PT Industri Jamu Dan Farmasi Sido Muncul Tbk. (SIDO)

Second Guidance Cut, Downside Priced In

1H26 revenue declined -20% YoY to IDR 1.47 tn (40% of our new FY26F estimates), missing our prior estimates as distributor inventory normalization extended through May. 2Q26 revenue fell -21% YoY (+29% QoQ). Herbal & Supplements revenue dropped -48% YoY (+38% QoQ) on continued sell-in restraint, while F&B rose +47% YoY (+22% QoQ). GPM compressed to 51% (vs. 57% in 1H25) on volume deleverage and a heavier F&B sales mix, while OPM fell to 29% (vs. 41% in 1H25) as A&P spend rose +12% YoY. Net profit declined -44% YoY to IDR 334 bn (39% of our new FY26F estimates), with NPM at 23% (vs. 33% in 1H25). We downgrade our rating on SIDO to HOLD with a revised target price of IDR 350 (from IDR 510 previously).

1H26 & 2Q26 Financial Performance

- **Revenue contraction extends into a second quarter.** 1H26 revenue fell -20% YoY to IDR 1.47 tn, missing our estimates (35% of our old FY26F, 40% of our revised FY26F). 2Q26 revenue declined -21% YoY (+29% QoQ), as the Company continued withholding shipments to distributors through a normalization process that has now run four months without full resolution.
- **Sell-in and sell-out gap persists.** Management maintained that the revenue contraction reflects suppressed sell-in rather than weaker demand, citing flat sell-out in 1H26 and +8% YoY growth in 2Q26. We note, however, that this gap has now weighed on reported results for two straight quarters, and we treat the sell-out narrative with more caution until sell-in visibly converges.
- **Herbal remains the primary drag; F&B growth partly offsets but does not fully compensate.** 2Q26 Herbal & Supplements revenue fell -48% YoY (+38% QoQ), the segment most exposed to the ongoing sell-in restraint. F&B revenue rose +47% YoY (+22% QoQ) on C+ Collagen scaling and new Alang Sari variants, but this segment carries lower margins, limiting its ability to offset the earnings impact. Pharmacy revenue declined -4% YoY (+26% QoQ).
- **Export growth moderated by pricing and shipment timing.** 1H26 export revenue grew +3% YoY (+28% YoY excluding essential oils), with the gap reflecting softer patchouli oil prices and shipment timing rather than weaker underlying volume, while 2Q26 export sales rose +11.2% YoY (+3.8% QoQ).
- **Margin erosion compounds the top-line miss.** GPM fell to 51% in 1H26 (vs. 57% in 1H25) on volume deleverage in Herbal and a mix shift toward lower-margin F&B. OPM contracted more sharply to 29% (vs. 41% in 1H25) as A&P spend rose +12% YoY despite the revenue decline. Net profit fell -44% YoY to IDR 334 bn, just 27% of our old FY26F estimates (39% of our revised estimates), with NPM at 23% (vs. 33% in 1H25).

Second Guidance Cut for FY26F

- **Management cuts revenue guidance for a second time.** At the 2Q26 earnings call, management lowered FY26F revenue guidance to -10% YoY (from flat YoY previously) and did not reissue net profit guidance (prior: flat YoY). Management also expects sell-in to realign with sell-out starting 3Q26.
- **We lower our FY26F estimates accordingly.** Following the revised guidance, we cut our FY26F revenue forecast to -10% YoY to IDR 3.7 tn, reflecting a slower and more back-loaded recovery in sell-in than we had previously expected. Our FY26F net profit forecast is lowered further to -31% YoY to IDR 850 bn, with NPM compressing to 23% (vs. 30% in FY25).
- **Dividend per share to moderate in line with lower earnings.** With net profit down in FY26F, we also project a lower dividend per share of IDR 26/share, translating to a dividend yield of 7% based on our TP.

