

Inventory Reset in Progress, Rebased Guidance

1Q26 revenue declined -19% YoY (-53% QoQ) to IDR 640 bn (15% of our FY26F estimates), driven by channel inventory normalization and tighter sell-in discipline following improved distribution visibility. Herbal revenue fell -26% YoY (-70% QoQ), F&B declined -15% YoY (-20% QoQ). Meanwhile, Pharma was the quarter's standout, rising +26% YoY (-14% QoQ). GPM moderated to 50% (vs. 52% in 1Q25), as raw material cost deflation and cost discipline partially offset lower volumes and Lebaran logistics disruptions. OPM contracted to 29% (vs. 36% in 1Q25), further pressured by A&P stepping up to 8% of revenue (vs. 6% in 1Q25). Net profit declined -37% YoY to IDR 147 bn (12% of our FY26F estimates), with NPM at 23% (vs. 30% in 1Q25), broadly in line with operating performance.

1Q26 Financial Performance

- Sell-in reset dominates the quarter.** 1Q26 revenue declined -19% YoY (-53% QoQ) to IDR 640 bn (15% of our FY26F estimates), driven by channel inventory normalization and tighter sell-in discipline following improved distribution visibility. Management emphasized that sell-in weakness does not fully reflect consumer demand erosion, with channel normalization projected to conclude by May 2026.
- Pharmacy segment offsets softness.** Herbal revenue fell -26% YoY (-70% QoQ) on sell-in normalization within the Tolak Angin Group and softer global essential oil pricing. F&B declined -15% YoY (-20% QoQ), reflecting Energy Drinks inventory normalization and weaker mining-workforce demand amid delayed RKAB issuance. Pharma was the quarter's standout, rising +26% YoY (-14% QoQ) on strong OTC growth driven by expanded institutional reach, e-catalog execution, and improved channel coverage.
- Exports still intact, headline masks underlying strength.** Export revenue contracted -4% YoY, dragged by lower essential oil sales. Excluding this, underlying export growth stood at +45% YoY. Export mix edged up to 14% of revenue (vs. 12% in 1Q25).
- Margin resilience at the gross level.** GPM moderated to 50% (vs. 52% in 1Q25), as raw material cost deflation and cost discipline partially offset lower volumes and Lebaran logistics disruptions. At segment level, Herbal margin improved to 62% (vs. 61% in 1Q25) on patchouli oil and ginger cost deflation; Pharma margin expanded sharply to 40% (vs. 26% in 1Q25) on a richer institutional sales mix; F&B compressed to 43% (vs. 46% in 1Q25) on weaker operating leverage and higher sugar and taurine costs.
- Operating deleverage and higher A&P weigh on bottom-line.** OPM contracted to 29% (vs. 36% in 1Q25), further pressured by A&P stepping up to 8% of revenue (vs. 6% in 1Q25). Net profit declined -37% YoY to IDR 147 bn (12% of our FY26F estimates), with NPM at 23% (vs. 30% in 1Q25), broadly in line with operating performance.

FY26F Estimate Revisions

- Resetting to a realistic recovery path.** Management revised FY26 guidance to flat revenue and net profit growth (0% YoY vs. prior guidance of +5-8% YoY), reflecting the pronounced sell-in compression in 1Q26. In response, we lower our FY26F revenue to IDR 4.19 tn (+3% YoY) and net profit to IDR 1.25 tn (+2% YoY), embedding a more conservative channel recovery path weighted toward 2H26. Management has also ruled out broad-based ASP increases in FY26, treating price hikes as a last resort given the increasingly selective consumer environment.
- Hantavirus developments worth monitoring.** We continue to monitor the evolving Hantavirus situation, which — if it gains broader public attention — could serve as an incremental positive catalyst for Pharmacy segment. This remains a watch item, not a base-case assumption.
- MSCI Small Cap deletion: no fundamental read-through.** We view SIDO's removal from the MSCI Small Cap Index as a passive, index driven event with no bearing on its business fundamentals.

