

Nomor : 90 /WBP/SP/2020

Jakarta, 02 Juni 2020

Kepada Yth,
PT Bursa Efek Indonesia
Gedung Bursa Efek Indonesia Tower I, Lantai 6
Jl. Jend. Sudirman Kav 52-53
Jakarta 12190

**Perihal: Laporan Hasil Pemeringkatan Nasional Jangka Panjang
PT Waskita Beton Precast Tbk (WSBP)**

Dengan hormat,

Merujuk pada Keputusan Ketua BAPEPAM dan LK No. KEP-712/BL/2012 tentang Pemeringkatan Efek Bersifat Utang atau Sukuk, berikut kami sampaikan Laporan Hasil Pemeringkatan Nasional Jangka Panjang PT Waskita Beton Precast Tbk (WSBP) dari lembaga pemeringkat PT Fitch Rating Indonesia.

Dapat kami sampaikan bahwa penilaian peringkat mengalami perubahan: dari BBB-(idn) ke **BB (idn)** dengan **Outlook Negative**. Penurunan peringkat WSBP menyusul tindakan pemeringkatan yang serupa atas induk perusahaan, PT Waskita Karya (Persero) Tbk (WSKT).

Demikian disampaikan, atas perhatiannya diucapkan terima kasih.

Sekretaris Perusahaan,



Siti Fathia Maisa Syafurah

Lampiran : Surat Pemeringkatan PT Fitch Rating Indonesia ("Fitch")
Tembusan : -

Jakarta, 29 Mei 2020
No.: I30/DIR/RAT/V/2020

Kepada Yth.
Bapak Anton Y Nugroho
Direktur Keuangan & Risiko
PT Waskita Beton Precast Tbk
Gedung Dafam Teraskita Lantai 3&3A
Jl. MT Haryono, Kav No. 10A
Jakarta Timur, Indonesia 13340

Perihal: Peringkat PT Waskita Beton Precast Tbk

Dengan hormat,

PT Fitch Ratings Indonesia (“**Fitch**”) menurunkan peringkat-peringkat dan merevisi outlook berikut ini:

- Peringkat Nasional Jangka Panjang diturunkan menjadi ‘**BB(idn)**’/Outlook **Negatif** dari ‘**BBB-(idn)**’/Outlook Stabil.
- Peringkat Nasional Jangka Panjang untuk Obligasi Berkelanjutan I Waskita Beton Precast Tahap I diturunkan menjadi ‘**BB(idn)**’ dari ‘**BBB-(idn)**’.
- Peringkat Nasional Jangka Panjang untuk Obligasi Berkelanjutan I Waskita Beton Precast Tahap II diturunkan menjadi ‘**BB(idn)**’ dari ‘**BBB-(idn)**’.

Dalam menerbitkan dan memantau pemeringkatannya, Fitch mengandalkan informasi faktual yang diterimanya dari para emiten dan dari sumber lainnya yang Fitch percayai kredibilitasnya. Fitch melakukan pemeriksaan yang masuk akal sehubungan dengan informasi faktual sesuai dengan metodologi pemeringkatannya, dan mendapatkan verifikasi yang masuk akal mengenai informasi tersebut dari sumber yang independen, sejauh sumber-sumber tersebut tersedia untuk efek tersebut atau dalam yurisdiksi tersebut.

Sifat pemeriksaan faktual yang dilakukan Fitch dan cakupan dari verifikasi pihak-ketiga yang diperoleh akan berbeda-beda bergantung pada sifat dari efek yang diperingkat dan emiten yang menerbitkannya, ketentuan-ketentuan dan praktek dalam yurisdiksi dimana efek yang diperingkat ditawarkan/dijual atau dimana emiten berada, tersedianya dan sifat dari informasi publik yang relevan, akses terhadap manajemen dari emiten dan para penasihatnya, tersedianya verifikasi pihak ketiga yang sudah tersedia sebelumnya seperti laporan audit, surat-surat mengenai prosedur-prosedur yang telah disepakati sebelumnya, *appraisals*, laporan aktuarial, laporan teknis, opini legal dan laporan lainnya yang disediakan oleh pihak ketiga, tersedianya sumber verifikasi pihak ketiga yang independen dan kompeten sehubungan dengan efek tertentu atau dalam yurisdiksi tertentu dari emiten, dan banyak faktor-faktor lainnya.

