

Wednesday, 13 September 2023

**BUY**  
**Initiate**

## Siloam Hospitals (SILO IJ)

**Well positioned in the middle-upper healthcare segment; initiate with Buy rating**

Last price (IDR) 1,925  
Target Price (IDR) 2,200  
Upside/Downside +14.3%  
Previous Target Price (IDR) n/a

### Stock Statistics

Sector Healthcare  
Bloomberg Ticker SILO IJ  
No of Shrs (mn) 12,977  
Mkt. Cap (IDRbn/USDmn) 24,981/1,628  
Avg. daily T/O (IDRbn/USDmn) 11.3/0.7

### Major shareholders (%)

PT Lippo Karawaci Tbk 58.1  
Prima Health Company 26.2  
Estimated free float 15.4

### EPS Consensus (IDR)

	2023F	2024F	2025F
Danareksa	75.7	86.2	101.4
Consensus	78.8	92.3	103.8
Danareksa/Cons	(3.9)	(6.6)	(2.3)

### SILO relative to JCI Index



Source : Bloomberg



**Ismail Fakhri Suweleh**

(62-21) 5091 4100 ext. 3505

ismail.suweleh@brids.co.id

We initiate coverage on SILO with a BUY rating and DCF-based TP of IDR 2,200 (implying 10.3x/9.5x of 23F/24F EV/EBITDA). We like SILO for four main reasons: 1) a better growth and profitability outlook for hospital operators following ratification of the omnibus law, 2) SILO's premium brand equity which makes it a primary choice for Med-Tourism in Indonesia, 3) a sensible revenues-intensity focused strategy to sustain its moat and 4) an attractive 60% discount to regional hospital peers.

**Omnibus law ratification offers tailwinds for the healthcare sector.** We believe the Omnibus Law Ratification in Jul-23 will translate to a better growth and profitability outlook for the sector. For hospital operators, the simplification in obtaining a doctor's practice license should create a better payback period for investments in tier-2 and 3 cities. In this context, we expect SILO to attract top foreign-graduates via its premium-segment brand equity, while its stronger presence outside Java will create first-mover advantage.

**Revenues intensity-focused in premium markets as the key growth strategy.** While SILO has rationalized its hospital additions to only 1-2/year vs. 3-8/year during 2017-2019, its expansion plans will be focused on centers of excellence which we expect to ultimately drive better volume (5-5.6 mn patients by 2024-2025 from 4 mn in 2022) as admissions will be boosted. The centers of excellence shall also serve to maintain the loyalty of premium segment patients despite the preference of domestic consumers for more affordable BPJS services.

**Attractive Earnings Growth with Balance Sheet Flexibility.** We project EPS growth of 41% to IDR 982 bn in FY23, and 14% growth in FY24, given growing patients volume (at +14%/+8% in FY23/ FY24) from existing hospital networks. For 2025, we forecast 18% EPS growth on the back of additional operating beds in the premium segment from Kemang and Manyar leading to higher inpatient days. The company's net cash of IDR 881 bn is sufficient to cover hospital openings planned in 2025 at Kemang and Manyar (the IDR 695 bn of capex includes land), based on our estimates.

**The attractive valuation implies the market still underappreciates its growth potential.** SILO currently trades at 9.0x/8.3x 23F/24F EV/EBITDA (between +1-2SD avg. 5yrs. EV/EBITDA and a 60% discount/premium to its peers). We initiate coverage with a BUY rating with DCF-based TP of IDR 2,200 implying 9.5x FY24 EV/EBITDA. The key risks are weakening domestic consumption on healthcare, competition from overseas players in med-tourism, and lower revenues growth compared to its local peers.

### Key Financials

Year to 31 Dec	2021A	2022A	2023F	2024F	2025F
Revenue (IDRbn)	9,382	9,518	10,936	12,263	14,455
EBITDA (IDRbn)	2,149	2,150	2,691	2,922	3,439
EBITDA Growth (%)	65.4	0.1	25.1	8.6	17.7
Net profit (IDRbn)	674	696	982	1,119	1,316
EPS (IDR)	51.9	53.7	75.7	86.2	101.4
EPS growth (%)	480.3	3.3	41.0	13.9	17.6
BVPS (IDR)	496.4	536.0	611.7	697.9	799.4
DPS (IDR)	17.4	25.3	0.0	0.0	0.0
PER (x)	37.1	35.9	25.4	22.3	19.0
PBV (x)	3.9	3.6	3.1	2.8	2.4
Dividend yield (%)	0.9	1.3	0.0	0.0	0.0
EV/EBITDA (x)	10.8	8.5	9.0	8.3	7.0

Source : SILO, BRIDS Estimates

## Well-positioned in the middle-upper healthcare segment

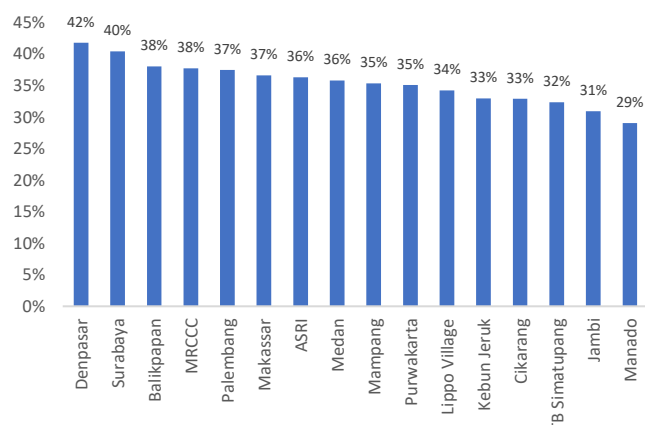
After two decades (since 1996) of operating in Indonesia's hospital space, Siloam now manages 41 hospitals across the archipelago, with 3,950 beds operating out of 8,500 capacity. SILO now ranks 2<sup>nd</sup> highest among the listed hospitals in Indonesia for the number of operating beds, only behind HEAL (using 2022 data). Some 37% of the company's hospital network is located in the Jabodetabek area, while the rest is spread across 21 provinces in Indonesia. Margins among the SILO hospitals across the country are stable, averaging around 35%.

**Business Segmentation.** SILO recently changed its hospital categorization to be based on customer segmentation and business strategy, from previously being based on the profit maturity. As such, SILO now divides its networks into Premium Hospitals, Value-Seeker Hospitals, and BPJS Play Hospitals. We view that the segmentation properly matches the healthcare macro trends in the country, capturing all customer segments with each having a unique value proposition.

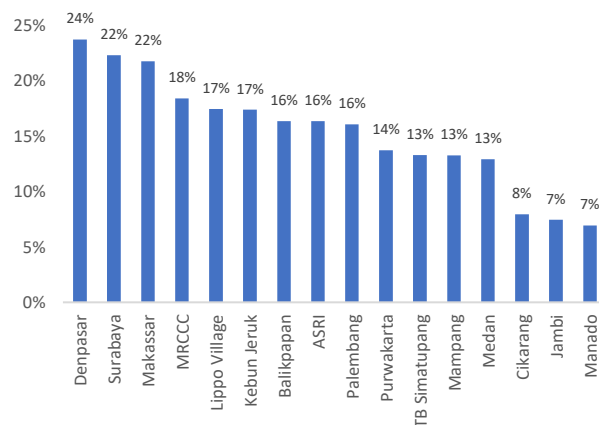
**Exhibit 1. Hospital Capacities Comparison**



Source: Company, BRIDS

**Exhibit 2. Gross Margin Average (2017-2022) on SILO's Network**


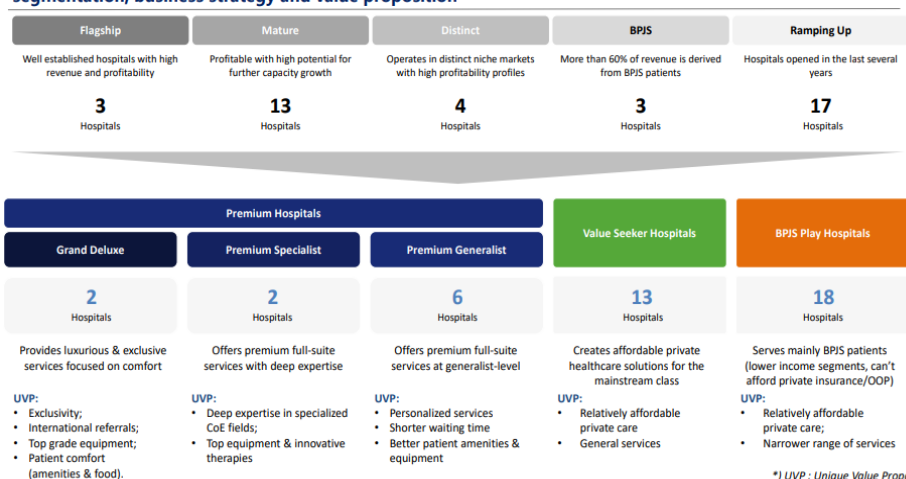
Source: SILO

**Exhibit 3. Net Margin Average (2017-2022) on SILO's Network**


Source: SILO

**Exhibit 4. Business Categorization**

SILOam has adopted a new method for classifying our hospitals, which is based on each hospital's customer segmentation, business strategy and value proposition



Source: SILO

SILO also manages 66 clinics across Indonesia, intended to be a feeder of patients into its hospitals' main network. The company's payer mix is similar to MIKA's, mainly comprising private patients with less than a 20% contribution from BPJS patients (the company aims to maintain a similar mix in the future). SILO also has a proven track record as a provider of high-quality healthcare services, based on the satisfactory measures from Net Promotor Score.

