



PT Medikaloka Hermina Tbk

1H 2023 Presentation

August 2023

Hermina – Our Team



dr. Hasmoro

***President
Director & CEO***

39
Years of Experience



Yulisar Khiat

***Co-Founder and MD,
Operational and
General Affairs***

39
Years of Experience



**dr. Binsar Parasian
Simorangkir**

***Co-Founder and MD,
Medical and
Compliance***

37
Years of Experience



Aristo Setiawidjaja

***MD, Finance and
Strategic
Development***

20
Years of Experience





1. Company Overview

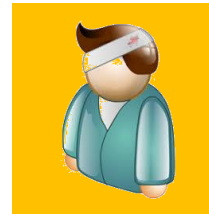
Introduction to Hermina

Hermina is one of the largest hospital groups in Indonesia with more than 38 years of experience in women and children care and a differentiated business model. Hermina is uniquely positioned to take advantage of low healthcare penetration and universal health coverage roll-out through the Jaminan Kesehatan Nasional ("JKN") scheme in Indonesia.

Unique Business Model

- **One of the Largest Private Hospital Groups**
 - **45 hospitals and 6,478 beds** as of June 30, 2023
 - **General hospital** providing a wide range service offerings, with a strong heritage in women and children care
- **'Doctor Partnership' Model**
 - Top specialist doctors own a minority stake at each hospital
 - (i) Helps to **attract and retain quality doctors**, and (ii) **supports growth plan** going forward
- **Patient Segment Positioning – Fast growing middle class** and rising affluence
 - Strength in women and children care provides a good entry point for Indonesians of productive age
- **Early Mover Advantage in JKN** – Visits driven by JKN, as well as private pay, insurance, and corporate patients
- **Proven Track Record** – Successfully developing new hospitals and optimizing capacity while maintaining profitability
- **Alignment of Interest** – **Doctor Partners** + **self-owned properties**¹ + **fully committed** founders and credible institutional investors

Key Statistics (FY22)



6.6M+

Annual Out-Patient
Visits

484K+

Annual In-Patient
Admissions



4,300+

Doctors and
Specialists



73,000+

Annual Babies Delivered



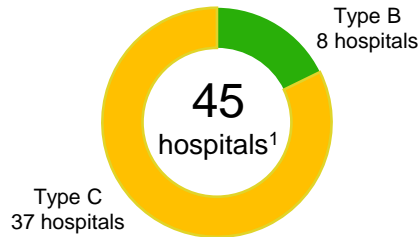
100%

JKN Participation Across Hospitals

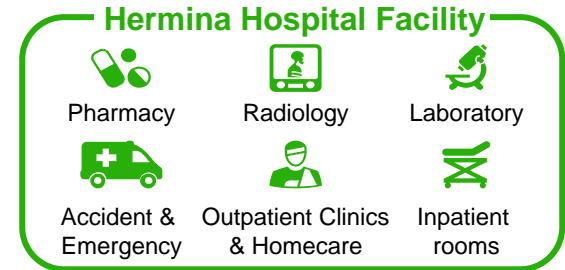
1. Except for RS Hermina Pandanaran whose land is owned by a non-profit organization

Full Service Offering of General Hospital

Hermina hospitals are a network of general hospitals with a significant strength and wide offering in women and children care



- 8 Type B general hospitals with fully advanced center of excellence & sub-specialist care
- 37 Type C full service general hospitals with several sub-specialist care



Service Offerings

No. 1 in Women and Children Care²

Market Leader in Number of Sub-specialty Service Offerings²

Obstetrics & Gynaecology



Specializes in women's health including Oncology and Urogynaecology

Service of Excellence

- Feto-maternal care
- Infertility

Pediatrics



Children's health including tertiary care such as Gastroenterology and Thalassemia

Service of Excellence

- Perinatology
- Neonatal Intensive Care Units (NICU)
- Pediatric Intensive Care Units (PICU)

Medical Rehabilitation



Service of Excellence

Growth and Development Center which includes Children Bobath to treat Cerebral Palsy and care for Neuromuscular diseases, and Adult Bobath to treat Stroke and Brain Injury

Dental Specialists



Service of Excellence

Orthodontics, Conservative Dentistry, Pediatric Dentistry, Prosthodontics, Periodontics and Oral Surgery

Internal Medicine



Haemodialysis, CAPD, Gastrointestinal Endoscopy, Geriatrics Clinic, Oncology - Chemotherapy

Diagnostics / Imaging



General X-ray & Ultrasound, Mammography, BMD, MRI, CT Scan, C-Arm, ENT Endoscopy, Pathology-Clinic

Other Specialties



Ophthalmology
Neurology
Pathology-Anatomic
Anaesthesiology

Acupuncture
Psychiatry
Psychology
Radiology

Surgical Procedures



Orthopaedics and Traumatology, Oncology – Chemotherapy, Neuro surgery, Plastic surgery, Vascular surgery, Digestive (Laparoscopy) and Urology (ESWL & TURP), Phacoemulsification

