



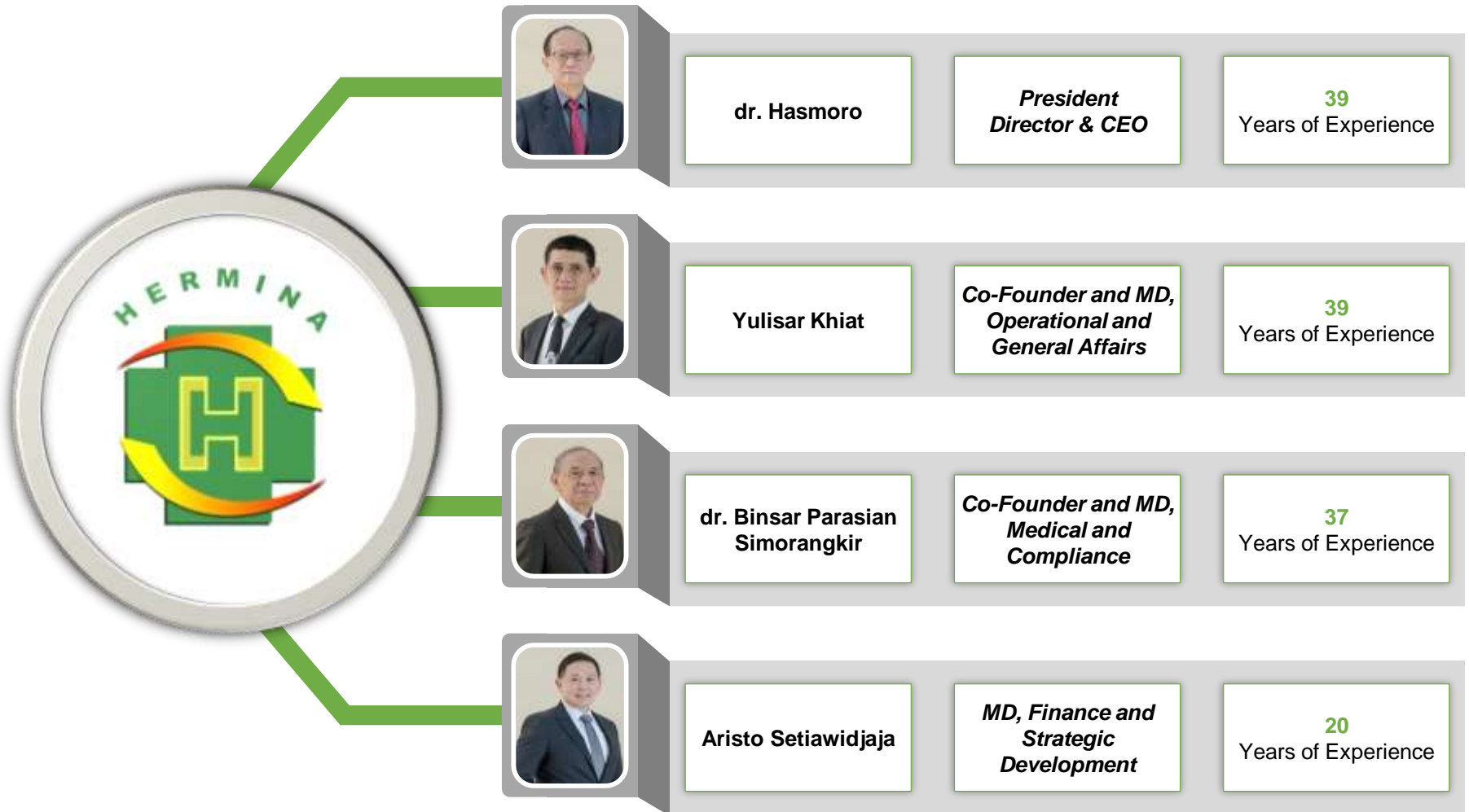
# **PT Medikaloka Hermina Tbk**

## 9M 2023 Presentation

**October 2023**

# Hermina – Our Team

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## 1. Company Overview

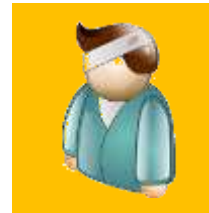
# Introduction to Hermina

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**
  - **46 hospitals and 6,578 beds** as of September 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** + **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



