

Sustaining growth in '25F, after a solid FY24 results

13 March 2025



SIDO IJ	BUY
Sector	Healthcare
Price at 12 March 2025 (IDR)	555
Price target (IDR)	760
Upside/Downside (%)	36.9

Stock Information

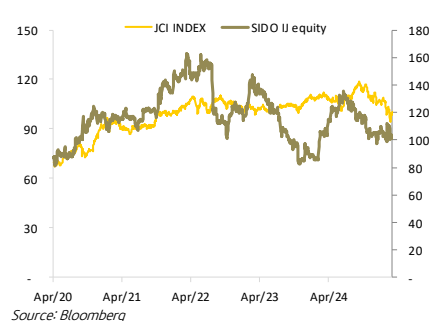
Industri Jamu dan Farmasi Sido Muncul Tbk (SIDO) is one of pharmaceutical and consumer health companies in Indonesia, which sells herbal drinks and meds, such as Tolak Angin, etc

Market cap (IDR bn)	16,650
Shares outstanding (mn)	30,000
52-week range (IDR)	535-780
3M average daily vol. ('000)	16,522
3M average daily val. (IDR mn)	9,648

Shareholders (%)

PT Hotel Candi Baru	60.46
Concordant Inv Pte. Ltd.	17.14
Public	22.40

Stock Performance



	1M	3M	12M
Performance (%)	(9.8)	(5.1)	(10.5)

Analyst

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Maintain BUY on Industri Jamu dan Farmasi Sido Muncul (SIDO) with TP of IDR760, which implies 17.4x '25F P/E as we expect SIDO could still grow its revenue and earnings by 11% yoy and 12.2% yoy, respectively in '25F after a solid FY24 and amidst Indonesia' current economic condition. In FY24, SIDO' earnings grew 23.2% yoy to IDR1.17 tn, which was in-line with ours (100.5%), and consensus' expectation (98.8%). While, SIDO' revenue grew 9.9% yoy in FY24 due to 4Q24' sales growth (+7.3% yoy/+77% qoq) as people' higher awareness on health amidst unpredictable weather during Christmas and year end' festivities along with product restocking by distributors for Ramadan month. All in all, SIDO' gross, EBIT and net margin expanded by 210bps yoy, 270bps yoy, and 320bps yoy, respectively in FY24 due to better product mix and cost management. Currently, SIDO is trading at 12.7x '25F P/E or slightly above -2stdev of its 5 years' mean P/E.

Sustaining growth on distribution channel, exports and new partnership

On modern trade (MT), SIDO has started a direct distribution to Alfamart (AMRT) and Indomaret since 2H24, which helped the company' reach in MT to a total of 54,684 outlets (+4.4% yoy) in FY24. On general trade (GT), SIDO' GT channel has reached 188,000 outlets (+13.3% yoy) in FY24. Thus, SIDO succeeded to maintain its Tolak Angin' market share at 72% or as the market leader for the last two years. SIDO' export sales grew 36% yoy in FY24, which contributed around 6.8% (+130bps yoy) of SIDO' FY24 total sales. Moreover, SIDO has established a partnership with the Indonesian Medical Association (IDI) and has opened 9 Gerai Sehat outlets in hospitals. We think that SIDO will likely continue to expand; its reach in GT & MT channel and its export markets, in '25F as the company expects around 9-10% revenue contribution from its exports sales, and despite its ~10% yoy revenue growth guidance in '25F amidst Indonesia' current economic condition. While, we view that the new partnership with IDI will positively impact SIDO' growth in the long run. We slightly adjusted down our SIDO '25F revenue (-2.3% from prior) as our anticipation of Indonesia' current economic condition. Yet, we still expect SIDO' revenue to grow by 11% yoy to IDR4.34 tn in '25F on higher sales (domestic & export) with hopefully better consumers' purchasing power.

