

PT Medikaloka Hermina Tbk

FY 2019 Presentation

April 2020

Hermina – Our Team



dr. Hasmoro

**President
Director & CEO**

36
Years of Experience



Yulisar Khiat

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

36
Years of Experience



**dr. Binsar Parasian
Simorangkir**

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

34
Years of Experience



Aristo Setiawidjaja

**MD, Finance and
Strategic
Development**

17
Years of Experience





1. Company Overview

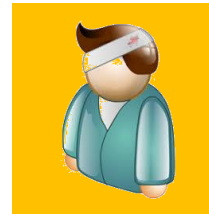
Introduction to Hermina

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**
 - **36 hospitals and 4,014 beds** as of December 31, 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**¹ + **fully committed** founders and credible institutional investors

Key Statistics (FY19)



6.1M+

Annual Out-Patient
Visits

375K+

Annual In-Patient
Admissions



~3,800

Doctors and
Specialists



~55,000

Annual Babies Delivered



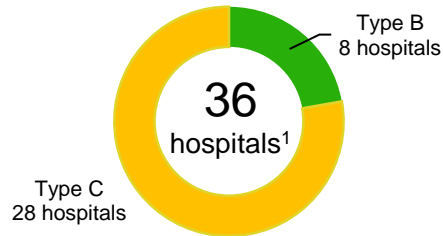
100%

JKN Participation Across Hospitals

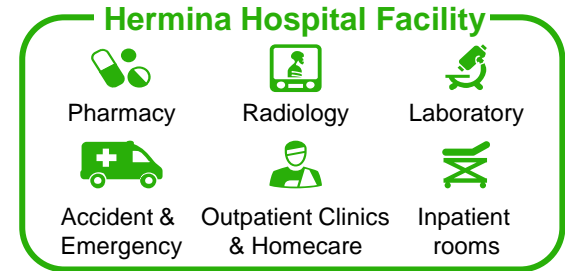
1. Except for RS Hermina Pandanaran whose land is owned by a non-profit organization

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
- 28 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

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



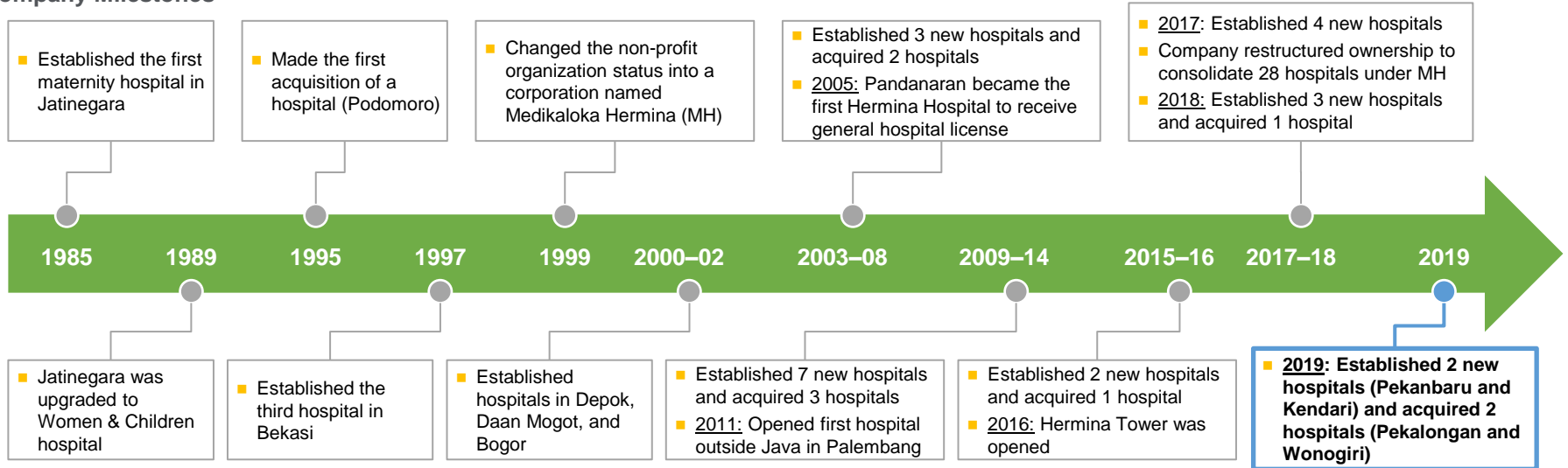
A variety of health screening and treatment such as Cath Lab

