

## PT LONTAR PYPYRUS PULP & PAPER INDUSTRY

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<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>	<b>Jun-2020</b>	<b>Dec-2019</b>	<b>Dec-2018</b>	<b>Dec-2017</b>
			(Un-audited)	(Audited)	(Audited)	(Audited)
<b>Corporate Rating</b>	<i>idA/Stable</i>	Total Adjusted Assets [USD Mn]	2,230.7	2,204.6	1,997.5	1,820.9
<b>Rated Issues</b>		Total Adjusted Debt [USD Mn]	955.4	993.8	935.6	800.3
<i>MTN I/2017</i>	<i>idA</i>	Total Adjusted Equity [USD Mn]	1,106.1	1,063.9	924.3	887.5
		Total Sales [USD Mn]	276.6	637.2	643.0	584.1
<b>Rating Period</b>		EBITDA [USD Mn]	104.5	239.7	281.3	206.1
<i>August 18, 2020 – October 20, 2020</i>		Net Income after MI [USD Mn]	74.3	163.0	120.8	101.3
		EBITDA Margin [%]	37.8	37.6	43.7	35.3
<b>Rating History</b>		Adjusted Debt/EBITDA [X]	*4.6	4.1	3.3	3.9
<i>JUL 2020</i>	<i>idA/Stable</i>	Adjusted Debt/Adjusted Equity [X]	0.9	0.9	1.0	0.9
<i>JUL 2019</i>	<i>idA+/Negative</i>	FFO/Adjusted Debt [%]	*13.9	17.2	22.2	21.1
<i>JUL 2018</i>	<i>idA+/Stable</i>	EBITDA/IFCCI [X]	3.5	6.2	6.7	8.6
<i>APR 2018</i>	<i>idA/Stable</i>	USD Exchange Rate [IDR/USD]	14,302	13,901	14,481	13,548
<i>OCT 2017</i>	<i>idA/Stable</i>					

*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 Lontar Papyrus Pulp & Paper Industry's maturing MTN rated "idA"

PEFINDO has affirmed its "idA" rating for PT Lontar Papyrus Pulp & Paper Industry's (LPPI) Medium-Term Notes (MTN) I/2017 of IDR 1 trillion maturing on October 20, 2020. LPPI plans to repay the maturing MTN with its cash and cash equivalent, and short-term investment. The Company had cash and cash equivalent of USD58 million and short-term investment of USD364 million as of June 30, 2020.

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.

LPPI is a pulp and tissue manufacturer that is a member of Asian Pulp and Paper (APP) group, a leading pulp and paper product manufacturer in the global market. Operating since 1976, LPPI is a subsidiary of PT Pindo Deli Pulp and Paper Mills, which holds a significant role in the production of paper and tissue in Indonesia. It has a production facility in Tebing Tinggi in Jambi, Sumatra. As of June 30, 2020, it was 99.9% owned by PT Pindo Deli Pulp and Paper Mills, which is also a part of the Sinar Mas Group.

**DISCLAIMER**

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