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Operating Segment Reporting Compliance under PSAK 108: A Case Study of PT Waskita Karya

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Abtract: *Operating segment disclosure plays a fundamental role in improving financial reporting transparency by providing stakeholders with information regarding the financial performance of individual business units within diversified companies. This study aims to evaluate the compliance of PT Waskita Karya (Persero) Tbk with Statement of Financial Accounting Standards (PSAK) 108 concerning Operating Segments. A descriptive qualitative approach using document analysis was employed, utilizing the company's 2025 Annual Report and audited consolidated financial statements as the primary data sources. Compliance was assessed through the systematic application of the three quantitative materiality criteria prescribed by PSAK 108, namely the 10% revenue test, 10% profit or loss test, and 10% asset test. The findings reveal that the Construction and Toll Road segments satisfied both the revenue and profit criteria, contributing 76.7% and 13.1% of total segment revenue, and 46.1% and 41.0% of total segment profit, respectively. Under the asset criterion, only the Toll Road segment qualified as a reportable operating segment, representing 45.5% of total identifiable segment assets. Meanwhile, the Precast, Readymix & Quarry, Property & Hotel, Other Infrastructure, and Building Rental segments failed to satisfy the prescribed quantitative thresholds and therefore were not individually reportable. Overall, the findings indicate that PT Waskita Karya generally complies with the quantitative materiality requirements established under PSAK 108. This study contributes empirical evidence regarding operating segment reporting practices within Indonesia's infrastructure sector and provides practical implications for improving financial reporting transparency, corporate governance, and decision-making among investors, regulators, and corporate management.*
Keywords: *PSAK 108, Operating Segments, Financial Reporting, Segment Disclosure, Infrastructure Company, PT Waskita Karya.*

INTRODUCTION

Financial statement transparency has become one of the fundamental principles of modern corporate governance because it enables investors, creditors, regulators, and other stakeholders to evaluate a company's financial performance and operational sustainability. Among the various components of financial reporting, operating segment disclosure has attracted increasing attention due to its ability to provide detailed information regarding the financial performance of different business units within a diversified company. Segment reporting reduces information asymmetry between management and external stakeholders by presenting financial information that reflects how management allocates resources and evaluates business performance. Consequently, high-

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quality operating segment disclosure improves decision-making, strengthens investor confidence, and enhances market efficiency (Abdelhak & Hussainey, 2025; Ayagi & Salisu, 2023).

Internationally, operating segment reporting is regulated through International Financial Reporting Standard (IFRS) 8 Operating Segments, which introduced the management approach to segment reporting. Under this approach, reportable operating segments are identified based on the internal reports regularly reviewed by the Chief Operating Decision Maker (CODM), ensuring that external disclosures are consistent with internal managerial decision-making. IFRS 8 has been adopted or converged by more than 160 countries, demonstrating a global commitment to improving comparability, transparency, and accountability in corporate financial reporting (IASB, 2024; Ma et al., 2022). Empirical evidence indicates that the implementation of IFRS 8 has substantially improved the quantity and quality of segment disclosures, allowing stakeholders to better understand corporate performance across diversified business activities (Ashfaq, 2021; Steens et al., 2022).

Indonesia has aligned its financial reporting framework with international standards through the implementation of Statement of Financial Accounting Standards (PSAK) 108 concerning Operating Segments, which adopts the principles of IFRS 8. PSAK 108 requires publicly listed companies to disclose financial information for operating segments that satisfy specific quantitative thresholds relating to revenue, profit or loss, and assets. These disclosures are intended to provide relevant and reliable information for investors while enhancing corporate transparency and accountability within the Indonesian capital market (IAI, 2024). The implementation of PSAK 108 also supports the broader objective of harmonizing Indonesian accounting standards with international financial reporting practices and improving the credibility of corporate financial statements (Ebaid, 2024).

Previous studies consistently demonstrate that comprehensive segment reporting contributes positively to financial reporting quality and corporate performance. Companies with higher disclosure quality generally experience lower information asymmetry, better investor confidence, and stronger market valuation (Afifa & Nguyen, 2024; Fun & Agustia, 2026). Likewise, voluntary and mandatory financial disclosures have been shown to improve firm performance by increasing transparency and reducing uncertainty among capital market participants (Meiryani et al., 2023).

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From the perspective of financing decisions, Bashir and Elbashir (2025) found that more comprehensive operating segment disclosure under IFRS 8 significantly reduces the weighted average cost of capital, indicating that transparent segment reporting generates tangible economic benefits for listed companies.