Cardiovascular



A variety of health screening and treatment such as Cath Lab



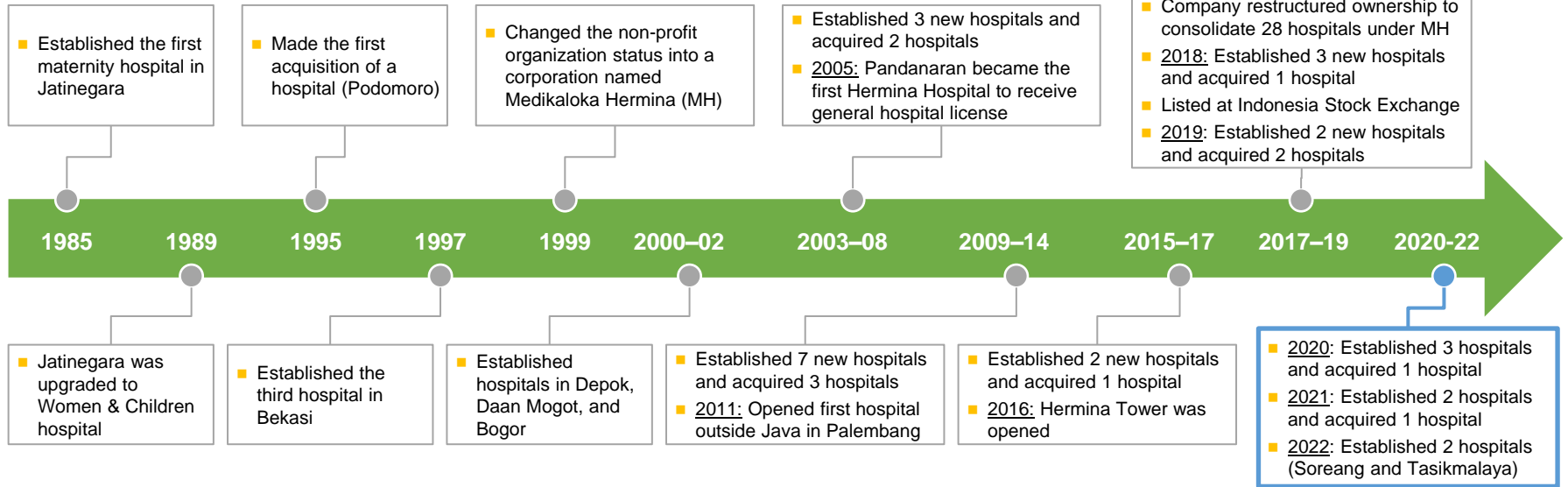
Pulmonology
Dermatology & Venereology
Otorhinolaryngology (ENT)

1. As of June 30, 2023

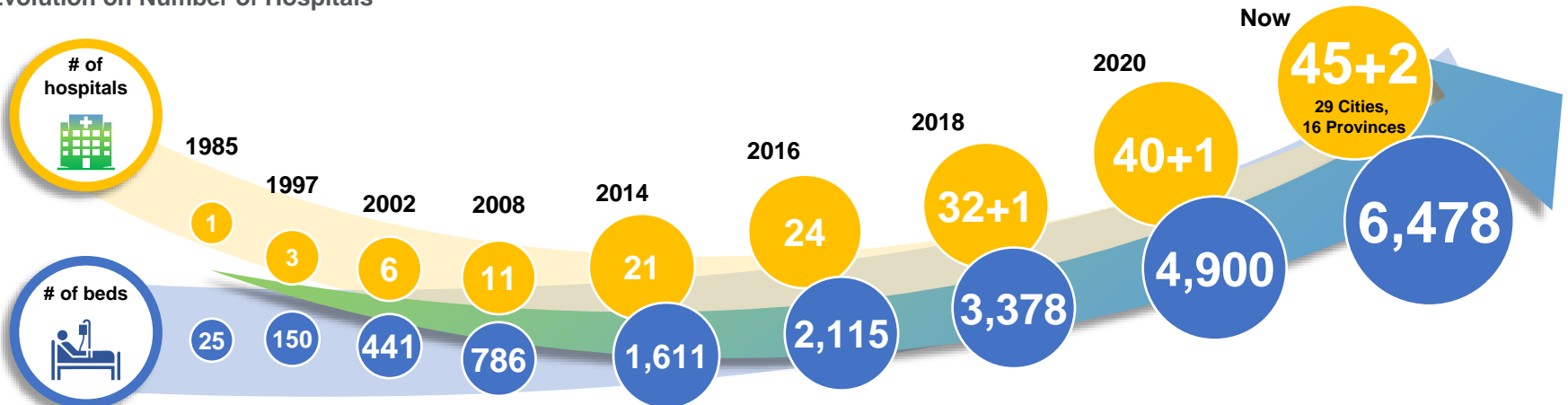
2. Based on Frost & Sullivan's analysis that within the top private multi-specialty hospital chains, Hermina has the broadest offerings in women & children segment

