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.

### Unique Business Model

- **One of the Largest Private Hospital Groups**
  - 37 hospitals and 4,521 beds as of June 30, 2020
  - 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)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Out-Patient Visits</strong></td>
<td>6.1M+</td>
</tr>
<tr>
<td><strong>Annual In-Patient Admissions</strong></td>
<td>375K+</td>
</tr>
<tr>
<td><strong>Doctors and Specialists</strong></td>
<td>~3,800</td>
</tr>
<tr>
<td><strong>Annual Babies Delivered</strong></td>
<td>~55,000</td>
</tr>
<tr>
<td><strong>JKN Participation Across Hospitals</strong></td>
<td>100%</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**

**Service Offerings**

- **Obstetrics & Gynaecology**
  - Specializes in women's health including Oncology and Urogynaecology

- **Pediatrics**
  - Children's health including tertiary care such as Gastroenterology and Thalassemia

- **Medical Rehabilitation**
  - 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**
  - 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)

**Hermina Hospital Facility**

- **Pharmacy**
- **Radiology**
- **Laboratory**
- **Accident & Emergency**
- **Outpatient Clinics & Homecare**
- **Inpatient rooms**

**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

**Diagnostics / Imaging**

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

**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

**Cardiovascular**

- A variety of health screening and treatment such as Cath Lab

**Service of Excellence**

- **Pharmacy**
- **Radiology**
- **Laboratory**
- **Accident & Emergency**
- **Outpatient Clinics & Homecare**
- **Inpatient rooms**

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1. As of June 30, 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

- **1985**: Established the first maternity hospital in Jatinegara
- **1989**: Made the first acquisition of a hospital (Podomoro)
- **1997**: Changed the non-profit organization status into a corporation named Medikaloka Hermina (MH)
- **2002**: Established 3 new hospitals and acquired 2 hospitals
- **2005**: Pandanaran became the first Hermina Hospital to receive general hospital license
- **2008**: Company restructured ownership to consolidate 28 hospitals under MH
- **2014**: Established 3 new hospitals and acquired 1 hospital
- **2016**: Listed at Indonesia Stock Exchange
- **2017**: Established 4 new hospitals
- **2018**: Established 3 new hospitals and acquired 1 hospital
- **2019**: Established 2 new hospitals and acquired 2 hospitals
- **2020**: Established 1 new hospital (Karawang)

### Evolution on Number of Hospitals

- **1985**: 1 hospital
- **1997**: 3 hospitals
- **2002**: 6 hospitals
- **2008**: 11 hospitals
- **2014**: 21 hospitals
- **2016**: 24 hospitals
- **2018**: 32 hospitals
- **Now**: 37 hospitals

- **1985**: 25 beds
- **1997**: 150 beds
- **2002**: 441 beds
- **2008**: 786 beds
- **2014**: 1,611 beds
- **2016**: 2,115 beds
- **2018**: 3,378 beds
- **Now**: 4,521 beds

- **24 Cities, 15 Provinces**
# Our Nationwide Hospital Network

<table>
<thead>
<tr>
<th>Type B Hospitals</th>
<th>Type C Hospitals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pandanaran</td>
<td>Mekarsari</td>
</tr>
<tr>
<td>Tangkubanprahu</td>
<td>Serpong</td>
</tr>
<tr>
<td>Sukabumi</td>
<td>Banyumanik</td>
</tr>
<tr>
<td>Tangerang</td>
<td>Solo</td>
</tr>
<tr>
<td>Arcamanik</td>
<td>Ciruas</td>
</tr>
<tr>
<td>Galaxy</td>
<td>Yogya</td>
</tr>
<tr>
<td>Palembang</td>
<td>Bitung</td>
</tr>
<tr>
<td>Ciputat</td>
<td>Makassar</td>
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<tr>
<td></td>
<td>Balikpapan</td>
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<tr>
<td></td>
<td>Medan</td>
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<tr>
<td></td>
<td>Podomoro</td>
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<tr>
<td></td>
<td>Purwokerto</td>
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<tr>
<td></td>
<td>Samarinda</td>
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<tr>
<td></td>
<td>Jakabaring</td>
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<td></td>
<td>Padang</td>
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<tr>
<td></td>
<td>Lampung</td>
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<tr>
<td></td>
<td>Pekalongan</td>
</tr>
<tr>
<td></td>
<td>Pekanbaru</td>
</tr>
<tr>
<td></td>
<td>Kendari</td>
</tr>
<tr>
<td></td>
<td>Wonogiri¹</td>
</tr>
<tr>
<td></td>
<td>Karawang</td>
</tr>
</tbody>
</table>

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

37 Hospitals across 25 Cities in Indonesia
2. Financial Update
Resilient Revenue and EBITDA Performance Despite Pandemic

**Total Revenue** (IDR billions)

- **1H19**: 1,788.1
- **1H20**: 1,732.2

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

- **1H19**: EBITDA 429.2, EBITDA Margin 24.0%
- **1H20**: EBITDA 396.6, EBITDA Margin 22.9%

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

- **1H19**: Gross Profit 824.8, Gross Margin 46.1%
- **1H20**: Gross Profit 741.6, Gross Margin 42.8%

**PAT & PATMI** (IDR billions)

- **1H19**: PAT 162.6, PATMI 124.6
- **1H20**: PAT 134.3, PATMI 104.2

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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

## Trade Receivable Days

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Jun 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days</td>
<td>53.6</td>
<td>75.8</td>
<td>85.6</td>
<td>71.6</td>
</tr>
</tbody>
</table>

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.

