

## PT Pabrik Gula Rajawali I

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<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>			
		<b>As of/for the year ended</b>			
		<b>Mar-2021</b>	<b>Dec-2020</b>	<b>Dec-2019</b>	<b>Dec-2018</b>
		(Unaudited)	(Audited)	(Audited)	(Audited)
<b>Corporate Rating</b>	<i>idBBB/Stable</i>	1,450.1	1,978.4	1,410.6	1,394.3
<b>Rated Issues</b>		558.1	497.7	493.0	489.0
-		494.9	491.4	548.4	459.4
<b>Rating Period</b>		636.2	1,566.9	2,218.7	769.5
<i>June 2, 2021 – April 1, 2022</i>		14.4	145.5	306.5	213.9
<b>Rating History</b>		(7.8)	26.8	141.5	67.9
<i>APR 2021</i>	<i>idBBB-/C.W. Negative</i>	2.3	9.3	13.8	27.8
<i>MAR 2021</i>	<i>idBBB+/Negative</i>	*9.7	3.4	1.6	2.3
<i>DEC 2020</i>	<i>idBBB+/Negative</i>	1.1	1.0	0.9	1.1
<i>APR 2020</i>	<i>idBBB+/Negative</i>	*9.4	20.2	44.6	31.3
<i>APR 2019</i>	<i>idA-/Stable</i>	8.7	2.9	5.9	5.3
<i>APR 2018</i>	<i>idA-/Stable</i>	14,229	14,105	13,901	14,481
<i>APR 2016</i>	<i>idA/Stable</i>	<i>FFO = EBITDA – IFCCI + Interest Income – Current Tax Expense</i> <i>EBITDA = Operating Profit + Depreciation Expense + Amortization Expense</i> <i>IFCCI = Gross Interest Expense + Other Financial Charges + Capitalized Interest; (FX Loss not included)</i> <i>MI = Minority Interest * Annualized</i> <i>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.</i>			

### PT Pabrik Gula Rajawali I raised to "idBBB", outlook revised to "Stable"

PEFINDO has raised the ratings for PT Pabrik Gula Rajawali I (PGRI) to "idBBB" from "idBBB-". At the same time, we also revised the outlook of PGRI's corporate rating to "Stable" from "CreditWatch with Negative Implication". The rating action reflects our lower degree of concern on the short-term refinancing risk, following PGRI's capability to successfully repay its maturing MTN I PT PG Rajawali I Year 2018 Serie A of IDR250 billion on May 17, 2021 and MTN I PT PG Rajawali I Year 2018 Serie B of IDR250 billion on May 31, 2021 using bank refinancing loans facility. We also expect PGRI's better financial performance as it plans to re-implement initial revenue sharing system instead of current sugarcane purchase system that may lower its operating cost resulting better cash flow generation and profitability margin improvement.

The rating may be raised if PGRI significantly improves its operational and financial indicators on a sustained basis. On the other hand, the rating may be lowered if PGRI experiences higher debt realization and/or financial profile deterioration due to weaker-than-expected cash flow or profitability, stemming from weaker-than-expected business performance and a decline in sugar price.

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 corporate rating reflects PGRI's vertically integrated operations, stable domestic demand for white sugar, and moderate cash flow protection measures and liquidity. The rating is constrained by its high dependency on farmers' sugarcane supply and exposure to the fluctuation of sugar price and unfavorable weather conditions.

PGRI is a subsidiary of PT Rajawali Nusantara Indonesia (Persero) engaged in sugarcane production and processing. Established in 1995 following the merger of two sugar mills in East Java – Kretet Baru in Malang and Rejo Agung in Madiun – PGRI has production facilities with a respective capacity of 12,300 and 5,800 tons of cane per day (TCD), catering to 29,136 hectares (ha) of sugarcane plantations, mostly owned by local farmers. As of March 31, 2021, PGRI was owned by PT Rajawali Nusantara Indonesia (Persero) (99.999%) and PT Rajawali Nusindo (0.001%).

**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.*