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 35 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.

<table>
<thead>
<tr>
<th>Unique Business Model</th>
<th>Key Statistics (FY19)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>One of the Largest Private Hospital Groups</strong></td>
<td><strong>6.1M+</strong></td>
</tr>
<tr>
<td>- 37 hospitals and 4,409 beds as of March 31, 2020</td>
<td><strong>375K+</strong></td>
</tr>
<tr>
<td>- <strong>General hospital</strong> providing a wide range service offerings, with a strong heritage in women and children care</td>
<td><strong>Annual Out-Patient Visits</strong></td>
</tr>
<tr>
<td><strong>‘Doctor Partnership’ Model</strong></td>
<td><strong>~3,800</strong></td>
</tr>
<tr>
<td>- Top specialist doctors own a minority stake at each hospital</td>
<td></td>
</tr>
<tr>
<td>- (i) Helps to <strong>attract and retain quality doctors</strong>, and (ii) supports growth plan going forward</td>
<td><strong>Doctors and Specialists</strong></td>
</tr>
<tr>
<td><strong>Patient Segment Positioning</strong> – <strong>Fast growing middle class</strong> and rising affluence</td>
<td><strong>~55,000</strong></td>
</tr>
<tr>
<td>- Strength in women and children care provides a good entry point for Indonesians of productive age</td>
<td><strong>Annual Babies Delivered</strong></td>
</tr>
<tr>
<td><strong>Early Mover Advantage in JKN</strong> – Visits driven by JKN, as well as private pay, insurance, and corporate patients</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Proven Track Record</strong> – Successfully developing new hospitals and optimizing capacity while maintaining profitability</td>
<td></td>
</tr>
<tr>
<td><strong>Alignment of Interest</strong> – <strong>Doctor Partners + self-owned properties</strong>¹ + fully committed founders and credible institutional investors</td>
<td></td>
</tr>
</tbody>
</table>

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¹. Except for RS Hermina Pandanaran whose land is owned by a non-profit organization
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
- 29 Type C full service general hospitals with several sub-specialist care

### Service Offerings in Women and Children Care

#### Obstetrics & Gynaecology
- Specializes in women’s health including Oncology and Urogynaecology

#### Pediatrics
- Children’s health including tertiary care such as Gastroenterology and Thalassemia

#### Service of Excellence
  - Feto-maternal care
  - Infertility

#### 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 Specialties
- 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

#### 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

#### Other Specialties
- Ophthalmology
- Neurology
- Pathology-Anatomic
- Anaesthesiology
- Acupuncture
- Psychiatry
- Psychology
- Radiology
- Pulmonology
- Dermatology & Venereology
- Otorhinolaryngology (ENT)

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1. As of March 31, 2020
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

- Established the first maternity hospital in Jatinegara
- Made the first acquisition of a hospital (Podomoro)
- Changed the non-profit organization status into a corporation named Medikaloka Hermina (MH)
- Established 3 new hospitals and acquired 2 hospitals
- 2005: Pandanaran became the first Hermina Hospital to receive general hospital license
- 2017: Established 4 new hospitals
- Company restructured ownership to consolidate 28 hospitals under MH
- 2018: Established 3 new hospitals and acquired 1 hospital
- Listed at Indonesia Stock Exchange
- 2019: Established 2 new hospitals and acquired 2 hospitals
- 2020: Established 1 new hospital (Karawang)

Evolution on Number of Hospitals

- 1985: 1 hospital
- 1989: 2 hospitals
- 1995: 3 hospitals
- 1997: 11 hospitals
- 2000–02: 16 hospitals
- 2003–08: 23 hospitals
- 2009–14: 24 hospitals
- 2015–17: 25 hospitals
- 2017–19: 32 hospitals
- 2020: 37 hospitals

Now: 37+1 hospitals in 24 Cities, 15 Provinces

# of hospitals

- 1985: 1
- 1997: 3
- 2002: 6
- 2008: 11
- 2014: 21
- 2016: 24
- 2018: 32+1
- 2020: 37+1

