

## Perum Perumnas

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<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>				
<b>Corporate Rating</b>	<i>idBBB+/Stable</i>	<b>Sep-2018</b>	<b>Dec-2017</b>	<b>Dec-2016</b>	<b>Dec-2015</b>	
		(Unaudited)	(Audited)	(Audited)	(Audited)	
<b>Rated Issues</b>		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>MTN III/2018</i>	<i>idBBB+</i>	Adjusted debt to EBITDA [X]	*6.5	5.1	9.5	5.3
<i>Proposed MTN III/2019</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
<b>Rating Period</b>		<i>FFO = EBITDA – IFCCI + gross interest income – current tax expense</i>				
<i>February 1, 2019 – January 1, 2020</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>				
<b>Rating History</b>		<i>MI = Minority Interest *annualized</i>				
<i>OCT 2018</i>	<i>idBBB+/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>JUN 2015 - APR 2018</i>	<i>idBBB+/Stable</i>					

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

PEFINDO has assigned its "idBBB+" rating to Perusahaan Umum Perumahan Nasional's (Perumnas or PRNS) proposed Medium-Term Note (MTN) MTN III/2019 of IDR155 billion. The proceeds of the proposed MTN and other debt instruments will be used to repay the maturing MTN III/2015 Serie C and MTN I/2016 Serie A totalling to IDR300 billion which will mature on March 21, 2019. 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, MTN I/2017, and MTN III/2018. 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, 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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