



PT Medikaloka Hermina Tbk

1H 2021 Presentation

August 2021

Hermina – Our Team



dr. Hasmoro

***President
Director & CEO***

37
Years of Experience



Yulisar Khiat

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

37
Years of Experience



**dr. Binsar Parasian
Simorangkir**

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

35
Years of Experience



Aristo Setiawidjaja

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

18
Years of Experience





1. Company Overview

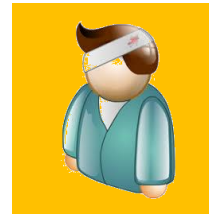
Introduction to Hermina

Hermina is one of the largest hospital groups in Indonesia with more than 36 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**
 - **42 hospitals and 5,400 beds** as of June 30, 2021
 - **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 properties¹** + **fully committed** founders and credible institutional investors

Key Statistics (FY20)



4.4M+

Annual Out-Patient
Visits

321K+

Annual In-Patient
Admissions



3,900+

Doctors and
Specialists



59,000+

Annual Babies Delivered



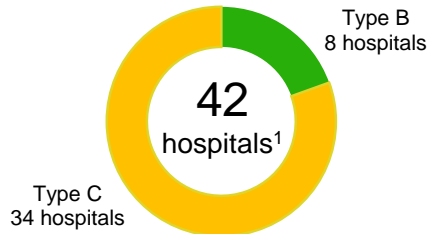
100%

JKN Participation Across Hospitals

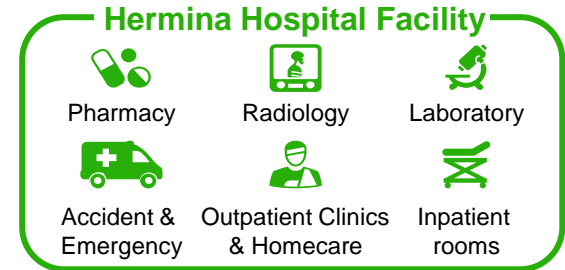
1. Except for RS Hermina Pandanaran whose land is owned by a non-profit organization

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



Service Offerings

No. 1 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)

Internal Medicine



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

Surgical Procedures



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

Diagnostics / Imaging



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

Cardiovascular



A variety of health screening and treatment such as Cath Lab

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

Other Specialties



Ophthalmology
Neurology
Pathology-Anatomic
Anaesthesiology

Acupuncture
Psychiatry
Psychology
Radiology

Pulmonology
Dermatology & Venereology
Otorhinolaryngology (ENT)

