

Perum Perumnas

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
Corporate Rating	<i>idCCC/C.W.Negative</i>	Dec-2019	Dec-2018	Dec-2017	Dec-2016	
		(Audited)	(Audited)	(Audited)	(Audited)	
Rated Issues		Total adjusted assets [IDR bn]	10,381.4	10,012.0	7,998.4	6,567.0
MTN II/2016	<i>idCCC</i>	Total adjusted debt [IDR bn]	4,823.4	3,654.5	2,673.2	1,943.2
MTN III/2016	<i>idCCC</i>	Total adjusted equity [IDR bn]	2,915.9	3,386.2	3,059.3	2,846.8
MTN IV/2016	<i>idCCC</i>	Total sales [IDR bn]	855.0	2,667.1	2,337.4	1,262.8
MTN I/2017 Serie B	<i>idCCC</i>	EBITDA [IDR bn]	(11.2)	603.4	519.9	205.0
MTN III/2018	<i>idCCC</i>	Net income after MI [IDR bn]	(408.0)	305.8	233.4	94.1
MTN I/2019	<i>idCCC</i>	EBITDA Margin [%]	(1.3)	22.6	22.3	16.2
MTN III/2019	<i>idCCC</i>	Adjusted debt to EBITDA [X]	(430.7)	6.1	5.1	9.5
MTN IV/2019	<i>idCCC</i>	Adjusted debt to adjusted equity [X]	1.7	1.1	0.9	0.7
MTN V/2019	<i>idCCC</i>	FFO to adjusted debt [%]	(8.3)	6.9	11.3	5.5
MTN VI/2019	<i>idCCC</i>	EBITDA to IFCCI [X]	(0.0)	1.9	2.3	1.5
MTN VIII/2019	<i>idCCC</i>	USD exchange rate [IDR/USD]	13,901	14,481	13,548	13,473
MTN IX/2019	<i>idCCC</i>					
Rating Period		<i>FFO = EBITDA – IFCCI + gross interest income – current tax expense</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</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>				
May 11, 2020 – August 11, 2020						
Rating History						
APR 2020	<i>idSD</i>					
OCT 2019	<i>idBBB+/Stable</i>					
MAY 2019	<i>idBBB+/Stable</i>					
JAN 2019	<i>idBBB+/Stable</i>					
OCT 2018	<i>idBBB+/Stable</i>					
JUN 2015 - APR 2018	<i>idBBB+/Stable</i>					

PEFINDO puts the rating of Perumnas to "idCCC" with "CreditWatch with Negative Implication"

PEFINDO has put the rating of Perusahaan Umum Perumahan Nasional (Perumnas – PRNS) to "idCCC" from "idSD" following its decision to pay the principal of Medium-Term Notes (MTN) I/2017 Serie A of IDR200 billion on May 8, 2020, from the initial schedule on April 28, 2020. We also put the outlook for the corporate rating to "CreditWatch with Negative Implication" in order to anticipate the refinancing risk for its maturing MTN VII/2019 amounting to IDR250 billion which will due in July 2020 and MTN XI/2019 amounting to IDR350 billion which will due in November 2020. Both of the MTNs are unrated. We have a concern on the Company's readiness to pay the maturing MTNs considering its tight liquidity position and unfavorable macro-economic and market situation. In addition, the Company's business operations and sales performance in 2020 are slowing down in-line with slower economic activities and growth as a result of coronavirus disease (COVID-19) pandemic. At the same time, we have affirmed the ratings of its MTN II/2016, MTN III/2016, MTN IV/2016, MTN I/2017 Serie B, MTN III/2018, MTN III/2019, MTN I/2019, MTN IV/2019, MTN V/2019, MTN VI/2019, MTN VIII/2019, and MTN IX/2019 at "idCCC". The ratings of PRNS and its rated MTNs will be lowered if PRNS fails to pay the next payment of MTNs' coupon and/or principal. We could raise the rating if PRNS has secured the source of payment or refinancing on its maturing MTNs in 2020.

An obligor rated *idCCC* is currently vulnerable, and is dependent upon favorable business and financial conditions to meet its financial commitments.

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

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.