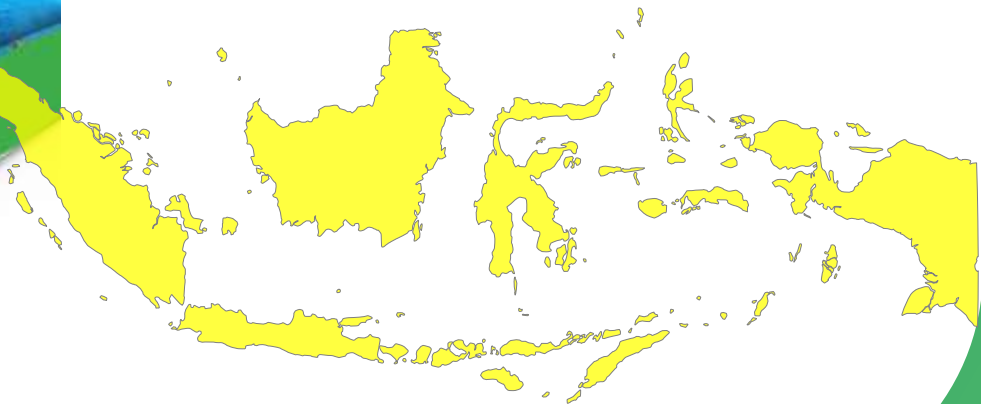




# PT Medikaloka Hermina Tbk

## 1H 2019 Presentation

July 2019



# Hermina – Our Team



The Asset  
Country Awards 2018  
Best Deals -Southeast Asia



**dr. Hasmoro**

**President  
Director & CEO**

**35**  
Years of Experience



**Yulisar Khiat**

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

**35**  
Years of Experience



**dr. Binsar Parasian  
Simorangkir**

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

**33**  
Years of Experience



**Aristo Setiawidjaja**

**MD, Finance and  
Strategic  
Development**

**16**  
Years of Experience





# 1. Company Overview

# Introduction to Hermina

Hermina is one of the largest hospital groups in Indonesia with more than 34 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**
  - **32 hospitals and 3,821 beds** as of June 30, 2019
  - **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**<sup>1</sup> + **fully committed** founders and credible institutional investors

## Key Statistics (FY18)



**5.3M+**

Annual Out-Patient Visits

**310K+**

Annual In-Patient Admissions



**~3,200**

Doctors and Specialists



**~45,000**

Annual Babies Delivered



**100%**

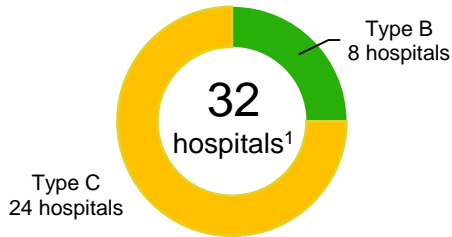
JKN Participation Across Hospitals

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

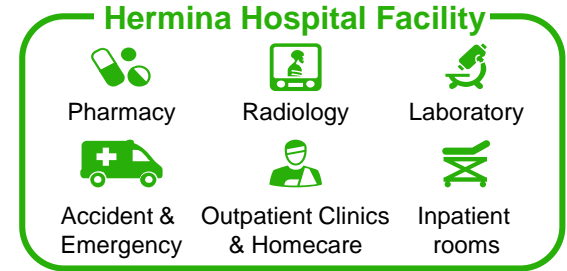


# Service Offering Overview

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
- 24 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  
Neurology  
Pathology-Anatomic  
Anaesthesiology

Acupuncture  
Psychiatry  
Psychology  
Radiology

Pulmonology  
Dermatology & Venereology  
Otorhinolaryngology (ENT)



