



PT HARTADINATA ABADI, Tbk  
• JEWELLERY MANUFACTURER •

# PT HARTADINATA ABADI, Tbk.

## PUBLIC EXPOSE 2023

May 2023

[www.hartadinataabadi.co.id](http://www.hartadinataabadi.co.id)



# HRTA at a glance



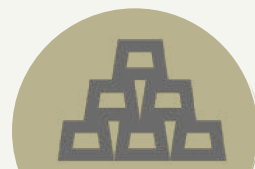
# HRTA at a glance

The most integrated gold jewellery and gold bar player from midstream to downstream company in Indonesia



## Proven Track Record

The leading gold jewellery company in Indonesia with a track record of more than 30 years.



## IPO & Top 50 Forbes

The only company in the gold jewellery industry that has gone public/IPO on June 21 2017 and has succeeded in becoming the best 50 companies from Forbes Indonesia in 2021.



## Diversified Business

Integrated business portfolio of precious metal refining facilities (refinery), gold jewellery and gold ingot production factories, distribution networks for both offline stores and e-commerce as well as pawning businesses.



## Strategic Alliances

Collaboration with PT Aneka Tambang Tbk, through its subsidiary PT Emas Antam Indonesia (EAI) in 2021, through the first micro gold, gold bars and gold jewelry with a grade of 24 carat (99.99%) in Indonesia. Currently, the company has collaborated with various trusted financial institutions in Indonesia.

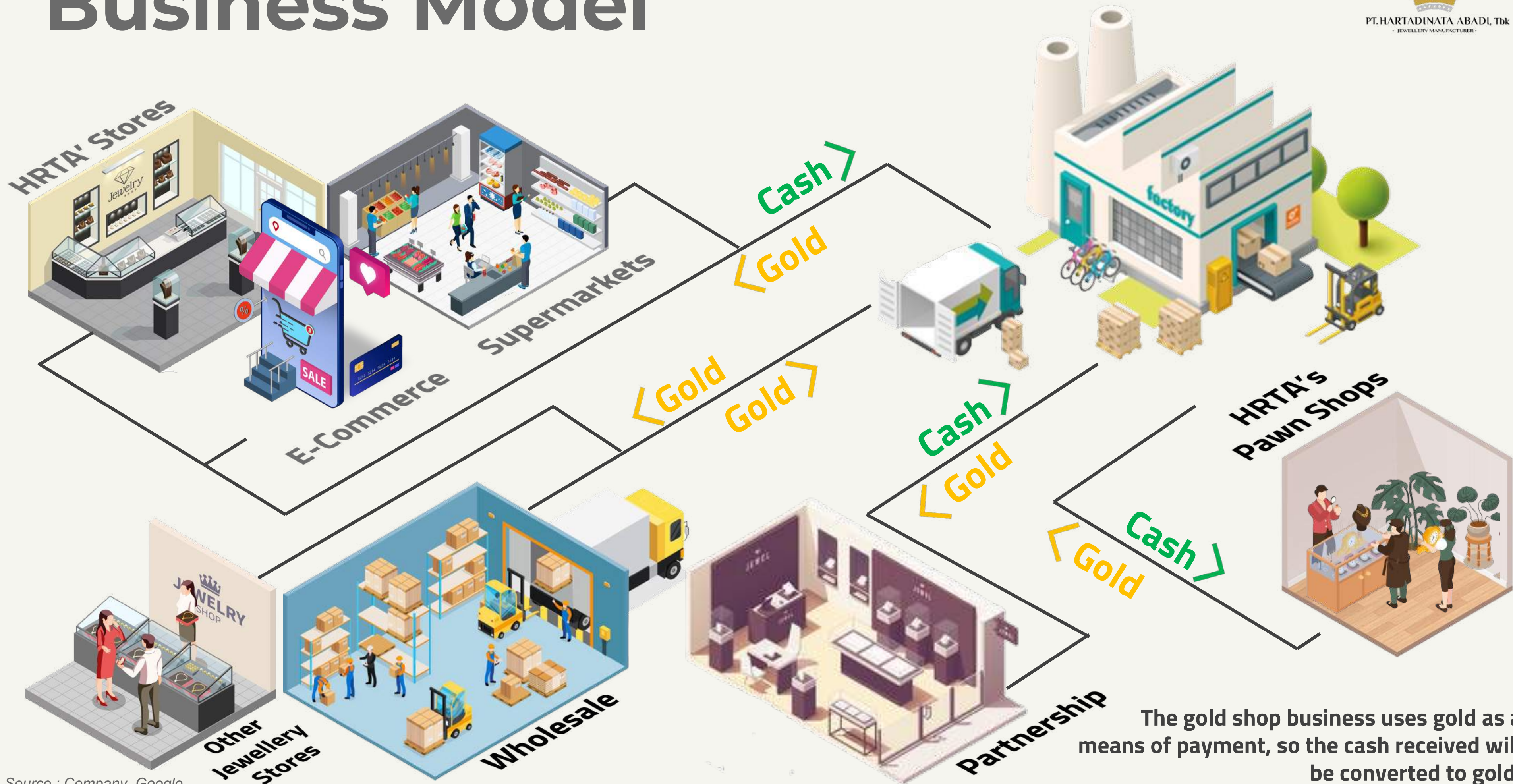


## Innovative Product

Varied and innovative products that can reach all market segments. Gold investment is easy and safe, starting from 0.1 gram micro gold up to 1 kg.



# Business Model



The gold shop business uses gold as a means of payment, so the cash received will be converted to gold.

