

Medikaloka Hermina

BUY (unchanged)

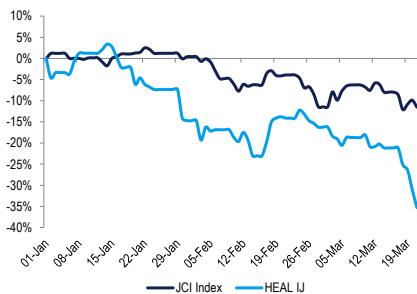
Company Update / Healthcare / HEAL IJ / 21 March 2025

Stock Data

Target price	Rp1,600
Prior TP	Rp2,050
Current price	Rp1,055
Upside/downside	52%
Shares outstanding (mn)	15,366
Market cap (Rp bn)	16,211
Free float	28%
Avg. 6m daily T/O (Rp bn)	39

Price Performance

	3M	6M	12M
Absolute	-25.4%	-27.2%	-16.3%
vs. JCI	-15.2%	-6.5%	-1.5%
52w low/high (Rp)	1,055 – 1,685		



Major Shareholders

Yulisar Khiat	12.1%
PT Astra International	7.3%
Binsar Parasian Simorangkir	5.9%
Lydia Immanuel	5.6%
Meijani Wibowo	2.2%

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4Q24 results: miss from soft revenue intensity

- FY24 net profit of Rp536bn (+22.5% yoy) was below consensus estimate at 92%; EBITDA of Rp1.9tr (+19.3% yoy) was in-line
- 4Q24 net profit declined to Rp68bn (-23.4% yoy) on the back of soft revenue intensity growth of +2.7% yoy.
- Maintain our BUY call with lower TP of Rp1,600/sh.

FY24 net profit was below consensus estimate; but in-line with ours

HEAL posted FY24 net profit of Rp536bn (+22.5% yoy) and this was below consensus estimate at 92%; but in-line with ours at 101%. FY24 net revenue was in-line as it improved by 16% yoy to Rp6.7tr. FY24 EBITDA of Rp1.9tr (+19.3% yoy) with EBITDA margin of 28.4% was in-line with consensus estimate at 102%; but, above our estimate at 105%. FY24 GPM only improved by 71bps yoy to 36.3% due to soft revenue intensity growth of +0.9% yoy. On the other hand, opex to sales improved by 123bps yoy to 20.8%, leading into EBIT margin of 15.4%.

Soft 4Q24 net profit was driven by lower revenue intensity growth

4Q24 net profit dropped to Rp68bn (-23.4% yoy/-45.8% qoq) while EBITDA improved by 4.0% yoy to Rp452bn (-3.1% qoq). 4Q24 GPM was stable at 32.9% (+12bps yoy) as higher revenue intensity growth of 2.7% yoy was offset by higher medical supplies cost to sales (+57bps yoy). To note, 4Q24 inpatient traffic only grew by 4.5% yoy (vs. 3yr pre-covid avg of +16.9% yoy) as this was due to stricter BPJS referral requirement since Sep24. We note 4Q24 EBITDA growth of 4.0% yoy (vs. EBIT growth of +13.2% yoy) was due to lower depreciation expense of -6% yoy, following the adoption of double-declining depreciation method. 4Q24 minority interest % of NPAT rose to 26.1% (vs. 24.9% in 4Q23), leading to NPATMI growth of 4% (-169bps yoy).

Maintain BUY with lower TP of Rp1,600/sh

It shared that the Jan-Feb25 traffic has flat yoy growth due to a high base effect in 1H24 from dengue cases. In addition, we view a stricter BPJS referral requirement may impact FY25F traffic growth; thus, we revised down our FY25F revenue by -4%, resulting in lower FY25F EBITDA of -9%. In sum, we maintain our BUY rating with a lower TP of Rp1,600/sh, based on 13.0x EV/EBITDA. Key risks are lower than expected traffic and intensity.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	5,784	6,717	7,414	8,109	8,679
EBITDA	1,600	1,909	2,075	2,287	2,510
EBITDA growth	40.5%	19.3%	8.7%	10.2%	9.8%
Net profit	437	536	643	701	770
EPS	29	36	43	47	51
EPS growth	46.5%	22.5%	20.0%	9.0%	9.8%
ROE	12.0%	12.9%	13.7%	13.5%	13.4%
ROIC	10.1%	10.6%	10.6%	10.5%	10.5%
P/E (x)	70.2	57.3	47.7	43.8	39.9
EV/EBITDA (x)	20.0	17.3	16.1	14.8	13.6
Dividend yield	0.3%	0.4%	0.5%	0.6%	0.7%
Forecast change			-12%	-16%	N/A
IPS vs. consensus			89%	84%	N/A