HOLD Recommendation with Target Price of IDR 350/Share (Prev. IDR 510/share)

- **We downgrade our rating on SIDO to HOLD with a revised target price of IDR 350 (from IDR 510 previously).** The downgrade is primarily driven by our lower revenue forecast, which flows through to a corresponding cut in our net profit estimate and, in turn, reduces our expectation for SIDO's dividend payout. We look to 3Q26 as the key quarter to validate management's recovery timeline, as it should mark the first quarter operating on a fully normalized inventory base.
- **Key risk(s):** (1) Distributor inventory normalization extends beyond 3Q26; (2) Sell-out trends weaken in subsequent quarters; (3) Weaker-than-expected consumer purchasing power delays the anticipated 2H26 recovery; (4) Essential oil price volatility continues; (5) A lower-than-projected dividend payout.

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	3.672	3.939	4.273
Growth (%y/y)	*9,9%*	*4,1%*	*-10,0%*	*7,3%*	*8,5%*
Net Profit	1.171	1.229	850	1.036	1.159
Growth (%y/y)	*23,2%*	*5,0%*	*-30,9%*	*22,0%*	*11,8%*
Basic EPS (IDR)	39	41	28	35	39
Price / Earnings	15,1	13,2	12,4	10,1	9,1
Price / Book Value	5,1	5,2	3,3	3,2	3,1
EV / EBITDA	10,7	9,4	8,7	7,2	6,5
ROE	33,6%	39,4%	26,5%	31,4%	33,9%
ROA	29,7%	33,4%	22,9%	27,1%	29,2%

Source : Company Data, NHKSI Research

Update Report | 14th August 2026

HOLD

Target Price (IDR)	**350**
Consensus Price	452
TP to Consensus Price	-22.6%
Potential Upside	+1.2%

Shares Data

Last Price (IDR)	346
Price date as of	14th August 2026
52 wk range (Hi/Lo)	585 / 344
Free Float (%)	16.3
Outstanding sh (mn)	30,000
Market Cap (IDR bn)	10,380
Market Cap (USD mn)	582
Avg. Trd Vol – 3M (mn)	31.0

Sector
Healthcare

Sub-Sector
Pharmaceuticals & Herbal Products

Bloomberg	SIDO IJ Equity
Reuters	SIDO JK

Shares Price Performance

	YTD	3M	6M	12M
Abs.Ret	-36.5%	-22.1%	-34.7%	-34.1%
Rel.Ret	-8.6%	-20.1%	-10.8%	-13.7%

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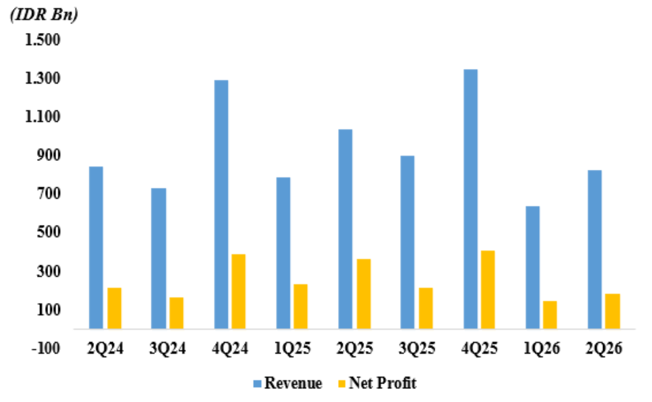
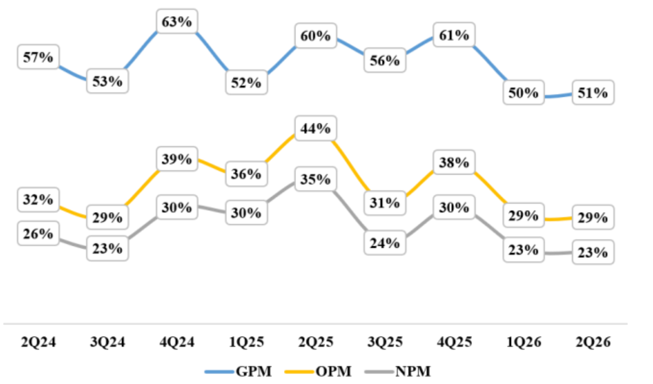
Performance Highlight for SIDO

Exhibit 1. SIDO Quarterly Revenue and Net Profit Performance (2Q24-2Q26)



