

Sido Muncul Tbk (SIDO IJ)

Penurunan Kinerja Akibat High Base Effect

Industri Jamu Herbal dan Suplemen saat ini mengalami penurunan permintaan akibat inflasi yang tinggi sehingga melemahkan daya beli masyarakat. Hal ini terlihat pada penjualan segmen Herbal Jamu & Suplemen SIDO pada 3Q22 yang mengalami penurunan sebesar 5,5% YoY. Pendapatan dan laba bersih pada 3Q22 terkontraksi akibat high base pada 3Q21 yaitu masing-masing menjadi Rp1,0 triliun dan Rp274,8 miliar.

Kinerja 9M22 Terkontraksi

- SIDO membukukan penjualan pada 9M22 sebesar Rp2,6 triliun atau turun 5,9% YoY (vs 9M21: Rp2,8 triliun). Baik laba kotor, laba usaha, maupun laba bersih mengalami penurunan di sepanjang 9M22 yaitu masing-masing menjadi Rp1,4 triliun (-10,8% YoY), Rp905,9 miliar (-16,0% YoY), dan Rp720,4 miliar (-16,8% YoY).
- Secara kuartalan, top line maupun bottom line pada 3Q22 kompak menurun (dibandingkan dengan 3Q21) akibat high base effect di mana permintaan pada 3Q21 tercatat sangat tinggi akibat penyebaran virus Covid-19 varian delta. Namun, jika dibandingkan dengan periode sebelum Covid-19 (3Q19), kinerja SIDO pada 3Q22 mencatatkan kinerja yang lebih baik.
- Secara rinci, penjualan 3Q22 tercatat Rp1,0 triliun (+36,9% QoQ; -10,7% YoY). Kenaikan beban pokok penjualan yang dipimpin oleh kenaikan beban pokok penjualan pada segmen Makanan dan Minuman mengakibatkan laba kotor 3Q22 terkontraksi 14,7% YoY menjadi Rp539,0 miliar.
- Laba usaha pada 3Q22 turun 24,1% YoY menjadi Rp347,3 miliar diakibatkan oleh kenaikan pada biaya Iklan dan Promosi sebesar 12,8% YoY sehingga beban penjualan naik 9,7% YoY menjadi 144,6 miliar. Sementara itu, laba bersih pada 3Q22 juga terkontraksi 24,4% YoY menjadi Rp274,8 miliar.

Penurunan Permintaan di Tengah Inflasi Tinggi

- Saat ini, industri Jamu Herbal dan Suplemen mengalami penurunan permintaan akibat inflasi yang tinggi sehingga melemahkan daya beli masyarakat. Hal ini terlihat pada penjualan segmen Herbal Jamu & Suplemen pada 3Q22 yang mengalami penurunan sebesar 5,5% YoY.
- Di tengah kenaikan harga bahan baku, segmen Makanan dan Minuman memimpin penurunan penjualan sebesar 20,2% YoY di 3Q22. Penjualan Kuku Bima Energy masih mencatatkan pertumbuhan double digit baik pada pasar domestik maupun ekspor. Adapun pada segmen farmasi penjualan turun 13,7% YoY akibat high base pada 3Q21.
- Gross margin pada 3Q22 belum kembali ke level normal di mana GPM pada semua segmennya mencatatkan angka yang lebih rendah. GPM segmen Herbal dan Suplemen tercatat 66,6% (vs 3Q21: 67,9%), GPM segmen Makanan dan Minuman sebesar 27,0% (vs 3Q21: 36,4%), dan GPM segmen Farmasi yaitu 38,0% (3Q21: 38,7%).
- Sepanjang 9M22, penjualan online SIDO tumbuh >150% YoY. Adapun, cakupan outlet telah melampaui target tahun ini di mana pada 9M22 outlet SIDO tercatat sebanyak 151 ribu (vs 2021: 135 ribu). Selain itu, pada 3Q22 SIDO telah meluncurkan produk barunya diantaranya Alang Sari Cool (Ready to Drink), SM Prosta (Soft Capsule) dan Balsem Tolak Angin.
- Untuk mendorong kinerja penjualan, SIDO gencar melakukan kegiatan marketingnya sehingga akan menyebabkan biaya A&P yang lebih tinggi. Adapun, opex to sales ratio pada 9M22 tercatat sebesar 19,6%.