### Surgical Procedures



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

### Cardiovascular



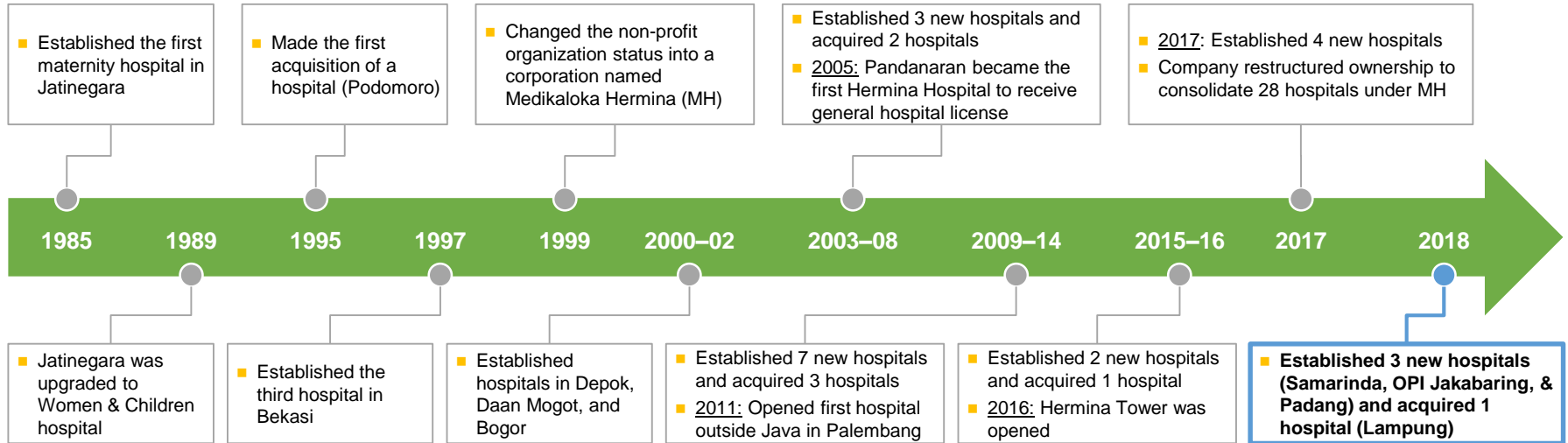
A variety of health screening and treatment such as Cath Lab

1. As of June 30, 2019

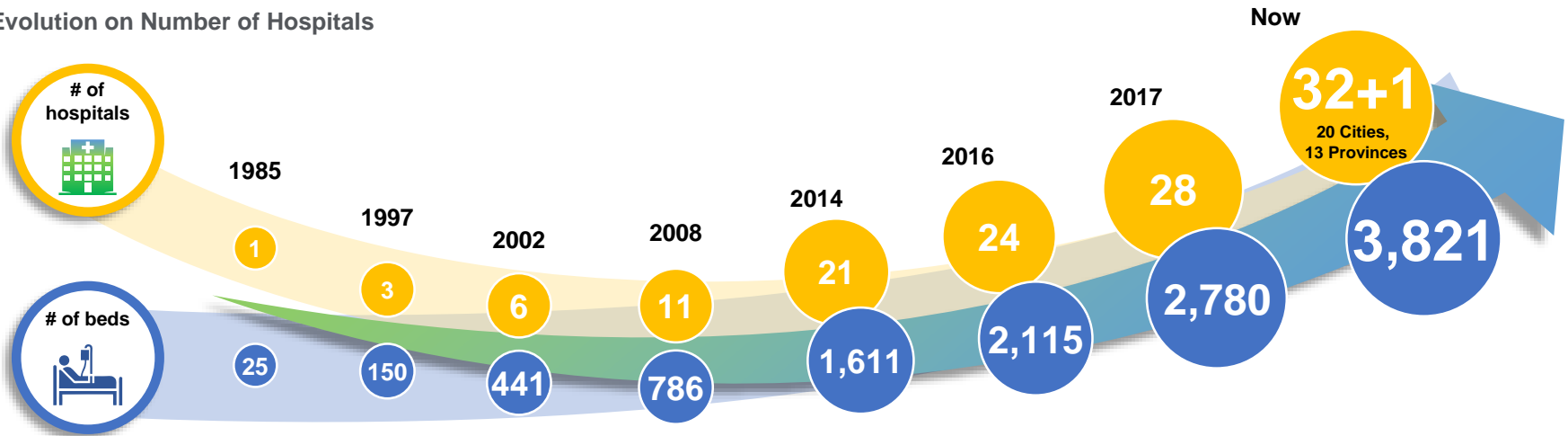
2. Based on Frost & Sullivan's analysis that within the top private multi-specialty hospital chains, Hermina has the broadest offerings in women & children segment

# Corporate History

## Company Milestones



## Evolution on Number of Hospitals



# Our Nationwide Hospital Network

## Our Nationwide Hospital Network

### Type B Hospitals

### Type C Hospitals



Jatinegara



Kemayoran



Bekasi



Depok



Daan Mogot



Bogor



Grand Wisata



Pasteur

- Pandanaran
- Tangkubanprahu
- Sukabumi
- Tangerang
- Arcamanik
- Galaxy
- Palembang
- Ciputat
- Mekarsari
- Serpong
- Banyumanik
- Solo
- Ciruas
- Yogya
- Bitung
- Makassar
- Balikpapan
- Medan
- Podomoro
- Purwokerto
- Samarinda
- OPI
- Jakabaring
- Padang
- Lampung

