

Medikaloka Hermina

BUY (unchanged)

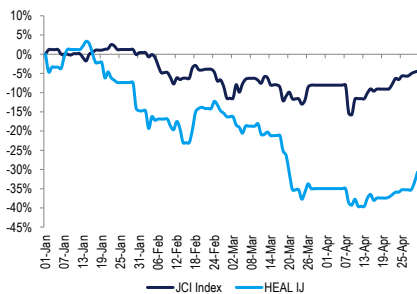
Company Update / Healthcare / HEAL IJ / 30 April 2025

Stock Data

Target price	Rp1,600
Prior TP	Rp1,600
Current price	Rp1,130
Upside/downside	41.6%
Shares outstanding (mn)	15,366
Market cap (Rp bn)	17,364
Free float	28%
Avg. 6m daily T/O (Rp bn)	32

Price Performance

	3M	6M	12M
Absolute	-25.2%	-22.3%	-11.7%
vs. JCI	-19.6%	-11.3%	-6.8%
52w low/high (Rp)	985 – 1,685		



Major Shareholders

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

Andrianto Saputra

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

Nicholas Bryan

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

1Q25 results: in-line earnings despite soft top-line growth

- 1Q25 net profit of Rp125bn (-34.7% yoy) was in-line our/consensus estimate at 19/20% (vs. 3yr Lebaran avg of 19%).
- 1Q25 GPM declined to 34.4% (-480bps yoy) and was partly driven by soft drugs sales growth of +4.8% (vs. 1Q24's +18.7% yoy).
- We maintain BUY rating with TP of Rp1,600/sh.

1Q25 net profit was in-line with ours/consensus estimate

HEAL posted a 1Q25 net profit of Rp125bn (-34.7% yoy) and this was in-line with ours/consensus estimate at 19/20% (vs. 3yr Lebaran avg of 19%). 1Q25 EBITDA decreased to Rp445bn (-13.3% yoy) with EBITDA margin of 26.3% (vs. 30.1% in 1Q24), also in-line ours/consensus estimate at 21% (vs. 3yr Lebaran avg of 19%). 1Q25 net sales declined by -0.8% yoy to Rp1.7tr was partly impacted from the shift in Lebaran quarter towards Mar25 (vs. Mar-Apr24), resulting in fewer effective working days of 77 days (vs. 1Q24's 85 days), combined with a high base effect in 1Q24 (+26.2% yoy). Overall, 1Q25 sales growth was below FY25F company guidance of +16-17% yoy. Thus, we view a potential for a guidance downgrade.

GPM decline from weak topline growth

1Q25 GPM dropped to 34.4% (-480bps yoy) and this was attributed by higher drugs cost as % of sales (+158bps yoy) and depreciation as % of sales (+172bps yoy). We note that the higher drugs cost was mainly driven by a reduced discount rate from pharmaceutical suppliers amid softer drugs sales growth of 4.8% yoy (vs. 1Q24's 18.7% yoy). On the other hand, opex to sales improved to 19.2% (-56bps yoy) amid lower salary as % of sales of 10.6% (-108bps yoy). 1Q25 minority interests as % of NPAT slightly increased to 22.3% (vs. 21.7% in 1Q24). In sum, NPM stood at 7.4% (-382bps yoy).

Maintain BUY with TP of Rp1,600/sh

We are currently awaiting further details from the upcoming earnings call. For now, we maintain our BUY rating on HEAL with unchanged TP of Rp1,600/sh, based on 13.0x FY25F EV/EBITDA (+1s.d. from its 5yr avg). Key risks are lower than expected traffic and revenue intensity.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	5,784	6,717	7,420	8,125	8,703
EBITDA	1,600	1,909	2,078	2,297	2,525
EBITDA growth	40.5%	19.3%	8.9%	10.5%	9.9%
Net profit	437	536	647	713	788
EPS	29	36	43	48	53
EPS growth	46.5%	22.5%	20.7%	10.3%	10.4%
ROE	12.0%	12.9%	13.8%	13.7%	13.7%
ROIC	10.1%	10.6%	10.6%	10.6%	10.6%
P/E (x)	38.7	31.6	26.1	23.7	21.5
EV/EBITDA (x)	11.4	10.1	9.5	8.8	8.1
Dividend yield	0.6%	0.7%	0.9%	1.1%	1.2%
Forecast change			0%	0%	0%
IPS vs. consensus			105%	99%	95%

