

## PT Wijaya Karya (Persero) Tbk

### Credit Ratings

General Obligation (GO)	idCCC/CW Negative
SR Bond I	idCCC
SR Sukuk Mudharabah I	idCCC <sub>(sy)</sub>
SR Bond II	idCCC
SR Sukuk Mudharabah II	idCCC <sub>(sy)</sub>
SR Bond III	idCCC
SR Sukuk Mudharabah III	idCCC <sub>(sy)</sub>

### Rating Period

Desember 12, 2023 – July 1, 2024

### Published Rating History

JUL 2023	idBBB/Negative
MAY 2023	idBBB/Negative
JUL 2022	idA/Stable
JUN 2022	idA/Stable
JUN 2021	idA/Stable

### Rating Definition

Debt security rated idCCC is currently vulnerable to non-payment, and is dependent upon favorable business and financial conditions for the issuer to meet its long-term financial commitments on the debt security.

Suffix (sy) indicates the rating mandates Islamic principles compliant.

PEFINDO has lowered the ratings for PT Wijaya Karya (Persero) Tbk (WIKA) and its Shelf-Registered (SR) Bonds to idCCC. We have also lowered the ratings of WIKA's SR Sukuk Mudharabah at idCCC<sub>(sy)</sub>. We revised the outlook for the corporate rating to CreditWatch with Negative Implication from previously negative.

These rating actions are related to the information disclosure dated December 4, 2023, in which WIKA has failed to obtain approval from holders of SR Sukuk Mudharabah I Phase I/2020 Serie A of IDR184 billion due on December 18, 2023. In our view, WIKA most likely will not be able to fully fulfill the Sukuk principal payment in a timely manner, considering that WIKA is currently in a standstill position to fulfill its bank obligations and in the process of completing a financial restructuring scheme.

The corporate rating reflects WIKA's established presence in the domestic construction industry. The rating is constrained by the Company's weak liquidity profile, risks from previous expansion, and the inherently volatile business environment.

WIKA's inability to pay off its Sukuk maturity in the near term may result in a rating downgrade. We can review the ratings and prospects of CreditWatch with Negative Implication if WIKA is able to pay off the upcoming Sukuk maturity on time.

Established in 1961, WIKA is one of the state-owned enterprises (SOE) in the construction sector. It covers investments, realty & property, infrastructure & building, energy & industrial plant, and industry segments. As of September 30, 2023, its shareholders were the Indonesian government (65.05%) and the public (34.95%).

### Financial Highlights

As of/for the year ended	Sep-2023	Dec-2022	Dec-2021	Dec-2020
Consolidated Figure	(Audited)	(Audited)	(Audited)	(Audited)
Total adjusted assets [IDR bn]	63,761.6	73,031.5	69,135.6	67,887.2
Total adjusted debt [IDR bn]	33,705.9	33,402.8	28,435.6	26,576.3
Total adjusted equity [IDR bn]	8,082.1	15,455.1	17,184.8	16,136.7
Total sales [IDR bn]	14,999.5	21,787.5	18,482.1	17,008.6
EBITDA [IDR bn]	810.1	2,303.8	1,914.4	1,619.9
Net income after MI [IDR bn]	(5,844.8)	(59.6)	117.7	185.8
EBITDA margin [%]	5.4	10.6	10.4	9.5
Adjusted debt/EBITDA [X]	*31.2	14.5	14.9	16.4
Adjusted debt/adjusted equity [X]	4.2	2.2	1.7	1.6
FFO/adjusted debt [%]	*(7.4)	1.5	1.6	0.5
EBITDA/IFCCI [X]	0.3	1.7	1.7	1.3
USD exchange rate [IDR/USD]	15,526	15,731	14,269	14,105

FFO = EBITDA – IFCCI + Interest Income – Current Tax Expense

EBITDA = Operating Profit + Depreciation Expense + Amortization Expense

IFCCI = Gross Interest Expense + Other Financial Charges + Capitalized Interest; (FX Loss not included)

MI= Minority Interest

\*annualized

The above ratios have been computed based on information from the company and published accounts. Where applicable, some items have been reclassified according to PEFINDO's definitions.

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