

PT. Siloam International Hospitals Tbk.

Keeping The Sword Sharp

Sepanjang tahun 2017, SILO mencatatkan penjualan sebesar IDR 5.8 Triliun atau naik 13.2% dibandingkan tahun lalu yaitu sebesar IDR 5.2 Triliun. Sedangkan laba SILO naik sebesar 8.9% menjadi IDR 93.6 Miliar dibandingkan tahun lalu yaitu sebesar IDR 85.9 Miliar. Walau mencatatkan kenaikan, namun angka tersebut di bawah estimasi penjualan dan laba kami yaitu masing-masing IDR 6.2 Triliun dan laba sebesar IDR 99 Miliar. Oleh karenanya, kami menurunkan target harga kami menjadi IDR 10,550 per lembar saham dengan estimasi pendapatan dan laba untuk 2018 masing-masing turun menjadi IDR 6.8 Triliun dan IDR 135 Miliar.

Increase on 2017 Revenue and Net Income, yet below our target. Sepanjang tahun 2017, SILO mencatatkan penjualan sebesar IDR 5.8 Triliun atau naik 13.2% dibandingkan tahun lalu. Sedangkan laba SILO naik sebesar 8.9% menjadi IDR 93.6 Miliar dibandingkan tahun lalu. Walau mencatatkan kenaikan, namun angka namun angka tersebut di bawah estimasi penjualan dan laba kami yaitu masing-masing IDR 6.2 Triliun dan laba sebesar IDR 99 Miliar. Oleh karenanya, kami menurunkan estimasi pendapatan dan laba kami untuk SILO pada tahun 2018 masing-masing menjadi IDR 6.8 Triliun dan IDR 135 Miliar.

New Upcoming Hospitals for 2018 . Selama tahun 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. Untuk tahun 2018, SILO juga telah memastikan akan mengoperasikan rumah sakit di Lubuk Linggau di Sumatera Selatan. SILO sendiri memiliki 10 rumah sakit lain yang direncanakan akan selesai selama tahun ini.

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.

Maintain BUY with lowered TP IDR 10,550. Kami merevisi target harga SILO menjadi IDR 10,550 per lembar saham yang merefleksikan P/E FY2018F 126.27x dan EV/EBITDA FY2018F 32.10x. Dengan membandingkan harga penutupan SILO pada (10/04) sebesar IDR 8,225 per lembar saham kami mempertahankan rekomendasi **Buy** untuk SILO dengan target *upside potential* sebesar 28.27%.

Key Metrics	2016	2017	2018F	2019F	2020F
Revenue (IDR bn)	5,168	5,848	6,766	7,905	9,023
EBITDA (IDR bn)	580	647	512	582	522
Net Income (IDR bn)	86	94	136	155	191
EPS (IDR)	66.05	57.55	83.55	95.27	117.28
ROAA (%)	2.39%	1.91%	1.75%	1.91%	2.25%
ROAE (%)	3.53%	2.59%	2.13%	2.38%	2.85%
Current Ratio (x)	2.63	2.49	2.01	1.80	1.62
Gearing Ratio (x)	0.05	0.03	0.03	0.03	0.04
Altman Z-Score	8.79	9.96	9.12	8.68	8.39
P/E (x)	165.04	166.39	126.27	134.88	113.83
P/BV (x)	4.53	2.47	2.66	3.17	3.20
P/EG (x)	19.49	(12.93)	2.79	9.62	4.93
EV/EBITDA (x)	23.41	22.92	32.10	34.89	40.67

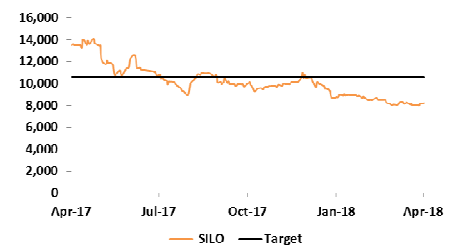
Sumber : SILO, MCS Research

11 April 2018

Buy (+28.27%)

Price (24/11)	IDR 8,225
Target Price	IDR 10,550
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)	7,900 - 14,113
Mkt Cap (IDR tn)	13.66
JCI Weight	0.19%
Shares O/S (bn)	1.63
YTD Change	-12.27%
Beta	0.61x

Share Holders:

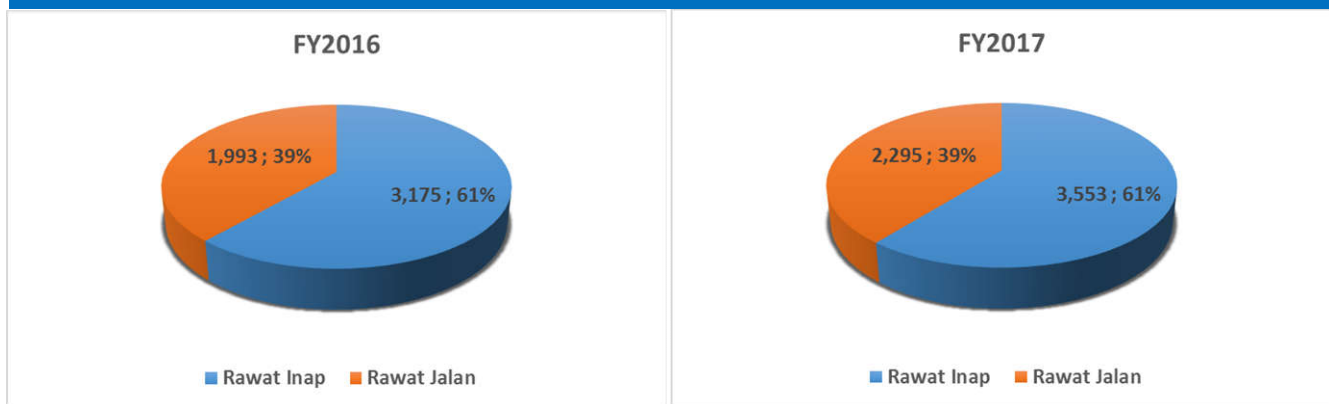
PT. Megapratama Karya Persada	42.55%
Prime Health Company Limited	16.59%
Public/Others (<5%)	40.86%

Financial Highlights

Komparasi Kinerja Periodik SILO						
(in billion IDR)	3Q2017	4Q2017	QoQ%	FY2016	FY2017	YoY%
Revenue	1,534.20	1,555.92	1.42%	5,168.36	5,848.01	13.15%
Gross Income	450.24	431.25	-4.22%	1,522.17	1,651.13	8.47%
Operating Income	76.85	69.25	-9.89%	221.70	219.29	-1.09%
Pretax Income	68.09	67.24	-1.26%	172.29	200.04	16.10%
Net Income	36.02	30.68	-14.82%	85.90	93.57	8.92%
Gross Profit Margin	29.35%	27.72%		29.45%	28.23%	
Operating Profit Margin	5.01%	4.45%		4.29%	3.75%	
Net Profit Margin	2.35%	1.97%		1.66%	1.60%	