Expects a 12.2% yoy earnings growth with margin expansion in '25F

SIDO will likely continue to launch new products (Herbal, F&B and Pharmacy) in '25F, which could help expand its gross margin as the company would have a much better product mix along with stable raw material prices. On operational, we have anticipated a 10.8% yoy higher opex in '25F as the company will maintain its Advertising and Promotion (A&P) at around 12% of total revenue, with a possible increase in salaries yoy. Thus, we still expect SIDO' gross profit and EBIT to grow by 11.3% yoy and 11.6% yoy, respectively in '25F. All in all, we expect SIDO' earnings to grow by 12.2% yoy to IDR1.31 tn in '25F, with a 30bps yoy net margin expansion due to better product mix and cost management, despite our '25F earnings adjustment (-1.5% from prior).

FY24' results came in-line with ours

SIDO' earnings grew 7.9% yoy/131.6% qoq in 4Q24 due to better product mix and cost management. Note that, SIDO' 4Q performance was always at the top than other quarters, for the last 6 years. As a result, SIDO' earnings grew 23.2% yoy to IDR1.17 tn in FY24, which came in-line with ours (100.5%) and cons' expectation (98.8%). While, SIDO' revenue grew 7.3% yoy/77% qoq to IDR1.29 tn in 4Q24, due to people' higher awareness on health amidst unpredictable weather during Christmas and year end' festivities, along with product restocking by distributors that has started for Ramadan month. Thus, SIDO' revenue grew 9.9% yoy to IDR3.92 tn in FY24.

Margin expansion in FY24

SIDO' gross profit grew 8.4% yoy/111.9% qoq to IDR814 bn in 4Q24, due to better product mix as higher gross profit from all business segment; Herbal (+5.7% yoy/+138% qoq), F&B (+22.7% yoy/+46.3% qoq) and Pharmacy (+20.7% yoy/+3.2% qoq). All in all, SIDO' gross, EBIT and net margin expanded to 58.7% (+210bps yoy), 37.6% (+270bps yoy) and 29.9% (+320bps yoy), respectively in FY24.

Maintain BUY with TP of IDR760

Maintain BUY on SIDO with TP of IDR 760/share, which implies 17.4x '25 P/E. We think SIDO is a good company that could still grow its '25F earnings by 12.2% yoy, with a good free cash-flow generation. Currently, SIDO is trading at 12.7x '25F P/E or slightly above -2stdev of its 5 years' mean P/E.

Exhibit 1: Key Statistics

Year end Dec	2023A	2024A	2025F	2026F	2027F
Revenue (IDR bn)	3,566	3,919	4,349	4,854	5,433
EBITDA (IDR bn)	1,347	1,577	1,760	1,976	2,222
Net profit (IDR bn)	951	1,171	1,314	1,479	1,665
EPS (IDR)	32	39	44	49	55
EPS growth (%)	(13.9)	23.2	12.2	12.5	12.6
ROE (%)	28.1	33.6	36.5	39.9	43.4
ROA (%)	24.4	29.7	32.0	34.6	37.3
PER (x)	17.5	14.2	12.7	11.3	10.0
PBV (x)	4.9	4.8	4.6	4.5	4.3
EV/EBITDA (x)	11.7	10.0	8.9	7.9	7.0
Div Yield (%)	6.4	6.5	7.3	8.2	9.2

Source: Company, KBVS Research

Exhibit 2: SIDO 4Q24 & FY24 results

SIDO FY24 Results (IDRbn)	FY24	FY23	YoY	4Q24	4Q23	YoY	3Q24	QoQ	% to '24F	% to Cons'
Revenue	3,919	3,566	9.9%	1,292	1,205	7.3%	730	77.0%	99.9%	97.5%
COGS	(1,618)	(1,547)	4.6%	(479)	(454)	5.5%	(346)	38.3%		
Gross profit	2,301	2,019	14.0%	814	751	8.4%	384	111.9%	103.5%	98.5%
Operating expenses	(827)	(775)	6.7%	(308)	(245)	26.0%	(167)	84.6%		
EBIT	1,474	1,244	18.5%	505	506	-0.2%	217	133.0%	101.6%	99.3%
Profit before tax	1,510	1,220	23.8%	512	465	10.2%	217	136.0%		
Tax expense	(339)	(269)	26.1%	(119)	(101)	18.2%	(47)	151.7%		
Minority interest	-	-	-	-	-	-	-	-		
Net profit	1,171	951	23.2%	393	364	7.9%	170	131.6%	100.5%	98.8%

