

# Siloam Hospitals

**HOLD** (unchanged)

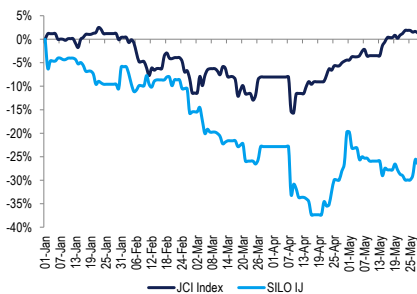
Company Update | Healthcare | SILO IJ | 02 June 2025

## Stock Data

Target price	Rp2,700
Prior TP	Rp2,700
Current price	Rp2,380
Upside/downside	+13.4%
Shares outstanding (mn)	13,006
Market cap (Rp bn)	30,955
Free float	7%
Avg. 6m daily T/O (Rp bn)	5

## Price Performance

	3M	6M	12M
Absolute	-17.9%	-21.7%	-4.4%
vs. JCI	-26.9%	-20.7%	-6.4%
52w low/high (Rp)	2,030 – 3,750		



## Major Shareholders

PT Megapratama Karta Persada	49.6%
Prime Health Company	26.2%

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## 1Q25 result: in-line core profit despite negative operating leverage

- 1Q25 core profit of Rp246bn (-3.1% yoy) was in-line with our/consensus estimate at 20/18% (vs. 3yr avg of 19%).
- 1Q25 revenue growth of 0.3% yoy was impacted from the Lebaran shift, while opex grew by 8.4% leading to a negative operating leverage.
- We maintain HOLD with an unchanged TP of Rp2,700/sh.

### 1Q25 core profit was in-line with our/consensus estimates

SILO recorded 1Q25 core profit of Rp246bn (-3.1% yoy) and this was in-line with our/consensus estimate at 20/18% (vs. 3yr avg of 19%). 1Q25 gross sales stood at Rp3.0tr (+0.3% yoy), also in-line. 1Q25 EBITDA of Rp670bn (-5.1% yoy) was below consensus estimate at 20% (vs. 3yr avg of 23%) but in-line with ours at 23%. We think that the slow 1Q25 revenue growth was partly impacted from the shift in Lebaran to Mar25 (vs. Mar-Apr in FY24) as traffic seasonally declines during the fasting month coupled with a high base effect in 1Q24 (+14.0% yoy).

### Softer margin amid lower traffic and minimum wage growth

Flat 1Q25 revenue growth was attributed by lower inpatient traffic of -9.2% yoy, while revenue intensity increased by +5.5% yoy driven by changes in payer mix as non-JKN revenue contribution increased to 82.6% (+60bps yoy). 1Q25 GPM dropped to 47.7% (-164bps yoy) was partly impacted from higher minimum wage growth which impacted nurse salaries. In addition, 1Q25 bed occupancy rate (BOR) decreased to 62.4% (vs 69.8% in 1Q24), which led to a negative operating leverage as its opex grew by +8.4% yoy (vs. revenue growth of +0.3% yoy). In sum, EBIT margin declined to 15.9% (-399bps yoy).

### First REIT acquisition may negatively impact into SILO's earnings

Management shared that the limited review for 1Q25 result was related to the transaction with First REIT. To note, SILO has secured a syndicated loan of Rp14.5tr from 7 banks with JIBOR +1.45% rate. As of FY24, First REIT's hospital portfolio in Indonesia was appraised at Rp9.6tr. With this acquisition, SILO will no longer need to pay a rental rate of 6.4% gross sales to First REIT. In sum, we estimate the First REIT land acquisition may negatively impact earnings by Rp160/123bn or 13.2/9.2% of FY25/26F earnings.

### Maintain HOLD with an unchanged TP of Rp2,700/sh

In sum, we maintain our HOLD rating with an unchanged TP of Rp2,700/sh, based on 12.0x FY25F EV/EBITDA (+2s.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
Net profit	1,211	902	1,211	1,332	1,506
Net profit 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)	25.6	34.3	25.6	23.2	20.6
EV/EBITDA (x)	11.5	11.5	10.6	9.6	8.6
Dividend yield	0.8%	0.8%	0.6%	0.8%	0.9%
Forecast change			0%	0%	0%
IPS vs. consensus			89%	83%	82%

