

HEAL PT Medikaloka Hermina Tbk.

Resilient Core, Expanding Reach

- HEAL's margins remain supported by a stronger private patient mix despite soft 1Q25 volumes.
- The rising non-JKN contribution strengthens earnings quality and reduces regulatory risk exposure.
- KRIS rollout may pressure volumes near term, but HEAL is well-positioned to adapt over time.
- Maintain a BUY rating for HEAL with a target price of Rp1,670, reflecting 14.1x EV/EBITDA 2025F

Soft Performances on 1Q25

HEAL posted 1Q25 revenue of Rp1.7 trillion (-0.8% QoQ; +0.1% YoY), in line with consensus estimates (22.5%). The decline was driven by lower hospital revenue due to decreased patient volumes and a drop in BOR to 66.5% (vs. 74% in 12M24), impacted by fewer operational days and a high base from last year's dengue spike. Inpatient revenue reached Rp998 billion (+1.6% QoQ; -3.7% YoY), supported by stronger private patient mix and higher ASP and case complexity. Outpatient revenue fell to Rp622 billion (-2.6% QoQ; -1.2% YoY), while non-hospital revenue rose sharply to Rp72 billion (+36% QoQ; +168% YoY). EBITDA came in at Rp445 billion (+18% QoQ; -8% YoY), slightly below consensus (21.1%). Net profit jumped to Rp125 billion (+84% QoQ; -34.7% YoY), supported by lower costs and a 24.6% QoQ increase in finance income. Capex reached Rp366 billion (24% of FY25 target), including 26 new beds (2025F target: 800 new beds).

Volume Softness Offset by Improving Payer Mix

In 3M25, HEAL experienced a temporary softening in operational volumes, with inpatient days down to 496K (5.0% YoY) and outpatient visits down to 2.1 million (4.4% YoY), mainly due to fewer operational days and a high base from 1Q24. However, the company's strategic shift toward the higher-margin non-JKN segment continued to gain traction. Non-JKN contributions increased to 27% of outpatient visits in 3M25 (vs 26% in 2024) and remained stable at 22% of inpatient days, supporting revenue quality despite volume pressure. This shift helped offset the impact of lower BOR and modestly higher Average Length of Stay (ALOS) at 3.0 days in 3M25 (vs 2.9 in 2024). HEAL maintained strong working capital discipline, with net working capital improved to Rp969 bn in 3M25, (vs Rp898 bn in 2024) reflecting the positive impact of the payer mix shift and continued financial resilience.

KRIS Rollout May Weigh on Volumes

The transition to the *Kelas Rawat Inap Standar* (KRIS) system by July 2025 introduces short-term uncertainty for HEAL, which still derives >70% of its revenue from JKN. Unclear tariff adjustments and the risk of flat-rate contributions could pressure affordability and volumes. However, HEAL's operational scale and compliance provide resilience if subsidies for *Penerima Bantuan Iuran* (PBI) members rise and tariffs reflect actual costs. In the long term, KRIS could favor efficient JKN-focused players. That said, HEAL's ongoing strategy to expand its non-JKN patient base should help mitigate margin risks and reduce reliance on regulated reimbursement. We maintain our net margin forecasts at 7.8% in 2025F and 7.9% in 2026F (vs. 8.0% in 2024), reflecting near-term tariff uncertainties and softer volume recovery post-1Q25 amid lower BOR and modestly longer ALOS, while the shift toward a higher non-JKN mix supports margin quality

Recommend BUY with TP Rp1,670

We maintain a BUY rating on HEAL with a TP of Rp1,670 (DCF-based), implying 14.1x EV/EBITDA FY25F. Our positive view is supported by continued hospital network expansion in 2025F, and rising non-JKN patient contribution, which should support margin upside. **Key risks:** slower-than-expected non-JKN patient growth, unfavorable KRIS tariff implementation, and regulatory delays.

