Wijaya Karya Tbk (WIKA)

Kinerja Membaik, Kontrak Baru Masih Rendah

NH KORINDO SEKURITAS INDONESIA

Company Report | January 12, 2022

WIKA membukukan pertumbuhan kinerja yang signifikan secara kuartalan, ditandai dengan kenaikan pada pendapatan (+71,7% QoQ) dan laba bersih (+305,7% QoQ). Namun, masih tingginya beban operasional membuat pencapaian kinerja terlihat belum optimal dan kenaikan lebih disebabkan efek basis rendah pada kuartal sebelumnya. Perseroan akan berharap pada kelanjutan beberapa proyek besar untuk dapat menopang kinerja ke depan.

Pertumbuhan Kinerja Baik, Namun Belum Optimal

- WIKA membukukan pendapatan sebesar Rp4,88 triliun pada 3Q21; tumbuh 71,7% dibandingkan kuartal sebelumnya. Segmen Infrastruktur dan Bangunan masih menjadi kontributor terbesar dengan pendapatan sebesar Rp3,25 triliun.
- Namun, kenaikan pendapatan juga diiringi dengan beban operasional yang meningkat 69,9% menjadi Rp947,7 miliar pada 3Q21.
- Sehingga, meski pertumbuhan laba bersih melesat 305,7% secara kuartalan menjadi Rp21,5 miliar; namun hal ini lebih disebabkan karena efek basis yang rendah pada 2Q21.
- Dari sisi leverage, posisi hutang WIKA juga terlihat masih menunjukkan trend kenaikan. Hal ini ditandai dengan posisi Net Gearing Ratio yang naik ke level 129,6% (vs 112,6% di 2Q21).

Pencapaian Kontrak Baru Masih Rendah

- Hingga 10M21, perolehan kontrak baru WIKA mencapai Rp14,1 Triiliun; atau tumbuh 32,4% dibandingkan periode yang sama tahun lalu. Nilai ini baru memenuhi sekitar 40,3% dari target kontrak revisi 2021 sebesar Rp35 triliun.
- Beberapa proyek yang berada dalam pipeline perseroan diantaranya: Bandara Doho - Kediri milik GGRM senilai Rp1,5 triliun; Revitalisasi bandara Halim Perdana Kusuma; serta Tol Serang-Panimbang seksi 2. Adapun WIKA masih mengikuti proses tender untuk pekerjaan baru senilai kurang lebih Rp23 triliun. Untuk tahun 2022, perseroan menargetkan kontrak baru pada rentang Rp35 triliun—Rp40 triliun.
- Kinerja WIKA juga akan bergantung pada kelanjutan beberapa proyek besar, seperti: 1) Proyek Kereta Cepat Jakarta—Bandung, dimana posisi perseroan sebagai pimpinan konsorsium telah digantikan oleh PT Kereta Api Indonesia (KAI); dan 2) Proyek Ibukota Negara (IKN) di Kalimantan Timur, dimana WIKA akan membidik untuk berpartisipasi bersama BUMN konstruksi lainnya.

Rekomendasi Overweight dengan TP Rp1.280/lembar

- Kami menurunkan rating menjadi Overweight (dari Buy) untuk saham WIKA; dengan target harga Rp1.280 per lembar. Target harga kami mengimplikasikan 22F P/E sebesar 14,3x (+1 SD dari rata-rata 3 tahun). Resiko terhadap TP kami antara lain: 1) Terus berlanjutnya pandemi Covid-19 yang berpotensi menghambat proses tender dan pengerjaan proyek; 2) Pencapaian kontrak baru yang di bawah target; serta 3) Posisi tingkat hutang yang melemah.

Wijaya Karya Tbk | Summary

in IDR bn		2020/12A	2021/12F	2022/12F	2023/12F
Revenue		16,536	18,960	23,561	26,834
	Revenue growth	*-39.2%*	*14.7%*	*24.3%*	*13.9%*
Net profit		186	327	803	1,092
	Growth	*-91.9%*	*75.9%*	*145.6%*	*36.1%*
EPS (IDR)		21	36	89	122
P/E		95.8x	30.3x	14.3x	10.5x
P/BV		1.1x	0.6x	0.6x	0.6x
EV/EBITDA		29.2x	15.1x	11.6x	9.3x
ROE		*1.0%*	*1.9%*	*4.6%*	*6.0%*
DER		158%	171%	170%	182%
Dividend yield		*2.6%*	*0.0%*	*1.3%*	*2.2%*

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

BUY

Target Price	**1,280**
Consensus Price (IDR)	1,363
TP to Consensus Price	-6.1%
Potential Upside	+13.8%

