

COMPANY REPORT
JUN 2024

 **PT Adhi Karya (Persero) Tbk**

**Growth in Profits of Owners of the Parent Entity
 Amidst High Burden Pressure**

Country
 INDONESIA

Country Rating
 S & P (LTFLC) BBB
 Moody's (LTFLC) Baa2
 Fitch (LTFLC) BBB

Company Rating
 Pefindo idA-

Instrument Rating
 Pefindo idA-

Obligasi Berkelanjutan xx
Total size IDR 5,xxx bn
 Tahap I IDR xxx bn
 Tahap II IDR xxx bn



*Use of Proceed
 Working Capital*

Analyst
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The acquisition of new contracts until April 2024 amounted to IDR6.4 trillion, which is the largest contract acquisition compared to other BUMN Karya peers. For IKN alone, the total contracts acquisition has now reached IDR15.4 trillion with targeted completion for 2024-2025. ADHI's total assets were relatively stable in 1Q24, down slightly to IDR40.22 trillion from IDR40.49 trillion at the end of 2023. As for the Company's liabilities, they also declined but only slightly. In terms of equity, ADHI recorded growth of 0.18% to IDR 9.24 trillion in 1Q24 from IDR 9.29 trillion at the end of 2023. Looking ahead, the Company is proposed to obtain State Capital Participation (PMN) of IDR 2.09 trillion in 2025 to support the construction of two Trans Java toll road networks

Investment Thesis

The acquisition of new contracts in 2024 is the largest

The acquisition of new contracts until April 2024 amounted to IDR6.4 trillion, which is the largest contract acquisition compared to other BUMN Karya. The majority is project work in the water resources sector, 52%, followed by building projects, 38% and 10% others. In terms of business lines, the Company carries out 89% of the engineering and construction business, 4% of property and 7% of others.

Leverage is still under the covenant and there is still government support for the Company

ADHI's total assets as of 1Q24 were relatively stable, down slightly to IDR40.22 trillion from IDR40.49 trillion at the end of 2023. Amid an increase in the Company's cash of IDR1.92 trillion to IDR6.42 trillion in 1Q24, the Company's receivables dropped by IDR2.49 trillion.

Similarly, the Company's liabilities also remained stable, down but only slightly. However, the decline in liabilities was slightly greater compared to the decrease in assets. However, despite the decline in liabilities, the Company's interest-bearing debt increased to IDR12.28 trillion.

In terms of equity, ADHI recorded growth of 0.18% to IDR9.24 trillion in 1Q24 from IDR9.29 trillion at the end of 2023. Looking ahead, the Company is proposed to obtain State Capital Participation (PMN) of IDR 2.09 trillion in 2025 to support the construction of two Trans Java toll road networks

Growth in profits of owners of the parent entity amidst high burden pressure

The Company's revenue was recorded to have decreased by 1.21% YoY to IDR 2.64 trillion as of 1Q24. In the midst of decreasing income, cost of revenue increased by 3.19% to IDR 2.41 trillion as of 1Q24. With the decrease in income and increase in expenses, the Company's profit before income tax was recorded at IDR 19.18 billion. Meanwhile, the Company's profit was IDR 16.73 billion as of 1Q24 or decreased by 43.33% compared to the 1Q23 period. However, profits attributable to owners of the parent entity increased to IDR 10.15 billion in 1Q24.

Perolehan kontrak baru di tahun 2024 merupakan yang terbesar

Perolehan kontrak baru hingga April 2024 sebesar Rp6,4 triliun, merupakan perolehan kontrak terbesar dibandingkan dengan peers BUMN Karya lainnya. Mayoritas merupakan pekerjaan proyek bidang sumber daya air 52%, diikuti oleh proyek Gedung 38% dan 10% lainnya. Dari sisi lini bisnis Perseroan mengerjakan bisnis rekayasa dan konstruksi 89%, property 4% dan lainnya 7%.

Leverage yang masih di bawah kovenan dan masih adanya dukungan Pemerintah terhadap Perseroan

Total Assets ADHI per 1Q24 tercatat relatif stabil sedikit menurun menjadi sebesar Rp40,22 triliun, dari Rp40,49 triliun di akhir tahun 2023. Di tengah kenaikan kas Perseroan sebesar Rp1,92 triliun menjadi Rp6,42 triliun di 1Q24, piutang Perseroan turun sebesar Rp2,49 triliun.

Sejalan dengan tren pada aset, liabilitas Perseroan juga stabil sedikit menurun. Namun demikian, penurunan pada liabilitas tercatat sedikit lebih besar dibandingkan dengan penurunan pada aset. Namun demikian, di tengah penurunan liabilitas tersebut, *interest bearing debt* Perseroan tercatat naik menjadi Rp12,28 triliun.

Dalam hal ekuitas, ADHI mencatatkan pertumbuhan sebesar 0,18% menjadi Rp9,24 triliun di 1Q24 dari Rp9,29 triliun di akhir tahun 2023. Ke depan, Perseroan diusulkan untuk mendapat Penyertaan Modal Negara (PMN) sebesar Rp2,09 triliun di tahun 2025 untuk mendukung Pembangunan dua jaringan jalan tol.

Pertumbuhan pada laba pemilik entitas induk di tengah tingginya tekanan beban

Pendapatan Perseroan tercatat mengalami penurunan sebesar 1,21% YoY menjadi Rp2,64 triliun per 1Q24. Di tengah penurunan pendapatan, beban pokok pendapatan mengalami kenaikan sebesar 3,19% menjadi Rp2,41 triliun per 1Q24. Dengan adanya penurunan pendapatan serta kenaikan beban, *profit before income tax* Perseroan tercatat sebesar Rp19,18 miliar. Sementara itu, laba Perseroan menjadi Rp16,73 miliar per 1Q24 atau turun 43,33% dibandingkan dengan periode 1Q23. Namun demikian, laba yang diatribusikan kepada pemilik entitas induk mengalami peningkatan menjadi Rp10,15 miliar di 1Q24.

Industry Overview

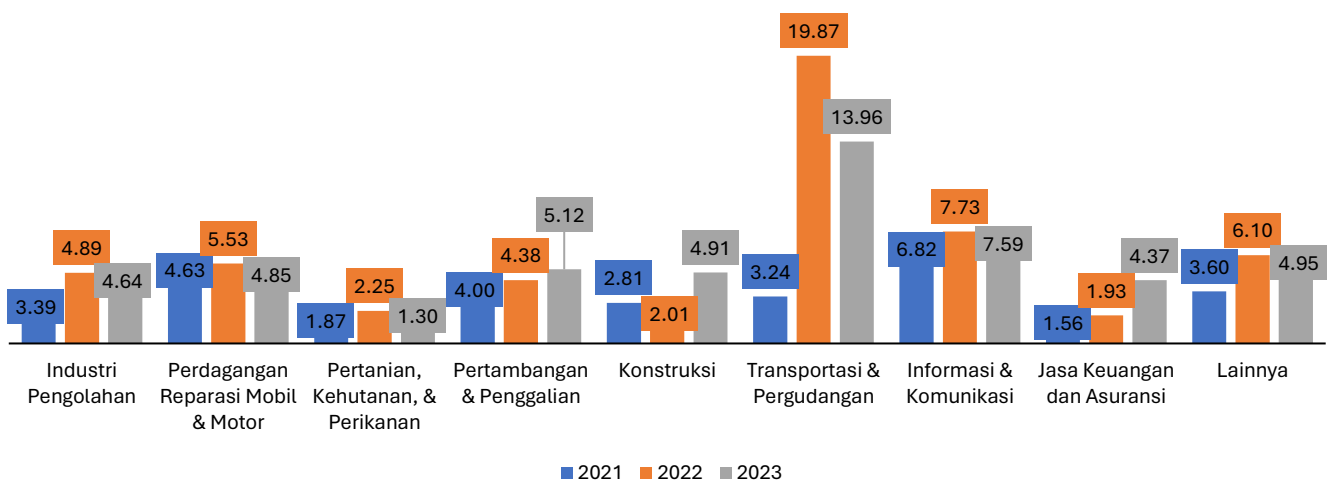
Indonesia's solid economic growth and the contribution of the infrastructure sector to economic growth

The Indonesian economy recorded solid growth of 5.05% in 2023. Growth was seen in all business fields. The business fields enjoying the highest growth were Transportation and Warehousing at 13.96%; Other Services at 10.52%; and the Provision of Accommodation and Food and Drink at 10.01%. Meanwhile, construction grew by 4.91% in 2023, higher than the growth pace of 2.01% in 2022. The contribution of the construction sector to the overall economy was fairly stable at around 9.59% underpinned by the government construction budget in the APBN which has been quite high in the last few years. In the 2024 APBN, the infrastructure budget has been set at IDR 423.4 trillion or 6% higher than the 2023 allocation. The high infrastructure budget is hoped to have a significant multiplier effect on Indonesia's economic growth in the future.