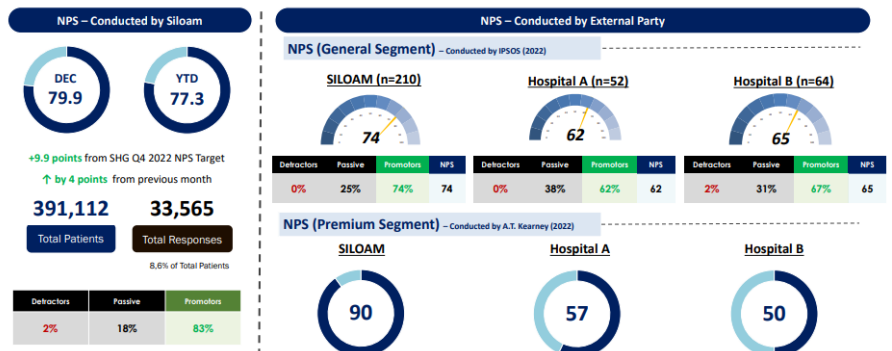
### Exhibit 5. Payer Mix of Listed Hospital Operators

Payer Mix	2019	2020	2021	2022	6M23
<b>MIKA</b>					
BPJS	13%	12%	11%	17%	18%
Non-BPJS	87%	88%	89%	83%	82%
<b>HEAL (Inpatient)</b>					
BPJS	64%	58%	53%	71%	75%
Non-BPJS	36%	42%	47%	29%	25%
<b>SILO</b>					
BPJS	20%	16%	13%	18%	17%
Non-BPJS	80%	84%	87%	83%	83%

Source: Company, BRIDS

### Exhibit 6. NPS Score

Consistent delivery on improvement of operational productivity and focus of patient centric strategy has catapulted Siloam Hospitals NPS scores in 2022



On Net Promotor Score (NPS), Siloam has performed significantly above peers, which has also been validated by 3<sup>rd</sup> parties (IPSOS and Kearney)

Source: SILO

### Exhibit 7. Shareholder Structure (Public Ownership 15.8%)



Source: SILO

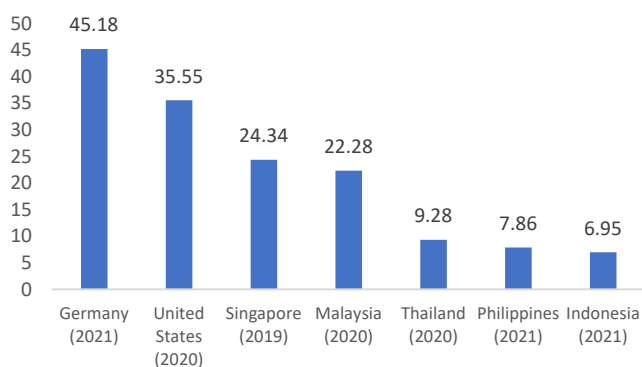
## Healthcare sector: Potential pivotal momentum from Omnibus law ratification

We believe that Indonesian healthcare operators will enjoy pivotal momentum on the back of Omnibus Law Ratification. Specifically, we believe the new law will offer solutions to overcoming the main barrier for hospitals in expanding into the farthest parts of the Indonesian archipelago. The main challenge faced by hospital operators in expanding outside Java & Bali has always been in securing the supply of healthcare personnel, as the highly concentrated medical education institutions in Java have attracted talent to study in the island and continue their careers in big cities which they see as a more promising opportunity. This has created a looping problem in the doctor-supply gap in tier-2 & 3 cities across Indonesia's archipelago.

Private hospital operators' lack of incentives to invest in infrastructure outside big cities has led many regions in Indonesia to depend only on General/Regional Hospitals (RSU-RSUD) to cover healthcare demand. This could prove to be catastrophic in the case of an epidemic, as occurred three years ago. In order to step up from being a developing country to a developed country, Indonesia will also need to improve its Life Expectancy numbers. The lack of healthcare infrastructure capacity may hinder the ultimate goal of the government in improving Indonesians' healthcare access and increasing life expectancy. Improving GDP numbers will also not be sustainable if not supported by the most important resource of capital, which is the people's health.

From the latest data, Indonesia's number of medical doctors per 10,000 population stood at 6.95, lower in comparison to EM countries such as the Philippines at 7.86, Malaysia at 22.28, and Thailand at 9.28. Amid the current supply gap, we estimate that Indonesia will need at least 7-8 years to fill the doctors' gap to meet the WHO standard of Medical Doctors/10,000 population, if the country only relies on its local graduate supply.

**Exhibit 8. Medical Doctor/10,000 population**



Source: WHO

**Exhibit 9. Estimates of Additional Doctor Needs**

Additional Doctor Needs			
Information	Doctor/Pop Ratio	%	No. of Doctors
Indonesia (2021)	6.95/10,000	0.07%	193,627
WHO Recommendation	1/1,000	0.10%	278,600
Additional Needs	3.05/10,000	0.03%	
Indonesia's Population (BPS, mn. people)			278.6
<b>Est. Number of Additional Medical Doctor Needs</b>			<b>84,973</b>
Est. Number of Additional Doctor Needs/Province			2,499
Average Med Graduate/Year Indonesia			12,000
Estimated Year to Fill in the Gap			7.08

Source: WHO, Various Sources

Following experiences from the COVID-19 pandemic, where number of beds are deficit and doctor supply are scarce, the government has approved the Omnibus Law of Healthcare in Jul-23 to simplify the process of obtaining a doctor's practice license.

Under the new law, Registration Letter (STR) and Practical Permit (SIP) will be issued by Ministry of Health instead of by IDI (*Ikatan Dokter Indonesia*) previously, which will eliminate any subjectivity issues previously faced by young doctor candidates. This will boost doctor's supply and will also mean foreign-graduates doctor will be able to practice in Indonesia (previously IDI impose an extra requirement of having practical experience before issuing the license for foreign-graduates). While the final script of the Omnibus Law remains unpublished, exh.10 summarize the important points we identify from the law.

As supply of healthcare officers will become more available, we believe local private hospital operators will account for majority of capacity growth in 5-10 years ahead, as operators expand to tier-2 & 3 cities. With more available doctor supply, complex treatment may start to be introduced into the tier-2 & 3 cities, thus improving patient volume traffic and bed occupancy which will ultimately drive better payback period for hospital's investments.

While competition might come from FDI into the country, we believe the foreign players may see challenges in fully capturing the market segments in Indonesia (having both sides of BPJS and Premium Segment). Against the potential foreign entrants, we expect SILO to be able to attract top foreign-graduates via its premium-segment brand equity, while its higher presence outside Java (19 hospital vs. MIKA's 0 hospitals vs. HEAL's 11 hospitals) will provide first-mover advantages and ease the way to capture the needs of Indonesia's healthcare access.

#### Exhibit 10. Summary of Healthcare Omnibus Law Draft – and Differences Identified

Topic	Key Articles	Topic	Impact
Enhancing the supply side of healthcare sector	Article 183 Article 248-249	Educational Hospitals can Provide Physician Profession/Specialist Program Definition of Professional Organization for obtaining doctor permits changed	Boosting Specialist Supply IDI no longer sole license issuer
Improvement in healthcare officers distribution	Article 219,221	Distribution of officers utilized by government, with additional incentives	Regional Disparity Addressed
Deregulation of practical permits, including for overseas graduate	Article 245-248 Article 228-230, and 235,239	No limitation of practice area for medical officers, quota set by the government Registration Letter (STR) and Practical Permit (SIP) issued by Ministry of Health Longer validity period for STR and SIP	Incoming Foreign Graduates Doctor Flexibility for Medical Officers
One Standard Class and Regular Financial Review of BPJS	Article 13,19,22,23,24,27	All Employers Required to Register Workers to BPJS Kesehatan Promotive, Preventive Expenditures for BPJS 1 Standard Inpatient Classes for JKN Members BPJS Reimbursement Tariff evaluated every 2 years New Amount of BPJS Insurance Contribution	Better JKN Member Contribution Better Financial Condition of BPJS Kesehatan (Cross Subsidy, Directed Service Towards Lower-End Class) Preventive Budget Increase, Benefiting PRDA

Major Changes	Articles	Previous Draft	Final Draft
Healthcare Financing	Article 420 paragraph 2	The Central Government's health budget is at least 10% of the state budget excluding salaries.	No More Certain % to State Budget

Our previous report on Healthcare Omnibus Law:  
<https://link.brightst.id/brids/storage/26698/20230714-Healthcare.pdf>

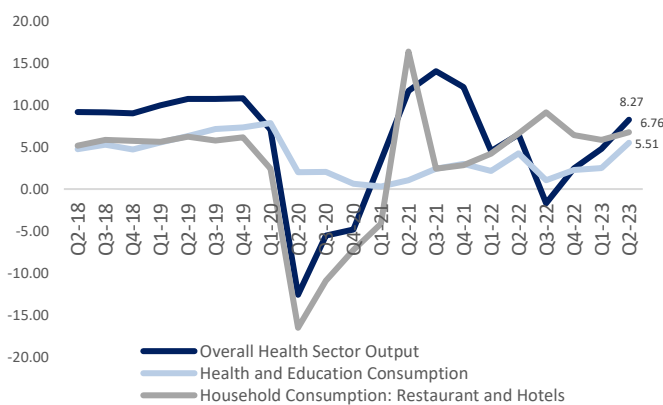
Source: Ministry of Health, BRIDS

## Current Macro Trend: Seeking for Healings

We note a major shift in the consumer spending trend post-pandemic, from healthcare needs (vitamins, medications or general check-ups) to leisure needs (concerts, “revenge”, or “healing” travel), which has somewhat lowered the growth of private patients to hospitals. This also means that consumers often prefer to choose cheaper alternatives for healthcare needs, which are provided by the Universal Healthcare System of BPJS Kesehatan (exh.11-12).

Indonesia’s 2Q23 GDP report showed increasing overall healthcare sector output and consumption (at 8.27% yoy growth from 4.77% yoy in Q1-23 and 6.5% yoy in Q2-22). However, at the same time, BPJS patients portion in listed hospitals is also increasing, despite only slightly at SILO. The portion of visits to primary care facilities has also increased, at least in the Jabodetabek area. This indicates downtrading in healthcare needs, we believe.