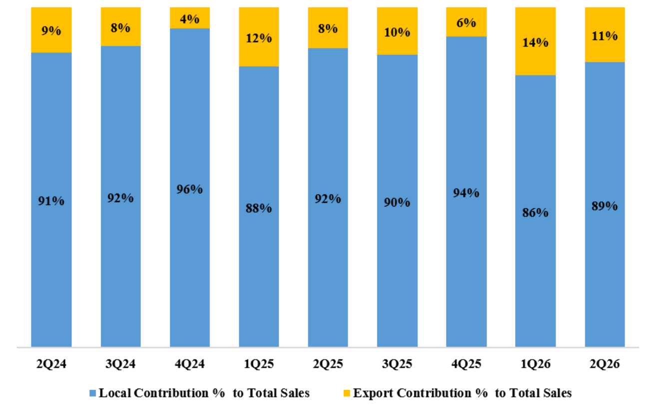
Source : Company, NHKSI Research

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



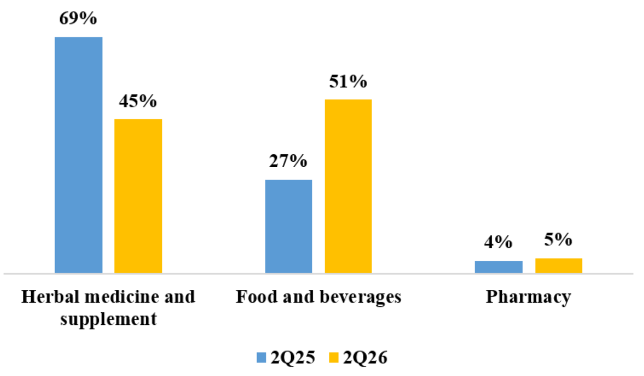
Source : Company, NHKSI Research

Exhibit 3. SIDO Export Contribution to Revenue (2Q24-2Q26)



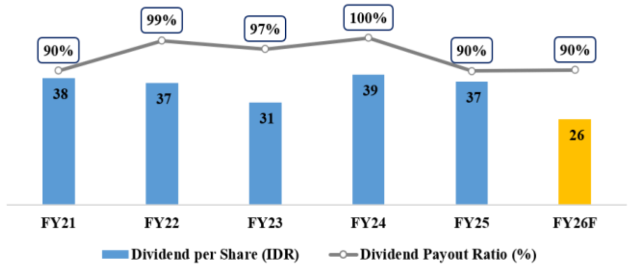
Source : Company, NHKSI Research

Exhibit 4. SIDO Revenue Contribution by Segment (2Q25 & 2Q26)



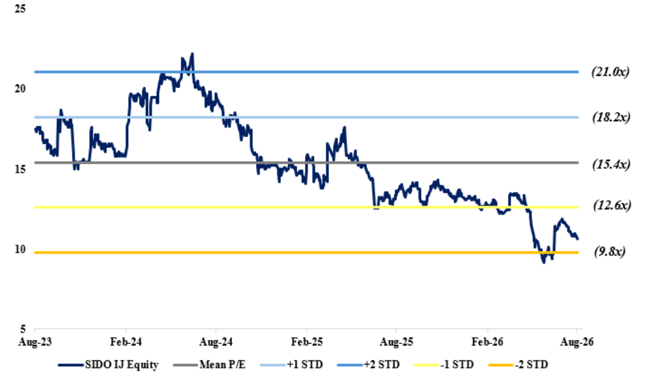
Source : Company, NHKSI Research

Exhibit 5. SIDO Dividend per Share and Payout Ratio (FY21-FY26F)