**73K+**

Annual Babies Delivered



**100%**

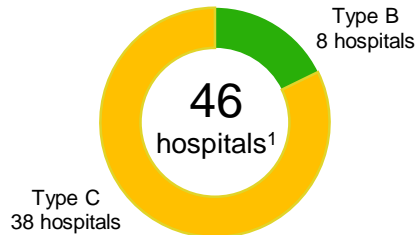
JKN Participation Across Hospitals



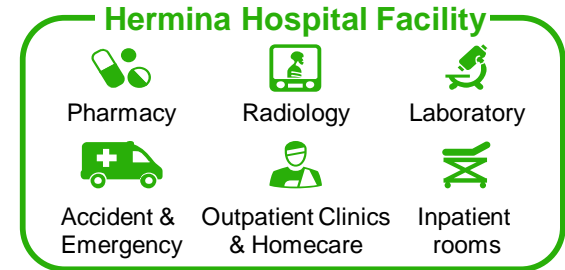


# Full Service Offering of General Hospitals

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
- 38 Type C full service general hospitals with several sub-specialist care



## Service Offerings

**No. 1 in Women and Children Care<sup>2</sup>**

Market Leader in Number of Sub-specialty Service Offerings<sup>2</sup>

### 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 Acupuncture  
Neurology Psychiatry  
Pathology-Anatomic Psychology  
Anaesthesiology 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