In Indonesia, empirical studies evaluating compliance with PSAK 108 remain relatively limited and are concentrated in manufacturing and consumer goods companies. Dewi (2025) examined operating segment disclosures at PT Unilever Indonesia and concluded that the company complied with the quantitative reporting requirements established under PSAK 108. Similar findings were reported by Dewi and Mais (2025), who observed that transparent segment reporting enhanced the quality of financial information available to investors. Janah (2025) investigated PT Mayora Indah Tbk and found that although the company's principal operating segments fulfilled the quantitative reporting criteria, smaller segments did not satisfy the materiality thresholds and therefore were not separately reportable. Comparable evidence was reported by Ariani et al. (2024), who evaluated transportation infrastructure companies and demonstrated that the implementation of PSAK 108 varies across firms depending on their organizational structure and business characteristics.

Although previous studies provide valuable empirical evidence, several research gaps remain. Most existing studies focus on manufacturing, consumer goods, and transportation companies, while limited attention has been devoted to state-owned enterprises operating in the construction and infrastructure sector. This limitation is important because infrastructure companies generally operate through multiple business segments characterized by different risk profiles, investment structures, and revenue-generating mechanisms. Such operational complexity requires more comprehensive operating segment disclosures to ensure that financial statement users can accurately assess business performance and investment risks. Consequently, further empirical evidence is required to evaluate how PSAK 108 is implemented within diversified infrastructure companies listed on the Indonesia Stock Exchange.

PT Waskita Karya (Persero) Tbk provides an appropriate research context because it is one of Indonesia's largest state-owned construction and infrastructure companies with diversified operations consisting of construction services, toll road concessions, precast concrete production, property development, building rental, and other infrastructure businesses. These diverse business activities create multiple operating segments that should be evaluated against the quantitative reporting requirements prescribed in PSAK 108. As a publicly listed company managing large-scale infrastructure projects and government strategic investments, transparent segment reporting is essential for investors, regulators, creditors, and other stakeholders in assessing financial performance and resource allocation. High-quality segment disclosure is also expected to strengthen corporate governance, reduce agency problems, and improve investment decision-making (Eisenhardt, 1989; Herliawati & Berliani, 2024).

This study contributes to the existing literature in several ways. First, it extends empirical evidence regarding PSAK 108 compliance to PT Waskita Karya (Persero) Tbk, a company that has received limited attention in previous accounting research. Second, unlike previous studies that primarily focused on manufacturing and consumer goods industries (Dewi, 2025; Dewi & Mais, 2025; Janah, 2025), this research investigates a capital-intensive infrastructure company with more diversified business activities, thereby providing broader insights into operating segment reporting practices. Third, this study applies the quantitative materiality criteria prescribed by PSAK 108 through the revenue, profit or loss, and asset tests to identify reportable operating segments and evaluate the company's compliance with the applicable accounting standard. The findings are expected to enrich the literature on financial reporting quality while providing practical implications for corporate management, regulators, investors, and future accounting research.

Based on these considerations, this study aims to analyze the operating segment disclosures of PT Waskita Karya (Persero) Tbk in accordance with PSAK 108 by evaluating whether each operating segment satisfies the required revenue, profit or loss, and asset thresholds for reportable segment disclosure. The findings are expected to provide empirical evidence regarding the implementation of PSAK 108 in Indonesian infrastructure companies while contributing to the improvement of financial reporting transparency and corporate governance practices.

METHOD

Research Design

This study employed a descriptive qualitative research design using document analysis to evaluate the compliance of operating segment disclosures with the provisions of Statement of Financial Accounting Standards (PSAK) 108 concerning Operating Segments. A descriptive qualitative approach is appropriate for studies that seek to describe and interpret a phenomenon based on documentary evidence without manipulating research variables (Furidha & Sidoarjo, 2023). Qualitative research emphasizes understanding the characteristics and context of a phenomenon through systematic observation and interpretation rather than statistical hypothesis testing (Fahriana & Hermina, 2025).

Document analysis was adopted as the primary research strategy because audited financial statements constitute official corporate documents that provide reliable and verifiable evidence of accounting practices. According to Bowen (2009), document analysis enables researchers to systematically examine, classify, interpret, and synthesize documentary data to answer research questions. In accounting research, annual reports and audited financial statements are widely recognized as valid documentary sources for assessing compliance with accounting standards.

The analytical framework of this study was based on PSAK 108, which adopts IFRS 8 *Operating Segments*. Compliance was evaluated through the application of the three quantitative materiality tests stipulated in PSAK 108, namely the revenue test, the profit or loss test, and the asset test (IAI, 2024; IASB, 2024). Similar methodological approaches have been employed in previous studies examining operating segment reporting in Indonesia (Dewi, 2025; Dewi & Mais, 2025; Janah, 2025).