Pertumbuhan ekonomi Indonesia yang solid dan kontribusi sektor infrastruktur dalam pertumbuhan ekonomi

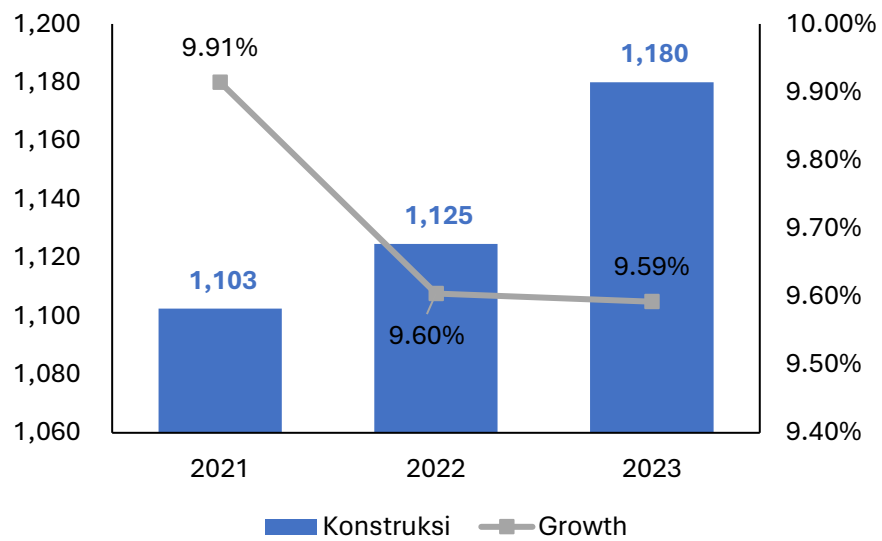
Ekonomi Indonesia tahun 2023 masih cukup solid dengan pertumbuhan sebesar 5,05%. Pertumbuhan terjadi pada seluruh lapangan usaha. Lapangan usaha yang mengalami pertumbuhan tertinggi adalah Transportasi dan Pergudangan sebesar 13,96%; diikuti Jasa Lainnya sebesar 10,52%; dan Penyediaan Akomodasi dan Makan Minum sebesar 10,01%. Sementara itu, Konstruksi tumbuh sebesar 4,91% di tahun 2023, lebih tinggi dibandingkan dengan 2,01% di tahun 2022. Di sisi lain, proporsi dari sektor konstruksi stabil di kisaran 9,59% dalam menopang pertumbuhan ekonomi Indonesia. Kontribusi sektor konstruksi pun tidak lepas dari anggaran konstruksi dari APBN yang cukup tinggi selama beberapa tahun terakhir. Dalam APBN 2024, anggaran infrastruktur adalah sebesar Rp423,4 triliun atau tumbuh 6% dibandingkan dengan tahun 2023. Melalui anggaran ini, diharapkan dapat memberikan multiplier efek untuk dapat berkontribusi dalam pertumbuhan ekonomi Indonesia ke depannya.

Exhibit 1. GDP Growth in Several Business Fields (c-to-c), (%)



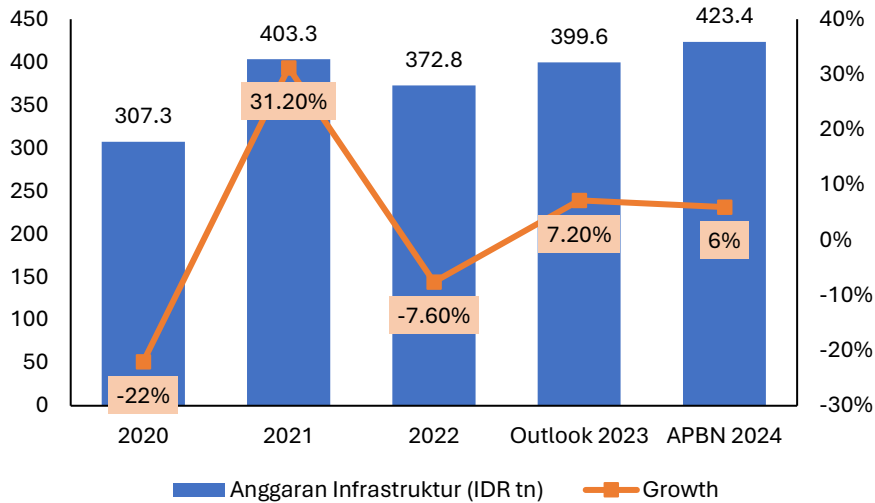
Source: BPS

Exhibit 2. GDP at Constant Prices 2010 According to Business Fields (IDR tn)



Source: BPS

Exhibit 3. Infrastructure Budget 2024 (IDR tn)



Source: Ministry of Finance

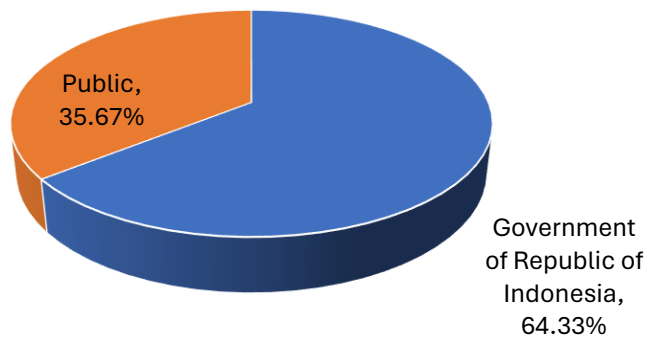
Company Overview

The Government of the Republic of Indonesia issued Government Regulation No. 41 of 1971 concerning the Conversion of the State Construction Company Adhi Karya into a Limited Liability Company (Persero). Subsequently, in 1974, PN Adhi Karya became PT Adhi Karya (Persero), and in 2004, it became the first state-owned construction company listed on the Indonesia Stock Exchange, thus changing its name to PT Adhi Karya (Persero) Tbk, hereinafter referred to as the “Company” or “ADHI.” ADHI’s main business lines include engineering & construction, property & hospitality, manufacturing, and investment & concessions.

Tinjauan Perusahaan

Pemerintah Republik Indonesia mengeluarkan Peraturan Pemerintah Republik Indonesia No. 41 Tahun 1971 Tentang Pengalihan Bentuk Perusahaan Bangunan Negara Adhi Karya Menjadi Perusahaan Perseroan (Persero), selanjutnya di tahun 1974 PN Adhi Karya berubah menjadi PT Adhi Karya (Persero) dan di tahun 2004 menjadi BUMN Konstruksi pertama yang tercatat di Bursa Efek Indonesia sehingga berubah nama menjadi PT Adhi Karya (Persero) Tbk yang selanjutnya disebut “Perseroan” atau “ADHI”. Lini bisnis utama ADHI diantaranya adalah *engineering & konstruksi*, *property & hospitality*, manufaktur, dan investasi & konsesi.

