

Industri Jamu dan Farmasi Sido Muncul (SIDO): IDR 625 — BUY, SSI TP: IDR 830; Cons. TP: IDR 841



SIDO 3Q24 Results: (IDR Bn)	3Q24	3Q23	QoQ (%)	YoY (%)	9M24	9M23	YoY (%)	SSI (%)	Cons (%)
Revenue	730	708	-13.4	3.2	2,627	2,361	11.2	66.9	66.5
Gross Profit	384	390	-19.8	-1.7	1,487	1,268	17.3	-	-
Operating Profit	217	173	-16.7	25.7	969	735	31.7	-	-
Net Profit	170	138	-22.2	22.5	778	587	32.7	64.4	67.3
Key Ratios									
GPM (%)	52.6	55.2	-	-	56.6	53.7	-	-	-
OPM (%)	29.7	24.4	-	-	36.9	31.1	-	-	-
NPM (%)	23.2	19.6	-	-	29.6	24.8	-	-	-

SWOT Analysis of the Results (Below Ours and Cons.)

Strength

In 3Q24, SIDO retained its position as market leaders in both herbal and energy drink segments, with respective market shares of 72% and 50%; pharma margin expanded to 40.3% in 3Q24 (3Q23: 35.6%), driven by recovery in sales volumes

Weakness

Missed bottom-line due to pressure in gross margin (3Q24: 52.6%; 2Q24: 56.8%; 3Q23: 55.2%) as demand weakened, particularly for SIDO's signature product, "Tolak Angin", mainly due to lower purchasing power

Opportunity

Herbal sales may see positive growth through the remainder of the year thanks to La Nina, rainy season, and the growing self-medication trend (due to weak purchasing power); potential for higher export revenue from Cambodia and Vietnam starting in 4Q24; recent under-performance provides buying opportunities

Threat

Overdependence on Tolak Angin (~50% of sales) and Kuku Bima (~25% of sales) may negatively impact SIDO's performance in the long term; potential earnings downgrade from the street due to lower than expected 9M24 results may cause further market underperformance relative to the JCI for SIDO

Peer Comparables

Company Rating	Market Cap	Last Price	TP	2024F					
				EPS Gwt	P/E	P/B	Div. Yield	ROE	
Ticker	(IDR Tn)	(IDR)	(IDR)	(%)	(x)	(x)	(%)	(%)	
ICBP IJ	BUY	146.1	12,525	14,000	13.3	20.6	2.4	2.5	14.4
UNVR IJ	SELL	81.3	2,130	1,800	-24.0	18.9	20.3	5.7	148.8
KLBF IJ	BUY	77.1	1,645	1,800	14.1	21.5	2.9	2.0	14.3
INDF IJ	BUY	66.1	7,525	8,000	24.5	5.3	0.8	5.5	16.1
SIDO IJ	BUY	18.8	625	830	13.8	23.0	7.0	7.5	30.6
Sector		389.3			7.6	17.9	6.2	3.8	43.5

Relative YTD Performance vs JCI

