

# 1Q 2020 Results Update

June 2020

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# List of Figures

<b><u>Market &amp; Business Highlights</u></b>	<b>04</b>	<b><u>Business &amp; Financial Updates</u></b>	<b>21</b>
<u>Indonesia's Economy Outlook (COVID-19 Impact)</u>	05	<u>Revenue</u>	22
<u>Post COVID-19 Points of Impact</u>	06	<u>Quarterly Revenue</u>	23
<u>Digital Transformation on Healthcare</u>	07	<u>E-Prodia</u>	24
<u>Market Share</u>	09	<u>Gross Profit &amp; Net Income</u>	25
<u>Services &amp; Customer Segments</u>	10	<u>COGS &amp; OPEX</u>	26
<u>Company History</u>	11	<u>Financial Summary</u>	27
<u>Business Model</u>	12		
<u>Brand Awards</u>	13		
<u>Management Team</u>	14		
<u>Shareholder Composition</u>	15		
<b><u>Growth Strategy</u></b>	<b>16</b>		
<u>Near Term Growth Plan</u>	17		
<u>Existing &amp; Target Outlets</u>	19		
<u>Introduction to Next Gen Tech</u>	20	<b><u>Contact Us</u></b>	28



# Market & Business Highlights

# Economy Outlook 2020

## *The Impact of Coronavirus Outbreak*

### Indonesia Economy Outlook 2020-2021

Post COVID-19 Outbreak

Year	Indonesia's Govt' (Jun 20)	World Bank (Jun 20)	OECD* (Jun 20)	ADB** (Apr 20)	IMF*** (Apr 20)
2020	<b>-0.4% to 2.3%</b>	<b>0.0%</b>	<b>-3.9% to -2.8%</b>	<b>2.5%</b>	<b>0.5%</b>
2021	<b>4.5 to 5.5%</b>	<b>4.8%</b>	<b>2.6% to 5.2%</b>	<b>5.0%</b>	<b>8.2%</b>



**Government of Indonesia and several organizations estimate Indonesia's Economy Outlook are ranging from **-3.9%** to 2.5% in 2020 and 2.6% to 8.2% in 2021**

\*Organisation for Economic Co-operation and Development

\*\*Asian Development Bank

\*\*\*International Monetary Fund

Source: Indonesia Ministry of Finance, Perkembangan Makro dan Asumsi Dasar Ekonomi Tahun 2020 (released on June 16<sup>th</sup>, 2020)

# Post Launch COVID-19 Points of Impact for Healthcare System & Life Science Industry

*The Southeast Asia Macro Trends*



## Medicine Demand & Supply

- Fluctuating demand for health products
- Unpredictability in the supply chain



## Engagement with Healthcare Professionals

- Decline of healthcare services utilization
- Changing ways-of-working within the industry



## Future Healthcare System and Pharmaceutical Industry Environment

- Falling private investment
- Reactive equity market



***COVID-19 has had far-reaching effects on national health systems and healthcare services. Well established socio-political and economic ways of working have been disrupted due to public health and safety.***

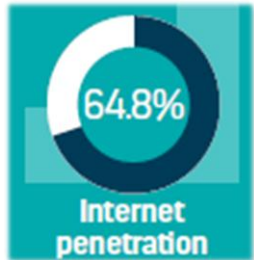
Source: COVID-19 Impact on Healthcare, IQVIA 2020

# Digital Transformation in Indonesia's Healthcare Services

*Accelerated on Technology Adoption for Healthcare*



Indonesia is the **largest** and fastest growing internet economy in Southeast Asia. Expecting compound annual growth rate of over **40 percent**, reaching **\$174 billion** by 2025



There are **170 million** internet users in Indonesia and growing



Investment in health innovation has grown dramatically in the last 10 years, from **\$1.6 billion** in 2010 to **\$19.6 billion** in 2018.



There are **318,000 health apps** available globally on Google Play and Apple app stores, with over **200 apps** added each day



Digital health revenues in Indonesia are growing rapidly, from **\$85 million** in 2017 to an estimated **\$973 million** in 2022

# Shifting to Digital Services

## Indonesian Consumer Survey – Post Covid Condition

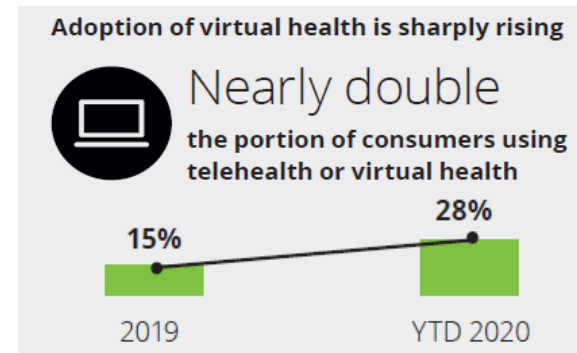
### Have you used ore done any of the following since COVID-19 started?

□ Not using    ■ Using less / the same    ■ Using more    ■ Just started using



### User Growth and Intent to Use after COVID-19

Activities	User Growth	Intent to Continue
Online fitness	29%	67%
Wellness app	35%	69%
Telemedicine: physical	62%	73%
Telemedicine: mental	42%	63%

