Anticipate a bumpy road ahead, after a good FY25

11 March 2025

SIDO IJ	HOLD
Sector	Healthcare
Price at 10 Mar 2025 (IDR)	505
Price target (IDR)	540
Upside/Downside (%)	6.7

Stock Information

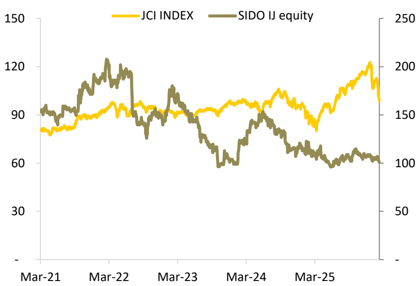
Industri Jamu dan Farmasi Sido Muncul Tbk (SIDO) is one of pharmaceutical and consumer health companies in Indonesia, which sells herbal drinks and meds, such as Tolak Angin, etc

Market cap (IDR bn)	15,300
Shares outstanding (mn)	30,000
52-week range (IDR)	480-600
3M average daily vol. ('000)	15,002
3M average daily val. (IDR mn)	8,028

Shareholders (%)

PT Hotel Candi Baru	77.59
Treasury Stock	1.59
Public	20.82

Stock Performance



Source: Bloomberg

	1M	3M	12M
Performance (%)	(5.6)	(4.7)	(10.6)

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Industri Jamu dan Farmasi Sido Muncul' (SIDO) earnings grew 4.5% yoy/88.3% qoq in 4Q25, due to higher sales amid prolonged unpredictable weather during festivities, with better cost management. As a result, SIDO' net profit 5% yoy to IDR1.23 tn in FY25, which came slightly above ours' (101.8%) and consensus expectation (103.7%). While, SIDO' 4Q25 revenue grew 4.5% yoy/50% qoq, which made its FY25' revenue reach IDR4.08 tn (+4.1% yoy) driven by higher export sales (+31% yoy) and F&B revenue (+11.7% yoy). We adjusted our SIDO '26F revenue and earnings to incorporate FY25 results and due to the current economic conditions amidst war in the Middle East. Thus, we downgraded to HOLD on SIDO with lower TP of IDR540, which implies 12.5x '26F P/E as we anticipate the potential decline of purchasing power and higher cost pressure for the company in '26F. Yet, we still expect SIDO' revenue and earnings to grow by 5.4% yoy and 5.2% yoy in '26F. Currently, SIDO is trading at 11.7x '26F P/E or at -1.5 stdev of its 5 years' mean P/E.

FY25 earnings came slightly above

SIDO earnings grew 4.5% yoy/88.3% qoq in 4Q25, due to higher sales during festivities amid prolonged unpredictable weather with better cost management. Note that, SIDO' 4Q performance was always the highest than other quarters, for the last 6 years. As a result, SIDO' earnings grew 5.0% yoy to IDR1.23 tn in FY25, which came slightly above ours (101.8%) and consensus' expectation (103.7%).

Festivities boosted revenue recovery qoq in 4Q25

SIDO' revenue significantly recovered qoq in 4Q25 as it grew 4.5% yoy/50% qoq to IDR1.35 tn in 4Q25 due to higher sales amid prolonged unpredictable weather during festivities, along with product restocking by distributors for Ramadan month. SIDO' revenue from each business segment in 4Q25; a) Herbal at IDR889.3 bn (-5.7% yoy/+68.9% qoq), b) F&B at IDR426.6 bn (+34.4% yoy/+24.4% qoq) and c) Pharmacy at IDR34.7 bn (+8% yoy/+13.2% qoq). Moreover, SIDO' export sales grew 31% yoy in FY25. Note that, export sales contributed 8.6% of SIDO' FY25 revenue, an increase from 6.8% in FY24. Thus, SIDO' revenue grew 4.1% yoy to IDR4.08 tn in FY25, which came slightly above ours' (101.8%) and cons' expectation (101.5%).