1. As of December 31, 2019

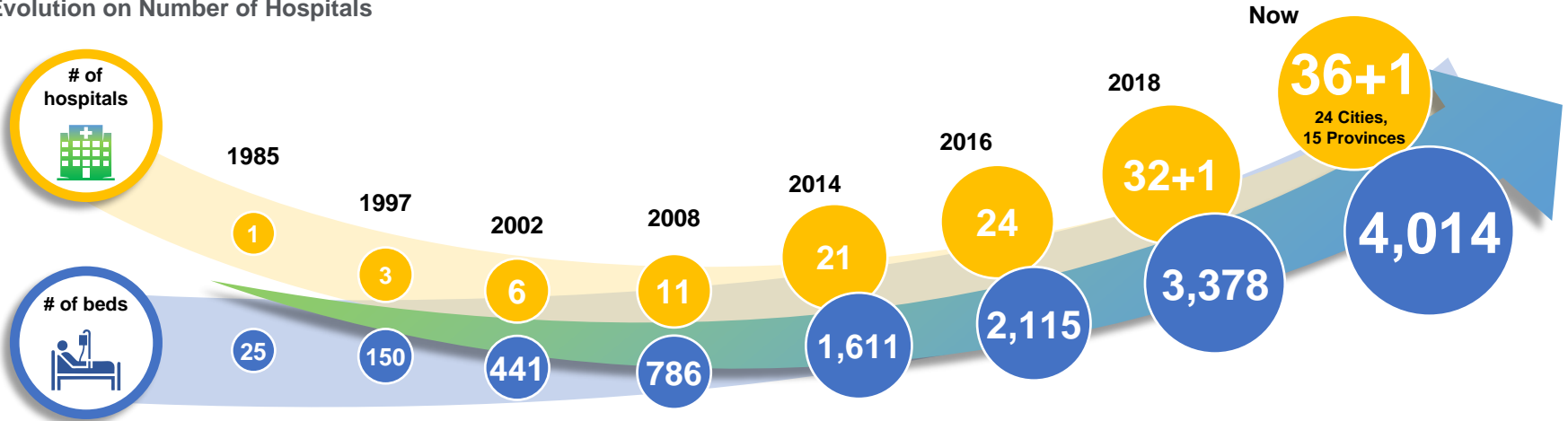
2. Based on Frost & Sullivan's analysis that within the top private multi-specialty hospital chains, Hermina has the broadest offerings in women & children segment

