

Mitra Keluarga Karyasehat

BUY (Unchanged)

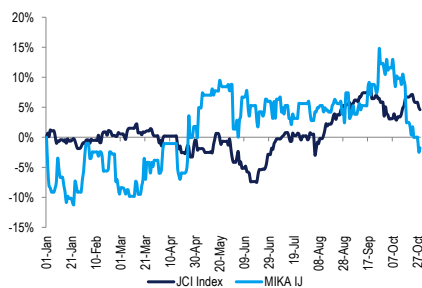
Company Update / Healthcare / MIKA IJ / 29 October 2024

Stock Data

Target price	Rp3,450
Prior TP	Rp3,450
Current price	Rp2,800
Upside/downside	+23%
Shares outstanding (mn)	13,907
Market cap (Rp bn)	38,941
Free float	32%
Avg. 6m daily T/O (Rp bn)	35

Price Performance

	3M	6M	12M
Absolute	-7.0%	-3.4%	0.7%
Relative to JCI	-11.3%	-9.7%	-12.2%
52w low/high (Rp)	2,530 – 3,270		



Major Shareholders

PT Griyanisani Cakrasadaya	62%
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3Q24 results: in-line as soft top-line growth was offset by better GPM

- 9M24 net profit of Rp873bn (+27% yoy) came in-line with our/consensus estimate.
- 3Q24 net profit growth of 17% yoy was driven by GPM improvement despite soft net sales growth.
- Maintain BUY with unchanged TP of Rp3,450/sh.

9M24 EBITDA was in-line with our/consensus estimate

MIKA delivered 9M24 net profit of Rp873bn (+27% yoy) and this was in-line at 76/74% of our/consensus estimate (vs. 5yr avg exclude covid period of 76%). 9M24 revenue grew by 14.6% yoy to Rp3.6tr also in-line at 73/74% of our/consensus estimate. At the same time, 9M24 EBITDA stood at Rp1.4tr (+22% yoy) with EBITDA margin of 38%. Overall, 9M24 revenue growth of 14.6% yoy was slightly below FY24F company guidance of +15.0-17.0% yoy, while 9M24 EBITDA margin of 38% was in-line.

3Q24 net profit growth was driven by GPM improvement

MIKA delivered 3Q24 net profit of Rp272bn (+17% yoy/-13% qoq). 3Q24 EBITDA rose to Rp440bn (+9% yoy/-7% qoq) with EBITDA margin of 37.7%. 3Q24 GPM improved to 53.4% (+323bps yoy/-51bps qoq) as non-JKN revenue contribution was at 84.9% (vs. 79.7/85.5% in 3Q23/2Q24). At the same time, opex to sales ratio rose to 23.9% (vs. 20.7/21.6% in 3Q23/2Q24) as salary to sales increased to 8.4% (+191bps yoy/+119bps qoq).

Soft 3Q24 revenue growth on the back of inpatient traffic normalization

3Q24 revenue grew by 5.3% yoy to Rp1.2tr (-3.6% qoq) due to higher revenue intensity of +11.6% yoy (+5.0% qoq) despite soft inpatient traffic of -7.6% yoy (-12.2% qoq). To note, soft 3Q24 inpatient traffic was due to viral and non-viral cases normalization from 1H24.

Maintain BUY with unchanged TP of Rp3,450/sh

We are reviewing our forecast as we await details from earnings call. For now, we maintain our BUY rating with unchanged TP of Rp3,450/sh based on 25.7x FY24F EV/EBITDA (+1s.d. from its 5yr mean). Risk is soft revenue growth on private sector (out-of-pocket).

Financial Summary (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net Revenue	4,049	4,264	4,990	5,736	6,311
EBITDA	1,518	1,501	1,834	2,148	2,391
EBITDA growth	-14.0%	-1.1%	22.2%	17.1%	11.3%
Net profit	1,008	916	1,154	1,357	1,508
EPS (Rp)	71	64	81	95	106
EPS growth	-18.0%	-9.1%	26.0%	17.6%	11.2%
ROE	18.8%	16.3%	18.7%	19.7%	19.6%
ROIC	27.5%	21.0%	24.7%	27.4%	28.7%
PER (x)	45.5	50.1	39.7	33.8	30.4
EV/EBITDA (x)	29.0	29.3	23.8	20.1	17.9
Dividend yield	1.1%	1.1%	1.0%	1.3%	1.5%
Forecast change			0%	0%	0%
IPS vs. consensus			101%	107%	101%