### Total Hospitals

**32 Hospitals<sup>1</sup>**  
across 20 Cities in 



1. Excluding Provita Hospital in Jayapura which is owned by a local Papua organization but managed and operated by Hermina

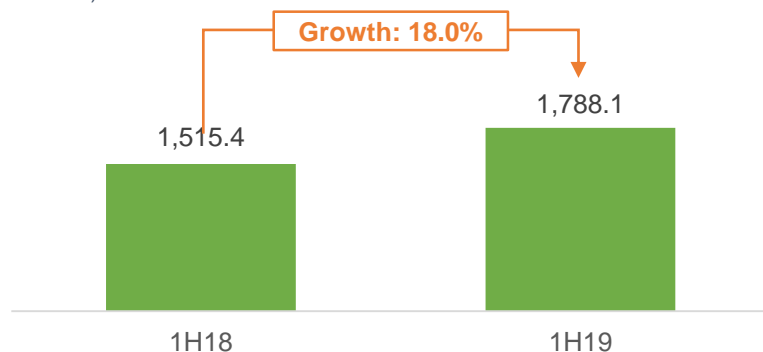


## 2. Financial Update

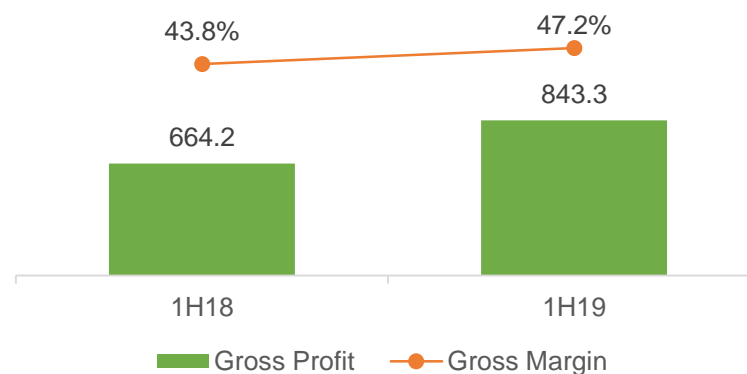


# Continuous Growth in Revenue and Increasing Margin Profile

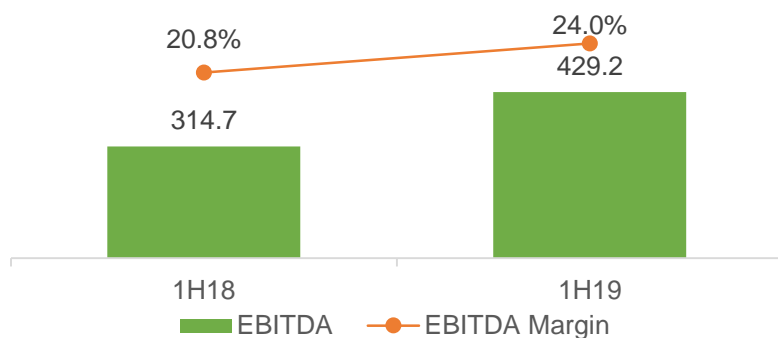
**Total Revenue**  
(IDR billions)



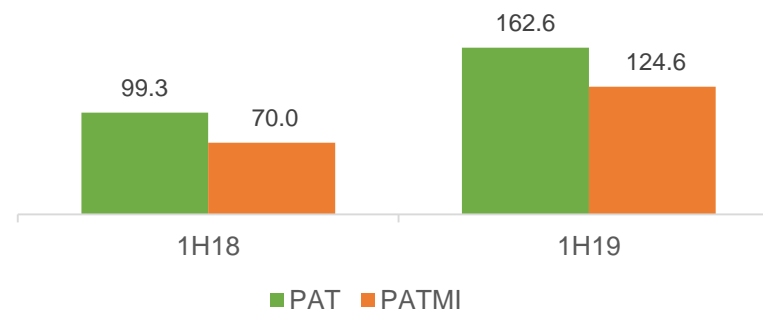
**Gross Profit & Gross Margin**  
(IDR billions, %)



