

## PT Hartadinata Abadi Tbk

*Analysts:* Christyanto Wijaya / Martin Pandiangan

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

<b>CREDIT PROFILE</b>		<b>FINANCIAL HIGHLIGHTS</b>				
		<b>As of/for the year ended</b>				
		<b>Dec-2018</b>	<b>Dec-2017</b>	<b>Dec-2016</b>	<b>Dec-2015</b>	
		(Audited)	(Audited)	(Audited)	(Audited)	
<b>Corporate Rating</b>	<i>idA-/Stable</i>	Total adjusted assets [IDR Bn]	1,536.4	1,418.1	1,071.1	917.7
<b>Rated Issues</b>		Total adjusted debt [IDR Bn]	356.0	375.0	457.1	439.3
<i>Proposed MTN Mudharabah 2019</i>	<i>idA-(sy)</i>	Total adjusted equity [IDR Bn]	1,092.1	996.2	569.3	392.3
<b>Rating Period</b>		Total sales [IDR Bn]	2,745.6	2,482.8	2,193.7	1,733.6
<i>April 8, 2019 – June 1, 2019</i>		EBITDA [IDR Bn]	214.9	197.7	183.2	148.7
<b>Rating History</b>		Net income after MI [IDR Bn]	123.4	110.3	171.6	70.0
<i>JUN 2018</i>	<i>idA-/Stable</i>	EBITDA margin [%]	7.8	7.9	8.4	8.6
		Adjusted debt to EBITDA [X]	1.7	1.9	2.5	3.0
		Adjusted debt to adjusted equity [X]	0.3	0.4	0.8	1.1
		FFO to adjusted debt [%]	36.4	30.8	38.6	17.5
		EBITDA to IFCCI [X]	5.1	4.4	3.6	3.1
		USD exchange rate [IDR/USD]	14,481	13,548	13,514	13,889

*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*  
*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 assigns “*idA-(sy)*” rating to PT Hartadinata Abadi Tbk’s proposed MTN

PEFINDO has assigned its “*idA-(sy)*” rating to PT Hartadinata Abadi Tbk’s (HRTA) proposed Medium-Term Notes (MTN) Mudharabah 2019 of IDR250 billion. The proceeds will be used to finance its expansion plan. PEFINDO has also affirmed its “*idA-*” rating for HRTA. 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 compliance with Islamic principles.

The corporate rating reflects HRTA’s integrated business model in Indonesia’s gold jewelry industry that is supported by a well diversified distribution channel, its ample production capacity to support future revenue growth, and the stable domestic demand for gold jewelry. The rating is constrained by risks related to business expansion, exposure to the fluctuations of raw material prices and foreign currency, and its high working capital needs.

The rating may be raised if HRTA increases its market 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 a conservative financial leverage level, as indicated by a debt to EBITDA ratio below 2.25x, on a sustained basis. The rating will be lowered if its market share falls, as indicated by revenue and EBITDA not achieving their targets, and 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 engages in the crafting and sale of gold jewelry. Its products include necklaces, rings, bracelets, earrings, pendants, precious metal bars, and custom products with a gold content of 30.0% to 99.9%. As of December 31, 2018, its shareholders were PT Terang Anugerah Abadi (73.01%), Fendy Wijaya (2.99%), and others including the public (24.0%).

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