Buy

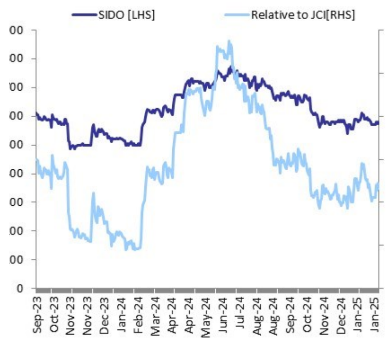
(Upgraded)

Last Price (Rp)	**565**
Target Price (Rp)	**640**
Previous Target Price (Rp)	***640***
Upside/Downside	**+13.3%**
No. of Shares (mn)	**33,000**
Mkt Cap (Rpbn/US$mn)	**18,645/1,145**
Avg, Daily T/O (Rpbn/US$mn)	**16.0/1.0**
Free Float (%)	**5.3**
Major Shareholder (%)	
Hotel Candi Baru	**77.6**
Public	**22.4**

EPS Consensus (Rp)

	2024F	**2025F**	**2026F**
BRIDS	34.6	37.6	40.9
Consensus	37.8	40.7	44.2
BRIDS/Cons (%)	**(8.5)**	**(7.6)**	**(7.5)**

SIDO relative to JCI Index



Source: Bloomberg

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Sido Muncul (SIDO IJ)

Expects strong 4Q24 result with FY25 growth target of 10% yoy

- **SIDO remains optimistic about achieving a minimum 10% yoy growth in FY24 revenue, supported by the "last bite" program in Oct-Nov24.**
- **The management guides for 10% yoy revenue and net profit growth in FY25, driven by volume and inflation-based ASP adjustments.**
- **SIDO has the lowest exposure to USD-linked raw materials among its peers and currently offers a 6.1% dividend yield. Upgrade rating to Buy.**

SIDO expects strong 4Q24 rev., supported by the "Last bite" and ASP increase
SIDO remains optimistic to achieve a minimum 10% yoy growth in FY24 revenue, which would enable SIDO to surpass its high 4Q23 revenue base (exhibit 1). The strong 4Q24 performance was driven by "Last bite" program, which ran from Nov to Dec24 for Tolak Angin. Meanwhile, for coffee mix products, the company implemented an ASP adjustment in Oct24 in response to rising coffee prices.

Energy drinks category shows growth potential in both domestic and export
The energy drink market continues to show growth potential domestically, supported by increasing projects such as food estates in Kalimantan and Merauke, government-led housing construction targeting 3mn units, and stable commodity prices, which are expected to drive higher mining and plantation activity. In the export market, demand from Malaysia and Nigeria was reported to remain strong.

FY25 revenue and net profit growth guidance of 10% yoy
The management guides for 10% yoy revenue and net profit growth in FY25, primarily driven by volume and inflation-based ASP adjustments. Additionally, the rainy season in 1Q25 and the upcoming fasting season should support SIDO's sales volume. In FY25, the company plans to expand its warehouse capacity in Semarang, Central Java, to increase inventory storage for raw materials and finished goods. However, with production utilization at around 50%, SIDO expects to allocate Rp150-175bn in capex for the year (same amount with FY24). The company launched several new products including Tolak Angin Batuk and Esemag. However, the majority of revenue still comes from the Tolak Angin group (~ 50%) followed by energy drinks (~ 20% of total revenue).

Upgrade to Buy following share price correction
Among its consumer sector peers, SIDO stands out as the only company with minimal exposure to USD-linked raw materials, relying more on locally sourced content. At the current price, SIDO trades at FY25F PE of 15x. The share price has declined 6.6% from its Ytd high, and at the current level, SIDO offers a 5.6% dividend yield. Following the share price correction, which results in an above 10% upside to our TP, we upgrade our rating to Buy with unchanged TP of Rp640.

Key Financials

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Revenue (Rpbn)	3,866	3,566	3,552	3,850	4,179
EBITDA (Rpbn)	1,279	1,140	1,173	1,273	1,388
EBITDA Growth (%)	(12.7)	(10.9)	2.9	8.5	9.1
Net Profit (Rpbn)	1,105	951	1,038	1,127	1,226
EPS (Rp)	36.8	31.7	34.6	37.6	40.9
EPS Growth (%)	(12.4)	(13.9)	9.1	8.6	8.8
BVPS (Rp)	116.8	112.9	115.7	118.6	121.5
DPS (Rp)	33.2	30.1	31.7	34.7	38.0
PER (x)	15.6	18.1	16.6	15.3	14.1
PBV (x)	4.9	5.1	5.0	4.8	4.7
Dividend yield (%)	5.8	5.2	5.5	6.0	6.6
EV/EBITDA	12.8	14.4	14.0	12.8	11.7