Net margin still expanded 20bps yoy in FY25

SIDO' gross profit grew 0.6% yoy/61.9% qoq to IDR818 bn and gross margin reached 60.6% (-230bps yoy/+440bps qoq), respectively in 4Q25, due to higher sales with better product mix amidst higher raw material costs. While, SIDO' EBIT grew 4.6% yoy/96.1% qoq to IDR529 bn and EBIT margin reached 39.1%, respectively in 4Q25 on better cost management. All in all, SIDO' net margin still expanded to 30.1% (+20bps yoy) in FY25 as the company succeeded to reduce its advertising and promotion (A&P) expense (-6.7% yoy) or around 10.4% of its FY25 revenue (vs 11.7% in FY24).

Adjustments due to unfavorable macro condition

We adjusted our SIDO '26F revenue and earnings to incorporate good FY25 results and to anticipate higher costs pressure due to current macro conditions. We adjusted our '26F revenue to IDR4.3 tn (-2.3% from prior) as per our view that prevailing macroeconomic conditions, particularly high inflation and a weakening labor market, have constrained consumer purchasing power. We also anticipate around -30bps yoy gross margin in '26F as the company maintains its average selling price (ASP) for several main products (i.e. Tolak Angin, etc) to boost sales amid higher raw material prices. Thus, we still expect SIDO' earnings to reach IDR1.29 tn (-3.2% from prior).

Downgraded to HOLD with lower TP of IDR540/share

Downgraded to HOLD on SIDO with lower TP of IDR540/share, which implies 12.5x '26F P/E as we still expect SIDO' revenue and earnings to grow by 5.4% yoy and 5.2% yoy, respectively in '26F on higher sales with better product mix and cost management, amid potential costs pressure ahead. Risks to our call includes: a) Weak purchasing power, b) higher than expected raw material prices, and c) IDR depreciation vs USD. Currently, SIDO is trading at 11.7x '26F P/E or at its -1.5stdev of its 5 years' mean P/E.

Exhibit 1: Key Statistics

Year end Dec	2023A	2024A	2025A	2026F	2027F
Revenue (IDR bn)	3,566	3,919	4,080	4,301	4,735
EBITDA (IDR bn)	1,347	1,580	1,647	1,726	1,898
Net profit (IDR bn)	951	1,171	1,229	1,294	1,422
EPS (IDR)	32	39	41	43	47
EPS growth (%)	(13.9)	23.2	5.0	5.2	10.0
ROE (%)	28.1	33.6	39.4	36.5	38.9
ROA (%)	24.4	29.7	33.4	31.7	33.5
PER (x)	17.4	14.1	13.4	12.8	11.6
PBV (x)	4.9	4.7	5.3	4.7	4.5
EV/EBITDA (x)	11.6	9.9	9.7	9.1	8.2
Div Yield (%)	6.5	6.5	7.7	7.2	8.0

Source: Company, KBVS Research

Exhibit 2: SIDO' 4Q25 results

SIDO FY25 Results (IDRbn)	FY25	FY24	YoY	4Q25	4Q24	YoY	3Q25	QoQ	% to '25F	% to Cons'
Revenue	4,080	3,919	4.1%	1,351	1,292	4.5%	900	50.0%	101.8%	101.5%
COGS	(1,715)	(1,618)	6.0%	(532)	(479)	11.1%	(395)	34.9%		
Gross profit	2,365	2,301	2.8%	818	814	0.6%	506	61.9%	103.8%	101.3%
Operating expenses	(842)	(827)	1.8%	(290)	(308)	-6.0%	(236)	22.8%		
EBIT	1,523	1,474	3.3%	529	505	4.6%	270	96.1%	103.7%	102.6%
Profit before tax	1,574	1,510	4.3%	522	512	1.9%	287	81.9%		
Tax expense	(345)	(339)	1.8%	(111)	(119)	-6.6%	(69)	61.6%		
Minority interest	-	-		-	-		-			
Net profit	1,229	1,171	5.0%	411	393	4.5%	218	88.3%	101.8%	103.7%
Margins										
Gross margin	*58.0%*	*58.7%*		*60.6%*	*62.9%*		*56.2%*			
EBIT margin	*37.3%*	*37.6%*		*39.1%*	*39.1%*		*29.9%*			
Pretax margin	*38.6%*	*38.5%*		*38.6%*	*39.6%*		*31.9%*			
Net margin	*30.1%*	*29.9%*		*30.4%*	*30.4%*		*24.2%*			

