

# Buy

(Maintained)

Last Price (Rp)	1,055
Target Price (Rp)	1,900
Previous Target Price (Rp)	2,000
Upside/Downside	+80.1%
No. of Shares (mn)	14,713
Mkt Cap (Rpbn/US\$mn)	15,522/941
Avg, Daily T/O (Rpbn/US\$mn)	30.9/1.9
Free Float (%)	28.1
Major Shareholder (%)	
Yulisar Khiat	11.7
Astra International	7.4
EPS Consensus (Rp)	
	2025F 2026F 2027F
BRIDS	41.4 53.2 64.6
Consensus	46.8 56.0 61.9
BRIDS/Cons (%)	(11.5) (5.1) 2.7

## HEAL relative to JCI Index



Source: Bloomberg

### BRI Danareksa Sekuritas Analysts

#### Ismail Fakhri Suweleh

(62-21) 5091 4100 ext. 3505  
ismail.suweleh@brids.co.id

#### Wilastita Muthia Sofi

(62-21) 5091 4100 ext. 3509  
wilastita.sofi@brids.co.id

# Medikaloka Hermina (HEAL II)

## FY24 Earnings Miss, But LT Prospect Remains Intact

- HEAL posted FY24 PATMI of Rp536bn (91%/92% to ours/con.) mainly due to loss of IKN hospital, though this was previously well guided.
- Incorporating risks of weaker admissions in 1H25 and cost of new hospitals, we lower our FY25/26 PATMI by -19/-17%.
- We maintain our Buy rating, yet lower our DCF-based TP to Rp1,900; long-term prospect of HEAL shall remain intact.

### Well-Guided FY24 Results; Management Targeting 12-15% Growth in FY25

HEAL reported 4Q24 Net Profit After Taxes and Minority Interest (PATMI) of Rp68bn (-23% yoy, -46% qoq), bringing its FY24 total to Rp536bn—91% of our estimate and 92% of the consensus, thus coming in below expectations. Flattish qoq revenue growth and lower gross profit margin due to higher medicine and salary costs resulted in a weaker 4Q24 performance. Additionally, the previously guided loss absorption of the IKN hospital further impacted PATMI. Management, however, expects FY25 revenue growth to remain at 12-15% to Rp7.5-7.7tr, driven by the addition of 700 brownfield beds and 200 greenfield beds (Hermina Bali & Salatiga), as well as private patient and non-hospital business contributions. The EBITDA margin is targeted to expand by 100bps, while PATMI margin is expected to remain similar to FY24 levels (~8%).

### Trimming our FY25F/26F PATMI Forecast by -19/-17%

Incorporating the FY24 results and FY25 guidance, we revised down our FY25F/26F revenue growth forecast by -1%/-3% (**exh.6**), to account for the risks of weaker admissions in 1H25 due to fewer working days. Additionally, we have adjusted our salary expense growth (from 2% to 3%) and PATMI margin down, to reflect the costs of new hospitals, aligning with the company's guidance. Overall, this resulted in a downward revision of our FY25F/26F PATMI forecast by -19/-17%.

### Maintain Buy with a lower DCF-based TP of Rp1,900

We maintain our Buy rating with a lower DCF-based TP of Rp1,900 (implying 9.2x FY25F EV/EBITDA). Despite the weaker performance in 4Q24, we believe HEAL's favorable long-term prospects remain intact due to its ability to operate at economies of scale, which continues to drive consistent margin expansion despite serving JKN patients. Additionally, CoB Managed Care offers wider margin expansion potential in the future, as our simulation indicates a potential 8-15% higher revenue per patient (**exh.11**). Key risks: 1) higher capex leading to lower FCF 2) Lower revenue intensity growth 3) Uncertainty in KRIS which may limit the potential of CoB Managed Care.

### Key Financials

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
Revenue (Rpbn)	5,784	6,717	7,630	8,745	10,026
EBITDA (Rpbn)	1,495	1,782	2,126	2,504	2,881
EBITDA Growth (%)	35.1	19.2	19.3	17.8	15.1
Net Profit (Rpbn)	437	536	615	789	944
EPS (Rp)	30.2	36.1	41.4	53.2	63.6
EPS Growth (%)	48.6	19.7	14.7	28.4	19.6
BVPS (Rp)	266.8	300.0	330.6	371.4	419.1
DPS (Rp)	7.1	8.8	10.8	12.4	15.9
PER (x)	35.0	29.2	25.5	19.8	16.6
PBV (x)	4.0	3.5	3.2	2.8	2.5
Dividen yield (%)	0.7	0.8	1.0	1.2	1.5
EV/EBITDA	11.2	10.2	9.2	7.8	6.8