**EBITDA & EBITDA Margin<sup>1</sup>**  
(IDR billions, %)



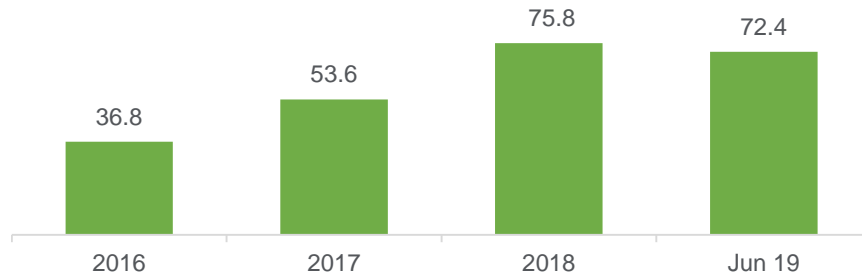
**PAT & PATMI**  
(IDR billions)



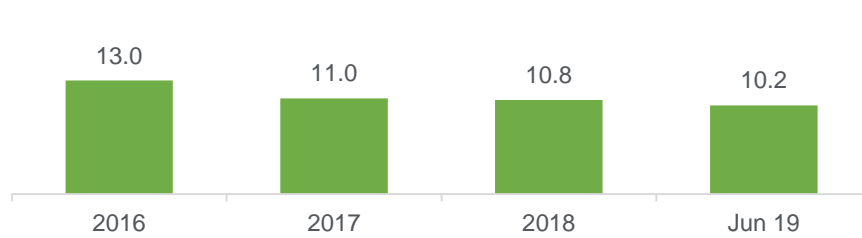
1. EBITDA is calculated by operating income + depreciation and amortization + adjustment for non-operating items (loss on disposal of fixed asset, gain on sale of fixed asset, and other income (expense)) and adjustment for non-cash items (allowance for impairment losses and post-employment benefit expense) + professional expenses related to IPO in 2018 (IDR1.9bn), which is recognized as part of general administrative expense

# Key Balance Sheet Items – Working Capital Turnover Days

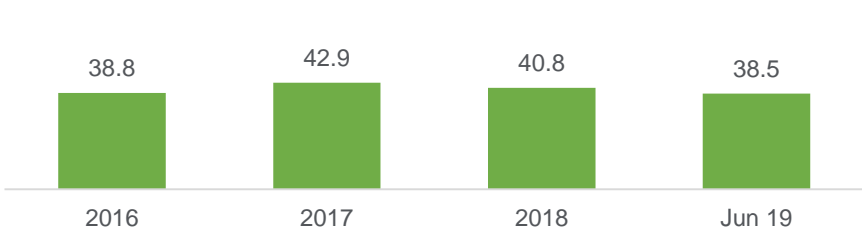
**Trade Receivable Days<sup>1</sup>**  
(Days)



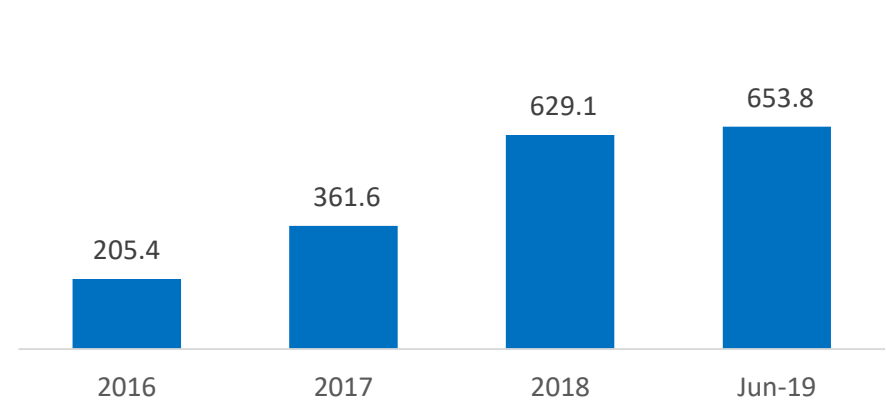
**Inventory Days<sup>2</sup>**  
(Days)



