

## PT SUMMARECON AGUNG TBK

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### CREDIT PROFILE

<b>Corporate Rating</b>	<i>idA/Stable</i>
<b>Rated Issues</b>	
<i>Shelf Reg. Bond I Phase II/2014</i>	<i>idA</i>
<i>Shelf Reg. Bond II/2015</i>	<i>idA</i>
<i>Shelf Reg. Bond II Phase II/2017</i>	<i>idA</i>
<i>Shelf Reg. Bond III/2018</i>	<i>idA</i>
<i>Shelf Reg. Sukuk Ijarah I Phase II/2014</i>	<i>idA(sy)</i>
<b>Rating Period</b>	
<i>September 9, 2019 – September 1, 2020</i>	
<b>Rating History</b>	
<i>SEP 2018</i>	<i>idA/Stable</i>
<i>SEP 2016 - SEP 2017</i>	<i>idA+/Negative</i>
<i>APR 2011 - SEP 2015</i>	<i>idA+/Stable</i>
<i>APR 2010</i>	<i>idA/Stable</i>

### FINANCIAL HIGHLIGHTS

As of/for the year ended	Jun-2019 (Unaudited)	Dec-2018 (Audited)	Dec-2017 (Audited)	Dec-2016 (Audited)
Total Adjusted Assets [IDR Bn]	23,947.3	23,299.2	21,663.0	20,810.3
Total Adjusted Debt [IDR Bn]	8,482.0	8,606.6	7,983.7	7,426.6
Total Adjusted Equity [IDR Bn]	9,200.6	9,060.7	8,353.7	8,165.6
Total Sales [IDR Bn]	2,677.8	5,661.4	5,640.8	5,397.9
EBITDA [IDR Bn]	795.5	1,842.4	1,673.9	1,677.8
Net Income after MI [IDR Bn]	149.0	448.7	362.1	311.7
EBITDA Margin [%]	29.7	32.5	29.7	31.1
Adjusted Debt/EBITDA [X]	*5.3	4.7	4.8	4.4
Adjusted Debt/Adjusted Equity [X]	0.9	0.9	1.0	0.9
FFO/Adjusted Debt [%]	*6.5	9.1	8.6	10.4
EBITDA/IFCCI [X]	1.7	2.1	2.1	2.3
USD Exchange Rate [IDR/USD]	14,141	14,481	13,548	13,436

*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 Summarecon Agung Tbk and its bonds

PEFINDO has affirmed "idA" ratings for PT Summarecon Agung Tbk (SMRA), its Shelf-Registered Bond I Phase II Year 2014, Shelf-Registered Bond II Year 2015, Shelf-Registered Bond II Phase II Year 2017, and Shelf-Registered Bond III Year 2018. We have also affirmed the "idA(sy)" rating for its Shelf-Registered Sukuk Ijarah I Phase II Year 2014. 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 suffix (sy) means the rating mandates compliance with Islamic principles.

The corporate rating reflects SMRA's strong business position in the property industry, good asset quality, and adequate recurring income. The rating is constrained by its aggressive capital structure and modest cash flow protection measures, the risk of new projects in new areas, and the characteristics of the property industry, which is sensitive to changes in macroeconomic conditions.

The rating will be raised if SMRA consistently exceeds projected marketing sales, revenue, and EBITDA. This should be followed by an improvement in its financial leverage, resulting in a debt to EBITDA ratio below 3.0x on a sustained basis. The rating could be lowered if it records significantly lower marketing sales and slower-than-expected construction progress, resulting in revenue recognition significantly below targets. The rating could also be under pressure if it incurs higher debt than projected, resulting in a more aggressive capital structure, with a debt to EBITDA ratio above 5.0x on a sustained basis.

SMRA is engaged in the property business and is divided into three divisions: property development, investment property, and leisure and hospitality. Its main property projects are in Kelapa Gading, Serpong, Bekasi, Bandung, Karawang and Makassar. As of June 30, 2019, its shareholders were PT Semarop Agung (33.52%), PT Sinarmegah Jayasentosa (6.60%), BNYMSANV RE AMS RE Stichting D APG ST RE E ES Pool-2039846201 (5.61%), Liliawati Rahardjo (0.85%), Harto Djojo Nagaria (0.14%), and other including public (53.29%).

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