# Latest Update



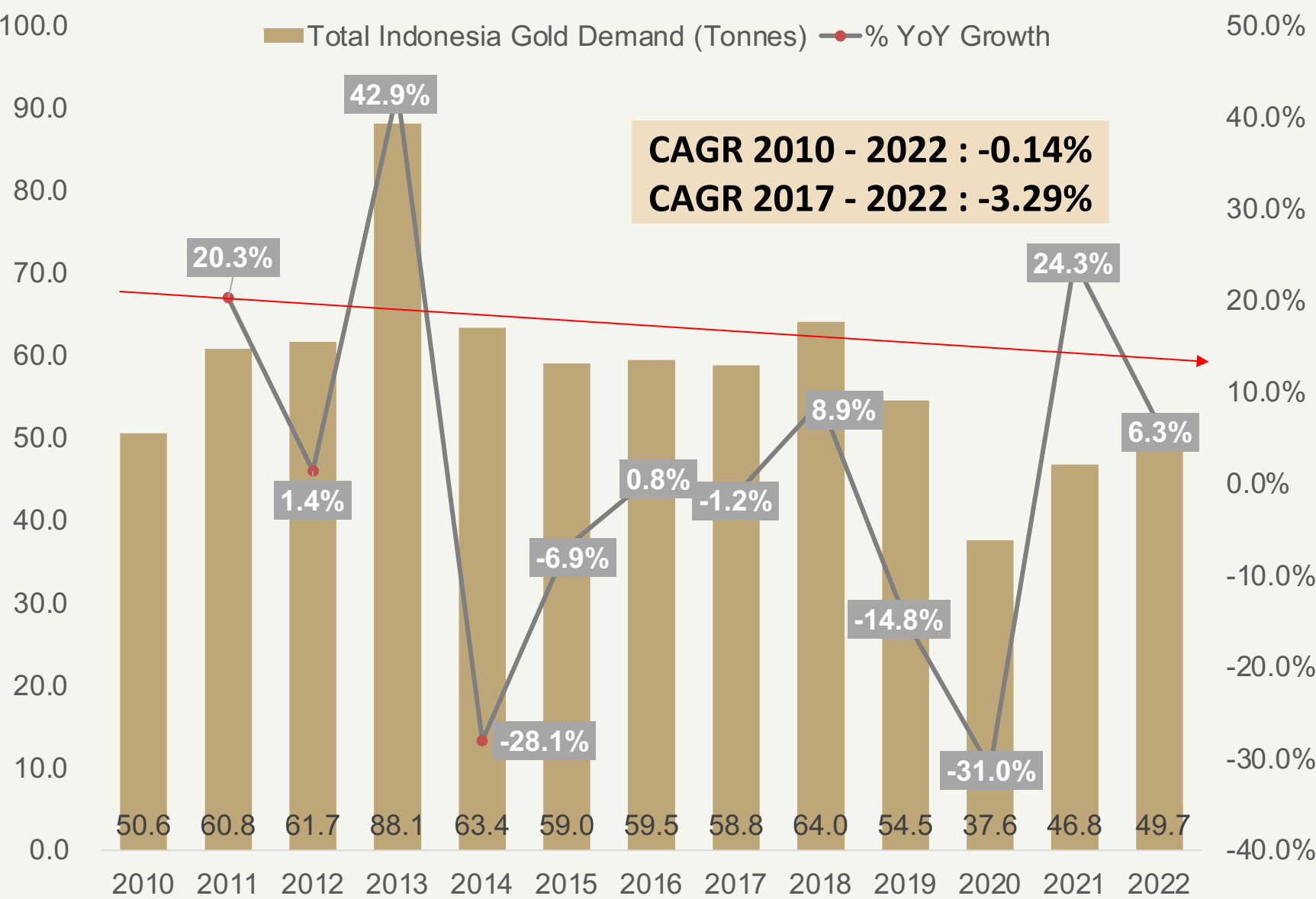


# Growing Market Share

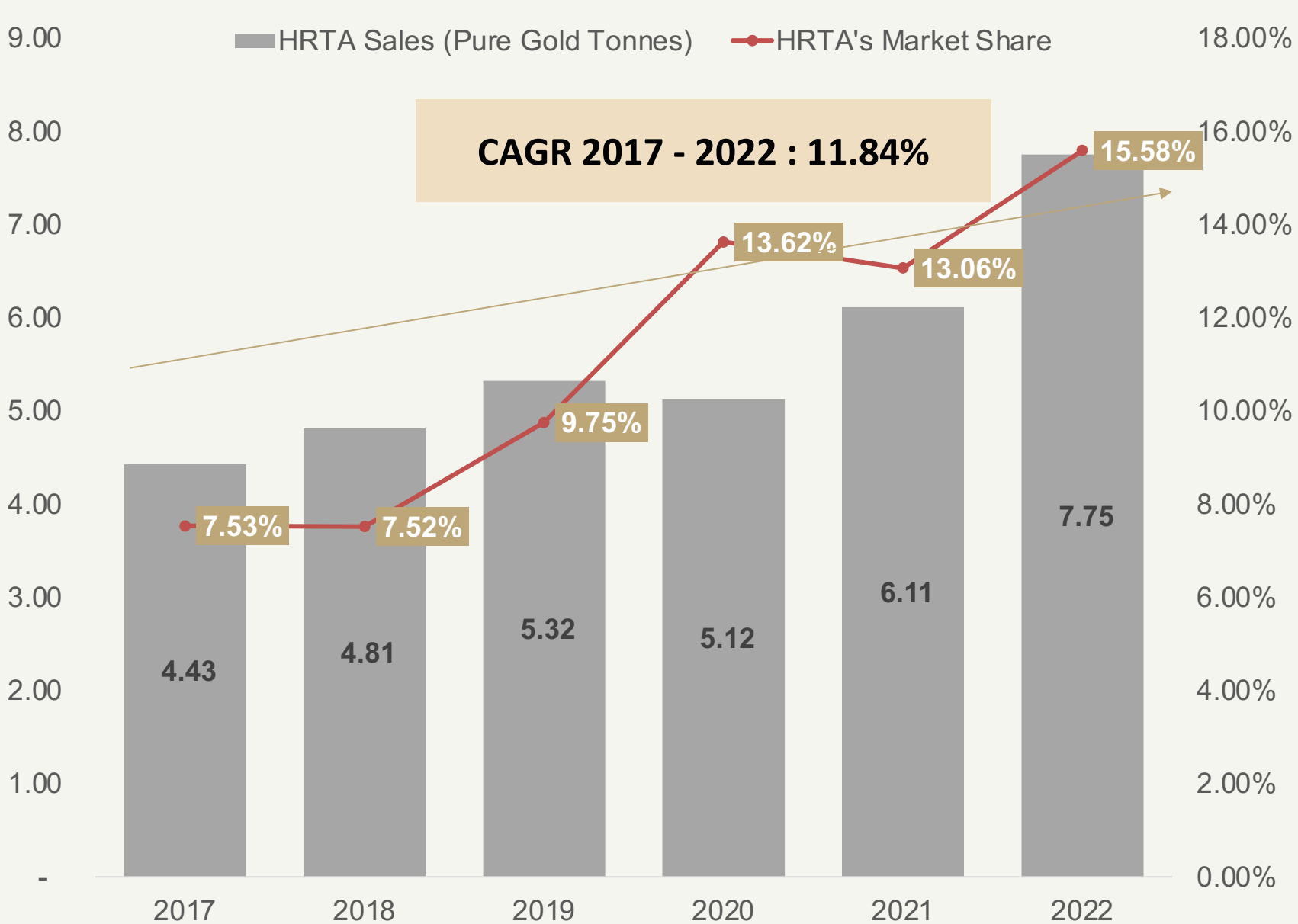


HRTA's sales growth is above the industry average

Total Demand for Gold in Indonesia(2010 - 2022)



Total Sales Volume and Market Share of HRTA Gold (2017 - 2022)

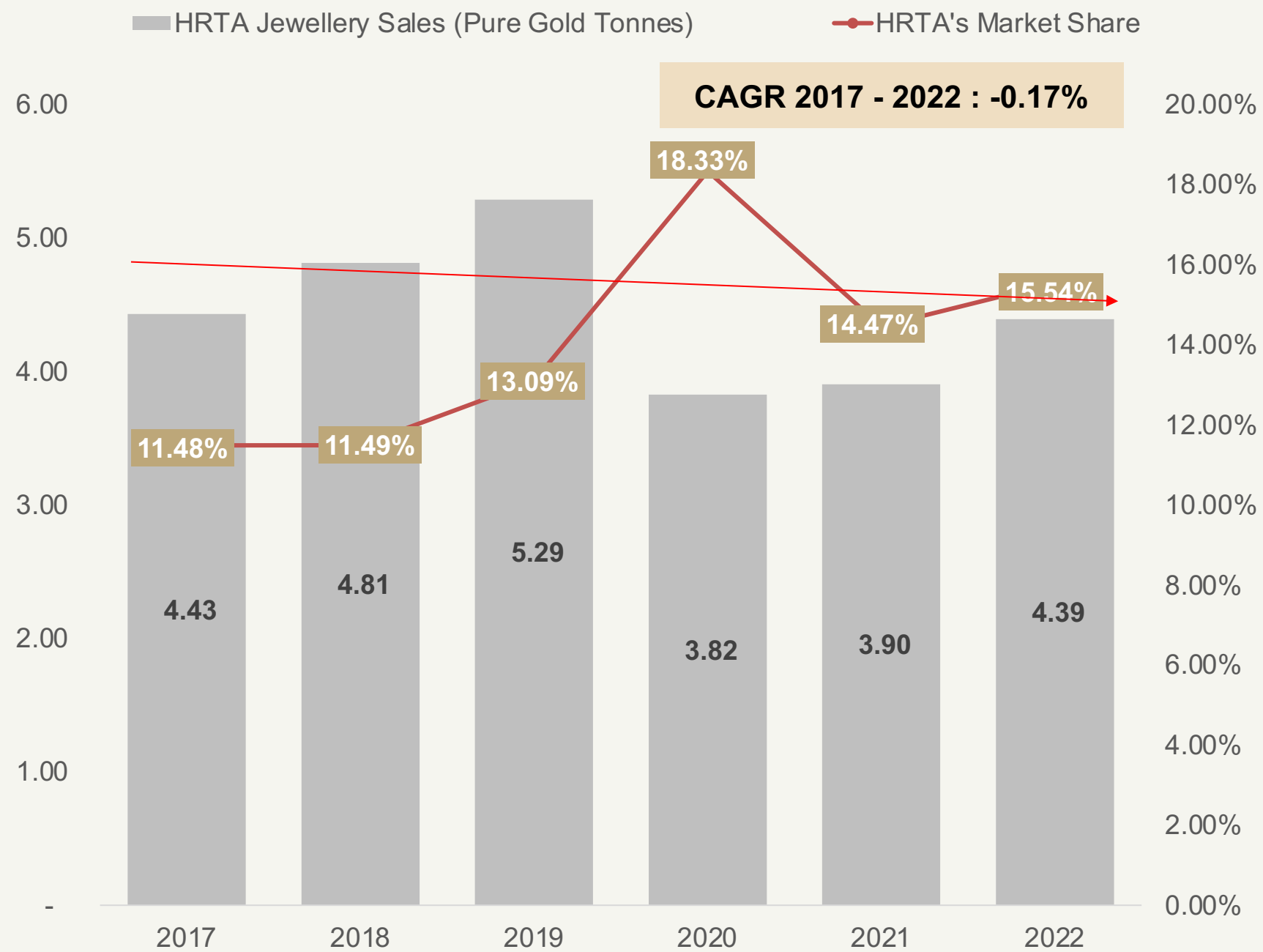


Demand from the jewelry segment dominates up to 60% of the total gold demand in Indonesia every year.

