

Gaining ground in gold

Riding the gold bar boom; initiate coverage at Buy with a TP of IDR2,900

An integrated mid-to-downstream gold player in a concentrated market...

Hartadinata operates an integrated mid-to-downstream gold jewelry and bar business in Indonesia. The company initially focused on precious metal refining and jewelry manufacturing before expanding into gold bars in 2019, subsequently accelerating refinery capacity expansion to capture the post-Covid surge in demand for gold bars (Fig. 1). As a result, Hartadinata now commands a significant 29% market share (Fig. 2), with Antam (ANTM.IJ, Buy) and UBS Gold (unlisted) being its key competitors.

... that we believe should benefit from rapidly rising domestic demand

Hartadinata has benefited from the structural shift toward gold purchases, with gold bars accounting for 99% of its gold sales volume in 1H26 vs virtually zero in 2019 (Fig. 3). This trend, coupled with the introduction of bullion banking institutions such as Bank Syariah Indonesia (BRIS.IJ, Buy) and Pegadaian (unlisted) in Feb-25, drove a sharp increase in Hartadinata's gold sales volume in 2025 (Fig. 4 and Fig. 5). Given the strong growth delivered by both Bank Syariah Indonesia and Pegadaian (Fig. 6), we believe their success could encourage more banks to enter the bullion banking business, creating further volume growth opportunities for Hartadinata. The Financial Services Authority (OJK) recently introduced Indonesia's first gold ETF (link), further strengthening the investment ecosystem for gold and supporting the company's long-term volume growth prospects, in our view.

Initiate coverage with a Buy rating and TP of IDR2,900, implying 27% upside

We derive our TP of IDR2,900 based on a 2027F P/E target of 8x, +2SD above its five-year historical average, which is also consistent with the Gold/S&P 500 ratio, which is currently trading at a premium compared to its five-year (2021-26) average. The stock currently trades at 6.3x 2027F P/E. We assume gold prices of USD4,600-4,800/oz in 2026-28F. Our sensitivity analysis suggests that a 1% increase/decrease in gold prices would impact Hartadinata's earnings by +1%/-1%.

We expect Hartadinata's 2026-28F revenue and net profit to record CAGRs of 16%/19%, primarily driven by higher gold bar volumes. While margin expansion could remain limited under its margin-plus business model, we see potential upside from: 1) approval of London Bullion Market Association (LBMA) certification, which could support more favorable pricing; and 2) the export levy imposed on local miners, which could further strengthen Hartadinata's bargaining power in sourcing raw materials. Downside risks to our view include: weaker-than-expected gold prices and an overly aggressive balance sheet strategy, which could weigh on earnings if gold prices soften.

Year-end 31 Dec	FY25		FY26F		FY27F		FY28F
Currency (IDR)	Actual	Old	New	Old	New	Old	New
Revenue (bn)	44,548	0	64,601	0	75,490	0	86,820
Reported net profit (bn)	978	0	1,314	0	1,575	0	1,860
Normalised net profit (bn)	978	0	1,314	0	1,575	0	1,860
FD normalised EPS	212.47		285.25		342.02		403.82
FD norm. EPS growth (%)	121.3		34.3		19.9		18.1
FD normalised P/E (x)	10.7	–	7.9	–	6.6	–	5.6
EV/EBITDA (x)	7.9	–	6.8	–	5.4	–	4.7
Price/book (x)	3.3	–	2.4	–	1.8	–	1.4
Dividend yield (%)	0.9	–	2.5	–	3.0	–	3.6
ROE (%)	35.2		34.7		31.5		28.9
Net debt/equity (%)	78.0		87.8		72.0		57.5

Source: Company data, Verdhana estimates

Rating Starts at	Buy
Target price Starts at	IDR 2,900
Closing price 10 September 2026	IDR 2,220
Implied upside	+30.6%
Market Cap (USD mn)	595.6
ADT (USD mn)	1.6

Relative performance chart



Source: LSEG, Verdhana

Research Analysts

Indonesia Research Team

Jody Wijaya
jody.wijaya@verdhana.id
+62 (818876667)

Sandy Ham
sandy.ham@verdhana.id
+62 (8176420576)

Nayla Yasmin
nayla.yasmin@verdhana.id
+62 (8119444575)

Samuel Christian
samuel.christian@verdhana.id
+62 (87808781905)

Key data on Hartadinata Abadi

Performance

(%)	1M	3M	12M		
Absolute (IDR)	20,00	-0,90	173,10	M cap (USDmn)	595,6
Absolute (USD)	22,60	1,30	154,20	Free float (%)	28,40
Rel to Jakarta	15,00	-14,50	188,70	3-mth ADT (USDmn)	1,60
Stock Exchange					
Composite Index					

Income Statement (IDRbn)

Year-end 31 Dec	FY24	FY25	FY26F	FY27F	FY28F
Revenue	18.229	44.548	64.601	75.490	86.820
Cost of goods sold	-17.132	-42.627	-62.084	-72.529	-83.402
Gross profit	1.097	1.922	2.517	2.960	3.418
SG&A	-220	-324	-462	-538	-616
Employee share expense					
Operating profit	877	1.597	2.055	2.422	2.802
EBITDA	913	1.646	2.099	2.471	2.855
Depreciation	-36	-49	-44	-49	-54
Amortisation	0	0	0	0	1
EBIT	877	1.597	2.055	2.422	2.802
Net interest expense	-308	-338	-365	-396	-409
Associates & JCEs					
Other income	-2	1	1	1	1
Earnings before tax	567	1.260	1.691	2.027	2.393
Income tax	-124	-280	-376	-451	-533
Net profit after tax	443	980	1.315	1.576	1.861
Minority interests	-1	-1	-1	-1	-1
Other items					
Preferred dividends					
Normalised NPAT	442	978	1.314	1.575	1.860
Extraordinary items					
Reported NPAT	442	978	1.314	1.575	1.860
Dividends	-69	-97	-196	-263	-315
Transfer to reserves	373	882	1.118	1.312	1.545

Valuations and ratios

Reported P/E (x)	23,5	10,6	7,9	6,6	5,6
Normalised P/E (x)	23,5	10,6	7,9	6,6	5,6
FD normalised P/E (x)	23,5	10,6	7,9	6,6	5,6
Dividend yield (%)	1,0	2,1	2,5	3,0	3,6
Price/cashflow (x)		9,6			49,2
Price/book (x)	4,4	3,2	2,4	1,8	1,4
EV/EBITDA (x)	14,7	8,1	6,4	5,4	4,7
EV/EBIT (x)	15,3	8,4	6,5	5,5	4,8
Gross margin (%)	6,0	4,3	3,9	3,9	3,9
EBITDA margin (%)	5,0	3,7	3,2	3,3	3,3
EBIT margin (%)	4,8	3,6	3,2	3,2	3,2
Net margin (%)	2,4	2,2	2,0	2,1	2,1
Effective tax rate (%)	21,9	22,3	22,3	22,3	22,3
Dividend payout (%)	15,6	9,9	14,9	16,7	16,9
ROE (%)	20,5	35,1	34,7	31,5	28,9
ROA (pretax %)	9,5	10,0	13,4	13,6	13,8

Growth (%)

Revenue	43,8	148,8	45,6	16,8	15,0
EBITDA	23,7	80,2	27,5	17,8	15,6
Normalised EPS	96,0	212,5	285,3	342,0	403,8
Normalised FDEPS	96,0	212,5	285,3	342,0	403,8

Source: Company data, Verdhana estimates

Cashflow statement (IDRbn)

Year-end 31 Dec	FY24	FY25	FY26F	FY27F	FY28F
EBITDA	913	1.646	2.099	2.471	2.855
Change in working capital	-964	84	-2.273	-1.495	-1.543
Other operating cashflow	-448	-636	-747	-853	-948
Cashflow from operations	-498	1.094	-921	123	364
Capital expenditure	-182	-288	-189	-119	-119
Free cashflow	-681	806,0	-1.110	4	245
Reduction in investments	0	0	0	0	0
Net acquisitions					
Dec in other LT assets	42	-10	0	0	0
Inc in other LT liabilities	0	0	0	0	0
Adjustments	0	0	0	0	0
CF after investing acts	-140	-298	-189	-119	-119
Cash dividends					
Equity issue	0	0	0	0	0
Debt issue	625	617	90	313	128
Convertible debt issue					
Others	-69	-98	-196	-263	-315
CF from financial acts	560	520	-106	50	-187
Net cashflow	-79	1.316	-1.217	54	57
Beginning cash	293	214	1.529	313	367
Ending cash	214	1.529	313	367	424
Ending net debt	3.211	2.512	3.818	4.077	4.147

Balance sheet (IDRbn)

Year-end 31 Dec	FY24	FY25	FY26F	FY27F	FY28F
Cash & equivalents	214	1.529	313	367	424
Marketable securities					
Accounts receivable	1.424	1.471	2.403	3.022	3.634
Inventories	3.859	8.269	8.832	10.318	11.865
Other current assets	37	640	248	313	400
Total current assets	5.534	11.910	11.796	14.020	16.323
LT investments					
Fixed assets	392	649	799	875	947
Goodwill	0	0	0	0	0
Other intangible assets					
Other LT assets	34	44	44	44	44
Total assets	5.960	12.602	12.639	14.939	17.315
Short-term debt	2.529	2.802	2.892	3.205	3.492
Accounts payable	2	2	3	4	5
Other current liabilities	168	5.312	4.141	4.815	5.517
Total current liabilities	2.699	8.117	7.036	8.024	9.013
Long-term debt	896	1.239	1.239	1.239	1.079
Convertible debt					
Other LT liabilities	16	16	16	16	16
Total liabilities	3.610	9.372	8.291	9.278	10.109
Minority interest	10	10	10	10	10
Preferred stock					
Common stock	665	665	665	665	665
Retained earnings	1.676	2.556	3.674	4.987	6.531
Proposed dividends					
Other equity and reserves	-1	-1	-1	-1	-1
Total shareholders' equity	2.350	3.231	4.349	5.661	7.206
Total equity & liabilities	5.960	12.602	12.639	14.939	17.315