Corporate History

Company Milestones



Evolution on Number of Hospitals



Our Nationwide Hospital Network

Our Nationwide Hospital Network

Type B Hospitals



Jatinegara



Kemayoran



Bekasi



Depok



Daan Mogot



Bogor



Grand Wisata



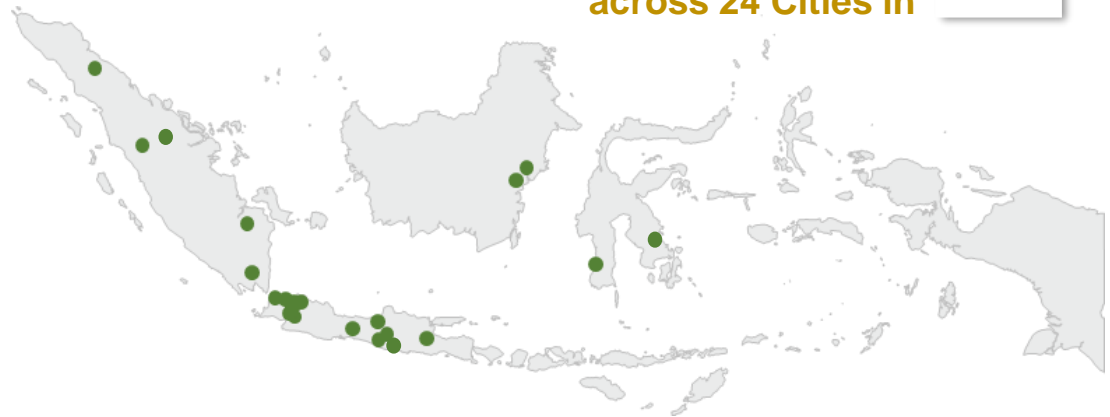
Pasteur

Type C Hospitals

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

Total Hospitals

**36 Hospitals¹
across 24 Cities in**



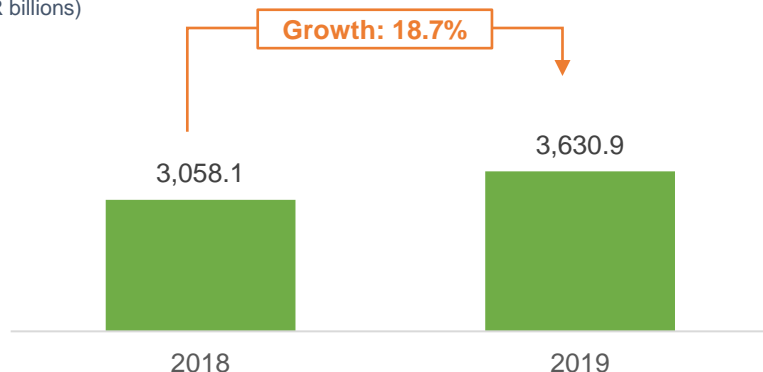
1. Excluding Provita Hospital in Jayapura which is owned by a local Papua organization but managed and operated by Hermina



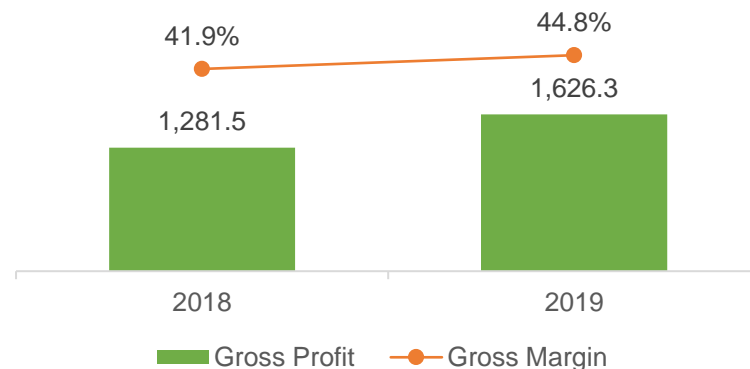
2. Financial Update

Continuous Growth in Revenue and Increasing Margin Profile

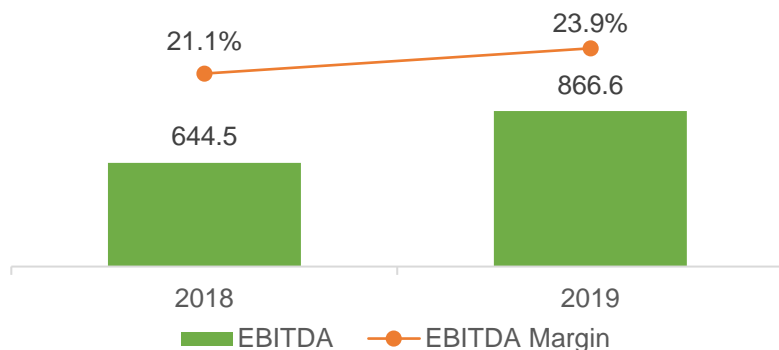
Total Revenue
(IDR billions)



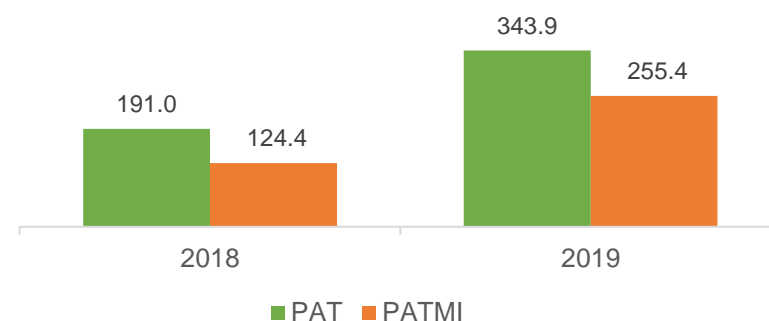
Gross Profit & Gross Margin
(IDR billions, %)



