IPO Report
22 June, 2025

ajaib RESEARCH
PT Ajaib Sekuritas Asia

EMMI
PT Esa Medika Mandiri Tbk

Healthcare Growth Meets Valuation Risk

- **Indonesia's medical technology market is projected to grow from US$ 2.65 bn in 2025 to US$ 4.02 bn by 2030.**
- **EMMI delivered strong FY25 performance with revenue reaching Rp 454.6 bn (+18.1% YoY) and net profit rising to Rp 32.4 bn (+188.2% YoY) .**
- **IPO proceeds will be used to strengthen the balance sheet, with Rp 50.0 bn allocated for debt repayment, 11.8% for the Cikupa factory expansion, and up to 68.7% for working capital.**
- **EMMI's IPO valuation of 22.8x–26.3x P/E and 5.7x–6.6x P/BV appears expensive relative to peers, while high leverage (2.0x NGR) and 36% overdue receivables remain key risks.**

Healthcare Transformation and Rising Medical Equipment Demand
Indonesia's medical device industry continues to demonstrate strong long-term growth potential, supported by rising healthcare awareness, increasing demand for diagnostic and monitoring equipment, and ongoing expansion of healthcare infrastructure nationwide. The industry benefits from the National Health Insurance (JKN) program, government initiatives to increase domestic content requirements (TKDN), and import substitution policies aimed at strengthening local medical device manufacturing and distribution capabilities. Indonesia's medical technology market is projected to reach US$ 2.65 billion in 2025 and grow at a CAGR of 8.68% to US$ 4.02 billion by 2030, reflecting robust structural demand. With more than 75% of Indonesia's medical devices still imported, substantial opportunities remain for domestic players to capture market share.

Strong Earnings Growth Driven by Major Healthcare Infrastructure Projects
The company delivered strong financial performance in 2025, with revenue increasing to Rp 454.6 bn (+18.1% YoY) from Rp 384.9 bn in the previous year, primarily driven by contributions from several large-scale healthcare infrastructure projects. Growth was supported by the realization of revenue from the IsDB-funded hospital projects secured in 2024, as well as two additional IsDB tenders won in 2025 with a combined contract value of Rp 47.4 bn. Furthermore, the company secured a World Bank-funded SOPHI (Strengthening of Primary Healthcare in Indonesia) project worth Rp 101.7 bn, with approximately 20% of the contract value recognized as revenue during 2025. Supported by these project wins, net profit surged to Rp 32.4 bn (+188.2% YoY) from Rp 11.3 bn in 2024, reflecting strong operating leverage and the successful execution of strategic healthcare infrastructure projects across Indonesia.

IPO Proceeds Focused on Debt Reduction and Capacity Expansion
The company plans to allocate a significant portion of its IPO proceeds toward strengthening its balance sheet and supporting future growth initiatives. Approximately Rp 50.0 bn will be used to partially repay outstanding debt, which should reduce leverage and improve financial flexibility going forward. In addition, around 11.8% of the proceeds will be allocated for capital expenditure, primarily for the construction of the new Cikupa manufacturing facility, supporting the company's long-term expansion strategy. The remaining up to 68.7% will be utilized as working capital, including inventory procurement, raw material purchases, and project-related operational needs, allowing the company to support a growing project pipeline and improve execution capacity. We view this allocation positively as it balances balance sheet improvement with investments aimed at supporting sustainable revenue growth and operational scalability.

Premium IPO Valuation Overshadows Strong Industry Exposure
EMMI plans to conduct its IPO at Rp 446–515/share, implying a market capitalization of Rp 777–898 bn and a valuation of 22.8x–26.3x FY25 P/E and 5.7x–6.6x P/BV. We view this valuation as relatively demanding compared with listed healthcare peers such as OMED (14.6x P/E; 2.0x P/BV) and IRRA (13.4x P/E; 1.0x P/BV), as well as recent IPO candidate PRDL (11.3x P/E; 2.2x P/BV). Beyond valuation concerns, investors should also monitor the company's balance sheet, with a Net Gearing Ratio (NGR) of 2.0x, indicating relatively high leverage. In addition, working capital quality remains a key risk, as payables outstanding for more than 90 days account for 36% of total trade receivables.