Source: HEAL, BRIDS Estimates

## FY24 Earnings Miss, But LT Prospect Remains Intact

### 4Q24 Results Summary

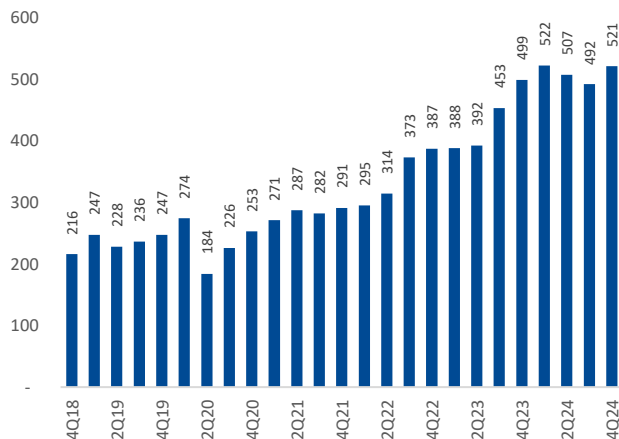
- HEAL reported 4Q24 Net Profit After Taxes and Minority Interest (PATMI) of Rp68bn (-23% yoy, -46% qoq), bringing its FY24 total to Rp536bn—91% of our estimate and 92% of the consensus, thus coming in below expectations.
- The 4Q24 PATMI decline was mainly due to: flattish revenue growth and a lower gross profit margin (33% vs. 35% in 3Q24), driven by rising medicine and salary costs.
- However, full-year revenue still grew 16% yoy in FY24, while the EBITDA margin expanded by 100bps to ~27%, which was in line with company guidance. Non-hospital revenue also saw strong growth, increasing 63% yoy and contributing 3% to total revenue (up from 2% in FY23). Higher base of qoq outpatient volume growth in 3Q24 (+11%) also contributed, as well as the effect of less working-days in 4Q24.
- In Feb25, the company had guided that FY24 PATMI would likely miss consensus due to: 1) Higher loss absorption from IKN's operational losses 2) A potential allowance for trade receivables losses, given tighter compliance checks by JKN. See our note [here](#).
- Our check on the allowance for impairment of trade receivables shows a 45% yoy increase in nominal terms (Rp11bn in FY23 to Rp16bn in FY24), yet it remained stable at 0.2% of revenue. Receivables from BPJS stood at Rp727bn in FY24, accounting for 60% of total A/R. Meanwhile, receivable days were recorded at 56 days in FY24 vs. 54 days in FY23.
- Thus, the primary reason for the FY24 PATMI miss was the absorption of losses from the fully owned IKN and other new hospitals, while receivables risk remains manageable.