EBITDA & EBITDA Margin¹
(IDR billions, %)



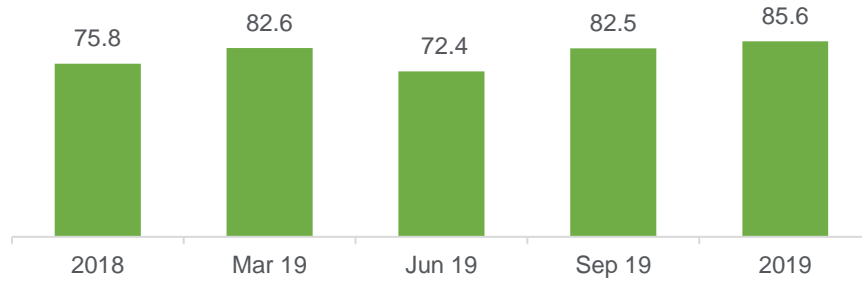
PAT & PATMI
(IDR billions)



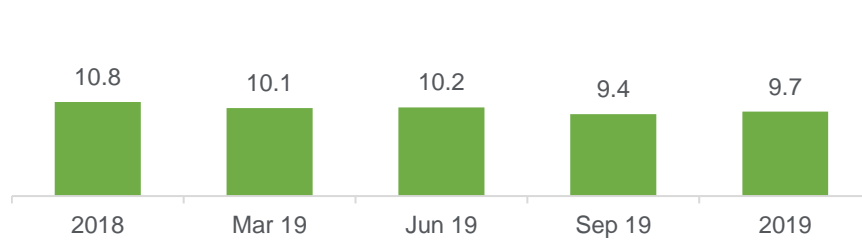
1. EBITDA is calculated by operating income + depreciation and amortization + adjustment for non-operating items (loss on disposal of fixed asset, gain on sale of fixed asset, and other income (expense)) and adjustment for non-cash items (allowance for impairment losses and post-employment benefit expense)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

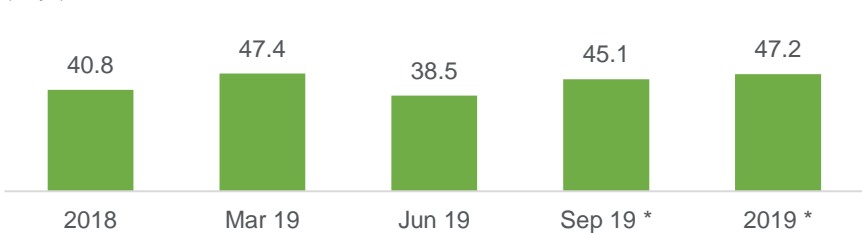
Trade Receivable Days¹
(Days)



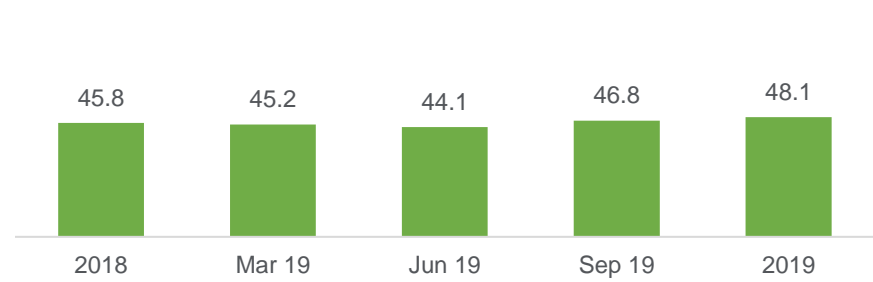
Inventory Days²
(Days)



