

## PT Indah Kiat Pulp and Paper Tbk

### Credit Rating(s)

SR Bond IV Phase I Series A

idA+

### Rating Period

May 20, 2024 – July 21, 2024

### Published Rating History

JUL 2023	idA+/Stable
MAR 2023	idA+/Stable
JUL 2022	idA+/Positive
APR 2022	idA+/Positive
JUN 2021	idA+/Stable

PT Indah Kiat Pulp and Paper Tbk (INKP)'s debt instrument will mature in the near term:

- Shelf Registered Bond IV Phase I Year 2023 Series A (IDR333.55 billion, rated idA+, due on July 21, 2024)

The Company plans to repay its maturing bond using internal fund. As of December 31, 2023, it had cash and equivalents of USD1.4 billion.

INKP is the leading pulp and paper manufacturer, not just in Indonesia but across the world. Operating since 1976, it produces pulp, cultural and industrial paper, packaging, and tissue products. It has mills in Tangerang and Serang in Banten, and in Perawang, Riau, in Sumatra. As of December 31, 2023, it was majority owned by PT Purinusda Ekapersada (53.25%), and the remaining shares were held by the public (46.75%).

### 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	Dec-2023 (Audited)	Dec-2022 (Audited)	Dec-2021 (Audited)	Dec-2020 (Audited)
Total adjusted assets [USD mn]	10,125.1	9,640.7	8,978.4	8,496.3
Total adjusted debt [USD mn]	3,456.1	3,356.4	3,568.7	3,660.4
Total adjusted equity [USD mn]	6,000.1	5,605.2	4,764.9	4,256.7
Total sales [USD mn]	3,479.0	4,002.6	3,516.6	2,986.0
EBITDA [USD mn]	1,022.1	1,395.4	1,139.2	813.8
Net income after MI [USD mn]	411.4	857.5	527.1	294.1
EBITDA margin [%]	29.4	34.9	32.4	27.3
Adjusted debt/EBITDA [X]	3.4	2.4	3.1	4.5
Adjusted debt/adjusted equity [X]	0.6	0.6	0.7	0.9
FFO/adjusted debt [%]	18.5	28.4	21.6	15.0
EBITDA/IFCCI [X]	3.4	5.5	4.5	3.9
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

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