Liquidity (x)

Current ratio	2,05	1,47	1,68	1,75	1,81
Interest cover	2,85	4,72	5,63	6,12	6,84

Leverage

Net debt/EBITDA (x)	3,52	1,53	1,82	0,41	0,36
Net debt/equity (%)	136,64	77,75	87,80	72,01	57,55

Per share

Reported EPS (IDR)	96,02	212,47	285,25	342,02	403,82
Norm EPS (IDR)	96,02	212,47	285,25	342,02	403,82
FD norm EPS (IDR)	96,02	212,47	285,25	342,02	403,82
BVPS (IDR)	508,11	699,34	950,44	1.251,09	1.613,61
DPS (IDR)	21,69	46,47	57,05	68,40	80,76

Activity (days)

Days receivable	18,9	6,9	6,9	6,9	6,9
Days inventory	74,9	51,9	51,9	51,9	51,9
Days payable	0,1	0,0	0,0	0,0	0,0
Cash cycle	93,7	58,8	58,8	58,8	58,8

Source: Company data, Verdhana estimates

Company profile

PT Hartadinata Abadi Tbk (HRTA IJ) is an Indonesian gold company with an integrated business spanning refining, jewellery and bullion manufacturing, wholesale, own-brand retail, gold-backed pawnbroking and community direct selling. The company was founded in Bandung, West Java, in 2004 by Ferriyady Hartadinata, who had started in the gold jewellery trade in 1989, and listed on the IDX in June 2017. HRTA operates five production facilities in the Bandung area, including a gold refinery, and distributes through roughly 1,000 sales points nationally comprising 82 wholesalers, around 900 partner gold shops, 82 owned stores and e-commerce channels.

Valuation Methodology

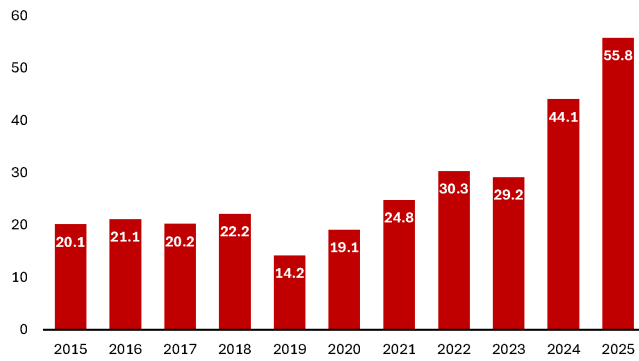
We derive our TP of IDR2,900 based on a 2027F P/E target of 8x, +2SD above its five-year historical average.

Risks that may impede the achievement of the target price

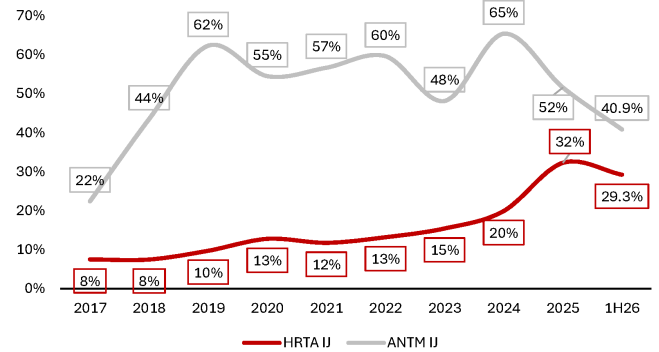
Key downside risks to our call include weaker-than-expected gold prices and an overly aggressive balance sheet strategy, which could weigh on earnings if gold prices soften.

ESG

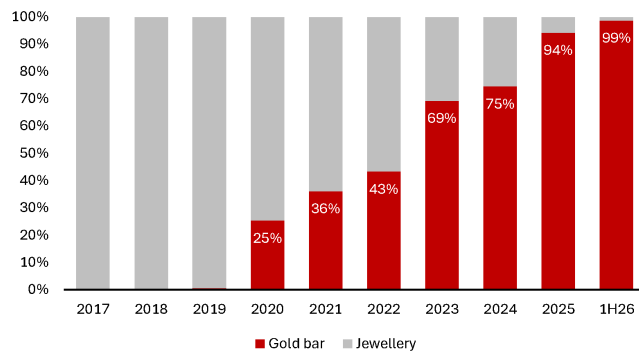
Managing the environmental footprint through energy efficiency measures (LED lighting, low-power equipment, fuel-efficient vehicles and internal energy-saving campaigns), monitoring of electricity, diesel, water, waste and GHG emissions under the 2022 Occupational Safety, Health, Environmental Security and Energy Policy, and positioning refined gold bars as the Company's environmentally friendly product line at 22,056kg in 2025. Growing the workforce to 1,818 employees with 42% female representation, raising CSR spending to Rp4.81bn, engaging more than ten local suppliers and partners, and building community-based income through the GADAIKU pawnbroking network and the EKA direct-selling model; customer satisfaction reported at 5.0 out of 5. Two-tier board with one independent commissioner chairing both the Audit and the Nomination and Remuneration Committees, integrated risk management aligned to ISO 31000 across strategic, operational, financial and compliance risk, an operating whistleblowing system and anti-corruption policy, and supply-chain legitimacy work through the LBMA Responsible Gold Guidance audit and sourcing from licensed domestic miners.

Fig. 1: Indonesia – gold bar demand (tonnes)

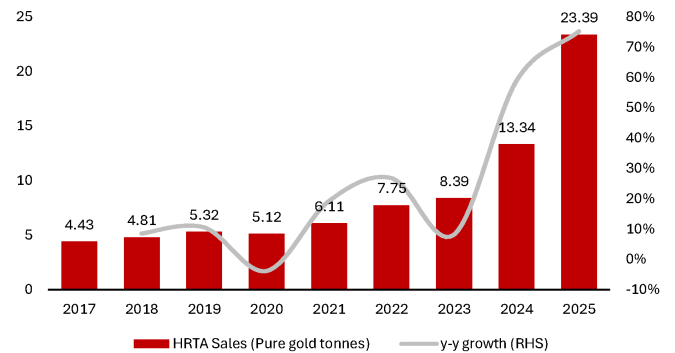
Source: World Gold Council, Verdhana research

Fig. 2: Hartadinata and Antam – total market share

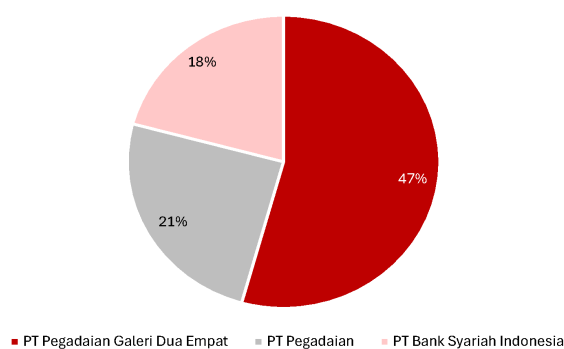
Source: Company data, Verdhana research

Fig. 3: Hartadinata – sales mix volume (%)

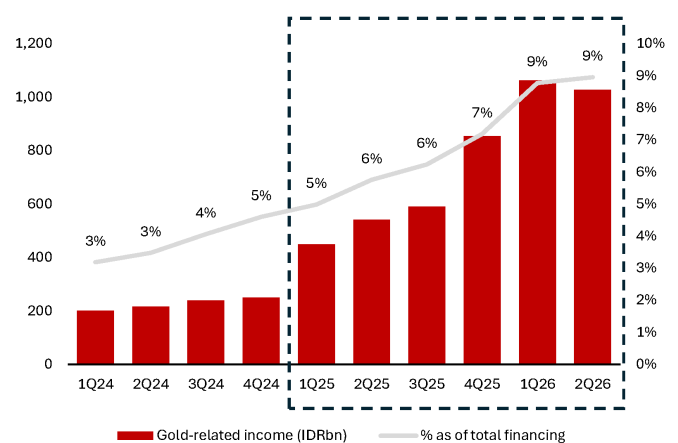
Source: Company data, Verdhana research

Fig. 4: Hartadinata – total sales volume

Source: Company data, Verdhana research

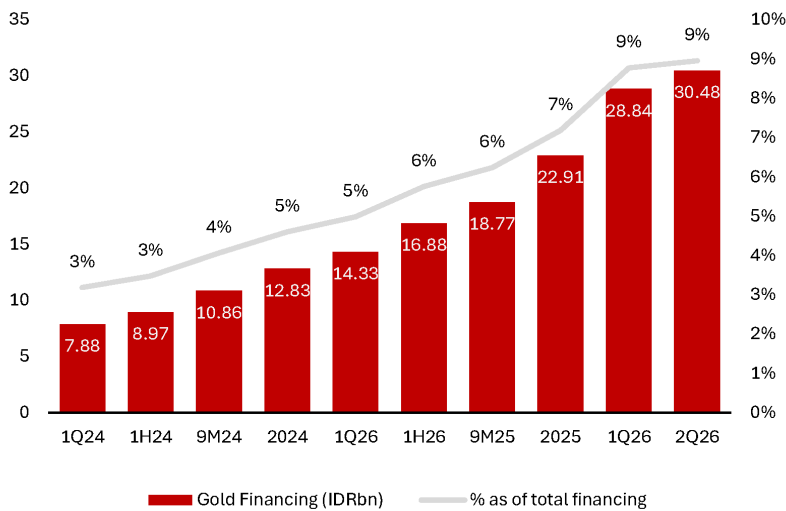
Fig. 5: Hartadinata – gold revenue mix (1H26)

Source: Company data, Verdhana research

Fig. 6: Bank Syariah Indonesia – gold-related income, elevated after the bullion bank license

Note: *1Q24-4Q24 exclude gold installment figure.