Source: SIDO, BRIDS Estimates

Exhibit 1. SIDO's 4Q24 and FY24 Preview

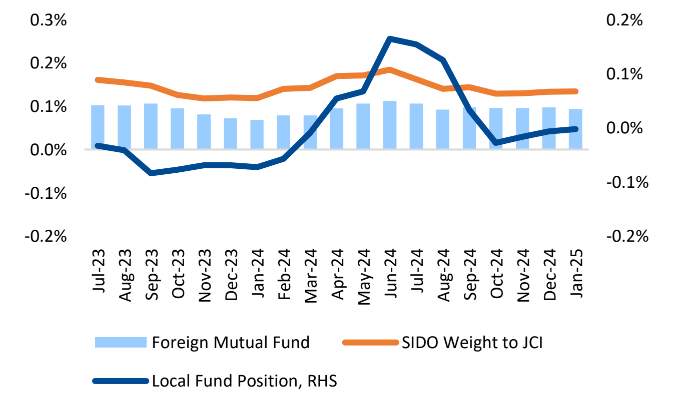
SIDO (Rpbn)	4Q23	1Q24	2Q24	3Q24	4Q24 Cons	Yoy	Qoq	FY24 Cons	Yoy	FY23	FY24F	Yoy
Revenue	1,205	1,053	843	730	1,216	1.0%	66.6%	3,843	7.8%	3,566	3,552	-0.4%
Gross profit	751	625	478	384	718	-4.4%	87.0%	2,205	9.2%	2,019	1,993	-1.3%
Operating	506	492	260	217	449	-11.2%	107.1%	1,418	14.0%	1,244	1,286	3.4%
Net profit	364	390	218	170	355	-2.5%	109.2%	1,133	19.2%	951	1,038	9.1%
Gross margin	62.3%	59.3%	56.8%	52.6%	59.0%			57.4%		56.6%	56.1%	
Operating margin	42.0%	46.7%	30.9%	29.7%	36.9%			36.9%		34.9%	36.2%	
Opex/revenue	20.3%	12.7%	25.9%	22.9%	22.1%			20.5%		21.7%	19.9%	
Net margin	30.2%	37.1%	25.9%	23.2%	29.2%			29.5%		26.7%	29.2%	

Source: Bloomberg, BRIDS Estimates

Exhibit 2. Several SIDO's Products

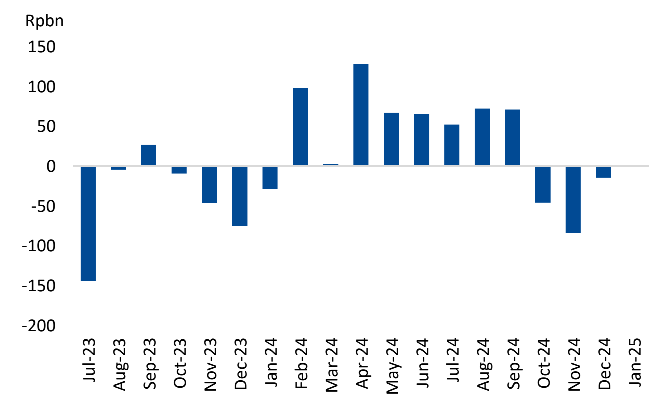
Source: BRIDS

Exhibit 3. SIDO's Weighting and Fund Position



Source: KSEI, BRIDS

Exhibit 4. SIDO's Historical Foreign Flows



Source: IDX, BRIDS

Exhibit 5. SIDO Peers Comparison

Ticker	Rec	Target (Rp)	Market Cap (Rpbn)	P/E (x) 2025F	P/E (x) 2026F	P/BV (x) 2025F	P/BV (x) 2026F	ROE (%) 2025F	Dividend yield (%) 2025F	EPS growth (%) 2025F	EPS growth (%) 2026F	Core profit growth (%) 2025F	Core profit growth (%) 2026F
ICBP IJ	Buy	14,000	127,115	11.1	10.1	2.4	2.1	22.7	4.3	21.2	10.1	10.8	14.2
UNVR IJ	Sell	1,900	59,705	16.2	15.1	17.5	17.4	108.0	6.1	1.3	7.9	1.3	7.9
INDF IJ	Buy	8,800	66,073	5.7	5.4	0.9	0.8	16.5	5.4	14.9	5.7	9.3	9.9
KLBF IJ	Buy	1,800	56,719	16.7	15.6	2.3	2.1	14.1	2.9	7.3	7.3	8.0	7.3
MYOR IJ	Buy	3,050	52,543	16.9	14.6	2.9	2.6	18.0	2.1	12.6	15.8	19.0	13.8
SIDO IJ	**Buy**	**640**	**18,645**	**15.0**	**13.8**	**4.8**	**4.7**	**32.1**	**6.1**	**8.6**	**8.8**	**8.8**	**10.5**
Sector - weighted				**12.8**	**11.7**	**4.7**	**4.5**	**33.6**	**4.4**	**13.1**	**9.3**	**9.7**	**11.2**