Sources: Company, Indo Premier

Share price closing as of: 28 May 2025

Fig. 1: SILO's 1Q25 results

	1Q25	1Q24	% YoY	4Q24	% QoQ	IPS FY25F	% IPS	Cons. FY25F	% Cons	3yr Avg
Gross sales	3,037	3,027	0.3%	3,084	-1.5%	13,274	23%	13,566	22%	24%
Net sales	2,349	2,341	0.4%	2,392	-1.8%					
COGS	1,916	1,872	2.4%	1,835	4.4%					
Gross profit	1,121	1,155	-3.0%	1,249	-10.2%					
Operating expenses	(748)	(690)	8.4%	(860)	-13.1%					
EBIT	374	466	-19.8%	389	-3.9%	1,915	20%	1,899	20%	21%
EBITDA	670	706	-5.1%	678	-1.2%	2,894	23%	3,307	20%	23%
Others	-	(308)	N/A	-	N/A					
PBT	333	133	149.8%	373	-10.6%					
Tax	(77)	(108)	-28.5%	(92)	-15.8%					
Minorities	10	12	-15.2%	14	-27.4%					
Net profit	246	14	1698.4%	267	-8.0%	1,211	20%	1,366	18%	12%
Core profit	246	254	-3.1%	267	-8.0%	1,211	20%	1,366	18%	19%
<b>Margin (%)</b>										
Gross margin	47.7%	49.4%	-1.64%	52.2%	-4.49%					
EBIT margin	15.9%	19.9%	-3.99%	16.2%	-0.34%					
EBITDA margin	28.5%	30.2%	-1.63%	28.3%	0.19%					
Effective tax rate	-23.2%	-81.1%	57.85%	-24.6%	1.44%					
Net margin	10.5%	0.6%	9.89%	11.2%	-0.70%					
<i>Based on net sales</i>										
<b>Traffic</b>										
Inpatient admissions ('000)	75.3	82.8	-9.2%	81.1	-7.1%					
Inpatient days ('000)	233.1	260.3	-10.4%	247.8	-5.9%					
Outpatient visit ('000)	1,051.2	1,051.0	0.0%	1,080.5	-2.7%					
Bed Occupancy Rate	62.4%	69.8%	-7.40%	65.2%	-2.80%					
Revenue intensity (Rp mn/day)	6.9	6.5	5.5%	6.6	5.3%					
Outpatient revenue/visit (Rp mn/visit)	1.4	1.3	7.8%	1.3	0.5%					

Sources: Company, Bloomberg, Indo Premier

Fig. 2: SILO is traded at 10.2x 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	8,663	9,455	10,148	10,990	12,018
Cost of sales	6,735	7,346	7,980	8,802	9,796
<b>Gross profit</b>	<b>4,455</b>	<b>4,862</b>	<b>5,294</b>	<b>5,764</b>	<b>6,346</b>
SG&A Expenses	(2,577)	(2,906)	(3,157)	(3,462)	(3,803)
<b>Operating profit</b>	<b>1,879</b>	<b>1,956</b>	<b>2,137</b>	<b>2,302</b>	<b>2,543</b>
Net interest	(62)	(66)	(102)	(101)	(101)
Others	0	(308)	0	0	0
<b>Pre-tax income</b>	<b>1,817</b>	<b>1,582</b>	<b>2,034</b>	<b>2,201</b>	<b>2,442</b>
Income tax	(419)	(410)	(538)	(577)	(636)
<b>Net income</b>	<b>1,211</b>	<b>902</b>	<b>1,211</b>	<b>1,332</b>	<b>1,506</b>

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
<b>Total current assets</b>	<b>3,137</b>	<b>4,328</b>	<b>3,582</b>	<b>3,867</b>	<b>4,390</b>
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
<b>Total non-current assets</b>	<b>7,845</b>	<b>9,879</b>	<b>10,802</b>	<b>11,648</b>	<b>12,417</b>
<b>Total assets</b>	<b>10,982</b>	<b>14,206</b>	<b>14,384</b>	<b>15,515</b>	<b>16,807</b>
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
<b>Total current liab.</b>	<b>2,553</b>	<b>5,096</b>	<b>4,255</b>	<b>4,314</b>	<b>4,386</b>
Long term loans	0	0	0	0	0
Other LT liab.	381	359	359	359	359
<b>Total liabilities</b>	<b>2,934</b>	<b>5,455</b>	<b>4,614</b>	<b>4,673</b>	<b>4,744</b>
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
<b>Total SHE + minority int.</b>	<b>8,048</b>	<b>8,752</b>	<b>9,770</b>	<b>10,842</b>	<b>12,063</b>
<b>Total liabilities &amp; equity</b>	<b>10,982</b>	<b>14,206</b>	<b>14,384</b>	<b>15,515</b>	<b>16,807</b>

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)
<b>Cash flow from operating</b>	<b>1,943</b>	<b>3,281</b>	<b>2,387</b>	<b>2,344</b>	<b>2,619</b>
Capital expenditure	(1,864)	(3,033)	(1,901)	(1,939)	(1,978)
Others	107	(34)	0	0	0
<b>Cash flow from investing</b>	<b>(1,757)</b>	<b>(3,067)</b>	<b>(1,901)</b>	<b>(1,939)</b>	<b>(1,978)</b>
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
<b>Cash flow from financing</b>	<b>(66)</b>	<b>854</b>	<b>(868)</b>	<b>(260)</b>	<b>(286)</b>
<b>Changes in cash</b>	<b>120</b>	<b>1,069</b>	<b>(383)</b>	<b>145</b>	<b>356</b>

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

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