

## PT. Siloam International Hospitals Tbk.

### Good Vibration

Hingga September 2017 SILO mencatatkan penjualan sebesar IDR 4.29 Triliun atau naik 12.23% dibandingkan pada periode yang sama tahun sebelumnya yaitu sebesar IDR 3.82 Triliun. Sedangkan laba SILO turun sebesar 26.41% menjadi IDR 62.88 Miliar dibandingkan tahun lalu yang berada di angka IDR 85.45 Miliar. Walau pendapatan SILO naik, namun adanya peningkatan pada *cost of sales* dan biaya operasional menyebabkan laba SILO turun cukup signifikan. Meski demikian, rumah sakit SILO yang baru dibuka serta yang ditargetkan akan selesai dan dibuka hingga tahun 2018 diharapkan dapat menyumbang perbaikan kinerja SILO dalam 1-2 tahun mendatang.

**SILO booked 12.23% increase on sales, 26.41% decline on net income.** Dalam periode Januari hingga September 2017, SILO mencatatkan pendapatan sebesar IDR 4.29 Triliun atau naik sebesar 12.23% *year on year* dari IDR 3.82 Triliun. Sedangkan dari sisi laba, SILO memperoleh laba sebesar IDR 62.88 Miliar atau turun sebesar 26.41% *year on year* dari IDR 85.45 Miliar. Walau pendapatan SILO meningkat, namun laba SILO turun cukup signifikan salah satunya didorong oleh kenaikan *cost of sales* dan biaya operasional masing-masing sebesar 13.67% dan 10.3% yang meningkat karena adanya beberapa rumah sakit baru yang belum beroperasi optimal sehingga belum menghasilkan pendapatan yang diharapkan.

**Eight new hospitals as of September 2017, more still ongoing.** Hingga September 2017, SILO telah membuka delapan rumah sakit baru. Empat diantaranya adalah rumah sakit yang dibangun sendiri yaitu di Bangka Belitung, Bogor, Yogyakarta, dan Bekasi Timur. Selain itu juga, SILO juga telah mengakuisisi empat rumah sakit yaitu Sentora, GUM, RSUPB, dan Hosana Medica. Selain itu juga, SILO masih menargetkan untuk menyelesaikan 15 rumah sakit baru hingga tahun 2018 dan diharapkan beberapa diantaranya dapat waktu dekat.

**Rights issue funds to boost SILO's expansion.** Pada Oktober 2017 lalu, SILO memperoleh dana dari rights issue yang mereka laksanakan sebesar IDR 3.1 Triliun. Dari dana tersebut, 88% diantaranya digunakan untuk pembiayaan pengembangan atau perluasan usaha. Dengan kesuksesan SILO memperoleh dana sebesar angka tersebut, kami mengharapkan rencana ekspansi SILO dalam beberapa tahun mendatang akan lebih lancar sehingga dapat turut meningkatkan kinerja perusahaan.

**Upgrade SILO to Buy with TP IDR 12,075.** Kami merevisi target harga SILO menjadi IDR 12,075 per lembar saham yang merefleksikan P/E FY2018F 119.06x dan EV/EBITDA FY2018F 30.30x. Dengan membandingkan harga penutupan SILO pada (24/11) sebesar IDR 10,150 per lembar saham kami menaikkan rekomendasi untuk SILO menjadi **Buy** dengan target *upside potential* sebesar 18.97%.

Key Metrics	2014	2015	2016	2017F	2018F	2019F
Revenue (IDR bn)	3,341	4,144	5,168	6,219	7,429	9,055
EBITDA (IDR bn)	465	492	580	696	623	709
Net Income (IDR bn)	72	70	86	99	169	196
EPS (IDR)	62.14	60.89	66.05	60.88	103.73	120.39
ROAA (%)	2.64%	2.41%	2.39%	2.01%	2.13%	2.32%
ROAE (%)	4.36%	4.14%	3.53%	2.73%	2.63%	2.97%
Current Ratio (x)	1.74	1.52	2.63	3.41	2.30	1.54
Gearing Ratio (x)	0.03	0.02	0.05	0.02	0.03	0.03
Altman Z-Score	6.18	6.16	8.79	10.72	9.30	8.08
P/E (x)	220.46	160.94	165.04	160.16	119.06	106.73
P/BV (x)	9.54	6.51	4.53	2.51	3.09	3.12
P/EG (x)	5.02	(79.92)	19.49	(20.47)	1.69	6.64
EV/EBITDA (x)	33.56	22.78	23.41	19.58	30.30	29.01