Data Types and Sources

This study relied exclusively on secondary data obtained from the 2025 Annual Report and the audited consolidated financial statements of PT Waskita Karya (Persero) Tbk. The documents were collected from the official website of the Indonesia Stock Exchange (https://www.idx.co.id) and the company's Investor Relations website. The documentary data analyzed consisted of:

- Consolidated Statement of Financial Position;
- Consolidated Statement of Profit or Loss;

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- Consolidated Statement of Cash Flows;
- Notes to the Consolidated Financial Statements;
- Operating Segment Disclosure;
- Annual Report 2025.

The use of audited financial statements ensures the credibility, reliability, and objectivity of the research data because they have been verified by independent external auditors and prepared in accordance with Indonesian Financial Accounting Standards (Sekaran & Bougie, 2020).

Research Object

The research object of this study was PT Waskita Karya (Persero) Tbk (IDX: WSKT), one of Indonesia's largest state-owned enterprises operating in the construction and infrastructure sector. The company was selected using purposive sampling based on the following criteria:

- The company is listed on the Indonesia Stock Exchange.
- The company publishes audited consolidated financial statements.
- The financial statements include complete operating segment disclosures.
- The company operates more than one identifiable operating segment.
- Financial reports are publicly available through official corporate and IDX websites.

PT Waskita Karya operates diversified businesses consisting of construction services, toll road concessions, precast concrete manufacturing, property development, building rental, and other infrastructure businesses. The diversity of these operations makes the company an appropriate case for evaluating compliance with PSAK 108.

Research Procedure

The research procedure consisted of several sequential stages. First, the audited Annual Report 2025 and consolidated financial statements of PT Waskita Karya were collected. Second, all disclosed operating segments were identified according to the company's internal reporting structure. Third, each operating segment was evaluated using the quantitative reporting criteria prescribed by PSAK 108. Fourth, the results of the revenue, profit or loss, and asset tests were compared with the minimum reporting threshold of 10 percent. Finally, the findings were interpreted to determine the company's level of compliance with PSAK 108.

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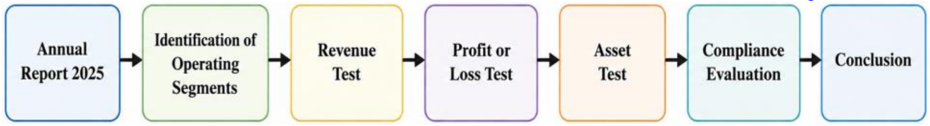

Figure 1. *Research Procedure*

Data Analysis Techniques

The data were analyzed using descriptive qualitative document analysis by applying the quantitative reporting criteria established in PSAK 108 paragraph 13. According to PSAK 108, an operating segment shall be separately disclosed if it satisfies at least one of three quantitative thresholds relating to revenue, profit or loss, or assets (IAI, 2024; IASB, 2024).

Revenue Test

The revenue test determines whether the total revenue generated by an operating segment, including external revenue and inter-segment revenue, represents at least 10% of the combined revenue of all operating segments.

$$\text{Revenue Ratio}_i = \frac{R_i}{\sum_{i=1}^{n} R_i} \times 100\%$$

A segment is classified as a reportable operating segment when

$$\text{Revenue Ratio}_i \geq 10\%$$

where:

- R_i = total revenue generated by operating segment i;
- $\sum_{i=1}^{n} R_i$ = combined revenue of all operating segments.

Profit or Loss Test

The profit or loss test evaluates whether the absolute value of the reported profit or loss of an operating segment equals or exceeds 10% of the greater amount between the combined reported profit of profitable operating segments and the combined reported loss of loss-making operating segments.

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$$\text{Profit Ratio}_i = \frac{|P_i|}{\max\left(\sum P^+, \sum P^-\right)} \times 100\%$$

A segment is classified as a reportable operating segment when

$$\text{Profit Ratio}_i \geq 10\%$$

where:

- P_i = reported profit or loss of operating segment *i*;
- $\sum P^+$ = total reported profit of all profitable operating segments;
- $\sum P^-$ = total reported loss of all loss-making operating segments (expressed as an absolute value).

Asset Test

The asset test evaluates whether the identifiable assets of an operating segment account for at least 10% of the combined identifiable assets of all operating segments.

$$\text{Asset Ratio}_i = \frac{A_i}{\sum_{i=1}^{n} A_i} \times 100\%$$

A segment is classified as a reportable operating segment when

$$\text{Asset Ratio}_i \geq 10\%$$

where:

- A_i = identifiable assets of operating segment *i*;
- $\sum_{i=1}^{n} A_i$ = combined identifiable assets of all operating segments.