**Exhibit 11. Higher GDP Growth on Healthcare..**



Source: BPS, BRIDS Economic Research

**Exhibit 12. while BPJS Revenue Portions on Hospitals Increasing, showing consumer trend skewed into the UHC services**

Portion of BPJS Patients		
HEAL	1H22	1H23
JKN	69.0%	75.0%
Non-JKN	31.0%	25.0%

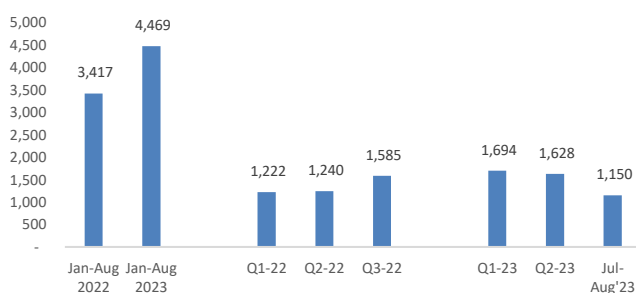
MIKA	1H22	1H23
JKN	16.8%	18.0%
Non-JKN	83.2%	82.0%

SILO	1H22	1H23
JKN	16.8%	17.0%
Non-JKN	83.2%	83.0%

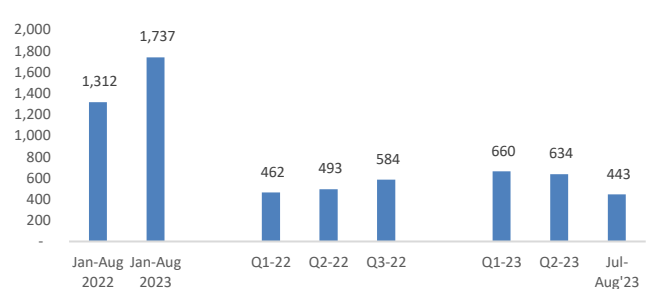
Source: Company, BRIDS

**Exhibit 13. Primary Care/Puskesmas Visits in Jakarta ('000 visitors)**



Source: Dinkes Jakarta

**Exhibit 14. General Hospital/RSUD Visits in Jakarta ('000 visitors)**



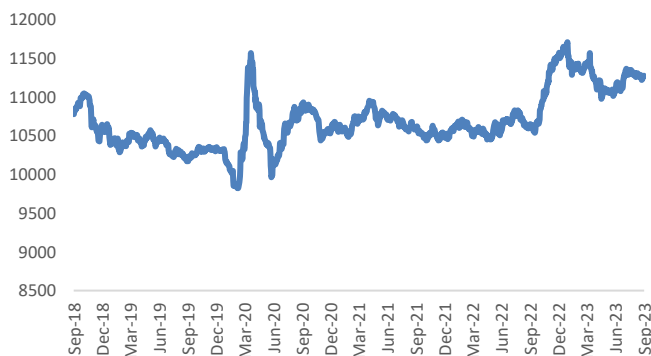
Source: Dinkes Jakarta

## SILO as Primary Choice of Medical Tourism in Indonesia

Despite the shift in domestic consumer preferences towards cheaper alternatives, we believe SILO's growth will remain intact as it strives to maintain premium segment patients' loyalty through a global-class center of excellence.

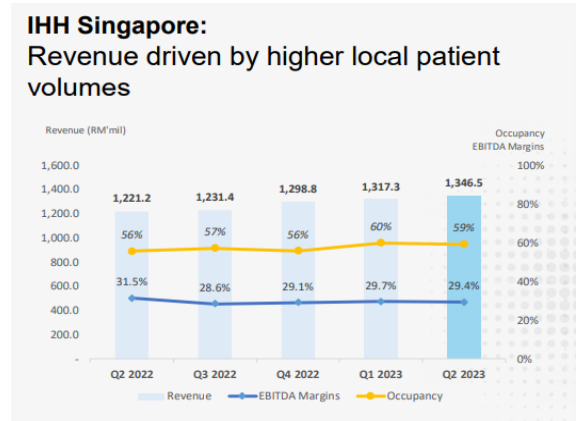
Additionally, we also look at the angle of medical tourism for SILO's growth. We note the increasing availability of premium healthcare services to cater to Indonesia's patients who seek medical services abroad, especially in Singapore. We observed IHH Singapore's results in Q2-23, with revenues growth also driven by higher local patient volumes. While there are also cheaper alternative options for medical tourism in Penang, we see the potential for SILO to be among the top choices for Indonesians who seek fast medical services with international standards.

**Exhibit 15. Strengthening SGD/IDR (YoY +6%)**



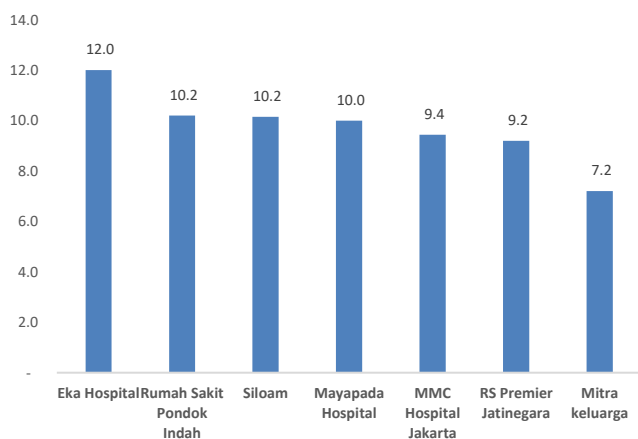
Source: Bloomberg

**Exhibit 16. IHH Singapore Results Q2-23**



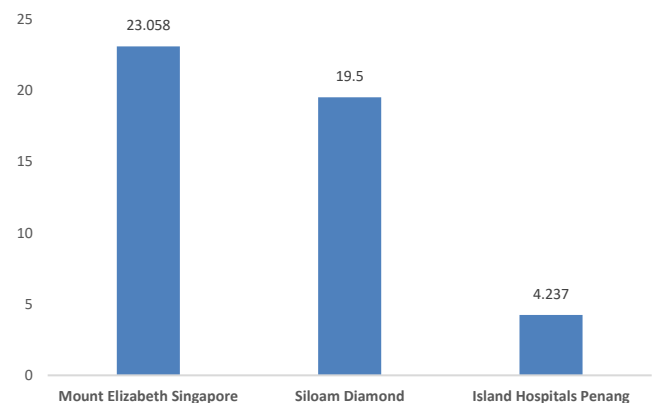
Source: Company

**Exhibit 17a. General Male Medical Check-Up Pricing - Domestic**



Source: Company's Website (in IDR mn.).

**Exhibit 17b. General Medical Check-Up Pricing - Regional**



Source: Company's Website (in IDR mn.). See Appendix 1 for more details

Indonesians' spending on medical needs overseas averaged USD 7-11 bn. per year (Jakarta Post, PwC estimates) and only 10% localization of the spending could bring back revenues to Indonesia of around USD 700 mn. While there are many options for hospitals for medical tourism in Indonesia, we identify several key players based on those which achieved accreditation from the Joint Commission International (JCI), the global standard accreditation of patient safety and care delivery. SILO contributes 3 out of 21 hospitals in Indonesia which achieved JCI accreditation.

These 21 hospitals have the largest potential to receive the homecoming revenues from medical tourism, which if we only take 30% of the USD 700 mn localization, then there could be potential revenues of USD 10 mn (IDR 150 bn) for each hospital, thus translating into potential additional revenues of IDR 450 bn for three SILO hospitals (potentially contributing around 5% of SILO's total revenues).

**Exhibit 18. List of Hospitals with Joint Commission International Accreditation**

Indonesia	Singapore	Malaysia
1 Awal Bros Batam	1 Fullerton Healthcare @ Ocean Financial Center	1 Ara Damansara Medical Center
2 Awal Bros Pekanbaru	2 Parkway-Mount Elizabeth Novena	2 B.P Clinical Lab
3 Dr. Mohammad Hoesin Palembang	3 Parkway-Gleneagles	3 Gleneagles Kuala Lumpur
4 RSUD Dr Soetomo Surabaya	4 Parkway-Mount Elizabeth	4 Gleneagles Penang
5 Eka Hospital BSD	5 Parkway-Parkway East	5 Institut Jantung Negara
6 Eka Hospital Pekanbaru		6 International Specialist Eye Center
7 Grha Kedoya Hospital		7 KPJ Ampang Puteri Selangor
8 JEC Kedoya		8 KPJ Johor Specialist
9 National Cardiovascular Center Harapan Kita		9 KPJ Penang Specialist Bandar Perda
10 Persahabatan Hospital		10 KPJ Penang Specialist Seberang Perai
11 Primaya Hospital Tangerang		11 KPJ Seremban Specialist
12 RSPI Puri Indah		12 Mahkota Medical Center
13 RSPI Pondok Indah		13 Normah Medical Specialist
14 RS Premier Bintaro		14 Pantai Hospital Kuala Lumpur
15 RS Premier Jatinegara		15 ParkCity Medical Centre
16 RS Premier Surabaya		16 Penang Adventist
17 RSUP Dr Hasan Sadikin Bandung		17 Subang Jaya
18 RSUPN Dr. Cipto Mangunkusumo		18 The Tun Hussein Onn National Eye Hospital
19 Siloam Hospital Bali		
20 Siloam Hospital Kebon Jeruk		
21 Siloam Hospital Lippo Village		

Source: Joint Commission International

Seven of SILO's 41 hospitals are also nominated to become recommended hospital units for tourists visiting Indonesia by the Ministry of Health. Aside from the angle of Indonesians' upper-class medical tourism, SILO can also capture foreign national patients as the company cooperates with several embassies in the country. It is interesting to note also that foreign citizen patients (*KITAS Holders*) have increased from 1% pre-pandemic to currently 3% of SILO's total patients.

## Exhibit 19. SILO Hospitals Nominated as Med-Tourism Destinations

### Supporting Indonesia's Medical Tourism Industry

Siloam is proud to play a part in supporting Indonesia's medical tourism industry. Siloam is partnering with Indonesian government to enable 7 (seven) hospital units to become the recommended hospitals for tourists visiting Indonesia.