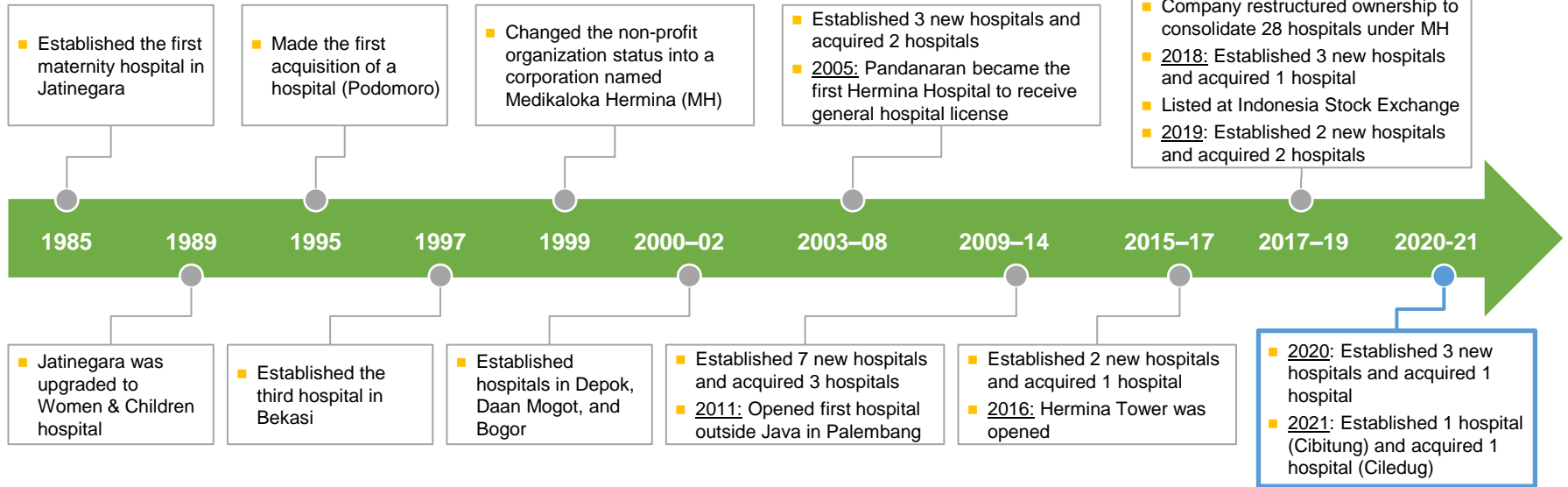


1. As of June 30, 2021

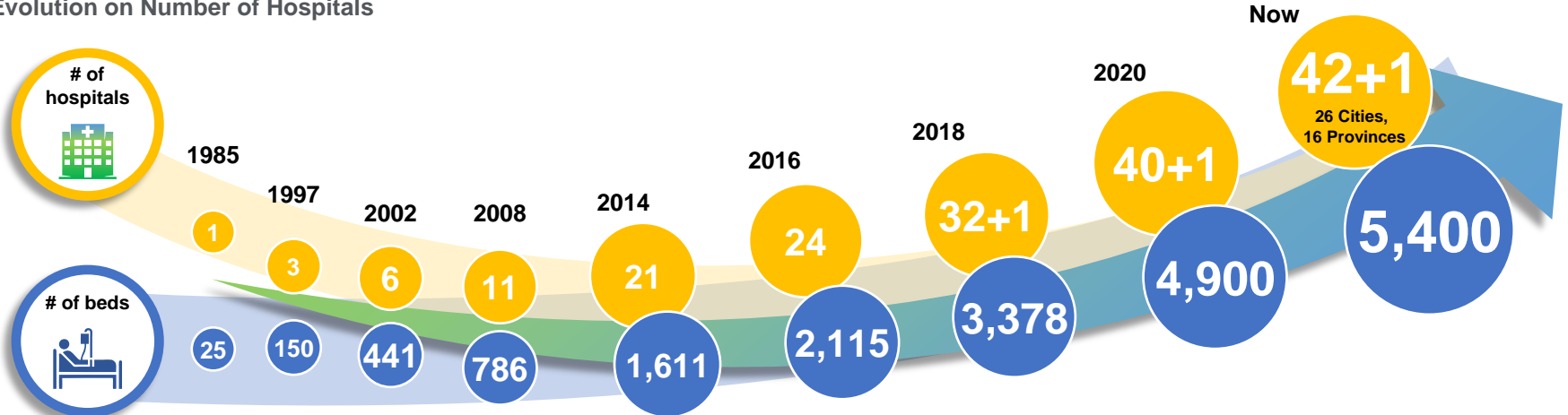
2. Based on Frost & Sullivan's analysis that within the top private multi-specialty hospital chains, Hermina has the broadest offerings in women & children segment

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



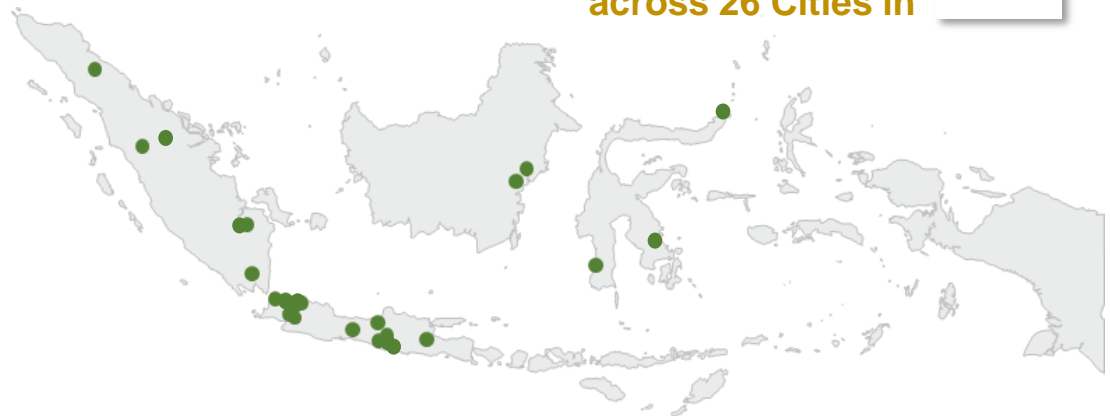
Pasteur

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

Total Hospitals

42 Hospitals¹
across 26 Cities in



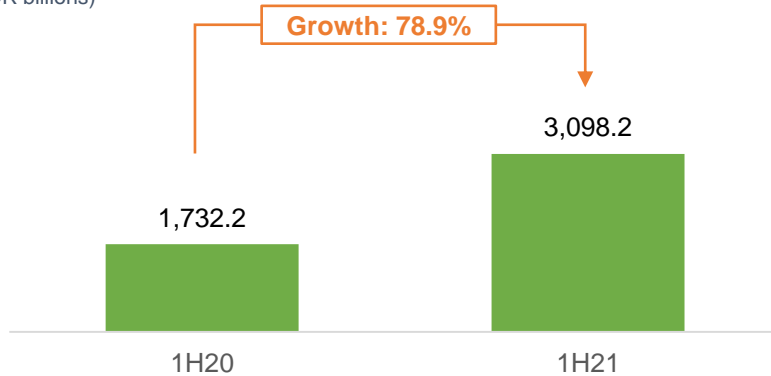
1. Excluding Provita Hospital in Jayapura which is owned by a local Papua organization but managed and operated by Hermina



