

PT Hotel Indonesia Properti

Company rating *BBB+*/Stable

Rated Issues

MTN I HIPro Tahun 2023

BBB+

Rating Period

January 15, 2024 – September 1, 2024

Rating History

September, 2023

BBB+/Stable

"Debt Securities with *BBB* rating have an adequate level of certainty to honor its financial obligations. However, this certainty is more likely to diminish in the future than with the higher rating categories".

The plus sign (+) indicates that the rating given is closer to the rating scale above it.

Kredit Rating Indonesia affirms '*BBB+*' rating to Proposed MTN I HIPro Tahun 2023 amounting to IDR140 Bn

Kredit Rating Indonesia (KRI) affirms a Company Rating of '*BBB+*' with 'Stable' outlook to PT Hotel Indonesia Properti ("HIPro" or "the Company"). At the same time, KRI affirms '*BBB+*' rating to HIPro's Proposed MTN I HIPro Tahun 2023 amounting to IDR140 Bn. The ratings reflect HIPro's well diversified portfolio, healthy capital structure and relatively high capability on making interest payment. However, the ratings are constrained by an alarming liquidity profile when compared to peers.

HIPro, established in 2021, is a spin off company from PT Hotel Indonesia Natour (Persero) in order to form a holding company for hotel-related state-owned companies. Hotels that owned by HIPro have been operated since long time ago and have historical value that differentiated its hotel with others. HIPro owns 11 hotels where 1 of them are 5-star hotel, 6 of them are 4-star hotels and the rests are 3-star hotels. Its hotel's locations are across Indonesia where 3 hotels located in Sumatera, 4 hotels located in Java and 4 hotels located in Bali. In terms of capital structure, the Company's debt to equity ratio is relatively healthy as its DER of 0.33x and 0.25 in 2022 and 9M2023, respectively. Moreover, we view an adequate ability to pay interest expense for HIPro as shown by EBITDA to interest ratio of 2.9x in 2022 and 2.6x in 9M2023.

However, the Company's rating is constrained by its liquidity profile since HIPro's current ratio consistently below 1x (2022: 0.69x, 9M2023:0.61x). Furthermore, the Company cannot fulfill one of covenants from creditor, minimum debt service coverage ratio of 1.0x, as HIPro's debt service coverage ratio of 0.4x in 9M2023. The ratings can be increased if the Company manages to improve its debt repayment. The company managed to increase its net income from IDR23.8 Bn (2022) to IDR32.6 Bn (9M2023), with sales of IDR411 Bn (9M2023) which achieved 94% of previous years' sale (2022: IDR436.5 Bn). KRI will monitor the sustainability of the company's sales performance.

The Company's shareholder ownership composition as of September 30, 2023 was PT Wijaya Karya Realty (99.99%) and Koperasi Tamansari (0.01%).

HIPro Financial Results Highlights

As of/For the year ended	Sep 2023 (Audited)	Dec 2022 (Audited)	Dec 2021 (Audited)
Total Adjusted Assets (IDR, Bn)	2,750.5	2,758.7	2,760.6
Total Adjusted Debt (IDR, Bn)	469.51	593.8	611.0
Total Adjusted Equity (IDR, Bn)	1,849.8	1,814.4	1,792.3
Total Sales (IDR, Bn)	411	436.5	138.4
Net Income (IDR, Bn)	32.6	25.8	-84.7
EBITDA Margin (%)	19.5	28.2	31.4
EBIT Margin (%)	19.5	14.3	-31.4
EBITDA/Adjusted Debt (x)	0.2	0.2	-0.1
Adjusted Debt/Adjusted Equity (x)	0.3	0.3	0.3
FFO/Adjusted Debt (%)	0.3	0.2	-0.1
EBITDA/IFCCI (x)	2.6	2.9	-0.9
USD Exchange Rate (IDR/USD)	15,493	15,731	14,269

Analysts: Furqon Abrory Samara (furqon.samara@kreditratingindonesia.com)
Cut Nabila Saraziva (cut.nabila@kreditratingindonesia.com)

DISCLAIMER

PT Kredit Rating Indonesia (KRI) does not represent or warrant or guarantee the accuracy, completeness, timeliness or availability of the contents of this report or publication. KRI does not perform an audit and does not undertake due diligence or independent verification of any information used as the basis of and presented in this report or publication. Although the information upon which KRI rating report are based, and any other contents provide in this rating report is obtained by KRI from sources which KRI believes to be reliable.

KRI will be held harmless against any responsibility arising from its use, its partial use, or its lack of use, in combination with other products or used solely, nor can it be held responsible for the result of its use or lack of its use in any investment or other kind of financial decision making on which this report or publication is based. The issuance of a solicited or unsolicited rating report does not supply financial, legal, tax or investment consultancy. The rating report is not an opinion as to the value of securities, therefore KRI is not responsible for any credit, loan or investment decision, damages or other losses resulting from the reliance upon or use of this report.

In no event shall KRI be held liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses including but not limited to lost profits and opportunity costs in connection with any use of the contents of this rating report or publication.

Credit analyses, including ratings, and statements in this report or publication are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities or to make any investment decision. Therefore, this report may not reflect any event or circumstances which occur after the date of this report.

KRI also assumes no obligation to update the content following publication in any form. KRI does not act as fiduciary or an investment advisor. KRI keeps the activities of its analytical units separate from its business units to preserve independence and objectivity of its analytical process and products. As a result, certain units of KRI may have information that is not available to other units. KRI has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. KRI may receive compensation for its ratings and other analytical work, normally from issuers of securities. KRI reserves the right to disseminate its opinions and analyses. KRI's public ratings and analyses are made available on its website, <http://www.kreditratingindonesia.com> (free of charge) and through other subscription based services, and may be distributed through other means, including via KRI publications and third party redistributors. Information in KRI's website and its use fall under the restrictions and disclaimer stated above. No part of KRI's website, the content of this report, may be reproduced or transmitted by any means, electronic or non-electronic whether in full or in part, will be subjected to written approval from KRI.