### Exhibit 1. FY24 Results Summary

HEAL (in Rp bn, unless stated)	4Q23	3Q24	4Q24	qoq, %	yoy, %	FY23	FY24	yoy, %	2024F Cons.	A/Cons., %	2024F BRIDS	A/BRIDS, %
<b>Revenue</b>	1,554	1,682	1,691	0.5	8.8	5,784	6,717	16.1	6,717	100.0%	6,665	100.8%
Inpatient	916	990	982	(0.8)	7.2	3,373	4,013	19.0			3,910	102.6%
Outpatient	612	640	638	(0.3)	4.3	2,271	2,494	9.8			2,594	96.2%
<b>COGS</b>	(1,026)	(1,088)	(1,134)	4.2	10.5	(3,709)	(4,281)	15.4	(4,224)	101.4%	(4,128)	103.7%
Medicines and Med Supplies	(346)	(375)	(386)	2.9	11.5	(1,303)	(1,480)	13.6				
as % of Revenue	22.3%	22.3%	22.8%			22.5%	22.0%					
Salaries and employee benefits	(285)	(311)	(317)	1.8	11.4	(1,020)	(1,241)	21.6				
as % of Revenue	18.3%	18.5%	18.8%			17.6%	18.5%					
<b>Gross profit</b>	529	594	557	(6.2)	5.4	2,075	2,436	17.4	2,493	97.7%	2,537	96.0%
<b>Opex</b>	(365)	(354)	(372)	4.9	1.8	(1,294)	(1,399)	8.1	(1,411)	99.1%	(1,458)	96.0%
<b>Op.Profit</b>	164	240	185	(22.6)	13.2	781	1,037	32.8	1,082	95.8%	1,080	96.0%
Depr. & Amort.	203	186	191			646	689					
Post employment benefit exp.	16	9	13			39	40					
Bad debt expenses	8	3	11			11	16					
<b>EBITDA</b>	391	437	401	(8.3)	2.5	1,476	1,782	20.7	1,868	95.4%	1,888	94.4%
<b>Pre-tax profit</b>	150	208	143	(31.4)	(4.9)	710	907	27.7	949	95.5%	961	94.4%
<b>Net profit</b>	118	155	92	(41.0)	(22.1)	559	689	23.2				
<b>Net profit to common</b>	89	125	68	(45.8)	(23.4)	437	536	22.5	584	91.7%	586	91.4%
Minority Interest to Net Profit	-21.8%	-23.1%	-19.6%			-21.0%	-21.6%					
Gross margin (%)	34.0	35.3	32.9	(2.4)	(1.1)	35.9	36.3	0.4	37.1		38.1	
Opex margin (%)	(23.5)	(21.1)	(22.0)	(0.9)	1.5	(22.4)	(20.8)	1.5	(21.0)		(21.9)	
Operating margin (%)	10.5	14.2	11.0	(3.3)	0.4	13.5	15.4	1.9	16.1		16.2	
EBITDA margin (%)	25.2	26.0	23.7	(2.3)	(1.4)	25.5	26.5	1.0	27.8		28.3	
Tax Rate (%)	21.6	25.3	35.7	10.4	14.2	21.3	24.0	2.8				
Net margin (%)	5.7	7.4	4.0	(3.4)	(1.7)	7.6	8.0	0.4	8.7		8.8	
<b>Key Operational Indicators</b>	4Q23	3Q24	4Q24	qoq, %	yoy, %	FY23	FY24	yoy, %				
Inpatient Days ('000)	499	492	521	5.9	4.5	1,732	2,042	17.9				
Inpatient Revenue per Days (IDR'000/days)	1,836	2,013	1,885	(6.3)	2.7	1,948	1,965	0.9				
Outpatient Visits	2,195	2,278	2,282	0.2	4.0	7,895	8,807	11.6				
Outpatient Revenue per Visits (IDR'000/patient)	279	281	280	(0.4)	0.4	288	283	(1.5)				

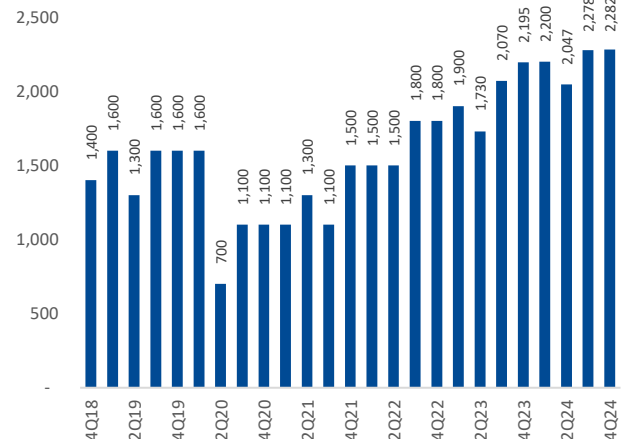
Source: Company, BRIDS Estimates, Bloomberg

Exhibit 2. HEAL IP Volume Trend ('000)



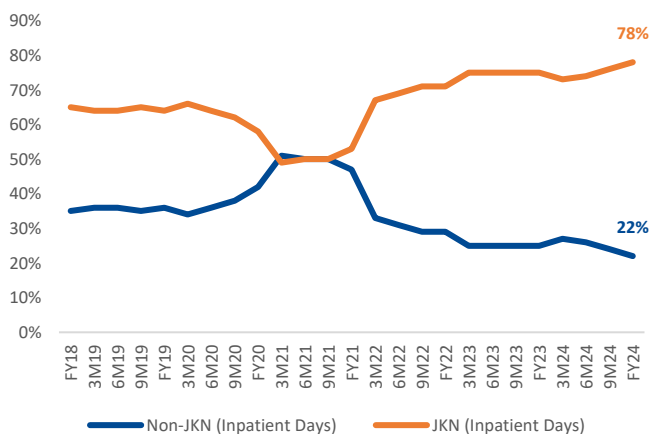
Source: Company, BRIDS

Exhibit 3. HEAL OP Volume Trend ('000)