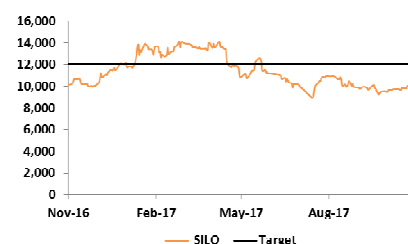
Sumber : SILO, MCS Research

27 November 2017

**Buy (+18.97%)**

Price (24/11) IDR 10,150  
 Target Price IDR 12,075  
 Ticker SILO  
 Industry Hospital

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#### Company Description:

SILO adalah perusahaan yang bergerak dalam bidang rumah sakit yang juga merupakan bagian dari grup LPKR. Saat ini SILO merupakan rumah sakit swasta dengan jaringan terbesar yang memiliki kapasitas sebanyak 5,100 tempat tidur dan melayani hingga dua juta pasien pada tahun 2016.

#### Stock Data

52-week Range (IDR)	8,672—14,337
Mkt Cap (IDR bn)	16.46
JCI Weight	0.25%
Shares O/S (bn)	1.63
YTD Change	- 6.54%
Beta	0.58x

#### Share Holders:

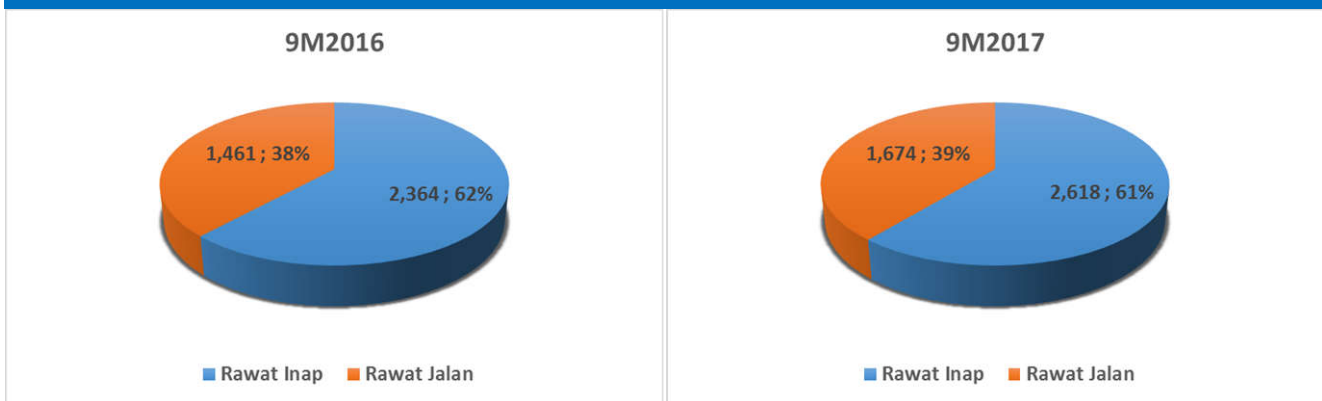
PT. Megapratama Karya Persada	51.53%
Prime Health Company Limited	15.00%
PT. Gloria Mulia	4.33%
PT. Nilam Biru Bersinar	3.81%
PT. Safira Prima Utama	2.33%
PT. Maharama Sakti	0.09%
Public/Others (<5%)	29.18%

