

Mitra Keluarga Karyasehat Tbk (MIKA IJ)

Inpatient Segment Supports FY21 Performance



In 4Q21, MIKA booked a decline of 6.9% in revenue, but cumulative revenue in 12M21 successfully recorded an increase to IDR4.3 trillion. Meanwhile, MIKA's net profit also grew to IDR1.2 trillion. In the future, MIKA continues to expand its hospital development to support its performance.

12M21 Performance Grows

- MIKA booked a 4Q21 revenue of IDR946 billion or down 6.9% from the previous quarter (vs 3Q21: IDR1.0 trillion). However, cumulatively, MIKA still successfully recorded a revenue increase by 27.3% YoY to IDR4.3 trillion.
- The lower revenue decline in 4Q21 happened due to declining Covid-19 cases and patients. This is reflected in the inpatient and number of operational beds for Covid-19 patients which fell by 93.1% and 70.0% from the previous quarter.
- The total volume of patient grew 10.2% in 12M21 to 2,478 thousands (vs 12M20: 2,248 thousands), with Bed Occupancy Ratio (BOR) of 57.3% (vs 12M20: 53.1%), while Average Length of Stay (ALoS) was at 3.4 days (vs 12M20: 3.1 days).
- The Inpatient segment contributed the largest to 12M21 revenue, and jumped 26.5% YoY to IDR2.8 trillion (vs 12M20: IDR2.2 trillion). Meanwhile, revenue from Outpatient also rose 28.9% to IDR1.5 trillion (vs 12M20: IDR 1.2 trillion).
- Cumulatively, gross profit, operational profit, as well as net profit in 12M21 still performed well with each growing to IDR2.3 trillion, IDR1.7 trillion, and IDR1.2 trillion (vs 12M20: IDR1.7 trillion, IDR1.1 trillion, and IDR842 billion).
- This is also reflected in MIKA's profitability ratio for 12M21 where GPM, EBIT Margin, and NPM recorded at 52.0%, 38.3%, and 28.2% (vs 12M20: 49.5%, 32.8%, dan 24.6%) respectively.

Hospital Expansion and Digital Innovation

- To support the performance in 2022, MIKA plans to open three new hospitals that will start operating in 3Q22 and 4Q22, as well as preparing a fund of IDR750 to IDR800 billion,
- MIKA is also focused on developing hospitals in Java, where as of September 2021 it has operated hospitals in the Greater Jakarta area, West Java, Tegal, and Surabaya.
- Patient recovery in both inpatient and outpatient segments will also boost this year's performance as mobility recovers and daily Covid-19 case number is under control.
- Other innovations by MIKA includes digital innovation by developing the digital application AlteaCare which is a tele-consultation, medicine purchasing, delivery, and others.

Recommend Buy with TP of IDR2,700

- We recommend Buy for MIKA with a target price of IDR2,700/share. This TP implies P/E 31.8x or -1 STD with a potential upside of 15.9%. Meanwhile, revenue and net profit for 2022F is projected to be at IDR4.4 trillion and IDR1.3 trillion.

Mitra Keluarga Karyasehat Tbk | Summary (IDR Bn)

	2021A	2022F	2023F	2024F
Net Sales	4,353	4,440	4,706	4,977
Growth	27.3%	2.0%	6.0%	5.8%
Net Profit	1,229	1,263	1,318	1,431
Growth	46.0%	2.8%	4.4%	8.5%
EPS (IDR)	86	89	93	100
P/E	26.2x	30.4x	29.2x	26.9x
P/BV	5.4x	5.8x	5.1x	4.6x
EV/EBITDA	16.7x	19.7x	18.3x	16.5x
ROE	20.7%	18.9%	17.5%	17.1%
DER	17.9%	16.5%	15.5%	15.2%
Dividend Yield	1.6%	1.3%	1.3%	1.5%

Source: Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

NH Korindo Sekuritas Indonesia

Company Update | Apr 07, 2022

BUY

Target Price (IDR)	2,700
Consensus Price (IDR)	2,688
TP to Consensus Price	0.4%
Potential Upside	15.9%

Shares data

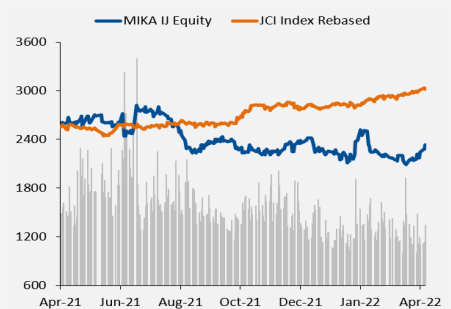
Last Price (IDR)	2,330
Price date as of	Apr 06, 2022
52 wk range (Hi/Lo)	2,950/2,080
Free float (%)	38.1
Outstanding sh.(mn)	14,246
Market Cap (IDR bn)	33,194
Market Cap (USD mn)	2,312
Avg. Trd Vol - 3M (mn)	18.55
Avg. Trd Val - 3M (bn)	41.50
Foreign Ownership	5.7%