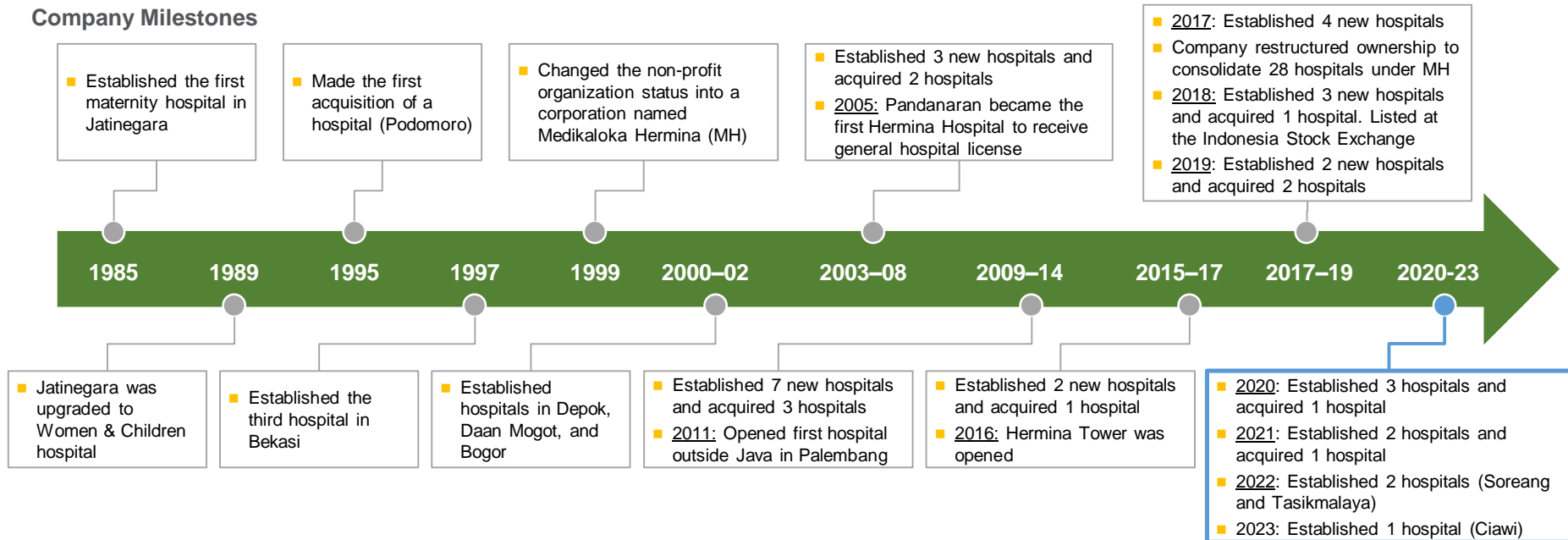
1. As of September 30, 2023

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

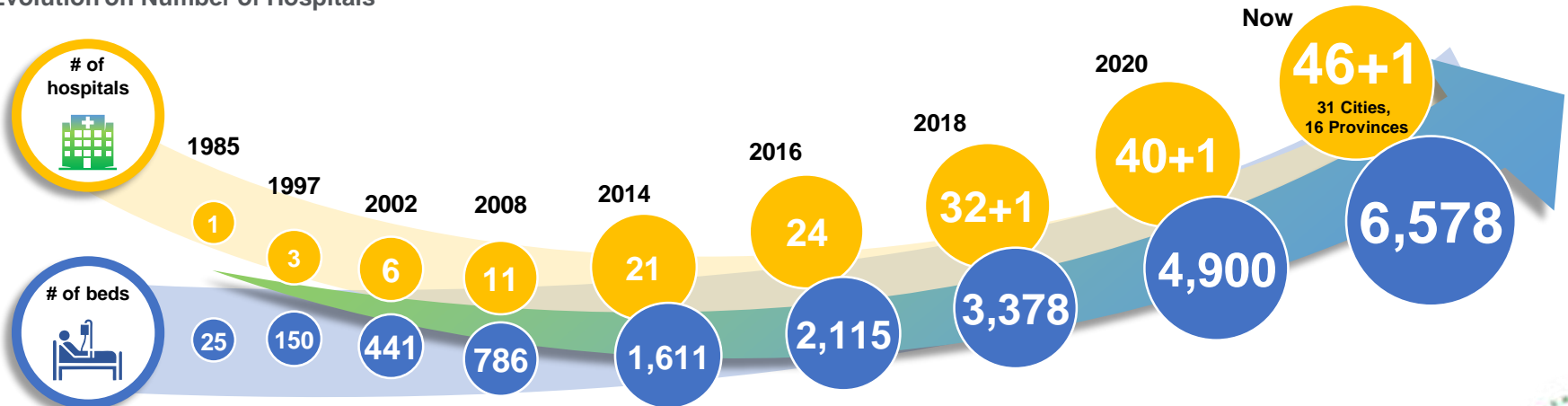


# Corporate History

## 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



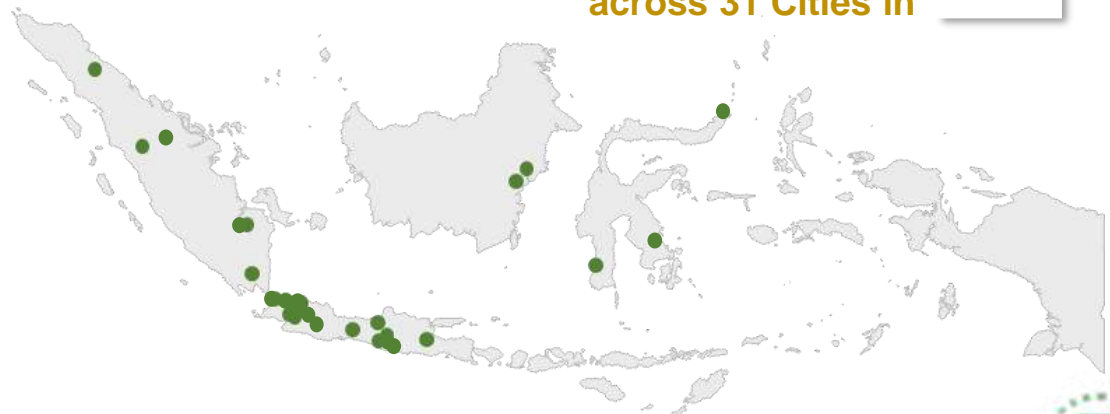
Pasteur

### 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
- Ciawi

### Total Hospitals

**46 Hospitals<sup>1</sup>**  
**across 31 Cities in**



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



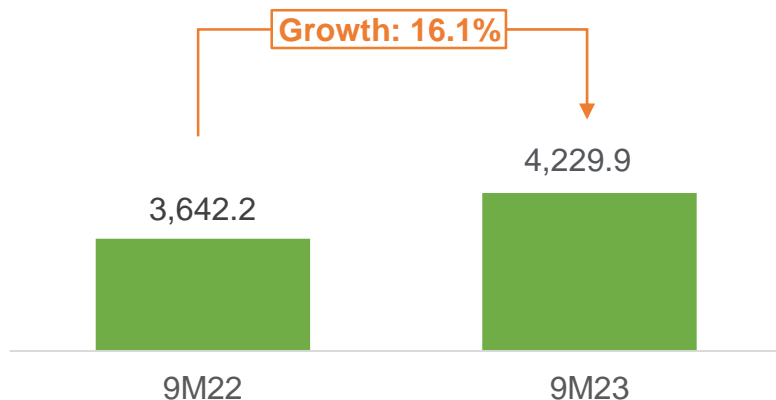


## 2. Financial Update

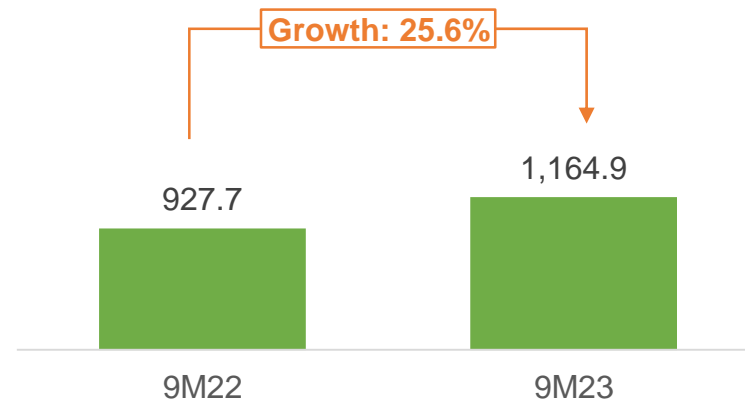


