

PT Panorama Sentrawisata Tbk

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Sep-2019	Dec-2018	Dec-2017	Dec-2016
			(Unaudited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idBBB+/Negative</i>	Total Adjusted Assets [IDR Bn]	1,924.0	1,812.0	2,629.5	2,259.3
Rated Issues		Total Adjusted Debt [IDR Bn]	683.6	670.9	797.3	1,035.2
<i>MTN II/2018</i>	<i>idBBB+</i>	Total Adjusted Equity [IDR Bn]	852.9	830.7	1,187.8	734.3
Rating Period		Total Sales [IDR Bn]	1,615.1	2,036.9	2,006.1	2,133.2
<i>March 23, 2020 – April 1, 2020</i>		EBITDA [IDR Bn]	99.0	96.2	138.1	166.8
Rating History		Net Income after MI [IDR Bn]	(1.3)	(38.4)	4.3	(16.7)
<i>APR 2019</i>	<i>idBBB+/Stable</i>	EBITDA Margin [%]	6.1	4.7	6.9	7.8
<i>APR 2018</i>	<i>dA-/Stable</i>	Adjusted Debt/EBITDA [X]	*5.2	7.0	5.8	6.2
<i>APR 2017</i>	<i>dA-/Stable</i>	Adjusted Debt/Adjusted Equity [X]	0.8	0.8	0.7	1.4
<i>APR 2016</i>	<i>idA-/Stable</i>	FFO/Adjusted Debt [%]	*11.3	2.5	6.1	4.0
<i>APR 2015</i>	<i>idA-/Stable</i>	EBITDA/IFCCI [X]	2.1	1.4	1.6	1.6
<i>APR 2014</i>	<i>idA-/Stable</i>	USD Exchange Rate [IDR/USD]	14,174	14,481	13,548	13,436
<i>APR 2013</i>	<i>idA-/Stable</i>					
<i>NOV 2012</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 revises the rating outlook of PT Panorama Sentrawisata Tbk to “negative”

PEFINDO has revised the outlook to “negative” from “stable” for its “*idBBB+*” ratings on PT Panorama Sentrawisata Tbk (PANR) and its Medium Term Notes (MTN) II Year 2018 Serie B. The negative outlook is to anticipate PANR’s lower EBITDA and Funds From Operations (FFO) in 2020 due to a systematic risk of Coronavirus Disease (COVID-19). The outbreak, which has resulted in social distancing or a lock down policy in most of the countries since the first quarter of 2020, has severely affected the tourism sector. We view that the outbreak could negatively impact PANR’s revenue and cash flow in the near term. We expect that PANR’s revenue will potentially decline in 2020 as most of PANR’s existing travel booking has been canceled since February 2020 and it had no new booking for the following months. In addition, weakening IDR against USD lately could negatively impacted its revenue from tours and travel - outbound business, its major revenue. Despite the management’s plan to lower its costs for efficiency, we view that the lower revenue triggered by the impact of COVID-19 and IDR depreciation could adversely impact the Company’s credit quality in serving its financial obligations. We are now intensively monitoring the PANR’s business and financial performances.

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 PANR’s strong market position in the industry, despite less favorable industry condition nowadays, diversified business with good synergy, and extensive network supported by partnerships with international players. However, the rating is constrained by its more aggressive financial leverage and weaker cash flow protection measures, its exposure to event-driven travel disruptions, and the fragmented and competitive nature of the industry that leads to thin margins.

The rating will be lowered if this weak condition remains in the near term due to longer effect of COVID-19 and we view there is no significant mitigation strategy from the Company. The rating could also be lowered if there is an increasing refinancing risk for the MTN that will be due in 2021. The outlook revision to stable is less likely in the near term.

PANR is one of the leading integrated tourism companies in Indonesia, with travel and leisure, inbound, and media business segments. It is part of the Panorama Group, which also has hotels, transportation, recreation parks, restaurants and cafes. As of September 30, 2019, it was 64.25% owned by PT Panorama Tirta Anugerah, followed by Satrijanto Tirtawisata (2.81%), Adhi Tirtawisata (0.75%), and the public (32.19%).

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The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.