Corporate History

Company Milestones



Evolution on Number of Hospitals



Our Nationwide Hospital Network

Our Nationwide Hospital Network

Type B Hospitals



Jatinegara



Kemayoran



Bekasi



Depok



Daan Mogot



Bogor



Grand Wisata



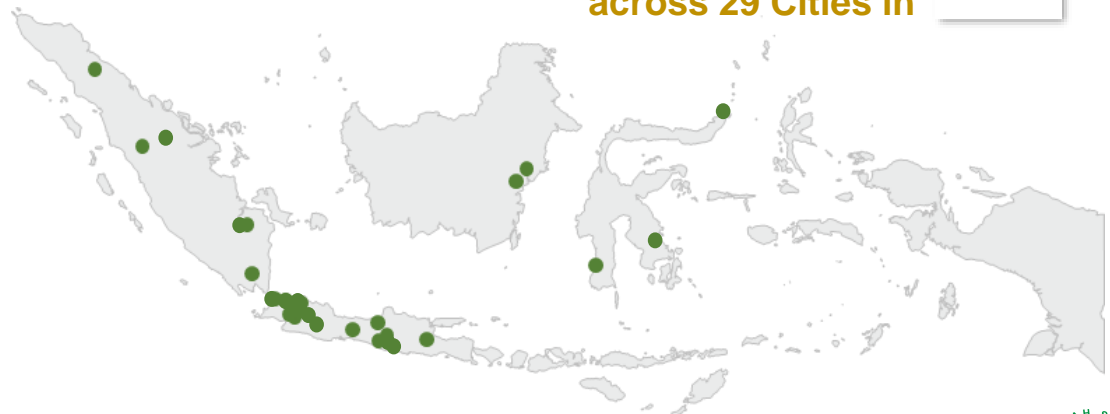
Pasteur

Type C Hospitals

- Pandanaran
- Tangkubanprahu
- Sukabumi
- Tangerang
- Arcamanik
- Galaxy
- Palembang
- Ciputat
- Mekarsari
- Serpong
- Banyumanik
- Solo
- Ciruas
- Yogya
- Bitung
- Makassar
- Balikpapan
- Medan
- Podomoro
- Purwokerto
- Samarinda
- Jakabaring
- Padang
- Lampung
- Pekalongan
- Pekanbaru
- Kendari
- Wonogiri
- Karawang
- Manado
- Periuk
- Tangerang
- Salatiga
- Ciledug
- Cibitung
- Cilegon
- Soreang
- Tasikmalaya

Total Hospitals

45 Hospitals¹
across 29 Cities in



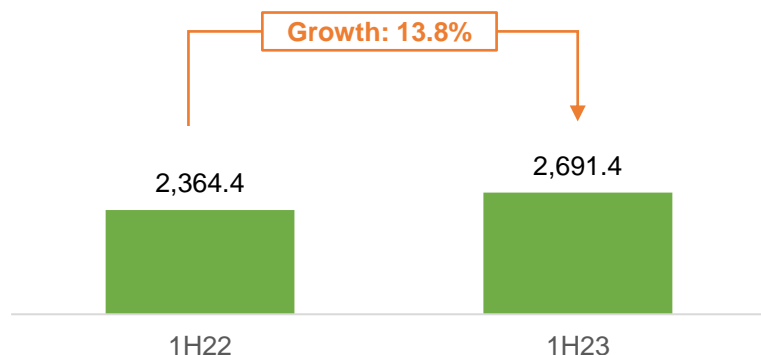
1. Excluding Provita Hospital in Jayapura and Ubaya Hospital in Surabaya, which are owned by non-profit organizations but managed and operated by Hermina



