

Sido Muncul Tbk (SIDO IJ)

Tingginya Inflasi Sebabkan Penurunan Permintaan

Baik penjualan maupun laba bersih SIDO pada 2Q22 kompak mengalami penurunan masing-masing 15% YoY dan 35% YoY. Kenaikan inflasi bahan pangan yang mendorong konsumen memilih lebih fokus memenuhi kebutuhan pokok menjadi penyebab menurunnya permintaan produk SIDO. Adapun, untuk mengimbangi penurunan permintaan pada pasar domestik, SIDO berupaya terus melakukan ekspansi untuk menopang bisnis internasionalnya.

Company Report | August 8, 2022

Rendahnya Permintaan Menurunkan Kinerja 2Q22

- Sepanjang 6M22, SIDO membukukan penjualan sebesar Rp1,6 triliun atau turun 3% YoY.
- Penurunan ini disebabkan oleh rendahnya permintaan baik untuk segmen Herbal dan F&B di pasar domestik. Sementara, untuk segmen Farmasi dengan adanya permintaan yang stabil, mampu tumbuh sebesar 17% YoY.
- Secara kuartalan, penjualan 2Q22 tercatat Rp731,6 miliar (-15% YoY) dengan segmen Jamu Herbal dan Suplemen mencatatkan penurunan terbesar (-17% YoY) menjadi Rp459,7 miliar.
- Laba kotor 2Q22 tercatat lebih rendah menjadi Rp372,7 miliar (-23% YoY). Laba operasi turun 34% YoY pada 2Q22 menjadi Rp191,5 miliar sejalan dengan penurunan OPEX ke Rp187,4 miliar (-3% YoY).
- Ke depannya, SIDO akan melakukan efisiensi pada OPEXnya untuk mempertahankan harga jual dan menghindari penurunan daya beli. Adapun, laba bersih 2Q22 juga tercatat turun 35% YoY ke Rp150,6 miliar (vs 2Q21: Rp233,0 miliar).
- Margin profitabilitas tercatat lebih rendah pada 2Q22, disebabkan oleh volume penjualan yang turun. GPM, OPM, dan NPM masing-masing tercatat sebesar 51%, 26%, dan 21% (vs 2Q21: GPM 56%, OPM 34%, dan NPM 27%).

Semua Segmen Kompak Mengalami Penurunan

- Menurunnya permintaan produk SIDO diakibatkan oleh tingginya inflasi bahan pangan, sehingga konsumen lebih memilih untuk fokus memenuhi kebutuhan pokok.
- Segmen Herbal & Supplement per 1H22 mencatatkan margin yang stabil yaitu 66%-67% di tengah melambatnya permintaan jamu khususnya pada kategori Cold Symptom.
- SIDO pun memproyeksikan bahwa margin untuk segmen F&B ke depan akan meningkat dikarenakan sebagian besar harga untuk produk-produk utamanya telah disesuaikan.
- Menurunnya kinerja segmen F&B didorong oleh melambatnya permintaan produk Kuku Bima Energi dan Vit.C. Adapun, produk Kuku Bima Energi (kontribusi terhadap penjualan sebesar 16%) mencatatkan penjualan ekspor yang lebih tinggi di Nigeria dan Malaysia.
- Dari segmen Farmasi, permintaan tercatat stabil pada 1H22, didukung oleh produk terkait Covid19, antara lain parasetamol, obat batuk sirup, dll.
- Untuk bisnis internasional (kontribusi 6% terhadap penjualan), SIDO memanfaatkan lini bisnis untuk mengimbangi penurunan yang terjadi di pasar domestik. Per 1H22, bisnis internasional tumbuh 80% YoY dengan mencatatkan negara ekspor terbaru yaitu Senegal dan Togo.
- Adapun, untuk 3Q22 SIDO berencana untuk melakukan ekspansi ke negara Ghana dan Kamerun, sementara untuk 4Q22 ke negara China, Kenya, dan Vietnam.

Rekomendasi BUY dengan TP Rp900

- Kami memberikan rekomendasi Buy untuk SIDO dengan target price Rp900/saham. TP ini mengimplikasikan P/E sebesar 17,4x atau -1 STD dengan potensi kenaikan sebesar 18,4%. Adapun risikonya yaitu kenaikan harga bahan baku, daya beli konsumen, dan penurunan permintaan produk.