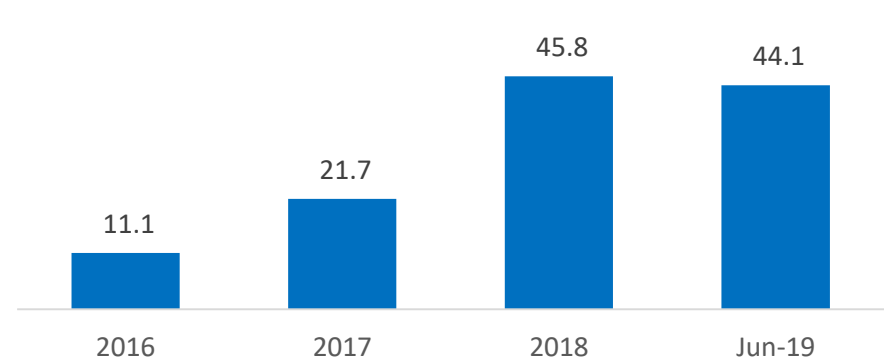
**Trade Payable Days<sup>2</sup>**  
(Days)



**Net Working Capital**  
(IDR billions)



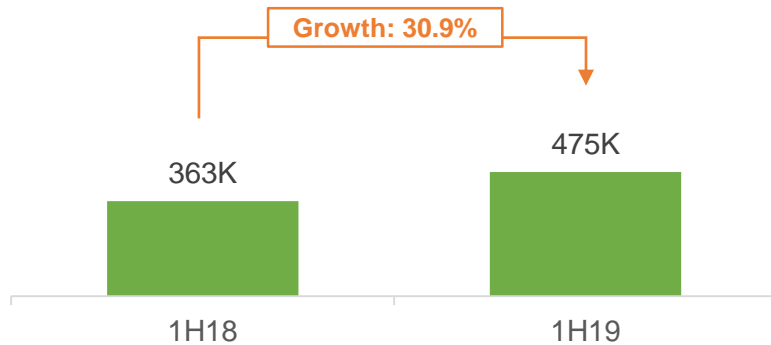
**Cash Conversion Cycle Days**  
(Days)



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.