# Robust Performance Reaffirms Management Execution Ability

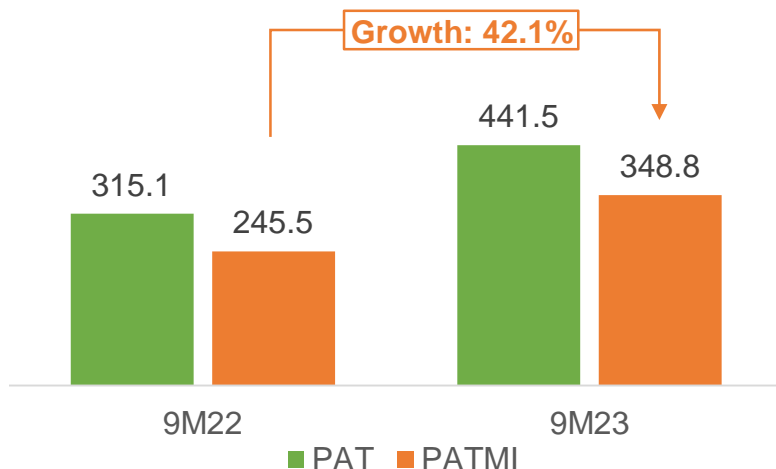
**Total Revenue**  
(IDR billions)



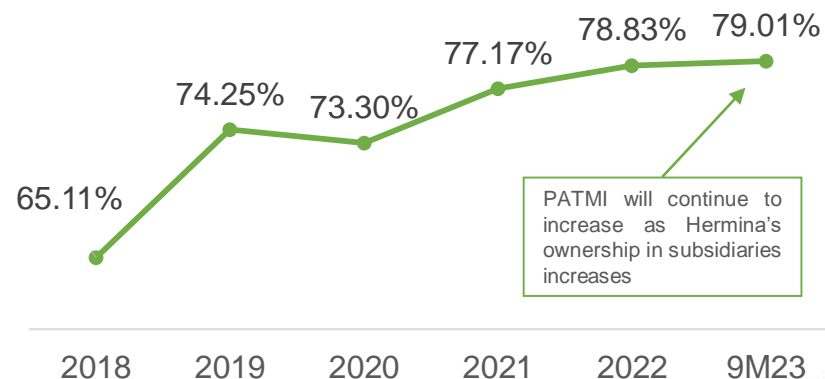
**EBITDA**  
(IDR billions)



**PAT & PATMI**  
(IDR billions)



**Increasing PATMI as % of PAT**

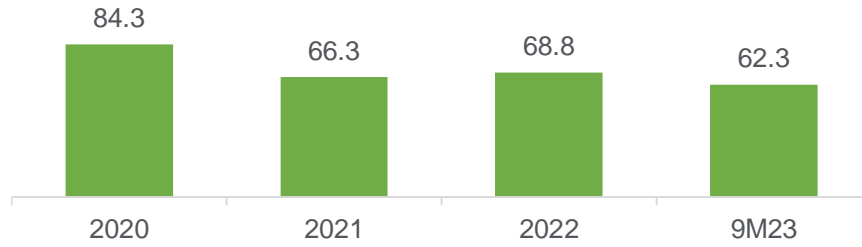


1. EBITDA is calculated by operating income + depreciation and amortization + adjustment for non-operating items (loss on disposal of fixed asset, gain on sale of fixed asset, and other income (expense)) and adjustment for non-cash items (allowance for impairment losses and post-employment benefit expense).