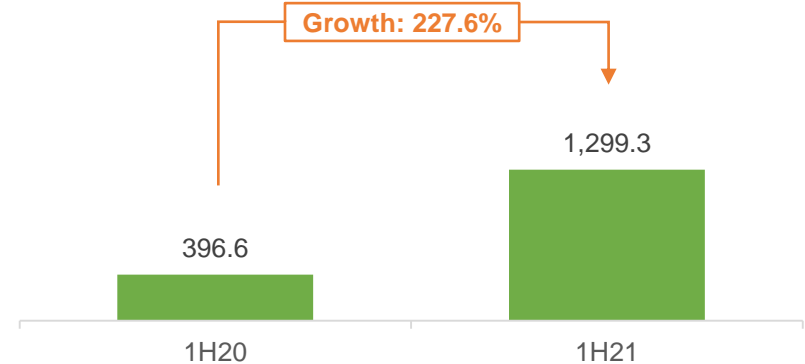
2. Financial Update

Hermina Consistently Produces Highest Growth and Operational Improvements

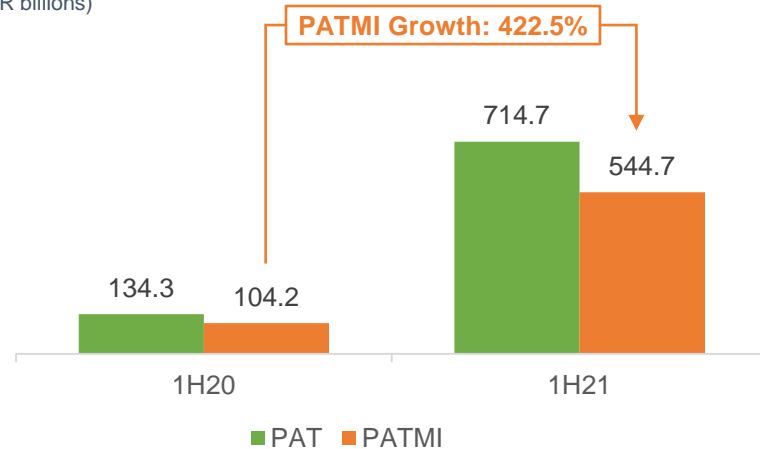
Total Revenue
(IDR billions)



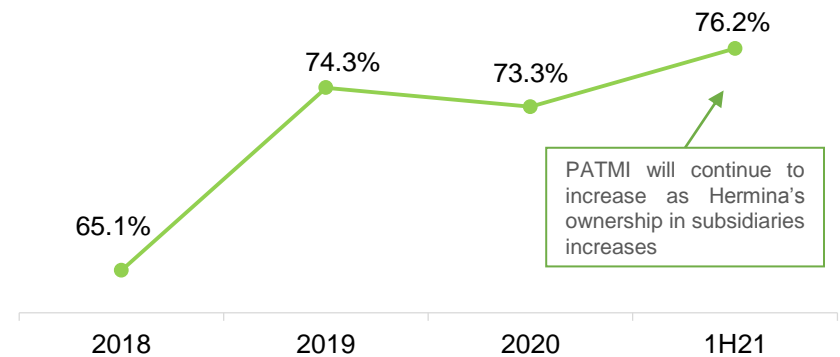
EBITDA
(IDR billions)



PAT & PATMI
(IDR billions)



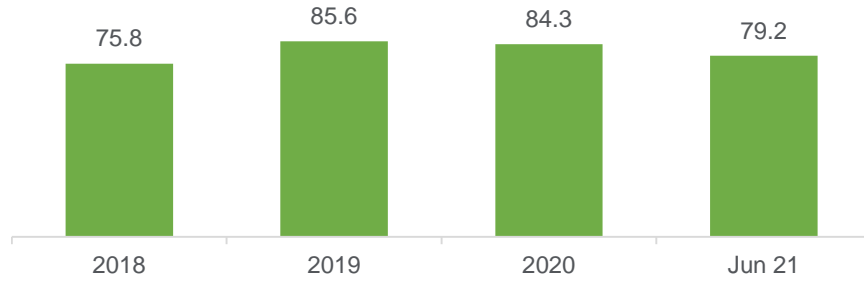
Increasing PATMI as % of PAT



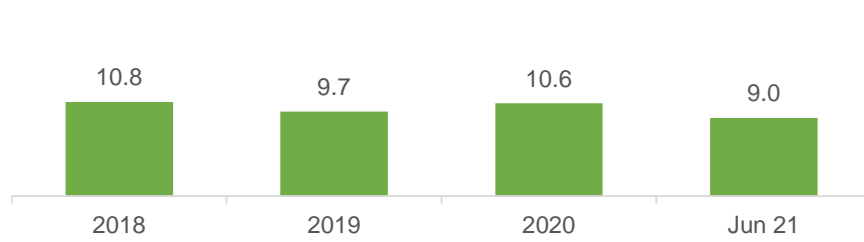
1. EBITDA is calculated by operating income + depreciation and amortization + adjustment for non-operating items (loss on disposal of fixed asset, gain on sale of fixed asset, and other income (expense)) and adjustment for non-cash items (allowance for impairment losses and post-employment benefit expense).

