

PT Kapuas Prima Coal Tbk

Credit Rating(s)

General Obligation (GO) ^{id}CCC/C.W.Neg.
Bond I/2018 ^{id}CCC

Rating Period

December 21, 2023 – March 21, 2024

Published Rating History

OCT 2023	^{id} BBB/Stable
OCT 2022	^{id} BBB/Positive
OCT 2021	^{id} BBB/Positive
OCT 2020	^{id} BBB/Stable
OCT 2019	^{id} BBB/Stable

PEFINDO has lowered the rating of PT Kapuas Prima Coal Tbk (ZINC) and its Bond I/2018 to ^{id}CCC from ^{id}BBB. Outlook for the corporate rating is revised to "CreditWatch with negative implication". The rating actions follow ZINC's inability in repaying its maturing bond principal of IDR23.0 billion due on December 21, 2023. ZINC is currently in the process to obtain approval to extend the remedial period for the matured bond settlement.

The Company's failure in resolving the matured bonds before the end of remedial period will result in further rating downgrade. PEFINDO may revisit ZINC's rating if the Company successfully resolves its bond restructuring process.

Established in 2005, ZINC engaged in exploration and production activities for industrial metals, including zinc (Zn), lead (Pb), silver (Ag), and iron ore (Fe). The Company currently operates three block of underground pits named Gossan, Karim, and Ruwai in Lamandau, Central Kalimantan. Publicly listed 2017, its shareholders as of September 30, 2023 were Sim Anthony (14.42%), Kioe Nata (12.33%), Budimulio Utomo (10.15%), PT Sarana Inti Selaras (9.78%), Haroen Soedjatmiko (9.57%), Wiliam (9.16%), and the public (34.59%).

Rating Definition

An obligor rated ^{id}CCC is currently vulnerable, and is dependent upon favorable business and financial conditions to meet its financial commitments.

Debt security rated ^{id}CCC is currently vulnerable to non-payment, and is dependent upon favorable business and financial conditions for the issuer to meet its long-term financial commitments on the debt security.

Financial Highlights

As of/for the year ended	Sep-2023	Dec-2022	Dec-2021	Dec-2020
Consolidated Figure	(Unaudited)	(Audited)	(Audited)	(Audited)
Total adjusted assets [IDR bn]	2.582,2	2.463,9	2.046,4	1.378,4
Total adjusted debt [IDR bn]	1.558,6	1.527,9	1.043,1	402,1
Total adjusted equity [IDR bn]	768,2	761,1	875,3	797,7
Total sales [IDR bn]	372,7	717,3	838,8	608,1
EBITDA [IDR bn]	67,5	117,7	195,8	133,1
Net income after MI [IDR bn]	11,2	(103,0)	79,9	31,1
EBITDA margin [%]	18,1	16,4	23,3	21,9
Adjusted debt/EBITDA [X]	*17,3	13,0	5,3	3,0
Adjusted debt/adjusted equity [X]	2,0	2,0	1,2	0,5
FFO/adjusted debt [%]	*(1,5)	1,2	10,7	20,4
EBITDA/IFCCI [X]	0,9	1,0	2,8	2,8
USD exchange rate [IDR/USD]	15.526	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
*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.

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