Exhibit 3. Shareholders as of Mar 2024



Source: Company

Exhibit 4. Business lines



Source: Company

Exhibit 5. Subsidiaries as of Mar 2024

Nama	Bidang Usaha	Kepemilikan oleh ADHI
PT Adhi Persada Properti	Properti	99.94%
PT Adhi Persada Beton	Industri dan Perdagangan Beton Pracetak	99.86%
PT Adhi Persada Gedung	Konstruksi Gedung	99.57%
PT Adhi Commuter Properti	Properti dan Pelayan	90.00%
PT Dumai Tirta Persada	Industri Air Minum dan Air Mineral	51%
PT Jalintim Adhi Abipraya	Konsesi	60%
PT Adhi Jalintim Riau	Konsesi	99.84%

Source: Company

Exhibit 6. Board of Management as of Apr 2024

Board of Commissioners	
President Commissioner	: Dody Usodo Hargosuseno
Commissioner	: Bob Arthur Lombogia
Independent Commissioner	: Elan Suherlan
Independent Commissioner	: Rustam Sofyan Sirait
Independent Commissioner	: Hironimus Hilapok
Board of Directors	
President Director	: Entus Asnawi Mukhson
Operational Director 1	: Alloysius Suko Widigdo
Operational Director 2	: Harimawan
Director of QHSE and Development	: Vera Kirana
Director of Finance	: Bani Iqbal
Director of Human Capital and Legal	: Ki Syahgolang Permata
Director of Risk Management and System	: Yan Arianto

Source: Company

ADHI - Construction

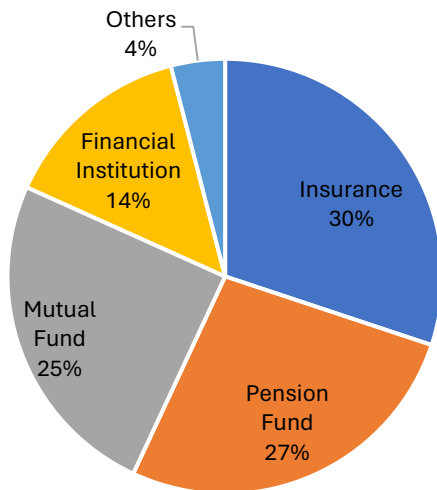
Company activities in the Rupiah bond market listed on the IDX

As of May 2024, ADHI's total outstanding bonds amounted to IDR4.780 trillion. The largest holders of ADHI's bonds are from the Insurance sector with a proportion of 30.1%, followed by pension funds at 26.8%, and mutual funds at 24.8%. ADHI's bonds maturing in 2024 amount to IDR947 billion. The largest chunk of bonds maturing is in 2029 (IDR1.8 trillion), followed by 2025 (IDR1.29 trillion).

Aktivitas Perusahaan di Pasar Obligasi mata uang Rupiah yang tercatat di IDX

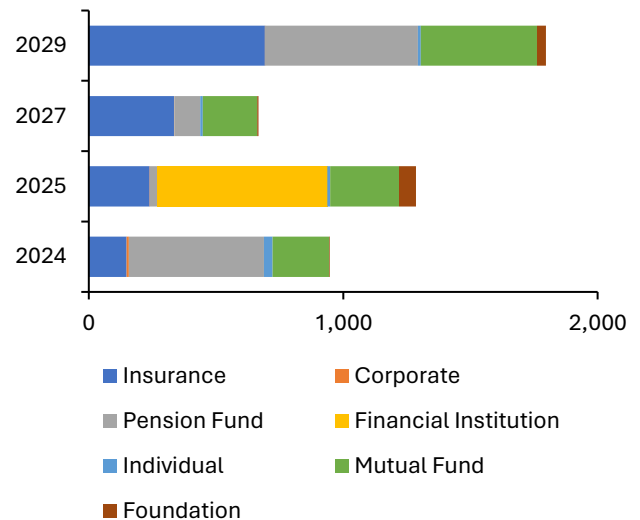
Per Mei 2024, total obligasi *outstanding* ADHI sebesar Rp4,780 triliun, pemegang terbesar obligasi ADHI dari sektor *Insurance* dengan proporsi 30,1%, diikuti oleh *pension fund* sebesar 26,8% dan *mutual fund* sebesar 24,8%. Obligasi ADHI yang jatuh tempo pada 2024 sebesar Rp947 miliar. Dengan demikian yang jatuh tempo terbesar tahun 2029 sebesar Rp1,8 triliun diikuti tahun 2025 sebesar Rp1,29 triliun.

Exhibit 7. Ownership of the Company's bond



Source: KSEI, IDX

Exhibit 8. Company's bonds maturity profile (IDR bn)



Source: KSEI, IDX

Business Overview

The acquisition of new contracts in 2024 is the largest

The acquisition of new contracts until April 2024 amounted to IDR 6.4 trillion, which is the largest contract acquisition compared to other BUMN Karya. The majority is project work in the water resources sector, 52%, followed by building projects, 38% and 10% others. In terms of business lines, the Company carries out 89% of the engineering and construction business, 4% of property and 7% of others. Meanwhile, the new contract profile is based on funding sourced from the government at 67%, 4% from BUMN, and the remaining 29% from the private sector and others.

In 2024, the Company has a program to complete several toll roads, including the Sigli-Banda Aceh Toll Road, Yogya-Bawen Toll Road section 1, and Solo-Yogya-Kuln Progo Toll Road Section 2.2. In terms of infrastructure projects, especially toll roads, the Company is quite selective in selecting only those with high Average Daily Traffic (LHR). To maintain cash flow levels, the Company also avoids turnkey projects and chooses to pay based on terms. In terms of financing, the Company has implemented a funding pattern with project-based channelization.

For IKN, currently ADHI is working on a total of 17 projects consisting of 10 infrastructure projects and 7 building projects and 2 non-government projects, namely the PSSI Training Center and Hermina Hospital. The total acquisition of IKN contracts is IDR 15.4 trillion, which is targeted to be completed in 2024-2025.

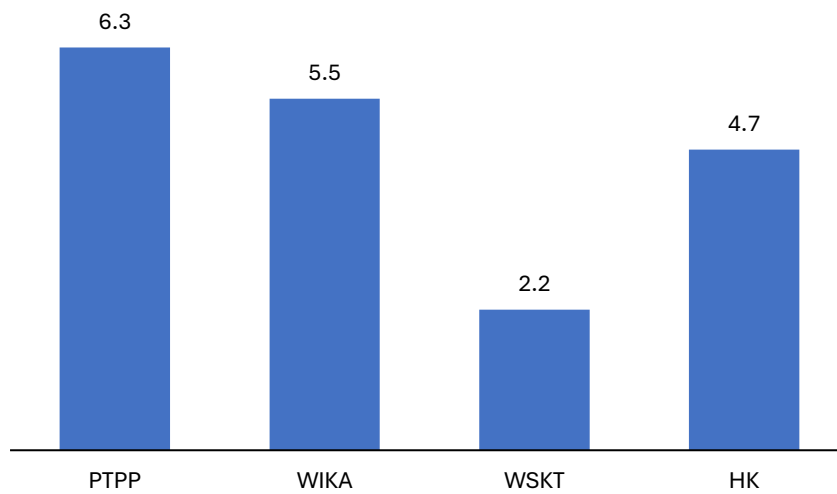
Perolehan kontrak baru di tahun 2024 merupakan yang terbesar

Perolehan kontrak baru hingga April 2024 sebesar Rp6,4 triliun, merupakan perolehan kontrak terbesar dibandingkan dengan peers BUMN Karya lainnya. Mayoritas merupakan pekerjaan proyek bidang sumber daya air 52%, diikuti oleh proyek Gedung 38% dan 10% lainnya. Dari sisi lini bisnis Perseroan mengerjakan bisnis rekayasa dan konstruksi 89%, property 4% dan lainnya 7%. Sedangkan, profil kontrak baru berdasarkan pendanaan yang bersumber dari pemerintah sebesar 67%, 4% BUMN, dan 29% sisanya dari swasta dan lainnya.

Di tahun 2024, Perseroan memiliki program penyelesaian beberapa ruas tol diantaranya adalah Jalan Tol Sigli-Banda Aceh, Jalan Tol Yogya-Bawen seksi 1, dan Tol Solo-Yogya-Kuln Progo Seksi 2.2. Dalam hal proyek infrastruktur, terutama tol, Perseroan cukup selektif dalam pemilihan yaitu hanya yang memiliki Lintas Harian Rata-rata (LHR) yang tinggi. Untuk menjaga tingkat arus kas, Perseroan pun menghindari proyek turnkey dan memilih untuk pembayaran berdasarkan termin. Dari sisi pembiayaan, Perseroan telah menerapkan pola pendanaan dengan kanalisasi berbasis proyek.