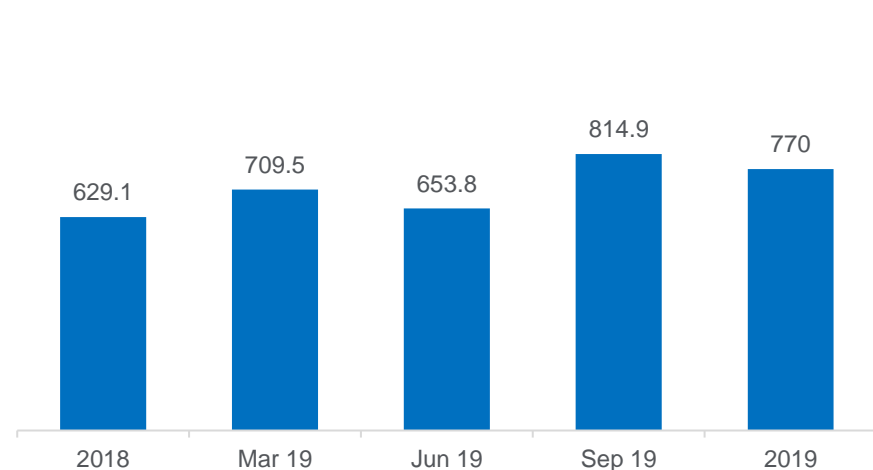
Trade Payable Days²
(Days)



Cash Conversion Cycle Days
(Days)



Net Working Capital
(IDR billions)



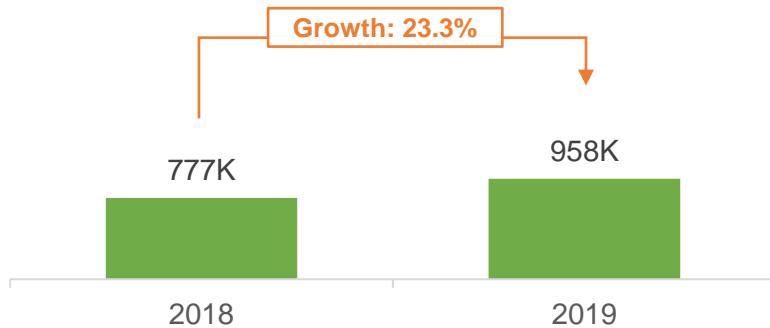
1. Trade receivable days are calculated based on the average of beginning and ending balance of trade receivables over the period of last 12 months (LTM) divided by LTM Sales.