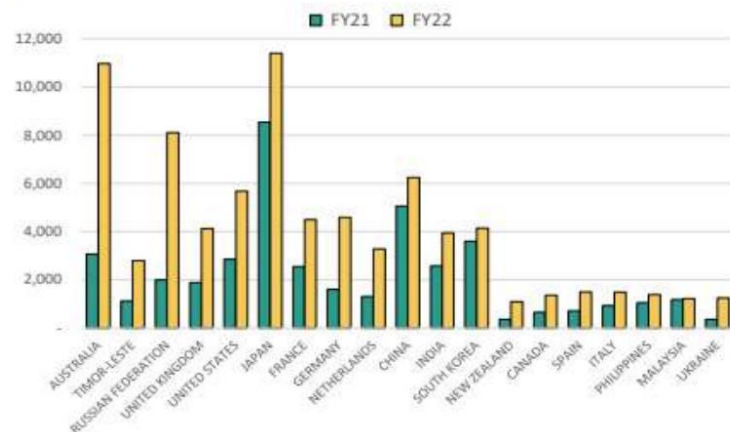
List of hospitals nominated:

1. Siloam Lippo Village
2. Siloam TB Simatupang
3. Siloam Kebon Jeruk
4. MRCCC
5. BIMC Nusa Dua
6. Siloam Denpasar
7. Siloam Medan



Source: SILO

## Exhibit 20. Foreign Patient Volume by Country in SILO



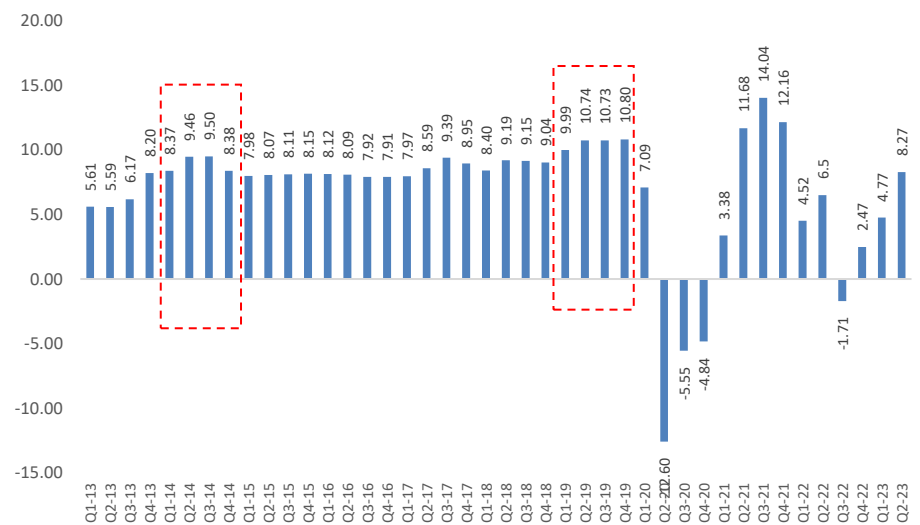
Source: SILO

### Potential ST drivers: Election Year, impact of Jakarta's Pollution

Ahead of the election year of 2024, we also notice that during the election period the healthcare sector's overall output has increased on average by 9.75%, higher compared to the non-election period of 6.35%. This could also bode well for SILO's growth in FY24.

Meanwhile, noting the recent development of more upper-respiratory tract infections in Greater Jakarta, SILO's management still does not see any significant pulmonology case increases. However, pediatrician cases are noticeably increasing. Further data about increases in patient volume remain undisclosed, yet considering 37% of SILO's total national operating hospitals are in Greater Jakarta, there could be a potential surprise in traffic during late 3Q23-early 4Q23.

**Exhibit 21. Healthcare Sector Output Growth during Election Years**



Source: BPS, BRIDS Economic Research

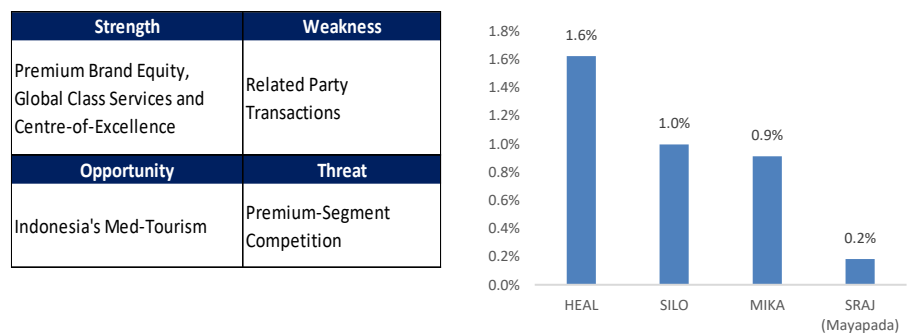
## Complex Treatment as SILO's Competitive Moat

While patients have plenty of options in choosing a hospital in the country, we believe SILO's ability to provide complex treatments will be its competitive moat and consumers will be willing to pay more for premium services.

SILO's four global-class centers of excellence (i.e. Maternity & Pediatrics, Orthopedics, Digestive, Oncology) serves to strengthen the 'Siloam Hospitals' brand equity, identified from 8 main national healthcare needs. SILO management's vision is to provide quality services throughout the stages, from the first time a patient registers for the services until the final stage of their medical services. To ensure this runs well, the company is nurturing its values through the training of nurses collaborating with Pelita Harapan University's Nursing School. Having complete equipment and decent hospital buildings with a nice ambience and the provision of compassionate services to patients are among the factors we see as the reason why the middle-upper class choose SILO.

The company is also planning to extend its center of excellence for the next 4-5 years, thus strengthening its competitive moat. Meanwhile, on the cost side, SILO always sources its drugs needs domestically, thus meaning less-risk from foreign exchange volatility. We identify several listed and non-listed players as potential matching competitors for SILO's premium-segment market (i.e. RS Premier Jatinegara, MMC Hospital Jakarta, Rumah Sakit Pondok Indah, Mayapada Hospital, Eka Hospital, and Mitra Keluarga).

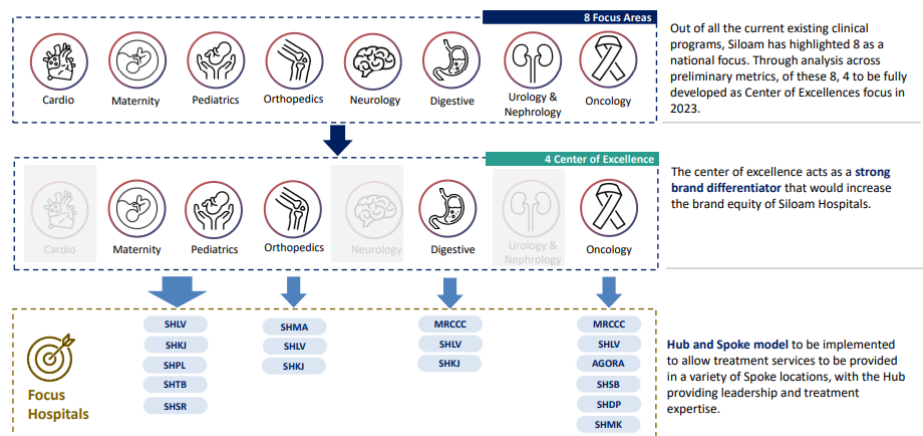
**Exhibit 22. SILO's SWOT Matrix - Approximate Market Share by Number of Beds**



Source: BRIDS, US ITA, Company

**Exhibit 23. SILO's Center of Excellence**

### Siloam is Focusing on Expanding the Center of Excellences



Source: SILO

## Outlook and Valuation

### Growth Strategy

After rapid expansion of hospital numbers in 2017-2018, the company plans to only add between 1-2 hospitals per year. For 2024, there are still no additions of hospital numbers on the pipeline, with only the groundbreaking of Siloam Surabaya's new building to potentially add 50 operational beds.

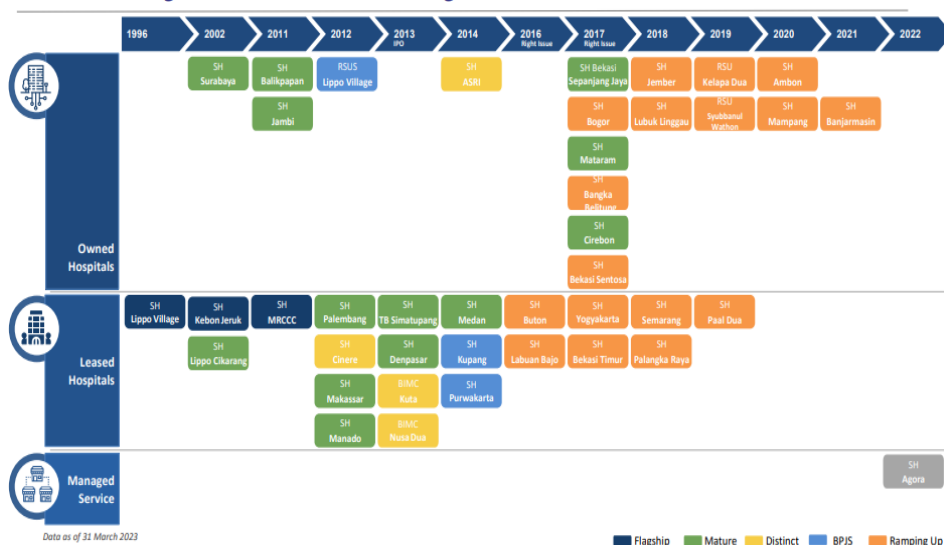
For 2025, the company plans to add new hospital in Kemang, targeting the Premium Generalist segment from expatriates living in the area. Another plan is to operate hospital in Manyar, Surabaya and targeting the similar yet local premium segment. Overall strategy aside from enhancing center of excellence is to push the premium-generalist segment from playing matrix in exhibit 4.

Another plan to support the premium market-focused strategy is to seek for another managed service as what the company did with Siloam Agora, where the partners being allowed to use Siloam's brand and resources, where in turn SILO's got management fee.

SILO also implements SILO 5.0 Strategy to overcome seasonality effects through enhancement of digital experiences, and plan to conduct better cost management through simplification of medical equipments purchase.

**Exhibit 24. SILO's Hospitals Opening Pipeline. Only 1 hospital from the ramping up category is still loss-making at EBITDA level**

### Siloam's Strategic Growth to Take Advantage of the Market Potential



Source: SILO

**Exhibit 25. SILO's Kemang Expansion Plans (Land Purchased from LPKR)**

### New Hospital Expansion – Kemang Antasari

Siloam is the leader in Premium Segment in its core Jakarta areas and Tangerang, and should continue to cement its position.

In alignment with Siloam's strategy to double down on premium market, the Company purchased a plot of land in Kemang, Jakarta Selatan, to build a new hospital with 200 beds capacity. This hospital has opportunity to provide an upscale International patients such as expats living in the premises.



