

PT. Wijaya Karya Tbk.

Implementation of EPC

INVESTMENT THESIS

The Government's Strategic, projects would continue to run amid the coronavirus pandemic so the country's development would not be left behind from other countries. Strategic projects in SOEs include among others refinery construction, petrochemical construction of Trans-Pacific Petrochemical Indotama (TPPI), tourist destinations development.

Economic Growth, The global economy is projected to experience a recession in 2020 as a result of the escalation of COVID-19. Although it is difficult to make projections of economic impacts due to Covid19 that is not yet known when they end, Government persistent projected economic growth will drop to 2.3%.

FINANCIAL PROJECTION

Balanced Sheet. We forecast Total Asset in 2020 to grow 8.3% YoY to IDR 67.3 trillion and in 2021 increase to IDR 75.7 trillion. Total Liabilities in 2020 grow 5.8% YoY to IDR 45.4 trillion and in 2021 increase 10.1% YoY to IDR 49.9 trillion. And Total Equity in 2020 up 14.1% YoY to IDR 21.9 trillion and to IDR 24.8 trillion in 2021.

Profit & Loss. We forecast a total Revenue in 2020 to grow 25.5% YoY to IDR 34.2 trillion and in 2021 up to IDR 35.9 trillion. Net Profit to increase 20.3% YoY in 2020 to IDR 2.7 trillion in 2020 and to rise 6.2% YoY in 2021 to IDR 2.9 trillion.

INVESTMENT RISK

Global Economic, The risk will still affect the development of the world economy. Economic forecasts and world trade are expected to stagnate with a slowing trend, each projected to be 3.6% and 3.8% per year, for 2020-2024

Increased Current Account Deficits, Indonesia still has a current account deficit of up to 3% of GDP, while several peer countries have recorded a surplus. In tight global financial conditions, the increase in the current account deficit is an obstacle to accelerating faster economic growth.

VALUATION & RECOMMENDATION

By using the Relative Valuation Model, we set **12mo WIKA price target at IDR 1,300**, which implied PER'20E 4.2x. Comparing the closing price of WIKA on Thursday (23/04) at the level of IDR 920, where there is still an upside potential of 41%, we recommend **Buy** for **WIKA**.

24 April 2020

Buy

Price (23/04)	IDR 920
Target Price	IDR 1,300
Ticker (Bloomberg)	WIKA.IJ
IDX Sector	Construction

Edo Ardiansyah

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Company Description:

Established in 1960 under the name Perusahaan Negara Bangunan Widjaja Karja, WIKA is one of the largest listed state-owned engineering, procurement and construction ("EPC") companies in Indonesia with diversified construction projects. Four business segments: Industry, Infrastructure and Building, Energy and Industrial Plant, and Realty & Property.

Stock Data

52-week Range (IDR)	675 2,500
Mkt Cap (IDR bn)	8,386
JCI Weight	0,25%
Shares O/S (mn)	8,970/3.133
YTD Change	53%

Share Holders:

Indonesian Goverment	65%
Public/Others (<5%)	35%

in bn IDR	FY15A	FY16A	FY17A	FY18A	FY19E	FY20F	FY21F	FY22F
Revenue (IDR bn)	13.620	15.669	26.176	31.158	27.213	34.163	35.908	38.421
COGS (IDR bn)	11.965	13.477	23.300	27.553	23.733	29.038	30.521	32.658
Gross Profit (bn IDR)	1.655	2.192	2.876	3.605	3.480	5.124	5.386	5.763
Operating Profit (bn IDR)	1.226	1.665	2.200	3.835	2.139	3.416	3.591	3.842
Net Income (bn IDR)	625	1.012	1.202	1.757	2.285	2.748	2.919	3.250
EPS (IDR)	94	159	134	196	255	306	325	362
Revenue Growth	9%	15%	67%	19%	-13%	26%	5%	7%
EPS Growth	2%	68%	-15%	46%	30%	20%	6%	11%
ROA	3,2%	3,2%	2,6%	3,0%	3,7%	4,1%	3,9%	3,8%
ROE	11,5%	7,9%	8,2%	10,2%	11,9%	12,5%	11,8%	11,7%
PE Ratio	28,0	14,3	11,6	8,4	7,8	4,2	6,0	5,1

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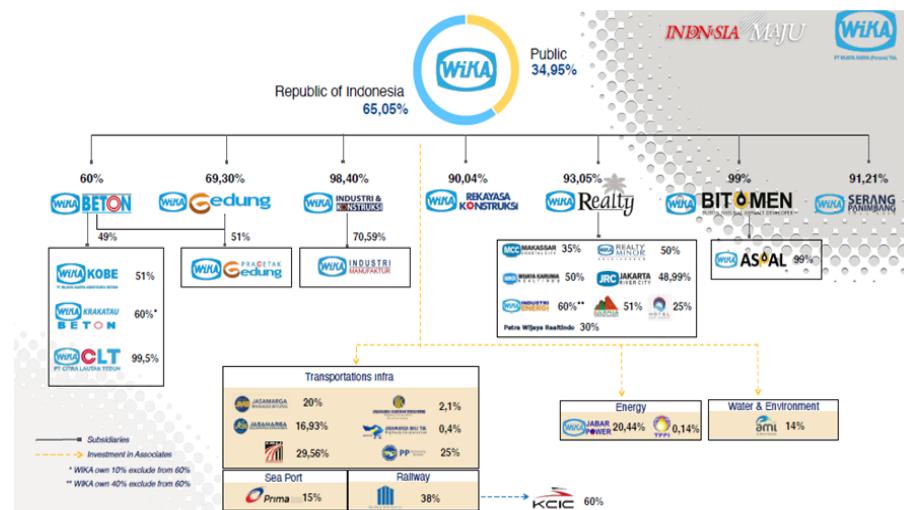
I. BUSINESS MODEL

I.1. Company Overview

Established in 1960 under the name Perusahaan Negara Bangunan Widjaja Karja, WIKA is one of the largest listed state-owned engineering, procurement and construction ("EPC") companies in Indonesia with diversified construction projects. Four business segments: Industry, Infrastructure and Building, Energy and Industrial Plant, and Realty & Property.

WIKA started 2018 by raising funds amounting to Rp5.4 trillion through the issuance of rupiah-denominated global bonds or Komodo Bonds on the Singapore and the London Stock Exchanges. WIKA's Komodo Bonds were oversubscribed 2.5x showing the high enthusiasm from global investors to invest in Indonesia's infrastructure sector. The company also added Construction Engineering and Integrated Transportation System as new business lines to strengthen the company's competitiveness. To continue to grow larger and be more stable, WIKA, which previously focused its business in the construction sector, now began to strengthen its business in the investment sector, such as in toll roads, power plants and transit oriented development sectors to increase the recurring income portion.