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

Strong Growth in Both Private and JKN Patients

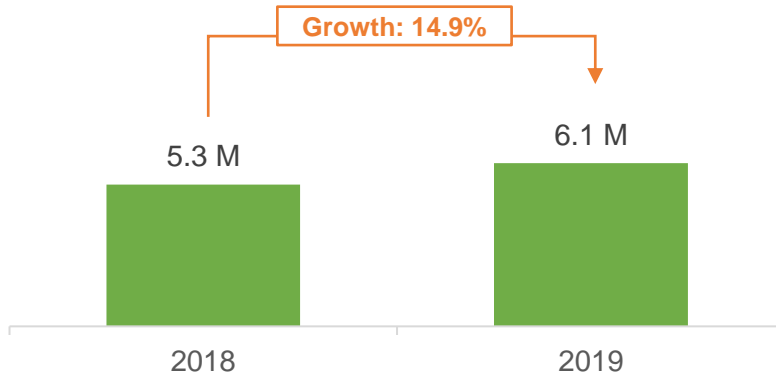
Inpatient Days



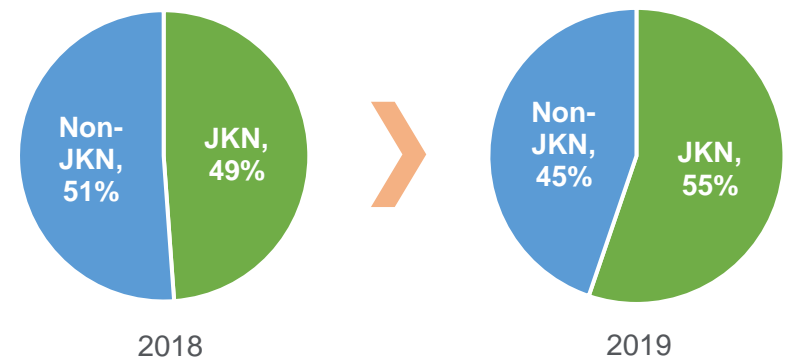
Inpatient Days by Payor Type



Outpatient Visit



Outpatient Visits by Payor Type



EBITDA Calculation Methodology

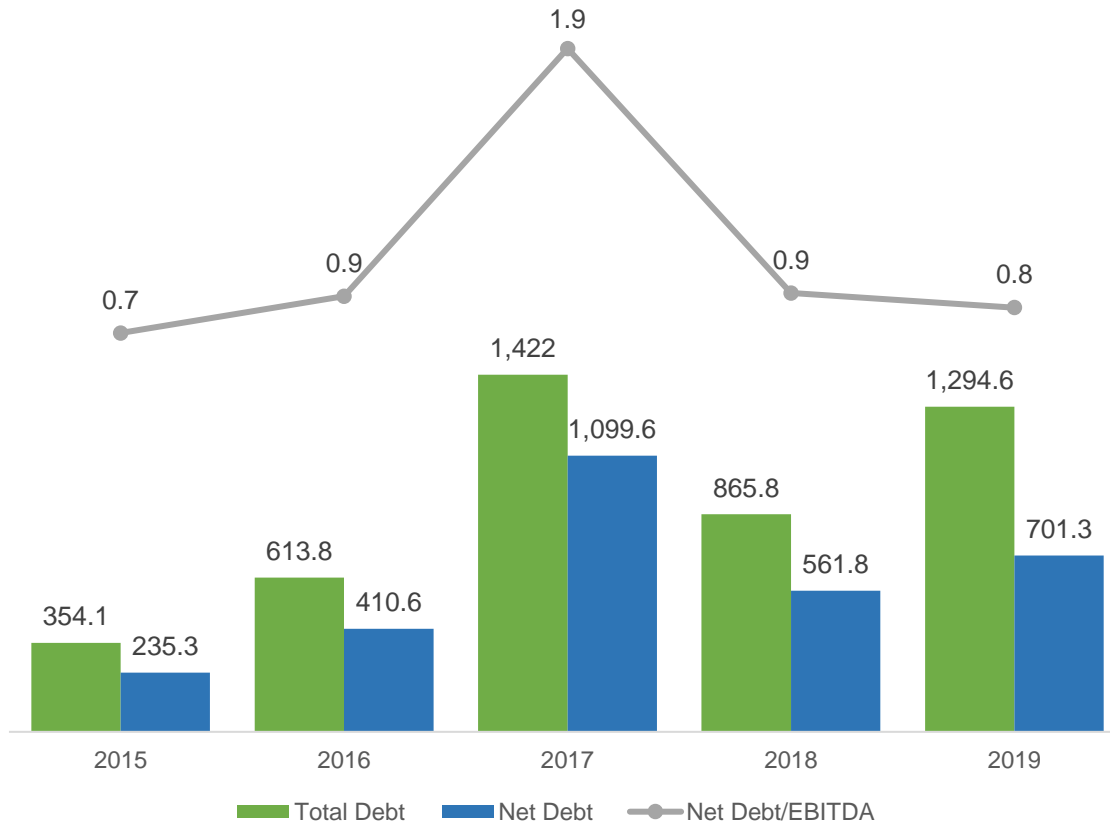
(IDR billions)	2018	2019
Revenue	3,058.1	3,630.9
EBIT	386.0	583.3
<i>% Margin</i>	<i>12.6%</i>	<i>16.1%</i>
+ Depreciation and Amortization (D&A)	203.3	226.9
Adjustment for back non-cash items¹		
+ Post-employment benefits	46.7	34.6
+ Allowance for impairment losses	3.8	33.6
Adjustment for non-operational income / (expense)		
+ Loss on disposal of fixed asset	5.5	1.3
- Gain on sale fixed asset	1.1	0.6
- Other income / (expense) ²	1.6	12.4
+ IPO related expenses	1.9	-
EBITDA (EBIT + D&A + Adjustments)	644.5	866.6
<i>% Margin</i>	<i>21.1%</i>	<i>23.9%</i>

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

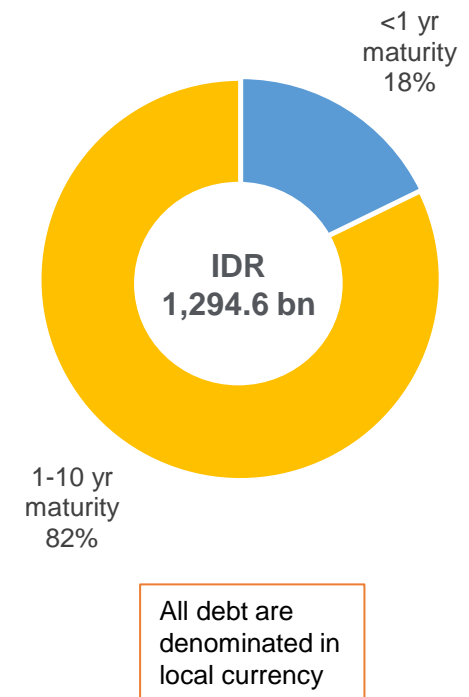
2. Other income and expenses include items that are non-operational in nature such as sponsorship income, seminar income, patient overpayment, CSR and charitable donation expenses, and other miscellaneous income and expenses. Other income and expenses exclude the minority shares subscription income (IDR 13,557mn in 2018 and IDR 6,076mn in 2019)