Source : Company, NHKSI Research

Exhibit 6. SIDO 3-Year P/E Band



Source : 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**	**3.672**	**3.939**	**4.273**
Growth	*9,9%*	*4,1%*	*-10,0%*	*7,3%*	*8,5%*
COGS	(1.618)	(1.715)	(1.800)	(1.804)	(1.982)
Gross Profit	**2.301**	**2.365**	**1.872**	**2.135**	**2.291**
Gross Margin	*58,7%*	*58,0%*	*51,0%*	*54,2%*	*53,6%*
Operating Expenses	(830)	(821)	(802)	(832)	(826)
EBIT	**1.471**	**1.544**	**1.070**	**1.304**	**1.465**
EBIT Margin	*37,5%*	*37,8%*	*29,1%*	*33,1%*	*34,3%*
Depreciation	101	136	81	69	58
EBITDA	**1.573**	**1.680**	**1.151**	**1.372**	**1.523**
EBITDA Margin	40,1%	41,2%	31,3%	34,8%	35,6%
Finance Expenses	(1)	(1)	(1)	(1)	(1)
EBT	**1.510**	**1.574**	**1.093**	**1.330**	**1.490**
Income Tax	(339)	(345)	(244)	(294)	(331)
Net Profit	**1.171**	**1.229**	**850**	**1.036**	**1.159**
Growth	*23,2%*	*5,0%*	*-30,9%*	*22,0%*	*11,8%*
Net Profit Margin	*29,9%*	*30,1%*	*23,1%*	*26,3%*	*27,1%*

PROFITABILITY & STABILITY

	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
ROE	33,6%	39,4%	26,5%	31,4%	33,9%
ROA	29,7%	33,4%	22,9%	27,1%	29,2%
Inventory Turnover	3,9	3,8	3,5	3,4	3,6
Receivable Turnover	4,7	4,3	3,8	4,4	4,9
Payables Turnover	8,5	8,3	8,2	8,4	8,8
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	1877,81	2074,34	2498,32
Current Ratio	5,36	3,86	4,27	4,33	4,22
Quick Ratio	4,31	2,95	3,07	3,24	3,04
Total Shares (mn)	30.000	30.000	30.000	30.000	30.000
Share Price (IDR)	590	540	350	350	350
Market Cap (IDR bn)	17.700	16.200	10.500	10.500	10.500

BALANCE SHEET

(IDR bn)	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Cash	856	463	504	605	636
Receivables	873	1.035	892	882	848
Inventories	432	466	559	513	590
Total Current Assets	**2.204**	**1.987**	**1.984**	**2.035**	**2.114**
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**	**3.714**	**3.820**	**3.964**
Payables	188	226	213	214	235
ST Bank Loan	-	-	-	-	-
Total Current Liabilities	**411**	**515**	**465**	**470**	**501**
LT Debt	-	-	-	-	-
Other Non Current Liab	40	47	47	47	47
Total Non Current Liab	**40**	**47**	**47**	**47**	**47**
Total Liabilities	**452**	**561**	**512**	**516**	**548**
Capital Stock & APIC	2.152	2.152	2.152	2.152	2.152
Retained Earnings	1.336	1.268	1.351	1.451	1.564
Shareholders' Equity	**3.488**	**3.120**	**3.203**	**3.303**	**3.416**

VALUATION INDEX

	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Price /Earnings	15	13	12	10	9
Price /Book Value	5,07	5,19	3,28	3,18	3,07
EPS Growth	23%	5%	-31%	22%	12%
EV/EBITDA	10,71	9,37	8,69	7,21	6,48
EV/EBIT	11,45	10,19	9,34	7,59	6,73
EV (IDR bn)	16.844	15.737	9.996	9.895	9.864
Sales CAGR (3-Yr)	-1%	2%	1%	0%	2%
Net Income CAGR (3-Yr)	-2%	4%	-4%	-4%	-2%
Basic EPS (IDR)	39	41	28	35	39
BVPS (IDR)	116	104	107	110	114
DPS (IDR)	39	37	26	31	35

CASH FLOW STATEMENT

(IDR bn)	2024/12A	2025/12A	2026/12F	2027/12F	2028/12F
Operating Cash Flow	1.151	1.253	859	1.058	1.157
Investing Cash Flow	(47)	(61)	(37)	(31)	(26)
Financing Cash Flow	(1.086)	(1.580)	(775)	(919)	(1.094)
Net Changes in Cash	**25**	**(393)**	**41**	**101**	**31**

OWNERSHIP

Shareholders	**%**
PT Hotel Candi Baru	77,6
PT Industri Jamu Dan Farmasi Sido Muncul Tbk	1,9
Public	20,5
By Geography	**%**
Indonesia	91,5
United States	2,0
Others	6,5

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%

Disclaimer