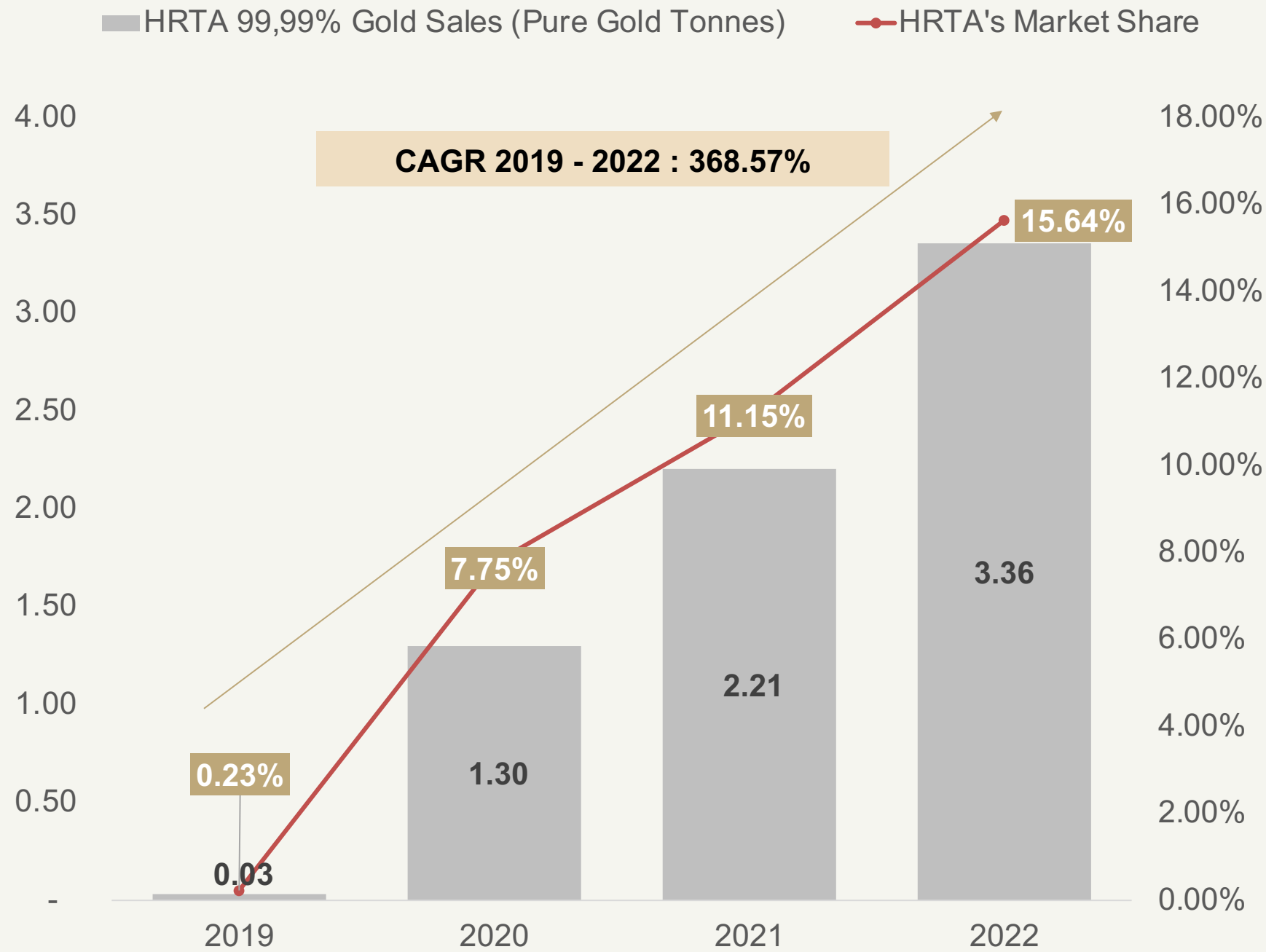
# Growing Market Share

Market Share growth in the gold jewellery and gold bullion segments

Market Share in Gold Jewelry in Indonesia (2017 - 2022)



Market Share in Gold Content 99,99% in Indonesia (2017 - 2022)





# Product Innovation



Jewelry with  
8K – 22K  
Gold Content

EmasKITA  
Micro Gold &  
Kencana 24K+  
Jewelry



EmasKITA with  
BullionProtect®  
(0,5 gram – 100 gram)

Kencana  
24K+ Coin



EMASKU with  
Secure  
Certificate



# Strategic Partnership

## Loan Syndication Rp2.4 trillion



01

BNI is working with other banks to provide syndicate loans worth IDR 2.4 trillion for working capital.

## Micro Gold Distribution

03

Collaborating with 1,300+ Alfamart outlets in West Java and Greater Jakarta out of a total of 17,816 Alfamart outlets in 2022, where Alfamart purchases gold for stock every month.

## Export



05

- Export cooperation for 22K gold jewellery to Kundan starts from March 2023 with an estimated volume of up to 400kg – 500kg gold per month.
- In May 2023, there was the addition of a new partners, namely Bright Gold & L P Commodities, to export gold jewelry with 22K gold content with an estimated volume of up to 1 ton of gold per month.



02

## Gold Installment Collaboration

Providing HRTA gold installments to customers where gold purchases are made by the institutions every month with a minimum volume.



04

## Logistics Partnership

Collaborate to provide delivery and pick-up services or pickup buybacks for customers who wish to buy or resell gold.



06



## Retail Partnership

- Expansion by opening Pop Up Stores at Ranch Market and Matahari Dept Store outlets.
- Provide digital gold vouchers with a value of IDR 100,000 to IDR 5 million, which can be exchanged at the Hartadinata Abadi store.

# Ecosystem Omni-Channels

## Distribution of Gold Jewelry and Pawn Business

Wholesaler's and Retail

- **80 wholesaler**
- **900+ retail shops**
- Coverage area : All of Indonesia

Pawn Units

- **83 branches**
- Coverage area : Jawa Barat, Jawa Timur, NTT, NTB, Sulawesi Selatan

### HRTA's Store



- **HRTA's Store: 77**
- 28 stores for *middle-lower segment*
- Coverage area : Jawa Barat, Jabodetabek, Jawa Tengah, Jawa Timur, Yogyakarta, Lampung, Batam, Sulawesi Selatan



- 2 stores for *upper-middle segment*



- 2 stores for *upper-middle segments*



- 18 stores for EmasKita dan Kencana partnership

### Business Alliance

- Cooperation for the provision of gold raw materials and product co-branding
 
- Cooperation with financial institutions
 
- Export
 
- Logistic
 

### Retail Partnership



- **22 booths** for the opening of ACC



- **1.300+ booths** for the sales of EmasKita 0,1g



- **5 pop up store** partnership for the sales of EmasKita and Kencana

## Digital Platform and E-Commerce



E-commerce Physical Gold  
(Webiste & Application)

### Affiliation



**HRTA store**  
PT. Hartadinata Abadi, Tbk

Internal Application for Wholesalers



E-commerce Digital Gold



Online Pawn Shop  
(Beta Version)

### Third Party





# 2023 Business Strategy



# 2023 Business Strategy

## 1 REPOSITIONING & BRANDING

Carrying out innovative product development, especially in the repositioning and rebranding of the gold jewellery segment, in order to capture the latest market segments which are expected to provide better margins in the future.

## 4 STRATEGIC & ALLIANCES

Developing business through cooperation with strategic partners, with the principle of synergy and mutual benefit.

## 2 MARKET PENETRATION

Actively expanding market coverage by opening new outlets, both for gold and pawn shops. The company also increases market penetration through digital-based sales, both through self-built platforms and through collaboration with existing e-commerce platforms. In addition, the company will also explore domestic and international markets.

## 5 CASHFLOW IMPROVEMENT & LOWERING CoF

Focus on increasing sales of own stores and online stores. In addition, it also shortens distribution channels and provides payment terms for consumer receivables. In addition, the Company continues to seek more competitive sources of financing..