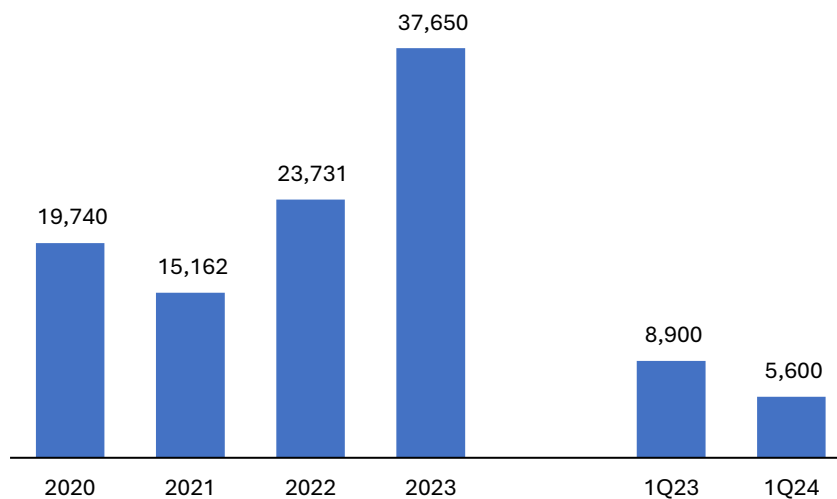
Untuk di IKN, hingga saat ini ADHI sedang mengerjakan total 17 proyek yang terdiri dari 10 proyek infrastruktur dan 7 proyek Gedung dan 2 proyek Non Pemerintah yaitu Training Center PSSI dan RS Hermina. Total perolehan kontrak IKN sebesar Rp15,4 triliun yang ditargetkan untuk dapat rampung di 2024-2025.

Exhibit 9. Peers' new contracts (IDR tn)



Source: Company

Exhibit 10. New contracts (IDR bn)



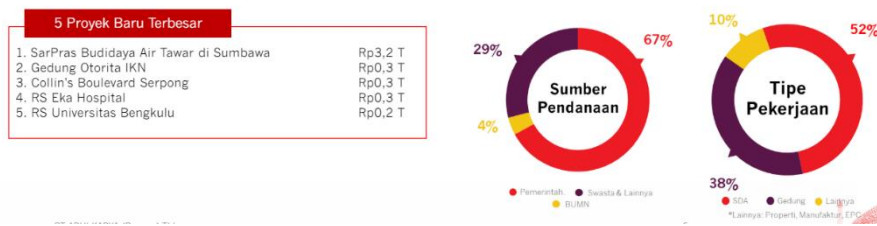
Source: Company

Exhibit 11. Large Projects Contribute to Performance



Source: Company

Exhibit 12. Increase in New Contracts to Support Performance



Source: Company

Exhibit 13. ADHI's IKN projects


Source: Company

Exhibit 14. IKN projects progress

No	Nama Proyek	Nilai Konstruksi Feb (IDR bn)	Progress
1	Pembangunan (Duplikasi) Jembatan P.Balang Bentang Pendek	254.808	71.02%
2	Pembangunan Pelindung Tumbukan Kapal (Fender) Dan Bangunan Pelengkap Jembatan Pulau Balang	96.715	90.04%
3	Jalan Tol IKN Segmen Karangjoang - KKT Kariangau	1,111,807	71.71%
4	Pembangunan IPA Kap. 300 l/detik dan Bangunan Pendukung SPAM Sepaku	150.786	43.40%
5	Pengendali Banjir DAS Sanggai 1A IKN	227.001	18.58%
6	Pembangunan Jalan Bebas Hambatan Seksi 6A : Segmen Riko - Rencana Outer Ring Road IKN	874.845	18.58%
7	Pembangunan Jalan Tol IKN Seksi 3A-2 : Segmen Karangjoang - KKT Kariangau	898.837	2.93%
8	Pembangunan Jaringan Perpipaan Air Limbah 2 Kawasan Inti Pusat Pemerintahan Ibu Kota Negara (KIPP IKN)	249.442	1.02%
9	Pembangunan Rumah Tapak Jabatan Menteri Di KIPP IKN, Kalimantan Timur	444.828	82.98%
10	Konstruksi Terintegrasi Rancang dan Bangun Pembangunan Rumah Susun Polri dan BIN Penajam Paser Utara	917.146	33.09%
11	Pembangunan Saran dan Prasarana Pemerintahan IB di Ibukota Negara	352.489	2.96%
12	Pembangunan Rumah Sakit Ibu Kota Nusantara (Pembangunan Dan Pengembangan RS IKN)	276.840	18.33%
13	Paket Pekerjaan Konstruksi Terintegrasi Rancang dan Bangun Pembangunan Gedung Dan Kawasan Masjid Negara	846.847	2.11%
14	Paket Pekerjaan Konstruksi Terintegrasi Rancang dan Bangun Pembangunan Gedung Dan Kawasan Kantor IKN	320.991	1.59%

Source: Company

Financial Overview

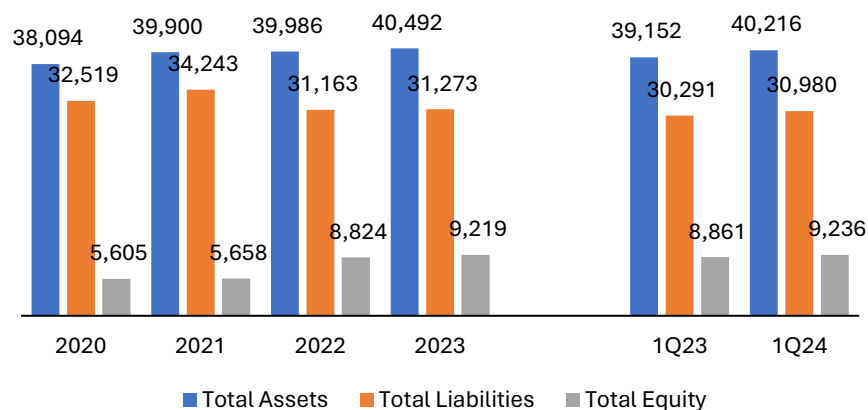
Assets fell slightly in line with the decline in the Company's receivables.

ADHI's total assets as of 1Q24 were relatively stable, down slightly to IDR40.22 trillion from IDR40.49 trillion at the end of 2023. Amid an increase in the Company's cash of IDR1.92 trillion to IDR6.42 trillion in 1Q24, the Company's receivables dropped by IDR2.49 trillion. This reflects the conversion of a portion of the Company's receivables into cash. In the future, ADHI still has opportunity cash worth IDR 2.2 trillion from the addendum to the LRT construction contract. Besides the increase in cash, prepaid expenses and taxes also recorded increases. The Company's total current assets and non-current assets as of 1Q24 were recorded at IDR28.46 trillion and IDR11.75 trillion,

Aset sedikit lebih rendah seiring dengan penurunan piutang Perseroan

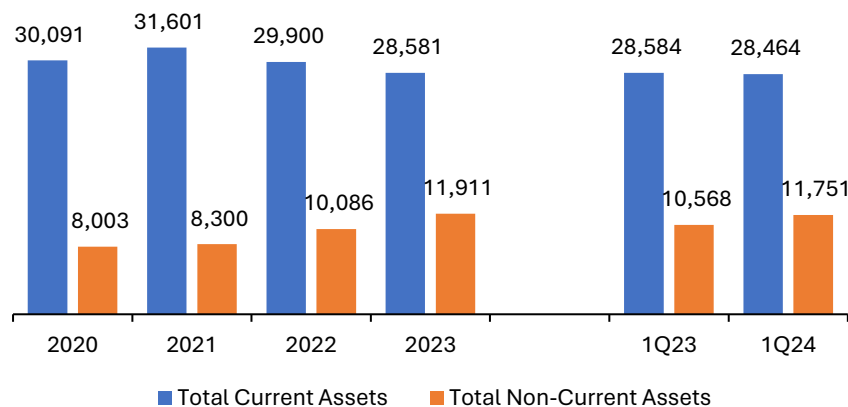
Total Assets ADHI per 1Q24 tercatat relatif stabil sedikit menurun menjadi sebesar Rp40,22 triliun, dari Rp40,49 triliun di akhir tahun 2023. Di tengah kenaikan kas Perseroan sebesar Rp1,92 triliun menjadi Rp6,42 triliun di 1Q24, piutang Perseroan turun sebesar Rp2,49 triliun. Hal ini mencerminkan piutang Perseroan sebagian telah menjadi kas. Ke depan, ADHI masih memiliki opportunity cash senilai Rp2,2 triliun atas addendum kontrak pengerjaan LRT. Selain kenaikan kas, biaya dan pajak dibayar di muka juga mengalami kenaikan. Total *Current assets* dan *non-current assets* Perseroan per 1Q24 tercatat sebesar Rp28,46 triliun dan Rp11,75 triliun.

