

PT Metro Healthcare International

Company rating

*ir*BBB+/Stable

"Obligor with *ir*BBB rating have an adequate level of certainty to honor its financial obligations. However, this certainty is more likely to diminish in the future than with the higher rating categories".

Rated Issues

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Rating Period

January 12, 2023 – January 1, 2024

The positive sign (+) indicates that the rating given is closer to the rating scale above it.

Rating History

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Kredit Rating Indonesia assigns '*ir*BBB+' rating to PT Metro Healthcare International

Kredit Rating Indonesia (KRI) assigns a Company Rating of '*ir*BBB+' for PT Metro Healthcare International ("MHIN" or the "Company") with a 'Stable' outlook. The rating reflects the Company's strong liquidity and healthy capital structure but constrained by unstable earnings, profitability margin and company's ability to pay its debt and interest.

MHIN is an investment holding company that directly controlled PT Metro Healthcare Indonesia Tbk (CARE) which owns nine hospitals, seven hospitals in Jabodetabek area and two hospitals in East Java. Most of the hospitals are C-Class hospital, but CARE also owns B-class hospital and D-class hospital. CARE's shareholder ownership composition as of September 30, 2022 was PT Metro Healthcare International (69.92%), PT Astro Global Investment (0.01%) and Public (30.07%).

KRI is of the view that MHIN has strong liquidity with its current ratio recorded at 20.6x in 9M2022. Furthermore, MHIN's capital structure remains healthy even after the issuance CARE's MTN of IDR650 billion in 2021. MHIN's DER ratio stood at 0.4x in 9M2022 and healthier when compared to its peers. Going forward, the Company's DER is expected to decrease and stabilize at around 0.2x until 2026.

On the other hand, the rating is constrained by the Company's unstable earnings which shown in its earning's growth of 158% in 2020 and -56% in 2021. The rating is also constrained by the Company's profitability margin which portrays negative ROA and ROE in 9M2022. Moreover, MHIN's ability to pay its debt and interest which EBITDA to debt ratio stood at -0.04x and EBITDA to interest ratio stood at -0.5x in 9M2022. However, MHIN's earning is expected to reach IDR39.4 billion in 2023, IDR56.5 billion in 2024 and IDR138.6 billion in 2025 that will strengthen MHIN's financial profile.

The Company's shareholder ownership composition as of September 30, 2022 was PT Astro Global Investment (99%) and PT Pesona Indojoya Pratama (1%).

MHIN Financial Results Highlights (Consolidated)

As of/For the year ended	Sep 2022 (Unaudited)	Dec 2021 (Audited)	Dec 2020 (Audited)	Dec 2019 (Audited)
Total Adjusted Assets (IDR, Bn)	4,793.5	4,871.8	3,438.7	2,441.5
Total Adjusted Debt (IDR, Bn)	853.7	844.1	116.2	132.7
Total Adjusted Equity (IDR, Bn)	2,209.0	2,289.6	(45.4)	(59.9)
Total Sales (IDR, Bn)	172.5	290.9	216.3	154.1
Net Income (IDR, Bn)	(80.7)	2,335.0	14.3	(24.5)
EBITDA Margin (%)	(16.6)	10.8	(1.2)	4.2
EBIT Margin (%)	(26.3)	4.9	(7.2)	5.6
EBITDA/Adjusted Debt (x)	(0.0)	0.0	(0.0)	0.5
Adjusted Debt/Adjusted Equity (x)	0.4	0.4	NR	NR
FFO/Adjusted Debt (%)	(0.1)	2.8	0.4	(17.5)
EBITDA/IFCCI (x)	(0.5)	1.2	(0.3)	3.2
USD Exchange Rate (IDR/USD)	15,247	14,269	13,901	14,481

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