In 2019, WIKA officially established the 2030 Vision and Mission to address the company's future challenges. WIKA, as a sustainable Investment and Engineering, Procurement and Construction (EPC) Company, is committed to playing an important role in presenting a better quality of life. WIKA also strengthened its position in the global arena through its large share in the 2019 Indonesia Africa Infrastructure Dialogue (IAID). At this international forum, WIKA was the only Indonesian construction company that introduced and explored business development with leaders of countries on the African continent. At present, WIKA works in 10 countries spread across the continents of Asia and Africa. 2019 also saw WIKA's success in completing a number of signature projects including the Jakarta MRT Bundaran HI-Lebak Bulus, Jakarta Kelapa Gading-Velodrome LRT, and Aeroporto Internacional De Oecusse Rota do Sandolo in Timor Leste.



Picture 1 . Business Portofolio

Source: Company

I.1.1. Business Line

WIKA is an integrated construction company with 7 (seven) main business lines. The market segments targeted by WIKA include construction and derivative projects involving the Government and the private sector.

WIKA's products and services include:



Source : Company

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INDUSTRY		
PRECAST CONCRETE	CONS. INDUSTRY	BITUMEN
		
Precast Concrete Product Natural Resources Management	Steel Fabrication Aluminium Casting Plastic Injection	Granular Asphalt Extraction Asphalt
13,08%	5,58%	0,79%
28,03%	9,93%	1,23%

CONSTRUCTION ENGINEERING	INTEGRATED TRANSPORTATION SYSTEM
OPERATING & MAINTANANCE	HIGH SPEED RAILWAY
	
Operation & Maintenance : - Power Plant - Industrial Equipment	Civil Construction Station Design Transit Oriented Development (TOD): - Detail Master Plan - Development - Selling & Marketing - Property Management
REV CONTRIBUTION 1,62%	
3,02%	

Picture 2. Business Line

Source: Company

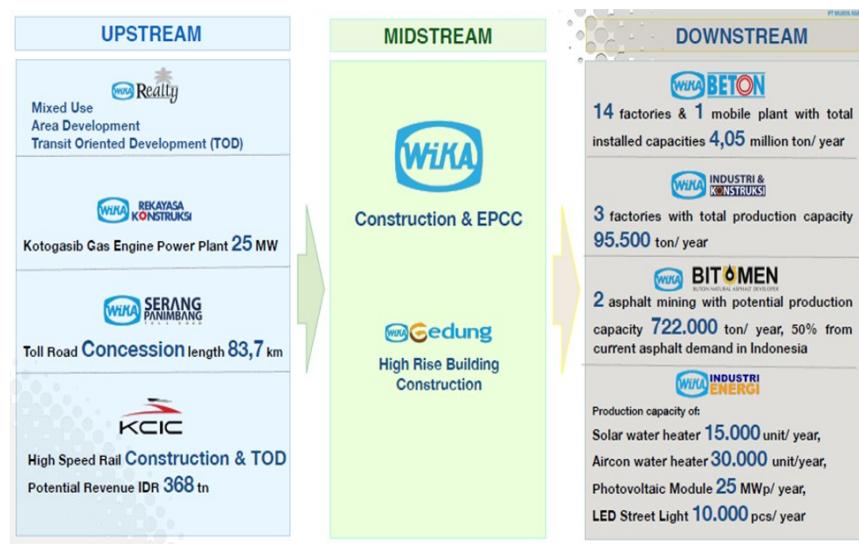
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I.2. Corporate Strategy

In 2019, WIKA focused on developing integrated businesses in its four main segments, Infrastructure and Buildings, Energy and Industrial Plant, Industry, and Reality and Property. WIKA is striving to strengthen its excellence in these four segments. In general, WIKA strategy for 2019 involved:

- Increasing competitiveness by improving COGS (Cost of Goods Sold).
- Developing new markets through investment patterns, as well as cooperation pterns with several competent and capable companies.
- Running existing business process systems that have been updated in line with business development.

WIKA focused on developing integrated businesses in its four main segments



Picture 3. WIKA Business Flow
Source: Company

I.3. Geographic Segment

The Geographic Segment profitability grew by 26% from the previous year. This was driven by the Domestic Segment (Indonesia) performance that increased by 30% compared to Rp2,569,831 million the previous year, while the Foreign Segment decreased by 44% to Rp51,184 million.

The Geographic Segment profitability grew by 26% from the previous year.

URAIAN DESCRIPTION	NILAI ASET TERCATAT ASSETS CARRYING COST			PENDAPATAN INCOME			LABA BERSIH TAHUN BERJALAN NET INCOME FOR THE YEAR		
	2019	2018	PERTUM- BUAHAN (%) GROWTH (%)	2019	2018	PERTUM- BUAHAN (%) GROWTH (%)	2019	2018	PERTUM- BUAHAN (%) GROWTH (%)
Indonesia	60.373.473	57.641.517	5%	26.453.821	29.611.735	(11%)	2.569.831	1.982.473	30%
Luar Negeri Foreign	1.737.374	1.588.484	9%	759.093	1.546.458	(51%)	51.184	90.827	(44%)
Jumlah Total	62.110.847	59.230.001	5%	27.212.914	31.158.193	(13%)	2.621.015	2.073.300	26%

