

Perum Perumnas

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CREDIT PROFILE

Corporate Rating *idBBB+/Stable*

Rated Issues

idBBB+ MTN II/2016
idBBB+ MTN III/2016
idBBB+ MTN IV/2016
idBBB+ MTN I/2017
idBBB+ MTN III/2018
idBBB+ MTN III/2019
idBBB+ MTN I/2019
idBBB+ MTN IV/2019
idBBB+ MTN V/2019
idBBB+ MTN VIII/2019
idBBB+ MTN VI/2019

Rating Period

October 9, 2019 – October 1, 2020

Rating History

idBBB+/Stable MAY 2019
idBBB+/Stable JAN 2019
idBBB+/Stable OCT 2018
idBBB+/Stable JUN 2015 - APR 2018

FINANCIAL HIGHLIGHTS

As of/for the year ended

	Jun-2019 (Unaudited)	Dec-2018 (Audited)	Dec-2017 (Audited)	Dec-2016 (Audited)	Dec-2015 (Audited)
Total adjusted assets [IDR bn]	10,487.3	10,012.0	7,998.4	6,567.0	6,567.0
Total adjusted debt [IDR bn]	3,827.7	3,654.5	2,673.2	1,943.2	1,943.2
Total adjusted equity [IDR bn]	3,349.6	3,386.2	3,059.3	2,846.8	2,846.8
Total sales [IDR bn]	935.6	2,667.1	2,337.4	1,262.8	1,262.8
EBITDA [IDR bn]	151.4	603.4	519.9	205.0	205.0
Net income after MI [IDR bn]	25.2	305.8	233.4	94.1	94.1
EBITDA Margin [%]	16.2	22.6	22.3	16.2	16.2
Adjusted debt to EBITDA [X]	*12.6	6.1	5.1	9.5	9.5
Adjusted debt to adjusted equity [X]	1.1	1.1	0.9	0.7	0.7
FFO to adjusted debt [%]	*(1.8)	6.9	11.3	5.5	5.5
EBITDA to IFCCI [X]	0.9	1.9	2.3	1.5	1.5
USD exchange rate [IDR/USD]	14,141	14,481	13,548	13,473	13,473

FFO = EBITDA – IFCCI + gross 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 affirms “idBBB+” ratings for Perumnas and its MTNs

PEFINDO has affirmed its “idBBB+” ratings for Perusahaan Umum Perumahan Nasional (PRNS) and its Medium-Term Notes (MTN) II/2016, MTN III/2016, MTN IV/2016, MTN I/2017, MTN III/2018, MTN III/2019, MTN I/2019, MTN IV/2019, MTN V/2019, MTN VIII/2019, and MTN VI/2019. 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 PRNS’ strategic importance to the government in providing low-end houses, its strong position in the middle-low residential market segment, and geographically well-diversified projects and revenue mix. The rating is constrained by its aggressive capital structure and weak cash flow protection measures which partly contributed from lengthen receivable days, its 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, as indicated by a debt to EBITDA ratio below 3.0x on a sustained basis, and strengthens its market position through successful business expansion. We will also assess further impact on its rating after being appointed as a state-owned holding company for housing and residential development, which is expected to be realized in the near term. The rating could be lowered if its revenue and cash flow generation are significantly lower than projected, while realizing most or all of its sizeable 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, PRNS 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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