

PT Graha Hijau Nusantara

Company Rating *irA*-/Stable

Rated Issues

Proposed Medium Term Notes
PT Graha Hijau Nusantara
I Tahun 2023

irA-

“Debt securities with *irA* rating has a high level of certainty to honor its financial obligations, but it can be affected by adverse changes in business and economic conditions, relative to debt securities with a higher rating”

The minus (-) 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

May 30, 2023 – June 1, 2024

Rating History

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Kredit Rating Indonesia assigns '*irA*-' rating to Proposed Medium Term Notes PT Graha Hijau Nusantara I Tahun 2023 totaling IDR500 Bn

Kredit Rating Indonesia (KRI) assigns a Company Rating of '*irA*-' for PT Graha Hijau Nusantara (GHN or the Company) with a 'Stable' outlook. At the same time, KRI has assigned '*irA*-' to GHN's proposed Medium Term Notes PT Graha Hijau Nusantara I Tahun 2023 totaling IDR500 Bn that will be used for working capital. The ratings reflect the Company's high profitability margins and sound capital structure. However, the ratings are constrained by the Company's limited business diversification.

GHN is a national trader of pulp that trades hardwood pulp and softwood pulp to domestic market. We are of the view that GHN's capabilities to carry out efficient operational activities is worth notice as its EBITDA margins was at 18.7% in FY22, the highest to its rated peers. We also note that the Company's capital structure is considered sound as proved with no interest bearing debt as of March 31, 2023. Going forward, if the Company successfully issued the debt note, the ratio to worsen to 1.8x, which is considered moderate than peers.

However, the ratings are constrained by the Company's limited business diversification and limited operational activities. The Company has been operating for only around 1.5 years, and therefore, at this juncture, only has the capacity to trade pulp to domestic market. We also see that the Company still has a limited number of customers as well as suppliers, exposing the Company to an operational disruption if the major customer or supplier stop the operational collaboration.

As of March 31, 2023, GHN's shareholders were PT Muba Green Indonesia (99.6%), and PT Tirtamulia Prima (0.4%).

GBH Financial Results Highlights

As of/For the year ended	Mar 2023 (Unaudited)	Dec 2022 (Audited)	Dec 2021 (Audited)
Total Assets (IDR, Bn)	424.7	284.9	197.9
Total Adjusted Debt (IDR, Bn)	0.0	0.0	0.0
Total Adjusted Equity (IDR, Bn)	270.5	200.3	123.5
Total Sales (IDR, Bn)	416.7	870.9	415.9
EBIT (IDR, Bn)	10.7	163.2	123.1
EBIT Margin (%)	2.6	18.7	29.7
Return on Permanent Capital (%)	27.2	100.8	99.8
Adj. Debt/Adj. Equity (x)	0.0	0.0	0.0
EBITDA/Adj. Debt (x)	n.a	n.a	n.a
EBITDA/IFCCI (x)	n.a	n.a	n.a
FFO/Total Adjusted Debt (%)	n.a	n.a	n.a
USD Exchange Rate (IDR/USD)	15,062	15,731	14,054

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