Exhibit 15. Company's Balance Sheet (IDR bn)



Source: Company

Exhibit 16. Assets (IDR bn)



Source: Company

Increase in debt despite lower liabilities

The Company's liabilities also remained stable, down but only slightly. However, the decline in liabilities was slightly greater compared to the fall in assets. The Company's assets fell by IDR277 billion, outpaced by the IDR293 billion decline in the Company's liabilities. More specifically, the largest declines came from the reduction in gross subcontractor debt by IDR858 billion to IDR3.49 trillion and accounts payable by IDR150 billion to IDR8.16 trillion. However, despite the decline in liabilities, the Company's interest-bearing debt increased to IDR12.28 trillion, up IDR221 billion compared to the end of 2023. An increase in bank loans, especially short-term loans, by IDR211 billion to IDR6.74 trillion, drove the increase in the Company's debt. Proportionally, bank loans accounted for 54.91% of the Company's debt financing as of 1Q24 versus 45.09% for marketable securities. This is in line with the Company's strategy of mismatching the projects being carried out.

Government support to support the Company

In terms of equity, ADHI recorded growth of 0.18% to IDR 9.24 trillion in 1Q24 from IDR 9.29 trillion at the end of 2023. Looking ahead, the Company is proposed to obtain State Capital Participation (PMN) of IDR 2.09 trillion in 2025 to support the construction of two Trans Java toll road networks, namely the Yogyakarta – Bawen Toll Road and the Solo-Yogyakarta Toll Road. Previously,

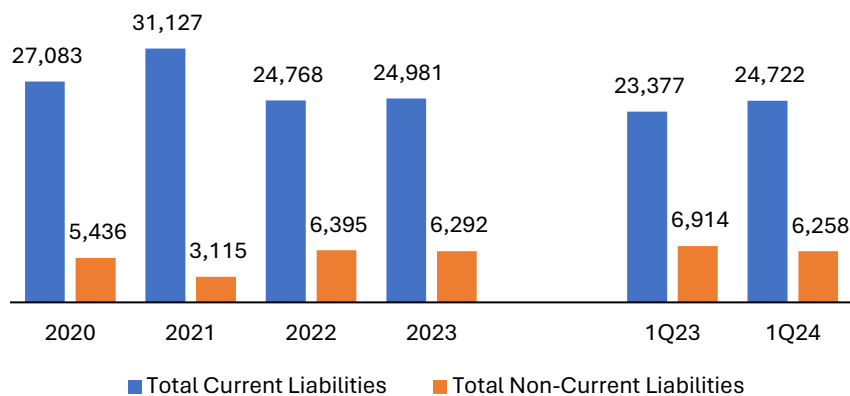
Strategi menjaga *leverage* Perseroan

Sejalan dengan tren pada aset, liabilitas Perseroan juga stabil sedikit menurun. Namun demikian, penurunan pada liabilitas tercatat sedikit lebih besar dibandingkan dengan penurunan pada aset. Perseroan membukukan penurunan aset sebesar Rp277 miliar, namun di sisi lain Perseroan membukukan penurunan liabilitas sebesar Rp293 miliar. Lebih detail, penurunan terbesar berasal dari berkurangnya utang bruto subkontraktor sebesar Rp858 miliar dan utang usaha yang tercatat turun Rp150 miliar, masing-masing menjadi sebesar Rp3,49 triliun dan Rp8,16 triliun. Namun demikian, di tengah penurunan liabilitas tersebut, *interest bearing debt* Perseroan tercatat naik menjadi Rp12,28 triliun atau naik Rp221 miliar dibandingkan dengan akhir tahun 2023. Kenaikan pinjaman bank, terutama jangka pendek sebesar Rp211 miliar menjadi Rp6,74 triliun yang mendorong kenaikan pada *debt* Perseroan. Dari sisi proporsi, pinjaman bank berkontribusi 54,91% per 1Q24 vs *marketable securities* 45,09% terhadap pembiayaan *debt* Perseroan. Hal ini sejalan dengan strategi Perseroan dalam melakukan mismatch dengan proyek yang dilakukan.

Dukungan Pemerintah untuk mendukung Perseroan

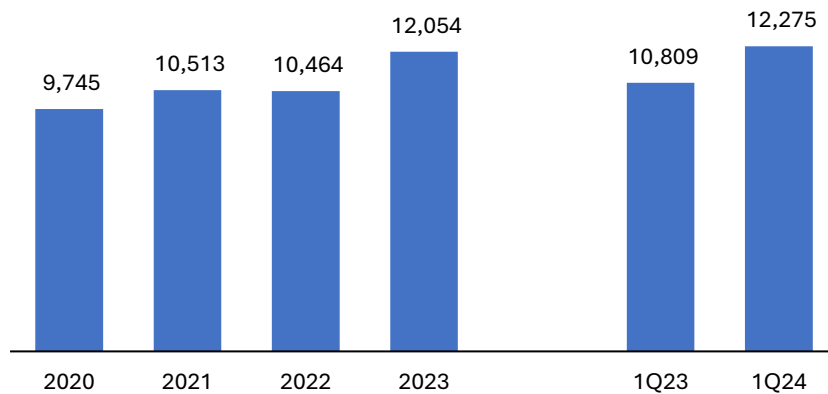
Dalam hal ekuitas, ADHI mencatatkan pertumbuhan sebesar 0,18% menjadi Rp9,24 triliun di 1Q24 dari Rp9,29 triliun di akhir tahun 2023. Ke depan, Perseroan diusulkan untuk mendapat Penyertaan Modal Negara (PMN) sebesar Rp2,09 triliun di tahun 2025 untuk mendukung Pembangunan dua jaringan jalan tol trans Jawa yaitu Tol Yogyakarta – Bawen dan Tol Solo-Yogyakarta. Sebelumnya di tahun 2022, ADHI pernah mendapat PMN sebesar Rp1,98 triliun.

Exhibit 17. Liabilities (IDR bn)



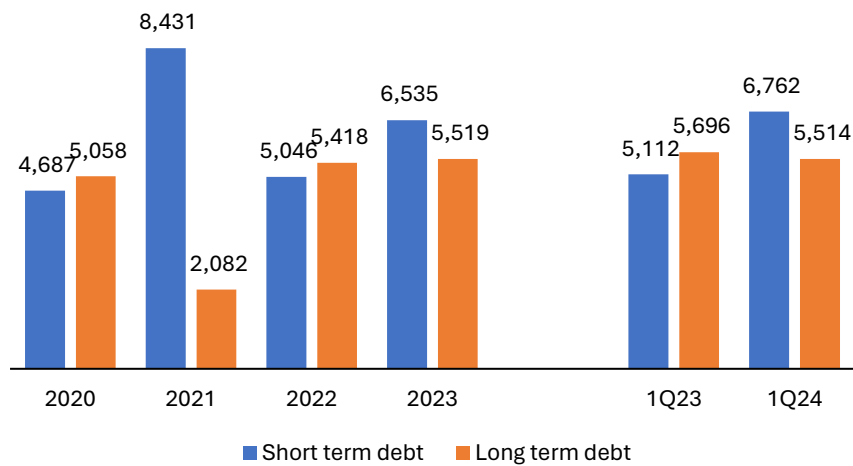
Source: Company

Exhibit 18. Total Debt (IDR bn)



