INDOPREMIER

H.M. Sampoerna

BUY *(unchanged)*

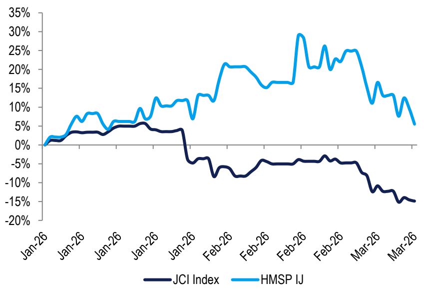
Company Update | Tobacco | HMSP IJ | 12 March 2026

Stock Data

Target price	**Rp1,100**
Prior TP	*R1,150*
Current price	Rp765
Upside/downside	*+43.8%*
Shares outstanding (mn)	116,318
Market cap (Rp bn)	88,983
Free float	8%
Avg. 6m daily T/O (Rp bn)	55

Price Performance

	3M	6M	12M
Absolute	2.7%	37.8%	45.7%
vs. JCI	18.1%	42.2%	32.7%
52w low/high			510 – 935



Major Shareholders

Phillip Morris Indonesia	93%

FY25 results: miss from lower interest income and slowdown in sales

- FY25 net profit of Rp6.6tr (-0.5% yoy) was below our/consensus estimate at 94/92%. FY25 sales was also below consensus estimate.
- 4Q25 net profit growth of +46.3% yoy was driven by GPM and opex improvement.
- Maintain BUY with a lower TP of Rp1,100/sh, based on 15.0x FY26F PE (its 5yr mean).

FY25 net profit came below our/consensus estimate

HMSP recorded FY25 net profit of Rp6.6tr (-0.5% yoy) and this was below our/consensus estimate at 94/92%. The miss was due to lower interest income with effective implied interest rate declined to 3.8% (vs. FY24's 6.1%). FY25 net revenue of Rp112.2tr (-4.8% yoy) was below consensus estimate at 97%; but, in-line with ours' 99%. Meanwhile, FY25 EBIT grew by +20.6% yoy to Rp9.3tr, broadly in-line with our/consensus estimate at 99%. FY25 GPM improved to 18.4% (+266bps yoy), while opex to sales increased to 10.1% (+91bps yoy), resulting in EBIT margin of 8.3% (+175bps yoy).

4Q25 earnings was driven by GPM and opex improvement

4Q25 revenue dropped to Rp28.4tr (-3.3% yoy) as this was dragged down by SKT/SPM's segment with sales declined by -12.9/-14.0% yoy (vs. SKM's +1.6% yoy). 4Q25 GPM improved to 18.3% (+208bps yoy) amid flat excise tax coupled with SKM/SKT ASP hike of +3.4/+5.5% yoy. However, on qoq basis, 4Q25 GPM dropped by -186bps qoq due to product mix changes as SKT's sales segment fell by -5.5% qoq (vs. SKM's +3.9% qoq). In addition, 4Q25 opex to sales improved to 10.2% (-68bps yoy) amid lower A&P to sales ratio of -108bps yoy, resulting in a higher EBIT margin of 8.2% (+276bps yoy). Below operating line, it recorded a lower interest income of Rp93bn (vs. 4Q24's Rp188bn). In sum, 4Q25 net profit increased to Rp2.1tr (+47.6% yoy) with NPM of 7.4% (+255bps yoy).

Maintain BUY with a lower TP of Rp1,100/sh

We revised down our FY26/27F earnings by -4/-4.8% to incorporate the normalization of interest income. In sum, we maintain our BUY rating with a lower TP of Rp1,100/sh, based on 15.0x FY26F PE (its 5yr mean). Key risks to our call includes: soft purchasing power preventing the company to raise its price.