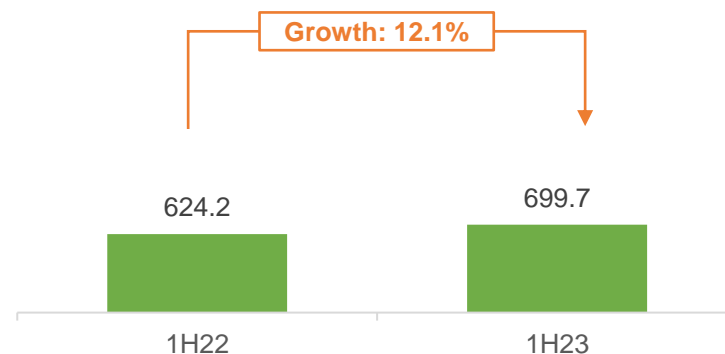
2. Financial Update

Positive Revenue and EBITDA Growth Despite Macro Pressure

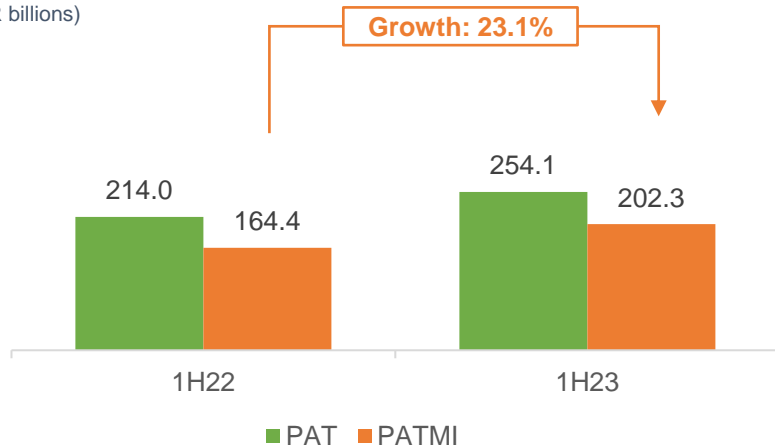
Total Revenue
(IDR billions)



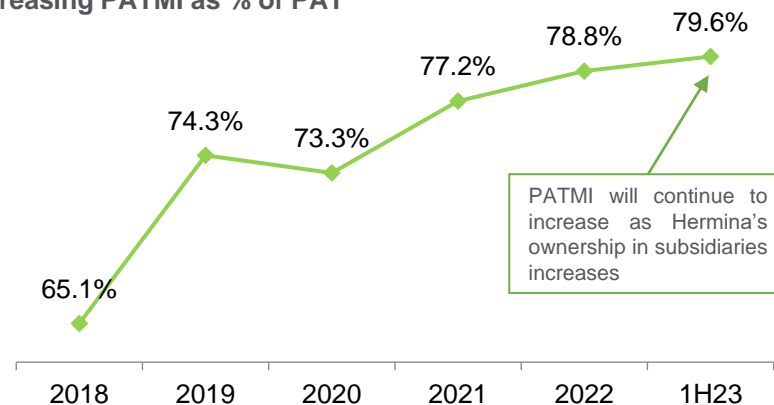
EBITDA
(IDR billions)



PAT & PATMI
(IDR billions)



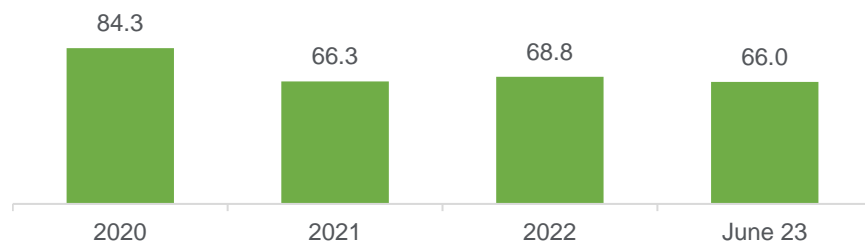
Increasing PATMI as % of PAT



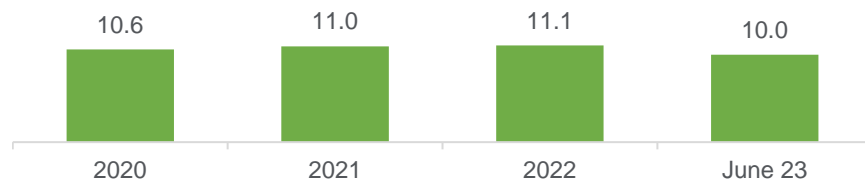
1. EBITDA is calculated by operating income + depreciation and amortization + adjustment for non-operating items (loss on disposal of fixed asset, gain on sale of fixed asset, and other income (expense)) and adjustment for non-cash items (allowance for impairment losses and post-employment benefit expense).

Prudent Working Capital Management Despite Serving BPJS

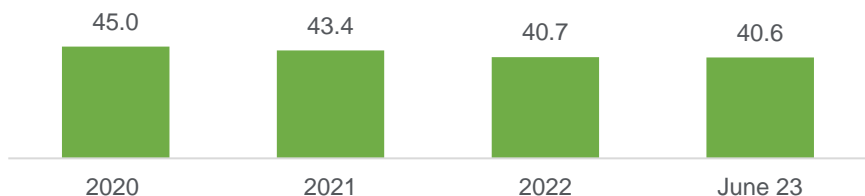
Trade Receivable Days¹
(Days)



