

**PT PP PROPERTI Tbk.**

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<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>				
		<b>Jun-2018</b>	<b>Dec-2017</b>	<b>Dec-2016</b>	<b>Dec-2015</b>	
		(Unaudited)	(Audited)	(Audited)	(Audited)	
<b>Corporate Rating</b>	<i>idBBB/Stable</i>	Total Adjusted Assets [IDR Bn]	14,194.4	12,557.1	8,847.6	5,317.8
<b>Rated Issues</b>		Total Adjusted Debt [IDR Bn]	5,244.5	4,321.4	3,115.6	1,329.2
<i>MTN Year 2016</i>	<i>idBBB</i>	Total Adjusted Equity [IDR Bn]	5,298.2	4,997.3	2,989.2	2,516.5
<i>Bond I Year 2016</i>	<i>idBBB</i>	Total Sales [IDR Bn]	1,184.8	2,715.0	2,147.6	1,506.3
<b>Rating Period</b>		EBITDA [IDR Bn]	266.4	594.3	534.8	407.4
<i>August 10, 2018 – August 1, 2019</i>		Net Income after MI [IDR Bn]	180.1	444.7	366.1	300.3
<b>Rating History</b>		EBITDA Margin [%]	22.5	21.9	24.9	27.0
<i>AUG 2017</i>	<i>idBBB/Stable</i>	Adjusted Debt/EBITDA [X]	*9.8	7.3	5.8	3.3
<i>MAR 2017</i>	<i>idBBB+/Stable</i>	Adjusted Debt/Adjusted Equity [X]	1.0	0.9	1.0	0.5
<i>JAN 2017</i>	<i>idA-/Negative</i>	FFO/Adjusted Debt [%]	*2.1	7.0	8.8	23.8
<i>MAR 2016</i>	<i>idA-/Stable</i>	EBITDA/IFCCI [X]	1.4	2.3	2.9	9.3
<i>DEC 2015</i>	<i>idA-/Stable</i>	USD Exchange Rate [IDR/USD]	14,404	13,548	13,436	13,795

*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 PT PP Properti Tbk (PPRO)'s rating at "idBBB"**

PEFINDO has affirmed its "idBBB" ratings for PT PP Properti Tbk (PPRO), its Medium Term Note (MTN) Year 2016, and Bond I Year 2016. The outlook for the corporate rating is "stable".

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.

Although the possibility of a rating upgrade in the next 12-18 months is limited, the rating could be raised if the Company significantly improve its financial leverage on a sustained basis. Significant improvement in its operating cash cycle may become one of the triggers for rating upgrade. On the other hand, the rating could be lowered if the Company incurs higher-than-projected debt and/or the Company's revenue and EBITDA drops significantly, resulting in a deterioration in its financial profile. The rating could also be lowered if there is a significant indication of a decline in parental support.

The corporate rating reflects 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 rating is 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. It performed a rights issue of IDR1.5 trillion in April 2017. As of June 30, 2018, PPRO's shareholders were PTPP (64.96%), the public (34.98%), and PTPP's employees welfare foundation (0.06%).

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