

PT Perkebunan Nusantara X

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Dec-2021	Dec-2020	Dec-2019	Dec-2018	
		(Unaudited)	(Audited)	(Audited)	(Audited)	
Corporate Rating	<i>idBBB/Stable</i>	Total adjusted assets [in IDR Bn]	13,920.0	12,431.0	12,142.7	12,418.4
Rated Issues		Total adjusted debt [in IDR Bn]	1,831.3	1,816.6	1,992.4	2,279.4
<i>MTN 2018</i>	<i>idBBB</i>	Total adjusted equity [in IDR Bn]	10,496.2	9,054.3	8,563.1	8,405.9
Rating Period		Total adjusted sales [in IDR Bn]	2,177.8	2,487.9	2,619.1	2,597.5
<i>February 7, 2022 – February 1, 2023</i>		EBITDA [in IDR Bn]	222.4	244.1	529.9	536.7
Rating History		Net income after MI [in IDR Bn]	47.7	45.4	107.9	104.8
JUL 2021	<i>idBBB/Stable</i>	EBITDA margin [%]	10.2	9.8	20.2	20.7
FEB 2021	<i>idBBB+/Negative</i>	Adjusted debt to EBITDA [X]	8.2	7.4	3.8	4.2
AUG 2020	<i>idBBB+/Stable</i>	Adjusted debt to adjusted equity [X]	0.2	0.2	0.2	0.3
FEB 2020	<i>idBBB+/Stable</i>	FFO to adjusted debt [%]	12.8	4.5	13.4	12.2
2017 - 2019	<i>idBBB/Stable</i>	EBITDA to IFCCI [X]	1.4	1.3	2.4	2.2
2015 - 2016	<i>idBBB+/Stable</i>	USD Exchange Rate in IDR	14,278	14,105	13,901	14,481
DEC 2014	<i>idBBB+/Negative</i>					
AUG 2014	<i>idA/Negative</i>					
APR 2014	<i>idA+/Stable</i>					
APR 2013	<i>idA+/Stable</i>					

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

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.

"idBBB" rating for PT Perkebunan Nusantara X

PEFINDO has affirmed "idBBB" ratings for PT Perkebunan Nusantara X (PPNX) and its Medium-Term Notes (MTN) Year 2018. The outlook for the corporate rating is "stable".

An obligor rated idBBB has an adequate capacity to meet its long-term financial commitments relative to those of other Indonesian obligors. However, adverse economic conditions or changing circumstances are more likely to weaken its capacity to meet its financial commitments.

The rating reflects its vertically integrated operations in addition to relatively stable domestic demand for white sugar. The rating is constrained by the Company's aggressive financial profile and limited financial flexibility, high dependence on farmers' sugarcane supply, and exposure to the fluctuations of product prices and unfavorable weather.

The rating may be raised if PPNX shows improvements in its operational and financial indicators on a sustained basis. We may lower the rating if the limitation to access external funding leads to the disruption of PPNX capacity to finance its operational activities or repay its financial obligations. A higher debt incurred and/or financial profile deterioration due to weaker-than-expected cash flow and/or profitability, stemming from a significant worsening performance of its core businesses well as a decline in commodity prices may also trigger a rating downgrade.

Located in East Java, PPNX is a vertically integrated plantation company engaged in the short-lived crops industries (sugar, edamame, and tobacco) and producing downstream products through a bioethanol plant. It processes sugarcane in its nine sugarcane mills with its by-product, molasses, as a feedstock to its bioethanol plant. At the end of 2021, it managed a total plantation area of 44,967 hectares (ha) of sugarcane plantations (including those owned by farmers) and 601 ha of tobacco plantations. As of December 31, 2021, it was 90.0% owned by PTPN and 10.0% by the Indonesian government.

DISCLAIMER

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.