Sector Report

Healthcare Sector

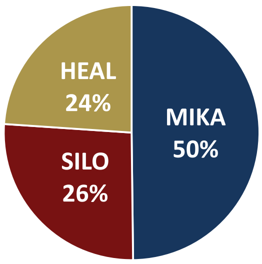
11 April 2023

JCI Index: 6.791

Neutral

Stock Recomendation				
Ticker	Rating	Price (IDR)	TP (IDR)	Upside (%)
HEAL	BUY	1,285	1,700	32.3
MIKA	HOLD	2,850	3,000	5.3
SILO	BUY	1,645	1,900	15.5

Sector Market Cap Weighting



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Traffic is Key

Tren positif di 4Q22. Ketiga emiten kesehatan di bawah coverage kami (SILO. MIKA. HEAL) secara kumulatif mencatatkan pertumbuhan pendapatan di 4Q22 (+10.1% YoY. +1.9% QoQ). didukung dengan meningkatnya trafik pasien seiring dengan makin meredanya pandemi Covid-19 di Indonesia (rata-rata kontribusi kasus Covid-19 tercatat di bawah ~5% pada 12M22. vs. ~20% di 12M21). Trafik pasien rawat jalan kumulatif ketiga emiten tersebut tercatat di level 3.4 juta (+12% di atas 4Q19) sementara jumlah pasien rawat inap meningkat ke level ~274 ribu (+29.9% di atas 4Q19) dengan angka kumulatif trafik pasien rawat jalan sebesar 10.6 juta (+17.3% YoY; rerata 5 tahun: 9.2 juta) dan pasien rawat inap sebesar 990 ribu di FY22 (+35% YoY; rerata 5 tahun: 783 ribu). *in line* dengan estimasi kami: MIKA (SSI: 98.0%; Cons: 97.4%). SILO (SSI: 99.7%; Cons: 113.4%). HEAL (SSI: 96.0%; Cons: 96.4%).

Margin berangsur normal. Seiring dengan makin meredanya pandemi Covid-19. rata-rata margin dari emiten kesehatan di bawah coverage kami juga mengalami normalisasi; margin EBITDA MIKA turun ke level 37.1% di FY22 (FY21: 41.1%), HEAL mencatatkan margin EBITDA sebesar 23.2% di FY22 (FY21: 37.9%), dan SILO mencatatkan margin EBITDA sebesar level 26.8% di FY22 (FY21: 25.7%), seiring dengan meningkatnya kompleksitas dari pasien *base case*. Terkait laba bersih, ketiga emiten kesehatan dalam coverage kami mencatatkan performa beragam; laba bersih MIKA *in line* dengan estimasi kami dan konsensus (SSI: 99.31%; Cons: 101.6%). sedangkan SILO berhasil mengalahkan estimasi (SSI: 126.4%; Cons: 119.5%) dan HEAL mencatatkan laba bersih di bawah estimasi (SSI: 93.0%; Cons: 63.0%) akibat biaya IT (*one-off)* yang akan mulai normal di 2Q23. Tahun ini, kami memperkirakan ketiga emiten kesehatan tersebut akan mencatatkan pertumbuhan pendapatan sekitar dua digit, ditopang terutama dari pertumbuhan trafik pasien dan pertumbuhan pendapatan per pasien. Melihat trend kompleksitas *base case* yang meningkat di 4Q22 (ALOS kumulatif 4Q22 tercatat di ~2.84 hari vs ALOS 4Q19 ~2.80 hari). kami memperkirakan ALOS akan stabil di level ~2.9 hari pada 2023F.

