

BUY | TP : IDR900

Stock Price Data

| | | |
|------------|---|-----------|
| Last Price | : | IDR625 |
| 52wk High | : | IDR790 |
| 52wk Low | : | IDR312 |
| Share Out | : | 4.6 bn |
| Market Cap | : | IDR2.9 tn |

Stock Price Performance

| | | |
|--------------|---|--------|
| 1-Day | : | -2.3% |
| 1-Week | : | +0.0% |
| 1-Month | : | +3.3% |
| 3-Month | : | -11.4 |
| Year-to-Date | : | +76.6% |

Shareholders

| | | |
|-----------------------------|---|-------|
| PT Terang Anugrah Abadi (P) | : | 71.0% |
| Public (<5%) | : | 29.0% |

PT Hartadinata Abadi Tbk (HRTA IJ)

Bullion Bank Momentum Drives 1H25 Performance

1H25 net profit beats estimates, lifted by strong ASP and cost efficiency

- HRTA posted 1H25's net profit of IDR348.5 bn, surging by +69.5% YoY (vs IDR205.6 bn in 1H24), surpassing both our/consensus at 58.9%/61.8% of FY25E estimates. 2Q25 net profit jumped to IDR198.8 bn (+32.7% QoQ/+93.1% YoY), driven by solid top-line growth and disciplined cost control.
- Revenue in 1H25 rose by +82.6% YoY to IDR15.1 tn (vs IDR8.2 tn in 1H24), reaching 51.7% of our FY25E forecast (in-line) and beating consensus estimates of 57.9%. 2Q25 revenue came in at IDR8.3 tn, increasing +21.7% QoQ/+95.6% YoY, on the back of higher sales volumes and ASP.
- Total sales volume in pure gold tonnes reached 8.9 tons, up +19.4% YoY, while blended ASP grew significantly by +53.1% YoY to IDR1.7 mn/gram. Costs remained manageable despite the company's expansion into midstream (refinery) and downstream (retail) operations, as reflected in a stable GPM of 5.0% in 1H25, which helped lift gross profit by +43.9% YoY.

Bullion bank synergy begins to bear fruit

- The established of bullion banks has significantly enhanced HRTA's performance, unlocking long-term company growth potential. In 1H25, HRTA's gold bar sales reached 8.1 tons, with ~56% of demand coming from bullion banks.
- Notably, Pegadaian became Indonesia's first licensed bullion bank in early FY25. We highlight that **PT Pegadaian Galeri Dua Empat contributed IDR6.0 tn in revenue in 1H25** (~40% of total turnover), **marking a staggering +806.9% YoY increase from IDR662.1 bn in 1H24**.
- Additionally, HRTA and its entities GCDA (PT Gadai Cahaya Dana Abadi) have formed a strategic partnership with PT Bank Syariah Indonesia (BRIS)—the second licensed bullion bank—to supply and sell "BSI Gold" along with gold vaulting services through GCDA, with **BRIS as the primary buyer**.
- This synergy is expected to drive HRTA's sales volume further**, especially amid the ongoing gold price rally, serving as a key growth engine. To boost competitiveness, HRTA's refinery arm PT Emas Murni Abadi (EMA) recently **received a positive audit report from Deloitte Touche Tohmatsu**, marking a step toward obtaining LBMA license (following ANTM).

China's insurance policy shift boosts gold outlook

- Rising global uncertainty—fueled by trade tensions and geopolitical risk—has accelerated asset diversification, especially toward safe-haven assets like gold. In Mar-25, the China Banking and Insurance Regulatory Commission (CBIRC) issued Directive No. 2025-03, mandating insurers to allocate at least 1% of total assets into physical gold, triggering ~USD27 bn in gold inflows from two major Chinese insurance firms.
- We believe this strategic move will further elevate global institutional demand for gold. Domestically, if a similar policy were adopted, it could be a game-changer: with Indonesia's major financial institutions holding IDR16,628 tn in assets as of FY24, a 1% allocation could unlock potential gold inflows of IDR166.3 tn.
- Moreover, the anticipated Fed rate cut in 4Q25 is expected to serve as a catalyst for higher gold prices, supporting our bullish target of USD3,700/toz.

