

Mitra Keluarga Karyasehat

HOLD (unchanged)

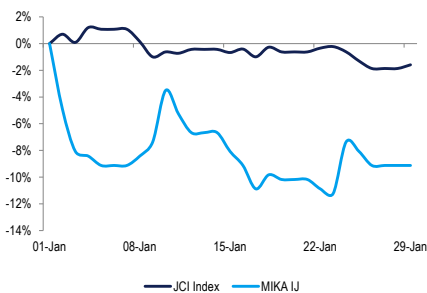
Company Update | Healthcare | MIKA IJ | 29 January 2024

Stock Data

Target price	Rp2,900
Prior TP	Rp2,900
Current price	Rp2,590
Upside/downside	+11.9%
Shares outstanding (mn)	14,246
Market cap (Rp bn)	36,898
Free float	34%
Avg. 6m daily T/O (Rp bn)	32

Price Performance

	3M	6M	12M
Absolute	-10.7%	-10.4%	-10.7%
Relative to JCI	-16.6%	-14.1%	-14.4%
52w low/high (Rp)	2,480 – 3,160		



Major Shareholders

PT Griyanisani Cakrasadaya	62%
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FY23 indicative result: in-line EBITDA amidst benign revenue growth

- MIKA’s FY23 EBITDA of c.Rp1.5tr is largely in-line at 101/99% ours/cons’ estimate; revenue achievement of c.Rp4.3tr is also in-line
- 4Q23 EBITDA margin improvement of c.+82bps yoy is driven by higher revenue intensity.
- Maintain Hold with unchanged TP of RP2,900

FY23 EBITDA achievement was largely in-line

Based on MIKA’ indicative FY23 result, FY23 EBITDA reached c.Rp1.5tr (flat yoy growth), in-line at 101/99% of ours/cons’ estimate. FY23 EBITDA margin declined to 34.5-36.0% (vs. 37.1% in FY22). FY23 revenue grew between 5.0-5.5% yoy and came at c.Rp4.3tr, also in-line at 100/99% of ours/cons’ estimate. To note, FY23 revenue growth and EBITDA margin was also in-line with the company guidance of 4.5-6.0% yoy and 35-36%.

4Q23: EBITDA margin improvement

Inferring from the FY23 indicative numbers, 4Q23 EBITDA rose to c.Rp419bn (+5.7% qoq/+15.7% yoy) with EBITDA margin of c.37.9% (vs. 35.8/37.1% in 3Q23/4Q22). We view that 4Q23 EBITDA margin improvement is driven by higher revenue intensity (c.+3% qoq/c.+7% yoy). Concurrently, 4Q23 revenue also rose by c.13.2% yoy to c.Rp1.1tr (c.flat qoq growth) and this was driven by +7.6% yoy growth of inpatient days (-3.0% qoq) coupled with c.+7% yoy growth of revenue intensity (c.+3% qoq). MIKA also shared that JKN and private patient’ traffic grew at a similar trend in 2H23; leading to 4Q23 revenue intensity growth.

FY24F outlook: Higher growth expectation from normalized base

MIKA guided +12-15% FY24F topline growth with EBITDA margin at range of 35.5-37%. Sales growth driver shall come from ASP hike for MIKA’s services (+5-7%), while the remaining would be contributed from volume. To note, it has imposed 5-7% ASP hike in early Jan24. In addition, it also plans to construct 3 new hospitals (2 Mitra Keluarga Hospitals and 1 Kasih Hospital) and is estimated to operate in FY25F. To note, it has opened Mitra Keluarga Grand Wisata in Nov23 with private patients as the main target market. Moreover, YTD inpatient traffic is still growing at low single digit compared with Dec23.

Maintain HOLD

In sum, we maintain our HOLD rating for MIKA with unchanged TP of Rp2,900 based on 23.5x FY24F EV/EBITDA (its 5yr mean) amid valuation reason. Risk is lower than expected revenue growth, especially from the private sector (out-of-pocket).

