INDOPREMIER

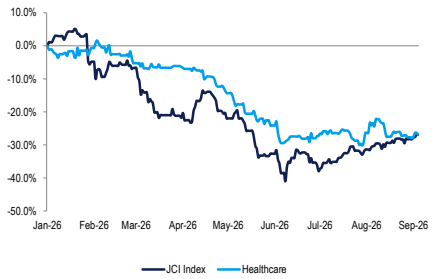
Healthcare

OVERWEIGHT

Sector Initiation | Healthcare | 4 September 2026

Sector Index Performance

	3M	6M	12M
Absolute	3.6%	-21.6%	-22.7%
Relative to JCI	-15.3%	-6.7%	-6.3%



Summary Valuation Metrics

P/E (x)	2026F	2027F	2028F
MIKA IJ	18.2	16.3	14.4
HEAL IJ	21.8	18.8	15.9
SILO IJ	23.7	21.1	18.0
MDLA IJ	6.4	5.8	5.3

EV/EBITDA (x)	2026F	2027F	2028F
MIKA IJ	10.7	9.3	8.1
HEAL IJ	6.2	5.6	5.1
SILO IJ	10.1	9.3	7.7
MDLA IJ	4.0	3.6	3.3

Div. Yield	2026F	2027F	2028F
MIKA IJ	2.6%	2.9%	3.2%
HEAL IJ	1.2%	1.3%	1.5%
SILO IJ	0.9%	0.9%	1.0%
MDLA IJ	6.2%	6.8%	7.5%

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

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

Private segment to underpin ST growth amid delayed JKN-related catalysts

- Rising healthcare spending, higher NCD prevalence and private revenue to drive hospitals' FY26-28F revenue CAGR of 10.1%.
- Private segment has recently outpaced JKN's growth amid tighter JKN referrals and delayed JKN-related tailwinds.
- We initiate the Healthcare sector with an Overweight rating; with MIKA as our top pick given its limited exposure to JKN.

Indonesia's healthcare industry has an ample LT potential growth

Indonesia's healthcare sector is severely underpenetrated, with total healthcare expenditure at just 2.6% of GDP (vs. peers' average of 4%), yet health expenditure/capita is growing at a faster 3.8% CAGR than Malaysia/Thailand's. Rising disposable incomes, higher government budget growth of 12.1% CAGR since FY15, and higher NCD (non-communicable diseases) cases that come from a rapidly aging population, collectively underpin the sector's LT structural growth story. Thus, we forecast listed hospitals to deliver 10.1% revenue CAGR over FY26–28F.

Short-term uncertainty amidst JKN's overhangs

Looking forward, we view JKN's (Jaminan Kesehatan Nasional) growth to be muted amid tighter JKN referrals since 3Q24 as seen in listed hospitals' JKN revenue rising by +1.1% yoy in 1H26 (vs. non-JKN's +12.1% yoy). Additionally, with KRIS (Kelas Rawat Inap Standar), CoB (Coordination of Benefits), and iDRG (Indonesian Diagnosis Related Groups) reforms unlikely to materialize before FY27F, we view that the private segment remains the primary near-term growth driver.

Private segment to drive short-term growth from revenue intensity

Listed hospitals' aggregate FY25 private revenue grew by +9.4% yoy (vs. JKN's +3.3% yoy), and this was driven by hospitals' aggregate revenue intensity growth of +4.1%. With continued investments in robotics, medical equipment and specialists; hospitals are in a strong position to capture high intensity cases as they become more prevalent. Within this context, we forecast HEAL/MIKA/SILO's revenue intensity to grow at 2/7/5% FY26-FY28F CAGR.

KRIS to use three-class system, reinforcing the private-segment pivot

HEAL recently outlined plans to raise its non-JKN revenue contribution to 60% (vs. MIKA/SILO already at 90/84%) over the next few years, signaling a sector-wide pivot toward the private segment. Our initial calculations showed that KRIS could have increased listed hospitals' aggregate JKN revenue by 8.8% (link to section); however, the government has recently announced it will adopt a three-class system for KRIS rather than the previously proposed one-class structure. We therefore believe the sector-wide pivot toward the private segment is the right strategy for hospitals.

Initiate coverage with Overweight rating, with MIKA as our top pick

We initiate the healthcare sector with an Overweight rating, with MIKA (Buy; Rp2,850 TP) as our top pick due to its (i) robust revenue intensity improvement, and (ii) limited exposure to JKN revenue, and (iii) bottoming valuation. Key risks include: prolonged tightening of JKN referrals, further delays in KRIS-CoB implementation, and rising outbound medical tourism.

Table of Contents

Table of Contents **2**
Investment thesis **3**
Indonesian healthcare industry has huge potential for future growth **4**
JKN to remain an impactful growth engine **6**
Private segment to drive short-term growth for listed hospitals **8**
KRIS as a potential growth driver **11**
MCU and Digitalization **14**
FY26F Outlook and 2Q26 Recap **15**
FY26F Outlook 15
2Q26 Recap 15
ROIC analysis **17**
Dupont analysis - comparison with regional peers **18**
Institutional ownership **20**
Peers Comparison **21**
Hospitals' operational and financial summary **22**
Valuations **23**
Industry overview **25**
Medicine industry is expected to grow on the back of rising demand 25
Hospital penetration is still low and bottleneck lies in the supply of specialist doctors 25
JKN deficit 26
Tighter JKN referrals 27
Risk Sharing/Co-payment 28
iDRG to replace the previous INA-CBGs system 29
Coordination of Benefits 30
Recent developments on Ministry of Health Regulation No. 85/2015 30
Ministry of Health Regulation No.11/2025 31
Ministry of Health Regulation No.6/2026 31
Medical tourism poses a risk to hospitals' revenue intensity 31
Case study on weak consumer purchasing power 32
Mitra Keluarga Karyasehat **33**
Financials 35
Siloam Hospitals **37**
Financials 40
Medikaloka Hermina **42**
Financials 45
Medela Potentia **47**
Financials 49

Refer to Important disclosures in the last page of this report

Fig. 1: Indonesia healthcare' valuation summary

Ticker	Rating	Current price (Rp)	Target price (Rp)	EBITDA yoy growth		EV/EBITDA		ROIC	
				2026F	2027F	2026F	2027F	2026F	2027F
HEAL	BUY	685	1,200	9.1%	9.9%	6.2	5.6	7.6%	8%
MIKA	BUY	1,905	2,850	11.9%	12.8%	10.7	9.3	25.6%	26.2%
SILO	BUY	2,140	2,650	18.5%	21.5%	10.1	9.3	11.2%	10.1%

Ticker	Rating	Current price (Rp)	Target price (Rp)	Earnings yoy growth		P/E		ROE	
				2026F	2027F	2026F	2027F	2026F	2027F
MDLA	BUY	210	290	16.5%	10.6%	6.4	5.8	14.4%	14.6%

Source: Company, Indo Premier

Investment thesis

We view Indonesia's healthcare sector is currently underpenetrated, with total healthcare expenditure at just 2.6% of GDP against a regional average of c.4%, underpinning a multi-year growth story as rising disposable incomes, expanding government health budget, and accelerating aging population.

Before this structural story fully plays out, we believe private segment will remain the primary near-term growth driver for listed hospitals, as JKN's key reform catalysts: KRIS (Kelas Rawat Inap Standar, link), CoB (Coordination of Benefits, link) and the new iDRG (Indonesian Diagnosis Related Groups, link) tariff structure, are unlikely to materialize meaningfully before FY27F. This is compounded by tighter JKN referrals since 3Q24, which have pushed non-complex cases back to primary care, as seen in listed hospitals' 1H26 JKN revenue growth of just +1.1% yoy against non-JKN's +12.1% yoy.

Meanwhile, hospitals are increasingly pivoting toward higher-margin, private cases through COE (Centre of Excellence) investments, with HEAL recently targeting non-JKN contribution of 60% (from c.45% currently, while MIKA/SILO is already at 90/84%) signaling a sector-wide pivot towards the private segment. This is a positive dynamic for hospital operators, as the private-pay segment carries higher margins than JKN, so any shift in mix toward private-pay is margin-accretive. This is supported by Indonesia's average revenue intensity of Rp4.6mn/day remaining well below Malaysia and Thailand's Rp13.7/16.7mn, leaving room for upside as case mix improves. Thus, with hospitals' continued investments in robotics, medical equipment and specialists, we forecast HEAL/MIKA/SILO's revenue intensity to grow at 2/7/5% FY26-FY28F CAGR respectively.

Moreover, we expect JKN's structural deficit and fiscal constraints to keep new policies implementation to be gradual, with the MCU (Medical Check Up) program only translating into meaningful hospital volume growth once higher detection rates (currently only 15.2% of the population have registered for MCU) convert into more diagnosed patients seeking treatment. That said, we believe successful implementation of KRIS and iDRG shall help to narrow JKN's structural deficit and ease hospitals' margin pressure under the scheme.

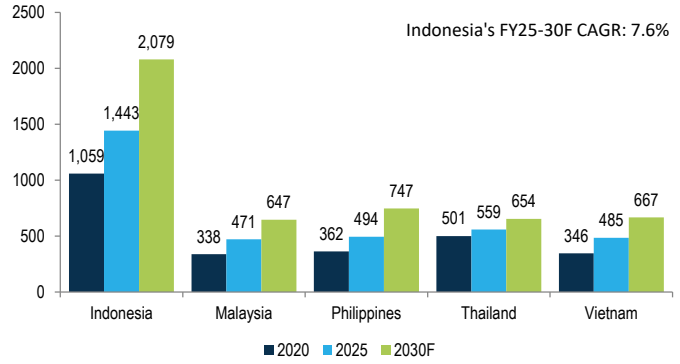
Due to the aforementioned reasons, we initiate coverage of the healthcare sector with an Overweight call, with MIKA as our top pick given its limited JKN exposure, robust revenue intensity improvement, and bottoming valuation. Other key risks include regulatory changes and further delays in KRIS-CoB implementation and rising outbound medical tourism.

Refer to Important disclosures in the last page of this report

Indonesian healthcare industry has huge potential for future growth

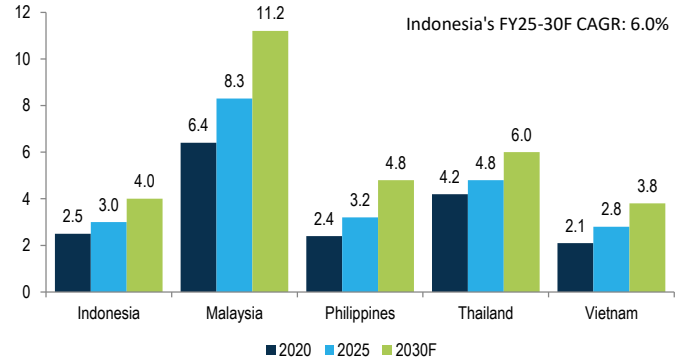
Indonesia commands the largest nominal GDP among Southeast Asian peers at $1,443bn in FY25, and is projected to expand at a FY25–30F CAGR of 7.6%, above the peer average of 6.2%. Disposable income per capita stood at $3k/capita in FY25 and is forecasted to reach $4k/capita by FY30F, implying a 6.0% CAGR over the period (Frost & Sullivan), which should translate into a gradual uplift in private, discretionary healthcare spending per capita.

Fig. 2: Indonesia's GDP relative to peers ($ bn)



Source: Frost & Sullivan, Indo Premier

Fig. 3: Indonesia's disposable income per capita ($k/capita)

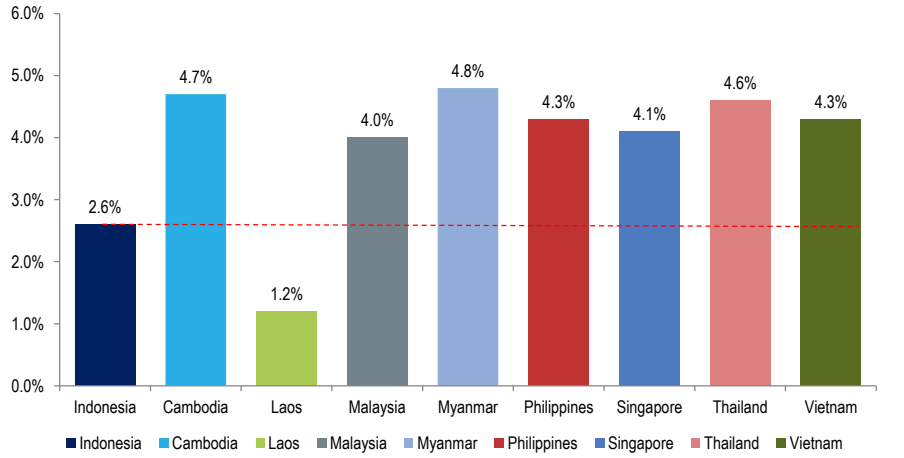


Source: Frost & Sullivan, Indo Premier

Moreover, Indonesia's total healthcare expenditure (THE) as a percentage of GDP remains among the lowest in the region at 2.6%, against peers' average of approximately 4%. The wide gap underscores the degree to which Indonesia's healthcare sector remains underpenetrated, and the scale of the long-term opportunity. As rising disposable incomes and expanding government healthcare budget, combined with growing health awareness, Indonesia's THE-to-GDP ratio is expected to converge toward the regional average over the long run.

Indonesia's healthcare expenditure as a % of GDP of 2.6% is also well below WHO's global recommendation of 5% of GDP, indicating a huge room for improvement.

Fig. 4: Indonesia's total healthcare expenditure as a % of GDP vs. peers

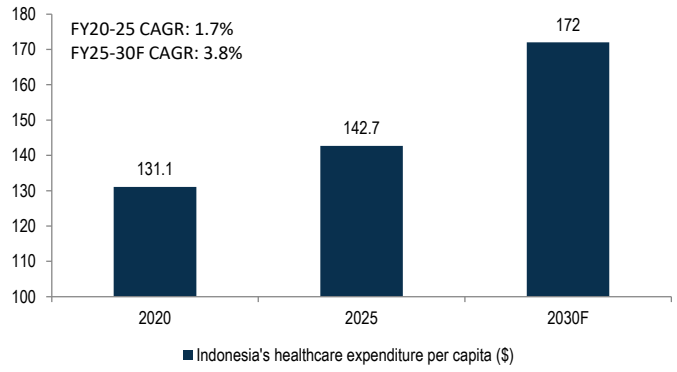


Source: MoH, Indo Premier

Refer to Important disclosures in the last page of this report

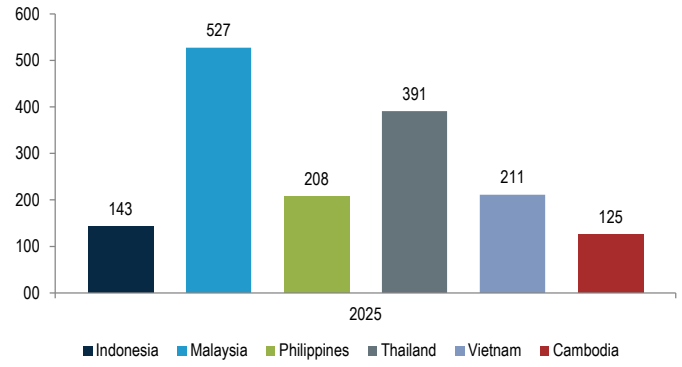
According to Frost & Sullivan, Indonesia's healthcare expenditure stood at US$142.7/capita in FY25 and is expected to grow to $172/capita by FY30F at a 3.8% CAGR (vs. Malaysia/Thailand's 2.7%/3.2%). Nevertheless, Indonesia's per capita healthcare expenditure remains severely below regional peers (Fig. 6), underpinning the sector's substantial long-term growth potential.

Fig. 5: Indonesia's healthcare expenditure per capita trend



Source: Frost & Sullivan, Indo Premier

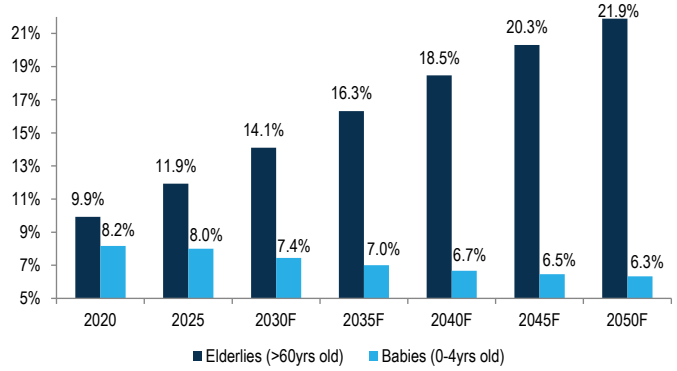
Fig. 6: Indonesia's healthcare expenditure per capita vs peers (in $)



Source: Frost & Sullivan, Indo Premier

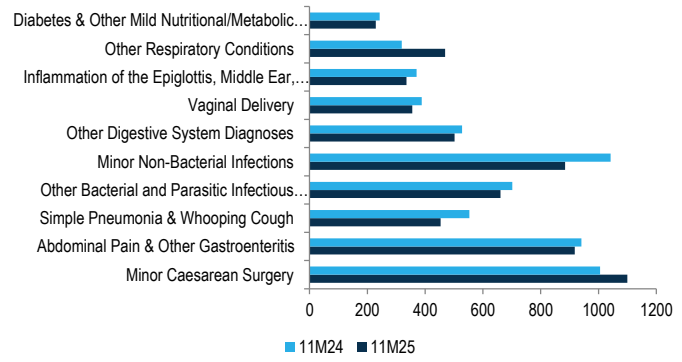
Indonesia healthcare expenditure growth will be driven by higher government spending on public healthcare, rising contribution of out-of-pocket expenses and higher private healthcare insurance coverage. This is also supported by a structural demographic growth, as according to BPS, Indonesia's aging population stood at 11.9% as of FY25 and is predicted to grow up to c.21.9% by FY50F with 21 out of 38 provinces have an aging population of >10%. Elderlies would require more medical attention and coupled with growing cases of non-communicable diseases (NCD) will continue to drive the healthcare industry.

Fig. 7: Aging population expected to grow up to 21.9% by FY50F



Source: BPS, Indo Premier

Fig. 8: Top 10 diseases among inpatient cases



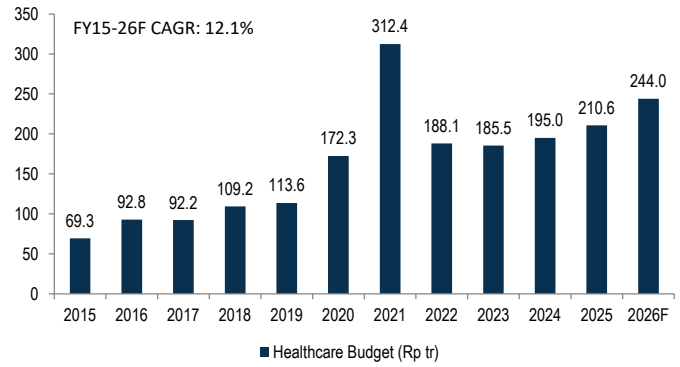
Source: DJSN, Indo Premier

Refer to Important disclosures in the last page of this report

JKN to remain an impactful growth engine

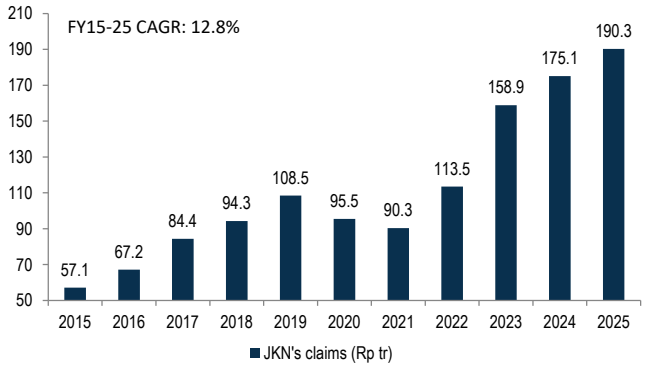
As healthcare has become one of Indonesia government's top priorities, the government has increased its healthcare budget from Rp69.3tr in FY15 to Rp244tr in FY26F, implying a CAGR of 12.1% in FY15-26F. The FY26F allocation marks a step-up from Rp218.5tr in the FY25 APBN outlook and follows an increase from that year's allocation and is earmarked to fully subsidize JKN premiums for 96.8mn poor and vulnerable citizens, alongside hospital revitalization and expansion of health facilities in underserved regions.

Fig. 9: Indonesia's healthcare budget



Source: BPS, Indo Premier

Fig. 10: JKN's claim trend

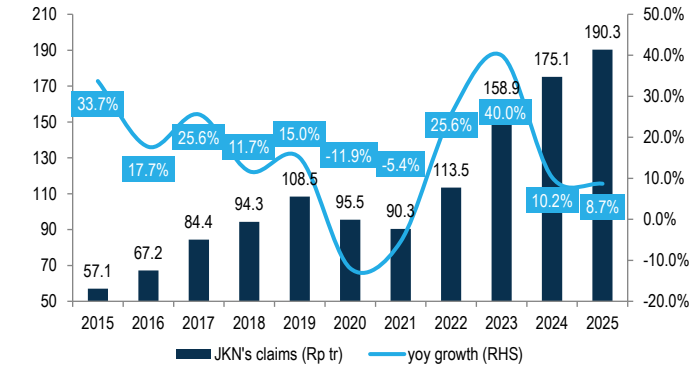


Source: DJSN, Indo Premier

Indonesia's healthcare expenditure remains driven by the Universal Health Coverage (JKN) with claims totalling Rp190.3tr in FY25, implying a CAGR of 12.8% in FY15-25. The increase in claims tracks a surge in utilization as JKN participants accessed healthcare services more than 725.3 million times during FY25, averaging roughly 1.9 million service visits per day, funnelled through a partner network of 23,770 primary care facilities and 3,194 referral hospitals nationwide.

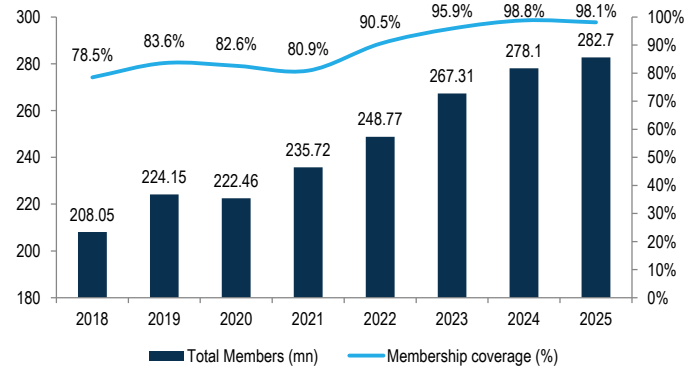
As of Dec25, JKN's total membership stood at 283mn covering 98.1% of the total population, with 233.5mn active members. Moreover, the government targets JKN coverage of 100% by 2030. This is reflected in listed hospitals' aggregate JKN revenue which have grown 13.8% CAGR FY20-25, compared to non-JKN revenue of 11.5% CAGR FY20-25 (ex-HEAL at 12%).