Sources: Company, Indo Premier

Share price closing as of: 21 March 2025

Fig. 1: HEAL's 4Q24 Result summary

(Rp bn)	4Q24	4Q23	% YoY	3Q24	% QoQ	12M24	12M23	% YoY	IPS FY24F	% IPS	Cons. FY24F	% Cons
Net sales	1,691	1,554	8.8%	1,682	0.5%	6,717	5,784	16.1%	6,661	101%	6,717	100%
COGS	1,134	1,044	8.6%	1,088	4.2%	4,281	3,727	14.9%				
Gross profit	557	510	9.2%	594	-6.2%	2,436	2,057	18.5%	2,448	100%	2,493	98%
Operating expenses	(372)	(346)	7.2%	(354)	4.9%	(1,399)	(1,276)	9.7%				
EBIT	185	164	13.2%	240	-22.6%	1,037	781	32.8%	981	106%	1,082	96%
D&A (included other non-current asset)	216	229	-6.0%	209	3.0%	779	734	6.1%				
Other adjustment	51	42	22.4%	18	187.6%	93	84	10.2%				
EBITDA	452	435	4.0%	467	-3.1%	1,909	1,600	19.3%	1,826	105%	1,868	102%
Net interest income/(expenses)	(49)	(28)	73.3%	(42)	17.6%	(151)	(108)	40.4%				
Others	7	15	-54.6%	11	-35.9%	21	37	-42.4%				
PBT	143	150	-4.9%	208	-31.4%	907	710	27.7%				
Tax	(51)	(32)	57.6%	(53)	-3.1%	(218)	(151)	44.3%				
Minorities	24	29	-18.0%	30	-21.3%	153	122	25.6%				
Net profit	68	89	-23.4%	125	-45.8%	536	437	22.5%	532	101%	584	92%
Margin (%)												
Gross margin	32.9%	32.8%		35.3%		36.3%	35.6%					
EBIT margin	11.0%	10.5%		14.2%		15.4%	13.5%					
EBITDA margin	26.7%	28.0%		27.7%		28.4%	27.7%					
Net margin	4.0%	5.7%		7.4%		8.0%	7.6%					
Minorities % of NPAT	-26.1%	-24.9%		-19.6%		-22.2%	-21.8%					
Opex to sales	-22.0%	-22.3%		-21.1%		-20.8%	-22.1%					
Outpatient visits (mn)	2.3	2.2	4.8%	2.3	0.2%	8.8	7.9	11.6%				
Avg. outpatient revenue/visit (Rp mn/visit)	0.3	0.3	-0.4%	0.3	-0.4%	0.3	0.3	-1.5%				
Inpatient days (k days)	521	499	4.5%	492	5.9%	2,042	1,732	17.9%				
Avg. inpatient revenue/day (Rp mn/day)	1.9	1.8	2.7%	2.0	-6.3%	2.0	1.9	0.9%				

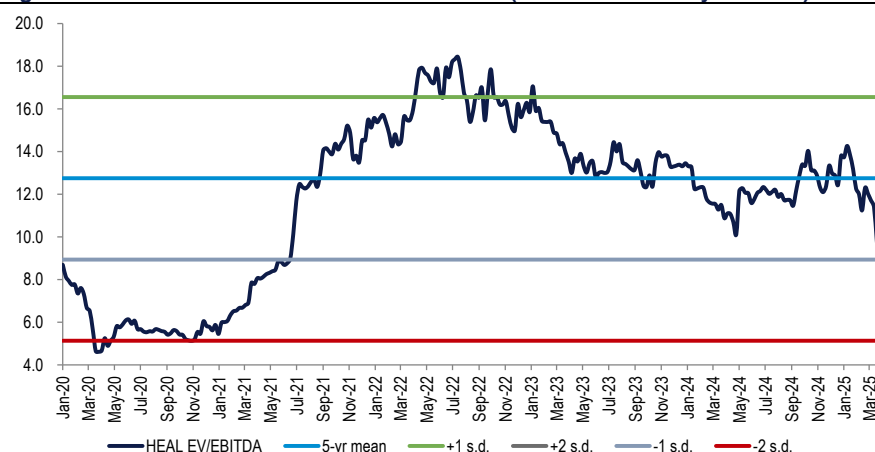
Sources: Company, Bloomberg, Indo Premier

Fig. 2: HEAL forecast changes

	Previous		Current		Changes	
	2025F	2026F	2025F	2026F	2025F	2026F
Financial Perform. (Rp bn)						
Net sales	7,701	8,576	7,414	8,109	-3.7%	-5.5%
Gross profit	2,877	3,244	2,687	2,949	-6.6%	-9.1%
EBIT	1,354	1,503	1,214	1,331	-10.3%	-11.4%
EBITDA	2,282	2,540	2,075	2,287	-9.1%	-10.0%
Net profit	755	839	643	701	-14.8%	-16.5%
Profitability (%)						
GPM	37.4%	37.8%	36.2%	36.4%	-1.1%	-1.5%
EBIT margin	17.6%	17.5%	16.4%	16.4%	-1.2%	-1.1%
EBITDA margin	29.6%	29.6%	28.0%	28.2%	-1.6%	-1.4%
Net profit margin	9.8%	9.8%	8.7%	8.6%	-1.1%	-1.1%

