

PT Widodo Makmur Unggas Tbk

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CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended				
		Dec-2020	Dec-2019	Dec-2018	Dec-2017	
		(Audited)	(Audited)	(Audited)	(Audited)	
Corporate Rating	<i>idBBB/Stable</i>					
Rated Issues	<i>n.a</i>	Total adjusted assets [IDR bn]	1,416.5	864.2	419.9	127.7
		Total adjusted debt [IDR bn]	625.5	491.6	240.9	49.8
		Total adjusted equity [IDR bn]	676.9	300.5	146.6	57.7
		Total sales [IDR bn]	1,149.3	576.7	150.9	90.0
Rating Period	<i>April 23, 2021 - April 1, 2022</i>	EBITDA [IDR bn]	132.2	59.8	10.6	4.7
		Net income after MI [IDR bn]	73.0	36.2	5.8	3.5
		EBITDA Margin [%]	11.5	10.4	7.0	5.3
Rating History	<i>n.a</i>	Adjusted debt to EBITDA [X]	4.7	8.2	22.7	10.5
		Adjusted debt to adjusted equity [X]	0.9	1.6	1.6	0.9
		FFO to adjusted debt [%]	6.9	6.7	3.5	6.8
		EBITDA to IFCCI [X]	2.0	4.0	136.1	548.7
		USD exchange rate [IDR/USD]	14,105	13,901	14,481	13,548

FFO = EBITDA - IFCCI + gross interest income - current tax expense

EBITDA = operating profit + depreciation expense + amortization expense

IFCCI = gross interest expense + other financial charges + capitalized interest; (FX loss not included)

MI = minority interest

The above ratios have been computed based on information from the company and published accounts. Where applicable, some mites have been reclassified according to PEFINDO's definitions.

PT Widodo Makmur Unggas Tbk rated "idBBB"

PEFINDO has assigned "idBBB" rating for PT Widodo Makmur Unggas Tbk (WMUU). The outlook for the corporate rating is "stable".

An obligor rated idBBB has an adequate capacity to meet its long-term financial commitments relative to those of other Indonesian obligors. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

The rating reflects WMUU's strong potential demand for the poultry industry, well-integrated production facilities, and stable operating margins from the carcass segment. However, the rating is constrained by the aggressive expansion affecting its capital structure, small market position within the industry, and exposure to the volatility of raw material prices and poultry diseases.

The rating may be raised if the Company strengthens its market position significantly by improving its business performance through business expansion. It should also be accompanied by further improvements in its financial leverage on a sustainable basis. However, the rating may be lowered if the Company increases its debt-funded expansions higher than projected without being compensated for by stronger business performance.

PT Widodo Makmur Unggas Tbk, established in 2015, is a poultry producer focusing in downstream (chicken carcass) in Indonesia. Its production facilities are located in Tangerang, Yogyakarta, and Central Java. It has a vertical integration of its feed mill, breeding farms, commercial farms and slaughterhouse. As of March 5, 2021, the Company was owned by PT Widodo Makmur Perkasa (76.5%), Wahyu Andi Susilo (4.25%), Ibu Warsini (4.25%) and public (15%).

DISCLAIMER

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.