

Perum Perumnas

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS			
		As of/for the year ended			
Corporate Rating		Mar-2020	Dec-2019	Dec-2018	Dec-2017
		(Unaudited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>id</i> BBB-/Negative				
Rated Issues					
MTN II/2016	<i>id</i> BBB-	9,077.2	10,381.4	10,012.0	7,998.4
MTN III/2016	<i>id</i> BBB-	4,670.7	4,823.4	3,654.5	2,673.2
MTN IV/2016	<i>id</i> BBB-	1,818.8	2,915.9	3,386.2	3,059.3
MTN I/2017 Serie B	<i>id</i> BBB-	165.9	855.0	2,667.1	2,337.4
MTN III/2018	<i>id</i> BBB-	(7.8)	(11.2)	603.4	519.9
MTN I/2019	<i>id</i> BBB-	(90.5)	(408.0)	305.8	233.4
MTN III/2019	<i>id</i> BBB-	(4.7)	(1.3)	22.6	22.3
MTN IV/2019	<i>id</i> BBB-	* (149.0)	(430.7)	6.1	5.1
MTN V/2019	<i>id</i> BBB-	2.6	1.7	1.1	0.9
MTN VI/2019	<i>id</i> BBB-	* (10.8)	(8.3)	6.9	11.3
MTN VIII/2019	<i>id</i> BBB-	(0.1)	(0.0)	1.9	2.3
MTN IX/2019	<i>id</i> BBB-	16,367	13,901	14,481	13,548
		<i>FFO = EBITDA – IFCCI + gross interest income – current tax expense</i> <i>EBITDA = operating profit + depreciation expense + amortization expense</i> <i>IFCCI = gross interest expense + other financial charges + capitalized interest; (FX loss not included)</i> <i>MI = Minority Interest *annualized</i> <i>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.</i>			
Rating Period					
	May 26, 2020 – October 1, 2020				
Rating History					
MAY 2020	<i>id</i> CCC/C.W.Negative				
APR 2020	<i>id</i> SD				
OCT 2019	<i>id</i> BBB+/Stable				
MAY 2019	<i>id</i> BBB+/Stable				
JAN 2019	<i>id</i> BBB+/Stable				
OCT 2018	<i>id</i> BBB+/Stable				
JUN 2015 - APR 2018	<i>id</i> BBB+/Stable				

PEFINDO puts the rating of Perumnas and its MTN to “*id*BBB-” with “negative” outlook

PEFINDO has put the ratings of Perusahaan Umum Perumahan Nasional (Perumnas – PRNS) and its Medium-Term Notes (MTN) II/2016, MTN III/2016, MTN IV/2016, MTN I/2017 Serie B, MTN III/2018, MTN I/2019, MTN III/2019, MTN IV/2019, MTN V/2019, MTN VI/2019, MTN VIII/2019, and MTN IX/2019 to “*id*BBB-” from “*id*CCC”. The ratings were based on our re-assessment of the Company’s performance after its decision to pay the principal of MTN I/2017 Serie A. We are of the view that PRNS’ financial profile will remain weak in the near term in-line with sluggish demand in property market due to the impact of Coronavirus Disease (COVID-19). In addition, the Company’s main market segment is low-income segment which, in our view, more vulnerable to sudden economics fluctuation due to the pandemic. We also revised the outlook for corporate rating to “**negative**” to anticipate significantly lower than expected cash in-flow which will put more pressure to its liquidity position.

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 lead to a weakened capacity of the obligor to meet its financial commitments. The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The corporate rating reflects PRNS’ 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 the sensitive nature of the property business to changes in macroeconomic conditions.

The rating could be lowered if PRNS’ cash in-flow is significantly lower than expected which will further deteriorates the Company’s liquidity position particularly to serve its interest payment. Significantly lower than expected revenue achievement in 2020 will also pressure the rating. However, the rating outlook will be revised to “stable” if the Company significantly improves its business and financial performance on a sustained basis.

Established in 1974, PRNS 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.