

## PT Indah Kiat Pulp and Paper Tbk

### Credit Rating(s)

SR Bond IV Phase III Series A	<sup>id</sup> A+
SR Sukuk III Phase III Series A	<sup>id</sup> A+( <sup>sy</sup> )
SR USD Bond I Phase II Series A	<sup>id</sup> A+
SR Sukuk I Phase II Series B	<sup>id</sup> A+( <sup>sy</sup> )
SR Bond II Phase II Series B	<sup>id</sup> A+

### Rating Period

September 3, 2024 – December 1, 2024
September 3, 2024 – December 2, 2024
September 3, 2024 – December 8, 2024

### Published Rating History

JUL 2024	<sup>id</sup> A+/Stable
JUL 2023	<sup>id</sup> A+/Stable
MAR 2023	<sup>id</sup> A+/Stable
JUL 2022	<sup>id</sup> A+/Positive
APR 2022	<sup>id</sup> A+/Positive

### Rating Definition

Debt security rated <sup>id</sup>A 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.

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

- Shelf Registered Bond IV Phase III Year 2023 Series A (amounting to IDR16.89 billion, rated <sup>id</sup>A+, due on December 1, 2024)
- Shelf Registered Sukuk Mudharabah III Phase III Year 2023 Series A (IDR87.21 billion, <sup>id</sup>A+(<sup>sy</sup>), December 1, 2024)
- Shelf Registered USD Bond I Phase II Year 2023 Series A (USD251 thousand, <sup>id</sup>A+, December 2, 2024)
- Shelf Registered Sukuk Mudharabah I Phase II Year 2021 Series B (IDR304.53 billion, <sup>id</sup>A+(<sup>sy</sup>), December 8, 2024)
- Shelf Registered Bond II Phase II Year 2021 Series B (IDR876.81 billion, <sup>id</sup>A+, December 8, 2024)

The Company plans to repay its maturing bond and sukuk using internal fund. As of June 30, 2024, it had cash and cash equivalents of USD1.5 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 June 30, 2024, it was majority owned by PT APP Purinusa Ekapersada (56.57%), and the remaining shares were held by the public (43.43%).

### Financial Highlights

As of/for the year ended	Jun-2023 (Unaudited)	Dec-2023 (Audited)	Dec-2022 (Audited)	Dec-2021 (Audited)
Total adjusted assets [USD mn]	10,816.8	10,125.1	9,640.7	8,978.4
Total adjusted debt [USD mn]	3,848.9	3,456.1	3,356.4	3,568.7
Total adjusted equity [USD mn]	6,262.9	6,000.1	5,605.2	4,764.9
Total sales [USD mn]	1,602.8	3,479.0	4,002.6	3,516.6
EBITDA [USD mn]	482.5	1,022.1	1,395.4	1,139.2
Net income after MI [USD mn]	278.8	411.4	857.5	527.1
EBITDA margin [%]	30.1	29.4	34.9	32.4
Adjusted debt/EBITDA [X]	*4.0	3.4	2.4	3.1
Adjusted debt/adjusted equity [X]	0.6	0.6	0.6	0.7
FFO/adjusted debt [%]	*15.4	18.5	28.4	21.6
EBITDA/IFCCI [X]	3.4	3.4	5.5	4.5
USD exchange rate [IDR/USD]	16,421	15,416	15,731	14,269

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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