

PT Duta Anggada Realty Tbk

Corporate rating *ir*BBB+/Stable

Rated Issues

Obligasi Duta Anggada
Realty Tahun 2020 Amounting to
IDR300 Bn

*ir*BBB+

Proposed MTN Duta Anggada
Realty Tahun 2022 Amounting to
IDR250 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 plus sign (+) indicates that the rating given is closer to rating scale above it.

Rating Period

December 6, 2021 – December 1, 2022

Rating History

November 2021 *ir*BBB+November 2020 *ir*BBB+
Kredit Rating Indonesia assigns ‘*ir*BBB+’ rating to Proposed MTN Duta Anggada Realty Tahun 2022 amounting to IDR250 Bn

Kredit Rating Indonesia (KRI) assigns ‘*ir*BBB+’ rating for PT Duta Anggada Realty Tbk (“DART” or “the Company”) with “Stable Outlook”, and ‘*ir*BBB+’ instrument rating for the Proposed MTN Duta Anggada Realty Tahun 2022 amounting to IDR250 billion, which will be used for refinancing. At the same time affirms ‘*ir*BBB+’ rating for the Obligasi Duta Anggada Realty Tahun 2020 totaling to IDR300 billion. The ratings still reflect DART’s moderate asset quality, a large contribution from its recurring income properties, and adequate financial flexibility. However, the ratings are limited by the weakening performance of its properties due to prolonged pandemics, and relocation of the main tenants from its prime office, Chase Plaza. The ratings are also constrained by the Company’s aggressive capital structure and weak 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. Besides that, the Company also owns hotels in Bali and Jakarta which have been firstly impacted by loosened PPKM regulation and quarantine program. Furthermore, the Company’s high proportion of recurring income (99.0% of the Company’s revenue in 9M2021) also protects the Company from severe 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 due to the relocation of main tenants at the Chase Plaza continues to limit the ratings. Weakening debt to equity ratio (DER) to 1.34x, as well as below 1.0x of interest coverage ratio as at September 30, 2021, have also constrained the ratings.

DART’s Consolidated Financial Results Highlights

As of/For the year ended	Sept 2021 (Unaudited)	Dec 2020 (Audited)	Dec 2019 (Audited)	Dec 2018 (Audited)
Total Adjusted Assets (IDR, Bn)	6,701.2	6,656.1	6,880.9	6,905.3
Total Adjusted Debt (IDR, Bn)	3,492.4	3,139.2	3,184.2	2,943.2
Total Adjusted Equity (IDR, Bn)	2,611.1	2,914.1	3,315.3	3,576.1
Total Sales (IDR, Bn)	217.1	324.1	461.4	379.4
Net Income After MI (IDR, Bn)	(303.1)	(387.9)	(260.8)	13.1
EBIT Margin (%)	(19.7)	(19.0)	6.2	22.7
Return on Permanent Capital (%)	(0.9)	(1.0)	0.4	1.4
Adjusted Debt /Adj. Equity (x)	1.3	1.1	1.0	0.8
EBITDA/Total Adjusted Debt (x)	0.0	0.0	0.0	0.0
EBITDA/IFCCI (x)	0.0	0.0	0.4	2.3
FFO/Total Adjusted Debt (x)	(10.3)	(9.5)	3.6	3.3
USD Exchange Rate (IDR/USD)	14,307	14,105	14,481	13,548

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