

### PT Industri Jamu dan Farmasi Sido Muncul Tbk

**BUY**

Consumer Goods, Pharmaceutical  
6 May 2024

Price IDR. 720

Target IDR. 895

JKSE Index 7,134.724



#### Stock code

Bloomberg code	SIDO IJ
Market cap (in Bn)	21,750.0
52-week high	815
52-week low	478
Shares Out (in Mn)	30,000
Free Float (%)	19.00%

#### Major Share Holders (%)

PT Hotel Candi Baru	81.00%
Public	19.00%

#### USD/IDR-YE

2023	15,439
2024F (6m-avg)	15,549

#### Analyst:

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#### Investment Considerations

##### Positive growth in all business segments

- SIDO's sales increased by 16% YoY to IDR 1.05 trillion in Q1 2024, driven by heightened demand during the Ramadan season and election-related spending, with volume increases across all business segments in both domestic and export markets.
- In the herbal and supplement segment, sales rose by 13.3% YoY to IDR 626.8 billion, propelled by double-digit growth in Tolak Angin Group, Esemag, and soft capsule SKUs. This surge resulted in an elevated gross profit margin (GPM) of 71.5% for the segment.
- The pharmaceutical segment saw a 30% YoY increase to IDR 30.4 billion, following reversal of a ban on all syrup medicines, with a recovery in sales and volume pushing the GPM to 38%.
- F&B sales climbed by 20% YoY to IDR 396 billion, supported by significant growth in energy drinks and vitamin C-enhanced beverages. The F&B margin improved to 42%, aided by higher volume and lower prices for key raw materials such as taurine, citric acid, and creamer.
- Export sales contributed 7% to total sales in Q1 2024, up from 5.6% in the previous year. The Philippine market accounted for 1-2% of total sales, Malaysia 3%, and Nigeria 1-2%.

##### Q1 2024 Result: Higher bottom line

- SIDO's net profit rose by 30% YoY and 7.3% QoQ to IDR 390.5 billion, due to reduced operating expenses from efficiencies in general and administrative expenses and improved operating leverage, achieving a record net profit margin (NPM) of 37.1% in Q1 2024.
- Cost of goods sold (COGS) decreased by -5.6% QoQ but increased slightly by 1% YoY to IDR 428 billion, as lower raw material costs coupled with increased sales volume led to a higher gross profit of IDR 625 billion, a 29.4% YoY increase, with a GPM of 59.3%.
- Operating income also grew by 33% to IDR 491 billion, as general and administrative expenses fell by -12.7%.

##### 2024F Guidance and Valuation

- Management has maintained its 2024 forecast, targeting 10% growth in both top line and bottom line, with margin improvements due to softer raw material prices. Despite the challenges, we continue to recommend SIDO as a BUY. We expect purchasing power to normalize this year. Our target price (TP) is IDR 895, representing 24% upside, with a projected P/E ratio of 21x.

Financial Highlights	2020A	2021A	2022A	2023A	2024F	2025F
Revenue (IDR Mn)	3.335.411	4.020.980	3.865.523	3.565.930	3.922.523	4.314.775
EBITDA (IDR Mn)	1.296.946	1.708.037	1.516.060	1.323.939	1.540.471	1.735.795
Net Profit (IDR Mn)	934.016	1.260.898	1.104.714	950.648	1.132.040	1.278.899
EPS (IDR)	31	42	37	32	38	43
NPM (%)	28,0%	31,4%	28,6%	26,7%	28,9%	29,6%
PER (x)	25,9	20,6	23,5	19,3	23,7	21,0
P/BV (x)	7,5	7,5	7,4	5,4	7,6	7,2
ROA (%)	45,5%	56,2%	50,3%	46,0%	50,7%	53,2%

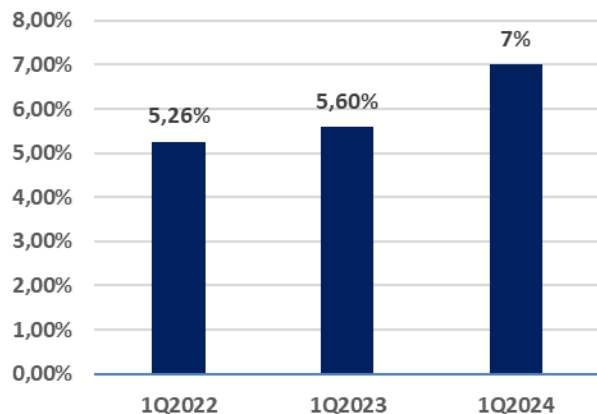
Source: Company and Binaartha

## SIDO Business Segment GPM

	3Q2023	4Q2023	1Q2024	1Q2023
Herbal and supplement	66,9%	70,7%	71,5%	67,6%
Food and beverages	34,2%	38,9%	41,8%	31,2%
Pharmacy	35,6%	33,1%	37,8%	24,9%