Source: Company, Indo Premier

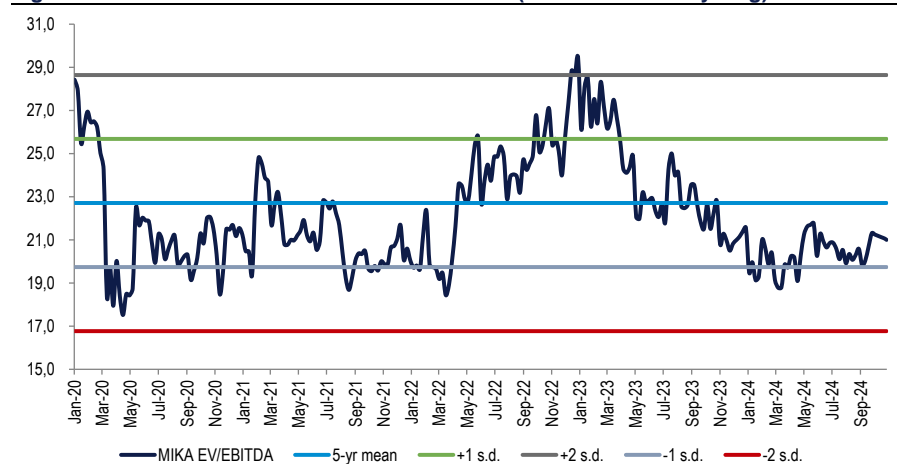
Share price closing as of: 29 October 2024

Fig. 1: MIKA 3Q24 Earnings summary

(Rp bn)	3Q24	3Q23	% YoY	2Q24	% QoQ	9M24	9M23	% YoY	IPS FY24F	% IPS	Cons. FY24F	% Cons	5yr avg (exclude covid period)
Net sales	1,166	1,108	5.3%	1,209	-3.6%	3,619	3,157	14.6%	4,990	73%	4,931	73%	74%
COGS	(543)	(552)	-1.6%	(557)	-2.5%	(1,677)	(1,584)	5.9%					
Gross profit	623	557	12.0%	653	-4.5%	1,942	1,573	23.5%	2,630	74%	2,570	76%	76%
Operating expenses	(279)	(230)	21.5%	(261)	6.8%	(819)	(665)	23.1%					
EBIT	344	327	5.4%	391	-12.0%	1,123	908	23.7%	1,546	73%	1,522	74%	76%
EBITDA	440	403	9.1%	472	-6.8%	1,375	1,125	22.3%	1,834	75%	1,835	75%	75%
PBT	365	340	7.4%	412	-11.4%	1,180	950	24.2%					
Tax	(73)	(85)	-14.1%	(79)	-7.0%	(243)	(208)	16.7%					
Minorities	19	21	-9.3%	21	-10.5%	64	56	14.3%					
Net profit	272	233	16.8%	312	-12.6%	873	686	27.3%	1,154	76%	1,180	74%	76%
Margin (%)													
Gross margin	53.4%	50.2%		54.0%		53.6%	49.8%						
EBIT margin	29.5%	29.5%		32.4%		31.0%	28.7%						
EBITDA margin	37.7%	36.4%		39.0%		38.0%	35.6%						
Net margin	23.3%	21.0%		25.8%		24.1%	21.7%						
Revenue breakdown													
BPJS	176	225	-21.6%	175	0.6%	546	594	-7.9%					
Non-BPJS	990	884	12.1%	1,034	-4.2%	3,073	2,563	19.9%					
Salary % of sales	23.6%	22.3%	1.29%	21.9%	1.76%	22.7%	23.1%	-0.39%					
Traffic													
Inpatient admissions ('000)	76.0	78.2	-2.9%	81.3	-6.6%	239.0	220.2	8.5%					
Inpatient days ('000)	198.0	214.3	-7.6%	225.5	-12.2%	652.7	611.2	6.8%					
Bed Occupancy Rate (BOR)	53.7%	61.9%	-8.2%	62.3%	-8.6%	44.6%	59.7%	-15.0%					
Outpatient visit ('000)	754.5	732.8	3.0%	724.2	4.2%	2,241.3	2,119.3	5.8%					
Inpatient revenue per day (Rp mn/day)	3.9	3.5	11.6%	3.7	5.0%	3.8	3.5	8.1%					
Outpatient revenue/visit (Rp mn/visit)	0.5	0.5	6.5%	0.5	1.7%	0.5	0.5	6.7%					

