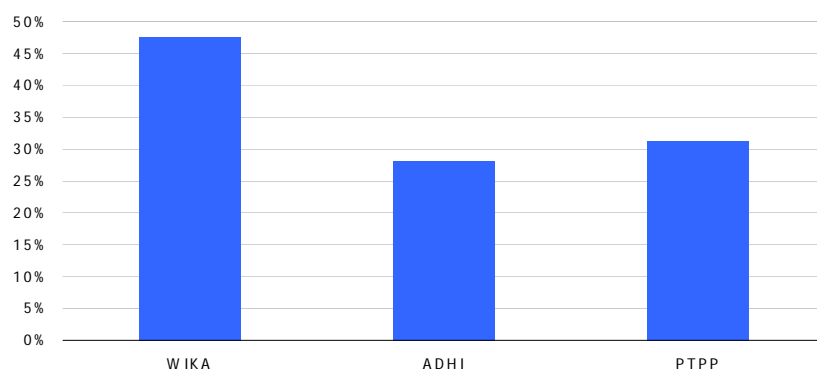


WIKA: Perfect Seat

Construction: Most Benefits on LCA Laws

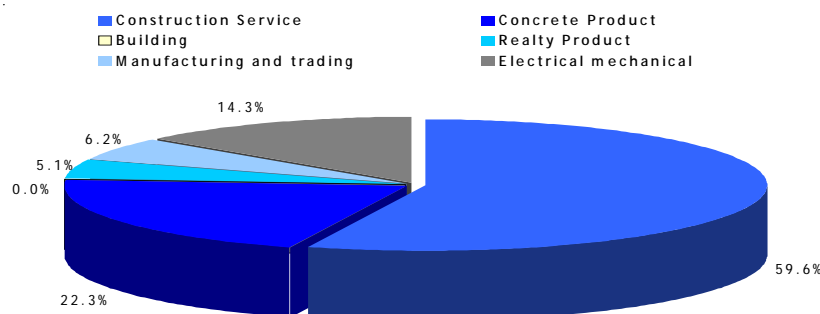
Construction division, accounted for 60% of revenue, mostly got contracts from government-as WIKA is SOE. WIKA most exposed to LCA laws as road contribution to total order book reaches 48% vs ADHI at 28% and PTPP at 31%.

Road, Bridge, Port Contribution to Total Order Book



Source: Company, TRIM Research

W I K A Revenue Mix



Source: Company, TRIM Research

Concrete: Perfect Timing After Ramp-Up Production

W I K A concrete accounted for 20% revenue. W I K A is having the largest market share for concrete production among the other listing SOE, accounted for 8 factories to provide toll roads concrete needs compared to A D H I and P T P P (1 factory). Further the company has just finished ramp-up the concrete factory in Karawang several months ago, adding 0.15mn tons to 1.5mn tons capacity.

Valuation

W I K A currently traded at premium, 11.5 x forward PE vs its peers at 9.7 x forward PE. We believe W I K A deserve a premium as their readiness toward LCA.

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