

Mitra Keluarga Karyasehat Tbk (MIKA IJ)

Menghadapi Normalisasi Kinerja

MIKA terus membukukan kinerja yang solid di 9M21 dengan pertumbuhan yang kuat di segmen rawat inap maupun rawat jalan. Untuk kuartal mendatang, kami berharap akan ada normalisasi margin dan volume *traffic* pasien setelah puncak Covid-19. Dengan rekam jejak dan neraca yang kuat, kami yakin rencana strategis perusahaan akan dapat dicapai.

Hasil 9M21 menunjukkan kinerja solid yang berkelanjutan

- Secara kumulatif, pada 9M21, pendapatan penjualan tercatat sebesar IDR3,4 triliun (+47.1% YoY), mencapai 80% konsensus dan perkiraan kami.
- Total volume pasien MIKA tumbuh 10,8% di 9M21, dengan *Bed Occupancy Ratio* (BOR) tercatat sebesar 60,0% serta *Average Length of Stay* (ALoS) tetap di 3,6 hari, tumbuh relatif stabil di tengah peningkatan jumlah pasien kasus Covid-19.
- Penerimaan Rawat Jalan (OPD) dan Rawat Inap (IPD) meningkat, dengan pendapatan OPD dan IPD MIKA per pasien tumbuh masing-masing sebesar 29,2% YoY dan 20,8% YoY di 9M21
- Kami melihat tempat tidur operasional dan jumlah hari rawat inap untuk pasien Covid-19 menurun selama 3Q meskipun jumlah kasus Covid19 naik, karena tingkat vaksinasi yang tinggi dan protokol kesehatan yang ketat.
- Sementara itu, pemerintah telah menurunkan harga untuk layanan terkait Covid-19 (Antigen dan PCR), yang kami yakini akan menormalisasi margin keseluruhan untuk kuartal mendatang.
- Melihat situasi saat ini, kami menyukai strategi MIKA yang mengalihkan fokusnya pada segmen non Covid-19 dengan menambah tempat tidur operasional dan mengubah 23 rumah sakit menjadi Rumah Sakit Zona Hijau, sementara 3 rumah sakit tetap melanjutkan perawatan pasien Covid-19.

Penggerak pertumbuhan pendapatan berikutnya

- Sejauh ini pertumbuhan pendapatan di MIKA didorong layanan terkait Covid-19. Namun, kami yakin katalis ini tidak akan berlanjut dalam jangka panjang mengingat peluncuran vaksin yang terus bergulir.
- Karena itu, MIKA berencana menawarkan layanan medis canggih baru seperti klinik IVF dan *Radiotherapy Center*, yang diharapkan menjadi pendorong pertumbuhan pendapatan di tahun depan.
- Hal ini juga akan meningkatkan margin dan meningkatkan pendapatan per pasien mengingat sebagian besar biaya layanan ini relatif tetap.
- Selain itu, manajemen yakin akan mengoperasikan dua rumah sakit (Cikarang dan Tangerang Selatan) sesuai jadwal pada Q3 dan Q4 tahun 2022, masing-masing dengan kapasitas 200 tempat tidur. Sesuai rencana manajemen, MIKA juga menargetkan untuk membangun 1 rumah sakit di Tegal.
- Sampai saat ini, capex MIKA hanya mencapai 49% dari total IDR350 miliar, dan kami berharap lebih banyak capex akan digunakan di tahun depan untuk pembangunan yang sedang berlangsung.

Valuasi

- Kami menurunkan pendapatan FY21F/22F kami sebesar -6%/-23%, mencerminkan normalisasi margin dan penurunan penerimaan pasien Covid-19. Karena itu, kami mempertahankan rekomendasi BUY dengan TP lebih rendah di Rp2.750/saham. TP kami menyiratkan P/E forward sebesar 44,0x.
- Sisi baiknya, rencana ekspansi yang berkelanjutan bersama dengan layanan medis yang canggih diperkirakan akan mendukung *traffic* rumah sakit. Neraca bebas utang dan posisi kas yang kuat juga dapat mendukung rencana ekspansi perusahaan.