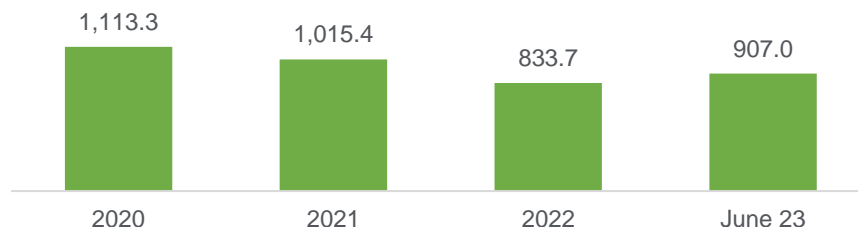
Inventory Days²
(Days)



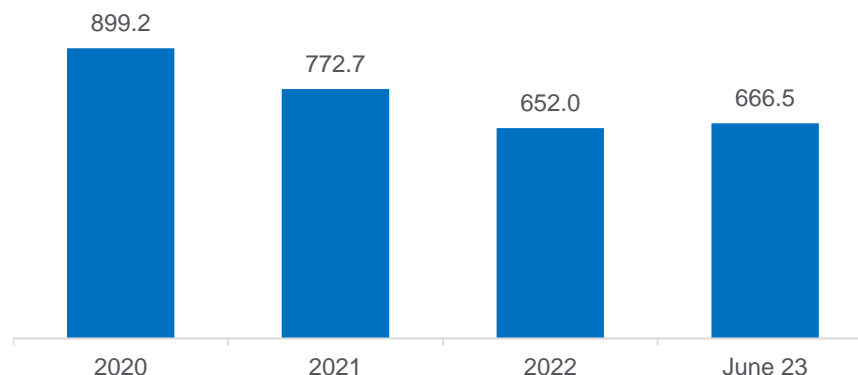
Trade Payable Days³
(Days)



Trade Receivable Amount
(IDR billions)



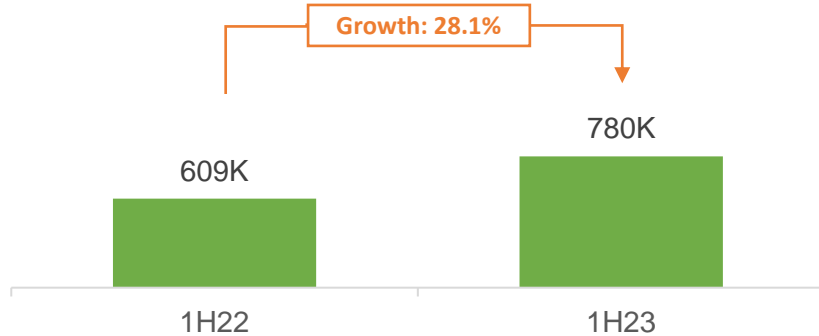
Net Working Capital
(IDR billions)



1. Trade receivable days are calculated based on the average of beginning and ending balance of trade receivables over the period of last 12 months (LTM) divided by LTM Sales.
2. Calculated based on the average of beginning and ending balance of LTM period divided by LTM COGS.
3. Calculated based on the average of beginning and ending balance of LTM period divided by LTM COGS. The other account payable to related parties is included

Strong Patient Volume Despite Uptick in BPJS Volume

Inpatient Days

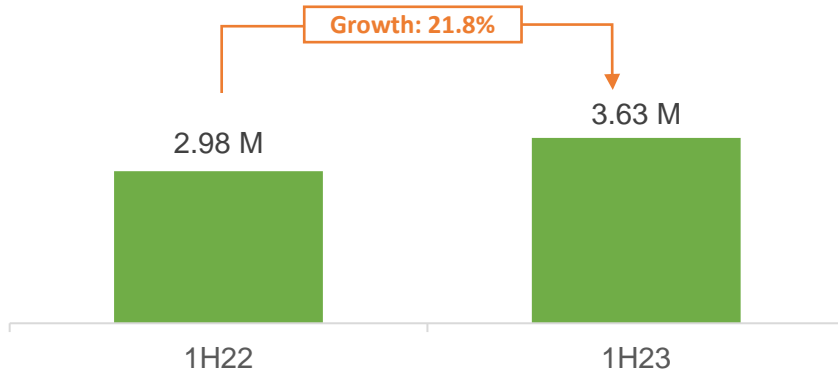


- Bed Occupancy Ratio (BOR) was 56% in 1H22 and 66% in 1H23
- Average Length of Stay (ALOS) was 2.8 days in 1H22 and 2.8 days in 1H23