Rekomendasi OVERWEIGHT dengan TP Rp800

- Kami memberikan rekomendasi Buy untuk SIDO dengan target price Rp800/saham. TP ini mengimplikasikan P/E sebesar 21,3x dengan potensi kenaikan sebesar 8,1%. Pendapatan dan laba bersih untuk tahun 2022F kami ekspektasikan lebih rendah secara YoY masing-masing yaitu Rp3,8 triliun dan Rp1,0 triliun. Adapun risiko rekomendasi kami 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	3,795	4,095	4,515
Growth	20.6%	-5.6%	7.9%	10.3%
Net Profit	1,261	1,001	1,152	1,313
Growth	35.0%	-20.6%	15.1%	14.0%
EPS (IDR)	38	33	38	44
P/E	22.8x	24.0x	20.8x	18.3x
P/BV	7.5x	6.6x	6.5x	6.3x
EV/EBITDA	14.8x	16.6x	14.7x	12.9x
ROE	36.3%	27.7%	31.4%	34.7%
ROA	31.0%	23.5%	26.5%	29.2%
Dividend Yield	3.9%	4.3%	4.5%	5.0%

Source: Company Data, Bloomberg, NHHKSI Research

Please consider the rating criteria & important disclaimer

OVERWEIGHT

Price Target (IDR)	800
Consensus Price (IDR)	848
TP to Consensus Price	-5.7%
Potential Upside	8.1%

Shares data

Last Price (IDR)	740
Price Date as of	October 28, 2022
52 wk Range (Hi/Lo)	1,070/630
Free Float (%)	22.3
Outstanding sh.(mn)	30,000
Market Cap (IDR bn)	22,200
Market Cap (USD mn)	1,426
Avg. Trd Vol - 3M (mn)	51.1
Avg. Trd Val - 3M (bn)	38.1
Foreign Ownership (%)	10.0

Healthcare

Pharmaceutical

Bloomberg	SIDO IJ
Reuters	SIDO.JK

Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-14.9%	4.2%	-23.7%	-9.8%
Rel. Ret.	-20.8%	4.5%	-25.1%	-17.9%

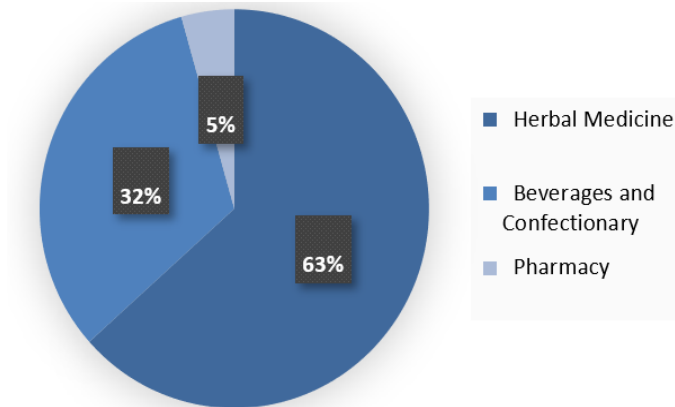
Cindy Alicia Ramadhania

(021) 5088 9129

cindy.alicia@nhsec.co.id

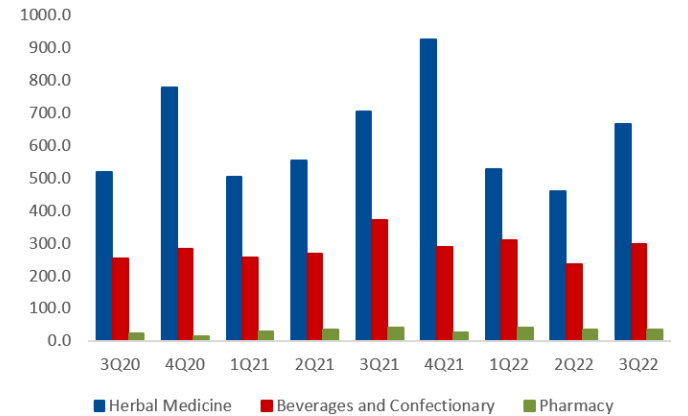
Performance Highlights

SIDO's Revenue Breakdown (9M22)



