

PEFINDO assigned “**idA**” rating for PT PG Rajawali I

PEFINDO has assigned its “**idA**” rating to PT PG Rajawali I (PGR1). The corporate rating outlook is “**stable**”. The rating reflects the Company’s good productivity in the industry, its vertically integrated operations, and conservative capital structure. However, the rating is constrained by a high dependency on sugar cane supply from farmers and exposure to sugar price fluctuations and unfavorable weather.

PGR1, a subsidiary of PT Rajawali Nusantara Indonesia, is engaged in the sugarcane plantation and processing industry. Established as a result of the merger of two sugar mills in East Java, Kreet Baru in Malang and Rejo Agung in Madiun, in 1995, it has production facilities with respective capacities of 12,000 and 6,000 tons cane per day (TCD). Those facilities cater to its 25,953-hectare (ha) sugarcane plantation, which is dominated by local farmers. As of December 2015, it was owned by PT Rajawali Nusantara Indonesia (99.998%) and PT Rajawali Nusindo (0.002%).

Rating Period: April 21, 2016 – April 1, 2017
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