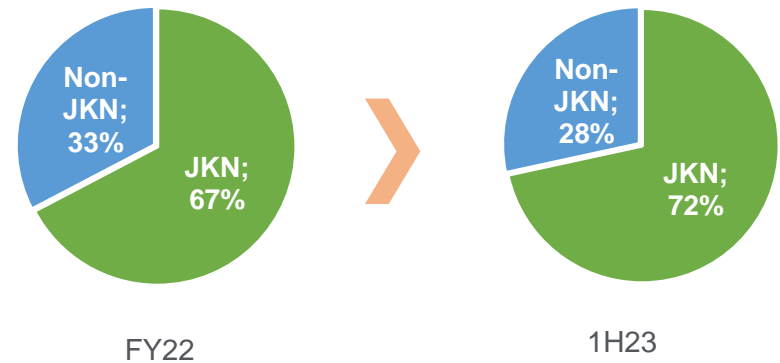
Inpatient Days by Payor Type



Outpatient Visit



Outpatient Visits by Payor Type



Continues Transformation Drives Margin Improvement

(IDR billions)	1H23
Revenue	2,691.4
EBIT	369.0
<i>% Margin</i>	<i>13.7%</i>
+ Depreciation and Amortization (D&A)	316.6
Adjustment for back non-cash items¹	
+ Post-employment benefits	15.1
+ Allowance for impairment losses	0.1
Adjustment for non-operational income / (expense)	
+ Loss on disposal of fixed asset	0.1
- Gain on sale of investment of financial assets	0.0
- Other income / (expense) ²	1.2
EBITDA (EBIT + D&A + Adjustments)	699.7
<i>% Margin</i>	<i>26.0%</i>

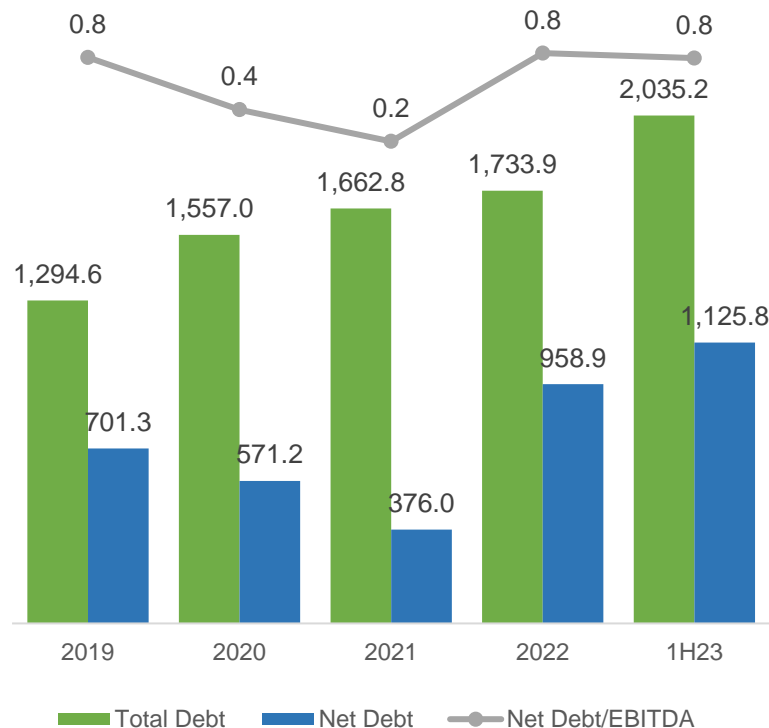
1. Methodology is consistent with the EBITDA calculation methodology of the peer group of Siloam and Mitra Keluarga.

2. Other income and expenses include items that are non-operational in nature such as sponsorship income, seminar income, patient overpayment, and other miscellaneous income and expenses. Other income and expenses exclude the minority shares subscription income (IDR 3.7bn in June 30, 2023).

Consistent Low Cost of Debt Despite Higher Interest Rate Climate

Total Debt / Net Debt / Leverage Ratio

(IDR billions, x)



Robust Credit Profile

Credit Rating AA Reaffirmed by Rating Agency

- In May 2022, **PEFINDO** has **upgraded** HEAL's rating to **AA** from previously AA- for the Company and its public bonds with stable outlook.
- In May 2023, **PEFINDO** has **reaffirmed AA** rating
- The rating is supported by HEAL's very strong market position in the hospital industry with proven track record, very strong financial profile, and stable profit margin.
- In Jul 2022, HEAL has successfully issued new public bonds, which comprises of:
 - 3-year bond with interest rate of 6.25% p.a.
 - 5-year bond with interest rate of 6.75% p.a.
- HEAL is on track to repay the outstanding bond that will due in Sep 2023 in full.

Loans from Top Reputable Banks

- Key lenders include **Bank Mandiri** and **BCA**.

