Aldira | Bond Teaser Report

PT OKI Pulp & Paper Mills · OPPM | 03 July 2026

Bond Instrument	
Issuer	PT OKI Pulp & Paper Mills (OPPM)
Instrument	Obligasi Berkelanjutan II OKI Pulp & Paper Mills Tahap V Tahun 2026 and Obligasi USD Berkelanjutan II OKI Pulp & Paper Mills Tahap IV Tahun 2026
Rating	idA+ (Pefindo)
PUB Plafond	IDR Bond: up to Rp3.0tn · USD Bond: up to USD25.0mn
Obligasi IDR	up to Rp3.0tn
Obligasi USD	up to USD25.0 mn A/B/C/D (3/5/7/10 Years)
Series A (3Y)	9.50%-10.00% (IDR 3Y) / 6.25%-6.75% (USD 3Y)
Series B (5Y)	10.00%-10.50% (IDR 5Y) / 6.50%-7.25% (USD 5Y)
Collateral	Unsecured
Listing	Indonesia Stock Exchange (IDX)
Rating Agency	Pefindo

Key Credit Statistics (FY2025)	
Revenue	USD1,657.8mn
Gross Margin	46.1%
Net Profit	USD457.8mn
Total Debt	USD4,595.7mn
Current Ratio	2.47x
Debt / Equity	0.995x
Interest Coverage	2.95x
ROE	9.3%
Pulp Capacity	3.0mn tpa

All figures in IDR / USD unless otherwise stated. Source: OKI Audited FS FY2025; Aldiracita Research

Sinar Mas Pulp Major, Real Refinancing Concession

PT OKI Pulp & Paper Mills (OKI) is one of the world's largest integrated single-site pulp and tissue producers, operating a 3.0mn tpa pulp line and 500K tpa tissue capacity in South Sumatra under the Sinar Mas/Asia Pulp & Paper (APP) umbrella. Owned 49.08% each by PT Pindo Deli Pulp and Paper Mills and PT Pabrik Kertas Tjiwi Kimia Tbk, OKI benefits from integrated group raw-material sourcing, shared services, and cross-directorship continuity with APP flagships Indah Kiat and Lontar Papyrus. Export sales (89% of FY25 revenue) are concentrated in Asia, with a growing footprint across Australia, Europe and the Americas.

Investment Highlights

idA+ credit backed by top-tier integrated scale and group parentage

OKI carries an idA+ rating from Pefindo, reflecting its position as one of the largest integrated pulp/tissue single-site operations globally and its embedding within the Sinar Mas/APP ecosystem - **shared raw-material access, cross-directorships with Indah Kiat and Lontar Papyrus, and a consistent multi-year issuance track record under its Berkelanjutan II shelf program.** FY25 gross margin held at ~46% despite a soft pricing year, and liquidity remains comfortable (247.8% current ratio).

Rising leverage post major expansion

Total debt has grown faster than earnings for three straight years - D/E climbed from 0.79x (FY22) to 0.995x (FY25) **as heavy capex (USD881mn in FY25 alone) was increasingly funded with debt rather than operating cash flow,** which collapsed to just USD22.9mn in FY25 from USD651.8mn in FY24 on a working-capital swing. **This deal's proceeds go to debt repayment and working capital, not new capacity** - a refinancing-driven print, and the pricing reflects that.

Real, if modest, value versus the curve - sharper on the USD leg

OKI's own February-26 5Y print (7.25% coupon) now trades at 8.32% YTM; sister companies Indah Kiat and Lontar Papyrus have re-priced 200-275bp since their Feb/Mar-26 prints to ~9.0-9.4% YTM across 3-5Y. **Against that backdrop, this deal's IDR guide (9.50-10.50%) is a sensible, modest new-issue concession - not a dramatic mispricing.** The cleaner value sits in the USD tranche: Indah Kiat's own USD paper has barely moved (5.145% YTM today vs. 5.00% at issue in March), **while OKI's USD guide (6.25-7.25%) still offers a genuine ~110-160bp pickup over that direct, same-group, same-rating comp.** USD investors get the cleaner entry point on this deal.

SUBSCRIBE · Seri A/B (IDR 3Y/5Y): 9.50%-10.50% - Seri A/B (USD 3Y/5Y): 6.25%-7.25% - idA+ (Pefindo)

OKI offers idA+ credit quality from an integrated, Sinar Mas-backed platform, with a defensible - though not dramatic - new-issue concession on the IDR leg and a cleaner, better-supported pickup on the USD leg versus direct group comps. Key risks to monitor: pulp price cyclicality, the FY25 leverage and cash-flow trajectory, and continued reliance on debt to fund capex. This is a refinancing-driven issuance, and pricing should be read in that context.