## 3 SUBSIDIARY DEVELOPMENT

Increasing the value chain as a midstream to downstream player in the most integrated gold industry in Indonesia, by developing gold refining and pawning subsidiaries.

## 6 STRATEGIC OBJECTIVE

Strategy implementation is aimed at:

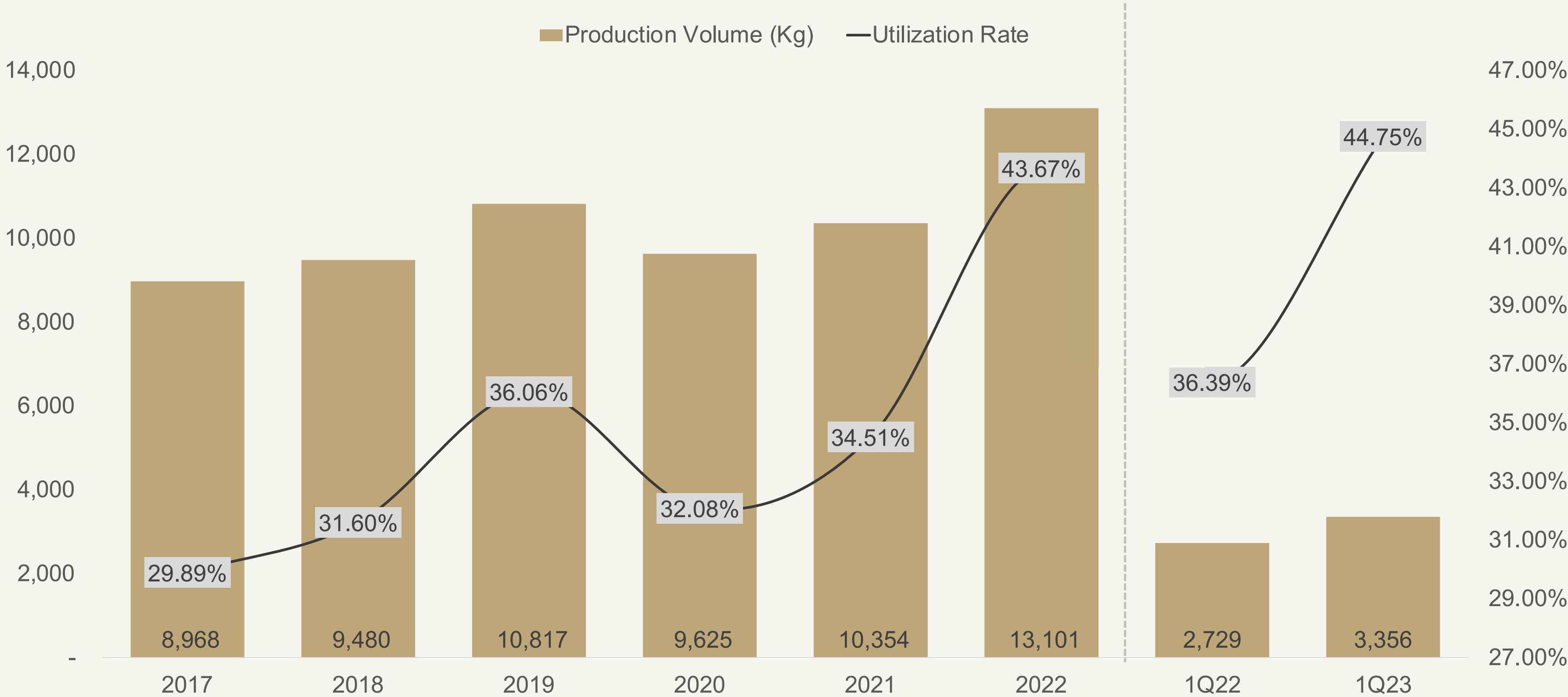
- 1) Be top of mind in investing in gold;
- 2) Increasing market share and expanding market share both domestically and internationally;
- 3) Increasing value for all HRTA stakeholders.



# 1Q23 Financial Highlight



# Production & Utilization



Production volume in 1Q23 increased by 23% YoY to 3,3 ton of jewellery and fine gold, driving the utilization rate to reach 44.75% in 1Q23 from 36.39% in 1Q22. The increase was supported by export activities.



# Income Statement

(in billion IDR)

Profit or Loss Highlight (IDR bn)	1Q23	1Q22	% YoY
<b>Sales</b>	<b>2,118.23</b>	<b>1,376.88</b>	<b>53.84%</b>
COGS	(1,913.07)	(1,223.16)	56.40%
<b>Gross Profit</b>	<b>205.15</b>	<b>153.71</b>	<b>33.46%</b>
<i>GPM</i>	<i>9.69%</i>	<i>11.16%</i>	<i>-1.48%</i>
Selling Expense	(4.16)	(3.80)	9.50%
G&A Expense	(44.96)	(31.29)	43.70%
Other operating income (expense)	0.04	0.05	-20.29%
<b>Operating Income</b>	<b>156.07</b>	<b>118.67</b>	<b>31.51%</b>
<i>OPM</i>	<i>7.37%</i>	<i>8.62%</i>	<i>-1.25%</i>
<b>EBITDA</b>	<b>162.32</b>	<b>122.99</b>	<b>31.98%</b>
<i>EBITDA margin</i>	<i>7.66%</i>	<i>8.93%</i>	<i>-1.27%</i>
Finance Income	0.14	0.31	-55.04%
Finance expense	(65.41)	(49.54)	32.04%
Other Income (Expense)	-	(6.72)	-100.00%
<b>Net Income for the year</b>	<b>69.94</b>	<b>50.89</b>	<b>37.44%</b>
<i>NPM</i>	<i>3.30%</i>	<i>3.70%</i>	<i>-0.40%</i>
EPS	15.19	11.00	37.44%

Revenue growth was supported by:

- **ASP (average selling price) which grew by 10.68% YoY to IDR 970,295 in 1Q23** from IDR 876,675 in 1Q22;
- **Sales volume in pure gold increased by 39.82% YoY to 2.16 tonnes in 1Q23** from 1.55 tonnes in 1Q22.
- Export activities that began in March 2023 contributes to the surge of the volume.
- Note that **export margin is lower** than that of the local sales. Therefore, there will be **a trade off between Sales growth and Margins**.

