

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				
Corporate Rating	<i>idBBB+/Stable</i>	As of/for the year ended	Mar-2019	Dec-2018	Dec-2017	Dec-2016
			(Unaudited)	(Audited)	(Audited)	(Audited)
Rated Issues		Total adjusted assets [IDR bn]	10,160.7	10,012.0	7,998.4	6,567.0
<i>MTN II/2016</i>	<i>idBBB+</i>	Total adjusted debt [IDR bn]	3,466.6	3,654.5	2,673.2	1,943.2
<i>MTN III/2016</i>	<i>idBBB+</i>	Total adjusted equity [IDR bn]	3,369.5	3,386.2	3,059.3	2,846.8
<i>MTN IV/2016</i>	<i>idBBB+</i>	Total sales [IDR bn]	420.7	2,667.1	2,337.4	1,262.8
<i>MTN I/2017</i>	<i>idBBB+</i>	EBITDA [IDR bn]	76.3	603.4	519.9	205.0
<i>MTN III/2018</i>	<i>idBBB+</i>	Net income after MI [IDR bn]	14.2	305.8	233.4	94.1
<i>MTN III/2019</i>	<i>idBBB+</i>	EBITDA Margin [%]	18.1	22.6	22.3	16.2
<i>MTN I/2019</i>	<i>idBBB+</i>	Adjusted debt to EBITDA [X]	*11.4	6.1	5.1	9.5
<i>MTN IV/2019</i>	<i>idBBB+</i>	Adjusted debt to adjusted equity [X]	1.0	1.1	0.9	0.7
<i>MTN V/2019</i>	<i>idBBB+</i>	FFO to adjusted debt [%]	*(2.4)	6.9	11.3	5.5
<i>Proposed MTN VIII/2019</i>	<i>idBBB+</i>	EBITDA to IFCCI [X]	0.9	1.9	2.3	1.5
		USD exchange rate [IDR/USD]	14,244	14,481	13,548	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.

Rating Period
May 20, 2019 – May 1, 2020

Rating History

<i>JAN 2019</i>	<i>idBBB+/Stable</i>
<i>OCT 2018</i>	<i>idBBB+/Stable</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 VIII/2019 of IDR300 billion. The proceeds of the proposed MTN will be used to finance its property development projects. PEFINDO has also affirmed its “idBBB+” ratings for Perumnas, its MTN II/2016, MTN III/2016, MTN IV/2016, MTN I/2017, MTN III/2018, MTN III/2019, MTN I/2019, MTN IV/2019, and MTN V/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, 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.

DISCLAIMER

PT Pemeringkat Efek Indonesia (PEFINDO) does not guarantee the accuracy, completeness, timeliness or availability of the contents of this report or publication. PEFINDO cannot be held liable for 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. In no event shall PEFINDO 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 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. The contents cannot be a substitute for the skill, judgment and experience of its users, its management employees and/or clients in making investment or other business decisions. PEFINDO also assumes no obligation to update the content following publication in any form. PEFINDO does not act as fiduciary or an investment advisor. While PEFINDO has obtained information from sources it believes to be reliable, PEFINDO 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. PEFINDO keeps the activities of its analytical units separate from its business units to preserve independence and objectivity of its analytical processes and products. As a result, certain units of PEFINDO may have information that is not available to other units. PEFINDO has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. PEFINDO may receive compensation for its ratings and other analytical work, normally from issuers of securities. PEFINDO reserves the right to disseminate its opinions and analyses. PEFINDO's public ratings and analyses are made available on its website, <http://www.pefindo.com> (free of charge) and through other subscription-based services, and may be distributed through other means, including via PEFINDO publications and third party redistributors. Information in PEFINDO's website and its use fall under the restrictions and disclaimer stated above. Reproduction of the content of this report, in full or in part, is subject to written approval from PEFINDO.