

**PT City Retail Developments Tbk**

**Company Rating** *ir***BBB+/Stable**

**Rated Issue**

MTN City Retail Developments I Tahun 2021

*ir***BBB+**

"Debt Securities with *ir***BBB** rating has an adequate level of certainty to honor its 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 the rating scale above it.

**Rating Period**

December 2, 2024 – December 1, 2025

**Rating History**

November, 2023

*ir***BBB+/Stable**

November, 2022

*ir***BBB+/Stable**

December, 2021

*ir***BBB+/Stable**

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

Kredit Rating Indonesia (KRI) affirms a Company Rating of '*ir*BBB+' for PT City Retail Developments Tbk ("NIRO" or the "Company") with a 'Stable' outlook. At the same time, KRI has affirmed '*ir*BBB+' to NIRO's MTN City Retail Developments I Tahun 2021 totaling IDR750 Bn which has been used for business expansion. The ratings still reflect the Company's strategy of expanding its number of properties. However, the ratings are still constrained by the Company's weak cash flow protection and aggressive capital structure.

Established in 2003, the Company is one of the Indonesian property companies with a focus on mall type of properties, and the Company already has 31 operating malls and 5 hotels scattered throughout Indonesia. NIRO's total revenue during January – September 30, 2024 reached IDR951 Bn (+13% YoY) as the Company opened 1 new mall, Citimall Garut in 1Q2024. Going forward, the Company will diversify its business to logistic business to grab online business market. NIRO plans to build warehouses and currently has 4 warehouses under construction and targeted to be opened at 4Q2024 for 3 warehouses and 1Q2025 for 1 warehouse. KRI view positively in the projected warehouses as it is located at strategic location and supported by experienced team that has customer base. Furthermore, warehouses are projected to generate higher margin than mall as its costs will be more efficient and its contracts are longer. NIRO's EBITDA margin of 25.4% in 9M2024 and it is projected increasing to 31% in FY24F and 40% in FY25F as the Company will open warehouses.

However, the ratings are constrained by the Company's weak cash flow protection measure as its interest coverage ratios have remained under 1.0x since 2019. The ratings are also limited by the Company's capital structure with adjusted DER already stood at 3.3x as of September 30, 2024.

The Company's shareholder ownership composition as of September 30, 2024, was PT Orion Global Development (75.25%) and the Public (24.75%).

## NIRO Financial Result Highlights (Consolidated)

As of/For the years ended	Sep 2024 (Unaudited)	Dec 2023 (Audited)	Dec 2022 (Audited)	Dec 2021 (Audited)
Total Adjusted Assets (IDR, Bn)	13,695.8	13,558.8	12,901.7	11,662.0
Total Adjusted Debt (IDR, Bn)	6,729.5	6,120.0	5,742.1	4,479.2
Total Adjusted Equity (IDR, Bn)	2,040.7	2,070.8	2,138.4	2,307.2
Total Sales (IDR, Bn)	951.3	1,145.5	908.5	732.7
Net Income (IDR, Bn)	(155.8)	(312.8)	(355.5)	(164.1)
EBITDA Margin (%)	25.4	23.8	23.8	23.4
EBIT Margin (%)	23.5	22.0	21.5	20.3
EBITDA/Adjusted Debt (x)	0.1	0.0	0.0	0.0
Adjusted Debt/Adjusted Equity (x)	3.3	3.0	2.7	1.9
FFO/Adjusted Debt (%)	0.0	(0.0)	(0.0)	0.1
EBITDA/IFCCI (x)	0.6	0.4	0.4	0.6
USD Exchange Rate (IDR/USD)	15,138	15,416	14,269	14,105

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