

PT Hartadinata Abadi Tbk

Analysts: Samgar Effember / Agung Iskandar

Phone/Fax/E-mail: (62-21) 50968469/ 50968486/ samgar.effember@pefindo.co.id / agung.iskandar@pefindo.co.id

CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Jun-2021	Dec-2020	Dec-2019	Dec-2018
			(Unaudited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idA-/Stable</i>	Total adjusted assets [IDR Bn]	3,002.2	2,829.4	2,310.2	1,536.4
Rated Issues		Total adjusted debt [IDR Bn]	1,483.1	1,418.8	1,037.9	356.0
<i>MTN Sharia Mudharabah I/2019</i>	<i>idA-(sy)</i>	Total adjusted equity [IDR Bn]	1,450.5	1,355.7	1,210.2	1,092.1
<i>Shelf Reg Bond I/2019-2020</i>	<i>idA-</i>	Total sales [IDR Bn]	2,452.3	4,138.6	3,235.5	2,745.6
Rating Period		EBITDA [IDR Bn]	205.9	367.4	265.4	215.0
<i>October 4, 2021 – October 1, 2022</i>		Net income after MI [IDR Bn]	94.5	170.3	150.4	123.8
Rating History		EBITDA margin [%]	8.4	8.9	8.2	7.8
<i>OCT 2020</i>	<i>idA-/Stable</i>	Adjusted debt to EBITDA [X]	*3.6	3.9	3.9	1.7
<i>OCT 2019</i>	<i>idA-/Stable</i>	Adjusted debt to adjusted equity [X]	1.0	1.0	0.9	0.3
<i>JUL 2019</i>	<i>idA-/Stable</i>	FFO to adjusted debt [%]	*13.6	12.8	15.1	36.5
<i>JUL 2018</i>	<i>idA-/Stable</i>	EBITDA to IFCCI [X]	2.5	2.6	4.3	5.1
		USD exchange rate [IDR/USD]	14,496	14,105	13,901	14,481

FFO = EBITDA – IFCCI + gross interest income – current tax expense
EBITDA = (operating profit + depreciation exp. + amortization exp.)
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.

PT Hartadinata Abadi Tbk rated "idA-" with stable outlook

PEFINDO has affirmed its "idA-" ratings for PT Hartadinata Abadi Tbk (HRTA) and the Company's Shelf-Registered Bond I 2019. PEFINDO has also affirmed its "idA-(sy)" rating for HRTA's Medium-Term Notes (MTN) Sharia Mudharabah I Year 2019. The outlook for the corporate rating is "stable".

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors.

The minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The suffix (sy) means the rating mandates Islamic principles compliance.

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. The rating is constrained by its moderate capital structure, adequate cash flow protection and its high working capital needs.

The rating may be raised if HRTA strengthens 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. The rating could be lowered if its market share falls, indicated by a failure 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, 2021, its shareholders were PT Terang Anugerah Abadi (70.85%), PT Asabri (Persero) with 6.65%, and others including the public (22.50%).

DISCLAIMER

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.