Sources: Company, Indo Premier

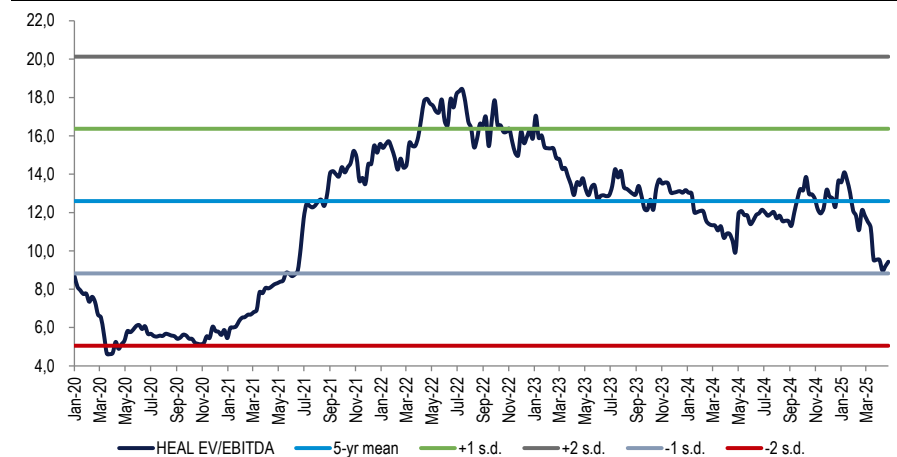
Share price closing as of: 30 April 2025

Fig. 1: HEAL's 1Q25 results

(Rp bn)	1Q25	1Q24	% YoY	4Q24	% QoQ	IPS FY25F	% IPS	Cons. FY25F	% Cons	3yr avg Lebaran quarter
Net sales	1,692	1,706	-0.8%	1,691	0.1%	7,420	23%	7,516	23%	21%
COGS	1,110	1,038	7.0%	1,134	-2.1%					
Gross profit	582	669	-13.0%	557	4.5%	2,690	22%	2,754	21%	21%
Operating expenses	(326)	(338)	-3.6%	(372)	-12.4%					
EBIT	257	331	-22.5%	185	38.4%	1,218	21%	1,175	22%	18%
D&A (included other non-current asset)	189	168	12.1%	216	-12.5%					
Other adjustment	-	14	-100.0%	51	-100.0%					
EBITDA	445	513	-13.3%	452	-1.5%	2,078	21%	2,108	21%	19%
Net interest income/(expenses)	(49)	(28)	75.0%	(49)	0.1%					
Others	8	2	258.0%	7	11.8%					
PBT	215	305	-29.6%	143	50.4%					
Tax	(54)	(61)	-11.3%	(51)	6.3%					
Minorities	36	53	-32.3%	24	49.4%					
Net profit	125	191	-34.7%	68	84.0%	647	19%	615	20%	19%
Margin (%)										
Gross margin	34.4%	39.2%	-4.80%	32.9%	1.45%					
EBIT margin	15.2%	19.4%	-4.24%	11.0%	4.20%					
EBITDA margin	26.3%	30.1%	-3.78%	26.7%	-0.43%					
Net margin	7.4%	11.2%	-3.82%	4.0%	3.36%					
Minorities % of NPAT	-22.3%	-21.7%	-0.62%	-26.1%	3.81%					
Opex to sales	-19.2%	-19.8%	0.56%	-22.0%	2.75%					
Salary % of sales	29.3%	29.8%	-0.4%	29.9%	-0.5%					