Fig. 11: JKN claim trend



Source: MoH, Indo Premier

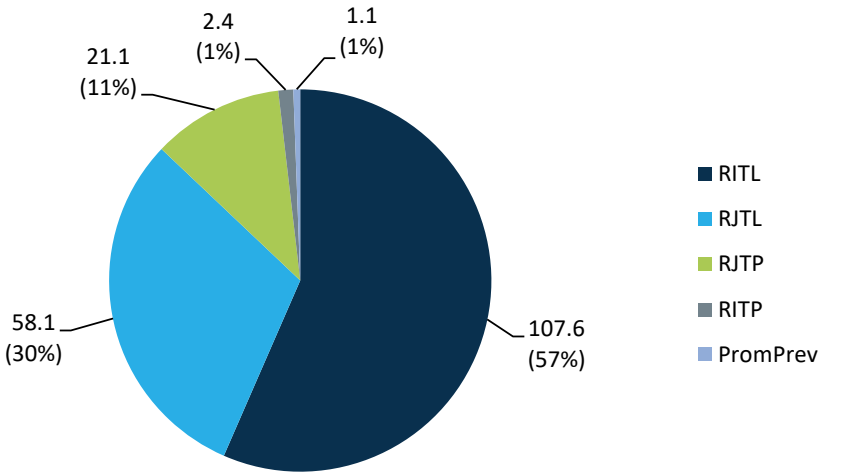
Fig. 12: JKN membership trend



Source: MoH, Indo Premier

Refer to Important disclosures in the last page of this report

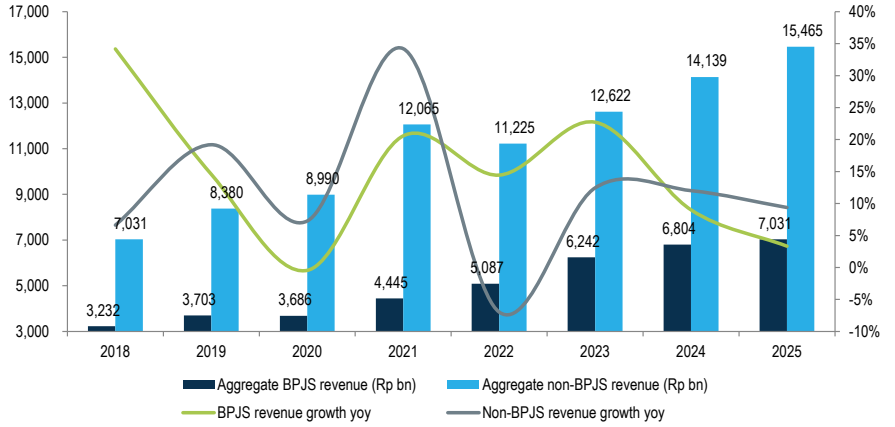
Fig. 13: JKN claims by types of service (Rp tr)



Source: MoH, Indo Premier

Moreover, we can see that JKN claims coming from hospital referrals RITL/Inpatient hospital referrals (Rawat Inap Tingkat Lanjutan) and RJTL/Outpatient hospital referrals (Rawat Jalan Tingkat Lanjutan) collectively contributed Rp165.7tr to a total of Rp190.3tr in JKN claims in FY25, or c.87% of total claims. We therefore believe hospitals stand to benefit more from JKN relative to primary care facilities which only contributed c.12% to total claims (RJTP/RITP).

Fig. 14: Aggregate hospitals JKN/non-JKN revenue trend



Source: MoH, Indo Premier

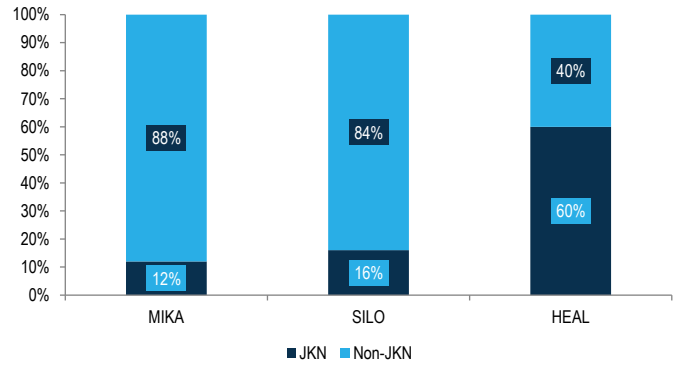
Separately, a similar trend was also observed in MDLA, where its JKN revenue of 11.7% CAGR FY20-25 outpaced its non-JKN revenue of 5.3%. Hence, this supports the idea that the main growth driver of the Indonesian healthcare industry lies in public healthcare space in the long-run. On this note, HEAL would be the key beneficiary from the JKN program as c.60% of its revenue comes from JKN.

Refer to Important disclosures in the last page of this report

Private segment to drive short-term growth for listed hospitals

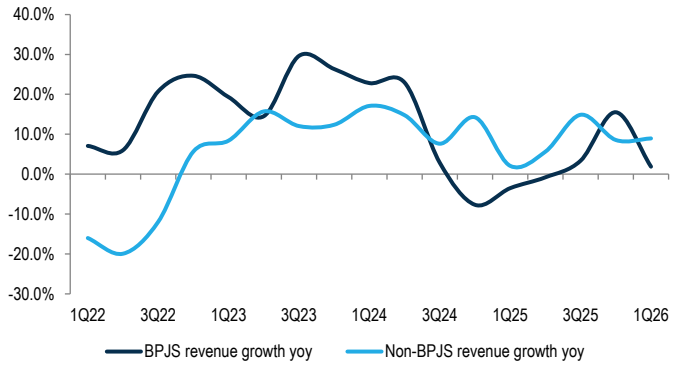
Given the aforementioned challenges on JKN, we believe the private segment will remain the primary short-term revenue growth engine for listed hospitals, with JKN referrals having tightened since 3Q24 under MoH (Minister of Health) policy to redirect non-complex cases back to primary care (link to section), JKN patient volumes at hospitals have decelerated sharply, reflected in listed hospitals' 1H26 JKN revenue growth of a mere +1.1% yoy, compared to non-JKN revenue growth of +12.1% yoy.

Fig. 15: Hospitals' JKN/Non-JKN revenue contribution



Source: Company, Indo Premier

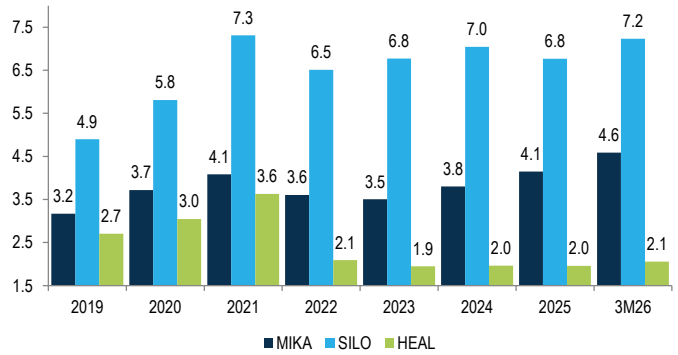
Fig. 16: Aggregate hospitals' JKN/non-JKN revenue growth trend



Source: Company, Indo Premier

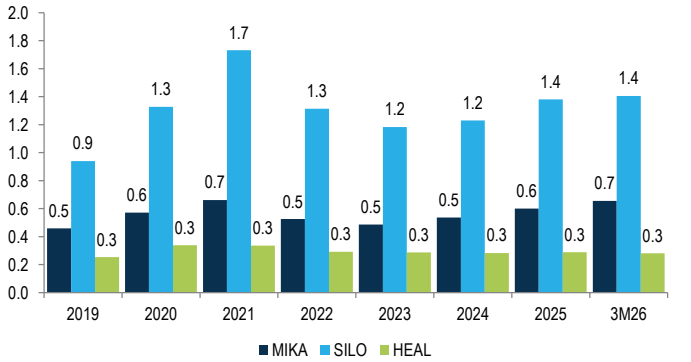
KRIS, CoB, and new iDRG tariff reforms, the key catalysts needed to re-accelerate JKN revenue, remain unimplemented and are unlikely to materialize meaningfully before FY27F at the earliest. In this environment, hospitals with a structurally lower JKN dependency are better insulated, especially MIKA with JKN revenue contribution stands at just 12%, the lowest among listed peers (vs. SILO/HEAL's 16/60%). Per our discussions with MIKA and SILO, they see limited room in reducing their JKN revenue contribution further (MIKA/SILO: 12/16%) as they are still required to serve JKN patients.

Fig. 17: Indonesia's hospital inpatient revenue/day (Rp mn/day)



Source: Company, Indo Premier

Fig. 18: Indonesia's hospital outpatient revenue/visit (Rp mn/visit)



Source: Company, Indo Premier

Refer to Important disclosures in the last page of this report

MIKA has proactively addressed this dynamic by pivoting its revenue mix toward higher-acuity private NCD treatments through its Centre of Excellence (COE) strategy, delivering 1H26 private revenue growth of +10.7% yoy and revenue intensity improvement of +12.2% yoy, well ahead of SILO's +4.7% and HEAL's +3.5%. It has 17 COEs currently in operation, which contributes to 25–27% of topline, with management targeting incremental annual contribution growth of 2–3%, anchored by continued expansion of the Oncology COE.

HEAL has also recently shared its plans to target non-JKN revenue contribution to 60% (currently at c.45%), showing a sector-wide pivot towards the private segment. SILO's private segment will also be a strong growth driver in the short-run as 50% of its revenue comes from its COEs. However, SILO's revenue intensity of Rp7.3mn/day may have limited room for future increases, while MIKA's revenue intensity of Rp4.6mn/day (-36% discount compared to SILO's) suggests significantly more room for upside relative to peers.

Fig. 19: FY25 average inpatient revenue intensity in Malaysia/Thailand

FY25 Average Inpatient Revenue Intensity (Rp mn)	
Malaysia	
IHH Healthcare	14.7
KPJ Healthcare	12.6
Average Malaysia Inpatient Revenue Intensity	**13.7**
Thailand	
Bangkok Chain Hospital	18.2
Chularat Hospital	15.1
Average Thailand Inpatient Revenue Intensity	**16.7**

Source: MoH, Indo Premier

We also compared Indonesia's aggregate revenue intensity of Rp4.6mn/day to be significantly lower to average Malaysia and Thailand peers of Rp13.7/16.7mn respectively, representing a -66.1/-72.2% discount in relative to average Malaysian/Thailand inpatient revenue intensities. This represents a huge room for improvement for Indonesia's hospitals inpatient revenue intensities in the future.

Malaysia and Thailand's average inpatient revenue intensity is significantly higher than Indonesia's for two reasons. First, Malaysia and Thailand's FY25 healthcare expenditure per capita stood at $527 and $391 respectively (Fig. 19), which is 269% and 173% larger than Indonesia's $143, naturally resulting in average revenue intensities that are 2–3x higher.

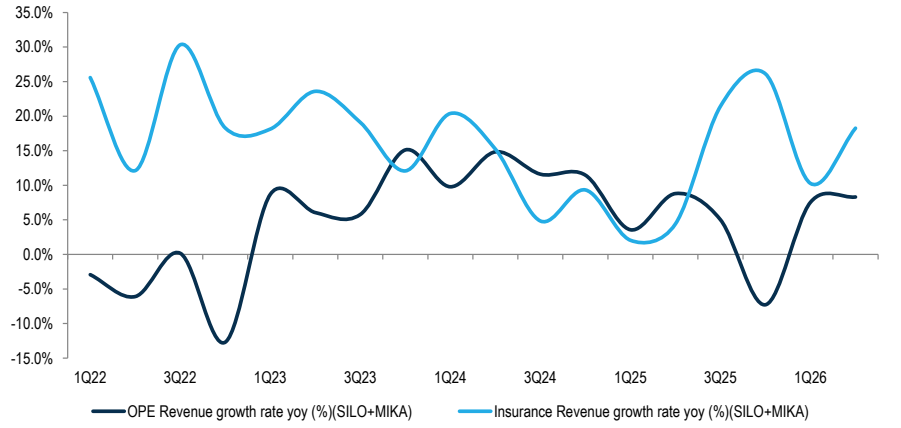
Second, both markets benefit from international patients who are overwhelmingly OPE (out-of-pocket) or privately insured. Unlike domestic patients covered under government UHC (Universal Health Coverage) schemes (which reimburse at fixed, below-market rates) international patients are billed at private rack rates (the standard rate before insurance negotiations, discounts, or government subsidies), driving higher revenue intensities per admission.

This dynamic is evident across the peer group. Bangkok Chain Hospital derived 12.5% of FY25 revenue from international patients, while Chularat has established dedicated centers within its hospitals catering exclusively to international patients from CLMV countries (Cambodia, Laos, Myanmar, and Vietnam) and the Middle East. IHH Malaysia's foreign patient revenue contribution also expanded significantly, rising from 8% in FY24 to 15% in

Refer to Important disclosures in the last page of this report

FY25, reflecting the group's accelerating push into the international patient segment.

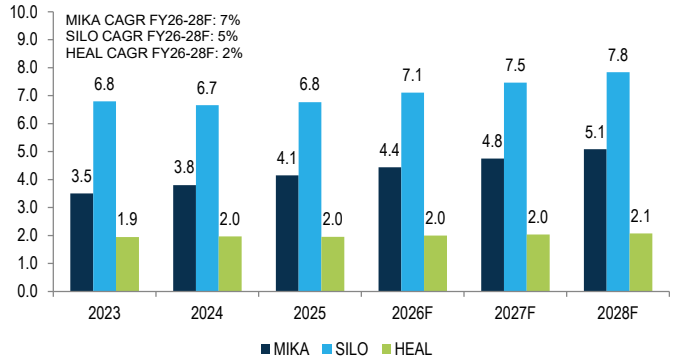
Fig. 20: OPE vs. Insurance revenue growth yoy (%)



Source: MoH, Indo Premier

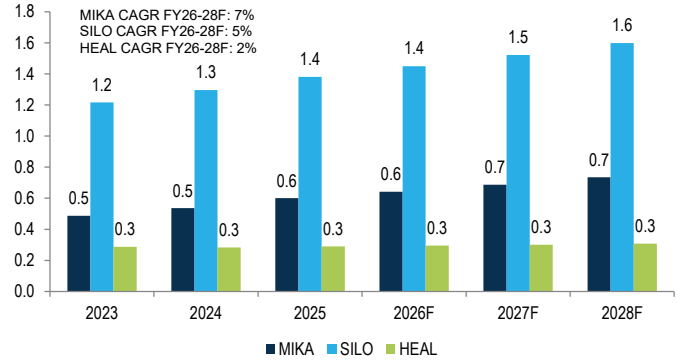
Diving deeper within the private/non-JKN segment, it is made up of two sub-segments: OPE and Corporations/Insurance. 2Q26 listed hospital's OPE revenue grew by +8.3% yoy (vs. 3yr avg of 9.9%) and Insurance revenue grew by +18.3% (vs. 3yr avg of 14.4%). Despite private insurance's claim ratio reaching 97.5% in FY23 (Fig. 67), it improved to 71.2% in FY25 amid a significant premium hike of c.43% in FY24 (vs FY22/23's 11.5/16.6%). Thus, we believe both OPE and Insurance will equally continue to drive the private segment.

Fig. 21: Hospital's inpatient revenue/day forecast (Rp mn/day)



Source: Company, Indo Premier

Fig. 22: Hospital's outpatient revenue/visit (Rp mn/visit)



Source: Company, Indo Premier

With KRIS, CoB, and iDRG reforms unlikely to materialize before FY27F, we believe the private segment remains the primary near-term growth driver. Thus, with hospitals' continued investments in robotics, medical equipment and specialists, we forecast HEAL/MIKA/SILO's revenue intensity to grow at 2/7/5% FY26-FY28F CAGR.

Refer to Important disclosures in the last page of this report

KRIS as a potential growth driver

To enhance service quality, particularly for Class 3 members, the Ministry of Health (MoH) introduced inpatient room standardization (KRIS) in 1H24 under Perpres No. 59/2024. The policy requires all inpatient rooms at KRIS-compliant hospitals to meet 12 standardized criteria (Fig. 23). This policy narrows the gap between ward classes: former Class 3 patients gain access to upgraded facilities, while Class 1 patients see a relative downgrade in room standards. The government expects KRIS to push Class 1 members toward Coordination of Benefits (CoB) arrangements with private insurers for enhanced services. Over time, this should alleviate JKN's financial burden and realign the program's focus on serving Class 2 and 3 members. However, based on our recent discussions with hospital operators, KRIS is unlikely to be implemented before FY27F, as only c.60% of hospitals were KRIS-compliant as of Jun26.

Fig. 23: 12 standardized criterias for KRIS rooms

No	Requirements
1	Building components used must not have high porosity levels
2	Must have air ventilation with at least 6 air changes
3	Room lighting of at least 250 Lux and 50 Lux for sleep lighting
4	Bed equipment (Nurse call and 2 power outlets for each bed)
5	Bedside table for each bed
6	Room temperature of 20–26 °C
7	Inpatient rooms are divided based on gender, child or adult, and infectious or non-infectious diseases
8	Maximum patient density and bed quality: 4 beds
9	Curtains/partitions between beds
10	Ensuite bathroom in inpatient rooms
11	Bathroom must meet accessibility standards
12	Oxygen outlet

Source: MoH, Indo Premier

While KRIS pricing has yet to be formally announced, our channel checks suggest that the monthly premium will be broadly in-line with the current Class 2 rate of Rp100k/month. As such, we expect KRIS reimbursement to align closely with existing Class 2 INA-CBG tariffs. Assuming a 14/15/71% member mix of Class 1/2/3, our sensitivity analysis shows that KRIS could lift aggregate listed hospitals' JKN revenue by 8.8%.

Fig. 24: KRIS implementation sensitivity analysis

Top 10 CBG	Class 3	Class 2	Class 1
Infeksi Non Bakteri (Ringan)	2,274,900	2,650,200	3,025,600
Operasi Pembedahan Caesar (Ringan)	5,777,000	6,730,100	7,683,400
Nyeri Abdomen & Gastroenteritis Lain-lain (Ringan)	2,194,700	2,556,800	2,919,000
Penyakit Infeksi Bakteri dan Parasit Lain-Lain (Ringan)	2,557,300	2,979,200	3,401,200
Diagnosis Sistem Pencernaaan Lain-Lain (Ringan)	1,990,000	2,318,300	2,646,700
Simple Pneumonia & Whooping Cough (Ringan)	4,058,800	4,728,500	5,398,200
Gejala, Tanda dan Diagnosis Sistem Pernafasan Lain-Lain (Ringan)	3,240,800	3,775,500	4,310,200
Peradangan Epiglotis, Telinga Tengah, Ispa dan Laringotrakeitis (Ringan)	2,224,400	2,591,400	2,958,400
Persalinan Vaginal (Ringan)	2,729,000	3,179,300	3,629,500
Penyakit Kencing Manis & Gangguan Nutrisi/Metabolik (Ringan)	4,056,400	4,725,600	5,394,900
Blended Top 10 CBG Tariffs per class	**3,110,330**	**3,623,490**	**4,136,710**
Blended revenue (71/15/14% member mix)	**3,330,997**		
Assuming KRIS tariffs will follow Class 2 INA-CBG tariffs	3,623,490		
Potential JKN revenue upside following KRIS transition	**8.8%**		

Source: Company, Indo Premier

Refer to Important disclosures in the last page of this report

Fig. 25: Potential revenue upside following KRIS implementation

	MIKA	SILO	HEAL
FY25 JKN revenue contribution	12%	16%	60%
Potential revenue upside following KRIS transition	**1.1%**	**1.4%**	**5.3%**

Source: Company, Indo Premier

Based on MIKA/SILO/HEAL's JKN revenue contribution of 12/16/60%, this translates into potential total revenue upside of 1.1/1.4/5.3% respectively. Our sensitivity analysis shows that KRIS implementation may provide earnings upside of 2.2/8.9/34.9%, with EBITDA margin accretion of +0.7/+0.7/+1.9% respectively.

Fig. 26: Potential earnings upside following KRIS implementation

Sensitivity Analysis on FY26F Earnings from KRIS implementation (Rp bn)			
Pre-KRIS Scenario	**MIKA**	**SILO**	**HEAL**
Revenue	**5,936**	**13,906**	**7,747**
Variable Costs	(1,732)	(3,846)	(2,648)
as a % of revenue	-29.2%	-27.7%	-34.2%
Fixed Costs	(1,937)	(6,712)	(2,972)
as a % of revenue	-32.6%	-48.3%	-38.4%
EBITDA	**2,267**	**3,348**	**2,127**
EBITDA margin	37.8%	24.1%	27.5%
Depreciation & Amortization	(372)	(1,385)	(923)
Net Interest and Others	87	(343)	(434)
Profit Before Tax	**1,982**	**1,620**	**771**
Taxes and Minorities	(495)	(445)	(297)
as a % of PBT	-25.0%	-27.5%	-38.6%
Net Profit	**1,488**	**1,175**	**473**
Post-KRIS Scenario	**MIKA**	**SILO**	**HEAL**
Revenue	**5,999**	**14,106**	**8,155**
Variable Costs	(1,750)	(3,902)	(2,788)
as a % of revenue	-29.2%	-27.7%	-34.2%
Fixed Costs	(1,937)	(6,712)	(2,972)
as a % of revenue	-32.6%	-48.3%	-38.4%
EBITDA	**2,311**	**3,493**	**2,396**
EBITDA margin	38.5%	24.8%	29.4%
Depreciation & Amortization	(372)	(1,385)	(923)
Net Interest and Others	87	(343)	(434)
Profit Before Tax	**2,027**	**1,765**	**1,039**
Taxes and Minorities	(506)	(485)	(401)
as a % of PBT	-25.0%	-27.5%	-38.6%
Net Profit	**1,521**	**1,280**	**638**
Revenue difference	**1.1%**	**1.4%**	**5.3%**
EBITDA difference	**2.0%**	**4.3%**	**12.6%**
EBITDA margin difference	**0.7%**	**0.7%**	**1.9%**
Net Profit difference	**2.2%**	**8.9%**	**34.9%**

Source: Company, Indo Premier

Refer to Important disclosures in the last page of this report

However, we highlight that 96.8mn individuals (34% of the total population) are currently enrolled under the Penerima Bantuan Iuran (PBI) scheme—participants whose BPJS premiums are fully subsidized by the government due to financial constraints. Should KRIS be fully implemented, the government would need to absorb an estimated additional Rp67tr annually for PBI members, posing a meaningful fiscal challenge and potentially delaying implementation.

