

## PT Oki Pulp and Paper Mills

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<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>				
		<b>Sep-2021</b>	<b>Dec-2020</b>	<b>Dec-2019</b>	<b>Dec-2018</b>	
		(Audited)	(Audited)	(Audited)	(Audited)	
<b>Corporate Rating</b>	<i>idA+/Stable</i>	Total Adjusted Assets [USD Mn]	5,730.7	5,203.2	5,061.4	4,660.5
<b>Rated Issues</b>		Total Adjusted Debt [USD Mn]	2,626.5	2,395.4	2,403.7	2,192.4
<i>Bond I/2021</i>	<i>idA+</i>	Total Adjusted Equity [USD Mn]	2,812.5	2,528.8	2,399.3	2,169.1
<i>Sukuk I/2021</i>	<i>idA+(sy)</i>	Total Sales [USD Mn]	1,122.9	1,398.1	1,573.9	1,301.3
<b>Rating Period</b>		EBITDA [USD Mn]	558.9	627.0	836.1	814.5
<i>December 21, 2021 - December 1, 2022</i>		Net Income after MI [USD Mn]	319.2	297.7	449.5	469.2
<b>Rating History</b>		EBITDA Margin [%]	49.8	44.8	53.1	62.6
<i>MAR 2021</i>	<i>idA+/Stable</i>	Adjusted Debt/EBITDA [X]	*3.5	3.8	2.9	2.7
		Adjusted Debt/Adjusted Equity [X]	0.9	0.9	1.0	1.0
		FFO/Adjusted Debt [%]	*22.1	19.0	27.4	29.4
		EBITDA/IFCCI [X]	4.5	3.6	4.7	4.8
		USD Exchange Rate [IDR/USD]	14,307	14,105	13,901	14,481

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.

### PT Oki Pulp and Paper Mills rated “*idA+*” with stable outlook

PEFINDO has affirmed its “*idA+*” ratings for PT OKI Pulp and Paper Mills (OPPM) and its Bond Oki Pulp & Paper Mills I Year 2021 of IDR3.0 trillion, and “*idA+(sy)*” rating for its Sukuk Mudharabah Oki Pulp & Paper Mills I Year 2021 of IDR1.0 trillion. 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, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. The plus (+) sign indicates that the rating is relatively strong within its category.

Suffix (sy) indicates the rating mandates Islamic principles compliance.

The corporate rating reflects OPPM's very strong market position in the pulp and tissue industry, good vertically integrated operations, and strong profit margins. The rating is constrained by its exposure to price volatility of products and raw materials, and high working capital needs.

The rating may be raised if OPPM exceeds its projected revenue growth and strengthens its profit margins while improving its financial profile to a conservative level. The rating may be lowered if its financial profile deteriorates as a result of weaker revenue and/or profitability, or if it incurs higher debt than anticipated due to significant capital expenditure (capex). We will also closely monitor the effect of Coronavirus Disease (COVID-19) pandemic on its business operations and/or financial profile over the near to medium term, particularly for any significant disruption in cash flow generation, which may lower the rating.

OPPM is a member of the Asia Pulp and Paper (APP) group, a leading pulp and paper products manufacturer in the global market. Its mills are located in Ogan Komering Ilir (South Sumatera). As of September 30, 2021, its shareholders consisted of PT Pindo Deli Pulp and Paper Mills (49.08%), PT Pabrik Kertas Tjiwi Kimia Tbk (49.08%), and PT Muba Green Indonesia (1.84%).

**DISCLAIMER**

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