

Hanjaya Mandala Sampoerna (HMSP)

Inline FY25 earnings; below cons. forecast

25 March 2026



PT HM SAMPOERNA Tbk.

HMSP IJ	BUY
Sector	Cigarette
Price at 17 Mar 2026 (IDR)	730
Price target (IDR)	960
Upside/Downside (%)	31.5

Stock Information

PT Hanjaya Mandala Sampoerna Tbk is a leading Indonesian tobacco manufacturer and subsidiary of Philip Morris International. The company produces and distributes a wide range of hand-rolled and machine-made cigarettes, and white cigarettes. Its market-leading brands include: Dji Sam Soe & Magnum, Sampoerna A & Sampoerna Kretek, Marlboro Filter Black

Market cap (IDR bn)	84,912
Shares outstanding (mn)	116,318
52-week range (IDR)	496-1,000
3M average daily vol. ('000)	64,981
3M average daily val. (IDR mn)	54,399

Shareholders (%)

First Pacific Company Limited	50.1
Public	49.9

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance	(18.0)	2.1	35.2

Analyst

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FY25 net profit arrived in line with our '25F PATMI for HMSP and came in below the consensus forecast. Sales volume remains weak due to continuing industry pressure, while a better quarterly figure was not supported by HMSP sales volume. Yet, the company recorded an inched-up market share to 30.7%. SKM remains as the backbone with the strong support from SKT. It is worth noting that smoke-free products robust growth still insignificantly impacts the overall performance, contributing only a small single digit to total sales. ASP adjustment tied with slightly better volume growth and flattish cost input will remain the key growth this year. We revisit our model and make some adjustments to TV growth and MRP. Maintain BUY with DCF-based TP of IDR 960 (16.4x '26F P/E), currently trading at 12.5x '25F P/E, below -1 SD.

Inline FY25 earnings, yet below consensus forecast

HMSP recorded declining top line on continuing sector pressure. However, the FY25 total revenue of IDR112.17 tn was came in-line with our and consensus expectation at 97%/97%. On gross profit level, the figure was beating our conservative '25F gross profit for HMSP (inline vs cons. '25F), benefited from milder excise tax expenses. On bottom line number, a sharp decline in finance income could not enough offsetting softer finance expenses, bringing net finance income 54.8% yoy lower from IDR681 bn to IDR308 bn. This has significantly impacted HMSP's net profit which reported flattish growth to IDR6.60 tn (-0.5% yoy). Yet, it remains landed within our '25F PATMI expectation for HMSP of IDR6.85 tn (still below cons. '25F).

Healthier quarterly earnings don't sound like an improvement signal.

On the flip of the coin, we do not translate the 4Q25 solid net profit result as an improvement signal. This was mainly driven by a sharp fall in operating expenses. Additionally, from the top line to the gross profit level, the year-on-year 4Q25 results also showed a weaker growth of 9.1% yoy vs. the previous quarter's growth of 13.7% yoy. On a quarterly growth basis, the result was much worse, with declining gross profit growth by 9.7% qoq. Having said that, it seems pretty clearly that 4Q25 solid earnings are inline with our '4Q25F and below cons. '4Q25F) were likely only a one-time momentum performance.

Weak volume remains

Despite the unchanged excise tax tariff in 2026, we might witness another soft top line and downtrading phenomenon continue intact as a result of steady weakening purchasing power, which leads to a shift from high / premium cigarettes to a cheaper price. On a volume growth basis, we found that demand remained poor, declining by 1.7% yoy or approximately dropping by 1.4bn units, with total cigarettes and HTUs amounting to 80.8bn sticks to 79.4bn sticks (Industry: -2.4% yoy from 265.2bn sticks to 258.7bn sticks).

Better market share with manageable margin

On a more positive side, despite the continuing industry volume pressures, HMSP has successfully managed a solid market share from 30.5% to 30.7% in the same period. We also like HMSP's margin achievement, which benefited from a significant decline in cost inputs. At GP margin level, the company enjoys 266bps higher numbers, 18.4% vs. 15.7%. Yet, notably, that EBIT margin came at softer growth (+175 bps) to 8.3% due to G&A expenses' 14.4% yoy growth. With the sharp decline in net finance income, net profit margin was considerably flat, with only 25bps higher from 5.6% to 5.9% in FY25.

