

PT PG Rajawali I

Credit Rating(s)

General Obligation (GO) idBBB+/Stable

Rating Period

May 31, 2024 – May 1, 2025

Published Rating History

JUN 2021 idBBB/Stable
 APR 2021 idBBB-/C.W. Negative
 MAR 2021 idBBB+/Negative

PEFINDO has assigned its idBBB+ rating with stable outlook to PT PG Rajawali I (PGRI).

The corporate rating reflects PGRI's vertically integrated operation, stable domestic demand for white sugar, and moderate financial profile. The rating is constrained by the Company's high dependence on farmers' sugarcane supply as well as exposure to the fluctuation of sugar price and unfavorable weather conditions.

The rating may be raised if PGRI significantly improves its operational and financial indicators on a sustained basis. The rating may be lowered if the Company incurs higher debt realization or experiences financial profile deterioration due to weaker-than-expected cash flow or profitability, stemming from weaker business performance and a decline in sugar price.

Established in 1995 following the merger of two sugar mills (Krebet Baru in Malang and Rejo Agung Baru in Madiun), PGRI is engaged in sugar production and sugarcane processing, a member of the holding of state-owned food enterprises (ID Food). PGRI has production facilities with a respective capacity of 12,300 and 5,800 tons of cane per day (TCD), catering to 29,136 hectares (ha) of sugarcane plantations, mostly owned by local farmers. As of December 31, 2023, PGRI was owned by PT Rajawali Nusantara Indonesia (Persero) (99.999%) and PT Rajawali Nusindo (0.001%).

Rating Definition

An obligor rated idBBB has an adequate capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, adverse economic conditions or changing circumstances are more likely to weaken its capacity to meet its financial commitments. The plus (+) sign indicates that the rating is relatively strong within its category.

Financial Highlights

As of/for the year ended	Dec-2023 (Audited)	Dec-2022 (Audited)	Dec-2021 (Audited)	Dec-2020 (Audited)
Total Adjusted Assets [IDR Bn]	1,596.5	1,540.2	1,339.1	1,978.4
Total Adjusted Debt [IDR Bn]	591.7	632.1	506.1	497.7
Total Adjusted Equity [IDR Bn]	600.3	522.4	500.2	491.4
Total Revenue [IDR Bn]	2,599.6	2,573.9	2,997.0	1,566.9
EBITDA [IDR Bn]	261.7	136.0	129.6	145.5
Net Income after MI [IDR Bn]	102.9	32.6	15.3	26.8
EBITDA Margin [%]	10.1	5.3	4.3	9.3
Adjusted Debt/EBITDA [X]	2.3	4.6	3.9	3.4
Adjusted Debt/Adjusted Equity [X]	1.0	1.2	1.0	1.0
FFO/Adjusted Debt [%]	32.8	12.9	14.0	20.2
EBITDA/IFCCI [X]	4.9	2.4	2.2	2.9
USD exchange rate [IDR/USD]	15,416	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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