

PT Wahana Interfood Nusantara Tbk

Company rating

*ir*BBB+/Stable

Rated Issues

Medium Term Notes
Wahana Interfood Nusantara

*ir*BBB+

"Debt Securities with *ir*BBB rating have an adequate level of certainty to honor its financial obligations. However, this certainty is more likely to diminish in the future than with the higher rating categories".

Rating Period

March 30, 2023 – April 1, 2024

The positive sign (+) indicates that the rating given is closer to the rating scale above it.

Rating History

April, 2022

*ir*BBB+/Stable

Kredit Rating Indonesia assigns '*ir*BBB+' rating to MTN Wahana Interfood Nusantara amounting to IDR200 Bn

Kredit Rating Indonesia (KRI) affirms a Company Rating of '*ir*BBB+' with 'Stable' outlook for PT Wahana Interfood Nusantara Tbk ("COCO" or "the Company"). At the same time, KRI affirmed '*ir*BBB+' rating to COCO's Medium Term Notes Wahana Interfood Nusantara amounting to IDR200 billion which has been used for business expansion. The ratings reflect COCO's stable revenue stream and strong support from the shareholders. The ratings of COCO are strained by its small market position and weak cash flow protection.

COCO was established in 2006 as the Company produces a premium quality of cocoa and chocolate. Compared to its competitors, only COCO that can process cocoa beans to become the main raw material for cocoa powder, compound and couverture products. COCO's products are mostly sold through a business-to-business scheme, therefore most of the Company's products are sold based on the sales contracts to the customers, which ties the minimum sales volume, price, and sales period. Given this, we see that the Company has a stable revenue stream and is expected to increase afterward after the new factory that will be operated in 3Q2023. COCO also receives support from its shareholders as proved by several assets being pledged to secure bank loans for the Company. The shareholders also provided a shareholder loan that amounted to IDR 18.0 billion in 2020.

However, compared to its rated peers, the Company's position in the market is relatively low, as revenues hovered at around IDR157.6 billion – IDR276.0 billion during FY18-FY22 periods. Else, the Company's capacity on making interest repayment was also weak as the interest coverage ratio was only 2.0x as of September 30, 2022, stable since FY20.

The ratings can be increased if COCO manages to secure better market position and sustainably proves a better cash flow protection. On the other hand, the rating pressure may come from its aggressive expansion plan if such plan is financed with debt that is substantially larger than projected, without being compensated by improving business performance.

The Company's shareholder ownership composition as of September 30, 2022, was Mahogany Global Investment Pte Ltd (61.12%), Inter Jaya Corpora (5.42%), and public (33.46%).

COCO Financial Results Highlights (Consolidated)

As of/For the year ended	Sep 2022 (Unaudited)	Dec 2021 (Audited)	Dec 2020 (Audited)	Dec 2019 (Audited)
Total Adjusted Assets (IDR, Bn)	440.9	370.7	263.8	250.4
Total Adjusted Debt (IDR, Bn)	194.1	129.7	125.5	90.8
Total Adjusted Equity (IDR, Bn)	202.6	218.8	112.1	109.4
Total Sales (IDR, Bn)	211.6	224.4	171.2	216.2
Net Income (IDR, Bn)	4.6	8.5	2.7	9.0
EBITDA Margin (%)	6.2	11.1	12.2	12.6
EBIT Margin (%)	6.2	11.1	9.2	10.5
EBITDA/Adjusted Debt (x)	0.1	0.2	0.2	0.3
Adjusted Debt/Adjusted Equity (x)	1.0	0.6	1.1	0.8
FFO/Adjusted Debt (%)	0.1	0.1	0.3	0.0
EBITDA/IFCCI (x)	2.0	1.8	1.7	2.2
USD Exchange Rate (IDR/USD)	15,247	14,269	13,901	14,481

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