Pefindo affirmed "idA-" ratings for PT Pembangunan Perumahan (Persero) Tbk

PEFINDO affirmed "idA-" ratings for PT Pembangunan Perumahan (Persero) Tbk hereinafter referred to as "the Company or PTPP" and its MTN XVII/2012 and MTN XVIII/2012. PEFINDO also assigned "idA-" for PTPP's proposed shelf-registered Bond I/2013 for a maximum amount of IDR1 trillion which will be used for working capital (70%) and expansion into the property segment (30%). The Outlook of the Company's rating is "stable".

The ratings reflect the Company's strong presence in the national construction business, stable business opportunities from government-related projects and above average cash flow protection. However, the ratings are constrained by PTPP's aggressive expansion into Engineering Procurement and Construction (EPC) business despite its limited experience, moderate refinancing risk, and relatively volatile business environment.

Established in 1953, PTPP is one of the largest construction companies in Indonesia. Currently, it expands its business into property and realty business as well as in infrastructure. As of Sep 30, 2012, the Company's shareholders were Government of Indonesia with 51.0% of ownership, followed by the Employees Cooperatives (Kopkar) with 10.8%, and the public 38.2%.

Rating Period: December 12, 2012 – December 1, 2013
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