Fig. 27: Additional subsidy the govt. has to pay if KRIS is implemented

Active Penerima Bantuan Iuran (PBI)	Participants (mn)	Premium/month	Premium subsidized by the govt/year (Rp bn)
PBI subsidy currently	97	42,000	**48,787**
PBI subsidy after KRIS implementation	97	100,000	**116,160**
Difference			**67,373**

Source: Company, Indo Premier

In a meeting with the House of Representatives, MoH announced that KRIS will retain a three-class system (A, B, C), similar to the current JKN structure, with the differences between classes detailed in Fig. 28. Our previous thesis – that KRIS would consolidate into a single tariff closely resembling Class 2 – would have made KRIS a strong catalyst for the hospital sector. However, under the newly proposed three-class system, and assuming tariffs remain unchanged from the current structure, we believe KRIS is unlikely to be a meaningful catalyst for the sector.

Fig. 28: New three-class system for KRIS

Class	Beds	Description
Class A	2	1. Maximum 2 beds 2. 12 KRIS criterias and a two-way nurse call, with room temperature set at 20°C-26°C (AC) 3. Additional facilties: waiting chairs for patient, television, dispenser, refrigerator
Class B	4	1. Maximum 4 beds 2. 12 KRIS criterias and a two-way nurse call, with room temperature set at 20°C-26°C (AC) 3. Additional facilties: waiting chairs for patient, television
Class C	4	1. Maximum 4 beds 2. 12 KRIS criterias and a one-way nurse call, with room temperature set at 20°C-26°C (AC/fan) 3. No additional facilities

Source: Company, Indo Premier

Refer to Important disclosures in the last page of this report

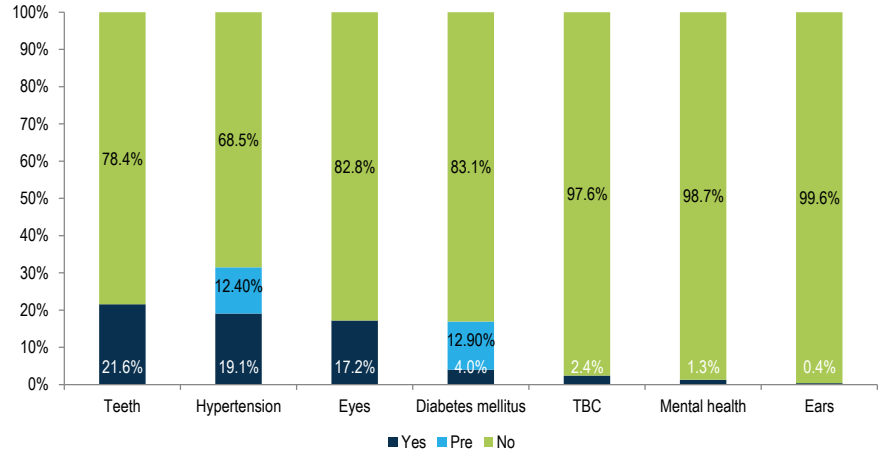
MCU and Digitalization

The Cek Kesehatan Program/Medical Check Up (CKG/MCU) program, Indonesia's free medical check-up program, has garnered 73.5mn registrations with a 96.3% attendance rate in FY25. For FY26F, the government has allocated Rp2.6tr, with a target of 136mn citizens (46% of the population).

Under the scheme, each citizen is entitled to one free MCU annually and the program covers all age groups, newborns, toddlers, adults (18–59), and elderly, thus offering screening age-appropriate to their life stage. Early detection and treatment are expected to lower long-term healthcare costs by preventing disease progression (e.g., hypertension leading to stroke).

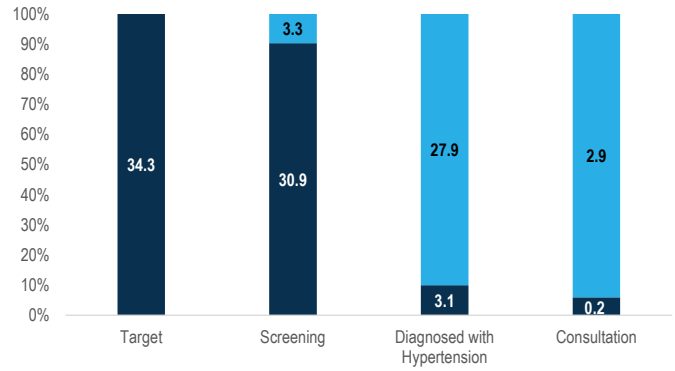
We view listed hospitals may benefit from a spillover effect, as follow-up treatments identified through MCUs, particularly those requiring referral to advanced care facilities, could lift patient volumes. This can be seen in Fig. 30-31 where only 6% of diagnosed hypertension patients underwent consultation and only 7% of diagnosed diabetes patients underwent consultation. While we expect the MCU program to require time to gain full traction, sustained increases in NCD diagnoses should ultimately enhance hospitals' revenue intensity, as case mix shifts toward higher-acuity NCD treatments (versus lower-complexity JKN cases prior to referral tightening).

Fig. 29: MCU results show that teeth, hypertension and eyes are prevalent



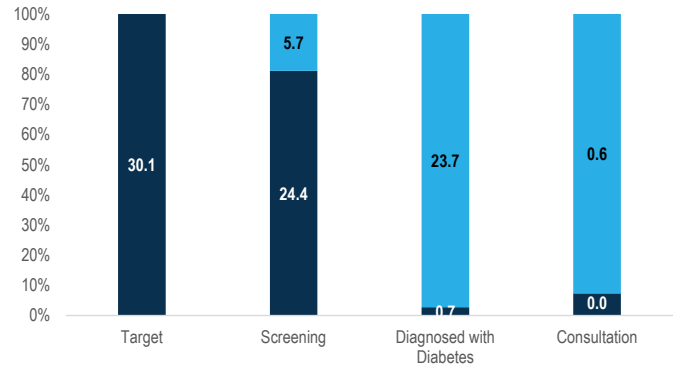
Source: MoH, Indo Premier

Fig. 30: Hypertension cases (mn people)



Source: Company, Indo Premier

Fig. 31: Diabetes cases (mn people)



Source: Company, Indo Premier

Refer to Important disclosures in the last page of this report

FY26F Outlook and 2Q26 Recap

FY26F Outlook

We expect non-JKN revenue to remain the primary growth driver amid higher detection and prevalence of NCDs and hospitals' continued investments in better specialists and medical equipment, which shall cause private segment's growth to outpace JKN in the near term. This reflects our view that tighter JKN referral policies will persist, alongside continued budget allocation to strengthen primary care facilities in-line with the rising national healthcare budget.

This also aligns with listed hospital's strategy in reducing JKN revenue exposure, including HEAL's recent announcement that it will focus more on executive patients and reducing its hospitals' JKN exposure to 40% (currently at 55%). However, the decline in JKN traffic in the short run shall free up capacity in listed-hospitals, enabling greater focus on high-intensity cases that shall come as the MCU program gains traction.

Although KRIS is targeted for full implementation in FY27F, our channel checks indicate that only c.60% of hospitals were KRIS-compliant as of Jun26. Additionally, KRIS may incentivize existing Class 1 members to upgrade services via CoB, supporting margin expansion. As such, we expect CoB utilization to take time to scale. For now, we continue to see the private segment as the key earnings driver in FY27F until JKN-related catalysts are fully realized.

2Q26 Recap

MIKA: MIKA's 2Q26 topline growth of +9.4% yoy was below our/consensus estimates and this was dragged down by JKN revenue decline of -8.9% yoy (vs. non-JKN's +11.9% yoy). The revenue growth was driven by revenue intensity improvement of +16.1% yoy (vs. inpatient traffic of -7.9% yoy). 2Q26 GPM declined to 53.7% amid higher API-related input costs linked to elevated Brent oil prices. Thus, MIKA recorded 2Q26 earnings of Rp358bn (+9% yoy) and this was below our/consensus estimates.

HEAL: HEAL recorded a 2Q26 topline growth of +7.7% yoy and this was in-line with our/consensus estimates. However, the strong sales growth was offset by an opex pressure from higher salaries and medicine-to-sales. Moreover, there was a one-off tax charge of Rp16bn from increase in deferred tax expenses. As a result, 2Q26 net profit declined to Rp92bn (-8.2% yoy) and this was below our/consensus estimates.

SILO: SILO recorded strong sales growth of +13.6% yoy which was driven by a massive improvement in revenue intensity of +11.7% yoy, while inpatient traffic grew more modestly at +3.8% yoy. Moreover, opex-to-sales improved amid lower salaries-to-sales. Below the operating line, 2Q26 effective tax rate also normalized to 25.2% (-328bps yoy). In sum, SILO recorded a 2Q26 net profit of Rp301bn (+42.6% yoy) and this was above consensus, but in-line with ours.

MDLA: MDLA recorded topline growth of +17.6% yoy and this was driven by pharmaceutical's topline growth of +24.5% yoy and in-line with consensus estimates. We expect Consumer Health to still be in negative growth of -15% yoy, but this should turn either flattish/positive growth in 2H26F amid a new base forming after principals leaving in 1H25. In sum, MDLA recorded net profit of Rp104bn (+18.9% yoy) and this was in-line with consensus estimates.

Refer to Important disclosures in the last page of this report

2Q26 earnings recap: SILO above, MDLA in-line, MIKA/HEAL below
In sum, SILO 2Q26 earnings came above consensus estimates but in-line with ours, MDLA was in-line with consensus, and MIKA/HEAL's was below our/consensus estimates (Fig. 36).

Fig. 32: Healthcare 2Q26 revenue recap

Ticker	2Q26	2Q25	% YoY	1Q26	% QoQ	1H26	1H25	% YoY	IPS FY26F	% IPS	Cons. FY26F	% Cons	3yr avg
HEAL	1,826	1,696	7.7%	1,783	2.4%	3,609	3,389	6.5%	7,916	46%	7,737	47%	48%
SILO	3,486	3,068	13.6%	3,278	6.3%	6,763	6,105	10.8%	14,566	46%	14,139	48%	48%
MIKA	1,412	1,291	9.4%	1,357	4.1%	2,769	2,563	8.0%	6,065	46%	5,907	47%	50%
MDLA	4,138	3,519	17.6%	4,033	2.6%	8,171	7,420	10.1%	16,109	51%	15,926	51%	50%

Source: Company, Bloomberg, Indo Premier

Fig. 33: Healthcare 2Q26 GPM recap

Ticker	2Q26	2Q25	% YoY	1Q26	% QoQ	1H26	1H25	% YoY
HEAL	33.8%	30.1%	368 bps	34.7%	-96 bps	34.2%	33.2%	103 bps
SILO	38.2%	38.4%	-28 bps	38.2%	1 bps	38.2%	37.7%	48 bps
MIKA	53.7%	55.1%	-144 bps	53.2%	56 bps	53.4%	54.7%	-125 bps
MDLA	9.2%	9.7%	-52 bps	9.5%	-32 bps	9.3%	9.6%	-29 bps

Source: Company, Indo Premier

Fig. 34: Healthcare 2Q26 EBITDA recap

Ticker	2Q26	2Q25	% YoY	1Q26	% QoQ	1H26	1H25	% YoY	IPS FY26F	% IPS	Cons. FY26F	% Cons	3yr avg
HEAL	410	451	-9.0%	461	-11.0%	871	939	-7.2%	2,034	43%	1,988	44%	48%
SILO	796	643	23.8%	749	6.3%	1,545	1,313	17.7%	3,173	49%	3,459	45%	47%
MIKA	554	509	8.8%	510	8.6%	1,064	991	7.4%	2,366	45%	2,270	47%	52%
MDLA	131	117	11.7%	160	-17.9%	291	271	7.2%	668	44%	479	61%	50%

Source: Company, Bloomberg, Indo Premier

Fig. 35: Healthcare 2Q26 EBITDA margin recap

Ticker	2Q26	2Q25	% YoY	1Q26	% QoQ	1H26	1H25	% YoY
HEAL	22.5%	26.6%	-412 bps	25.9%	-338 bps	24.1%	27.7%	-357 bps
SILO	22.8%	20.9%	189 bps	22.8%	-2 bps	22.8%	21.5%	134 bps
MIKA	39.2%	39.4%	-20 bps	37.6%	163 bps	38.4%	38.7%	-24 bps
MDLA	3.2%	3.3%	-17 bps	4.0%	-79 bps	3.6%	3.7%	-10 bps

Source: Company, Indo Premier

Fig. 36: Healthcare 2Q26 net profit recap

Ticker	2Q26	2Q25	% YoY	1Q26	% QoQ	1H26	1H25	% YoY	IPS FY26F	% IPS	Cons. FY26F	% Cons	3yr avg
HEAL	92	100	-8.2%	101	-9.2%	193	225	-14.1%	524	37%	499	39%	54%
SILO	301	211	42.6%	280	7.4%	581	457	27.1%	1,332	44%	1,180	49%	44%
MIKA	358	329	9.0%	326	10.0%	684	640	6.9%	1,537	45%	1,487	46%	50%
MDLA	104	88	18.9%	117	-10.7%	221	198	11.6%	423	52%	401	55%	50%

Source: Company, Bloomberg, Indo Premier

Refer to Important disclosures in the last page of this report

ROIC analysis

Analyzing hospitals' ROIC, we further dissect the metric into two components: NOPAT margin and Net revenue/invested capital. We exclude FY20-22 due to the impact of the pandemic, and instead focus our analysis on the comparison in FY18-19, FY23-25 vs. FY26-28F.

In regards to NOPAT margin, we note that operating leverage would be the key in determining potential NOPAT margin accretion. SILO has booked the highest NOPAT margin improvement in FY25 due to its extremely low base in FY19.

Going forward, we expect SILO's NOPAT margin improvement to outpace its peers by FY28F with +115bps accretion from FY26F (vs. HEAL/MIKA's +44/+83bps), driven by its reduction in rental expense amid the First REIT acquisition.

On the other hand, net revenue/invested capital is unlikely to change significantly in the near future given that hospitals are still in expansion mode and new hospitals require time to be built and ramp-up to maturity. In particular, we note that SILO's net revenue/invested capital is expected to decline due to the First REIT acquisition and absence of dividends in FY25.

In sum, we forecast MIKA'S ROIC to improve the most from 25.9% in FY26F to 27.4% in FY28F (+148bps). Moreover, we forecast HEAL's ROIC to improve from 7.6% in FY26F to 8.4% in FY28F (+77bps). On the other hand, SILO's ROIC is expected to decline from 11.2% in FY26F to 8.6% in FY28F as it did not distribute dividends in FY25 and the First REIT acquisition, resulting in a larger invested capital base. Thus, we view that MIKA as our top pick is currently justified by its superior ROIC.

Fig. 37: ROIC analysis

	2018	2019	2020	2021	2022	2023	2024	2025	2026F	2027F	2028F
Mika Keluarga Karyasehat (MIKA IJ)											
NOPAT/net revenue	22.3%	23.2%	25.7%	30.3%	26.1%	22.3%	23.9%	25.2%	25.3%	25.7%	26.1%
Net revenue/Invested capital	1.0	1.0	1.0	1.3	1.1	0.9	1.0	1.0	1.0	1.0	1.0
ROIC	**22.5%**	**22.2%**	**24.9%**	**38.7%**	**27.5%**	**21.0%**	**24.1%**	**26.0%**	**25.9%**	**26.5%**	**27.4%**
Siloam International Hospitals (SILO IJ)											
NOPAT/net revenue	1.1%	1.0%	3.4%	11.3%	10.4%	15.3%	12.8%	12.7%	14.0%	14.6%	15.1%
Net revenue/Invested capital	0.8	0.9	1.1	1.5	1.4	1.3	1.2	1.1	0.8	0.6	0.6
ROIC	**0.8%**	**0.9%**	**3.6%**	**17.5%**	**14.0%**	**19.6%**	**15.7%**	**13.7%**	**11.2%**	**8.9%**	**8.6%**
Medikaloka Hermina (HEAL IJ)											
NOPAT/net revenue	7.9%	10.3%	15.0%	23.2%	8.3%	10.6%	11.7%	9.6%	9.9%	10.2%	10.3%
Net revenue/Invested capital	1.0	1.1	1.2	1.3	0.9	0.9	0.9	0.8	0.8	0.8	0.8
ROIC	**8.3%**	**11.8%**	**18.0%**	**31.2%**	**7.8%**	**10.1%**	**10.6%**	**7.6%**	**7.6%**	**8.1%**	**8.4%**

Source: Company, Indo Premier

Refer to Important disclosures in the last page of this report

Dupont analysis - comparison with regional peers

For our Dupont analysis, we disregard FY21 due to its high base effect coming from Covid and thus start our analysis from FY22. In FY22, MIKA recorded the highest NPM of 24.9% (vs. HEAL/SILO's 6.1/9.4%, which was driven by its higher EBITDA margin of 37.1% (vs. HEAL/SILO's 21.8/22.9%). In addition, MIKA's NPM was higher than the regional average NPM of 16%.

Looking forward into FY26F, we forecast MIKA/HEAL's NPM to normalize to 25.1/6.1% (+16/+2bps improvement from FY22). On the other hand, we expect SILO's to improve by +164bps from FY22 level of 9.4% to 11.1% due to higher revenue intensity and inpatient traffic. Thus, we forecast Indonesia's hospital average FY26F NPM to be at 14.1% (vs. regional avg of 13.9%), with MIKA remaining the clear outlier on the upside while HEAL continues to lag due to its structurally thinner EBITDA margin (27.5% in FY26F vs. MIKA's 38.3%), reflecting a less favorable payor mix and cost base that has yet to normalize.

In regards to asset turnover, MIKA/HEAL/SILO recorded similar asset turnovers at 0.6/0.6/0.8x respectively in FY22. On asset turnover, Indonesian hospitals average 0.6x, broadly in line with the regional average of 0.7x, suggesting that asset utilization across Indonesian hospitals has largely converged to the regional benchmark. To note, SILO's decline from 0.8x in FY22 is mainly a function of its expanding asset base post-First REIT acquisition outpacing near-term revenue contribution, rather than a deterioration in operating efficiency.

On equity multiplier, we expect MIKA/HEAL/SILO to have a normalized leverage of 1.3/2.1/1.7x in FY26F. Comparing with regional peers, the Indo names average 1.7x (vs. regional average of 1.7x). MIKA remains the most conservative name in the region, while HEAL screens above both its Indonesian peers and the regional average given its reliance on loan-funded expansion. In regards to FY26F ROE, we forecast MIKA/HEAL/SILO's ROE to improve to 19.4/8.0/11.3%.

Consequently, on a blended FY26F ROE basis, MIKA/HEAL/SILO average 13% vs. the regional average of 14%, with the gap primarily explained by MIKA's margin leadership more than offsetting its lower leverage, while HEAL's still-recovering profitability keeps group ROE below peers despite carrying the highest leverage. This supports our view that MIKA's premium ROE is structurally driven by margin quality rather than balance-sheet leverage. Moreover, looking at the regional trend for asset turnover and equity multiplier, it is forecasted to normalize at its current levels, which suggest that any further ROE re-rating for HEAL and SILO will hinge on margin improvement, given asset turnover and equity multiplier across the sector has largely plateaued at regional average levels.

For MDLA, it recorded a superior ROE of 15.1% in FY25 (vs. regional avg of 7.8%). This was attributed to its high asset turnover ratio of 2.4x (vs. regional average of 1.6x). We forecast MDLA's ROE to stand at 13.4% in FY26F (-179bps yoy) due to its Consumer Health segment losing principals and soft purchasing power. However, MDLA's ROE would still remain superior in comparison to peers.