Key Metrics

Key Metrics (%)	2023	2024	2025
Revenue growth	-6.93	122.53	18.11
Net income growth	-90.98	1,098.07	188.23
ROA	0.28	1.58	5.75
ROE	1.85	18.17	23.98
Interest coverage ratio (x)	1.06	1.47	2.47
Current ratio (x)	2.10	1.22	1.09
Net gearing ratio (x)	4.40	5.34	2.01

NOT RATED

IPO Information

IPO Price (Rp)	446 – 515
Share Offered (bn)	0.52
Fund Raised (Rp bn)	233 -269
Share Out. (bn)	1.74
Market Cap (Rp bn)	777 - 898
Free Float (%)	30.00
Bookbuilding Period	22 - 24 Jun 2026
Public Offering Period	2 - 6 Jul 2026
Allotment Date	6 Jul 2026
Distribution Date	7 Jul 2026
Listing Date	8 Jul 2026

Shareholders

Shareholders Before IPO	% Ownership
Surya Gunawan Widjaja	30.0
Andrew Ignatius Widjaja	23.0
Eddy Lie	15.0
Florian Chris Widjaja	16.0
Andrian Matthew Widjadja	16.0

Shareholders Before IPO	% Ownership
Surya Gunawan Widjaja	21.0
Andrew Ignatius Widjaja	16.0
Eddy Lie	10.0
Florian Chris Widjaja	11.0
Andrian Matthew Widjadja	11.0
Public	30.0

Company Description

EMMI's Company Profile

The company operates primarily in the wholesale distribution of laboratory equipment, pharmaceutical products, and medical devices for human healthcare applications (KBLI 46691). Its core business includes supplying a broad range of diagnostic products, laboratory instruments, pharmaceutical equipment, and medical devices to hospitals, laboratories, clinics, and other healthcare facilities across Indonesia.

Analyst

Ajaib Research Team

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Table 1. EMMI's Brand Under License

Brand	Country	Contract Duration (years)
Medicon	Germany	20
Bowa	Germany	15
Simeon Medical	Germany	10
Gimmi	Germany	1
Huntleigh Healthcare	United Kingdom	10
Air Liquide Healthcare	France	15
Medec International	Belgium	2
Telesair	United States	2
Wego	China	10

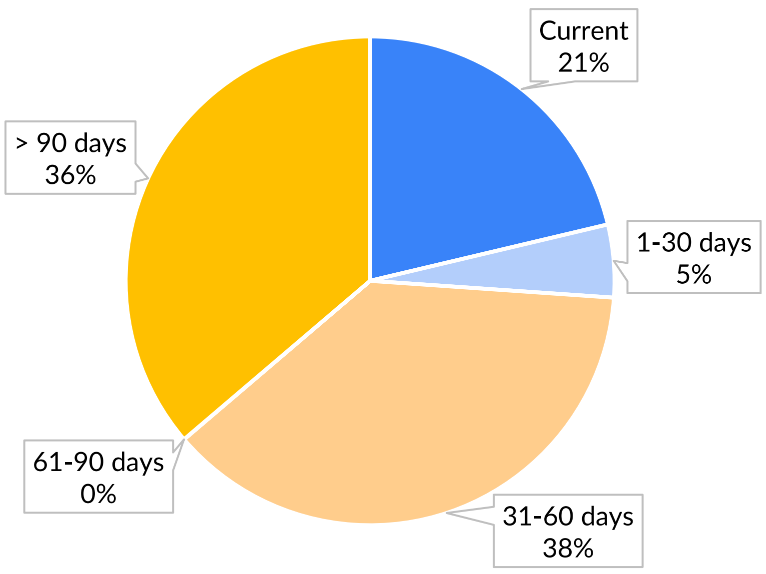
Source: Company, Ajaib Research

Table 2. PRDL's Main Production Capacity

Facillity	Area (m2)	License	Brand Produced	Image
Solo Factory	200	CPAKB	Esatech	
Cikupa Factory	3,000	CPAKB	Bowa, Simeon, Medec, Kronen, Wego Sutures	

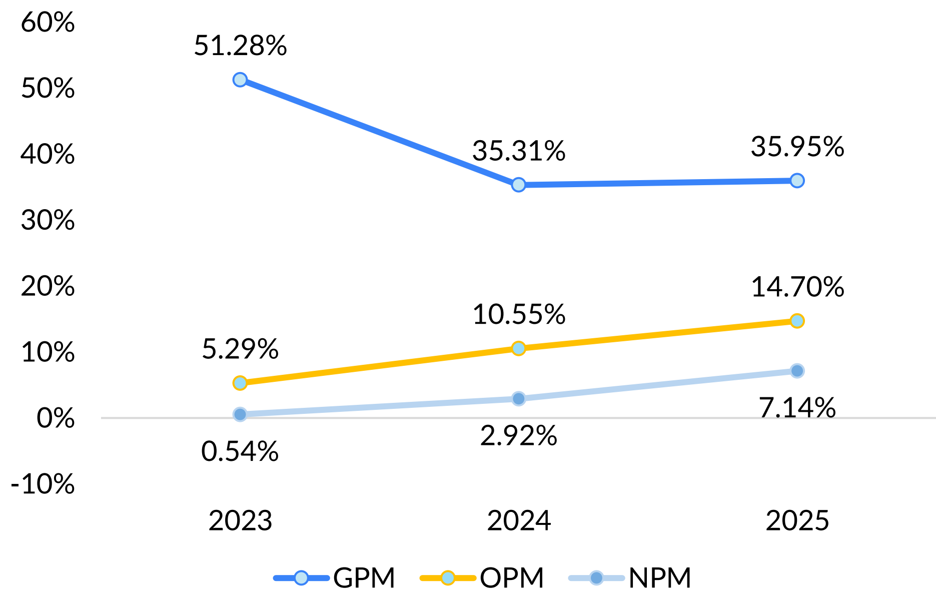
Source: Company, Ajaib Research

Figure 1. EMMI's Trade Payable by Collection



Source: Company, Ajaib Research

Figure 2. EMMI's Profit Margins (%)