All Debt are Denominated in Local Currency

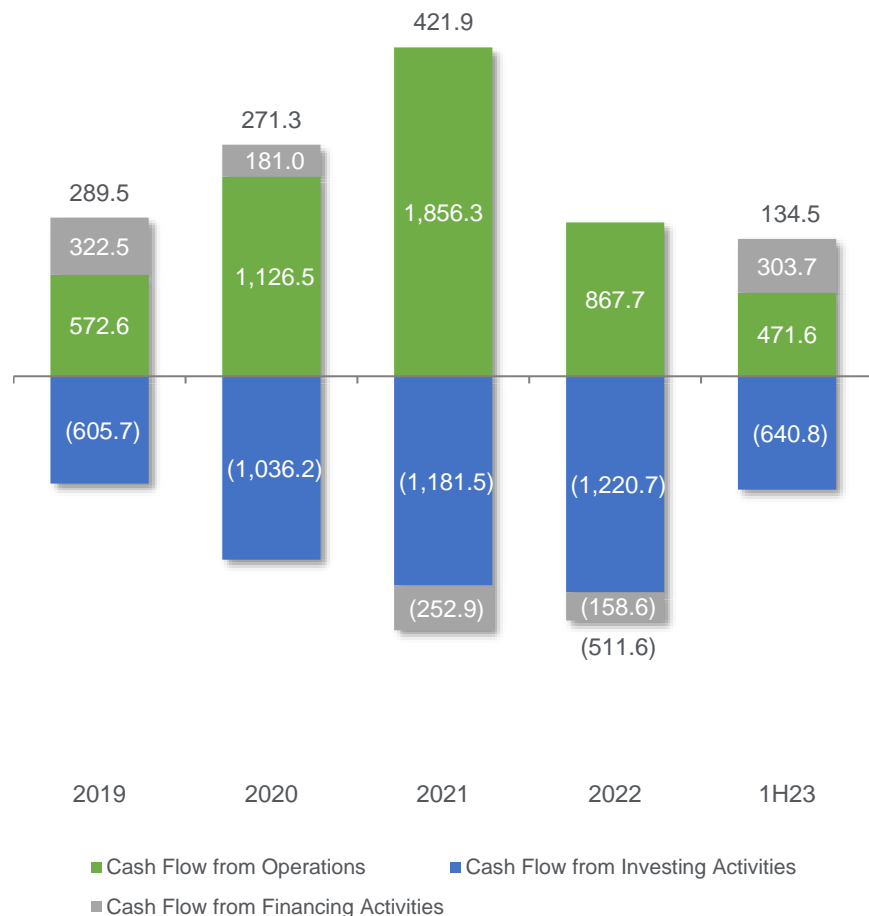
Note:

Total debt is calculated by short-term bank loans + current portion of long-term liabilities + medium term notes + long-term liabilities net of current portion: bank loans + bonds + mandatory convertible notes + finance lease payables & consumer finance

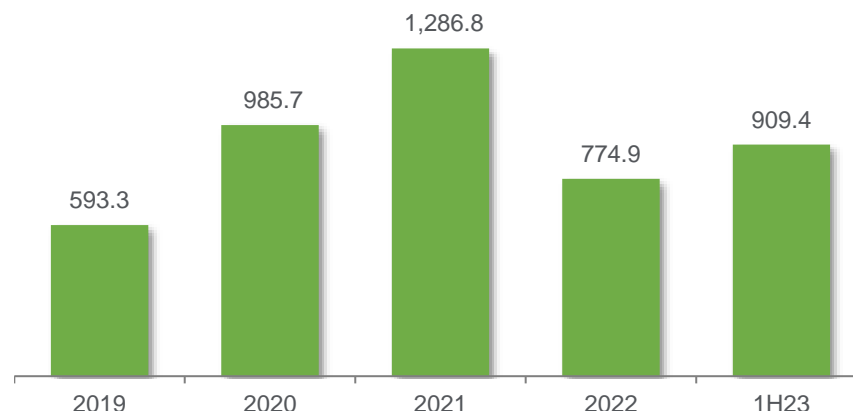
Net debt is calculated by total debt – cash – investment of financial assets

Capital Expenditure is Expected to Normalize to IDR1-1.2 Tn in 2023-2024

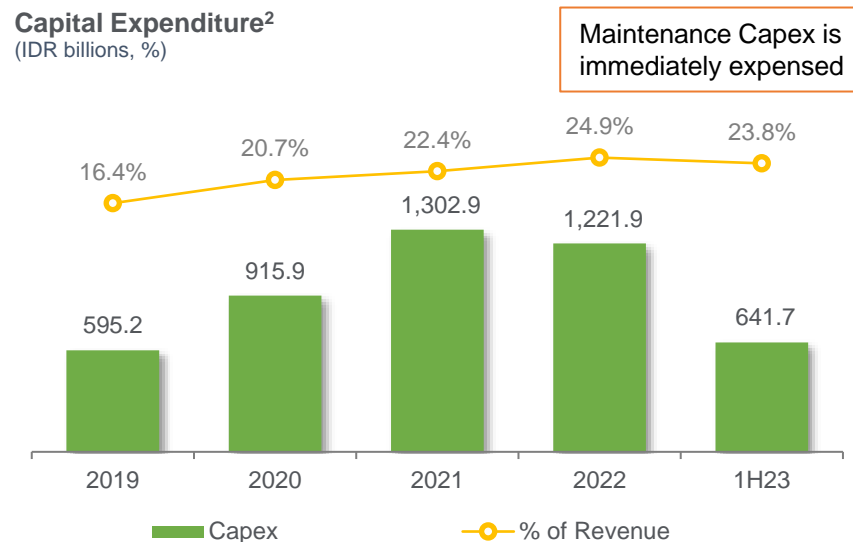
Cash Flow
(IDR billions)