Source: Company, Indo Premier

Fig. 2: MIKA is traded at 21.0 fwd. 12M EV/EBITDA (-0.6 s.d. from its 5yr avg)



Source: Bloomberg, Company, Indo Premier

Income Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Net revenue	4,049	4,264	4,990	5,736	6,311
Cost of sales	(1,972)	(2,136)	(2,360)	(2,693)	(2,955)
Gross profit	2,077	2,128	2,630	3,043	3,356
SG&A Expenses	(793)	(952)	(1,115)	(1,245)	(1,347)
Operating profit	1,284	1,176	1,515	1,797	2,009
Net interest	46	57	63	63	63
Forex gain (loss)	0	0	0	0	0
Others	0	0	0	0	0
Pre-tax income	1,330	1,233	1,578	1,861	2,072
Income tax	(292)	(267)	(354)	(416)	(463)
Net income	1,008	916	1,154	1,357	1,508

Balance Sheet (Rp bn)	2022A	2023A	2024F	2025F	2026F
Cash & equivalent	696	843	1,292	1,680	2,203
Receivable	430	690	608	695	711
Inventory	63	82	72	84	93
Other current assets	145	162	162	162	162
Total current assets	1,333	1,777	2,134	2,622	3,169
Fixed assets	3,430	3,810	4,161	4,480	4,768
Other non-current assets	658	560	560	560	560
Total non-current assets	4,088	4,370	4,720	5,040	5,328
Total assets	5,421	6,146	6,855	7,661	8,496
ST loans	0	0	0	0	0
Payable	173	196	218	257	276
Other payables	0	0	0	0	0
Current portion of LT loans	480	360	360	360	360
Total current liab.	653	556	578	617	636
Long term loans	0	0	0	0	0
Other LT liab.	134	185	185	185	185
Total liabilities	786	741	763	802	821
Equity	748	814	814	814	814
Retained earnings	4,676	5,009	5,695	6,463	7,279
Minority interest	708	777	777	777	777
Total SHE + minority int.	6,132	6,600	7,286	8,054	8,870
Total liabilities & equity	6,918	7,341	8,049	8,856	9,691

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Profit before tax	1,341	1,207	1,546	1,828	2,040
Depr. & amortization	218	258	288	320	351
Changes in working capital	(199)	(256)	114	(60)	(6)
Others	(198)	(445)	(392)	(471)	(531)
Cash flow from operating	1,161	764	1,556	1,617	1,854
Capital expenditure	(952)	(639)	(639)	(639)	(639)
Others	(81)	292	0	0	0
Cash flow from investing	(1,033)	(347)	(639)	(639)	(639)
Loans	(0)	0	0	0	0
Equity	(353)	186	0	0	0
Dividends	(488)	(583)	(468)	(589)	(693)
Others	0	0	0	0	0
Cash flow from financing	(841)	(397)	(468)	(589)	(693)
Changes in cash	(713)	20	449	388	522

Key Ratios	2022A	2023A	2024F	2025F	2026F
Gross margin	51.3%	49.9%	52.7%	53.0%	53.2%
Operating margin	33.1%	28.3%	31.0%	31.9%	32.3%
Pre-tax margin	34.2%	29.6%	32.2%	33.0%	33.3%
Net margin	24.9%	21.5%	23.1%	23.7%	23.9%
ROA	14.6%	12.8%	15.0%	16.1%	16.3%
ROE	18.8%	16.3%	18.7%	19.7%	19.6%
Acct. receivables TO (days)	31.0	47.9	44.5	44.2	41.1
Inventory TO (days)	12.0	12.3	11.1	11.4	11.5
Payable TO (days)	35.0	31.5	33.7	34.8	34.1
Debt to equity	0.0%	0.0%	0.0%	0.0%	0.0%
Interest coverage ratio (x)	-104.1	-77.9	-99.7	-118.0	-131.6
Net gearing	-12.8%	-14.5%	-19.8%	-23.1%	-27.2%

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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