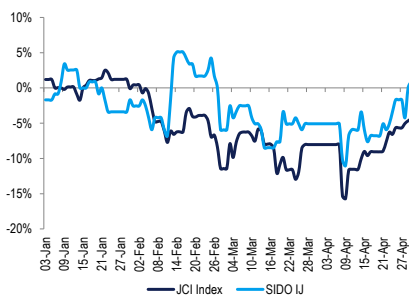


Stock Data

Target price	Rp625
Prior TP	Rp625
Current price	Rp560
Upside/downside	11.6%
Shares outstanding (mn)	30,000
Market cap (Rp bn)	16,800
Free float	22%
Avg. 6m daily T/O (Rp bn)	13

Price Performance

	3M	6M	12M
Absolute	-3.4%	-8.2%	-22.2%
Relative to JCI	0.2%	1.8%	-17.8%
52w low/high (Rp)	525 – 775		



Major Shareholders

PT Hotel Candi Baru	77.6%
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Soft 1Q25 result from herbal segment underpins our HOLD rating

- 1Q25 net profit of Rp233bn (-40.3% yoy) came below our/consensus estimates at 19/18% vs. 5yr avg of 27%; 1Q25 revenue was also below.
- 1Q25 GPM dropped significantly to 52.3% (-707bps yoy) amid soft herbal sales segment growth which carries the highest margin.
- Maintain our HOLD call with unchanged TP of Rp625/sh.

1Q25 net profit was below our/consensus estimate

SIDO recorded 1Q25 net profit of Rp233bn (-40.3% yoy) and this was below our/consensus estimate at 19/18% (vs. 5yr avg of 27%) amid soft herbal sales segment. Revenue declined by -25.1% yoy to Rp1.1tr, also below our/consensus estimate at 19% (vs. 5yr avg of 23%). GPM declined to 52.3% (-707bps yoy) due to product mix change. In addition, opex to sales ratio increased to 17.3% (+464bps yoy) amid higher A&P to sales ratio of 6.5% (+77bps yoy) and salaries to sales ratio of 5.8% (+217bps yoy), resulting in lower EBIT margin of 35% (-1171bps yoy). In sum, NPM stood at 29.5% (-755bps yoy).

Soft herbal segment from high base effect

1Q25 sales declined by -25.1% yoy was attributed by soft herbal sales segment of -42.1% yoy (vs. F&B segment sales growth of +1.6% yoy). The soft herbal sales segment was partly driven by high base effect in 1Q24 (+16.1% yoy) vs. 5yr 1Q herbal sales growth of +8.2% yoy; coupled with higher distributor inventory level due to last bite offer in Dec24. In addition, the company has increased its Tolak Angin price by 2-3% earlier this year; thus, we estimate herbal sales volume to drop by c.-45% yoy in FY25F. In terms of GPM, herbal's 1Q25 GPM dropped to 61.2% (vs. 71.5% in 1Q24) amid higher overhead cost and slower sales. On the other hand, F&B segment 1Q25 GPM improved to 45.8% (+400bps yoy) amid lower raw material (sugar: -14.1% yoy).

Maintain HOLD with unchanged TP of Rp625/sh

We are currently reviewing our forecast as we await further details from the earnings call. For now, we maintain our HOLD rating on SIDO with unchanged TP of Rp625/sh based on 17.0x FY25F PE (-1s.d. from its 5yr mean). Key risk is the affordability factor for its key product i.e. Tolak Angin against the backdrop of soft buying power.