SIDO FY25 Results (IDRbn)	FY25	FY24	YoY	4Q25	4Q24	YoY	3Q25	QoQ
Herbal medicine & supplement								
Revenue	2,495.4	2,488.1	0.3%	889.3	942.7	-5.7%	526.7	68.9%
COGS	(811.4)	(754.9)	7.5%	(266.8)	(275.6)	-3.2%	(175.6)	51.9%
Gross profit	1,684.0	1,733.2	-2.8%	622.5	667.1	-6.7%	351.0	77.3%
Gross margin	*67.5%*	*69.7%*		*70.0%*	*70.8%*		*66.7%*	
Food & Beverages								
Revenue	1,456.0	1,303.5	11.7%	426.6	317.5	34.4%	342.9	24.4%
COGS	(820.4)	(784.7)	4.5%	(244.6)	(183.1)	33.6%	(199.4)	22.6%
Gross profit	635.6	518.8	22.5%	182.0	134.4	35.4%	143.5	26.8%
Gross margin	*43.7%*	*39.8%*		*42.7%*	*42.3%*		*41.8%*	
Pharmacy								
Revenue	128.3	127.5	0.6%	34.7	32.2	8.0%	30.7	13.2%
COGS	(82.7)	(78.5)	5.4%	(20.8)	(20.1)	3.4%	(19.6)	6.1%
Gross profit	45.5	49.0	-7.1%	14.0	12.1	15.7%	11.1	25.8%
Gross margin	*35.5%*	*38.4%*		*40.2%*	*37.6%*		*36.2%*	

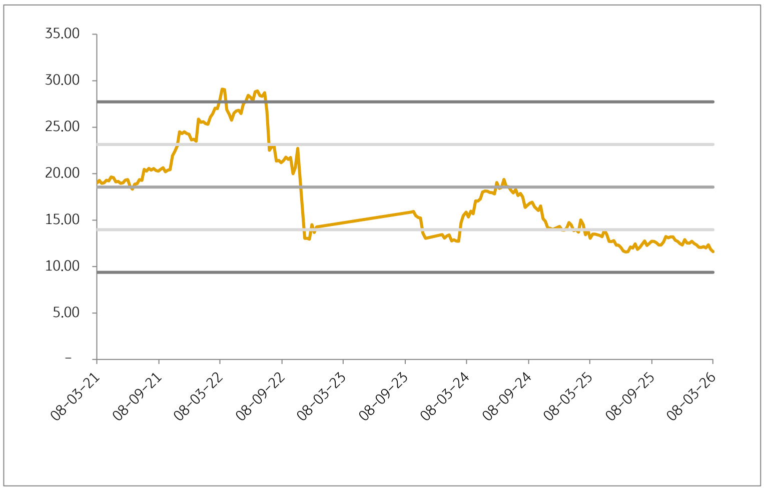
Source: Company, KBVS Research

Exhibit 3: Earning adjustments

	New		Previous		Difference	
Adjustments (in IDR bn)	'26F	'27F	'26F	'27F	'26F	'27F
Revenue	4,301	4,735	4,400	4,849	*-2.3%*	*-2.3%*
Gross profit	2,481	2,730	2,515	2,790	*-1.3%*	*-2.2%*
EBIT	1,604	1,764	1,627	1,812	*-1.4%*	*-2.6%*
Net profit	1,294	1,422	1,336	1,489	*-3.2%*	*-4.5%*