Key Financial Highlights

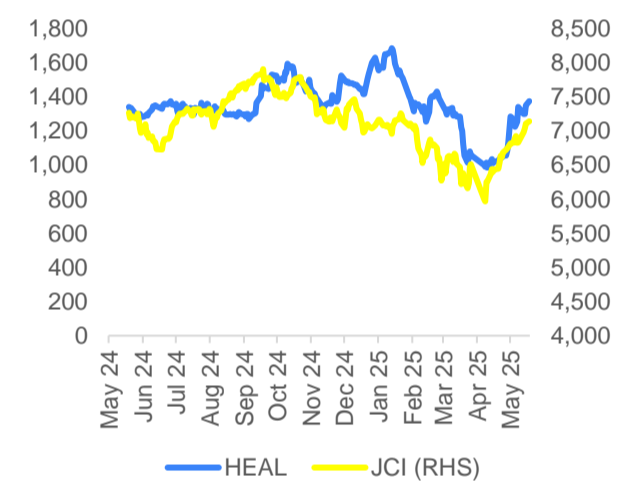
Key Metrics	2022	2023	2024	2025F	2026F
Revenue (Rp bn)	4,902	5,784	6,717	7,346	8,224
Net Profit (Rp bn)	299	437	536	575	651
EPS Growth (%)	-99.7	48.0	27.7	7.3	13.2
P/E (x)	49.61	32.23	27.61	26.37	23.30
P/BV (x)	5.08	4.40	4.27	3.97	3.59
ROE (%)	6.37	8.41	9.14	8.90	9.11

BUY

Stock Information (as of May 20, 2025)

Last Price (Rp)	1,385
Target Price (Rp)	1,670
Upside/Downside	20.6%
Market Cap (Rp tn)	21.3
52 Week Range (Rp)	1,710 - 920
Free Float	59.0%
Share Out. (bn)	15.4

Relative to JCI Performance



Shareholders

HEAL's Shareholders	Percentage
Public	59.00%
Yulisar Khat (Director)	12.78%
PT Astra International Tbk	7.23%
Lyda Immanuel	5.56%
Binsar Parasian Simorangkir (Director)	5.34%
Hasmoro (Director)	4.78%
Treasury Stock	3.15%
Meijani Wibowo (Commissioner)	2.15%

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INVESTMENT SUMMARY

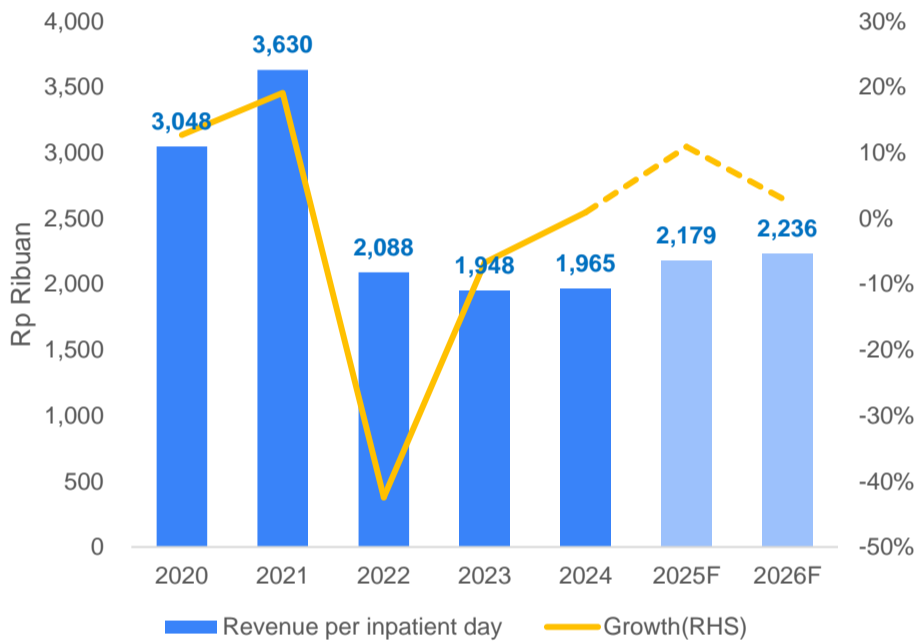
HEAL posted muted 1Q25 results, with flat topline and softer volumes due to fewer operational days and a high base effect. While BOR declined to 66.5%, improving non-JKN mix (27% of outpatient) supported margin quality. Near-term uncertainty from KRIS rollout may weigh on JKN-heavy players, but HEAL’s scale, operational discipline, and shift toward private patients position it well to weather regulatory risk. We maintain BUY with TP Rp1,670.

