



2024 PERFORMANCE and 2025 GUIDANCE – State-Owned Construction Enterprises (BUMN Karya) (PTPP, ADHI, WIKA, WSKT)

1. PTPP

- **2024 Performance:** PTPP recorded revenue of Rp19.81 trillion, an increase of 7.3% YoY. However, net profit declined by 13% to Rp415.65 billion. PTPP also secured new contracts worth Rp27.09 trillion in 2024, despite pressure on net profit.

- **2025 Guidance:** The company targets new contracts worth Rp31 trillion in 2025, focusing on large-scale infrastructure projects (such as ports), smaller-scale developments (like premium buildings), and the renewable energy sector. So far in Q1, it has secured Rp6.27 trillion in new contracts, marking a 32% year-on-year increase.

2. ADHI

- **2024 Performance:** ADHI's revenue declined by 33.48% YoY to Rp13.35 trillion, but net profit rose 17.98% to Rp69.32 billion. ADHI also secured new contracts worth Rp6.4 trillion as of April 2024, the largest among other BUMN Karya.

- **2025 Guidance:** ADHI targets new contracts worth Rp27–28 trillion in 2025, focusing on the transportation and energy sectors. The company hopes to capitalize on shifts in government infrastructure budget priorities.

3. WIKA

- **2024 Performance:** WIKA posted a net loss of Rp2.27 trillion, with the deficit increasing by 32.5% YoY to Rp9.54 trillion. Revenue dropped by 14.6% to Rp19.24 trillion. The company faced major challenges, including delayed sukuk payments that led to trading suspension of its shares.

- **2025 Guidance:** WIKA has developed a 2025–2029 Long-Term Corporate Plan (RJPP) that emphasizes strengthening technical capabilities and collaboration with global EPCs. The main focus is on the development of national strategic infrastructure projects and the EPC sector.



4. WSKT

- **2024 Performance:** WSKT focused on financial restructuring and the completion of strategic projects. Despite ongoing financial challenges, the company targets 70% project performance growth in 2025.
- **2025 Guidance:** WSKT targets 70% growth in project performance in 2025, with a focus on completing six national dam projects and financial restructuring as part of its long-term corporate plan.

Overall, major Indonesian state-owned construction enterprises (BUMN Karya) showed varied performances in 2024, with some facing challenges in revenue and net profit. However, for 2025, they have set ambitious targets, focusing on new contracts and the completion of strategic projects that are vital for Indonesia's infrastructure development.

MAIN CHALLENGES faced by BUMN Karya such as PTPP, ADHI, WIKA, and WSKT in 2025 are largely structural and similar. **On the financial side**, they struggle with tight cash flow, high debt-to-equity ratios, and interest pressure from large debt burdens. Meanwhile, **from the industry side**, cuts in government infrastructure budgets, intense project pricing competition (price wars), and weakening public purchasing power limit expansion and profitability potential. These challenges make successful restructuring and operational efficiency crucial for maintaining sustainability and competitiveness.

What is the connection between public purchasing power and BUMN Karya projects?

At first glance, public purchasing power may seem more relevant to the retail or consumer sectors. However, in reality, purchasing power still has an influence on BUMN Karya projects, especially in the context of certain types of projects and the overall sustainability of infrastructure funding.

A. Property & Commercial Projects

BUMN Karya does not only work on government projects but also develops property projects such as apartments, housing, and **TOD (Transit-Oriented Development)** areas. There are various examples of housing projects that are quite sensitive to public purchasing power from subsidiaries of ADHI (ADCP), PTPP (PP Properti), and WIKA (WIKI Gedung); especially in the middle-lower segments.



For example :

1. LRT City Apartment Projects are property developments by PT Adhi Commuter Properti Tbk (ADCP), a subsidiary of PT Adhi Karya (Persero) Tbk (ADHI).

LRT City promotes a **Transit-Oriented Development (TOD)** concept, focusing on housing integrated with mass transportation—such as:

- LRT City Bekasi – Eastern Green
- LRT City Jatibening – Gateway Park
- LRT City Ciracas – Urban Signature
- LRT City Tebet – Urban Heights Residence

So when public purchasing power weakens, unit sales in LRT City are affected, directly hitting ADCP's performance and indirectly impacting ADHI as its parent company.

2. PP Properti (subsidiary of PTPP)

- Project focus: Residential & mixed-use near campuses, industrial zones, and transit areas.
- Examples of projects targeting the middle-lower income segment:
 - Evencio Depok: Apartments near UI campus and station, targeting students and young professionals.
 - Amartha View Semarang: Targeting students and first-time buyers.
 - Grand Kamala Lagoon (Bekasi): One of their flagship projects, includes mid-range units for urban commuters.
- Sensitivity: Highly influenced by purchasing power as they rely on direct sales, mortgage loans, and installment payments.

3. WIKA Gedung (through subsidiaries or partnerships like WIKA Realty / now merged into WIKA Realty-WIKA Gedung Holding)

- Project focus: Mid-rise apartments, TOD, and commercial property in urban areas.



- **Relatively affordable projects:**
 - Teras Alun-Alun Bekasi: Affordable housing near Bekasi Station.
 - Tamansari Hive & Tamansari Urbano: Apartment products for urban workers.
 - TOD Dukuh Atas (partnered with Perumnas): Vertical housing integrated with LRT/MRT, with both subsidized and non-subsidized price segments.

Conclusion:

- Projects by **PP Properti** and **WIKA Gedung** mostly target the urban middle class or commuter communities, **which are highly dependent on credit and bank financing.**
- When **purchasing power weakens or mortgage rates are high**, unit sales slow down → project delays → developer cash flow is disrupted → main contractors (BUMN Karya parent companies) are also affected.

So yes, even though they're not mass housing players like Perumnas (National Housing), their position remains vulnerable to weakening urban consumer spending, especially from young workers who are their primary market segment.

B. Effect on State Revenue

Weak purchasing power → sluggish household consumption → lower tax revenue → narrower government fiscal space → infrastructure budget gets cut or reprioritized → fewer new contracts for BUMN Karya funded by the state budget.

C. Projects Based on Commercial Viability

Some transportation projects (e.g., LRT, toll roads, ports) are built under availability payment or user-based revenue schemes.

- When the public cuts back on spending, infrastructure usage declines → project revenue decreases → the project's commercial feasibility weakens → investor/lender interest declines → project stalls → contractors lose job opportunities.

So, even though the impact isn't as direct as in the consumer sector, **public purchasing power still acts as an indirect factor that can suppress demand for private construction projects and affect the continuity of government-funded infrastructure initiatives.**



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