Operating segments satisfying at least one of the three quantitative criteria were classified as reportable operating segments. Segments that did not satisfy any of the quantitative thresholds were classified as non-reportable segments and may be aggregated into Other Operating Segments in accordance with PSAK 108. The findings obtained from the three quantitative tests were interpreted descriptively to evaluate the level of compliance of PT Waskita Karya (Persero) Tbk with the operating segment disclosure requirements prescribed by PSAK 108.

RESULTS AND DISCUSSION

Result

Operating Segment Structure

PT Waskita Karya (Persero) Tbk reports its financial information based on six operating

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segments in accordance with its internal management reporting system. The operating segments comprise Construction, Toll Road, Precast, Readymix & Quarry, Property & Hotel, Other Infrastructure, and Building Rental. These segments represent the company's diversified business activities and form the basis for evaluating compliance with PSAK 108.

Pendapatan dan Profitabilitas Segmen Konstruksi / Construction Segment Revenue and Profitability

Tabel Pendapatan dan Profitabilitas Segmen Konstruksi Tahun 2024-2025 / Table of Construction Segment Revenue and Profitability for 2024-2025

Uraian / Description	2025 (Rp-miliar / Rp-billion)	2024 (Rp-miliar / Rp-billion)	Perubahan / Change	
			Nominal (Rp-miliar/ Rp-billion)	Persentase / Percentage (%)
Pendapatan Usaha / Revenues	6.764,17	7.891,49	(1.127,32)	(14,29)
Beban Pokok Pendapatan / Cost of Revenues	(6.036,05)	(7.420,32)	1.384,27	(18,66)
Laba Bruto / Gross Profit	728,12	471,17	256,95	54,53

Figure 2. *Construction Segment Report (2025)*

Pendapatan dan Profitabilitas Segmen Tol / Toll Segment Revenue and Profitability

Tabel Pendapatan dan Profitabilitas Segmen Tol Tahun 2024-2025 / Table of Toll Segment Revenue and Profitability for 2024-2025

Uraian / Description	2025 (Rp-miliar / Rp-billion)	2024 (Rp-miliar / Rp-billion)	Perubahan / Change	
			Nominal (Rp-miliar/ Rp-billion)	Persentase / Percentage (%)
Pendapatan Usaha / Revenues	1.156,91	1.106,67	50,24	4,54
Beban Pokok Pendapatan / Cost of Revenues	(509,53)	(540,76)	31,23	(5,78)
Laba Bruto / Gross Profit	647,38	565,91	81,47	14,40

Figure 3. *Toll Road Segment Report (2025)*

Pendapatan dan Profitabilitas Segmen *Precast, Readymix & Quarry* / Precast, Readymix & Quarry Segment Revenue and Profitability

Tabel Pendapatan dan Profitabilitas Segmen *Precast, Readymix & Quarry* Tahun 2024-2025 / Table of Precast, Readymix & Quarry Segment Revenue and Profitability for 2024-2025

Uraian / Description	2025 (Rp-miliar / Rp-billion)	2024 (Rp-miliar / Rp-billion)	Perubahan / Change	
			Nominal (Rp-miliar/ Rp-billion)	Persentase / Percentage (%)
Pendapatan Usaha / Revenues	682,72	1.342,28	(659,56)	(49,14)
Beban Pokok Pendapatan / Cost of Revenues	(544,49)	(1.058,51)	514,02	(48,56)
Laba Bruto / Gross Profit	138,23	283,77	(145,54)	(51,29)

Figure 4*. Precast, Readymix & Quarry Segment Report (2025)*

Pendapatan dan Profitabilitas Segmen Properti dan Hotel / Property and Hotel Segment Revenue and Profitability

Tabel Pendapatan dan Profitabilitas Segmen *Precast, Readymix* & *Quarry* Tahun 2024-2025 / Table of Property and Hotel Segment Revenue and Profitability for 2024-2025

Uraian / Description	2025 (Rp-miliar / Rp-billion)	2024 (Rp-miliar / Rp-billion)	Perubahan / Change	
			Nominal (Rp-miliar/ Rp-billion)	Persentase / Percentage (%)
Pendapatan Usaha / Revenues	164,59	296,74	(122,55)	(42,68)
Beban Pokok Pendapatan / Cost of Revenues	(114,64)	(213,04)	98,40	(46,19)
Laba Bruto / Gross Profit	49,95	74,10	(24,15)	(32,59)

Figure 5. *Property & Hotel Segment Report (2025)*

Pendapatan dan Profitabilitas Segmen Infrastruktur Lainnya / Other Infrastructure Segment Revenue and Profitability

Tabel Pendapatan dan Profitabilitas Segmen Infrastruktur Lainnya Tahun 2024-2025 / Table of Other Infrastructure Segment Revenue and Profitability for 2024-2025