Source: Company

## SIDO Export Sales Contribution



Source: Company

## Income Statement In IDR Million YoY &amp; QoQ

Income Statement (IDR Mn)	1Q2023	1Q2024	YoY	4Q2023	QoQ
Net Sales	907.302	1.053.423	16,1%	1.204.631	-12,6%
Cost of Goods Sold	-424.109	-428.312	1,0%	-453.841	-5,6%
Gross Profit	483.193	625.111	29,4%	750.790	-16,7%
Operating Expense	-113.654	-133.681	17,6%	-295.289	-54,7%
Operating Income	369.539	491.430	33,0%	455.501	7,9%
Other Income	10.682	11.107	4,0%	9.093	22,1%
PBT	380.221	502.537	32,2%	464.594	8,2%
Taxes	-79.942	-112.044	40,2%	-100.519	11,5%
PAT	300.279	390.493	30,0%	364.075	7,3%
Non-controlling interest	0	0		0	
Net Profit	300.279	390.493	30,0%	364.075	7,3%
EPS	10	13	30,0%	12	7,3%
GPM (%)	53,3%	59,3%		62,3%	
OPM (%)	40,7%	46,7%		37,8%	
NPM (%)	33,1%	37,1%		30,2%	

Source: Company

## Income Statement In IDR Million YoY

Income Statement (IDR Mn)	2019A	2020A	2021A	2022A	2023A	2024F	2025F
<b>Net Sales</b>	<b>3.067.434</b>	<b>3.335.411</b>	<b>4.020.980</b>	<b>3.865.523</b>	<b>3.565.930</b>	<b>3.922.523</b>	<b>4.314.775</b>
Cost of Goods Sold	-1.386.870	-1.496.628	-1.734.948	-1.702.910	-1.547.235	-1.608.234	-1.769.058
<b>Gross Profit</b>	<b>1.680.564</b>	<b>1.838.783</b>	<b>2.286.032</b>	<b>2.162.613</b>	<b>2.018.695</b>	<b>2.314.289</b>	<b>2.545.717</b>
Operating Expense	-656.320	-687.758	-709.340	-769.547	-827.824	-902.180	-949.251
<b>Operating Income</b>	<b>1.024.244</b>	<b>1.151.025</b>	<b>1.576.692</b>	<b>1.393.066</b>	<b>1.190.871</b>	<b>1.412.108</b>	<b>1.596.467</b>
Other Income	49.591	48.523	36.539	26.786	28.668	39.225	43.148
<b>PBT</b>	<b>1.073.835</b>	<b>1.199.548</b>	<b>1.613.231</b>	<b>1.419.852</b>	<b>1.219.539</b>	<b>1.451.334</b>	<b>1.639.615</b>
Taxes	-266.146	-265.532	-352.333	-315.138	-268.891	-319.293	-360.715
<b>PAT</b>	<b>807.689</b>	<b>934.016</b>	<b>1.260.898</b>	<b>1.104.714</b>	<b>950.648</b>	<b>1.132.040</b>	<b>1.278.899</b>
Non-controlling interest	0	0	0	0	0	0	0
<b>Net Profit</b>	<b>807.689</b>	<b>934.016</b>	<b>1.260.898</b>	<b>1.104.714</b>	<b>950.648</b>	<b>1.132.040</b>	<b>1.278.899</b>
EPS	54	31	42	37	32	38	43

Source: Company &amp; Binaartha

## Cash Flow in IDR Million YoY

Cash Flow (In IDR Mn)	2020A	2021A	2022A	2023A	2024F	2025F
Net Income	934.016	1.260.898	1.104.714	950.648	1.132.040	1.278.899
Depreciation	96.876	93.944	95.428	103.719	88.456	95.499
Change in WC	-24.884	-159.034	-111.029	-44.516	-21.818	-4.649
<b>Cash From Operating Activities</b>	<b>1.006.008</b>	<b>1.195.808</b>	<b>1.089.113</b>	<b>1.009.851</b>	<b>1.198.678</b>	<b>1.369.750</b>
Change in Non-current Asset	-73.648	-120.772	-158.365	-40.455	-150.778	-162.862
<b>Cash From Investing Activities</b>	<b>-73.648</b>	<b>-120.772</b>	<b>-158.365</b>	<b>-40.455</b>	<b>-150.778</b>	<b>-162.862</b>
Employee benefits liabilities	11.879	-16.894	-13.376	5.197	9.616	3.923
Deferred tax liabilities	-126	3.576	-6.120	2.670	-2.515	1.066
Equity	-776.983	-1.011.453	-1.070.424	-1.070.182	-978.198	-1.099.853
<b>Cash From Financing Activities</b>	<b>-765.230</b>	<b>-1.024.771</b>	<b>-1.089.920</b>	<b>-1.062.315</b>	<b>-971.096</b>	<b>-1.094.865</b>
Net Changes in Cash	167.130	50.265	-159.172	-92.919	76.803	112.024
<b>Beginning Balance</b>	<b>864.824</b>	<b>1.031.954</b>	<b>1.082.219</b>	<b>923.047</b>	<b>830.128</b>	<b>906.931</b>
<b>Ending Balance</b>	<b>1.031.954</b>	<b>1.082.219</b>	<b>923.047</b>	<b>830.128</b>	<b>906.931</b>	<b>1.018.955</b>

