PEFINDO
CREDIT RATING AGENCY

Press Release
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Perum Perumnas

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CREDIT PROFILE

Corporate Rating	*idBBB+/Stable*
Rated Issues	
MTN III/2015	*idBBB+*
MTN I/2016	*idBBB+*
MTN II/2016	*idBBB+*
MTN III/2016	*idBBB+*
MTN IV/2016	*idBBB+*
MTN I/2017	*idBBB+*
MTN II/2018	*idBBB+*
MTN III/2018	*idBBB+*

Rating Period
January 28, 2019 – January 1, 2020

Rating History

OCT 2018	*idBBB+/Stable*
JUN 2015 - APR 2018	*idBBB+/Stable*

FINANCIAL HIGHLIGHTS

As of/for the year ended	**Sep-2018** (Unaudited)	**Dec-2017** (Audited)	**Dec-2016** (Audited)	**Dec-2015** (Audited)
Total adjusted assets [IDR bn]	9,359.1	7,998.4	6,567.0	5,502.4
Total adjusted debt [IDR bn]	3,265.8	2,673.2	1,943.2	1,471.6
Total adjusted equity [IDR bn]	3,246.0	3,059.3	2,846.8	2,238.0
Total sales [IDR bn]	1,911.1	2,337.4	1,262.8	1,371.5
EBITDA [IDR bn]	378.1	519.9	205.0	277.1
Net income after MI [IDR bn]	210.8	233.4	94.1	122.9
EBITDA Margin [%]	19.8	22.3	16.2	20.2
Adjusted debt to EBITDA [X]	*6.5	5.1	9.5	5.3
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

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 MTN

PEFINDO has affirmed its **"idBBB+"** ratings for Perusahaan Umum Perumahan Nasional (Perumnas or PRNS) and its Medium-Term Notes (MTN) MTN I/2016 Serie B, MTN II/2016, MTN III/2016, MTN IV/2016, MTN I/2017, MTN II/2018, and MTN III/2018. PEFINDO also affirmed its **"idBBB+"** ratings for PRNS' maturing MTN III/2015 Serie C and MTN I/2016 Serie A totalling to IDR300 billion which will mature on March 21, 2019. The Company plans to repay the maturing MTN using proceed from the Company's debt issuance. 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 geographically well-diversified projects and revenue mix. However, the rating is constrained by its aggressive capital structure and weak cash flow protection measures, 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. In addition, we will assess further impact to PRNS' rating after being appointed as a state 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 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.