

Siloam Hospitals

HOLD (unchanged)

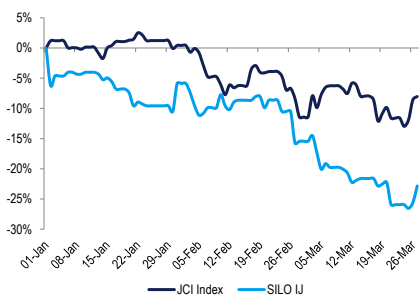
Company Update | Healthcare | SILO IJ | 27 March 2025

Stock Data

Target price	Rp2,700
Prior TP	Rp3,150
Current price	Rp2,500
Upside/downside	8%
Shares outstanding (mn)	13,006
Market cap (Rp bn)	32,515
Free float	7%
Avg. 6m daily T/O (Rp bn)	4

Price Performance

	3M	6M	12M
Absolute	-17.5%	-16.9%	4.2%
vs. JCI	-9.6%	-1.1%	14.8%
52w low/high (Rp)	2,290 – 3,750		



Major Shareholders

PT Megapratama Karta Persada	49.6%
Prime Health Company	26.2%

Andrianto Saputra

PT Indo Premier Sekuritas
andrianto.saputra@ipc.co.id
+62 21 5088 7168 ext. 712

Nicholas Bryan

PT Indo Premier Sekuritas
nicholas.bryan@ipc.co.id
+62 21 5088 7168 ext. 722

4Q24 results: soft EBITDA due to weak top-line growth and GPM

- FY24 EBITDA of Rp2.7tr (+3.2% yoy) was below our/consensus estimate at 98/90%, while FY24 gross revenue was slightly below.
- 4Q24 EBITDA declined by -5.8% yoy on the back of soft gross revenue growth (+4.7% yoy) coupled with lower GPM of -128bps yoy.
- Maintain HOLD with lower TP of Rp2.7k based on 12x EV/EBITDA.

FY24 EBITDA was below our/consensus estimates

SILO recorded FY24 EBITDA of Rp2.7tr (+3.2% yoy) with EBITDA margin of 29.2% and this was below consensus estimate at 90%; but, in-line with our estimate at 99%. FY24 net profit stood at Rp902bn (-25.5% yoy), and came below our/consensus estimate of 87/84%. FY24 GPM was flat yoy at 51.4%, while opex to sales rose to 33.1% (+202bps yoy), leading to EBIT margin of 18.3% (-203bps yoy).

Soft 4Q24 EBITDA due to weak top-line growth and GPM

4Q24 EBITDA declined by -5.8% yoy to Rp678bn (-1% qoq) with EBITDA margin of 28.3% (-310bps yoy). 4Q24 GPM dropped to 52.2% (-128bps yoy) due to lower revenue intensity of -3.4% yoy. 4Q24 gross revenue stood at Rp3.1tr (+4.7% yoy) as this was driven by outpatient revenue growth of +12.6% yoy (vs. inpatient's -1.5% yoy). Opex to sales ratio increased to 36.0% (+402bps yoy) due to a higher salary/sales ratio of 9.8% (+101bps yoy). In sum, 4Q24 net profit dropped to Rp267bn (-24.2% yoy).

We revised down our FY25F EBITDA by 11.1%

It plans to open 4 new hospitals in FY25F with total operational beds of 302 (7.3% of FY24 total operational beds). We expect 4 new hospitals opening may drag down earnings due to higher opex as new hospital typically takes 1-2 years to reach positive EBITDA. We adjust our FY25F opex to sales ratio by 99bps, resulting in -11% drop for FY25 EBITDA.

Maintain HOLD with a lower TP of Rp2,700/sh

We maintain our HOLD rating with lower TP of Rp2,700/sh, based on 12x FY25F EV/EBITDA (+2 s.d. from its 5yr avg). Risks are lower than expected revenue growth and patients seeking medical treatment from regional players (medical tourism abroad).