Refer to Important disclosures in the last page of this report

Fig. 38: Hospital's dupont analysis (1)

	2022	2023	2024	2025	2026F	2027F	2028F
Mika Keluarga Karyasehat (MIKA IJ)							
NPM	24.9%	21.5%	23.5%	25.4%	25.1%	25.3%	25.6%
Sales turnover	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Equity multiplier	1.3	1.3	1.3	1.3	1.3	1.2	1.2
ROE	**18.8%**	**16.3%**	**18.6%**	**19.8%**	**19.4%**	**19.6%**	**19.9%**
Medikaloka Hermina (HEAL IJ)							
NPM	6.1%	7.6%	8.0%	6.0%	6.1%	6.5%	7.1%
Sales turnover	0.6	0.7	0.7	0.6	0.6	0.6	0.7
Equity multiplier	2.2	2.2	2.3	2.2	2.1	2.0	1.9
ROE	**8.8%**	**12.0%**	**12.9%**	**8.5%**	**8.0%**	**8.6%**	**9.4%**
Siloam International Hospitals (SILO IJ)							
NPM	9.4%	14.0%	9.5%	11.2%	11.1%	11.5%	12.3%
Sales turnover	0.8	0.8	0.8	0.7	0.6	0.5	0.5
Equity multiplier	1.4	1.4	1.5	1.6	1.7	2.0	2.1
ROE	**10.4%**	**16.3%**	**10.9%**	**12.2%**	**11.3%**	**11.5%**	**12.9%**
IHH Healthcare Bhd (IHH MK)							
NPM	8.6%	14.1%	10.9%	8.2%	8.0%	8.5%	9.0%
Sales turnover	0.4	0.4	0.5	0.5	0.5	0.5	0.5
Equity multiplier	1.9	1.8	1.8	1.9	1.9	1.9	1.9
ROE	**6.3%**	**10.5%**	**9.1%**	**6.9%**	**6.8%**	**7.2%**	**7.7%**
KPJ Healthcare (KPJ MK)							
NPM	5.9%	7.7%	9.0%	8.6%	9.0%	9.3%	9.4%
Sales turnover	0.4	0.5	0.5	0.5	0.5	0.5	0.5
Equity multiplier	3.0	3.1	3.0	2.9	2.9	2.9	2.9
ROE	**7.8%**	**11.4%**	**14.5%**	**13.6%**	**14.3%**	**14.7%**	**14.9%**

Source: Bloomberg, Company, Indo Premier

Fig. 39: Hospital's dupont analysis (2)

	2022	2023	2024	2025	2026F	2027F	2028F
Bumrungrad Hospital (BH TB)							
NPM	23.9%	27.7%	30.3%	29.9%	29.8%	29.2%	28.6%
Sales turnover	0.9	1.0	0.8	0.7	0.7	0.7	0.7
Equity multiplier	1.2	1.2	1.2	1.2	1.2	1.2	1.2
ROE	**26.8%**	**32.4%**	**30.5%**	**25.7%**	**25.7%**	**25.2%**	**24.7%**
Bangkok Chain Hospital (BCH TB)							
NPM	16.1%	12.0%	10.9%	11.1%	10.6%	10.7%	10.5%
Sales turnover	0.8	0.6	0.7	0.7	0.7	0.7	0.7
Equity multiplier	1.8	1.5	1.4	1.3	1.3	1.3	1.3
ROE	**24.1%**	**11.3%**	**10.0%**	**10.0%**	**9.6%**	**9.7%**	**9.5%**
Chularat Hospital (CHG TB)							
NPM	27.5%	13.5%	11.7%	11.1%	11.7%	11.5%	11.3%
Sales turnover	1.0	0.8	0.8	0.8	0.8	0.8	0.8
Equity multiplier	1.4	1.4	1.4	1.3	1.3	1.3	1.3
ROE	**36.8%**	**13.9%**	**12.7%**	**12.0%**	**12.6%**	**12.4%**	**12.2%**
Bangkok Dusit Med. Ser (BDMS TB)							
NPM	13.7%	14.3%	14.8%	14.2%	14.1%	14.2%	14.2%
Sales turnover	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Equity multiplier	1.6	1.5	1.5	1.5	1.5	1.5	1.5
ROE	**14.5%**	**15.6%**	**16.3%**	**15.3%**	**15.2%**	**15.3%**	**15.3%**

Source: Bloomberg, Company, Indo Premier

Fig. 40: Pharmaceutical's dupont analysis (1)

Dupont Analysis	FY21	FY22	FY23	FY24	FY25
Medela Potentia					
Net Profit Margin	2.8%	2.6%	2.3%	2.4%	2.6%
Asset Turnover Ratio	3.2	2.9	2.9	2.8	2.4
Equity Multiplier	2.3	2.5	2.6	2.6	2.4
ROE	20.7%	18.2%	17.4%	17.2%	15.1%
ROA	8.8%	7.4%	6.7%	6.6%	6.4%
EPMT					
Net Profit Margin	3.3%	3.0%	2.4%	2.4%	2.4%
Asset Turnover Ratio	2.7	2.8	2.7	2.8	2.7
Equity Multiplier	1.4	1.4	1.5	1.5	1.6
ROE	12.6%	12.1%	9.5%	9.9%	10.2%
ROA	9.0%	8.4%	6.4%	6.6%	6.4%

Source: Bloomberg, Company, Indo Premier

Fig. 41: Pharmaceutical's dupont analysis (2)

Dupont Analysis	FY21	FY22	FY23	FY24	FY25
Guangxi LiuYao Group					
Net Profit Margin	3.3%	3.7%	4.1%	4.0%	3.4%
Asset Turnover Ratio	1.1	1.1	1.0	1.0	1.0
Equity Multiplier	2.7	2.8	2.9	2.7	2.8
ROE	9.8%	11.4%	11.9%	11.0%	9.2%
ROA	3.6%	4.1%	4.1%	4.1%	3.3%
Shanghai Pharmaceuticals Holding					
Net Profit Margin	2.4%	2.4%	1.4%	1.7%	2.0%
Asset Turnover Ratio	1.4	1.3	1.2	1.3	1.3
Equity Multiplier	2.7	2.6	2.6	2.6	2.6
ROE	9.1%	8.1%	4.4%	5.5%	6.6%
ROA	3.4%	3.1%	1.7%	2.1%	2.5%
Sinopharm Group					
Net Profit Margin	1.5%	1.5%	1.5%	1.2%	1.2%
Asset Turnover Ratio	1.6	1.6	1.6	1.5	1.5
Equity Multiplier	3.4	3.3	3.2	3.1	2.9
ROE	8.2%	7.9%	7.7%	5.7%	5.3%
ROA	2.4%	2.4%	2.4%	1.8%	1.8%

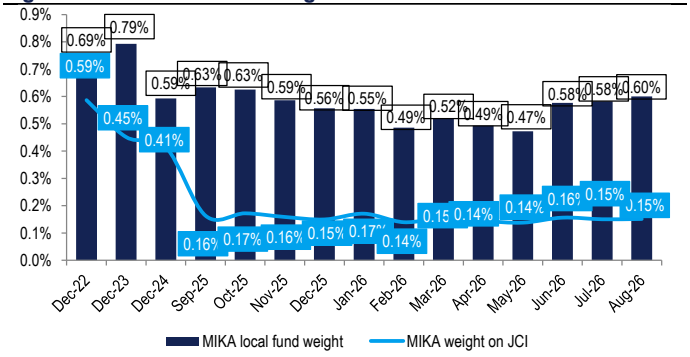
Source: Bloomberg, Company, Indo Premier

Refer to Important disclosures in the last page of this report

Institutional ownership

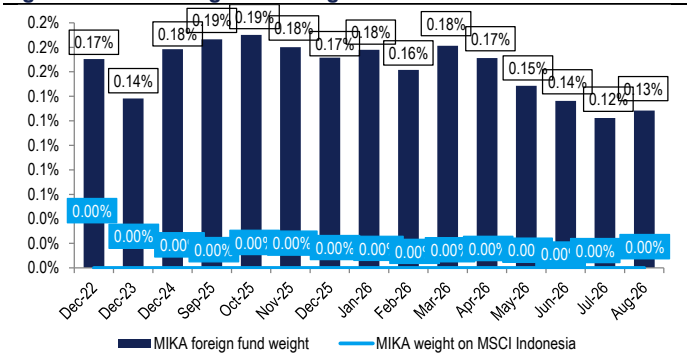
In terms of positioning, local funds have an OW position for MIKA, while local funds have an UW position for SILO and HEAL in Jun26. It is worth highlighting that local funds have started to decrease its position on MIKA and HEAL, since Jul25 amid soft 1H25 results. Despite MIKA's crowded institutional ownership, we believe it underscores MIKA's strong financials, which further reinforces its position as our top pick.

Fig. 42: MIKA's local fund weight vs. JCI



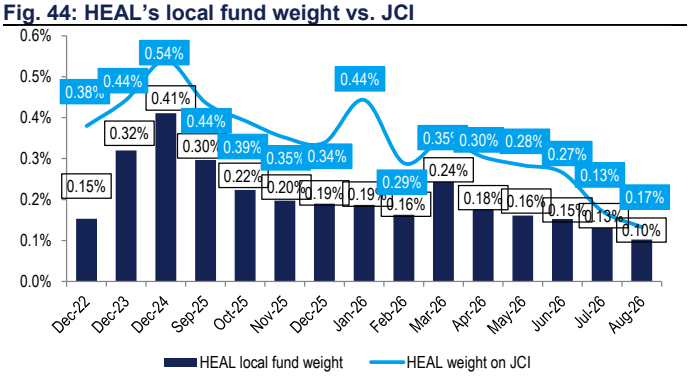
Source: KSEI, Indo Premier

Fig. 43: MIKA's foreign fund weight vs. MSCI



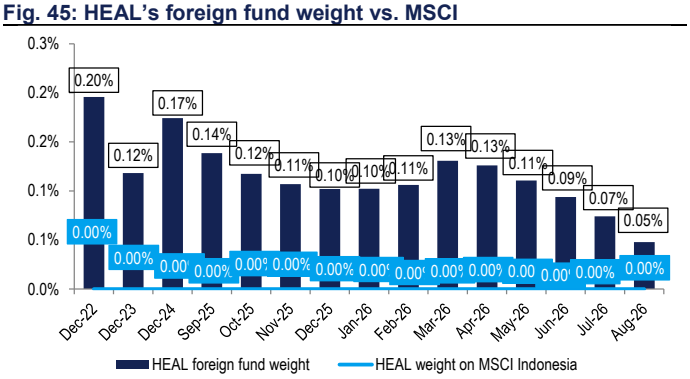
Source: KSEI, MSCI, Indo Premier

Fig. 44: HEAL's local fund weight vs. JCI



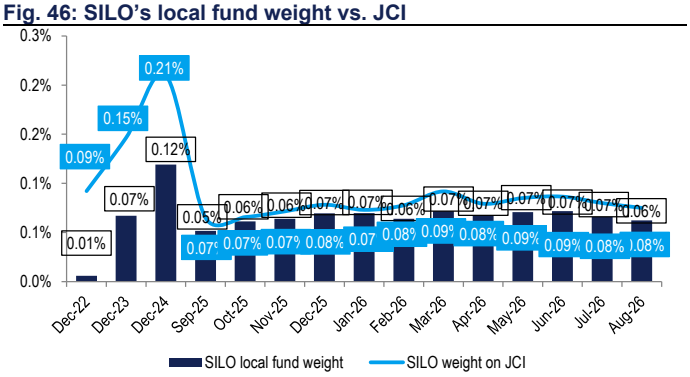
Source: KSEI, Indo Premier

Fig. 45: HEAL's foreign fund weight vs. MSCI



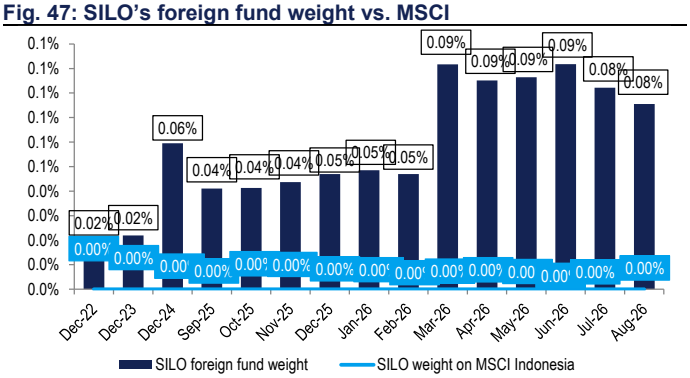
Source: KSEI, MSCI, Indo Premier

Fig. 46: SILO's local fund weight vs. JCI



Source: KSEI, Indo Premier

Fig. 47: SILO's foreign fund weight vs. MSCI



Source: KSEI, MSCI, Indo Premier

Refer to Important disclosures in the last page of this report

Peers Comparison

Fig. 48: Healthcare peers comparison

Ticker	Name	Mkt cap (US$ mn)	P/E			EV/EBITDA			ROE			EBITDA Growth		
			2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2028F
Indonesia														
MIKA IJ	Mika Keluarga Karyasehat	1,358	18.1	16.0	14.0	10.9	9.7	8.6	18.1%	19.4%	20.0%	9.9%	12.8%	12.6%
SILO IJ	Siloam International Hospitals	1,583	23.1	21.1	18.0	8.7	7.5	6.7	11.2%	11.7%	12.3%	16.0%	15.6%	12.2%
HEAL IJ	Medikaloka Hermina	763	22.1	18.9	16.3	7.7	6.9	6.2	8.0%	9.0%	9.8%	11.4%	12.1%	10.8%
Simple average			**21.1**	**18.7**	**16.1**	**9.1**	**8.0**	**7.2**	**12.4%**	**13.4%**	**14.0%**	**12.5%**	**13.5%**	**11.8%**
Malaysia														
IHH MK	IHH Healthcare Bhd	18,424	31.1	26.6	23.0	13.9	12.4	11.3	7.0%	8.0%	8.7%	10.5%	11.9%	9.6%
KPJ MK	KPJ Healthcare	3,471	29.0	26.1	23.8	13.7	12.6	11.5	13.7%	14.7%	14.8%	9.4%	8.5%	9.6%
Simple average			**30.1**	**26.4**	**23.4**	**13.8**	**12.5**	**11.4**	**10.3%**	**11.3%**	**11.8%**	**9.9%**	**10.2%**	**9.6%**
Thailand														
BH TB	Bumrungrad Hospital	4,412	20.0	19.3	18.4	14.5	14.0	13.2	24.8%	24.6%	24.5%	2.2%	3.9%	5.8%
BCH TB	Bangkok Chain Hospital	794	21.5	20.4	19.9	10.1	9.6	9.3	9.7%	10.1%	10.2%	0.1%	5.1%	3.1%
CHG TB	Chularat Hospital	533	17.1	16.3	15.4	9.5	9.0	8.4	12.4%	12.8%	13.2%	1.0%	6.3%	7.2%
BDMS TB	Bangkok Dusit Med. Ser	9,362	20.2	19.0	18.2	12.2	11.5	10.9	15.0%	15.6%	15.7%	2.9%	5.8%	5.2%
Simple average			**19.7**	**18.8**	**18.0**	**11.6**	**11.0**	**10.5**	**15.5%**	**15.8%**	**15.9%**	**1.6%**	**5.3%**	**5.3%**

Source: Bloomberg, Company, Indo Premier

Fig. 49: Pharmaceutical distribution peers comparison

Company	Ticker	Mkt Cap (US$ mn)	P/E			GPM			ROE			EPS Growth	
			2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2028F	2027F	2028F
MEDELA POTENTIA	MDLA IJ	165	7.17	6.71	6.30	9.6%	9.6%	9.6%	12.7%	12.5%	12.4%	6.9%	6.5%
JOINTOWN PHARMACEUTICAL-A	600998 CH	3,753	11.04	10.29	9.26	7.6%	7.7%	7.9%	7.8%	8.2%	8.6%	7.5%	11.1%
GUANGXI LIUYAO GROUP	603368 CH	924	9.14	8.78	8.31	10.9%	10.8%	10.7%	8.1%	8.0%	8.0%	4.3%	5.7%
CHINA RESOURCES PHARMACEUTICAL GRO	3320 HK	3,534	5.65	5.24	5.03	16.5%	16.6%	16.7%	7.8%	7.8%	7.5%	7.0%	4.7%
SINOPHARM GROUP	1099 HK	6,153	5.60	5.25	5.00	7.1%	7.2%	7.3%	8.4%	8.3%	8.2%	6.8%	5.1%
SHANGHAI PHARMACEUTICAL	601607 CH	8,162	11.07	10.43	9.47	11.0%	11.1%	11.1%	7.1%	7.2%	7.4%	6.3%	9.8%
CENCORA INC	COR US	64,346	18.85	17.00	15.34	4.0%	4.0%	4.0%	147.3%	94.3%	64.6%	10.9%	10.9%
HENRY SCHEIN INC	HSIC US	10,132	16.84	15.09	13.72	31.5%	31.6%	31.7%	15.5%	16.1%	17.0%	11.6%	10.0%
SUZUKEN CO LTD	9987 JP	2,409	13.21	12.25	13.04	7.5%	7.5%	7.4%	5.9%	5.7%	5.9%	7.8%	-5.2%

Source: Bloomberg, Company, Indo Premier

Refer to Important disclosures in the last page of this report

Hospitals' operational and financial summary

Fig. 50: Indonesia's hospital summary

	MIKA	SILO	HEAL
Operational metrics			
Number of hospitals (1H26)	32	41	53
Number of beds (1H26)	4,248	4,440	9,019
Target hospital opening/year	1-2 hospitals	1-2 hospitals	2-3 hospitals
Occupancy rate (%) as of 1H26	51.8%	62.5%	67.5%
JKN revenue contribution as of 1H26	10.0%	15.9%	45.0%
COB revenue contribution as of 1H26	<5%	<5%	<5%
Inpatient revenue/days as of 1H26 (Rp mn/day)	4.7	7.3	2.1
Outpatient revenue/visit as of 1H26 (Rp mn/day)	0.7	1.4	0.3
Capex/hospital (Rp bn)	200-250	650-900	200
Financial metrics			
Revenue growth CAGR FY22-25	9.9%	10.4%	13.3%
Revenue growth CAGR FY25-28F	11.6%	8.1%	8.9%
EBITDA growth CAGR FY22-25	10.3%	12.5%	19.6%
EBITDA growth CAGR FY25-28F	12.6%	20.3%	9.2%
EBITDA margin as of 1H26	38.4%	29.5%	26.0%
NOPAT growth CAGR FY22-25	8.6%	18.2%	18.9%
NOPAT growth CAGR FY25-28F	11.9%	21.4%	11.5%
Invested Capital growth CAGR FY22-25	8.8%	18.3%	19.8%
Invested Capital growth CAGR FY25-28F	10.0%	30.1%	6.1%
ROIC as of FY26F	25.6%	11.2%	7.6%

Source: Company, Indo Premier

Refer to Important disclosures in the last page of this report

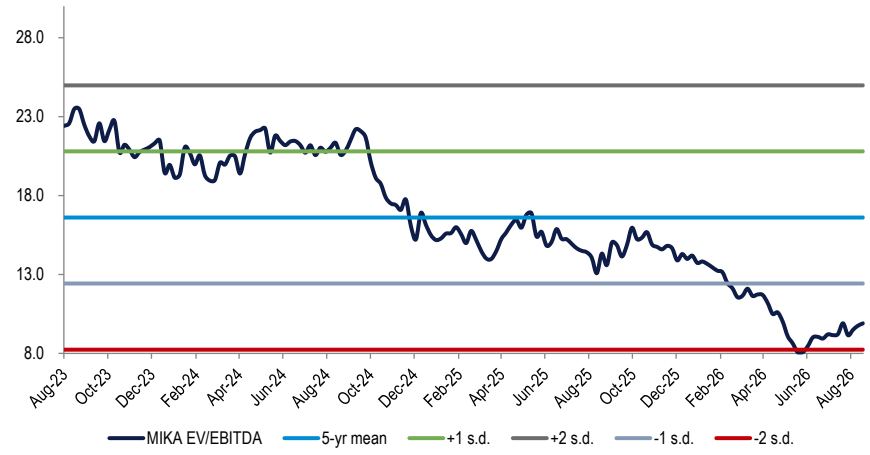
Valuations

Initiate coverage with Overweight rating, with MIKA as our top pick
We initiate the healthcare sector with an Overweight rating, with MIKA (Buy; Rp2,850 TP) as our top pick due to its (i) robust revenue intensity improvement, (ii) limited exposure to JKN revenue, and (iii) bottoming valuation. Key risks include: prolonged tightening of JKN referrals, further delays in KRIS-CoB implementation, and rising outbound medical tourism.

In terms of hospitals' valuation, we use EV/EBITDA multiples methodology to derive MIKA/SILO/HEAL's fair value. We initiate MIKA/SILO/HEAL with BUY ratings and TP of Rp2,850/2,650/1,200/sh respectively based on 16.7x/12.1x/10.0x FY26F EV/EBITDA (+0.0/+0.5/-1.0 s.d of its 3yr mean)

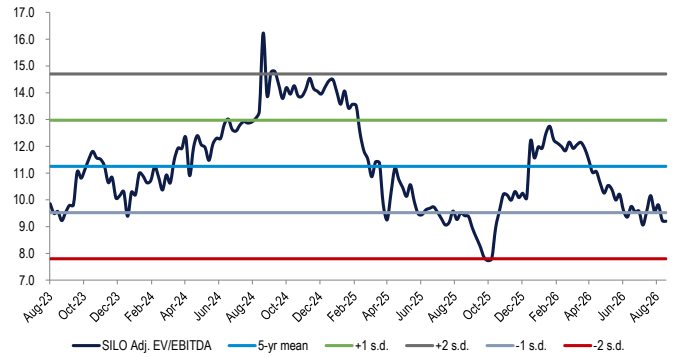
With regards to MDLA, we initiate with a BUY rating and a TP of Rp290/sh, derived from a DCF valuation, assuming a 16.2% WACC and a 3% perpetual growth rate.

Fig. 51: MIKA's is traded at 9.9x fwd. 12M EV/EBITDA (-1.6 s.d. from its 3yr mean)



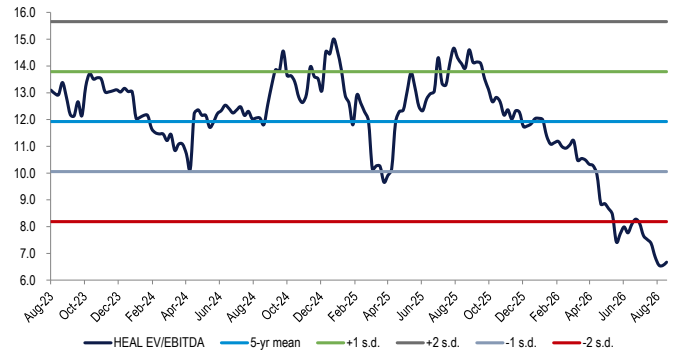
Source: Bloomberg, Indo Premier

Fig. 52: SILO's is traded at 9.2x fwd. 12M EV/EBITDA (-1.2 s.d. from its 3yr mean)



Source: Company, Indo Premier

Fig. 53: HEAL's is traded at 6.7x fwd. 12M EV/EBITDA (-2.8 s.d. from its 3yr mean)



Source: Company, Indo Premier

Refer to Important disclosures in the last page of this report

Fig. 54: MDLA's DCF methodology

WACC	Cost	Value (Rp bn)	Weight
Risk Free Rate	7.1%		
Equity Risk Premium	9.1%		
Beta	1.00		
Cost of Equity	**16.2%**	**3,383**	**100.0%**
Yield on Debt	7%		
Tax Rate	22.5%		
Cost of Debt	**5.4%**	**-**	**0.0%**
Total	**16.2%**	**3,383**	**100.0%**

DCF Assumptions	
Tax Rate	22.0%
WACC	16.2%
Grow th Rate	3%
Shares Outstanding	14.0

DCF

Discounted Cash Flow	Beginning	2026F	2027F	2028F	2029F	2030F	2031F	Terminal Value
EBIT		582	645	712	800	881	978	
Less: Cash Taxes		-134	-148	-163	-183	-201	-223	
NOPAT		448	497	549	617	680	755	
Plus: D&A		100	124	150	179	212	247	
EBITDA		547	621	699	796	892	1,002	
Less: CAPEX		53	70	88	107	129	153	
Less: Changes in NWC		214	146	163	182	202	226	
Free Cash Flow	**0**	**280**	**406**	**449**	**506**	**560**	**624**	**4,653**
Discount Factor		**1.16**	**1.35**	**1.57**	**1.83**	**2.12**	**2.47**	**2.47**
Discounted Cash Flow	**0**	**241**	**300**	**286**	**277**	**264**	**253**	**1,887**
Net Present Value	**3,508**							
Intrinsic Value								
Enterprise Value	3,508							
Plus: Cash	551							
Less: Debt	0							
Equity Value	**4,059**							
Implied Share TP (Rp)	**290**							

Source: Company, Indo Premier

Refer to Important disclosures in the last page of this report

Industry overview

Medicine industry is expected to grow on the back of rising demand

According to Euromonitor, the ethical pharmaceuticals distribution segment recorded a robust FY19–23 CAGR of 8.6%, reaching Rp49.1tr in FY23. Growth was primarily underpinned by rising demand for unbranded generic drugs following the introduction of the national health insurance program (JKN) in 2014, which significantly expanded access to cost-effective medications. In addition, the post-pandemic normalization of patient visits for non-COVID treatments has further supported volume growth, particularly for chronic therapies such as diabetes and oncology.