Financial Summary (Rp bn)	2023A	2024A	2025F	2026F	2027F
Revenue	3,566	3,919	4,224	4,519	4,806
EBITDA	1,347	1,580	1,689	1,799	1,905
EBITDA growth	-8.3%	17.3%	6.9%	6.5%	5.9%
Net profit	951	1,171	1,256	1,334	1,409
EPS (Rp)	32	39	42	44	47
EPS growth	-13.9%	23.2%	7.3%	6.2%	5.6%
ROE	28.8%	34.1%	35.1%	35.5%	35.9%
PER (x)	17.7	14.3	13.4	12.6	11.9
EV/EBITDA (x)	11.9	10.1	9.4	8.8	8.3
Dividend yield	6.4%	6.4%	6.4%	6.9%	7.3%
Forecast change			0%	0%	0%
IPS vs. consensus			99%	99%	97%

Source: Company, Indo Premier

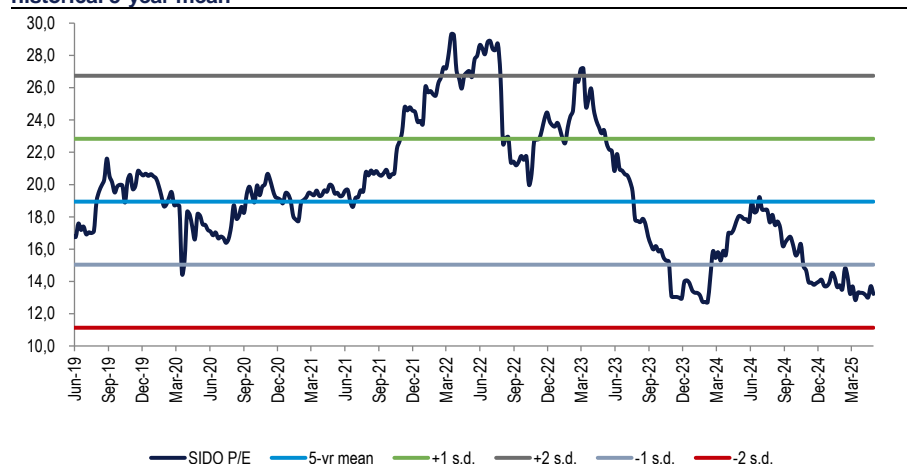
Share price closing as of: 02 May 2025

Fig. 1: SIDO 1Q25 result summary

(Rp bn)	1Q25	1Q24	% YoY	4Q24	% QoQ	IPS FY25F	% IPS	Cons FY25F	% Cons	5Yr avg.
Net sales	789	1,053	-25.1%	1,292	-38.9%	4,224	19%	4,255	19%	23%
COGS	(377)	(428)		(479)						
Gross profit	412	625	-34.0%	814	-49.3%					
Operating cost	(137)	(133)		(308)						
EBIT	276	492	-43.9%	505	-45.4%	1,579	17%	1,570	18%	27%
Others	20	11		6						
PBT	296	503	-41.0%	512	-42.1%					
Tax	(63)	(112)		(119)						
Net profit	233	390	-40.3%	393	-40.7%	1,256	19%	1,266	18%	27%
Margin (%)										
Gross margin	52.3%	59.3%	-7.07%	62.9%						
EBIT margin	35.0%	46.7%	-11.71%	39.1%						
Net margin	29.5%	37.1%	-7.55%	30.4%						
	-17.3%	-12.7%	-4.64%	-23.9%						
Segment information										
Revenue										
Herbal medicine and supplement	363	627	-42.1%	943	-61.5%					
Food and beverages	402	396	1.6%	318	26.7%					
Pharmacy	24	30	-22.2%	32	-26.4%					
Gross profit										
Herbal medicine and supplement	222	448	-50.4%	667	-66.7%					
Food and beverages	184	166	11.3%	134	37.2%					
Pharmacy	6	11	-47.4%	12	-50.0%					
GPM										
Herbal medicine and supplement	0	0		0						
Food and beverages	45.8%	41.8%	4.00%	42.3%						
Pharmacy	25.5%	37.8%		37.6%						

Source: Company, Indo Premier

Fig. 2: SIDO is currently trading at 13.2x 12M forward P/E, or around -1.5 s.d. below its historical 5-year mean