## Financial Highlights

Komparasi Kinerja Periodik SILO						
(in billion IDR)	9M2016	9M2017	QoQ%	2Q2017	3Q2017	YoY%
Revenue	3,824.37	<b>4,292.09</b>	<b>12.23%</b>	1,346.03	<b>1,534.20</b>	<b>13.98%</b>
Gross Income	1,121.64	<b>1,219.88</b>	<b>8.76%</b>	371.85	<b>450.24</b>	<b>21.08%</b>
Operating Income	191.23	<b>150.04</b>	<b>-21.54%</b>	3.68	<b>76.85</b>	<b>1990.03%</b>
Pretax Income	152.32	<b>132.80</b>	<b>-12.81%</b>	(1.62)	<b>68.09</b>	<b>-4298.10%</b>
Net Income	85.45	<b>62.88</b>	<b>-26.41%</b>	(13.55)	<b>36.02</b>	<b>-365.77%</b>
Gross Profit Margin	29.33%	<b>28.42%</b>		27.63%	<b>29.35%</b>	
Operating Profit Margin	5.00%	<b>3.50%</b>		0.27%	<b>5.01%</b>	
Net Profit Margin	2.23%	<b>1.47%</b>		-1.01%	<b>2.35%</b>	

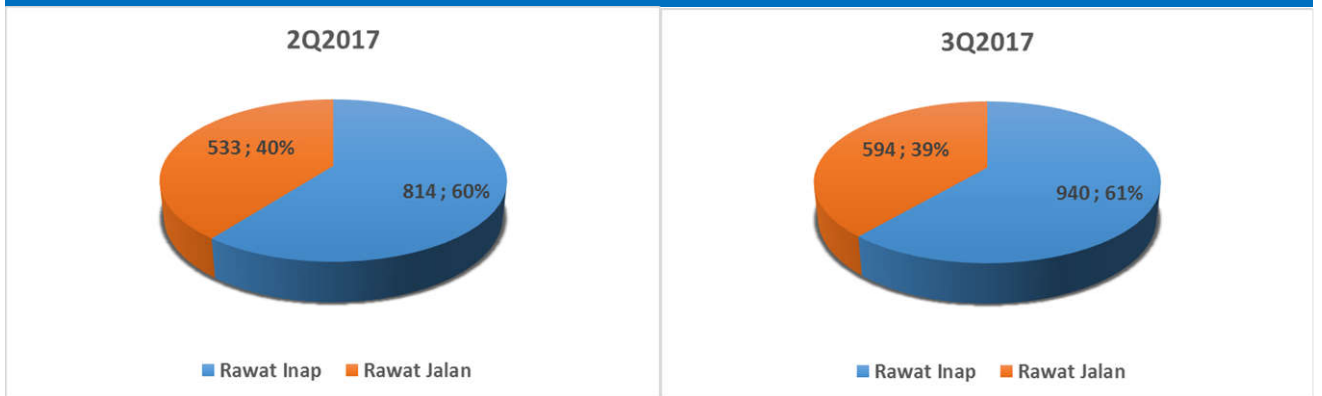
Sumber : SILO, MCS Research

### Proporsi Sumber Pendapatan SILO dalam Miliar IDR (year on year)



Sumber : SILO, MCS Research

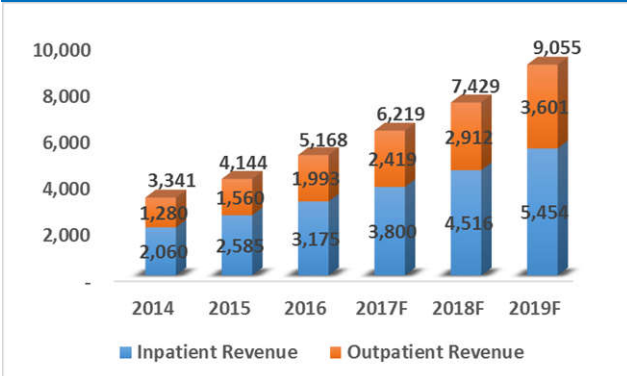
### Proporsi Sumber Pendapatan SILO (quarter on quarter)