Source: BRIDS Estimates, Bloomberg

Exhibit 6. Income Statement

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Revenue	**3,866**	**3,566**	**3,552**	**3,850**	**4,179**
COGS	(1,697)	(1,547)	(1,559)	(1,683)	(1,822)
Gross profit	**2,169**	**2,019**	**1,993**	**2,167**	**2,356**
EBITDA	**1,279**	**1,140**	**1,173**	**1,273**	**1,388**
Oper. profit	**1,375**	**1,244**	**1,286**	**1,399**	**1,524**
Interest income	28	29	36	36	38
Interest expense	(1)	(1)	(1)	(1)	(1)
Forex Gain/(Loss)	0	0	0	0	0
Income From Assoc. Co's	0	0	0	0	0
Other Income (Expenses)	18	(53)	10	11	12
Pre-tax profit	**1,420**	**1,220**	**1,331**	**1,446**	**1,573**
Income tax	(315)	(269)	(293)	(319)	(347)
Minority interest	0	0	0	0	0
Net profit	**1,105**	**951**	**1,038**	**1,127**	**1,226**
Core Net Profit	**1,105**	**951**	**1,038**	**1,127**	**1,226**

Exhibit 7. Balance Sheet

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Cash & cash equivalent	923	830	888	910	943
Receivables	689	791	787	854	926
Inventory	543	408	411	444	481
Other Curr. Asset	40	38	38	41	44
Fixed assets - Net	1,611	1,555	1,583	1,573	1,542
Other non-curr.asset	276	269	269	284	300
Total asset	**4,081**	**3,891**	**3,976**	**4,105**	**4,236**
ST Debt	0	0	0	0	0
Payables	221	194	195	211	228
Other Curr. Liabilities	320	268	267	289	314
Long Term Debt	0	3	3	4	4
Other LT. Liabilities	35	39	39	43	46
Total Liabilities	**576**	**505**	**505**	**546**	**592**
Shareholder'sFunds	3,505	3,386	3,471	3,558	3,644
Minority interests	0	0	0	0	0
Total Equity & Liabilities	**4,081**	**3,891**	**3,976**	**4,105**	**4,236**

Exhibit 8. Cash Flow

Year to 31 Dec (Rpbn)	2022A	2023A	2024F	2025F	2026F
Net income	1,105	951	1,038	1,127	1,226
Depreciation and Amort.	92	102	113	126	136
Change in Working Capital	(89)	5	1	(83)	(92)
OtherOper. Cash Flow	(46)	(67)	(35)	(22)	(22)
Operating Cash Flow	**1,062**	**992**	**1,117**	**1,148**	**1,248**
Capex	(115)	(46)	(142)	(116)	(104)
Others Inv. Cash Flow	(33)	29	36	30	31
Investing Cash Flow	**(148)**	**(17)**	**(106)**	**(85)**	**(73)**
Net change in debt	(2)	3	0	0	0
New Capital	4	0	0	0	0
Dividend payment	(996)	(903)	(952)	(1,040)	(1,140)
Other Fin. Cash Flow	(80)	(168)	(1)	(1)	(1)
Financing Cash Flow	**(1,074)**	**(1,068)**	**(953)**	**(1,041)**	**(1,141)**
Net Change in Cash	**(159)**	**(93)**	**58**	**22**	**33**
Cash - begin of the year	1,082	923	830	888	910
Cash - end of the year	923	830	888	910	943

Exhibit 9. Key Ratio

Year to 31 Dec	2022A	2023A	2024F	2025F	2026F
Growth (%)					
Sales	(3.9)	(7.8)	(0.4)	8.4	8.5
EBITDA	(12.7)	(10.9)	2.9	8.5	9.1
Operating profit	(11.9)	(9.5)	3.4	8.8	8.9
Net profit	(12.4)	(13.9)	9.1	8.6	8.8
Profitability (%)					
Gross margin	56.1	56.6	56.1	56.3	56.4
EBITDA margin	33.1	32.0	33.0	33.1	33.2
Operating margin	35.6	34.9	36.2	36.3	36.5
Net margin	28.6	26.7	29.2	29.3	29.3
ROAA	27.1	23.8	26.4	27.9	29.4
ROAE	31.7	27.6	30.3	32.1	34.0
Leverage					
Net Gearing (x)	(0.3)	(0.2)	(0.3)	(0.3)	(0.3)
Interest Coverage (x)	1,762.4	1,826.3	1,448.4	1,453.9	1,458.7

Source: SIDO, BRIDS Estimates

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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