Sufficient Room For Additional Debt to Support the Growth

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



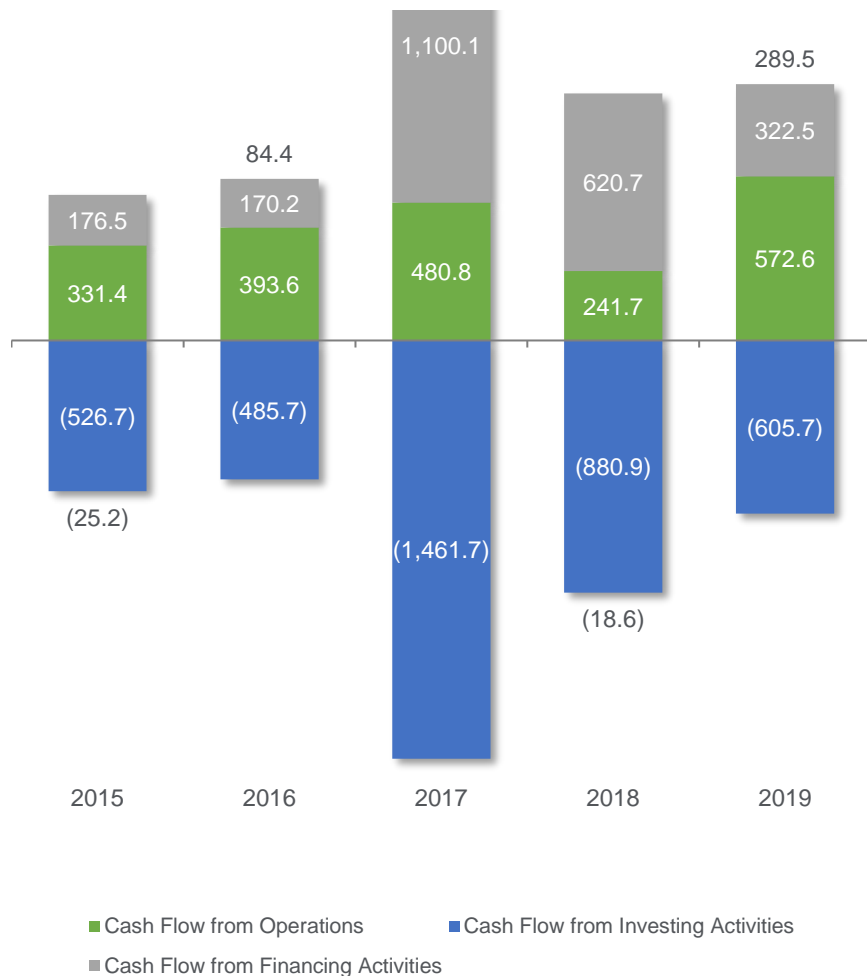
Maturity Profile (2019)



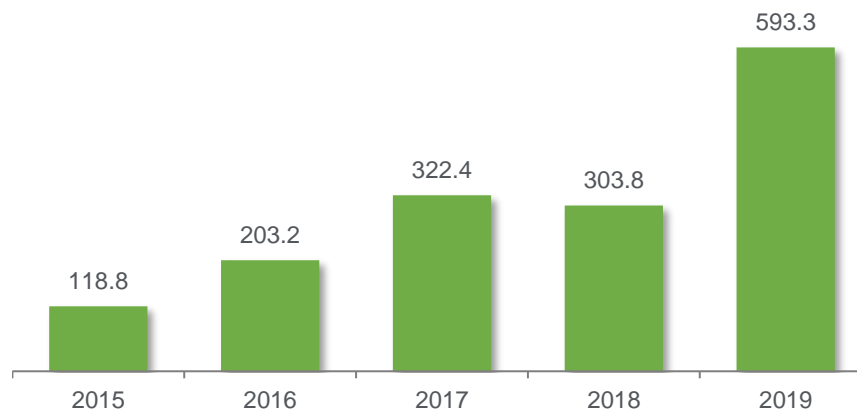
Note:
Debt is calculated by short-term bank loans + current portion of long-term liabilities + medium term notes + long-term liabilities net of current portion: bank loans + mandatory convertible notes + finance lease payables and consumer finance