Margins	FY24	FY23	4Q24	4Q23	3Q24
Gross margin	58.7%	56.6%	62.9%	62.3%	52.6%
EBIT margin	37.6%	34.9%	39.1%	42.0%	29.7%
Pretax margin	38.5%	34.2%	39.6%	38.6%	29.7%
Net margin	29.9%	26.7%	30.4%	30.2%	23.2%

SIDO FY24 Results (IDRbn)	FY24	FY23	YoY	4Q24	4Q23	YoY	3Q24	QoQ
Herbal medicine & supplement								
Revenue	2,488.1	2,348.2	6.0%	942.7	892.7	5.6%	431.8	118.3%
COGS	(754.9)	(741.4)	1.8%	(275.6)	(261.5)	5.4%	(151.5)	82.0%
Gross profit	1,733.2	1,606.8	7.9%	667.1	631.3	5.7%	280.3	138.0%
Gross margin	69.7%	68.4%		70.8%	70.7%		64.9%	
Food & Beverages								
Revenue	1,303.5	1,102.0	18.3%	317.5	281.6	12.7%	269.3	17.9%
COGS	(784.7)	(728.4)	7.7%	(183.1)	(172.1)	6.4%	(177.5)	3.2%
Gross profit	518.8	373.7	38.8%	134.4	109.5	22.7%	91.8	46.3%
Gross margin	39.8%	33.9%		42.3%	38.9%		34.1%	
Pharmacy								
Revenue	127.5	115.7	10.2%	32.2	30.3	6.3%	29.1	10.6%
COGS	(78.5)	(77.5)	1.2%	(20.1)	(20.3)	-0.9%	(17.4)	15.6%
Gross profit	49.0	38.2	28.3%	12.1	10.0	20.7%	11.7	3.2%
Gross margin	38.4%	33.0%		37.6%	33.1%		40.3%	

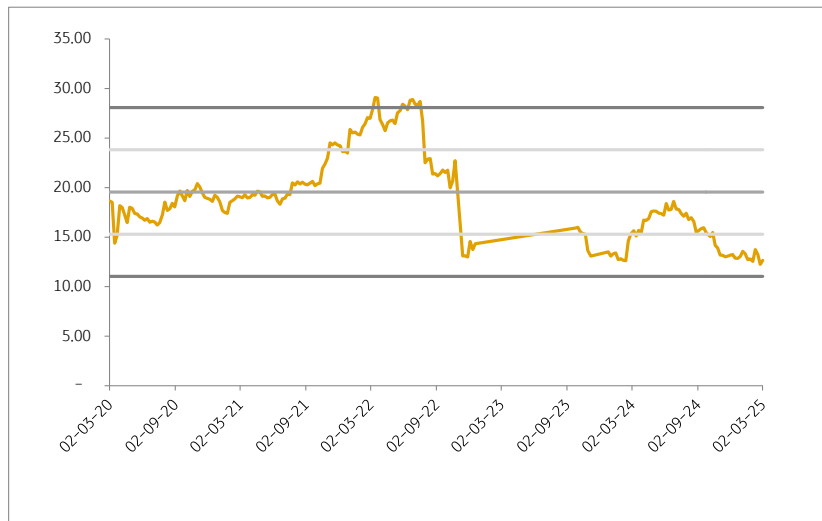
Source: Company, KBVS Research

Exhibit 3: Earnings' adjustments

Adjustments	New		Previous		Difference	
	'25F	'26F	'25F	'26F	'24F	'25F
Revenue	4,349	4,854	4,453	5,000	-2.3%	-2.9%
Gross profit	2,560	2,872	2,527	2,845	1.3%	0.9%
EBIT	1,645	1,851	1,658	1,870	-0.8%	-1.0%
Net profit	1,314	1,479	1,334	1,500	-1.5%	-1.4%