Sumber : SILO, MCS Research

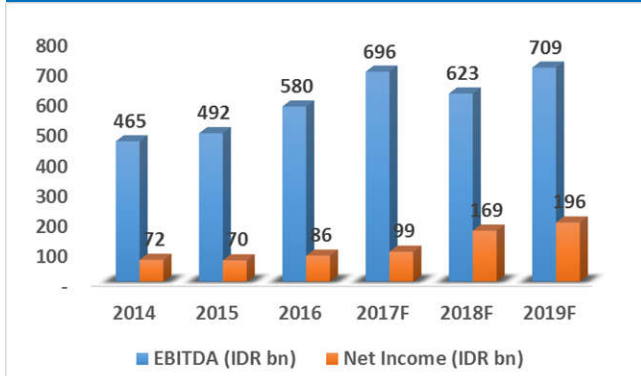
## Financial Projections

### Proyeksi Revenue SILO (dalam miliar IDR)



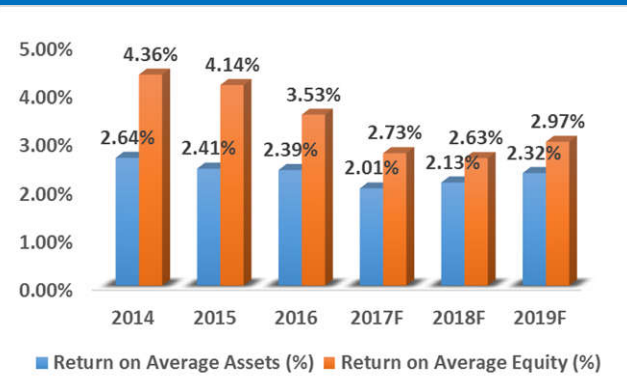
Sumber : SILO, MCS Research

### Proyeksi EBITDA dan Net Income SILO



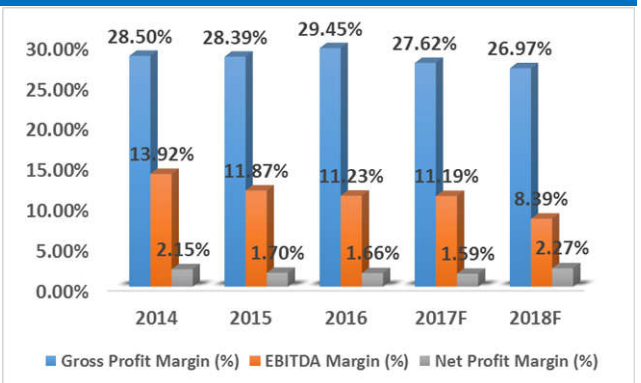
Sumber : SILO, MCS Research

### Proyeksi Profitability Ratio SILO



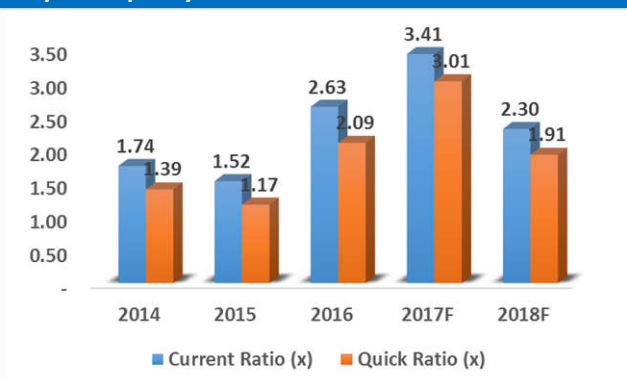
Sumber : SILO, MCS Research

### Proyeksi Profitability Margin SILO



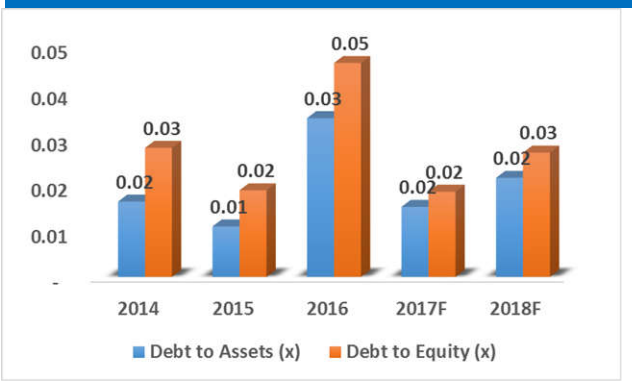
Sumber : SILO, MCS Research

### Proyeksi Liquidity Ratio SILO



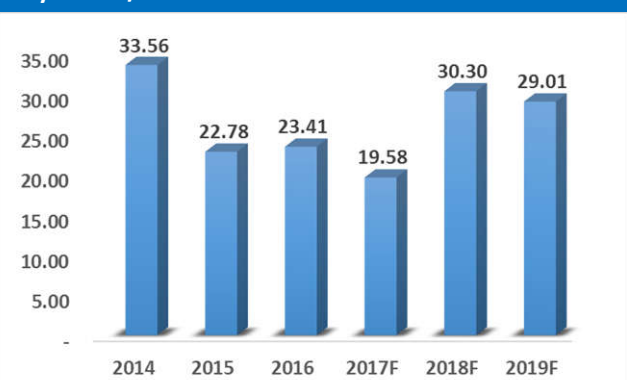
Sumber : SILO, MCS Research

### Proyeksi Solvency Ratio SILO



Sumber : SILO, MCS Research

### Proyeksi EV/EBITDA SILO



Sumber : SILO, MCS Research

### Proyeksi Altman Z-Score SILO



Sumber : SILO, MCS Research

## Financial Highlights

Income Statement	2014	2015	2016	2017F	2018F	2019F
<b>Revenue</b>	<b>3,341</b>	<b>4,144</b>	<b>5,168</b>	<b>6,219</b>	<b>7,429</b>	<b>9,055</b>
COGS	(2,389)	(2,968)	(3,646)	(4,501)	(5,425)	(6,711)
<b>Gross Profit</b>	<b>952</b>	<b>1,177</b>	<b>1,522</b>	<b>1,718</b>	<b>2,004</b>	<b>2,344</b>
Operating Expenses	(772)	(965)	(1,231)	(1,382)	(1,535)	(1,797)
Other Expenses - Net	(34)	(53)	(70)	(85)	(100)	(124)
<b>Operating Income</b>	<b>146</b>	<b>158</b>	<b>222</b>	<b>251</b>	<b>369</b>	<b>423</b>
Interest Expenses	(37)	(40)	(32)	(31)	(50)	(50)
Other Income (Losses)	(3)	(12)	(18)	(15)	(5)	(10)
<b>Pretax Income</b>	<b>106</b>	<b>106</b>	<b>172</b>	<b>205</b>	<b>314</b>	<b>363</b>
Income Taxes	(37)	(44)	(74)	(89)	(134)	(156)
<b>Income Before Extraordinary Item</b>	<b>69</b>	<b>62</b>	<b>99</b>	<b>116</b>	<b>180</b>	<b>207</b>
Extraordinary Items & Minority Interest	3	9	(13)	(17)	(12)	(11)
