Press Release
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PT WIJAYA KARYA BETON Tbk.

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CREDIT PROFILE

Corporate Rating *idA+/Stable*

Rated Issues
Proposed MTN *idA+*

Rating Period
April 11, 2018 – April 1, 2019

Rating History

SEP 2016	*idA+/Stable*
JUL 2015	*idA+/Stable*
JUL 2014	*idA+/Stable*
JUL 2013	*idA+/Stable*

FINANCIAL HIGHLIGHTS

As of / for the year ended	Dec-2017 (Audited)	Dec-2016 (Audited)	Dec-2015 (Audited)	Dec-2014 (Audited)
Total Adjusted Assets [IDR Bn]	7,067.9	4,663.1	4,456.1	3,802.7
Total Adjusted Debt [IDR Bn]	1,518.8	669.7	532.7	567.5
Total Adjusted Equity [IDR Bn]	2,747.9	2,491.2	2,263.4	2,202.6
Total Sales [IDR Bn]	5,362.3	3,481.7	2,652.6	3,277.2
EBITDA [IDR Bn]	707.4	543.7	328.5	495.0
Net Income after MI [IDR Bn]	337.1	273.0	173.9	329.8
EBITDA Margin [%]	13.2	15.6	12.4	15.1
Adjusted Debt/EBITDA [X]	2.2	1.2	1.6	1.1
Adjusted Debt/Adjusted Equity [X]	0.6	0.3	0.2	0.3
FFO/Adjusted Debt [%]	33.7	67.5	51.9	73.7
EBITDA/IFCCI [X]	8.0	9.6	5.2	10.3
USD Exchange Rate [IDR/USD]	13,548	13,436	13,795	12,440

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
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.

PEFINDO assigns "idA+" ratings to PT Wijaya Karya Beton Tbk and proposed MTN

PEFINDO has assigned its "**idA+**" ratings to PT Wijaya Karya Beton Tbk (WTON) and its proposed Medium-Term Notes (MTN) of IDR400 billion. The MTN proceeds will be used to finance capital expenditures to acquire land and for working capital needs. The outlook for the corporate rating is "**stable**".

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.

The plus (+) sign in a particular rating indicates that it is relatively strong within the respective rating category.

The corporate rating reflects WTON's leading market position that benefits from the government's accelerated infrastructure development program, its extensive network and diversified products, and its conservative capital structure and strong cash flow protection measures. However, the rating is constrained by its high exposure to the volatility of the construction business and the threat of new entrants.

The rating could be raised if WTON maintains its strong market position and improves its financial profile on a sustained basis. The rating could be lowered if the Company significantly fails to achieve its revenue and EBITDA targets, which will affect its cash flow, and if its additional debt exceeds projections without a corresponding revenue increase, which would worsen its financial profile as indicated by a debt to EBITDA ratio above 2.5x and funds from operation (FFO) to debt ratio below 27%. The rating will also be under pressure if the Company's business expansion does not materialize as expected.

WTON is one of the largest precast concrete manufacturers in Indonesia. As of December 31, 2017, PT Wijaya Karya (Persero) Tbk was its majority shareholder with 60.0% ownership, followed by Koperasi Karya Mitra Satya (KKMS, 6.9%), Yayasan Wijaya Karya (1%), WTON's treasury stock (4.3%), and the public (27.8%).

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