Prudent Working Capital Management Despite Serving BPJS

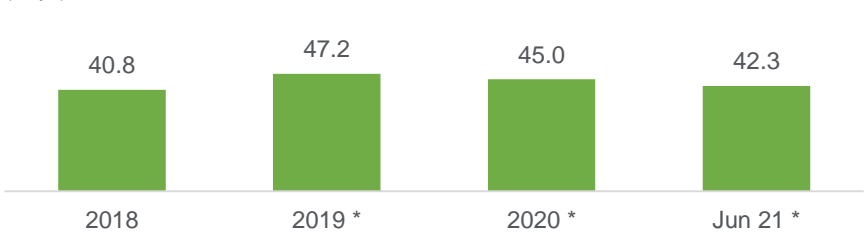
Trade Receivable Days¹
(Days)



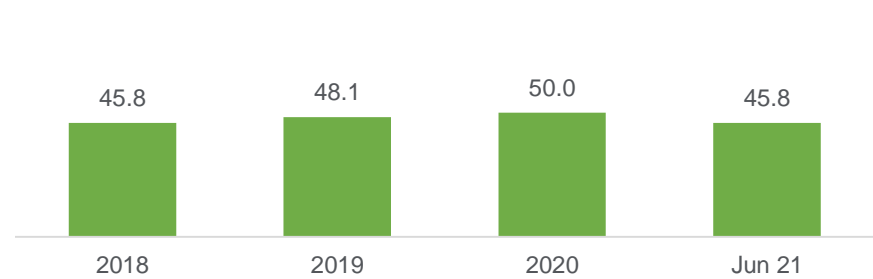
Inventory Days²
(Days)



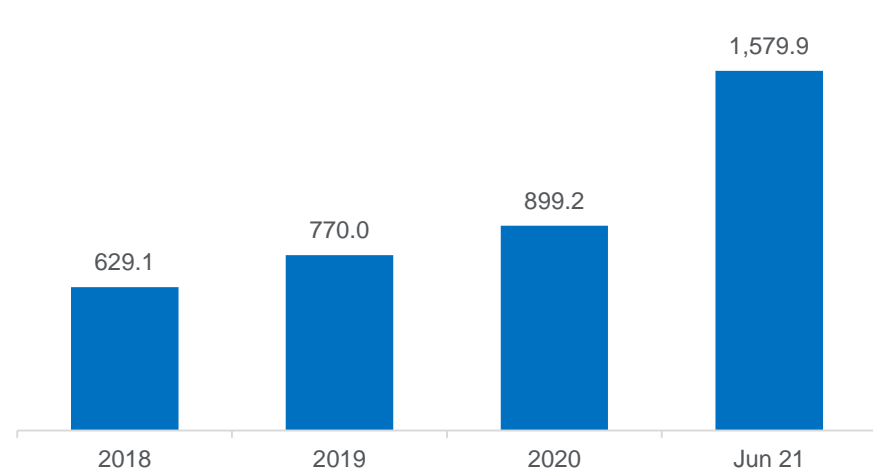
Trade Payable Days²
(Days)



Cash Conversion Cycle Days
(Days)



Net Working Capital
(IDR billions)



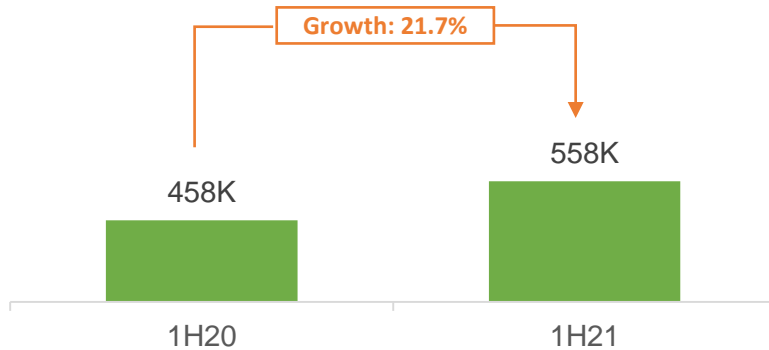
1. Trade receivable days are calculated based on the average of beginning and ending balance of trade receivables over the period of last 12 months (LTM) divided by LTM Sales.

2. Calculated based on the average of beginning and ending balance of LTM period divided by LTM COGS.

*) The other account payable to related parties is included

Consistent Recovery in Patient Volume

Inpatient Days

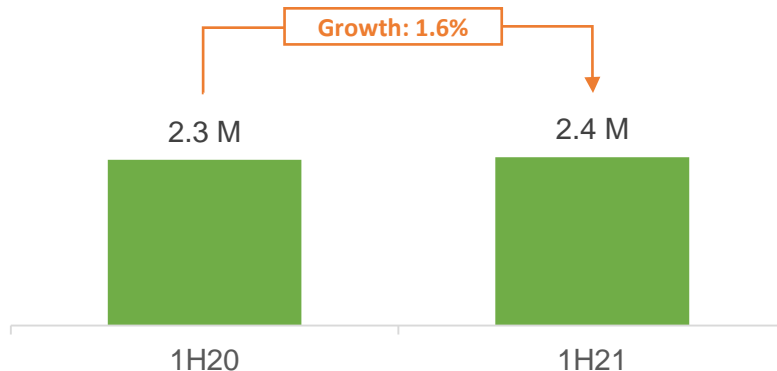


- Bed Occupancy Ratio (BOR) was 56% in 1H20 and 58% in 1H21
- Average Length of Stay (ALOS) was 2.7 days in 1H20 and 3.3 days in 1H21

