

PT Indah Kiat Pulp & Paper Tbk

Company Rating

irAA/Stable

Rated Issue

Obligasi USD Berkelanjutan I
Indah Kiat Pulp & Paper Tahun 2023*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."

Rating Period

December 11, 2025 – December 1,
2026

Rating History

June, 2025	<i>irAA/Stable</i>
July, 2024	<i>irAA/Stable</i>
July, 2023	<i>irAA/Stable</i>
November, 2021	<i>irAA/Stable</i>
November, 2020	<i>irAA/Stable</i>
November, 2019	<i>irAA/Stable</i>

Kredit Rating Indonesia affirms "*irAA*" rating to Obligasi USD Berkelanjutan I Indah Kiat Pulp & Paper Tahun 2023

Kredit Rating Indonesia ("KRI") affirms a Company Rating of "*irAA*" with "Stable" Outlook for PT Indah Kiat Pulp & Paper Tbk ("INKP" or "the Company") and "*irAA*" rating to INKP's Obligasi USD Berkelanjutan I Indah Kiat Pulp & Paper Tahun 2023 amounting to USD 300 million. The ratings still reflect INKP's vertically integrated operations and diversified products. However, the ratings are still constrained by high exposure to volatility of global products and raw material prices resulting lower revenue as well as lower margins.

INKP owns vertically integrated operations as the Company is supported by Asia Pulp & Paper that provides not only woods as raw materials but also marketing offices throughout 24 countries to market INKP's products. From wood, the Company produces pulp, cultural paper, industrial paper, and tissue. The Company's revenue was divided relatively equal into three products with cultural paper as the highest contributor (around 34.23%), followed with pulp around 33.7% as well as industrial paper, tissue, and other around 32.07% in 9M2025.

Although INKP booked the highest revenue among its peers, the revenue decreased to USD 2,363 million in 9M2025 and USD 3,195 million in 2024 from USD 3,479 million in 2023 due to weakening sales price. The Company also booked lower gross profit margin of 31.87% in 2024 and 31.29% in 9M2025 as well as Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) margin of 26.88% in 2024 and 26.56% in 9M2025.

In 2026, the Company plans to issue fixed-interest notes for refinancing, working capital, and additional fixed assets. With the new issuance, the Company plans to increase its packaging production capacity from 2,350 thousand tons in 2025 to 3,300 thousand tons in 2026. After the new issuance, its projected adjusted Debt to Equity Ratio is slightly increasing to 0.81x in FY26F, still considered as healthy picture.

The Company's shareholder ownership composition as of September 30, 2025, was PT APP Purinusa Ekapersada (57.46%) and public (42.54%).

INKP Financial Result Highlights (Consolidated)

As of/For the years ended	Sep 2025 (Audited)	Dec 2024 (Audited)	Dec 2023 (Audited)	Dec 2022 (Audited)
Total Adjusted Assets (USD, million)	12,486.2	11,777.0	10,125.1	9,640.7
Total Adjusted Debt (USD, million)	4,937.5	4,637.4	3,456.1	3,356.4
Total Adjusted Equity (USD, million)	6,717.4	6,407.8	5,999.6	5,604.7
Total Sales (USD, million)	2,363.1	3,195.7	3,479.0	4,002.6
Net Income (USD, million)	325.9	424.3	411.4	857.5
EBITDA Margin (%)	26.6	26.9	29.1	34.8
EBIT Margin (%)	19.7	20.4	22.6	28.4
EBITDA/Adjusted Debt (x)	0.2	0.2	0.3	0.4
Adjusted Debt/Adjusted Equity (x)	0.7	0.7	0.6	0.6
FFO/Adjusted Debt (%)	0.0	0.1	0.3	0.3
EBITDA/IFCCI (x)	2.6	2.7	3.4	5.5
USD Exchange Rate (IDR/USD)	16,680	16,162	15,416	15,731

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