Source: Company data, Verdhana research

Fig. 7: Bank Syariah Indonesia – gold financing

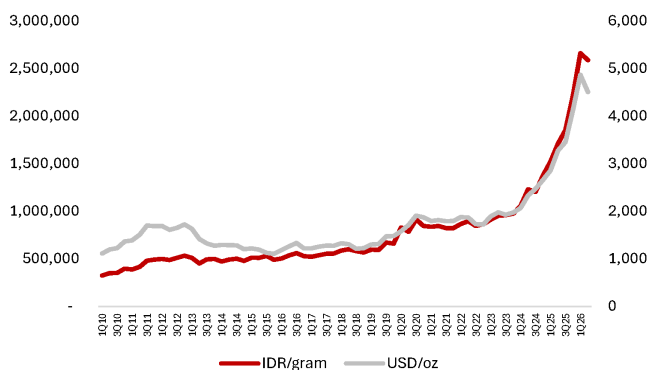
Source: Company data, Verdhana research

Investment thesis

Gold price momentum – high correlation with gold price

Gold prices reached a new high in early 2026 (*Fig. 8*), driven by accelerated structural investment demand, particularly from central banks (CBs), alongside continued growth of gold exchange-traded funds (ETFs), which accounted for 33% of total gold demand in 2025 (*Fig. 10*), according to the World Gold Council. The combined contribution of CBs and ETFs to annual gold purchases increased from 11% in 2020 to 33% in 2026 (*Fig. 11*), highlighting the ongoing strategic shift toward gold as a reserve and investment asset. While ETF flows tend to be more tactical and price-sensitive in the short term, CB accumulation has emerged as the more consistent structural demand driver.

Meanwhile, gold supply has increased only modestly over the past decade (*Fig. 12*). The key constraint is the lengthy project development cycle: gold mines typically take ~14 years from exploration to production, nearly 3x longer than mines commissioned in the 1990s (source: S&P). Recycling supply also tends to weaken as consumers and collectors increasingly view gold as a long-term store of value rather than an asset to monetize. With supply constrained by lengthy project lead times and subdued recycling, we believe the structural supply deficit should provide a floor for gold prices.

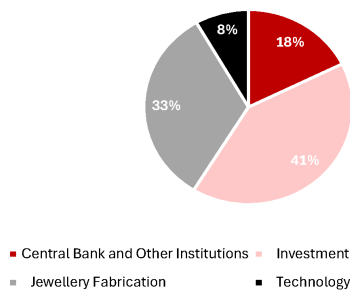
Fig. 8: Gold price

Source: World Gold Council, Bloomberg Finance L.P., Verdhana research

Fig. 9: Gold price in USD discount to IDR

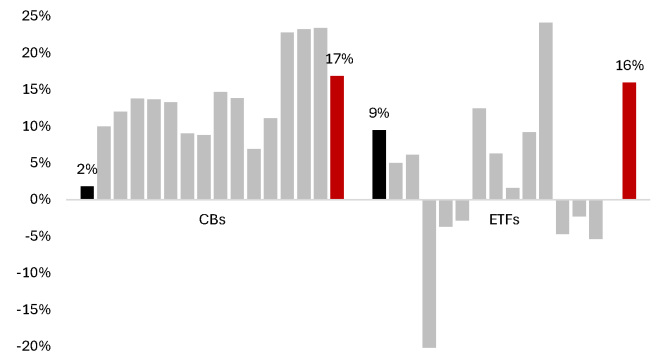
Source: World Gold Council, Verdhana research

Fig. 10: Gold demand breakdown (1H26)



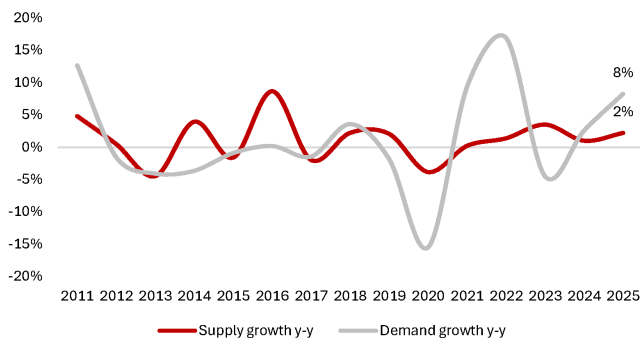
Source: World Gold Council, Verdhana research

Fig. 11: CBs and ETFs contribution to gold total demand (2010-25)



Source: World Gold Council, Verdhana research

Fig. 12: Global gold demand and supply growth



Source: World Gold Council, Verdhana research

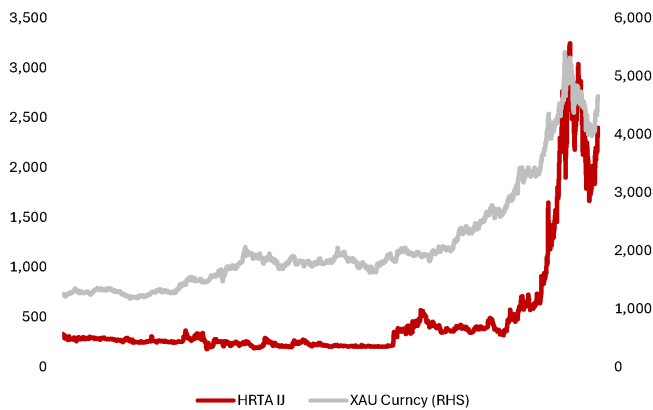
As one of Indonesia's leading gold bar retailers and distributors, Hartadinata is a clear beneficiary of rising gold investment demand, with relatively limited execution and policy risks, in our view. Historically, Hartadinata's share price has shown a 0.88x correlation with gold prices (*Fig. 13*).

Strong domestic demand – Gold rush, bullion banks, and ETFs

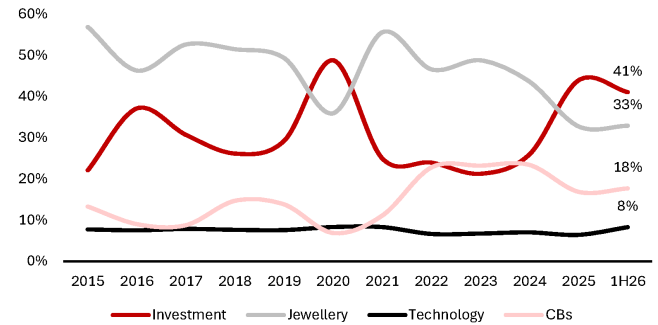
The gold rush has also taken hold in Indonesia, evidenced by the rising share of gold in investment allocations (*Fig. 14*) and a shift in demand toward gold bars and coins (*Fig. 15*). This points to a structural change in consumer perception of gold, from jewelry and accessories toward investment and wealth preservation.

The introduction of bullion banking by Bank Syariah Indonesia and Pegadaian has further expanded the distribution channels for gold retailing, which historically relied more heavily on traditional retail models. Both institutions have seen accelerating gold financing activity (*Fig. 16*), helping to cater to the ongoing gold rush. Hartadinata has played a key role in gold bar distribution, with 80% of its sales volume coming from Bank Syariah Indonesia and Pegadaian in 2025, equivalent to a run-rate of 2.0-2.5 tonnes/month. Given the strong growth at both Bank Syariah Indonesia and Pegadaian, we believe this could encourage other financial institutions to develop their own bullion banking businesses, further broadening Indonesia's gold distribution ecosystem. Capacity expansion should also be relatively manageable, given gold refinery's relatively low capex requirement of USD500k/tonnes, according to management.

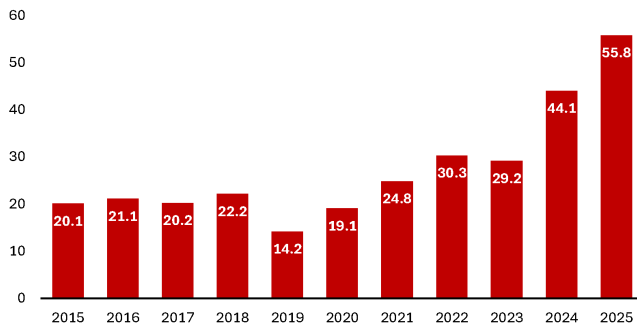
While Indonesia's gold ETF was just launched in Aug-26, we believe the availability of additional channels for mass-market investors to gain exposure to gold should further support structural gold demand over time.

