QUICK REVIEW (MIKA)

MITRA KELUARGA KARYASEHAT TBK.

November 27, 2020

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Recommendation

Recommendation : **BUY**

Fair Value : **IDR 3,120**

Current Price (26/11) : IDR 2,590

Company Description

PT Mitra Keluarga Karyasehat Tbk engages in hospital management and business services. The Company operates hospitals located in the Greater Jakarta Area, Surabaya and Tegal.

“Mitra Keluarga” Network


MIKA Bekasi Barat (1993)


MIKA Kemayoran (1998)


MIKA Surabaya (1999)


MIKA Kelapa Gading (2002)


MIKA Bekasi Timur (2004)


MIKA Depok (2008)


MIKA Tegal (2009)


MIKA Waru (2009)


MIKA Cikarang (2010)


MIKA Cibubur (2011)


MIKA Kenjeran (2014)


MIKA Kalideres (2015)


MIKA Gading Serpong (2018)


Bina Husada (2019)


MIKA Bintaro (2019)


MIKA Pratama Jatiasih (2019)

Source: Company

"Kasih Group" Network

Restu Kasih

Kartika Kasih

Betha Medika

Mitra Family

Karunia Kasih

Sumber Kasih

Cinta Kasih

Mutiara Hati (2019)

Panti Abdi Dharma (2020)

Source: Company

MEGACAPITAL Sekuritas

Earnings Update

Earnings Results : 3Q 2020

In Billions of IDR	Q3 2020	Q3 2019	%YoY	Q3 2020	Q2 2020	%QoQ
Revenue	**875**	**798**	**9.5%**	**875**	**567**	**54.3%**
- Cost of Revenue	432	426	1.4%	432	330	30.9%
Gross Profit	**442**	**372**	**18.8%**	**442**	**236**	**87.1%**
- Operating Expenses	147	161	-9.1%	147	157	-6.9%
Operating Income (Loss)	**311**	**220**	**41.3%**	**311**	**98**	**216.5%**
- Non-Operating (Income) Loss	17	18	-5.5%	17	15	10.5%
Pretax Income (Loss), GAAP	**327**	**238**	**37.8%**	**327**	**113**	**189.0%**
- Income Tax Expense (Benefit)	75	47	59.6%	75	16	366.6%
Net Income Avail to Common, GAAP	**237**	**173**	**37.1%**	**237**	**90**	**163.1%**

Source: Bloomberg, MCS Research

Earnings Update

Earnings Estimate : 4QE 2020

In Billions of IDR	Q4 2020 Est	Q4 2019	%YoY	Q4 2020 Est	Q3 2020	%QoQ
Revenue	**805**	**822**	**-2.0%**	**805**	**875**	**-7.9%**
- Cost of Revenue	417	425	-2.0%	417	432	-3.6%
Gross Profit	**389**	**397**	**-2.0%**	**389**	**442**	**-12.1%**
- Operating Expenses	163	194	-15.9%	163	147	11.4%
Operating Income (Loss)	**241**	**240**	**0.3%**	**241**	**311**	**-22.5%**
- Non-Operating (Income) Loss	16	14	17.2%	16	17	-3.0%
Pretax Income (Loss), GAAP	**257**	**253**	**1.4%**	**257**	**327**	**-21.5%**
- Income Tax Expense (Benefit)	57	49	14.9%	57	75	-24.1%
Net Income Avail to Common, GAAP	**185**	**198**	**-7.0%**	**185**	**237**	**-22.1%**

Source: Bloomberg, MCS Research

MEGACAPITAL Sekuritas

Company Update

Mitra Keluarga Hospital (MIKA) Performance Helped by Covid-19 Patients

PT Mitra Keluarga Karyasehat Tbk. admitted that the increase in revenue in the inpatient segment was indeed influenced by the company's efforts to handle the Covid-19 case.

Investor Relations Mitra Keluarga, Aditya Widjaja, said that diagnostic measures related to the detection of the Covid-19 virus such as rapid tests and PCR screening also took part in increasing revenue from the inpatient segment.

For information, the revenue of the issuer coded as MIKA shares is still dominated by the inpatient segment which contributed 64.84 percent of the company's total turnover in that period, in which this segment recorded at least 1.72 percent annual growth.