## Inventory Days

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Jun 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days</td>
<td>11.0</td>
<td>10.8</td>
<td>9.7</td>
<td>10.4</td>
</tr>
</tbody>
</table>

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

## Trade Payable Days

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019 *</th>
<th>Jun 20 *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days</td>
<td>42.9</td>
<td>40.8</td>
<td>47.2</td>
<td>37.4</td>
</tr>
</tbody>
</table>

## Cash Conversion Cycle Days

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Jun 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days</td>
<td>21.7</td>
<td>45.8</td>
<td>48.1</td>
<td>44.6</td>
</tr>
</tbody>
</table>

## Net Working Capital

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Jun 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDR billions</td>
<td>361.6</td>
<td>629.1</td>
<td>770.0</td>
<td>523.2</td>
</tr>
</tbody>
</table>

* The other account payable to related parties is included.
Temporary Slowdown in Patient Volume due to Lockdown

Inpatient Days

- **1H19**: 475K
- **1H20**: 458K

Outpatient Visit

- **1H19**: 2.9 M
- **1H20**: 2.3 M

Inpatient Days by Payor Type

- **2019**
  - JKN, 64%
  - Non-JKN, 36%
- **1H20**
  - JKN, 64%
  - Non-JKN, 36%

Outpatient Visits by Payor Type

- **2019**
  - JKN, 55%
  - Non-JKN, 45%
- **1H20**
  - JKN, 60%
  - Non-JKN, 40%
Slight Decrease in EBITDA Margin Amid Pandemic

<table>
<thead>
<tr>
<th>(IDR billions)</th>
<th>1H19</th>
<th>1H20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,788.1</td>
<td>1,732.2</td>
</tr>
<tr>
<td>EBIT</td>
<td>285.8</td>
<td>236.1</td>
</tr>
<tr>
<td>% Margin</td>
<td>16.0%</td>
<td>13.6%</td>
</tr>
<tr>
<td>+ Depreciation and Amortization (D&amp;A)</td>
<td>103.8</td>
<td>124.5</td>
</tr>
</tbody>
</table>

**Adjustment for back non-cash items¹**

<table>
<thead>
<tr>
<th></th>
<th>1H19</th>
<th>1H20</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ Post-employment benefits</td>
<td>19.1</td>
<td>20.7</td>
</tr>
<tr>
<td>+ Allowance for impairment losses</td>
<td>22.2</td>
<td>17.3</td>
</tr>
</tbody>
</table>

**Adjustment for non-operational income / (expense)**

<table>
<thead>
<tr>
<th></th>
<th>1H19</th>
<th>1H20</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ Loss on disposal of fixed asset</td>
<td>0.3</td>
<td>0.7</td>
</tr>
<tr>
<td>- Gain on sale fixed asset</td>
<td>0.2</td>
<td>0.4</td>
</tr>
<tr>
<td>- Other income / (expense)²</td>
<td>1.8</td>
<td>2.4</td>
</tr>
</tbody>
</table>

**EBITDA (EBIT + D&A + Adjustments)**

<table>
<thead>
<tr>
<th></th>
<th>429.2</th>
<th>396.6</th>
</tr>
</thead>
</table>

| % Margin | 24.0% | 22.9% |

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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 1,054mn in 1H19 and IDR 2,622mn in 1H20)
Sufficient Room For Additional Debt to Support the Growth

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

Maturity Profile (1H 2020)
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

1. Includes acquisition of fixed assets + acquisition of other assets + advance purchase of fixed assets
3. Hospital Development
Hospitals Under Development

Hermina Manado

Hermina Kutabumi
4. Appendix
**Investor Relations Contact and Coverage**

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

**Upcoming Event:** Citi Indonesia Investor Conference 2020 (August 11th – 13th, 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>3,400</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>
<tr>
<td>Nomura</td>
<td>Heng Siong Kong, Inggrid Gondoprastowo</td>
<td>5,200</td>
<td>Buy</td>
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<tr>
<td>Korea Investment</td>
<td>David Arie Hartono</td>
<td>3,800</td>
<td>Overweight</td>
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<tr>
<td>Samuel Sekuritas</td>
<td>Ilham Akbar Muhammad</td>
<td>5,000</td>
<td>Buy</td>
</tr>
</tbody>
</table>
PT Medikaloka Hermina Tbk
www.herminahospitals.com