Instrument Summary

Exhibit: Obligasi Berkelanjutan II OKI Pulp & Paper Mills Tahap V Tahun 2026 and Obligasi USD Berkelanjutan II OKI Pulp & Paper Mills Tahap IV Tahun 2026 — Term Sheet

Issuer	PT OKI Pulp & Paper Mills
Program	Penawaran Umum Berkelanjutan II (PUB II) - IDR Bond up to Rp3.0tn + USD Bond up to USD25.0mn
IDR Bonds Tranche	Obligasi Berkelanjutan II OKI Pulp & Paper Mills Tahap V Tahun 2026, Seri A (3Y) & Seri B (5Y)
USD Bonds Tranche	Obligasi USD Berkelanjutan II OKI Pulp & Paper Mills Tahap IV Tahun 2026, Seri A (3Y) & Seri B (5Y)
IDR Bonds Tenors & Coupon	Seri A: 3Y @ 9.50%-10.00% - Seri B: 5Y @ 10.00%-10.50%
USD Bonds Tenors & Coupon	Seri A: 3Y @ 6.25%-6.75% - Seri B: 5Y @ 6.50%-7.25%
Coupon Payment	Quarterly (every 3 months)
Principal Payment	Bullet — full repayment at maturity
Collateral	Unsecured - pari passu
Use of Proceeds (IDR and USD)	Debt refinancing and working capital
Rating	idA+ from Pefindo
Listing	Indonesia Stock Exchange (IDX)

Exhibit: Indicative Timetable

Milestone	Dates (Tentative)
Bookbuilding Period	2 - 16 Juli 2026
OJK Effective Date	29 June 2026
Public Offering Period	29 - 31 Juli 2026
Allotment Date	3 Agustus 2026
Distribution Date	5 Agustus 2026
Refund Date	8 July 2026
IDX Listing Date	5 Agustus 2026 (Indonesia Stock Exchange)

Source: OKI Bonds Prospectus; Aldiracita Research

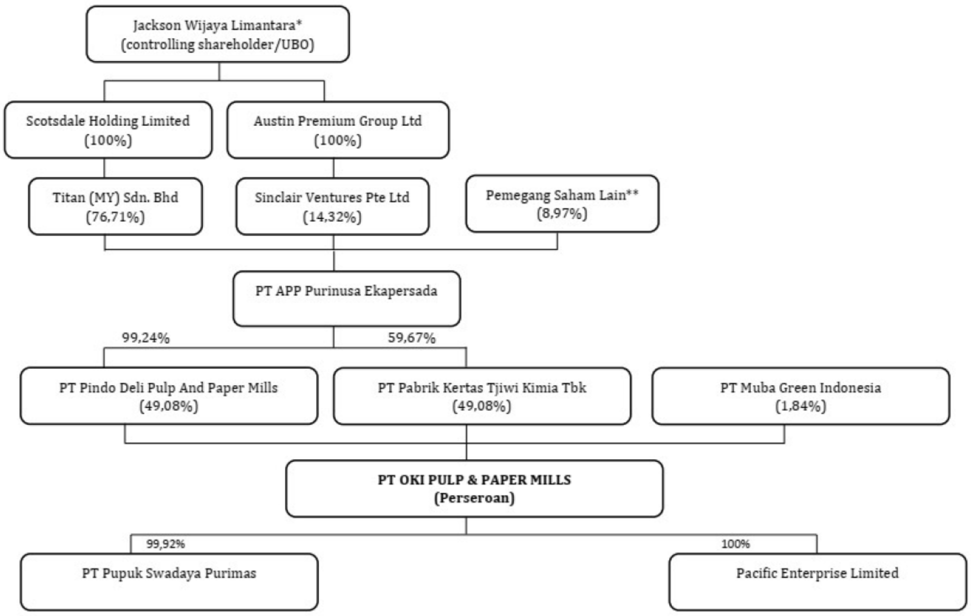
Company Overview

PT OKI Pulp & Paper Mills was established 2 May 2012 and began commercial pulp operations in 2017 (tissue in 2018). The Company operates a single integrated production site in Desa Bukit Batu, Kecamatan Air Sugihan, Ogan Komering Ilir, South Sumatra, producing pulp, tissue and chlor-alkali chemicals. **OKI is 49.08%-owned by PT Pindo Deli Pulp and Paper Mills, 49.08% by PT Pabrik Kertas Tjiwi Kimia Tbk, and 1.84% by PT Muba Green Indonesia - both principal shareholders themselves part of the Sinar Mas/Asia Pulp & Paper (APP) Group, ultimately controlled by Mr. Jackson Wijaya Limantara (UBO effective 13 January 2025).** This group structure gives OKI access to shared raw-material sourcing, technical expertise and capital-markets execution across APP flagships including Indah Kiat Pulp & Paper, Lontar Papyrus and Tjiwi Kimia - a genuine credit support factor beyond OKI's standalone scale.

Sinar Mas / APP Group Backing

OKI sits within a multi-layered Sinar Mas/APP ownership structure: **Scotsdale Holding Limited and Austin Premium Group Ltd sit above Titan (MY) Sdn Bhd and Sinclair Ventures Pte Ltd,** which in turn hold PT APP Purinusa Ekapersada, the direct parent of OKI's two principal shareholders. **Board and management personnel are extensively cross-appointed across Indah Kiat, Tjiwi Kimia, Pindo Deli, Lontar Papyrus,** The Univenus and Uni-Charm Indonesia - providing operational continuity and a track record of coordinated capital markets access. **Related-party transactions include raw-material purchases, insurance (PT Asuransi Sinar Mas) and shared MTN/bond arranger services.**

Exhibit: Shareholder Structure



Source: OKI Bonds Prospectus; Aldiracita Research

Integrated Scale & Operations

OKI operates 3.0mn tpa pulp and 500K tpa tissue capacity - positioning it among the largest single-site integrated **pulp/tissue producers globally. FY25 pulp production reached 2,786K tons (2024: 2,769K) and tissue 332K tons (2024: 240K).** The Company holds ISO 9001/14001/45001/50001, PEFC and VLK chain-of-custody, Green Industry, Halal, SMK3, AEO and carbon-footprint **Indonesia's 2nd largest FTTH player**2,601 employees as of FY2025, 87% permanent staff below manager level.

