

PT WIJAYA KARYA (Persero) Tbk

Summary of Public Expose 2018

Indonesia Stock Exchange Building

Jl. Jend. Sudirman Kav. 52-53

27 August 2018

Presented by

Tumiyana : President Director
A.N.S Kosasih : Director of Finance
Bambang Pramujo : Director of Operations II
Destiawan Soewardjono : Director of Operations III
Novel Arsyad : Director of Human Capital and Development
Danu Prijambodo : Director of Quality, Safety, Health, and Environment (QSHE)

Moderator : Mohammad Edo Azhara

Attendees : 154 attendees, consisting of analysts, investors, and journalists

The following is a summary of the question-and-answer session of the Public Expose 2018:

1. Liga Maradona – OCBC Sekuritas

Questions:

- a. In relation to the target for new contracts for 2018, what are the projects that the company aims to acquire in the second half of this financial year to reach the mentioned target?
- b. Revenue in the first half of FY2018 was Rp12.98 trillion whereas the revenue target for this year is Rp39.85 trillion. In relation to this, what are the projects that could help the company reach its revenue target by the end of this year?
- c. The company's budgeted capital expenditure for this year is quite substantial. Please disclose the source of funding to finance the stated capital expenditure.

Answers:

- a. In general, the performance of construction companies is usually significantly better in the second half. This is a normal business cycle in the construction industry, given that the number of projects open for tender usually increases in the second semester. As of June 2018, WIKA's new contracts have reached a value of Rp20.56 trillion. WIKA is optimistic that it can reach its revenue target because of the high contract value it has acquired in the first half and the number of major projects it is acquiring in the second half of this year.
- b. WIKA is working on a number of projects for the government, state-owned enterprises (SOEs), and private entities that could help the company to reach its revenue target for 2018.
- c. WIKA has a very strong balance sheet that can support the capital expenditure planned for this year. In the second quarter of 2018, WIKA's recorded cash and cash equivalents were Rp9.93

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trillion. In addition, WIKA has other sources of funding to finance the planned capital expenditure, such as bonds and conventional loans from banks. WIKA will also be actively seeking other sources of financing.

2. Dennies C. Jordan - Artha Sekuritas

Questions:

- a. In relation to the issue of the government's budget cuts for infrastructure next year, how will it affect the company?
- b. What are the measures taken by the company to reduce its reliance on government projects?

Answers:

- a. In the Proposed State Budget 2019 (RAPBN 2019), the government has set Rp420.5 trillion for infrastructure, an increase from Rp410.4 trillion in 2018. This shows that the government is still focused on infrastructure development.
- b. Currently, WIKA has a diversified client base from various sectors, such as the government, state-owned enterprises, and private entities. Accordingly, WIKA would not be reliant on government projects in the future.

3. Anthony Angkawijaya – Sinarmas Sekuritas

Questions:

- a. What is the currency used to record revenues generated from overseas projects?
- b. In relation to the proposed regulation on import restrictions, how will it affect the company in the future?
- c. In relation to the proposed issuance of perpetual bonds, can you explain the accounting treatment please?

Answers:

- a. For revenues generated from overseas projects, WIKA's policy is to use either United States Dollars (USD) or Euros.
- b. The proposed import restrictions would not significantly affect the company, since most of the materials used by the company are sourced locally.
- c. Perpetual bonds will be recorded as equities. The bonds are issued to strengthen WIKA's capital structure such that it enhances the company's ability to undertake major projects and increase investment value.

THANK YOU