Financial Summary (Rp bn)	2024A	2025A	2026F	2027F	2028F
Revenue	117,880	112,172	117,201	126,434	136,741
EBITDA	8,880	10,623	13,402	14,350	15,298
EBITDA growth	-11.9%	19.6%	26.2%	7.1%	6.6%
Net profit	6,646	6,609	8,514	9,136	9,742
EPS (Rp)	57	57	73	79	84
EPS growth	-17.9%	-0.5%	28.8%	7.3%	6.6%
ROE	22.8%	23.3%	29.3%	30.3%	31.5%
PER (x)	13.4	13.5	10.5	9.7	9.1
Dividend yield	9.1%	7.3%	7.3%	9.4%	10.1%
Forecast change			-4%	-5%	N/A
IPS vs. consensus			92%	86%	77%

Source: Company, Indo Premier *Share price closing as of: 12 March 2026*

Andrianto Saputra
PT Indo Premier Sekuritas
andrianto.saputra@ipc.co.id
+62 21 5088 7168 ext. 712

Nicholas Bryan
PT Indo Premier Sekuritas
nicholas.bryan@ipc.co.id
+62 21 5088 7168 ext. 722

Fig. 1: HMSP 4Q25 result summary

(Rp bn)	4Q25	4Q24	% YoY	3Q25	%QoQ	FY25	12M24	% YoY	IPS. FY25F	% IPS	Cons. FY25F	% Cons
Net sales	**28,429**	**29,412**	**-3.3%**	**28,570**	**-0.5%**	**112,172**	**117,880**	**-4.8%**	**113,182**	**99%**	**115,656**	**97%**
COGS	(23,222)	(24,638)	-5.7%	(22,806)	1.8%	(91,554)	(99,346)	-7.8%				
Gross profit	**5,207**	**4,774**	**9.1%**	**5,763**	**-9.7%**	**20,618**	**18,534**	**11.2%**				
Opex	(2,889)	(3,187)	-9.4%	(2,801)	3.1%	(11,333)	(10,837)	4.6%				
EBIT	**2,318**	**1,587**	**46.1%**	**2,962**	**-21.7%**	**9,284**	**7,697**	**20.6%**	**9,354**	**99%**	**9,378**	**99%**
Other income (charges)	152	251	-39.3%	106	43.0%	(176)	302	N/A				
PBT	**2,554**	**2,014**	**26.8%**	**3,124**	**-18.3%**	**9,426**	**8,686**	**8.5%**				
Tax benefit (expense)	(455)	(592)	-23.1%	(741)	-38.6%	(2,817)	(2,040)	38.1%				
Net profit	**2,098**	**1,421**	**47.6%**	**2,383**	**-11.9%**	**6,609**	**6,646**	**-0.5%**	**7,022**	**94%**	**7,204**	**92%**
Margins												
Gross margin	18.3%	16.2%	2.08%	20.2%	-1.86%	18.4%	15.7%	2.66%				
EBIT margin	8.2%	5.4%	2.76%	10.4%	-2.21%	8.3%	6.5%	1.75%				
Net margin	7.4%	4.8%	2.55%	8.3%	-0.96%	5.9%	5.6%	0.25%				
Opex to sales	-10.2%	-10.8%	0.68%	-9.8%	-0.36%	-10.1%	-9.2%	-0.91%				
	-17.8%	-29.4%		-23.7%		-29.9%						
Revenue breakdown												
SKM	15,975	15,729	1.6%	15,368	3.9%	61,407	66,244	-7.3%				
SKT	9,364	10,756	-12.9%	9,910	-5.5%	38,208	40,224	-5.0%				
SPM	1,374	1,596	-14.0%	1,469	-6.5%	5,856	6,835	-14.3%				
Others (include SPT)	1,717	1,330	29.0%	1,823	-5.8%	6,701	4,577	46.4%				
Revenue contribution by segment												
SKM	56.2%	53.5%	2.71%	53.8%	2.4%	54.7%	56.2%	-1.45%				
SKT	32.9%	36.6%	-3.63%	34.7%	-1.7%	34.1%	34.1%	-0.06%				
SPM	4.8%	5.4%	-0.60%	5.1%	-0.3%	5.2%	5.8%	-0.58%				
Others	6.0%	4.5%	1.52%	6.4%	-0.3%	6.0%	3.9%	2.09%				
Export	455.9	404.3	12.8%	686.2	-33.6%	2,155.4	1,374.6	56.8%				