Mitra Keluarga Karyasehat Tbk | Summary (IDR Bn)

| | 2020A | 2021E | 2022F | 2023F |
|----------------|-------|-------|--------|-------|
| Net Sales | 3,419 | 4,306 | 3,576 | 3,958 |
| Growth | 6.7% | 25.9% | -17.0% | 10.7% |
| Net Profit | 842 | 1,150 | 893 | 993 |
| Growth | 15.3% | 36.7% | -22.4% | 11.2% |
| EPS (IDR) | 59 | 81 | 63 | 70 |
| P/E | 46.2x | 34.1x | 43.9x | 39.5x |
| P/BV | 7.0x | 6.5x | 6.1x | 5.7x |
| EV/EBITDA | 29.8x | 21.6x | 27.9x | 25.3x |
| ROE | 15.3% | 18.9% | 13.9% | 14.4% |
| DER | 0.0x | 0.0x | 0.0x | 0.0x |
| Dividend Yield | 0.8% | 1.3% | 1.3% | 1.4% |

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia

Company Update | Nov, 8 2021

BUY

| | |
|-----------------------|-------|
| Target Price (IDR) | 2,750 |
| Consensus Price (IDR) | 2,904 |
| TP to Consensus Price | -5.3% |
| Potential Upside | 21.7% |

Shares data

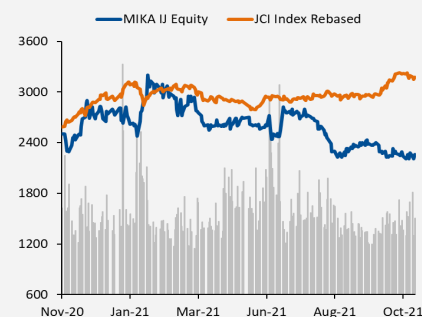
| | |
|------------------------|-----------|
| Last Price (IDR) | 2,260 |
| Price date as of | 5-Nov-21 |
| 52 wk range (Hi/Lo) | 3200/2210 |
| Free float (%) | 38.1 |
| Outstanding sh.(mn) | 14,246 |
| Market Cap (IDR bn) | 31,912 |
| Market Cap (USD mn) | 2,236 |
| Avg. Trd Vol - 3M (mn) | 24.99 |
| Avg. Trd Val - 3M (bn) | 57.65 |
| Foreign Ownership | 3.3% |

Healthcare

Healthcare Equipment & Providers

| | |
|-----------|---------|
| Bloomberg | MIKA IJ |
| Reuters | MIKA.JK |

Share Price Performance



| | YTD | 1M | 3M | 12M |
|-----------|--------|-------|--------|--------|
| Abs. Ret. | -19.6% | -1.7% | -9.2% | -9.6% |
| Rel. Ret. | -26.9% | -5.0% | -16.1% | -36.6% |

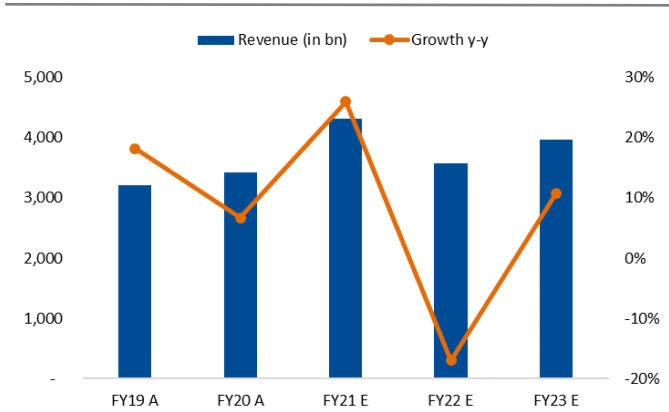
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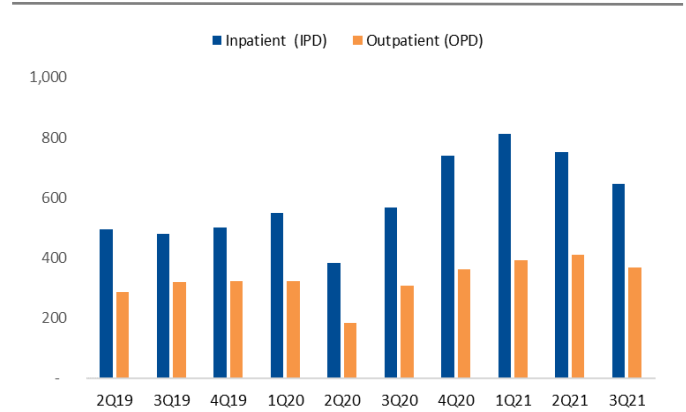
Performance Highlights

