

PT Duta Anggada Realty Tbk

Corporate rating *i*BBB+/Stable

Rated Issues

Proposed Obligasi Duta Anggada Realty Tahun 2020 Amounting to IDR300 Bn

*i*BBB+

Rating Period

November 16, 2020 – December 1, 2021

“Debt Securities with *i*BBB rating has an adequate level of certainty to honor its financial obligations, but it can be affected by adverse changes in business and economic conditions, relative to obligor with a higher rating.”

The plus sign (+) indicates that the rating given is closer to rating scale above it.

Kredit Rating Indonesia assigns ‘*i*BBB+’ rating to Proposed Obligasi Duta Anggada Realty Tahun 2020 totaling IDR300 Bn

Kredit Rating Indonesia (KRI) assigns a Corporate Rating of ‘*i*BBB+’ for PT Duta Anggada Realty Tbk (“DART” or “the Company”) with a ‘Stable’ outlook. At the same time, KRI has also assigned ‘*i*BBB+’ to DART’s Proposed Obligasi Duta Anggada Realty Tahun 2020 amounting to IDR300 Bn. The Company plans to use the bond proceeds for refinancing. The above ratings reflect DART’s moderate asset quality, a sizeable portion of recurring income, and adequate financial flexibility. However, DART’s ratings are limited by the decreasing trend of occupancy rate, weakened capital structure and cash flow protection.

DART’s properties are comprised of grade-A buildings that are mostly located at Jakarta’s Central Business District (CBD) area with a sizeable net lettable area (NLA) of around 98,802 square meters. Furthermore, the Company’s high proportion of recurring income (100% of the Company’s revenue in 1H2020) protects the Company from COVID-19’s effects. We also put a positive note on the 92.45% ownership of the Company’s share by majority shareholders as they have the flexibility to issue new shares without having to lose control of the Company.

However, decreasing occupancy rate at Plaza Agro and Chase Plaza, weakening debt to equity ratio (DER) to 1.01x, as well as below 1.0x of interest coverage ratio as at June’s end 2020 have constrained the Company’s ratings.

DART’s Consolidated Financial Results Highlights

As of/For the year ended	June 2020 (Audited)	Dec 2019 (Audited)	Dec 2018 (Audited)	Dec 2017 (Audited)
Total Adjusted Assets (IDR, Bn)	6,698.2	6,880.9	6,905.3	6,360.9
Total Adjusted Debt (IDR, Bn)	3,189.9	3,184.2	2,943.2	2,516.7
Total Adjusted Equity (IDR, Bn)	3,121.2	3,315.3	3,576.1	3,559.5
Total Sales (IDR, Bn)	169.8	461.4	379.4	446.0
Net Income After MI (IDR, Bn)	(194.1)	(260.8)	13.1	30.2
EBIT Margin (%)	(12.7)	6.2	22.7	27.1
Return on Permanent Capital (%)	(0.7)	0.4	1.4	2.1
Adjusted Debt /Adj. Equity (x)	1.0	1.0	0.8	0.7
EBITDA/Total Adjusted Debt (x)	0.0	0.0	0.0	0.1
EBITDA/IFCCI (x)	0.1	0.4	2.3	2.0
FFO/Total Adjusted Debt (x)	(5.5)	(5.0)	2.7	3.3
USD Exchange Rate (IDR/USD)	14,302	13,901	14,481	13,548

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