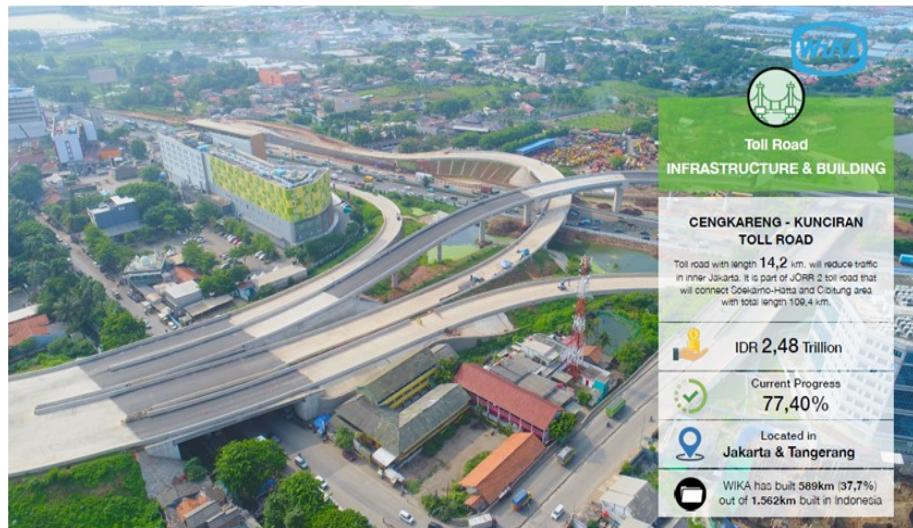
Picture 4 Geographic Segment

Source: Company

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I.4. Project Highlights

Cengkareng—Kunciran Toll Road



Serang—Panimbang Toll Road



Kijing Terminal



Source: Company

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High Speed Railway



Kuwil Kawangkoan Dams



Power Plant Java Vill Cilacap
1x1,000MW



Picture 5: WIKA Projection
Source : Company

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I.5. Revenue Streams

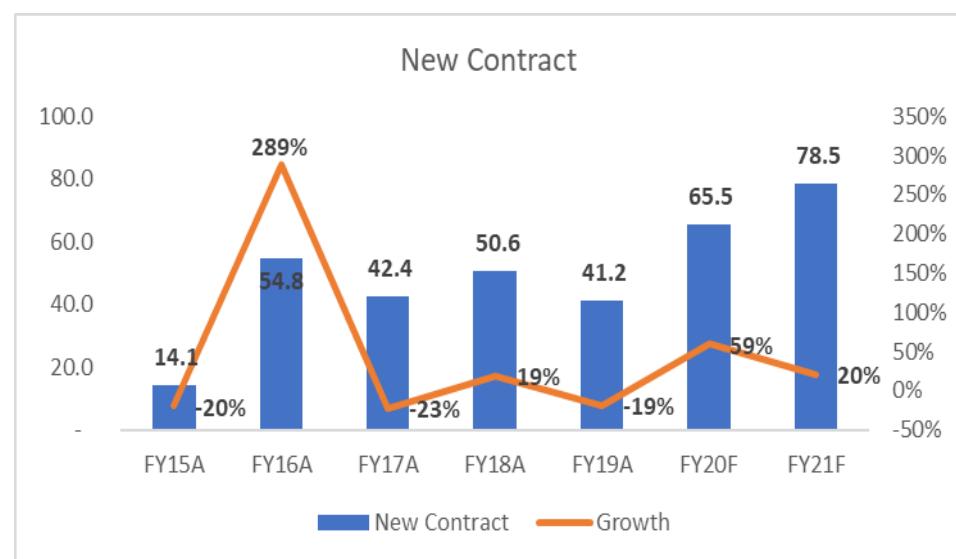
WIKA net sales came from the contribution of construction services about 65% of the company's total revenue, followed by Mechanical Construction 15%, Industrial (Concrete Products) by 14%, and Real Estate by 6%.

I.5.1. New Contract

New Contract increase 59% YoY in 2020 and 20% YoY in 2021

In 2019, the company managed to get a new contract of 41.1 billion, a decrease of 19% YoY from 2018, but in 2020 management projects a new contract of 65.5 billion, a significant increase of 59% YoY. Meanwhile, in 2021 we project the company will get a new contract projection of 78.5 billion or to grow 20% YoY.

Graph 1. New Contract



Source: Company, MCS Research

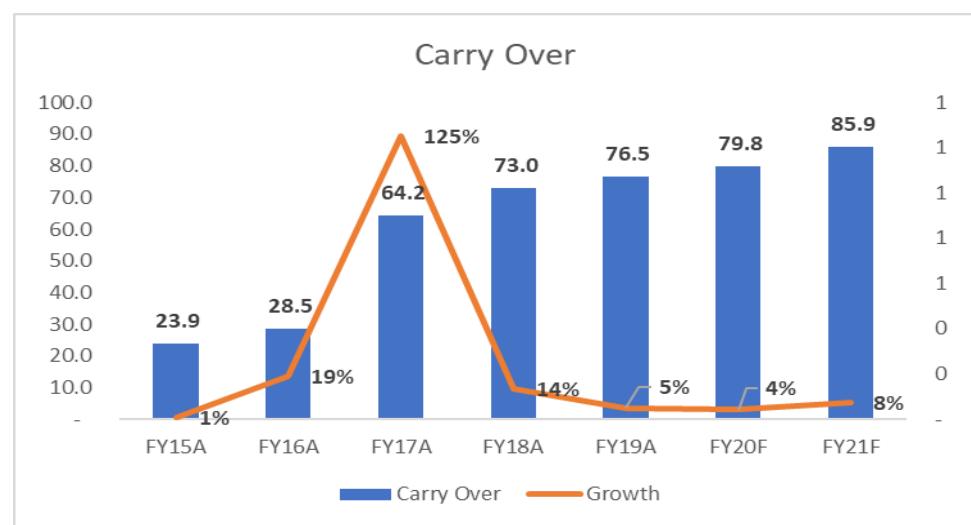
ASP to increase 11% YoY in 2019 and 5% YoY in 2020.

I.5.2. Carry Over

In 2019, the company managed to get a Carry Over of 76.5 billion, an increase of 5% YOY from 2018, but in 2020 management projected a carryover of 79.8 billion to increase by 4% YoY. Meanwhile, in 2021 we project the company will get a carryover projection of 85.9 billion or grow 8% YoY.

Graph 2. Carry Over

Source: Company, Bloomberg, MCS Research

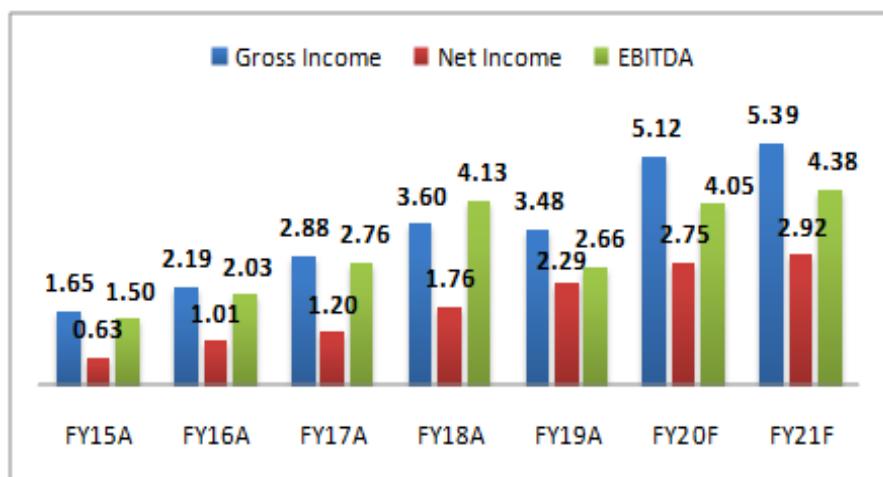


I.5.3 Gross Profit Projection

We forecast the gross profit in 2020 to grow for 47% YoY to the level of IDR 5.12 trillion. However, we estimate a growth of gross profit in 2021 reaching the level of IDR 5.39 trillion or an increase of 5% YoY. Meanwhile, we project Net Income to grow 20% to the level of IDR 2.75 trillion in 2020 and continue to grow for another 6% YoY to IDR 2.92 trillion in 2021.