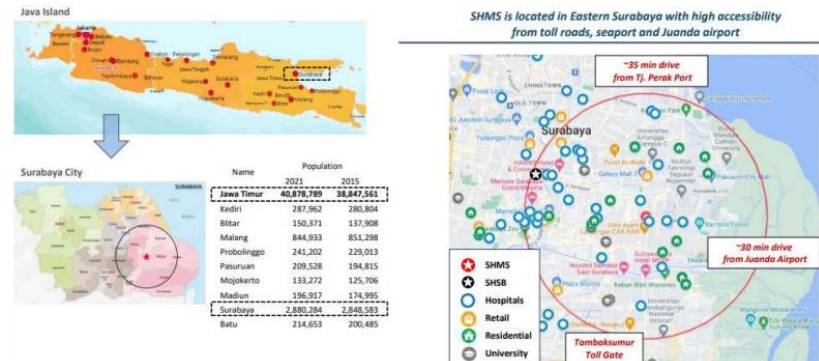
Source: SILO

## Exhibit 26. SILO's Manyar Expansion Plans (Land Purchased from LPKR)

### New Hospital Expansion – Surabaya Manyar

Surabaya is the second largest city in Indonesia and is the most populous and developed in East Java by a large margin.

In line with Siloam's strategy to increase presence in premium markets, the Company has purchased a plot of land in Manyar region of Surabaya to build a new hospital with 200 beds capacity.



Source: SILO

## Exhibit 27. SILO's 5.0 Strategy, Revenue Growth and Cost Management Initiatives

### Siloam 5.0 Strategy – Four Pillars of Growth

#### Four-Pillar Strategy

##### Core Growth

Focus on business through partnership, operational efficiency and effectiveness, innovation and access

##### Clinical Programs

Develop clinical care for exhaustive and holistic patients' treatment

##### Network Expansion

Maximize existing hospitalization utilization and selectively build new hospitals

##### Digital Health

Focus on business through partnership, operational efficiency and effectiveness, innovation and access

### Revenue Growth Initiatives

- **Procedure Packaging:** Offering uniform pricing packages
- **Value Based Pricing:** Pricing management by reviewing and optimizing pricing across network
- **Operational Effectiveness and Sales Team Engagement:** Automation of the sales team and processes
- **BPJS Optimization:** Dedicated team to focus and optimise the efficiency of BPJS service delivery
- **Equipment Utilisation:** Maximize utilisation of equipment and improve return on investment
- **Capacity Utilisation:** Maximize hospital metrics

### Cost Management Initiatives

- **Material Cost reduction:** Optimize cost by consolidating supplier; re-negotiation with suppliers
- **Demand Planning and Inventory Management:** Improve working capital and reduce wasted consumable; shrinkage management
- **OPEX Optimisation:** Review operational process to optimize staff and reduce costs; digitalization of manual labor; waste management
- **CAPEX Management Improvement:** Streamline CAPEX investment review and approval process

Total Estimated Savings Value:  
**IDR50bn – 100bn**

Source: SILO

We believe this overall strategy will create sustainable growth on admissions and visits on overall SILO's network (exh.30), which shall act as the key drivers of SILO's growth for the next 2-3 years, on top of the macro-industry catalysts we mentioned.

We project earnings growth of 41% to IDR 982 bn. in 2023, growing again by 14% in 2024, on the back of increasing volume from existing hospital networks (5-5.6 mn. patients by 2024-2025 vs. 4 mn, in 2022) as admissions will be lifted by an average of 10% in 2023-2024 and 15% in 2025, while outpatient grew an average 12% during FY23-FY25. For 2025, we forecast earnings growth to reach 17% on the back of additional operating beds in premium segment from Kemang and Manyar, which leads to higher inpatient volume, with EBITDA margin averaging 24% between 2023-2025 (compared to historical average between 2018-2022 of 18%).

SILO's total patient volume has seen different dynamics over the past 5 years. Patient volume grew on average 13% during pre-pandemic (FY17-FY19), then dropped during FY20's pandemic, yet recovering again in 2021 by 12% and continue the trend in 2022 by 29%. Meanwhile, blended ASP has been moderating by an average of -2%. We expect that SILO's earnings growth in FY23F onwards will be mainly driven by volume growth, aided by the strategy to focus on center of excellence. Meanwhile, management guided that price increases will only average at around 2-3% per year. We project volume to grow on average by 12% in FY23-FY25 and blended ASP to rise by 3% during the period.

SILO's major cost will be on medicine (25% of total cost), which has showed declining trend from pre-pandemic (to 23% in FY22, from FY16-FY19 average of 25%) and salary expenses (39% of total cost, also showed declining trend (to 39% in FY22, from FY16-FY19 average at 42%). We expect the efficiency effort from SILO's 5.0 strategy to allow for further efficiency gains (total medicine and salary costs projected to be 59% of revenue by FY24). We noted that there has been concern from investors in the past on leasing expenses for SILO's hospital network which is paid to related-parties REIT. However, our check indicated that lease expense in recent years has been decreasing (both in nominal amount and as percentage to revenue), which we understand is partly driven by SILO's buy back of the hospital assets from the group REIT and lease subsidies arrangement.

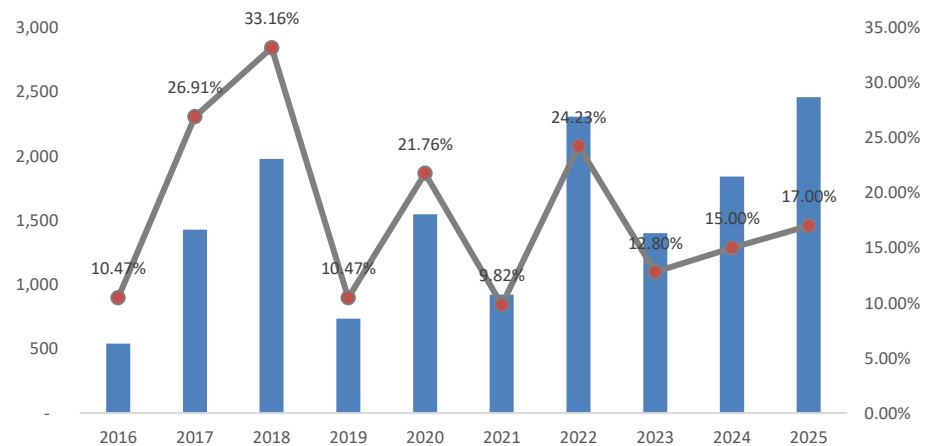
**Exhibit 28. Lease Liabilities**

IDR bn.	2019	2020	2021	2022
Rent Payable	79	16	12	5
Prepaid Expenses - Rent	55	1	2	2
Lease Liabilities - Building	-	452	253	219
Rent (as a % of Sales)	1.1%	0.2%	0.1%	0.1%
Prepaid Expenses - Rent (as a % of Sales)	0.8%	0.0%	0.0%	0.0%
Lease Liabilities - Building (as a % of Sales)	0.0%	6.4%	2.7%	2.3%

Source: BRIDS, Company

SILO's Bed utilization rate is now reaching 44.5%, yet as the company indicated that expansion plans will come from existing networks during 2023-2024, we only forecast an uplift in capex by 2025. Its net cash position stood at IDR 881 tn. in 2023F and IDR 1.3 tn. by 2025F which we estimate will be sufficient to meet capex requirements (Kemang and Manyar capex approximately IDR 695 bn).

**Exhibit 29. Capex Development (% to Revenue)**



Source: BRIDS, Company

## Recommendation and Valuation

We initiate coverage on SILO with Buy rating on the back of its attractive growth prospect, amid the industry tailwind from the omnibus law ratification, and SILO's sensible growth strategy to sustain its competitive moat.

SILO currently trades at 9.0x 23F EV/EBITDA (between +1-2SD avg. 5yrs. EV/EBITDA and 60% discount to peers), a discount considering premium-segment market which SILO captures. We apply DCF valuation to value SILO's share price, with WACC of 11% and terminal growth of 3%, we arrive at a target price of IDR 2,200, implying 23F/24F EV/EBITDA of 10.3x/9.5x.

**Exhibit 30. DCF Projection**

FCFF Projection SILO	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	0	1	2	3	4	5	6	7	8	9	10	
EBIT * (1-tax)	1,242	1,404	1,662	1,740	1,841	2,561	3,050	3,270	3,549	3,893	4,329	4,888
Depreciation	1,098	1,122	1,308	1,490	1,691	1,915	2,162	2,363	2,605	2,701	3,071	3,382
Change in working capital	(193)	(131)	(220)	(148)	(165)	(219)	(215)	(228)	(254)	(283)	(316)	(353)
Capex	1,400	1,839	2,457	2,394	2,644	2,950	3,260	2,642	3,187	3,819	4,226	4,317
Minority interest	13	13	13	13	13	13	13	13	13	13	13	13
<b>FCFF</b>	<b>735</b>	<b>543</b>	<b>281</b>	<b>675</b>	<b>710</b>	<b>1,293</b>	<b>1,724</b>	<b>2,750</b>	<b>2,699</b>	<b>2,479</b>	<b>2,845</b>	<b>3,587</b>
Discount factor		1.00	1.11	1.23	1.37	1.52	1.69	1.88	2.09	2.32	2.58	2.87
Present value of FCFF		543	253	547	517	849	1,018	1,462	1,292	1,068	1,103	1,251
Terminal value												49,173
PV of terminal value												17,153
<b>NPV</b>												
Net debt (as of end 2024)			IDR Bn	27,055								
Equity value			IDR Bn	(1,224)								
Outstanding share			IDR Bn	28,278								
Equity value per share			Bn sh	12.98								
			IDR/sh	2,179								
<b>Target price</b>			<b>IDR/sh</b>	<b>2,200</b>								
Current price			IDR/sh	1,940								
% upside/(downside)			%	13.4%								
<b>Recommendation</b>				<b>BUY</b>								

