

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>idA-/Stable</i>					
Rated Issues		Total Adjusted Assets [USD Mn]	342.9	355.4	303.0	211.3
MTN III/2018		Total Adjusted Debt [USD Mn]	133.1	145.5	121.2	70.1
MTN II/2018	<i>idA-</i>	Total Adjusted Equity [USD Mn]	156.7	157.5	141.8	98.7
MTN I/2017	<i>idA-</i>	Total Sales [USD Mn]	151.8	309.2	267.7	159.4
		EBITDA [USD Mn]	24.7	38.4	33.2	20.3
		Net Income after MI [USD Mn]	0.9	15.6	12.3	6.7
Rating Period		EBITDA Margin [%]	16.3	12.4	12.4	12.7
February 10, 2021 – April 27, 2021		Adjusted Debt to EBITDA [X]	*4.0	3.8	3.6	3.5
February 10, 2021 – May 18, 2021		Adjusted Debt to Adjusted Equity [X]	0.8	0.9	0.9	0.7
February 10, 2021 – July 4, 2021		FFO to Adjusted Debt [%]	*14.7	14.1	15.6	17.1
		EBITDA to IFCCI [X]	2.3	2.8	3.1	3.2
Rating History		USD Exchange Rate [IDR/USD]	14,918	13,901	14,481	13,548
JUN 2020	<i>idA-/Stable</i>					
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.

PEFINDO affirms “idA-” ratings for PT Tridomain Performance Materials Tbk’s maturing MTNs

PEFINDO has affirmed its “idA-” ratings for PT Tridomain Performance Materials Tbk (TDPM)’s maturing Medium-Term Notes (MTN) in 2021. It consists of MTN I/2017 of USD20.0 million that will mature on May 18, 2021, MTN II/2018 of IDR410.0 billion or equivalent to USD27.5 million which will mature on April 27, 2021, and MTN III/2018 of IDR250.0 billion or equivalent to USD16.7 million that mature on July 4, 2021. We are of the view that the Company’s readiness to pay the maturing MTNs is highly depend on the success in obtaining external funding. Based on our latest discussion with management on February 8, 2021, the Company has subscribed sufficient external fund to fulfill its MTN obligation. Otherwise, the shareholder also commits to support TDPM payment obligation by providing standby shareholder loan of USD37.5 million as the alternative funding.

Debt security rated *idA* indicates that the issuer’s capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian issuers, is strong. However, the issuer’s capacity is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated issuers. The minus (-) sign indicates that the rating is relatively weak within its category.

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.