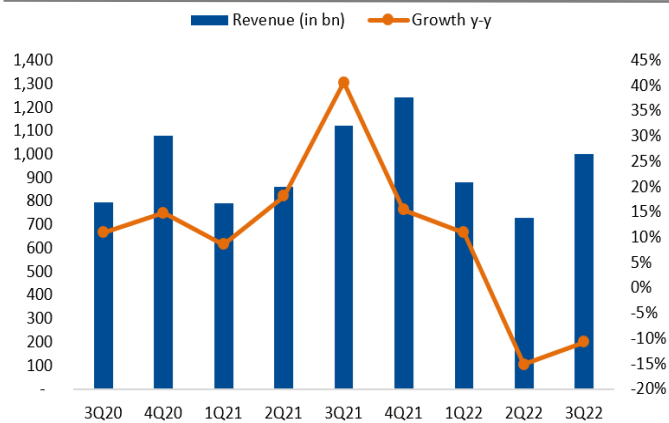
Source: Company Data, NHKSI Research

SIDO's Revenue by Segments (IDR Bn)



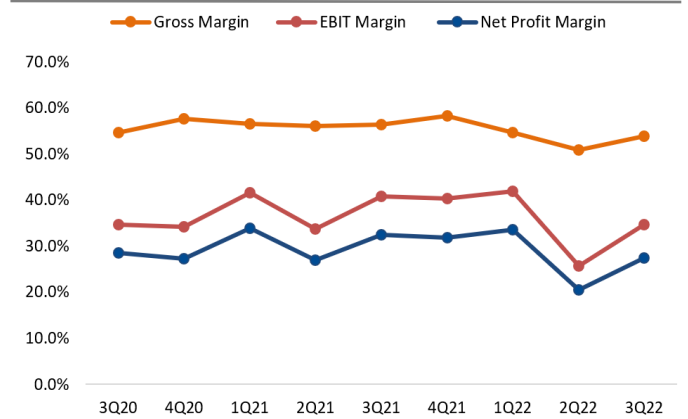
Source: Company Data, NHKSI Research

SIDO's Revenue Growth



Source: Company Data, NHKSI Research

SIDO's Margin Ratio



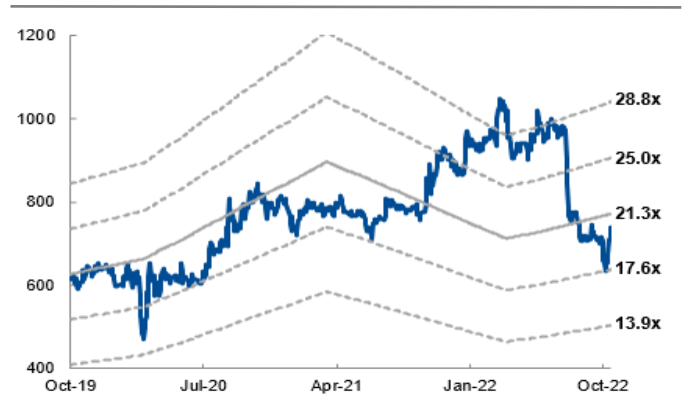
Source: Company Data, NHKSI Research

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	3,795	4,095	4,515	ROE	36.3%	27.7%	31.4%	34.7%
<i>Growth</i>	20.6%	-5.6%	7.9%	10.3%	ROA	31.0%	23.5%	26.5%	29.2%
COGS	(1,735)	(1,856)	(1,883)	(2,083)	Inventory Turnover	4.5x	3.5x	4.4x	4.9x
Gross Profit	2,286	1,939	2,212	2,433	Receivable Turnover	6.1x	7.4x	7.4x	7.4x
<i>Gross Margin</i>	56.9%	51.1%	54.0%	53.9%	Payables Turnover	8.8x	8.6x	8.4x	8.6x
Operating Expenses	(705)	(677)	(764)	(813)	Dividend Yield	3.9%	4.3%	4.5%	5.0%
EBIT	1,581	1,262	1,438	1,647	Payout Ratio	89.3%	0.0%	0.0%	0.0%
<i>EBIT Margin</i>	39.3%	33.2%	35.1%	36.5%	DER	0.0x	0.0x	0.0x	0.0x
Depreciation	94	95	95	95	Net Gearing	0.0x	0.0x	0.0x	0.0x
EBITDA	1,675	1,357	1,534	1,742	Equity Ratio	85.3%	84.9%	84.6%	84.3%
<i>EBITDA Margin</i>	41.7%	35.7%	37.5%	38.6%	Debt Ratio	0.2%	0.0%	0.0%	0.0%
Interest Expenses	-	-	-	-	Financial Leverage	101.2%	101.5%	102.9%	99.0%
EBT	1,613	1,283	1,476	1,682	Current Ratio	4.1x	4.1x	4.1x	4.1x
Income Tax	(352)	(282)	(325)	(369)	Quick Ratio	3.3x	3.1x	3.4x	3.4x
Minority Interest	-	-	-	-	Par Value (IDR)	10	10	10	10
Net Profit	1,261	1,001	1,152	1,313	Total Shares (mn)	30,000	30,000	30,000	30,000
<i>Growth</i>	35.0%	-20.6%	15.1%	14.0%	Share Price (IDR)	865	800	800	800
<i>Net Profit Margin</i>	31.4%	26.4%	28.1%	29.1%	Market Cap (IDR tn)	26.0	24.0	24.0	24.0