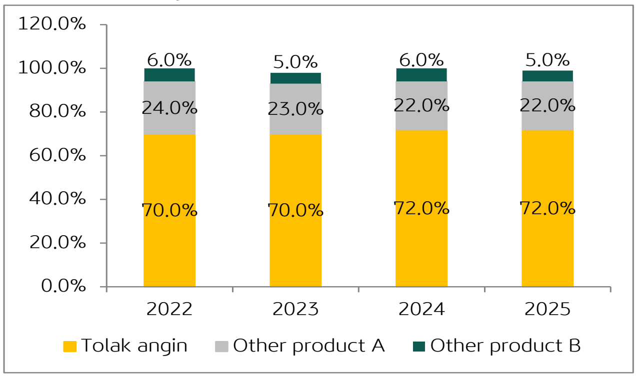
Source: KBVS Research

Exhibit 4: SIDO' P/E Band



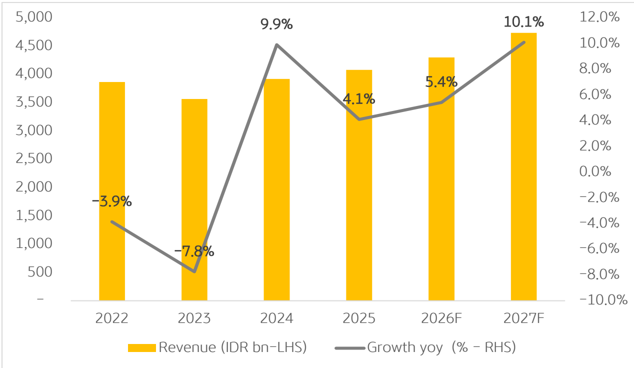
Source: Company, KBVS Research

Exhibit 5: Tolak Angin' market share



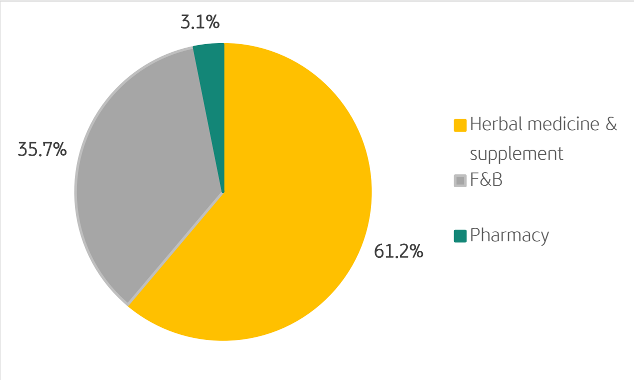
Source: Company, KBVS Research

Exhibit 6: Revenue and growth yoy



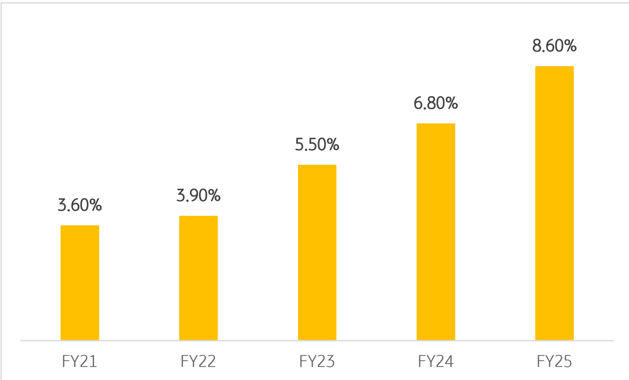
Source: Company, KBVS Research

Exhibit 7: Segments' revenue contribution in FY25



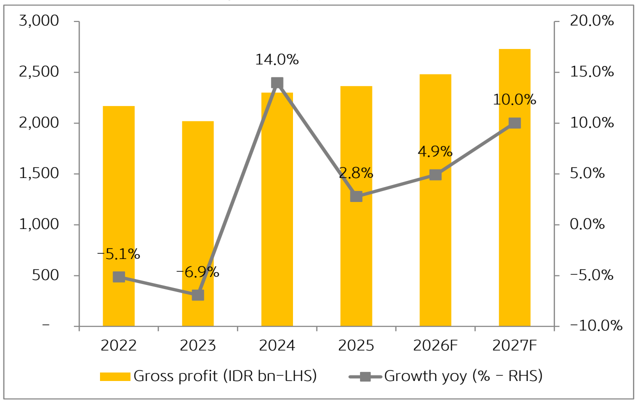
Source: Bloomberg, KBVS Research

Exhibit 8: SIDO' export sales of FY25 total revenue



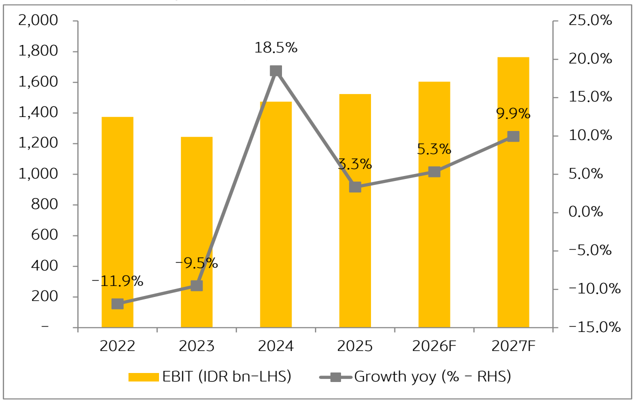
Source: Bapanas, KBVS Research