Dampak kenaikan tarif INACBG. Kemenkes telah menaikkan tarif INACBG sebesar ~9.5% (blended) pada 1Q23, di bawah estimasi kami (~15%), yang menjadi penyesuaian tarif pertama sejak 2017. SILO mengindikasikan bahwa dampak dari kenaikan INACBG terhadap laba bersihnya akan mencapai ~IDR 75-100 bn (estimasi awal kami: +~IDR113 bn). sedangkan dari segi margin EBITDA, MIKA memberikan guidance sebesar ~36-38% (estimasi awal kami: ~39%). dan HEAL mengestimasikan margin EBITDA sebesar ~28-30% (estimasi awal: ~31.1%). Namun kami melihat adanya dampak positif dari adanya kejelasan terkait skema *co-payment* (CoB scheme) dan juga diperbolehkannya upgrade pasien kelas 2 ke kelas VIP (sebelumnya yang diperbolehkan hanya upgrade 1 kelas). Patut diketahui bahwa saat ini, rata-rata kontribusi dari CoB masih minim, di bawah ~5% dari total pendapatan.

Rating NETRAL untuk sektor kesehatan. Kami masih mempertahankan rating **NETRAL** untuk sektor kesehatan dan HEAL sebagai *top pick* kami. dengan rekomendasi BUY dan TP sebesar IDR 1,700 (15.1x. 23F EV-to-EBITDA) (previous: IDR 1.800/saham). Kami meyakini kenaikan tarif INACBG dan skema CoB akan menguntungkan emiten kesehatan dengan porsi pengguna JKN yang tinggi, serta memberikan fleksibilitas untuk meningkatkan ASP dalam jangka panjang. *Upside*: (1) Trafik pasien yang melebihi ekspektasi (2) makin banyaknya base case kompleks. *Risk*: (1) perlambatan ekonomi (2) penurunan pendapatan per pasien yang lebih dalam dari perkiraan.

Table 1. Valuation highlights

Ticker	Rating	CP	TP	Upside	P/B (x)		EV/EBITDA (x)		NP (IDRBn)		EPSG (%)		ROE (%)	
		(IDR)	(IDR)	(%)	2023F	2024F	2023F	2024F	2023F	2024F	2023F	2024F	2023F	2024F
HEAL	HOLD	1.285	1.700	32.3	6.1	5.3	15.1	13.5	797	900	113.6	14.3	9.8	10.0
MIKA	HOLD	2.850	3.000	5.3	7.0	6.1	23.5	20.3	1116	1331	10.7	19.2	19.3	20.3
SILO	BUY	1.645	1.900	15.5	3.3	3.0	9.5	8.5	856	972	22.9	13.6	11.8	12.3
Sector					**5.4**	**4.8**	**16.1**	**14.1**	**2770**	**3203**	**49.1**	**15.7**	**13.7**	**14.2**