PT Sido Muncul Tbk | Summary (IDR Bn)

	2021A	2022F	2023F	2024F
Sales	4,021	4,530	4,988	5,589
Growth	20.6%	12.7%	10.1%	12.1%
Net Profit	1,261	1,411	1,586	1,816
Growth	35.0%	11.9%	12.4%	14.5%
EPS (IDR)	38	47	53	61
P/E	22.8x	19.1x	17.0x	14.9x
P/BV	7.5x	7.1x	6.5x	6.0x
EV/EBITDA	14.8x	14.0x	12.3x	10.7x
ROE	36.3%	37.1%	38.4%	40.6%
ROA	31.0%	30.7%	32.1%	34.0%
Dividend Yield	3.9%	4.2%	4.8%	5.4%

Source: Company Data, Bloomberg, NHKSI Research
Please consider the rating criteria & important disclaimer

BUY

Price Target (IDR)	900
Consensus Price (IDR)	984
TP to Consensus Price	-8.5%
Potential Upside	18.4%

Shares data

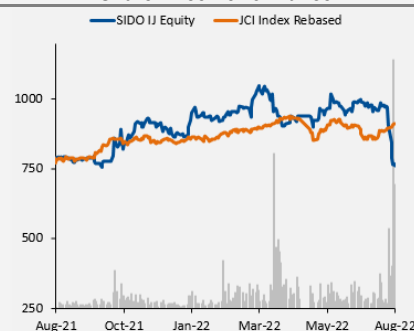
Last Price (IDR)	760
Price Date as of	August 5, 2022
52 wk Range (Hi/Lo)	1,070/740
Free Float (%)	22.3
Outstanding sh.(mn)	30,000
Market Cap (IDR bn)	22,800
Market Cap (USD mn)	1,526
Avg. Trd Vol - 3M (mn)	32.30
Avg. Trd Val - 3M (bn)	31.5
Foreign Ownership (%)	9.8

Healthcare

Pharmaceutical

Bloomberg	SIDO IJ
Reuters	SIDO.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-12.6%	-22.1%	-19.1%	-2.6%
Rel. Ret.	-18.9%	-27.7%	-21.7%	-21.1%

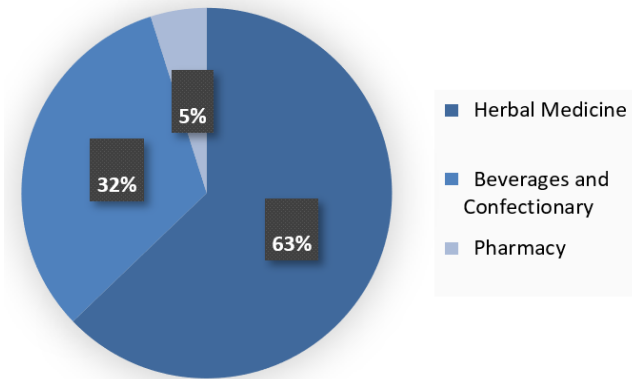
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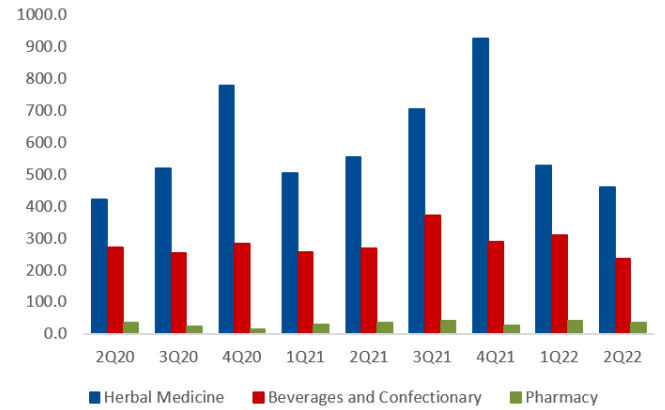
Performance Highlights

SIDO's Revenue Breakdown (2Q22)