2025-2026 Outlook

Indonesia’s hospital industry is expected to maintain its growth momentum in FY25, driven by persistent structural challenges in healthcare access and uneven distribution of medical services. While national health coverage has expanded, significant gaps remain, especially outside major urban centers, highlighted by Indonesia’s lower ratios of doctors, hospital beds, and medical infrastructure compared to regional peers like Thailand and Malaysia. The upcoming implementation of the KRIS scheme by July 2025 adds regulatory uncertainty for HEAL, which relies heavily on JKN-funded patients. Risks stem from unclear pricing structures and the potential for flat-rate contributions, which could impact service volumes and margins. Nevertheless, HEAL’s scale and operational readiness position it well to absorb policy shifts, especially if government subsidies for PBI participants are maintained or increased. Additionally, the company’s push to grow its non-JKN patient mix should provide earnings stability over time.

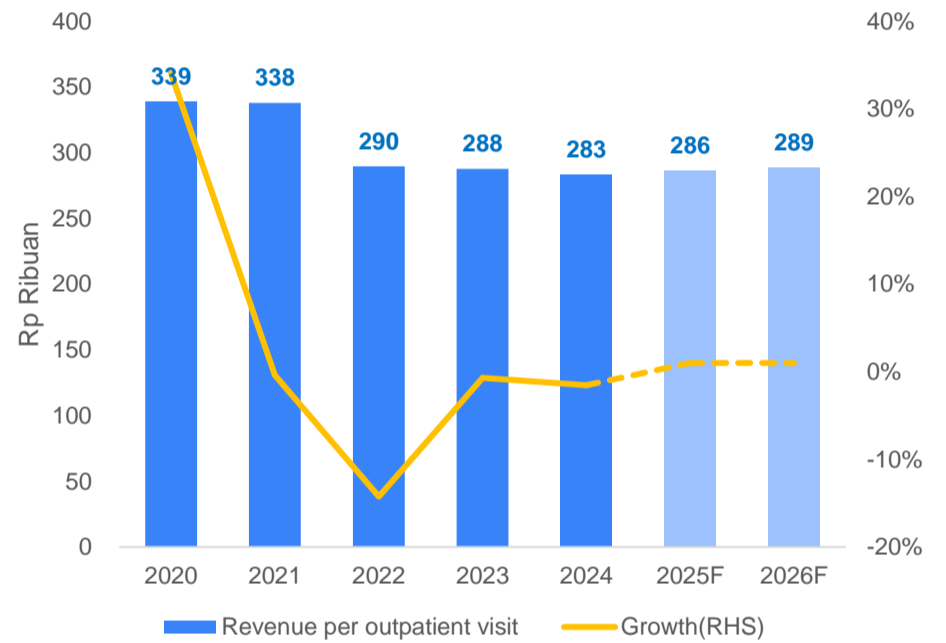
In line with this strategy, HEAL continues to expand its footprint through two new hospital developments in Badung, Bali and Salatiga. Each facility is planned to house 100 beds, with a total investment of around IDR 346 billion. As of 4Q23, both projects have completed the initial ground-breaking phase. The Badung site is progressing faster, having finished 70% of its foundation work, while the Salatiga location remains in the early stages of site preparation. Targeted to begin operations between late 2025 and early 2026, these new hospitals reinforce Hermina’s focus on addressing service gaps in emerging areas. That said, timely execution of the remaining construction phases will be crucial to capturing the expected demand uplift.

