Press Release
February 9, 2021

PT Integra Indocabinet Tbk

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CREDIT PROFILE

Corporate Rating *idA-/Stable*

Rated Issues
Proposed Shelf-Registered Bond I/2021 *idA-*
Proposed Shelf-Registered Sukuk Mudharabah I/2021 *idA-(sy)*

Rating Period
December 1, 2020 – December 1, 2021

Rating History
July 2020 *idA-/Stable*
May 2020 *idBBB+/Stable*

FINANCIAL HIGHLIGHTS

As of/for the year ended	Aug-2020 (Audited)	Dec-2019 (Audited)	Dec-2018 (Audited)	Dec-2017 (Audited)
Total adjusted assets [IDR bn]	5,679.8	5,515.4	4,588.5	3,843.0
Total adjusted debt [IDR bn]	2,427.3	2,452.3	1,832.5	1,427.4
Total adjusted equity [IDR bn]	2,880.7	2,703.6	2,450.0	1,912.6
Total sales [IDR bn]	1,623.8	2,136.3	2,101.5	1,734.7
EBITDA [IDR bn]	423.5	592.1	561.3	444.2
Net income after MI [IDR bn]	162.1	217.5	239.3	173.5
EBITDA margin [%]	26.1	27.7	26.7	25.6
Adjusted debt/EBITDA [X]	*3.8	4.1	3.3	3.2
Adjusted debt/adjusted equity [X]	0.8	0.9	0.7	0.7
FFO/adjusted debt [%]	*12.8	11.9	16.7	16.7
EBITDA/IFCCI [X]	2.6	2.7	3.4	3.2
USD exchange rate [IDR/USD]	14,554	13,901	14,481	13,548

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 assigns "idA-" rating to PT Integra Indocabinet Tbk's proposed Shelf-Registered Bond and "idA-(sy)" rating for its Shelf-Registered Sukuk Mudharabah

PEFINDO has assigned its **"idA-"** rating to the proposed Shelf-Registered Bond I/2021 of PT Integra Indocabinet Tbk (WOOD) of a maximum of IDR700 billion and **"idA-(sy)"** rating for its proposed Shelf-Registered Sukuk Mudharabah I/2021 of a maximum of IDR300 billion. The proceeds from the Bond and Sukuk will be used to refinance its debt (60%) and finance its working capital needs (40%). At the same time, PEFINDO has affirmed WOOD's corporate rating at **"idA-"**. The outlook for the corporate rating is **"stable"**.

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

Suffix (sy) = The rating indicates Islamic principles compliant.

The rating reflects WOOD's strong market position in the wood furniture manufacturing business, vertically well integrated operations, and stable profitability margins. The rating is constrained by its high working capital needs, moderate capital structure, as well as the tight competition in the global furniture business and the Company's exposure to global furniture demand.

The rating may be raised if WOOD further strengthens its business profile as reflected in the growth of its revenue and profitability margin, along with sustained improvements in its capital structure and cash flow protection measures. On the other hand, the rating may be lowered if the Company's revenue and/or EBITDA falls significantly short of the targets, and /or if it incurs more debt than projected, which will worsen its capital structure and cash flow protection measures. A prolonged COVID-19 pandemic may also affect the demand for WOOD's products, which will disrupt its business operations, thereby potentially triggering a rating downgrade.

WOOD, established in 1989, manufactures various types of wood-related products, such as furniture and building components. Its products are mainly exported (80%), while the remainder distributed locally. It has four production facilities, all located in East Java. As of August 31, 2020, its shareholders consisted of PT Integra Indo Lestari (68.16%), PT Trimegah Sekuritas Indonesia Tbk (7.67%), Mr. Hendro Rusli (0.01%), and the public (24.16%).

PEFINDO
CREDIT RATING AGENCY

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