

PT Indah Kiat Pulp & Paper Tbk

Company Rating *irAA/Stable*

Rated Issues

Obligasi Berkelanjutan VI Indah Kiat Pulp & Paper Tahun 2026	<i>irAA</i>
Sukuk Mudharabah Berkelanjutan V Indah Kiat Pulp & Paper Tahun 2026	<i>irAA_(sy)</i>
Obligasi USD Berkelanjutan III Indah Kiat Pulp & Paper Tahun 2026	<i>irAA</i>
Obligasi USD Berkelanjutan I Indah Kiat Pulp & Paper Tahun 2023	<i>irAA</i>

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

(sy) means required rating according to Islamic/Sharia principles.

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 assigns “*irAA*” rating to Obligasi Berkelanjutan VI Indah Kiat Pulp & Paper Tahun 2026 and Obligasi USD Berkelanjutan III Indah Kiat Pulp & Paper Tahun 2026, assigns “*irAA_(sy)*” rating to Sukuk Mudharabah Berkelanjutan V Indah Kiat Pulp & Paper Tahun 2026, and 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. At the same time, KRI also assigns “*irAA*” rating to Obligasi Berkelanjutan VI Indah Kiat Pulp & Paper Tahun 2026 amounting to IDR 10 trillion and Obligasi USD Berkelanjutan III Indah Kiat Pulp & Paper Tahun 2026 amounting to USD 100 million, and assigns “*irAA_(sy)*” to Sukuk Mudharabah Berkelanjutan V Indah Kiat Pulp & Paper Tahun 2026 amounting to IDR 10 trillion. 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 33.70% 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

Analysts : Cut Nabila Saraziva (cut.nabila@kreditratingindonesia.com)
 Rizky Fajri Nursahadi (rizky.nursahadi@kreditratingindonesia.com)

DISCLAIMER

PT Kredit Rating Indonesia (KRI) does not represent or warrant or guarantee the accuracy, completeness, timeliness or availability of the contents of this report or publication. KRI does not perform an audit and does not undertake due diligence or independent verification of any information used as the basis of and presented in this report or publication. Although the information upon which KRI rating report are based, and any other contents provide in this rating report is obtained by KRI from sources which KRI believes to be reliable.

KRI will be held harmless against any responsibility arising from its use, its partial use, or its lack of use, in combination with other products or used solely, nor can it be held responsible for the result of its use or lack of its use in any investment or other kind of financial decision making on which this report or publication is based. The issuance of a solicited or unsolicited rating report does not supply financial, legal, tax or investment consultancy. The rating report is not an opinion as to the value of securities, therefore KRI is not responsible for any credit, loan or investment decision, damages or other losses resulting from the reliance upon or use of this report.

In no event shall KRI be held liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses including but not limited to lost profits and opportunity costs in connection with any use of the contents of this rating report or publication.

Credit analyses, including ratings, and statements in this report or publication are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities or to make any investment decision. Therefore, this report may not reflect any event or circumstances which occur after the date of this report.

KRI also assumes no obligation to update the content following publication in any form. KRI does not act as fiduciary or an investment advisor. KRI keeps the activities of its analytical units separate from its business units to preserve independence and objectivity of its analytical process and products. As a result, certain units of KRI may have information that is not available to other units. KRI has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. KRI may receive compensation for its ratings and other analytical work, normally from issuers of securities. KRI reserves the right to disseminate its opinions and analyses. KRI's public ratings and analyses are made available on its website, <http://www.kreditratingindonesia.com> (free of charge) and through other subscription based services, and may be distributed through other means, including via KRI publications and third party redistributors. Information in KRI's website and its use fall under the restrictions and disclaimer stated above. No part of KRI's website, the content of this report, may be reproduced or transmitted by any means, electronic or non-electronic whether in full or in part, will be subjected to written approval from KRI.