Figure 1. HEAL’s Revenue Per Inpatient Day



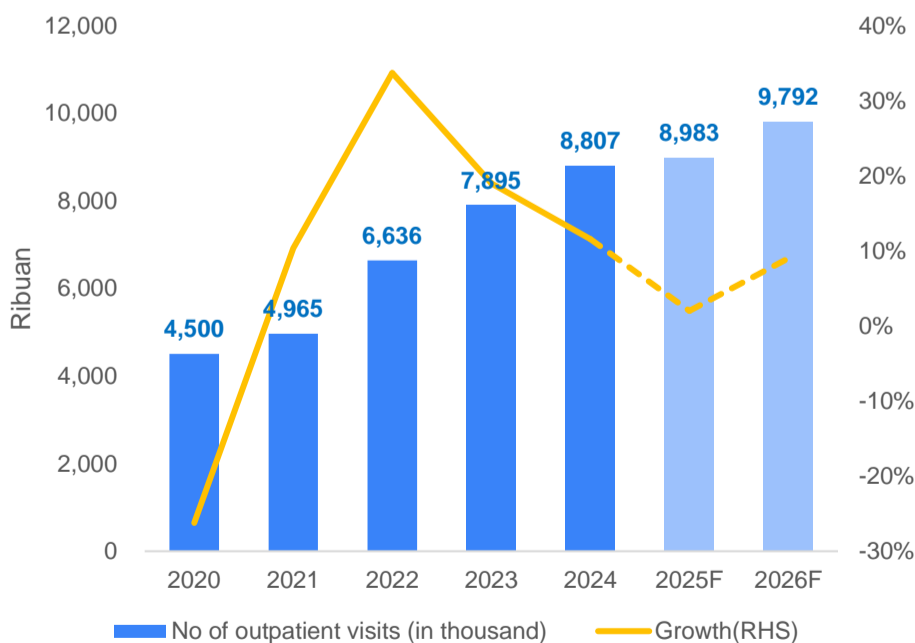
Source: Company, Ajaib Research

Figure 2. HEAL’s Revenue Per Outpatient Visit



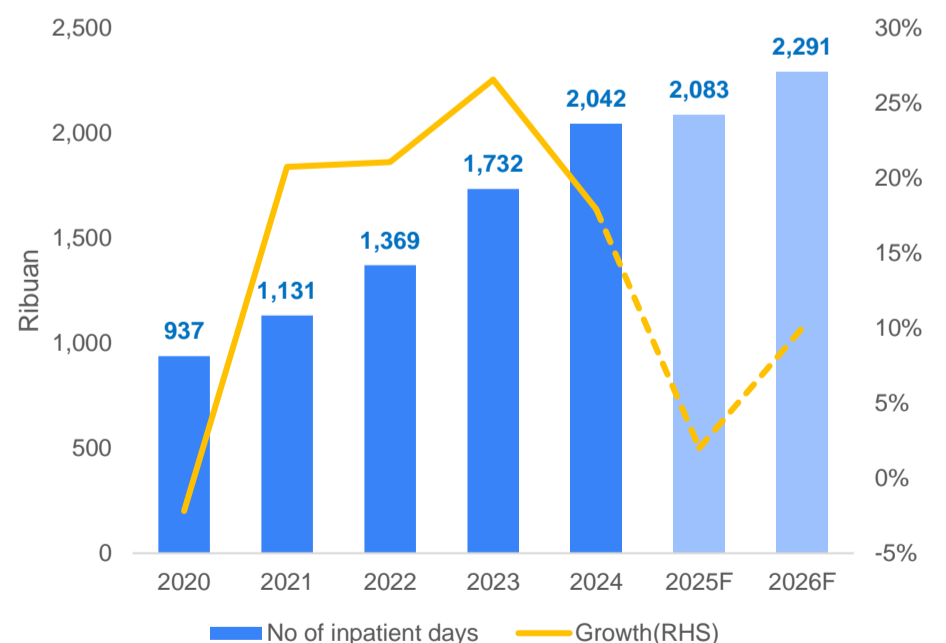
Source: Company, Ajaib Research

Figure 3. HEAL’s Outpatient Visits



Source: Company, Ajaib Research

Figure 4. HEAL’s Inpatient Days



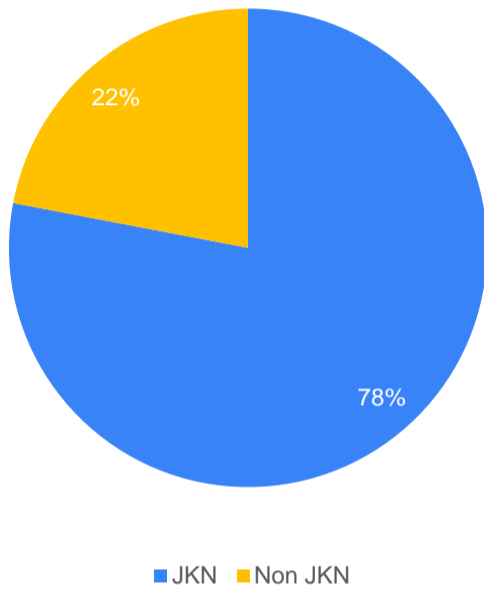
Source: Company, Ajaib Research

Figure 5. HEAL's 1Q25 Results

Key Metrics (Rp bn)	3M25	3M24	YoY	1Q25	4Q24	QoQ