Source: Company &amp; Binaartha

## Statement of Financial Position in IDR Million YoY

ASSETS	2020A	2021A	2022A	2023A	2024F	2025F
<b>CURRENT ASSETS</b>						
Cash and Cash Equivalents	1.031.954	1.082.219	923.047	830.128	906.931	1.018.955
Trade Accounts Receivable	667.647	664.058	686.662	788.722	737.393	843.984
Inventories	309.478	454.810	542.624	408.454	549.153	497.077
Others Current Assets	43.002	43.620	41.909	39.466	39.225	43.148
<b>Total Current Assets</b>	<b>2.052.081</b>	<b>2.244.707</b>	<b>2.194.242</b>	<b>2.066.770</b>	<b>2.232.703</b>	<b>2.403.163</b>
<b>NONCURRENT ASSETS</b>						
Fixed Assets	1.568.264	1.588.101	1.610.837	1.554.538	1.598.766	1.646.516
Goodwill	91.366	91.366	91.366	91.366	91.366	91.366
Other Noncurrent Assets	137.805	144.796	184.997	178.032	196.126	215.739
<b>Total Noncurrent Assets</b>	<b>1.797.435</b>	<b>1.824.263</b>	<b>1.887.200</b>	<b>1.823.936</b>	<b>1.886.258</b>	<b>1.953.621</b>
<b>TOTAL ASSETS</b>	<b>3.849.516</b>	<b>4.068.970</b>	<b>4.081.442</b>	<b>3.890.706</b>	<b>4.118.961</b>	<b>4.356.784</b>
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Trade Account Payable	213.942	188.668	221.033	187.198	215.488	237.897
Others Current Liabilities	346.101	354.702	320.015	274.781	313.802	345.182
<b>Total Current Liabilities</b>	<b>560.043</b>	<b>543.370</b>	<b>541.048</b>	<b>461.979</b>	<b>529.290</b>	<b>583.079</b>
<b>NONCURRENT LIABILITIES</b>						
Employee benefits liabilities	54.682	37.788	24.412	29.609	39.225	43.148
Deferred tax liabilities	13.051	16.627	10.507	13.177	10.662	11.728
Lease liabilities						
<b>Total Noncurrent Liabilities</b>	<b>67.733</b>	<b>54.415</b>	<b>34.919</b>	<b>42.786</b>	<b>49.887</b>	<b>54.876</b>
<b>TOTAL LIABILITIES</b>	<b>627.776</b>	<b>597.785</b>	<b>575.967</b>	<b>504.765</b>	<b>579.177</b>	<b>637.954</b>
Non-controlling interest	7	7	7	7	7	7
<b>EQUITY</b>	<b>3.221.733</b>	<b>3.471.178</b>	<b>3.505.468</b>	<b>3.385.934</b>	<b>3.539.777</b>	<b>3.718.823</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3.849.516</b>	<b>4.068.970</b>	<b>4.081.442</b>	<b>3.890.706</b>	<b>4.118.961</b>	<b>4.356.784</b>

Source: Company &amp; Binaartha

## Ratio Highlights YoY

	2020A	2021A	2022A	2023A	2024F	2025F
<b>Growth (% YoY)</b>						
Revenue	9%	21%	-4%	-8%	10%	10%
OP	12%	37%	-12%	-15%	19%	13%
EBITDA	12%	32%	-11%	-13%	16%	13%
NP	16%	35%	-12%	-14%	19%	13%
EPS	12%	32%	-11%	-13%	16%	13%
<b>Profitability</b>						
Gross Profit Margin (%)	55%	57%	56%	57%	59%	59%
Operating Margin(%)	35%	39%	36%	33%	36%	37%
EBITDA margin(%)	39%	42%	39%	37%	39%	40%
NET Profit margin(%)	28%	31%	29%	27%	29%	30%
ROA(%)	46%	56%	50%	46%	51%	53%
ROE(%)	29%	36%	32%	28%	32%	34%
<b>Stability</b>						
Int. Coverage (x)	1.789	1.463	1.416	1.396	1.662	1.878
Current Ratio (X)	4	4	4	4	4	4
<b>Per Share data</b>						
EPS (IDR)	31	42	37	32	38	43
Price	805	865	865	610	895	895
P/BV (x)	7	7	7	5	8	7
PER (x)	26	21	23	19	24	21
EBITDA/share	43	57	51	44	51	58

Source: Company &amp; Binaartha

**Stock Ratings:**

Buy : a recommendation to purchase the security with upside potential of **20% or greater**

Hold : a recommendation to neither buy nor sell a security with upside potential of **0-19%**.

Sell : a recommendation to close out a long position in a security with upside potential **below 0% or negative**.

**RESEARCH TEAM**  
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