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	8,663	9,455	10,148	10,990	12,018
EBITDA	2,678	2,711	2,894	3,173	3,530
EBITDA growth	35.0%	1.2%	6.7%	9.7%	11.3%
Net profit	1,211	902	1,211	1,332	1,506
EPS	93	69	93	102	116
EPS growth	73.9%	-25.5%	34.3%	10.0%	13.0%
ROE	16.3%	10.9%	13.3%	13.2%	13.4%
ROIC	19.6%	15.7%	15.8%	15.8%	16.2%
PER (x)	26.8	36.0	26.8	24.4	21.6
EV/EBITDA (x)	12.1	12.0	11.1	10.1	9.0
Dividend yield	0.8%	0.8%	0.6%	0.8%	0.9%
Forecast change			-18%	-20%	N/A
IPS vs. consensus			81%	79%	N/A

Sources: Company, Indo Premier

Share price closing as of: 27 March 2025

Fig. 1: SILO's 4Q24 results

	4Q24	4Q23	% YoY	3Q24	% QoQ	12M24	12M23	% YoY	IPS FY24F	% IPS	Cons. FY24F	% Cons
Gross sales	3,084	2,945	4.7%	3,107	-0.7%	12,208	11,191	9.1%	12,389	99%	12,419	98%
Net sales	2,392	2,289	4.5%	2,403	-0.5%	9,455	8,663	9.1%				
COGS	1,835	1,720	6.7%	1,856	-1.1%	7,346	6,735	9.1%				
Gross profit	1,249	1,225	2.0%	1,251	-0.1%	4,862	4,455	9.1%				
Operating expenses	(860)	(731)	17.7%	(814)	5.7%	(3,127)	(2,690)	16.3%				
EBIT	389	493	-21.2%	437	-11.0%	1,735	1,765	-1.7%	1,822	95%	1,880	92%
EBITDA	678	720	-5.8%	685	-1.0%	2,757	2,671	3.2%	2,825	98%	3,047	90%
Others	-	-	N/A	-	N/A	(308)	-	N/A				
PBT	373	469	-20.5%	438	-14.9%	1,360	1,666	-18.4%				
Tax	(92)	(105)	-12.8%	(105)	-12.6%	(410)	(419)	-2.2%				
Minorities	14	11	24.8%	12	9.7%	48	36	34.1%				
Net profit	267	352	-24.2%	321	-16.6%	902	1,211	-25.5%	1,035	87%	1,073	84%
Margin (%)												
Gross margin	52.2%	53.5%		52.0%		51.4%	51.4%					
EBIT margin	16.2%	21.5%		18.2%		18.3%	20.4%					
EBITDA margin	28.3%	31.4%		28.5%		29.2%	30.8%					
Effective tax rate	-24.6%	-22.5%		-24.0%		-30.2%	-25.2%					
Net margin	11.2%	15.4%		13.3%		9.5%	14.0%					
<i>Based on net sales</i>	-36.0%	-31.9%		-33.9%		-33.1%	-31.1%					
Traffic												
Inpatient admissions ('000)	81.1	79.3	2.2%	80.5	0.7%	326.0	302.5	7.8%				
Inpatient days ('000)	247.8	242.9	2.0%	244.3	1.4%	1,007.5	939.9	7.2%				
Outpatient visit ('000)	1,080.5	1,066.5	1.3%	1,094.6	-1.3%	4,244.2	3,949.3	7.5%				
Bed Occupancy Rate	65.9%	67.0%	-1.1%	65.5%	0.4%	66.8%	64.6%	2.2%				
Revenue intensity (Rp mn/day)	6.6	6.8	-3.4%	6.9	-4.8%	6.7	6.8	-2.0%				
Outpatient revenue/visit (Rp mn/visit)	1.3	1.2	11.2%	1.3	3.8%	1.3	1.2	6.5%				

Sources: Company, Bloomberg, Indo Premier

Fig. 2: SILO forecast changes

	Previous		Current		Changes	
	2025F	2026F	2025F	2026F	2025F	2026F
Financial Perform. (Rp bn)						
Gross sales	13,762	15,283	13,274	14,566	-3.5%	-4.7%
Net sales	10,378	11,372	10,148	10,990	-2.2%	-3.4%
Gross profit	5,488	6,079	5,294	5,764	-3.5%	-5.2%
EBIT	2,140	2,403	1,915	2,080	-10.5%	-13.4%
EBITDA	3,256	3,661	2,894	3,173	-11.1%	-13.3%
Net profit	1,474	1,681	1,211	1,332	-17.8%	-20.7%
Profitability (%)						
GPM	52.9%	53.5%	52.2%	52.4%	-0.7%	-1.1%
EBIT margin	20.6%	21.1%	18.9%	18.9%	-1.7%	-2.2%
EBITDA margin	31.4%	32.2%	28.5%	28.9%	-2.9%	-3.3%
Net profit margin	14.2%	14.8%	11.9%	12.1%	-2.3%	-2.7%
<i>Based on net sales</i>						