Revenue	1,692	1,706	-1%	1,692	1,690	0%
EBITDA	488	513	-5%	488	452	8%
Net Profit	125	191	-35%	125	68	84%
Inpatient Days (days)	496	522	-5%	496	521	-5%
Outpatient Visit (visits)	2,093	2,189	-4%	2,093	2,282	-8%

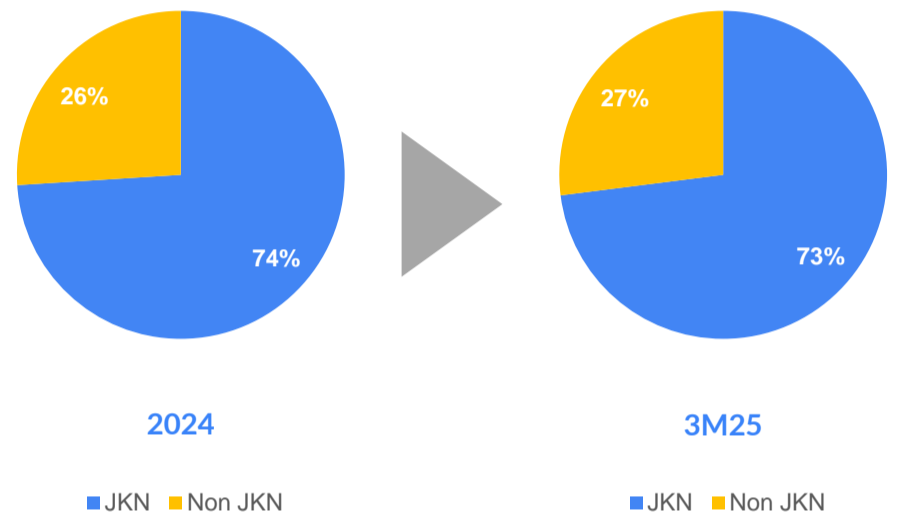
Source: Company, Ajaib Research

Figure 6. HEAL's Inpatient Days by Payor Type (2024 & 3M25)



Source: Company, Ajaib Research

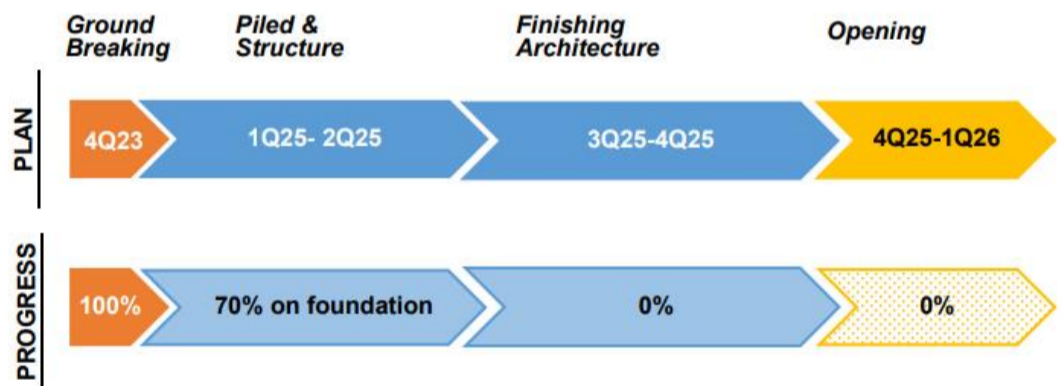
Figure 7. HEAL's Outpatient Visits by Payor Type



