

PT Hartadinata Abadi Tbk

Credit Ratings

General Obligation (GO) idA-/Stable
SR Bond I idA-

Rating Period

October 10, 2022 – October 1, 2023

Published Rating History

OCT 2021 idA-/Stable
OCT 2020 idA-/Stable
OCT 2019 idA-/Stable
JUL 2019 idA-/Stable
JUL 2018 idA-/Stable

PEFINDO has affirmed its “idA-” ratings for PT Hartadinata Abadi Tbk (HRTA) and its outstanding bonds. The outlook for the corporate rating is “stable”.

The corporate rating reflects HRTA’s integrated business model supported with well-diversified distribution channel in Indonesia’s gold jewelry industry, its ample production capacity to support future revenue growth, and stable domestic demand. However, the rating is constrained by its moderate capital structure and its high need for working capital.

The rating may be raised if HRTA could strengthen its business position in Indonesia’s gold jewelry industry by exceeding its revenue and EBITDA projections, as well as outperforming the industry’s growth in the near to medium term. This should be followed by a sustained conservative financial leverage. However, the rating could be lowered if HRTA fails to reach revenue and/or EBITDA targets, and if the results of its expansion are not realized as targeted. The rating could also be lowered if its capital structure becomes substantially more aggressive than projected.

HRTA was established in 2004 and is engaged in the crafting and sale of gold jewelry. Its products include necklaces, rings, bracelets, earrings, pendants, precious metal bars, and customized products with a gold content of 30.0% to 99.9%. As of June 30, 2022, its shareholders were PT Terang Anugerah Abadi (70.85%), PT Asabri (Persero) with 6.65%, and others including the public (22.06%).

Rating Definition

Debt security rated idA indicates that the obligor’s capacity to meet its long-term financial commitments on the debt security, relative to other Indonesian obligors, is strong, however, the debt security is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated debt. The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

Financial Highlights

As of/for the year ended	Jun-2022 (Unaudited)	Dec-2021 (Audited)	Dec-2020 (Audited)	Dec-2019 (Audited)
Total adjusted assets [IDR bn]	3,866.2	3,476.5	2,829.4	2,310.2
Total adjusted debt [IDR bn]	2,119.6	1,892.7	1,418.8	1,037.9
Total adjusted equity [IDR bn]	1,601.6	1,513.9	1,355.7	1,210.2
Total sales [IDR bn]	3,217.0	5,237.9	4,138.6	3,235.5
EBITDA [IDR bn]	291.8	438.2	367.4	265.4
Net income after MI [IDR bn]	134.2	195.3	170.3	150.4
EBITDA margin [%]	9.1	8.4	8.9	8.2
Adjusted debt/EBITDA [X]	3.6*	4.3	3.9	3.9
Adjusted debt/adjusted equity [X]	1.3	1.3	1.0	0.9
FFO/adjusted debt [%]	14.0*	10.8	12.8	15.1
EBITDA/IFCCI [X]	2.7	2.4	2.6	4.3
USD exchange rate [IDR/USD]	14,882	14,278	14,105	13,901

FFO = EBITDA – IFCCI + Interest Income – Current Tax Expense

EBITDA = Operating Profit + Depreciation Expense + Amortization Expense

IFCCI = Gross Interest Expense + Other Financial Charges + Capitalized Interest; (FX Loss not included)

MI= Minority Interest *annualized

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

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