Source: BRIDS

## Exhibit 31. Key Assumptions

Key Indicators	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>For Inpatient Revenue</b>												
Inpatient admissions growth	10.0%	10.0%	15.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
ALoS (days)	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Inpatient days ('000)	901	991	1,140	1,254	1,380	1,518	1,669	1,836	2,020	2,222	2,444	2,689
Inpatient volume growth	10.8%	10.0%	15.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Inpatient revenue per inpatient days	2.0%	3.0%	3.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Bed occupancy rate (BOR)												
<b>For Outpatient Revenue</b>												
Outpatient revenue per outp. Volume	2.0%	3.0%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Outpatient volume growth	15.0%	7.5%	12.5%	5.0%	5.0%	7.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Overall Revenue Growth</b>												
Implied ASP growth	0.7%	3.8%	4.3%	4.1%	4.1%	3.3%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%
Patient volume growth	14.1%	8.0%	13.0%	6.0%	6.1%	8.0%	6.1%	6.2%	6.2%	6.2%	6.3%	6.3%
<b>For COGS and Opex</b>												
<b>Salary Expenses</b>												
Salary exp per employee	2.0%	2.5%	3.0%	2.5%	2.5%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Medicine &amp; Medical Supplies</b>												
Cost per inpatient days (IDR '000/inpatient days) - growth	0.5%	5.0%	4.5%	4.0%	3.5%	3.0%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%
Cost per outpatient volume (IDR '000/outpatient volume) - growth	1.5%	3.0%	2.5%	2.0%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Capex and Depreciation</b>												
Depreciation rate of FA	9.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Capex to revenue	12.80%	15.00%	17.00%	15.00%	15.00%	15.00%	15.00%	11.00%	12.00%	13.00%	13.00%	12.00%

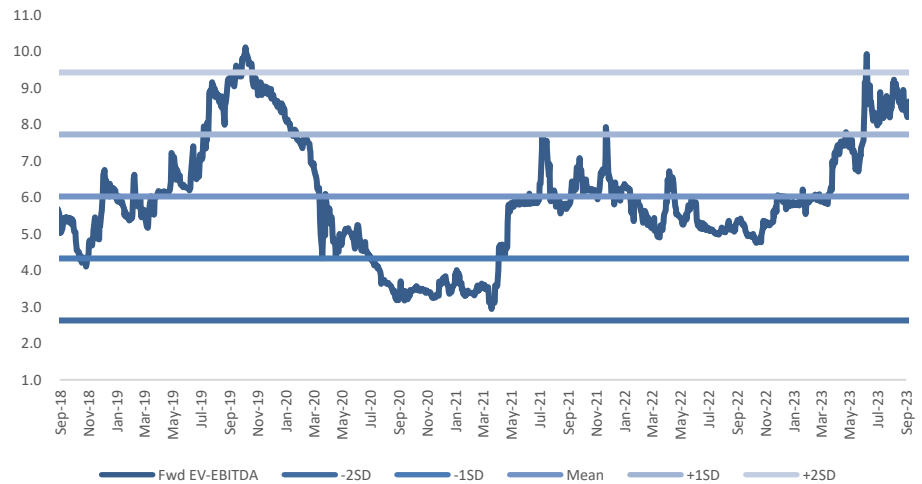
Source: BRIDS

## Exhibit 32. Regional Peers Comparison

12-Sep-23	Company	Mkt.Cap (USD mn.)	EV/EBITDA 23F	24F
HEAL IJ Equity*	MEDIKALOKA HERMINA TBK PT	22,002.4	16.7	14.8
MIKA IJ Equity*	MITRA KELUARGA KARYASEHAT TB	41,314.4	27.9	23.9
SILO IJ Equity*	SILOAM INTERNATIONAL HOSPITA	25,036.8	9.0	8.3
000516 CH Equity	XIAN INTERNATIONAL MEDICAL-A	37,149.7	36.4	19.7
NARH IN Equity	NARAYANA HRUDAYALAYA LTD	39,350.1	22.8	20.0
MEDANTA in Equity	GLOBAL HEALTH LTD/INDIA	33,633.9	29.0	23.6
301239 CH Equity	CHENGDU BRIGHT EYE HOSPITA-A	35,261.2	30.9	24.6
ASTERDM IN Equity	ASTER DM HEALTHCARE LTD	31,311.5	14.9	12.2
KIMS IN Equity	KRISHNA INSTITUTE OF MEDICAL	30,676.7	28.7	24.7
SWB MK Equity	SUNWAY BHD	31,237.3	23.0	21.8
002424 CH Equity	GUIZHOU BAILING GROUP PHAR-A	23,397.0	18.1	14.6
THG TB Equity	THONBURI HEALTHCARE GROUP PC	24,635.8	26.5	24.6
RAM TB Equity	RAMKHAMHAENG HOSPITAL PUB CO	21,964.0	33.0	29.5
1515 HK Equity	CHINA RESOURCES MEDICAL HOLD	14,195.5	5.0	4.1
IHH MK Equity	IHH SINGAPORE	172,358.7	14.3	13.3
<b>Indonesia</b>				
Median			16.7	14.8
Simple Average			17.9	15.7
Weighted Average			19.8	17.2
<b>Regional</b>				
Median			23.0	20.0
Simple Average			22.4	18.7
Weighted Average			21.3	18.0

Source: BRIDS, Bloomberg

**Exhibit 33. SILO's EV/EBITDA Band**



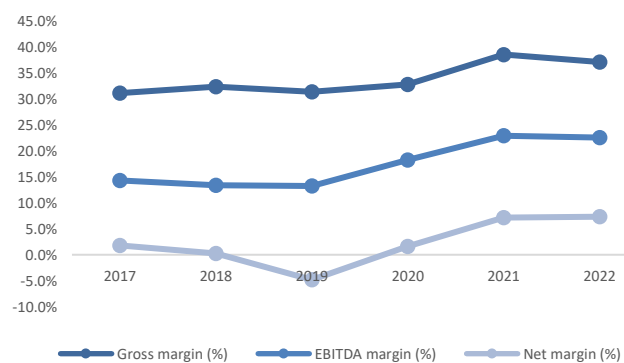
Source: BRIDS, Bloomberg

**Exhibit 34. SILO's 2Q23 Earnings & Management Guidance**

SILO (in IDR bn, unless stated)	2Q22	1Q23	2Q23	qoq, %	yoy, %	1H22	1H23	yoy, %	2023F BRIDS	A/BRIDS, %	2023F Cons.	A/Cons, %
Sales	2,188	2,654	2,628	(1.0)	20.1	4,410	5,282	19.8	10,936	48.3%	10,998	48.0%
COGS	(1,457)	(1,640)	(1,630)	(0.6)	11.9	(2,908)	(3,270)	12.4	(6,868)	47.6%	(6,934)	47.2%
Gross profit	731	1,014	998	(1.7)	36.5	1,502	2,012	34.0	4,069	49.5%	4,064	49.5%
Opex	(536)	(604)	(579)	(4.0)	8.0	(1,112)	(1,183)	6.3	(2,476)	47.8%	(2,480)	47.7%
Op.Profit	195	411	418	1.8	115.0	389	829	113.0	1,592	52.1%	1,584	52.4%
EBITDA	460	646	654	1.2	42.3	903	1,301	44.1	2,691	48.3%	2,556	50.9%
Net profit to common	111	250	246	(1.4)	121.6	210	503	139.4	982	51.3%	1,007	50.0%
Gearing (%)												
Gross margin (%)	33.4	38.2	38.0	(0.3)	4.6	34.1	38.1	4.0	37.2		37.0	
Opex to sales (%)	(24.5)	(22.7)	(22.0)	0.7	2.5	(25.2)	(22.4)	2.8	(22.6)		(22.5)	
Operating margin (%)	8.9	15.5	15.9	0.4	7.0	8.8	15.7	6.9	14.6		14.4	
EBITDA margin (%)	21.0	24.4	24.9	0.5	3.9	20.5	24.6	4.15	24.6		23.2	
Net margin (%)	5.1	9.4	9.4	(0.0)	4.3	4.8	9.5	4.8	9.0		9.2	

