

PT Metro Healthcare Indonesia Tbk

Company rating *ir*BBB+/Stable

Rated Issues

MTN Metro Healthcare
Indonesia I Tahun 2021 *ir*BBB+

Rating Period

September 27, 2023 – October 1, 2024

“Debt securities with an *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. The plus sign (+) indicates that the rating given is closer to rating scale above it.

Rating History

October, 2022 *ir*BBB+/Stable
October, 2021 *ir*BBB+/Stable
September, 2021 *ir*BBB+/Stable

Kredit Rating Indonesia affirms ‘*ir*BBB+’ rating to MTN Metro Healthcare Indonesia I Tahun 2021 totaling IDR650 Bn

Kredit Rating Indonesia (KRI) affirms a Company Rating of ‘*ir*BBB+’ for PT Metro Healthcare Indonesia Tbk (CARE or the Company) with a ‘Stable’ outlook. At the same time, KRI affirms ‘*ir*BBB+’ to CARE’s MTN Metro Healthcare Indonesia I Tahun 2021 totaling IDR650 Bn. The ratings still reflect the Company’s competitive service quality, good hospital locations, and prudent capital structure. However, the ratings are constrained by the Company’s unstable profitability.

The Company continue to provide a competitive service quality by investing on new medical equipment, and increasing number of specialist doctors. The Company also use the telemedicine services to improve the quality of services. The Company’s hospitals are located at the strategic locations that can be easily access by the patients. CARE’s capital structure remained at the safe level as the debt-to-equity ratio (DER) stood at 0.3x as of June 30, 2023, lower than its rated peer.

However, the Company’s ratings are still constrained by the Company’s unstable profitability or has yet to reach its economies of scale. The Company’s EBITDA margins were at (16.1%) and 3.65% in FY22 and 6M2023, respectively, decreased from 18.2% in FY21. Such profitability margins were also lower than its rated peer.

Established in 2015, CARE is one of the national healthcare providers in Indonesia that owns five C-Class hospitals, and one B-Class hospital. The Company’s shareholder ownership composition as of June 30, 2023, was PT Anugrah Kasih Rajawali (49.92%), Bank Julius Baer and Co Ltd Singapore (20.0%), PT Capital Life Syariah (7.26%), and the Public (22.82%).

CARE Financial Results Highlights (Consolidated)

As of/For the year ended	June 2023 (Unaudited)	Dec 2022 (Audited)	Dec 2021 (Audited)	Dec 2020 (Audited)
Total Adjusted Assets (IDR, Bn)	4,186.6	4,227.6	4,204.2	3,438.6
Total Adjusted Debt (IDR, Bn)	953.3	957.0	844.1	116.2
Total Adjusted Equity (IDR, Bn)	3,158.8	3,198.9	3,290.3	3,282.8
Total Sales (IDR, Bn)	95.2	234.0	290.9	216.3
EBIT (IDR, Bn)	(7.2)	(60.6)	14.1	(15.9)
Net Income After MI (IDR, Bn)	(40.1)	(93.6)	6.2	14.2
EBIT Margin (%)	(7.5)	(25.9)	4.9	(7.3)
Return on Permanent Capital (%)	(0.4)	(1.4)	0.4	(0.6)
Adjusted Debt/Adj. Equity (x)	0.3	0.3	0.3	0.0
EBITDA/Total Adj. Debt (x)	0.0	(0.0)	0.1	(0.0)
EBITDA/IFCCI (x)	0.1	(0.4)	2.1	(0.3)
FFO/Total Adjusted Debt (%)	(6.3)	(7.4)	4.8	21.3
USD Exchange Rate (IDR/USD)	15,101	15,731	14,054	14,104

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