

## PT Pupuk Sriwidjaja Palembang

### Credit Rating(s)

General Obligation (GO)

idAAA/Stable

### Rating Period

May 3, 2024 – May 1, 2025

### Published Rating History

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PEFINDO assigns idAAA rating for PT Pupuk Sriwidjaja Palembang (Pusri) with stable outlook. The rating is mainly driven by the very strong likelihood of support from PT Pupuk Indonesia (Persero) (PIHC, rated idAAA with stable outlook) as the parent company. The Company's standalone credit profile reflects Pusri's very strong market position in the domestic fertilizer industry and its integrated operation. However, the rating is constrained by its exposure to volatility of commodity prices as well as moderate capital structure and cash flow protection measures.

The rating may be lowered if Pusri aggressively finances its expansion with substantially larger debt than projected, without a corresponding improvement in business performance. Any unfavorable change in the subsidy scheme and the distribution area for subsidized fertilizer that represents lower support from PIHC, and significantly lower-than anticipated global fertilizer prices will also put pressure on the Company's rating. Any rating change of the Parent may also trigger similar rating action to Pusri.

Pusri is considered one of the largest urea producers in the country with significant production capacities and sufficient supporting facilities. Located in Palembang, South Sumatra, it has four urea plants with a total annual capacity of 2.3 million tons, four ammonia plants with a total annual capacity of 1.5 million tons, and two Nitrogen-Phosphorus-Potassium (NPK) plants with a total capacity of 300 thousand tons. It also manages ports and warehouses to support its production and distribution processes. As of March 31, 2024, it was 99.9% owned by PIHC.

### Rating Definition

An obligor rated idAAA has a superior capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, adverse economic conditions or changing circumstances are more likely to weaken its capacity to meet its financial commitments.

### Financial Highlights

As of/for the year ended	Dec-2023 (Audited)	Dec-2022 (Audited)	Dec-2021 (Audited)	Dec-2020 (Audited)
Total Adjusted Assets [IDR Bn]	27,180.2	25,703.0	23,922.8	24,553.6
Total Adjusted Debt [IDR Bn]	5,426.8	4,964.5	6,458.2	8,346.2
Total Adjusted Equity [IDR Bn]	18,280.1	17,505.3	14,718.7	13,898.4
Total Revenue [IDR Bn]	13,371.7	15,787.5	12,480.6	10,718.0
EBITDA [IDR Bn]	2,494.1	4,637.5	2,454.8	1,837.2
Net Income after MI [IDR Bn]	1,199.0	2,655.5	912.7	293.4
EBITDA Margin [%]	18.7	29.4	19.7	17.1
Adjusted Debt/EBITDA [X]	2.2	1.1	2.6	4.5
Adjusted Debt/Adjusted Equity [X]	0.3	0.3	0.4	0.6
FFO/Adjusted Debt [%]	34.2	69.9	29.3	13.7
EBITDA/IFCCI [X]	5.9	11.5	4.7	2.4
USD exchange rate [IDR/USD]	15,416	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

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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