Fig. 13: Hartadinata – share price correlation to gold price (daily price from 2017-26)

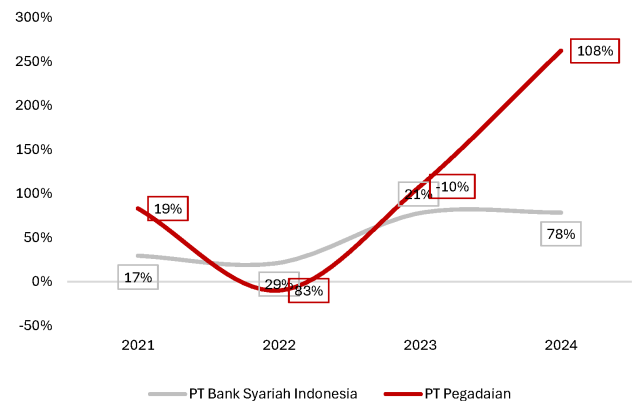
Source: Bloomberg Finance L.P., Verdhana research

Fig. 14: Investment share to gold total demand

Source: World Gold Council, Verdhana research

Fig. 15: Indonesia gold bars and coins demand (tonnes)

Source: World Gold Council, Verdhana research

Fig. 16: Gold financing growth (y-y)

Source: Company data, Verdhana research

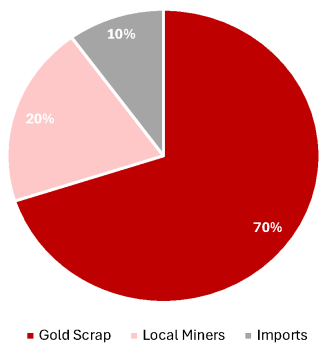
Margin expansion story: strong bargaining power and LBMA certification

Hartadinata sources ~20% of its raw materials from local gold miners (*Fig. 17*), whose bargaining power has tilted further toward mid-to-downstream players following the government's imposition of an additional export levy of up to 15% on gold products (*Fig. 18*) in late-2025. This incentivizes local miners to sell their gold to domestic players, with some miners reportedly offering gold at a slight discount to market prices. We believe this provides a modest incremental offset to margin pressure from the rising contribution of lower-margin gold bar sales.

Producer-side oligopoly. Hartadinata is also well positioned as the second-largest gold producer by annual sales volume after Antam, with the two companies jointly accounting for 84% of domestic market share (*Fig. 19*). This concentrated market structure gives Hartadinata strong bargaining power on both sides of the value chain, not only in raw material sourcing, but also with downstream buyers, in our view.

Hartadinata is targeting LBMA (London Bullion Market Association) certification for its EMASKU bullion products, which management expects could lift selling prices by ~1% and margins by ~0.5%. While the approval timeline remains uncertain, the company is targeting certification as early as 1H27E.

Fig. 17: Hartadinata – raw material mix (2025)



Source: Company data, Verdhana research

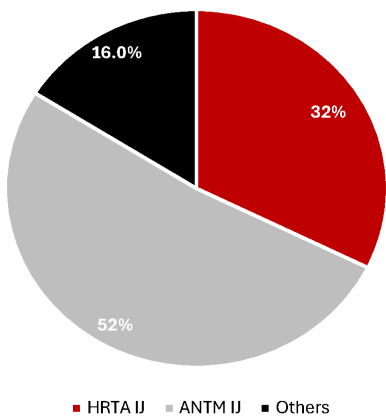
Fig. 18: Gold export levy

Category	Levy (%)
Doré in the form of lumps, ingots, cast bars, and other forms	12,5%
Gold or gold alloys not forged, in granule form or other forms excluding doré	12,5%
Gold or gold alloys not forged, in lumps, ingots, and cast bars excluding doré	10,0%
Minted bars	7,5%

*1) If global gold prices exceed USD3,200 per troy ounces, the applicable export duty rate will be 2.5% higher than the rates above.

Source: Ministry of Energy and Mineral Resources, Verdhana research

Fig. 19: Indonesia – gold sales volume market share (2025)



Source: Company data, Verdhana research

Investment risks

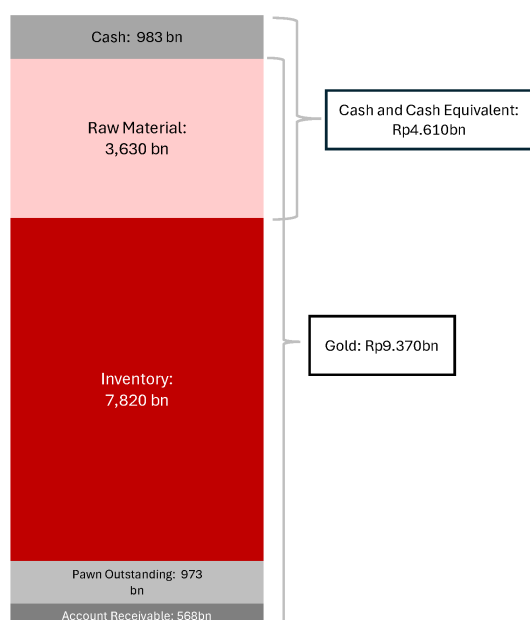
Concentration risk

Although Hartadinata benefits from a producer-side oligopoly, ~80% of sales volume is directed to Bank Syariah Indonesia and Pegadaian, the only bullion-licensed institutions in Indonesia, leaving Hartadinata highly exposed to their gold financing growth. This exposure could stem from either organic demand softening or regulatory tightening (e.g., the regulator OJK's caps on gold-backed lending), which carry different risk profiles, the latter being more binary and challenging to predict, in our view.

Capital management risk

Hartadinata's business model is largely based on gold-for-gold transactions, requiring relatively limited cash outlays for day-to-day operations (*Fig. 20*). As a result, the company maintains relatively lean cash balances, with a significant portion of its assets tied up in inventory (gold inventory of IDR9tn, which we estimate by end-FY26F), while relying on working capital loans (IDR4tn) to meet liquidity needs (*Fig. 21*). This creates a double-edged sword: higher gold prices increase the value of its inventory and provide greater liquidity should the company need to monetize its gold for working capital or debt servicing, while declining gold prices could have the opposite effect.

Fig. 20: Gold backed balance sheet (1H26, IDR bn)



Source: Company data, Verdhana research

Fig. 21: Hartadinata – diversified business chain



Source: Company data, Verdhana research

Raw material risk

Hartadinata sources its raw materials primarily from gold scrap (~70%), local gold miners (~20%), and imports (~10%). Its extensive wholesaler and retail network provides a key advantage in securing a steady supply of gold scrap. Meanwhile, the government's export levy on gold should incentivize local miners to sell domestically, further strengthening Hartadinata's access to locally sourced gold, in our view. With imports accounting for only ~10% of Hartadinata's raw material requirements, the company has relatively limited exposure to disruptions in international gold supply.

Competition risk

Competition in gold distribution remains relatively limited, as the business requires substantial working capital while offering relatively low margins. Although the barrier to entry in gold refining is relatively low, given the modest capex requirement for additional gold refinery capacity of USD500k/ton, we believe refining and distribution capabilities must go hand in hand to compete effectively. However, if domestic gold demand continues to grow, the attractive market opportunity could eventually draw new entrants,

potentially increasing competitive intensity across the value chain.

Sensitivity analysis

Our sensitivity analysis suggests that a 1% increase/decrease in gold price will translate into a 1% increase/decrease in earnings.

Valuation

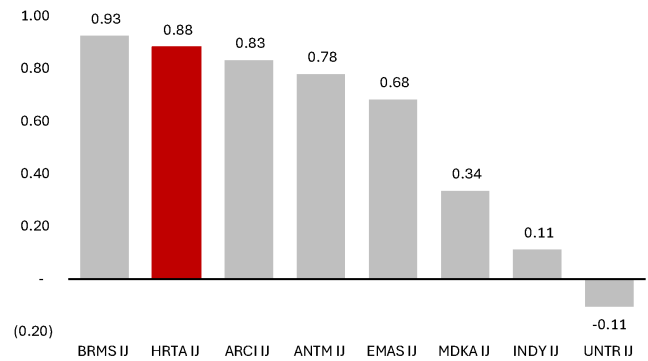
We derive our TP of IDR2,900 based on a 2027F P/E target of 8x, +2SD above its five-year (2021-26) historical average, which is also consistent with the Gold/S&P 500 ratio that is currently trading at a premium to its five-year average (Fig. 22). The stock currently trades at 6.3x 2027F P/E. We believe a premium multiple is warranted for Hartadinata given its stronger bargaining power as an integrated mid-to-downstream gold player, versus upstream miners that face export levies and higher regulatory risk. In our view, Hartadinata is a strong gold bellwether, with its historical correlation to gold prices ranking second only to Bumi Resources Minerals (BRMS IJ, Buy) (Fig. 23).