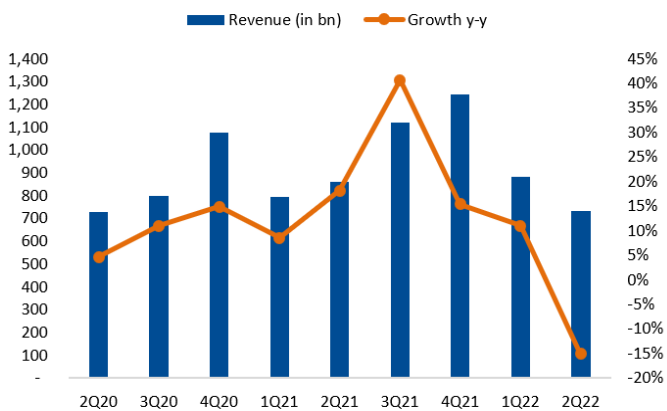
Source: Company Data, NHKSI Research

SIDO's Revenue by Segments (IDR Bn)



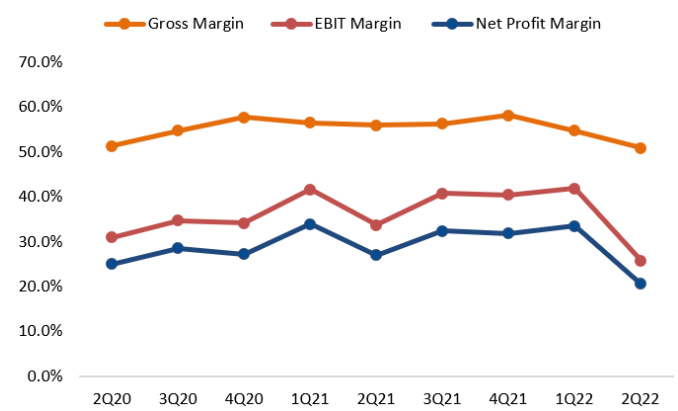
Source: Company Data, NHKSI Research

SIDO's Revenue Growth



Source: Company Data, NHKSI Research

SIDO's Margin Ratio



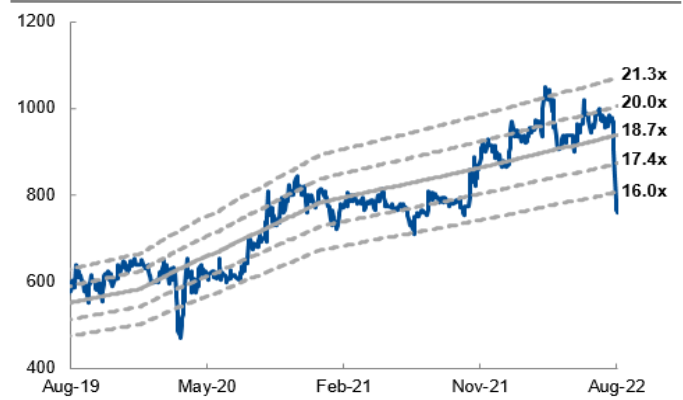
Source: Company Data, NHKSI Research

Forward P/E Band (Last 3 Years)



Source: Company Data, NHKSI Research

Dynamic Forward P/E Band (Last 3 Years)



