

PT Agung Podomoro Land Tbk

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Jun-2019	Dec-2018	Dec-2017	Dec-2016	
		(Unaudited)	(Audited)	(Audited)	(Audited)	
Corporate Rating	<i>idBBB+/Stable</i>	Total adjusted assets [IDR bn]	28,769.0	29,523.0	28,732.3	25,663.0
Rated Issues		Total adjusted debt [IDR bn]	10,226.3	10,407.3	9,234.2	6,513.5
<i>Shelf-Registered Bond I/2014-2015</i>	<i>idBBB+</i>	Total adjusted equity [IDR bn]	12,156.6	12,146.7	11,439.2	9,921.8
Rating Period		Total sales [IDR bn]	1,956.6	5,035.3	7,043.0	6,007.0
<i>September 25, 2019 – April 1, 2020</i>		EBITDA [IDR bn]	585.0	1,570.2	2,463.0	2,072.6
Rating History		Net income after MI [IDR bn]	143.4	29.6	1,371.6	631.9
<i>JUL 2019</i>	<i>idBBB/C.W. Negative</i>	EBITDA Margin [%]	29.9	31.2	35.0	34.5
<i>APR 2019</i>	<i>idA-/Negative</i>	Adjusted debt to EBITDA [X]	*8.7	6.6	3.7	3.1
<i>APR 2018</i>	<i>idA-/Stable</i>	Adjusted debt to adjusted equity [X]	0.8	0.9	0.8	0.7
<i>APR 2017</i>	<i>idA-/Negative</i>	FFO to adjusted debt [%]	*1.2	4.3	14.7	18.0
<i>APR 2016</i>	<i>idA-/Negative</i>	EBITDA to IFCCI [X]	1.3	1.6	2.8	2.7
<i>JAN 2016</i>	<i>idA-/Stable</i>	USD exchange rate [IDR/USD]	14,141	14,481	13,548	13,436
<i>APR 2015</i>	<i>idA/Negative</i>					
<i>NOV 2014</i>	<i>idA/Negative</i>					
<i>2011-2014</i>	<i>idA/Stable</i>					

FFO = EBITDA – IFCCI + gross 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 mites have been reclassified according to PEFINDO's definitions.

PEFINDO upgrades PT Agung Podomoro Land Tbk's rating to "idBBB+". Outlook revised to stable

PEFINDO has upgraded the ratings of PT Agung Podomoro Land Tbk (APLN) and its Shelf-Registered Bond I/2014-2015 to "idBBB+" from "idBBB". The upgrade in ratings reflects our view that APLN's refinancing and liquidity risks related to both of its syndicated loan of IDR1.2 trillion as well as its Bond I/2014-2015 phase III of IDR451 billion and Bond I/2014-2015 phase IV of IDR99 billion due on September 30, 2019, December 19, 2019, and March 25, 2020, respectively, will ease, with APLN already securing offshore funds from SSG Capital Management Ltd amounting to USD127 million as well as shareholder advances of IDR800 billion, to repay these maturing loans. In addition, APLN has secured approval for early repayment from holders of its Bond I/2014-2015 Phase III and Bond I/2014-2015 Phase IV, of which the payment is expected within seven business days by latest from the approval date. The outlook is revised to "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.

The Plus (+) sign indicates that the rating is relatively strong within the respective rating category.

The corporate rating reflects APLN's strong market position, favorable asset quality, and strong recurring income, which should provide a buffer in case of a muted property market. The rating, however, is constrained by APLN's high leverage resulting in weakened cash flow protection measures, execution risks related to reclamation project, and the sensitive nature of the property sector to changes in macroeconomic conditions.

We could raise the rating if APLN is able to improve its credit profile, as indicated by a sustain low financial leverage and stronger cash flow protection measures, stemming from stronger presales of its property developments as well as increasing recurring income from its investment properties and hotel assets to compensate for volatility in earnings from property developments. On the other hand, we could consider downgrading the rating if APLN exhibits larger-than-expected debt without compensating it with higher revenue and EBITDA, resulting in a more aggressive financial leverage and weaker cash flow protection coverages. This include a scenario where additional costs from the reclamation project as a result of the delay could not be passed on through higher selling prices to customer.

APLN, part of the Agung Podomoro Group, is the leading developer of mixed-use and/or high-rise developments, with projects mostly in Jakarta. It also has mixed-use development projects outside Jakarta in Karawang, Bogor, and Bandung, and outside Java in Bali, Medan, Batam, Balikpapan, and Makassar. As of June 30, 2019, its shareholders were PT Indofica (80.4%), Trihatma Kusuma Haliman (3.2%), and the public (16.4%).

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