

PT Indah Kiat Pulp and Paper Tbk

Credit Rating(s)

General Obligation (GO) idA+/Stable
 SR Bond I Phase IV Series B idA+

Rating Period

January 19, 2024 – March 23, 2024

Published Rating History

JUL 2023 idA+/Stable
 MAR 2023 idA+/Stable
 JUL 2022 idA+/Positive
 APR 2022 idA+/Positive
 JUN 2021 idA+/Stable

PEFINDO has affirmed its “idA+” rating to PT Indah Kiat Pulp and Paper Tbk (INKP)’s maturing Shelf Registered Bond I Phase IV Year 2021 Series B of IDR1.9 trillion due on **March 23, 2024**. The Company plans to repay its maturing bond using internal fund. As of September 30, 2023, it had cash and equivalents of USD1.58 billion.

INKP is the leading pulp and paper manufacturer, not just in Indonesia but across the world. Operating since 1976, it produces pulp, cultural and industrial paper, packaging, and tissue products. It has mills in Tangerang and Serang in West Java, and in Perawang, Riau, in Sumatra. As of September 30, 2023, it was majority owned by PT Purinusa Ekapersada (53.25%), and the remaining shares were held by the public (46.75%).

Rating Definition

Debt security rated idA indicates that the issuer’s capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian issuers, is strong. However, the issuer’s capacity is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated issuers. The plus (+) sign indicates that the rating is relatively strong within its category.

Financial Highlights

As of/for the year ended	Sep-2023 (Unaudited)	Dec-2022 (Audited)	Dec-2021 (Audited)	Dec-2020 (Audited)
Total adjusted assets [USD mn]	10,055.4	9,640.7	8,978.4	8,496.3
Total adjusted debt [USD mn]	3,522.0	3,356.4	3,568.7	3,660.4
Total adjusted equity [USD mn]	5,908.7	5,605.2	4,764.9	4,256.7
Total sales [USD mn]	2,687.1	4,002.6	3,516.6	2,986.0
EBITDA [USD mn]	795.7	1,395.4	1,139.2	813.8
Net income after MI [USD mn]	320.8	857.5	527.1	294.1
EBITDA margin [%]	29.6	34.9	32.4	27.3
Adjusted debt/EBITDA [X]	*3.3	2.4	3.1	4.5
Adjusted debt/adjusted equity [X]	0.6	0.6	0.7	0.9
FFO/adjusted debt [%]	*18.7	28.4	21.6	15.0
EBITDA/IFCCI [X]	3.5	5.5	4.5	3.9
USD exchange rate [IDR/USD]	15,526	15,731	14,269	14,105

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

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