.7	19,551.2	16,441.7	12,557.1
Rated Issues		Total Adjusted Debt [IDR Bn]	8,652.6	8,002.7	6,204.7	4,321.4
MTN XI Year 2018	<i>idBBB-</i>	Total Adjusted Equity [IDR Bn]	4,504.6	6,091.6	5,784.6	4,997.3
MTN XII Year 2018	<i>idBBB-</i>	Total Sales [IDR Bn]	1,281.2	2,495.8	2,559.9	2,715.0
Rating Period		EBITDA [IDR Bn]	227.7	583.5	590.3	594.3
March 12, 2021 – May 15, 2021		Net Income after MI [IDR Bn]	76.5	342.7	471.3	444.7
March 12, 2021 – May 24, 2021		EBITDA Margin [%]	17.8	23.4	23.1	21.9
March 12, 2021 – May 31, 2021		Adjusted Debt/EBITDA [X]	*28.5	13.7	10.5	7.3
March 12, 2021 – June 7, 2021		Adjusted Debt/Adjusted Equity [X]	1.9	1.3	1.1	0.9
Rating History		FFO/Adjusted Debt [%]	*(6.6)	(1.6)	3.2	7.0
SEP 2020	<i>idBBB-/Negative</i>	EBITDA/IFCCI [X]	0.4	0.9	1.4	2.3
AUG 2020	<i>idBBB-/Negative</i>	USD Exchange Rate [IDR/USD]	14,918	13,901	14,481	13,548
MAY 2020	<i>idBBB-/Negative</i>					
AUG 2019	<i>idBBB/Negative</i>					
AUG 2018	<i>idBBB/Stable</i>					
AUG 2017	<i>idBBB/Stable</i>					
MAR 2017	<i>idBBB+/Stable</i>					
JAN 2017	<i>idA-/Negative</i>					
MAR 2016	<i>idA-/Stable</i>					
DEC 2015	<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 PP Properti Tbk's maturing MTN rated "idBBB-"

PEFINDO has affirmed its "idBBB-" ratings for PT PP Properti Tbk's (PPRO's) maturing MTN XI Year 2018 of IDR100 billion maturing on May 15, 2021, MTN XII Year 2018 Serie A of IDR70 billion maturing on May 24, 2021, MTN XII Year 2018 Serie B of IDR150 billion maturing on May 31, 2021, and MTN XII Year 2018 Serie C of IDR80 billion maturing on June 7, 2021. PPRO plans to issue bonds of around IDR500 billion to refinance its maturing MTNs. Shareholder loan from its parent company (PT Pembangunan Perumahan (Persero) Tbk) is also an option to repay its maturing MTNs. As of September 30, 2020 PPRO had cash and cash equivalent of IDR252 billion.

An obligor rated *idBBB* has an adequate capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments. The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The corporate rating reflects PPRO's strategically important position to its Parent, PT Pembangunan Perumahan (Persero) Tbk, its favorable asset quality, and relatively diversified property locations. However, the rating is constrained by its high financial leverage, weak cash flow protection measures and liquidity, limited proportion of recurring income, and sensitivity to changes in macroeconomic conditions.

PPRO started in 1991 as PTPP's property division and was established as a separate entity in December 2013. It develops and sells apartments and landed houses, and generates recurring income from hotels and malls. As of September 30, 2020, PPRO's shareholders were PTPP (64.96%), the public (34.97%), and Yayasan Kesejahteraan Karyawan Pembangunan Perumahan (0.07%).

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.