

## PT City Retail Developments Tbk

## Corporate rating

*ir*BBB+/Stable

## Rated Issues

Proposed MTN City Retail  
Developments I Tahun 2021  
amounting to IDR750 Bn

*ir*BBB+

“Debt securities with an *ir*BBB rating have an adequate level of certainty to honor the financial obligations. However, this certainty is more likely to diminish in the future than with the higher rating categories”.  
The positive sign (+) indicates that the rating given is closer to the rating scale above it.

## Rating Period

December 1, 2021 – December 1, 2022

## Rating History

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Kredit Rating Indonesia assigns '*ir*BBB+' rating to Proposed MTN City Retail Developments I Tahun 2021 totaling IDR750 Bn

Kredit Rating Indonesia (KRI) assigns a Corporate Rating of '*ir*BBB+' for PT City Retail Developments Tbk (“NIRO” or the “Company”) with a ‘Stable’ outlook. At the same time, KRI also assigned '*ir*BBB+' to NIRO’s proposed MTN City Retail Developments I Tahun 2021 totaling IDR750 Bn that will be used for business expansion. The ratings reflect the Company’s strategy on expanding its number of properties and moderate financial flexibility. However, the rating is constrained by the Company’s weak cash flow protection and aggressive capital structure.

The Company is focusing on the commercial types of property, especially malls. And, to increase its number of properties, the Company cooperates with anchor tenants in building new malls based on their requirements in the third-cities category that relatively have limited competitors. As such, NIRO’s occupancy rate stayed above 90% even in the time of the COVID-19 pandemic. NIRO has moderate financial flexibility as its unused credit facility as of June 30, 2021, was at IDR460 Bn and USD90 Mn. The Company also has lands that have not been pledged to banks.

However, the ratings are constrained by the Company’s weak cash flow protection as its interest coverage ratio has been below 1.0x since 2017, and the Company’s aggressive capital structure going forward as the Company plans to use debts for its malls’ expansion.

The Company’s shareholder ownership composition as of June 31, 2021, was PT Mega Inti Perdana Utama (51.00%), Autumn Point Limited (8.12%), and the Public (40.88%).

## NIRO’s Consolidated Financial Results Highlights

As of/For the year ended	June 2021 (Unaudited)	Dec 2020 (Audited)	Dec 2019 (Audited)	Dec 2018 (Audited)
Total Assets (IDR, Bn)	10,620.6	10,579.4	8,214.5	7,540.1
Total Adjusted Debt (IDR, Bn)	3,456.4	3,265.9	1,225.9	846.5
Total Adjusted Equity (IDR, Bn)	2,327.2	2,365.5	2,314.7	2,035.4
Total Sales (IDR, Bn)	368.1	529.2	512.5	461.1
Net Income After MI (IDR, Bn)	(125.3)	157.8	(42.3)	(35.1)
EBIT Margin (%)	24.7	12.8	13.0	6.8
EBITDA/Total Adjusted Debt (x)	0.1	0.0	0.1	0.1
Adjusted Debt/Adj. Equity (x)	1.5	1.4	0.5	0.4
FFO/Total Adjusted Debt (%)	(6.7)	(4.9)	(4.9)	(25.4)
EBITDA/IFCCI (x)	0.7	0.4	0.8	0.5
USD Exchange Rate (IDR/USD)	14,496	14,105	14,481	13,548

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