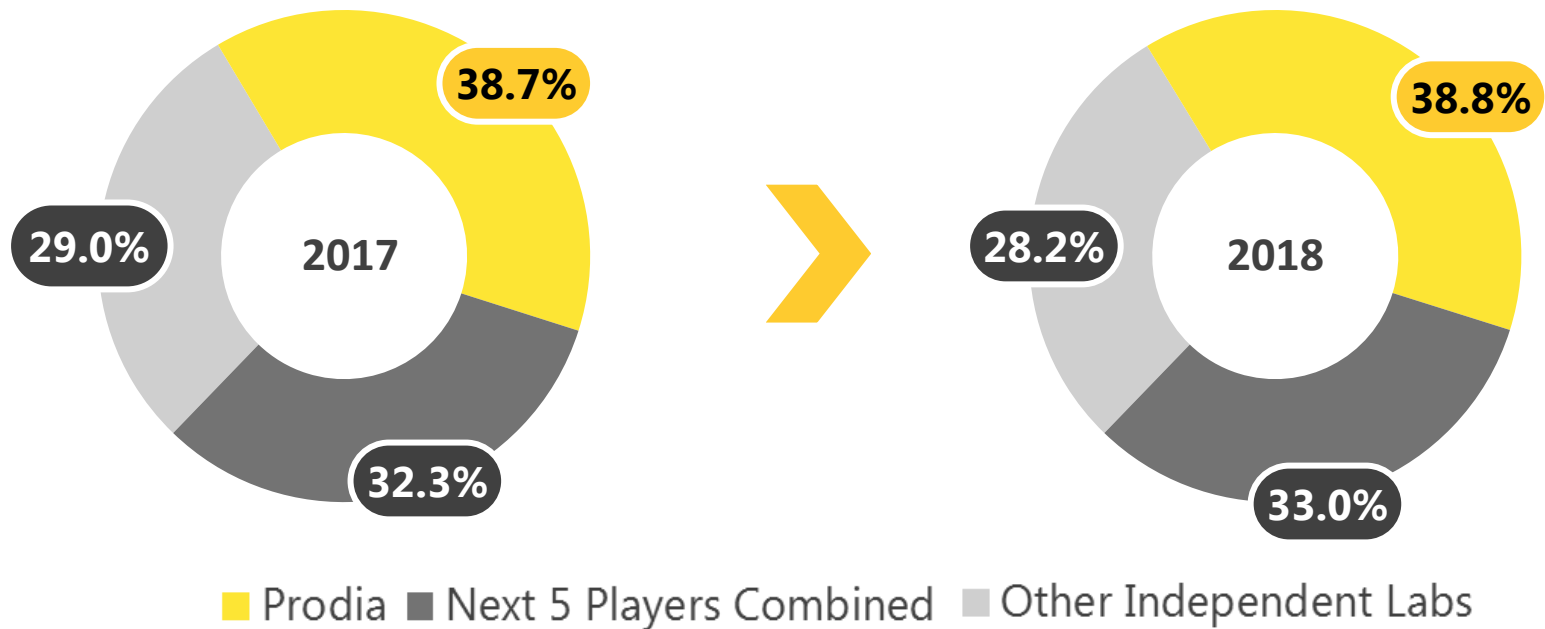


Source: Deloitte Study of Healthcare Consumer Response to COVID-19, April/May 2020



# Largest Network & Market Share in Independent Clinical Lab Industry

**Market Share by Revenue**  
Independent Clinical Labs (2017 & 2018)
















Source: IQVIA Analysis (2019)

Note: Next 5 Players consists of: 1) Kimia Farma, 2) Pramita, 3) Parahita, 4) BioMedika , 5) Cito

# Comprehensive Service Offering

Targets Multiple Customer Segments

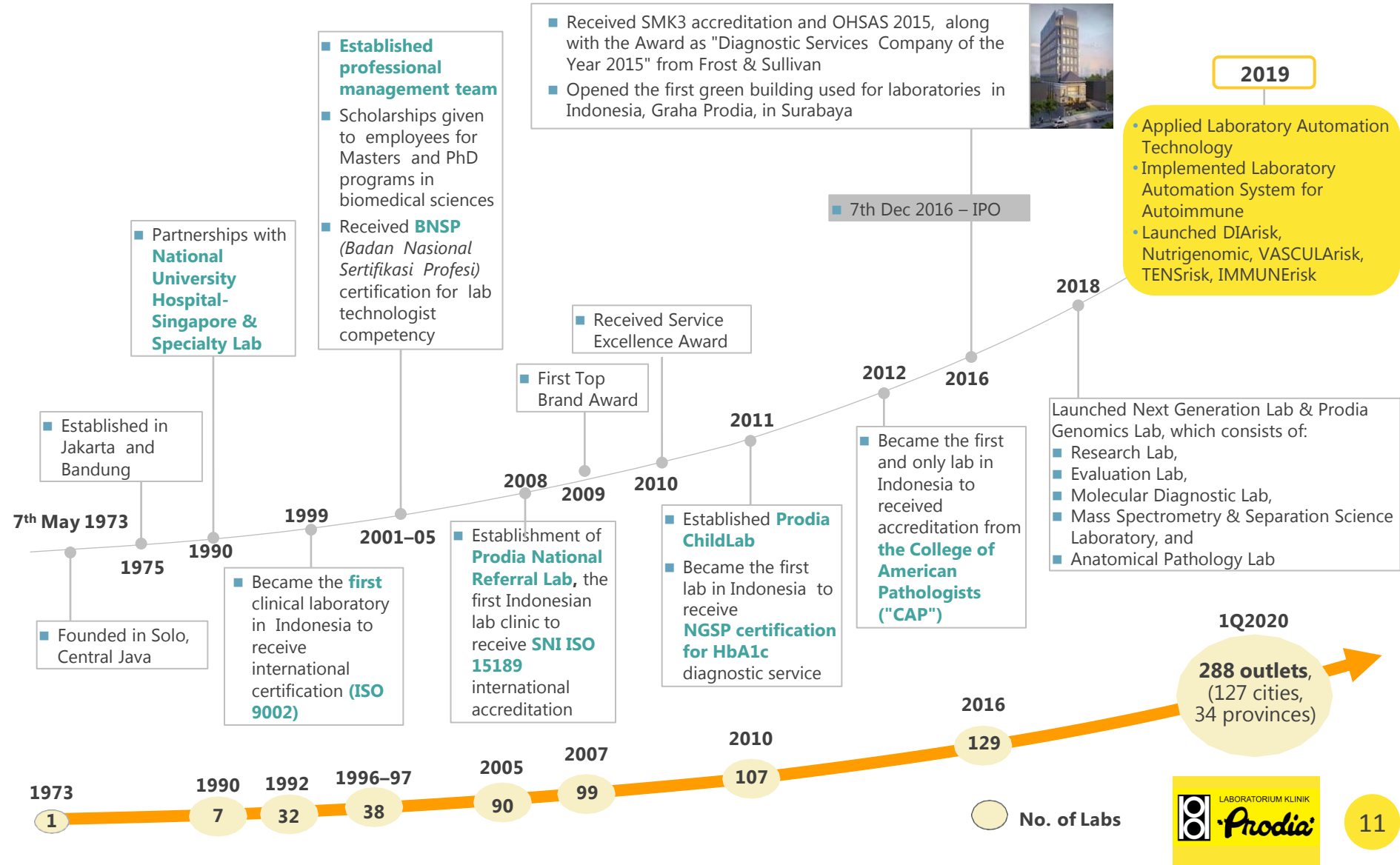
 <b>Routine Testing</b>	 <b>Non-Laboratory Testing</b>	 <b>Specialty Clinics</b>
 <b>Esoteric Testing</b>	 <b>Referral Lab Services</b>	 <b>Doctor Consultation</b>
 <b>Predictive, Preventive, Personalized Package Testing</b>	 <b>General Medical Check-Up Services</b>	 <b>Preventive Treatment</b>