Uraian / Description	2025 (Rp-miliar / Rp-billion)	2024 (Rp-miliar / Rp-billion)	Perubahan / Change	
			Nominal (Rp-miliar/ Rp-billion)	Persentase / Percentage (%)
Pendapatan Usaha / Revenues	39,67	64,91	(25,24)	(38,88)
Beban Pokok Pendapatan / Cost of Revenues	(32,42)	(57,01)	24,59	(43,13)
Laba Bruto / Gross Profit	7,25	7,90	(0,65)	(8,23)

Figure 6. *Other Infrastructure Segment Report (2025)*

Pendapatan dan Profitabilitas Segmen Sewa Gedung / Building Rental Segment Revenue and Profitability

Tabel Pendapatan dan Profitabilitas Segmen Sewa Gedung Tahun 2024-2025 / Table of Building Rental Segment Revenue and Profitability for 2024-2025

Uraian / Description	2025 (Rp-miliar / Rp-billion)	2024 (Rp-miliar / Rp-billion)	Perubahan / Change	
			Nominal (Rp-miliar/ Rp-billion)	Persentase / Percentage (%)
Pendapatan Usaha / Revenues	8,76	12,67	(3,91)	(30,87)
Beban Pokok Pendapatan / Cost of Revenues	-	-	-	0,00
Laba Bruto / Gross Profit	8,76	12,67	(3,91)	(30,87)

Figure 7. *Building Rental Segment Report (2025)*

Revenue Test (10%)

The first quantitative criterion prescribed by PSAK 108 is the revenue test, which requires an operating segment to be reported separately when its revenue represents at least 10% of the combined revenue of all operating segments.

No	Operating Segment	Revenue (IDR Billion)	Percentage	Reportable Segment
1	Construction	6,764.17	76.7%	Yes
2	Toll Road	1,156.91	13.1%	Yes
3	Precast, Readymix & Quarry	682.72	7.7%	No

No	Operating Segment	Revenue (IDR Billion)	Percentage	Reportable Segment
4	Property & Hotel	164.59	1.9%	No
5	Other Infrastructure	39.67	0.4%	No
6	Building Rental	8.76	0.1%	No

Table 1. *Results of the 10% Revenue Test*

The results indicate that only the Construction and Toll Road segments exceeded the minimum threshold of 10% of total segment revenue. The remaining four operating segments generated revenue below the quantitative threshold and therefore did not qualify as reportable segments under the revenue criterion.

Profit or Loss Test (10%)

The second quantitative criterion evaluates whether the reported profit or loss of an operating segment equals or exceeds 10% of the benchmark specified in PSAK 108.

No	Operating Segment	Gross Profit (IDR Billion)	Percentage	Reportable Segment
1	Construction	728.12	46.1%	Yes
2	Toll Road	647.38	41.0%	Yes
3	Precast, Readymix & Quarry	138.23	8.8%	No
4	Property & Hotel	49.95	3.2%	No
5	Other Infrastructure	7.25	0.5%	No
6	Building Rental	8.76	0.6%	No

Table 2. *Results of the 10% Profit Test*

Based on the profit test, only the Construction and Toll Road segments satisfied the 10% threshold and therefore qualified as reportable operating segments. The remaining operating segments reported profit contributions below the required quantitative threshold.

Asset Test (10%)

The third quantitative criterion assesses whether the identifiable assets of an operating segment account for at least 10% of the combined identifiable assets of all operating segments.

No	Operating Segment	Assets (IDR Billion)	Percentage	Reportable Segment
1	Construction	-	-	-
2	Toll Road	32,149.13	45.5%	Yes
3	Precast, Readymix & Quarry	-	-	-
4	Property & Hotel	829.83	3.2%	No
5	Other Infrastructure	-	-	-
6	Building Rental	-	-	-

Table 3. *Results of the 10% Asset Test*

The asset test shows that only the Toll Road segment exceeded the 10% threshold prescribed by PSAK 108. The remaining operating segments either did not disclose identifiable assets separately or reported asset values below the quantitative reporting threshold.

Discussion

Compliance with the Revenue Criterion

The revenue test constitutes the first quantitative criterion established under PSAK 108 for determining whether an operating segment should be reported separately in the financial statements. The purpose of this criterion is to ensure that financial statement users receive adequate information regarding business activities that contribute materially to an entity's overall operating performance. Under PSAK 108, an operating segment is classified as reportable when its combined external and inter-segment revenue represents at least 10% of the total revenue generated by all operating segments. This quantitative threshold is intended to enhance the transparency of financial reporting by requiring entities to disclose information only for economically significant business segments while avoiding excessive disclosure of immaterial activities (Indonesian Institute of Accountants [IAI], 2024).