OVERWEIGHT Recommendation with Target Price of IDR 510/Share (Prev. IDR 590/share)

- We downgrade our rating to OVERWEIGHT on SIDO with a revised target price of IDR 510/share (from IDR 590 previously).** The downgrade reflects reduced near-term earnings visibility following the pronounced sell-in compression in 1Q26. That said, the 1Q26 weakness remains systemic — driven by a channel inventory correction. With sell-out trends intact and normalization expected by May 2026, we view 2H26 as the key inflection point for earnings recovery. We continue to favor SIDO for its defensive sector narrative and consistent dividend profile.
- Key risks to our forecast assumptions:** (1) Sustained essential oil price weakness; (2) weaker-than-expected consumer purchasing power; (3) persistent softness in mining-sector F&B demand; (4) higher-than-expected input costs.

PT Industri Jamu Dan Farmasi Sido Muncul Tbk | Summary (IDR Billions)

	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Revenue	3.919	4.080	4.194	4.491	4.854
Growth (%y/y)	9,9%	4,1%	2,8%	7,1%	8,1%
Net Profit	1.171	1.229	1.249	1.354	1.497
Growth (%y/y)	23,2%	5,0%	1,6%	8,4%	10,6%
Basic EPS (IDR)	39	41	42	45	50
Price / Earnings	15,1	13,2	12,3	11,3	10,2
Price / Book Value	5,1	5,2	4,5	4,3	4,1
EV / EBITDA	10,7	9,4	8,9	8,2	7,5
ROE	33,6%	39,4%	36,3%	37,9%	40,2%
ROA	29,7%	33,4%	31,7%	33,1%	35,1%

Source : Company Data, Bloomberg, NHKSI Research

Please consider the rating criteria & important disclaimer

Update Report | 13th May 2026

OVERWEIGHT

Target Price (IDR)	510
Consensus Price	600
TP to Consensus Price	-1.7%
Potential Upside	13.8%

Shares Data

Last Price (IDR)	448
Price date as of	13 th May 2026
52 wk range (Hi/Lo)	585 / 446
Free Float (%)	20.5
Outstanding sh (mn)	30,000
Market Cap (IDR bn)	14,100
Market Cap (USD mn)	805
Avg. Trd Vol - 3M (mn)	13

Sector

Healthcare

Sub-Sector

Pharmaceuticals & Herbal Products

Bloomberg	SIDO IJ Equity
Reuters	SIDO JK

Shares Price Performance



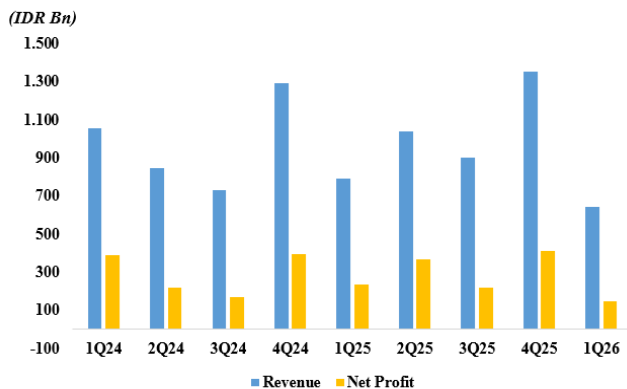
	YTD	3M	6M	12M
Abs.Ret	-17.8%	-15.5%	-19.6%	-15.9%
Rel.Ret	+4.9%	+2.3%	-0.1%	-12.8%

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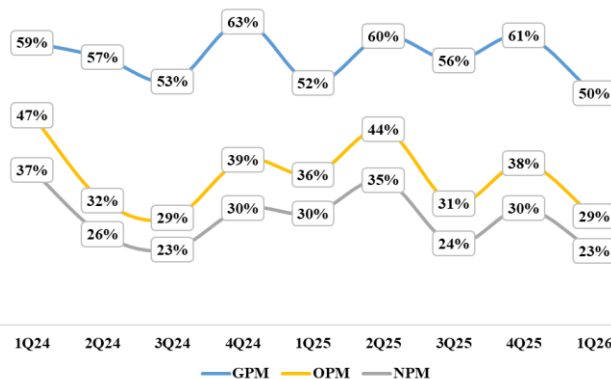
Performance Highlight for SIDO