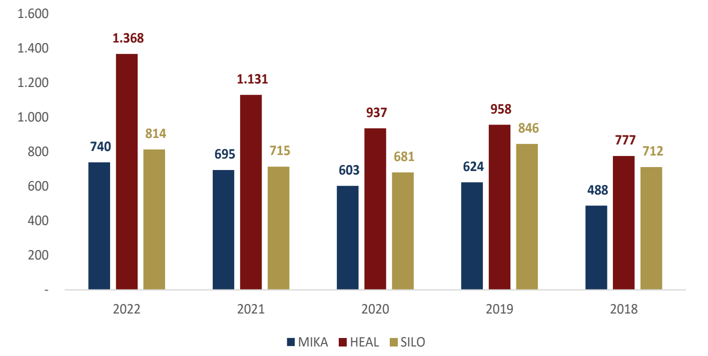
Source: SSI research

Table 2. Regional peers comparison

Company Name	Country	Company Ticker	Market Cap (IDR Tn)	PER (x)		EV/EBITDA (x)		PBV (x)		ROE (%)	
				2023F	2024F	2023F	2024F	2023F	2024F	2023F	2024F
FORTIS HEALTHCARE	IN	FORH IN	35	28.9	23.4	15.0	13.0	2.5	2.2	9.3	10.3
NARAYANA HRUDAYA	IN	NARH IN	29	26.8	24.1	15.3	14.0	6.1	4.9	24.7	22.5
ASTER DM HEALTHC	IN	ASTERDM IN	23	17.7	13.9	9.7	8.6	2.5	2.1	14.2	15.4
KRISHNA INSTITUT	IN	KIMS IN	21	29.5	25.5	16.1	14.3	5.3	4.4	19.8	18.2
HEALTHCARE GLOBA	IN	HCG IN	7	39.5	27.5	12.6	11.0	3.8	3.3	9.9	12.8
MAX HEALTHCARE I	IN	MAXHEALT IN	78	33.8	29.1	23.8	20.4	4.8	4.1	14.4	15.4
GREENTOWN SERVIC	CN	2869 HK	31	14.7	12.8	6.6	5.5	1.7	1.6	11.9	12.6
RAMKHAMHAENG HOS	TH	RAM TB	28	34.5	31.8	27.2	25.3	3.1	3.0	9.1	9.6
THONBURI HEALTHC	TH	THG TB	26	55.2	47.9	27.9	24.9	5.3	5.2	9.4	10.9
BANGKOK CHAIN HO	TH	BCH TB	23	24.8	22.7	14.0	13.0	3.4	3.4	14.5	15.7
CHULARAT HOSPITA	TH	CHG TB	17	27.4	24.1	16.8	16.1	4.7	4.8	18.2	19.3
VIBHAVADI MED	TH	VIBHA TB	16	37.7	37.7	20.9	20.1	2.0	2.0	5.5	5.7
PRARAM 9 HOSPITA	TH	PR9 TB	6	22.0	19.9	11.6	10.9	2.7	2.5	12.7	13.5
RAJTHANEE HOSPIT	TH	RJH TB	4	21.9	20.7	13.6	12.9	3.7	3.6	17.6	17.6
LADPRAO GENERAL	TH	LPH TB	2	18.5	27.8	11.7	11.8	2.2	2.2	10.5	9.7
RATCHAPHRUEK HOS	TH	RPH TB	17	21.7	18.9	11.0	10.2	2.1	1.9	10.0	10.7
KPJ HEALTHCARE	MY	KPJ MK	35	28.9	23.4	15.0	13.0	2.5	2.2	9.3	10.3
RAFFLES MEDICAL	SG	RFMD SP	30.9	27.0	25.6	14.5	14.0	2.6	2.5	9.6	9.7
		Adjusted Average	**30.6**	**27.1**	**17.8**	**16.0**	**3.7**	**3.3**	**13.1**	**13.5**	**30.6**

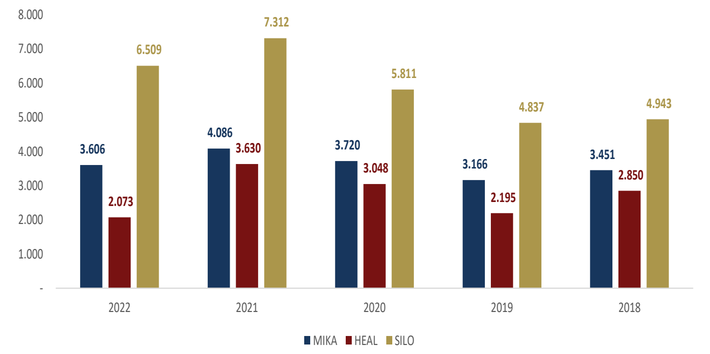
Source: Bloomberg. SSI research

Figure 1. Inpatient days ('000)



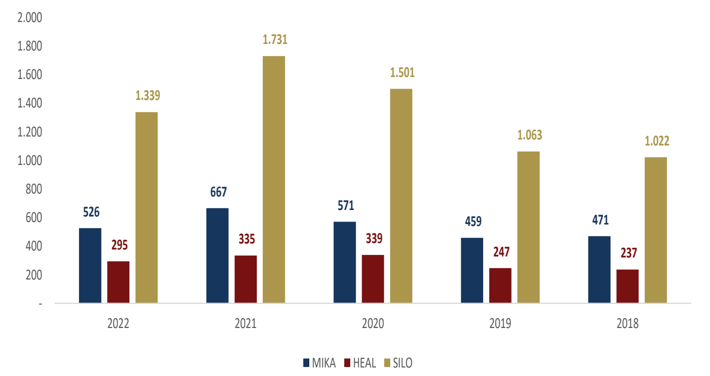
Source: Companies. SSI research

Figure 2. Outpatient admission ('000)