Shares data

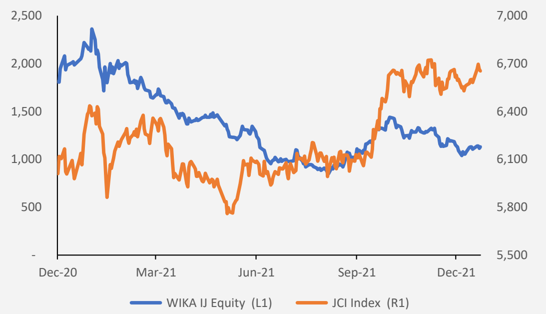
Last Price (IDR)	1,125
Price date as of	January 12, 2022
52 wk range (Hi/Lo)	2,450 / 850
Free float	34.9%
Outstanding sh.(mn)	8,970
Market Cap (IDR bn)	10,405
Market Cap (USD mn)	728.8
Avg. Trd Vol - 3M (mn)	33.3
Avg. Trd Val - 3M (bn)	42.1
Foreign Ownership	5.9%

Infrastructure

Construction

Bloomberg	**WIKA.IJ**
Reuters	**WIKA.JK**

Share Performance



	YTD	1M	3M	12M
Abs. Ret	5.0%	-2.9%	-12.5%	-47.8%
Rel. Ret	3.3%	-3.5%	-15.7%	-54.7%

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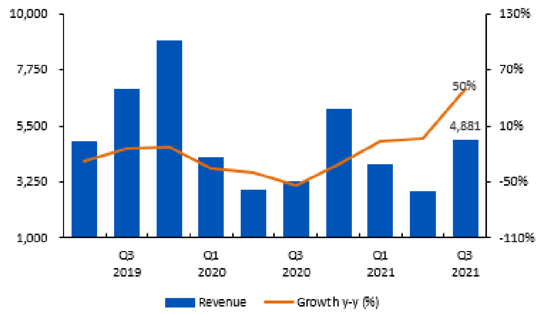
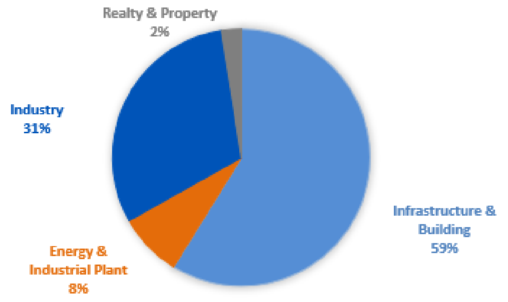
Performance Highlights

Revenue Growth



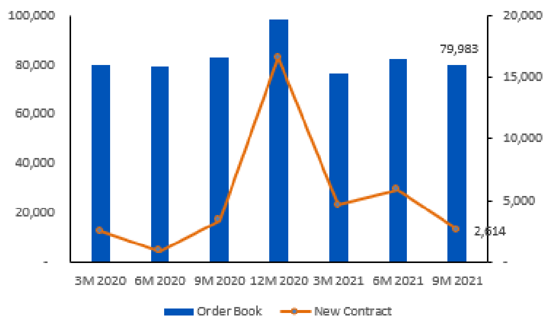
Source: Bloomberg, NHKSI Research

Revenue Breakdown 3Q21



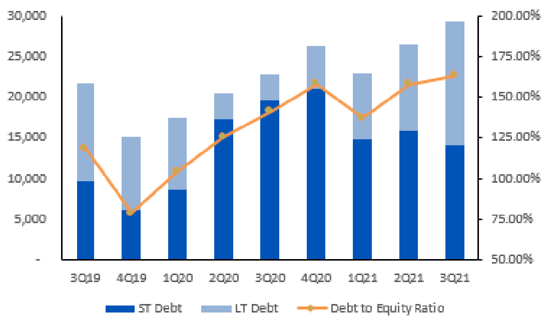
Source: Bloomberg, NHKSI Research

New Contracts and Order Book Growth



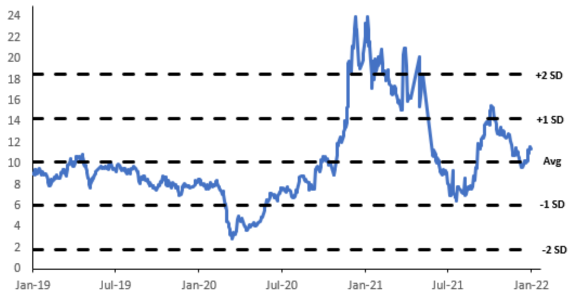
Source: Company Data, NHKSI Research

Debt Portion



Source: Company Data, NHKSI Research

WIKA Blended Forward P/E Ratio (3-year)



Source: Bloomberg, NHKSI Research

WIKA Price/Book Value Ratio (3-year)