MIKA's FY19A—FY23E Revenues



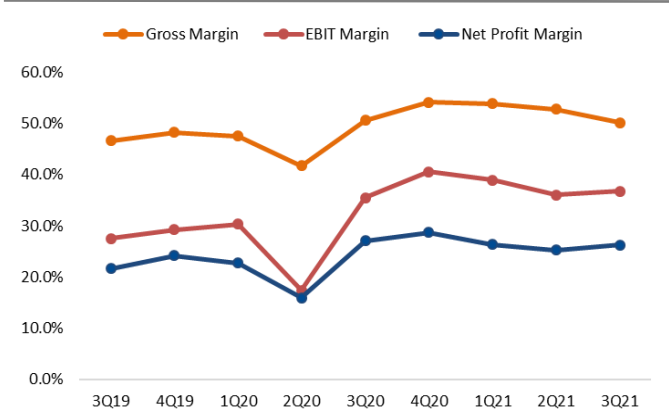
Source: Company Data, NHKSI Research

MIKA's Revenue Segments



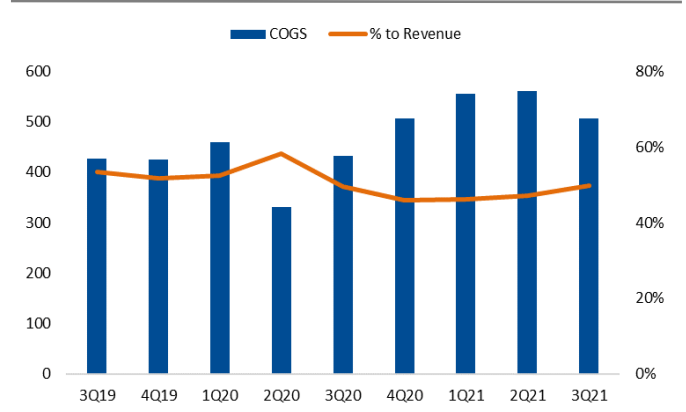
Source: Company Data, NHKSI Research

MIKA's Margin Ratios



Source: Company Data, NHKSI Research

MIKA's COGS to Revenue



Source: Company Data, NHKSI Research

Company Overview



Mitra Keluarga mulai beroperasi pada 1989 dengan dibukanya rumah sakit pertama di Jatinegara—Jakarta. Perusahaan ini merupakan salah satu pengelola rumah sakit swasta terbesar di Indonesia. Saat ini, Mitra Keluarga mengelola rumah sakit di beberapa kota di Jawa, seperti DKI Jakarta, Cirebon, Tegal, dan Surabaya. MIKA terdaftar di Bursa Efek Indonesia pada 24 Maret 2015. Pada 2017, perusahaan mengumumkan akuisisi PT Rumah Kasih Indonesia (Kasih Group) di Jakarta. Hingga 1Q21, perseroan mengelola 25 rumah sakit dengan kapasitas 3.075 kapasitas tempat tidur.