Sources: Indo Premier

Fig. 3: HEAL is traded at 9.7x fwd. 12M EV/EBITDA (-0.8 s.d. from its 5-year mean)



Sources: Bloomberg, Indo Premier

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net revenue	5,784	6,717	7,414	8,109	8,679
Cost of sales	(3,727)	(4,281)	(4,727)	(5,159)	(5,504)
Gross profit	2,057	2,436	2,687	2,949	3,176
SG&A Expenses	(1,276)	(1,399)	(1,472)	(1,618)	(1,719)
Operating profit	781	1,037	1,214	1,331	1,456
Net interest	(108)	(151)	(147)	(166)	(175)
Others	37	21	21	21	21
Pre-tax income	710	907	1,089	1,186	1,303
Income tax	(151)	(218)	(262)	(285)	(313)
Minority interest	(122)	(153)	(184)	(200)	(220)
Net income	437	536	643	701	770

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent	855	643	751	642	(38)
Receivable	934	1,216	1,187	1,298	1,389
Inventory	117	138	141	154	164
Other current assets	43	51	51	51	51
Total current assets	1,950	2,048	2,129	2,145	1,567
Fixed assets	5,852	7,549	8,623	9,607	10,507
Goodwill	130	155	155	155	155
Total non-current assets	6,853	8,529	9,593	10,575	11,472
Total assets	8,802	10,578	11,722	12,721	13,039
ST loans	48	79	110	140	140
Payable	924	1,048	1,215	1,326	1,415
Other payables	207	267	360	338	371
Current portion of LT loans	374	426	426	426	426
Total current liab.	1,553	1,820	2,111	2,230	2,352
Long term loans	2,001	2,820	3,185	3,549	3,178
Other LT liab.	51	72	72	72	72
Total liabilities	3,604	4,711	5,368	5,851	5,602
Equity	1,417	1,580	1,580	1,580	1,580
Retained earnings	2,452	2,872	3,361	3,875	4,442
Minority interest	1,329	1,414	1,414	1,414	1,414
Total SHE + minority int.	5,198	5,866	6,354	6,869	7,436
Total liabilities & equity	8,803	10,578	11,722	12,721	13,039

Sources: Company, Indo Premier

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
EBIT	781	1,037	1,193	1,248	1,270
Depr. & amortization	734	779	833	923	1,016
Changes in working capital	21	(179)	194	(14)	(1)
Others	(339)	(498)	(561)	(590)	(603)
Cash flow from operating	1,196	1,139	1,659	1,567	1,683
Capital expenditure	(1,506)	(2,476)	(1,897)	(1,906)	(1,913)
Others	(4)	19	0	0	0
Cash flow from investing	(1,511)	(2,457)	(1,897)	(1,906)	(1,913)
Loans	522	910	489	373	(338)
Equity	185	269	0	0	0
Dividends	(94)	(115)	(155)	(183)	(190)
Others	0	0	0	0	0
Cash flow from financing	613	1,063	334	190	(528)
Changes in cash	299	(255)	96	(149)	(758)

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross margin	35.6%	36.3%	36.2%	36.4%	36.6%
Operating margin	13.5%	15.4%	16.4%	16.4%	16.8%
Pre-tax margin	12.3%	13.5%	14.7%	14.6%	15.0%
Net margin	7.6%	8.0%	8.7%	8.6%	8.9%
ROA	5.3%	5.5%	5.8%	5.7%	6.0%
ROE	12.0%	12.9%	13.7%	13.5%	13.4%
Acct. receivables TO (days)	56.7	58.4	58.4	58.4	58.4
Inventory TO (days)	10.6	10.9	10.9	10.9	10.9
Payable TO (days)	85.1	84.1	93.8	93.8	93.8
Debt to equity	58.3%	71.1%	74.0%	73.8%	61.3%
Interest coverage ratio (x)	-5.6	-5.8	-7.2	-7.2	-7.9
Net gearing	36.2%	56.7%	58.8%	62.1%	61.9%

Sources: Company, Indo Premier

INVESTMENT RATINGS

BUY	: Expected total return of 10% or more within a 12-month period
HOLD	: Expected total return between -10% and 10% within a 12-month period
SELL	: Expected total return of -10% or worse within a 12-month period

ANALYSTS CERTIFICATION

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