

Sido Muncul Tbk (SIDO IJ)

Continuing To Widen Bottom-Line Margin, Higher Overseas Revenue, And Expand Into Younger Consumer Bases

FY24 Total Revenue achieved of 10% to IDR 3,919 bn. There was robust top-line growth across all revenue segments Herbal and Supplements with 6% YoY; Food and Beverages (18% YoY); and Pharmaceutical (10% YoY). Operating Profit increased 19% YoY to IDR 1,473 bn with a General and Administrative Expenses declining 2% YoY to IDR 201 bn. But OPEX inclined due to selling expense increasing 10% YoY to IDR 626 bn. Although OPEX inclined, SIDO still improved its OPM with 37% (vs. 34% in FY2023). Bottom-line in FY24 shot up with NPAT growing 23% YoY; NPM has also shown an improvement to 29% (vs. 26% in FY23).

FY24 SIDO achieved growth in all top-line segments, improved overall financial performance

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- FY24 Operating Profit increased 19% YoY to IDR 1,473 bn with a General and Administrative Expenses declining 2% YoY to IDR 201 bn. But OPEX inclined due to selling expense increasing 10% YoY to IDR 626 bn. Although OPEX inclined, SIDO still improved its OPM with 37% (vs. 34% in FY2023). Bottom-line in FY24 shot up with NPAT growing 23% YoY; NPM has also shown an improvement to 29% (vs. 26% in FY23).
- As of FY24 with an annual capex budget of IDR 150-200 bn, capex utilization has only reached IDR 46 bn (vs. IDR 50 bn in FY23), meaning a higher budget efficiency compared to FY23. Capex primarily allocated to maintaining the company's operational and enhanced existing assets.

FY24 Export Business remain favorable, maintaining consistent growth

- Export Sales grew 36% YoY to IDR 274 bn, contributing 7% to overall Sales revenue. The company still maintain international business contribution performance by achieving 6.8% in FY24, an increase of 1.3% from FY23. Malaysia is the highest contribution to total SIDO's export sales growth with 2%-4% contribution to overall sales.

In efforts to Shift Market Segment Focus towards Gen Z and Millenials

- SIDO is undergoing efforts to target the younger population by focusing on content-heavy digital marketing strategies. For 2024, 67% of total engagements were successfully converted to E-Commerce GMV for 2024. The majority of the marketing captured engagement from the age group 25-34 with 24%, followed by 35-44 (22%), 45-54 (21%), 18-24 (15%), 55-64 (13%), and 64+ (5%). By strengthening its DTC (Digital-To-Customer) distribution channel, SIDO's GMV growth has surpassed Indonesia's average E-Commerce CAGR for 2024 by 1.09x.
- For other distribution channels, orders from General Trade (GT) grew 13% YoY and Modern Trade (MT) grew 4% YoY.

We maintain BUY Recommendation with TP at IDR 750

- We still maintain our recommendation to BUY for SIDO and with maintaining the target price of IDR750/ share, which implies a lower than -1 Standard Deviation in 3-Year Dynamic Forward P/E and -1 Standard Deviation Forward P/E band with an upside potential of 32%. We still favor the stock due to its ability to achieve high growth momentum internationally at a lower-than-budgeted capex. While SIDO's main revenue contribution is still local customers, we view there is potential for the company to achieve a 10% export sales contribution by FY25. Meanwhile, the successful effort to rebrand and capture the youth population with digital marketing has been yielding attractive sales results. Nevertheless, risks of lower supplement sales loom as the target middle-to-high income consumer base are spending less, which could reduce the company's quantity of SKUs at the end of the year. As economic conditions begin to become volatile for the domestic market, this can also be applied to global markets as well; thus, there are also risks of higher marketing expenses for SIDO to maintain and to expand its presence in overseas market.

PT Sido Muncul Tbk | Summary (IDR Bn)

	2023A	2024A	2025E	2026F
Sales	3,566	3,919	4,176	4,421
Growth	-7.8%	9.9%	6.6%	5.9%
Net Profit	951	1,171	1,249	1,325
Growth	-13.9%	23.0%	6.7%	8.2%
EPS (IDR)	32	39	42	45
P/E	16.6x	15.1x	18.0x	16.7x
P/BV	4.7x	5.1x	5.3x	5.0x
EV/EBITDA	11.2x	10.7x	12.7x	11.6x
ROE	28.1%	33.6%	29.2%	30.0%
ROA	24.4%	29.7%	28.3%	29.0%
Dividend Yield	6.8%	3.1%	4.4%	5.0%

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

Company Report | March 11 2024

BUY

Price Target (IDR)	750
Consensus Price (IDR)	694
TP to Consensus Price	8.06%
Potential Upside	32.74%

Shares data

Last Price (IDR)	565
Price Date as of	March 11, 2025
52 wk Range (Hi/Low)	780/535
Free Float (%)	22.4
Outstanding sh.(mn)	30,000
Market Cap (IDR bn)	16,950
Market Cap (USD mn)	1,032
Avg. Trd Vol - 3M (mn)	16,57
Avg. Trd Val - 3M (bn)	9,69
Foreign Ownership (%)	5.5

