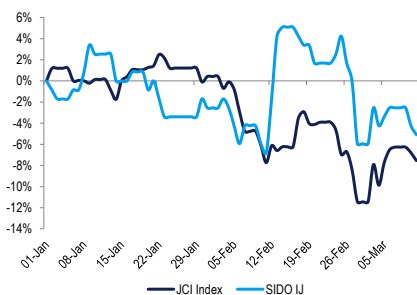


Stock Data

Target price	Rp625
Prior TP	Rp615
Current price	Rp560
Upside/downside	11%
Shares outstanding (mn)	30,000
Market cap (Rp bn)	16,800
Free float	22%
Avg. 6m daily T/O (Rp bn)	10

Price Performance

	3M	6M	12M
Absolute	-4.3%	-15.8%	-9.7%
Relative to JCI	7.7%	-0.8%	2.1%
52w low/high (Rp)	540 – 775		



Major Shareholders

PT Hotel Candi Baru	77.6%
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Slower earnings growth outlook underpins our HOLD rating

- Jan-Feb25 indicative sales growth is expected to slowed-down as Herbal segment may drag down the overall performance.
- We expect FY25F herbal sales growth to normalize at 4% (vs. company guidance at high-single digit) amid Tolak Angin affordability issues.
- Maintain our HOLD call with TP of Rp625/sh as we estimate its earnings growth outlook to slowed-down at 6% CAGR in FY25-27F.

Jan-Feb25 indicative sales growth to decelerate

Our latest discussion with management suggests that Jan-Feb25 indicative sales growth is expected to decelerate amid a high base effect from last year (1Q24's +16.1% yoy). On QTD basis, F&B segment grew faster than herbal segment as Kuku Bima still benefited from palm oil activities in both domestic and export market. We expect herbal sales segment's slower growth was mainly due to last bite offer in Dec24, resulting a higher inventory level at distributor level in 1Q25F. Hence, we expect 1Q25F product mix may imply a lower qoq blended GPM.

Revenue growth to normalize amid Tolak Angin affordability issues

Looking into FY25F, we expect herbal segment to grow at 4% yoy – below company guidance's high-single digit as we view a normalization of herbal segment growth due to Tolak Angin affordability issues. Notably, herbal sales segment growth stood at 3.8% CAGR in FY19-24 and we expect mid-single digit growth as sustainable growth for herbal segment going forward. On the other hand, we estimate FY25F F&B segment sales to grow at mid-teens – in-line with company guidance. As a result, we revised up our FY25/26F revenue by +8/+7% to 6.7% CAGR in FY25-27F as FY24's revenue was higher than our estimate (note).

We revised up our FY25/26F earnings by +16/+14%

With expectation of F&B sales segment growth to outpace herbal segment, we estimate blended GPM to decline by -41/-25bps to 58.3/58.1% in FY25/26F. In sum, we revised up our FY25/26F earnings by 16/14%, respectively to incorporate strong FY24's result.

Maintain HOLD with unchanged TP of Rp625/sh

We maintain HOLD with a higher TP of Rp625/sh, based on 15.0x FY25F PE (-1.0 s.d. from its 5yr mean). We use a lower PE multiples to reflect slower earnings growth trajectory (5.9% CAGR in FY25-27F vs. Staples ex-UNVR: 12.2%). 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			16%	14%	11%
IPS vs. consensus			103%	101%	89%

Source: Company, Indo Premier

Share price closing as of: 11 March 2025

Fig. 1: SIDO FY25F Guidance

FY25F Guidance	
Revenue growth	>10%
Net profit growth	>10%
Capex	Rp150-175bn
A&P to Sales	10-12%
Export	9-10% of sales
Segmental revenue growth	
Herbal medicine and supplement	High single digit yoy growth
Food and beverages	Double digit yoy growth