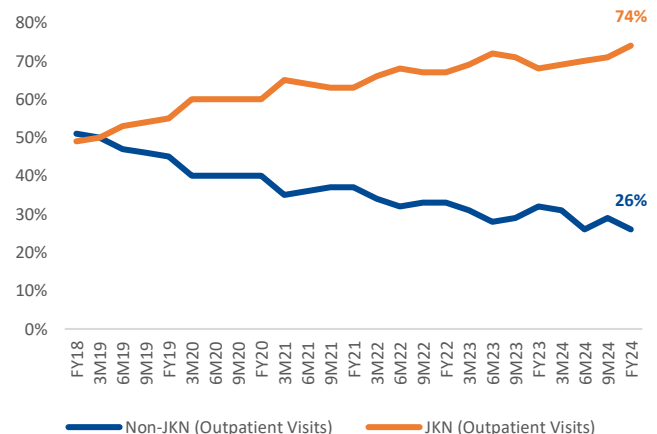
Source: Company, BRIDS

Exhibit 4. HEAL's Payer Mix (Inpatient)



Source: Company, BRIDS

Exhibit 5. HEAL's Payer Mix (Outpatient)



Source: Company, BRIDS

### Management Targeting 12-15% Revenue Growth in FY25

Management expects FY25 revenue to grow by 12-15% to Rp7.5-7.7tr, driven by regular volume growth from the addition of 700 brownfield beds and 200 greenfield beds (Hermina Bali & Salatiga), as well as private patient and non-hospital business contributions. Several revenue intensity initiatives are also being rolled out, e.g., a Radiotherapy Machine in Bekasi and Stroke Therapy using Japan-based technology from CyberDyne.

These targets, however, have yet to incorporate any impact of CoB Managed Care Implementation, yet management is confident Class I JKN patients will be incentivized to upgrade their service using CoB Managed Care due to the smaller space (exh.11) in the upcoming standardized room (KRIS) compared to the previous Class I room, as well as the competitive pricing of CoB Managed Care compared to the existing CoB Indemnity. According to the company, ARSSI is currently in intensive discussions with OJK and the Private Insurance Association to finalize the CoB Managed Care mechanisms.

EBITDA margin is targeted to expand by 100bps, PAT margin is expected to reach high single-digit, while PATMI margin is expected to remain similar to FY24's achievements (~8%), already incorporating the risks of new hospital losses.

### Exhibit 6. Forecast Changes Summary

Financials, IDRbn	2025F			2026F			2027F		
	Prev	New	% chg.	Prev	New	% chg.	Prev	New	% chg.
Revenue	7,728	7,630	-1%	9,021	8,745	-3%	10,541	10,026	-5%
Gross profit	3,009	2,779	-8%	3,551	3,244	-9%	4,190	3,742	-11%
Operating profit	1,334	1,199	-10%	1,611	1,466	-9%	1,946	1,715	-12%
EBITDA	2,241	2,126	-5%	2,639	2,504	-5%	3,125	2,881	-8%
Net profit	760	615	-19%	947	789	-17%	1,161	944	-19%
Capex	1,357	1,848	36%	1,673	1,610	-4%	2,057	1,845	-10%

Margins	2025F			2026F			2027F		
	Prev	New	% chg.	Prev	New	% chg.	Prev	New	% chg.
Gross profit	38.9%	36.4%	-3%	39.4%	37.1%	-2%	39.8%	37.3%	-2%
Operating profit	17.3%	15.7%	-2%	17.9%	16.8%	-1%	18.5%	17.1%	-1%
EBITDA	29.0%	27.9%	-1%	29.2%	28.6%	-1%	29.6%	28.7%	-1%
Net profit	9.8%	8.1%	-2%	10.5%	9.0%	-1%	11.0%	9.4%	-2%

Source: BRIDS Estimates

### Exhibit 7. HEAL's Valuation Summary

FCFF Projection HEAL		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		1	2	3	4	5	6	7	8	9	10	11
EBIT * (1-tax)	+	911	1,114	1,303	1,585	1,922	2,329	2,622	2,957	3,353	3,803	4,316
Depreciation	+	867	975	1,100	1,243	1,412	1,607	1,817	2,054	2,305	2,594	2,924
Change in working capital	+	270	34	46	43	47	52	71	80	88	100	113
Capex	-	1,848	1,610	1,845	2,116	2,491	2,858	3,067	3,471	3,675	4,209	4,808
FCFF		200	513	603	754	891	1,130	1,442	1,620	2,072	2,288	2,546
%yoy			157%	17%	25%	18%	27%	28%	12%	28%	10%	11%
Discount factor		1.08	1.16	1.25	1.35	1.45	1.57	1.69	1.82	1.96	2.11	2.28
Present value of FCFF		186	442	482	559	613	721	854	890	1,057	1,083	1,118
Terminal value												54,998
PV of terminal value												24,152
NPV	Rpbn											32,156
Net debt (as of end 2025)	Rpbn											2,331
Minority	Rpbn											(1,593)
Equity value	Rpbn											28,233
Outstanding share	Bn sh											14.84
Equity value per share	Rp/sh											1,902
Target price	Rp/sh											1,900
Current price	Rp/sh											1,055
% upside/(downside)	%											80.1%
Rating												BUY