# Strong Growth in Both Private and JKN Patients

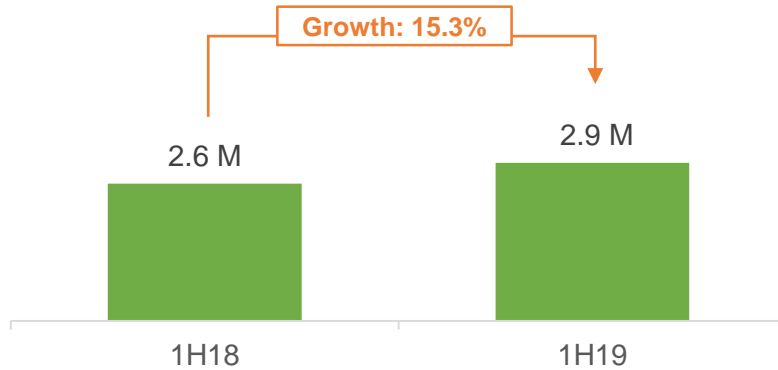
Inpatient Days



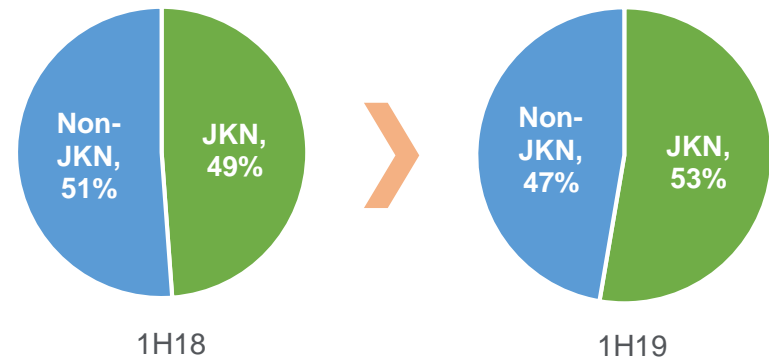
Inpatient Days by Payor Type



Outpatient Visit



Outpatient Visits by Payor Type



# EBITDA Calculation Methodology

| (IDR billions)   | 1H18           | 1H19           |
|--|----------------|----------------|
| <b>Revenue</b>   | <b>1,515.4</b> | <b>1,788.1</b> |
| <b>EBIT</b>  | <b>210.3</b>   | <b>285.8</b>   |
| <i>% Margin</i>  | <i>13.9%</i>   | <i>16.0%</i>   |
| Depreciation and Amortization (D&A)                      | <b>93.0</b>    | <b>103.8</b>   |
| <b>Adjustment for back non-cash items<sup>1</sup></b>    | <b>13.2</b>    | <b>41.3</b>    |
| Post-employment benefits                                 | 12.2           | 19.1           |
| Allowance for impairment losses                          | 0.9            | 22.2           |
| <b>Adjustment for non-operational income / (expense)</b> | <b>(1.8)</b>   | <b>(1.7)</b>   |
| Loss on disposal of fixed asset                          | 1.6            | 0.3            |
| Gain on sale fixed asset                                 | (0.2)          | (0.2)          |
| Other income (expense) <sup>2</sup>                      | (5.1)          | (1.8)          |
| IPO related expenses                                     | 1.9            | -              |
| <b>EBITDA (EBIT + D&amp;A + Adjustments)</b>             | <b>314.7</b>   | <b>429.2</b>   |
| <i>% Margin</i>  | <i>20.8%</i>   | <i>24.0%</i>   |

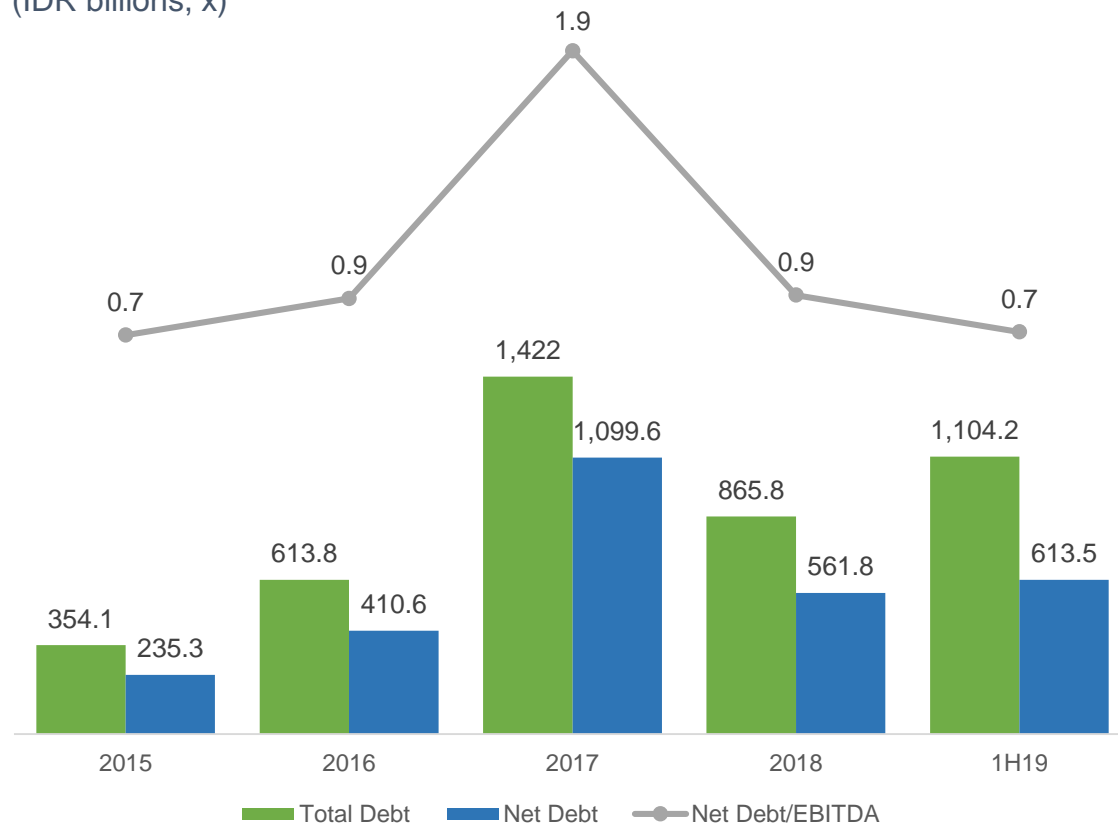
1. Methodology is consistent with the EBITDA calculation methodology of the peer group of Siloam and Mitra Keluarga

2. Other income and expenses include items that are non-operational in nature such as sponsorship income, seminar income, patient overpayment, CSR and charitable donation expenses, and other miscellaneous income and expenses

