

Perum Perumnas

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Dec-2016	Dec-2015	Dec-2014	Dec-2013
			(Audited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>id</i> BBB+/Stable		6,567.0	5,502.4	3,630.0	2,975.9
Rated Issues		Total adjusted assets [IDR bn]	1,946.2	1,474.5	1,119.1	919.1
MTN III Serie A 2015	<i>id</i> BBB+	Total adjusted debt [IDR bn]	2,846.8	2,238.0	957.8	771.8
MTN III Serie B 2015	<i>id</i> BBB+	Total adjusted equity [IDR bn]	1,262.8	1,371.5	1,338.5	1,203.7
MTN III Serie C 2015	<i>id</i> BBB+	EBITDA [IDR bn]	205.0	277.1	353.8	209.6
MTN 2016	<i>id</i> BBB+	Net income after MI [IDR bn]	94.1	122.9	194.4	94.4
Rating Period		EBITDA Margin [%]	16.2	20.2	26.4	17.4
March 10, 2017 – March 1, 2018		Adjusted debt to EBITDA [X]	9.5	5.3	3.2	4.4
Rating History		Adjusted debt to adjusted equity [X]	0.7	0.7	1.2	1.2
MAR 2016	<i>id</i> BBB+/Stable	FFO to adjusted debt [%]	5.5	7.4	20.6	13.0
JUN 2015	<i>id</i> BBB+/Stable	EBITDA to IFCCI [X]	1.4	2.4	4.8	2.9
		USD exchange rate [IDR/USD]	13,473	13,795	12,440	12,189

*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
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 affirms “*id*BBB+” ratings to Perumnas and its MTNs

PEFINDO has affirmed its “*id*BBB+” ratings to Perusahaan Umum Perumahan Nasional (Perumnas or PRNS), its MTN III Serie B/2015, MTN III Serie C/2015, and MTN 2016. The outlook for the corporate rating is “**stable**”. PEFINDO has also affirmed “*id*BBB+” rating for PRNS’ MTN III Serie A/2015 amounting to IDR200 billion which will mature on July 14, 2017. PRNS plans to utilize its internal cash to pay off the maturing MTN. As per December 31, 2016, PRNS’ cash balance was IDR1.6 trillion.

An obligor rated *id*BBB 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 ratings reflect its strategic importance to the government in providing low-end houses, its strong position in the middle-low residential market segment, and its geographically well-diversified projects. However, the ratings are constrained by its aggressive capital structure resulting in weak cash flow protection, a 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 level on a sustainable basis and also strengthens its market position through successful business expansion. The rating could be lowered if its revenue and cash flow generation are lower than projected while realizing most of or all of its sizable 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, 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.

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