Press Release
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PT WIJAYA KARYA BETON Tbk.

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CREDIT PROFILE

Corporate Rating *idA+/Stable*

Rated Issues
N/A

Rating Period
July 23, 2019 – July 1, 2020

Rating History

APR 2018	*idA+/Stable*
SEP 2016	*idA+/Stable*
JUL 2015	*idA+/Stable*
JUL 2014	*idA+/Stable*
JUL 2013	*idA+/Stable*

FINANCIAL HIGHLIGHTS

As of/for the year ended	Mar-2019 (Unaudited)	Dec-2018 (Audited)	Dec-2017 (Audited)	Dec-2016 (Audited)
Total Adjusted Assets [IDR Bn]	8,608.5	8,881.8	7,068.0	4,663.1
Total Adjusted Debt [IDR Bn]	2,245.8	1,946.2	1,518.8	678.0
Total Adjusted Equity [IDR Bn]	3,061.5	3,136.8	2,747.9	2,491.2
Total Sales [IDR Bn]	1,294.0	6,930.6	5,362.3	3,481.7
EBITDA [IDR Bn]	187.4	959.3	714.2	545.7
Net Income after MI [IDR Bn]	70.8	486.4	337.1	273.0
EBITDA Margin [%]	14.5	13.8	13.3	15.7
Adjusted Debt/EBITDA [X]	*3.0	2.0	2.1	1.2
Adjusted Debt/Adjusted Equity [X]	0.7	0.6	0.6	0.3
FFO/Adjusted Debt [%]	*23.4	35.6	33.7	66.7
EBITDA/IFCCI [X]	6.8	9.8	7.5	9.3
USD Exchange Rate [IDR/USD]	14,244	14,481	13,548	13,436

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.

PEFINDO assigns "idA+" rating to PT Wijaya Karya Beton Tbk

PEFINDO has assigned its "**idA+**" rating to PT Wijaya Karya Beton Tbk (WTON). 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 with more diversified services and 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 strengthens its market position and significantly improves its financial profile on a sustained basis. The rating could be lowered if the Company significantly falls short of its revenue and/or EBITDA targets, which will affect its cash flow, and if its new debt exceeds projections without a corresponding revenue increase, which would worsen its financial profile, as indicated by a debt to EBITDA ratio above 2.8x and funds from operation (FFO) to debt ratio below 27% on a sustained basis. The rating will also be under pressure if the Company's business expansion does not materialize as expected.

WTON is the largest precast concrete manufacturer in Indonesia. As of March 31, 2019, PT Wijaya Karya (Persero) Tbk was its majority shareholder with 60.0% ownership, followed by Koperasi Karya Mitra Satya (KKMS, 6.4%), Yayasan Wijaya Karya (1.0%), WTON's treasury stock (4.3%), and the public (28.3%).

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