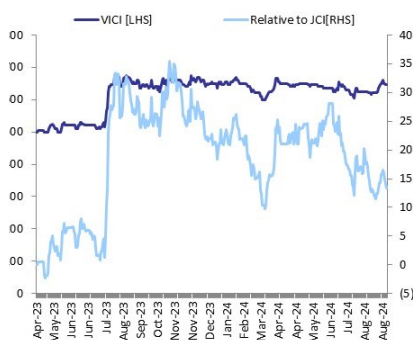


Not-Rated

Last Price (Rp)	645
Target Price (Rp)	n.a
Previous Target Price (Rp)	n.a
Upside/Downside	n.a
No. of Shares (mn)	6,708
Mkt Cap (Rpbn/US\$mn)	4,327/282
Avg, Daily T/O (Rpbn/US\$mn)	0.1/0.0
Free Float (%)	14.7
Major Shareholder (%)	
PT Sukses Sejahtera Sejahtera	59.9
Beauty Brands International	25.0
EPS Consensus (Rp)	
	2024F 2025F 2026F
BRIDS	n.a n.a n.a
Consensus	n.a n.a n.a
BRIDS/Cons (%)	n.a n.a n.a

VICI relative to JCI Index



Source: Bloomberg

BRI Danareksa Sekuritas Analysts

Sabela Nur Amalina

(62-21) 5091 4100 ext. 4202
sabela.amalina@brids.co.id

Natalia Sutanto

(62-21) 5091 4100 ext. 3508
natalia.sutanto@brids.co.id

PT Victoria Care Indonesia (VICI IJ)

Adapting to shifts in consumers behavior

- VICI reported a 6.7% yoy revenue increase in 1H24, driven by hair care growth despite a 2.3% decline in personal care due to competition.
- The mgmt. plans to shift partial promotional costs to offline stores due to changing consumer behavior, while keeping A&P costs at 18% of rev.
- Management maintains FY24 guidance for 11% EPS growth, with revenue growth of 12-15%, a GPM of 55% and NIM of 13%.

Shifting consumer behavior necessitates strategic adjustments

VICI reported a +6.7% yoy revenue increase in 1H24, attributed to a combination of volume growth and 5% ASP increase at end of FY23, driving a 10% rise in net profit to Rp9bn. The hair care segment led the growth with a 17% yoy increase, boosted by a new product launch (Miranda) and a new sales channel (i.e., Sociolla) for the CBD brand, while the personal care and antiseptic segments' revenues declined by 2.3% yoy due to stiffer competition. In our recent call with mgmt., it also mentioned a consumer shift from online to offline purchases through modern trade channels, prompting less aggressive online sales and a strategic reallocation of partial promotional spending towards offline stores, while maintaining advertising costs at 18% of revenue.

Strategic plans aim for a 4Q24 rebound

The mgmt. indicated flat yoy sales in Jul24, while Aug24's are still expected to soften. However, it anticipates a sales rebound in 4Q24, benefiting from a low base due to last year's TikTok Shop ban. VICI plans to increase its ASP by around 5% at the end of FY24 and aims to launch new products targeting men, along with new offerings under its Miranda and CBD brand. Additionally, the company is preparing to introduce new packaging for its Herborist products to support the consumer segment.

Premium valuation; mgmt. maintains optimistic FY24 growth projections

VICI maintains FY24 guidance for double-digit revenue growth of 12-15%, a gross margin of 55%, and a net margin of 13%, translating to an expectation of 11-14% yoy net profit growth. Management remains optimistic about achieving these targets while closely monitoring sales performance from Sep24 onwards. VICI trades at FY24 an annualized PE of 21.5x, a premium to the consumers sector's 16.2x (with projected average EPS growth of 11%).

Key Financials

Year to 31 Dec	2020A	2021A	2022A	2023A	6M24
Revenue (Rpbn)	1,046	1,153	1,046	1,362	699
EBITDA (Rpbn)	240	269	175	281	145
EBITDA Growth (%)	31.7	12.0	(34.9)	60.3	1.9
Net Profit (Rpbn)	148	177	98	178	98
EPS (Rp)	26	26	15	27	15
EPS Growth (%)	n.a	2.3	(44.9)	82.7	10.0
BVPS (Rp)	94	112	119	137	145
DPS (Rp)	5	11	6	n.a	n.a
PER (x)	14.9	14.5	26.4	14.4	13.2
PBV (x)	4.087	3.434	3.216	2.804	2.657
Dividen yield (%)	1.3	2.7	1.4	n.a	n.a
EV/EBITDA	18.2	16.3	25.0	15.6	22.6