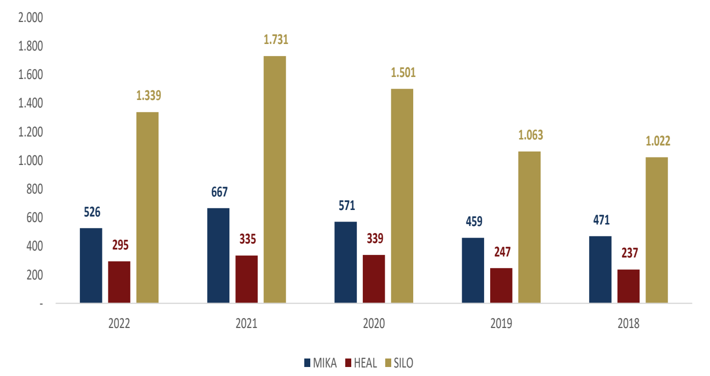
Source: Companies. SSI research

Figure 3. Revenue per inpatient (in IDR thousand)



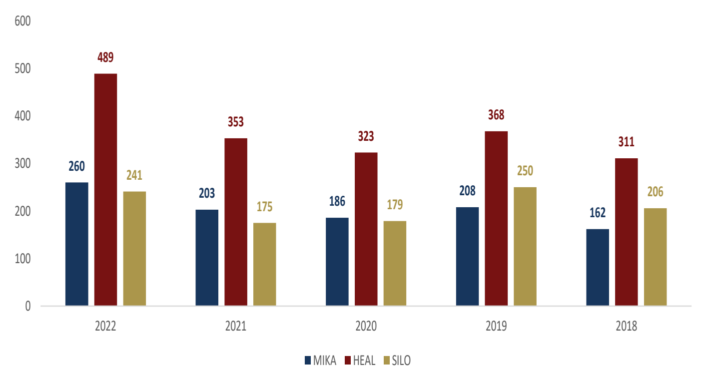
Source: Companies. SSI research

Figure 4. Revenue per outpatient (in IDR thousand)



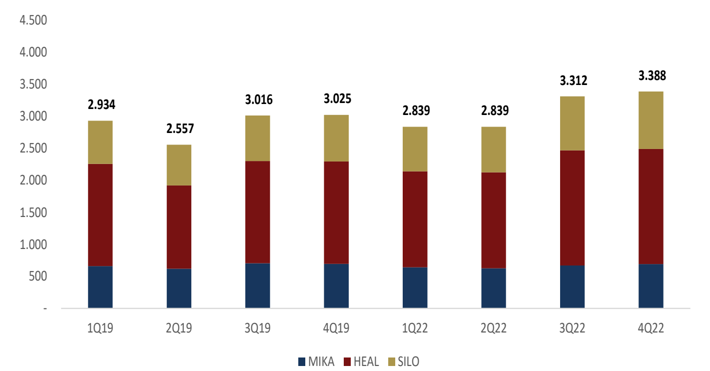
Source: Companies. SSI research

Figure 5. Inpatient admission (in thousands)



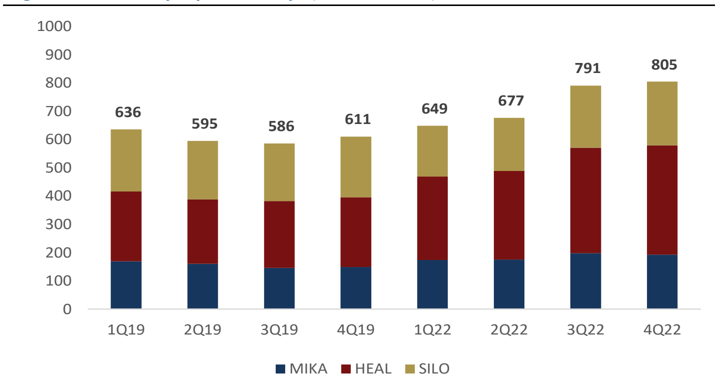
Source: Companies. SSI research

Figure 6. Quarterly outpatient visits (in thousands)