Para pengguna pemeringkatan Fitch hendaknya mengerti bahwa pemeriksaan faktual atau verifikasi pihak ketiga manapun tidak dapat memastikan bahwa semua informasi yang diandalkan Fitch sehubungan dengan proses pemberian peringkat akan pasti akurat atau lengkap. Sehingga, para emiten dan penasihatnya yang bertanggung jawab atas keakuratan dari informasi yang mereka sediakan bagi Fitch dan bagi pasar dalam dokumen penawaran dan laporan-laporan lainnya. Dalam menerbitkan pemeringkatannya, Fitch harus mengandalkan pekerjaan dari para ahli, termasuk auditor independen sehubungan dengan laporan keuangan dan pengacara sehubungan dengan permasalahan legal dan pajak. Lagi pula, pemeringkatan berpandangan kedepan dan menggambarkan asumsi dan perkiraan mengenai kejadian-kejadian di masa depan, yang pada dasarnya tidak bisa diverifikasi sebagai fakta.

Oleh karena itu, walaupun fakta-fakta yang ada sekarang dapat diverifikasi, pemeringkatan dapat dipengaruhi oleh kejadian-kejadian atau kondisi lainnya di masa depan yang tidak dapat diantisipasi pada saat peringkat dipublikasikan atau ditetapkan.

Fitch terus berusaha meningkatkan kriteria dan metodologi pemeringkatannya, dan secara berkala memperbaharui penjelasannya sehubungan dengan kriteria dan metodologinya terhadap efek jenis tertentu dalam situs webnya. Metodologi dan kriteria yang digunakan untuk menentukan suatu tindakan pemeringkatan adalah metodologi dan kriteria yang berlaku pada saat keputusan peringkat tersebut dilakukan, yang untuk peringkat-peringkat publik yaitu tanggal komentar atas peringkat tersebut diberikan. Setiap komentar yang diberikan untuk setiap tindakan pemeringkatan menyediakan informasi mengenai kriteria dan metodologi yang digunakan untuk menghasilkan peringkat yang telah diberikan, yang dapat berbeda dari kriteria dan metodologi umum untuk tipe efek yang sama yang terdapat di situs web pada waktu-waktu tertentu. Untuk alasan ini, anda hendaknya selalu memperhatikan komentar atas tindakan pemeringkatan yang bersangkutan untuk informasi yang paling akurat berdasarkan peringkat publik apapun yang diberikan.

Peringkat-peringkat didasarkan atas kriteria dan metodologi yang ditetapkan Fitch dan yang secara berkelanjutan dievaluasi dan diperbaharui. Maka, pemeringkatan adalah produk pekerjaan kolektif dari Fitch dan tidak ada pribadi atau sekelompok pribadi yang secara terpisah bertanggung jawab atas sebuah peringkat. Semua laporan Fitch adalah hasil kerjasama. Individu yang diidentifikasi dalam laporan Fitch, terhubung, tetapi tidak secara pribadi bertanggung jawab atas opini yang dinyatakan disana. Individu tersebut dicantumkan hanya untuk tujuan komunikasi.

Pemeringkatan bukanlah sebuah rekomendasi atau saran, baik secara langsung ataupun tidak langsung, kepada anda atau orang lain manapun untuk membeli, menjual, melakukan, atau menahan investasi, pinjaman atau efek apapun atau untuk menentukan strategi investasi apapun sehubungan dengan investasi, pinjaman atau efek apapun atau emiten apapun. Pemeringkatan tidak mengomentari kewajaran dari harga pasar, kecocokan dari investasi manapun, pinjaman atau efek untuk investor tertentu (termasuk namun tidak terbatas pada, penerapan prinsip akuntansi dan/atau peraturan regulator tertentu), atau sifat bebas pajak dan kena pajak dari pembayaran yang dibuat sehubungan dengan investasi, pinjaman atau efek apapun. Fitch bukanlah penasihat anda, Fitch juga tidak menyediakan bagi anda atau bagi siapapun juga nasihat apapun secara finansial, legal, auditing, akuntansi, *appraisal*, penilaian atau jasa aktuarial. Sebuah peringkat hendaknya tidak dipandang sebagai pengganti dari jasa atau nasihat tersebut.

Penetapan peringkat oleh Fitch bukan merupakan persetujuan dari Fitch untuk menggunakan namanya sebagai ahli sehubungan dengan pernyataan registrasi apapun atau pendaftaran apapun dibawah undang-undang AS, Inggris atau undang-undang efek lain manapun. Fitch tidak menyetujui dimasukkannya surat tertulis apapun yang memberitahukan tindakan pemeringkatan Fitch di dalam dokumen penawaran apapun.