 <b>Walk-In Customers</b>	 <b>Doctor Referrals</b>	 <b>External Referrals</b>	 <b>Corporate Clients</b>
<ul style="list-style-type: none"><li>• Individual Walk-In Patients</li><li>• Payment made out-of-pocket</li></ul>	<ul style="list-style-type: none"><li>• Patients referred by their doctors</li><li>• Payment made out-of-pocket</li></ul>	<ul style="list-style-type: none"><li>• Samples referred by other healthcare providers (i.e.: labs, hospitals)</li><li>• Funded by healthcare providers</li></ul>	<ul style="list-style-type: none"><li>• Customers whose employers offer them access to diagnostic testing as form of compensation</li><li>• Funded by corporate clients and private insurance</li></ul>

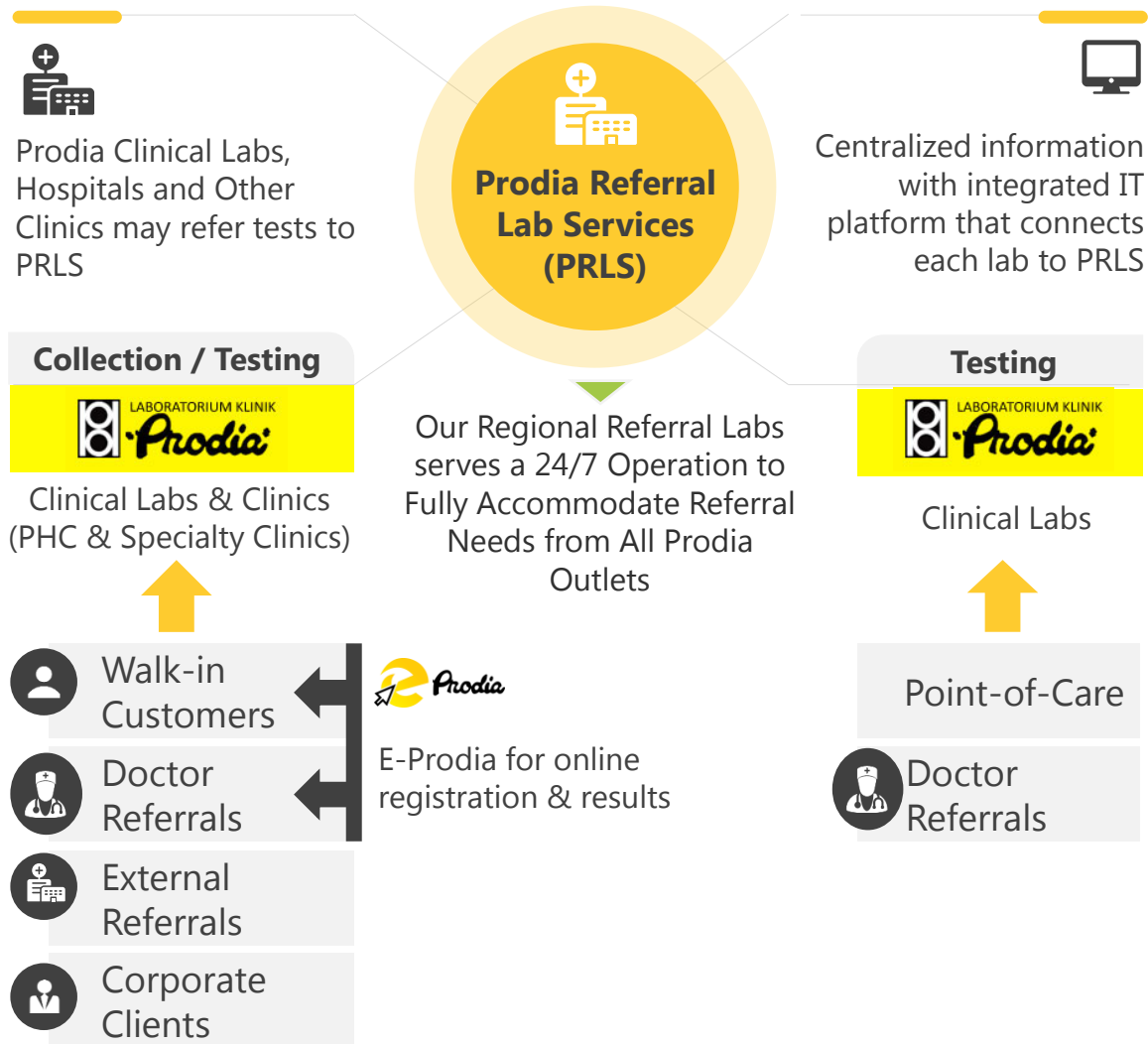
One-stop shop offering the most comprehensive range of clinical lab tests in Indonesia, allowing us to meet the needs of a wide range of customers

# Prodia Laboratories

## Indonesian Pioneer in Clinical Laboratory Testing



# Scalable Hub and Spoke Model



## Significant Economies of Scale Achieved

- ✓ **"Hub and spoke"** model offers scalable platform reducing turnaround time and cost
- ✓ Spokes facilitate deeper penetration within region strengthening brand and driving higher volumes
- ✓ Efficiency of a clinical laboratory improves with increasing test volumes making automated tests less expensive and labs more cost efficient

# 2019-2020 Awards

- ☐ **WOW Brand Award**  
From Markplus Inc.
- ☐ **Service Quality Award**  
From Carre Service Quality Monitoring
- ☐ **Corporate Image Award**  
From Frontier Consulting Group & Marketing Magazine
- ☐ **Top Brand Award**  
From Frontier Consulting Group & Marketing Magazine
- ☐ **Social Media Award**  
From Marketing Magazine & Mediawave
- ☐ **Digital Marketing Award**  
From Marketing Magazine and Mediawave
- ☐ **Indonesia Best Brand Award**  
From SWA & MARS
- ☐ **Indonesia Digital Innovation Award**  
From Warta Ekonomi
- ☐ **Top Digital Company Award**  
From Marketing Magazine