Reiterate BUY with higher TP on earnings upside and LBMA potential

We maintain our **BUY** call on HRTA with a higher **TP of IDR900/share**, reflecting a PE/PBV of 6.1x/1.4x in FY25E and 5.0x/1.2x in FY26F. Our higher TP is driven by stronger earnings projections for FY25E–FY26F, exclusive benefits from potential LBMA license, and the snowball impact of the "BSI Gold" partnership. We revised up our FY25E/FY26F net profit estimates by +14.1%/+13.3% to IDR674.8 bn/IDR833.9 bn. Key downside risks included: gold price correction beyond expectations, production chain disruption, and weakening demand from bullion banks.

| Key Financial Highlight | FY22 | FY23 | FY24 | FY25E | FY26F |
|-------------------------|---------|----------|----------|----------|----------|
| Revenue (IDR Bn) | 6,918.5 | 12,857.0 | 18,228.6 | 29,092.9 | 33,608.8 |
| EBITDA (IDR Bn) | 562.7 | 727.1 | 900.7 | 1,209.5 | 1,416.0 |
| Net Income (IDR Bn) | 253.5 | 305.8 | 442.2 | 674.8 | 833.9 |
| ROA (%) | 6.6 | 6.1 | 7.4 | 9.9 | 11.1 |
| ROE (%) | 14.7 | 15.5 | 18.8 | 23.2 | 23.3 |
| PE (x) | 11.4 | 9.4 | 6.5 | 4.3 | 3.5 |
| PBV (x) | 1.7 | 1.5 | 1.2 | 1.0 | 0.8 |
| EPS (IDR) | 55.1 | 66.4 | 96.0 | 146.5 | 181.1 |

Sources : Company, MNCS research



Research Analyst

Raka Junico W.

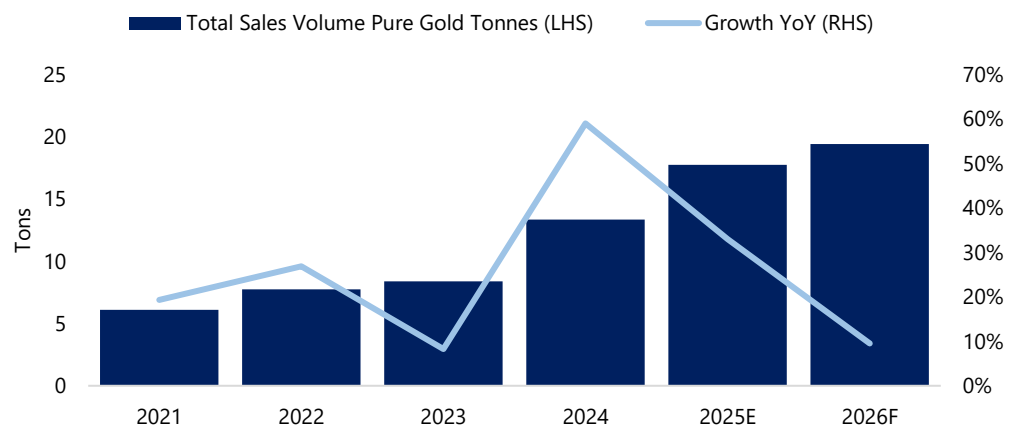
raka.widyaman@mncgroup.com

Exhibit 01. We revised up our FY25E/FY26F net profit forecasts to IDR674.8 bn/DR833.9 bn, respectively, on the back of better cost efficiency

| | FY25E | | | FY26F | | |
|---------------------------|----------|----------|--------|----------|----------|--------|
| | Revised | Old | Change | Revised | Old | Change |
| Revenue (IDR Bn) | 29,092.9 | 29,092.9 | 0.0% | 33,608.8 | 33,608.8 | 0.0% |
| Gross Profit (IDR Bn) | 1,437.5 | 1,330.5 | 8.0% | 1,669.8 | 1,546.3 | 8.0% |
| Operating Profit (IDR Bn) | 1,176.2 | 1,069.3 | 10.0% | 1,380.0 | 1,256.4 | 9.8% |
| Net Profit (IDR Bn) | 674.8 | 591.5 | 14.1% | 833.9 | 736.1 | 13.3% |
| GPM (%) | 4.9 | 4.6 | +0.3% | 5.0 | 4.6 | +0.4% |
| OPM (%) | 4.0 | 3.7 | +0.3% | 4.1 | 3.7 | +0.4% |
| NPM (%) | 2.3 | 2.0 | +0.3% | 2.5 | 2.2 | +0.3% |

Sources : Company, MNCS Research

Exhibit 02. HRTA's gold sales volume is projected to reach 17.7 tons/19.4 tons in FY25E/FY26F



