PEFINDO
CREDIT RATING AGENCY

Rating Summary

17 April 2024

PT Integra Indocabinet Tbk

Credit Ratings

General Obligation (GO)	idA-/Stable
SR Bond I	idA-
SR Sukuk Mudharabah I	idA-(sy)

Rating Period

April 16, 2024 – December 1, 2024

Published Rating History

DEC 2023	idA-/Negative
DEC 2022	idA/Stable
DEC 2021	idA/Stable
DEC 2020	idA-/Stable

PEFINDO has revised the outlook for PT Integra Indocabinet Tbk (WOOD)'s corporate rating to stable from negative. The rating action reflects our view on the Company's liquidity relief following the repayment of its maturing shelf-registered (SR) Bond I Phase I/2021 series B of IDR407.82 billion and SR Sukuk Mudharabah I Phase I/2021 series B of IDR97.5 billion due on April 14, 2024. PEFINDO has affirmed its idA- rating for WOOD and its outstanding SR Bond I, as well as its idA-(sy) rating for its SR Sukuk Mudharabah I.

The rating reflects WOOD's strong market position, diversified products offering, and stable profit margins. The rating is constrained by its moderate financial profile, as well as exposure to tight competition and the US economic fluctuation.

The rating may be raised if WOOD further strengthens its business profile as reflected in the sustainable growth of its revenue and improvement in profit margin, along with a more conservative capital structure and stronger cash flow protection measures. The rating may be lowered if its revenue and EBITDA falls significantly short of the targets, and if it incurs more debt than projected, which may deteriorate its capital structure and cash flow protection measures.

WOOD was established in 1989 and engaged in manufacturing various types of wood-related products, such as furniture and building components. More than 80% of its products are mainly exported while the remainders are distributed locally. It has four production facilities, all located in East Java. As of December 31, 2023, its shareholders consisted of PT Integra Indo Lestari (71.05%) and the public (28.95%).

Rating Definition

Debt security rated idA indicates that the obligor's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian obligors, is strong, however, the debt security is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated debt. The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

Suffix (sy) indicates Islamic principles compliant.

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]	7,662.9	6,956.3	6,801.0	5,856.8
Total adjusted debt [IDR bn]	3,076.5	2,977.6	2,665.3	2,460.7
Total adjusted equity [IDR bn]	4,311.9	3,760.6	3,642.5	2,959.9
Total sales [IDR bn]	2,186.0	4,526.7	5,416.3	2,929.4
EBITDA [IDR bn]	443.5	528.5	1,059.4	758.5
Net income after MI [IDR bn]	97.0	177.6	544.8	337.3
EBITDA margin [%]	20.3	11.7	19.6	25.9
Adjusted debt/EBITDA [X]	6.9	5.6	2.5	3.2
Adjusted debt/adjusted equity [X]	0.7	0.8	0.7	0.8
FFO/adjusted debt [%]	5.3	7.4	24.1	16.9
EBITDA/IFCCI [X]	1.8	2.1	4.2	3.2
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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