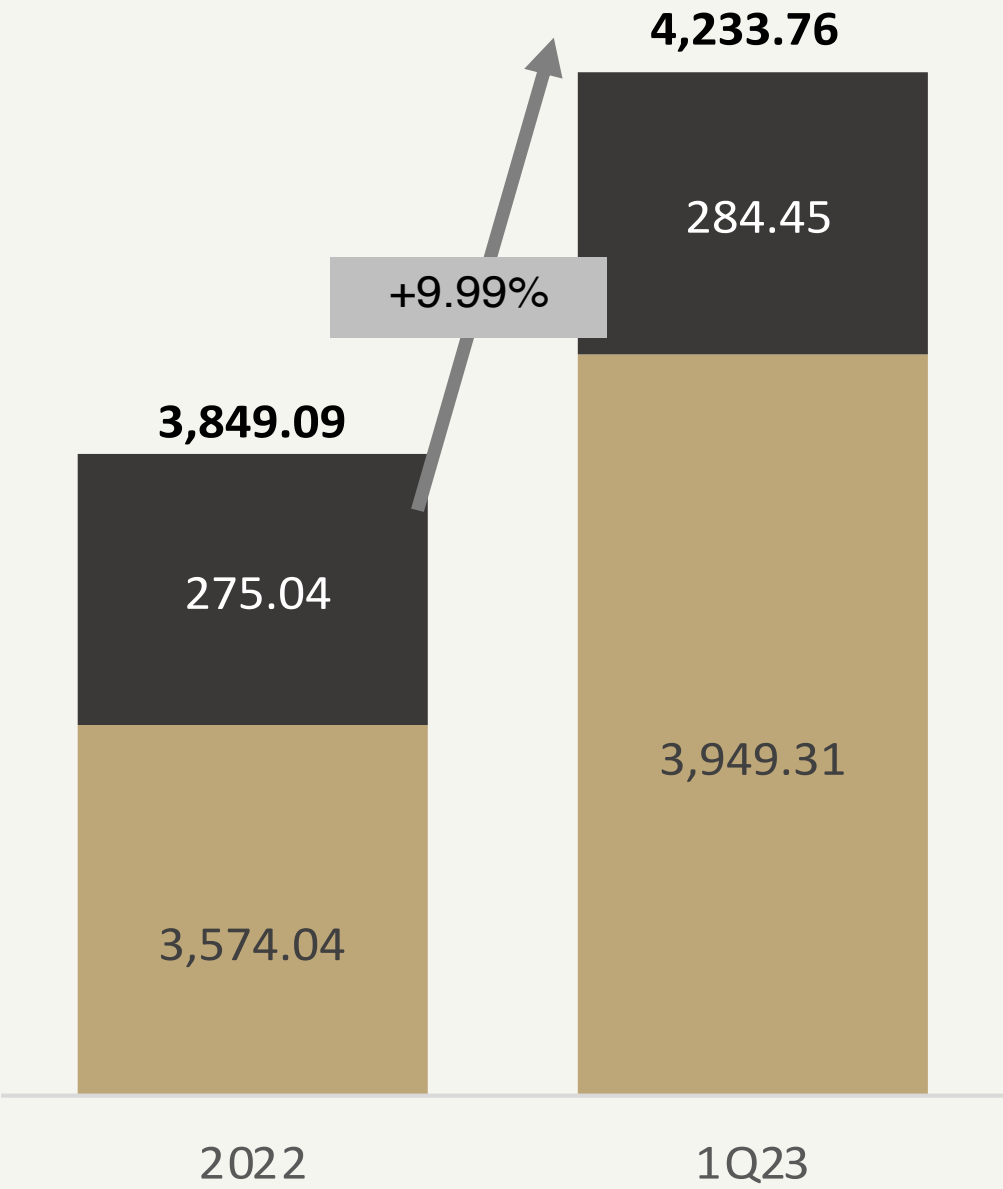


# Balance Sheet

(in billion IDR)