Graph 3. Gross Profit Projection

Material cost is significant.



Source: Company, Bloomberg, MCS Research

II. INVESTMENT THESIS

II.1. Macro Economic Development

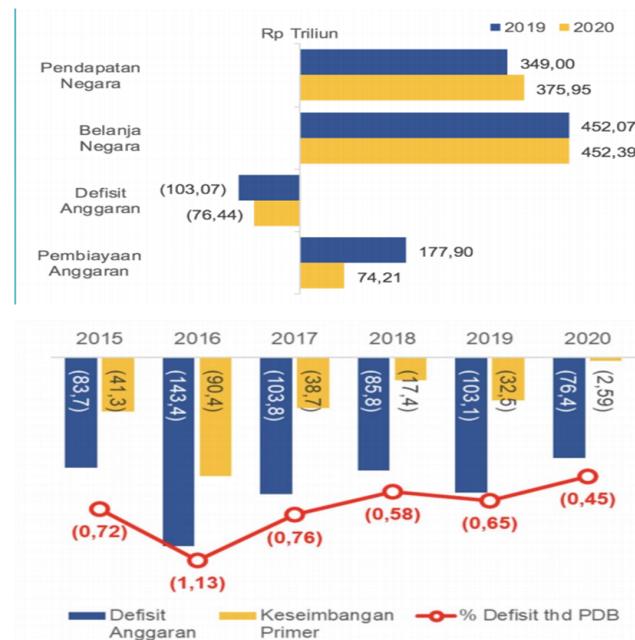
The global economy is projected to experience a recession in 2020 as a result of the escalation of COVID-19 which has spread in 210 countries with a death toll of almost more than 1.7 million. In Indonesia, there were 7,418 cases as of April 23, 2020, concentrated in Jakarta and surrounding areas (Greater Jakarta). The world economy is under heavy pressure and will decrease minus 3% compared to the positive January forecast of 3.4% according to the International Monetary Fund (IMF). The Indonesian economy has also been negatively affected by Covid19 - and prevention measures through large-scale social restrictions.

Although it is difficult to make projections of economic impacts due to Covid19 that is not yet known when they end, the Government continues to prepare scenario to deal with and minimize the social-economic impacts of Covid19. The 2020 economic growth scenario will drop to 2.3%, with very heavy scenario even lower.

The development of the state budget until the end of March is still quite good. State revenue was recorded at Rp375.9 trillion, growing by 7.7% from last year. However, the increase in state revenue is due to BUMN dividend payments (PNBP) and earlier tobacco product excise receipts.

State expenditure reached Rp452.4 trillion or grew 0.1%, but the Ministry of Institutional Expenditures reached Rp 143 trillion or an increase of 11% compared to last year. Social expenditure reached Rp 47.2 trillion, up 27.6% to increase community protection. Social and health spending will increase in the coming months as government wages address Covid19 and increase social protection more broadly.

Capital expenditure reached Rp 12 trillion, up 32% from last year. Capital expenditure controls will be carried out and diverted to COVID19.

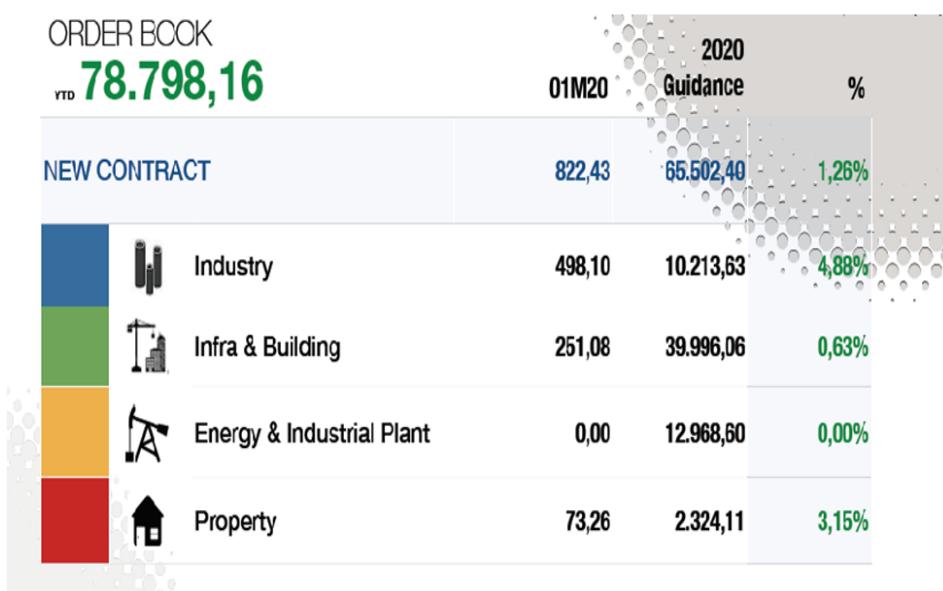


Picture 6. Realization APBN 2020

Source: kemenkeu.go.id

II.2. SOE Projects to Give Relief

State-Owned Enterprises (SOE) Minister Erick Thohir said the government's strategic projects would continue to run amid the coronavirus pandemic so the country's development would not be left behind from other countries. Strategic projects in SOEs include among others refinery construction, petrochemical construction of Trans-Pacific Petrochemical Indotama (TPPI), tourist destinations development. WIKA still targets 37.3% of its current FY20F new contract of Rp65.5 trillion to come from SOEs projects, followed by private (24.9%), government (17.8%), investment (12.7%) and foreign (7.2%) projects. The government will issue a government regulation in lieu of law (Perppu) that will boost state spending by up to Rp405.1 trillion and widen the budget deficit to 5.07% of GDP in the nation's fight against COVID-19. This may reduce concern about infra budget reallocation to health sector.



Picture 7. New Contract Achievement 2020

Source: Company, MCS Research

The government's strategic projects would continue to run amid the coronavirus pandemic so the country's development would not be left behind from other countries. Strategic projects in SOEs include among others refinery construction, petrochemical construction of Trans-Pacific Petrochemical Indotama (TPPI), tourist destinations development. WIKA still targets 37.3% of its current FY20F new contract of Rp65.5 trillion to come from SOEs projects, followed by private (24.9%), government (17.8%), investment (12.7%) and foreign (7.2%) projects.