Multiples (EV/EBITDA)		EV (IDR bn.)		2025	2026	2027	2028	Assumptions				
EV EBITDA - at current price	1,055	19,582	x	9.2	7.8	6.8	5.8	Market return (Rm)	%	14.2%		
EV EBITDA - at TP of	1,900	32,124	x	15.1	12.8	11.1	9.4	Risk free rate	%	7.5%		
EBITDA			Rpbn	2,126	2,504	2,881	3,400	Market risk premium	%	6.7%		
%yoy				19.3%	17.8%	15.1%	18.0%	Tax rate	%	24.0%		
								Adjusted Beta	x	0.3		
								Debt portion 2025	x	42.6%		
								Cost of equity	%	9.7%		
								Cost of debt	%	6.8%		
								WACC	%	7.8%		
								Terminal growth	%	3.0%		

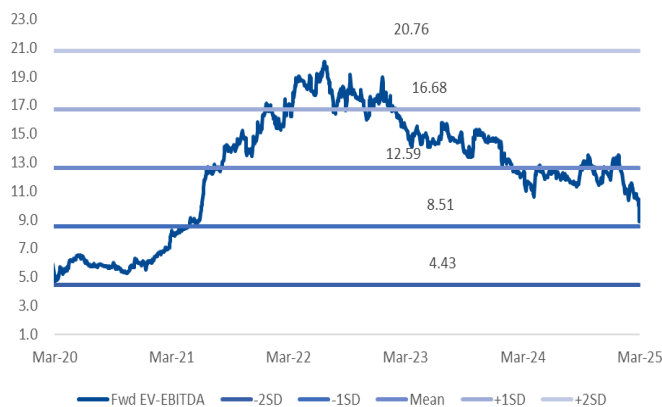
Source: BRIDS Estimates

### Exhibit 8. Current valuation trades attractively at 9.2x FY25F EV/EBITDA due to selling pressure which is driven more by JCI's foreign outflow

Ticker	Company	Mkt.Cap (US\$ mn.)	EV/EBITDA		EBITDA Margin 25F
			FY25F	FY26F	
Healthcare Indonesia					
HEAL IJ*	MEDIKALOKA HERMINA TBK PT	981	9.2	7.8	28%
MIKA IJ*	MITRA KELUARGA KARYASEHAT TBK	1,928	15.8	13.5	38%
SILO IJ*	SILOAM INTERNATIONAL HOSPITAL	1,889	12.6	10.5	29%
Emerging Market Peers					
000516 CH	XIAN INTERNATIONAL MEDICAL-A	1,811	n.a	n.a	n.a
NARH IN	NARAYANA HRUDAYALAYA LTD	3,953	28.0	24.1	22%
MEDANTA in	GLOBAL HEALTH LTD/INDIA	3,951	37.1	31.2	24%
301239 CH	CHENGDU BRIGHT EYE HOSPITA-A	944	n.a	n.a	n.a
ASTERDM IN	ASTER DM HEALTHCARE LTD	2,515	27.8	20.1	19%
KIMS IN	KRISHNA INSTITUTE OF MEDICAL	2,857	33.3	26.8	26%
RAM TB	RAMKHAMHAENG HOSPITAL PUB CO	637	19.4	17.6	20%
IHH MK	IHH SINGAPORE	13,762	12.7	11.5	22%
TNH VN	THAI NGUYEN INTL HSPTL JSC	103	15.7	11.6	36%
BH TB	BUMRUNGRAD HOSPITAL PCL	4,091	13.0	12.6	39%
BDMS TB	BANGKOK DUSIT MED SERVICE	10,685	13.6	12.7	24%
KPJ MK	KPJ HEALTHCARE BERHAD	2,567	14.0	13.0	24%
OPTIMAX MK	OPTIMAX HOLDINGS BHD	63	7.7	7.0	29%
RFMD SP	RAFFLES MEDICAL GROUP LTD	1,415	12.3	11.5	17%
MPARK TI	MLP SAGLIK HIZMETLERI AS	1,546	5.8	4.9	26%
Developed Market Peers					
HCA US	HCA HEALTHCARE INC	80,949	8.5	8.1	20%
UHS US	UNIVERSAL HEALTH SERVICES-B	11,319	6.5	6.2	14%
THC US	TENET HEALTHCARE CORP	11,719	6.5	6.3	19%
CYH US	COMMUNITY HEALTH SYSTEMS INC	365	8.1	7.7	12%
RHC AU	RAMSAY HEALTH CARE LTD	4,963	9.1	8.5	12%
Indonesia					
Median		1,889	12.6	10.5	29%
Simple Average		1,599	12.5	10.6	32%
Weighted Average		1,719	13.2	11.1	32%
Emerging Market Peers					
Median		1,928	14.0	12.7	24%
Simple Average		3,037	18.5	15.8	25%
Weighted Average		6,999	17.1	15.0	23%
Developed Market Peers					
Median		11,319	8.1	7.7	14%
Simple Average		21,863	7.7	7.4	16%
Weighted Average		62,599	8.1	7.8	19%