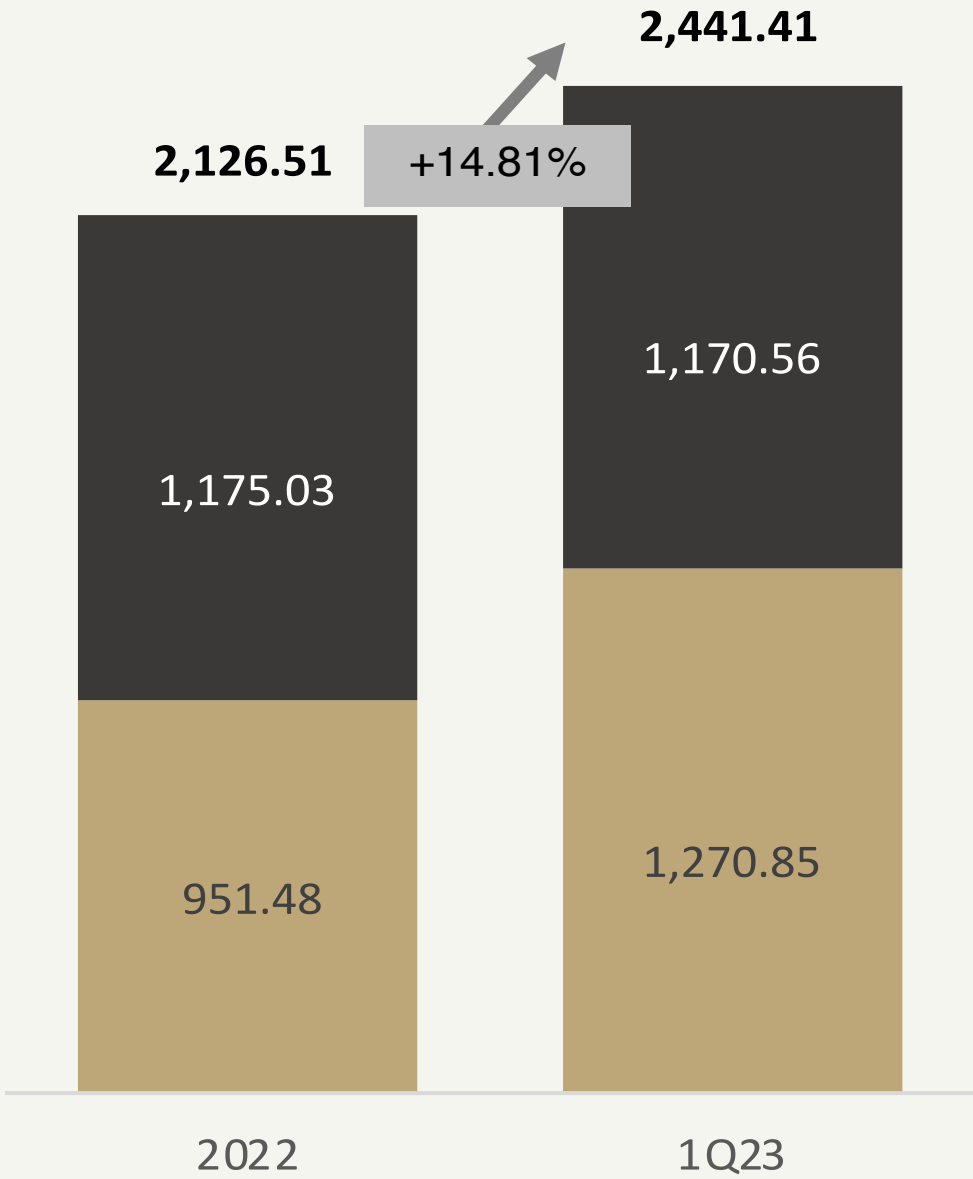
## Assets

■ Current Assets ■ Non-Current Assets

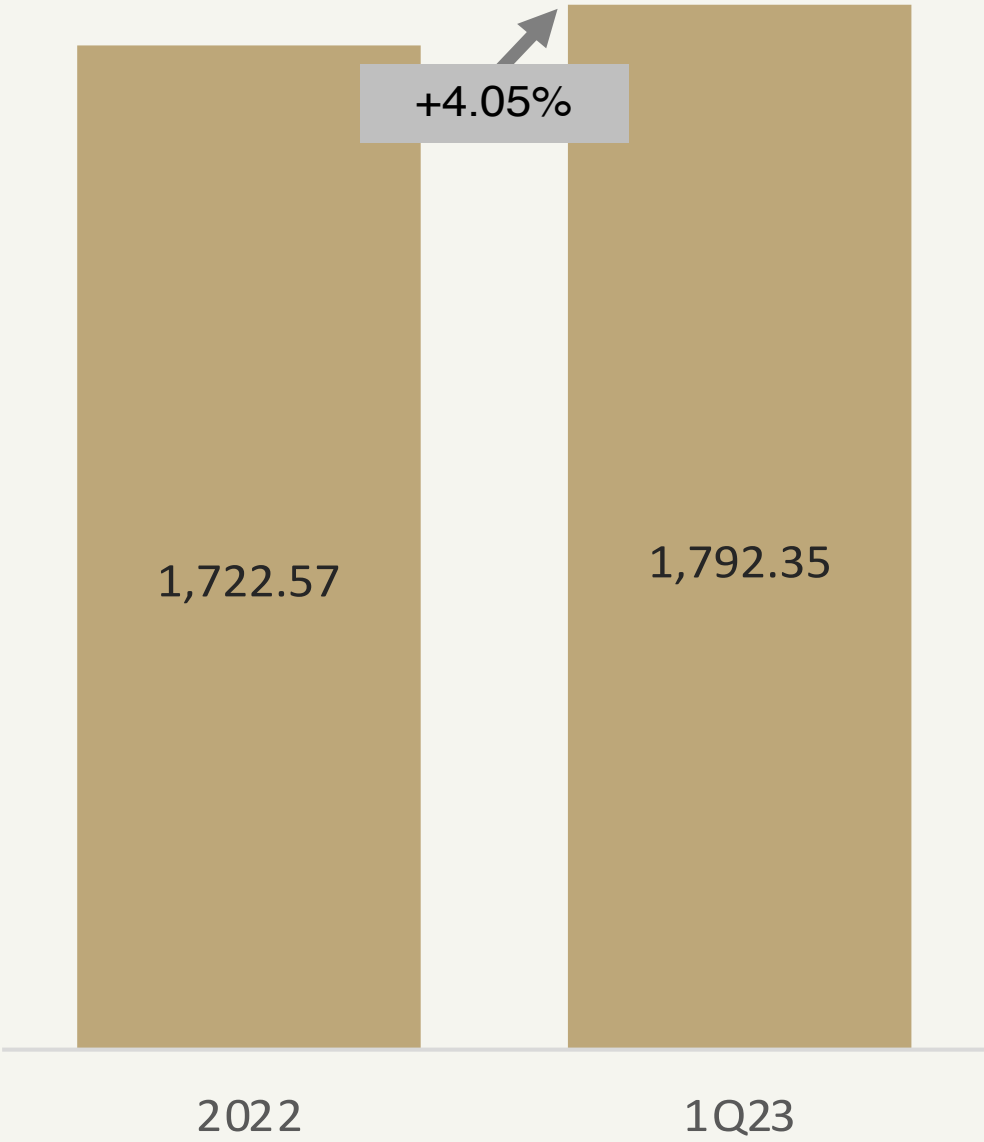


## Liabilities

■ Current Liabilities ■ Non-Current Liabilities



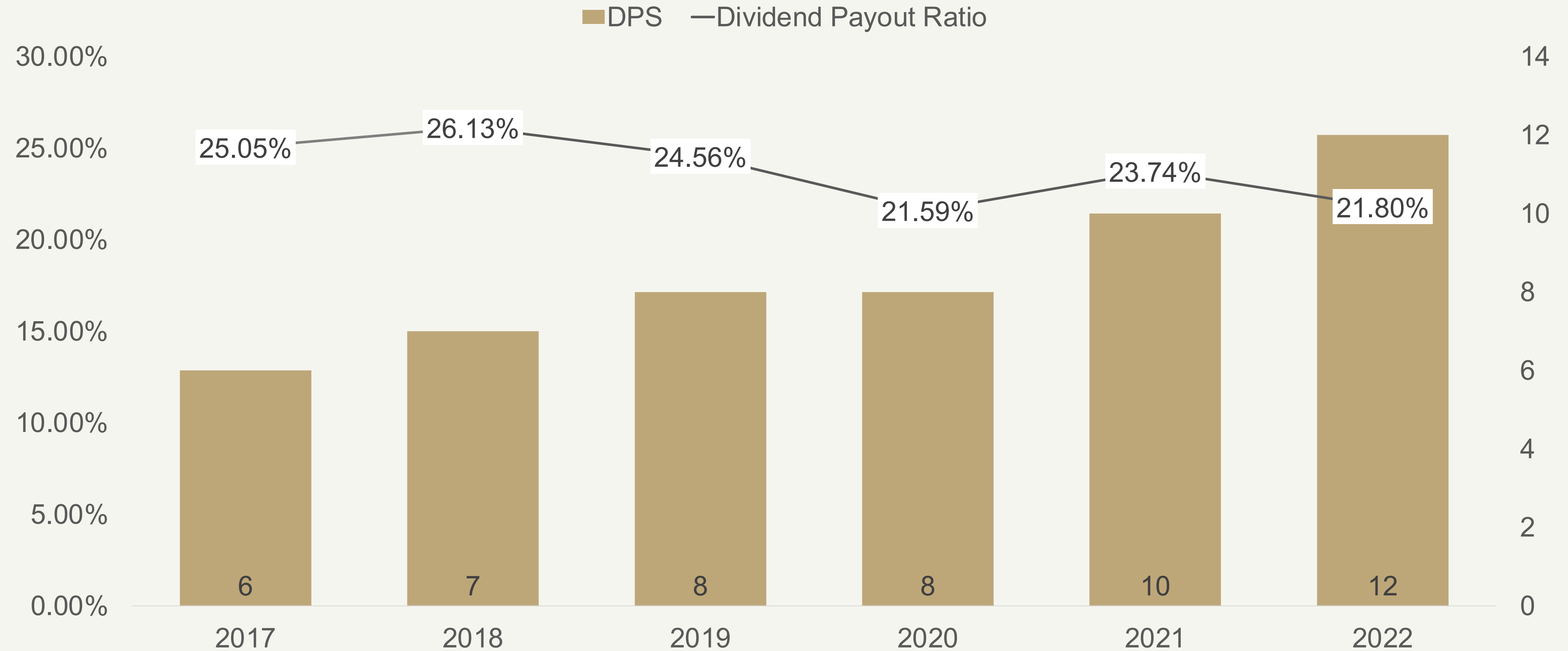
## Equity



From the profitability side, ROA stood at 6.60% and ROE at 15.59% while DER is manageable at 1.36x in 1Q23.

Data based on 1Q23 Period Financial Statements

# Dividend Policy







# Gold Outlook

# Macro Catalyst

## 01 GEOPOLITIC CRISIS & STAGFLATION

Russia already uses gold as the underlying trade. In addition, former US President Donald Trump, is again running for the 2024 US Presidential Election where Trump is planning a 'back to gold standard'



## 02 BRETTON WOODS AGENDA: BACK TO GOLD STANDARD

The Geopolitical Crisis and Stagflation are also one of the reasons for the high interest of global investors in gold, both in the form of bars and jewelry



## 03 BANKING CRISIS

*The collapse of reputable international banking has added to the concerns of market players about the placement of assets in banks so that gold is again considered a store of value.*

## 04 MASSIVE INSTITUTION GOLD PURCHASE

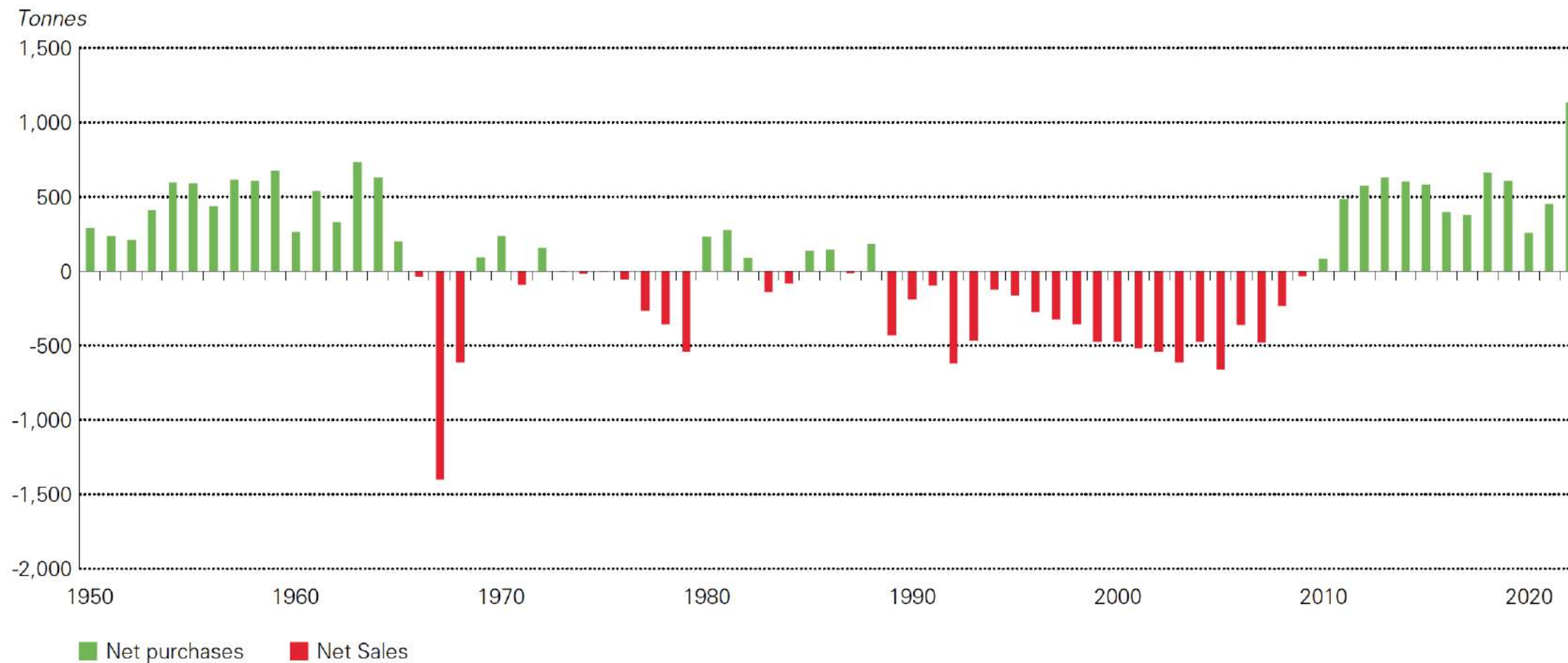
The world's central banks are still continuing to add gold purchases with a total of 400 tons. This indicates that all central banks are still maintaining the stability of their gold reserves.