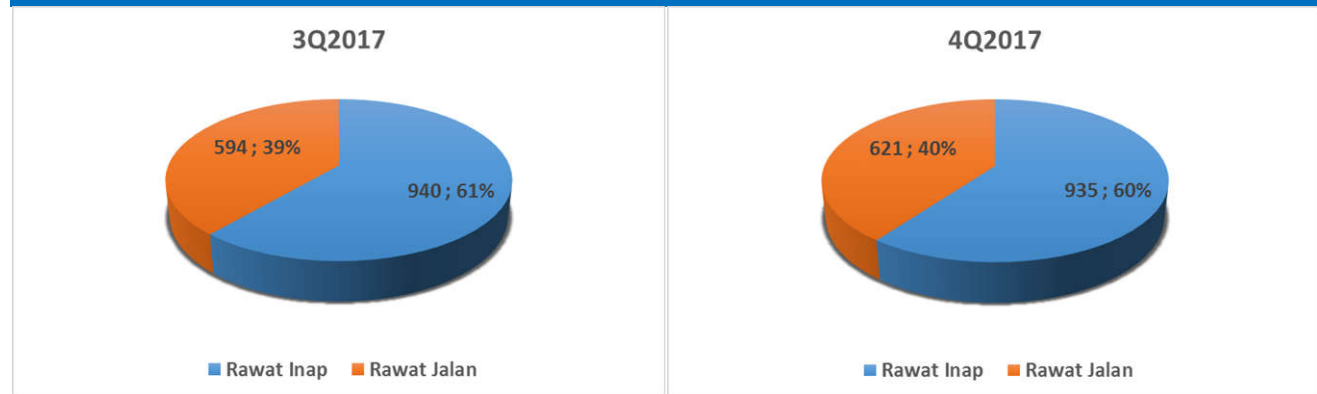
Sumber : SILO, MCS Research

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



Sumber : SILO, MCS Research

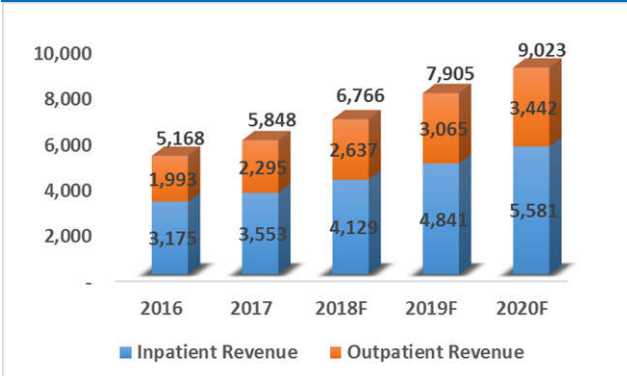
Proporsi Sumber Pendapatan SILO (quarter on quarter)



Sumber : SILO, MCS Research

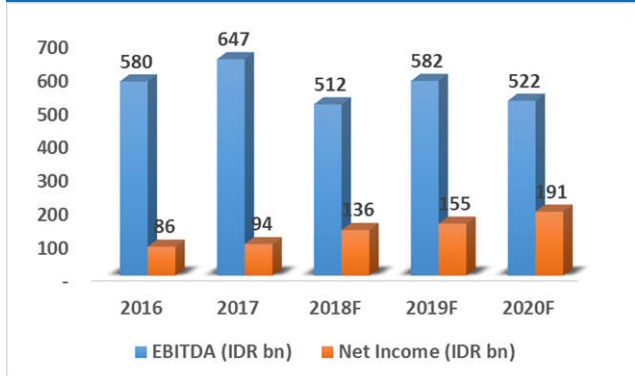
Financial Projections

Proyeksi Revenue SILO (dalam miliar IDR)



