Press Release
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PT Pembangunan Perumahan (Persero) Tbk

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CREDIT PROFILE

Corporate Rating: \(uA+/\)Stable

Rated Issues:
- Shelf-Registered Bond I PP2013-2015: \(\mu A+\)
- Proposed Perpetual Bond: \(\mu A-\)

Rating Period:
March 13, 2018 – March 1, 2019

Rating History:
- Nov 2017: \(\mu A+/\)Stable
- Nov 2016: \(\mu A+/\)Stable
- Dec 2013-2015: \(\mu A/\)Stable
- Dec 2012: \(\mu A/\)Stable
- Oct 2012: \(\mu A/\)Stable
- Mar 2011: \(\mu BB+/\)Stable
- Feb 2009: \(\mu BB+/\)Stable
- Dec 2008: \(\mu BB+/\)Stable

FINANCIAL HIGHLIGHTS

As of/for the year ended

Total Adjusted Assets [IDR Bn]
41,696.4 41,460.3 31,159.9 19,116.7
Total Adjusted Debt [IDR Bn]
10,093.7 8,931.9 6,790.3 5,718.3
Total Adjusted Equity [IDR Bn]
14,315.8 13,925.6 10,736.9 5,103.9
Total Sales [IDR Bn]
3,712.9 21,863.4 16,614.0 14,284.3
EBITDA [IDR Bn]
473.6 3,181.1 2,230.5 1,744.6
Net Income after MI [IDR Bn]
156.1 1,453.1 1,020.0 740.2
EBITDA Margin [%]
12.8 14.6 13.4 12.2
Adjusted Debt/EBITDA [X]
*5.3 2.8 3.0 2.1
Adjusted Debt/Adjusted Equity [X]
0.7 0.6 0.6 0.7
FFO/Adjusted Debt [%]
*9.4 22.8 19.1 25.3
USD exchange rate [IDR/USD]
13,756 13,548 13,436 13,795

Proposed Perpetual Bond

PEFINDO has assigned its \(\mu A-\) rating for PT Pembangunan Perumahan (Persero) Tbk’s proposed Perpetual Bond

PEFINDO has affirmed its \(\mu A+\) ratings for PT Pembangunan Perumahan (Persero) Tbk (PTPP) and its Shelf-Registered Bond I PP2013-2015. PEFINDO has also assigned its \(\mu A-\) rating for PTPP’s proposed Perpetual Bond of a maximum amount of IDR8.0 trillion. For the first phase, the Company had issued IDR150 billion. The proceeds of the Perpetual Bond will be used to finance the Company’s capital expenditure (capex). The outlook for the corporate rating is “stable”.

An obligor rated \(\mu A\) has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.

Debt security rating \(\mu A\) indicates that the obligor’s capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian obligors, is strong, however, the debt security is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated debt.

The plus (+) sign in a particular rating indicates that the rating is relatively strong within the respective rating category. The minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The corporate rating reflects PTPP’s strong presence in the national construction industry, diversified revenue sources, and above average cash flow protection measures. The rating is constrained by potentially higher financial leverage in the near to medium term following significant capex, risks from expansion into new businesses, and the relatively volatile business environment.

The rating may be raised if PTPP significantly strengthens its market position in the domestic construction industry, and demonstrates more steady cash flow generation supported by more diversified business, which would help improve its profitability. The rating may be lowered if it incurs significantly higher debt than projected without a corresponding increase in EBITDA, as indicated by its debt to EBITDA ratio exceeding 4x on a sustained basis.

Established in 1953, PTPP is one of the largest construction and engineering, procurement, and construction (EPC) companies in Indonesia. It is expanding into the property, realty and precast sectors, as well as heavy equipment rental and investments in the energy and infrastructure sectors. As of March 31, 2018, its shareholders were the Indonesian government (51.0%), the Employees Cooperative (Kopkar) (0.08%), and the public (48.92%).
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