Exhibit 1. SIDO Quarterly Revenue and Net Profit Performance (1Q24-1Q26)



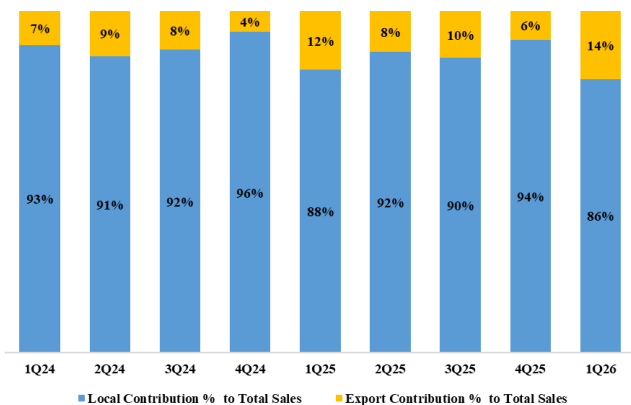
Source : Company, NHKSI Research

Exhibit 2. SIDO Margin Performance (1Q24-1Q26)



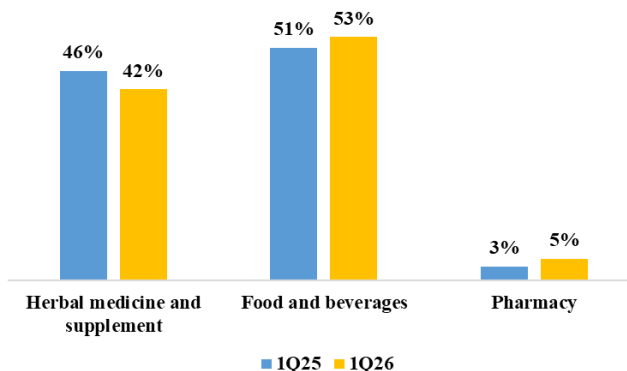
Source : Company, NHKSI Research

Exhibit 3. SIDO Export Contribution to Revenue (1Q24-1Q26)



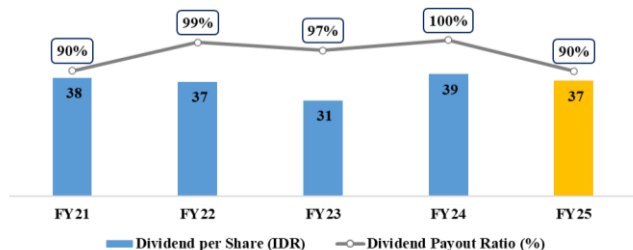
Source : Company, NHKSI Research

Exhibit 4. SIDO Revenue Contribution by Segment (1Q25 & 1Q26)



Source : Company, NHKSI Research

Exhibit 5. SIDO Dividend per Share and Payout Ratio (FY21-FY25)



Source : Company, NHKSI Research

Exhibit 6. SIDO 3-Year P/E Band



Source : Company, NHKSI Research

Summary of SIDO's Financials & Forecast

INCOME STATEMENT

(IDR bn)	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Net Sales	3.919	4.080	4.194	4.491	4.854
Growth	9,9%	4,1%	2,8%	7,1%	8,1%
COGS	(1.618)	(1.715)	(1.749)	(1.861)	(1.988)
Gross Profit	2.301	2.365	2.445	2.630	2.866
Gross Margin	58,7%	58,0%	58,3%	58,6%	59,0%
Operating Expenses	(830)	(821)	(872)	(924)	(975)
EBIT	1.471	1.544	1.573	1.706	1.891
EBIT Margin	37,5%	37,8%	37,5%	38,0%	39,0%
Depreciation	101	136	81	69	58
EBITDA	1.573	1.680	1.653	1.775	1.949
EBITDA Margin	40,1%	41,2%	39,4%	39,5%	40,1%
Finance Expenses	(1)	(1)	(1)	(1)	(1)
EBT	1.510	1.574	1.607	1.738	1.924
Income Tax	(339)	(345)	(358)	(384)	(427)
Net Profit	1.171	1.229	1.249	1.354	1.497
Growth	23,2%	5,0%	1,6%	8,4%	10,6%
Net Profit Margin	29,9%	30,1%	29,8%	30,2%	30,8%