Sources : Company, MNCS Research

Exhibit 03. Gold price performance toward year-end will likely be influenced by a range of macroeconomic scenarios, particularly potential Fed rate cuts and persistent geopolitical tensions

| Expected FFR | 50 bps lower by year end | 100-150 bps lower by year end | 0-50 bps higher by year end |
|--------------------------|--------------------------------|-------------------------------|-----------------------------|
| Economic scenario | Continued normalisation | Deteriorating conditions | Risk resolution |
| Opportunity cost | Upside potential | Strong bullish | Downside risk |
| Economic expansion | Downside risk | Strong bearish | Upside potential |
| Risk and uncertainty | Upside potential | Strong bullish | Strong bearish |
| Momentum | Upside potential | Upside potential | Downside risk |
| Implied gold performance | Range bound with slight upside | Notably higher | Downside pressure |

Sources : World Gold Council, MNCS Research

Exhibit 04. Financial Projections

| Income Statement | | | | | | Balance Sheet | | | | | |
|-------------------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------------------------|----------------|----------------|----------------|----------------|----------------|
| in Billion IDR | FY22 | FY23 | FY24 | FY25E | FY26F | in Billion IDR | FY22 | FY23 | FY24 | FY25E | FY26F |
| Revenue | 6,918.5 | 12,857.0 | 18,228.6 | 29,092.9 | 33,608.8 | Cash & Equivalents | 106.0 | 292.6 | 213.5 | 276.2 | 302.6 |
| COGS | (6,175.6) | (11,910.3) | (17,131.9) | (27,655.4) | (31,939.0) | Trade Receivables | 806.4 | 907.8 | 980.9 | 1,454.6 | 1,587.1 |
| Gross Profit | 742.8 | 946.7 | 1,096.8 | 1,437.5 | 1,669.8 | Inventory | 2,339.7 | 3,169.0 | 3,858.7 | 3,841.0 | 4,347.3 |
| Selling Expense | (23.1) | (23.3) | (9.9) | (12.3) | (14.3) | Others Current Assets | 321.9 | 351.1 | 480.7 | 688.3 | 719.4 |
| G&A Expense | (171.6) | (215.8) | (209.8) | (248.9) | (275.6) | Total Current Assets | 3,574.0 | 4,720.4 | 5,533.9 | 6,260.1 | 6,956.3 |
| Operating Profit | 548.1 | 707.7 | 877.1 | 1,176.2 | 1,380.0 | Fixed Assets-net | 204.0 | 232.9 | 391.6 | 483.3 | 497.3 |
| Finance Income | 2.2 | 2.3 | 2.7 | 4.2 | 5.4 | Other Non-Current Assets | 71.1 | 76.1 | 34.3 | 46.0 | 45.1 |
| Finance Expense | (217.1) | (304.8) | (310.2) | (307.6) | (307.5) | Total Non-Current Assets | 275.0 | 309.0 | 425.9 | 529.3 | 542.4 |
| Other Income (Expense) | (7.0) | (9.0) | (2.5) | (6.5) | (7.5) | TOTAL ASSETS | 3,849.1 | 5,029.5 | 5,959.8 | 6,789.4 | 7,498.7 |
| PBT | 326.2 | 396.2 | 567.1 | 866.2 | 1,070.4 | Trade Payables | 4.3 | 4.7 | 2.5 | 4.0 | 4.6 |
| Tax Income (Expense) | (72.1) | (89.9) | (124.4) | (190.6) | (235.5) | Short-term Debt | 885.3 | 1,892.6 | 2,528.7 | 2,496.4 | 2,495.2 |
| Minority Interest | (0.6) | (0.5) | (0.5) | (0.8) | (1.0) | Other Current Liabilities | 61.9 | 238.5 | 167.6 | 267.4 | 308.9 |
| Net Income | 253.5 | 305.8 | 442.2 | 674.8 | 833.9 | Total Current Liabilities | 951.5 | 2,135.9 | 2,698.8 | 2,767.9 | 2,808.7 |
| EPS (IDR) | 55.1 | 66.4 | 96.0 | 146.5 | 181.1 | Long-term Debt | 1,163.3 | 306.1 | 895.6 | 1,082.5 | 1,082.0 |
| | | | | | | Other Long-term Liabilities | 11.7 | 16.7 | 15.6 | 25.0 | 28.8 |
| | | | | | | Total LT-Liabilities | 1,175.0 | 322.8 | 911.2 | 1,107.5 | 1,110.8 |
| | | | | | | Total Equity | 1,722.6 | 1,972.6 | 2,349.8 | 2,914.1 | 3,579.2 |
| | | | | | | TOTAL LIABILITY AND EQUITY | 3,849.1 | 4,431.3 | 5,959.8 | 6,789.4 | 7,498.7 |