Governance & Leadership Continuity

The Board of Directors is led by President Director Hendra Jaya Kosasih, with four Directors **- all long-tenured APP Group executives.** The Board of Commissioners is chaired by Suhendra Wiriadinata (also President Director of Tjiwi Kimia) and includes two **Independent Commissioners (Baharudin, Tio I Huat) chairing the Audit and Nomination & Remuneration Committees respectively.** This cross-group governance continuity is a structural credit support, though it also ties OKI's fortunes to the wider APP ecosystem.

Business Model & Industry

OKI reports two segments: Pulp, and Tissue & Other Products (which includes the chlor-alkali chemicals sub-segment, not individually material). Pulp remains dominant at 83% of FY25 net sales and 90% of segment assets, though Tissue & Others has grown faster (+29% YoY in FY25) as OKI shifts toward a higher-margin product mix.

Pulp Segment

Wood is the principal raw material. FY25 pulp net sales were USD1,374.3mn (FY24: USD1,442.9mn), with gross margin holding near 49% despite a soft pricing year. Export sales dominate, concentrated in Asia (93% of exports).

Tissue & Other Products

Tissue & Others net sales grew to USD283.5mn in FY25 (FY24: USD219.9mn, +29%), the fastest-growing segment and the clearest lever in management's stated strategy to shift toward premium, higher-margin product mix.

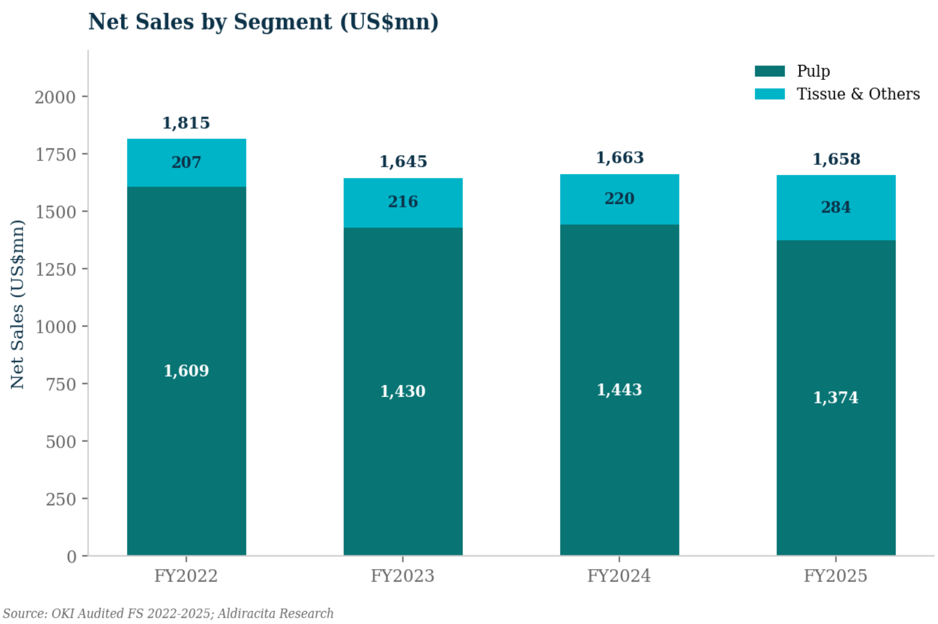
Exhibit: Net Sales by Segment (USDmn)

Segment	FY2022	% of Total	FY2023	%	FY2024	FY2025	YoY %
Pulp	1,608.7	88.6%	1,429.7	86.9%	1,442.9	1,374.3	-4.8%
Tissue & Others	206.6	11.4%	N/A	—	219.9	283.5	+28.9%
Total Net Sales	**1,815.3**	**100%**	**1,645.4**	**100%**	**1,662.8**	**1,657.8**	**-0.3%**

Source: OKI Audited FS FY2022-2025; Aldiracita Research

Export & Market Mix

Export sales were 89% of FY25 revenue (USD1,482.5mn), concentrated in Asia (USD1,366.7mn) with smaller but growing contributions from Australia (USD42.0mn), Europe (USD36.5mn) and the Americas (USD31.5mn). Management's 2026 target is 15-20% consolidated net sales growth and 10-15% net profit growth, funded by continued market and product-mix diversification.



Source: PHEI, KSEI/Bloomberg secondary marks; Aldiracita Research

Industry Outlook

Pulp & Tissue Demand Outlook

Asia pulp/tissue/packaging demand is projected to grow through 2028, with tissue the fastest-growing sub-segment. OKI's positioning as a large, integrated, export-oriented producer leaves it well placed to capture this growth, though pricing remains tied to the global pulp cycle.