II.2. Impact of COVID-19 on the HSR project

The ongoing epidemic of the coronavirus has created intense fear in the market. While we note that 70% of the HSR project construction works are done by Chinese contractors (China Railway Group Limited and Sinohydro Corporation Limited), the coronavirus outbreak has a limited-to-no impact on the HSR project. According to management, the project will put more focus on WIKA's construction portion (30% of the construction works) at the moment as some of the Chinese workers have not returned to Indonesia following the Chinese New Year celebration. WIKA's portion focuses more on piling construction, which is the base of the elevated railway. The batching plant is located in Karawang and Walini. Chinese contractors are mostly responsible for installing girders and rolling stocks. Importantly, the stockpile of the girders have mostly been shipped to Indonesia, thus there is no near-term supply chain disruption. Our estimates assume 80% project completion by Y20F and 100% completion by FY21, which is in-line with the company's guidance. Our estimates also imply that the construction progress translates to IDR332band IDR179b earnings contribution for FY20 and FY21



Picture 8. HSR Project

Source: Bisnis.com

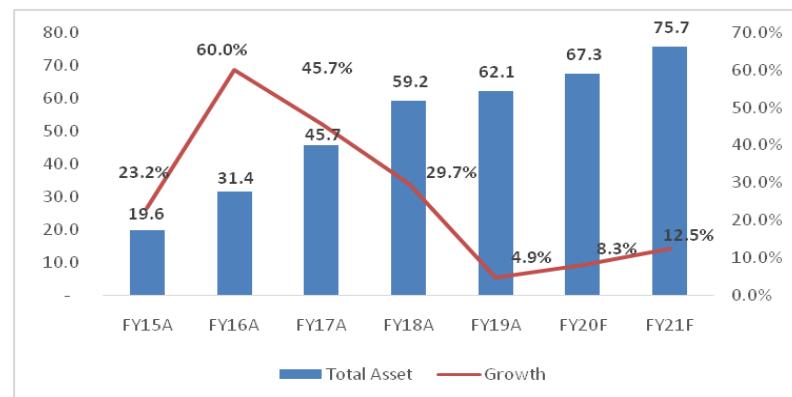
III. FINANCIAL PROJECTIONS

III.1. Balanced Sheet

Total Asset to grow CAGR 21.3% between 2015-2021.

We forecast Total Asset in 2020 to reach the level of IDR 67.3 trillion or to grow 8.3% YoY. Meanwhile, we forecast Total Asset in 2021 to increase for around 12.5% to reach the level of IDR 75.7 trillion. Between 2015 and 2021, we expect Total Asset to grow CAGR 21.3%

Graph 4. Total Assets

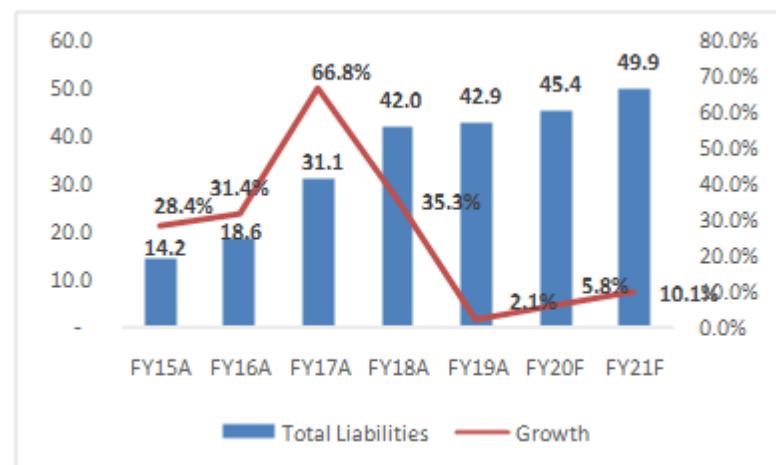


Source : Company, Bloomberg, MCS Research

Total Liabilities to grow CAGR 19.7% between 2015-2021.

We forecast Total Liabilities in 2020 to reach the level of IDR 45.4 trillion or to increase 5.8% YoY. Meanwhile, for the year 2021, we forecast Total Liabilities to increase for 10.1% YoY to IDR 49.9 trillion. Between 2015 and 2021, we expect Total Liability to grow CAGR 19.7%.

Graph 5. Total Liabilities

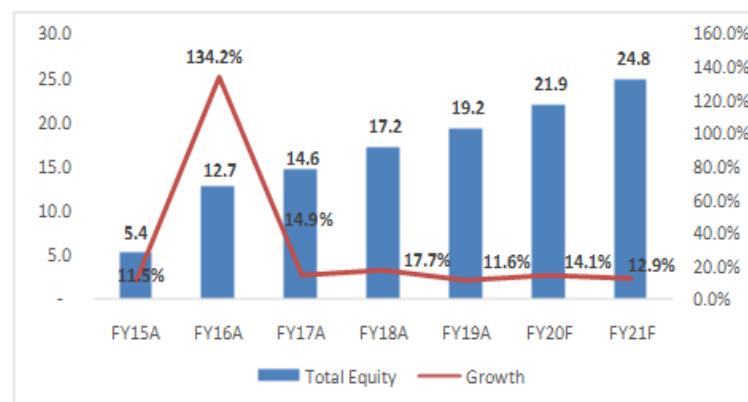


Source : Company, Bloomberg, MCS Research

We forecast Total Equity in 2020 to reach IDR 21.9 trillion or grow 14.1% YoY. Meanwhile, in 2021, we forecast Total Equity to increase for 12.9% YoY to IDR 24.8 trillion. Between 2015 and 2021, we expect Total Equity to grow CAGR 24.2%.

Graph 6. Total Equity

Total Equity to grow CAGR 24.2% between 2015-2021.



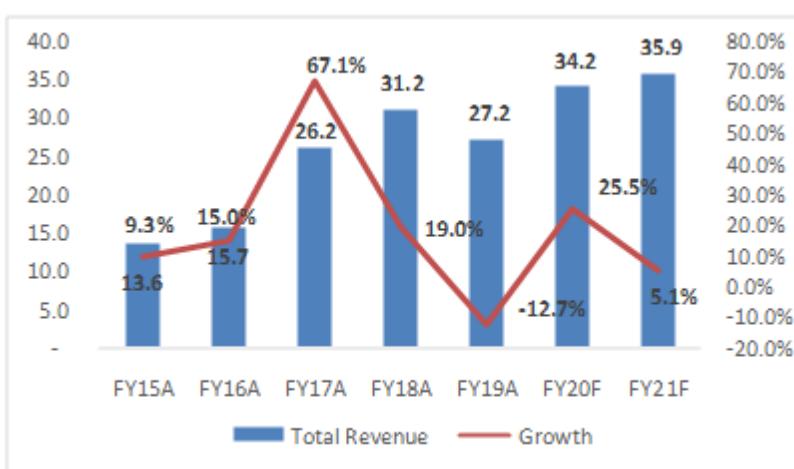
Source : Company, Bloomberg, MCS Research

III.2. Profit & Loss

We forecast Total Revenue in 2020 to reach the level of IDR 34.2 trillion or grow 25.5% YoY. Meanwhile, in 2021 we forecast Total Revenue to continue its growth by 5.1%, reaching the level of IDR 35.9 trillion. Between 2015 to 2021, we expect Total Revenue to grow CAGR 14.9%

Graph 7. Total Revenue

Revenue to grow CAGR 14.9% between 2015-2021.