Financial Summary (Rp bn)	2021A	2022A	2023F	2024F	2025F
Net Revenue	4,353	4,049	4,244	4,743	5,261
EBITDA	1,789	1,502	1,489	1,703	1,927
EBITDA growth	46.3%	-16.1%	-0.9%	14.3%	13.1%
Net profit	1,229	1,008	932	1,055	1,188
EPS (Rp)	86	71	65	74	83
EPS growth	46.0%	-18.0%	-7.5%	13.2%	12.6%
ROE	24.1%	18.8%	16.5%	17.2%	17.5%
ROIC	37.0%	26.4%	21.1%	21.5%	22.1%
PER (x)	30.0	36.6	39.6	35.0	31.1
EV/EBITDA (x)	19.2	23.3	23.6	20.6	18.1
Dividend yield	1.4%	1.4%	1.4%	1.3%	1.4%
Forecast change			0%	0%	0%
IPS vs. consensus			96%	94%	91%

Source: Company, Indo Premier

Share price closing as of: 29 January 2024

Fig. 1: MIKA FY23 indicative result

(Rp bn)	4Q23	4Q22	% YoY	3Q23	% QoQ	12M23	12M22	% YoY	IPS FY23F	% IPS	Cons. FY23F	% Cons	Notes
Net sales	1,105	976	13.2%	1,108	-0.3%	4,262	4,049	5.3%	4,244	100%	4,317	99%	Company shared FY23 revenue to grow at +5% to 5.5%
EBITDA	419	362	15.7%	396	5.7%	1,502	1,502	0.0%	1,489	101%	1,516	99%	
Margin (%)													
EBITDA margin	37.9%	37.1%	0.82%	35.8%	2.2%	35.3%	37.1%						Company shared FY23 EBITDA margin is at range of 34.5% to 36.0%
Traffic													
Inpatient admissions ('000)	76.6	67.5	13.4%	78.2	-2.1%	296.8	259.6	14.3%					
Inpatient days ('000)	207.9	193.2	7.6%	214.3	-3.0%	819.1	739.9	10.7%					
Outpatient visit ('000)	738.7	690.6	7.0%	732.8	0.8%	2,858.0	2,625.9	8.8%					
Revenue intensity (Rp mn)*	3.6	3.3	7.5%	3.5	2.7%	3.5	3.6	-2.8%					Indo Premier Estimate
Outpatient revenue/visit (Rp mn)*	0.5	0.5	1.3%	0.5	-1.1%	0.5	0.5	-7.5%					Indo Premier Estimate

Source: Company, Indo Premier

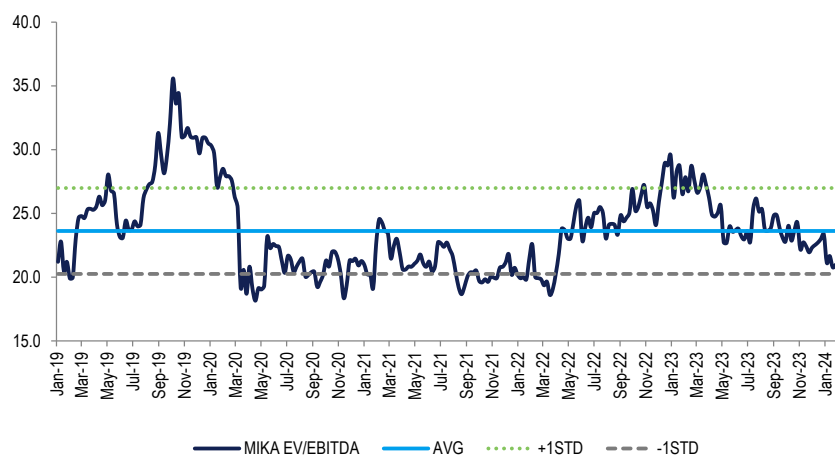
*Indo Premier Estimate

Fig. 2: MIKA' FY23 earnings indicative and FY24F guidance

	2023 (Indicative)	FY24F
Revenue growth	+5 to +5.5% yoy	+12.5% to +15% yoy
EBITDA Margin	34.5 to 36.0%	35.5 to 37.0%
Capex (Rp bn)	625	800 to 1,000

Source: Company, Indo Premier

Fig. 3: MIKA is traded at 21.0 fwd. 12M EV/EBITDA (-0.8 s.d. from its 5yr avg)