Fig. 22: Gold/S&P500 ratio 5-year band



Source: Bloomberg Finance L.P., Verdhana research

Fig. 23: Share price correlation with gold price for the past 10 years



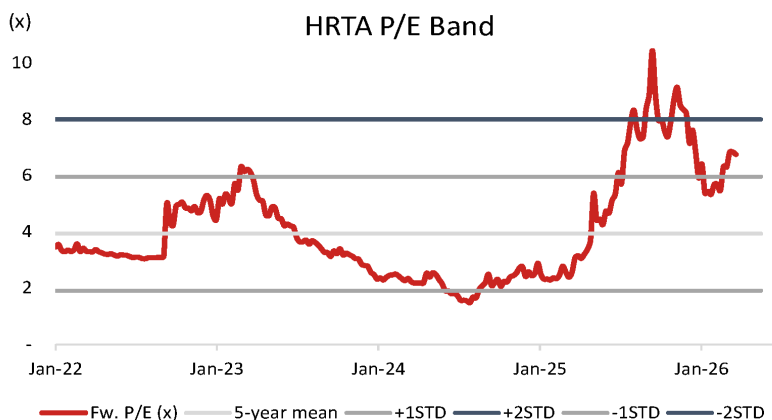
Source: Bloomberg Finance L.P., Verdhana research

Fig. 24: Peer comparison (pricing as of 10 September 2026)

Company Name	Bloomberg Ticker	Market Cap	EV (USDbn)	P/E		EV/EBITDA		ROE	
				2026F	2027F	2026F	2027F	2026F	2027F
Global Retail									
Hartadinata Abadi PT	HRTA IJ EQUITY	0,58	0,76	7,75	6,46	8,14	5,42	30,21	27,82
ANTAM Persero Tbk PT	ANTM IJ EQUITY	4,44	4,28	6,66	5,64	7,79	3,87	27,29	28,75
Titan Co Ltd	TTAN IN EQUITY	46,55	49,36	57,40	48,04	46,02	33,09	32,18	30,79
Phu Nhuan Jewelry JSC	PNJ VN EQUITY	0,75	0,75	6,40	5,71	5,06	4,52	19,62	18,90
Chow Tai Fook Jewellery Group	1929 HK EQUITY	15,02	17,50	10,51	9,68	8,76	7,56	30,21	29,65
Weighted Average (Excl HRTA)				42,90	36,11	34,63	25,08	31,27	30,26

Note: Bloomberg consensus estimates for Not rated stocks. Source: Bloomberg Finance L.P., Company data, Verdhana estimates

Fig. 25: Hartadinata – 5-year P/E band



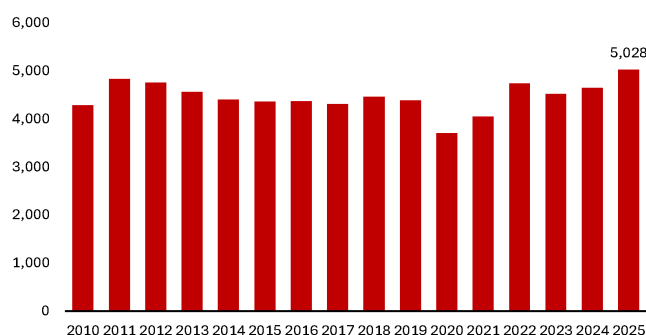
Source: Bloomberg Finance L.P., Company data, Verdhana research

Industry overview

Indonesia's position in the global gold market

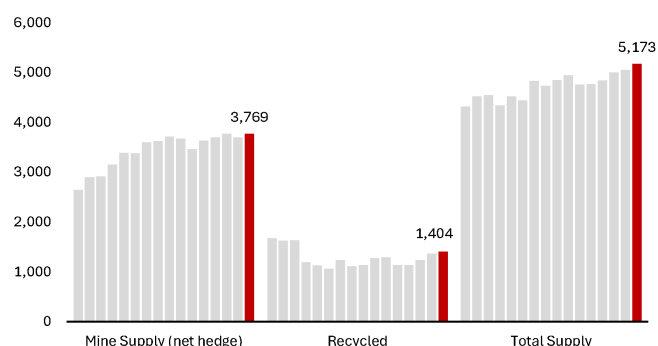
Gold demand rose to new highs in 2025 (*Fig. 26*), driven by strong investment flows and central bank purchases, with investment and jewelry remaining the largest contributors at 74% of demand in 2Q26 (*Fig. 10*). Supply, by contrast, has risen modestly, as mine output responds only gradually to price because new projects usually take more than a decade to build, leaving recycled gold as the main source of incremental supply (*Fig. 27*). Indonesia sits on the resource side, and ranks among the world's ten largest gold producers, with an annual mine output of roughly 104 tonnes and the fourth-largest reserve base globally (*Fig. 28* and *Fig. 29*). The domestic industry built around that resource has historically been oriented toward jewelry distribution and retail — all developed to serve a market in which jewelry accounted for most of the consumer demand. Bullion was a secondary product line, and accredited refining capacity remained limited. That structure has been tested by the rotation in demand: as buying moved from jewelry to bars, the constraint shifted from design and workmanship, which Indonesia has in abundance, to refining and traceability.

Fig. 26: Global gold demand (tonnes)



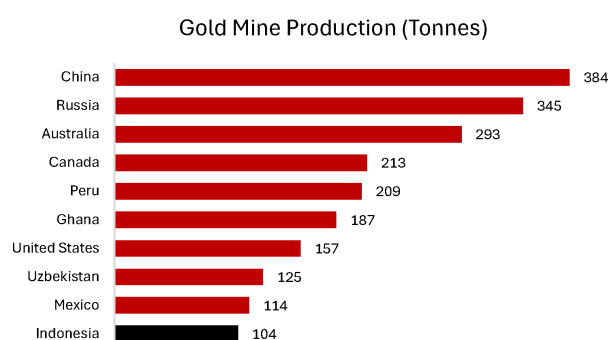
Source: World Gold Council, Verdhana research

Fig. 27: Global gold supply (tonnes, 2025)



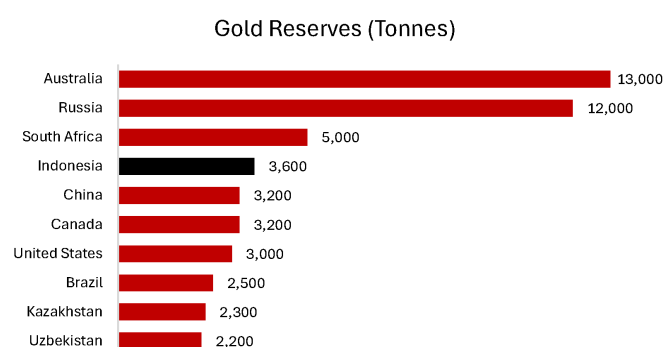
Source: World Gold Council, Verdhana research

Fig. 28: Indonesia ranks among the top-10 gold mine producers globally (2025)



Source: World Gold Council, Verdhana research

Fig. 29: Global gold reserves (2025)



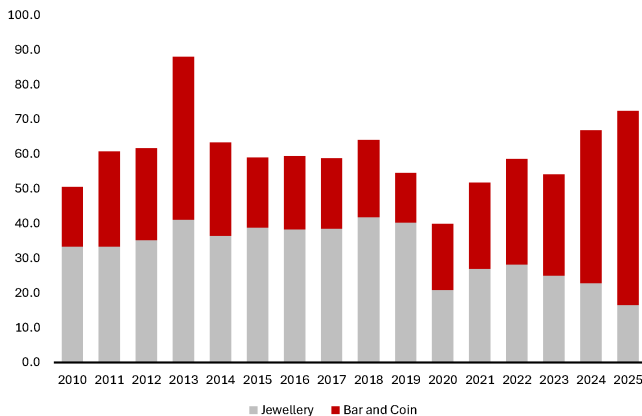
Source: World Gold Council, Verdhana research

The rotation from jewelry to bullion is now structural. Bar and coin demand overtook jewelry volumes in 2022 and has not given up the lead since (*Fig. 30*). Over five years, bar demand has compounded at 24% against a mild decline in jewelry (*Fig. 31*). What began as a price-driven substitution has since acquired an institutional foundation. In February 2025, the licensing of Pegadaian (unlisted) and Bank Syariah Indonesia to conduct bullion business moved bar demand out of a cash transaction at a gold shop and into a regulated financing product backed by physical gold, changing the volume, the counterparty and the reorder cycle simultaneously. Roughly a year into operation, the two

licensees managed around 150 tonnes of bullion volume.

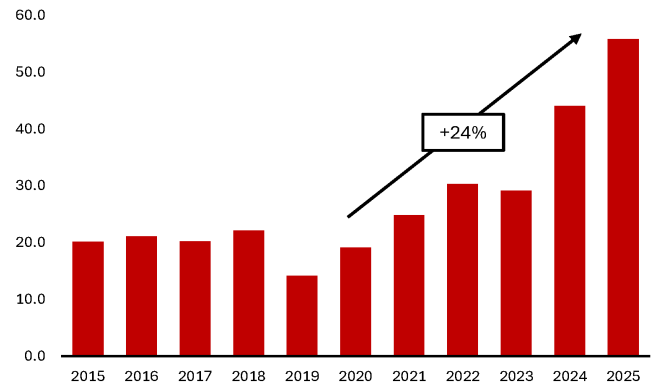
Regulation is building the market, not merely supervising it. The bullion framework was established under POJK 17/2024, which permits licensed financial institutions to conduct gold deposit, financing, trading and custody activities, subject to a minimum core capital requirement of IDR14tn. Implementation is deliberately phased: institutions may deploy up to 70% of gold deposits into financing and trading in the first stage, rising to 80% and 90% in subsequent stages, and conventional banks may only offer gold trading products from the second stage onward. The ecosystem has been extended by POJK 2/2026 governing gold ETFs, the OJK Bullion Ecosystem Roadmap 2026–2031, and the formation of the Indonesia Bullion Market Association in 2026 ([link](#)).

