

Perum Perumnas

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
Corporate Rating	<i>id</i> BBB+/Stable	Dec-2017 (Audited)	Dec-2016 (Audited)	Dec-2015 (Audited)	Dec-2014 (Audited)	
Rated Issues		Total adjusted assets [IDR bn]	7,998.4	6,567.0	5,502.4	3,630.0
MTN III/2015	<i>id</i> BBB+	Total adjusted debt [IDR bn]	2,673.2	1,943.2	1,471.6	1,119.1
MTN I/2016	<i>id</i> BBB+	Total adjusted equity [IDR bn]	3,059.3	2,846.8	2,238.0	957.8
MTN II/2016	<i>id</i> BBB+	Total sales [IDR bn]	2,337.4	1,262.8	1,371.5	1,338.5
MTN III/2016	<i>id</i> BBB+	EBITDA [IDR bn]	519.9	205.0	277.1	353.8
MTN IV/2016	<i>id</i> BBB+	Net income after MI [IDR bn]	233.4	94.1	122.9	194.4
MTN I/2017	<i>id</i> BBB+	EBITDA Margin [%]	22.3	16.2	20.2	26.4
Rating Period		Adjusted debt to EBITDA [X]	5.1	9.5	5.3	3.2
<i>April 4, 2018 – April 1, 2019</i>		Adjusted debt to adjusted equity [X]	0.9	0.7	0.7	1.2
Rating History		FFO to adjusted debt [%]	11.3	5.5	7.4	20.7
<i>APR 2017</i>	<i>id</i> BBB+/Stable	EBITDA to IFCCI [X]	2.3	1.5	2.4	4.8
<i>MAR 2016</i>	<i>id</i> BBB+/Stable	USD exchange rate [IDR/USD]	13,548	13,473	13,795	12,440
<i>JUN 2015</i>	<i>id</i> BBB+/Stable					

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 MTN

PEFINDO has affirmed its “*id*BBB+” ratings to Perusahaan Umum Perumahan Nasional (Perumnas or PRNS) and its Medium-Term Note (MTN) III/2015, MTN I/2016, MTN II/2016, MTN III/2016, MTN IV/2016, and MTN I/2017. The outlook for the corporate rating is “**stable**”.

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 corporate rating reflects Perumnas’ strategic importance to the government in providing low-end houses, its strong position in the middle-low residential market segment, and well-diversified projects and revenue mix. However, the rating is constrained by its aggressive capital structure and weak cash flow protection measures, 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, as indicated by debt to EBITDA ratio below 3.0x 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 significantly lower than projected, while realizing most 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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