| Cash Flow | | | | | | Ratios | | | | | |
|-----------------------|----------------|----------------|----------------|----------------|----------------|-----------------------------|-------|-------|-------|-------|-------|
| in Billion IDR | FY22 | FY23 | FY24 | FY25E | FY26F | | FY22 | FY23 | FY24 | FY25E | FY26F |
| Net Income | 253.5 | 305.8 | 442.2 | 674.8 | 833.9 | Revenue Growth (%) | 32.1 | 85.8 | 41.8 | 59.6 | 15.5 |
| D&A | 14.6 | 19.4 | 23.6 | 33.3 | 36.0 | Operating Profit Growth (%) | 28.7 | 29.1 | 23.9 | 34.1 | 17.3 |
| Changes in WC | (200.6) | (930.3) | (765.2) | (454.5) | (638.0) | Net Profit Growth (%) | 30.7 | 20.6 | 44.6 | 52.6 | 23.6 |
| Others | (22.9) | 146.6 | (201.3) | (107.7) | 10.3 | Receivable Days (x) | 42.0 | 25.4 | 19.4 | 18.0 | 17.0 |
| Operating CF | 44.6 | (458.4) | (500.6) | 145.9 | 242.2 | Inventory Days (x) | 136.4 | 95.8 | 81.1 | 50.0 | 49.0 |
| Capex | (77.2) | (48.4) | (182.6) | (125.0) | (50.0) | Payable Days (x) | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 |
| Others | (34.9) | (5.0) | 42.6 | (11.7) | 0.9 | DER (x) | 1.2 | 1.4 | 1.5 | 1.2 | 0.9 |
| Investing CF | (112.1) | (53.4) | (139.9) | (136.7) | (49.1) | Net Gearing Ratio (x) | 1.1 | 1.3 | 1.4 | 1.1 | 0.9 |
| Dividend Paid | (46.1) | (55.3) | (69.1) | (110.5) | (168.7) | Interest Coverage (x) | 2.5 | 2.3 | 2.8 | 3.8 | 4.5 |
| Net Change in Debt | 155.9 | 748.3 | 627.4 | 154.6 | (1.8) | Quick Ratio (%) | 129.7 | 56.7 | 62.1 | 87.4 | 92.9 |
| Equity Fund Raised | - | - | - | - | - | Dividend Yield (%) | 1.9 | 2.4 | 3.8 | 5.9 | 7.2 |
| Others | 1.2 | 5.4 | 3.2 | 9.3 | 3.9 | Gross Profit Margin (%) | 10.7 | 7.4 | 6.0 | 4.9 | 5.0 |
| Financing CF | 111.0 | 698.4 | 561.5 | 53.4 | (166.7) | Operating Profit Margin (%) | 7.9 | 5.5 | 4.8 | 4.0 | 4.1 |
| Cash at Beginning | 62.5 | 106.0 | 292.6 | 213.5 | 276.2 | EBITDA Margin (%) | 8.1 | 5.7 | 4.9 | 4.2 | 4.2 |
| Cash at Ending | 106.0 | 292.6 | 213.5 | 276.2 | 302.6 | Net Profit Margin (%) | 3.7 | 2.4 | 2.4 | 2.3 | 2.5 |
| | | | | | | BVPS (IDR) | 374.0 | 428.3 | 510.2 | 632.8 | 777.2 |

Sources : Company, MNCS Research

MNC Research Industry Ratings Guidance

- **OVERWEIGHT** : Stock's total return is estimated to be above the average total return of our industry coverage universe over next 6-12 months
- **NEUTRAL** : Stock's total return is estimated to be in line with the average total return of our industry coverage universe over next 6-12 months
- **UNDERWEIGHT** : Stock's total return is estimated to be below the average total return of our industry coverage universe over next 6-12 months

MNC Research Investment Ratings Guidance

- **BUY** : Share price may exceed 10% over the next 12 months
- **HOLD** : Share price may fall within the range of +/- 10% of the next 12 months
 - **SELL** : Share price may fall by more than 10% over the next 12 months
 - **Not Rated** : Stock is not within regular research coverage

PT MNC SEKURITAS

MNC Bank Tower Lt. 15-16

Jl. Kebon Sirih No. 21 - 27, Jakarta Pusat 10340

Telp : (021) 2980 3111

Fax : (021) 3983 6899

Call Center : 1500 899

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