# Macro Catalyst

## Central bank buying in 2022 was the highest on record\*



\*Data to 31 December 2022. For an explanation of central bank demand, please see the Notes and definitions download: [www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q4-2022/notes-and-definitions](https://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q4-2022/notes-and-definitions)

Source: Metals Focus, Refinitiv GFMS, World Gold Council

- Gold purchases by central banks have hit record highs in 70 years.
- The role of the central bank has bought 1.136 tons of gold in FY22, higher than the annual rate since 1967, when the US Dollar still uses gold as an underlying.
- In total, 8.62 tons of gold were purchased by central banks in 2H22, which was a record high.
- According to Global Commodity Analyst, Gold price is estimated to reach USD2,200 – 2,400 per troy ounce in 2023.



# Operating Performance & Valuation

	Chow Tai Fook	HRTA
<b>Operating and Efficiency*</b>		
ROA (%)	8.83	6.59
ROE (%)	20.85	14.72
Gross Margin (%)	22.58	10.74
Operating Margin (%)	8.74	7.94
Net Margin (%)	6.78	3.66
Cash Conversion Cycle	247.87	173.89
<b>Growth (average 3 year)*</b>		
Revenue (%)	14.07	28.33
Net Income (%)	13.62	19.09
<b>Valuation**</b>		
PER	23.64	6.79
PBV	4.81	1.00
P/S	1.51	0.25

\*Fiscal Year 2022

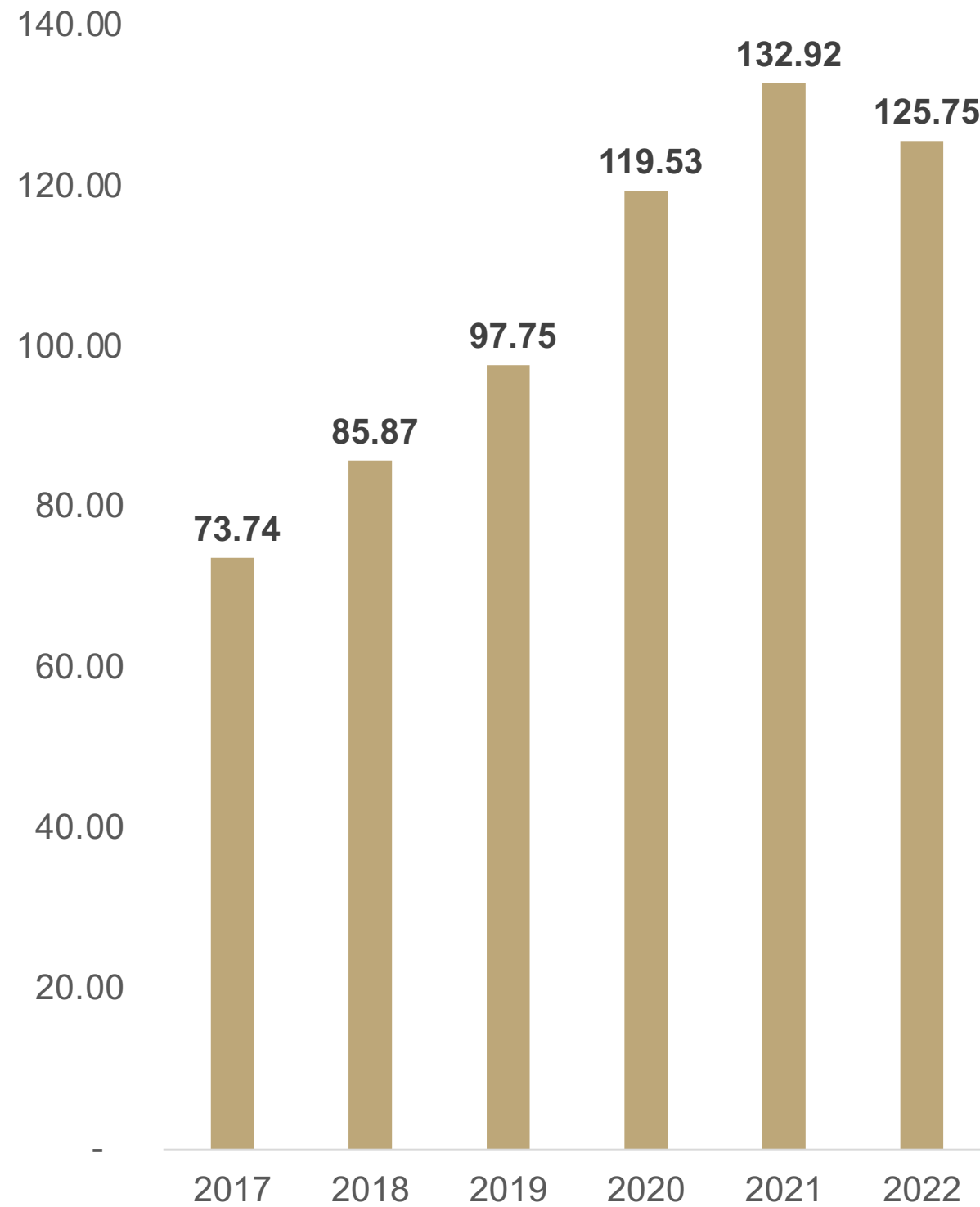
\*\* As of Apr 3<sup>rd</sup> 2023



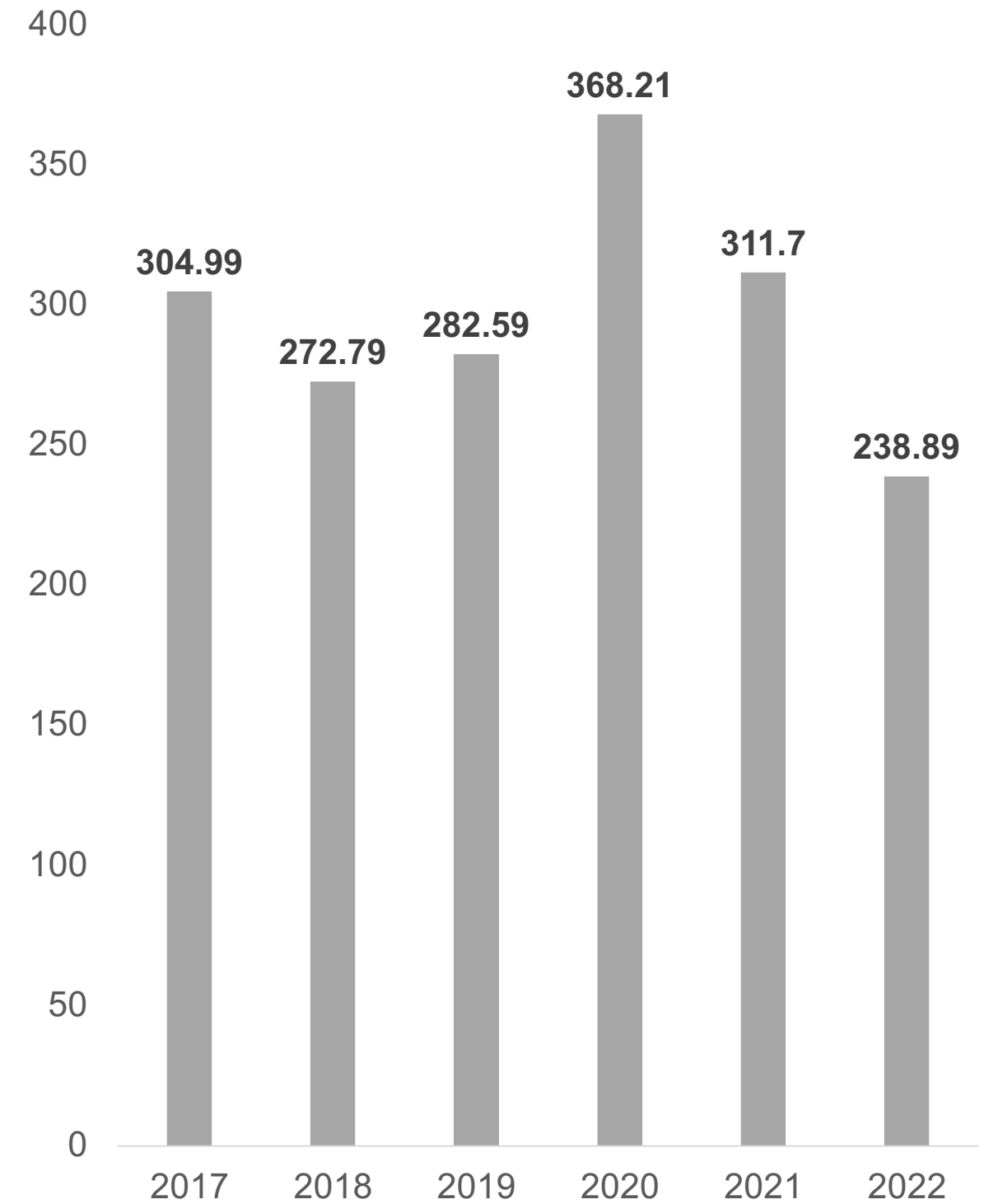
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# Nature of Inventory Days