Asia pharmaceutical companies peers analysis

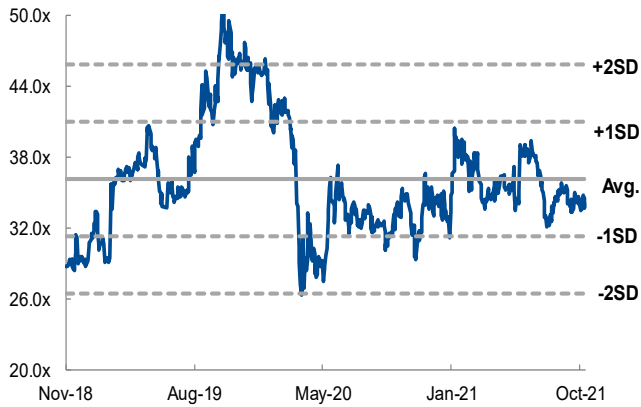
| Company | Market Cap (USD Mn) | Assets (USD) | Sales (USD Mn) | Net Income (USD Mn) | DER (%) | PER (X) | PBV (X) | ROE (%) |
|------------------------------|---------------------|--------------|----------------|---------------------|---------|---------|---------|---------|
| Indonesia | | | | | | | | |
| Mitra Keluarga Karyasehat | 2,236 | 458 | 315 | 84 | - | 27 | 6 | 25 |
| Mediloka Hermina | 1,158 | 456 | 430 | 69 | 46 | 19 | 5 | 36 |
| Thailand | | | | | | | | |
| Bumrungrad Hospital PCL | 3,576 | 808 | 366 | 25 | 14 | 154 | 7 | 4 |
| Samitivej Public Co Ltd | 1,232 | 458 | 337 | 47 | 3 | 28 | 4 | 16 |
| Ramkhamhaeng Hospital Pub Co | 1,138 | 909 | 281 | 39 | 56 | 32 | 3 | 10 |
| Chularat Hospital PCL | 1,229 | 207 | 209 | 44 | 28 | 30 | 9 | 33 |
| Bangkok Dusit Med Service | 11,472 | 4,536 | 2,193 | 226 | 27 | 56 | 5 | 9 |
| Vibhavadi Medical Center PCL | 910 | 706 | 203 | 27 | 72 | 37 | 3 | 10 |
| India | | | | | | | | |
| Narayana Hrudayalaya LTD | 1,498 | 379 | 348 | (2) | 65 | #N/A | 10 | -1 |
| Hongkong | | | | | | | | |
| China Resources Medical Hold | 836 | 1,373 | 546 | 61 | 12 | 13 | 1 | 7 |

