

PT Wijaya Karya (Persero) Tbk

Credit Ratings

General Obligation (GO)	^{id} BB-/C.W Negative
SR Bond I	^{id} BB-
SR Sukuk Mudharabah I	^{id} BB-(sy)
SR Bond II	^{id} BB-
SR Sukuk Mudharabah II	^{id} BB-(sy)
SR Bond III	^{id} BB-
SR Sukuk Mudharabah III	^{id} BB-(sy)

Rating Period

December 27, 2024 – March 27, 2025

Published Rating History

JUL 2024	^{id} BBB-/Stable
APR 2024	^{id} BBB-/Stable
JAN 2024	^{id} SD
DEC 2023	^{id} CCC/CW Negative
JUL 2023	^{id} BBB/Negative

PEFINDO has lowered the corporate rating of PT Wijaya Karya (Persero) Tbk (WIKA) to ^{id}BB- with CreditWatch with Negative Implication from ^{id}BBB-/stable. At the same time, we also lowered WIKA's ratings of Shelf-Registered (SR) Bond I, II, and III to ^{id}BB- and SR Sukuk Mudharabah I, II, and III to ^{id}BB-(sy). These rating actions follow WIKA's inability to obtain approval from holders of SR Bond II Phase II/2022 Seri A of IDR593.9 billion and SR Sukuk Mudharabah II Phase II/2022 Seri A of IDR412.9 billion, both due on February 18, 2025, in which WIKA has proposed to partially repay the maturing debts while the remaining portion will be extended, by continuing to serve the same value coupon as well as adding call options for Serie A, B, and C. In our view, WIKA faces heightened refinancing risk to fully repay the maturing debt in a timely manner amid its weak financial performance and liquidity pressure.

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 maturing Bond and Sukuk may result in a rating downgrade. We may review WIKA's ratings and outlook if the Company is able to resolve the concerns on its maturing debt instruments.

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 November 30, 2024, its shareholders were the Indonesian government (91.02%) and the public (8.98%).

Rating Definition

Debt security rated ^{id}BB denotes somewhat weak protection parameters relative to other Indonesian debt securities. The obligor's capacity to meet its long-term financial commitments on the debt security is susceptible to major ongoing uncertainties or exposure to adverse business, financial, or economic conditions, which could result in an inadequate capacity of the obligor to meet its financial commitments on the debt security. The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

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

Financial Highlights

As of/for the year ended	Sep-2024	Dec-2023	Dec-2022	Dec-2021
Consolidated Figure	(Unaudited)	(Audited)	(Audited)	(Audited)
Total adjusted assets [IDR bn]	62,716.1	62,770.4	73,031.5	69,135.6
Total adjusted debt [IDR bn]	35,456.3	36,911.2	33,402.8	28,435.6
Total adjusted equity [IDR bn]	11,995.1	6,360.7	15,455.1	17,184.8
Total sales [IDR bn]	12,462.6	22,391.1	21,787.5	18,482.1
EBITDA [IDR bn]	463.5	1,274.6	2,375.0	2,019.8
Net income after MI [IDR bn]	741.4	(7,128.3)	(59.6)	117.7
EBITDA margin [%]	3.7	5.7	10.9	10.9
Adjusted debt/EBITDA [X]	*57.4	29.0	14.1	14.1
Adjusted debt/adjusted equity [X]	3.0	5.8	2.2	1.7
FFO/adjusted debt [%]	*(9.4)	(6.6)	1.7	1.9
EBITDA/IFCCI [X]	0.2	0.4	1.7	1.7
USD exchange rate [IDR/USD]	15,138	15,416	15,731	14,269

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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