

## PT Tridomain Performance Materials 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>
			(Audited)	(Audited)	(Audited)	(Audited)
<b>Corporate Rating</b>	<i>idA-/Stable</i>	Total Adjusted Assets [USD Mn]	271.1	211.3	200.9	176.2
<b>Rated Issues</b>		Total Adjusted Debt [USD Mn]	97.3	70.1	51.4	44.1
<i>MTN III/2018</i>	<i>idA-</i>	Total Adjusted Equity [USD Mn]	133.1	98.7	92.7	88.7
<i>MTN II/2018</i>	<i>idA-</i>	Total Sales [USD Mn]	113.6	159.4	115.9	126.4
<i>MTN I/2017</i>	<i>idA-</i>	EBITDA [USD Mn]	15.4	20.3	11.8	14.4
<b>Rating Period</b>		Net Income after MI [USD Mn]	4.1	6.7	4.1	3.2
<i>November 8, 2018 – November 1, 2019</i>		EBITDA Margin [%]	13.5	12.7	10.2	11.4
<b>Rating History</b>		Adjusted Debt to EBITDA [X]	*3.2	3.5	4.3	3.1
<i>JUN 2018</i>	<i>idA-/Stable</i>	Adjusted Debt to Adjusted Equity [X]	0.7	0.7	0.6	0.5
		FFO to Adjusted Debt [%]	*18.2	17.1	11.7	18.8
		EBITDA to IFCCI [X]	3.7	3.2	2.3	2.8
		USD Exchange Rate [IDR/USD]	14,404	13,584	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 “*idA-*” ratings for PT Tridomain Performance Materials Tbk and its Medium Term Notes (MTN)

PEFINDO has affirmed its “*idA-*” ratings for PT Tridomain Performance Materials Tbk (TDPM), previously known as PT Royal Chemie Indonesia, its Medium-Term Notes (MTN) I Year 2017, MTN II Year 2018, and its MTN III Year 2018. The outlook for the corporate rating is “**stable**”.

An obligor rated *idA* has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.

The minus (-) sign in a particular rating indicates that it is relatively weak within the respective rating category.

The corporate rating reflects the Company's strong market position in its market segments, integrated operations, and stable profitability margins. However, the rating is constrained by the Company's high working capital requirements, moderate capital structure, and exposure to the volatility of commodity prices and economic growth.

The rating could be raised if the Company demonstrates a sustained improvement in its capital structure and cash flow protection measures, as indicated by a debt to EBITDA ratio below 2.5x, accompanied by a stable debt to equity ratio (DER) of less than 1x, and a funds from operations (FFO) to debt ratio above 25%. This could be realized if its revenue and profitability margins materially improve without incurring significant additional debt. The rating could be lowered if TDPM's cash flow generation weakens as a result of lower-than-expected business performance, and if it incurs more debt than our initial projection without being compensated by an improved business profile.

TDPM is one of the major companies in the downstream sector of the chemical industry. In addition to its trading activities, it produces a wide range of products in the specialty resins, plasticizers, and acrylamide segments. It operates several plants in Cikupa (specialty resins), Gresik (specialty resins and plasticizers), and Merak (acrylamide), with a total annual production capacity of 94,000 tons of special resins, 72,000 tons of plasticizers, and 12,000 tons of acrylamide. In 2016, it acquired PT Petronika, a plasticizer manufacturer in Gresik. It performed an initial public offering (IPO) in April 2018. Post IPO, its shareholders were DH Corporation Limited (72.51%), previously known as Royal Chemie Corporation Limited, and the public (27.49%).

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