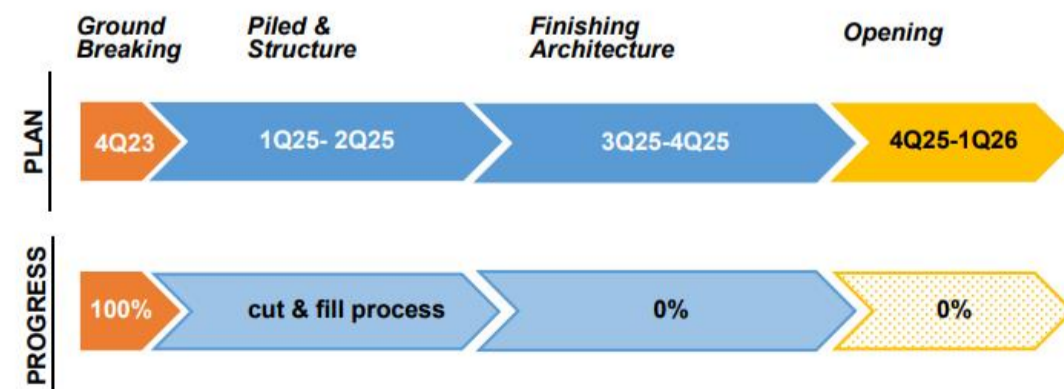
Source: Company, Ajaib Research

Figure 8. Hospital Under Development

Hermina Badung Bali

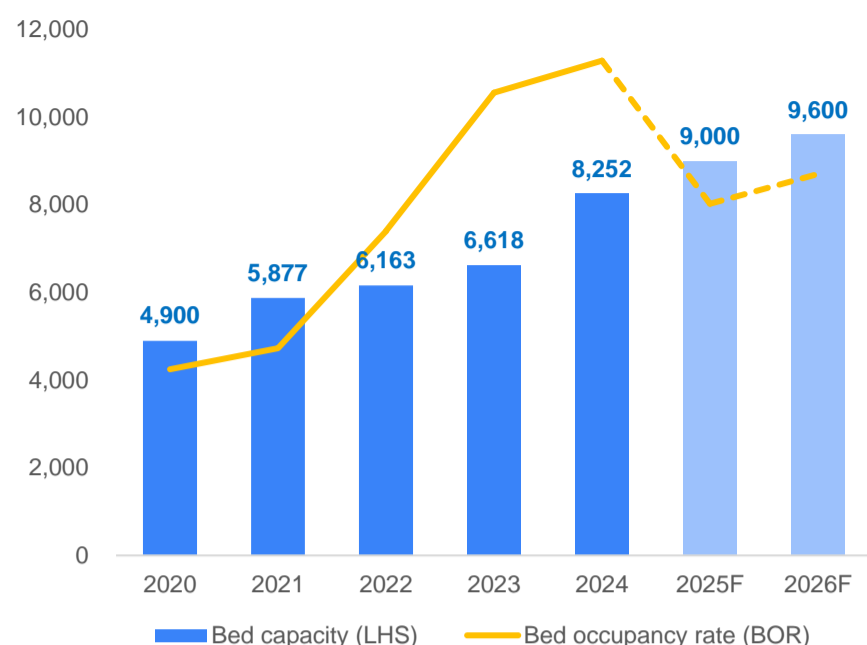


Hermina Salatiga 2nd Site



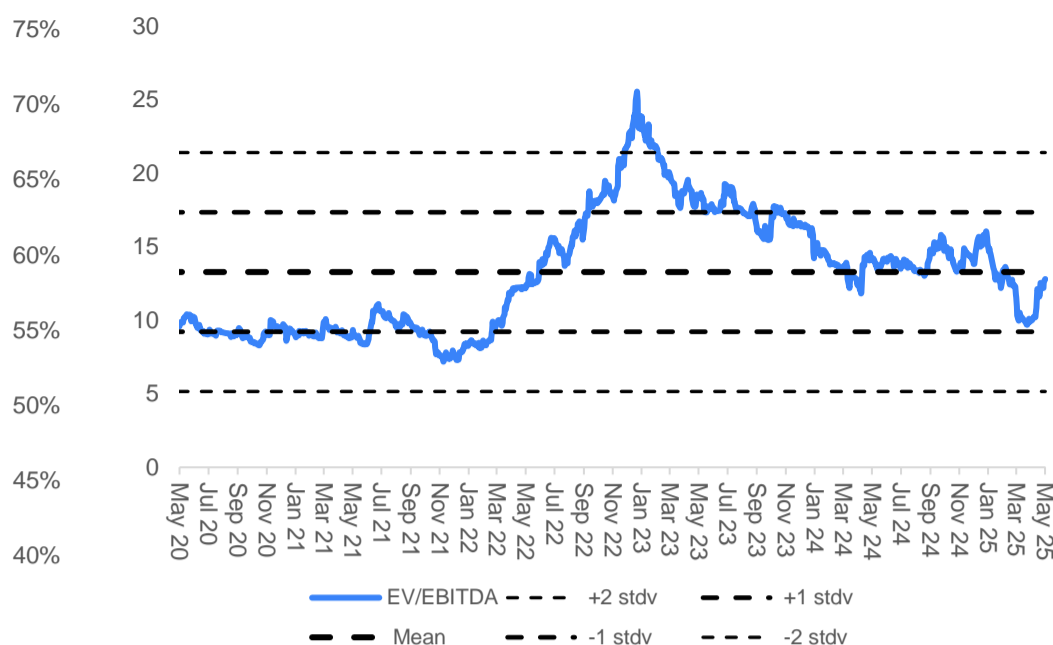
Source: Company

Figure 9. HEAL's Bed Capacity Incremental



Source: Company, Ajaib Research

Figure 10. HEAL's EV/EBITDA Band



Source: Bloomberg, Ajaib Research

Figure 11. DCF Valuation

Account (Rp bn)	2024	2025F	2026F	2027F	2028F	2029F	2030F
EBIT	1,037	1,111	1,240	1,354	1,487	1,611	1,780
Income tax expense	-218	-234	(265)	(290)	(322)	(349)	(390)
Capex	-2,344	-1,420	(1,591)	(1,762)	(1,956)	(2,154)	(2,396)
Depreciation	722	908	1,023	1,151	1,294	1,452	1,565
Change in WC	15	-68	(84)	(93)	(102)	(113)	(124)
FCFF	-789	297	323	361	401	447	435
NPV of forecast		2,119					
Terminal value (Perpetuity growth)		29,185					
NPV of terminal value		26,232					
Total enterprise value		28,351					
Cash (+)		760					
Debt (-)		3,318					
Equity value		25,793					