Fig. 30: Indonesia gold bar demand overtook jewelry demand in 2020 (tonnes)



Source: World Gold Council, Verdhana research

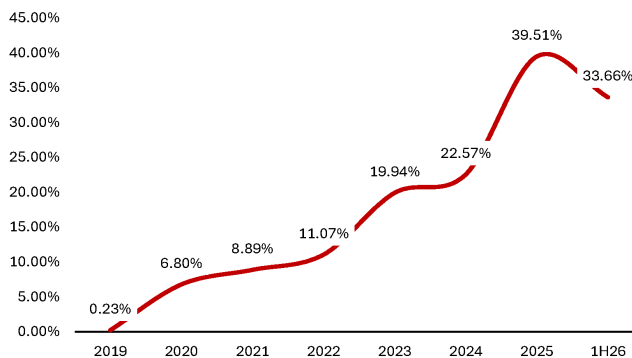
Fig. 31: Indonesia gold bar demand (tonnes)



Source: World Gold Council, Verdhana research

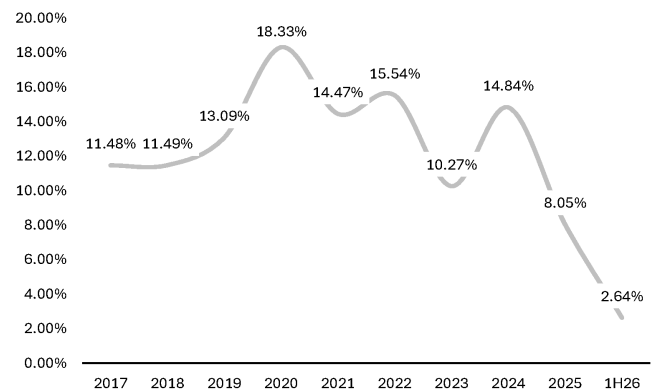
Hartadinata has captured essentially the entire gold bar demand increment. Its overall market share roughly doubled between 2023 and 1H26 to 29%, driven by gold bars, and the share now approaches 40%. The jewelry share of Hartadinata moved in the opposite direction, however, falling to low-single digits by 1H26 ([Fig. 32](#) and [33](#)). In our opinion, the company was well positioned to capture this shift because refinery capacity was already in place when demand moved. With only two bullion licences issued to date, we see substantial room for further expansion as additional institutions enter the ecosystem and as the existing licensees continue to grow their gold-backed balances.

Fig. 32: Hartadinata – gold bar market share



Source: Company data, Verdhana research

Fig. 33: Hartadinata – jewelry market share

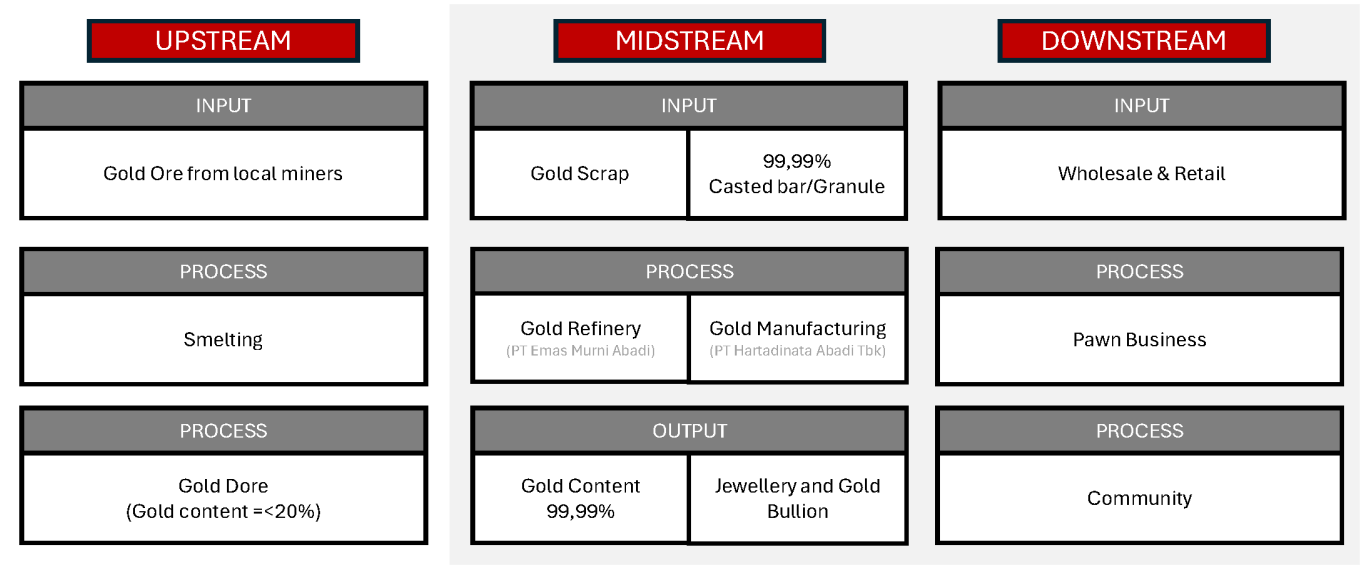


Source: World Gold Council, Verdhana research

Business overview

Hartadinata operates an integrated midstream-to-downstream gold business in Indonesia. The company participates in every stage of the domestic gold chain except extraction: it purchases ore and dore from local miners, scrap from the retail trade, and imported cast bar, then refines, fabricates, distributes and retails the finished product, and lends against it through a pawn network (Fig. 34). Raw materials are sourced from three primary channels: recycled scrap collected via retail and pawn networks (70%), domestic mine production (20%), and imports (10%).

Fig. 34: Gold value chain



Source: Company data, Verdhana research

Processing capacity has roughly doubled in three years, with the addition entirely in refining. Capacity moved from 30 tonnes through 2017–2022 to 39 tonnes in 2023, 42 tonnes in 2024, 48 tonnes in 2025 and 60 tonnes in 2026, as four separate factories and a standalone refinery were consolidated into a single integrated facility. Within the 60-tonne total, jewelry and bullion manufacturing remains at 30 tonnes, while refining rises from 18 in 2025 to 30 tonnes in 2026.

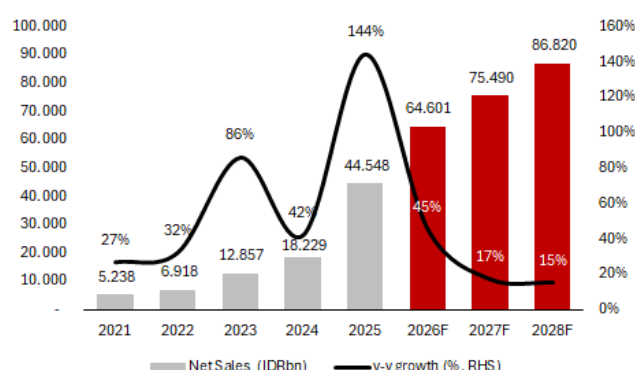
As one of the most integrated gold jewelry and gold bar players in Indonesia, Hartadinata operates an extensive distribution network spanning more than 80 wholesalers and over 900 partner retail shops nationwide, on top of 90 owned retail stores across Java, Sulawesi and Sumatera and 144 GADAIKU pawn outlets in Java and beyond. Product development has been consistent, with gold bars sold under the EMASKU brand and a jewelry range covering necklaces, bracelets and other pieces marketed largely under Ardore. The company has also secured a position in the institutional channel, working with Pegadaian in connection with the establishment of Indonesia's bullion bank framework and partnering with Bank Syariah Indonesia on the launch of Bank Syariah Indonesia Gold. Beyond the volume these relationships bring, management positions Hartadinata's role in the bullion ecosystem as supporting the wider policy objective of maximizing the value captured from Indonesia's gold resources domestically and strengthening national gold infrastructure.

Financial analysis

Growing bullion bank demand drives volume growth for Hartadinata

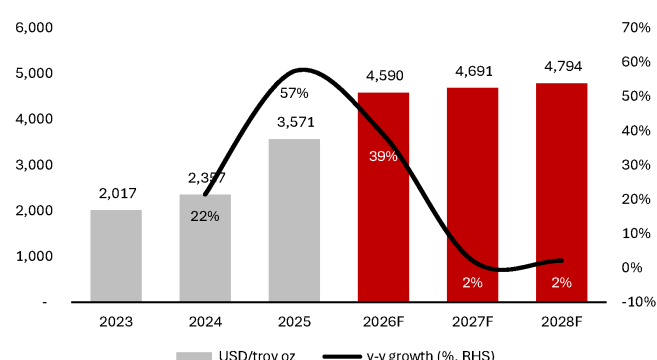
We forecast Hartadinata's revenue to deliver a 16% CAGR from 2026F to 2028F, reaching IDR86tn in 2028F (vs. IDR64tn in 2026F) (vs IDR66tn in 2026F) (Fig. 35), with volume/ASP CAGR split at 13%/2% (Fig. 36 and 37.) Most of the volume growth will be driven by our expectation of rising demand from Hartadinata's wholesale channel, the majority of which comprises bullion banks. We believe Hartadinata is well positioned to capture this demand, as it is one of only a handful of players in Indonesia with the refining capacity, regulatory trust, and distribution network required to service bullion banks at scale, a combination that is difficult for smaller or newer entrants to replicate, in our opinion. We also believe the structural shift of global central banks toward gold as reserves, along with growing gold ETF holdings, should help support gold prices going forward

Fig. 35: Revenue forecast – 16% CAGR from 2026F to 2028F



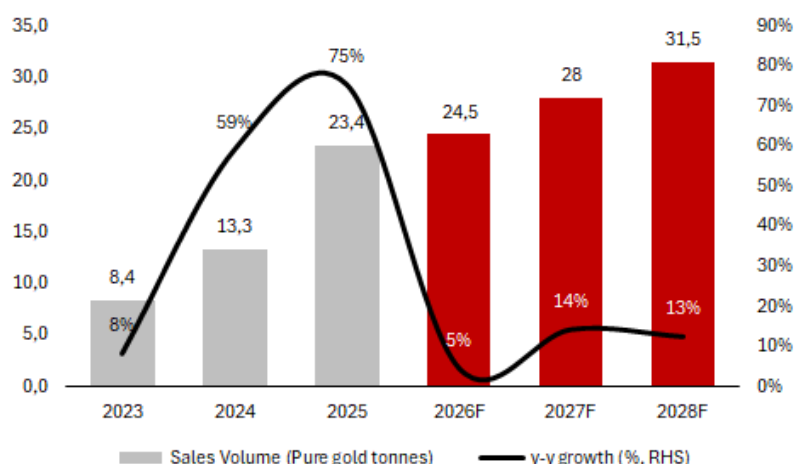
Source: Company data, Verdhana estimates