Healthcare

Healthcare Equipment & Providers

Bloomberg	MIKA IJ
Reuters	MIKA.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	4.0%	8.4%	2.6%	-8.6%
Rel. Ret.	-2.6%	4.9%	-4.1%	-27.0%

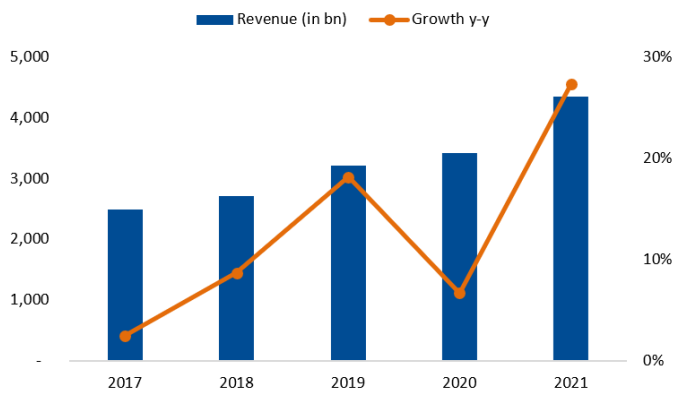
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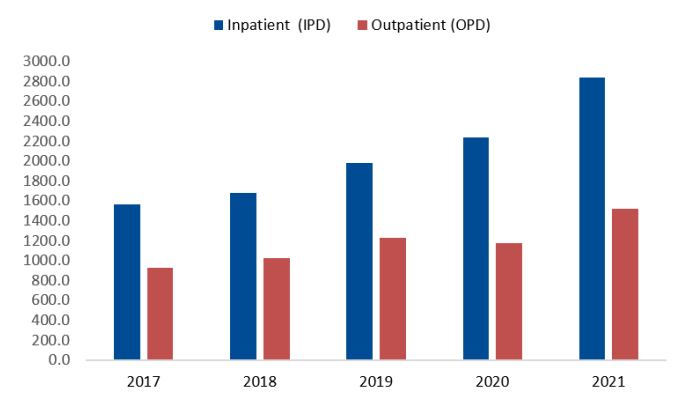
Performance Highlights

MIKA's 2017—2021 Revenues



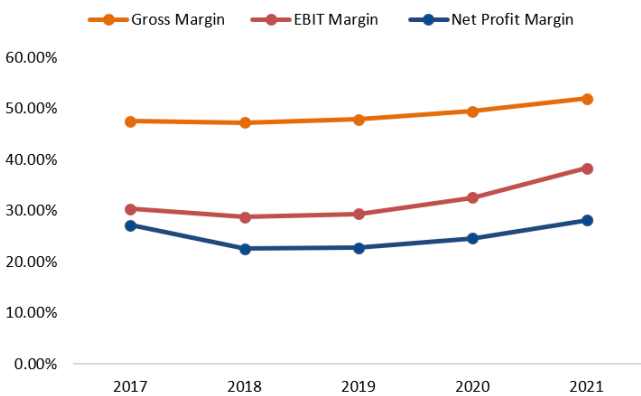
Source: Company Data, NHKSI Research

MIKA's Revenue Segments



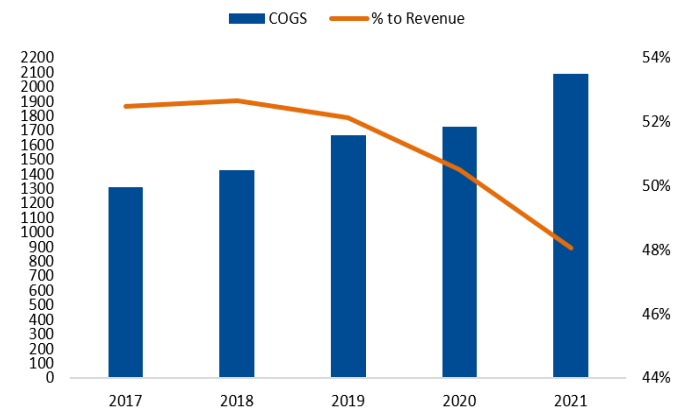
Source: Company Data, NHKSI Research

MIKA's Margin Ratios



Source: Company Data, NHKSI Research

MIKA's COGS to Revenue



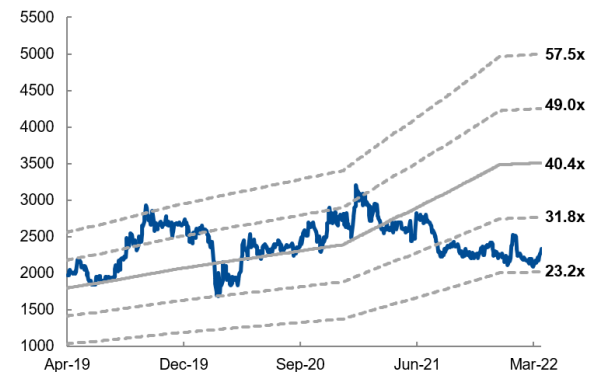
Source: Company Data, NHKSI Research

Forward P/E Band (Last 3 Years)



