

## PT Dwi Guna Laksana Tbk

**Company Rating** *irA-/Stable*

**Rated Issues**

MTN Dwi Guna Laksana I  
Tahun 2022

*irA-***Rating Period**

May 8, 2023 – April 1, 2024

**Rating History**

April, 2022

*irA-/Stable*

February, 2022

*irA-/Stable*

July, 2020

*irBBB+/Stable*

"Debt Securities with *irA* rating has a high level of certainty to honor its financial obligations, but it can be affected by adverse changes in business and economic conditions, relative to debt securities with a higher rating."

The minus sign (-) indicates that the rating is still higher than the rating category below, although it is closer to the lower rating than it is to the higher rating category.

**Kredit Rating Indonesia affirms '*irA-*' rating to MTN Dwi Guna Laksana I Tahun 2022 amounting to IDR200 Bn**

Kredit Rating Indonesia (KRI) affirms a Company Rating of '*irA-*' with 'Stable' outlook for PT Dwi Guna Laksana Tbk (DWGL or the Company). At the same time, KRI has affirmed '*irA-*' rating to DWGL's MTN Dwi Guna Laksana I Tahun 2022 totaling IDR200 Bn with five years of time to maturity. The ratings still reflect DWGL's uptrending revenue. The ratings are still constrained by the company's customer concentration risk, and low profitability margins.

DWGL's revenue continued to post an increasing trend or hiked from IDR1.72 Tn in 2019 to IDR2.78 Tn in 2022, or increasing by 17.4% CAGR. We continue to expect that the Company's revenue to post an increasing year in mid-term as the Company has received contracts from new customers for more than three years.

However, the rating is still constrained by the Company's limited number of customer-based since three of its major customers continued to contribute to more than 95% of DWGL's revenue in 2022. Higher than expected of purchased coal prices from the suppliers has squeezed the Company's profitability margins in 2022, with EBITDA margin decreased to just 2.2% (vs 5.4% in 2021).

The ratings could be raised if DWGL has successfully shown an improving revenue, cost efficiencies that translate into a higher profitability margins, and wider customer-base on a sustainable basis. In contrast, the ratings may be lowered if the Company incurs higher debt than projected along with weaker profitability.

As of December 31, 2022, the Company's shareholders were Hawthorn-Capital Investment Pte. Ltd (48.52%), KPD Simas Equity Fund 2 (7.69%), PT Dian Ciptamas Agung (9.72%), and public (34.07%)

**DWGL Financial Results Highlights (Consolidated)**

For the year ended	Dec 2022 (Unaudited)	Dec 2021 (Audited)	Dec 2020 (Audited)	Dec 2019 (Audited)
Total Assets (IDR, Bn)	1,421.2	1,245.7	703.7	863.9
Total Adjusted Debt (IDR, Bn)	492.1	354.3	280.6	323.1
Total Adjusted Equity (IDR, Bn)	141.7	136.4	(52.6)	(46.5)
Total Sales (IDR, Bn)	2,784.9	2,297.6	1,568.5	1,724.2
Net Income After MI (IDR, Bn)	3.4	94.2	35.6	(21.7)
EBIT Margin (%)	2.1	5.4	9.2	0.7
Return on Permanent Capital (%)	34.2	34.2	N.R	N.R
Adjusted Debt /Adj. Equity (x)	3.5	2.6	N.R	N.R
EBITDA/Total Adjusted Debt (x)	0.1	0.4	0.5	0.0
EBITDA/IFCCI (x)	1.1	3.5	3.8	0.2
FFO/Total Adjusted Debt (x)	-0.3	23.9	0.1	(0.1)
USD Exchange Rate (IDR/USD)	15,731	14,572	14,104	13,901

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