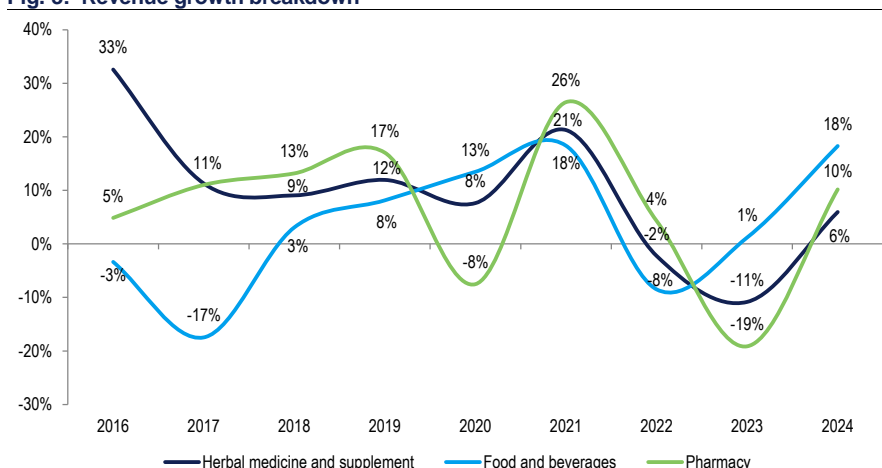
Source: Company, Indo Premier

Fig. 2: SIDO forecast changes

	Previous			Current			Changes		
	2025F	2026F	2027F	2025F	2026F	2027F	2024F	2025F	2026F
Financial Perform. (Rp bn)									
Net sales	3,920	4,234	4,573	4,224	4,519	4,806	7.8%	6.7%	5.1%
Gross profit	2,191	2,377	2,574	2,463	2,623	2,778	12.4%	10.3%	7.9%
EBIT	1,351	1,467	1,588	1,579	1,680	1,778	16.9%	14.5%	12.0%
EBITDA	1,461	1,585	1,714	1,689	1,799	1,905	15.6%	13.4%	11.1%
Net profit	1,085	1,174	1,268	1,256	1,334	1,409	15.7%	13.6%	11.1%
EPS (Rp)	36	39	42	42	44	47	15.7%	13.6%	11.1%
Profitability (%)									
Gross margin	55.9%	56.2%	56.3%	58.3%	58.1%	57.8%	2.4%	1.9%	1.5%
EBIT margin	34.5%	34.7%	34.7%	37.4%	37.2%	37.0%	2.9%	2.5%	2.3%
Net profit margin	27.7%	27.7%	27.7%	29.7%	29.5%	29.3%	2.1%	1.8%	1.6%
Sales breakdown									
Herbal medicine and supplement	2,323	2,509	2,710	2,588	2,691	2,799	11.4%	7.3%	3.3%
Food and beverages	1,455	1,571	1,697	1,499	1,679	1,847	3.1%	6.9%	8.8%
Pharmacy	143	154	166	138	149	161	-3.4%	-3.4%	-3.4%

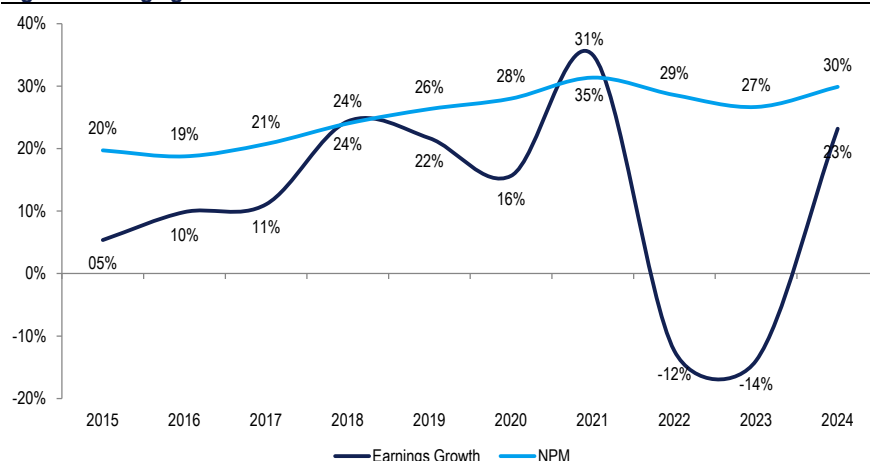
Source: Company, Indo Premier

Fig. 3: Revenue growth breakdown



Source: Bloomberg, Company, Indo Premier

Fig. 4: Earnings growth vs. NPM



Source: Bloomberg, Company, Indo Premier

Fig. 5: SIDO is currently trading at 13.7x 12M forward P/E, or around -1.4 s.d. below its historical 7-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	35.2	35.2	35.2
Acct. receivables - other TO (days)	40.8	42.2	42.2	42.2	42.2
Inventory TO (days)	112.2	94.8	81.1	81.1	81.1
Payable TO (days)	46.8	41.1	41.1	41.1	41.1
Acct. payables - other TO (days)	2.2	2.0	2.0	2.0	2.0
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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