Target price (Rp)		1,670					

Source: Company, Ajaib Research

Figure 12. Peers Valuation Comparison

Ticker	Market Cap (Rp tn)	P/E (x)	P/B (x)	EV/EBITDA (x)	ROE (%)	ROA (%)	EPS Growth (%)
HEAL.IJ	20.74	34.6	5.5	14.1	12.9	7.1	7.3
MIKA.IJ	35.74	30.9	7.1	26.0	16.3	14.0	13.5
SILO.IJ	30.43	19.9	3.6	14.4	10.9	7.5	40.0
BMHS.IJ	2.06	31.3	1.3	14.0	0.7	0.6	9.4
Sector Average		29.2	4.4	17.1	10.2	7.3	17.5

Source: Bloomberg, Ajaib Research

Financial Statement

Income Statement (Rp bn)	2022	2023	2024	2025F	2026F
Revenue	4,902	5,784	6,717	7,346	8,224
Cost of revenue	-3,193	-3,727	-4,281	-4,733	-5,303
Gross Profit	1,708	2,057	2,436	2,614	2,921
OpEx	-1,192	-1,276	-1,399	-1,503	-1,681
Operating Profit	516	781	1,037	1,111	1,240
EBITDA	1,097	1,465	1,766	2,012	2,255
Other Expenses	71	37	21	25	28
Net Interest Expense	-107	-108	-151	-162	-167
Pre-tax profit	480	710	907	973	1,102
Income Tax	-101	-151	-218	-234	-265
NPAT	379	559	689	739	837
Minority Interest	-80	-122	-153	-164	-186
Net Profit	299	437	536	575	651