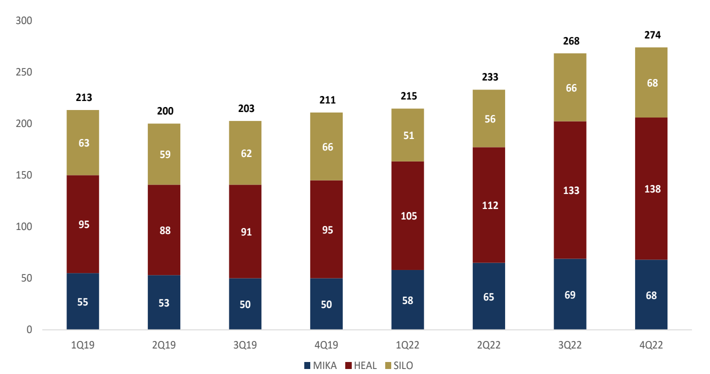
Source: Companies. SSI research

Figure 7. Quarterly inpatient days (in thousands)



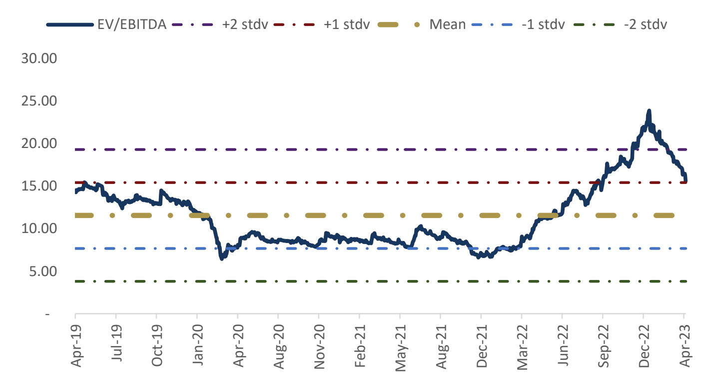
Source: Companies. SSI research

Figure 8. Quarterly inpatient admission (in thousands)



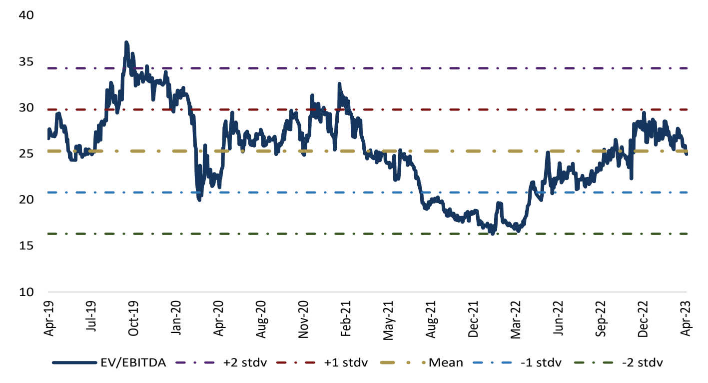
Source: Companies. SSI research

Figure 5. HEAL's EV/EBITDA



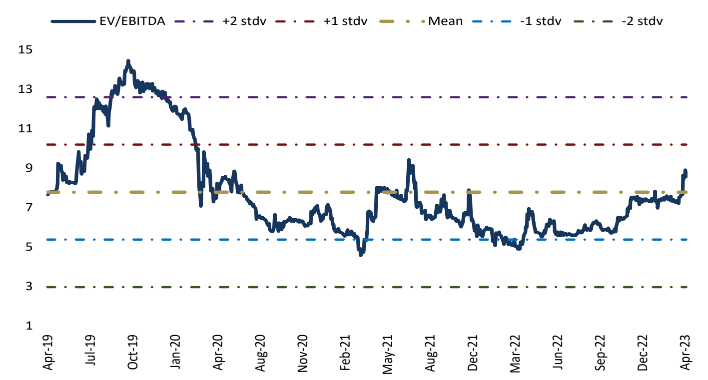
Source: Bloomberg. Company. SSI research