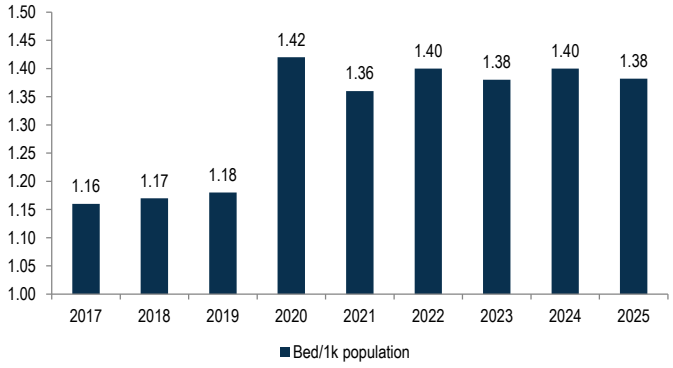
The sector also benefits from the e-Katalog procurement system, which has improved price transparency and streamlined market access, encouraging distributors to broaden their product portfolios while maintaining affordability. Coupled with increasing government emphasis on preventive care and greater health awareness among patients, these structural tailwinds are expected to sustain demand momentum. Overall, supported by a favorable regulatory environment and evolving consumer behavior, the ethical pharmaceuticals distribution market is projected to grow at an 8.5% CAGR over FY24–28F, based on Euromonitor estimates.

Formularium Nasional (Fornas) is a list of selected medicines that are required to be available in healthcare facilities, serving as a reference for the implementation of the National Health Insurance (JKN). The criteria for selecting medicines are based on the most favourable benefit–risk ratio for patients and the highest benefit–cost ratio. Hence, Fornas functions as a tool for quality and cost control in the implementation of JKN. Government Regulation No.28/2024 mandates for Fornas to be reviewed and updated at least every two years in accordance with evolving needs and advances in science and technology. As of the latest revision in FY24, Fornas has 677 active ingredients and 1,143 dosages. With the constant addition of active ingredients into Fornas, MDLA would benefit from being able to supply additional SKUs into Primary healthcare facilities.

Hospital penetration is still low and bottleneck lies in the supply of specialist doctors

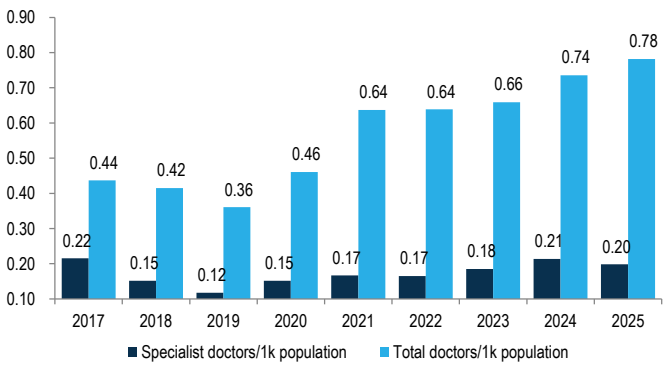
As of FY25, Indonesia has 3,284 hospitals with a total bed capacity of 393k. Assuming, Indonesia's population of 284.4mn, this implies that the nation currently has 1.4 beds/1k population, which is below World Health Organization (WHO)'s recommendation of 3 beds/1k population. Moreover, according to MoH, out of all the 514 districts/cities in Indonesia, 261 districts/cities have a bed/1k population lower than 1 bed/1k population. Our recent discussion with hospital players revealed that the bottleneck to a more rapid expansion lie in the supply of specialist doctors.

Fig. 55: Indonesia's bed/1k population trend



Source: SDMK MoH, Indo Premier

Fig. 56: Indonesia's specialist doctor/1k population trend

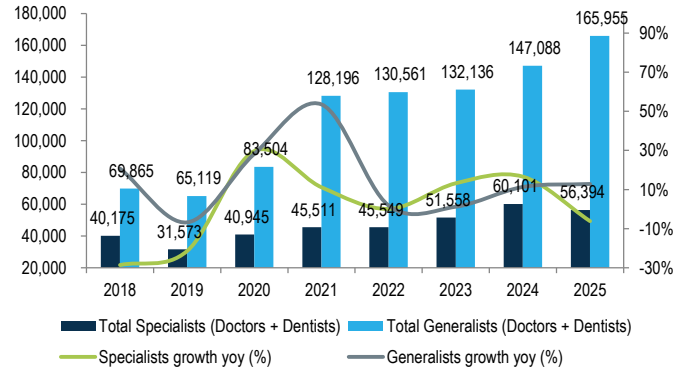


Source: DJSN, Indo Premier

Refer to Important disclosures in the last page of this report

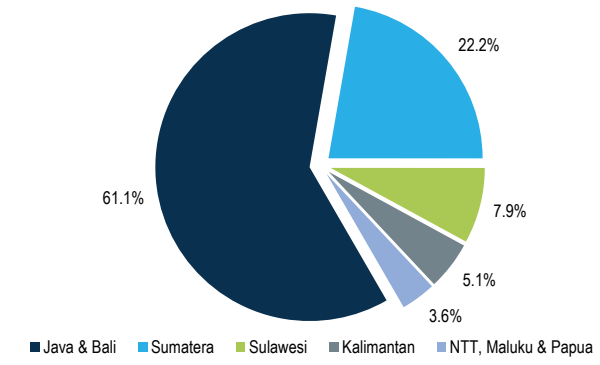
According to Konsil Kedokteran Indonesia (KKI), Indonesia has 56.4k specialist doctors (0.20 specialist doctors/1k population) which is still far lower than World Health Organization (WHO)'s standard of 0.28 specialist doctors/1k population. Indonesia's current run-rate to produce doctor specialists is at 7.8k specialist doctors per year (vs. FY22's 2.7k specialist doctors/year). With this run-rate, Indonesia needs c.2.9 years to achieve WHO's recommendation, ceteris paribus.

Fig. 57: Reforms in FY22 have allowed faster specialists growth



Source: SDMK MoH, Indo Premier

Fig. 58: Specialists doctors are heavily concentrated in Java



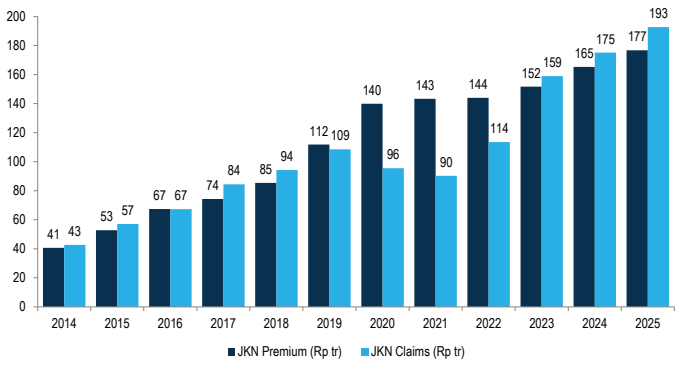
Source: DJSN, Indo Premier

More importantly, specialist doctors in Indonesia are heavily concentrated in Java & Bali (61.1%), followed by Sumatera (22.2%), Sulawesi (7.9%), Kalimantan (5.1%) and NTT, Maluku & Papua (3.6%). As a result, hospitals are more likely to expand in the islands of Java and Bali due to an adequate doctor supply, as hospital typically requires 25-40 specialist doctors to open. However, to tackle the less penetrated areas of ex-Java, the President has recently mandated through Perpres No. 81 of 2025 for specialist/subspecialist doctors and specialist/subspecialist dentists assigned to underdeveloped and rural areas to receive a special allowance amounting to Rp30mn/month.

JKN deficit

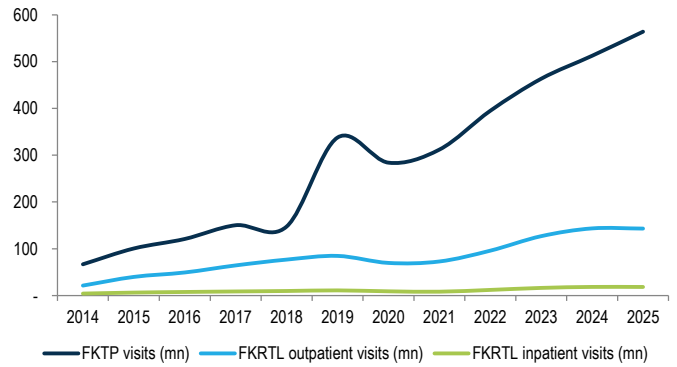
Despite JKN having driven the healthcare industry growth, it has been in a structural deficit caused by various factors: 1) Higher medical inflation rate than premium growth, as there is no BPJS premium tariff hike since FY21; 2) a 10% increase in INA-CBG (Indonesia Case Based Groups) tariffs in Jan23 which increased JKN's reimbursement costs to hospitals; 3). a higher utilization rate from growing NCD cases and membership resulting in more claims.

Fig. 59: JKN has been in a structural deficit since its inception



Source: MoH, Indo Premier

Fig. 60: JKN utilization trend

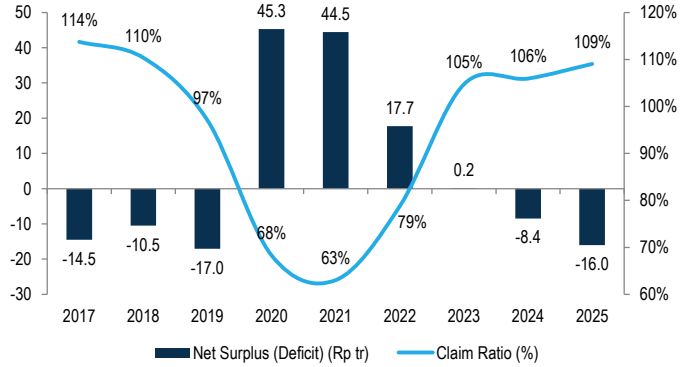


Source: MoH, Indo Premier

Refer to Important disclosures in the last page of this report

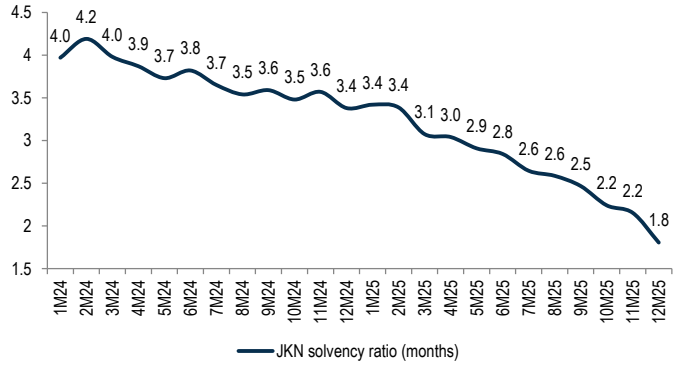
While the deficit has been ongoing since JKN's inception in FY14, the sustained deficit has been growing larger and is straining its net assets as well as a concerning solvency ratio (net asset/12 month average claim) of 1.8 months (as of Dec25); slowly approaching the 1.5 months recommendation as stated in Perpres No.53/2018. Assuming no additional capital injection into JKN's net assets and its current claim ratio trend, JKN's asset surplus could be fully depleted by FY28F.

Fig. 61: JKN claim ratio of over 100% is causing the net deficit



Source: KSEI, Indo Premier

Fig. 62: JKN solvency ratio trend



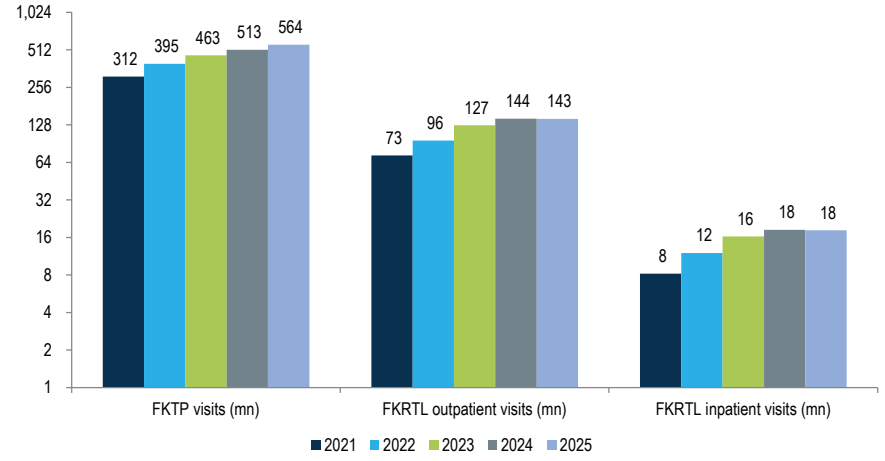
Source: OJK, Indo Premier

Tighter JKN referrals

In an effort to alleviate the BPJS operational deficit, MoH have tightened FKTP/Puskesmas referrals since 3Q24. Previously, many non-complex patients directly requested hospital referrals, leading to overcrowding with minor, non-specialist cases that should have been managed at the primary care level. This practice increased BPJS reimbursement costs, as hospitals charge higher INA-CBG tariffs.

Under the revised policy: (1) all non-emergency cases must first be treated at primary care facilities; (2) referrals require clear clinical indications, with patient requests alone deemed insufficient; and (3) primary care providers are mandated to manage chronic conditions such as diabetes and hypertension. The measures have proven effective, as reflected in declining BPJS patient volumes at hospitals. (Fig. 63/65).

Fig. 63: FKTP visits and FKRTL trend



Source: DJSN, Indo Premier

According to DJSN, in FY25 only FKTP (Primary care facilities/Puskesmas) visits grew yoy, while FKRTL (Hospital-referrals) remained relatively flat, thus proving the effect of the JKN referral tightening.

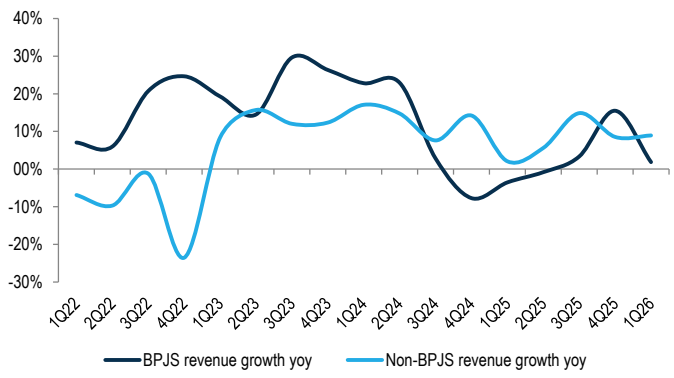
Refer to Important disclosures in the last page of this report

Fig. 64: Medical equipment being supplied to Primary care

Medical equipment	Quantity	No. of Cities	Medical equipment	Quantity	No. of Cities
Stretcher	418	146	Micro Pipette	350	115
Clinical Chemistry Analyzer	705	175	Infusion Pump	565	158
Electrocauter	913	171	Rotator Plate	498	135
Electrocardiograph	346	111	Centrifuge	106	54
Hematology Analyzer	327	106	Spirometer	37	10
Infant Radiant Warmer	371	116	Portable Suction Pump	689	161
Infant T-Piece Resuscitator w ith PEEP Valve	348	132	6-Cubic-Meter Oxygen Cylinder	567	144
Dental Chair	190	103	Molecular Rapid Test	67	41
Neonatal Laryngoscope (Straight Blade)	380	135	Urine Analyzer	533	139
Binocular Microscope	214	91	2-Dimensional Ultrasound	67	11

Source: MoH, Indo Premier

Fig. 65: Aggregate hospitals' JKN/non-JKN revenue growth trend



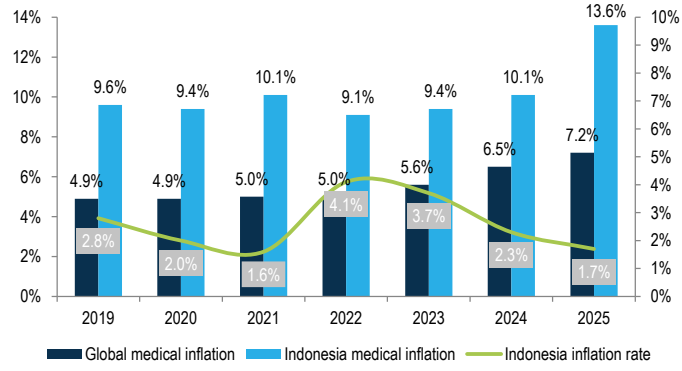
Source: Company, Indo Premier

Simultaneously, under the Strengthening of Primary Healthcare in Indonesia (SOPHI) program, the MoH allocated Rp669bn in FY25 to upgrade medical equipment at primary care facilities. Aside from lightening JKN's claim burden, by enforcing stricter referrals, JKN traffic will decline which will allow hospitals to focus on severe/complex cases. Over time, this case-mix shift should improve revenue intensity.

Risk Sharing/Co-payment

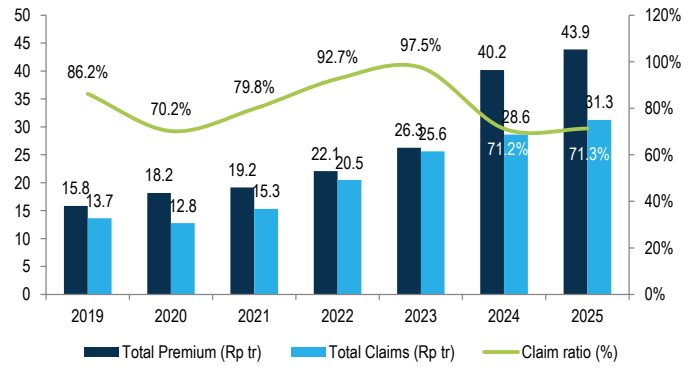
Private insurance firms have also reported a similar issue in which their medical claim ratios have been rising (Fig. 67). Its claim ratio reached 97.5% in FY23, before improving to 71.2% amid a significant premium hike of c.43% in FY24 (vs FY22/23's 11.5/16.6%). The main cause to this issue is Indonesia's high medical inflation rate of 10%, which is almost double the global average (Fig. 66). According to BPOM, Indonesia's high medical inflation rate is caused by importing c.90% of API from countries like China and India.

Fig. 66: Indonesia's medical inflation is higher than global avg.



Source: KSEI, Indo Premier

Fig. 67: Private health insurance claim ratio trend



Source: OJK, Indo Premier

Hence, through SEOJK No.25/2025, OJK mandated for private health insurance to implement an optional, risk sharing system (also known as co-payment) to help alleviate the high claim ratio within the private insurance sector. With co-payment, the policy holder would have to pay a minimum cap of 5% of the total claim and a maximum cap of Rp300k for outpatient and Rp3mn for inpatient. Insurance firms are also allowed to offer different co-payment plans like a 20% minimum cap and Rp500k for outpatient and Rp5mn for inpatient. Another alternative for risk-sharing is through deductibles. The annual deductible is agreed upon between the insurance company and the policyholder, whereby the deductible is the amount that must be paid out of pocket by the customer before insurance benefits apply. It aims to make premiums more affordable and encourage more prudent use of insurance coverage. Every insurance firm is required to offer risk-sharing options in all their policies starting on 1st Jan26.

Refer to Important disclosures in the last page of this report

Fig. 68: Co-payment peer comparison

Copayment peer comparison	
Indonesia	1. 5% minimum cap of total claim with maximum cap of Rp300k for outpatient and Rp3mn for inpatient.
Malaysia	1. The minimum co-payment amount is 5% of the total claimable cost per year (after deductible). 2. Deductible of RM 500 per year.
Thailand	The implementation of the new co-payment began in March 2025 with a proportion of 30–50% (applied in the next policy period). 1. 30% (outpatient), if claims ≥ 3 times per year and the claim ratio ≥ 200% of premiums. 2. 30% (general illnesses), if claims ≥ 3 times per year and the claim ratio ≥ 400% of premiums. 3. If both point 1 and point 2 are met, the maximum co-payment is 50%.
Singapore	1. Mandatory implementation of a minimum 5% co-payment since April 2018, with a maximum of SGD 3,000 per year.
South Korea	1. 20% co-payment for inpatient care (5% for cancer patients, 10% for rare disease patients) with an upper limit ranging from KRW 870,000 to 10.5 million. 2. 30–60% co-payment for outpatient care, depending on the healthcare facility: • Clinics: 30% • Standard hospitals: 40% • Pharmacies: 30% • General hospitals: 45–50% • Higher-level hospitals: 60%

Source: Indo Premier

In our view, this would reduce the claim burden on private insurance and prevent inappropriate overuse, which shall improve private insurance's claim ratio. Previously, the co-payment was designed to be mandatory, which could have led to softer patient traffic as policyholders become more cost-conscious. However, with the recent revision making co-payments optional rather than compulsory, we view the direct impact on private patients and traffic to be minimal.

iDRG to replace the previous INA-CBGs system

Indonesia Case Base Groups (INA-CBGs) is the current payment system used by JKN in classifying cases using casemix groups. Under INA-CBGs, patients are grouped into case-groups based on diagnosis, procedures, patient age/sex, severity level, etc. Hospitals then receive a package tariff for the group rather than purely fee-for-service. Studies have shown that in many cases, especially for complex/longer stay cases, the real cost of providing care differs from the tariffs set under INA-CBGs. Recently, MoH have rolled out the Indonesia Diagnosis-Related Groups (iDRG), a new payment system in which groups are accurately classified based on clinical and resource-use similarity, so that tariffs align better with actual costs and hospital resources used. Based on our discussion with listed hospital players, this will benefit: 1) service providers as the risk of under-reimbursement is less under iDRG; and 2) MoH as a more accurate grouping ensures costs matches actual resource use, potentially reducing the JKN budget deficit.

iDRG groups disease cases based on clinical conditions and practices in Indonesia, using epidemiological data from the population. Its implementation is needed as there is an estimated 60,000 diseases that currently do not have a defined group and tariff. INA-CBG also only recognizes three levels of severity, whereas iDRG will introduce four levels. Additionally, payment tariffs are simplified into a single tariff based on competency, replacing the previous four-tariff structure categorized by hospital class (A, B, C, and D). As a result of this new system, the DRG (Diagnosis Related Group) for outpatient/inpatient cases increased to 358/1005 groups (vs. 289/786 previously).