Unit: IDR bn, %, X

Source: Bloomberg, NHKSI Research

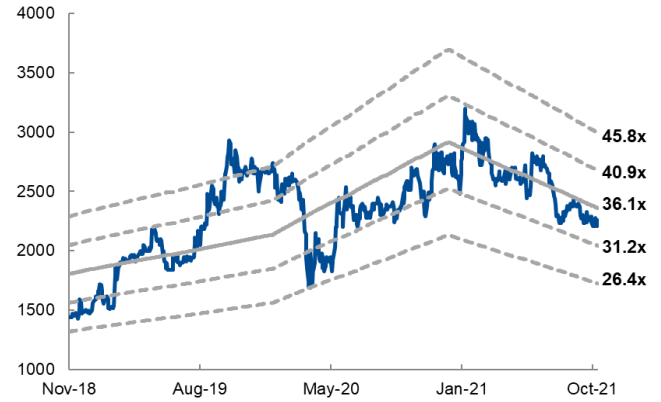
Valuation highlights in charts

3-year forward P/E band



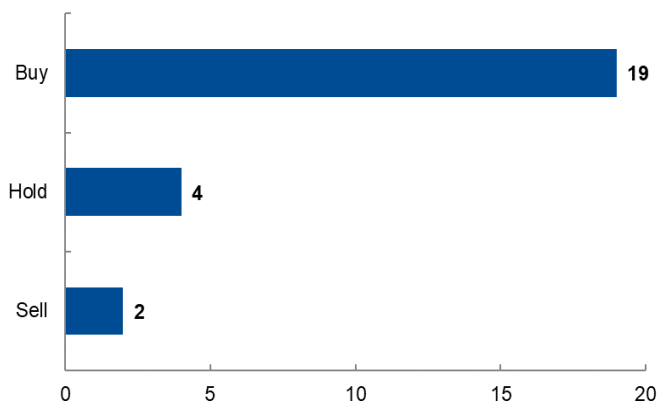
Source: Company Data, NHKSI Research

3-year dynamic forward P/E band



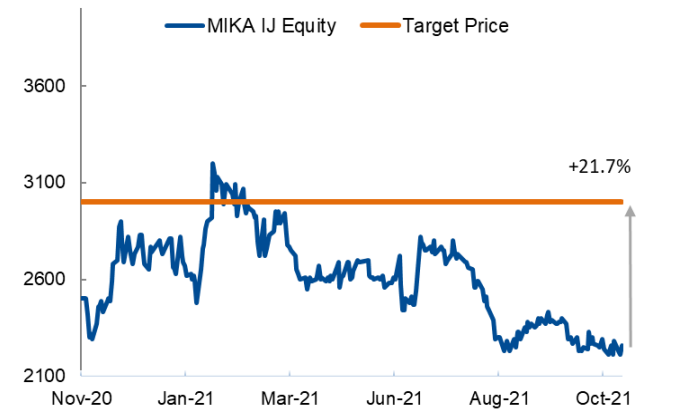
Source: Company Data, NHKSI Research

Consensus of analyst recommendation



Source: Bloomberg, NHKSI Research

Closing and Target Price Update



Source: Company Data, NHKSI Research

Rating and Target Price Update

Target Price Revision

| Date | Rating | Target Price | Last Price | Consensus | vs Last Price | vs Consensus |
|-----------|--------|--------------|------------|-----------|---------------|--------------|
| 11/8/2021 | BUY | IDR2,750 | IDR2,260 | IDR2,904 | +21.7% | -5.3% |

Source: NHKSI research, Bloomberg

Summary of Financials

| INCOME STATEMENT | | | | | PROFITABILITY & STABILITY | | | | |
|--------------------------|--------------|--------------|--------------|--------------|---------------------------|----------|----------|----------|----------|
| (IDR bn) | 2020/12A | 2021/12E | 2022/12E | 2023/12E | | 2020/12A | 2021/12E | 2022/12E | 2023/12E |
| Net Sales | 3,419 | 4,306 | 3,576 | 3,958 | ROE | 15.3% | 18.9% | 13.9% | 14.4% |
| <i>Growth</i> | 6.7% | 25.9% | -17.0% | 10.7% | ROA | 13.2% | 16.8% | 12.2% | 12.6% |
| COGS | (1,727) | (2,047) | (1,689) | (1,863) | Inventory Turnover | 33.4x | 45.6x | 33.2x | 36.5x |
| Gross Profit | 1,692 | 2,259 | 1,887 | 2,095 | Receivable Turnover | 6.1x | 6.6x | 5.5x | 6.1x |
| <i>Gross Margin</i> | 49.5% | 52.5% | 52.8% | 52.9% | Payables Turnover | 9.5x | 15.2x | 15.2x | 15.2x |
| Operating Expenses | (571) | (704) | (722) | (799) | Dividend Yield | 0.8% | 1.3% | 1.3% | 1.4% |
| EBIT | 1,122 | 1,555 | 1,164 | 1,295 | Payout Ratio | 35.5% | 60.9% | 60.1% | 60.7% |
| <i>EBIT Margin</i> | 32.8% | 36.1% | 32.6% | 32.7% | DER | 0.0x | 0.0x | 0.0x | 0.0x |
| Depreciation | 180 | 189 | 183 | 179 | Net Gearing | 0.0x | 0.0x | 0.0x | 0.0x |
| EBITDA | 1,302 | 1,744 | 1,347 | 1,474 | Equity Ratio | 86.6% | 88.8% | 87.8% | 87.5% |
| <i>EBITDA Margin</i> | 38.1% | 40.5% | 37.7% | 37.3% | Debt Ratio | 0.0% | 0.0% | 0.0% | 0.0% |
| Interest Expenses | (31) | (48) | - | - | Financial Leverage | 95.2% | 103.9% | 101.1% | 100.2% |
| EBT | 1,170 | 1,614 | 1,253 | 1,393 | Current Ratio | 5.5x | 5.9x | 5.1x | 4.9x |
| Income Tax | (410) | (617) | (479) | (532) | Quick Ratio | 8.3x | 6.6x | 6.0x | 5.7x |
| Minority Interest | 82 | 153 | 119 | 132 | Par Value (IDR) | 10 | 10 | 10 | 10 |
| Net Profit | 842 | 1,150 | 893 | 993 | Total Shares (mn) | 14,246 | 14,246 | 14,246 | 14,246 |
| <i>Growth</i> | 15.3% | 36.7% | -22.4% | 11.2% | Share Price (IDR) | 2,730 | 2,750 | 2,750 | 2,750 |
| <i>Net Profit Margin</i> | 24.6% | 26.7% | 25.0% | 25.1% | Market Cap (IDR tn) | 38.9 | 39.2 | 39.2 | 39.2 |