Fitch memonitor peringkat secara terus menerus dan akan memperbaharui surat peringkat ini setidaknya sekali dalam satu tahun. Merupakan hal yang penting bahwa Anda harus segera memberikan kepada kami semua informasi yang mungkin bersifat material bagi pemberian peringkat agar pemberian peringkat kami terus sesuai. Peringkat dapat dinaikkan, diturunkan, dicabut, atau dimasukkan dalam Peringkat Yang Dipantau/*Rating Watch* karena perubahan-perubahan, tambahan-tambahan, keakuratan atau ketidakakuratan informasi atau karena alasan lainnya yang dianggap cukup oleh Fitch.

Tidak ada hal apapun dalam surat ini yang dapat dimaksudkan atau diartikan sebagai pembuatan hubungan fidusia antara Fitch dengan anda atau antara Fitch dengan pengguna pemeringkatannya.

Peringkat publik akan valid dan efektif hanya setelah publikasi peringkat di situs www.fitchratings.com.



Kami senang mendapatkan kesempatan untuk memberikan layanan jasa kami kepada Anda. Apabila kami dapat membantu lebih jauh, silahkan menghubungi Salman Alamsyah di +6221-29886800.

Hormat kami,

PT Fitch Ratings Indonesia

Oleh:

Indra Kampono
President Director

Eddy Handali
Rating Director

29 May 2020 | Downgrade

Fitch Downgrades Waskita Beton to 'BB(idn)'; Outlook Negative

Fitch Ratings-Jakarta-29 May 2020:

Fitch Ratings Indonesia has downgraded precast concrete manufacturer PT Waskita Beton Precast Tbk's (WSBP) National Long-Term Rating to 'BB(idn)', from 'BBB-(idn)', with a Negative Outlook. At the same time, Fitch has downgraded WSBP's IDR2 trillion unsecured bond programme and the bonds issued under the programme to 'BB(idn)', from 'BBB-(idn)'.

The downgrade and the Negative Outlook follows similar rating action on parent, PT Waskita Karya (Persero) Tbk (WSKT, BBB+(idn)/Negative), after Fitch lowered the parent's Standalone Credit Profile (SCP) to 'bb(idn)', from 'bbb-(idn)', on a weakening financial profile. Fitch rates WSBP - which we believe has a stronger credit profile than the parent, as evidenced by its SCP of 'bbb-(idn)' - based on WSKT's SCP due to moderate ties between two entities.

'BB' National Ratings denote an elevated default risk relative to other issuers or obligations in the same country or monetary union.

Key Rating Drivers

Parent's Weakening SCP; Stronger Subsidiary: WSBP's rating is based on its parent's SCP, which Fitch revised to 'bb(idn)' on 29 May 2020 on account of weaker credit metrics and increasing liquidity pressure. We believe WSBP has a stronger profile, with an SCP of 'bbb-(idn)', and accordingly, follow the 'Stronger Subsidiary' path under our Parent and Subsidiary Rating Linkage criteria. We assess legal and operating ties to be moderate due to senior management overlap and influence over WSBP's investments, strategy and operation, and therefore base WSBP's rating on WSKT's SCP.

Pandemic-Related Contract, Project Delays: Fitch believes the coronavirus pandemic will lead to fewer new contract tenders, delay project completions and extend customer payments due to restrictions imposed by large-scale social-distancing measures. We forecast new contract wins to drop by around 10% in 2020 to IDR6.3 trillion (2019: IDR7.0 trillion) as project owners delay tender processes. Precast production at full capacity will also be challenging, assuming that social-distancing measures will remain in place throughout 2Q20, as WSBP will have to reduce its

production workforce.

This will translate into higher working-capital requirements in 2020 that pressure WSBP's cash flow from operation - necessitating higher debt to cover the cash flow mismatch. Nonetheless, we believe that WSBP has some room to cut annual capex to around IDR200 billion in 2020 and 2021 (2019: IDR926 billion) to alleviate cash flow pressure.

Rising Leverage: We have revised our assessment of WSBP's SCP to 'bbb-(idn)', from 'bbb(idn)', on account of higher leverage, as we expect net debt/EBITDA to remain above 4.0x until 2021. Fitch expects free cash flow to remain negative for the next two years due to a longer working capital cycle and under the assumption of IDR200 billion in annual capex. Total debt increased to IDR6 trillion in 2019, from IDR4.9 trillion in 2017, closing the free cash flow deficit. Nonetheless, WSBP's EBITDA/interest coverage should remain adequate at above 2.0x.

