

PT OKI Pulp & Paper Mills

Credit Rating(s)

General Obligation (GO)	idA+/Stable
Bond I	idA+
Sukuk I	idA+(sy)
Bond II	idA+
Sukuk II	idA+(sy)
Bond III	idA+

Rating Period

September 19, 2023 – November 14, 2023

Published Rating History

JUN 2023	idA+/Stable
AUG 2022	idA+/Stable
DEC 2021	idA+/Stable
MAR 2021	idA+/Stable
MAR 2019	idA+/Stable

PEFINDO has affirmed its "idA+" rating for PT OKI Pulp and Paper Mills (OPPM)'s Maturing Bond III Year 2022 Series A of IDR305.6 billion and "idA+(sy)" rating for its Sukuk Mudharabah II Year 2022 Series A of IDR627 billion due on November 14, 2023. The Company plans to repay its maturing Bond and Sukuk using internal funds. As of June 30, 2023, it had cash and equivalents of USD388.5 million.

OPPM is a member of the Asia Pulp and Paper (APP) group, a leading pulp and paper products manufacturer in the global market. Its mills are located in Ogan Komering Ilir (South Sumatera). As of June 30, 2023, its shareholders consisted of PT Pindo Deli Pulp and Paper Mills (49.08%), PT Pabrik Kertas Tjiwi Kimia Tbk (49.08%), and PT Muba Green Indonesia (1.84%).

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 (sy) indicates the rating mandates Islamic principles compliance.

Financial Highlights

As of/for the year ended	Jun-2023	Dec-2022	Dec-2021	Dec-2020
Consolidated Figure	(Limited Review)	(Audited)	(Audited)	(Audited)
Total adjusted assets [IDR bn]	6,739.3	6,497.4	5,717.2	5,203.2
Total adjusted debt [IDR bn]	2,707.5	2,649.9	2,510.3	2,395.4
Total adjusted equity [IDR bn]	3,790.9	3,623.7	2,835.7	2,385.9
Total sales [IDR bn]	929.7	1,815.3	1,536.7	1,398.1
EBITDA [IDR bn]	479.0	990.5	776.7	627.0
Net income after MI [IDR bn]	166.3	789.7	449.7	297.7
EBITDA margin [%]	51.5	54.6	50.5	44.8
Adjusted debt/EBITDA [X]	*2.8	2.7	3.2	3.8
Adjusted debt/adjusted equity [X]	0.7	0.7	0.9	1.0
FFO/adjusted debt [%]	*25.9	29.9	24.2	19.0
EBITDA/IFCCI [X]	3.6	4.9	4.5	3.6
USD exchange rate [IDR/USD]	15,026	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 been reclassified according to PEFINDO's definitions.

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