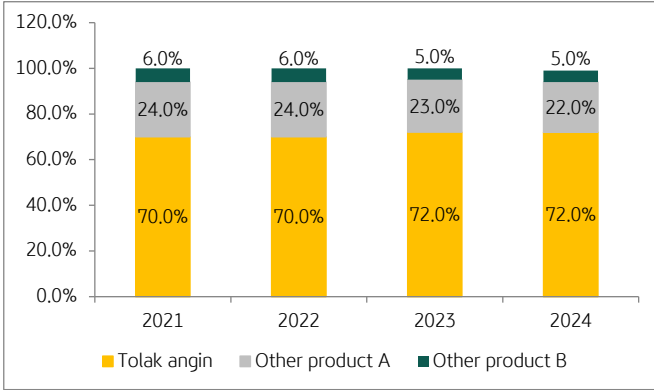
Source: Company, KBVS Research

Exhibit 4: SIDO PE Band



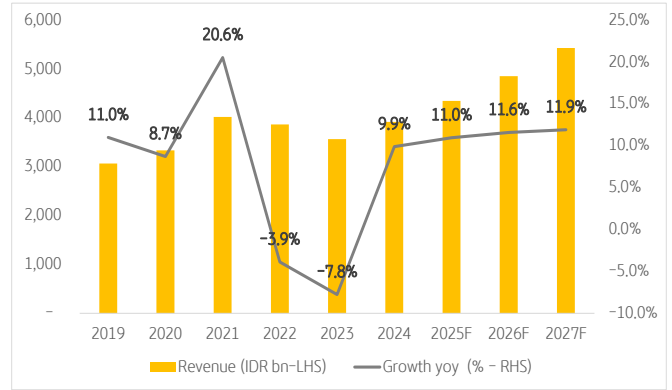
Source: Company, KBVS Research

Exhibit 5: Tolak Angin' market share



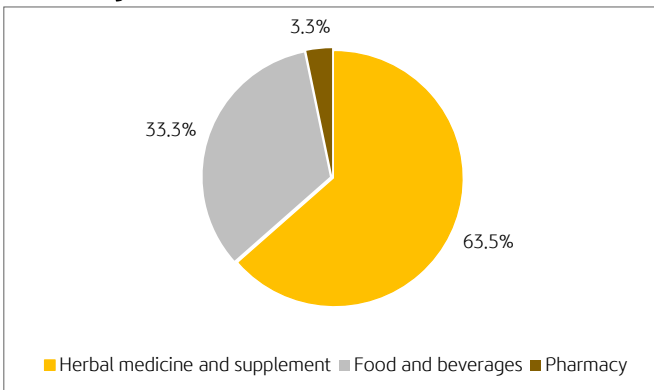
Source: Company, KBVS Research

Exhibit 6: SIDO' revenue and growth yoy



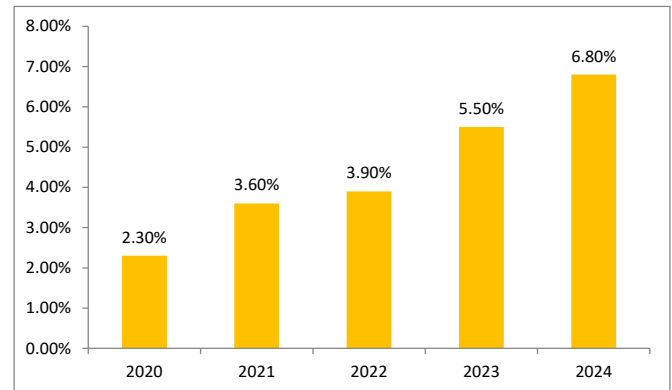
Source: Company, KBVS Research

Exhibit 7: Segment' contribution to SIDO' FY24 revenue



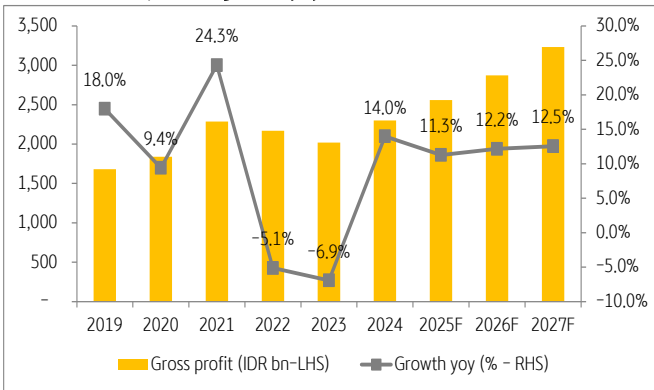
Source: Company, KBVS Research

Exhibit 8: International business contribution to SIDO' revenue



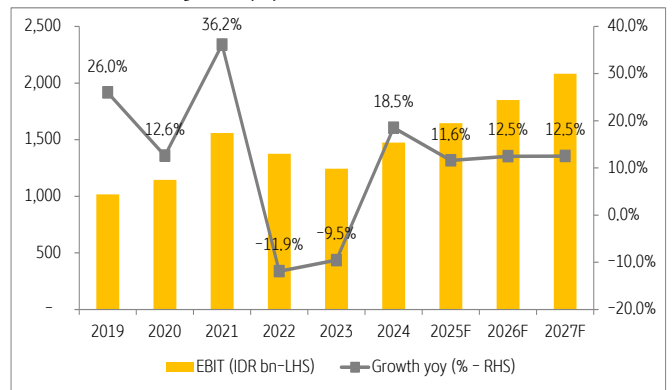
Source: Company, KBVS Research

Exhibit 9: Gross profit & growth yoy



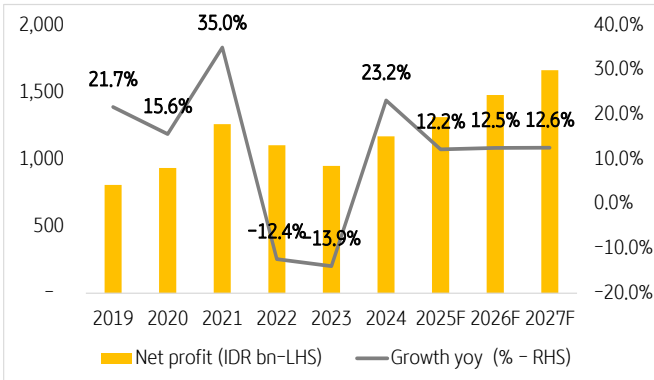
