

PT Duta Anggada Realty Tbk

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Mar-2017	Dec-2016	Dec-2015	Dec-2014
Corporate Rating	<i>idBBB+/Negative</i>		(Unaudited)	(Audited)	(Audited)	(Audited)
Rated Issues		Total Adjusted Assets [IDR Bn]	6,068.5	6,060.9	5,739.9	5,114.3
<i>Shelf Reg. Bond I/2013</i>	<i>idBBB+</i>	Total Adjusted Debt [IDR Bn]	2,124.7	2,085.0	1,964.9	1,439.9
		Total Adjusted Equity [IDR Bn]	3,623.0	3,618.0	3,428.4	3,249.4
		Total Sales [IDR Bn]	119.4	754.7	842.7	1,288.0
Rating Period		EBITDA [IDR Bn]	52.3	368.2	338.6	614.6
<i>July 11, 2017 – July 1, 2018</i>		Net Income after MI [IDR Bn]	7.4	191.9	177.8	408.1
		EBITDA Margin [%]	43.8	48.8	40.2	47.7
Rating History		Adjusted Debt/EBITDA [X]	*10.2	5.7	5.8	2.3
<i>JUL 2016</i>	<i>idBBB+/Stable</i>	Adjusted Debt/Adjusted Equity [X]	0.6	0.6	0.6	0.4
<i>JUL 2015</i>	<i>idA-/Stable</i>	FFO/Adjusted Debt [%]	*(2.7)	3.6	4.2	23.6
<i>JUL 2014</i>	<i>idA-/Stable</i>	EBITDA/IFCCI [X]	0.9	1.5	1.7	3.2
<i>JUL 2013</i>	<i>idA-/Stable</i>	USD exchange rate [IDR/USD]	13,296	13,314	13,795	12,440

*FFO = EBITDA – IFCCI + Interest Income – Current Tax Expense
EBITDA = Operating Profit + Depreciation Expense + Amortization Expense
IFCCI = Gross Interest Expense + Other Financial Charges + Capitalized Interest; (FX Loss not included)
MI = Minority Interest *Annualized
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.*

PEFINDO affirms “idBBB+” rating on DART, outlook revised to negative

PEFINDO has affirmed its “idBBB+” ratings for PT Duta Anggada Realty Tbk (DART) and its Shelf-Registered Bond I/2013. However, the outlook for the corporate rating is revised to “**negative**” from “**stable**” to anticipate further weakening in its credit profile. Despite having secured funding to early repay its bond, which has a maturity date of October 8, 2018, we view that its credit profile may come under pressure given its significant concentration risk regarding its major project in Icon Towers, wherein a weaker than expected take up rate, slower than expected progress completion, and/or costs overrun from the project may significantly hamper its profitability, thus further weakening its financial leverage and cash flow protection. In addition, we anticipate that its liquidity may come under pressure arising from mismatch in cash flow related to the credit facilities of the project. The Icon Towers project is currently being funded by PT Bank Maybank Indonesia Tbk (BNII), where it requires DART a relatively large amount of annual installment while cash inflow from presales of the project will not come on stream until 2018.

An obligor rated idBBB 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 Plus (+) sign in a particular rating indicates that the rating is relatively strong within respective rating category.

The ratings reflect DART’s favorable asset quality and adequate portion of recurring income from property investment. However, the ratings are constrained by its aggressive financial leverage and weak cash flow protection, inadequate replacement for loss of vital asset, and also high dependency on future project development.

The rating will be lowered if DART is unable to refinance its loan facility at BNII which requires a relatively large amount of annual installment of around IDR160-240 billion or if the Company fails to sell its La Maison en bloc project, which DART is expected to receive around IDR500 billion in proceeds. The outlook of the Company’s rating could be revised to stable if DART could successfully refinance its loan facilities in BNII and/or its plan to sell its La Maison en bloc project is finalized, hence, easing its liquidity.

Established in 1983, DART is a property development company particularly for office and high-rise residential buildings. As of March 31, 2017, its shareholders were PT Duta Anggada (44.9%), Bank of Singapore Ltd (19.7%), Crystal Development Pte Ltd (17.6%), UOB Kay Hian Finance Ltd. (8.9%), and the public (8.9%).

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