

## PT Hartadinata Abadi Tbk

### Credit Ratings

General Obligation (GO) idA/Stable  
SR I/2019 Phase I idA

### Rating Period

October 4, 2023 – October 1, 2024

### Published Rating History

OCT 2022	idA-/Stable
OCT 2021	idA-/Stable
OCT 2020	idA-/Stable
OCT 2019	idA-/Stable
JUL 2019	idA-/Stable
JUL 2018	idA-/Stable

PEFINDO has raised its ratings for PT Hartadinata Abadi Tbk (HRTA) and its Shelf-Registered Bond I/2019 Phase I to idA from idA-. The rating action reflects our view on HRTA's strengthening business position and its financial profile. We expect HRTA would achieve solid revenue generation over the next few years, supported by stronger domestic demand for gold bullion and jewellery products as well as its ability to penetrate towards export market. HRTA also has a considerable reserve of gold inventories that can be easily monetized, thereby alleviating its leverage and bolstering the Company's cash flow protection going forwards. The outlook for the corporate rating is **stable**.

The corporate rating reflects its ample production capacity to support future revenue growth, strong demand for its products, and strong financial flexibility. However, the rating is constrained by its moderate capital structure amid its high need for working capital and exposure to overseas import restriction regulations.

The rating may be raised if HRTA could strengthen its business position in Indonesia's gold jewelry and gold bullion 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 or EBITDA targets as well as if its capital structure becoming substantially more aggressive than projected.

HRTA was established in 2004 and is mainly engaged in the crafting and sale of gold jewelry and gold bullion. Its products include necklaces, rings, bracelets, earrings, pendants, and customized products with a gold content of 30.0% to 99.99%. In addition, the Company presently operates a pawn business and is actively pursuing its expansion towards export market of gold jewelry. As of June 30, 2023, its shareholders were PT Terang Anugerah Abadi (71%), the public (28.20%), and others (0.8%).

### 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.

### Financial Highlights

As of/for the year ended	Jun-2023 (Unaudited)	Dec-2022 (Audited)	Dec-2021 (Audited)	Dec-2020 (Audited)
Total adjusted assets [IDR bn]	5,233.3	3,846.9	3,476.5	2,829.4
Total adjusted debt [IDR bn]	2,871.7	2,048.6	1,892.7	1,418.8
Total adjusted equity [IDR bn]	1,850.6	1,720.3	1,513.9	1,355.7
Total sales [IDR bn]	6,175.3	6,918.5	5,237.9	4,138.6
EBITDA [IDR bn]	400.6	563.3	439.3	367.4
Net income after MI [IDR bn]	185.5	253.9	195.3	170.3
EBITDA margin [%]	6.5	8.1	8.4	8.9
Adjusted debt/EBITDA [X]	*3.6	3.6	4.3	3.9
Adjusted debt/adjusted equity [X]	1.6	1.2	1.3	1.0
FFO/adjusted debt [%]	*13.9	13.1	10.9	12.8
EBITDA/IFCCI [X]	2.7	2.5	2.5	2.6
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.

### Contact Analysts:

[randhya.musapratikto@pefindo.co.id](mailto:randhya.musapratikto@pefindo.co.id)

[agung.iskandar@pefindo.co.id](mailto:agung.iskandar@pefindo.co.id)

#### 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.