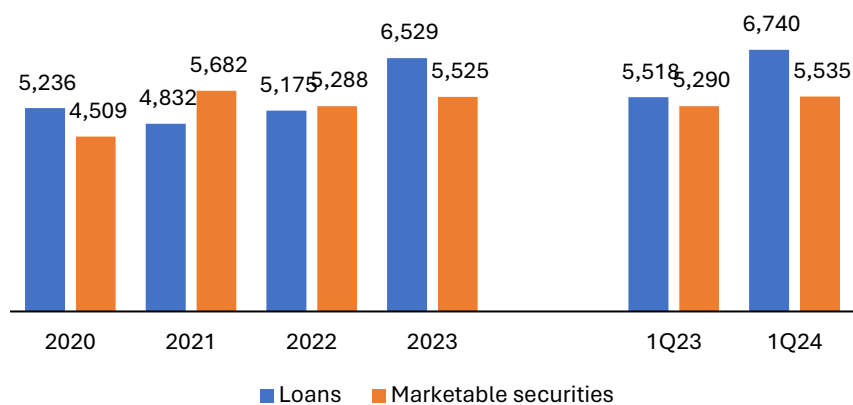
Source: Company

Exhibit 19. Short term debt vs long term debt (IDR bn)



Source: Company

Exhibit 20. Debt by type (IDR bn)



Source: Company

Growth in profits of owners of the parent entity amidst high burden pressure

The Company's revenue recorded a small decline of 1.21% or IDR32 billion in 1Q24 to IDR2.64 trillion compared to 1Q23. The largest decline was seen in the investment and concession business, where revenue dropped by IDR115 billion to IDR99 billion. Additionally, revenue declined in engineering and construction by IDR50 billion to IDR2.03 trillion and in property and hospitality by IDR74 billion to IDR106 billion. Revenue only increased in the manufacturing business (up by IDR206 billion to IDR398 billion in 1Q24).

Amid the decline in revenue, the cost of goods sold increased by 3.19% to IDR2.41 trillion in 1Q24. By business sector, manufacturing's cost of goods sold rose significantly by IDR191 billion. Furthermore, engineering and construction's cost of goods sold still rose by IDR17 billion despite a decline in revenue in this business sector. Higher expenses were mainly driven by growth in raw material prices and equipment costs, which rose by IDR106 billion and IDR90 billion, respectively. Consequently, the Company recorded a gross profit of IDR227 billion, or lower than the IDR333 billion recorded in 1Q23.

Additionally, there was an increase in general and administrative expenses by IDR8 billion. Financial expenses also rose to IDR180 billion from IDR175 billion due to higher interest rates. Despite this, the Company recorded an increase in JV profit and other income by IDR61 billion and IDR43 billion to IDR125 billion and IDR76 billion, respectively. More specifically, the growth in JV profit came from JV ADHI and PTHK and PT Brantas Abipraya in the construction of the IKN Karangjoang-KT Kariangau toll road segment; JV ADHI WSKT PT Jaya Konstruksi in the construction of the Bayung Lencir-Tempino Section 1 toll road; and JV ADHI Nindya PT Wiratman in the construction of Polri and BIN Penajam Paser Utara apartments, among others. The increase in other income was dominated by the recovery of expected credit loss provisions and foreign exchange gains.

Pertumbuhan pada laba pemilik entitas induk di tengah tingginya tekanan beban

Pendapatan Perseroan tercatat mengalami penurunan sebesar 1,21% atau sebesar Rp32 miliar menjadi Rp2,64 triliun per 1Q24 dibandingkan dengan 1Q23. Penurunan terbesar berasal dari bisnis investasi dan konsesi yang turun Rp115 miliar menjadi Rp99 miliar. Selain itu, *engineering and construction* serta *property and hospitality* masing-masing turun Rp50 miliar dan Rp74 miliar menjadi Rp2,03 triliun dan Rp106 miliar. Peningkatan pendapatan hanya berasal dari bisnis manufaktur yang naik Rp206 miliar menjadi Rp398 miliar per 1Q24.

Di tengah penurunan pendapatan, beban pokok pendapatan mengalami kenaikan sebesar 3,19% menjadi Rp2,41 triliun per 1Q24. Dari sisi sektor bisnis, peningkatan tersebut terutama terjadi pada manufaktur yang naik Rp191 miliar. Selanjutnya *engineering* dan *construction* yang mengalami penurunan pendapatan, masih mencatatkan kenaikan beban sebesar Rp17 miliar. Kenaikan beban tersebut, terutama didorong oleh pertumbuhan harga bahan baku dan beban alat yang masing-masing naik Rp106 miliar dan Rp90 miliar. Dengan demikian, Perseroan membukukan laba kotor sebesar Rp227 miliar, lebih rendah dibandingkan 1Q23 yang sebesar Rp333 miliar.

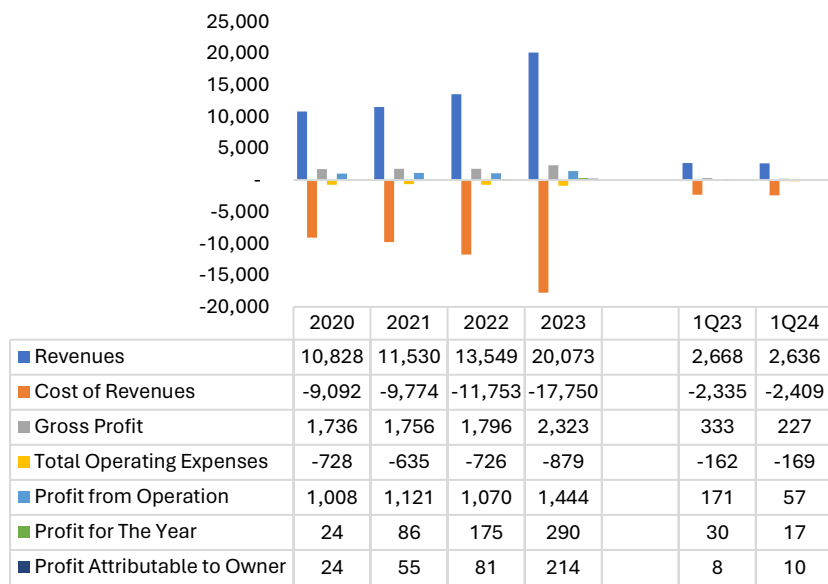
Di samping terdapat peningkatan pula pada beban umum dan administrasi sebesar Rp8 miliar, beban keuangan pun meningkat menjadi Rp180 miliar dari Rp175 miliar seiring dengan tingginya suku bunga. Meskipun demikian, Perseroan mencatatkan kenaikan laba JV dan pendapatan lainnya sebesar Rp61 miliar dan 43 miliar menjadi Rp125 miliar dan Rp76 miliar. Lebih detail, pertumbuhan pendapatan laba JV berasal dari JV ADHI dan PTHK serta PT Brantas abipraya dalam Pembangunan jalan tol IKN Segmen Karangjoang -KT Kariangau, JV ADHI WSKT PT Jaya Konstruksi dalam Pembangunan jalan tol Bayung Lencir-Tempino Seksi 1, JV ADHI Nindya PT Wiratman dalam Pembangunan rumah susun Polri dan BIN Penajam Paser Utara, dan sebagainya. Peningkatan pada pendapatan lainnya didominasi oleh adanya pemulihan penyisihan kerugian kredit ekspektasi serta laba kurs.

ADHI - Construction

With the fall in revenue and increase in expenses, the Company's profit before income tax was recorded at IDR19.18 billion. At the bottom line, the Company's profit reached IDR16.73 billion in 1Q24, a decline of 43.33% compared to 1Q23. However, profit attributable to owners of the parent entity increased to IDR 10.15 billion from IDR8.45 billion in 1Q23.

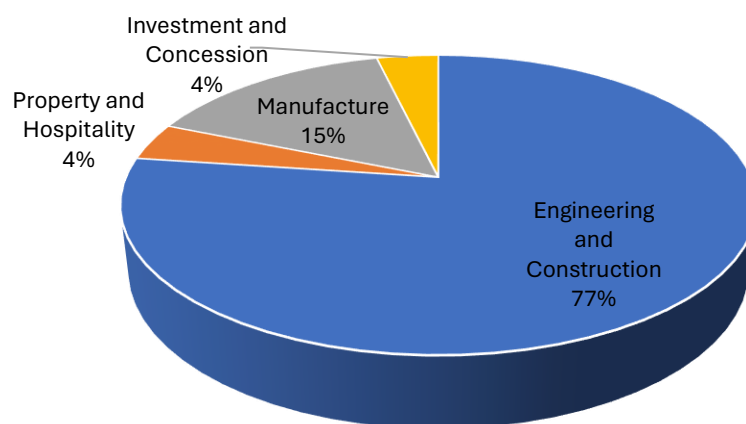
Dengan adanya penurunan pendapatan serta kenaikan beban, *profit before income tax* Perseroan tercatat sebesar Rp19,18 miliar. Sementara itu, laba Perseroan menjadi Rp16,73 miliar per 1Q24 atau turun 43,33% dibandingkan dengan periode 1Q23. Namun demikian, laba yang diatribusikan kepada pemilik entitas induk mengalami peningkatan menjadi Rp10,15 miliar dari Rp8,45 miliar di 1Q23.

