

## Perum Perumnas

*Analysts: Christyanto Wijaya / Yogie Surya Perdana*

*Phone/Fax/E-mail: (62-21) 72782380/72782370/ [christyanto.wijaya@pefindo.co.id](mailto:christyanto.wijaya@pefindo.co.id) / [yogie.perdana@pefindo.co.id](mailto:yogie.perdana@pefindo.co.id)*

| <b>CREDIT PROFILE</b>                    |                      | <b>FINANCIAL HIGHLIGHTS</b>  |                 |                 |                 |                 |
|--|----------------------|--|-----------------|-----------------|-----------------|-----------------|
| <b>Corporate Rating</b>                  | <i>idBBB+/Stable</i> | <b>As of/for the year ended</b>  | <b>Jun-2019</b> | <b>Dec-2018</b> | <b>Dec-2017</b> | <b>Dec-2016</b> |
|  |                      |  | (Unaudited)     | (Audited)       | (Audited)       | (Audited)       |
| <b>Rated Issues</b>                      |                      | Total adjusted assets [IDR bn]   | 10,487.3        | 10,012.0        | 7,998.4         | 6,567.0         |
| <i>MTN II/2016</i>                       | <i>idBBB+</i>        | Total adjusted debt [IDR bn]   | 3,827.7         | 3,654.5         | 2,673.2         | 1,943.2         |
| <i>MTN III/2016</i>                      | <i>idBBB+</i>        | Total adjusted equity [IDR bn]   | 3,349.6         | 3,386.2         | 3,059.3         | 2,846.8         |
| <i>MTN IV/2016</i>                       | <i>idBBB+</i>        | Total sales [IDR bn]   | 935.6           | 2,667.1         | 2,337.4         | 1,262.8         |
| <i>MTN I/2017</i>                        | <i>idBBB+</i>        | EBITDA [IDR bn]  | 151.4           | 603.4           | 519.9           | 205.0           |
| <i>MTN III/2018</i>                      | <i>idBBB+</i>        | Net income after MI [IDR bn]   | 25.2            | 305.8           | 233.4           | 94.1            |
| <i>MTN I/2019</i>                        | <i>idBBB+</i>        | EBITDA Margin [%]  | 16.2            | 22.6            | 22.3            | 16.2            |
| <i>MTN III/2019</i>                      | <i>idBBB+</i>        | Adjusted debt to EBITDA [X]  | *12.6           | 6.1             | 5.1             | 9.5             |
| <i>MTN IV/2019</i>                       | <i>idBBB+</i>        | Adjusted debt to adjusted equity [X]   | 1.1             | 1.1             | 0.9             | 0.7             |
| <i>MTN V/2019</i>                        | <i>idBBB+</i>        | FFO to adjusted debt [%]   | *(1.8)          | 6.9             | 11.3            | 5.5             |
| <i>MTN VI/2019</i>                       | <i>idBBB+</i>        | EBITDA to IFCCI [X]  | 0.9             | 1.9             | 2.3             | 1.5             |
| <i>MTN VIII/2019</i>                     | <i>idBBB+</i>        | USD exchange rate [IDR/USD]  | 14,141          | 14,481          | 13,548          | 13,473          |
| <i>Proposed MTN IX/2019</i>              | <i>idBBB+</i>        |  |                 |                 |                 |                 |
| <b>Rating Period</b>                     |                      | <small>FFO = EBITDA – IFCCI + gross interest income – current tax expense<br/>           EBITDA = operating profit + depreciation expense + amortization expense<br/>           IFCCI = gross interest expense + other financial charges + capitalized interest; (FX loss not included)<br/>           MI = Minority Interest *annualized<br/>           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.</small> |                 |                 |                 |                 |
| <i>October 9, 2019 – October 1, 2020</i> |                      |  |                 |                 |                 |                 |
| <b>Rating History</b>                    |                      |  |                 |                 |                 |                 |
| <i>MAY 2019</i>                          | <i>idBBB+/Stable</i> |  |                 |                 |                 |                 |
| <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 IX/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 I/2019, MTN III/2019, MTN IV/2019, MTN V/2019, MTN VI/2019, and MTN VIII/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- to low-end 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 are partly due to longer 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 it is appointed as the 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 below projections, while realizing most or all of its sizeable debt-funded capital expenditure plan. 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**

*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.*