Source: Bloomberg, Company, Indo Premier

Income Statement (Rp bn)	2021A	2022A	2023F	2024F	2025F
Net revenue	4,353	4,049	4,244	4,743	5,261
Cost of sales	(2,092)	(1,972)	(2,125)	(2,357)	(2,600)
Gross profit	2,261	2,077	2,118	2,386	2,662
SG&A Expenses	(665)	(793)	(895)	(989)	(1,082)
Operating profit	1,596	1,284	1,224	1,397	1,580
Net interest	51	46	2	(2)	(3)
Forex gain (loss)	0	0	0	0	0
Others	0	0	0	0	0
Pre-tax income	1,647	1,330	1,225	1,395	1,578
Income tax	(358)	(292)	(270)	(306)	(345)
Net income	1,229	1,008	932	1,055	1,188
Core income	1,172	963	887	1,011	1,144

Balance Sheet (Rp bn)	2021A	2022A	2023F	2024F	2025F
Cash & equivalent	1,283	696	542	590	764
Receivable	259	430	492	564	618
Inventory	67	63	62	70	78
Other current assets	361	145	145	145	145
Total current assets	1,970	1,333	1,242	1,368	1,606
Fixed assets	2,696	3,430	3,964	4,458	4,911
Other non-current assets	505	658	658	658	658
Total non-current assets	3,202	4,088	4,622	5,116	5,569
Total assets	5,171	5,421	5,864	6,484	7,175
ST loans	0	0	0	0	0
Payable	206	173	188	219	249
Other payables	0	0	0	0	0
Current portion of LT loans	557	480	480	480	480
Total current liab.	762	653	668	699	729
Long term loans	0	0	0	0	0
Other LT liab.	173	134	134	134	134
Total liabilities	936	786	801	832	863
Equity	1,117	748	748	748	748
Retained earnings	4,156	4,676	5,104	5,693	6,354
Minority interest	653	708	708	708	708
Total SHE + minority int.	5,925	6,132	6,560	7,149	7,810
Total liabilities & equity	6,861	6,918	7,361	7,982	8,673

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2021A	2022A	2023F	2024F	2025F
Profit before tax	1,596	1,284	1,224	1,397	1,580
Depr. & amortization	193	218	266	306	347
Changes in working capital	379	(199)	(48)	(48)	(33)
Others	(232)	(142)	(292)	(342)	(392)
Cash flow from operating	1,937	1,161	1,150	1,314	1,502
Capital expenditure	(356)	(952)	(800)	(800)	(800)
Others	163	(81)	0	0	0
Cash flow from investing	(192)	(1,033)	(800)	(800)	(800)
Loans	0	(0)	0	0	0
Equity	(456)	(353)	0	0	0
Dividends	(478)	(488)	(504)	(466)	(528)
Others	0	0	0	0	0
Cash flow from financing	(934)	(841)	(504)	(466)	(528)
Changes in cash	810	(713)	(154)	48	174

Key Ratios	2021A	2022A	2023F	2024F	2025F
Gross margin	52.0%	51.3%	49.9%	50.3%	50.6%
Operating margin	36.7%	31.7%	28.8%	29.5%	30.0%
Pre-tax margin	39.5%	34.2%	30.2%	30.6%	31.1%
Net margin	28.2%	24.9%	22.0%	22.2%	22.6%
ROA	18.6%	14.6%	13.1%	13.8%	14.3%
ROE	24.1%	18.8%	16.5%	17.2%	17.5%
Acct. receivables TO (days)	37.9	31.0	42.4	43.4	42.9
Inventory TO (days)	10.7	12.0	10.7	10.8	11.0
Payable TO (days)	35.5	35.0	32.2	33.9	35.0
Debt to equity	0.0%	0.0%	0.0%	0.0%	0.0%
Interest coverage ratio (x)	-130.7	-99.7	-95.0	-108.5	-122.7
Net gearing	-24.3%	-12.8%	-9.3%	-9.2%	-10.8%

Source: Company, Indo Premier

INVESTMENT RATINGS

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

ANALYSTS CERTIFICATION

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