Better volume growth and milder cost input will play a vital role.

Stronger awareness of health concerns and continuing campaigns to quit smoking will remain the main challenges. On the other hand, shifting smokers to electric-related cigarettes and continuing lifestyle changes could overall help stabilize better demand for smoke-free products. We like the robust segment (smoke-free products) growth of 43.8% yoy to IDR2.44 trillion. Yet, we strongly believe that the numbers were way too small and only contributed around 2.2% to HMSP's total consolidated revenue. As such, we think SKM will continue as the backbone and expect a much stronger volume growth coupled with softer cost inputs and ASP adjustment. This backdrop seems to be the only key way out for all cigarette manufacturers to record a steady, stronger margin.

Maintain BUY

We have revisited our HMSP model. To accommodate the continuing sector pressure, we made some adjustments to volume growth and ASP assumptions while keeping the valuation years range unchanged. This has brought our TP more conservatively. Yet, the softer fair value was still below -1 SD. Maintain BUY with DCF-based TP of IDR920 (16.4x '26F P/E), while currently trading at 12.5x '26F P/E, or below its -1 SD of 15.1x '26F P/E. Risks to our call: a) lower-than-expected sales volume, b) softer-than-expected average selling price adjustment, and c) higher-than-expected input costs. Potential upside catalysts: a) better sales volume coupled with well-managed ASP adjustment, b) new tier-1 product line, c) stable mounting smoke-free contribution, and d) manageable SKM volume growth tied to steady solid Dji Sam Soe products.

Exhibit 1: Key Statistics

Year end Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Operating profit	7,697	9,284	9,219	9,383	10,204
Net profit	6,646	6,609	7,026	7,540	8,194
EPS (IDR)	57.1	56.8	60.4	64.8	70.4
EPS growth (%)	(17.9)	(0.5)	6.3	7.3	8.7
ROE (%)	22.8	23.3	24.8	26.6	29.0
ROA (%)	12.1	12.5	13.2	13.8	14.9
PER (x)	10.5	12.8	12.8	12.1	11.3
PBV (x)	3.0	2.8	3.0	3.0	3.0
EV/EBITDA (x)	8.6	10.0	7.8	8.0	7.8
Div Yield (%)	9.5	7.7	7.7	8.3	8.9

Source: Company, KBVS Research

Hanjaya Mandala Sampoerna (HMSP)

Exhibit 2: HMSP FY25 results – selected profit and Loss statement

Profit and Loss (IDRbn)	12M24	12M25	YoY (%)	4Q24	4Q25	YoY (%)	3Q25	QoQ (%)	KBVS '25F	% to KBVS	Cons '25F	% to cons.
Net revenue	117,880	112,172	(4.8)	29,412	28,429	(3.3)	28,570	(0.5)	115,846	97	116,085	97
COGS	(99,346)	(91,554)	(7.8)	(24,638)	(23,222)	(5.7)	(22,806)	1.8	(96,719)	95	(95,735)	96
Gross Profit	18,534	20,618	11.2	4,774	5,207	9.1	5,763	(9.7)	19,127	108	20,350	101
Selling and distribution expenses	(7,894)	(7,966)	0.9	(2,508)	(1,979)	(21.1)	(2,003)	(1.2)				
G&A expenses	(2,943)	(3,367)	14.4	(679)	(910)	34.0	(799)	13.9				
EBIT	7,697	9,284	20.6	1,587	2,318	46.1	2,962	(21.7)				
EBITDA	8,901	10,644	19.6	1,910	2,664	39.5	3,326	(19.9)				
Net finance income (expenses)	681	308	(54.8)	178	84	(53.1)	53	56.7				
Finance income	721	347	(51.9)	188	93	(50.6)	62	48.7				
Finance expenses	(40)	(39)	(2.3)	(9)	(9)	(2.9)	(9)	1.0				
Other operating income	453	428	(5.4)	320	250	(22.0)	59	324.0				
Other operating expenses	(151)	(604)	301.2	(70)	(98)	40.1	47	(306.8)				
Total	988	142	(85.7)	427	236	(44.7)	162	45.3				
Pre-tax income	8,686	9,426	8.5	2,014	2,554	26.8	3,124	(18.3)				
Taxes	(2,040)	(2,817)	38.1	(592)	(455)	(23.1)	(741)	(38.6)				
Net Income	6,646	6,609	(0.5)	1,421	2,098	47.6	2,383	(11.9)	6,849	97	7,314	90