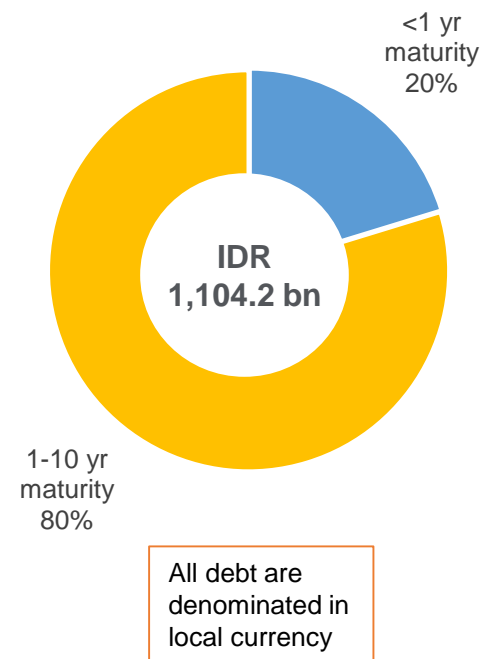


# Sufficient Room For Additional Debt to Support the Growth

**Total Debt / Net Debt / Leverage Ratio**  
(IDR billions, x)



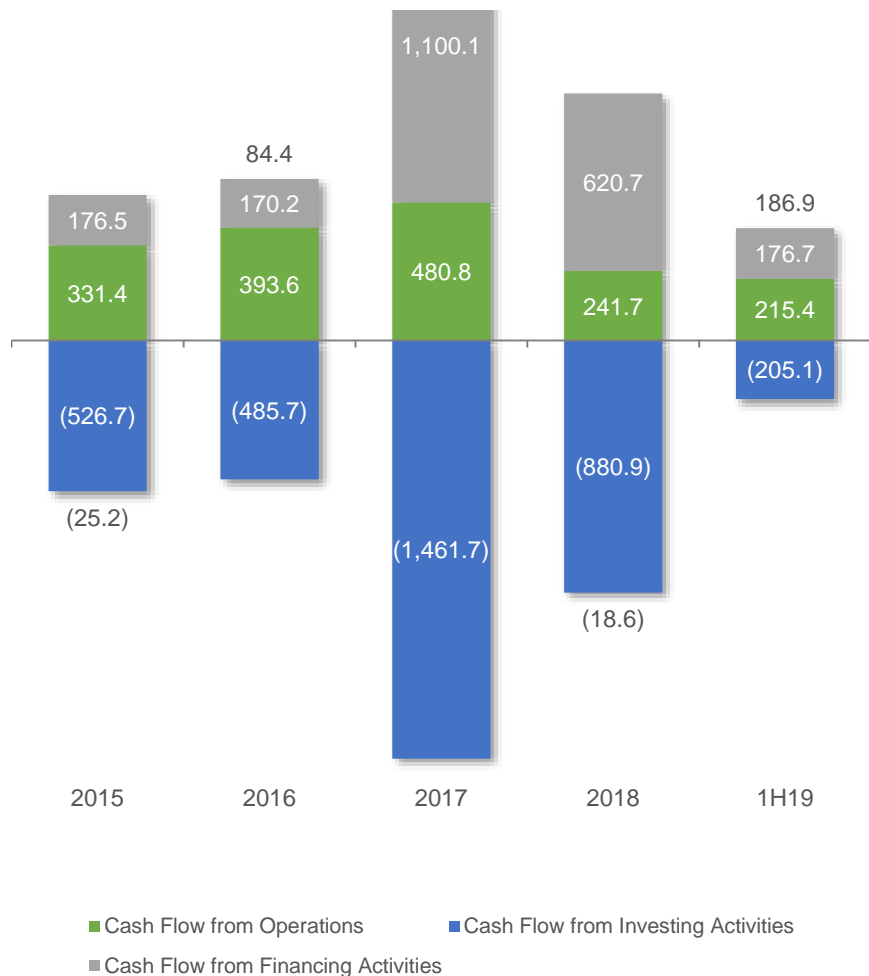
**Maturity Profile (1H19)**



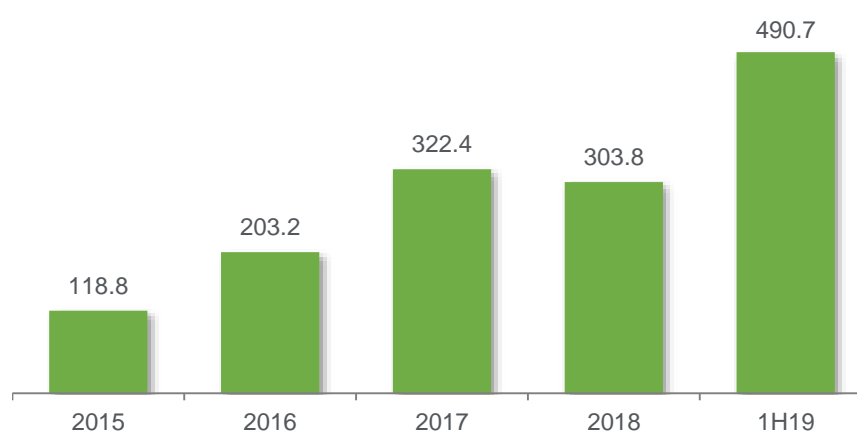
Note:  
Debt is calculated by short-term bank loans + current portion of long-term liabilities + medium term notes + long-term liabilities net of current portion: bank loans + mandatory convertible notes + finance lease payables and consumer finance

# Consistent Positive Cash Flow From Operations to Partly Fund Capex

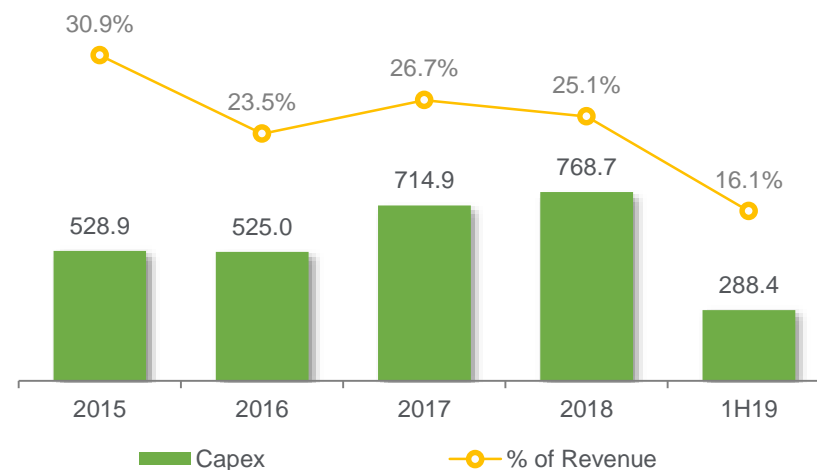
