

PT Arkora Hydro Tbk

Credit Rating

Green Bond I/2023

idA+(pg)

Rating Period

March 10, 2026 – March 1, 2027

Published Rating History

MAR 2025

idA+(pg)

MAR 2024

idA(pg)

APR 2023

idA(pg)

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. Suffix (pg) means the rating incorporates security in the form of partial guarantee.

PEFINDO affirmed its idA+(pg) rating for PT Arkora Hydro Tbk (ARKO)'s Green Bond I Year 2023. The debt instrument is partially guaranteed by PT Indonesia Infrastructure Finance (IIF, idAAA/stable) that covers a minimum 75% of the principal amount on a pro rata basis, the quarterly coupon payments at a minimum 200%, and any late payment fee for coupon payments and/or any other penalty fees due of a minimum of IDR7.0 billion. The guaranteed amount may gradually decrease in accordance with the maturity of each bond series, and the amount to be maintained on a pro rata basis is equal to 75% of the principal amount and the quarterly coupon amount.

The instrument rating mainly reflects unconditional and irrevocable partial guarantee from IIF, in addition to ARKO's key credit profile, which includes its good operating management, strong financial flexibility, benefits from the government's commitment to expanding the renewable energy supply, although it is constrained by ARKO's moderate position as a mini-hydro independent power producer (IPP), its aggressive financial profile, and exposure to the hydrological conditions.

Any significant change in ARKO's credit profile or credit enhancement structure in its guaranteed bond may trigger similar rating action to its debt instrument.

ARKO develops and operates mini hydro power plant projects. The Company also has an affiliated company providing construction services for its projects and operation and maintenance (O&M) services. As of December 31, 2025, its shareholders consisted of PT Arkora Bakti Indonesia (41.89%), PT Energia Prima Nusantara (26.55%), part of PT United Tractors Tbk (UNTR), ACEI Singapore Holdings Private Ltd (4.58%), Aldo Henry Artoko (0.16%), Arya Pradana Setiadharna (0.06%), and the public of 26.76%.

As a guarantor, IIF is a private non-bank financial institution focusing on investing in commercially feasible infrastructure projects. It provides long-term, fund-based products, such as senior loans, mezzanine finance, and equity participations, in addition to non-fund-based products, such as guarantees and fee-based services. Its shareholders consisted of PT Sarana Multi Infrastruktur (Persero) (SMI, 44.99%), International Finance Corporation (IFC, 15.71%), Asian Development Bank (ADB, 15.71%), Deutsche Investitions-und Entwicklungsgesellschaft mbH (DEG, 11.88%), and Sumitomo Mitsui Banking Corporation (SMBC, 11.71%) as of December 31, 2025.

Contact Analysts:

faizun.muhtada@pefindo.co.id

adib.yasa@pefindo.co.id

Financial Highlights

As of/for the year ended	Dec-2025	Dec-2024	Dec-2023	Dec-2022
Consolidated Figure	(Audited)	(Audited)	(Audited)	(Audited)
Total adjusted assets [IDR bn]	1,598.1	1,223.1	1,079.8	904.4
Total adjusted debt [IDR bn]	1,047.0	739.9	569.1	451.9
Total adjusted equity [IDR bn]	417.8	355.4	360.1	356.4
Total sales [IDR bn]	441.6	322.3	240.5	296.1
EBITDA [IDR bn]	129.6	96.7	116.6	154.4
Net income after MI [IDR bn]	74.0	41.8	39.1	52.7
EBITDA margin [%]	29.4	30.0	48.5	52.1
Adjusted debt/EBITDA [X]	8.1	7.6	4.9	2.9
Adjusted debt/adjusted equity [X]	2.5	2.1	1.6	1.3
FFO/adjusted debt [%]	5.3	7.2	8.9	16.9
EBITDA/IFCCI [X]	1.7	1.5	2.4	3.0
USD exchange rate [IDR/USD]	16,782	16,162	15,416	15,731

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.

DISCLAIMER

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.