Fig. 36: ASP trend – 2% CAGR from 2026F to 2028F



Source: Company data, Verdhana estimates

Fig. 37: Sales volume trend – 13% CAGR from 2026F to 2028F



Source: Company data, Verdhana estimates

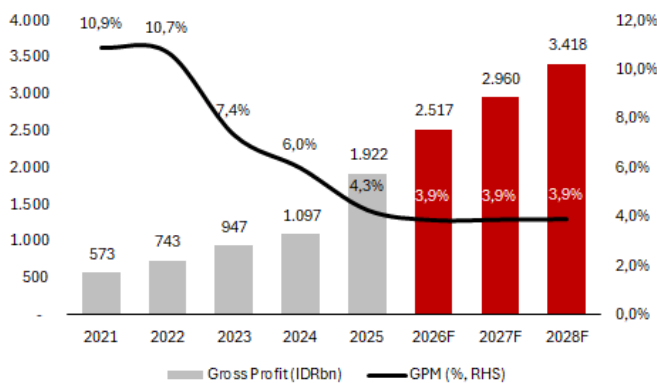
Expecting margins to stay flat; LBMA certification is a bonus, if approved

We set our 2026F-2028F GPM forecast at a stable 3.9% (Fig. 38), a significant decline from historical levels following a higher mix of gold bar sales. However, with gold bar sales already contributing 99% of the mix, we think the room for further GPM decline is limited. That said, approval of LBMA certification for Hartadinata's gold products could provide some upside, both through better pricing and enhanced customer trust, which could drive higher sales volume. Notably, we observe a fairly wide gap between Hartadinata's gold bar pricing and that of Antam and other domestic peers, which we believe partly reflects the current lack of LBMA accreditation; closing this gap could represent a meaningful repricing opportunity, in our

videw. Management has guided that the certification process may be completed by 1H27E; however, we have not factored this into our forecasts given the uncertainty around approval. If it goes through, management expects a 1% increase in ASP and a 0.5% improvement in profitability margin.

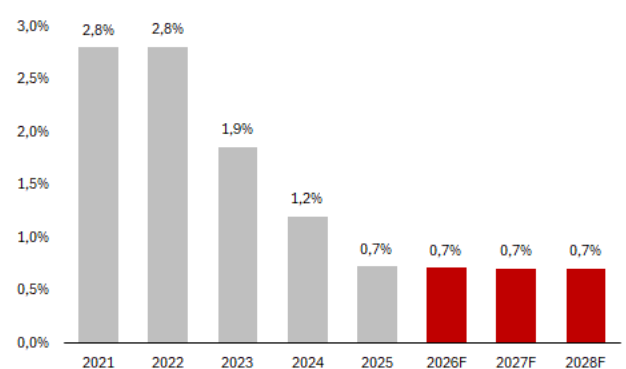
We do not expect much swing in opex, as operating costs are lean and steady at ~0.7% of sales (*Fig. 39*). Finance cost is the other key swing factor for earnings, and while we expect the absolute finance cost to keep rising, given most of it is short-term debt used to fund working capital needs amid a growing balance sheet, we expect finance cost as a percentage of sales to trend lower over the forecast period (*Fig. 40*), as revenue growth outpaces growth in funding needs. Given the nature of the business, where most transactions are gold-denominated, and management's approach of maintaining a more aggressive balance sheet by holding excess cash flow in the form of gold, we do not expect leverage to decline significantly. As a result, we expect net margin to trend relatively stable at 2.0-2.1% over 2026-28F (*Fig. 41*).

Fig. 38: Gross profit trend – remains stable in 3.9%



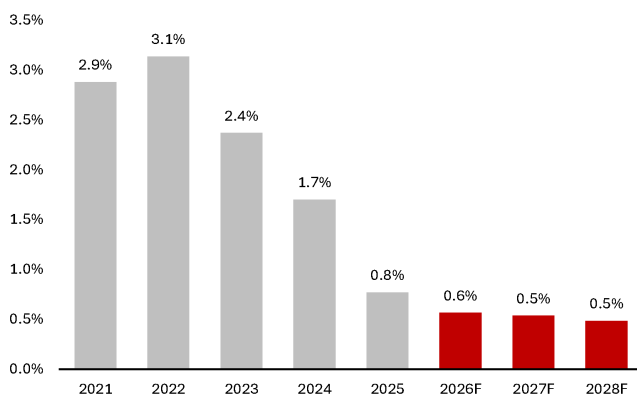
Source: Company data, Verdhana estimates

Fig. 39: Opex-to-sales trend



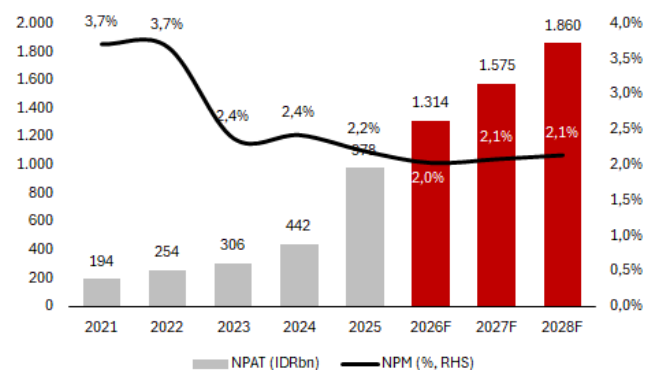
Source: Company data, Verdhana estimates

Fig. 40: Interest expense-to-sales trend



Source: Company data, Verdhana estimates

Fig. 41: Net income trend



Source: Company data, Verdhana estimates

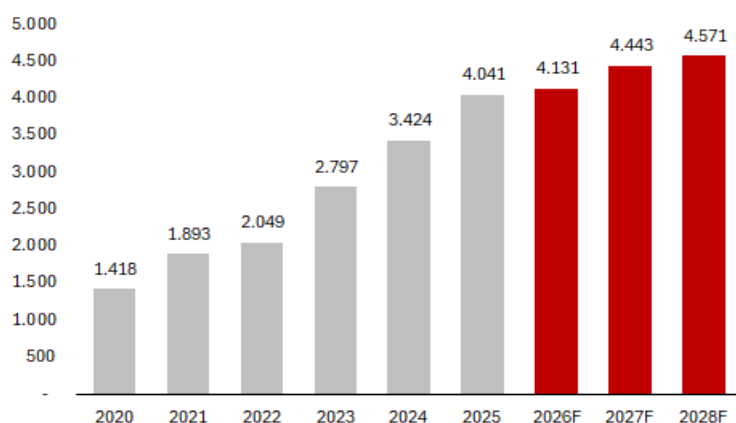
Balance sheet approach – debt growth roughly tracks working capital needs

Hartadinata's working capital is heavily tied to its inventory (predominantly gold) and deposit from bullion banks made ahead of gold bar orders. As the business scales alongside our forecasted revenue growth, we expect both inventory and advances to grow in tandem, keeping working capital needs elevated. We therefore do not expect leverage to come down meaningfully; instead, we forecast gross debt to grow from IDR4tn in 2025 to IDR5.1tn in 2026F (*Fig. 42*), broadly proportional to that in the balance sheet. This, we believe, reflects management's consistent approach of financing working capital through short-term debt rather than deleveraging, which we do not expect to change over our forecast horizon (*Fig. 43*).

Dividend – steady payout, limited room for growth

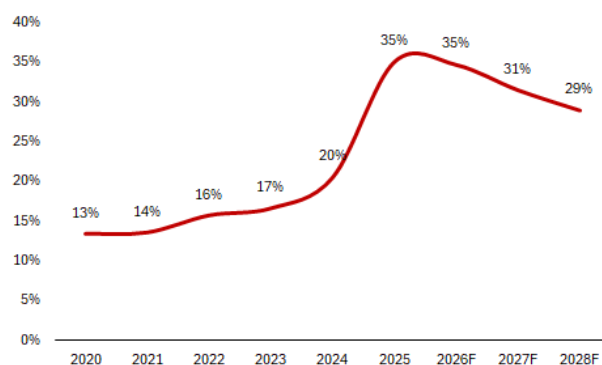
Hartadinata has not provided formal dividend guidance. That said, the company has been consistent in delivering a 20% payout ratio historically, and we assume this continues over our forecast period (Fig. 44). However, we do not expect dividends to grow significantly in absolute terms, given management's balance sheet strategy of retaining cash flow in the form of gold and financing working capital growth through debt rather than distributing a larger share of earnings.