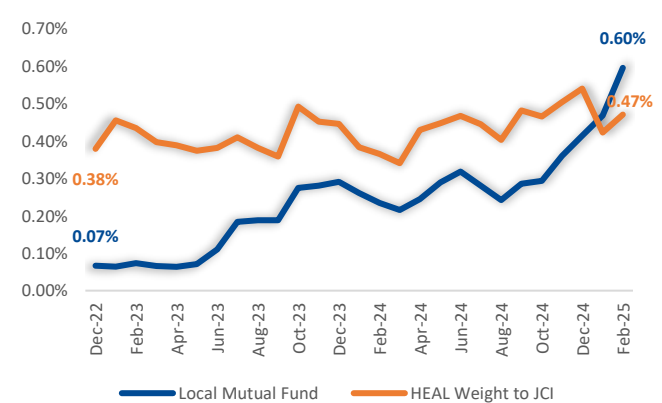
Source: \*BRIDS Estimates, Bloomberg

### Exhibit 9. HEAL's daily rolling fwd EV/EBITDA Band



Source: Company, Bloomberg, BRIDS Estimates

### Exhibit 10. Domestic Fund Positioning



Source: KSEI, BRIDS

**Exhibit 11. Revenue/Patient Variance Analysis of CoB Managed Care Implementation**

Old Structure		New Structure (50% Conversion Rate*)		New Structure (100% Conversion Rate*)	
IP Days HEAL (9M24) ('000)	1,521	IP Days HEAL (9M24)	1,521	IP Days HEAL (9M24)	1,521
<i>with Estimated Mix of</i>		<i>with Estimated Mix of</i>		<i>with Estimated Mix of</i>	
JKN Class I	40%	JKN Class I	20%	JKN Class I	0%
JKN Class II-III	34%	JKN Class II-III	34%	JKN Class II-III	34%
Private	26%	JKN CoB Selisih Tarif	20%	JKN CoB Selisih Tarif	40%
		Private	26%	Private	26%
Coding per patient (Rp'000)					
<i>Light Caesarean Section (INA CBGO-6-10-I) - Referring to Permenkes No.3/2023</i>					
<i>Inpatient - Private Class B Hospitals at Regional 1</i>					
JKN Class I	6,984	JKN Class I	6,984	JKN Class I	6,984
JKN Class II-III Median	5,684	JKN Class II-III Median	5,684	JKN Class II-III Median	5,684
Private (Class I Tariff + 40%)	9,777	JKN CoB Selisih Tarif	9,777	JKN CoB Selisih Tarif	9,777
		Private (Class I Tariff + 40%)	9,777	Private (Class I Tariff + 40%)	9,777
Wgt.average Rev/patient	7,268	Wgt.average Rev/patient	7,827	Wgt.average Rev/patient	8,386
		Variance from Old Structure	7.7%	Variance from Old Structure	15.4%
*Conversion Rate meaning the % of Class I JKN Patients Chose to Upgrade its Service using CoB Selisih Tarif					

