

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>idSD</i>					
Rated Issues		Total Adjusted Assets [USD Mn]	342.9	355.4	303.0	211.3
<i>Bond II/2019</i>		Total Adjusted Debt [USD Mn]	133.1	145.5	121.2	70.1
<i>Bond I/2018</i>	<i>idD</i>	Total Adjusted Equity [USD Mn]	156.7	157.5	141.8	98.7
<i>MTN III/2018</i>	<i>idD</i>	Total Sales [USD Mn]	151.8	309.2	267.7	159.4
<i>MTN II/2018</i>	<i>idD</i>	EBITDA [USD Mn]	24.7	38.4	33.2	20.3
<i>MTN I/2017</i>	<i>idD</i>	Net Income after MI [USD Mn]	0.9	15.6	12.3	6.7
	<i>idD</i>	EBITDA Margin [%]	16.3	12.4	12.4	12.7
		Adjusted Debt to EBITDA [X]	*4.0	3.8	3.6	3.5
Rating Period		Adjusted Debt to Adjusted Equity [X]	0.8	0.9	0.9	0.7
<i>May 24, 2021 – June 1, 2021</i>		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
<i>APR 2021</i>	<i>idCCC/C.W.Negative</i>					
<i>FEB 2021</i>	<i>idA-/Stable</i>					
<i>JUN 2020</i>	<i>idA-/Stable</i>					
<i>FEB 2020</i>	<i>idA-/Stable</i>					
<i>OCT 2019</i>	<i>idA-/Stable</i>					
<i>APR 2019</i>	<i>idA-/Stable</i>					
<i>NOV 2018</i>	<i>idA-/Stable</i>					
<i>JUN 2018</i>	<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's MTN and Bond ratings lowered to "idD"

PEFINDO has lowered the ratings of PT Tridomain Performance Materials Tbk (TDPM)'s 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 "idD" from "idCCC". The rating downgrade reflects TDPM's failure to provide an ample funding to pay-off the principal payment of MTN II/2018 until the end of its remedial period on May 21, 2021. The miss payment of MTN II/2018 on April 27, 2021 and MTN I/2017 on May 18, 2021 trigger the event of default for the remaining debt instruments, considering all of its MTNs and bonds are linked to a cross-default clause. The Company is in the process of a debt restructuring on its MTNs, bonds and bank loans. PEFINDO will revisit the Company's rating upon completion of the restructuring. At the same time, we also lowered TDPM's corporate rating to "idSD" from "idCCC".

An obligor rated *idSD* ("Selective Default") has failed to pay one or more of its financial obligations, rated or unrated, when they came due, but still makes timely payments on its other obligations.

Debt security is rated *idD* when it is in payment default, or default of a rated obligation occurs automatically upon the first occurrence of non-payment of the obligation.

The rating reflects TDPM's tight liquidity and limited financial flexibility, aggressive capital structure, weakening business performance, and vulnerable to changes in macroeconomic conditions. The concerns are partially offset by its integrated business operations.

The corporate rating could be lowered to *idD* if TDPM failed to fulfill all of its financial obligations, including bank loans. We may raise the rating if TDPM success to restructure its debt instruments and/or obtain sufficient cash to fulfill its financial obligations in a timely manner.

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 consisted of 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.