Source: Company, KBVS Research

Exhibit 3: HMSP margin, geographic sales and contribution

Margin (%)	12M24	12M25	YoY (%)	4Q24	4Q25	YoY (%)	3Q25	QoQ (%)
GP margin	15.7	18.4	2.66	16.2	18.3	2.1	20.2	(1.9)
EBIT margin	6.5	8.3	1.75	5.4	8.2	2.8	10.4	(2.2)
EBITDA margin	7.6	9.5	1.94	6.5	9.4	2.9	11.6	(2.3)
Pretax margin	7.4	8.4	1.04	6.8	9.0	2.1	10.9	(2.0)
NP margin	5.6	5.9	0.25	4.8	7.4	2.5	8.3	(1.0)

Geographic sales (IDRbn)	12M24	12M25	YoY (%)	4Q24	4Q25	YoY (%)	3Q25	QoQ (%)
Export	1,375	2,155	56.8	404	456	12.8	686	(33.6)
Local	465	692	48.9	119	267	125.4	134	98.9
Local - third parties	116,040	109,324	(5.8)	28,889	27,706	(4.1)	27,749	(0.2)
Total	117,880	112,172	(4.8)	29,412	28,429	(3.3)	28,570	(0.5)

Geographic sales contribution (%)	12M24	12M25	YoY (%)	4Q24	4Q25	YoY (%)	3Q25	QoQ (%)
Export	1.2	1.9	0.8	1.4	1.6	0.2	2.4	(0.8)
Local	0.4	0.6	0.2	0.4	0.9	0.5	0.5	0.5
Local - third parties	98.4	97.5	(1.0)	98.2	97.5	(0.8)	97.1	0.3
Total	100	100	-	100	100	-	100	-

Source: Company, KBVS Research

Exhibit 4: HMSP segmentation sales and contribution

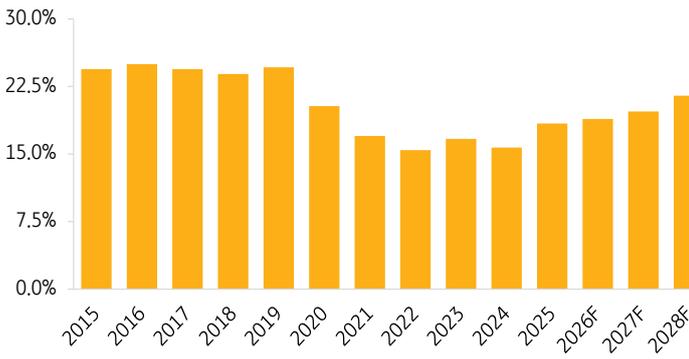
Segmentation sales (IDRbn)	12M24	12M25	YoY (%)	4Q24	4Q25	YoY (%)	3Q25	QoQ (%)
Machine-made clove cigarettes – SKM	66,244	61,407	(7.3)	15,729	15,975	1.6	15,368	3.9
Hand-rolled clove cigarettes – SKT	40,224	38,208	(5.0)	10,756	9,364	(12.9)	9,910	(5.5)
Machine-made WHITE cigarettes – SKM	6,835	5,856	(14.3)	1,596	1,374	(14.0)	1,469	(6.5)
Hand-rolled WHITE cigarettes – SKT	911	958	5.2	263	237	(9.6)	232	2.4
Smoke-free products	1,701	2,447	43.8	504	658	30.5	658	0.1
Others	125	448	258.0	41	98	140.5	113	(13.8)
Rel. parties export and local	1,840	2,848	54.8	523	723	38.3	821	(11.9)
Total	117,880	112,172	(4.8)	29,412	28,429	(3.3)	28,570	(0.5)