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	1,424	1,495	1,599	Price /Earnings	22.8x	24.0x	20.8x	18.3x
Receivables	664	368	557	614	Price /Book Value	7.5x	6.6x	6.5x	6.3x
Inventories	455	606	431	424	PE/EPS Growth	0.7x	-1.2x	1.4x	1.3x
Total Current Assets	2,245	2,444	2,528	2,681	EV/EBITDA	14.8x	16.6x	14.7x	12.9x
Net Fixed Assets	1,600	1,607	1,594	1,593	EV/EBIT	15.7x	17.9x	15.6x	13.6x
Other Non Current Assets	225	205	217	216	EV (IDR bn)	24,874	22,576	22,505	22,401
Total Non Current Asset	1,824	1,812	1,811	1,809	Sales CAGR (3-Yr)	9.0%	13.3%	7.4%	7.1%
Total Assets	4,069	4,256	4,339	4,490	Net Income CAGR (3-Yr)	20.5%	23.8%	7.4%	7.2%
Payables	189	243	223	241	Basic EPS (IDR)	38	33	38	44
ST Bank Loan	6	-	-	-	BVPS (IDR)	116	120	122	126
Total Current Liabilities	543	602	615	658	DPS (IDR)	34	35	36	40
LT Debt	2	-	-	-					
Total Liabilities	598	642	667	706					
Capital Stock & APIC	2,149	2,152	2,152	2,152					
Retained Earnings	1,323	1,462	1,519	1,630					
Shareholders' Equity	3,471	3,613	3,672	3,783					

CASH FLOW STATEMENT					OWNERSHIP				
(IDR bn)	2021/12A	2022/12E	2023/12E	2024/12E					
Operating Cash Flow	1,199	1,141	1,247	1,401	Shareholders				%
Investing Cash Flow	(124)	(115)	(86)	(97)	PT HOTEL CANDI BARU				60.5
Financing Cash Flow	(1,025)	(685)	(1,090)	(1,199)	CONCORDANT INVESTMENTS LP				17.1
Net Changes in Cash	50	341	71	104	Norges Bank				1.0
					BlackRock Inc				0.6
					By Geography				%
					Unknown				90.0
					Indonesia				3.2
					Luxembourg				1.7
					United States				1.5

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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