

PT Chandra Asri Pacific Tbk

Credit Rating(s)

General Obligation (GO)	idAA-/Stable
SR Bond I	idAA-
SR Bond II	idAA-
SR Bond III	idAA-
SR Bond IV	idAA-

Rating Period

May 14, 2024 – May 1, 2025

Published Rating History

MAY 2023	idAA-/Stable
MAY 2022	idAA-/Stable
JUN 2021	idAA-/Stable
JUN 2020	idAA-/Negative
OCT 2019	idAA-/Stable

Rating Definition

A debt security rated idAA differs from the highest rated debt only to a small degree. The obligor's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian obligors, is very strong. The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

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PEFINDO has affirmed its idAA- ratings for PT Chandra Asri Pacific Tbk (TPIA) and its outstanding bonds. Outlook for the corporate rating is stable. The rating reflects our view of TPIA's leading position in the domestic petrochemical industry that is supported by synergies with its strategic partners, vertically integrated operations with satisfactory supporting facilities, and strong liquidity with very strong financial flexibility. However, its sensitivity to industry cyclicalities and risks related to the expansion of new projects constrain its rating.

The rating may be raised if we view that TPIA's business profile significantly strengthens and provides better product and market diversification that can mitigate the margins volatility, as well as improve its financial profile. However, the rating may be lowered if we view that there is a persistent deterioration in its financial profile due to weaker than expected profit margins because of rising feedstock prices or declining product prices. This may be resulted from a weaker than anticipated demand for petrochemical products, especially in the domestic market where it focuses on or higher than expected feedstock price. The rating may also be under pressure if TPIA undertakes higher than projected debt-funded expansion, resulting in a more aggressive capital structure. Our rating has not incorporated TPIA's strategy by signing Sales and Purchase Agreement with Shell Singapore Pte. Ltd. (SSPL) to acquire all its interest in the Shell Energy and Chemicals Park Singapore (SECP).

TPIA is an integrated petrochemical producer and infrastructure company. The Company provides olefins, polyolefin, styrene monomer, butadiene, methyl-tertiary-butyl-ether (MTBE), and butene-1. It owns the only naphtha cracker, styrene monomer, butadiene, MTBE, and butene-1 plants in the country. TPIA is also the sole distributor of electricity within 2,666 hectares in Cilegon, owns 120 megawatts (MW) combined cycle power plant, 5,000 liters per second (lps) water treatment, two jetties, and 72 tanks with total capacity of 130 million liters. Its petrochemical facilities include a naphtha cracker with a total production capacity of 2,138 kilo tons per annum (KTA), a polyethylene plant with 736 KTA capacity, a styrene monomer plant with 340 KTA capacity, a polypropylene plant with 590 KTA capacity, a butadiene plant with 137 KTA capacity, an MTBE plant with 128 KTA capacity, and a butene-1 plant with 43 KTA capacity. As of March 31, 2024, it was owned by PT Barito Pacific Tbk (34.63%), SCG Chemicals Co Ltd (30.57%), PT Top Investment Indonesia (15.00%), Prajogo Pangestu (6.05%), Marigold Resources Pte Ltd (3.92%), Erwin Ciputra (0.16%), and the public (9.67%).

Financial Highlights

As of/for the year ended	Mar-2024	Dec-2023	Dec-2022	Dec-2021
Consolidated Figure	(Unaudited)	(Audited)	(Audited)	(Audited)
Total adjusted assets [USD mn]	5.369,7	5.611,6	4.929.9	4.993.1
Total adjusted debt [USD mn]	1.877,7	1.740,7	1.471.1	1,076.4
Total adjusted equity [USD mn]	2.957,7	2.991,1	2,809.1	2,927.7
Total sales [USD mn]	471,9	2.159,9	2,384.6	2,580.4
EBITDA [USD mn]	(2,1)	84,8	(18.7)	353.0
Net income after MI [USD mn]	(33,1)	(33,5)	(149.5)	152.1
EBITDA margin [%]	(0,4)	3,9	(0.8)	13.7
Adjusted debt/EBITDA [X]	(221,6)	20,5	(78.6)	3.0
Adjusted debt/adjusted equity [X]	0,6	0,6	0.5	0.4
FFO/adjusted debt [%]	(9,4)	(3,0)	(6.7)	22.7
EBITDA/IFCCI [X]	(0,1)	0,6	(0.2)	5.4
USD exchange rate [IDR/USD]	15.853	15.439	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

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

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