Source: Company, KBVS Research

Exhibit 10: EBIT & growth yoy



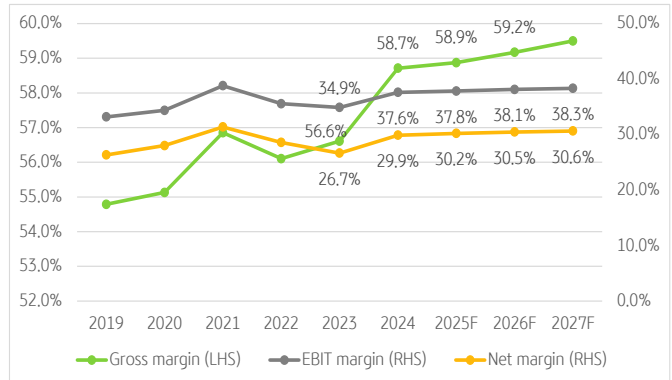
Source: Company, KBVS Research

Exhibit 11: Net profit & growth yoy



Source: Company, KBVS Research

Exhibit 12: SIDO' margins



Source: Company, KBVS Research

Exhibit 13: Profit & loss summary

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Revenue	3,566	3,919	4,349	4,854	5,433
COGS	(1,547)	(1,618)	(1,789)	(1,982)	(2,200)
Gross profit	2,019	2,301	2,560	2,872	3,233
Operating expenses	(775)	(827)	(915)	(1,021)	(1,150)
EBIT	1,244	1,474	1,645	1,851	2,083
EBITDA	1,347	1,577	1,760	1,976	2,222
Pre-tax income	1,220	1,510	1,695	1,903	2,137
Net profit	951	1,171	1,314	1,479	1,665
EPS	32	39	44	49	55
EPS growth	-13.9%	23.2%	12.2%	12.5%	12.6%

