

## PT Hartadinata Abadi Tbk

*Analysts: Christyanto Wijaya / Samgar Effember*

*Phone/Fax/E-mail: (62-21) 72782380 / 72782370 / [christyanto.wijaya@pefindo.co.id](mailto:christyanto.wijaya@pefindo.co.id) / [samgar.effember@pefindo.co.id](mailto:samgar.effember@pefindo.co.id)*

<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>				
		<b>Jun-2020</b>	<b>Dec-2019</b>	<b>Dec-2018</b>	<b>Dec-2017</b>	
		(Unaudited)	(Audited)	(Audited)	(Audited)	
<b>Corporate Rating</b>	<i>idA-/Stable</i>					
<b>Rated Issues</b>		Total adjusted assets [IDR Bn]	2,758.6	2,310.2	1,536.4	1,418.1
<i>MTN Sharia Mudharabah I/2019</i>	<i>idA-(sy)</i>	Total adjusted debt [IDR Bn]	1,425.1	1,037.9	356.0	375.0
<i>Shelf Reg Bond I/2019-2020</i>	<i>idA-</i>	Total adjusted equity [IDR Bn]	1,289.2	1,210.2	1,092.1	996.2
<b>Rating Period</b>		Total sales [IDR Bn]	1,968.9	3,235.5	2,745.6	2,482.8
<i>October 6, 2020 – October 1, 2021</i>		EBITDA [IDR Bn]	155.8	265.4	215.0	197.7
<b>Rating History</b>		Net income after MI [IDR Bn]	78.9	150.4	123.8	112.4
<i>OCT 2019</i>	<i>idA-/Stable</i>	EBITDA margin [%]	7.9	8.2	7.8	8.0
<i>JUL 2019</i>	<i>idA-/Stable</i>	Adjusted debt to EBITDA [X]	*4.6	3.9	1.7	1.9
<i>JUL 2018</i>	<i>idA-/Stable</i>	Adjusted debt to adjusted equity [X]	1.1	0.9	0.3	0.4
		FFO to adjusted debt [%]	*11.9	15.1	36.5	30.8
		EBITDA to IFCCI [X]	2.8	4.3	5.1	4.4
		USD exchange rate [IDR/USD]	14,302	13,901	14,481	13,548

*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.*

### PEFINDO affirms "idA-" rating for PT Hartadinata Abadi Tbk

PEFINDO has affirmed its "idA-" ratings for PT Hartadinata Abadi Tbk (HRTA), and HRTA's Shelf-Registered Bond I 2019. PEFINDO has also affirmed its "idA-(sy)" for its 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 by a well-diversified distribution channel in Indonesia's gold jewelry industry, its ample production capacity to support future revenue growth, and the stable domestic demand. The rating is constrained by risks related to business expansion, weakening capital structure, and high need for working capital.

The rating may be raised if HRTA strengthens its business position in Indonesia's gold jewelry industry by exceeding revenue and EBITDA projections, as well as outperforming the industry's growth in the near to medium term. This should be followed by conservative financial leverage on a sustained basis. 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, 2020, its shareholders were PT Terang Anugerah Abadi (70.85%), PT Asabri (Persero) with 5.26%, and others including the public (23.89%).

**DISCLAIMER**

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