

PT Pindo Deli Pulp and Paper Mills

Company Rating *irAA-/Stable*

Rated Issues

Obligasi III Pindo Deli Pulp and Paper Mills Tahun 2023 *irAA-*
Sukuk Mudharabah II Pindo Deli Pulp and Paper Mills Tahun 2023 *irAA-*
MTN Pindo Deli Pulp and Paper Mills I Tahun 2023 *irAA-*
Medium Term Notes IV Tahun 2019 *irAA-*

“Debt Securities with *irAA* rating only slightly lower than the highest rating. The Obligor has a very high capability in fulfilling its financial obligations.”

The minus sign (-) indicates that the rating is still higher than the rating category below, although it is closer to the lower rating than it is to the higher rating category.

Rating Period

April 1, 2024 – April 1, 2025

Rating History

October, 2023 *irAA-/Stable*
 April, 2023 *irAA-/Stable*
 January, 2023 *irAA-/Stable*
 December, 2022 *irAA-/Stable*
 November, 2021 *irAA-/Stable*
 November, 2020 *irAA-/Stable*
 December, 2019 *irAA-/Stable*

Kredit Rating Indonesia affirms ‘*irAA-*’ rating to Obligasi III Pindo Deli Pulp and Paper Mills Tahun 2023 amounting to IDR3,000,000,000,000,-, Sukuk Mudharabah II Pindo Deli Pulp and Paper Mills Tahun 2023 amounting to IDR1,000,000,000,000, MTN Pindo Deli Pulp and Paper Mills I Tahun 2023 amounting to USD50,000,000, and Medium Term Notes IV Tahun 2019 totaling IDR1,800,500,000,000,-.

Kredit Rating Indonesia (KRI) affirms a Company Rating of ‘*irAA-*’ for PT Pindo Deli Pulp and Paper Mills (PIDL or the Company) with a ‘Stable’ outlook, and at the same time affirms ‘*irAA-*’ ratings to Obligasi III Pindo Deli Pulp and Paper Mills Tahun 2023 amounting to IDR3,000,000,000,000,-, Sukuk Mudharabah II Pindo Deli Pulp and Paper Mills Tahun 2023 amounting to IDR1,000,000,000,000,-, MTN Pindo Deli Pulp and Paper Mills I Tahun 2023 amounting to USD50,000,000, and Medium Term Notes IV Tahun 2019 totaling IDR1,800,500,000,000.

The above ratings continue to reflect PIDL’s market position and a good vertically integrated operation. The ratings are still limited by the Company’s lower profitability compared to peers, and price fluctuation. The Company remains as one of the most complete pulp and paper producers in Indonesia with production spans from pulp, writing paper, packaging paper, and tissue. PIDL is still supported by its affiliates which provide raw materials, and products marketing to overseas. PIDL’s profitability, particularly EBITDA margin, continued to be the main ratings boundary for the Company. Given this, the Company is prone to the movement of global prices of pulp and paper which could erode the Company’s financial performance.

As of September 30, 2023, the Company’s shares were owned by PT Purinusa Ekapersada (99.24%), PT Mega Kleenindo (0.32%), PT Marimba Nugratama (0.22%), and PT Unitama Sartindo (0.22%).

PIDL Financial Results Highlights (Consolidated)

As of/For the year ended	Sept 2023 (Unaudited)	Dec 2022 (Audited)	Dec 2021 (Audited)	Dec 2020 (Audited)
Total Assets (USD, Mn)	6,980.8	6,965.9	6,084.7	5,934.3
Total Adjusted Debt (USD, Mn)	2,306.4	2,419.5	2,523.2	2,696.3
Total Adjusted Equity (USD, Mn)	4,013.1	3,842.0	3,072.8	2,655.6
Total Sales (USD, Mn)	1,632.2	2,314.4	1,877.3	1,783.9
EBIT (USD, Mn)	243.9	410.7	271.7	234.4
Net Income (USD, Mn)	256.5	765.7	415.7	168.7
EBIT Margin (%)	14.9	17.8	14.5	13.1
Return of Permanent Capital (%)	5.2	6.9	5.0	4.4
EBITDA/Total Adjusted Debt (x)	0.6	0.6	0.8	1.0
Adjusted Debt /Adj. Equity (x)	0.2	0.2	0.2	0.1
EBITDA/IFCCI (x)	3.8	4.9	4.1	3.0
FFO/Total Adjusted Debt (x)	14.5	22.0	14.1	6.5
USD Exchange Rate (IDR/USD)	15,526	15,731	14,054	14,105

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