Inpatient Days by Payor Type



Outpatient Visit

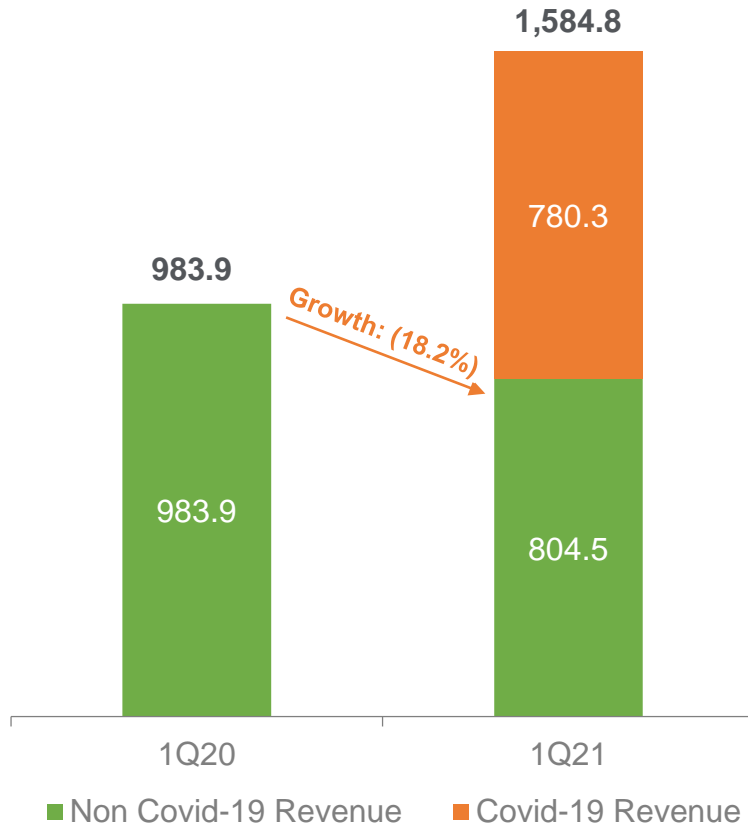


Outpatient Visits by Payor Type

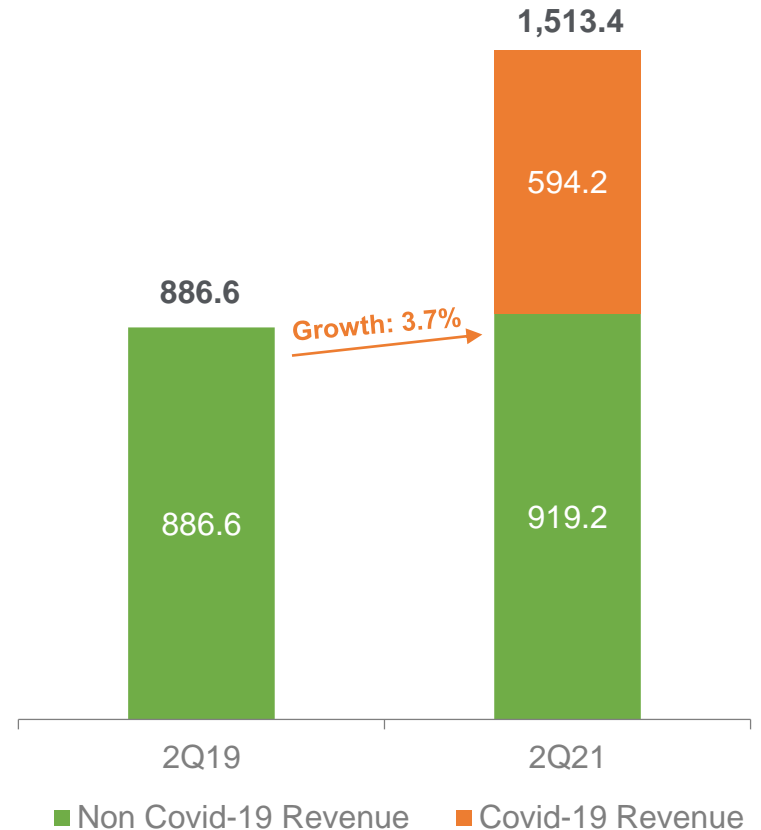


Non Covid-19 Revenue Has Grown Positively as Compared to Pre Covid Era

Revenue Breakdown
(IDR billions)