(Source: Bisnis Indonesia)

MEGACAPITAL Sekuritas

Company Update

Early 2021, Mitra Keluarga (MIKA) opens a new hospital

PT Mitra Keluarga Karyasehat Tbk. (MIKA) stated that it would continue its expansion plans amid the conditions of the Covid-19 pandemic.

Investor Relations Mitra Keluarga, Aditya Widjaja, said that the company has completed the construction of a hospital in Surabaya as a step to expand the company this year.

"Just waiting for the operational permit [to open a hospital in Surabaya]. Our target is possible for the operation in January [2021]," he told Bisnis, Wednesday (21/10/2020).

(Source: Bisnis Indonesia)

MEGACAPITAL Sekuritas

Balanced Sheet : Annual

In Billions of IDR	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Total Assets									
+ Cash, Cash Equivalents & STI	192	872	1,248	970	2,387	2,558	1,712	1,446	1,141
+ Accounts & Notes Receiv	97	118	115	132	136	169	222	331	475
+ Inventories	45	42	40	39	38	41	40	40	49
+ Other ST Assets	4	18	9	49	59	63	475	601	812
Total Current Assets	**338**	**1,050**	**1,411**	**1,190**	**2,621**	**2,830**	**2,449**	**2,418**	**2,475**
+ Property, Plant & Equip, Net	507	510	598	771	884	1,075	1,657	2,066	2,390
+ LT Investments & Receivables	0	0	0	0	0	0	0	0	0
+ Other LT Assets	19	112	125	208	215	271	605	606	711
Total Noncurrent Assets	**526**	**622**	**723**	**979**	**1,099**	**1,346**	**2,263**	**2,672**	**3,101**
Total Assets	**864**	**1,672**	**2,134**	**2,169**	**3,720**	**4,176**	**4,712**	**5,089**	**5,576**
Liabilities & Shareholders' Equity									
+ Payables & Accruals	60	71	75	65	66	91	296	300	415
+ ST Debt	15	55	50	0	0	0	14	8	3
+ Other ST Liabilities	96	122	156	141	139	164	2	4	13
Total Current Liabilities	**171**	**248**	**281**	**205**	**206**	**255**	**312**	**312**	**431**
+ LT Debt	400	0	0	0	0	0	18	10	2
+ Other LT Liabilities	72	91	118	195	235	285	352	318	351
Total Noncurrent Liabilities	**472**	**91**	**118**	**195**	**235**	**285**	**370**	**328**	**353**
Total Liabilities	**643**	**339**	**399**	**400**	**441**	**540**	**682**	**639**	**783**
+ Preferred Equity and Hybrid Capital	0	0	0	0	0	0	0	0	0
+ Share Capital & APIC	47	847	846	846	2,054	2,054	2,054	2,054	1,505
- Treasury Stock	0	0	0	0	0	0	0	332	1
+ Retained Earnings	153	451	842	864	1,140	1,474	1,640	2,318	2,777
+ Other Equity	0	4	1	3	1	0	8	31	14
Equity Before Minority Interest	**200**	**1,302**	**1,689**	**1,708**	**3,196**	**3,528**	**3,703**	**4,071**	**4,296**
+ Minority/Non Controlling Interest	21	32	45	61	83	108	328	379	497
Total Equity	**221**	**1,334**	**1,735**	**1,769**	**3,279**	**3,636**	**4,031**	**4,450**	**4,793**
Total Liabilities & Equity	**864**	**1,672**	**2,134**	**2,169**	**3,720**	**4,176**	**4,712**	**5,089**	**5,576**

