

PT IMPACK PRATAMA INDUSTRI Tbk

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CREDIT PROFILE

Corporate Rating	<i>idA-/Stable</i>
Rated Issues	
<i>Bond I/2016</i>	<i>idA-</i>
Rating Period	
<i>September 4, 2020 – September 1, 2021</i>	
Rating History	
<i>SEP 2019</i>	<i>idA-/Stable</i>
<i>SEP 2018</i>	<i>idA-/Negative</i>
<i>SEP 2017</i>	<i>idA-/Stable</i>
<i>SEP 2016</i>	<i>idA-/Stable</i>

FINANCIAL HIGHLIGHTS

As of/for the year ended	Jun-2020	Dec-2019	Dec-2018	Dec-2017
	(Unaudited)	(Audited)	(Audited)	(Audited)
Total Adjusted Assets [IDR Bn]	2,460.6	2,322.1	2,216.0	2,156.2
Total Adjusted Debt [IDR Bn]	862.3	754.5	727.6	724.2
Total Adjusted Equity [IDR Bn]	1,250.1	1,229.3	1,218.0	1,150.5
Total Sales [IDR Bn]	768.1	1,495.8	1,395.3	1,193.1
EBITDA [IDR Bn]	129.0	281.6	216.4	212.9
Net Income after MI [IDR Bn]	29.4	103.7	86.4	87.3
EBITDA Margin [%]	16.8	18.8	15.5	17.8
Adjusted Debt/EBITDA [X]	*3.3	2.7	3.4	3.4
Adjusted Debt/Adjusted Equity [X]	0.7	0.6	0.6	0.6
FFO/Adjusted Debt [%]	*17.4	23.0	18.2	18.3
EBITDA/IFCCI [X]	3.7	4.0	3.0	2.8
USD Exchange Rate [IDR/USD]	14,302	13,901	14,481	13,548

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 Impack Pratama Industri Tbk rated at “*idA-*” with “*stable*” outlook

PEFINDO has affirmed its “*idA-*” ratings for PT Impack Pratama Industry Tbk (IMPC) and its Bond I/2016. 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, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. The minus (-) sign indicates that the rating is relatively weak within its category.

The corporate rating reflects IMPC’s strong market position in the polycarbonate roofing products industry, its extensive distribution network, and favorable diversification profile. However, the rating is constrained by high dependency on the property sector, high real estate inventory, and exposure to raw material price and rupiah depreciation.

We view the Coronavirus Disease (COVID-19) has a manageable impact to IMPC as the Company can still operate their factories by complying the COVID-19 protocol. The impact of the pandemic to IMPC’s financial figures could also be controlled in line with the Company’s strategy to focus in retail and export market. The rating may be raised if IMPC could adequately reduce its exposure to depreciating Indonesian Rupiah, which can be done through successful natural hedge strategy, better performance from real estate business, and thus improving its income generation and profitability margin. PEFINDO may lower the rating if IMPC generates lower profitability margin caused by increasing price of raw material, and/or price competition, depreciation of IDR and thus causing its credit profile to be weakened. The rating may also come under pressure if it incurs higher debt than expected, without adequate income generation, reflected by Debt to EBITDA ratio of more than 3.5x and FFO to Debt ratio of less than 14%.

Starting commercial operations in 1982, IMPC manufactures and distributes plastic building materials in Indonesia, Vietnam, New Zealand, Malaysia, and Australia. It provides various roofing products: polycarbonate, vinyl, vinyl composite, and fiber reinforced polyester products; aluminum composite panels; sealants; packaging products; PVC Compound; polymer resins and pipes. It also distributes roofing sheets of plastic, adhesives, carpets, and toilet cubicle and is involved in the development of properties. Its property projects include office tower (Altira Office Tower) and office park (Altira Office Park) which are located in North Jakarta area. IMPC performed an initial public offering in December 2014. As of June 30, 2020, its shareholders were PT Harimas Tunggal Perkasa (44.2%), PT Tunggal Jaya Investama (45.6%), Hariyanto Tjiptodihardjo (1.7%), and others including public (8.5%).

DISCLAIMER

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.