Refer to Important disclosures in the last page of this report

Fig. 69: Examples of changes from INA-CBG to iDRG

Group	Under INA-CDG	Under iDRG system
Craniotomy	• Only one cluster, no severity level	• Two clusters (simple and complex) • Each cluster has three severity levels (no CC, mild CC, and moderate CC)
Chemotherapy	•13 clusters based on organs	• 2 clusters based on method of administering medication (injection and oral)
Septicemia	• One cluster	• Two clusters (adults and children) • Adults are divided into four severity levels (no CC, mild CC, moderate CC, severe CC) • Children are divided into two severity levels (no CC, mild
Outpatient consultation	• One general	• 159 clusters based on disease and consultation

Source: MoH, Indo Premier

Coordination of Benefits

With the implementation of KRIS, some Class 1 patients who have been downgraded to Class 2 services may feel unsatisfied with its services and would want better treatment. The Coordination of Benefits (CoB) is introduced as a solution, which is a payment system shared between JKN and private insurance where patients could pay the full JKN premium and top-up to private insurance for better services. Currently, up to 250% of the INA-CBG/iDRG tariffs can be claimed by hospitals, of which 175% is reimbursed by private insurance and 75% by BPJS. Furthermore, based on our conversations with hospitals, CoB margins are higher than JKN's (however still lower than private's), and thus could improve overall hospital margins when utilization of CoB matures.

After a recent discussion with MoH, it was shared that the breakdown of the COB will be evaluated every 2-3 years, possibly lowering BPJS' contribution to CoB from 75% to 50% in the future. The gradual reduction of BPJS' contribution aligns with MoH's long term goal to make all citizens have private insurance. However, with the constant delays of KRIS implementation, CoB have gained little success as there are no real incentives for Class 1 patients to opt for better services through CoB.

Recent developments on Ministry of Health Regulation No. 85/2015

Recently, there were talks regarding a national tariff capping for hospitals which is loosely based on Ministry of Health Regulation No. 85/2015. The regulation introduces a National Hospital Tariff Framework that standardizes tariff setting across Indonesia using a unit-cost–based methodology while imposing regional maximum tariff ceilings. Although private hospitals retain authority to set tariffs with owner approval, all pricing must remain below provincially determined caps derived from the national framework. The regulation mandates that Class II inpatient services be priced at break-even, while Class III must be priced below Class II, limiting cross-subsidization flexibility. Only higher-class inpatient services/non-regular outpatient services may be priced above break-even.

From a risk perspective, the regulation constrains pricing flexibility, particularly for private hospitals operating in higher-cost urban areas. Tariff ceilings may not fully reflect rising input costs such as labor, medical supplies, and technology upgrades, leading to margin compression. The requirement to price certain services at break-even levels, notably for Class II, further limits profitability. Additionally, infrequent tariff reviews, typically conducted every two years but often delayed can create a growing mismatch between regulated tariffs and hospitals' actual cost base, as operating costs continue to rise ahead of tariff adjustments. While further details on the exact tariffs are yet to be announced, in our view, the national tariff framework's implementation structurally caps revenue upside, while exposing hospitals to persistent margin pressure from rising costs and delayed tariff adjustments.

Refer to Important disclosures in the last page of this report

Ministry of Health Regulation No.11/2025
The Ministry of Health recently issued Ministry of Health Regulation No. 11/2025, replacing Regulation No. 14/2021. Under the new regulation, effective March 2026, online purchases of prescription medicines will require consumers to undergo teleconsultation with a doctor prior to obtaining an e-prescription and selecting a pharmacy for fulfilment. Previously, consumers could directly select prescription products before uploading a prescription or completing a teleconsultation at checkout.

We expect the new process to weigh on e-pharmacy sales in 1H26 as consumers adjust to the teleconsultation-first workflow, which also reduces price transparency. Nevertheless, we believe MDLA is well positioned to benefit from the regulatory shift through its strategy of driving traffic to GoApotik while expanding brand partnerships for media placements. Notably, GoApotik's market share in the e-pharmacy marketplace rose to 68% (from 63% in 1Q25), while its customer base tripled over the same period.

Ministry of Health Regulation No.6/2026
MoH recently rolled out Ministry of Health Regulation No.6/2026, which overhauls the national hospital regulatory framework, consolidating and revoking 21 prior MoH regulations. We highlight two provisions with direct impact to the sector: Pasal 12 on hospital classification and Pasal 15 on inpatient service requirements.

Under Pasal 12, hospitals are now classified by service-line competency rather than by a single whole-hospital grade, better reflecting quality at the individual service level. Hospitals can now be categorized across four tiers: Paripurna → Utama → Madya → Dasar, replacing the previous Class A/B/C/D system, which was based on bed count (400+ / 200-400 / 100-200 / 50 beds, respectively). This ties directly into HEAL's long-term growth strategy of shifting its revenue mix toward private patients, as management has guided to a long-term target of 80%/60%/40% non-JKN revenue contribution for its Paripurna/Utama/Madya-classified hospitals, respectively.

Under Pasal 15, every hospital's inpatient services must include both intensive and non-intensive care. Intensive care requires an ICU, while non-intensive care must be delivered across two room classes: (1) Kelas Rawat Inap Standar (JKN) and (2) Kelas Rawat Inap Eksekutif (non-JKN). This is a meaningful development, as it formally codifies KRIS into hospital licensing requirements. Moreover, with the executive tier now an officially recognized room category, this supports our thesis that a meaningful share of patients will opt to upgrade to executive rooms via CoB.

Medical tourism poses a risk to hospitals' revenue intensity
A structural risk to Indonesia's private hospital operators is the continued outflow of patients, specifically private patients that underpins premium service lines like COEs, to overseas providers. According to the Minister of Tourism, roughly 2mn Indonesians undertake medical tourism abroad each year, translating to an estimated $6bn (c.Rp107tr) in potential forex leakage. Malaysia and Singapore remain the dominant destinations. Indonesian patients account for over 75% of Malaysia's and roughly 60% of Singapore's medical tourism revenue, with Singapore Ministry of Health data putting the Indonesian share of foreign patients at around 47.2%. By volume, an estimated one million Indonesians sought treatment in Malaysia and roughly 750,000 in Singapore in FY22.

According to Indonesia's 2023 Health Survey (SKI), patients cite more complete services (93.5%), care meeting expectations (91.7%), and faster service (89.3%) as reasons for going abroad, alongside more comfortable facilities and longer consultation times with doctors (30 minutes versus roughly 5 minutes domestically). Assisted reproduction and surrogacy remain banned in Indonesia, pushing fertility patients overseas by default,

while specialist and equipment shortages outside Jakarta push complex cardiology, oncology, and neurosurgery cases abroad.

For listed hospitals, this outflow represents a direct risk: patients lost to Penang, Kuala Lumpur, and Singapore are disproportionately the private-pay, complex-case patients hospitals most want to retain and is the same segment COE strategies are designed to capture domestically. The government has responded with capacity-building measures, including new Kawasan Ekonomi Khusus (KEK) zones such as Bali International Hospital and KEK Sanur, which the government has provided various incentives and relaxations that covers hospital construction permits, the use of medicines and medical devices, as well as human resources aspects.

More recently, SILO has outlined its strategy of offering affordable, price-competitive MCU packages aimed at winning back patients who had been seeking MCUs in Malaysia. With over 40 hospitals nationwide, SILO's strategy leverages its scale to offer affordable MCU packages domestically, aiming to close this price gap and retain screening volumes which could eventually funnel said patients into seeking high intensity cases.

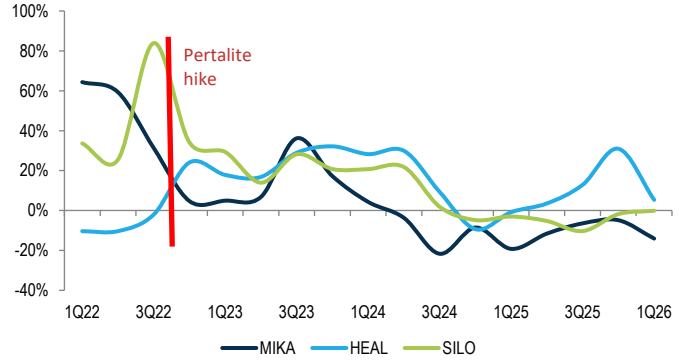
Case study on weak consumer purchasing power

To assess the sensitivity of hospital revenue to consumer purchasing power, we examined the Sep22 Pertalite price hike, when the government raised the subsidised fuel price from Rp7.6k to Rp10k per litre. The shock represented a direct compression of household disposable income, which in theory should weigh on discretionary healthcare spending. In reality, aggregate listed hospital revenue rose by +7.9% yoy in 4Q22 (vs. 3yr avg of +7%), reinforcing the view that hospital services exhibit inelastic demand characteristics and are fundamentally non-discretionary in nature.

Segmentally, 4Q22 JKN/non-JKN revenue grew by +24.6/+5.7% yoy respectively, demonstrating that consumers continued to go to hospitals despite the Pertalite-driven compression in consumer purchasing power. This resilience is partly attributable to listed hospitals' predominantly middle-to-upper income client base, which was less exposed to the fuel price shock. Meanwhile, the lower-class segment who is affected most by the Pertalite hike are largely covered by JKN, further insulating listed hospitals' revenue from weakening consumer purchasing power.

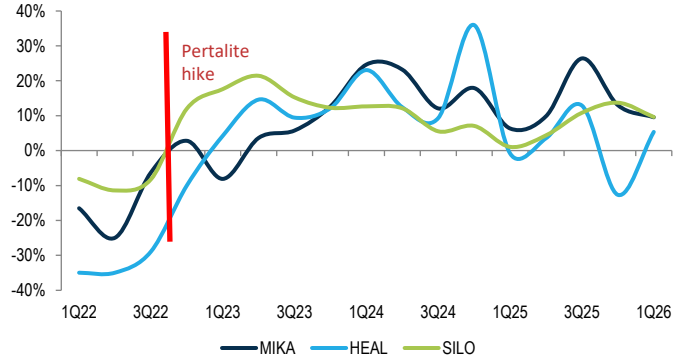
This is further evidenced by JKN segment revenue sustaining double-digit growth through 2Q24, immediately prior to the referral tightening in 3Q24, while non-JKN revenue similarly achieved double-digit growth from 2Q23 (two quarters since 4Q22) through the same period. Accordingly, weakening consumer purchasing power is expected to weigh modestly more on non-JKN revenue relative to the JKN segment, though the overall impact should remain limited given the inelastic nature of hospital demand.

Fig. 70: Hospitals' JKN revenue growth



Source: Company, Indo Premier

Fig. 71: Hospitals' non-JKN revenue growth



Source: Company, Indo Premier

Refer to Important disclosures in the last page of this report

INDOPREMIER

Mitra Keluarga Karyasehat

BUY

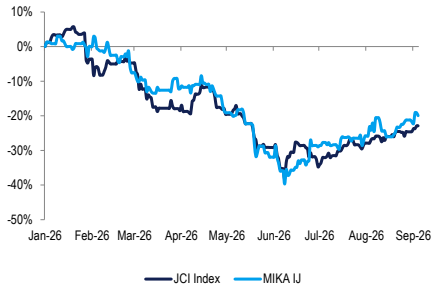
Company Initiation | Healthcare | MIKA IJ | 4 September 2026

Stock Data

Target price	**Rp2,850**
Prior TP	*NA*
Current price	Rp1,905
Upside/downside	*+49.6%*
Shares outstanding (mn)	13,907
Market cap (Rp bn)	26,494
Free float	13%
Avg. 6m daily T/O (Rp bn)	12

Price Performance

	3M	6M	12M
Absolute	20.6%	-12.2%	-16.8%
Relative to JCI	6.4%	1.3%	-1.7%
52w low/high (Rp)			1,435-2,670



Major Shareholders

PT Griyainsani Cakrasadaya	64.7%

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

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

Stellar earnings growth with minimal exposure to declining JKN traffic

- We forecast MIKA FY26/27F revenue growth of 10.6/11.3% yoy due to revenue intensity improvement of 7% coming from its COE expansion.
- We estimate EBITDA margin to improve to 38.3/38.9% in FY26/27F from positive operating leverage and higher revenue intensity.
- MIKA has a superior ROIC and an attractive valuation of 9.9x FY26F EV/EBITDA (-1.6 s.d of its 3yr mean). Initiate BUY with Rp2,850/sh TP.

Revenue to grow in FY26/27F from revenue intensity improvement

Since the tightening of JKN referrals in 3Q24, the management has shifted its focus into the private segment by increasing NCD treatments. It has resulted in robust 2Q26's private revenue growth of +11.9%, driven by its 2Q26 revenue intensity growth of 16.1% (vs. SILO/HEAL's 11.7/4.7% yoy). We expect revenue intensity to constantly improve at 7% FY26F-28F CAGR on the back of its Centre of Excellences (COEs). To note, it currently has 17 COEs contributing to around 25-27% of revenue, and is targeted to increase its contribution by 2-3% annually. Looking into FY26/27F, we forecast revenue to grow at 10.6/11.3% yoy respectively on the back of +7% revenue intensity growth (on the back of its Oncology COE expansion) coupled with +4% inpatient days growth and this is in-line with FY26F company guidance of low to mid-teens topline growth.

Strong EBITDA margin with more room for improvement

In 2Q26, MIKA's EBITDA margin stood at 39.2% and this outperformed HEAL/SILO's 26/29.6%. MIKA's robust EBITDA margin is the result of its low fixed cost of 40.4% of net sales (vs. SILO/HEAL's 45.7/47%), allowing for a greater positive operating leverage effect from a strong sales growth. It's also attributed to MIKA's strategy of gradually increasing operating beds in accordance to traffic in new hospitals, resulting in EBITDA breakeven period of c.3-9 months. With FY26/27F topline growth of 10.6/11.3%, we forecast MIKA's EBITDA to reach Rp2.3/2.6tr (+11.9/12.8% yoy) with EBITDA margin of 38.3/38.9%, respectively. As a result, MIKA will deliver the strongest ROIC of 25.6/26.2% in FY26/27F (vs. SILO and HEAL's at 11.2/8.9% and 7.6/8.1%) respectively.

Initiate coverage on MIKA with BUY rating and TP of Rp2,850/sh

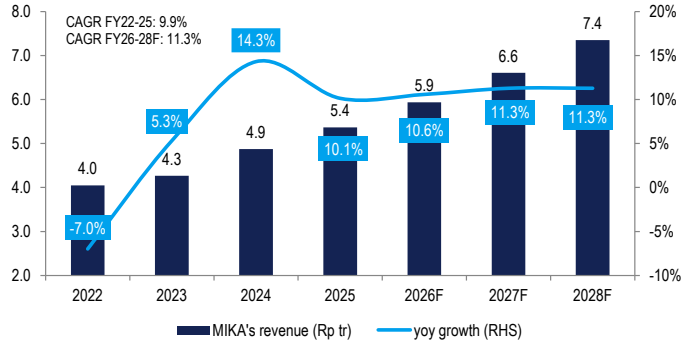
MIKA is currently trading at attractive valuation of 9.9x FY26F EV/EBITDA (-1.6 s.d of its 3yr mean). Hence, we initiate our coverage on MIKA with a BUY rating and TP of Rp2,850/sh, based on 16.7x FY26F EV/EBITDA (its 3yr mean). Downside risk is intensifying competition within the private segment.

Financial Summary (Rp bn)	2024A	2025A	2026F	2027F	2028F
Revenue	4,874	5,368	5,936	6,606	7,351
EBITDA	1,840	2,034	2,276	2,568	2,901
Net profit	1,145	1,365	1,488	1,668	1,879
EPS (Rp)	80	96	104	117	132
EPS growth	25.0%	19.2%	9.0%	12.2%	12.6%
ROE	18.6%	19.8%	19.5%	19.7%	19.9%
ROIC	24.1%	26.0%	25.6%	26.2%	27.1%
PER (x)	23.7	19.9	18.2	16.3	14.4
EV/EBITDA (x)	13.4	12.0	10.7	9.3	8.1
Dividend yield	1.7%	2.2%	2.6%	2.9%	3.2%
Forecast change			-3%	-4%	-4%
IPS vs. consensus			101%	100%	98%

Source: Company, Indo Premier *Share price closing as of: 4 September 2026*

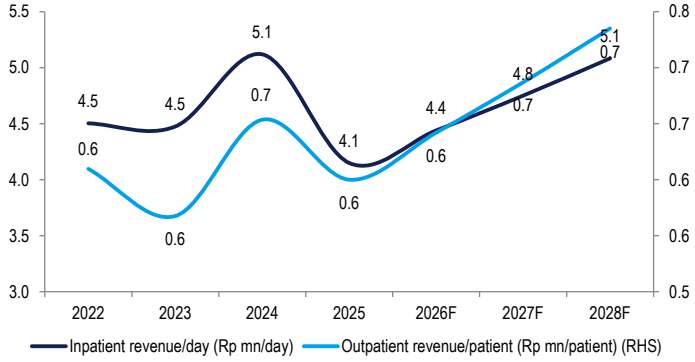
Refer to Important disclosures in the last page of this report

Fig. 72: MIKA's revenue trend



Source: Company, Indo Premier

Fig. 73: MIKA's revenue/inpatient and revenue/outpatient trend



Source: Company, Indo Premier

Fig. 74: MIKA FY26F Guidance

MIKA	FY26F Guidance
Revenue growth yoy (%)	Low to mid-teens yoy
EBITDA margin	38.8-39.5%
Capex (Rp tr)	Rp1tr

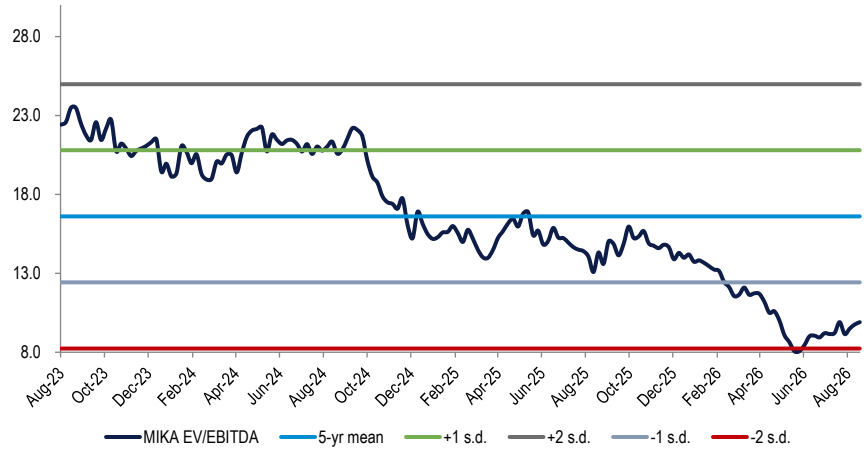
Source: Company, Indo Premier

Fig. 75: MIKA Forecast changes

	Previous			Current			Changes		
	2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2028F
Financial Perform. (Rp bn)									
Net sales	6,065	6,753	7,518	5,936	6,606	7,351	-2.1%	-2.2%	-2.2%
Gross profit	3,357	3,759	4,210	3,264	3,647	4,077	-2.8%	-3.0%	-3.1%
EBIT	2,006	2,279	2,594	1,904	2,149	2,435	-5.1%	-5.7%	-6.1%
EBITDA	2,366	2,672	3,021	2,276	2,568	2,901	-3.8%	-3.9%	-4.0%
Net profit	1,537	1,736	1,965	1,488	1,668	1,879	-3.2%	-3.9%	-4.4%
EPS (Rp)	108	122	138	104	117	132	-3.2%	-3.9%	-4.4%
Profitability (%)									
GPM	55.4%	55.7%	56.0%	55.0%	55.2%	55.5%	-0.4%	-0.5%	-0.5%
EBIT margin	33.1%	33.7%	34.5%	32.1%	32.5%	33.1%	-1.0%	-1.2%	-1.4%
EBITDA margin	39.0%	39.6%	40.2%	38.3%	38.9%	39.5%	-0.7%	-0.7%	-0.7%
Net profit margin	25.3%	25.7%	26.1%	25.1%	25.3%	25.6%	-0.3%	-0.4%	-0.6%

Source: Company, Indo Premier

Fig. 76: MIKA is traded at 9.9x fwd. 12M EV/EBITDA (at -1.6 s.d. below its 3yr mean)



Source: Company, Bloomberg, Indo Premier

Refer to Important disclosures in the last page of this report

Financials

Income Statement (Rp bn)	2024A	2025A	2026F	2027F	2028F
Net revenue	4,874	5,368	5,936	6,606	7,351
Cost of sales	(2,258)	(2,430)	(2,672)	(2,959)	(3,274)
Gross profit	**2,616**	**2,939**	**3,264**	**3,647**	**4,077**
SG&A Expenses	(1,129)	(1,261)	(1,390)	(1,528)	(1,672)
Operating profit	**1,487**	**1,678**	**1,874**	**2,119**	**2,405**
Net interest	79	111	111	111	111
Forex gain (loss)	0	0	0	0	0
Others	0	0	0	0	0
Pre-tax income	**1,567**	**1,789**	**1,985**	**2,230**	**2,516**
Income tax	(361)	(377)	(443)	(497)	(560)
Net income	**1,145**	**1,365**	**1,488**	**1,668**	**1,879**

Balance Sheet (Rp bn)	2024A	2025A	2026F	2027F	2028F
Cash & equivalent	1,068	2,540	2,732	3,005	3,399
Receivable	723	733	713	815	964
Inventory	63	77	84	94	103
Other current assets	1,467	329	329	329	329
Total current assets	**3,321**	**3,679**	**3,858**	**4,243**	**4,795**
Fixed assets	4,236	4,859	5,438	5,970	6,454
Goodwill	585	598	598	598	598
Other non-current assets	105	130	130	130	130
Total non-current assets	**4,927**	**5,587**	**6,166**	**6,697**	**7,182**
Total assets	**8,247**	**9,266**	**10,024**	**10,940**	**11,976**
ST loans	0	0	0	0	0
Payable	216	269	252	277	304
Other payables	0	0	0	0	0
Current portion of LT loans	484	561	561	561	561
Total current liab.	**700**	**831**	**813**	**838**	**866**
Long term loans	0	0	0	0	0
Other LT liab.	216	262	262	262	262
Total liabilities	**917**	**1,092**	**1,075**	**1,100**	**1,127**
Equity	823	749	749	749	749
Retained earnings	5,674	6,506	7,281	8,172	9,180
Minority interest	833	919	919	919	919
Total SHE + minority int.	**7,330**	**8,174**	**8,949**	**9,841**	**10,849**
Total liabilities & equity	**8,247**	**9,266**	**10,024**	**10,940**	**11,976**