Fig. 42: Gross debt trend



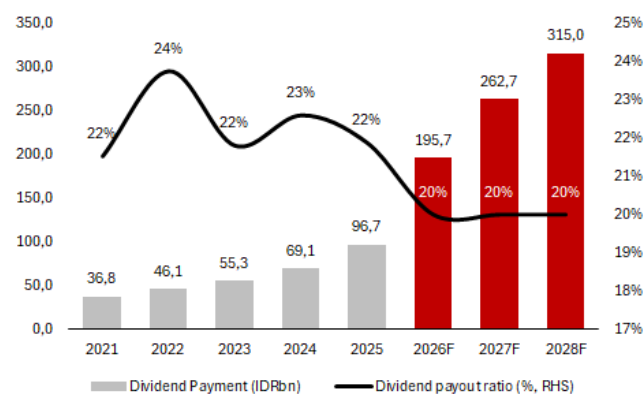
Source: Company data, Verdhana estimates

Fig. 43: Return on average equity (ROAE) trend



Source: Company data, Verdhana estimates

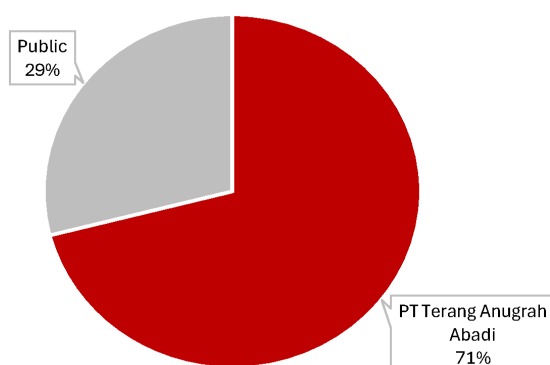
Fig. 44: Dividend payout ratio – maintained at 20%



Source: Company data, Verdhana estimates

Ownership structure

Fig. 45: Hartadinata – Ownership structure



Source: Company data, Verdhana research

Management structure

Board of Commissioners

Ferriyady Hartadinata — President Commissioner

Mr. Ferriyady Hartadinata, an Indonesian citizen born in Tasikmalaya on 2 March 1973 and domiciled in Bandung has served as the company's President Commissioner since 2017, most recently reappointed at the Annual General Meeting of shareholders on 22 June 2022. He holds a Bachelor of Economics degree from Universitas Bandung Raya (1999). He founded the company's gold jewelry business in 1989, established PT Hartadinata Abadi in 2004, and led it as President Director from 2004 to 2016 before moving to the supervisory board. He also served as Director of PT Gadai Cahaya Abadi Mulia (unlisted) from 2020 to 2025 and has been President Commissioner of PT Gemilang Hartadinata Abadi (unlisted) since 2020. Mr. Ferriyady is the company's founder and ultimate beneficial owner, holding 99.9% of PT Terang Anugrah Abadi (unlisted), which in turn owns 71% of the company.

Fendy Wijaya — Commissioner

Mr. Fendy Wijaya, an Indonesian citizen born in Palembang on 26 December 1972 and domiciled in Bandung has served as Commissioner since 2017, reappointed at the Annual General Meeting of shareholders on 22 June 2022. He holds a Bachelor of Engineering degree from Maranatha Christian University (1997). He joined Hartadinata as General Manager of Production from 2003 to 2016 and currently holds board seats at four of the group's pawnbroking entities, as Commissioner of PT Gadai Cahaya Dana Abadi (unlisted), PT Gadai Terang Abadi Mulia (unlisted) and PT Gadai Hartadinata Terang Sejati (unlisted), and as Director of PT Gadai Cahaya Terang Abadi (unlisted).

Drs. Suprihadi Usman — Independent Commissioner

Mr. Suprihadi Usman, an Indonesian citizen born in Padang Sidempuan on 5 August 1950 and domiciled in Bandung, has served as Independent Commissioner since 2017, reappointed at the Annual General Meeting of shareholders on 22 June 2022. He holds a Master of Management degree from Bhayangkara Jaya University (2000). He spent his career in the Indonesian National Police, serving as Karawang Police Chief (1990), Samarinda Police Chief (1993), Deputy Chief of the Bengkulu Regional Police (2003), Territorial Inspector (2004) and Deputy Chief of the West Java Regional Police (2006). He currently chairs both the Audit Committee and the Nomination and Remuneration Committee.

Board of directors

Sandra Sunanto — President Director

Mrs. Sandra Sunanto, an Indonesian citizen born in Bandung on 28 June 1973 and domiciled in Bandung, has served as President Director since 2017, reappointed at the

Annual General Meeting of shareholders on 22 June 2022. She holds a bachelor's degree in management from Parahyangan Catholic University (1996), a Master of Management degree from Institut Teknologi Bandung (1999), a Master of Philosophy degree from Maastricht School of Management, Netherlands (2010) and a Doctorate in Management from Erasmus University Rotterdam (2013). She joined Hartadinata as General Manager of Business and Development in 2014. She currently serves as President Commissioner of PT Gadai Terang Abadi Mulia and Commissioner of PT Gadai Cahaya Abadi Mulia.

Ong Deny — Director of Finance

Mr. Ong Deny, an Indonesian citizen born in Jakarta on 9 November 1973 and domiciled in Jakarta has served as Director of Finance since 2017, reappointed at the Annual General Meeting of shareholders on 22 June 2022. He holds a Bachelor of Science degree in Accountancy from Xavier University "Ateneo de Cagayan", Cagayan de Oro City, Philippines (1995). He spent 1995 to 2011 serving as Senior Manager Corporate Finance at PT Plaza Indonesia Realty Tbk (PLIN IJ, not rated), then led finance and accounting at PT Kertas Nusantara (unlisted; 2011–13) and finance at Dwimukti Group (unlisted; 2014–15), followed by a business development role at PT Lembang Permata Recreation Estate (unlisted), before joining Hartadinata as General Manager of Finance in 2016. He currently serves as Director of PT Gadai Hartadinata Terang Sejati and as Commissioner of PT Gadai Jaya Raya Mulia (unlisted), PT Emas Murni Abadi (unlisted) and PT Gadai Cahaya Terang Abadi, and also acts as the company's Corporate Secretary, as per the organisation chart.

Cuncun Muliawan — Director of Production

Mr. Cuncun Muliawan, an Indonesian citizen born in Tasikmalaya on 11 March 1974 and domiciled in Bandung has served as Director since 2017, reappointed at the Annual General Meeting of shareholders on 22 June 2022. He holds a bachelor's degree in management from Maranatha Christian University (1999). After early experience in computer marketing at CV Prisma Komputer (unlisted; 1993–99), he joined Hartadinata in 2003 and progressed through marketing management roles covering the ACC gold stores (2003–09), Claudia Perfect Jewellery (unlisted; 2009–12) and corporate marketing (2012–16), and served as a Director of PT Gemilang Hartadinata Abadi from 2020 to 2023.

Yudho Jatmiko — Director of Business Operations

Mr. Yudho Jatmiko, an Indonesian citizen born in Tegal on 5 April 1988 and domiciled in Bandung has served as Director of Business Operations since his appointment at the Annual General Meeting of shareholders on 24 April 2024, making him the newest and youngest member of either board. He holds a bachelor's degree in computerised accounting from Bina Nusantara University (2009) and an MBA from Institut Teknologi Bandung (2015). He began his career as a management trainee and sales specialist at PT Kawan Lama Sejahtera (unlisted; 2010–11), then worked as a merchandiser at Yogya Retail Group (unlisted; 2012–15), R&D Manager at PT Kurnia Astasurya (unlisted; 2015–16), and in business development and store development at CV Sendiran Agung Bernato (unlisted; 2016–20), before joining Hartadinata as General Manager of E-commerce in 2020 and serving as Vice President of Business Operations from 2021 to 2024. He currently serves as President Director of PT Emas Karya Abadi (unlisted).

INVESTMENT RATINGS

A rating of 'Buy', indicates that the analyst expects the stock to outperform the Benchmark over the next 12 months. A rating of 'Neutral', indicates that the analyst expects the stock to perform in line with the Benchmark over the next 12 months. A rating of 'Reduce', indicates that the analyst expects the stock to underperform the Benchmark over the next 12 months. A rating of 'Suspended', indicates that the rating, target price, and estimates have been suspended temporarily to comply with applicable regulations and/or firm policies. Securities and/or companies that are labelled as 'Not Rated' or 'No Rating' are not in regular research coverage. Benchmark is Indonesia Composite Index ('IDX Composite'). A 'Target Price', if discussed, indicates the analyst's forecast for the share price with a 12-month time horizon, reflecting in part of the analyst's estimates for the company's earnings, and may be impeded by general market and macroeconomic trends, and by other risks related to the company or the market in general.

GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by PT Verdhana Sekuritas Indonesia ("PTVSI") a securities company registered in Indonesia, supervised by Indonesia Financial Services Authority (OJK) and a member of the Indonesia Stock Exchange (IDX).

This report is intended for client of PTVSI only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of PTVSI.

The research set out in this report is based on information obtained from sources believed to be reliable, but PTVSI do not make any representation or warranty as to its accuracy, completeness or correctness. The information in this report is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the company (or companies) referred to in this report. Any information, valuations, opinions, estimates, forecasts, ratings or targets herein constitutes a judgment as of the date of this report is published, and there is no assurance that future results or events will be consistent.

This report is not to be construed as an offer or a solicitation of an offer to buy or sell any securities or financial products. PTVSI and its associates, its directors, and/or its employees may from time to time have interests in the securities mentioned in this report or it may or will engage in any securities transaction or other capital market services for the company (companies) mentioned herein.

ANALYST CERTIFICATION

The research analyst primarily responsible for the content of this report and certifies that the views about the companies including their securities expressed in this report accurately reflect his/her personal views. The analyst also certifies that no part of his/her compensation was, is, or will be, directly, or indirectly, related to specific recommendations or views expressed in this report.

RESTRICTIONS ON DISTRIBUTION

By accepting this report, the recipient hereof represents and warrants that you are entitled to receive such report in accordance with the restrictions and agrees to be bound by the limitations contained herein. Neither this report nor any copy hereof may be distributed except in compliance with applicable Indonesian capital market laws and regulations.