Segment sales contribution (%)	12M24	12M25	YoY (%)	4Q24	4Q25	YoY (%)	3Q25	QoQ (%)
Machine-made clove cigarettes – SKM	56.2	54.7	(1.5)	53.5	56.2	2.7	53.8	2.4
Hand-rolled clove cigarettes – SKT	34.1	34.1	(0.1)	36.6	32.9	(3.6)	34.7	(1.7)
Machine-made WHITE cigarettes – SKM	5.8	5.2	(0.6)	5.4	4.8	(0.6)	5.1	(0.3)
Hand-rolled WHITE cigarettes – SKT	0.8	0.9	0.1	0.9	0.8	(0.1)	0.8	0.0
Smoke-free products	1.4	2.2	0.7	1.7	2.3	0.6	2.3	0.0
Others	0.1	0.4	0.3	0.1	0.3	0.2	0.4	(0.1)
Rel. parties export and local	1.6	2.5	1.0	1.8	2.5	0.8	2.9	(0.3)
Total	100.0	100.0	-	100.0	100.0	-	100.0	-

Source: Company, KBVS Research

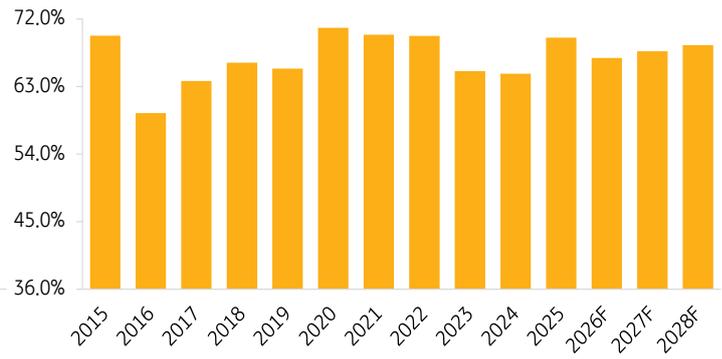
Hanjaya Mandala Sampoerna (HMSP)

Exhibit 5: Expecting higher GPM on softer cost input



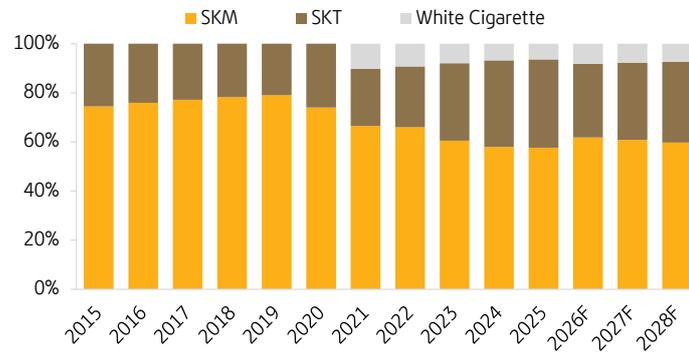
Source: Company, KBVS Research

Exhibit 6: Excise tax to cost input will continue to play crucial role



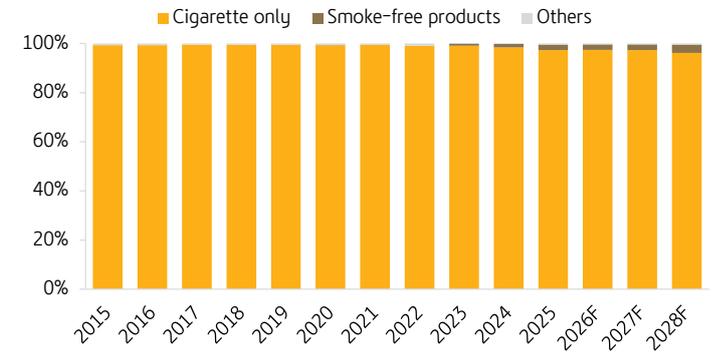
Source: Company, KBVS Research

Exhibit 7: Machine-made clove cigarettes remain as the revenue back bone



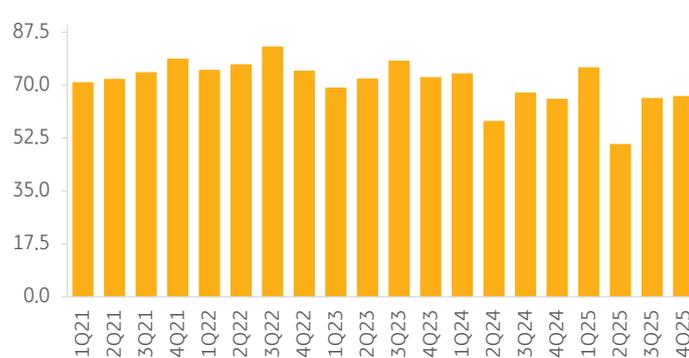
Source: Company, KBVS Research

Exhibit 8: Smoke-free products unlikely to boost earnings in a short period (%)



