Press Release
December 8, 2021

PT Integra Indocabinet Tbk

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CREDIT PROFILE

Corporate Rating	*idA/Stable*
Rated Issues	
Shelf-Reg Bond I/2021	*idA*
Shelf-Reg Sukuk Mudharabah I/2021	*idA(sy)*
Rating Period	
December 6, 2021 – December 1, 2022	
Rating History	
DEC 2020	*idA-/Stable*
JUL 2020	*idA-/Stable*
MAY 2020	*idBBB+/Stable*

FINANCIAL HIGHLIGHTS

As of/for the year ended	Sep-2021 (Unaudited)	Dec-2020 (Audited)	Dec-2019 (Audited)	Dec-2018 (Audited)
Total adjusted assets [IDR bn]	6,477.2	5,949.0	5,518.9	4,588.5
Total adjusted debt [IDR bn]	2,575.7	2,473.3	2,452.3	1,832.5
Total adjusted equity [IDR bn]	3,429.4	3,029.8	2,700.9	2,450.0
Total sales [IDR bn]	3,521.0	2,968.6	2,136.3	2,101.5
EBITDA [IDR bn]	708.8	733.4	592.0	561.3
Net income after MI [IDR bn]	356.0	314.0	217.5	239.3
EBITDA margin [%]	20.1	24.7	27.7	26.7
Adjusted debt/EBITDA [X]	*2.7	3.4	4.1	3.3
Adjusted debt/adjusted equity [X]	0.8	0.8	0.9	0.7
FFO/adjusted debt [%]	*21.7	15.5	11.9	16.7
EBITDA/IFCCI [X]	3.9	3.0	2.7	3.4
USD exchange rate [IDR/USD]	14,307	14,105	13,901	14,481

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 Integra Indocabinet Tbk rated "idA" with stable outlook

PEFINDO has raised the ratings for PT Integra Indocabinet Tbk (WOOD) and its Shelf-Registered Bond I/2021 to **"idA"** from **"idA-"**. At the same time, we also raised the rating of its Shelf-Registered Sukuk Mudharabah I/2021 from **"idA(sy)"** from **"idA-(sy)"**. The rating upgrade reflects our expectation of WOOD's improving credit profile, particularly better capital structure and cash flow protection measures ratios, which is triggered by continuous improvement of its revenue and income generation in the future amid intense competition in the industry. The outlook for the corporate rating is **"stable"**.

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.

Suffix (sy) indicates Islamic principles compliant.

The rating reflects WOOD's strong market position in the wood furniture manufacturing business, vertically well integrated operations, and stable profit margins. The rating is constrained by its high working capital needs, moderate capital structure, as well as the tight competition in the global furniture business and the Company's exposure to global furniture demand.

The rating may be raised if WOOD further strengthens its business profile as reflected in the sustainable growth of its revenue and profitability margin, along with more conservative capital structure and stronger cash flow protection measures. On the other hand, the rating may be lowered if the Company's revenue and/or EBITDA falls significantly short of the targets, and /or if it incurs more debt than projected, which will worsen its capital structure and cash flow protection measures.

WOOD, established in 1989, manufactures various types of wood-related products, such as furniture and building components. Its products are mainly exported (80%), while the remainder distributed locally. It has four production facilities, all located in East Java. As of September 30, 2021, its shareholders consisted of PT Integra Indo Lestari (71.89%) and the public (28.11%).

PEFINDO
CREDIT RATING AGENCY

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