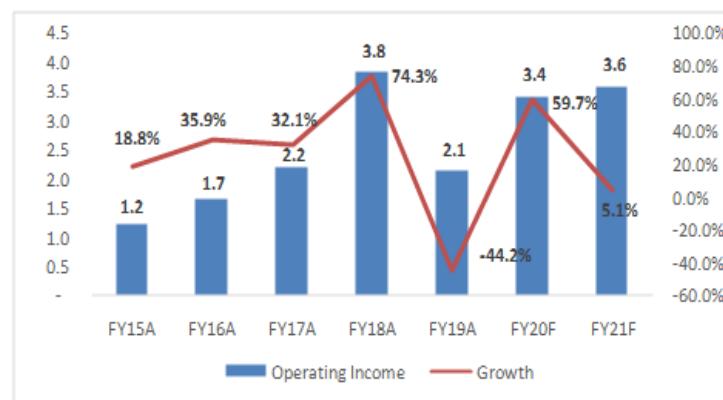


Source : Company, Bloomberg, MCS Research

Operating Income to grow CAGR 16.6% between 2015-2021.

We forecast Operating Income in 2020 to reach IDR 3.4 trillion or to increase 59.7% YoY. Meanwhile, for 2021, we forecast Operating Income to grow 5.1% YoY into IDR 3.6 trillion. Between 2015 and 2021, we expect Operating Income to rise CAGR 16.6%

Graph 8. Operating Income

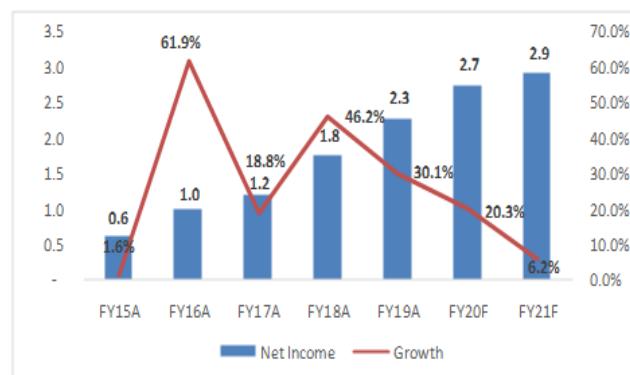


Source : Company, Bloomberg, MCS Research

Net Income to grow CAGR 24.6% between 2015-2021.

We forecast Net Income in 2020 to reach IDR 2.7 trillion or to increase 20.3% YoY. Meanwhile, for 2021, we forecast Net Income to climb 6.2% YoY into IDR 2.9 trillion. Between 2015 and 2021, we expect Net Income to grow CAGR 24.6%

Graph 9. Net Income



Source : Company, Bloomberg, MCS Research

IV. VALUATION & RECOMMENDATION

IV.1. Valuation

After assessing the company's performance, assuming that the risk-free rate is 5.3%, the premium is 7.1%, the beta is 1.86, terminal growth is 4%, and debt and equity portion 25%, we use the Weighted Average Cost of Capital (WACC) at 12.6% to do our evaluation with the income approach or discounted cash flow (DCF) method. Based on the calculations done, we set the target price at **Rp. 1,300**

We use WACC and DCF method to assess the company target price

12mo target price IDR 1,300/share.

In IDR Bn	1	2	3	4	
	2019A	2020F	2021F	2022F	2023F
EBIT	2,139	3,416	3,591	3,842	4,131
Depreciation	494	633	792	963	1,147
Tax	(36)	(239)	(243)	(258)	(282)
Capex	(2,209)	(2,278)	(2,394)	(2,561)	(2,754)
Change in WC	310	(212)	(1,537)	295	319
FCF	696	1,320	209	2,282	2,561
Present Value	696	1,172	165	1,597	1,592
Terminal Value					9,902
Equity Value	13,256				
Debt	(16,291)				
Cash	14,780				
Enterprise Value	11,744				
Fair Value (In IDR)	1,300				

Recommendation Buy

IV.2. Recommendation

By comparing the closing price of the Company on Thursday (23/04) at the level of IDR 950, we recommend **Buy** for WIKA shares, where there is still an **upside potential of 41%** if our 12mo target price at IDR **1,300** is reached.

Following is the classification of recommendations that we issue

Recommendation	Potential Return
Strong Buy	>40%
Buy	10% to 39%
Neutral	0% to 9%
Reduce	<0%
No Rating	No Coverage

V. INVESTMENT RISKS

V.1. Global Economic

The risk will still affect the development of the world economy. Economic forecasts and world trade are expected to stagnate with a slowing trend, each projected to be 3.6% and 3.8% per year, for 2020-2024. International commodity prices for Indonesia's main exports are also expected to decline, including coal and palm oil, along with the shifting of world demand to other products. Other uncertainties that need to be anticipated include a trade war, a slowdown in the Chinese economy, pressure for normalization of monetary policy that shifts from the US to the European region and a pandemic corona virus (Covid-19)

V.2. Stagnant Economic Growth

Stagnation in economic growth is mainly due to low productivity because structural transformation is not functioning. Factors that become obstacles are:

1. Regulations that overlap and obstruct bureaucracy;
2. The system and the amount of tax revenue is not enough;
3. infrastructure quality is still low especially connectivity and energy;
4. the low quality of human resources and labor productivity;
5. Low financial sector intermediation and shallow financial markets;
6. Ineffective innovation system;
7. Weak upstream-downstream relationships

V.3. Increased Current Account Deficits

The underdevelopment of the processing industry has an impact on Indonesia's international trade performance. Until now, export Indonesia is still dominated by commodity exports with foreign transportation services, not unlike the period 40 years ago. The ratio of exports to GDP continues to decline from 41.0% in 2000 to 21% in 2018. As a result, Indonesia still has a current account deficit of up to 3% of GDP, while several peer countries have recorded a surplus. In tight global financial conditions, the increase in the current account deficit is an obstacle to accelerating faster economic growth.