Exhibit 21. Income Statement (IDR bn)



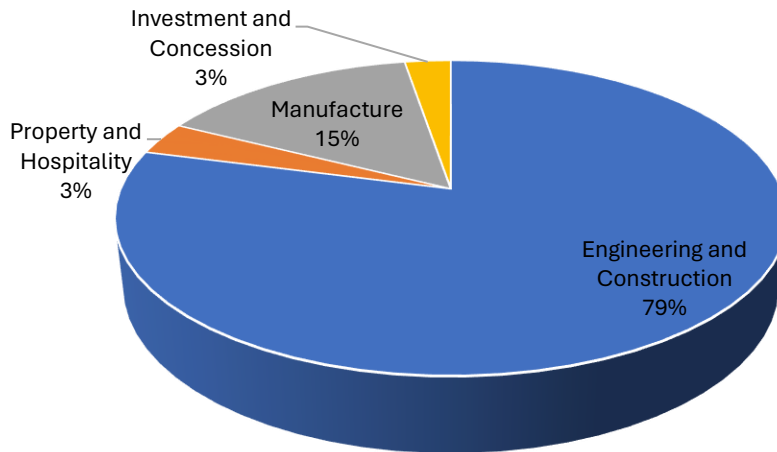
Source: Company

Exhibit 22. Revenue Breakdown



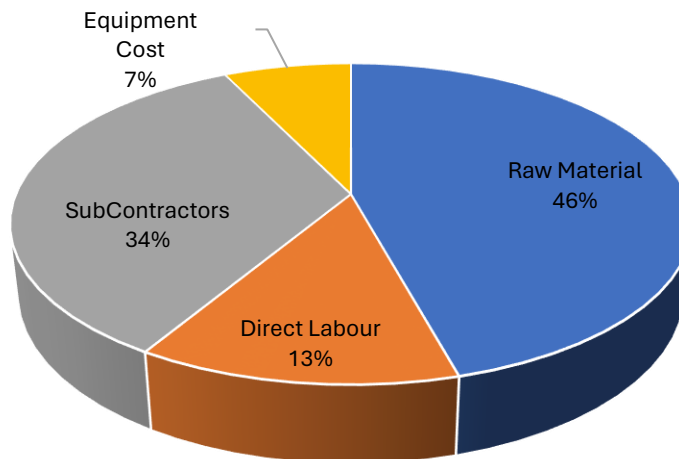
Source: Company

Exhibit 23. Cost of Revenue by business sector



Source: Company

Exhibit 24. Cost of Revenue by production sector



Source: Company

ADHI - Construction

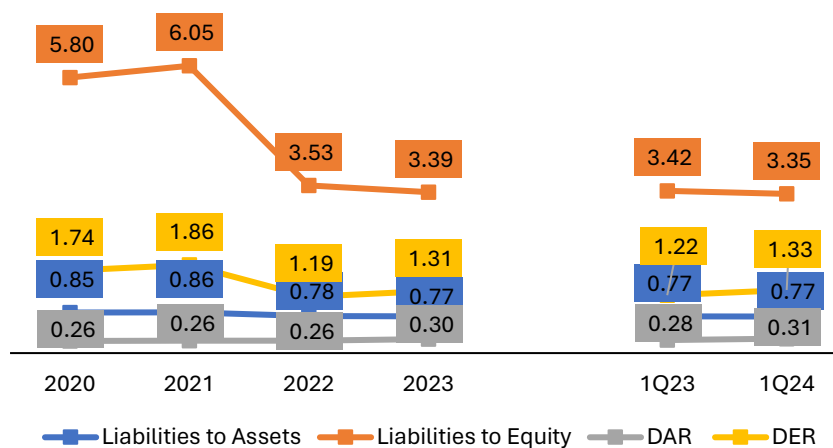
Stability in solvency ratios but weaker profitability ratios

The Company's solvency ratios are relatively stable. The Loans-to-Assets Ratio (LAR) and Equity-to-Assets Ratio (LER) stood at 0.77x and 3.35x, respectively, as of 1Q24. Meanwhile, the Debt-to-Assets Ratio (DAR) and Debt-to-Equity Ratio (DER) stood at 0.31x and 1.33x, respectively. The Company's solvency ratio is far below the covenant, namely DER at the level of 3.5x. Meanwhile, the liquidity ratios recorded declines compared to 1Q23 but increased to 1.15x compared to the end of 2023. In terms of profitability, the profitability ratios weakened in 1Q24 due to the lower profit recorded.

Stabilnya rasio solvabilitas di tengah penurunan rasio profitabilitas

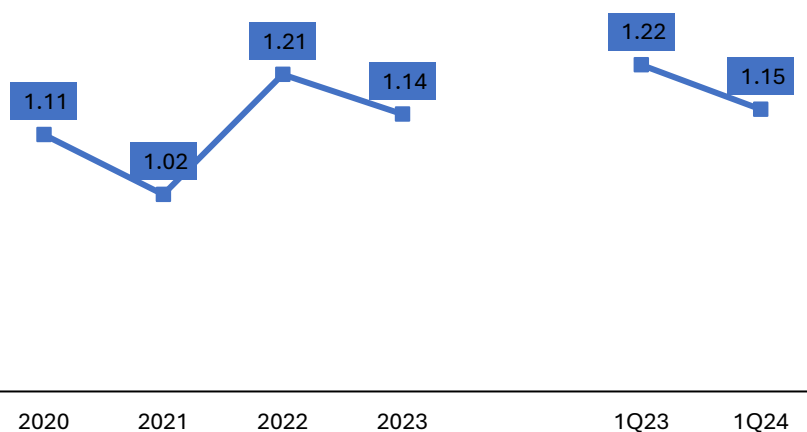
Rasio solvabilitas Perseroan *relative* stabil. LAR dan LER per 1Q24 masing-masing menjadi 0,77x; 3,35x. Sementara itu DAR dan DER masing-masing menjadi 0,31x dan 1,33x. Rasio solvabilitas Perseroan tersebut berada jauh di bawah kovenan yaitu DER di level 3,5x. Di sisi lain, rasio likuiditas mengalami penurunan dibandingkan dengan 1Q23, namun meningkat dibandingkan dengan akhir tahun 2023 lalu menjadi di 1,15x. Dalam hal profitabilitas, karena Perseroan mengalami penurunan *profit*, hal tersebut tercermin pula dalam rasio profitabilitas yang juga mengalami penurunan di periode 1Q24.

Exhibit 25. Solvency Ratios (x)



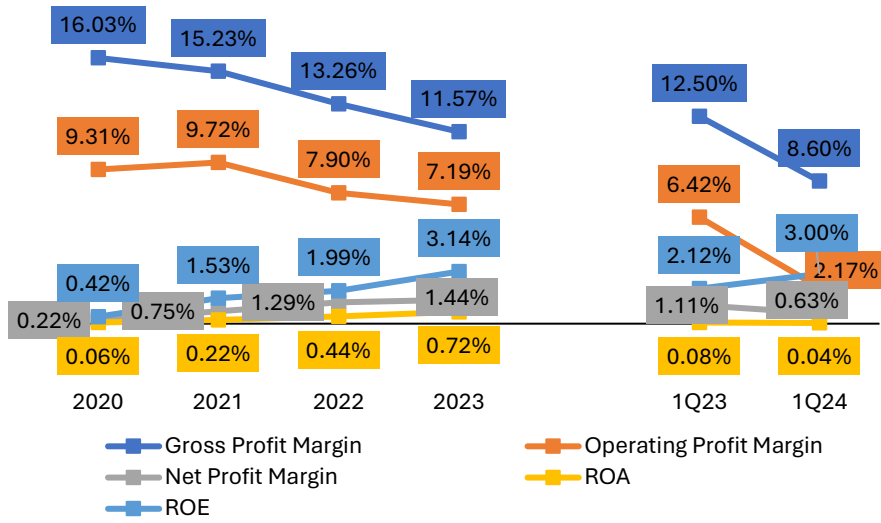
Sources: Company, BRIDS estimates

Exhibit 26. Current Ratio (x)