Now: 4,409 beds
### Our Nationwide Hospital Network

#### Type B Hospitals
- Pandanaran
- Tangkubanprahu
- Sukabumi
- Tangerang
- Arcamanik
- Galaxy
- Palembang
- Ciputat

#### Type C Hospitals
- Mekarsari
- Serpong
- Banyumanik
- Solo
- Ciruas
- Yogya
- Bitung
- Makassar
- Balikpapan
- Medan
- Podomoro
- Purwokerto
- Samarinda
- Jakabaring
- Padang
- Lampung

#### Total Hospitals
- 37 Hospitals across 25 Cities in Grand Wisata Pasteur

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1. Conversion of acquired hospital is in progress
2. Excluding Provita Hospital in Jayapura which is owned by a local Papua organization but managed and operated by Hermina
2. Financial Update
Resilient Revenue and EBITDA Performance Despite Pandemic

**Total Revenue**
(IDR billions)

- **Growth: 9.1%**
  - 1Q19: 901.5
  - 1Q20: 983.9

**EBITDA & EBITDA Margin**
(IDR billions, %)

- 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).

- **EBITDA & EBITDA Margin**
  - 1Q19: 24.5%
  - 1Q20: 25.0%

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

- **Gross Profit**
  - 1Q19: 424.6
  - 1Q20: 440.2

- **Gross Margin**
  - 1Q19: 47.1%
  - 1Q20: 44.7%

**PAT & PATMI**
(IDR billions)

- **PATMI Growth: 27.3%**
  - PAT: 74.4
  - PATMI: 99.3
  - 1Q19: 56.5
  - 1Q20: 71.8

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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).
Key Balance Sheet Items – Working Capital Turnover 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.
*) The other account payable to related parties is included.
Stable Growth in Both Private and JKN Patients

Inpatient Days

- **Growth: 11.0%**
- 1Q19: 247K
- 1Q20: 274K

Outpatient Visit

- **Consistent**
- 1Q19: 1.6 M
- 1Q20: 1.6 M

Inpatient Days by Payor Type

- 2019:
  - Non-JKN: 36%
  - JKN: 64%

- 1Q20:
  - Non-JKN: 34%
  - JKN: 66%

Outpatient Visits by Payor Type

- 2019:
  - Non-JKN: 45%
  - JKN: 55%

- 1Q20:
  - Non-JKN: 40%
  - JKN: 60%
# Consistent Improvement in EBITDA Margin

<table>
<thead>
<tr>
<th>(IDR billions)</th>
<th>1Q19</th>
<th>1Q20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>901.5</td>
<td>983.9</td>
</tr>
<tr>
<td>EBIT</td>
<td>138.8</td>
<td>169.2</td>
</tr>
<tr>
<td>% Margin</td>
<td>15.4%</td>
<td>17.2%</td>
</tr>
<tr>
<td>+ Depreciation and Amortization (D&amp;A)</td>
<td>50.8</td>
<td>59.9</td>
</tr>
<tr>
<td>Adjustment for back non-cash items&lt;sup&gt;1&lt;/sup&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ Post-employment benefits</td>
<td>9.4</td>
<td>10.3</td>
</tr>
<tr>
<td>+ Allowance for impairment losses</td>
<td>21.8</td>
<td>10.2</td>
</tr>
<tr>
<td>Adjustment for non-operational income / (expense)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ Loss on disposal of fixed asset</td>
<td>(0.2)</td>
<td>(0.2)</td>
</tr>
<tr>
<td>- Gain on sale fixed asset</td>
<td>(0.2)</td>
<td>(0.0)</td>
</tr>
<tr>
<td>- Other income / (expense)&lt;sup&gt;2&lt;/sup&gt;</td>
<td>0.0</td>
<td>3.4</td>
</tr>
<tr>
<td>+ IPO related expenses</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EBITDA (EBIT + D&amp;A + Adjustments)</td>
<td>220.7</td>
<td>246.0</td>
</tr>
<tr>
<td>% Margin</td>
<td>24.5%</td>
<td>25.0%</td>
</tr>
</tbody>
</table>

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 706mn in 1Q19 and IDR 2,661mn in 1Q20)
Healthy Balance Sheet With 0.5x Net Debt-to-EBITDA