Source: Company, Ajaib Research

Table 3. EMMI's Peers Comparison

Ticker	P/E (x)	P/BV (x)	ROA	ROE	EPS Growth 1Y
EMMI	24.54	14.90	6.05%	25.23%	210.05%
PRDL	11.30	2.20	8.74%	20.45%	69.93%
OMED	14.58	2.04	11.82%	13.93%	14.05%
IRRA	13.39	0.97	2.57%	11.20%	23.03%
MDLA	6.19	0.92	5.79%	12.67%	13.69%
EPMT	5.82	0.77	5.50%	9.59%	6.39%

Source: IDX, Bloomberg, Ajaib Research

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Financial Statement

Income Statement (IDR mio)	2023	2024	2025
Net sales	**172,981**	**384,935**	**454,636**
COGS	-84,280	-249,021	-291,209
Gross Profit	**88,701**	**135,914**	**163,427**
Selling expense	-20,084	-18,388	-14,567
General expense	-59,463	-76,927	-82,019
Operating Profit	**9,154**	**40,599**	**66,841**
Interest expense	-22,633	-29,513	-30,439
Rent income	3,369	2,962	2,610
Share in net income of JV	0	1,626	4,101
Other income (expense)	10,942	-1,839	-23
EBT	**833**	**13,836**	**43,090**
Tax expense	106	-2,581	-10,650
Net Income	939	11,255	32,440
Minority interest	0	-246	1,692
PATMI	**939**	**11,009**	**34,132**

Cash Flow Statement (IDR mio)	2023	2024	2025
Receipt from customer	157,311	375,972	375,464
Payment to suppliers	-90,722	-161,297	-317,573
Others	-120,994	-143,148	-65,388
Operating Cash Flow	**-54,405**	**71,527**	**-7,497**
Capex	-39,537	-20,312	-26,616
Others	-2,862	1,357	703
Investing Cash Flow	**-42,398**	**-18,955**	**-25,913**
Bank loans	76,491	195,651	189,616
Payments of loans	-3,929	-88,515	-247,882
Others	-141	-80,101	31,054
Financing Cash Flow	**72,420**	**27,035**	**-27,212**
Net change in cash	-24,383	79,607	-60,623
Beginning Cash	37,197	12,979	92,552
Other consolidation	164	-34	0
Ending Cash	**12,979**	**92,552**	**31,930**

Balance Sheet (IDR mio)	2023	2024	2025
Cash and equivalent	12,979	92,552	31,930
Trade receivable - current	26,626	111,075	114,103
Inventory	27,133	53,049	35,153
Others	34,680	197,640	105,590
Total Current Assets	**101,419**	**454,316**	**286,775**
Fix asset	168,315	197,440	251,203
Others	70,901	62,637	26,461
Total Non-Current Assets	**239,216**	**260,077**	**277,664**
Total Assets	**340,634**	**714,392**	**564,439**
Bank loans - current	144,473	160,398	146,431
Trade payables	23,531	213,037	116,777
Current maturities of LT loans	13,425	89,299	24,195
Others	31,443	92,697	24,832
Current Liabilities	**212,872**	**555,431**	**312,235**
Bank loans - non current	65,625	80,823	101,247
Other non-current liabilities	6,075	4,766	5,942
Total Non-Current Liabilities	**71,700**	**85,589**	**107,189**
Total Liabilities	**284,572**	**641,020**	**419,424**
Share capital	40,600	40,600	61,000
Retained earnings	10,186	21,350	36,629
Revaluation of fix assets	0	0	37,655
Total Equity	**50,786**	**61,950**	**135,284**
Total Liabilities and Equity	**335,359**	**702,969**	**554,708**

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Rating for Sectors:
Overweight : We expect the industry to perform better than the primary market index (JCI) over the next 12 months.
Neutral : We expect the industry to perform in line with the primary market index (JCI) over the next 12 months.
Underweight : We expect the industry to underperform the primary market index (JCI) over the next 12 months.

Rating for Stocks:
Buy : The stock is expected to give total return (price appreciation + dividend yield) of > +10% over the next 12 months.
Hold : The stock is expected to give total return of > 0% to ≤ +10% over the next 12 months.
Sell : The stock is expected to give total return of < 0% over the next 12 months.
Outperform : The stock is expected to do slightly better than the market return. Equal to "moderate buy"
Underperform : The stock is expected to do slightly worse than the market return. Equal to "moderate sell"

Analyst Certification:
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PREPARED BY AJAIB RESEARCH TEAM

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