

PT PP PROPERTI Tbk

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CREDIT PROFILE

Corporate Rating	<i>idBBB-/Negative</i>
Rated Issues	
<i>Bond II Year 2021 Phase II</i>	<i>idBBB-</i>
<i>Bond I Year 2019 Phase I</i>	<i>idBBB-</i>
Rating Period	
<i>November 16, 2021 – February 15, 2022</i>	
<i>November 16, 2021 – February 22, 2022</i>	
Rating History	
<i>SEP 2021</i>	<i>idBBB-/Negative</i>
<i>MAY-SEP 2020</i>	<i>idBBB-/Negative</i>
<i>AUG 2019</i>	<i>idBBB/Negative</i>
<i>2017 - 2018</i>	<i>idBBB/Stable</i>
<i>MAR 2017</i>	<i>idBBB+/Stable</i>
<i>JAN 2017</i>	<i>idA-/Negative</i>
<i>MAR 2016</i>	<i>idA-/Stable</i>
<i>DEC 2015</i>	<i>idA-/Stable</i>

FINANCIAL HIGHLIGHTS

As of/for the year ended	Sep-2021 (Unaudited)	Dec-2020 (Audited)	Dec-2019 (Audited)	Dec-2018 (Audited)
Total Adjusted Assets [IDR Bn]	19,575.0	18,554.9	17,972.7	16,441.7
Total Adjusted Debt [IDR Bn]	10,731.7	9,323.9	8,002.7	6,204.7
Total Adjusted Equity [IDR Bn]	4,489.2	4,510.2	4,487.7	5,784.6
Total Sales [IDR Bn]	847.8	2,063.9	1,609.5	2,559.9
EBITDA [IDR Bn]	106.6	335.7	443.6	518.4
Net Income after MI [IDR Bn]	11.7	89.0	249.7	399.3
EBITDA Margin [%]	12.6	16.3	27.6	20.3
Adjusted Debt/EBITDA [X]	*75.5	27.8	18.0	12.0
Adjusted Debt/Adjusted Equity [X]	2.4	2.1	1.8	1.1
FFO/Adjusted Debt [%]	*(8.0)	(5.9)	(3.0)	2.0
EBITDA/IFCCI [X]	0.1	0.4	0.7	1.2
USD Exchange Rate [IDR/USD]	14,321	14,105	13,901	14,481

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.

PT PP Properti Tbk's maturing bond rated "idBBB--"

PEFINDO has affirmed its "idBBB--" rating for PT PP Properti Tbk (PPRO)'s shelf registered bond II Year 2021 Phase II of IDR300 billion and shelf registered bond I Year 2019 Phase II of IDR800 billion, which will be maturing in February 2022. PPRO plans to repay its maturing bonds using proceeds from its bond issuance in January 2022. As of September 30, 2021, PPRO had cash and cash equivalent of IDR372.7 billion. PPRO also has undisbursed shareholder loan facility from PT Pembangunan Perumahan (Persero) Tbk (PTPP, idA/Stable), amounting to around IDR2.0 trillion on October 31, 2021, allowing it to repay its maturing liabilities in 2021 and 2022.

An obligor rated idBBB has an adequate capacity to meet its long-term financial commitments relative to those 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 Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The corporate rating reflects PPRO's strategically important position to its Parent, its favorable asset quality, and relatively diversified property locations. However, the rating is constrained by its high financial leverage, weak cash flow protection measures and liquidity, and sensitivity to changes in macroeconomic conditions.

The rating could be lowered if PEFINDO views PPRO's management action to lead to higher refinancing risk on its maturing debt and/or liquidity pressures. The rating could also be lowered if there is a significant indication of a decline in parental support. However, the rating outlook could be revised to stable if the Company significantly improves its capital structure and cash flow protection measures.

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. As of September 30, 2021, PPRO's shareholders were PTPP (64.96%), the public (34.98%), and Yayasan Kesejahteraan Karyawan Pembangunan Perumahan (0.06%).

DISCLAIMER

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.