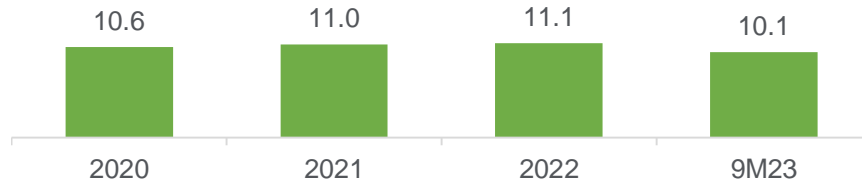


# Prudent Working Capital Management Despite Serving BPJS

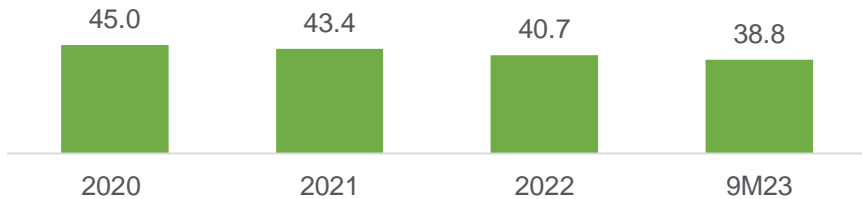
**Trade Receivable Days<sup>1</sup>**  
(Days)



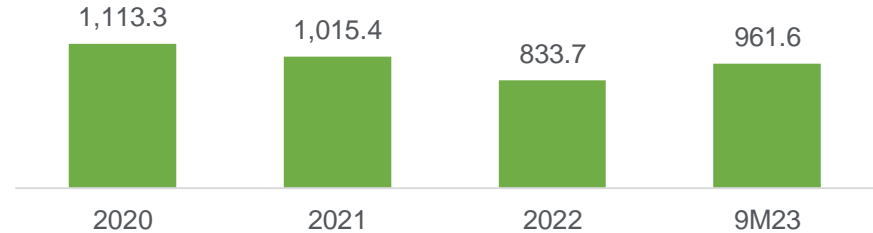
**Inventory Days<sup>2</sup>**  
(Days)



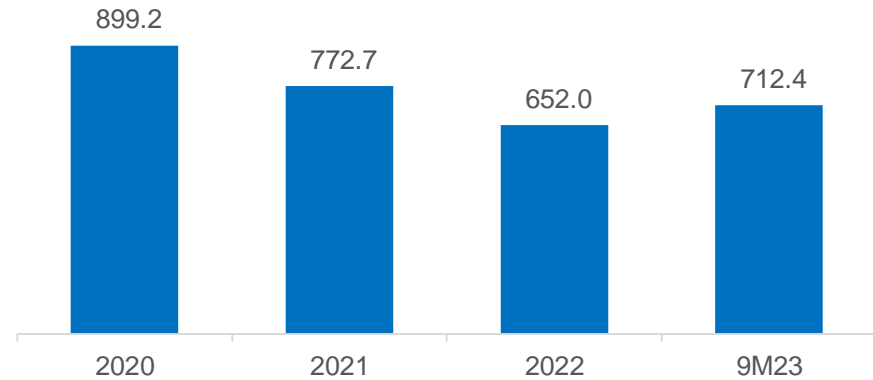
**Trade Payable Days<sup>3</sup>**  
(Days)



**Trade Receivable Amount**  
(IDR billions)



**Net Working Capital**  
(IDR billions)

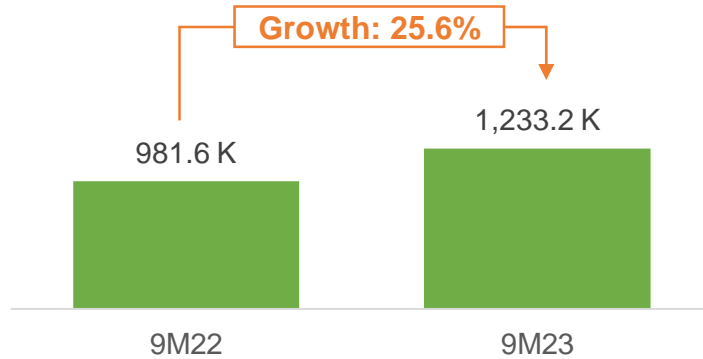


1. Trade receivable days are calculated based on the average of beginning and ending balance of trade receivables over the period of last 12 months (LTM) divided by LTM Sales.  
2. Calculated based on the average of beginning and ending balance of LTM period divided by LTM COGS.  
3. Calculated based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