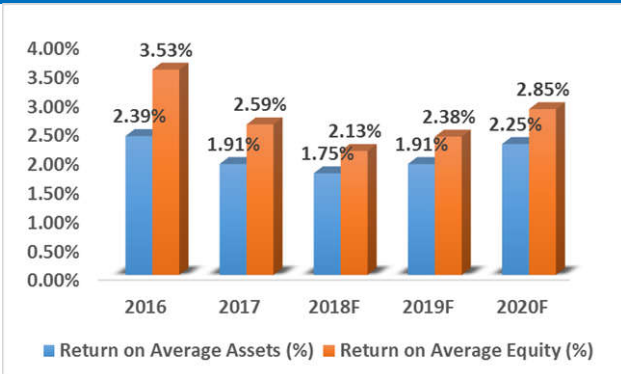
Sumber : SILO, MCS Research

Proyeksi EBITDA dan Net Income SILO



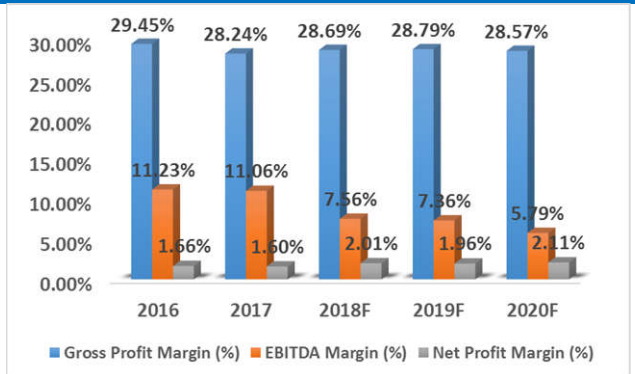
Sumber : SILO, MCS Research

Proyeksi Profitability Ratio SILO



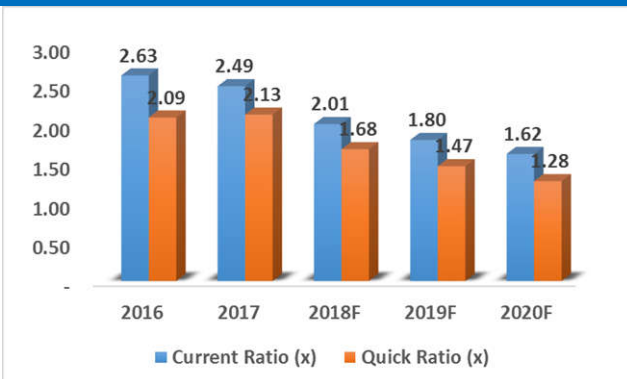
Sumber : SILO, MCS Research

Proyeksi Profitability Margin SILO



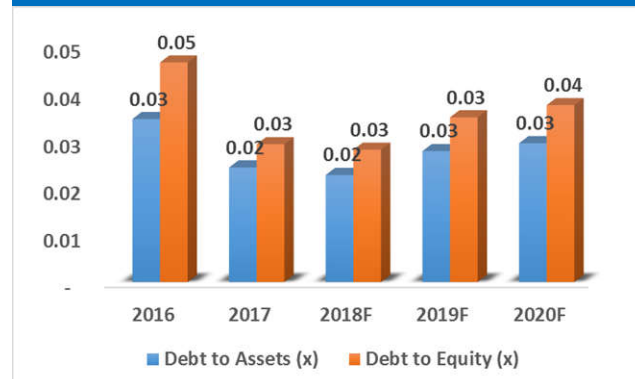
Sumber : SILO, MCS Research

Proyeksi Liquidity Ratio SILO



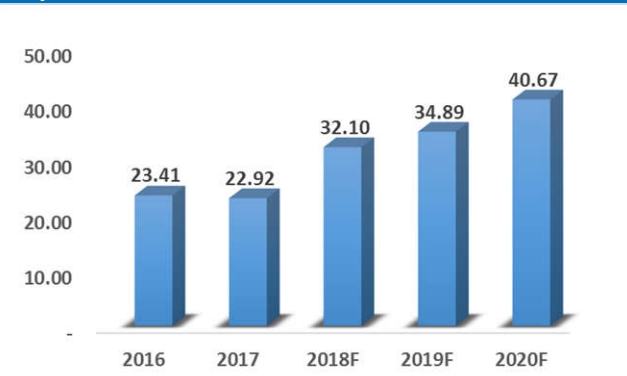
Sumber : SILO, MCS Research

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	2016	2017	2018F	2019F	2020F
(in billion IDR)					
Revenue	5,168.36	5,848.01	6,766.18	7,905.46	9,023.45
COGS	(3,646.20)	(4,196.68)	(4,824.74)	(5,629.15)	(6,445.01)
Gross Profit	1,522.17	1,651.33	1,941.44	2,276.31	2,578.44
Operating Expenses	(1,230.55)	(1,354.13)	(1,584.61)	(1,854.74)	(2,106.57)
Other Expenses - Net	(69.92)	(77.70)	(89.41)	(105.48)	(97.25)
Operating Income	221.70	219.49	267.42	316.09	374.62
Interest Expenses	(31.51)	(21.25)	(14.97)	(31.81)	(28.53)
Other Income (Losses)	(17.89)	1.80	(0.52)	0.64	0.06
Pretax Income	172.29	200.04	251.93	284.91	346.15
Income Taxes	(73.59)	(96.52)	(106.26)	(120.94)	(146.47)
Income Before Extraordinary Item	98.70	103.52	145.66	163.98	199.68
Extraordinary Items & Minority Interest	(12.80)	(9.97)	(9.83)	(9.09)	(9.02)
Net Income	85.90	93.56	135.83	154.89	190.66