Source: VICI, BRIDS Estimates

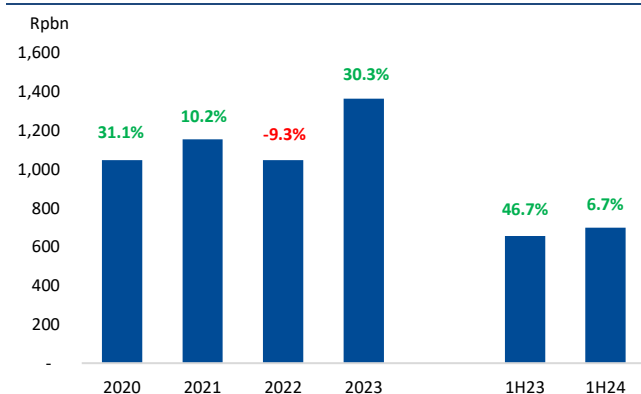
Adapting to shifts in consumers behavior

VICI's 1H24/2Q24 review

VICI reported a revenue increase of +6.7% yoy/+0.2% yoy for 1H24/2Q24. The company achieved a net profit of Rp98bn 1H24, a 10% yoy increase from Rp89bn in 1H23. This growth was primarily due to a high base performance in May and Jun23, driven by volume growth following the latest ASP increase at the end of 2023 (5%). The results were supported by the hair care segment, which grew by 17% yoy, surpassing the company's initial expectation of 10% and driven by the launch of a new product (Miranda's new color) at the end of 2023 and the introduction of a new sales channel (Sociolla) for its CBD products. Meanwhile, the personal care and antiseptic segments experienced a slight decline of -2.3% yoy, attributed to intense market competition.

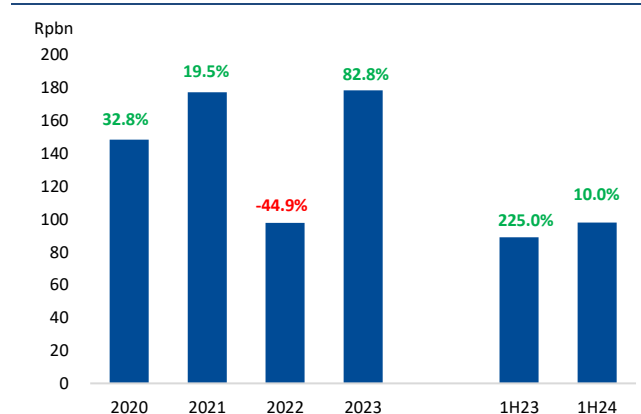
The mgmt. highlighted a shift in consumer behavior from online purchases to offline purchases through modern trade channels (i.e., Alfamart, Indomaret, Guardian, Watson, and Beauty Store). As a result, since May, VICI has reported less aggressive online sales due to increased platform fees and a gradual reduction in promotional activities (i.e., free shipping, coupons, and cashback offers). The company also hired beauty advisors to enhance the customer experience during offline purchases and plans to shift partial promotional costs to offline stores while maintaining A&P cost at 18%.