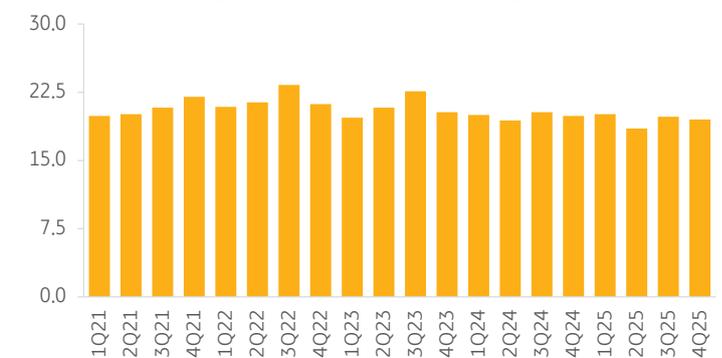
Source: Company, KBVS Research

Exhibit 9: Pressure on industry sales volume to continue (bn sticks)



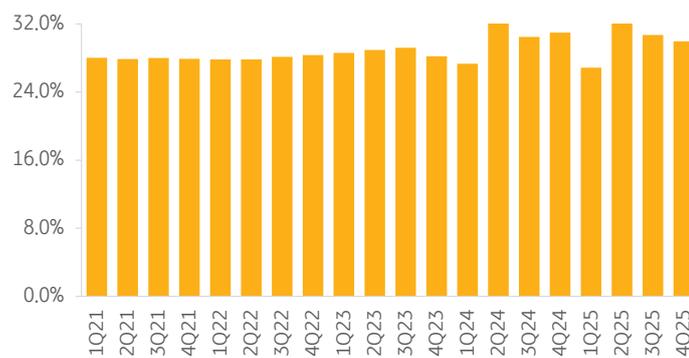
Source: Company, KBVS Research

Exhibit 10: Expect steady and manageable sales volume growth... (bn sticks)



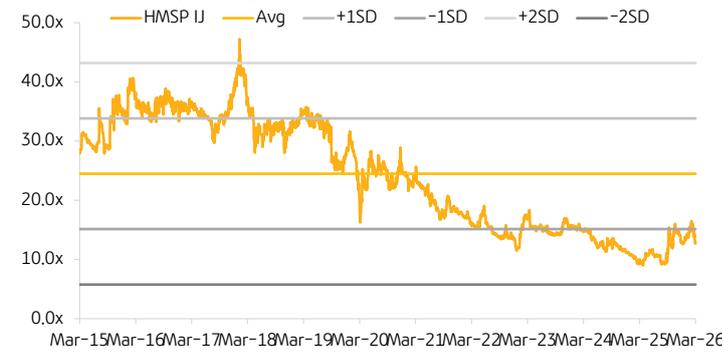
Source: Company, KBVS Research

Exhibit 11: ...to maintain solid market share



Source: Company, KBVS Research

Exhibit 12: Currently trading at 12.5x '26F P/E, below -1SD of 15.1x '26F P/E



Source: Company, KBVS Research

FINANCIAL TABLES

Exhibit 13: Profit & Loss

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Revenues	117,880	112,172	117,599	122,317	124,215
Cost of revenues	(99,346)	(91,554)	(95,389)	(98,198)	(97,532)
Gross profit	18,534	20,618	22,210	24,120	26,682
Operating expenses	(10,837)	(11,333)	(12,991)	(14,736)	(16,478)
Operating income	7,697	9,284	9,219	9,383	10,204
EBITDA	8,301	10,363	10,076	10,254	11,056
Net financing	681	308	570	545	499
Other income/(expenses)	307	(166)	231	507	865
Pretax profit	8,686	9,426	10,020	10,436	11,568
Tax expenses	(2,040)	(2,817)	(2,994)	(2,896)	(3,375)
Net profit	6,646	6,609	7,026	7,540	8,194

