

PT Pindo Deli Pulp And Paper Mills

Company Rating *irAA-/Stable*

Rated Issues

| | |
|------------------------------------------------------------------|--------------|
| Obligasi Berkelanjutan I Pindo Deli Pulp And Paper Mills | <i>irAA-</i> |
| Sukuk Mudharabah Berkelanjutan I Pindo Deli Pulp And Paper Mills | <i>irAA-</i> |
| MTN Pindo Deli Pulp And Paper Mills I Tahun 2023 | <i>irAA-</i> |
| Obligasi III Pindo Deli Pulp And Paper Mills Tahun 2023 | <i>irAA-</i> |
| Sukuk Mudharabah II Pindo Deli Pulp And Paper Mills Tahun 2023 | <i>irAA-</i> |

“Debt Securities with *irAA* rating is 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

October 1, 2024 – October 1, 2025

Rating History

| | |
|----------------|---------------------|
| April, 2024 | <i>irAA-/Stable</i> |
| October, 2023 | <i>irAA-/Stable</i> |
| April, 2023 | <i>irAA-/Stable</i> |
| January, 2023 | <i>irAA-/Stable</i> |
| December, 2022 | <i>irAA-/Stable</i> |
| November, 2021 | <i>irAA-/Stable</i> |
| November, 2020 | <i>irAA-/Stable</i> |
| December, 2019 | <i>irAA-/Stable</i> |

Kredit Rating Indonesia 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,-, and MTN Pindo Deli Pulp And Paper Mills I Tahun 2023 amounting to USD50,000,000. KRI also assigns ‘*irAA-*’ ratings to Obligasi Berkelanjutan I Pindo Deli Pulp And Paper Mills amounting to IDR5,000,000,000,000,- and Sukuk Mudharabah Berkelanjutan I Pindo Deli Pulp And Paper Mills amounting to IDR3,000,000,000,000,-

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 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,-, and MTN Pindo Deli Pulp And Paper Mills I Tahun 2023 amounting to USD50,000,000. KRI also assigns ‘*irAA-*’ ratings to the Obligasi Berkelanjutan I Pindo Deli Pulp And Paper Mills amounting to IDR5,000,000,000,000,- and Sukuk Mudharabah Berkelanjutan I Pindo Deli Pulp And Paper Mills amounting to IDR3,000,000,000,000,-.

The above ratings continue to reflect PIDL’s strong market position and a good vertically integrated operation. The ratings are still limited by the Company’s lower profitability compared to peers and sales price of its products which is influenced by the sales prices of global market. The Company is a leading pulp and paper producer in Indonesia, with a diverse product range that includes pulp, writing paper, packaging paper, and tissue. Its production capacity is second only to other industry players in the country. The Company maintains a vertically integrated operation, benefiting from its affiliates that supply wood chips as raw materials and market its products globally. The ratings are constrained by its lower-than-peer profitability margins. Its EBITDA margins have fluctuated between 22.3% and 24.5% in recent years, consistently below those of its peers.

As of June 30, 2024, the Company’s shares were owned by PT APP Purinusa Ekapersada (99.24%), PT Mega Kleenindo (0.32%), PT Marimba Nugratama (0.22%), and PT Unitama Sartindo (0.22%).

PIDL Financial Result Highlights (Consolidated)

| As of/For the years ended | June 2024 (Audited) | Dec 2023 (Audited) | Dec 2022 (Audited) | Dec 2021 (Audited) |
|---------------------------------|------------------------|-----------------------|-----------------------|-----------------------|
| Total Assets (USD, Mn) | 7,888.8 | 7,482.6 | 6,965.9 | 6,084.7 |
| Total Adjusted Debt (USD, Mn) | 2,738.7 | 2,698.3 | 2,419.5 | 2,523.2 |
| Total Adjusted Equity (USD, Mn) | 4,424.9 | 4,068.0 | 3,842.0 | 3,072.8 |
| Total Sales (USD, Mn) | 948.2 | 2,120.9 | 2,314.4 | 1,877.3 |
| EBIT (USD, Mn) | 159.9 | 317.0 | 410.7 | 271.7 |
| Net Income (USD, Mn) | 359.3 | 310.7 | 765.7 | 415.7 |
| EBIT Margin (%) | 16.9 | 15.0 | 17.8 | 14.5 |
| Return of Permanent Capital (%) | 4.6 | 4.9 | 6.9 | 5.0 |
| EBITDA/Total Adjusted Debt (x) | 0.6 | 0.7 | 0.6 | 0.8 |
| Adjusted Debt /Adj. Equity (x) | 0.2 | 0.2 | 0.2 | 0.2 |
| EBITDA/IFCCI (x) | 2.4 | 3.5 | 4.9 | 4.1 |
| FFO/Total Adjusted Debt (x) | 20.5 | 11.3 | 22.0 | 14.1 |
| USD Exchange Rate (IDR/USD) | 16,421 | 15,416 | 15,731 | 14,269 |

Analysts : Cut Nabila Saraziva (cut.nabila@kreditratingindonesia.com)

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