PEFINDO
CREDIT RATING AGENCY

Rating Summary

December 12, 2022

PT Integra Indocabinet Tbk

Credit Rating

General Obligation (GO)	idA/Stable
SR Bond I	idA
SR Sukuk Mudharabah I	idA(sy)

Rating Period

December 8, 2022 – December 1, 2023

Published Rating History

DEC 2021	idA/Stable
DEC 2020	idA-/Stable
JUL 2020	idA-/Stable
MAY 2020	idBBB+/Stable

PEFINDO has affirmed its "idA" rating to PT Integra Indocabinet Tbk (WOOD) and its Shelf-Registered Bond I. At the same fime, PEFINDO has also affirmed its dA(sy) rating for WOOD's Shelf-Registered Sukuk Mudharabah I. Outlook for the corporate rating is "stable".

The rating reflects WOOD's strong market position in the wood furniture manufacturing business, diversified products offering of wood-related products, and stable profitability margins. The rating is constrained by its high working capital needs, moderate capital structure, and tight competition in the global furniture business and the Company's exposure to global furniture demand.

The rating may be raised if WOOD further strengthens its business profile as reflected in the sustainable growth of its revenue and profitability margin, along with more conservative capital structure and stronger cash flow protection measures. On the other hand, the rating may be lowered if the Company's revenue and/or EBITDA falls significantly short of the targets, and/or if it incurs more debt than projected, which will worsen its capital structure and cash flow protection measures.

WOOD, established in 1989, manufactures various types of wood-related products, such as furniture and building components. Its products are mainly exported (80 – 95%), while the remainder distributed locally. It has four production facilities, all located in East Java. As of September 30, 2022, its shareholders consisted of PT Integra Indo Lestari (71.05%) and the public (28.95%).

Rating Definition

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.
Suffix (sy) indicates Islamic principles compliant.

Financial Highlights

As of/for the year ended	Sep-2022 (Unaudited)	Dec-2021 (Audited)	Dec-2020 (Audited)	Dec-2019 (Audited)
Total adjusted assets [IDR bn]	7,178.0	6,801.0	5,856.8	5,518.9
Total adjusted debt [IDR bn]	2,962.4	2,665.3	2,460.7	2,452.3
Total adjusted equity [IDR bn]	3,875.2	3,642.5	2,959.9	2,700.9
Total sales [IDR bn]	3,894.9	5,416.3	2,929.4	2,136.3
EBITDA [IDR bn]	596.1	1,059.4	758.5	592.0
Net income after MI [IDR bn]	300.7	544.8	337.3	217.5
EBITDA margin [%]	15.3	19.6	25.9	27.7
Adjusted debt/EBITDA [X]	*3.7	2.5	3.2	4.1
Adjusted debt/adjusted equity [X]	0.8	0.7	0.8	0.9
FFO/adjusted debt [%]	*14.8	24.1	16.9	11.9
EBITDA/IFCCI [X]	3.3	4.2	3.2	2.7
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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