Consistent Positive Cash Flow From Operations to Partly Fund Capex

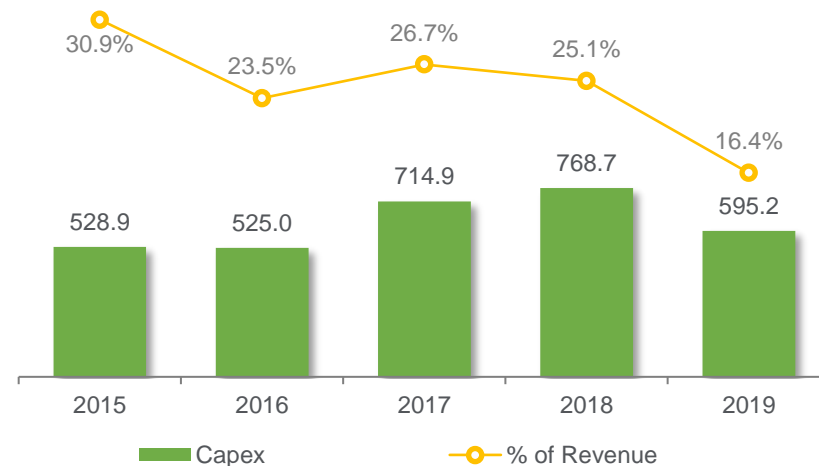
Cash Flow
(IDR billions)



Cash and Cash Equivalents
(IDR billions)



Capital Expenditure¹
(IDR billions, %)



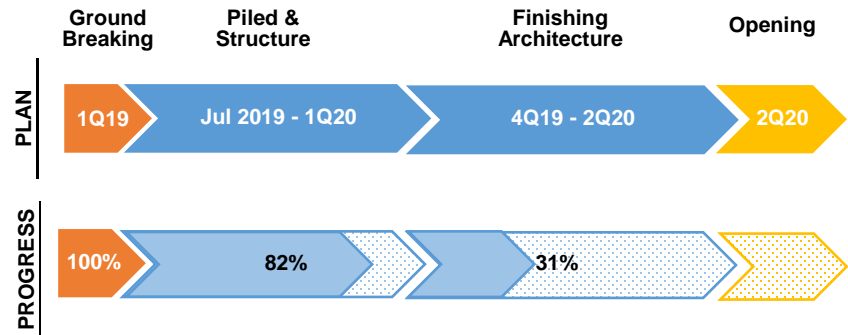
1. Includes acquisition of fixed assets + acquisition of other assets + advance purchase of fixed assets



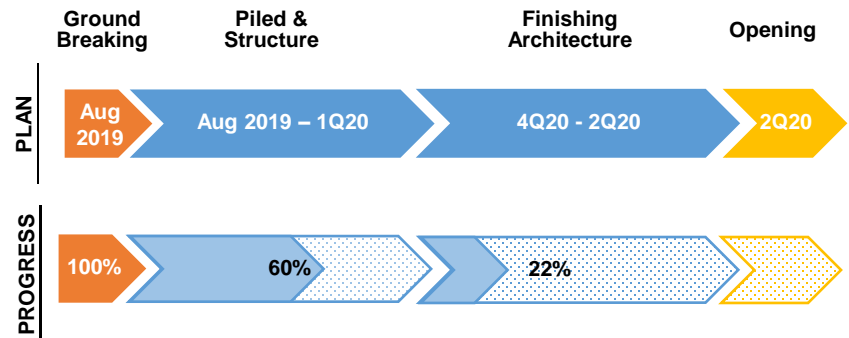
3. Hospital Development

Hospitals Under Development

Hermina Manado



Hermina Karawang





PT Medikaloka Hermina Tbk
www.herminahospitals.com