Source: BRIDS Estimates

**Exhibit 12. Example of KRIS Bed in Hermina PIK2**


Source: Company



**Exhibit 13. Income Statement**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
<b>Revenue</b>	<b>5,784</b>	<b>6,717</b>	<b>7,630</b>	<b>8,745</b>	<b>10,026</b>
COGS	(3,727)	(4,281)	(4,851)	(5,502)	(6,283)
<b>Gross profit</b>	<b>2,057</b>	<b>2,436</b>	<b>2,779</b>	<b>3,244</b>	<b>3,742</b>
<b>EBITDA</b>	<b>1,495</b>	<b>1,782</b>	<b>2,126</b>	<b>2,504</b>	<b>2,881</b>
<b>Oper. profit</b>	<b>781</b>	<b>1,037</b>	<b>1,199</b>	<b>1,466</b>	<b>1,715</b>
Interest income	32	28	26	54	66
Interest expense	(140)	(179)	(247)	(255)	(264)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	37	21	66	75	86
<b>Pre-tax profit</b>	<b>710</b>	<b>907</b>	<b>1,044</b>	<b>1,340</b>	<b>1,603</b>
Income tax	(151)	(218)	(251)	(322)	(385)
Minority interest	(122)	(153)	(178)	(229)	(274)
<b>Net profit</b>	<b>437</b>	<b>536</b>	<b>615</b>	<b>789</b>	<b>944</b>
<b>Core Net Profit</b>	<b>400</b>	<b>514</b>	<b>549</b>	<b>714</b>	<b>858</b>

**Exhibit 14. Balance Sheet**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	855	643	1,316	1,617	1,975
Receivables	963	1,251	1,238	1,413	1,613
Inventory	117	138	142	161	183
Other Curr. Asset	14	16	20	22	25
Fixed assets - Net	5,874	7,570	8,501	9,107	9,824
Other non-curr.asset	979	959	806	924	1,059
<b>Total asset</b>	<b>8,803</b>	<b>10,578</b>	<b>12,024</b>	<b>13,244</b>	<b>14,680</b>
ST Debt	255	346	594	677	654
Payables	924	1,048	1,097	1,244	1,421
Other Curr. Liabilities	374	426	603	690	790
Long Term Debt	1,880	2,757	2,976	3,080	3,250
Other LT. Liabilities	171	135	255	218	249
<b>Total Liabilities</b>	<b>3,604</b>	<b>4,711</b>	<b>5,524</b>	<b>5,910</b>	<b>6,364</b>
Shareholder's Funds	3,869	4,452	4,907	5,512	6,220
Minority interests	1,329	1,414	1,593	1,822	2,096
<b>Total Equity &amp; Liabilities</b>	<b>8,803</b>	<b>10,578</b>	<b>12,024</b>	<b>13,244</b>	<b>14,680</b>

**Exhibit 15. Cash Flow**

Year to 31 Dec (Rpbn)	2023A	2024A	2025F	2026F	2027F
Net income	437	536	615	789	944
Depreciation and Amort.	646	689	867	975	1,100
Change in Working Capital	(103)	(137)	(83)	(106)	(130)
Other Oper. Cash Flow	189	(66)	464	151	189
<b>Operating Cash Flow</b>	<b>1,170</b>	<b>1,022</b>	<b>1,863</b>	<b>1,809</b>	<b>2,102</b>
Capex	(1,410)	(2,386)	(1,798)	(1,581)	(1,817)
Others Inv. Cash Flow	(268)	46	161	(97)	(111)
<b>Investing Cash Flow</b>	<b>(1,678)</b>	<b>(2,340)</b>	<b>(1,637)</b>	<b>(1,678)</b>	<b>(1,928)</b>
Net change in debt	522	968	409	124	147
New Capital	107	219	0	0	0
Dividend payment	(105)	(131)	(160)	(184)	(236)
Other Fin. Cash Flow	65	49	198	229	273
<b>Financing Cash Flow</b>	<b>589</b>	<b>1,106</b>	<b>447</b>	<b>169</b>	<b>184</b>
<b>Net Change in Cash</b>	<b>80</b>	<b>(212)</b>	<b>673</b>	<b>300</b>	<b>358</b>
Cash - begin of the year	775	855	643	1,316	1,617
Cash - end of the year	855	643	1,316	1,617	1,975

**Exhibit 16. Key Ratio**

Year to 31 Dec	2023A	2024A	2025F	2026F	2027F
<b>Growth (%)</b>					
Sales	18.0	16.1	13.6	14.6	14.6
EBITDA	35.1	19.2	19.3	17.8	15.1
Operating profit	51.2	32.8	15.7	22.3	17.0
Net profit	46.5	22.5	14.7	28.4	19.6
<b>Profitability (%)</b>					
Gross margin	35.6	36.3	36.4	37.1	37.3
EBITDA margin	25.8	26.5	27.9	28.6	28.7
Operating margin	13.5	15.4	15.7	16.8	17.1
Net margin	7.6	8.0	8.1	9.0	9.4
ROAA	5.3	5.5	5.4	6.2	6.8
ROAE	12.0	12.9	13.1	15.1	16.1
<b>Leverage</b>					
Net Gearing (x)	0.2	0.4	0.3	0.3	0.2
Interest Coverage (x)	5.6	5.8	4.9	5.8	6.5