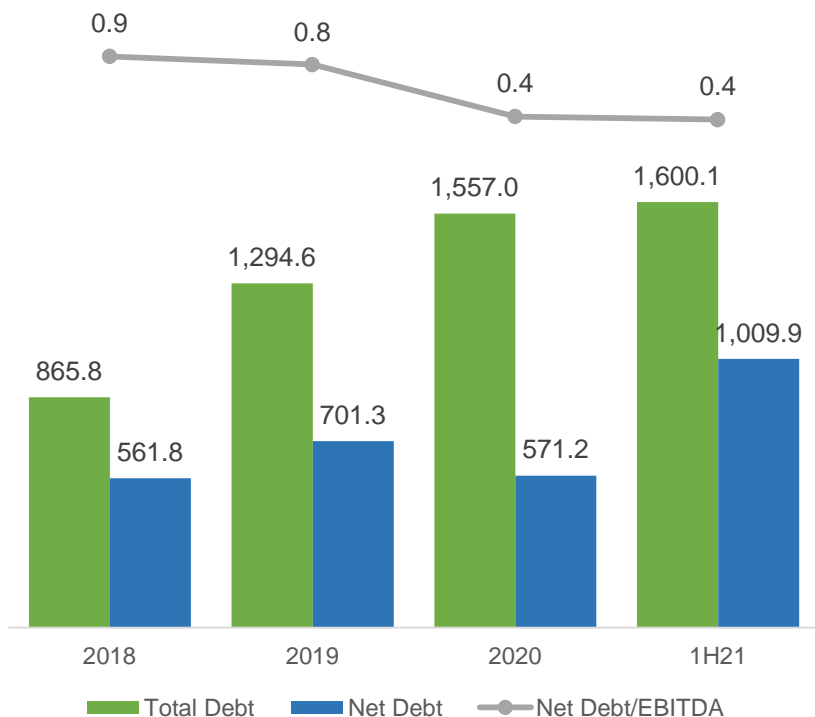
Revenue Breakdown
(IDR billions)



Sufficient Room For Additional Debt to Support the Growth

Total Debt / Net Debt / Leverage Ratio

(IDR billions, x)



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

Robust Credit Profile

Credit Rating of AA- for Public Bond

- In June 2021, **PEFINDO** has reaffirmed **AA-** rating for HEAL and its public bond with stable outlook.
- The rating is supported by HEAL's very strong market position in the hospital industry with proven track record, strong financial profile, and increasing profit margin.



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 Sudirman Central Business District Lot 9
 J. Jenderal Sudirman Kav. 52-53
 Jakarta 12190, Indonesia
 T: (62-21) 509 664 69
 F: (62-21) 509 664 68
 G: (62-82) 1125 99999
 W: www.pefindo.com

No.RC-556/PEF-DIR/VI/2021

Jakarta, 9 Juni 2021

Kepada Yth.
 Bapak Aristo Setiawidjaja
 Direktur
 PT Medikaloka Hermina Tbk
 Jl. Raya Jatinegara Barat No.126
 Jatinegara
 JAKARTA TIMUR 13320

Perihal: Sertifikat Pemantauan Pemeringkatan atas Obligasi Berkelanjutan I Tahap I Seri A dan Seri B Tahun 2020 PT Medikaloka Hermina Tbk
 Periode 8 Juni 2021 sampai dengan 1 Juni 2022

Dengan hormat,

Sesuai dengan hasil rapat yang diadakan pada hari Selasa, 8 Juni 2021, Panitia Pemeringkat PT PEFINDO memutuskan menetapkan kembali peringkat:

AA-
 (Double A Minus)

terhadap Obligasi Berkelanjutan I Tahap I Seri A dan Seri B Tahun 2020 PT Medikaloka Hermina Tbk senilai Rp446.500.000.000,00 (empat ratus empat puluh enam miliar lima ratus juga rupiah) untuk periode 8 Juni 2021 sampai dengan 1 Juni 2022. Peringkat tersebut diberikan berdasarkan data dan informasi dari Perusahaan serta Laporan Keuangan Audit per 31 Desember 2020.

