

PT PP PROPERTI Tbk.

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Sep-2017	Dec-2016	Dec-2015	Dec-2014	
		(Unaudited)	(Audited)	(Audited)	(Audited)	
Corporate Rating	<i>idBBB/Stable</i>	Total Adjusted Assets [IDR Bn]	11,348.5	8,824.0	5,317.8	2,805.1
Rated Issues		Total Adjusted Debt [IDR Bn]	3,511.0	3,115.6	1,329.2	762.3
<i>MTN IV Seri A Year 2016</i>	<i>idBBB</i>	Total Adjusted Equity [IDR Bn]	4,786.0	2,965.7	2,516.5	1,064.9
<i>MTN IV Seri B Year 2016</i>	<i>idBBB</i>	Total Sales [IDR Bn]	1,798.3	2,147.6	1,506.3	595.3
Rating Period		EBITDA [IDR Bn]	396.3	534.8	407.4	143.8
<i>March 2, 2018 – May 18, 2018</i>		Net Income after MI [IDR Bn]	274.9	365.4	300.3	100.5
<i>(MTN IV Seri A Year 2016)</i>		EBITDA Margin [%]	22.0	24.9	27.0	24.2
<i>March 2, 2018 – May 25, 2018</i>		Adjusted Debt/EBITDA [X]	*6.6	5.8	3.3	5.3
<i>(MTN IV Seri B Year 2016)</i>		Adjusted Debt/Adjusted Equity [X]	0.7	1.1	0.5	0.7
Rating History		FFO/Adjusted Debt [%]	*7.0	8.8	23.8	13.8
<i>AUG 2017</i>	<i>idBBB/Stable</i>	EBITDA/IFCCI [X]	2.2	2.9	9.3	7.6
<i>MAR 2017</i>	<i>idBBB+/Stable</i>	USD Exchange Rate [IDR/USD]	13,492	13,436	13,795	12,440
<i>JAN 2017</i>	<i>idA-/Negative</i>					
<i>MAR 2016</i>	<i>idA-/Stable</i>					
<i>DEC 2015</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.

PEFINDO affirms the ratings of PT PP Properti Tbk's maturing MTN at "idBBB"

PEFINDO has affirmed its "idBBB" ratings for PT PP Properti Tbk (PPRO)'s Medium Term Note (MTN) IV Seri A Year 2016 of IDR50.0 billion and MTN IV Seri B Year 2016 of IDR50.0 billion that will mature on May 18, 2018 and May 25, 2018, respectively. The Company plans to use its internal fund to pay the maturing MTNs. As of January 31, 2018, PPRO had cash and cash equivalent of IDR711.4 billion.

Debt security rated idBBB denotes adequate protection parameters relative to other Indonesian debt securities. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity on the part of the obligor to its long-term financial commitments on the debt security.

The ratings reflect PPRO's strategically important position to its Parent, PT Pembangunan Perumahan (Persero) Tbk (PTPP, idA+/Stable), its favorable asset quality, and relatively diversified property locations. However, the ratings are constrained by its high financial leverage, 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, 2017, PPRO's shareholders were PTPP (64.96%), the public (34.98%), and PTPP's employees' welfare foundation (0.06%).

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