<b>Net Income</b>	<b>72</b>	<b>70</b>	<b>86</b>	<b>99</b>	<b>169</b>	<b>196</b>

Sumber : SILO, MCS Research

Balance Sheet	2014	2015	2016	2017F	2018F	2019F
Cash & Equivalent	280	160	740	<b>2,342</b>	1,369	513
Accounts & Notes Receivable	393	575	776	<b>851</b>	1,100	1,417
Inventories	106	140	178	<b>211</b>	261	334
Other Current Assets	62	81	212	<b>219</b>	237	251
<b>Total Current Assets</b>	<b>841</b>	<b>956</b>	<b>1,907</b>	<b>3,623</b>	<b>2,967</b>	<b>2,514</b>
Net Fixed Assets	1,589	1,553	1,694	<b>3,388</b>	4,404	5,285
Other Long Term Assets	416	477	615	<b>683</b>	776	900
<b>Total Long-Term Assets</b>	<b>2,005</b>	<b>2,030</b>	<b>2,309</b>	<b>4,071</b>	<b>5,180</b>	<b>6,185</b>
<b>Total Asset</b>	<b>2,846</b>	<b>2,986</b>	<b>4,216</b>	<b>7,694</b>	<b>8,147</b>	<b>8,699</b>
Accounts Payable	193	255	314	<b>538</b>	664	841
Short Term Borrowings	16	10	30	<b>31</b>	36	49
Other Short Term Liabilities	274	365	381	<b>493</b>	592	738
<b>Total Current Liabilities</b>	<b>482</b>	<b>630</b>	<b>726</b>	<b>1,062</b>	<b>1,292</b>	<b>1,628</b>
Long Term Borrowings	31	23	115	<b>86</b>	139	148
Other Long Term Borrowings	674	593	246	<b>223</b>	221	232
<b>Total Long Term Liabilities</b>	<b>704</b>	<b>617</b>	<b>361</b>	<b>309</b>	<b>360</b>	<b>380</b>
<b>Total Liabilities</b>	<b>1,186</b>	<b>1,246</b>	<b>1,087</b>	<b>1,371</b>	<b>1,653</b>	<b>2,007</b>
Minority Interest	5	(4)	7	<b>3</b>	5	7
Share Capital & APIC	1,405	1,405	2,700	<b>5,800</b>	5,800	5,800
Retained Earnings	250	339	422	<b>521</b>	689	885
<b>Total Shareholders Equity</b>	<b>1,660</b>	<b>1,740</b>	<b>3,129</b>	<b>6,324</b>	<b>6,494</b>	<b>6,692</b>
<b>Total Liabilities &amp; Equity</b>	<b>2,846</b>	<b>2,986</b>	<b>4,216</b>	<b>7,694</b>	<b>8,147</b>	<b>8,699</b>

