PEFINDO
CREDIT RATING AGENCY

Rating Summary

March 31, 2023

PT Wijaya Karya Beton Tbk

Credit Rating

General Obligation (GO) idA/Stable

Rating Period

March 10, 2023 – March 1, 2024

Published Rating History

MAR 2021	idA/Stable
JUL 2019	idA+/Stable
APR 2018	idA+/Stable
SEP 2016	idA+/Stable

PEFINDO has assigned its idA rating with stable outlook to PT Wijaya Karya Beton Tbk (WTON). The rating reflects its strong likelihood of support from its parent, PT Wijaya Karya (Persero) Tbk (WIKA), strong market position, and extensive network with wide range of services and products. The rating is constrained by its moderate financial profile and sensitivity to changes in macroeconomic conditions.

The rating may be raised if WTON further strengthens its market position and significantly improves its financial profile as reflected in the growth of its revenue and improvement in profitability, in addition to a stronger cash flow protection measures and lower leverage on a sustained basis. The rating may be lowered if WTON's revenue or EBITDA significantly falls short of its targets, and if its debt exceeded the projections without a corresponding revenue and profitability margin increase, worsening its capital structure and cash flow protection measures on a sustained basis. The rating will also be under pressure if we view that WTON is no longer considered as a strategically important subsidiary to WIKA which may be indicated by significant decline in WIKA's ownership, business synergy, and control over the Company.

WTON, established in 1997, is the largest precast concrete manufacturers in Indonesia and one of the largest in South-East Asia. As of December 31, 2022, WIKA was its majority shareholder with 60.0% ownership, followed by Koperasi Karya Mitra Satya (KKMS, 5.13%), Yayasan Wijaya Karya (0.99%), the public (33.50%), and the rests are by key management.

Rating Definition

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.
Suffix (sy) indicates Islamic principles compliant.

Financial Highlights

As of/for the year ended	Dec-2022 (Audited)	Dec-2021 (Audited)	Dec-2020 (Audited)	Dec-2019 (Audited)
Total adjusted assets [IDR bn]	9,447.5	9,082.5	8,670.1	10,337.9
Total adjusted debt [IDR bn]^	2,750.0	3,055.3	2,788.3	2,912.3
Total adjusted equity [IDR bn]	3,637.8	3,484.8	3,424.9	3,508.4
Total sales [IDR bn]	6,003.8	4,459.0	4,803.4	7,083.4
EBITDA [IDR bn]	605.6	365.1	434.8	1,049.2
Net income after MI [IDR bn]	162.9	85.5	128.1	512.3
EBITDA margin [%]	10.1	8.2	9.1	14.8
Adjusted debt/EBITDA [X]	4.5	8.4	6.4	2.8
Adjusted debt/adjusted equity [X]	0.8	0.9	0.8	0.8
FFO/adjusted debt [%]	17.3	8.5	10.8	26.2
EBITDA/IFCCI [X]	7.1	4.2	3.8	7.1
USD exchange rate [IDR/USD]	15,731	14,269	14,105	13,901

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* ^include Supply Chain Financing Payable*

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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