Source: Company, Indo Premier

Fig. 2: HMSP Earnings changes

	Previous		Current		Changes	
	2026F	2027F	2026F	2027F	2026F	2027F
Financial Perform. (Rp bn)						
Net sales	116,477	125,107	117,201	126,434	*0.6%*	*1.1%*
Gross profit	22,834	24,413	23,684	25,104	*3.7%*	*2.8%*
EBIT	10,793	11,724	12,009	12,909	*11.3%*	*10.1%*
Net profit	8,872	9,592	8,514	9,136	*-4.0%*	*-4.8%*
EPS (Rp)	76	82	73	79	*-4.0%*	*-4.8%*
Profitability (%)						
Gross margin	17.6%	18.6%	20.2%	19.9%	*2.6%*	*1.3%*
EBIT margin	6.9%	7.6%	10.2%	10.2%	*3.4%*	*2.6%*
Net profit margin	5.3%	6.5%	7.3%	7.2%	*2.0%*	*0.8%*

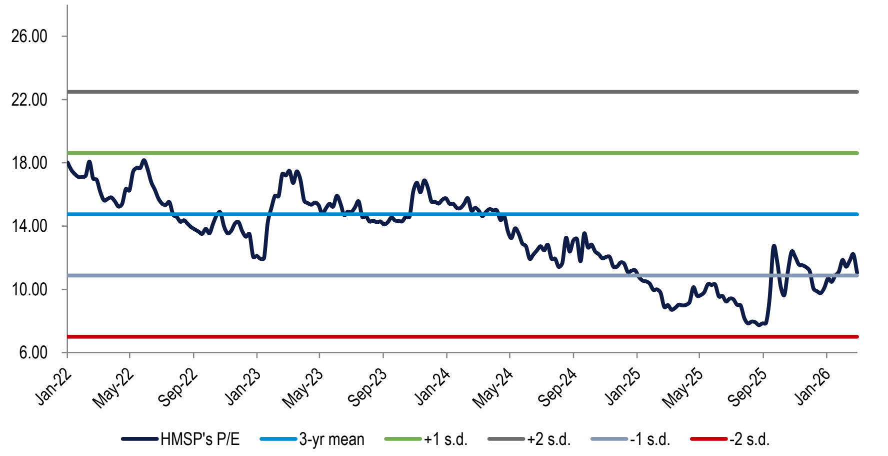
Source: Company, Indo Premier

Fig. 3: PMI volume FY25 Volume data

	4Q25	4Q24	% YoY	3Q25	% QoQ	12M25	12M24	% YoY
HSMP volume (bn sticks)	20.0	20.3	*-1.5%*	20.2	*-1.0%*	79.4	80.8	*-1.7%*
Industry volume (bn sticks)	66.4	65.5	*1.4%*	65.8	*0.9%*	258.7	265.2	*-2.5%*
HMSP market share (%)	30.1%	31.0%	*-0.87%*	30.7%	*-0.58%*	30.7%	30.5%	*0.22%*

Source: PMI, Indo Premier

Fig. 4: HMSP is currently trading at 11.0x fwd. 12M P/E, or around -1.0 s.d. below its 3-year mean



Source: Company, Indo Premier

Income Statement (Rp bn)	2024A	2025A	2026F	2027F	2028F
Net revenue	117,880	112,172	117,201	126,434	136,741
Cost of sales	(99,346)	(91,554)	(93,517)	(101,330)	(110,106)
Gross profit	**18,534**	**20,618**	**23,684**	**25,104**	**26,635**
SG&A Expenses	(10,837)	(11,333)	(11,676)	(12,195)	(12,847)
Operating profit	**7,697**	**9,284**	**12,009**	**12,909**	**13,788**
Net interest	681	308	308	308	308
Forex gain (loss)	0	0	0	0	0
Others	307	(166)	(174)	(187)	(203)
Pre-tax income	**8,686**	**9,426**	**12,143**	**13,029**	**13,893**
Income tax	(2,040)	(2,817)	(3,628)	(3,893)	(4,151)
Minority interest	0	0	0	0	0
Net income	**6,646**	**6,609**	**8,514**	**9,136**	**9,742**