VI. ABOUT THE COMPANY

VI.1. Brief History

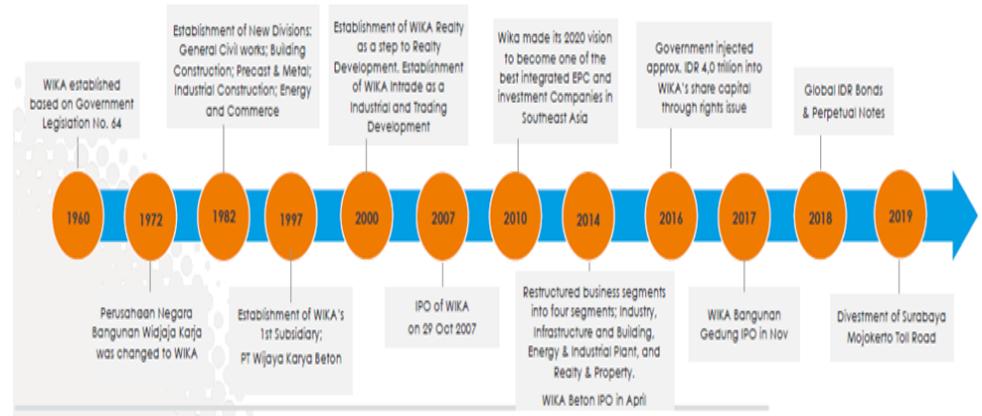
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Founded in 1960, Erajaya went public in 2007 under the WIKA stock code

The market capitalization of WIKA as of December 31, 2019 was IDR 17,85 Trillion. As of December 31, 2019, WIKA is owned by the Government as to 65,05% and by public shareholders as to 34,95% Total order book as of December 30, 2019 was valued at IDR 118 Trillion.

Successfully undertaken key national infrastructure projects including the Balikpapan-Samarinda Toll Road, the Semanggi Interchange, the Jatigede Dam, Soekarno-Hatta Airport Terminal 3, the Ngurah Rai Airport and the Suramadu Bridge, the Serang-Panimbang Toll Road and the Jakarta-Bandung High Speed Railway.

VI.2. Key Milestones



VI.3. Profil Manajemen

Board Of Commissioners	
President Commissioner	: Ir. Imam Santoso
Commissioner	: Ir. Edy Sudarmanto
Commissioner	: Liliek Mayasari, SE
Commissioner	: Drs. Freddy R. Saragih, MPAcc
Independent Commissioner	: Drs. Achmad Hidayat
Independent Commissioner	: Prof. Ir. Suryo Hapsoro Tri Utomo, Phd

Board Of Directors	
President Director	: Ir. Tumiyana, MBA
Director	: Ade Wahyu, SE, MM
Director	: Ir. Novel Arsyad
Director	: Agung Budi Waskito, ST, M.Tech
Director	: Ir. Bambang Pramujo, M.T
Director	: Ir. Destiawan Soewardjono, MM
Director	: Danu Prijambodo, ST, Master Medea

VI.3. Corporate Information

Nama Name	PT Wijaya Karya (Persero) Tbk.	PT Wijaya Karya (Persero) Tbk.
Nama Panggilan Familiar Name	WIKA	WIKA
Bidang Usaha Business Field	Konstruksi	Construction
Tanggal Pendirian Date of Establishment	11 Maret 1960	March 11, 1960
Dasar Hukum Pendirian Establishment Legal Basis	AKta Perseroan Terbatas Nomor 110 tanggal 20 Desember 1972 yang dibuat di hadapan Dian Paramita Tamzill, pada waktu itu pengganti dari Djojo Muljadi, S.H., Notaris di Jakarta dan Perubahan Naskah Pendirian Perseroan Terbatas "PT Wijaya Karya" berdasarkan akta Nomor 106, tanggal 17 April 1973 yang dibuat di hadapan Kartini Muljadi, S.H., Notaris di Jakarta, yang telah disahkan oleh Menteri Kehakiman Republik Indonesia dengan Keputusan Nomor Y.A.5/165/14 tanggal 8 Mei 1973, serta telah diumumkan dalam Berita Negara Republik Indonesia Nomor 76 tanggal 21 September 1973, Tambahan Berita Negara Republik Indonesia Nomor 683.	Limited Liability Company Deed No. 110 dated December 20, 1972 before Dian Paramita Tamzill, alternate to from Djojo Muljadi, S.H., Notary in Jakarta and Amended on the Establishment of Limited Liability Company "PT Wijaya Karya" based on deed No. 106, dated April 17, 1973 before Kartini Muljadi, SH, Notary in Jakarta, and approved by the Republic of Indonesia Minister of Justice Decree Number Y.A.5/165/14 dated May 8, 1973, and announcement in the Republic of Indonesia State Gazette No. 76 on September 21, 1973, Addendum No. 683.
Kepemilikan Ownership	<ul style="list-style-type: none"> • Pemerintah Republik Indonesia 65,05% • Publik 34,95% 	<ul style="list-style-type: none"> • The Government of The Republic of Indonesia 65.05% • Public 34.95%
Modal Dasar Authorized Capital	Rp3.500.000.000.000	Rp3,500,000,000,000
Modal Ditempatkan Issued and Fully Paid-Up Capital	Rp896.995.137.200	Rp896,995,137,200
Jumlah Karyawan Number of Employees	2.767	2,767
Tanggal Go Public Public Listing	29 Oktober 2007	October 29, 2007
Nama Bursa Stock Exchange	Bursa Efek Indonesia	Bursa Efek Indonesia
Kode Saham Share Code	WIKA	WIKA
Sekretaris Perusahaan Corporate Secretary	Mahendra Vijaya	Mahendra Vijaya
Alamat Kantor Pusat Head Office Address	WIKA Tower 1 & 2 Jalan D.I. Panjaitan Kav. 9 - 10 Jakarta 13340 - Indonesia T: +6221 8067 9200 F: +6221 2289 3830 E: adwijaya@wika.co.id	WIKA Tower 1 & 2 Jalan D.I. Panjaitan Kav. 9 - 10 Jakarta 13340 - Indonesia T: +6221 8067 9200 F: +6221 2289 3830 E: adwijaya@wika.co.id

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Appendix 1-Balanced Sheet Statement
(In Billion of IDR except Per Share)