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

- 2016: Total Debt = 613.8, Net Debt = 410.6, Net Debt/EBITDA = 0.9
- 2017: Total Debt = 1,422, Net Debt = 1,099.6, Net Debt/EBITDA = 0.9
- 2018: Total Debt = 865.8, Net Debt = 561.8, Net Debt/EBITDA = 0.9
- 2019: Total Debt = 1,294.6, Net Debt = 701.3, Net Debt/EBITDA = 0.8
- 1Q20: Total Debt = 1,267.5, Net Debt = 521.7, Net Debt/EBITDA = 0.5

**Maturity Profile (1Q 2020)**

- 1-10 yr maturity: 83%
- <1 yr maturity: 17%

All debt are denominated in local currency

Key lender includes an SOE bank, Bank Mandiri

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

Maintenance Capex is immediately expensed
Attractive Share Valuation With Improving ROIC

Track Record of Returning Capital to Investors

- **Dividend**
  - Dividend for FY2018: IDR 11 per share
  - Dividend for FY2019: IDR 12 per share

- **Shares Buyback**
  - Hermina is currently conducting a buyback program
  - Nominal value of shares to be bought back is IDR 100bn at maximum for as many as 30 million shares
  - Partial buyback has been realized

Improving ROIC Profile

- ROIC > WACC of 10%

1. Return on Invested Capital (ROIC) is calculated based on EBIT, tax rate of 25%, and average balance of invested capital.
3. Hospital Development
## Hospitals Under Development

### Hermina Manado

<table>
<thead>
<tr>
<th>Ground Breaking</th>
<th>Piled &amp; Structure</th>
<th>Finishing Architecture</th>
<th>Opening</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q19</td>
<td>Jul 2019 - 1Q20</td>
<td>4Q19 - 2Q20</td>
<td>2Q20</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PLAN</th>
<th>PROGRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>100%</td>
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</table>

### Hermina Kutabumi

<table>
<thead>
<tr>
<th>Ground Breaking</th>
<th>Piled &amp; Structure</th>
<th>Finishing Architecture</th>
<th>Opening</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 2020</td>
<td>Jan 2020 - 3Q20</td>
<td>2Q20 - 4Q20</td>
<td>4Q20</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PLAN</th>
<th>PROGRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>15%</td>
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4. Appendix
Investor Relations Contact and Coverage

Investor Relations Contact: ir@herminahospitals.com

Upcoming Events:
- Credit Suisse 2020 Asia Healthcare Virtual Conference (June 10th – 12th, 2020)
- J.P. Morgan Indonesia Virtual Healthcare Day (June 11th, 2020)

Analyst Coverage:

<table>
<thead>
<tr>
<th>Brokerage Company</th>
<th>Analyst</th>
<th>Share Price Target (IDR)</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCA Sekuritas</td>
<td>Rachel Christabelle Sual</td>
<td>4,700</td>
<td>Buy</td>
</tr>
<tr>
<td>Citi</td>
<td>Edi Chandren</td>
<td>4,500</td>
<td>Buy</td>
</tr>
<tr>
<td>CGS CIMB</td>
<td>Patricia Gabriela</td>
<td>3,200</td>
<td>Add</td>
</tr>
<tr>
<td>Credit Suisse</td>
<td>Steven Ho</td>
<td>3,700</td>
<td>Outperform</td>
</tr>
<tr>
<td>DBS</td>
<td>Maynard Priajaya Arif</td>
<td>3,700</td>
<td>Buy</td>
</tr>
<tr>
<td>Indo Premier Sekuritas</td>
<td>Laura Oei</td>
<td>4,100</td>
<td>Buy</td>
</tr>
<tr>
<td>Macquarie</td>
<td>Ari Jahja</td>
<td>3,810</td>
<td>Outperform</td>
</tr>
<tr>
<td>Mandiri Sekuritas</td>
<td>Lakshmi Rowter</td>
<td>5,200</td>
<td>Buy</td>
</tr>
<tr>
<td>RHB</td>
<td>Jessica Pratiwi</td>
<td>4,800</td>
<td>Buy</td>
</tr>
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