| BALANCE SHEET | | | | | VALUATION INDEX | | | | |
|----------------------------------|--------------|--------------|--------------|--------------|------------------------|----------|----------|----------|----------|
| (IDR bn) | 2020/12A | 2021/12E | 2022/12E | 2023/12E | | 2020/12A | 2021/12E | 2022/12E | 2023/12E |
| Cash | 705 | 1,885 | 2,092 | 2,403 | Price /Earnings | 46.2x | 34.1x | 43.9x | 39.5x |
| Receivables | 646 | 652 | 647 | 651 | Price /Book Value | 7.0x | 6.5x | 6.1x | 5.7x |
| Inventories | 55 | 35 | 51 | 51 | PE/EPS Growth | 3.0x | 0.9x | -2.0x | 3.5x |
| Total Current Assets | 3,104 | 3,317 | 3,535 | 3,850 | EV/EBITDA | 29.8x | 21.6x | 27.9x | 25.3x |
| Net Fixed Assets | 2,534 | 2,564 | 2,695 | 2,868 | EV/EBIT | 34.6x | 24.3x | 32.2x | 28.7x |
| Other Non Current Assets | 734 | 955 | 1,102 | 1,158 | EV (IDR bn) | 38,795 | 37,759 | 37,551 | 37,241 |
| Total Non Current Asset | 3,269 | 3,518 | 3,797 | 4,027 | Sales CAGR (3-Yr) | | | 16.6% | 3.7% |
| Total Assets | 6,372 | 6,835 | 7,332 | 7,876 | Net Income CAGR (3-Yr) | | | 23.3% | 6.9% |
| Payables | 201 | 68 | 111 | 122 | Basic EPS (IDR) | 59 | 81 | 63 | 70 |
| ST Bank Loan | - | - | - | - | BVPS (IDR) | 387 | 426 | 452 | 484 |
| Total Current Liabilities | 367 | 497 | 583 | 665 | DPS (IDR) | 21 | 35 | 37 | 38 |
| LT Debt | - | - | - | - | | | | | |
| Total Liabilities | 855 | 765 | 894 | 987 | | | | | |
| Capital Stock & APIC | 1,505 | 1,505 | 1,505 | 1,505 | | | | | |
| Retained Earnings | 3,405 | 4,099 | 4,467 | 4,918 | | | | | |
| Shareholders' Equity | 5,517 | 6,071 | 6,438 | 6,889 | | | | | |

| CASH FLOW STATEMENT | | | | | OWNERSHIP | | | | |
|----------------------------|------------|--------------|------------|------------|--------------------------------|--|--|--|------|
| (IDR bn) | 2020/12A | 2021/12E | 2022/12E | 2023/12E | | | | | |
| Operating Cash Flow | 1,066 | 1,371 | 1,194 | 1,261 | Shareholders | | | | % |
| Investing Cash Flow | (553) | 490 | (462) | (409) | Griyainsani Cakrasadaya | | | | 61.9 |
| Financing Cash Flow | (398) | (680) | (525) | (542) | Vanguard Group | | | | 1.4 |
| Net Changes in Cash | 115 | 1,181 | 208 | 310 | Norges Bank Investment | | | | 1.0 |
| | | | | | Schroder Investment Management | | | | 0.7 |
| | | | | | By Geography | | | | % |
| | | | | | Indonesia | | | | 95.0 |
| | | | | | United States | | | | 2.7 |
| | | | | | Norway | | | | 1.5 |
| | | | | | Luxembourg | | | | 0.3 |

Source: Company Data, NHKSI Research

NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
 - Buy : Greater than +15%
 - Overweight : +5% to 15%
 - Hold : -5% to +5%
 - Underweight : -5% to -15%
 - Sell : Less than -15%

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