

PT Metro Healthcare Indonesia Tbk

Company Rating

*ir*BBB+/Stable

Rated Issue

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

“Debt securities with an *ir*BBB rating has 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 Period

September 30, 2024 – October 1, 2025

Rating History

September, 2023	<i>ir</i> BBB+/Stable
October, 2022	<i>ir</i> BBB+/Stable
October, 2021	<i>ir</i> BBB+/Stable
September, 2021	<i>ir</i> 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+' for the Company's MTN Metro Healthcare Indonesia I Tahun 2021 totaling IDR650 Bn. The ratings still reflect the Company's strong competitive service quality, favorable hospital locations, and prudent capital structure. Nevertheless, they are constrained by the Company's inconsistent profitability.

The Company continues to provide a competitive service quality by investing on new medical equipment, and specialist doctors to attract more patients. The Company also continues to serve patients with BPJS health insurance, the largest market segment in the national healthcare industry. The Company's capital structure remained at a healthy level with debt-to-equity ratio steady at 0.3x as of June 30, 2024, lower than its rated peers.

Despite an increase in the number of patients treated, the Company's financial performance remains hampered by inconsistent profitability. Operating at a scale that's yet to achieve economies of scale, the Company's EBITDA margin for the first half of 2024 (6M2024) stands at a mere 0.39%, significantly lower than the 3.65% recorded in the full year 2023 (FY23). Notably, these profitability margins are the lowest among its peers with similar credit ratings.

Established in 2015, CARE is one of the national healthcare providers in Indonesia that owns six hospitals, comprised of five C-Class hospitals, and one B-Class hospital. The Company's shareholder ownership composition as of June 30, 2024, was PT Anugrah Kasih Rajawali (49.92%), Bank Julius Baer and Co Ltd Singapore (19.99%), and the Public (30.09%).

CARE Financial Result Highlights (Consolidated)

As of/For the years ended	June 2024 (Unaudited)	Dec 2023 (Audited)	Dec 2022 (Audited)	Dec 2021 (Audited)
Total Adjusted Assets (IDR, Bn)	4,048.7	4,130.0	4,227.6	4,204.2
Total Adjusted Debt (IDR, Bn)	944.0	954.5	957.0	844.1
Total Adjusted Equity (IDR, Bn)	3,044.2	3,089.5	3,198.9	3,290.3
Total Sales (IDR, Bn)	165.5	242.7	234.0	290.9
EBIT (IDR, Bn)	(11.1)	(36.1)	(60.6)	52.9
Net Income After MI (IDR, Bn)	(45.3)	(110.7)	(93.6)	6.2
EBIT Margin (%)	(6.7)	(14.9)	(25.9)	4.9
Return on Permanent Capital (%)	(0.6)	(0.9)	(1.4)	0.4
Adjusted Debt/Adj. Equity (x)	0.3	0.3	0.3	0.3
EBITDA/Total Adj. Debt (x)	0.0	(0.0)	(0.0)	0.1
EBITDA/IFCCI (x)	0.0	(0.2)	(0.4)	2.1
FFO/Total Adjusted Debt (%)	n.m	4.3	(7.4)	4.8
USD Exchange Rate (IDR/USD)	16,421	15,416	15,731	14,269

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