# Stabilization in Traffic Mix due to Improving Macro

## Inpatient Days

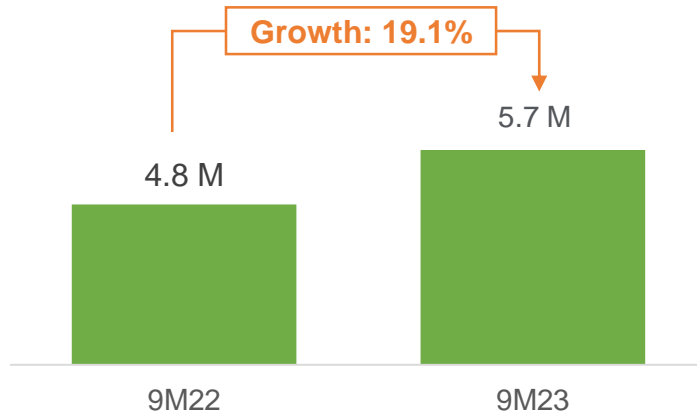


- Bed Occupancy Ratio (BOR) was 60% in 9M22 and 71% in 9M23
- Average Length of Stay (ALOS) was 2.8 days in 9M22 and 2.8 days in 9M23

## Inpatient Days by Payor Type



## Outpatient Visit



## Outpatient Visits by Payor Type



# Continued Transformation Drives Margin Improvement

(IDR billions)	3Q23	9M23
<b>Revenue</b>	<b>1,538.5</b>	<b>4,229.9</b>
<b>EBIT</b>	<b>270.3</b>	<b>639.3</b>
<i>% Margin</i>	<i>17.6%</i>	<i>15.1%</i>
+ Depreciation and Amortization (D&A)	188.7	505.3
<b>Adjustment for back non-cash items<sup>1</sup></b>		
+ Post-employment benefits	7.6	22.7
+ Allowance for impairment losses	2.5	2.6
<b>Adjustment for non-operational income / (expense)</b>		
+ Loss on disposal of fixed asset	0.0	0.1
- Other income / (expense) <sup>2</sup>	3.8	5.0
<b>EBITDA (EBIT + D&amp;A + Adjustments)</b>	<b>465.4</b>	<b>1,164.9</b>
<i>% Margin</i>	<i>30.2%</i>	<i>27.5%</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 4.9 bn in Sept 30, 2023).

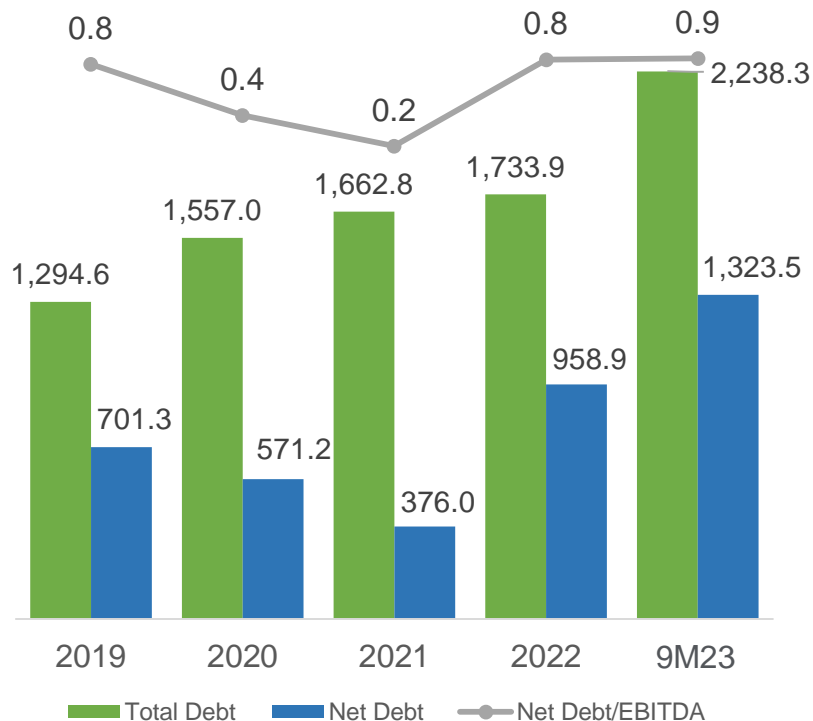




# Consistent Low Cost of Debt Despite Higher Interest Rate Climate

## 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.
- 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.
- In May 2023, **PEFINDO has reaffirmed AA** rating.
- HEAL has paid off IDR 425.5 bn bond in Sep 2023.