Source: Company, Indo Premier

Refer to Important disclosures in the last page of this report

Cash Flow Statement (Rp bn)	2024A	2025A	2026F	2027F	2028F
Operating income	1,509	1,708	1,904	2,149	2,435
Depr. & amortization	292	327	372	419	466
Changes in working capital	6	29	(5)	(87)	(130)
Others	(198)	(403)	(416)	(481)	(555)
Cash flow from operating	**1,608**	**1,661**	**1,855**	**2,001**	**2,216**
Capital expenditure	(674)	(951)	(951)	(951)	(951)
Others	(339)	1,308	0	0	0
Cash flow from investing	**(1,013)**	**358**	**(951)**	**(951)**	**(951)**
Loans	0	0	0	0	0
Equity	97	57	0	0	0
Dividends	(480)	(533)	(713)	(777)	(871)
Others	0	0	0	0	0
Cash flow from financing	**(383)**	**(476)**	**(713)**	**(777)**	**(871)**
Changes in cash	**212**	**1,543**	**192**	**273**	**394**

Key Ratios	2024A	2025A	2026F	2027F	2028F
Gross margin	53.7%	54.7%	55.0%	55.2%	55.5%
Operating margin	31.0%	31.8%	32.1%	32.5%	33.1%
Pre-tax margin	32.6%	33.9%	33.9%	34.2%	34.6%
Net margin	23.5%	25.4%	25.1%	25.3%	25.6%
ROA	14.7%	15.6%	15.4%	15.9%	16.4%
ROE	18.6%	19.8%	19.5%	19.7%	19.9%
Acct. receivables TO (days)	52.9	49.5	43.9	45.1	47.9
Inventory TO (days)	11.7	10.5	11.4	11.6	11.5
Payable TO (days)	33.3	36.4	34.4	34.1	33.9
Debt to equity	0.0%	0.0%	0.0%	0.0%	0.0%
Interest coverage ratio (x)	-86.0	-98.6	-110.0	-124.1	-140.6
Net gearing	-16.4%	-35.0%	-34.0%	-33.7%	-34.2%

Source: Company, Indo Premier

Refer to Important disclosures in the last page of this report

Siloam Hospitals

BUY

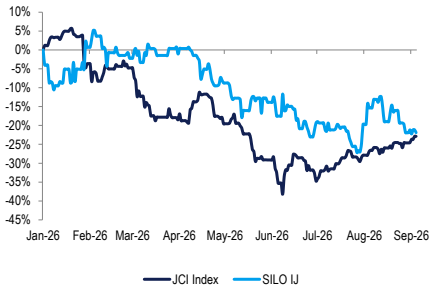
Company Initiation | Healthcare | SILO IJ | 4 September 2026

Stock Data

Target price	**Rp2,650**
Prior TP	*N/A*
Current price	Rp2,140
Upside/downside	*+23.8%*
Shares outstanding (mn)	13,006
Market cap (Rp bn)	27,833
Free float	7%
Avg. 6m daily T/O (Rp bn)	1

Price Performance

	3M	6M	12M
Absolute	-5.3%	-21.6%	-2.7%
Relative to JCI	-19.5%	-8.1%	12.4%
52w low/high (Rp)			1,845 – 2,880



Major Shareholders

PT Sight Investment Co Pte Ltd	64.0%
PT Lippo Karawaci	29.1%

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

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

Expansion and NCD prevalence to drive double-digit earnings growth

- SILO's gross revenue shall grow by 8.2/9.6% in FY26/FY27F driven by new hospital openings and improved robotic surgeries.
- SILO to benefit from a rising NCD prevalence as its COE contribute 50% of overall revenue.
- We initiate SILO with a BUY rating and Rp2,650/sh TP, based on 12.1x FY26F EV/EBITDA (+0.5 s.d of its 3yr mean).

Ramp-up in number of hospitals shall boost revenue growth

SILO's 2Q26 indicated a traffic recovery as inpatient/outpatient traffic grew by 3.8/7.5% yoy (vs. 2Q25's -3.2/1.7% yoy). Looking into FY26/27F, we forecast gross revenue to grow at 8.2/9.6% yoy on the back of +5/+2% revenue intensity/traffic growth yoy. To note, a new flagship hospital has been recently opened in Gubeng. Ramp up period will be less than a year due to an existing patient base and this hospital shall add Rp100bn in EBITDA in FY26F. Looking ahead, new hospital expansions and improved robotic surgeries shall support SILO's high single-digit topline growth.

Rising NCD would lead to higher revenue intensity

Rising NCD prevalence have contributed to SILO's revenue intensity of Rp7.3mn/day (+8.2% yoy). SILO's COE remained its main growth driver, contributing to 50% of total revenue, and is well-positioned to capitalize on the rising NCD prevalence trend. With SILO's commitment in investing in new robotic technologies which has higher margins due to quicker procedures and lower costs, we forecast its revenue intensity to reach Rp7.8mn/day by FY28F with a normalized FY26F-28F CAGR of 5%.

First REIT Purchase

SILO will purchase 14 hospitals (Rp9tr purchase value) at a 2.5% premium from First REIT divided into two tranches. Tranche 1 (8 hospitals/Rp5tr appraised value) is set to complete in 2H26F and Tranche 2 (6 hospitals/Rp3.8tr appraised value) is set to complete in FY27F. Our sensitivity analysis shows that this purchase will decrease FY26F/FY27F net income by -2.1/-0.4% but should be earnings accretive in FY28F (Fig. 79).

Initiate coverage on SILO with BUY rating and TP of Rp2,650/sh

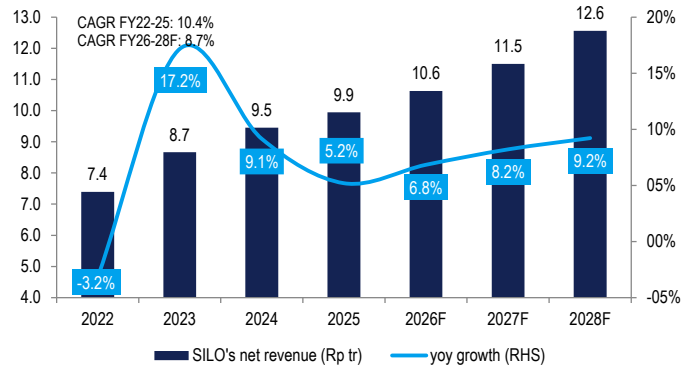
We believe that once the government's MCU program ramps up, SILO will be the main beneficiary due to its COE and ability to recruit specialist doctors. Hence, we initiate our coverage on SILO with a Buy with TP of Rp2,650/sh, based on 12.1x FY26F EV/EBITDA (+0.5 s.d of its 3yr mean). Downside risk is intensifying competition within the private segment and patients seeking treatment abroad.

Financial Summary (Rp bn)	2024A	2025A	2026F	2027F	2028F
Revenue	9,455	9,946	10,627	11,500	12,560
EBITDA	2,711	2,826	3,348	4,068	4,914
Net profit	902	1,113	1,175	1,319	1,542
EPS (Rp)	69	86	90	101	119
ROE	10.9%	12.2%	11.6%	11.8%	12.5%
ROIC	15.7%	13.7%	11.2%	10.1%	10.3%
PER (x)	30.9	25.0	23.7	21.1	18.0
EV/EBITDA (x)	10.3	10.2	10.1	9.3	7.7
Dividend yield	0.9%	0.0%	0.9%	0.9%	1.0%
Forecast change			-12%	-12%	5%
IPS vs. consensus			97%	99%	99%

Source: Company, Indo Premier *Share price closing as of: 4 September 2026*

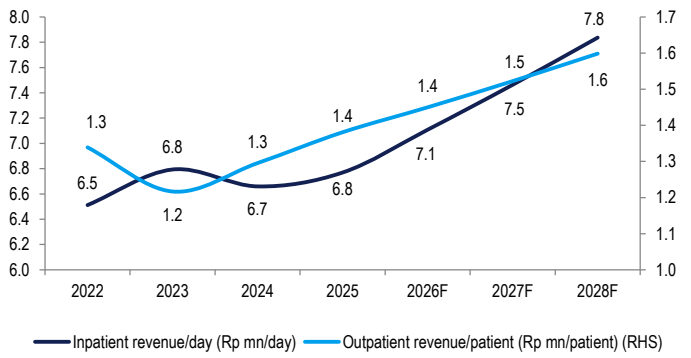
Refer to Important disclosures in the last page of this report

Fig. 77: SILO's net revenue trend



Source: Company, Indo Premier

Fig. 78: SILO's revenue/inpatient and revenue/outpatient trend



Source: Company, Indo Premier

Fig. 79: SILO Forecast changes

	Previous			Current			Changes		
	2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2028F
Financial Perform. (Rp bn)									
Gross sales	14,566	16,142	17,099	13,906	15,248	16,877	-4.5%	-5.5%	-1.3%
Net sales	10,990	12,018	12,560	10,627	11,500	12,560	-3.3%	-4.3%	0.0%
Gross profit	5,764	6,346	6,610	5,325	5,773	6,348	-7.6%	-9.0%	-4.0%
EBIT	2,080	2,321	2,248	1,964	2,501	2,946	-5.6%	7.7%	31.0%
EBITDA	3,173	3,530	3,575	3,348	4,068	4,914	5.5%	15.2%	37.4%
Net profit	1,332	1,506	1,465	1,175	1,319	1,542	-11.8%	-12.4%	5.3%
Profitability (%)									
GPM	52.4%	52.8%	52.6%	50.1%	50.2%	50.5%	-2.3%	-2.6%	-2.1%
EBIT margin	18.9%	19.3%	17.9%	18.5%	21.7%	23.5%	-0.5%	2.4%	5.6%
EBITDA margin	28.9%	29.4%	28.5%	31.5%	35.4%	39.1%	2.6%	6.0%	10.7%
Net profit margin	12.1%	12.5%	11.7%	11.1%	11.5%	12.3%	-1.1%	-1.1%	0.6%

Sources: Indo Premier

Fig. 80: SILO sensitivity analysis on First REIT acquisition

	Pre-First REIT Acquisition			Post-First REIT Acquisition			Changes		
	2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2028F
Financial Perform. (Rp bn)									
Gross sales	13,906	15,248	16,877	13,906	15,248	16,877	0.0%	0.0%	0.0%
Net sales	10,627	11,500	12,560	10,627	11,500	12,560	0.0%	0.0%	0.0%
Gross profit	5,359	5,853	6,463	5,325	5,773	6,348	-0.6%	-1.4%	-1.8%
EBIT	1,799	1,957	2,190	1,964	2,501	2,946	9.1%	27.8%	34.5%
EBITDA	3,096	3,432	3,859	3,348	4,068	4,914	8.2%	18.5%	27.3%
Net profit	1,201	1,325	1,503	1,175	1,319	1,542	-2.1%	-0.4%	2.6%
Profitability (%)									
GPM	50.4%	50.9%	51.5%	50.1%	50.2%	50.5%	-0.3%	-0.7%	-0.9%
EBIT margin	16.9%	17.0%	17.4%	18.5%	21.7%	23.5%	1.5%	4.7%	6.0%
EBITDA margin	29.1%	29.8%	30.7%	31.5%	35.4%	39.1%	2.4%	5.5%	8.4%
Net profit margin	11.3%	11.5%	12.0%	11.1%	11.5%	12.3%	-0.2%	0.0%	0.3%

Sources: Indo Premier

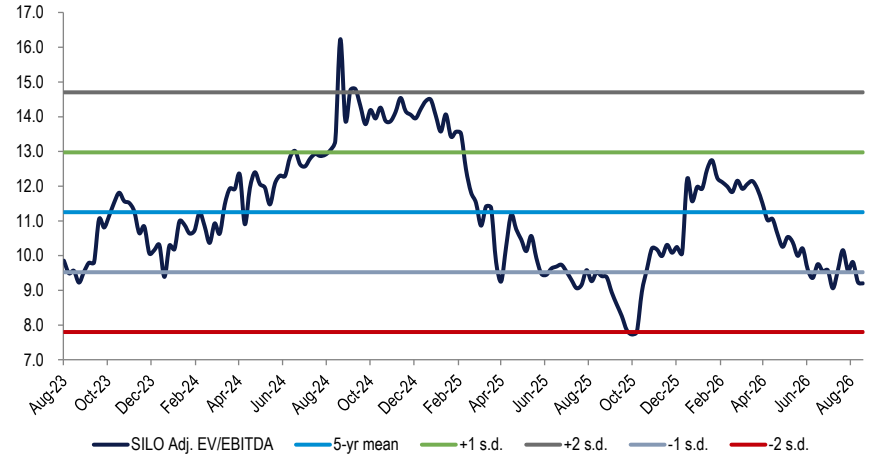
Refer to Important disclosures in the last page of this report

Fig. 81: SILO FY26F Guidance

SILO	FY26F Guidance
Revenue grow th yoy (%)	Low to teens yoy
EBITDA margin	30.0%
Capex (Rp tr)	Rp1-1.5tr

Source: Company, Indo Premier

Fig. 82: SILO is traded at 9.2x fwd. 12M EV/EBITDA (or -1.2s.d. below its 5yr mean)



Source: Company, Bloomberg, Indo Premier

Refer to Important disclosures in the last page of this report

Financials

Income Statement (Rp bn)	2024A	2025A	2026F	2027F	2028F
Net revenue	9,455	9,946	10,627	11,500	12,560
Cost of sales	7,346	7,901	8,581	9,475	10,530
Gross profit	**4,862**	**4,947**	**5,325**	**5,773**	**6,348**
SG&A Expenses	(2,906)	(3,022)	(3,116)	(3,027)	(3,157)
Operating profit	**1,956**	**1,925**	**2,209**	**2,746**	**3,191**
Net interest	(66)	(134)	(343)	(694)	(848)
Others	(308)	0	0	0	0
Pre-tax income	**1,582**	**1,790**	**1,866**	**2,052**	**2,343**
Income tax	(410)	(381)	(391)	(427)	(486)
Net income	**902**	**1,113**	**1,175**	**1,319**	**1,542**

Balance Sheet (Rp bn)	2024A	2025A	2026F	2027F	2028F
Cash & equivalent	2,101	1,160	1,140	1,035	1,088
Receivable	1,784	1,675	1,404	1,539	1,704
Inventory	202	234	279	277	281
Other current assets	240	270	270	270	270
Total current assets	**4,328**	**3,339**	**3,093**	**3,122**	**3,343**
Fixed assets	8,667	9,797	15,948	20,931	22,031
Goodwill	404	404	404	404	404
Other non-current assets	808	958	958	958	958
Total non-current assets	**9,879**	**11,159**	**17,310**	**22,292**	**23,393**
Total assets	**14,206**	**14,498**	**20,403**	**25,414**	**26,736**
ST loans	1,500	1,500	1,500	1,500	1,500
Payable	724	755	602	667	729
Other payables	0	0	0	0	0
Current portion of LT loans	2,871	1,993	1,993	1,993	1,993
Total current liab.	**5,096**	**4,248**	**4,096**	**4,160**	**4,223**
Long term loans	0	0	5,121	9,000	9,000
Other LT liab.	359	321	321	321	321
Total liabilities	**5,455**	**4,569**	**9,537**	**13,481**	**13,543**
Equity	5,791	5,801	5,801	5,801	5,801
Retained earnings	2,779	3,894	4,831	5,898	7,158
Minority interest	182	233	233	233	233
Total SHE + minority int.	**8,752**	**9,929**	**10,865**	**11,933**	**13,192**
Total liabilities & equity	**14,206**	**14,498**	**20,403**	**25,414**	**26,736**

Source: Company, Indo Premier

Refer to Important disclosures in the last page of this report

Cash Flow Statement (Rp bn)	2024A	2025A	2026F	2027F	2028F
Operating income	1,735	1,679	1,964	2,501	2,946
Depr. & amortization	977	1,146	1,297	1,567	1,968
Changes in working capital	(132)	107	74	(69)	(106)
Others	703	(1,612)	(701)	(1,064)	(1,404)
Cash flow from operating	**3,281**	**1,321**	**2,634**	**2,934**	**3,404**
Capital expenditure	(3,033)	(2,336)	(7,536)	(6,666)	(3,069)
Others	(34)	47	0	0	0
Cash flow from investing	**(3,067)**	**(2,289)**	**(7,536)**	**(6,666)**	**(3,069)**
Loans	1,075	0	5,121	3,879	0
Equity	50	24	0	0	0
Dividends	(271)	3	(239)	(252)	(283)
Others	0	0	0	0	0
Cash flow from financing	**854**	**27**	**4,882**	**3,628**	**(283)**
Changes in cash	**1,069**	**(941)**	**(20)**	**(105)**	**53**

Key Ratios	2024A	2025A	2026F	2027F	2028F
Gross margin	51.4%	49.7%	50.1%	50.2%	50.5%
Operating margin	18.3%	16.9%	18.5%	21.7%	23.5%
Pre-tax margin	14.4%	15.5%	15.2%	15.7%	16.7%
Net margin	9.5%	11.2%	11.1%	11.5%	12.3%
ROA	7.2%	7.8%	6.7%	5.8%	5.9%
ROE	10.9%	12.2%	11.6%	11.8%	12.5%
Acct. receivables TO (days)	36.2	36.8	36.8	36.8	36.8
Acct. receivables - other TO (days)					
Inventory TO (days)	7.6	7.6	11.9	10.7	9.7
Payable TO (days)	23.3	25.6	25.6	25.7	25.3
Acct. payables - other TO (days)					
Debt to equity	17.5%	15.5%	62.3%	89.7%	81.0%
Interest coverage ratio (x)	-18.1	-10.8	-5.5	-3.5	-3.4
Net gearing	-7.0%	3.5%	51.5%	80.9%	72.6%

Source: Company, Indo Premier

Refer to Important disclosures in the last page of this report

INDOPREMIER

Medikaloka Hermina

BUY

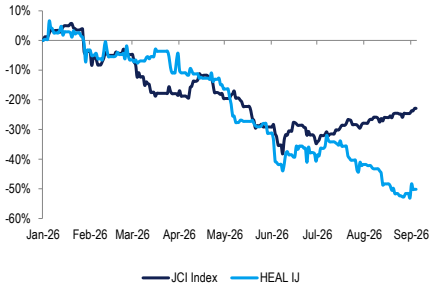
Company Initiation | Healthcare | HEAL IJ | 4 September 2026

Stock Data

Target price	**Rp1,200**
Prior TP	*NA*
Current price	Rp685
Upside/downside	*+75.2%*
Shares outstanding (mn)	15,366
Market cap (Rp bn)	10,526
Free float	23%
Avg. 6m daily T/O (Rp bn)	11

Price Performance

	3M	6M	12M
Absolute	-15.4%	-46.3%	-60.4%
Relative to JCI	-29.6%	-32.8%	-45.3%
52w low/high (Rp)			645 -1,730



Major Shareholders

PT Astra Healthcare	13.6%
PT Astra International	7.2%
Yulisar Khiat	6.5%
Lydia Immanuel	5.6%
Binsar Parasian Simorangkir	5.1%
Hasmoro	5.0%

Nicholas Bryan

PT Indo Premier Sekuritas

nicholas.bryan@ipc.co.id

+62 21 5088 7168 ext. 722

Andrianto Saputra

PT Indo Premier Sekuritas

andrianto.saputra@ipc.co.id

+62 21 5088 7168 ext. 712

Challenging in the short run while JKN will be the medium-term catalyst

- HEAL's 2Q26 results indicated a recovery in traffic, with EBITDA expected to improve from better procurement of medicine.
- HEAL recently announced its strategy in increasing non-JKN revenue exposure to 60% of its total revenue (currently at 45%).
- We initiate HEAL with a BUY rating and Rp1,200/sh TP, based on 10.0x FY26F EV/EBITDA (-1.0 s.d of its 3yr mean).

JKN pressure weighs on HEAL, with EBITDA margin to recover from less aggressive expansion

As a result of the tighter JKN claims, HEAL recorded 2Q26 revenue growth of 7.7% (vs. 5yr avg of 24.3%). However, 2Q26 inpatient/outpatient traffic growth of +5.4/+13% yoy has indicated volume recovery (vs. 2Q25's +2.6/+2% yoy respectively). Moreover, 4 new hospitals were opened in FY24, eroding its FY25 GPM by -110bps, given an EBITDA breakeven period of 1-2 years. Given there were only two new hospitals opened in FY25, we expect lighter opex and EBITDA margin to improve to 27.5% in FY26F.

HEAL as the main beneficiary from the KRIS-CoB implementation

Based on our estimates, KRIS could uplift HEAL's revenue/net profit by 5/34.9% due to its JKN-revenue contribution of 60% in FY25. Moreover, due to it having the highest JKN contribution of 60% (vs. MIKA/SILO's 12/16%), HEAL would proportionally have more Class 1 members opting for better services through CoB, thus, it would experience a higher EBITDA margin improvement as CoB has higher margins in comparison to JKN's.

Long term growth story remains intact

HEAL recently announced its strategy in increasing non-JKN revenue exposure to 60% of its total revenue by focusing on executive patients amid the JKN tightening. Moreover, it announced a new procurement team which successfully procured JKN medicine for FY26F at c.5-15% cheaper than FY25's price as it leveraged its position as a top JKN player. Coupled with its expansion of c.2-3 hospitals annually, we forecast its revenue FY26-28F CAGR to grow at 9%. Simultaneously, we expect FY26/27F EBITDA margin to improve to 27.5/27.7% respectively.

Initiate coverage on HEAL with BUY rating and TP of Rp1,200/sh

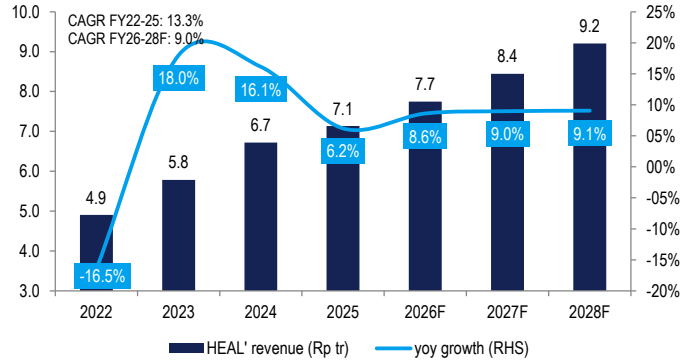
We initiate our coverage on HEAL with a TP of Rp1,200/sh, based on 10.0x FY26F EV/EBITDA (-1.0 s.d of its 3yr mean). However, we still believe in HEAL's long term growth story, along with the JKN-related catalysts that are expected to come in early FY27F. Key downside risks are: JKN's tight referral persists leading to lower traffic and delayed implementation of KRIS.

