

PT Graha Bumi Hijau

Company rating *irA+*/Stable

Rated Issues

Proposed Medium Term Notes
PT Graha Bumi Hijau I Tahun 2023 *irA+*

Rating Period

May 29, 2023 – June 1, 2024

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

Rating History

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Kredit Rating Indonesia assigns ‘*irA+*’ rating to Proposed Medium Term Notes PT Graha Bumi Hijau I Tahun 2023 totaling IDR500 Bn

Kredit Rating Indonesia (KRI) assigns a Company Rating of ‘*irA+*’ for PT Graha Bumi Hijau (GBH or the Company) with a ‘Stable’ outlook. At the same time, KRI has assigned ‘*irA+*’ to GBH’s proposed Medium Term Notes PT Graha Bumi Hijau I Tahun 2023 totaling IDR500 Bn that will be used for working capital. The ratings reflect the Company’s attractive industry-involved and healthier capital structure. However, the ratings are constrained by the Company’s limited financial flexibility.

GBH positioned itself as a premium tissue producer as their tissues are softer, cleaner, and stronger than other tissues. Else, the tissues produced are also FSC certified (Forest Certification Council). Judging by the Company’s total revenue, we are of the view that the premium tissue market is attractive as the Company’s revenue hovered at IDR1.3 Tn – IDR1.4 Tn in FY19 – FY21, before jumping to IDR1.8 Tn in FY22. We also note a healthier capital structure as the Company gradually repaid its interest bearing debt which caused its debt-to-equity ratio (DER) decreased to just 0.82x in 1Q2023 from 2.77x in 2019. After the issuance of the expected debt-note, we see DER to increase to 1.5x, still at the manageable level. However, the ratings are constrained by the Company’s limited financial flexibility as the Company has yet to list its shares in the Indonesia Stock Exchange, and no historical experience of debt-note issuance, causing limited third-party source of funding to only banks.

As of March 31, 2023, GBH’s shareholders were PT Muba Green Indonesia (99.998%), and Green Unity Holding Pte., Ltd, Singapore (0.002%).

GBH Financial Results Highlights

As of/For the year ended	Mar 2023 (Unaudited)	Dec 2022 (Audited)	Dec 2021 (Audited)	Dec 2020 (Audited)
Total Assets (IDR, Bn)	1,487.6	1,524.3	1,684.2	1,648.5
Total Adjusted Debt (IDR, Bn)	489.4	562.5	837.0	972.1
Total Adjusted Equity (IDR, Bn)	599.7	551.5	488.9	446.6
Total Sales (IDR, Bn)	416.7	1,771.0	1,334.7	1,361.8
EBIT (IDR, Bn)	10.7	136.5	145.6	196.9
EBIT Margin (%)	(2.3)	60.7	39.7	55.3
Return on Permanent Capital (%)	2.6	7.7	10.9	14.5
Adj. Debt/Adj. Equity (x)	3.9	11.2	10.6	13.6
EBITDA/Adj. Debt (x)	0.8	1.0	1.7	2.2
EBITDA/IFCCI (x)	0.1	0.4	0.3	0.3
FFO/Total Adjusted Debt (%)	0.8	2.6	1.9	2.2
USD Exchange Rate (IDR/USD)	15,062	15,731	14,054	14,105

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