Sources: Company, Bloomberg, Indo Premier

Fig. 2: HEAL is traded at 9.4x fwd. 12M EV/EBITDA (-0.8 s.d. from its 5-year mean)



Sources: Bloomberg, Indo Premier

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net revenue	5,784	6,717	7,420	8,125	8,703
Cost of sales	(3,727)	(4,281)	(4,729)	(5,165)	(5,512)
Gross profit	2,057	2,436	2,690	2,960	3,191
SG&A Expenses	(1,276)	(1,399)	(1,472)	(1,618)	(1,719)
Operating profit	781	1,037	1,218	1,342	1,471
Net interest	(108)	(151)	(147)	(166)	(175)
Others	37	21	21	21	21
Pre-tax income	710	907	1,092	1,197	1,318
Income tax	(151)	(218)	(263)	(288)	(317)
Net income	437	536	647	713	788

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent	855	643	754	656	(11)
Receivable	934	1,216	1,188	1,301	1,393
Inventory	117	138	141	155	165
Other current assets	43	51	51	51	51
Total current assets	1,950	2,048	2,134	2,162	1,598
Fixed assets	5,852	7,549	8,623	9,607	10,507
Goodwill	130	155	155	155	155
Total non-current assets	6,853	8,529	9,593	10,576	11,472
Total assets	8,802	10,578	11,726	12,737	13,070
ST loans	48	79	110	140	140
Payable	924	1,048	1,216	1,328	1,417
Other payables	207	267	360	338	371
Current portion of LT loans	374	426	426	426	426
Total current liab.	1,553	1,820	2,112	2,232	2,354
Long term loans	2,001	2,820	3,185	3,549	3,178
Other LT liab.	51	72	72	72	72
Total liabilities	3,604	4,711	5,368	5,853	5,605
Equity	1,417	1,580	1,580	1,580	1,580
Retained earnings	2,452	2,872	3,364	3,891	4,472
Minority interest	1,329	1,414	1,414	1,414	1,414
Total SHE + minority int.	5,198	5,866	6,358	6,884	7,465
Total liabilities & equity	8,803	10,578	11,726	12,737	13,070

Sources: Company, Indo Premier

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
EBIT	781	1,037	1,218	1,342	1,471
Depr. & amortization	734	779	833	923	1,016
Changes in working capital	21	(179)	194	(15)	(13)
Others	(339)	(498)	(571)	(628)	(684)
Cash flow from operating	1,196	1,139	1,674	1,622	1,791
Capital expenditure	(1,506)	(2,476)	(1,897)	(1,906)	(1,913)
Others	(4)	19	0	0	0
Cash flow from investing	(1,511)	(2,457)	(1,897)	(1,906)	(1,913)
Loans	522	910	489	373	(338)
Equity	185	269	0	0	0
Dividends	(94)	(115)	(155)	(187)	(206)
Others	0	0	0	0	0
Cash flow from financing	613	1,063	334	185	(544)
Changes in cash	299	(255)	111	(98)	(667)

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross margin	35.6%	36.3%	36.3%	36.4%	36.7%
Operating margin	13.5%	15.4%	16.4%	16.5%	16.9%
Pre-tax margin	12.3%	13.5%	14.7%	14.7%	15.1%
Net margin	7.6%	8.0%	8.7%	8.8%	9.0%
ROA	5.3%	5.5%	5.8%	5.8%	6.1%
ROE	12.0%	12.9%	13.8%	13.7%	13.7%
Acct. receivables TO (days)	56.7	58.4	58.4	58.4	58.4
Inventory TO (days)	10.6	10.9	10.9	10.9	10.9
Payable TO (days)	85.1	84.1	93.8	93.8	93.8
Debt to equity	58.3%	71.1%	73.9%	73.6%	61.0%
Interest coverage ratio (x)	-5.6	-5.8	-7.2	-7.2	-7.9
Net gearing	36.2%	56.7%	58.7%	61.6%	61.2%

Sources: Company, Indo Premier

INVESTMENT RATINGS

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

ANALYSTS CERTIFICATION

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.