Sources: Company, BRIDS estimates

Exhibit 27. Profitability Ratios



Sources: Company, BRIDS estimates

APPENDICES

ADHI - Construction

Appendix 1. Balance Sheet (IDR bn)

	2020	2021	2022	2023	1Q23	1Q24	YoY	YTD
Cash and Cash Equivalents	2,364	3,152	4,337	4,504	2,315	6,423	177.42%	42.61%
Receivables	3,559	3,480	4,026	7,862	3,857	5,370	39.23%	-31.71%
Gross Amount Due from Customers	13,520	12,349	9,896	8,407	10,526	8,164	-22.44%	-2.90%
Inventories	6,321	7,451	6,988	5,685	6,912	5,932	-14.18%	4.36%
Other Current Assets	4,327	5,169	4,654	2,122	4,973	2,576	-48.21%	21.36%
Total Current Assets	30,091	31,601	29,900	28,581	28,584	28,464	-0.42%	-0.41%
Real Estate Assets	2,947	2,788	3,235	4,218	3,247	4,201	29.36%	-0.40%
Investment in Joint Ventures	932	937	1,711	2,180	1,783	2,112	18.47%	-3.13%
Investment Properties	912	941	1,011	1,273	1,011	1,273	25.95%	0.00%
Fixed Assets - Net	2,204	2,150	2,074	2,049	2,049	2,025	-1.20%	-1.18%
Other Non-Current Assets	1,007	1,484	2,056	2,191	2,478	2,140	-13.62%	-2.31%
Total Non-Current Assets	8,003	8,300	10,086	11,911	10,568	11,751	11.19%	-1.34%
Total Assets	38,094	39,900	39,986	40,492	39,152	40,216	2.72%	-0.68%
Bank Loans and Other Financial Institution	4,144	3,824	4,069	5,364	4,180	5,629	34.67%	4.95%
Trade Payables	12,084	12,416	10,917	8,315	10,465	8,164	-21.98%	-1.81%
Gross Amount Due to Subcontractors	5,971	5,801	4,064	4,350	3,209	3,492	8.79%	-19.73%
Other Payables	1,260	829	963	1,567	1,127	2,021	79.35%	28.96%
Current Maturities of Bank Loans and Other Financial Institution	343	166	484	216	439	177	-59.60%	-17.76%
Medium Term Note	200	200	-	-	-	-		
Bonds Payables	-	4,241	493	955	494	956	93.51%	0.02%
Other Current Liabilities	3,081	3,650	3,777	4,215	3,464	4,283	23.66%	1.62%
Total Current Liabilities	27,083	31,127	24,768	24,981	23,377	24,722	5.75%	-1.04%
Payables	3	277	279	250	276	252	-8.68%	0.99%
Bank and Other Financial Institution Loans	749	841	623	950	900	934	3.79%	-1.67%
Bonds Payables	4,309	1,241	4,795	4,335	4,796	4,335	-9.61%	0.02%
Sukuk	-	-	-	235	-	244		3.98%
Other Non-Current Liabilities	375	756	697	523	942	492	-47.73%	-5.90%
Total Non-Current Liabilities	5,436	3,115	6,395	6,292	6,914	6,258	-9.49%	-0.54%
Total Liabilities	32,519	34,243	31,163	31,273	30,291	30,980	2.27%	-0.94%
Capital Stock	356	356	841	841	841	841	0.00%	0.00%
Additional paid in capital	2,589	2,589	4,756	4,756	4,756	4,756	0.00%	0.00%
Difference in transaction with on controlling interest	3	3	71	71	71	71	0.00%	0.00%
Retained Earnings	1,990	2,041	2,115	2,337	2,123	2,348	10.57%	0.43%
Revaluation Surplus of Land	640	610	610	610	610	610	0.00%	0.00%
Equity attributable to Owners of the Parent Entity	5,578	5,600	8,393	8,616	8,401	8,626	2.67%	0.12%
Non-Controlling Interest	27	58	431	603	459	610	32.76%	1.09%
Total Equity	5,605	5,658	8,824	9,219	8,861	9,236	4.23%	0.18%
Total Liabilities and Equity	38,124	39,900	39,986	40,492	39,152	40,216	2.72%	-0.68%

Sources: Company, BRIDS estimates

ADHI - Construction

Appendix 2. Income Sheet (IDR bn)

	2020	2021	2022	2023	1Q23	1Q24	YoY	YTD
Revenues	10,828	11,530	13,549	20,073	2,668	2,636	-1.21%	-86.87%
Cost of Revenues	- 9,092	- 9,774	- 11,753	- 17,750	- 2,335	- 2,409	3.19%	-86.43%
Gross Profit	1,736	1,756	1,796	2,323	333	227	-32.03%	-90.24%
Selling Expenses	- 19	- 12	- 14	- 18	- 3	- 2	-32.77%	-87.15%
General and Administrative Expenses	- 709	- 623	- 712	- 861	- 159	- 167	5.25%	-80.59%
Total Operating Expenses	- 728	- 635	- 726	- 879	- 162	- 169	4.44%	-80.72%
Profit from Operation	1,008	1,121	1,070	1,444	171	57	-66.57%	-96.04%
Share of Profit of JV	157	362	423	488	64	125	96.13%	-74.37%
Share of Losses of Associates	- 1	- 6	- 12	- 4	-	- 1	-	-75.77%
Financial Charges	- 795	- 864	- 807	- 809	- 175	- 180	2.68%	-77.78%
Other Income (Expense) - net	- 13	- 169	- 124	- 282	33	76	130.10%	-127.16%
Final Tax Expenses	- 317	- 344	- 368	- 521	- 62	- 59	-4.78%	-88.72%
Profit Before Income Tax	40	99	183	316	31	19.18	-38.90%	-93.93%
Income Tax								
Non-Final Income Tax Expenses	- 18	- 14	- 8	- 26	- 0	- 2	547.68%	-90.58%
Deferred Tax Benefit (Expense)	2	1	0	0	- 2	-	-100.00%	-100.00%
Total Income Tax Expenses - Net	- 16	- 13	- 8	- 26	- 2	- 2	30.54%	-90.64%
Profit for The Year	24	86	175	290	30	16.73	-43.33%	-94.23%

Sources: Company, BRIDS estimates

Appendix 3. Financial Ratio

	2020	2021	2022	2023	1Q23	1Q24	YoY
Current Ratio (x)	1.11	1.02	1.21	1.14	1.22	1.15	- 0.07
Gross Profit Margin	16.03%	15.23%	13.26%	11.57%	12.50%	8.60%	-3.90%
Operating Profit Margin	9.31%	9.72%	7.90%	7.19%	6.42%	2.17%	-4.25%
Net Profit Margin	0.22%	0.75%	1.29%	1.44%	1.11%	0.63%	-0.47%
ROA (LTM)	0.06%	0.22%	0.44%	0.72%	0.08%	0.04%	-0.03%
ROE (LTM)	0.42%	1.53%	1.99%	3.14%	2.12%	3.00%	0.88%
Liabilities to Assets (x)	0.85	0.86	0.78	0.77	0.77	0.77	- 0.00
Liabilities to Equity (x)	5.80	6.05	3.53	3.39	3.42	3.35	- 0.06
DAR (x)	0.26	0.26	0.26	0.30	0.28	0.31	0.03
DER (x)	1.74	1.86	1.19	1.31	1.22	1.33	0.11

Source: Company, BRIDS estimates

Appendix 4. Indicative Structure

Obligasi Berkelanjutan xxx**Peringkat**

Peringkat rating : xxx

Target Penerbitan

Sebanyak-banyaknya IDR Bond : xxx,- (satu triliun Rupiah)

Tenor & Range Kupon

Seri A (3 Tahun) : xxx

Seri B (5 Tahun) : xxx

Jadwal (Tentatif)

Bookbuilding : xx

Pembayaran Investor : xx

Distribusi : xx

Source: Company

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