Competitive Landscape

Competition includes both domestic and overseas producers, with periodic dumping-allegation risk in export markets. OKI competes on trademark, product quality, distribution and price, leaning on Sinar Mas/APP group scale and integration.

Sustainability & Regulatory Tailwinds

OKI's certifications (PEFC, VLK, Green Industry, carbon footprint tracking) and the group's broader sustainability push support continued access to ESG-conscious buyers in Europe and other developed export markets.

SWOT Analysis

STRENGTHS

- Top-tier integrated scale (3.0mn tpa pulp / 500K tpa tissue) - one of the largest single-site integrated producers globally
- Strong Sinar Mas/APP Group backing - shared raw-material sourcing, services, and cross-directorships
- Healthy gross margin (~46% FY25) held through a soft pricing year
- Strong liquidity - 247.8% current ratio (FY25)
- Export-diversified revenue base - 89% export, multi-region (Asia/Australia/Europe/Americas)
- Extensive certifications (ISO, PEFC, Halal, carbon, AEO) supporting export market access

WEAKNESSES

- Rising leverage - D/E climbed from 0.79x (FY22) to 0.995x (FY25)
- FY25 operating cash flow collapsed to USD22.9mn (FY24: USD651.8mn) on a working-capital swing
- Heavy segment concentration - Pulp is ~83% of FY25 net sales
- FY25 results missed management's own growth targets (sales -0.3% vs. 5-10% guided)

OPPORTUNITIES

- Asia pulp/tissue/packaging demand growth through 2028
- Premium product-mix shift toward higher-margin Tissue & Others (+29% YoY FY25)
- New export market penetration - Europe, Americas, Middle East growing off a small base
- Continued capacity utilization gains at the Bukit Batu integrated site
- Group synergies with Indah Kiat, Lontar Papyrus and Tjiwi Kimia - shared procurement and technology
- Sustainability/green certifications supporting access to ESG-conscious buyers

THREATS

- Pulp/tissue price cyclicality tied to the global commodity cycle
- FX mismatch - multi-currency debt stack (IDR/USD) against a largely USD export revenue base
- Rising domestic funding costs - BI's hiking cycle and GoB yield curve widening
- Competitive and dumping-allegation pressure from other regional producers
- Refinancing dependence - this issuance itself funds debt repayment and working capital, not new capacity

Bond Market Overview

Global: Energy Shock Risk Keeps the Rate Cycle on Edge

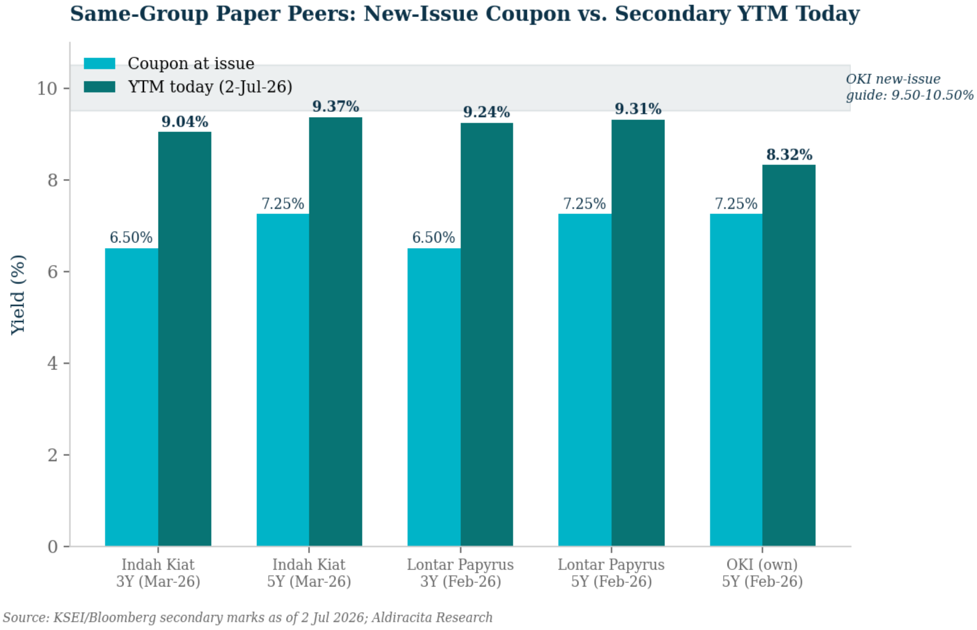
The Hormuz re-closure declared by Iran's IRGC (20 June 2026) remains a live tail risk for global energy prices and rate paths, even as US CENTCOM disputes an effective blockade. Indonesia's own trade data corroborate the disruption independently: the May-26 migas deficit more than doubled YoY (-USD1.53bn to -USD3.76bn) as crude exports fell to zero and oil product imports surged +99.5% YoY. UST 10Y remains range-bound (4.0-4.5%); BOJ, ECB and the Fed have held a broadly hawkish stance through the shock. Net effect: global rate risk is skewed to stay higher for longer, not a relief window.