Healthcare

Pharmaceutical

Bloomberg	SIDO. IJ
Reuters	SIDO.JK

Share Price Performance



	YTD	3M	6M	12M
Abs. Ret.	-4.2%	-3.4%	-16.9%	-9.6%
Rel. Ret.	3.3%	9.8%	-1.7%	1.7%

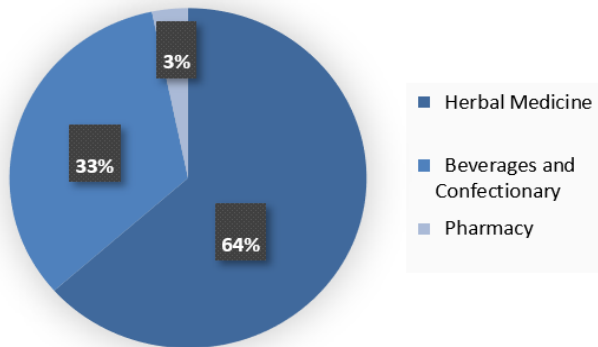
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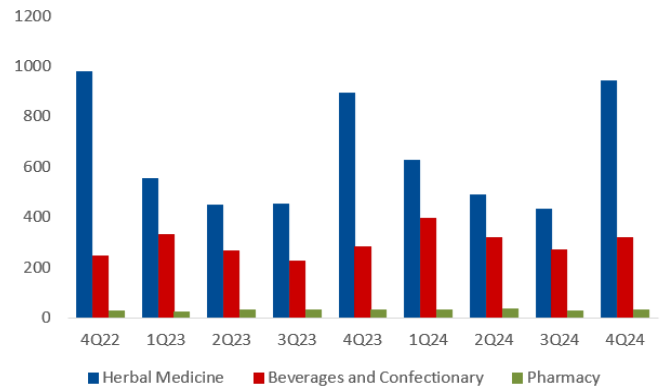
Performance Highlights

SIDO's Revenue Breakdown (FY24)



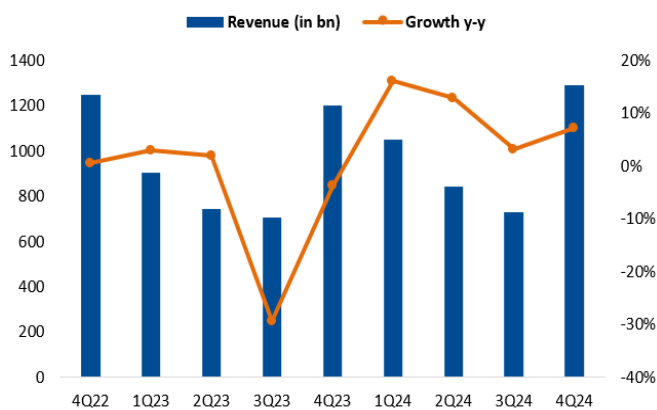
Source: Company Data, NHKSI Research

SIDO's 4Q22-4Q24 Revenue by Segments (IDR Bn)