Exhibit 9: Gross profit & growth yoy



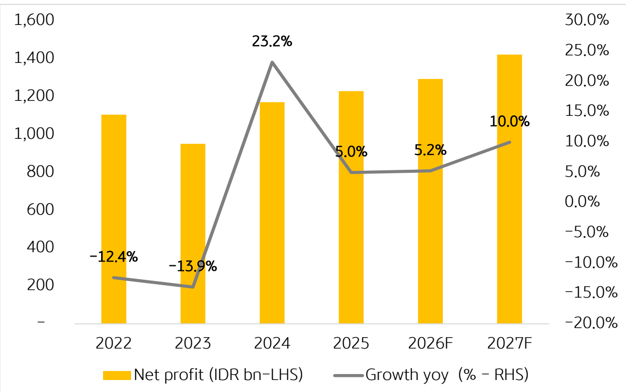
Source: Company, KBVS Research

Exhibit 10: EBIT & growth yoy



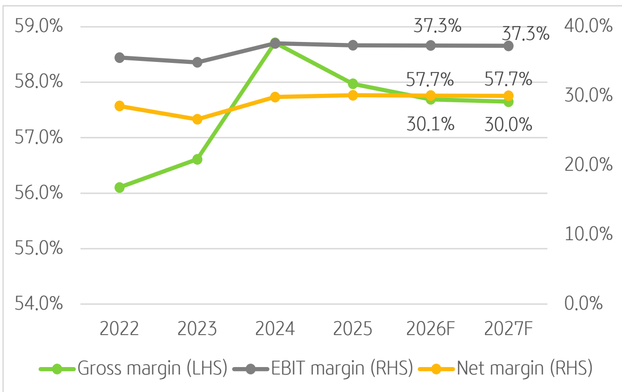
Source: Company, KBVS Research

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	2025A	2026F	2027F
Revenue	3,566	3,919	4,080	4,301	4,735
COGS	(1,547)	(1,618)	(1,715)	(1,820)	(2,005)
Gross profit	2,019	2,301	2,365	2,481	2,730
Operating expenses	(775)	(827)	(842)	(877)	(966)
EBIT	1,244	1,474	1,523	1,604	1,764
EBITDA	1,347	1,580	1,647	1,726	1,898
Pre-tax profit	1,220	1,510	1,574	1,658	1,824
Net profit	951	1,171	1,229	1,294	1,422
EPS	32	39	41	43	47
EPS growth	-13.9%	23.2%	5.0%	5.2%	10.0%