Source: Bloomberg, MCS Research

MEGACAPITAL Sekuritas

Balanced Sheet : Quarter

In Billions of IDR	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Total Assets										
+ Cash, Cash Equivalents & STI	1,075	1,287	1,446	1,304	1,133	1,101	1,141	1,225	1,592	1,540
+ Accounts & Notes Receiv	305	305	331	385	402	413	475	445	424	470
+ Inventories	37	36	40	38	42	40	49	51	44	41
+ Other ST Assets	787	695	601	712	828	769	812	919	565	516
Total Current Assets	**2,204**	**2,323**	**2,418**	**2,439**	**2,404**	**2,323**	**2,475**	**2,640**	**2,625**	**2,568**
+ Property, Plant & Equip, Net	1,727	1,785	2,066	2,316	2,340	2,367	2,390	2,419	2,442	2,471
+ LT Investments & Receivables	0	0	0	0	0	0	0	0	0	0
+ Other LT Assets	861	868	606	663	666	709	711	745	791	838
Total Noncurrent Assets	**2,588**	**2,653**	**2,672**	**2,979**	**3,006**	**3,076**	**3,101**	**3,165**	**3,234**	**3,309**
Total Assets	**4,791**	**4,976**	**5,089**	**5,418**	**5,410**	**5,399**	**5,576**	**5,805**	**5,859**	**5,877**
Liabilities & Shareholders' Equity										
+ Payables & Accruals	235	288	300	426	348	388	415	441	653	395
+ ST Debt	14	8	8	6	5	3	3	1	0	0
+ Other ST Liabilities	5	4	4	2	1	2	13	4	8	6
Total Current Liabilities	**254**	**301**	**312**	**434**	**354**	**393**	**431**	**445**	**660**	**401**
+ LT Debt	11	12	10	9	8	3	2	1	0	0
+ Other LT Liabilities	388	406	318	339	352	362	351	372	399	421
Total Noncurrent Liabilities	**399**	**418**	**328**	**348**	**360**	**365**	**353**	**373**	**399**	**421**
Total Liabilities	**653**	**718**	**639**	**782**	**714**	**758**	**783**	**818**	**1,059**	**822**
+ Preferred Equity and Hybrid Capital	0	0	0	0	0	0	0	0	0	0
+ Share Capital & APIC	2,054	2,054	2,054	2,054	2,054	1,505	1,505	1,505	1,505	1,505
- Treasury Stock	243	293	332	425	550	1	1	9	9	9
+ Retained Earnings	1,962	2,120	2,318	2,508	2,684	2,603	2,777	2,972	2,761	2,991
+ Other Equity	17	16	31	41	35	43	14	6	8	10
Equity Before Minority Interest	3,791	3,898	4,071	4,178	4,224	4,151	4,296	4,474	4,265	4,496
+ Minority/Non Controlling Interest	348	360	379	458	471	490	497	512	535	558
Total Equity	**4,139**	**4,258**	**4,450**	**4,636**	**4,695**	**4,640**	**4,793**	**4,986**	**4,799**	**5,055**
Total Liabilities & Equity	**4,791**	**4,976**	**5,089**	**5,418**	**5,410**	**5,399**	**5,576**	**5,805**	**5,859**	**5,877**

Source: Bloomberg, MCS Research

MEGACAPITAL Sekuritas

Profit & Loss : Annual

In Billions of IDR	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 Est	FY 2021 Est
Revenue	**1,475**	**1,742**	**1,946**	**2,141**	**2,435**	**2,496**	**2,713**	**3,205**	**3,121**	**3,585**
- Cost of Revenue	881	1,005	1,081	1,168	1,280	1,310	1,429	1,671	1,638	1,831
Gross Profit	**594**	**737**	**865**	**972**	**1,156**	**1,186**	**1,284**	**1,534**	**1,483**	**1,754**
+ Other Operating Income	11	14	42	19	19	41	42	63	64	71
- Operating Expenses	234	270	317	389	430	466	546	654	633	748
Operating Income (Loss)	**371**	**482**	**589**	**602**	**745**	**760**	**780**	**943**	**915**	**1,077**
- Non-Operating (Income) Loss	19	48	80	138	152	117	70	62	63	100
Pretax Income (Loss), Adjusted	**390**	**530**	**669**	**740**	**896**	**877**	**850**	**1,005**	**978**	**1,177**
- Abnormal Losses (Gains)	1	6	2	1	0	0	0	0	0	0
Pretax Income (Loss), GAAP	**390**	**530**	**669**	**740**	**896**	**877**	**850**	**1,004**	**978**	**1,177**
- Income Tax Expense (Benefit)	91	118	133	151	176	168	191	213	208	240
Income (Loss) from Cont Ops	**299**	**412**	**536**	**588**	**721**	**709**	**659**	**791**	**770**	**938**
- Net Extraordinary Losses (Gains)	0	0	0	0	0	0	0	0	0	0
Income (Loss) Incl. MI	**299**	**412**	**536**	**588**	**721**	**709**	**659**	**791**	**770**	**938**
- Minority Interest	10	13	17	22	25	29	45	61	60	63
Net Income, GAAP	**289**	**399**	**519**	**567**	**695**	**680**	**614**	**730**	**710**	**875**
- Preferred Dividends	0	0	0	0	0	0	0	0	0	0
- Other Adjustments	0	0	0	0	0	0	0	0	0	0
Net Income Avail to Common, GAAP	**289**	**399**	**519**	**567**	**695**	**680**	**614**	**730**	**710**	**875**

