

PT Medikaloka Hermina Tbk

Analysts: Agung Iskandar / Qorri Aina

Phone/Fax/E-mail: (62-21) 50968469 / 50968468 / agung.iskandar@pefindo.co.id / qorri.aina@pefindo.co.id

CREDIT PROFILE		FINANCIAL HIGHLIGHTS				
		As of/for the year ended	Dec-2020	Dec-2019	Dec-2018	Dec-2017
			(Audited)	(Audited)	(Audited)	(Audited)
Corporate Rating	<i>idAA-/Stable</i>	Total adjusted assets [IDR bn]	6,355.3	5,047.8	4,171.2	3,346.6
Rated Issues		Total adjusted debt [IDR bn]	1,557.0	1,294.6	865.9	1,428.2
<i>Shelf-Registered Bond I/2020</i>	<i>idAA-</i>	Total adjusted equity [IDR bn]	3,382.2	2,764.4	2,369.7	956.5
Rating Period		Total sales [IDR bn]	4,416.0	3,630.9	3,058.1	2,678.2
<i>June 8, 2021 – June 1, 2022</i>		EBITDA [IDR bn]	1,265.1	779.0	553.3	541.9
Rating History		Net income after MI [IDR bn]	473.2	255.4	124.4	97.5
<i>JUN 2020</i>	<i>idAA-/Stable</i>	EBITDA margin [%]	28.6	21.5	18.1	20.2
		Adjusted debt/EBITDA [X]	1.2	1.7	1.6	2.6
		Adjusted debt/adjusted equity [X]	0.5	0.5	0.4	1.5
		FFO/adjusted debt [%]	55.7	40.4	39.8	22.5
		EBITDA/IFCCI [X]	9.2	6.8	4.2	4.5
		USD exchange rate [IDR/USD]	14,105	13,901	14,481	13,548

FFO = EBITDA – IFCCI + interest income – current tax expense
EBITDA = operating profit + depreciation expense + amortization expense
IFCCI = gross interest expense + other financial charges + capitalized interest; (FX loss not included)
MI = minority interest
The above ratios have been computed based on information from the company and published accounts. Where applicable, some items have been reclassified according to PEFINDO's definitions.

PEFINDO affirms “idAA-” ratings for PT Medikaloka Hermina Tbk and its Shelf-Registered Bond I/2020

PEFINDO has affirmed its “idAA-” ratings for PT Medikaloka Hermina Tbk (HEAL) and its Shelf-Registered Bond I/2020. The outlook for the corporate rating is “stable”.

An obligor rated *idAA* differs from the highest rated obligors only to a small degree, and has a very strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors. The Minus (-) sign indicates that the rating is relatively weak within the respective rating category.

The rating reflects HEAL’s very strong market position in the hospital industry, strong financial profile, and stable profitability margins. The rating is constrained by the tight competition in hospital industry and the Company’s exposure to the risk of changing government policy on health regulation.

The rating could be raised if HEAL further strengthens its business profile by increasing its number of hospital and operational bed to gain more market share, while maintaining a conservative capital structure and strong cash flow protection measures. On the other hand, the rating may be lowered if the Company’s revenue and/or EBITDA are significantly below targets, and /or if it incurs more debt than projected, which will deteriorate its capital structure and cash flow protection measures.

HEAL, established in 1999, engages in hospital industry with ‘Hermina’ as its hospital brand. It operated 40 hospitals all across Indonesia which are targeted the middle income segment in 2020. As of December 31, 2020, its shareholders were its founder Group (35.92%), the Company directors (21.50%), its board of commissioners (8.77%), treasury shares (0.61%), and the public (33.20%).

DISCLAIMER

The rating contained in this report or publication is the opinion of PT Pemeringkat Efek Indonesia (PEFINDO) given based on the rating result on the date the rating was made. The rating is a forward-looking opinion regarding the rated party's capability to meet its financial obligations fully and on time, based on assumptions made at the time of rating. The rating is not a recommendation for investors to make investment decisions (whether the decision is to buy, sell, or hold any debt securities based on or related to the rating or other investment decisions) and/or an opinion on the fairness value of debt securities and/or the value of the entity assigned a rating by PEFINDO. All the data and information needed in the rating process are obtained from the party requesting the rating, which are considered reliable in conveying the accuracy and correctness of the data and information, as well as from other sources deemed reliable. PEFINDO does not conduct audits, due diligence, or independent verifications of every information and data received and used as basis in the rating process. PEFINDO does not take any responsibility for the truth, completeness, timeliness, and accuracy of the information and data referred to. The accuracy and correctness of the information and data are fully the responsibility of the parties providing them. PEFINDO and every of its member of the Board of Directors, Commissioners, Shareholders and Employees are not responsible to any party for losses, costs and expenses suffered or that arise as a result of the use of the contents and/or information in this rating report or publication, either directly or indirectly. PEFINDO generally receives fees for its rating services from parties who request the ratings, and PEFINDO discloses its rating fees prior to the rating assignment. PEFINDO has a commitment in the form of policies and procedures to maintain objectivity, integrity, and independence in the rating process. PEFINDO also has a "Code of Conduct" to avoid conflicts of interest in the rating process. Ratings may change in the future due to events that were not anticipated at the time they were first assigned. PEFINDO has the right to withdraw ratings if the data and information received are determined to be inadequate and/or the rated company does not fulfill its obligations to PEFINDO. For ratings that received approval for publication from the rated party, PEFINDO has the right to publish the ratings and analysis in its reports or publication, and publish the results of the review of the published ratings, both periodically and specifically in case there are material facts or important events that could affect the previous ratings. Reproduction of the contents of this publication, in full or in part, requires written approval from PEFINDO. PEFINDO is not responsible for publications by other parties of contents related to the ratings given by PEFINDO.