

PT Lontar Papyrus Pulp & Paper Industry

Credit Rating(s)

General Obligation (GO)	idA/ Positive
Sukuk Mudharabah I/2018	idA ^(sy)
Shelf Registered Bond I/2021	idA
Shelf Registered Bond II/2023	idA

Rating Period

July 11, 2023 – September 11, 2023

Published Rating History

MAR 2023	idA/ Positive
JAN 2023	idA/ Positive
SEP 2022	idA/ Positive
SEP 2021	idA/Stable
JUL 2021	idA/Stable

PEFINDO has affirmed its “idA” rating to PT Lontar Papyrus Pulp & Paper Industry (LPPI)’s Shelf Registered Bond I/2022 Phase III Serie A of IDR281.89 billion due on September 11, 2023. The Company will repay the maturing debt instruments using funds from the proceeds of its corporate action plans. As of March 31, 2023, it had cash and equivalents of USD360 million.

LPPI is a pulp and tissue manufacturer, member of the Asia Pulp and Paper (APP) group, a leading pulp and paper product manufacturer in the global market. Commencing operation in 1976, LPPI is a 99.92% owned subsidiary of PT Pindo Deli Pulp and Paper Mills, which holds a significant role in the production of paper and tissue in Indonesia. LPPI’s production facility is located in Tebing Tinggi, Jambi.

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.

Suffix (sy) means the rating indicates Islamic principles compliant.

Financial Highlights

As of/for the year ended	Mar-2023 (Unaudited)	Dec-2022 (Audited)	Dec-2021 (Audited)	Dec-2020 (Audited)
Total adjusted assets [USD mn]	2,293.3	2,262.9	2,069.4	2,009.8
Total adjusted debt [USD mn]	739.9	756.7	735.6	835.4
Total adjusted equity [USD mn]	1,384.2	1,342.9	1,184.2	1,035.8
Total sales [USD mn]	192.5	656.0	548.7	526.9
EBITDA [USD mn]	91.8	327.5	246.6	184.0
Net income after MI [USD mn]	39.0	228.2	148.4	20.2
EBITDA margin [%]	47.7	49.9	44.9%	34.9
Adjusted debt/EBITDA [X]	*2.0	2.3	3.0	4.5
Adjusted debt/adjusted equity [X]	0.5	0.6	0.6	0.8
FFO/adjusted debt [%]	*38.1	29.5	23.1%	13.7
EBITDA/IFCCI [X]	6.7	6.6	5.4	3.3
USD exchange rate [IDR/USD]	15,062	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 been reclassified according to PEFINDO’s definitions.

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