**Cash Flow**  
(IDR billions)



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



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



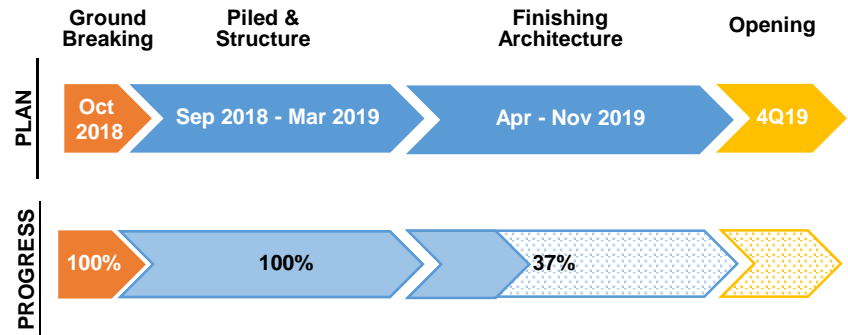
1. Includes acquisition of fixed assets + acquisition of other assets + advance purchase of fixed assets



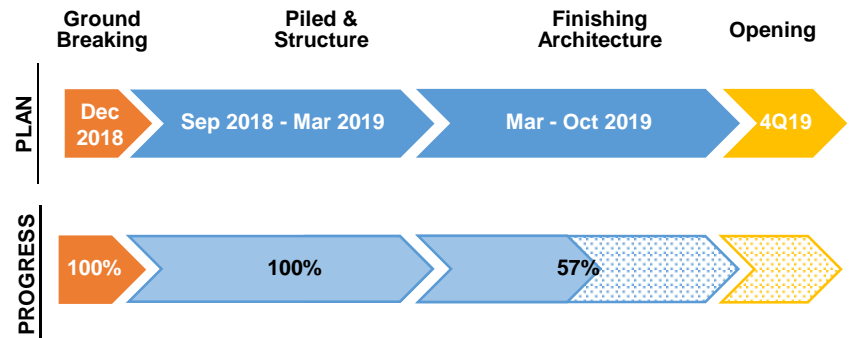
### 3. Hospital Development

# Hospitals Under Development

## Hermina Kendari



## Hermina Pekanbaru







**PT Medikaloka Hermina Tbk**  
[www.herminahospitals.com](http://www.herminahospitals.com)