

## PT Pembangunan Jaya Ancol Tbk

Analysts: Aryo Perbongso / Qorri Aina

Phone/Fax/E-mail: (62-21) 72782380 / 72782370 / [aryo.perbongso@pefindo.co.id](mailto:aryo.perbongso@pefindo.co.id) / [qorri.aina@pefindo.co.id](mailto:qorri.aina@pefindo.co.id)

<u>CREDIT PROFILE</u>		<u>FINANCIAL HIGHLIGHTS</u>				
Corporate Rating		As of/for the year ended	Sep-2019	Dec-2018	Dec-2017	Dec-2016
<i>idA/Negative</i>			(Unaudited)	(Audited)	(Audited)	(Audited)
<b>Rated Issues</b>		Total Adjusted Assets [IDR Bn]	3,862.4	4,347.3	3,734.7	3,760.0
Shelf Reg. Bond I/2016		Total Adjusted Debt [IDR Bn]	876.1	1,296.4	795.4	935.4
Shelf Reg. Bond I/2018		Total Adjusted Equity [IDR Bn]	2,071.6	2,111.6	1,976.9	1,819.5
Shelf Reg. Bond II/2019		Total Sales [IDR Bn]	975.7	1,283.9	1,240.0	1,283.5
		EBITDA [IDR Bn]	331.6	471.6	484.5	440.1
		Net Income after MI [IDR Bn]	154.0	223.4	220.2	130.8
<b>Rating Period</b>		EBITDA Margin [%]	34.0	36.7	39.1	34.3
<i>April 8, 2020 – April 1, 2021</i>		Adjusted Debt/EBITDA [X]	*2.0	2.7	1.6	2.1
		Adjusted Debt/Adjusted Equity [X]	0.4	0.6	0.4	0.5
		FFO/Adjusted Debt [%]	*32.2	23.3	42.2	31.8
<b>Rating History</b>		EBITDA/IFCCI [X]	5.7	6.3	6.8	9.7
<i>APR 2019</i>	<i>idA+/Stable</i>	USD exchange rate [IDR/USD]	14,174	14,481	13,548	13,436
<i>JUN 2018</i>	<i>idAA-/Negative</i>	<i>FFO = EBITDA – IFCCI + Interest Income – Current Tax Expense</i>				
<i>JUN 2017</i>	<i>idAA-/Stable</i>	<i>EBITDA = Operating Profit + Depreciation Expense + Amortization Expense</i>				
<i>JUN 2016</i>	<i>idAA-/Stable</i>	<i>IFCCI = Gross Interest Expense + Other Financial Charges + Capitalized Interest; (FX Loss not included)</i>				
<i>OCT 2015</i>	<i>idAA-/Stable</i>	<i>MI = Minority Interest</i>				
<i>OCT 2014</i>	<i>idAA-/Stable</i>	<i>*=Annualized</i>				
<i>OCT 2013</i>	<i>idAA-/Stable</i>	<i>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.</i>				
<i>OCT 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 lowers the ratings of PT Pembangunan Jaya Ancol Tbk and its bonds to "idA", outlook revised to negative

PEFINDO has lowered its ratings for PT Pembangunan Jaya Ancol Tbk (PJAA), its Shelf-Registered Bond I/2016, Shelf-Registered Bond I/2018, and Shelf-Registered Bond II/2019 to "idA" from "idA+". The downgrades reflects our view that the PJAA's revenue will decline in the near term as the Company decide to temporarily closed its recreation centers from March 14, 2020 until further notice, related to the impact of Coronavirus Disease (COVID-19). Despite the management's plan to do costs efficiency, we view that significantly lower revenue could adversely impact the Company's credit quality in serving its financial obligations. We also revised the outlook for the corporate rating to "negative" from "stable", specifically to anticipate the prolonging effect of the pandemic which could further weaken the Company's business and financial performances. At the same time, we has also lowered our rating for its maturing Shelf-Registered Bond II Year 2019 Phase I of IDR269.0 billion to "idA" from "idA+", which will mature on July 12, 2020. The Company plans to refinance the maturing bond using unused credit facilities from banks.

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 corporate rating reflects PJAA's strong presence in the recreation segment, high portion of recurring income, and strong cash flow protection measures. The rating is constrained by its exposure to event-driven travel disruptions, continual investment needs for product development, and limited landbank for further business expansion.

The rating will be lowered if the unfavorable condition in the industry remains in the near term and we view there is no significant mitigation strategy from the Company to anticipate the longer effect of COVID-19. The rating could also be further lowered if it incurs higher debt than projected. The outlook could be revised to stable if the Company starts to operate and gain revenue normally.

PJAA is the leader in the local recreation industry, with world-class facilities such as Dunia Fantasi (Dufan), Ocean Dream Samudra, Atlantis, Sea World, and Allianz Ecopark. It is also engaged in real estate, selling land lots, houses, and apartments in the Ancol area. As of September 30, 2019, its shareholders were the Municipal Government of DKI Jakarta (72%), PT Pembangunan Jaya (18%), and the public (10%).

**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.