Sumber : SILO, MCS Research

## Financial Highlights

Cash Flow (in billion IDR)	2014	2015	2016	2017F	2018F	2019F
Cash From Operations Activities	409	322	150	765	331	402
Cash From Investing Activities	(631)	(358)	(637)	(2,207)	(1,363)	(1,291)
Cash from Financing Activities	(48)	(137)	998	3,044	59	34
Net Changes in Cash	(270)	(173)	511	1,601	(973)	(856)
Beginning Cash	515	280	160	740	2,342	1,369
Ending Cash	280	160	740	2,342	1,369	513

Sumber : SILO, MCS Research

Ratio	2014	2015	2016	2017F	2018F	2019F
<b>Liquidity Ratios</b>						
Current Ratio (x)	1.74	1.52	2.63	3.41	2.30	1.54
Quick Ratio (x)	1.39	1.17	2.09	3.01	1.91	1.19
Altman Z-Score	6.18	6.16	8.79	10.72	9.30	8.08
<b>Leverage Ratios</b>						
Interest Coverage Ratio (x)	3.90	3.93	7.04	8.08	7.37	8.41
Debt to Assets (x)	0.02	0.01	0.03	0.02	0.02	0.02
Debt to Equity (x)	0.03	0.02	0.05	0.02	0.03	0.03
<b>Growth</b>						
Revenue (%)	33.44%	24.05%	24.72%	20.32%	19.46%	21.89%
Operating Income (%)	92.57%	8.10%	40.26%	13.10%	47.04%	14.67%
Net Income (%)	44.06%	-2.01%	22.02%	15.22%	70.39%	16.07%
<b>Profitability Ratio</b>						
Gross Profit Margin (%)	28.50%	28.39%	29.45%	27.62%	26.97%	25.89%
Operating Profit Margin (%)	4.38%	3.81%	4.29%	4.03%	4.96%	4.67%
EBITDA Margin (%)	13.92%	11.87%	11.23%	11.19%	8.39%	7.83%
Net Profit Margin (%)	2.15%	1.70%	1.66%	1.59%	2.27%	2.16%
Return on Average Assets (%)	2.64%	2.41%	2.39%	2.01%	2.13%	2.32%
Return on Average Equity (%)	4.36%	4.14%	3.53%	2.73%	2.63%	2.97%
<b>Valuation Ratios</b>						
Price to Earning Ratio (x)	220.46	160.94	165.04	160.16	119.06	106.73
Price to Book Ratio (x)	9.54	6.51	4.53	2.51	3.09	3.12
Price/Earnings to Growth Ratio (x)	5.02	(79.92)	19.49	(20.47)	1.69	6.64
EV/EBITDA (x)	33.56	22.78	23.41	19.58	30.30	29.01
<b>Other Ratio</b>						
Asset Turnover (x)	1.23	1.42	1.44	1.26	0.94	1.07
Account Receivable Turnover (x)	10.07	8.56	7.65	7.66	7.61	7.20
Account Payable Turnover (x)	13.39	13.26	12.82	11.98	9.02	8.92
Inventory Turnover (x)	23.81	24.10	22.87	25.29	22.96	22.57

Sumber : SILO, MCS Research

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