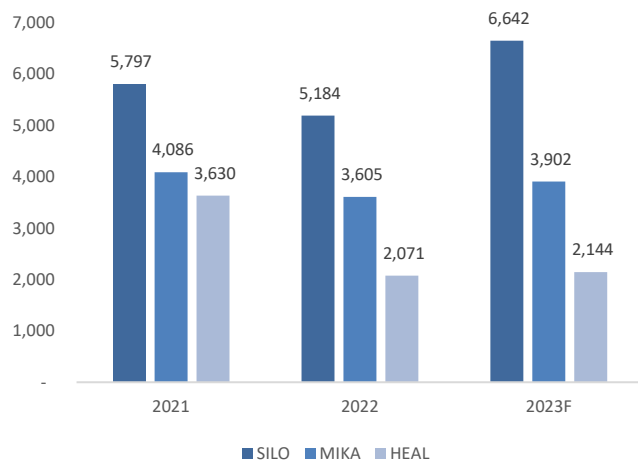
Source: BRIDS, Bloomberg

**Exhibit 35. Historical Margins**



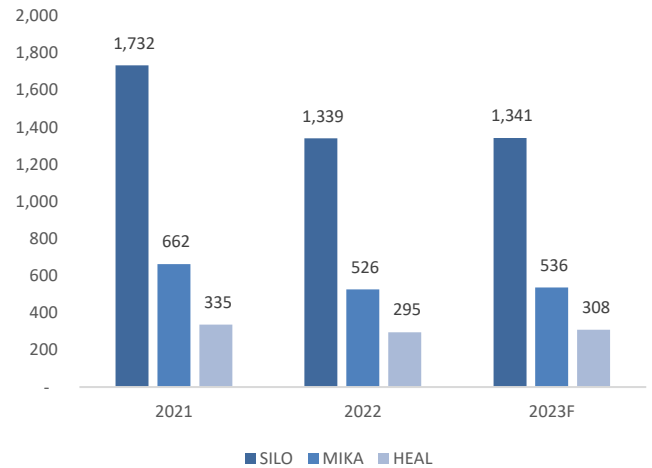
Source: SILO

**Exhibit 36. Inpatient Revenue per Inpatient Days (IDR'000/patient)**



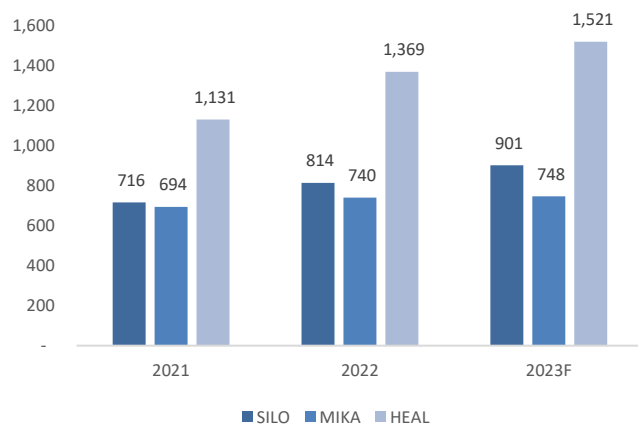
Source: Company, BRIDS

**Exhibit 37. Outpatient Revenue per Visits (IDR'000/patient)**



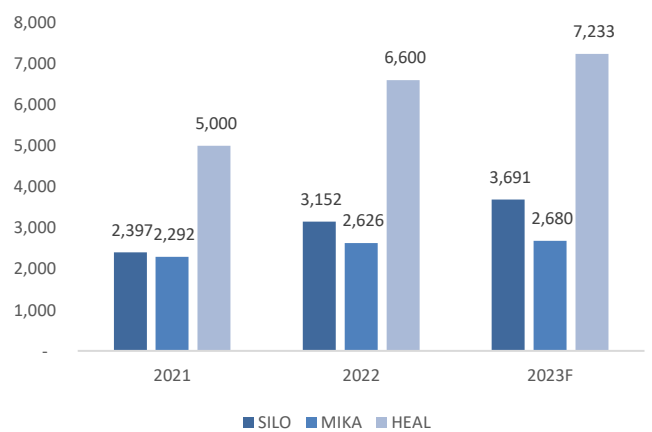
Source: Company, BRIDS

**Exhibit 38. Inpatient Days ('000)**



Source: Company, BRIDS

**Exhibit 39. Outpatient Visits ('000)**



Source: Company, BRIDS

#### Exhibit 40. Income Statement

Year to 31 Dec (IDRbn)	2021A	2022A	2023F	2024F	2025F
<b>Revenue</b>	<b>9,382</b>	<b>9,518</b>	<b>10,936</b>	<b>12,263</b>	<b>14,455</b>
COGS	(5,765)	(5,985)	(6,868)	(7,790)	(9,181)
<b>Gross profit</b>	<b>3,617</b>	<b>3,533</b>	<b>4,069</b>	<b>4,473</b>	<b>5,274</b>
<b>EBITDA</b>	<b>2,149</b>	<b>2,150</b>	<b>2,691</b>	<b>2,922</b>	<b>3,439</b>
<b>Oper. profit</b>	<b>1,199</b>	<b>1,188</b>	<b>1,592</b>	<b>1,801</b>	<b>2,131</b>
Interest income	19	30	27	36	46
Interest expense	(65)	(68)	(96)	(108)	(146)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	(180)	(166)	(247)	(277)	(327)
<b>Pre-tax profit</b>	<b>973</b>	<b>984</b>	<b>1,276</b>	<b>1,451</b>	<b>1,704</b>
Income tax	(273)	(274)	(281)	(319)	(375)
Minority interest	(26)	(14)	(13)	(13)	(13)
<b>Net profit</b>	<b>674</b>	<b>696</b>	<b>982</b>	<b>1,119</b>	<b>1,316</b>
<b>Core Net Profit</b>	<b>674</b>	<b>696</b>	<b>982</b>	<b>1,119</b>	<b>1,316</b>

#### Exhibit 41. Balance Sheet

Year to 31 Dec (IDRbn)	2021A	2022A	2023F	2024F	2025F
Cash & cash equivalent	1,915	1,066	1,430	1,840	2,127
Receivables	1,206	1,253	1,440	1,614	1,903
Inventory	302	202	320	363	428
Other Curr. Asset	116	166	184	206	243
Fixed assets - Net	4,597	5,818	6,118	6,827	7,959
Other non-curr.asset	1,168	1,161	1,274	1,373	1,540
<b>Total asset</b>	<b>9,304</b>	<b>9,666</b>	<b>10,765</b>	<b>12,223</b>	<b>14,198</b>
ST Debt	190	291	294	317	484
Payables	469	442	527	598	704
Other Curr. Liabilities	1,573	1,445	1,329	1,490	1,757
Long Term Debt	5	0	0	10	19
Other LT. Liabilities	542	436	581	656	765
<b>Total Liabilities</b>	<b>2,780</b>	<b>2,614</b>	<b>2,731</b>	<b>3,071</b>	<b>3,728</b>
Shareholder's Funds	6,442	6,955	7,938	9,057	10,373
Minority interests	82	96	96	96	96
<b>Total Equity &amp; Liabilities</b>	<b>9,304</b>	<b>9,666</b>	<b>10,765</b>	<b>12,223</b>	<b>14,198</b>

#### Exhibit 42. Cash Flow

Year to 31 Dec (IDRbn)	2021A	2022A	2023F	2024F	2025F
Net income	674	696	982	1,119	1,316
Depreciation and Amort.	950	962	1,098	1,122	1,308
Change in Working Capital	36	53	(193)	(131)	(220)
Other Oper. Cash Flow	317	(205)	(161)	123	203
<b>Operating Cash Flow</b>	<b>1,978</b>	<b>1,507</b>	<b>1,727</b>	<b>2,233</b>	<b>2,608</b>
Capex	(921)	(2,307)	(1,400)	(1,839)	(2,457)
Others Inv. Cash Flow	211	131	(111)	(90)	(149)
<b>Investing Cash Flow</b>	<b>(710)</b>	<b>(2,176)</b>	<b>(1,511)</b>	<b>(1,930)</b>	<b>(2,606)</b>
Net change in debt	(93)	(11)	148	108	285
New Capital	(393)	(419)	0	0	0
Dividend payment	225	250	0	0	0
Other Fin. Cash Flow	0	0	0	0	0
<b>Financing Cash Flow</b>	<b>(262)</b>	<b>(180)</b>	<b>148</b>	<b>108</b>	<b>285</b>
<b>Net Change in Cash</b>	<b>1,007</b>	<b>(849)</b>	<b>364</b>	<b>411</b>	<b>286</b>
Cash - begin of the year	908	1,915	1,066	1,430	1,840
Cash - end of the year	1,915	1,066	1,430	1,840	2,127

#### Exhibit 43. Key Ratios

Year to 31 Dec	2021A	2022A	2023F	2024F	2025F
<b>Growth (%)</b>					
Sales	32.0	1.5	14.9	12.1	17.9
EBITDA	65.4	0.1	25.1	8.6	17.7
Operating profit	143.5	(0.9)	34.0	13.1	18.4
Net profit	480.3	3.3	41.0	13.9	17.6
<b>Profitability (%)</b>					
Gross margin	38.6	37.1	37.2	36.5	36.5
EBITDA margin	22.9	22.6	24.6	23.8	23.8
Operating margin	12.8	12.5	14.6	14.7	14.7
Net margin	7.2	7.3	9.0	9.1	9.1
ROAA	7.6	7.3	9.6	9.7	10.0
ROAE	10.9	10.4	13.2	13.2	13.6
<b>Leverage</b>					
Net Gearing (x)	(0.3)	(0.1)	(0.1)	(0.2)	(0.2)
Interest Coverage (x)	18.4	17.5	16.6	16.7	14.6

