Medikaloka Hermina (HEAL): IDR 1,430 — BUY, SSI TP: IDR 1,800; Cons. TP: IDR 1,750

SAMUEL SEKURITAS INDONESIA
Your Lifelong Investment Partner

HEAL 3Q24 Results: (IDR Bn)	3Q24	3Q23	QoQ (%)	YoY (%)	9M24	9M23	YoY (%)	9M24/ SSI (%)	9M24/ Cons. (%)
Revenue	1,682	1,538	2.7	9.4	5,027	4,230	18.8	75.0	75.0
Gross Profit	594	583	(3.7)	1.8	1,879	1,546	21.5	73.9	74.6
Operating Profit	250	270	(11.5)	(7.5)	866	639	35.5	75.8	80.2
EBITDA	466	395	(2.4)	18.0	1,457	1,165	25.0	78.3	77.9
Net Profit	125	146	(17.4)	(14.4)	468	349	34.2	71.8	75.3
Key Ratios									
GPM (%)	*35.3*	*37.9*	-	-	*37.4*	*36.6*	-	-	-
OPM (%)	*14.9*	*17.6*	-	-	*17.2*	*15.1*	-	-	-
EBITDA Margin (%)	*27.7*	*25.7*	-	-	*29.0*	*27.5*	-	-	-
NPM (%)	*7.5*	*9.5*	-	-	*9.3*	*8.2*	-	-	-

SWOT Analysis of the Results (Slightly Below)

Strength
In 3Q24, outpatient revenue rose +9.2% QoQ on the back of positive volumes (+11.3% QoQ; +10.0% YoY); revenue per-inpatient days saw an uptick to IDR 2mn in 3Q24 (+1.6% QoQ; -0.1% YoY) thanks to higher treatment intensity

Weakness
3Q24 GPM declined to 35.3% (2Q24: 37.9%) and EBITDA margin fell to 27.7% (2Q24: 29.2%), mainly due to additional opex related to new hospitals opened in YTD-24 (IKN, Pasuruan, Madiun, Rumbai)

Opportunity
Four new hospitals commence operations in YTD-24, boosting patient traffic; potential increase in contribution from COB should enhance profitability onwards; YTD underperformance provides buying opportunity

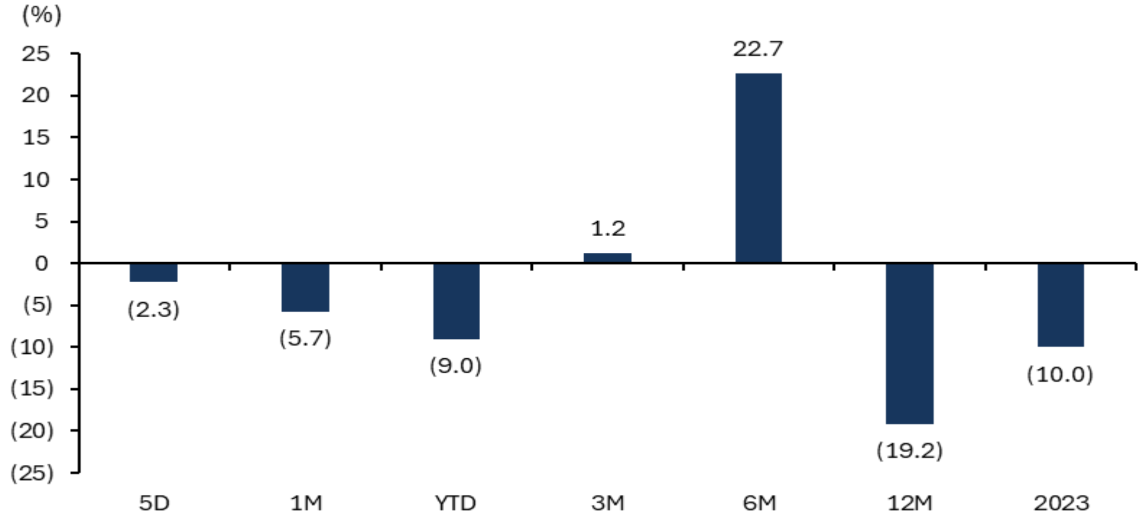
Threat
Potential surge in salary expenses due to the hiring of foreign doctors; elevated USD/IDR exchange rate may lead to higher medicine and medical supply costs (c. 35-40% of COGS), pressuring future margins

Peer Comparables

Company Ticker	Rating	Last Price (IDR)	Target Price (IDR)	Market Cap (USD Mn)	2024F EPS Growth (%)	2024F P/B (x)	2024F P/E (x)	2024F EV/EBITDA (x)	2024F ROE (x)
301267 CH		N.A		2,598	6.1	3.0	26.4	13.7	11.4
KIMS IN		N.A		2,476	16.8	9.3	57.5	29.3	17.5
RAINBOW IN		N.A		1,788	15.1	10.2	60.2	31.3	17.8
MIKA IJ	U.R*	2,780	3,000	2,469	28.6	5.9	33.5	20.4	19.2
SILO IJ	U.R*	3,070	2,900	2,548	-1.4	4.6	33.7	13.1	14.2
HEAL IJ	**BUY**	**1,430**	**1,800**	**1,408**	**42.2**	**4.6**	**34.2**	**13.8**	**14.0**
Sector				***13,288***	***15.9***	***6.1***	***40.3***	***20.1***	***15.7***

* Under-Review

Relative YTD Performance vs JCI



Sources: Company, Bloomberg, SSI Research

Analysts: Jonathan Guyadi, Belva Monica