Indonesia: Inflation Nearing BI's Ceiling, First Trade Deficit in 72 Months

June CPI rose to 3.34% YoY (May: 3.08%), just 16bp from BI's 3.5% ceiling, with only ~two-thirds of the Pertamax pass-through reflected so far - July could print 3.5-3.8%. Real policy rate remains positive (+2.41%), so the 15-16 July RDG is likely a hold, but May's trade balance flipped to the first deficit in 72 months (-USD1.61bn), with the Jan-May cumulative surplus down 74% YoY **to USD4.03bn. The Rupiah remains under pressure after only partially recovering from its 8 June low. Both data points independently** reinforce a Q3 hike to 6.0% scenario (~40% probability). GoB yields have risen sharply YTD: 3Y +197bp to 7.20%, 5Y +158bp to 7.13% **(as of 1 July 2026) - the direct transmission channel from BI's cumulative +100bp hike into the curve issuers now price against.** Net: OKI is pricing into a tightening-biased backdrop, not a relief window.

Corporate Bond Market: The A-Family Has Repriced Sharply in 2026

The PHEI aggregate corporate effective yield index has risen from a 7.07% low (21-Sep-25) to 8.80% (2-Jul-26), a +170bp move **over roughly nine months. At the issuer level, the repricing is stark: Indah Kiat's and Lontar Papyrus's own Feb/Mar-26 3Y/5Y prints** (6.50%/7.25% coupons) now trade at 9.0-9.4% YTM in secondary - a 200-275bp move in three to four months, driven by the GoB curve **repricing rather than issuer-specific credit deterioration. The same pattern holds across the broader idA/idA+ universe (Bumi, Energi** Mega Persada, Merdeka Battery, Provident, RMK, Trimegah, Wahana Inti Selaras, Summarecon), all now clustered at ~8.9-9.5% YTM regardless **of original coupon. Against that backdrop, OKI's new IDR guide (9.50-10.50%) is only a ~30-110bp new-issue concession versus where the** A-family is actually clearing today - a sensible primary premium, not a dramatic mispricing.



Source: PHEI Fair Spread, 1 July 2026; Aldiracita Research

Exhibit: PHEI Fair Spread by Rating Notch, 1Y/3Y/5Y (bps vs. GoB, 1 July 2026)

Date	AA 1Y	AA 3Y	AA 5Y	5Y-1Y	Key Event	Implication
idA+	136	150	160	+24bp (5Y-1Y)	OKI's own rating	Fair-value ~8.70% (3Y) / ~8.73% (5Y)
idA	186	207	223	+37bp (5Y-1Y)	One notch below (e.g., Lontar Papyrus)	~57-63bp wider than idA+
idA-	235	264	288	+53bp (5Y-1Y)	Two notches below	~114-128bp wider than idA+
idBBB+	283	322	73	+72bp (5Y-1Y)	Three notches below	~147-195bp wider than idA+

Source: PHEI Fair Spread, 1 July 2026; Aldiracita Research

Exhibit: Comparable idA-Family Issuances - 3Y Tenor

Issuer	Bond Code	Rating	Tenor	Coupon	Outstanding	Listed
Indah Kiat Pulp & Paper	INKP06ACN2	idA	3Y	6.50%	Rp93.3bn	27-Mar-26
Lontar Papyrus	LPPI04ACN2	idA+	3Y	6.50%	Rp139.9bn	Feb 2026
Bumi Resources	BUMI01CN4	idA+	3Y	7.25%	Rp612.8bn	Feb 2026
Energi Mega Persada	ENRG01BCN3	idA+	3Y	5.70%	Rp172.4bn	Feb 2026
Summarecon Agung	SMRA05BCN1(A)	idA+	3Y	5.85%	Rp84.5bn	Feb 2026
Wahana Inti Selaras	WISL01BCN3	idA+	3Y	6.50%	Rp128.2bn	Feb 2026
Samudera Indonesia (sukuk)	SISMDR01CN3	idA	3Y	8.25%	Rp700.0bn	22-May-26
OKI — this issuance ★	OPPM Tahap V Seri A	idA	3Y	9.50%-10.00%	up to Rp3.0tn (combined w/ 5Y)	Jul 2026 (indicative)

Note: *OKI's 9.50-10.00% guide compares to a 5.85-8.25% realized range across the idA-family in 2026; see Bond Market Overview for the secondary-YTM-adjusted read.*