# Senior Leadership and Management Team

Experienced, Professional Management Team with a Track Record in  
Delivering Superior Growth and Innovation



47 Years of Experience

**Andi  
Wijaya**

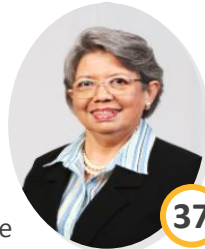
Co-Founder and  
Chairman



47 Years of Experience

**Gunawan  
Prawiro Soeharto**

Co-Founder and  
Commissioner



37 Years of Experience

**Endang  
Hoyaranda**

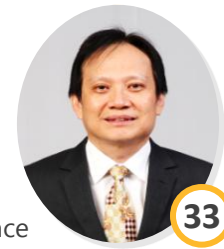
Commissioner



31 Years of Experience

**Scott Andrew  
Merrillees**

Independent  
Commissioner



33 Years of Experience

**Lukas Setia  
Atmaja**

Independent  
Commissioner



33 Years of Experience

**Dewi  
Muliaty**

President Director



24 Years of Experience

**Liana  
Kuswandi**

Finance Director



24 Years of Experience

**Indriyanti Rafi  
Sukmawati**

Business &  
Marketing Director



23 Years of Experience

**Andri  
Hidayat**

Diagnostics Service  
& IT Director

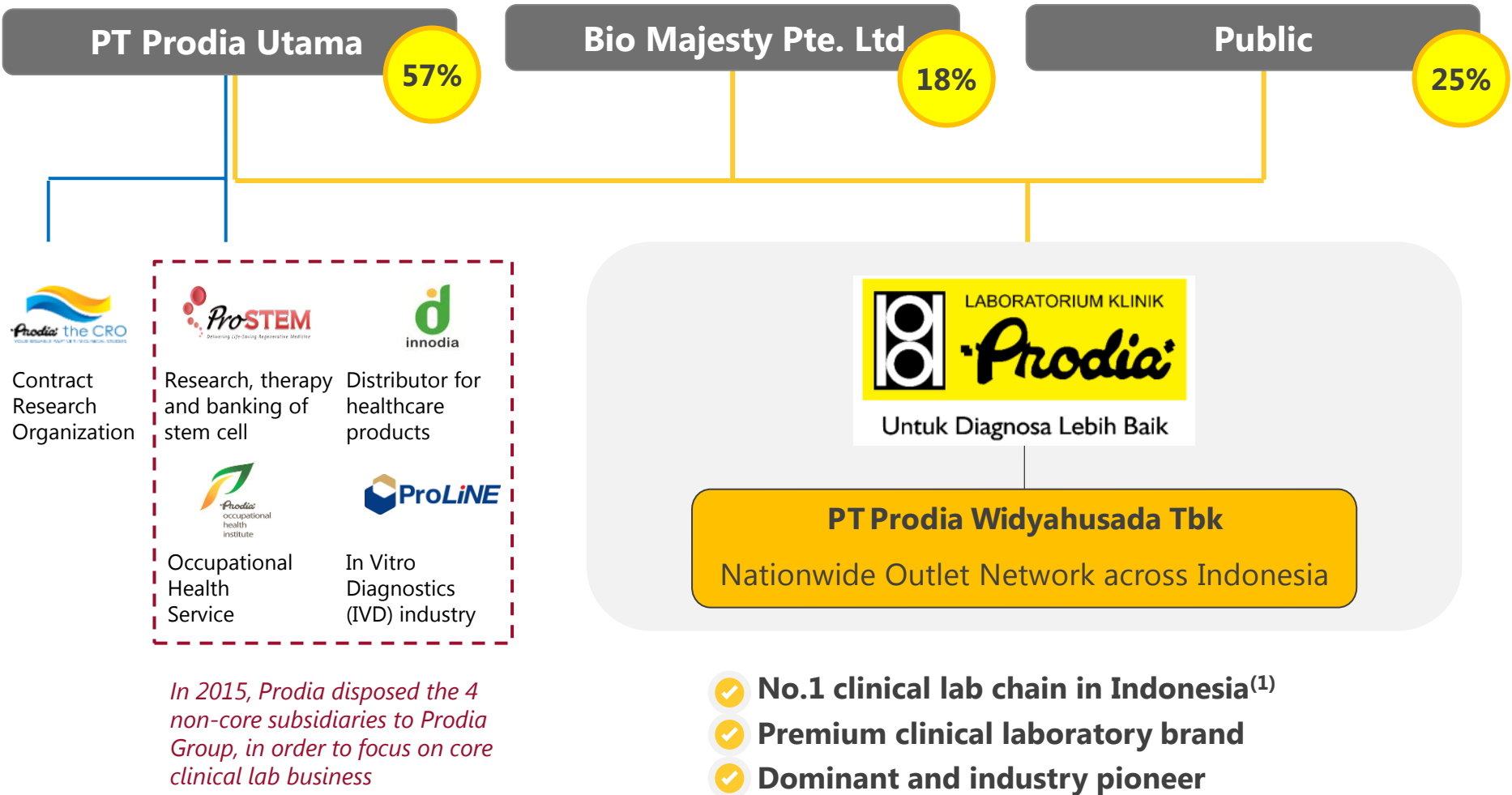


31 Years of Experience

**Tetty  
Hendrawati**

Independent  
Director

# Shareholder Composition



(1) Based on revenue share and network size



# Growth Strategy



# Growth Strategy

**A**

## Near-term



**Expand** our presence and grow our **network of outlets** in both existing and new markets in Indonesia



**Upgrade** existing clinical laboratories to provide wider range of tests and services and increase volume



Enhance internal **operating efficiency**



Focus on providing **quality diagnostic** and related healthcare tests and services

**B**

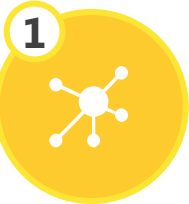
## Long-term



Focus on the development of **next-generation diagnostic technologies** for precision medicine

