

PT Metro Healthcare Indonesia Tbk

Company Rating

irA-/Stable

Rated Issue

Sukuk Wakalah I Metro Healthcare Indonesia Tahun 2025

irA-

Rating Period

April 16, 2025 – May 2, 2026

Rating History

September, 2024

irBBB+/Stable

September, 2023

irBBB+/Stable

October, 2022

irBBB+/Stable

October, 2021

irBBB+/Stable

September, 2021

irBBB+/Stable

"Debt Securities with *irA* rating has a high level of certainty to honor its financial obligations, but it can be affected by adverse changes in business and economic conditions, relative to debt securities with a higher rating."

The minus sign (-) indicates that the rating is still higher than the rating category below, although it is closer to the lower rating than it is to the higher rating category.

Kredit Rating Indonesia assigns "*irA-*" rating to Sukuk Wakalah I Metro Healthcare Indonesia Tahun 2025 amounting to IDR 750 billion

Kredit Rating Indonesia ("KRI" or "we") assigns "*irA-*" rating to Sukuk Wakalah I Metro Healthcare Indonesia Tahun 2025 amounting to IDR 750 billion. At the same time, KRI also affirmed "*irA-*" rating for PT Metro Healthcare Indonesia Tbk ("CARE" or "the Company"). Outlook for the Company Rating is "Stable". The ratings reflect KRI views on the Company's business performance after divesting two hospitals that had no potential for development and acquiring one hospital in Mojokerto that had a high operational bed occupancy rate.

KRI is of the view that the Company has improved its business performance on a sustainable basis by divesting two hospitals that had limited room for improvement, given the limited land bank and possibility to acquire land next to the hospitals. As a result, patients were reluctant to visit the hospitals given the limited space for parking causing difficulties to increase the operational bed occupancy rate. After the divestment, the Company acquired a new hospital in Mojokerto which already had 69% of operational bed occupancy rate in FY24. With these corporate actions, the average operational bed occupancy rate has improved to 63.2% in FY24, significantly higher than in FY23 of 44.3%.

However, the ratings are still constrained by the Company's inconsistent profitability. In FY24, the Company recorded EBITDA margin of (1.3%), decreasing compared to FY23 period of 3.65%. The divestment of hospitals as well as acquisition of a new hospital in mid-FY24 has lowered the Company's profitability margin, although we believe that it was just temporarily, as the acquisition effects was not full-year captured. Going forward, we see a better profitability margin, as the new acquired hospital has a high bed occupancy rate (69% in FY24).

The ratings can be increased if CARE manages to secure better revenue and sustainably proves better profitability margins ratio in the future. On the other hand, the ratings could be lowered if the Company finances its expansion plan with debt that is substantially larger than projected, without being compensated by improving business performance.

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 December 31, 2024, was PT Metro Healthcare International (49.92%), Bank Julius Baer and Co Ltd Singapore (19.98%), and the Public (30.10%).

CARE Financial Result Highlights (Consolidated)

For the years ended	Dec 2024 (Audited)	Dec 2023 (Audited)	Dec 2022 (Audited)	Dec 2021 (Audited)
Total Adjusted Assets (IDR, billion)	4,021.8	4,130.0	4,227.6	4,204.2
Total Adjusted Debt (IDR, billion)	944.5	954.5	957.0	844.1
Total Adjusted Equity (IDR, billion)	3,017.0	3,089.5	3,198.9	3,290.3
Total Sales (IDR, billion)	319.0	242.7	234.0	290.9
EBIT (IDR, billion)	(29.8)	(36.1)	(60.6)	52.9
Net Income (IDR, billion)	(79.7)	(110.7)	(93.6)	6.2
EBIT Margin (%)	(9.3)	(14.9)	(25.9)	4.9
Return on Permanent Capital (%)	(0.7)	(0.9)	(1.4)	0.4
Adjusted Debt/Adjusted Equity (x)	0.3	0.3	0.3	0.3
EBITDA/Total Adjusted Debt (x)	(0.0)	(0.0)	(0.0)	0.1
EBITDA/IFCCI (x)	(0.1)	(0.2)	(0.4)	2.1
FFO/Total Adjusted Debt (%)	(5.8)	4.3	(7.4)	4.8
USD Exchange Rate (IDR/USD)	16,162	15,416	15,731	14,269

Analysts : Cut Nabila Saraziva (cut.nabila@kreditratingindonesia.com)
Rizky Fajri Nursahadi (rizky.nursahadi@kreditratingindonesia.com)

DISCLAIMER

PT Kredit Rating Indonesia (KRI) does not represent or warrant or guarantee the accuracy, completeness, timeliness or availability of the contents of this report or publication. KRI does not perform an audit and does not undertake due diligence or independent verification of any information used as the basis of and presented in this report or publication. Although the information upon which KRI rating report are based, and any other contents provide in this rating report is obtained by KRI from sources which KRI believes to be reliable.

KRI will be held harmless against any responsibility arising from its use, its partial use, or its lack of use, in combination with other products or used solely, nor can it be held responsible for the result of its use or lack of its use in any investment or other kind of financial decision making on which this report or publication is based. The issuance of a solicited or unsolicited rating report does not supply financial, legal, tax or investment consultancy. The rating report is not an opinion as to the value of securities, therefore KRI is not responsible for any credit, loan or investment decision, damages or other losses resulting from the reliance upon or use of this report.

In no event shall KRI be held liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses including but not limited to lost profits and opportunity costs in connection with any use of the contents of this rating report or publication.

Credit analyses, including ratings, and statements in this report or publication are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities or to make any investment decision. Therefore, this report may not reflect any event or circumstances which occur after the date of this report.

KRI also assumes no obligation to update the content following publication in any form. KRI does not act as fiduciary or an investment advisor. KRI keeps the activities of its analytical units separate from its business units to preserve independence and objectivity of its analytical process and products. As a result, certain units of KRI may have information that is not available to other units. KRI has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. KRI may receive compensation for its ratings and other analytical work, normally from issuers of securities. KRI reserves the right to disseminate its opinions and analyses. KRI's public ratings and analyses are made available on its website, <http://www.kreditratingindonesia.com> (free of charge) and through other subscription based services, and may be distributed through other means, including via KRI publications and third party redistributors. Information in KRI's website and its use fall under the restrictions and disclaimer stated above. No part of KRI's website, the content of this report, may be reproduced or transmitted by any means, electronic or non-electronic whether in full or in part, will be subjected to written approval from KRI.