

PT Chandra Asri Petrochemical Tbk

Credit Rating(s)

General Obligation (GO) idAA-/Stable
SR Bond I Phase II/2018 Seri B idAA-

Rating Period

November 9, 2022 – March 1, 2023

Published Rating History

MAY 2022	idAA-/Stable
JUN 2021	idAA-/Stable
JUN 2020	idAA-/Negative
OCT 2019	idAA-/Stable

Rating Definition

A debt security rated idAA differs from the highest rated debt only to a small degree. The obligor's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian obligors, is very strong. The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

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PEFINDO has affirmed its idAA- rating for PT Chandra Asri Petrochemical Tbk (TPIA)'s Shelf Registered (SR) Bond I Phase II Year 2018 Serie B maturing on March 1, 2023. TPIA plans to fully repay its maturing bonds of IDR100.0 billion with internal cash. As of September 30, 2022, it had cash and time deposits of USD1.14 billion. The Company's strong liquidity pool of USD2.3 billion, including unused proceeds of USD1.1 billion from right issue for the development of the second petrochemical complex and unused committed credit facility of USD0,3 billion, has provided cushion for operating loss in the first nine months of 2022 (9M2022) despite 3.5% YoY revenue growth during the said period. This unfavorable performance was mainly driven by subdued global demand of petrochemical products, particularly from China, combined with surging feedstock price amid heightened geopolitical tension of Russia-Ukraine war.

TPIA is an integrated petrochemical producer, providing olefins, polyolefin, styrene monomer, butadiene, methyl-tertiary-butyl-ether (MTBE), and butene-1. It owns the only naphtha cracker, styrene monomer, butadiene, MTBE, and butene-1 plants in the country. Its production facilities include a naphtha cracker with a total production capacity of 2,138 kilo tons per annum (KTA), a polyethylene plant with 736 KTA capacity, a styrene monomer plant with 340 KTA capacity, a polypropylene plant with 590 KTA capacity, a butadiene plant with 137 KTA capacity, a MTBE plant with 128 KTA capacity, and a butene-1 plant with 43 KTA capacity. As of September 30, 2022, it was owned by PT Barito Pacific Tbk (34.6%), SCG Chemicals Co Ltd (30.6%), PT Top Investment Indonesia (15.0%), Prajogo Pangestu (7.8%), Marigold Resources Pte Ltd (3.9%), and the public (8.1%).

Financial Highlights

As of/for the year ended	Sep-2022	Mar-2022	Dec-2021	Dec-2020
Consolidated Figure	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Total adjusted assets [USD mn]	4,815.3	4,968.4	4,993.1	3,593.7
Total adjusted debt [USD mn]	1,456.3	1,510.8	1,076.4	844.3
Total adjusted equity [USD mn]	2,843.7	2,915.9	2,927.7	1,811.4
Total sales [USD mn]	1,947.8	677.7	2,580.4	1,806.4
EBITDA [USD mn]	(12.4)	21.9	353.0	183.1
Net income after MI [USD mn]	(111.5)	(11.2)	152.1	51.4
EBITDA margin [%]	(0.6)	3.2	13.7	10.1
Adjusted debt/EBITDA [X]	*(88.2)	*17.2	3.0	4.6
Adjusted debt/adjusted equity [X]	0.5	0.5	0.4	0.5
FFO/adjusted debt [%]	*(5.4)	*1.4	22.7	14.0
EBITDA/IFCCI [X]	(0.2)	1.3	5.4	2.8
USD exchange rate [IDR/USD]	15,247	14,349	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.

DISCLAIMER

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