Source : SILO, Danareksa Estimates






## Appendix



### Appendix 1. Details on Medical Check-Up Package Comparison.

Siloam	Mount Elizabeth (Singapore)	Island Hospitals (Penang)
<b>Siloam Diamond</b>	<b>Screen Signature</b>	<b>Maybank Screening Package</b>
19,500,000	23,058,420	4,237,520
HbA1c	Blood glucose	Fasting blood sugar (glucose)
Fasting Glucose	HbA1c	HbA1c
<b>Blood Test</b>	<b>Blood Test</b>	<b>Full Blood Picture</b>
Full Blood Count (CBC + Diff. Count + ESR)	Full blood count	Blood Film Comment
Homocysteine	Anaemia studies:	White Blood Cell Count
<b>Cancer Screening</b>	Iron serum	Differential Count
CA 19-9	Total iron binding capacity	Red Blood Cell Count
AFP	Serum folic acid	Haemoglobin
CEA	Vitamin B12	Haematocrit
<b>Coagulation Panel</b>	Ferritin	MCV (Mean Cell Volume)
Platelet Aggregation	<b>Autoimmune disease screen</b>	MCH (Mean Cell Haemoglobin)
Fibrinogen	Rheumatoid factor	MCHC (Mean Cell Haemoglobin Concentration)
<b>Diagnostics</b>	Antinuclear antibody (ANA)	RDW (Red Cell Distribution Width)
Gastroscopy and Colonoscopy	<b>Hepatitis A, B and C screen</b>	Reticulocyte Count
<b>Electrolyte &amp; Blood Gas</b>	<b>Blood tests: Tumour markers</b>	Platelet Count
Electrolyte 4 Panel (Na, Mg, K, Cl)	Colon (CEA)	<b>Cancer Marker Tests</b>
<b>Eye Screening</b>	Liver (AFP)	Male Cancer profile or Female Cancer profile
Eye Vision (Snellen)	Nasopharynx / nose (EBV serology)	<b>Eye Tests</b>
Color Blind Test	Pancreas (CA19.9)	Visual Acuity Testing
<b>General Physical Examination</b>	Prostate (PSA)	Test for Colour Blindness
Scoliosis Risk Screening	Testis (THCG)	<b>Hepatitis</b>
Head-to-Toe Physical Examination	<b>Vital signs and physical examination</b>	Hepatitis B Surface Antigen (HBsAg)
Vital Signs	<b>Body composition analysis</b>	Hepatitis B Surface Antibody (HBsAb)
<b>Heart Screening</b>	<b>Eye Screening</b>	Hepatitis C Antibody (Anti-HCV)
Echocardiogram	Visual acuity	<b>Syphilis/Treponema pallidum Antibody</b>
ECG	Colour vision	<b>Cardiovascular Assessment</b>
Treadmill	Tonometry (glaucoma screen)	ECG of the heart
<b>Infectious Disease Screening</b>	Retinal photography	<b>Bones</b>
Total Anti HCV	<b>Cardiac Screen</b>	Calcium
HbsAg	Resting ECG	Phosphorus
Anti Hbs	Treadmill test (stress ECG)	Rheumatoid (RA) Factor
<b>Lipid Profile &amp; Cholesterol</b>	<b>Cholesterol profile</b>	<b>Uric Acid</b>
Lipoprotein A	<b>Liver function</b>	<b>Inflammation Marker</b>
Cholesterol (Total, LDL, HDL)	<b>Kidney function</b>	hsCRP
Triglyceride	<b>Imaging Tests</b>	<b>Lipid Profile</b>
<b>Liver Function</b>	Chest X-ray	Total Cholesterol
Bilirubin Total	Ultrasound abdomen	Triglycerides
Alkaline Phosphatase	<b>Thyroid function</b>	HDL Cholesterol
SGOT-SGPT	<b>Urine Test</b>	LDL Cholesterol
Gamma GT	Urine microscopic examination	Non-HDL Cholesterol
<b>Other Amenities</b>	Urine microalbumin / creatinine ratio	Total Cholesterol/HDL Ratio
Food and Beverage	<b>Vitamin &amp; Mineral</b>	<b>Liver Function</b>
<b>Radiology</b>	Uric acid	Total Protein
DSCT Cardiac Contrast	Calcium	Albumin
Chest X-ray	Phosphate	Globulin
Abdominal Ultrasound	Vitamin D level	A/G Ratio
BMD (Bone Mineral Density)	<b>Additional Tests (choose one group A or B)</b>	Total Bilirubin
MRI-MRA Head Non Contrast	Group A: Ultrasound tests	Direct Bilirubin
<b>Renal Function</b>	Ultrasound carotid (stroke screen)	Indirect Bilirubin
Creatinine	Ultrasound thyroid	Alkaline Phosphatase
Uric Acid	Ultrasound fibroscan^ of liver (top up \$300)	GGT
Ureum	Group B: Functional tests	ALT
<b>Specialist Doctor Examination</b>	Bone mineral density test (BMD)	AST
Cardiologist	Blood test: Biomarkers of ageing*	<b>Radiological Screening</b>
<b>Thyroid Function</b>	<b>Male Specific Tests</b>	Chest X-ray
TSH Sensitive	Ultrasound prostate	Ultrasound examination of the upper abdomen
Free T4	<b>Stool occult blood test (immunological)</b>	Ultrasound of the pelvis
Free T3		Bone Densitometry
<b>Urine Test</b>		Body Composition analysis (muscle, fat, minerals, water)
Complete Urinalysis		<b>Kidney/Renal Function Tests</b>
<b>Vitamin &amp; Mineral</b>		Urea
Vitamin D 25-OH		Creatinine
		Sodium
		Potassium
		Chloride
		eGFR (estimated Glomerular Filtration Rate)
		<b>Urine Assessments</b>
		Urine Albumin/Creatinine Ratio
		Urine FEME
		<b>Thyroid</b>
		Free Thyroxine (Free T4)
		Thyroid Stimulating Hormone (TSH)
		<b>Consultation and review of assessments by Specialist:</b>
		Physical Examination
		Family history
		Vaccination advice
		Covid-19 advice (only if applicable)




## Appendix 2. Management Profile



### Board of Director

Position	Name	Description
<b>President Director</b>	 <b>Benny Haryanto Dije</b>	<p>Benny Haryanto Dije, Indonesian Citizen, appointed as Director since 2023.</p> <p>Previously served as President Director of PT Ciptadana Capital, President Director Indonesian Central Securities Depository. He was President Commissioner of PT Lippo General Insurance Tbk, as well as Commissioner of PT Lippo Karawaci Tbk, PT Multi Polar Tbk, and PT Lippo Securities Tbk.</p>
<b>Director</b>	 <b>Hendy Widjaja</b>	<p>Hendy Widjaja, Indonesian Citizen, appointed as Director since 2022.</p> <p>He previously served in operations in several banks spanning from Citibank, DBS, ABN AMRO and UOB, before transitioning to OVO as Director of Operations in 2017, then serving as Director of Operations in tiket.com in 2019. Finally, he has joined the Siloam team as Chief Network Officer in 2021.</p>
<b>Director</b>	 <b>Monica Surjapranata</b>	<p>Monica Surjapranata, Indonesian citizen, appointed as Director since 2019.</p> <p>She was the CEO of Times Bookstore and CEO of Books &amp; Beyond from 2010 to 2013. She then served as CEO of Siloam General Hospital from 2013 to 2016. From 2016 to 2018, she was the Director of Siloam Hospital Group's Special Project and starting from 2018 served as the Regional Executive Director of Siloam Hospitals Group.</p>
<b>Director</b>	 <b>Atiff I. Gill</b>	<p>Atiff I. Gill, British citizen, appointed as Director since 2016. He previously worked at Williamson-Dickie Manufacturing Co. Ltd, Shanghai with last position as North Asia President for Greater China &amp; Japan (2008-2013), Lacoste, Shanghai with last position as CEO for China and Taiwan (2013-2014), CVC Asia Pacific Pte Ltd as Senior Managing Director (2014-present).</p>
<b>Director</b>	 <b>dr. Anang Prayudi</b>	<p>dr. Anang Prayudi, Indonesian citizen, appointed as Director since 2010. He began his career in the Indonesian Armed Forces (Army) as Physician (1989-1998), International SOS with last position as Medical Director (1998-2011).</p>

<b>Director</b>	 <p><b>dr. Grace F.Indradjaja</b></p>	<p>Dr. Grace Frelita Indradjaja, Indonesian citizen, appointed as Director since 2010.</p> <p>She began her career in the Dharma Jaya Mental and Neuroscience Hospital as Physician (1986-1989), Primary Health Care Facility of the Mulia's Family as Physician (1989-1991), Ongkomulyo Hospital Jakarta as Physician (1992-1995), Siloam Hospital Karawaci with last position as Chief Executive Officer (1995-2007). Siloam Hospital Head Office as Chief Operating &amp; Medical Officer (2007-2010).</p>
<b>Director</b>	 <p><b>dr. Phua Meng Kuan (Daniel Phua)</b></p>	<p>Phua Meng Kuan, Australian citizen, appointed as Director since 2019.</p> <p>He had worked as the Head of Business Transformation/Group CFO for Blue Bird. Prior to that, Mr. Phua had been the Group CFO of Singapore Post, also has been trusted as the Head of Group Audit and Risk Management for PT Astra International Tbk earlier. He developed his career previously in Jardine Matheson (Hong Kong), Telstra (Melbourne, Australia), and Ernst &amp; Young (Perth, Australia).</p>

#### Board of Commissioner

Position	Name	Description
<b>President Commissioner</b>	 <p><b>John Riady</b></p>	<p>John Riady, Citizen of Indonesia, appointed as President Commissioner.</p> <p>He concurrently serving as CEO at PT Lippo Karawaci since 2019 and Executive Director of Lippo Group since 2011. He is also a member of the Indonesian APEC Business Advisory Council (ABAC), the Wharton Business School Asia Executive Board, and is a World Economic Forum Young Global Leader (YGL).</p>
<b>Commissioner</b>	 <p><b>Andy N. Purwohardono</b></p>	<p>Andy N. Purwohardono, Citizen of Indonesia, appointed as Commissioner since 2020.</p> <p>He concurrently serving at CVC Asia Pacific Limited Singapore as Senior Managing Director since 2020, PT Link Net Tbk as Director since 2014, and PR MAP Active as Commissioner since 2020.</p>
<b>Commissioner</b>	 <p><b>Dr. Liem Suet Wun</b></p>	<p>Dr. Liem Suet Wun, Citizen of Singapore, appointed as Commissioner since 2020.</p> <p>His last position was as the CEO of National Healthcare Group and Tan Tock Seng Hospital (TTSH) in Singapore. He has substantively involved with the Nanyang Technological University and Imperial College in London and was awarded the Public Service star by the President of Singapore.</p>

<b>Independent Commissioner</b>	 <b>Dr. Kartini Syahrir</b>	<p>Dr. Kartini Syahrir, Citizen of Indonesia, appointed as Independent Commissioner since 2019.</p> <p>She serves as a Senior Advisor for Climate Change Issues to the Republic of Indonesia under Coordinating Minister for Maritime Affairs and Investment. She is also the Indonesian representative to the Advisory Board of ASEAN and was the ambassador of Indonesia for Argentina, Uruguay and Paraguay when she was awarded the most prestigious title by the President of Argentina.</p>
<b>Independent Commissioner</b>	 <b>Peter J. Chambers</b>	<p>Peter J. Chambers, Citizen of Australia, appointed by the General Meeting of Shareholders Resolution dated 7 July 2020.</p> <p>He currently serves as an advisor to Farallon Capital and Lippo Karawaci and serves on a number of the Boards and Board Committees, including those for Indomines Pty Ltd, PT Kredit Pintar, Lippo Karawaci and Siloam Hospitals.</p>

#### Disclaimer

The information contained in this report has been taken from sources which we deem reliable. However, none of PT BRI Danareksa Sekuritas and/or its affiliated and/or their respective employees and/or agents makes any representation or warrant (express or implied) or accepts any responsibility or liability as to, or in relation to, the accuracy or completeness of the information and opinions contained in this report or as to any information contained in this report or any other such information or opinions remaining unchanged after the issue thereof.

We expressly disclaim any responsibility or liability (express or implied) of PT BRI Danareksa Sekuritas, its affiliated companies and their respective employees and agents whatsoever and howsoever arising (including, without limitations for any claims, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as results of acting in reliance upon the whole or any part of the contents of this report and neither PT BRI Danareksa Sekuritas, its affiliated companies or their respective employees or agents accepts liability for any errors, omissions or mis-statements, negligent or otherwise, in the report and any liability in respect of the report or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

The information contained in the report is not to be taken as any recommendation made by PT BRI Danareksa Sekuritas or any other person to enter into any agreement with regard to any investment mentioned in this document. This report is prepared for general circulation. It does not have regards to the specific person who may receive this report. In considering any investments you should make your own independent assessment and seek your own professional financial and legal advice.