

Perum Perumnas

Analysts: Christyanto Wijaya / Yogie Surya Perdana

Phone/Fax/E-mail: (62-21) 72782380/72782370/ christyanto.wijaya@pefindo.co.id/yogie.perdana@pefindo.co.id

CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
Corporate Rating	<i>idBBB+/Stable</i>	Sep-2018	Dec-2017	Dec-2016	Dec-2015	
		(Unaudited)	(Audited)	(Audited)	(Audited)	
Rated Issues		Total adjusted assets [IDR bn]	9,359.1	7,998.4	6,567.0	5,502.4
<i>MTN III/2015</i>	<i>idBBB+</i>	Total adjusted debt [IDR bn]	3,265.8	2,673.2	1,943.2	1,471.6
<i>MTN I/2016</i>	<i>idBBB+</i>	Total adjusted equity [IDR bn]	3,246.0	3,059.3	2,846.8	2,238.0
<i>MTN II/2016</i>	<i>idBBB+</i>	Total sales [IDR bn]	1,911.1	2,337.4	1,262.8	1,371.5
<i>MTN III/2016</i>	<i>idBBB+</i>	EBITDA [IDR bn]	378.1	519.9	205.0	277.1
<i>MTN IV/2016</i>	<i>idBBB+</i>	Net income after MI [IDR bn]	210.8	233.4	94.1	122.9
<i>MTN I/2017</i>	<i>idBBB+</i>	EBITDA Margin [%]	19.8	22.3	16.2	20.2
<i>Proposed MTN II/2018</i>	<i>idBBB+</i>	Adjusted debt to EBITDA [X]	*6.5	5.1	9.5	5.3
<i>Proposed MTN III/2018</i>	<i>idBBB+</i>	Adjusted debt to adjusted equity [X]	1.0	0.9	0.7	0.7
		FFO to adjusted debt [%]	*5.4	11.3	5.5	7.4
		EBITDA to IFCCI [X]	1.6	2.3	1.5	2.4
		USD exchange rate [IDR/USD]	14,929	13,548	13,473	13,795
Rating Period		<i>FFO = EBITDA – IFCCI + gross interest income – current tax expense</i>				
<i>October 24, 2018 – October 1, 2019</i>		<i>EBITDA = operating profit + depreciation expense + amortization expense</i>				
		<i>IFCCI = gross interest expense + other financial charges + capitalized interest; (FX loss not included)</i>				
		<i>MI = Minority Interest *annualized</i>				
Rating History		<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>APR 2018</i>	<i>idBBB+/Stable</i>					
<i>APR 2017</i>	<i>idBBB+/Stable</i>					
<i>MAR 2016</i>	<i>idBBB+/Stable</i>					
<i>JUN 2015</i>	<i>idBBB+/Stable</i>					

PEFINDO assigns "idBBB+" rating to Perumnas's proposed MTN

PEFINDO has assigned its "idBBB+" ratings to Perusahaan Umum Perumahan Nasional's (Perumnas or PRNS) proposed Medium-Term Note (MTN) II/2018 and MTN III/2018 of maximum of IDR500 billion. The proceeds will be used to finance its property development projects. PEFINDO has also affirmed its "idBBB+" ratings for Perumnas, its MTN III/2015, MTN I/2016, MTN II/2016, MTN III/2016, MTN IV/2016, and MTN I/2017. The outlook for the corporate rating is "stable".

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 weaken its capacity to meet its financial commitments.

The plus (+) sign in a particular rating indicates that it is relatively strong within the respective rating category.

The corporate rating reflects Perumnas' strategic importance to the government in providing low-end houses, its strong position in the middle-low residential market segment, and well-diversified projects and revenue mix. However, the rating is constrained by its aggressive capital structure and weak cash flow protection measures, a small portion of recurring income, and the sensitive nature of the property business to changes in macroeconomic conditions.

The rating could be raised if PRNS significantly improves its financial leverage level, as indicated by debt to EBITDA ratio below 3.0x on a sustainable basis and also strengthens its market position through successful business expansion. The rating could be lowered if its revenue and cash flow generation are significantly lower than projected, while realizing most or all of its sizable capital expenditure plan using debt. The rating could also be under pressure if there is a significant change in its strategic role and a decline in support from the government.

Established in 1974, Perumnas is a wholly-owned state company, engaged in property development for the middle-low income segment, including landed and high-rise residential, rented high-rise residential, and commercial properties.

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