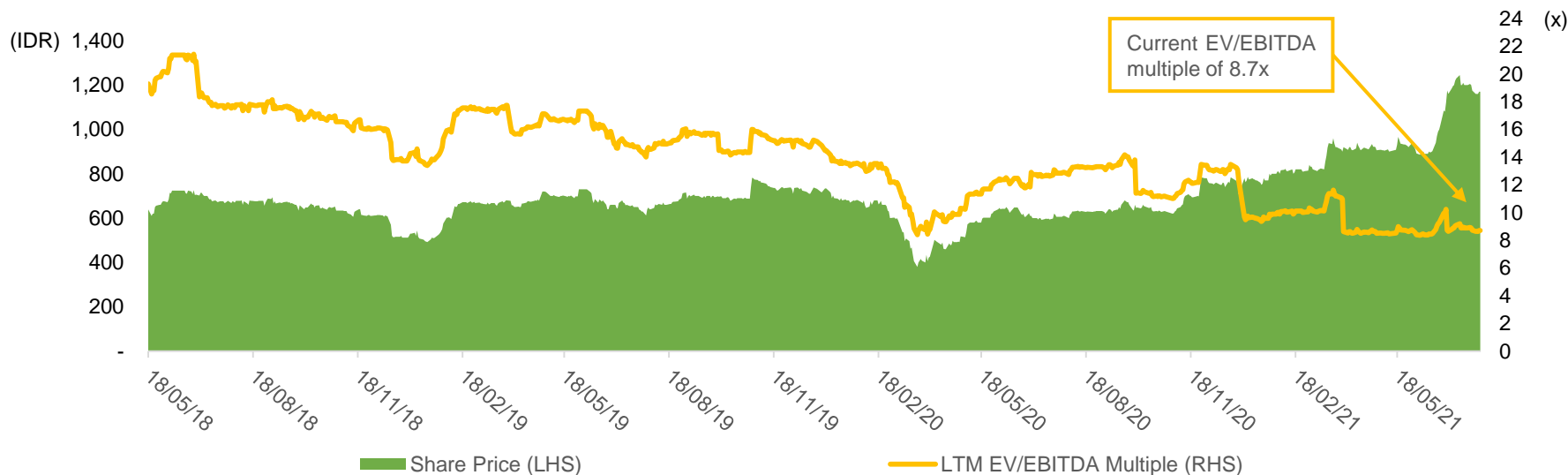
Loans from Top Reputable Banks

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

All Debt are Denominated in Local Currency

Significant Upside in Share Price to Reflect Fundamentals

Share Price and EV/EBITDA Multiple



Track Record of Returning Capital to Investors

■ Dividend

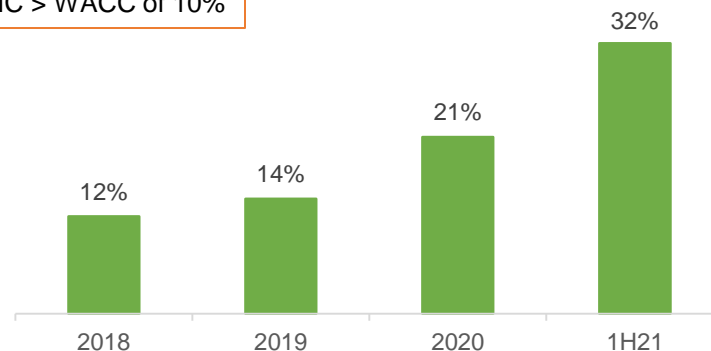
- Dividend for FY2018: IDR 11 per share
- Dividend for FY2019: IDR 12 per share
- Dividend for FY2020: IDR 25 per share

■ Shares Buyback

- Hermina has conducted a buyback program since Apr 2020
- Nominal value of shares which has been bought back was IDR 169bn for 42.5 million shares