Source: Company Data, NHKSI Research

Summary of Financials

INCOME STATEMENT					PROFITABILITY & STABILITY				
(IDR bn)	2021/12A	2022/12E	2023/12E	2024/12E		2021/12A	2022/12E	2023/12E	2024/12E
Net Sales	4,021	4,530	4,988	5,589	ROE	36.3%	37.1%	38.4%	40.6%
<i>Growth</i>	20.6%	12.7%	10.1%	12.1%	ROA	31.0%	30.7%	32.1%	34.0%
COGS	(1,735)	(2,023)	(2,233)	(2,497)	Inventory Turnover	4.5x	4.7x	4.7x	4.6x
Gross Profit	2,286	2,507	2,755	3,092	Receivable Turnover	6.1x	6.7x	6.7x	6.5x
<i>Gross Margin</i>	56.9%	55.3%	55.2%	55.3%	Payables Turnover	8.8x	8.6x	8.7x	8.7x
Operating Expenses	(705)	(784)	(922)	(993)	Dividend Yield	3.9%	4.2%	4.8%	5.4%
EBIT	1,581	1,723	1,964	2,248	Payout Ratio	89.5%	0.0%	0.0%	0.0%
<i>EBIT Margin</i>	39.3%	38.0%	39.4%	40.2%	DER	0.0x	0.0x	0.0x	0.0x
Depreciation	94	96	95	95	Net Gearing	0.0x	0.0x	0.0x	0.0x
EBITDA	1,675	1,818	2,059	2,343	Equity Ratio	85.3%	82.7%	83.7%	83.6%
<i>EBITDA Margin</i>	41.7%	40.1%	41.3%	41.9%	Debt Ratio	0.2%	0.0%	0.0%	0.0%
Interest Expenses	-	-	-	-	Financial Leverage	101.2%	96.5%	104.0%	99.2%
EBT	1,613	1,751	2,011	2,293	Current Ratio	4.1x	3.7x	4.0x	4.1x
Income Tax	(352)	(339)	(425)	(476)	Quick Ratio	3.3x	3.1x	3.4x	3.4x
Minority Interest	-	-	-	-	Par Value (IDR)	10	10	10	10
Net Profit	1,261	1,411	1,586	1,816	Total Shares (mn)	30,000	30,000	30,000	30,000
<i>Growth</i>	35.0%	11.9%	12.4%	14.5%	Share Price (IDR)	865	900	900	900
<i>Net Profit Margin</i>	31.4%	31.2%	31.8%	32.5%	Market Cap (IDR tn)	26.0	27.0	27.0	27.0
BALANCE SHEET					VALUATION INDEX				
(IDR bn)	2021/12A	2022/12E	2023/12E	2024/12E		2021/12A	2022/12E	2023/12E	2024/12E
Cash	1,082	1,604	1,727	1,918	Price /Earnings	22.8x	19.1x	17.0x	14.9x
Receivables	664	687	744	863	Price /Book Value	7.5x	7.1x	6.5x	6.0x
Inventories	455	413	475	539	PE/EPS Growth	0.7x	1.6x	1.4x	1.0x
Total Current Assets	2,245	2,749	2,990	3,365	EV/EBITDA	14.8x	14.0x	12.3x	10.7x
Net Fixed Assets	1,600	1,645	1,730	1,768	EV/EBIT	15.7x	14.7x	12.9x	11.2x
Other Non Current Assets	225	205	217	215	EV (IDR bn)	24,874	25,396	25,273	25,082
Total Non Current Asset	1,824	1,849	1,946	1,984	Sales CAGR (3-Yr)	9.0%	13.3%	13.9%	14.4%
Total Assets	4,069	4,599	4,936	5,348	Net Income CAGR (3-Yr)	20.5%	23.8%	20.5%	19.3%
Payables	189	281	258	287	Basic EPS (IDR)	38	47	53	61
ST Bank Loan	6	-	-	-	BVPS (IDR)	116	127	138	149
Total Current Liabilities	543	745	748	822	DPS (IDR)	34	37	43	49
LT Debt	2	-	-	-					
Total Liabilities	598	796	804	875	OWNERSHIP				
Capital Stock & APIC	2,149	2,152	2,152	2,152	Shareholders				%
Retained Earnings	1,323	1,652	1,980	2,321	PT HOTEL CANDI BARU				60.5
Shareholders' Equity	3,471	3,803	4,133	4,473	CONCORDANT INVESTMENTS LP				17.1
					Norges Bank				1.0
					BlackRock Inc				0.6
CASH FLOW STATEMENT					By Geography				%
(IDR bn)	2021/12A	2022/12E	2023/12E	2024/12E	Indonesia				90.2
Operating Cash Flow	1,199	1,405	1,567	1,801	Luxembourg				1.7
Investing Cash Flow	(124)	(198)	(156)	(141)	Norway				1.2
Financing Cash Flow	(1,025)	(686)	(1,289)	(1,469)	United States				1.2
Net Changes in Cash	50	522	123	191					

Source: Company Data, NHKSI Research

NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
 - Buy : Greater than +15%
 - Overweight : +5% to 15%
 - Hold : -5% to +5%
 - Underweight : -5% to -15%
 - Sell : Less than -15%

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