Figure 6. MIKA's EV/EBITDA



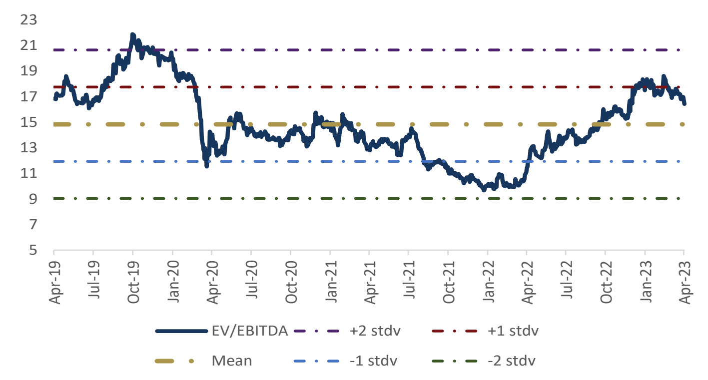
Source: Bloomberg. Company. SSI research

Figure 7. SILO's EV/EBITDA



Source: Bloomberg. Company. SSI research

Figure 8. Healthcare EV/EBITDA



Source: Bloomberg. Company. SSI research

Table 3. Forecast Changes (MIKA)

	Before			Revision			Percentage		
	2023F	2024F	2025F	2023F	2024F	2025F	2023F	2024F	2025F
Revenue	4.693	5.270	5.728	4.651	5.285	6.013	*-0.9%*	*0.3%*	*5.0%*
growth (%)	*13.6%*	*12.3%*	*8.7%*	*14.9%*	*13.6%*	*13.8%*			
EBIT	1.404	1.572	1.699	1.455	1.693	1.974	*3.6%*	*7.7%*	*16.2%*
growth (%)	*11.1%*	*12.0%*	*8.1%*	*15.2%*	*15.1%*	*15.2%*			
Net profit	1.068	1.216	1.286	1.116	1.331	1.535	*4.5%*	*9.5%*	*19.3%*
growth (%)	*5.2%*	*13.8%*	*5.8%*	*10.7%*	*19.2%*	*15.3%*			

Source: Company. SSI Research

Table 4. Forecast Changes (HEAL)

	Before			Revision			Percentage		
	2023F	2024F	2025F	2023F	2024F	2025F	2023F	2024F	2025F
Revenue	5.850	6.297	6.783	5.858	6.412	7.020	*0.1%*	*1.8%*	*3.5%*
growth (%)	*14.6%*	*7.6%*	*7.7%*	*19.5%*	*9.5%*	*9.5%*			
EBIT	1.177	1.267	1.353	1.072	1.173	1.395	*-8.9%*	*-7.4%*	*3.1%*
growth (%)	*63.7%*	*7.6%*	*6.8%*	*107.7%*	*9.3%*	*18.9%*			
Net profit	682	758	839	638	729	895	*-6.5%*	*-3.8%*	*6.6%*
growth (%)	*112.5%*	*11.0%*	*10.7%*	*113.6%*	*14.3%*	*22.7%*			

Source: Company. SSI Research

Table 5. Forecast Changes (SILO)

	Before			Revision			Percentage		
	2023F	2024F	2025F	2023F	2024F	2025F	2023F	2024F	2025F
Revenue	9.828	10.024	10.238	10.758	11.864	13.084	*9.5%*	*18.4%*	*27.8%*
growth (%)	*2.9%*	*2.0%*	*2.1%*	*13.0%*	*10.3%*	*10.3%*			
EBIT	1.019	1.049	975	1.437	1.610	1.805	*41.0%*	*53.4%*	*85.1%*
growth (%)	*10.5%*	*3.0%*	*-7.1%*	*20.9%*	*12.1%*	*12.1%*			
Net profit	625	658	603	856	972	1.101	*37.0%*	*47.8%*	*82.7%*
growth (%)	*13.4%*	*5.3%*	*-8.4%*	*22.9%*	*13.6%*	*13.3%*			

Source: Company. SSI Research

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