Source: Bloomberg, MCS Research

Profit & Loss : Quarter

In Billions of IDR	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020 Est	Q1 2021 Est
Revenue	**680**	**805**	**780**	**798**	**822**	**875**	**567**	**875**	**805**	**900**
- Cost of Revenue	340	418	401	426	425	459	330	432	417	456
Gross Profit	**340**	**387**	**379**	**372**	**397**	**416**	**236**	**442**	**389**	**444**
+ Other Operating Income	7	6	10	9	37	16	19	15	15	16
- Operating Expenses	187	146	153	161	194	166	157	147	163	161
Operating Income (Loss)	**161**	**247**	**236**	**220**	**240**	**265**	**98**	**311**	**241**	**298**
- Non-Operating (Income) Loss	22	16	14	18	14	15	15	17	16	16
Pretax Income (Loss), Adjusted	**183**	**264**	**250**	**238**	**254**	**281**	**113**	**327**	**257**	**314**
- Abnormal Losses (Gains)	15	0	0	0	0	0	0	0	0	0
Pretax Income (Loss), GAAP	**198**	**264**	**250**	**238**	**253**	**281**	**113**	**327**	**257**	**314**
- Income Tax Expense (Benefit)	58	59	58	47	49	60	16	75	57	71
Income (Loss) from Cont Ops	**140**	**205**	**191**	**191**	**204**	**220**	**97**	**253**	**200**	**243**
- Net Extraordinary Losses (Gains)	0	0	0	0	0	0	0	0	0	0
Income (Loss) Incl. MI	**140**	**205**	**191**	**191**	**204**	**220**	**97**	**253**	**200**	**243**
- Minority Interest	14	22	15	18	6	22	7	16	16	18
Net Income, GAAP	**127**	**183**	**176**	**173**	**198**	**199**	**90**	**237**	**185**	**225**
- Preferred Dividends	0	0	0	0	0	0	0	0	0	0
- Other Adjustments	0	0	0	0	0	0	0	0	0	0
Net Income Avail to Common, GAAP	**127**	**183**	**176**	**173**	**198**	**199**	**90**	**237**	**185**	**225**

Source: Bloomberg, MCS Research

MEGACAPITAL Sekuritas

Cash Flow : Annual

In Billions of IDR	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Cash from Operating Activities									
+ Net Income	224	289	399	519	567	695	680	614	730
+ Depreciation & Amortization	65	71	77	79	91	101	113	134	160
+ Non-Cash Items	6	53	64	51	41	68	23	4	4
Cash from Operating Activities	**295**	**413**	**540**	**547**	**700**	**865**	**770**	**743**	**894**
Cash from Investing Activities									
+ Change in Fixed & Intang	64	166	164	293	203	254	473	548	466
+ Net Change in LT Investment	0	0	0	0	0	0	0	0	0
+ Net Cash From Acq & Div	0	0	0	0	0	0	135	0	14
+ Other Investing Activities	31	78	61	133	0	1,213	219	239	195
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0
Cash from Investing Activities	**32**	**244**	**224**	**160**	**203**	**1,467**	**827**	**309**	**675**
Cash from Financing Activities									
+ Dividends Paid	782	0	15	470	291	364	495	0	256
+ Cash From (Repayment) Debt	400	360	5	50	0	0	7	14	13
+ Cash (Repurchase) of Equity	0	800	0	0	0	0	0	332	218
+ Other Financing Activities	18	1	11	5	1,211	0	120	1	6
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0
Cash from Financing Activities	**399**	**441**	**9**	**525**	**920**	**363**	**622**	**347**	**481**
Net Changes in Cash	**137**	**610**	**306**	**138**	**1,417**	**965**	**679**	**88**	**262**