Increasing Contract Diversification, Margin Pressure: WSBP has lowered reliance on contracts from WSKT; it had derived 51% of revenue from WSKT and subsidiaries in 2019, compared with 80% in 2018. However, such diversification also leads to a lower EBITDA margin, as private projects are generally more competitive and have higher costs. WSBP's EBITDA margin declined to 21% in 2019, from around 25% in 2018, as its revenue portion shifted away from WSKT.

Derivation Summary

WSBP's SCP is well-positioned compared with PT Aneka Gas Industri Tbk (A-(idn)/Stable). WSBP has larger scale in terms of EBITDA and lower leverage. However, this is outweighed by Aneka Gas's higher and stable margin due to long-term contracts with a satisfactory cost pass-through mechanism. Aneka Gas is also a leader in a market that has high entry barriers, while WSBP competes in a competitive industry with low entry barriers, which is reflected in its weaker profitability. Hence, WSBP is rated three notches below Aneka Gas.

WSBP's SCP is three notches higher than that of palm-oil producer, PT Sawit Sumbermas Sarana Tbk (SSMS) (BB-(idn)/Stable). This reflects WSBP's lower leverage and coverage, whereby SSMS recorded net debt/EBITDA above 10x and EBITDA/interest below 1.0x in 2019. WSBP also has better funding access, with various working-capital facilities from both domestic and foreign banks.

Key Assumptions

Fitch's Key Assumptions Within Our Rating Case for the Issuer

- New contracts to drop by 10% in 2020 due to project tender delays

- Lower average burn rate in 2020 due to project completion delays
- Longer working-capital cycle in 2020 due to delayed payments from project owners, as project completion and delivery are also delayed
- IDR200 billion of capex in 2020 and 2021

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

- An upward revision of WSKT's SCP
- Higher proportion of revenue and new contracts from external parties

Factors that could, individually or collectively, lead to negative rating action/downgrade:

- A downward revision of WSKT's SCP or a downgrade of its rating

Best/Worst Case Rating Scenario

International scale credit ratings of Non-Financial Corporate issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of four notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>.

Liquidity and Debt Structure

Adequate Funding Access, Concentrated Maturity: WSBP had IDR469 billion in cash against IDR4 trillion of short-term working-capital facilities at end-2019. Liquidity pressure in 2020 is alleviated by the presence of working-capital loans in its debt structure. More than IDR4 trillion (66% of outstanding debt) in 2019 comprised working-capital loans from various banks, which can be rolled over. The remainder of debt comprised bonds of IDR2 trillion that will mature in 2022.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

Public Ratings with Credit Linkage to other ratings

The rating of WSBP is directly linked to the rating of its parent, WSKT. A change in Fitch's assessment of the rating of WSKT would automatically result in a change in the rating on WSBP and its notes.

PT Waskita Beton Precast Tbk; National Long Term Rating; Downgrade; BB(idn); RO:Neg
----senior unsecured; National Long Term Rating; Downgrade; BB(idn)

Contacts:

Primary Rating Analyst

Salman Alamsyah,

Associate Director

+62 21 2988 6818

PT Fitch Ratings Indonesia

DBS Bank Tower 24th Floor, Suite 2403 Jl. Prof.Dr. Satrio Kav 3-5

Jakarta 12940

Committee Chairperson

Vicky Melbourne,

Senior Director

+61 2 8256 0325

Media Relations: Leslie Tan, Singapore, Tel: +65 6796 7234, Email: leslie.tan@thefitchgroup.com

Peter Hoflich, Singapore, Tel: +65 6796 7229, Email: peter.hoflich@thefitchgroup.com

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Applicable Criteria

[Corporate Rating Criteria \(pub. 01 May 2020\) \(including rating assumption sensitivity\)](#)

[Corporates Notching and Recovery Ratings Criteria \(pub. 14 Oct 2019\) \(including rating assumption](#)

[sensitivity](#))

[National Scale Ratings Criteria \(pub. 18 Jul 2018\)](#)

[Parent and Subsidiary Rating Linkage \(pub. 27 Sep 2019\)](#)

[Sector Navigators: Addendum to the Corporate Rating Criteria \(pub. 01 May 2020\)](#)

Applicable Model

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Corporate Monitoring & Forecasting Model (COMFORT Model), v7.9.0 (1)

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