Cashflow Statement (Rpbn)	2022	2023	2024	2025F	2026F
Net Profit	299	437	536	575	651
D&A	521	589	648	826	932
Changes in Working Capital	137	-2	-251	101	-256
Others	-354	-205	15	-68	-84
Operating Cash Flow	603	820	947	1,434	1,243
Capital Expenditure	-1,093	-1,332	-2,344	-1,420	-1,591
Changes in other assets	-35	-42	28	-3	-29
Investing Cash Flow	-1,128	-1,374	-2,316	-1,423	-1,620
Net - Borrowing	71	524	978	79	144
Dividend payment	-87	-101	-127	-155	-166
Other Financing	29	212	305	182	204
Financing Cash Flow	13	634	1,157	106	181
Net - Cash Flow	-512	80	-212	117	-196
Cash at beginning	1,287	1,066	1,186	2,101	2,560
Cash at ending	775	1,146	974	2,218	2,365

Source: Company, Ajaib Research

Balance Sheet (Rpbn)	2022	2023	2024	2025F	2026F
Cash & equivalents	775	855	643	760	564
Receivables	798	856	1,164	1,046	1,428
Inventories	100	117	138	150	132
Prepaid Expenses	8	5	6	6	7
Others	109	116	97	98	108
Total Current Assets	1,791	1,950	2,048	2,060	2,239
Fixed Assets	5,110	5,852	7,549	8,143	8,801
Advances	395	657	614	675	743
Deferred Tax Asset	68	78	97	107	117
Other Non-Current Assets	229	266	270	272	299
Total Non-Current Assets	5,801	6,853	8,529	9,197	9,961
Total Assets	7,591	8,803	10,578	11,257	12,200
ST. Bank loan	584	266	416	357	355
Payables	282	356	433	427	536
Other current Liability	844	931	971	980	990
Total Current Liability	1,710	1,553	1,820	1,765	1,881
LT. Debt	1,163	2,003	2,830	2,969	3,115
Other LT Liabilities	33	49	61	61	60
Total Non-Current Liability	1,196	2,051	2,892	3,030	3,175
Total Equity	4,685	5,198	5,866	6,462	7,144
Total LiabilitiesEquity	7,591	8,803	10,578	11,257	12,200

Key Ratios (%)	2022	2023	2024	2025F	2026F
Gross Profit Margin (%)	34.9	35.6	36.3	35.6	35.5
Operating Margin (%)	10.5	13.5	15.4	15.1	15.1
EBITDA Margin (%)	22.4	25.3	26.3	27.4	27.4
Pre-Tax Margin (%)	9.8	12.3	13.5	13.2	13.4
Net Profit Margin (%)	6.1	7.6	8.0	7.8	7.9
Debt to Equity (x)	0.4	0.4	0.6	0.5	0.5
Net Gearing (x)	0.2	0.3	0.4	0.4	0.4

Source: Company, Ajaib Research

Rating for Sectors:

Overweight : We expect the industry to perform better than the primary market index (JCI) over the next 12 months.

Neutral : We expect the industry to perform in line with the primary market index (JCI) over the next 12 months.

Underweight : We expect the industry to underperform the primary market index (JCI) over the next 12 months.

Rating for Stocks:

Buy : The stock is expected to give total return (price appreciation + dividend yield) of > +10% over the next 12 months.

Hold : The stock is expected to give total return of > 0% to ≤ +10% over the next 12 months.

Sell : The stock is expected to give total return of < 0% over the next 12 months.

Outperform : The stock is expected to do slightly better than the market return. Equal to “moderate buy”

Underperform : The stock is expected to do slightly worse than the market return. Equal to “moderate sell”

Analyst Certification:

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PREPARED BY AJAIB RESEARCH TEAM



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