Source: Company, KBVS Research

Exhibit 14: Balance sheet

Year End Dec (IDR bn)	2023A	2024A	2025A	2026F	2027F
Cash & equivalent	830	856	463	873	889
Accounts receivables	789	872	1,034	1,005	1,106
Inventories	408	432	466	477	525
Others	39	44	24	36	39
Total current assets	2,067	2,204	1,987	2,390	2,560
Fixed assets - Net	1,555	1,506	1,520	1,508	1,490
Others	269	230	175	183	190
Total non-current assets	1,824	1,736	1,695	1,690	1,681
Total assets	3,891	3,940	3,682	4,080	4,241
ST Bank loan	-	-	-	-	-
Accounts payable	187	177	212	206	227
Others	275	234	303	284	312
Total current liabilities	462	411	515	490	539
Others non-current liabilities	43	40	47	47	48
Total non-current liabilities	43	40	47	47	48
Total liabilities	505	452	561	538	587
Shareholders equity	2,152	2,152	1,852	2,152	2,152
Minority interests	-	-	-	-	-
Retained earnings	1,234	1,336	1,268	1,391	1,501
Total Equity	3,386	3,488	3,120	3,542	3,653
Total Liabilities & Equity	3,891	3,940	3,682	4,080	4,241

Source: Company, KBVS Research

Exhibit 15: Cash flow

Year End Dec (IDR bn)	2023A	2024A	2025A	2026F	2027F
Net profit	951	1,171	1,229	1,294	1,422
D&A	102	101	136	123	125
Changes in working capital	(44)	(143)	(64)	(17)	(104)
Others	47	22	(22)	22	-
Operating cash flow	**1,055**	**1,151**	**1,279**	**1,421**	**1,443**
Capital expenditures	(38)	(36)	(96)	(118)	(115)
Others	(9)	(10)	-	-	-
Investing cash flow	**(47)**	**(47)**	**(96)**	**(118)**	**(115)**
Net change in debt	(6)	(6)	(1)	-	-
Net change in equity	-	-	(300)	300	-
Cash dividends paid	(1,068)	(1,080)	(1,275)	(1,193)	(1,312)
Others	-	-	-	-	-
Financing cash flow	**(1,074)**	**(1,086)**	**(1,576)**	**(893)**	**(1,312)**
Net change in cash	**(66)**	**18**	**(393)**	**410**	**16**
Cash in beginning of the year	923	830	856	463	873
Cash at the end of the year	**830**	**856**	**463**	**873**	**889**

Source: Company, KBVS Research

Exhibit 16: Ratio analysis

Year End Dec	2023A	2024A	2025A	2026F	2027F
Growth					
Revenue	-7.8%	9.9%	4.1%	5.4%	10.1%
Gross profit	-6.9%	14.0%	2.8%	4.9%	10.0%
Operating profit	-14.5%	23.6%	4.9%	5.3%	10.0%
EBITDA	-8.3%	17.3%	4.2%	4.8%	9.9%
Net profit	-13.9%	23.2%	5.0%	5.2%	10.0%
Profitability					
Gross margin	56.6%	58.7%	58.0%	57.7%	57.7%
Operating margin	33.4%	37.5%	37.8%	37.8%	37.8%
EBITDA margin	37.8%	40.3%	40.4%	40.1%	40.1%
Net margin	26.7%	29.9%	30.1%	30.1%	30.0%
ROA	24.4%	29.7%	33.4%	31.7%	33.5%
ROE	28.1%	33.6%	39.4%	36.5%	38.9%
Solvency (x)					
Current ratio	4.5	5.4	3.9	4.9	4.7
Quick ratio	3.6	4.3	3.0	3.9	3.8
Debt to equity	0.0	0.0	0.0	0.0	0.0
Interest coverage	1,749	1,769	2,225	2,344	2,577
Net gearing	(0.2)	(0.2)	(0.1)	(0.2)	(0.2)

Source: Company, KBVS Research

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