Source: HEAL, BRIDS Estimates



**BRI Danareksa Equity Research Team**

Erindra Krisnawan, CFA	Head of Equity Research, Strategy, Coal	<a href="mailto:erindra.krisnawan@brids.co.id">erindra.krisnawan@brids.co.id</a>
Natalia Sutanto	Consumer, Cigarettes, Pharmaceuticals, Retail	<a href="mailto:natalia.sutanto@brids.co.id">natalia.sutanto@brids.co.id</a>
Niko Margaronis	Telco, Tower, Technology, Media	<a href="mailto:niko.margaronis@brids.co.id">niko.margaronis@brids.co.id</a>
Timothy Wijaya	Metal, Oil and Gas	<a href="mailto:timothy.wijaya@brids.co.id">timothy.wijaya@brids.co.id</a>
Victor Stefano	Banks, Poultry	<a href="mailto:victor.stefano@brids.co.id">victor.stefano@brids.co.id</a>
Ismail Fakhri Suweleh	Healthcare, Property, Industrial Estate	<a href="mailto:ismail.suweleh@brids.co.id">ismail.suweleh@brids.co.id</a>
Richard Jerry, CFA	Automotive, Cement, Infrastructure	<a href="mailto:richard.jerry@brids.co.id">richard.jerry@brids.co.id</a>
Ni Putu Wilastita Muthia Sofi	Research Associate	<a href="mailto:wilastita.sofi@brids.co.id">wilastita.sofi@brids.co.id</a>
Naura Reyhan Muchlis	Research Associate	<a href="mailto:naura.muchlis@brids.co.id">naura.muchlis@brids.co.id</a>
Sabela Nur Amalina	Research Associate	<a href="mailto:sabela.amalina@brids.co.id">sabela.amalina@brids.co.id</a>
Kafi Ananta Azhari	Research Associate	<a href="mailto:kafi.azhari@brids.co.id">kafi.azhari@brids.co.id</a>

**BRI Danareksa Economic Research Team**

Helmy Kristanto	Chief Economist, Macro Strategy	<a href="mailto:helmy.kristanto@brids.co.id">helmy.kristanto@brids.co.id</a>
Dr. Telisa Aulia Falianty	Senior Advisor	<a href="mailto:telisa.falianty@brids.co.id">telisa.falianty@brids.co.id</a>
Kefas Sidauruk	Economist	<a href="mailto:kefas.sidauruk@brids.co.id">kefas.sidauruk@brids.co.id</a>

**BRI Danareksa Institutional Equity Sales Team**

Yofi Lasini	Head of Institutional Sales and Dealing	<a href="mailto:yofi.lasini@brids.co.id">yofi.lasini@brids.co.id</a>
Novrita Endah Putrianti	Institutional Sales Unit Head	<a href="mailto:novrita.putrianti@brids.co.id">novrita.putrianti@brids.co.id</a>
Ehrlich Suhartono	Institutional Sales Associate	<a href="mailto:ehrliech@brids.co.id">ehrliech@brids.co.id</a>
Yunita Nababan	Institutional Sales Associate	<a href="mailto:yunita@brids.co.id">yunita@brids.co.id</a>
Adeline Solaiman	Institutional Sales Associate	<a href="mailto:adeline.solaiman@brids.co.id">adeline.solaiman@brids.co.id</a>
Andreas Kenny	Institutional Sales Associate	<a href="mailto:andreas.kenny@brids.co.id">andreas.kenny@brids.co.id</a>
Christy Halim	Institutional Sales Associate	<a href="mailto:christy.halim@brids.co.id">christy.halim@brids.co.id</a>
Jason Joseph	Institutional Sales Associate	<a href="mailto:jason.joseph@brids.co.id">jason.joseph@brids.co.id</a>

**BRI Danareksa Sales Traders**

Mitcha Sondakh	Head of Sales Trader	<a href="mailto:mitcha.sondakh@brids.co.id">mitcha.sondakh@brids.co.id</a>
Suryanti Salim	Sales Trader	<a href="mailto:suryanti.salim@brids.co.id">suryanti.salim@brids.co.id</a>

**INVESTMENT RATING**

<b>BUY</b>	Expected total return of 10% or more within a 12-month period
<b>HOLD</b>	Expected total return between -10% and 10% within a 12-month period
<b>SELL</b>	Expected total return of -10% or worse within a 12-month period

**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.