### Loans from Top Reputable Banks

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

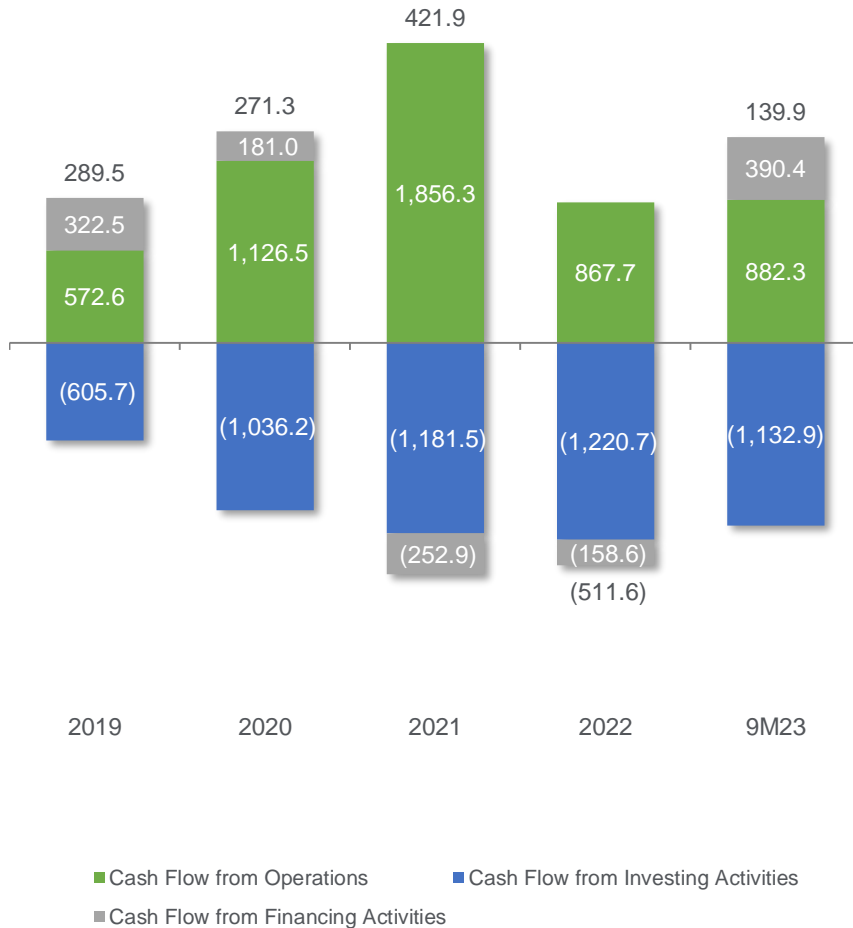
### All Debt are Denominated in Local Currency

Note:  
Total debt is calculated by short-term bank loans + current portion of long-term liabilities + long-term liabilities net of current portion: bank loans + bonds + finance lease payables & consumer finance  
Net debt is calculated by total debt – cash