Exhibit: Comparable idA-Family Issuances - 5Y Tenor

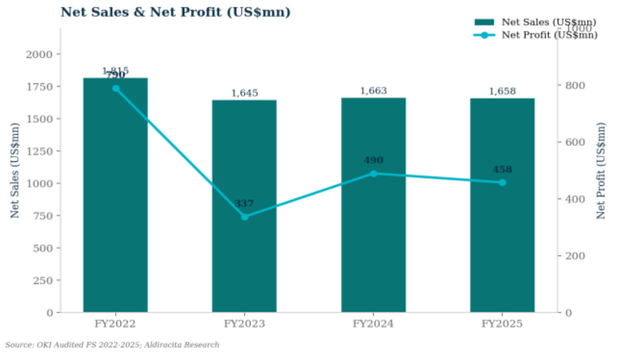
Issuer	Bond Code	Rating	Tenor	Coupon	Outstanding	Listed
Jasa Marga (JSMR)	INKP06BCN2	idA	5Y	7.25%	Rp91.0bn	Feb 2026
Bank Panin (PNBN)	LPPI04BCN2	idA+	5Y	6.15%	Rp749.5bn	Feb 2026
Tower Bersama (TBIG)	BUMI01CCN5	idA+	5Y	6.00%	Rp333.9bn	Feb 2026
Energi Mega Persada	ENRG01BCN2	idA+	5Y	8.60%	Rp869.8bn	Feb 2026
Summarecon Agung	SMRA05BCN1(B)	idA	5Y	6.15%	Rp267.4bn	Feb 2026
Indomobil Finance (IMFI)	OPPM02ACN4	idA+	5Y	6.20%	Rp1,846.0bn	Feb 2026
Chandra Asri (TPIA)	MBMA01BCN4	idA+	5Y	9.25%	Rp678.5bn	Feb 2026
TBS Energi Utama	TOBA01BCN2	idA	5Y	8.00%	Rp175.0bn	22-Jan-26
Bank BJB (BJBR)	PALM03CCN2	idA	5Y	7.85%	Rp563.9bn	Apr 2026
OKI — this issuance ★	Obl. Berk. II	idA	5Y	10.00%-10.50%	IDR 353.6bn (max)	Jul 2026

Note: *Row 6 is OKI's own Feb-26 5Y print (7.25% coupon), now trading at 8.32% YTM - the single most relevant own-curve anchor for this deal.*
Source:KSEI/Bloomberg, Corporate Bonds and Sukuk Issues tracker 2026; Aldiracita Research

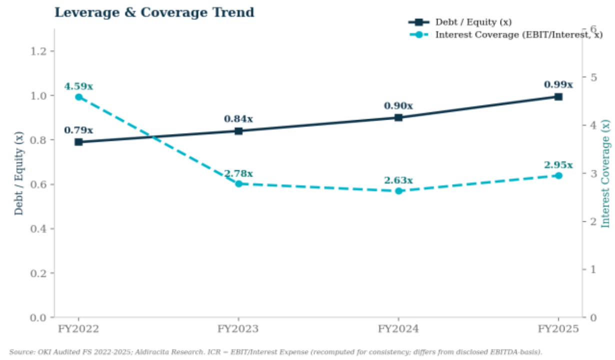
Financial Overview

Revenue: Range-Bound and Stable

Net sales have been roughly flat for three years - USD1,815.3mn (FY22) to USD1,657.8mn (FY25), down 0.3% in FY25 alone - **as pulp pricing normalized from the FY22 supercycle peak. Tissue & Others is the one clear growth engine, up 29% YoY in FY25.** Gross margin compressed from 58.4% (FY22) to 46.1% (FY25) as pricing fell faster than costs. **Net profit fell 57.3% in FY23 (the sharpest single-year move in the series) before partially recovering in FY24-25.** FY22 should be read as a supercycle peak year, not a normal baseline.



Source: OKI Audited FS FY2022-2025; Aldiracita Research



Source: OKI Audited FS FY2022-2025; Aldiracita Research.

Leverage Has Climbed Steadily Since FY22

Debt/Equity has risen every year: 0.79x (FY22) to 0.84x (FY23) to 0.90x (FY24) to 0.995x (FY25), as heavy capex **(USD881mn in FY25, USD1,474.8mn in FY24) was increasingly funded with debt rather than internal cash generation.** Total liabilities grew 22.0% in FY25 alone, materially outpacing the 15.8% growth in total assets. **This is the direct rationale for a refinancing-oriented, rather than growth-oriented, use of proceeds on this issuance.** -

Exhibit: Financial Summary (USDmn unless stated)

Item (USDmn)	FY2022	FY2023	FY2024	FY2025
INCOME STATEMENT SUMMARY	5,956.1	5,014.7	3,017.8	2,791.2
Net Sales	1,815.3	1,645.4	1,662.8	1,657.8
Gross Profit	1,059.8	790.9	771.0	764.5
Operating Profit	821.9	585.0	605.8	598.1
Net Profit	789.6	337.3	489.8	457.8
BALANCE SHEET SUMMARY				
Total Assets	6,497.4	7,291.1	8,452.3	9,791.0
Total Liabilities	2,873.7	3,329.6	4,001.4	4,882.6
Total Equity	3,623.7	3,961.5	4,450.9	4,908.4
CFO	n.a.	n.a.	651.8	22.9

FY25 Operating Cash Flow Squeeze

Net cash from operating activities declined to USD22.9mn in FY25 from USD651.8mn in FY24 - a working-capital-driven swing **(receipts from customers fell to USD1,434.9mn from USD1,902.9mn) rather than a structural profitability problem, since net profit** only fell 6.5% over the same period. Financing activities provided USD986.8mn (FY24: USD758.9mn) to bridge the gap - **underscoring OKI's growing reliance on continued capital-markets access to fund both capex and working capital.**