# Near Term Growth Plan

## Prodia's Network Expansion Plan 2016 - 2021



### Expand Network of Outlets

**3<sup>1</sup>** regional referral labs

Up to **33** additional clinical labs over next five years

Up to **20** new POC collection centers per year

**1-2** new hospital labs per year

**10<sup>1</sup>** new specialty clinics<sup>2</sup> over next five years



### Upgrade Clinical Labs

Upgrade up to **39** clinical labs to PHC<sup>3</sup> Clinics

**24** Clinical Lab Improvements



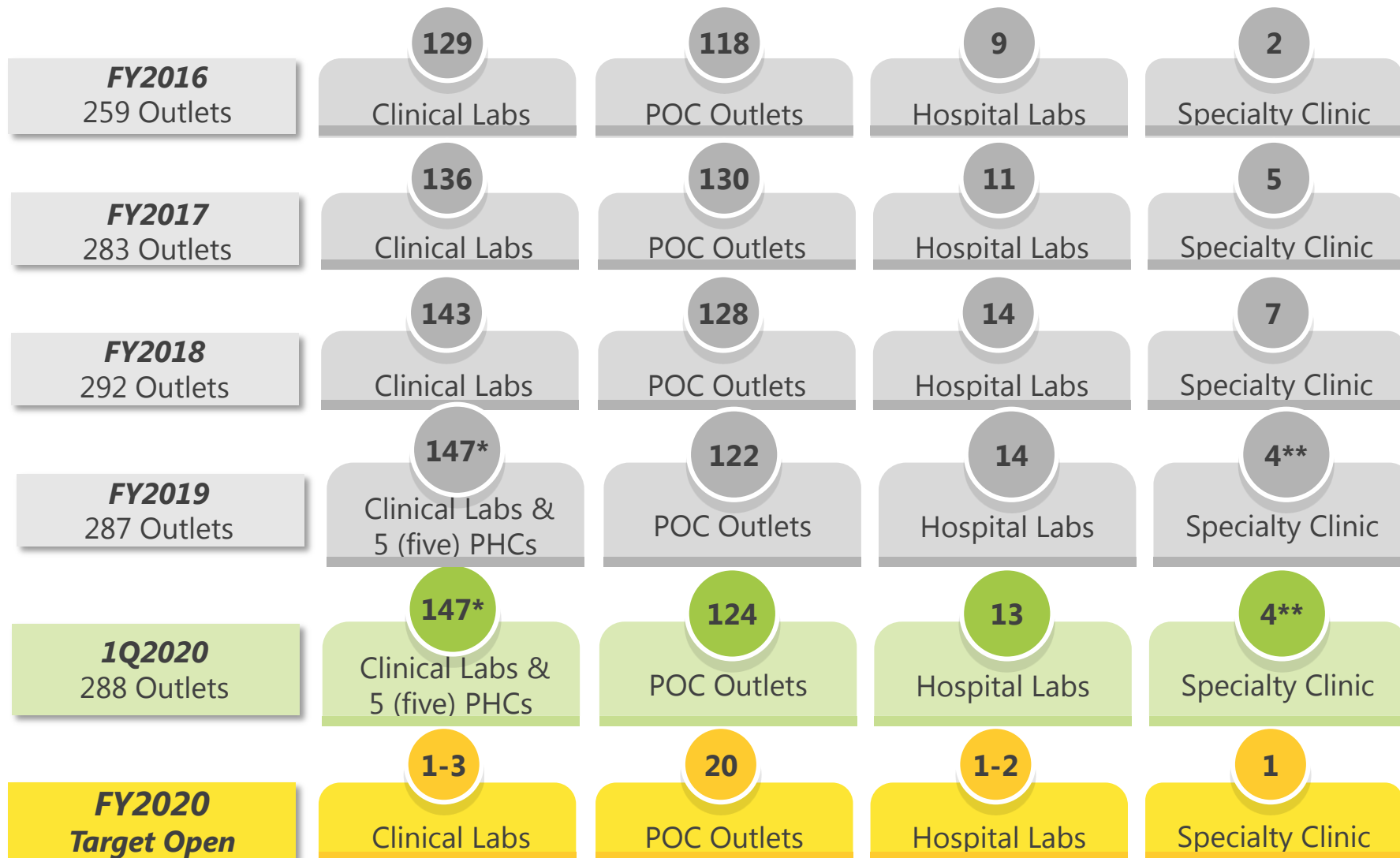
### Enhance Operating Efficiency



### Focus on Quality

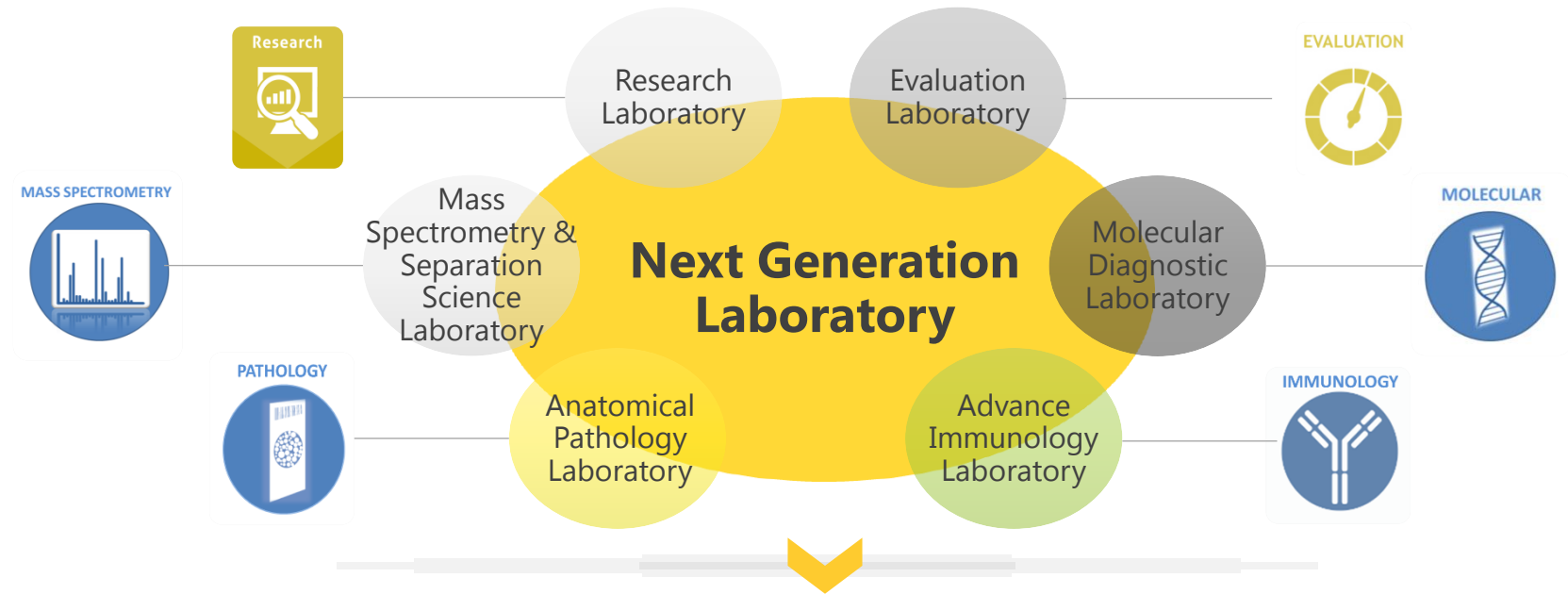
1) Per 9M2019, referral labs and specialty clinics target are revised to 3 (Three) and 10 (Ten) respectively, 2) Specialized clinic facilities for specific customer types; Includes Prodia Children's Health Center ("PCHC"), Prodia Women's Health Center (PWHC), and Prodia Senior Health Center ("PSHC").  
3) Prodia Health Care (PHC), which in addition to being clinical laboratories, PHC Clinics offers wellness services focusing on preventive care.

