

PT OKI Pulp & Paper Mills

Credit Rating(s)

General Obligation (GO) idA+/Stable
Bond II / 2022 idA+

Rating Period

February 7, 2023 – April 10, 2023

Published Rating History

DEC 2022 idA+/Stable
DEC 2021 idA+/Stable
MAR 2021 idA+/Stable

PEFINDO has affirmed its idA+ rating to PT OKI Pulp & Paper Mills (OPPM)'s Bond II Serie A Year 2022 of IDR1,319 billion due on April 10, 2023. The Company plans to use its internal cash and cash equivalent to repay its maturing Bond. As of September 30, 2022, OPPM had cash and cash equivalent of USD223.7 million.

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, 2022, 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%).

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-2022 (Unaudited)	Dec-2021 (Audited)	Dec-2020 (Audited)	Dec-2019 (Audited)
Total adjusted assets [USD bn]	6,181.2	5,717.2	5,203.2	5,061.4
Total adjusted debt [USD bn]	2,521.3	2,510.3	2,395.4	2,403.7
Total adjusted equity [USD bn]	3,398.5	2,835.7	2,528.8	2,399.3
Total sales [USD bn]	1,336.2	1,536.7	1,398.1	1,573.9
EBITDA [USD bn]	728.7	776.7	627.0	836.1
Net income after MI [USD bn]	563.8	449.7	297.7	449.5
EBITDA margin [%]	54.5	50.5	44.8	53.1
Adjusted debt/EBITDA [X]	*2.6	3.2	3.8	2.9
Adjusted debt/adjusted equity [X]	0.7	0.9	0.9	1.0
FFO/adjusted debt [%]	*31.1	24.2	19.0	27.4
EBITDA/IFCCI [X]	5.2	4.5	3.6	4.7
USD exchange rate [IDR/USD]	15,247	14,269	14,105	13,901

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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