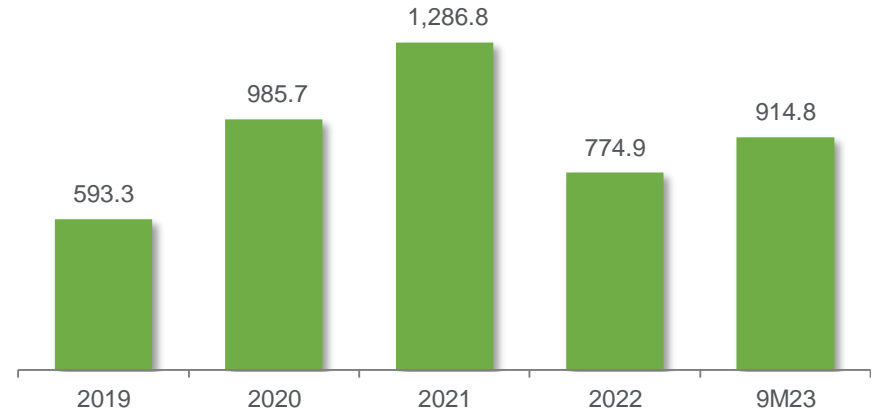


# Capital Expenditure is Expected to Normalize to IDR1-1.2 Tn in 2023-2024

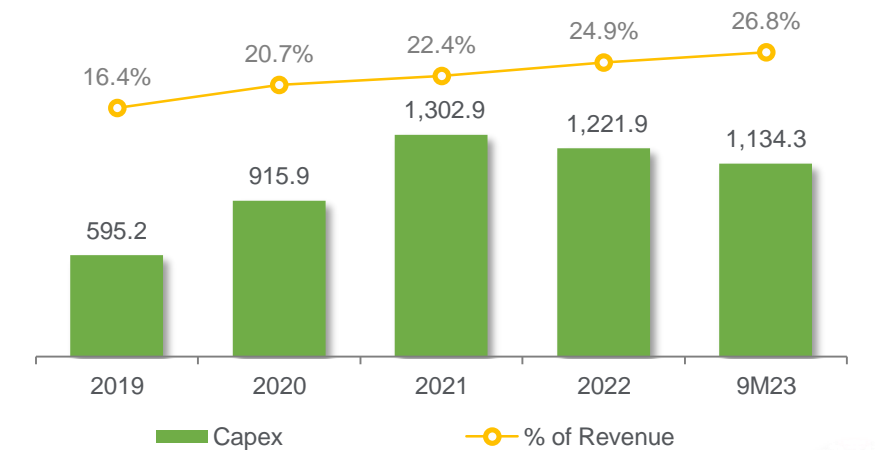
**Cash Flow**  
(IDR billions)



**Cash and Cash Equivalents**  
(IDR billions)



**Capital Expenditure<sup>1</sup>**  
(IDR billions, %)



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



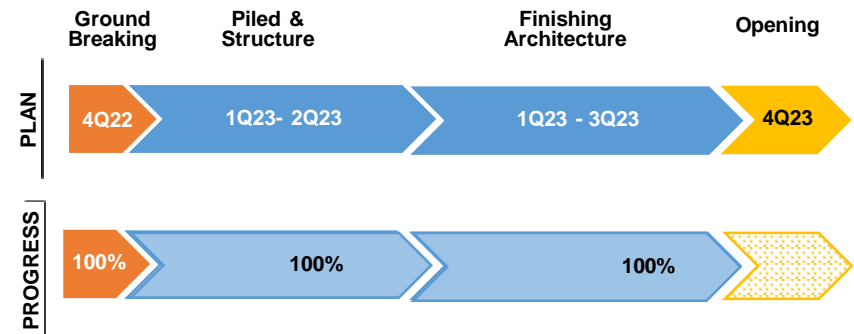


### 3. Other Development

# Hospital Under Development

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Hermina Aceh







## 4. Appendix

# Investor Relations Contact and Coverage

Investor Relations Contact: [ir@herminahospitals.com](mailto:ir@herminahospitals.com)

## Analyst Coverage

Brokerage Company	Analyst	Share Price Target (IDR) <sup>1</sup>	Rating
Bahana Sekuritas	Robert Sebastian	1,760	Buy
BCA Sekuritas	Mohammad Fakhru Arifin	1,920	Buy
BNI Sekuritas	Aurellia Setiabudi	1,650	Buy
BRI Danareksa	Ismail Fakhri	1,600	Buy
CGS CIMB	Ryan Winipta	1,800	Add
Citi	Lakshmi Rowter	1,800	Buy
CLSA	Chelene Indriani	1,800	Buy
Credit Suisse	Steven Ho	1,830	Outperform
DBS	Cheria Christi Widjaja	1,745	Buy
Henan Putihrai Sekuritas	Jono Syafei	1,450	Buy
Korea Investment	Filia Gladwyn	1,500	Hold
Macquarie	Ari Jahja	1,590	Outperform
Mandiri Sekuritas	Inggrid Gondoprastowo	1,620	Buy
Mirae Asset Sekuritas	Rut Yesika Simak, Emma Fauni	1,700	Buy
MNC Sekuritas	Muhammad Rudy Setiawan	1,730	Buy
Panin Sekuritas	Andhika Audrey	1,600	Buy
Phillip Sekuritas	Helen	1,300	Buy
Pilarmas Investindo Sekuritas	Nico Demus	1,600	Hold
RHB	Vanessa Karmajaya	1,700	Buy
Samuel Sekuritas	Jonathan Guyadi, Brandon Boedhiman	1,650	Buy
Sinarmas Sekuritas	Michael Filbery	1,700	Buy
Sucor Sekuritas	Jennifer Widjaja	1,585	Buy
Trimegah Sekuritas	Heribertus Ariando	1,440	Buy
Valbury Sekuritas	Alfiansyah, Devi Harjoto	1,225	Buy
Verdhana Sekuritas	Jody Wijaya, Sandy Ham	1,980	Buy
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](http://www.herminahospitals.com)