Exhibit 1. Revenues and Yoy Growth, FY20 – 1H24



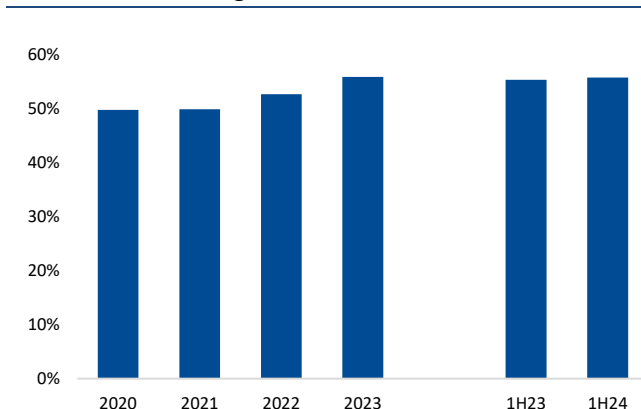
Source: Company, BRIDS

Exhibit 2. Net Profit and Yoy Growth, FY20 – 1H24



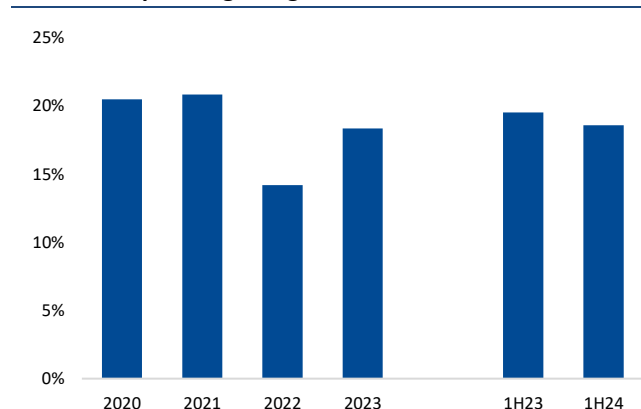
Source: Company, BRIDS

Exhibit 3. Gross Margin, FY20 – 1H24



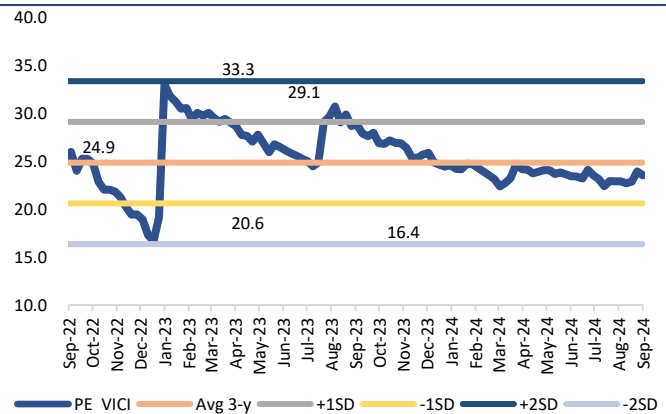
Source: Company, BRIDS

Exhibit 4. Operating Margin, FY20 – 1H24



Source: Company, BRIDS

Exhibit 5. VICI's PE Band



Source: Bloomberg, BRIDS Estimates

Exhibit 6. Consumer Peers Comparison

Ticker	Rec	Target	Market Cap	P/E (x)		P/BV (x)		ROE (%)	Dividend	EPS		Core profit		Net profit
		(Rp)	(Rpbn)	2024F	2025F	2024F	2025F	2024F	yield (%)	2024F	2025F	2024F	2025F	CAGR
ICBP IJ	Buy	13,400	130,320	13.1	12.0	2.8	2.5	23.3	3.6	47.4	9.7	13.6	7.0	22.1
UNVR IJ	Sell	2,200	92,700	18.4	18.3	24.6	24.4	134.2	5.4	(5.2)	0.5	(5.2)	0.5	0.2
KLBF IJ	Buy	1,800	75,469	25.0	23.3	3.5	3.3	14.6	1.8	18.0	7.4	12.3	8.5	10.6
INDF IJ	Buy	8,000	53,560	6.3	5.6	0.9	0.8	15.5	4.8	19.0	11.4	19.3	6.3	14.6
MYOR IJ	Buy	3,350	55,230	17.7	15.9	3.5	3.1	20.9	2.7	4.3	11.3	(3.3)	14.7	8.7
Sector - weighted				16.2	15.2	7.6	7.3	44.6	3.8	20.6	7.9	7.7	7.0	12.4

Source: BRIDS Estimates

Exhibit 7. Income Statement

Year to 31 Dec (Rpbn)	2020A	2021A	2022A	2023A	6M24
Revenue	1,046	1,153	1,046	1,362	699
COGS	(527)	(579)	(496)	(603)	(310)
Gross profit	519	574	549	759	389
EBITDA	240	269	175	281	145
Oper. profit	214	240	148	250	130
Interest income	n.a	n.a	0	n.a	n.a
Interest expense	(20)	(15)	(15)	(14)	(3)
Forex Gain/(Loss)	0	n.a	0	0	0
Income From Assoc. Co's	0	n.a	0	0	n.a
Other Income (Expenses)	(1)	0	(0)	(0)	(0)
Pre-tax profit	194	225	132	236	126
Income tax	(45)	(47)	(35)	(57)	(28)
Minority interest	0	0	0	0	0
Net profit	148	177	98	178	98
Core Net Profit	148	175	98	178	98

Exhibit 8. Balance Sheet

Year to 31 Dec (Rpbn)	2020A	2021A	2022A	2023A	6M24
Cash & cash equivalent	69	4	6	7	22
Receivables	176	272	250	250	271
Inventory	222	246	307	295	281
Other Curr. Asset	53	38	69	48	74
Fixed assets - Net	314	305	297	326	320
Other non-curr.asset	126	131	222	222	234
Total asset	960	998	1,151	1,148	1,202
ST Debt	147	78	84	22	24
Payables	76	75	152	97	120
Other Curr. Liabilities	6	9	10	39	21
Long Term Debt	78	67	57	48	45
Other LT. Liabilities	22	19	47	22	23
Total Liabilities	330	248	350	229	232
Shareholder's Funds	630	750	801	919	969
Minority interests	0.00	0.00	0.00	0.00	0.00
Total Equity & Liabilities	960	998	1,151	1,148	1,202

