

## PT Wijaya Karya (Persero) Tbk

### Credit Rating(s)

General Obligation (GO)	idA/Stable
SR Bond I	idA
SR Sukuk Mudharabah I	idA <sup>(sy)</sup>
SR Bond II	idA
SR Sukuk Mudharabah II	idA <sup>(sy)</sup>

### Rating Period

June 10, 2022 – June 1, 2023

### Published Rating History

JUN 2021	idA/Stable
SEP 2020	idA/Stable
SEP 2015	idA+/Stable
SEP 2014	idA+/Stable
MAY 2013	idA+/Stable

PT Wijaya Karya (Persero) Tbk rated **idA** with **stable outlook**. PEFINDO has affirmed its **idA** ratings for PT Wijaya Karya (Persero) Tbk (WIKA), its Shelf Registered Bond I Year 2020, and its Shelf Registered Bond II/2021. PEFINDO has also affirmed its **idA<sup>(sy)</sup>** ratings to WIKA's Shelf Registered Sukuk Mudharabah I/2020 and Shelf Registered Sukuk Mudharabah II/2021. The outlook for the corporate rating is **"stable"**.

The corporate rating reflects WIKA's strong market position in the domestic construction industry, diversified revenue sources, and strong financial flexibility. The rating is constrained by the Company's aggressive financial profile, risks from expansion into new businesses, and the inherently volatile business environment.

The rating could be raised if WIKA significantly improves its financial leverage and debt service coverage on a sustained basis while demonstrating more steady cash flow generation supported by a more diversified business. However, the rating may be lowered if it incurs significantly higher debt than projected without corresponding increase in EBITDA on a sustained basis.

Established in 1961, WIKA is one of the state-owned enterprises (SOE) in the construction sector. It covers infrastructure, building, property, realty, investment, energy, precast, and construction engineering segments. As of December 31, 2021, its shareholders were the Indonesian government (65.05%) and the public (34.95%).

### Rating Definition

Debt security rated **idA** indicates that the issuer's capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian issuers, is strong. However, the issuer's capacity is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated issuers.

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

### Financial Highlights

As of/for the year ended	Dec-2021	Dec-2020	Dec-2019	Dec-2018
Consolidated Figure	(Audited)	(Audited)	(Audited)	(Audited)
Total adjusted assets [IDR bn]	69,135.6	67,887.2	61,696.0	59,051.5
Total adjusted debt [IDR bn]	28,435.6	26,576.3	15,378.7	13,887.7
Total adjusted equity [IDR bn]	17,184.8	16,136.7	18,502.1	16,738.0
Total sales [IDR bn]	18,482.1	17,008.6	28,152.0	31,691.2
EBITDA [IDR bn]	1,906.9	1,617.1	4,008.8	3,643.7
Net income after MI [IDR bn]	117.7	185.8	2,285.0	1,730.3
EBITDA margin [%]	10.3	9.5	14.2	11.5
Adjusted debt/EBITDA [X]	14.9	16.4	3.8	3.8
Adjusted debt/adjusted equity [X]	1.7	1.6	0.8	0.8
FFO/adjusted debt [%]	1.5	0.5	16.1	14.8
EBITDA/IFCCI [X]	1.6	1.3	4.4	3.7
USD exchange rate [IDR/USD]	14,269	14,105	13,901	14,481

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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**DISCLAIMER**

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