Source: Bloomberg, NHKSI Research

Summary of Financials

INCOME STATEMENT

In IDR bn	2020/12A	2021/12E	2022/12E	2023/12E
Revenue	**16,536**	**18,960**	**23,561**	**26,834**
Growth (% y/y)	-39.2%	14.7%	24.3%	13.9%
Cost of Revenue	(15,012)	(17,024)	(20,865)	(23,492)
Gross Profit	**1,525**	**1,936**	**2,696**	**3,342**
Gross Margin	9.2%	10.2%	11.4%	12.5%
Operating Expenses	(982)	(908)	(917)	(805)
EBIT	**543**	**1,028**	**1,779**	**2,537**
EBIT Margin	3.3%	5.4%	7.5%	9.5%
Depreciation	556	893	1,054	1,252
EBITDA	**1,099**	**1,920**	**2,832**	**3,788**
EBITDA Margin	6.6%	10.1%	12.0%	14.1%
Interest Expenses	(1,222)	(716)	(1,198)	(1,635)
EBT	**310**	**445**	**1,100**	**1,492**
Income Tax	12	(19)	(121)	(172)
Minority Interest	(137)	(99)	(176)	(228)
Net Profit	**186**	**327**	**803**	**1,092**
Growth (% y/y)	-91.9%	75.9%	145.6%	36.1%
Net Profit Margin	1.1%	1.7%	3.4%	4.1%

PROFITABILITY & STABILITY

	2020/12A	2021/12E	2022/12E	2023/12E
ROE	1.0%	1.9%	4.6%	6.0%
ROA	0.3%	0.5%	1.1%	1.4%
Inventory Turnover	1.8x	1.6x	1.9x	2.0x
Receivables Turnover	5.0x	6.4x	5.5x	5.4x
Payables Turnover	1.1x	1.4x	2.0x	2.0x
Dividend Yield (%)	2.6%	0.0%	0.7%	1.7%
Payout Ratio (%)	20%	0%	24%	24%
DER	158%	171%	170%	182%
Net Gearing	68%	95%	103%	111%
Equity Ratio	24%	24%	25%	24%
Debt Ratio	39%	42%	42%	43%
Financial Leverage	363%	364%	407%	418%
Current Ratio	109%	119%	138%	125%
Quick Ratio	86%	91%	106%	94%
Par Value (IDR)	100	100	100	100
Total Shares (mn)	8,970	8,970	8,970	8,970
Share Price (IDR)	1,985	1,105	1,280	1,280
Market Cap (IDR tn)	17.8	9.9	11.5	11.5

BALANCE SHEET

In IDR bn	2020/12A	2021/12E	2022/12E	2023/12E
Cash	14,952	12,980	11,959	13,241
Receivables	2,176	3,746	4,774	5,077
Inventories	9,813	10,870	10,853	12,317
Total Current Assets	**47,981**	**47,328**	**46,339**	**49,769**
Net Fixed Assets	11,122	14,134	16,379	18,884
Other Non Current Assets	9,006	8,164	9,461	10,908
Total Non Current Assets	20,128	22,298	25,840	29,792
Total Assets	**68,109**	**69,626**	**72,178**	**79,560**
Payables	14,241	10,430	10,722	12,449
ST Debt	21,013	15,715	9,998	13,965
Total Current Liabilities	44,168	39,851	33,622	39,726
LT Debt	5,265	13,387	20,215	20,070
Total Liabilities	**51,452**	**52,607**	**54,406**	**60,860**
Capital Stock + APIC	7,452	7,452	7,452	7,452
Retained Earnings	4,390	4,717	5,441	6,340
Shareholders' Equity	**16,657**	**17,019**	**17,772**	**18,701**

VALUATION INDEX

	2020/12A	2021/12E	2022/12E	2023/12E
Price /Earnings	95.8x	30.3x	14.3x	10.5x
PE/EPS Growth	-1.0x	0.4x	0.1x	0.3x
Price /Book Value	1.1x	0.6x	0.6x	0.6x
EV/EBITDA	29.2x	15.1x	11.6x	9.3x
EV (IDR bn)	32,110	29,042	32,773	35,342
Revenue CAGR (3-Yr)	-14.2%	-15.3%	-4.7%	17.5%
Net Profit CAGR (3-Yr)	-46.3%	-42.6%	-29.4%	80.5%
Basic EPS (IDR)	21	36	89	122
BVPS (IDR)	1,857	1,897	1,981	2,085
DPS (IDR)	50.95	-	8.74	21.47

CASH FLOW STATEMENT

In IDR bn	2020/12A	2021/12E	2022/12E	2023/12E
Operating Cash Flow	(969)	352	1,312	2,332
Investing Cash Flow	(5,233)	(5,155)	(3,395)	(4,709)
Financing Cash Flow	10,762	2,799	1,061	3,659
Net Changes in Cash	4,560	(2,004)	(1,021)	1,283

OWNERSHIP

Shareholders	**%**
Republic of Indonesia	65.0
Vanguard Group	1.2
Norges Bank	1.0
Blackrock Inc	0.8
Others	32.0

By Geography	**%**
Indonesia	94.0
United States	3.8
Norway	1.4
Others	0.8

Source: Bloomberg, NHKSI Research

NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
   - Buy : Greater than +15%
   - Overweight : +5% to +15%
   - Hold : -5% to +5%
   - Underweight : -5% to -15%
   - Sell : Less than -15%

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