

PT Impack Pratama Industri Tbk

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Jun-2021	Dec-2020	Dec-2019	Dec-2018	
		(Unaudited)	(Audited)	(Audited)	(Audited)	
Corporate Rating	<i>idA-/Stable</i>	Total Adjusted Assets [IDR Bn]	2,549.2	2,514.4	2,322.1	2,216.0
Rated Issues		Total Adjusted Debt [IDR Bn]	714.0	777.0	754.5	727.6
<i>Bond I/2016</i>	<i>idA-</i>	Total Adjusted Equity [IDR Bn]	1,337.4	1,283.2	1,229.3	1,218.0
Rating Period		Total Sales [IDR Bn]	1,057.8	1,797.5	1,495.8	1,395.3
<i>September 9, 2021 – September 1, 2022</i>		EBITDA [IDR Bn]	216.7	324.2	281.6	216.4
Rating History		Net Income after MI [IDR Bn]	103.9	125.1	103.7	86.4
<i>SEP 2020</i>	<i>idA-/Stable</i>	EBITDA Margin [%]	20.5	18.0	18.8	15.5
<i>SEP 2019</i>	<i>idA-/Stable</i>	Adjusted Debt/EBITDA [X]	*1.6	2.4	2.7	3.4
<i>SEP 2018</i>	<i>idA-/Negative</i>	Adjusted Debt/Adjusted Equity [X]	0.5	0.6	0.6	0.6
<i>SEP 2017</i>	<i>idA-/Stable</i>	FFO/Adjusted Debt [%]	*41.8	26.9	23.0	18.2
<i>SEP 2016</i>	<i>idA-/Stable</i>	EBITDA/IFCCI [X]	8.6	4.9	4.0	3.0
		USD Exchange Rate [IDR/USD]	14,496	14,105	13,901	14,481

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.

PT Impack Pratama Industri Tbk rated "idA-" with stable outlook

PEFINDO has affirmed its "idA-" ratings for PT Impack Pratama Industri Tbk (IMPC) and its Bond I/2016. The outlook for the corporate rating is "stable". The Company plans to repay its maturing Bond I Year 2016 Serie B of IDR100.0 billion that will mature on December 2, 2021 using bank loans.

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. The minus (-) sign indicates that the rating is relatively weak within its category.

The corporate rating reflects IMPC's strong market position in the polycarbonate roofing products industry, its extensive distribution network, and favorable diversification profile. However, the ratings are constrained by exposure to property sector, high real estate inventory, and exposure to raw material price and rupiah depreciation.

The rating may be raised if IMPC books significantly higher EBITDA than projected and better performance from the real estate business while also maintaining a conservative capital structure on sustained basis. The rating could be lowered if it generates a lower profit margin caused by increasing raw material prices, and/or price competition, and rupiah depreciation, which would weaken its credit profile. The rating may also be under pressure if it incurs higher debt than expected without adequate income generation, reflected by a debt to EBITDA ratio of more than 3.5x and a funds from operation (FFO) to debt ratio of less than 14%. We are of the view that the Covid-19 pandemic has had a manageable impact on IMPC, as it can still operate its factories by complying with Covid-19 protocols, although we also note the impact to its business from stores closing during total lockdown in its overseas factory or delayed of project-based revenue.

Commencing its operations in 1982, IMPC manufactures and distributes plastic building materials in Indonesia, Vietnam, New Zealand, Malaysia, and Australia. It provides roofing products: polycarbonate, vinyl, vinyl composite, and fiber reinforced polyester products; aluminum composite panels; sealants; packaging products; PVC compounds; polymer resins and pipes. It also distributes plastic roofing sheets, adhesives, carpets, and toilet cubicles, and is involved in the development of properties, including the Altira Office Tower and Altira Office Park in North Jakarta. It performed an initial public offering in December 2014. As of June 30, 2021, its shareholders were PT Harimas Tunggal Perkasa (44.4%), PT Tunggal Jaya Investama (45.6%), Hariyanto Tjiptodihardjo (1.7%), and others including the public (8.3%).

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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.