

## PT Summarecon Agung Tbk

### Credit Rating(s)

General Obligation (GO)	idA+/Stable
SR Bond III/2019	idA+
SR Bond IV (Proposed)	idA+

### Rating Period

April 1, 2022 – April 1, 2023

### Published Rating History

SEP 2021	idA/Stable
SEP 2020	idA/Stable
SEP 2019	idA/Stable
SEP 2018	idA/Stable
SEP 2017	idA+/Negative
SEP 2016	idA+/Negative
APR 2011- SEP 2015	idA+/Stable
APR 2010	idA/Stable

PEFINDO assigns idA+ rating for PT Summarecon Agung Tbk. (SMRA) proposed Shelf Registered Bond IV. The proceeds of SMRA's proposed bond Phase I of a maximum IDR500 billion will be used to refinance the maturing Shelf Registered Bond III Phase II Year 2019 Serie A of IDR500 billion in October 2022. At the same time, PEFINDO has affirmed SMRA's corporate rating and its Shelf Registered Bond III Year 2019 at idA+. The corporate rating outlook is **stable**.

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 the risk of new projects in new areas and the property industry's characteristics that are sensitive to changes in macroeconomic conditions.

The rating will be raised if SMRA consistently achieves its projected marketing sales, generate higher revenue, EBITDA and should be followed by conservative financial leverage. The rating may be lowered if it records significantly lower marketing sales and slower than expected construction progress, resulting in revenue falling significantly short of targets. The rating may also be under pressure if it incurs higher debt than projected, resulting in a more aggressive financial profile.

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 December 31, 2021, its shareholders were PT Semarop Agung (33.83%), Liliawati Rahardjo (1.38%), Harto Djojo Nagaria (0.12%), and others including the public (64.67%).

### Rating Definition

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to those 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 Plus (+) sign indicates that the rating is relatively strong within the respective rating category.

### Financial Highlights

As of/for the year ended	Dec-2021	Dec-2020	Dec-2019	Dec-2018
Consolidated Figure	(Audited)	(Audited)	(Audited)	(Audited)
Total adjusted assets [IDR bn]	26,049.7	24,922.5	24,441.7	23,299.2
Total adjusted debt [IDR bn]	7,045.0	9,458.1	8,969.0	8,606.6
Total adjusted equity [IDR bn]	11,230.2	9,085.7	9,451.4	9,060.7
Total sales [IDR bn]	5,567.9	5,030.0	5,941.6	5,661.4
EBITDA [IDR bn]	1,818.6	1,545.9	1,858.0	1,842.4
Net income after MI [IDR bn]	323.7	177.2	515.0	448.7
EBITDA margin [%]	32.7	30.7	31.3	32.5
Adjusted debt/EBITDA [X]	3.9	6.1	4.8	4.7
Adjusted debt/adjusted equity [X]	0.6	1.0	0.9	0.9
FFO/adjusted debt [%]	15.5	6.7	9.1	9.1
EBITDA/IFCCI [X]	2.5	1.7	2.1	2.1
USD exchange rate [IDR/USD]	14,269	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.

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