Financial Summary (Rp bn)	2024A	2025A	2026F	2027F	2028F
Revenue	6,717	7,134	7,748	8,444	9,208
EBITDA	1,909	1,949	2,127	2,339	2,541
Net profit	536	430	470	546	645
EPS (Rp)	36	29	31	36	43
ROE	12.9%	8.5%	8.0%	8.7%	9.5%
ROIC	10.6%	7.6%	7.6%	8.1%	8.4%
PER (x)	19.1	23.9	21.8	18.8	15.9
EV/EBITDA (x)	6.8	6.7	6.2	5.6	5.1
Dividend yield	1.2%	1.5%	1.2%	1.3%	1.5%
Forecast change			-10%	-12%	-9%
IPS vs. consensus			99%	98%	100%

Source: Company, Indo Premier *Share price closing as of: 4 September 2026*

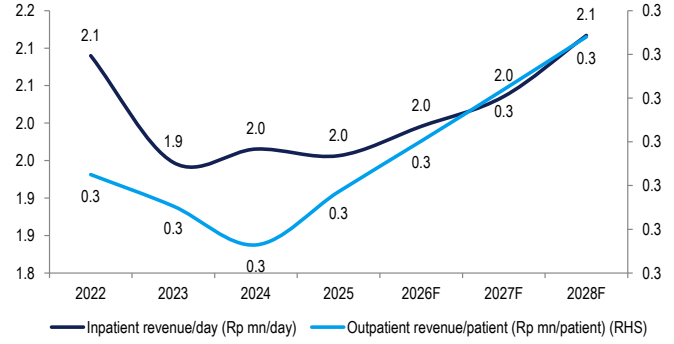
Refer to Important disclosures in the last page of this report

Fig. 83: HEAL's revenue trend



Source: Company, Indo Premier

Fig. 84: HEAL's revenue/inpatient and revenue/outpatient trend



Source: Company, Indo Premier

Fig. 85: HEAL FY26F Guidance

HEAL	FY26F Guidance
Revenue grow th yoy (%)	Double digit yoy
EBITDA margin	Improvement of up to 1% yoy
Capex (Rp tr)	1.3-1.5tr

Source: Company, Indo Premier

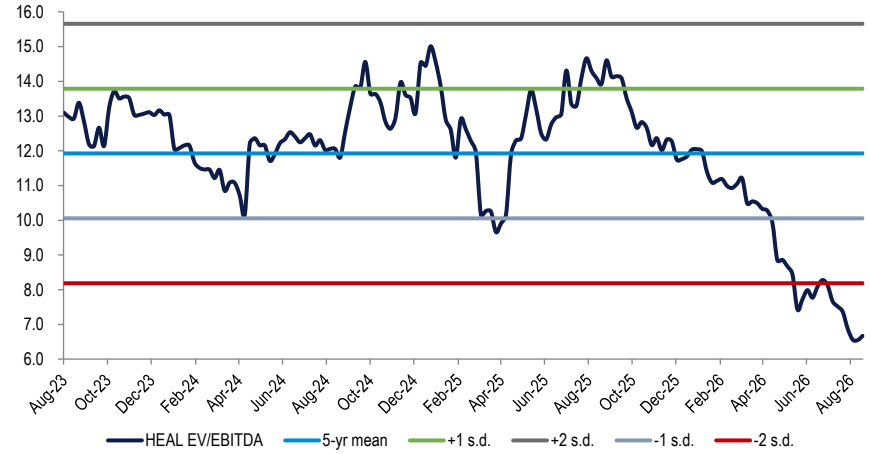
Fig. 86: HEAL Forecast Changes

	Previous			Current			Changes		
	2026F	2027F	2028F	2026F	2027F	2028F	2026F	2027F	2028F
Financial Perform. (Rp bn)									
Net sales	8,125	8,703	9,233	7,748	8,444	9,208	-4.6%	-3.0%	-0.3%
Gross profit	2,960	3,191	3,339	2,670	2,968	3,235	-9.8%	-7.0%	-3.1%
EBIT	1,342	1,471	1,517	980	1,100	1,216	-26.9%	-25.3%	-19.8%
EBITDA	2,297	2,525	2,662	2,127	2,339	2,541	-7.4%	-7.4%	-4.6%
Net profit	713	788	826	474	550	650	-33.6%	-30.2%	-21.3%
Profitability (%)									
GPM	36.4%	36.7%	36.2%	34.5%	35.1%	35.1%	-2.0%	-1.5%	-1.0%
EBIT margin	16.5%	16.9%	16.4%	12.6%	13.0%	13.2%	-3.9%	-3.9%	-3.2%
EBITDA margin	28.3%	29.0%	28.8%	27.5%	27.7%	27.6%	-0.8%	-1.3%	-1.2%
Net profit margin	8.8%	9.0%	8.9%	6.1%	6.5%	7.1%	-2.7%	-2.5%	-1.9%

Sources: Indo Premier

Refer to Important disclosures in the last page of this report

Fig. 87: HEAL is traded at 6.7x fwd. 12M EV/EBITDA (at -2.8s.d. below its 5yr mean)



Source: Company, Bloomberg, Indo Premier

Refer to Important disclosures in the last page of this report

Financials

Income Statement (Rp bn)	2024A	2025A	2026F	2027F	2028F
Net revenue	6,717	7,134	7,748	8,444	9,208
Cost of sales	(4,281)	(4,719)	(5,078)	(5,476)	(5,974)
Gross profit	**2,436**	**2,414**	**2,670**	**2,968**	**3,235**
SG&A Expenses	(1,399)	(1,473)	(1,690)	(1,868)	(2,018)
Operating profit	**1,037**	**941**	**980**	**1,100**	**1,216**
Net interest	(151)	(212)	(235)	(233)	(187)
Others	21	26	26	26	26
Pre-tax income	**907**	**755**	**771**	**893**	**1,055**
Income tax	(218)	(206)	(170)	(196)	(232)
Net income	**536**	**430**	**470**	**546**	**645**

Balance Sheet (Rp bn)	2024A	2025A	2026F	2027F	2028F
Cash & equivalent	643	728	1,046	329	(95)
Receivable	1,216	1,415	1,429	1,558	1,699
Inventory	138	169	155	167	182
Other current assets	51	55	55	55	55
Total current assets	**2,048**	**2,367**	**2,685**	**2,109**	**1,840**
Fixed assets	7,549	8,257	8,943	9,558	10,109
Other non-current assets	155	223	223	223	223
Total non-current assets	**8,529**	**9,520**	**10,211**	**10,831**	**11,387**
Total assets	**10,578**	**11,887**	**12,896**	**12,939**	**13,227**
ST loans	79	2	2	2	2
Payable	1,048	1,028	1,117	1,204	1,314
Other payables	267	575	648	530	433
Current portion of LT loans	426	335	335	335	335
Total current liab.	**1,820**	**1,939**	**2,101**	**2,071**	**2,083**
Long term loans	2,820	2,639	2,966	2,436	2,004
Other LT liab.	72	99	99	99	99
Total liabilities	**4,711**	**4,677**	**5,166**	**4,606**	**4,186**
Equity	1,580	2,486	2,486	2,486	2,486
Retained earnings	2,872	3,190	3,580	4,034	4,565
Minority interest	1,414	1,533	1,664	1,813	1,990
Total SHE + minority int.	**5,866**	**7,210**	**7,730**	**8,333**	**9,041**
Total liabilities & equity	**10,578**	**11,887**	**12,896**	**12,939**	**13,227**

Source: Company, Indo Premier

Refer to Important disclosures in the last page of this report

Cash Flow Statement (Rp bn)	2024A	2025A	2026F	2027F	2028F
Operating income	1,037	941	980	1,100	1,216
Depr. & amortization	779	879	923	1,003	1,077
Changes in working capital	(179)	(250)	89	(53)	(47)
Others	(498)	(651)	(510)	(553)	(571)
Cash flow from operating	**1,139**	**920**	**1,483**	**1,496**	**1,675**
Capital expenditure	(2,476)	(1,543)	(1,614)	(1,623)	(1,633)
Others	19	(22)	0	0	0
Cash flow from investing	**(2,457)**	**(1,565)**	**(1,614)**	**(1,623)**	**(1,633)**
Loans	910	49	400	(648)	(530)
Equity	269	1,053	130	150	177
Dividends	(115)	(112)	(81)	(93)	(115)
Others	0	0	0	0	0
Cash flow from financing	**1,063**	**991**	**450**	**(591)**	**(467)**
Changes in cash	**(255)**	**345**	**319**	**(717)**	**(425)**

Key Ratios	2024A	2025A	2026F	2027F	2028F
Gross margin	36.3%	33.8%	34.5%	35.1%	35.1%
Operating margin	15.4%	13.2%	12.6%	13.0%	13.2%
Pre-tax margin	13.5%	10.6%	9.9%	10.6%	11.5%
Net margin	8.0%	6.0%	6.1%	6.5%	7.0%
ROA	5.5%	3.8%	3.8%	4.2%	4.9%
ROE	12.9%	8.5%	8.0%	8.7%	9.5%
Acct. receivables TO (days)	58.4	67.3	67.3	67.3	67.3
Acct. receivables - other TO (days)					
Inventory TO (days)	10.9	11.9	11.1	11.1	11.1
Payable TO (days)	84.1	80.3	80.3	80.3	80.3
Acct. payables - other TO (days)					
Debt to equity	71.1%	56.6%	59.6%	45.5%	34.6%
Interest coverage ratio (x)	-5.8	-3.9	-3.9	-4.5	-6.2
Net gearing	56.7%	43.8%	42.3%	40.5%	35.9%

Source: Company, Indo Premier

Refer to Important disclosures in the last page of this report

INDOPREMIER

Medela Potentia

BUY

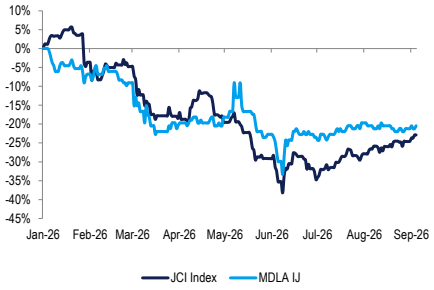
Company Initiation | Healthcare | MDLA IJ | 4 September 2026

Stock Data

Target price	**Rp290**
Prior TP	*NA*
Current price	Rp210
Upside/downside	*+38.1%*
Shares outstanding (mn)	14,013
Market cap (Rp bn)	2,943
Free float	40%
Avg. 6m daily T/O (Rp bn)	0

Price Performance

	3M	6M	12M
Absolute	9.4%	-7.1%	-12.5%
Relative to JCI	-4.8%	6.4%	2.6%
52w low/high (Rp)			176-292



Major Shareholders

PT Vita Magna Trinita	24.0%
PT Cakra Universal	21.0%
Hetty Soetikno	21.0%
PT Ekon Prima	9.0%
International Finance Corporation	7.5%

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

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

A leading proxy for structural growth in ethical drugs

- Pharma segment will continue to be the main growth driver as we expect it to increase by 16/12% in FY26/27F.
- We forecast MDLA's overall sales to grow at a FY26-28F CAGR of 11% on the back of its aggressive addition of principals to its portfolio.
- We Initiate MDLA with a BUY rating and TP of Rp290/sh, based on a DCF valuation.

Pharma segment to continue drive MDLA's topline

MDLA's pharmaceutical segment will still be the main growth driver as it contributes c.81% to overall 1H26 revenue. 2Q26 pharma revenue grew by 24.5% yoy driven by rising NCD prevalence and aging demographics and this trend is expected to continue. 2Q26 medical devices revenue remained soft with -1.2% growth yoy amid a principal leaving in Dec25. 2Q26 consumer health segment declined by -10% amid soft purchasing power and couple of big principals leaving in 1H25. MDLA's principals have strong exposure to NCD therapies, supported by its affiliation with Dexa Group, which holds leading market shares in NDC treatments. Hence, looking into FY26/27F, we forecast pharma revenue to grow at 16/12% yoy respectively. While we expect medical devices/consumer health's topline to remain soft in FY26F at -2/-10% yoy respectively, but we expect sales to pick up in FY27F with +4/10% yoy respectively amid a new base forming.

Increasing additions of principals

MDLA recently added 4 new principals in 4Q25, including MERK IJ (Non-rated), totalling 8 new principals in FY25 (vs. avg annual addition of 2-5 principals). This brings MDLA's total number of principals to 78 as of FY25. Aside from increasing its number of product SKUs, the aggressive addition of principals to its portfolio also reduces its reliance on its top 5 principals which currently contributes c.60% of its total revenue. Going forward, the future growth shall come from the addition of principals and SKUs. Hence, we forecast MDLA's overall sales to grow at a FY26-28F CAGR of 11%.

Initiate coverage on MDLA with BUY rating and TP of Rp290/sh

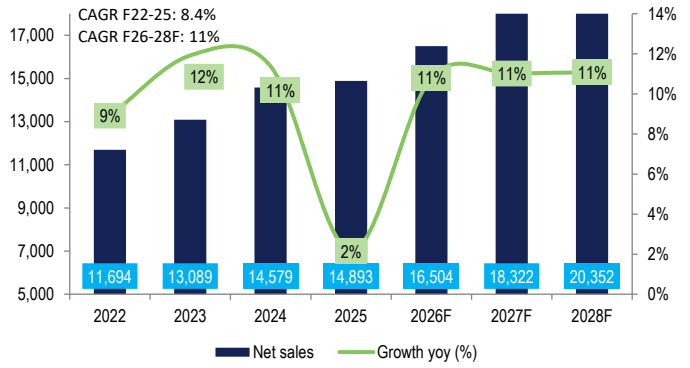
MDLA's strong market share in NCD therapies allow for it to capitalize on the rising NCD prevalence and aging demographics trend. It's core business of distribution makes it a leading proxy in the ethical drugs market. Thus, we initiate our coverage on MDLA with a TP of Rp290/sh, based on DCF. Key downside risks are slowing ethical drug sales and consumer health products.

Financial Summary (Rp bn)	2024A	2025A	2026F	2027F	2028F
Revenue	14,568	14,893	16,504	18,322	20,352
EBITDA	559	582	682	769	863
EBITDA margin	3.8%	3.9%	4.1%	4.2%	4.2%
Net profit	345	392	457	505	557
EPS (Rp)	25	28	33	36	40
EPS growth	12.8%	13.7%	16.5%	10.6%	10.1%
ROE	17.2%	15.2%	14.4%	14.6%	14.7%
PER (x)	8.5	7.5	6.4	5.8	5.3
EV/EBITDA (x)	5.4	4.4	4.0	3.6	3.3
Dividend yield	3.9%	4.7%	6.2%	6.8%	7.5%
Forecast change			N/A	N/A	N/A
IPS vs. consensus			114%	118%	121%

Source: Company, Indo Premier *Share price closing as of: 4 September 2026*

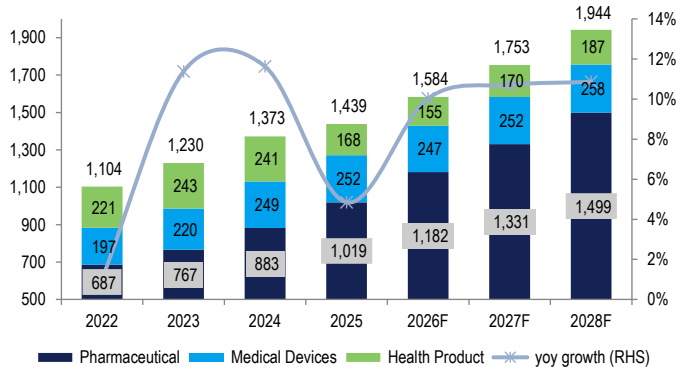
Refer to Important disclosures in the last page of this report

Fig. 88: MDLA's revenue trend



Source: Company, Indo Premier

Fig. 89: MDLA's gross profit breakdown by segment



Source: Company, Indo Premier

Fig. 90: MDLA FY26F Guidance

MDLA	FY26F Guidance
Revenue growth yoy (%)	High single digit/Low teens yoy
Net profit growth yoy (%)	High single digit/Low teens yoy

Source: Company, Indo Premier

Fig. 91: MDLA's DCF methodology

WACC	Cost	Value (Rp bn)	Weight
Risk Free Rate	7.1%		
Equity Risk Premium	9.1%		
Beta	1.00		
Cost of Equity	**16.2%**	**3,383**	**100.0%**
Yield on Debt	7%		
Tax Rate	22.5%		
Cost of Debt	**5.4%**	**-**	**0.0%**
Total	**16.2%**	**3,383**	**100.0%**

DCF Assumptions	
Tax Rate	22.0%
WACC	16.2%
Growth Rate	3%
Shares Outstanding	14.0

DCF								
Discounted Cash Flow	**Beginning**	**2026F**	**2027F**	**2028F**	**2029F**	**2030F**	**2031F**	**Terminal Value**
EBIT		582	645	712	800	881	978	
Less: Cash Taxes		-134	-148	-163	-183	-201	-223	
NOPAT		448	497	549	617	680	755	
Plus: D&A		100	124	150	179	212	247	
EBITDA		547	621	699	796	892	1,002	
Less: CAPEX		53	70	88	107	129	153	
Less: Changes in NWC		214	146	163	182	202	226	
Free Cash Flow	**0**	**280**	**406**	**449**	**506**	**560**	**624**	**4,653**
Discount Factor		**1.16**	**1.35**	**1.57**	**1.83**	**2.12**	**2.47**	**2.47**
Discounted Cash Flow	**0**	**241**	**300**	**286**	**277**	**264**	**253**	**1,887**
Net Present Value	**3,508**							
Intrinsic Value								
Enterprise Value	3,508							
Plus: Cash	551							
Less: Debt	0							
Equity Value	**4,059**							
Implied Share TP (Rp)	**290**							

Source: Company, Indo Premier

Refer to Important disclosures in the last page of this report

Financials

Income Statement (Rp bn)	2024A	2025A	2026F	2027F	2028F
Net revenue	14,568	14,893	16,504	18,322	20,352
Cost of sales	(13,195)	(13,454)	(14,920)	(16,569)	(18,408)
Gross profit	**1,373**	**1,439**	**1,584**	**1,753**	**1,944**
SG&A Expenses	(997)	(1,024)	(1,084)	(1,190)	(1,313)
Other income/(expenses)	91	82	82	82	82
Operating profit	**466**	**497**	**582**	**645**	**712**
Net interest	(9)	16	16	16	16
Forex gain (loss)	0	0	0	0	0
Pre-tax income	**457**	**513**	**598**	**661**	**728**
Income tax	(114)	(115)	(134)	(148)	(163)
Minority Interest	(2)	6	7	8	8
Net income	**345**	**392**	**457**	**505**	**557**

Balance Sheet (Rp bn)	2024A	2025A	2026F	2027F	2028F
Cash & equivalent	352	694	551	495	443
Receivable	2,334	2,237	2,540	2,819	3,132
Inventory	1,905	1,967	2,146	2,384	2,648
Other current assets	683	1,063	1,090	1,090	1,090
Total current assets	**5,273**	**5,961**	**6,326**	**6,788**	**7,312**
Fixed assets	304	480	664	858	1,063
Other non-current assets	152	143	163	183	203
Total non-current assets	**456**	**623**	**827**	**1,041**	**1,266**
Total assets	**5,729**	**6,583**	**7,153**	**7,829**	**8,578**
ST loans	107	0	0	0	0
Payable	2,979	3,065	3,360	3,732	4,146
Other payables	314	316	316	316	316
Total current liab.	**3,399**	**3,381**	**3,676**	**4,048**	**4,462**
Long term loans	0	0	0	0	0
Other LT liab.	121	94	94	94	94
Total liabilities	**3,521**	**3,476**	**3,771**	**4,142**	**4,556**
Equity	203	843	843	843	843
Retained earnings	1,938	2,192	2,467	2,772	3,107
Minority interest	67	72	72	72	72
Total SHE + minority int.	**2,208**	**3,108**	**3,383**	**3,687**	**4,022**
Total liabilities & equity	**5,729**	**6,583**	**7,153**	**7,829**	**8,578**

Source: Company, Indo Premier

Refer to Important disclosures in the last page of this report

Cash Flow Statement (Rp bn)	2024A	2025A	2026F	2027F	2028F
Operating income	345	392	457	505	557
Depr. & amortization	93	85	100	124	150
Changes in working capital	(287)	(257)	(214)	(146)	(163)
Others	0	0	0	0	0
Cash flow from operating	**151**	**220**	**342**	**484**	**544**
Capital expenditure	(101)	(277)	(304)	(338)	(375)
Others	1	(0)	0	0	0
Cash flow from investing	**(100)**	**(277)**	**(304)**	**(338)**	**(375)**
Loans	101	(107)	0	0	0
Equity	11	50	0	0	0
Dividends	(115)	(137)	(182)	(201)	(222)
Others	0	0	0	0	0
Cash flow from financing	**(3)**	**(194)**	**(182)**	**(201)**	**(222)**
Changes in cash	**48**	**(252)**	**(144)**	**(55)**	**(53)**

Key Ratios	2024A	2025A	2026F	2027F	2028F
Gross margin	9.4%	9.7%	9.6%	9.6%	9.6%
Operating margin	3.2%	3.3%	3.5%	3.5%	3.5%
Pre-tax margin	3.1%	3.4%	3.6%	3.6%	3.6%
Net margin	2.4%	2.6%	2.8%	2.8%	2.7%
ROA	6.6%	6.4%	6.7%	6.7%	6.8%
ROE	17.2%	15.2%	14.4%	14.6%	14.7%
Acct. receivables TO (days)	54.9	56.2	56.2	56.2	56.2
Acct. receivables - other TO (days)					
Inventory TO (days)	48.0	52.5	52.5	52.5	52.5
Payable TO (days)	75.2	82.2	82.2	82.2	82.2
Acct. payables - other TO (days)					
Debt to equity	5.0%	0.0%	0.0%	0.0%	0.0%
Interest coverage ratio (x)	-27.5	-39.8	-46.6	-51.7	-57.0
Net gearing	-11.5%	-22.9%	-16.6%	-13.7%	-11.2%

Source: Company, Indo Premier

INDOPREMIER

SECTOR RATINGS

OVERWEIGHT	:	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation
NEUTRAL	:	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation
UNDERWEIGHT	:	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation

COMPANY 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

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

DISCLAIMERS

This research is based on information obtained from sources believed to be reliable, but we do not make any representation or warranty nor accept any responsibility or liability as to its accuracy, completeness or correctness. Opinions expressed are subject to change without notice. This document is prepared for general circulation. Any recommendations contained in this document do not have any regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is not and should not be construed as an offer or a solicitation of an offer to purchase or subscribe or sell any securities. PT Indo Premier Sekuritas or its affiliates may seek or will seek investment banking or other business relationships with the companies in this report.