Item	FY2022	FY2023	FY2024	FY2025
Total Assets	n.a.	n.a.	3,469.9	4,153.1
Total Debt	n.a.	n.a.	4,450.9	4,908.4
Debt / Equity (x)	0.79x	0.84x	0.90x	0.995x
Debt / Assets (x)	0.44x	0.46x	0.47x	0.499x
Interest Coverage (EBIT/Interest, x)	4.59x	2.78x	2.63x	2.95x

Source: OKI Audited FS FY2022-2025, Aldiracita Research

Management Structure

Board of Directors

Name	Position	Background
Hendra Jaya Kosasih	President Director	Economics degree, Universitas Trisakti (1985). 35+ years across APP Group (Lontar Papyrus, Indah Kiat, Pindo Deli, Tjiwi Kimia); President Director of OKI since 2022. Oversees overall strategy and vision.
Liu Ruofei	Director - Production (Mills)	Bachelor's, Pulp and Paper Technology, Dalian Light Industry Institute, China (1988). Career across Nine Dragon, Asia Symbol and Hainan APP mills; Director of OKI since 2022.
Alfian Lim	Vice President Director	BSc Industrial Engineering (Purdue), MSc (Georgia Tech), MBA (Carnegie Mellon). Ex-Booz Allen & Hamilton, Hewlett Packard; Director of OKI since 2022, overseeing Supply Chain & Logistics.
Arman Dwiartono	Director - Sales & Marketing	BSc/MSc Mechanical Engineering, Michigan State University. Ex-General Electric; APP Group MBOS since 2015; Director of OKI since 2022.
Andrie Setiawan Yapsir	Director	BSc Physics (ITB, Cum Laude), PhD Physics (Rensselaer Polytechnic), MBA (Wharton). Ex-McKinsey & Company; Director of OKI since 2025, overseeing Finance & Accounting, HRD & GA.

Board of Commissioners

Name	Position	Background
Suhendra Wiriadinata	President Commissioner	Accounting degree, Trisakti; Master's, Universitas Indonesia. Currently President Director PT Pabrik Kertas Tjiwi Kimia Tbk; President Commissioner of OKI since 2022.
Sukirta Mangku Djaja	Commissioner	Management degree, Universitas Tarumanagara. 39 years at APP Group; Commissioner of OKI since 2018; member of OKI's Nomination & Remuneration Committee.
Kurniawan Yuwono	Commissioner	Management degree (Atma Jaya), MBA (Cleveland State University). Director PT Uni-Charm Indonesia and PT Indah Kiat; Commissioner of OKI since 2022.
Baharudin	Ind. Commissioner	Accounting degree, UKRIDA. Ex-CFO/Director, PT Indah Kiat; Independent Commissioner of OKI since 2025, Chairman of OKI's Audit Committee.
Tio I Huat	Ind. Commissioner	Accountancy degree, Universitas Kristen Krida Wacana. Ex-Group Finance Controller, Samko Timber; Independent Commissioner of OKI since 2021, Chairman of OKI's Nomination & Remuneration Committee.

Source: OKI Annual Report FY2025; Aldiracita Research

Key Risks

Pulp Price Cyclicality & FX Mismatch. OKI's earnings are directly exposed to global pulp/tissue price cycles, and its multi-currency debt stack (IDR/USD) against largely USD export revenue creates a compounding risk in a downturn. Investors should monitor global pulp benchmark prices and IDR/USD movements.

Leverage Trajectory & Cash Flow Volatility. D/E has climbed from 0.79x (FY22) to 0.995x (FY25), and FY25 operating cash flow fell sharply on a working-capital swing (USD22.9mn vs. USD651.8mn in FY24). This issuance itself is refinancing-driven - proceeds fund debt repayment and working capital, not new capacity - underscoring reliance on continued market access rather than internal cash generation.

Group-Concentration & Related-Party Dependence. OKI's operations and funding are deeply intertwined with the Sinar Mas/APP ecosystem - raw-material sourcing, cross-directorships, and related-party transactions. This is also a credit support factor, but any group-level stress could spill over to OKI.

Appendix - Financial Statements (FY2022-FY2025, USDmn)

Exhibit A: Income Statement

Item	FY2022	FY2023	FY2024	FY2025
Revenue	5,956.1	5,014.7	3,017.8	2,791.2
Cost of Revenue	755.5	854.6	891.8	893.3
Gross Profit	2,638.0	2,072.3	1,228.4	941.7
GP Margin %	44.3%	41.3%	40.7%	33.7%
Gross Profit	1,059.8	790.9	771.0	764.5
Total Operating Expenses	238.0	205.9	165.2	166.4
Operating Expenses	821.9	585.0	605.8	598.1
EBIT	1,777.1	1,254.8	650.7	400.9
Interest Income	4.5	9.9	12.1	8.3
Interest Expense	(179.2)	(210.6)	(230.7)	(202.9)
Interest Expense	163.3	(40.5)	116.7	100.2
Profit Before Income Tax	798.2	353.5	495.7	462.7
Profit Before Tax	1,600.3	1,181.1	710.2	464.1
Net Profit	789.6	337.3	489.8	457.8
Net Profit	1,298.2	865.3	542.8	361.2
Net Margin %	21.8%	17.2%	18.0%	12.9%
Basic EPS (USD, full amount)	58.41	24.95	36.24	33.87