# FY2016-2019 Total Outlets & Development Targets



\*includes 1 (one) Standalone PHC Kemang, and 4 (four) specialty clinics that operate in existing clinical lab branches: 1)PCHC Jakarta, 2) PCHC Medan, 3) PWHC Medan, 4) PCHC Surabaya. \*\*consists of standalone specialty clinics (PWHC and PSHC Surabaya, PWHC and PSHC Jakarta)

# Leader in Next Generation Technology



## Personalized Treatment and Prevention

## The Concept of Precision Medicine

## Targeted Therapy



Global initiative to move towards personalized treatment and prevention



Leverages genomics, proteomics, and metabolomics analysis



Key to the successful offering of precision medicine is the availability of diagnostic information





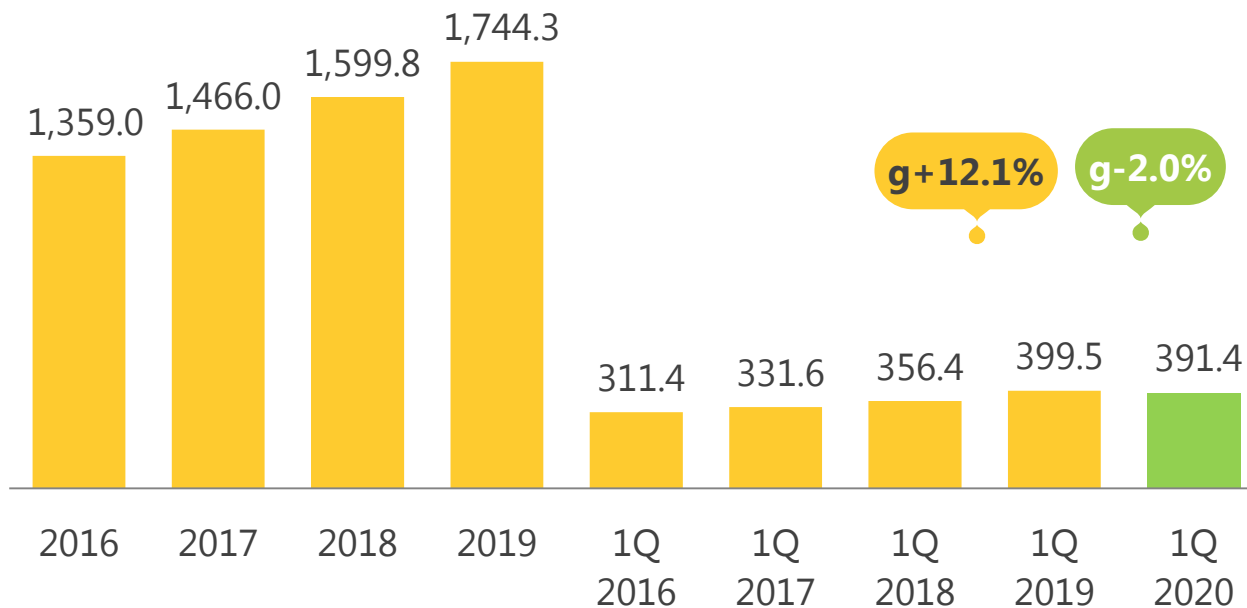
# 1Q2020 Business & Financial Updates

# 1Q2020 Revenue (Unaudited)

Revenue (in IDR Billion)