Source: Bloomberg, Company, Indo Premier

Income Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net revenue	3,566	3,919	4,224	4,519	4,806
Cost of sales	(1,547)	(1,618)	(1,761)	(1,895)	(2,028)
Gross profit	2,019	2,301	2,463	2,623	2,778
SG&A Expenses	(775)	(827)	(884)	(943)	(1,000)
Operating profit	1,244	1,474	1,579	1,680	1,778
Net interest	29	39	41	39	39
Others	(53)	(3)	0	0	0
Pre-tax income	1,220	1,510	1,620	1,720	1,817
Income tax	(269)	(339)	(364)	(386)	(408)
Net income	951	1,171	1,256	1,334	1,409

Balance Sheet (Rp bn)	2023A	2024A	2025F	2026F	2027F
Cash & equivalent	830	856	886	925	976
Receivable	791	873	897	959	1,020
Inventory	408	432	391	421	451
Other current assets	38	43	43	43	43
Total current assets	2,067	2,204	2,217	2,347	2,489
Fixed assets	1,555	1,506	1,748	1,830	1,904
Other non-current assets	91	91	91	91	91
Total non-current assets	1,824	1,736	1,978	2,060	2,133
Total assets	3,891	3,940	4,195	4,407	4,622
ST loans	0	0	0	0	0
Payable	187	177	198	213	228
Other payables	141	146	114	122	130
Current portion of LT loans	0	0	0	0	0
Total current liab.	462	411	489	524	559
Long term loans	0	0	0	0	0
Other LT liab.	43	40	42	44	45
Total liabilities	505	452	531	568	604
Equity	2,152	2,152	2,152	2,152	2,152
Retained earnings	1,234	1,336	1,512	1,687	1,866
Minority interest	0	0	0	0	0
Total SHE + minority int.	3,386	3,488	3,664	3,839	4,018
Total liabilities & equity	3,891	3,940	4,195	4,407	4,622

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2023A	2024A	2025F	2026F	2027F
Net income	951	1,171	1,256	1,334	1,409
Depr. & amortization	287	388	109	118	126
Changes in working capital	(307)	(466)	95	(57)	(56)
Others	6	3	0	0	0
Cash flow from operating	937	1,097	1,460	1,395	1,479
Capital expenditure	(161)	(214)	(351)	(200)	(200)
Others	(45)	(7)	2	2	2
Cash flow from investing	(206)	(222)	(349)	(198)	(198)
Loans	0	0	0	0	0
Equity	3	3	0	0	0
Dividends	(1,068)	(1,080)	(1,080)	(1,158)	(1,230)
Others	31	(77)	0	0	0
Cash flow from financing	(1,034)	(1,154)	(1,080)	(1,158)	(1,230)
Changes in cash	(303)	(279)	31	38	51

Key Ratios	2023A	2024A	2025F	2026F	2027F
Gross margin	56.6%	58.7%	58.3%	58.1%	57.8%
Operating margin	34.9%	37.6%	37.4%	37.2%	37.0%
Pre-tax margin	34.2%	38.5%	38.3%	38.1%	37.8%
Net margin	26.7%	29.9%	29.7%	29.5%	29.3%
ROA	23.8%	29.9%	29.9%	30.3%	30.5%
ROE	28.8%	34.1%	35.1%	35.5%	35.9%
Acct. receivables TO (days)	34.7	35.2	34.7	34.7	34.7
Acct. receivables - other TO (days)	40.8	42.2	40.8	40.8	40.8
Inventory TO (days)	112.2	94.8	81.1	81.1	81.1
Payable TO (days)	46.8	41.1	46.8	46.8	46.8
Acct. payables - other TO (days)	2.2	2.0	2.2	2.2	2.2
Debt to equity	0.0%	0.0%	0.0%	0.0%	0.0%
Interest coverage ratio (x)	1826.3	1771.8	NA	NA	NA
Net gearing	-24.5%	-24.5%	-24.2%	-24.1%	-24.3%

Source: Company, Indo Premier

INVESTMENT RATINGS

BUY	: Expected total return of 10% or more within a 12-month period
HOLD	: Expected total return between -10% and 10% within a 12-month period
SELL	: Expected total return of -10% or worse within a 12-month period

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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