The findings of this study reveal that only the Construction and Toll Road segments satisfied the revenue criterion. The Construction segment contributed 76.7% of total operating segment revenue, whereas the Toll Road segment accounted for 13.1%. These results indicate that PT Waskita Karya's revenue structure remains highly concentrated in its core construction activities, reflecting the company's strategic orientation as one of Indonesia's largest state-owned construction enterprises. The substantial contribution of the Construction segment demonstrates that engineering, procurement, and construction (EPC) projects continue to represent the principal source of operating income, while toll road concessions provide an important complementary source of recurring revenue. The dominance of these two segments illustrates that the company's financial performance depends primarily on large-scale infrastructure development and concession-based business operations.

Conversely, the Precast, Readymix & Quarry, Property & Hotel, Other Infrastructure, and Building Rental segments generated revenue contributions of 7.7%, 1.9%, 0.4%, and 0.1%, respectively. Since these values are below the quantitative threshold prescribed by PSAK 108, these segments are not required to be presented as individually reportable operating segments

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based solely on the revenue criterion. Although these business units continue to contribute to the company's diversified operations, their financial significance remains relatively limited when compared with the company's primary business activities. The concentration of revenue in only two operating segments suggests that PT Waskita Karya's business portfolio is characterized by unequal revenue distribution, a pattern commonly observed in capital-intensive infrastructure companies where a limited number of strategic business units generate the majority of corporate income.

These findings are consistent with the objectives of the management approach adopted by IFRS 8 and PSAK 108, which emphasize that external segment disclosures should reflect the information regularly reviewed by the Chief Operating Decision Maker (CODM) for performance evaluation and resource allocation. Rather than requiring disclosure of every business activity, the standard focuses on economically significant segments that materially influence managerial decision-making and stakeholders' assessments of corporate performance (IASB, 2024). Consequently, concentrating disclosure on the Construction and Toll Road segments provides more decision-useful information to investors because these segments represent the primary drivers of the company's operational and financial outcomes.

The results also support previous international evidence demonstrating that higher-quality operating segment disclosure improves the usefulness of financial reporting. Abdelhak and Hussainey (2025) argue that transparent segment disclosure strengthens corporate governance by reducing information asymmetry between management and external stakeholders. Similarly, Ashfaq (2021) found that companies implementing IFRS 8 generally disclose operating segments according to their internal reporting structures, thereby improving the relevance of financial information for investors. From the perspective of emerging markets, Ebaid (2024) concluded that the adoption of international financial reporting standards contributes to greater transparency and enhances users' confidence in corporate financial statements. Therefore, the concentration of reportable segments identified in PT Waskita Karya reflects not only compliance with the quantitative requirements of PSAK 108 but also the practical application of the management approach underlying IFRS 8, whereby economically significant business activities receive greater reporting emphasis than segments with relatively minor financial contributions.

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Compliance with the Profit Criterion

The profit criterion represents the second quantitative benchmark established under PSAK 108 to determine whether an operating segment should be disclosed separately in the financial statements. Unlike the revenue criterion, which focuses on business activity volume, the profit criterion evaluates the economic contribution of each operating segment by measuring its reported profit or loss relative to the combined profit or loss of all operating segments. This approach enables financial statement users to identify business units that make substantial contributions to corporate profitability, even when their revenue generation differs significantly from other operating segments. Consequently, the profit criterion provides additional information regarding the efficiency and financial performance of each business segment beyond revenue generation alone (International Accounting Standards Board [IASB], 2024).

The findings indicate that only the Construction and Toll Road segments satisfy the quantitative threshold required under PSAK 108. The Construction segment contributed 46.1% of the company's total segment profit, while the Toll Road segment contributed 41.0%. Together, these two segments generated approximately 87% of the company's total operating segment profit, demonstrating that corporate profitability is highly concentrated within these core business activities. This result confirms that both segments play dominant roles in supporting PT Waskita Karya's financial performance and therefore warrant separate disclosure in accordance with the reporting requirements prescribed by PSAK 108.

An interesting finding emerges when comparing the revenue and profit distributions across operating segments. Although the Construction segment generated substantially higher revenue than the Toll Road segment, the difference in profit contribution between the two segments is relatively small. This pattern indicates that toll road operations generate considerably higher profit margins than construction activities. Infrastructure concession businesses typically produce recurring income after the completion of major construction projects, allowing companies to achieve relatively stable cash flows and improved profitability over the long term. Construction projects, in contrast, generally involve higher operating costs, project execution risks, and competitive pricing pressures, resulting in comparatively lower profit margins despite generating significantly larger revenues. These characteristics explain why the Toll Road segment contributes

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almost the same level of profitability while generating only a fraction of the Construction segment's revenue.