Balance Sheet (Rp bn)	2024A	2025A	2026F	2027F	2028F
Cash & equivalent	2,370	4,775	6,982	7,746	8,514
Receivable	4,269	3,391	4,002	4,317	4,669
Inventory	22,023	20,411	21,672	23,483	25,516
Other current assets	9,856	7,786	7,552	7,828	8,135
Total current assets	**38,518**	**36,362**	**40,208**	**43,373**	**46,834**
Fixed assets	9,444	8,751	8,057	7,615	7,105
Other non-current assets	60	60	60	60	60
Total non-current assets	**15,773**	**15,200**	**14,506**	**14,065**	**13,555**
Total assets	**54,291**	**51,563**	**54,714**	**57,438**	**60,389**
ST loans	0	0	0	0	0
Payable	6,679	5,504	6,222	6,742	7,325
Other payables	13,935	12,509	13,115	14,150	15,306
Current portion of LT loans	0	0	0	0	0
Total current liab.	**23,670**	**20,628**	**22,284**	**24,068**	**26,064**
Long term loans	0	0	0	0	0
Other LT liab.	2,264	2,584	2,680	2,856	3,053
Total liabilities	**25,934**	**23,212**	**24,964**	**26,924**	**29,117**
Equity	21,102	21,088	21,088	21,088	21,088
Retained earnings	6,638	6,647	8,662	9,426	10,184
Minority interest	0	0	0	0	0
Total SHE + minority int.	**28,356**	**28,351**	**29,750**	**30,513**	**31,272**
Total liabilities & equity	**54,291**	**51,563**	**54,714**	**57,438**	**60,389**

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2024A	2025A	2026F	2027F	2028F
EBIT	7,697	9,284	12,009	12,909	13,788
Depr. & amortization	0	0	1,393	1,441	1,510
Changes in working capital	1,590	1,519	18	(618)	(697)
Others	(4,123)	(3,394)	(3,494)	(3,773)	(4,046)
Cash flow from operating	**5,164**	**7,409**	**9,925**	**9,960**	**10,555**
Capital expenditure	(1,528)	(704)	(699)	(1,000)	(1,000)
Others	4,307	2,459	0	0	0
Cash flow from investing	**2,779**	**1,756**	**(699)**	**(1,000)**	**(1,000)**
Loans	0	0	0	0	0
Equity	0	0	0	0	0
Dividends	(8,061)	(6,535)	(6,499)	(8,372)	(8,983)
Others	(208)	(225)	(520)	176	197
Cash flow from financing	**(8,269)**	**(6,760)**	**(7,019)**	**(8,196)**	**(8,786)**
Changes in cash	**(326)**	**2,405**	**2,207**	**764**	**769**

Key Ratios	2024A	2025A	2026F	2027F	2028F
Gross margin	15.7%	18.4%	20.2%	19.9%	19.5%
Operating margin	6.5%	8.3%	10.2%	10.2%	10.1%
Pre-tax margin	7.4%	8.4%	10.4%	10.3%	10.2%
Net margin	5.6%	5.9%	7.3%	7.2%	7.1%
ROA	12.1%	12.5%	16.0%	16.3%	16.5%
ROE	22.8%	23.3%	29.3%	30.3%	31.5%
Acct. receivables TO (days)	12.2	12.5	12.5	12.5	12.5
Inventory TO (days)	75.4	84.6	84.6	84.6	84.6
Payable TO (days)	24.8	24.3	24.3	24.3	24.3
Debt to equity	N/A	N/A	N/A	N/A	N/A
Interest coverage ratio (x)	194.6	240.2	310.6	333.9	356.7
Net gearing	-8.4%	-16.8%	-23.5%	-25.4%	-27.2%

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

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