Improving ROIC¹ Profile

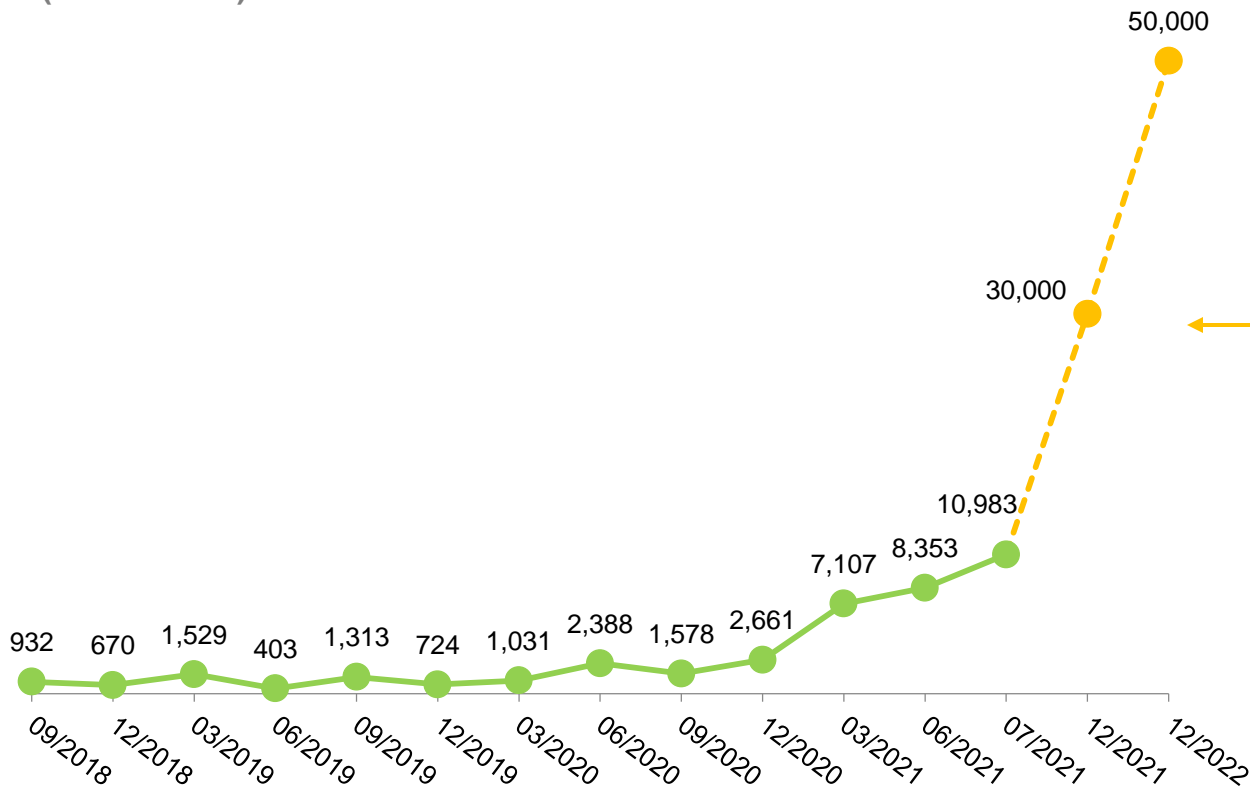
ROIC > WACC of 10%



1. Return on Invested Capital (ROIC) is calculated based on EBIT (LTM), tax rate of 25%, and average balance of invested capital.

Share is Expected to Rerate with Increasing Daily Trading Volume

Trailing 3-Month Average Daily Trading Volume
(IDR millions)



- The **stock split** of **5-to-1** was **effective** on 30 Jul 2021
- The stock split is expected to increase the trailing 3-month average daily trading volume to about IDR 30 billion by 31 Dec 2021 and IDR 50 billion by 31 Dec 2022
- Higher participation from retail investors are expected post the stock split
- It is expected that HEAL will rerate with higher trading volume

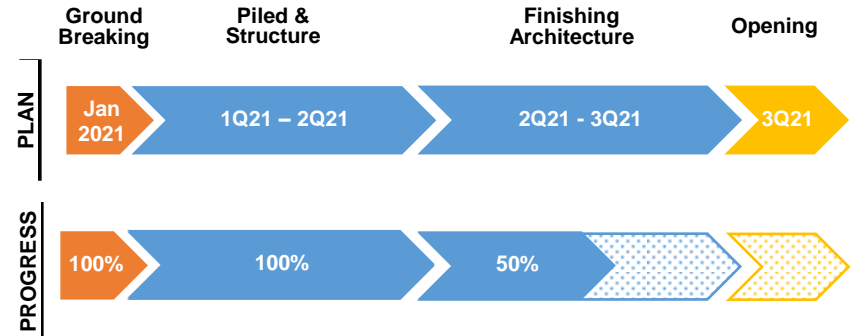


3. Other Development

Other Development

■ Hospital Development

- Hermina Cilegon



■ ESG Initiatives

- The FY2020 sustainability report has been published.
- Hermina is conducting a green initiative by embarking solar panel projects in Hermina Depok and Hermina Bogor.
- Hermina is finalizing and implementing frameworks regarding the Environment, Social, and Governance (ESG) and Life and Fire Safety (LFS) with the help of 2 institutional investors such as ADB and Quadria Capital.
- Recently, CIMB named Hermina as one of the companies abiding to ESG principles in Indonesia.



4. Appendix

Investor Relations Contact and Coverage

Investor Relations Contact : ir@herminahospitals.com

Analyst Coverage

| Brokerage Company | Analyst | Share Price Target (IDR) ¹ | Rating |
|------------------------|---------------------------------|---------------------------------------|------------|
| BCA Sekuritas | Rachel Christabelle Sual | 1,440 | Buy |
| Credit Suisse | Steven Ho | 1,320 | Outperform |
| CGS CIMB | Patricia Gabriela | 1,340 | Add |
| DBS | Cheria Christi Widjaja | 1,150 | Buy |
| Korea Investment | David Arie Hartono | 1,500 | Overweight |
| Macquarie | Ari Jahja | 1,200 | Outperform |
| Mandiri Sekuritas | Inggrid Gondoprastowo | 1,300 | Buy |
| Nomura (Verdhana) | Heng Siong Kong (Eimi Setiawan) | 1,110 | Buy |
| Sucor Sekuritas | Jennifer Widjaja | 1,360 | Buy |
| Samuel Sekuritas | Olivia Laura Anggita | 1,140 | Buy |
| Trimegah Sekuritas | Heribertus Ariando | 1,440 | Buy |
| Mirae Asset Sekuritas | Joshua Michael | 1,200 | Buy |
| BNI Sekuritas | Erlangga Aditya Guntoro | 1,150 | Buy |
| Valbury Sekuritas | Alfiansyah, Devi Harjoto | 1,220 | Buy |
| RHB | Vanessa Karmajaya | TBC | Buy |
| Citi | Ryan Winipta | TBC | TBC |
| Maybank Kim Eng | Adi Wicaksono | TBC | TBC |
| Indo Premier Sekuritas | Laura Oei | TBC | TBC |
| MNC Sekuritas | Muhammad Rudy Setiawan | TBC | Buy |

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



PT Medikaloka Hermina Tbk
www.herminahospitals.com