Sources: Bloomberg, Indo Premier

Fig. 3: SILO is traded at 11.5x fwd. 12M EV/EBITDA (+1.8 s.d. from its 5-year mean)



Sources: Bloomberg, Indo Premier

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net revenue	8,663	9,455	10,148	10,990	12,018
Cost of sales	6,735	7,346	7,980	8,802	9,796
Gross profit	4,455	4,862	5,294	5,764	6,346
SG&A Expenses	(2,577)	(2,906)	(3,157)	(3,462)	(3,803)
Operating profit	1,879	1,956	2,137	2,302	2,543
Net interest	(62)	(66)	(102)	(101)	(101)
Others	0	(308)	0	0	0
Pre-tax income	1,817	1,582	2,034	2,201	2,442
Income tax	(419)	(410)	(538)	(577)	(636)
Net income	1,211	902	1,211	1,332	1,506

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent	1,186	2,101	1,719	1,864	2,219
Receivable	1,449	1,784	1,318	1,446	1,603
Inventory	204	202	305	317	328
Other current assets	298	240	240	240	240
Total current assets	3,137	4,328	3,582	3,867	4,390
Fixed assets	6,767	8,667	9,590	10,437	11,206
Goodwill	404	404	404	404	404
Other non-current assets	675	808	808	808	808
Total non-current assets	7,845	9,879	10,802	11,648	12,417
Total assets	10,982	14,206	14,384	15,515	16,807
ST loans	425	1,500	825	825	825
Payable	524	724	559	618	689
Other payables	0	0	0	0	0
Current portion of LT loans	1,605	2,871	2,871	2,871	2,871
Total current liab.	2,553	5,096	4,255	4,314	4,386
Long term loans	0	0	0	0	0
Other LT liab.	381	359	359	359	359
Total liabilities	2,934	5,455	4,614	4,673	4,744
Equity	5,768	5,791	5,791	5,791	5,791
Retained earnings	2,148	2,779	3,797	4,870	6,090
Minority interest	132	182	182	182	182
Total SHE + minority int.	8,048	8,752	9,770	10,842	12,063
Total liabilities & equity	10,982	14,206	14,384	15,515	16,807

Sources: Company, Indo Premier

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
EBIT	1,765	1,735	1,915	2,080	2,321
Depr. & amortization	913	977	979	1,093	1,209
Changes in working capital	(190)	(132)	197	(81)	(96)
Others	(545)	703	(704)	(748)	(815)
Cash flow from operating	1,943	3,281	2,387	2,344	2,619
Capital expenditure	(1,864)	(3,033)	(1,901)	(1,939)	(1,978)
Others	107	(34)	0	0	0
Cash flow from investing	(1,757)	(3,067)	(1,901)	(1,939)	(1,978)
Loans	205	1,075	(675)	0	0
Equity	(8)	50	0	0	0
Dividends	(262)	(271)	(193)	(260)	(286)
Others	0	0	0	0	0
Cash flow from financing	(66)	854	(868)	(260)	(286)
Changes in cash	120	1,069	(383)	145	356

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross margin	51.4%	51.4%	52.2%	52.4%	52.8%
Operating margin	20.4%	18.3%	18.9%	18.9%	19.3%
Pre-tax margin	19.2%	14.4%	17.9%	18.0%	18.5%
Net margin	14.0%	9.5%	11.9%	12.1%	12.5%
ROA	11.7%	7.2%	8.5%	8.9%	9.3%
ROE	16.3%	10.9%	13.3%	13.2%	13.4%
Acct. receivables TO (days)	42.9	36.2	36.2	36.2	36.2
Inventory TO (days)	11.0	7.6	14.0	13.1	12.2
Payable TO (days)	26.2	23.3	25.6	25.6	25.7
Debt to equity	5.4%	17.5%	8.6%	7.7%	6.9%
Interest coverage ratio (x)	-21.1	-18.1	-17.0	-18.5	-20.6
Net gearing	-9.6%	-7.0%	-9.3%	-9.7%	-11.7%

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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