The remaining operating segments, namely Precast, Readymix & Quarry (8.8%), Property & Hotel (3.2%), Other Infrastructure (0.5%), and Building Rental (0.6%), did not satisfy the minimum quantitative threshold established under PSAK 108. Although these segments continue to support the company's diversified business portfolio, their financial contributions remain insufficient to qualify as individually reportable operating segments based on the profit criterion. The relatively low profitability of these business units may reflect differences in operational scale, market demand, capital utilization, and business maturity compared with the company's primary construction and toll road operations. Accordingly, PSAK 108 allows these non-material operating segments to be aggregated within other operating segments, provided that such aggregation does not reduce the usefulness of financial information presented to stakeholders (IAI, 2024).

The results of this study are consistent with previous international evidence emphasizing that operating segment profitability provides valuable information for assessing corporate performance and resource allocation. Asien (2019) argues that the disclosure of financially significant operating segments improves investors' ability to evaluate managerial performance because segment profit reflects the economic success of individual business activities rather than overall corporate performance alone. Likewise, Bashir and Elbashir (2025) demonstrate that comprehensive operating segment disclosures contribute to lower financing costs by reducing uncertainty regarding the profitability of different business units. Their findings suggest that transparent reporting of profitable operating segments enhances investor confidence and improves the efficiency of capital allocation within emerging markets.

From a broader financial reporting perspective, high-quality segment profit disclosures also contribute to improving overall financial reporting quality. Fun and Agustia (2026) reported that greater disclosure quality increases the informational value of financial statements and positively influences firm valuation. When investors are able to distinguish profitable business units from less profitable ones, they can perform more accurate assessments of future earnings potential, business sustainability, and investment risk. Therefore, the dominance of the Construction and Toll Road segments in PT Waskita Karya's profit structure not only demonstrates compliance with

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the quantitative requirements of PSAK 108 but also provides economically meaningful information regarding the company's primary sources of value creation. These findings reinforce the importance of segment profit disclosure as an integral component of transparent financial reporting and effective corporate governance in capital-intensive infrastructure companies.

Compliance with the Asset Criterion

The asset criterion represents the third quantitative requirement established under PSAK 108 for determining whether an operating segment should be presented separately in the financial statements. Unlike the revenue and profit criteria, which emphasize operating performance during a reporting period, the asset criterion evaluates the magnitude of economic resources controlled by each operating segment. Segment assets provide important information regarding management's allocation of corporate resources, long-term investment strategies, and the capital intensity of individual business activities. Consequently, the disclosure of significant segment assets enables investors and other stakeholders to understand how corporate resources are distributed among different operating units and to assess the sustainability of future economic benefits derived from those investments (International Accounting Standards Board [IASB], 2024).

The results of this study indicate that only the Toll Road segment satisfied the quantitative asset threshold prescribed by PSAK 108. The segment reported identifiable assets amounting to IDR 32,149.13 billion, representing 45.5% of the total identifiable operating segment assets disclosed by PT Waskita Karya (Persero) Tbk. This substantial proportion reflects the capital-intensive nature of toll road concession businesses, which require significant long-term investments in infrastructure development, concession rights, and operational assets. Unlike construction projects that are generally completed within contractual periods, toll road investments generate economic benefits over extended concession periods, resulting in the accumulation of substantial long-term assets within a single operating segment. The concentration of assets in this segment therefore reflects the strategic importance of infrastructure concessions in supporting the company's long-term business sustainability.

In contrast, the Property & Hotel segment reported identifiable assets amounting to IDR 829.83 billion, equivalent to only 3.2% of total operating segment assets. Since this proportion is substantially below the minimum quantitative threshold established under PSAK 108, the segment

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does not qualify as a separately reportable operating segment based on the asset criterion. Likewise, the Construction, Precast, Readymix & Quarry, Other Infrastructure, and Building Rental segments did not disclose identifiable assets separately within the company's segment reporting. This condition indicates that the company allocates a considerable proportion of its strategic assets to toll road operations, while assets associated with other business activities are either relatively small or are managed through integrated corporate asset structures that are not separately identifiable for reporting purposes.

The findings demonstrate that the asset distribution of PT Waskita Karya differs from the revenue and profit distributions identified in the previous analyses. Although the Construction segment generated the largest proportion of corporate revenue and profit, it did not satisfy the asset criterion because identifiable segment assets were not separately disclosed. Conversely, the Toll Road segment emerged as the only reportable segment under the asset test despite generating lower revenue than the Construction segment. This difference illustrates that operating performance and asset ownership do not necessarily exhibit proportional relationships within diversified infrastructure companies. Capital-intensive concession businesses typically require substantial long-term asset investments while generating relatively stable revenue over extended operational periods. Therefore, the asset criterion provides complementary information that cannot be fully explained through revenue or profitability indicators alone.