Source: Company, KBVS Research

Exhibit 14: Balance Sheet

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Cash	2,370	4,775	4,652	4,476	4,616
Receivables	4,269	3,391	3,510	3,972	3,313
Loan to related party	7,191	4,025	8,232	7,828	6,967
Inventories	22,023	20,411	20,870	20,969	22,926
Other current assets	2,665	3,761	3,340	3,369	3,502
Total current assets	38,518	36,362	40,604	40,614	41,325
Fixed assets - net	9,444	8,751	8,299	7,853	7,447
Investment properties - net	337	316	407	516	648
Others	712	669	265	193	23
Other Long-Term Assets	5,280	5,464	4,997	5,518	5,549
Total non-current assets	15,773	15,200	13,967	14,080	13,667
Total assets	54,291	51,563	54,571	54,695	54,992
Accruals	411	309	346	379	383
Bank borrowings	-	-	-	-	-
Payables	6,679	5,504	6,526	6,815	6,853
Other payables	15,197	13,614	15,882	15,904	16,192
Other Current Liabilities	1,383	1,201	1,263	1,356	1,381
Total current liabilities	23,670	20,628	24,018	24,454	24,809
Long-term debt	232	194	106	(220)	(356)
Other non liabilities	2,033	2,390	2,088	2,200	2,296
Total non-current liabilities	2,264	2,584	2,194	1,980	1,940
Total liabilities	25,934	23,212	26,212	26,434	26,749
Shareholder's equity	28,356	28,351	28,359	28,260	28,243
Total liabilities and equity	54,291	51,563	54,571	54,695	54,992

Source: Company, KBVS Research

Exhibit 15: Cash Flow

Year End Dec (IDR bn)	2024A	2025A	2026F	2027F	2028F
Net income	6,646	6,609	7,026	7,540	8,194
Depreciation & amortization	624	615	766	761	720
Changes in working capital	(206)	4,222	(2,492)	(234)	(192)
Others	1,796	(2,703)	1,456	484	(23)
CF from operating activities	8,859	8,744	6,756	8,551	8,699
Decr. (incr.) in fixed assets	(793)	99	(405)	(425)	(446)
Deferred tax asset	(45)	23	(5)	(28)	(13)
Prepaid income tax	(308)	(165)	877	(422)	152
Other non-current assets	0	0	0	0	0
Others	0	0	0	0	0
CF from investing activities	(1,146)	(43)	467	(874)	(307)
Net change in gross debt	(58)	(38)	(87)	(326)	(137)
Employee benefit obligation	178	357	(302)	112	96
Other financing activities	(8,159)	(6,615)	(7,018)	(7,639)	(8,211)
CF from financing activities	(8,039)	(6,296)	(7,407)	(7,853)	(8,252)
Net Changes in Cash	(326)	2,405	(184)	(177)	141
Cash at beginning of period	2,695	2,370	4,775	4,652	4,476
Cash at ending of period	2,370	4,775	4,652	4,476	4,616

Source: Company, KBVS Research

Exhibit 16: Key performance metrics

Year End Dec (%)	2024A	2025A	2026F	2027F	2028F
Gross profit margin	15.7	18.4	18.9	19.7	21.5
Operating profit margin	6.5	8.3	7.8	7.7	8.2
Net profit margin	5.6	5.9	6.0	6.2	6.6
ROE	22.8	23.3	24.8	26.6	29.0
ROA	12.1	12.5	13.2	13.8	14.9
DER	1.0	0.8	0.7	0.4	(0.8)
Net gearing (x)	(8.1)	(7.5)	(16.2)	(16.0)	(16.6)
Interest coverage ratio (x)	226.6	199.1	227.7	220.2	219.2
PER (x)	10.5	12.8	12.8	12.1	11.3
PBV (x)	2.8	3.0	3.0	3.0	3.0
EV/EBITDA (x)	8.6	10.0	7.8	8.0	7.8
Dividend Yield	9.5	7.7	7.7	8.3	8.9

Source: Company, KBVS Research

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