Cash and Cash Equivalents¹
(IDR billions)



Capital Expenditure²
(IDR billions, %)



1. Includes cash + investment in financial assets

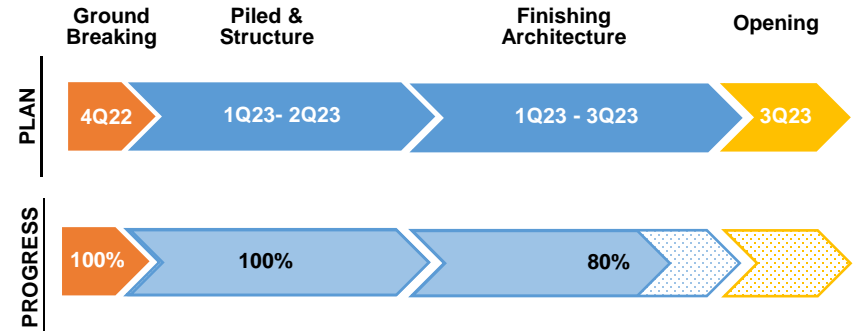
2. Includes acquisition of fixed assets + acquisition of other assets + advance purchase of fixed assets



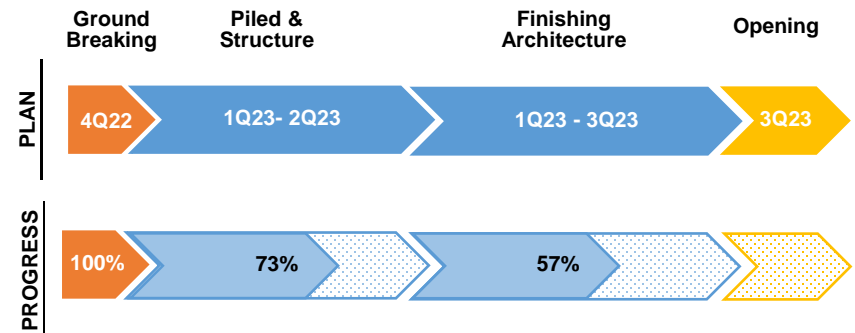
3. Other Development

Hospitals Under Development

Hermina Ciawi



Hermina Aceh





4. Appendix

Investor Relations Contact and Coverage

Investor Relations Contact: ir@herminahospitals.com

Analyst Coverage

Brokerage Company	Analyst	Share Price Target (IDR) ¹	Rating
Bahana Sekuritas	Robert Sebastian	1,760	Buy
BCA Sekuritas	Mohammad Fakhrol Arifin	1,920	Buy
BNI Sekuritas	Aurellia Setiabudi	1,700	Buy
BRI Danareksa	Ismail Fakhri	1,600	Buy
Citi	Lakshmi Rowter	1,830	Buy
Credit Suisse	Steven Ho	1,830	Outperform
CGS CIMB	Ryan Winipta	1,800	Hold
CLSA	Chelene Indriani	1,800	Buy
DBS	Cheria Christi Widjaja	1,745	Buy
Henan Putihrai Sekuritas	Jono Syafei	1,450	Hold
Korea Investment	Filia Gladwyn	1,500	Hold
Macquarie	Ari Jahja	1,590	Outperform
Mandiri Sekuritas	Inggrid Gondoprastowo	1,900	Buy
Mirae Asset Sekuritas	Rut Yesika Simak, Emma Fauni	1,700	Buy
MNC Sekuritas	Muhammad Rudy Setiawan	1,730	Buy
Phillip Sekuritas	Helen	1,300	Buy
Pilarmas Investindo Sekuritas	Nico Demus	1,600	Hold
RHB	Vanessa Karmajaya	1,630	Buy
Sucor Sekuritas	Jennifer Widjaja	1,585	Buy
Samuel Sekuritas	Jonathan Guyadi, Brandon Boedhiman	1600	Hold
Trimegah Sekuritas	Heribertus Ariando	1,440	Buy
Valbury Sekuritas	Alfiansyah, Devi Harjoto	1,225	Buy
Panin Sekuritas	Andhika Audrey	1.600	Buy
Nomura (Verdhana)	Heng Siong Kong	TBC	TBC
Maybank Kim Eng	Adi Wicaksono	TBC	TBC
Indo Premier Sekuritas	Laura Oei	TBC	TBC

1. Adjusted with the stock split (1:5) which was effective on 30 July 2021



PT Medikaloka Hermina Tbk
www.herminahospitals.com