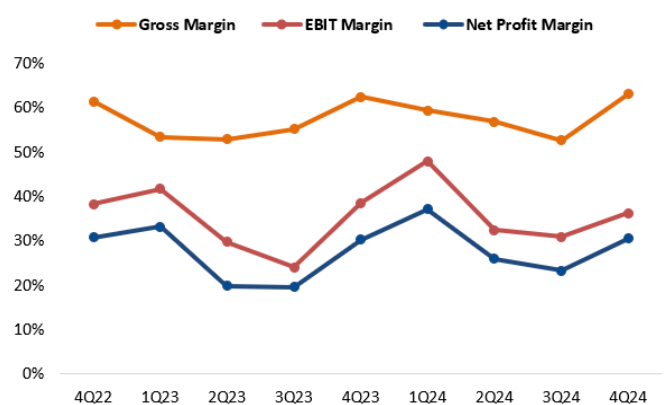
Source: Company Data, NHKSI Research

SIDO's 4Q22-4Q24 Revenue Growth



Source: Company Data, NHKSI Research

SIDO's 4Q22-4Q24 Margin Ratio



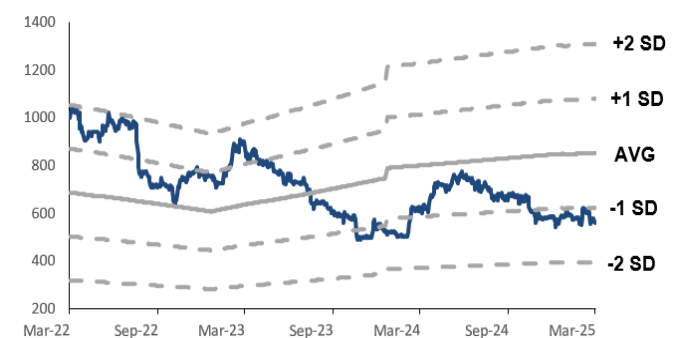
Source: Company Data, NHKSI Research

Forward P/E Band



Source: Company Data, NHKSI Research

Dynamic Forward P/E Band



Source: Company Data, NHKSI Research

Summary of Financials

INCOME STATEMENT

(IDR bn)	2023/12A	2024/12A	2025/12E	2026/12E
Net Sales	3.566	3.919	4.176	4.421
Growth	-7,8%	9,9%	6,6%	5,9%
COGS	(1.547)	(1.618)	(1.852)	(1.948)
Gross Profit	2.019	2.301	2.324	2.473
Gross Margin	56,6%	58,7%	55,7%	55,9%
Operating Expenses	(785)	(827)	(734)	(745)
EBIT	1.234	1.473	1.590	1.728
EBIT Margin	34,6%	37,6%	38,1%	39,1%
Depreciation	104	106	100	103
EBITDA	1.337	1.579	1.690	1.831
EBITDA Margin	37,5%	40,3%	40,5%	41,4%
Interest Expenses	-	-	-	-
EBT	1.220	1.510	1.603	1.733
Income Tax	(269)	(339)	(354)	(382)
Minority Interest	-	-	-	-
Net Profit	951	1.171	1.249	1.351
Growth	-13,9%	23,1%	6,7%	8,2%
Net Profit Margin	26,7%	29,9%	29,9%	30,6%

PROFITABILITY & STABILITY

	2023/12A	2024/12A	2025/12E	2026/12E
ROE	28,1%	33,6%	33,5%	34,1%
ROA	24,4%	29,7%	29,7%	30,3%
Inventory Turnover	3,3x	3,9x	3,9x	3,7x
Receivable Turnover	4,8x	5,0x	5,0x	5,0x
Payables Turnover	7,8x	8,9x	8,6x	8,6x
Dividend Yield	6,8%	6,1%	4,4%	5,0%
Payout Ratio	112,3%	92,3%	79,6%	83,2%
DER	0,0x	0,0x	0,0x	0,0x
Net Gearing	0%	0%	0%	0%
Equity Ratio	87,0%	88,5%	88,9%	88,9%
Debt Ratio	0,2%	0,3%	0,1%	0,1%
Financial Leverage	103,8%	92,5%	94,6%	100,6%
Current Ratio	4,5x	5,4x	6,2x	5,9x
Quick Ratio	3,6x	4,3x	5,0x	4,7x
Par Value (IDR)	10	10	10	10
Total Shares (mn)	30.000	30.000	30.000	30.000
Share Price (IDR)	525	590	750	750
Market Cap (IDR tn)	15,8	17,7	22,5	22,5

BALANCE SHEET

(IDR bn)	2023/12A	2024/12A	2025/12E	2026/12E
Cash	830	856	1.258	1.174
Receivables	789	789	840	890
Inventories	408	432	475	521
Total Current Assets	2.067	2.203	2.646	2.684
Net Fixed Assets	1.567	1.506	1.557	1.531
Other Non Current Assets	257	230	-	243
Total Non Current Asset	1.824	1.736	1.557	1.774
Total Assets	3.891	3.939	4.203	4.458
Payables	187	177	216	228
ST Bank Loan	6	11	2	2
Total Current Liabilities	462	411	430	457
LT Debt	3	-	-	-
Total Liabilities	505	451	468	497
Capital Stock & APIC	2.152	2.152	2.152	2.152
Retained Earnings	1.255	1.336	1.583	1.809
Shareholders' Equity	3.386	3.488	3.735	3.961

CASH FLOW STATEMENT

(IDR bn)	2023/12A	2024/12A	2025/12E	2026/12E
Operating Cash Flow	1.055	1.151	1.254	1.359
Investing Cash Flow	(47)	(47)	143	(319)
Financing Cash Flow	(1.074)	(1.086)	(995)	(1.124)
Net Changes in Cash	(66)	18	402	(84)

VALUATION INDEX

	2023/12A	2024/12A	2025/12E	2026/12E
Price /Earnings	16,6x	15,1x	18,0x	16,7x
Price /Book Value	4,7x	5,1x	6,0x	5,7x
PE/EPS Growth	-1,2x	0,7x	2,7x	2,0x
EV/EBITDA	11,2x	10,7x	12,6x	11,7x
EV/EBIT	12,1x	11,4x	13,4x	12,3x
EV (IDR bn)	14.929	16.855	21.244	21.329
Sales CAGR (3-Yr)	8,0%	2,3%	-0,9%	2,6%
Net Income CAGR (3-Yr)	11,0%	0,6%	-2,4%	4,2%
Basic EPS (IDR)	32	39	42	45
BVPS (IDR)	113	116	124	132
DPS (IDR)	36	36	33	37

OWNERSHIP

Shareholders	%
PT HOTEL CANDI BARU	77,6
Public	22,4
Others	0,0

By Geography	%
Indonesia	94,5
United States	2,7
Finland	0,8
Others	2,0

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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