These findings are consistent with previous studies emphasizing the importance of segment asset disclosure in improving the quality of corporate financial reporting. Grosu et al. (2022) argue that the adoption of international financial reporting standards enhances the comparability of financial information by improving the recognition and presentation of economically significant assets across business segments. Similarly, Hendra and Nuryani (2023) found that detailed operating segment information improves the accuracy of profit forecasting because investors are better able to evaluate the relationship between resource allocation and future earnings generation. Grant Thornton (2022) further explains that IFRS 8 requires entities to disclose segment assets when such information is regularly reviewed by the Chief Operating Decision Maker (CODM), ensuring consistency between internal managerial reporting and external financial disclosures.

Overall, the combined results of the revenue, profit, and asset analyses demonstrate that PT

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Waskita Karya (Persero) Tbk generally complies with the quantitative materiality requirements established under PSAK 108. The Construction and Toll Road segments constitute the company's principal reportable operating segments based on revenue and profitability, whereas only the Toll Road segment satisfies the asset criterion due to its substantial concentration of long-term infrastructure investments. These findings indicate that the company's segment reporting reflects the underlying economic significance of its business activities and supports the objective of PSAK 108 to provide relevant, reliable, and decision-useful financial information for investors, creditors, regulators, and other stakeholders.

CONCLUSION

This study examined the compliance of PT Waskita Karya (Persero) Tbk with the operating segment disclosure requirements prescribed by PSAK 108 using three quantitative materiality criteria, namely the revenue, profit or loss, and asset tests. The findings demonstrate that the company generally complies with the provisions of PSAK 108 in identifying reportable operating segments. Based on the revenue criterion, only the Construction and Toll Road segments exceeded the minimum threshold of 10% of total operating segment revenue, indicating that these two business units constitute the company's primary sources of operating income. Similar results were obtained from the profit criterion, where the Construction and Toll Road segments generated the largest proportion of operating segment profit and therefore qualified as reportable segments. Under the asset criterion, however, only the Toll Road segment satisfied the quantitative reporting threshold because it controlled a substantial proportion of the company's identifiable operating segment assets. These findings confirm that the company's segment reporting reflects the materiality principles established under PSAK 108 by emphasizing business units that make significant contributions to revenue generation, profitability, and resource allocation.

The study also demonstrates that the financial characteristics of each operating segment differ considerably according to the measurement criterion applied. The Construction segment dominates revenue generation because it represents the company's principal engineering and construction activities, whereas the Toll Road segment exhibits relatively stronger profitability and controls the largest proportion of long-term operating assets due to the capital-intensive nature of

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concession-based infrastructure investments. Meanwhile, the Precast, Readymix & Quarry, Property & Hotel, Other Infrastructure, and Building Rental segments contribute relatively small proportions of revenue, profit, and assets and therefore do not satisfy the quantitative thresholds established under PSAK 108. These findings indicate that operating segment reporting should not be interpreted solely from revenue performance but should also consider profitability and asset allocation in order to provide a comprehensive understanding of corporate performance. The results further support the management approach underlying IFRS 8 and PSAK 108, whereby reportable segments should reflect the business activities that are most relevant to managerial decision-making and the allocation of corporate resources. Consequently, the implementation of PSAK 108 contributes to improving financial reporting transparency, reducing information asymmetry, and providing more decision-useful information for investors, creditors, regulators, and other stakeholders.

This research contributes to the limited body of empirical literature concerning PSAK 108 implementation within Indonesia's infrastructure sector, particularly among state-owned enterprises operating diversified business portfolios. Unlike previous studies that predominantly focused on manufacturing and consumer goods companies, this study demonstrates that segment reporting practices in infrastructure companies are strongly influenced by the characteristics of concession-based investments, long-term asset ownership, and diversified business operations. The findings provide practical implications for corporate management in strengthening the quality of segment reporting and ensuring continued compliance with PSAK 108. They also offer useful insights for regulators, standard setters, investors, and financial analysts in evaluating the effectiveness of operating segment disclosures within the Indonesian capital market. Nevertheless, this study is limited to a single company and one reporting period. Future research is therefore encouraged to employ comparative analyses across multiple infrastructure companies, extend the observation period over several years, or examine the relationship between operating segment disclosure quality and corporate performance, firm value, earnings persistence, or investment efficiency to enrich the understanding of segment reporting practices in emerging markets.

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