Balance sheet	FY14	FY15	FY16	FY17	FY18	FY19A	FY20F	FY21F	FY22F	FY23F
Total Current Assets	9,481	12,560	23,652	34,910	43,555	42,335	48,762	54,080	60,195	66,432
+ Cash & Near Cash Items	2,301	2,560	9,270	11,254	13,974	10,347	14,780	17,578	21,483	24,567
+ Short Term Investments	0	0	0	0	0	0	0	0	0	0
+ Accounts & Notes Receivable	1,963	2,782	3,751	4,930	5,351	4,462	5,948	6,098	6,501	7,064
+ Inventories	817	1,031	1,164	1,663	5,979	6,855	7,196	8,141	8,391	9,190
+ Other Current Assets	4,400	6,187	9,467	17,063	18,252	20,672	20,839	22,263	23,821	25,611
Total Long-Term Assets	6,428	7,042	7,703	10,774	15,675	19,775	18,507	21,618	25,115	27,805
+ Long Term Investments	420	13	185	5	561	647	714	750	840	876
Gross Fixed Assets	4,257	5,629	4,997	6,228	8,432	11,455	9,491	11,885	14,446	17,200
Accumulated Depreciation	693	927	1,211	1,757	1,565	2,059	1,524	1,908	2,320	2,762
+ Net Fixed Assets	3,564	4,702	3,786	4,471	6,867	5,155	7,967	9,977	12,127	14,439
+ Other Long Term Assets	2,444	2,327	3,733	6,298	8,247	9,732	9,826	10,891	12,148	12,490
Total Asset	15,909	19,602	31,355	45,684	59,230	62,111	67,270	75,698	85,310	94,238
Total Current Liabilities	8,476	10,598	14,909	25,976	28,252	30,349	32,555	36,611	38,526	41,360
+ Accounts Payable	3,903	4,323	4,527	8,925	13,183	12,762	13,279	14,922	16,083	16,819
+ Short Term Borrowings	1,708	1,818	5,814	6,907	4,497	6,188	7,685	8,077	8,643	9,292
+ Other Short Term Liabilities	2,865	4,456	4,568	10,144	10,572	11,399	11,591	13,612	13,801	15,249
Total Long Term Liabilities	2,556	3,567	3,708	5,076	13,763	12,546	12,815	13,329	14,337	15,374
+ Long Term Borrowings	1,275	1,692	932	2,108	9,092	8,892	7,961	8,368	8,953	9,626
+ Other Long Term Borrowings	1,281	1,874	2,777	2,968	4,671	3,653	4,854	4,961	5,384	5,748
Total Liabilities	11,032	14,164	18,617	31,052	42,015	42,895	45,370	49,940	52,863	56,734
+ Long Preferred Equity	0	0	0	0	0	0	0	0	0	0
+ Minority Interest	989	1,063	1,293	2,412	2,713	2,713	2,713	2,713	2,713	2,713
+ Share Capital & APIC	1,331	1,331	7,453	7,453	7,453	7,453	7,453	7,453	7,453	7,453
+ Retained Earnings & Other Equity	2,557	3,044	3,992	5,181	7,351	9,049	11,764	14,585	17,665	20,945
Total Shareholders Equity	4,877	5,438	12,738	14,632	17,215	19,216	21,931	24,752	27,831	31,111
Total Liabilities & Equity	15,909	19,602	31,355	45,684	59,230	62,111	67,301	74,692	80,695	87,845
Book Value Per Share	1	1	1	1	2	2	2	3	3	3

Appendix 2-Profit & Loss Statement
(In Billion of IDR except Per Share)

Income Statement	FY14	FY15	FY16	FY17	FY18	FY19A	FY20F	FY21F	FY22F	FY23F	FY24F
Revenue	12,463	13,620	15,669	26,176	31,158	27,213	34,163	35,908	38,421	41,308	42,547
- Cost of Goods Sold	11,039	11,965	13,477	23,300	27,553	23,733	29,038	30,521	32,658	35,112	36,165
	0	0	0	0	0	0	0	0	0	0	0
Gross Profit	1,425	1,655	2,192	2,876	3,605	3,480	5,124	5,386	5,763	6,196	6,382
- Operating Expenses	393	429	527	677	892	1,479	1,708	1,795	1,921	2,065	2,127
	0	0	0	0	0	0	0	0	0	0	0
Operating Income	1,032	1,226	1,665	2,200	3,835	2,139	3,416	3,591	3,842	4,131	4,255
- Interest Expense	198	431	435	678	973	884	1,020	1,120	1,198	1,270	1,321
- Foreign Exchange Losses (Gains)	2	(28)	5	(1)	(39)	17	0	0	0	0	0
- Net Non-Operating Losses (Gains)	(307)	71	(71)	60	543	(1,024)	(860)	(907)	(1,035)	(1,066)	(1,106)
Pretax Income	1,139	751	1,375	1,507	2,465	2,262	3,256	3,378	3,679	3,926	4,040
- Income Tax Expense	395	48	104	118	312	36	239	243	258	282	288
Income Before XO Items	744	703	1,211	1,356	2,073	2,621	3,017	3,134	3,422	3,644	3,752
- Extraordinary Loss Net of Tax	0	0	0	0	0	0	0	0	0	0	0
- Minority Interests	136	78	152	154	343	336	269	215	172	138	110
Net Income Adjusted	615	625	1,012	1,202	1,757	2,285	2,748	2,919	3,250	3,506	3,642
EPS Adjusted	25	31	46	56	70	86	93	94	159	134	196
EBITDA	1,223	1,501	2,033	2,762	4,126	2,659	4,049	4,383	4,805	5,277	5,591

Appendix 3-Financial Ratio

Ratio	FY14	FY15	FY16	FY17	FY18	FY19A	FY20F	FY21F
Liquidity Ratio & Solvency								
Current Ratio	1,12	1,19	1,59	1,34	1,54	1,39	1,50	1,48
Cash Ratio	0,27	0,24	0,62	0,43	0,49	0,34	0,45	0,48
Total Debt/Equity	0,61	0,65	0,53	0,62	0,79	0,78	0,71	0,66
Total Debt/Total Assets	0,38	0,39	0,35	0,38	0,44	0,44	0,42	0,40
Interest Coverage Ratio (EBIT/I)	5,22	2,84	3,83	3,24	3,94	2,42	3,35	3,21
Profitabilitas								
GPM	0,11	0,12	0,14	0,11	0,12	0,13	0,15	0,15
OPM	0,08	0,09	0,11	0,08	0,12	0,08	0,10	0,10
NPM	0,05	0,05	0,06	0,05	0,06	0,08	0,08	0,08
ROA	0,04	0,03	0,03	0,03	0,03	0,04	0,04	0,04
ROE	0,13	0,11	0,08	0,08	0,10	0,12	0,13	0,12
Growth								
Revenue Growth (%)	4,9%	9,3%	15,0%	67,1%	19,0%	-12,7%	25,5%	5,1%
Operating Income Growth (%)	-15,2%	18,8%	35,9%	32,1%	74,3%	-44,2%	59,7%	5,1%
Profit Before Income Tax Growth (%)	-10,0%	16,2%	32,5%	31,2%	25,3%	-3,5%	47,3%	5,1%
Net Income Growth (%)	7,9%	1,6%	61,9%	18,8%	46,2%	30,1%	20,3%	6,2%

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