Exhibit B: Key Financial Ratios

Ratio	FY2022	FY2023	FY2024	FY2025
PROFITABILITY				
GROWTH RATIOS	44.3%	41.3%	40.7%	33.7%
PROFITABILITY RATIOS	29.8%	25.0%	21.6%	14.4%
Net Sales Growth	+18.13%	-9.36%	+1.06%	17.2%
Net Profit Growth	21.8%	-57.28%	18.0%	12.9%
Total Assets Growth	—	+12.22%	+15.93%	+15.84%
Total Liabilities Growth	—	+15.86%	+20.18%	17.2%
LIQUIDITY & LEVERAGE RATIOS				
Gross Margin %	58.4%	48.1%	46.4%	46.1%
Return on Equity (ROE)	21.79%	8.51%	11.01%	9.33%
Return on Assets (ROA)	12.15%	4.63%	5.80%	3.15x
LIQUIDITY				
Current Ratio	2.57x	2.81x	2.00x	2.47x
Debt / Equity	0.79x	0.84x	0.90x	0.995x
Debt / Assets	0.44x	0.46x	0.473x	0.499x

Source: OKI Audited FS FY2022 - 2025; Aldiracita Research

Exhibit C: Exhibit C: Balance Sheet

Item	FY2022	FY2023	FY2024	FY2025
ASSETS				
Cash and Cash Equivalents	365.3	459.1	484.0	423.1
Trade Receivables - net	632.8	478.9	238.7	462.4
Other Receivables - net	0.6	1.1	0.5	0.1
Inventories	169.2	177.7	193.4	180.3
Prepaid Taxes	35.2	84.6	33.9	70.5
Prepaid Expenses	30.7	38.5	15.4	30.1
Advances	492.6	567.3	705.7	818.9
Other Current Assets	653.2	759.2	714.1	939.1
Total Current Assets	2,379.7	2,566.4	2,385.8	2,924.5
Fixed Assets - net	3,844.5	3,916.2	5,578.5	6,190.0
Total Assets	6,497.2	3,063.3	3,695.1	4,415.0
LIABILITIES & EQUITY				
Total Non-Current Assets	4,117.7	4,724.7	6,066.5	6,866.5
TOTAL ASSETS	6,497.4	7,291.1	8,452.3	9,791.0
Short-term Loans & Musyarakah	235.7	198.7	211.1	175.3
Trade Payables	99.6	105.9	129.3	128.2
Current Maturities of Long-Term Debt	555.3	571.1	812.5	841.5
Total Current Liabilities	926.0	913.7	1,190.7	1,180.1
Non-current Sukuk Mudharabah (incl. medium-term)	-	—	72.9	256.1
Other Non-Current Liabilities	—	—	113.3	120.9
Total Non-Current Liabilities	1,947.7	2,415.9	2,810.7	3,702.5
Total Liabilities	2,873.7	3,329.6	4,001.4	4,882.6
Total Equity	3,623.7	3,961.5	4,450.9	4,908.4

Exhibit D: Cash Flow Statement

Item	FY2022	FY2023	FY2024	FY2025
Cash Flows from Operating Activities	2,092.2	1,031.1	693.4	329.7
Receipts from customers	–	–	1,902.9	1,434.9
Payments to suppliers	—	–	—	(810.6)
Payments to employees	–	–	(24.4)	(25.6)
Payments for other operating activities	–	–	(151.0)	(205.7)
Receipts (payments) of taxes and interest – net	(1,726.6)	(592.0)	(594.9)	(973.3)
Receipts of interest income	–	–	12.5	8.8
Payments of interest and other financial charges	–	–	(298.5)	(342.7)
Net Cash Provided by Operating Activities	–	—	651.8	22.9
Acquisition of Fixed Assets & Advances	–	–	(1,474.8)	(881.2)
Other Investing Activities – net	–	–	77.5	(194.6)
Net Cash Used in Investing Activities	–	–	(1,397.2)	(1,075.8)
Cash Flows from Financing Activities	207.1	(909.1)	180.1	190.9
Proceeds from Borrowings, Bonds & Sukuk	–	–	1,342.9	1,949.3
Repayments of Borrowings, Bonds & Sukuk	–	1,084.7	617.3	883.0
Net Cash Provided by Financing Activities	–	–	758.9	986.8
Net Increase (Decrease) in Cash and Cash Equivalents	1,084.7	617.3	883.0	412.8

Source: OKI Audited FS FY2022 – 2025; Aldiracita Research.

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Contact for orders and inquiries:

PT Aldiracita Sekuritas Indonesia | Tel: +62-21-3970-5858 | Fax: +62-21-3970-5850

Yuli Saraswati — Head of Fixed Income | +62 816-955-765 | yuli.saraswati@aldiracita.com

Witarso —Fixed Income Sales | +62-823-1119-9292 | witarso@aldiracita.com

Rezeki Murtiati —Fixed Income Sales | +62-811-9588-879 | rezeki.murtiati@aldiracita.com

Prepared by:

Aldiracita Research Team | research@aldiracita.com