Exhibit 9. Cash Flow

Year to 31 Dec (Rpbn)	2020A	2021A	2022A	2023A	6M24
Net income	148	177	98	178	98
Depreciation and Amort.	26	29	27	31	15
Change in Working Capital	n.a	n.a	n.a	n.a	n.a
Other Oper. Cash Flow	88	95	109	230	104
Operating Cash Flow	(86)	(112)	(16)	20	(9)
Capex	(76)	(13)	(23)	(50)	(18)
Others Inv. Cash Flow	0	0	0	0	0
Investing Cash Flow	(76)	(16)	(23)	(50)	(18)
Net change in debt	87	(14)	(45)	(15)	(7)
New Capital	0	0	0	0	0
Dividend payment	(25)	(57)	(47)	(60)	(47)
Other Fin. Cash Flow	(4)	(2)	0	(40)	(20)
Financing Cash Flow	59	(73)	(92)	(115)	(75)
Net Change in Cash	71	6	(6)	64	12
Cash - begin of the year	(2)	(2)	11	(57)	10
Cash - end of the year	69	4	6	7	22

Exhibit 10. Key Ratio

Year to 31 Dec	2020A	2021A	2022A	2023A	6M24
Growth (%)					
Sales	31.1	10.2	(9.3)	30.3	6.7
EBITDA	31.7	12.0	(34.9)	60.3	1.9
Operating profit	26.7	12.1	(38.3)	68.5	1.6
Net profit	32.8	19.5	(44.9)	82.8	10.0
Profitability (%)					
Gross margin	49.6	49.8	52.5	55.7	55.6
EBITDA margin	22.9	23.3	16.7	20.6	20.8
Operating margin	20.5	20.8	14.2	18.3	18.6
Net margin	14.2	15.4	9.3	13.1	14.0
ROAA	17.1	18.1	9.1	15.5	11.1
ROAE	28.3	25.7	12.6	20.8	13.8
Leverage					
Net Gearing (x)	0.2	0.2	0.2	0.1	n.a
Interest Coverage (x)	10.7	15.5	9.7	18.3	n.a

Source: VICI, BRIDS Estimates

BRI Danareksa Equity Research Team

Erindra Krisnawan, CFA	Head of Equity Research, Strategy, Coal	erindra.krisnawan@brids.co.id
Natalia Sutanto	Consumer, Cigarettes, Pharmaceuticals, Retail	natalia.sutanto@brids.co.id
Niko Margaronis	Telco, Tower, Technology, Media	niko.margaronis@brids.co.id
Timothy Wijaya	Metal, Oil and Gas	timothy.wijaya@brids.co.id
Victor Stefano	Banks, Poultry	victor.stefano@brids.co.id
Ismail Fakhri Suweleh	Healthcare, Property, Industrial Estate	ismail.suweleh@brids.co.id
Richard Jerry, CFA	Automotive, Cement, Infrastructure	richard.jerry@brids.co.id
Ni Putu Wilastita Muthia Sofi	Research Associate	wilastita.sofi@brids.co.id
Naura Reyhan Muchlis	Research Associate	naura.muchlis@brids.co.id
Sabela Nur Amalina	Research Associate	sabela.amalina@brids.co.id
Christian Immanuel Sitorus	Research Associate	christian.sitorus@brids.co.id

BRI Danareksa Economic Research Team

Helmy Kristanto	Chief Economist, Macro Strategy	helmy.kristanto@brids.co.id
Dr. Telisa Aulia Falianty	Senior Advisor	telisa.falianty@brids.co.id
Kefas Sidauruk	Economist	kefas.sidauruk@brids.co.id

BRI Danareksa Institutional Equity Sales Team

Yofi Lasini	Head of Institutional Sales and Dealing	yofi.lasini@brids.co.id
Novrita Endah Putrianti	Institutional Sales Unit Head	novrita.putrianti@brids.co.id
Ehrlich Suhartono	Institutional Sales Associate	ehrliech@brids.co.id
Yunita Nababan	Institutional Sales Associate	yunita@brids.co.id
Adeline Solaiman	Institutional Sales Associate	adeline.solaiman@brids.co.id
Andreas Kenny	Institutional Sales Associate	andreas.kenny@brids.co.id
Christy Halim	Institutional Sales Associate	christy.halim@brids.co.id
Jason Joseph	Institutional Sales Associate	jason.joseph@brids.co.id

BRI Danareksa Sales Traders

Mitcha Sondakh	Head of Sales Trader	mitcha.sondakh@brids.co.id
Suryanti Salim	Sales Trader	suryanti.salim@brids.co.id

INVESTMENT RATING

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

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