FY16-FY19 CAGR +8.7%

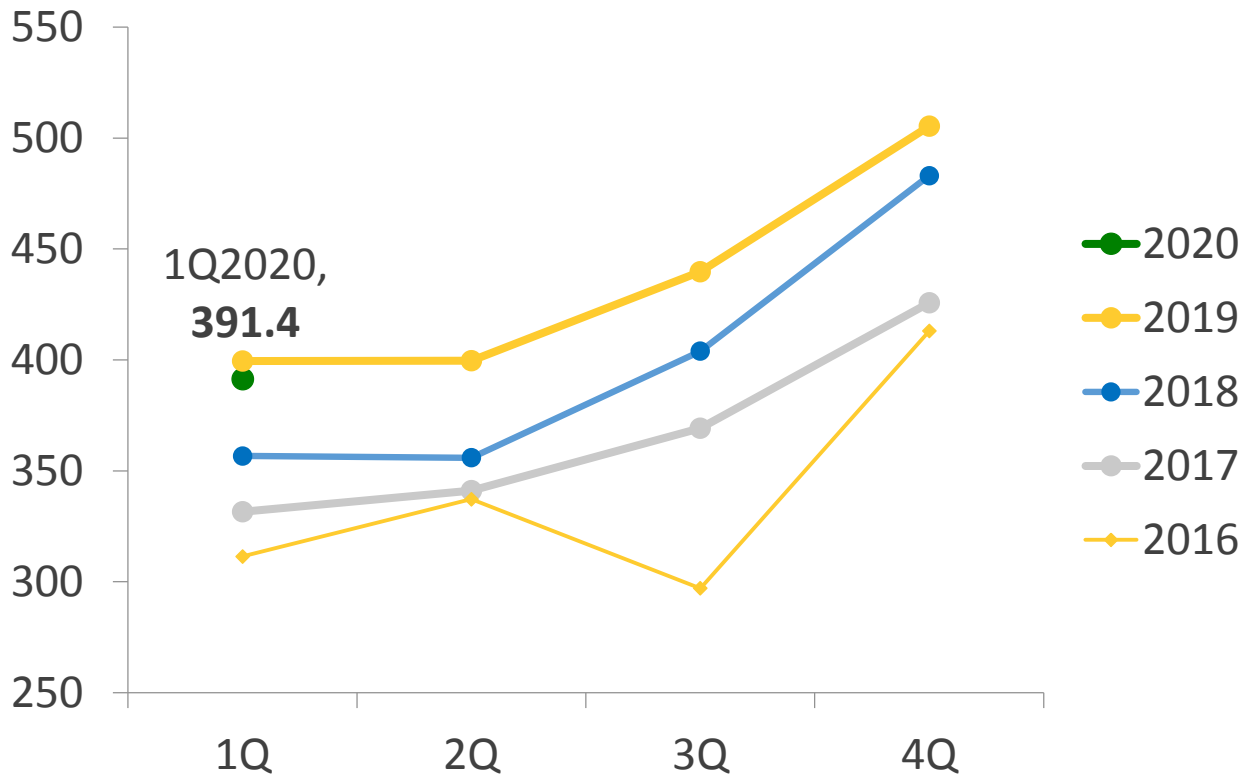
1Q2016-1Q2020 CAGR+5.9%



Visit and volume were slowing down on March 2020 due to COVID-19 outbreak and lockdown policy in Indonesia

## Quarterly Revenue Trends (Unaudited)

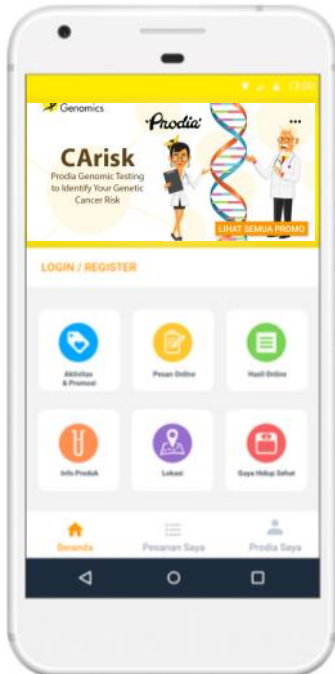
Quarterly Revenue 2016 – 2020 (in IDR Billion)



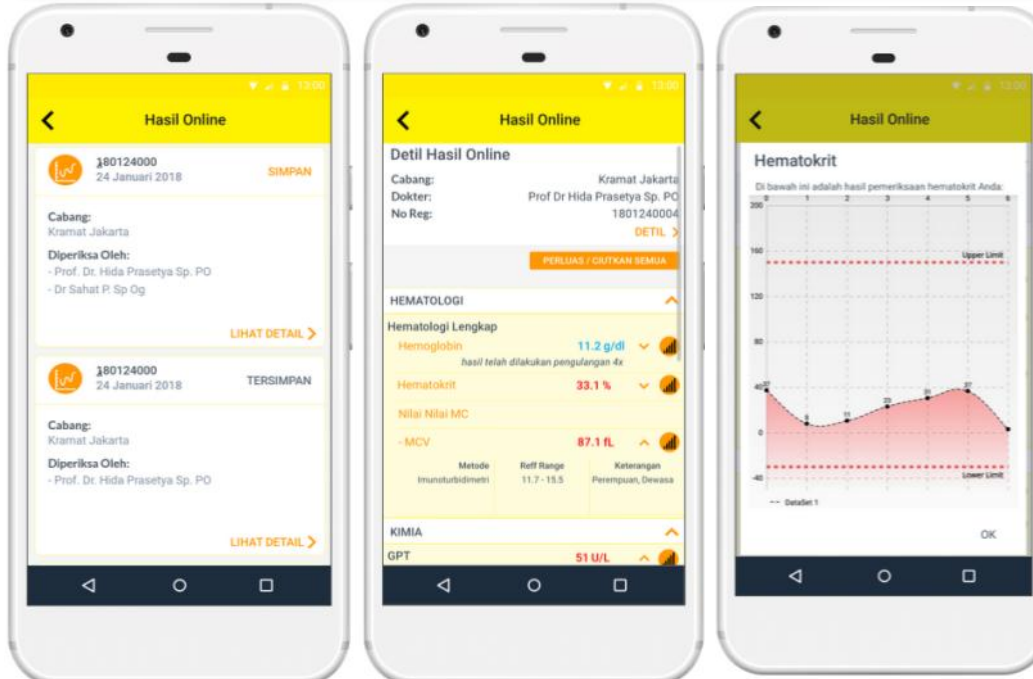
Quarterly revenue illustrates seasonality in the business that is affected by different variables each quarter, including Public Holiday & Corporate Check-Up Season