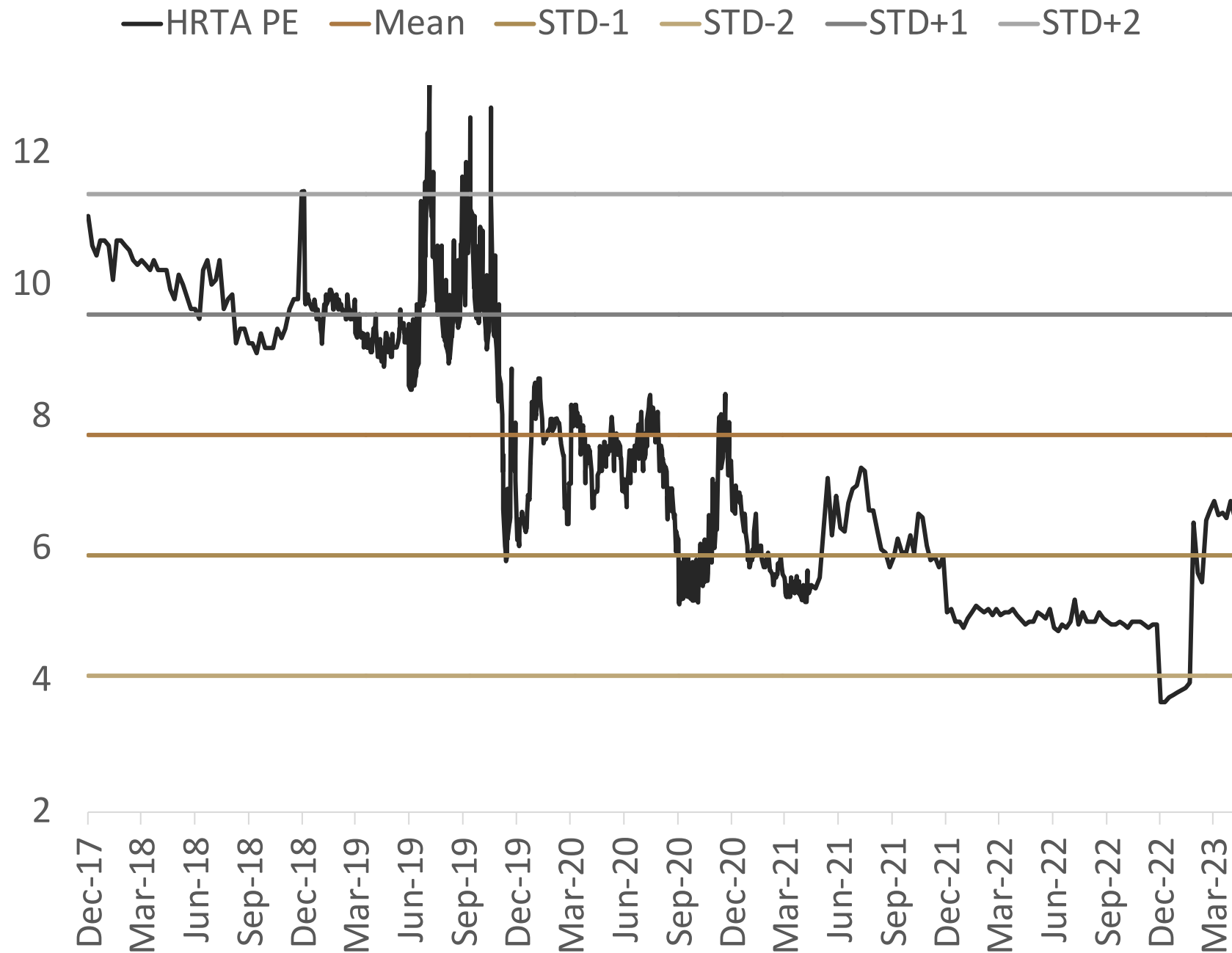
## Inventory Days - HRTA



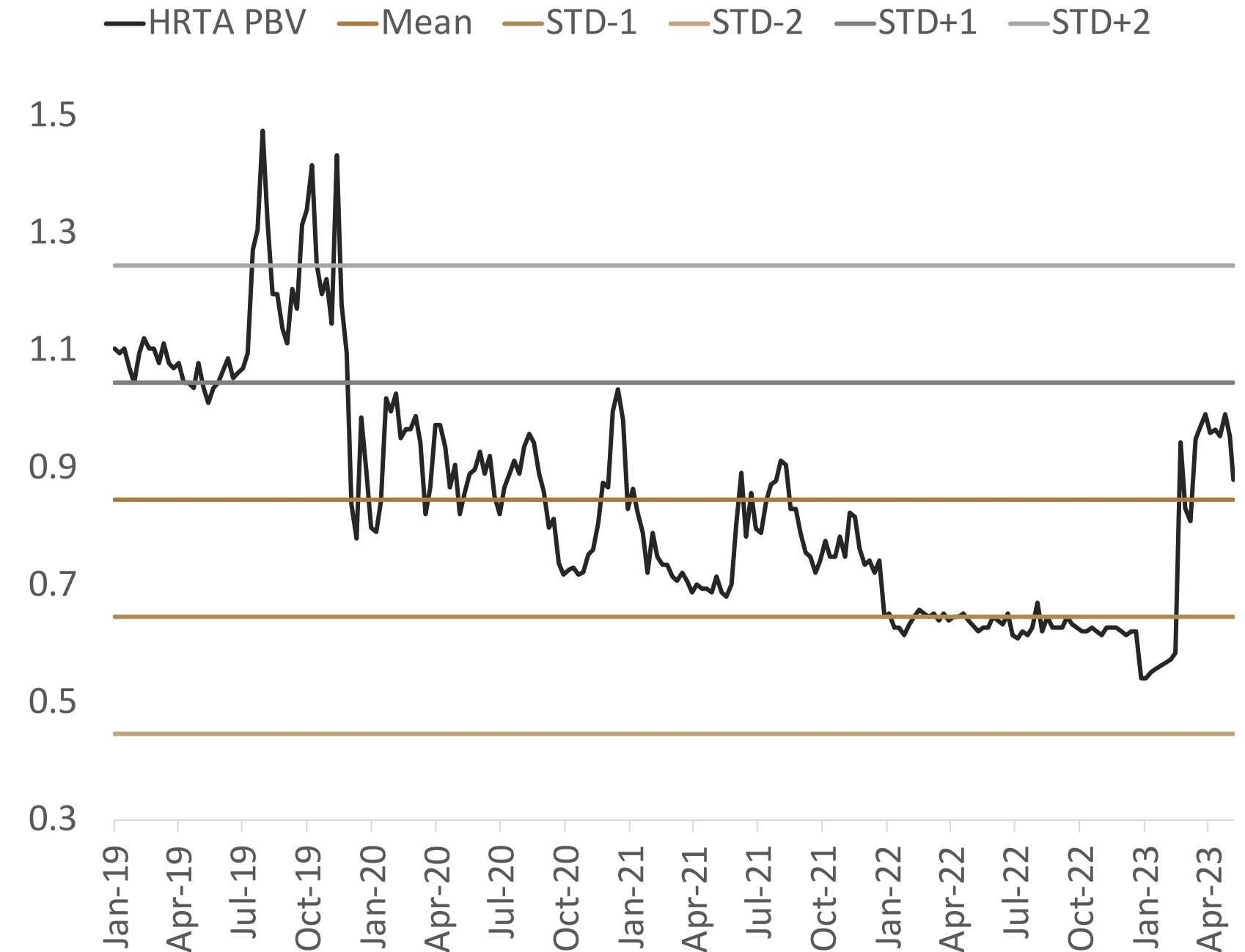
## Inventory Days - Chow Tai Fook



# Undervalued in the Market



HRTA is traded at -1 STD with 6x PE



HRTA is traded at 0,2 STD with 0,8x PBV



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