BALANCE SHEET

(IDR bn)	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Cash	856	463	620	740	712
Receivables	873	1.035	1.019	1.006	1.077
Inventories	432	466	543	529	591
Total Current Assets	2.204	1.987	2.212	2.310	2.420
Net Fixed Assets	1.506	1.520	1.548	1.593	1.653
Other Non Current Assets	230	175	182	192	197
Total Non Current Asset	1.736	1.695	1.730	1.785	1.850
Total Assets	3.940	3.682	3.942	4.095	4.270
Payables	188	226	207	221	236
ST Bank Loan	-	-	-	-	-
Total Current Liabilities	411	515	459	476	502
LT Debt	-	-	-	-	-
Other Non Current Liab	40	47	47	47	47
Total Non Current Liab	40	47	47	47	47
Total Liabilities	452	562	506	523	549
Capital Stock & APIC	2.152	2.152	2.152	2.152	2.152
Retained Earnings	1.336	1.268	1.584	1.719	1.869
Shareholders' Equity	3.488	3.120	3.436	3.571	3.721

CASH FLOW STATEMENT

(IDR bn)	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Operating Cash Flow	1.151	1.253	1.303	1.388	1.506
Investing Cash Flow	(47)	(61)	(37)	(31)	(26)
Financing Cash Flow	(1.086)	(1.580)	(1.103)	(1.231)	(1.503)
Net Changes in Cash	25	(393)	157	120	(28)

PROFITABILITY & STABILITY

	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
ROE	33,6%	39,4%	36,3%	37,9%	40,2%
ROA	29,7%	33,4%	31,7%	33,1%	35,1%
Inventory Turnover	3,9	3,8	3,5	3,5	3,5
Receivable Turnover	4,7	4,3	4,1	4,4	4,7
Payables Turnover	8,5	8,3	8,1	8,7	8,7
Dividend Yield	198%	205%	220%	239%	264%
Payout Ratio	100%	90%	90%	90%	90%
DER	0%	0%	0%	0%	0%
DAR	0%	0%	0%	0%	0%
Net Gearing	0%	0%	0%	0%	0%
Cash Conversion Cycle	129,19	131,23	133,10	131,17	131,83
Interest Coverage	1768,61	2224,95	1887,63	2259,94	2438,38
Current Ratio	5,36	3,86	4,82	4,85	4,82
Quick Ratio	4,31	2,95	3,64	3,74	3,64
Total Shares (mn)	30.000	30.000	30.000	30.000	30.000
Share Price (IDR)	590	540	510	510	510
Market Cap (IDR bn)	17.700	16.200	15.300	15.300	15.300

VALUATION INDEX

	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Price /Earnings	15	13	12	11	10
Price /Book Value	5,07	5,19	4,45	4,28	4,11
EPS Growth	23%	5%	2%	8%	11%
EV/EBITDA	10,71	9,37	8,88	8,20	7,49
EV/EBIT	11,45	10,19	9,33	8,53	7,71
EV (IDR bn)	16.844	15.737	14.680	14.560	14.588
Sales CAGR (3-Yr)	-1%	2%	6%	5%	6%
Net Income CAGR (3-Yr)	-2%	4%	10%	5%	7%
Basic EPS (IDR)	39	41	42	45	50
BVPS (IDR)	116	104	115	119	124
DPS (IDR)	39	37	37	41	45

OWNERSHIP

Shareholders	%
PT Hotel Candi Baru	77,6
PT Industri Jamu Dan Farmasi Sido Muncul Tbk	1,9
Public	20,5
By Geography	%
Indonesia	94,9
United States	3,0
Others	2,2

Source: Company, Bloomberg & NHKSI Research

Please consider the rating criteria & important disclaimer

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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