Source: Company Data, NHKSI Research

Dynamic Forward P/E Band (Last 3 Years)



Source: Company Data, NHKSI Research

Summary of Financials

INCOME STATEMENT

(IDR bn)	2021/12A	2022/12E	2023/12E	2024/12E
Net Sales	4,353	4,440	4,706	4,977
<i>Growth</i>	27.3%	2.0%	6.0%	5.8%
COGS	(2,092)	(2,182)	(2,358)	(2,481)
Gross Profit	2,261	2,258	2,349	2,497
<i>Gross Margin</i>	52.0%	50.9%	49.9%	50.2%
Operating Expenses	(593)	(582)	(588)	(585)
EBIT	1,668	1,676	1,761	1,912
<i>EBIT Margin</i>	38.3%	37.8%	37.4%	38.4%
Depreciation	195	204	229	245
EBITDA	1,863	1,881	1,990	2,157
<i>EBITDA Margin</i>	42.8%	42.4%	42.3%	43.3%
Interest Expenses	(64)	(50)	(48)	(54)
EBT	1,720	1,754	1,836	1,993
Income Tax	(623)	(612)	(650)	(708)
Minority Interest	133	122	132	145
Net Profit	1,229	1,263	1,318	1,431
<i>Growth</i>	46.0%	2.8%	4.4%	8.5%
<i>Net Profit Margin</i>	28.2%	28.5%	28.0%	28.7%

PROFITABILITY & STABILITY

	2021/12A	2022/12E	2023/12E	2024/12E
ROE	20.7%	18.9%	17.5%	17.1%
ROA	17.9%	16.5%	15.5%	15.2%
Inventory Turnover	34.3x	35.1x	34.2x	34.5x
Receivable Turnover	9.6x	7.6x	7.5x	8.2x
Payables Turnover	10.3x	10.7x	10.1x	10.4x
Dividend Yield	1.6%	1.3%	1.3%	1.5%
Payout Ratio	60.9%	60.1%	39.0%	43.0%
DER	0.0x	0.0x	0.0x	0.0x
Net Gearing	0.0x	0.0x	0.0x	0.0x
Equity Ratio	86.4%	87.5%	88.1%	88.8%
Debt Ratio	0.0%	0.0%	0.0%	0.0%
Financial Leverage	106.4%	95.4%	100.2%	99.4%
Current Ratio	4.2x	5.6x	5.8x	6.4x
Quick Ratio	5.6x	7.5x	7.9x	8.8x
Par Value (IDR)	10	10	10	10
Total Shares (mn)	14,246	14,246	14,246	14,247
Share Price (IDR)	2,260	2,700	2,700	2,700
Market Cap (IDR tn)	32.2	38.5	38.5	38.5

BALANCE SHEET

(IDR bn)	2021/12A	2022/12E	2023/12E	2024/12E
Cash	1,283	1,675	2,334	3,024
Receivables	259	582	626	611
Inventories	67	62	69	72
Total Current Assets	3,198	3,962	4,645	5,337
Net Fixed Assets	2,696	2,875	3,044	3,224
Other Non Current Assets	967	804	835	869
Total Non Current Asset	3,663	3,679	3,879	4,093
Total Assets	6,861	7,642	8,524	9,430
Payables	206	204	232	239
ST Bank Loan	-	-	-	-
Total Current Liabilities	557	522	578	598
LT Debt	-	-	-	-
Total Liabilities	936	956	1,012	1,053
Capital Stock & APIC	1,505	1,505	1,505	1,505
Retained Earnings	4,156	4,917	5,743	6,607
Shareholders' Equity	5,925	6,686	7,512	8,377

VALUATION INDEX

	2021/12A	2022/12E	2023/12E	2024/12E
Price /Earnings	26.2x	30.4x	29.2x	26.9x
Price /Book Value	5.4x	5.8x	5.1x	4.6x
PE/EPS Growth	0.6x	10.8x	6.7x	3.2x
EV/EBITDA	16.7x	19.7x	18.3x	16.5x
EV/EBIT	18.7x	22.1x	20.6x	18.6x
EV (IDR bn)	31,178	36,971	36,354	35,646
Sales CAGR (3-Yr)	11.1%	17.1%	11.5%	11.2%
Net Income CAGR (3-Yr)	7.4%	26.1%	20.1%	16.1%
Basic EPS (IDR)	86	89	93	100
BVPS (IDR)	416	469	527	588
DPS (IDR)	36	35	35	40

OWNERSHIP

Shareholders	%
Griyainsani Cakrasadaya	61.9
Norges Bank	1.3
Vanguard Group	1.3
Schroder Investment Management	0.6
By Geography	%
Indonesia	94.3
United States	3.0
Norway	1.9
Luxembourg	0.3

CASH FLOW STATEMENT

(IDR bn)	2021/12A	2022/12E	2023/12E	2024/12E
Operating Cash Flow	2,090	1,142	1,567	1,722
Investing Cash Flow	(527)	(164)	(457)	(445)
Financing Cash Flow	(985)	(503)	(493)	(567)
Net Changes in Cash	577	476	617	711

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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