Sumber : SILO, MCS Research

Balance Sheet	2016	2017	2018F	2019F	2020F
(in billion IDR)					
Cash & Equivalent	740.44	930.14	903.10	822.88	708.95
Accounts & Notes Receivable	775.98	924.17	963.84	990.75	1,030.07
Inventories	178.38	197.43	229.31	275.55	323.23
Other Current Assets	212.03	119.06	127.08	140.15	152.09
Total Current Assets	1,906.83	2,170.79	2,223.33	2,229.34	2,214.34
Net Fixed Assets	1,693.87	2,631.18	2,762.74	2,900.87	3,045.92
Other Long Term Assets	614.99	2,794.30	2,972.73	3,167.65	3,390.79
Total Long-Term Assets	2,308.86	5,425.48	5,735.46	6,068.52	6,436.70
Total Asset	4,215.69	7,596.27	7,958.79	8,297.87	8,651.04
Accounts Payable	314.13	373.10	554.86	665.34	749.57
Short Term Borrowings	30.41	36.90	34.53	45.24	51.55
Other Short Term Liabilities	381.48	462.20	519.22	526.56	562.76
Total Current Liabilities	726.02	872.20	1,108.61	1,237.14	1,363.87
Long Term Borrowings	114.93	147.12	145.68	184.54	202.46
Other Long Term Borrowings	245.68	263.44	264.30	279.97	295.69
Total Long Term Liabilities	360.60	410.56	409.98	464.51	498.15
Total Liabilities	1,086.62	1,282.75	1,518.59	1,701.65	1,862.03
Minority Interest	7.19	20.84	11.70	12.82	14.96
Share Capital & APIC	2,700.30	5,771.50	5,771.50	5,771.50	5,771.50
Retained Earnings	421.58	521.17	657.01	811.89	1,002.56
Total Shareholders Equity	3,129.07	6,313.51	6,440.20	6,596.21	6,789.02
Total Liabilities & Equity	4,215.69	7,596.27	7,958.79	8,297.87	8,651.04

Sumber : SILO, MCS Research

Financial Highlights

Cash Flow	2016	2017	2018F	2019F	2020F
(in billion IDR)					
Cash From Operations Activities	149.78	586.18	539.41	452.24	360.04
Cash From Investing Activities	(637.23)	(3,543.81)	(554.36)	(598.82)	(516.05)
Cash from Financing Activities	998.13	3,141.30	(12.09)	66.37	42.08
Net Changes in Cash	510.67	183.66	(27.04)	(80.22)	(113.93)
Beginning Cash	159.85	740.44	930.14	903.10	822.88
Ending Cash	740.44	930.14	903.10	822.88	708.95

Sumber : SILO, MCS Research

Ratio	2016	2017	2018F	2019F	2020F
Liquidity Ratios					
Current Ratio (x)	2.63	2.49	2.01	1.80	1.62
Quick Ratio (x)	2.09	2.13	1.68	1.47	1.28
Altman Z-Score	8.79	9.96	9.12	8.68	8.39
Leverage Ratios					
Interest Coverage Ratio (x)	7.04	10.33	17.86	9.94	13.13
Debt to Assets (x)	0.03	0.02	0.02	0.03	0.03
Debt to Equity (x)	0.05	0.03	0.03	0.03	0.04
Growth					
Revenue (%)	24.72%	13.15%	15.70%	16.84%	14.14%
Operating Income (%)	40.26%	-1.00%	21.84%	18.20%	18.52%
Net Income (%)	22.02%	8.91%	45.19%	14.03%	23.10%
Profitability Ratio					
Gross Profit Margin (%)	29.45%	28.24%	28.69%	28.79%	28.57%
Operating Profit Margin (%)	4.29%	3.75%	3.95%	4.00%	4.15%
EBITDA Margin (%)	11.23%	11.06%	7.56%	7.36%	5.79%
Net Profit Margin (%)	1.66%	1.60%	2.01%	1.96%	2.11%
Return on Average Assets (%)	2.39%	1.91%	1.75%	1.91%	2.25%
Return on Average Equity (%)	3.53%	2.59%	2.13%	2.38%	2.85%
Valuation Ratios					
Price to Earning Ratio (x)	165.04	166.39	126.27	134.88	113.83
Price to Book Ratio (x)	4.53	2.47	2.66	3.17	3.20
Price/Earnings to Growth Ratio (x)	19.49	(12.93)	2.79	9.62	4.93
EV/EBITDA (x)	23.41	22.92	32.10	34.89	40.67
Other Ratio					
Asset Turnover (x)	1.44	1.19	0.87	0.97	1.06
Account Receivable Turnover (x)	7.65	7.05	7.17	8.09	8.93
Account Payable Turnover (x)	12.82	12.55	10.40	9.23	9.11
Inventory Turnover (x)	22.87	24.05	22.61	22.30	21.53

Sumber : SILO, MCS Research

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