Source: Company, KBVS Research

Exhibit 14: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Cash & cash equivalent	830	856	1,019	1,093	1,163
Accounts receivables	789	872	921	1,028	1,151
Inventories	408	432	465	515	572
Others	39	44	46	52	58
Total current assets	2,067	2,204	2,452	2,688	2,943
Fixed assets – Net	1,555	1,506	1,419	1,340	1,264
Others	269	230	239	248	258
Total non-current assets	1,824	1,736	1,657	1,589	1,523
Total assets	3,891	3,940	4,109	4,277	4,466
ST borrowing	-	-	-	-	-
Accounts payable	187	177	201	223	248
Others	275	234	271	301	335
Total current liabilities	462	411	473	524	583
Others non-current liabilities	43	40	41	42	43
Total non-current liabilities	43	40	41	42	43
Total liabilities	505	452	514	566	626
Shareholders equity	2,152	2,152	2,152	2,152	2,152
Minority interests	-	-	-	-	-
Retained earnings	1,234	1,336	1,443	1,558	1,688
Total Equity	3,386	3,488	3,595	3,710	3,840
Total Liabilities & Equity	3,891	3,940	4,109	4,277	4,466

Source: Company, KBVS Research

Exhibit 15: Cash flow

Year End Dec (IDR bn)	2023A	2024A	2025F	2026F	2027F
Net profit	951	1,171	1,314	1,479	1,665
D&A	102	101	112	116	119
Changes in working capital	(44)	(143)	(23)	(111)	(127)
Others	47	22	5	-	-
Operating cash flow	1,055	1,151	1,408	1,484	1,657
Capital expenditures	(38)	(36)	(33)	(46)	(52)
Others	(9)	(10)	-	-	-
Investing cash flow	(47)	(47)	(33)	(46)	(52)
Net change in Debt	(6)	(6)	-	-	-
Net change in Equity	-	-	-	-	-
Cash dividends paid	(1,068)	(1,080)	(1,212)	(1,364)	(1,535)
Others	-	-	-	-	-
Financing cash flow	(1,074)	(1,086)	(1,212)	(1,364)	(1,535)
Net change in cash	(66)	18	164	74	69
Cash in beginning of the year	923	830	856	1,019	1,093
Cash at the end of the year	830	856	1,019	1,093	1,163

Source: Company, KBVS Research

Exhibit 16: Ratio analysis

Year End Dec	2023A	2024A	2025F	2026F	2027F
Growth					
Revenue	-7.8%	9.9%	11.0%	11.6%	11.9%
Gross profit	-6.9%	14.0%	11.3%	12.2%	12.5%
Operating profit	-14.5%	23.6%	12.6%	12.5%	12.6%
EBITDA	-8.3%	17.0%	11.6%	12.3%	12.4%
Net profit	-13.9%	23.2%	12.2%	12.5%	12.6%
Profitability					
Gross margin	56.6%	58.7%	58.9%	59.2%	59.5%
Operating margin	33.4%	37.5%	38.1%	38.4%	38.6%
EBITDA margin	37.8%	40.2%	40.5%	40.7%	40.9%
Net margin	26.7%	29.9%	30.2%	30.5%	30.6%
ROA	24.4%	29.7%	32.0%	34.6%	37.3%
ROE	28.1%	33.6%	36.5%	39.9%	43.4%
Solvency (x)					
Current ratio	4.5	5.4	5.2	5.1	5.0
Quick ratio	3.6	4.3	4.2	4.1	4.1
Debt to equity	0.0	0.0	0.0	0.0	0.0
Interest coverage	1,749	1,769	1,783	2,006	2,258
Net gearing	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)

Source: Company, KBVS Research

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