

Perum Perumnas

Analysts: Yogie Surya Perdana / Aryo Perbongso

Phone/Fax/E-mail: (62-21) 50968469 / 50968468 / yogie.perdana@pefindo.co.id / aryo.perbongso@pefindo.co.id

CREDIT PROFILE

Corporate Rating *idBBB-/C.W. Negative*

Rated Issues

MTN II/2016 idBBB-
MTN III/2016 idBBB-
MTN IV/2016 idBBB-
MTN I/2017 Serie B idBBB-
MTN III/2018 idBBB-
MTN I/2019 idBBB-
MTN III/2019 idBBB-
MTN IV/2019 idBBB-
MTN V/2019 idBBB-
MTN VI/2019 idBBB-
MTN VIII/2019 idBBB-
MTN IX/2019 idBBB-
LTN 2020 idBBB-

Rating Period

June 22, 2021 – September 20, 2021

Rating History

NOV 2020 idBBB-/Negative
OCT 2020 idBBB-/Negative
MAY 2020 idBBB-/Negative
MAY 2020 idCCC/C.W.Negative
APR 2020 idSD
JUN 2015-OCT 2019 idBBB+/Stable

FINANCIAL HIGHLIGHTS

As of/for the year ended

	Mar-2021	Dec-2020	Dec-2019	Dec-2018
	(Unaudited)	(Audited)	(Audited)	(Audited)
Total adjusted assets [IDR bn]	7,445.2	7,223.5	7,702.3	8,044.8
Total adjusted debt [IDR bn]	4,350.5	4,365.3	4,823.4	3,654.5
Total adjusted equity [IDR bn]	473.3	677.1	1,048.6	1,753.6
Total sales [IDR bn]	73.1	694.3	601.0	1,129.0
EBITDA [IDR bn]	(16.9)	(81.9)	(69.5)	106.0
Net income after MI [IDR bn]	(113.9)	(408.2)	(642.6)	(97.9)
EBITDA Margin [%]	(23.1)	(11.8)	(11.6)	9.4
Adjusted debt to EBITDA [X]	*(64.2)	(53.3)	(69.4)	34.5
Adjusted debt to adjusted equity [X]	9.2	6.4	4.6	2.1
FFO to adjusted debt [%]	*(9.8)	(13.7)	(9.4)	(5.7)
EBITDA to IFCCI [X]	(0.2)	(0.2)	(0.2)	0.3
USD exchange rate [IDR/USD]	14,572	14,105	13,901	14,481

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 places Perumnas' "idBBB-" rating on CreditWatch with Negative Implication

PEFINDO has affirmed its "idBBB-" ratings for Perusahaan Umum Perumahan Nasional (Perumnas) and its maturing Medium-Term Notes (MTN) III/2016 of IDR150 billion and MTN II/2016 of IDR230 billion, which will due on July 22, 2021 and August 4, 2021, respectively. At the same time, we have affirmed the "idBBB-" ratings for its MTN IV/2016, MTN I/2017 Series B, MTN III/2018, MTN I/2019, MTN III/2019, MTN IV/2019, MTN V/2019, MTN VI/2019, MTN VIII/2019, MTN IX/2019, and Long-Term Notes (LTN) 2020. The outlook for the corporate rating is placed on "CreditWatch with Negative Implication" as Perumnas is still in discussions with its maturing MTN holders to renegotiate new terms which includes a potential maturity extension. The outlook reflects the uncertainties surrounding these developments and we plan to resolve the CreditWatch with Negative Implication once Perumnas is able to finalize the new terms. Nonetheless, failure to timely reach an agreement with its MTN holders may lead to multiple downgrades because of the severe liquidity pressure for Perumnas in paying its financial obligations. The Covid-19 pandemic has severely weakened Perumnas' liquidity due to weaker cash collections from presales amid a subdued property demand while having limited flexibility in managing capital expenditure for construction stemming from its high-rise developments, which requires significant upfront capital compared to landed developments.

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 minus (-) sign indicates that the rating is relatively weak within its category.

The corporate rating reflects Perumnas' strategic importance to the government in providing low-end houses and geographically well-diversified projects. The rating is constrained by its very aggressive capital structure and very tight liquidity, its small portion of recurring income, and vulnerability of the property business to changes in macroeconomic conditions.

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.

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.