Source: Bloomberg, MCS Research

MEGACAPITAL Sekuritas

Cash Flow : Quarter

In Billions of IDR	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Cash from Operating Activities										
+ Net Income	155	166	127	183	176	173	198	199	90	237
+ Depreciation & Amortization	31	32	39	39	39	43	39	45	46	44
Cash from Operating Activities	**122**	**233**	**190**	**291**	**171**	**255**	**177**	**318**	**94**	**347**
Cash from Investing Activities										
+ Change in Fixed & Intang	182	60	63	239	77	65	85	80	81	108
+ Net Change in LT Investment	0	0	0	0	0	0	0	0	0	0
+ Net Cash From Acq & Div	0	0	0	0	0	0	14	0	0	0
+ Other Investing Activities	35	89	57	36	114	11	128	1	166	43
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Investing Activities	**217**	**29**	**120**	**203**	**192**	**54**	**227**	**80**	**85**	**65**
Cash from Financing Activities										
+ Dividends Paid	0	0	0	0	0	256	0	0	0	299
+ Cash From (Repayment) Debt	12	5	2	2	2	7	1	3	2	0
+ Cash (Repurchase) of Equity	236	50	40	93	125	1	0	0	0	8
+ Other Financing Activities	0	0	1	0	0	0	6	8	0	8
+ Net Cash From Disc Ops	0	0	0	0	0	0	0	0	0	0
Cash from Financing Activities	**248**	**55**	**43**	**95**	**127**	**264**	**5**	**12**	**2**	**299**
Net Changes in Cash	**343**	**207**	**27**	**6**	**147**	**63**	**45**	**226**	**176**	**17**

Source: Bloomberg, MCS Research

Valuation

MIKA IJ Equity | Export | Settings | Equity Relative Valuation

Comp Source ISE | Region | Level Subsector | Curr IDR

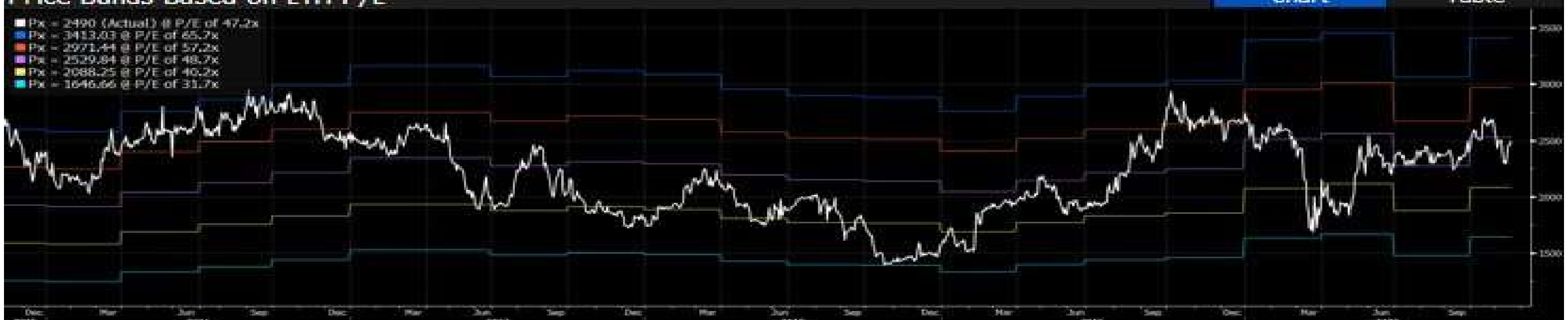
vs Comps | Group Dynamics | vs Self | Price Bands

3M 6M 1Yr 2Yr 5Yr 10Yr

Valuation Metric Bands							12M Fwd Implied Price @		
Metric	Current	5Yr Avg	Band (x)	Avg+x	Avg-x	Est (IDR)	5Yr Avg	Avg+x	Avg-x
Current Price							2,450.00	2,450.00	2,450.00
LTM P/E	47.2x	48.7x	8.5	57.2x	40.2x	55.59	2,707.06	3,179.58	2,234.53
LTM P/BV	7.8x	8.7x	1.9	10.6x	6.8x	362.29	3,139.41	3,827.76	2,451.06
LTM P/CF	36.8x	39.8x	6.2	46.0x	33.6x	68.62	2,731.73	3,157.19	2,306.28
LTM P/S	11.0x	12.4x	2.8	15.2x	9.6x	249.54	3,088.05	3,786.77	2,389.33

Price Bands Based On LTM P/E

Chart | Table



Source: Bloomberg

MEGACAPITAL Sekuritas

Valuation

PER	EPS	Value
48.7x	IDR 64	**IDR 3,120**

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