# Technology to increase Customer Satisfaction

## Online Order via Prodia Mobile



## Online Results via Prodia Mobile





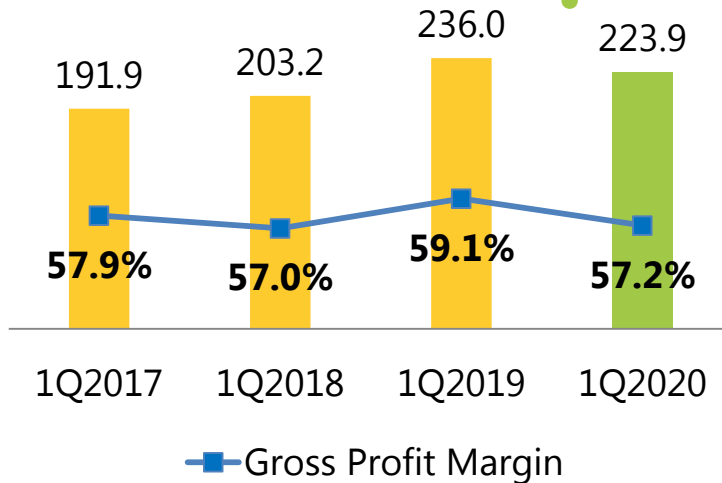
## Financial Updates

# 1Q2020 Gross Profit & Net Income (Unaudited)

### Gross Profit (in IDR Billion)

1Q2017–1Q2020 CAGR +5.3%

Growth -5.1%



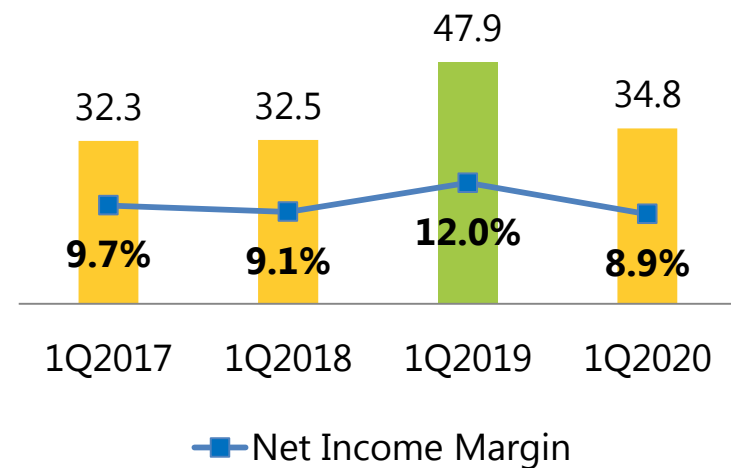
Gross Profit slow down by 5.1% yoy as volume testing drop by 5.5%



### Net Income (in IDR Billion)

1Q2017–1Q2020 CAGR +2.5%

Growth -27.4%



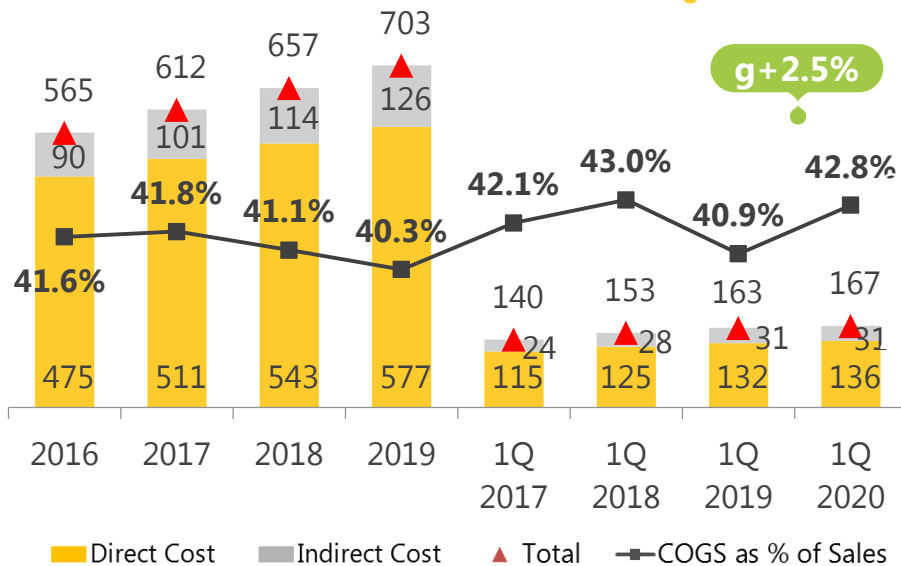
Net income decreased by 27.4% as impact of the decline in top line

# 1Q2020 COGS & OPEX (Unaudited)

## COGS (in IDR Billion)

CAGR 2016-2019 +7.6%

1Q2017-1Q2020  
CAGR +6.3%



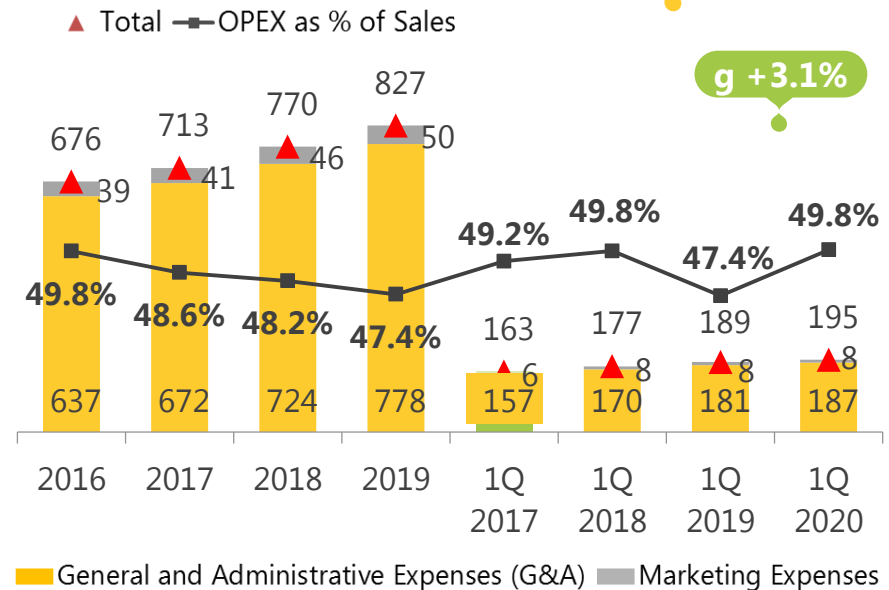
COGS as % percentage of sales weakened to 42.8% due to some fixed costs, additional PPE cost and slow down in top line



## OPEX (in IDR Billion)

CAGR 2016-2019 +8.3%

1Q2017-1Q2020  
CAGR +6.1%



OPEX as % percentage of sales weakened 240 bps

# Financial Summary 1Q2020 (Unaudited)



(in IDR Bn)

1Q2020

1Q2019

Revenue

391.38

399.47

Gross Profit

223.88

236.00

EBIT

29.10

47.77

EBT

41.12

59.05

Net Income

34.70

47.96

EPS

37.10

51.16

EBITDA

72.00

76.84

# Thank You

For more information :

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